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57,316-SF Shopping Center Lands New Owner

By Connie Gore

EXCLUSIVE

HIGHLAND VILLAGE, TX - Henry S. Miller Cos., investing six months into a loan assumption, has closed on the 57,316-sf Highland Point Village Shopping Center. The 97%-leased asset, marketed without an ask, is positioned in a municipal pocket where it's O.K. to sell alcohol and surrounded by residential developments where it's not.

Highland Point Village, situated on 5.1 acres at 1940 FM 407/Justin Rd., was sold by Tabani Group of Dallas. Henry S. Miller assumed a 10-year loan, with eight years left on the term, at a 5.5% fixed-rate interest from Wells Fargo Bank, Gregory L. Miller, president of the Dallas-based buyer's equities division, tells GlobeSt.com. "They really put us through the wringer on due diligence," he stresses. "We really dug our heels in and didn't cave in."

All that Miller will say about the sales price is that it was below replacement cost. "It was a fair market deal," he adds. Denton County has the asset assessed at \$4.75 million, which factors out to \$82.87 per sf. Given the rapidly changing market, replacement cost for comparable retail construction isn't available, but the deal's dynamics support a price hovering \$100 per sf.

Miller says upside lies in developing a 1,000-sf kiosk on a pad site fronting FM 407 while settling into a seven- to 10-year hold with leases locked in for the long term. Goody Goody Inc. of Dallas is the anchor tenant in 36,000 sf, of which 30,000 sf had been a Food Lion grocery store. The regional upscale liquor store operator's lease runs until 2018. Miller says the liquor store has been bringing in \$17 million annually in sales for four consecutive years, thanks to its wet location surrounded by dry communities and being on the main route to a Lake Lewisville dock.

Highland Point Village's roster also includes a CBS liquor store, a local operator in 6,000 sf with a lease in place until 2015, according to Miller. "I'm very confident with this," he says about the investment's big picture. "It's a low-risk deal." Other tenants are Legends Sports Bar & Grill, Domino's Pizza, Chinese restaurant and medical offices.

HSM's Chance Johnson teamed with Miller to negotiate the buy side. The seller's team included Zeshan Tabani, whose broker Brandon Beeson recently left the Dallas office of Houston-based PM Realty Group for Cushman & Wakefield of Texas Inc.

Henry S. Miller Commercial will lease and manage Highland Point Village, which has just 1,600 sf of inline up for grabs. The new owner has held firm to the quoted rate of \$20 per sf, triple net.

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