

Bankruptcy Estate Sells 600,000-SF Portfolio for \$42Mln

Commercial Real Estate Direct Staff Report

The bankruptcy estate for an investment group that had owned 37 shopping centers and two office properties with 600,000 square feet has sold the entire portfolio in five separate deals for \$42 million.

Virtually all of the proceeds from the sale are going to GS Mortgage Securities Corp. II, 2006-GG6, which held \$68.7 million of debt against that portfolio. The debt was extinguished after the properties' former owner, Coldwater Portfolio Partners, went bankrupt and Trigild Inc., a San Diego receivership firm, was named trustee of the estate last year.

Schostak Brothers & Co., a Livonia, Mich., developer, paid \$30 million for 23 of the portfolio's retail properties in 16 states. Meanwhile, Great Lakes Capital, a South Bend, Ind., investment manager, paid \$6.1 million for one office building and 10 retail properties in Indiana and Michigan in a deal that [was completed in May](#).

And Jared Enterprises, a Springfield, Mo., developer, paid about \$3.5 million for two of the retail properties, while the remaining retail and office assets were sold to separate buyers.

The CMBS trust was Coldwater's only secured creditor, hence it is receiving most of the sales proceeds.

Trigild worked with [Allied Advisors of Houston to market the portfolio](#), whose properties range in size from 9,000 sf to 35,000 sf. The properties are a combined 75 percent occupied.

The portfolio was appraised two years ago at a value of \$52.4 million, compared to its \$85.9 million appraisal when the loan was securitized in 2006.

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