

Levcor, CalSTRS Plan Hedwig Village's Sale

By [Amy Wolff Sorter](#)

HOUSTON-Levcor Inc. and CalSTRS are ending a two-year hold of the 228,490-sf [Hedwig Village](#). The retail asset is going on the sales block today, tagged with a \$58.5-million ask and 6.75% cap rate.

Hedwig Village, located at 9425 Katy Frwy., is coming to market with a \$33.9-million assumable loan at 6% fixed-rate interest. Bank of America Corp., headquartered in Charlotte, NC, holds the paper.

George Cushing, senior vice president with Grubb & Ellis Co. in Houston, says he suspects the locally based Levcor built in enough value that it will have a gain available for its next project. Cushing, who has the listing with Grubb & Ellis vice president Wendy Vandeventer, says the center is 100% leased. Many leases are long term, with Cushing pointing out to GlobeSt.com that there is no major or immediate rollover.

"Part of the project Levcor did while they owned it was buy two out-parcels near the center," Cushing says. Charming Charlie and Ross Dress for Less now occupy the sites.

The seller is a partnership formed in 2005 to acquire retail assets in the South. Hedwig Village was bought in 2006 from Levain Partnership III LP, an arm of Levcor that owned and operated the center for several years. Built in 1969, the center was home to a Target in the late 1980s. Levcor renovated the entire center in recent years.

Cushing says he and Vandeventer are calling for offers in 30 days. The goal is a closing at yearend or early 2009. Cushing says some good offers should come in for the project since construction is now completed on Interstate 10 and Hedwig Village sits in one of the wealthiest zip codes in the nation. "There are very few sites left for development in that area," he adds. "All the development taking place is teardown."

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