

Group Grabs Sandburg Mall With Low-Cost Deal

By [Gina Kenny](#)

[✉ Email this story](#) | [🖨 Printer-friendly](#) | [🔄 Reprints](#)



Sandburg Mall

GALESBURG, IL—A group of out-of-state investors led by Mike Kohan has purchased the Sandburg Mall, at 1150 W. Carl Sandburg Dr. The group, called Sandburg Realty Management LLC, bought the property for \$3.3 million, sources say.

The buyers had been looking at opportunities both in the Midwest and on the East Coast and were attracted by the price and that the anchors were fully leased, says Donald Shapiro, president of Foresite, which was the disposition agent for the mall. "They felt that for the price per sf that they could buy the property at, it was a good value and opportunity," he says.

Foresite Realty Partners sold the mall on behalf of Equity Properties and Development LLC, sources said. The sale included 428,000 sf of the 521,364-sf building. K-Mart, which is owned by a third-party, was not included in the sale, Shapiro says. The property was repossessed from the previous owner last year. It had been for sale since May 2006 at which point Foresite, along with Guggenheim Inc., were brought in as the exclusive managing, leasing and disposition agent.

The shopping center was constructed in 1975 and has 32 stores. The mall has an occupancy rate of approximately 78%, Shapiro says. The anchor spaces are 100% leased but the inline space is about 35% leased with about 100,000 sf that is available. The mall's anchor tenants are Bergner's, JC Penney, Sears and K-Mart. Other major tenants include Bath & Body Works, Zales Jewelers, Christopher & Banks, Claire's and Hibbett's.

Foresite had the property's real estate taxes reduced by having the equalized assessed value decreased from \$4.5 million to \$1.3 million, reducing the market value from \$13.4 million to \$3.8 million, Shapiro says. "That is obviously a fairly significant reduction," he says.

The new owners plan to have some improvements done to the roof, parking lot, heating, ventilation and air conditioning system and interior corridors of the building. The owners also plan to increase occupancy at the mall by adding more tenants to the food court, a children's clothing store and more clothing stores for young adults, Shapiro says. "It is a basically a slight repositioning (with) putting in some capital improvements and re-leasing the in-line space," he says.