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Menards parent pays \$68 million for Mariano's-anchored center



By RYAN ORI |  



Photo by CoStar Group

A venture of Menards' parent paid more than \$68 million for a Northbrook shopping center, but the home improvement chain isn't expected to have a store there.

Rather, the venture of Menard will collect rent from retailers in fully leased NorthShore 770, which is anchored by a Mariano's grocery store.

The venture bought the 101,502-square-foot shopping center for \$68.5 million on Nov. 15, according to Cook County property records.

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The sale does not include an adjacent 347-unit apartment complex built by the same developers, Chicago-based Morningside Group and Schaumburg-based Crossroads Partners.

Although Menard owns many retail properties where it has stores, the Northbrook deal appears to be a separate real estate investment by the company, since there is no available space in NorthShore 770.

In a similar investment last year, the company paid \$43 million for a **shopping center in suburban Minneapolis** that's fully leased to other retailers including Trader Joe's.

A Menard spokesman did not respond to requests for comment.

NorthShore 770 is occupied on long-term leases to tenants including a 71,501-square-foot Mariano's, according to a marketing flier from CBRE. Brokers George Good, Robert Mahoney and Christian Williams of CBRE **represented the developers in the sale.**

Panera Bread, Chipotle Mexican Grill, PNC Bank and Sleepy's are among other tenants in the shopping center, at Skokie Boulevard and Dundee Road in Northbrook.

Morningside CEO David Strosberg confirmed the sale but otherwise declined to comment on the deal. Crossroads President Michael Nortman declined to comment.

It is unclear how much Crossroads and Morningside spent building the retail portion of the development.

The firms in 2014 said the entire residential and retail project would cost \$140 million. They took out about \$105 million in construction debt, including about \$40 million for the shopping center.

Mariano's stores and shopping centers with a Mariano's have been a hot commodity among real estate investors in recent years. Because the Kroger-owned chain has long-term leases and strong locations, its properties are viewed as a relatively low-risk real estate investment.

In a recent deal, New York-based Clarion Partners in November **paid \$218 million** for 11 retail properties nationally, including two Mariano's in Chicago and one in Park Ridge.

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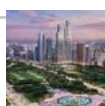
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