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Cedar Shopping Centers closes on purchase of Cross Keys Place

October 21, 2010 - Retail

Cedar Shopping Centers, Inc. has closed on the purchase of the Cross Keys Place shopping center on behalf of the joint venture between Cedar (20%) and RioCan Real Estate Investment Trust of Toronto, Canada (80%) for \$26.3 million, exclusive of closing costs and adjustments.

Cross Keys Place is a 100% leased 148,000 s/f retail strip shopping center completed in 2007, anchored by Bed, Bath & Beyond, Sports Authority, AC Moore, Old Navy and Petco tenancies. The property is shadow-anchored by a 118,000 s/f Home Depot store.

The property was acquired at an ingoing yield in excess of 8%. Cedar's share of the purchase price, at \$5.3 million, was funded primarily from the company's credit facility for stabilized properties.

The joint venture expects shortly to place 10-year fixed-rate financing on the shopping center at an interest rate of less than 5% in an amount equal to 55% (\$14.6 million) of the purchase price. The joint venture partners' equity funding for the property would be refunded proportionately at completion of such financing.

Cedar will provide property and financial management, leasing, reporting, financing and construction management services for the property and has also received certain acquisition fees.

The Cedar/RioCan joint venture has completed closings of more than \$250 million in shopping center properties in 2010 to date.

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