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## **Cedar Shopping Centers purchases Northwoods Crossing for \$23.5 million**

February 24, 2011 - Retail

Cedar Shopping Centers, Inc. recently entered into a definitive agreement to purchase Northwoods Crossing on behalf of the joint venture between Cedar (20%) and RioCan Real Estate Investment Trust of Toronto, Canada (80%).

Cedar also entered into a definitive contract to sell Fairfield Plaza, a non-core property, in New Milford, Conn.

Cedar's CEO, Leo Ullman, said "The acquisition and disposition reflect continued execution of our business plan: purchase at accretive prices of core properties with food-based market leaders as our anchor tenants, featuring long leases, excellent credit, high occupancy, and stable cash flows in Atlantic coastal markets with substantial barriers to entry. Further, we benefit from fee-structured income in our joint ventures to drive strong returns. At the same time, we will continue to upgrade the portfolio by disposing of non-core properties in secondary markets.

Northwoods Crossing is a 160,000 s/f shopping center on approximately 42 acres off Rte. 495, less than 40 miles from Boston and across from the largest office park in New England. It is anchored by a 115,000 s/f BJ's Wholesale Club with a lease extending to 2023 and a 19,000 s/f Tractor Supply with a lease extending to 2025. The property is 100% leased. Other tenants include Dollar Tree, Ruby Tuesday's and Wendy's.

The property can be expanded by an additional 15,000 s/f. In the event that the joint venture in fact builds and leases such additional square footage, the seller will be entitled to an "earnout" at 8.5% on the base rental income.

The purchase price, exclusive of closing costs and adjustments, is approximately \$23.5 million and is subject to existing non-recourse financing of approximately \$14.5 million at 6.35%, maturing in 2016.

Cedar's investment will be approximately \$1.8 million above the existing debt, which it expects to fund from its secured revolving credit facility. RioCan's share of the equity investment above the existing debt will be approximately \$7.2 million. This will be the 22nd property owned by the Cedar/RioCan joint venture.

The closing, which is subject to lender approvals and standard closing conditions, is expected to be completed in the second quarter of 2011.

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