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FOR IMMEDIATE RELEASE

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SkyWalker Property Partners Acquires 110-Year-old Hughes Brothers Factory

ARLINGTON, Texas – Drawn by the dynamics of Dallas' South Side, SkyWalker Property Partners has scooped up a storied property – the 110-year-old Hughes Brothers Candy Factory – in a quickly negotiated off-market deal with the mother of Dallas Heat star Chris Bosh.

The transaction closed in 21 days between SkyWalker Property, acting on behalf of the Hangover Opportunity Fund, and Frieda Bosh of Dallas, who came under fire this summer when authorities took steps to block a private party business from staging events in the building without a certificate of occupancy.

SkyWalker Property is planning to invest nearly \$3.2 million into converting the former factory at 1401 S. Ervay St. into residential units. The buyer is interviewing architectural firms for the apartment project. Construction is anticipated to start within nine months.

"We just love the area, its growth and momentum," says Clint Holland, acquisitions director for Arlington, Texas-based SkyWalker Property. "It's got phenomenal views of Downtown Dallas that will always be unobstructed."

The five-story building, totaling 7,000 sf, sits in one of the city's oldest neighborhoods, The Cedars, now a flourishing corridor of retail, restaurants and residential units supported by a light-rail station and easy freeway access. The shuttered structure is close to the South Side Lofts, Dallas Police Headquarters, Dallas Heritage Village at Old City Park, Gilley's Dallas, Brooklyn Jazz Club and a growing number of art studios and galleries.

SkyWalker Property is tackling the redevelopment with a multi-faceted approach, including courting potential investment partners. Theron Bryant,

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255 N. Center Street, Suite 200
Arlington, Texas 76011

Metro (817) 226-5000

Fax (817) 860-4180

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principal for SCM Real Estate Services, a SkyWalker Property affiliate, brokered the off-market deal.

Despite years of dormancy, the building is structurally sound, but its mechanical system, wiring and plumbing must be replaced to bring it up to code. The interior is in shell condition, with timber framing that's as aesthetically appealing as it is sturdy.

"It's a value-add play. We believe we bought this at a discount to market value and replacement cost," Holland says. "Our goal will be to create the best value for the property and the city."

In 1940, Gulf Cone Products paid \$30,000 for the factory, built in 1903 for \$50,000, following the candy company's demise during the Great Depression. Ice cream cones were produced at the site until 1997 when Illinois-based Sweetheart Cup Co. sold its bakery line to Ace Baking Co. of Green Bay, Wis., which filed Chapter 11 bankruptcy three years later. Keebler Co. acquired the bankrupt firm's assets in March 2000, including the factory. Bosh bought the building in 2008 during the recession from private investors who had planned to redevelop the building into condominiums.

The original owner's name, Hughes, is embedded into the lintel above the main entrance of the red brick building, part of a once-affluent neighborhood of Victorian homes developed in the late 1870s as Hughes Circle. The factory is the only structure still standing in Hughes Circle, now Sullivan Drive. The Cedars had transitioned to light industrial uses during the 1920s. The vibrant mixed-use South Side of today is a testament to the 1990s' vision of Matthews Southwest, which owns a significant number of properties surrounding the Hangover Fund's new deed.

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To schedule an interview:

Clint Holland, 817-226-0000

255 N. Center Street, Suite 200
Arlington, Texas 76011

Metro (817) 226-5000
Fax (817) 860-4180

www.skywalkerproperty.com

Skywalker Property Partners identifies, underwrites, acquires and executes highly opportunistic and value-add investments on behalf of the Hangover Opportunity Fund LLC, formed in 2010 to build a \$100 million portfolio of office, industrial, retail and residential properties in Texas and surrounding states. The strategy targets transactions from \$1 million to \$10 million.