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**FOR IMMEDIATE RELEASE**

**June 17, 2013**

## **SkyWalker Property Acquires Foreclosed Industrial Complex from U.S. Bank**

ARLINGTON, Texas – Placing an offer on the day of its tour, SkyWalker Property Partners has scooped up a foreclosed industrial complex in Johnson County from U.S. Bank, seizing a value-add opportunity with in-place cash flow and prospective tenants within sight.

SkyWalker Property has acquired three buildings, totaling 144,500 sf, set on 16.8 acres at 8800 E FM 916 in Grandview for the portfolio of Hangover Opportunity Fund, which is continually mining the distressed market for commercial office, retail and industrial properties. The asset is 87.9% vacant.

"It is getting harder to find distressed properties out there," says Clint Holland, acquisitions director for North Texas-based SkyWalker Property, the fund's managing partner. "We acted very quickly to tie it up. There is built-in cash flow to sustain the property with upside potential to lease the vacant space."

The buyer, Grandview Railroad LLC, plans to invest roughly \$250,000 on upgrades, including surface repairs to the parking area. Additional repairs are planned for the roofs, walls and doors of the 82,000-sf and 45,000-sf buildings as is the update of a 7,500-sf office in the larger building.

The third structure, totaling 17,500 sf, is fully leased to AES Drilling Fluids Inc., a wholly owned subsidiary of Canadian Energy Services & Technology Corp. The seven-acre storage yard, which can be expanded to accommodate additional tenants, is leased to Universal Forest Products, a next-door neighbor that manufactures wooden pallets.

The buildings are situated close enough to Interstate 35 W to capitalize on NAFTA Highway's trade value and curry favor with tenants who need outlying locations within reasonable distances of populated areas, such as oil- and gas-

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related businesses. The Grandview property is 35 miles south of Fort Worth and 20 miles north of Hillsboro.

The buyer was represented by Michael Newsome of NAI Robert Lynn. He and NAI Robert Lynn's Todd Hubbard, who represented the seller, are leasing the property for the new owner.

SkyWalker Property toured the property on the day it came to market and immediately placed an offer.

"With the market tightening up, we felt there could be some opportunities with the property. It has good bones and wide open spaces," Holland says. "We bought it at a substantial discount to replacement cost so we can be creative in structuring leases to be a true value-add product."

In recent months, Johnson County Economic Development Corp. has received several requests for proposals from companies seeking industrial space due in part to the area's large pool of blue-collar workers. As part of the buyer's marketing plan, the property is being added to the county EDC's website.

"There continues to be a high level of leasing activity here locally for property with outside storage," Newsome says, "and with the aggressive rental rates we expect to fill the remaining vacancies in a timely manner."

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### **To schedule an interview:**

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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 and retail properties in Texas and surrounding states. The strategy targets transactions from \$1 million to \$10 million. The portfolio currently has 627,046 square feet of commercial space and managed the investment in 29 residential condominiums.