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Cuneo family sells Golf Mill Shopping Center for \$60 million

By Micah Maidenberg

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The Cuneo family developed Golf Mill Shopping Center in Niles in the late 1950s, and owned it since that time.

The Cuneo family has sold Golf Mill Shopping Center, a huge mall in Niles that was on the cutting edge of suburban retail when the family developed it in the late 1950s.

A family venture sold the approximately 913,000-square-foot mall and a nearby medical/professional building at Milwaukee Avenue and Golf Road for \$60 million, according to a statement from the buyer, Palm Beach, Florida-based real estate firm Sterling Organization LLC.

A message left for a member of the Cuneo family, which built a fortune in dairy farming, printing, real estate and other businesses, wasn't immediately returned. Crain's **first reported** on the agreement between the Cuneo family and Sterling in April.

Golf Mill was part of a wave of retail projects built after World War II, when suburbs of Chicago and other cities around the country were seeing rapid population growth in new subdivisions filled with single-family homes. The residential boom, in turn, created opportunities for developers to create huge new malls.

In addition to Golf Mill, what was then called Old Orchard mall opened in Skokie in 1956. The property now called Randhurst Village Mall opened in Mt. Prospect six years after that.

More recently, Golf Mill has struggled, even though it is 96 percent occupied at present, with tenants that include Target Corp. and Xsport Fitness.

'A PHENOMENAL LOCATION'

In 2006, the mall's appraised value was \$72.8 million, more than its recent sale price, according to a Bloomberg LP report about a securitized loan on the property. Last year, the property generated net cash flow of \$3.6 million, less than the \$3.7 million due in debt-service payments for 2013, the Bloomberg report says.

Brian Kosoy, CEO and managing principal at the Sterling Organization, said his firm is still thinking through how to best revamp Golf Mill. In the short term, that means investing money into basic maintenance issues like parking lot repairs, he said.

Down the road, the firm is open to considering other projects, such as developing apartments or senior housing on the property, which covers about 80 acres.

“We think the real estate fundamentals of the asset are excellent but we felt that clearly the asset and the value of the asset wasn't being maximized as it relates to the community as well as economically for the benefit of ownership,” he said.

George Good and Richard Frolik, both executive vice presidents in the Oak Brook office of CBRE Inc., brokered the sale.

“It was a phenomenal location when it opened more than 50 years ago, and it's still a phenomenal location,” Mr. Good said. Sterling is a “proven operator that can certainly upgrade the performance of the mall.”

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