

For Immediate Release



## **Closes Purchase of Commercial Retail Building in Grosse Pointe Woods**

Grosse Pointe Woods, MI - King Penguin Properties Grosse Pointe, LLC announces the closing purchase of commercial retail building in Grosse Pointe Woods, Michigan.

King Penguin Properties Grosse Pointe, LLC today acquired a multi-tenant retail commercial building located in Grosse Pointe Woods, Michigan. Grosse Pointe is an upscale suburb located just outside of Detroit.

Michael Mikelic, the President and one of the founding members of King Penguin Properties, LLC was born and raised in Grosse Pointe Shores, Michigan. Mr. Mikelic believes that, "With capitalization rates in New York and most major cities now well below 6% for a Class A retail property it's impossible to cover your costs if you are purchasing commercial property with bank issued debt. Should the commercial real estate market correct the ones left standing will be those that have made sure that they can cover all their costs. Cash flow is king!".

The retail commercial building purchased in Grosse Pointe Woods has Men's Warehouse as its anchor tenant. "All the tenants at this retail location are locked into long-term lease agreements with us. Should the economy weaken they will not be able to just walk away from these lease commitments," quotes Mr. Mikelic. The initial cap rate on this purchase is over 8%. "We were able to lock-in a 10-year financing agreement at well under 6% so this deal is cash flow positive from day one" according to Mr. Mikelic. "The strategy here is to hold this property for the long-term and slowly pay down our debt obligations while earning a positive cash flow".

King Penguin Properties, LLC and their sister LLCs have plans to invest over \$25 million in the greater Detroit area over the next few years. They also have been busy acquiring multi-family housing projects near the Village on Kerchavel in the city of Grosse Pointe. "We are very impressed with the amount of planned improvements and developments we now see in the pipeline for the Village in Grosse Pointe. The recent contract signing by Trader Joe's, the planned new Sunrise Senior Living condominium, and the \$25 million planned Village Court project should help revive the area until economic conditions in Michigan improve," according to Mikelic.

### **About King Penguin Properties, LLC:**

Founded in 1998 and based in New York, King Penguin Properties owns and manages multi-family, residential, and commercial property located in the USA, Mexico and Europe.

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