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Hampshire and Lipsitz Sell Ex-Kmart

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Hundreds have closed since 2010

MONTICELLO, MN—The **Sears Holdings Corp.** has been struggling for several years as similar brands like **Target** and **Walmart** mushroom across the nation. And the value-focused retailer has shuttered hundreds of its **Sears** and **Kmart** stores since 2010, leaving blocks of unused real estate and questions about what to do with them. In Monticello, MN, a town of about 12,000 in the Twin Cities' metropolitan area, Sears shut the town's Kmart in the first quarter of 2012 in an attempt to save money, even though the company had a lease which ran through November 2015.

But **The Hampshire Companies**, a private investment firm, in a joint venture with **The Lipsitz Companies**, an investment holding group, have just completed the sale of the 86,479-square-foot building at 300 Seventh St. West to **JR&R II, LLC**. **Wayne Elam** of **Commercial Realty Solutions** represented the buyer. The sale allows Kmart to exit its lease.

“Since Kmart had vacated the building before its lease expired, we saw this as an opportunity to reposition the asset and to sell the building to a motivated user,” says **Ray Ayers**, investment manager for the New Jersey-based Hampshire. “The property’s location in an established, high-traffic, business-driven area was attractive to the buyer.”

Other retail, commercial and residential properties surround the building, which also offers proximity to major area highways, including Interstate 94 and State Highway 25.

Sears has tried strategies other than selling off vacant or underused facilities. Earlier this year, [GlobeSt.com reported](#) that it hired **Mid-America Real Estate Corp.** to sublease space at eight stores in the state of Illinois. Also this year, Sears started **Ubiquity Critical Environments**, a business venture directed by former **Microsoft** executive **Sean Farney**, to [redevelop hundreds of Sears and Kmart locations](#).

In May, **Bill Rose**, the vice president and director of the National Retail Group and Net Leased Properties Group at **Marcus & Millichap**, [told Real Estate Forum](#) that “I think with Sears/Kmart, they’ve struggled in saying ‘who are we’ and ‘what are we?’”