

Business

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Kmart's ex-headquarters sold

Owner of nearby Somerset Collection buys site for \$17.5M

Jennifer Youssef / The Detroit News

After sitting vacant for four years, the former Kmart headquarters in Troy has a new owner.

Forbes Frankel Troy Ventures LLC, which also owns the nearby Somerset Collection, purchased the 40 acres at West Big Beaver Road and Coolidge Highway for \$17.5 million Dec. 29, according to city records. Kmart left the property in 2006 after it merged with Sears Roebuck & Co. and moved its headquarters to Hoffman Estates, Ill.

The new owners don't have immediate plans for the property, said Nathan Forbes, managing partner of the Forbes Co., which manages Somerset. The company tried to buy the site previously, but nothing ever panned out, he said.



No further details were available. Forbes said the company has only had the site for a week and wants to take its time to develop the best plan for the property and the city.

"We're getting our thoughts together," he said.

"We want to continue to build on the strong history of Somerset and the strong history of Troy."

Troy City Manager John Szerlag said he is glad the property has been purchased, and he's eager to see what the new owners will put there.

"I hope to see something that will benefit the community, the (Big Beaver) corridor and the Somerset Collection," he said.

The property's location near highways, Somerset and other businesses makes it one of the most sought-after pieces of commercial real estate in the country, said David Long, a senior associate with Southfield-based CB Richard Ellis, the [brokerage](#) firm that handled the transaction. Plus, with Forbes' solid reputation for operating successful businesses, Long said he is confident that whatever goes on the site will do well.

A mixed-use development would be best for the site, said Farmington Hills retail analyst Ken Dalto.

That would include midpriced condos, niche retailers, an office building and a restaurant.

"Forbes wouldn't buy it without knowing what will be there," he said. "But I don't think they want to build a Somerset Three."

In 2008, developer Hunter Richardson proposed putting a \$200 million mixed-use development on the site. Plans for the Pavilions of Troy called for demolition of the buildings, and construction of upscale shops, restaurants, offices and condominiums.

The project didn't make much headway, although the reason for its failure was unclear.