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## Former Finger Furniture headquarters acquired by Northstar Commercial Partners

Houston Business Journal - by [Jennifer Dawson](#)

**Northstar Commercial Partners** has acquired a large headquarters and distribution center in Sugar Land that was completed two years ago by **Finger Furniture Co. Inc.**

Denver-based Northstar bought the 369,000-square-foot facility from **Amegy Bank**, which had taken the asset back from Finger Furniture. The purchase price was approximately \$15.7 million.

**Hill Country Furniture Partners**, which took over a sizable amount of Finger's operations this year, still occupies half of the facility located at 1601 Gillingham.

New Braunfels-based Hill Country Furniture operates more than a dozen **Ashley Furniture HomeStores**, which are licensed by **Ashley Furniture Industries Inc.** of Arcadia, Wis., to sell its products to the public.

Hill Country Furniture acquired the exclusive license to operate Ashley Furniture HomeStores in the Houston area from Finger Furniture, and took over space in the Sugar Land facility as part of the transition.

R. Brian Watson, founder and president of Northstar, says Hill Country Furniture's lease runs through November 2010. It is unclear whether the tenant will renegotiate its lease on the facility or relocate to another site.

"It's all an unknown right now," says Jeff Venghaus, a real estate broker with **Jones Lang LaSalle Inc.** who represents Hill Country Furniture.

Executives at Hill Country Furniture could not be reached for comment.

Founded in 2002, Hill Country Furniture has seven Ashley Furniture HomeStores in San Antonio and Austin and approximately five locations in the Houston area.

Rusty Brockman, director of economic development with the Greater New Braunfels Chamber of Commerce, says the firm's 225,000-square-foot facility in New Braunfels holds its corporate offices, distribution facility, scratch-and-dent store, repair shop and a recently opened call center. He says Hill Country Furniture has 250 employees in New Braunfels, not including all of the retail employees statewide.

Hill Country Furniture plans to service its Houston-area locations from New Braunfels until partners Gary Seals and Chris Rhett decide how they want to handle the expansion in Houston, Brockman says. The company has not approached government officials in New Braunfels about obtaining one of the grants, loans or tax abatements that are available for corporate expansions, he says.

### REARRANGING THE FURNITURE

Northstar has retained Bob Berry, a broker with Jones Lang LaSalle, to market its new building in Sugar Land. Berry also represented Amegy Bank in the recent sale to Northstar.

Phase I of the project was built in 2005, followed by Phase II in 2007. Watson says no improvements are necessary at the 21-acre warehouse and distribution center.

The landlord is looking for a user that wants to buy the facility or lease the empty half of the building with the possibility of occupying the entire property if the current tenant leaves.

"We believe a lot of companies prefer to own an asset like that," Watson says. "We feel we could attract a tenant or buyer for the entire property, given its size and location."

This is the second property in the Houston area for Northstar, a company formed in 2000 to invest in office and industrial real estate throughout the United States. The company also owns a 202,000-square-foot industrial building on 12.5 acres at 4949 Windfern. The asset was purchased in November 2007 and is now listed for sale.

Northstar owns millions of square feet of commercial property in Colorado, Tennessee and Texas. The firm, which is on the lookout for more local properties, is focused on acquiring distressed assets from lenders and repositioning them.

"We like the dynamics of the Houston market," Watson says. "I'm a big believer that what we do over the next two years will paint our legacy for decades to come."

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