

## P R O F I L E

## Developer using bids for deals on deadline

In difficult economic times, selling real estate sometimes requires unconventional methods. The sealed-bid process, for instance, has worked well in several big transactions.

Newcastle Ltd. is one of the foremost practitioners of the sealed bid, in which buyers have a deadline to make their best offers on a property that must be sold. The company used the technique last year to sell a 70-acre parcel in Deerfield owned by medical products company Baxter International Inc. to Takeda Pharmaceuticals North America Inc.—a \$25.5-million deal consummated in a scant 45 days.



**Best offer:** *Michael R. Haney, CEO of Newcastle Ltd., says sealed bids broaden exposure.*

Lang LaSalle Inc. Before that, he worked for Rubloff Inc. in Chicago and Northern Trust Corp.

Chicago-based Newcastle is a real estate development and advisory firm founded in 1998 by Michael R. Haney, its president and CEO. He was instrumental in managing the 1990s build-out of the 650-acre Cantera development in Warrenville for Chicago's LaSalle Partners, now Jones

Mr. Haney, 43, who oversees a staff of 10, views a sealed bid as an ideal compromise between an ordinary brokered sale and a single-day auction.

"It can expose a property very broadly within the marketplace at one time," he says. "It ensures that offers are submitted in a concise manner and can be easily compared. By setting a deadline, we add a certain urgency."

It seems to work. Newcastle got a whopping \$20 million for Loyola University's 17-acre Mallinckrodt campus in Wilmette last year from the Wilmette Park District, in a crowded field of bidders. A Roman Catholic group won a 25,000-square-foot site on Loyola's Water Tower campus recently, and a deal is close to being announced for a 265-acre Hastings Lake property in Lake County owned by the YMCA of Metropolitan Chicago.

"I'm not sure the sealed bid is always the way to go, but for our two sales, it's ended up being the best alternative," says Wayne Magdziarz, Loyola's vice-president of capital planning. "We wanted to have deals done by a certain date, and Mike Haney showed us a way to meet those deadlines."

Says Michael Luecht, president of ML Realty Partners LLC, a development and investment firm in East Dundee: "Mike has a way of exceeding his clients' expectations. He has that rare combination of intellect and deal-making prowess that very few people in this industry have."

**H. LEE MURPHY**