



## **FOR IMMEDIATE RELEASE**

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### **Hempel Enters Saint Paul Office Market**

**Maple Grove, MN – October 6, 2006** – Hempel Properties entered the Saint Paul office market with a purchase agreement to acquire the UBS Plaza (former Piper Jaffray Tower) located at the intersection of 7<sup>th</sup> Street East and Cedar Street. Hempel closes on the 227,713 square foot, Class A office property in October. The 23 story tower is 76% leased.

Although UBS Plaza is their first office building in St. Paul, Hempel knows the area quite well. Hempel currently is developing River Park Lofts, a 120 unit condominium development in Lowertown. The acquisition of UBS Plaza signifies an overall strategic growth plan to increase the amount of office square footage in their portfolio. Hempel will stabilize occupancy at the tower through common area improvements and aggressive leasing tactics and will retain the United Properties leasing team of Tom Stella and Eric King. Hempel has successfully turned around a similar office property with the leasing efforts of the Stella/King team, “We recently worked with Tom and Eric on the Eastwood Professional Building in Woodbury. They increased occupancy 70% in just eighteen months. We’re looking forward to working with them again” states Jon Hempel, president of Hempel Properties.

Assembling a dynamic team of players from all disciplines is inherent in Hempel's development formula according to Josh Krsnak, vice president of Hempel, "We rely on strong collaborations for all of our development efforts. From the beginning, we've built good partnerships. Focusing on assembling these teams is unique to Hempel. It's been key to our formula for success."

Hempel's experience in repositioning properties is not limited to the Eastwood Professional Building, Hempel also successfully turned around the Four Seasons Professional Building in Plymouth and the Sheraton Office Building in Brooklyn Park. Both properties have been sold. Hempel is also undertaking a similar effort at Woodhill Office Plaza, a 55,000 square foot office building on Highway 7 and Interstate 494 in Minnetonka. "Woodhill's renovation is complete and we've already seen an eleven percent increase in occupancy in five months" adds Krsnak.

**About Hempel Properties:**

Hempel Properties is a Minneapolis/St.Paul- based developer of retail, office, multi-family and industrial properties nationwide. They are recognized for their responsive and proactive approach to development partnerships which result in timely and innovative real estate solutions.

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