

# The News Wrap-Up December 2020



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**Big shift for Cary Towne Center as Epic Games buys site for \$95M for headquarters campus.** Epic Games, the Cary-based video game and software giant, bought the 87-acre Cary Towne Center site on December 31st for \$95 million, with plans of converting the property into a global headquarters campus by 2024. The seller, New York-based Turnbridge Equities and Dallas-based Denali Properties bought the struggling mall for \$31 million in early 2019 and later unveiled plans for a massive mixed-use project. In late 2019, the town of Cary approved the developers' rezoning request for the site, paving the way for up to 1.2 million square feet of office use, 360,000 square feet of commercial use, 450 hotel rooms and 1,800 multi-family and townhouse dwelling units. It's unclear at this time whether any of Turnbridge and Denali's plans for the site will be included in Epic's project. *Source: Triangle Business Journal*



**Raleigh council gives crucial support to Downtown South as developers stress need for public funds.** The long-planned Downtown South project proposed in Raleigh took a major step forward this month after the City Council approved the development group's rezoning request. The approval makes way for the massive mixed-use entertainment district situated in a 145-acre area previously zoned for industrial use. Even with the rezoning approved, the project still has a ways to go before construction begins. The development group will now develop site plans for the project. And the city has yet to consider starting the long process of potentially allocating public funds to support the project. *Source: Triangle Business Journal*



**Developers pay \$38M for final piece of Downtown South.** Two weeks after the Raleigh City Council approved a key rezoning request, the group behind the proposed Downtown South project, Steve Malik, Kane Realty and TradeMark Properties, has acquired the final piece of land for the development. The \$38 million deal included 44.76 acres at the corner of South Saunders Street and Penmarc Drive. The purchase brings the total amount of land for the project to 145 acres. Plans for Downtown South call for a massive mixed-use district anchored by a soccer stadium. Even with properties in hand though, the future of the potentially \$2 billion project still depends on significant public support - including some \$240 million in Tax Increment Financing (TIF), \$45 million in Interlocal Agreement revenue and almost \$50 million in new markets tax credits. *Source: Triangle Business Journal*



**Global investor bets \$20.5 million on RTP.** The Research Triangle Foundation sold 72 acres, including several office buildings, to Thor Equities Group of New York City in a \$20.5 million deal over multiple transactions. The properties are situated at 104 TW Alexander Drive near the Interstate 40 interchange with Highway 147. The property features a collection of life science tenants totaling 69,059 square feet of lab and research space. The properties are entitled for over 300,000 square feet of additional development, something Thor is already pursuing. With the sale complete, RTF plans to invest the proceeds into the group's Hub RTP project, which broke ground earlier this year. *Source: Triangle Business Journal*



**Research Triangle Foundation buys office space near huge Hub RTP development.** RTF paid \$10.5 million this month for One Park Drive, a 4.5-acre property featuring a 4-story Class A office building of 77,675 square feet, according to county records. The property is situated at 1 Park Drive, off Davis at Interstate 40 and adjacent to the site for Hub RTP along Highway 54. At the time of sale, the property was 94 percent occupied, though a pending vacancy is expected to lower that significantly. The seller, One Park Drive LLC, represents a group of local investors which had owned the property since the late 1990s. RTF will pursue significant renovations at the property. *Source: Triangle Business Journal*



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**Fast-moving developer breaks ground on 74-acre business park in Wake Forest.** Merritt Properties of Baltimore began work on Merritt Capital Business Park, calling for 452,500 square feet of light industrial space in Wake Forest. The property is situated on 74 acres off Ligon Mill Road south of the Wake Forest Fire Department. The company bought the land for \$3.7 million in early 2020. The park will include seven flex buildings ranging from 30,000 to 140,000 square feet, complete with rear loading docks, drive-in capabilities and surface parking. *Source: [Triangle Business Journal](#)*



**With demand for space off the charts, Knightdale site to be complete years ahead schedule.** Charlotte-based Trinity Capital Partners has announced it will start construction on the final three buildings at Eastgate 540, with delivery of all three estimated for Q3 2021. A new tenant, Clayton-based PCX Corporation, has signed on to the entirety of one upcoming building featuring 159,600 square feet. The final two buildings will total 120,000 square feet each and are currently being developed on spec as the company courts prospective tenants. Sky-high demand for space has the owners on track to finish the park four years ahead of schedule. When complete, the park will total 980,000 square feet across six buildings, 830,000 square feet of which developed between May 2019 and August 2021. *Source: [Triangle Business Journal](#)*



**Williams, Ramm plan 280,000-square-foot spec in Youngs Mill industrial park.** Williams Development and Ramm Capital Partners, both based in Winston-Salem, are kicking off their new 193-acre Youngs Mill Industrial Park with a 280,550-square-foot spec building; expected delivery is in the fourth quarter of 2021. Plans call for tilt-up construction, a 6-inch unreinforced slab, 32-foot clear ceilings, 57 9x10 dock-high doors and two 12x14 drive-in doors. The facility, set on 21 acres, will have 17 spaces for trailer parking and 94 parking spaces with expansion available. The TBJ reported earlier this year that the group closed on 133 acres in the park where plans call for a facility of 1.2 million square feet. Youngs Mill Industrial Park is situated in Greensboro, south of the intersection of Interstates 40 and 85 and the Greensboro Urban Loop *Source: [Triad Business Journal](#)*



**Sold: \$65M deal for new Holly Springs apartments.** In one of the biggest apartment deals in the Triangle in 2020, Myers Apartment Group of West Palm Beach paid \$65 million or \$205,696 per unit, for the 316-unit Exchange at Holly Springs, situated on 21.5 acres at 1101 Club Exchange Drive. The seller, Atlanta-based Hathaway Development, bought the land for \$4.2 million in 2018 and built the apartments over the following year. The Exchange features one-, two- and three-bedroom apartments across a collection of 3-story buildings. Rental rates currently range from \$990 to \$1,700 per month. *Source: [Triangle Business Journal](#)*



**California investor spends \$89.7 million on Iqvia headquarters in Durham.** San Francisco-based Drawbridge Realty paid \$89.7 million, or \$345.62 per square foot, for the building situated on seven acres at 4820 Emperor Boulevard. The entire property is occupied by Iqvia in a lease that ends in 2026. The property features 259,531 square feet of Class A office space across 11 stories and has served as the headquarters for the clinical research giant – the former Quintiles – since the building opened in 2009. The seller, Franklin Street Properties of Massachusetts, bought the property in 2011 for \$75.8 million. *Source: [Triangle Business Journal](#)*



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**Harris Teeter snags more land in Durham – but plans remain a mystery.** Harris Teeter paid \$1.6 million for 1.6 acres at 7119 NC Highway 751; an outparcel of an existing Harris Teeter-anchored shopping center located off Highway 54 north of Interstate 40. It's unclear at this time what the company plans to do with the property. The seller, Real Estate Associates, paid a combined \$585,000 across two purchases in 2016 and 2017. The land purchase comes a few weeks after plans filed in Raleigh show a new Harris Teeter location that may be coming to the site of a defunct Kmart on Western Boulevard. *Source: Triangle Business Journal*



**Sold: Price tag jumps 136% for Raleigh apartments near Crabtree Mall.** Dallas-based S2 Capital paid \$26 million, or \$154,761 per unit, for the 168-unit Windemere Apartments. Built in 1990, Windemere includes one- and two-bedroom apartments across a collection of 3-story buildings. It is situated on 16.3 acres at 2105 Ravenglass Place off Lead Mine Road, less than a mile from the mall. Rental rates currently range from \$830 to \$1,650 per month. The seller, Northland Investment Corporation, bought the property for \$11 million in 2007. *Source: Triangle Business Journal*



**More development near Crabtree Mall? Property owner could seek 12 stories, retail use.** An aging apartment community south of Crabtree Valley Mall could see a major redevelopment. Raleigh investor J. Roger Edwards' Pinnacle Apartments LLC is considering a rezoning request, and scheduled a Dec. 21 neighborhood meeting regarding the site of the Pinnacle Apartments, situated on 15 acres at 5020 Edwards Mill Road. Built in 1980, the property features 78 units across a collection of 2-story buildings. Plans filed with the city would set a maximum of no more than 850 residential units and no more than 25,000 square feet of retail. According to the filings, no buildings would be permitted within 50 feet of the Crabtree Woods Neighborhood as currently prohibited by city ordinance. And the request would limit the height of any development within 200 feet of the neighborhood to no greater than six stories. *Source: Triangle Business Journal*



**Morrisville ready to create \$57M downtown corridor – it just needs the right developer.** The town of Morrisville recently released a request for proposals to solicit development partners for its Town Center Core - Phase 1, calling for a mixed-use downtown style development on six acres of town-owned land. The property is situated at the corner of Town Hall Drive and Carolina Street at the site of the new Morrisville Community Library. As part of the process the town endorsed a conceptual program and site plan that includes office, retail and over 200 residential units, but the final project breakdown will depend on the chosen developer's agreement with the town. The project would be built in two blocks, at what the town estimates a cost of around \$57.4 million, not including land acquisition costs. Developers have until Feb. 26 to submit proposals. The town hopes to see construction begin by August 2022. *Source: Triangle Business Journal*



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