

Two empty Headquarters Park buildings in Durham sell for \$6.6M, major improvements planned

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Two

mirrored-glass office buildings on N.C. 54 in Durham that have been vacant for more than a year have sold to a joint-venture partnership that's planning "major" capital improvements to the property in an effort to lure a new tenant company.

Grubb Properties of Charlotte and an affiliate of Blue Vista Capital Management have purchased and are planning to renovate the two buildings known as Headquarters Park Alpha and Headquarters Park Beta. Both were built around 1987 and each has about 73,700 square feet of office space available. The buildings sold for a combined \$6.6 million, according to county records.

The buildings were previously occupied as the headquarters of FHI 360 until FHI relocated its entire operation to the American Tobacco Campus in downtown Durham in late 2013. The Headquarters Park campus has been vacant since then.

Grubb Properties spokeswoman [Emily Ethridge](#) says the partnership has not set a specific dollar amount for capital improvements yet, but they are planning a "complete overhaul" of the buildings' electrical and mechanical systems and renovations to the interiors and exteriors. "Our goal is to make it a like-new asset," she says.

Turning around empty commercial building assets has become into a niche market for Grubb Properties, particularly in the Triangle. [A partnership between Grubb and Philadelphia-based Rubenstein Partners in 2014 had sold for \\$29 million two office buildings they had purchased for \\$4 million together two years prior in Durham.](#) Grubb and Rubenstein in 2014 also sold an office and research campus leased to Lenovo for \$127 million after having paid only \$26 million for the buildings when they were empty only 14 months prior.

[Ben Kilgore of CBRE-Raleigh represented the seller in Headquarters Park transaction.](#) Houston-based Transwestern Investment Management acquired the property from Santa Fe-based BGK Group in February 2014 as a deed-in-lieu-of-foreclosure transaction, according to Durham County records.



CBRE-Raleigh

Both the 73,243-square-foot Headquarters Park Alpha building and the 73,766-square-foot Headquarters Park Beta building on N.C. 54 were left vacant in the first quarter 2014 after anchor tenant FHI moved into its new headquarters space in the Diamond View III building in downtown Durham.