

From the Triangle Business Journal:

<http://www.bizjournals.com/triangle/blog/real-estate/2015/03/armada-hoffler-will-make-a-big-profit-durham.html>

Armada Hoffler: We will make a big profit from Durham apartment sale

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Armada Hoffler Properties (NYSE: AHH) has disclosed that it's entered into an agreement with a potential buyer to sell its new Whetstone Apartments community in Durham for \$35.6 million.

The 203-unit Whetstone Apartments opened to its first tenants in September at 501 Willard St. in Durham at the intersection with Jackson Street.

Lou Haddad, president and CEO of Armada Hoffler, stated in a news release about the deal that the company expects to record a profit of more than 20 percent from the sale of Whetstone even though the property is still in lease-up phase. Unit prices at Whetstone start at \$1,040 per month for a studio apartment and at \$1,600 per month for a two-bedroom unit.

"We are delighted to continue our long-standing strategy of selling non-core assets from time to time and monetizing the wholesale-to-retail spread on our development projects," Haddad stated. "Whetstone is our third disposition in six months and we will redeploy the capital in a way that best creates value for our shareholders."



WHETSTONE APARTMENTS

Armada Hoffler estimates a 20 percent profit in about six months from its investment in a Durham apartment complex.

Armada Hoffler, a Virginia Beach-based real estate investment trust, did not disclose the potential buyer. The deal is expected to close in the second quarter. **Grubb Properties** has been providing leasing and management duties at Whetstone since before it opened.

Whetstone will be the fifth major apartment community to sell in excess of \$175,000 per unit in the Triangle in the past three months.

Berkshire Group in December acquired from Charlotte-based Crescent Communities both the Crescent Cameron Village property in Raleigh for a record-setting \$272,000 per unit and the Crescent Ninth Street apartment community in Durham for \$254,000 per unit.

Berkshire's acquisition of the 208-unit Crescent Main Street apartment community in Durham is still pending.

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