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# Liberty Warehouse Apartments in downtown Durham sold for \$69M

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The new Liberty Warehouse Apartments building on Foster Street in downtown Durham has been sold to a New York-based real estate investment firm for \$69.25 million, according to Durham County deed records.

The 246-unit luxury apartment building opened in phases in late 2016 and early 2017. It was already 60 percent occupied at the time the sale, says Bryson Powell, a partner with Chapel Hill-based East West Partners and project manager for the Liberty Warehouse redevelopment.

The new owner of Liberty Warehouse is an affiliate of Duck Pond Realty of Melville, New York, which also owns several other high-end apartment communities in the Triangle.

“We are thankful to all of our partners who have helped make Liberty Warehouse an amazing project,” Powell says. “Our strategy has always been to sell upon completion, and DPR presented us with a good offer from a great company. We appreciate their collaboration and partnership in closing this transaction.”

East West Partners, led by Chapel Hill developer Roger Perry, had spent close to four years planning and building the Liberty Warehouse Apartments project on the site of the former Liberty Warehouse tobacco auction building. The historic building that had been turned into a studio for artists, but was crumbling from years of neglect. East West Partners bought the building in 2014 for \$3.5 million.

**Cover Story:** Roger Perry: A touch for tough projects

The \$69.25 million sale price of the five-story structure, which also includes 24,000 square feet of retail space and a 391-space parking deck at its center, is nearly 20 times the property value of the building that preceded it.

Pieces of the original brick façade of the historic warehouse create a courtyard at the entrance into the apartment building and pieces of the wood and advertising signage from inside the old warehouse were repurposed as décor inside the new building.



AMANDA HOYLE

The Liberty Warehouse apartment community in downtown Durham was developed by East West Partners of Chapel Hill.

“Part of our agreement with the preservation society was to keep as much as we could and repurpose it in the building,” Powell said on a recent tour of the property with Triangle Business Journal. “That’s something we wanted to do, too. We feel this building is totally different from any apartment building in the Triangle because it’s got all these really neat historic elements mixed in.”

The project was financed using a \$36 million construction loan from Fifth Third Bank, plus \$15 million in equity capital from Washington, D.C.-based Northridge Capital LLC and another \$5.1 million from East West Partners and a “silent” partner that sources say included investment partners at Capitol Broadcasting Corp. in Raleigh. Capitol Broadcasting was a lead partner in the redevelopment of the American Tobacco Historic District in downtown Durham.

East West Partners in March was also a joint-venture partner in the sale of the 265-unit Alexan Chapel Hill apartment community that sold for \$72.75 million.

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