

From the Triangle Business Journal:

<http://www.bizjournals.com/triangle/blog/real-estate/2016/02/durham-west-village-federal-capital-bell-partners.html>

Durham's West Village sells for \$187M: A historic deal for a historic campus

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The owners of West Village in Durham, an expansive mix of both historic and new apartment, office and retail buildings on the edge of downtown Durham, has been sold to an Ohio real estate investor for \$187 million.

Maryland-based **Federal Capital Partners** along with its joint-venture partner, Greensboro-based **Bell Partners Inc.**, finalized the sale on Feb. 10, according to county records. The buyer is an affiliate of **The Connor Group** of Miamisburg, Ohio.

The deal, which had been months in the making, includes all three phases of the West Village development stretching along W. Main and Morgan streets. The property includes:

453 urban-style loft apartments inside several historic former tobacco warehouse buildings that were redeveloped in the late 1990s and mid-2000s; 156 new luxury apartment units in a six-story building completed in 2014; and 104,000 square feet of office, restaurant and retail space that's intermingled throughout the campus.

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West Village, Durham.

FCP and Bell Partners had acquired West Village in pieces between 2011 and 2013 from the former partners of **Blue Devil Ventures**, a group led by former Duke basketball teammates Christian Laettner and Brian Davis. Blue Devil Ventures had been working on the redevelopment of the former Liggett-Myers tobacco plant buildings in fits and starts since the late 1990s.

Since taking control of the whole campus, FCP managing partner Alex Marshall says they've reinvested millions more to improve the amenities available to the apartment users, to attract new tenants for the vacant commercial space and to build the six-story new apartment building that added 156 more units.

The commercial spaces are now 100 percent occupied and the apartments stay between 93 percent and 96 percent leased year-round.

In breaking the \$187 million deal down even further, the commercial spaces were valued at around \$25 million, Marshall says. That would value the portfolio of apartment units at around \$266,000 per unit, ranking West Village among the most valuable apartment communities in the Triangle.

"The property was in great shape when we bought it. The previous developers did a great job with it, but the restaurants and retail hadn't done as well. But since then, Durham has really come into its own. There's a lot more vibrancy. It's a safer place to be," Marshall says.

West Village was one of FCP's first major investments in the Triangle, and since that time the private equity firm has bought and sold multiple, high-profile commercial properties in the Triangle with more than \$1 billion in deal value over the past four years, including the acquisition in January of the Venable Center office complex in downtown Durham for \$18 million. FCP also sold in December its ownership in the Allister at North Hills apartment community in midtown Raleigh for \$93.5 million, which until the West Village deal held the record as the Triangle's largest multifamily sales transaction.

The Connor Group has also been both a buyer and seller of multifamily properties in the Triangle since the last 2000s. The Connor Group in January, for example, paid \$39.3 million to buy the 240-unit Pointe at Chapel Hill apartment community.

Brokers representing both parties in the deal were Malcolm McComb and Phil Brosseau of CBRE and Rick Shinberg and Jeff Coles at First Capital Realty.

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