



LINGERFELT ACQUIRES 379,000-SF PORTFOLIO IN NC TRIAD

HIW Sells 14 Industrial Properties for \$28.2M

By Justin Sumner | September 8, 2014



Lingerfelt Commonwealth Partners has acquired 14 properties in the Triad region of North Carolina from Highwoods Properties (NYSE: HIW) for \$28.2 million.

Totaling 379,000 square feet of office and flex space, the portfolio is spread across three business parks: Deep River Corporate Center, West Friendly Business Park, and Air Park West. The assets were 93 percent leased at the time of sale to multiple credit tenants, including R.F. Micro, Mack Truck, Volvo Group NA, and Berkley Insurance.

According to the seller, the buildings, comprising eight industrial/flex properties and six office buildings, are expected to generate \$2 million in cash and \$2.7 million in GAAP net operating income for 2014, resulting in a 9.6% CAP rate.

Highwoods Sells 7 Richmond Office Properties to Lingerfelt for \$19.9M

“We’ve had our sights set on the North Carolina region for some time, including markets such as the Triad Region, Raleigh-Durham and Charlotte,” stated Ken Strickler, senior vice president at Lingerfelt Commonwealth Partners. “This acquisition is yet another opportunity for us to grow our portfolio with more institutionally maintained, well-located assets in markets we believe are poised for long-term recovery and growth.”

Lingerfelt will manage the properties in-house through Commonwealth Commercial Properties, a property management affiliate that has opened an office in Greensboro. It has retained Triad Commercial Properties to handle leasing and marketing across the portfolio.

The sale marks Lingerfelt’s first re-entry into the Greensboro / Winston-Salem market in several years. Its portfolio now totals roughly 3 million square feet in 50 assets across four states.

As a result of the deal, Highwoods will record a gain of \$4.7 million in the third quarter. HIW now owns 17 office and 27 industrial properties encompassing 3.3 million square feet in Greensboro alone. Year-to-date the company reports the sale of \$158.8 million in non-core buildings, including this portfolio.

“While our Greensboro assets are performing very well, as we have in a number of our other markets, we are taking advantage of the strong capital markets environment to prune from the bottom of our portfolio,” said Ed Fritsch, president and chief executive officer of Highwoods Properties.

Both parties handled the direct sale in-house.

Please see CoStar COMPS #3111184 for additional information on this transaction.