

DEALS

Turnbridge acquires mixed-use asset amid Covid-19 turmoil

JLL's capital markets teams in New York and Raleigh arranged a \$19.5m first mortgage loan for Turnbridge to complete the purchase

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The Creamery | Photo by Turnbridge.

Turnbridge Equities has acquired The Creamery, an 82,000-square-foot mixed-use asset in Raleigh, North Carolina. The firm, which paid \$34.7m to the seller **Northpond Partners**, has already factored in how the coronavirus outbreak will impact the deal.

“Like most places in the country, business is grinding to a halt; the restaurants are closed, bars are closed, gyms are closed,” said **Jason Davis**, a managing director at Turnbridge. “It’s certainly going to have a dramatic short-term impact and our hope is that it stays short term.”

Raleigh is a market where Turnbridge sees long-term growth fundamentals. The Creamery was built in the 1920s and features 48,000 square feet of retail and commercial space, as well as more than 24,000 square feet of Class A office space and 10 apartment units. The property also comes with 10,000 square feet of parking space.

Turnbridge will execute a roughly million-dollar repositioning at the property that will also include making better use of the parking space, Davis told *REFI US*.

“[This] is going to involve restoration to the historic building, including new roof, some façade restoration, storefront and streetscape improvements,” he added. “We’ll start dealing with the deferred maintenance in the relative near term.”

The Creamery is fully leased to a mix cohort of tenants such as **Sullivan’s Steakhouse**, **Milk Bar**, **RE/MAS** and **Precision Hawk**. “The building’s been fully leased for a while, so it’s obviously done well as it is, and it has attracted a number of leading restaurants, bars and office tenants as well,” said Davis.

Tenants at the property will benefit from the community amenities and developments such as Smokey Hollows and Bloc 83, that are projected develop the Glenwood South neighborhood into a live-work-play submarket.

The asset’s location played a significant factor in Turnbridge’s decision to acquire it. “We view the Raleigh-Durham market as being a high-growth market nationally, with a lot of the ingredients for long-term growth,” said David. “The long term really attracts us to this market and to this property.”

JLL’s capital markets teams in New York and Raleigh arranged a \$19.5m first mortgage loan for Turnbridge to complete the purchase. **ACORE Capital**, an existing lender with Turnbridge, provided the loan.

“This is obviously a very challenging time in the capital markets,” said Turnbridge founder and managing principal, **Andrew Joblon**. “We were very fortunate to have a reliable lender in ACORE Capital, which honored its commitment to close the transaction efficiently, despite the market distress that has sidelined a lot of lenders.”

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