

## Update: Uptown acquisition could eventually lead to new Tryon Street tower, new owner says

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An uptown office tower has sold to an ownership group that includes a prolific local developer.

Charlotte-based Crescent Communities, in a joint venture with investment manager Nuveen Real Estate, says it has acquired the 101 North Tryon building, a 20-story, 546,878-square-foot tower at the northwest corner of Trade and Tryon streets.

A Mecklenburg County deed for the sale could not be immediately found. Crescent did not disclose the purchase price of the building. The sale price was about \$132.3 million, according to a source with knowledge of the deal.

101 North Tryon was sold by LRC Properties and Barings, which acquired the building in 2015 for nearly \$107.8 million. The tower, built in 1983, was called 101 Independence Center until 2017, when previous ownership began renovations at the building and changed the name to 101 North Tryon. Renovations that included a new lobby and tenant spaces, totaling north of \$8 million, wrapped up last year.

The building was 81% leased at the time of the sale, with tenants including Robinson Bradshaw, Bank of America, Level, Northeastern University, Sunlight Financial and Spaces.

The acquisition is unique in that it also includes entitlements above the Ivey's parking garage, on the back end of the site fronting Church Street, to build a new tower.

Brian Leary, president of the commercial and mixed-use business at Crescent, said the firms have "absolutely" contemplated the potential of that portion of the site and developing a new building with a Tryon Street address.

"We believe you could create a 111 North Tryon through a redevelopment of that area but a lot has to happen," Leary said, adding the purchase gives the owners the ability to respond to both inbound and organic growth requirements in the Charlotte market.



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Crescent and Nuveen have acquired 101 North Tryon in uptown Charlotte.

Crescent is a mixed-use developer, and Leary said the site provides potential for uses that could include residential, but an office tower at that location would stand tall in the middle of the skyline and "photobomb the class picture" in terms of impact, Leary said.

Additionally, the new owners will likely make changes at the building's street level. Leary said there's already been "tremendous demand" for uses that could include food and beverage outlets and other retailers on the ground floor of 101 North Tryon.

In the Charlotte market, this is the first acquisition of an existing office building by Crescent, which typically does ground-up development. Leary said the firm likely wouldn't acquire and invest as its primary business but where there's opportunities like 101 North Tryon, the company would consider buying some buildings instead of just developing them.

Acquiring 101 North Tryon and, eventually, developing another Tryon site also helps build on the North Tryon Vision and Implementation Plan, a guiding set of principles by various stakeholders on repositioning and building out North Tryon Street. Already, several public-private projects worth "hundreds of millions" are underway, Leary said, referencing the Carolina Theatre project and future InterContinental Hotel, the eventual Belk Theater expansion and even the multifamily project by Lennar under construction one block over from Tryon Street.

Kevin Miller, managing director at Barings, said in a statement that the 101 North Tryon sale is a culmination of its value-add repositioning at the property, including "significantly increasing" occupancy and rental rates over a four-year holding period.

In 2015, shortly after the building last traded, BofA vacated four floors at 101 North Tryon — in addition to empty floors elsewhere at the tower, that exit created a large chunk of availability in the building. Several groups, including tech firm Levvel and coworking company Spaces, have since leased space at the tower.

Ryan Clutter, senior managing director at HFF Carolinas who represented the seller in the transaction, said in a statement that the firm received "significant interest" in 101 North Tryon.

"The city is currently experiencing notable job growth with numerous high-profile job announcements and corporate relocations to the city within the past few quarters alone," Clutter said. "Capital follows job growth, and we anticipate we will continue to see more and more investors targeting Charlotte throughout 2019."

BBVA and U.S. Bank provided acquisition financing for the transaction. Barry Fabyan and Charley Leavitt at JLL will lease 101 North Tryon. Patterson Real Estate Advisory Group served as capital advisor on behalf of Crescent and Nuveen. Clutter, Scot Humphrey, Chris Lingerfelt and Zack Drozda at HFF represented the seller.

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