

Decades-old retail property in Durham draws buyer

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The Park Terrace shopping center has sold.

A 35-year-old shopping center in a growing corridor in Durham is under new ownership.

The Park Terrace retail strip located at 2223 NC Highway 54 was recently sold for \$4.6 million. The center is located in the southern part of Durham near Research Triangle Park.

Regents LLC is the buyer, according to Durham County property records. Park Terrace Investments LLC is the seller – the entity is affiliated with Transmercial, a commercial real estate firm out of California.

Transmercial purchased the property in 2006 for \$3.25 million.

Park Terrace is a 24,813-square-foot center built in 1988, according to Durham County property records. Tenants include Akashi Sushi, Vittles at the Park, Carniceria Mexicana, RTP Signs & Graphics, Toledo Butcher Shop and Thai 55.

The building sits on 2.6 acres. The property has a total assessed value of \$2.93 million, according to Durham County property records.

The deal was brokered by Marcus & Millichap (NYSE: MMI). Andrew Margulies and Harrison Creason, investment specialists at the firm, listed the property on behalf of the seller and secured the buyer.

“Park Terrace is a well-located retail center near Interstate 40 and Research Triangle Park in Durham,” Margulies said. “The asset had challenges, but the dynamic job growth in RTP and potential for long-term

upside at this location is undeniable. Our strategic marketing approach to qualified investors who target this type of asset yielded multiple offers and resulted in a closing at 94 percent of list price.”

Regents LLC is registered to Elmer Doug Lucas and lists its address as 2820 Selwyn Ave, suite 627 in Charlotte. A press release by Marcus & Millichap listed the buyer as private partnership based in Virginia.

“The property has been owned by the same landlord for 17 years,” Margulies said. “The buyer intends to implement a proactive management and leasing plan to streamline operations, increase the asset’s net operating income and increase the value over time.”

Park Terrace features 11 tenant suites and was 95 percent leased at the time of closing.

Small retail centers that have opportunities for raising lease rates or making physical improvements to the property provide opportunities to increase the property’s value. Prudent Growth Partners of Chapel Hill is looking to invest in similarly-sized retail properties with its newest fund.