

COMMERCIAL REAL ESTATE

Real estate activity buzzes around UNC Rex with sale, new building in the works



This medical office building near the UNC Rex Hospital campus in Raleigh was recently sold.

LUNDY GROUP



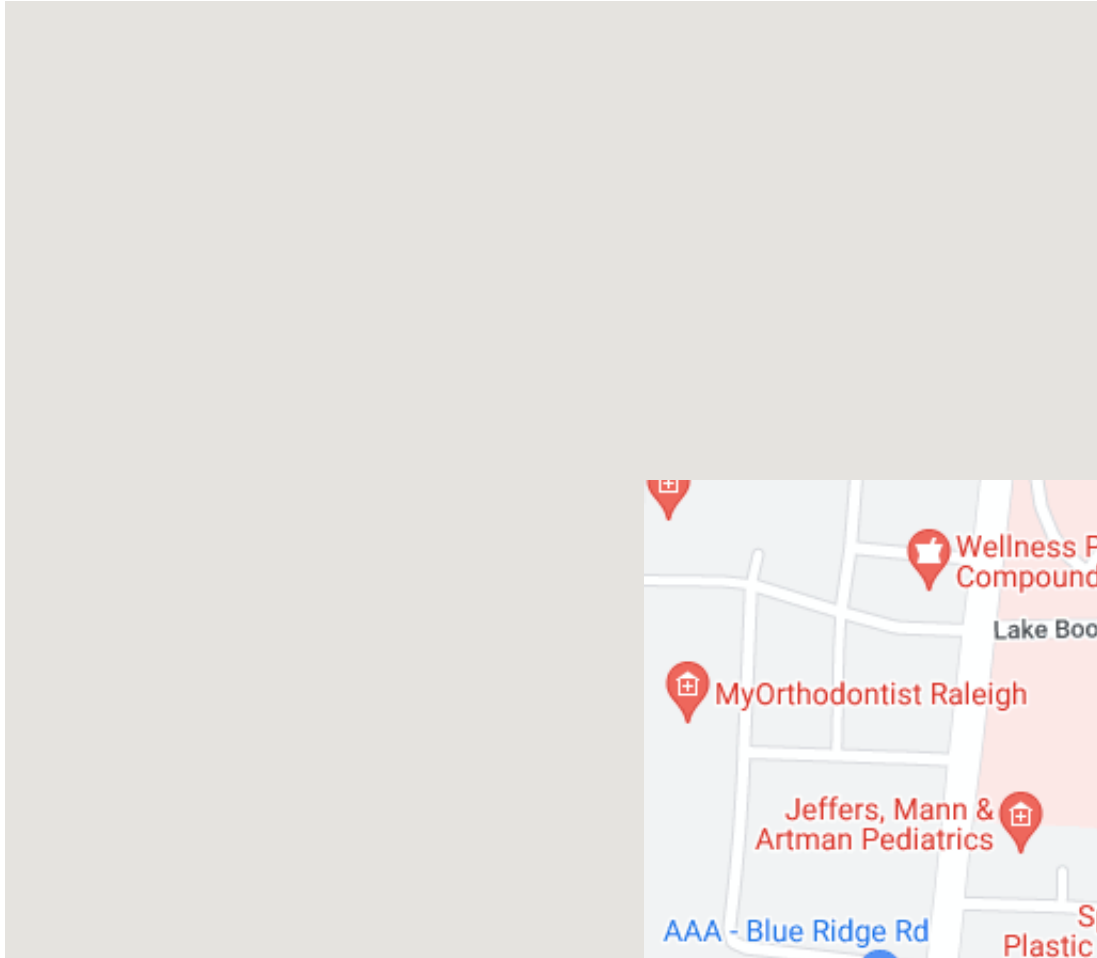
By Kayli Thompson
Staff Writer, Triangle Business Journal
Aug 29, 2022

Real estate activity around UNC Rex Hospital in Raleigh remains strong as work on a new medical building nearby is set to begin.

A pair of local real estate companies have sold a medical office building to a national firm that's steadily growing its Triangle portfolio. And the collective group is set to start construction in September on a 125,000-square-foot medical building situated along Edwards Mill Road.

The Lundy Group and Blue Heel

Development this month sold the office building at 3633 Harden Road to Healthcare Realty Trust (NYSE: HR) of Nashville, Tennessee, for \$11.3 million. In late 2019, The Lundy Group in partnership with Atlanta-based SG Property Services acquired the 2-story, 31,500-square-foot building for \$6.1 million.



The total assessed value for the land and building is \$6.3 million. Current tenants are Specialists in Plastic Surgery and The Museum Spa and Laser Center. Healthcare Realty officials said they don't have any plans to remove any tenants from their lease or not renew. Right now there is one vacant space with 2,300 square feet.

Healthcare Realty plans to build out half of the building's space, about 15,000 square feet, for Duke Health to use for a primary and multi-specialty care clinic. The Duke Health website shows that Duke Primary Care Blue Ridge will be relocating to the Harden Road building in November.

In addition to building out for Duke Health, Healthcare Realty will invest \$300,000 for building improvements, including building systems and aesthetics. The work will be done over the next two years.

New building



Two local developers are working with a national firm to build a 125,000-square-foot medical office development near UNC Rex in Raleigh.

THE LUNDY GROUP

The Lundy Group, Blue Heel and Healthcare Realty plan to begin construction in the coming weeks on a new Class A medical office building at the corner of Edward Mills and Macon Pond roads - across from the newly completed Rex Cancer campus.

The project first came to light in May 2020 through a rezoning request submitted for the property. Shelco is the construction contractor for the project. Previous estimates put the cost of construction between \$40 million to \$60 million.

The developers had previously said they were hoping to start construction in the first quarter of 2022.

Healthcare Realty, which recently merged with Arizona-based Healthcare Trust of America (NYSE: HTA), has been growing its footprint in the Triangle. The purchase of the Harden Road building follows the company earlier this year paying a combined \$27.5 million for three medical office buildings in Cary along Crescent Green and Carpenter Fire Station Road.

Company officials said they love the Raleigh market and that their top priority is to invest in properties around top-performing medical campuses.

The most recent sale comes after a 5-story building on the UNC Rex campus was sold earlier this summer.

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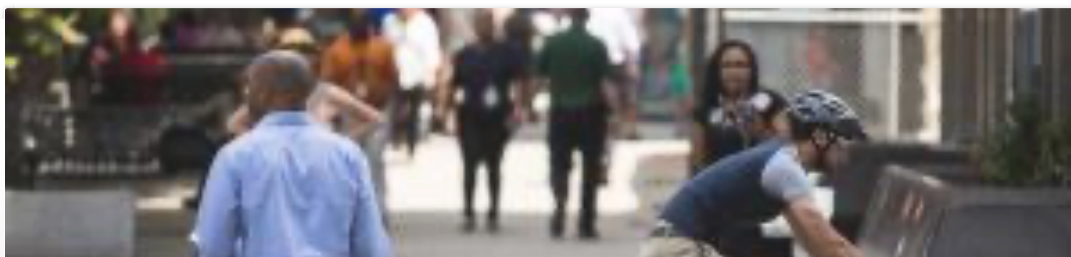


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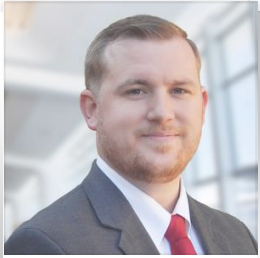
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