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Morehead building next up for redevelopment plan?

Charlotte Business Journal - by [Ashley M. London](#)

A high-profile East Morehead Street corner is under contract to a local buyer, but the property's future is not yet clear.

Charlotte-based **First Landmark USA** has acted as the general managing partner of 500 E. Morehead St., next door to the Dowd YMCA, for more than 25 years. The site's three-story, 43,000-square-foot office building occupies 2.42 acres and boasts ample parking.

A group of 40 individuals own the land and the building as limited partners, says Tim Hose, First Landmark president. He declines to name the members of the partnership. He says the group received an unsolicited offer for the property in recent weeks. "It was a price we felt was attractive."

Development — at least in the planning stages — is booming on the Morehead corridor. Several office projects are in the works as uptown's tight vacancy rate pushes tenants to seek nearby alternatives.

The 500 E. Morehead building is fully leased, with tenants including the offices for the **YMCA of Greater Charlotte**. The building would continue to be operated as an office after the sale in the short term, Hose says. "In the future, it will be a candidate for redevelopment."

The building is under contract for an undisclosed amount to a buyer Hose would characterize only as "qualified." The potential buyer is conducting inspections of the property.

The zoning on the land is a mixture of business and office. It is not zoned for a high-rise office or condo project. The buyer would need a zoning change for any significant redevelopment.

Morehead Street has acted as a release valve over the past 12 months to take some of the pressure off an uptown office market that continues to post vacancy rates of less than 1.5%.

While several office towers are under construction — including **Lauth Property Group's** NASCAR Plaza and the Wachovia Corporate Center — much of the space in those buildings has been snapped up.

Harris Development Group plans to build a \$14 million, five-story office building at 700 E. Morehead St. **Insite Properties** plans a 12-story office building on the site of the former Mc-Ewen Funeral Service building at 727 E. Morehead St. And a vacant tract at 615 E. Morehead, owned by Charlotte-based **State Street Cos.**, has been targeted for an office project by a national development company, according to sources familiar with the plans.

McKenney's Inc. buys building

Piedmont Properties/CORFAC International recently sold a 42,000-square-foot office/warehouse facility at 3601 Performance Road in Charlotte on behalf of Tekmatex.



photo JEN WILSON

The 43,000-square-foot building at 500 E. Morehead could soon have a new owner.

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The industrial building is on 3.78 acres.

Atlanta-based mechanical firm Mc-Kenney's Inc. purchased the building for \$1.45 million to relocate and expand its Charlotte office.

Renovations will begin immediately on the facility, which includes more than 13,000 square feet of offices and 27,000 square feet of warehouse and manufacturing space.

“This transaction is a reflection of our firm’s expertise in the industrial sales arena and a sign that activity within our industrial market remains healthy,” says Scott Hensley, a broker with Piedmont Properties of the Carolinas Inc. “Pricing and values of existing industrial properties remains stable due in large part to cost of new construction and limited supply of industrial-zoned property.”

McKenney's specializes in the installation, service and maintenance of mechanical systems, HVAC, and building automation and control systems in commercial, medical and institutional buildings. The company opened an office in Charlotte almost 20 years ago.

McKenney's was founded in Atlanta in 1948 and is considered one of the largest mechanical contractors in the Southeast and one of the 50 largest in the United States.

Piedmont Properties was founded in 1993 and became a member of Corporate Facility Advisors International in 1999. Through CORFAC International, Piedmont Properties has affiliate offices in 50 North American markets and 80 markets worldwide.

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