

Developers Strike Again: Former Kmart in Garner to be Reshaped for Life Science Space

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Once a bustling Kmart Super Center, a retail property in Garner is set to transform into life science space.

The site at 4300 Fayetteville Road has been purchased for \$14.25 million by Florida-based Mainstreet Capital Partners and a fund managed by New York-based DRA Advisors. Built in 1994, the 180,017-square-foot building sits on 26.73 acres, according to Wake County property records.

Anchored by Kmart until 2013, the building is now mostly empty, and the property has an assessed value of \$7.3 million. American Freight Furniture, Mattress & Appliance (formerly known as Sears Outlet) is the only retailer left in the space, which is next to a Walmart. (NYSE: WMT).

Mainstreet Capital Partners and DRA Advisors have worked together before, overhauling a former Sam's Club to create adaptive space INQ 1101 in Morrisville. The Garner property is called INQ 4300.

"Similar to INQ 1101 in Morrisville, INQ 4300 will answer the demand for strategic and innovative lab space in Raleigh and we look forward to bringing our vision to life," said Peter Tonon, partner at Mainstreet Capital Partners.

The property will undergo significant renovations to the interior and exterior beginning in Q1 of next year. The work is slated to finish by the end of the summer, according to the buyers. When completed, INQ 4300 will have laboratory and production space, a new building façade, a new roof and outdoor amenity areas.

Leasing for INQ 4300 will be handled by John MacDonell and Taylor McCuiston with JLL (NYSE: JLL). MacDonell said he was not sure what will happen with American Freight. The team is targeting any and all life science companies.

"They fit really well in these big boxes because the floor plan gives them ultimate flexibility," MacDonell said. *"And we have the ceiling heights. These types of buildings are hard to come by."*

The property's former owner, an LLC affiliated with Raleigh-based Baker Roofing Company, bought the property for \$8.6 million in 2018. At the time, Baker Roofing had plans to renovate the site. Prentis Baker III, chairman of the company, told TBJ after the purchase that the company was looking for space for a new Raleigh office. However, the building required significant work before Baker Roofing could move in. There was no shop yard and the building needed a new roof. Baker expected exterior renovations to last at least one year.

MacDonell said he is not aware of a new roof or any improvements made to the building. Baker Roofing's Raleigh office is still located at 517 Mercury St.

In a statement about the new plans, Garner Mayor Ken Mashburn said the project is a significant step for the town to diversify its local economy.

"We're excited about the innovative repurposing of this building and the potential impact it can have as the town continues to aggressively pursue recruiting companies in the life science, advancing the manufacturing and technology sectors," he said.