

AVISON
YOUNG



Old Chapel Hill Rd

Old Chapel Hill Rd Assemblage

±11.7-acre assemblage in high-growth market

OFFERING MEMORANDUM

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If you would like more information on this offering please get in touch.

Steven B. Peden
Principal | Multifamily
+1 919 291 5650
steven.peden@avisonyoung.com

Kyle Gonzalez
Vice President | Multifamily
+1 919 866 4273
kyle.gonzalez@avisonyoung.com

Disclaimer

Avison Young (“Agent”) has been engaged by Ownership (“Seller”) as the exclusive agent for the sale of Old Chapel Hill Rd Assemblage, Durham, NC 27707, (the Property”). The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Avison Young as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence, for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being

marketed for sale at any time and for any reason. Seller and Agent expressly reserves the right at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by owner and any conditions to owner’s obligations there under have been satisfied or waived.

By taking possession of an reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in a strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Avison Young. Seller will be responsible for any commission due to Agent in Connection with the sale of the Property. Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker/agent’s authority to act on its behalf.

The information contained herein was obtained from sources believed reliable; however, Avison Young makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this property is submitted subject to errors, omissions, change of price or conditions, prior to sale or lease, or withdrawal without notice.



01 Executive summary

Avison Young is pleased to present the Old Chapel Hill Rd Assemblage in Durham, North Carolina. The Property consists of ±11.7 acres, and is well located for a unique opportunity to develop a mix of uses such as commercial, retail, off-campus student housing, graduate housing or conventional multifamily.

The Old Chapel Hill Rd Assemblage site is currently zoned R-1 in Chapel Hill’s Zoning jurisdiction with the future land-use plan calling for mixed-use, multifamily residential or commercial/office. The Property’s highest and best use is in maximizing the use of multifamily as the rents in the market can support various apartment building types including garden, high-density surface parking and builds utilizing structured parking. This is a rare opportunity to develop in the highly sought after and high-barrier-to-entry Chapel Hill – Durham market.



Property overview

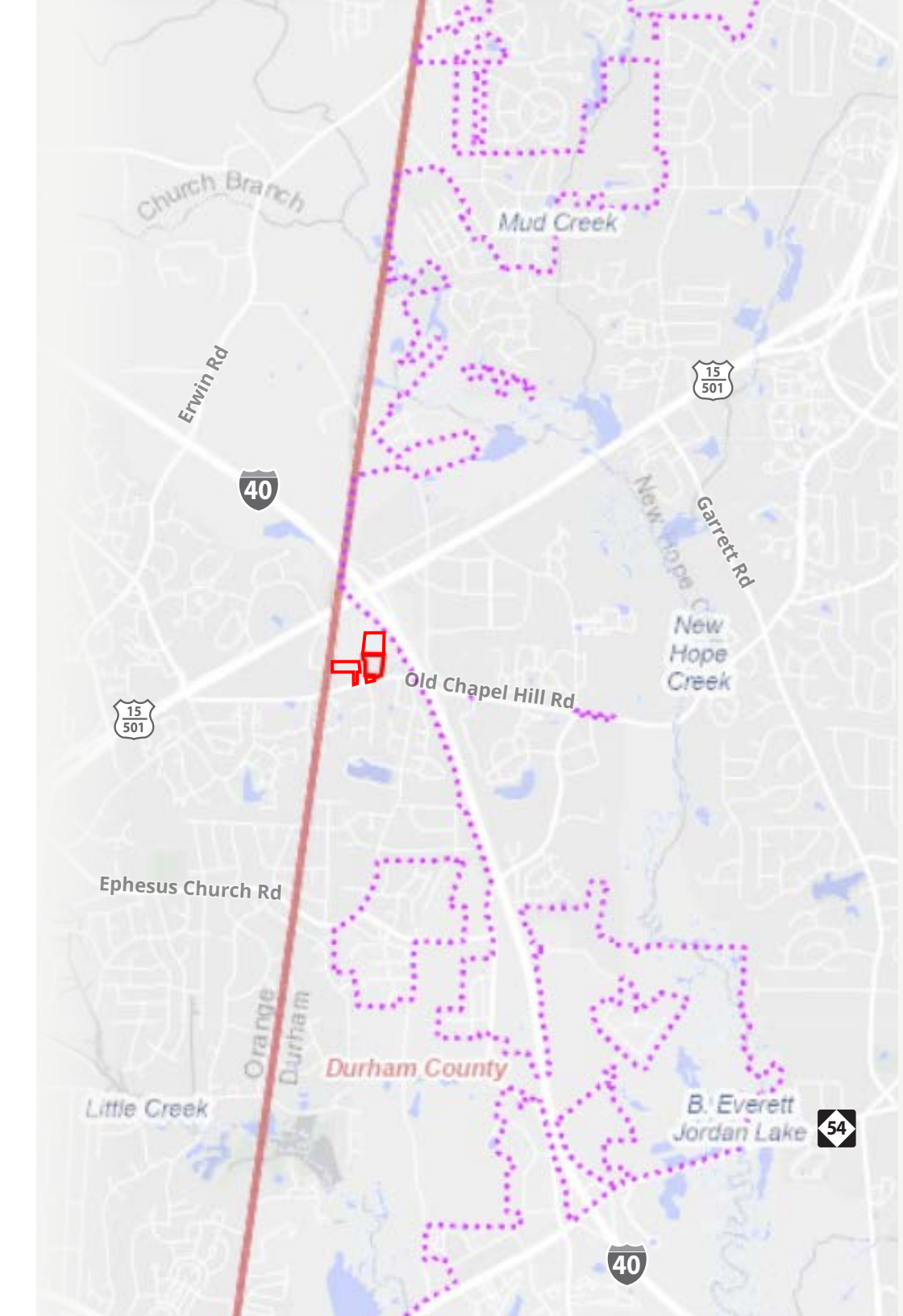
The property sits in the **North 15-501 Corridor Sub Area A**. The Property is well located for a unique opportunity to develop a mix of uses such as commercial, retail, off-campus student housing, graduate housing or conventional multifamily.

PROPERTY SUMMARY	
Address	11 White Oak Drive, and 5520, 5522 & 5608 Old Chapel Hill Rd
Parcel ID	140191, 140193, 140194, 140222
Market	Chapel Hill
County	Durham
Zoning	R-1
Usable acres	±11.7 acres
Potential units	±360

Property overview

±11.7-ACRE SITE IN DURHAM NC

The Property is in Durham County but under the Chapel Hill zoning jurisdiction. It is currently zoned R1, allowing for various types of lower density residential uses. The future land-use plan calls for a mix of uses including multifamily, retail, and commercial.



Future land use map

CHARACTER TYPES AND HEIGHT IN 2050: NORTH 15-501 CORRIDOR

ACTIVATED STREET FRONTAGES

Activated street frontages where there is an active visual engagement between those in the street and those on the ground floors of buildings or in civic spaces, with no off-street parking between the street frontage and the building/civic space, and lively internal uses visible and accessible from the activated space. In some cases, active street frontages may mean that retail and services should be allowed on the first floor within residential character types.

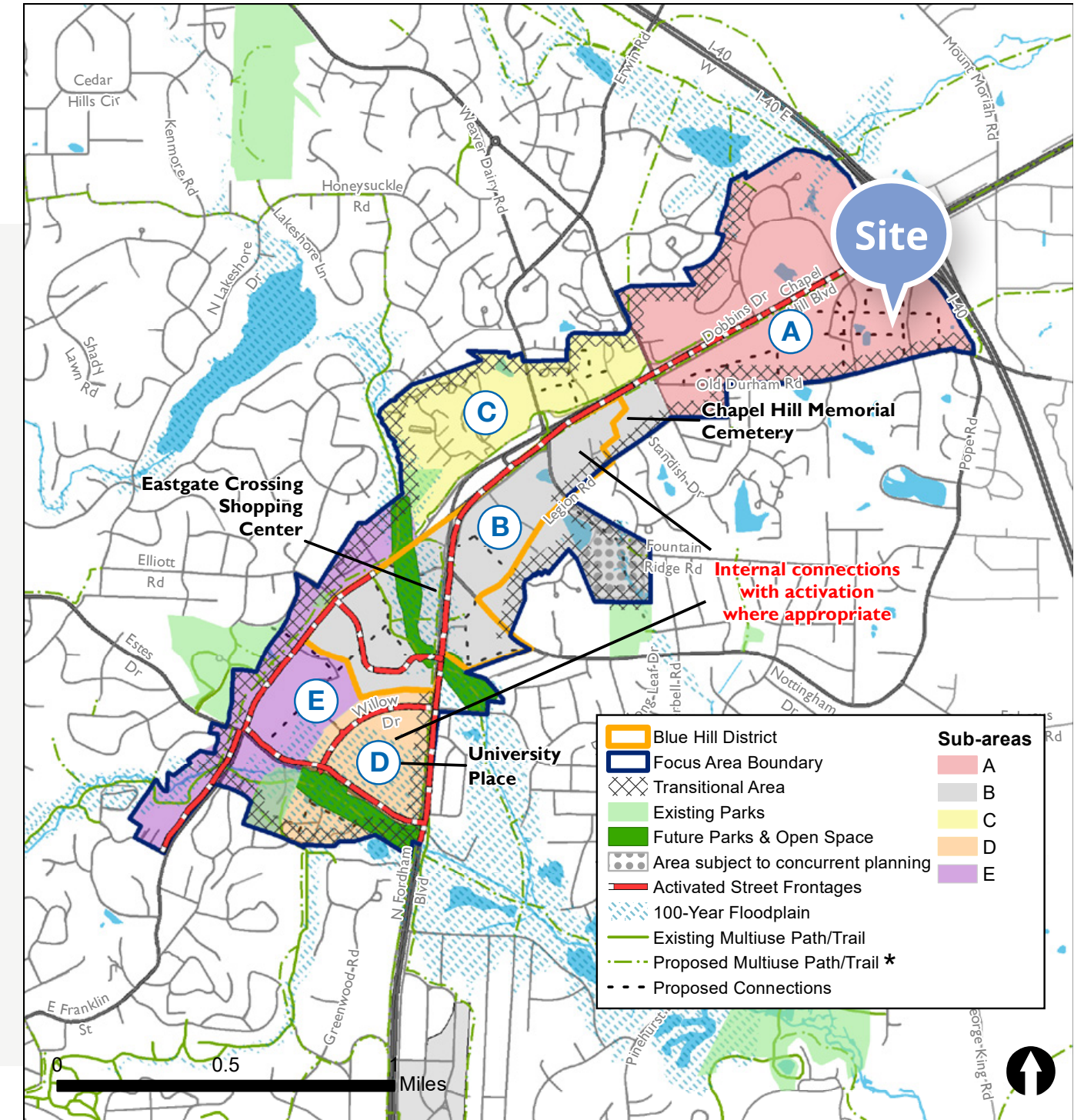
Active frontages may also be encouraged along future connections including multi-modal ones. When creating active frontages, it must be recognized that appropriate activation will differ by place and circumstance.

TRANSITIONAL AREA

This focus area strives for harmonious transitions between different types and intensities of land uses as well as built form in order to help mitigate undesirable impacts that a development might have on an adjacent site or use. The Transitional Area is intended to identify areas where lower-intensity uses or development patterns may be appropriate between higher-intensity development and single-family neighborhoods.

● Primary (predominant land uses)
 ○ Secondary (appropriate, but not predominant)
 ○ Discouraged

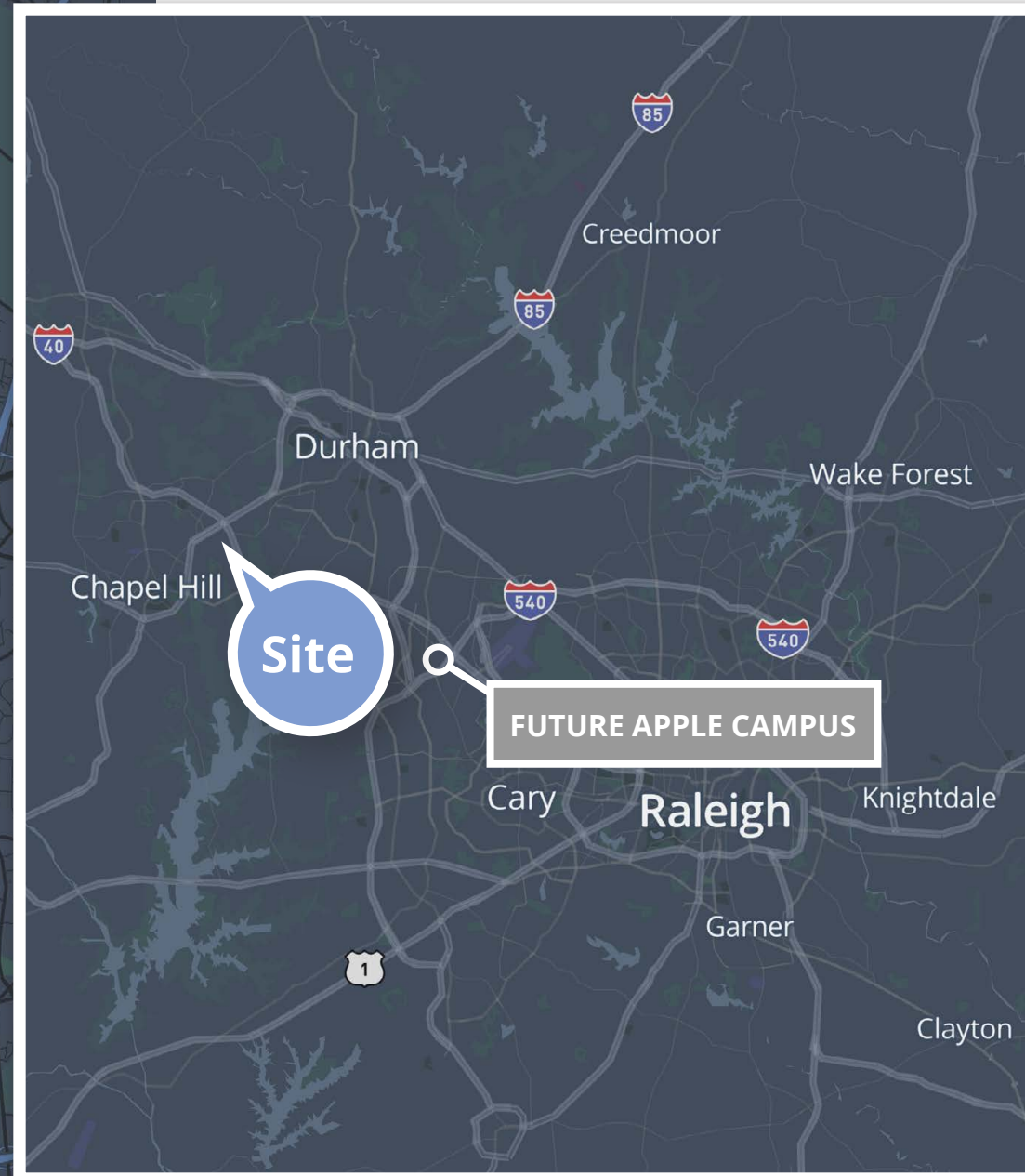
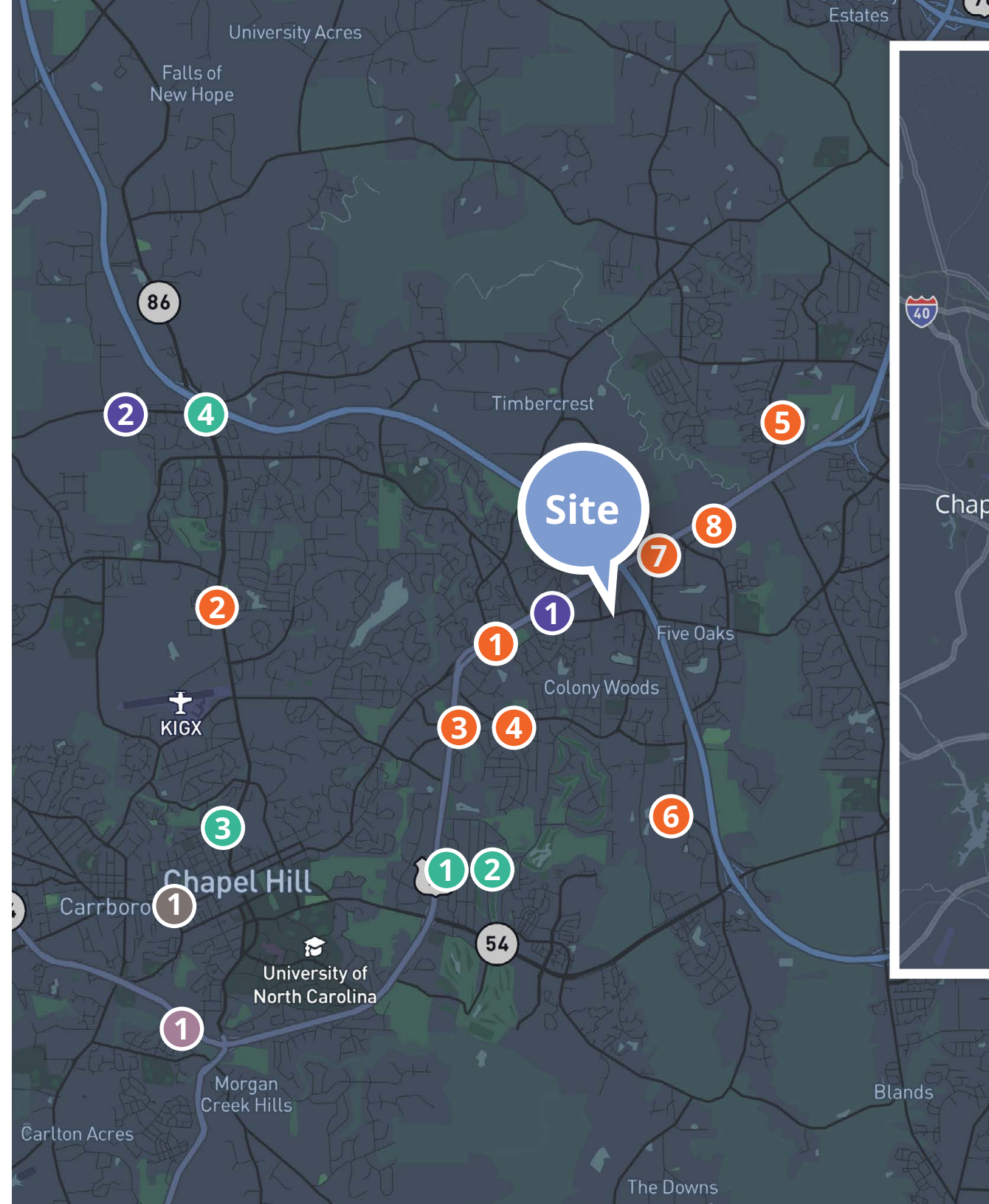
	Sub-Area A	Sub-Area B	Sub-Area C	Sub-Area D	Sub-Area E
Multifamily, Shops & Offices	●	●	○	●	●
Multifamily Residential	●	○	○	○	○
Commercial/Office	●	●	○	●	●
Parks and Green/Gathering Spaces	●	●	○	●	●
Townhouses & Residences	○	○	●	○	○
Institutional/University/Civic	○	○	○	○	○
Typical Height	4-6 stories	4 stories	4 stories	4-6 stories	4-6 stories
Transitional Area Height	Up to 4 stories	Up to 4 stories	Up to 4 stories	Up to 4 stories	Up to 4 stories
Activated Street Frontage Height	6 stories	6 stories	6 stories	6 stories	6 stories



Current notable developments

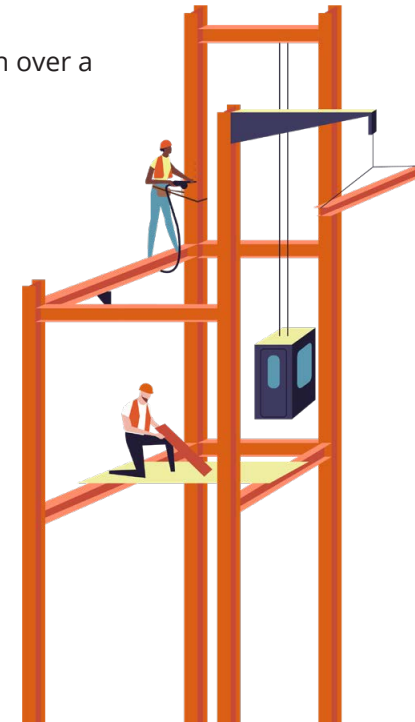
CHAPEL HILL IMMEDIATE AREA

Type	Project	Size
1 Multifamily	Trilogy Chapel Hill	328 units
2 Multifamily	Timber Hollow II	106 units
3 Multifamily	The Park II	106 units
4 Multifamily	The Hartley at Blue Hill I	312 units
5 Multifamily	The Guild	165 units
6 Multifamily	Aura Farrington 54	250 units
7 Multifamily	Moriah	264 units
8 Multifamily	Crowne at 501	295 units
1 Office	The Gwendolyn	109,000 sf
2 Office	The Gwendolyn Phase 2	275,000 sf
3 Office	150 East Rosemary Street	200,000 sf
4 Office	11SixtyFive	48,624 sf
1 Retail	Wegmans	102,010 sf
2 Retail	Carraway Village	8,800 sf
1 Hospitality	Rosemary-Columbia Hotel	135 rooms
1 Residential Condos	South Columbia Annex	60 units



Future Apple campus

- 3,000-job campus situated on 281 acres announced April 2021
- Largest Apple presence on the East Coast, eventually spanning one million square feet
- \$187,000 average annual starting wage beginning in 2023
- \$1 billion investment over 10 years
- \$100-million commitment to support education and community initiatives across the state
- \$110-million additional commitment to NC's utility fund for infrastructure for the 80 counties most in need
- Part of 20,000-job growth plan across the U.S.
- Raleigh-Durham outbid/won over a competing bid from Ohio
- \$845.8 million in potential reimbursements (over 39 years) from the Job Development Investment Grant
- Just submitted for building permits





03 Area overview

The Raleigh-Durham region, more commonly referred to as the Triangle, spans seven counties and includes two metro areas – the Durham-Chapel Hill MSA and the Raleigh-Cary MSA. The region is anchored by three research universities – The University of North Carolina at Chapel Hill, North Carolina State University in Raleigh and Duke University in Durham. Located in the heart of the Triangle, the world-renowned Research Triangle Park is one of the largest R&D parks in the world and serves as a major economic driver for the region.

Area overview

OLD CHAPEL HILL RD ASSEMBLAGE, DURHAM NC

From thriving central business districts to quiet suburban areas, the Triangle offers something for everyone. With a population of 2.2 million people, the Triangle is one of the fastest growing metros in the country. Since 2000, its population swelled by 61%, and more than 70 people move to the region every day.

Home to advanced industries and rich opportunities, the Triangle is a vibrant collection of diverse communities working together to create one of the best places in the world to live, work and play. Residents are drawn to the Triangle from across the U.S. and the globe. The region consistently earns accolades for its outstanding quality of life, business environment, job opportunities, and its rich talent pool. Heavy immigration, combined with more than 200,000 college students across the region, provides a strong talent pipeline and intellectual capital for growing businesses. The Triangle offers abundant recreational and cultural activities, along with quick access to North Carolina’s Blue Ridge Mountains to the west and beautiful beaches to the east.

COST OF LIVING

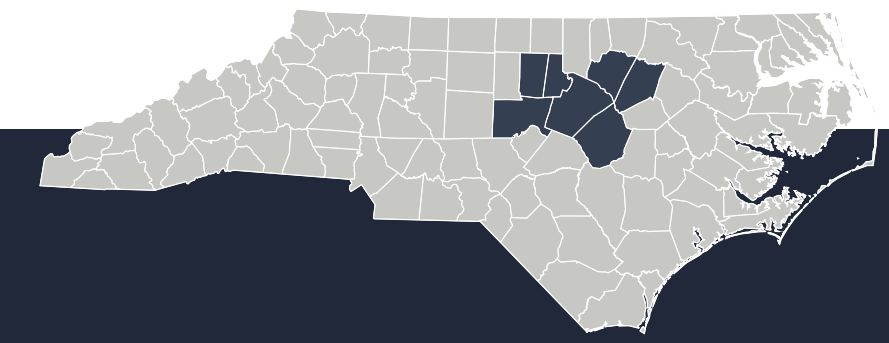
The Triangle’s cost of living index is an affordable 92.6 versus a national average of 100. The cost of housing is a key factor in the region’s affordability. The housing portion of the cost of living index is 89.7.

QUALITY OF LIFE

The Triangle is one of the nation’s most affordable places to live and offers an incredible quality of life. Access to high quality medical care is one of the region’s key differentiators. The Triangle is home to two of the nation’s top rated teaching hospitals at Duke and UNC, and ranks among the top metros in the U.S. for physicians per capita. The Triangle offers a rich arts and culture scene with abundant museums, theaters, music venues and festivals. Numerous state and local parks and more than 100 miles of greenway trails offer a wealth of opportunities for hiking, biking, boating, swimming, camping and more. Triangle residents looking for an escape need only hop on Interstate 40, heading just two hours to the east to North Carolina’s southern beaches, or three hours to the west to the beautiful Blue Ridge Mountains. For sports enthusiasts, the Triangle region offers an array of events each year from NHL hockey to minor league baseball and numerous collegiate sports, including what many have dubbed the nation’s #1 rivalry in college sports – Duke vs. UNC basketball.

ACCESSIBILITY

The Triangle’s Central East Coast location places it within a one-hour flight or one-day drive of half of the U.S. population. North Carolina has the second-largest state-maintained highway system in the nation, and two major interstates – I-40 and I-85 – run directly through the Triangle. With expansion plans underway, RDU International Airport offers daily direct flights to most major U.S. cities as well as international destinations. North Carolina has the largest consolidated rail system in the country. A recently completed intermodal facility in Charlotte and a planned facility to the east of Raleigh will provide expanded access to the Southeast’s major ports.



#1 State for business
Site Selection, November 2021

The Triangle Region

EDUCATION

The Triangle's workforce of the future is cultivated by the region's academic institutions. The region is home to three tier 1 research universities – The University of North Carolina at Chapel Hill, North Carolina State University in Raleigh and Duke University in Durham. These universities brought \$1.3 billion in federal R&D funding in 2021 and have spun off hundreds of start-up companies. There are eight other universities and colleges across the region, and the Triangle's community colleges work closely with local economic developers and businesses to ensure course offerings align with industry needs and adequately prepare students for the jobs of tomorrow. **As a result of its robust academic resources, the Triangle is one of the most educated metros in the nation with 50% of the population holding a bachelor's degree or higher.** This highly educated, well-trained workforce is one of many reasons businesses are drawn to the region.

Home to
three tier 1
research **universities**



UNC-CHAPEL HILL

Chapel Hill is home to the nation's first public university, The University of North Carolina. In 2019, UNC-Chapel Hill ranked first among Kiplinger's 100 best U.S. public colleges and universities for a record 18th time. One of the core missions of Carolina is to serve as a center for research, scholarship and creativity. The university's research initiative has nearly doubled in the last decade, securing UNC-Chapel Hill's distinction as a top national research university with over \$1 billion in annual research expenditures. With over 44,000 applicants to the class of 2023, a 3% increase over 2018, UNC is experiencing a 14-year consecutive record for first-year applicants. UNC Chapel Hill offers 104 master's and 65 doctoral degree programs and currently enrolls 30,101 students.

UNIVERSITY GROWTH PLAN

UNC-Chapel Hill has established a strategic initiative growth plan focusing on its near-to-long term vision in university growth. Much of this has focused on research and academics, as well as campus life improvements. The improvements most relevant to Ram's Horn Apartments are less than one-half mile from the Property. These growth initiatives should do nothing more than further solidify the outstanding location of Ram's Horn Apartments in its close proximity to campus and further demand for nearby housing. The plan is currently still evolving, but additional details and updates can be found by visiting UNC's Finance and Operations Facilities Services website.

88% of classes with fewer than 50 students

11th in annual research volume among U.S. public & private universities

335,000+ alumni living in 50 states and 161 countries

9th in World's Most Innovative Universities

-Reuters 2018 Ranking

#1 School of Medicine Primary Care Program

-U.S. News & World Report



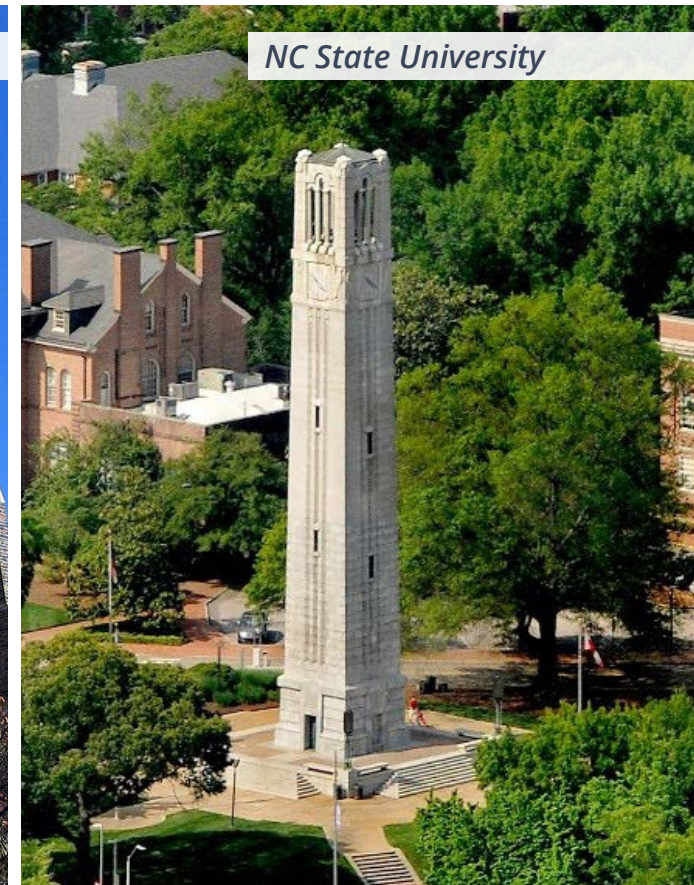
UNC Chapel Hill



Duke University



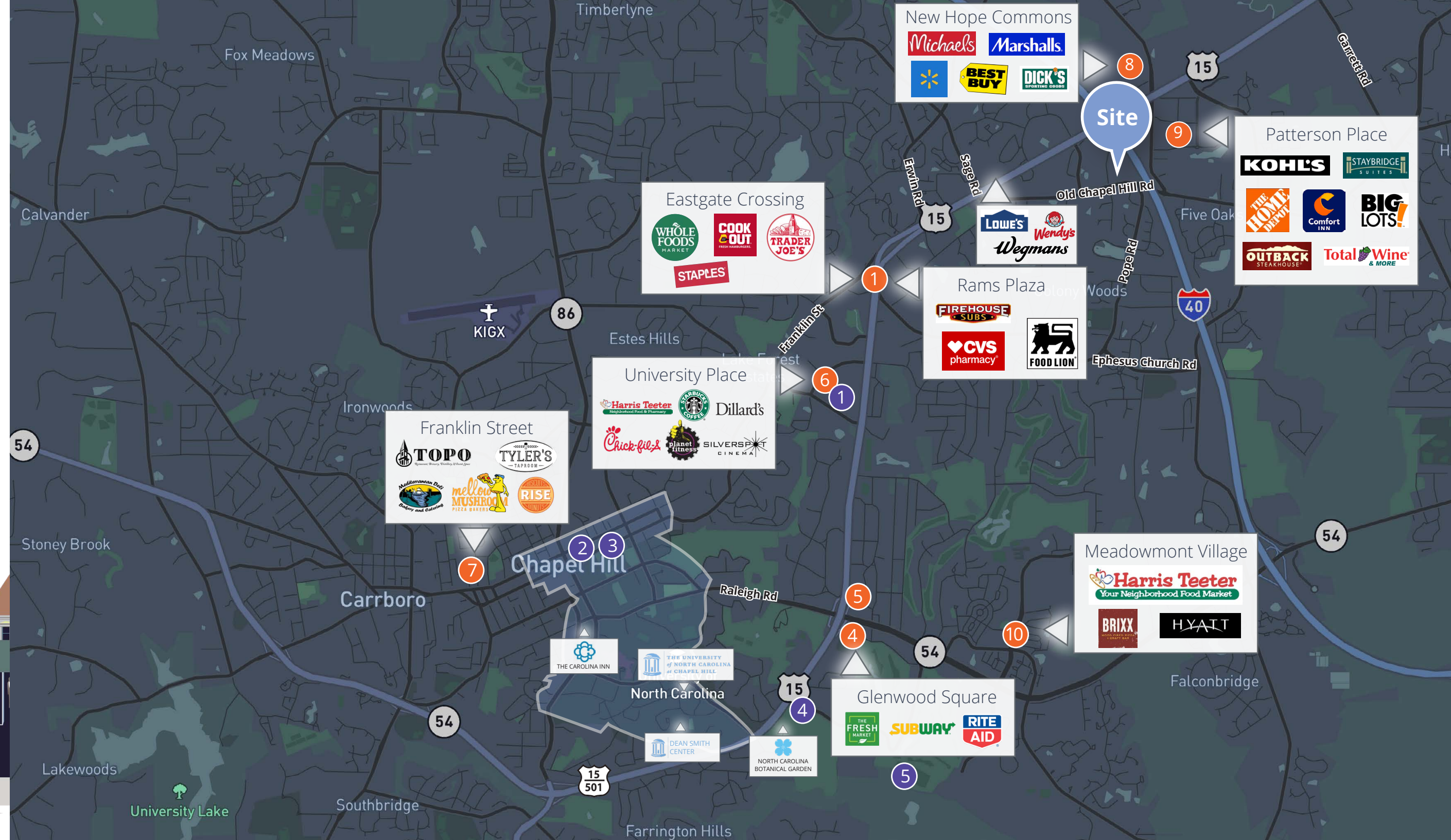
NC State University



Nearby amenities

POINTS OF INTEREST AND AMENITIES

Map	Type	Location Name
1	Retail	Ram's Plaza & Eastgate Crossing
2	Retail	South Green Carrboro
3	Retail	Carr Mill Mall
4	Retail	Glenwood Square
5	Retail	Glen Lennox
6	Retail	University Place
7	Retail	Franklin Street
8	Retail	New Hope Commons
9	Retail	Patterson Place
10	Retail	Meadowmont Village
1	Parks & Rec	KidZu Children's Museum
2	Parks & Rec	Morehead Planetarium & Science Center NC
3	Parks & Rec	Coker Arboretum
4	Parks & Rec	North Carolina Botanical Garden
5	Parks & Rec	UNC Finley Golf Course



Southwest Durham

SUBMARKET & MAJOR INDUSTRIES

The Triangle's favorable business climate and rich talent pool have led new and expanding businesses to announce jobs at a record-setting pace in recent years. The Triangle continues to experience robust population and job growth. Tech heavyweights such as Google and Apple have announced thousands of new jobs, and the region will be home to North Carolina's first automotive manufacturing facility with the construction of a new plant for VinFast in Chatham County.

The combined MSA unemployment rate in the Triangle totaled 3.3% in June 2023. Strong regional fundamentals have enabled a job growth of 8.2% since the height of the pandemic. At 20 basis points below the national average, Raleigh-Durham has one of the lowest unemployment rates in the Southeast.*

*United States Bureau of Labor Statistics; North Carolina Department of Commerce



Durham-based Wolfspeed has picked North Carolina over a competing site in NY for a 1,802-job, \$5 billion next-generation materials operation.
1,802 jobs | Sept 2022



With an investment of \$1 billion, Apple will build its first East Coast operations center in Research Triangle Park, a 1-msf campus and engineering hub on 281 acres.
3,000 jobs | May 2021



Fidelity Investments will add another 1,700 employees to its growing Research Triangle Park Campus.
1,700 jobs | May 2022



Vietnamese carmaker VinFast has picked Chatham County for a manufacturing facility that will bring 7,500 jobs to the area over 5 years.
7,500 jobs | March 2022



Raleigh-based communications software company announced plans to purchase 40 acres in West Raleigh from the State for a new headquarters facility.
1,165 jobs | Jun 2020



Google will open an engineering hub for Google Cloud in Durham, which will become one of the five largest in the U.S.
1,000 jobs | March 2021



100 jobs | June 2022



250 jobs | Dec 2021



350 jobs | March 2022



325 jobs | April 2021



250 jobs | July 2021



725 jobs | March 2021



322 jobs | Jan 2021



275 jobs | Feb 2021



875 jobs | Oct 2020



300 jobs | July 2021



200 jobs | Aug 2020



200 jobs | May 2021



300 jobs | Jun 2020



200 jobs | Aug 2020



400 jobs | Jun 2020

SOUTHWEST DURHAM MULTIFAMILY MARKET

Quarter over quarter effective rent growth increased 2.7% in 2Q23. Out of the 12 submarkets in the Raleigh-Durham market, Southwest Durham ranked 1st for quarterly effective rent growth. The annual effective rent growth has averaged 2.5% per year since 2Q96.

The occupancy rate in Southwest Durham was above the market average of 93.6% in 2Q23. The submarket's occupancy rate has averaged 94.1% since 2Q96.

Based on identified supply of properties under construction, Southwest Durham is expected to deliver 306 units in 2023 of which 166 have been delivered. During the last 12 months, 3,341 units were absorbed in lease-up properties across the Raleigh-Durham market with 175 of them within this submarket. The submarket's average absorption was 10 units per property, per month. Southwest Durham's average asking rent for new lease-up properties was \$1,955 per unit, or \$1.89 per square foot. When factoring in concessions, new lease-up properties in this submarket on average achieved an effective rent of \$1,937 per unit, or \$1.88 per square foot.

SOUTHWEST DURHAM ANNUAL RENT GROWTH AND OCCUPANCY

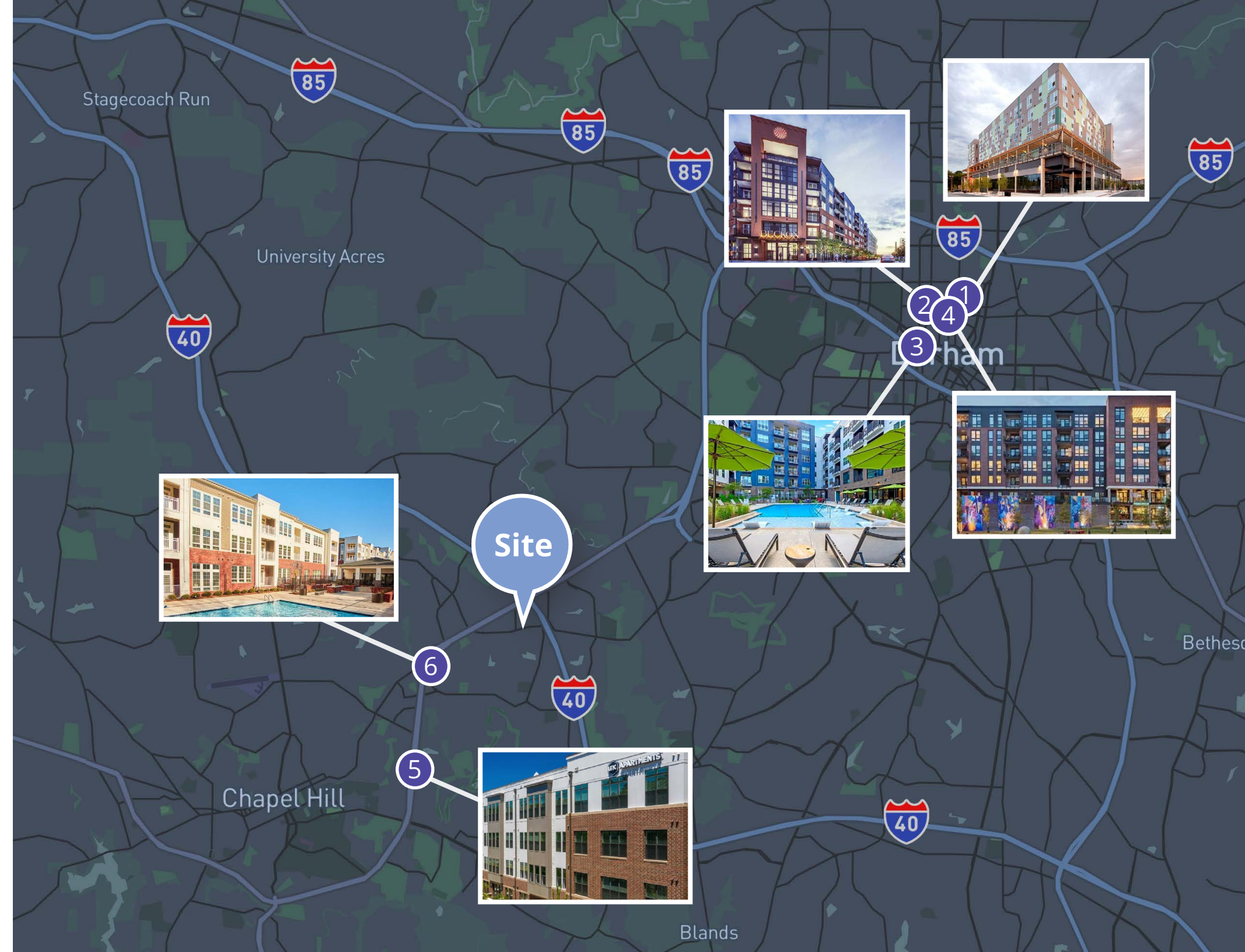
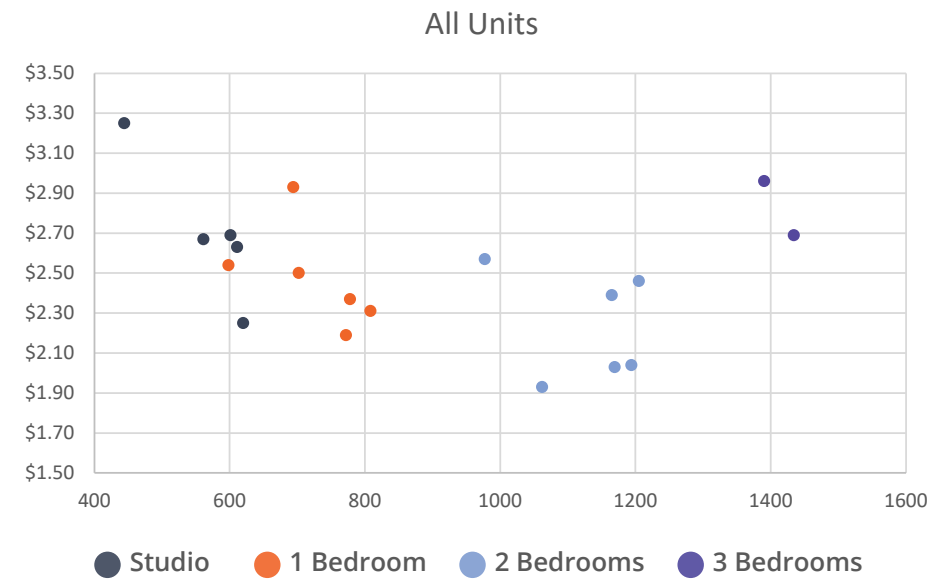


Rent Comparables

OLD CHAPEL HILL ASSEMBLAGE

Property Name	Studio			One Bedroom			Two Bedroom			Three Bedroom		
	SF	Rent	Rent/SF	SF	Rent	Rent/SF	SF	Rent	Rent/SF	SF	Rent	Rent/SF
1 Atlas Durham	444	\$1,439	\$3.25	694	\$2,052	\$2.93	977	\$2,515	\$2.57	-	-	-
2 Beckon	601	\$1,615	\$2.69	808	\$1,858	\$2.31	1,165	\$2,799	\$2.39	4,104	\$4,104	\$2.96
3 Cortland Bull City	561	\$1,496	\$2.67	702	\$1,743	\$2.50	1,194	\$2,427	\$2.04	-	-	-
4 Foster on the Park	611	\$1,605	\$2.63	772	\$1,701	\$2.19	1,205	\$2,966	\$2.46	1,434	\$3,841	\$2.69
5 Link Apartments Linden	-	-	-	598	\$1,498	\$2.54	1,062	\$2,050	\$1.93	-	-	-
6 The Hartley at Blue Hill I	620	\$1,397	\$2.25	778	\$1,857	\$2.37	1,169	\$2,349	\$2.03	-	-	-
Average	567	\$1,510	\$2.70	725	\$1,785	\$2.47	1,129	\$2,518	\$2.24	2,769	\$2,769	\$2.83

SOUTHWEST DURHAM IS THE #1 submarket for quarterly effective rent growth OF THE 12 SUBMARKETS IN THE RALEIGH-DURHAM MARKET

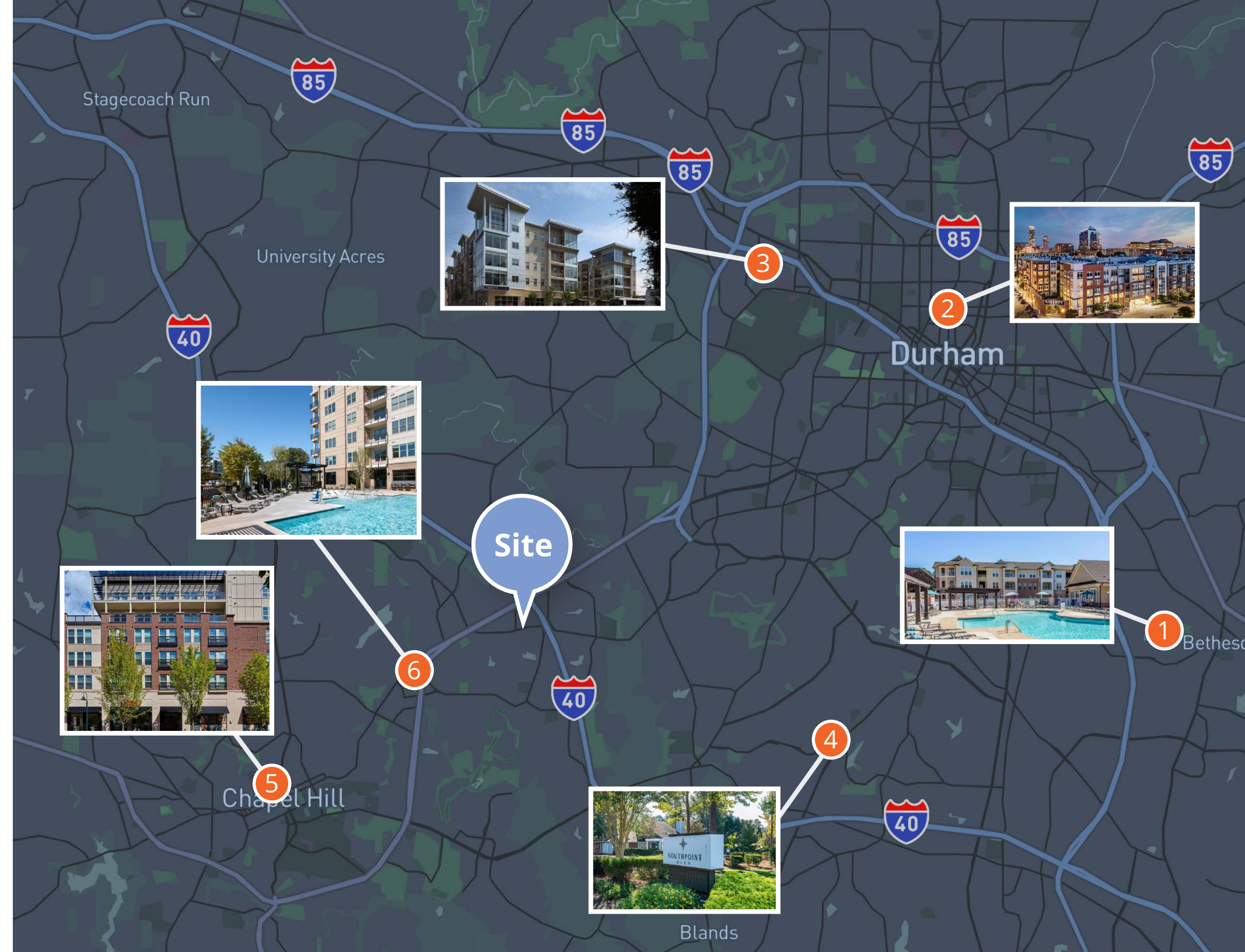


Improved Sale Comparables

OLD CHAPEL HILL ASSEMBLAGE

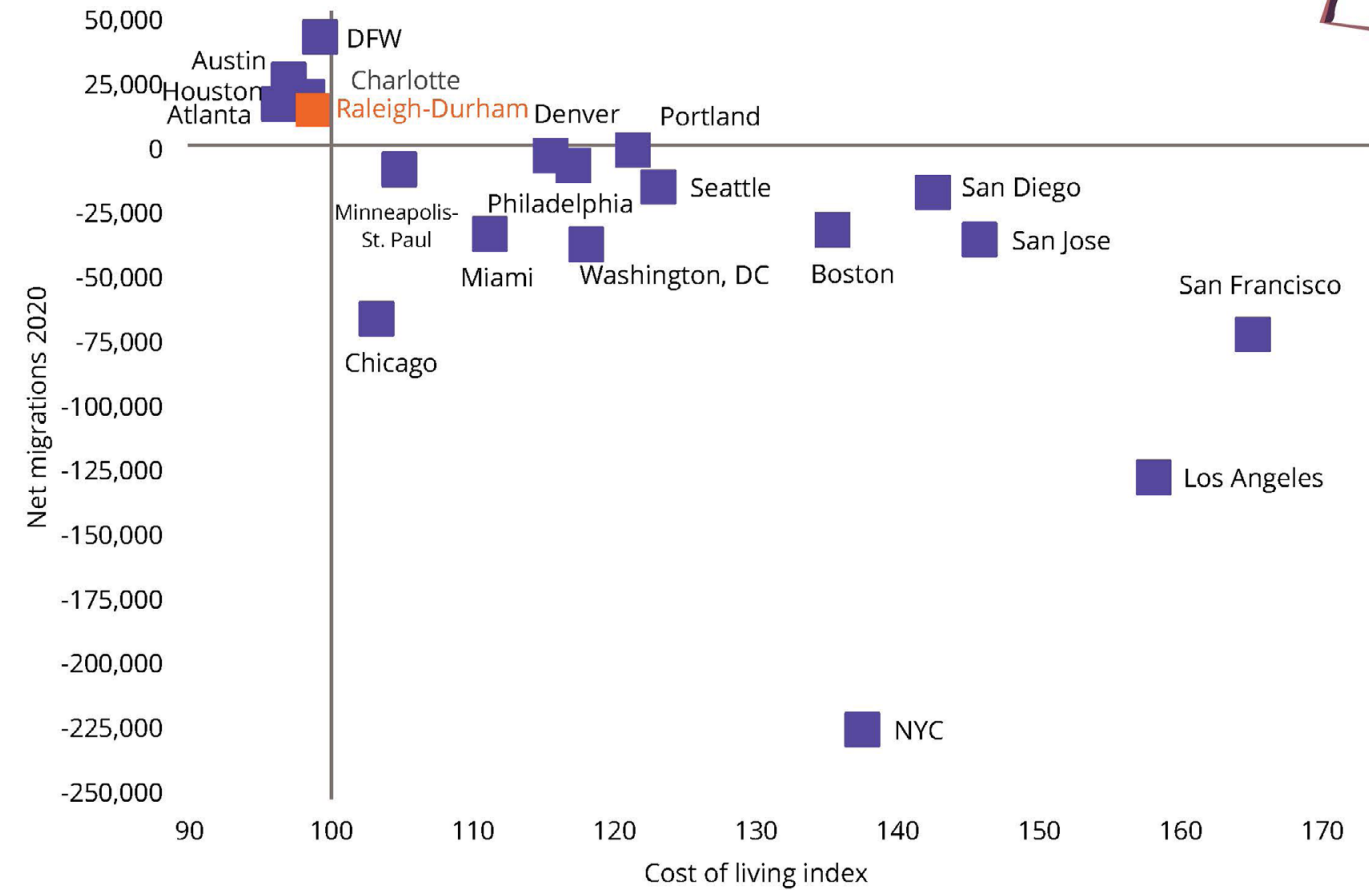
	Property Name	Property Type	Units	Units/Area	Total SF	Year Built	Floors	Occupancy	Sales Price	Price/Unit	Price/SF	Cap Rate	Buyer	Seller
1	Marquis Ellis Crossing	Mid-Rise	336	94	285,600	2016	3	90%	\$85,292,000	\$253,845	\$299	-	CWS Capital Partners	Duck Pond Realty
2	Liberty Warehouse	Mid-Rise	247	95	320,000	2017	6	93%	\$89,000,000	\$360,324	\$278	-	Munich Re, MEAG	Duck Pond Realty
3	Trinity Commons	Mid-Rise	342	88	484,404	2010	7	90%	\$100,000,000	\$292,398	\$206	5.2%	The Connor Group	Northwood Investors; Crosland Group
4	Southpoint Glen*	Garden	346	12	375,770	1987/2014	3	96%	\$88,000,000	\$254,335	\$234	-	Birge & Held	StoneBridge Investments
5	Carolina Square*	Mid-Rise	246	216	266,000	2017	6	92%	\$105,000,000	\$426,829	\$395	-	Northwood Ravin	Cousins Properties
6	Bell Chapel Hill	Mid-Rise	272	84	295,000	2020	6	94%	\$85,250,000	\$313,419	\$289	-	Bell Partners	Ram Realty Partners

**Part of portfolio transaction*



Cost of living and 2020 net migrations

RALEIGH VS. TOP 20 OFFICE MARKETS



Markets with lower cost of living experienced the **highest population growth in 2020**, including Raleigh-Durham

Best Places to Live in the U.S. in 2022 – 2023

DURHAM | U.S. NEWS & WORLD REPORT

Research Triangle Park is Nation's #4 Biotech Hub

RESEARCH TRIANGLE PARK | FIERCE BIOTECH, 2023

#1 Hottest Housing Market in the U.S.

RALEIGH, NC | U.S. HOUSING MARKET INDEX, FEBRUARY 2023

#10 Best-Run City in America

DURHAM | WALLETHUB, 2023

#4 Best Place to Start a Business

DURHAM | WALLETHUB, 2023

#5 Hottest Job Market in the Nation

RALEIGH, NC | THE WALL STREET JOURNAL, APRIL 2023

#1 State of the Year for Business Facilities

NORTH CAROLINA | CNBC, DECEMBER 2022

#2 Top U.S. Growth Cities in 2021

RALEIGH-DURHAM, NC | U-HAUL, JANUARY 2022

#3 Hottest Housing Real Estate Market in the U.S. for 2022

RALEIGH, NC | ZILLOW, JANUARY 2022

#1 State for Business

NORTH CAROLINA | CNBC, July 2022

#3 Best Place (Raleigh-Durham) for Job Seekers

RALEIGH-DURHAM | LinkedIn, March 2022

If you would like more information on this offering please get in touch.

Steven B. Peden

Principal | Multifamily
+1 919 291 5650
steven.peden@avisonyoung.com

Kyle Gonzalez

Vice President | Multifamily
+1 919 866 4273
kyle.gonzalez@avisonyoung.com

Wes Boatwright

Principal | Structured Finance
+1 202 644 8559
wes.boatwright@avisonyoung.com

Emily Bostic

Transaction Manager
+1 919 866 4274
emily.bostic@avisonyoung.com

Tessa Schwall

Marketing Production
+1 248 550 6164
tessa.schwall@avisonyoung.com

Visit us online
avisonyoung.com

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5440 Wade Park Boulevard, Suite 200 | Raleigh, NC 27607 | +1 919 785 3434

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YOUNG**