

5504 Rock Quarry Road

28.4-acre multifamily development opportunity located in an Opportunity Zone in Raleigh, NC

OFFERING MEMORANDUM

**AVISON
YOUNG**

Contacts and confidentiality

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

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01 Executive summary

Gravity Rock Quarry

5504 Rock Quarry Road

Avison Young is pleased to present 5504 Rock Quarry Road located in Raleigh, North Carolina. The Property consists of 28.4 acres and is currently zoned R-10-CU providing the opportunity to develop a high-end conventional multifamily project.

The Property is situated in the Southeast Special Opportunity Zone neighboring several municipalities that include Raleigh, Knightdale, Garner and Clayton. This particular zone has two census tracts that are experiencing rapid growth. The Southeast Raleigh Opportunity Zone is a high priority area of Raleigh's economic development where qualifying projects may receive enhanced incentives.

Located just six miles southeast of downtown Raleigh and a quick 10 miles south of the highly amenitized North Hills district, the Property makes for an ideal location for ease of access, employment opportunity and first class amenities. The North Hills district is a \$1B, 94-acre redevelopment project that currently offers 2,700 multifamily units, 2M+ sf of prime office space and 1.2M+ of retail space.

The Property's highest and best use is in the utilization of a multifamily development as average rents in the market and relevant submarket can support various apartment product types, including garden and low-rise assets. This is an excellent opportunity to develop in the highly sought after and quickly expanding Southeast Raleigh submarket.





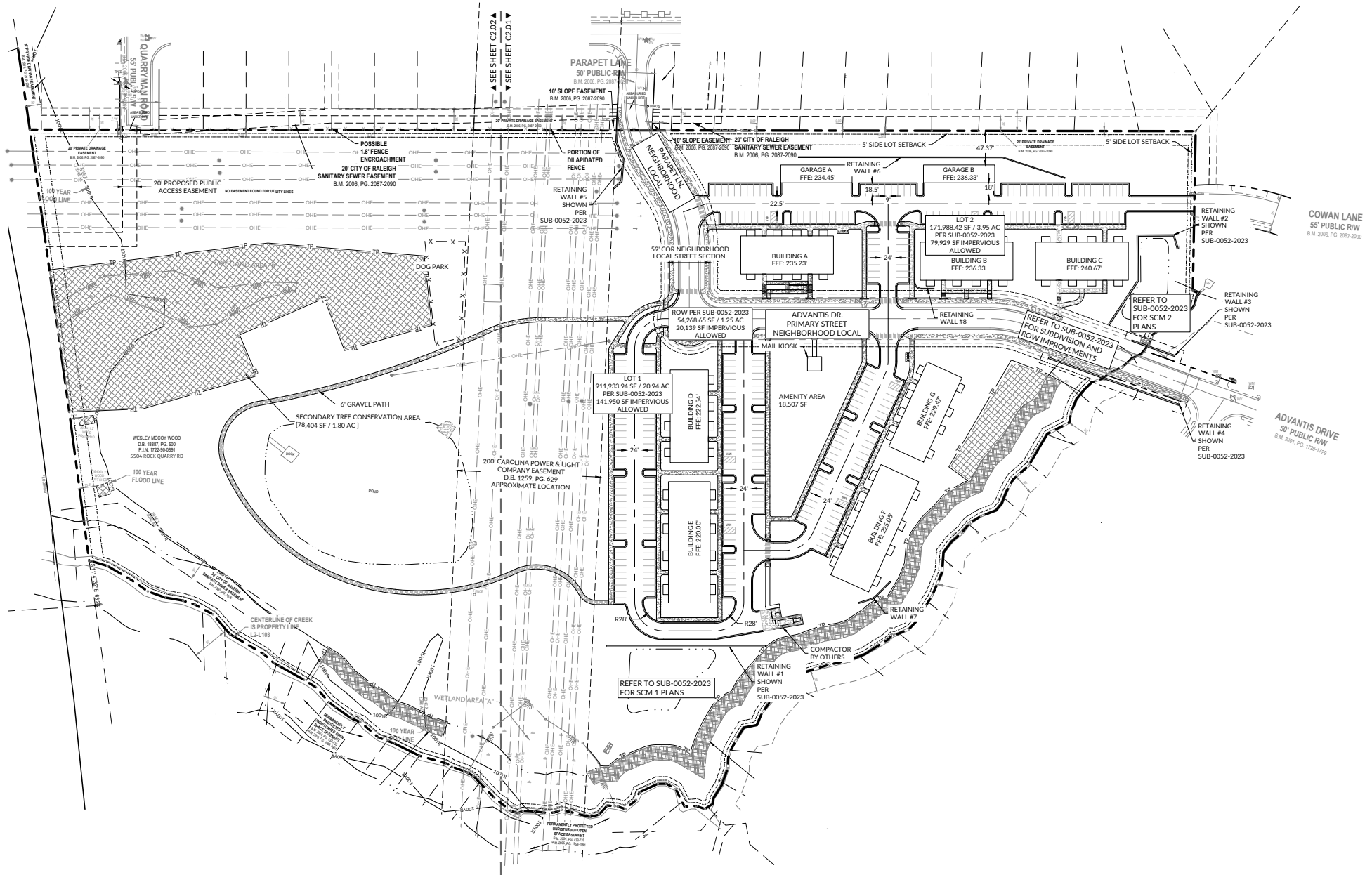
Property overview

The subject Property consists of 28.4 acres of land that is located between Interstate 40, New Hope Road and Rock Quarry Road in the Southeastern region of Raleigh, NC. The Property is also strategically located in close proximity to The Complete 540 project which will improve traffic in peak travel periods on and meets social and economic considerations in eastern and southern Wake county.

PROPERTY OVERVIEW

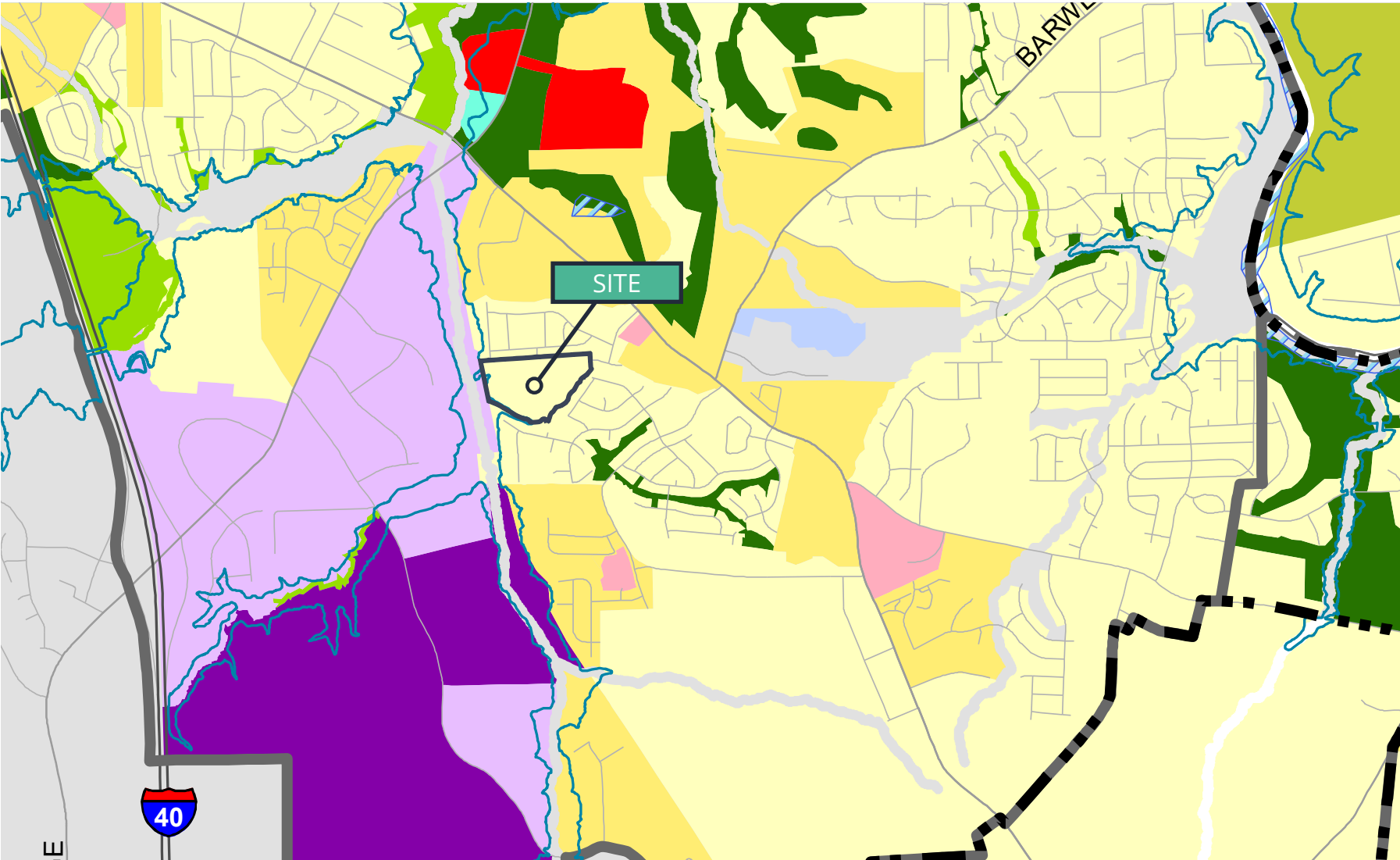
Address	5504 Rock Quarry Road Raleigh, NC 27610
Parcel ID	0031936
Market	Raleigh-Durham
Submarket	Southeast Raleigh
County	Wake
Zoning	R-10-CU
Lot size	28.4 acres
Opportunity Zone	Southeast Special Opportunity Zone
Proposed	Site plan in for review for 168 multifamily units

Site plan



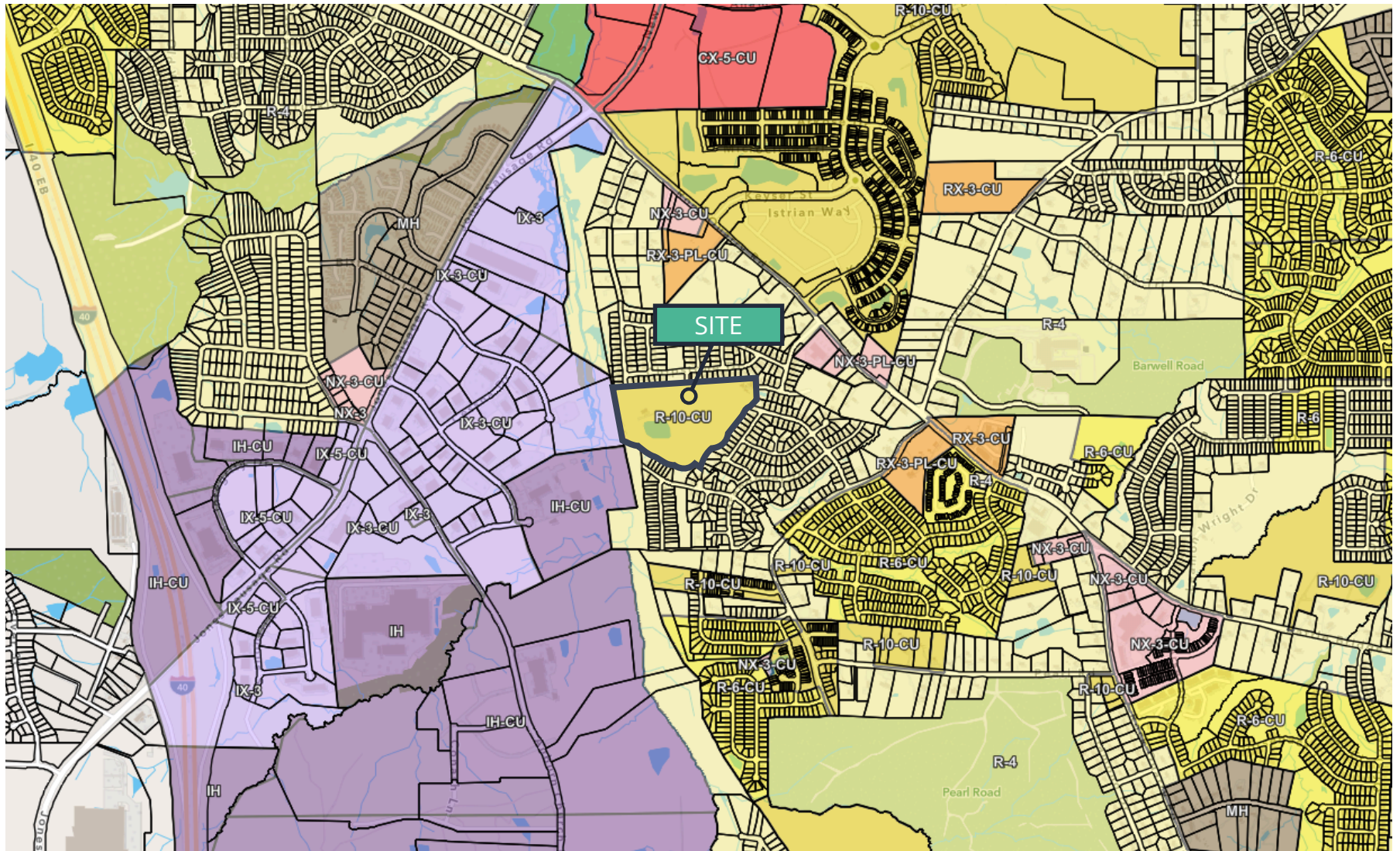
Future land use

Property overview



Zoning

Property overview





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.

From thriving central business districts to quiet suburban areas, the Triangle offers something for everyone. Since 2020, the Raleigh-Durham-Cary combined statistical area has grown 5.6% to 2.4 million people, the 10th fastest rate in the U.S. Wake County has grown by 5.3% since 2020, with 1.2 million residents, and is the largest county in North Carolina. The Triangle has been the 10th fastest-growing region in the nation since 2020, as the area continues to be reshaped by a surge in people moving to Sunbelt communities.

Area overview

Gravity Rock Quarry | Raleigh, NC

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 in-migration, 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 of 97.8 has increased slightly, yet still more affordable than the national average. The cost of housing is a key factor in the region's affordability.

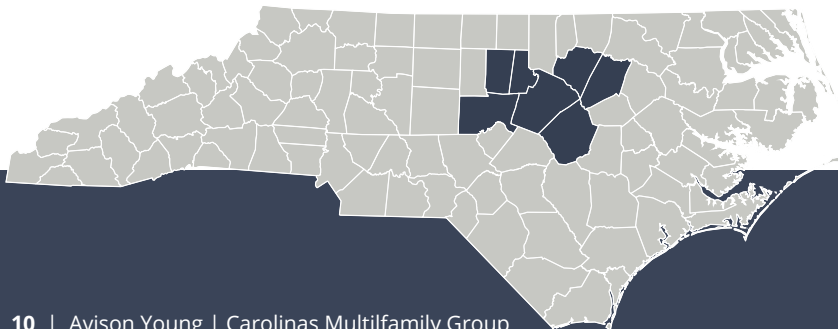
QUALITY OF LIFE

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
CNBC, July 2023

Southeast Raleigh Submarket

Out of the 12 submarkets in the overall Triangle apartment market, the Southeast Raleigh submarket ranked 1st for quarterly effective rent growth in 4Q23. Average annual effective rents reached \$1,502 per unit (\$1.50 psf) at the close of 2023. The Southeast Raleigh occupancy rate decreased 50 basis points year-over-year ending the fourth quarter at 93.6%.

Based on identified supply of multifamily assets under construction, the Southeast Raleigh submarket delivered 1,380 units in 2023. During the last 12 months, 468 units were absorbed in lease-up properties in this submarket. The average absorption rate for properties in lease-up was 10 units per property, per month.

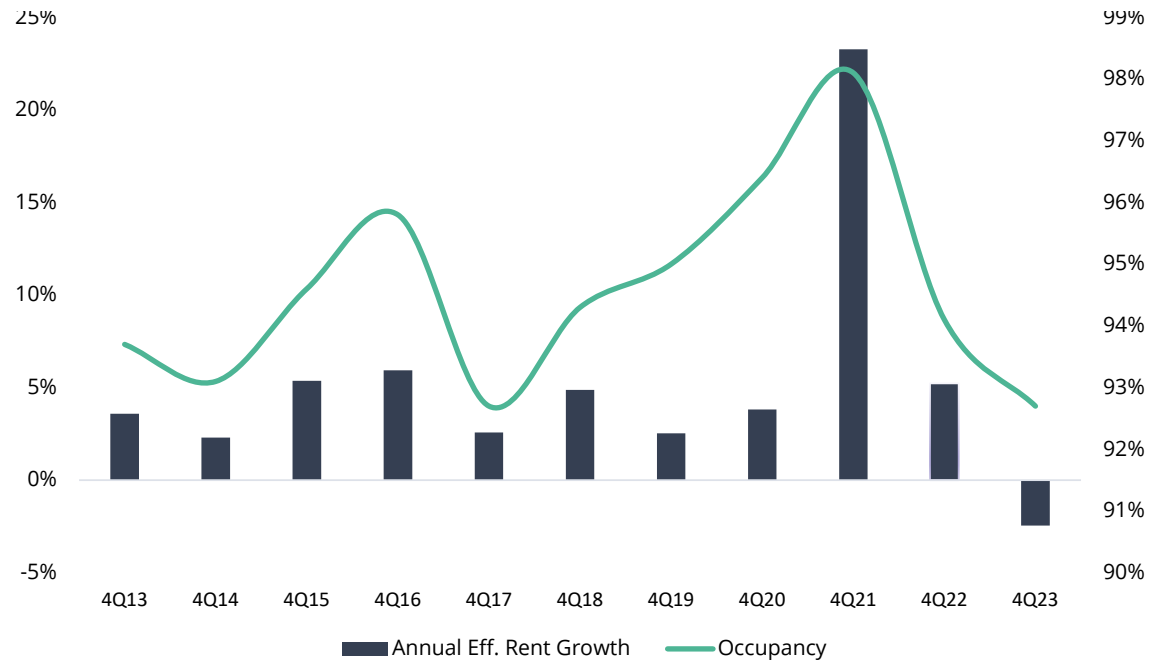
The average asking rent for new lease-up properties* was \$1,649 per unit, or \$1.54 per square foot. When factoring in concessions, new lease-up properties in this submarket achieved an effective rent of \$1,584 per unit, or \$1.49 per square foot on average.

**New lease-up properties are derived from the RealPage Pipeline Lease-Up Trend, based on absorption per property, per month within a trailing 12-month period.*

Source: RealPage Analytics, Avison Young Research



SOUTHEAST RALEIGH ANNUAL RENT GROWTH AND OCCUPANCY

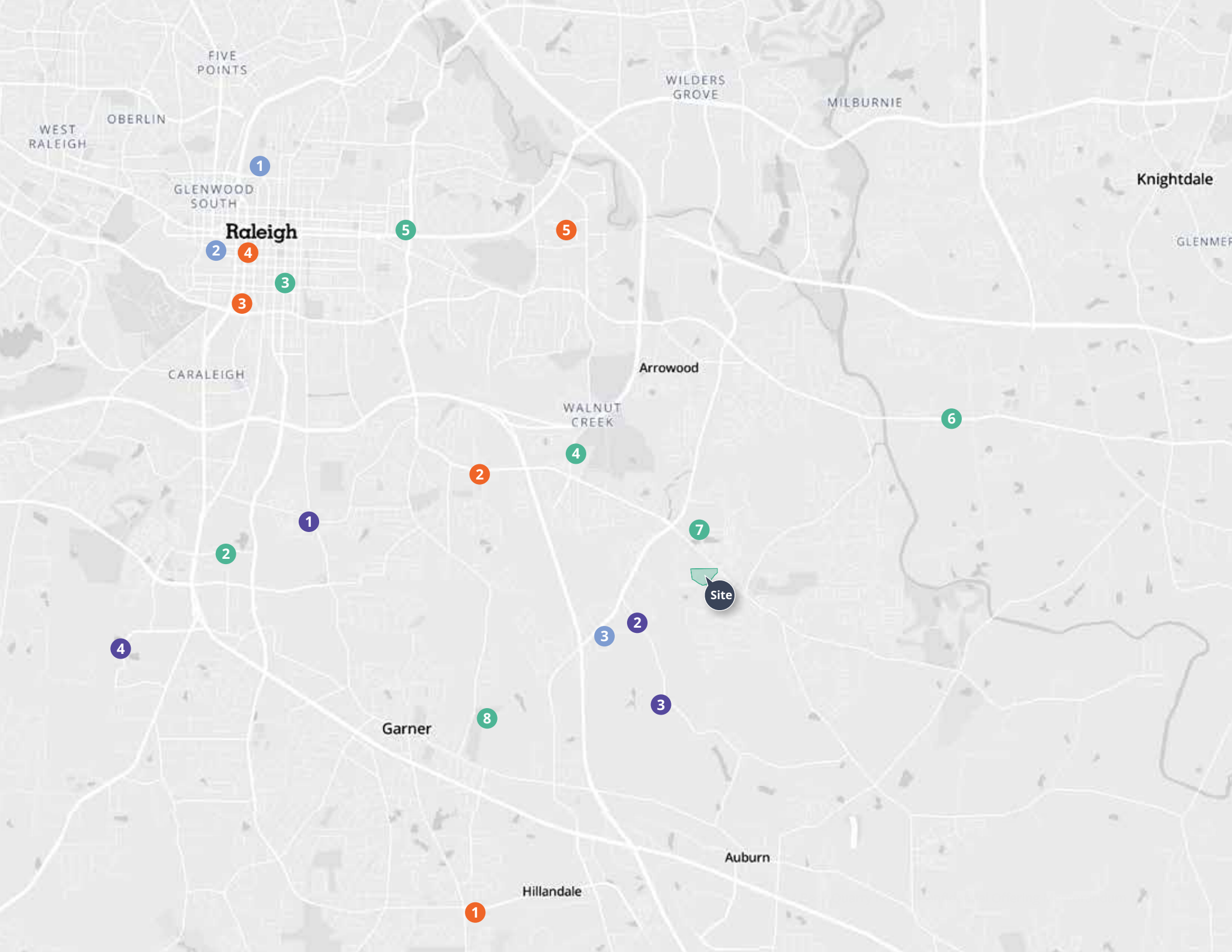


Notable developments

Area overview

	Type	Project	Size	Pipeline Stage
1	Multifamily	The Ninety Nine	222 units	Lease-Up
2	Multifamily	Platform	442 units	Lease-Up
3	Multifamily	Rock Quarry Landing	188 units	Under Construction
4	Multifamily	ABODE on North State	30 units	Under Construction
5	Multifamily	Elevate Riverview	390 units	Under Construction
6	Multifamily	Greystone	90 units	Proposed
7	Multifamily	201 Metro	102 units	Proposed
1	Office Medical	Garner Medical Office Building	60,000	Under Construction
2	Office	2718 Rock Quarry Road	15,000	Under Construction
3	Office	City Gateway	208,408	Proposed
4	Office	Nexus	319,995	Proposed
5	Office Medical	Wake Health	151,000	Proposed
1	Industrial Distribution	3000 Garner Park Drive	225,000	Under Construction
2	Industrial Distribution	Citation Drive	115,831	Under Construction
3	Industrial Distribution	4530 Auburn Church Road	625,000	Proposed
4	Industrial Distribution	Lincoln Park South	140,000	Proposed
1	Hospitality	Hyatt House Downtown Raleigh	149 rooms	Under Construction
2	Hospitality	The Union Hotel Raleigh	200 rooms	Under Construction
3	Hospitality	Spring Hill Suites by Marriott	110 rooms	Under Construction





FIVE POINTS

WILDETS GROVE

MILBURNIE

WEST RALEIGH

OBERLIN

Knightdale

GLENWOOD SOUTH

Raleigh

GLENMEAD

CARALEIGH

Arrowood

WALNUT CREEK

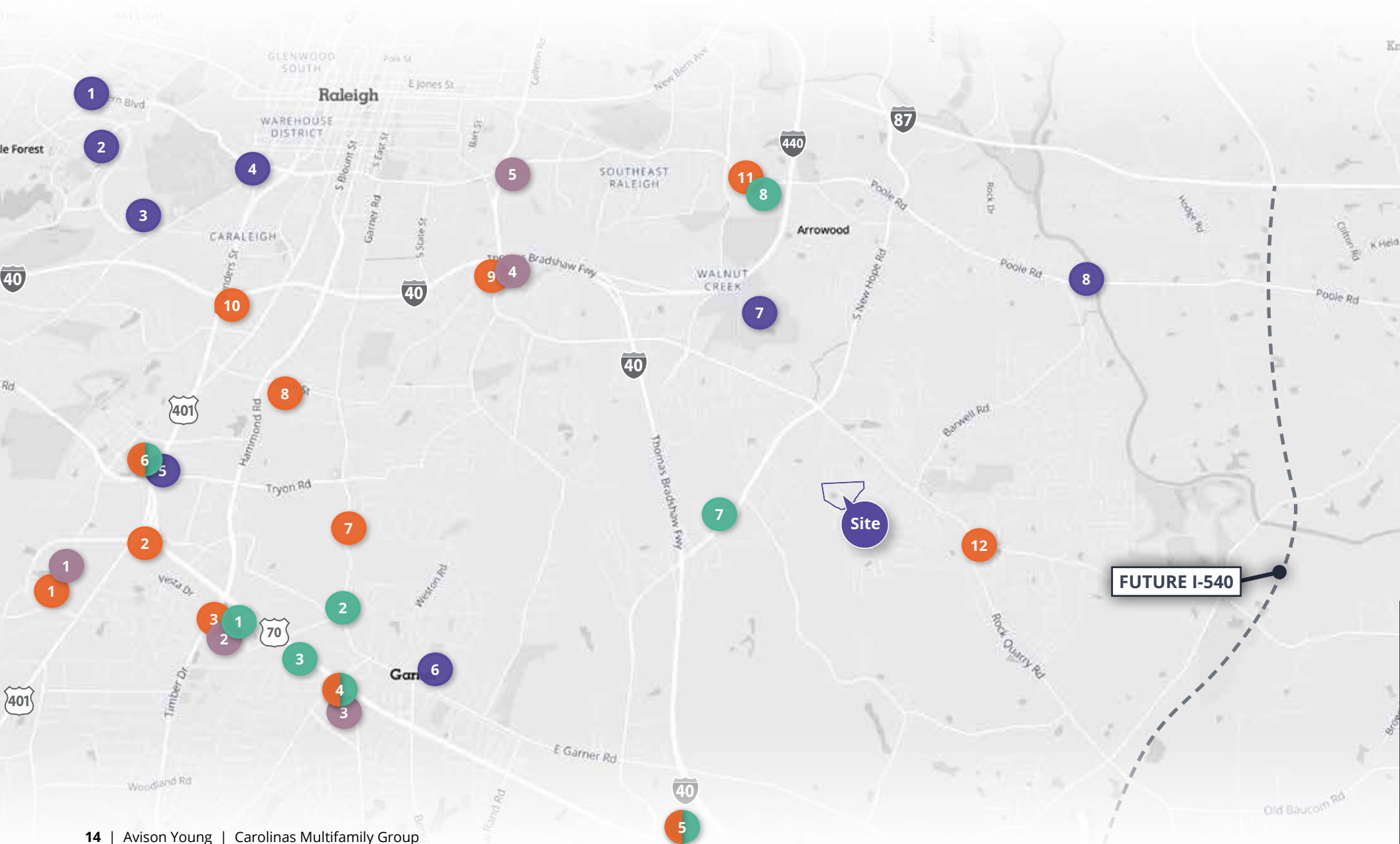
Garner

Auburn

Hillandale

Site

Amenity map





Restaurants

01	<ul style="list-style-type: none"> - Eggs Up Grill - Chick-fil-A - Mojo's Grill - New Panda Restaurant - Taco Bell - Rudino's Pizza - Menchie's Frozen Yogurt
02	Angie's Restaurant
03	<ul style="list-style-type: none"> - Outback Steakhouse - The Original Carolina Barbecue
04	<ul style="list-style-type: none"> - Arby's - MooMooCha Boba & Coffee - El Dorado Mexican Restaurant - Taqueria La Zacatecana
05	<ul style="list-style-type: none"> - Red Robin - LongHorn Steakhouse - Alpaca Peruvian Charcoal Chicken - Carolina Ale House - City Barbeque - Starbucks - Panera Bread
06	<ul style="list-style-type: none"> - Bojangles - Golden Corral Buffet & Grill - Captain Stanley's Seafood - Cookout
07	<ul style="list-style-type: none"> - Bojangles - Smithfield's Chicken 'N Bar-BQ - Burger King - Cookout - Subway
08	<ul style="list-style-type: none"> - McDonald's - Burger King



Retail

01	<ul style="list-style-type: none"> - Walmart Supercenter - GameStop - Discount Tire - Rainbow Shops
02	Lowe's Home Improvement
03	<ul style="list-style-type: none"> Garner Towne Square - Target - Home Depot - UPS Store - Spectrum - PetSmart - Harbor Freight - Lidl - H&R Block
04	Food Lion
05	<ul style="list-style-type: none"> - Bass Pro Shops - Best Buy - Kohl's
06	<ul style="list-style-type: none"> - International Food - ABC Liquor Store - A&C Supermarket
07	Grocery Boy Jr
08	Rush Street Food Market
09	Food Lion
10	Sam's Club
11	Food Lion
12	Food Lion



Destinations

01	North Carolina State University
02	North Carolina University Centennial Campus
03	North Carolina State Farmer's Public Market
04	Dorthea Dix Park
05	Strayer University
06	Garner Performing Arts Center
07	Coastal Credit Union Music Park
08	Neuse River Trail



Banks

01	Woodforest National Bank
02	<ul style="list-style-type: none"> - First Citizens Bank - Wells Fargo Bank - PNC Bank
03	<ul style="list-style-type: none"> - Wells Fargo Bank - KS Bank - First National Bank - State Employees Credit Union
04	M&F Bank
05	Truist

2024



Construction to start
on Phase 2 of I-540 completion

23



miles to
international airport

7+



Hospitals and urgent
cares within 5 miles

04 Comparables

Improved Sale Comparables

	Property Name	Distance from Site	Status	Units	Year Built	Floors	Occupancy	Sales Price	Price/Unit	Buyer	Seller
1	The Villages at Olde Towne	0.4 miles	Stabilized	360	2022	4	87%	\$84,500,000	\$234,722	AIR	Halle Companies
2	The Villages at Sunnybrook	1.7 miles	Lease-Up	384	2023	3	61%	\$86,500,000	\$225,260	AIR	Halle Companies
3	Broadstone Oak City	6.4 miles	Lease-Up	335	2023	4	84%	\$93,500,000	\$279,104	Westbrook Partners	Alliance Residential
4	Solis Hills	7.4 miles	Lease-Up	315	2022	4	41%	\$114,500,000	\$363,492	TA Realty	PCCP LLC; Terwilliger Pappas
5	Arlow at Blue Ridge	8.8 miles	Stabilized	280	2022	4	88%	\$73,650,000	\$263,036	Eaton Vance RE	Shelton McNally Real Estate Partners
6	Bell Jones Franklin	9.5 miles	Stabilized	280	2023	5	90%	\$79,500,000	\$287,004	Bell Partners	TDK Construction
7	Litchford 315	9.6 miles	Stabilized	240	2022	3	93%	\$83,000,000	\$345,833	Magma Equities	Dewitt Carolinas

Source: Real Capital Analytics, CoStar, Avison Young Research

Durham

Wake Forest

Bethesda

Rolesville

BRIER CREEK

LEESVILLE

SIX FORKS



7

Genlee

RDU



4

MILLBROOK

NEW HO



3



5

FIVE POINTS

MILBURNIE

Cary

ASBURY

METHOD

Raleigh

Knightdale

Wen

6

2

Apex



1



Site

Garner

Rent Comparables

Property Name	Studio			One Bedroom			Two Bedroom			Three Bedroom		
	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF
1 Abberly Solaire	-	-	-	779	\$1,468	\$1.89	1,139	\$1,815	\$1.60	-	-	-
2 Elevate White Oak*	562	\$1,244	\$2.21	802	\$1,391	\$1.74	1,090	\$1,663	\$1.53	-	-	-
3 The Villages at Olde Towne	-	-	-	885	\$1,442	\$1.63	1,162	\$1,748	\$1.50	1,387	\$2,275	\$1.64
4 The Villages at Raleigh Beach	-	-	-	821	\$1,352	\$1.65	1,257	\$1,576	\$1.25	-	-	-
5 Treeline Timber Creek	550	\$1,259	\$2.29	829	\$1,337	\$1.63	1,223	\$1,840	\$1.51	1,432	\$2,210	\$1.54
6 Altitude*	-	-	-	829	\$1,292	\$1.57	1,223	\$1,838	\$1.50	1,429	\$2,118	\$1.48
7 The Villages at Sunnybrook*	550	\$1,400	\$2.55	829	\$1,511	\$1.85	1,223	\$1,710	\$1.40	1,432	\$2,190	\$1.53
8 The Ninety Nine	-	-	-	750	\$1,341	\$1.79	1,144	\$1,847	\$1.61	1,341	\$2,143	\$1.60
9 Bluebird on Seventy*	-	-	-	723	\$1,195	\$1.65	1,114	\$1,644	\$1.48	1,258	\$1,939	\$1.54
Average	554	\$1,301	\$2.35	805	\$1,370	\$1.71	1,175	\$1,742	\$1.49	1,380	\$2,146	\$1.56

* Averages do not include the starting month.

* Source: RealPage, Avison Young Research

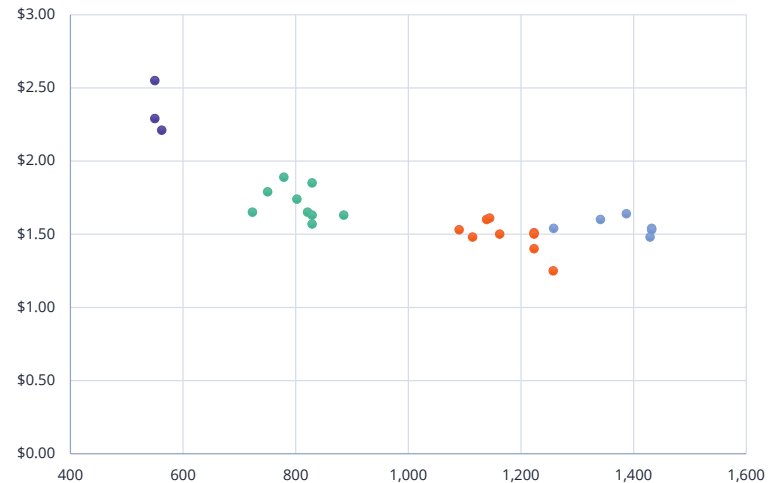
The Southeast Raleigh submarket ranks



#1 in annual effective rent growth

out of all 12 multifamily submarkets in Raleigh-Durham

All Units



● Studio ● 1 Bedroom ● 2 Bedrooms ● 3 Bedrooms



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