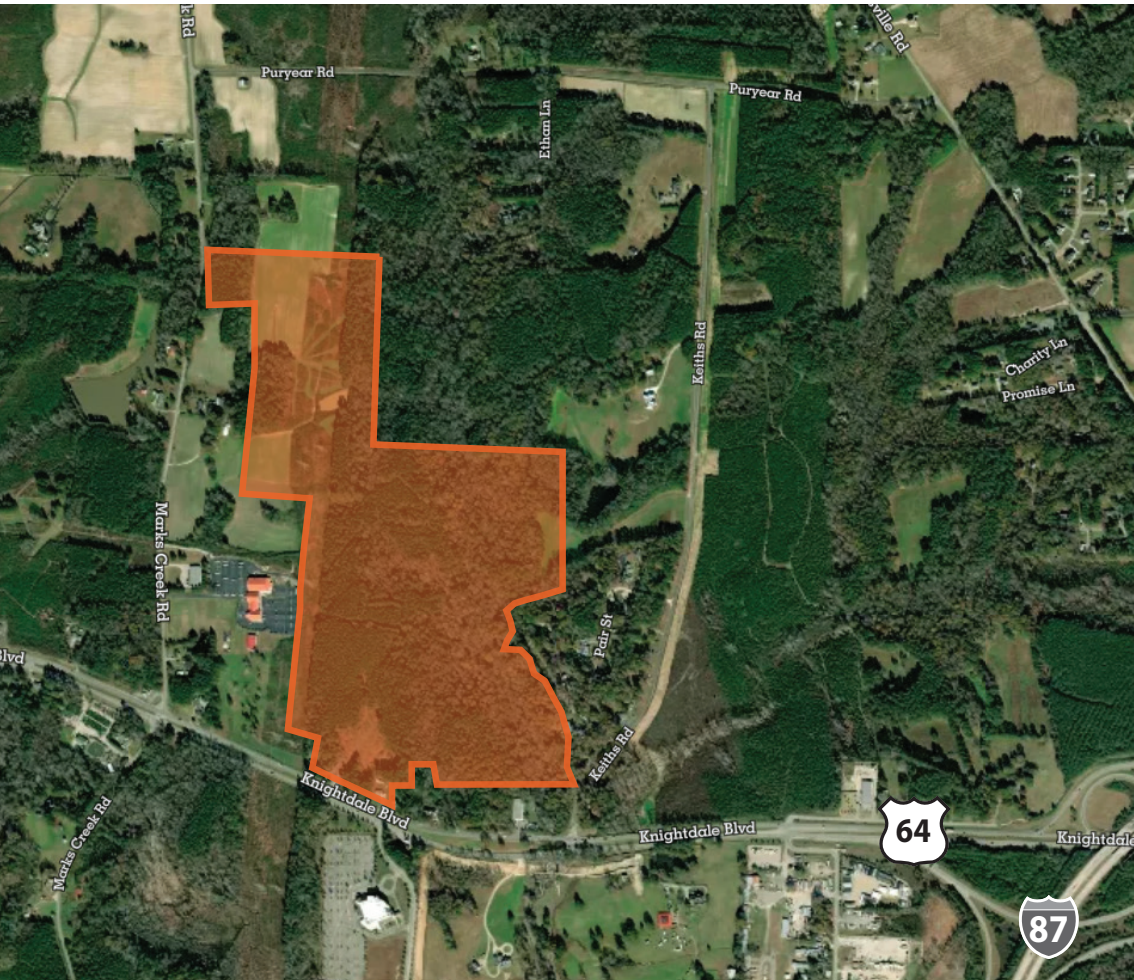


Knightdale Development Opportunity



±161 acres of mixed-use land in highly-desirable market

CONFIDENTIAL OFFERING MEMORANDUM

**AVISON
YOUNG**

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- 02. Property overview 5
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- 04. Valuation analysis 22



01. Executive summary

Executive summary

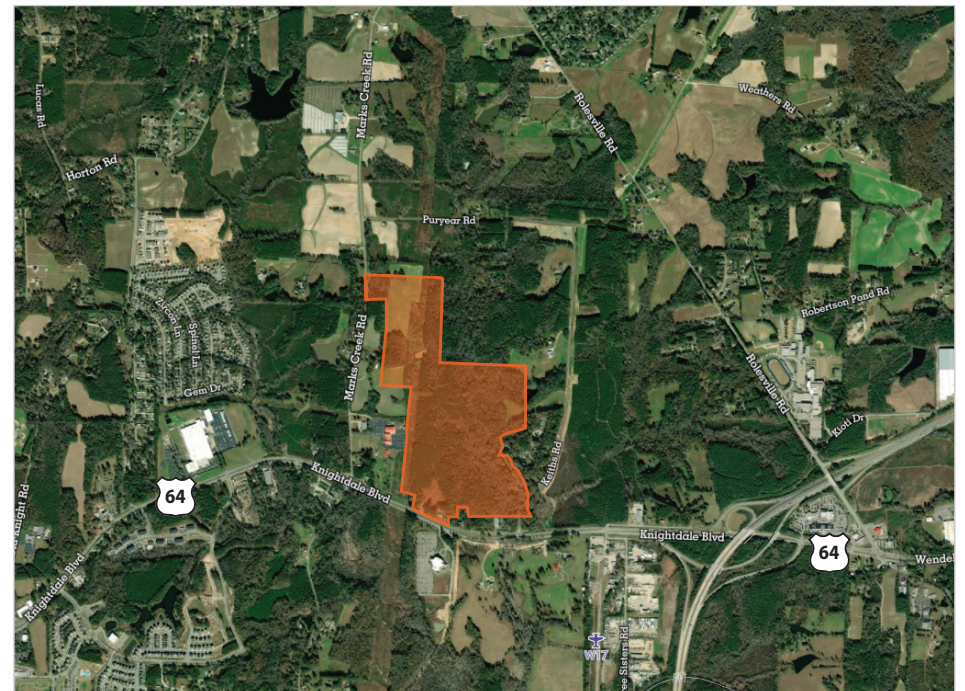
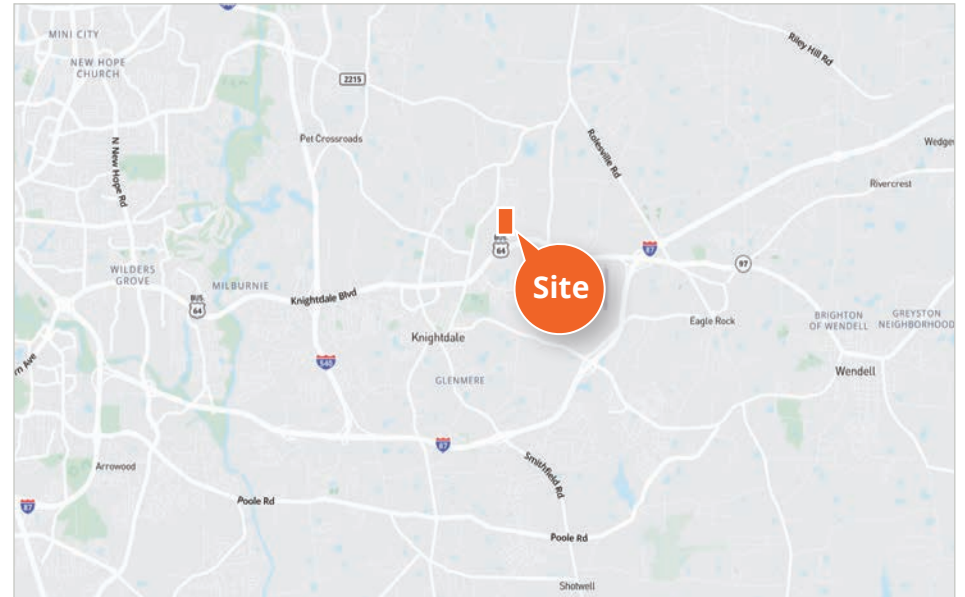


Overview

Avison Young's Carolinas Multifamily Team is pleased to exclusively represent the seller of the Keithmark development land. The seller has been involved in several meetings with the Town of Knightdale and is anticipating a conceptual sketch plan which allows for ±440 apartments, 240 single-family homes, 110 townhomes and ±70,000 square feet of commercial space.

The 161-acre property is situated near the intersection of Interstate Highway 87 and Business Highway 64/Knightdale Boulevard in Knightdale, NC.

With excellent access to Downtown Raleigh and the I-540 outer loop, this location provides easy access to both Raleigh-Durham International Airport and Research Triangle Park. This opportunity provides the ability to streamline the entitlements process, begin construction and deliver units quickly in a booming market.



02. Property overview

Property location

Parcel information

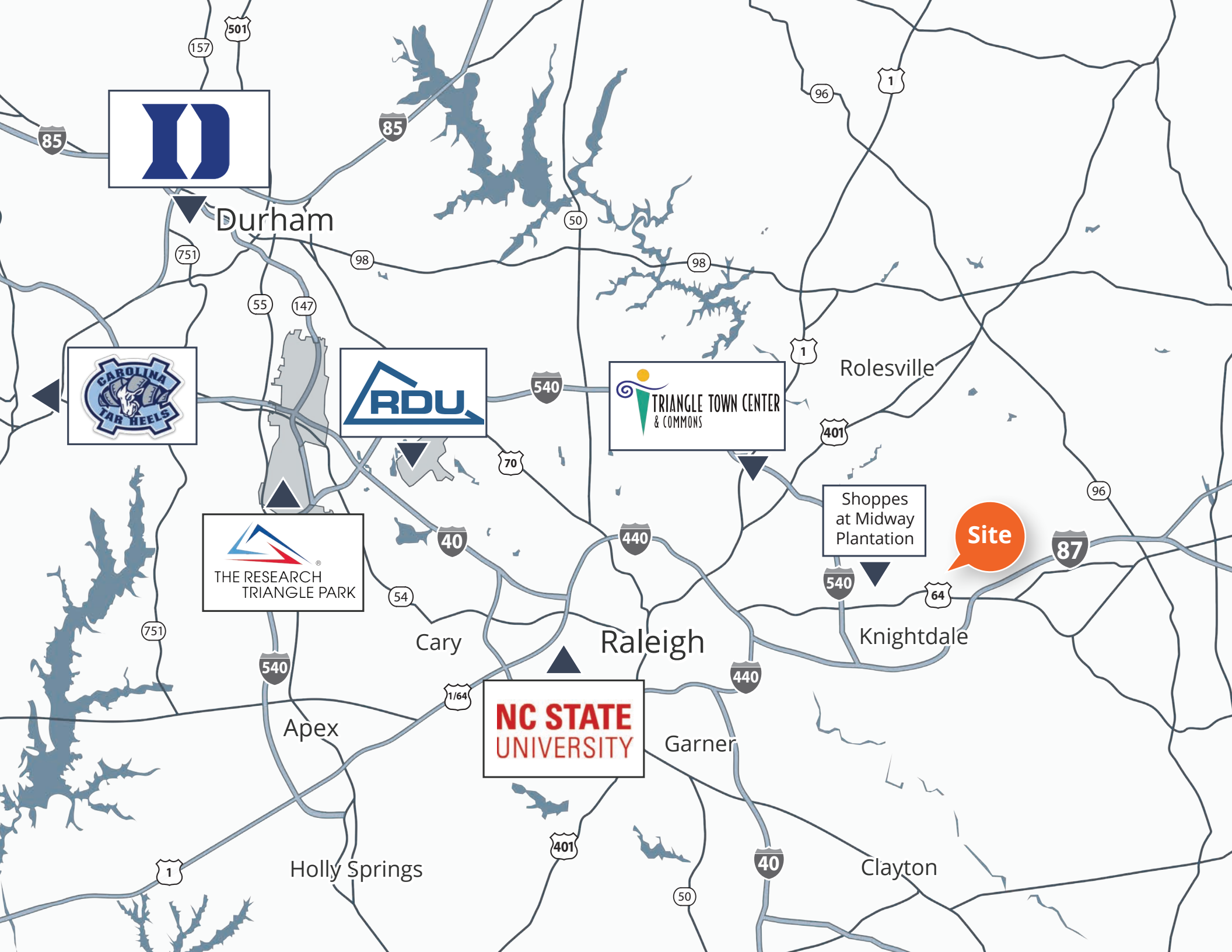
Zoning information

Easement and topography

Future land use

Potential site plan





Durham



Rolesville



Cary

Raleigh



Knightdale

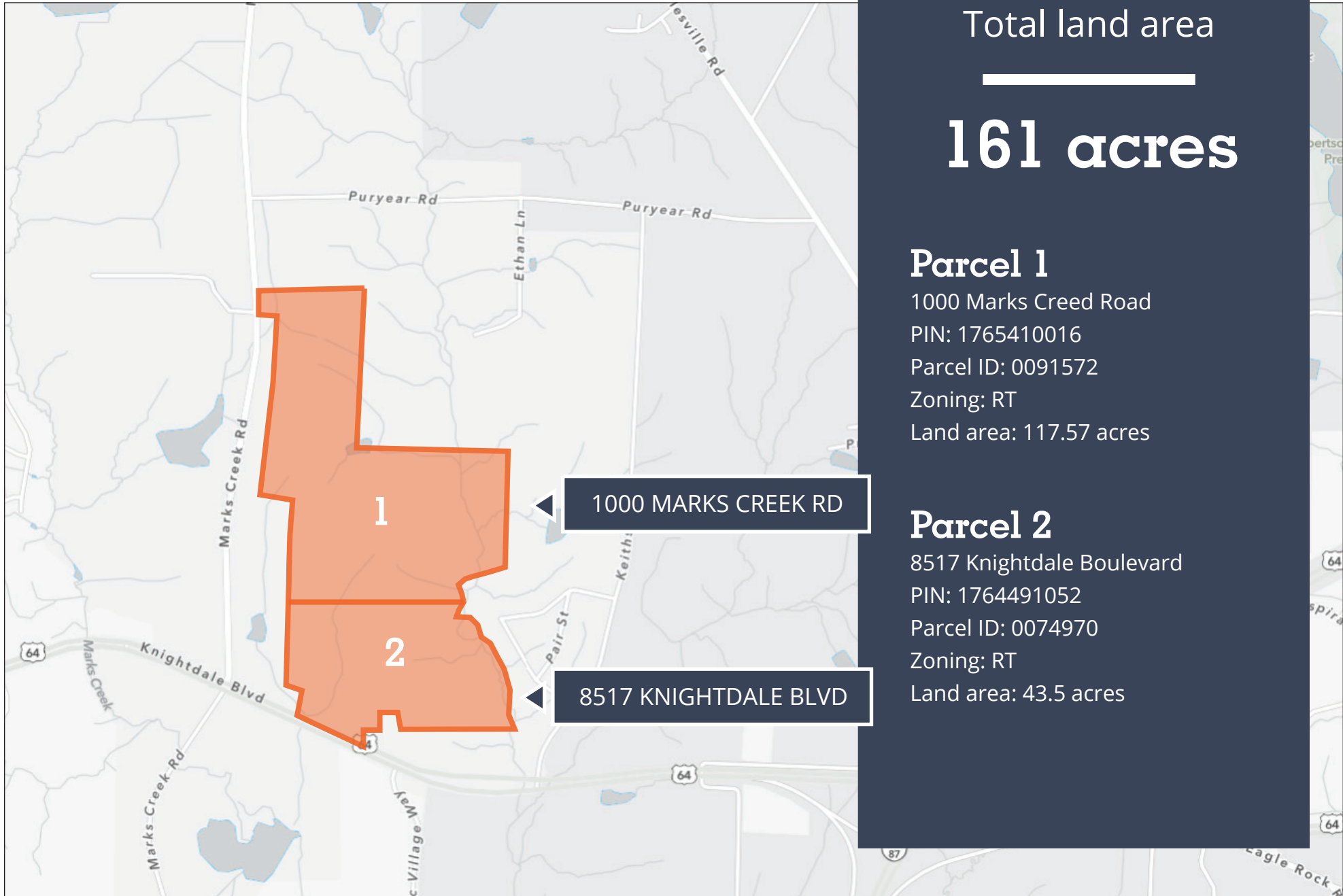


Garner

Holly Springs

Clayton

Parcel information



Total land area

161 acres

Parcel 1

1000 Marks Creed Road

PIN: 1765410016

Parcel ID: 0091572

Zoning: RT

Land area: 117.57 acres

Parcel 2

8517 Knightdale Boulevard

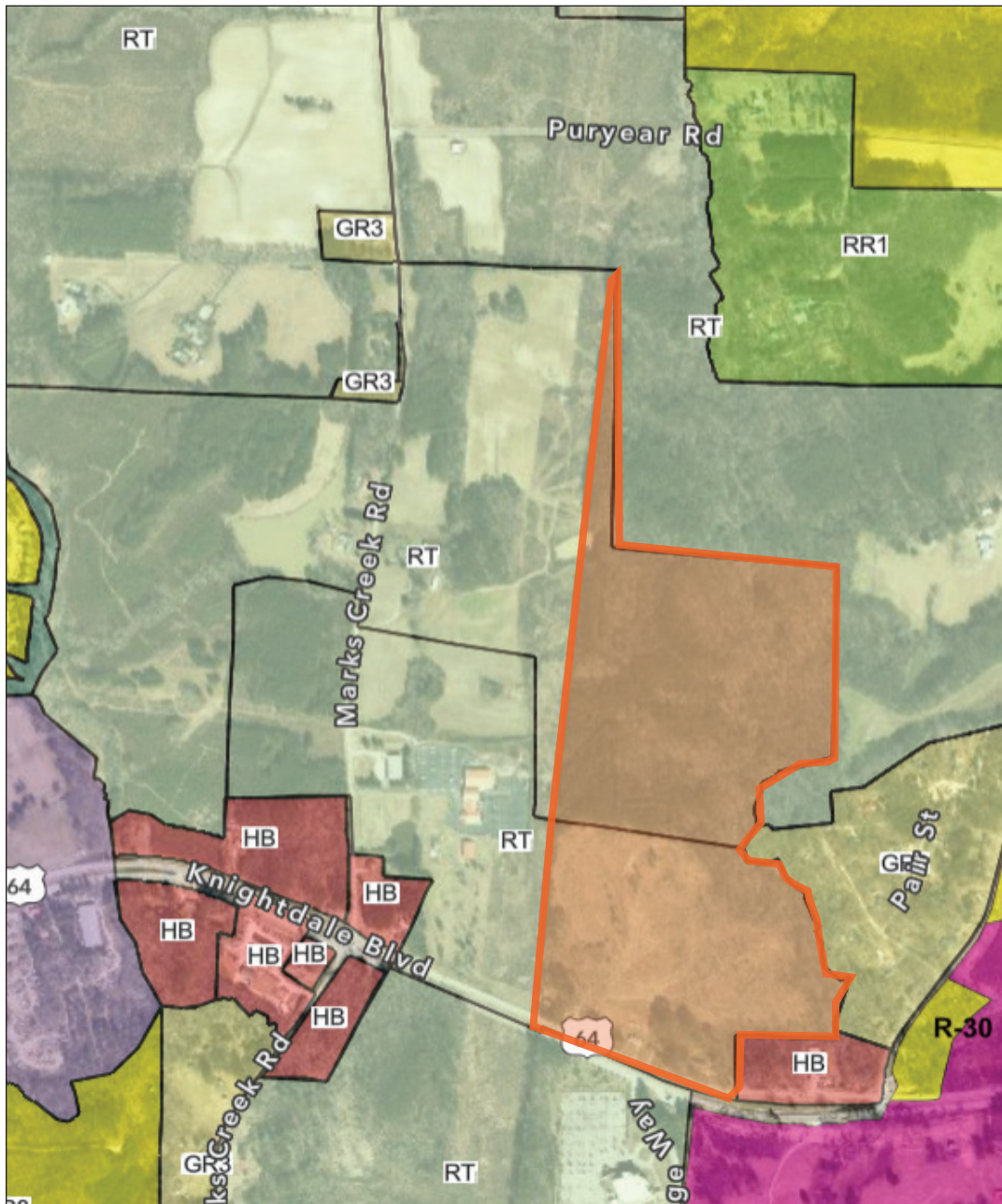
PIN: 1764491052

Parcel ID: 0074970

Zoning: RT

Land area: 43.5 acres

Zoning information

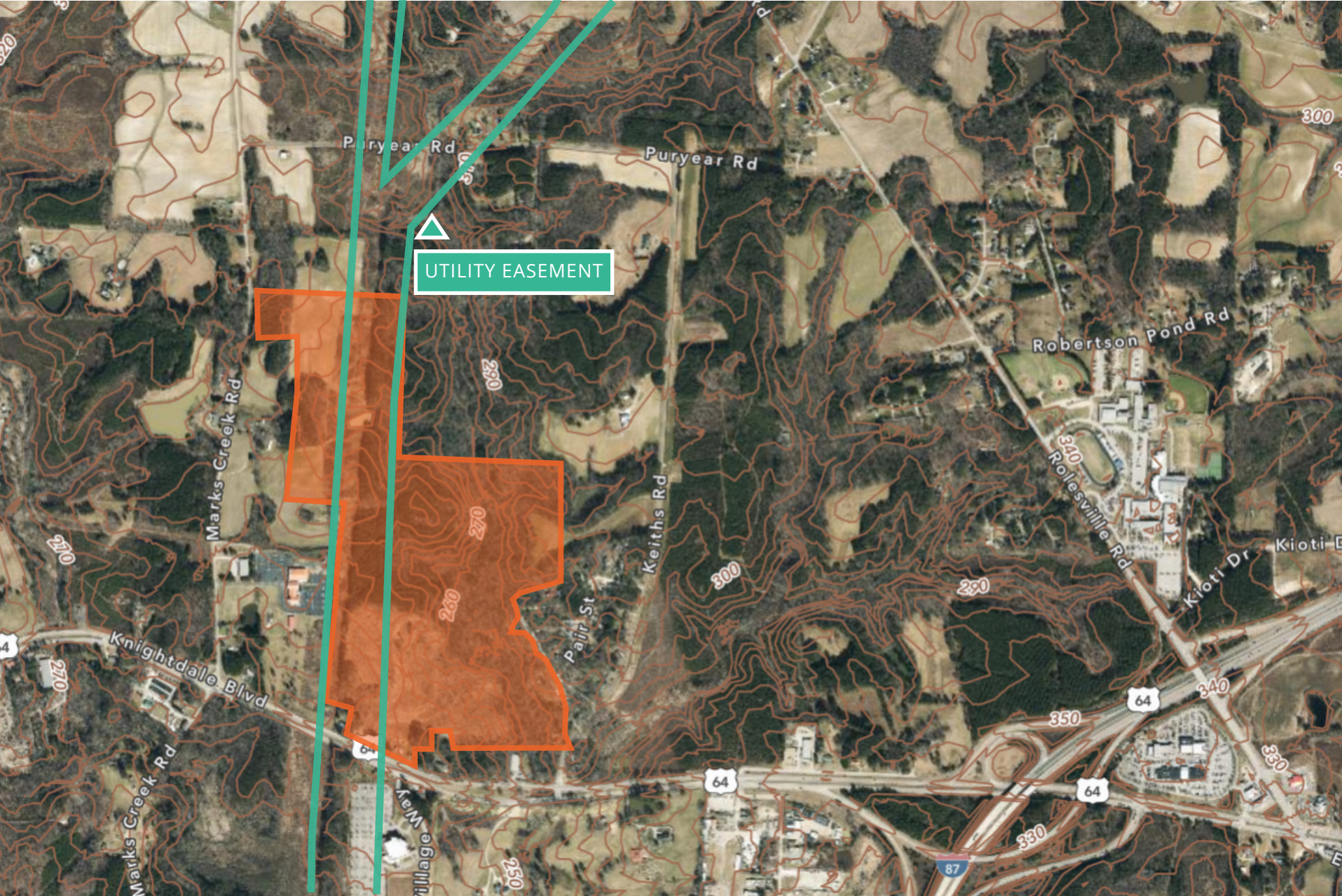


Current zoning

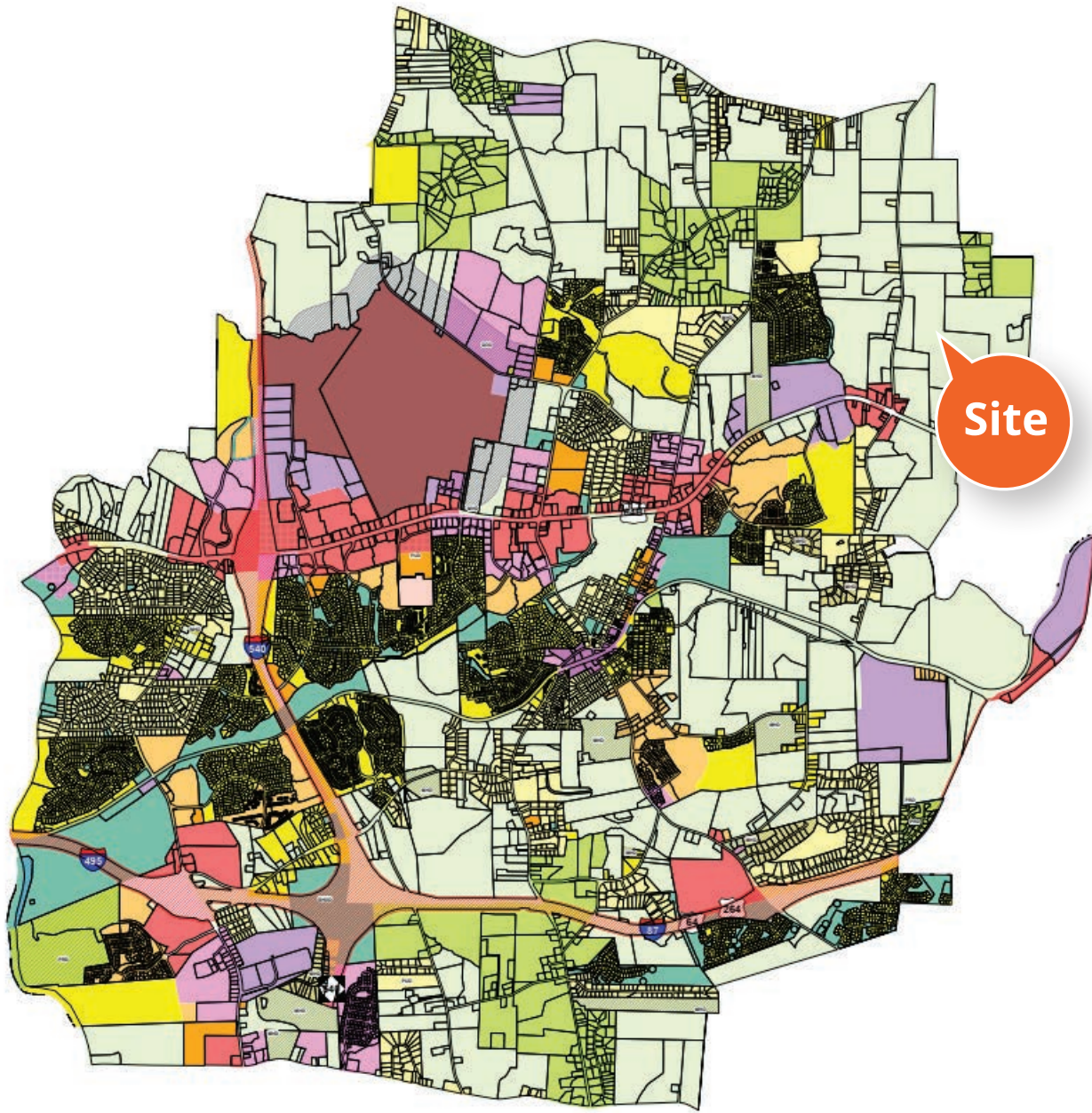
Rural Transition (RT) Purpose and Intent

The Rural Transition District is intended as a holding district for areas that are currently rural in nature, but could transition to more intense uses due to proximity of utilities, transportation, and other infrastructure.

Easement and Topography



Current zoning map



Districts

- OSP, Open Space Preserve
- RT, Rural Transition
- RR1, Rural Residential
- GR3, General Residential
- GR8, General Residential
- UR12, Urban Residential
- UR12CD, Urban Residential Conditional
- RMX, Residential Mixed-Use
- RMXCD
- NMX, Neighborhood Mixed-Use
- NMXCD, Neighborhood Mixed-Use Conditional
- TC, Town Center
- MI, Manufacturing & Industrial
- MQ, Mining & Quarrying
- HB, Highway Business
- HBCD, Highway Business Conditional

Overlay Districts

- MHD
- QOD
- SHOD
- PRD
- PUD

03. Location overview

The Triangle Region

Knightdale

Demographics

Recent accolades

Nearby amenities

I-540 extension

Multifamily development pipeline

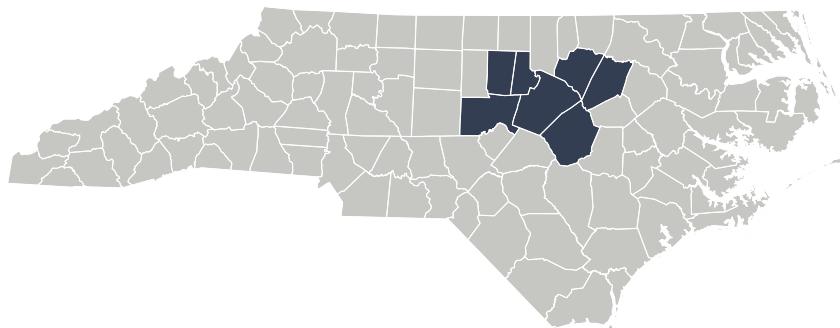


The Triangle Region

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. With a population of 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 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.



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.

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.

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.

North Carolina is ranked the number one state for business

CNBC, July 2022



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 help attract nearly \$3 billion in federal R&D funding each year 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 48% 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.

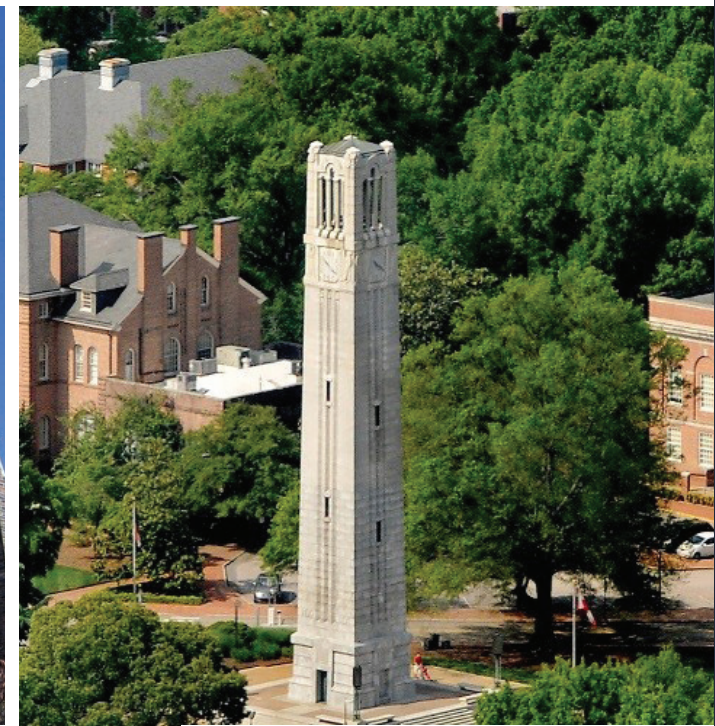
Home to three tier 1
research universities



University of North Carolina



Duke University



North Carolina State University

MAJOR INDUSTRIES

The Triangle benefits from a diverse industry base. Raleigh serves as the state capital; as a result, state government is the largest employer in the region, providing a significant level of stability to the local employment base. A key to the Triangle's success is its Triple-Helix model, fostering regional collaboration among business, government and academic resources to drive innovation and economic opportunity. Major industries include information technology, healthcare, life sciences, advanced manufacturing, education and business services.

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. In 2021, companies announced more than 10,700 new jobs, and the year-to-date 2022 total stood at more than 9,700 in May.

The Triangle was experiencing robust population and job growth prior to the COVID-19 pandemic, and the crisis enhanced the region's desirability as a place to work and live. 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 Triangle has regained all of the jobs lost in the early days of the pandemic. Year-over-year employment growth totaled 69,500 in March 2022. Unemployment stood at 3.0%, down from 4.5% one year earlier.



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.

Jobs: 1,700, May 2022



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

7,500 jobs | March 2022



Relocating headquarters to the region from Los Angeles, creating 250 new jobs with an average wage of \$114,400.

250 jobs | December 2021



A subsidiary of British pharmaceutical firm Abzena chose Sanford for its new manufacturing facility, an investment of \$142 million.

325 jobs | April 2021



Japanese company chose Holly Springs over Texas for a new biologics manufacturing facility, an investment of up to \$2 billion.

725 jobs | March 2021



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



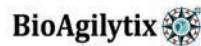
California-based pharmaceutical company chose Wake County over Atlanta to open a business service operation, an investment of up to \$5 million.

275 jobs | Feb 2021



The mortgage lender chose to expand in Cary over sites in Texas, Arizona and Florida.

322 jobs | Jan 2021



Durham-based bioanalytical laboratory chose Durham over Massachusetts for its \$61.5 million expansion.

875 jobs | Oct 2020



RTP was chosen over locations in Massachusetts, Pennsylvania and Maryland for the gene therapy biotech company's new 100,000-sf manufacturing facility.

200 jobs | Aug 2020



With an investment of \$350 million in Clayton, the Barcelona-headquartered company is now the largest private employer in Johnston County.

300 jobs | Jun 2020



With an investment of \$100 million, the healthcare company, which focuses on early cancer detection, will relocate from California to RTP, leasing 200,000 sf at Park Point.

400 jobs | Jun 2020



Belgian crop protection company is bringing part of its \$66 million investment to North Carolina with its establishment of a U.S. headquarters facility in Research Triangle Park.

Jobs TBD | Jun 2020



Raleigh-based communications software company announced plans to purchase 40 acres in West Raleigh from the State of North Carolina for a new headquarters facility.

1,165 jobs | Jun 2020



Knightdale

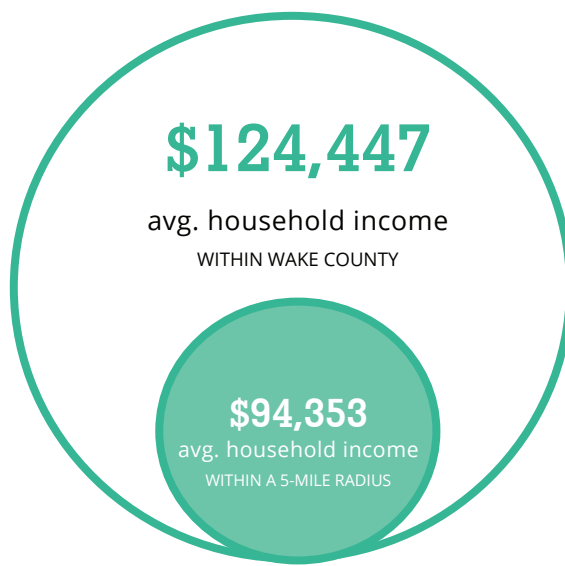
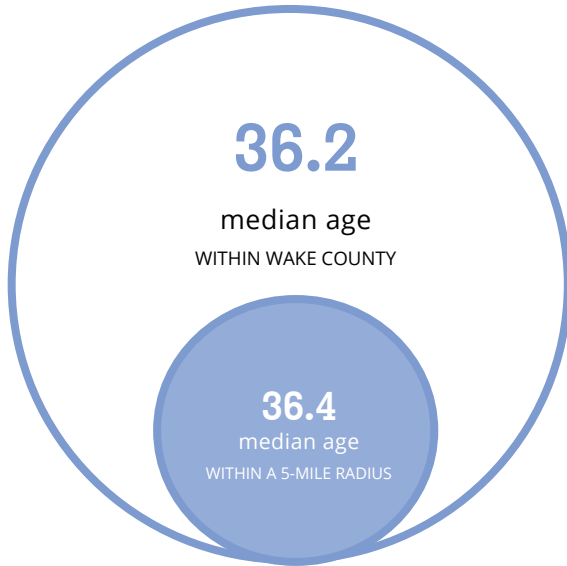
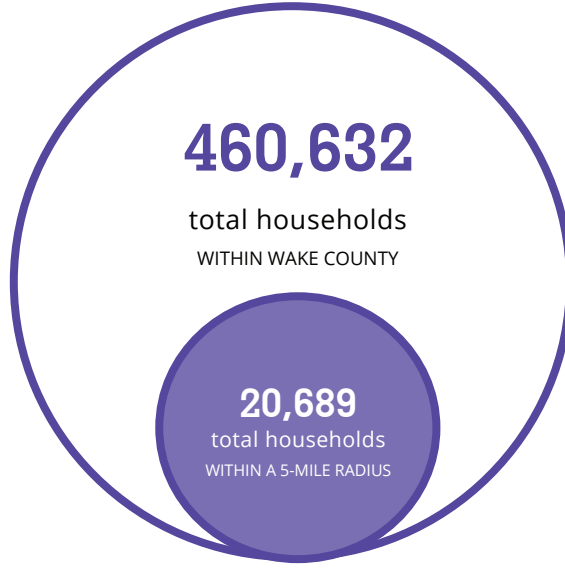
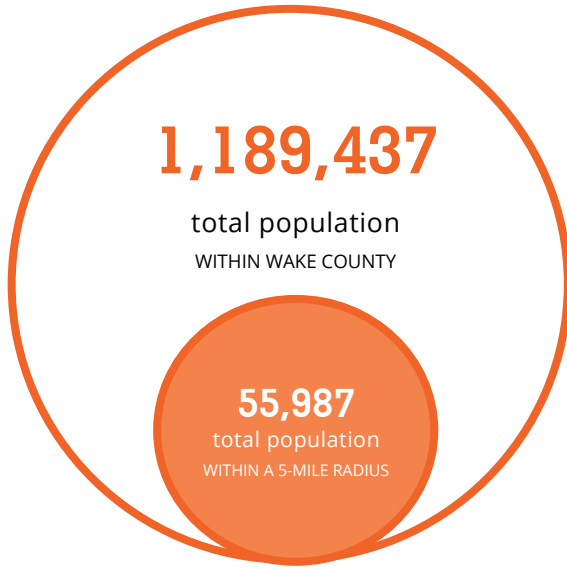
Located just nine miles from downtown Raleigh, North Carolina's state capital, Knightdale is home to nearly 16,000 residents. With a strong transportation system to support its evolving business base, Knightdale offers businesses and residents access to the Research Triangle Region via I-540 and US Highway 64 and in addition, RDU International Airport is only a 25-minute drive. Since 2000, Knightdale has grown by 153% and is the 10th fastest growing municipality in North Carolina. Knightdale has numerous parks and trails and is home to the Knightdale Environmental Education Park, certified as a Backyard Habitat by the National Wildlife Federation. Major employers in the area include Duke Energy, ESP/SurgeX, Schneider Electric and UNC Healthcare. Knightdale is surrounded by numerous colleges and universities, including three tier 1 research universities – North Carolina State University in Raleigh, Duke University in Durham and the University of North Carolina at Chapel Hill. Public and private campuses within an hour's drive include:

- North Carolina State University
- University of North Carolina-Chapel Hill
- Wake Technical Community College
- Campbell University
- Duke University
- Meredith College
- William Peace University



Demographics

ESRI 2022



Recent accolades

#1 State for Economic Development Achievements (North Carolina)

Site Selection Magazine, May 2022

#1 Place to Start a Business (Raleigh)

LendingTree, October 2021

#2 Best State Capital for Safety and More (Raleigh)

WalletHub, January 2022

#2 Place in the U.S. to Live (Raleigh-Durham)

U.S. News & World Report, July 2021

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

LinkedIn, March, 2022

#3 Fastest Growing Count in the U.S. (Wake)

WRAL, May 2022



Nearby amenities



Midtown Commons

T-Mobile • Qdoba MEXICAN GRILL • MATTRESS FIRM
TJ-MAXX • KOHL'S • STARBUCK'S COFFEE
DICK'S SPORTING GOODS • BEST BUY • PET SMART

Knightdale Highschool

Thales Academy

Shoppes at Midway

Applebee's • Chick-fil-A • THE HOME DEPOT • Michaels
BED BATH & BEYOND • Moe's southwest grill • OfficeMax • STARBUCK'S COFFEE
SUBWAY • Target • verizon

Widewaters Commons

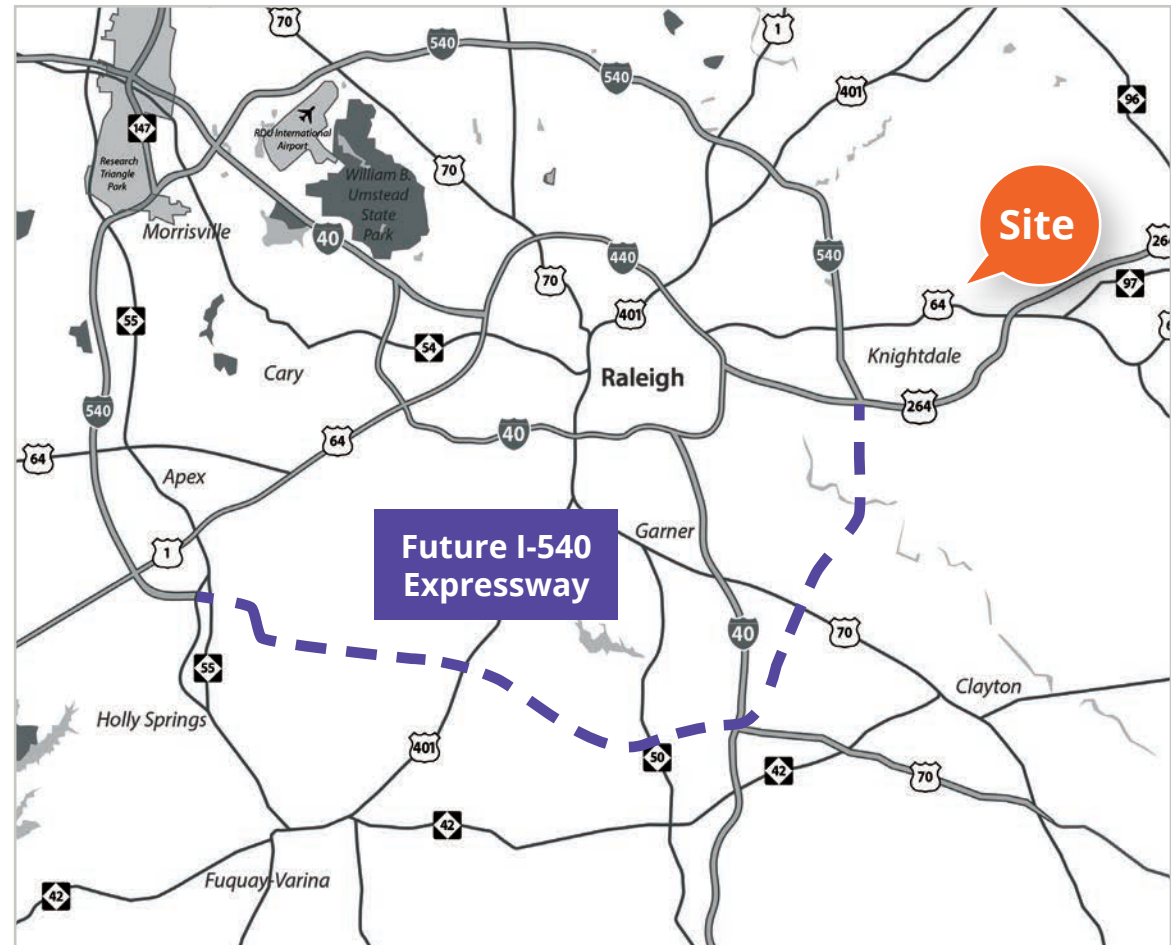
Lowes • BUFFALO WILD WINGS
Great Clips • Planet fitness
Dollar Tree • ZAXBY'S • TRUIST
SHEETZ

I-540 Extension

I-540 is the interstate that will circumnavigate the Raleigh Metro and provide superior connectivity and transit accessibility upon completion. The proposed Complete 540 project, also known as the Southeast Extension, will extend the Triangle Expressway from the NC 55 Bypass in Apex, NC to US 64/US 264 (I-87) in Knightdale, NC, completing the 540 Outer Loop around greater Raleigh area.

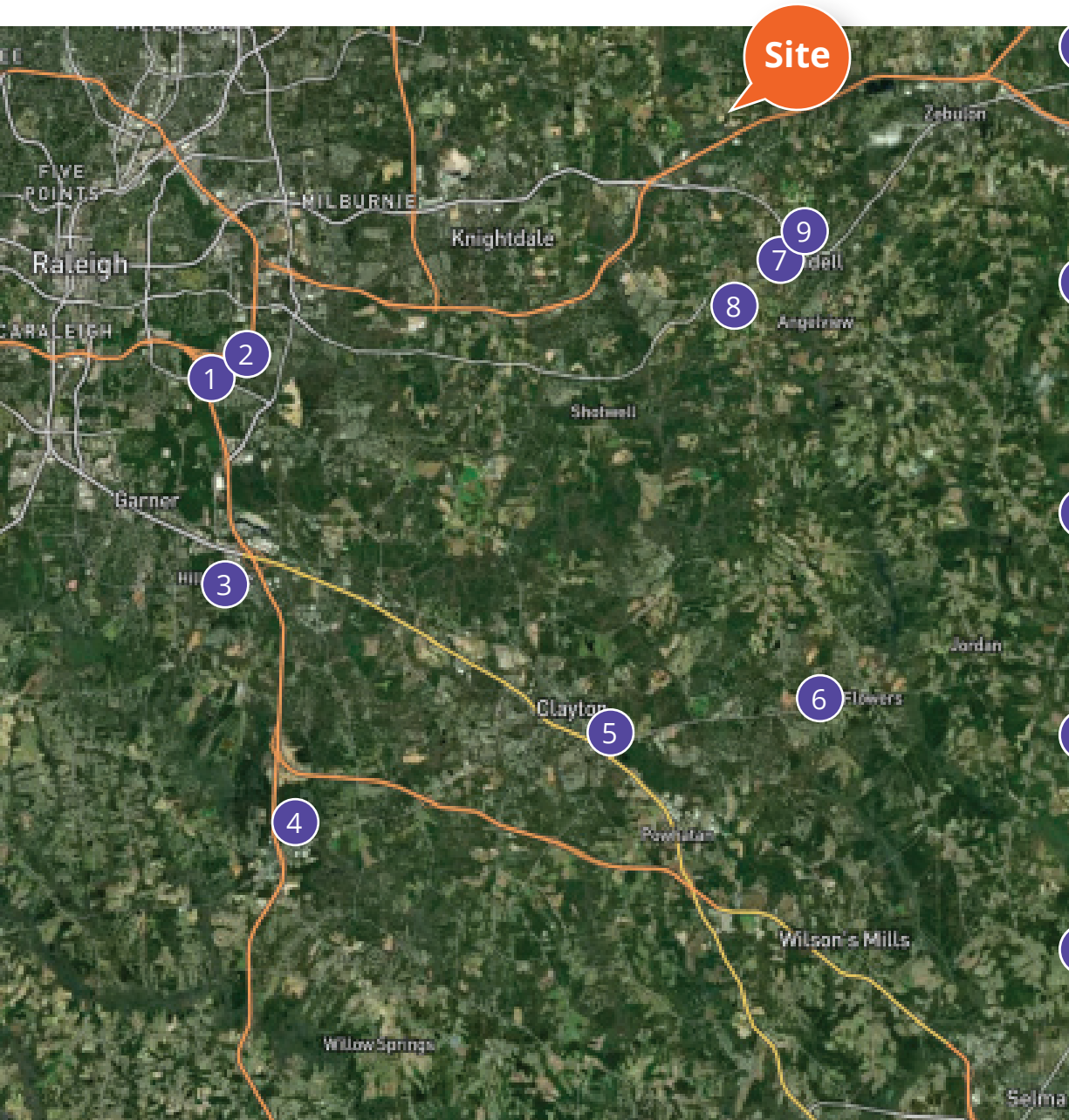
The Complete 540 project will link Apex, Cary, Clayton, Garner, Fuquay-Varina and Holly Springs to Raleigh-Durham's booming economy, education infrastructure and best-in-class STEM business climate.

In addition to connecting several towns and cities, the project is expected to ease congestion on area roadways, including I-440, I-40, NC 42, NC 55 and Ten-Ten Road. Construction is likely to be completed in segments, the final leg connecting I-40 and I-87 is expected to begin in 2026 and completed in 2029, according to the North Carolina Department of Transportation.



Expected completion of the I-540 expressway extension is 2029

Multifamily development pipeline



1 Villages at Sunnybrook



2 Rock Quarry Landing



3 Elevate White Oak



4 River Oaks Landing



5 Spinning Mill Lofts



6 Ardmore at Flowers



7 Wendell Falls



8 Aura Trails



9 The Glennon



04. Valuation analysis

Multifamily sale comparables

Multifamily market report 2Q22





Multifamily sale comparables



Property name Keithmark Assemblage
Address 1000 Marks Creek Drive
City Knightdale

3

Property name Villages at Sunnybrook
Address 2301 Sunnybrook Road
City Raleigh
Developer The Halle Companies
Units 360
Status & Start Date UC, 3/21
Sale Date 6/3/2021
Sale Price \$4,500,000
Price/Unit \$12,500.00

6

Property name Rock Quarry Landing
Address 3501 Rock Quarry Road
City Raleigh
Developer Private Developer
Units 188
Status & Start Date UC, 5/21
Sale Date 1/13/2022
Sale Price \$1,610,500
Price/Unit \$8,566.49

1

Property name Ardmore at Flowers
Address 380 Topwater Drive
City Clayton
Developer 19.06 acres
Units 396
Status & Start Date UC, 5/21
Sale Date 12/23/2020
Sale Price \$ 6,473,500
Price/Unit \$16,347.22

4

Property name The Glennon at Wendell
Address 9021 US-64
City Wendell
Developer Meritage Homes Corporation
Units 312
Status & Start Date UC, 4/21
Sale Date 3/4/2022
Sale Price \$4,056,000
Price/Unit \$13,000.00

7

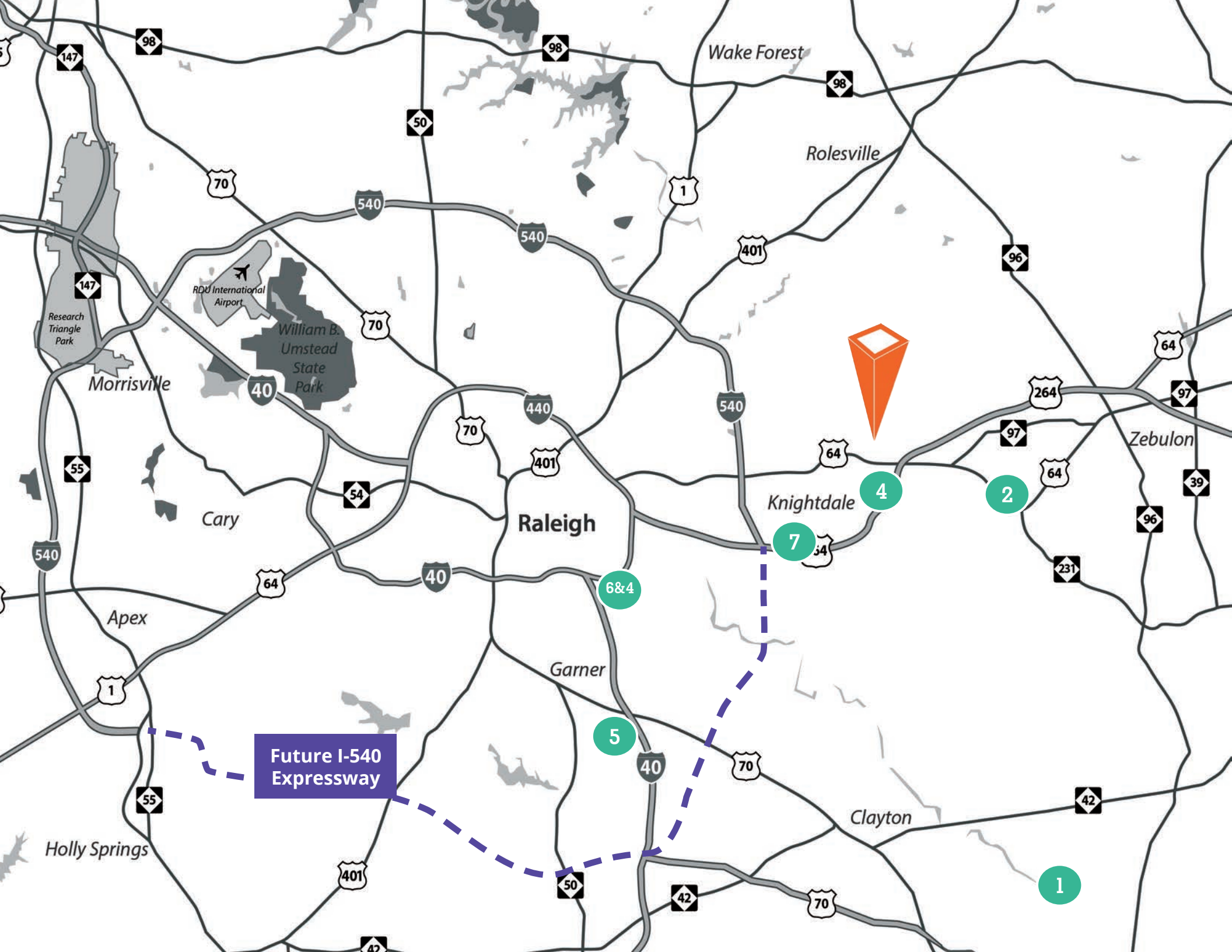
Property name Smithfield PUD
Address Smithfield Rd / Mailmain Rd
City Smithfield
Developer KDM
Units 388
Status & Start Date TBD
Sale Date 12/30/2021
Sale Price \$4,409,000
Price/Unit \$11,363.40

2

Property name Wendell Falls
Address 1900 Wendell Falls Parkway
City Wendell
Developer The Spectrum Companies
Units 365
Status & Start Date UC, 4/21
Sale Date 3/1/2022
Sale Price \$ 7,500,000
Price/Unit \$20,547.95

5

Property name Elevate White Oak
Address 7555 White Oak Road
City Garner
Developer Signature Property Group
Units 288
Status & Start Date UC, 7/21
Sale Date 3/10/2021
Sale Price \$3,073,000
Price/Unit \$10,670.14



Multifamily market report 3Q22

Market trends

01

Rent growth

Despite a slight moderation in demand, overall occupancy rates remained solid at 95%, and all asset classes topped 94% in the third quarter. Like many markets across the U.S., annual demand in the Triangle slowed as just over 2,000 units were absorbed. In the last twelve months, the Southeast Raleigh submarket has led the Triangle in both demand and new supply.

02

Development pipeline

The pace of annual rent growth moderated in the third quarter, even as owners increased effective asking rents. With strong demand average annual rent growth per unit reached 13.3% and every submarket in Raleigh-Durham reported rent growth above 10%. While the anticipated level of new supply is expected to decelerate rent growth in the near term, positive economic and demographic trends will continue to support multifamily fundamentals.

03

Capital markets

A record 24,223 units are currently under construction with an additional 12,800 units expected to deliver in the next twelve months. There were 6,126 units that delivered in the last year and that new supply was heavily concentrated in the Southeast Raleigh and Northwest Durham/Downtown Durham submarkets. Even with peak construction volumes, demand is expected to remain steady.

Here's what we can expect

Rising interest rates and decelerated price growth have moderated construction starts in the single-family market, while multifamily construction remains robust. Estimated single-family home volumes decreased 13.8% year-over-year in the Triangle.

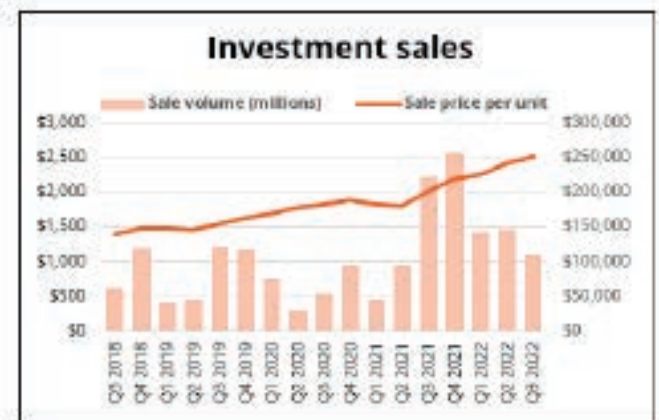
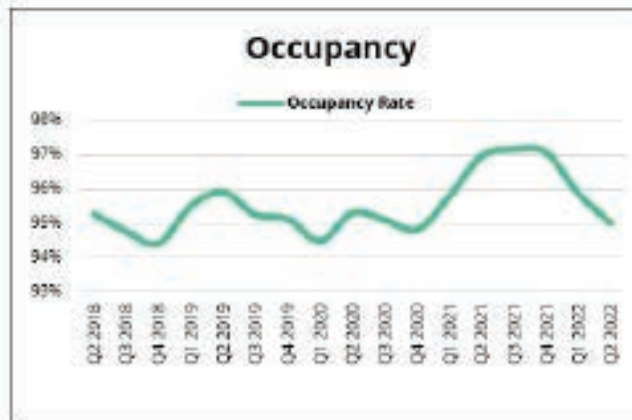
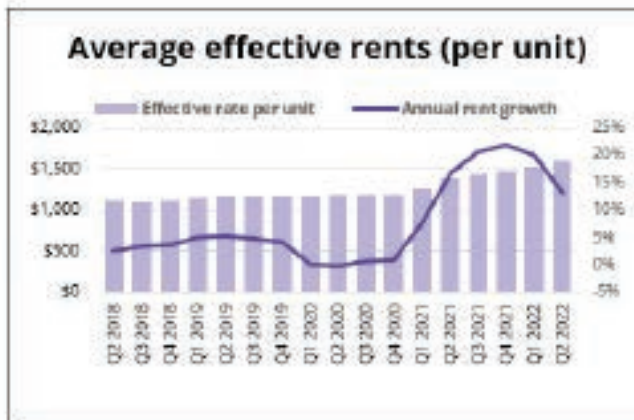
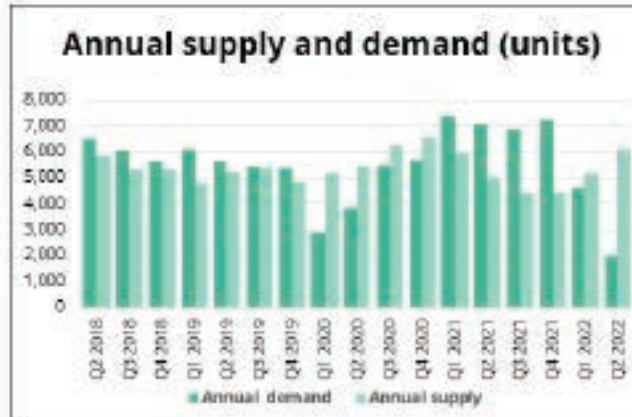
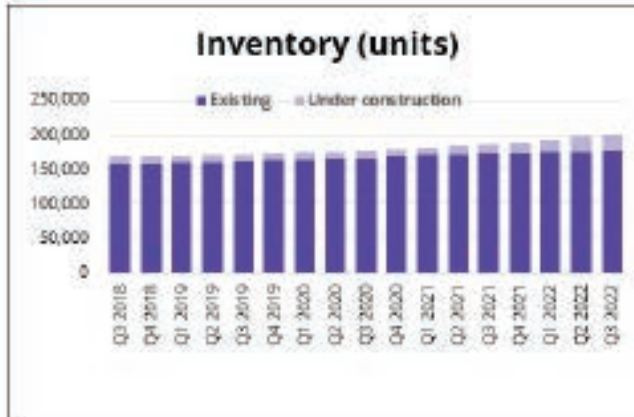
High demand and accelerated rent growth equated to exceptional multifamily investment sales in the last twelve months with more than \$6.6 billion in property trades.

Average cap rates were reported at 3.8% in the third quarter, down 80 bps year-over-year.

Despite inevitable headwinds including rising interest rates, Raleigh-Durham's robust economic and population growth should keep investor and tenant demand strong throughout 2022.

Multifamily market report 3Q22

Market indicators



Multifamily market report 3Q22

Market activity

Recent sales activity – Q3 2022

Property	Seller	Total units	Total sales price (\$M)	Avg. unit size	Avg. price/unit	Avg. effective rent/sf
Aldon at Powell & Broad	Signature Property Group	384	\$129	992	\$336,589	\$1.80
Aviation Crossing	Westbrook Partners	298	\$120	988	\$402,685	\$1.82
AXIS Crossroads	Boston Capital	344	\$111	1,265	\$322,674	\$1.42
Lex at Brier Creek	Stillman Group, Kettler	346	\$99	1,220	\$287,200	\$1.43
Southpoint Glen*	Stonebridge Investments	346	\$88	885	\$254,335	\$1.70
Hawthorne Davis Park	Cortland	287	\$85	1,050	\$294,425	\$1.62
The Mark	American Landmark	312	\$80	953	\$253,205	\$1.61
North Hills at Town Center	Irinda Capital	279	\$74	983	\$265,233	\$1.67
Campus Edge**	Preiss Company	262	\$57	1,034	\$218,321	\$1.71
One City Center	Austin Lawrence Partners	109	\$56	948	\$510,826	\$2.92
Grand Arbor Reserve	Starwood Capital	297	\$48	1,105	\$160,185	\$1.40
Alcove Garner	Stoneweg SA	170	\$42	1,116	\$248,529	\$1.27

Notable development

Property	Submarket	Property status	Total units	Property type	Developer
RUS Bus	Central Raleigh	Under construction	587	High-rise	Hoffman & Associates
Platform	Central Raleigh	Under construction	430	Podium	Kane Realty Corporation
Edgewater Commons	Southeast Raleigh	Under construction	412	Podium	APG Capital
Ardmore at Flowers	Southeast Raleigh	Under construction	396	Garden	Ardmore Residential
Town Drive	Northeast Raleigh	Under construction	384	Garden	Related Group
Aventon Nora	Near North Raleigh	Under construction	372	Garden	Aventon
Villages at Sunnybrook	Southeast Raleigh	Under construction	360	Garden	The Halle Companies

* Stonebridge NC Apartment portfolio (\$88m of \$106m)

** Student housing property

Multifamily market report 3Q22

Multifamily market stats by submarket

By Submarket	Existing units	Occupancy %	Net demand	New supply	Under construction	Average effective rents	
			TTM	TTM	(units)	Rent/unit	Rent/psf
Central Raleigh	24,907	95.2%	-349	673	5,524	\$1,663	\$1.80
Chapel Hill/Carrboro	17,279	95.0%	397	425	1,176	\$1,628	\$1.71
East Durham	7,920	96.0%	59	101	689	\$1,541	\$1.63
Far North Raleigh	10,770	95.4%	-48	196	2,019	\$1,560	\$1.56
Near North Raleigh	17,587	95.2%	326	716	1,958	\$1,587	\$1.73
North Cary/Morrisville	20,063	95.4%	456	864	2,319	\$1,673	\$1.64
Northeast Raleigh	9,594	94.3%	-107	132	2,909	\$1,488	\$1.54
Northwest Durham/Downtown	15,576	93.0%	493	920	1,501	\$1,642	\$1.91
Northwest Raleigh	10,544	95.1%	87	300	485	\$1,596	\$1.58
South Cary/Apex	13,722	96.0%	388	555	2,006	\$1,605	\$1.59
Southeast Raleigh	13,787	95.2%	733	1,146	2,827	\$1,508	\$1.53
Southwest Durham	16,280	94.7%	-343	98	810	\$1,521	\$1.55
Market Total	178,029	95.0%	2,092	6,126	24,223	\$1,596	\$1.66

By asset class	Occupancy %	YoY change in			Eff. rent/unit	Eff. rent/psf	Concession	Concession value
		Occupancy	Area per unit	Value			% of asking rents	
Class A	94.7%	-1.99	930	\$1,904	\$2.05	\$91.00	4.8%	
Class B	94.9%	-2.06	976	\$1,570	\$1.61	\$49.00	3.2%	
Class C	96.0%	-1.41	965	\$1,279	\$1.33	\$45.00	3.3%	

*TTM is noted as trailing 12 mos.

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

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[avisonyoung.com](https://www.avisonyoung.com)

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**AVISON
YOUNG**