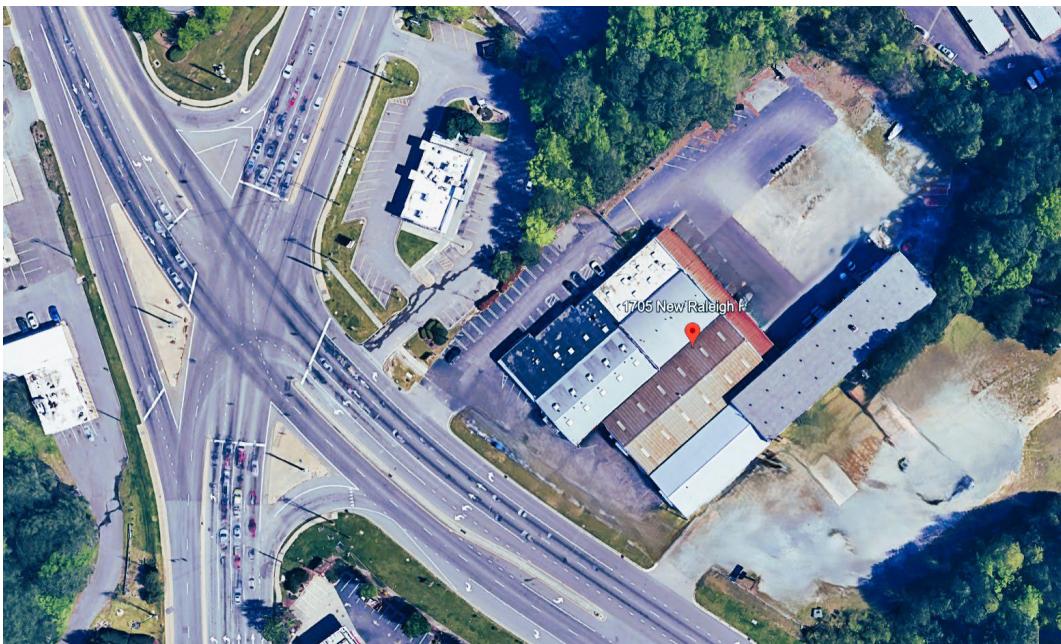
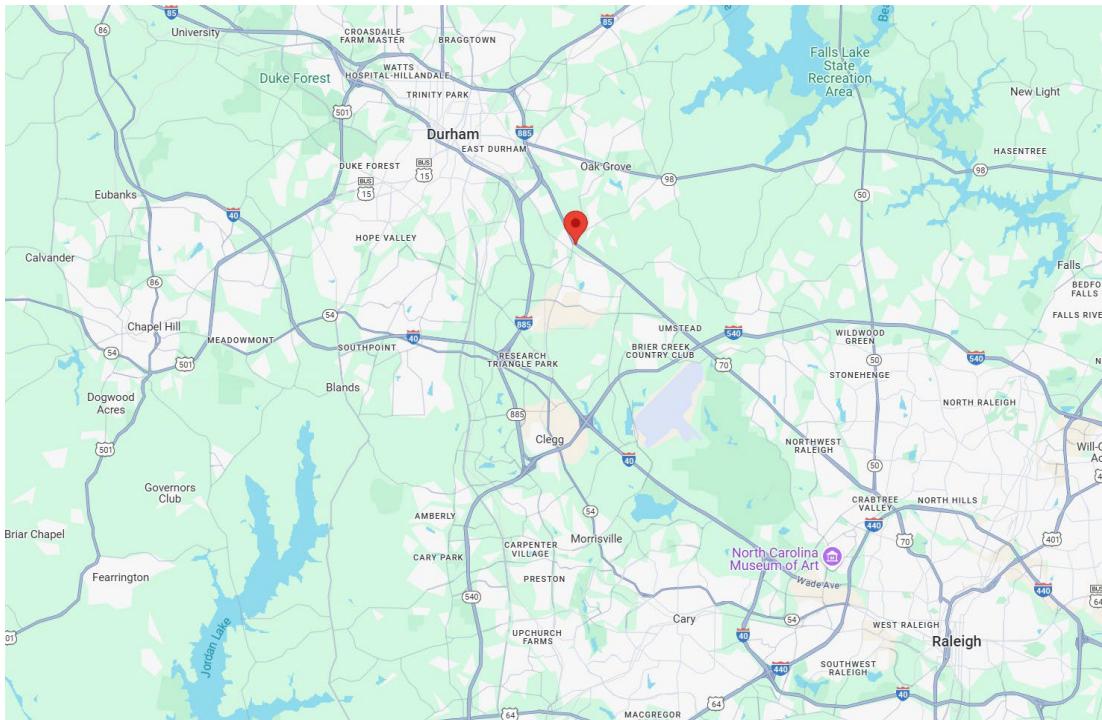


Property Overview & Disposition Summary:





1.0 Executive Summary

This document provides a comprehensive overview of the commercial property located at 1705 New Raleigh Highway, Durham, North Carolina.

This offering represents a significant investment opportunity in a strategically located, multi-tenant industrial/flex property with a stable income stream and considerable upside potential.

The property boasts approximately **43,000 square feet** of versatile space on a lot of approximately 3.10 acres.

Situated at the high-traffic intersection of Highway 70 and Miami Boulevard, the location offers exceptional visibility and accessibility.

Currently owned by Phillips Holding, LLC, the property is fully leased to four separate tenants under triple net (NNN) agreements, minimizing landlord expenses.

With a strong in-place cash flow, recent capital improvements, and a diverse tenant mix, 1705 New Raleigh Highway is a prime asset for investors seeking a durable and appreciating investment in the dynamic Durham market.

2.0 Location

- **Address:** 1705 New Raleigh Highway, Durham, NC 27703
- **Intersection:** The property is strategically positioned at the intersection of US Highway 70 and Miami Boulevard, one of Durham's key commercial corridors.
- **Exposure & Access:** This high-exposure location benefits from substantial daily traffic, with an estimated 50,000 to 90,000 vehicles passing through the intersection just 100 feet from the property each day.
- Ingress from the westbound lanes of Highway 70 is excellent, and the property's extensive road frontage (**approximately 250'**) provides outstanding visibility and accessibility for both tenants and customers.

3.0 Ownership & History

- **Current Owner:** Phillips Holding, LLC - Also owner of local long – term family - owned operating company Product Recovery Management (PRM).
- **History:** The property has been held by the Phillips family since approximately 2000. The family successfully operated a systems integration company from this location for nearly 15 years before relocating their operations to Butner, NC. This long-term ownership has resulted in meticulous maintenance and a deep understanding of the property's operational strengths.

- **Reason for Sale:** The Phillips family is divesting this asset to concentrate on their other national business ventures, related to PRM, creating an opportunity for a new owner to acquire a well-maintained and performing property.

4.0 Environmental Assessment

Comprehensive environmental audits were conducted at the time of the property's acquisition by Phillips Holding, LLC (circa 2000). The results of these audits showed **no indication of any adverse environmental impacts.**

5.0 Tenancy Overview

The property is 100% occupied by four tenants.

*Note the CED (Consolidated Electrical Distribution) lease (15,000 SF end cap) recently extended through 7/31/27. CED is actively seeking relocation scenarios (downsizing), so their departure sooner than later is highly likely. Assuming the presumable CED departure, the following are options that could be accommodated:

- 1) Lease Vacancy - Subject 15,000 SF could be offered for lease. Lease rate TBD but likely \$15+/SF NNN range.
- 2) Owner Occupant - User buyer (purchasing entire building) could occupy this 15,000 SF.

The remainder of the building being stabilized i.e. is fully leased.

Investment Sale - Regardless on timing of CED's departure PRM (Product Recovery Management) will commit a long – term master leaseback for this subject 15,000 SF. Most likely \$15/SF NNN (\$18,750/month) or higher. In this scenario, PRM would backfill the space moving their company into the building (they originally owner occupied this portion of building when initially acquiring).

All leases are structured as **Triple Net (NNN)**, with tenants are responsible for their pro-rata share of property taxes, insurance, and common area maintenance.

Current Preexisting Rent Roll Status:

- **Tenant 1: CED (Consolidated Electrical Distributors)**
 - **Use:** Electrical Wholesale Distribution
 - **Leased Space:** 15,000 sq ft
 - **Current Monthly Rent:** **\$9,000.00**
 - **Lease Status:** An agreement was negotiated in mid-2025, allowing CED to continue its 7-year tenancy for up to two additional years at an escalated rent rate, with the flexibility to vacate with 90 days' written notice.
- **Tenant 2: Keke's Tire**
 - **Use:** Tire Sales and Service
 - **Leased Space:** 20,000 sq ft
 - **Current Monthly Rent:** **\$10,500.00**
 - **Lease Status:** The tenant is in year 5 of a 10-year lease term. Ownership is currently negotiating a rent increase.
- **Tenant 3: Coco Crissi**
 - **Use:** Retail Frozen Beverages
 - **Leased Space:** ~3,000 sq ft
 - **Base Monthly Rent:** \$3,200.00
 - **Real Estate Taxes:** \$150.00
 - **Fire & Hazard Insurance:** \$50.00
 - **Total Monthly Rent:** **\$3,400**
 - **Lease Status:** The current 7 - year lease extends from March 1, 2024 to March 31, 2031.
 - **Opt Out:** available at end of 3rd year (February 28, 2027)
 - **Base Rent Schedule:**
 - April 1, 2026: \$3,900.00/mo
 - April 1, 2027: \$4,058.00/mo
 - April 1, 2028: \$4,140.00/mo
 - April 1, 2029: \$4,223.00/mo
 - April 1, 2030: \$4,308.00/mo

- **Tenant 4: PJL NC, Inc. "The Gamers"**

- **Use:** Retail/Entertainment
- **Leased Space:** ~3,500 sq ft
- **Base Monthly Rent:** \$3,925.00
- **Real Estate Taxes:** \$220.00
- **Fire & Hazard Insurance:** \$55.00
- Total Monthly Rent: **\$4,200.00**
- **Lease Status:** A new 10-year lease was signed in November of 2024.
- Lease Provisions: Opt Out clause available at end of 5th year (2029)

6.0 Investment Sale Pro-Forma Rent Roll (assuming PRM Leaseback)

Tenant	Monthly Rent
Product Recovery Management (PRM)	\$18,750
Keke's Tire (<i>current rate</i>)	\$10,500.00
Coco Crissi (<i>new lease rate</i>)	\$3,600.00
The "Gamblers"	\$4,000.00
Projected Total Monthly Rent:	\$36,850.00
Projected Total NOI:	\$442,200

6.0 Building & Site Details

- **Total Building Area:** Approximately 43,000 sq ft
- **Total Lot Size:** Slightly less than 4 acres
- **Construction:** Mixed construction.
 - **Original Structure:** ~10,000 sq ft, built circa 1960s.
 - **Additions:** Two metal buildings added in the late 1970s or early 1980s.
- **Condition & Maintenance:** Excellent overall condition with recent capital expenditures.
 - New roof on the main office building (2023).
 - New metal roof over the CED office area (c. 2017)
- **Features:** Loading docks, extensive parking (front, side, and a large, fenced rear lot).
The entire lot is enclosed with security fencing.

7.0 Zoning & Future Use

- **Zoning:** Zoned for **Light Industrial** use.
- **Flexibility:** The layout is suitable for retail, office, manufacturing, and wholesale/distribution.

SALE PRICING GUIDANCE - \$6,500,000; Offers encouraged