

2322 Amelia Church Road

Clayton, North Carolina



Confidential offering memorandum

±39-acre multifamily development opportunity

**AVISON
YOUNG**

Contacts and confidentiality

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

Carolinas Multifamily Group

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01. Executive summary

Executive summary

Avison Young is pleased to present the opportunity to purchase a remarkable ± 38.74 -acre property in Clayton, North Carolina, slightly north of Highway 70 Business and just south of Highway 42. The property is currently zoned R-E, with a mainly flat topography and a man-made stormwater pond. The buyer will have an opportunity to rezone the property, enabling the development of a three-story walk-up surface-park product similar to the nearby Amelia Station, which boasts a 99.5% occupancy rate and 16% annual effective rent growth year-over-year for 216 Class A multifamily units. The site would also lend itself for a build-to-rent product for either single-family or townhome development as the population of Clayton continues to grow.

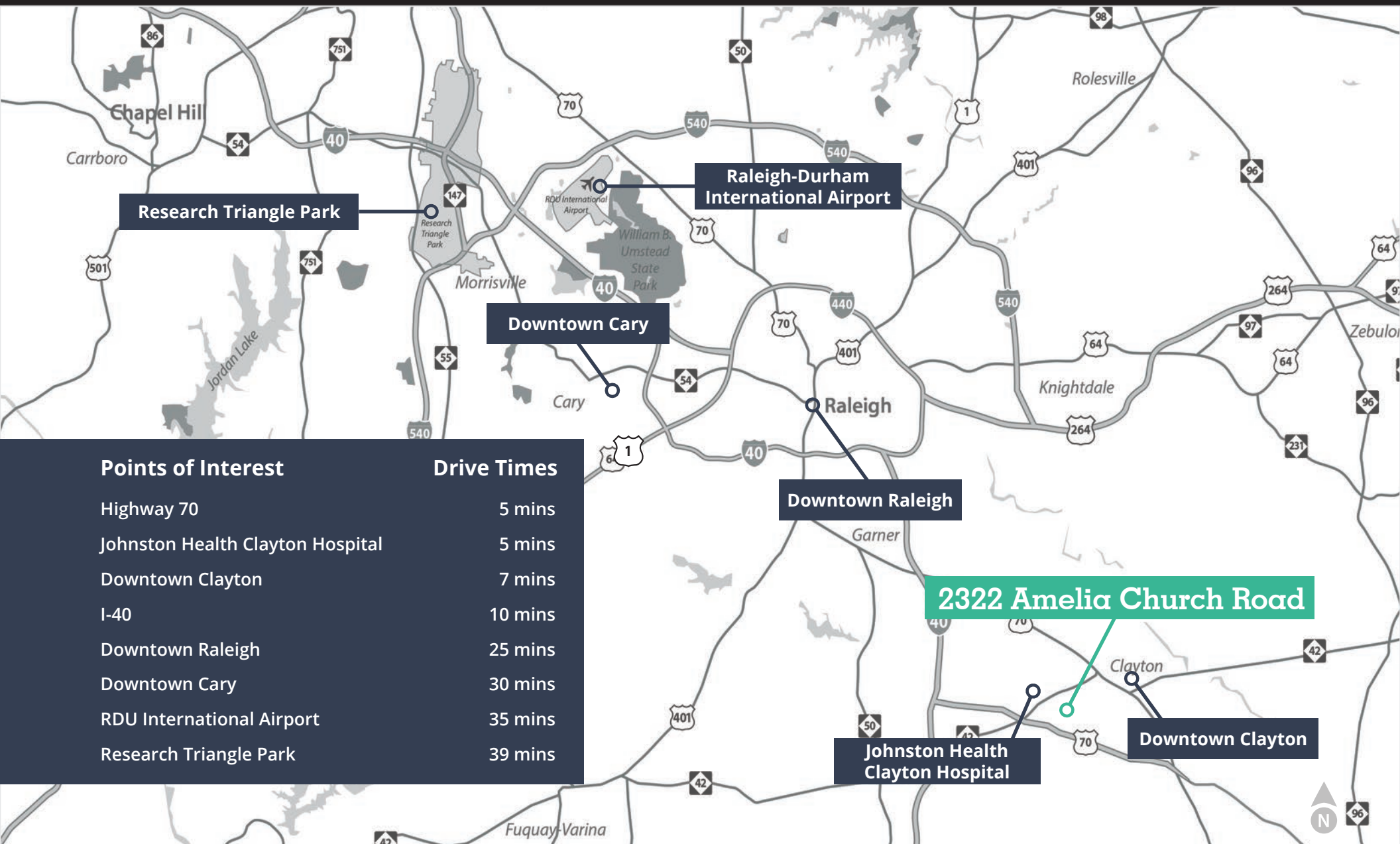
The property is located between downtown Clayton and Clayton Medical Park, which serves the Johnston County Market. The location benefits from recent retail development at Highway 42, continued interest in expanding the Johnston County Medical Park and migration from large urban cores to suburban communities. Clayton has remained a strong market for investment/development throughout the COVID-19 pandemic due to ease of access to Interstate 40, net migration and continued growth in commercial/residential property values. This growing location allows access to Johnston County Regional Airport in 15 minutes, downtown Raleigh in 25 minutes, RDU International Airport in 35 minutes, and the North Carolina coast in less than two hours.



02. Property overview

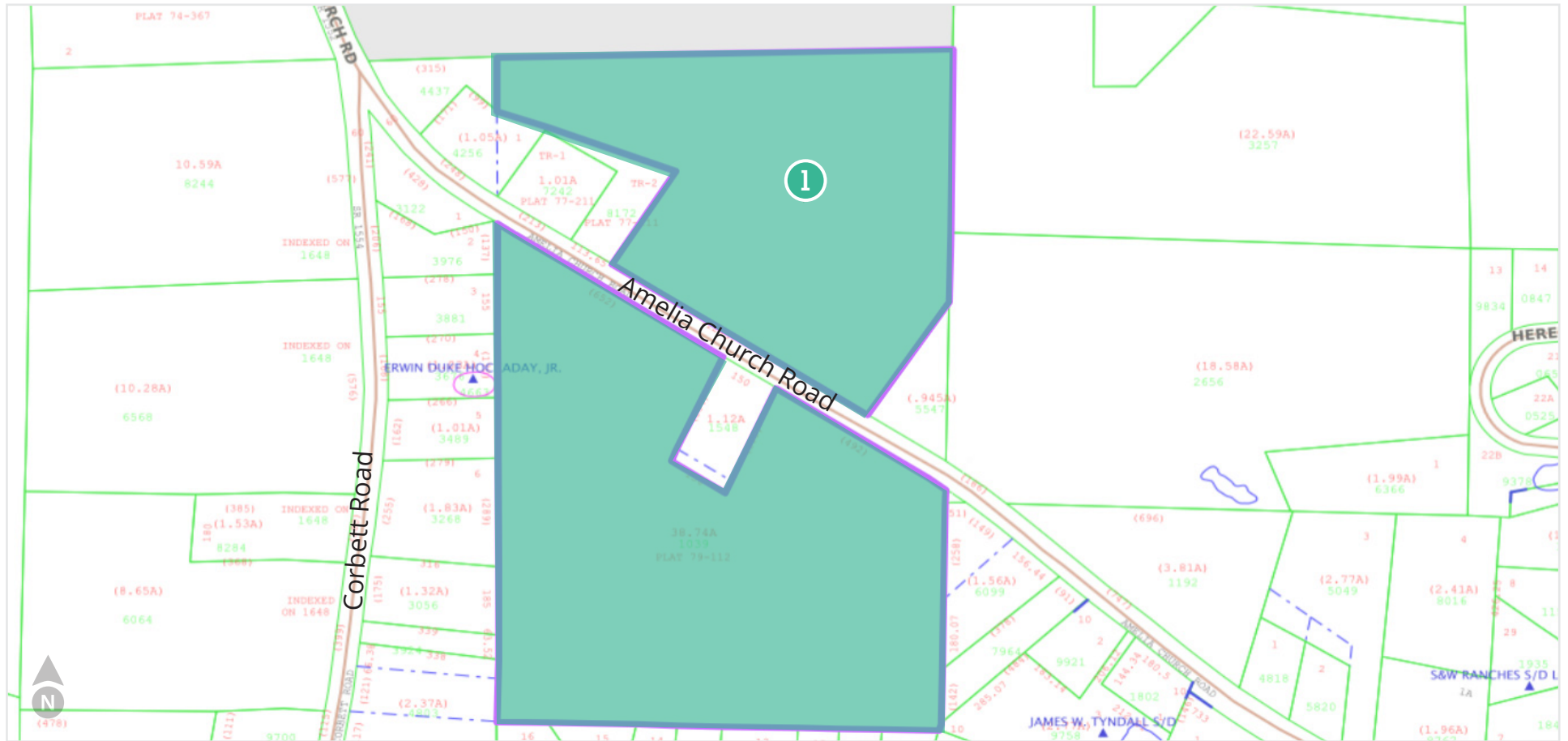
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Property location



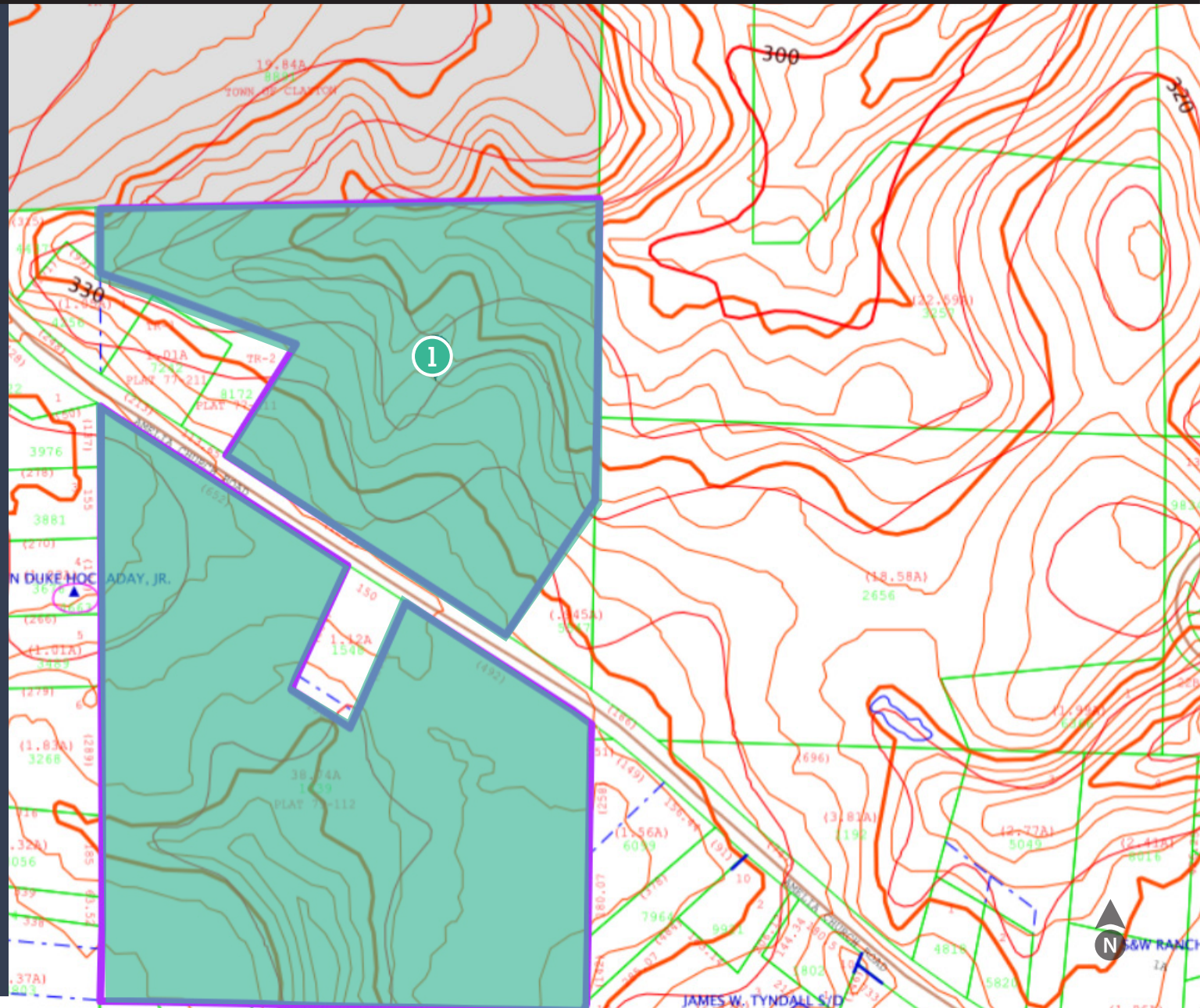
Parcel information

Parcel ID	Land Area	Zoning	county	jurisdiction	total land area
① 05G03069	±38.74 ac	R-E	Johnston	Johnston	± 38.74 ac

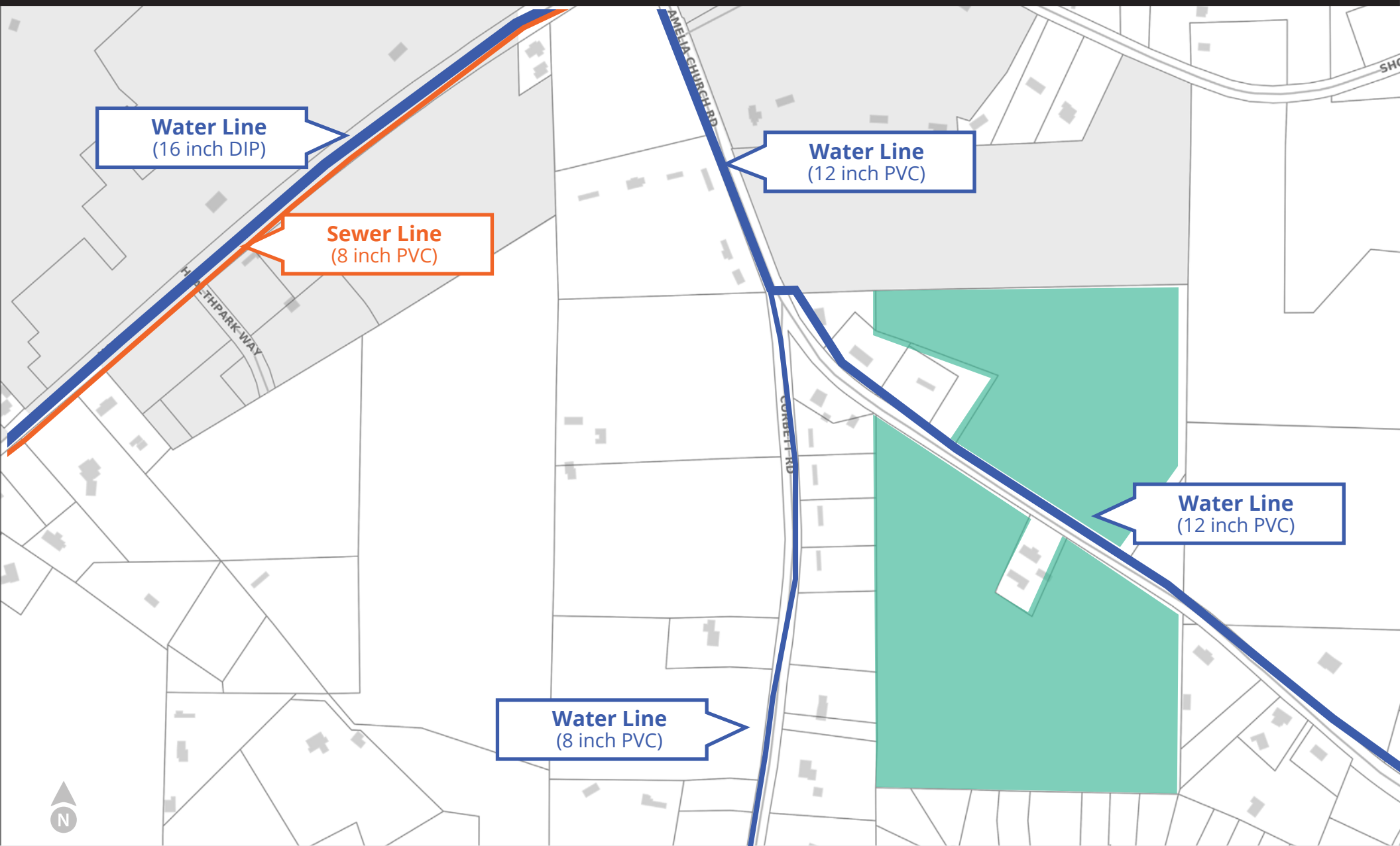


Topography

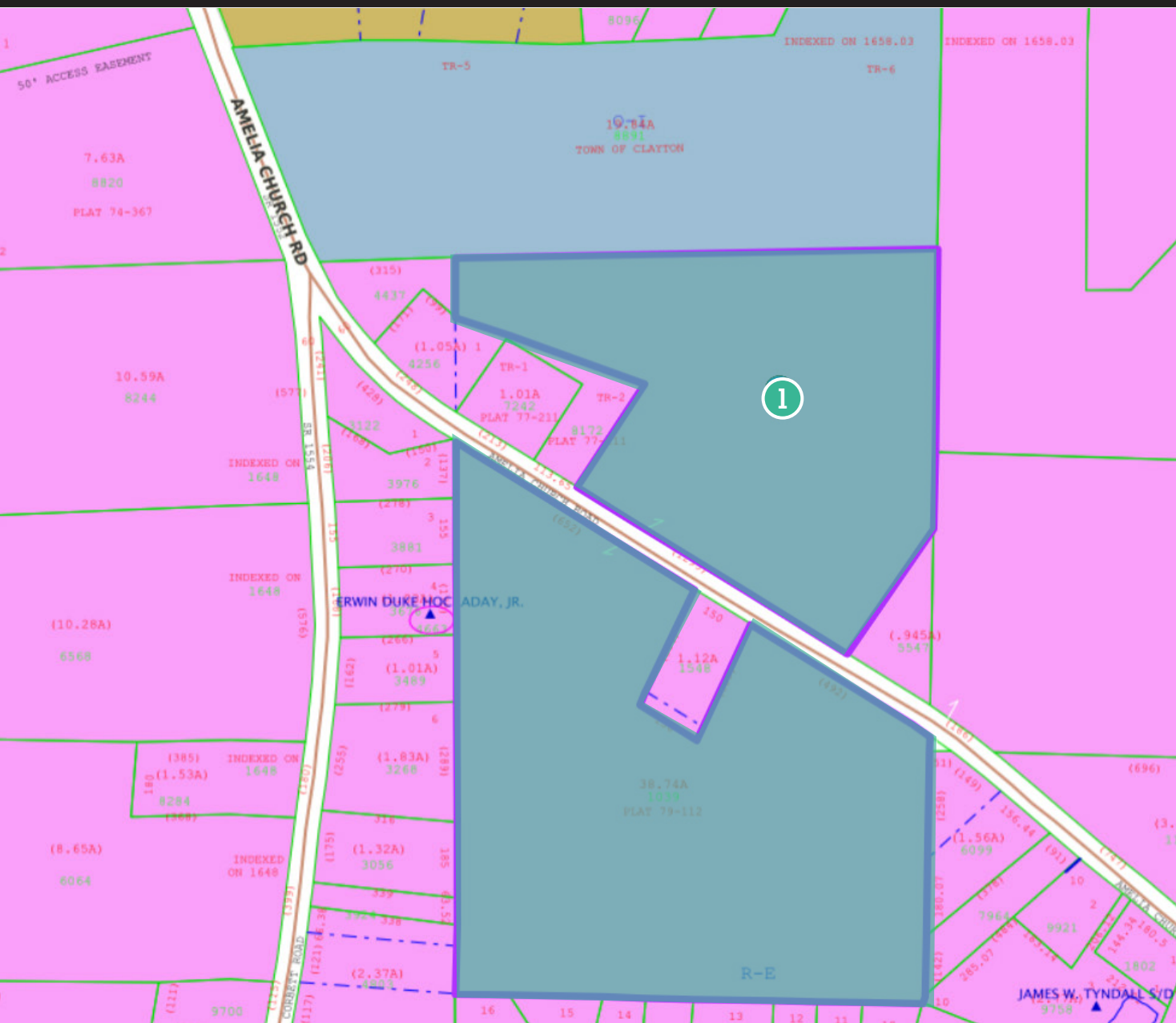
The site is mostly cleared and generally flat with access to Amelia Church Road



Existing utilities



Zoning | current analysis



Current UDO zoning provides limited flexibility for lower density residential uses by-right

R-E: Residential Estate

The R-E district is comprised of low-density, single-family dwellings and other selected uses that are compatible with the open and rural character of the area. The established regulations for this district are designed to promote and encourage an environment for family life and agriculture. To encourage higher quality development and to ensure greater environmental protection, open space (cluster) subdivisions are permitted.

Density:

up to two dwelling units/acre
*Densities up to three dwelling units/acre may be approved per Open Space Subdivision Standards

Zoning | future analysis

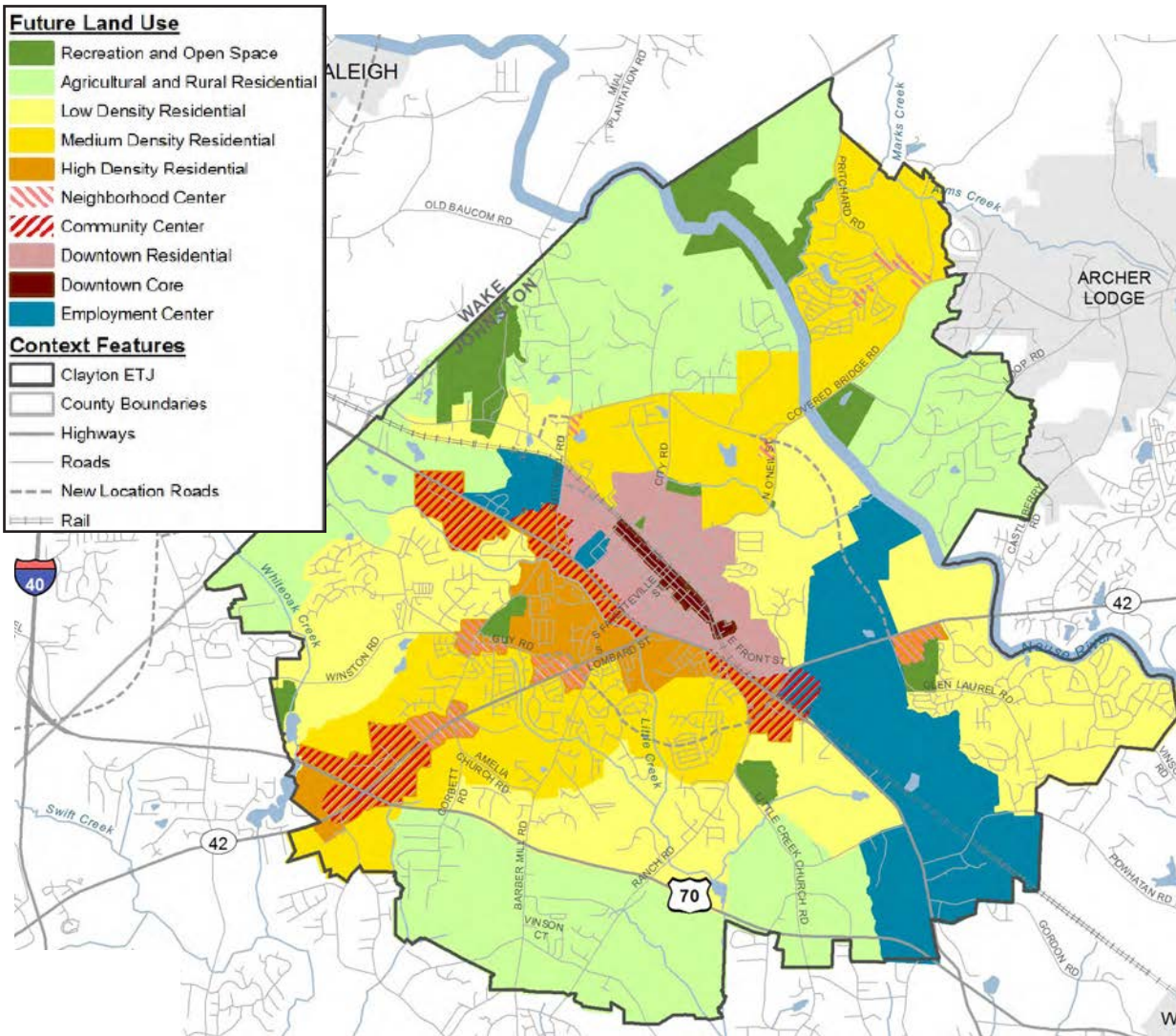
Future land use provides MORE flexibility for higher density residential uses by-right through annexation into the Town of Clayton, special use permit and site plan approval.

R-6: Single Family Residential-6

The R-6 district is established to provide orderly suburban residential development and redevelopment. It is intended to protect, preserve and enhance existing residential areas of higher density, which include multifamily dwellings mixed with other housing types. A special permit process for higher intensity development is also allowed, using discretion to balance issues of higher density with improved amenities.

Use Type	Zoning	
	R-E	R-6
Residential Uses		
Group Care Home (2 to 6 Residents)	P	P
Group Care Home (7 to 12 Residents)	S	S
Apartments		S
Boarding House		S
Duplex		S
Manufactured Home	P	
Manufactured Home Park	S	
Nursing Home	P	
Townhouse		S
Security/Caretaker Quarters	P	
Single Family House	P	P
Zero Lot Line House		P
Other Residential Uses		
Bed & Breakfast	P	S
Funeral Home	S	
Kennel	S	
Other Residential Uses		
Accessory Dwelling Unit	S	S
Day Care Facility	S	S
In-Home Day Care	P	P
Key:		
P - Permitted		
S - Special Use permitted in the zoning district only if approved by the Town Council (TC) (§ 155.711)		

Zoning | future analysis cont.



The **Medium Density Residential (MDR)** zoning predominantly comprises of neighborhoods with housing units that are more urban in character and in closer proximity to commercial services and centers. This area provides a transition from the more suburban areas of the Town to more developed areas. The density of development in this area will vary based on the presence of utilities, topography and environmental features. This designation is applied to land which is developed, or is to be developed, at a density between three and five units per acre. Densities as high as seven units per acre may occur under a Planned Development - Residential District.

Typical Uses:

Residential (all forms) Gross Residential

Density:

up to five dwelling units/acre
 *Densities up to seven dwelling units/acre may be approved as part of a Planned Development - Residential District

Compatible Zoning Districts

Future Land Use Designation	R-E	R-10	R-8	R-6	O-R	O-I	B-1	B-2	B-3	I-1	I-2	PF	PDD
ARR	X											X	
LDR	X	X										X	
MDR		X	X	X								X	

Zoning | conventional subdivision standards & useful links

Density: In the R-10 and R-8 Districts, townhouse parcels, apartment parcels and upper-story residential units shall not exceed a density of 10 units per acre. In the R-6 District, townhouse parcels, apartment parcels and upper-story residential units shall not exceed a density of 12 units per acre.

Conventional Subdivision Standards																	
Zoning District	Unit Type	Lot Standards						Minimum Setbacks (ft.)				Building standards					
		Min. Site Area (acres)	Min. Parcel Size (sf)	Min. Lot Area (sf)	Min. lot width (ft)	Max lot coverage (%)	Max. impervious surface (%)	Density (dwelling units/ acre)	Front	Side interior	Side Street	Rear	Max. height (ft)	Min. Dwelling unit size (sf)	Accessory structures		
R-E	Single Family with public water & sewer	--	--	20,000	80	35	50	2.1	35	15	25	30	35	--	See § 155.308		
	Single Family with public water & septic	--	--	25,000	80	35	50	1.7	35	15	25	30	35	--			
	Single Family with well & septic	--	--	40,000	100	35	50	1	35	15	25	30	35	--			
R-6	Single Family	--	--	6,000	50	35	60	7	25	6	10	20	35	--	See § 155.308		
	Zero Lot Line	--	--	6,000	50	35	60	7	20	0	10	25	35	--			
	Alley Loaded	--	--	6,000	50	35	60	7	10	6	10	25	35	--			
	Two Family	--	8,000		65	40	55	4	25	6	10	15	35	--			
	Townhouse (2 units)	--	8,000	Set by Special Use Process													
	Townhouse (3+ units)	--	20,000														
	Apartments	--	20,000														
Open Space Subdivision Standards																	
R-E	Single Family	10	--	12,000	48	35	50	3.7	25	9	15	18	35	--	See § 155.308		
R-6	Townhouse (2 units)	10	10,000	4,800	40	40	55	9	25	6	10	15	35	--	See § 155.308		
	Townhouse (3+ units)	10	20,000	3,000	21	40	55	10	25	--	10	15	35	--			
	Apartments	10	20,000	--	--	40	55	10	15	10	15	20	35	--			
Notes																	
1	Minimum dwelling unit size for multi-family is a per unit minimum																
2	Manufactured homes and manufactured home parks shall meet the minimum requirements set forth in UDC § 155.301 (F) and (G)																
3	In no instance shall the area of a residential lot be less than the size determined to be adequate by the County Health Department after soil and ground water table investigations have been made.																
4	A minimum of 1,245 square feet per unit of public Recreation and Open Space is required in the R-E Zoning District																
5	A minimum of 12.5% of the total site acreage is required to be Recreation and Open Space in all Open Space Subdivisions.																
6	Public water and sewer is required in all residential Zoning Districts.																
7	Lots using a zero side interior setback for one lot line are required to double the side interior setback requirement established for a single family unit for the opposite lot line.																
8	In the R-10 and R-8 Zoning Districts, townhouse parcels, apartment parcels, and upper story residential shall not exceed a density of 10 dwelling units per acre.																
9	The minimum building separation for townhouse parcels and apartment parcels is 20 feet.																
10	When dwelling units are front-loaded or accessed from the front or side, a minimum 25' setback is required from the right-of-way providing access.																
11	Where lot width is less than 42' (except in existing in-fill lots), the lot must be alley-loaded or have parking accessed from the rear of the lot. Alley-loaded units are permitted only if at least 60% of the dwellings on that side of the block are also alley-loaded and formal on-street parking is required in the front of all alley-loaded units.																

Clayton UDO Links:

- [Unified Development Ordinance](#)
- [Use Regulations](#)
- [Water/Sewer Extension Policy](#)
- [Design Standards Non-Residential](#)
- [Conventional District Standards](#)

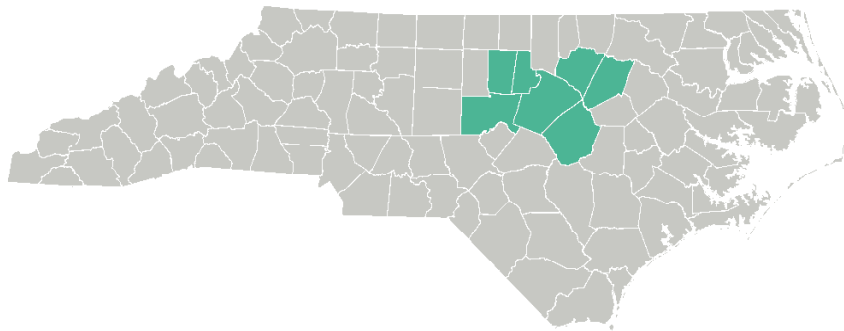
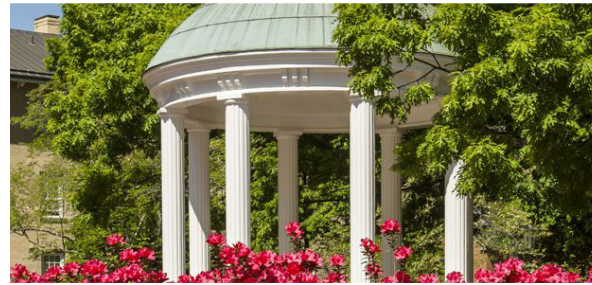
03. Location overview

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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 – North Carolina State University in Raleigh, Duke University in Durham, and the University of North Carolina at Chapel Hill. 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 2.1 million people, the Triangle is one of the fastest growing metros in the country. Since 2000, its population swelled by 63% 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.



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 thousands of new jobs in recent years. Between January 2020 and July 2021 alone, companies announced more than 11,000 new jobs.

The Triangle has witnessed robust economic growth over the last decade. The region added nearly 17,000 jobs in 2019 and ended the year with unemployment at just 2.9%. As with the rest of the US, the Triangle witnessed steep job losses, primarily in the retail sector, in spring of 2020 as a result of COVID-driven stay-at-home directives. By June 2021, the local economy had recovered nearly all of the jobs lost during the pandemic, and unemployment had fallen to 4.3%

Recent corporate announcements



California-based pharmaceutical company will construct a \$380.6 million in biomanufacturing facility in Holly Springs, with an avg. annual wage of more than \$119,000.
355 jobs | August 2021



The Indiana-based outdoor furniture maker chose Roxboro over Syracuse, Indiana for \$61.6 -million expansion.
300 jobs | July 2021



With an investment of \$1billion, 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



With two expansions in the Triangle Region announced in 2021, the financial service company will hire an additional 725 employees in Durham to staff a new regional hub.
725 jobs | May 2021



Red Hat announced plans to add more than 200 employees to its product and technology organization.
200 jobs | May 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



Texas-based Taysha Gene Therapies chose Durham over Dallas for a \$75 million manufacturing operation, creating jobs with an average wage of \$120,000.
200 jobs | December 2020



Durham-based bioanalytical laboratory chose Durham over Massachusetts for its \$61.5 million expansion.
875 jobs | October 2020



With an investment of \$350 million in Clayton, the Barcelona-headquartered company is now the largest private employer in Johnston County.
300 jobs | June 2020



With an investment of \$100 million, the healthcare company, which focuses on early cancer detection, will relocate from California to Research Triangle Park.
400 jobs | June 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 | June 2020

Clayton demographics

total population

25,533

average home value

\$234,563

average household income

\$90,652

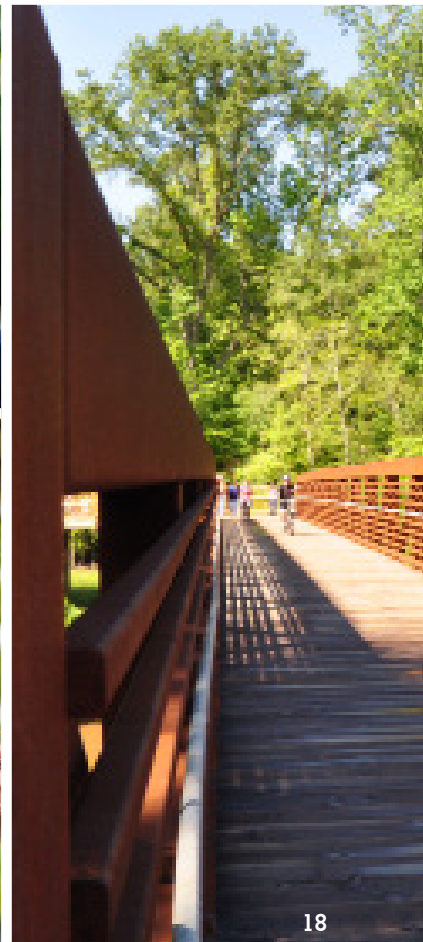
total households

9,564

family households as % of total households

70.7%

ESRI 2021



Nearby amenities



Single Family Homes, Townhomes

- 1. Cameron Crossing
- 2. Academy Pointe
- 3. Clayton Townhomes
- 4. Boling Townes
- 5. Bristol at Cobblestone
- 6. Village at Little Creek
- 7. Bennington Place
- 8. Moss Creek Village
- 9. Winston Pointe South

Apartments

- 1. Stallings Mill
- 2. Clayton Court Apts
- 3. Amelia Village Apts
- 4. Candlewood Apts
- 5. Heritage Court Apts
- 6. Arbors at East Village
- 7. Cobbler Station
- 8. Parkside Village
- 9. Amelia Station Apts

Office

- 1. Meridian Center
- 2. Cowan Building
- 3. Womack Building
- 4. Amelia Station

Medical

- 1. Clayton Internal Medicine
- 2. Clayton Medical Associates
- 3. Johnston Health Clayton Hospital
- 4. Duke Healthcare
- 5. UNC Urgent Care

Retail, Restaurants, Services

- 1. Clayton Corners
 - Lowes Foods
 - Bank of America
 - Arby's
 - CVS
 - UPS
- 2. Clayton Plaza
 - Walmart
 - Zaxby's
 - FedEx
 - Lonestar
 - Dollar Tree
- 3. Clayton Village
 - Wendy's
 - Food Lion
 - Pizza Hut
 - Family Dollar
 - Jiffy Lube
- 4. USPS
- 5. Clayton General Store
- 6. Domino's Pizza
- 7. SECU
- 8. Smithfield's
- 9. Sheetz

04. Market conditions

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Johnston county submarket

Johnston County is strategically located at the junction of North Carolina Interstates 95 and 40, making the county the North-South and East-West connection of the state. Ideally situated only 30 minutes east of Raleigh and the Triangle region's esteemed Research Triangle Park, Johnston County continues to attract diverse industries and opportunities for companies and residents alike. The region has emerged as a key destination for bio-manufacturing jobs and investments. The County is home to 11 municipalities, including Benson, Clayton, Four Oaks, Kenly, Selma and Smithfield. Smithfield is mid-way along I-95 and is the 0-mile marker between New York City and Jacksonville, Florida.

Economy / Demographics

Johnston County continues to demonstrate healthy economic growth and strong demographics. The county's unemployment rate stood at 4.4% in June 2021, just 130 basis points above its pre-pandemic level of 3.1%.

After Wake and Durham Counties, Johnston County is the third-most populous among the seven counties that make up the Research Triangle metropolitan area. The county's population of 213,644 has expanded by 27% since 2010 and is projected to expand by another 2.09% annually between 2020 and 2025. According to North Carolina's Office of Budget and Management, Johnston County has recently been cited as the fastest growing county in North Carolina.

Clayton is Johnston County's largest town, with a population of 24,104. Single-family detached houses remain the predominant housing type in Clayton; however, attached housing in the form of townhomes and other multifamily structures are increasing. Attached multifamily housing units grew from 710 units in 2000 to 1,802 units in 2010, representing 27% of Johnston County's total housing units.

Johnston County 2021 Demographics

Population	223,629
Projected annual growth 2021-2026	2.1%
Projected 2025 population	248,166
Median household income	\$61,597
Projected annual growth 2021-2026	\$2.96%
Projected 2026 median household	\$71,266
Median age	38
Employed population	97,549
White collar	62.2%
Blue collar	24.2%
Housing units	87,684
Owner occupied	72%
Renter occupied	21.1%
Annual growth in housing units	2.96%
Median home value	\$204,775

Source: ESRI



Johnston county submarket

Education

Located in Smithfield Johnston Community College is an award-winning two-year college. The community college offers several associate-degree programs and specialty training for many industries while serving more than 15,000 students with an annual budget of \$400 million.

Within 50 miles of Johnston County, residents have access to both private colleges and internationally recognized, research-driven universities. Campbell University, Barton College, Shaw University, Meredith College and North Carolina Wesleyan College are private colleges that are near Johnston County and contribute significantly to the Triangle's exceptional workforce. Major universities in the Research Triangle Park area such as Duke University, UNC-Chapel Hill and North Carolina State University provide an outstanding talent pipeline and intellectual capital for the region's growing businesses.

Employment

Johnston County's favorable business climate and access to the region's highly educated workforce continues to attract major corporations, driving innovation and economic opportunity. New and expanding businesses continue to create thousands of jobs in Johnston County, resulting in a vibrant community and strong tax base. While the county benefits from a diverse industry base, 23% of Johnston County's workforce is employed in manufacturing or construction. Major manufacturing operations include companies such as Novo Nordisk, Grifols and Caterpillar. Other major employers include Johnston County Schools and Johnston Health.

**Ideally situated only
30 minutes east of Raleigh
and the Triangle region's
esteemed Research Triangle
Park, Johnston County
continues to attract
diverse industries and
opportunities for companies
and residents alike.**

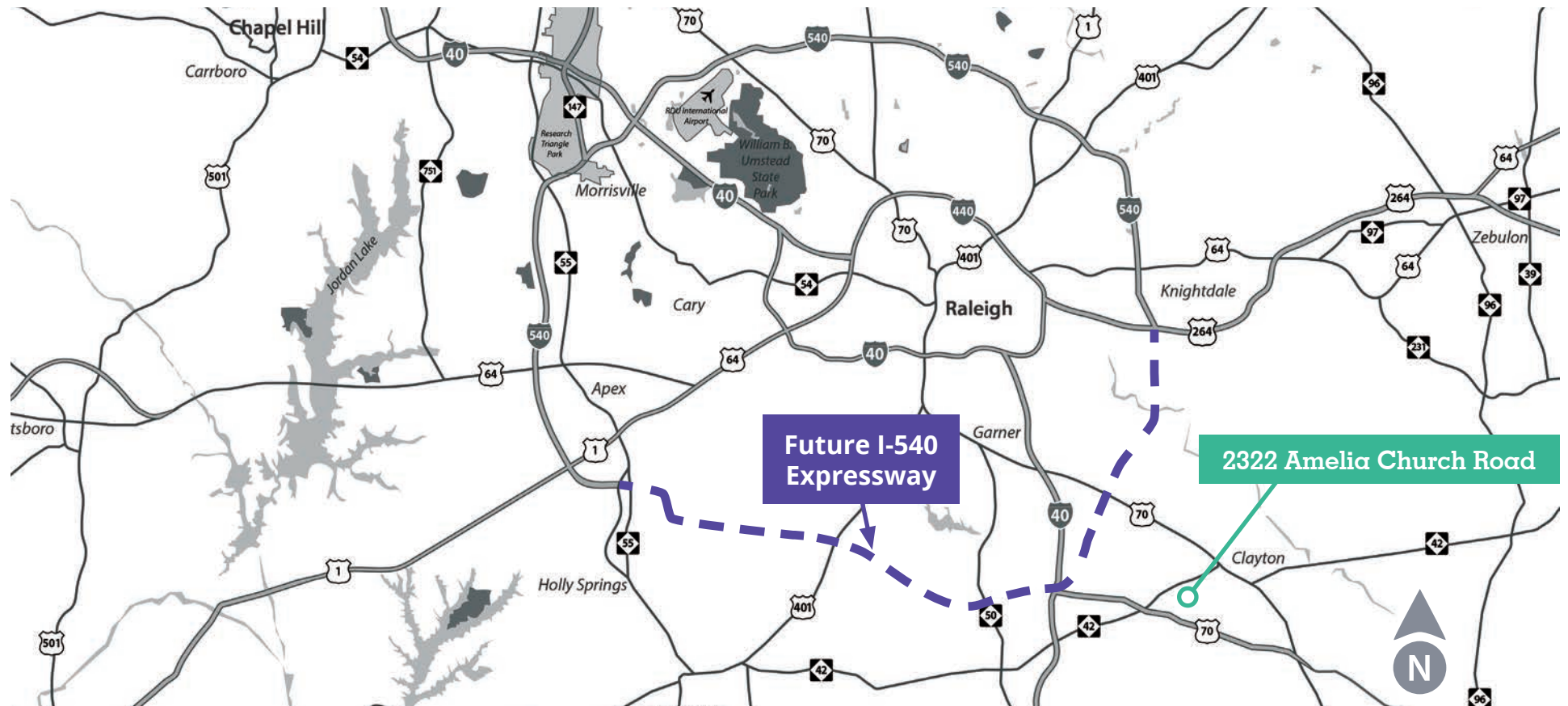


I-540 expansion

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, and depending on available funding, each segment will likely have different construction timelines.

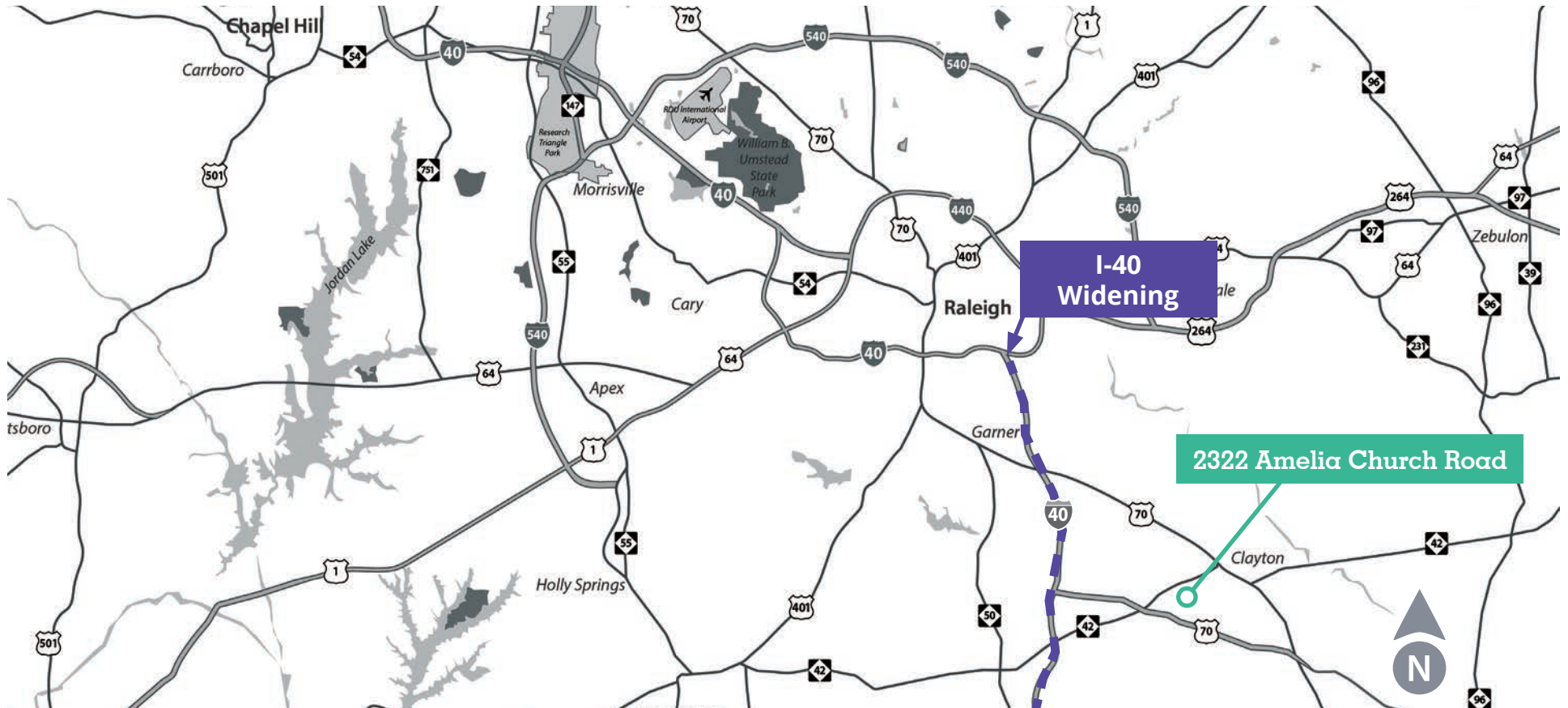


I-40 widening

Construction is underway to improve traffic on 12 miles of I-40 from Raleigh to the I-40/NC 42 interchange in Clayton. The stretch serves communities in Wake and Johnston counties, connects the region to I-95, and is a primary route to coastal tourism destinations.

An estimated 35.6 million vehicles traveled the roadway in 2015. Traffic is projected to increase by 65 percent by 2040 as the area continues to experience a boom in residential and commercial growth.

Improvements will help ease congestion and delays, make travel safer throughout the heavily traveled area, and better accommodate traffic due to future growth. The project is scheduled to be completed in 2022.



Development pipeline



Development pipeline



2322 AMELIA CHURCH ROAD

Amelia Church Road
38.74 total acres
One parcel



1 PINES AT GLEN LAUREL II

1430 NC-42, Clayton
120 units
Pre-planned
Garden



2 CLAYTON VILLAGE CENTER I

Wildwood Drive & NC 70, Clayton
74 units
Pre-planned
Garden



3 CLAYTON VILLAGE CENTER II

Wildwood Drive & NC 70, Clayton
27 units
Pre-planned
Garden




4 CLAYTON VILLAGE CENTER II

Wildwood Dr & NC 70, Clayton
54 units
Pre-planned
Garden



5 ACADEMY POINTE

235 E Wilson Street, Clayton
110 units
Under construction
Garden



Multifamily Residential
Units Under Construction

565

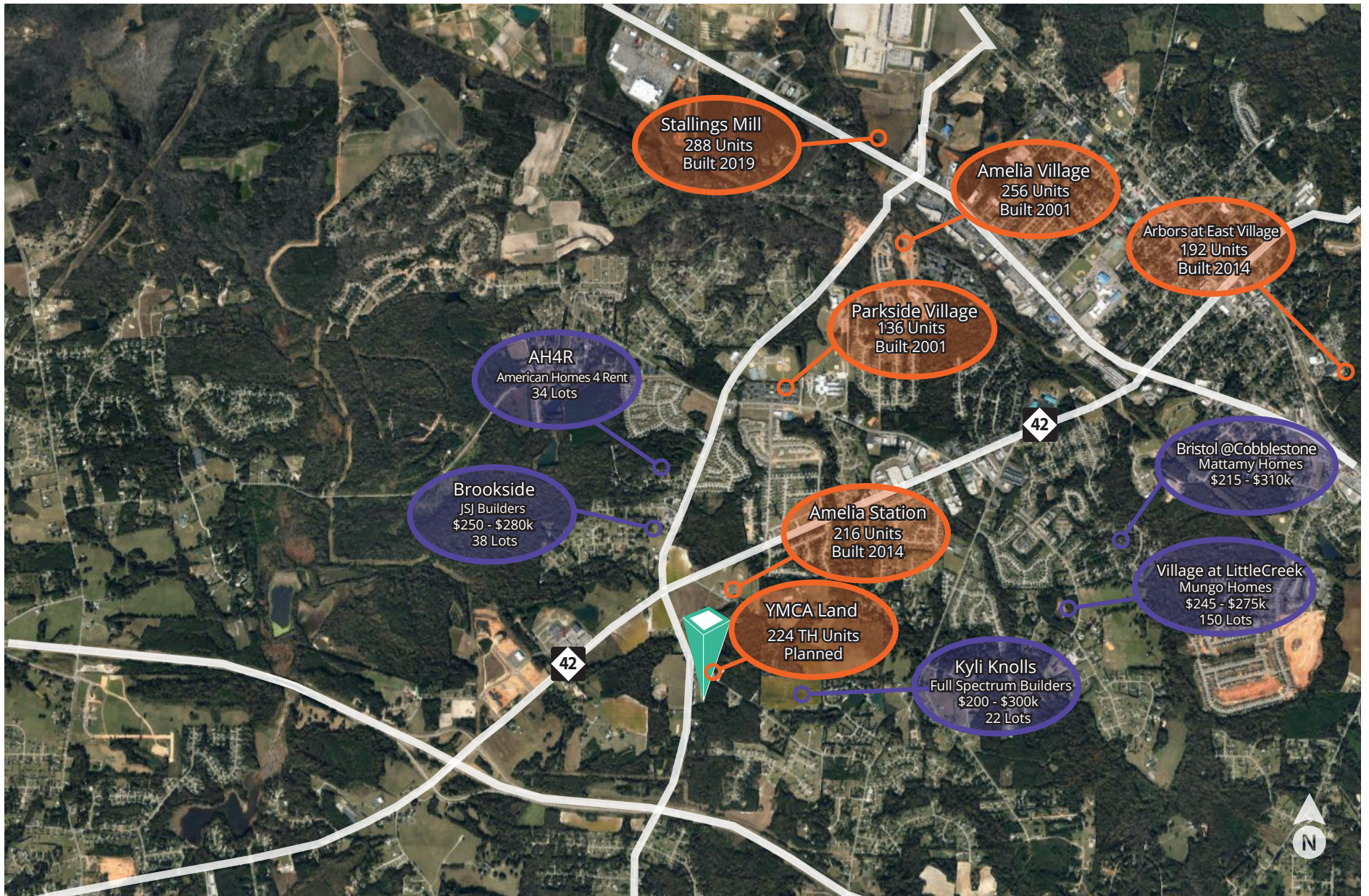
As of June 2021



6 ASHCROFT SECTION II

Covered Bridge Rd & N O'neil St, Clayton
180 units
Pre-planned
Garden

Clayton housing growth



Map Key:



Single family property



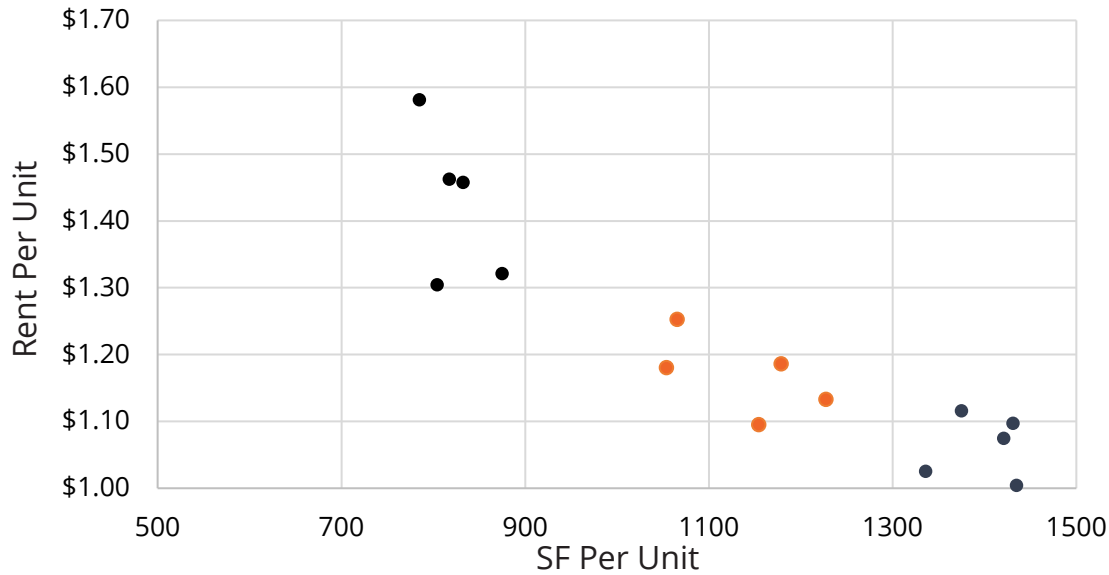
Multifamily property



2322 Amelia Church Road

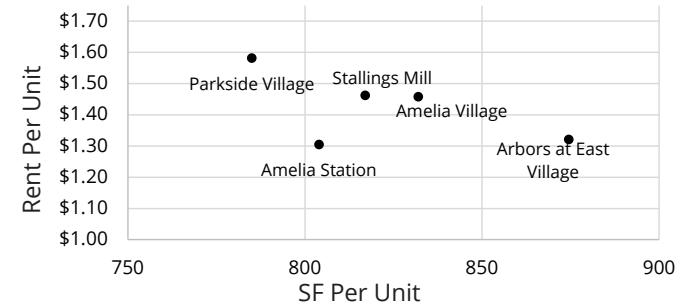
Floor plan summary chart

Rent Distribution: All Units

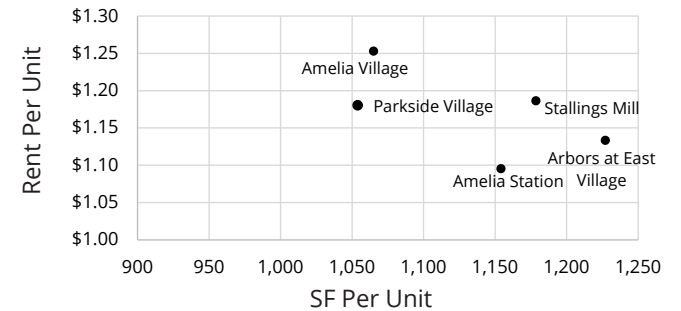


● One Bedroom ● Two Bedroom ● Three Bedroom

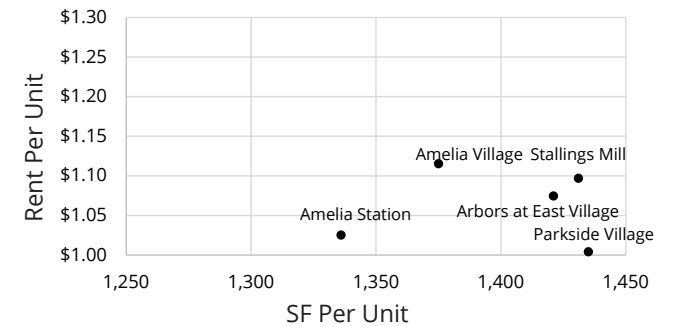
Rent Distribution: One Bedroom Units



Rent Distribution: Two Bedroom Units



Rent Distribution: Three Bedroom Units

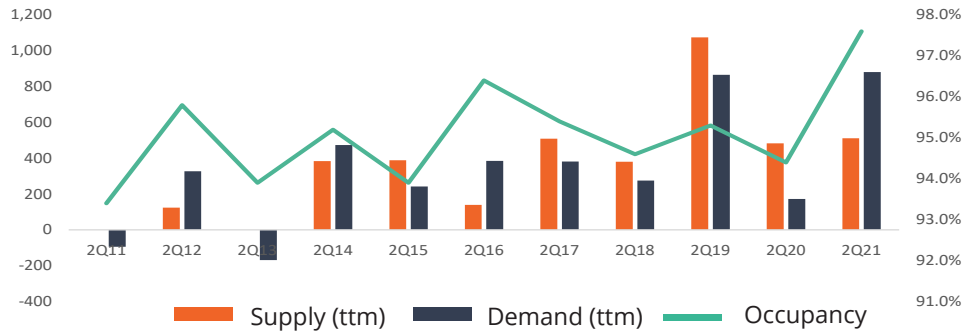


Property Name	1 Bedroom		2 Bedroom		3 Bedroom	
	SF	Rent	SF	Rent	SF	Rent
Parkside Village	785	\$1.58	1,054	\$1.18	1,435	\$1.00
Amelia Station	804	\$1.30	1,154	\$1.10	1,336	\$1.03
Stallings Mill Apartments	817	\$1.46	1,179	\$1.19	1,431	\$1.10
Amelia Village	832	\$1.46	1,065	\$1.25	1,375	\$1.12
The Arbors at East Village	875	\$1.32	1,227	\$1.13	1,421	\$1.07

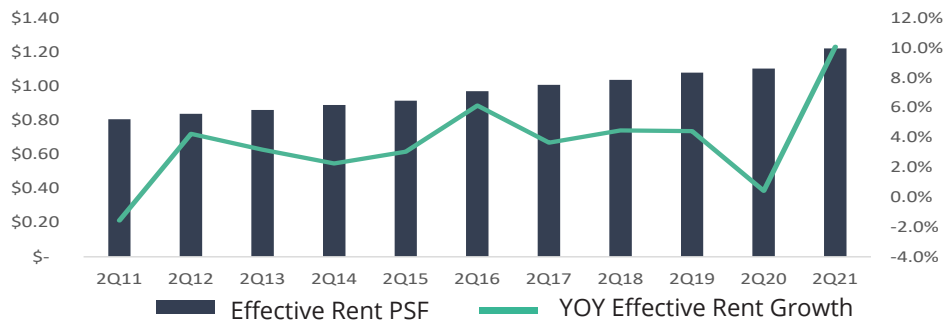
Multifamily market analysis

Southeast Raleigh

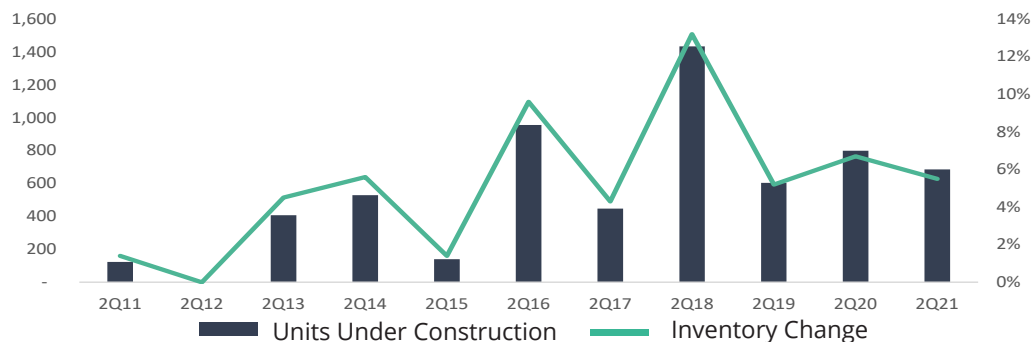
Supply and demand (TTM)



YOY effective rent performance



Units underway



2Q21 Quick Stats

inventory (units)

12,513

occupancy

97.6%

TTM absorption (units)

882

TTM deliveries (units)

512

avg. effective rental rate per unit

\$1,214

avg. effective rental rate per sf

\$1.22

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

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