

Offering Memorandum

McKinley Lane Apartments

2801 McKinley Lane • Hillsborough, NC 27278



FOR SALE

\$1,325,000

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Table of Contents



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Any party contemplating, under contract for, or in escrow for a transaction is urged to verify all information through appropriate independent professionals, including as to zoning, subdivision, utility availability, and permitting for the additional home sites referenced in this Offering Memorandum.

Legal questions should be discussed with an attorney; tax questions with a CPA; title questions with a title officer; and zoning, subdivision, or physical-condition questions with appropriate engineers, surveyors, and governmental agencies. All properties are marketed in compliance with applicable fair housing and equal opportunity laws.

TABLE OF CONTENTS

Property Summary	3
Financial Summary	4
Rent Roll	5
Property Description	6
Development Opportunity – Excess Land	7
Additional Photos	8
Location Map	9
Aerial Map & Demographics	10



Property Summary

McKinley Lane Apartments

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PROPERTY DESCRIPTION

Presenting McKinley Lane Apartments, a fully-occupied 8-unit income-producing community in Hillsborough, NC, offered together with excess land suitable for additional residential development. The property provides a rare combination of in-place, stabilized cash flow alongside meaningful upside: a conceptual site plan supports up to **six (6) additional home sites** on the excess portion of the parcel. Investors and developers can acquire a cash-flowing asset today while pursuing entitlement and build-out of the additional lots over time.

Located minutes from historic downtown Hillsborough and within easy reach of Durham, Chapel Hill, and the Raleigh-Durham-Chapel Hill (RTP) job base, the property benefits from durable rental demand and one of the strongest-performing housing submarkets in the Triangle.

OFFERING SUMMARY

Sale Price	\$1,325,000
Existing Units	8
Price / Unit	\$165,625
Current Occupancy	100%
Total Site Area	[13.21 AC]
Excess / Developable Land	[10 AC +/-]
Potential Additional Lots	6 (seller's concept)
Year Built	1960

INVESTMENT HIGHLIGHTS

- 100% occupied with several leases running through 2027
- Conceptual plan supports 6 additional for-sale or for-rent home sites
- In-place income helps carry the asset through entitlement / permitting
- Located in one of the Triangle's fastest-growing submarkets



Financial Summary

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HISTORICAL & TRAILING 12-MONTH OPERATING PERFORMANCE

Category	FY 2024	FY 2025	TTM (Aug '25 - Jul '26)
Total Income	\$101,703	\$108,909	\$108,552
Total Operating Expenses	\$16,604	\$20,830	\$23,777
Net Operating Income	\$85,099	\$88,078	\$84,776
NOI Margin	83.7%	80.9%	78.1%
Implied Cap Rate at \$1,325,000 Ask	6.42%	6.65%	6.40%

IN-PLACE RENT ROLL (ILLUSTRATIVE)

Current Monthly Rent (8 Units)	\$9,765
Annualized In-Place Rent	\$117,180
TTM Operating Expenses	\$23,777
Illustrative NOI at Current Rent Roll	\$93,403
Illustrative Cap Rate at Ask	7.05%

Illustrative only: assumes current, fully-occupied rent roll held constant against trailing-twelve-month expenses. Actual results will vary with turnover, expenses, and management.

NOTES

- TTM reflects Aug 2025 – Jul 2026, the most recent 12 months of operating data provided
- 2026 figures were partial-year at time of preparation; Aug 2026 expenses were not yet posted
- Income and expense figures are drawn from seller / property-manager operating statements and have not been independently audited
- Figures exclude any income or cost associated with the excess land / additional lots

Rent Roll


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2801 McKinley Lane • Hillsborough, NC 27278

MCKINLEY LANE APARTMENTS — AS OF 07/30/2026

Unit	Status	Rent	Deposit	Lease From	Lease To
125 McKinley Lane-1	Current	\$1,200.00	\$2,030.00	03/08/2021	03/31/2027
155 McKinley Lane-1	Current	\$1,240.00	\$1,310.00	10/07/2021	03/31/2027
131 McKinley Lane	Current	\$1,195.00	\$1,195.00	04/15/2026	04/30/2027
149 McKinley Lane	Current	\$1,250.00	\$1,250.00	05/01/2025	04/30/2027
119 McKinley Lane-1	Current	\$1,240.00	\$1,195.00	06/01/2024	05/31/2027
137 McKinley Lane-1	Current	\$1,250.00	\$1,395.00	12/29/2020	06/30/2027
163 McKinley Lane	Current	\$1,195.00	\$1,895.00	08/15/2020	07/31/2027
143 McKinley Lane	Current	\$1,195.00	\$1,145.00	09/14/2024	09/13/2027
8 Units	100% Occupied	\$9,765.00	\$11,415.00		

SUMMARY

Total Units	8
Occupancy	100%
Total Monthly Rent	\$9,765.00
Total Annualized Rent	\$117,180.00
Total Security Deposits Held	\$11,415.00

LEASE NOTES

- All 8 units are currently leased with no vacancy
- Lease expirations are staggered from March 2027 through September 2027
- Several leases include scheduled rent-increase dates noted in the property's rent roll



Property Description

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LOCATION DESCRIPTION

Hillsborough is the historic seat of Orange County, North Carolina, offering a walkable downtown, strong household incomes, and easy access to the Triangle's major employment centers. The town sits along I-85/I-40 between Durham and Greensboro, within a short drive of Duke University, UNC-Chapel Hill, and Research Triangle Park. Orange County has consistently ranked among the fastest-growing and highest-income counties in the state, supporting durable demand for both rental housing and new for-sale construction.

SITE DESCRIPTION

The site is improved with an 8-unit, fully-occupied rental community generating stabilized cash flow. Beyond the existing improvements, the property includes excess land that, per the seller's conceptual site plan, can accommodate up to six (6) additional home sites. This combination allows a buyer to hold an income-producing asset while pursuing subdivision, permitting, and build-out of the additional lots — whether for sale, for rent, or a hybrid strategy.

Buyers should independently verify zoning, subdivision requirements, utility availability, and any approvals required from Orange County and/or the Town of Hillsborough for the additional home sites.

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In addition to the income-producing 8-unit community, McKinley Lane Apartments includes excess land with development potential. The seller has prepared a conceptual plan illustrating how the excess portion of the site could be subdivided into **six (6) additional home sites**, offered here as a placeholder for that conceptual layout.

- Existing 8-unit income stream can help offset carrying costs during entitlement
- Flexible exit strategy: sell finished lots, build-to-rent, or build-for-sale homes
- Located within an established, amenitized rental submarket with strong comparable sales
- Buyer to independently verify subdivision feasibility, zoning, and utility capacity with Orange County / Town of Hillsborough

[illegible]



Additional Photos

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Location Map

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Map & Demographics

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Population & Income	Hillsborough (Town)	ZIP 27278
Total Population	9,724	28,746
Median Household Income	\$98,163	\$105,887
Average Household Income	\$127,125	\$135,885
Median Home Value	\$460,100	\$414,100

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (most recent available, 2024).
Town- and ZIP-level figures; site-specific radius demographics available upon request.

