

218 Gatewood Avenue

High Point, North Carolina

High Point Medical Center

218 Gatewood Avenue

Colliers
INTERNATIONAL

100% Leased, Single Tenant Medical Office Building



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TRANSACTION TEAM:

DAVID DIVINE
*Director of Commercial
 Investment Sales*

McCANN SHERIDAN
Broker



EXECUTIVE SUMMARY

Colliers International, on behalf of the owner, is pleased to exclusively offer the opportunity to purchase 218 Gateway Avenue, located in High Point, NC. The subject property is a 12,879 square foot, two-story medical office building of masonry and glass construction. The property is conveniently located next to the High Point Regional Wake Forest Baptist Health Center and the new High Point Rockers minor league baseball stadium. High Point Wake Forest Baptist Health Center is one of the four network hospitals in the Wake Forest Baptist Health system. With over 2,600 staff, the health system serves over 120,000 patients annually. The High Point Regional Center offers 351 beds and serves a region encompassing over 600,000 people.

The subject property is conveniently located within walking distance of downtown High Point, the new minor league baseball stadium, and many amenities (see downtown amenity map). There is an abundance of new development in the immediate area consisting of both residential and commercial projects. High Point University President Nido Qubein has spurred multiple developments

in downtown High Point with a \$20 million pledge from the University's Board of Trustees. Plans center around the new minor league stadium and include 325,900 SF of retail, office, specialty and multi-family space. Other highlights include recent zoning approval for Charlotte developer Dennis Bunker's 600-unit residential community and an investment from Aetna, a CVS Health business, that will bring 300 jobs.

The Tenant, Wake Forest Baptist Health (WFBH), acquired High Point Urology in 2018. Wake Forest Urology-Gatewood currently occupies the entire building with 2.5 years remaining on their lease. The urology practice has occupied the building since 2004 and served High Point for over 5 decades before being acquired by WFBH, a very strong credit tenant. Due to its close proximity to the hospital, the tenant benefits from being at "ground zero" for health care services in the greater High Point region. The long-term tenancy and great location demonstrate the tenant's long-term commitment to the property.



PROPERTY OVERVIEW

SINGLE TENANT

Wake Forest Baptist Health
(Urology)

LOCATION

High Point Medical Center
218 Gatewood Avenue

COUNTY

Guilford County

BUILDING SIZE

12,879 SF

ACREAGE (LAND UNDER BUILDING)

0.91

LEASE RENEWAL COMMENCEMENT

March 1, 2015

LEASE EXPIRATION

February 28, 2022

LANDLORD PAYS FOR INSURANCE, TAXES AND MAINTENANCE, BUT IS REIMBURSED BY THE TENANT FOR THESE EXPENSES. TENANT PAYS UTILITY BILLS DIRECTLY.

2020 BASE RENT

\$209,112

ANNUAL ESCALATIONS

2% on March 1, 2020

LEASE RENEWAL OPTIONS

None

LEASE STRUCTURE

NNN

TENANT HISTORY

Has occupied the building since 2004

ZONING

MX-D (Mixed-Use)

YEAR BUILT/RENOVATED

1989/2004

2020 NOI

\$202,838 (Base Rent - 3% Management Fee)

CAP RATE

8.5%

PURCHASE PRICE

\$2,400,000 (\$186 PSF, Below Replacement Cost)



BUILDING DESCRIPTION

SQUARE FOOTAGE:

12,879 SF

STORIES:

Two, both at grade level

OCCUPANCY:

100%

STRUCTURAL:

Concrete Block

CENTRAL HVAC:

7 Units, 6 replaced in 2004, 1 in the last year.

ROOF TYPE:

Metal

ROOF AGE:

Original
(50 Year Lifespan)

EXTERIOR:

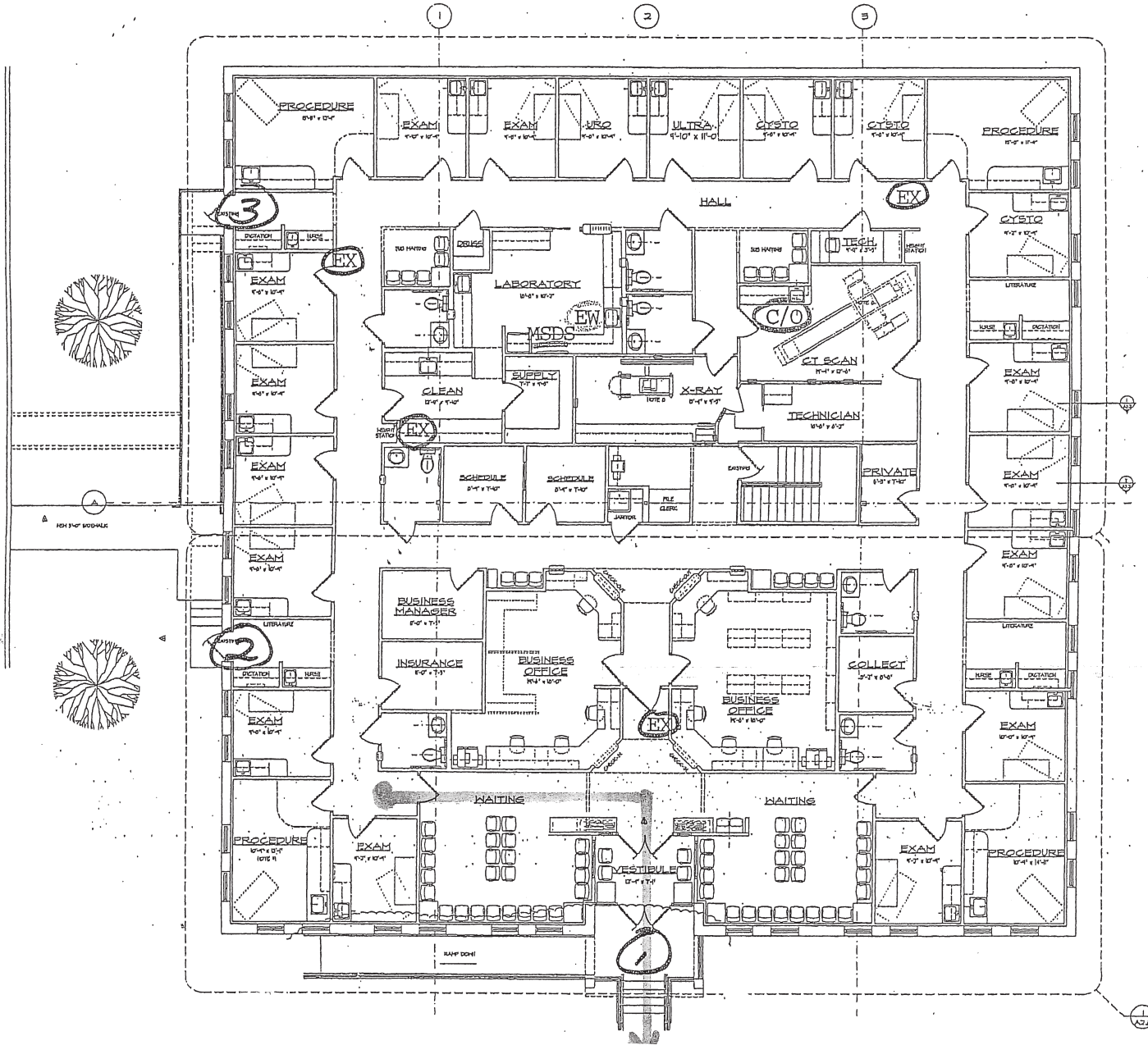
Masonry and glass

PARKING:

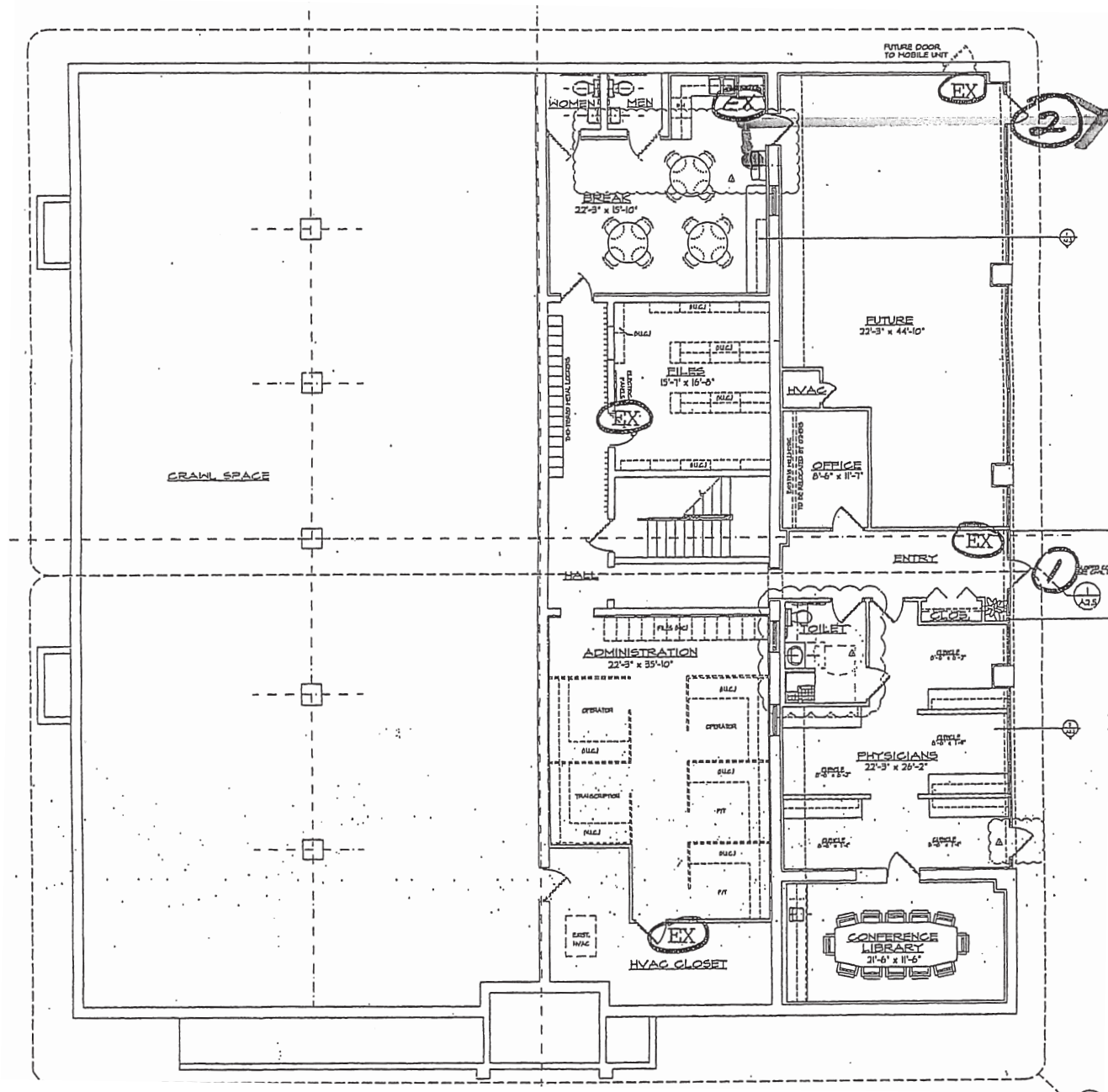
Approx. 75 parking spaces
(repaved in 2018)



UPPER FLOOR PLAN



LOWER FLOOR PLAN



TENANT PROFILE

WAKE FOREST BAPTIST HEALTH

- Wake Forest Baptist Medical Center is a nationally prominent academic medical center in Winston-Salem, North Carolina, with an integrated health care network consisting of hospitals, clinics, physician practices, diagnostic centers and other primary and specialty care facilities serving the residents of 24 counties in northwest North Carolina and southwest Virginia.
- Wake Forest Baptist Medical Center has 100 buildings on 290 Acres, including a downtown research center and a nearly 200-acre research farm.
- Wake Baptist is the largest employer in Forsyth County, with over 14,000 employees
- U.S. News & World Report #2 ranked hospital in North Carolina
- Nationally Ranked in 7 Adult Specialties and 1 Pediatric Specialty by U.S. News & World Report
- Rated High Performing in 3 Adult Specialties and 8 Adult Procedures/Conditions by U.S. News & World Report
- Gold Seal of Approval from the Joint Commission



WAKE FOREST BAPTIST HEALTH CENTER PROFILE

HIGH POINT MEDICAL CENTER

High Point Medical Center is one of four network hospitals in the Wake Baptist Medical Center's healthcare branch: Wake Forest Baptist Health. Founded in 1904, High Point Medical Center has six primary areas of health services; the Congdon Heart and Vascular Center; the Hayworth Cancer Center, The Neuroscience Center; The Esther R. Culp Women's Center; The Emergency Center; and The Piedmont Joint Replacement Center.

With over 2,600 staff, High Point Medical Center serves over 120,000 patients annually. The hospital offers 351 private beds for both medical and surgical patients. High Point Medical Center today serves a region encompassing 600,000+ people. The medical center continues to grow, recently embarking on its most ambitious capital campaign ever to raise \$25 million dollars for expansion and renovation.



RENT ROLL

218 GATEWOOD AVENUE

Tenant	Lease Start	Lease Exp.	Rentable Sq. Ft	Occup. Sq. Ft	Percentage of Building	Monthly Rent	Total Annual Base Rent	Annualized Base Rent PSF
Wake Forest Baptist Health	3/1/2015	2/28/2022	12,879	12,879	100%	\$17,139.00	\$205,677.63	\$15.97
2% Annual Escalations	March 1, 2020		12,879	12,879	100%	\$17,483.24	\$209,798.91	\$16.29
	March 1, 2021		12,879	12,879	100%	\$17,837.42	\$214,048.98	\$16.62



INTERIOR PHOTOS GATEWOOD AVENUE



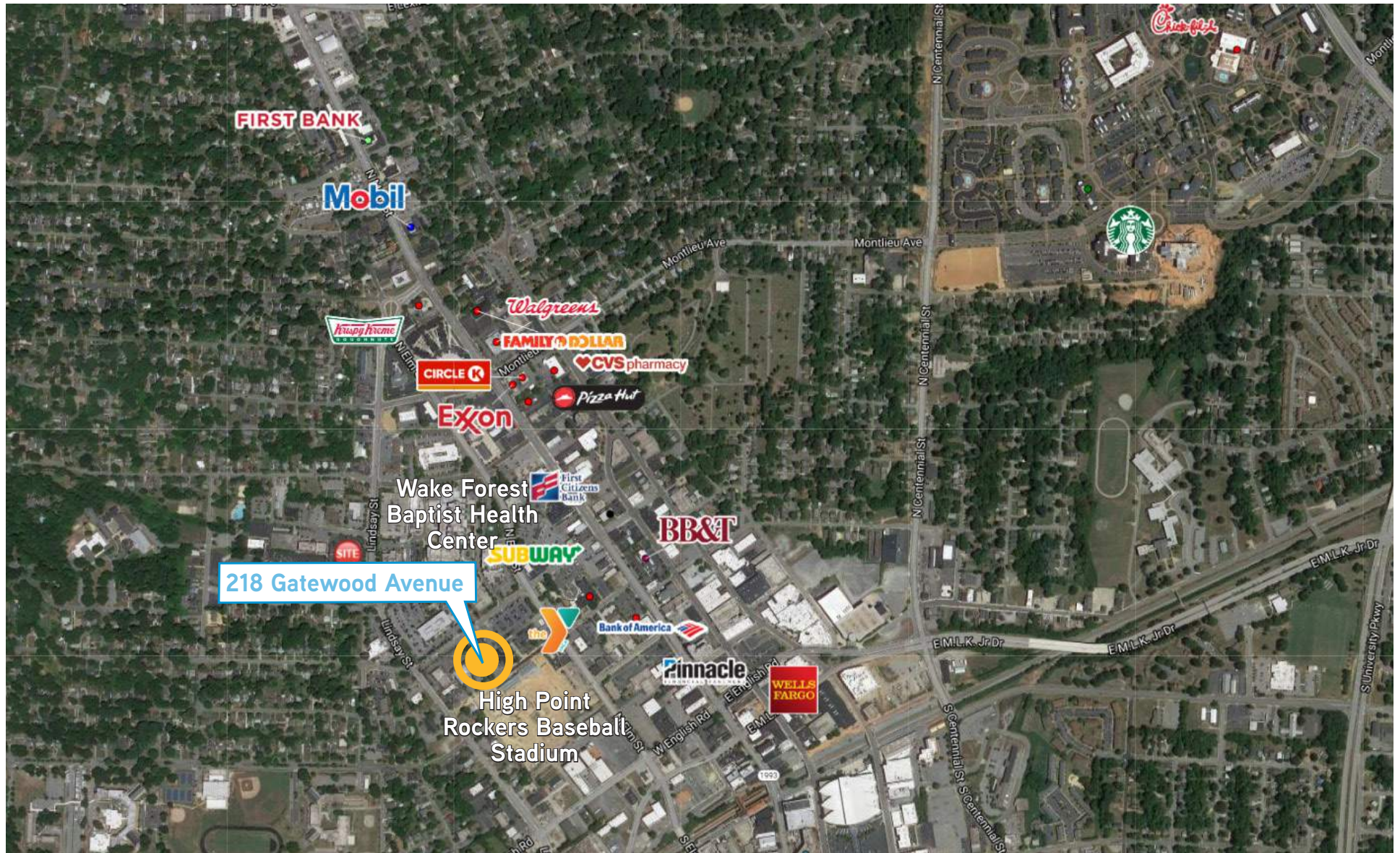
SALES COMPARABLES

	PROPERTY NAME PROPERTY ADDRESS	TOTAL SF	SALE PRICE (\$PSF)	SALE DATE	YEAR BUILT
	3518 Drawbridge Pkwy Greensboro, NC	15,000	\$2,750,000 (\$183.33 PSF)	01/2018	1991
	611 N Lindsay Street High Point, NC	34,098	\$5,900,000 (\$173 PSF)	08/2019	1999
	140, 170 & 180 Kimel Park Dr Winston-Salem, NC	86,582	\$24,720,759 (\$285 PSF)	10/2017	2001
	165 Kimel Park Dr Winston-Salem, NC	31,680	\$3,500,000 (\$272.32 PSF)	09/2018	1998
	2025 Frontis Plaza Blvd Winston-Salem, NC	50,128	\$9,720,000 (\$193.90 PSF)	3/2019	1998
	765 Highland Oaks Dr Winston-Salem, NC	15,882	\$4,400,000 (\$277.04 PSF)	3/2019	1998
	190 Kimel Park Dr Winston-Salem, NC	57,530	\$9,500,000 (\$165.13 PSF)	10/2018	1996
Average Price Per SF			\$221.39		

LEASE COMPARABLES

PROPERTY NAME PROPERTY ADDRESS	SF LEASED	RENT PSF	SIGN DATE
1941 New Garden Rd	7,171	\$19.85/NNN	9.17.18
1002 N Church St	1,413	\$23.75/FS	6.27.18
1002 N Church St	4,022	\$23.75/FS	6.27.18
3604 Peters Ct	6,060	\$17.00/NNN	4.25.18
301 E Wendover Ave	1,780	\$21.00/FS	10.24.17
1331 N Elm St	1,728	\$22.00/FS	10.7.17
1126 N Church St	1,792	\$23.50/FS	9.30.17
1002 N Church St	6,320	\$23.50/FS	8.18.17
4622 Country Club Rd	1,643	\$22.00/FS	7.26.17
PSF Average Rent NNN		\$18.42	
PSF Average Rent FS		\$22.62	

LOCATION MAP



HIGH POINT DEVELOPMENT

11 ACRES OF PHASE 1 PROJECTS

(Within walking distance of subject property)

\$50 Million by City

\$80 Million by Developer

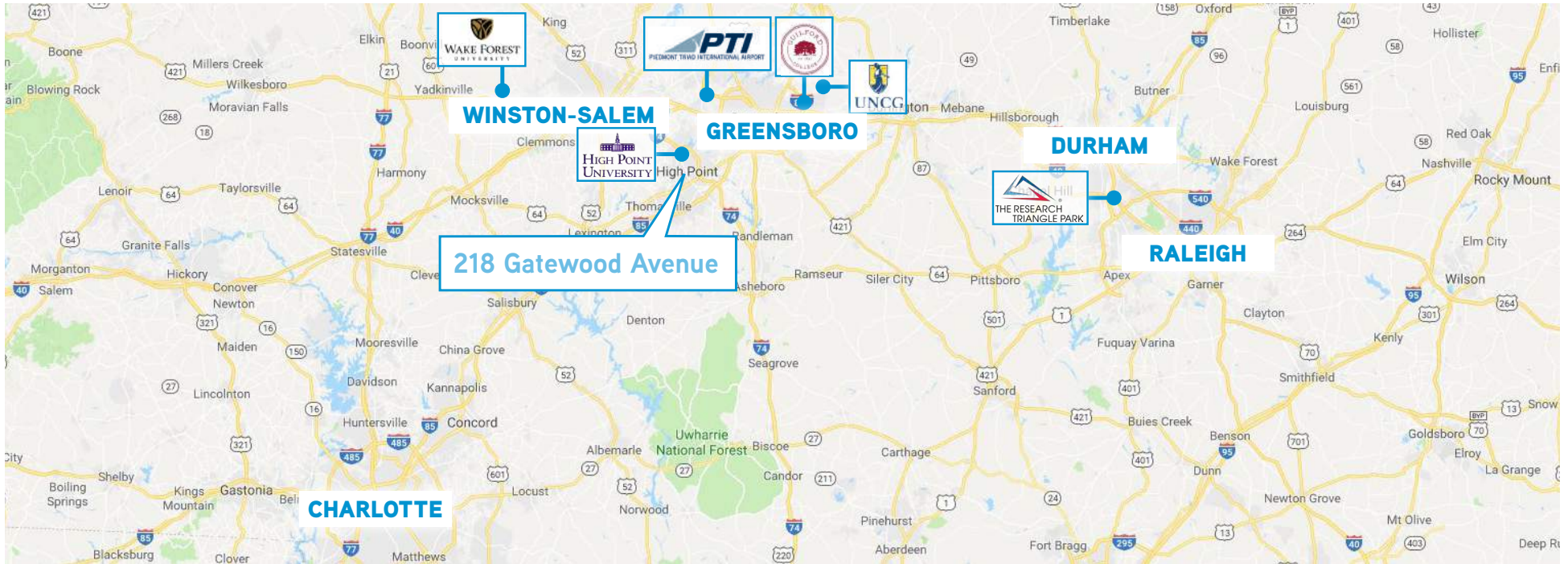
- Stadium - Across the street from subject property
- Festival Plaza
- Hotel
- 2 Office Buildings
- 30,000 SF of Retail
- 120 Units of Apartments
- 510-car Parking Deck

\$80 Million Investment: (505,500 SF)

- \$18 Million Hotel - 120 Rooms with Restaurant and Shops
- \$20 Million - 2 Mixed-Use Buildings - 94,000 total SF
 - Retail, Office, Residential Suites
 - Retail, Brew Pub and Market
- \$24 Million 120-Unit Apartment Buildings
- \$11 Million 510-Car (parking deck)
- \$2 Million Plaza
- Plus Land & Utilities (\$4 Million)



HIGH POINT DISTANCES



LOCATION	DRIVING DISTANCE	NOTES	LOCATION	DRIVING DISTANCE	NOTES
Downtown High Point	4 Minutes 1.1 Miles	North Carolina's International City	Piedmont Triad International Airport (PTI)	25 Minutes 15.2 Miles	Home to 5 International Brands Over +12,000 Jobs Created
High Point University	7 Minutes 1.6 Miles	+4,362 On-campus Students +110 Graduate, Undergraduate and Certificate Programs	UNCG	26 Minutes 16.8 Miles	+17,929 On-campus Students +250 Graduate, Undergraduate and Certificate Programs
Interstate 74	9 Minutes 3.2 Miles	Centralized highway between Raleigh & Charlotte	RTP Research Triangle Park	1 Hour 16 Minutes 76.5 Miles	Largest Research Park in the Country 250 Companies 50,000 People of Expertise
Wake Forest University	36 Minutes 26.8 Miles	+8,116 On-campus Students #2 Best Value Colleges in North Carolina	RDU Int. Airport	1 Hour 18 Minutes 80.2 Miles	9,943,331 Passengers Per Year 4,640 Employees
Guilford College	25 Minutes 13.9 Miles	+2,137 On-campus Students Guilford County	Charlotte Douglas Int. Airport	1 Hour 20 Minutes 79.7 Miles	45,909,899 Passengers Per Year Ranked 5th in USA's Busiest Airports

DEMOGRAPHIC PROFILE: HIGH POINT

	1-Mile	5-Mile	10-Mile
2018 SUMMARY			
Total Population	6,305	37,806	97,456
Households	2,386	14,926	38,284
Total Housing Units	3,198	17,512	43,759
Average Household Income	\$42,072	\$54,460	\$60,056
Median Household Income	\$27,997	\$39,699	\$46,897
Per Capita Income	\$17,511	\$22,287	\$23,913

	1-Mile	5-Mile	10-Mile
2023 SUMMARY			
Total Population	6,421	38,758	99,902
Households	2,423	15,267	39,111
Total Housing Units	3,283	18,026	44,968
Average Household Income	\$48,404	\$62,806	\$69,052
Median Household Income	\$32,984	\$45,702	\$52,666
Per Capita Income	\$19,812	\$25,509	\$27,345



HIGH POINT AREA OVERVIEW

CONVENIENTLY LOCATED IN THE PIEDMONT TRIAD

High Point is a city located in the Piedmont Triad region of the state of North Carolina. Most of the city is located in Guilford County, with portions spilling into neighboring Randolph, Davidson, and Forsyth counties. High Point is North Carolina's only city that extends into four counties. As of the 2010 census the city had a total population of 104,371, with an estimated population of 108,629 in 2014. High Point is currently the ninth-largest municipality in North Carolina, and the 259th largest city in America.

High Point is known for its furniture, textiles, and bus manufacturing. The city is sometimes referred to as the "Home Furnishings Capital of the World". The city's official slogan is "North Carolina's International City" due to the semi-annual High Point Furniture Market that attracts 100,000 exhibitors and buyers from around the world.

It is home to three universities: High Point University, a private Methodist-affiliated institution founded in 1924; South University; and John Wesley University, a private interdenominational Christian university.





300 DAILY FLIGHTS | 1.7 MILLION ANNUAL
PASSENGERS | 90 AIRCRAFTS BASED



SOURCE: THE BUSINESS JOURNAL

STRATEGICALLY POSITIONED AT THE HUB OF THE DYNAMIC PIEDMONT TRIAD REGION

LOCATION

Located at the center of North Carolina and the midpoint of the East Coast, PTI is strategically positioned at the hub of the dynamic Piedmont Triad region, situated between the cities of Greensboro, Winston-Salem and High Point where I-40, I-85 and the I-73 and I-74 converge. More than 4.5 million people live within a 90-minute drive of PTIA.

HOURS OF OPERATION

The terminal building is open 24 hour a day, 365 days a year. TSA Checkpoints open at 4:15 a.m. every day.

AIRPORT CAMPUS

Piedmont Triad International Airport is part of a 4,000-acre campus, home to more than 50 companies that infuse an estimated \$2 billion into the local community annually. More than 5,000 people work on the campus. PTI is owned and operated by the Piedmont Triad Airport Authority. No local tax dollars are used to operate the airport.



PTI RENDERING

1.6 MILLION

PASSENGERS EACH YEAR
home to **5** international brands

12,000 JOBS

4% flight increase in 2017

**\$2 BILLION IN
ECONOMIC IMPACT
7,100 EMPLOYEES**

\$60 million facility
creating **500** new jobs
expected to complete in 2018

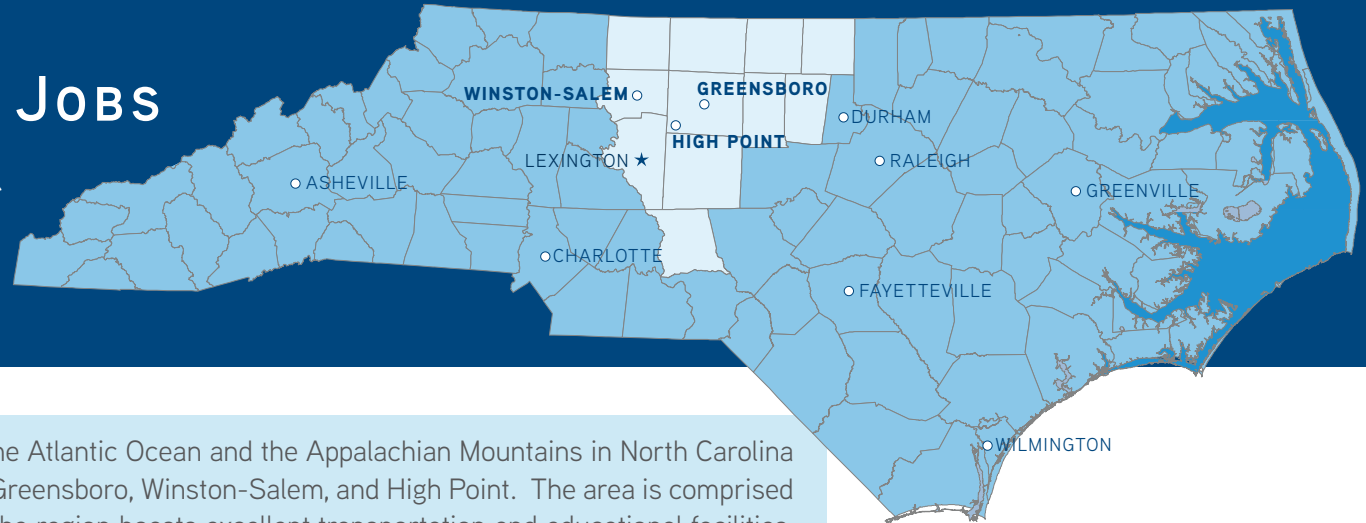
THE PIEDMONT TRIAD AREA OVERVIEW

1.6 MILLION RESIDENTS

900,000 JOBS

17 UNIVERSITIES

60,000+ students



The Piedmont Triad is the area lying between the Atlantic Ocean and the Appalachian Mountains in North Carolina named for the three largest cities in the region: Greensboro, Winston-Salem, and High Point. The area is comprised of 12 counties serving over 1.6 million people. The region boasts excellent transportation and educational facilities, making the region a hub for commerce along the mid Atlantic region. This booming area is home to 17 colleges and universities with a total enrollment exceeding 60,000 as well as approximately 900,000 jobs. The region's economy has historically been tied to textiles, furniture, and tobacco, but new growth industries are emerging rapidly, including distribution, logistics, bio-technology, health care, and transportation-related manufacturing.

WINSTON-SALEM



HIGH POINT



GREENSBORO



THE PIEDMONT TRIAD AREA OVERVIEW

RECENT ECONOMIC ANNOUNCEMENTS

The Triad serves as headquarters for five Fortune 500 companies including Reynolds America, BB&T, VF Corporation, Laboratory Corporation of America and Hanesbrands. The regional economy still maintains a strong presence in the textile, furniture and tobacco industries but has also diversified into fields such as aviation, logistics, life sciences and medicine. The unemployment rate for the Triad region is currently 4.3% as of Q4 2017, and the local economy is booming.

FEDEX (NYSE: FDX)

made significant investment in the Triad by selecting the region to hold the company's fifth major U.S. hub which offers companies within an hour's drive a plethora of business advantages including the ability to meet higher customer demand through greater shipping flexibility.

HONDAJET

located their world headquarters at the Piedmont Triad International Airport (PTI) and recently announced plans to double production of their aircrafts over the next few years, likely attracting suppliers to the area.

POLO RALPH LAUREN (NYSE: RL)

completed 400,000 square foot expansion of their existing 1.5 million square foot High Point Facility.

CATERPILLAR (NYSE: CAT)

has grown their Greensboro manufacturing operations to 250 employees, solidifying their presence in the Triad.

BB&T (NYSE: BBT)

headquartered in the Triad, announced construction of a \$34 million, 58,000 square foot leadership institute in Greensboro.

COCA COLA (NASDAQ: COKE)

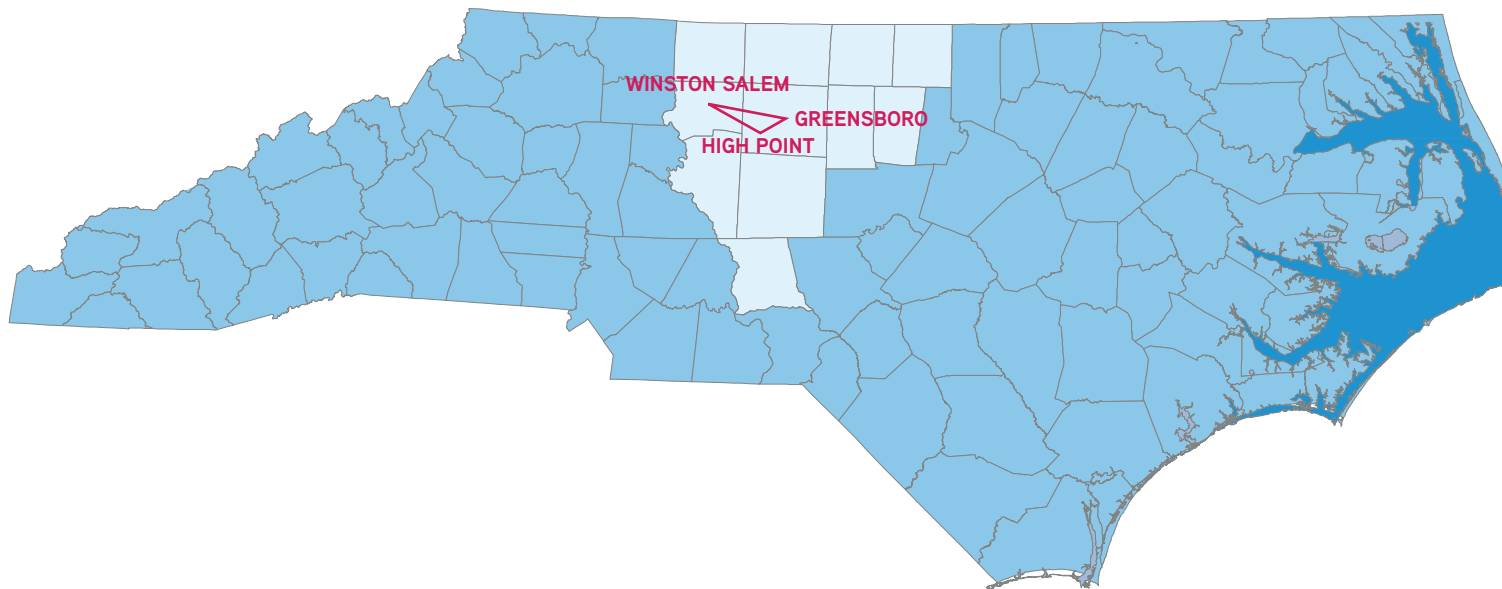
\$4 million investment in 135,300 square foot facility in Greensboro

B/E AEROSPACE (NASDAQ: BEAV)

has recently expanded operations in Winston-Salem and plans to build a testing facility in the area.

PROCTER & GAMBLE (NYSE: PG)

completed their 22,000 square foot expansion of their current facility, a total investment of approximately \$8.9 million dollars (including equipment).



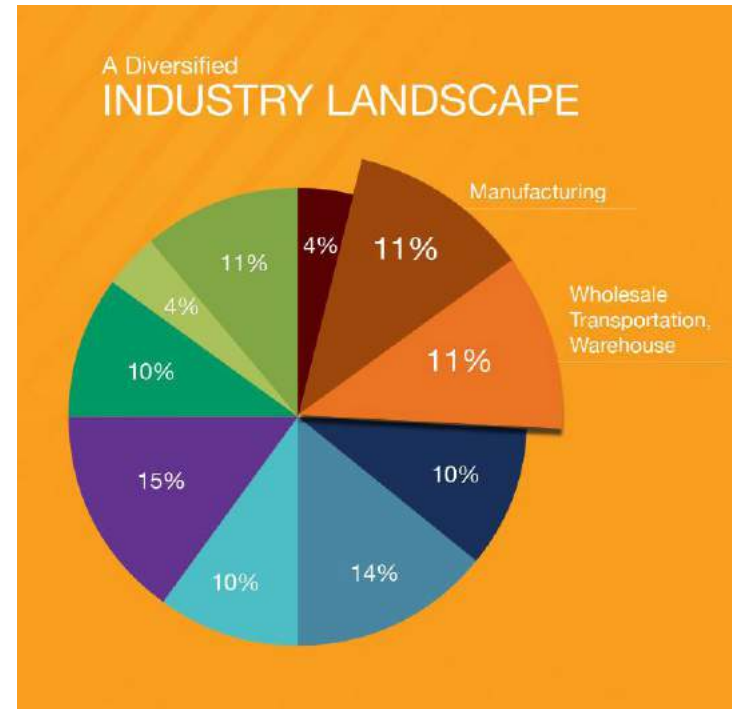
THE PIEDMONT TRIAD AREA OVERVIEW

- > **#1** In Economic Development in NC, *Greensboro-highpoint.com*
- > **#4** In Economic Development in Southeast US, *Greensboro-highpoint.com*
- > **34,000** Manufacturing Workers in Guilford County, *Greensboro-highpoint.com*
- > **103,000** Regionally *Greensboro-highpoint.com*
- > **#3** UNCG is ranked third among public universities in North Carolina according to the 2017 College Choice “25 Best Colleges in North Carolina” list. *newsandfeatures.uncg.edu*
- >  For the fifth year in a row, UNCG has earned the “Tree Campus USA” designation for promoting healthy trees and encouraging the spirit of conservation. *newsandfeatures.uncg.edu*

High Point is located alongside Greensboro and Winston-Salem in central North Carolina, the nation’s 37th largest metro area with a population exceeding 1.6 million. High Point’s current population is estimated to be more than 113,000 residents; Greensboro, 287,000; and Winston-Salem, 241,500. The High Point, Greensboro, and Winston-Salem region has a labor force of more than 800,000. More than 110,000 students are enrolled at 21 colleges, universities, and community colleges.



you can make it here



GREENSBORO MARKET OVERVIEW

GREENSBORO HERITAGE

A step into downtown Greensboro delivers every ounce of expected Southern charm. Walkable streets, boutique-style retail, and craft food and beverage destinations make for easy living.

MAJOR EMPLOYERS

Healthcare, education, production, and transportation occupations employ the majority of Greensboro locals. Major employers include Guilford County Schools, Cone Health, US Postal Services, Thomas Built, and Labcorp2.



CONVENIENT ACCESSIBILITY

I-73 and I-40 are both minutes away from Greensboro, connecting both the Central Business District and the suburbs to the greater Triad area. Greensboro is home to Piedmont Triad International Airport, which transports approximately 850,000 passengers per year. PTI anchors a FedEx hub, bringing convenience to material transportation as well.

SCHOOLS

Greensboro offers residents several educational institutions, with local Guilford College, UNCG, and A&T State University totaling in over 32,000 local students. In addition to the younger undergraduate students, Greensboro area schools are sought after by older adults due to schedule flexibility and student body diversity.

REGIONAL ANALYSIS

Greensboro is part of what is known as the Piedmont Triad Region that encompasses Greensboro, Highpoint and Winston-Salem. Greensboro itself is the central point of the region, an area that historically has relied on manufacturing of textiles, furniture and tobacco. While declining in importance, these industries still employ over 13% of the workforce. More recently, there has been a shift towards service sectors such as finance, healthcare, nanotechnology and global logistics.



HIGH POINT UNIVERSITY MARKET OVERVIEW



Best College Dorms in America
#1 of 1,370



Best College Campuses in
North Carolina
#1 of 50



Best Colleges for Business in
North Carolina
#6 of 32

WORLD-CLASS EDUCATION & RESEARCH

- > **#1** in *Regional Colleges South*
- > **#2** in *Best Undergraduate Teaching*
- > **#20** in *Best Value Schools*
- > **#1** in *Most Innovative Schools*
- > **72%** *Acceptance Rate*



High Point University is a private institution that was founded in 1924. It has a total undergraduate enrollment of 4,467, its setting is suburban, and the campus size is 430 acres. It utilizes a semester-based academic calendar. High Point University's ranking in the 2019 edition of Best Colleges is Regional Colleges South, 1. Its tuition and fees are \$35,118 (2018-19).

High Point University is located in High Point, North Carolina, about 30 minutes from both Winston-Salem and Greensboro. The Slane Student Center is a hub of student activity on campus, housing fitness and recreation facilities, a climbing wall, food court, an outdoor swimming pool, sand volleyball courts and an atrium with billiard tables and sitting areas. Students can participate in many clubs and organizations on campus, including an active Greek community with about 15 fraternity and sorority chapters. High Point is a member of the NCAA Division I Big South Conference and fields nearly 15 varsity teams, known as the Panthers. Popular intramural sports include beach volleyball, kickball and flag football. All students except seniors are required to live on campus.

High Point is divided into eight schools and colleges. Graduate programs include the Earl N. Phillips School of Business, School of Education and Norcross Graduate School. Undergraduates are required to complete a general education requirement, which provides students with a well-rounded liberal arts background and allows for a range of course choices within each discipline. Students with a 3.45 GPA or higher can apply to the honors program, which offers "challenging and intellectually stimulating learning opportunities." High Point also offers a number of faculty-led study abroad programs and grants credit for programs led by other universities.

UNIVERSITY OF NC AT GREENSBORO MARKET OVERVIEW



#3

public university in
North Carolina

17,929

on-campus students

1,700

enrolled in extension
programs

1,000

campus employees

250

graduate, undergraduate,
and certificate programs

WORLD-CLASS EDUCATION & RESEARCH

student lead government, special interest

400+

clubs and service organizations operate on
Duke's campus

hold 93 buildings and assorted

± 200
ACRES

recreational and
athletics facilities,
within a 15-minute
walk

- > **19th straight year** "Best Colleges" list for excellence in undergraduate education | *U.S. News & World Report*
- > **#3** NC public universities | *College Choice*
- > **26th consecutive year** Best colleges list | *U.S. News and World Report*
- > **#3** Counseling program in the nation | *U.S. News & World Report*
- > **#3** Hidden Gems Around the World (Weatherspoon Art Museum) | *Buzzfeed*
- > **#13** Part-Time MBA Program (Bryan Business School Evening Program) | *Bloomberg Businessweek*



UNCG

UNC-Greensboro, a public university in Greensboro, NC, was recently named a College of Distinction; an honor only awarded to four North Carolina universities. UNCG's Bryan School of Business, as well as their fine arts programs, continue to receive high distinctions both on local and national levels, with accolades placing the university alongside the likes of Yale and Duke. In addition to premier education, UNCG recently joined the Division-1 league of college athletic programs, positioning the university in stadiums with the nation's top athletes.

GUILFORD COLLEGE MARKET OVERVIEW



Guilford College, a private college tucked away in the heart of Greensboro's metro area, hosts students from 38 states and 16 countries. The diverse student body represents over 36 religious affiliations and had 40% students of color in the class of 2020.

A liberal arts education rooted in vocational skills and personal values makes Guilford an attractive college for students looking for more than a classroom experience. Guilford's roots also gave it a National Historic District recognition, boasting rich history in the campus's history, buildings, and founders.

QUICK FACTS

83%

employed in the first year
after graduation

2,137

students

14:1

student to faculty ratio

41

majors

52

minors

WORLD-CLASS EDUCATION & RESEARCH

+340 ACRES

Of beautiful suburban campus property
in the heart of Guilford County

- > **21st straight year** "Colleges that Change Lives" list | *CTCL.org*
- > **89** green rating | *The Princeton Review Guide to 361 Green Colleges*
- > **#6** Most diverse colleges in North Carolina | *Niche*
- > **#19** Colleges with the best academics in North Carolina | *Niche*
- > **Top 17%** Most diverse colleges in America | *Niche*

[Click HERE to view aerial of Guilford College](#)

WAKE FOREST UNIVERSITY MARKET OVERVIEW



Best Greek Life Colleges in
North Carolina

#1 of 35



Best Colleges for Accounting
and Finance in North Carolina

#1 of 21



Best Value Colleges in North
Carolina

#2 of 50

WORLD-CLASS EDUCATION & RESEARCH

- > **#2** in best value colleges in NC
- > **#3** *best colleges for kinesiology and physical therapy in America*
- > **#4** *best test optional colleges in America*
- > **#14** *best colleges for accounting and finance in america*
- > **#17** *best colleges with the best professors in America*



Wake Forest University is a private research university in Winston-Salem, North Carolina. Founded in 1834, the university received its name from its original location in Wake Forest, north of Raleigh, North Carolina. The Reynolda Campus, the university's main campus, has been located north of downtown Winston-Salem since the university moved there in 1956. The Wake Forest Baptist Medical Center campus has two locations, the older one located near the Ardmore neighborhood in central Winston-Salem, and the newer campus at Wake Forest Innovation Quarter downtown. The university also occupies lab space at Biotech Plaza at Innovation Quarter, and at the Center for Nanotechnology and Molecular Materials. The university's Graduate School of Management maintains a presence on the main campus in Winston-Salem and in Charlotte, North Carolina.

Wake Forest has produced 15 Rhodes Scholars, including 13 since 1986, four Marshall Scholars, 15 Truman Scholars and 92 Fulbright recipients since 1993. Notable people of Wake Forest University include author Maya Angelou, mathematician Phillip Griffiths, psychologist Linda Nielsen, Senators Richard Burr and Kay Hagan, athletes Chris Paul, Tim Duncan, Muggsy Bogues, Brian Piccolo and Arnold Palmer, and CEO Charlie Ergen.

WORKING WITH REAL ESTATE AGENTS

NOTE: Effective July 1, 2001, in every real estate sales transaction, a real estate agent shall, at first substantial contact directly with a prospective buyer or seller, provide the prospective buyer or seller with the following information [NC Real Estate Commission Rule 21 NCAC 58A.0104(c)].

When buying or selling real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work for the seller. In others, the seller and buyer may each have agents. And sometimes the same agents work for both the buyer and the seller. It is important for you to know whether an agent is working for you as your agent or simply working with you while acting as an agent of the other party.

This brochure addresses the various types of working relationships that may be available to you. It should help you decide which relationship you want to have with a real estate agent. It will also give you useful information about the various services real estate agents can provide buyers and sellers, and it will help explain how real estate agents are paid.

SELLERS

Seller's Agent

If you are selling real estate, you may want to “list” your property for sale with a real estate firm. If so, you will sign a “listing agreement” authorizing the firm and its agents to represent you in your dealings with buyers as your seller's agent. You may also be asked to allow agents from other firms to help find a buyer for your property.

Be sure to read and understand the listing agreement before you sign it. Your agent must give you a copy of the listing agreement after you sign it.

Duties to Seller: The listing firm and its agents must:

- Promote your best interests
- Be loyal to you
- Follow your lawful instructions
- Provide you with all material facts that could influence your decisions
- Use reasonable skill, care and diligence
- Account for all monies they handle for you

Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents without your permission so long as they represent you. But until you sign the listing agreement, you should avoid telling the listing agent anything you would not want a buyer to know.

Services and Compensation: To help you sell your property, the listing firm and its agents will offer to perform a number of services for you. These may include:

- Helping you price your property
- Advertising and marketing your property
- Giving you all required property disclosure forms for you to complete
- Negotiating for you the best possible price and terms
- Reviewing all written offers with you
- Otherwise promoting your interests.

For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the commission or fee and whether you will allow the firm to share its commission with agents representing the buyer.

DUAL AGENT

You may even permit the listing firm and its agents to represent you and a buyer at the same time. This “dual agency relationship” is most likely to happen if an agent with your listing firm is working as a buyer's agent with someone who wants to purchase your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to amend your listing agreement to permit the agent to act as agent for both you and the buyer.

It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called “designated agency” where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each “designated agent” to more fully represent each party. If you choose the “dual agency” option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of:

- What your relationship is with the dual agent
- What the agent will be doing for you in the transaction

BUYERS

When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a buyer's agent). You may be willing for them to represent both you and the seller at the same time (as a dual agent). Or you may agree to let them represent only the seller (seller's agent or subagent). Some agents will offer you a choice of these services. Others may not.

WORKING WITH REAL ESTATE AGENTS

Buyer's Agent

Duties to Buyer: If the real estate firm and its agents represent you, they must:

- Promote your best interests
- Be loyal to you
- Follow your lawful instructions
- Provide you with all material facts that could influence your decisions
- Use reasonable skill, care and diligence
- Account for all monies they handle for you.

Once you have agreed (either orally or in writing) for the firm and its agents to be your buyer's agent, they may not give any confidential information about you to sellers or their agents without your permission so long as they represent you. But until you make this agreement with your buyer's agent, you should avoid telling the agent anything you would not want a seller to know.

Unwritten Agreements: To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent and assist you for a time as a buyer's agent without a written agreement. But if you decide to make an offer to purchase a particular property, the agent must obtain a written agency agreement before writing the offer. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential. Be sure to read and understand any agency agreement before you sign it.

Services and Compensation: Whether you have a written or unwritten agreement, a buyer's agent will perform a number of services for you. These may include:

- Helping you
- Find a suitable property
- Arrange financing
- Learn more about the property
- Otherwise promote your best interests

If you have a written agency agreement, the agent can also help you prepare and submit a written offer to the seller.

A buyer's agent can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your buyer's agent is spelled out in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

DUAL AGENT

You may permit an agent or firm to represent you and the seller at the same time. This "dual agency relationship" is most likely to happen if you become interested in a property listed with your buyer's agent or the agent's firm. If this occurs and you have not already agreed to a dual agency relationship in your (written or oral) buyer agency agreement, your buyer's agent will ask you to amend the buyer agency agreement or sign a separate agreement or document permitting him or her to act as agent for both you and the seller. It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of:

- What your relationship is with the dual agent
- What the agent will be doing for you in the transaction This can best be accomplished by putting the agreement in writing at the earliest possible time.

SELLER'S AGENT WORKING WITH A BUYER

If the real estate agent or firm that you contact does not offer buyer agency or you do not want them to act as your buyer agent, you can still work with the firm and its agents. However, they will be acting as the seller's agent (or "subagent"). The agent can still help you find and purchase property and provide many of the same services as a buyer's agent. The agent must be fair with you and provide you with any "material facts" (such as a leaky roof) about properties. But remember, the agent represents the seller - not you - and therefore must try to obtain for the seller the best possible price and terms for the seller's property.

Furthermore, a seller's agent is required to give the seller any information about you (even personal, financial or confidential information) that would help the seller in the sale of his or her property. Agents must tell you in writing if they are sellers' agents before you say anything that can help the seller. But until you are sure that an agent is not a seller's agent, you should avoid saying anything you do not want a seller to know. Sellers' agents are compensated by the sellers.

(Note: This brochure is for informational purposes only and does not constitute a contract for service).

The North Carolina Real Estate Commission, P.O. Box 17100, Raleigh, NC 27619-7100 919-875-3700 Web Site: www.ncrec.gov

DISCLAIMER

This Offering Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner") to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and Colliers International RDU. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Offering Memorandum in any manner.

Neither the Owner or Colliers International RDU, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Offering Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligation therein have been

CONFIDENTIALITY AGREEMENT

This is a confidential Offering Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property. By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are of a confidential nature, that you will hold and treat it in strictest confidence and that you will not disclose this Offering Memorandum or any of its contents to any another entity without the prior written authorization of the Owner or Colliers International RDU. You also agree that you will not use this Offering Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Colliers International RDU. If after reviewing this Offering Memorandum, you have no further interest in purchasing the Property, kindly return this Offering Memorandum to Colliers International RDU.

DISCLAIMER

The information contained in this document has been obtained from sources believed reliable. While Colliers International RDU does not doubt its accuracy, Colliers International RDU has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of

the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited. Colliers International RDU and the Colliers International logo are service marks of Colliers International and/or its affiliated or related companies in the United States and other countries. All other marks displayed on this document are the property of their respective owners.

AFFILIATED BUSINESS DISCLOSURE

Colliers International RDU operates within a global family of Colliers companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. In some cases. The names of these Affiliates show no reference to the Colliers Affiliation. At all times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Offering Memorandum may be received by our Affiliates, including AACRE Properties, LLC; AACRE, LLC. Those, or other, Affiliates may express an interest in the property described in this Offering Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither Colliers International RDU nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, Colliers International RDU will act in the best interest of the client(s) it represents in the transaction described in this Offering Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Offering Memorandum.



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