

AVISON
YOUNG

Hodge Road

19.06 acres multifamily land in highly-desirable market
OFFERING MEMORANDUM

Contacts and confidentiality

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

Steven Peden

Principal | Multifamily
D 919 719 8198
C 919 291 5650
steven.peden@avisonyoung.com

Kyle Gonzalez

Vice President | Multifamily
D 919 866 4273
C 919 667 5953
kyle.gonzalez@avisonyoung.com

© 2024. Avison Young. The information contained in this offering memorandum, contains selected information pertaining to the property detailed herein, and based upon sources deemed to be accurate. It does not purport to be all-inclusive or to contain all the information which a prospective purchaser may desire, and each potential purchaser is encouraged to verify the information contained herein. The offering memorandum is not a substitute for buyer's thorough due diligence investigation. Any verification or analysis or information contained herein are solely the responsibility of the recipient. Avison Young and the offeror makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information contained herein. Avison Young and its client expressly disclaim any responsibility for any incompleteness or inaccuracies herein.

This offering memorandum is the property of Avison Young and its client, which may be used only by parties approved by Avison Young or the offeror. The specified property is privately offered and, by accepting this offering memorandum, the party in possession hereof agrees (i) that this offering memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence, and (ii) to return these materials to Avison Young, or destroy, at such party's election immediately upon request. No portion of this offering memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Avison Young.





Contents

01. Executive summary	page 05
02. Property summary	page 12
03. Location highlights	page 24
04. Durham	page 26

The background of the slide is a dark blue map of a city grid, showing streets and building footprints in a lighter shade of blue. The map is oriented with a grid pattern, and the text is overlaid on the left side.

01

Executive summary



Executive Summary

Hodge Road

Avison Young's Carolinas Multifamily Team is pleased to exclusively represent the sellers of the Hodge Road development land in Knightdale, NC. The existing zoning of UR 12 permits development for residential purposes for up to 12 units per acre, or a total of 228 units. The property is located at the intersection of Highway 87 and Hodge Road in Knightdale, NC with excellent access to both Downtown Raleigh as well as the I-540 Outer Loop which is a 15 minute drive to Research Triangle Park and Raleigh Durham International Airport. The property also has great access to surrounding greenways, walking trails and many other amenities. This site is ideal for single family, town home or cottage style development for either a for sale or for rent community. Please reach out to one of our team members to discuss this opportunity further.



The background of the slide is a dark blue map of a city grid, showing streets and blocks in a lighter shade of blue. The map is oriented with a grid pattern, and the streets are represented by thin white lines.

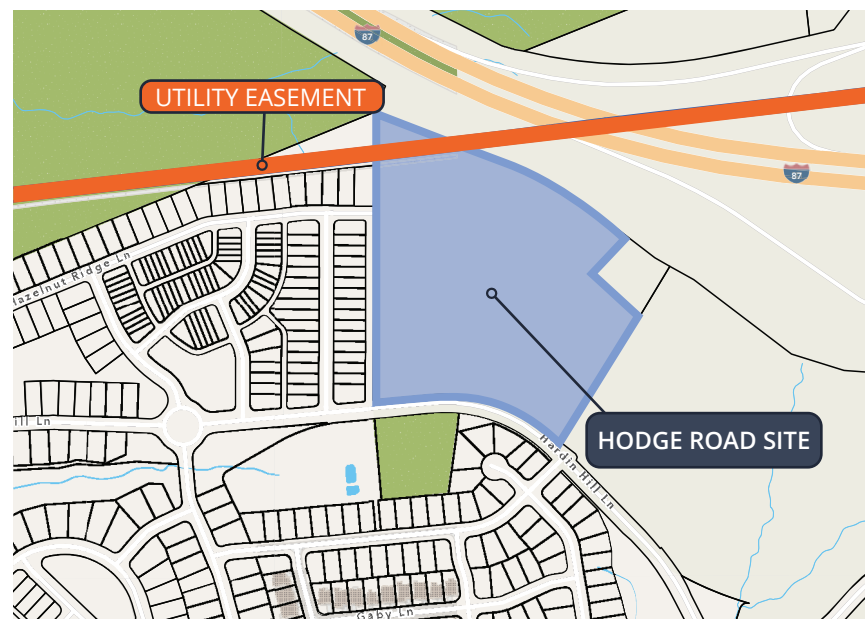
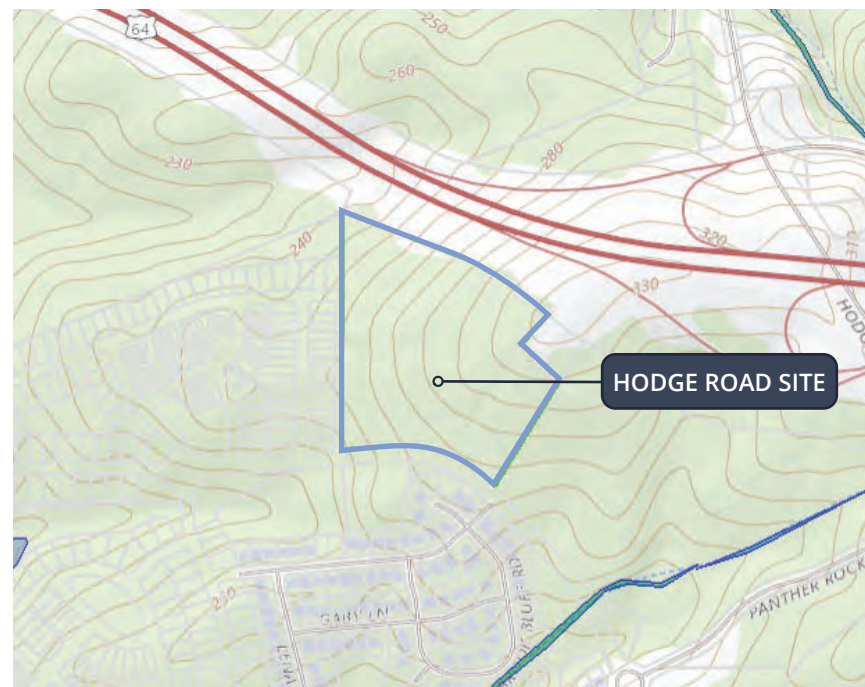
02

Project overview

Property overview

PROPERTY OVERVIEW

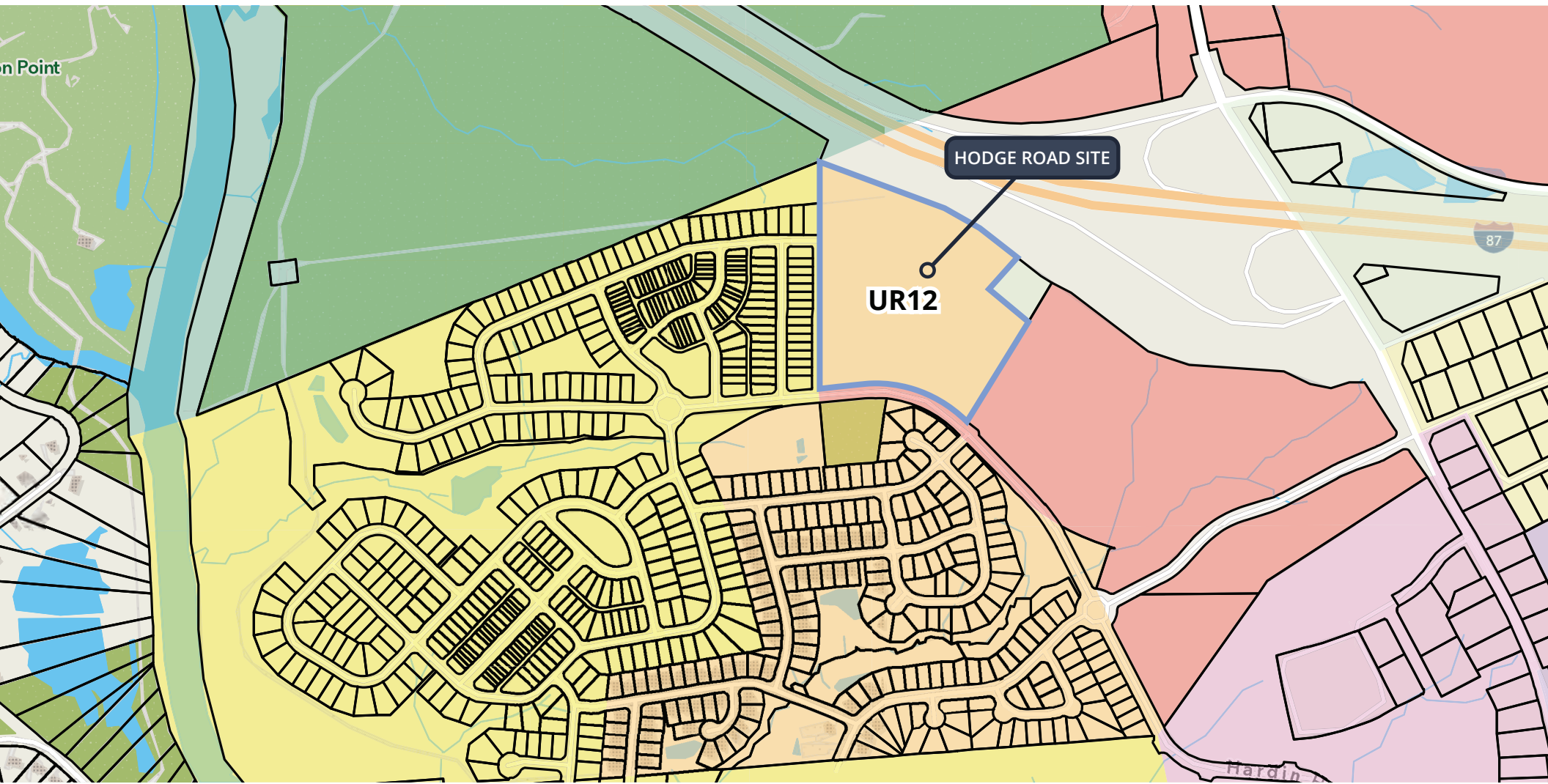
Address	Hodge Road
Parcel ID	0143494
PIN	1743041515
Market	Knightdale
Submarket	Southeast Raleigh
County	Wake
Zoning	UR12
Lot size	19.06 acres
Potential units	228



Easy access
to Raleigh and
major interstates

Zoning

Property overview



The background of the slide is a dark blue map of a city grid, showing streets and building footprints in a lighter shade of blue. The map is oriented with a grid pattern.

03

Area overview



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. Since 2020, the Raleigh-Durham-Cary combined statistical area has grown 5.6% to 2.4 million people, the 10th fastest rate in the U.S. Wake County has grown by 5.3% since 2020, with 1.2 million residents, and is the largest county in North Carolina. The Triangle has been the 10th fastest-growing region in the nation since 2020, as the area continues to be reshaped by a surge in people moving to Sunbelt communities.

Area overview

Hodge Road

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.

COST OF LIVING

The Triangle's cost of living index of 97.8 has increased slightly, yet still more affordable than the national average. The cost of housing is a key factor in the region's affordability.

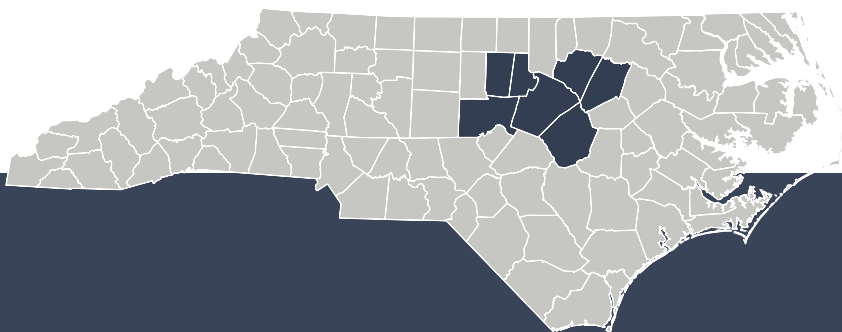
QUALITY OF LIFE

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.

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.



#1 State for business
CNBC, July 2023

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 brought \$1.3 billion in federal R&D funding in 2021 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 50% 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



UNC Chapel Hill



Duke University



NC State University





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.

Interstate 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 2030, according to the North Carolina Department of Transportation.

2024



Construction to start
on Phase 2 of I-540 completion

Southeast Raleigh Submarket

Out of the 12 submarkets in the overall Triangle apartment market, the Southeast Raleigh submarket ranked 1st for quarterly effective rent growth in 4Q23. Average annual effective rents reached \$1,502 per unit (\$1.50 psf) at the close of 2023. The Southeast Raleigh occupancy rate decreased 50 basis points year-over-year ending the fourth quarter at 93.6%.

Based on identified supply of multifamily assets under construction, the Southeast Raleigh submarket delivered 1,380 units in 2023. During the last 12 months, 468 units were absorbed in lease-up properties in this submarket. The average absorption rate for properties in lease-up was 10 units per property, per month.

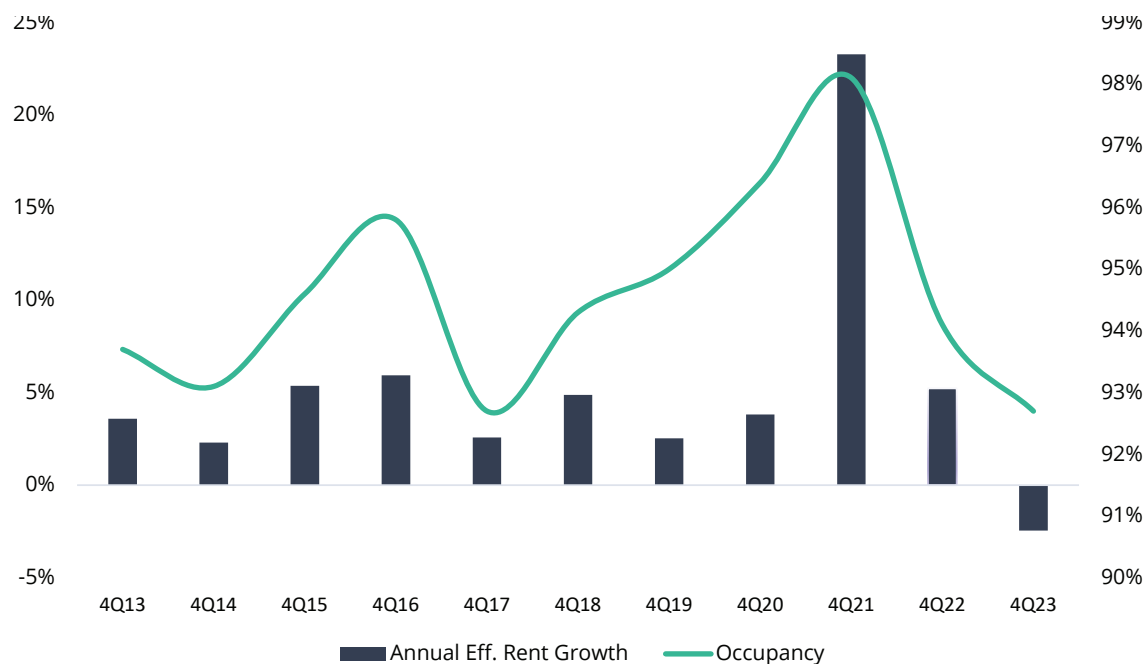
The average asking rent for new lease-up properties* was \$1,649 per unit, or \$1.54 per square foot. When factoring in concessions, new lease-up properties in this submarket achieved an effective rent of \$1,584 per unit, or \$1.49 per square foot on average.

**New lease-up properties are derived from the RealPage Pipeline Lease-Up Trend, based on absorption per property, per month within a trailing 12-month period.*

Source: RealPage Analytics, Avison Young Research



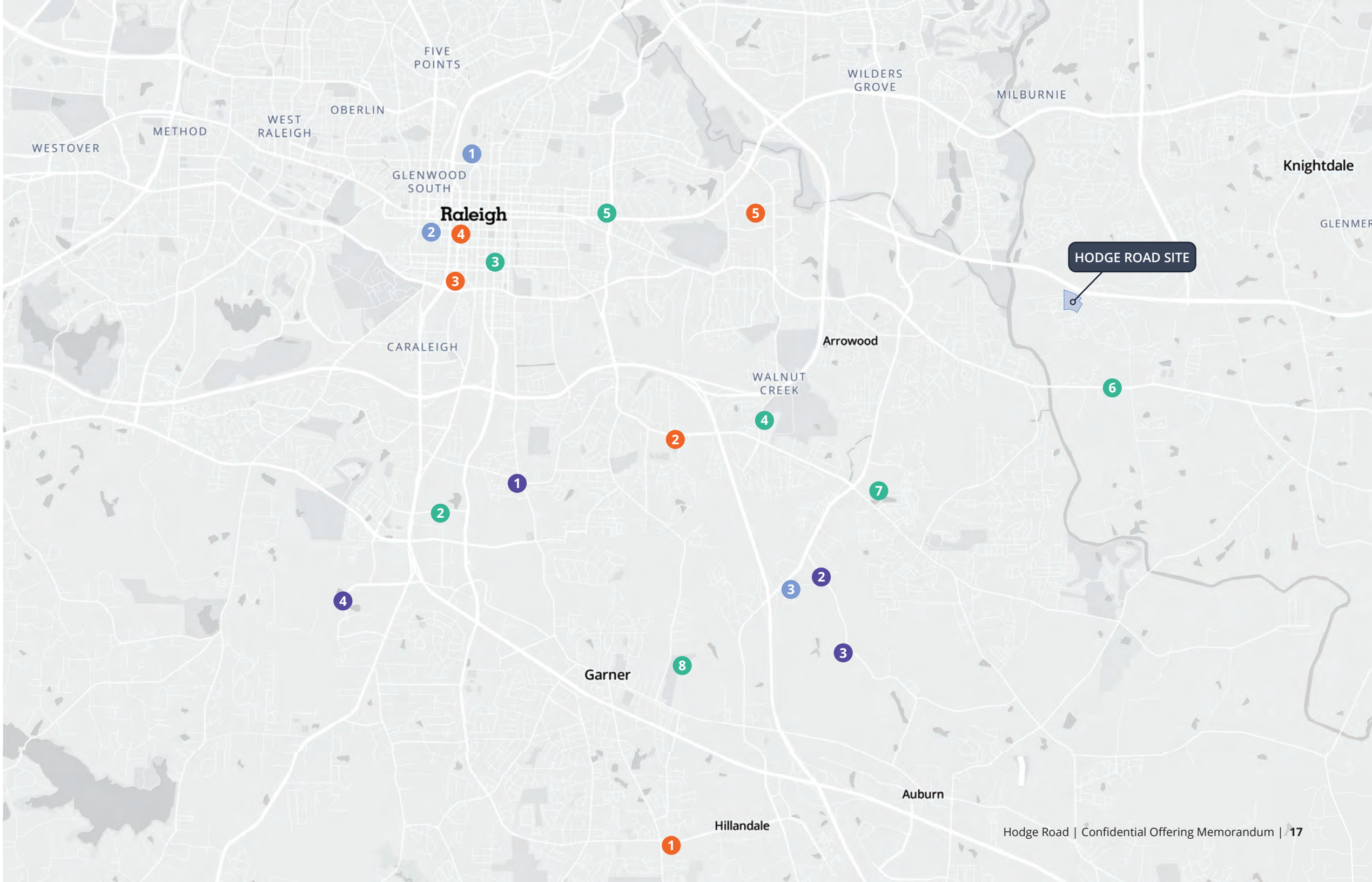
SOUTHEAST RALEIGH ANNUAL RENT GROWTH AND OCCUPANCY



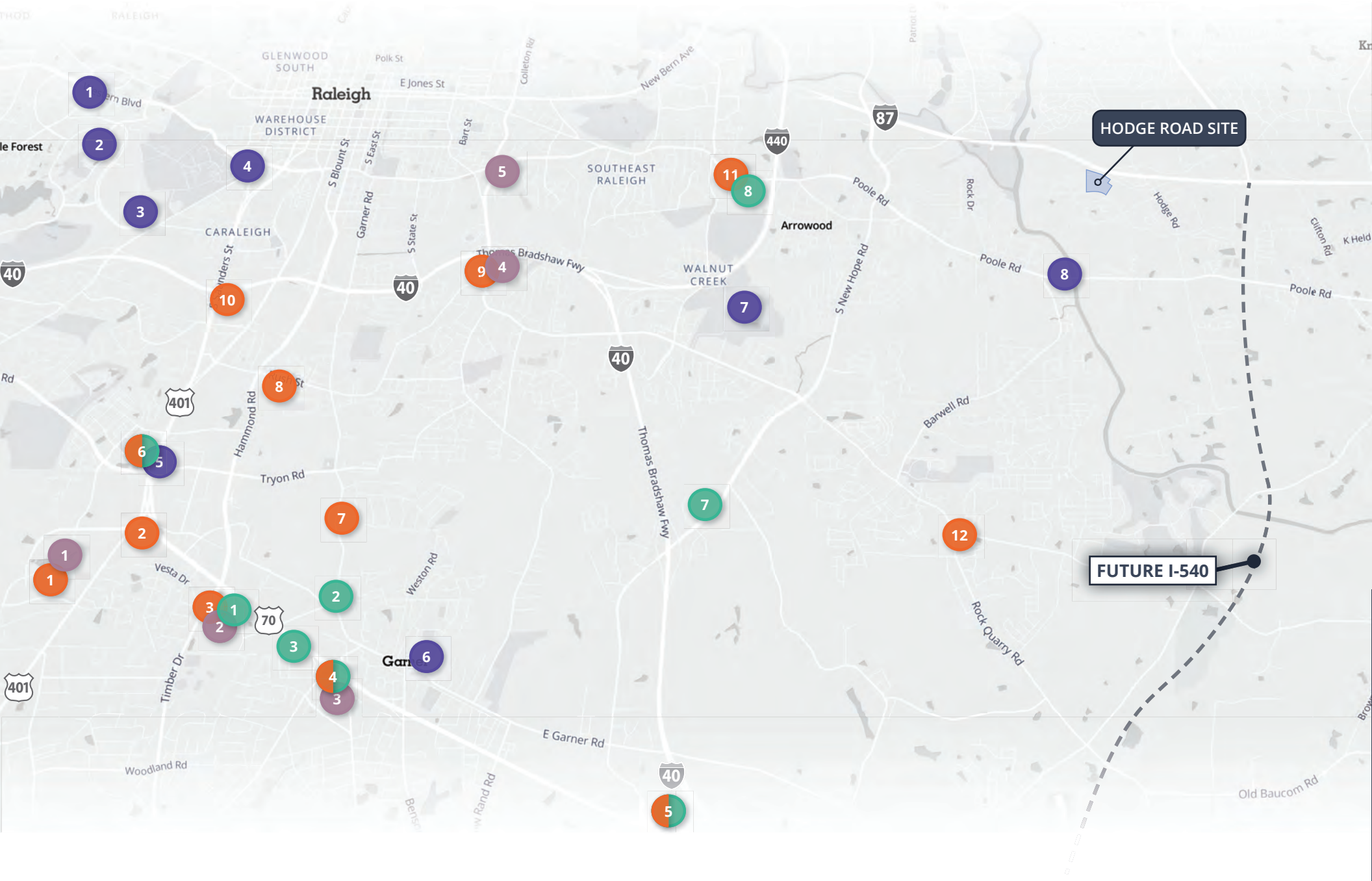
Notable developments

Area overview

Type	Project	Size	Pipeline Stage
1 Multifamily	The Ninety Nine	222 units	Lease-Up
2 Multifamily	Platform	442 units	Lease-Up
3 Multifamily	Rock Quarry Landing	188 units	Under Construction
4 Multifamily	ABODE on North State	30 units	Under Construction
5 Multifamily	Elevate Riverview	390 units	Under Construction
6 Multifamily	Greystone	90 units	Proposed
7 Multifamily	201 Metro	102 units	Proposed
1 Office Medical	Garner Medical Office Building	60,000	Under Construction
2 Office	2718 Rock Quarry Road	15,000	Under Construction
3 Office	City Gateway	208,408	Proposed
4 Office	Nexus	319,995	Proposed
5 Office Medical	Wake Health	151,000	Proposed
1 Industrial Distribution	3000 Garner Park Drive	225,000	Under Construction
2 Industrial Distribution	Citation Drive	115,831	Under Construction
3 Industrial Distribution	4530 Auburn Church Road	625,000	Proposed
4 Industrial Distribution	Lincoln Park South	140,000	Proposed
1 Hospitality	Hyatt House Downtown Raleigh	149 rooms	Under Construction
2 Hospitality	The Union Hotel Raleigh	200 rooms	Under Construction
3 Hospitality	Spring Hill Suites by Marriott	110 rooms	Under Construction



Amenity map



Restaurants

01	- Eggs Up Grill - Chick-fil-A - Mojo's Grill - New Panda Restaurant - Taco Bell - Rudino's Pizza - Menchie's Frozen Yogurt
02	Angie's Restaurant
03	- Outback Steakhouse - The Original Carolina Barbecue
04	- Arby's - MooMooCha Boba & Coffee - El Dorado Mexican Restaurant - Taqueria La Zacatecana
05	- Red Robin - LongHorn Steakhouse - Alpaca Peruvian Charcoal Chicken - Carolina Ale House - City Barbeque - Starbucks - Panera Bread
06	- Bojangles - Golden Corral Buffet & Grill - Captain Stanley's Seafood - Cookout
07	- Bojangles - Smithfield's Chicken 'N Bar-BQ - Burger King - Cookout - Subway
08	- McDonald's - Burger King



Retail

01	- Walmart Supercenter - GameStop - Discount Tire - Rainbow Shops
02	Lowe's Home Improvement
03	- Garner Towne Square - Target - Home Depot - UPS Store - Spectrum - PetSmart - Harbor Freight - Lidl - H&R Block
04	Food Lion
05	- Bass Pro Shops - Best Buy - Kohl's
06	- International Food - ABC Liquor Store - A&C Supermarket
07	Grocery Boy Jr
08	Rush Street Food Market
09	Food Lion
10	Sam's Club
11	Food Lion
12	Food Lion



Destinations

01	North Carolina State University
02	North Carolina University Centennial Campus
03	North Carolina State Farmer's Public Market
04	Dorthea Dix Park
05	Strayer University
06	Garner Performing Arts Center
07	Coastal Credit Union Music Park
08	Neuse River Trail



Banks

01	Woodforest National Bank
02	- First Citizens Bank - Wells Fargo Bank - PNC Bank
03	- Wells Fargo Bank - KS Bank - First National Bank - State Employees Credit Union
04	M&F Bank
05	Truist

23



miles to
international airport

7+



Hospitals and urgent
cares within 5 miles

The background of the slide is a dark blue map of a city grid, showing streets and building footprints in a lighter shade of blue. The map is oriented with a grid pattern, and the text is overlaid on the left side.

04

Comparables

Improved Sale Comparables

	Property Name	Distance from Site	Status	Units	Year Built	Floors	Occupancy	Sales Price	Price/Unit	Buyer	Seller
1	The Villages at Olde Towne	0.4 miles	Stabilized	360	2022	4	87%	\$84,500,000	\$234,722	AIR	Halle Companies
2	The Villages at Sunnybrook	1.7 miles	Lease-Up	384	2023	3	61%	\$86,500,000	\$225,260	AIR	Halle Companies
3	Broadstone Oak City	6.4 miles	Lease-Up	335	2023	4	84%	\$93,500,000	\$279,104	Westbrook Partners	Alliance Residential
4	Solis Hills	7.4 miles	Lease-Up	315	2022	4	41%	\$114,500,000	\$363,492	TA Realty	PCCP LLC; Terwilliger Pappas
5	Arlow at Blue Ridge	8.8 miles	Stabilized	280	2022	4	88%	\$73,650,000	\$263,036	Eaton Vance RE	Shelton McNally Real Estate Partners
6	Bell Jones Franklin	9.5 miles	Stabilized	280	2023	5	90%	\$79,500,000	\$287,004	Bell Partners	TDK Construction
7	Litchford 315	9.6 miles	Stabilized	240	2022	3	93%	\$83,000,000	\$345,833	Magma Equities	Dewitt Carolinas

Source: Real Capital Analytics, CoStar, Avison Young Research

Durham

Wake Forest

Bethesda

Rolesville

BRIER CREEK

LEESVILLE

SIX FORKS



7

MILLBROOK

NEW H



3

MILBURNIE

Knightdale

HODGE ROAD SITE

2

Raleigh



Garner

1



4

FIVE POINTS



5

ASBURY

METHOD

Cary

6



Apex



Genlee

RDU

Rent Comparables

Property Name	Studio			One Bedroom			Two Bedroom			Three Bedroom		
	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF	SF	Asking Rent	Asking Rent / SF
1 Abberly Solaire	-	-	-	779	\$1,468	\$1.89	1,139	\$1,815	\$1.60	-	-	-
2 Elevate White Oak*	562	\$1,244	\$2.21	802	\$1,391	\$1.74	1,090	\$1,663	\$1.53	-	-	-
3 The Villages at Olde Towne	-	-	-	885	\$1,442	\$1.63	1,162	\$1,748	\$1.50	1,387	\$2,275	\$1.64
4 The Villages at Raleigh Beach	-	-	-	821	\$1,352	\$1.65	1,257	\$1,576	\$1.25	-	-	-
5 Treeline Timber Creek	550	\$1,259	\$2.29	829	\$1,337	\$1.63	1,223	\$1,840	\$1.51	1,432	\$2,210	\$1.54
6 Altitude*	-	-	-	829	\$1,292	\$1.57	1,223	\$1,838	\$1.50	1,429	\$2,118	\$1.48
7 The Villages at Sunnybrook*	550	\$1,400	\$2.55	829	\$1,511	\$1.85	1,223	\$1,710	\$1.40	1,432	\$2,190	\$1.53
8 The Ninety Nine	-	-	-	750	\$1,341	\$1.79	1,144	\$1,847	\$1.61	1,341	\$2,143	\$1.60
9 Bluebird on Seventy*	-	-	-	723	\$1,195	\$1.65	1,114	\$1,644	\$1.48	1,258	\$1,939	\$1.54
Average	554	\$1,301	\$2.35	805	\$1,370	\$1.71	1,175	\$1,742	\$1.49	1,380	\$2,146	\$1.56

* Averages do not include the starting month.

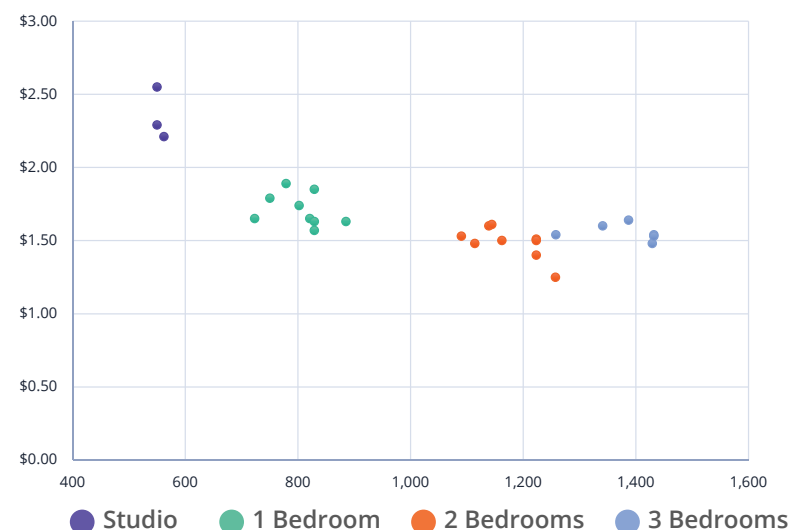
* Source: RealPage, Avison Young Research

The Southeast Raleigh submarket ranks



out of all 12 multifamily submarkets in Raleigh-Durham

All Units





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

Steven B. Peden

Principal | Multifamily

+1 919 291 5650

steven.peden@avisonyoung.com

Kyle Gonzalez

Vice President | Multifamily

+1 919 866 4273

kyle.gonzalez@avisonyoung.com

Emily Bostic

Transaction Manager

+1 919 866 4274

emily.bostic@avisonyoung.com

Blake R. Thomas

Senior Vice President | Capital Markets

+1 919 241 1568

blake.thomas@avisonyoung.com

David Zipparo

Associate | Capital Markets

+1 919 866 4260

david.zipparo@avisonyoung.com

Elisabeth Legg

Marketing Associate

+1 919 420 1551

liz.legg@avisonyoung.com

Visit us online
avisonyoung.com

© 2024. Avison Young. Information contained herein was obtained from sources deemed reliable and, while thought to be correct, have not been verified. Avison Young does not guarantee the accuracy or completeness of the information presented, nor assumes any responsibility or liability for any errors or omissions therein.

5440 Wade Park Boulevard, Suite 200 | Raleigh, NC 27607 | 919 785 3434

**AVISON
YOUNG**