



VA Leased Medical Office

U.S. Government Credit

1824 Hillandale Road

Durham, NC 27705

Andrew Ziffer

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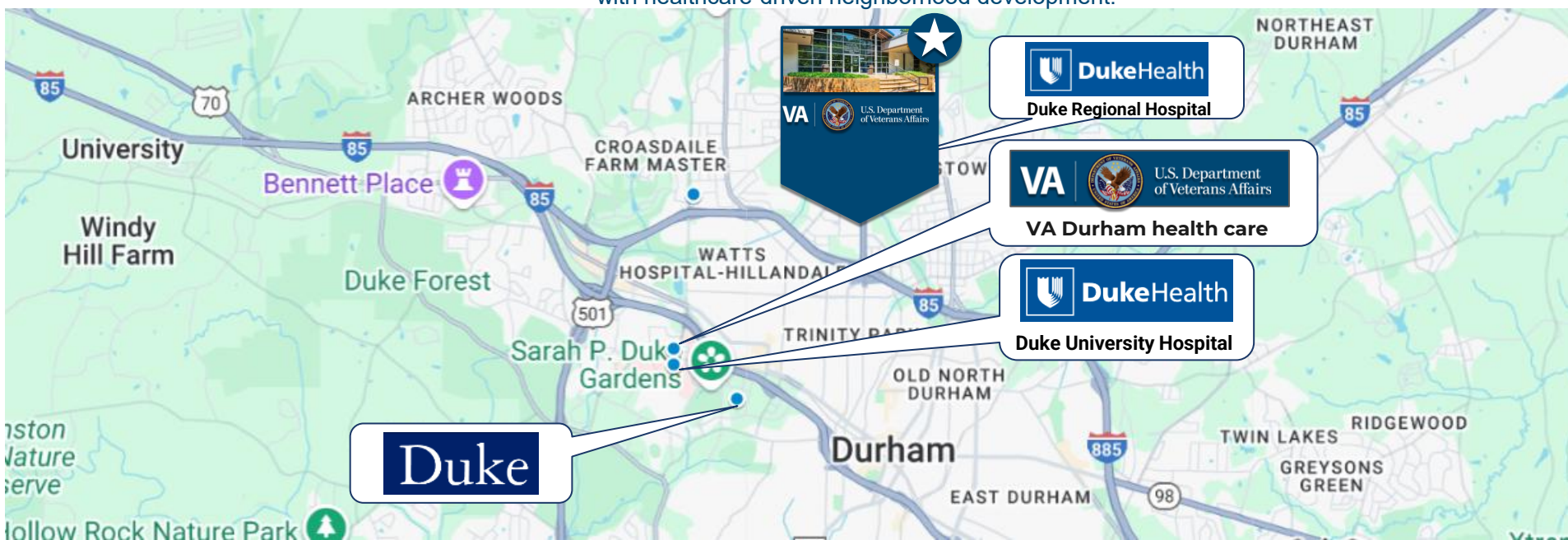
September 2025

Property Overview

Property Description

USAGE	Medical Office
BUILDING SIZE	9,388 SF
LOT SIZE	1.00 Acre
PARKING	33 Parking Spaces
YEAR BUILT	1970
LEASE STRUCTURE	Modified Gross
LEASE EXPIRATION	February 28, 2029
LEASE TYPE	U.S. Government

- ✔ **Strategically Located in Durham, NC**, at the signalized intersection of Hillandale Road and Bertland Avenue, with visibility to approximately 127,000 vehicles per day.
- ✔ **Ideally Situated in Durham, NC**, just off Hillandale Road with easy access to Interstate 85 and close proximity to major VA and Duke-affiliated medical campuses.
- ✔ **9,388 SF Single-Story Medical Office Building** on a 1.00-acre parcel, designed for high-efficiency outpatient operations and government medical use.
- ✔ **100% Leased to the U.S. Department of Veterans Affairs** since 2003, operating continuously as an outpatient clinic for over 20 years.
- ✔ **Current Lease Term Ends February 2029**; Three-Year recent renewal with the U.S. Government (AA+ S&P credit), providing a path toward stabilized cash flow and continued occupancy.
- ✔ **Located within Durham's expanding medical corridor**, minutes from Duke University Hospital, the Durham VA Medical Center, and Duke Regional Hospital.
- ✔ **Dedicated Surface Parking with 33 spaces (3.52/1,000 SF)**, supporting steady daily patient volume and staff access.
- ✔ **Professionally Maintained Asset**, featuring durable brick construction, recent HVAC system upgrades, and new interior improvements including ADA accessibility enhancements.
- ✔ **Zoned OI (Office & Institutional)**, supporting continued medical office use and alignment with healthcare-driven neighborhood development.



Tenant

U.S. Department of Veterans Affairs: A Nationally Established and Investment-Grade Healthcare Provider

The U.S. Department of Veterans Affairs (VA) is a key pillar of the U.S. healthcare system, delivering essential medical services to veterans and their families.

With over **345,000 employees** and more than **1,000 medical facilities**, the VA is one of the nation's largest healthcare providers. Backed by the **full faith and credit of the U.S. Government** and holding an **AA+ S&P rating**, the VA represents a secure, long-term federal tenancy.

Veteran-Centric Healthcare at 1824 Hillendale Road

The VA has operated its outpatient clinic at **1824 Hillendale Road in Durham, NC** for over 20 years, providing convenient, high-quality care to local veterans. Services at this location include:

- General primary care
- Preventative screenings and chronic illness management
- Behavioral and mental health services
- Coordination with Durham VA Medical Center and regional VA facilities
- Specialist referrals via Duke University Health System

Located minutes from major medical institutions, the clinic is integrated with inpatient care through dedicated shuttle service and secure communication systems.



Veterans Health Administration (VHA): The Nation's Largest Integrated Healthcare System

As the clinical arm of the VA, the **Veterans Health Administration (VHA)** operates the largest integrated healthcare system in the U.S. Its nationwide network includes medical centers, outpatient clinics, and long-term care facilities. The **1824 Hillendale Clinic** is staffed by licensed VA providers and supported by robust **electronic health records and federal data infrastructure** to ensure high-quality, consistent care.

Long-Term Commitment to the Durham Community

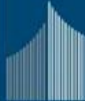
The VA has continuously occupied **1824 Hillendale Road since 2003**, reflecting strong regional ties and long-term operational intent. The current lease runs through **February 2029**, with a **two-year renewal under negotiation**. Strategically located near **Duke Regional Hospital, Durham VA Medical Center, and Research Triangle Park**, the clinic serves a growing veteran population with access to comprehensive care.

Resilient Tenant Profile

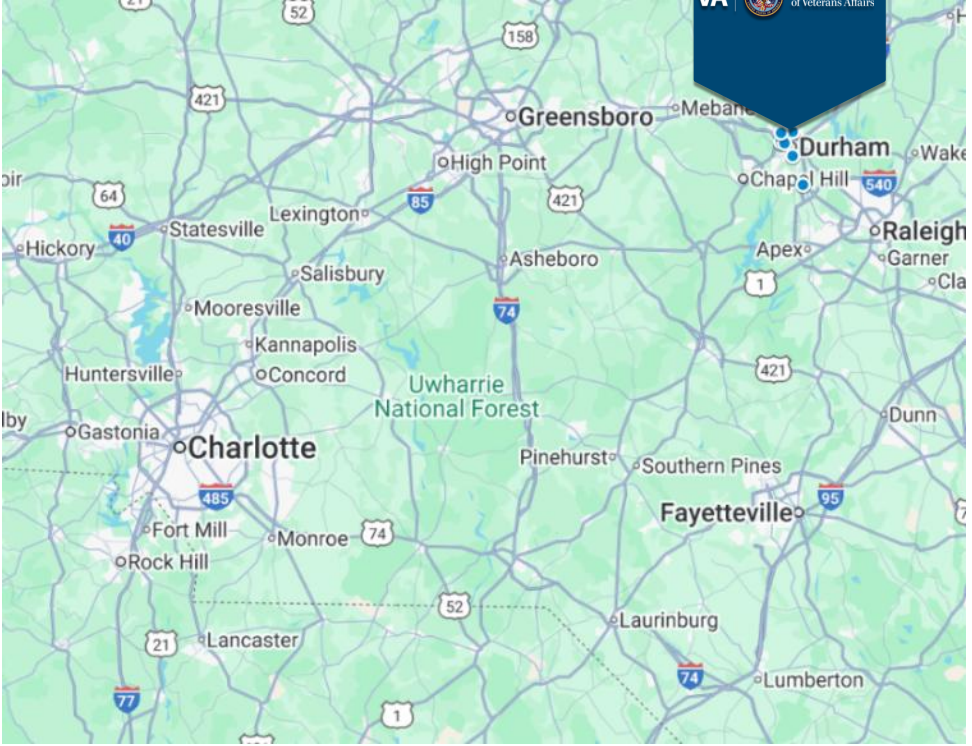
- **20+ years of continuous occupancy**
- **Modified Gross lease**, with landlord responsibility for key operating expenses
- **\$125B+ federal budget**, including **\$40B+ for healthcare**

Recent improvements: **HVAC overhaul, ADA-compliant upgrades, roof coating, and landscaping**

The VA's mission-driven services, strong credit profile, and institutional presence make it a dependable, long-term tenant within Durham's medical corridor.



Demographics



	2 miles	5 miles	10 miles
2020 Population	40,048	154,373	352,405
2024 Population	41,371	161,750	359,631
2029 Population Projection	42,990	168,760	368,142
Annual Growth 2020-2024	0.8%	1.2%	0.5%
Annual Growth 2024-2029	0.8%	0.9%	0.5%
Median Age	32.8	35.4	37.1
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Income	2 miles	5 miles	10 miles
Avg Household Income	\$80,061	\$86,063	\$99,193
Median Household Income	\$54,349	\$58,792	\$72,098
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Housing	2 miles	5 miles	10 miles
Median Home Value	\$345,842	\$309,881	\$324,252
Median Year Built	1983	1982	1990

Durham, NC

Durham is a thriving city at the center of North Carolina's Research Triangle, renowned for its innovation-driven economy, exceptional healthcare institutions, and strong population growth. Home to Duke University and Duke Health, Durham attracts a highly educated workforce and maintains a vibrant mix of research, tech, and life sciences industries.

The city's population continues to grow steadily, supported by a strong median household income and a quality-of-life appeal that draws both families and professionals. Over 50% of residents hold a bachelor's degree or higher, and the area's employment base is anchored by major institutions like Duke University Hospital, the Durham VA Medical Center, and numerous biotech firms.

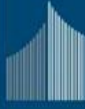
Durham offers excellent regional connectivity via I-85, I-40, and U.S. 15-501, providing convenient access to Raleigh-Durham International Airport and neighboring cities like Chapel Hill and Raleigh. Downtown Durham features a revitalized urban core with award-winning dining, entertainment, and mixed-use development.

With robust healthcare infrastructure, a growing population, and sustained public and private investment, Durham offers a strong demographic profile that supports long-term demand for medical, office, and retail uses.



Rent Roll

VA DURHAM CLINIC – 9,388 SF		SF RENT	MONTHLY RENT	ANNUAL RENT
PRIMARY TERM				
Mar 1, 2023	Feb 28, 2026	\$29.44	\$23,029	\$276,348
RENEWAL – THREE YEARS				
Mar 1, 2026	Feb 28, 2027	\$30.62	\$23,953	\$287,430
Mar 1, 2027	Feb 28, 2028	\$31.84	\$24,907	\$298,882
Mar 1, 2028	Feb 28, 2029	\$33.11	\$25,900	\$310,804



Financial Overview

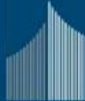
PRICE	\$2,546,946
CAP RATE	7.0%
NOI	\$178,286
PRICE PER SF	\$271
RENT PER SF (base on NOI)	\$18.99
ANNUAL INCREASE	4.0%



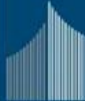
ANNUALIZED OPERATING PRO FORMA

	VA Durham Clinic
Rent	\$276,353
Landscaping	\$5,100
Pest Control	\$834
Property Management	\$11,054
Repairs & Maintenance	\$24,000
Utilities	
Electricity	\$20,087
Gas	\$3,651
Internet	\$1,480
Storm Water	\$2,549
Trash	\$6,341
Water & Sewer	\$720
TOTAL UTILITIES	\$34,828
CONTROLLABLE EXPENSES	\$75,816
Insurance	\$4,543
Taxes**	\$17,710
NON-CONTROLLABLE EXPENSES	\$22,253
NET OPERATING INCOME	\$178,286

**Taxes may be reassessed after sale,



Aerial Photos





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Broker of Record

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