



AVISON
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**City Port 2
Downtown Durham, NC**

Confidential Offering Memorandum

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

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This confidential offering memorandum is intended solely for your own use in evaluating the financing of City Port 2 in Durham, North Carolina and is not to be used for any other purpose or made available to any other party without the prior written consent of the Client, or its agent, Avison Young.

This confidential memorandum contains brief selected summary information pertaining to the Property and has been prepared by Avison Young from information supplied by the Sponsor. This confidential memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire or deem relevant in determining whether to pursue negotiations to finance the Property. Neither the Sponsor, Avison Young, nor any of their respective owners, directors, employees, representatives, or agents make any representation or warranty expressed or implied as to the accuracy or completeness of this confidential memorandum or any of its contents and no legal liability is assumed or to be implied with respect thereto.

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01 Executive summary

Offering overview

Avison Young Carolinas Multifamily Group is pleased to exclusively represent the owners in the disposition of a fully entitled condominium development opportunity located on Yancey Street in Downtown Durham, North Carolina. The site offers investors and developers a rare chance to acquire a shovel-ready project in one of the most supply-constrained and rapidly appreciating submarkets in the Raleigh-Durham MSA.

The property is fully entitled for condo development, significantly reducing execution risk and shortening the path to vertical construction. Positioned within close proximity to Downtown Durham, Duke University, and the Research Triangle's major employment centers, the site benefits from strong demographic tailwinds, sustained population growth, and deep buyer demand for for-sale product.

Durham has emerged as one of the Southeast's most dynamic urban markets, driven by life sciences expansion, technology employment, and continued in-migration of high-income professionals. New for-sale housing options remain limited relative to demand, creating a compelling environment for condominium absorption and long-term value creation. This offering presents an exceptional opportunity to deliver a well-located, entitled condo project in a market defined by strong fundamentals and barriers to entry.



Investment highlights



Location and accessibility EVERYTHING YOU NEED

Strategically located in Downtown Durham, NC, City Port 2 offers convenient access to the vibrant city of Durham and the Research Triangle Park, making it an attractive option for professionals and families alike. Durham is often praised for its arts and culture scene as well as its affordability compared to nearby Raleigh and Chapel Hill. Durham offers a strong connection to the Research Triangle Park and is home to major universities and research facilities. City Port 2 is also just seconds away from DPAC, the Durham Bulls Athletic Park and much more.



Intentional living AMENITIES FOR ALL PLANS

City Port 2 is a premier 55-unit condominium development in Downtown Durham, offering upscale urban living with a diverse mix of unit sizes, price points, and thoughtfully designed spaces. The project consists of a single six-story mid-rise building featuring 55 residences ranging from studios to two-bedroom units. Each home includes nine-foot, ten-inch ceilings, high-performance insulation, and STC-enhanced windows. Residents enjoy a suite of premium amenities, including a rooftop terrace with grill, garage and surface parking, bike storage, and a dedicated mail and package room.



Limited entitled sites MARKET CONCENTRATION

A key investment highlight for City Port 2 is the limited availability of fully entitled condominium development sites in Downtown Durham. Urban core parcels with completed entitlements have become increasingly scarce due to strong demand for redevelopment and mixed-use projects in the city center and municipal planning initiatives that favor high-value office, mixed-use office-residential, and community-oriented developments on limited downtown land.

Goose Creek Outfall Improvement Project

The City of Durham has announced suspension of new residential sewer allocations in East Durham with the Goose Creek Outfall Improvement Project, reducing the near-term competing residential supply in the surrounding submarkets. The Goose Creek Outfall Improvement Project will be broken into two phases that will run through Summer of 2030 - with Phase 1 estimated to finish in Summer 2029. Throughout the duration of the improvement project, the City of Durham will not issue additional residential sewer allocations within the designated service boundaries, halting new competing residential developments in east Downtown Durham.

The City Port 2 project is not within the affected zone and retains full development viability.

STRATEGIC INVESTMENT IMPLICATIONS

- **Supply Constraint:** Freeze halts new competing residential development in East Durham.
- **Barrier to Entry:** Utility access becomes a premium asset.
- **Enhanced Entitlement Value:** Fully entitled projects with confirmed sewer access become increasingly scarce.
- **Pricing Power:** Reduced future inventory supports stronger sellout velocity and pricing.
- **Lower Development Risk:** No uncertainty tied to future allocation approval

Source: City of Durham Public Works | 12.19.2025 | Official Memo





1. Mr. Tire Auto Service
2. Duke School of Medicine
3. Durham Food Hall
4. Foster Street Coffee
5. Dame's Chicken & Waffles
6. The Glass Jug Beer Lab
7. Method Savvy
8. Rise Downtown Durham
9. Duke Health
10. Durham Chamber of Commerce
11. Durham ID
12. Duke Institute for Health
13. Spreedly
14. WeWork
15. Beer Durham
16. The Young Roofing Company
17. Duke Business School
18. PNC Bank
19. Bull McCabe's Irish Pub
20. Bullseye Bicycle
21. PSI Theatre
22. The Carolina Theatre
23. M Pocha
24. Pizzeria Toro
25. Alta Planning + Design
26. Durham Marriott City Center
27. Durham Convention Center
28. Durham Armory
29. M Kokko
30. Spee Dee Que Instant Printing
31. The Artisan Market at 305
32. Google offices
33. M Sushi
34. The Restaurant at The Durham Hotel
35. Queeny's
36. The Durham Hotel
37. Kingfisher
38. United States Post Office
39. Sweets by Shayda
40. Indian Monsoon Restaurant
41. Alliance Architecture
42. Rue Cler
43. Sacred Mandala Studio
44. Ward Furniture
45. Dashi
46. Latino Community Credit Union
47. Public Hardware Inc.
48. Extra Space Storage Center
49. Advance Auto Parts
50. Hughes Supply Durham
51. Dirty Bull Brewing Company
52. Saltbox Seafood Joint
53. EverLou Coffee Co.
54. Durham Parks and Recreation
55. Durham City Hall
56. Pompieri Pizza
57. Spanglish
58. Dos Perros
59. Gavin Christianson Bridal
60. Culture Hair Studio
61. Durham County Board of Elections
62. Durham County Register of Deeds
63. Teamworks
64. Kings Avenue Tattoo
65. Littler
66. Ki93.
67. Copa
68. Alley Twenty Six
69. Jack Tarand the Colonel's Daughter
70. Unscripted Durham Hotel
71. Neomonde
72. Chet Miller
73. Sevens Stars Cycles
74. Sew Crafty
75. Scratch Bakery
76. Jeddah's Tearoom
77. The Parlor
78. Ninth Street Bakery
79. Durham County Jail and Courthouse
80. 21c Museum Hotel
81. Counting House
82. Bulidaga Urban Market
83. One City Center
84. Simon Says Dip This
85. The Oak House
86. Pokeworks
87. Letters Bookshop
88. Luna Rotisserie and Empanadas
89. County Department of Public Health
90. The Fruit
91. Elevate Salon Institute
92. Tre Bella Bridal
93. 106 Main
94. Bar Virgile
95. Quarter Horse Bar and Arcade
96. Pie Pushers
97. Rock's Bar and Hair Shop
98. Bull City Massage Therapy
99. American Underground
100. Dolly's Vintage
101. Thai@Main Street
102. The Slush
103. Taberna Tapas
104. Viceroy
105. Beyu Caffè
106. Toast
107. Rubies on Five Points
108. Vert & Vogue
109. Area Modern Home
110. Mateo Bar de Tapas
111. Museum of Durham History
112. Posh the Salon
113. Fragrant Garden Florist
114. Ramblers Beer & Wine
115. Dirty Bull Brewing Company
116. Liggett & Myers Research Center
117. Duke Molecular Physiology Institute
118. The Retreat at Brightleaf
119. Devine's Restaurant & Bar
120. AR Workshop
121. Emmy Squared Pizza
122. Clouds Brewing
123. Hamilton Hill Jewelry
124. Morgan Imports
125. Peabody Pizza Company
126. Saint James Seafood
127. Torero's Mexican
128. Aloft Durham Downtown
129. Spring Hill Suites Marriott City View
130. YMCA at American Tobacco

- RETAIL
- DESTINATIONS
- DINING + COFFEE + BARS
- OFFICES + ORGANIZATIONS
- HOTELS

Location overview

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.

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.

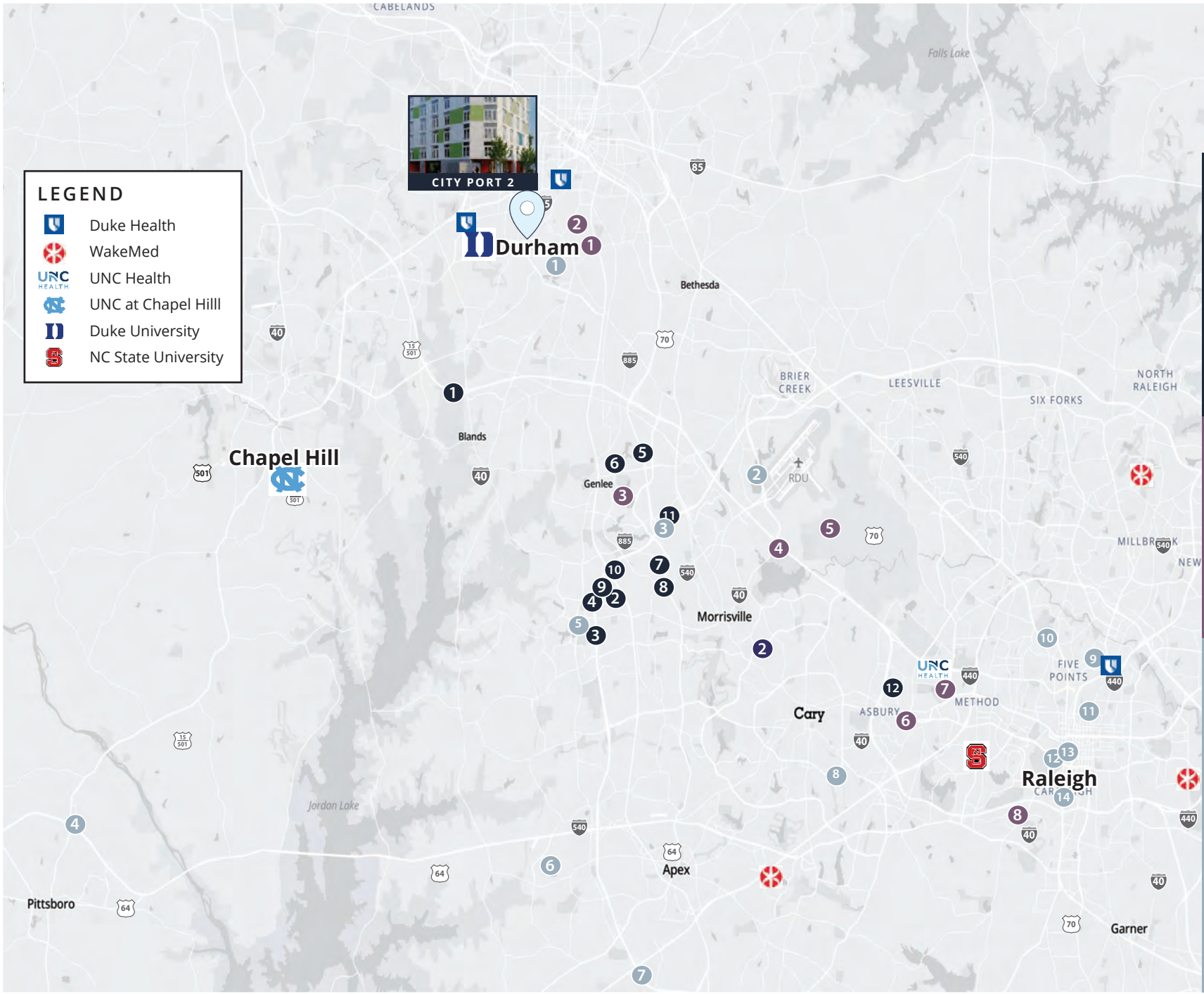


2.40%

Annual population
growth rate

The population is expected to exceed **2.5 million by 2030**, highlighting the region's continued growth. From 2020 to 2024, the Raleigh-Durham region saw an 8.9% increase in population growth.





LEGEND

-  Duke Health
-  WakeMed
-  UNC Health
-  UNC at Chapel Hill
-  Duke University
-  NC State University

MAJOR EMPLOYERS

1. Blue Cross Blue Shield (HQ)
2. Pfizer
3. RTI International
4. NetApp
5. IBM
6. Grifols
7. Toshiba
8. Wolfspeed (HQ)
9. Cisco Systems
10. Lenovo
11. Fidelity Investments
12. Bandwidth

PLACES OF INTEREST

1. Durham Bulls Athletic Park
2. Durham Performing Arts Center
3. Research Triangle Park
4. Raleigh Durham International Airport
5. Umstead State Park
6. Lenovo Center
7. North Carolina Museum of Art
8. State Farmers Market

MIXED-USE DEVELOPMENTS

1. American Tobacco Campus
2. Brier Creek
3. HUB RTP
4. Chatham Park
5. Alston Yards
6. Sweetwater Apex
7. The Veridea*
8. Fenton
9. The Exchange
10. North Hills
11. Raleigh Iron Works
12. Smoky Hollow
13. Seaboard Station
14. Downtown South

**under construction*

Location overview

In 2021, while the U.S. population grew by a historically low 0.13%, **the Raleigh-Durham region experienced a robust 2.05% increase—over 15 times the national rate.**

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 receive approximately \$3 billion in federal R&D funding annually and have spun off hundreds of start-up companies. **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.

North Carolina is the #1 State for Business

May 2024, CNBC



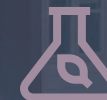
#1 Fastest Growing Airport in the U.S.

U.S. Department of Transportation



#6 Best U.S. City for Corporate Workers

Checkr



#6 Metro for Life Science Leaders

Business Facilities



#9 Best Large City to Start a Business

WalletHub



#9 Top Metro for Career Development

WalletHub



#6 Best Place to Live in the Country

U.S. News & World Report

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.

#4 Most Educated City in America

WalletHub | May 2024

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.



Economic development

Major industries

The Triangle's favorable business climate and rich talent pool have led new and expanding businesses to announce jobs at a record-setting pace in recent years. The Triangle continues to experience robust population and job growth.

Tech heavyweights such as Google and Apple have announced thousands of new jobs, and the region will be home to North Carolina's first automotive manufacturing facility with the construction of a new EV plant for VinFast in Chatham County.

The combined MSA unemployment rate in the Triangle totaled 3.2% in March 2025 (preliminary Census data). At 100 basis points below the national average, Raleigh-Durham has one of the lowest unemployment rates in the Southeast.* Strong regional fundamentals have enabled a job growth of 15.5% over the past 5 years.

**United States Bureau of Labor Statistics; North Carolina Department of Commerce*

Recent Triangle Corporate Announcements



Genentech, a member of the Roche Group, announced today plans to invest more than \$700 million in a new 700,000 square foot state-of-the-art drug manufacturing facility in Holly Springs, NC. **420 jobs | May 2025**



Ralliant Corporation plans establish its global headquarters in Wake County, investing \$2.1 million in Raleigh's North Hills area. **180 jobs | Mar 2025**



Amgen Announces \$1 Billion Expansion to Holly Springs, NC Facility bringing the total site investment to over \$1.5 billion, with employment reaching 725 by 2032. **370 jobs | Dec 2024**



Weatherby Healthcare, a CHG Company, announced today that it plans to invest more than \$7M in Raleigh, occupying 46,000 square feet in One North Hills Tower. **148 jobs | Oct 2024**



FUJIFILM Diosynth Biotechnologies Expanding Manufacturing Operations in Holly Springs with a \$1.2 Billion investment. **680 jobs | Apr 2024**



Swiss Haute Horlogerie announced plans to invest \$22 million and create 105 new jobs in Raleigh. **105 jobs | Dec 2023**



Forge Nano announced plans to launch lithium ion battery manufacturing business in Morrisville - an initial investment of more than \$165 million. **200+ jobs | Nov 2023**



Indivior Inc. plans to invest and expand operations in Raleigh with a \$60 million capital investment over the next five years. **35 jobs | Nov 2023**



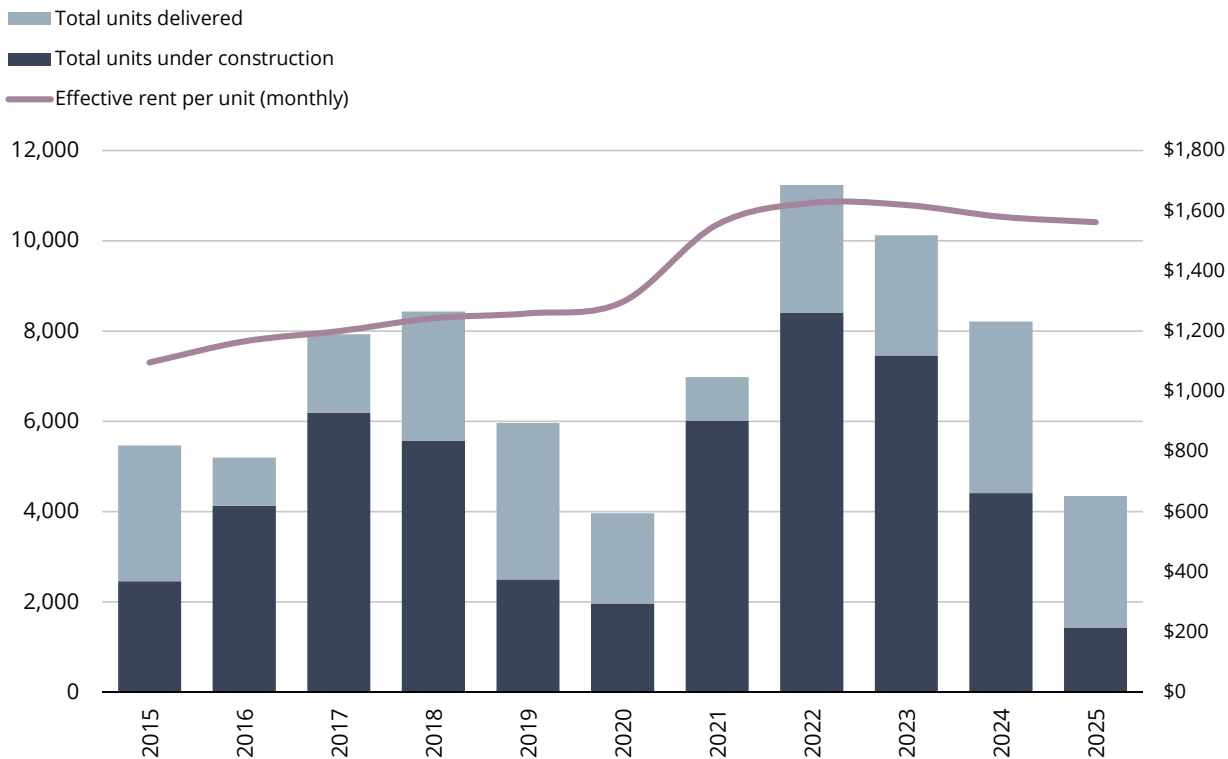
Durham-based Wolfspeed has picked North Carolina over a competing site in NY for a 1,802-job, \$5 billion next-generation materials operation. **1,800 jobs | Sept 2022**



Eli Lilly and Company, a global healthcare and biopharmaceutical company, plans to invest \$1 billion. **600 jobs | Jan 2022**

Multifamily market overview

Downtown Durham Submarket



Construction activity is expected to drop significantly in 2026 which is projected to spur rent growth and stabilize occupancy rates. In 2024, North Carolina population grew by 247 new residents per day.

4Q 2025 Multifamily Insights DOWNTOWN DURHAM SUBMARKET



\$1,562
average effective rent
per unit (monthly)



93%
occupancy rate



2.3%
average asking rent
growth rate (last 12 months)



12.3
average new
lease term (months)

05 Property valuation

Property details

Property Name	City Port 2
Address	505 - 507 Yancey Street Durham, NC 27701
Land Acreage	0.45
Entitled residential unit count	55
Average size (sf)	569
Gross square footage	56,169
Rentable square footage	31,326



Unit matrix

Type	# of Units	Size (sf)
Studio (1)	20	399
Studio (2)	5	422
Studio (3)	1	347
1bd-1ba (1)	5	548
1bd-1ba (2)	5	655
1bd-1ba (3)	5	700
2bd-1ba	5	741
2bd-2ba (1)	4	824
2bd-2ba (2)	5	869
Weighted Average	55	569
Total	55	31,298



Entitled land development summary

CITY PORT 2 - DURHAM, NC 27701	TOTALS
REVENUES	
Buyer Deposits	\$1,112,277
Sales	\$19,279,474
Gross Revenues	\$20,391,752
Commission	\$1,121,546
Net Revenues	\$19,270,205
ACQUISITION COSTS	
Acquisition Land Purchase	\$1,995,000
Legal Costs	\$10,000
Due Diligence	\$10,000
Total Acquisition Costs	\$2,015,000
CONSTRUCTION COSTS	
Hard Costs	\$11,850,000
Soft Costs	\$1,904,000
Hard Cost Contingency	\$711,000
Soft Cost Contingency	\$110,778
Escalation Contingency	\$474,000
Total Construction Costs (excl. debt)	\$15,049,778
Total Project Costs (excl. debt)	\$17,369,778



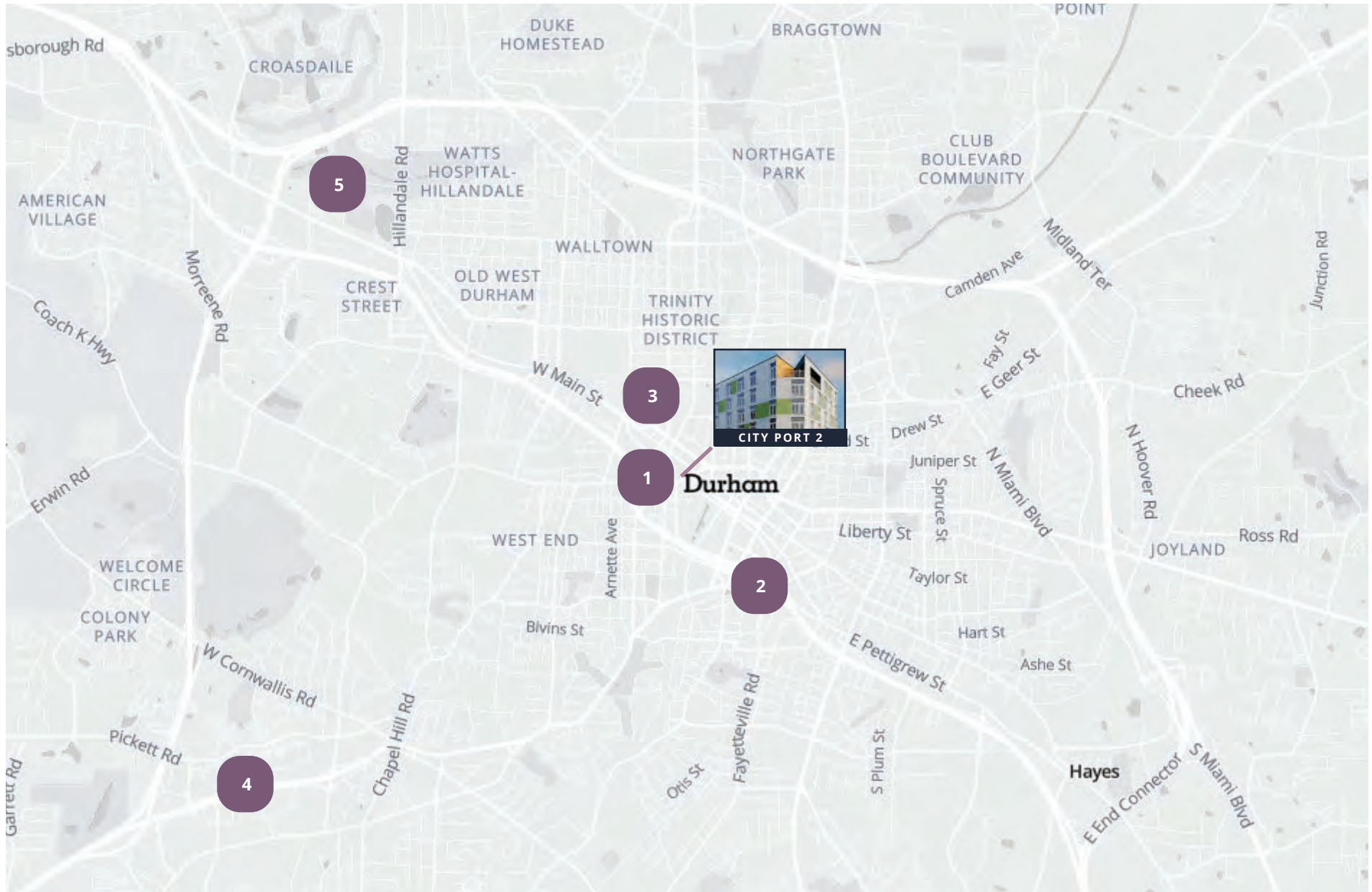
Land sale comparables

CITY PORT 2 | 505-507 YANCEY STREET STREET, DURHAM, NC 27701

Property Name	Address	Price (\$M)	Price/Acre	Acreage	Sale Date	Buyer	Proposed Use
1 Jackson Street Condos*	605-611 Jackson Street	\$2,800,000	\$5,303,030	0.53	Oct-22	Jackson Street Condos LLC	Condos
2 Heritage Square*	606 Fayetteville Street	\$62,000,000	\$6,424,870	9.65	Jun-22	Sterling Bay/Acram Group/Harrison Street	Apartments Mixed Use
3 Trinity Park Townhomes*	110 Watts Street	\$3,125,000	\$2,765,487	1.13	Apr-25	Southeast Apartment Investors	Townhomes
4 Novel Uhill	3019 Auto Drive	\$8,000,000	\$1,230,769	6.50	Dec-23	Crescent Communities	Apartments
5 Westside Bottling	3214 Hillsborough Road	\$17,000,000	\$1,452,991	11.7	Jul-25	The Ardent Companies	Apartments Mixed Use
Average			\$3,435,430				

* ENTITLED LAND SALE COMPARABLE

Land sale comparables map



Condo sale comparables

CITY PORT 2 | 505-507 YANCEY STREET, DURHAM, NC 27701

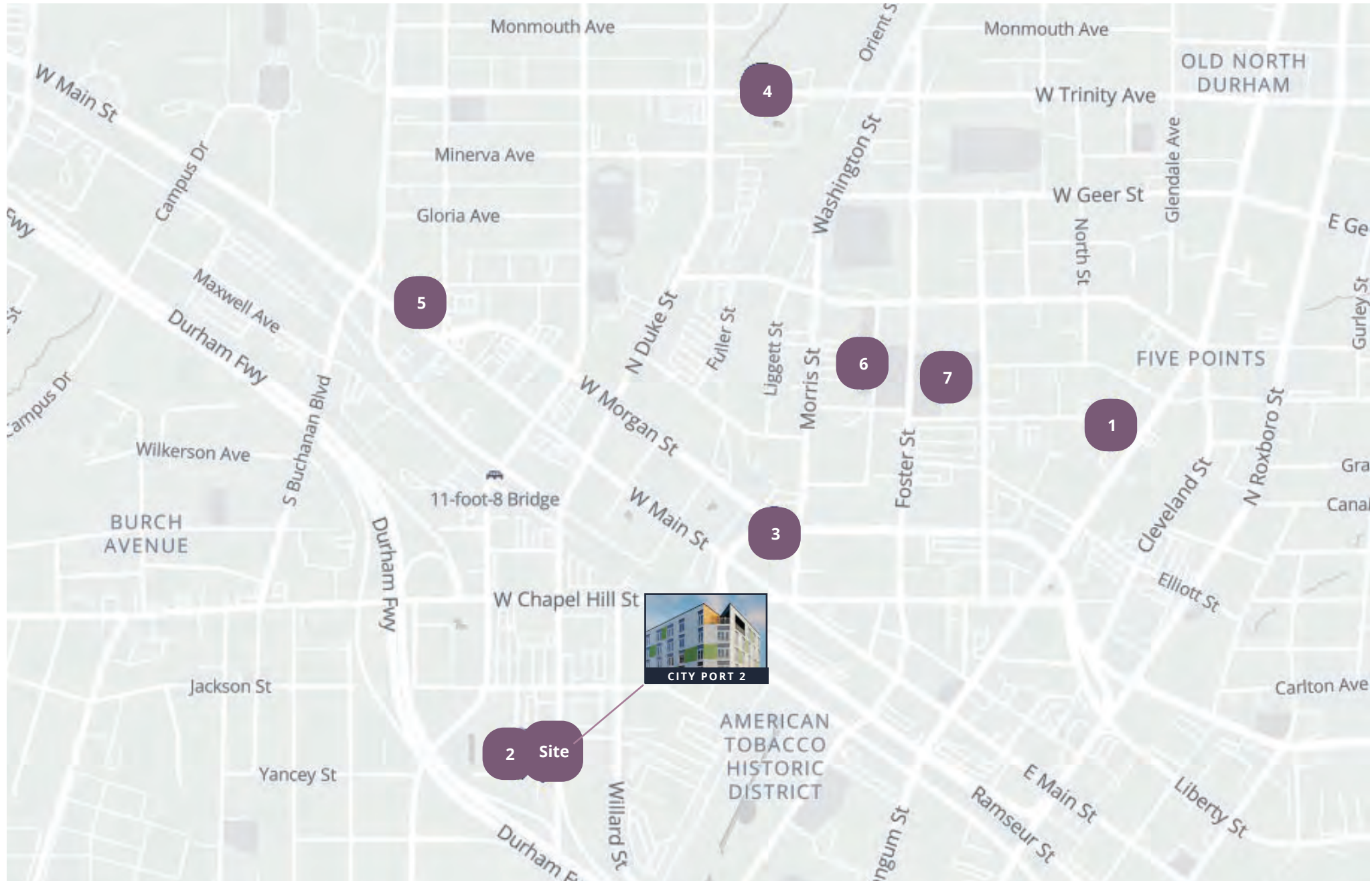
Property Name	Bed/Bath	Square Feet	Sale Date	Year Built	Sale Price	Price/SF	Location Adjustment	Quality Adjustment	Size Premium	Adjusted PSF	Adjusted Sale Price
1 Mangum Flats	1/1	440	Nov-2025	2018	\$239,000	\$543	5%	8%	-5%	\$583.92	\$256,925
2 City Port I	1/1	641	Jul-2025	2020	\$340,000	\$530	2%	5%	10%	\$620.59	\$397,800
City Port I	2/2	1,032	Feb-2025	2020	\$400,000	\$388	2%	5%	5%	\$732.58	\$539,910
3 The Novus	1/1	737	Sep-2025	2025	\$599,900	\$814	-10%	-10%	10%	\$731.88	\$548,910
The Novus	1/1	750	Sep-2025	2025	\$609,900	\$813	-10%	-10%	10%	\$579.93	\$312,000
4 Pearl Mill Flats	1/1	538	Oct-2025	1972	\$240,000	\$446	15%	5%	10%	\$434.11	\$448,000
5 The Bartlett	2/2	1,289	Apr-2025	2019	\$770,000	\$597	5%	5%	5%	\$686.97	\$885,500
The Barlett	2/2	1,277	Nov-2025	2019	\$775,000	\$607	5%	5%	5%	\$697.92	\$891,250
6 The Brannan	2/3	1,383	Dec-2025	2017	\$825,000	\$597	10%	7%	5%	\$727.77	\$1,006,500
7 The Vega	2/2	1,288	Aug-2025	2023	\$734,000	\$570	7%	5%	5%	\$666.75	\$858,780
Average						\$591				\$646.24	

ASKING PRICE PER UNIT SUMMARY

Type	# of Units	Size (sf)	Asking Price	Asking Price PSF	Asking Price PSF Averages	Gross Sell Out Value (market)	Asking vs. Comps
Studio (1)	20	399	\$267,648	\$671	-	\$267,039.84	0.23%
Studio (2)	5	422	\$283,066	\$671	-	\$282,433.11	0.22%
Studio (3)	1	347	\$241,825	\$697	\$679	\$232,237.65	3.96%
1bd-1ba (1)	5	548	\$361,748	\$660	-	\$356,079.11	1.57%
1bd-1ba (2)	5	655	\$420,270	\$642	-	\$425,605.50	-1.27%
1bd-1ba (3)	5	700	\$443,900	\$634	\$645	\$454,845.57	-2.47%
2bd-1ba	5	741	\$469,607	\$634	\$634	\$471,788.35	-0.46%
2bd-2ba (1)	4	824	\$515,331	\$625	-	\$524,633.74	-1.81%
2bd-2ba (2)	5	869	\$549,863	\$633	\$629	\$553,284.85	-0.62%
		31,298				\$20,391,751.77	-0.07%*
					Sale Commission	\$1,019,587.59	
					Net Sell Out Value	\$19,372,164.18	

* LESS THAN 10 BPS DIFFERENCE FROM MARKET VALUES

Condo sale comparables map



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