

# DURHAM MULTIFAMILY PORTFOLIO

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## DURHAM ACCOLADES

- Durham, a Top 20 Real Estate Market for 2014, Urban Land Institute
- Durham - Chapel Hill, #4 Most Educated Cities, US News & World Report
- #1 Highest Concentration of Engineering & Technology Degrees, New Geography
- #4 Best Places to Live, Livability.com
- Durham, Top 10 Tech Towns, Wired
- #6 Best Performing Metros in the Country, Milken Institute
- #9 Biggest Job Rate Growth, Kiplinger
- #8 Most Business-Friendly, CNNMoney
- #8 Among 20 Hottest Startup Hubs in America, Business Insider 2013
- #4 Life Science Cluster in the U.S., Jones Lang LaSalle
- #7 Best Regional Airport in North America, Raleigh-Durham International Airport, World Airport Awards
- #8 Small American City of the Future for 2013/14 - Economic Potential, fDi Intelligence



# Portfolio Offering

# Portfolio Offering Summary



Colliers International is pleased to present, to a qualified investor, the opportunity to acquire a 17 Unit Multifamily portfolio in the Downtown area of Durham, North Carolina. This unique opportunity allows an investor to own a portfolio of 4 multifamily properties that are located in the bustling downtown Durham area. The properties are in close proximity to one another and include 5 duplexes and a 7 unit apartment building.

The portfolio is currently being offered to the investor community at a price of \$675,000 which represents a 9.70% cap rate. The portfolio is currently 100% occupied. With current in place rents, an investor would be able to realize a monthly rent of \$6,550 or \$78,600 annually.

The offering consists of 4 multifamily properties that include:

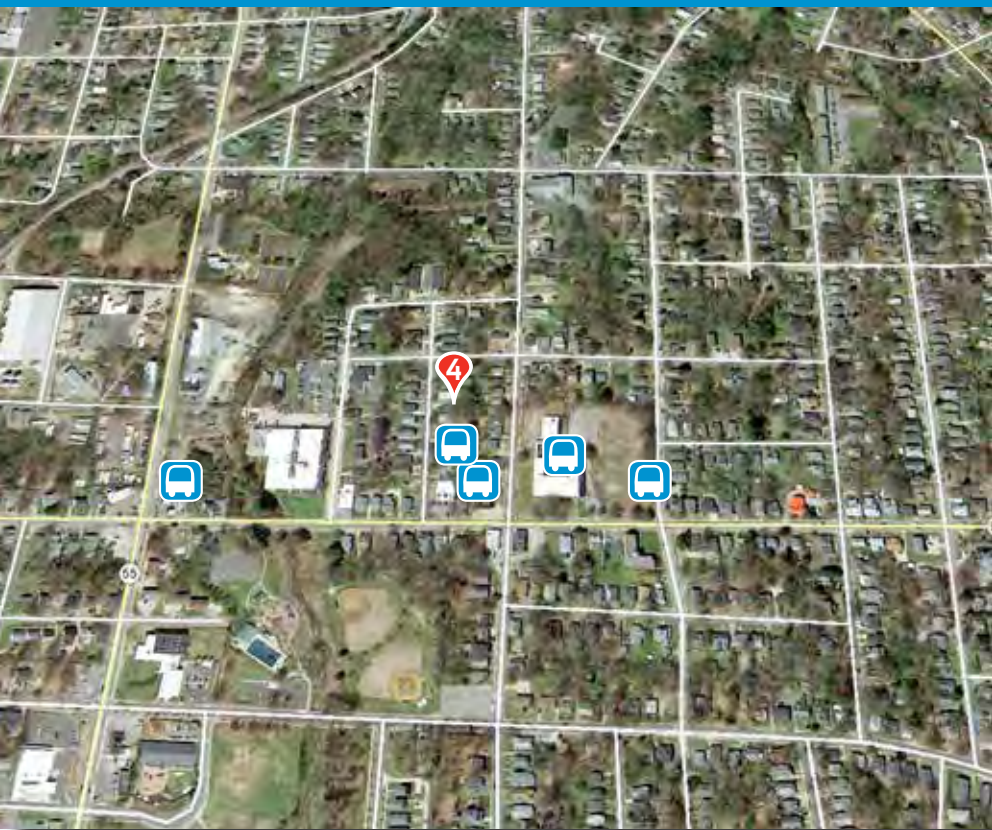
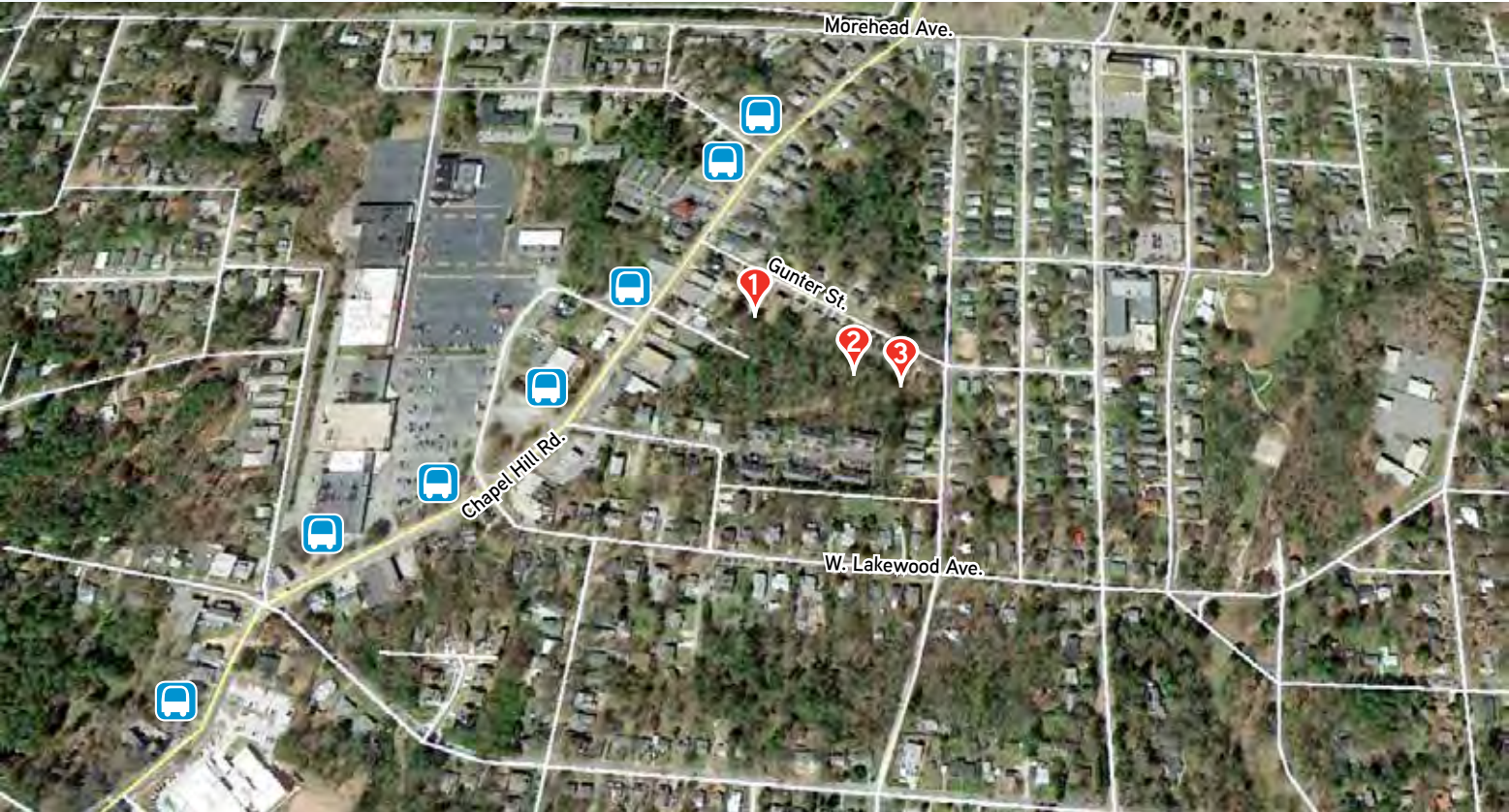
1. A seven unit apartment complex with 1 bedroom / 1 baths
2. A duplex with 2 bedroom / 1.5 baths
3. Three duplexes with 2 bedroom / 1.5 baths
4. A duplex with 2 bedroom / 1.5 baths

The portfolio is within biking distance or a short bus ride to all points in Downtown Durham including Duke University and Duke University Medical Center. Downtown Durham is entering a growth and revitalization period with new projects that include 800+ new hotel rooms being constructed and Duke University Medical Center's \$800 million expansion, which will create 1,000 new jobs. Employment is strong in Durham with a strong office market that includes 2.2+ million SF of office space that is 93% leased. Downtown is home to the Durham Bulls which is a AAA baseball team that attracts 2 million visitors annually. Each of the 4 properties are located within the bus line which makes it easy to get around the Durham area.

With the growth and revitalization of Downtown Durham and the additional development of neighboring properties there is additional upside in the purchase of this portfolio. Through this investment an investor can realize a strong positive cash flow on day one, increased equity (through loan payments) and realize strong appreciation do to the underlying real estate's intrinsic value as downtown continues to grow.

DISCLAIMER: No warranty or representation, express or implied, is made to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by principals.

# Portfolio Location Map



## PROPERTIES

- 1** 1711 Gunter St.  
Durham, NC 27707  
7-Plex; 7- 1BR/1BA Units
- 2** 1609 Gunter St.  
Durham, NC 27707  
Duplex; 2- 2BR/1.5BA units
- 3** 1603, 1605 & 1607 Gunter St.  
Durham, NC 27707  
3 Duplexes; 6- 2BR/1.5BA units
- 4** 1008 Chester St.  
Durham, NC 27701  
Duplex; 2- 2BR/1.5BA units

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# Location Overview

## MAJOR HIGHWAYS & POINTS OF INTEREST



### DRIVE TIMES:

DOWNTOWN DURHAM - ±5 MIN. BY CAR;  
±24 MIN. BY BUS

DUKE UNIVERSITY/DUKE HOSPITAL - ±5 MIN. BY  
CAR; ±20 MIN. BY BUS

NC CENTRAL UNIVERSITY - ±8 MIN. BY CAR;  
±32 MIN. BY BUS

HWY 147/DURHAM FWY. - ±3 MIN. BY CAR;  
±14 MIN. BY BUS

DURHAM TECH COMMUNITY COLLEGE -  
±7 MIN. BY CAR ±35 MIN. BY BUS

I-540 - ±20 MIN. BY CAR; 1 HOUR BY BUS

I-40 - ±12 MIN. BY CAR; 40 MIN. BY BUS

US-70 - ±15 MIN. BY CAR; ±45 MIN. BY BUS

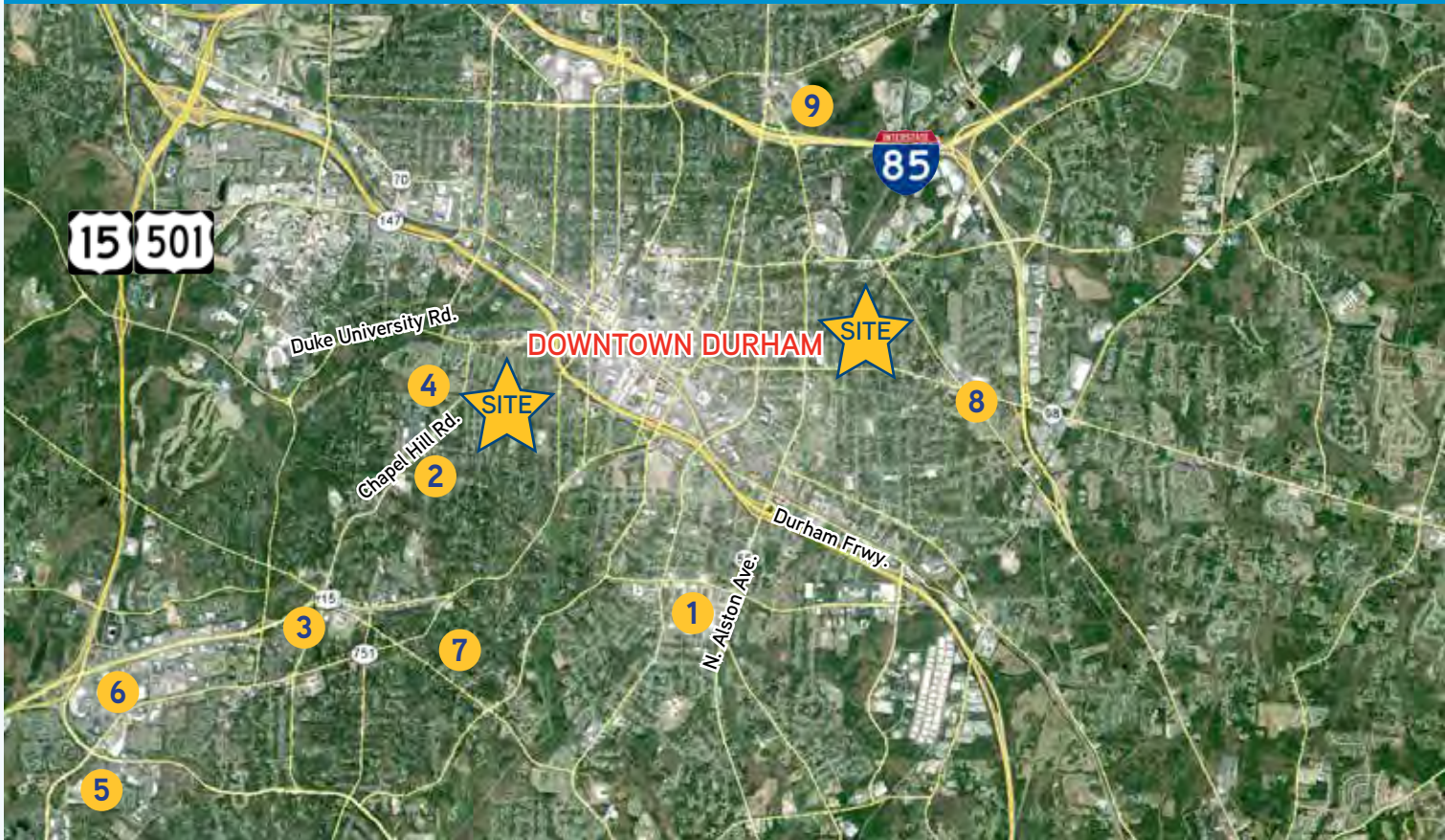
RDU INTERNATIONAL AIRPORT -  
±15 MIN. BY CAR; 1 HOUR BY BUS

I-85 - ±9 MIN. BY CAR ±33 MIN. BY BUS

15/501 - ±7 MIN. BY CAR; ±25 MIN BY BUS

# Location Overview

## RETAIL AND EMPLOYMENT CENTERS



### DOWNTOWN DURHAM



- 1 North Carolina Central University
- 2 the Y
- 3 bp
- 4 Lakewood Shopping Center

- 5 Harris Teeter, SunTrust, Bruegger's, Caribbea Creams
- 6 Chick-fil-e, Target, Sams Club, Fidelity Bank, PETCO, ITT Tech, Office Depot, Ross, Pizza Hut
- BB&T, Toys R Us, Starbucks Coffee, Burger King, The Original Mattress Factory

- 7 CVS, Wal-Mart, Family Dollar, Wendy's, Subway
- 8 Biscuitville, Little Caesars, Hardee's, Advance Auto Parts, Church's Chicken, Dollar Tree, McDonald's
- 9 CompUSA, 7-Eleven, McDonald's, Subway, Big Lots, bp, Arby's, Advance Auto Parts



# 1711 Gunter Street

## > ADDRESS

1711 Gunter St.  
Durham, NC 27707

## > ACREAGE

±0.3 Acres

## > SQUARE FOOTAGE

3,210 SF

## > YEAR BUILT

1984

## > BUILT USE/STYLE

MLTFMLY-RES GRDN  
APT/CNDO

## > NC PIN

0821-14-24-5922

## > PARCEL ID

108477

## > LAND USE DESC

COM/ APARTMENT-  
GARDEN



UNITS	UNIT TYPE	MONTHLY RENT PER UNIT	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
7	1BR /1 BA	\$400	\$2,800	\$33,600



# 1609 Gunter Street

## > ADDRESS

1609 Gunter St.  
Durham, NC 27707

## > ACREAGE

±0.176 Acres

## > SQUARE FOOTAGE

1,200 SF

## > YEAR BUILT

1920

## > BUILT USE/STYLE

RANCH

## > NC PIN

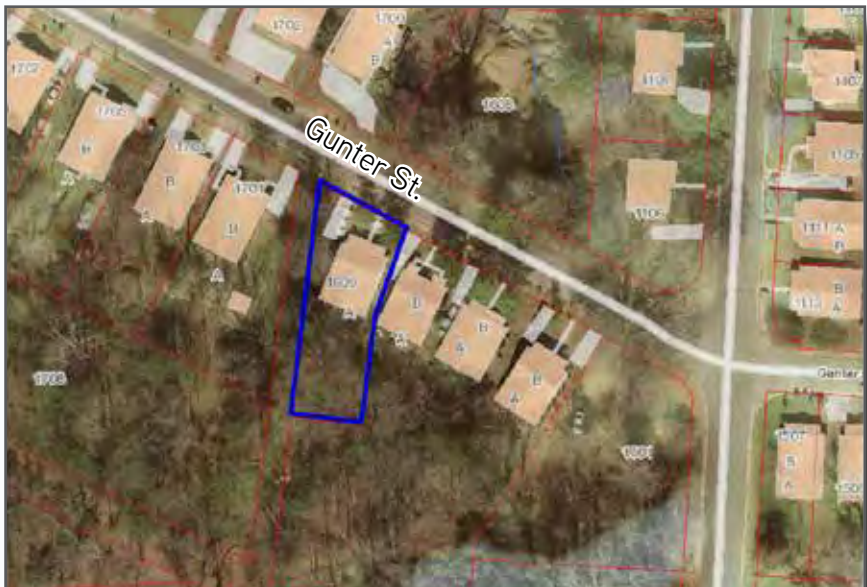
0821-14-24-8783

## > PARCEL ID

107932

## > LAND USE DESC

RES/ 2-FAMILY



UNITS	UNIT TYPE	MONTHLY RENT PER UNIT	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
2	2 BR /1.5 BA	\$375	\$750	\$9,000



# 1603, 1605 & 1607 Gunter Street

## > ADDRESS

1603, 1605 & 1607  
Gunter St.  
Durham, NC 27707

## > ACREAGE

±0.754 Acres

## > SQUARE FOOTAGE

3- 1,200 SF Buildings

## > YEAR BUILT

1920

## > BUILT USE/STYLE

DUPLEX (HORIZONTAL  
SPLIT)

## > NC PIN

0821-14-24-9635

## > PARCEL ID

107931

## > LAND USE DESC

RES/ MULTIPLE  
DWG'S



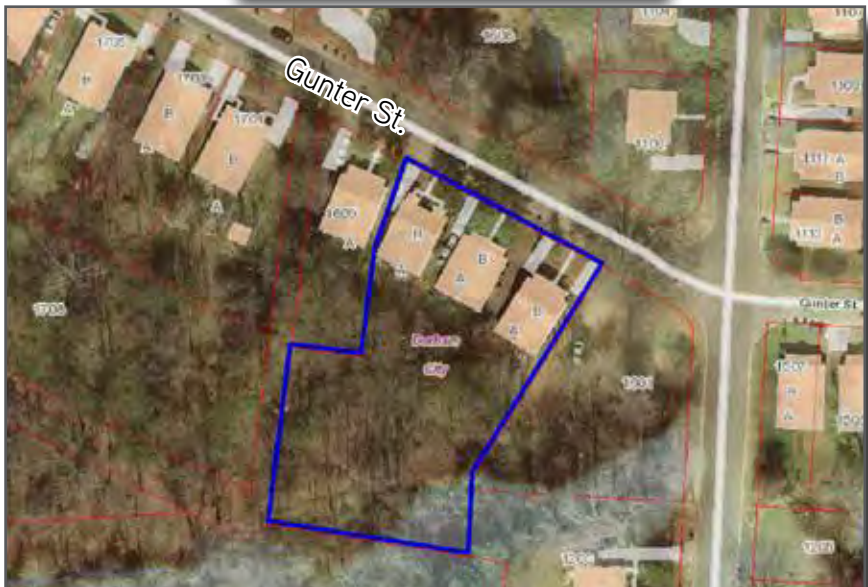
1607 Gunter St.



1605 Gunter St.



1603 Gunter St.



UNITS	UNIT TYPE	MONTHLY RENT PER UNIT	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
6	2BR /1.5 BA	\$375	\$2,250	\$27,000



# 1008 Chester Street

## > ADDRESS

1008 Chester St.  
Durham, NC 27701

## > ACREAGE

±0.152 Acres

## > SQUARE FOOTAGE

1,140 SF

## > YEAR BUILT

1951

## > BUILT USE/STYLE

DUPLEX (HORIZONTAL  
SPLIT)

## > NC PIN

0831-06-47-7561

## > PARCEL ID

111238

## > LAND USE DESC

RES/ 2-FAMILY



UNITS	UNIT TYPE	MONTHLY RENT PER UNIT	TOTAL MONTHLY RENT	TOTAL ANNUAL RENT
2	2 BR /1.5 BA	\$375	\$750	\$9,000

# Financials

# Financial Overview

## Income & Expenses

List Price: \$675,000

Cap Rate: 9.70%

	Totals
<b>INCOME</b>	
Monthly Rent	<b>\$6,550.00</b>
Effective Gross Rent	\$78,600.00
<b>EXPENSES</b>	
Property Taxes	<b>\$(4,395.00)</b>
Insurance	<b>\$(3,190.00)</b>
Repairs	<b>\$(4,255.00)</b>
Sewer	<b>\$(480.00)</b>
Allied Waste Trash	<b>\$(840.00)</b>
Total Expenses	<b>\$(13,160.00)</b>
<b>NET OPERATING INCOME</b>	<b>\$65,440.00</b>

# Market Overview

# Downtown Durham Accolades

## > DOWNTOWN DURHAM

DOWNTOWN DURHAM is entering a period of rapid revitalization. Over 800 new hotel rooms have been announced. The downtown office market, comprised of 2.2 million square feet is 93% leased, and many new restaurants and businesses are opening and experiencing great success.

- There are only 1,830 units of Class A apartments in Downtown and the nearby Duke and Ninth Street areas. Three projects are under construction in downtown in and around West Village with a total unit count of 677. Three additional projects are under construction by Crescent Resources and Faison in the 9th Street area with a total unit count of 713.
- The 2,800 seat DPAC is a significant magnet for Downtown and is currently listed in the Top 4 of Pollster Magazine's Top Worldwide Theatre Venues.
- The Durham Bulls AAA Ballpark along with the rest of Downtown attract over 2 million visitors annually.

Downtown was recently named *Southern Living's* "Tastiest Town in the South"

Two nearby universities play a major role in driving Downtown success:

- North Carolina Central University, a public institution with about 8,300 students
- Duke University, a private institution with about 14,500 students is ranked the 8th most prestigious private university in the country by *US News & World Report*. Duke will add 1,000 more graduate students in the near term and the Duke University Medical Center is under construction on an \$800 million expansion, which will create 1,000 new jobs.
- In addition, Duke leases 900,000 sf in Downtown Durham with 2,750 workers that office in that space. Duke employs a total of 34,500 with the majority located at the main campus two miles from downtown.

*The New York Times* on January 17, 2013 published a major piece on Downtown Durham entitled "36 Hours in Durham, NC," which described the vibrant scene, award winning restaurants and the city's culture.

# Triangle Region Accolades

## > OVERALL

- Raleigh-Wake County #1 America's 50 Best Cities Businessweek.com, September 2011

## > EDUCATION

- Wake County Public School System (WPSS) ±140,000 students, the largest system in NC and is consistently a top performer.
- WCPSS has been recognized over the years for having one of the top performing K-12 programs in the nation

## > GROWTH

- #4 Fastest-Growing City, March 2013
- #2 Biggest Boom Town, July 2011

## > INNOVATION & ENTREPRENEURSHIP

- #4 Best City for Young Entrepreneurs, April 2013
- #5 Hottest Tech Spot, January 2013
- #1 Most Wired City, March 2010
- #2 Best Place for Business and Careers, June 2012 (#1 in 2011)
- #2 City Creating the Most Technology Jobs, November 2013
- #2 Biggest Brain Magnet in the Nation, February 2011
- #3 Best Place for Business and Careers, August 2013
- Top 3 City to Start a Business, September 2013
- Raleigh #5 Most Cost-Attractive Business Location KPMG, March 2012

- Raleigh #1 Fastest Growing City Business Facilities, August 2013
- Raleigh #3 City for Business Prosperity in 2014 Business Review USA, January 2014
- Raleigh-Cary #7 Metro with Most College-Educated Residents New York Times, May 2012
- Raleigh-Cary #3 Fastest Growing American City Huffington Post, August 2012
- Wake County #6 Hottest American City of the Future, Yahoo Finance, June 2012
- Raleigh #1 Ten Booming Markets for Your IT Job Search, Dice.com, March 2012
- Raleigh-Cary #1 America's Leading Creative Metros, TheAtlanticCities.com, July 2012
- Raleigh-Cary #6 America's Leading High-Tech Metros, TheAtlanticCities.com, June 2012

## > QUALITY OF LIFE

- #5 Best City to Raise a Family, April 2012
- Raleigh-Cary #1 Best Large Metro for Home ownership Nerd Wallet, January 2014
- Raleigh-Durham-Cary #7 Best Bang for your Buck City TheFiscalTimes.com, June 2012
- Wake County #1 Healthiest County in NC CountyHealthRankings.org, 2010-2013
- Raleigh Places #5 Ecofriendliest City Thumbtack, August 2012
- Durham #1 "Tastiest Town in the South" Southern Living, January 2013 (Raleigh made top 10, January 2012)

# Duke University Medical Center

Duke University Hospital has been recognized as one of the world's great health care providers by such publications as TIME and U.S. News & World Report. A full-service tertiary and quaternary care hospital, Duke University Hospital is licensed for 938 acute care beds and 19 adult psychiatry beds.

> **#1 IN NORTH CAROLINA**

> **#1 IN RALEIGH-DURHAM**

> **NATIONALLY RANKED HOSPITAL**

Duke University Hospital in Durham, NC is ranked nationally in 13 adult and 9 pediatric specialties. It was also high-performing in 1 adult specialty, as shown below. It scored high in patient safety, demonstrating commitment to reducing accidents and medical mistakes. Duke University Hospital is a 819-bed general medical and surgical facility with 37,698 admissions in the most recent year reported. It performed 16,966 annual inpatient and 21,368 outpatient surgeries. Its emergency room had 70,086 visits. Duke University Hospital is a teaching hospital.

**Adult Specialties:** This hospital was among 144 facilities—roughly 3 percent of the 4,743 analyzed for the latest Best Hospitals rankings—to be ranked in even one of the 16 specialties.

**Pediatric Specialties:** This hospital was one of 89 facilities that were ranked in at least one of 10 specialties in the 2014-15 Best Children's Hospitals.

**Patient Satisfaction:** Under a federal program, most U.S. hospitals now sample recently discharged patients and ask them about their stay. In a year's worth of surveys, here's how this hospital's patients responded to a key question, along with averages within the state and nationally.



**\$2.539 BILLION** operating revenues

**LARGEST EMPLOYER  
IN DURHAM COUNTY**

**98** buildings on **201** acres

**2ND LARGEST PRIVATE  
EMPLOYER IN NC**

**16,318 EMPLOYEES**

**819** beds



# Duke University

Younger than most other prestigious U.S. research universities, Duke University consistently ranks among the very best. Duke's graduate and University consistently ranks among the very best. Duke's graduate and ment, law, medicine, nursing and public policy — are among the leaders in their fields. Duke's home campus is situated on nearly 9,000 acres in Durham, N.C, a city of more than 200,000 people. Duke also is active internationally through the Duke-NUS Graduate Medical School in Singapore, Duke Kunshan University in China and numerous research and education programs across the globe. More than 75 percent of Duke students pursue service-learning opportunities in Durham and around the world through DukeEngage and other programs that advance the university's mission of "knowledge in service to society."

➤ **#2 COLLEGE IN THE SOUTH**

➤ **#13 RESEARCH UNIVERSITY**

➤ **#22 PRIVATE COLLEGE**

➤ **#23 UNIVERSITY OVERALL**

**Duke Athletics**, part of the Atlantic Coast Conference, fields teams in 26 NCAA Division I varsity sports. The Blue Devils have won national championships in men's basketball, lacrosse and soccer, and women's golf and tennis. The Duke Sports Hall of Fame, in the Schwartz-Butters Athletic Center next to Cameron Indoor Stadium, is open to the public.

**Duke Medicine** integrates patient care with the clinical, training and research programs of the Duke University Health System, Duke University School of Medicine and Duke University School of Nursing. Duke University Hospital is the flagship of the broader Health System, which also includes two community hospitals (Durham Regional Hospital and Duke Raleigh Hospital) and more than 200 ambulatory care clinics.



**14,600** students enrolled

**8,280 CAMPUS  
EMPLOYEES**

171 buildings & systems on **201** acres

**CAMPUS SPANS 8,722  
ACRES**

**\$2.35 BILLION** operating  
revenue



# Demographics

## 1, 3, & 5 Mile Radius

	1 mile	3 miles	5 miles
<b>Population</b>			
2000 Population	15,287	83,977	151,839
2010 Population	12,701	82,704	169,632
2013 Population	13,259	85,487	177,869
2018 Population	14,305	91,337	192,408
2000-2010 Annual Rate	-1.84%	-0.15%	1.11%
2010-2013 Annual Rate	1.33%	1.02%	1.47%
2013-2018 Annual Rate	1.53%	1.33%	1.58%
2013 Male Population	49.0%	48.7%	48.0%
2013 Female Population	51.0%	51.3%	52.0%
2013 Median Age	29.3	30.6	32.2

In the identified area, the current year population is 177,869. In 2010, the Census count in the area was 169,632. The rate of change since 2010 was 1.47% annually. The five-year projection for the population in the area is 192,408 representing a change of 1.58% annually from 2013 to 2018. Currently, the population is 48.0% male and 52.0% female.

### Median Age

The median age in this area is 32.2, compared to U.S. median age of 37.3.

### Race and Ethnicity

2013 White Alone	14.5%	32.1%	38.1%
2013 Black Alone	72.6%	47.9%	42.7%
2013 American Indian/Alaska Native Alone	0.7%	0.7%	0.6%
2013 Asian Alone	0.4%	3.3%	4.1%
2013 Pacific Islander Alone	0.1%	0.1%	0.1%
2013 Other Race	9.8%	13.4%	11.8%
2013 Two or More Races	2.0%	2.5%	2.8%
2013 Hispanic Origin (Any Race)	15.0%	21.7%	19.4%

Persons of Hispanic origin represent 19.4% of the population in the identified area compared to 17.4% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 77.4 in the identified area, compared to 62.1 for the U.S. as a whole.

### Households

2000 Households	4,805	30,597	59,685
2010 Households	4,074	30,652	67,605
2013 Total Households	4,304	31,868	71,163
2018 Total Households	4,719	34,395	77,561
2000-2010 Annual Rate	-1.64%	0.02%	1.25%
2010-2013 Annual Rate	1.71%	1.20%	1.59%
2013-2018 Annual Rate	1.86%	1.54%	1.74%
2013 Average Household Size	2.48	2.41	2.37

The household count in this area has changed from 67,605 in 2010 to 71,163 in the current year, a change of 1.59% annually. The five-year projection of households is 77,561, a change of 1.74% annually from the current year total. Average household size is currently 2.37, compared to 2.37 in the year 2010. The number of families in the current year is 39,053 in the specified area.

\*Data Sourced from ESRI: U.S. Census Bureau, Census 2010 Summary File 1.

# Demographics

## 1, 3, & 5 Mile Radius

	1 mile	3 miles	5 miles
<b>Median Household Income</b>			
2013 Median Household Income	\$18,806	\$32,458	\$39,280
2018 Median Household Income	\$21,626	\$38,255	\$47,328
2013-2018 Annual Rate	2.83%	3.34%	3.80%
<b>Average Household Income</b>			
2013 Average Household Income	\$33,037	\$49,366	\$58,671
2018 Average Household Income	\$37,636	\$56,897	\$67,380
2013-2018 Annual Rate	2.64%	2.88%	2.81%
<b>Per Capita Income</b>			
2013 Per Capita Income	\$13,378	\$19,366	\$23,935
2018 Per Capita Income	\$15,102	\$22,335	\$27,571
2013-2018 Annual Rate	2.45%	2.89%	2.87%

### Households by Income

Current median household income is \$39,280 in the area, compared to \$51,314 for all U.S. households. Median household income is projected to be \$47,328 in five years, compared to \$59,580 for all U.S. households

Current average household income is \$58,671 in this area, compared to \$71,842 for all U.S. households. Average household income is projected to be \$67,380 in five years, compared to \$83,667 for all U.S. households

Current per capita income is \$23,935 in the area, compared to the U.S. per capita income of \$27,567. The per capita income is projected to be \$27,571 in five years, compared to \$32,073 for all U.S. households

### Housing

2000 Total Housing Units	5,420	33,278	64,477
2000 Owner Occupied Housing Units	1,217	12,334	27,489
2000 Renter Occupied Housing Units	3,588	18,263	32,196
2000 Vacant Housing Units	615	2,681	4,792
2010 Total Housing Units	5,114	35,140	75,497
2010 Owner Occupied Housing Units	991	12,161	31,304
2010 Renter Occupied Housing Units	3,083	18,491	36,301
2010 Vacant Housing Units	1,040	4,488	7,892
2013 Total Housing Units	5,236	36,097	78,609
2013 Owner Occupied Housing Units	953	11,812	31,283
2013 Renter Occupied Housing Units	3,351	20,056	39,879
2013 Vacant Housing Units	932	4,229	7,446
2018 Total Housing Units	5,595	38,935	85,030
2018 Owner Occupied Housing Units	1,077	13,071	34,728
2018 Renter Occupied Housing Units	3,642	21,324	42,832
2018 Vacant Housing Units	876	4,540	7,469

Currently, 39.8% of the 78,609 housing units in the area are owner occupied; 50.7%, renter occupied; and 9.5% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 75,497 housing units in the area - 41.5% owner occupied, 48.1% renter occupied, and 10.5% vacant. The annual rate of change in housing units since 2010 is 1.81%. Median home value in the area is \$164,517, compared to a median home value of \$177,257 for the U.S. In five years, median value is projected to change by 3.05% annually to \$191,218.

# Market Overview