

Durham, NC 27713

# 1906 NC 54 Highway East

FOR SALE



## OFFERING SUMMARY

Sale Price:	\$1,050,000
Year Built:	1987
Building Size:	13,469 SF
Zoning:	Commercial Neighborhood (CN)
Price / SF:	\$77.96

## PROPERTY OVERVIEW

Real Estate Associates, Inc., as exclusive listing agent, is pleased to offer for sale to a qualified buyer 1906 NC 54 Highway East in Durham, North Carolina. This property consists of twelve condominium units, all owned by one entity, making up the entirety of the two buildings on the site. The tenant suites are intentionally leased to a variety of businesses on a short-term basis, thus giving a buyer ultimate flexibility with few long term lease encumbrances. The property offers the opportunity for a value-add investor to further upgrade the building and lease the spaces at market rates, or for an owner occupant to utilize vacant spaces within the property for its own use, while maintaining an income stream from existing or new tenants.

## PROPERTY HIGHLIGHTS

- Value-add investor or owner-occupant potential
- Close proximity to RTP (<1.0 mi), The Streets at Southpoint Mall (2.7 mi), Duke University (9.3 mi), UNC Hospitals (10.0 mi), RDU Airport (8.5 mi)
- Easy access to major roads including I-40, Hwy 147 (The Durham Freeway), I-540, NC Hwy 54, NC Hwy 55, Fayetteville Road
- Highly visible property
- Traffic Count of 22,000 VPD (NCDOT)
- Condo Association Common Area (100% controlled by owner): 1.032 acres

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[ADDITIONAL PHOTOS](#)



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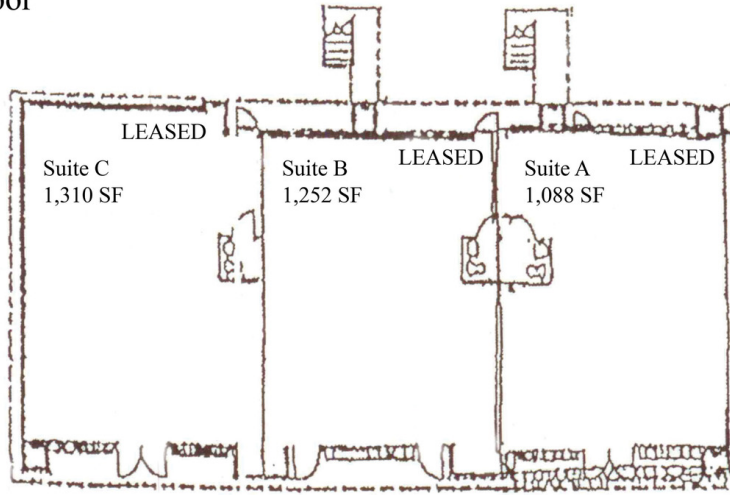
# 1906 NC 54 Highway East

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FLOOR PLAN

## Building I

### First Floor



### Second Floor



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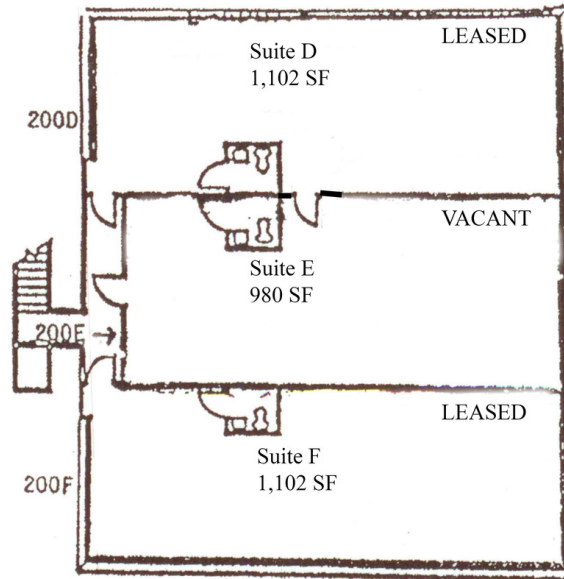
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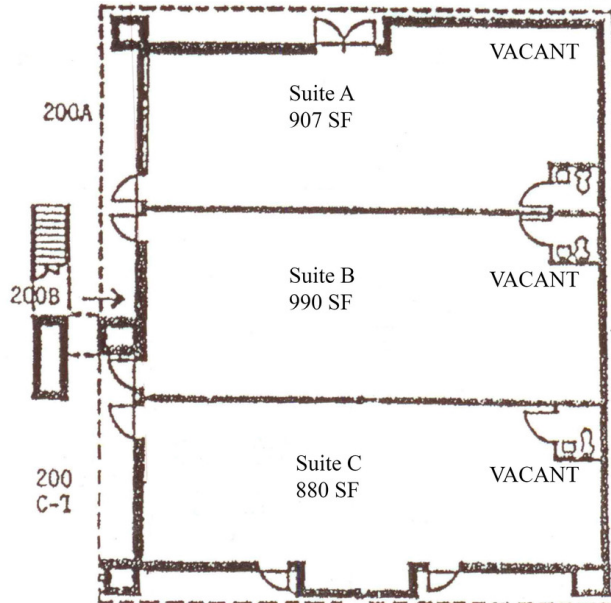
FLOOR PLAN

## Building II

### Second Floor



### First Floor



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PDF WITH HEADER/FOOTER

Income

			Annual	Note
Gross Rental Income	\$ 16.00	per RSF/Yr	\$ 215,504	Market Rate (with CapEx)
Vacancy Factor/Loss	12.5%	of GRI	\$ (26,938)	
Effective Gross Income			\$ 188,566	

Expenses

Item	2017 (Actual)	2018 (Actual)	Pro Forma	Note
RE Taxes	\$ 21,258	\$ 21,416	\$ 21,700	est.
Insurance	\$ 6,742	\$ 7,788	\$ 7,265	avg 17-18
Landscaping	\$ 3,455	\$ 3,445	\$ 3,450	avg 17-18
Maintenance	\$ 14,710	\$ 16,889	\$ 15,800	avg 17-18
House Utilities	\$ 3,813	\$ 2,766	\$ 3,290	avg 17-18
Vacant Suite Utilities	\$ 362	\$ 294	\$ 362	2017
Dumpster	\$ 2,050	\$ 2,446	\$ 2,600	est.
Water/Sewer	\$ 5,661	\$ 4,484	\$ 5,700	est.
Property Management	\$ 5,957	\$ 5,624	\$ 9,428	5% of EGI
Total	\$ 64,008	\$ 65,152	\$ 69,594	
/SF	\$ 4.75	\$ 4.84	\$ 5.17	

PM Fee added to 2017-18 for self-management based on actual income from those years






NOI Calculation

Pro Forma EGI	\$ 188,566
Pro Forma Expenses	\$ (69,594)
Net Operating Income	\$ 118,972
Capital Expenditures	Est. \$20/RSF
	\$ 269,380

Valuation

Range of Cap Rates	Income Capitalization	Less CapEx	Property Value	/SF
7.75%	\$ 1,535,119	\$ (269,380)	\$ 1,265,739	\$ 93.97
8.00%	\$ 1,487,146	\$ (269,380)	\$ 1,217,766	\$ 90.41
8.25%	\$ 1,442,081	\$ (269,380)	\$ 1,172,701	\$ 87.07
8.50%	\$ 1,399,667	\$ (269,380)	\$ 1,130,287	\$ 83.92
8.75%	\$ 1,359,677	\$ (269,380)	\$ 1,090,297	\$ 80.95
9.00%	\$ 1,321,908	\$ (269,380)	\$ 1,052,528	\$ 78.14
9.25%	\$ 1,286,181	\$ (269,380)	\$ 1,016,801	\$ 75.49
9.50%	\$ 1,252,334	\$ (269,380)	\$ 982,954	\$ 72.98
9.75%	\$ 1,220,223	\$ (269,380)	\$ 950,843	\$ 70.59
10.00%	\$ 1,189,717	\$ (269,380)	\$ 920,337	\$ 68.33

COMPARABLE SALES

Property Photo	Identifier	Address	Year Built	Date of Sale	Building SF	Price	Price/SF	Adjustments	Adj. Price/SF	Notes
	Adjacent Bldg	1912 E. Hwy 54	1985	10/29/2018	10,389	\$ 780,000	\$ 75	+10% for inferior condition	\$ 83	Maintenance Issues
	Faison Law	5517 Durham-Chapel Hill Blvd	1997	4/24/2017	20,000	\$ 2,125,000	\$ 106		\$ 106	
	Century Plaza	2511 E. Hwy 54	1986	11/26/2018	8,240	\$ 834,000	\$ 101	+10% for inferior condition	\$ 111	Vacant at time of sale
	Wells Fargo	3917 University Drive	1988	12/14/2017	12,500	\$ 1,150,000	\$ 92		\$ 92	Vacant at time of sale
	Subject Property	1906 E. Hwy 54	1987		13,469		\$ 94		\$ 98	
		Unadjusted Price				\$ 1,261,180				
		Adj. Price				\$ 1,320,542				

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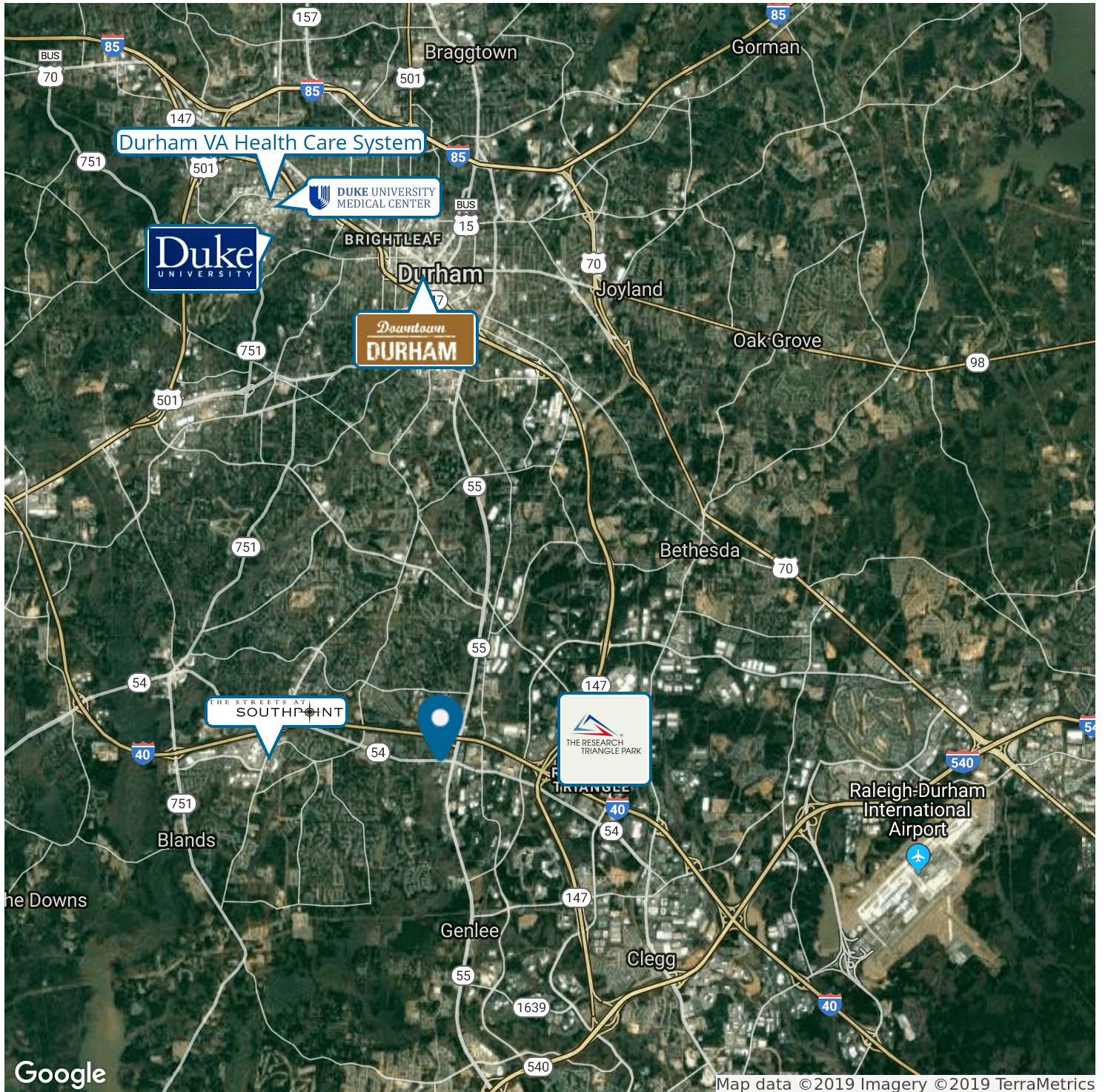
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RETAILER MAP



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