

RALEIGH - DURHAM | NORTH CAROLINA

100% LEASED CLASS A+ INDUSTRIAL CAMPUS  
WITH 15 YEAR NNN LEASE | UNDER CONSTRUCTION

# POWER SECURE

INDUSTRIAL CAMPUS



HFF®

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INDUSTRIAL CAMPUS



## INVESTMENT SUMMARY

ADDRESS	4062, 4068 Stirrup Creek Drive Durham, NC 27703	
YEAR BUILT	2017 (anticipated delivery July 2017)	
RENTABLE BUILDING AREA	Building A	85,560 SF
	Building B	172,500 SF
	<b>Total</b>	<b>258,060 SF</b>
OCCUPANCY	100%	
TENANT	PowerSecure Inc.	
LEASE STRUCTURE	NNN	
REMAINING LEASE TERM	15 years (commencing 7/1/2017)	
LEASE EXPIRATION DATE	6/31/2032	
ANNUAL ESCALATIONS	2.25%	
YEAR 1 NOI	\$1,605,977	

## 100% LEASED CLASS A+ INDUSTRIAL CAMPUS WITH 15 YEAR NNN LEASE | UNDER CONSTRUCTION

Holliday Fenoglio Fowler, L.P. acting by and through Holliday GP Corp. a North Carolina Licensed real estate broker (“HFF”) has been retained as the exclusive sales representative for the PowerSecure Industrial Campus, a two-building, 258,060 square foot Class A+ assembly, distribution, and R&D facility with a fifteen year lease term. Located in the high barriers-to-entry Raleigh-Durham, North Carolina MSA, the buildings are 100% leased to PowerSecure Inc., an industry leading product developer and solutions provider for utility companies and their large commercial, institutional, and industrial clients. Previously publicly traded under the ticker “POWR”, PowerSecure Inc. was recently acquired by Southern Company (NYSE: SO; S&P A-), the fifth largest publicly traded energy provider in the U.S. with a market cap of \$49.4 billion and annual revenues in excess of \$19.8 billion.

Currently under construction, the PowerSecure Industrial Campus is comprised of a best-in-class 172,500 SF assembly and distribution building and a state-of-the art 85,560 SF warehousing and R&D facility. The entire property features tilt-up concrete construction with attractive glass lines, 28'-30' clear heights, ESFR sprinkler systems, 130' truck courts with 60' concrete aprons and 100% HVAC throughout. The campus is located within Triangle Business Center, a 160-acre master-planned development strategically positioned directly adjacent to the world-renowned Research Triangle Park (RTP), at the center of a network of major transportation thoroughfares such as I-40, I-540, and I-85, providing seamless connectivity to the entire Southeast.



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## EXTREMELY RARE OPPORTUNITY TO ACQUIRE BRAND NEW CLASS A+ INDUSTRIAL PROPERTY

IN HIGH BARRIER-TO-ENTRY MARKET FEATURING  
OUTSTANDING CREDIT AND TERM

Brand-new, best-in-class construction featuring a 15 year NNN lease to PowerSecure Inc., an energy industry pioneer and wholly owned subsidiary of Southern Company (NYSE: SO ; S&P A-), the U.S.'s fifth largest publically traded energy provider (\$49.4 billion market cap)

PowerSecure Inc.'s revenues have grown at an outstanding compounded annual growth rate (CAGR) of 31.8% between 2000 and 2015, and reported \$443 million in revenues in FY 2015 before being acquired by Southern Company in May 2016

PowerSecure's growth is driven by accounts with high profile clients such as Kaiser Permanente, Georgia Power, The Home Depot, and The Bahamian Government

Comprised of over 1,000 employees, PowerSecure Inc. is a leading provider of microgrid, energy efficiency, and infrastructure solutions for utility companies and their large commercial and industrial clients

**IRREPLACEABLE LOCATION:** Situated in the master-planned Triangle Business Center, the property is positioned directly adjacent to the world-renowned Research Triangle Park with excellent access to a network of the region's major thoroughfares including Interstate 40, Interstate 540, and Interstate 85 – the industrial backbone of the Southeast

**INCREDIBLY TIGHT SUBMARKET:** At 97% leased, the RTP/I-40 industrial submarket is Raleigh-Durham's most well-established and sought-after submarket boasting brand-name industrial users such as GE, FedEx, UPS, Implus, and Amazon



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## STATE-OF-THE-ART CLASS A+ DISTRIBUTION AND R&D FACILITIES

Currently under construction, the property is a two (2) building, 258,060 SF build-to-suit for PowerSecure Inc. consisting of a 85,560 SF warehousing and R&D facility (Building A) and a 172,500 assembly and distribution facility (Building B)

- **Building A:** Facility features 28' clear heights, tilt-up concrete walls, an ESFR sprinkler system, 130' truck court with a 60' concrete apron, as well as a 30,000 square foot office/R&D component with executive offices and conference rooms
- **Building B:** Facility features 30' clear heights, tilt-up concrete walls, an ESFR sprinkler system, 130' truck court with a 60' concrete apron, 57'-6" wide x 50' deep column spacing, T5 fluorescent lighting and 10,000 square feet of office area

100% HVAC: Building A and Building B are serviced by four (4) and nine (9) twenty-ton RTU's respectively

The 172,500 SF Building B is designed with multiple entry points and extensive parking at the front of the facility to provide for future multi-tenant capability

Master Planned and well-maintained, the Triangle Business Center development features two (2) volleyball and basketball courts, natural trails and large open fields





## HIGH-CONNECTIVITY LOCATION

### IN RALEIGH-DURHAM'S PREMIER SUBMARKET

Situated within Triangle Business Center, a 160-acre master-planned business park, the property resides at the epicenter of a web of major transportation arteries including the Durham Freeway (1.0 miles), US Hwy 70 (2.5 miles), Interstate 40 (3.0 miles), Interstate 540 (3.5 miles), and Interstate 85 (7.0 miles)

Located within the Research Triangle Park/Interstate 40 (RTP/I-40) submarket, which is home to over 75% of the market's institutional quality industrial real estate and premier industrial users such as GE, FedEx, UPS, Implus and Amazon

Strategically positioned adjacent to the world-renowned Research Triangle Park (RTP); RTP houses more than 22.5 MSF of dedicated Research & Development space with 50,000 employees and 200 companies, including multi-national R&D operations of multiple Fortune 500 firms like IBM, Lenovo, BASF, Bayer, Cisco Systems, DuPont, Fidelity Investments, and GlaxoSmithKline

Property provides access to an abundance of lifestyle amenities including close proximity (2.5 miles) to Brier Creek – the area's premier master-planned mixed-use community featuring executive housing, an Arnold Palmer Signature Golf Course, and 800,000 SF of open air retail

Raleigh-Durham is one of the hottest job markets in the U.S., having added 59,500 jobs in the past two years and currently boasting a healthy 4.1% unemployment rate



97%

TOTAL OCCUPANCY

2.4 MSF

OF POSITIVE NET  
ABSORPTION LAST 24  
MONTHS

5

CONSECUTIVE YEARS OF  
POSITIVE RENTAL RATE  
GROWTH

## INCREDIBLY TIGHT INDUSTRIAL MARKET

WITH FUNDAMENTALS  
FOR CONTINUED GROWTH

**97% OCCUPANCY:** The Raleigh-Durham industrial market has improved to a record high 96.9% occupancy on the heels of 2.6 MSF of positive net absorption over the past twenty-four months

**EXPLOSIVE RENTAL RATE GROWTH:** A 16.4% increase in rental rates over the past 12 months has propelled industrial rental rates to as high as \$8.00 per square foot for facilities with similar improvements to the PowerSecure Industrial Campus

**RTP/I-40 SUBMARKET RENT PREMIUM:** Currently the RTP/I-40 submarket garners a 16% rental rate premium to the overall Raleigh-Durham industrial market due to the submarket's highly desirable proximity to the Research Triangle Park and seamless access to regional transportation thoroughfares

**LAND CONSTRAINED SUBMARKET:** Cost-effective industrial land has become increasingly scarce in the RTP/I-40 submarket due to rapid expansion of residential houses, RTP-specific R&D use restrictions, and topographical and geological constraints close to RTP, causing a steady rise in replacement costs





BRIER CREEK

FEDEX

IRON MOUNTAIN

IMPLUS

PARATA SYSTEMS

LABCORP

GE AIRCRAFT ENGINES

RALEIGH-DURHAM  
INTERNATIONAL AIRPORT

DOWNTOWN RALEIGH



CREE

AMAZON

ARGOS THERAPEUTICS

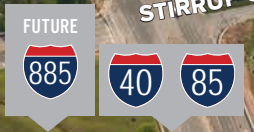
EMPIRE DISTRIBUTORS

TW ALEXANDER DRIVE

POWERSECURE INDUSTRIAL CAMPUS

PETER MILLAR

TRIANGLE BUSINESS CENTER



TO RESEARCH  
TRIANGLE PARK

STIRRUP CREEK DRIVE

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