

Three Medical NNN Condos for Sale Fully Leased by UNC Health and Edward Jones

77 Vilcom Center Drive
Chapel Hill, NC 27514

DAWSON HALL
77

Dawson Hall

UNC Health Care Psychiatry
Duke Primary Care
Office & Imaging
Duke Health & Life Science Center
UNC Health Center 27514

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This Offering has been prepared to provide a summary of unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation.

CityPlat, LLC has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering has been obtained from sources we believe are reliable; however, CityPlat, LLC has not verified, and will not verify, any of the information contained herein, nor has CityPlat, LLC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided.



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**EXECUTIVE
SUMMARY**



EXECUTIVE SUMMARY

CityPlat is pleased to present the opportunity to acquire Suites 160, 170 and 300 within Dawson Hall (the "Property"), located at 77 Vilcom Circle in Chapel Hill, North Carolina. The Property is comprised of three (3) office suites within three (3) office condominium units containing $\pm 13,272$ square feet, fully occupied by the University of North Carolina Health Care Systems and Edward D. Jones & Company, L.P. (the "Tenants"). With professional management already in place, this asset provides investors with long-term passive cash flow, ensured by credit-worthy parent companies.

Ideally situated in Chapel Hill 40, a $\pm 157,000$ square-foot Class A office complex, the Property is strategically located just five minutes from the University of North Carolina at Chapel Hill and provides immediate access to I-40 and NC-86, both major arteries connecting Chapel Hill to the rest of the Triangle region. The amenity-rich area affords occupants the ability to walk or bike to numerous restaurants, shops and retailers. Features such as the intimate, natural office campus setting; high-end, professional lobby finishes; security system services; showers and bike racks make the building an excellent solution for any organization's space needs. The Property is suited for a host of professional and healthcare related service organizations, while currently other occupants of the building include Duke University Health Systems, Inc., Chapel Hill Implant and Oral Surgery Center.

Based in Chapel Hill, UNC Health Care is a not-for-profit health care system owned by the State of North Carolina with \$3.6 billion in annual revenue in FY2016, and currently comprises UNC Hospitals and its provider network, the clinical programs of the UNC School of Medicine, and nine affiliate hospitals and hospital systems across the state. Within the Property, UNC Health Care will operate a number of psychology clinics including treatment for postpartum depression, children with learning disabilities, geriatric memory care, and cancer patient coping.

Initially founded in St. Louis, Missouri in 1922, Edward Jones is a financial services firm that supports individual investors and small business owners through its branch network of more than 14,000 locations in the U.S. and Canada. Currently, Edward Jones has the largest number of branch offices among brokerage firms in the United States, relationships with nearly 7 million clients, and \$1 trillion in assets under management.

FOR SALE | \$4,300,000

CAP RATE | 6.53%

NOI | \$281,030.78

INVESTMENT HIGHLIGHTS

Dawson Hall

Location	77 Vilcom Circle Suites 160, 170 & 300 Chapel Hill, NC 27514
Type	Class A Condominium Building (±72,346 sf)
Zoning	OI-2
Sales Price	\$4,300,000
Cap Rate	6.53%
Estimated NOI	\$281,030.78 (Year 1)

Suite 160

Tenant	Edward D. Jones & Co., L.P.
Rentable Area	±1,012 sf
Year Upfit	2014
Lease Expiration	June 30, 2025
Current Rent	\$24.04/sf, Full Service Gross
Rent Increases	3.0%/year
Renewal Options	One 5-year

Suites 170 & 300

Tenant	University of North Carolina Health Care System
Rentable Area	±12,260 sf
Year Upfit	2018
Lease Expiration	June 30, 2025
Current Rent	\$23.50/sf, Full Service Gross
Rent Increases	3.0%/year
Renewal Options	One 7-year



Passive long-term investment opportunity in one of the fastest growing regions in the U.S.



Stable, credit-quality tenants with a weighted average lease term of over 6.5 years



Attractive three percent (3.0%) annual rent increases



Professionally managed Class-A property initially constructed in 2007, with tenant upfits completed in 2014 and 2015



Situated in a private, modern business park setting with mature, well-designed landscaping



Desirable location with excellent regional access via I-40 and NC-86



Five-minute drive to The University of North Carolina at Chapel Hill campus and Franklin Street

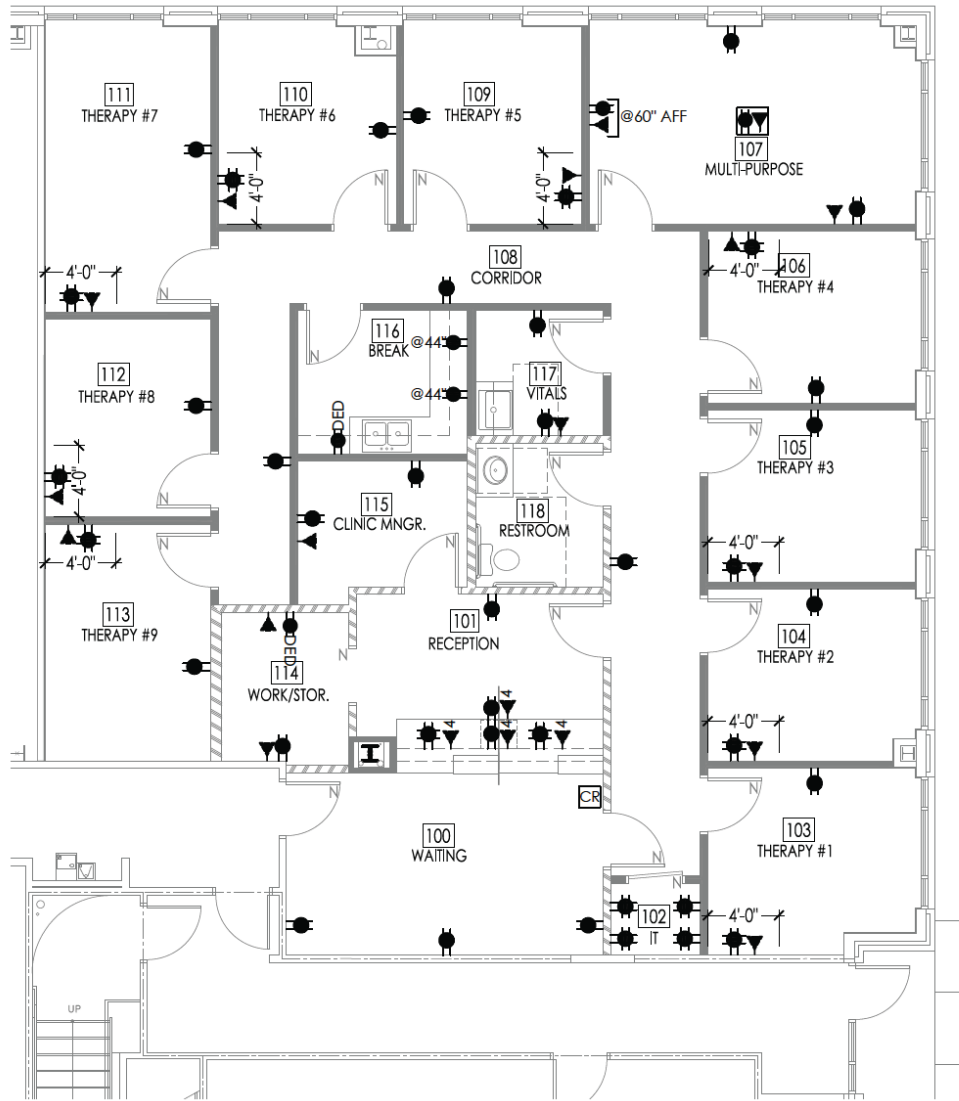


Conveniently located near amenity-rich Chapel Hill North and Timberlyne Shopping Centers

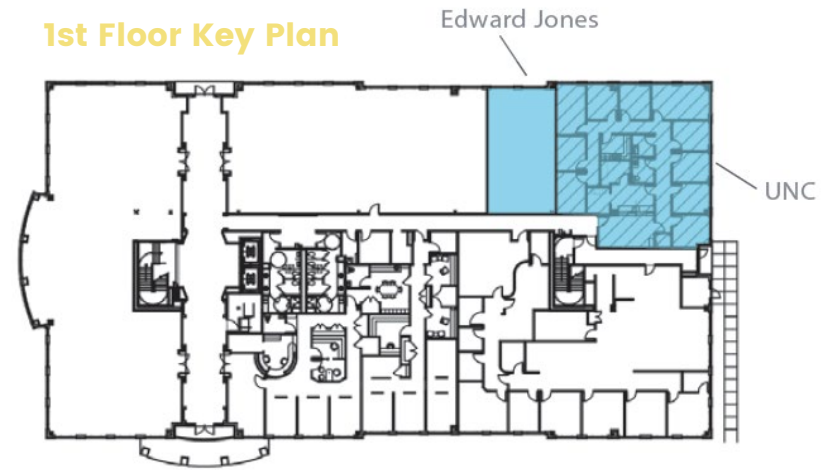


100m+ lifestyle community under construction just one mile away on 55 acres, including 400 apartments

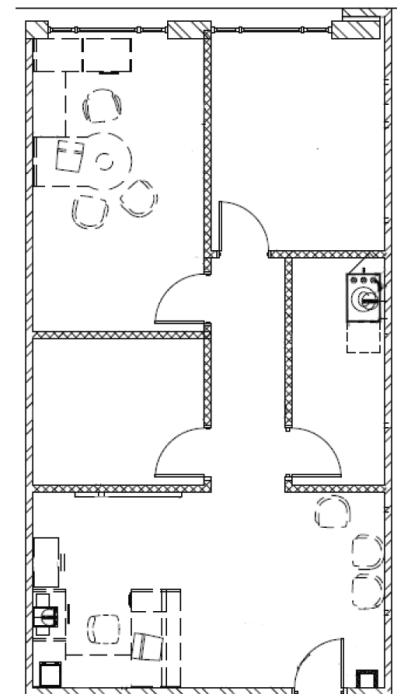
FLOOR PLANS | 1ST FLOOR



1st Floor Key Plan



Edward Jones | 1st Floor

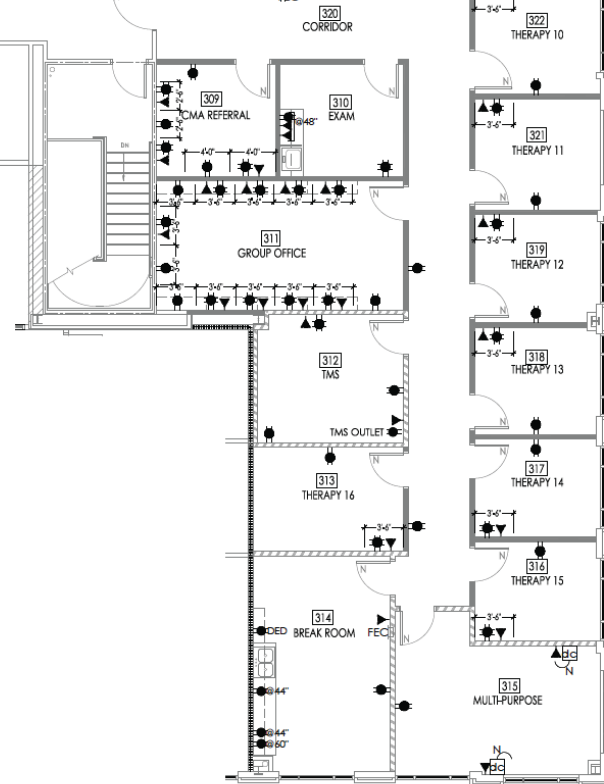


FLOOR PLANS | 3RD FLOOR



1 | 3RD FLOOR: FURNITURE & POWER PLAN
SCALE: 1/8"=1'-0"

3rd Floor Key Plan



RENT ROLL & **INCOME AND EXPENSE STATEMENT**

Suite	Tenant	Size	Lease Start	Lease End	Starting Lease Rate	Starting Annual Rent	Escalator
160	Edwards Jones	1012	7/1/19	6/30/25	\$24.76	\$25,057.12	3.00%
170	UNC Health System	2806	8/1/18	7/31/25	\$23.50	\$65,941.00	3.00%
200	UNC Health System	9454	8/1/18	7/31/25	\$23.50	\$222,169.00	3.00%
Total NOI						\$313,167.12	

Operating Income	2020	2021	2022	2023	2024	2025
Edward Jones - Unit 160 - Base Rent	\$25,432.98	\$26,195.97	\$26,981.85	\$27,791.30	\$28,625.04	\$29,483.79
Edward Jones - Unit 160 - Expense Overage	\$1,555.85	\$2,998.31	\$3,270.60	\$3,270.60	\$3,270.60	\$3,270.60
UNC Health - Unit 170 - Base Rent	\$68,768.22	\$70,831.27	\$72,956.20	\$75,144.89	\$77,399.24	\$79,721.22
UNC Health - Unit 300 - Base Rent	\$231,694.50	\$238,645.33	\$245,804.69	\$253,178.83	\$260,774.20	\$268,597.42
UNC - Unit 170 - Expense Overage	\$5,115.22	\$9,111.88	\$3,270.60	\$3,270.60	\$3,270.60	\$3,270.60
UNC - Unit 300 - Expense Overage	\$14,436.02	\$42,002.70	\$45,350.77	\$45,350.77	\$45,350.77	\$45,350.77
Total Operating Income	\$327,451.54	\$338,670.87	\$349,013.34	\$359,385.62	\$370,069.07	\$381,073.03
Operating Expenses	2020	2021	2022	2023	2024	2025
HOA Dues	\$43,256.00	\$43,256.00	\$47,226.30	\$47,226.30	\$47,226.30	\$47,226.30
Misc. Cleaning	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00
Insurance	\$2,908.00	\$2,908.00	\$2,908.00	\$2,908.00	\$2,908.00	\$2,908.00
Property Taxes	\$20,918.56	\$53,533.38	\$53,533.38	\$53,533.38	\$53,533.38	\$53,533.38
Total Operating Expenses	\$67,982.56	\$67,982.56	\$67,982.56	\$67,982.56	\$67,982.56	\$67,982.56
Net Operating Income	\$259,468.98	\$270,688.31	\$281,030.78	\$291,403.06	\$302,086.51	\$313,090.47
CAP Rate			6.53%			
Sale Price Based on CAP			\$4,300,000			

PROPERTY OVERVIEW



CHAPEL 40 OWNERS ASSOCIATION

Chapel Hill 40 (the “Campus”) is a contemporary office campus consisting of ±19.833 acres of land, subdivided into four (4) building lots. Located on Weaver Dairy Road in Chapel Hill, the Campus is just one mile from I-40, five miles from the University of North Carolina at Chapel Hill and Downtown Chapel Hill, and 12 miles from the Raleigh-Durham International (RDU) airport. The Campus offers excellent amenities. The central wooded and landscaped courtyard has seating and WiFi service. The Campus has sidewalks, covered bike shelters and a reflecting pool with a gentle waterfall. There is always ample parking. The common areas, common area improvements and facilities, are managed, maintained and operated by an owner’s association known as Chapel Hill 40 Association (the “Association”).

Certain covenants and restrictions are placed upon the Property to provide control, management and maintenance and to protect and promote the beneficial ownership, use and enjoyment of the Campus. All buildings are designed and constructed in accordance with development standards set forth by the Association’s architectural committee. In addition, the Association maintains, repairs and replaces site lighting, all paved surfaces (including parking lots and private roads), signs, monuments, traffic signals and landscaping.

As part of the Chapel Hill 40 Campus, the Property is subject to annual dues payable to the Association. Additional information, such as Bylaws and the Declaration of Covenants and Restrictions, may be provided as part of Due Diligence.

Property Fact Sheet

Address:	77 Vilcom Circle, Suite 340 Chapel Hill, NC 27514
Submarket:	Orange County
PIN:	9880-46-9322
Jurisdiction:	Orange County, Town of Chapel Hill
Land Class:	Commercial
Land Use:	Office
Zoning:	OI-2 (Office/Institutional - 2)
Built:	2007
Site Area:	One (1) acre
Access:	Via signalized intersection along Weaver Dairy Road
Roof:	TPO
Elevator:	Two (2) Otis elevators
HVAC:	Two (2) 45-ton Trane units; One (1) 70-ton Trane unit
Electrical:	Provided by Duke Energy
Water/Sewer:	Provided by OWASA
Cable:	Provided by Spectrum



Weaver Dairy Road ±13,000 VPD



LEASE ABSTRACTS



The University of North Carolina Chapel Hill (UNC - Chapel Hill) is the nation's oldest public university. Approximately 29,000 undergraduate, graduate and professional students are enrolled at the school annually.

UNC is regularly acclaimed for its business, law and medical programs and is consistently ranked as one of the best values in education in the U.S. The University and UNC Health Care system are significant drivers of office demand in the Chapel Hill submarket. The Chapel Hill-based UNC Health Care system includes UNC Hospitals and its provider network, the clinical programs of the UNC School of Medicine and nine affiliate hospitals and hospital systems across North Carolina, including UNC Rex Healthcare in Raleigh. UNC Health Care posted \$3.6 billion in revenue in 2016 and had an operating income of \$196.6 million.

Lease Abstract

Location	77 Vilcom Center, Suite 170 & 300 Chapel Hill, NC 27514
Rentable Area	12,260 sf
Rent Structure	Full Service Gross
Base Year	2019
Base Lease Term	Six (6) years
Commencement	August 1, 2018
Expiration	July 31, 2025
Rent Escalation	3.0% annual increase
Parking	3.3/1,000 unassigned surface spaces

Edward Jones | INVESTMENTS

Jones is an financial services firm founded by Edward D. Jones in 1922 in St. Louis, Missouri. Today, Edward Jones is a leader in the financial services industry, a Fortune 500 company that serves investment clients in the United States and Canada with over 12,000 locations. Edward Jones serves nearly 7 million investors from more offices than any other investment firm in America. The firm focuses solely on individual investors and small-business owners.

Edward Jones has consistently been ranked among the best companies to work for by FORTUNE magazine and has received numerous awards and rankings including "Highest in Investor Satisfaction" by J.D. Power and Associates and No. 1 in the annual SmartMoney magazine full-service brokerage survey. As a privately owned company, Edward Jones prides itself on having a personal family-like feel.

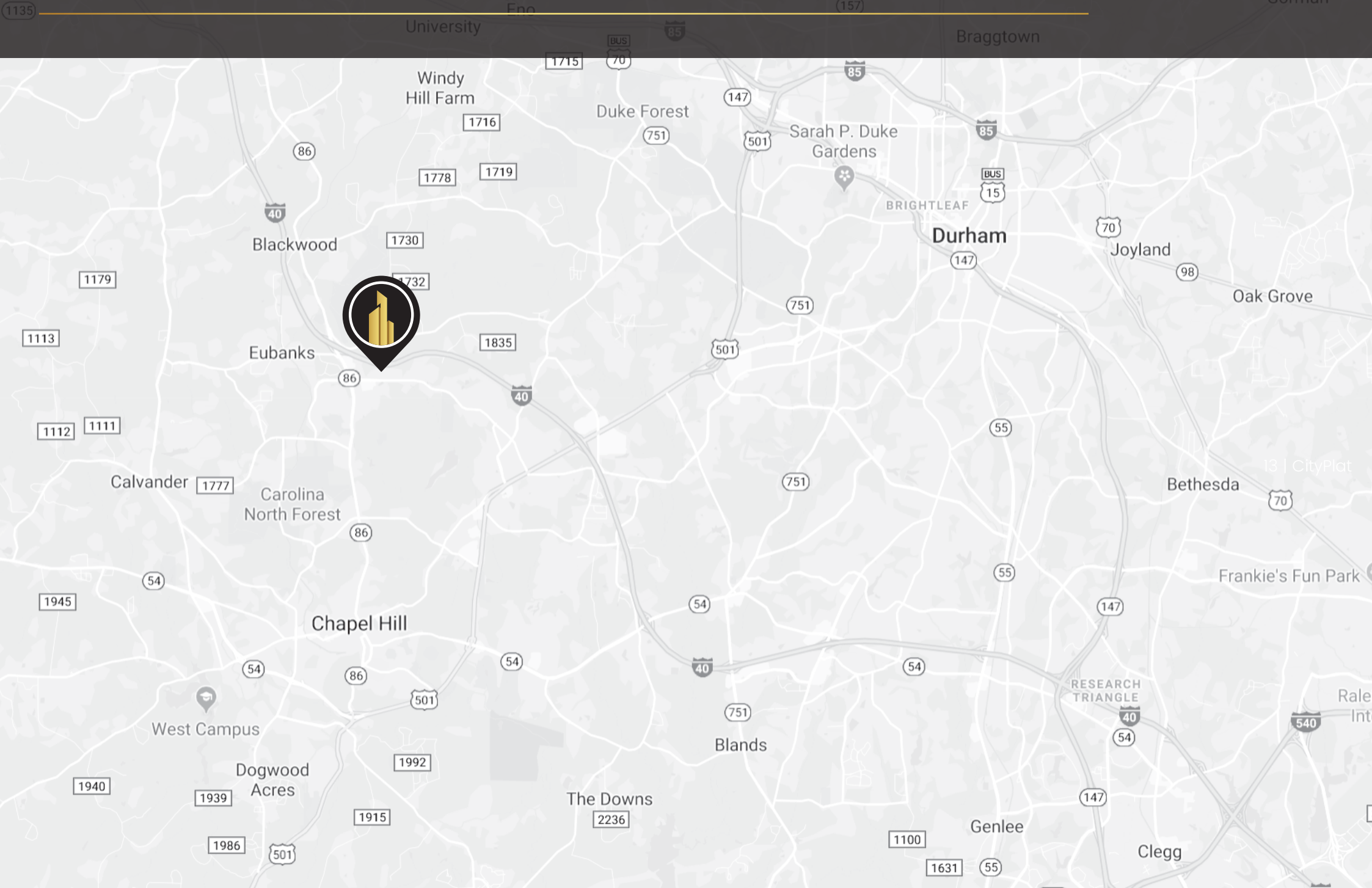
Lease Abstract

Location	77 Vilcom Center, Suite 160 Chapel Hill, NC 27514
Rentable Area	1,012 sf
Rent Structure	Full Service Gross
Base Year	2019
Base Lease Term	Six (6) years
Commencement	July 1, 2019
Expiration	June 30, 2025
Rent Escalation	3.0% annual increase
Parking	3.3/1,000 unassigned surface spaces

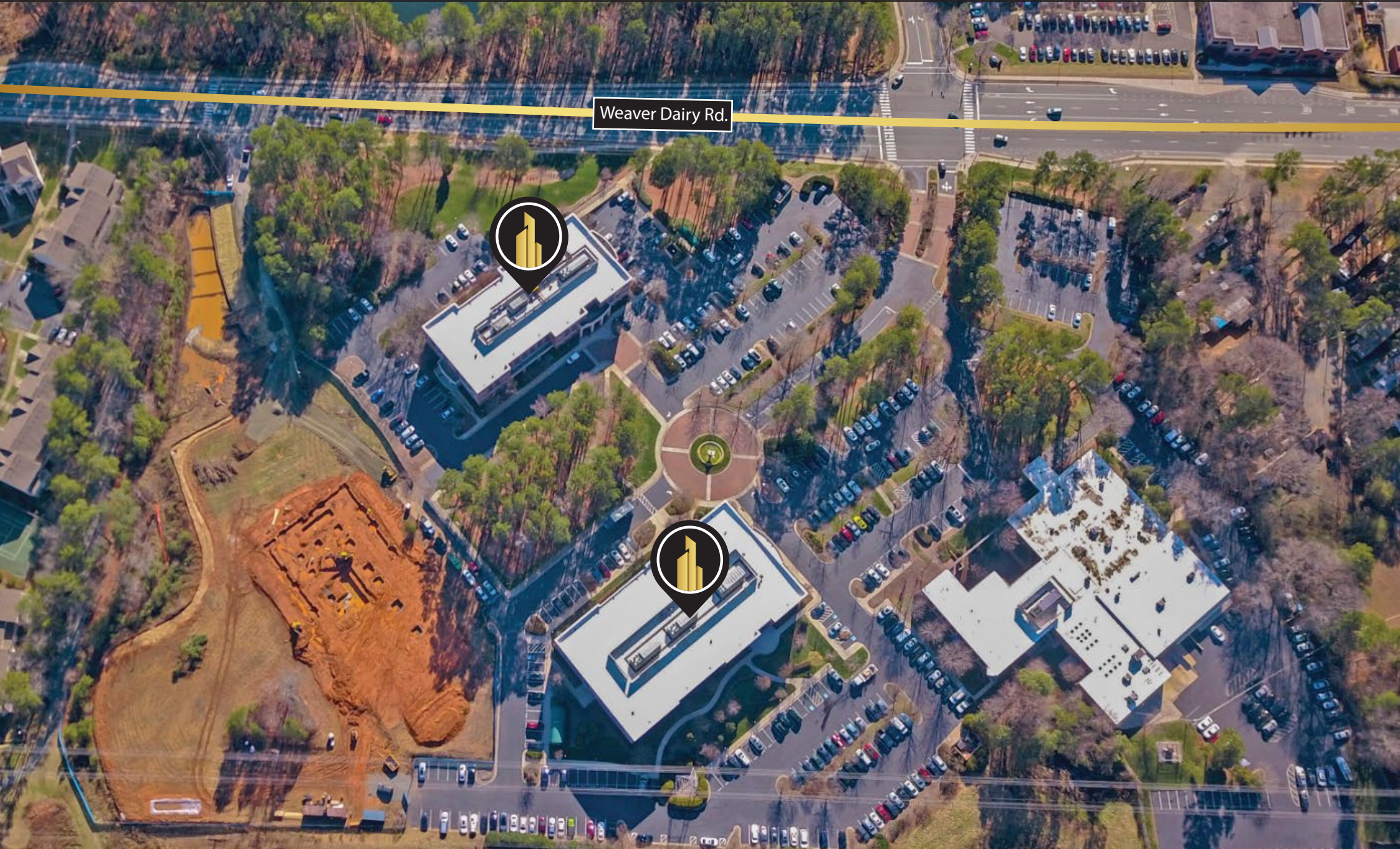
LOCATION OVERVIEW



MAPS & AERIALS



MAPS & AERIALS



Weaver Dairy Rd.

MAPS & AERIALS



WELLS FARGO

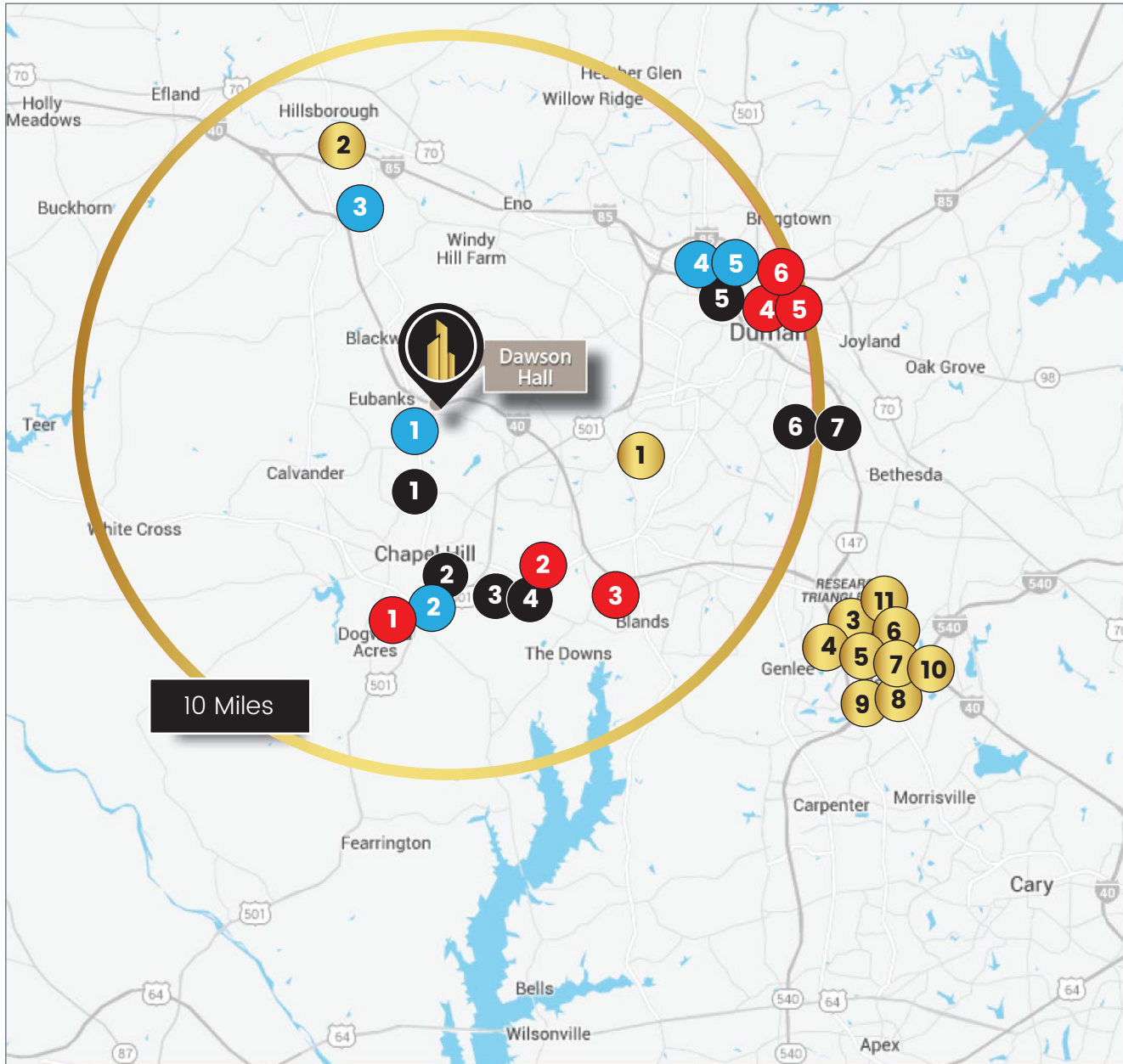


Weaver Dairy Rd.



Kingston Dr.

MAPS & AERIALS



Institutional

- 1 UNC North Campus
- 2 UNC Main Campus
- 3 UNC South Campus
- 4 UNC Friday Center
- 5 Duke University
- 6 NC Central University
- 7 Durham Tech

Medical

- 1 UNC Healthcare
- 2 UNC Hospital
- 3 UNC Healthcare
- 4 Durham VA Hospital
- 5 Duke Hospital

Places of Interest

- 1 Southern Village
- 2 Meadowmont Village
- 3 Streets at Southpoint Mall
- 4 American Tobacco Campus
- 5 Durham Bulls Athletic Park
- 6 Durham Performing Arts Center

Major Employers

- 1 Blue Cross Blue Shield NC (HQ)
- 2 Sports Endeavors (HQ)
- 3 Bayer Crop Science
- 4 GlaxoSmith Kline
- 5 IBM
- 6 General Electric
- 7 Toshiba
- 8 CREE (HQ)
- 9 RTI (HQ)
- 10 Quintiles (HQ)
- 11 Fidelity Investments

CHAPEL HILL, NC

Chapel Hill is a town in Orange, Chatham, and Durham counties in the U.S. state of North Carolina. Its population was 57,233 in the 2010 census, making Chapel Hill the 15th-largest city in the state. Chapel Hill, Durham, and the state capital, Raleigh, make up the corners of the Research Triangle, with a total population of 1,998,808.

The town was founded in 1793 and is centered on Franklin Street, covering 21.3 square miles. It contains several districts and buildings listed on the National Register of Historic Places. The University of North Carolina at Chapel Hill and UNC Health Care are a major part of the economy and town influence. Local artists have created many murals.

Though Chapel Hill is a principal city of a large metropolitan area, it retains a relatively small-town feel. Combined with its close neighbor, the Chapel Hill-Carrboro area has roughly 85,000 residents. Many large murals can be seen painted on the buildings. Also, for more than 30 years, Chapel Hill has sponsored the annual street fair, Festifall, in October. The fair offer booths to artists, craftsmakers, nonprofits, and food vendors. Performance space is also available for musicians, martial artists, and other groups. The fair is attended by tens of thousands each year.

The Sorrell building on Franklin Street has housed a movie theater (currently called the Varsity Theatre) since its construction in 1927. A variety of corporations are headquartered in Chapel Hill. Health insurance provider Blue Cross and Blue Shield of North Carolina was one of the town's 10 largest employers. Technology companies USAT Corp and Realtime Ops have made Chapel Hill their headquarters location. Journalistic, Inc., the publisher of the nationally acclaimed magazines Fine Books & Collections, QSR, and FSR recently relocated from Durham to Chapel Hill. New companies are selecting the town as their base of operations such as the service company Alpha Install.

Chapel Hill also has some new urbanist village communities, such as Meadowmont Village and Southern Village. Meadowmont and Southern Village both have shopping centers, green space where concerts and movies take place, community pools, and schools. Also, a traditional-style mall with a mix of national and local retailers is located at University Place.

In 2009, Chapel Hill ranked number three on Newsmax magazine's list of the "Top 25 Most Uniquely American Cities and Towns", a piece written by current CBS News travel editor Peter Greenberg. According to the magazine, Greenberg based the rankings on a variety of features, such as quality of schools and proximity to medical care, as well as culture, hospitality, and scenic beauty.

Recent Accolades

#1 Public University in the U.S. (UNC-Chapel Hill)

Business First, February 2016

#2 State for Business (North Carolina)

Forbes, November 2016

#3 Best U.S. Cities for Entrepreneurs (Chapel Hill)

Citi iO, June 2017

#4 State for Attracting New and Expanded Corporate Facilities (NC)

Site Selection Magazine, March 2017

#4 Most Educated Cities in America (Durham-Chapel Hill)

WalletHub, July 2017

#4 Best Places to Live in the U.S. (Raleigh-Durham-Chapel Hill),

U.S. News, March 2016

#6 Undergraduate Business School in the U.S. (UNC's Kenan-Flagler School of Business)

Bloomberg Businessweek, April 2016

#8 Best Cities in the U.S. for Jobs (Raleigh-Durham-Chapel Hill),

Glassdoor, May 2016

DEMOGRAPHICS

2019 Summary	1 Mile	3 Miles	5 Miles
Population	5,735	33,722	100,579
Households	2,276	13,386	39,283
Families	1,569	8,076	20,089
Average Household Size	2.51	2.49	2.34
Owner Occupied Housing Units	1,431	7,784	19,063
Renter Occupied Housing Units	845	5,601	20,220
Median Age	40.1	36.4	31.1
Median Household Income	\$116,826	\$90,465	\$68,762
Average Household Income	\$155,456	\$132,856	\$109,616

2024 Summary	1 Mile	3 Miles	5 Miles
Population	6,462	36,801	107,067
Households	2,501	14,536	41,826
Families	1,714	8,705	21,352
Average Household Size	2.57	2.51	2.36
Owner Occupied Housing Units	1,454	8,056	19,883
Renter Occupied Housing Units	1,047	6,480	21,944
Median Age	39.8	36.9	32.3
Median Household Income	\$136,144	\$104,128	\$79,810
Average Household Income	\$171,939	\$146,792	\$122,403



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