



RESEARCH COMMONS

RALEIGH-DURHAM, NORTH CAROLINA

CONFIDENTIAL OFFERING MEMORANDUM





RESEARCH COMMONS

executive summary



4301

RESEARCH COMMONS

RALEIGH - DURHAM, NORTH CAROLINA

Jones Lang LaSalle Americas, Inc. ("JLL") has been retained as the exclusive sale representative for Research Commons, a 429,758 square foot life science conversion opportunity featuring 18+ acres of additional developable land. The property, which is currently 86% leased with 6.2 years of WALT, is uniquely positioned within the bounds of Research Triangle Park, the largest dedicated research park in the country and home to a slew of global companies including Apple, Eli Lilly, Glaxo-Smith Kline, IBM, and more, and at the geographic center of Raleigh-Durham. Raleigh-Durham is one of the world's leading life science hubs, driven primarily by innovative companies positioned within the world-renowned Research Triangle Park. Research Triangle Park's status as a leading life science hub drives a bullish long-term outlook for Research Commons, which stands to benefit from long-term tailwinds within the sector as additional development is completed and buildings are potentially converted.

This unique opportunity allows a future owner to maintain positive cash flow throughout the life science conversion process of the existing real estate and the development of the additional land as a long-term lease in place with Grifols (38.5% of RBA) was extended an additional five years to a 2032 expiration date as well as expanded into an additional 14,103 square feet just last year. This space is mission critical to Grifols as it is well positioned to create synergy between their operations at Research Commons and their manufacturing plant in Clayton, NC, which is the largest plasma fractionation facility in the world. The property is adjacent to numerous game-changing corporate relocations, including Apple's transformation campus and a number of significant life science and pharmaceutical campuses. Furthermore, Research Commons is one of the largest non-owner occupied campuses in RTP, a dynamic which creates high barriers to entry for investors and leasing advantages as the majority of the product in RTP is not leaseable. Research Commons stands to benefit from long-term demand driven by secular tailwinds within the life science space, along with long-term migration and corporate relocations to the region.

This offering is a truly one-of-a-kind opportunity to gain significant scale, development land, and life science conversion space, and ultimately substantially grow or seed a life science platform in one of the most coveted life science markets in the country.

- Nº. 1 UNIQUE LIFE SCIENCE OPPORTUNITY**
- Nº. 2 IDEAL LIFE SCIENCE CONVERSION OPPORTUNITY**
- Nº. 3 STRONG TENANT ROSTER WITH LIFE SCIENCE ADJACENT BUSINESS**
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INVESTMENT SUMMARY

ADDRESS

79 TW Alexander Drive
Durham, NC 27709

RENTABLE BUILDING AREA

4101 Research Commons	73,606 SF
4201 Research Commons	89,913 SF
4301 Research Commons	90,893 SF
4401 Research Commons	116,350 SF
4501 Research Commons	58,996 SF

PORTFOLIO 429,758 SF

PERCENT OCCUPIED

4101 Research Commons	100.0%
4201 Research Commons	100.0%
4301 Research Commons	100.0%
4401 Research Commons	66%
4501 Research Commons	62%

PORTFOLIO 86%

WALT 6.2 Years

TOTAL ACREAGE 58.9 Acres

LAND SITE ACREAGE 18.1 Acres



FUNDING

THE COUNTY
FUNDING PER CAPITA
ACCESS TO PRIVATE EQUITY
PURE CAPITAL FUNDING



Nº. 1

UNIQUE LIFE SCIENCE OPPORTUNITY

FEATURING STABLE INCOME, CONVERSION OPPORTUNITY & ADDITIONAL DEVELOPMENT LAND

STABLE INCOME, CREDIT WORTHY TENANCY

The asset is anchored by Grifols, a global pharmaceutical and chemical manufacturer, who leases 38% of the rentable area through 2032 following a recent expansion and extension within the Portfolio. Grifols has been at the asset since 1999, and has remained committed to the property as they have continued to grow throughout North Carolina. Grifols operates one of the largest plasma fractionation facilities in the world in Clayton, a 30 minute drive from RTP. Furthermore, Grifols is actively moving employees from around the country to this location and is building out additional offices for executives. In addition to Grifols, a number of other tenants lease space at Research Commons, further promoting stability at the asset.

\$6.5 BILLION
REVENUE

GRIFOLS
REGIONAL HQ

24,000
GLOBAL EMPLOYEES

LIFE SCIENCE CONVERSION POTENTIAL

The properties cater to a life science conversion from both a structural and lease rollover standpoint, allowing immediate conversion optionality within vacancy and as leases roll, and a full-building conversion opportunity when NC Fast's lease expires in early 2023, allowing for the entirety of building 4301 (90,891 SF) to be converted should a future owner desire.

ADDITIONAL LAND DEVELOPMENT OPTIONALITY

The offering features 18+ additional acres of developable land, including an approved site plan that was established by the current owner. The excess land allows the future owner the opportunity to establish more than 273,000 SF of additional built footprint with a 120' height limit, creating the opportunity to add substantial density on the site. Furthermore, a future owner could allocate a portion of the available footprint to campus amenities, greenhouse space, and other uses between the buildings or on the outskirts of the campus.



4401 RESEARCH COMMONS

4301 RESEARCH COMMONS

**18+ ADDITIONAL ACRES
OF DEVELOPABLE LAND**

**DEVELOPMENT LAND:
POTENTIAL FOR 273,000 SF
OF ADDITIONAL FOOTPRINT**

4201 RESEARCH COMMONS

4101 RESEARCH COMMONS

4501 RESEARCH COMMONS



IDEAL LIFE SCIENCE CONVERSION OPPORTUNITY

LAB CONVERSION STRATEGY

Research Commons is ideally positioned for a conversion to life science, specifically at buildings 4301 and 4401, which physically meet numerous criteria for conversion and have favorable occupancy and lease rollover supporting a conversion. A future owner may plan to convert the 4401 building to a lab asset early in their hold period, leasing up the existing vacancy as lab and converting additional space as leases expire.

Furthermore, the 4301 building was a purpose-built lab building when it was initially constructed, and will be an ideal conversion candidate when NC Fast's lease expires in early 2023. These buildings, coupled with the additional development land, will create a campus consisting of nearly 60% lab space.

52.1% LIFE SCIENCE | 1.6% LAB

224,025 SF LIFE SCIENCE | 6,741 SF LAB

Grifols, ICON, Impact Pharmaceuticals, BioAbility, and Pharm Olam combine to make up the Life Science tenancy at Research Commons while Verdesian leases 6,741 SF of lab space in 4401

51.3% LIFE SCIENCE | 33.1% LAB

220,406 SF LIFE SCIENCE | 142,341 SF LAB

All of 4301 becomes available for conversion as NC Fast rolls. Additionally, another 1,625 SF in 4401 become available for conversion with PiTech's expiration

AS-IS

YEAR 2

YEAR 1

YEAR 4

51.3% LIFE SCIENCE | 11.6% LAB

220,406 SF LIFE SCIENCE | 49,823 SF LAB

43,082 SF becomes available for conversion from vacancies in 4401 as well as two small tenants with lease expirations which could be converted. Verdesian's lease expires during this time as well, however the lab conversions happening around them will likely lead to a renewal and, potentially, an expansion.

31.4% LIFE SCIENCE | 59.1% LAB

220,406 SF LIFE SCIENCE | 415,341 SF LAB

Near the start of Year 4, the new lab development delivers.

Note: Assumes all renewal options are executed and the additional land is developed based on the density currently approved in the site plan.



PORTFOLIO
KEY PHYSICAL ATTRIBUTES

13'6"-17'9"
CEILING
HEIGHTS



ABUNDANT
NATURAL LIGHT

20'+

COLUMN
SPACING



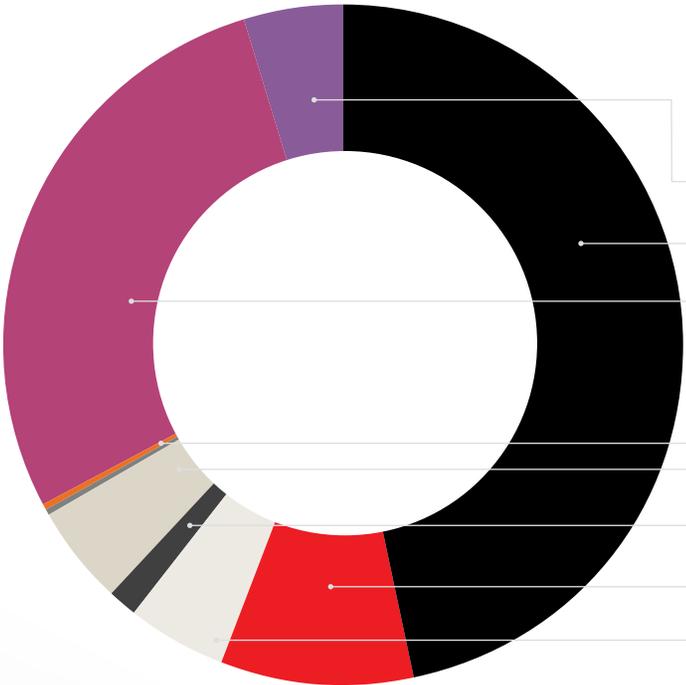
OVERSIZED
& FREIGHT
ELEVATORS

STRONG TENANT ROSTER WITH LIFE SCIENCE ADJACENT BUSINESS ACTIVITY

The tenant roster for Research Commons reflects the heavy appetite for life science space in RTP. With over 60% of the current tenant roster being Life Science firms using the space for life science adjacent business activities, the potential for these firms to move their Life Science operations to Research Commons as conversions take place and land is developed stands as a massive benefit to a future owner. Additionally, the tenant roster would assist in attracting other Life Science firms to the new lab space as these companies prefer to be in close proximity to one another resulting in synergy between firms.

TENANT	INDUSTRY	SQUARE FEET	% OF OCCUPIED SPACE
 GRIFOLS	Life Science	165,640	45.0%
 ICON	Clinical Research	30,215	8.2%
 IMPACT	Pharmaceuticals	17,229	4.7%
 VERDESIAN	Life Science	6,741	1.8%
 GO THERAPEUTICS	Biopharmaceuticals	4,797	1.3%
 Pharm-Olam	Clinical Research	3,239	0.9%
 IUPAC	Trade Association	2,525	0.7%
 BioAbility	Life Science Consulting	380	0.1%
Life Science Related Total		230,766	62.8%
 PiTech SOLUTIONS	Consulting	1,625	0.4%
 NC FAST	GSA	102,875	28.0%
 GENERAL DYNAMICS	Aerospace and Defense	17,458	4.7%
 MEMA	Trade Association	15,030	4.1%
Office Total		136,988	37.2%
TOTAL		367,754	100.0%

62.8%
OF LEASED SPACE IS OCCUPIED BY LIFE SCIENCE AND LIFE SCIENCE-ADJACENT FIRMS





TENANT BY INDUSTRY

4.7% AEROSPACE & DEFENSE

46.9% LIFE SCIENCE

28.0% GSA

0.1% LIFE SCIENCE CONSULTING

0.4% CONSULTING

4.8% TRADE ASSOCIATION

1.3% BIOPHARMACEUTICALS

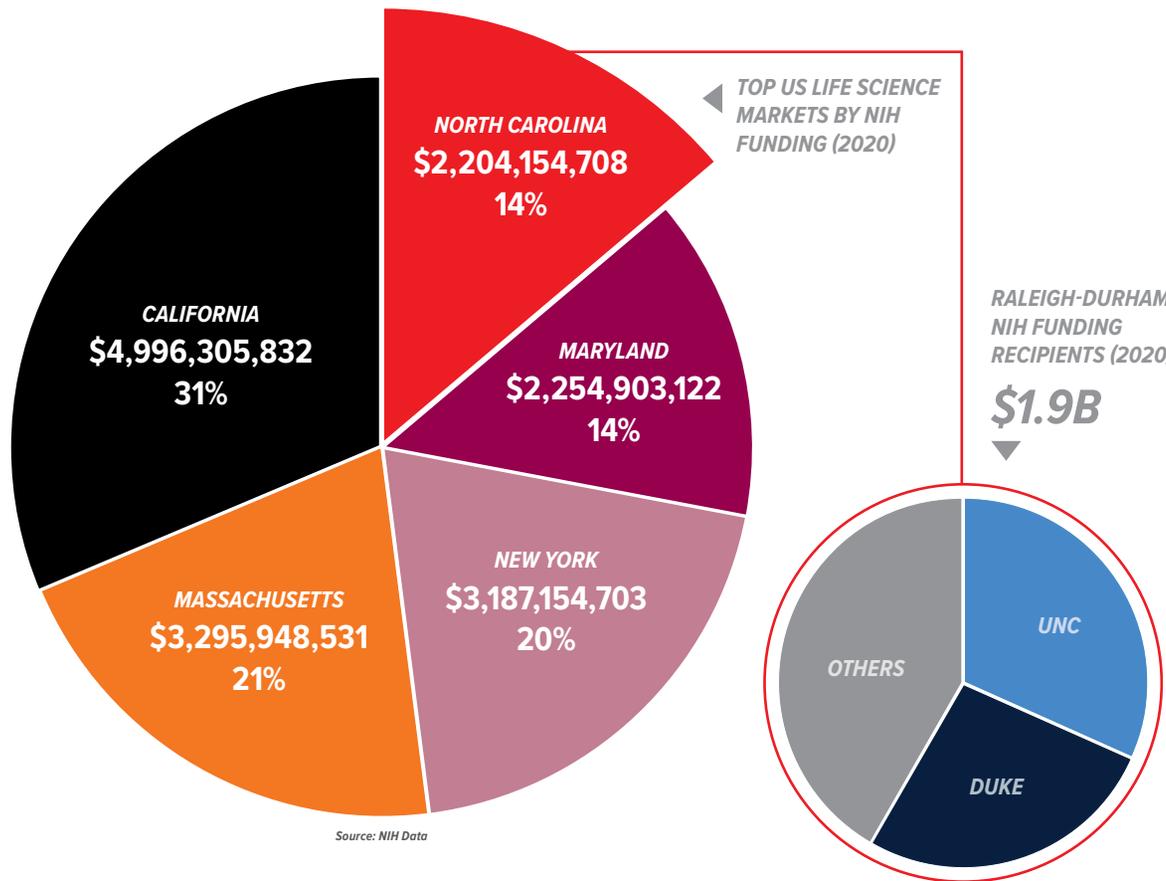
9.1% CLINICAL RESEARCH

4.7% PHARMACEUTICALS

No. 4

LEADING BRAIN HUB

Consistently ranked as one of the top five life science clusters in the nation, Raleigh-Durham features strategic advantages over competing major markets with unique economic drivers that will continue to foster growth in the region:



HOME TO TWELVE COLLEGES AND UNIVERSITIES WHICH COMBINED PRODUCE THE MOST LIFE SCIENCE DOCTORATES IN THE NATION

47% OF INDIVIDUALS ABOVE THE AGE OF 25 IN RALEIGH-DURHAM HOLD A BACHELORS DEGREE OR HIGHER



#8 NATIONAL UNIVERSITY RANKING

One of the top universities in the nation for research funding



THE UNIVERSITY of NORTH CAROLINA at CHAPEL HILL

#5 NATIONAL PUBLIC UNIVERSITY RANKING

More than \$10 billion in annual revenue generated from UNC based startups

#12 BEST PUBLIC GRADUATE ENGINEERING PROGRAM



100+ startups and spin offs based on NC State research attracting a total of \$1.6 billion in venture capital

Source: US News & World Report

#1 IN NIH FUNDING PER CAPITA

among major life science hubs

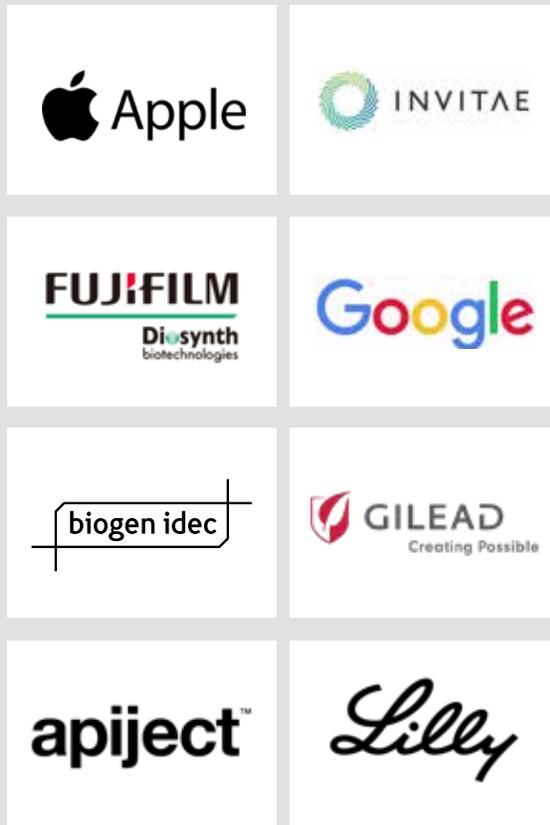
Raleigh-Durham was ranked No. 5 in the nation for NIH funding in 2020 and receives a disproportionate amount of capital in comparison to much more populous regions, receiving \$2.2 billion in 2020. The Research Triangle region leads major life science hubs in NIH funding per capita.

EXPLOSIVE POPULATION & EMPLOYMENT GROWTH

Known for an exceptional quality of life, favorable business environment and breadth of top-quality employers, Raleigh-Durham is projected to be the second fastest growing large city in the nation, according to the United Nations Population Division.

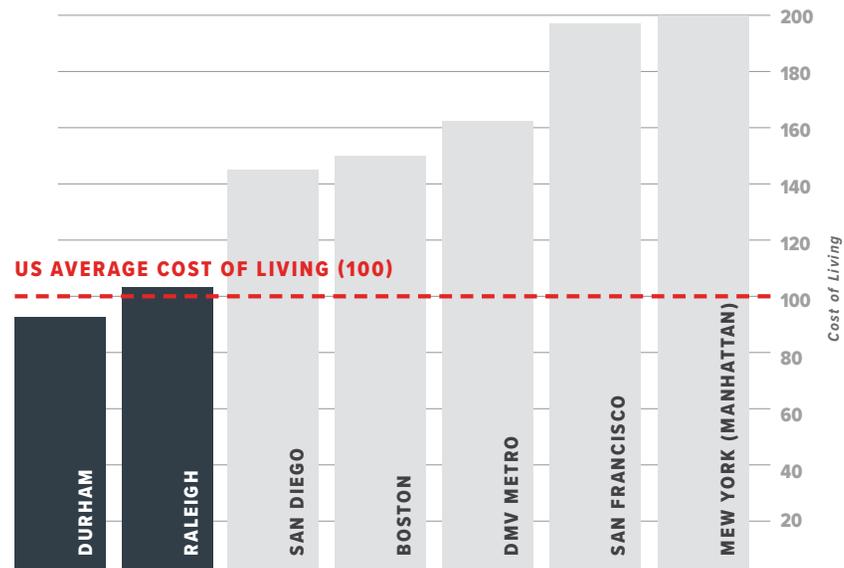
NOTABLE STEM EMPLOYERS

Raleigh-Durham's STEM and life science growth has seen tremendous growth over the last several years with notable job announcements from Apple, Google, Biogen, and Eli Lilly.



COST OF LIVING INDEX

Raleigh-Durham significantly outperforms peer STEM hubs



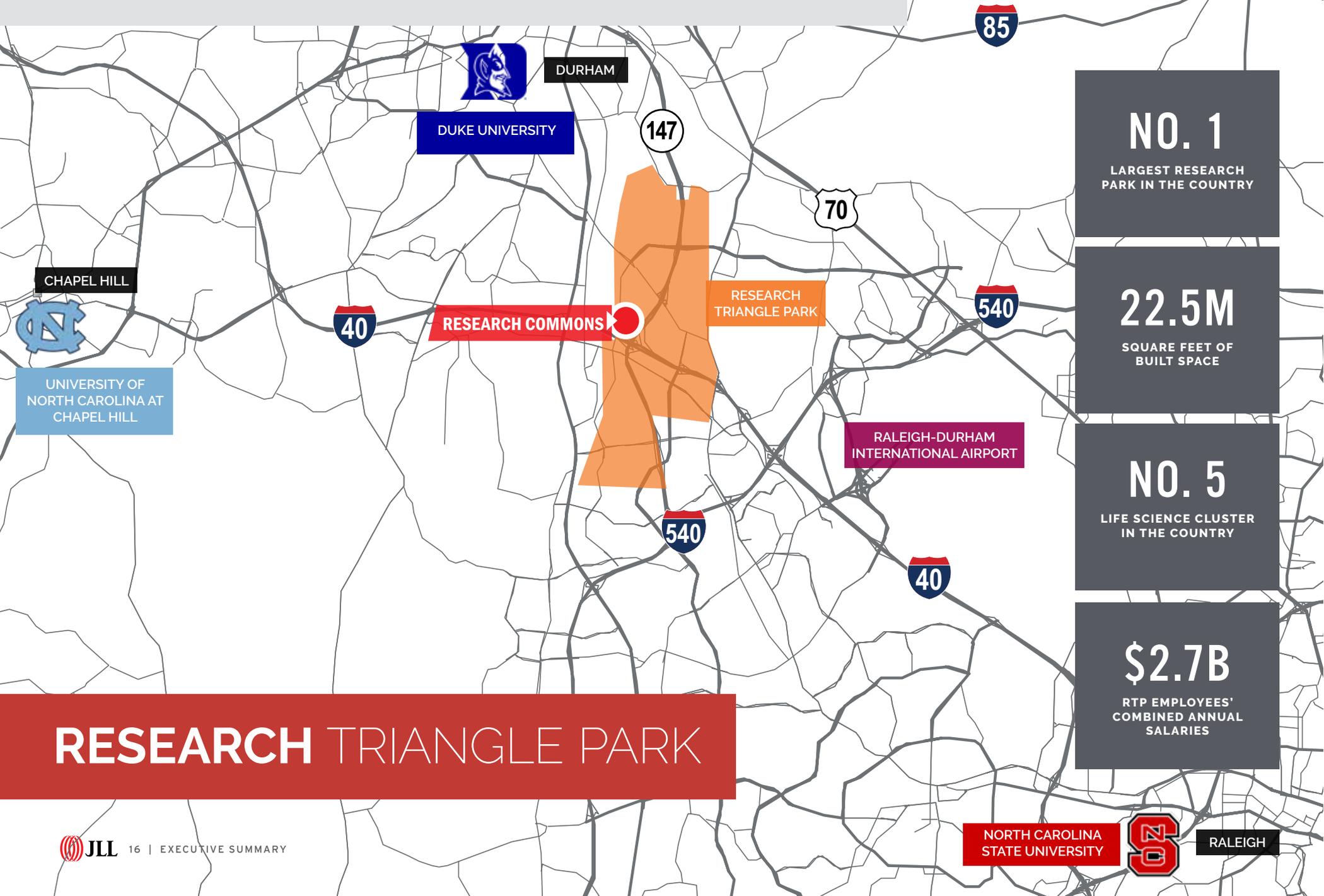
Source: Precis Metro Cost of Living Data

SIGNIFICANT OPERATING COST DISCOUNT TO PEER STEM HUBS

With the lowest corporate tax rate in the nation and a relatively low cost of living, Raleigh-Durham significantly outperforms peer markets.

The region has already attracted some of the world's largest institutional investors who recognize advantageous market fundamentals and the area's abundance of intellectual capital.

THE TRIANGLE'S STRONGEST SUBMARKET



NO. 1

LARGEST RESEARCH PARK IN THE COUNTRY

22.5M

SQUARE FEET OF BUILT SPACE

NO. 5

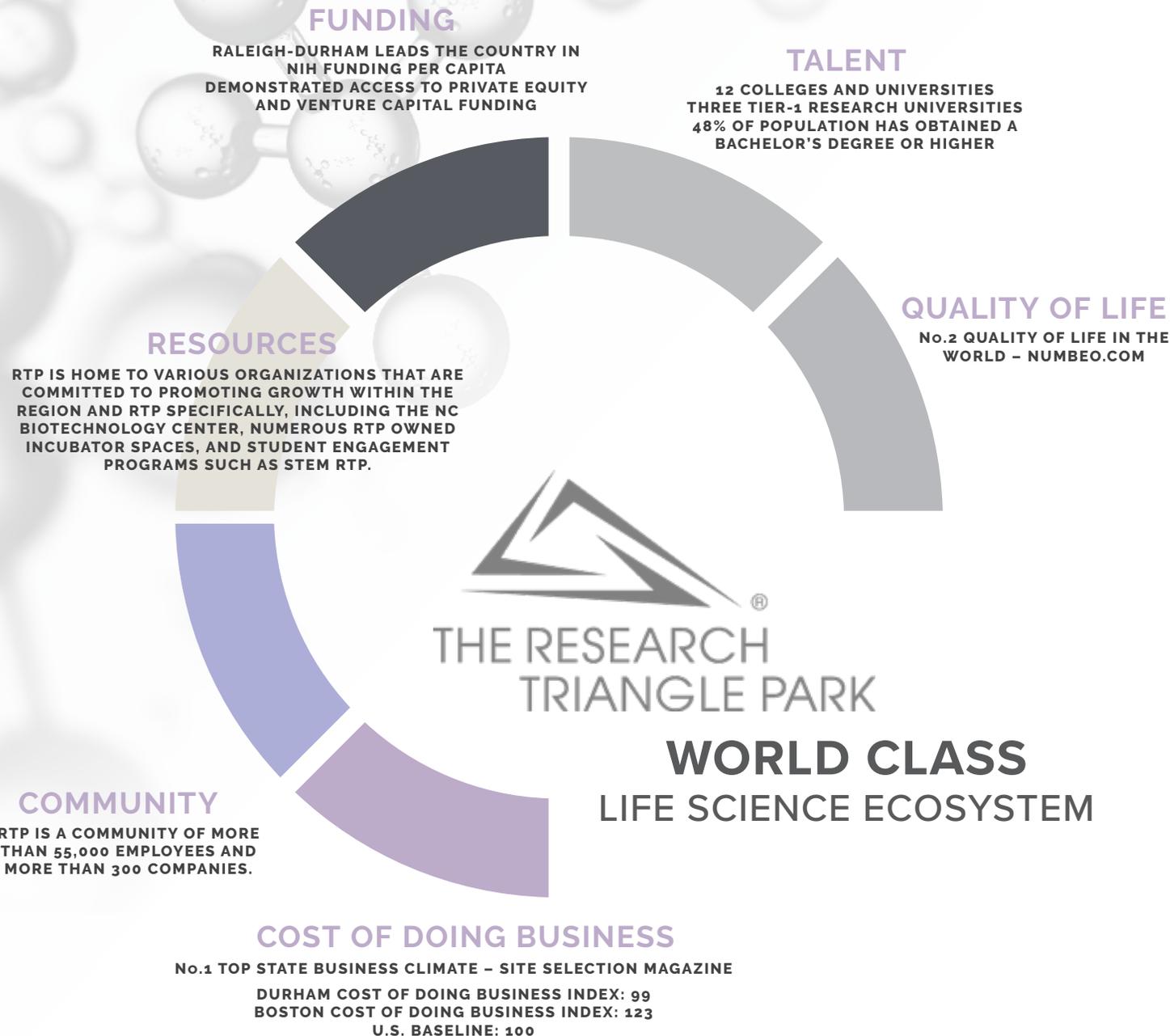
LIFE SCIENCE CLUSTER IN THE COUNTRY

\$2.7B

RTP EMPLOYEES' COMBINED ANNUAL SALARIES

RESEARCH TRIANGLE PARK





CENTER OF GRAVITY FOR ECONOMIC DEVELOPMENT IN NC

With tenants from innovative tech companies, life science giants, and traditional office users, RTP Proper boasts the most forward thinking tenants in all of NC with Fortune 500 firms such as Apple, IBM, Eli Lilly, Credit Suisse, and NIEHS all within the bounds of the park.

STRATEGIC BUSINESS ADVANTAGES

RTP was strategically positioned to be easily accessible from Durham, Raleigh, and Chapel Hill and this still reigns true today. With average commute times of less than 25 minutes and a nearby international airport RTP provides tenants with easy accessibility. Tenants in the park also benefit from being adjacent to world class companies performing cutting edge research along with numerous support programs and mentorship opportunities available through the Research Triangle Park Foundation.

INCREASING DENSITY

RTP is quickly becoming more dense, with multiple new developments adjacent to Research Commons.

Boxyard RTP is an innovative food hall that sits adjacent to Research Commons and will hold restaurants and bars such as Fullsteam RTP, Bulkogi, Lagoon Bar, Lawrence BBQ, Meat and Graze, Carrburritos, and RTP Uncorked. Just next to this new food hall will be Hub RTP, a massive mixed use development that will have 75,000 SF of retail, 1200 apartment units, and over 700,000 SF of planned office space.

These are the first retail developments ever in RTP

Nº. 6

MAJOR RECENT ANNOUNCEMENTS NEAR RESEARCH COMMONS



TOTAL INVESTMENT SIZE
\$2,000,000,000

JOBS
725

AVERAGE WAGES
UNKNOWN

LOCATION PURPOSE
MEDICINE DEVELOPMENT
AND PRODUCTION

ANNOUNCEMENT DATE
3/18/21



TOTAL INVESTMENT SIZE
TBD

JOBS
1,000

AVERAGE WAGES
\$165,000

LOCATION PURPOSE
ENGINEERING HUB

ANNOUNCEMENT DATE
3/18/21



TOTAL INVESTMENT SIZE
\$114,000,000

JOBS
374

AVERAGE WAGES
\$91,000

LOCATION PURPOSE
TESTING AND LAB

ANNOUNCEMENT DATE
4/20/21



TOTAL INVESTMENT SIZE
\$5,000,000

JOBS
275

AVERAGE WAGES
\$142,175

LOCATION PURPOSE
BUSINESS SERVICES
CENTER

ANNOUNCEMENT DATE
2/9/21

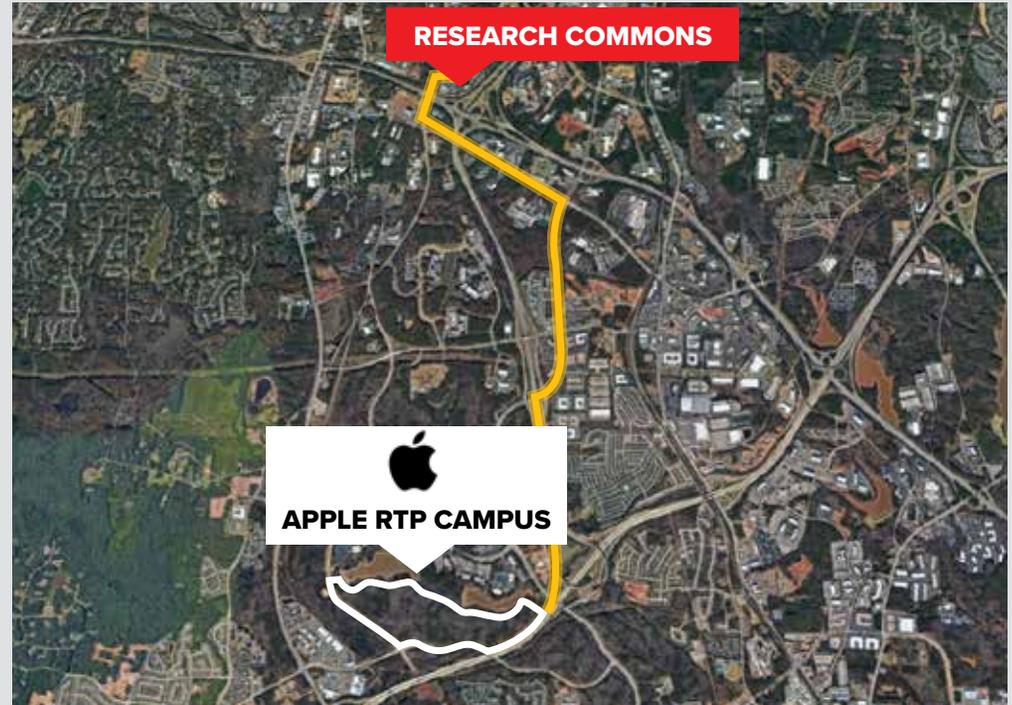
APPLE ANNOUNCES \$1 BILLION INVESTMENT INTO RESEARCH TRIANGLE PARK, ADDING 3,000 JOBS

\$1 BILLION
EAST COAST HUB

\$187,000
AVERAGE ANNUAL SALARY

3,000
JOBS AT THE CAMPUS

281 ACRES
CAMPUS SIZE



“As a North Carolina native, I’m thrilled Apple is expanding and creating new long-term job opportunities in the community I grew up in. We’re proud that this new investment will also be supporting education and critical infrastructure projects across the state. Apple has been a part of North Carolina for nearly two decades, and we’re looking forward to continuing to grow and a bright future ahead.”

Jeff Williams, Apple, Inc. COO

N.C. State University, BSME, 1985
Duke University, MBA, 1991

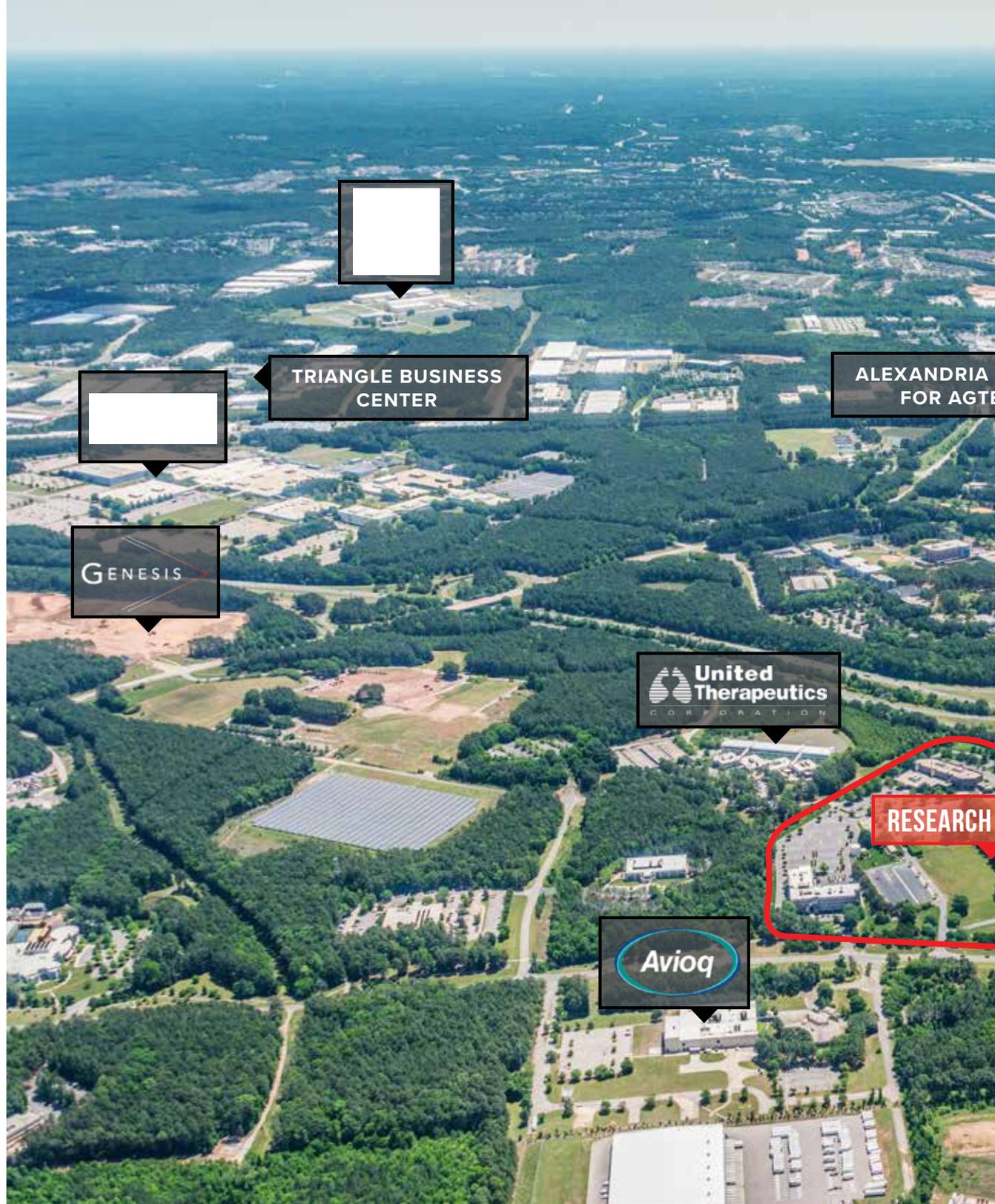
Apple’s new East Coast headquarters, located in RTP, is approximately 5 miles from Research Commons. Serving as Apple’s newest campus in over 20 years and it’s largest East Coast presence, this economic development project will have extraordinary ancillary effects to the surrounding area, Raleigh-Durham market, and state of North Carolina.



Nº. 7

A RARE OPPORTUNITY IN THE LARGEST RESEARCH PARK IN THE U.S.

Research Commons is a one of a kind offering providing stable income, conversion potential, and development land. The in-place leases and non-converted office space will allow for continued cash flow while the conversion and development takes place, allowing for financing and operational advantages. Research Commons is one of the largest non-owner occupied campuses in RTP proper, an area which has been the subject of several major corporate announcements over the past year including firms such as Eli Lilly, GRAIL Therapeutics, Apple, and more.





No. 8

UNRIVALED ACCESSIBILITY



Positioned at the intersection of I-40 and NC 147, two major thoroughfares in the Raleigh-Durham market, Research Commons gives tenants substantial accessibility to many amenities as well as convenient access to all points of the Triangle. Research Commons is a 20 minute drive from Downtown Raleigh, 12 minutes from Downtown Durham, and 20 minutes from Chapel Hill, providing tenants access to talent from all three municipalities along with some of the fastest growing suburbs in the country such as Cary, Holly Springs, and Wake Forest.

Two additional developments, Hub RTP and Boxyard RTP, will provide over 75,000 square feet of retail and restaurant space over the coming years with Boxyard RTP slated to be completed later this year.