

An aerial photograph of a city, likely Nashville, Tennessee, showing a dense forest of green trees. In the background, several large, multi-story brick buildings are visible, including a prominent church with a tall, dark steeple. A large, semi-transparent blue rectangular overlay is positioned in the center of the image. Inside this overlay, the word "ERWIN" is written in a large, white, serif font, and the word "TERRACE" is written below it in a smaller, white, sans-serif font. A thin white line extends from the bottom center of the blue overlay, pointing down towards two specific buildings at the bottom of the image.

ERWIN

TERRACE



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**The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage.





ERWIN

TERRACE



2812

TERRACE
Kitchen

and stop



EXECUTIVE

SUMMARY

ERWIN TERRACE

UNIQUE MIXED-USE OPPORTUNITY IN THE BURGEONING DURHAM MARKET

Erwin Terrace (the "Asset" or "Property"), is a mixed use Asset in Durham, North Carolina strategically located adjacent to Duke University and Duke University Hospital. This unique opportunity presents investors with 25 multifamily units, 26,584 SF of retail, and 39,296 SF of office space primarily occupied by Duke University. The project is currently well occupied with the multifamily 100% leased, retail at 100%, and office at 76%.

The asset is located in a fortress, irreplaceable location with secular long-term tailwinds driving demand for each respective portion of the property for the long-term, and offers investors a generational opportunity to own a boutique mixed-use property in Durham.

DIRECTLY

ADJACENT TO DUKE UNIVERSITY

IN-PLACE

HIGHLY FAVORABLE MIXED-USE DYNAMICS

STABLE

IN-PLACE INCOME FROM THREE PRODUCT TYPES

PRIME

VALUE-ADD OPPORTUNITY WITH THE ABILITY TO RENOVATE MULTIFAMILY UNITS, ENHANCE THE RETAIL TENANT MIX, AND INCREASE OFFICE OCCUPANCY

PROPERTY DETAILS

ADDRESS	2812 & 2816 Erwin Rd. Durham, NC 27705
ACRES	1.14
MULTIFAMILY UNITS	25
MULTIFAMILY OCCUPANCY	100%
OFFICE SQUARE FOOTAGE	39,296 SF
OFFICE OCCUPANCY / WALT	76% / 5.5 Years
RETAIL SQUARE FEET	26,584 SF
RETAIL OCCUPANCY / WALT	100% / 3.7 Years
TOTAL SF	105,055 SF

ERWIN TERRACE I



ERWIN TERRACE II



ERWIN TERRACE PATH OF GROWTH

Erwin Terrace is well located directly adjacent to Duke University Hospital and the Duke University Campus making it a prime location for students, employees, graduate students and researchers studying and working for Duke in the area. Duke University Hospital and Duke University host more than 37,500 employees and students living and working directly adjacent to Erwin Terrace, providing strong demand for the retail, multifamily, and office given ancillary Duke operations not located on campus and already found at Erwin Terrace.

The Assets are also a quick drive from Downtown Durham, providing easy access to the local nightlife scene and entertainment district featuring over 150 restaurants and bars as well as quick access to the Durham Bulls Stadium which hosts 144 games per year as well as concerts and social events.



37,500+

Students and Employees
at Duke University and
Duke University Hospital

147

DURHAM VA HEALTH CARE SYSTEM
5,000+ Full Time Employees

**TRINITY COMMONS
AT ERWIN**

THE EXCHANGE ON ERWIN
Chipotle
Firehouse Subs
Smashburger
Dunkin'
Noodles and Company
Baskin Robbins
Saffron Indian Cafe
Big Bad Breakfast





147

DOWNTOWN DURHAM
150+ Bars and Restaurants
10 minutes

DURHAM BULLS STADIUM
144 games annually plus
concerts and social events

**RALEIGH-DURHAM
INTERNATIONAL AIRPORT**
20 minutes

DUKE UNIVERSITY HOSPITAL
11,000+ Full Time Employees

DUKE UNIVERSITY CAMPUS
8,500+ Campus Employees
7,100+ Undergraduate Students
10,900+ Graduate Students

AC HOTEL DURHAM
142 Rooms

ERWIN TERRACE

LOFTS AT LAKEVIEW

ERWIN ROAD (13,000 VPD)

TERRAZZO

LENOX BAKER CHILDREN'S HOSPITAL
3,000+ Full Time Employees

TOWERVIEW ROAD



48,000+

Duke University Employees
in Durham, NC



16 YEARS

Duke Tenancy
at Erwin Terrace

Duke University occupies ~30,000 square feet of space at Erwin Terrace, accounting for approximately 80% of total office space at the Property. Located directly across from the Duke University Campus, the Erwin Terrace office provides unmatched convenience for Duke University employees. Further, Duke's commitment to Erwin Terrace can be further seen through tenure at the Building having been a tenant since 2009.

DUKE UNIVERSITY USES AT ERWIN TERRACE:

Duke Heart Center
Communications

Duke Scientific
Integrity &
Research
Communications

Duke Translation &
Commercialization

Duke
NUS Affairs

Duke External
Partnerships



OFFICE

AT A GLANCE

39,296

SQUARE FEET

76%

OCCUPANCY

5.5 YEARS

OF WALT

\$25.34

AVG. IN-PLACE RENT

The Sorgi Insurance Agency is Durham's oldest independent insurance agency and occupant of ~2,000 square feet of office space at Erwin Terrace. The Sorgi Insurance Agency is full service insurance agency and frequently ranked as one of the top agencies in Durham.





Terrace Kitchen is a contemporary American restaurant located in Durham, North Carolina, known for its farm-to-table dining concept and seasonal menu offerings. The establishment focuses on locally-sourced ingredients and craft cocktails in a modern, welcoming atmosphere.

www.terracekitchenduke.com

4.8 (117 Reviews) ★★★★★

NaanStop is a fast-casual Indian restaurant concept specializing in fresh, made-to-order Indian cuisine with a focus on naan wraps, bowls, and traditional Indian dishes served in a quick-service format.

www.naanstopduke.com

4.3 (873 Reviews) ★★★★★

Sushi Love is a full-service Asian restaurant and sushi bar specializing in creative sushi rolls and comprehensive Asian cuisine, featuring a full-service bar, sports entertainment, and aggressive value pricing with daily BOGO sushi promotions and half-price specials served in a casual dining format.

www.sushilovedurham.com

4.2 (987 Reviews) ★★★★★

Early Bird Donuts is a specialty donut shop focused on serving fresh, made-to-order donuts and coffee beverages. The concept typically caters to morning commuters, office workers, and local residents seeking convenient breakfast options and specialty coffee drinks.

4.5 (449 Reviews) ★★★★★

Elite Nail Spa is a full-service nail salon and spa specializing in premium manicure and pedicure services along with additional beauty treatments.

www.elitenailspadurham.com

4.8 (902 Reviews) ★★★★★

Walgreens operates over 8,700 locations nationwide, generating \$130+ billion in annual revenue with investment-grade credit ratings. The tenant recently expanded into an additional 1,700 SF at Erwin Terrace (former AR Workshop space), demonstrating their commitment to the location.

www.walgreens.com

RETAIL AT A GLANCE

26,584

SQUARE FEET

100%

OCCUPANCY

3.7 YEARS

OF WALT

\$25.99

AVG. IN-PLACE RENT



VALUE ADD OPPORTUNITY

Erwin Terrace is primed for renovations to achieve stronger rents given the in-place mixed-use dynamics of the asset as well as strong nearby rent comps for new product. Featuring some of the largest units in the submarket, Erwin Terrace is primed to float just below new product rents with a strong renovation profile that will be easily achievable given the early 2000's vintage of the property.



KITCHEN RENOVATIONS

NUMBER	PROJECT	COST PER UNIT
1	STAINLESS STEEL APPLIANCES	\$3,000
2	GRANITE COUNTERTOPS	\$1,750
3	LVP FLOORING	\$2,500
4	CABINET REFRESH	\$1,000
TOTAL		\$8,250

BATHROOM RENOVATIONS

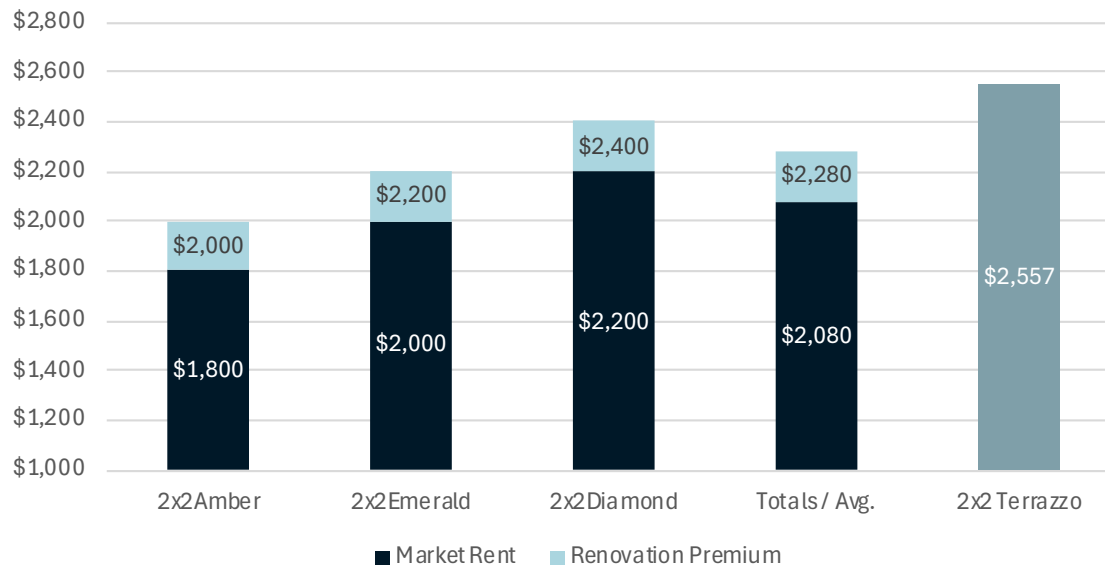
NUMBER	PROJECT	COST PER UNIT
1	NEW VANITIES	\$1,500
2	MIRROR UPDATE	\$150
TOTAL		\$1,650



RENOVATION PREMIUM

UNIT TYPE	UNIT COUNT	SF	MARKET RENT	RENOVATION PREMIUM	RENOVATED RENTS	NOI INCREASE
2x2Amber	5	1,050	\$1,800	\$200	\$2,000	\$12,000
2x2Emerald	5	1,535	\$2,000	\$200	\$2,200	\$12,000
2x2Diamond	15	1,750	\$2,200	\$200	\$2,400	\$36,000
TOTALS / AVG.	25	1,567	\$2,080	\$200	\$2,280	\$60,000

RENT PREMIUMS & IMMEDIATE COMPETITION



RENOVATION PREMIUM

Erwin Terrace presents investors with a strong value-add opportunity to renovate unit interiors and significantly push rents \$200 across the board.

With current rents on average \$500 lower than the nearest Class A asset, the Terrazzo, there's clear upside in renovations and a \$200 pop will still provide a gap to Terrazzo rents.

Erwin Terrace's Diamond units will be approximately \$150 lower than the Terrazzo post renovation, which is more than achievable with these units being over 700 SF larger than the largest two bed Terrazzo unit.



A WORLD-RENOWNED ACADEMIC INSTITUTION

DUKE UNIVERSITY

World-renowned Duke University's West Campus is less than one mile from Erwin Terrace and two miles from Duke's East Campus. It is a hub for some of the brightest minds in the country, with strengths in medicine, technology, law and business.

The University made a commitment to grow here in the early 2000s, which has served as a major catalyst for economic expansion in the area. Duke's maxim, "Study, Train, Live – at Duke, in Durham," illustrates its long-term devotion to operating in Downtown.

DUKE UNIVERSITY METRICS

No. 1

UNIVERSITY IN THE SOUTH
FORBES (2023)

No. 3

NURSING SCHOOL PROGRAM
IN THE NATION
US NEWS & WORLD REPORT (2023)

No. 10

BEST NATIONAL UNIVERSITY
IN THE NATION
US NEWS & WORLD REPORT (2023)

No. 3

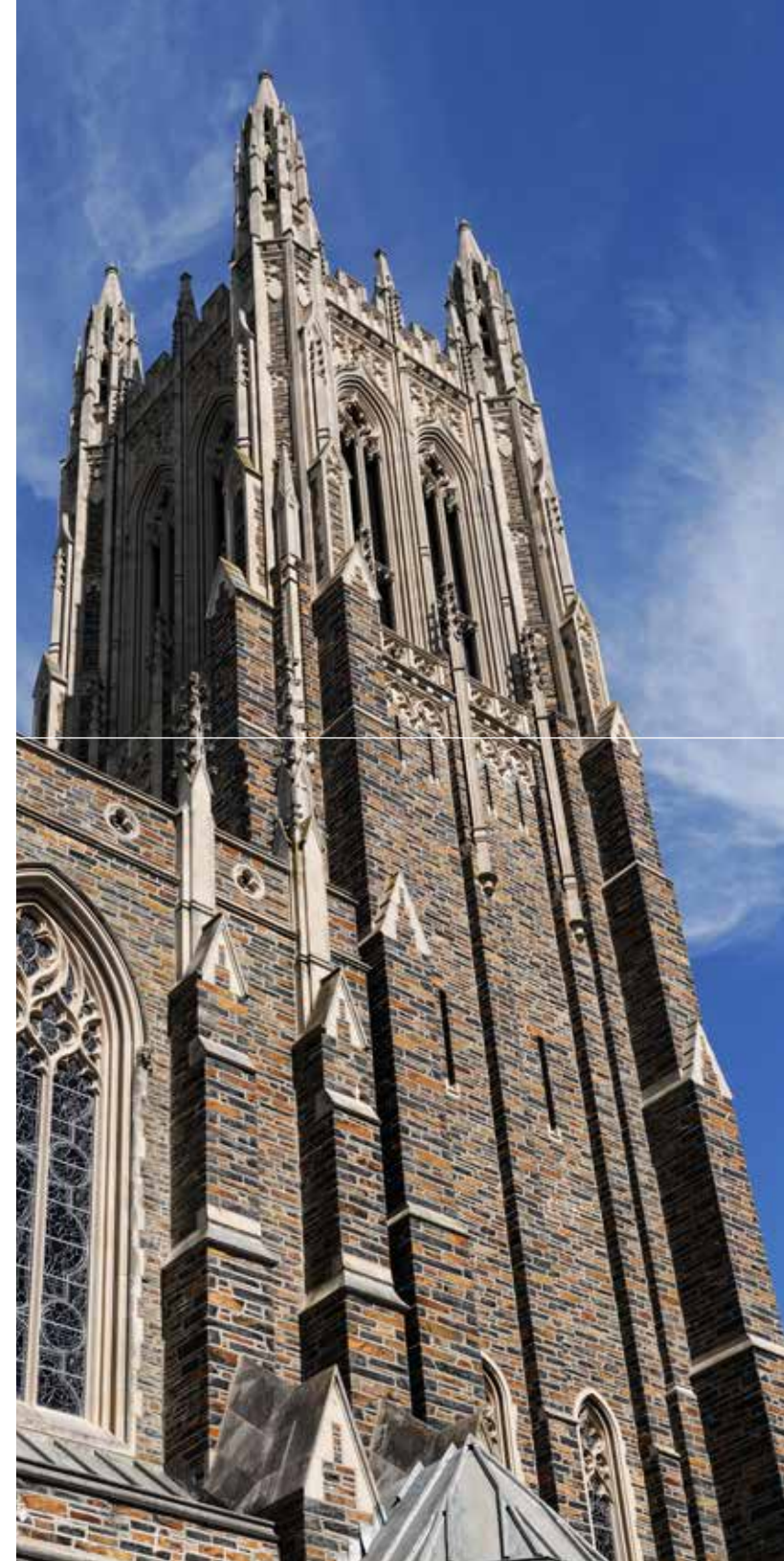
BIOMEDICAL PROGRAM IN
THE NATION
US NEWS & WORLD REPORT (2023)

No. 2

LARGEST EMPLOYER IN THE
STATE OF NC
(INCLUDING DUKE HOSPITAL SYSTEM)
NC ECONOMIC DEVELOPMENT

No. 1

DUKE UNIVERSITY HOSPITAL
RANKED HOSPITAL IN NORTH CAROLINA
AND RALEIGH-DURHAM FOR 20+
CONSECUTIVE YEARS
US NEWS & WORLD REPORT (2023)





DUKE UNIVERSITY HOSPITAL & DUKE HEALTH

Duke Health, the largest employer in Durham County and second-largest employer in North Carolina encompasses multiple institutions:

- Duke University Health System (Hospitals & Clinics)
- Duke University School of Medicine
- Duke-NUS Medical School
- Duke University School of Nursing
- Private Diagnostic Clinic (Physicians Practice)
- Duke Global Health Institute (Health and Health Research Programs, Schools & Centers)
- Duke Robert J. Margolis Center for Health Policy

There are three hospitals within the system which served nearly 67,000 inpatient stays and 4.7 million outpatient visits in 2021.

- Duke University Hospital (1,048 inpatient beds)
- Duke Regional Hospital (388 inpatient beds)
- Duke Raleigh Hospital (186 inpatient beds)

Its core divisions include clinical laboratories, technology solutions, homecare and hospice, and primary care, among others.

DUKE HEALTH AWARDS AND HONORS



HEALTHCARE RECIPIENT FOR BEST LARGE EMPLOYER IN NORTH CAROLINA
FORBES, 2023

MOST INNOVATIVE NC HEALTHCARE SYSTEM
FORTUNE, 2023

HOSPITAL IN NORTH CAROLINA (DUKE UNIVERSITY HOSPITAL)
U.S. NEWS & WORLD REPORT

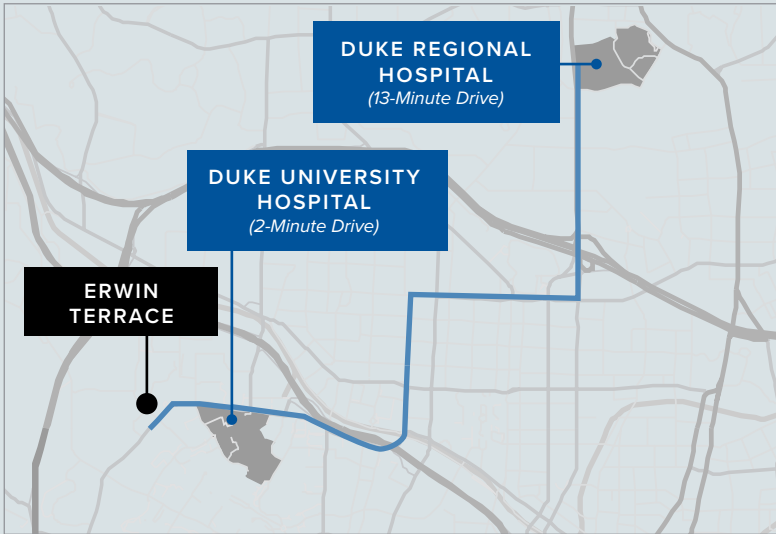
**LGBTQ+ Healthcare
Equality Leader**

*Human Rights Campaign
Foundation, 2022*

**American Nurses Credentialing
Center's Magnet Recognition Honor**

(given to only 9% of U.S. hospitals)

**CHIME Digital
Health Most Wired
Recipient**



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