

**AVISON
YOUNG**



INVESTMENT OPPORTUNITY

205

FRASIER STREET
DURHAM, NC

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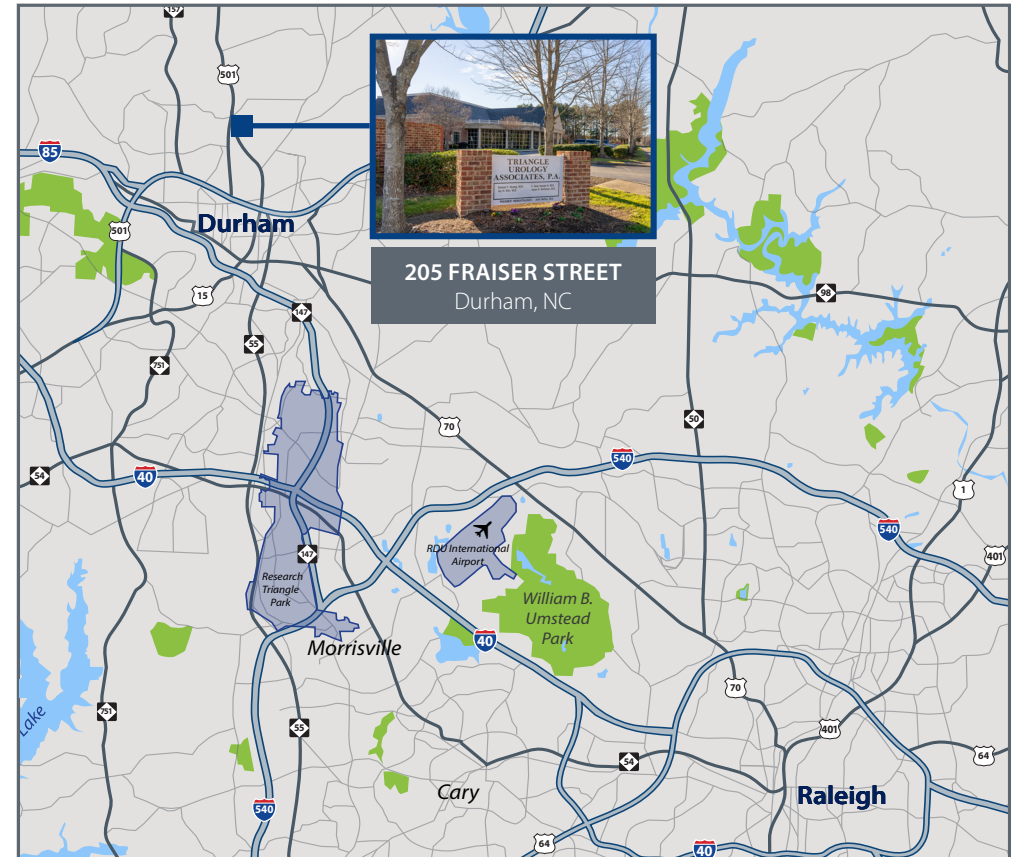
CAPITAL MARKETS GROUP

Offering Overview

Avison Young, as exclusive Listing Broker, is pleased to present the opportunity to acquire the fee simple interest in the land and improvements located at 205 Frasier Street in Durham, North Carolina (the "Property"). Located between N. Duke Street and N. Roxboro Street, two of the largest commercial corridors north of Interstate 85 in Durham, the Property contains 2.62 acres including a one-story, Class A medical office building totaling 15,542 square feet. Originally constructed in 2003, the building was designed and built specifically for use by Triangle Urology Associates, P.A. (the "Tenant"). A related entity currently owns the Property and recently signed a 10-year lease agreement with the Tenant, presenting a stable income opportunity for the next owner.

The Property is strategically located within 500 yards of both North Carolina Specialty Hospital and Durham Regional Hospital. Employees and patients have access to convenient shopping and dining amenities along both N. Duke Street and N. Roxboro Street. Doctors can quickly travel to Durham Regional Hospital for surgeries without stopping at a major intersection via Crabtree Avenue immediately adjacent to the property. Regional access is provided by Interstate 85 Highway via N. Duke Street (US 501 Highway), one and a half miles from the Property.

Overall, the Property offers investors the opportunity to own a high-quality building in a desirable location leased on a long term basis to a stable tenant. Triangle Urology Associates, P.A. was founded in 1927 and has been in operating at the Property since it was built by the practice. The current lease term expires on June 30, 2029 and the Tenant has one option to renew for five additional years with five months' notice. To provide a passive and predictable income stream to the next owner, the lease is structured on a NNN basis, with the Tenant responsible for nearly all property expenses.



Investment Advisors:

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Investment Summary

Address: 205 Frasier Street, Durham, NC
PIN: 0823-16-84-6337
Site Area: 2.62 acres
Year Built: 2003
Building Size: 15,542 sf
Occupancy: 100%
Parking Ratio: 5.1 per 1,000 sf



AT A GLANCE

Lease Expiration	6/30/2029 (10+ years remaining)
Asking Price	\$5,500,000 (\$354/SF)
Going-In Cap Rate	6.55%
Annual Escalations	2.0%



Sale-leaseback opportunity with a well-established urology practice founded in 1927



High quality construction designed and built for the Tenant



Newly-executed 10-year NNN lease with minimal Landlord expenses



Significant capital projects completed recently including a new roof and photovoltaic energy system installed in 2013



Health care-oriented neighborhood with access to two different surgery facilities within a five minute drive



Attractive annual rent increases providing a hedge against future inflation



Close proximity to numerous shopping, dining and pharmacy amenities along N. Roxboro Street



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

Location Map



The City of Medicine

Today, Durham is commonly referred to as the City of Medicine with healthcare as a major industry. Nearly one in three people who live in Durham works in a health-related field, and there are more than 300 medical and health-related companies, medical practices, weight management centers, and pharmaceutical research organizations.

Since its founding in 1925, the Duke University School of Medicine has earned a reputation as one of the world's top patient care and biomedical research institutions and Duke Medical Center consistently ranks annually among the top in the nation.



One of three U.S. hospitals to be recognized by the American Hospital Association for leadership and innovation in quality, safety, and commitment to patient care



Six modern hospitals that lie at the heart of Durham's reputation:

- Duke University Hospital & Medical Center
- Duke Children's Hospital & McGovern-Davison Health Center
- Duke Regional Hospital
- VA Medical Center
- Lenox Baker Children's Hospital
- North Carolina Specialty Hospital

A physician-to-population ratio of almost 4.5 times the national average

Over 3,700 licensed physicians and interns and more than 6,000 nurses

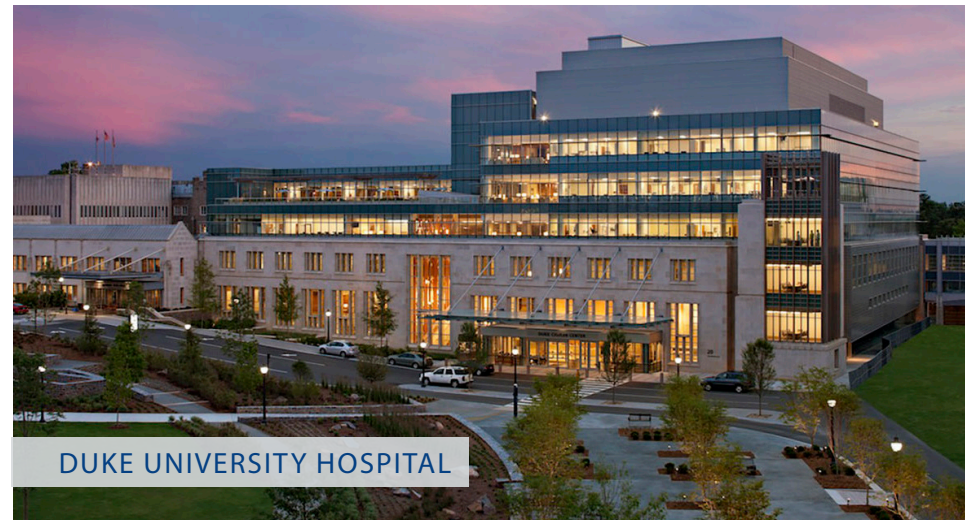
46% of the biotech firms in North Carolina are based in Durham

Facilities serving more than 20,000 veterans living in a 26-county area of central and eastern NC

One of the top 10 U.S. hospitals according to U.S. News & World Report



DUKE CHILDREN'S HOSPITAL



DUKE UNIVERSITY HOSPITAL

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