

Offering Memorandum

±28,870 SF
Property for Sale

300 East Main Street,
Durham, North Carolina

Price: \$11,900,000



P R O P E R T Y F O R S A L E

DISCLAIMER & LIMITING CONDITIONS

Maverick Partners Realty Services, Inc. has been retained as the exclusive listing broker to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Maverick Partners Realty Services, Inc., or the current Owner/Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgement as to the advisability of purchasing the Property described herein.

Owner/Seller expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Owner/Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or waived. The Seller reserves the right to move forward with an acceptable offer prior to the call for offers deadline.

This Offering Memorandum may be used only by parties approved by the Owner. The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it if requested and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Maverick Partners Realty Services, Inc. or Owner/Seller. The terms and conditions set forth above apply to this Offering Memorandum in its entirety and all documents and other information provided in connection therewith.

Sincerely,

Bradley Wiese

President

349 W. Main St., Suite 200
Durham, NC 27701
(919) 730-8719



OVERVIEW

Building Size:

±28,870 rentable square feet

300
East Main Street
DURHAM

Uses:

Mixed-use (office, retail and residential)

Asking Price:

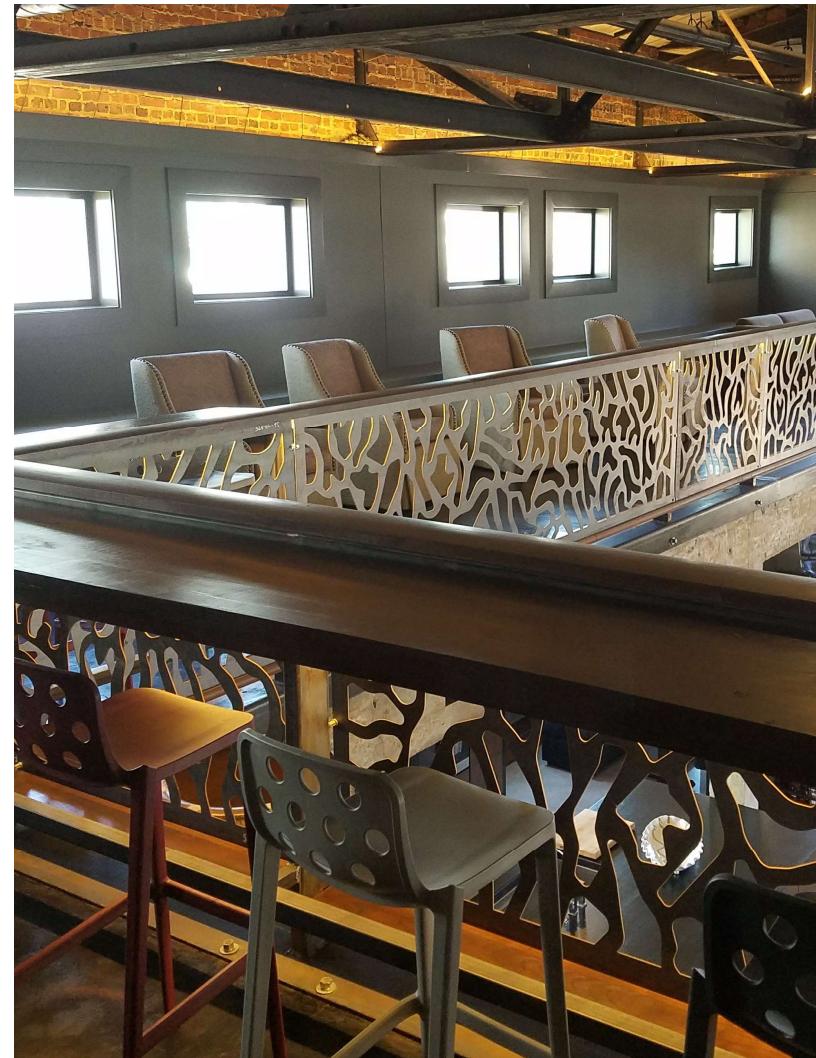
\$11,900,000 (\$412 per square foot)

Location:

The building is located in the heart of Downtown Durham, just walking distance to great dining, shopping and entertainment.

Summary:

Built in 1924, this historic building consists of four stories and a basement. Not only does this building include a part of Durham's rich history, it also includes spectacular views of Downtown Durham and the Durham Performance Arts Center. The building currently has two tenants, Pop-Sugar, Inc. and Elevate Salon Institute. Pop-Sugar is a global media and technology company. Elevate Salon provides beauty education and premium salon and spa services. The top two floors of the building are currently designed as personal penthouse residence. The basement includes two-car garage with express elevator to penthouse.



PROPERTY INFORMATION

BUILDING DESCRIPTION:

Property Address: 300 East Main Street, Durham NC 27701

County: Durham County

Building Size: 28,870 rentable square feet

Year Built: 1924; restored 2016

Height: 48'

Slab to Slab: 12'

Number Stories: 4 stories + Basement (walkout entrance)

Elevators: 1

Parking: 2 Internal Garage Spaces + Street

Construction: Masonry

Foundation: Concrete

Sprinklers: None.

SITE DESCRIPTION:

Zoning: Downtown / Local Historic District

Parcel ID: 0831-09-06-0571

Site Size: 0.295 acres

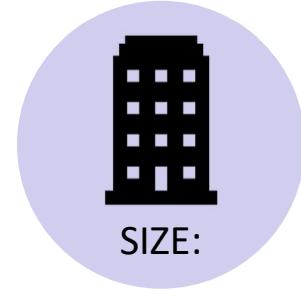
Utilities Available: All available to site.

Submarket: Downtown Durham

Recorded Owner: Maverick Mojo, LLC



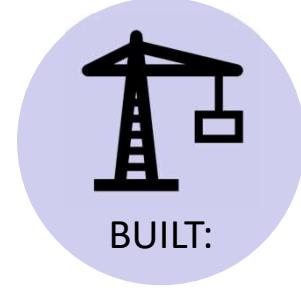
\$11,900,000



28,870 SF



0.295 acres



**1924 &
Restored 2016**



**2 Internal +
Street**

AERIAL MAP



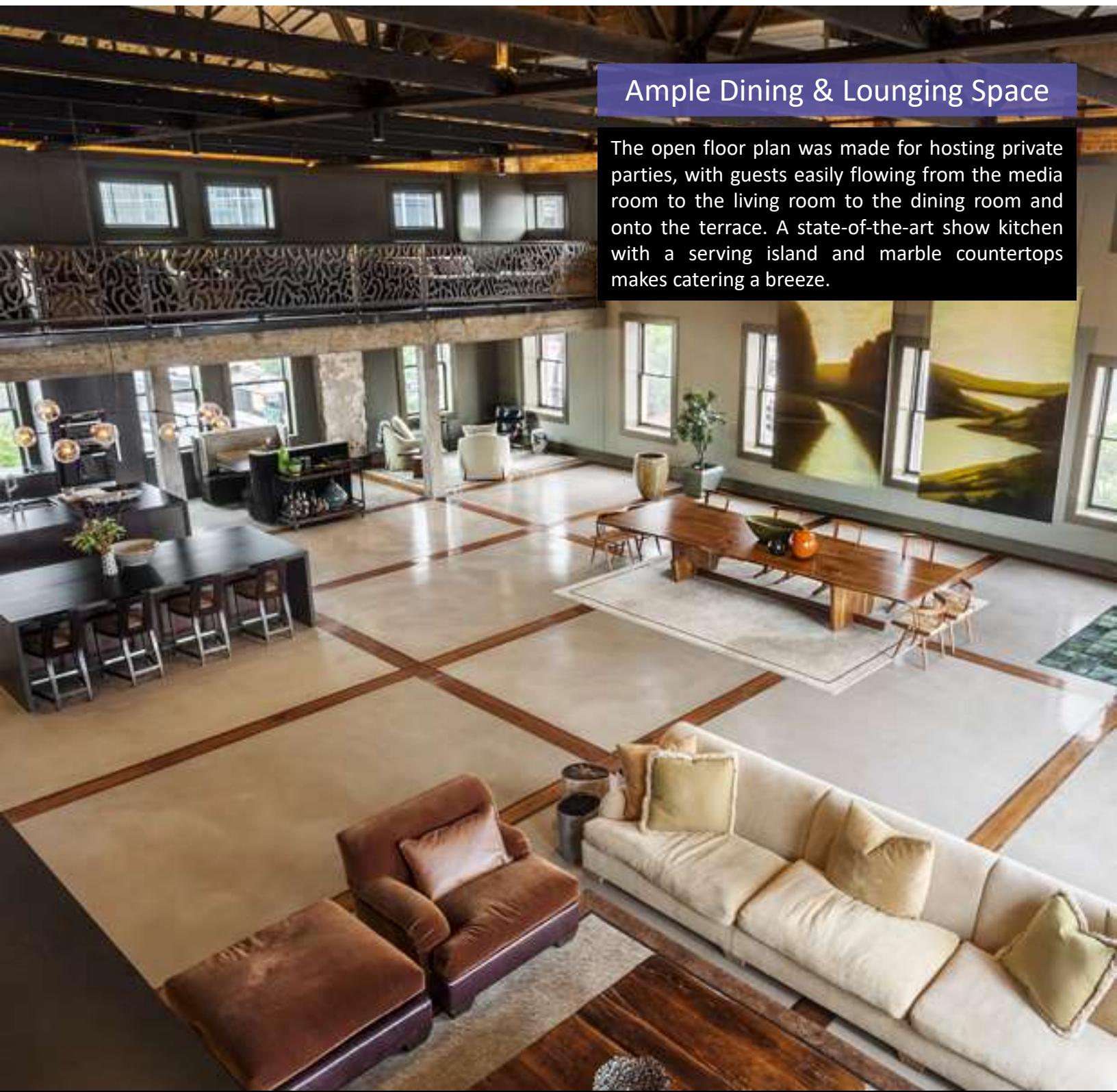
BUILDING FEATURES

Originally constructed in 1924 as a Freemason's Lodge, this unique 29,000 square foot building was carefully renovated in 2016. In addition to the excellent location, the property features very cool architectural details such as high ceilings, huge windows, tons of natural light, exposed brick walls, and heavy concrete columns. This stunning asset is ideal for investor looking to own iconic asset in rapidly growing Durham. Features include:

- +/- 28,870 SF brick façade corner building.
- Four floors + basement, with elevator.
- 48' building height with stunning views of Downtown.
- Modernized lobby and restrooms.
- New elevator, mechanical & electrical systems.
- Walkable to DPAC and Durham Bulls Stadium.
- Surrounded by hotels, bars and restaurants.
- Located minutes away from RDU airport.



PENTHOUSE APARTMENT



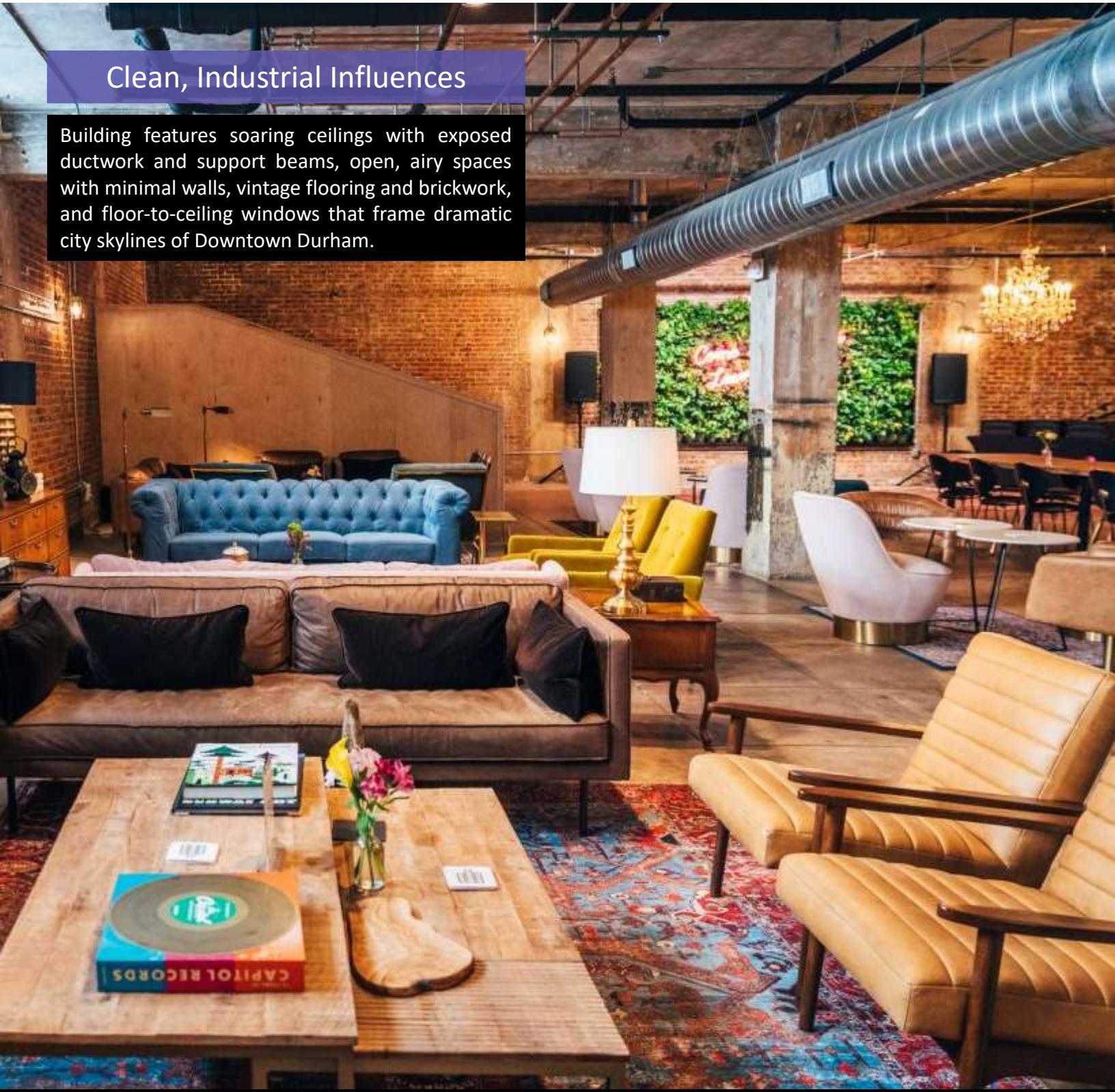
Ample Dining & Lounging Space

The open floor plan was made for hosting private parties, with guests easily flowing from the media room to the living room to the dining room and onto the terrace. A state-of-the-art show kitchen with a serving island and marble countertops makes catering a breeze.

URBAN DESIGN

Clean, Industrial Influences

Building features soaring ceilings with exposed ductwork and support beams, open, airy spaces with minimal walls, vintage flooring and brickwork, and floor-to-ceiling windows that frame dramatic city skylines of Downtown Durham.



BROAD USER-APPEAL

Fluid, Casual Environment

Building appeals to broad spectrum of end-users, including media and tech companies, bars, restaurants, retail, and law firms. With its fluid, casual environment, it adapts to mix of cultures.



ADAPTIVE REUSE

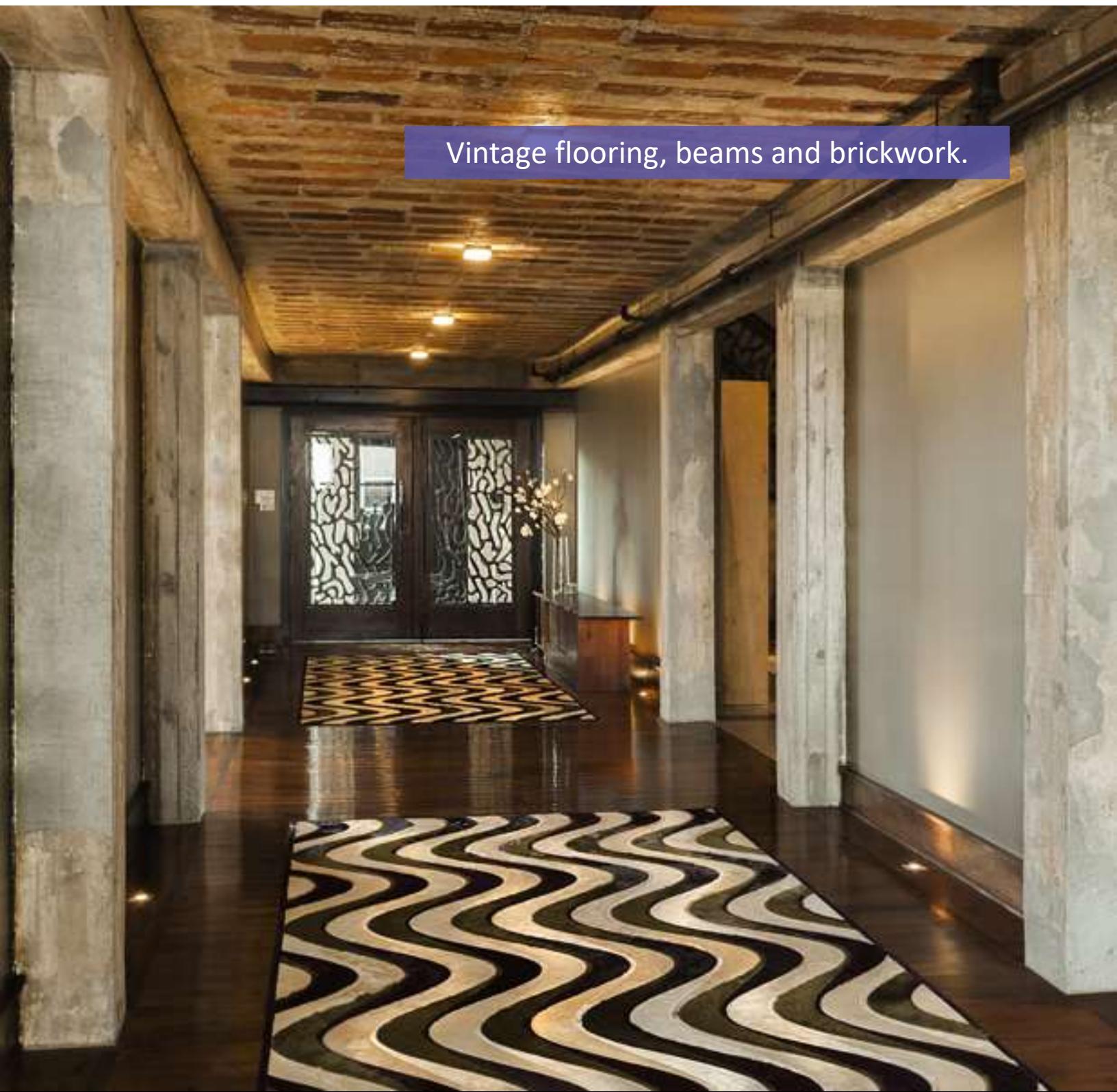
Authentic, Funky, Hip Vibe

Built almost 100 years ago, the building oozes essence of cool. Rather than demolishing the building, the owners turned the building into a unique, new-purpose venue.



PENTHOUSE ENTRYWAY

Vintage flooring, beams and brickwork.

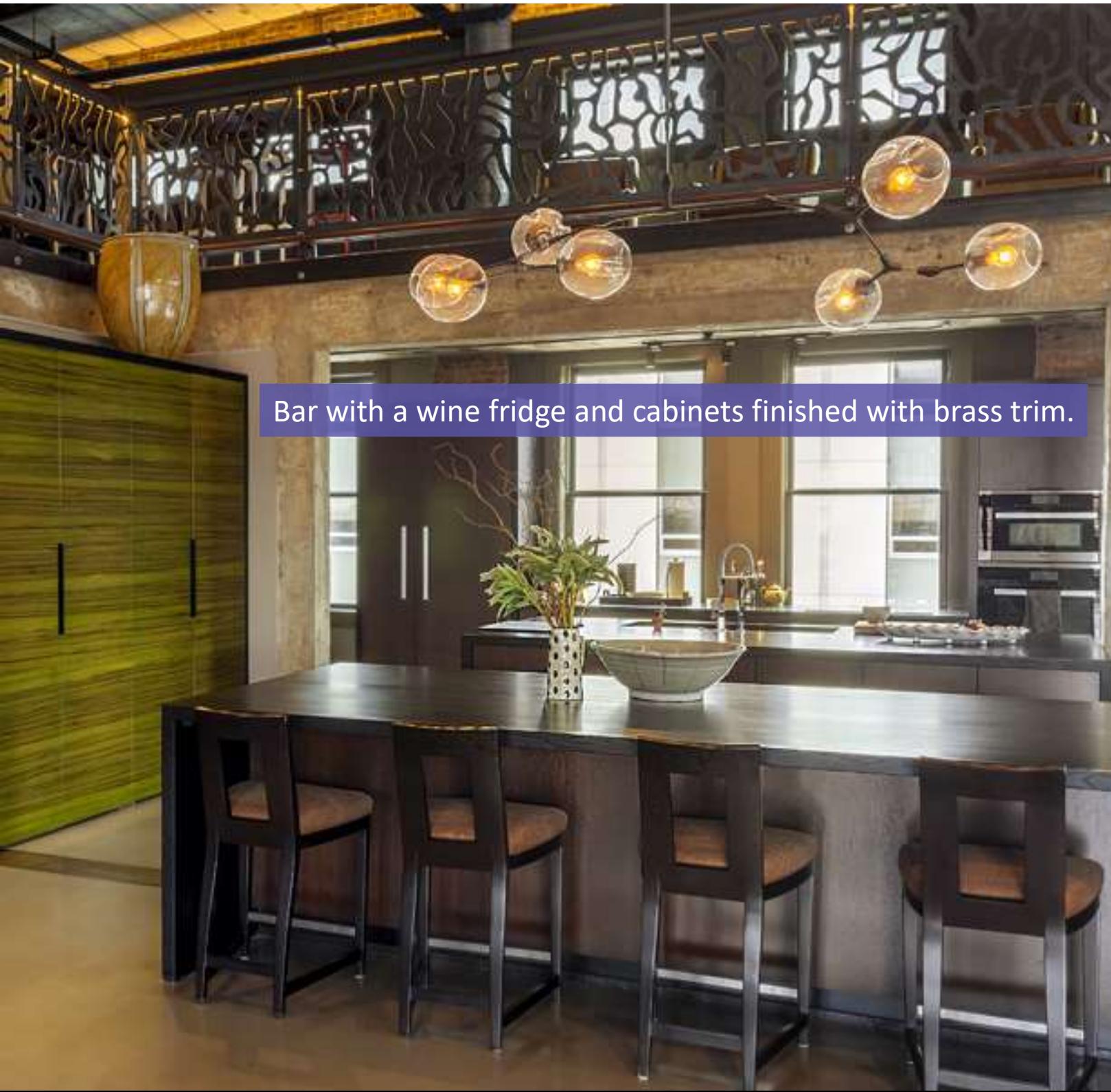


LUXURY LIVING



Modern kitchen incorporates stainless with wood finishes.

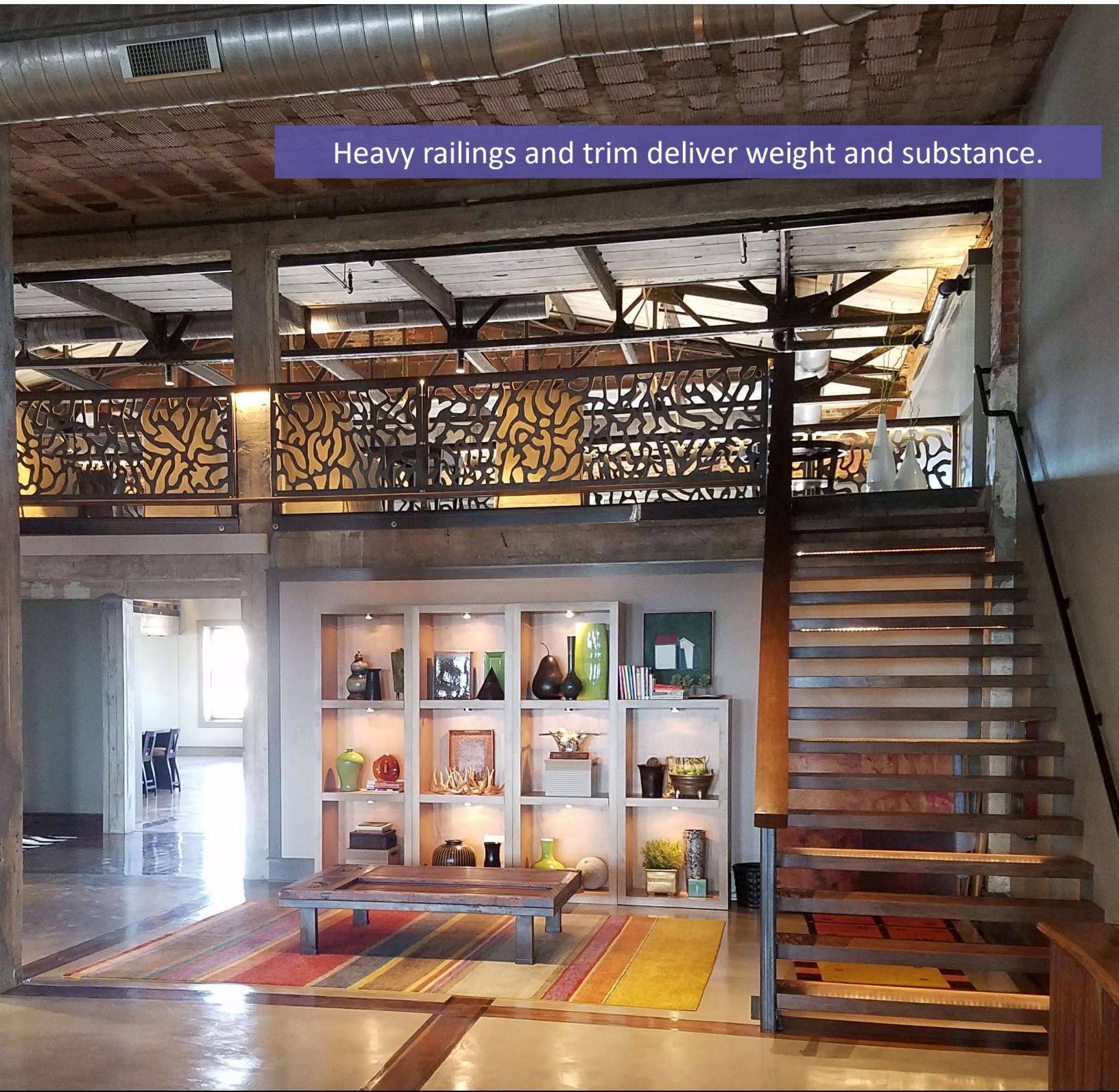
ENTERTAINMENT CENTER



Bar with a wine fridge and cabinets finished with brass trim.

OPEN STAIRCASE

Heavy railings and trim deliver weight and substance.



MEZZANINE LOUNGE

Contemporary, iron railing with ample seating.



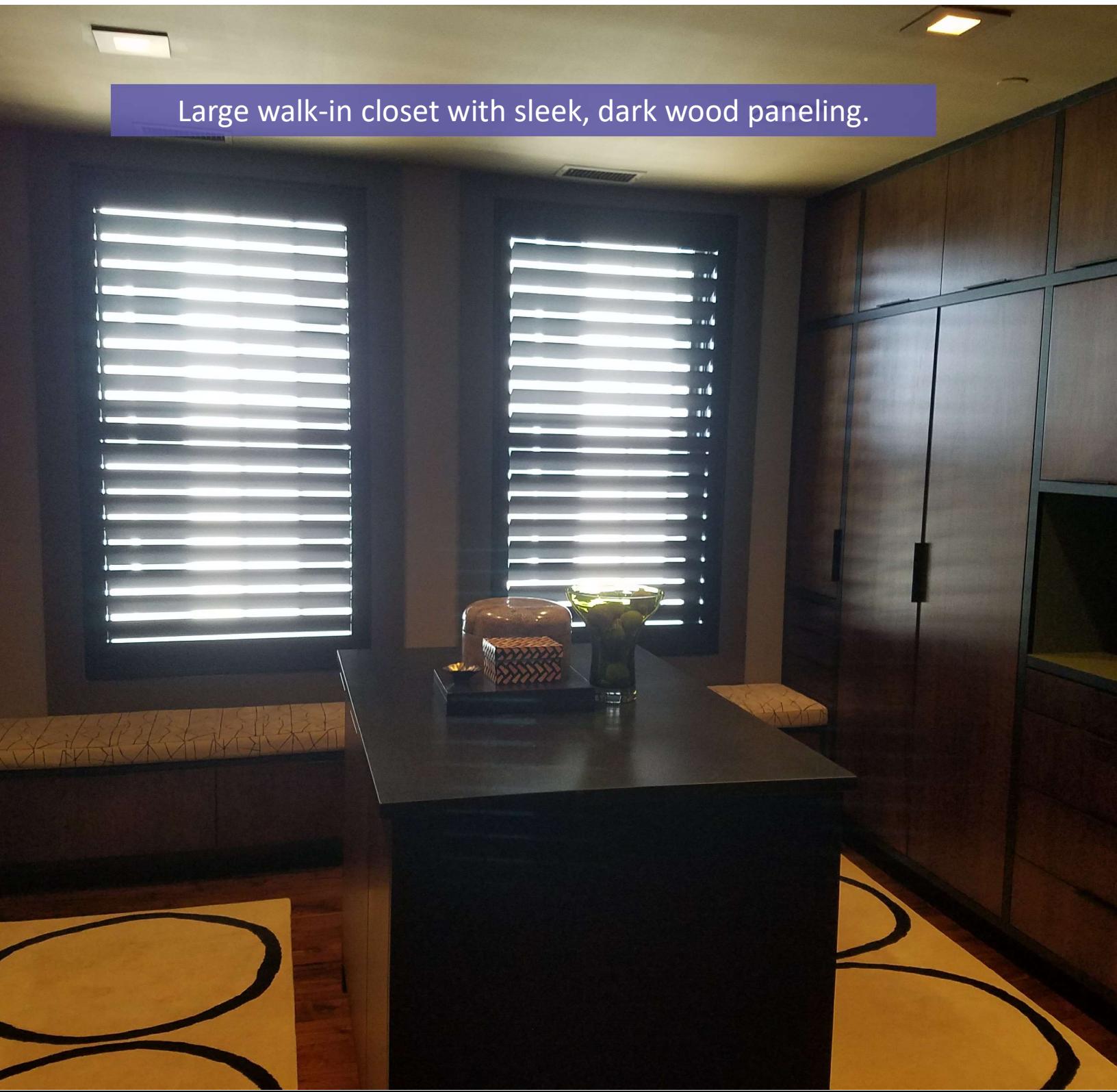
CONTEMPORARY DETAILS

Spa retreat bathroom with contemporary materials.



CRAFTSMAN FINISHES

Large walk-in closet with sleek, dark wood paneling.



RENT ROLL & FINANCIALS

STACKING PLAN

4th Floor:	Penthouse Mezzanine (2,207 RSF; Vacant)	
3rd Floor:	Penthouse Apartment (7,266 RSF; Vacant)	
2nd Floor:	Pop-Sugar (4,470 RSF; LED 5/29/22)	Elevate Salon (2,697 RSF; LED 8/28/27)
1st Floor:	Elevate Salon (6,751 RSF; LED 8/28/27)	
Ground Floor:	Office or Retail (6,234 RSF; Vacant)	Parks (891 RSF)

POPSUGAR.

PopSugar Inc. is an American media and technology company that is the parent to the media property PopSugar, the shopping platform ShopStyle, and a monthly subscription business PopSugar Must Have. The company was founded in 2006 by married couple Brian and Lisa Sugar as a pop culture blog. Headquartered in San Francisco, PopSugar is funded by Sequoia Capital and Institutional Venture Partners. PopSugar is actively paying rent; however, they never took possession of space in the building. PopSugar has been marketing space for sublease, and they would be candidate for buying out their lease.



Elevate Salon Institute opened its first classes in January 2018 to focus on the next evolution of beauty education. Inspired by owner Terry Richardson's successful career in the beauty industry and a desire to help others achieve the same, this beauty institute doesn't just train the next generation of stylists but also assists in career path execution. The Salon offers premium salon and spa services at a great value. Their professionally trained students provide quality hair, skin, and nail services using high-end, premium products.

RENT ROLL

The following table summarizes tenant occupancy, as of November 1, 2019.

<i>Unit</i>	<i>Tenant</i>	<i>RSF</i>	<i>Rate</i>	<i>Type</i>	<i>LED</i>	<i>Income</i>	<i>Options</i>	<i>Notes</i>
Ground	VACANT	6,234	---	---	---	\$ -	---	---
1st Floor	Elevate Salon Institute	6,751	\$25.19	NNN	8/28/2027	\$170,058	2 x 5-year	---
2nd Floor	Elevate Salon Institute	2,221	\$24.50	NNN	8/28/2027	\$ 54,415	2 x 5-year	---
2nd Floor	Pop-Sugar, Inc.	4,191	\$24.40	NNN	5/29/2022	\$102,260	---	Absorbed by HQ; available sublet.
3rd Floor	VACANT	7,266	---	---	---	\$ -	---	Designed for personal residence.
4th Floor	VACANT	2,207	---	---	---	\$ -	---	Designed for personal residence.
<i>Subtotal:</i>		28,870	\$24.82	<i>Subtotal:</i>		\$326,733		

INCREMENTAL VALUE



The property has three opportunities for generating incremental asset value:

Expand Space: The property includes an adjacent land parcel, which could be developed into a new building offering retail, office and/or multifamily. The lobby, elevator, and stairwell on the existing building were designed externally to accommodate a second building. Additionally, there is an opportunity to add a 5th floor rooftop structure onto the existing building (approximately 2,000 RSF). The aforementioned will require new ownership to work with their architects and engineers to finalize plans.

Repurpose Space: The 3rd and 4th floors are currently designed as a single-unit, residential penthouse. This 9,473 square feet of space could be converted into office space. Office rents are significantly higher than residential rents and would provide higher net operating income to a new building owner/investor.

Lease-Up Vacancy: There is currently 9,473 rentable square feet on 3rd and 4th floors that are vacant and could be leased to a residential user immediately, or to an office tenant with moderate upfit/alterations. The basement has 6,234 rentable square feet that could be leased to office or retail tenants immediately, as well.

MARKET OVERVIEW

DOWNTOWN DURHAM

Durham offers something unique --- authenticity. It is a purity of intent and design that you can't find elsewhere. The city's history and culture have woven it into the very "fabric" of the community; its buildings, its people, and its food.

Demographics: Durham is the fourth-largest city in the state, with 245,475 residents as of 2013 U.S. Census Bureau estimate. Durham is one of the vertices of the Research Triangle area (Durham, Raleigh, and Chapel Hill), which has an estimated population of +2.1 million.

History: Durham was nicknamed the "Bull City" in the late 1800s when the Blackwell Tobacco Company named its product "Bull" Durham Tobacco. The "Bull City" prospered as a manufacturing hub for tobacco industry and textiles for many decades, but has since transformed itself into a place where high-tech industry flourishes.

Economy: Durham has successfully transformed its economic landscape from one based upon tobacco and textile products to a modern, cutting-edge economy. GlaxoSmithKline, IBM, and Cree are just some of the forward-thinking companies that have headquarters in Durham. Research Triangle Park (7,000 acres with 40,000 high-tech employees) is one of the largest research parks in the world.

Education: With top universities, global companies, and a wealth of entrepreneurial activity, Durham has access to talent. Big ideas and innovative people graduate each year from Duke University, NC Central and Durham Technical College.

	Current Level		Current Change		10-Yr Change		5-Yr Forecast	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	584,376	329,605,406	1.4%	0.7%	1.6%	0.7%	1.3%	0.7%
Households	230,890	121,350,297	1.3%	0.5%	1.6%	0.6%	1.2%	0.6%
Median Income	\$66,208	\$65,198	4.1%	4.2%	2.7%	2.6%	3.9%	4.2%
Labor Force	303,748	163,626,000	1.6%	0.9%	1.3%	0.6%	0.9%	0.5%
Unemployment	3.4%	3.7%	0.1%	-0.1%	-0.4%	-0.6%	---	---

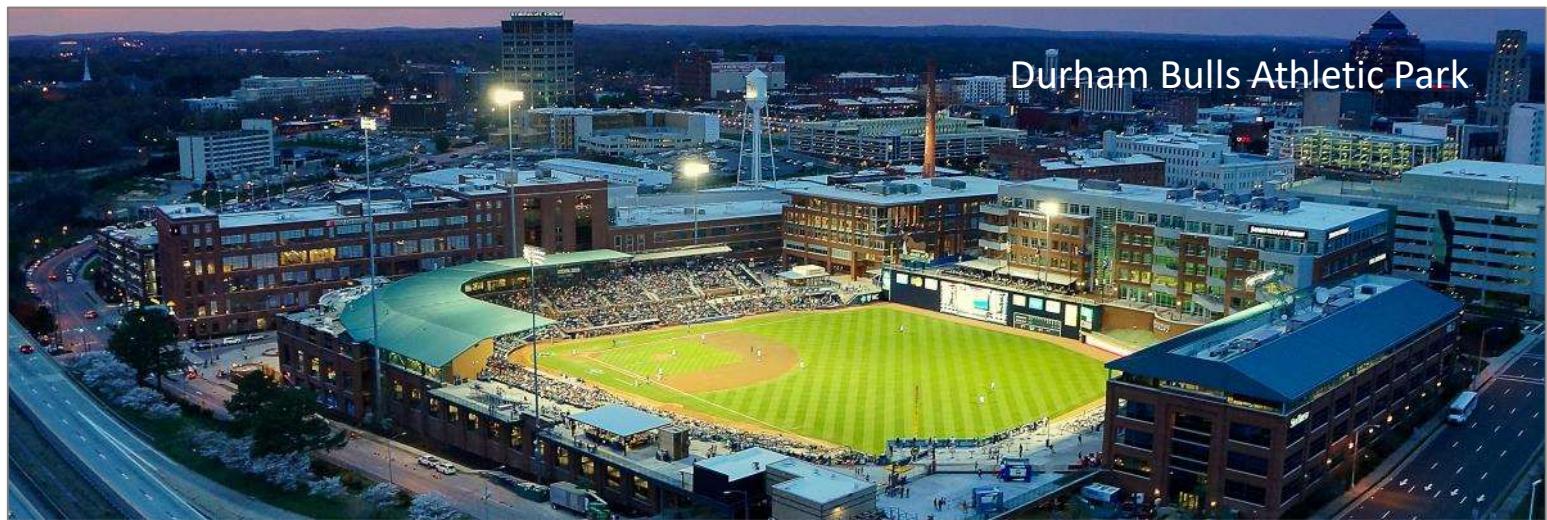




Brightleaf Square



Durham Performing Arts Center

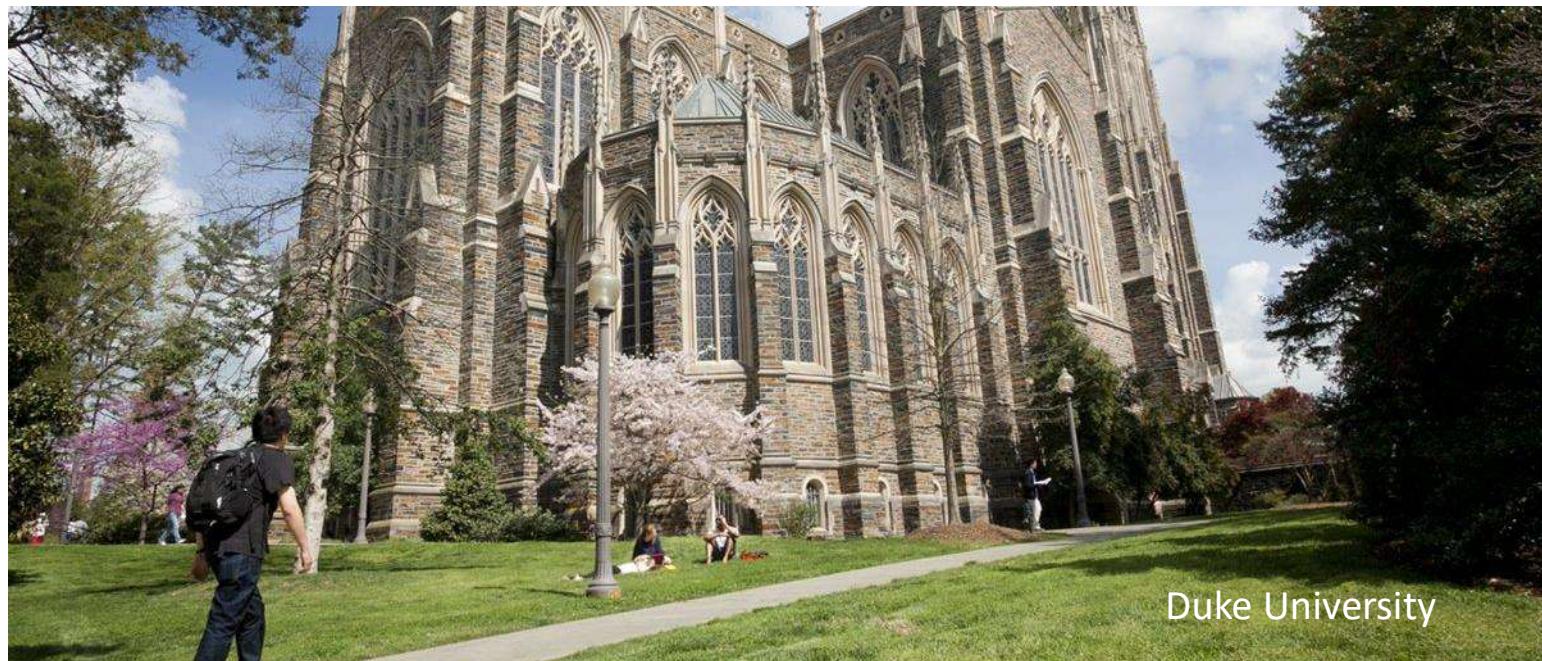


Durham Bulls Athletic Park

DEMOGRAPHICS

Home to the Research Triangle Park (RTP) as well as numerous university and medical systems, Durham has a diverse local economy with large healthcare, technology, and education sectors. Durham's residents are comparatively young, and more than a third of the metro's residents are between the ages of 20 and 34. Population has outpaced the national average in recent years, with considerable growth in every age bracket. Medical-related industries and education are among major economic drivers in the metro, partially attributable to Duke, Duke Medical, and the University of North Carolina-Chapel Hill. Due to the insulation provided by education and health-related firms, job losses during the recession were not as severe as the national average and the market was swift to recover lost jobs. Employment growth has outpaced the nation for much of the current cycle, exceeding more than 3.5% annually several times.

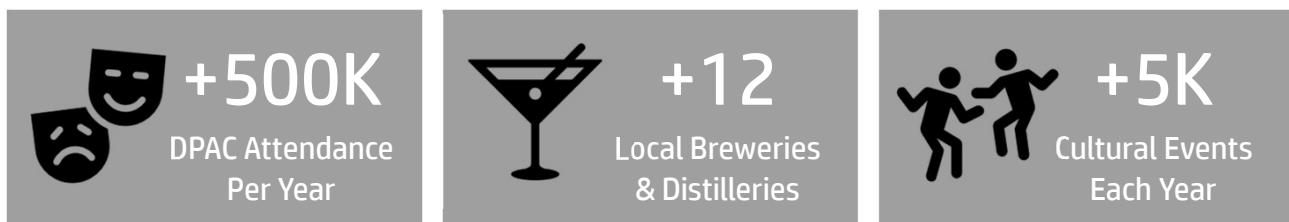
	1-Mile	3-Mile	5-Mile
2019 Total Population	18,610	105,380	206,765
2024 Projected Total Population	20,701	114,346	223,531
Population Growth Rate 2019 – 2024	11.24%	8.51%	8.11%
Average Age	37.40	34.40	35.60
2019 Total Households	7,833	40,330	82,079
Household Growth 2019 – 2024	12.05%	9.45%	8.58%
Median Household Income	\$40,727	\$38,026	\$44,580
Average Household Size	2.20	2.30	2.30
Median Home Value	\$203,423	\$168,960	\$178,466



SUPPLY & DEMAND

Demand for retail space in Durham has generally outpaced construction, resulting in falling vacancies and consistent rent growth. Recent leases including Sprouts, Kimbrell's Furniture, and Planet Fitness have contributed to strong absorption and displayed Durham's ability to attract a mix of national and regional tenants. Durham's retail sector has enjoyed the benefits of strong population and job growth in recent years.

Currently, vacancies are near historical lows at 2.57% . Strong absorption and low vacancies have contributed to healthy rent growth in the Durham metro, and recent observations show growth near 1.9%. Retail investment continues to lag behind other property types in Durham, in-line with the trend observed nationally. Investment has trended above the historical average in recent years, with several years experiencing more than \$100 million in annual sales.



GROWTH DRIVERS

According to CBRE Econometric Advisors, the Raleigh-Durham MSA is projected to lead the nation in employment growth over the next 1, 3, and 5 years. Total employment is expected to grow by 2-3% a year over the next 5 years. Factors promoting positive population and job growth trends in Durham include the following:

Tax Incentives & Laws: favorable state business climate offers numerous tax incentives and favorable laws to promote business activity; "right to work" laws; Nation's lowest unionization rate at 2.9%; low property/workers' comp tax rates.

Educated Workforce: three universities (Duke, UNC, and NC State) in the Triangle along with extensive community college network cultivates a highly educated and well-trained workforce, helping to make area appealing to employers.

Transportation Infrastructure: Raleigh-Durham International Airport was rated second most efficient airport in the Nation in 2011 by the Air Transport Research Society. State recently started a multi-phase reinvestment in its highways.

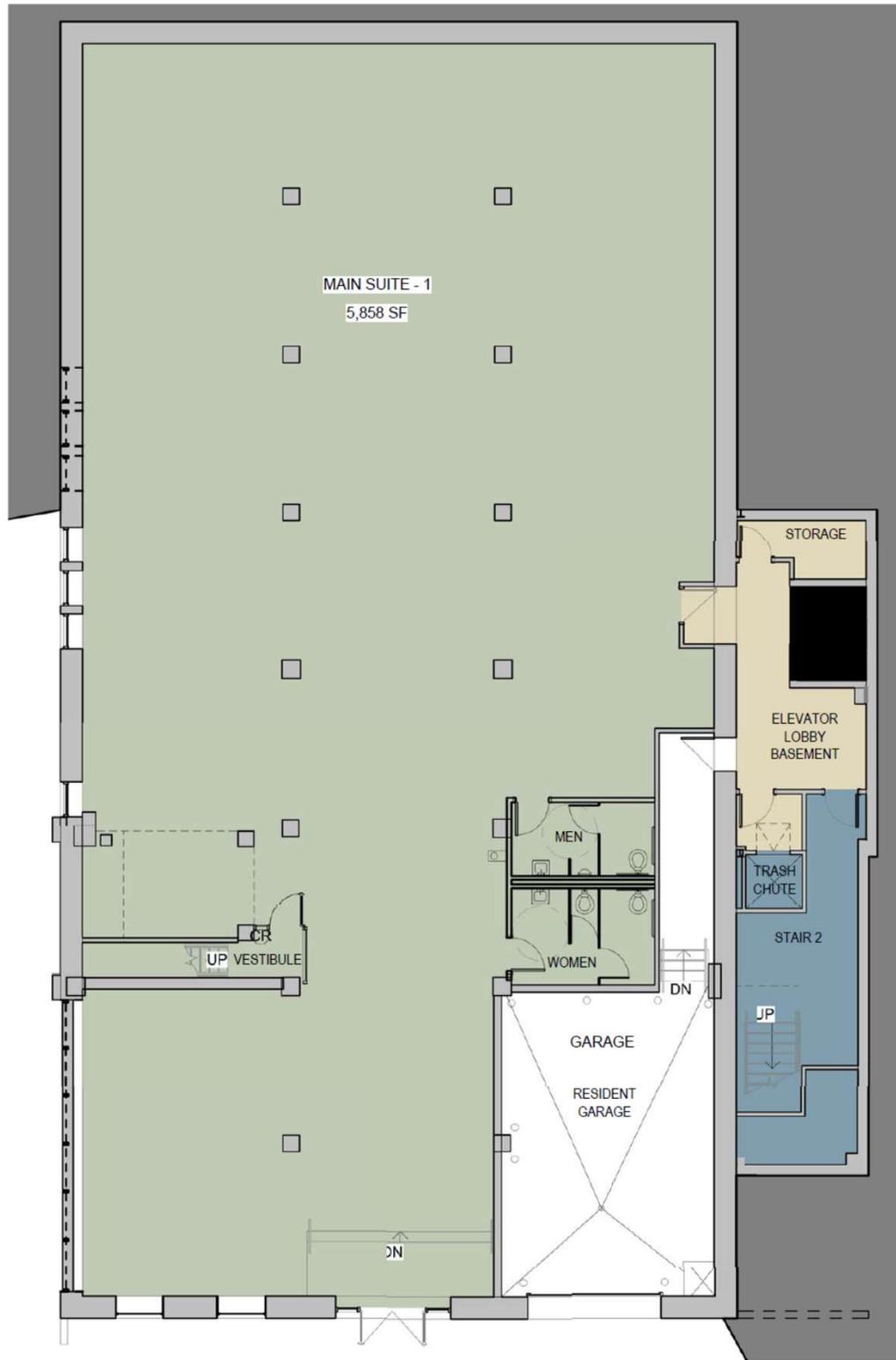
Research Triangle Park: Founded in 1959 to attract world-class research and development; today it is home to more than 200 companies employing over 50,000 workers conducting R&D with annual expenditures totaling +\$2 billion.

Duke University & Medical Center: Duke is the largest employer in Durham; annual spending by the university and associated medical system accounts for over \$155 million in Durham County alone.

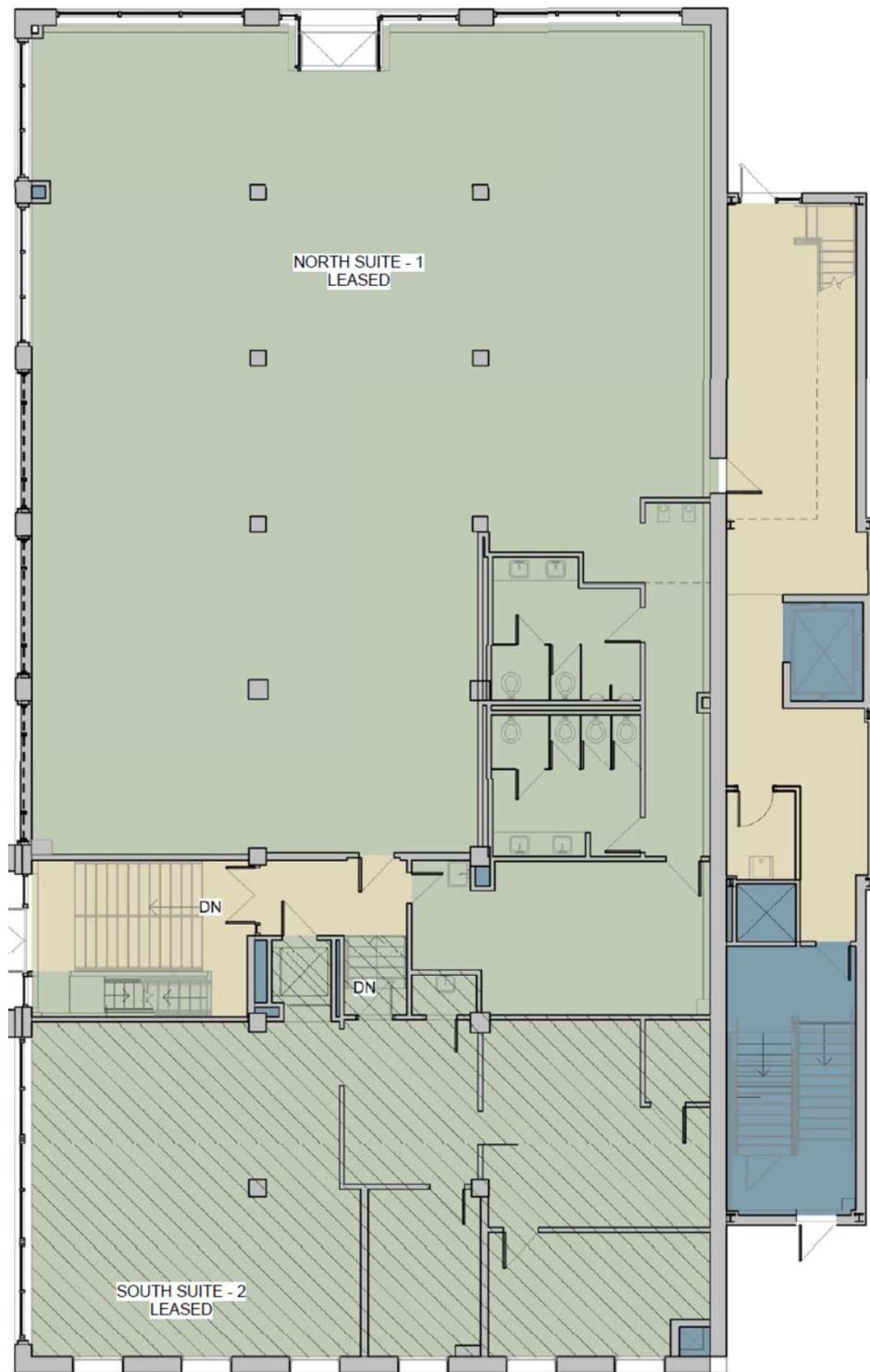
Quality of Life: a variety of cultural attractions including, Performing Arts Center, Durham Bulls, Osher Learning Institute, Nasher Museum of Art, Carolina Theatre, American Tobacco Trail, arts festivals, golf courses, state parks and nature trails.

FLOOR PLANS

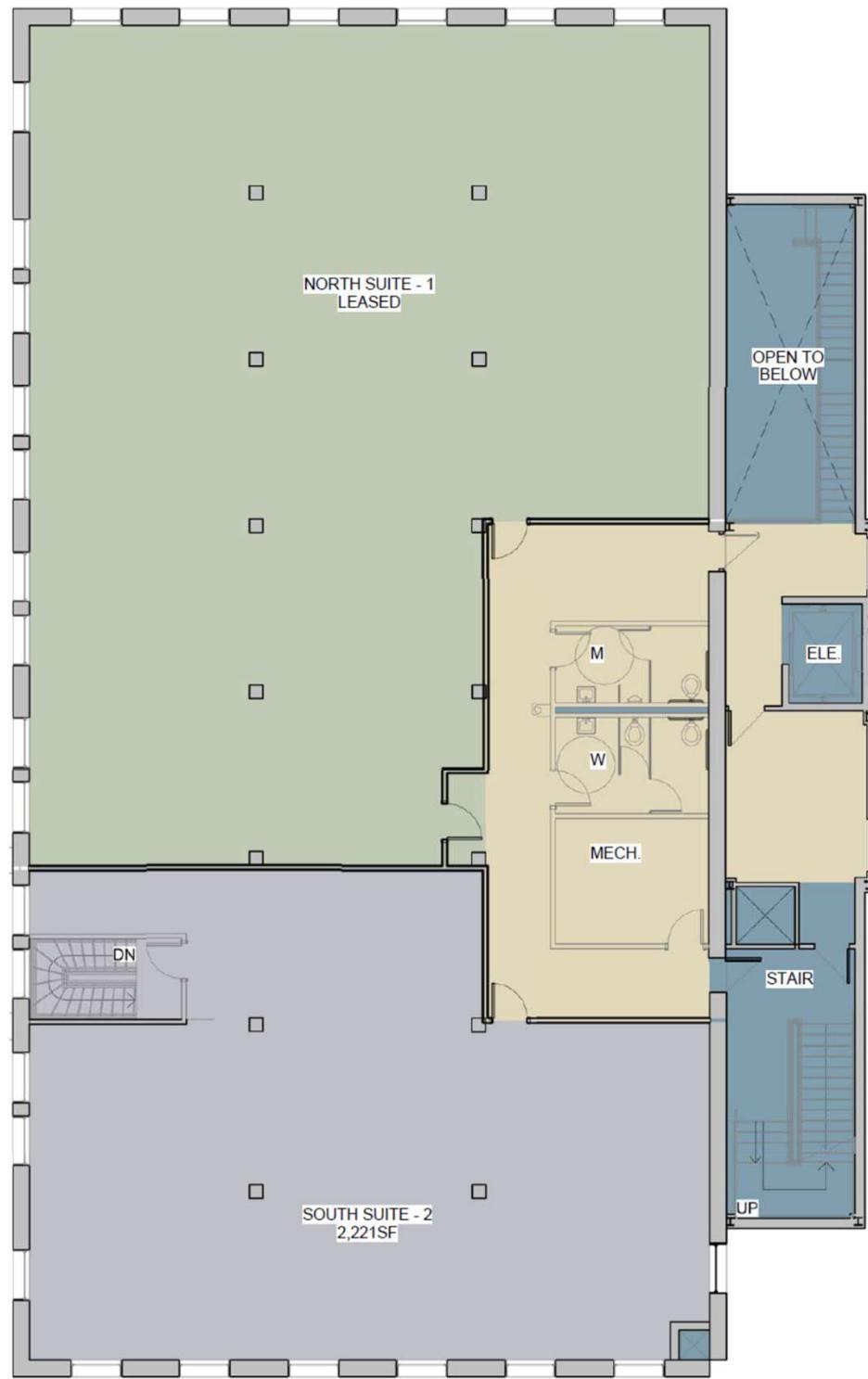
GROUND FLOOR PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN



COMPANY SUMMARY

Maverick Partners was founded in Downtown Durham in 2002 by Brad Wiese, on the belief that real estate brokers should “add value” to the sales and leasing process, rather than simply collecting a fee for being present.

Our brokers are experts in Triangle-area commercial property sales and leasing, with specific expertise in urban, historic, mixed-use and income-producing properties. We have broad experience in property development, sales, and financial analysis, and have earned a reputation for our knowledge, attention to detail, and close client relationships. Commercial real estate is a complicated business and Maverick Partners prides ourselves in providing our clients with expert guidance, insight and knowledge.

Our mission is to provide our clients with the highest quality of brokerage services available. With skilled, knowledgeable team of real estate professionals, we will seek to add value and deliver results for all of our clients, from the smallest to the largest. We will provide our clients with extensive market analysis and expertise that fosters innovative solutions and rewarding real estate opportunities.

Our guiding principles are:

- To act in the best interest of our clients at all times, bringing unquestionable ethics to each transaction.
- To become trusted advisors for our client's acquisitions, dispositions, and leasing needs.
- To develop long-term client relationships by providing exceptional brokerage services
- To drive unparalleled customer satisfaction.

We are always standing by, eager to help, and we won't stop until your desired results are achieved. We want to earn your business. So, give us a call, send us an e-mail, or simply stop by our offices to chat. We look forward to hearing from you soon.



BRAD WIESE

Founder & President
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bwiese@maverickpartners.com

Brad founded Maverick Partners in 2002, to provide expert service for urban, mixed-use properties. Now a 22 year veteran, Brad has extensive experience in development, sales and leasing of a wide variety of properties. Since beginning in New York City, Brad had closed hundreds of sales and leasing transactions. A graduate of East Carolina University, he has also received the prestigious CCIM designation. Brad is an active member of Triangle Commercial Association of Realtors, NC Association of Realtors, and Urban Land Institute.



BRUCE ALEXANDER

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balexander@maverickpartners.com

Bruce specializes in the sales, leasing and advisory services for institutional-grade assets. Having +13 years industry experience, Bruce advises owners/investors on evaluating asset values, maximizing awareness for sales/leasing, and ultimately enhancing asset values and investor returns. Bruce has an MBA from Duke University and an Economics degree from Vanderbilt University.