



# ECONOMIC DEVELOPMENT UPDATE

October 2018

CHAPEL HILL

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1. **Entrepreneur Roundtable**– Meeting in November. Working on an identity for all to use who are in the entrepreneur eco-system.
2. **Launch** – Cohort 11 Applications are due in November and will be accepted in before the end of the year. Launch Inc. set to begin operating January 1, 2019.
3. **Economic development** for Carraway Village, Blue Hill (Ephesus-Fordham), Glen Lennox and others for job creation opportunities. SECU/BCBS building on the market, working with broker to promote.
4. **Marketing and sponsorships** to promote Chapel Hill.
  - a) New web site should be up by end of year. New features including access to data about the area related to work-force and population which will automatically be updated as American Community Survey is updated.
  - b) Monthly e-news, building LinkedIn account, promoting available office space and continuing Twitter promotion/ads
5. **Collaborating** on projects like: land acquisition for stormwater device behind Eastgate Crossing, reuse of the 828 Martin Luther King Jr. property, and others.
6. **Engagement:** Transportation Demand Management Conference, WCHL, and beginning a “Meet with Dwight” listening segment through WCHL as a part of business retention.

## Update on Economic Development

MISSION: Support opportunities to put Chapel Hill's people to work, and create economic prosperity for all, now and in the future.

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## COWORKING OPPORTUNITIES IN CHAPEL HILL

### CAROLINA COWORKING, LLC

206 W. Franklin St., Chapel Hill  
[carolinacoworking.com](http://carolinacoworking.com)

**Amenities** Break room with free coffee, shower and changing room, private call rooms, locking storage and laser printing, conference center with digital projection and 24-foot whiteboard, coworking desks with standup meeting areas, private offices for two with motorized sit/stand desks and large mobile whiteboards.

**Cost** Coworking monthly subscriptions \$249. Private office monthly subscriptions \$400. Conference center \$100 per hour for nonmembers. Coworking day passes \$25.

### SPACES

1011 Hamilton Rd., Chapel Hill  
[spacesworks.com](http://spacesworks.com)

**Amenities** Featuring floor-to-ceiling views of Finley Golf Course, the Spaces location in Chapel Hill includes modern coworking spaces to inspire creativity, private offices and an expansive business club. The location is outfitted with ultra-fast, secure WiFi, coffee bar, concierge-level services and an attentive staff to assist with ongoing needs. Additionally, business and networking events will be hosted on-site to help further foster a community between members.

**Cost** \$119/month for co-working space

### BLUEDOOR STUDIO

405 W. Franklin St., Chapel Hill  
[bluedoor.us](http://bluedoor.us)

The Studio houses the Bluedoor team who runs a full-service digital health agency, and shares its space with other impactful startups, like **DHIT**, whose mission is to drive healthcare transformation across the ecosystem through its next-gen operating platform; and **Kruted**, whose mission is to smooth the transition from high-school to college by facilitating meaningful connections for students.

**Amenities** Rentable space for health and wellness-related workshops, events and companies with high-speed broadband, full-service bar and AV equipment.

### LAUNCH CHAPEL HILL

306 W. Franklin St., Suite F, Chapel Hill  
[launchchapelhill.com](http://launchchapelhill.com)

**Amenities** Free coffee, shared and private office spaces, open coworking areas, WiFi, access to three parking lots, partnerships

with Google and Amazon for Google Spark and AWS credit, pizza on Fridays and monthly happy hours.

**Cost** Launch is a business accelerator first, so our main customer is our current and alumni companies. After that, we are happy to help anyone who wants to be part of a startup community. Flexible desks for \$125/month and offices ranging from \$350-\$1,000.

### PERCH COWORKING

106 S. Greensboro St., Suite E, Carrboro  
[perch-coworking.com](http://perch-coworking.com)

**Amenities** Carrboro Coffee Roasters, fast, reliable WiFi, conference room, phone booth, office suites, personal desks, and communal table, plus many events such as yoga, mindfulness, and business seminars.

**Cost** \$150-\$450. **DM**



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Mary Lynn Cox, Jennifer Cox, Margo McKinney-Kane and Ami Wells  
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# Chapel Hill Magazine

Co-working

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### 101 Cosgrove Hill / 300 Market St

Chapel Hill, NC, 27514



2196 SF

12 of 26



### 300 Market St

Chapel Hill, NC, 27516



1447 SF

1 of 7



### 301 Kildaire Rd

Chapel Hill, NC, 27516



4200 SF

1 of 7



### 55 Vilcom Center Dr

Chapel Hill, NC, 27514



1900 SF

1 of 12



### 1506 E Franklin St

Chapel Hill, NC, 27514



3500 SF

1 of 12



### 100 Europa Dr

Chapel Hill, NC, 27517



10,000 SF

1 of 4

Building Photo



\$23.95 - \$25.95 USD/SF/Yr

Office For Lease

#### Cosgrove Hill Office Building

Rental Rate: \$24.00 USD  
Property Type: Office  
Building Class: A  
Rentable Building Area: 32,722 SF

#### Southern Village Business Ce

Rental Rate: \$24.00 USD  
Property Type: Office  
Building Class: B  
Rentable Building Area: 40,663 SF

Rental Rate: \$30.00 USD/SF  
Property Type: Office  
Building Class: B  
Rentable Building Area: 8,000 SF

#### Chapel Hill 40- Boyd Hall

Rental Rate: \$23.35 USD/SF  
Min. Divisible: 1,648 SF  
Property Type: Office  
Building Class: A  
Rentable Building Area: 50,723 SF

Rental Rate: \$22.00 USD/SF  
Property Type: Office  
Building Class: B  
Rentable Building Area: 32,000 SF

#### Europa Center

Rental Rate: \$23.95 - \$25.95 USD/SF/Yr  
Property Type: Office  
Building Class: A  
Rentable Building Area: 183,164 SF

Year Built: 1989  
Walk Score @: 57 (Somewhat Walkable)  
Transit Score @: 33 (Some Transit)

# Office market

Chapel Hill Office Market



With the completion of Carolina Square, there was a lot of movement from UNC and leased space in other buildings downtown that moved to the new space. The market has yet to reflect all the changes from those relocations.

BY SUBMARKET	Inventory	VACANCY			NET ABSORPTION			AVERAGE ASKING RENT		
		Total	Class A	Class B	3Q18	YTD	SF Underway	Total	Class A	Class B
Downtown Durham	3,357,883	2.6%	3.3%	0.9%	33,063	15,482	870,429	\$31.21	\$32.12	\$28.75
Downtown Raleigh	4,875,467	7.8%	10.8%	3.2%	42,064	271,417	362,342	\$32.09	\$33.12	\$27.34
<b>Urban Total</b>	<b>8,233,350</b>	<b>5.7%</b>	<b>7.7%</b>	<b>2.2%</b>	<b>75,127</b>	<b>286,899</b>	<b>1,232,771</b>	<b>\$31.64</b>	<b>\$32.61</b>	<b>\$27.87</b>
Cary	5,411,314	7.8%	7.5%	9.0%	44,371	44,931	363,500	\$25.10	\$26.61	\$19.34
<b>Chapel Hill/Carrboro</b>	<b>1,510,574</b>	<b>17.7%</b>	<b>12.4%</b>	<b>33.9%</b>	<b>(6,052)</b>	<b>(38,357)</b>	<b>257,678</b>	<b>\$28.68</b>	<b>\$29.99</b>	<b>\$22.50</b>
Falls of Neuse	2,185,923	10.6%	9.4%	9.0%	(44,530)	(93,562)	-	\$22.01	\$23.86	\$20.95
Glenwood/Creedmoor	2,606,703	5.5%	6.5%	3.9%	(11,774)	19,377	-	\$24.95	\$27.64	\$20.77
I-40/RTP	14,167,287	20.4%	10.5%	33.2%	(47,602)	106,165	708,855	\$23.48	\$24.99	\$21.89
North Durham	440,139	40.8%	-	40.8%	-	7,520	-	\$17.90	-	\$17.90
Six Forks Road	3,641,494	13.1%	15.0%	18.3%	28,278	204,530	-	\$25.68	\$28.08	\$21.79
South Durham	1,644,227	15.5%	12.2%	20.8%	(68,954)	(118,959)	-	\$24.12	\$26.31	\$21.08
Southern Wake County	263,951	13.6%	-	13.6%	-	-	-	\$13.27	-	\$13.27
US 1/Capital Boulevard	1,795,053	4.7%	3.3%	5.8%	20,693	12,216	-	\$21.34	\$24.19	\$17.68
West Raleigh	5,390,470	6.7%	6.6%	7.7%	64,992	150,956	-	\$25.66	\$26.68	\$22.94
<b>Suburban Total</b>	<b>39,057,135</b>	<b>13.7%</b>	<b>9.4%</b>	<b>21.0%</b>	<b>(20,578)</b>	<b>294,839</b>	<b>1,325,033</b>	<b>\$24.04</b>	<b>\$26.36</b>	<b>\$20.93</b>
<b>Total Market</b>	<b>47,290,485</b>	<b>12.3%</b>	<b>9.1%</b>	<b>18.4%</b>	<b>54,549</b>	<b>581,738</b>	<b>2,557,804</b>	<b>\$25.45</b>	<b>\$27.91</b>	<b>\$21.40</b>

Shows our office market at 1.5 million and it is 2.5 million.

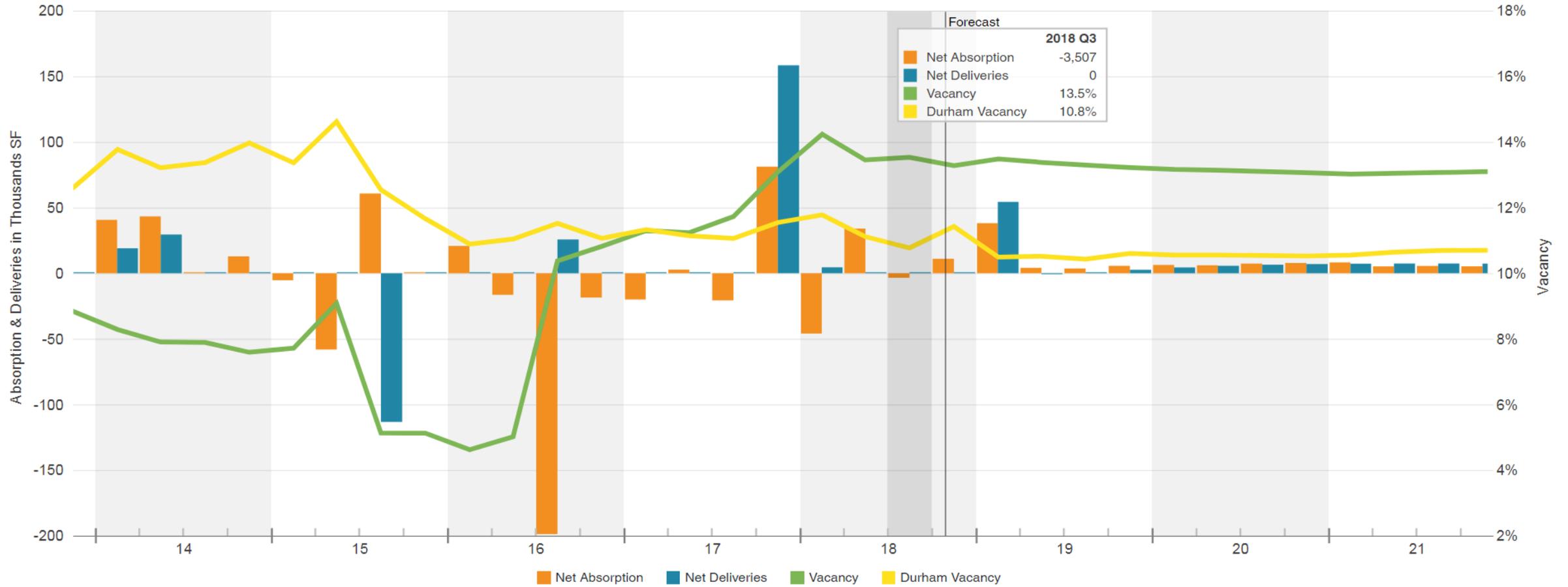
# Orange County Office Market



AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$25.37 ↑	\$24.15 ↑
Vacancy Rate	13.3% ↑	11.2% ↓
Vacant SF	577 K ↑	3.7 M ↑
Availability Rate	15.2% ↓	14.4% ↓
Available SF	665 K ↓	4.8 M ↓
Sublet SF	33.8 K ↑	236 K ↓
Months on Market	6.7	9.0

Net Absorption, Net Deliveries & Vacancy

History 1Y 3Y 5Y 10Y All Forecast 1Y 3Y 5Y



QUAD V ±19,126 – 95,867 SF AVAILABLE



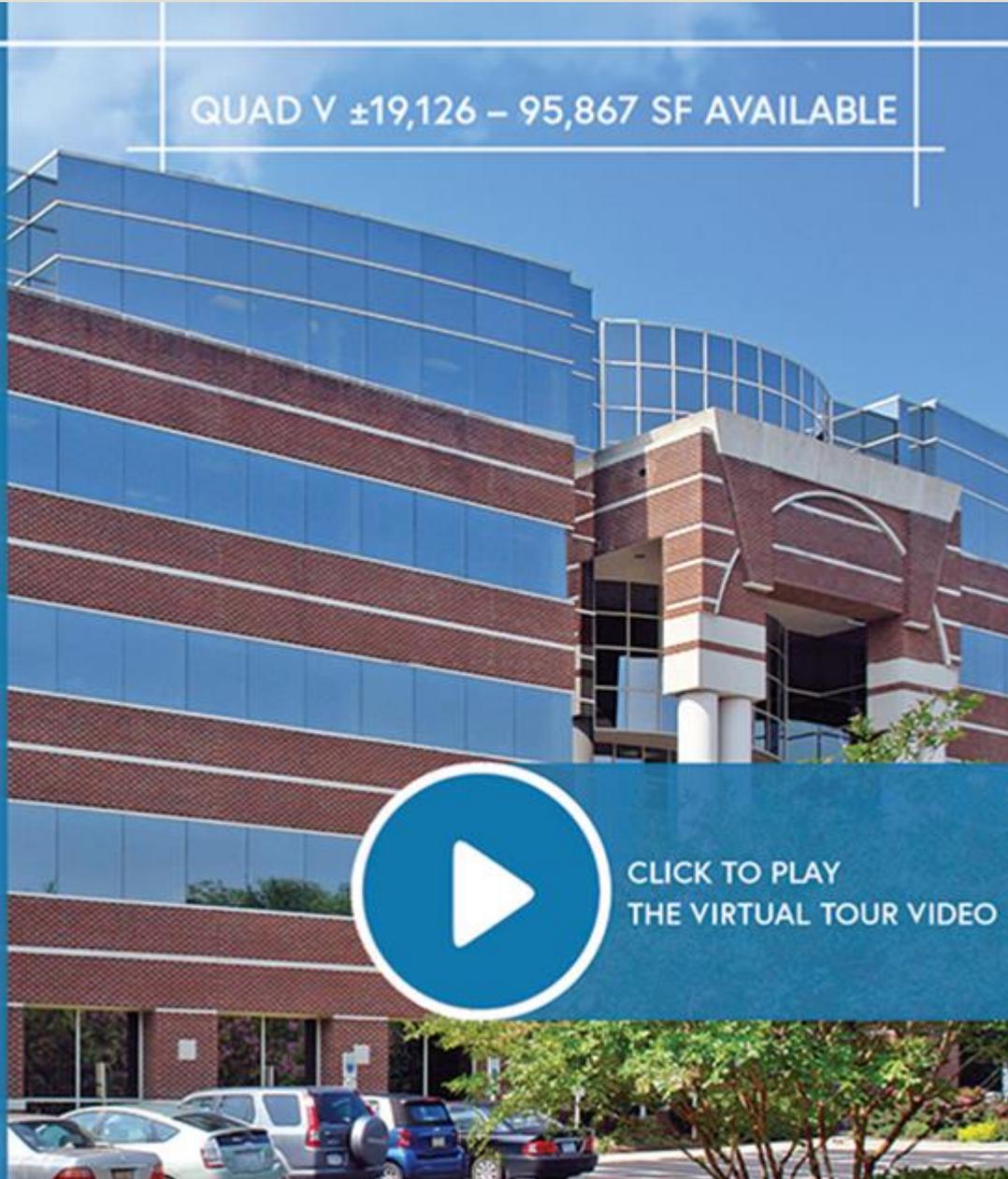
QUADRANGLE  
OFFICE PARK

AVAILABE SPACE FROM  
3,165 SF TO 95,867 SF

OPTIMIZE YOUR FUTURE



CLICK TO PLAY  
THE VIRTUAL TOUR VIDEO



# Orange County Retail Market



AVAILABILITY	MARKET	NATIONAL INDEX
Market Rent/SF	\$18.93 ↑	\$20.90 ↑
Vacancy Rate	3.2% ↓	4.4% ↓
Vacant SF	835 K ↓	506 M ↓
Availability Rate	5.1% ↑	6.4% ↓
Available SF	1.3 M ↑	739 M ↓
Sublet SF	76.9 K ↑	26.8 M ↑
Months on Market	7.6	10.7

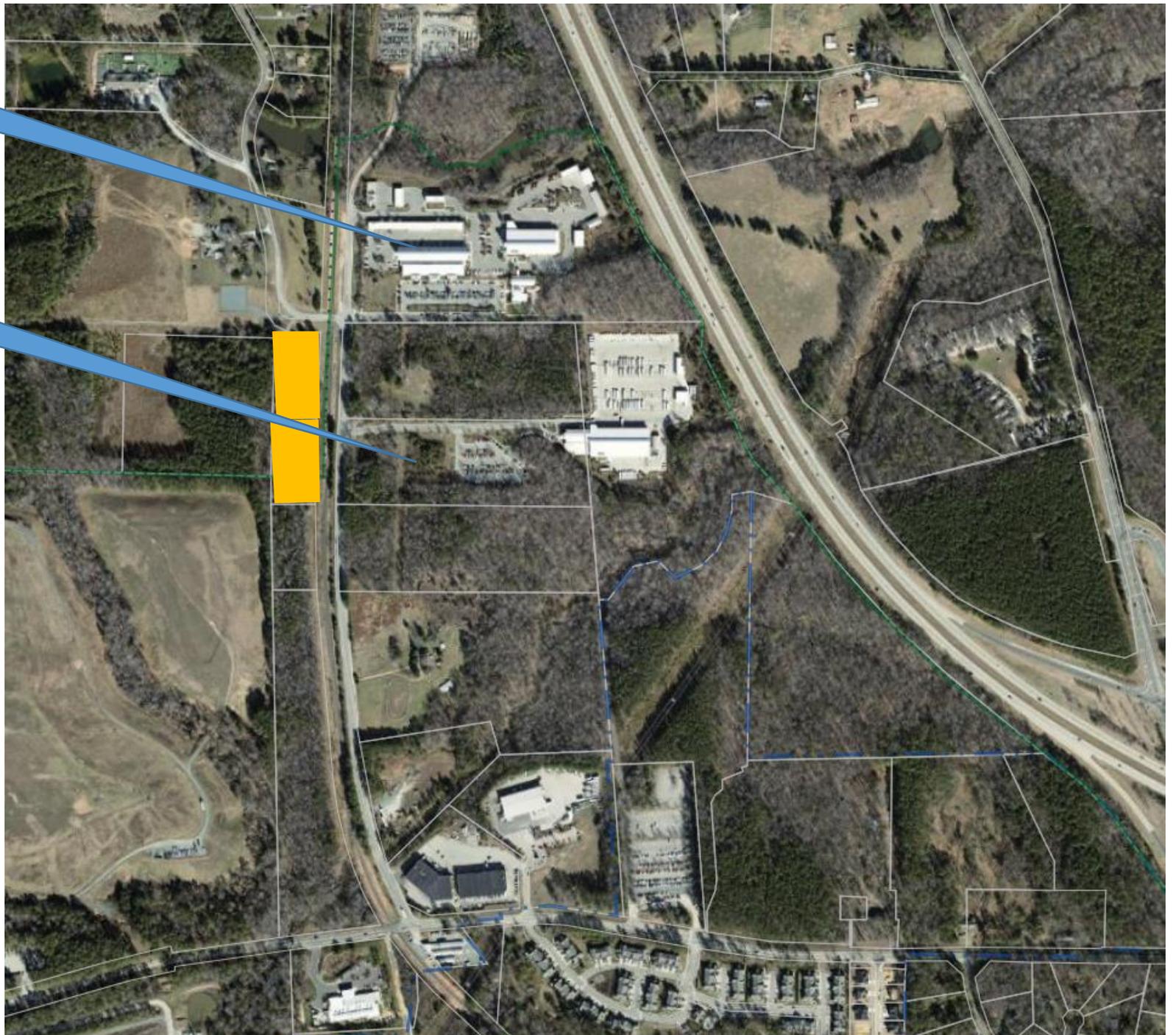
**Projected Chapel Hill Retail Vacancy – 7-8%**



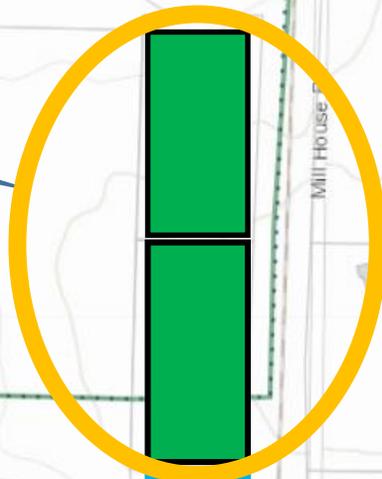
Enterprise  
District  
activity  
(Rezoned land on  
Millhouse Road)  
Water and sewer needs

Public Works facility

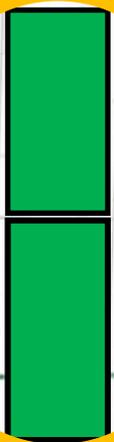
Transit facility



Will need to be annexed and brought into the OWASA service area



Other properties that might be developed



October - 2018

<b><u>Type</u></b>	<b><u>Square Feet</u></b>
Light Manufacturing	15,000+
IT	50,000
Manufacturing	30,000

# Update on Economic Development

## Inquiries

MISSION: Support opportunities to put Chapel Hill's people to work, and create economic prosperity for all, now and in the future.

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# QUESTIONS?

Chapel Hill Economic Development

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