



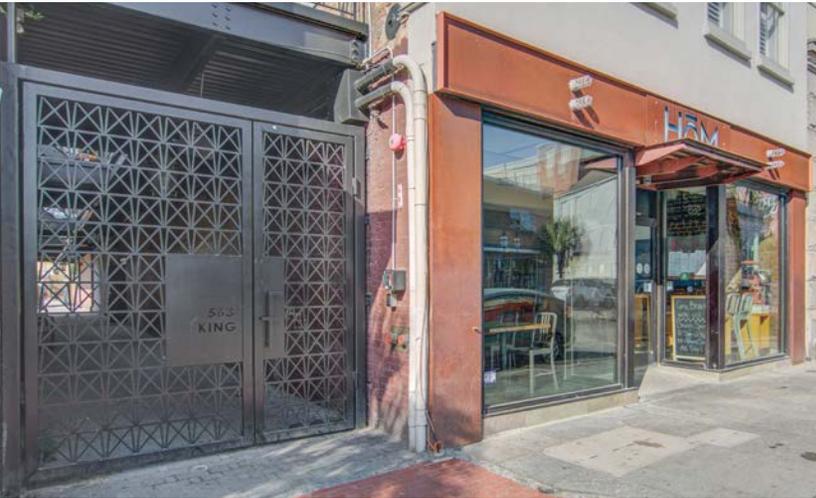
VIEW VIDEO



# FURMAN

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## CAPITAL ADVISORS



Conceptual Rendering



# OPPORTUNITY ZONE

Charleston, SC

# UPPER KING ST PORTFOLIO



## TABLE OF CONTENTS

### Investment Overview

03 Executive Summary

### Asset Overview

06 Site Overview

07 Existing Retail

08 Existing Short-Term Rentals

10 Developable Land

11 Parking Overview

### Zone Overview

12 Zone Overview Map

13 Opportunity Zone

15 Short-Term Rental Overlay Zone

17 Accommodations Overlay Zone

### Financial Overview

19 Total Portfolio Financials

20 Existing Retail Financials

21 Existing Short-Term Rentals Financials

### Market Overview

22 Upper King Street Neighborhood

23 Regional Map

24 Charleston, SC

30 Demographics

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Furman Capital Advisors is pleased to offer the opportunity to purchase 100% fee simple interest in the **Upper King St Portfolio** located at the corner of King Street and Cannon Street in Charleston, SC in one of the **country's most desirable Opportunity Zones**. The offering consists of i) an existing **+/-16,360 SF income-producing mixed-use development**, and ii) a **±0.14 acre pad ready site** with a **fully permitted and approved +/-17,652 SF, 21 unit Apartment** building that could be constructed by Buyer, allowing a **Buyer to take full advantage of the tax benefits offered in an Opportunity Zone**. This offering along Upper King Street in the center of downtown Charleston is one of the most sought after retail and hospitality locations in the world.

In addition to being located in one of the country's most desirable Opportunity Zones, the property is **perfectly positioned** in the heart of Charleston's newly established **Short-Term Rental Overlay Zone** AND the **Accommodation Overlay Zone**, providing the Buyer an extremely **rare opportunity to operate commercial short-term rentals** in Downtown Charleston.

With its location in the heart of Charleston's most progressive street, the Upper King St Portfolio is positioned to be a **prominent asset for decades to come**.

**Portfolio Asking Price = \$16,200,000**

## OFFERING AT A GLANCE

### EXISTING IMPROVEMENTS

561 King St	±2,200 SF Retail Building	Charlestowne Tobacco and Wine
563 King St	±3,700 SF Retail Building	HoM Restaurant
9 Cannon St	±1,200 SF Retail Building	Candy Shop Vintage
11 Cannon St	± 660 SF Retail Building	Babbas Restaurant
563 King St	±5,300 SF Apartment Building	6 Short-Term Rentals
13-15 Cannon St	±3,300 SF Apartment Building	4 Short-Term Rentals

### DEVELOPABLE LAND

563 King St	±0.14 Acres
	31 Parking Spaces
	Fully Permitted and Approved Apartment Development

### PARKING & AMENITIES

- 15 On-site parking spaces
- 16 Off-site (dedicated) parking spaces in the adjacent city of Charleston's Midtown Garage (located across the street from the Portfolio)
- Rooftop terrace and ground patio fronting King Street used as a common area amenity or a catering venue for the short-term rentals



## PORTFOLIO INFORMATION

### Existing Retail

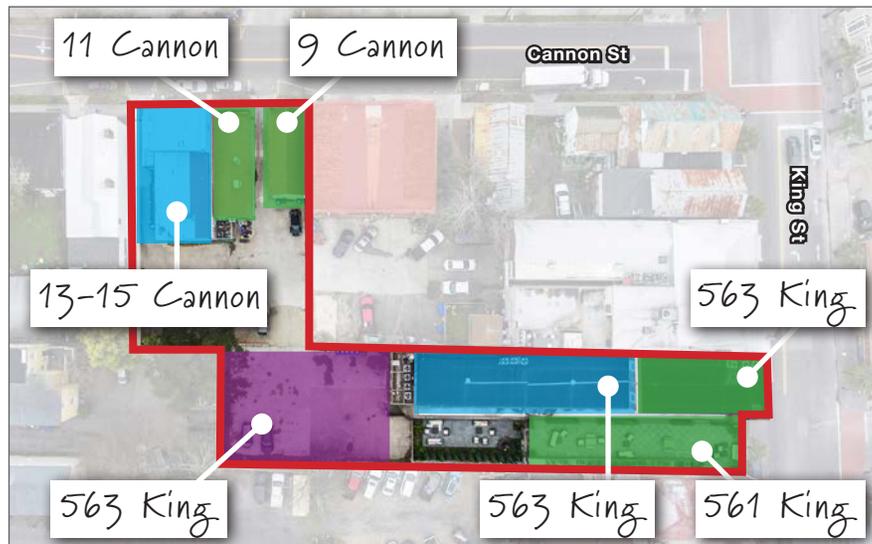
561 King: ±2,200 SF  
 563 King: ±3,700 SF  
 9 Cannon: ±1,200 SF  
 11 Cannon: ± 660 SF

### Existing Short-Term Rentals

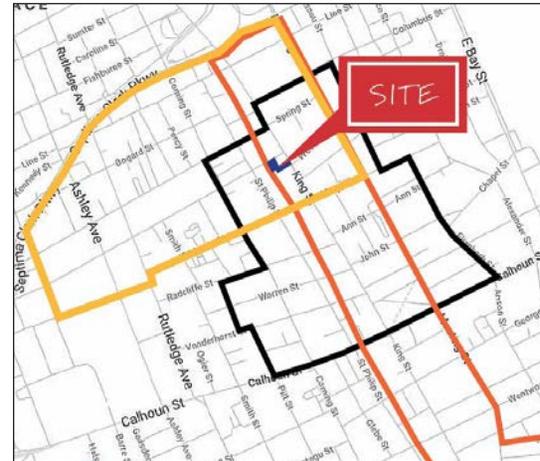
563 King: ±5,300 SF = (3) 2BD/1.5 BA, and (3) 2BD/1BA  
 13-15 Cannon: ±3,300 SF = (3) 2BD/2BA, and (1) 1BD/1BA

### Developable Land

563 King: ±0.14 acres fully permitted and approved apartment development.



## ZONE OVERLAY



- Opportunity Zone
- Short-Term Rental Zone
- Accommodations Zone

\*See page 12 for zone descriptions

## VALUATION SUMMARY

Existing Retail Revenue	\$328,643
Existing STR Revenue	\$571,497
Total Operating Expenses	\$220,486
<b>NET OPERATING INCOME</b>	<b>\$679,653</b>
CAP Rate	5.00%
Improvements Value	\$13,593,059
Developable Land Value	\$2,606,941
<b>Asking Price</b>	<b>\$16,200,000</b>



The **Upper King St Portfolio** is perfectly positioned in the heart of Charleston's high growth, **vibrant Upper King Street** area featuring Charleston's best restaurants, nightlife, and shopping. The Portfolio is walkable to everything downtown including The **College of Charleston, Medical University of South Carolina and Charleston School of Law.**

Historic downtown is a major economic engine for the Charleston region. Tourism has been the primary driver with explosive growth, into what is now a **\$7.37 billion dollar a year industry. Over 7 million visitors came to Charleston in 2018**, supporting 47,000 jobs. This diversified economic base with steady growth prospects is fueling the **need for accommodations and short-term rentals.** Charleston's **population growth rate doubled the national average** in recent years as the area continues to attract new residents. The influx of high-profile manufacturers like Boeing, Mercedes and Volvo have provided a steady flow of jobs for people choosing to make Charleston their new home. The deepening of Charleston's harbor and the major expansion of the port is expected to drive even more industry in the coming years. This and much more drives Charleston's long-term need for accommodations and short-term rentals.

## INVESTMENT HIGHLIGHTS

- Located in one of the country's most desirable Opportunity Zones
- Located in both the Short-Term Rental Overlay Zone and Accommodation Overlay Zone
- Irreplaceable location at the corner of King and Cannon streets in the nationally recognized Downtown Charleston market
- Ideal mixture of uses creating a true "diversification" play
- Walk Score® of 95 "Walker's Paradise"
- High barriers to entry—King Street is one of the CBD's most land-constrained artery
- Abundant parking via adjacent ±459 space City-owned Midtown Garage
- Potential to condo and resell the retail and/or apartment portions of the portfolio



# ASSET OVERVIEW

Upper King St Portfolio



## SITE OVERVIEW



- Existing Retail
- Existing Short-Term Rentals
- Developable Land  
(Fully permitted and approved apartment development)





## EXISTING RETAIL

### 11 Cannon Street

**Tenant:** Babas on Cannon

**Size:** #660 SF

Old world style cafe serving coffee and house-made pastries in the morning, sandwiches and salads in the afternoon, and apertivo service in the evening with wine and cocktails.

b a b a s  
o n c a n n o n

[babasoncannon.com](http://babasoncannon.com)



### 9 Cannon Street

**Tenant:** Candy Shop Vintage

**Size:** #1,200 SF

Whimsical, curated, one-of-a-kind vintage and vintage-inspired jewelry boutique.

Candy Shop  
-VINTAGE-

[candyshopvintage.com](http://candyshopvintage.com)



### 563 King Street

**Tenant:** HoM Charleston

**Size:** #3,700 SF

Burger boutique, ping pong lounge & neighborhood bar with happy hours and lunch specials.

HōM

[homcharleston.com](http://homcharleston.com)



### 561 King Street

**Tenant:** Charlestowne Tobacco and Wine

**Size:** #2,200 SF

Upscale cigar and wine bar

Charlestowne  
Tobacco & Wine  
Established 1999

[tctwcigars.com](http://tctwcigars.com)





## EXISTING SHORT-TERM RENTALS

### 563 King Street

**Number of Units:** 6 = (3) 2BD/1.5BA, & (3) 2BD/1BA

**Size:** ±5,300 SF

Located in Midtown on Upper King Street, the **six short-term rental units** sleep 4 - 6 per apartment and offers a chic vibe with a casual environment and **rooftop deck** for lounging or private catering events. These fully-furnished short-term rentals offer an authentic Charleston feel with full kitchens, high-quality linens, gourmet coffee, Wi-Fi and more. **Renovated in 2017** with new kitchens, new appliances, bathrooms, hot water heaters, HVAC units, some new plumbing and some new electrical.



### 13-15 Cannon Street

**Number of Units:** 4 = (3) 2BD/2BA, (1) 1BD/1BA

**Size:** ±3,300 SF

15 Cannon completed a **total ground-up renovation in 2017** with new electrical, plumbing, structural, foundation, HVAC, kitchens, appliances, bathrooms and more. The luxury property is one large house comprised of **four short-term rental units**, each with a living room and a full kitchen, providing ample space and plenty of privacy for a large party. Combined 7 bedroom, 7 bathroom property.





## EXISTING SHORT-TERM RENTALS

### 563 King St Outdoor Event Space

#### THE SPACE

Rooftop Deck = ±1,600 SF

- 150 standing
- 80 seated

Garden Patio = ±1,200 SF

- 80 standing
- 40 seated



The restored rooftop and original garden patio is the perfect setting for a classic Charleston wedding or event. The combined 2,300 SF venue can host up to 230 guests standing or 120 seated. The original brick, ivy-covered walls and lanterns adorning the entrance make for a venue that guests will never forget.



### Professionally Managed and Operated by Walk Away Stays

Walk Away Stays manages the short-term rental's and event space advertising and rental process, from start to finish, including but not limited to all housekeeping, maintenance, financial reporting, and event space coordination. Walk Away Stays charges a management fee of 10% of the nightly rental rate.



Walk Away Stays is Charleston's premier property management company specializing in furnished long and short-term rentals. With 12 years of experience, Walk Away Stays offers everything owners and renters need for property rentals including in-house housekeeping and maintenance teams, on-call agents 24 hours a day, along with unsurpassed customer service provided to both renters and owners.



NOTE: All monthly or annual "Net Revenues" in the financial sections of this package are reported AFTER deducting the 10% Walk Away Stays management fees, miscellaneous management expenses, and rental concessions.





## DEVELOPABLE LAND

### 563 King Street

#### Fully Permitted and Approved Apartment Development

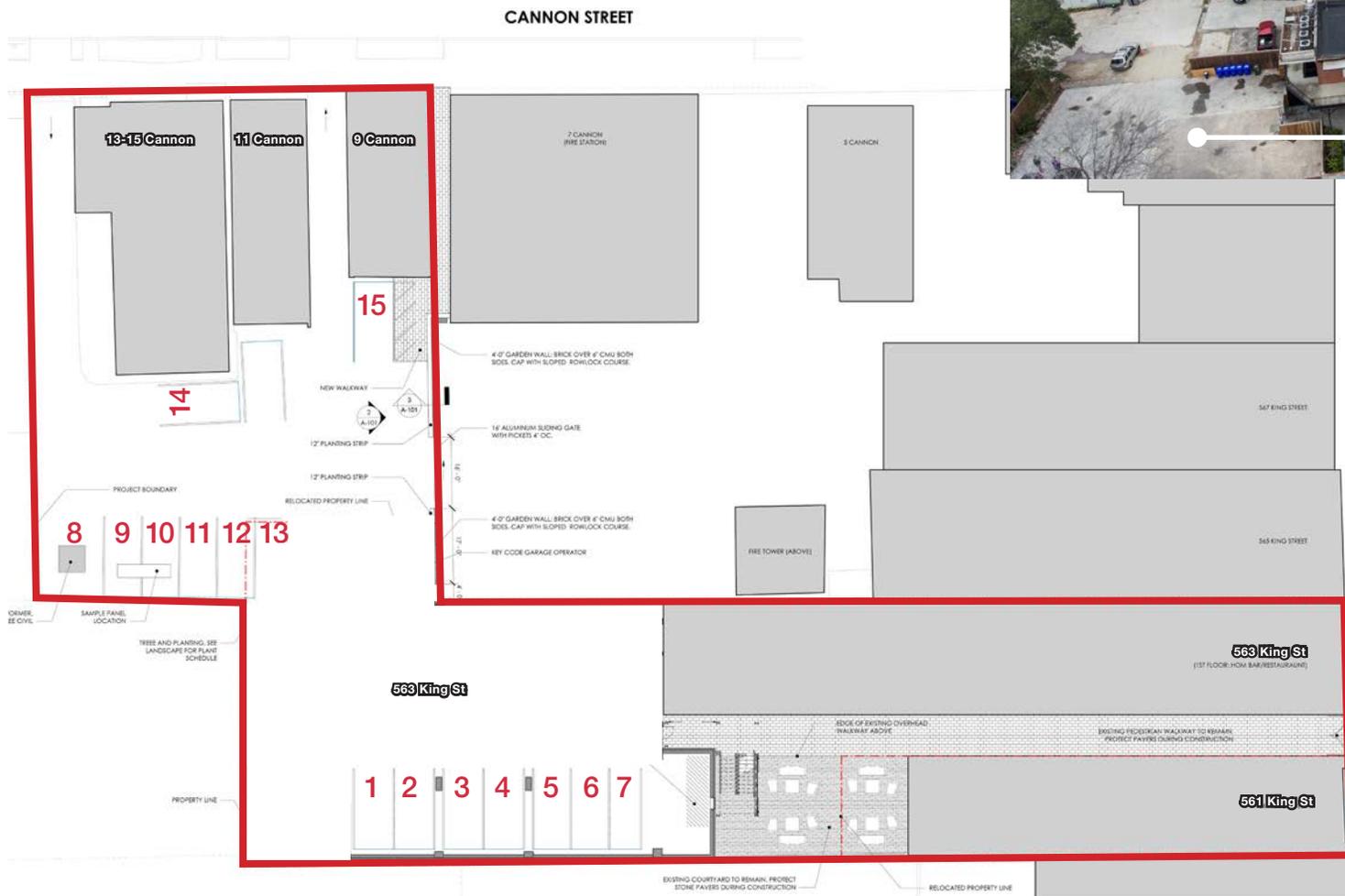
This extraordinary opportunity is being offered so the Buyer can strategically construct Apartments allowing the Buyer to take full advantage of the **Opportunity Zone tax incentives**. This offering is uniquely positioned to deliver a **permitted and approved** development package, thus minimizing much of the work and risk. The development package includes:

- Construction Ready turn-key approved permitted architectural, mechanical, electrical and engineering drawings
- Construction Ready permit construction set





## PARKING OVERVIEW



### Available On-Site Parking

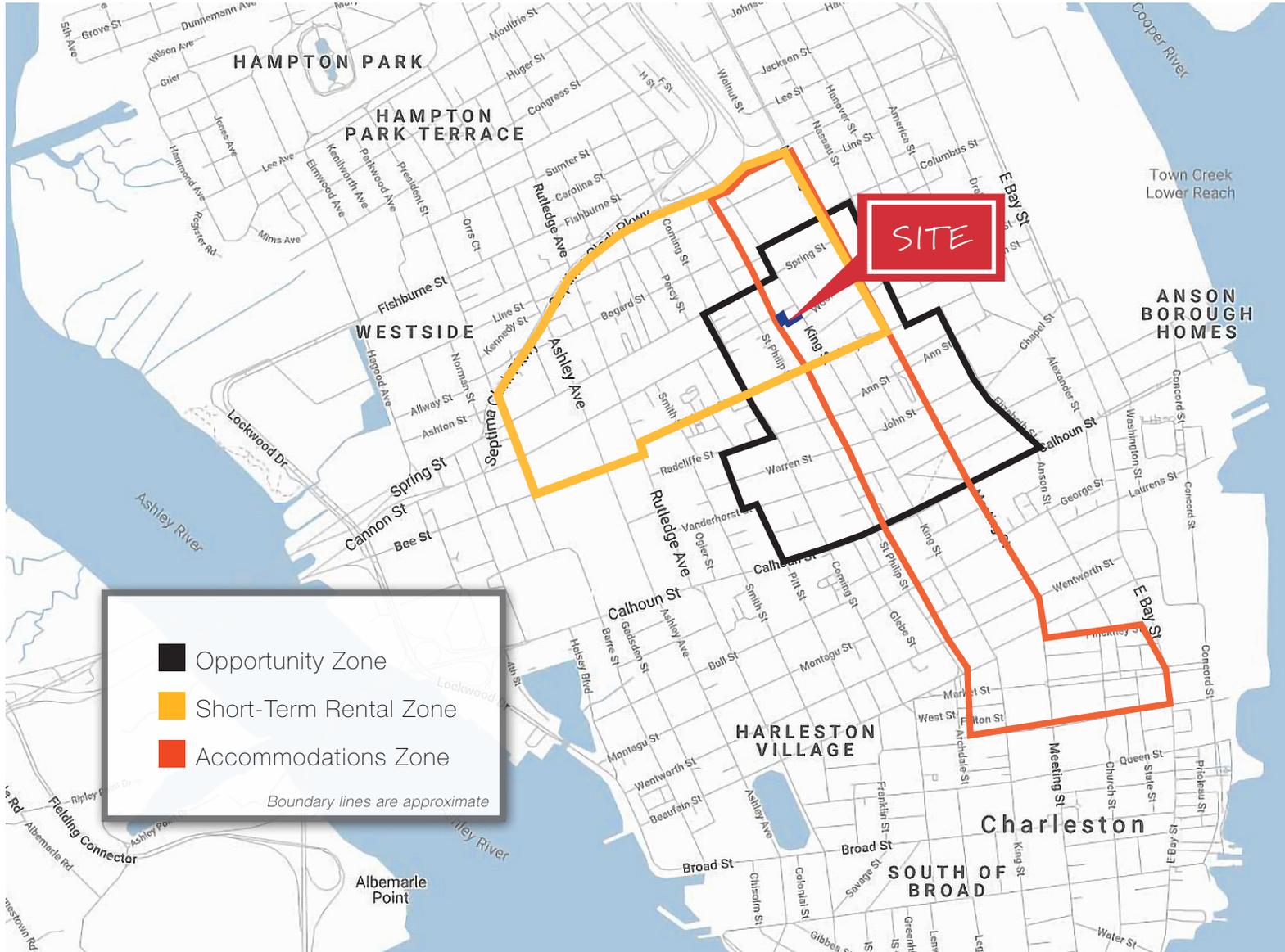
- 7 parking spaces located on the developable land.
- 8 parking spaces located directly behind the 13-15 Cannon Street buildings.

### Dedicated Parking at Midtown Garage

- 16 dedicated parking spaces in the City of Charleston Midtown Garage located across the street from the Subject Property.
- Guests pay the nightly rate as designated by the city.



## ZONE OVERVIEW MAP



The Upper King St Portfolio benefits from being located in the center of three very scarce and desirable zones in the City of Charleston.

**Opportunity Zone:** The portfolio is eligible for the benefits of being located within an Opportunity Zone.

**Short-Term Rental Overlay Zone:** Comprised of approximately 10% of the land area in downtown Charleston, this is the only City designated area where an owner can operate up to nine short-term rentals and is not required to live on site. Applies to 13-15 Cannon Street.

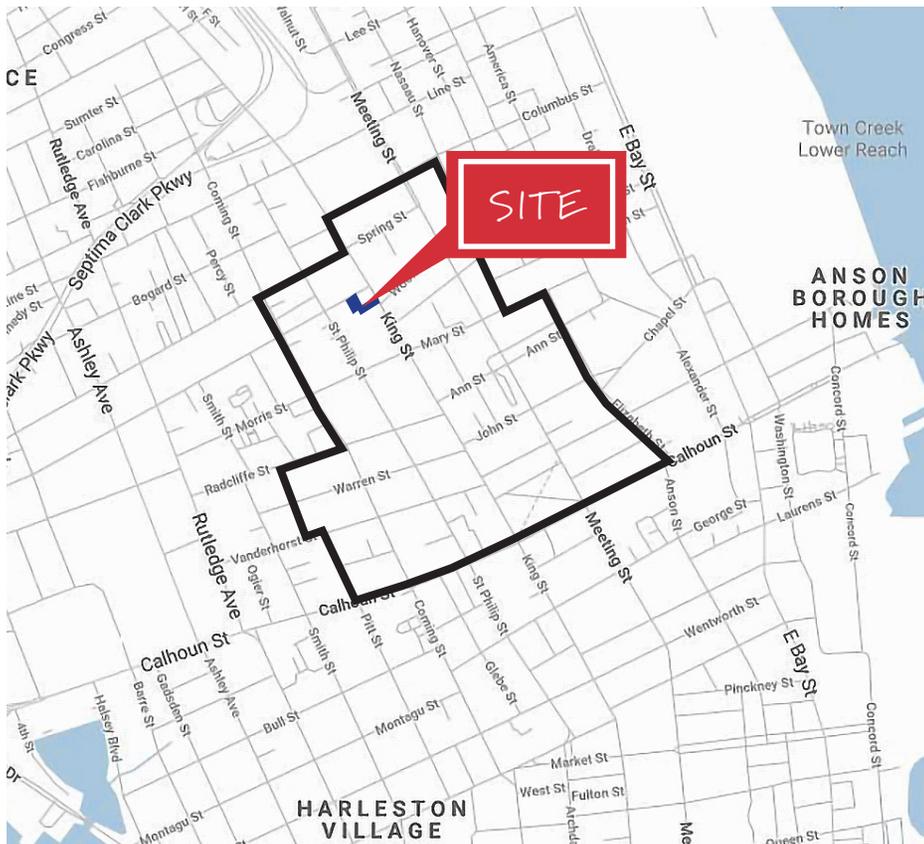
**Accommodations Overlay Zone:** Allows an owner to operate up to 50 “rooms”. Applies to 563 King and the developable land.



## OPPORTUNITY ZONE OVERVIEW

There are a total of 135 Opportunity Zones in South Carolina, most of which are located in areas of high interest to investors and developers, such as downtown Charleston, Greenville, Myrtle Beach and Summerville. The Opportunity Zone which was created for “severely distressed” and impoverished areas includes some of the most popular tourist destinations extending along King and Meeting streets, from Marion Square to the former Piggly Wiggly at Columbia Street.

Valuable downtown Charleston land is designated an Opportunity Zone. This Opportunity Zone was able to become eligible because of the population living near the College of Charleston that is dominated by students, with ages between 18 and 24, and low household incomes enabling a “severely distressed” area.



Boundary lines are approximate

The Opportunity Zones program offers investors the following incentives for putting their capital to work in low-income communities:

### TEMPORARY DEFERRAL

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.

### STEP-UP IN BASIS

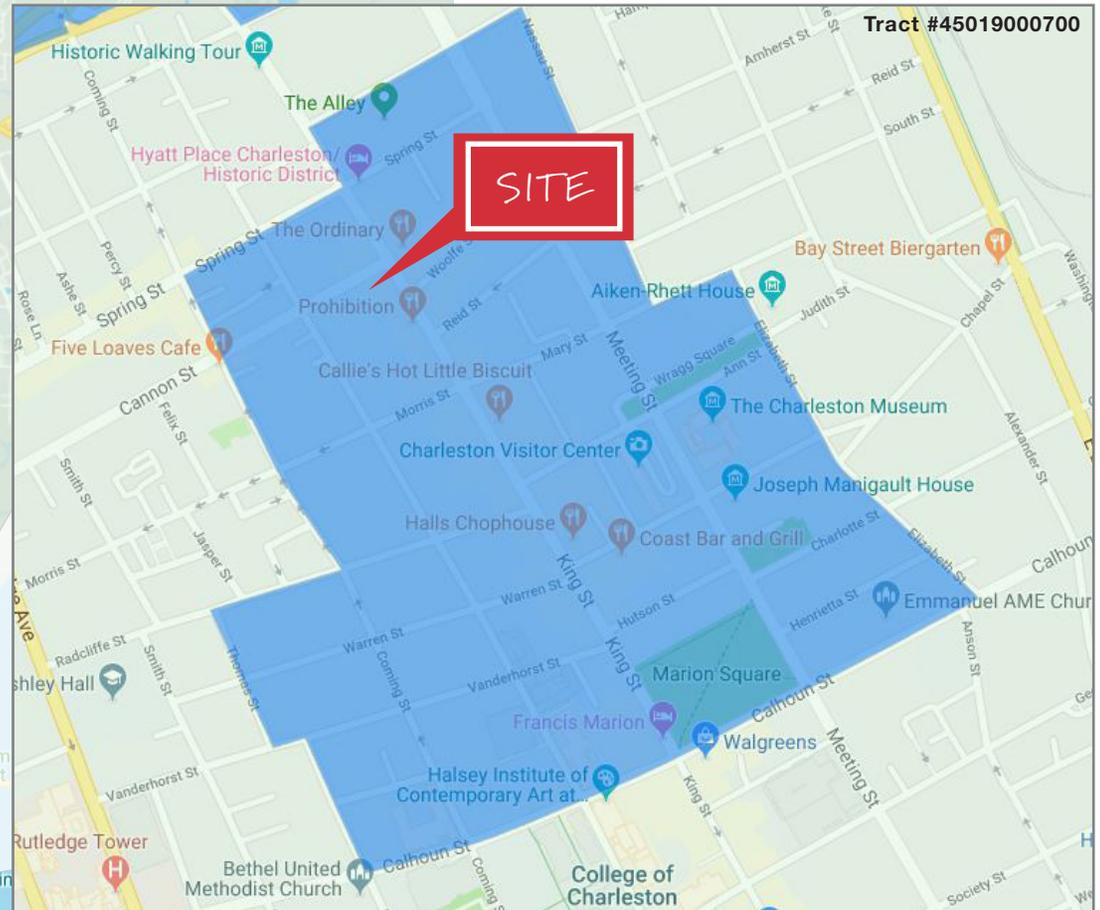
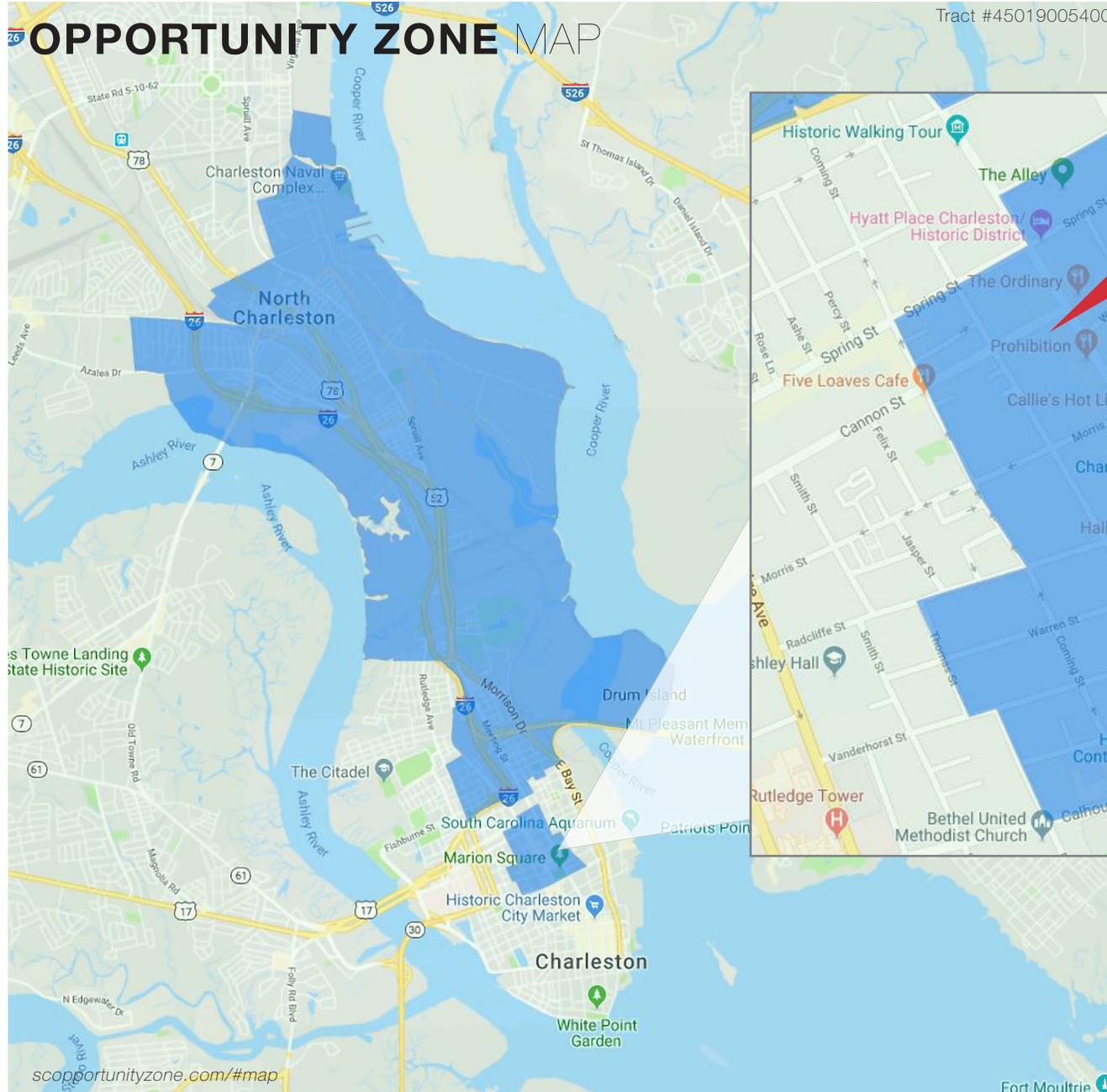
A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

### PERMANENT EXCLUSION

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

# ZONE OVERVIEW

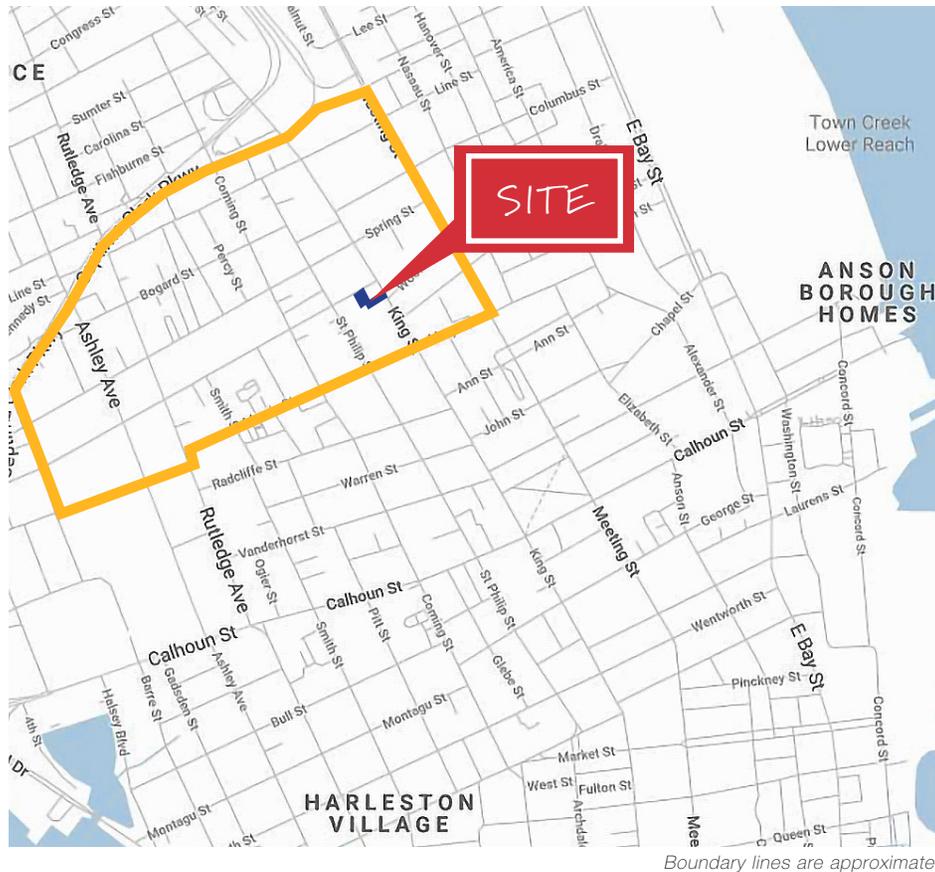
Upper King St Portfolio



The Charleston metro has two approved Opportunity Zones: Tract #45019005400 (North Charleston area) and **Tract #45019000700** (below the Crosstown to Marion Square) where the subject property is located.



## SHORT-TERM RENTAL OVERLAY ZONE OVERVIEW



The Upper King St Portfolio has the unique benefit of being located in the very desirable Short-Term Rental (STR) OVERLAY ZONE within the City of Charleston. Because the City places a high value on the preservation of the character of its residential neighborhoods, the STR OVERLAY ZONE Ordinance went into effect on July 10, 2018, to regulate the Charleston short-term rental market. The Ordinance created Charleston's only STR OVERLAY ZONE, a very small area in downtown Charleston where commercial short-term rentals can be approved on commercially zoned parcels (i.e. does not have to be the property owners primary residence), thus permitting owners of commercially zoned parcels located within the STR Overlay Zone to operate commercial short-term rentals. 13-15 Cannon STR's qualify and have been approved by the City of Charleston and are currently operating as Commercial STR's.

Property Located within the STR OVERLAY ZONE

- i) Can operate up to nine STR's on any one lot
- ii) Property Owner and/or Operator is not required to live on-site

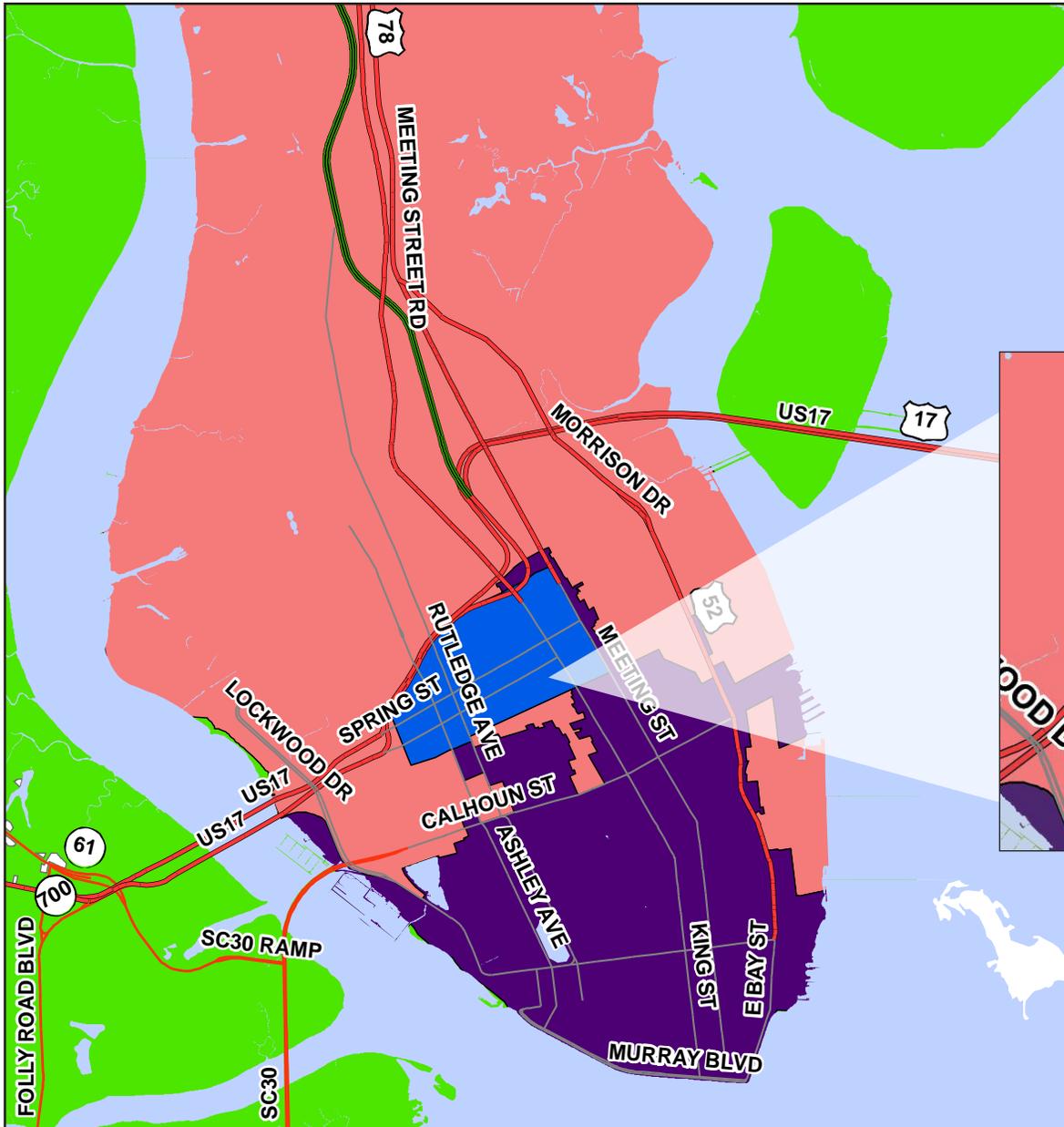
If a property is located outside of the STR OVERLAY ZONE, any owner wishing to operate an STR must adhere to strict requirements subject to annual renewal by the City of Charleston, thus greatly limiting competition for the Commercial STR's located within the STR OVERLAY ZONE.

Property located outside of the STR OVERLAY ZONE

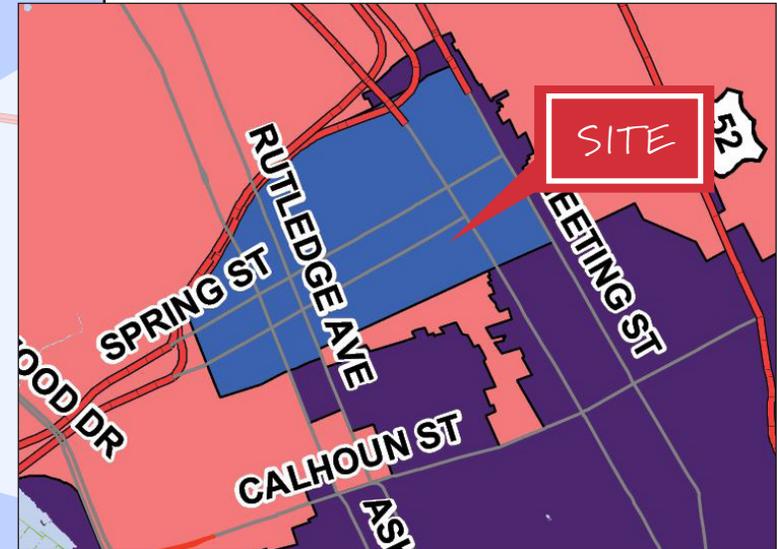
- i) Must serve as the STR owner's full-time primary residence
- ii) Meet zone/historical specific criteria based on property location
- iii) Contain an additional on-site parking space for each short-term rental unit

*A short-term rental refers to any rental of a dwelling unit/bedroom as a residential accommodation for less than 30 consecutive days.*

[www.charleston-sc.gov/shorttermrentals](http://www.charleston-sc.gov/shorttermrentals)



## SHORT-TERM RENTAL OVERLAY ZONE MAP

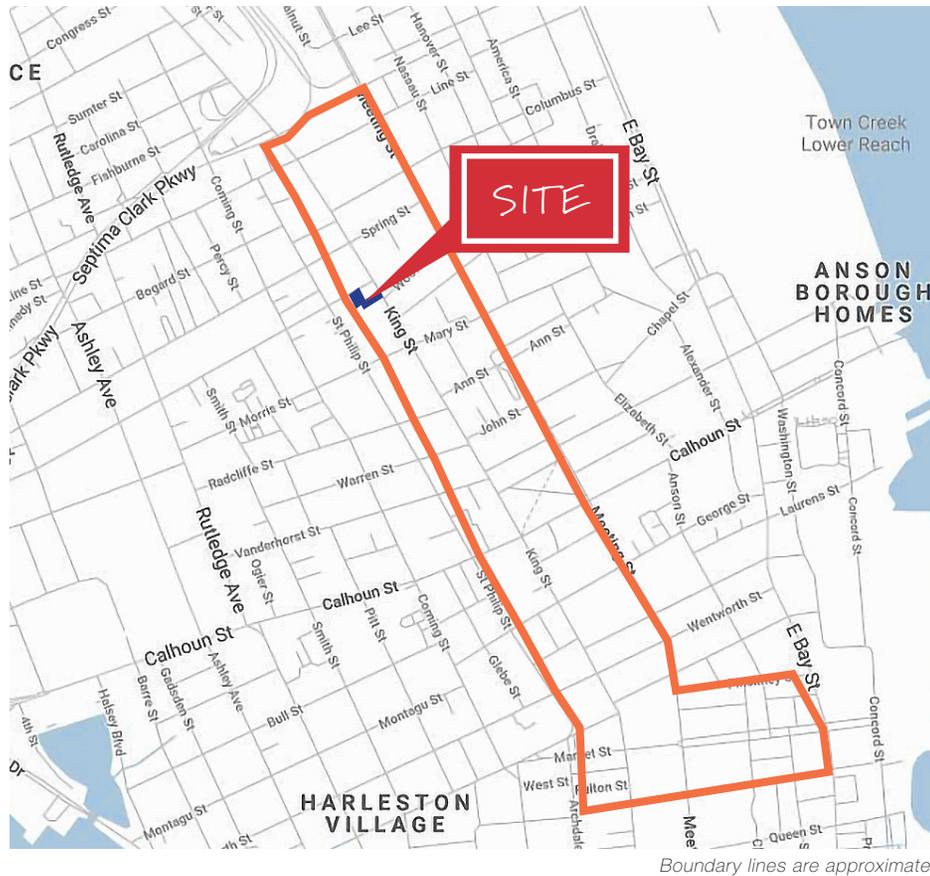


■ Short-Term Rental Overlay Zone

[www.charleston-sc.gov/DocumentCenter/View/18056](http://www.charleston-sc.gov/DocumentCenter/View/18056)



## ACCOMMODATIONS OVERLAY ZONE OVERVIEW



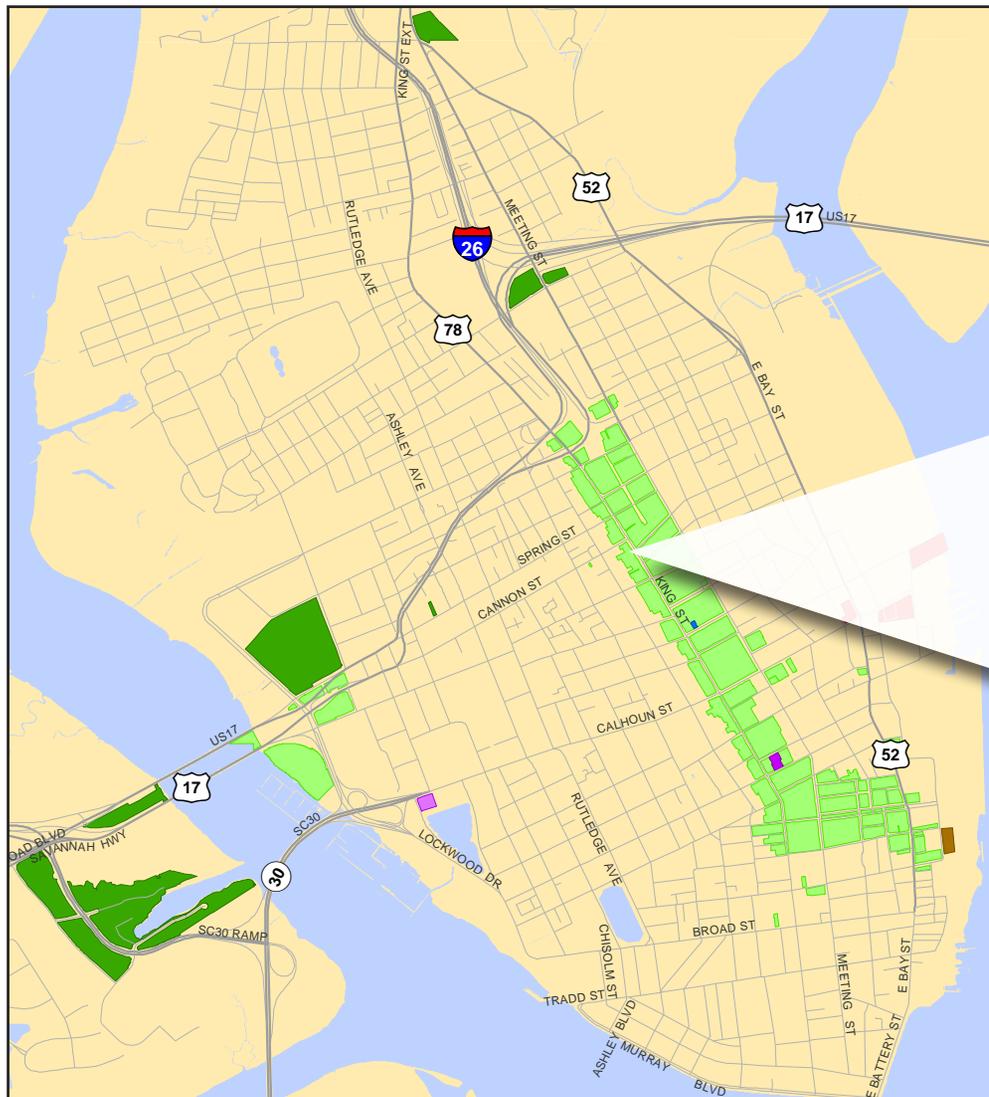
563 King Street (including the developable vacant land) has the unique benefit of being located within the Accommodations (“A”) Overlay Zone. On September 24, 2013, Charleston’s zoning ordinances were amended to restrict the geographic area where accommodation uses would be permitted by creating the A Overlay Zone, which also identifies those areas where accommodation uses are allowed. The 563 King Street parcel is located within the A Overlay Zone allowing an owner to operate up to 50-rooms on the parcel.

Accommodations Uses are defined as commercial uses to provide living or sleeping units, for remuneration, to one or more individuals where the intended and/or usual occupancy would not exceed twenty-nine (29) consecutive days, including hotels, motels, inns, bed and breakfasts, short-term rental units, rooming and boarding houses, hostels, lodging units, resort units, condominiums, cooperatives, apartments...as well as any and all similar uses where the intended and/or usual occupancy is for periods not to exceed twenty-nine (29) consecutive days.





## ACCOMMODATIONS OVERLAY ZONE MAP



Accommodations Overlay Zone Map, City of Charleston



- Accommodations Overlay Zone - Allows an operation of up to 50 "rooms" giving the owner of the subject property the ability to build and operate additional short-term rentals on the 563 King Street parcel which includes the developable land.

# FINANCIAL OVERVIEW

Total Portfolio Financials



## TOTAL PORTFOLIO - 10 YEAR PROFORMA

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Existing Retail	\$328,643	\$334,454	\$343,243	\$352,271	\$361,542	\$371,066	\$380,847	\$390,894	\$401,213	\$411,814
Existing STR	\$571,497	\$588,642	\$606,301	\$624,490	\$643,225	\$662,521	\$682,397	\$702,869	\$723,955	\$745,674
Scheduled Gross Income	\$900,139	\$923,096	\$949,544	\$976,760	\$1,004,767	\$1,033,587	\$1,063,244	\$1,093,763	\$1,125,168	\$1,157,487
<b>EXPENSES</b>										
Taxes	\$150,000	\$154,336	\$158,799	\$163,393	\$168,121	\$172,987	\$177,996	\$183,151	\$188,457	\$193,919
Insurance	\$40,537	\$41,711	\$42,919	\$44,162	\$45,442	\$46,759	\$48,115	\$49,510	\$50,947	\$52,426
Operating Expense	\$29,950	\$30,838	\$31,753	\$32,695	\$33,665	\$34,664	\$35,693	\$36,753	\$37,844	\$38,968
Total Operating Expenses	\$220,486	\$226,885	\$233,471	\$240,250	\$247,228	\$254,410	\$261,804	\$269,414	\$277,248	\$285,312
<b>NET OPERATING INCOME</b>	<b>\$679,653</b>	<b>\$696,211</b>	<b>\$716,074</b>	<b>\$736,511</b>	<b>\$757,539</b>	<b>\$779,177</b>	<b>\$801,440</b>	<b>\$824,348</b>	<b>\$847,920</b>	<b>\$872,175</b>

### Financial Assumptions & Notes

Retail Income	Revenue growth per executed Leases
STR Income	Revenue growth 3% annually
Expense Inflation	3% annual increase
Property Taxes	Taxes are based on the estimated point of sale

# FINANCIAL OVERVIEW

## Existing Retail Financials



### EXISTING RETAIL - 10 YEAR PROFORMA

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Charlestowne Tobacco & Wine - 561 King	\$121,000	\$124,630	\$128,369	\$132,220	\$136,187	\$140,272	\$144,480	\$148,815	\$153,279	\$157,878
HOM Restaurant - 563 King	\$140,600	\$143,412	\$146,280	\$149,206	\$152,190	\$155,234	\$158,338	\$161,505	\$164,735	\$168,030
Candy Shop Vintage - 9 Cannon	\$28,500	\$28,500	\$29,070	\$29,651	\$30,244	\$30,849	\$31,466	\$32,096	\$32,738	\$33,392
Babas on Cannon - 11 Cannon	\$34,440	\$35,229	\$36,110	\$37,013	\$37,938	\$38,887	\$39,859	\$40,855	\$41,877	\$42,923
Total OpEx Recovery	\$69,327	\$69,327	\$71,340	\$73,411	\$75,544	\$77,738	\$79,998	\$82,323	\$84,717	\$87,181
Scheduled Gross Income	\$393,867	\$401,099	\$411,169	\$421,501	\$432,103	\$442,980	\$454,141	\$465,594	\$477,345	\$489,404
EXPENSES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Taxes	\$61,519	\$63,217	\$64,963	\$66,759	\$68,605	\$70,504	\$72,456	\$74,463	\$76,528	\$78,651
Insurance	\$20,063	\$20,623	\$21,198	\$21,790	\$22,398	\$23,024	\$23,668	\$24,330	\$25,011	\$25,712
Repairs & Maintenance	\$1,000	\$1,020	\$1,040	\$1,061	\$1,082	\$1,104	\$1,126	\$1,149	\$1,172	\$1,195
Total Operating Expenses	\$82,582	\$84,860	\$87,202	\$89,610	\$92,086	\$94,632	\$97,250	\$99,942	\$102,711	\$105,558
<b>NET OPERATING INCOME</b>	<b>\$311,285</b>	<b>\$316,239</b>	<b>\$323,967</b>	<b>\$331,892</b>	<b>\$340,017</b>	<b>\$348,348</b>	<b>\$356,891</b>	<b>\$365,651</b>	<b>\$374,634</b>	<b>\$383,846</b>

#### Financial Assumptions

Rent increases	2% annually - 561 King, HOM, & Candy Shop Vintage; 2.5% annually - Babas; 3.0% annually - Charlestowne Tobacco & Wine
Expense Inflation	3% annually
Property Taxes	Taxes are based on the estimated point of sale

### EXISTING RETAIL - RENT ROLL

TENANTS	SQ FT	LEASE START	LEASE END	BASE RENT			OPEX		TOTAL RECOV	TOTAL ANNUAL
				\$PSF	MONTH	YR	TAX	INS		
<b>KING STREET RETAIL TENANTS</b>										
Charlestowne Tobacco & Wine - 561 King	2,200	TBD	5 Years	\$55.00	\$10,083	\$121,000	\$17,441	\$5,186	\$22,627	\$143,627
HOM Restaurant - 563 King	3,700	3/26/2011	3/26/2025	\$38.00	\$11,717	\$140,600	\$29,333	\$10,628	\$39,961	\$180,561
King Street Subtotal	5,900				\$21,800	\$261,600	\$46,773	\$15,814	\$62,587	\$324,187
<b>CANNON STREET RETAIL TENANTS</b>										
Candy Shop Vintage - 9 Cannon	1,200	4/1/2016	8/31/2020	\$23.75	\$2,375	\$28,500	\$0	\$0	\$0	\$28,500
Babas on Cannon - 11 Cannon	660	2/1/2018	2/1/2023	\$52.18	\$2,870	\$34,440	\$5,232	\$1,508	\$6,740	\$41,180
Cannon Street Subtotal	1,860				\$5,245	\$62,940	\$5,232	\$1,508	\$6,740	\$69,680
Property Totals:	7,760				\$27,045	\$324,540	\$52,006	\$17,322	\$69,327	\$393,867

# FINANCIAL OVERVIEW

## Existing Short-Term Rentals Financials



### EXISTING SHORT-TERM RENTALS - 10 YEAR PROFORMA

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Net Revenue <sup>1</sup>	\$571,497	\$588,642	\$606,301	\$624,490	\$643,225	\$662,521	\$682,397	\$702,869	\$723,955	\$745,674
Scheduled Gross Income	\$571,497	\$588,642	\$606,301	\$624,490	\$643,225	\$662,521	\$682,397	\$702,869	\$723,955	\$745,674
EXPENSES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Property Taxes	\$81,646	\$84,095	\$86,618	\$89,216	\$91,893	\$94,650	\$97,489	\$100,414	\$103,426	\$106,529
Insurance	\$20,474	\$21,088	\$21,721	\$22,372	\$23,043	\$23,735	\$24,447	\$25,180	\$25,936	\$26,714
SCEG	\$12,370	\$12,741	\$13,124	\$13,517	\$13,923	\$14,341	\$14,771	\$15,214	\$15,670	\$16,140
Charleston Water	\$6,044	\$6,225	\$6,412	\$6,604	\$6,803	\$7,007	\$7,217	\$7,433	\$7,656	\$7,886
Comcast	\$7,846	\$8,081	\$8,323	\$8,573	\$8,830	\$9,095	\$9,368	\$9,649	\$9,939	\$10,237
Charleston Security	\$1,190	\$1,225	\$1,262	\$1,300	\$1,339	\$1,379	\$1,420	\$1,463	\$1,507	\$1,552
Brown HVAC	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Total Operating Expenses	\$131,069	\$135,001	\$139,051	\$143,223	\$147,519	\$151,945	\$156,503	\$161,198	\$166,034	\$171,015
<b>NET OPERATING INCOME</b>	<b>\$440,428</b>	<b>\$453,641</b>	<b>\$467,250</b>	<b>\$481,267</b>	<b>\$495,705</b>	<b>\$510,577</b>	<b>\$525,894</b>	<b>\$541,671</b>	<b>\$557,921</b>	<b>\$574,658</b>

#### Financial Assumptions & Notes

Revenue Inflation	3% Annually
Expense Inflation	3% Annually
Property Taxes	Taxes are based on the estimated point of sale
Note 1: Net Revenue	Net Revenue is calculated after property management fees, management expenses, and concessions

### EXISTING SHORT-TERM RENTALS - PROJECTED MONTHLY REVENUE

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019 Totals
Net Revenue <sup>2</sup>	\$20,589	\$24,203	\$54,826	\$62,541	\$60,700	\$56,728	\$45,930	\$45,758	\$43,207	\$61,097	\$66,388	\$29,531	\$571,497

Note 2: January - July are actuals. August - December 2019 are forecasts based on average revenue growth from 2018 to 2019.



## CHARLESTON, SC UPPER KING STREET

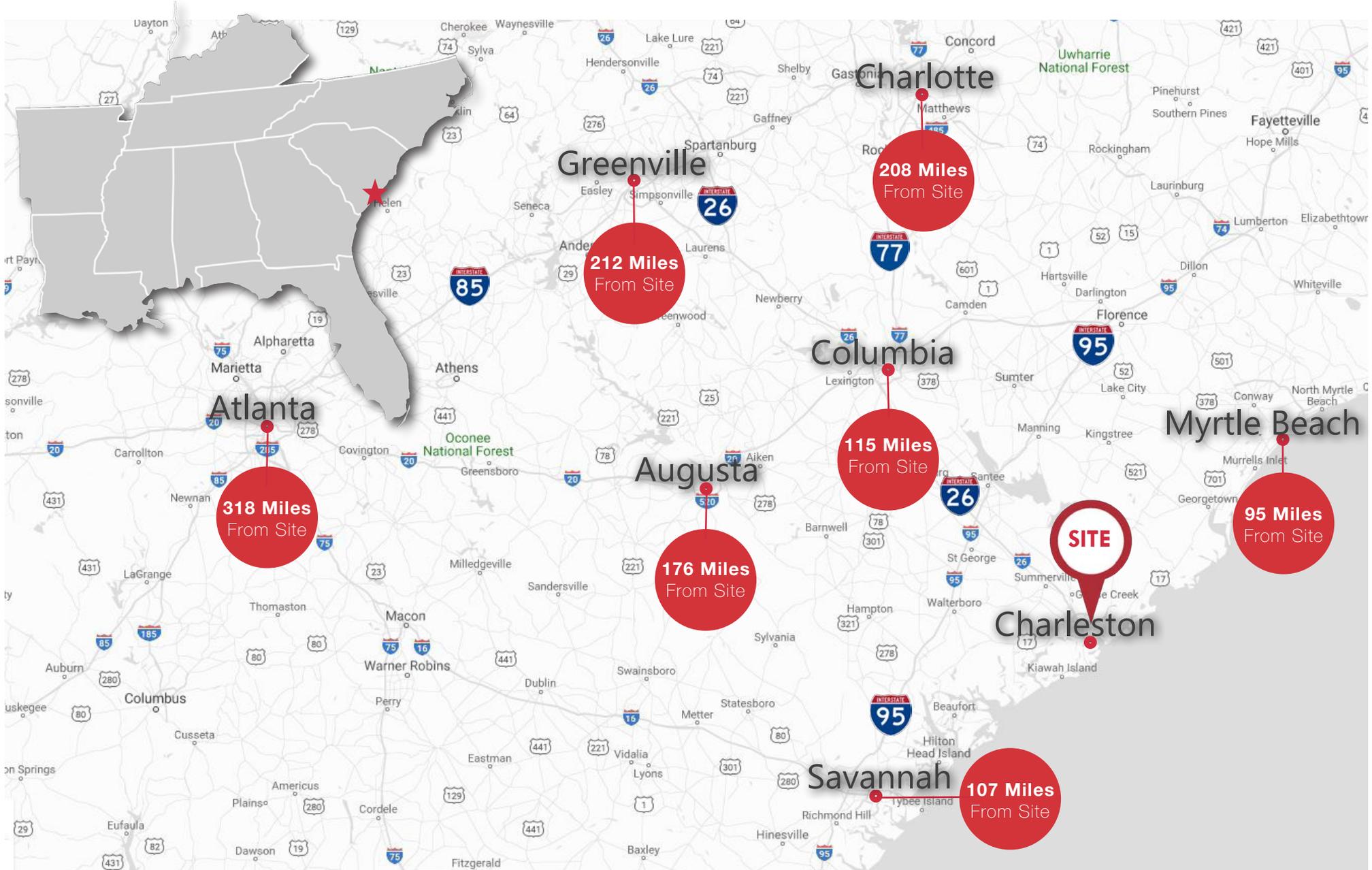
Over the past few years, the neighborhood of Upper King—located on Upper King Street from Calhoun to Coming streets—has been completely revitalized with galleries, home décor emporiums, bustling restaurants and nightlife options. In true Charleston fashion, new establishments celebrate the historic charm of 18th and 19th century buildings by utilizing reclaimed materials and savvy renovation methods that showcase original architectural details. Additionally, a variety of hotels are situated within walking distance, offering visitors a convenient perch for scoping out the many great culinary and shopping finds of this district.

Charleston's Upper King Street is a fresh, modern community of restaurants, bars, and shops North of the Historic District. While home to the Charleston Area Convention and Visitor's Bureau, this palm-lined section of King Street buzzing with locals, students, young professionals and tourists. Upper King is best known for its energetic nightlife and top-notch new restaurants.



# MARKET OVERVIEW

## Regional Map





## CHARLESTON, SC TOURISM

Having been named the **number one city in the U.S.** (+ Canada), and the **number one city in the world** [according to the readers of Travel + Leisure magazine], visitors flock to Charleston by the masses.

Charleston's tourism industry brought in an **economic impact of \$7.37 billion in 2017** and nearly 20.1% of sales throughout the Greater Charleston Area come from tourism.

The Charleston International Airport has seen historic growth in the number of passengers traveling in 2018, with more than 15,000 travelers passing through the gates each day.

The attributes that make the Charleston region such a popular visitor destination contribute to a quality of life that spurs broader economic development. A thriving visitor industry helps to sustain a **world-class array of restaurants, shops, recreational, and cultural amenities** rarely found in mid-size metro areas. Local businesses benefit from endless options for client entertainment and employee recruitment.

*Charleston Regional Development Alliance*



Each year, the Charleston Area Convention and Visitors Bureau crunches the numbers to compare tourism stats from the past five years. From 2013 to 2017, almost every category increased, including the estimated number of visitors, the estimated economic impact, the estimated total labor earnings, lodging sales, + estimated total cost per adult.

- **6.9 million visitors** came to the Greater Charleston Area in 2017, a 26% increase from 2016.
- The tourism economic impact in 2017 was **\$7.37 billion**, a \$3.15 billion increase over 2016.
- 20.1% of sales can be attributed to tourism.
- Total labor earnings due to tourism equated to \$2.7 billion in 2017.
- **Visitors typically spend four nights** in the Lowcountry, spending an average of \$217 per adult, per day (\$826 per adult, per trip).
- **\$904,090,000** was spent on lodging alone in 2017.
- Even with the surge of hotels, plus the limited available short-term rental units, average occupancy is 78%.

In 2018, Charleston was named the **#1 U.S. city** for the **sixth year in a row** by readers of Travel + Leisure magazine. Charleston also made the publication's list of the **World's Top 15 Cities**. At #10, it is the **only U.S. city to make the cut** last year.



## PEOPLE



**36**

Residents move to Charleston area per day.



**\$75,900**

Average Household Income



**9<sup>th</sup>**

Largest population growth in real numbers across the U.S. during 2018.

## REAL ESTATE



**6%**

Office space vacancy is the lowest it has been in the past decade.



**105K**

Housing units planned or under construction.



**425,000**

Square feet of retail space planned or under construction.

## TOURISM



**\$7.4B**

Annual economic impact to Downtown Charleston



**4.4M**

Enplanements and deplanements at Charleston International Airport (2018). The busiest passenger airport in SC.



**\$75K**

Household income of 70% of visitors to Charleston



## CHARLESTON, SC ECONOMY

Located half way between New York and Miami, Charleston made history in 2009 when The Boeing Company chose the area to host the second 787 Dreamliner final assembly facility. Fast forward to 2015, and the Charleston region landed two automotive OEMs – including Mercedes Benz (Sprinter), and Volvo Cars.

Charleston’s economy is “humming” today, driven by Boeing, the car makers, tourism, international trade in the same world-class harbor, along with advanced manufacturing, intermodal logistics, medical research & development, military and defense enterprises, and a burgeoning information technology sector. Their workforce is growing at twice the national rate, and is increasingly characterized by in-migrating younger, highly educated workers.

Alongside their renowned workforce and quality of life are all of the essential business elements, including a modern seaport that serves worldwide ports of call, great inland access via rail and interstate highway networks, an airport with numerous direct flights to major business hubs, and a pro-business philosophy that is unsurpassed.

*Charleston County, SC Economic Development*

**35K Jobs**  
to be added in the Charleston Region by 2022.

**20.1%**  
of sales throughout the Greater Charleston area come from tourism

**22<sup>ND</sup>**  
Charleston Metro ranked 22<sup>nd</sup> in the nation for economic & job growth.

## CHARLESTON, SC TOP EMPLOYERS

EMPLOYER	PRODUCT/SERVICE	EMPLOYEES
Joint Base Charleston	Area U.S. military commands	22,000+
Medical University of South Carolina (MUSC)	Health care, post-secondary education, research	13,000+
The Boeing Company	Aircraft manufacturing	7,500+
Roper St. Francis Healthcare	Roper and Bon Secours St Francis Hospitals	5,700
Robert Bosch LLC	Manufactures automotive parts	2,000+
College of Charleston	Post secondary education	2,000
Charleston County	Local Government	2,600
Volvo Charleston	Automotive production plant	2,000+
Blackbaud, Inc.	Specialty software development & design	1,400
Mercedes-Benz Vans	Automotive production plant	1,300

*Charleston Regional Development Alliance*





## CHARLESTON, SC ECONOMIC DRIVERS

### Daimler Mercedes-Benz Factory

- **\$27 billion** in economic impact
- \$500 million investment

### The Boeing Company

- **\$12 billion** in economic impact
- 7,565 employees
- Exclusive manufacturer of Boeing's 787-10 wide body jet

### Joint Base Charleston (Military)

- **\$10.3 billion** in economic impact
- Joint Base Charleston services a total population of 90K
- The base maintains and operates \$7.8 billion of physical infrastructure in the surrounding area

### Downtown Charleston

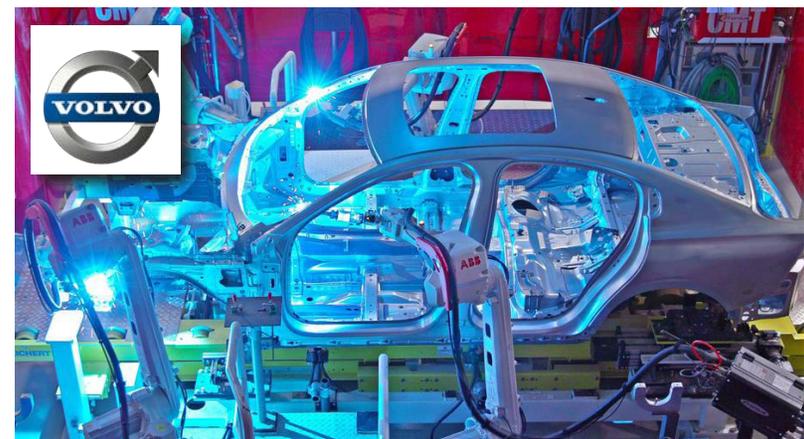
- **\$7.4 billion** in economic impact
- 70% of visitors to Charleston have household incomes of \$75,000+

### First American Volvo Factory

- **\$5 billion** in economic impact
- Creating 2,000 jobs and expected to employ over 4,000 by 2023
- The plant represents a \$500 million investment by Volvo

### Bosch Charleston Plant

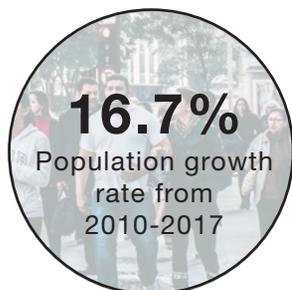
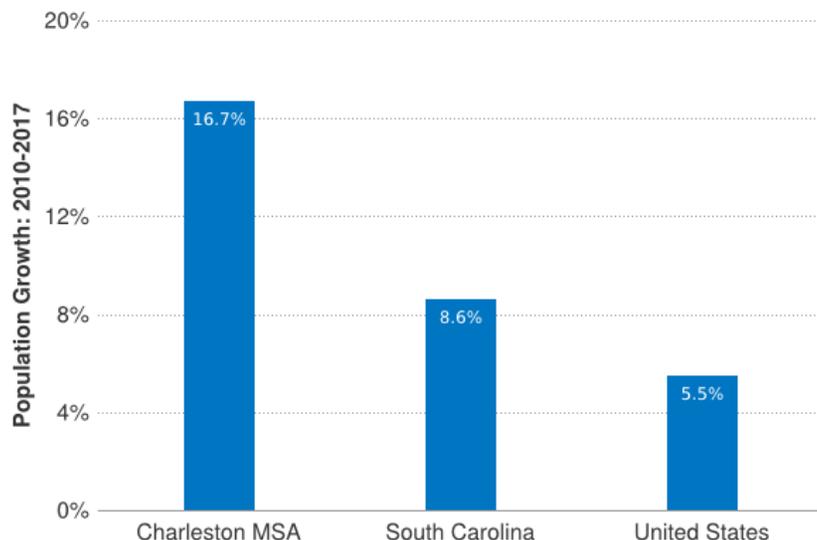
- **\$800 million** in economic impact
- Largest private employer in Dorchester County with over 2,000 on payroll
- Recent plant expansion of \$175 million





## CHARLESTON, SC REGIONAL GROWTH

The Charleston region's population is **growing 4X faster than the U.S. average**, to more than 775,000. A steady stream of well-educated young talent, who come for jobs – or create their own in our business-friendly community – are helping to boost that number.



*\*Charleston County, SC Economic Development*

## CHARLESTON, SC ACCOLADES

**#1 “Best Small City in the U.S.”** according to Condé Nast Traveler readers, for the 8th consecutive year

**#1 City in America for Economic Opportunity** by Yelp

**4<sup>th</sup>** on “America’s Biggest Boomtowns’ list by MagnifyMoney

**9<sup>th</sup>** fastest growing among mid-size metros by the U.S. Bureau of Labor Statistics

**#16 Best Performing Cities** The 2018 Milken Institute Best-Performing Cities Index

**“Best Place to Start a Career”** by WalletHub

**Top U.S. community with the most green spaces** by National Geographic

The South’s **“Best City,” “Friendliest City,” and “Prettiest City”** by Southern Living readers

One of WORTH Magazine’s **“15 Most Dynamic Cities in America”**





## CHARLESTON, SC REGIONAL GROWTH

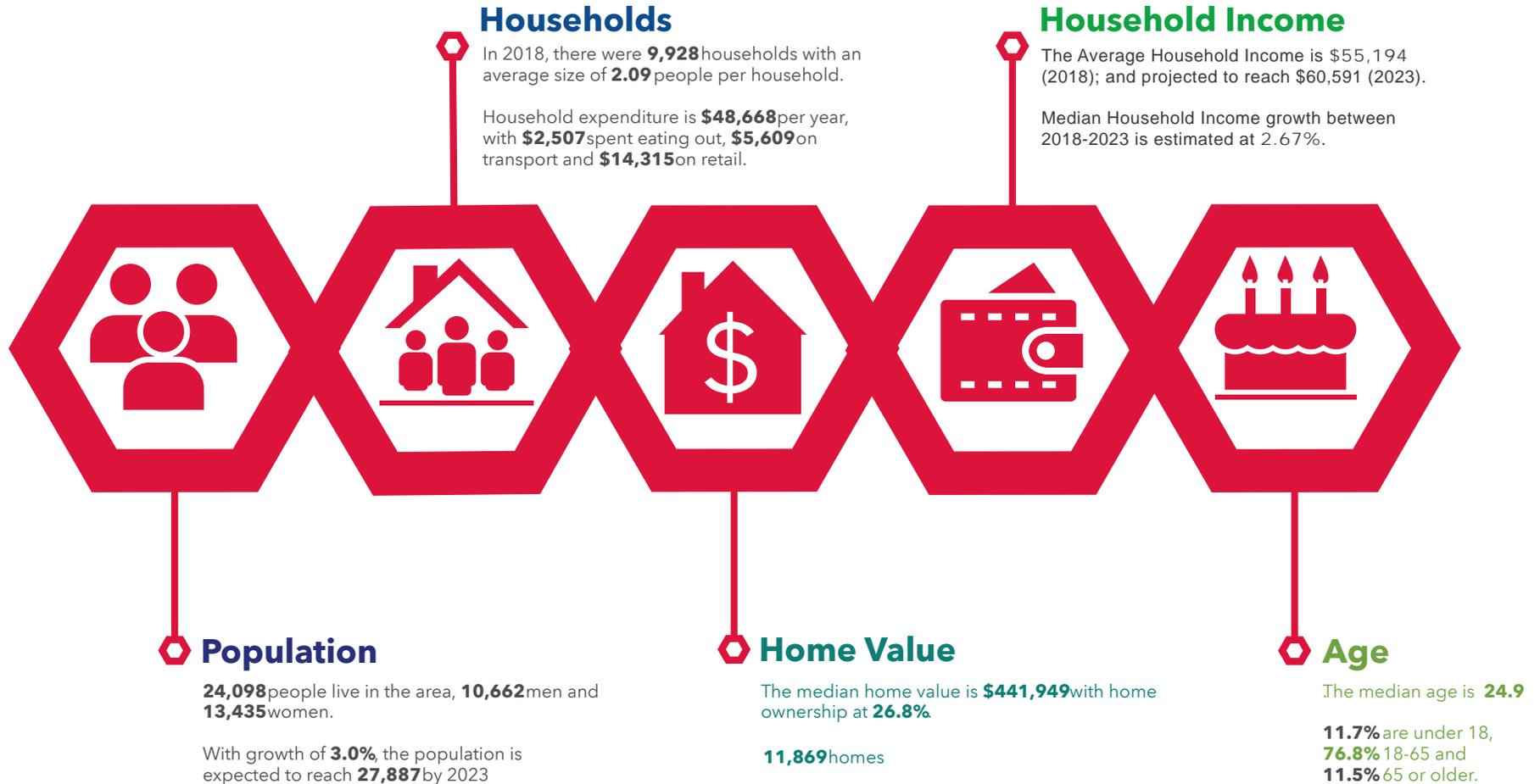
Strong Charleston regional population growth has contributed to a labor force growth rate four (4) times that of the national average. The Charleston region also enjoys one of the most experienced and educated workforce populations in the nation. Several major economic data milestones since 2010 include:

- Establishment of **six Boeing facilities and business units**; Boeing Final Assembly and delivery site for the 787 Dreamliner, Boeing Interior Responsibility Center, two Centers of Excellence – Information Technology and Engineering, Boeing Research & Technology Center and Propulsion South Carolina
- Presence of **Space and Air Warfare Systems (SPAWAR)**, along with various other Navy and Air Force commands attached to Joint Base Charleston
- Increased Port-related volume growth and the execution of a multi-year capital investment plan including harbor deepening, terminal construction and improvements. The **Port of Charleston** is the **ninth largest U.S. Container Port** by TEUs (Twenty-Foot Equivalent Units) handled in FY 2017.
- Growth of the medical sector supported by the presences of **Medical University of South Carolina (MUSC)**. MUSC is a leading research and teaching hospital in the southeast managing over \$250 million in research funding. MUSC research funding has supported over 800 inventors and produced 1,500 inventions disclosures. MUSC educates and trains more than 3,000 students and 700 residents in six colleges.
- Growth of the **information technology/software sector** has contributed significantly to local job growth. Charleston is home to more than 250 tech companies. The region is ranked 3rd for one-year growth in high-tech GDP on Milken Institute's list of 2017 Best-Performing Cities.
- Additional air service from Southwest and Jet Blue as well as the completion of a four-year long major renovation of the **Charleston International Airport** continues to support a thriving travel and tourism industry. More than 15,000 travelers passed through the gates each day in 2018.





## 1-MILE RADIUS DEMOGRAPHICS



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023



This Offering Memorandum contains select information pertaining to the business and affairs of the Upper King St Portfolio (“Property”). It has been prepared by Furman Capital Advisors (“Agent”). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.



## Confidentiality Agreement

This Confidentiality Agreement will confirm the mutual understandings of the Undersigned and Upper King Investments, LLC in connection with NAI Earle Furman, LLC dba Furman Capital Advisors, LLC (hereinafter referred to as “Protected Parties”) providing information regarding 561 & 563 King Street and 9, 11, 13, 15 Cannon Street, Charleston, South Carolina 29403 (hereinafter called the “Property”) to the undersigned:

1. “Information” means all data, reports, records, materials, lease expirations, lease rates or other lease information obtained from Furman Capital Advisors which is not in the public domain. Information is not meant to include information which: a) at the time of the disclosure is in the public domain; b) after disclosure becomes part of the public domain through no act or omission by the undersigned; c) as shown by written records was prior to disclosure in the possession of the undersigned; d) is rightfully received by the undersigned from third parties who were entitled to receive such information; or e) is obligated to be disclosed pursuant to applicable law, regulation or legal process.
2. The information is being furnished solely in connection with then consideration of a potential transaction involving the undersigned and shall be treated as “secret” and “confidential” and no portion of it shall be disclosed to others, except to those employees, agents, clients and customers of the undersigned whose knowledge of the information is required for use to evaluate that certain real estate as a potential acquisition and who shall assume the same obligations as the undersigned under this Agreement.
3. It is understood that the Protected Parties are the beneficiaries whose rights are being protected and may enforce the terms of this Confidentiality Agreement as if it were a party to the Agreement.
4. All information furnished shall be promptly returned or destroyed should there be no interest in that certain real estate acquisition, otherwise disposed of as directed by Furman Capital Advisors.
5. It is understood that Furman Capital Advisors makes no representations or warranty as to the completeness or accuracy as to any information.

ACCEPTED BY UNDERSIGNED:

Company: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

E-mail: \_\_\_\_\_

Signature: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_

# FURMAN

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## CAPITAL ADVISORS

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