

ASHLEY PHOSPHATE

OFFICE PORTFOLIO

CHARLESTON, SOUTH CAROLINA

OFFICE PORTFOLIO INVESTMENT OPPORTUNITY

Marcus & Millichap

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section 1

Executive Summary



offering summary



summary of terms



investment overview



investment highlights

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OFFERING SUMMARY

ASHLEY PHOSPHATE OFFICE PORTFOLIO

 *Total Price* **\$5,100,000**  **6** *Total Properties*

Rentable Square Feet 30,262 SF

Number of Buildings Six

Building Class B

Lot Size +/-2.45 Acres

Traffic Count 60,500 on Ashley Phosphate Road
165,900 on Interstate 26 at Ashley Phosphate Road

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SUMMARY OF TERMS

INTEREST OFFERED

Fee simple interest in the Ashley Phosphate Office Portfolio, a six-property office portfolio located at 2165 Ashley Phosphate Road in North Charleston, South Carolina.

TERMS OF SALE

The Ashley Phosphate Office Portfolio is offered at \$5,100,000 based on a capitlization rate of 4.15%.

PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. However, all property tours must be arranged with the Marcus & Millichap listing agents. **At no time shall the tenants, on-site management or staff be contacted without prior approval.**

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ASHLEY PHOSPHATE OFFICE PORTFOLIO

2165 Ashley Phosphate Road, North Charleston, SC 29406

The Caulder Office Park, located off Ashley Phosphate Road, features a six building office park totaling 30,262 square feet. The portfolio has over 300 feet of frontage with irreplaceable visibility off Ashley Phosphate Rd, untapped signage opportunities, a well-lit free surface parking lot, access from two streets and a baseline of quality, long-time tenants at below market rents. There are two one-story buildings and four two-story buildings that have great street presence and exposure.

The buildings feature mostly new roofs, updated HVAC units and potential for immediate occupancy. The portfolio is located between Interstate 26 and Rivers Avenue with close proximity to major shopping centers, Charleston International Airport, Boeing and additional primary economic generators. The location alone positions the property for a potential redevelopment play, immediately or in the future, due to great access to the Interstate 26.

INVESTMENT HIGHLIGHTS

Located Off the Highly-Trafficked Ashley Phosphate Road Corridor

.....
Property Sits on Approximately 2.45 Acres

.....
Six (6) Multi-Tenant, Class B Office Buildings

.....
High Vacancy

.....
Short Term Leases In Place



section 2

Property Description



the property



local and regional maps



site plan



amenities

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REGIONAL MAP

SUBJECT
PROPERTY

LOCAL MAP

SUBJECT
PROPERTY



MAJOR RETAILERS

SUBJECT PROPERTY



DEMAND GENERATORS

NAVAL NUCLEAR POWER TRAINING COMMAND



NAVAL WEAPONS STATION



SUBJECT PROPERTY

841st TRANSPORTATION BATTALION



CHARLESTON INTERNATIONAL AIRPORT



JOINT BASE CHARLESTON



TANGER OUTLETS CHARLESTON



CHARLESTON NAVAL COMPLEX



AERIAL



SUBJECT
PROPERTY



PROPERTY DESCRIPTION // *Ashley Phosphate Portfolio*

Number of Buildings	6
Number of Suites	18
Number of Stories	1-2
Acreage	2.45 Acres
Exterior Construction	Brick
Total Square Footage	30,262

RECENT CAPITAL IMPROVEMENTS // *Ashley Phosphate Office Portfolio*

- 2165 Ashley Phosphate Road - New Roof in 2018
- 2179 Ashley Phosphate Road - New Roof in 2018
- 2185 Ashley Phosphate Road - New Roof in 2015
- 2171 Ashley Phosphate Road - New Roof in 2013
- 2175 Ashley Phosphate Road - New Roof in 2013
- Resurfaced Parking Lot in 2017
- Additional Capital Improvements to HV/AC and Plumbing

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section 3

Financial Analysis



property details



pricing details



rent roll summary



operating statement



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PRICING DETAILS // *Ashley Phosphate Office Portfolio*

PRICE	\$5,100,000
Down Payment	\$1,818,150
Down Payment %	36%
Number of Suites	18
Price Per SqFt	\$168.53
Rentable Built Area (RBA)	30,262 SF
Lot Size	2.50 Acres
Occupancy	67.84%

RETURNS	CURRENT	PRO FORMA
CAP Rate	4.15%	8.49%
Cash-on-Cash	2.52%	10.68%
Debt Coverage Ratio	1.28	2.61

FINANCING	1st Loan
Loan Amount	\$3,315,000
Loan Type	New
Interest Type	5.00%
Amortizaion	20 Years
Year Due	2024

*Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

TENANT SUMMARY // Ashley Phosphate Office Portfolio

LEASE DATES													
TENANT	SUITE	SQUARE FEET	% BLD SHARE	COMM.	EXP.	MONTHLY RENT/SF	TOTAL RENT/ MONTH	TOTAL RENT/ YEAR	PRO FORMA RENT/YEAR	CHANGES ON	RENT INCREASE	LEASE TYPE	RENEWAL OPTIONS
Alpha Health	AB	2,400	7.9%	6/1/90	4/1/21	\$13.00	\$2,600	\$31,200	\$31,200	Jan-2019	\$3,200	Modified Gross	
Oneal Law Firm	D	1,200	4.0%	4/1/06	10/1/19	\$12.00	\$1,200	\$14,400	\$18,000	Feb-2020	\$1,500	Modified Gross	
Acuit	A	1,500	5.0%	1/1/13	10/1/19	\$12.00	\$1,500	\$18,000	\$25,500	Jan-2020	\$2,125	Modified Gross	
CPA	B	2,400	7.9%	5/1/04	10/1/19	\$14.00	\$2,800	\$33,600	\$40,800	Jan-2020	\$3,400	Modified Gross	
Access Health	C	900	3.0%	1/1/05	10/1/19	\$16.00	\$1,200	\$14,400	\$15,300	Jan-2020	\$1,275	Modified Gross	
Dr. Allen Jackson	D	1,600	5.3%	3/1/01	10/1/19	\$12.00	\$1,600	\$19,200	\$24,792	Feb-2020	\$2,066	Modified Gross	
SC Tax Accountant	E	800	2.6%	6/1/19	7/1/20	\$15.00	\$1,000	\$12,000	\$12,396	Feb-2020	\$1,033	Modified Gross	
Attorney's at Law	F	1,200	4.0%	5/1/07	10/1/19	\$16.00	\$1,600	\$19,200	\$20,400	Jan-2020	\$1,700	Modified Gross	
Dr. Robinson	G	1,200	4.0%	6/1/14	10/1/19	\$16.00	\$1,600	\$19,200	\$20,400	Jan-2020	\$1,700	Modified Gross	
Palmetto	AB	2,400	7.9%	4/1/16	10/1/19	\$12.50	\$2,500	\$30,000	\$37,200	Feb-2020	\$3,100	Modified Gross	
Vacant	C	2,400	7.9%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$37,200	Jan-2020	\$3,100	NNN	
Vacant	D	2,400	7.9%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$37,200	Jan-2020	\$3,100	NNN	
Vacant	A	1,200	4.0%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$18,600	Jan-2020	\$1,550	NNN	
Costal Addiction	B	1,200	4.0%	4/1/16	4/1/19	\$16.00	\$1,600	\$19,200	\$21,000	Feb-2020	\$1,750	Modified Gross	
SC CPA	C	1,200	4.0%	8/1/19	8/1/20	\$10.00	\$1,000	\$12,000	\$12,000	Jan-2019	N/A	NNN	
VACANT	C	2,531	8.4%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$38,400	Jan-2020	\$3,200	NNN	
UNFINISHED	D	1,200	4.0%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$18,600	Jan-2020	\$1,550	NNN	
Wein Law Firm	A	2,531	8.4%	6/1/89	9/30/20	\$17.15	\$3,617	\$43,404	\$50,400	Mar-2020	\$4,200	Modified Gross	
Total		30,262				\$9.44	\$23,817	\$285,804	\$479,388				
		Occupied Tenants: 13		Unoccupied Tenants: 5		Occupied Rentable SF: 67.80%			Unoccupied Rentable SF: 32.20%				
Total Current Rents: \$23,817						Occupied Current Rents: \$23,817			Unoccupied Current Rents: \$0				

LEASE EXPIRATION SUMMARY // *Ashley Phosphate Office Portfolio*

YEAR	TENANT	SQUARE FEET	% OF RBA	2019 RENT	EXPIRATION
0	Vacant	2,400	7.93%	\$0.00	
	Vacant	2,400	7.93%	\$0.00	
	Vacant	1,200	3.97%	\$0.00	
	VACANT	2,531	8.36%	\$0.00	
	UNFINISHED	1,200	3.97%	\$0.00	
1	Costal Addiction	1,200	3.97%	\$16.00	4/1/2019
	Oneal Law Firm	1,200	3.97%	\$12.00	10/1/2019
	Acuit	1,500	4.96%	\$12.00	10/1/2019
	CPA	2,400	7.93%	\$14.00	10/1/2019
	Access Health	900	2.97%	\$16.00	10/1/2019
	Dr. Allen Jackson	1,600	5.29%	\$12.00	10/1/2019
	Attorney's at Law	1,200	3.97%	\$16.00	10/1/2019
	Dr. Robinson	1,200	3.97%	\$16.00	10/1/2019
	Palmetto	2,400	7.93%	\$12.50	10/1/2019
2	SC Tax Accountant	800	2.64%	\$15.00	7/1/2020
	SC CPA	1,200	3.97%	\$10.00	8/1/2020
	Wein Law Firm	2,531	8.36%	\$17.15	9/30/2020
3	Alpha Health	2,400	7.93%	\$13.00	4/1/2021

OPERATING STATEMENT // *Ashley Phosphate Office Portfolio*

INCOME	IN PLACE	PER SF	CURRENT	PER SF	PRO FORMA	PER SF	NOTES
Scheduled Base Rental Income	\$285,804	\$9.44	\$285,804	\$9.44	\$479,388	\$15.84	
Expense Reimbursement Income							
CAM	\$0	\$0.00	\$5,903	\$0.20	\$15,588	\$0.52	
Insurance	\$0	\$0.00	\$385	\$0.01	\$10,183	\$0.34	
Real Estate Taxes	\$0	\$0.00	\$2,568	\$0.08	\$67,972	\$2.25	
Management Fees	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
Total Reimbursement Income	\$0	0.0%	\$8,856	10.7%	\$93,743	101.6%	\$3.10
Potential Gross Revenue	\$285,804	\$9.44	\$294,660	\$9.74	\$573,131	\$18.94	
General Vacancy		0.0%	\$0	\$0.00	(\$47,939)	10.0%	(\$1.58)
Effective Gross Income	\$285,804	\$9.44	\$294,660	\$9.74	\$525,192	\$17.35	

OPERATING EXPENSES	IN PLACE	PER SF	CURRENT	PER SF	PRO FORMA	PER SF	NOTES
Electric	\$5,064	\$0.17	\$5,064	\$0.17	\$5,317	\$0.18	
Water	\$3,636	\$0.12	\$3,636	\$0.12	\$3,818	\$0.13	
Insurance	\$9,702	\$0.32	\$9,702	\$0.32	\$10,187	\$0.34	
Real Estate Taxes	\$64,750	\$2.14	\$64,750	\$2.14	\$67,988	\$2.25	
Management Fee	\$0	0.0%	\$0	0.0%	\$5,000	1.0%	\$0.17
Total Expenses	\$83,152	\$2.75	\$83,152	\$2.75	\$92,310	\$3.05	
Expenses as % of EGR	29.1%		28.2%		17.6%		
Net Operating Income	\$202,652	\$6.70	\$211,508	\$6.99	\$432,882	\$14.30	



section 5
Market Overview



location overview



market research



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CHARLESTON

SOUTH CAROLINA

POPULATION
134,200

CHARLESTON // *Metro Overview*

Located along the Atlantic seaboard, the Charleston metro encompasses Charleston, Berkeley and Dorchester counties in southeastern South Carolina. Favorable business climate is helping draw companies and workers to the region. The metro population has grown by roughly 275,000 people since 2000 and the market is forecast to receive another 64,000 people through 2022. Charleston is the largest city in the metro with 134,200 residents, followed by North Charleston with 109,300.

CHARLESTON // *Metro Highlights*



PORT ACTIVITY

The port provides multiple shipping terminals, one of the largest container seaports on the East Coast and a cruise terminal.



TOURISM INDUSTRY

The metro's coastal location, scenic beauty and its history are some of the factors that make Charleston a popular tourist destination.



EDUCATIONAL ATTAINMENT

Approximately 33 percent of residents age 25 and older hold a bachelor's degree, while 12 percent also hold a graduate or professional degree.



CHARLESTON // *Economy*

- ▶ The Port of Charleston ships 2 million TEUs annually while also providing sites for the United States Military. Joint Base Charleston consists of 231 acres in a multi-use federal facility and is home to multiple government and military tenants.
- ▶ Manufacturing remains a vital sector of the economy with major facilities for Boeing, Volvo, Mercedes-Benz and Cummins Turbo Technologies.
- ▶ As demand for information technology grows, so does the presence of corporations in the metro, particularly in the Charleston Digital Corridor, which houses notable companies such as Blackbaud, SPARC and CSS.

*Forecast

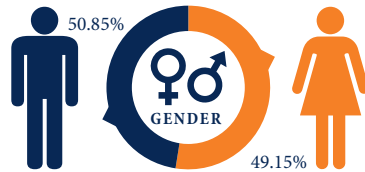
Sources: Marcus & Millichap; BLS; Bureau of Economic Analysis; Fortune; Moody's Analytics; U.S. Census Bureau

DEMOGRAPHICS // *Ashley Phosphate Portfolio*



28,790

Total Population within Two-Mile Radius



\$46,986

Average Household Income within
Two-Mile Radius



\$173,299

Median Housing Value within
Two-Mile Radius



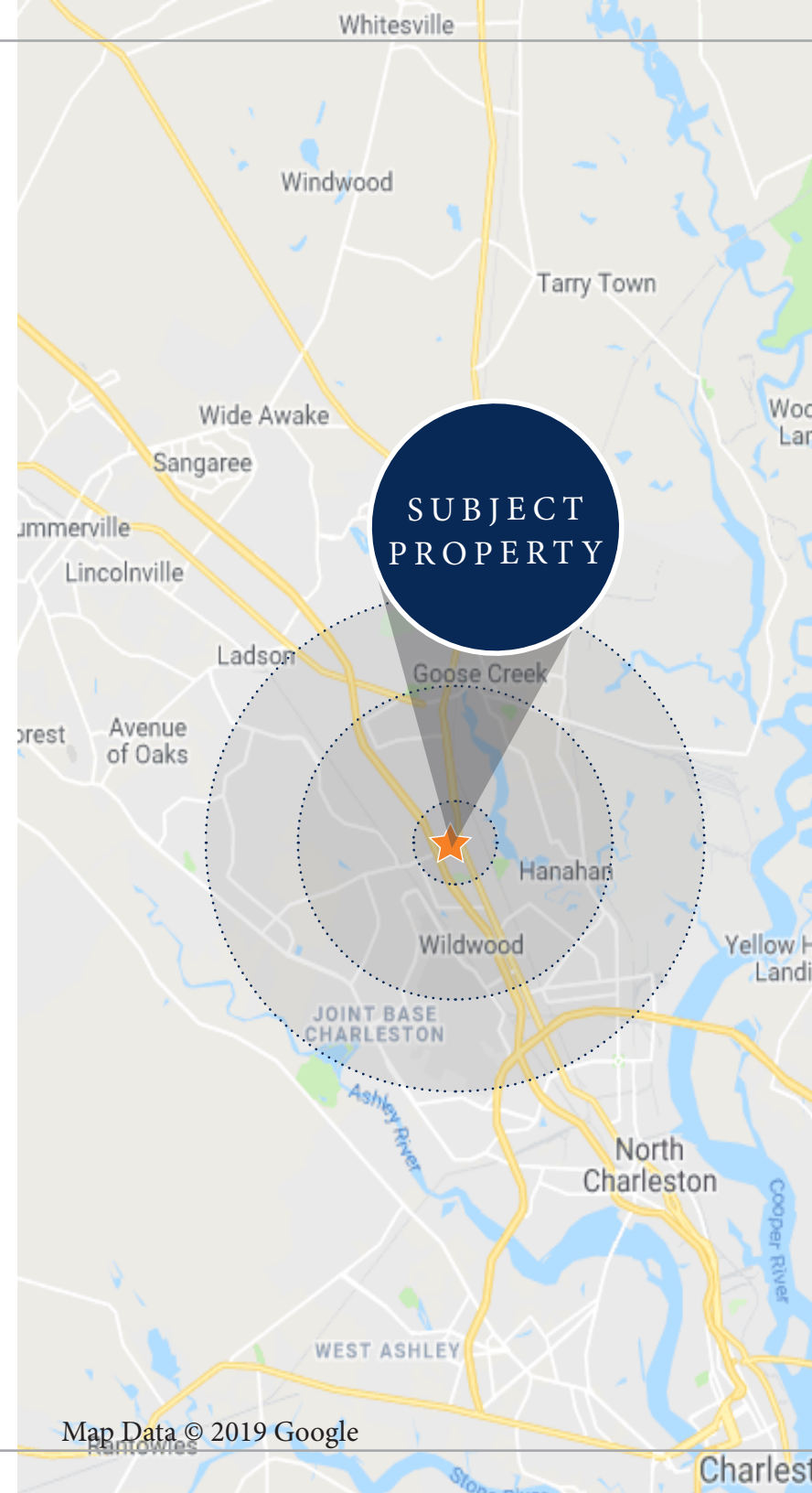
11,227

Total Households in Two-Mile Radius



57.93%

From Year 2000



POPULATION	2 Mile	5 Miles	7.5 Miles
2023 Projection			
Total Population	30,714	144,885	283,698
2018 Estimate			
Total Population	28,790	136,371	260,332
2010 Census			
Total Population	24,597	120,287	229,134
2000 Census			
Total Population	17,806	103,620	189,423
Daytime Population			
2017 Estimate	36,171	160,532	267,493
HOUSEHOLDS	2 Mile	5 Miles	7.5 Miles
2023 Projection			
Total Households	12,001	55,344	107,225
2018 Estimate			
Total Households	11,227	51,423	97,196
Average (Mean) Household Size	2.53	2.56	2.61
2010 Census			
Total Households	9,613	45,187	8,540
2000 Census			
Total Households	7,109	37,910	68,684
HOUSEHOLDS BY INCOME	2 Mile	5 Miles	7.5 Miles
2018 Estimate			
\$200,000 or More	1.42%	1.85%	1.95%
\$150,000 - \$199,000	2.57%	2.85%	3.22%
\$100,000 - \$149,000	9.62%	10.08%	11.84%
\$75,000 - \$99,999	11.02%	12.04%	13.30%
\$50,000 - \$74,999	22.40%	21.35%	21.56%
\$35,000 - \$49,999	16.42%	15.56%	15.02%
\$25,000 - \$34,999	12.38%	12.25%	10.81%
\$15,000 - \$24,999	10.34%	11.18%	10.15%
Under \$15,000	13.92%	13.81%	13.73%
Average Household Income	\$58,508	\$61,463	\$65,154
Median Household Income	\$16,986	\$48,001	\$52,086
Per Capita Income	\$22,832	\$23,444	\$24,590

POPULATION PROFILE	2 Mile	5 Miles	7.5 Miles
Population By Age			
2018 Estimate Total Population	28,790	136,371	260,332
Under 20	25.70%	27.07%	27.30%
20 to 34 Years	29.89%	28.01%	25.30%
35 to 39 Years	8.35%	7.18%	7.25%
40 to 49 Years	11.70%	11.59%	12.38%
50 to 64 Years	14.70%	16.12%	17.15%
Age 65+	9.66%	10.04%	10.59%
Median Age	32.31	32.14%	33.42
Population 25+ by Education Level			
2018 Estimate Population Age 25+	19,466	88,118	170,001
Elementary (0-8)	5.64%	3.71%	3.12%
Some High School (9-11)	10.35%	9.10%	9.04%
High School Graduate (12)	27.85%	29.72%	28.62%
Some College (13-15)	23.10%	24.77%	24.56%
Associate Degree Only	9.80%	10.00%	9.91%
Bachelors Degree Only	15.28%	15.30%	16.60%
Graduate Degree	6.15%	6.36%	7.18%
Population by Transportation to Work			
Bicycle	0.30%	0.28%	0.34%
Bus or Trolley Bus	0.77%	1.15%	1.24%
Carpooled	13.69%	11.39%	10.66%
Drove Alone	79.07%	80.82%	81.80%
Ferryboat	0.00%	0.00%	0.00%
Motorcycle	0.23%	0.24%	0.32%
Other Means	0.65%	0.79%	0.67%
Railroad	0.00%	0.00%	0.00%
Streetcar or Trolley Car	0.00%	0.01%	0.03%
Subway or Elevated	0.00%	0.00%	0.00%
Taxicab	0.23%	0.30%	0.20%
Walked	2.95%	2.55%	2.00%
Worked at Home	2.10%	2.48%	2.74%



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