



86 Villa Road | Greenville, SC

OFFERING MEMORANDUM

Delivered by **Laurens Nicholson**

CONTACT

Laurens Nicholson, CCIM, SIOR



864-679-3637 or 864-270-2706



lnicholson@windsoraghttry.com



 www.windsoraghttry.com

No warranty is made as to the accuracy of this information, and same is submitted subject to errors, omissions, price change, rental or other conditions, withdrawal without notice, and any special listing conditions imposed by our principals. William J. Alexander, IV – Broker In Charge

PROPERTY DESCRIPTION

ADDRESS

86 Villa Road | Greenville, SC

PROPERTY SIZE

8,917 Square Feet

ACREAGE

± 1.05 Acres

LOCATION

Just off Pelham Road (In Pelham Road Submarket)

1 Minute from I-385

Haywood Mall, Banks, Hotels & Restaurants within Minutes

OD

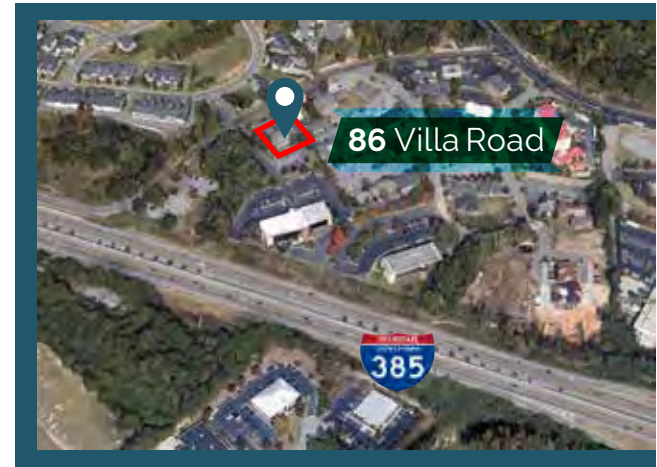
FEATURES

Recently Renovated

Tenant Responsible for Utilities & Janitorial Services

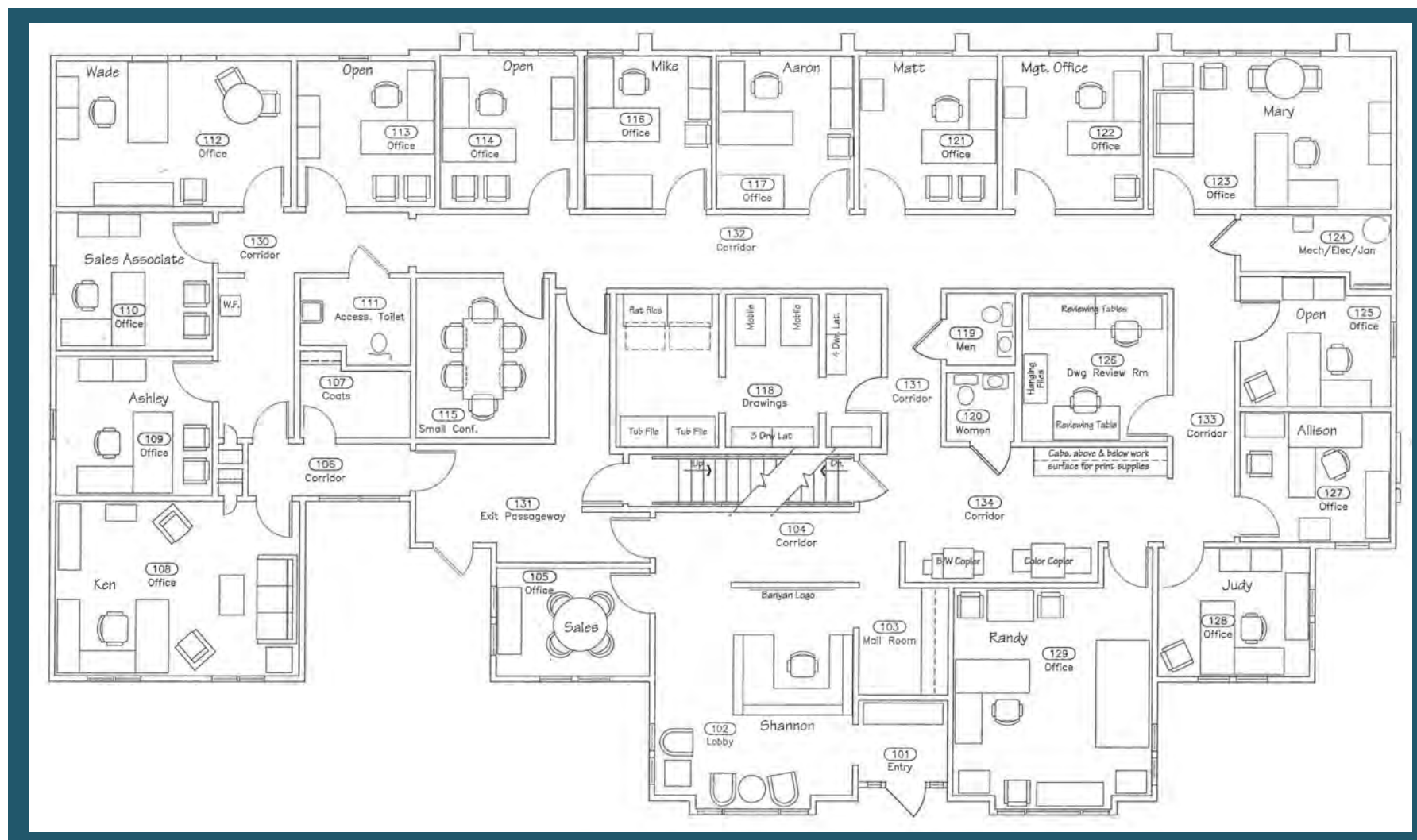
PARKING

50 Free Surface Spaces



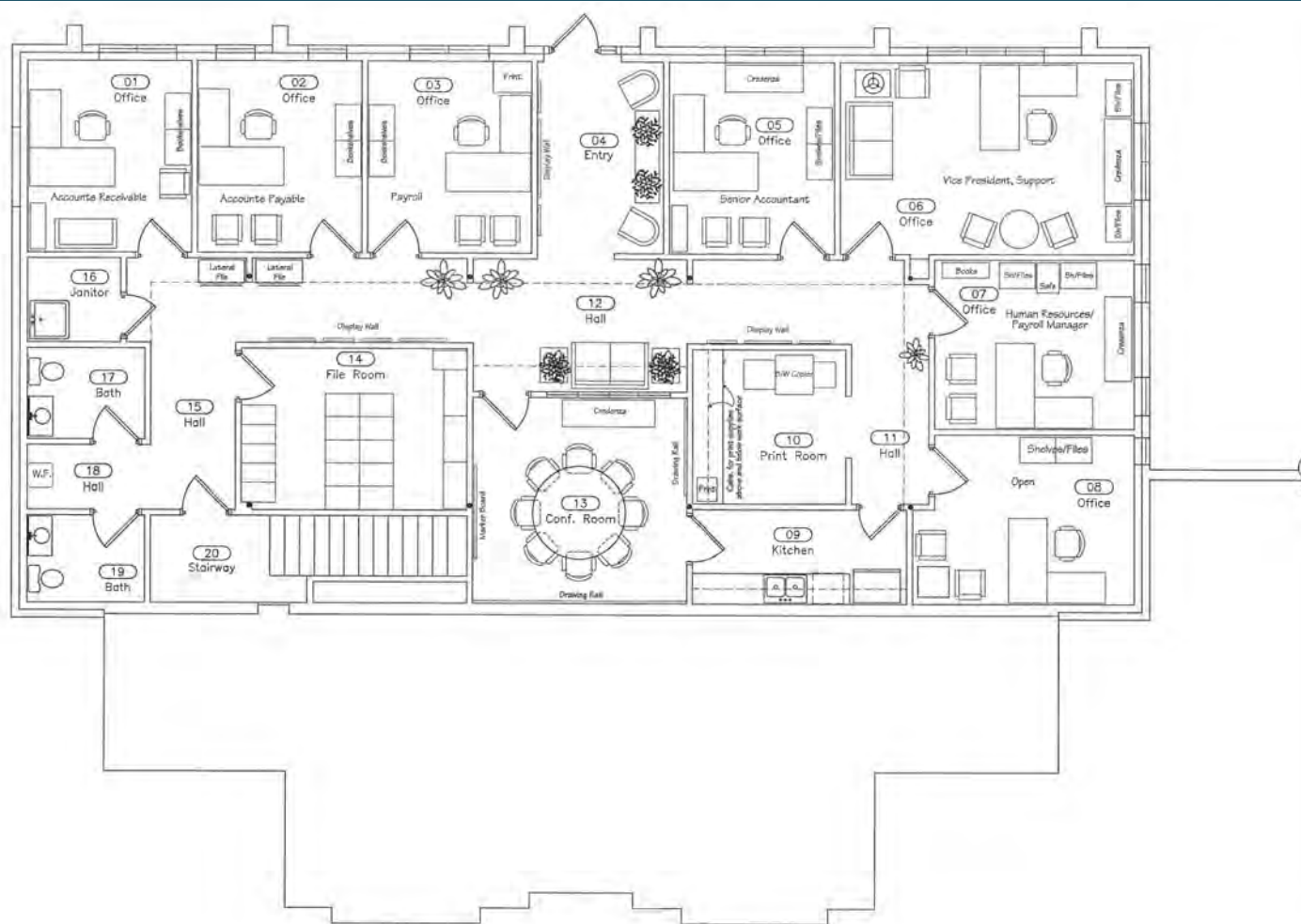
FLOOR PLANS

MAIN FLOOR



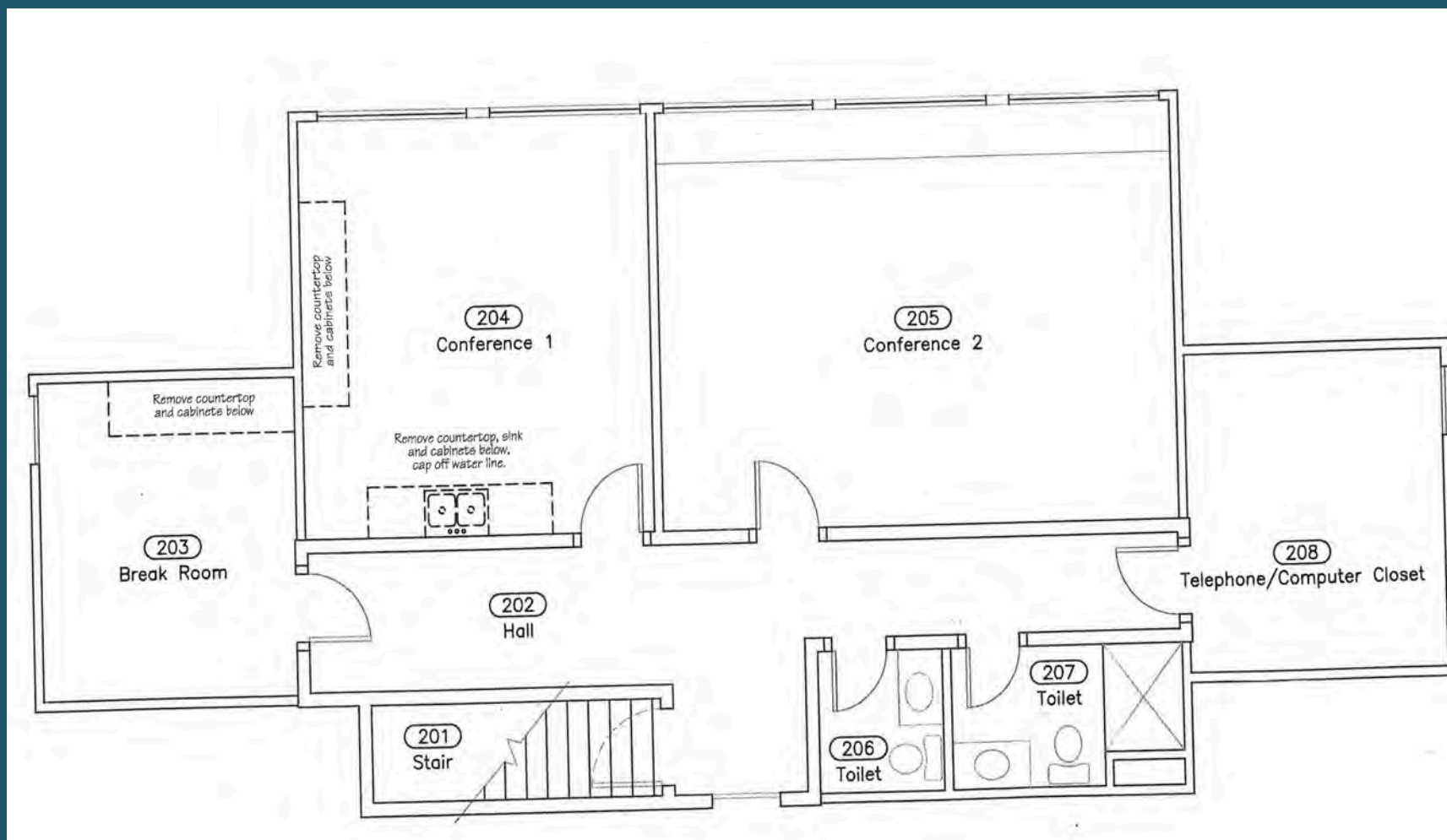
FLOOR PLANS

GROUND LEVEL



FLOOR PLANS

THIRD FLOOR



ABOUT TENANCY



Since 1978, Donald A. Gardner Architects, Inc. has been revolutionizing the residential pre-designed house plan industry.

Our mission is to be the most highly respected provider of pre-designed house plans in the country. Each of our plans is a unique interpretation of the American family home and includes an open floor plan, custom-styled features, and an abundance of amenities in a broad range of square footages.

DCF Analysis Input Sheet

Property Assumptions

1	Name		86 Villa Road
2	Location		86 Villa Road
3	Type of Property		DCF
4	Purpose of Analysis		
5	Prepared By		Laurens Nicholson, CCIM, SIOR
6	Size (Square feet or Number of Units)		8,921
7	Assessed/Appraised Value of Land	Percent of Acquisition Basis	20.00%
8	Assessed/Appraised Value of Improvements		80.00%
9	Assessed/Appraised Value of Personal Property		
10	Useful Life of Improvements (Years)	Non-Residential (Commercial)	39.0
11	Useful Life of Personal Property (Years)		
12	Acquisition Price	Actual Dollar Amount	\$860,520
13	Acquisition Costs		\$860,520

14 Potential Rental Income and Escalations

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
15	Potential Rental Income	Total amount per year	\$114,034	\$116,749	\$119,464	\$122,179	\$124,894	\$124,894	\$124,894	\$124,894	\$124,894	\$124,894
16	Other Income (Collectable)											

17 Annual Vacancy Rates (Percent of Potential Rental Income)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

18 Operating Expenses and Escalations

	Itemized sum	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
19	Real Estate Taxes	Total amount per year	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
20	Personal Property Taxes											
21	Property Insurance	Total amount per year	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460
22	Off Site Management	Total amount per year	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743
23	Payroll											
24	Expenses/Benefits											
25	Taxes/Worker's Compensation											
26	Repairs and Maintenance	Total amount per year	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
27	Utilities	Total amount per year										
28	Water & Sewer	Total amount per year										
29	Solid Waste (WCI)	Total amount per year	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680
30												
31	Accounting and Legal											
32	Licenses/Permits											
33	Contract Services: Landscaping	Total amount per year	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
34	Supplies											
35	Contract Services: Pest Control (Spencer Pest)	Total amount per year	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660
36	Reserve for Roof Replacement											
37	Reserve for Building and Parking Lot											
38												

Cash Flow Analysis

Financing Assumptions

		1st Mortgage	2nd Mortgage
40 Loan Amount	Minimum of LTV or DSCR (rounded down)	MINIMUM	
41 Maximum Loan to Value Ratio		80.00%	
42 Minimum Debt Service Coverage Ratio		1.25	
43 Interest Rate		4.25%	
44 Amortization Period (Years)		20	
45 Loan Term (Years)		5	
46 Payments Per Year		12	
47 Loan Costs	Twelve	1.00%	

Investor/Owner Assumptions

48 Ordinary Income Marginal Tax Rate		36.00%
49 Capital Gains Tax Rate		20.00%
50 Cost Recovery Recapture Tax Rate		25.00%
51 Anticipated Holding Period (1 - 10 Years)		5
52 Disposition Price		2.50%
53 Disposition Cost of Sale	Annual Growth Rate	4.00%
	Percent of Disposition Price	

Property Name	86 Villa Road	Acquisition Price	\$860,520
Location	86 Villa Road	Plus Acquisition Costs	
Type of Property	DCF	Plus Loan Costs	\$6,880
Size of Property (sf/units)	8,921	Minus Mortgages	\$688,000
Purpose of Analysis		Equals Initial Investment	\$179,400
Prepared by	Laurens Nicholson, CCIM, SIOR		
Date Prepared	September 27, 2017		

MORTGAGE DATA

	1st Mortgage	2nd Mortgage
Amount	\$688,000	
Interest Rate	4.25%	
Amortization Period	20	
Loan Term	5	
Payments/Year	12	
Periodic Payment	\$4,260.33	
Annual Debt Service	\$51,124	
Loan Fees/Costs	\$6,880	

COST RECOVERY DATA

	Improvements	Personal Property
Value		
C. R. Method	SL	SL
Useful Life	39.0	
In Service Date	1-Jan	1-Jan
Date of Sale	31-Dec	31-Dec
12 Months % age	2.564%	
11.5 Months % age	2.461%	

BASIS DATA

Acquisition Price	\$860,520
Acquisition Costs	
Total Acquisition Basis	\$860,520

Cash Flow Analysis

TAXABLE INCOME

End of Year	1	2	3	4	5	6	7	8	9	10	11
1 POTENTIAL RENTAL INCOME	\$114,034	\$116,749	\$119,464	\$122,179	\$124,894	\$124,894					
2 -Vacancy & Credit Losses	\$4,561	\$4,670	\$4,779	\$4,887	\$4,996	\$4,996					
3 EFFECTIVE RENTAL INCOME	\$109,473	\$112,079	\$114,685	\$117,292	\$119,898	\$119,898					
4 +Other Income (collectable)											
5 GROSS OPERATING INCOME	\$109,473	\$112,079	\$114,685	\$117,292	\$119,898	\$119,898					
6 OPERATING EXPENSES											
7 Real Estate Taxes	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000					
8 Personal Property Taxes											
9 Property Insurance	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460					
10 Off Site Management	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743	\$4,743					
11 Payroll											
12 Expenses/Benefits											
13 Payroll Taxes/Worker's Compensation											
14 Repairs and Maintenance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000					
15 Utilities											
16 Water & Sewer											
17 Solid Waste (WCI)	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680					
18											
19 Accounting and Legal											
20 Licenses/Permits											
21 Routine Lawn Maintenance	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700					
22 Supplies											
23 Miscellaneous Contract Services	\$660	\$660	\$660	\$660	\$660	\$660					
24 Reserve for Roof Replacement											
25 Reserve for Building and Parking Lot											
26											
27 TOTAL OPERATING EXPENSES	\$32,243	\$32,243	\$32,243	\$32,243	\$32,243	\$32,243					
28 NET OPERATING INCOME	\$77,230	\$79,836	\$82,442	\$85,049	\$87,655	\$87,655					
29 -Interest-First Mortgage	\$28,808	\$27,842	\$26,833	\$25,780	\$24,681						
30 -Interest-Second Mortgage											
31 -Cost Recovery-Improvements											
32 -Cost Recovery-Personal Property											
33 -Loan Costs Amortization	\$1,376	\$1,376	\$1,376	\$1,376	\$1,376						
34 -											
35 -											
36 REAL ESTATE TAXABLE INCOME	\$47,046	\$50,619	\$54,234	\$57,893	\$61,598						
37 Tax Liability (Savings) at 36.0%	\$16,936	\$18,223	\$19,524	\$20,841	\$22,175						

CASH FLOW

38 NET OPERATING INCOME (Line 28)	\$77,230	\$79,836	\$82,442	\$85,049	\$87,655						
39 -Annual Debt Service	\$51,124	\$51,124	\$51,124	\$51,124	\$51,124						
40 -											
41 -											
42 -											
43 CASH FLOW BEFORE TAXES	\$26,106	\$28,712	\$31,318	\$33,925	\$36,531						
44 -Tax Liability (Savings) (Line 37)	\$16,936	\$18,223	\$19,524	\$20,841	\$22,175						
45 CASH FLOW AFTER TAXES	\$9,169	\$10,489	\$11,794	\$13,083	\$14,356						

Cash Flow Sale

MORTGAGE BALANCES

1 End of Year:	1	2	3	4	5	6	7	8	9	10
2 Principal Balance - 1st Mortgage	\$665,684	\$642,402	\$618,110	\$592,766	\$566,324					
3 Principal Balance - 2nd Mortgage										
4 TOTAL UNPAID BALANCE	\$665,684	\$642,402	\$618,110	\$592,766	\$566,324					

CALCULATION OF SALE PROCEEDS

5 END OF YEAR	1	2	3	4	5	6	7	8	9	10
6 PROJECTED SALES PRICE (Rounded to nearest 000)					\$974,000					

CALCULATION OF ADJUSTED BASIS

7 Basis at Acquisition					\$860,520					
8 +Capital Additions										
9 -Cost Recovery (Depreciation) Taken										
10 -Basis in Partial Sales										
11 =Adjusted Basis at Sale					\$860,520					

CALCULATION OF CAPITAL GAIN ON SALE

12 Sale Price					\$974,000					
13 -Costs of Sale					\$38,960					
14 -Adjusted Basis at Sale (Line 11)					\$860,520					
15 -										
16 =Gain or (Loss)					\$74,520					
17 -Straight Line Cost Recovery (limited to gain) (Line 9)										
18 -Suspended Losses										
19 =Capital Gain from Appreciation					\$74,520					

ITEMS TAXED AS ORDINARY INCOME

20 Unamortized Loan Fees/Costs (negative)										
21 +										
22 =Ordinary Taxable Income										

CALCULATION OF SALE PROCEEDS

23 Sale Price					\$974,000					
24 Cost of Sale					\$38,960					
25 -Participation Payments on Sale										
26 -Mortgage Balance(s)					\$566,324					
27 +Balance of Funded Reserves										
28 =SALE PROCEEDS BEFORE TAX					\$368,716					
29 -Tax (Savings) on Ordinary Income (Line 22 x 36.0%)										
30 -Tax on Cost Recovery Recapture (Line 17 x 25%)										
31 -Tax on Capital Gain (Line 19 x 20%)					\$14,904					
32 =SALE PROCEEDS AFTER TAX					\$353,812					

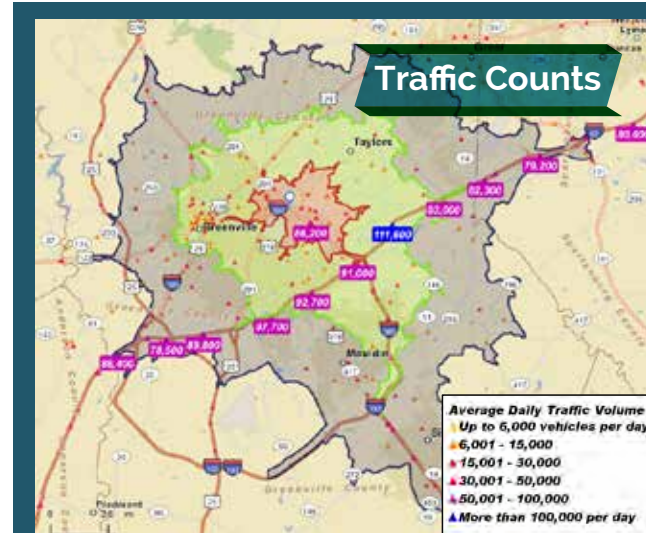
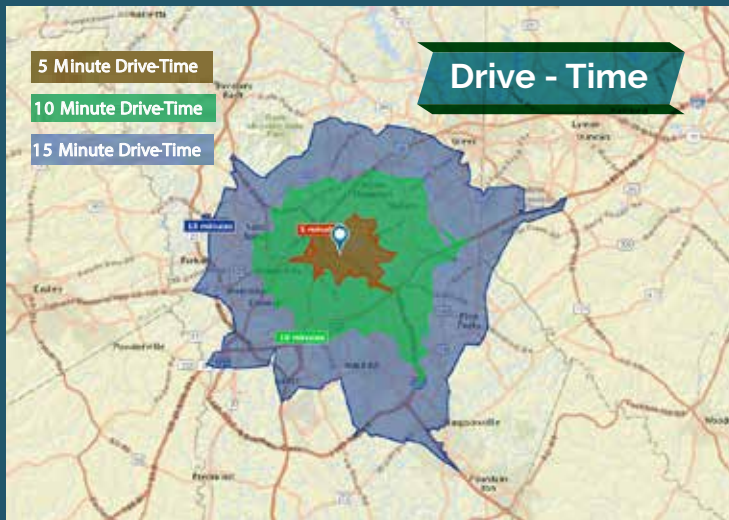
Measure of Investment Performance

Measures of Investment Performance

Before Tax			After Tax		
EOY	\$		EOY	\$	
0	(\$179,400)		0	(\$179,400)	
1	\$26,106		1	\$9,169	
2	\$28,712		2	\$10,489	
3	\$31,318		3	\$11,794	
4	\$33,925		4	\$13,083	
5	\$36,531	+	5	\$14,356	+
		\$368,716			\$353,812
IRR =	28.71%		IRR =	19.50%	
NPV @	<input type="text"/>	=	NPV @	<input type="text"/>	=

End of Year	1	2	3	4	5	6	7	8	9	10
Value Using Acquisition Cap Rate	\$890,000	\$919,000	\$948,000	\$977,000	\$977,000					
Loan Balance	\$665,685	\$642,402	\$618,111	\$592,767	\$566,324					
Loan to Value	74.80%	69.90%	65.20%	60.67%	57.97%					
Debt Service Coverage Ratio	1.51	1.56	1.61	1.66	1.71					
Return on Asset	8.97%	9.28%	9.58%	9.88%	10.19%					
Before Tax Cash on Cash	14.55%	16.00%	17.46%	18.91%	20.36%					
After Tax Cash on Cash	5.11%	5.85%	6.57%	7.29%	8.00%					
Acquisition Cap Rate	8.97%									
Gross Rent Multiplier	7.55									
Effective Tax Rate	32.06%									

DEMOGRAPHICS



2014 Summary	5 Minute Drive Time	10 Minute Drive Time	15 Minute Drive Time
Population	19,590	118,905	275,023
Households	9,679	51,141	112,532
Families	4,721	29,125	70,613
Average Household Size	1.99	2.22	2.39
Owner Occupied Housing Units	3,671	27,157	66,664
Renter Occupied Housing Units	6,008	23,985	45,868
Median Age	34.3	37.2	37.8
Median Household Income	\$41,281	\$48,703	\$46,945
Average Household Income	\$57,582	\$69,322	\$68,458

ABOUT GREENVILLE, SC

GREENVILLE, SC PROFILE

Located between Atlanta and Charlotte on the I-85 business corridor and equidistant between New York and Florida on the East coast, the Greenville area offers access to all major markets in the United States. The Greenville MSA is the most populated region in South Carolina with more than 1.4million residents.

GREENVILLE BUSINESS INDUSTRY

Many companies in Greenville and the Upstate of South Carolina are widely recognized as strong competitors in the global marketplace. As a medium-sized market, the ten-county upstate region makes up one of the strongest manufacturing centers in the country. The region is known for its ability to attract international and domestic firms by providing a pro-business environment and all the amenities necessary for business growth. And as Harvard Business School professor and author Rosabeth Moss Kanter writes in World

ClassThriving Locally in the Global Economy, "The history of the region's economic development is a lesson



for business and community leaders seeking to understand what is required to achieve world-class status and bring local residents into the world economy". Greenville County is the centerpiece of the region considered to be the "economic engine of South Carolina" and the most populous county in the state. Since it's beginning as a small farming community in 1786, Greenville County has grown into a large and diverse metropolitan area and one of the southeast region's premiere areas for business. Over the past thirty years, Greenville has transformed itself from the textile capital of the world to a destination for corporate office, manufacturing and warehousing / distribution operations. Greenville is now home to world-class companies such as Lockheed, General Electric and IBM.

CONTACT LAURENS FOR ADDITIONAL INFORMATION



Laurens has been working in commercial investment real estate since 1993. He specializes in investment real estate with an emphasis in the industrial and office sectors. Laurens serves on the faculty of the CCIM Institute where he is a senior instructor teaching courses on Financial Analysis for commercial investment real estate. He also serves as a board member of the South Carolina CCIM Chapter. Laurens is active on Carolinas Chapter for SIOR board.

Laurens C. Nicholson CCIM, MICP, SIOR

864-679-3637

lnicholson@windsoraghttry.com



ABOUT WINDSOR AUGHTRY

Since 1988 the company's three principals and key employees have well over 200 years of combined experience in the real estate industry. Over the last two decades, Windsor/Aughtry Co. has accomplished far more than the founders of the company ever dreamed possible.

40 West Broad Street, Suite 500 Greenville, SC 29601

www.windsoraghttry.com



www.windsoraghttry.com