

Offering Memorandum

Garner Square

100 McMillan Dr., Spartanburg, SC 29303



For Sale

Disclaimer

55,946 SF | \$2,370,000

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For Sale

Retail Investment Property

55,946 SF | \$2,370,000

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Section 1

PROPERTY
INFORMATION



For Sale

Retail Investment Property

55,946 SF | \$2,370,000



SALE PRICE:	\$2,370,000
CAP RATE:	8.00% (Actual)
NOI:	\$189,525
LOT SIZE:	4.75 Acres
BUILDING SIZE:	55,946 SF
YEAR BUILT:	1974
ZONING:	B-3 City of Spartanburg
MARKET:	Spartanburg
CROSS STREETS:	N. Pine St, Spartanburg Regional, Wofford University

Property Overview

For Sale Multi Tenant Investment Property / \$2,370,000

Location Overview

A 55,946 square foot shopping center just off N. Pine Street and very close to Spartanburg Regional Healthcare System and Wofford College. Surrounding retailers include Big Lots, McDonalds, Food Lion, CVS, Honey Baked Ham and Starbucks.

Spartanburg is conveniently located in Upstate South Carolina, between Atlanta, GA and Charlotte, NC. Less than an hour from Asheville, NC and only twenty minutes from Greenville, SC. Spartanburg's location of I-85 and I-26 makes it an attractive choice for businesses and residents. Spartanburg is home to 10 international firms including BMW, Milliken, Michelin N.A. HQ's, Cryovac, Kohler, Denny's HQ's and Amazon. Spartanburg's international firms represent 18 countries.

For Sale

Retail Investment Property

55,946 SF | \$2,370,000

Property Highlights

- ±55,946 SF shopping center
- Situated on ±4.75 acres
- Built in 1974
- Zoned B-3 City of Spartanburg
- Key Tenants: Mr. Gattis, Danz Place, Shotz, Sun King Buffet
- 88.2% Occupancy
- Located off of N. Pine Street (±35,500 vpd)
- Owner has invested over \$250,000 in capital expenditures since 2018
- Sale Price: \$2,370,000
- 8.00% Cap Rate (Actual)
- \$42.36 Price Per SF



Section 2

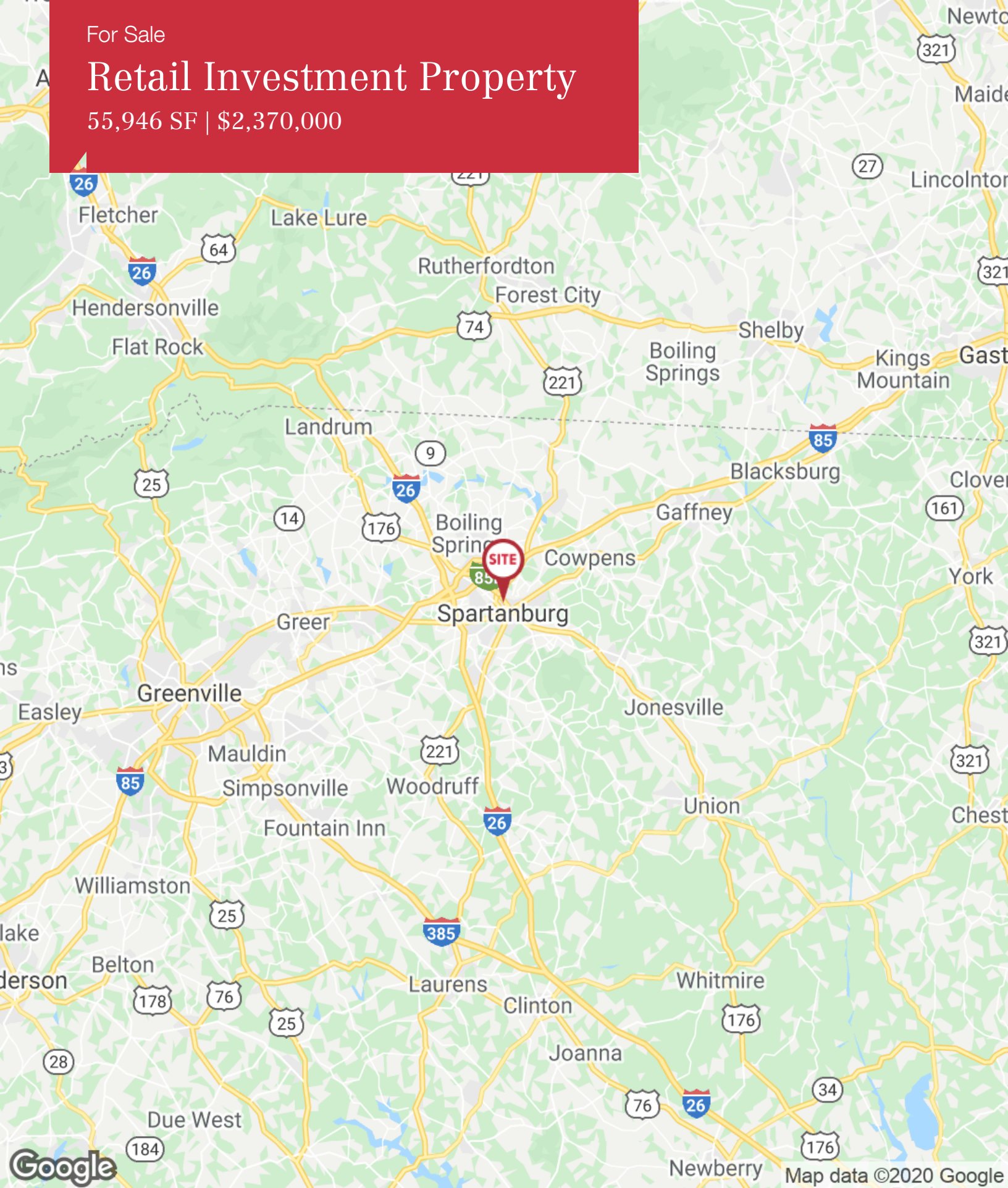
LOCATION
INFORMATION



For Sale

Retail Investment Property

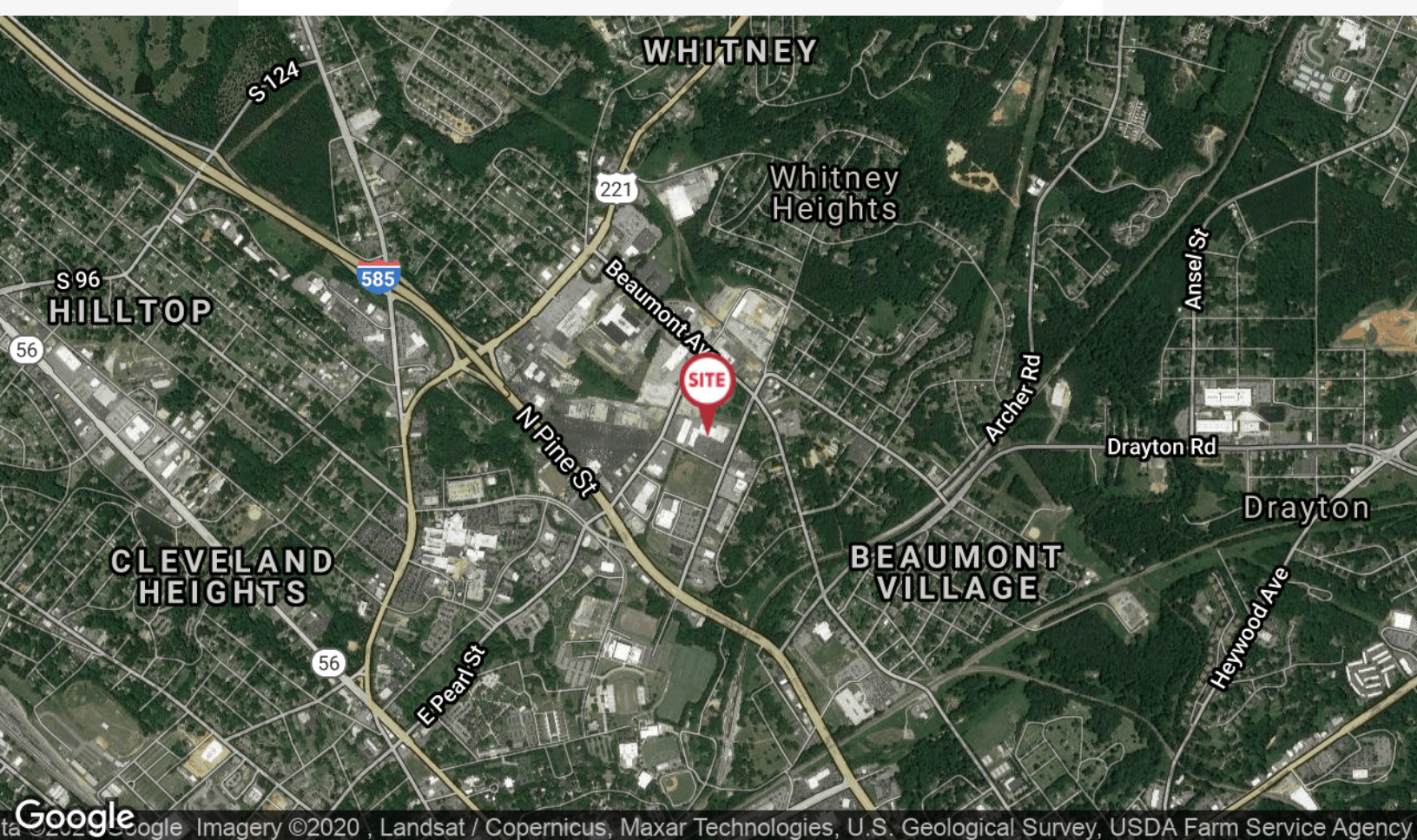
55,946 SF | \$2,370,000



For Sale

Retail Investment Property

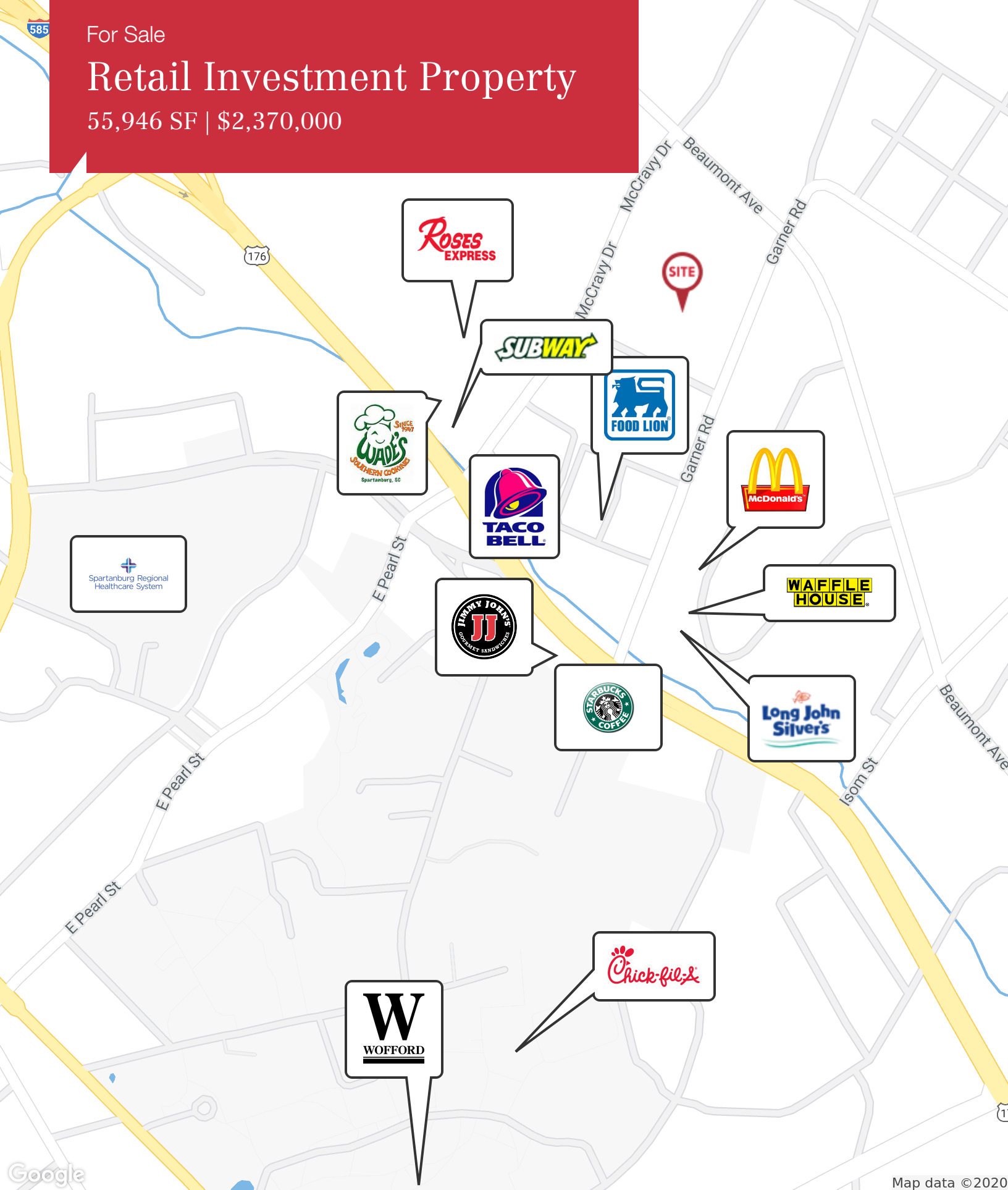
55,946 SF | \$2,370,000



For Sale

Retail Investment Property

55,946 SF | \$2,370,000



Map data ©2020

Section 3

FINANCIAL ANALYSIS



PROJECT	
Date	October 1, 2019
Project Name	Garner Square
Location	100 McMillan Drive, Spartanburg, SC
Size (Square Feet)	55,946
Property Type	Multi-Tenant Retail
ASSUMPTIONS	
Renewals	All Tenants Renew
Rent Increases	Rent bumps highlighted in RED

LEASE SUMMARY								
Tenant	Start Date	End Date	Sq. Ft.	Rate/SF	Annual	OpEx	Options	
(A) Mr. Gatt's	1997	8/31/2023	25,000	\$ 3.60	\$ 90,090	None	(2) 5 Year	
(B) Simple Simons	2018	12/31/2023	1,008	\$ 7.00	\$ 7,056	Net		
(C) Danz Place	1992	1/31/2019	4,760	\$ 6.45	\$ 30,720	None		
(D) Carolina Services	2018	12/31/2023	2,600	\$ 6.00	\$ 15,600	Net		
(E,F,G) Five Star	2001	8/31/2022	4,775	\$ 6.79	\$ 32,400	Net		
(H) Vacant			4,000					
(I, J) Shotz	2012	12/31/2021	4,004	\$ 4.80	\$ 19,200	None		
(K, L) Vacant			2,600					
(M) Wireless	2018	3/31/2021	1,170	\$ 6.73	\$ 7,872	Net		
Sunking Buffet	1996	10/31/2022	6,029	\$ 8.68	\$ 52,320	Modified		
TOTAL			55,946		\$ 255,258			

10 YEAR CASH FLOW ANALYSIS														
Gross Scheduled Income	Size	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
(A) Mr. Gatt's	25,000	\$ 90,090	\$ 90,090	\$ 90,090	\$ 90,090	\$ 90,090	\$ 91,740	\$ 91,740	\$ 91,740	\$ 91,740	\$ 91,740	\$ 91,740	\$ 91,740	\$ 91,740
OpEx Reimbursement														
(B) Simple Simons	1,008	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056	\$ 7,056
OpEx Reimbursement		\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016	\$ 2,016
(C) Danz Place	4,760	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720	\$ 30,720
OpEx Reimbursement														
(D) Carolina Services	2,600	\$ 15,600	\$ 15,600	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080	\$ 16,080
OpEx Reimbursement		\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196	\$ 5,196
(E,F,G) Five Star	4,775	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400	\$ 32,400
OpEx Reimbursement		\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200
(H) Vacant	4,000													
OpEx Reimbursement														
(I, J) Shotz	4,004	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200
OpEx Reimbursement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(K, L) Vacant	2,600													
OpEx Reimbursement														
(M) Wireless	1,170	\$ 7,872	\$ 8,340	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832	\$ 8,832
OpEx Reimbursement		\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340
Sunking Buffet	6,029	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320	\$ 52,320
OpEx Reimbursement		\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Base Rental Revenue		\$ 255,258	\$ 255,276	\$ 256,698	\$ 256,698	\$ 256,698	\$ 258,348	\$ 258,348	\$ 258,348	\$ 258,348	\$ 258,348	\$ 258,348	\$ 258,348	\$ 258,348
Total Reimbursements		\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752	\$ 19,752
Gross Rental Revenue		\$ 275,010	\$ 275,478	\$ 276,450	\$ 276,450	\$ 276,450	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100

VACANCY FACTOR														
VACANCY RATE	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CURRENT VACANCY	11.80%													
GROSS OPERATING INCOME		\$ 275,010	\$ 275,478	\$ 276,450	\$ 276,450	\$ 276,450	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100	\$ 278,100

OPERATING EXPENSES														
Expense	\$/SF	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Taxes	\$ 0.67	\$ 37,756	\$ 37,756	\$ 37,756	\$ 37,756	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532	\$ 41,532
Insurance	\$ 0.20	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347	\$ 11,347
Landscaping	\$ 0.07	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825	\$ 3,825
Garbage	\$ 0.09	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238	\$ 5,238
Utilities	\$ 0.40	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219	\$ 22,219
Maintenance	\$ 0.09	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
Total Operating Expenses		\$ 85,485	\$ 85,485	\$ 85,485	\$ 85,485	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260	\$ 89,260
Reimbursable OpEx / SF	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60
NET OPERATING INCOME		\$ 189,525	\$ 189,993	\$ 190,965	\$ 190,965	\$ 187,190	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840

SELLER ASKING PRICE	8.00%	\$ 2,370,000	\$ 42.36	price/SF
Equity	25%	\$ 592,500		
Loan Amount	75%	\$ 1,777,500		

10 YEAR LEVERAGED CASH FLOW AND RETURN ANALYSIS												
CASH FLOW	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	INTERNAL RATE OF RETURN	
NET OPERATING INCOME	\$ 189,525	\$ 189,993	\$ 190,965	\$ 190,965	\$ 187,190	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	\$ 188,840	576,743	
Annual Debt Service	\$ (140,769)	\$ (140,769)	\$ (140,769)	\$ (140,769)	\$ (140,769)	\$ (122,450)	\$ (122,450)	\$ (122,450)	\$ (122,450)	\$ (122,450)	9.73%	
Annual Cash Flow	\$ 48,757	\$ 49,225	\$ 50,197	\$ 50,197	\$ 46,421	\$ 66,389	\$ 66,389	\$ 66,389	\$ 66,389	\$ 66,389	576,743	
Annual Cash on Cash Return	8.23%	8.31%	8.47%	8.47%	7.83%	11.20%	11.20%	11.20%	11.20%	11.20%	9.73%	
EQUITY BUILD-UP												
Annual Equity Build-up	\$ 53,099	\$ 55,816	\$ 58,672	\$ 61,674	\$ 64,829	\$ 41,909	\$ 44,273	\$ 46,770	\$ 49,408	\$ 52,195	528,645	
EOY Principal Balance	\$ (1,724,401)	\$ (1,668,584)	\$ (1,609,913)	\$ (1,548,239)	\$ (1,483,410)	\$ (1,441,501)	\$ (1,397,229)	\$ (1,350,459)	\$ (1,301,051)	\$ (1,248,855)	528,645	
Annual Equity Return on Equity Build-up	8.96%	9.42%	9.90%	10.41%	10.94%	7.07%	7.47%	7.89%	8.34%	8.81%	8.92%	
TOTAL ANNUAL RETURN												
Total Annual Return	17.19%	17.73%	18.37%	18.88%	18.78%	18.28%	18.68%	19.10%	19.54%	20.01%	18.66%	
LOAN TERMS												
Rate Change	5.00%					5.50%						
Amortization (Years)	20					20						
Amortization (Months)	240					240						



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Section 4

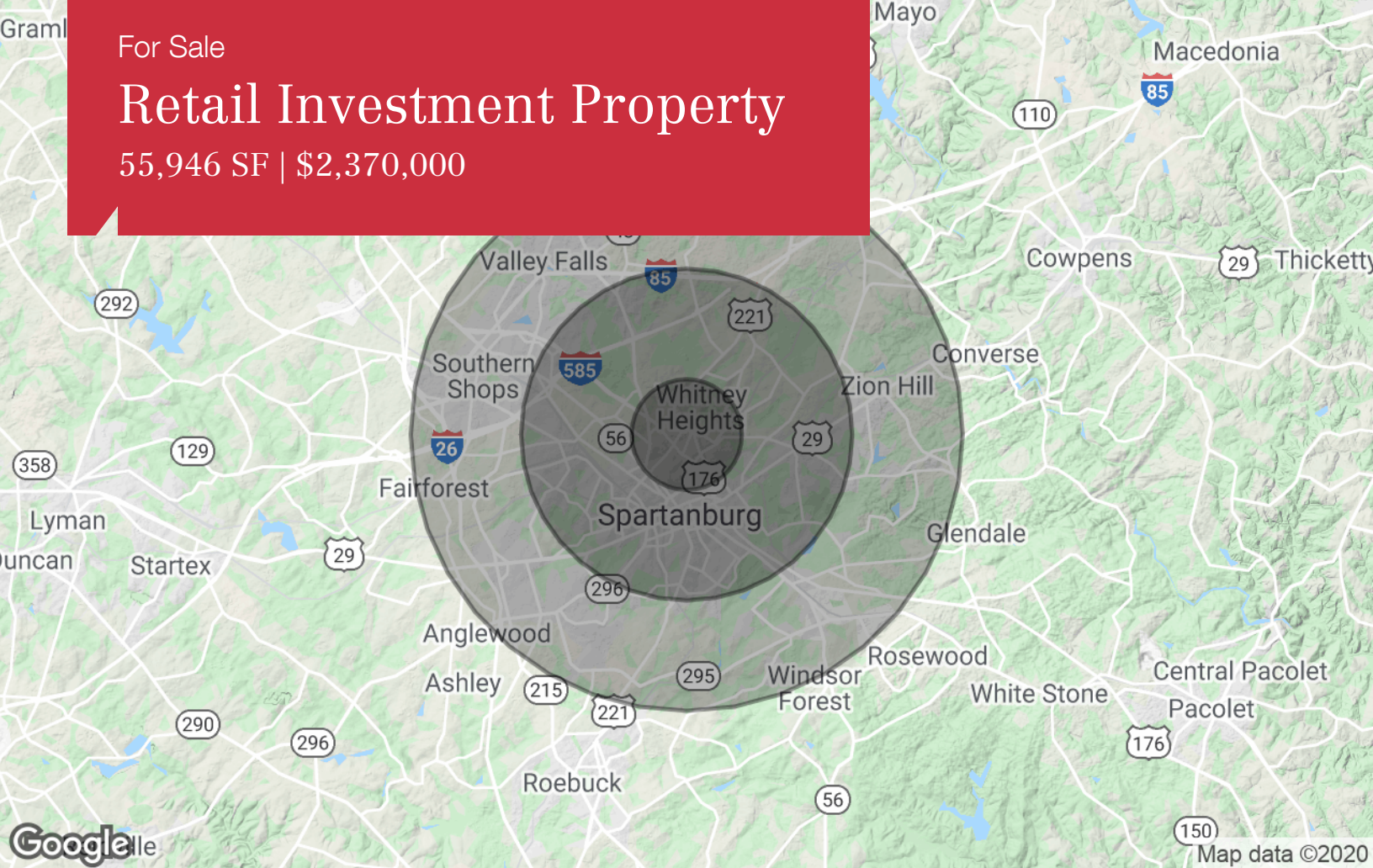
DEMOGRAPHICS



For Sale

Retail Investment Property

55,946 SF | \$2,370,000



Population

	1 Mile	3 Miles	5 Miles
TOTAL POPULATION	5,904	42,025	92,376
MEDIAN AGE	28.8	32.5	34.6
MEDIAN AGE (MALE)	29.1	31.9	33.8
MEDIAN AGE (FEMALE)	28.7	33.6	35.5

Households & Income

	1 Mile	3 Miles	5 Miles
TOTAL HOUSEHOLDS	1,752	15,242	34,707
# OF PERSONS PER HH	3.4	2.8	2.7
AVERAGE HH INCOME	\$39,097	\$45,747	\$50,420
AVERAGE HOUSE VALUE	\$128,053	\$166,777	\$159,305

* Demographic data derived from 2010 US Census

Garner Square

100 McMillan Dr.
Spartanburg, South Carolina 29303

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