

# 270 KING STREET



# EXECUTIVE SUMMARY

Newmark Wilson Kibler, as exclusive advisor, is pleased to present the rare opportunity to acquire 270 King Street in the heart of Downtown Charleston, South Carolina. 270 King (the "Property") consists of 2,052 square feet of vacant retail space on Wentworth Street, and approximately 17,582 square feet of vacant space on the second and third floors of the property. These floors may be expanded through the construction of additional floors to approximately 35,164 square feet on four levels.

The Property is located on the premier corner of King and Wentworth, within the Central Business District of the Peninsula of Charleston in its Historic District. The Property, originally constructed for the use as a Masonic Temple, represents significant upside through interior construction to cater to a variety of uses. Unlike any redevelopment opportunities where the final use is either obvious or restricted by market forces, the Property offers a high degree of optionality for a buyer. The building is ideal for a Hospitality or Luxury Apartment use. It is also well-suited to include student housing, condominiums, or an office use.

The building is historic and tax credits are available.

# PROPERTY SUMMARY

The property was constructed in 1872 for use as the Grand Lodge of the Ancient Free Masons of South Carolina. Designed by legendary Charleston architect John Henry Devereux, who became a Mason himself before beginning work on the project. The building was built in the Gothic Revival style, and has been renovated in various forms and fashions six times in its history, with the most recent renovation in 1984.

<b>Address:</b>	270 King Street & 71 Wentworth Street Charleston, SC 29401
<b>Parcel Number(s):</b>	457-08-01-163, 457-08-01-127, 457-08-01-126
<b>Zoning:</b>	General Business (GB)
<b>Year Built:</b>	1872
<b>Year Renovated:</b>	1877, 1885, 1886, 1895, 1920, 1940, 1984
<b>Existing RSF:</b>	±17,582 SF (2 <sup>nd</sup> & 3 <sup>rd</sup> Floor); 2,052 SF (Retail)
<b>Total RSF After Re-development:</b>	±35,164
<b>Site Area:</b>	±0.22 Acres
<b>Percent Leased:</b>	0%
<b>Number of Floors:</b>	Two, can be expanded to Four



# CHARLESTON MARKET SUMMARY



MUSC  
Campus

Marion  
Square

SC  
Aquarium

South  
Carolina  
Port

Historic  
Charleston  
Market

Waterfront  
Park

## Peninsula Amenities

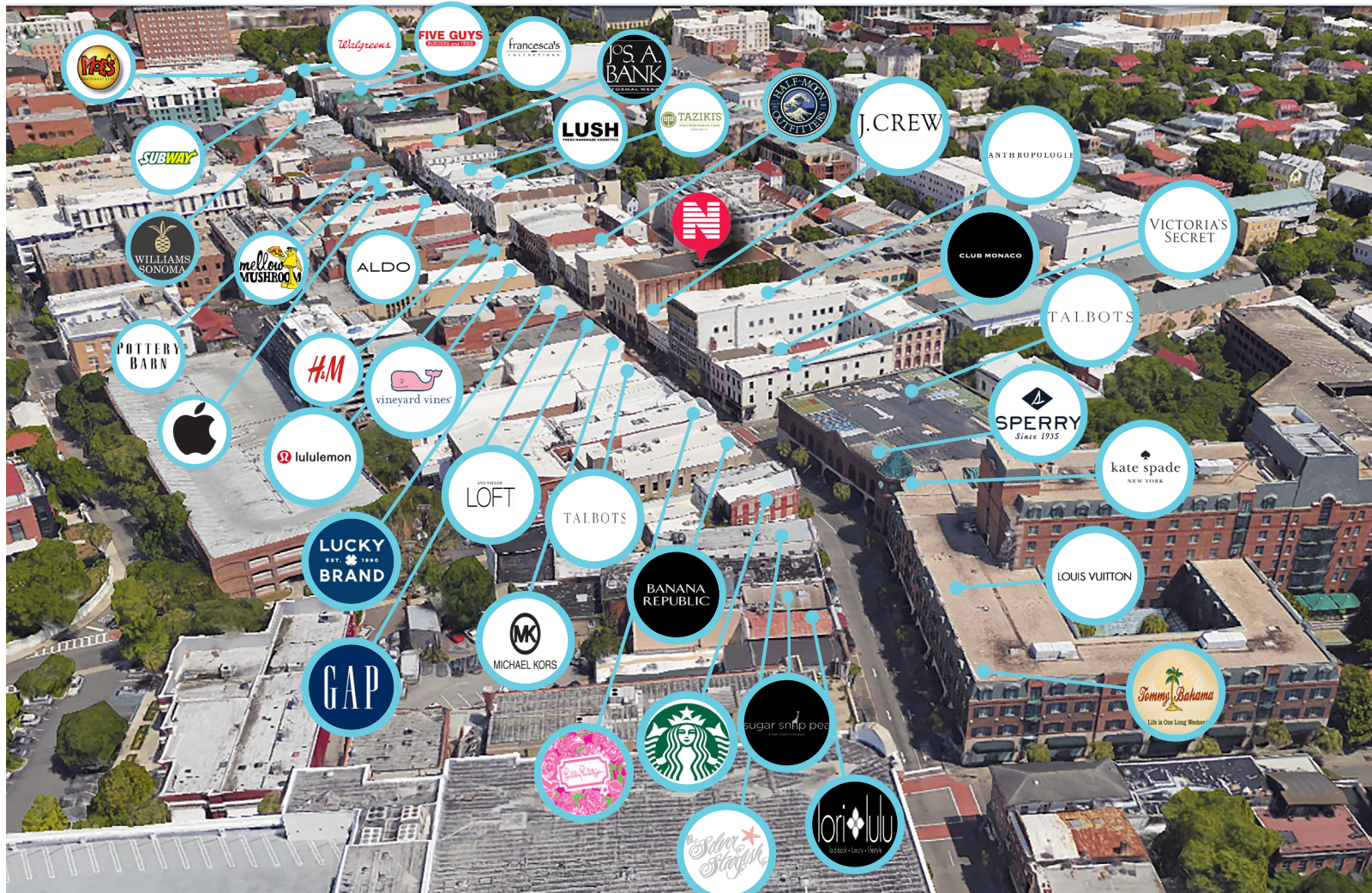
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Wilson Kibler

# SUBMARKET SUMMARY

King Street is one of the finest and most prestigious shopping destinations in the entire country. Shoppers from all across the country flock to the luxury shopping and fine dining of King Street. King Street was recent rated as one of the 10 best shopping streets in the entire US.

US News said of Charleston's King Street, *This historic avenue pulses with pedestrians in search of the perfect outfit or gift. Beautiful buildings house big-name brands like Apple and Banana Republic; however, it's the number of family-owned boutiques and male clothiers that really distinguishes King Street. Gentlemen should head to Bob Ellis for shoes and M. Dumas & Sons for apparel, as both are third-generation family-operated Charleston landmarks. Although King Street bustles with pastel-clad patrons particularly in the spring, you'll find Southern hospitality persists year-round.*

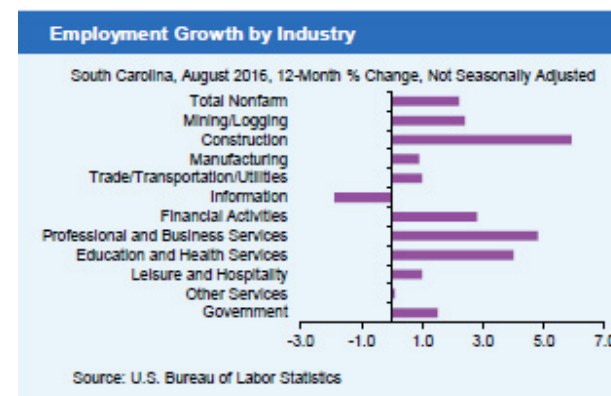
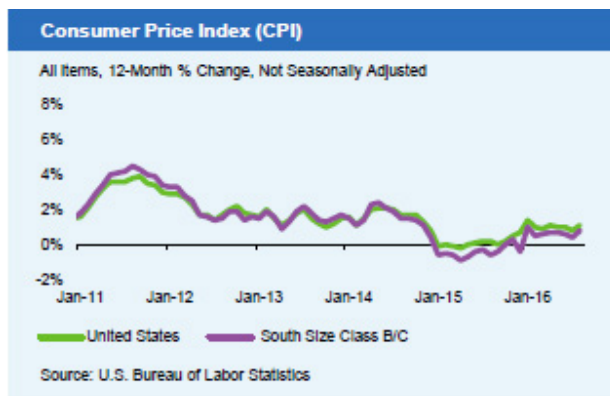
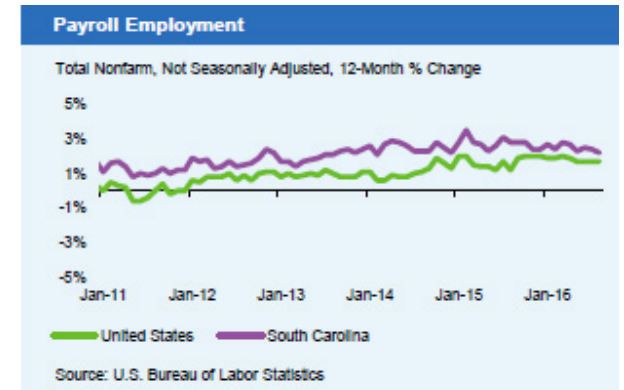
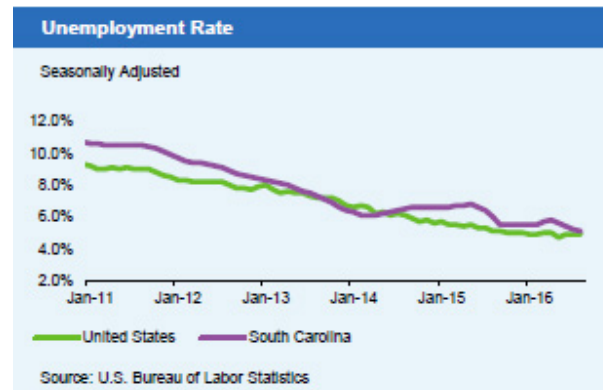
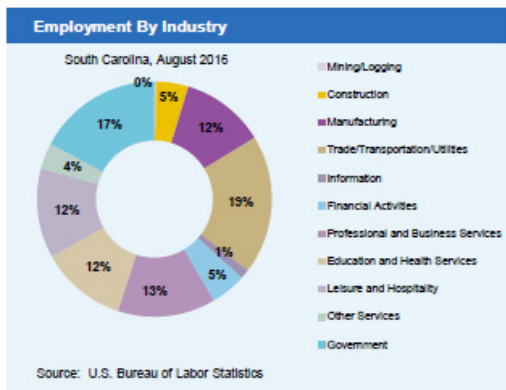


# SOUTH CAROLINA LABOR STATISTICS

For the fifth straight month, unemployment has receded in South Carolina. August saw unemployment numbers fall to 5.1%, a record low for the Palmetto State. The national average for unemployment remained steady at 4.9%. Trade, government, and professional services continue to dominate the state's employment sectors, as companies continue to migrate into and grow with South Carolina.

South Carolina was ranked second overall by Area Development, a leading business publication, as a state in which to do business. The publication also praised the state as the number-one place in business for incentives and speed of permitting. The continued growth in South Carolina employment across all industries is easily attributable to those workforce incentives, low cost of living and business-friendly governance.

In Columbia, trade/transportation/utilities has outpaced government by two points, rising to 19.0% of total employment. Trade is also the leading industry in Charleston with 19.0%, and Greenville follows that trend with 19.0% of nonfarm employment as well. Continued investment in infrastructure, the Port of Charleston and the inland port in the upstate has greatly benefitted the state.

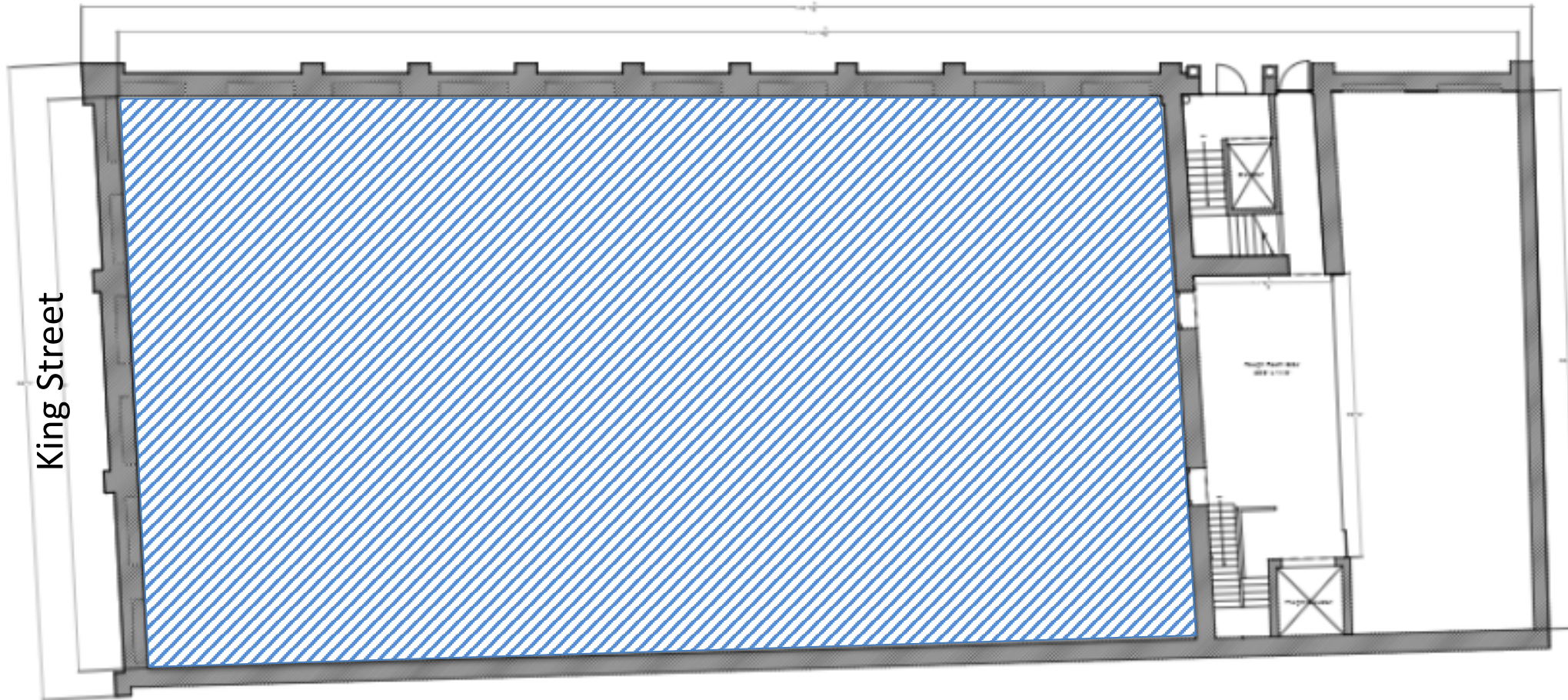


# PROPERTY PICTURES



# FLOORPLAN- 1<sup>ST</sup> FLOOR

Wentworth Street

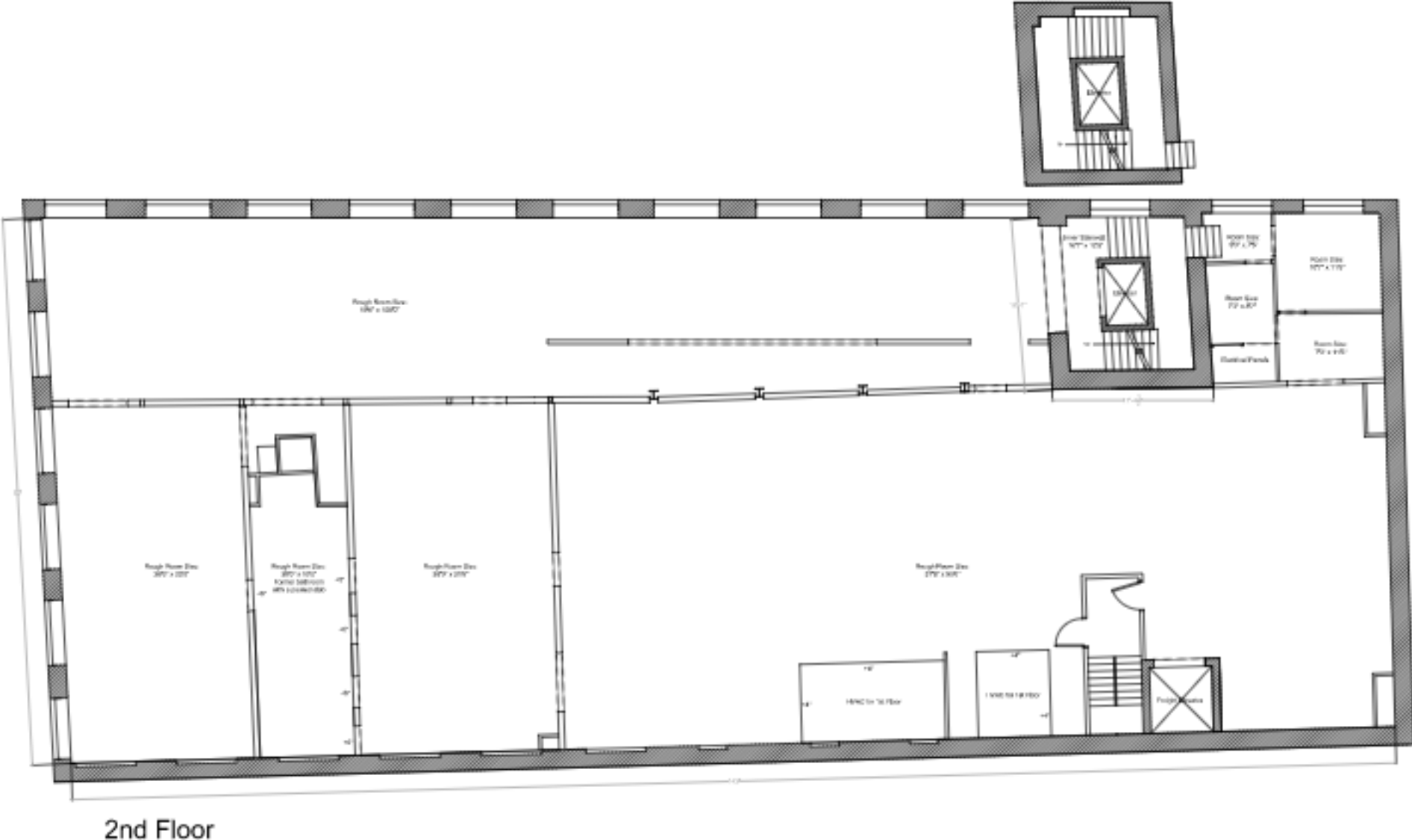


1st Floor

**\* SHADED RETAIL PORTION EXCLUDED FROM THE OFFERING**

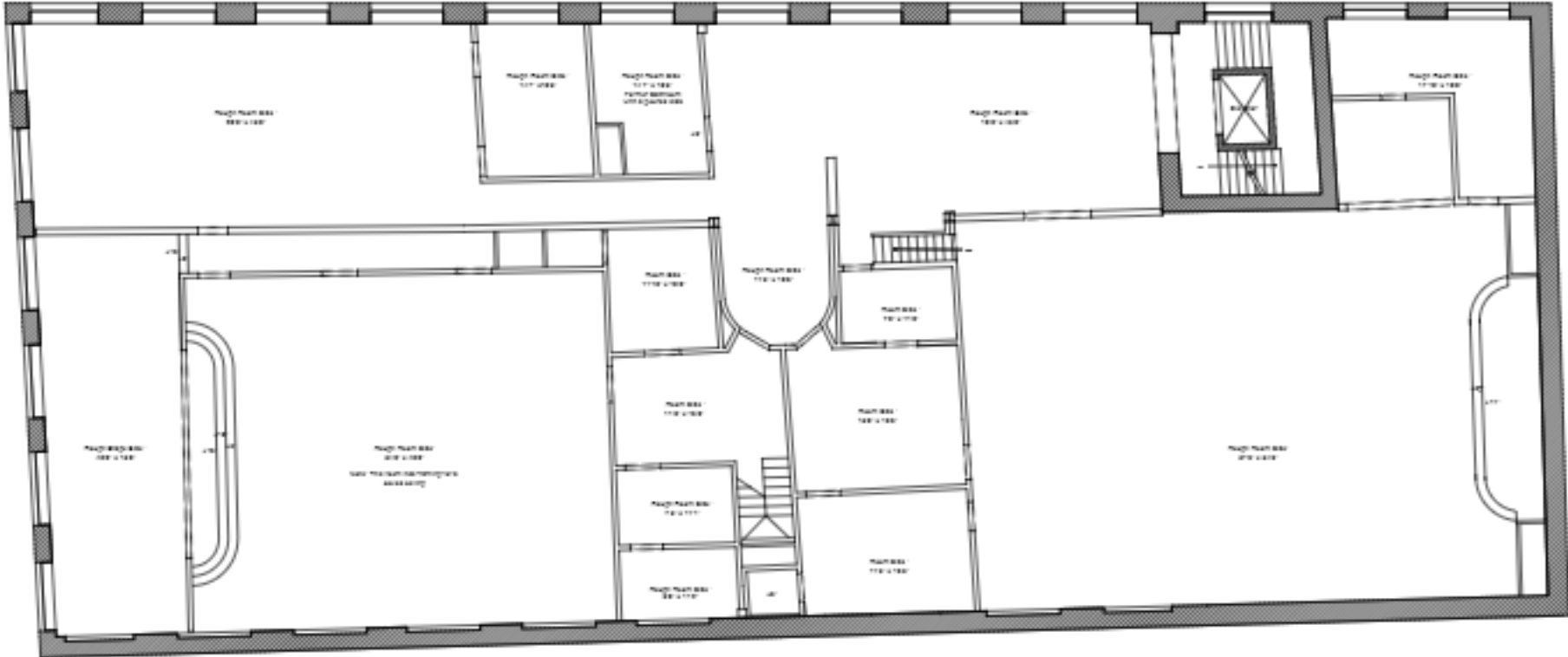


# FLOORPLAN 2<sup>nd</sup> FLOOR



2nd Floor

# FLOORPLAN 3<sup>rd</sup> FLOOR

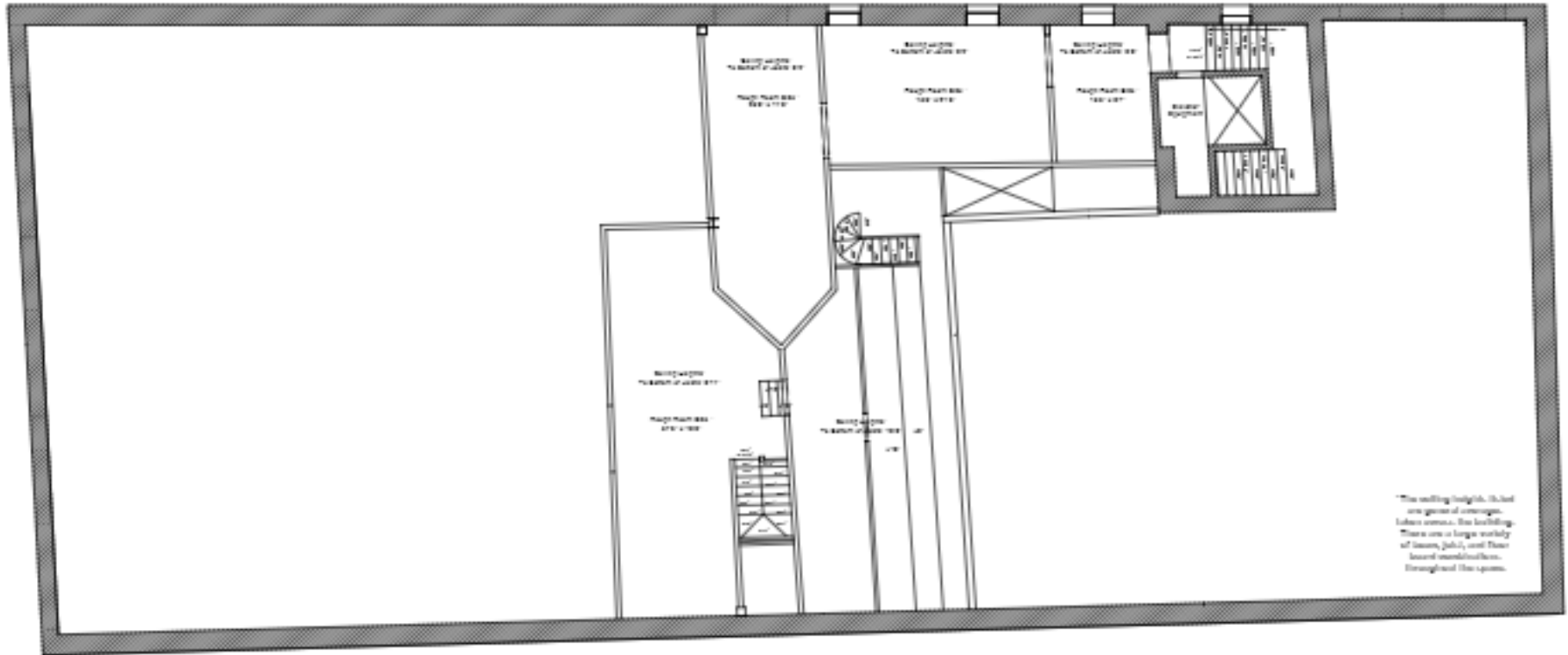


3rd Floor

# FLOORPLAN 4<sup>th</sup> FLOOR

Due to the unique nature of the building, the exact location of the various rooms and areas is subject to change and should be considered as indicated by the architect's drawings.

There are no windows in the rooms shown on this floor plan. The rooms are shown as they are in the building.



4th Floor

# RETAIL TENANT SUMMARY

The ground floor of 270 King has three suites. One suite fronts King St, currently occupied by the Savannah Bee Company, and two suites front Wentworth St. - tenants Candlefish and Whispers. This building is divided into 4 separate condominium units. Three of which are being offered for sale, and one, which is under different ownership, is **not** being offered for sale. The Savannah Bee Company space and the Candlefish space are under the condominium that is not being offered for sale.

Whispers on King, which had the address of 71 Wentworth, had been occupying the 2,052 SF space until recently. The space is currently vacant. There is a stairway that connects the space to the upstairs unit. Potential purchasers could use the suite for another retail tenant, or more creative uses could be utilized. One idea of a valet/entryway has been proposed. In this hypothetical situation, a redevelopment of the top floors into a hotel could use a car valet and parking station in the current retail space employing a car stacking system or a semi-automated parking system.



# HOSPITALITY SUMMARY

## *High barriers to entry will soon be turned into an impenetrable wall.*

This property represents what could be one of the last opportunities to develop a hotel in a premiere site on the peninsula for the foreseeable future.

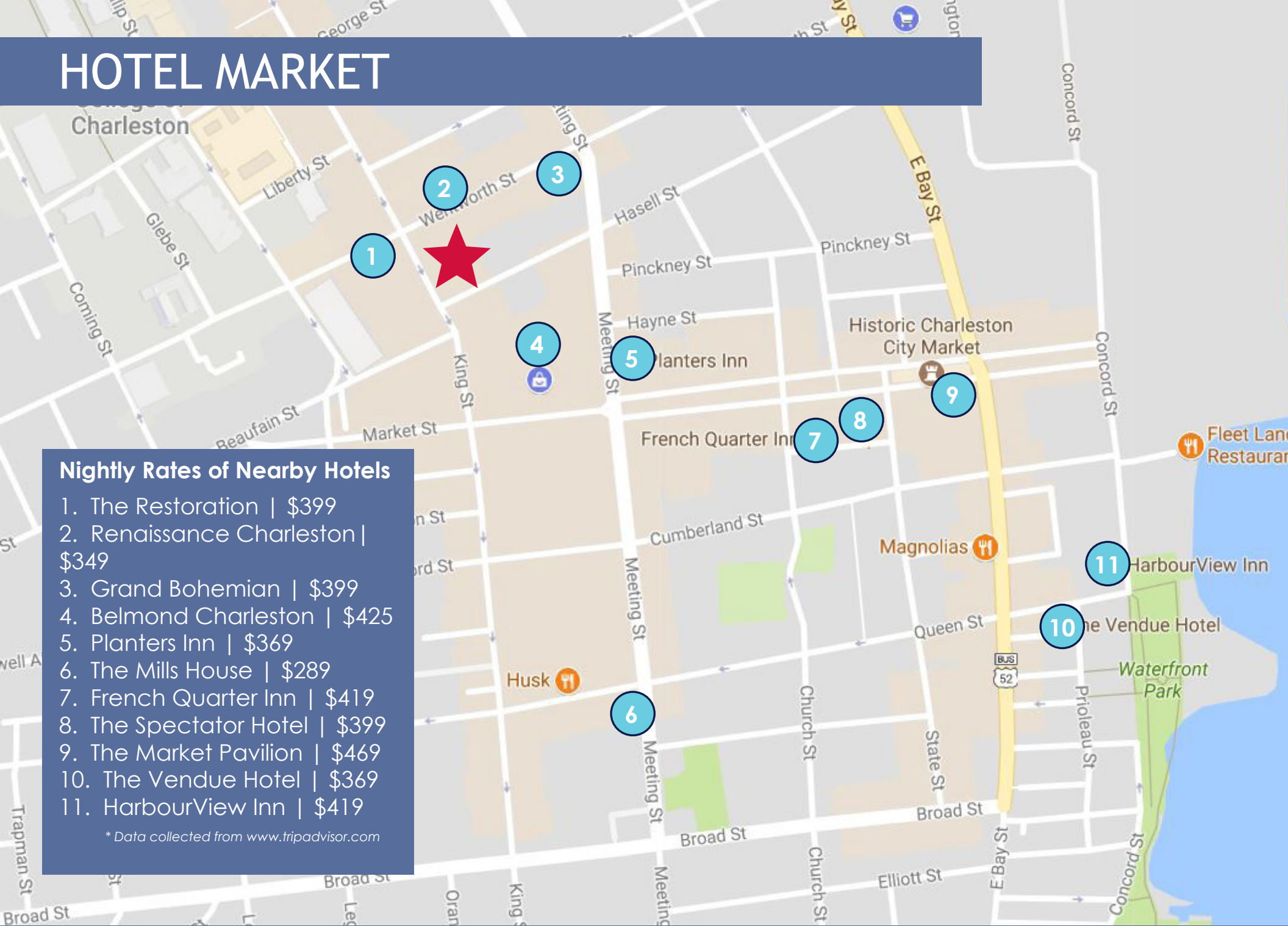
Mayor John Tecklenburg has twice proposed a hotel moratorium within the last year.

Both times, the moratorium has been struck down- most recently, by the Charleston Planning Commission. Nevertheless, there is a strong desire within the administration to impose a significant hotel moratorium within the Peninsula, and the Mayor is building a coalition to support his platform.

Table 3. Monthly Forecasts for Charleston County and Peninsula Hotels: 2016-2017

		Peninsula Area		Charleston County	
		Occupancy (%)	Average Daily Rate	Occupancy (%)	Average Daily Rate
<b>2016 Actual</b>	January	63.5	\$166.69	59.8	\$122.83
	February	77.9	\$180.66	72.2	\$134.25
	March	85.9	\$226.37	82.3	\$158.80
	April	91.3	\$245.47	87.1	\$173.46
	May	86.8	\$232.57	83.2	\$166.44
	June	88.3	\$218.73	84.4	\$160.68
	July	86.3	\$193.72	85.4	\$149.68
<b>2016 Forecast</b>	August	81.5	\$175.51	78.1	\$140.03
	September	79.8	\$199.89	74.8	\$149.79
	October	76.4	\$219.44	75.8	\$157.77
	November	73.9	\$194.65	69.4	\$143.95
	December	65.5	\$166.52	59.9	\$127.31
<b>Average</b>		<b>79.8</b>	<b>\$201.68</b>	<b>76.0</b>	<b>\$148.75</b>
<b>2017 Forecast</b>	January	64.3	\$167.66	61.7	\$128.10
	February	77.4	\$180.86	72.7	\$139.11
	March	84.6	\$224.62	81.6	\$162.87
	April	89.5	\$242.81	85.8	\$177.04
	May	85.4	\$230.21	82.3	\$170.18
	June	86.8	\$216.73	83.2	\$164.55
	July	85.0	\$192.52	84.1	\$153.85
	August	80.6	\$174.87	77.5	\$144.45
	September	79.1	\$198.22	74.4	\$153.89
	October	76.0	\$216.93	75.4	\$161.60
	November	73.7	\$192.98	69.5	\$148.17
	December	66.1	\$165.83	60.9	\$132.01
<b>Average</b>		<b>79.0</b>	<b>\$200.35</b>	<b>75.8</b>	<b>\$152.99</b>

# HOTEL MARKET



## Nightly Rates of Nearby Hotels

1. The Restoration | \$399
2. Renaissance Charleston | \$349
3. Grand Bohemian | \$399
4. Belmond Charleston | \$425
5. Planters Inn | \$369
6. The Mills House | \$289
7. French Quarter Inn | \$419
8. The Spectator Hotel | \$399
9. The Market Pavilion | \$469
10. The Vendue Hotel | \$369
11. HarbourView Inn | \$419

\* Data collected from [www.tripadvisor.com](http://www.tripadvisor.com)

# OFFICE SUMMARY

Office space on the Charleston peninsula has achieved surprisingly low vacancy rates. Between all classes of office properties, the vacancy rate stands at a staggeringly low 2.8%. Tenants in the market are being forced to renew or move out of the peninsula due to the lack of availability in the Downtown CBD Submarket. There is only one major delivery scheduled for 2018, which will bring approximately 42,000 SF of Class A space. Asking rental rates in this property are \$30 PSF NNN.

## Submarket Statistics Q12017

	Total (SF)	Total Rate	Total Rate	Qtr (SF)	YTD (SF)	Direct (Price/SF)	Sublet (Price/SF)	Total (Price/SF)
Downtown - CBD	5,629,157	2.8%	4.7%	6,696	6,696	\$31.14	\$31.05	\$31.25



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