



8311 Two Notch Road

Columbia, SC

CONFIDENTIAL OFFERING MEMORANDUM
Sale-Leaseback Opportunity

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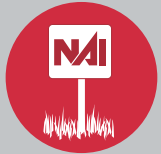
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WHAT IS A SALE-LEASEBACK?



SALE-LEASEBACK



When a property owner agrees to sell an asset/building to another party then turnaround and lease the property from the new owner.

In a sale-leaseback, the seller of the property becomes the lessee and the purchaser becomes the lessor.

Typically a company will choose a sale-leaseback when they prefer to utilize the equity they have already built-up in a property to strengthen their business.

BENEFITS TO SELLER



- Tax benefits
- Reduction/elimination of debt
- Company has capital for expansion
- No longer holds risks for owning the asset

BENEFITS TO BUYER



- Immediate income on the lease
- Guaranteed Lease
- Fair market ROI
- Stable income for the duration of the lease

HOW IS PROPERTY VALUE DETERMINED?



A sale-leaseback considers factors similar to any other commercial real estate transaction. Factors such as:

- Current market conditions
- Age & condition of the property
- Location of the property
- Financial credibility of tenant
- Land to building ratio
- Local tax policies
- What a purchaser is likely to pay in a fair, competitive market based on the capitalization rate put on the income from the lease

INVESTMENT OVERVIEW

Executive Summary

PROPERTY SUMMARY

Address	8311 Two Notch Road Columbia, SC 29223
Total GLA	±5,380 SF
Total Land Size	±0.89 Acres
Year Built	1985
Parking	23 Spaces

FINANCIAL SUMMARY

NOI	\$46,924.00
Cap Rate	7.33%
List Price	\$640,000.00

INVESTMENT HIGHLIGHTS

- Tenant is responsible for HVAC systems, roof, plumbing, electrical, pest & landscaping
- Prime site fronting on US-Hwy-1 (Two Notch Road) with excellent access to I-77 interchange located ± 0.25 miles away
- Zoning General Commercial
- 2019 Traffic Counts - 38,300 VPD on US-1 (Two Notch Road) representing a 15% increase since 2016
- Located in the heart of growing Northeast residential submarket.

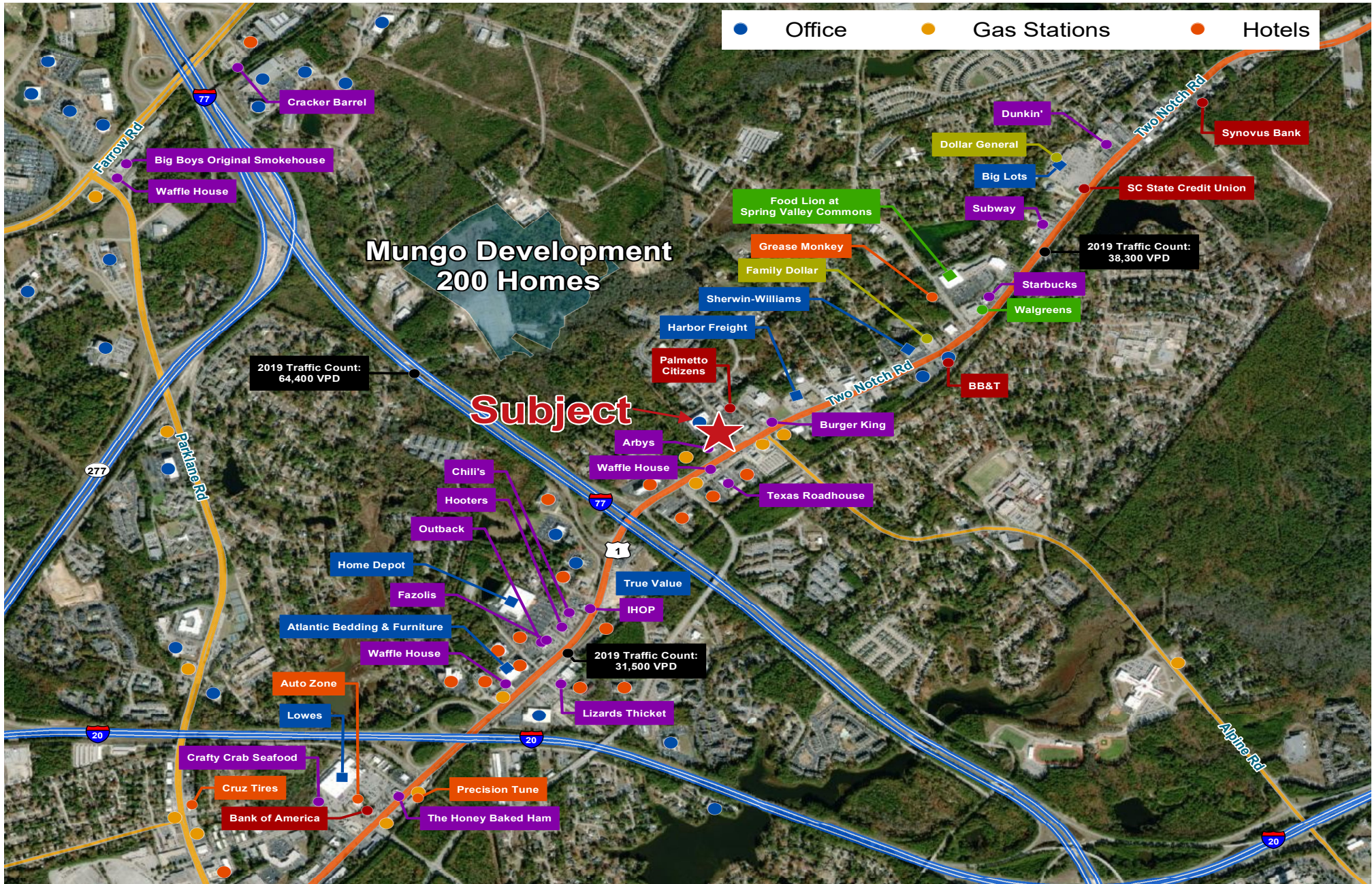
Burriss & Pressley Realty LEASE SUMMARY

Tenant	Burriss & Pressley Realty
Lease Type	NNN
Taxes/CAM/Insurance	Tenant Responsibility
Roof/Structure	Tenant Responsibility
Original Lease Term	5-Years
Renewal Options	One (1) Five (5) Year Option
Investment Type	Sale - Leaseback
Rent Increases	\$1,200 annually



PROPERTY OVERVIEW

Retail Aerial



PROPERTY OVERVIEW

Aerial



DISCOUNTED CASH FLOW OVERVIEW

8311 Two Notch Road

After Tax Investment Analysis - Seven Year Hold

Data Input Boxes:		Tax Considerations:	
Purchase price	640,000	Depreciation (in years)	39
Appraised Building Value	256,000	Capital gains tax rate	15%
Proportional Value of Building	40%	Depreciation recapture rate	25%
Loan-to-Value	70.00%	Ordinary income tax rate	37%
Loan Interest Rate	4.25%	Building & Lease Inputs:	
Loan Amortization Term	20	Annual Rent Year 1	\$ 48,000.00
Payments per year	12	Annual Contract Rent Increases	\$ 1,200.00
Going In Cap Rate	7.33%	Leasable Square Footage	5,380
Terminal Cap Rate (%)	8.00%	Initial Lease Term	5 years
Holding Period	7	Property Tax 2020:	\$ 16,262.00
Selling costs	5%	OPEX Rate (excl prop tax)	0%
Equity discount rate (after Tax)	8%	CAPX per RSF office or retail / yr.	0.2
Maintenance, Insurance, Taxes	Tenant	Projected Vacancy Rate	0%
Roof & Structure			

Equity	192,000
Loan	448,000
Annualized Loan Payments	33,290
Mortgage Balance at Sale (EOY)	332,061 year 7

Zoning	GC
County	Richland, SC
TMS#	17113-01-23
Acresage	0.89
Property Type	Office
Use	Real Estate
Lease Type	NNN

*Assumes Tenant executes 5-year renewal option starting year 6



SUMMARY LOAN INFORMATION:

End of Year	1	2	3	4	5	6	7	8
Payment	33,290	33,290	33,290	33,290	33,290	33,290	33,290	33,290
Mortgage Balance	433,469	418,308	402,491	385,988	368,769	350,804	332,061	312,506
Interest	18,759	18,129	17,472	16,787	16,072	15,325	14,547	13,735
Principal	14,531	15,161	15,818	16,503	17,216	17,965	18,743	19,555

TAXABLE INCOME & AFTER-TAX CASH FLOW FROM OPERATIONS:

Gross Rentals	48,000	49,200	50,400	51,600	52,800	54,000	55,200	56,400
less Vacancy	0	0	0	0	0	0	0	0
plus Misc. Income	0	0	0	0	0	0	0	0
Effective Gross Income	48,000	49,200	50,400	51,600	52,800	54,000	55,200	56,400
OPEX (excl prop tax)	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0
CAPX Reserve (above the line)	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
Net Operating Income	46,924	48,124	49,324	50,524	51,724	52,924	54,124	55,324
Less Ground Lease (if applic.)								
Subtotal	46,924	48,124	49,324	50,524	51,724	52,924	54,124	55,324
Less: Interest	18,759	18,129	17,472	16,787	16,072	15,325	14,547	13,735
Depreciation	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564
Add back CAPX reserv	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
Preliminary Taxable Income (Loss)	22,677	24,507	26,364	28,249	30,164	32,110	34,089	36,101
Net Taxable Income (loss)	22,677	24,507	26,364	28,249	30,164	32,110	34,089	36,101
Tax or (Tax Savings)	8,390	9,067	9,755	10,452	11,161	11,881	12,613	13,357
Net Operating Income (NOI)	\$46,924	\$48,124	\$49,324	\$50,524	\$51,724	\$52,924	\$54,124	\$55,324
Less Debt Service (DS)	33,290	33,290	33,290	33,290	33,290	33,290	33,290	33,290
Before Tax Cash Flow	\$13,634	\$14,834	\$16,034	\$17,234	\$18,434	\$19,634	\$20,834	\$22,034
Less Tax	8,390	9,067	9,755	10,452	11,161	11,881	12,613	13,357
After-tax Cash Flow	\$5,244	\$5,767	\$6,279	\$6,782	\$7,273	\$7,753	\$8,221	\$8,676

INVESTMENT ANALYSIS OVERVIEW

AFTER-TAX CASH FLOW FROM SALE IN YR 7	
Sales Price	691,550
Sales costs	34,578
Mortgage Balance	332,061
Before-tax cash flow	324,911
Original Cost Basis	640,000
plus Capital Expenditures	7,532
less Accumulated Depreciation	45,949
Adjusted Basis	601,583
Sales Price	691,550
less Sales Costs	34,578
less Adjusted Basis	601,583
Capital Gain	55,389
less Depreciation recapture	45,949
Gain from price appreciation	9,441
less Suspended Loss (balance)	0
Taxable Gain from price apprec.	9,441
Tax on price appreciation	1,416
Tax on depreciation recapture	11,487
Total capital gain tax	12,903
After-Tax Cash Flow from Sale	312,008

CASH FLOW SUMMARY								
Year	0	1	2	3	4	5	6	7
Before-Tax Cash Flow	(\$192,000)	\$13,634	\$14,834	\$16,034	\$17,234	\$18,434	\$19,634	\$345,745
After-Tax Cash Flow	(\$192,000)	\$5,244	\$5,767	\$6,279	\$6,782	\$7,273	\$7,753	\$320,229
Before-Tax IRR (BTIRRe)	14.91%							
After-Tax IRR (ATIRRe)	10.01%							
Effective Tax Rate	32.86%							

AFTER-TAX NET PRESENT VALUE (NPV)	
PV of ATCF ₀ (at equity disc. rate per assumptions)	\$47,005
PV of ATCF ₅ (at equity disc. rate per assumptions)	182,054
Total AT Present Value	229,059
Less Original Equity Investment	(192,000)
After-Tax Net Present Value	36,759

BEFORE-TAX INVESTMENT ANALYSIS MEASURES	
Cap Rate Going-Out	8.00%
Price/Net Square Foot	\$119
Capitalization Rate (Going-in)	7.33%
First Year Debt Coverage Ratio (DCR)	1.41
EDR ("cash on cash" yield)	7.10%

Disclaimer: The information contained herein is intended to give the reader ample information about the subject property. This particular scenario is predicated on forecasting assumptions and the DCF model can be made available upon request. All information has been gathered from sources we deem to be reliable and credible; however, no warranty or guarantee, in any manner whatsoever, is intended or made as to its accuracy and non may be expressed or implied by anything herein contained or made by agent of the principal relative to the subject property

TENANT OVERVIEW

Tenant Summary



Fast Facts:

Burriss & Pressley has one of the fastest growing real estate agencies in the midlands.

The agency serves areas such as Columbia, Sumter, Orangeburg, Charleston and Rock Hill. Burriss & Pressley Realty, serving the great state of South Carolina, has over 70 agents working to meet the needs of buyers and sellers.

Having a thriving business, Burriss & Pressley Realty plans to expand into other cities in South Carolina.

[Find out more here.](#)



“We are very fortunate to have formed excellent partnerships with many of our clients. And we’ve formed more than just working relationships with them; we have formed true friendships”

- Burriss & Pressley Realty

MARKET OVERVIEW

Demographics

POPULATION TRENDS

5-Mile

2000	93,712
2010	108,452
2020	118,579



2020 (5-Mile)

HOUSEHOLD TRENDS

5-Mile

2000	33,725
2010	40,146
2020	43,963



2020 (5-Mile)

AVERAGE HOUSEHOLD INCOME

2020

1-Mile	\$59,318
3-Miles	\$65,695
5-Miles	\$73,595

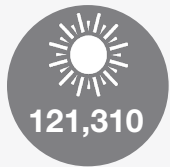


2020 (5-Mile)

DAYTIME POPULATION

2019

1-Mile	7,611
3-Miles	49,108
5-Miles	121,310



2020 (5-Mile)

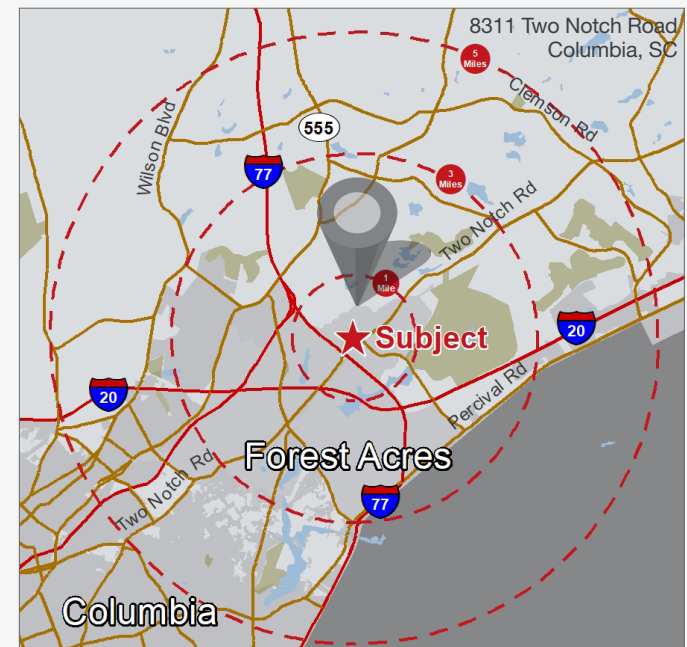
MEDIAN AGE

5-Mile

2010	33.8
2020	35.9
2025	36.1



2025 (5-Mile)



2018 Esri

DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 8311 Two Notch Road, Columbia, SC 29223 (“Property”). It has been prepared by NAI Columbia (“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.