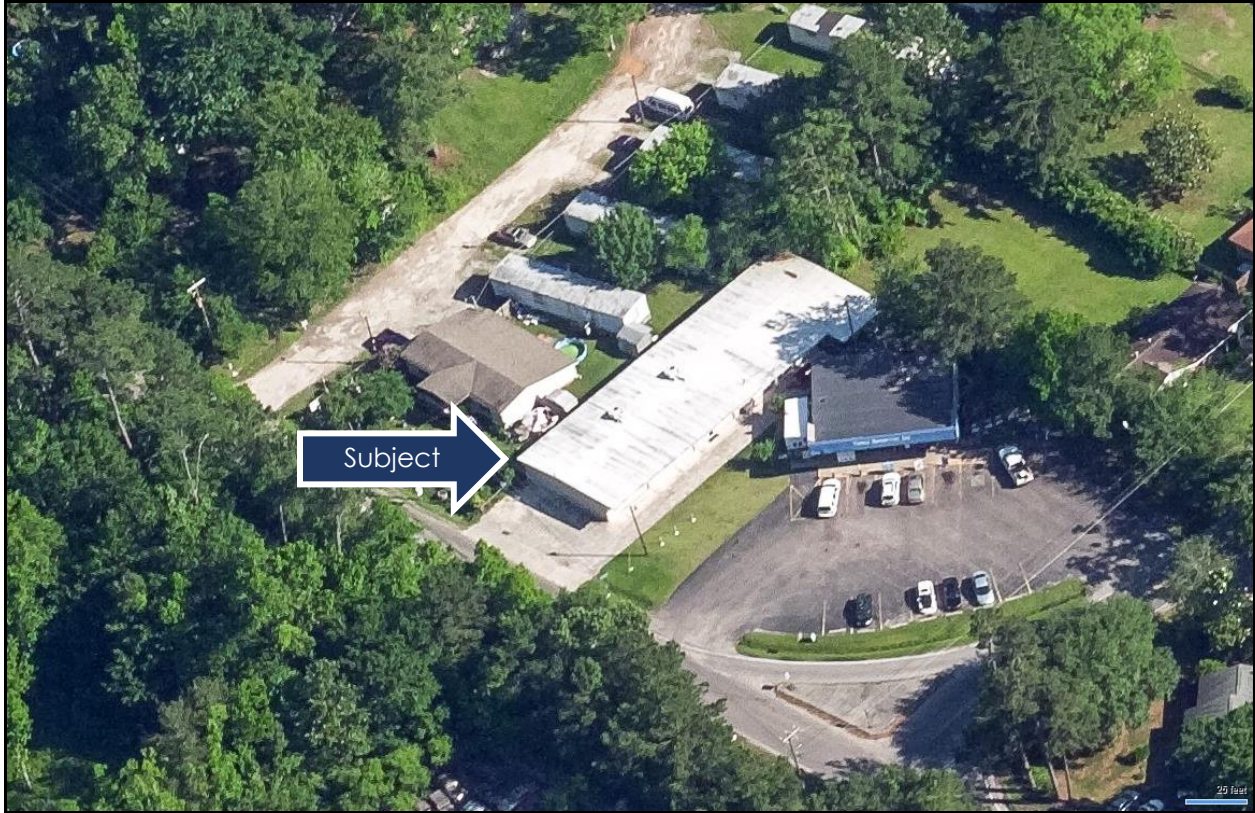


*APPRAISAL REPORT OF:*  
**A 0.175-ACRE SITE AT 302 OWENS DRIVE  
IMPROVED WITH A 5,224 SQUARE FOOT FLEX BUILDING  
SUMMERVILLE AREA, DORCHESTER COUNTY, SOUTH CAROLINA**



Dorchester County TMS #137-08-04-046

*PREPARED FOR:*  
**The Estate of Clarence Wayne Collier & The Collier Living Trust  
In care of Angela Pharis  
2404 Kendall Drive  
Charleston, SC 29414**

*DATE OF APPRAISAL:*  
**April 27, 2017**

*PREPARED BY:*  
**J. Follin Smith, Jr., MAI, SRA  
Smith Appraisal Group, LLC  
720 Magnolia Road, Suite 16 | Charleston, SC 29407**

Smith Appraisal Group, LLC  
720 Magnolia Road, Suite 16  
PO Box 31253 | Charleston, SC 29417  
(843) 225-8733



October 11, 2017

The Estate of Clarence Wayne Collier & The Collier Living Trust  
In care of Angela Pharis  
2404 Kendall Drive  
Charleston, SC 29414

Re: Appraisal Report of  
A 0.175-Acre Site at 302 Owens Drive  
Improved with a 5,224 Square Foot Flex Building  
Summerville area, Dorchester County, South Carolina

Dear Ms. Pharis:

At your request, I have completed an appraisal of the above-referenced property for the purpose of estimating its "as is" market value as of April 27, 2017, the decedent's date of death. The subject property is a 0.175-acre site at 302 Owens Drive in the Summerville area of Dorchester County, South Carolina. The site is improved with a 5,224 square foot flex building with five bays.

The subject is not encumbered with any lease to my knowledge; therefore, I have appraised the fee simple estate.

As a result of my investigation and analysis, it is my conclusion that the market value of the "as is" fee simple estate of the subject property, a 0.175-acre site at 302 Owens Drive in the Summerville area of Dorchester County (Dorchester County tax map parcel 137-08-04-046), as of April 27, 2017, was:

**TWO HUNDRED TEN THOUSAND DOLLARS**  
**(\$210,000)**

This appraisal is based on the extraordinary assumption that the subject can be used for commercial purposes. This is deemed reasonable, given the subject's historic use. Should this be proven incorrect, my appraised value will need to be adjusted.

This appraisal was made after a thorough study of all data felt to be pertinent to this appraisal and is based on an estimated exposure time of 6 to 12 months. In conjunction with this appraisal, physical inspections were made of the subject property and the comparable sales cited in this appraisal report. Detailed descriptions of the subject properties, comparable sales, and other information appears later in this report.

This appraisal was prepared for the Estate of Clarence Wayne Collier & The Collier Living Trust, in care of Angela Pharis. Its purpose is to determine market value as of the decedent's date of death for estate settlement purposes. The intended user is the client. This appraisal cannot be relied upon by any other party without the written permission of the client and the appraiser.

It is my intention that this appraisal meets or exceeds the requirements of Title XI of the Financial Institution Reform Recovery Enforcement Act (FIRREA) or 1989, Public Law 101-73, 103-STAT as amended on July 1, 1994. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.

I certify that this appraisal was made in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

I further certify to the best of my knowledge and belief, that the statements and opinions contained herein are full, true and correct and that this appraisal is subject to the attached Certificate of Appraisal and Statement of Limiting Conditions. I further certify that I have no interest in the subject property and that neither the employment to make this appraisal, nor the compensation is contingent upon the appraised value of the properties.

Thank you for allowing me the opportunity to provide this service. Please do not hesitate to contact me with any questions.

Respectfully submitted,



J. Follin Smith, Jr., MAI, SRA

South Carolina Certified General Real Estate Appraiser CG 5314

17-065

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## SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

<b>PROPERTY LOCATION</b>	302 Owens Drive, Summerville area, Dorchester County, SC 29485
<b>OWNER</b>	Clarence W. Collier and Hazel M. Collier as Trustees of the Collier Living Trust
<b>SITE SIZE</b>	0.175 acres (7,636 square feet)
<b>IMPROVEMENTS</b>	5,224 square foot flex building with five bays
<b>TAX MAP NUMBER</b>	137-08-04-046
<b>CENSUS TRACT</b>	31.06
<b>2016 PROPERTY TAX</b>	\$448.15 (paid 1/10/2017)
<b>FLOOD ZONE</b>	FEMA Flood Zone X Map Number 45035C0343E Map Revised: July 18, 2017
<b>ZONING</b>	R-2, Single-Family Residential (Dorchester County)
<b>HIGHEST AND BEST USE</b>	Automotive or service business use
<b>INTEREST APPRAISED</b>	Fee simple
<b>MARKET VALUE</b>	\$210,000
<b>DATE OF INSPECTION</b>	October 4, 2017
<b>DATE OF APPRAISAL</b>	April 27, 2017
<b>APPRAISER</b>	J. Follin Smith, Jr., MAI, SRA

## **SCOPE OF THE APPRAISAL**

The subject site is located at 302 Owens Drive in the Summerville area of Dorchester County. It is improved with a 5,224 square foot five-bay flex building and other site improvements.

The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) authored by the Appraisal Standards Board of the Appraisal Foundation and the Standards of Professional Appraisal Practice adopted by the Appraisal Institute. The standards contain binding requirements and specific guidelines that address the procedures to be followed in developing a real estate appraisal, analysis, or opinion of value. The Uniform Standards set the requirements to communicate the appraiser's analyses, opinions, and conclusions in a manner that will be meaningful and not misleading to the intended user(s).

### **Property Identification**

I identified the subject property through public records, discussions with the property owner, and verification with public servants. I am not a surveyor; therefore, I have relied on a number of plats, recorded deeds, and tax information to identify the subject, many of which are included or referenced in this report.

### **Property Inspection**

I inspected the subject property on October 4, 2017. In doing so, I walked the subject site, measured the exterior of the subject building, inspected the interior, and recorded salient features. I did not inspect the foundation, verify safe operation of mechanical systems, or inspect any part of the building obscured by personal property, walls, or heavy vegetation. I am not an inspector and a property inspection report was not made available to me. Therefore, this appraisal is performed under the assumption that the subject building is structurally sound and mechanical systems are functioning safely. Still, any obvious defects have been reported.

I lack the knowledge and experience with respect to the detection and measurement of hazardous substances, unstable soils, or freshwater wetlands. Therefore, this assignment does not cover the presence or absence of such substances as discussed in the Limiting Conditions section of this report. However, any visual or obviously known problems affecting the property will be reported and their impact on the value will be discussed.

### **Approaches to Value**

There are three approaches to value: the cost, sales comparison and income capitalization approaches. Because of the age of the subject improvements, I have omitted the cost approach. This has not resulted in a misleading indication of value.

I researched public records, the local multiple listing service (MLS), national listing services, and spoke with a number of realtors and property owners in the subject market. When possible, each sale comparable was verified with a party immediately involved with the transaction and supported by public records. I also performed an exterior inspection of each land sale and improved sale, when possible.

### ***Cost Approach***

Because of the age of the subject improvements, the cost approach was not developed. Although the cost approach is applicable in this case, the various types and amounts of depreciation result in an indication that is less reliable. Also, the market would not give serious consideration to the cost approach for a building of the subject's age. Therefore, the omission of the cost approach has not resulted in a misleading indication of value.

### ***Sales Comparison Approach***

In order to develop an opinion of value for the subject utilizing the sales comparison approach, I located sales of similar quality buildings in the Charleston metropolitan statistical area (MSA). I sought sales which were purchased or used for a similar use as the subject. I attempted to verify each sale or listing with a party knowledgeable of the transaction. After any necessary adjustments, appropriate comparisons were made with the subject as a base.

### ***Income Capitalization Approach***

In order to develop an opinion of value for the subject utilizing the income capitalization approach, I located leases or lease listings of similar improved properties in the subject market. These leased properties were compared the subject to arrive at an estimate of the market lease rate. An estimate of expenses was made based on market data and the subject's historic expenses. An overall rate was obtained from the market and applied to the subject's net operating income (NOI) to arrive at an estimate of value by the income capitalization approach.

### **Extraordinary Assumptions**

This appraisal is based on the extraordinary assumption that the subject can be used for commercial purposes. This is deemed reasonable, given the subject's historic use. Should this be proven incorrect, my appraised value will need to be adjusted.

### **DISCUSSIONS WITH MARKET PARTICIPANTS**

While completing this appraisal, I spoke with numerous sales agents, owners, brokers, and persons leasing properties similar to the subject. Discussions with those individuals are detailed in the Highest and Best Use, Site Valuation, Sales Comparison, and Income Capitalization Approach sections of this appraisal. Some of the individuals and offices contacted in order to complete this appraisal include the following:

- Dorchester County Tax Assessor's Office;
- Dorchester County Treasurer's Office;
- Dorchester County RMC Office;
- Charleston Chamber of Commerce;
- Berkeley-Charleston-Dorchester Council of Governments;
- Dorchester County Planning Office;
- Various Real Estate Agents and Property Managers

## PROPERTY IDENTIFICATION

The subject property is located at 302 Owens Drive in the Summerville area of Dorchester County, South Carolina. The subject property is further identified on the Dorchester County Tax Map as parcel 137-08-04-046. Reduced and enlarged copies of the subject tax map are included on the following page of this appraisal. A legal description from the most recent deed is included below.

**ALL that certain piece, parcel or tract of land, with the buildings and improvements thereon, situate, lying and being in the County of Dorchester, State of South Carolina, being known and designated as Lot 15 B Block H, Meadowbrook Subdivision, and being more particularly shown on a plat entitled, "SUBDIVISION OF LOT 15 BLOCK H, SECTION 1, MEADOWBROOK (OWENS) SUBDIVISION," by J. O'Hear Sanders, Jr. RS #499, dated April 7, 1972 and recorded May 1, 1978 in Plat Book 25 Page 190 in the office of the Clerk of Court for Dorchester County. The property has such size, shape, metes, bounds, distances, buttings and boundings as shown on said plat which is made a part and parcel of this description by reference thereto.**

TMS: 137-08-04-046



## STATEMENT OF OWNERSHIP

Per the records of the Dorchester County RMC Office, the most recent transfer associated with TMS #137-08-04-046 was April 5, 2006. At that time, the subject property transferred from the Clarence W. Collier to Clarence W. Collier and Hazel M. Collier as Trustees of the Collier Living Trust. This transaction is recorded in Deed Book 5323 on page 341 in the Dorchester County RMC Office. This was not a market transaction. A copy of this deed is retained in my office file.

### **Recent Listing History**

The subject has not been listed for sale or lease in the year prior to this report to my knowledge.

## DATE OF INSPECTION

October 4, 2017

## DATE OF APPRAISAL

April 27, 2017

## PROPERTY RIGHTS APPRAISED

The property rights appraised for the subject property are those of the fee simple estate. These property rights are defined in The Appraisal of Real Estate, 14<sup>th</sup> Ed. (Chicago, Illinois: Appraisal Institute, 2013) as follows:

*“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police powers, and escheat.”*



## PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property. Market value is defined in the following manner:

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."*

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and Seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in me dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## INTENDED USE OF THE APPRAISAL

This appraisal was prepared for the Estate of Clarence Wayne Collier & The Collier Living Trust, in care of Angela Pharis. Its purpose is to determine market value as of the decedent's date of death for estate settlement purposes. The intended user is the client. This appraisal cannot be relied upon by any other party without the written permission of the client and the appraiser.

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<sup>1</sup> Federal Register, volume 55, number 163, August 22, 1990, pages 34228 and 34229

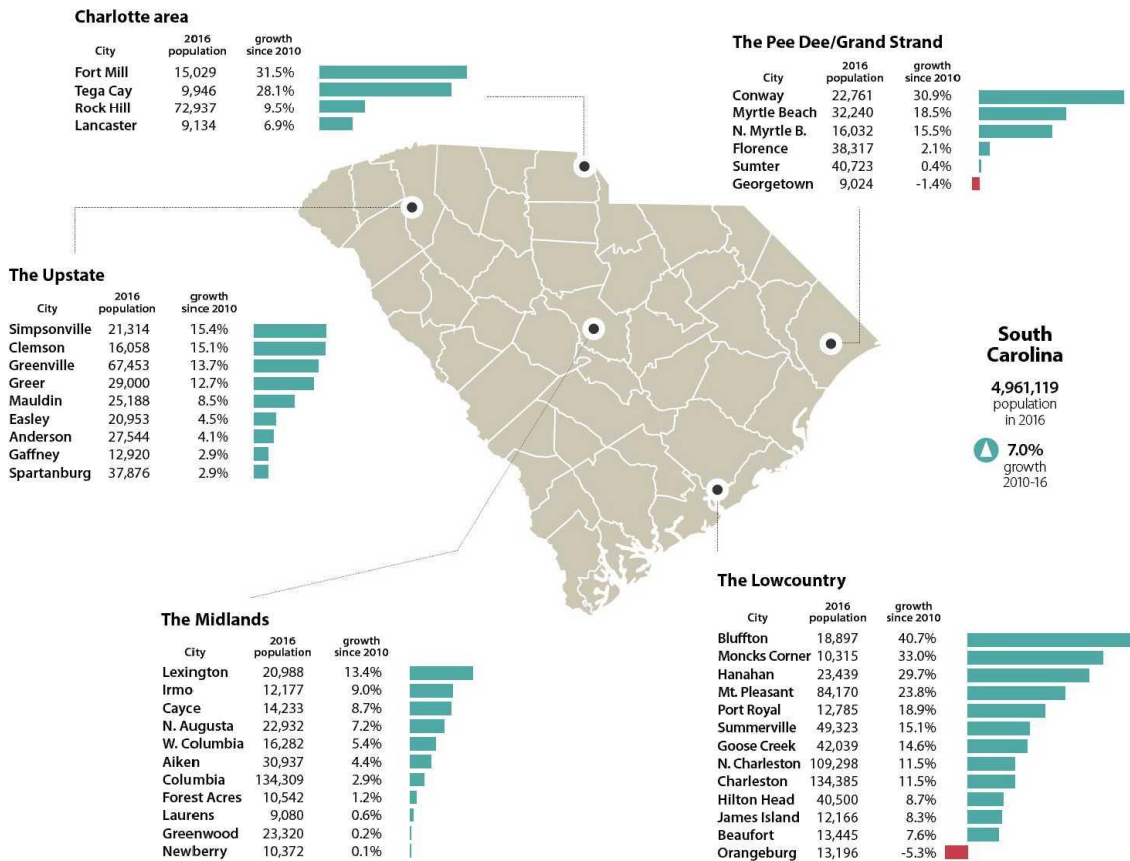
# THE CURRENT ECONOMIC SITUATION

## NATIONAL

After several years of economic instability, the national economy is beginning to show signs of recovery. The Federal Reserve Bank kept the prime rate at 3.0% to 3.25% over the past several years to bolster the economy, but started increasing it slowly in December 2015 and it is now 4.25% as of June 15, 2017. Economic indicators show the recession that began in 2008 has ended, although some analysts predict another downturn in the near future. Oil prices have decreased, and the stock market has reached record highs. National unemployment has been decreasing, even as more people return to the workforce.

## STATE

The economy of South Carolina is as varied as its geography. The areas along the coast, around the capital of Columbia, near Charlotte, and the upstate business hub have made tremendous strides economically in the past few decades, while inland counties away from the major interstates or waterways often are among some of the poorest in the nation.



SOURCE: CENSUS BUREAU POPULATION ESTIMATES THROUGH JULY 1, 2016

CHAD DUNBAR/STAFF

The preceding graphic was taken from an article published in the Post & Courier on May 27, 2017. It demonstrates the strong population growth of South Carolina since 2010.

The Charleston and Greenville MSAs have fared better than the rest of the state in many ways. Both have attracted major manufacturers such as Boeing, BMW, and Volvo, which has attracted national attention to the state and been boons to their local economies. The coastal regions benefit from a robust tourist industry and the upstate from its location between Atlanta, Georgia and Charlotte, North Carolina. Many of the inland counties still rely on agricultural production as the primary economic driver. Overall, South Carolina's varied economy and growing national and global appeal bode well for the future.

### **CHARLESTON MSA**

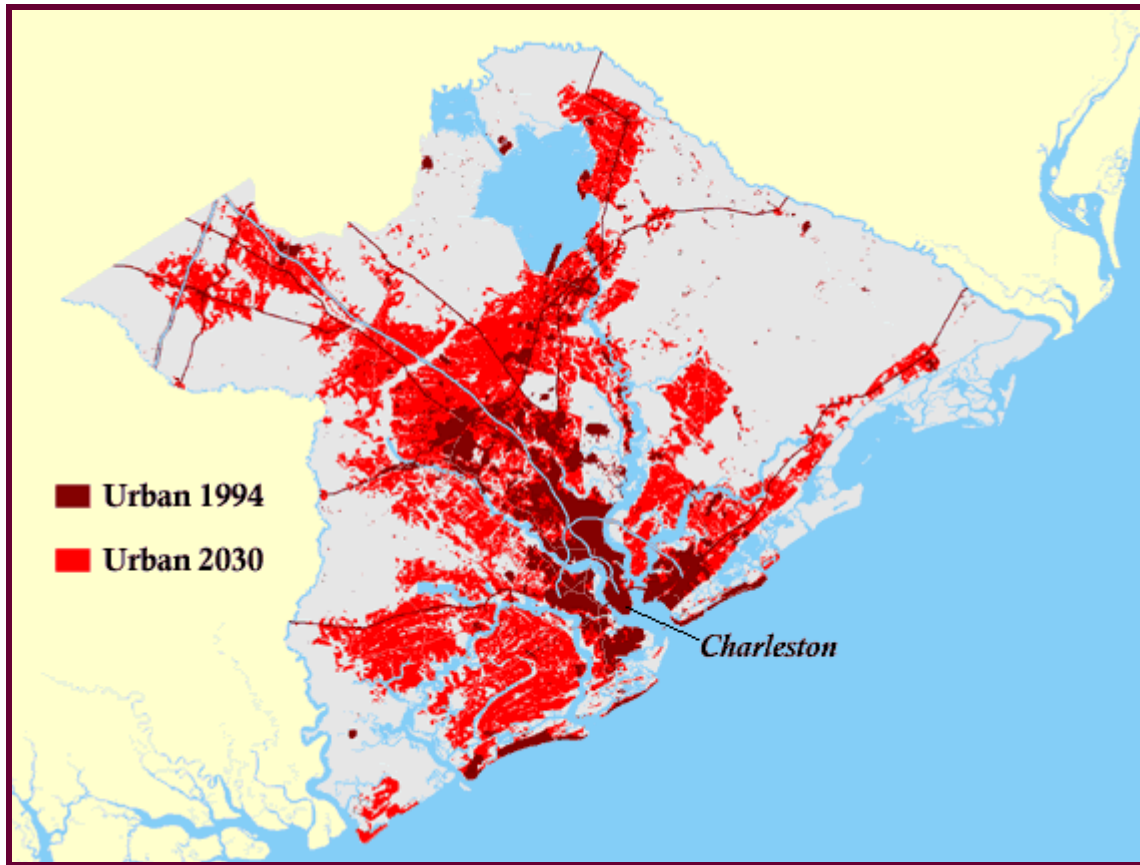
The Charleston Metropolitan Area's (CMA) economy has fared better than many other parts of the country because of its economic diversification. Tourism, military bases, a regionally recognized medical complex, a large port authority complex, and a variety of industries have been major components of the local economy.

The three counties that comprise the CMA (Berkeley, Charleston and Dorchester) contain a diverse market, strategically located on the Atlantic coast halfway between New York and Miami. The region, which covers more than 3,100 square miles, combines a thriving economy, rich history, and beautiful environment to offer an outstanding business climate and a quality of life that draws visitors and new residents in growing numbers.

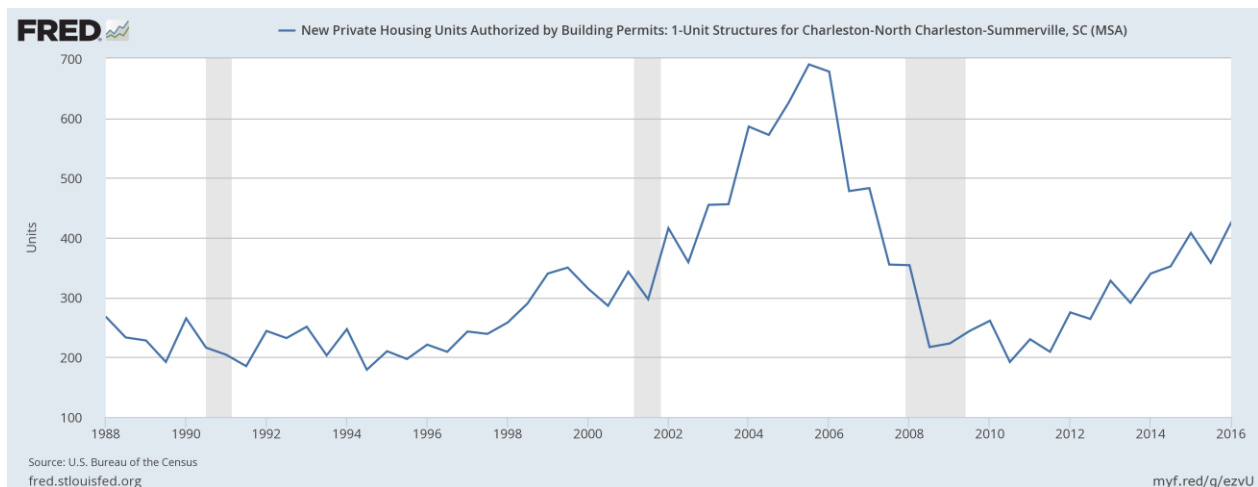
The area's economic mix is diverse, combining one of the busiest container ports along the Southeast and Gulf coasts, a \$3.7 billion per year tourist industry, one of the Southeast's most important medical hubs, a strong base of national and international manufacturers, as well as a sizeable military presence. Arts, recreational and cultural opportunities are abundant, including museums, music, dance and theater, as well as water sports, golf, hunting, fishing, horseback riding, and more.

The 2010 census indicated that Charleston County had a population of 350,209 of the 664,607 total in Berkeley, Charleston and Dorchester Counties. The Charleston MSA has experienced a 12.03% increase to 744,526 in 2015. The Charleston MSA continues to outpace the state in population growth. An article published in the Post & Courier on May 25, 2017 stated that three of the largest four cities in South Carolina are in the Tri-County area. Charleston's population increased to 134,385 in mid-2016, surpassing Columbia as the largest city in the state. North Charleston is the state's third largest city, followed by the Town of Mt. Pleasant. Charleston County is the state's third largest county. This growth is expected to continue.

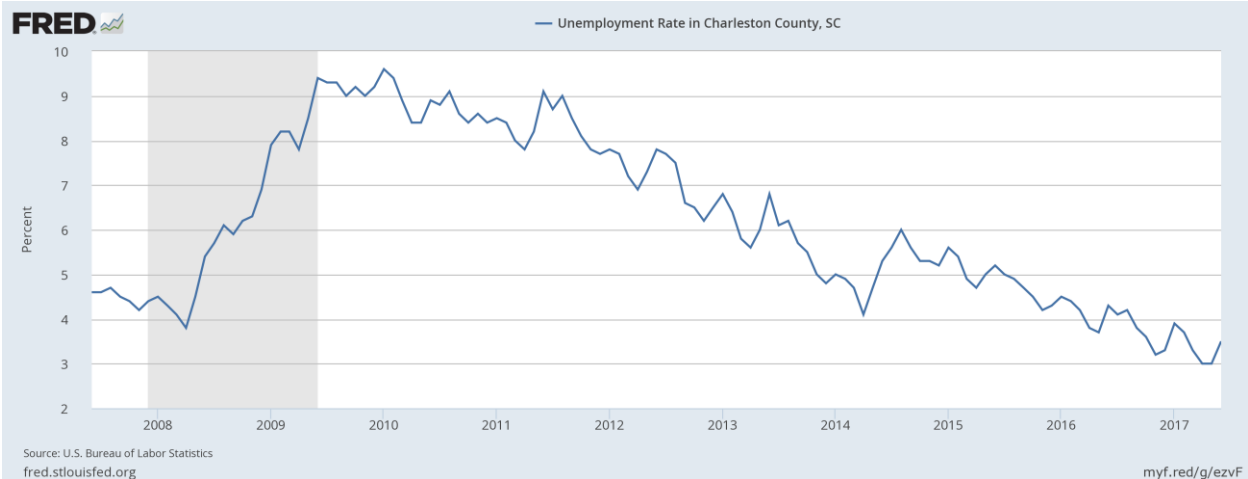
## PROJECTED URBAN GROWTH



As the population continues to increase, the demand for new housing remains strong and is nearing pre-recession levels, as shown below.



Charleston's employment force remains strong. The unemployment rate in South Carolina is still one of the highest in the nation, but the Charleston area has fared better and is projected to further decline. The unemployment rate in Charleston in July 2017 was 3.5%.



The tourist industry has a major impact on the Charleston Trident region. Following are summaries of two studies conducted by the Office of Tourism and Industry of the College of Charleston reporting occupancy levels for Charleston County hotels and Tourism Economic Impact. The tourist industry continues to thrive, bringing an estimated \$3.7 billion to the Tri-County region, annually. As expected, the hotel industry, particularly in Downtown Charleston, has fared very well and is projected to continue to do so.

*Table 1. Peninsula Hotels 2015-2016 Monthly Forecast Comparisons*

		Occupancy			ADR		
		Forecast	Actual	Error (%)	Forecast	Actual	Error (%)
<b>2015</b>	August	80.5	81.7	-1.5%	\$185.89	\$134.61	7.5%
	September	76.3	80.3	-5.0%	\$203.42	\$144.86	2.3%
	October	84.2	76.5	10.0%	\$227.03	\$153.18	3.4%
	November	71.8	73.9	-2.8%	\$201.09	\$139.01	3.6%
	December	57.8	64.8	-10.8%	\$174.13	\$121.95	5.4%
<b>2016</b>	January	60.1	63.5	-5.3%	\$169.80	\$122.83	1.9%
	February	70.8	77.9	-9.2%	\$191.10	\$134.25	5.8%
	March	85.2	85.9	-0.8%	\$218.90	\$158.80	-3.3%
	April	91	91.3	-0.3%	\$259.18	\$173.46	5.6%
	May	86.5	86.8	-0.3%	\$236.82	\$166.44	1.8%
	June	87.5	88.3	-0.9%	\$216.90	\$160.68	-0.8%
	July	83	86.3	-3.8%	\$191.59	\$149.68	-1.1%
<b>Mean Absolute Error</b>		77.9	79.8	4.2%	\$206.30	\$201.20	3.5%

Table 2. Charleston County Hotels 2015-2016 Monthly Forecast Comparisons

		Occupancy			ADR		
		Forecast	Actual	Error (%)	Forecast	Actual	Error (%)
<b>2015</b>	August	74.6	74.7	-0.2%	\$143.63	\$134.61	6.7%
	September	70.3	72.6	-3.1%	\$149.42	\$144.86	3.1%
	October	77.1	74.2	3.9%	\$160.36	\$153.18	4.7%
	November	66.6	67.6	-1.5%	\$147.98	\$139.01	6.4%
	December	52.8	57.5	-8.2%	\$132.86	\$121.95	9.0%
<b>2016</b>	January	55.9	59.8	-6.6%	\$124.52	\$122.83	1.4%
	February	68.4	72.2	-5.2%	\$136.67	\$134.25	1.8%
	March	82.9	82.3	0.8%	\$151.67	\$158.80	-4.5%
	April	88.9	87.1	2.1%	\$174.92	\$173.46	0.8%
	May	81.2	83.2	-2.5%	\$166.51	\$166.44	0.0%
	June	83.7	84.4	-0.8%	\$158.58	\$160.68	-1.3%
	July	80.4	85.4	-5.8%	\$158.35	\$149.68	5.8%
<b>Mean Absolute Error</b>		73.6	75.1	3.40%	\$150.46	\$146.65	3.8%

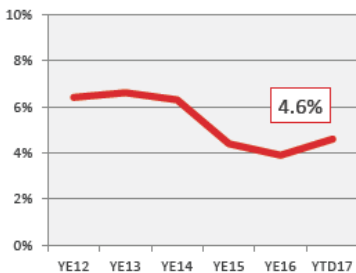
Following are excerpts from quarterly reports published by Avison Young and Colliers International, of retail, office, and industrial properties in the Charleston MSA. The Charleston MSA includes Charleston, Berkeley and Dorchester Counties.



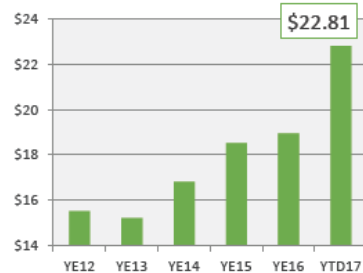
## RETAIL MARKET<sup>2</sup>

Submarket Indicators					
<b>Downtown Charleston</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	1,619,132	1,619,132	1,619,132	1,619,132	1,619,132
Vacancy Rate	3.0%	1.9%	0.9%	1.3%	1.4%
Available Rate	6.2%	4.0%	2.6%	3.2%	3.4%
Asking Rent	\$50.46	\$51.28	\$43.00	\$41.70	\$40.39
<b>Daniel Island   Clements Ferry</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	89,789	89,789	89,789	89,789	89,789
Vacancy Rate	4.5%	4.5%	4.5%	1.0%	0.0%
Available Rate	6.8%	6.8%	4.5%	1.0%	1.9%
Asking Rent	\$23.00	\$21.81	\$21.81	\$19.00	\$19.00
<b>East Islands   Mount Pleasant</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	3,917,417	3,864,721	3,821,639	3,821,639	3,815,139
Vacancy Rate	7.2%	5.6%	3.6%	4.1%	2.9%
Available Rate	9.1%	8.1%	5.9%	7.1%	5.3%
Asking Rent	\$23.81	\$22.12	\$21.27	\$21.61	\$22.54
<b>Goose Creek</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	1,070,472	1,070,472	1,070,472	1,070,472	1,056,972
Vacancy Rate	2.4%	2.1%	2.2%	2.1%	1.4%
Available Rate	2.6%	2.4%	2.4%	2.2%	2.2%
Asking Rent	\$13.42	\$13.19	\$13.23	\$13.24	\$11.98
<b>North Charleston   Hanahan</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	5,635,086	5,635,086	5,626,571	5,626,571	5,617,571
Vacancy Rate	5.6%	5.8%	5.6%	6.0%	6.2%
Available Rate	7.9%	7.8%	8.4%	6.9%	7.8%
Asking Rent	\$13.68	\$13.59	\$13.40	\$11.62	\$11.69

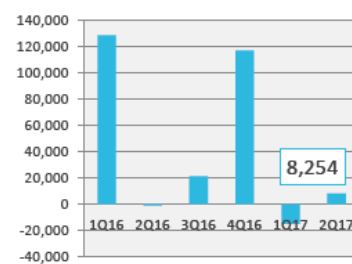
Vacancy Rates



Asking Rent



Net Absorption



<sup>2</sup> [http://www.avisonyoung.com/en\\_CA/research/reports/-/ayr/list/location/Charleston](http://www.avisonyoung.com/en_CA/research/reports/-/ayr/list/location/Charleston)

Submarket Indicators (Continued)					
Summerville   Ladson	2Q17	1Q17	4Q16	3Q16	2Q16
Inventory	3,540,608	3,533,408	3,520,708	3,478,787	3,467,387
Vacancy Rate	2.8%	2.9%	3.1%	3.6%	3.5%
Available Rate	3.2%	3.4%	3.6%	3.8%	3.9%
Asking Rent	\$19.35	\$18.20	\$16.69	\$16.56	\$16.28
West Ashley	2Q17	1Q17	4Q16	3Q16	2Q16
Inventory	3,757,663	3,757,663	3,757,663	3,757,663	3,757,663
Vacancy Rate	4.0%	4.7%	4.9%	4.6%	4.6%
Available Rate	5.8%	5.8%	6.3%	5.8%	6.1%
Asking Rent	\$16.35	\$15.35	\$15.52	\$15.67	\$15.45
West Islands	2Q17	1Q17	4Q16	3Q16	2Q16
Inventory	1,476,045	1,476,045	1,467,031	1,467,031	1,467,031
Vacancy Rate	2.5%	2.1%	1.8%	3.8%	3.9%
Available Rate	2.8%	2.9%	2.9%	3.1%	5.6%
Asking Rent	\$23.97	\$18.71	\$18.91	\$17.92	\$18.15

Submarket Indicators					
Tr-County Area	1Q17	4Q16	3Q16	2Q16	1Q16
Inventory	21,610,019	21,537,573	21,495,652	21,431,378	21,431,378
Vacancy Rate	4.4%	3.9%	4.3%	4.0%	3.9%
Available Rate	5.7%	5.4%	5.1%	5.5%	5.3%
Asking Rent	\$20.08	\$18.63	\$18.44	\$17.99	\$18.88
Net Absorption	(23,815)	109,778	12,234	(24,861)	133,844

Q2 2017 Retail Market Summary Statistics

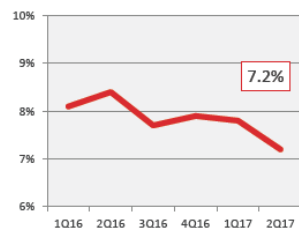
Charleston, SC								
MARKET	INVENTORY (SF)	VACANCY RATE (%)	ANCHOR SPACE (GREATER THAN 25,000 SF)		JR. ANCHOR SPACE (10,000-25,000 SF)		SHOP SPACE (LESS THAN 10,000 SF)	
			VACANT (SF)	ASKING RENT (NNN)	VACANT (SF)	ASKING RENT (NNN)	VACANT (SF)	ASKING RENT (NNN)
Shopping Center Retail								
<b>Berkeley</b>	<b>1,299,055</b>	<b>2.5%</b>	<b>0</b>		<b>0</b>		<b>32,924</b>	<b>\$15.40</b>
Non-Core	620,597	4.6%	0		0		28,424	\$15.28
Core	678,458	0.7%	0		0		4,500	\$16.36
<b>East Cooper</b>	<b>3,406,605</b>	<b>6.9%</b>	<b>109,262</b>	<b>\$21.24</b>	<b>10,000</b>	<b>\$40.00</b>	<b>114,294</b>	<b>\$22.91</b>
Non-Core	1,422,655	11.8%	109,262	\$21.24	0		59,041	\$21.96
Core	1,983,950	3.3%	0		10,000	\$40.00	55,253	\$24.17
<b>North Charleston</b>	<b>3,908,074</b>	<b>7.9%</b>	<b>90,548</b>	<b>\$10.00</b>	<b>37,596</b>	<b>\$15.00</b>	<b>180,710</b>	<b>\$14.97</b>
Non-Core	2,321,673	9.1%	64,768		26,925		118,468	\$11.79
Core	1,586,401	6.2%	25,780	\$10.00	10,671	\$15.00	62,242	\$17.38
<b>Peninsula</b>	<b>165,647</b>	<b>0.0%</b>	<b>0</b>		<b>0</b>		<b>0</b>	
Non-Core	165,647	0.0%	0		0		0	
<b>South Islands</b>	<b>989,734</b>	<b>3.5%</b>	<b>0</b>		<b>0</b>		<b>34,354</b>	<b>\$31.23</b>
Non-Core	367,406	1.3%	0		0		4,601	\$41.00
Core	622,328	4.8%	0		0		29,753	\$29.33
<b>Summerville</b>	<b>2,344,925</b>	<b>4.7%</b>	<b>0</b>		<b>23,500</b>	<b>\$16.29</b>	<b>87,180</b>	<b>\$22.29</b>
Non-Core	766,668	7.6%	0		0		57,920	\$21.99
Core	1,578,257	3.3%	0		23,500	\$16.29	29,260	\$22.80
<b>West Ashley</b>	<b>2,176,334</b>	<b>7.1%</b>	<b>31,762</b>		<b>44,405</b>	<b>\$16.18</b>	<b>78,310</b>	<b>\$21.18</b>
Non-Core	1,108,137	8.8%	31,762		10,200	\$11.00	55,821	\$20.10
Core	1,068,197	5.3%	0		34,205	\$17.73	22,489	\$24.32
<b>Shopping Center Total Market</b>	<b>14,290,374</b>	<b>6.1%</b>	<b>231,572</b>	<b>\$18.47</b>	<b>115,501</b>	<b>\$18.76</b>	<b>527,772</b>	<b>\$20.66</b>
Non-Core	6,772,783	8.4%	205,792	\$21.24	37,125	\$11.00	324,275	\$19.37
Core	7,517,591	4.1%	25,780	\$10.00	78,376	\$19.77	203,497	\$22.40
Urban Retail								
<b>King Street</b>	<b>844,058</b>	<b>9.8%</b>	<b>40,000</b>		<b>11,488</b>		<b>30,817</b>	<b>\$58.33</b>

<sup>3</sup> <http://www.colliers.com/en-us/southcarolina/insights/charleston>

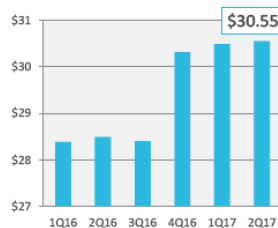
## OFFICE MARKET<sup>4</sup>

Submarket Indicators					
<b>Downtown</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory SF	4,848,520	4,782,618	4,782,618	4,782,618	4,782,618
Vacancy Rate	3.7%	3.6%	3.5%	3.0%	4.4%
Available Rate	5.3%	5.4%	4.6%	3.3%	3.9%
Full Service Asking Rent	\$41.55	\$41.07	\$40.75	\$32.65	\$33.35
Absorption	58,301	(5,093)	(26,625)	69,400	12,683
<b>East Suburbs</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory SF	3,881,426	3,881,426	3,840,006	3,840,006	3,840,006
Vacancy Rate	3.2%	3.2%	4.4%	4.4%	4.1%
Available Rate	6.3%	6.6%	6.5%	6.4%	6.1%
Full Service Asking Rent	\$35.19	\$39.82	\$37.86	\$32.54	\$31.62
Absorption	(1,604)	85,884	(1,203)	(11,907)	13,668
<b>North Charleston</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory SF	7,330,779	7,330,779	7,330,779	7,318,915	7,318,915
Vacancy Rate	10.7%	12.0%	11.7%	11.3%	11.5%
Available Rate	12.1%	13.4%	13.5%	12.3%	12.2%
Full Service Asking Rent	\$26.60	\$26.50	\$26.66	\$26.32	\$26.46
Absorption	90,431	(18,150)	(17,257)	14,432	122,568
<b>North Suburbs</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory SF	1,698,310	1,698,310	1,698,310	1,698,310	1,698,310
Vacancy Rate	8.1%	9.8%	10.4%	10.0%	12.5%
Available Rate	11.2%	8.3%	10.9%	10.4%	12.7%
Full Service Asking Rent	\$29.52	\$28.52	\$28.23	\$28.25	\$29.03
Absorption	27,607	11,450	(8,072)	44,117	139,433
<b>West Suburbs</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory SF	1,564,435	1,564,435	1,564,435	1,564,435	1,564,435
Vacancy Rate	9.7%	10.2%	9.9%	11.1%	12.2%
Available Rate	11.8%	12.4%	12.1%	11.7%	11.8%
Full Service Asking Rent	\$32.09	\$31.76	\$31.83	\$30.45	\$29.56
Absorption	8,158	(4,315)	17,883	17,430	(30,625)

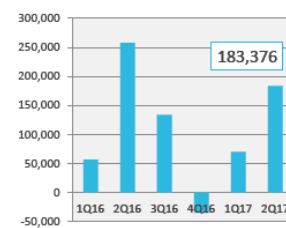
Vacancy Rates



Full Service Asking Rent



Absorption



<sup>4</sup> [http://www.avisonyoung.com/en\\_CA/research/reports/-/ayr/list/location/Charleston](http://www.avisonyoung.com/en_CA/research/reports/-/ayr/list/location/Charleston)

Q2 2017 Office Market Summary Statistics

Charleston, SC								
MARKET	BUILDINGS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE (%)	NET ABSORPTION (SF)	AVERAGE ASKING RENTAL RATE (SF/YR)
<b>DANIEL ISLAND</b>								
Class A	17	912,497	15,716	2,000	17,716	1.94%	203	\$26.24
Class B	18	443,780	9,706	4,000	13,706	3.09%	-7,588	\$21.30
Class C	3	78,716	12,172	0	12,172	15.46%	4,320	\$23.25
<b>Daniel Island Total</b>	<b>38</b>	<b>1,434,993</b>	<b>37,594</b>	<b>6,000</b>	<b>43,594</b>	<b>3.04%</b>	<b>-3,065</b>	<b>\$25.61</b>
<b>DOWNTOWN CHARLESTON</b>								
Class A	18	1,081,569	78,798	16,587	95,385	8.82%	1,846	\$36.49
Class B	29	1,022,400	34,034	0	34,034	3.33%	-951	\$27.69
Class C	23	449,709	35,537	2,528	38,065	8.46%	2,273	\$27.21
<b>Downtown Total</b>	<b>70</b>	<b>2,553,678</b>	<b>148,369</b>	<b>19,115</b>	<b>167,484</b>	<b>6.56%</b>	<b>3,168</b>	<b>\$34.53</b>
<b>LOWER NORTH CHARLESTON</b>								
Class A	14	826,218	30,272	3,083	33,355	4.04%	53,334	\$27.90
Class B	28	1,294,220	70,364	9,382	79,746	6.16%	8,289	\$24.18
Class C	19	598,794	35,176	0	35,176	5.87%	11,709	\$20.16
<b>Lower North Charleston Total</b>	<b>61</b>	<b>2,719,232</b>	<b>135,812</b>	<b>12,465</b>	<b>148,277</b>	<b>5.45%</b>	<b>73,332</b>	<b>\$24.08</b>
<b>MT. PLEASANT</b>								
Class A	20	623,426	11,159	1,429	12,588	2.02%	-794	\$28.00
Class B	56	1,023,800	29,612	0	29,612	2.89%	-4,336	\$26.72
Class C	9	177,864	3,400	0	3,400	1.91%	-3,400	\$14.75
<b>Mt. Pleasant Total</b>	<b>85</b>	<b>1,825,090</b>	<b>44,171</b>	<b>1,429</b>	<b>45,600</b>	<b>2.50%</b>	<b>-8,530</b>	<b>\$26.50</b>
<b>SUMMERVILLE/GOOSE CREEK</b>								
Class A	2	175,000	57,500	0	57,500	32.86%	0	\$26.50
Class B	20	323,740	10,433	0	10,433	3.22%	7,310	\$22.26
Class C	16	265,181	6,700	0	6,700	2.53%	-5,500	\$13.36
<b>Summerville/Goose Creek Total</b>	<b>38</b>	<b>763,921</b>	<b>74,633</b>	<b>0</b>	<b>74,633</b>	<b>9.77%</b>	<b>1,810</b>	<b>\$24.73</b>
<b>UPPER NORTH CHARLESTON</b>								
Class A	12	808,212	139,114	0	139,114	17.21%	49,291	\$26.47
Class B	15	611,694	77,778	0	77,778	12.72%	-22,488	\$20.05
Class C	24	830,882	119,056	0	119,056	14.33%	-311	\$18.07
<b>Upper North Charleston Total</b>	<b>51</b>	<b>2,250,788</b>	<b>335,948</b>	<b>0</b>	<b>335,948</b>	<b>14.93%</b>	<b>26,492</b>	<b>\$23.08</b>
<b>WEST ASHLEY</b>								
Class A	4	257,811	59,285	0	59,285	23.00%	-17,639	\$27.72
Class B	17	647,665	76,783	0	76,783	11.86%	-25,419	\$22.25
Class C	9	186,583	5,653	0	5,653	3.03%	148	\$16.40
<b>West Ashley Total</b>	<b>30</b>	<b>1,092,059</b>	<b>141,721</b>	<b>0</b>	<b>141,721</b>	<b>12.98%</b>	<b>-42,910</b>	<b>\$24.31</b>
<b>SUBURBAN SUBMARKETS</b>								
Class A	69	3,603,164	313,046	6,512	319,558	8.87%	84,395	\$26.72
Class B	154	4,344,899	274,676	13,382	288,058	6.63%	-44,232	\$22.57
Class C	80	2,138,020	182,157	0	182,157	8.52%	6,966	\$18.53
<b>Suburban Submarkets Total</b>	<b>303</b>	<b>10,086,083</b>	<b>769,879</b>	<b>19,894</b>	<b>789,773</b>	<b>7.83%</b>	<b>47,129</b>	<b>\$24.06</b>
<b>MARKET</b>								
Class A	87	4,684,733	391,844	23,099	414,943	8.86%	86,241	\$29.86
Class B	183	5,367,299	308,710	13,382	322,092	6.00%	-45,183	\$23.14
Class C	103	2,587,729	217,694	2,528	220,222	8.51%	9,239	\$19.95
<b>Market Total</b>	<b>373</b>	<b>12,639,761</b>	<b>918,248</b>	<b>39,009</b>	<b>957,257</b>	<b>7.57%</b>	<b>50,297</b>	<b>\$26.63</b>

<sup>5</sup> <http://www.colliers.com/en-us/southcarolina/insights/charleston>

## INDUSTRIAL MARKET<sup>6</sup>

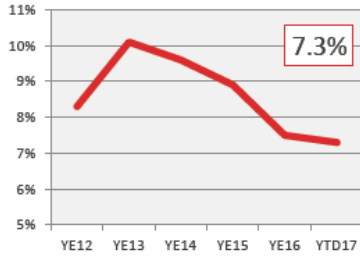
Submarket Indicators					
<b>Dorchester County</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	6,442,360	6,442,360	6,442,360	6,442,360	6,324,360
Vacancy Rate	4.6%	2.6%	4.5%	5.4%	6.5%
Available Rate	3.2%	6.2%	6.7%	9.6%	10.3%
Asking Rent	\$5.42	\$5.05	\$4.60	\$4.89	\$5.15
<b>Downtown Charleston</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	733,879	733,879	733,879	733,879	733,879
Vacancy Rate	6.9%	6.9%	6.9%	5.9%	5.9%
Available Rate	6.9%	6.9%	6.9%	5.9%	5.9%
Asking Rent	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
<b>East Cooper   Clements Ferry</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	4,938,329	4,938,329	4,938,329	4,938,329	4,848,329
Vacancy Rate	6.5%	9.6%	13.4%	13.8%	14.6%
Available Rate	7.4%	11.0%	15.5%	19.7%	20.4%
Asking Rent	\$5.56	\$5.33	\$5.33	\$5.39	\$5.36
<b>East Islands   Mount Pleasant</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	1,025,761	1,025,761	1,025,761	1,025,761	1,025,761
Vacancy Rate	2.4%	1.2%	3.1%	3.1%	3.6%
Available Rate	2.8%	0.9%	1.6%	2.5%	3.2%
Asking Rent	\$13.30	\$11.70	\$10.13	\$11.59	\$11.50
<b>Greater Charleston</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	1,874,491	1,874,491	1,874,491	1,874,491	1,874,491
Vacancy Rate	1.9%	1.9%	1.4%	0.9%	1.0%
Available Rate	3.2%	2.4%	2.0%	3.4%	7.2%
Asking Rent	\$11.50	\$14.33	\$13.89	\$13.89	\$13.89
<b>North Charleston</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	25,385,325	24,791,325	24,595,400	24,199,400	24,217,825
Vacancy Rate	7.4%	5.5%	7.0%	7.3%	8.3%
Available Rate	10.5%	9.8%	9.3%	7.4%	8.7%
Asking Rent	\$5.56	\$5.72	\$5.53	\$5.46	\$5.30
<b>Outlying Berkeley County</b>	<b>2Q17</b>	<b>1Q17</b>	<b>4Q16</b>	<b>3Q16</b>	<b>2Q16</b>
Inventory	16,215,155	16,215,155	16,100,653	15,998,653	15,987,910
Vacancy Rate	9.9%	7.7%	8.9%	12.3%	11.2%
Available Rate	11.9%	11.5%	11.7%	11.4%	12.0%
Asking Rent	\$4.83	\$4.79	\$4.53	\$4.53	\$4.50

<sup>6</sup> [http://www.avisonyoung.com/en\\_CA/research/reports/-/ayr/list/location/Charleston](http://www.avisonyoung.com/en_CA/research/reports/-/ayr/list/location/Charleston)

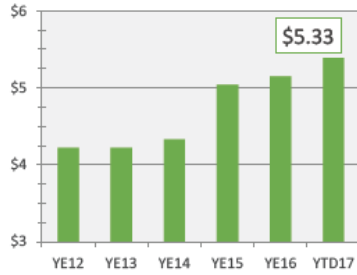
Submarket Indicators (Continued)

West Charleston County	2Q17	1Q17	4Q16	3Q16	2Q16
Inventory	1,035,641	1,035,641	1,035,641	1,035,641	1,035,641
Vacancy Rate	0.5%	0.0%	3.7%	5.4%	3.8%
Available Rate	8.3%	1.0%	3.3%	5.3%	5.3%
Asking Rent	\$16.00	\$14.52	\$14.00	\$14.00	\$12.56

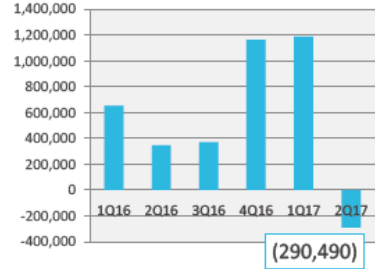
Vacancy Rates



Asking Rent



Net Absorption



**Q1 2017 Industrial Market Summary Statistics | Charleston, SC**

MARKET	BUILDINGS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE (%)	NET ABSORPTION (SF)
<b>BERKELEY COUNTY</b>							
Manufacturing	6	95,349	0	0	0	0.00%	0
Warehouse/Distribution	4	241,707	0	0	0	0.00%	0
<b>Berkeley County Total</b>	<b>10</b>	<b>337,056</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>CHARLESTON-PENINSULA</b>							
Flex/R&D	4	150,611	10,000	0	10,000	6.64%	-10,000
Manufacturing	5	250,106	0	0	0	0.00%	0
Warehouse/Distribution	48	824,496	14,750	0	14,750	1.79%	-11,950
<b>CHARLESTON-PENINSULA TOTAL</b>	<b>57</b>	<b>1,225,213</b>	<b>24,750</b>	<b>0</b>	<b>24,750</b>	<b>2.02%</b>	<b>-21,950</b>
<b>CLEMENTS FERRY</b>							
Flex/R&D	14	369,863	28,325	0	28,325	7.66%	12,526
Manufacturing	8	412,329	0	0	0	0.00%	0
Warehouse/Distribution	81	4,837,161	570,968	0	570,968	11.80%	47,760
<b>CLEMENTS FERRY TOTAL</b>	<b>103</b>	<b>5,619,353</b>	<b>599,293</b>	<b>0</b>	<b>599,293</b>	<b>10.66%</b>	<b>60,286</b>
<b>GOOSE CREEK/ MONCK'S CORNER</b>							
Flex/R&D	10	1,341,915	0	0	0	0.00%	82,502
Manufacturing	12	2,533,049	240,000	0	240,000	9.47%	0
Warehouse/Distribution	43	1,782,095	2,400	0	2,400	0.13%	92,635
<b>GOOSE CREEK/ MONCK'S CORNER TOTAL</b>	<b>65</b>	<b>5,657,059</b>	<b>242,400</b>	<b>0</b>	<b>242,400</b>	<b>4.28%</b>	<b>175,137</b>
<b>HANAHAN/ NORTH RHETT</b>							
Flex/R&D	3	66,374	3,302	0	3,302	4.97%	9,690
Manufacturing	6	753,309	0	0	0	0.00%	0
Warehouse/Distribution	37	3,569,184	348,611	0	348,611	9.77%	27,000
<b>HANAHAN/ NORTH RHETT TOTAL</b>	<b>46</b>	<b>4,388,867</b>	<b>351,913</b>	<b>0</b>	<b>351,913</b>	<b>8.02%</b>	<b>36,690</b>
<b>NORTH CHARLESTON</b>							
Flex/R&D	33	1,088,152	18,500	0	18,500	1.70%	-12,300
Manufacturing	48	3,801,230	275,452	0	275,452	7.25%	86,048
Warehouse/Distribution	390	13,405,822	621,991	29,965	651,956	4.86%	126,511
<b>NORTH CHARLESTON TOTAL</b>	<b>471</b>	<b>18,295,204</b>	<b>915,943</b>	<b>29,965</b>	<b>945,908</b>	<b>5.17%</b>	<b>200,259</b>
<b>SUMMERVILLE</b>							
Flex/R&D	5	152,698	4,000	0	4,000	2.62%	0
Manufacturing	35	2,219,853	4,055	0	4,055	0.18%	3,481
Warehouse/Distribution	121	7,632,374	8,880	0	8,880	0.12%	-8,880
<b>SUMMERVILLE TOTAL</b>	<b>161</b>	<b>10,004,925</b>	<b>16,935</b>	<b>0</b>	<b>16,935</b>	<b>0.17%</b>	<b>-5,399</b>
<b>OTHER SUBMARKETS</b>							
Flex/R&D	13	562,726	52,820	12,710	65,530	11.65%	-11,250
Manufacturing	7	209,542	0	0	0	0.00%	0
Warehouse/Distribution	60	882,400	16,036	0	16,036	1.82%	0
<b>OTHER SUBMARKETS TOTAL</b>	<b>80</b>	<b>1,654,668</b>	<b>68,856</b>	<b>12,710</b>	<b>81,566</b>	<b>4.93%</b>	<b>-11,250</b>
<b>Market Total</b>							
Flex/R&D	82	3,732,339	116,947	12,710	129,657	3.47%	71,168
Manufacturing	127	10,274,767	519,507	0	519,507	5.06%	89,529
Warehouse/Distribution	784	33,175,239	1,583,636	29,965	1,613,601	4.86%	273,076
<b>MARKET TOTAL</b>	<b>993</b>	<b>47,182,345</b>	<b>2,220,090</b>	<b>42,675</b>	<b>2,262,765</b>	<b>4.80%</b>	<b>433,773</b>

Source: CoStar, Colliers International



## MULTI-FAMILY MARKET

End of 2016 Multifamily Market Summary Statistics									
MARKET	INVENTORY (UNITS)	VACANT UNITS	OCCUPANCY RATE (%)	AVERAGE RENT (UNIT/MONTH)	AVERAGE RENT (SF/MONTH)	NET NEW SUPPLY (UNITS)	2016 NET ABSORPTION (UNITS)	UNDER CONSTRUCTION (UNITS)	PROPOSED (UNITS)
Downtown	777	118	84.8%	\$1,986	\$2.51	-	2	802	1,847
James Island	1,971	128	93.5%	\$1,484	\$1.52	301	13	305	279
Southwest	321	11	96.7%	\$1,253	\$1.38	-	243	-	-
West Ashley	9,204	350	96.2%	\$1,082	\$1.11	-	23	1,143	1,175
North Charleston	7,707	478	93.8%	\$960	\$1.01	-	-12	645	590
Hanahan	1,410	41	97.1%	\$881	\$0.92	-	-3	-	-
Summerville	5,280	253	95.2%	\$1,061	\$1.06	-	-62	240	264
Goose Creek	2,760	163	94.1%	\$1,028	\$0.95	-	35	-	-
Daniel Island	1,116	44	96.1%	\$1,636	\$1.56	-	1	949	606
Mount Pleasant	4,887	396	91.9%	\$1,487	\$1.57	324	262	707	423
Ladson	1,546	57	96.3%	\$1,053	\$1.10	-	20	-	-
Berkeley	290	16	94.5%	\$855	\$0.79	-	-1	-	564
<b>Market Total</b>	<b>37,269</b>	<b>2,050</b>	<b>94.5%</b>	<b>\$1,091</b>	<b>\$1.18</b>	<b>625</b>	<b>521</b>	<b>4,791</b>	<b>5,748</b>

Source: YardiMatrix, December 2016

The multi-family market continues to be strong in Charleston and surrounding markets with 35 new residents, on average, moving to this area each day.

Monthly rental rates were up 7.3%, on average, from the prior year. The occupancy rate remains around 95%. With an expected 39 people per day moving to the Charleston area, demand has spurred new growth with 4,791 units under construction. Another 5,800 units are planned.<sup>7</sup>

Charleston Multifamily Construction Pipeline						
PROJECT NAME / ADDRESS	SUBMARKET	SIZE (UNITS)	CONSTRUCTION STATUS	DELIVERY DATE	DEVELOPER	
35 Folly   35 Folly Road Boulevard	James Island	301	Delivered	Sep-16	Flournoy Companies	
Bridgeside at Patriots Point   175 Harbor Bridge Lane	Mount Pleasant	324	Delivered	Dec-16	MetLife Real Estate Investment	
Wharf 7   515 Robert Daniel Drive	Daniel Island	312	Under Construction	Mar-17	PGIM Real Estate	
Sweetwater Charleston   170 Rebellion Farms Place	Daniel Island	320	Under Construction	Jun-17	Kassing Development Group	
Oyster Park   1025 Rifle Range Road	Mount Pleasant	269	Under Construction	Jul-17	Dewberry Capital	
Factory at Garco Park   4993 O'Hear Avenue	North Charleston	271	Under Construction	Aug-17	The Beach Company	
Hayward   1000 Bonieta Harrold Drive	West Ashley	260	Under Construction	Nov-17	Woodfield Investments	
Central Island Square   864 Island Park Drive	Daniel Island	317	Under Construction	Jan-18	Faison & Associates	
The Haven at Indigo Square   6000 James Nelson Road	Mount Pleasant	438	Under Construction	Mar-18	Johnson Development Assoc.	
Atlantic at Grand Oaks   1955 Bees Ferry Road	West Ashley	316	Under Construction	Nov-18	AVR Realty	

<sup>7</sup> <http://www.colliers.com/en-us/southcarolina/insights/charleston>

## MAJOR MUNICIPALITIES AND UNINCORPORATED LOCALES



### ***City of Charleston***

The City of Charleston, located in Charleston County, was founded in 1670 and is the social and economic hub of the Charleston Metropolitan Area. Perhaps best known for its historic homes and buildings, Charleston is also home to a thriving port, the central business district for the area, and an elite retail market. Over the past 35 years, Charleston has transformed from a quiet Southern city into a world-renowned tourist destination. The city is divided into neighborhoods identified by both economic and architectural divisions. The area known as South of Broad is one of the most expensive residential real estate markets in the state. Residential sales in this neighborhood often set records for the area. As real estate prices have increased, a pattern of gentrification has spread from the South of Broad area north along the peninsula.

The area along King Street is a shopping district anchored by several high-end national retailers and the Charleston Place hotel. The shopping district extends to Market Street, where the Old City Market is located, and East Bay Street. Charleston is home to many regionally recognized restaurants and is known for fine dining. The City is also home to the College of Charleston, the Citadel, and the Medical University of South Carolina.

The city limits extend into the West Ashley area, to the southwest of the peninsula, and to areas of James and Johns Island.

The West Ashley area is a densely populated area with established neighborhoods dating back to the 1940s and 1950s. Citadel Mall is a regional mall with over 1.4 million square feet near the intersection of Sam Rittenberg Boulevard and I-526. Near Citadel Mall, along Highway 17 S, is what is commonly referred to as the “Savannah Highway Auto Mile,” a strip of concentrated automobile dealerships. In 2016, Charleston elected its first mayor who resides outside of the peninsula. The mayor has begun revitalization efforts for West Ashley and a master plan has been drafted which will serve to establish development norms for the area.

### ***James Island***

James Island is a mixture of properties incorporated into the City of Charleston, the Town of James Island, and unincorporated Charleston County. The Town of James Island is now operating under its fourth incorporation. The previous three were overturned by the courts. The population of James Island has increased dramatically since the completion of the James Island Connector (part of I-526) in 1993. Folly Road is the main thoroughfare through James Island and it connects Highway 17 South and SC Highway 61 with Folly Beach.

James Island has grown dramatically over the past 20 years and many residents feel this growth has changed the character of the island. In mid-2017, Charleston City Council and the Town of James Island imposed separate moratoriums on commercial and multi-family construction while they attempted to work out a long-term solution to the rapid growth on the island.

Folly Beach is a barrier island that is incorporated as its own town. It is known for the Folly Beach Fishing Pier, at the end of Folly Road, its many vacation homes, and the Morris Island Lighthouse. Of the three beach islands near the City of Charleston, Folly Beach remains the most affordable.

### ***Johns Island, Kiawah, and Seabrook***

Johns Island is located between James and Edisto Islands and is a rural area influenced by the Stono and Edisto Rivers, the Intracoastal Waterway, and a large expanse of undisturbed salt marsh. Johns Island is the second largest Sea Island on the East Coast. This island, as well as neighboring Wadmalaw and Edisto Islands, is mostly agricultural in character, but this is rapidly changing as the population continues to grow.

Johns Island is connected to James Island via Maybank Highway and to West Ashley via Main Road. Plans have not been finalized regarding the extension of the Mark Clark Expressway (I-526) from Highway 17 at Citadel Mall to connect with the James Island Connector at Folly Road on James Island. Many residents of Johns Island oppose the expansion because they feel it will ruin the rural feel of the Island.

Main Road, which turns into Bohicket Road, connects Johns Island with the resort barrier islands of Kiawah and Seabrook. They are both high-quality resort developments. Kiawah

Island is world-renowned for its golf courses and real estate. It includes second homes for a number of celebrities and wealthy businessmen. Kiawah hosted on The Ocean Course the 2007 Senior PGA, the 1991 Ryder Cup, the 1997 and 2003 World Cups, the 2001 UBS Cup and 2005 PGA Professional National Championship. In 2012 Kiawah Island Golf Resort hosted the 94th PGA Championship, only the fourth course to host each of the PGA of America's major championships.

### ***Mt Pleasant***

Mt Pleasant is a suburban town in Charleston County to the north of Charleston peninsula. According to the US Census Bureau, Mt Pleasant was the 10<sup>th</sup> fastest growing city with a population of 50,000, or more, in the US in 2015, and the fastest growing such city east of the Mississippi. Mt Pleasant is the 3rd largest municipality in this metro behind Charleston and North Charleston, and is now the fourth largest in the state. This area is also known as “East of the Cooper” and includes the barrier islands of Sullivan’s Island and Isle of Palms.

US Highway 17 North is the main thoroughfare through Mt Pleasant. In 2005, the Arthur Ravenel Bridge, an eight-lane cable-stay bridge, was completed connecting Mt Pleasant with Downtown Charleston and Interstate 26 and replaced two obsolete bridges. At the foot of the Arthur Ravenel Bridge is Patriot's Point, a naval and maritime museum, home to the World War II aircraft carrier USS Yorktown, which is now a museum ship. There are also plans to construct the National Medal of Honor Museum at Patriots Point.

The South Carolina State Ports Authority’s Wando Welch Terminal is located at the end of Long Point Road. This is one of the busiest and most modern container ports in the world, and a number of ships call here daily. The location of the port terminal is enhanced by its location approximately one-half mile west of the intersection of Long Point Road and Interstate 526.

The Town of Mt Pleasant now extends north along Highway 17 past SC Highway 41. Large residential developments in this area include Dunes West, Rivertowne, Park West, and Carolina Park. The Isle of Palms connector links Mt Pleasant with the Isle of Palms near the north end of town. Near this intersection is Mt Pleasant Towne Centre, an upscale shopping center with over 65 national and local tenants.

Sullivan’s Island is accessible via the Ben Sawyer Bridge from Coleman Boulevard or the southern end of Isle of Palms. It is home to such landmarks as Ft. Moultrie and the Sullivan’s Island Lighthouse. Sullivan’s Island is an elite residential barrier island with many multi-million dollar beachfront homes.

To the north of Sullivan’s Island is the Isle of Palms. Most of this island is developed with single family homes. There is a commercial district located near the intersection of Palm Boulevard and SC Highway 517 (the IOP Connector). Located at the north end of the island is the gated community of Wild Dunes. This community has numerous condominium units and single family residences. There are two championship golf courses in the community.

In April 2017, Mt Pleasant Town Council approved significant impact fee increases for new development. By July 2018 impact fees will increase from \$1,860 to \$6,161 for a single-family home; \$57,716 to \$204,432 for a 7,500 square foot restaurant; and \$328,000 to \$1,130,000 for a 100,000 square foot shopping center. These drastic increases may make some development in Mt Pleasant, which already has some of the highest impact fees in the state, infeasible.

### ***North Charleston***

North Charleston is located north of the City of Charleston. Most of North Charleston is located in Charleston County, but some northern portions are in Dorchester County. The City of North Charleston was incorporated in 1972. There are several reasons why the City of North Charleston has experienced excellent growth since its incorporation: its proximity to the City of Charleston, two railroads, a modern port facility, international airport, Interstates 26 and 526, and large employment centers.

Until 1996 when it was closed, the Charleston Naval Base dominated the economy of North Charleston, and the Charleston MSA as a whole. While the closure threatened the local economy, the base is now being managed by the Redevelopment Authority with both governmental and private enterprise companies occupying many of the buildings. The most northern portion of the property was made into a park. Plans include environmental restoration, expansion of parks and recreation, and improvements to infrastructure. Included in the plan were 4,000 new housing units and 5,000 rehabilitated housing units along with five million square feet of retail, industrial, and commercial space; however, the developer ran into financial difficulties and the project is now being reworked.

North Charleston has become one of the premier retail and shopping areas for the surrounding counties, due to its centralized location and access from several major traffic arteries. Interstates 26 and 526 (a beltway from West Ashley to Mt Pleasant) converge in the heart of the city and Highway 52 parallels I-26 through much of North Charleston.

Major retail centers in North Charleston include Northwoods Mall (near Highway 52, I-26, and Ashley Phosphate Road) and the Centre Pointe development (near I-26, West Montague Avenue, and I-526), which includes Tanger Outlets, Sam's Wholesale, the North Charleston Coliseum, and the North Charleston Performing Arts Center. At the intersection of I-26 and Highway 78, there is a medical center anchored by Trident Hospital. Across the interstate is the Ingleside development, which will be anchored by a Bass Pro Shop and is expected to grow into another regional retail hub.

The Boeing Company has its North Charleston campus near the Charleston International Airport. Boeing has a significant economic influence on North Charleston and the Charleston MSA as a whole. In addition to providing new jobs, it has put Charleston back on the map internationally. This has lured more manufacturing to the MSA and had a positive influence on tourism. Ongoing road improvements around the airport and the Boeing Campus have been approved. In 2017, Boeing workers rejected attempts at

unionization, which many feel will strengthen the position of North Charleston as a business hub.

More industrial development in the area is taking place along Palmetto Commerce Parkway. Companies include Cummins Turbo Diesel, Morgan Olson, a maker of walk-in cargo bodies and other components for vans and trucks, Webber Automotive, Streit USA Armoring, which fortifies standard vehicles with bullet-resistant safeguards, the Boeing interiors plant, TIGHTCO composites plant, and the Charleston County consolidated 9-1-1 Call Center and Emergency Operations Center on Palmetto Commerce Parkway. Daimler Chrysler is expanding their current van assembly plant into a complete assembly location. This represents 1,300 new manufacturing jobs and a \$500-million-dollar capital investment.

### ***Summerville***

Summerville is located in the southern sections of Dorchester County and Berkeley County, approximately 25 miles northwest of Charleston. Because Summerville is close to Charleston and has good access to the Charleston area via Interstate 26, it is effectively a suburb of Charleston, but is rapidly becoming a city in its own right. The major attractions seem to be a small-town atmosphere, good schools, and proximity to Charleston.

At the eastern end of Summerville is Carnes Crossroads, where US Highway 17-A and US Highway 176 intersect. Two large developments are underway in this area. One is a 3,000+ acre development at the intersection of US Highway 17-A and US Highway 176. It will have commercial and residential development. The second is a 5,000-acre tract north on Sheep Island Road between Interstate 26 and US Highway 176. Both are expected to add thousands of homes and businesses to the county's tax base. A new interchange on Sheep Island Road and I-526 is under construction to ease the traffic congestion in the area.

Near Interstate 26 on Highway 17-A (N Main Street) in Summerville is a major retail center anchored by Target, Best Buy, and Wal-Mart. There are several automobile dealerships in this area as well. Across I-26, the Nexton Development is a 4,500-acre tract under development with over 10,000 homes, 6 million square feet of commercial space, and 2,000 acres of parks and nature trails.

In May 2015, it was announced that Volvo would build a \$500 million high-tech factory in rural Berkeley County on the outskirts of Summerville. It is scheduled to begin producing vehicles in 2018. The project is expected to create over 2,000 new jobs over the next decade and 4,000 jobs by 2030.

### ***Hanahan***

Hanahan is located east of North Charleston and south of Goose Creek in Berkeley County. Although the city is considered a bedroom community, it has growing business and commercial districts with companies such as FedEx Ground and the Space and Naval Warfare (SPAWAR) Systems Center among others.

### ***Goose Creek***

Goose Creek is located north of the City of North Charleston in Berkeley County. The Goose Creek economy was historically driven by its proximity to Charleston's naval facilities, and the employment and shopping centers of North Charleston. Since most of the area's Naval facilities have been phased out, there have been several new commercial developments in Goose Creek.

Major employers include the Naval Weapons Station, Alcoa, Quozel, and JW Aluminum. Google Inc. purchased a 518-acre tract in the Mt. Holly Commerce Park. They constructed a \$600 million data center. The center employs approximately 200 workers.

### ***Moncks Corner***

Moncks Corner is the county seat of Berkeley County. It is located along Highway 52 near Lake Moultrie. In recent years, there has been clustered commercial development at the north end of Moncks Corner at the intersection of US Highway 52 Business and Bypass. This area has become a new commercial district for the Town of Moncks Corner. This new development was enhanced by the development of a Super Wal-Mart.

### **IMMEDIATE SUBJECT AREA**

The subject property is located on the south side of E Owens Drive (which become E 3<sup>rd</sup> North Street to the west) in the Summerville area of Charleston County. This area is in a growing area between the City of North Charleston and Summerville. It is commonly known as the "Lincolnton" and "Ladson" area. This area has seen strong growth over the last 15 years, a trend which is expected to continue. Berkeley County and Dorchester County, which along with the Town of Summerville, bracket the subject area, are two of the fastest growing counties in the state. The growth in those counties and the strong growth in Charleston indicate that growth in the area will continue as values increase.

The subject has adequate access to surrounding thoroughfares, including the Berlin G Myers Parkway and Highway 17-A via Highway 78 to the northwest via E 3<sup>rd</sup> North Street and Highway 78 via E Owens Drive. The subject is just to the southeast of the Town of Summerville. To the northwest of the subject, along Highway 17-A, or Main Street, is the town center. This includes a number of local shops and eateries. It is the main thoroughfare through this area of Summerville.

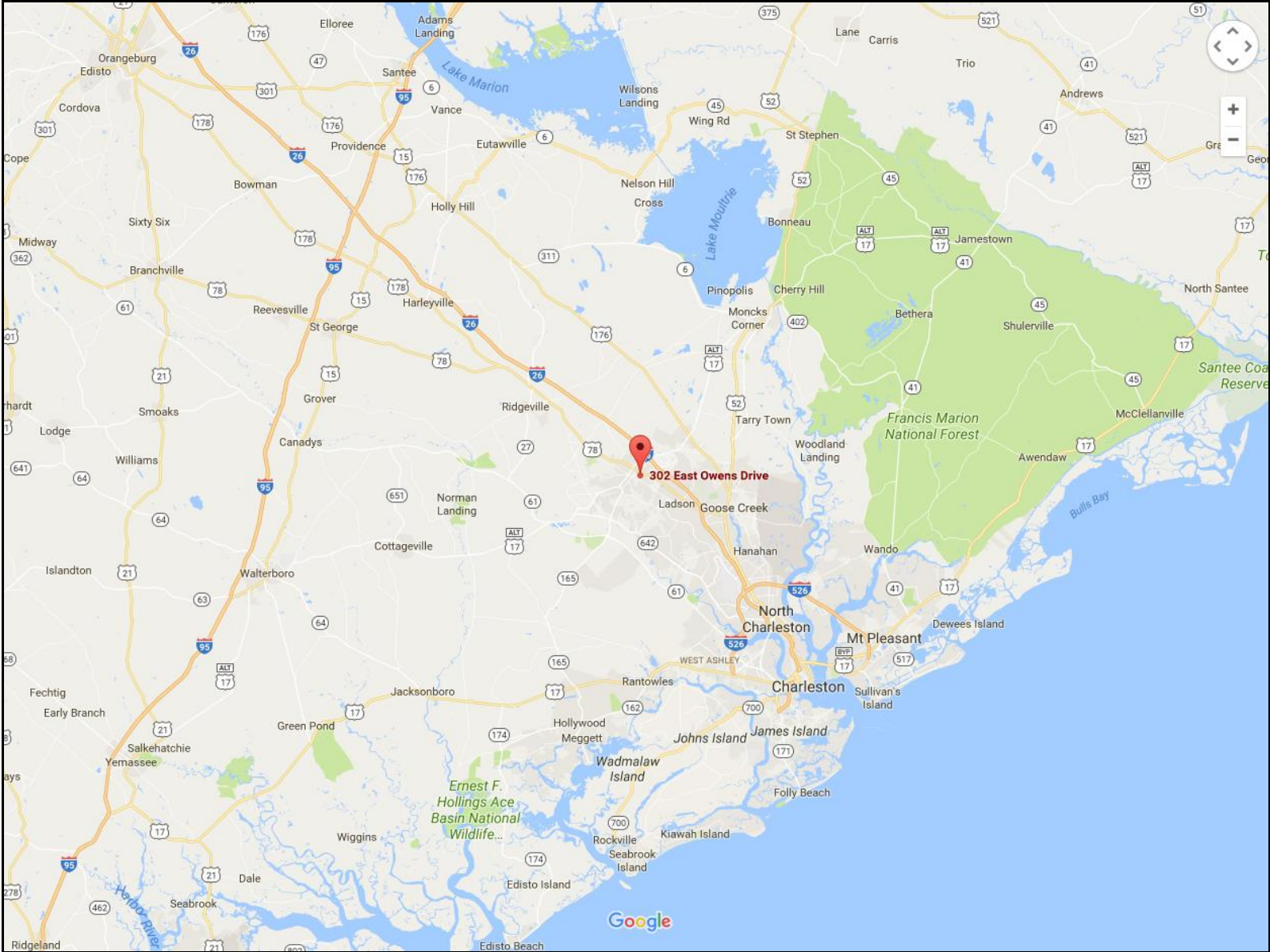
This area is developed with a mixture of multi-family, retail, service business, some industrial uses, and residential uses off the main thoroughfares. Uses in the immediate area include: several new multi-family developments, Abby Lane Townhouses, several churches, and a convenience store, adjacent to the subject. Along nearby Highway 78, there are a Glass-Pro, a thrift store, religious facilities, used car lots, light industrial uses on nearby Peytons Way, and Collins Square at the corner of Highway 78 and the Berlin G Myers Parkway. This is a newly redeveloped retail center anchored by Palmetto State Armory, with a Spinx gas station at the corner, Planet Fitness, a dental office, and Summerville Harley Davidson.

The population in Summerville is growing rapidly with most of the growth taking place east of I-26 in the Nexton, Carnes Crossroads, Cane Bay developments. This has driven more day traffic into Old Summerville for shopping and other needs. This trend is expected to continue and the outlook for the area is good.

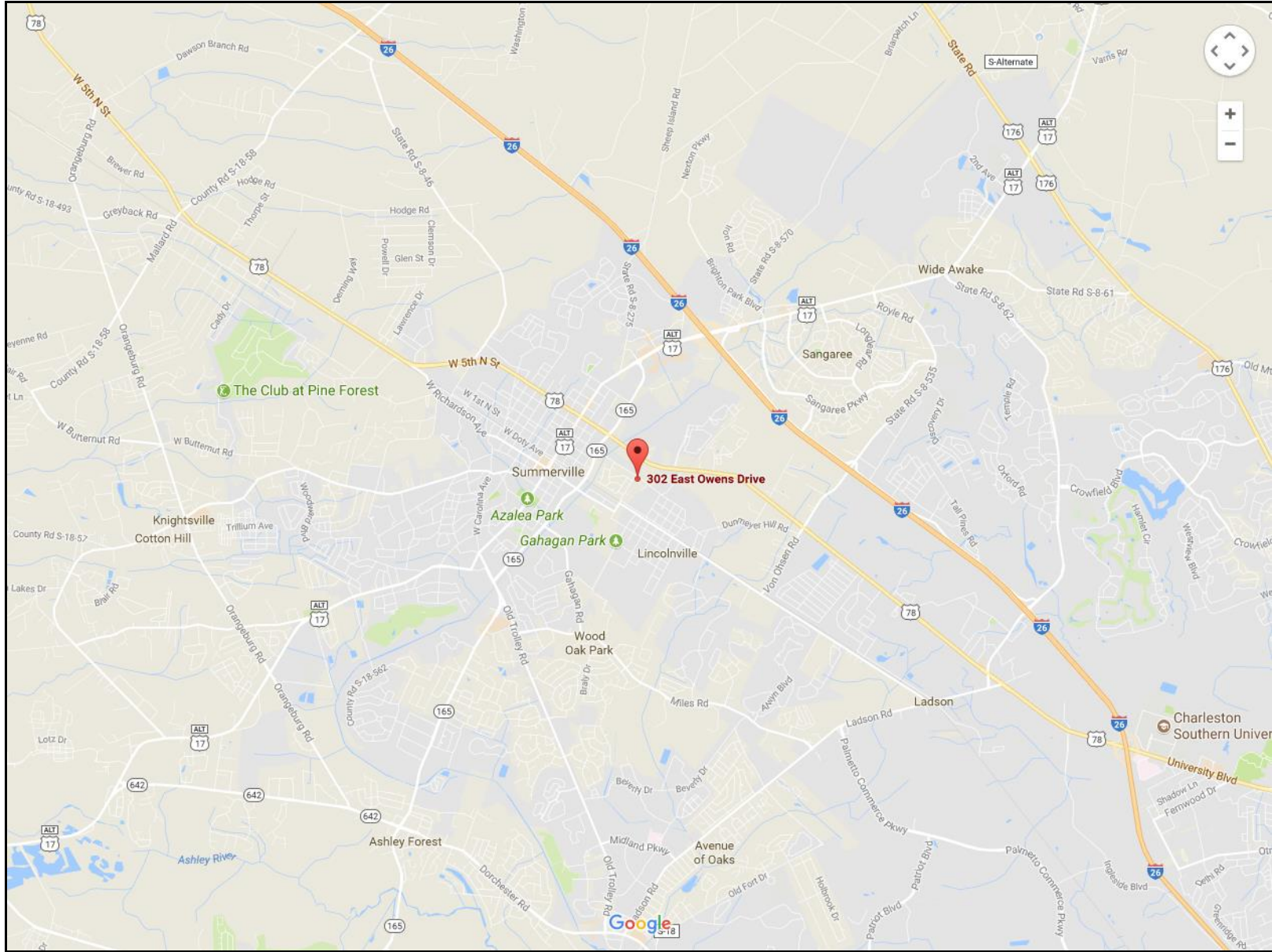
A location map of the subject neighborhood with the subject location indicated is included on the following page of this appraisal.



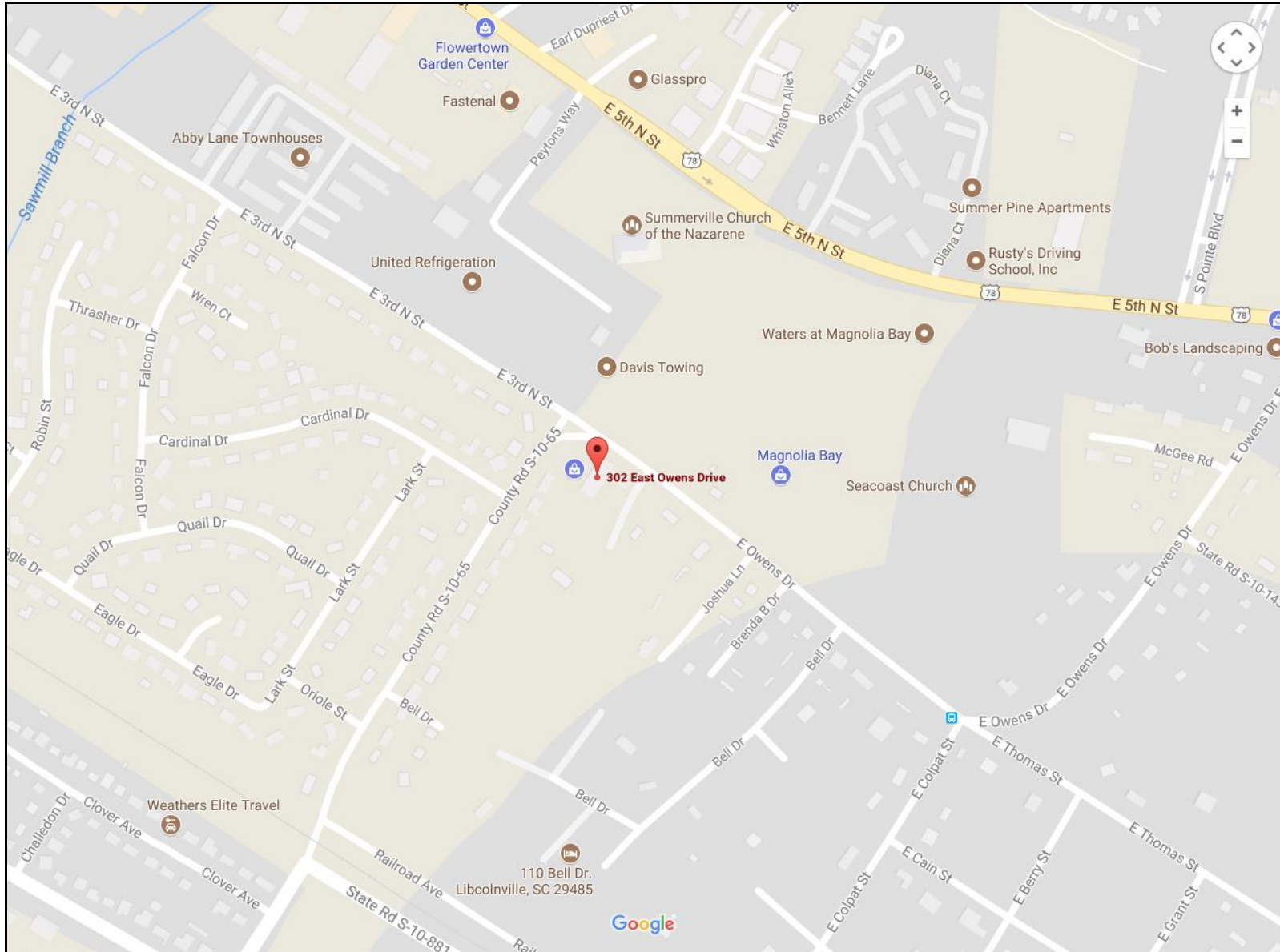
# REGION MAP



# AREA MAP



# IMMEDIATE AREA MAP



## SITE DESCRIPTION

<b>LOCATION</b>	302 Owens Drive, Summerville area, Dorchester County, South Carolina
<b>ACCESS</b>	This subject has one curb cut on E Owens Drive, an extension of E 3 <sup>rd</sup> North Street (a two-lane, asphalt-paved street).  E Owens Drive / E 3 <sup>rd</sup> North Street connects the subject to the Berlin G Meyers Parkway, Highway 17-A, and Downtown Summerville to the northwest and Highway 78, to the east. Overall access is average.
<b>AREA</b>	0.175 acres or 7,636 square feet (see attached plat dated 4/7/1972)
<b>DIMENSIONS</b>	53.2 feet along E Owens Drive x 144.9' x 53.2 RF x 142.8'
<b>EXCESS/SURPLUS LAND</b>	None
<b>EASEMENTS</b>	None are shown on the plat and none were evident upon inspection. I assume any necessary easements are along the perimeter of the site and do not interfere with the improvements.
<b>ENCROACHMENTS</b>	No encroachments are shown on the subject plat, but the subject has a virtually zero lot line, so it is possible that encroachments exists. <i>I recommend an updated survey.</i>
<b>FLOOD ZONE</b>	Flood Zone X Map Number 45035C0343E Flood Zone Map Revised July 18, 2017
<b>ZONING</b>	R-2, Single-Family Residential
<b>TOPOGRAPHY</b>	The site is generally level with road grade. Underground drainage was noted near the street.
<b>VEGETATION</b>	The majority of the site is cleared of natural vegetation and covered with impervious surfaces.
<b>AVAILABLE UTILITIES</b>	Public water, sewer, natural gas, and electricity.
<b>SITE IMPROVEMENTS</b>	5,224 square foot flex building and site improvements
<b>SITE SUITABILITY</b>	The site is suitable for commercial or residential use

PLAT

6817

Maple June 20, 1970

South Carolina  
DORCHESTER COUNTY

SCALE 1" = 100'

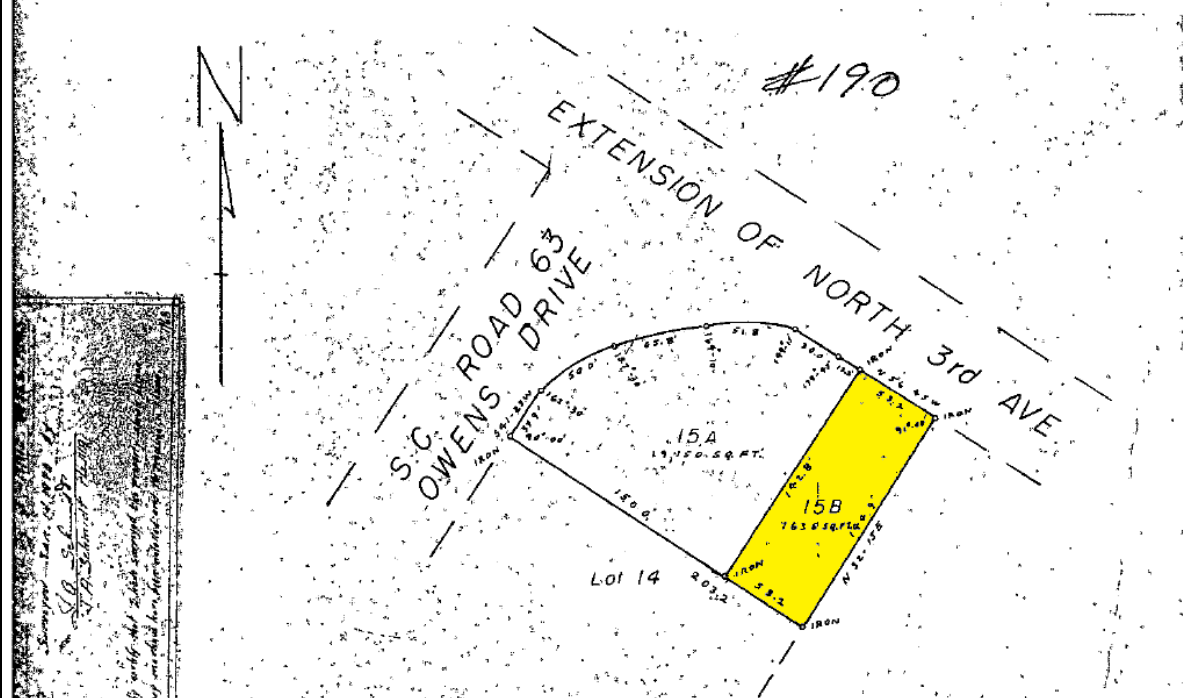
PLAT OF A TRACT OF LAND SURVEYED  
FOR J EDWARD LOTE AND PROPOSED TO  
BE CONVEYED TO Ruthel Hartford Vereen, Jr.

MARCH 11, 1978

H. P. Thompson, Jr.  
R/S 5712

Maple to Bathing... Co  
905 N. Thayer St  
Columbia, S.C.

LEE BROWN, JR.  
No. 5542  
SOUTH CAROLINA



S. P. SANDERS, JR.  
Surveyor S. C. 20344

Subdivision of Lot 15, Block H, Section 1, Meadowbrook (Owens) Subdivision

Surveyed in accordance with the Act of South Carolina, Chapter 107, Code of Laws of 1977, and the Act of South Carolina, Chapter 107, Code of Laws of 1978, and the Act of South Carolina, Chapter 107, Code of Laws of 1979, and the Act of South Carolina, Chapter 107, Code of Laws of 1980, and the Act of South Carolina, Chapter 107, Code of Laws of 1981, and the Act of South Carolina, Chapter 107, Code of Laws of 1982, and the Act of South Carolina, Chapter 107, Code of Laws of 1983, and the Act of South Carolina, Chapter 107, Code of Laws of 1984, and the Act of South Carolina, Chapter 107, Code of Laws of 1985, and the Act of South Carolina, Chapter 107, Code of Laws of 1986, and the Act of South Carolina, Chapter 107, Code of Laws of 1987, and the Act of South Carolina, Chapter 107, Code of Laws of 1988, and the Act of South Carolina, Chapter 107, Code of Laws of 1989, and the Act of South Carolina, Chapter 107, Code of Laws of 1990, and the Act of South Carolina, Chapter 107, Code of Laws of 1991, and the Act of South Carolina, Chapter 107, Code of Laws of 1992, and the Act of South Carolina, Chapter 107, Code of Laws of 1993, and the Act of South Carolina, Chapter 107, Code of Laws of 1994, and the Act of South Carolina, Chapter 107, Code of Laws of 1995, and the Act of South Carolina, Chapter 107, Code of Laws of 1996, and the Act of South Carolina, Chapter 107, Code of Laws of 1997, and the Act of South Carolina, Chapter 107, Code of Laws of 1998, and the Act of South Carolina, Chapter 107, Code of Laws of 1999, and the Act of South Carolina, Chapter 107, Code of Laws of 2000, and the Act of South Carolina, Chapter 107, Code of Laws of 2001, and the Act of South Carolina, Chapter 107, Code of Laws of 2002, and the Act of South Carolina, Chapter 107, Code of Laws of 2003, and the Act of South Carolina, Chapter 107, Code of Laws of 2004, and the Act of South Carolina, Chapter 107, Code of Laws of 2005, and the Act of South Carolina, Chapter 107, Code of Laws of 2006, and the Act of South Carolina, Chapter 107, Code of Laws of 2007, and the Act of South Carolina, Chapter 107, Code of Laws of 2008, and the Act of South Carolina, Chapter 107, Code of Laws of 2009, and the Act of South Carolina, Chapter 107, Code of Laws of 2010, and the Act of South Carolina, Chapter 107, Code of Laws of 2011, and the Act of South Carolina, Chapter 107, Code of Laws of 2012, and the Act of South Carolina, Chapter 107, Code of Laws of 2013, and the Act of South Carolina, Chapter 107, Code of Laws of 2014, and the Act of South Carolina, Chapter 107, Code of Laws of 2015, and the Act of South Carolina, Chapter 107, Code of Laws of 2016, and the Act of South Carolina, Chapter 107, Code of Laws of 2017, and the Act of South Carolina, Chapter 107, Code of Laws of 2018, and the Act of South Carolina, Chapter 107, Code of Laws of 2019, and the Act of South Carolina, Chapter 107, Code of Laws of 2020, and the Act of South Carolina, Chapter 107, Code of Laws of 2021, and the Act of South Carolina, Chapter 107, Code of Laws of 2022, and the Act of South Carolina, Chapter 107, Code of Laws of 2023, and the Act of South Carolina, Chapter 107, Code of Laws of 2024, and the Act of South Carolina, Chapter 107, Code of Laws of 2025.

MAILED TO:  
 Bill, Atty  
 H. George  
 SC 29417

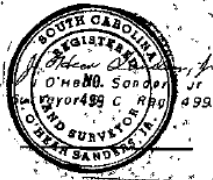
J. D. NEAR SANDERS, JR., A REGISTERED SURVEYOR IN THE STATE OF S. C. HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY SHOWN HEREON, THIS PLAT SHOWS THE TRUE DIMENSIONS, ALL NECESSARY MARKERS HAVE BEEN INSTALLED, AND THAT THE PRECISION IS 11" ± 41."

NOTES:  
 (1) PUBLIC WATER AND SANITARY SEWER AVAILABLE AN EXTENSION OF NORTH 3RD AVE.  
 (2) AREAS, LOT 15A, IS 13,150 SQ. FT. LOT 15B, IS 763.0 SQ. FT.  
 (3) THIS PLAT MADE FROM SURVEY MADE APRIL 7, 1972 FOR JOHN E. BERCKWELL AND LARRY BLACKWELL

State of South Carolina  
County of Dorchester

Recorded 5-1-78 at 10:30  
 Margie K. Carr  
 Clerk of Court

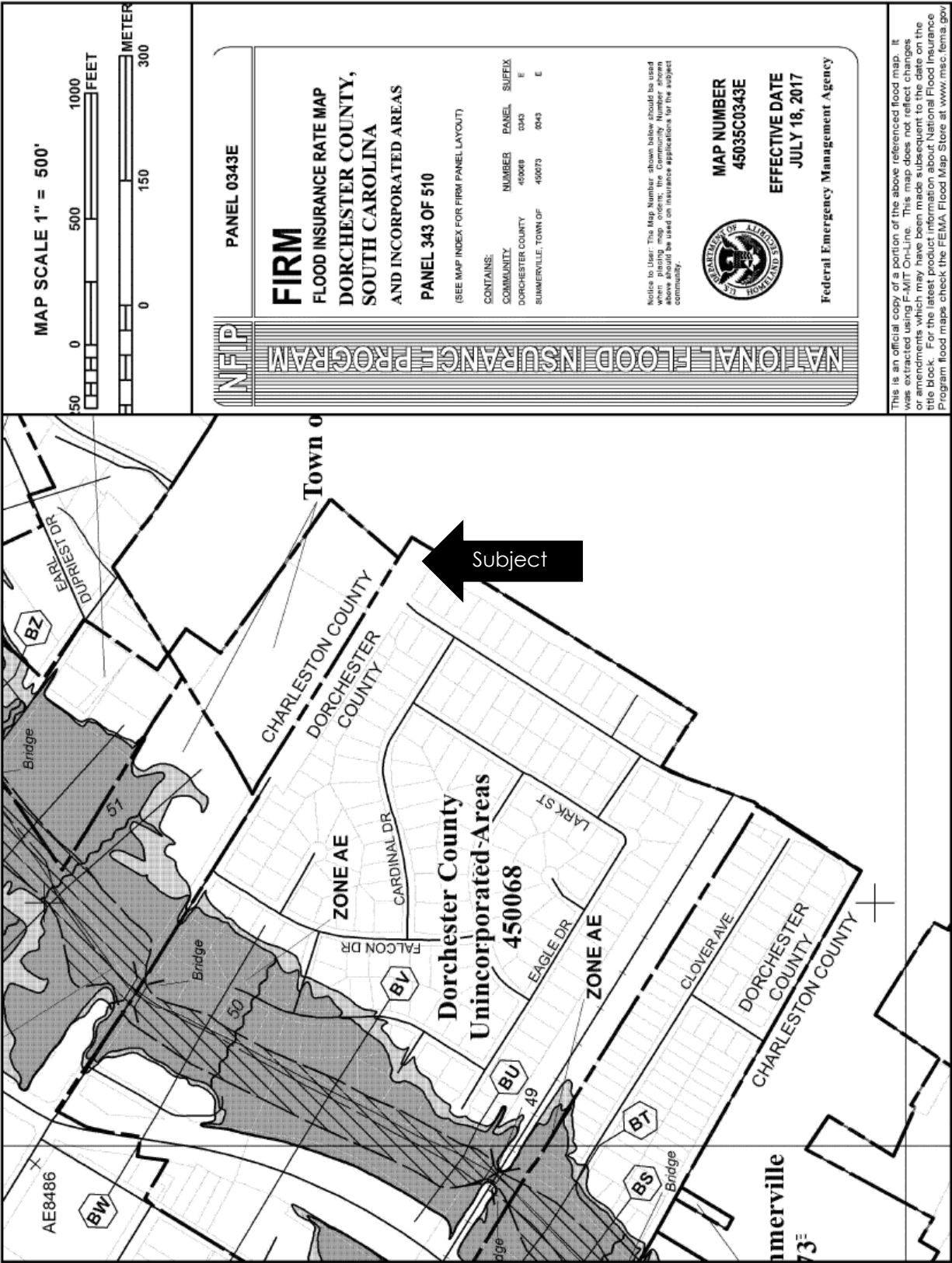
Subdivision of Lot 15, Block H,  
Section 1, Meadowbrook (Owens)  
Subdivision



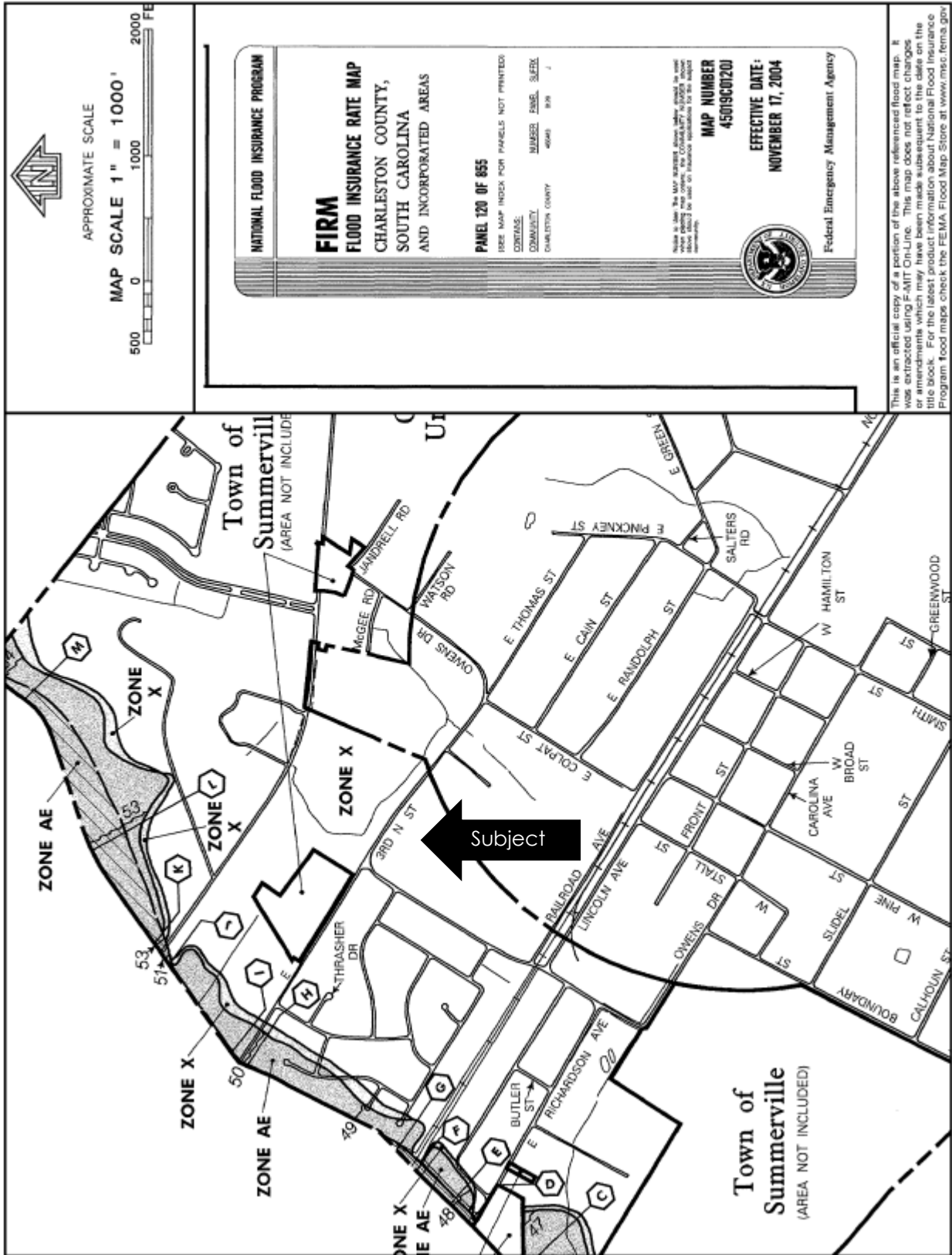
April 7, 1972

Scale 1" = 60'

# DORCHESTER COUNTY FLOOD MAP



# CHARELSTON COUNTY FLOOD MAP



## DESCRIPTION OF THE IMPROVEMENTS

<b>IMPROVEMENT TYPE</b>	Flex building
<b>SIZE</b>	5,224 square feet
<b>YEAR BUILT</b>	c. 1981 (per tax records)
<b>CONSTRUCTION TYPE</b>	Concrete block (Class C)
<b>QUALITY</b>	Average
<b>EXTERIOR WALLS</b>	Painted concrete block
<b>ROOF</b>	Metal roof on wood trusses and plywood. 10-foot eave height with aluminum gutters and downspouts. Vinyl soffits.
<b>EXTERIOR DOORS</b>	One metal personnel door, one 16' x 8' garage door, five, 8' x 8' garage doors
<b>EXTERIOR WINDOWS</b>	None
<b>FOUNDATION</b>	Concrete slab
<b>INTERIOR WALLS</b>	Painted concrete block and paneling
<b>INTERIOR CEILINGS</b>	Exposed structural members and acoustic tiles
<b>FLOOR COVERINGS</b>	Bare or painted concrete floors
<b>CLIMATE CONTROL</b>	There is one HVAC unit heating a cooling three of the bays. It is atop the roof. There is a hanging gas furnace in one of the bays. There is one window cooling unit.
<b>LIGHTING</b>	Fluorescent and incandescent lights
<b>SPRINKLERS</b>	None
<b>BAYS</b>	There are five bays. One is 50-feet-wide and the others are 20. The rear bay includes a small, low-cost bathroom with shower. There is a kitchenette in the middle bay with average cabinetry and appliances.
<b>OVERALL CONDITION</b>	Average
<b>DEFERRED MAINTENANCE</b>	None noted



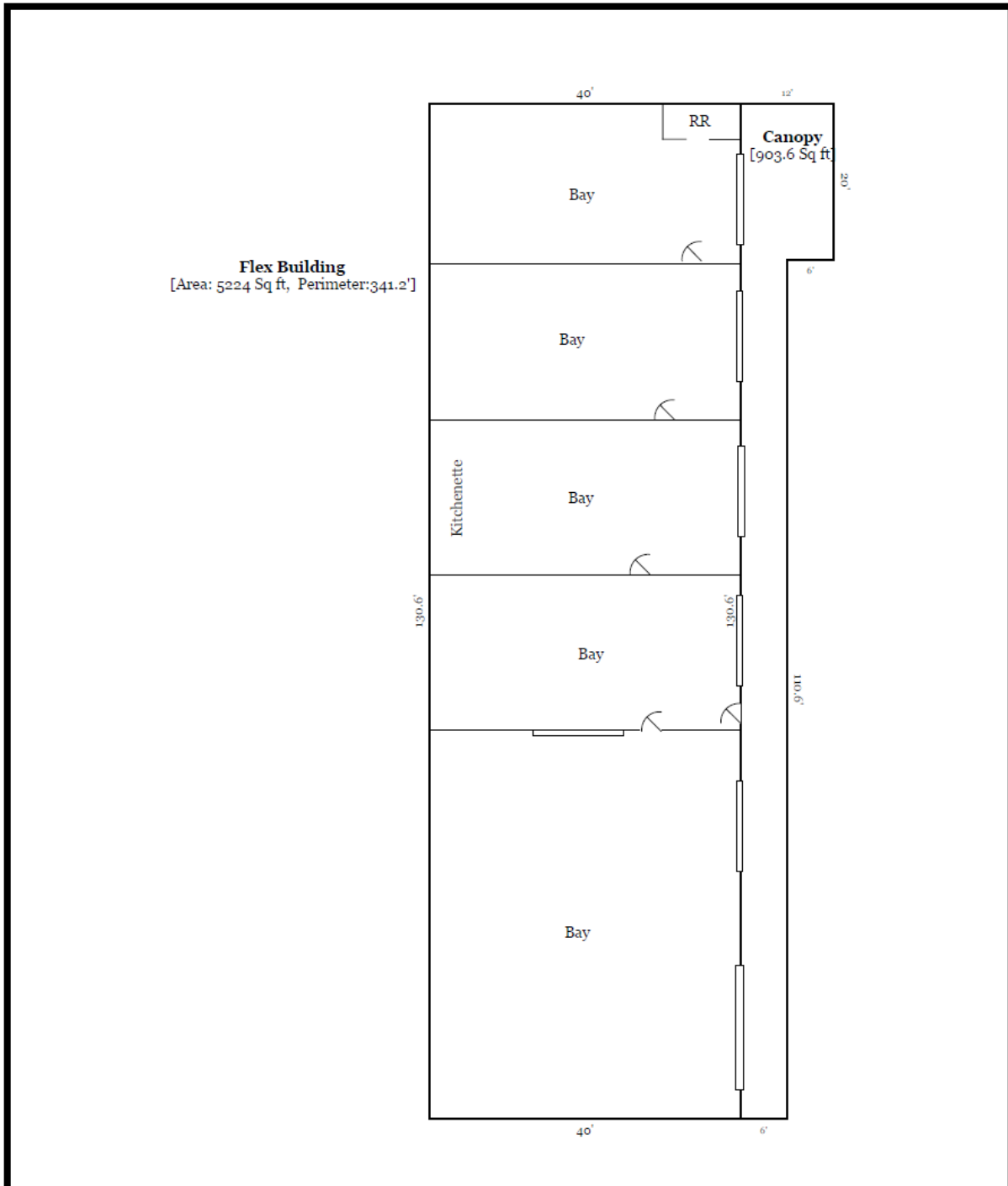
Most of the bays are connected via personnel doors only. The first and second bays are also connected via an 8' x 8' roll-up door.

The building has an air compression system, but I do not know if it is functional. There is a generator for emergency power. There are security cameras in place.

There is an asphalt parking area in front with room for 4 or 5 vehicles. Underground drainage was noted in this area. There is a concrete driveway along the western side of the building. A portion of this is fenced near the rear of the site with barbed wire atop. The roof overhangs this area by approximately 6 feet for most of the length of the building and 12 feet at the rear fenced area.

The narrow width of the driveway makes turning vehicles into the rear bays difficult. The improvements also appear to be built on a near zero lot line. *I would recommend an updated survey.*

# SKETCH



**Flex Building**  
[Area: 5224 Sq ft, Perimeter: 341.2']

**Canopy**  
[903.6 Sq ft]

TOTAL Sketch by a la mode, inc.

### Area Calculations Summary

Living Area	Calculation Details	
Flex Building	5224 Sq ft	$130.6 \times 40 = 5224$
<b>Total Living Area (Rounded):</b>	<b>5224 Sq ft</b>	
<b>Non-living Area</b>		
Canopy	903.6 Sq ft	$12 \times 20 = 240$ $110.6 \times 6 = 663.6$

TOTAL Sketch software by a la mode, inc. 1-800-alamode



**West View of Subject**



**North View of Subject**



**Rear View of Subject**



**East View of Subject**



**E Owens Drive  
Looking West**



**E Owens Drive  
Looking East**



**Drainage**



**Generator**



**Bay 1**



**Bay 2**



**Bay 3  
Kitchenette**



**Bay 4**



**Bay 5**



**Restroom**

## PROPERTY TAX ANALYSIS

Real Estate in Dorchester County is appraised at 100% of its market value. Property other than owner occupied, single family residences is assessed at 6% with the appropriate millage rate applied. The subject property is taxed as one parcel of real estate, which is located in Tax District 202, Unincorporated Dorchester County.

The 2016 taxes for parcel 137-08-04-046 totaled \$448.15, based on a taxable value of \$95,335. These taxes were paid 1/10/2017.

In 2006, the citizens of South Carolina approved a change in the property tax laws to reduce taxes for owner-occupied homes. The change set a maximum of 15% increase in property value for tax purposes every five years. If a property is sold, transferred, or becomes subject to a lease term greater than 19 years, this triggers a reassessment at current market value for tax purposes. This has the potential to substantially increase taxes for the purchaser or the tenant if the taxes are passed through.

In mid-2011 the South Carolina State Legislature passed a revision to the tax law which changed how it operates. The legislation created a 25% discount for commercial point-of-sale values (including second homes). The discount could not reduce a tax value to less than it had been, but the total assessment could be reduced if the property declined in value.

In order to receive the discount, the purchaser must apply by January 30<sup>th</sup> of the year following the sale.



# ZONING

According to the latest online maps for Dorchester County, the subject is zoned R-2, Single-Family Residential District. This zoning is defined as follows.

Dorchester County Zoning and Land Development  
Ordinance 04-13

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**Section 7.3 R-2, Single-Family Residential and R-2(M), Single-Family Residential Manufactured Housing Districts**

**7.3.1 Statement of Intent**

The intent of these districts is:

- (a) To implement the Land Use Plan regarding the moderate-density development of single-family dwellings and neighborhoods in the suburban areas of the county so designated on the adopted Future Land Use Map;
- (b) To minimize land use problems in such areas by requiring adequate infrastructure, i.e., public water and sanitary sewerage systems in support of such development;
- (c) To protect development in such areas from infiltration and adverse impacts of incompatible land uses;
- (d) To provide for the development of recreational, religious, medical and educational facilities as basic elements of a balanced residential area; and
- (e) To permit the location of needed community facilities in support of residential development.

**7.3.2 Permitted Use Groups**

**R-2**

Use Group No.	Group Name
1(a)	Agriculture
2	Residential, Single-Family Detached
23(d)	Utilities
24(a),(b),(c)	Community Services
25	Open Space

**R-2(M)**

Use Group No.	Group Name
1(a)	Agriculture
2	Residential, Single-Family
5	Residential, Manufactured Housing in conformance with Section 10.4
23(d)	Utilities
24(a),(b),(c)	Community Services
25	Open Space

**7.3.3 Conditional Uses**

The following uses may be permitted in R-2 and R-2(M) zoning districts provided they conform to the performance standards or conditions listed for each in Section 10.4.

Use Group No.	Group Name
1(a)	Agriculture
2	Residential, Single-Family Detached
6(c),(d)	Social and Cultural
23(c)	Utilities
Accessory Uses:	Accessory Structures Home Occupations

**7.3.4 Density Regulations**

Development density shall not exceed one principal dwelling unit on each legally platted lot or parcel of record.

**7.3.5 Minimum Lot and Building Requirements**

- (a) All lots zoned R-2 or R-2(M) shall be a minimum of 7,500 square feet, provided that all residential lots must be of sufficient size to meet the minimum requirements of the SC Department of Health and Environmental Control regarding the provision of water and sewer (septic) service.
- (b) All lots must be a minimum of 50 feet in width.
- (c) The following minimum yards must be provided:

Front yard	25 feet
Side yard	7.5 feet, provided that a dwelling unit may be set on a side lot line if a 10 foot easement for maintenance is acquired from the adjoining lot. This easement cannot be used as part of the required side yard setback for the adjoining lot if the result is to reduce the distance between structures to less than 10 feet.
Rear yard	25 feet

**7.3.6 Height Limitations**

No structure shall be more than two (2) stories in height, unless the entity providing fire protection service certifies either:

- (a) that it can provide adequate fire protection service to a taller structure at the site in question; or

(b) that the proposed structure incorporates fire protection systems, such as sprinklers, that will provide adequate fire protection to a taller structure at the site in question.

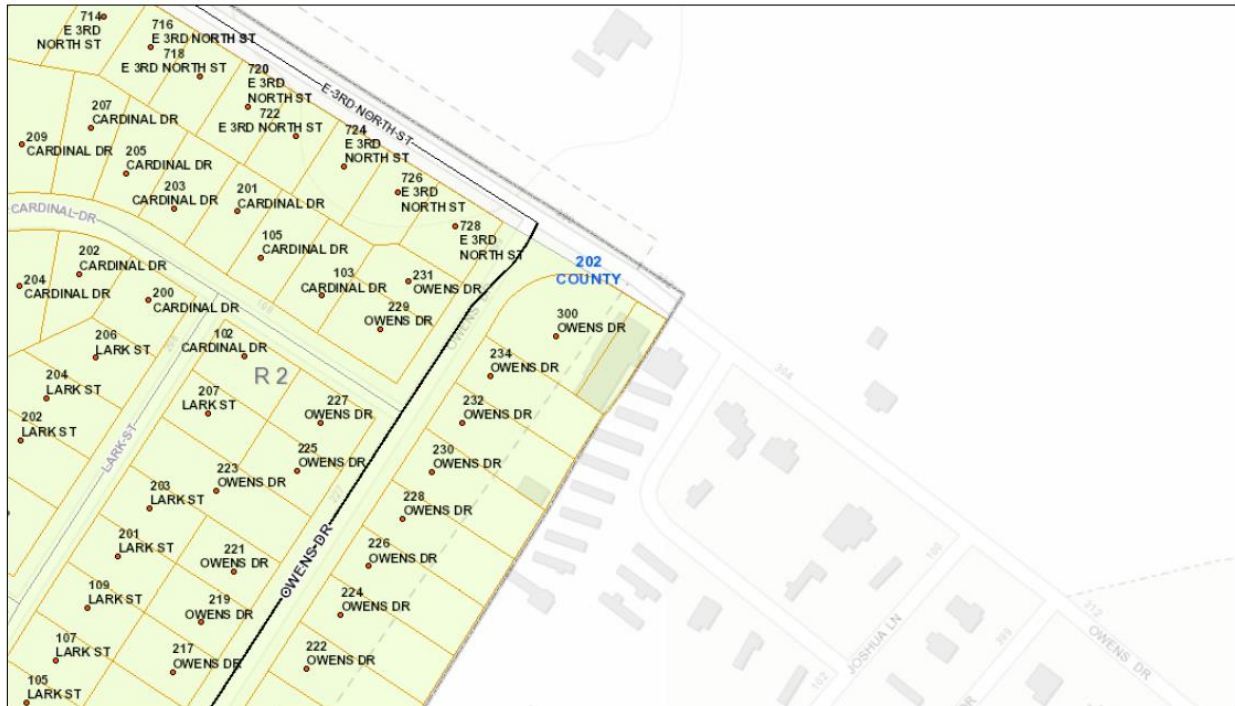
The certification will state the maximum height to which adequate fire protection is available, and the structure may be built up to this height; provided that the entity providing fire protection service shall not certify any extension in allowable height that will adversely affect the entity's or the County's ISO fire rating.

**7.3.7 Maximum Impervious Surface**

No more than 40% of the gross acreage of any lot shall be covered by impervious surfaces; with the exception of single family dwelling maximum impervious surfaces is 50 percent, provided that this requirement may be superseded by specific development guidelines adopted by Dorchester County.

**7.3.8 All utilities in this zone district shall be in compliance with Section 17.1.3.**

**DORCHESTER COUNTY ZONING MAP**



## HIGHEST AND BEST USE

The four economic principles of supply and demand, substitution, balance and conformity are the basic tools of analyzing the relationship between economic trends and market value. An understanding of market behavior developed through market analysis is essential to determine highest and best use. Market forces create market value. When the purpose of an appraisal is to estimate market value, a highest and best use analysis is essential.

Highest and best use is defined as:

*"The reasonably probable use of property that results in the highest value."*<sup>8</sup>

An analysis to the highest and best use of the land should be made first and may be influenced by many factors, several of which are as follows:

1. Legally Permissible uses "conform to the land's current zoning classification and local building codes along with any other relevant regulatory or contractual restrictions on land use."
2. Physically Possible land uses "are not unworkable due to some limiting physical characteristic of the land such as inadequate site size, odd shape, irregular topography, or poor soil quality."
3. Financially Feasible uses "must be able to produce a positive return to the land after considering risk and all costs to create and maintain the use."
4. The Maximally Productive use "is the use that produces the highest residual land value, all else being equal."

The highest and best use must meet these criteria, or be *reasonably probable to render it so*.

The highest and best use of a site "as vacant" could differ from the highest and best use of the property as improved. This occurs when a site has existing improvements and the highest and best use of the land differs from the current use. Nevertheless, the current use may continue until the value of the land, under its highest and best use, less the demolition costs to remove the existing improvements, exceeds the total value of the property in its present use.

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<sup>8</sup> The Appraisal of Real Estate, 14<sup>th</sup> Ed. (Chicago, Illinois: Appraisal Institute, 2013), pages 332-345

## **HIGHEST AND BEST USE AS VACANT**

### ***Legally Permissible***

The site is zoned R-2, Single-Family Residential by Dorchester County. This zoning allows single-family residential use, agriculture, community use, and utilities. It does not allow commercial use, so the subject improvements represent a legal, nonconforming use. Zoning allows one residence on each legally plotted parcel. Lots must be 50 feet in width (which the subject is). The front setback is 25 feet, side yards are 7.5 feet and the rear yard is 25 feet. The height limit is two stories and no more than 40 to 50% of the area can be covered with impervious surfaces. The subject does not meet these requirements, so it is legal, nonconforming in this regard as well.

### ***Physically Possible***

The site has approximately 50 feet of frontage on E Owens Drive. It could support one single-family residence, up to two stories in height.

### ***Financially Feasible***

There has been continued residential development in this area over the past several years. Therefore, I can infer that residential development is financially feasible.

### ***Maximally Productive***

Based on my analysis of the legally permissible, physically possible, and financially feasible uses of the subject site, it is my conclusion that the maximally productive highest and best use of the subject site, as vacant, would be for development with a single-family residence.

The most likely developer is an end-user. The timing for development is now.

## **HIGHEST AND BEST USE AS IMPROVED**

The subject is developed with a 5,224 square foot, five-bay flex building / service garage, which is legal, nonconforming in almost every respect. According to Dorchester County, if a legal, nonconforming use were to cease for more than 6 months, the use would revert to that allowed under the current zoning.

I spoke with Kiera Reinertsen, Director of Planning & Zoning with the Dorchester County Planning Office. She informed me that if the subject had not been used for commercial purposes within the past two years, such a use would no longer be grandfathered. It is unclear when the subject was last used for commercial purposes. If it has been longer than two years, the subject may need to be rezoned before it can be used for such. Still, I have been asked to appraise the subject under the extraordinary assumption that it could be used for commercial purposes. Should this be proven incorrect, my appraised value will need to be adjusted.

## THE APPRAISAL PROCESS

In order to arrive at an estimate of market value, it is necessary to collect and analyze data from the market, which would indicate the market value of the subject property. The subject property must be compared to similar properties which can be constructed, purchased, or from which a similar monetary return may be received.

Each of the three approaches to value requires data collection from the market and each is governed equally by the principle of substitution. This principle holds that:

*“When several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This principal assumes rational, prudent market behavior with no undue cost due to delay. According to the principal of substitution, a buyer will not pay more for one property than for another that is equally desirable.”<sup>6</sup>*

The Sales Comparison Approach is defined as:

*“The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.”<sup>7</sup>*

In the Income Capitalization Approach:

*“An appraiser analyzes the property’s capacity to generate future benefits and capitalizes the income into an indication of present value. The principal of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales dates and to measure obsolescence in the Cost Approach.”<sup>8</sup>*

Like the Sales Comparison and Income Capitalization Approaches, the Cost Approach to value is based on comparison.

*“In the cost approach, a property is valued based on a comparison with the cost to build a new or substitute property. The cost estimate is adjusted for the depreciation evident in the existing property.”<sup>9</sup>*

Because of the age of the subject improvements, only the sales comparison and income capitalization approaches to value have been utilized in this appraisal.

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<sup>6</sup> “Foundations of Appraisal”, *The Appraisal of Real Estate*, (Chicago: Appraisal Institute, 2013, 14<sup>th</sup> Edition), page 30.

<sup>7</sup> “The Sales Comparison Approach”, *The Appraisal of Real Estate*, (Chicago: Appraisal Institute, 2013, 14<sup>th</sup> Edition), page 377.

<sup>8</sup> “The Income Capitalization Approach”, *The Appraisal of Real Estate*, (Chicago: Appraisal Institute, 2013, 14<sup>th</sup> Edition), page 440.

<sup>9</sup> “The Cost Approach”, *The Appraisal of Real Estate*, (Chicago: Appraisal Institute, 2013, 14<sup>th</sup> Edition), page 562.

## SALES COMPARISON APPROACH

The sales comparison approach is the process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sale price of the property being appraised. I have selected sales and listings of somewhat similar properties in the Charleston market. These sales should be similar in character and as near to the subject property as possible to make comparisons credible. An inspection of each property is also necessary for accurate comparisons to the subject.

The first step in the sales comparison analysis is to determine the unit of comparison needed to properly analyze the comparable sales. The unit of comparison depends upon the appraisal problem. Most properties can be analyzed with several units of comparison. The most commonly utilized units of comparison are price per square foot, price per room, and price per unit. The best unit of comparison for the subject property is price per *square foot of gross building area*.

Elements of comparison to be considered include property rights conveyed, financing, terms, conditions of sale, date of sale, location, and physical characteristics. Participants in the market consider these, and other, factors when purchasing improved properties.

In comparing the subject property to other improved commercial properties that have sold, are selling, or are available for sale in the market, knowledgeable buyers and sellers would rate the sales either superior or inferior to the subject. They would then determine where the subject falls in comparison with other properties in the market. This would typically be the determining factor for negotiated sales price.

In order to reflect how the market determines sales price for an improved property, we have rated the elements of comparison for each comparable sale on a scale of -5 to +5. This is done after the contribution of the land is removed and any necessary adjustments for market conditions (time) and size adjustments. The scale used for comparison follows.

<b>Rating</b>	<b>Comparison to Subject</b>
<b>-5</b>	Very Inferior
<b>-4</b>	
<b>-3</b>	Inferior
<b>-2</b>	
<b>-1</b>	Slightly Inferior
<b>0</b>	Similar
<b>+1</b>	Slightly Superior
<b>+2</b>	
<b>+3</b>	Superior
<b>+4</b>	
<b>+5</b>	Very Superior

The elements of comparison are weighted based on importance to the typical purchaser in this market. The weighted ratings for each element of comparison are then averaged to arrive at a relative comparison rating for each sale to the subject. ***The sales with relative ratings closest to zero are deemed most comparable to the subject. Sales with a relative rating less than zero are inferior to the subject, and those greater than zero are superior.***

This mirrors activity in a properly functioning market, where inferior properties sell for less, and superior properties sell for more. A table showing where the subject falls, in comparison to the comparable sales is included, along with a description of each sale.

The elements of comparison considered in this report are:

### **Market Conditions (Time)**

As market conditions change, so do property values. When an adjustment for changing market conditions can be supported by market data, it is prudent to include one. However, in this case, I was unable to support an adjustment for market conditions for the improvements.

### **Location**

Location is the single most important factor to investors and end-users of commercial property. When comparing one property to others that have sold or are available for sale, a purchaser would give strong consideration to variations in location. Therefore, I have given greatest weight to the location of the comparables in comparison with the subject. Factors affecting how the market perceives the location of a site can include proximity to:

- Existing or proposed residential neighborhoods
- Existing or proposed commercial development
- Road and interstate systems
- Suppliers or processors of production needs
- Recreational and cultural facilities
- Other facilities specific to a user's needs
- Proximity to or location within a flood zone

The primary influence for religious and religious facilities are exposure is proximity to centers of population.

### **Quality**

When an end-user is purchasing a commercial property, the quality of the improvements is of strong concern. Quality includes the exterior of a building and the interior upfit. Even if a property is to be leased, the quality of improvements has an impact on rental rates and the perception of the property in the market. While a property can be renovated to improve overall quality, it is ideal to purchase a property that requires no renovation and is already at an acceptable level of quality for the market. Because the quality of improvements is the most difficult to alter, it is the primary consideration of both investors and end-users.



**Condition**

When purchasing a commercial property, the condition of the improvements is also of strong concern to an investor or end-user. The condition of improvements has an impact on rental rates and the perception of the property in the market. Condition is related to the age of the improvements. Typically, as a property ages, the condition worsens. However, older properties can be well cared for and newer properties abused, so this is not always a direct correlation. Often, when a property becomes worn, renovations are completed to reduce the effective age. Because of this, condition, is a secondary concern to an investor or end-user.

**Land to Building Ratio/Parking**

Land to building ratio is often a good indication of how well an improvement functions on a site. A small land to building ratio will restrict access to the building and does not allow for future expansion. Therefore, buildings with a higher ratio are considered superior in this regard. This is considered a secondary concern to users of religious facilities.

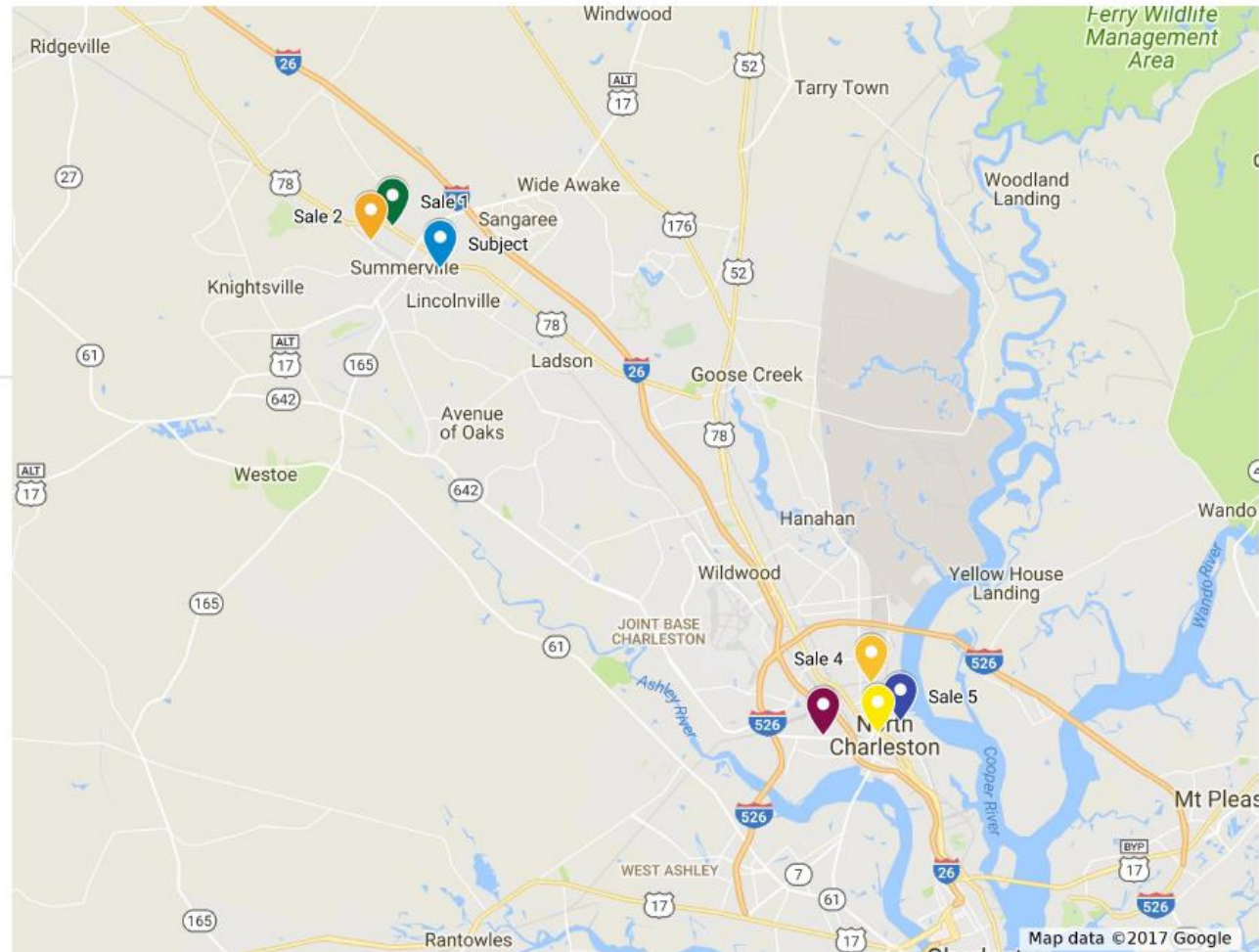
The subject's land to building ratio is 1.46 : 1.

I located several sales of similar quality flex and office/warehouse facilities. A map showing the approximate locations of the comparable sales is included on the following page, followed by a sales sheet for each comparable.

# Comparable Sales Map

## Comparable Sales

- 1802 Dayton St
- 2118 Cosgrove Ave
- 302 Owens Drive
- 4112 Dorchester Rd
- 4251 Spruill Ave
- 715 W 5th North St
- 821 W Richardson Ave

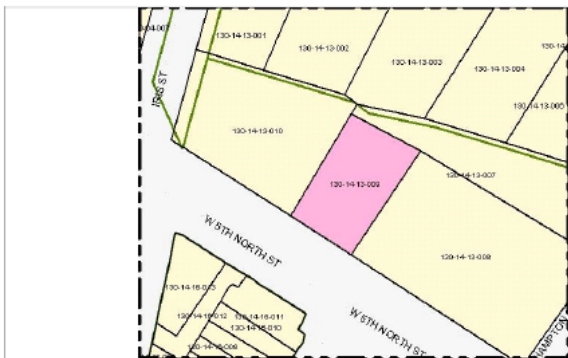


## IMPROVED SALE 1

<b>Address:</b>	715 W 5th North Street	Summerville, SC	29483
<b>Sales Price:</b>	\$140,000		
<b>Date of Sale:</b>	January 20, 2017	<b>DOM:</b>	579
<b>Grantor:</b>	Mullen Bay LLC		
<b>Grantee:</b>	Limehouse, Thomas A		
<b>Site Size:</b>	0.215 Acres	9,365 Square Feet	<b>Site Value:</b> \$75,000
<b>Improvements:</b>	2,160 Square Feet	<b>Year Built:</b>	1992
<b>Deed:</b>	10631/90		
<b>Zoning:</b>	B-3, General Business		
<b>Utilities:</b>	All available		
<b>Tax ID:</b>	130-14-13-009		
<b>Verification:</b>	Robert Pratt	<b>Contact:</b>	(843) 576-2705
<b>Price/Unit:</b>	\$64.81 /square foot	<b>Improvements:</b>	\$30.09 /square foot
<b>NOI:</b>		<b>Cap Rate:</b>	

This is a 0.215-acre site on W 5th North Street. It is improved with a concrete block building on slab with a 1,114 square foot office (51.6%) and a 1,013 square foot (48%) warehouse space. The improvements were in average condition at the time of sale.

Subtracting an estimated site price of \$75,000, a price of \$30.09 per square foot is indicated for the improvements only. Previously sold 02/26/2007 for \$209,000.

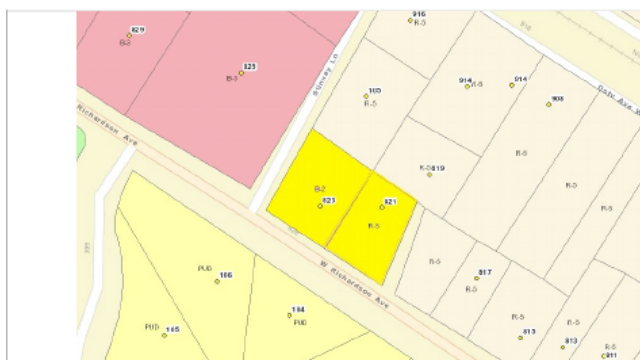


## IMPROVED SALE 2

<b>Address:</b>	821 & 823 W Richardson Ave	Summerville, SC	29483
<b>Sales Price:</b>	\$165,000		
<b>Date of Sale:</b>	December 12, 2016	<b>DOM:</b>	260
<b>Grantor:</b>	Gary W. Pollard & Catherine L. Pollard		
<b>Grantee:</b>	Robert B. Martin & Noreen Gray-Martin		
<b>Site Size:</b>	0.462 Acres	20,125 Square Feet	<b>Site Value:</b> \$100,000
<b>Improvements:</b>	3,885 Square Feet	<b>Year Built:</b>	c. 1976
<b>Deed:</b>	10572/060		
<b>Zoning:</b>	B-2, General Business & R-5, Residential		
<b>Utilities:</b>	All available		
<b>Tax ID:</b>	137-02-10-008 & 137-02-10-009		
<b>Verification:</b>	Tyeshia Folk	<b>Contact:</b>	(843) 412-2209
<b>Price/Unit:</b>	\$42.47 /square foot	<b>Improvements:</b>	\$16.73 /square foot
<b>NOI:</b>		<b>Cap Rate:</b>	

This is the sale of two sites grandfathered for use as a car lot. They are improved with a 1,352 square foot metal shop building and a 2,533 square foot concrete block office. All were in average condition, according to the list agent.

Subtracting an estimated site price of \$100,000, a price of \$16.73 per square foot is indicated for the improvements only.



## IMPROVED SALE 3

<b>Address:</b>	4112 Dorchester Road	North Charleston	, SC	29405
<b>Sales Price:</b>	\$305,000			
<b>Date of Sale:</b>	March 01, 2016	<b>DOM:</b>		
<b>Grantor:</b>	Sikes, John Linwood			
<b>Grantee:</b>	1012 East Montague LLC			
<b>Site Size:</b>	0.32	Acres	13,939	Square Feet
<b>Site Value:</b>	\$200,000			
<b>Improvements:</b>	6,064	Square Feet	<b>Year Built:</b>	
<b>Deed:</b>	0538/308			
<b>Zoning:</b>	B-2, General Business			
<b>Utilities:</b>	All available			
<b>Tax ID:</b>	411-11-00-180			
<b>Verification:</b>	Todd Garrett	<b>Contact:</b>	(843) 408-8846	
<b>Price/Unit:</b>	\$50.30	/square foot	<b>Improvements:</b>	\$17.32 /square foot
<b>NOI:</b>		<b>Cap Rate:</b>		

This is the sale of a flex showroom/warehouse. It was purchased, renovated, and then leased beginning April 2016 to Cline Hose & Hydraulics until May 31, 2019 with one, 3-year option and 2.0% increases. The building has an 18-foot eave height and an asphalt-shingled roof, which has about 5 years remaining. It was purchased with \$119,000 in equity and a projected equity yield rate of 21.63%.

It sold after being renovated and leased for \$515,000 in February 2017.

Subtracting an estimated site price of \$200,000, a price of \$17.32/sf is indicated for the improvements only, prior to the renovation.



## IMPROVED SALE 4

<b>Address:</b>	4251 Spruill Ave	North Charleston, SC	29405
<b>Sales Price:</b>	\$429,000		
<b>Date of Sale:</b>	October 02, 2015	<b>DOM:</b>	182
<b>Grantor:</b>	4251 Spruill, LLC		
<b>Grantee:</b>	Benmade, LLC		
<b>Site Size:</b>	0.692 Acres	30,144 Square Feet	<b>Site Value:</b> \$180,000
<b>Improvements:</b>	7,714 Square Feet	<b>Year Built:</b>	1975
<b>Deed:</b>	0509/014		
<b>Zoning:</b>	B-2, General Business		
<b>Utilities:</b>	All available		
<b>Tax ID:</b>	470-15-00-061 & 470-15-00-062		
<b>Verification:</b>	Grantee	<b>Contact:</b>	
<b>Price/Unit:</b>	\$55.61 /square foot	<b>Improvements:</b>	\$32.28 /square foot
<b>NOI:</b>		<b>Cap Rate:</b>	

This is a concrete block office/warehouse built c. 1975 and in fair to average condition. There was one tenant in place, but this was a month-to-month lease. The purchaser planned to spend approximately \$63,000 on renovations.

Estimating a site price of \$180,000, a price of \$249,000 or \$32.28 per square foot is indicated for the improvements only.



## IMPROVED SALE 5

<b>Address:</b>	1802 Dayton St	North Charleston, SC	29405
<b>Sales Price:</b>	\$365,000		
<b>Date of Sale:</b>	July 10, 2015	<b>DOM:</b>	49
<b>Grantor:</b>	Wel Marine Holdings, LLC		
<b>Grantee:</b>	Burky Exchange Accommodation Titleholder, LLC		
<b>Site Size:</b>	0.42 Acres	18,295 Square Feet	<b>Site Value:</b> \$70,000
<b>Improvements:</b>	9,545 Square Feet	<b>Year Built:</b>	1970
<b>Deed:</b>	0489/683		
<b>Zoning:</b>	B-2, General Business		
<b>Utilities:</b>	All available		
<b>Tax ID:</b>	469-12-00-041		
<b>Verification:</b>	Public Records	<b>Contact:</b>	
<b>Price/Unit:</b>	\$38.24 /square foot	<b>Improvements:</b>	\$30.91 /square foot
<b>NOI:</b>	\$29,200	<b>Cap Rate:</b>	8.00%

This is the sale of a concrete block warehouse in fair to average condition on a 0.42-acre site. It includes approximately 3,045 square feet (31.9%) office and a portion of the warehouse is heated and cooled. Calls to the list agent were not returned. At the time of sale, the warehouse was leased to Dean Watersports with two years remaining on the term. According to the listing, if the entire building were leased, the indicated overall rate would be approximately 8.0%.

It previously sold in March 2012 for \$138,900, but was a bank-owned sale at the time.

Estimating site price at \$70,000, a price of \$295,000 or \$30.91/SF is indicated for the improvements only.



## IMPROVED SALE 6

<b>Address:</b>	2118 Cosgrove Ave	North Charleston, SC	29405
<b>Sales Price:</b>	\$450,000		
<b>Date of Sale:</b>	April 14, 2014	<b>DOM:</b>	77
<b>Grantor:</b>	Collins, Larry J.		
<b>Grantee:</b>	Cosgrove Properties, LLC		
<b>Site Size:</b>	0.35 Acres	15,246 Square Feet	<b>Site Value:</b> \$120,000
<b>Improvements:</b>	9,966 Square Feet	<b>Year Built:</b>	1990
<b>Deed:</b>	0409/840		
<b>Zoning:</b>	B-1, Limited Business		
<b>Utilities:</b>	All available		
<b>Tax ID:</b>	469-11-00-105		
<b>Verification:</b>	Stan Huff	<b>Contact:</b>	(843) 725-5019
<b>Price/Unit:</b>	\$45.15 /square foot	<b>Improvements:</b>	\$33.11 /square foot
<b>NOI:</b>		<b>Cap Rate:</b>	

This is a retail/showroom/warehouse. It includes approximately 3,534 square feet (35.5%) office/showroom space. According to the buyer's agent, it was in average condition, but had low interior ceilings. His client owns a coin-operated game business.

He felt this was somewhat of a distressed sale, because the owner was sick and needed to sell quickly.

Estimating site price at \$120,000, a price of \$330,000 or \$33.11/SF is indicated for the improvements only.





**April 27, 2017 Sales Comparison Approach**  
**A 5,224 SF Flex Building at 302 Owens Drive, Summerville, SC**

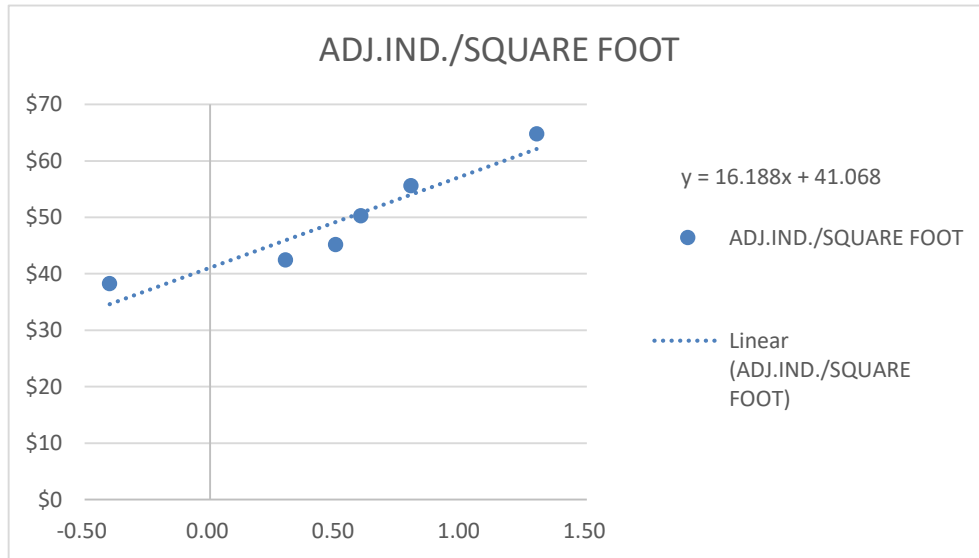
Transaction #	1	2	3	4	5	6	
TRANSACTION TYPE	SALE	SALE	SALE	SALE	SALE	SALE	
ADDRESS	715 W 5th North St	821 W Richardson Ave	4112 Dorchester Rd	4251 Spruill Ave	1802 Dayton St	2118 Cosgrove Ave	
LOCATION	Summerville	Summerville	North Charleston	North Charleston	North Charleston	North Charleston	
GRANTOR	Mullen Bay	Pollard	Sikes	4251 Spruill LLC	Wel Marine	Collins	
GRANTEE	Limehouse	Martin	1012 E Mont.	Benmade	Burky Exch.	Cosgrove Prop.	
DATE	20-Jan-17	12-Dec-16	01-Mar-16	02-Oct-15	10-Jul-15	14-Apr-14	
CONSIDERATION	\$ 140,000	\$ 165,000	\$ 305,000	\$ 429,000	\$ 365,000	\$ 450,000	
SITE SIZE - ACRE	0.215	0.462	0.320	0.692	0.420	0.350	
LAND:BUILDING	4.34 : 1	5.18 : 1	2.3 : 1	3.91 : 1	1.92 : 1	1.53 : 1	
SIZE-SQUARE FOOT	2,160	3,885	6,064	7,714	9,545	9,966	
\$ PER SQUARE FOOT	\$ 64.81	\$ 42.47	\$ 50.30	\$ 55.61	\$ 38.24	\$ 45.15	
TIME ADJUSTMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
\$/SF-W/TIME	\$ 64.81	\$ 42.47	\$ 50.30	\$ 55.61	\$ 38.24	\$ 45.15	
SIZE ADJUSTMENT	0%	0%	0%	0%	0%	0%	
<b>ADJ.IND./SQUARE FOOT</b>	<b>\$ 64.81</b>	<b>\$ 42.47</b>	<b>\$ 50.30</b>	<b>\$ 55.61</b>	<b>\$ 38.24</b>	<b>\$ 45.15</b>	
<b>COMPARISON</b>	<b>WEIGHT</b>						
LOCATION	50%	2	0	1	1	-1	1
QUALITY	20%	0	0	0	0	0	0
CONDITION	20%	0	0	0	0	0	0
LAND:BUILDING	10%	3	3	1	3	1	0
<b>WEIGHTED RATING (+/- 0)</b>		<b>1.30</b>	<b>0.30</b>	<b>0.60</b>	<b>0.80</b>	<b>(0.40)</b>	<b>0.50</b>

<b>Sale</b>	<b>Rating</b>	<b>\$/sf</b>	<b>Description</b>
5	-0.40	\$38.24	This is a 9,545 square foot flex property at 1802 Drayton Street in North Charleston. It sold in July 2015 for \$38.24 per square foot. When compared with the subject, its location is slightly inferior, but its land : building is slightly superior.
<b>Sub.</b>	<b>0.00</b>		<b>Best Fit for Subject</b>
2	0.30	\$42.47	This is a 3,885 square foot flex property at 821 W Richardson Avenue in Summerville. It sold in December 2016 for \$42.47 per square foot. When compared with the subject, its land : building is superior.
6	0.50	\$45.15	This is a 9,966 square foot retail/flex property at 2118 Cosgrove Avenue in North Charleston. It sold in April 2014 for \$45.15 per square foot. When compared with the subject, its location is slightly superior.
3	0.60	\$50.30	This is a 6,064 square foot retail/flex property at 4112 Dorchester Road in North Charleston. It sold in March 2016 for \$50.30 per square foot. When compared with the subject, its location and land : building are slightly superior.
4	0.80	\$55.61	This is a 7,714 square foot flex property at 4251 Spruill Avenue in North Charleston. It sold in October 2015 for \$55.61 per square foot. When compared with the subject, its location is slightly superior, and its land : building is superior.
1	1.30	\$64.81	This is a 2,160 square foot flex property at 715 W 5 <sup>th</sup> North Street in Summerville. It sold in January 2017 for \$64.81 per square foot. When compared with the subject, its location and land : building are superior.

**SALES COMPARISON APPROACH CONCLUSION**

After adjustments and ranking, the sales indicated adjusted prices of \$38.24, \$42.47, \$45.15, \$50.30, \$55.61, and \$64.81 per square foot. As shown, the subject’s market value should be toward the lower end of the range suggested by the comparable sales, or about \$40.00 per square foot.

As additional support, I have used linear regression to assist in estimating the appropriate price per square foot for the subject improvements. Once adjusted for all other factors and ranked, the sales are plotted on a grid, which follows.



Using the resulting formula ( $y = bX + a$ ), where “x” is the subject’s ranking (0.00), “b” is the slope of the line, and “a” is the Y intercept, the appropriate market value can be calculated as follows:

$$16.19 * 0.00 + 41.07 = 41.07$$

Using linear regression, a value of \$41.07 per square foot is indicated, which supports my conclusion of \$40.00 per square foot.

**5,224 SF x \$40.00/SF ..... \$208,960**  
**Rounded to ..... \$210,000**

**VALUE BY SALES COMPARISON APPROACH:  
 TWO HUNDRED TEN THOUSAND DOLLARS  
 (\$210,000)**

## INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is generally preferred for income producing properties because it reflects the usual rationale of investors. Income producing real estate is typically purchased as an investment and from the investor's viewpoint; earning power is the critical factor affecting property value. An investor who purchases income producing property is trading present dollars with the expectation of receiving dollars in the future. The two usual methods employed are Direct Capitalization and Yield Capitalization. Direct Capitalization is a method which converts a single year's income estimate into a value indication. There is no separation or allocation of return on and return of capital in the Direct Capitalization method.

The second method is known as Yield Capitalization. Yield Capitalization is a method used to convert future benefits into present value. Unlike direct capitalization, return **on** and return **of** capital are addressed. There are four steps:

1. Select an appropriate holding period.
2. Forecast future cash flows.
3. Choose an appropriate discount rate.
4. Convert future income and property value into present value by discounting the annual cash flows.

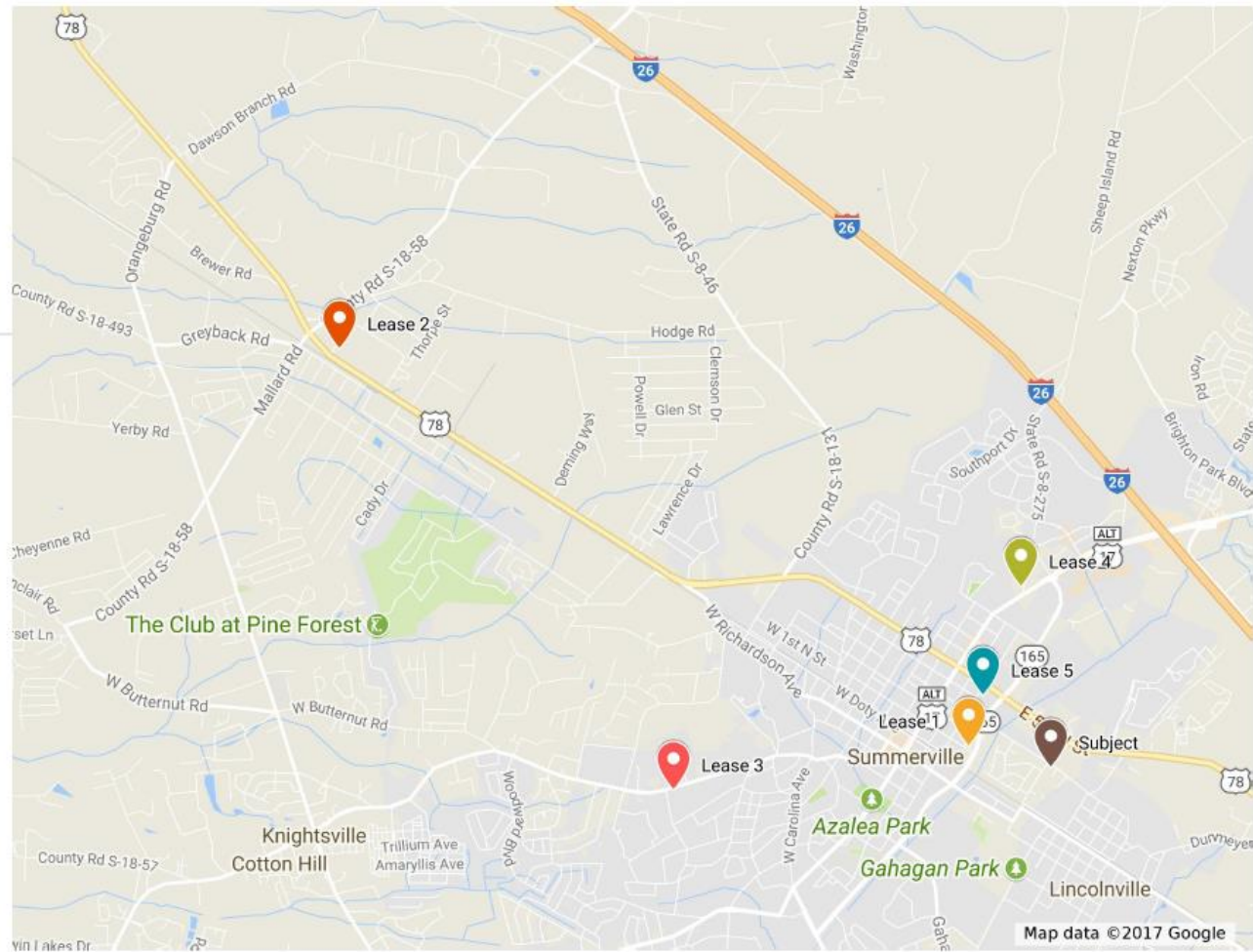
In this approach, market value is estimated through the projection of the subject's potential gross income stream, deduction of usual expenses during the ownership (holding) period, and application of an appropriate capitalization rate to the resulting net operating income. The capitalization rate represents both a return on and of the investment, recognizing the uncertainties or risk associated with this kind of venture.






The first step in the Income Capitalization Approach is to analyze any leases on the subject property and to compare them to competing rents to determine if the lease reflects market rent. Because the subject is owner occupied and not subject to any leases, I have appraised the fee simple estate using market rents and direct capitalization.

# Lease Comparables Map

## Lease Comparables

- 📍 104 Berkley Circle
- 📍 2745 W 5th North Street
- 📍 302 Owens Drive
- 📍 401 E 1st North St
- 📍 505 N Gum Street
- 📍 833 Central Ave



Rental	\$/sf		Description
1	\$6.90		This is a 4,350 sf flex space at 401 E 1 <sup>st</sup> North Street in Summerville. It leased in August 2016 for around \$6.90 per square foot, modified gross. This building has recessed loading dock, but tenants will often pay more for free standing space. This space has some yard area. The subject should rent for around \$6.90/sf, modified gross.
<b>Sub.</b>			<b>Best Fit for Subject</b>
2	\$7.40		This is a 1,200 sf flex space at 2745 W 5 <sup>th</sup> North Street in Summerville. It leased in May 2017 for around \$7.40 per square foot, modified gross. This building is smaller than the subject, but tenants will often pay more for free standing space. This space had no yard area. The subject should rent for around \$7.40/sf, modified gross.
3	\$8.40		This is a 4,000 sf flex space at 833 Central Avenue in Summerville. It leased in February 2017 for around \$8.40 per square foot, modified gross. This building is inferior to the subject, but has some fenced yard area. The subject should rent for around \$8.40/sf, modified gross.
4	\$11.18		This is a 1,717 square foot flex space at 104 Berkeley Circle in Summerville. It leased in April 2017 for around \$11.18 per square foot, modified gross. Its location is superior, but it is not a free-standing space. Still, the subject should lease for less than \$11.18 per square foot, modified gross.
5	\$11.25		This is a 4,800 square foot flex building at 505 N Gum Street in Summerville. It is located on a 1.63-acre site. It leased in November 2016 for around \$11.25 per square foot. It is superior in quality to the subject and has a larger yard area. Therefore, the subject should lease for less than \$11.25 per square foot, modified gross.

### RENTAL RATE CONCLUSION

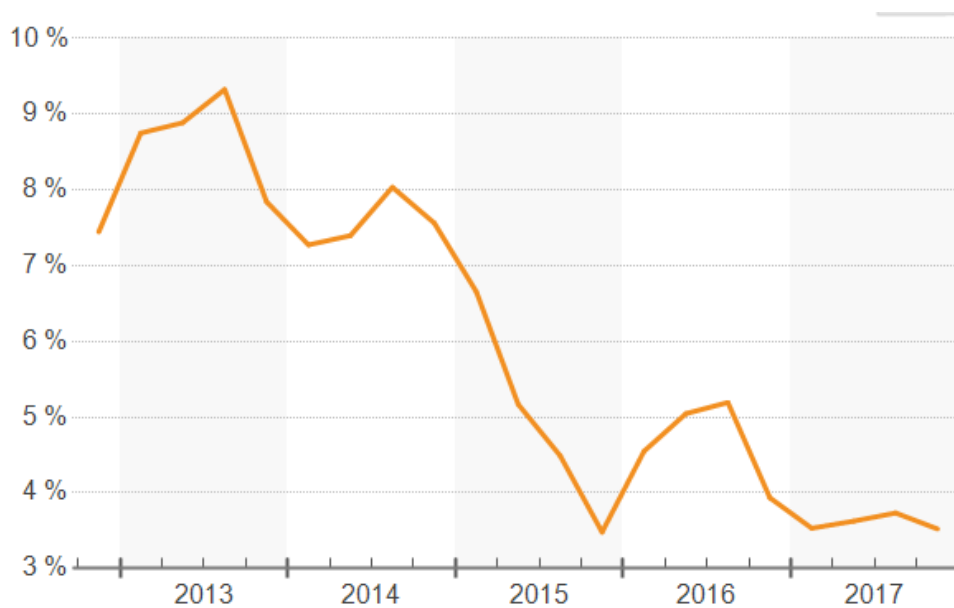
There are relatively few comparable properties available for lease in the subject's immediate area. They vary significantly in quality and rates. The above rent comparables indicated rates from \$6.90 to \$11.25 per square foot, modified gross, with the landlord paying all expenses except utilities, standard maintenance, and janitorial.

Considering the quality, legal nonconforming nature, and location of the subject, it should command a market rental rate toward the lower end of this range: about \$7.00 per square foot, modified gross.

### **VACANCY AND CREDIT LOSS**

As noted, the average vacancy rate in the Summerville retail market was 2.8% in the 2<sup>nd</sup> quarter of 2017 and 4.6% in the industrial market, according to surveys by Avison Young. However, these surveys do not include smaller properties, like the subject.

A CoStar analytic for this Rivers Avenue corridor indicates a vacancy rate of between 3.5 and 5.0% is appropriate for flex properties in this market.



Considering the location, quality, and condition of the subject, a vacancy and collection loss rate of 5.0% is appropriate for the subject.

### **Expenses**

The landlord would be responsible for taxes, insurance, maintenance, and management.

#### **Real Estate Taxes**

Real estate taxes for the subject totaled \$448.15 in 2016, based on a taxable value of \$95,335. If the subject were to sell for the value indicated by the income capitalization approach, a 25% reduction would result in a taxable value of \$187,500. The estimated tax would then be \$3,836.83.

#### **Insurance**

I was not provided with an annual insurance premium for the subject. I have estimated an annual premium of \$2,000.

**Management**

The landlord would be responsible for paying management. Because the subject would be leased to several tenants, it is appropriate to deduct for a management expense. Therefore, I have deducted a 4.0% expense for management. This is the amount that would be necessary to attract competent management to the subject.

**Reserves & Repairs**

The subject is average quality in average condition overall. A prudent landlord would set aside funds for future repairs and reserves. However, I find in speaking with local agents and property owner that reserves are typically not set aside for smaller properties like the subject and, when they are, they are typically only \$0.20 to \$0.50 per square foot. Considering the age and condition of the subject, I have utilized \$0.50 per square foot per year for reserves.

**DISCUSSION OF CAPITALIZATION RATE**

I extracted an overall rate from only one of the improved sales included in this report. Sale 5 indicated an overall rate of 8.00%. However, given the subject’s nonconforming nature and the limited number of uses it could allow, the subject would command a higher overall rate than 8.00%.

<b>Improved Sale #</b>	<b>R<sub>o</sub></b>
5	8.00%

As additional support, I have utilized the Band of Investment technique to estimate a reasonable capitalization rate for the subject property. The Band of Investments method utilizes a rate on borrowed capital and a return on equity. A 20-year term at a 70% LTV and a 5.0% interest rate are estimated. I have estimated that a 15.0% return on equity would be necessary to attract capital to this type of investment.

$$\begin{array}{rclcl}
 \textit{Mortgage} & 0.70 & \times & 0.079195 & = & 0.055437 \\
 \textit{Equity} & 0.30 & \times & 0.150000 & = & 0.045000 \\
 & & & & & \hline
 & & & & & 0.100437
 \end{array}$$

Considering the nonconforming nature, quality, condition, and location of the subject, a rate of 10.0% is reasonable.

A reconstructed operating statement follows.



<b>RECONSTRUCTED OPERATING STATEMENT</b>					
302 Owens Drive, Summerville, SC					
Units	Size (SF)	X	\$/SF/Yr	=	PGI/Unit/Yr
-	5,224	X	\$7.00	=	\$36,568.00
Reimbursements		X	\$0.00	=	\$0.00
<b>Total</b>	<b>5,224</b>				<b>\$36,568.00</b>

VACANCY AND COLLECTION LOSS 5.0% (\$1,828.40)  
**EFFECTIVE GROSS INCOME (EGI) \$34,739.60**

**EXPENSES**

<b>CAM</b>	Taxes	\$3,836.83	11.04%	
	Insurance	\$2,000.00	5.76%	
	Management	\$1,389.58	4.00%	
	Maint. & Reserves	\$2,612.00	7.52%	
	<b>TOTAL</b>	<b>\$9,838.41</b>	<b>28.32%</b>	<b>(\$9,838.41)</b>

**NET OPERATING INCOME (NOI) \$24,901.19**

VALUE = NOI / CAPITALIZATION RATE

VALUE = \$24,901.19 / 0.1000

VALUE = \$249,011.86

**ROUNDED TO \$250,000**

**VALUE BY INCOME CAPITALIZATION APPROACH:  
 TWO HUNDRED FIFTY THOUSAND DOLLARS  
 (\$250,000)**

## RECONCILIATION

<b>COST APPROACH</b>	<b>Not developed</b>
<b>SALES COMPARISON APPROACH</b>	<b>\$210,000</b>
<b>INCOME CAPITALIZATION APPROACH</b>	<b>\$250,000</b>

Information was available to develop both the sales comparison and income capitalization approaches to value. They indicate a range of values from \$210,000 to \$250,000. These approaches are discussed below.

The cost approach was not developed in this report. The cost approach is a good indicator of value when the property is new or proposed and developed to its highest and best use. The current use is felt to be one of the highest and best uses for the subject property; however, due to the age and condition of the improvements, the cost approach was not developed. Because of the age of the subject building, the market would give little consideration to the cost approach, so its omission has not resulted in a misleading indication of market value.

Information was available to analyze the subject property utilizing the sales comparison approach. With several improved sales of similar quality buildings with similar land to building ratios, the sales comparison approach provides a reasonable range of prices per square foot. The sales comparison approach reflects the actions of typical market participants and has received consideration. The subject is owner occupied and would appeal to an owner occupant; therefore, I have given greatest consideration to the sales comparison approach.

Information was available to analyze the subject property utilizing the income capitalization approach. Several leased properties were surveyed to estimate the market rent for the subject property. Along with an estimate of market rent, an estimate of expenses was made which produced a net operating income. Because the subject would primarily appeal to an owner occupant, I have considered the income capitalization approach secondary to the sales comparison approach.

For the reasons stated, I have given primary consideration to the sales comparison approach and secondary consideration to the income capitalization approach. Consequently, the “as is” market value of the real property located at 302 Owens Drive, Summerville, South Carolina, as of April 27, 2017, was:

**TWO HUNDRED TEN THOUSAND DOLLARS  
(\$210,000)**

## EXPOSURE & MARKETING TIME

According to “The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Ed.” Published by The Appraisal Institute, Exposure Time is defined as follows:

- 1. The time a property remains on the market.*
- 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive and open market.*

According to “The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Ed.” Published by The Appraisal Institute, Exposure Time is defined as follows:

*An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.*

In most cases, the estimate of Exposure Time and Marketing Time will be the same or very similar. The estimate of Exposure/Marketing Time utilizes some of the same data collected and analyzed in the Highest and Best Use, Site valuation and Sales Comparison Approach sections of this report. According to the Appraisal Standards Board, it is not intended to be a prediction of a date of sale or a one-line statement. It is an integral part of the analyses conducted during the appraisal assignment. The opinion may be expressed as a range and can be based on one or more of the following:

1. Statistical information about days on market;
2. Information gathered through sales verification;
3. Interviews of market participants.

There are additional factors that should also be considered in this analysis of Exposure Time. These factors include identification of typical buyers and sellers for the type of property involved and typical equity investment levels and/or financing terms.

There are a variety of factors that must be examined in order to estimate exposure time.

- Supply/demand conditions as of the effective date of the appraisal.
- Current cost information.
- Historical sales information (sold after exposure and after completion of negotiations between the seller and buyer.)
- The analysis of future income expectancy projected from the effective date of the appraisal.

The comparable sales included in this report had the following reported exposure times:

<b>Sale #</b>	<b>Reported Exposure Time (days)</b>
1	579
2	260
3	-
4	182
5	49
6	77

Upon examination of pertinent factors, it is my conclusion that most likely the exposure time for the subject property would be 6 to 12 months. Marketing time would also be 6 to 12 months.

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report has been made with the following general assumptions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries of the property liens of the property described and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, mold, and other potentially hazardous materials or substances may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in the field, if desired.
- The Biggert-Waters Flood Insurance Reform Act, which went into effect October 1, 2013, removed flood-insurance subsidies for more than a million home owners nationwide. A bill was passed that delayed the largest increases for four years. In the interim, premium increases were capped at 18% a year for subsidized properties and 25% for second homes and properties that have flooded repeatedly. Unless otherwise stated, no elevation certificate or a topographical map was provided. The appraiser is not qualified to determine the location or elevation of the subject in relation to the flood plain. If the subject is in a flood plain, it is assumed that it is above base flood elevation, unless stated otherwise.

The appraisal report has been made with the following limiting conditions:

- Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA was made. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Because there no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property was not considered.
- The scope of this appraisal assignment does not include the measurement of any effect of incidents of domestic terror or natural disasters on the real estate market or on the value of the subject property. Therefore, the value opinion and other conclusions expressed in this report are subject to the assumption that any such events have had no effect on the marketability or market value of the subject property. The client and intended users of this appraisal are cautioned that if this assumption is incorrect, the value opinion and other conclusions expressed in this report could be significantly different.

## CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Neither I nor Smith Appraisal Group, LLC have any present or prospective interest in the property that is the subject of this report, nor any personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I made a personal inspection of the subject property.
- No one provided significant professional assistance to the person signing this report, except as described in the letter of transmittal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- As of the date of this report, I have completed the continuing education program for Designated members of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



J. Follin Smith, Jr., MAI, SRA  
South Carolina Certified General Real Estate Appraiser CG 5314

October 11, 2017

Date of Report

## **ADDENDUM**



Smith Appraisal Group, LLC  
720 Magnolia Road, Suite 16  
PO Box 31253 | Charleston, SC 29417  
(843) 225-8733



September 19, 2017

**PARTIES TO AGREEMENT:**

**Client:**

The Estate of Clarence Wayne Collier & The Collier Living Trust  
In care of Angel Pharis  
2404 Kendall Drive  
Charleston, SC 29414

**Email:** [angelapharis@gmail.com](mailto:angelapharis@gmail.com)

**Appraiser:**

J. Follin Smith, Jr., MAI, SRA  
Smith Appraisal Group, LLC  
PO Box 31253 | Charleston, SC 29417  
843-225-8733  
[Follin@sagcharleston.com](mailto:Follin@sagcharleston.com)

Client hereby engages Appraiser to complete an appraisal assignment as follows:

**PROPERTY IDENTIFICATION**

- 1) 1224 S Live Oak Dr, Moncks Corner, SC 29461 (TMS# 161-00-02-131)
- 2) 2423 N Main St, Summerville, SC 29486 (TMS# 222-07-00-016)
- 3) 302 Owens Dr, Summerville, SC 29485 (TMS# 137-08-04-046)

**DISCLOSURE OF PRIOR SERVICES**

I have not appraised the subject property in the prior 36 months.

**INTEREST VALUED**

Fee simple estate (Properties 1 and 3) and leased fee estate (Property 2)

**VALUATION SCENARIOS**

"As is" as of the effective date of report

**INTENDED USERS**

Client

*Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.*

EMAIL [follin@sagcharleston.com](mailto:follin@sagcharleston.com) | WEB [www.sagcharleston.com](http://www.sagcharleston.com)

**PAYMENT TO SMITH APPRAISAL GROUP, LLC**

- 1) \$1,650 (Property 1)
- 2) \$2,500 (Property 2)
- 3) \$2,200 (Property 3)

**Total fee is \$6,350 - This fee is due with a signed copy of this letter and prior to delivery of the completed report(s).**

If the client wishes to pay with a credit card, there will be a 3.0% convenience fee.

**INTENDED USE**

Determine market value for estate settlement purposes

**TYPE OF VALUE**

Market value

**DATE OF VALUE**

Date of inspection or April 27, 2017 (client will instruct)

**HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS**

None anticipated

**APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

**ANTICIPATED SCOPE OF WORK**

**Site visit**

On-site inspection

**Valuation approaches**

Sales comparison (1, 2, & 3) and income capitalization approaches (2 & 3)

*Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.*

**APPRAISAL REPORT**

Narrative appraisal report(s)

**CONTACT FOR PROPERTY ACCESS, IF APPLICABLE**

Client will provide

**DELIVERY DATE**

30 days, or less, from engagement

EMAIL [folin@sagcharleston.com](mailto:folin@sagcharleston.com) | WEB [www.sagcharleston.com](http://www.sagcharleston.com)

**DELIVERY METHOD**

E-mail

**NUMBER OF COPIES**

Electronic copy (pdf) and up to 2 bound hardcopies of each appraisal (if requested).  
Additional hardcopies provided at \$50 each.

**PROPOSED IMPROVEMENTS**

n/a

**PROPERTIES UNDER CONTRACT FOR SALE**

If the property appraised is under contract for sale as the effective date of the report, Client shall provide to Appraiser a copy of said contract including all addenda.

**CONFIDENTIALITY**

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

Data gathered in the course of this appraisal may be used in subsequent appraisals without the prior consent of the client, unless indicated otherwise by the client at the time of engagement.

**CHANGES TO AGREEMENT**

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

**CANCELLATION**

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

**NO THIRD-PARTY BENEFICIARIES**

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third-party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

EMAIL [follin@saqcharleston.com](mailto:follin@saqcharleston.com) | WEB [www.saqcharleston.com](http://www.saqcharleston.com)

**USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS**

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

**TESTIMONY AT COURT OR OTHER PROCEEDINGS**

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

**APPRAISER INDEPENDENCE**

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

**EXPIRATION OF AGREEMENT**

This Agreement is valid only if signed by both Appraiser and Client within 30 days of the Date of Agreement specified.

**GOVERNING LAW & JURISDICTION**

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

Appraiser:

Client:

J. Follin Smith, Jr.  
(Signature)

Angela C. Pharis  
(Signature)

J. Follin Smith, Jr., MAI, SRA  
(Printed name)

Angela C. Pharis  
(Printed name)

September 19, 2017  
(date)

9/22/17  
(date)

EMAIL [follin@saacharleston.com](mailto:follin@saacharleston.com) | WEB [www.saacharleston.com](http://www.saacharleston.com)

# CURRICULUM VITAE

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## **J. FOLLIN SMITH, JR., MAI, SRA**

Smith Appraisal Group, LLC  
720 Magnolia Road, Suite 16  
PO Box 31253 | Charleston, SC 29417  
Telephone: (843) 225-8733  
Email: [follin@sagcharleston.com](mailto:follin@sagcharleston.com)

### **EDUCATION**

College of Charleston – B.A. in History (2003)

### **LICENSE**

State of South Carolina Certified General Real Estate Appraiser (CG 5314)

### **PROFESSIONAL DESIGNATIONS**

MAI - Appraisal Institute

SRA - Appraisal Institute

### **ADDITIONAL QUALIFICATIONS**

Recognized as an expert witness

FHA approved appraiser

### **WORK EXPERIENCE**

Smith Appraisal Group, LLC (Owner)	2017 – present
Sass, Herrin & Associates, Inc. (Real Estate Appraiser)	2005 – 2017
Charleston County School District (Social Science Teacher)	2003 – 2004

### **PROFESSIONAL SERVICE**

Candidate for Designation Advisor – Appraisal Institute

Chairman, Public Relations Committee (2016-2017) – South Carolina Appraisal Institute

Regional Representative (2017-2018) – South Carolina Chapter - Appraisal Institute

### **APPRAISAL COURSES**

**2005** – Principles of Residential Appraisal (Course L-1), Spearman Center, Mt. Pleasant

**2005** – Residential Market Data Analysis (Course L-2), Spearman Center, Mt. Pleasant

**2005** – Uniform Standards of Professional Practice (Course L-3), Spearman Center

**2005** – Appraisal Residential Property Case Study (Course CR), Spearman Center

**2005** – Basic Income Appraisals (Course C-1), Spearman Center, Mt. Pleasant, SC

**2007** – Advanced Income Property Appraising (Course C-2), Spearman Center

**2007** – Applied Income Property Valuation (Course C-3), Spearman Center, Charleston

**2009** – General Market Analysis Highest & Best Use Appraisal Institute, Atlanta, GA

**2010** – Advanced Sales Comparison and Cost Approaches, Appraisal Institute

**2011** – Advanced Income Capitalization, Appraisal Institute, Atlanta, GA

**2012** – General Appraiser Report Writing, Appraisal Institute, Greensboro, NC

**2012** – Advanced Concepts and Case Studies, Appraisal Institute, Atlanta, GA

## **SEMINARS**

- 2006** – SC: Resolving Valuation Disputes – Charleston, SC
- 2006** – AI: Subdivision Valuation: Valuing Improved Subdivisions – Columbia, SC
- 2007** – SC: USPAP Seven Hour Update– Charleston, SC
- 2008** – SC: FHA Tools of the Trade – Charleston, SC
- 2008** – SC: Appraiser Liability – Charleston, SC
- 2009** – AI: USPAP Seven Hour Update– Columbia, SC
- 2009** – AI: Business Practices and Ethics– Columbia, SC
- 2011** – SC: USPAP Seven Hour Update– Charleston, SC
- 2013** – AI: USPAP Seven Hour Update– Columbia, SC
- 2015** – AI: Special Use Properties: Hospitality and Senior Housing – Columbia, SC
- 2015** – AI: USPAP Seven Hour Update (2014-2015) - online
- 2015** – AI: Business Practices and Ethics – online
- 2015** – AI: USPAP Seven Hour Update (2016-2017) – Columbia, SC
- 2016** – AI: Case Studies: Complex Valuation – Columbia, SC
- 2016** – AI: Contract or Effective Rent: Finding the Real Rent – Columbia, SC
- 2017** – AI: Real Estate Finance & Investment Performance – Columbia, SC

## **PARTIAL LIST OF CLIENTS**

### **Legal and Accounting Firms:**

Clawson and Staubes, LLC  
Moore & Van Allen, LLC  
Davis & Floyd  
Corrigan & Chandler, LLC

Hood Law Firm  
James E. Smith, Jr., P.A.  
Paradigm Tax Group  
Rosen Hagood

### **Lending Institutions:**

Ameris Bank  
Regions Bank  
Bank of North Carolina  
Farmers & Merchants Bank  
Wells Fargo

First Citizens Bank & Trust  
Capital Bank  
PNC Bank  
First Reliance Bank  
United Community Banks

### **Government Agencies:**

Lowcountry Council of Governments  
Town of Kiawah Island  
Town of Bluffton  
Town of James Island  
Department of Veterans Affairs

### **Non-Profit Organizations:**

Medal of Honor Museum  
Patriot's Point Foundation  
Ronald McDonald House of Charleston  
Beaufort County Black Chamber of  
Commerce  
SouthernCarolina Alliance

**Corporations:**

Irvin-House Vineyards & Firefly Distillery  
Coastal Treated Products, Co.  
Trebol USA, LLC  
Carmike Cinemas

**Schools & Universities:**

The College of Charleston  
Charleston County School District  
The Citadel

**Property Management:**

AMCS Management  
Reliable Property Managers, LLC  
Sentry Management

**Hospitals and Medical Firms:**

Roper St. Francis Healthcare  
East Cooper Medical Center

South Carolina Department of Labor, Licensing and Regulation  
**Real Estate Appraisers Board**  
CERTIFIES THAT:  
**JAMES FOLLINE SMITH II**  
IS AUTHORIZED TO PRACTICE  
**Certified General Appraiser**



LICENSE NO. AB .5314 CG      EXPIRATION DATE: 06/30/2018

To verify current license status, go to <http://verify.llronline.com/LicLookup/LookupMain.aspx>