

OFFERING MEMORANDUM

SHOPS AT SKY LOFTS – STREET LEVEL RETAIL

898 Oak St SW, Atlanta (West End), GA 30310



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800 Mt. Vernon Highway NE Suite 425
Atlanta, GA 30328

Executive Summary



Sale Price	\$1,675,000
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Offering Summary

Cap Rate:	7.0%
NOI:	\$117,243
Building Size:	8,624 SF
Year Built:	2007
Zoning:	C3

Property Description

The Shops at Sky Lofts is the 6-unit retail property on the street level portion of some of the nicest apartments in the historic West End area of Atlanta. The Mall West End is directly next door, and a massive redevelopment was recently announce. This is huge for this area of metro Atlanta, and it will be a big benefit to the retail and apartments at Sky Lofts. The tenants at Shops at Sky Lofts include a new Good Fellas Pizza, Tattoo Shop, Healthy Hair First, Nails Etc., Barber Shop, and JB's Record Lounge.

This area of Atlanta is expected to see significant development over the near future. Skyline Seven Real Estate has been leasing and managing the adjacent Mall West End for years, and knowledge about the area. The immediate area has also seen positive momentum with the Atlanta Beltline running between Donnelly Ave. and White Street. Microsoft recently acquired approximately 90 acres for an east coast campus. While Microsoft has delayed that project, it is still anticipated to happen at some point, as they still own all the land that was assembled. Another positive to the area is the closed proximity to the Atlanta University Center Consortium, which produces a highly educated workforce that is essential to Atlanta and the Southeast United States - Morehouse College, Morehouse School of Medicine, Spelman College and Clark Atlanta University.

Property Highlights

- Located Adjacent to Mall West End, which is slated for redevelopment into a mixed-use hub
- Densely populated with over 535,000 Daytime population in a 5 mile radius
- Good visibility with 18,551 VPD on Joseph E. Lowery Boulevard
- Average 1-mile household income of \$64,679 and is expected to increase by 22.65% in the next 5 years

Additional Photos



Mall West End Redevelopment



Mall West End Redevelopment Into A Culturally-Rich, Atlanta Iconic Landmark

Sold on October 1, 2024: Atlanta city officials have unveiled plans to redevelop Mall West End into a mixed-use hub. In partnership with Atlanta Urban Development Corp. and Atlanta BeltLine Inc., the project will transform the 1970s mall into 1.7 million square feet of development across its 12 acres, with BRP Cos. and The Prusik Group leading the \$450 million redevelopment plan.

Plans for the 150K SF mall include reducing retail space to 125K SF and adding 900 mixed-income rental units—70% designated as affordable housing and 20% for residents earning as little as 10% of the area median income. The project will also feature 152 beds of student housing, a 150-room hotel, 12K SF of medical office space, and 10K SF of affordable merchant space. Additional amenities will include public green space, bike parking, and a pool and lounge for residents. Construction is set to begin in 2025, with delivery expected in 2026. Financing includes \$5 million from Atlanta Urban Development, \$5 million from Atlanta BeltLine, and \$19 million from Merchants Capital.

The project will significantly benefit nearby retail properties by increasing foot traffic and attracting a diverse mix of people, including new residents, hotel guests, students, and visitors. The addition of housing units, retail spaces, a hotel, and communal amenities will create a more vibrant and bustling neighborhood, driving demand for local goods and services. This surge in activity will likely boost sales for existing businesses and make the area more appealing for new retailers to establish themselves. Overall, the redevelopment will enhance the economic vitality of the surrounding area, raising property values and contributing to the long-term growth and success of nearby retail properties such as Sky Loft.

Atrium Health



Atrium Health Expands In Southwest Atlanta – Sold September 12, 2024

Atrium Health, a subsidiary of the U.S. healthcare giant Advocate Health, has purchased a 40-acre block in Southwest Atlanta for nearly \$70 million. The site, which includes the historic Met Atlanta—a collection of former warehouses—lies near the West End MARTA station and is part of a revitalizing area with significant development projects nearby. Although Atrium Health has not disclosed specific plans for the site, it has expressed a commitment to expanding access to care in Georgia.

The Met, originally built in 1914 and once the largest single structure under one roof, has a storied history, having served various purposes over the years. The property was sold by Atlanta developer Carter, who acquired it in 2018 and made improvements that attracted new tenants.

Atrium Health, which operates two hospitals in Georgia, aims to address healthcare needs in underserved communities, as evidenced by its recent partnership with Fulton County and Morehouse School of Medicine to open a clinic in East Point. The company reported nearly \$11 billion in revenue for 2023, reflecting growth from the previous year.

Rent Roll



Suite	Tenant Name	SQ. FT.	% Of GLA	Lease Start	Lease End	Annual Rent	Rent PSF	Estimated Recapture	PSF Recapture
A	New – Goodfellas Pizza & Wings	1,353	15.69%	09/01/2024	11/30/2029	\$25,031	\$18.50	\$13,644	\$10.08
B	Scarlett Tattoo	1,178	13.66%	07/01/2023	08/31/2028	\$17,292	\$14.68	\$13,884	\$11.79
C	Healthy Hair First	1,408	16.33%	09/01/2017	03/31/2025	\$24,648	\$17.51	\$14,220	\$10.10
D	Nails Etc.	1,464	16.98%	12/01/2017	11/30/2027	\$33,862	\$23.13	\$14,784	\$10.10
E	Barber Shop II	1,291	14.97%	09/01/2024	11/31/2029	\$21,624	\$16.75	\$13,032	\$10.09
F	JB's Record Lounge	1,930	22.38%	02/01/2022	04/30/2025	\$20,124	\$10.43	\$17,028	\$8.82
Totals/Averages		8,624				\$142,581	\$16.53	\$86,592	\$10.04
Occupied		8,624				\$142,581		\$86,592	
Vacant		0				\$0		\$0	

Net Operating Income



Income Summary	Current
Gross Scheduled Income	\$142,581
Other Income	\$86,592
Total Scheduled Income	\$229,173
Vacancy Cost	\$11,459
Gross Income	\$217,714
Expense Summary	
Property Taxes	\$33,013
Insurance	\$972
Utilities	\$231
HOA Dues	\$41,724
Maintenance and Repairs	\$18,000
Management (3%)	\$6,531
Gross Expenses	\$100,471
Net Operating Income	\$117,243

Lease Abstract



Tenant Overview – Suite A

Tenant:	Goodfellas Pizza & Wings
Square Feet:	1,353
Lease Start Date:	09/01/2024
Lease Expiration Date:	11/30/2029
Annual Base Rent:	\$25,031
Current Reimbursement:	\$13,644

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
08/01/24-11/30/24	\$0	\$0
12/01/24-11/30/25	\$25,031	\$18.50
12/01/25-11/30/26	\$25,656	\$18.96
12/01/26-11/30/27	\$26,298	\$19.44
12/01/27-11/30/28	\$26,955	\$19.92
12/01/28-11/30/29	\$27,628	\$20.42

The Tenant operates as restaurant serving pizza and other complimenting food/drink items. Tenant’s rent and Operating Costs are abated for the first 3 months of the lease term.

The Tenant agrees to pay monthly water bills as well as their proportionate share of CAM, HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

Tenant Overview – Suite B

Tenant:	Scarlett Tattoo
Square Feet:	1,178
Lease Start Date:	07/01/2023
Lease Expiration Date:	08/31/2028
Annual Base Rent:	\$17,292
Current Reimbursement:	\$13,884

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
07/01/23-08/31/23	\$0	\$0
09/01/23-08/31/24	\$16,104	\$13.68
09/01/24-08/31/25	\$17,292	\$14.68
09/01/25-08/31/26	\$18,756	\$15.93
09/01/26-08/31/27	\$20,532	\$17.43
09/01/27-08/31/28	\$22,296	\$18.93

The Tenant operates as a tattoo studio.

The Tenant agrees to pay monthly water bills as well as their proportionate share of CAM, HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

Lease Abstract



Tenant Overview – Suite C

Tenant:	Healthy Hair First, LLC
Square Feet:	1,408
Lease Start Date:	09/01/2017
Lease Expiration Date:	03/31/2025
Annual Base Rent:	\$24,648
Current Reimbursement:	\$14,220

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
09/01/17-08/30/18	\$20,964	\$14.89
09/01/18-08/30/19	\$21,588	\$15.33
09/01/19-08/30/22	\$22,236	\$15.79
09/01/22-03/31/23	\$22,524	\$16.00
04/01/23-03/31/24	\$23,584	\$16.75
04/01/24-03/31/25 (current)	\$24,648	\$17.51

The Tenant operates as a Hair Salon.

The Tenant agrees to pay monthly water bills as well as their proportionate share of HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

Tenant Overview – Suite D

Tenant:	Nails Etc.
Square Feet:	1,464
Lease Start Date:	12/01/2017
Lease Expiration Date:	11/30/2027
Annual Base Rent:	\$33,862
Current Reimbursement:	\$14,784

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
12/01/17-11/30/18	\$16,128	\$11.02
12/01/18-11/30/22	\$32,252	\$22.03
12/01/22-11/30/27 (current)	\$33,862	\$23.13

The Tenant operates as a Nail Salon.

The Tenant agrees to pay monthly water bills as well as their proportionate share of CAM, HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

Lease Abstract



Tenant Overview – Suite E

Tenant:	The Barber Shop II
Square Feet:	1,291
Lease Start Date:	09/01/2024
Lease Expiration Date:	11/31/2029
Annual Base Rent:	\$21,624
Current Reimbursement:	\$13,032

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
09/01/24-11/31/24	\$0	\$0
12/01/24-11/31/25	\$21,624	\$16.75
12/01/25-11/31/26	\$22,260	\$17.24
12/01/26-11/31/27	\$22,932	\$17.76
12/01/27-11/31/28	\$23,628	\$18.30
12/01/28-11/31/29	\$24,336	\$18.85

The Tenant operates as a Barber shop cutting mens and childrens hair. Tenant’s rent and Operating Costs are abated for the first 3 months of the lease term.

The Tenant agrees to pay monthly water bills as well as their proportionate share of CAM, HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

Tenant Overview – Suite F

Tenant:	JB’s Record Lounge
Square Feet:	1,930
Lease Start Date:	02/01/2022
Lease Expiration Date:	04/30/2025
Annual Base Rent:	\$20,124
Current Reimbursement:	\$17,028

Rent Schedule

Term	Annual Base Rent	Rent Per SF/YR
02/01/22-04/30/22	\$0	\$0
05/01/22-04/30/23	\$18,972	\$9.83
05/01/23-04/30/24	\$19,536	\$10.12
05/01/24-04/30/25 (current)	\$20,124	\$10.43

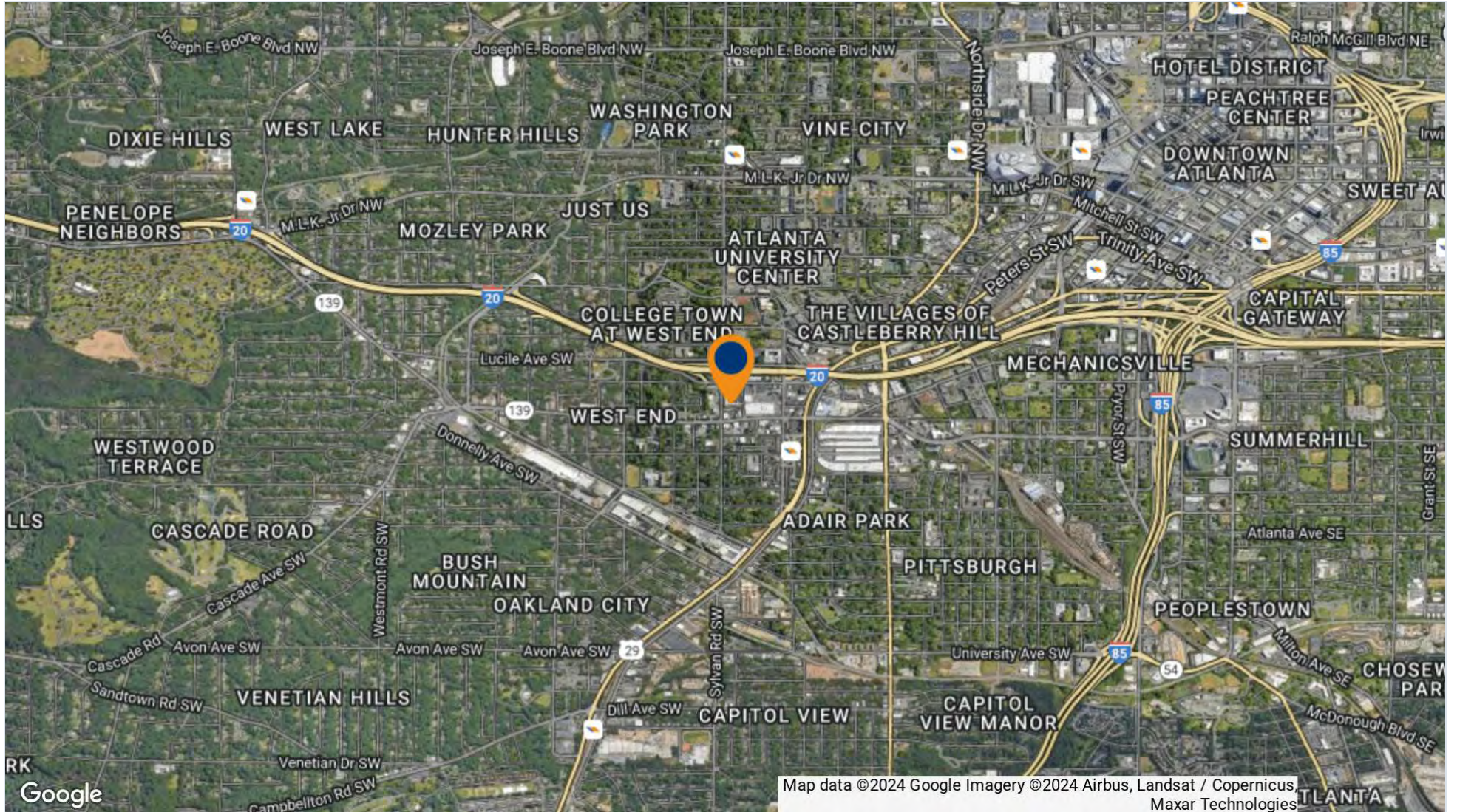
The Tenant operates as a record store. The rent started on May 1, 2022.

The Tenant agrees to pay monthly water bills as well as their proportionate share of CAM, HOA dues, property taxes, and insurance. The Landlord will be responsible for the roof and structural elements, while the Tenant will be responsible for the interior of the premises, including the storefront, all glass and doors, electrical systems, plumbing, HVAC, sprinkler systems, and any other mechanical installations.

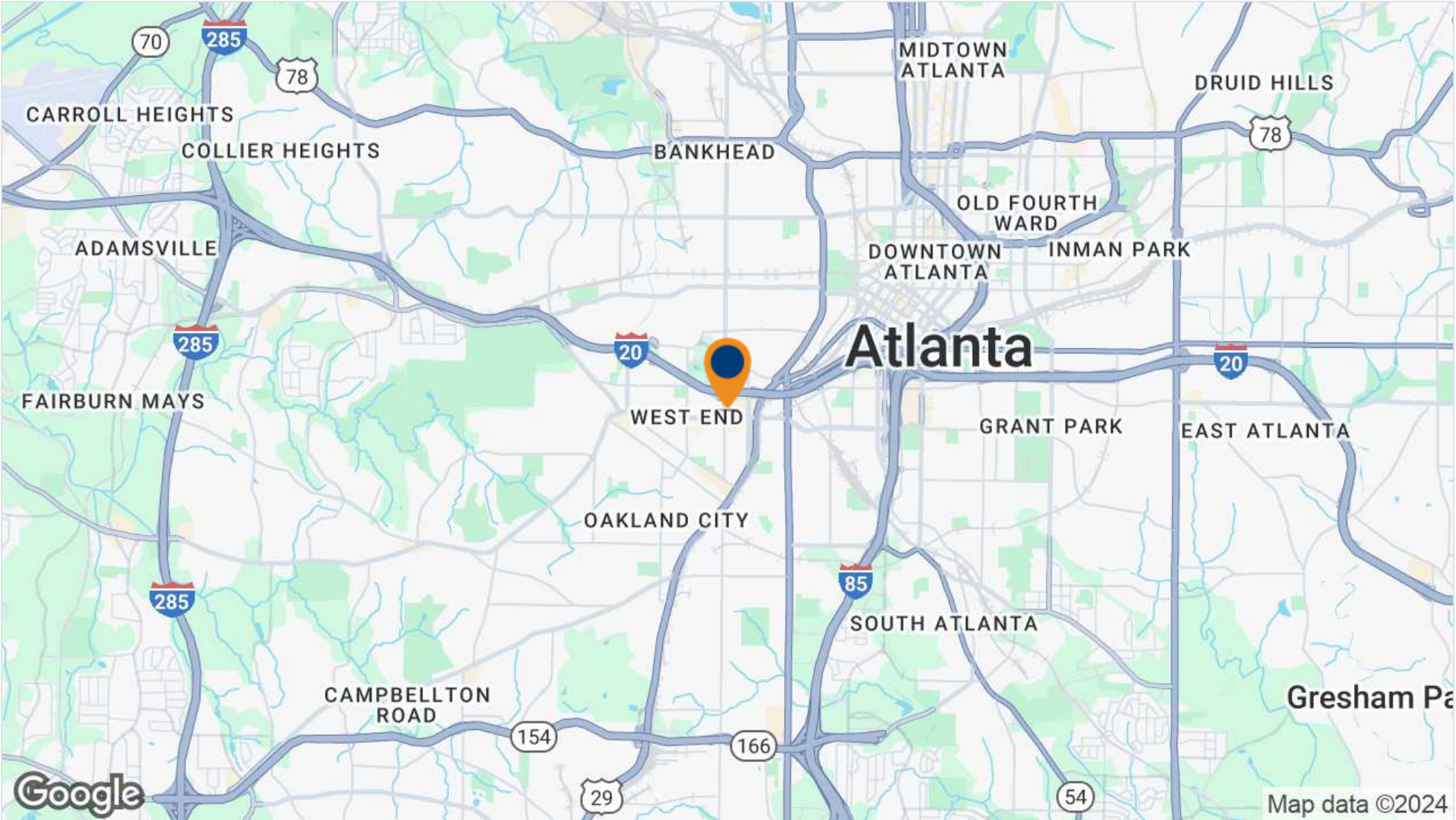
Retail Map



Area Map

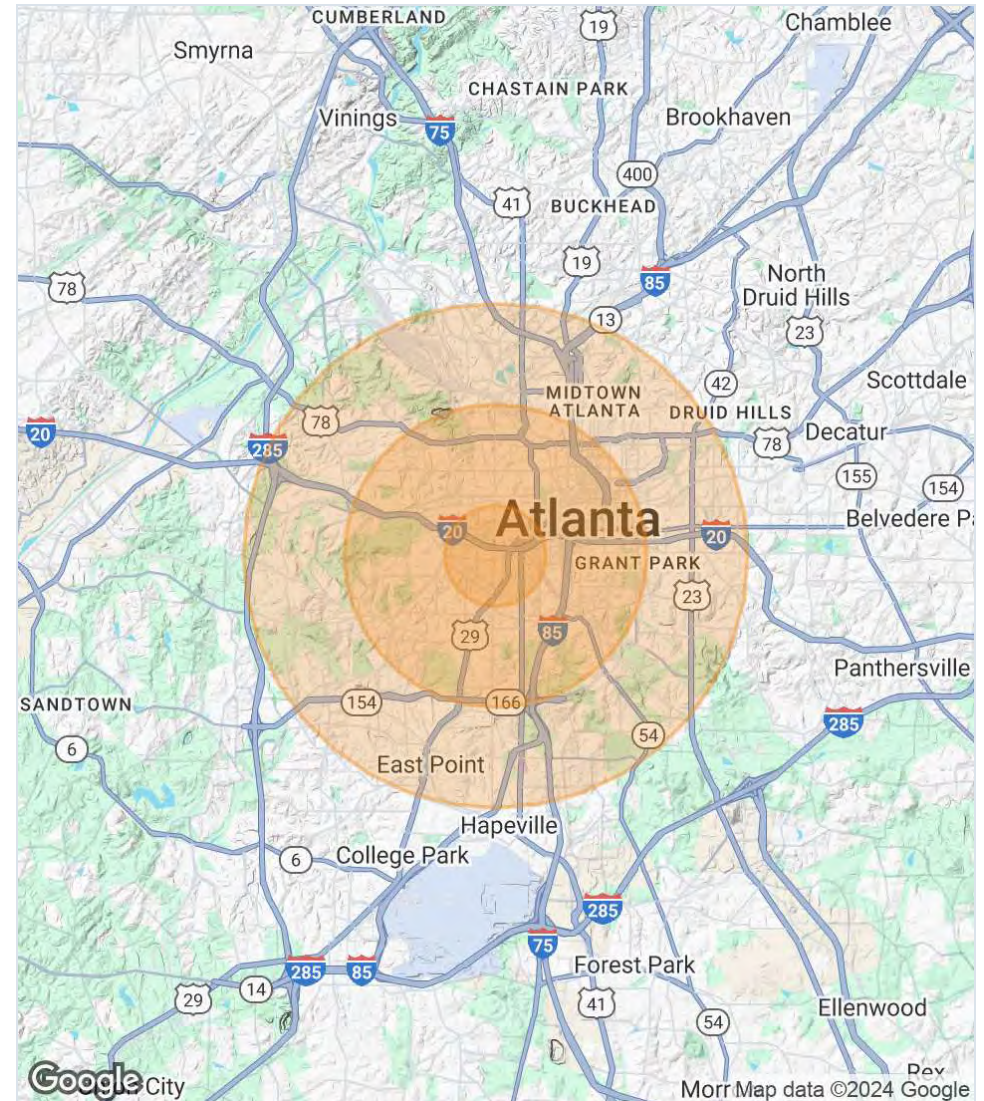


Location Map



Demographics

Population	One-Mile	Three-Mile	Five-Mile
2024 Population	17,633	138,074	348,813
2020 Population	17,889	129,005	149,735
5 Year Projected	17,506	144,312	366,072
2023 Daytime Population	19,828	272,214	535,770
Workers	9,244	199,173	372,419
Residents	10,584	73,041	163,351
Households			
2024 Households	7,149	56,661	162,159
2020 Households	7,008	50,578	149,735
5 Year Projected	7,275	61,246	175,916
Income			
2024 Average Household Income	\$64,679	\$83,946	\$116,169
5 Year Projected	\$79,330	\$104,232	\$138,533



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Advisor Biographies Page

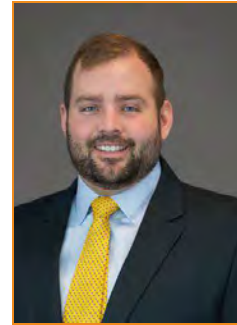


Elliott Kyle

Vice President | Partner
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Elliott Kyle is responsible for Skyline Seven's Investment Sales Division and is one of Atlanta's top sale producers. Elliott offers a breadth of brokerage experience having represented private investors, institutions and lenders/ special services. Over the last 16 years alone, Elliott closed real estate transactions in excess of \$750,000,000.

Previously, Elliott was Vice President for Shane Investment Property Group, an Atlanta-based investment sales brokerage firm. In his capacity at Shane, Elliott transacted various property types and was instrumental in the training of new agents. Elliott also held previous senior management positions with Rock-Tenn Company and Manhattan Associates, a multi-national firm. Elliott attended Tulane University and the University of Georgia, earning a degree in Economics. Following his undergraduate studies, Elliott attended Georgia State University, earning his MBA. Elliott lives in Atlanta with his wife, Mary, and son, Charles. Elliott, is a native of Atlanta, and enjoys a number of hobbies, one being an avid golfer and a member of Druid Hills Golf Club. In addition, Elliott has been involved in a number of not-for-profit organizations, such as Senior Warden of the Vestry at St. Luke's Episcopal Church, President of the Board of Trustees at Canterbury Court (CCRC), Vice President with the Druid Hills Civic Association, Courtland Street Mission, and more.



Chase Murphy

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Chase is a Vice President of Investment Sales and represents buyers and sellers of commercial real estate. Chase has a vast knowledge of transactional real estate and applies his expertise to single tenant, multi-tenant and office properties. Representing real estate companies, private investors, high net worth families and lenders/ special services, Chase is committed to profitable and seamless closings for his clients. Over the last 8 years alone, Chase has executed over \$675,000,000 of real estate transactions.

Prior to joining Skyline Seven, Chase worked as a real estate asset manager for Altisource and managed a real estate portfolio in excess of \$35,000,000 while removing over \$70,000,000 of distressed real estate assets from his clients' balance sheets. At Altisource, Chase specialized in building relationships with high touch clients and advising as well as executing loss-mitigation strategies for his clients real estate assets. Chase attended Valdosta State University, earning a degree in finance. Chase is a long-time Atlanta resident and currently lives in Dunwoody with his wife, Kris, and son, Patrick. In his free time, he enjoys spending time with his family, playing golf, and attending sporting events. In addition, Chase currently serves on the young professional board for Action Ministries which provides food to nearly 7,000 children across Georgia.

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