



MERCHANTS  
PLAZA

TOWER

OFFICE

5 STORY

PARKING

# Offering Memorandum

**MERCHANTS PLAZA**

56 Saint Joseph Street

Mobile, Alabama 36602



**INGE & ASSOCIATES**  
REAL ESTATE INVESTMENTS & SERVICES



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A fully renovated, iconic mixed-use landmark located at a prime intersection in the heart of *Downtown Mobile*.

Merchants Plaza stands as one of the tallest and most recognizable high-rise buildings in Mobile's increasingly vibrant downtown. Positioned at the prominent intersection of St. Joseph and St. Francis Streets, this architecturally significant property was originally developed in 1929 for the Merchants National Bank and holds the distinction of being the first skyscraper built along the Gulf Coast. In 2018, the historic asset underwent a \$30MM+ renovation utilizing Alabama's Historic Tax Credit program (AHTC), thoughtfully revitalizing the building and converting it to its current mixed-use configuration. Today, Merchants features 79 luxury apartment units, over 50k square feet of commercial space, and roughly 70k square feet of developable area.

The residential component is 90% occupied and achieves average in-place rents of \$2.00 per square foot, representing some of the highest conventional rental rates in the market. The commercial space is leased to a mix of Class A office tenants and produces \$980k in annual rent. Merchants is being offered free and clear of any existing debt.

79

Class-A Multifamily Units

50k+

SqFt Leased Commercial

\$980k

Annual Rent Revenue

70k+

SqFt Developable Space









## HISTORIC CHARM, MODERN COMFORT

# Class-A Multifamily Units with Top-of-Market Rents

Merchant Plaza's historic architecture provides character that new developments cannot replicate, yet it does not sacrifice any modern appointments that renters expect with premium product.

The 79 existing units feature polished concrete flooring, exposed brick, 10'+ ceilings, premium stainless steel appliances, quartz countertops, shaker-style cabinets, and in-unit washers and dryers. This quality and charm comes in high demand, evidenced by the property's 90% occupancy and leases averaging over \$2.00 PSF.

## RENT RATES

Unit Type	SF	Units	Rent	PSF
Studio	440	12	\$1,040	\$2.36
1 Bed	652	46	\$1,184	\$1.82
2 Bed	991	21	\$1,794	\$1.81
<b>Total / Avg</b>	<b>695</b>	<b>79</b>	<b>\$1,340</b>	<b>\$2.00</b>



## ESTABLISHED TENANTS

# Quality In-Place Commercial Leases

## \$980k

Annual Rent Revenue

Existing leases in the commercial portion total just over 50,000 square feet and produce over \$980,000 in annual rent. Two law firms and a bank account for 95% of the occupied space.

## ACTIVE LEASES

Unit	Tenant	SqFt	Rent	Lease Start	Lease End	PSF
<b>Roof</b>	Verizon Wireless	N/A	\$2,486.75	07-01-2014	06-30-2029	N/A
<b>101</b>	BankPlus	1,659	\$3,456.25	11-15-2021	03-31-2032	\$25.00
<b>200</b>	BankPlus	9,617	\$16,028.33	11-15-2021	11-14-2032	\$20.00
<b>300-500</b>	Hand Arendall	27,566	\$46,173.05	06-25-2018	10-31-2028	\$20.10
<b>800</b>	Frazer Greene	9,491	\$14,043.64	06-01-2010	05-31-2030	\$17.76
<b>Totals</b>		<b>48,333</b>	<b>\$82,188.02</b>			

**INCOME**

<b>Rent</b>	Rental Income	1,339,200.00
	Rent-Uncollectible Accts	-
	Lease Term Variance	-
	Rent Non-Productive	-
	Rent-Conc/Prem (6mo)	-
	Rent-Vacancy Loss	-
	Courtesy Officer Rent	-
	Total Vacancy, Losses & Concessions	122,931.00
	<b>Total</b>	<b>1,216,269.00</b>
<b>Other</b>	Month to Month Fees	3,000.00
	Deferred Revenue	11,340.00
	Internet Reimbursement	41,556.00
	Water and Sewer Income	21,528.00
	Valet Trash Income	20,340.00
	Income power	112,056.00
	Parking garage	53,520.00
	Storage Fees	2,280.00
	Auto Hotel Income	5,520.00
	Lease Cancellation	9,000.00
	Chgs Processing Fee	9,288.00
	Transfer Fees	300.00
	Late Fees	3,540.00
	NSF's	300.00
	Cleaning Fees	1,320.00
	Bad Debt Recovery-Tnts	1,200.00
	Pet Fees	3,600.00
	Resident Furn Rent	20,400.00
	Corp Unit Premium	8,700.00
	<b>Total Other</b>	<b>328,788.00</b>
<b>Total Income</b>		<b>1,545,057.00</b>

**EXPENSES**

<b>Management</b>	Rental Mgt Fees	<b>48,641.00</b>
<b>Admin</b>	Parcel Locker	8,052.00
	Credit Reports	1,284.00
	Dues&Subscription	525.00
	Bank Fees	228.00
	Utility Billing Service	2,940.00
	Office-Copier	2,352.00
	Accounting & Auditing	5,000.00
	Telephone	1,332.00
	Telephone-Contract-Internet	45,831.00
	Telephone-Pager/Mobile	900.00
	Rent-Resident Furniture	21,345.00
	Professional Development	720.00
	Tax-Bus License	3,637.00
	DMDMC	18,826.00
	<b>Total</b>	<b>112,972.00</b>
<b>Marketing</b>	Advertising Internet	14,100.00
	Leasing Expense	50,100.00
	Signs/Brochures	400.00
	<b>Total</b>	<b>64,600.00</b>
<b>Payroll</b>	Benefit Admin Fee	288.00
	Salary-Manager	38,856.00
	Salary-Maintenance	60,204.00
	Maintenance-Overtime	2,040.00
	Bonuses	11,943.00
	Payroll-Fica	6,720.00
	Insurance-Work Comp	204.00
	Employee Benefits	11,352.00
	<b>Total</b>	<b>131,607.00</b>
<b>Taxes</b>	Personal Property Tax	1,612.00
	Real Property Taxes	37,933.00
	<b>Total</b>	<b>39,545.00</b>

**EXPENSES**

<b>Insurance</b>	Insurance	186,895.00
	Insurance-Flood	10,000.00
	<b>Total</b>	<b>196,895.00</b>
<b>Building</b>	Light Bulbs	1,464.00
	Appliance Supp & Serv	1,212.00
	Exterminating	4,235.00
	Plumbing	600.00
	Janitorial Supplies	480.00
	Décor Interior-Paint	1,200.00
	Repairs Interior	200.00
	Elevator Maintenance	25,477.00
	Electrical	300.00
	Parking Overflow	5,400.00
	General Cleaning	27,228.00
	Fire & Safety	770.00
	Generator Maintenance	1,185.00
	Parking Garage	53,520.00
	Electrical Repairs	200.00
	Security/Gate	15,500.00
	HVAC Supplies&Repair	7,800.00
	<b>Total</b>	<b>146,771.00</b>
<b>Utilities</b>	Power	148,524.00
	Water & Sewer	36,000.00
	Garbage	15,240.00
	<b>Total</b>	<b>199,764.00</b>
<b>Total Expenses</b>		<b>940,795.00</b>
<b>Total Income Residential</b>		<b>1,545,057.00</b>
<b>Total Expense Residential</b>		<b>940,795.00</b>
<b>NET INCOME</b>		<b>604,262.00</b>

**INCOME**

<b>Income</b>	Rental Income	992,067.90
	Tenant Reimbursements	14,400.00
	Insurance Reimbursements	0.00
	CAM Reimbursements	9,124.56
	Utilities Reimbursements	0.00
	Storage Income	1,860.00
<b>Total Income</b>		<b>1,017,452.46</b>

**EXPENSES**

<b>Office</b>	Postage	240.00
	Phones and Internet	600.00
	Signs	0.00
	<b>Total</b>	<b>840.00</b>
<b>Salaries</b>	Property Management Fees	40,698.10
	Maintenance Staff Salaries	0.00
	Heritage Staff Salaries	60,204.00
	Heritage Staff Bonuses	2,850.00
	<b>Total</b>	<b>100,902.10</b>
<b>Commission</b>	Consulting Fees	0.00
	<b>Total</b>	<b>0.00</b>
<b>Professional</b>	Architectural	0.00
	Accounting	5,000.00
	Legal	0.00
	<b>Total</b>	<b>5,000.00</b>
<b>Landscape &amp; Grounds</b>	Exterior	<b>0.00</b>
<b>Repair &amp; Maintenance</b>	Building Repairs & Maintenance	<b>4,800.00</b>
<b>Electrical</b>	Electrical Repairs	<b>4,020.00</b>

**EXPENSES**

<b>HVAC</b>	HVAC Contract Services	0.00
	HVAC Supplies	1,200.00
	HVAC Repairs	20,000.00
	HVAC Water treatment	3,960.00
	<b>Total</b>	<b>25,160.00</b>
<b>Plumbing</b>	Plumbing Supplies	600.00
	Plumbing Repairs	3,000.00
	<b>Total</b>	<b>3,600.00</b>
<b>Elevator</b>	Elevator Service Contract	21,840.00
	Elevator Phones	2,340.00
	Elevator Inspections	455.00
	<b>Total</b>	<b>24,635.00</b>
<b>Security</b>	Security	<b>53,000.00</b>
<b>Alarm System</b>	Alarm Monitoring	1,020.00
	Alarm Repairs	4,980.00
	Fire Extinguishers	500.00
	Fire Sprinkler & Alarm Inspections	6,666.26
	Alarm Door Cards	500.00
	<b>Total</b>	<b>13,666.26</b>
<b>Janitorial</b>	Janitorial Contract Services	50,400.00
	Janitorial Supplies	10,080.00
	Carpet Cleaning	280.00
	Pest Control	1,080.00
	Termite Control	1,700.00
	Dumpster	4,200.00
	Pressure Wash/Window Cleaning	500.00
	<b>Total</b>	<b>68,240.00</b>
<b>Utilities</b>	Power	228,000.00
	Water	36,000.00
	Gas	1,320.00
	<b>Total</b>	<b>265,320.00</b>

**EXPENSES**

<b>Insurance</b>	Property Insurance & GL	186,895.00
	Flood	10,000.00
	Equipment Breakdown	3,100.00
	Health Insurance	11,710.92
	Workers Comp Insurance	3,000.00
	Utility Bonds	500.00
	<b>Total</b>	<b>215,205.92</b>
<b>Taxes</b>	Downtown BID	18,827.00
	Business	2,500.00
	Property Taxes	38,000.00
	Payroll Taxes	4,800.00
	<b>Total</b>	<b>64,127.00</b>
<b>Equipment</b>	Generator, Repairs & Maint	<b>1,080.00</b>
<b>Parking Lots</b>	Parking Lot Spaces	<b>22,800.00</b>
<b>Total Expenses</b>		<b>872,396.28</b>
<b>Total Income Commercial</b>		<b>1,017,452.46</b>
<b>Total Expense Commercial</b>		<b>872,396.28</b>
<b>NET INCOME</b>		<b>145,056.18</b>



**RESIDENTIAL SUMMARY**

Total Income Residential	1,545,057.00
Total Expense Residential	940,795.00
<b>NET INCOME</b>	<b>604,262.00</b>

**COMMERCIAL SUMMARY**

Total Income Commercial	1,017,452.46
Total Expense Commercial	872,396.28
<b>NET INCOME</b>	<b>145,056.18</b>

**COMBINED SUMMARY**

Combined Income	2,562,509.46
Combined Expense	1,813,191.28
<b>COMBINED NOI</b>	<b>749,318.18</b>



# Rent Comparables for Downtown Mobile Area

\*Full rent comparable report available upon request.





	 Gateway Apartments	 Meridian at the Port	 Lofts at Midtown	 Merchants Plaza	 Portier Midtown	 Highland at Springhill
	350 Saint Joseph St	300 N Water St	1812 Old Shell Rd	56 St. Joseph St	20 Graf Dairy Dr	151 Du Rhu Dr
<b>YEAR BUILT</b>	2021	2019	2021	2020	2025	2018
<b>TOTAL UNITS</b>	59	267	24	79	264	252
<b>AVG UNIT SF</b>	502	851	654	763	1,000	1,026
<b>STUDIO RENT</b>	\$967 ( \$2.58 PSF )	-	\$1,327 ( \$2.41 PSF )	\$1,172 ( \$2.59 PSF )	-	-
<b>1 BED RENT</b>	\$1,399 ( \$2.80 PSF )	\$1,640 ( \$2.22 PSF )	-	\$1,379 ( \$2.01 PSF )	\$1,816 ( \$2.40 PSF )	\$1,748 ( \$2.31 PSF )
<b>2 BED RENT</b>	\$1,613 ( \$2.59 PSF )	\$2,513 ( \$2.28 PSF )	\$1,537 ( \$1.92 PSF )	\$2,009 ( \$1.89 PSF )	\$2,139 ( \$1.87 PSF )	\$2,192 ( \$1.88 PSF )
<b>3 BED RENT</b>	-	-	-	-	\$2,447	\$2,050
<b>AVG RENT PSF</b>	\$2.72	\$2.25	\$2.16	\$2.04	\$2.02	\$1.93



PROVEN REAL ESTATE EXPERTISE

# Commercial real estate firm based in *Mobile, Alabama* specializing in investment, development, brokerage, and property management services.

Founded in 2011, Inge & Associates is led by principals Richard D. Inge and Steven P. McMahon and brings a combined 46 years of experience to the Mobile Bay region. The company offers in-house expertise across acquisitions, leasing, property management, and development, allowing for a hands-on, collaborative approach to each project.

Inge & Associates actively acquires and manages income-producing properties throughout the Southeast, currently managing approximately 1.15 million square feet of office and retail space in the Mobile Bay area and having developed more than 12 residential communities throughout Baldwin County, with additional projects underway.