



True 7% Entrance
Cap Rate

INVESTOR RELATIONS

SCOTT WOOD
801-601-2713
scottw@realsource.net

KEVIN PEAY
801-601-2712
kevin@realsource.net



Pace Village

119 Units • Studio Apartment Complex • Class B • Multifamily Opportunity • Myrtle Beach, SC

PROPERTY OVERVIEW

Pace Village Opportunity

RealSource has entered a contract to purchase Pace Village Apartments in Myrtle Beach, SC. We're excited to present this as a great 1031 exchange or cash investment opportunity.

- Pace Village is a 119-unit studio apartment complex that will be delivered as fully furnished units.
- This property was constructed in 2005 as a hotel and was converted to multifamily at the start of 2022. The property is 98% occupied with nearly all long-term leases.
- We are projecting a cash-on-cash return of 6% the first year and 8.0% over a 3-5-year hold period.
- Pace Village is located on Hwy 501 which is the main entrance to Myrtle Beach. It is centrally located and only 7 miles from Broadway at the beach, which is the most popular tourist destination in the area.

Investment Highlights

**CASH FLOW OPPORTUNITY**

Ability to operate units as long-term or short-term rentals.

**MYRTLE BEACH HAS A SERIOUS HOUSING SHORTAGE**

Myrtle Beach has been one of the fastest growing MSAs in the country in recent years, growing over double the national average. The MSA's stabilized multifamily occupancy is near 94%.

**FAVORABLE STATE TO DO BUSINESS**

Many people and businesses have relocated to Myrtle Beach because of South Carolina's low property taxes, low cost of living, and favorable business climate.

**MYRTLE BEACH IS A POPULAR RETIREE DESTINATION**

World class beaches, premier golf courses, subtropical weather, and reasonable affordability make Myrtle Beach a desirable place to live, work, and play.

PROPERTY STATS

220 Whitty Dr. Myrtle Beach,
South Carolina 29579

119

UNITS

\$1,080

RENT/UNIT

2005

YEAR BUILT

269

AVG UNIT SIZE

42,976

Total Square
Footage

8.0%

PROJECTED C/C

PROPERTY OVERVIEW

Projected Returns at a Purchase Price of \$12,950,000

1.5x

Projected Investor
Equity Multiple

15.0%

Projected
IRR

8.0%

Average
Cash on Cash

7%

Preferred
Return

Market Conditions

Myrtle Beach is a coastal city on the East Coast of the United States, located in the center of “The Grand Strand”, a 60-mile beach in South Carolina. Myrtle Beach attracts over 20 million visitors annually and is called the “Golf Capital of the World” with about 100 golf courses.

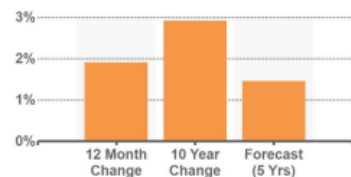
Myrtle Beach-Conway, SC-NC MSA population are forecast to grow triple the national average over the next five years. Coastal Carolina University and Horry Georgetown Technical College educate thousands every year.

DEMOGRAPHIC TRENDS

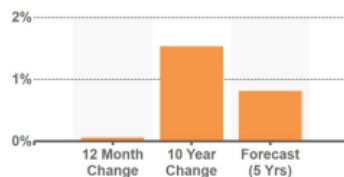
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	527,843	334,178,250	1.9%	0.4%	2.9%	0.6%	1.5%	0.5%
Households	220,328	129,700,297	2.4%	0.9%	2.9%	0.9%	1.6%	0.6%
Median Household Income	\$64,468	\$75,106	6.2%	5.1%	4.1%	3.8%	2.4%	2.6%
Labor Force	207,305	165,255,438	0.1%	0.8%	1.5%	0.6%	0.8%	0.4%
Unemployment	4.2%	3.5%	0%	-0.2%	-0.5%	-0.4%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH

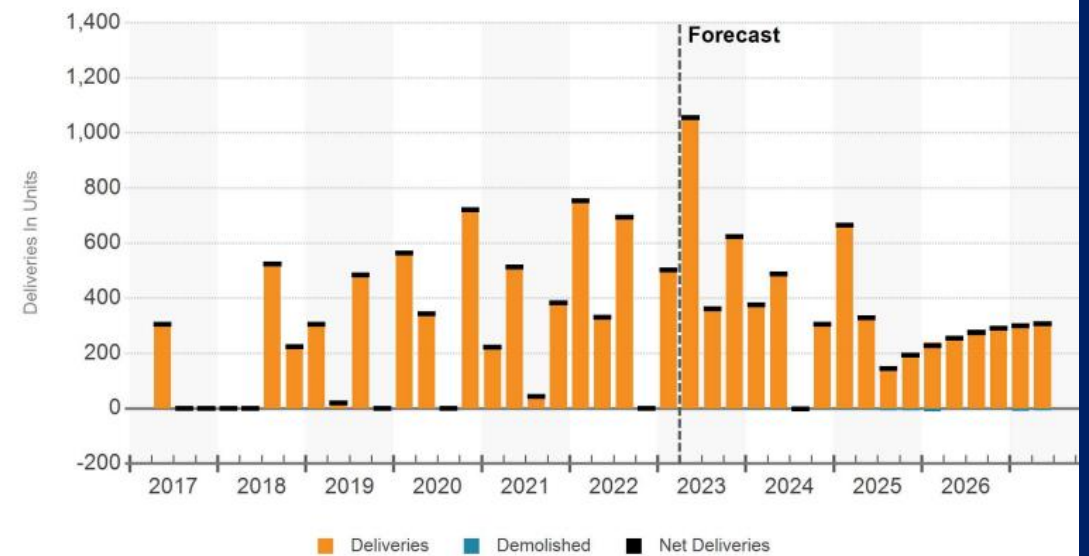


Source: Oxford Economics



Myrtle Beach, South Carolina Multifamily New Supply Pipeline

DELIVERIES & DEMOLITIONS



Source: Costar property analytics, April 2022



INVESTMENT OVERVIEW

Built in 2005, Pace Village consists of 119 studio fully furnished units, averaging 269 SQFT per unit. The Property was formally converted in 2022 from a hotel to apartments. The property is currently being operated with 12-month leases, with recent lease rates of \$1,150 a month. Comparable studio units are renting in the area for about \$1,300-\$1,400 which is 13% - 21% above Pace Village. The potential income per unit increases near \$2,000 a month by operating some units as VRBO-style short-term rentals. Doing so could offer additional demand and opportunity to increase returns above what RealSource's proforma currently factors. During onsite due diligence, RealSource will finalize estimates of how many units to operate as short-term rentals. We anticipate this to be near 15-30 units.



LOCATION OVERVIEW

The subject property is located on Hwy 501 which is the main entrance to Myrtle Beach. It's neighbored by the Tanger Outlets which includes 77 Retailers. Pace Village residents will also have the benefit of being across the street from a Chili's, Buffalo Wild Wings, and Planet Fitness. This is a great location for someone who enjoys walking or biking. Being only 6 minutes from Coastal Carolina University, this property serves as ideal housing for students and faculty. With the units being fully furnished, this type of for-rent product has been very popular with travel nurses and contractors that will only be in the area for a short period.

Pace Village is 7 miles to Myrtle Beach Boardwalk and 7 miles to Broadway at the Beach, which is the most popular tourist destination in the Myrtle Beach area. Broadway at the Beach is the Largest Entertainment venue of its kind in the state.

Investors will be able to take advantage of all the demand generators Myrtle Beach offers. Myrtle Beach is the fastest-growing city in the United States, according to a list by U.S. News and World Report. Tripadvisor rated Myrtle Beach as the 3rd most popular summer destination. GolfPass ranked Myrtle Beach as the world's 13th best golf destination.



UNIT MIX

Flr Plan Code	Unit Mix			Sq Ft	Total Sq Ft	Pct Ttl SF	Occu- pancy	Avg Lease		
	Ren Status	Qty	Pct					Avg Rent	Annual Income	Rent /SF
Apartment	Classic	1	0.8%	244	244	0.8%	100.0%	1,250	15,000	5.12
SINGLE Q	Classic	51	42.9%	252	12,844	40.1%	76.5%	1,111	520,056	4.41
DBL Q	Classic	66	55.5%	282	18,624	58.2%	98.5%	1,041	812,172	3.69
SNGL Q	Classic	1	0.8%	284	284	0.9%	100.0%	1,100	13,200	3.87



PROJECTED LOAN TERMS

Loan Amount: \$7,770,000
 Loan-to-Value Ratio: 60%
 Term: 5-Year Fixed Rate
 Interest Rate: 5.5%

Project Required Equity: \$6.3M



RENT COMPARABLE ANALYSIS



RENT COMPARISON ANALYSIS

Avg					Bed:	1	Bath:	1.0
Rent	Occup	Units	Built	SF	Wtd Avg	\$/SF	Upgr	Occup
Comparison Averages - Upgraded and Non-Upgraded Units								
Comparables properties	\$1,309		119	2002	436	\$1,309	\$3.00	All
Pace Village	\$953	89.1%	119	2005	271	\$1,080	\$3.98	All
Difference	-\$356		0		-165	-\$229	\$0.98	All
Rent comps vs. Pace Village					-61%	21%	-25%	All

RENT COMPARABLE ANALYSIS

**101 Rexford Ct - Claypond Commons**

Myrtle Beach, South Carolina - South Horry County Neighborhood

**PROPERTY**

Property Size:	188 Units, 3 Floors
Avg. Unit Size:	725 SF
Year Built:	2000
Type:	Apartments - All
Rent Type:	Market
Parking:	200 Spaces; 1.1 per Unit
Distance to Subject:	2.82 Miles
Distance to Transit:	-

PROPERTY MANAGER

Chandler Management - Claypond Commons
(843) 903-5770

OWNER

Purchased Sep 2021
\$24,200,000 (\$128,723/Unit)

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Mix %	Per Unit	Per SF	Per Unit	Per SF	Concessions
Studio	1	384	20	10.6%	0	0.0%	\$1,087	\$2.83	\$1,078	\$2.81	0.9%
1	1	600	72	38.3%	3	4.2%	\$1,293	\$2.16	\$1,282	\$2.14	0.9%
2	1	890	12	6.4%	1	8.3%	\$1,856	\$2.09	\$1,840	\$2.07	0.9%
2	2	890	84	44.7%	1	1.2%	\$1,851	\$2.08	\$1,835	\$2.06	0.9%
Totals		Avg SF	Units	Mix %	Units	Mix %	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		384	20	10.6%	0	0.0%	\$1,087	\$2.83	\$1,078	\$2.81	0.9%
All 1 Beds		600	72	38.3%	3	4.2%	\$1,293	\$2.16	\$1,282	\$2.14	0.9%
All 2 Beds		890	96	51.1%	2	2.1%	\$1,852	\$2.08	\$1,836	\$2.06	0.9%
Totals		725	188	100%	5	2.7%	\$1,556	\$2.15	\$1,543	\$2.13	0.9%

— Estimate

Updated May 10, 2023



Studio 364 SF

SALES COMPARABLE ANALYSIS

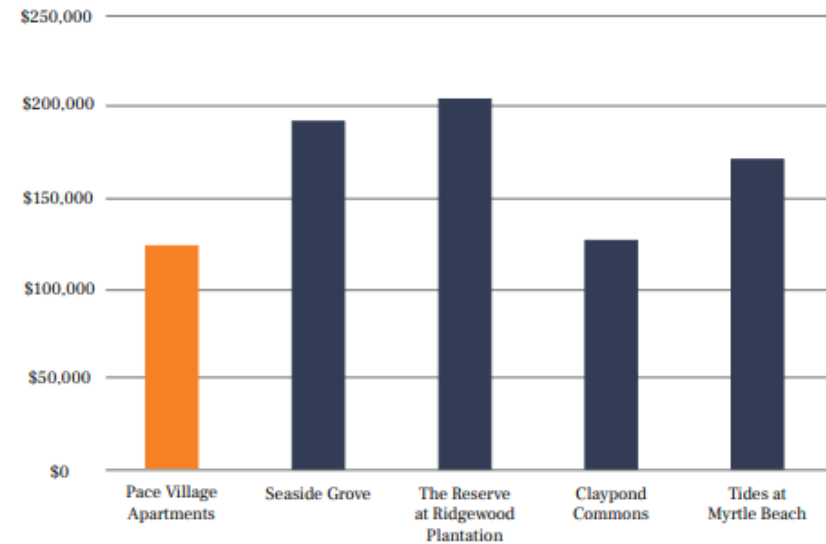
Pace Village Apartments

Price Per Unit: \$108,824

PROPERTY NAME	ADDRESS	Number of Units	Square Feet	Year Built / Renovated	Close of Escrow	Sale Price	Price/ Unit	Price/ SF
★ PACE VILLAGE APARTMENTS	220 Whitty Dr, Myrtle Beach, SC 29579	119	42,796	2005 / 2022	TBD	\$12,950,000	\$108,824	\$404.74
1 SEASIDE GROVE	101 Augusta Plantation Dr, Myrtle Beach, SC 29579	312	308,568	2002	12/13/22	\$61,300,000	\$196,474	\$198.66
2 THE RESERVE AT RIDGEWOOD PLANTATION	4911 Signature Dr, Myrtle Beach, SC 29579	180	222,000	1998	7/28/22	\$36,500,000	\$202,778	\$164.41
3 CLAYPOND COMMONS	101 Rexford Ct, Myrtle Beach, SC 29579	188	137,280	2000	9/14/21	\$24,200,000	\$128,723	\$176.28
4 TIDES AT MYRTLE BEACH	830 Carolina Cove Dr, Myrtle Beach, SC 29577	73	108,296	2003	3/1/23	\$12,410,000	\$170,000.00	\$114.59



Average Price Per Unit Chart



REALSOURCE EXECUTIVES

**Nate Hanks, CCIM – CEO**

Nate has over 25 years of experience in the real estate industry, with many of these years acquiring and managing his own properties as well as managing and owning several businesses to train and help clients invest in commercial real estate. Nate received his CCIM designation in 2003 and currently serves as a board member and past president of the Utah Chapter.

**V. Kelly Randall – President**

Since 1979, Kelly has worked in increasingly important positions in public and private accounting. He spent 12 years with Ernst & Young and served as CFO for companies in manufacturing, software and real estate. He has had extensive involvement in public and private financings, budgeting, reporting, information systems, mergers and acquisitions and personnel management, and is proficient in SEC accounting and reporting.

**Jeff Hanks, CPA – CFO**

Jeff has over 27 years of finance and accounting experience in small to large high growth private and public companies. He has over 15 years of experience in the public sector, with focus on mergers and acquisitions, financing and reporting, audit issues and SEC reporting. He served several years as a director for a public company and director and treasurer with a non-profit organization.

**Mark Hanks – COO**

Mark has over 30 years of experience as President/CEO in owning, managing, and operating several different businesses in the property management, manufacturing and services industries. He joined the RealSource team in 2005 and under his direction has grown the property management division to over 5,500 units. Mark has served on several National advisory committees and Boards.

**Steven Moreira CCIM, CIPS – Managing Broker**

Steven served as the 2016 President of the National CCIM Institute in Chicago and was the 2015 Chairman of NAR Commercial Alliance. He has both Mortgage and Real Estate Brokers licenses in FL, GA, IL, and UT. Steven has been involved in every phase of the Real Estate Industry since 1978 as a broker, builder developer, property manager–principal, and lender, completing hundreds of millions of dollars in transactions of every property type.