

Ackerman & Co.



OFFERING MEMORANDUM

## Serenity in the Mountains

59 McKinney Road  
Blue Ridge, Georgia 30513

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### INFORMATION NOT WARRANTED

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# 01

## EXECUTIVE SUMMARY

- Investment and Property Overview
- Location and Demographic Summary
- Property Aerial
- Property Photographs
- Property Overview
- Area Map

Serenity in the Mountains Day Spa & Inn



## INVESTMENT AND PROPERTY OVERVIEW

*Ackerman & Co. is pleased to exclusively present for sale, Serenity in the Mountains, a 33,509-square-foot day spa and inn, located in Blue Ridge, Georgia.*

This luxury 33,509-square-foot spa and inn offers one, two and three-bedroom suites, a full-service salon and spa. All suites are equipped with a king-sized bed, remote-controlled fireplace, jacuzzi tub, signature oversized tile shower, full kitchen, plasma TV, cable, internet access and washer/dryer.

Both buildings feature high-end construction, an opulent interior and a location in one of the most visited areas in Georgia. Serenity has been in business since 2005 and has a well established client base that continues to grow. Because of the requests of clients, Serenity is currently adding more services to include some additional medical services.

### Property Highlights

- Well established spa & inn
- Built in 2005
- Exceptional growth area/outstanding demographics
- Solid client base
- Easy access to Appalachian Highway (Highway 515)

### INVESTMENT OVERVIEW

RENTABLE SQUARE FEET:	33,509 SF
SALES PRICE:	\$3,230,000
PRICE PER SQUARE FOOT:	\$96.39

59 McKinney Road  
Blue Ridge, Georgia 30513



## INVESTMENT AND PROPERTY OVERVIEW CON'T.

*Serenity in the Mountains operates two business units. Serenity Spa of Blue Ridge LLC is a full-service premier spa and salon that provides highly personalized services to both residents and visitors to the Blue Ridge Mountains.*

The second unit is a hospitality enterprise, Serenity Luxury Suites LLC, providing thirteen high-end luxury suites and condos for visitors. The suites are one, two, and three bedroom units designed around a log cabin motif and decorated with premier quality and tasteful amenities. The suites cater to discerning individual visitors as well as groups and businesses conducting meetings.

Since 2002, Serenity has been a growing presence in the marketplace. As more and more tourists found Blue Ridge, the word has spread. Real estate values have climbed and the Blue Ridge region has become a highly desirable destination for visitors. While the visitors to the region reside across the United States, most visitors are from Metro Atlanta. Due to its population size, the Atlanta visitors are appreciated for both their loyalty in repeat visits and their affluence. Lodging and service fees are quite low by Atlanta market makes the trip an easy one for the Atlantan.

*Demand for both spa services and luxury suites have continued to grow with no apparent end in sight.*

In Blue Ridge there are few competitors. Competition for luxury spa services is viewed as limited, since the nearest resort-level competitor, Brasstown Valley Spa, has opened approximately one hour northeast of Blue Ridge. Demand for both spa services and luxury suites have continued to grow with no apparent end in sight. Ownership has committed additional resources to expand services in both segments of the business, yet the opportunities continue to exceed the current capacity of the facilities. Part of what has made the economic opportunity appealing is the unique blend of a highly talented, yet low cost workforce that is comprised of full-time and part-time employees and contract workers. The combination of the mountain work ethic, coupled with the limited employment opportunities serve to keep labor costs low while service workers are diligent about meeting or exceeding patron expectations.

The combination creates an environment where the guest is pampered and the cost of labor is low.

Serenity has developed an outstanding reputation that a guest's experience should be a positive, pleasant and serene experience. Recognizing that one of the most powerful forms of advertisement is word of mouth, Ownership has instilled into the staff the need to make every narrative from a guest to another person one that is positive. The results are experienced every day, from the guest comments in the suites to the feedback from first-time visitors that have been referred to Serenity by a friend.

Ownership has expanded the spa by adding medical services and prescription skin care which greatly enhances the bottom line. The Medical Directors, Dr. Carey Nease and Dr. Chad Deal of Southern Surgical Arts are a fantastic addition to the faculty. The doctors specialize in artistic cosmetic surgery and natural enhancements using the latest technology.

The lodging has also been separated creating Serenity Suites, LLC. Both will rent at fair market value from Serenity in the Mountains which will own the building and grounds. The growth of the business occurred somewhat by accident as Ownership began offering hair salon services that grew rapidly. Soon, due to customer demand, additional services were offered, including manicures and pedicures, facials, massage therapy and a new medical spa. The facility and business has been in operation for more than nine year and employ 46-48 people including Lynda Cole, Owner and President.

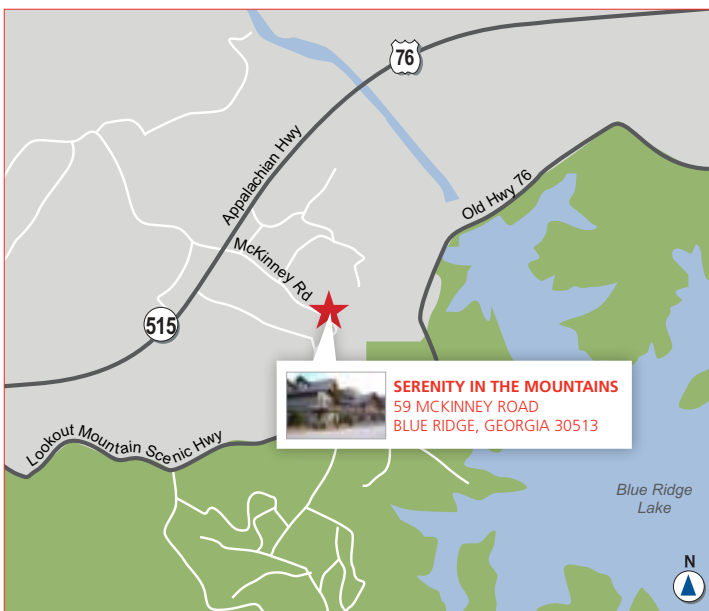
## LOCATION AND DEMOGRAPHICS

*Serenity in the Mountains Spa & Inn is located one block from Highway 515 and is very convenient to downtown Blue Ridge and Lake Blue Ridge, both only 5 minutes away.*

The Blue Ridge region has become a highly desirable destination for visitors. While the visitors to the area reside across the United States, most visitors come from Metro Atlanta.

## HOUSEHOLD AND INCOME DEMOGRAPHIC SUMMARY

	1-MILE	3-MILES	5-MILES
2012 Total Households	287	2,248	4,261
2012 Total Population	652	5,262	9,988
2012 Average Household Income	\$52,461	\$44,284	\$44,682
2011 Medium Household Income	\$37,578	\$34,949	\$35,547
2011 Estimated Per Capita Income	\$23,058	\$19,306	\$19,271



### TRAFFIC COUNTS

**17,773 VPD ON APPALACHIAN HIGHWAY**

Source: 2011 MPSI Systems Inc. d.b.a. DataMetrix®



# 01 Executive Summary

CLOSE UP AERIAL VIEW CAPTURING THE SITE AND SURROUNDING RETAIL





# 01 Executive Summary

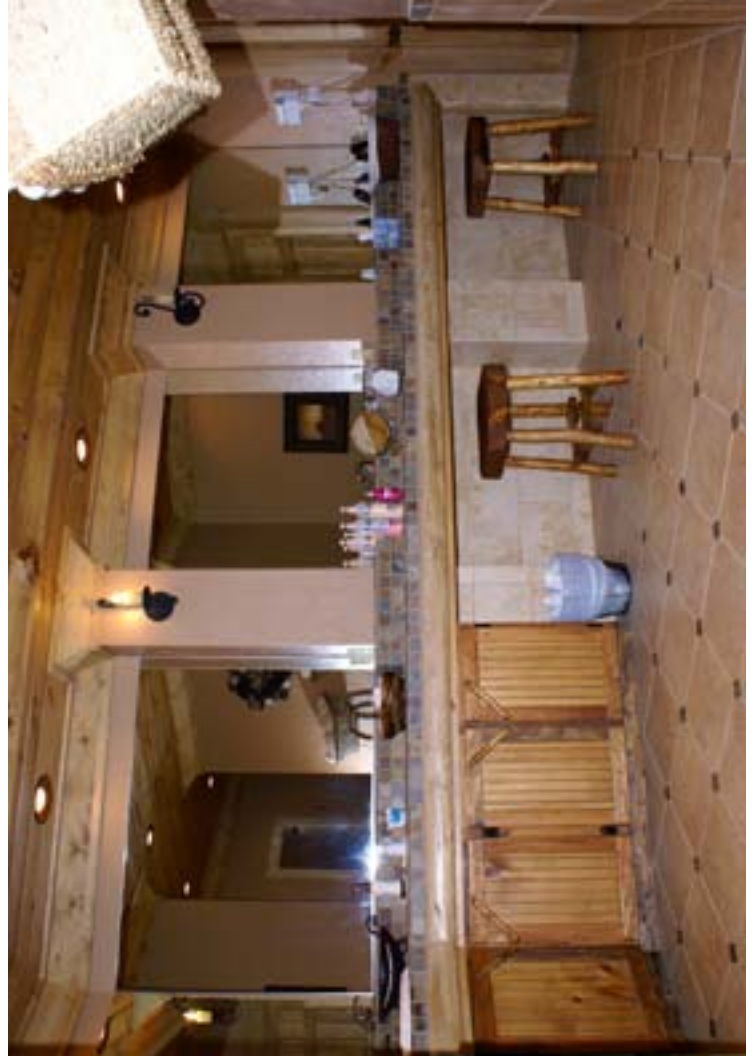
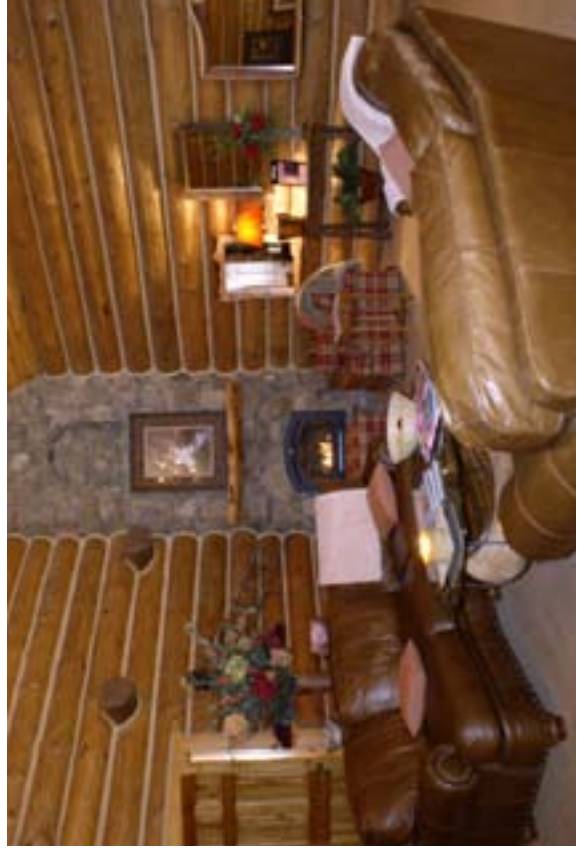
AERIAL VIEW CAPTURING THE SITE AND SURROUNDING RETAIL





# 01 Executive Summary

## PROPERTY PHOTOGRAPHS





# 01 Executive Summary

## PROPERTY PHOTOGRAPHS

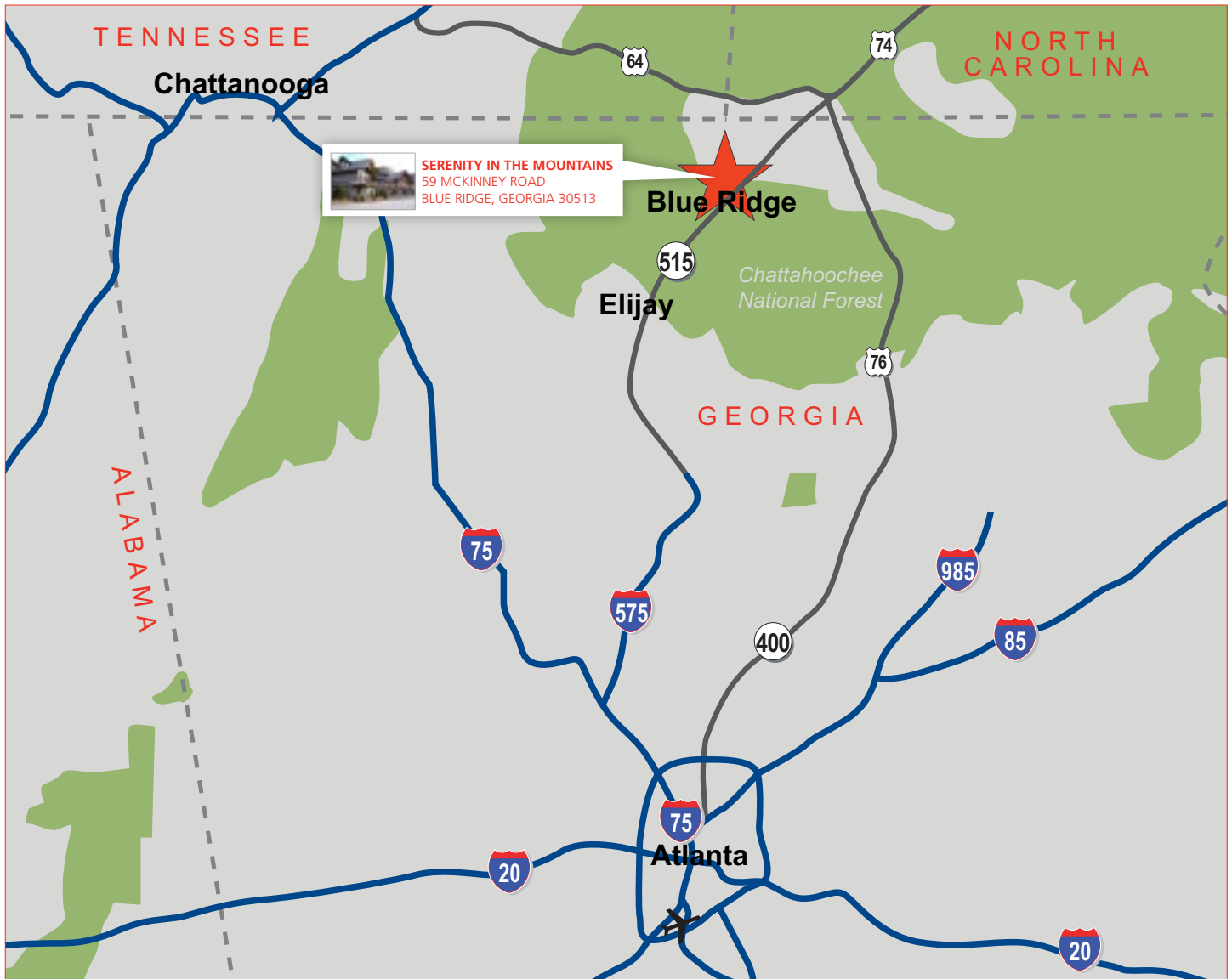




## PROPERTY OVERVIEW

ADDRESS:	59 McKinney Road, Blue Ridge, Georgia 30513
COUNTY:	Fannin
MUNICIPALITY:	City of Blue Ridge
BUILDING SIZE:	33,509 square feet
LAND AREA:	1.6 acres
ZONING:	Commercial/spa and inn
YEAR BUILT:	2005 (expanded in 2008)
FOOTINGS & FOUNDATION:	Reinforced concrete slab
EXTERIOR WALLS:	Wood shingle and log accents or stone over wooden framing
INTERIOR WALLS:	Painted and wallpapered gypsum board, wood paneling and ceramic tile
ROOF:	Asphalt shingles over wood decking
FLOORS:	Hardwood in some areas, commercial grade carpet, ceramic tile and vinyl tile over concrete slab. Ceramic tile in restrooms.
CEILINGS:	Textured, painted gypsum board or wooden paneling throughout
DOORS:	Wooden doors throughout
WINDOWS:	Stained or clear glass windows in wood frames
HVAC:	Adequate multi-zone central system to heat and cool the guest suites, common areas and hallways.
ELECTRICAL:	Adequate service, outlets and fixtures
PLUMBING:	Copper supply lines and PVC/cast iron waste lines adequate to serve the building. 3-fixture bathrooms in each guest suite.
LANDSCAPING:	Professional landscaping
PARKING:	Plenty of parking around the subject development

## AREA MAP



### KEY DISTANCES

Appalachian Highway/Hwy 515.....	0.5 MILES
Ellijay, Georgia.....	18.4 MILES
Hartsfield Jackson International Airport.....	106 MILES

# 02

## TENANT OVERVIEW

- Tenant Overview
- Rent Roll



## TENANT SUMMARY



**SQUARE FOOTAGE**  
17,199

**LEASE EXPIRATION**  
12/2023

### SERENITY SPA OF BLUERIDGE

Serenity Spa is a full-service spa located in the heart of Blue Ridge, Georgia. Clients come from nearby Ellijay, Jasper and Atlanta, and across the country to enjoy the wonderful services and relaxing atmosphere. Serenity offers a variety of services which include hair styling, spa, manicures, pedicures, facials and massages.



**SQUARE FOOTAGE**  
16,310

**LEASE EXPIRATION**  
12/2023

### SERENITY LUXURY SUITES

Adjacent to the spa lies Serenity Suites Hotel which offers affordable luxury hotel accommodations. All units (one, two and three-bedrooms) come with a king-size bed, fireplace, jacuzzi tub, full kitchen and signature oversized tile showers. If you are looking for a cozy night's rest, Serenity Suites is the place to be.



# 02 Tenant Overview

## RENT ROLL

TENANT NAME	SQUARE FEET	% GLA	LEASE COMMENCE	LEASE EXPIRATION	ANNUAL RENT	RENT/SF INCOME	LEASE TYPE	RENEWAL OPTIONS
Serenity Spa of Blue Ridge, LLC.	17,199	51%	01.01.2013	12.31.2023	\$141,892	\$8.25	NNN	3/5 Years
Serenity Luxury Suites, LLC.	16,310	49%	01.01.2013	12.31.2023	\$134,558	\$8.25	NNN	3/5 Years

# 03

## MARKET OVERVIEW

- Blue Ridge, Georgia
- Detailed Demographics



BLUE RIDGE, GEORGIA

*Blue Ridge, Georgia is located only 90 minutes north of Atlanta via I-575 and Highway 515, but a million miles away from the traffic, stress and anxiety of the city.*

Blue Ridge, Georgia is situated on the North Carolina – Tennessee line, within easy reach of the best attractions the Georgia mountains, western North Carolina and eastern Tennessee foothills have to offer. With 106,000 acres located in the Chattahoochee National Forest, Blue Ridge is definitely the cure for whatever ails you. Rent a cozy cabin or a luxury mountain home, or stay in a bed & breakfast inn or hotel and simply relax.

### Tourism

Blue Ridge is one of the most popular tourist destinations in Georgia. Visitors should visit the Fannin County Chamber of Commerce, located at 152 Orvin Lance Drive, to find out all the wonderful activities to do in Blue Ridge. With key water features, such as Lake Blue Ridge and the Toccoa River, as well as being surrounded by the Blue Ridge Mountains, near the southern tip of the Appalachian Trail, the area draws tourists and outdoorsmen from all over the United States and abroad.



Blue Ridge Mountains

### Activities

Outdoor activities include fishing, kayaking, boating, tubing, swimming, hiking, camping and blueberry picking, to name a few. The downtown area of the city is populated with several shops and antique stores. The tracks for the

Blue Ridge Scenic Railway bisect the downtown, with the Scenic Railway itself operating out of the town's historic 100 year old depot. The downtown area also serves as host for several seasonal festivals.



Downtown Blue Ridge, Georgia

### Weather

The weather in Georgia's Blue Ridge Mountains is simply stunning with warm days and cool nights during the summer. Spring and autumn offer the most variety in temperatures, with early spring lows frequently dipping to the 30's and highs in the 60's. Late spring brings much warmer temps with highs in the 70's and low 80's. By the start of autumn the highs peak in the 70's, but even late in the season reach the 60's. During the winter the highs are in the 50's, dropping below the freezing mark at night. Snow blankets our mountains 3 or 4 times a year.

## DETAILED DEMOGRAPHICS

LOCAL DEMOGRAPHICS	1-MILE	3-MILES	5-MILES
2012 Estimated Population	652	5,262	9,988
2017 Projected Population	718	5,559	10,652
2000 Census Population	489	4,395	8,217
1990 Census Population	352	3,655	6,662
Growth 2000 - 2012	33.33%	19.73%	21.55%
Growth 2012 - 2017	10.12%	5.64%	6.65%
Growth 1990 - 2000	38.92%	20.25%	23.34%
2012 Estimated Median Age	51.34	45.97	45.95
Total Employees	561	4,260	8,127
2012 Estimated Households	287	2,248	4,261
2017 Projected Households	313	2,378	4,555
2000 Census Households	206	1,886	3,459
1990 Census Households	144	1,463	2,623
Growth 2012 - 2017	9.06%	5.78%	6.90%
Growth 2000 - 2012	39.32%	19.19%	23.19%
2012 Estimated Average Household Size	2.27	2.27	2.31
2012 Estimated Average Household Income	\$52,461	\$44,284	\$44,682
2012 Estimated Median Household Income	\$37,578	\$34,949	\$35,547
2012 Estimated Per Capita Income	\$23,058	\$19,306	\$19,271
2012 Estimated Occupied Units	240	1,569	3,193
2012 Estimated Renter Units	46	678	1,068
2012 Estimated Median Housing Value	\$178,099	\$150,685	\$151,758

### ATLANTA DEMOGRAPHICS

Majority of Serenity's clients come from Atlanta. Atlanta's 2012 population totals 422,343 and its household income averages \$72,940.

# 04

## FINANCIAL OVERVIEW

- Summary of Financial Assumptions
- Expenses

## SUMMARY OF FINANCIAL ASSUMPTIONS

### GLOBAL

#### Analysis Period (New lease executed at closing)

Commencement Date	January 1, 2013
End Date	December 31, 2023
Term	10 Years

#### Area Measures

Building	33,509 SF
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### CURRENT FINANCIAL SUMMARY

Price	\$3,230,000
Down Payment (30%)	\$969,000
Price/SF	\$96.39
Cap Rate	8.56%
IRR (7-year hold)	14.06%
Rental Income	\$276,450
Effective Rental Income	\$276,450
Expense Reimbursement	(\$101,770)
Gross Operating Income	\$378,220
Lease Expenses	(\$101,770)
Net Operating Income	\$276,450
Loan Payments	\$166,614
Cash on Cash (11.3%)	\$109,836

### LOAN ANALYSIS

Loan Amount	\$2,261,136
Interest Rate	5.5%
Amortization	25
Loan Term	7 Years
Payments per Year	12

## EXPENSES

	CURRENT	PER SF
Real Estate Taxes	\$12,000	\$0.36
Current Exp Reimbursement	\$14,573	\$0.44
<b>CAM</b>		
Electricity	\$44,897	\$1.34
Gas	\$6,155	\$0.18
Sanitation	\$1,200	\$0.04
Water/Sewer	\$22,945	
<b>Total Expenses</b>	<b>\$101,770</b>	



Ackerman & Co.



FOR MORE INFORMATION, PLEASE CONTACT:

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