

The Albemarle Hotel

Regulation Crowdfunding



Goal: \$350,000 - \$1,070,000

Convertible Debenture

Min. Investment: \$1,000

Indicate Interest

(<https://vicinitycapital.com/ii-ahd/>)

Coming Soon!

Start date: March 22, 2021

End date: April 30, 2021

[View Map](#)

Welcome! We are collecting indications of interest for our planned capital raise through Regulation Crowdfunding. Please reference important guidance regarding Rule 206 under

the Disclosures section below.

[The Deal](#) [Shop Talk](#) [Local Buzz](#) [Q & A](#)

Why fund our local story

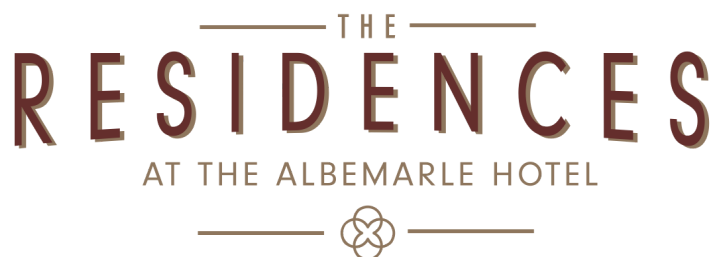
Project Highlights

- Experienced leadership with success in multiple complex real estate development projects
- Demand verified through independent market research
- Over **\$2M** in value added via Historic Tax Credits
- **5%** target annual return
- **3X** target lifetime multiple (\$1,500 investment should yield \$5,250 if the project goes as planned)
- **5-10 year** targeted hold
- **29** for-rent apartments & 1 ground floor commercial space
- **\$8.3M** total Capital Stack

The Vision

Meeting a modern market demand while preserving an iconic community cornerstone

The Residences at the Albemarle Hotel is a real estate redevelopment project in the heart of Stanly county. We're capitalizing on a prime market opportunity while reclaiming and protecting the history of Albemarle for future generations to enjoy.



"May we appeal to the men and women in Albemarle who are financially able to subscribe to the capital stock of the new hotel...?"

This question was penned almost exactly 100 years ago in 1921 by The Stanly News Herald as Dr. W.C. Fitzgerald set out to raise capital from the citizens of Albemarle to begin work on the original Hotel.

Today the site holds a remarkably similar proposition: an opportunity for anyone in the community to own a piece of the hotel and buy into the future of Albemarle.

The project is being led by Jordan Jones, a North Carolina native who grew up hearing stories of the hotel's glory day from his mom - born in Badin, NC. Now a Durham resident and veteran real estate developer, Jordan has a passion for local communities and is eager for his firm, Anchor & Pillar, to play a part in Albemarle's economic growth.

Site and History

"It will mean a new start toward building up Albemarle."

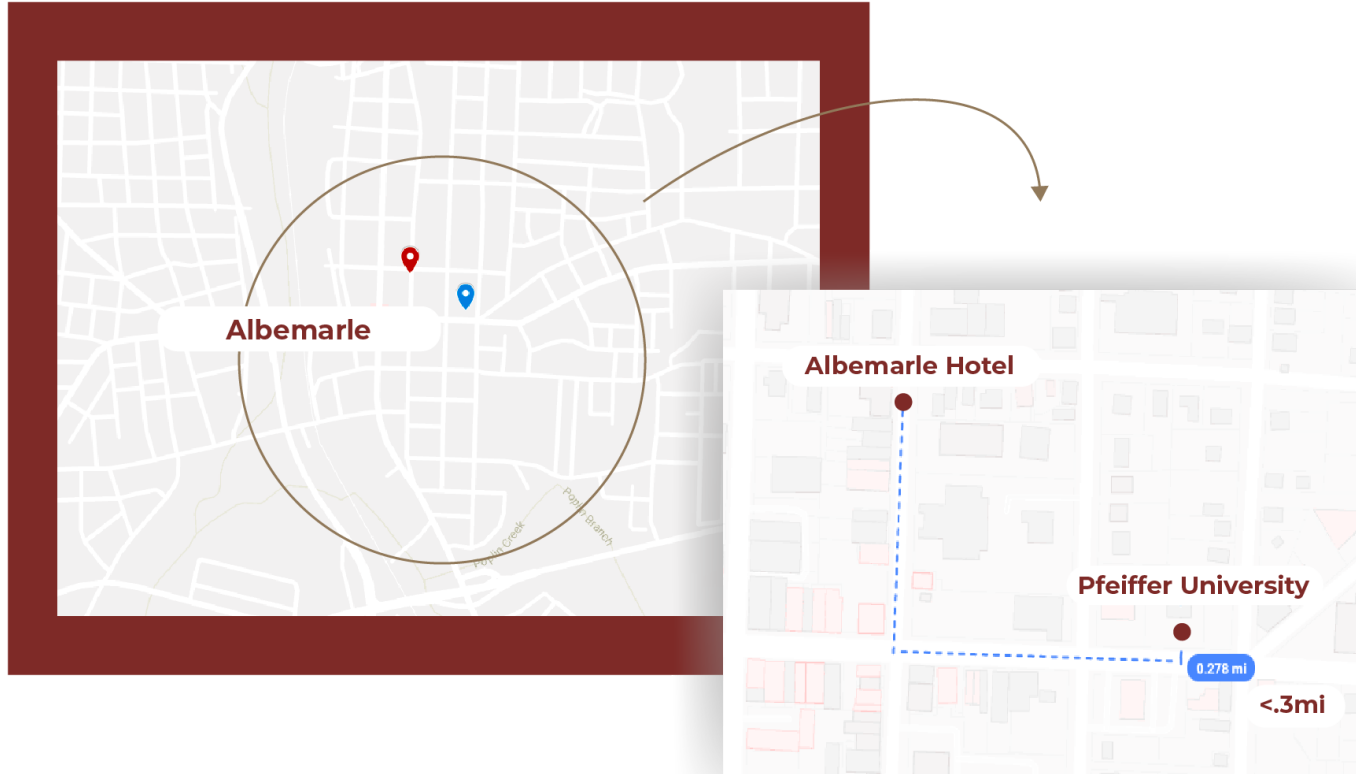
The Stanly News Herald's words became a self-fulfilling prophecy as members of the community rallied quickly around the new development. Thanks to numerous local shareholders, construction was completed in 1923 and the hotel became the city's business, civic, and destination travel stop for many years.



The first floor contained a ballroom, dining room and a grand lobby filled with fine furniture. The space was used by civic organizations such as the Civitan, Rotary, Lions, Optimist club, and the Chamber of Commerce just to name a few. It also boasted retail space housing a clothing store and barber shop. The Stanly County Public Library moved into the retail space in 1927 and the first local radio station, WABZ, began its broadcast from the hotel basement in 1927.

1947.

This project is bringing the Historic Albemarle Hotel back to life. The Hotel building is positioned in the center of downtown, surrounded by local shops and only a block from the new Pfeiffer University Center for Health Sciences.



Albemarle

What's Nearby

- Off the Square
- Five Points Public House
- Glory Beans Coffeehouse
- YMCA
- 2nd Street Sundries
- Albemarle Sweet Shop
- Hilltop Seafood
- Corner Supermarket

- Make it Personal Embroidery and Custom Apparel
- Starnes Jewelers
- Vac & Dash
- Stanly Arts Guild
- 193 N 2nd St

Right in the heart
of Albemarle.

Close to multiple
community
centers.



The Hotel has been a landmark icon since its opening in 1923. From its warm and stately hotel rooms to its fine dining lobby restaurant, the hotel was a picture of class and southern

hospitality.

Surrounded by historic civic and church buildings, the location has served as a community mainstay, bringing people together in downtown Albemarle. Approaching its 100th anniversary, the building is perfectly poised for redevelopment and a return to its former glory.

The Opportunity

Demand for downtown residential space is significantly increasing while the existing supply is insufficient. A thorough market analysis has shown that housing demand has already outpaced the availability of properties in the downtown area. With Pfeiffer University as an addition to the downtown, there will be 200+ graduate professionals added to the immediate neighborhood.

The Plan

Our designs will convert the old hotel layout into 29 for-rent apartments and a 4,000SF commercial space. We want to balance the historic value of this landmark with a state-of-the-art redevelopment plan. The new designs will pay respect to the building's history by preserving the exterior structure and refinishing the original windows.

A PLACE FOR



FAMILY

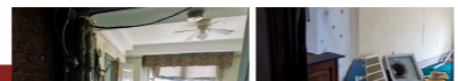


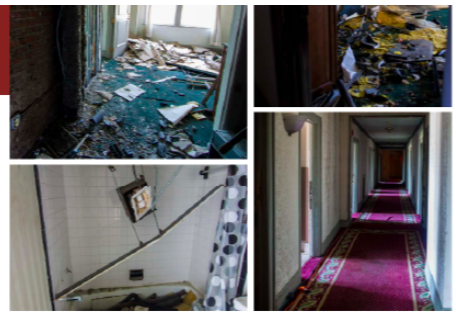
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FRIENDS

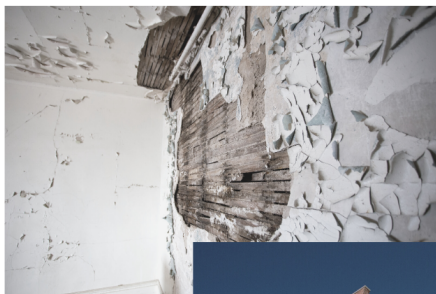


We're completely stripping out the interior non-structural elements for a fully updated and completely redesigned floor plan. This plan mirrors our successful redevelopment of The Gathering at the Prince Charles in Fayetteville, NC.



WE STRIPPED THIS...**DOWN TO THIS...****SO WE COULD BUILD THIS.**

The Albemarle hotel demolition will remove the dilapidated and abandoned interior, providing a clean slate for the building's restoration.





After years of neglect, the hotel will be redeveloped into a clean, safe, and modern environment for residents.

Market Analysis



Demographics

- Area boasts a growing population across multiple age groups
- High concentration of young singles, couples & empty nesters

Trends

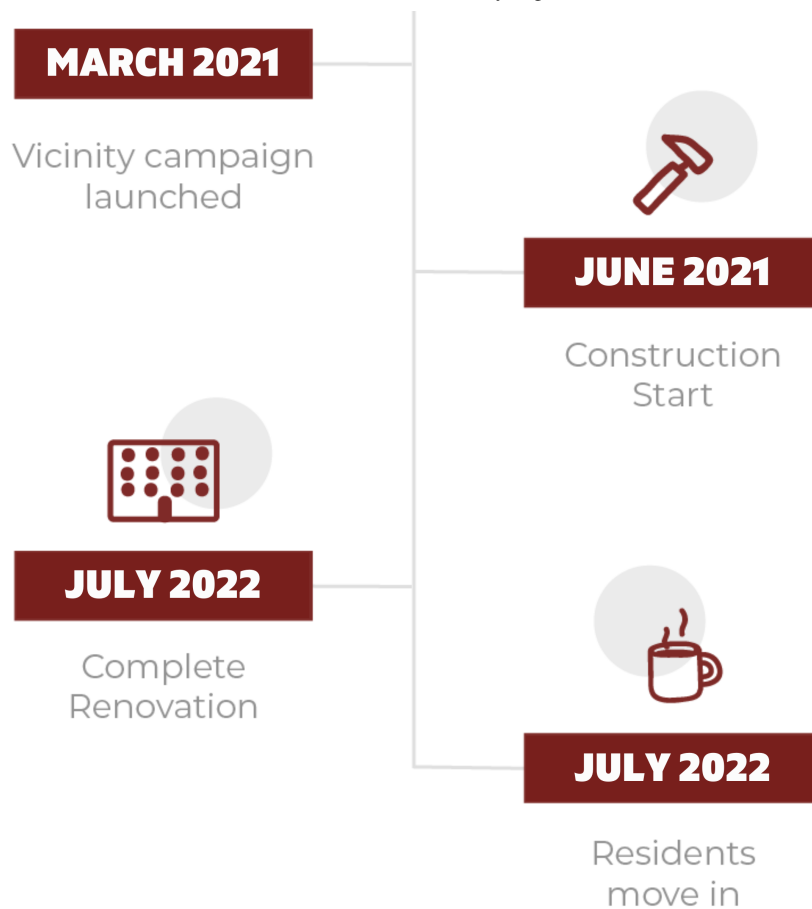
- Increased wages
- Increase in target population
- Rising income

Key Findings

- Capacity doesn't satisfy current demand
- Easily competitive to surrounding comps
- The current market alone indicates an ability to fully support the project. The addition of the Pfeiffer Health center serves to increase the demand and further enhance the opportunity.

The Timeline





Investment Summary

Deal Terms

- This offering is for **Convertible Debenture**
- Interest rate: **5% annual, paid quarterly**
- Conversion Milestone: notes convert to equity when
 - (1) historic tax credit investors exit
 - (2) future liquidity or financing event occurs
- Minimum investment: **\$1,000**
- Goal: **\$350,000 - \$1,070,000**

Use of Funds

- **If we raise \$350K, we'll use the funds for demolition and abatement of mold/asbestos/lead paint.**

- If we raise over \$350K, we'll allocate the remaining portion to general construction and carpentry.

Investment Examples

Investment	(1,000)	(50,000)
Year 1	50	2,500
Year 2	50	2,500
Year 3	50	2,500
Year 4	50	2,500
Year 5	50	2,500
Year 6 *	140	7,000
Year 7	154	7,700
Year 8	166	8,300
Year 9	179	8,950
Year 10 **	2,488	124,400
Total Cash Return	3,377	168,850
IRR	15%	15%
Equity Multiple	3.38X	3.38X

*Example assumes conversion of debenture to equity after Year 5

**Example assumes sale at Year 10

Our People



Jordan Jones,

Principal/Founder

Jordan Jones has focused his career on reactivating communities, particularly downtowns, through transforma..

[Read More](#)

Uwharrie Bank, Community Partner

Uwharrie Bank is a community banking organization that was organized in the early 1980s as the consolidation of the financial services indus..

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Stokes Construction, General Contractor

Stokes Construction Company, Incorporated has been serving the central part of North Carolina since 1950. We built over three hundred homes ..

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Common Questions

Are there comparable projects to what you are proposing for the Albemarle Hotel?

Yes, across North Carolina there are successful downtown historic tax credit renovations of similar buildings into commercial and residential uses. Close by in Concord, Rehab Development completed two renovations called Lofts29 (<https://www.lofts29.com/>) and The View at Hotel Concord (<https://www.theviewwhc.com/>). These projects delivered more than 60 residential units that have price points above what are proposing for this project. A more comparable project is located in downtown Elizabeth City, NC. Elizabeth City's population and median household income are very similar to Albemarle's. In 2020, the Weatherly Lofts (<http://weatherlylofts.com/>) opened up with 44 apartments. All of these units were leased in about 6 months at rental rates above those we are planning for The Residences at the Albemarle Hotel.

Does demand exist for the proposed residential units?

Where will your tenants park?

What is Anchor & Pillar?

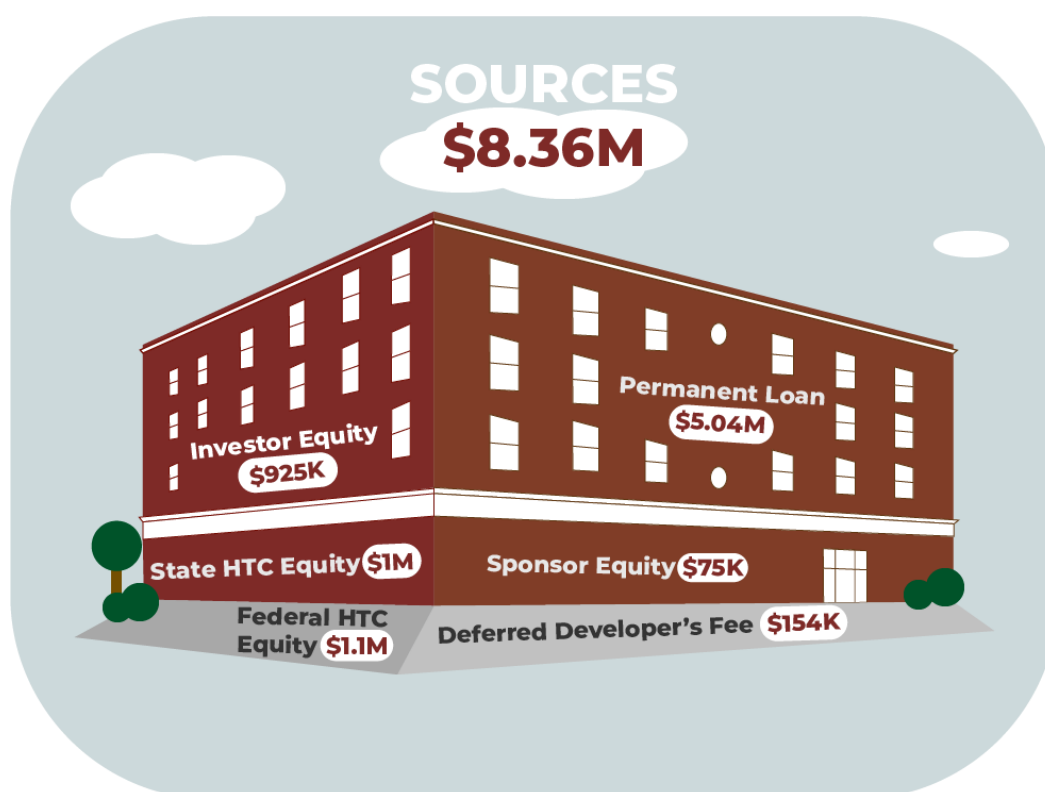
Financial Highlights

Cash Flow Sample

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Residential Effective Income	\$357,864	\$454,845	\$466,216	\$477,872	\$489,819	\$502,064	\$514,616	\$527,481	\$540,668	\$554,185
Commercial Effective Income	\$60,660	\$78,757	\$80,726	\$82,744	\$84,813	\$86,933	\$89,106	\$91,334	\$93,617	\$95,958
Total Effective Income	\$418,524	\$533,602	\$546,942	\$560,616	\$574,631	\$588,997	\$603,722	\$618,815	\$634,285	\$650,142
Costs										
Operating Expenses	-\$148,775	-\$183,871	-\$186,954	-\$190,101	-\$193,315	-\$196,595	-\$199,945	-\$203,364	-\$206,855	-\$210,419
Debt Service	-\$179,178	-\$225,313	-\$225,313	-\$225,313	-\$225,313	-\$225,313	-\$225,313	-\$225,313	-\$225,313	-\$225,313
USDA Guarantee Fee	-\$25,123	-\$24,872	-\$24,623	-\$24,377	-\$24,133	-\$23,892	-\$23,653	-\$23,416	-\$23,182	-\$22,950
HTC Preferred Return	-\$22,349	-\$22,349	-\$22,349	-\$22,349	-\$22,349					
HTC Put					-\$55,872					
Total	-\$375,425	-\$456,404	-\$459,239	-\$462,140	-\$520,981	-\$445,800	-\$448,910	-\$452,093	-\$455,350	-\$458,682
Cash Flow before Payment of Investor Interest (5%)	\$43,099	\$77,198	\$87,704	\$98,476	\$53,650	\$143,197	\$154,811	\$166,722	\$178,935	\$191,460
Investor Interest Payment	-\$52,896	-\$52,896	-\$52,896	-\$52,896	-\$52,896					
Cash Flow before Deferred Developer Fee	-\$9,797	\$24,302	\$34,808	\$45,580	\$754	\$143,197	\$154,811	\$166,722	\$178,935	\$191,460
Deferred Developer Fee*	-\$182	-\$21,872	-\$31,327	-\$41,022	-\$678					
Residual Distributable Cash Flow	-\$9,980	\$2,430	\$3,481	\$4,558	\$75	\$143,197	\$154,811	\$166,722	\$178,935	\$191,460

*Deferred Developer Fee is paid as distributable cash flow is available during the Historic Tax Credit period (anticipated 5 years)

Sources of Capital



Docs

Kimley-Horn Market Study

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(<https://api.norcapsecurities.com/tapiv3/index.php/Stamp/PDF/QWxiZW1hcmxl/kxtl150321052252.pdf>)

Hotel Presentation

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Hotel Appraisal

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Risks

Investing carries general risks, such as losing all the money you invest. Some key risks are listed below. Additional general and project-specific risks may be detailed here if the Regulation Crowdfunding securities offering goes live.

Construction. The Company will invest in the redevelopment of the Albemarle Hotel ("Project"). All construction projects, particularly historic renovations, carry a high degree of risk. There are many unknown and concealed conditions that will likely emerge during the construction process. While the Project will hire a highly qualified general contractor to execute the Project, it is likely there could be increases to the development budget that materially impact the estimated financial returns.

COVID-19. The impacts of COVID-19 on our communities and our economy has been significant. At this time, the overall impact and potential recovery from the effects of COVID-19 on the economy is unknown. While construction projects are continuing to proceed during COVID-19 as they are identified as "essential" by North Carolina Governor Roy Cooper, the potential impact could be on the Project's prospective residential tenants in terms of their willingness to sign new leases and ability to pay requested rents. The demand for urban, multifamily housing may be significantly diminished as a result of the COVID-19 pandemic.

Pfeiffer University's Expansion Plan. The Project intends to renovate, own, and operate one commercial space and 29 for-rent apartments in the Albemarle Hotel. While the Project's plans are not solely based on Pfeiffer University's expansion to downtown Albemarle, the Project will target Pfeiffer University students for the residential units. In the event Pfeiffer University is not successful with their planned enrollment numbers, the viability of the Project and the value of the Company's investment could be adversely impacted.

Key Personnel. The Project is highly dependent on Jordan Jones to oversee the construction and ongoing

operations. The loss of Mr. Jones would adversely affect the Project and the Project might have to obtain other personnel to perform his duties. There can be no guarantee such replacement personnel will be available or that the project will proceed as planned in the event of the loss of Mr. Jones.

Competition. As far as the Project is aware, no other larger redevelopment projects with at least 25 for-rent apartments is currently being considered in downtown Albemarle. While the project's location and proximity to Pfeiffer University's downtown Albemarle campus will differentiate itself from its competitors, there is significant competition among other residential options in Albemarle and Stanly County.

Need for Additional Funding/Dilution. The project does need additional capital in excess of the \$1,070,000 being raised through this Regulation Crowdfunding offering. Additional equity financing of approximately \$500,000 will be pursued. This may be pursued through Regulation Crowdfunding, following a material amendment that could be filed after the initial launch, allowing for Regulation Crowdfunding to be used to raise in excess of \$1,070,000. Additionally, bank financing and historic tax credit investment will be necessary to complete the full funding needs of this project.

You can learn more about the risks of investing through Vicinity here (<https://vicinitycapital.com/faq-investors/>).

Disclosures

This is not currently a live securities offering.

1. No money or other consideration is being solicited, and if sent in response, will not be accepted.
 2. No offer to buy the securities can be accepted and no part of the purchase price can be received until the offering statement is filed and only through an intermediary's platform.
 3. A person's indication of interest involves no obligation or commitment of any kind.
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