OFFERING MEMORANDUM | FOR SALE / LEASE

233 E. Sullivan St.
Kingsport, TN 37660

Aggressively Priced Downtown Opportunity | B-2 Zoning | Opportunity Zone

SALE PRICE	BUILDING SIZE	PRICE / SF	BUILT
$384,000	±8,425 SF	≈$45.58	1917

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FACADE GRANT — CONCEPTUAL RENDERING

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PASSIVE INVESTMENTS | eXp COMMERCIAL

FOR SALE / LEASE | 233 E. SULLIVAN ST., KINGSPORT, TN 37660

Aggressively Priced Downtown Opportunity

Move-In Ready Office or Retail | Urban Loft Redevelopment | Opportunity Zone

FACADE GRANT — CONCEPTUAL RENDERING

SALE PRICE	BUILDING SIZE	PRICE / SF	BUILT
$384,000	±8,425 SF	≈$45.58	1917

Imagine buying a building at approximately **$45.58 per square foot** and getting reimbursed **$35,000** for the new windows you put in through grants. This property offers an acquisition basis that is exceptionally difficult to replicate today, well below replacement cost for historic construction of this character. With portions of the building already improved and additional space available for redevelopment, a buyer can pursue a phased renovation strategy and tailor the project to today's market.

PRESERVED HISTORIC CHARACTER

These original elements create the authentic loft-style environment increasingly sought by residents, office users, and retailers — and dramatically reduce the cost of recreating similar character in new construction.

- Original pressed-tin ceilings
- Exposed brick walls
- Large historic windows and abundant natural light
- High ceilings and original masonry construction
- Prominent corner storefront with excellent visibility

THE VISION — RETAIL OR OFFICE BELOW, LOFTS ABOVE

The two-story layout, corner visibility, and B-2 zoning line up naturally with the classic downtown mixed-use formula:

1. **Ground Floor — Retail, Restaurant, or Showroom**
The prominent corner storefront is built for a boutique retailer, café, restaurant, tasting room, gallery, or destination retail concept. Street-level activation on this block benefits from City Hall foot traffic and downtown Kingsport's growing calendar of events and programming.

2. **Upper Floor — Urban Lofts**
Subject to buyer verification and municipal approvals, the upper floor may accommodate approximately four urban loft residences. Downtown lofts are currently appraising and selling at **$250+/SF**, and a recent condominium at Sterchi Suites (217 Broad Street) sold in July 2026 for approximately **$265 per square foot** — demonstrating continued buyer demand for renovated historic downtown living.

3. **Upper Floor — Boutique Office Alternative**
The same open floor plate, natural light, and exposed brick make a compelling creative office headquarters, professional office suite, or co-working environment for a firm seeking an authentic downtown address at a fraction of new-construction cost.

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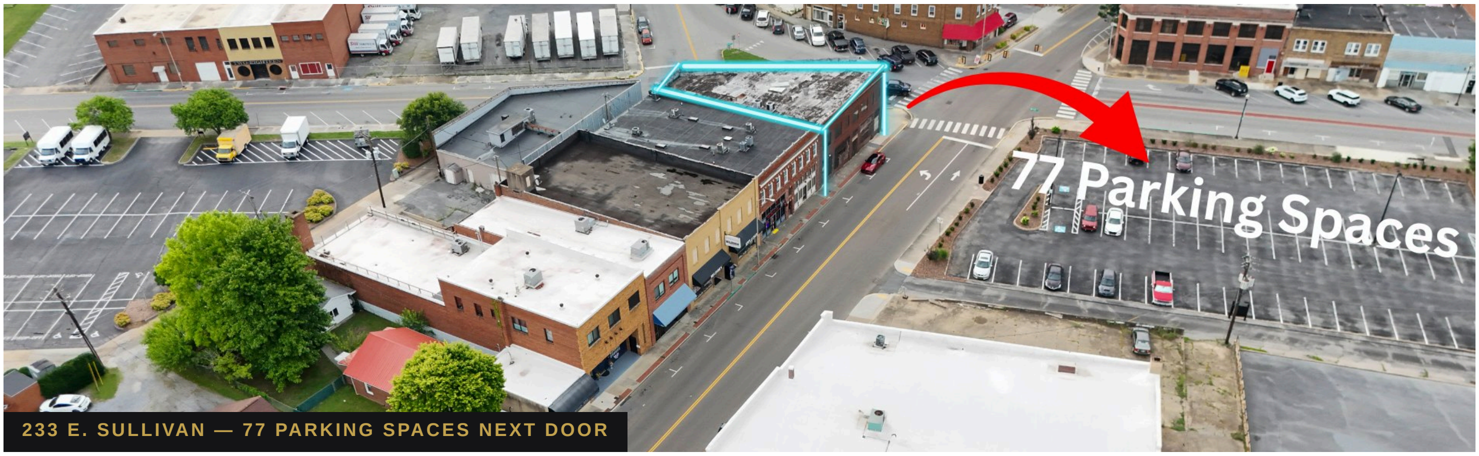
LOCATION | DOWNTOWN KINGSPORT, TN

Prime Downtown Corner Location

77 Free Parking Spaces | Steps from City Hall



233 E. SULLIVAN — 77 PARKING SPACES NEXT DOOR

233 E. Sullivan Street is one of Downtown Kingsport's most architecturally authentic historic commercial buildings — approximately **8,425 square feet** across two stories on a prominent, highly visible corner just steps from City Hall. Built in **1917**, the building pairs original historic craftsmanship with a clean, flexible layout: street-level retail or restaurant space below, with urban lofts or boutique office above.

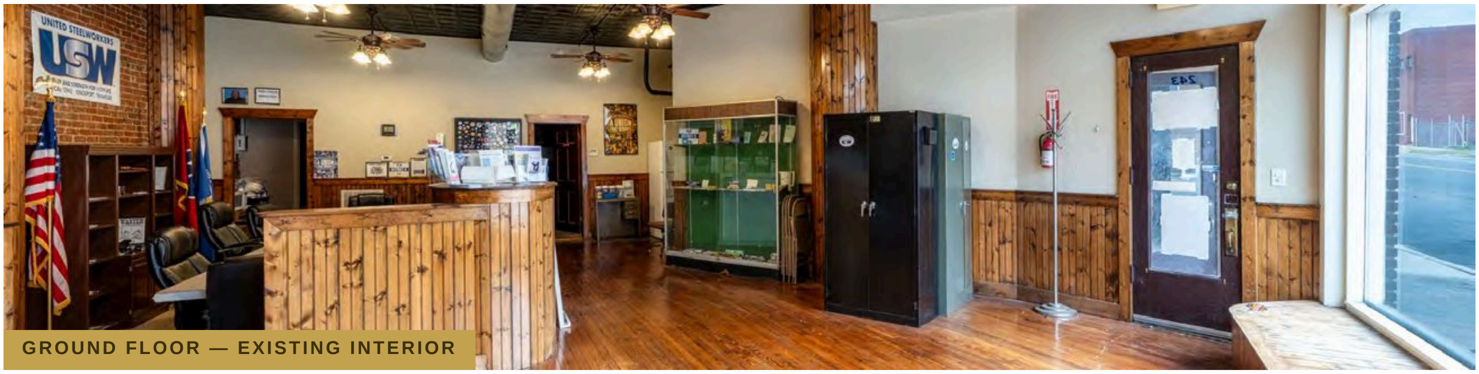
Situated on a highly visible corner along East Sullivan Street, the property benefits from excellent visibility, strong pedestrian activity, and convenient access to Downtown Kingsport's growing collection of restaurants, breweries, coffee shops, boutiques, galleries, entertainment venues, and professional offices.

Downtown Kingsport offers a compelling redevelopment story. Unlike many high-growth markets that experienced significant overbuilding, **Kingsport's historic downtown remains a supply-constrained environment** where new historic buildings simply cannot be created. Combined with lower construction costs than larger regional markets, ongoing public infrastructure investment, Opportunity Zone incentives, and steady downtown revitalization, the city offers investors an opportunity to acquire irreplaceable historic assets at acquisition costs that remain well below replacement value.

FLEXIBLE B-2 CENTRAL BUSINESS DISTRICT ZONING

Kingsport's B-2 Central Business District — the city's most flexible and use-permissive commercial zone — encourages adaptive reuse and supports a broad range of commercial and mixed-use development. Potential permitted uses include:

- Residential loft apartments and live-work spaces (upper-floor residential expressly supported)
- Boutique retail, gallery, and specialty storefront concepts
- Restaurant, café, brewery, or tasting room
- Professional, medical, creative, and co-working office
- Entertainment, personal services, and educational uses



GROUND FLOOR — EXISTING INTERIOR

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INCENTIVES & CAPITAL

Opportunity Zone, SBA 504 & City Grants

Tax-Advantaged | Below Replacement Cost

QUALIFIED OPPORTUNITY ZONE ASSET

Investors rolling recent stock, business, real estate, or crypto capital gains into a Qualified Opportunity Fund may defer tax on those gains, offset operating income through cost-segregation and bonus depreciation, and potentially exit federal-tax-free on appreciation after a **10-year hold**. The 2025 federal tax law made Opportunity Zones a permanent part of the tax code. Buyers should consult their own tax advisor regarding eligibility and current OZ rules.

SBA 10% TO 20% DOWN PAYMENT OPTIONS

For an owner-user — contractor, distributor, showroom operator, or service company — the **SBA 504 program** can put ownership within reach with terms of **10, 20, or 25 years**. This option could save around **$500,000** in rent payments over a 10 year period. Example for illustrative purposes, subject to lender approval, underwriting, and market conditions.

60-MILE POPULATION	ADAPTIVE REUSE	DELIVERY	ROI UPLIFT
1.2 Million	16% Cheaper	18% Faster	10–15%

Adaptive reuse projects, on average, come in 16% less expensive and 18% faster than ground-up construction — and often deliver 10–15% higher ROI (Deloitte Report). Deals actually pencil.

CONSTRUCTION COST & GRANT (DIG) PROGRAM

The same construction-cost advantage shown for multifamily holds true for retail and remodel work. Kingsport hard costs run meaningfully below peer markets across the board, and when paired with incentives — Opportunity Zone tax advantages, façade improvement and the City's Redevelopment Grant and Downtown Loan programs — projects achieve a superior basis and stronger risk-adjusted returns.

MULTIFAMILY — CITY	COST TO BUILD ($/SF, HARD COST)	COST TO BUILD PER UNIT (1,000 SF)
Kingsport	**$175**	**$175,000**
Chattanooga	$200	$200,000
Knoxville	$210	$210,000
Nashville	$245	$245,000
Asheville, NC	$235	$235,000

Façade Program & Redevelopment Program Applications

Façade Grant Program: encourages the revitalization of building facades and improves the aesthetics of the city's Central Business District with grant assistance through the Kingsport Economic Development Board (KEDB), for the City of Kingsport, Tennessee.

Redevelopment Grant Program: encourages the revitalization of building sites with special emphasis on improvement of the aesthetics in the city's Central Business District, with grant assistance through the KEDB. The grant is applicable to all parts of the city.

Visit the city website to learn more or click here: **https://www.kingsporttn.gov/ecd/incentives**

REAL ESTATE INVESTMENT OVERVIEW

Loft Development & Sales Metrics

Tri-Cities Region, TN | Kingsport Market Analysis

KEY FINANCIAL INDICATORS (PER DOOR)

LOFT SALES PRICE

$285k – $320k

Per Door
Actual Sales Data

DEVELOPMENT COST

$135k – $230k

Per Door
Actual Permitted Records

NET PROFIT SPREAD

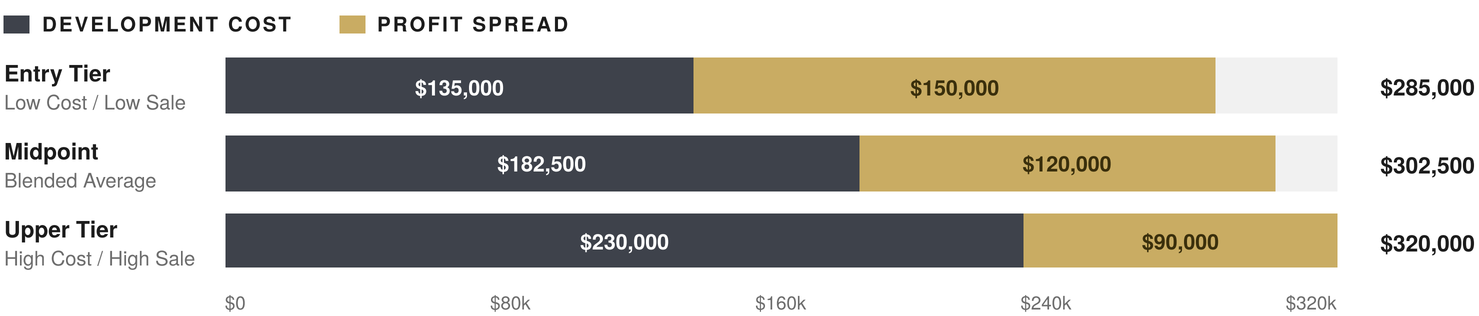
$90k – $150k

Per Door
Estimated Margin

DETAILED FINANCIAL BREAKDOWN

METRIC CATEGORY	LOW END	HIGH END	MIDPOINT / AVG	DATA SOURCE & CONTEXT
Loft Sales	$285,000	$320,000	$302,500	ACTUAL SALES Kingsport Market
Development Cost	$135,000	$230,000	$182,500	PERMITTED RECORDS Tri-Cities, TN
Calculated Spread	**$90,000**	**$150,000**	**$120,000**	MARGIN $ Profit / Door

COST VS. SALE PRICE — MARGIN VISUALIZATION



All figures per door. Profit spread segment equals sale price less development cost within each tier.

INVESTMENT SUMMARY & TAKEAWAYS

Strong Profitability Profile

The market data demonstrates a significant margin spread of **$90,000 to $150,000 per door** between development costs and final sales prices for loft properties in the Tri-Cities area. With development costs capped around **$230,000** and top-tier sales reaching **$320,000**, projects in Kingsport present strong potential upside and favorable risk-reward metrics.

Data Sources & Disclaimers: Loft sales figures based on actual completed sales in Kingsport, TN. Cost data compiled from actual permitted municipal records across the Tri-Cities, TN region. Figures are presented per door (unit) and represent general market benchmarks. All figures subject to project-specific verification.

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Conceptual Loft Renderings

Downtown Kingsport, TN | Representative Finish Level

TARGET FINISH & LAYOUT

CONCEPTUAL RENDERING

CONCEPTUAL RENDERING

DESIGN DRIVERS SUPPORTING $285K–$320K PER DOOR

- Open-plan great room with island kitchen
- Original brick, timber and exposed structure retained
- Large restored window openings — downtown and ridge views
- 10 ft.+ ceilings with exposed mechanical

Images on this page are artist conceptual renderings — illustrative of design direction and finish level only, not photographs or representations of any specific unit or building.

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Just Sold? Turn That Gain Tax-Free.

Capital Gains Rollover | Qualified Opportunity Fund Strategy

Roll capital gains from the sale of a property, a business, or crypto into a Qualified Opportunity Fund — **defer the tax you owe now, and pay $0 on the growth.**

WHAT COUNTS AS AN ELIGIBLE GAIN

ELIGIBLE GAIN

Property

Sold a rental, land, or another appreciated property and have a capital gain.

Examples
Rental · Land · Investment Property

ELIGIBLE GAIN

A Business

Sold a company, partnership stake, or other business interest at a profit.

Examples
Company Sale · Partnership Stake

ELIGIBLE GAIN

Crypto & Stocks

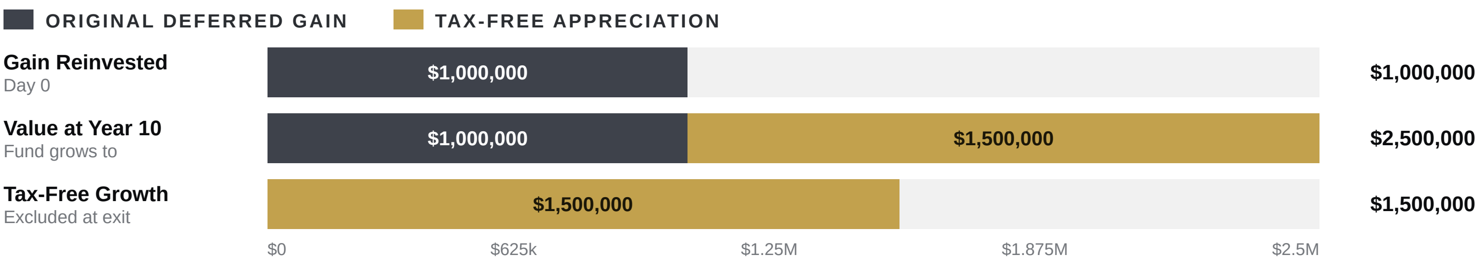
Cashed out crypto, stock, or other appreciated assets — short or long term.

Examples
Crypto · Stock · Other Assets

HOW IT WORKS

STEP	WHAT HAPPENS	TIMING	WHY IT MATTERS
1 Realize a capital gain	Sell property, a business, or crypto at a gain	Day 0	TRIGGER Starts the 180-day clock
2 Reinvest the gain	Roll it into a Qualified Opportunity Fund	Within 180 days	DEFERRAL Tax on the gain is deferred
3 Hold the investment	Stay invested in the fund	10 years	EXCLUSION Growth is never taxed
The Result	**$0 federal tax on the appreciation**	**10-Year Hold**	PERMANENT 2025 federal tax law

WORKED EXAMPLE — SALE OF A PROPERTY OR BUSINESS



Illustrative only. The original gain is deferred, not erased; the 10-year exclusion applies to the new growth.

KEY TAKEAWAYS

Now Permanent

The **2025 federal tax law made Opportunity Zones a permanent part of the tax code**, removing the sunset that previously limited the strategy. A gain from the sale of property, a business, crypto, or stock can be rolled into a Qualified Opportunity Fund within 180 days — deferring the tax now and excluding the appreciation entirely after a 10-year hold. Note that a house **"flip" itself usually produces ordinary income, which does not qualify** — Opportunity Zone treatment requires a capital gain.

Disclosures: This is general information, not tax, legal, or investment advice. Opportunity Zone eligibility, reinvestment deadlines, holding-period requirements, and fund qualification rules are set by federal statute and regulation and are subject to change. Figures shown are illustrative and do not represent a projection or guarantee of performance. Confirm your situation with a qualified CPA or tax attorney before investing.

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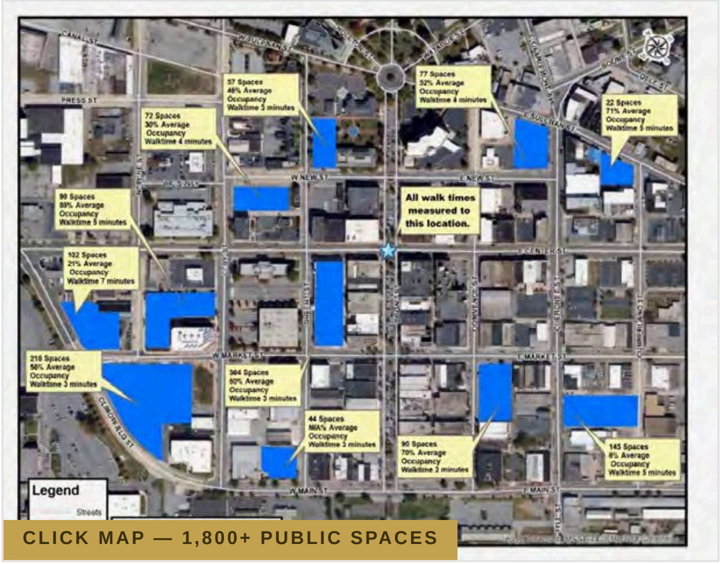
PARKING | DOWNTOWN KINGSPORT

77 Free Parking Spaces Next Door

1,800+ Public Spaces Downtown

NEXT DOOR	WALK TIME	DOWNTOWN
77 Free Spaces	**4 Minutes**	**1,800+ Public Spaces**

77 FREE SPACES NEXT DOOR



CLICK MAP — 1,800+ PUBLIC SPACES

CLICK VIDEO — DOWNTOWN BROAD STREET VIDEO

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INVESTMENT HIGHLIGHTS

Why 233 E. Sullivan St.

Submarket: Downtown Kingsport | Kingsport-Bristol CBSA

SALE PRICE	BUILDING	ZONING	LOFT COMPS
$384,000	**±8,425 SF**	**B-2 CBD**	**$250+/SF**
≈$45.58 / SF	**Two stories · Built 1917**	**Maximum use flexibility**	**Sterchi Suites · July 2026**
Well below replacement cost	Historic corner storefront	Upper-floor residential supported	Sold at ~$265/SF

- ±8,425 SF two-story historic building — built 1917
- Priced at $384,000 — approximately $45.58/SF, well below replacement cost
- Prime downtown corner with prominent storefront visibility
- Original pressed-tin ceilings, exposed brick, historic windows, high ceilings
- Partial renovations completed — phased redevelopment strategy available
- Approximately four urban loft residences possible above (buyer to verify)
- Downtown loft comps at $250+/SF; Sterchi Suites condo sold July 2026 at ~$265/SF
- B-2 Central Business District — maximum use flexibility
- Qualified Opportunity Zone — significant federal tax advantages available
- Eligible for downtown Façade Grant, Redevelopment Grant, and Downtown Kingsport Loan Program incentives

THE VALUE-ADD THESIS

When you buy a stabilized asset, ask yourself: who's capturing the upside — you or the developer cashing out? Acquiring vacant or underutilized property and executing a heavy value-add strategy lets you create the value instead of paying for someone else's margin.

Brickyard Village — a 50-acre master-planned community currently underway, within walking distance of Downtown.

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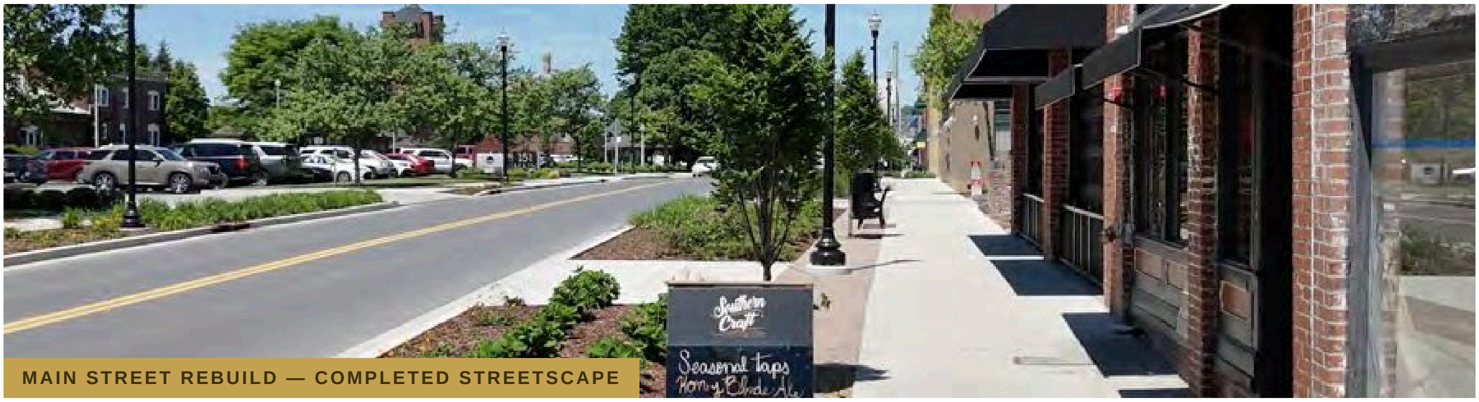
CITY INVESTMENT | KINGSPORT, TENNESSEE

$294M Capital Improvement Plan 2025–2029

Infrastructure & Beautification | City Scapes / “Rebuild”



MAIN STREET REBUILD — COMPLETED STREETSCAPE

Kingsport is undergoing significant infrastructure and beautification efforts aimed at revitalizing its downtown and enhancing public spaces. These projects, often referred to as city scapes or “rebuild” initiatives, focus on modernizing infrastructure while improving aesthetics and quality of life.

1. MAIN STREET REBUILD PROJECT

Scope: Revitalizing the downtown area from Market Street to Sullivan Street. **Status:** Ongoing for roughly two years (picture above). Replace aging infrastructure, stabilize the road base, enhance the aesthetic appeal of the downtown corridor. Key improvements include new water, sewer, and stormwater lines, utilities moved underground, stamped brick crosswalks, landscaping, and bulb-outs.

2. DOWNTOWN PUBLIC ART & AESTHETIC ENHANCEMENTS

- **Vinyl Wraps:** In June 2024, new vinyl wraps were installed on utility boxes featuring local history (funded by a Tennessee Arts Commission grant).
- **Downtown Master Plan:** Comprehensive plan developed by TSW Design to guide the creation of a vibrant downtown for future generations.


DOWNTOWN PUBLIC ART

3. OTHER MAJOR CITY UPGRADES

- **Riverwalk Park Expansion:** $7.8 million grant from the BlueCross BlueShield of Tennessee Foundation to add new amenities along the 11-mile Greenbelt.
- **Bays Mountain Park:** Renovations to update the nature center, expand the gift shop, and restore the observation tower.
- **Street Resurfacing:** $2.5 million project covering streets including Moreland Drive and Fall Creek Road (expected completion in 2025).
- **Scott Adams Memorial Skatepark:** New, improved skatepark planned for Brickyard Park.

4. CITY VISIONING & FUTURE DEVELOPMENT

- **“Only Kingsport” Campaign:** Continues to promote the city as the “City of Originals,” highlighting unique attractions such as the hand-carved carousel and outdoor adventures.
- **Residential Growth:** Over 1,200 residential permits issued in the last five years, resulting in approximately 2,500 new residential units.
- **Industrial & Commercial Growth:** Includes redevelopment of the Dobyns-Taylor Warehouse and expansion of the IMAX theater at Fort Henry Mall.

For the most up-to-date information, visit the City of Kingsport's official engineering project page or the dedicated Main Street Rebuild Project website.

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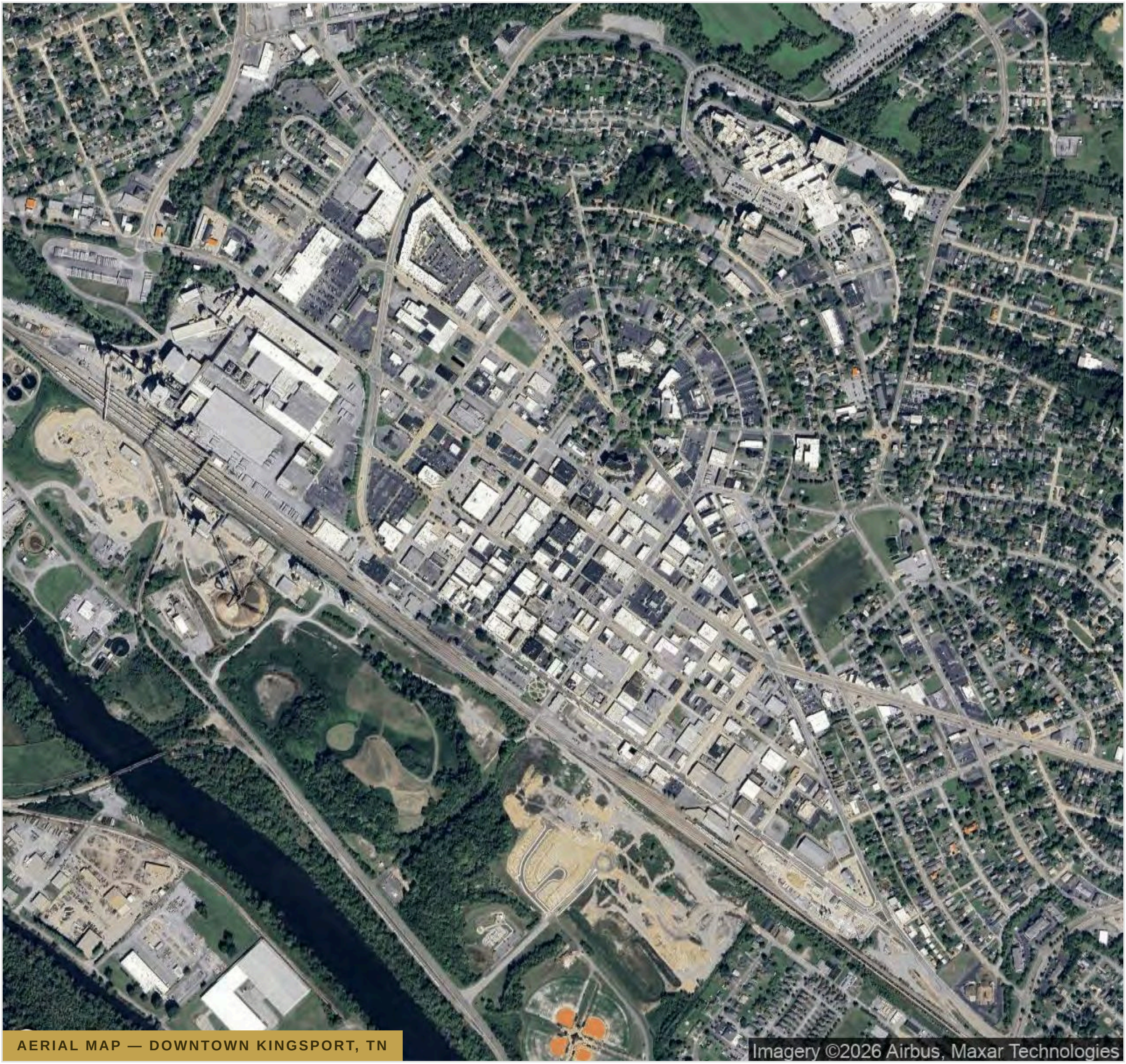
Aerial Map

Downtown Kingsport, TN



AERIAL MAP — DOWNTOWN KINGSPORT, TN

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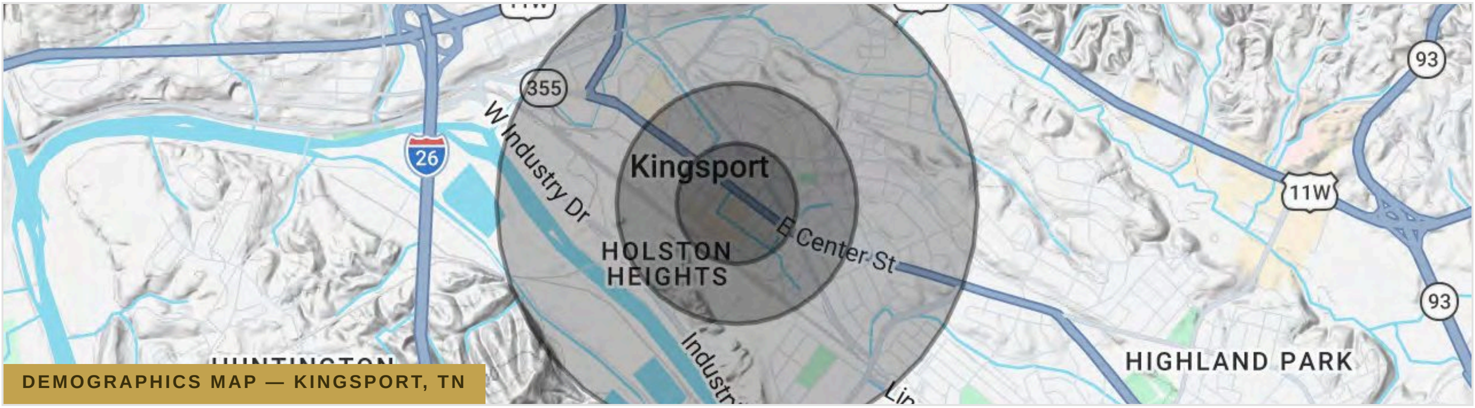
Demographics Report

2023 American Community Survey (ACS)



DEMOGRAPHICS MAP — KINGSPORT, TN

POPULATION	5 MI	10 MI	20 MI
Total Population	**68,168**	**115,655**	**287,747**
Average Age	43.2	44.9	44.3
Average Age (Male)	42.3	43.9	42.9
Average Age (Female)	44.7	46.2	45.6

HOUSEHOLDS & INCOME	5 MI	10 MI	20 MI
Total Households	29,874	49,948	121,107
# of Persons per HH	2.3	2.3	2.4
Average HH Income	**$75,345**	**$81,794**	**$77,733**
Average House Value	$205,833	$244,585	$248,060

2023 American Community Survey (ACS)

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Disclaimer: Any references to; 1031 Exchanges, DST, or Opportunity Zone benefits, are provided for informational purposes only and reflect a general summary of the cited statutes and regulations as written. They are not tax or legal advice, are not a guarantee of any tax treatment or outcome, and do not account for any individual's circumstances. Opportunity Zone, 1031, and DST provisions carry specific deadlines and conditions and are subject to change by legislation or regulation. Prospective investors should consult their own qualified tax advisor, attorney, and CPA before making any investment decision.

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Visiting Kingsport

Outdoors | Dining | Regional Tourism Draw

Explore Kingsport, TN dining at https://visitkingsport.com/eat-drink/

Discover Kingsport, TN outdoor Activity at https://visitkingsport.com/explore/category/outdoors/

- Great Smoky Mountains National Park = 12.5M annual visitors — North Entrance 90 Miles
- Entire Pigeon Forge area sees 21M+ annual visitors — Dollywood roughly 1 hr 34 min by car
- 5 Minutes to Trout Fishing

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