



# WaterWalk

LIVE | STAY

CHARLOTTE, NORTH CAROLINA



# CONTACT INFORMATION

## INVESTMENT ADVISORS

Ben Bury  
Senior Director  
704.390.5547  
Ben.Bury@jll.com

John Testerman  
Senior Director - Hotels  
540.255.2967  
John.Testerman@jll.com

Ryan Gavigan  
Senior Director  
919.424.8149  
Ryan.Gavigan@jll.com

Alex Payne  
Senior Associate - Hotels  
214.315.0769  
Alex.Payne@jll.com

## DEBT & DUAL TRACKING

Brad Woolard  
Director  
740.814.7888  
Brad.Woolard@jll.com

Kate Rathman  
Director  
215.534.4321  
Kate.Rathman@jll.com

## ANALYTICAL SUPPORT

Nate Zima  
Associate - Multifamily  
910.840.5429  
Nathan.Zima@jll.com

Malia Buljat  
Analyst - Hotels  
858.999.4576  
Malia.Buljat@jll.com

## MULTIFAMILY SUPPORT

John Gavigan  
Managing Director  
704.526.2809  
John.Gavigan@jll.com

Chase Monroe  
Director  
704.575.7748  
Chase.Monroe1@jll.com



650 South Tryon St, Charlotte, NC 28202

[www.us.jll.com/capitalmarkets](http://www.us.jll.com/capitalmarkets)

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# EXECUTIVE SUMMARY

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# The Offering

## Property Summary

ADDRESS	1525 W Arrowood Rd.
CITY, STATE, ZIP	Charlotte, NC, 28217
YEAR BUILT	2020
NUMBER OF UNITS/KEYS	153
AVERAGE UNIT SIZE	672 SF
TOTAL SF	121,632
NUMBER OF BUILDINGS	2
PARKING STALLS	162
ELEVATORS	2
SITE SIZE	5.462 Acres
CURRENT DENSITY (UNITS/ACRE)	28.01
ZONING	O-2(CD)





**WaterWalk**  
LIVE | STAY

STOP





## Offering Procedures

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TOUR SCHEDULE: Please contact Ben Bury (ben.bury@jll.com), John Testerman (John.Testerman@jll.com), Nathan Zima (nathan.zima@jll.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from JLL. Failure to adhere to this request will be taken into consideration by the Seller when reviewing offers.

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OFFER DATE: To Be Announced

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BEST & FINAL: Upon review of the initial offers submitted, if appropriate, a select group of Investors will be notified of their participation within the Best and Final Round.

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TERMS AND CONDITIONS: The Property is offered on an “as is” basis.

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SELECTION AND CRITERIA: The prospective Investor will be selected by the Owner, in its sole and absolute discretion, on the basis of a complement of factors, including, but not limited to, purchase price; the Investor’s financial strength/balance sheet capacity; level of discretion to invest funds; ability to close in a timely fashion; experience in closing similar transactions; reputation within the industry and the extent to which due diligence is completed.

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# INVESTMENT HIGHLIGHTS

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# Investment Highlights



## CENTRALLY LOCATED TO CHARLOTTE'S TOP EMPLOYMENT NODES

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- No. 1 state for best business climate
- No. 1 top competitive state
- No. 3 largest banking center in the US



## SIGNIFICANT DISCOUNT TO REPLACEMENT COST

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- Exceptional value-add opportunity with acquisition price substantially below current replacement cost
- Significant upside potential achievable through strategic improvements and repositioning
- Rare opportunity to acquire institutional-quality asset at discount to market comparables



## OPPORTUNITY FOR ADDITIONAL AMENITIES

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- Renovate lobby to leasing center & community area.
- Conversion of the industrial laundry facility.
- Opportunity to add a dog park.



## ROBUST AMI & INCOME LIMIT GROWTH

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- Charlotte has experienced 20% AMI growth since 2021
- Charlotte's average annual AMI growth of 5% since 2021 demonstrates strong income fundamentals



## Community Amenities

- Grill and Picnic Area
- Fitness Center
- Clubhouse

## Apartment Amenities

- Fully-Equipped Kitchens Include:
  - Dishwasher
  - Electric Range
  - Refrigerator
  - Microwave
- In-Unit Washer/Dryer
- Private Balcony

Type	# Units	SF	Market Rent	PSF	Lease Rent	PSF
1x1 - 1 Bedroom   1 Bath	77	550 Sqft	\$1,353	\$2.46	\$1,352	\$2.46
2x2 - 2 Bedroom   2 Bath	60	750 Sqft	\$1,579	\$2.10	\$1,550	\$2.07
3x2 - 3 Bedroom   2 Bath	16	950 Sqft	\$2,088	\$2.20	\$2,167	\$2.28
Total/Avg	153	672 Sqft	\$1,520	\$2.26	\$1,509	\$2.26

\* Current lease rents are what the short term rentals are achieving

# Value Add Opportunity

Built in 2020, WaterWalk Charlotte - Arrowood offers a streamlined conversion opportunity from a modern extended-stay hotel to a high-end multifamily asset. Because the units already feature full kitchens and in unit washer and dryers, the conversion focuses on high-impact residential upgrades rather than costly structural work. A strategic \$1.6M–\$2.7M capital plan includes framing out permanent closets, installing smart-lock systems, and implementing full electrical and BTU submetering to shift utility costs to residents and immediately drive NOI.

The investment is anchored by a transformation of the lobby and the conversion of the industrial laundry into a premium resident lounge. This light-touch repositioning allows new ownership to deliver a lower cost alternative to “Class A” product, capturing the luxury rental market with a modern, highly amenitized community.

## JLL'S FORECASTED CONVERSION COST BREAKDOWN

Category	Cost Per Unit (P.U.)	Total Project Cost (153 Units)	Details & Notes
Luxury Lobby & Branding	\$2,614 – \$3,268	\$400,000 – \$500,000	High-end designer finishes and premium signage for a "Class A" residential feel.
Boiler Submetering (BTU)	\$1,300 – \$2,300	\$198,900 – \$351,900	Includes ultrasonic thermal meters (e.g., ONICON System-40) and pro plumbing labor for supply/return line sensors.
Electrical Submetering	\$1,200 – \$2,500	\$183,600 – \$382,500	Critical for shifting cooling (VTAC) costs to tenants. Includes digital panel retrofits.
High-End Amenity Conv.	\$1,000 – \$1,800	\$153,000 – \$275,400	Converting 600 sq. ft. laundry to a premium space (lounge, speakeasy, or gym).
Closet Framing & Doors	\$1,200 – \$2,000	\$183,600 – \$306,000	Framing out open hotel-style closets and installing residential double doors.
Residential Smart Locks	\$400 – \$800	\$61,200 – \$122,400	Cloud-based residential lock systems (e.g., Latch, Schlage, or Yale).
Permitting & Soft Costs	\$2,000 – \$3,500	\$306,000 – \$535,500	Architectural/engineering fees for R-1 to R-2 change-of-use and mechanical certifications.
Contingency (10%)	\$1,100 – \$1,800	\$168,630 – \$275,400	Safety margin for 2026 labor/material price fluctuations.
<b>Total Estimated Cost</b>	<b>\$10,814 – \$17,968</b>	<b>\$1,654,530 – \$2,749,100</b>	<b>Total CapEx for a 153-unit luxury "paper conversion."</b>

# Investment Considerations

## Objection

### High Conversion & CapEx Burdens:

Concerns regarding the heavy cost of installing full kitchen suites, in-unit washer/dryers, and the extensive plumbing/electrical work typically required for hotel-to-apartment transitions



### Operational Efficiency:

Concerns regarding high utility overhead and “owner-paid” HVAC costs typically associated with hotel models.



### Amenity Deficiency:

Concerns that hotel amenities lack the “lifestyle” pull of modern Class A multifamily developments.



### Regulatory & Code Risk:

Concerns regarding the cost and time delays of a “Change of Use” (R-1 to R-2) permit.



## Rebuttal

### Infrastructure Ready (2020 Build):

Built in 2020 as an extended-stay hotel, the units feature full kitchenettes and existing plumbing/electrical capacity. In-unit washers and dryers are already installed, eliminating the need for hookups or any conversion work.

### Total Expense Transfer:

By installing 2026-grade Electrical and BTU (Thermal) submeters, we shift 100% of heating and cooling volatility to the resident. This turns a “back-of-house” liability into a stabilized, predictable NOI driver.

### High-Impact Amenity Repurposing:

We are allocating \$1M+ to high-visibility areas, including the converting the laundry facility and lobby into additional residents amenities.

### Modern Code Alignment:

As a 2020 build, the asset was constructed under modern IBC standards. Fire suppression, ADA access, and structural integrity already meet or exceed R-2 requirements, ensuring a streamlined “Paper Conversion” process.

## Acquiring Institutional Quality Asset at 40% Below Replacement Cost

Secure your position in a rare, high-alpha asset that bridges the gap between hotel yields and multifamily stability. This 2020-build property offers an immediate path to NOI growth through strategic utility recovery and luxury repositioning. This unique window allows investors to capture Class-A equity at a significantly lower cost-basis than current new-construction alternatives.



# Accretive Tax Exemption Opportunity

## North Carolina Non-Profit Tax Exemption

WaterWalk Charlotte - Arrowwood presents an accretive opportunity to capitalize on North Carolina's non-profit tax exemption. The exemption requirements include: a charitable non-profit organization being a part of the entity that owns the property, the property to be used for low-income housing, and the submission of the org chart of the ownership entity by December 31st the year prior to the first exemption year. The percentage of the residents that are below the 80% AMI in Mecklenburg county will be the same percentage exempted of the tax bill.

### TAKEAWAY

The property is **already** eligible for a 100% exemption on their taxes.

	Mecklenburg County	Mecklenburg County	Water Walk units at or below 60% AMI	Water Walk units at or below 80% AMI
	60% AMI Rents	80% AMI Rents		
1 BEDROOM	\$1,263	\$1,684	76	77
2 BEDROOM	\$1,515	\$2,020	60	60
3 Bedroom	\$1,750	\$2,334	15	16
PERCENTAGE OF UNITS THAT QUALIFY:			99%	100%

Percentage of units that qualify assume vacant units are leased to residents that meet the 60% and 80% AMI threshold requirements based off the 1/27/26 rent roll

\*Does not Include utility allowance

