LEGAT
COMMERCIAL REAL ESTATE, LLC

PRICING: $8,300,000 ($242 PSF)

RATE: 8.35% Proforma CAP Rate

INVESTMENT
OFFERING MEMORANDUM
(CONFIDENTIAL VERSION)

10505 Judicial Drive | Fairfax, Virginia 22030

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I. EXECUTIVE SUMMARY

Legat Commercial Real Estate, as the exclusive representative for the owner, is pleased to present for sale the 100% fee simple interest in Judicial Center Office Building, located at 10505 Judicial Drive in Fairfax, Virginia, a 34,356 SF office building , situated on .98 acres of land (the “Property”). This value-add opportunity will trade substantially below replacement cost, providing a buyer a strong in-place yield with upside.

Currently the Property is approximately 85% leased to 10 tenants with an average lease term of 4.5 years and an average in-place rent of $26 PSF. In addition to having secure in-place cash flow, this opportunity provides an owner user to take advantage of the in-place tenancy and significantly offset the cost of occupancy. There is additional upside through the lease up of the surplus vacant suites and future rent growth. Furthermore, future capital needs are limited due to a long history of proactive maintenance and the near turn-key condition of the majority of the vacant suites.

The building is located at the geographic center of Fairfax County, Virginia near the crossroads of I-66 and Route 50 Northern Virginia’s primary east-west highways. It is located adjacent to the Fairfax County Courthouse and is in close proximity to the Fairfax County Governmental Center, George Mason University and Fairfax City Hal as well as the 1,565,000 SF Fair Oaks Regional Mall, Inova Fair Oaks Hospital and amidst a mature 14 million SF office submarket (CoStar office submarkets: Fairfax Center, Oakton, and Fairfax City). Judicial Office Building offers investors the opportunity to invest in a stable, cash flowing, readily financeable property acquired well below replacement value. Judicial Center is well-positioned to take advantage of rising rents anticipated from the tightening Northern Virginia office market during a prolonged economic recovery resulting from the end of the Covid 19 pandemic.

Highlights

- 34,356 total SF with 85% leased
- Most remaining suites are in near spec suite condition.
- Beautifully maintained and upgraded.
- Located just off of the I-66/Route 50 interchange, adjacent to the Fairfax County Courthouse.
- Excellent proximity to private, government and medical demand.
- Excellent long-term tenant, most of which are attorneys and title companies.
- Extraordinary demographics with 259,000 people residing within 5 miles with a median income in excess of
- $138,000
- Less than 10 miles to the Capital Beltway (I-495), 20 miles from downtown Washington, DC,
- approximately 14 miles from Washington Dulles International Airport (IAD), 5 miles from Inova Fair Oaks Hospital and 5 miles from Inova Fairfax Hospital

II. PROPERTY DESCRIPTION

ADDRESS

10505 Judicial Drive Fairfax, VA 22030

LEGAL ADDRESS:

Fairfax City Parcel: 57 4 02 031

OCCUPANCY

85%

YEAR BUILT/RENOVATED

Built in 1980, Renovated in 1999, 2014 and 2021

LOT SIZE

.98524 AC

STORIES

Four floors of office and storage

PARKING

3.25/1000 secured lot

CONSTRUCTION TYPE

Steel Frame, concrete floors and brick facade

ZONING

CO (Commercial Office District)

ROOF MATERIAL

Asphalt shingles with skylights

ELEVATOR

One hydraulic elevator manufactured
by Otis and Serviced by District Elevators.

EXTERIOR WALLS

Brick with operable windows.

CEILINGS

2’ x 4’ grid system

MAX CEILING HEIGHT

10’ first floor ceilings with 8’ 6” on 2nd thru 4^{th} floors

HVAC SYSTEM

Rooftop chiller supporting multiple small AC units above ceiling grid on each floor. System provides individual tenant controls within each suite.

ELECTRIC PROVIDER

Dominion Power

PARCEL SIZE AND NUMBER

0.98524, and 57 4 02 031

CAPITAL IMPROVEMENTS

Restroom Upgrades- 2014
Façade Rehab- 2014
Elevator Upgrade - 2021
HVAC Upgrades- 2014, 2020
Courtyard Improvements- 2015
Lobby Renovation- 2014
Parking lot improvements- 2021

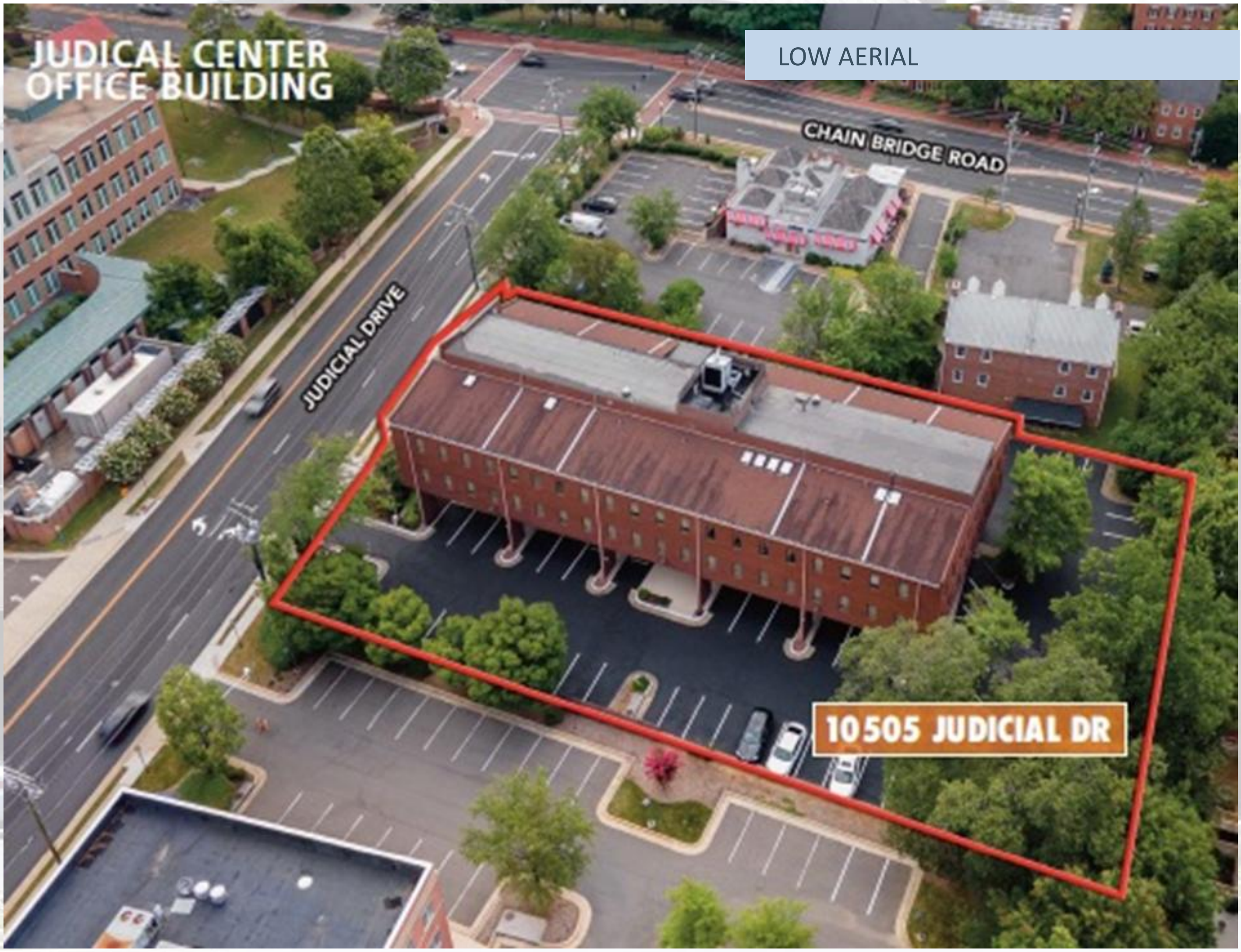
III. FULL RECOURSE AND NON-RECOURSE FINANCING

FINANCING

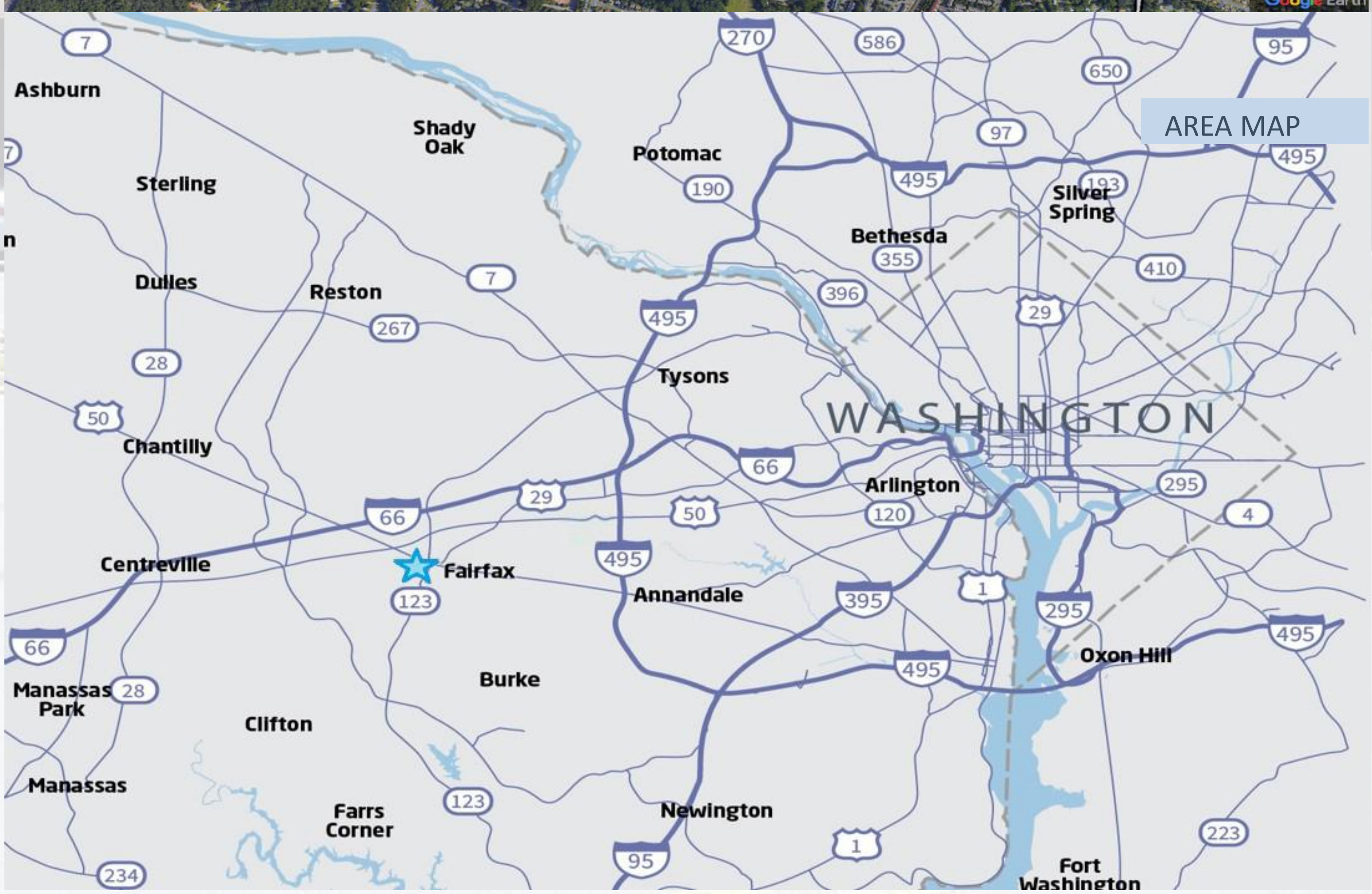
With good credit, the prospective purchaser could qualify for either Recourse or non- recourse financing for a 20-25 year loan term with approximately 6.5-7.25% interest rate fixed for a five-year fixed period. Multiple lenders are available upon request.

IV. PROPERTY AERIALS AND MAPS

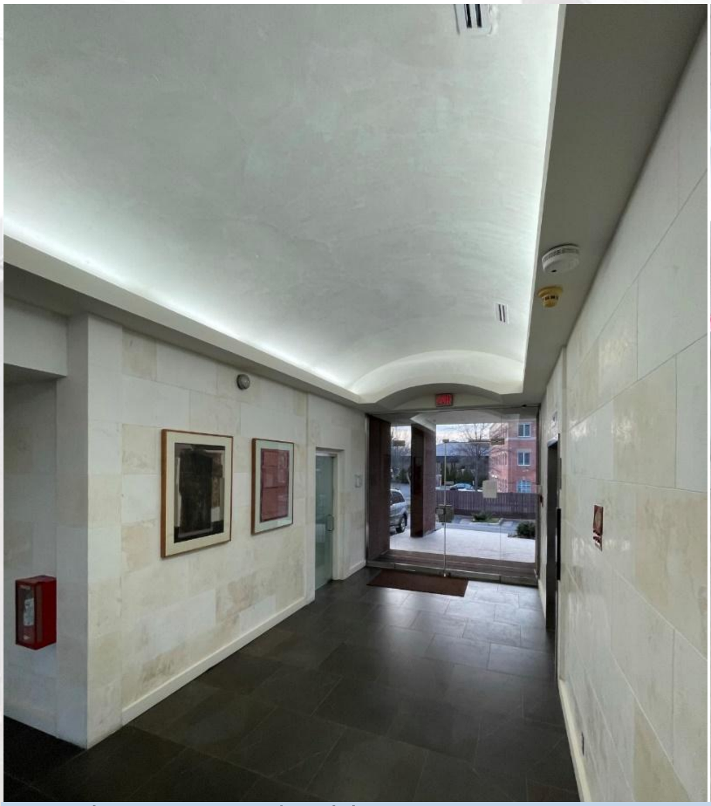
LOW AERIAL




AMENITY MAP
66
9 MILES TO: DULLES AIRPORT
FAIRFAX BLVD
LEE HWY
MAIN STREET
Burlington
XSPORT FITNESS
Pier 1 imports
SUBWAY
SportClips
Wendy's
LOWE'S
Walmart
BIG LOTS!
Batteries + Bulbs
HAVERTYS
Advance Auto Parts
ALDI
CVS pharmacy
Domino's Pizza
WELLS FARGO
verizon
FIVE GUYS
FedEx
LA-Z-BOY
MIDAS
H MART
Party City
petco
SUBWAY
Capital One
Rita's
UNITED BANK
jiffy lube
Denny's
Red Lobster
BURGER KING
ZOËS KITCHEN
T-Mobile
HYUNDAI
SAFEWAY
CVS pharmacy
Pizza Hut
BB&T
HSBC
Walgreens
TJ·MAXX
NOODLES & COMPANY
Qdoba
PNC
4.5 MILES TO: INTERSTATE 495
OLD TOWN SQUARE
FAIRFAX COUNTY CORTHOUSE
10505 JUDICIAL DR FAIRFAX, VA
MainStreetBank
GEORGE MASON UNIVERSITY
FAIRFAX CITY HALL
Google Earth


AREA MAP
Ashburn
Sterling
Dulles
Shady Oak
Potomac
Reston
Bethesda
Silver Spring
Tysons
WASHINGTON
Chantilly
Arlington
Centreville
Fairfax
Annandale
Manassas Park
Burke
Clifton
Manassas
Farrs Corner
Newington
Oxon Hill
Fort Washington
7
270
586
650
95
97
495
193
190
355
410
396
29
267
28
50
66
120
295
4
123
1
395
223
234

PROPERTY PHOTOS



Newly Renovated Lobby

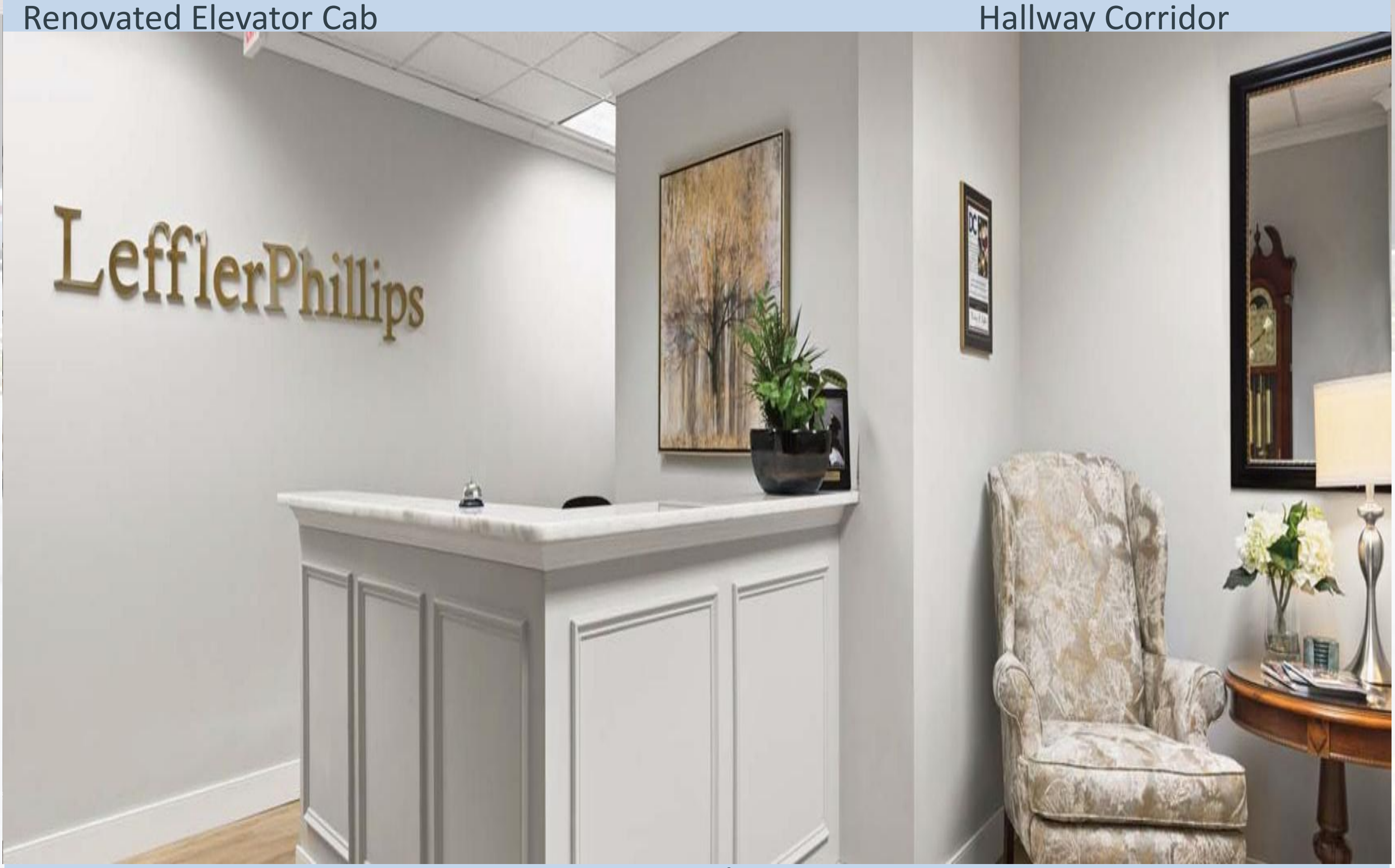
Hallway Corridor

Interior Photos

PROPERTY PHOTOS

Renovated Elevator Cab

Hallway Corridor



Interior Photos

PROPERTY PHOTOS

Interior Photos

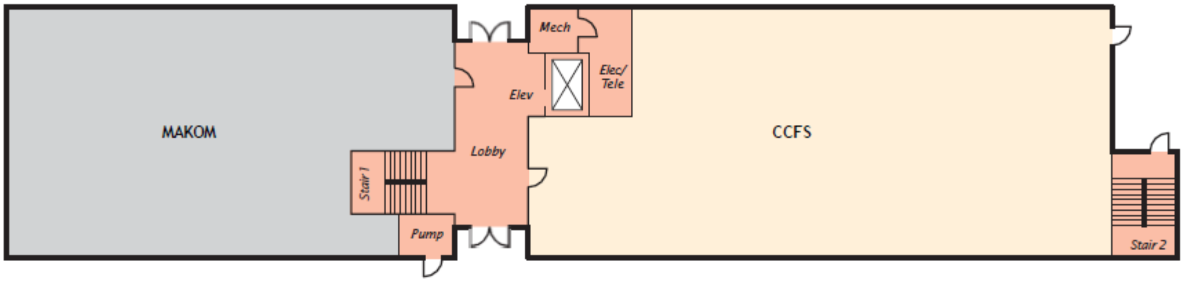
EXTERIOR PHOTOS



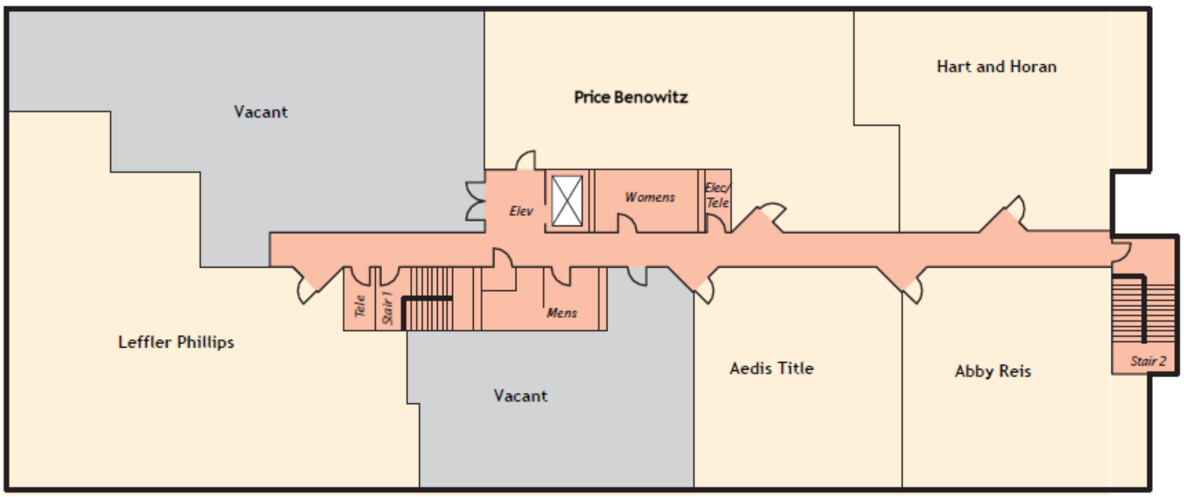


IV. FLOOR PLANS

First Floor Plan



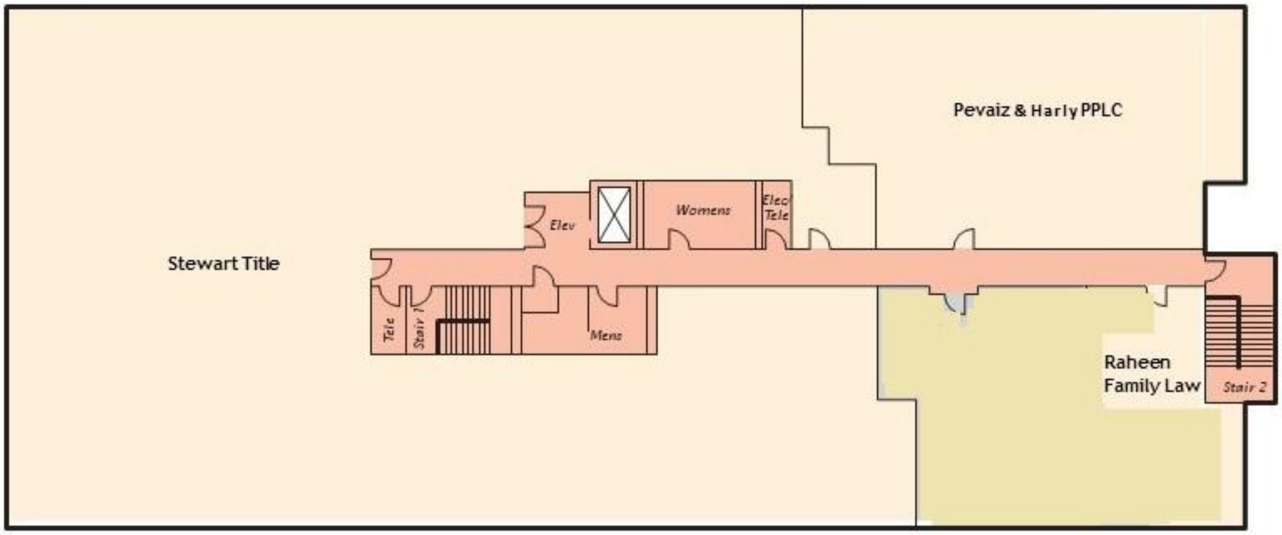
Second Floor Plan



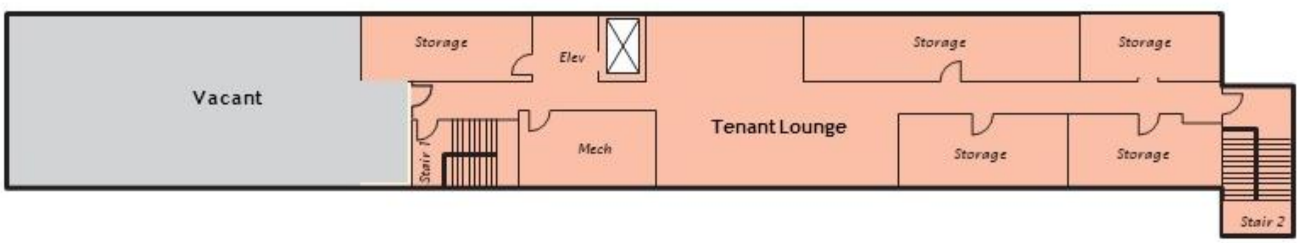
16 JUDICAL CENTER OFFICE BUILDING

IV. FLOOR PLANS

Third Floor Plan



Pent House Floor Plan



V. DEMOGRAPHICS

OVERVIEW

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
0	23K	9.0%	1.0%

The Fairfax City office submarket has a vacancy rate of 9.0%. This vacancy rate is 0.5% lower than it was this time last year. There was 23,000 SF of positive absorption and net deliveries were flat.

Rents have increased by 1.0% in the past 12 months and are currently around $24.00/SF. Nothing is under construction in the Fairfax City office submarket. In the past year, there have been 20 sales, which have traded for approximately $31.1 million in volume and 200,000 SF in stock.

Vacancy is 29.5% in 4 & 5 Star buildings, and 6,100 SF has been absorbed in this asset class over the past year. In 3 Star buildings, 11.0% of space is vacant, and 6,700 SF has been absorbed over the past year. Currently, 4.7% of 1 & 2 Star space is vacant, and 10,000 SF has been absorbed in this space type over the past 12 months.

Of the 20 sales in the past year, none were of 4 & 5 Star buildings, 5 were of 3 Star buildings, and 15 were of 1 & 2 Star buildings.

Current vacancy is lower than its trailing three-year average of 9.4%, which is also lower than the 15.5% trailing three-year average of the Washington market as a whole. The submarket is approximately 130,000 SF smaller than it was three years ago. Demolitions have accounted for the entirety of this decrease. Rents have increased by 5.2% over the past three years, higher than the Washington market average of -1.1%. There have been 73 sales over the past three years, amounting to $177 million in volume and 1.0 million SF of inventory.

CoStar's estimated cap rate for Fairfax City has averaged 8.6% over the past three years, which is lower than the current estimated cap rate of 9.6%.

The total Fairfax City office submarket comprises 4.9 million SF of inventory.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	228,827	29.5%	$34.86	31.6%	0	0	0
3 Star	2,384,737	11.0%	$24.69	12.1%	(15,921)	0	0
1 & 2 Star	2,263,002	4.7%	$23.18	6.5%	1,666	0	0
Submarket	**4,876,566**	**9.0%**	**$24.47**	**10.4%**	**(14,255)**	**0**	**0**

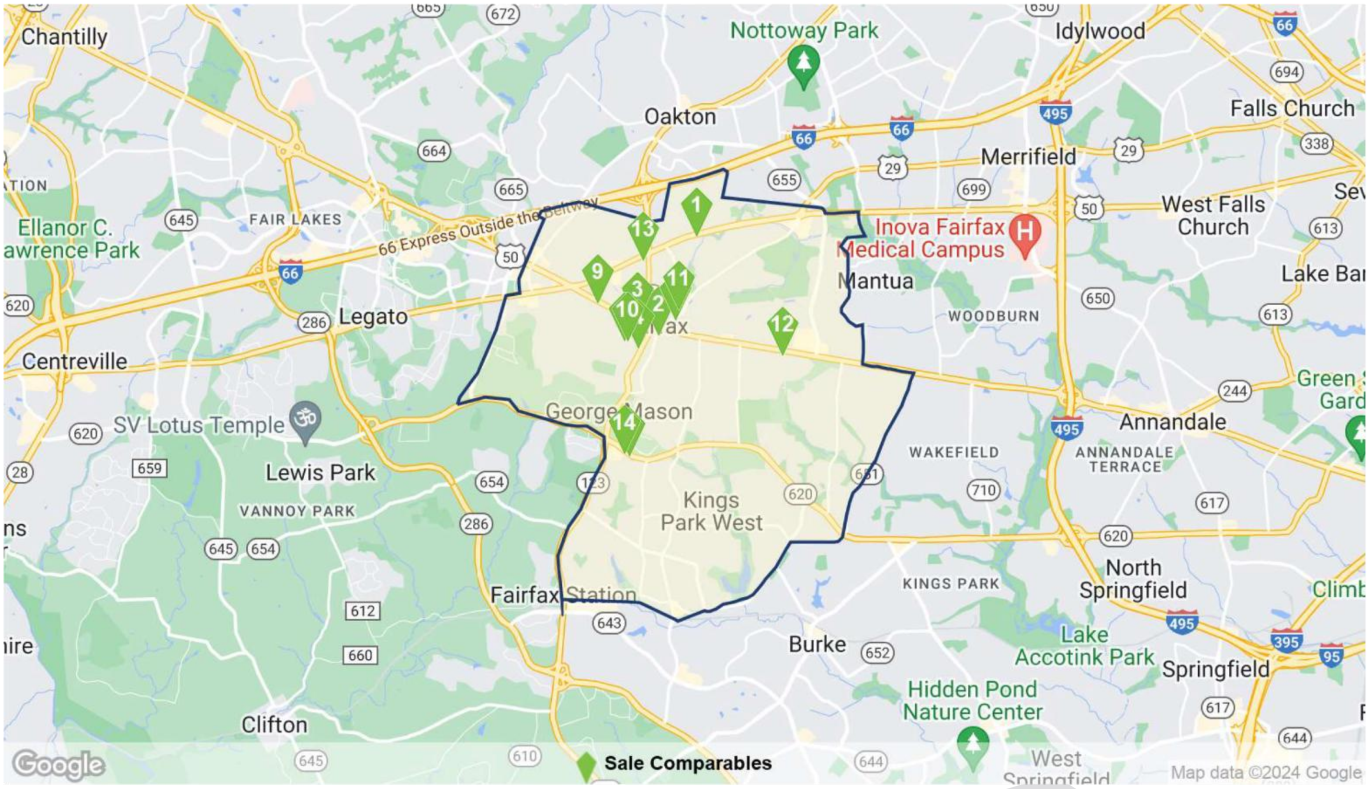
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.5%	9.0%	14.5%	18.9%	1993 Q2	1.7%	2000 Q3
Net Absorption SF	23K	25,970	(81,279)	446,820	1998 Q1	(176,183)	2001 Q3
Deliveries SF	0	18,128	0	270,793	1998 Q4	0	2023 Q4
Market Asking Rent Growth	1.0%	2.4%	-1.8%	13.8%	1998 Q2	-9.0%	2009 Q2
Sales Volume	$31M	$27.8M	N/A	$107.8M	2004 Q2	$0	1996 Q4

V. DEMOGRAPHICS

SALES PAST 12 MONTHS

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
21	**6.5%**	**$185**	**9.7%**

SALE COMPARABLE LOCATIONS



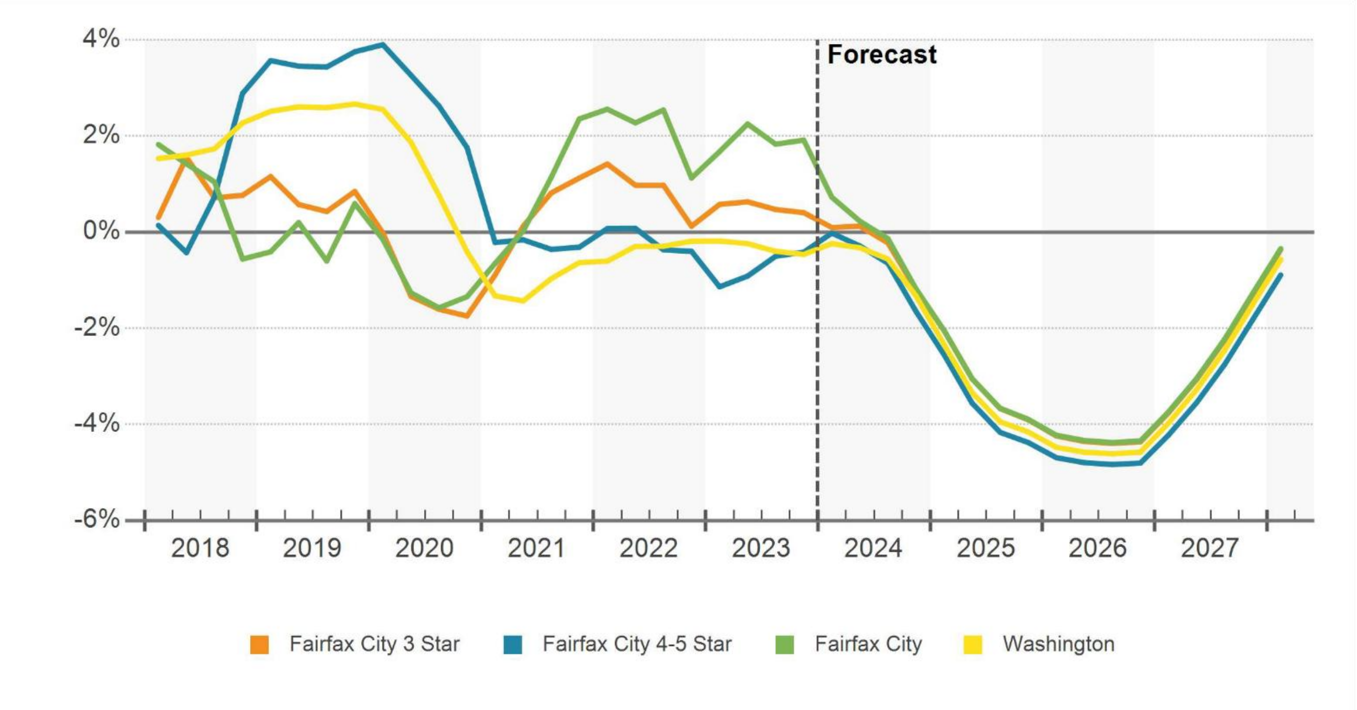
SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$550,000	$5,720,000	$5,700,000	$12,500,000
Price/SF	$140	$185	$205	$503
Cap Rate	4.3%	6.5%	5.3%	10.0%
Time Since Sale in Months	0.9	7.3	7.7	11.5
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	2,970	25,746	12,000	88,995
Stories	1	3	3	5
Typical Floor SF	1,680	6,258	4,000	17,799
Vacancy Rate At Sale	0%	9.7%	0%	66.5%
Year Built	1965	1978	1981	1986
Star Rating	★★☆☆☆	★★☆☆☆ 2.4	★★☆☆☆	★★★☆☆

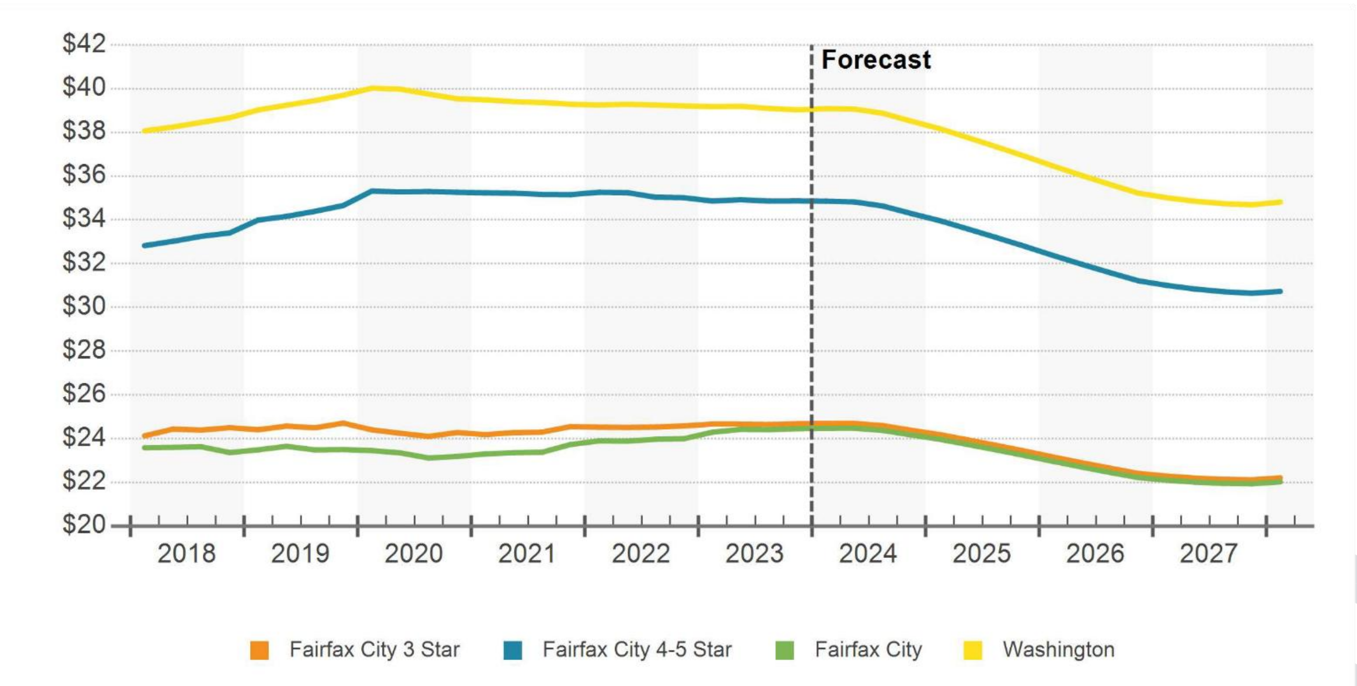
V. DEMOGRAPHICS

RENT

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



VI. MARKET INFORMATION SUMMARY

The Washington, DC metropolitan area is one of the most desirable real estate investment markets in the world. Partly due to the Federal Government's presence, the region boasts an impressive unemployment rate and one of the strongest demographic profiles in the entire country. Greater Washington, DC is the sixth most populous metropolitan area in the U.S., trailing only New York City, Los Angeles, Chicago, Dallas, and Houston.

The region is composed of more than 375 million square feet of office space in three jurisdictions: District of Columbia, Northern Virginia, and Suburban Maryland. The region outperforms the nation in many key economic indications, including employment statistics and housing growth. The DC MSA has experienced an impressive 34% population growth since 2000, emerging as the Mid-Atlantic hub for millennials.

The region boasts one of the highest percentages of college graduates, as half of DC's population over the age of 25 hold at least a Bachelor's degree, versus 30% nationwide. This educated workforce carries an astounding average household income of $106,277, nearly $50,000 higher than the country's average of $54,149. Insulated by the government, the Washington, DC area is well-positioned for continued growth and expansion.

VII. RENT ROLL

Please execute the NDA for full financial details

VIII. EXPENSES AND ANALYSIS

OPERATING EXPENSES	PSF	
Real Estate Taxes	[illegible]	[illegible]
Water and Sewer	[illegible]	[illegible]
Electricity	[illegible]	[illegible]
Phone – [illegible]	[illegible]	[illegible]
Trash Removal	[illegible]	[illegible]
Maint – HVAC	[illegible]	[illegible]
Maint – Misc	[illegible]	[illegible]
Elevator	[illegible]	[illegible]
Insurance	[illegible]	[illegible]
Fire Alarm & Security	[illegible]	[illegible]
Pest Control	[illegible]	[illegible]
Landscaping	[illegible]	[illegible]
Cleaning Service	[illegible]	[illegible]
Management	[illegible]	[illegible]
Business License – City	[illegible]	[illegible]
TOTAL OPERATING EXPENSES	[illegible]	[illegible]

TOTAL GROSS RENT [illegible]

OPERATING EXPENSES [illegible]

NOI [illegible]

[illegible] CAP RATE [illegible]