

FAIR LAKES VII

VALUE-ADD SUBURBAN OFFICE INVESTMENT OPPORTUNITY
FAIRFAX, VIRGINIA

EXECUTIVE SUMMARY  JLL

Executive Summary



Jones Lang LaSalle Americas, Inc. ("JLL"), as exclusive representative for the Owner, is pleased to present this offering for the sale of Fair Lakes VII (the "Property"), located at 12730 Fair Lakes Circle in Fairfax, Virginia. Collectively 81% leased to 3 tenants with approximately 7 years of weighted average remaining lease term ("WALT"), the Property is anchored by Huntington Ingalls Industries (36% of RBA; Moody's Rating: Baa3) and MAG Aerospace (26% of RBA; headquarters location) long-term. This surety of cash flow affords investors significant downside protection while executing a renovation and restabilization of the asset near-term.

The Property is part of the broader 650-acre Fair Lakes mixed-use master planned community featuring 1.3 MM SF of office, 2.0 MM SF of retail, over 2,000 residential units, and the 338-room Hyatt Regency Fairfax. Located in the heart of Fairfax County, the third wealthiest county in the United States and home to Northern Virginia's largest defense and intelligence community demand drivers, the Property possesses tremendous accessibility to major commuter thoroughfares such as I-66, the Fairfax County Parkway, and Route 50, while offering tenants an amenity-rich experience thanks to the numerous eateries and shops within a short walk or drive.

Accordingly, Fair Lakes VII represents an exceptional opportunity to acquire an institutional quality office asset and achieve value-add returns through the amenitization and restabilization of the asset near-term.

INVESTMENT HIGHLIGHTS

- 81% Leased, 150,871 RSF Class A Suburban Office Asset
- Anchored Long-Term by Credit Tenants Huntington Ingalls Industries (36% of RBA; Moody's Rating: Baa3) and MAG Aerospace (26% of RBA)
- Major Fairfax County Thoroughfares - I-66, Fairfax County Parkway, Fair Lakes Parkway, and Route 50 - Provide Broader Connectivity to Northern Virginia and the Greater Washington, DC Metropolitan Region
- The Shops at Fair Lakes, East Market at Fair Lakes, Fair Lakes Center, Fair Lakes Promenade, Fairfax Towne Center, Fair Oaks Mall, and Fairfax Corner, Offering a Host of Major Retailers and Grocery Stores, Are Just a Short Drive from the Property
- Situated in the Heart of Northern Virginia's Defense & Intelligence Community - DC Metro received over \$130 Billion in Federal Contract Awards in 2020, An All-Time High
- Proximity to Downtown Washington (30 minutes), Arlington (20 minutes), Dulles International Airport (20 minutes), and Ronald Reagan Washington National Airport (30 minutes)
- Value-Add Offering Priced at a Compelling Discount to Replacement Cost
- Free & Clear of Existing Debt



Fair Lakes VII

12730 Fair Lakes Circle

Fairfax, VA 22033

RENTABLE BUILDING AREA	150,871 RSF
% LEASED	81%
# OF TENANTS	3
WALT	6.7 Years
BUILT	2002
STORIES	6
TYPICAL FLOOR PLATE	±25,417 SF
PARKING SPACES	102 surface spaces
PARKING RATIO	399 garage spaces
	501 total spaces (3.32 spaces / 1,000 RSF)
SITE AREA	2.23 Acres (96,984 SF)
TENANCY	1. Hill MDIS, Inc. (36% of RBA) 2. MAG DS Corp (26% of RBA) 3. Avaya, Inc. (20% of RBA)



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INSTITUTIONAL QUALITY OFFICE ASSET

- 150,871 RSF office asset that is 81% leased to 3 tenants with a weighted average remaining lease term of approximately 7 years
- Originally constructed in 2002, the Property is the newest office building within the Fair Lakes micromarket
- Situated in a private campus-like setting with fitness and conference center amenities, in addition to running trails and walking paths that connect the Property to the broader 650-acre Fair Lakes mixed-use development

ANCHORED BY CREDIT TENANT HUNTINGTON INGALLS INDUSTRIES (CREDIT RATING: MOODY'S BAA3) & MAG AEROSPACE

- Huntington Ingalls Industries Mission Driven Technical Solutions ("HII-MDIS") (36% of RBA) has approximately 7 years of remaining lease term and recently expanded for an additional 26,000 SF in July 2020.
- The Property serves as the global headquarters location for MAG Aerospace (26% of RBA). The defense contractor has over 10 years of remaining lease term at the Property and also recently expanded for an additional 13,000 SF in Oct-2020.

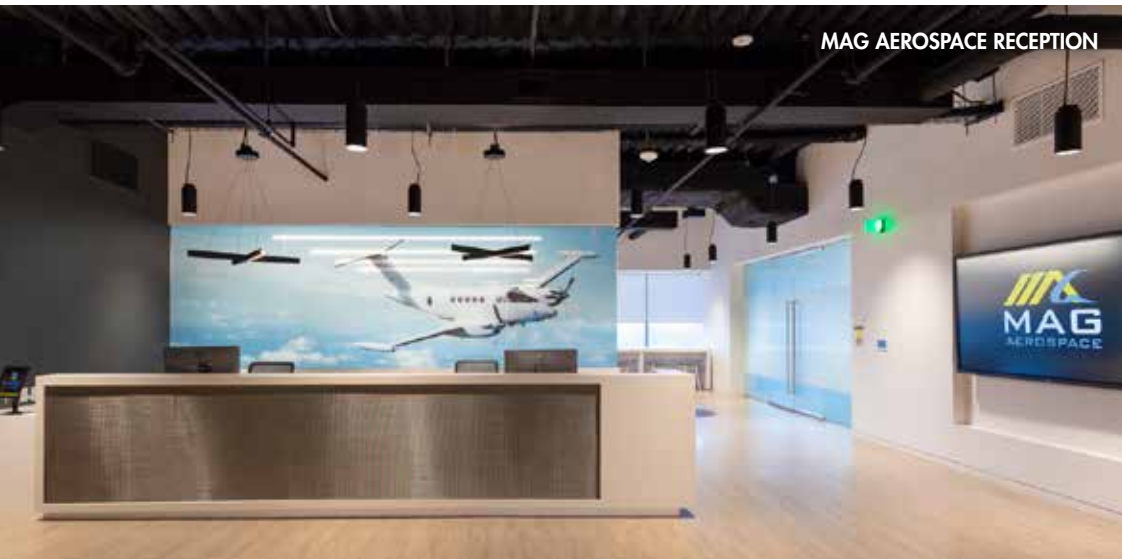




MAG AEROSPACE ELEVATOR LOBBY



MAG AEROSPACE KITCHEN WITH SEATING



MAG AEROSPACE RECEPTION



Executive Summary



OUTSTANDING REGIONAL CONNECTIVITY

- The Property is visible from Fairfax County Parkway (Route 286), and Fair Lakes Parkway, which presents prospective tenants with superb signage opportunities to each of these high-traffic arterials that combine to host over 215,000 vehicles per day
- Situated at the confluence of I-66, Fairfax County Parkway (Route 286), Fair Lakes Parkway, and Route 50, the Property offers outstanding regional connectivity
- The Capital Beltway (I-495) is located only 12 minutes from the Property while Downtown Washington, DC, Washington Dulles International Airport, and Ronald Reagan Washington National Airport are all within a 30-minute drive

DIVERSE FAIRFAX AMENITY BASE IN CLOSE PROXIMITY

- Amenity-rich micro-market with nearly 4.5 MM SF of retail within 1.5 miles of the Property, featuring The Shops at Fair Lakes, Fair Lakes Center, Fair Lakes Promenade, Fairfax Towne Center, Fair Oaks Mall, and Fairfax Corner
- The Property is walkable to East Market at Fair Lakes, featuring a 42,000+ SF Whole Foods Market among several other retailers including Starbucks, Kohl's, and The UPS Store
- Fair Oaks Mall is anchored by Macy's, JC Penney, and Dave & Buster's and includes 27 eateries amongst its 143 total retailers
- Whole Foods, Harris Teeter, Costco, Wal-Mart, Wegmans, and Safeway are all accessible from the Property in less than 10 minutes, providing tenants outstanding optionality and convenience for their daily necessities
- Additional retailers from Best Buy and Target to Home Depot and T.J. Maxx are just a sample of the options drivable in less than 10 minutes, ensuring tenants never have to travel far to fulfill even their most diverse shopping needs
- Four hotels – the Hyatt Regency, Residence Inn, Hilton Garden Inn, and Extended Stay – are all within a 15-minute drive of the Property
- As a testament to its ongoing vibrancy, the subset of retail properties within a 1.5 miles radius of the Property currently boasts a vacancy rate of just 1.5% and has averaged 98.8% occupancy over the past 5 years.



PROXIMITY TO NEARBY DEMAND DRIVERS; SUPERIOR SURROUNDING DEMOGRAPHICS

- The Property is just over two miles from the growing Fairfax County Government Center and Inova Fair Oaks Hospital, providing outstanding nearby demand drivers
- The Property also boasts a convenient location with ready access to Northern Virginia's largest Department of Defense and Intelligence community demand drivers as the submarket is the preferred location of many defense contractors
- The surrounding trade area is one of the most well-educated and wealthy in the country, boasting an average household income of \$148,751 (within a 10-mile radius of the Property)

FREE AND CLEAR TRANSACTION

- The Property will be sold free and clear of debt, providing investors the opportunity to take advantage of historically-low interest rates

FAIR LAKES VII

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