

# *one* franklinsquare

1301 K STREET NW, WASHINGTON, DC

CONFIDENTIAL INVESTMENT OFFERING





## EXECUTIVE SUMMARY

Jones Lang LaSalle, Inc. ("JLL"), as exclusive representative for the Owner, is pleased to present this offering for the sale or recapitalization of One Franklin Square (the "Property"), a generational opportunity to acquire an iconic asset that is home to The Washington Post. The Class A, 638,807 BRSF asset sits four blocks from the White House and serves as the headquarters for The Washington Post (48% of RBA, Dec-31 LXD). One Franklin Square is 93% leased to 14 tenants with 8.5 years of weighted average remaining lease term (WALT).

The Washington Post, acquired by Jeff Bezos in 2013, chose One Franklin Square as its new headquarters in 2014 as the Property uniquely caters to its mission as a global leader in media, and a total of over \$70 million (\$231 PSF) has been invested in the tenant's premises since that time. The Washington Post has expanded twice since their initial occupancy, signaling its ambitions under Bezos' ownership, and has a highly specialized build out.

One Franklin Square stands as Washington, DC's tallest commercial building and represents the city's most prominent signage opportunity. The Property recently underwent a \$26.2 million repositioning and redefines the standard for Washington, DC office amenities: a rooftop terrace and conference room with capacity for 130 people and sweeping views of the Washington, DC skyline, a new fitness and yoga center, and a recently revitalized retail experience including Compass Coffee, SoHo Café, and Union Kitchen. The asset sits prominently overlooking Franklin Park, which completed an \$18 million renovation in September 2021 making it one of Washington, DC's premier outdoor amenities.

Accordingly, One Franklin Square is a compelling opportunity that offers investors secure, appreciating cash flow from a diverse and durable collection of tenants and attractive yield characteristics.



### PROPERTY OVERVIEW

<b>Address</b>	1301 K Street NW, Washington, DC	
<b>Rentable Area</b>	638,807 BRSF	
<b>% Leased</b>	93%	
<b>WALT</b>	8.5 Years (from 1/1/2022)	
<b># of Tenants</b>	14	
<b>Stories</b>	12	
<b>Built/Renovated</b>	1990/2014-2019	
<b>Typical Floor Plate</b>	West Tower	East Tower
	±27,000 BRSF	±28,400 BRSF
<b>Parking Ratio</b>	842 (1.3/1,000 BRSF)	
<b>Top Tenants</b>	<ul style="list-style-type: none"> <li>• <b>The Washington Post</b> (302,912 BRSF, 48% of RBA, LXD: Dec-31)</li> <li>• <b>Reed Smith LLP</b> (81,065 LSF, 84,272 BRSF, 13% of RBA, LXD: Dec-27)</li> <li>• <b>Davis Wright Tremaine LLP</b> (49,610 BRSF, 7% of RBA, LXD: Jul-32)</li> </ul>	

# INVESTMENT HIGHLIGHTS



A generational opportunity to acquire an iconic asset that is home to The Washington Post and just blocks away from The White House



Stable and appreciating cash flow: 93% leased to 14 tenants with 8.5 years of WALT with 83% of revenue coming from The Washington Post, AmLaw 200 Law Firms, or the U.S. Government



Headquarters to The Washington Post (48% of RBA, Dec-31) a bastion of American democracy turned innovative multi-media company that is owned by the richest person on earth, Jeff Bezos, who has global aspirations for The Post



A recent \$26.2 million repositioning redefines the standard for Washington, DC office amenities: a rooftop terrace and conference facility with sweeping monumental views, a new fitness center and yoga studio, and a dynamic retail lineup of Compass Coffee, Union Kitchen, and SoHo Café



The asset prominently overlooks Franklin Park, the largest greenspace downtown, which completed an \$18 million renovation transforming it into one of Washington, DC's premier outdoor amenities



Located at the core of Downtown Washington's live-work-play environment and easily walkable to 14<sup>th</sup> Street, Dupont & Logan Circle, Midtown Center, and City Center



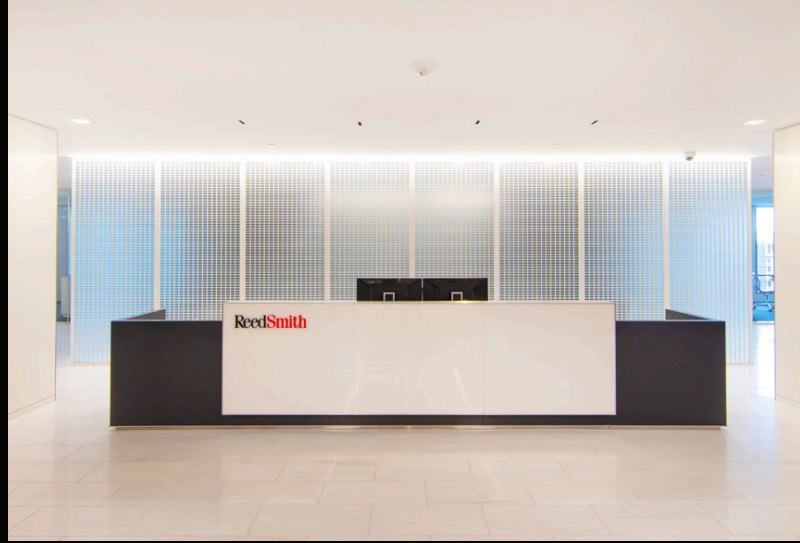
Direct access to McPherson Metrorail Station (Blue, Orange, and Silver lines) and immediate vehicular access to three of Washington's major thoroughfares (K Street, 13<sup>th</sup> Street and 14<sup>th</sup> Street)

Hines

Owned and managed for over 25 years by Hines, one of the world's most prestigious sponsors, who has developed approximately 2.0 million SF of office, luxury apartments and hotel within a half mile



Free & clear of debt





**BULLET-PROOF, APPRECIATING CASH FLOW**  
**83% OF REVENUE COMES FROM THE WASHINGTON POST,**  
**AMLAW 200 FIRMS, OR THE U.S. GOVERNMENT**

**THE GLOBAL HEADQUARTERS TO  
 THE WASHINGTON POST**

**The Washington Post**

**48% OF RBA  
 DEC-31 LXD**

**The Washington Post's lease and a \$20MM  
 security deposit amount are guaranteed  
 by Nash Holdings, Jeff Bezos' personal  
 investment holding company.**

**AMLAW 200 TENANCY:  
 \$2.21B in Combined 2020 Revenue,  
 Collective 492 Years of Doing Business**

**#26 ReedSmith**

Est. 1877 | 678 Partners  
 \$1.31B Revenue  
 81,065 LSF | 84,272 BRSF | Dec-27

**#89  Davis Wright  
 Tremaine LLP**

Est. 1944 | 267 Partners  
 \$445M Revenue  
 49,610 BRSF | May-32

**#128 McCARTER  
 & ENGLISH  
 ATTORNEYS AT LAW**

Est. 1845 | 197 Partners  
 \$254M Revenue  
 20,475 BRSF | Sep-30

**#152 DykEMA**

Est. 1926 | 209 Partners  
 \$201M Revenue  
 16,623 BRSF | Jun-27



## HEADQUARTERS LOCATION FOR *The Washington Post*



48% of RBA; December 2031 LXD



Expanded twice since initial occupancy in 2015 as a result of the newsroom's growth (57,143 BRSF total expansion)



Specialized buildout, over \$70 million (\$231 PSF) in tenant and landlord investment into the space



Washington, DC's premier signage opportunity on the District's highest commercial structure and is visible from miles away

*"It is the newspaper in the capital city of the most important country in the world. The Washington Post has an incredibly important role to play in this democracy."*

— Jeff Bezos



# The Washington Post

A Global Leader in Media Owned by CEO and Founder of Amazon, Jeff Bezos

#6 Largest Distributed Newspaper in U.S.

3,200+ Employees

1,000+ Journalists

Over 3.2 Million Subscribers



## TECH-LIKE GROWTH SINCE THE JEFF BEZOS ACQUISITION; REDEFINED THROUGH THE USE OF TECHNOLOGY



**Hypergrowth of the Newsroom:** 580 headcount in 2013 to over 1,000 today and continuously growing



Jeff Bezos' understanding of consumer preferences and readership habits via Amazon uniquely positions him to grow The Washington Post exponentially



Digital subscriptions have tripled since 2016, 50% year-over-year growth in worldwide subscriptions in 2020



The Washington Post has one of the largest global digital audiences, routinely logging 100 million unique monthly visitors to their website

*"The Washington Post Is A Software Company Now"*

*Washington Post has posted 50+ job positions in the past 30 days. Over 50% of them are technology-oriented.*

— Fast Company

## HIGHLY SPECIALIZED BUILDOUT WITH OVER \$70 MILLION (\$231 PSF) IN TENANT AND LANDLORD INVESTMENT

**The Hub:** The Washington Post's 24/7 news operations command center

**The Washington Post Live:** 24' clear height studio that was custom built, cantilevering over the neighboring building to serve the newsroom's live journalism platform

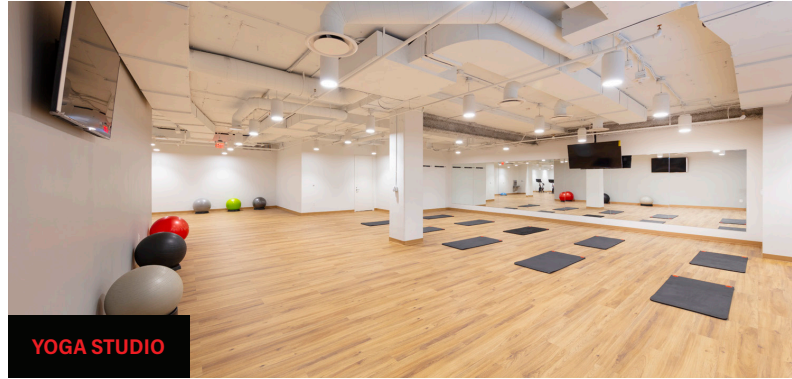
**Test Kitchen:** The Washington Post's Food Team films their features out of the Test Kitchen in One Franklin Square



PENTHOUSE TENANT LOUNGE



PELOTON STUDIO



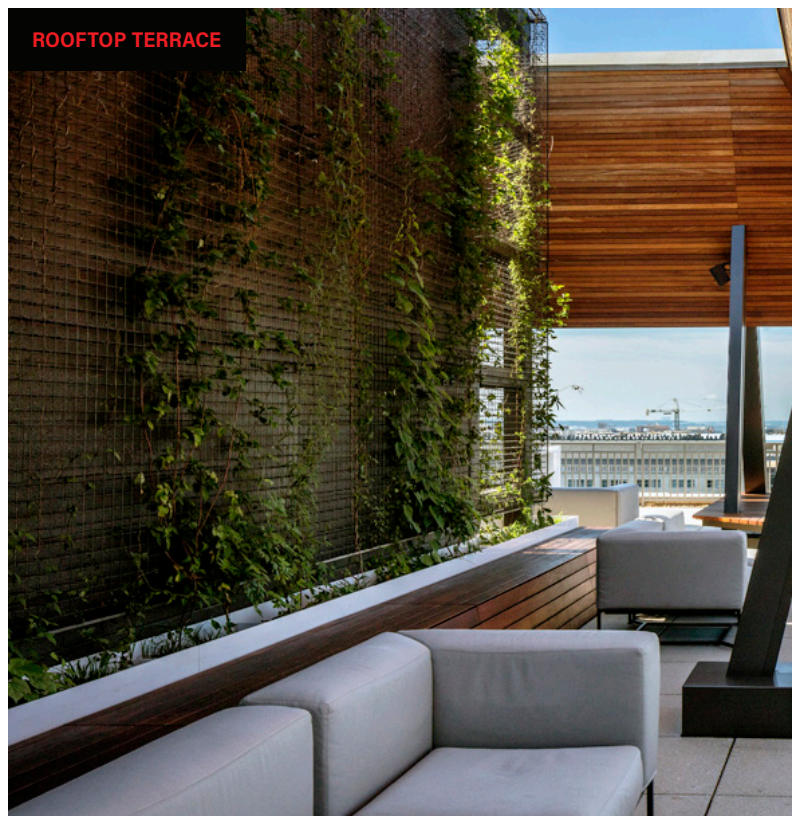
YOGA STUDIO

## ONE FRANKLIN SQUARE'S AMENITY PACKAGE REDEFINES TROPHY STANDARDS FOR WASHINGTON, DC OFFICE

- A recent \$26.2 million, comprehensive repositioning put One Franklin Square at the cutting edge of Washington, DC trophy office amenities
- An expansive 16,000 SF rooftop terrace with 5,000 SF of conference room space provides sweeping views of the Washington, DC skyline and capacity for 130 people
- The fitness center features state-of-the-art equipment, a brand new yoga studio, and men's and women's locker rooms
- The Property's retail experience was recently revitalized with highly desirable tenants and now features Union Kitchen, Compass Coffee, and Soho Café



UNION KITCHEN



ROOFTOP TERRACE





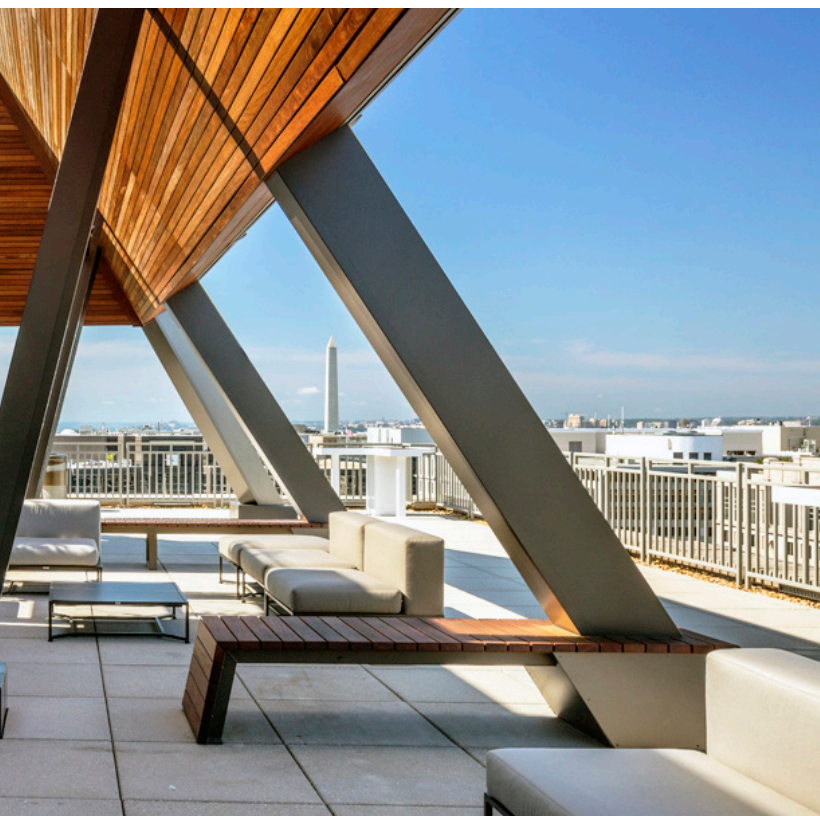
ADAPTABLE MEETING AREA



FITNESS CENTER OUTFITTED WITH SPA-QUALITY LOCKER ROOMS



COMPASS COFFEE



SOHO CAFÉ

LOCATED AT THE EPICENTER OF WASHINGTON, DC'S



REAGAN NATIONAL AIRPORT

AMAZON HQ2

WHITE HOUSE  
4 BLOCKS FROM  
ONE FRANKLIN SQUARE

← CityCenterDC  
ANTHEM ROW  
Apple  
AT CARNEGIE LIBRARY

onefranklinsquare

METRO CENTER  
METRO STATION

MCPHERSON SQUARE  
METRO STATION

**FRANKLIN PARK**  
CLOSE PROXIMITY TO THE FARMER'S MARKETS, CONCERTS,  
AND LUNCH SPOTS THAT THE PARK WILL SOON HAVE TO OFFER  
AFTER A \$18MM RENOVATION IS COMPLETED THIS FALL.

OUTDOOR EVENT SPACE	CAFÉ & PAVILION
INDOOR/OUTDOOR EATERY	CHILDREN'S GARDEN

MASSACHUSETTS A

# LIVE-WORK-PLAY ENVIRONMENT



Midtown Center.

FARRAGUT WEST METRO STATION

FARRAGUT NORTH METRO STATION

VERMONT AVE NW

THOMAS CIRCLE

VE NW

Live & Play



## Live

Over 150,000 Residents Live Within 1.5 Miles Of The Asset With Major Developers Investing In The 14<sup>th</sup> Street Corridor & Mount Vernon Triangle Submarkets



## Work

Situated In The Heart Of Downtown DC, & Surrounded By Major Private And Public Sector Employers



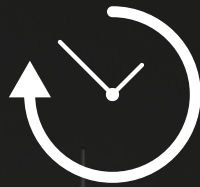
## Play

Steps Away From 14<sup>th</sup> Street's 45+ Bars and Restaurants As Well As Midtown Center and City Center

# Hines

## WORLD-CLASS SPONSORSHIP

One Franklin Square has been owned and managed by Hines, one of the most highly regarded real estate investors and managers in the world, for over 25 years.



**64 Years**  
of Experience



**27 Countries**



**\$160.9 Billion**  
Assets Under Management



Hines provides third-party  
property-level services for  
**172.9 Million SF**



Developed approximately  
**2.0 Million SF**  
of office, luxury apartments and hotel  
within a half mile of the Property



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\*The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.

