



Investment sale
GSA leased property
1014 South Main Street, Culpeper, Virginia



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Property overview

The subject property is a single-story, office/retail building built in 2002 that measures 5,520 rentable square feet. It is situated on 0.53 acres of land overlapping three parcels at the corner of South Main Street and Oak View Street in the town of Culpeper, about half a mile from the center of Culpeper’s downtown. The property has a paved parking lot with 16 standard and two handicapped parking bays augmented by unmetered street parking on both adjacent streets. There is also an unimproved grassy area that makes up most of parcel 41A1-4-M-6A that may have potential for additional parking if future demand and local planning regulations allow. Other businesses in the immediate vicinity comprise a mix of retail, small office and auto service uses typical of a small exurban town, with larger-scale suburban retail northeast of downtown or south of the subject. Culpeper and Culpeper County are at the southwestern edge of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area.

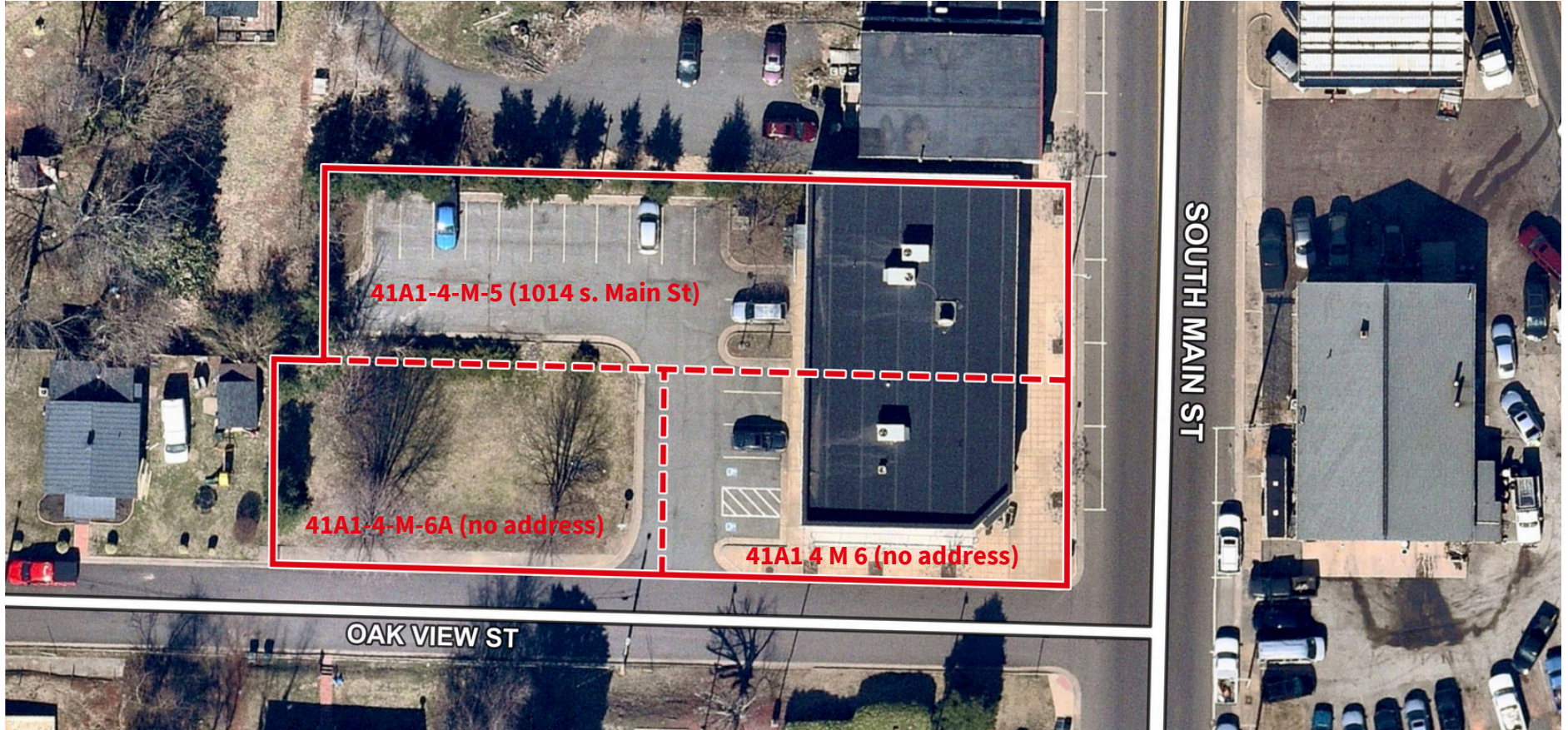
The property is leased by the US Social Security Administration, whose lease commenced on July 1, 2022 for a term of 15 years with a termination option after 10 years. The “Shell Rent” is \$83,517.60 (\$15.13 per rentable square foot) with escalations of 12.5 percent every fifth year and includes a base year amount for real estate taxes, with the tenant responsible for any increases. The tenant also pays \$25,408.89 annually (\$4.60 per rentable square foot) as additional “Improvement Rent” for \$199,632.00 of tenant improvement costs amortized over the 10-year firm term at 5.0 percent. Operating costs are reimbursed at \$6.13 per rentable square foot for the base year, which adjusts at each anniversary of lease commencement by the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (up 3.6 percent for May 2023.) Other lease terms are standard for General Services Administration leases.



Income statement

	FIRM TERM	FIRM TERM	NON-FIRM TERM
Annual Amounts for Lease Period	<u>Lease Years 3-5</u> 6/1/2024-5/31/2027	<u>Lease Years 6-10</u> 6/1/2027-5/31/2032	<u>Lease Years 11-15</u> 6/1/2032-5/31/2037
Shell Rent	\$83,518	\$93,950	\$105,708
Base Year RE Tax	(\$6,923)	(\$6,923)	(\$6,923)
Improvement Rent	\$25,409	\$25,409	_____
Annual Rent Income	\$102,004	\$112,456	\$98,785
Total Rent Income	\$306,012	\$562,180	\$493,925

The site

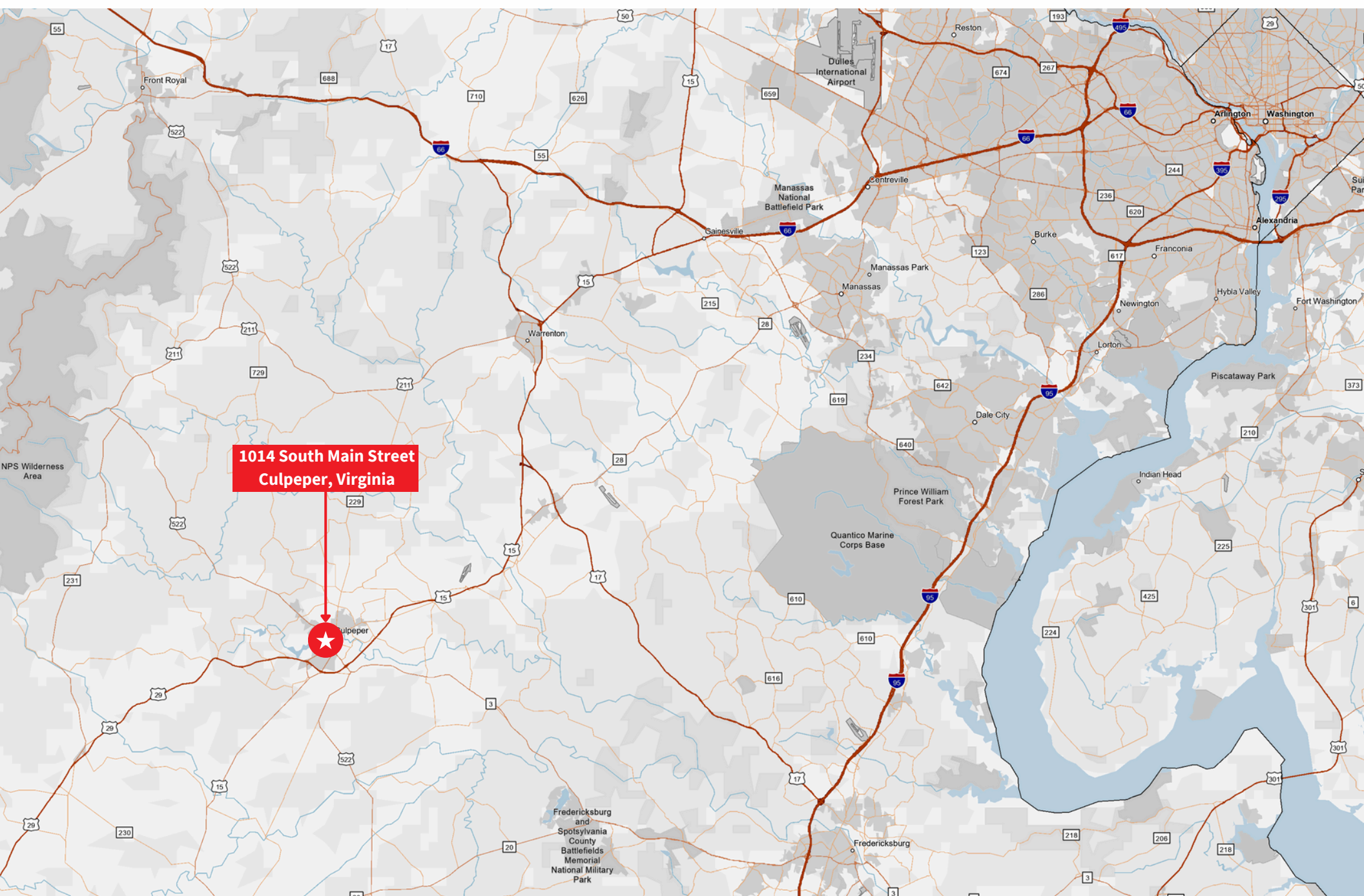


Culpeper Town Assessment Data - 1014 South Main Street Site

Parcel ID	Tax Ac	Zoning	Total Value	Land	Improvements	Other
41A1-4-M-5	0.251	C3	\$1,156,300	\$131,400	\$1,012,300	\$12,600
41A1-4-M-6	0.142	C3	\$ 68,000	\$ 68,000	--	--
41A1-4-M-6-A	0.138	C3	\$ 66,100	\$ 66,100	--	--

Site total	0.531	C3	\$1,290,400	\$265,500	\$1,012,300	\$12,800
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The location



JLL

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