

Marcus & Millichap  
TAG INDUSTRIAL GROUP

1 SHENANDOAH VALLEY DRIVE

STRASBURG, VA 22657

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Marcus & Millichap



The background of the page is a photograph of an industrial building. The left side shows the interior of a large, empty warehouse with a high ceiling supported by a grid of dark metal beams. The right side shows the exterior of the building, featuring light-colored corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the main title.

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# SECTION 1

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## INVESTMENT OVERVIEW

Marcus & Millichap

## INVESTMENT HIGHLIGHTS

- 410,450-Square-Foot Manufacturing Asset Situated on 21.26 Acres
- Clear Height is Variable - from 12' in Office Area, Ranging 16', 18', 20' & 25' Throughout Property
  - Features 18 Dock-High Doors, and 306 Parking Spaces
  - Excess Land for Truck Parking and Outside Storage
- Strategically Located Industrial Warehouse with Proximate Access to Major Freeways
- Pro Forma Cap Rate Includes a Below-Market Rental Rate for Room to Increase Return
- UPS is a Tenant with Over 540,000 Employees Operating in 220 Countries, and a Total Revenue of 84.6 Billion in 2020;  
There is a High Level of Credit
- Property Has Undergone Significant Repairs in 2021 for Continued Market Dominance

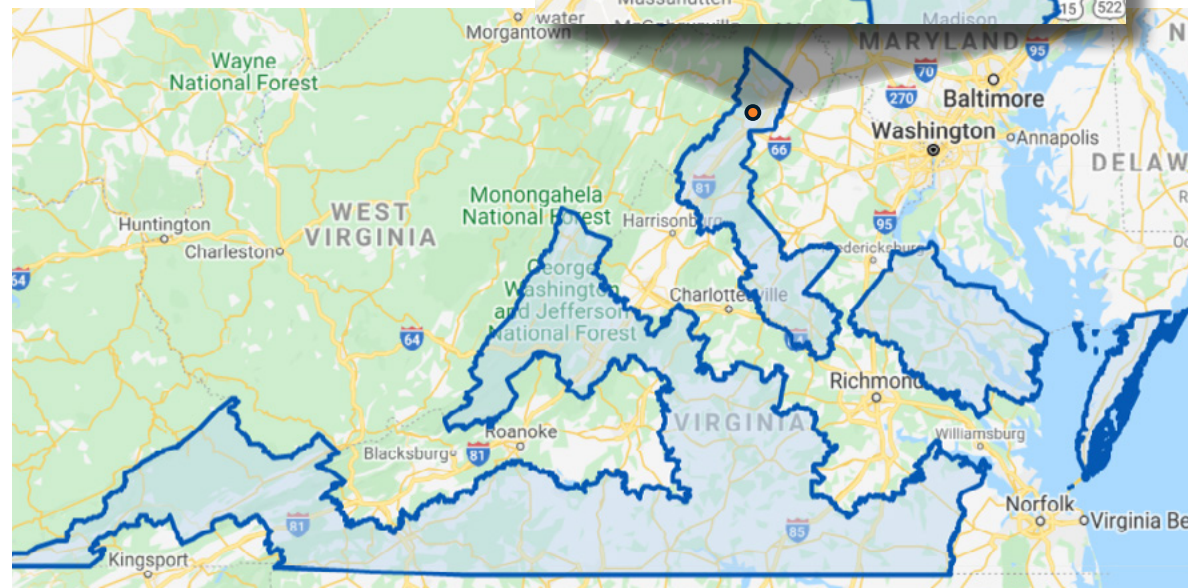
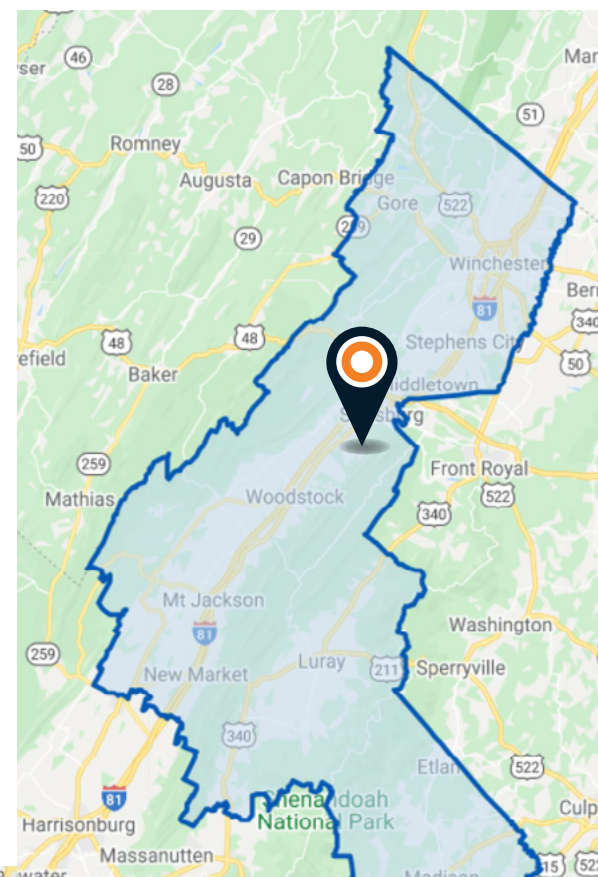


## OFFERING SUMMARY

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1 Shenandoah Valley Drive in Strasburg, Virginia, partially leased to United Parcel Service. The subject property consists of approximately 410,450 square feet of warehouse space and is situated on 21.26 acres of land. Clear heights in the asset vary, starting at 12' in the office area, ranging from 16', 18', 20', and 25' throughout the property. Further, the asset exhibits 18 dock-high doors, 306 parking spaces, and excess land, allowing for truck parking and outside storage. During 2021, the property has undergone significant repairs that will allow the asset to be a dominant player the market. The asset is strategically located with proximity to Interstates 81 and 66. With below-market rents, returns on the pro forma cap rate has room to increase.

With over 540,000 employees operating in 220 countries, the United Parcel Service (UPS) is a global leader in logistics. UPS offers a broad range of solutions, including the transportation of packages and freight, the facilitation of international trade, and the deployment of advanced technology to manage the world of business more efficiently. UPS is a publicly traded company and a long-standing member of the Fortune 500 list, generating nearly \$85 billion in sales (UPS, Fortune).

The subject property is situated within the Northwest segment of Virginia Regional, a large submarket that consists of the many rural areas throughout the state. Virginia Regional maintains an industrial inventory of 95.2 million square feet that helps facilitate trade among the highly populated areas of Washington, D.C., Richmond, and Virginia Beach. From Q4 2020 to Q4 2021, the vacancy rate dropped 310 basis points to 5.1 percent. At 7.5 percent, Virginia Regional is enjoying its highest rate of market rent growth in over two decades. Despite strong fundamentals, construction activity has remained meniscal. With only about 210,000 square feet of industrial space in the pipeline, current construction represents just 0.2 percent of inventory. While tallying was not complete, net absorption in 2021 hit a record 2.9 million square feet towards the end of Q4 (CoStar).





## PROPERTY DETAILS

1 SHENANDOAH VALLEY DRIVE,  
STRASBURG, VA 22657

Number of Suites	3
Number of Buildings	1
Total Square Feet	410,450
Year Built	1965
Lot Size	21.26 Acres
Type of Ownership	Fee Simple
Clear Height	12', 15', 18', 20', & 25'
Parking Spaces	306
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi
Dock High Doors	18
Sprinklers	Wet
Construction	Metal
Power	3 Phase
Type of Lighting	Fluorescent
Roof Type	Metal
Age/Condition of Roofs	Recent Renovations
HVAC Units	Heated
Age/ Condition of HVAC	Recent Repairs
Submarket	Virginia Regional





1 SHENANDOAH VALLEY DRIVE

STRASBURG, VA 22657

OFFERING PRICE  
**\$12,825,000**

PRO-FORMA CAP RATE  
**10.05%**

Offering Price	\$12,825,000
Pro-Forma Cap Rate	10.05%
Price/SF	\$31.25
Total Square Feet	410,450
Rental Rate	\$3.84
Tenancy	Multi
Occupancy	100.00%

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## DEBT QUOTE

### MARCUS & MILLICHAP CAPITAL CORPORATION

#### INVESTMENT REAL ESTATE FINANCING

Lender	Bridge/ Debt Fund	Bank/ Credit Union
Loan Program	Fixed Rate	Fixed Rate
Max LTC/LTV	75% - 80%	70% - 75%
Min. DSCR	<1.0x	<1.0x
Primary Term	2-3 Years (Extensions Available)	5, 7 or 10-Years
Amortization	Full-Term Interest-Only	12-24 Months Interest-Only Followed By 25-Year Amortization
All-In Rate as of 12/14/2021	5.00% - 6.50%	3.75% - 4.25%
Lender Fee	1% - 2%	0.50% - 1.0% Origination
Budget/Sources & Uses	Must Include Tenant Improvement, Leasing Commissions and Immediate Cap-Ex Items	Must Include Tenant Improvement, Leasing Commissions and Immediate Cap-Ex Items
Prepayment	12-Months Minimum Interest	Open or Stepdown
Recourse	Non-Recourse, Standard Carveouts	Full-Recourse

\*Terms are subject to full review of Sponsors financials and experience.

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# RENT ROLL

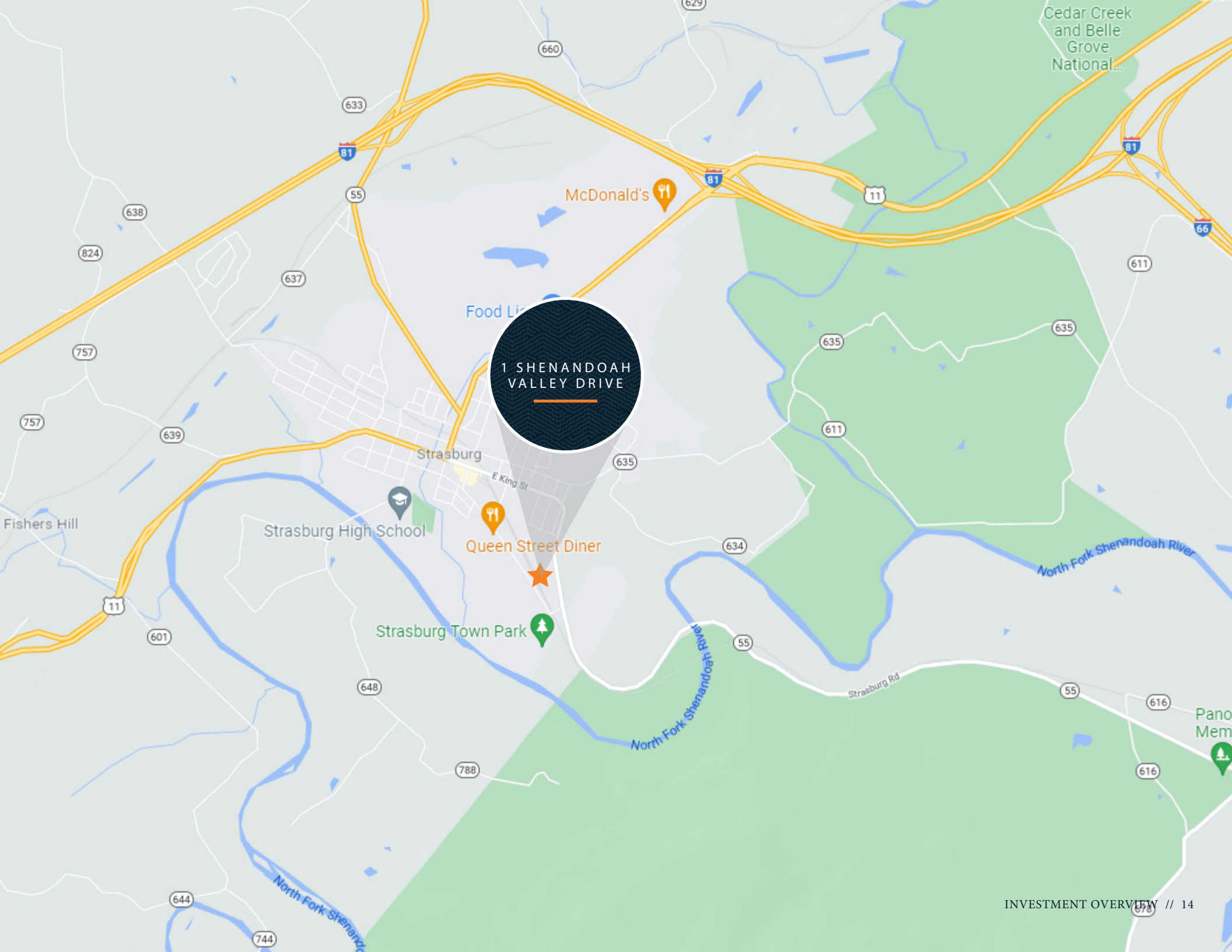
Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
			Comm.	Exp.					
Vacant	48,000	11.7%			\$3.75	\$15,000	\$180,000	\$180,000	Gross
United Parcel Service	50,000	12.2%	9/15/21	2/28/23	\$4.50	\$18,750	\$225,000	\$225,000	Modified Gross
Vacant	312,450	76.1%			\$3.75	\$97,640	\$1,171,680	\$1,171,680	Gross
<b>Total</b>	<b>410,450</b>				<b>\$3.84</b>	<b>\$131,390</b>	<b>\$1,576,680</b>	<b>\$1,576,680</b>	
Occupied Tenants: 3			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$18,750					Occupied Current Rents: \$18,750		Unoccupied Current Rents: \$0		

## OPERATING STATEMENT

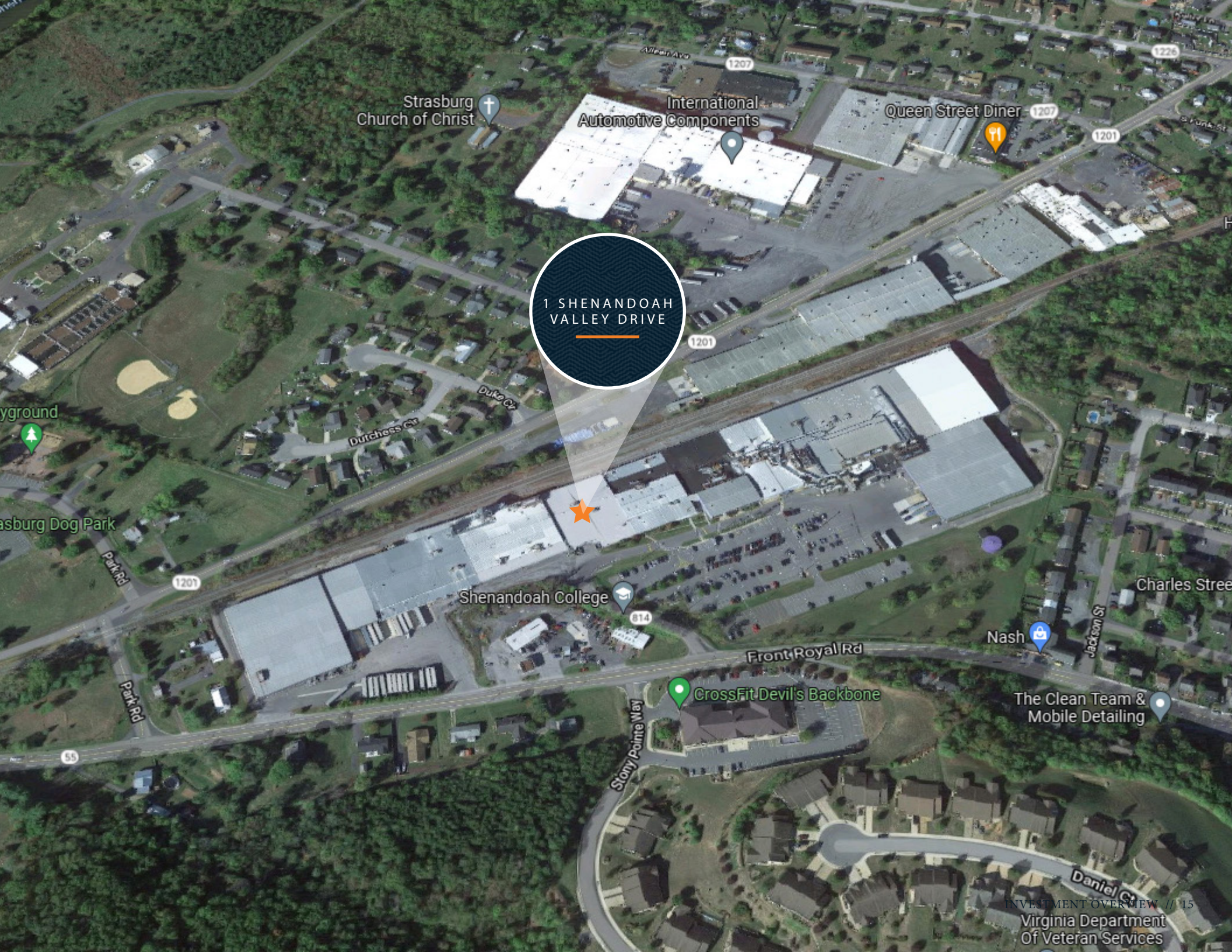
Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	225,000	0.55	1,576,680	3.84
Expense Reimbursement Income				
Net Lease Reimbursement				
Total Reimbursement Income	\$14,171	4.7%	\$14,171	4.7%
Effective Gross Revenue	\$239,171	\$0.58	\$1,590,851	\$3.88

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	21,074	0.05	21,074	0.05
Real Estate Taxes	79,381	0.19	79,381	0.19
Total Expenses	\$302,457	\$0.74	\$302,457	\$0.74
Expenses as % of EGR	126.5%		19.0%	
Net Operating Income	-\$63,286	(\$0.15)	\$1,288,394	\$3.14



1 SHENANDOAH VALLEY DRIVE



1 SHENANDOAH VALLEY DRIVE

Strasburg Church of Christ

International Automotive Components

Queen Street Diner

Playground

Strasburg Dog Park

Durchees Ct

Duke Ct

Shenandoah College

CrossFit Devil's Backbone

The Clean Team & Mobile Detailing

Front Royal Rd

Stony Pointe Way

Charles Street

Jackson St

Daniel Ct





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## TENANT SUMMARY

“Grow our global business by serving the logistics needs of customers, offering excellence and value in all that we do.”

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TENANT

**United Parcel Service**

HEADQUARTERS

**Atlanta, GA**

DATE FOUNDED

**1907**

REVENUE

**\$84.6 Billion**

EMPLOYEES

**540,000+**

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[www.UPS.com](http://www.UPS.com)



Starting in a Seattle basement with a \$100 loan, two teenagers, Claude Ryan and Jim Casey, opened the American Messenger Company in 1907. In 1919, the company expanded its operations into California and debuted as the United Parcel Service. A century later, UPS has become the world's largest package delivery service. UPS is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight, the facilitation of international trade, and the deployment of advanced technology to manage the world of business more efficiently. As a publicly traded company on the New York Stock Exchange (NYSE: UPS), UPS serves more than 220 countries and territories worldwide.



## CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,944 debt and equity financings in 2019



National platform operating within the firm's brokerage offices



\$7.18 billion total national volume in 2019



Access to more capital sources than any other firm in the industry

## WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



## SECTION 2

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### MARKET OVERVIEW

Marcus & Millichap

# LOUDOUN COUNTY VIRGINIA



Loudoun County is one of the nation's wealthiest and fastest-growing counties in terms of population. Situated in northwest Virginia, the county is part of the D.C. metro area. Portions of Washington Dulles International Airport and the Dulles Technology Corridor lie within the county, attracting corporate headquarters as well as science and technology employers. Growth in the county will be further enhanced by the extension of the Silver Metrorail line, which will provide more convenient commuting to employment hubs nearby.



ROBUST POPULATION  
AND HOUSEHOLD  
GROWTH



TECHNOLOGY,  
DATA CENTER  
CONCENTRATION



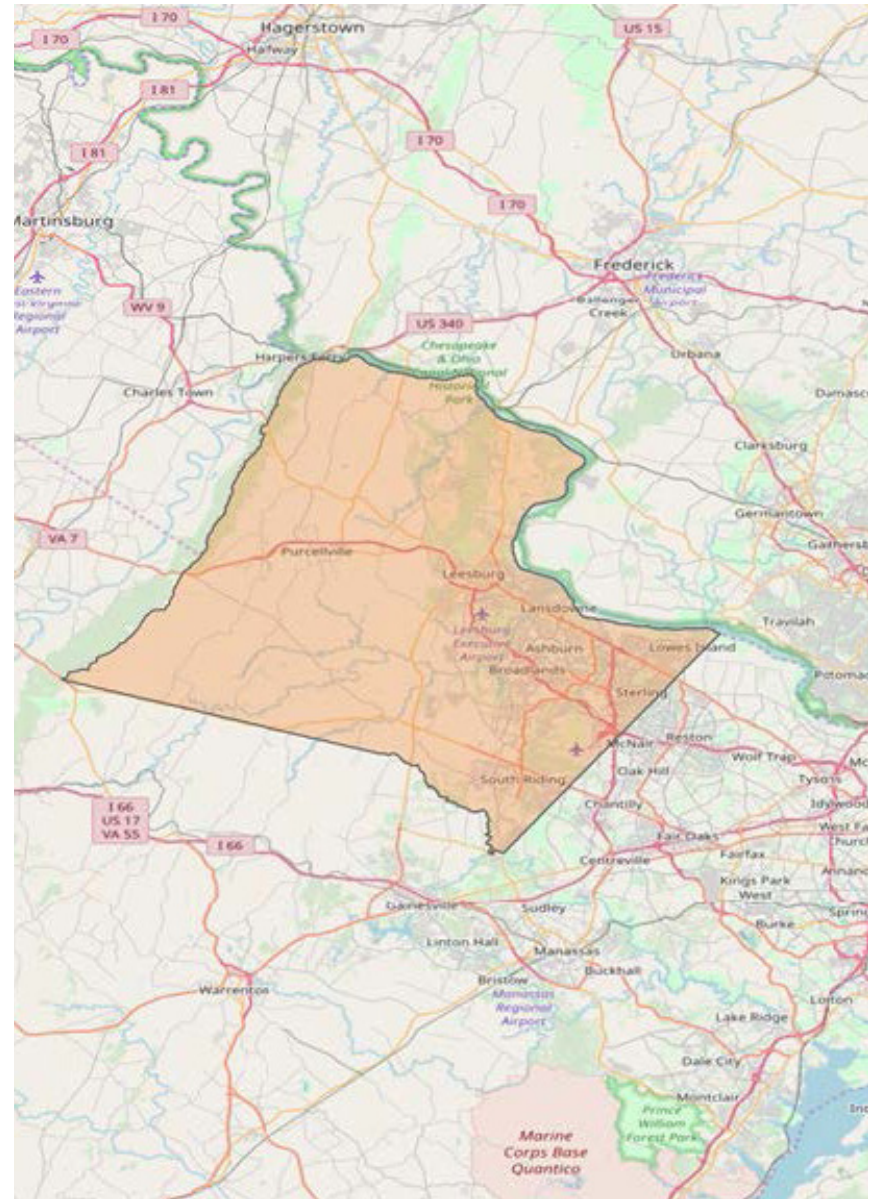
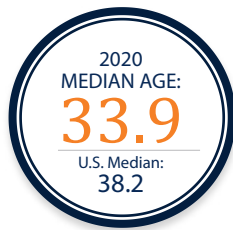
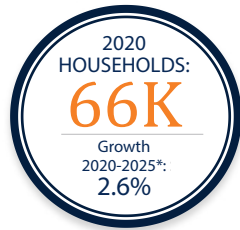
WELL-EDUCATED  
AND SKILLED  
LABOR POOL



# METROPLEX GROWTH

## ECONOMY

A Silver Line extension to the Metrorail is underway that will bring rail service into the county in 2021, providing access to the District and other employment hubs nearby. The line is boosting development activity in the Dulles Technology Corridor and attracting employers. The U.S. Customs and Border Protection Agency Office of Information Technology relocated its headquarters to the American Square at Quantum Park, bringing 3,700 workers to the county. The building is located near the planned Ashburn Metro station. Major employers include Verizon, Northrup Grumman, United Airlines, Raytheon, the U.S. Department of Homeland Security, Inova Health System, Swissport USA, Dynalectric and AOL.



## DEMOGRAPHICS



12,404

Total Population  
Within 5 miles



\$74,695

Average Household Income  
Within 5 miles



6,287

Employees  
Within 1 mile

# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Population	2,832	8,775	12,566
<b>2021 Estimate</b>			
Total Population	2,829	8,702	12,404
<b>2010 Census</b>			
Total Population	2,741	8,397	11,872
<b>2000 Census</b>			
Total Population	2,091	5,822	8,564
<b>Daytime Population</b>			
2021 Estimate	2,860	5,761	7,872
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Households	1,250	3,701	5,169
<b>2021 Estimate</b>			
Total Households	1,238	3,651	5,079
Average (Mean) Household Size	2.3	2.4	2.4
<b>2010 Census</b>			
Total Households	1,189	3,483	4,805
<b>2000 Census</b>			
Total Households	930	2,502	3,563

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2021 Estimate</b>			
\$200,000 or More	2.7%	3.1%	3.1%
\$150,000-\$199,999	1.8%	3.7%	4.8%
\$100,000-\$149,999	13.4%	12.5%	14.2%
\$75,000-\$99,999	15.4%	14.8%	15.2%
\$50,000-\$74,999	22.9%	24.2%	23.7%
\$35,000-\$49,999	15.0%	14.2%	13.4%
\$25,000-\$34,999	11.0%	10.0%	9.4%
\$15,000-\$24,999	11.3%	8.3%	7.5%
Under \$15,000	6.7%	9.3%	8.6%
Average Household Income	\$68,816	\$71,058	\$74,695
Median Household Income	\$57,278	\$60,081	\$63,011
Per Capita Income	\$30,121	\$29,821	\$30,589
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2021 Estimate Total Population	2,829	8,702	12,404
Under 20	26.8%	27.1%	25.8%
20 to 34 Years	20.8%	18.8%	17.8%
35 to 39 Years	6.6%	6.6%	6.3%
40 to 49 Years	10.3%	11.4%	11.8%
50 to 64 Years	17.8%	18.0%	19.5%
Age 65+	17.8%	18.0%	18.8%
Median Age	36.8	38.0	40.1
<b>Population 25+ by Education Level</b>			
2021 Estimate Population Age 25+	1,925	5,905	8,583
Elementary (0-8)	3.2%	3.3%	3.5%
Some High School (9-11)	9.1%	8.5%	8.6%
High School Graduate (12)	38.6%	40.1%	39.0%
Some College (13-15)	21.7%	21.6%	21.9%
Associate Degree Only	8.5%	8.0%	7.9%
Bachelor's Degree Only	12.8%	12.1%	12.3%
Graduate Degree	6.0%	6.3%	6.8%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	36.0	36.0	37.0



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