

GSA LEASED INVESTMENT SALE
Social Security Admin.

120 EXECUTIVE PARK LANE

Selma, AL 36701

PRESENTED BY:

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GA #119351

ANDREW AGEE

Broker of Record

AL #80567

PROPERTY SUMMARY



OFFERING SUMMARY

SALE PRICE:	\$3,384,000
CAP RATE:	7.5% projected
PROJECTED NOI:	\$253,797 / 2025
PRICE PER SF:	\$252 SF
LEASE TERM:	11/11/2033
FIRM TERM:	11/11/2028
BUILDING SF:	13,421 SF
BUILT / RENOVATED:	2003 / 2018

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PROPERTY OVERVIEW

The single tenant leased office investment is a build to suit for the Social Security Administration serving as a field office. The 13,421 square foot single story brick building was constructed in 2003 with substantial renovation in 2018. The renovation work was comprised of HVAC upgrades, new offices and front interview areas and CAT 6 cable upgrades. A new roof was installed in 2024. The renovation costs plus interest are repaid to the landlord amortized over the lease term at \$87,474 per year through May 2029. In addition to rent, the landlord is paid for operating expenses with an annual CPI formula increase and increases of property taxes over a base year.

The lease term is through November 11, 2033 with firm term through November 11, 2028, after which the lease may be terminated early. A third party study reported only 2.82% of GSA leases are terminated early, and one reason is a lack of expansion space. The 2.2 acre site is expandable.

PROPERTY HIGHLIGHTS

- 7.5% cap rate on projected 2025 NOI
- Leased through November 11, 2033
- Firm term through November 11, 2028
- 2003 construction / 2018 renovation / 2024 new roof
- Tenant improvement allowance reimbursed to landlord

PROPERTY SUMMARY

THE OFFERING	
Property	Single Tenant Government Office
Property Address	120 Executive Park Lane Selma, AL 36701
Price	\$3,384,000
Capitalization Rate	7.50%
Year Built	2003
Gross Leaseable Area	13,421
Type of Ownership	Fee Simple
Lot Size	1.9 Acres
LEASE SUMMARY	
Tenant	GSA – Internal Revenue Service
Rent Increases	CPI increases on operating costs
Guarantor	United States Government
Lease Type	Modified Gross
Lease Commencement	11/12/2018
Lease Expiration	11/11/2033
Term on Lease (Years)	15 Years including 10 years of firm term
Renewal Options	None
Landlord Responsibility	CAM, Insurance, Taxes, Maintenance & Repairs, Utilities
Tenant Responsibility	CPI increase of operating expenses plus increases of property taxes

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
11/12/2018 - 11/11/2028	\$165,884	\$13,824	\$12.36
11/12/2028 - 11/11/2033	\$178,365	\$14,864	\$13.29

2025 PROJECTED OPERATING INFORMATION

INCOME	
Base Rental Income	\$165,884
Operating Costs & Increases	\$ 98,770
Tenant Allowance Reimb.	\$87,474
Gross Income	\$352,128
Operating Expenses	\$98,330
Net Operating Income	\$253,798
OPERATING EXPENSES	
Taxes	\$ 13,539
Insurance	\$ 1,977
Electricity	\$ 28,053
Water/ Sewer	\$ 493
Trash Removal	\$ 1,309
Janitorial & Supplies	\$19,997
Landscaping	\$ 6,592
Repairs & Maintenance	\$11,712
Pest Control	\$ 975
Alarm	\$ 852
Management Fee	\$ 8,803
Replacement Reserves	\$ 4,206
Total Expenses	\$ 98,330

Profit and Loss Statements

Social Security Administration - Selma, AL

	Firm Term Actual 2024		Firm Term Proforma 2025		Firm Term Proforma 2026		Firm Term Proforma 2027		Firm Term Proforma 2028		Non-Firm Term Proforma 2029		Non-Firm Term Proforma 2030		Non-Firm Term Proforma 2031		Non-Firm Term Proforma 2032		(11.5 months) Non-Firm Term Proforma 2033		
INCOME																					
Rent	\$165,884	\$12.36	\$165,884	\$12.36	\$165,884	\$165,884	\$166,924	\$178,365	\$178,365	\$178,365	\$178,365	\$178,365	\$178,365	\$170,933	\$12.74						
Operating Costs	\$95,893	\$7.15	\$95,893	\$7.15	\$95,893	\$95,893	\$95,893	\$95,893	\$95,893	\$95,893	\$95,893	\$95,893	\$91,898	\$6.85							
Operating Cost Increases	\$8,218	\$0.61	\$2,877	\$0.21	\$5,754	\$8,631	\$11,508	\$14,385	\$17,262	\$20,139	\$23,016	\$25,893	\$1.93								
Property Tax Reimbursement	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$348	\$779	\$1,223	\$1,680	\$2,151	\$3,220	\$0.24								
Tenant Improvements Reimb.	\$87,474	\$6.52	\$87,474	\$6.52	\$87,474	\$87,474	\$87,474	\$36,448	\$0	\$0	\$0	\$0	\$0.00								
Total Income	\$357,469	\$26.64	\$352,128	\$26.24	\$355,005	\$357,882	\$362,147	\$325,870	\$292,743	\$296,077	\$299,425	\$291,943	\$21.75								
EXPENSES																					
Taxes	\$13,145	\$0.98	\$13,539	\$1.01	\$13,945	\$14,363	\$14,794	\$15,238	\$15,695	\$16,166	\$16,651	\$16,457	\$1.23								
Insurance	\$1,920	\$0.14	\$1,977	\$0.15	\$2,037	\$2,098	\$2,161	\$2,225	\$2,292	\$2,361	\$2,432	\$2,403	\$0.18								
Utilities Electricity	\$27,236	\$2.03	\$28,053	\$2.09	\$28,895	\$29,762	\$30,655	\$31,574	\$32,521	\$33,497	\$34,502	\$34,099	\$2.54								
Utilities Water-Sewer	\$479	\$0.04	\$493	\$0.04	\$508	\$523	\$539	\$555	\$572	\$589	\$607	\$600	\$0.04								
Trash	\$1,271	\$0.09	\$1,309	\$0.10	\$1,349	\$1,389	\$1,431	\$1,474	\$1,518	\$1,563	\$1,610	\$1,591	\$0.12								
Janitorial & Supplies	\$19,414	\$1.45	\$19,997	\$1.49	\$20,596	\$21,214	\$21,851	\$22,506	\$23,181	\$23,877	\$24,593	\$24,306	\$1.81								
Landscaping	\$6,400	\$0.48	\$6,592	\$0.49	\$6,790	\$6,994	\$7,204	\$7,420	\$7,642	\$7,872	\$8,108	\$8,013	\$0.60								
Repairs & Maintenance	\$11,371	\$0.85	\$11,712	\$0.87	\$12,064	\$12,426	\$12,799	\$13,182	\$13,578	\$13,985	\$14,405	\$14,237	\$1.06								
Pest Control	\$947	\$0.07	\$975	\$0.07	\$1,005	\$1,035	\$1,066	\$1,098	\$1,131	\$1,165	\$1,200	\$1,186	\$0.09								
Alarm	\$827	\$0.06	\$852	\$0.06	\$878	\$904	\$931	\$959	\$988	\$1,018	\$1,048	\$1,036	\$0.08								
3% Management Fee	\$0	\$0.00	\$8,803	\$0.66	\$8,875	\$8,947	\$9,054	\$8,147	\$7,319	\$7,402	\$7,486	\$7,398	\$0.55								
\$0.30 Replacement Reserves	\$0	\$0.00	\$4,026	\$0.30	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$3,859	\$0.29								
Total Expenses	\$83,011	\$6.19	\$98,330	\$7.33	\$100,967	\$103,681	\$106,509	\$108,405	\$110,464	\$113,521	\$116,667	\$115,185	\$8.58								
Total Net Income	\$274,458	\$20.45	\$253,798	\$18.91	\$254,038	\$254,201	\$255,638	\$217,465	\$182,279	\$182,556	\$182,758	\$176,758	\$13.60								

NOTES

Operating Costs as of 1/2/2022 Per Lease	\$7.15 SF
Assumption Operating Cost Increases as of 2024 (CPI)	3.0%
Property Tax (Base Year 2018) Per Lease	\$14,015
Annual Tenant Improvement Rent Reimb.	\$0
Assumption Annual Expense Incr as of 2024	3.0%
Capitalization Rate 2025 Projected NOI	7.50%
Purchase Price	\$3,384,000
Price Per Sq Ft	\$252 SF

83 MONTH TENANT IMPROVEMENT REIMBURSEMENT BEGAN JUNE 2022 (PAID IN JULY 2022) AND TERMINATES MAY 2029.

TIR	Term	Interest Rate	Monthly Payment	Annual Payment	Total Payment
\$478,510.10	83	7%	\$7,289.50	\$87,474.00	\$605,028.50

The 15 year lease was originated 11/12/2018 on a full service basis with a ten year firm term and a five year non-firm term.
The tenant pays base rent and operating costs.
For the 83 month period July 1, 2022 through May 1, 2029, the tenant pays a Tenant Improvements Rent (TIR).
Throughout the lease, the tenant pays increases in operating costs calculated using a CPI formula.
Throughout the lease, the tenant pays increases in property taxes over a base year 2018 cost of \$14,015.36

After the ten years of "firm term", the tenant has the right to terminate the lease with 90 days notice.
According to a GSA study, less than 2.6% of GSA leases were terminated prior to the expiration date.

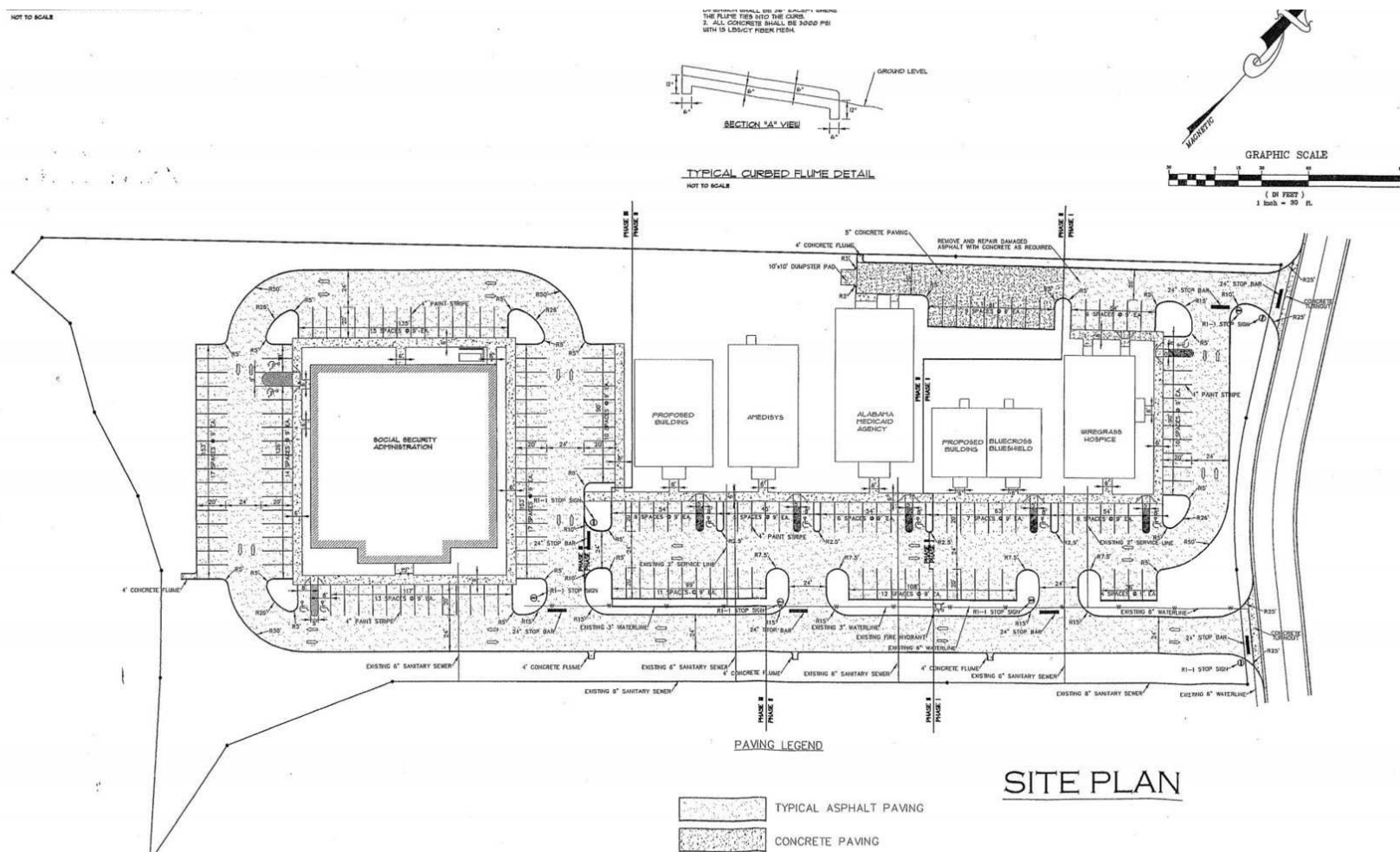
AERIAL MAP



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SITE PLAN



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SHEET TITLE	SITE PLAN
A NEW FACILITY FOR THE SOCIAL SECURITY ADMINISTRATION SELMA, ALABAMA	

JOB NUMBER:
11100
DATE:
4-24-03
DRAWN BY:
K.L.R.
CHECKED BY:
R.A.R.
REVISION:
A 0-003

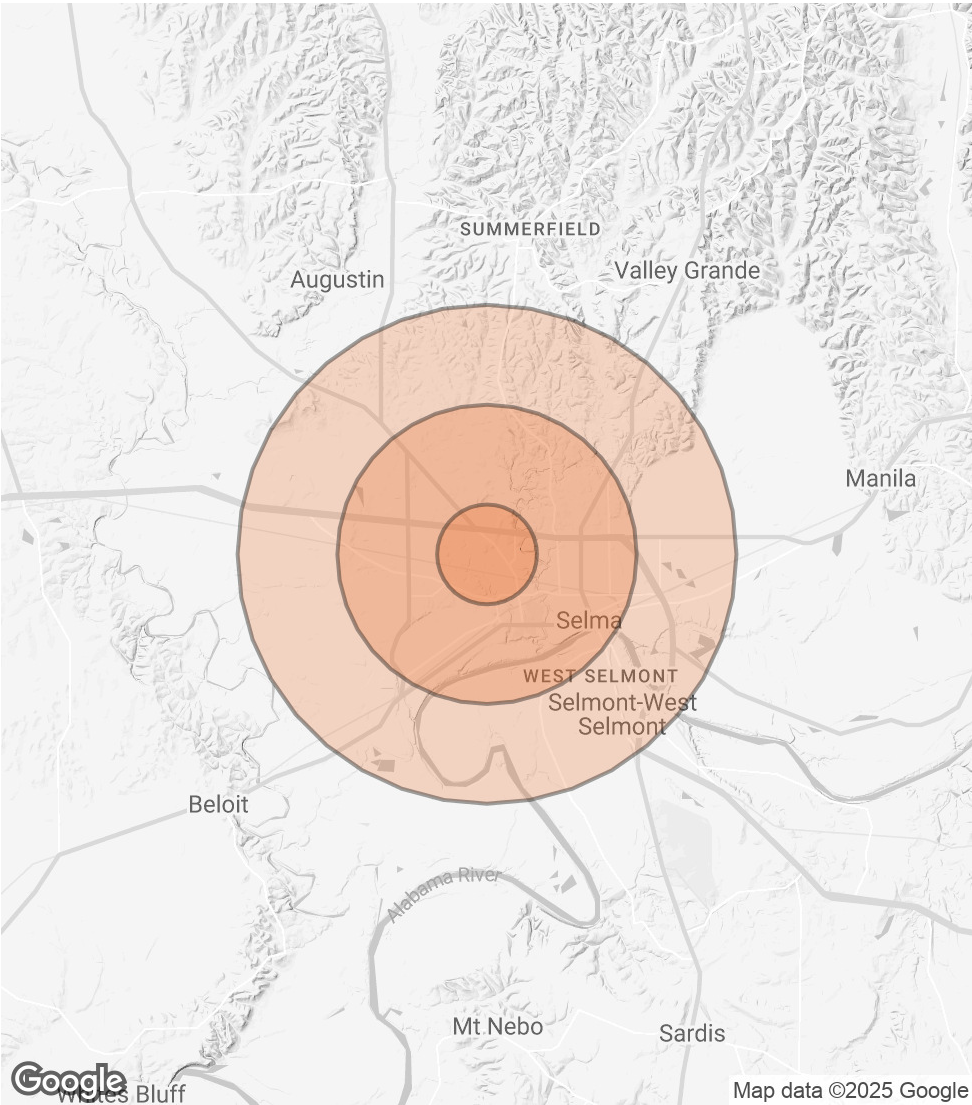
SHEQ No.
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DEMOGRAPHICS MAP & REPORT

POPULATION	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	2,565	16,681	23,407
AVERAGE AGE	42	41	41
AVERAGE AGE (MALE)	39	38	39
AVERAGE AGE (FEMALE)	44	42	43

HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
TOTAL HOUSEHOLDS	1,069	7,119	9,914
# OF PERSONS PER HH	2.4	2.3	2.4
AVERAGE HH INCOME	\$64,345	\$54,694	\$55,690
AVERAGE HOUSE VALUE	\$156,883	\$129,213	\$124,323

* Demographic data derived from 2020 ACS - US Census



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PROFESSIONAL BACKGROUND

Matthew J. Levin, CCIM, serves as a Senior Advisor for SVN, focusing on the sale and leasing of retail, office and industrial properties. With over 25 years experience in the real estate industry, he has completed over 500 transactions valued at \$300 million. Matthew is a multi-year recipient of the Partner Circle Award, SVN's highest recognition, and consistently performs in the top 100 of advisors nationally.

Prior to joining SVN, Matthew served as President of Dekalb Realty Company. Previously, he served as a \$250 million Commercial Real Estate Non-Performing Loan Portfolio Manager for the Federal Deposit Insurance Corporation (FDIC).

Matthew is a Phoenix Award recipient of the Atlanta Commercial Board of Realtors' Million Dollar Club. He is past president of the Georgia State University, Real Estate Alumni Group, and past chairman of the Scholarship Committee of the Georgia Chapter of CCIM.

Matthew received his Bachelor of Arts from Emory University and Master of Science degree in Real Estate from Georgia State University.

He lives with his wife of over 25 years Valerie and daughter Camille. Matthew is an avid sailor having first learned from his father. "Sailing is much like life, you're heading for a destination and the changes in weather, wind and current require anticipation, attention and adjustment. Getting there can be as interesting as arriving."

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PROFESSIONAL BACKGROUND

Andrew Agee is the Senior Managing Director for SVN International | Avat Realty’s Multifamily Group, having completed transactions in Tennessee, Alabama, Mississippi, and Georgia. The SVN Multifamily Team brokered over \$2 Billion in multifamily sales in each of the last two years. SVN’s commitment to excellence and their entrepreneurial spirit is reflected in their strict policy of sharing commission with other brokers regardless of the circumstances. This has been proven to increase demand for assets and, consequently, price.

Andrew Agee and the Southeast Regional office are extremely customer centric, personable, knowledgeable, and subscribe wholeheartedly to the SVN model of Win/Win relationships, transparency, and cooperative real estate with all parties, including other brokers.

Andrew is a member of the National Apartment Association, CCIM, Committee of 100 in Huntsville, is involved as a board member of a large local political committee in North Alabama, and serves on the board of the Margarita Society, a non profit organization that collects thousands of toys for various charitable organizations at Christmas. He is also involved with the Development Council of the Huntsville Hospital Foundation.

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