

517-519 11th Street SE

CONFIDENTIAL
OFFERING
MEMORANDUM



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DISCLAIMER

NOTICE OF CONFIDENTIALITY

Newmark, a New York Corporation (the “Agent”) has been engaged as the exclusive sales representative for the sale of (the “Property”) by (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition, and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in the Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers (“Purchasers”) of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a “Registered Potential Investor” or as a “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by the Agent prior to delivery of the Offering Memorandum.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representative, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor the Agent shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced with the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.

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EXECUTIVE SUMMARY

Newmark has been exclusively retained to offer for sale 517-519 11th Street SE, a beautifully renovated mixed use building located on the west side of I1th Street, between Pennsylvania Avenue and G Streets SE in the Capitol Hill/Eastern Market neighborhood of Washington DC. This elegant Art Deco style building features a variety of uses including first floor office, lower level self storage and second floor residential apartments and roof deck. Features of the building include high ceilings, oversized windows, large open spaces for internal meetings and gatherings and a separate entrance to the residential portion. Renovation improvements include bathroom and kitchen finishes and appliances, cabling and wiring and creation of a rooftop deck.

The location is unparalleled within minutes of Eastern Market and dozens of shops and restaurants. 517-519 11th Street has a Walk Score of 96 out of 100. The location is a walker's paradise with no car required for daily errands. The building is less than a five minute walk from the Eastern Market and Potomac Avenue Metro Stations served by the Blue, Orange and Silver lines.

The 9220 square foot building was constructed in 1933 and renovated in 2004. The parcel is 3704 square feet and zoned MU-4. The MU-4 zone is intended to permit moderate-density mixed-use development with shopping, housing and business uses outside of the central core with an FAR of 2.5.

The building's mix of uses and diverse income streams create an excellent investment opportunity. The lower level has 18 storage units that lease for \$195 per month. The first floor is 3365 square feet and is currently leased by the building's owner for \$50 per square foot NNN. The second floor residential apartments are three bedroom, two bath units and lease for \$3400 per month net of utilities. Current net operating income is \$180,000. The quality of the asset, unparalleled location, distinct sources of income and manageable size make 517-519 11th an extremely attractive investment opportunity.



INVESTMENT HIGHLIGHTS

EXTRAORDINARY LOCATION

In one of the most desirable neighborhoods in Washington DC blocks from Eastern Market and just off Pennsylvania Avenue with 2 Metro stations within a five- minute walk.

MANAGEABLE SIZE

With 9200 square feet on multiple floors, 517-519 11th Street is the perfect size for professional firms, non-profits or investors looking to own their office space and achieve diversified income streams from a mix of uses.

FLEXIBLE DELIVERY STATUS

1920 I can be delivered with the office component vacant, ready for an owner occupant or with a short term office lease back from the current tenant. Income from the self storage and residential tenants is in place.

EXTREMELY TIGHT MARKET CONDITIONS

With only a handful of mixed use townhouse buildings for sale in this submarket and no new supply planned, demand for this type of product greatly surpasses supply.

Diverse Income Streams with Upside

With three distinct uses- self storage, office and residential, 517-519 11th provides investors an opportunity to own a variety of asset classes within the same property creating strong and reliable income. Current NOI of \$180,000 could be increased by adding more self storage units in the basement and strategically upgrading the residential units or marketing them through the Housing Choice Voucher Program given the lack of three bedroom units in the District. Converting the apartments to condominiums and selling them separately is also an option.



INVESTMENT HIGHLIGHTS

517-519 11th Street SE is a 9220 two and one-half story building on a 3704 square foot lot in the Capitol Hill submarket of Washington DC. Zoned MU-4, the property conforms with the mixed use zoning and includes a variety of uses – 18 self storage units on the lower level, 3365 square feet of office space on the first level and two residential units, each 3 bedroom/2 bath that totaling 2,438 square feet on the second level.

The Net Operating Income for the last year resulting from the current program and tenancy is \$178,591 with total gross potential revenue of \$285,352. The income has been stable for many years with NOVO Development as the single office tenant and the residential units always leased.

The property's revenue and net operating income may be increased several ways. On the lower level, adding more self storage units to a portion of the basement which is currently used as meeting space could increase NOI almost \$5,000 assuming 2 units could be added at current rent levels in the \$195-\$210 per month range. Further renovations to the residential units, including upgraded cabinets and hardware, plumbing fixtures, light fixtures and countertops may drive up rents, particularly given the lack of 3 bedroom units in the District. Marketing the 2 multifamily apartments through the Housing Choice Voucher Program which targets families at 50% of area median income could generate rents in excess of \$5,000 per month, with the tenant responsible for a portion that correlates with their household income and the balance paid by DCHA. Another strategy is to convert the residential units to condominiums and sell them individually. Finally, the MU-4 zoning allows for less than 12 months leases for residential use, so additional income may be derived by converting the residential units to either short stay rentals or student housing. A college or university may find the building attractive to combine office and residential uses in one property.



PROPERTY INFORMATION

Address	517-519 12 th Street SE Washington DC
Land Area	3,704 SF
Number of Floors	3
Age	1933, Renovated 2004
Gross Area	9,220 SF
Floor Size	3,400 SF
Tax Parcel	Lot 842 Square 973
ANC	68
Zoning	MU-4

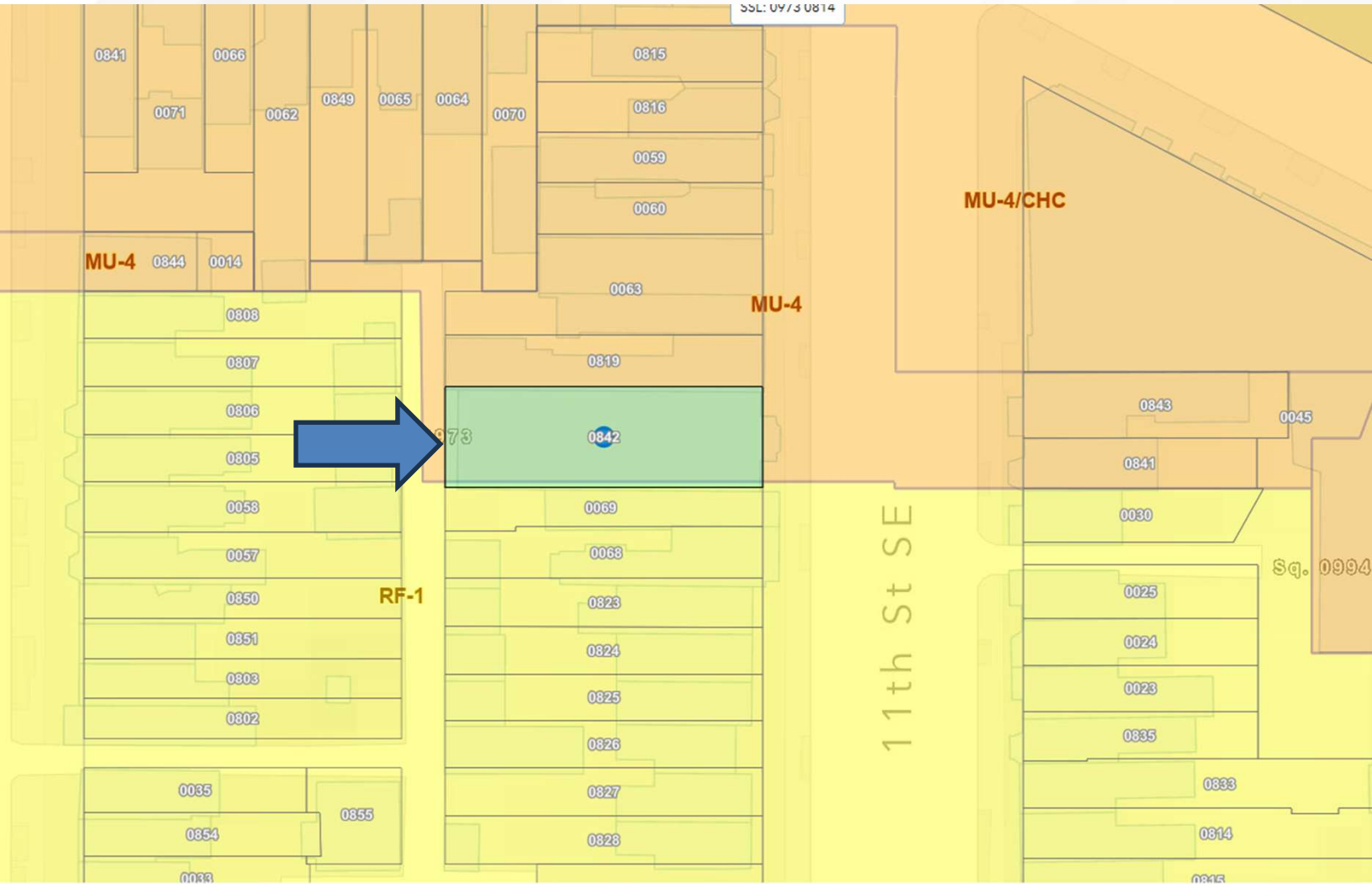
SITE INFORMATION

Property Type:	Mixed Use
Property Class:	B
Stories	2 plus basement
Construction Type:	Masonry
Occupancy Type:	Single Tenant
Asking Lease Rate:	\$40/SF net of utilities
FAR:	2.5
Parking:	None

BUILDING IMPROVEMENTS

Foundation:	Masonry and Concrete
Structural Frame:	Masonry bearing walls, steel joists
Exterior Walls:	Brick Façade with architectural accents
Windows:	Oversized operable windows with wood frames
Roof:	Flat roof that accommodates a roof deck
Interior Finishes:	Parquet floors, extensive molding, individual meters
Walls:	Stone tiles in lobby, drywall and plaster in other areas
Ceilings	Drywall and plaster, decorative tin
HVAC	Split system AC with heat pumps on each floor. New combined rooftop unit. New ductwork installed in 2004 renovation
Electrical	Two circuits with plenty of additional capacity.
Utility Meters	One meter for main level, second meters for top floor
Restrooms	1 per floor in office and storage level, 2 per each apartment
Security	Security system monitored by ADT with fob entry and intercom

ZONING MAP



YEAR END 2024 DC OFFICE MARKET

The Washington DC office market is showing signs of strength after a difficult few years. Following three quarters of negative absorption in the District, office vacancy dropped 20 basis points to 22.5% during the fourth quarter and marked the first quarter of positive absorption since Q1 2022. Two large leases in the 4th quarter drove the occupancy gain, the US Agency for Global Media's relocation from federally-owned space in Southwest D.C. to leased space at 1875 Pennsylvania Avenue NW and Monumental Sports & Entertainment's 120,000 sq. ft. expansion at Gallery Place.

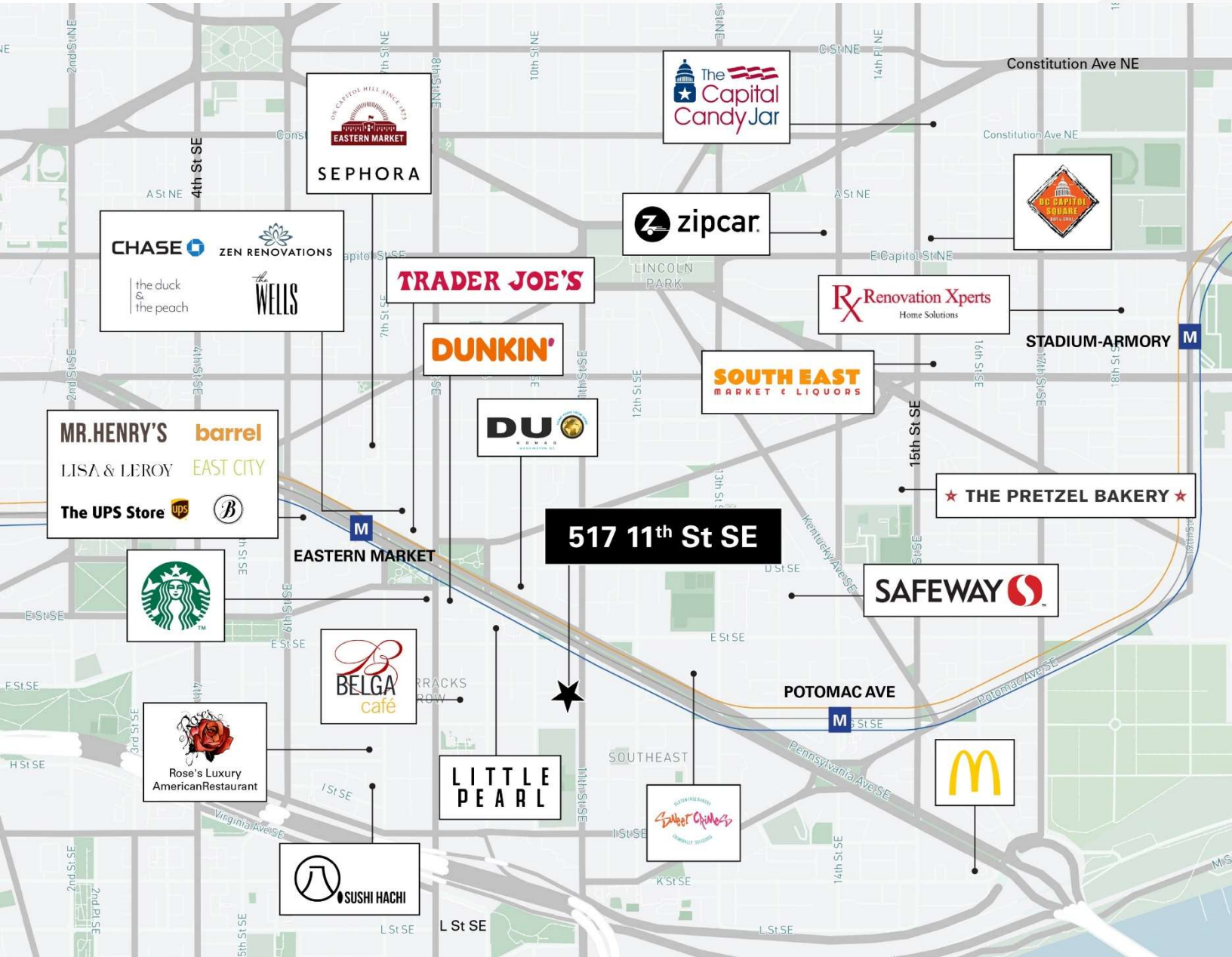
Lease volume hit a three-year high in 2024 at 8.0 million square feet with 2.2 million square feet leased during the fourth quarter. Law firms were largely responsible for leasing activity at the end of the year, accounting for 41% of Q4 lease volume. For the first three quarters leasing activity reflected the city's typical tenant mix, with government tenants leasing the highest volume, followed by law firms, business and financial services, and nonprofits. Given the recent mandate to shrink the Federal workforce and reduce GSA's lease obligation, the composition of tenant mix in the District may change.

Washington, DC's private sector occupiers continue to exhibit a flight-to-quality. Trophy and Class A+ buildings account for just 23% of the city's inventory but have captured 59% of all private sector relocation volume since 2020, a figure that grows to 90% when considering relocations larger than 50,000 sq. ft. Consistent tenant demand for high-quality space paired with supply constraints at the top of the market will continue to boost fundamentals in the Trophy and Class A+ segments.



Capitol Hill

NEIGHBORHOOD MAP



Capitol Hill

WASHINGTON DC ECONOMIC OVERVIEW

WASHINGTON, DC:

The Washington, DC Metropolitan Area is distinguished by expansive and diversified employment opportunities, affluence, quality of life, existing infrastructure and a highly-educated workforce, all of which attract both capital and people to the region.

- The Urban Land Institute forecasts population growth of at least two million people between 2015 and 2030.
- The Washington, DC Metropolitan Area is currently the ninth-most populous metropolitan area in the nation.
- The Washington, DC Metropolitan Area boasts the 2nd highest median household income of any metropolitan area in the nation.
- Area employers are responsible for more than 3.6 million payroll jobs, making the region a U.S. leader in jobs per capita.
- Projected employment growth for Washington, DC between 2015 and 2025 is 13.0%, compared to 10.0% for the nation.

WASHINGTON, DC METROPOLITAN AREA STATS:

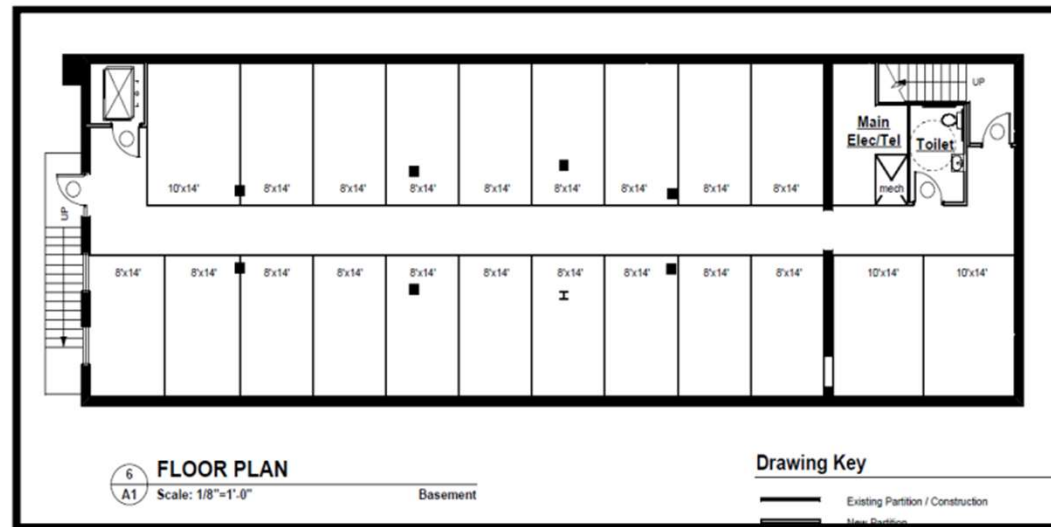
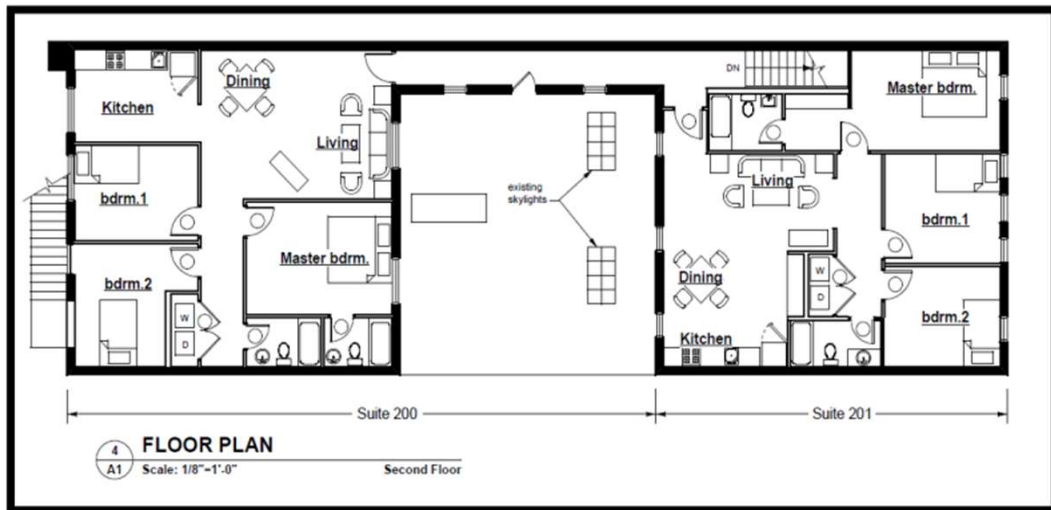
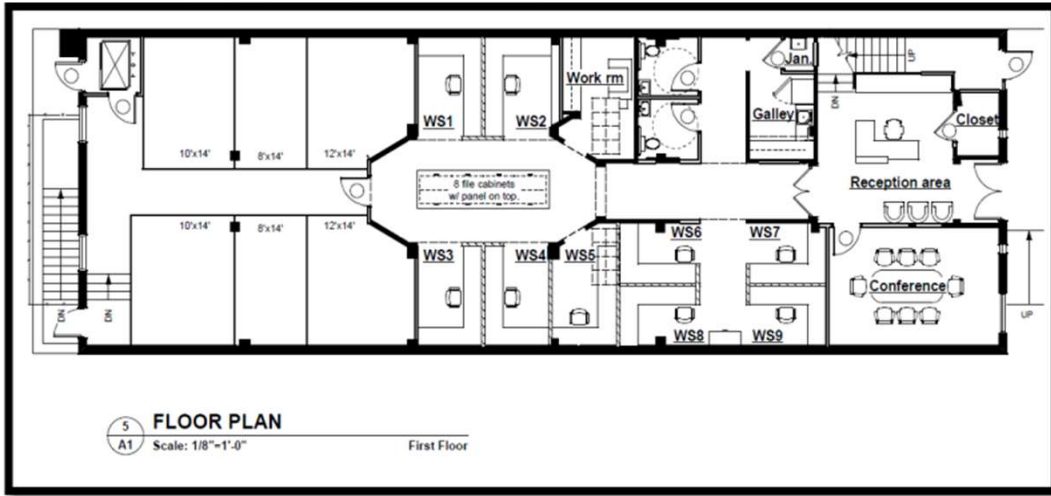
- **#2 HIGHEST MEDIAN HOUSEHOLD INCOME** in the Country
- **\$106,000 MEDIAN HOUSEHOLD INCOME**
- **#9 MOST-POPULOUS** metropolitan region
- **17 FORTUNE 500 COMPANIES** in Washington, DC Metropolitan Area
- **LOWEST HISTORICAL UNEMPLOYMENT RATE** DC ranks the lowest of all metropolitan areas in historical unemployment over the most-recent 20-year period
- **#1 JOB MARKET IN DOWNTURNS** Washington, DC has only had one year of job loss since 2000, while other competitive metros experienced 4-5 years of job contraction

EMPLOYMENT
GROWTH
INCREASE OF
13% 2015-2025

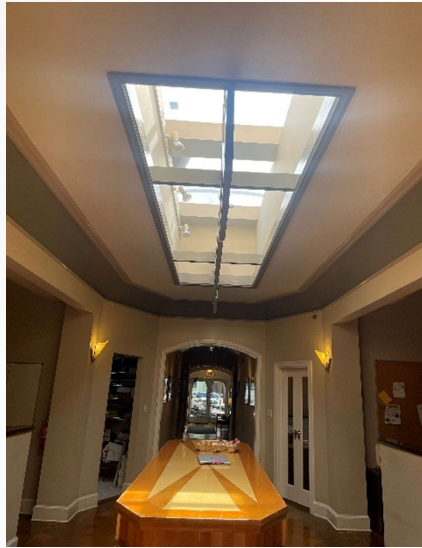
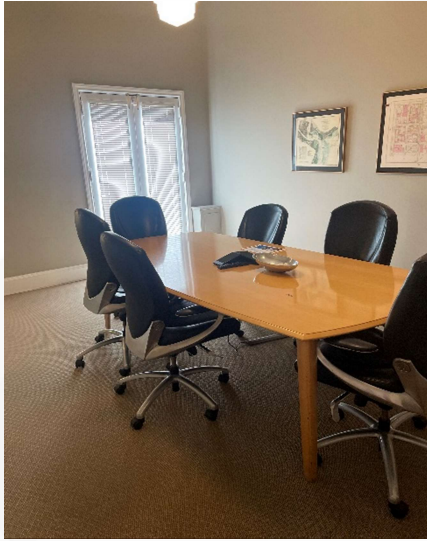


#2 HIGHEST
MEDIAN HOUSEHOLD INCOME
IN THE COUNTRY

FLOORPLANS



PHOTOS





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