3251 Fox Street

Philadelphia, PA 19129

Meticulously renovated 58,158 square foot multi-tenant commercial building

FOR SALE

NAI Geis Realty Group, Inc.

Confidential Offering Memorandum

Contact Information

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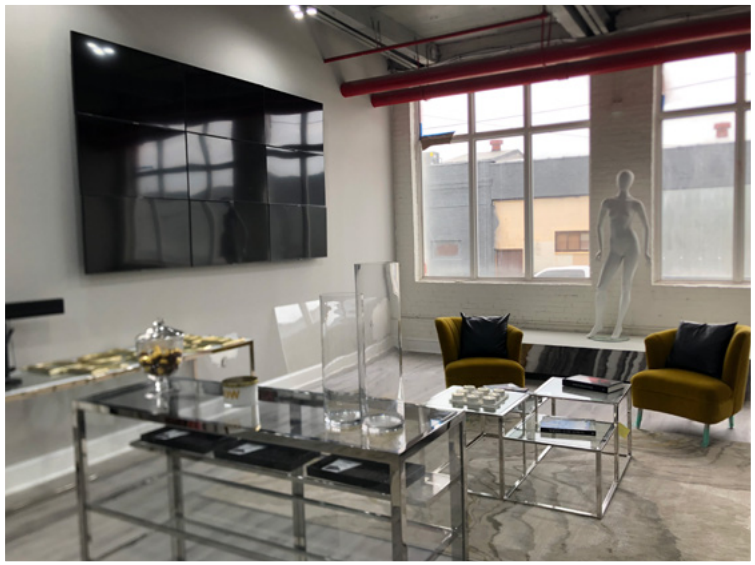


Executive Summary

NAI Geis Realty Group, Inc. ("NAI Geis") is pleased to exclusively present 3251 Fox Street, Philadelphia - a 58,158 square foot multi-tenant building, which was meticulously **renovated in 2020**. Included in the sale is the adjacent ±16,200 gated off-street parking lot.

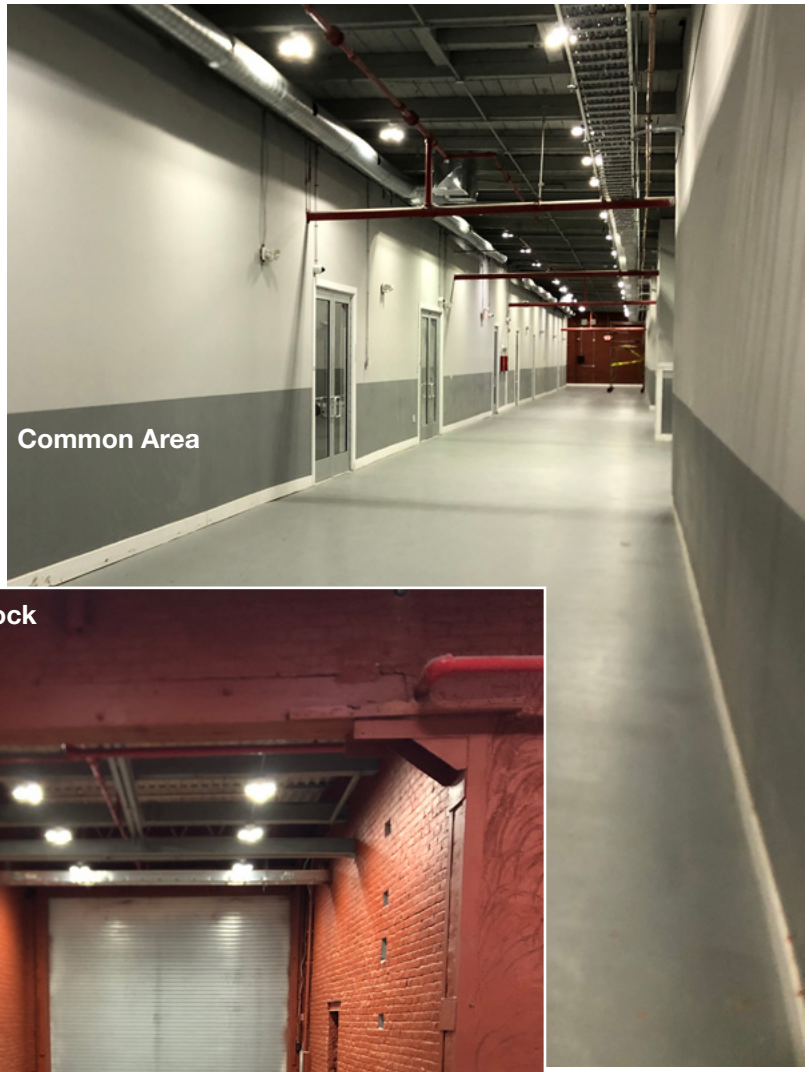
Offered at a 7.2% cap rate, the building is stabilized by tenants at **below market rents, with 4% annual escalations**. With a 10 year tax abatement and brand new roof & mechanicals, new ownership will benefit from competitive operating expenses, NNN leases, and minimal maintenance.

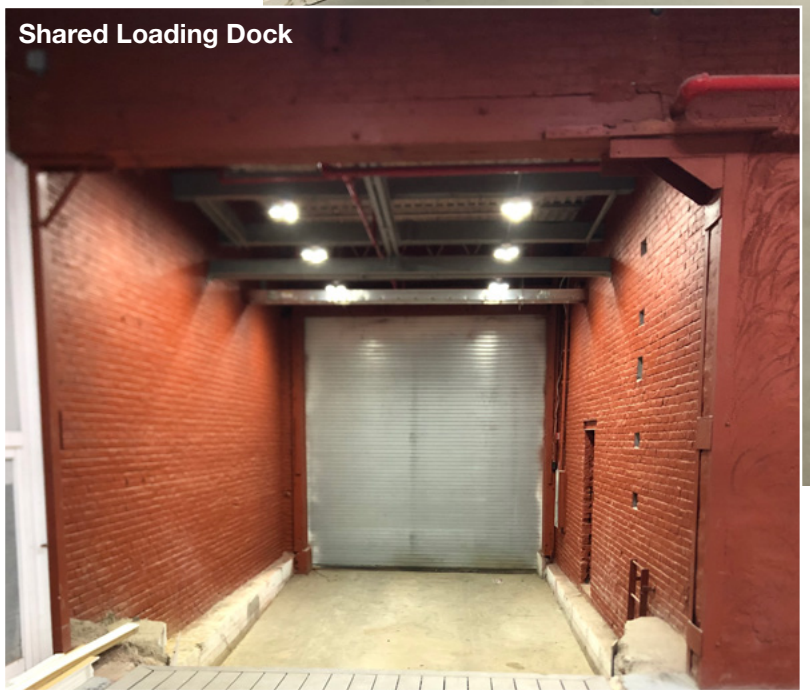
Located in a Qualified Opportunity Zone ("QOZ") and a few blocks from an upcoming 2.4 million SF life sciences development, this cash flowing asset offers substantial value-add opportunity. New ownership can increase the rentable area by achieving 500% FAR by-right on the existing structure and/or the adjacent parking lot.

Property Overview

Investment Highlights

- Majority of leases expiring 2026
- Located in a Qualified Opportunity Zone
- 10-year tax abatement
- Gated on-site parking with abundant street parking
- Shared drive-in loading dock
- New roof
- New mechanical systems
- New windows throughout
- Fully sprinklered
- 1st comprised of +/-47,375 SF
  - Approximately 41,911 on concrete slab for light industrial uses
- 5,464 SF sprinklered 2nd floor suite
- 5,319 SF sprinklered lower level
- I-1 Zoning with variance in place
- Shared kitchenette/break area
- 14’ ceiling height


Common Area


Shared Loading Dock

Master Plan

Suite 108
3,406 SF
Suite 110 - 527 SF
Suite 109
Suite
111
Combined 4,635 SF
Suite 112
1,258 SF
Suite 113
Suite 114
Combined 8,362 SF
Suite 107
3,514 SF
COMMON AREA
Suite 106
1,821 SF
LOBBY
SHARED DOCK
Suite 105
1,580 SF
Suite 104
2,949 SF
Suite 101
5,464 SF
Suite 103
5,389 SF
COMMON
AREA
5,319 SF
FIRST FLOOR, Suite 115
5,464 SF
SECOND FLOOR, Suite 102

Property Overview

Value Add

In addition to below market rents with 4% annual escalations, the subject property offers multiple value-add opportunities. **Initially a 2 story elevator-serviced building**, the 2nd story was destroyed in a fire prior to the building's redevelopment. With the **elevator shaft still in place**, potential investors can **increase the rentable area by up to 500% FAR** and benefit from the incentives afforded by the Tax Cuts and Jobs Act of 2017, specifically related to **Qualified Opportunity Zones**.

As noted in the submarket occupancy table, nearby buildings such as Fall Corporate Center have achieved occupancy levels of 88-100% across the buildings in their campus. With **nearby buildings achieving higher rental rates**, and taking into account the **rapid lease up at 3251 Fox Street**, it is feasible to project that **a higher rate and implementation of an add-on factor** can be achieved on the next leasing cycle or on additional rentable area.

At the time of this offering memorandum, the gated, off-street lot has not been monetized. With **abundant street parking**, and taking into account the buildings competitive rental rate, potential investors **can monetize the parking lot** by charging a **monthly fee for reserved parking**. Alternatively, **all or a portion of the parking lot could be developed**. The **existing elevator shaft abuts the parking lot**, allowing for **undercover parking on the 1st level with office/retail above**. As noted in the image below, there is an abundance of parking across the street at 2450 W. Hunting Park Avenue, which is now 100% vacant. Investors could potentially structure an **agreement to use the portion of the surface lot closest to the subject property**.

Property Overview

Zoning

Property Overview

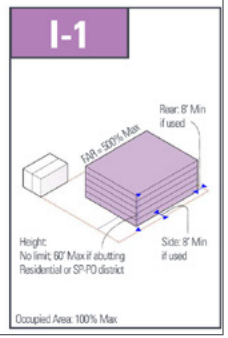
Zoning (continued)

I INDUSTRIAL

I-1

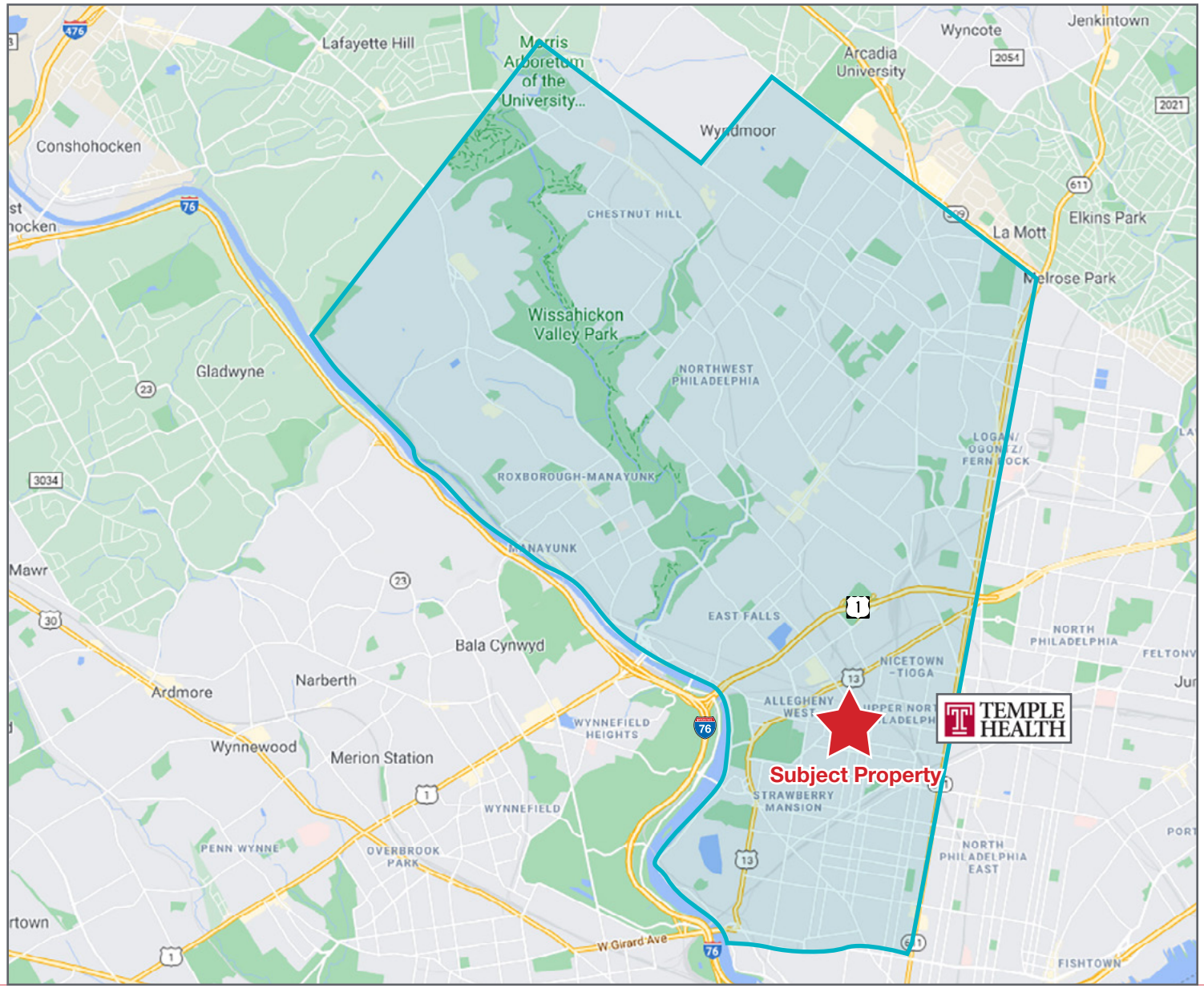
Max. Occupied Area	100%
Min. Front Yard Depth	0 ft. [3]
Min. Side Yard Width	8 ft. if used [3]
Min. Rear Yard Depth	8 ft. if used [3]
Max. Height	60 ft. if abutting a Residential or SP-PO district; otherwise no limit
Max. Floor Area Ratio	500%

I-1



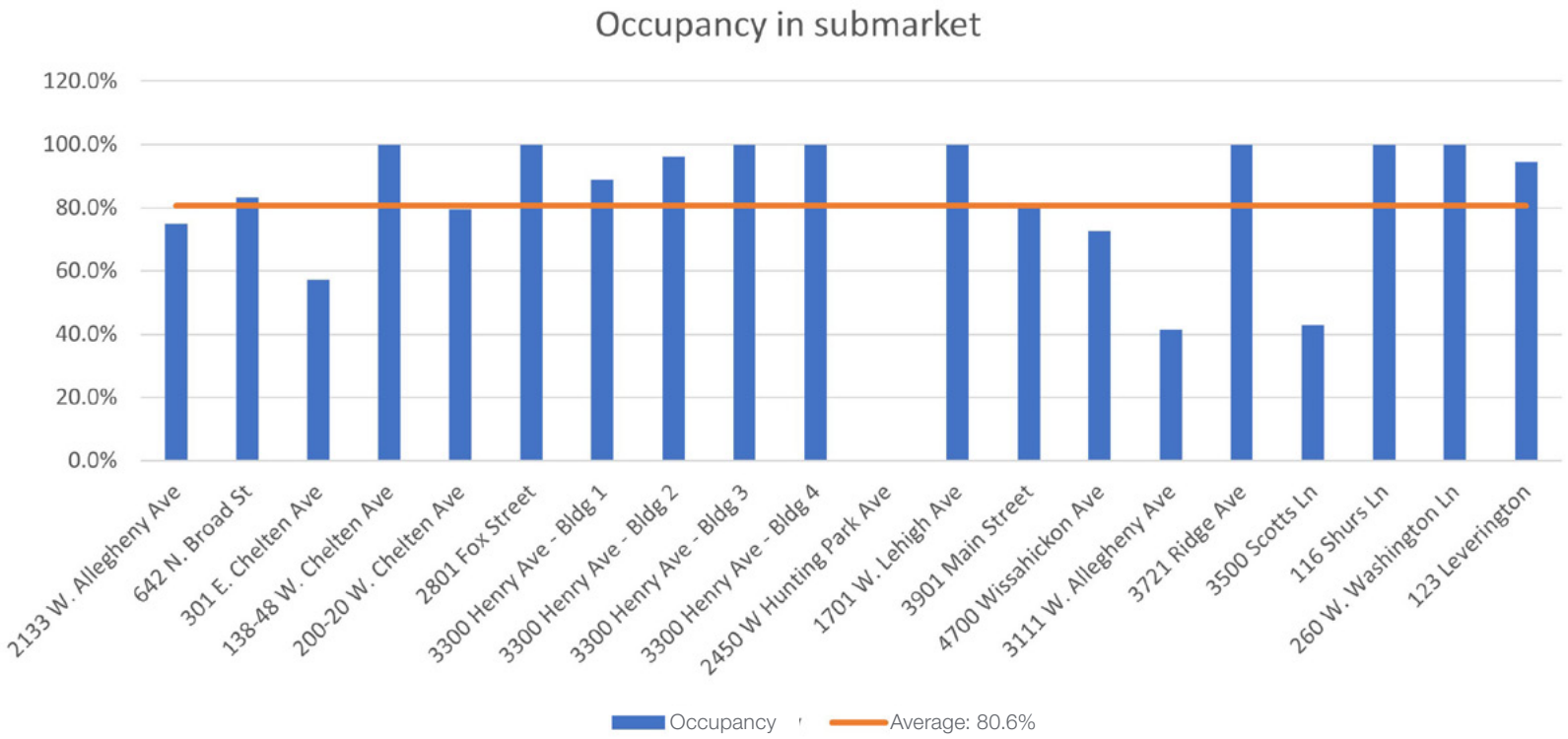
Location Overview

Within close proximity to Route 1 and Interstate 76



Occupancy in Submarket

The Building is strategically located in the Northwest Philadelphia submarket, **just west of Temple Health System's main campus** and **minutes from PA Route 1 & Interstate 76**. With direct entrances, concrete slab flooring, common hallways, bathrooms, and amenities, such as common lobby, a kitchenette/break room and a shared loading dock, **the subject property is uniquely positioned to accommodate, office, retail, and light industrial/flex requirements.** This submarket offers little competition in the form of multi-use properties – approximately 20 buildings greater than 30,000 square feet with on-site parking. Of these, average occupancy level is 81% with tenancy comprised of medical, education, GSA, experiential, and credit non-profits in the health & social services spectrum. It is important to note that **the subject Building leased up to 100% occupancy in the midst of the COVID-19 pandemic**.



Location Overview

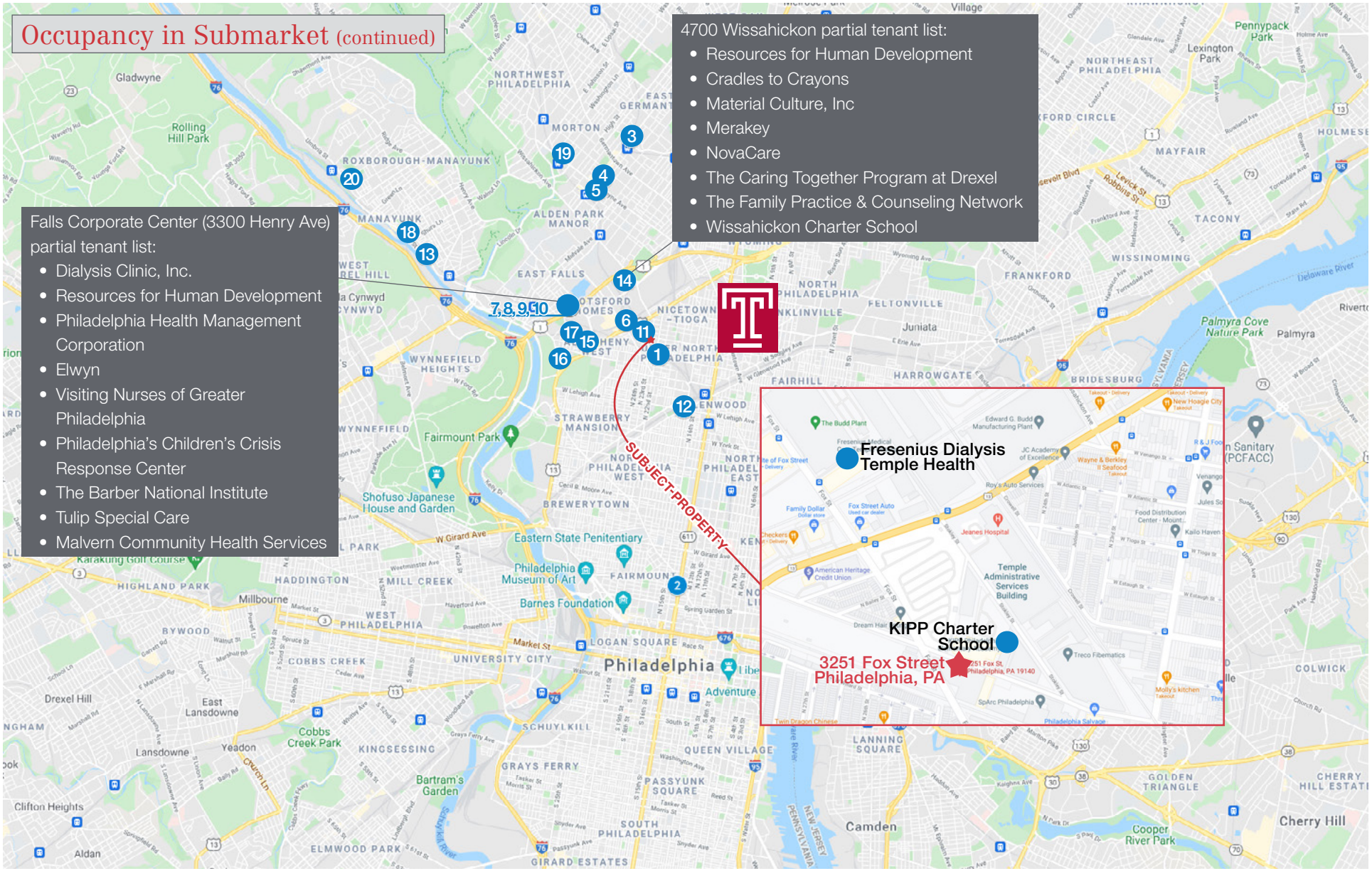
Occupancy in Submarket (continued)

Falls Corporate Center (3300 Henry Ave) partial tenant list:

- Dialysis Clinic, Inc.
- Resources for Human Development
- Philadelphia Health Management Corporation
- Elwyn
- Visiting Nurses of Greater Philadelphia
- Philadelphia's Children's Crisis Response Center
- The Barber National Institute
- Tulip Special Care
- Malvern Community Health Services

4700 Wissahickon partial tenant list:

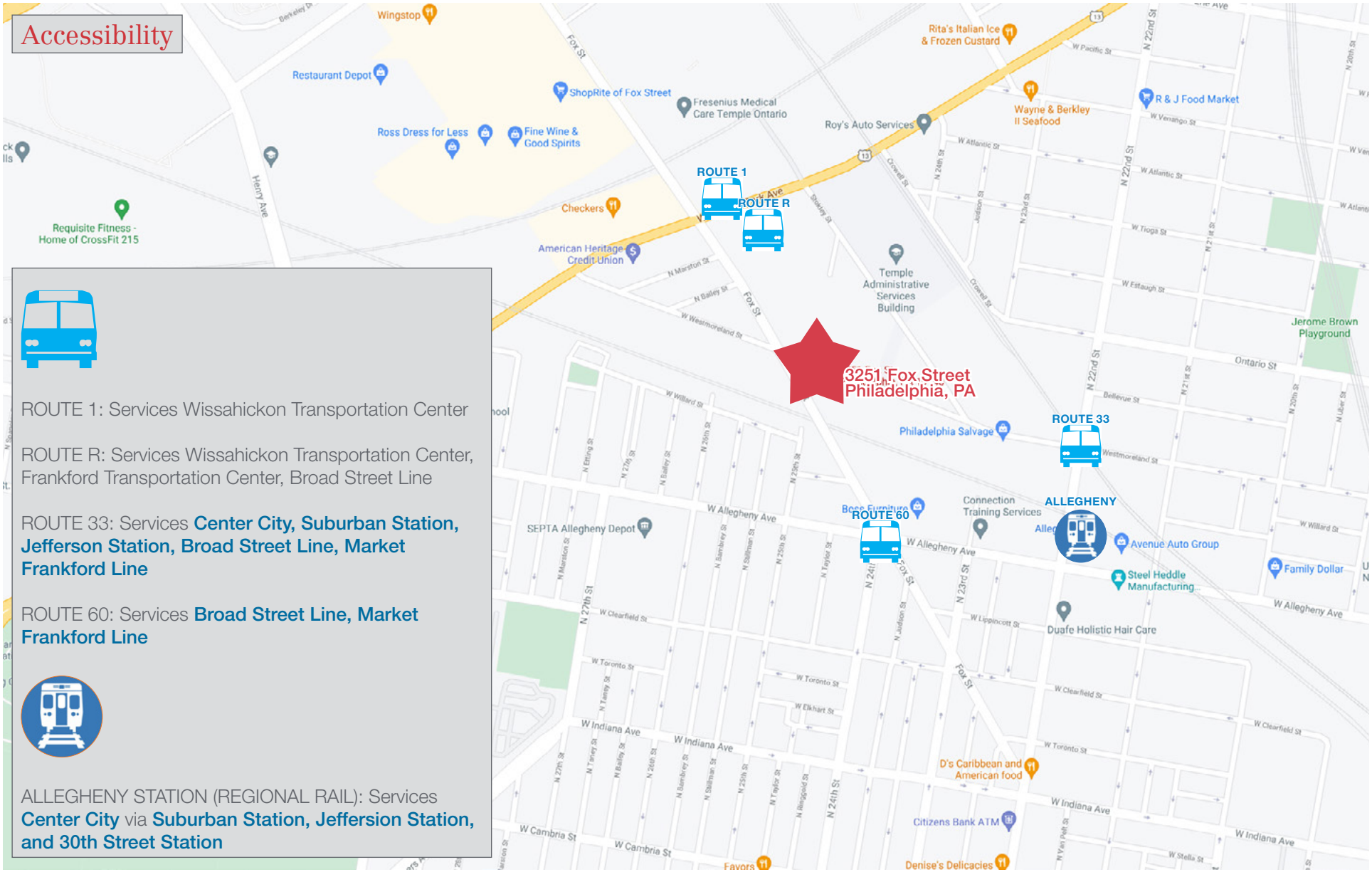
- Resources for Human Development
- Cradles to Crayons
- Material Culture, Inc
- Merakey
- NovaCare
- The Caring Together Program at Drexel
- The Family Practice & Counseling Network
- Wissahickon Charter School



Occupancy in Submarket (continued)

	ADDRESS	PROPERTY TYPE	PROPERTY SIZE SF	AVAILABLE SF	% OCCUPANCY	ASKING RENT per SF	RENT TYPE	NOTES
1	2133 W. Allegheny Ave	Office	87,756	22,000	74.9	$18.00	+E&J	Single tenant building, trying to give back space
2	642 N. Broad St	Office	275,744	46,107	83.3	$21.00	+E&J	
3	301 E. Chelten Ave	Office/Retail	85,420	36,600	57.2	$15.00	NNN	
4	138-48 W. Chelten Ave	Retail	36,000	0	100.0	N/A	N/A	Lease comps from $13.64-15.00 / SF NNN
5	200-20 W. Chelten Ave	Office/Medical/Retail	107,404	22,053	79.5	$16.50	NNN	All vacant space on 1st FL
6	2801 Fox Street	Medical	30,000	0	100.0	N/A	NNN	Medical office building occupied by Fresenius Dialysis & Temple Health. Lease signed in Q2 2018 at $14.79 / SF NNN
7	3300 Henry Ave - Bldg 1	Office/Medical/Mixed Use	82,731	9,250	88.8	$18.00-22.00	NNN	
8	3300 Henry Ave - Bldg 2	Office/Medical/Mixed Use	227,952	9,000	96.1	$15.00	Modified Gross	
9	3300 Henry Ave - Bldg 3	Office/Medical/Mixed Use	71,957	0	100.0	N/A	N/A	
10	3300 Henry Ave - Bldg 4	Office/Medical/Mixed Use	111,332	0	100.0	N/A	N/A	
11	2450 W Hunting Park Ave	Office	257,720	257,720	0.0	TBA	TBA	New to market. Temple Health occupied the entire building for administrative services and vacated after a fire.
12	1701 W. Lehigh	Office/Retail	57,433	0	100.0	$13.50	+U	
13	3901 Main Street	Flex/Office/Retail	103,000	18,973	81.6	$15.00-16.50	+U	
14	4700 Wissahickon	Office/Industrial	677,000	185,841	72.5	$6.00-10.00	NNN	Office portion is 100% leased. Building comprised of 350,000 SF industrial and 327,000 SF office. $6 rate represents industrial, $10 rate represents office.
15	3111 W. Allegheny Ave	Office/Industrial	393,000	230,801	41.3%	$7.50-$17.50	NNN	Office portion is 52.6% lease. Pepboys HQ building. 146,355 SF of office and 84,446 SF industrial coming to market May 2021. $7.50 rate represents industrial, $17.50 rate represents office.
16	3721 Ridge Ave	Flex/Retail	94,950	0	100.0%	N/A	N/A	
17	3500 Scotts Ln	Flex/Office	175,000	100,000	42.9%			
18	116 Shurs Ln	Flex	40,111	0	100.0%	N/A	N/A	
19	260 W. Washington Ln	Flex	36,077	0	100.0%	N/A	N/A	
20	123 Leverington	Flex	45,546	2,500	94.5%	$7.00 / SF	+U	2,500 SF coming available June 2021
	3251 Fox Street		**58,158**	**5,916**	**90%**	**$17.00 / SF**	**NNN**	**Subject property**

Accessibility



Valuation Summary

Asking Price:	**$7,500,000**
Gross Revenue:	**$624,769**
Expenses:	**$86,605**
NOI:	**$538,164**
Cap Rate:	**7.2%**
Price per SF:	**$128.96**

Please sign and return Confidentiality Agreement for additional financial information.

Confidentiality Agreement

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is made as of _____, 2021 (the "Effective Date"), by and between NAI Geis Realty (the "Sender") and _____ ("Recipient"). Pursuant to the terms of this Agreement, 3251 Fox LLC (the "Company") desires to provide to Recipient, and Recipient desires to receive from the Company, Confidential Information (as defined below). The parties, intending to be legally bound, agree as follows:

1. Definition of Confidential Information. "Confidential Information" is any non-public reports, investigations, materials or other information, written or oral, received by Recipient concerning or relating to a possible transaction involving the sale of the properties located at 3251 Fox Street, Philadelphia, Pennsylvania (the "Transaction") including, without limitation, the existence or any details of such Transaction and the Company's offering or negotiation of the Transaction to or with Recipient, any reproductions of any of the preceding, and any work product derived or implied by any of the preceding. Confidential Information excludes information: (a) in the public domain through no breach of this Agreement or (b) disclosed to Recipient by a third party through no breach of any fiduciary relationship or confidentiality obligation. For all purposes of this Agreement, the terms Company and Recipient shall include the Company's and the Recipient's respective owners, principals, affiliates and agents such that, inter alia, any information provided by an owner, principal, affiliate or agent of the Company or received by an owner, principal, affiliate or agent of the Recipient shall be deemed, as the case may be, delivered by the Company or received by the Recipient for purposes of this Agreement.

2. Disclosure of Confidential Information. Recipient hereby agrees that Recipient will use the Confidential Information solely for the purpose of evaluating Recipient's participation in any manner in the and will not disclose or permit the disclosure of such Confidential Information including, without limitation, the existence of the Transaction and the Company's offering of the Transaction to Recipient to any persons other than the employees or advisors of Recipient to whom such disclosure is reasonably necessary for consideration of the Transaction, provided that any such employee or advisor execute a non disclosure agreement in substantially the form hereof prior to such disclosure by Recipient. Recipient may also disclose Confidential Information to the extent necessary to comply with a judicial or governmental subpoena or order; provided that Recipient first gives the Company immediate written notice of such subpoena or order and a reasonable opportunity to seek relief. Any disclosure or use of the Confidential Information by Recipient other than as expressly permitted pursuant to this Agreement will be deemed to be a breach of this Agreement by Recipient. Recipient will immediately notify the Company of any unauthorized disclosure of Confidential Information or any inquiry or demand made for Confidential Information. Recipient may reproduce the Confidential Information only to the extent necessary for the Transaction. Any rights in or to the Confidential Information not expressly granted pursuant to this Agreement are reserved by the Company and its owners.

3. No Representations. The Company makes no representations hereunder with respect to the Confidential Information.

4. Termination. Except as expressly set forth herein, this Agreement will be effective as of the Effective Date and continue unless terminated by either party in writing. Upon expiration or earlier termination of this Agreement for any reason, Recipient will promptly return the Confidential Information, including all reproductions thereof disclosed pursuant to this Agreement and deliver to the Company all notes, memoranda, analyses, reports or other documents generated by Recipient based upon the Confidential Information, including Recipient's emails. Notwithstanding the forgoing, Section 2 hereof will survive for three (3) years following expiration or termination of this Agreement.

5. Remedies. Recipient acknowledges that the disclosure, distribution or use of the Confidential Information contrary to the terms of this Agreement or the breach this Agreement may cause irreparable harm to the Company for which damages at law may not be an adequate remedy. Therefore, Recipient agrees that, in addition to such other rights and remedies available to the Company at law or in equity, the Company will have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate, and hereby consents to jurisdiction and venue of such court.

General. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions of this Agreement will not be affected or impaired thereby. The failure of a party to enforce any term or condition of this Agreement will not constitute a waiver of such party's right to enforce each and every term and condition of this Agreement. Any attempt by Recipient to assign any part of this Agreement without the Company's prior written consent will be void. This Agreement will be binding upon and inure to the benefit of the parties' successors, legal representatives and authorized assigns. This Agreement will be interpreted and governed by the laws of the Commonwealth of Pennsylvania, without reference to conflicts of law principles. This Agreement sets forth the complete agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior oral and written understandings concerning the subject matter of this Agreement.

IN WITNESS WHEREOF, Recipient has executed this Agreement as of the Effective Date set forth above.

RECIPIENT:

_____

_____

By: _____

Its: _____

Offering Procedure

NAI Geis Realty Group, Inc.
30 South 17th Street
Suite 210
Philadelphia, PA 19103
tel 215.568.7222
www.geisrealty.com

To schedule an inspection,
please contact:

Karl Schwemlein
Vice President
215 253 5530 (direct)
215 475 9576 (mobile)
karls@geisrealty.com

ALL OFFERS SHOULD INCLUDE

- Purchase price and approval process
- Timing for inspection period and closing date
- Amount of earnest money, including the amount that is non-refundable
- Source of funds for the acquisition
- Financial strength of purchaser
- Summary of closed transactions and references
- Preference given to buyers that have visited the Property

Seller, with it's sole and absolute discretion, reserves the right to remove the Property from the market. Seller expressly reserves the right, in its sole and absolute discretion, to reject any and all proposals or expressions of interest in the Property, to terminate discussions with any party at any time.

COMMUNICATION

All communications, inquiries and requests should be addressed to Karl M. Schwemlein as the exclusive marketing advisors and representatives of the Seller.

Disclaimer

This offering memorandum is subject to prior placement, withdrawal, cancellation or modification without notice at any time. The information contained herein has been carefully compiled from sources we consider reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date. The proforma revenues and expenses set forth in this brochure and any accompanying computer diskettes do not constitute a representation, warranty or guaranty of any of the numbers set forth herein or of any economic value attributable to the Property or income that may be derived therefrom. Independent estimates of pro-forma revenues and expenses should be developed before any decision is made on whether to invest in the Property.

This offering memorandum contains selected information pertaining to 3251 Fox Street, Philadelphia, Pennsylvania 19140 (the "Property") and is not intended to be all-inclusive or contain all of the information a prospective purchaser might desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

Certain documents, including leases and other materials, are described in summary form. The summaries are not purported to be complete, nor necessarily an accurate description of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

NAI Geis Realty Group, Inc. or Owner expressly reserves the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Owner shall have no legal commitment or obligation to any purchaser reviewing this information or making an offer unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner and any conditions to Owner's obligations thereunder have been satisfied or waived. NAI Geis Realty Group, Inc. is not authorized to make any representations or agreements on behalf of Owner.

This information is the property of NAI Geis Realty Group, Inc. and may be used only by parties approved by NAI Geis Realty Group, Inc. The Property is privately offered and, by accepting this information, the party in possession hereof agrees (i) to return it to NAI Geis Realty Group, Inc. immediately upon request of NAI Geis Realty Group, Inc. or Owner, and (ii) that this information and its contents are of a confidential nature and will be held and treated in the strictest confidence. This confidential information may not be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of NAI Geis Realty Group, Inc. and Owner.

The terms and condition set forth above apply to this offering memorandum in its entirety.

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