

*Under no circumstances shall
the tenant be disturbed.*



UNITED STATES FOREST SERVICE

A NM REGIONAL HEADQUARTERS

SANTA FE, NM



CAPITAL PACIFIC

Contact the team

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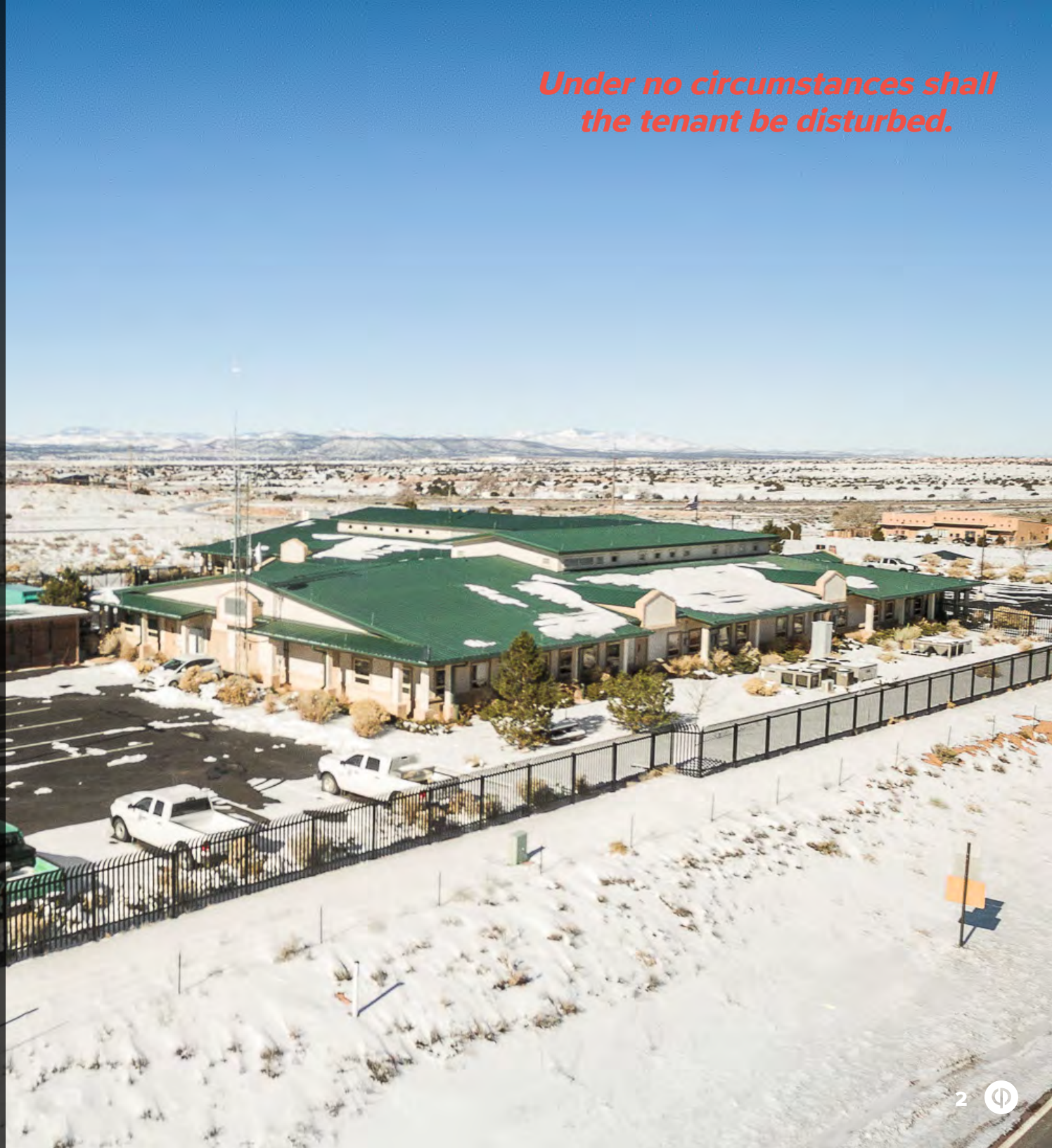
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UNITED STATES FOREST SERVICE

11 FOREST LANE, SANTA FE, NM 87508

\$4,500,000

PRICE

7.58%

CAP

NOI:

\$341,241

PRICE/SF:

\$195.65

LEASE TERM:

5 Years

OCCUPANCY:

100%

LEASABLE AREA:

23,000 SF

LAND AREA:

5.01 Acres

YEAR BUILT:

2009

**THE UNITED STATES FOREST SERVICE MANAGES
APPROXIMATELY 25% OF FEDERAL LANDS**

Investment Highlights



THE OFFERING

A fully leased Santa Fe National Forest Headquarters in Santa Fe, NM. The property is leased to the United States government, which has a credit rating of AA+. The headquarters has jurisdiction over 1.6 million acres of forest in the heart of north central New Mexico. Its position as a vital asset for the United States government suggests a high likelihood of renewal. There are annual rent increases every year based on CPI which provide an excellent hedge against inflation.

Santa Fe is the capital of the state of New Mexico, and is home to over 80,000 residents. Santa Fe is well known as a center for arts, which reflect the multicultural vibe of the city. Along with state government, tourism is a major element of the Santa Fe economy, with visitors attracted year-round by the climate and related outdoor activities, such as skiing and hiking, plus cultural activities of the city and the region.

HIGHLIGHTS

- The United States government is an AA+ rated credit tenant
- Tenant recently exercised 5-year option starting January 1, 2020
- Property is home to Santa Fe National Forest Headquarters with jurisdiction over 1.6 million acres of forest in the heart of north central New Mexico
- Attractive annual rent increases provide a hedge against inflation
- New Mexico has high demand for forest services with significant federal land



ALBUQUERQUE
64 MILES

SANTA FE REGIONAL AIRPORT

599

285

27,926 VPD



14,202 VPD

45,690 VPD



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Retail Aerial



VETERANS MEMORIAL HWY

VETERANS MEMORIAL HWY



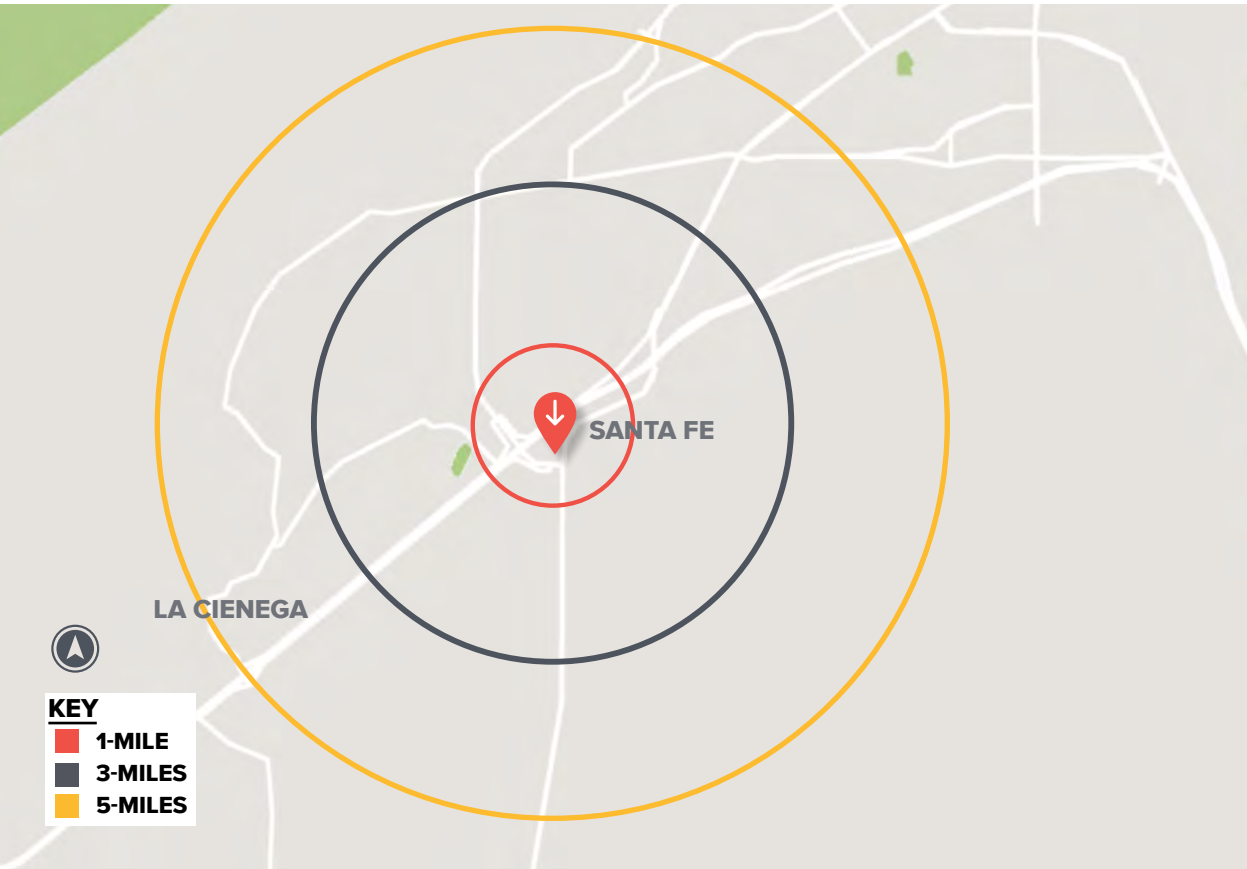
Submarket Overview

OTHER GOVERNMENT AGENCIES IN THE VICINITY INCLUDE:

- Bureau of Land Management
- Human Services Department
- Department of Homeland Security
- US Census Bureau
- Finance & Administration Department
- Indian Affairs Office
- Santa Fe County Treasurer

- General Services Department
- The New Mexico State Capitol
- USDA NRCS
- US Agricultural Department
- Social Security Administration
- US Forestry Department

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KEY

- 1-MILE
- 3-MILES
- 5-MILES

BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	854	5,699	13,107
Employees	15,531	79,743	160,839
Residential Population	9,620	94,384	214,345

Income & Expense

Price:		\$4,500,000
Cap Rate:		7.58%
Price Per Square Foot:		\$195.65
Down Payment	35%	\$1,575,000
Loan Amount	65%	\$2,925,000
Total Leased (SF):	100.00%	23,000
Total Pending (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	23,000
INCOME	P/SF	
Shell Rent	\$22.58	\$519,418
EFFECTIVE GROSS INCOME	\$22.58	\$519,418
ADJUSTED GROSS INCOME		\$519,418
Property Tax	(\$1.44)	(\$33,193)
Insurance	(\$0.21)	(\$4,740)
Cleaning	(\$2.43)	(\$55,969)
Telephone	(\$0.08)	(\$1,833)
Fire Prevention	(\$0.02)	(\$360)
Landscaping & Snow Removal	(\$0.97)	(\$22,284)
Pest Control	(\$0.05)	(\$1,200)
Repairs and Maintenance	(\$0.99)	(\$22,800)
HVAC Repairs and Maintenance	(\$0.26)	(\$6,000)
Security	(\$0.04)	(\$953)
Trash Removal	(\$0.36)	(\$8,209)
Water	(\$0.32)	(\$7,436)
Management Fee	(\$0.57)	(\$13,200)
TOTAL OPERATING EXPENSES*	(\$7.75)	(\$178,177)
NET OPERATING INCOME		\$341,241

Estimated 2020 NOI

PROPOSED FINANCING/CASH FLOW

	PROPOSED
Proposed Loan Amount	\$2,925,000
Loan To Value	65%
Interest Rate	4.35%
Amortization	25 Year
Term	10 Year
Net Operating	\$341,241
Debt Service	(\$192,121)
Pre-Tax Cash Flow	\$149,120
Debt Coverage Ratio	1.78
Cash-on-cash	9.47%
Principal Pay down (Year 1)	\$66,193
Total Return	\$215,313
Yield	13.67%

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Operating Income & Expense 2020

	1-Jan	1-Feb	1-Mar	1-Apr	1-May	1-Jun	1-Jul	1-Aug	1-Sep	1-Oct	1-Nov	1-Dec	Total
Total Income	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$43,284.84	\$519,418.08
Expenses													
Cleaning	4257.36	4233.71	4233.71	4233.71	4233.7	4233.71	4233.72	4884.71	5574.29	3726.16	4309.17	4148.73	52302.68
Cleaning Supplies	245.74	0	395.31	0	674.21	0	0	2138.81	0	0	212.2	0	3666.27
Total Cleaning	\$4,503.10	\$4,233.71	\$4,629.02	\$4,233.71	\$4,907.91	\$4,233.71	\$4,233.72	\$7,023.52	\$5,574.29	\$3,726.16	\$4,521.37	\$4,148.73	\$55,968.95
Fire Prevention	30	30	30	30	30	30	30	30	30	30	30	30	360
Insurance Expense	395	395	395	395	395	395	395	395	395	395	395	395	4740
Landscaping & Snow Removal	4409.4	823.39	2095.02	2530.87	4438.27	1663.21	4542.28	0	0	450	0	1331.63	22284.07
Management Fees	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	13200
Pest Control	100	100	100	100	100	100	100	100	100	100	100	100	1200
Real Estate Tax	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	2766.12	33193.44
Repairs & Maintenance	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	22800
HVAC	500	500	500	500	500	500	500	500	500	500	500	500	6000
Total Repairs and Maintenance	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$28,800.00
Security	0	0	193.24	0	0	0	193.92	368.26	0	197.34	0	0	952.76
Telephone Expense	204.34	207.87	205.27	89.39	162.59	162.59	178.6	0	162.21	-19.22	163.7	315.91	1833.25
Trash Removal	629.41	630.57	630.47	635.27	803.68	640.22	640.97	740.63	697	733.46	729.95	697.64	8209.27
Utilities													0
Water	344.39	329.98	263.29	484.82	605.45	792.7	683.81	1032.42	870.72	1084.96	377.53	565.74	7435.81
Total Utilities	\$344.39	\$329.98	\$263.30	\$484.82	\$605.45	\$792.70	\$683.81	\$1,032.42	\$870.72	\$1,084.96	\$377.53	\$565.74	\$7,435.82
Total Expenses	\$16,881.76	\$13,016.64	\$14,807.43	\$14,765.18	\$17,709.02	\$14,283.55	\$17,264.42	\$15,955.95	\$14,095.34	\$12,963.82	\$12,583.67	\$13,850.77	\$178,177.55
Net Operating Income	\$26,403.08	\$30,268.20	\$28,477.41	\$28,519.66	\$25,575.82	\$29,001.29	\$26,020.42	\$27,328.89	\$29,189.50	\$30,321.02	\$30,701.17	\$29,434.07	\$341,240.53

Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY			
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY SHELL RENT*	ANNUAL SHELL RENT	ESTIMATED OPERATING COSTS	RENT/FT
U.S. Forest Service	23,000	100%	1/1/2009	12/31/2024	\$43,284.84*	\$519,418.08	\$115,901.35	\$22.58
<i>Exercised first option 1/1/2020</i>		<i>Option 2</i>	<i>1/1/2025</i>	<i>12/31/2029</i>	<i>Cumulative CPI Increase</i>			
<i>*Estimated Operating Costs included in Annual Shell Rent Total</i>								
<i>*Monthly rent subject to operating costs CPI increase</i>								
OCCUPIED	23,000	100.00%			\$43,284.84*	\$519,418.08		\$22.58
Vacant	0	0.00%						
CURRENT TOTALS	23,000	100.00%						



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Tenant Overview



ABOUT USDA FOREST SERVICE


The United States Forest Service (USFS) is an agency of the U.S. Department of Agriculture that administers the nation's 154 national forests and 20 national grasslands, which encompass 193 million acres.

Major divisions of the agency include the National Forest System, State and Private Forestry, Business Operations, and the Research and Development branch. Managing approximately 25% of federal lands, it is the only major national land agency that is outside the U.S. Department of the Interior.


New Mexico is part of U.S. Forest Service Region 3, the Southwestern region, which includes 20.6 million acres of land in New Mexico, Arizona, parts of Texas, and Oklahoma. There are five national forests and a national grassland in new Mexico, which are managed by the U.S. Forest Service.

Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	1,955	15,156	41,740
2018	1,761	14,935	43,764
2023	1,747	15,076	44,684

2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$77,747	\$80,836	\$70,313
Median	\$60,211	\$68,265	\$54,455

TOP EMPLOYERS

EMPLOYER	#OF EMPLOYEES
Christus St. Vincent Regional Medical Center	2,132
Santa Fe Public Schools	1,449
City of Santa Fe	1,446
Santa Fe County	844
The Peters Corporation	730



THE AVERAGE HOUSEHOLD INCOME WITHIN A 3-MILE RADIUS IS OVER \$80K

SANTA FE, NEW MEXICO



ALBUQUERQUE

SANTA FE is home to more than 80,000 residents and is New Mexico's fourth-largest city by population. Residents are primarily Hispanic, Anglo and Native American people. Situated at 7,000 feet in the foothills of the southern Rocky Mountains, Santa Fe is the highest and oldest capital in the U.S. Founded between 1607 and 1610, it's America's second-oldest city. In 1912, New Mexico officially achieved statehood. Today, its unique offerings of art, culture and ancient traditions make it a world-class destination, drawing more than 1 million visitors each year.

In 2005, Santa Fe became the first U.S. city to be chosen by UNESCO as a Creative City, one of only nine cities in the world to hold this designation. This creativity is at the heart of the community and is a core value for most local businesses. The roots of the Santa Fe University of Art and Design grow directly from New Mexico's oldest chartered college, St. Michael's College. Each semester SFCC has around 5,400 students enrolled in the various associate degree programs or certificate or professional credential programs.

Santa Fe is located 53 miles northeast of Albuquerque, the "Hot Air Ballooning Capital of the World."

84,612



**SANTA FE
POPULATION
(ESTIMATED)**

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