
Independencia Asset Management LLC
One Union at First – Washington, DC
Octubre 2021

Chile
Santiago

USA
Miami

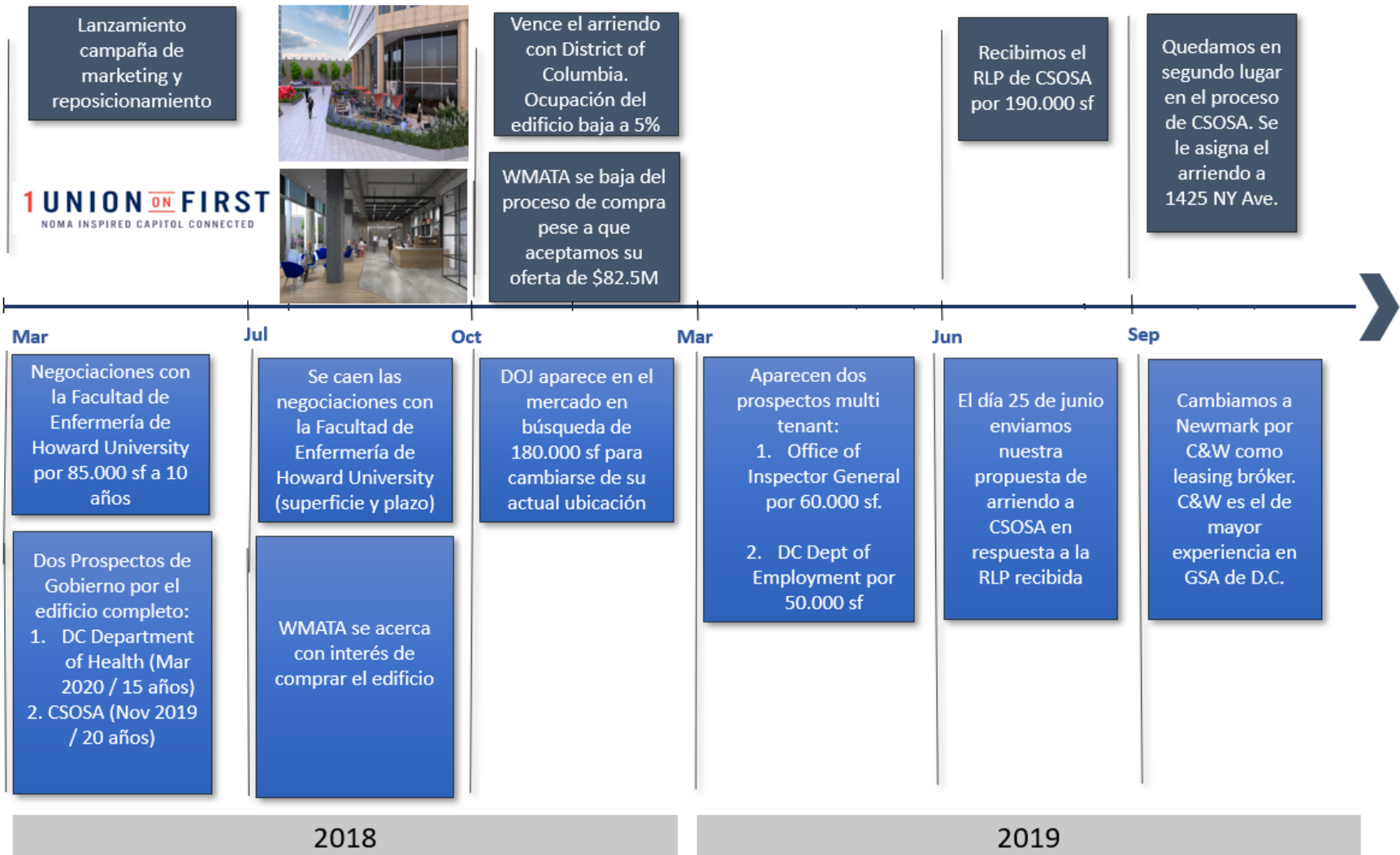
Uruguay
Montevideo

One Union at First – Washington, DC

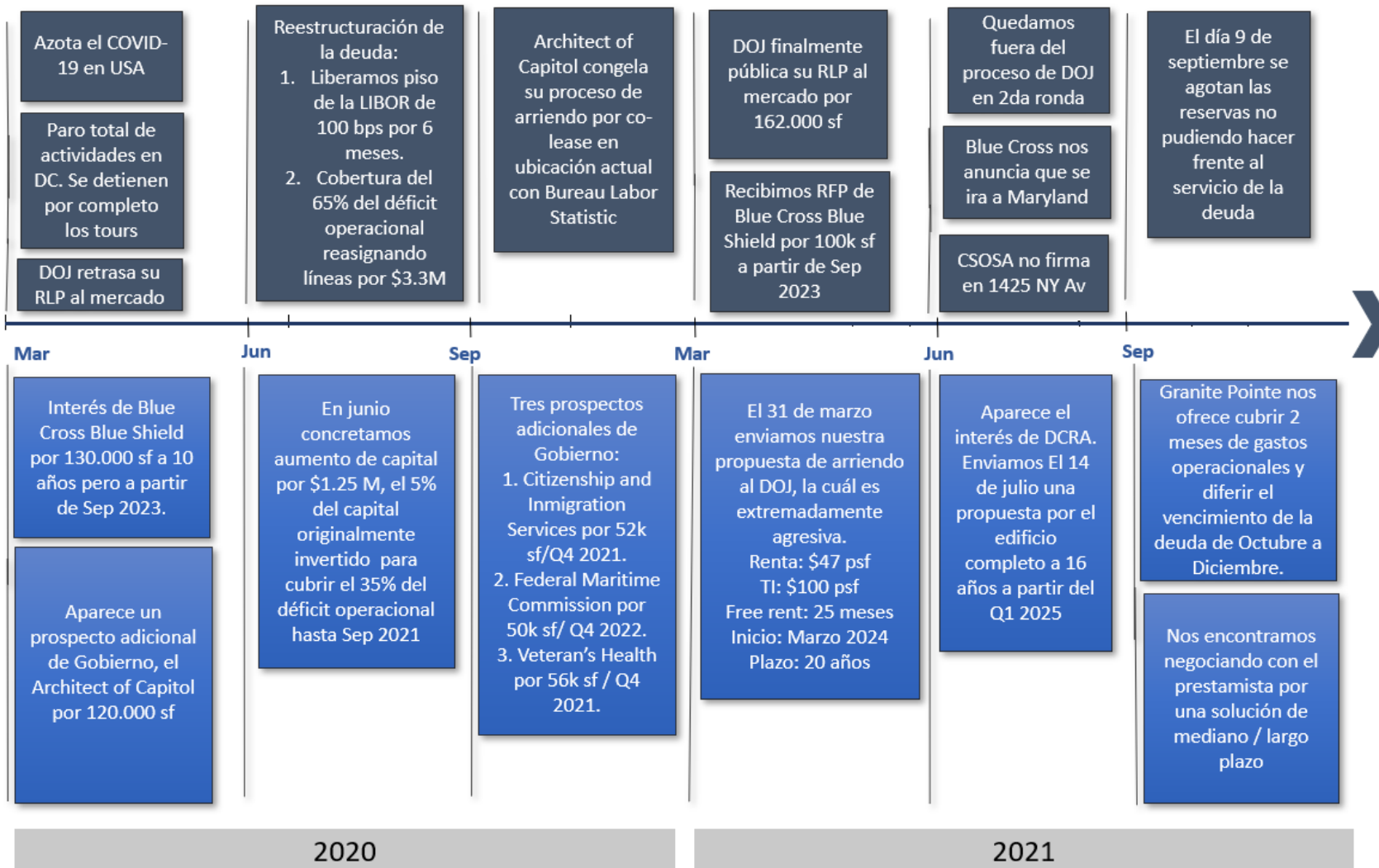


Fecha de Compra:	5 de octubre 2017
Clase:	B
Superficie:	191.679 sf (17.808 mts ²)
Precio de Compra:	\$64.250.000 (\$335 psf)
Ocupación Compra:	80%
Ocupación Actual:	5%
Inversión Aportantes Privados:	\$24.737.671
Financiamiento Inicial /FF:	\$43.305.000 / \$31.475.000
Financiamiento Actual :	\$54.901.249
Prestamista:	Granite Point
Tasa:	LIBOR + 407 bps
Vencimiento:	9 Octubre 2021
General Partner:	AREP (10%)

Historia– Principales Hitos 2018-2021

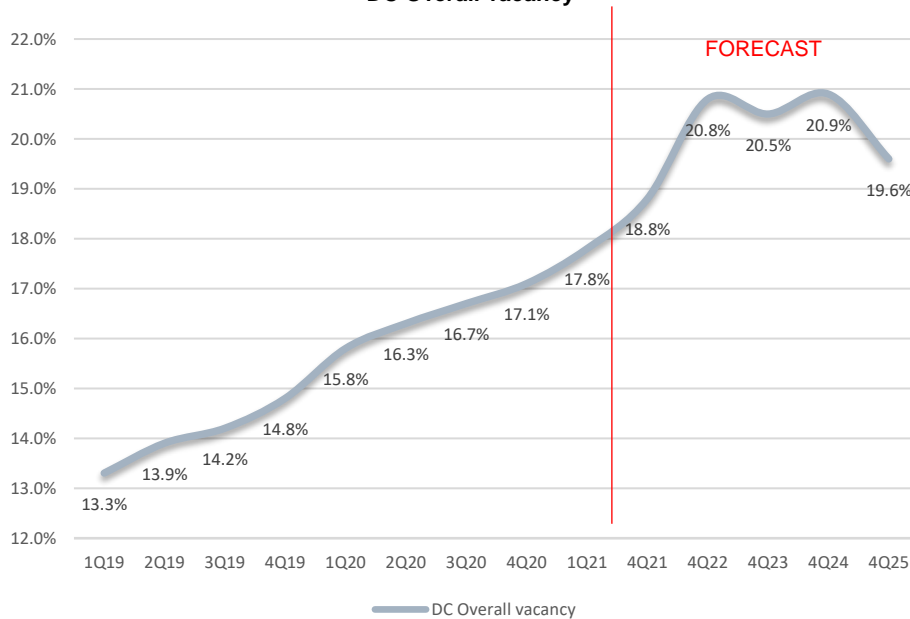


Historia– Principales Hitos 2018-2021



Mercado - Washington DC

DC Overall vacancy

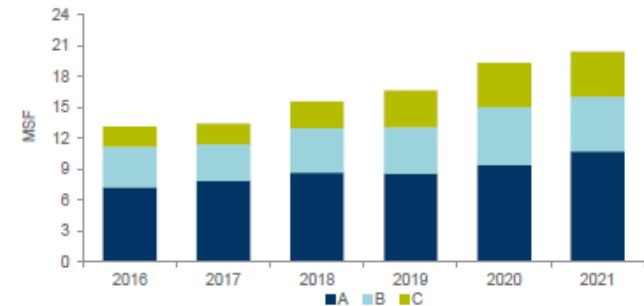


MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE
Capitol Hill/NoMa	15,257,569	35,838	1,637,688	11.0%
East End	39,392,124	411,298	7,624,029	20.4%
CBD	35,140,220	381,536	6,351,859	19.2%
West End/Georgetown	4,837,555	44,428	745,451	16.3%
Uptown	3,459,975	21,203	614,145	18.4%
Southwest	11,644,799	10,586	1,910,023	16.5%
Capitol Riverfront	2,784,932	20,126	626,875	23.2%
DOWNTOWN TOTALS	112,517,174	925,015	19,510,070	18.2%

- Vacancia del mercado a niveles históricos. Proyección cierre 2021: 19%.
- El aumento sostenido de la vacancia se explica principalmente por la reducciones de espacio y la entrega de nueva construcción.
- Para 2022 y 2024, la vacancia se proyecta en un peak de 21% debido a un vencimiento sin precedentes de oficinas de abogados. Sobre 2M sf vencen y es muy probable la reducción de sus espacios. Niveles pre-COVID se proyectan recién para 2025.

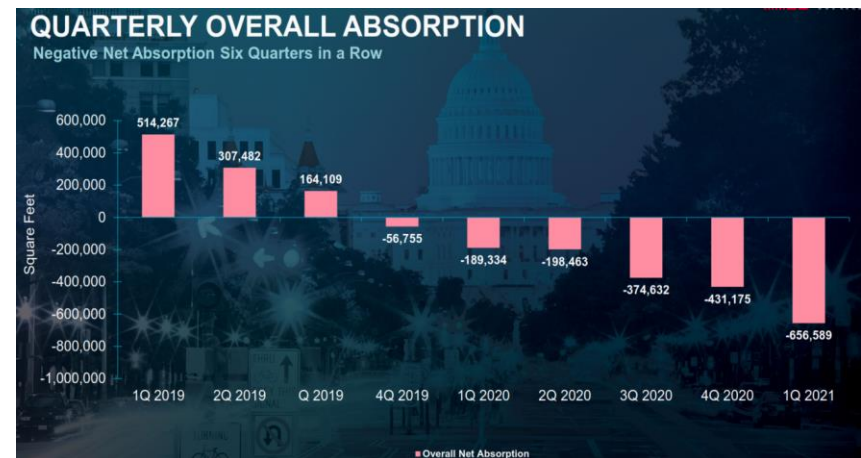
VACANT SPACE BY CLASS



Mercado - Washington DC



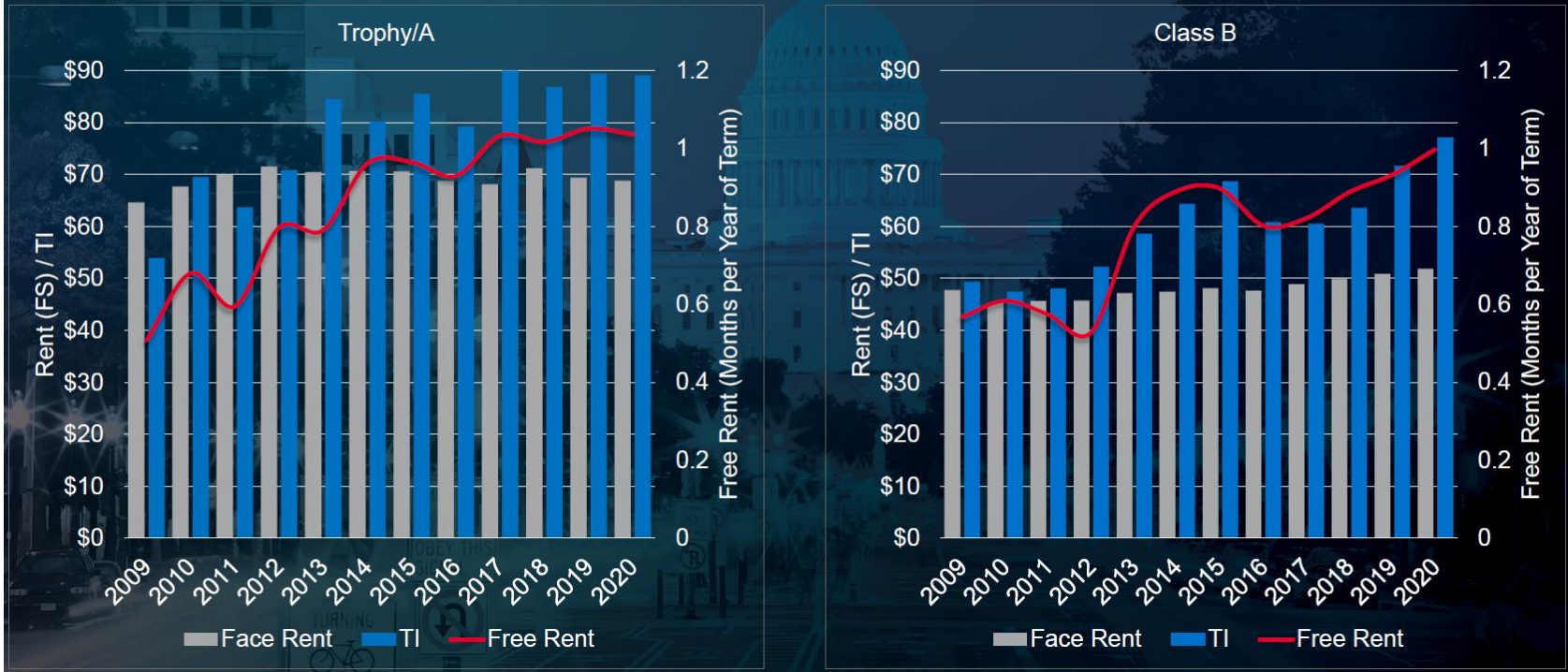
- La actividad de subarriendo se ha incrementado llegando a niveles de 3 -3.5 M de sf
- Históricamente el ratio nuevos arriendos / renovaciones ha sido 50/50 en DC. Sin embargo el Q1 21 marcó el quinto trimestre consecutivo que los nuevos arriendos son menos de un 35%. La mayoría de los arrendatarios continúan postergando su definición de espacio.
- La absorción neta fue negativa por sexto trimestre consecutivo al cierre del Q1 21.
- En 2020 y lo que va de 2021, las renovaciones de arrendatarios de más de 10.000 sf, en promedio disminuyeron su superficie en un 15%.



Mercado - Washington DC

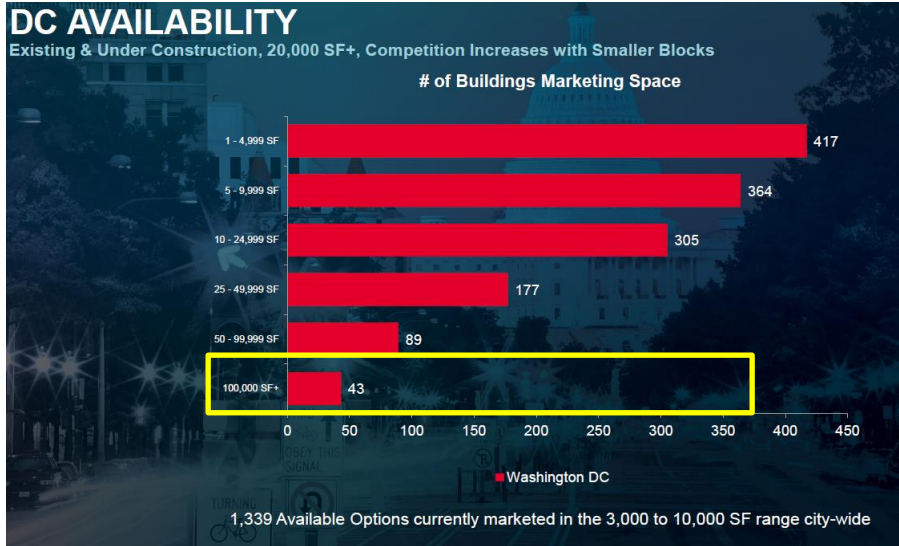
MARKET CONCESSIONS

Market Concessions Continue to Climb

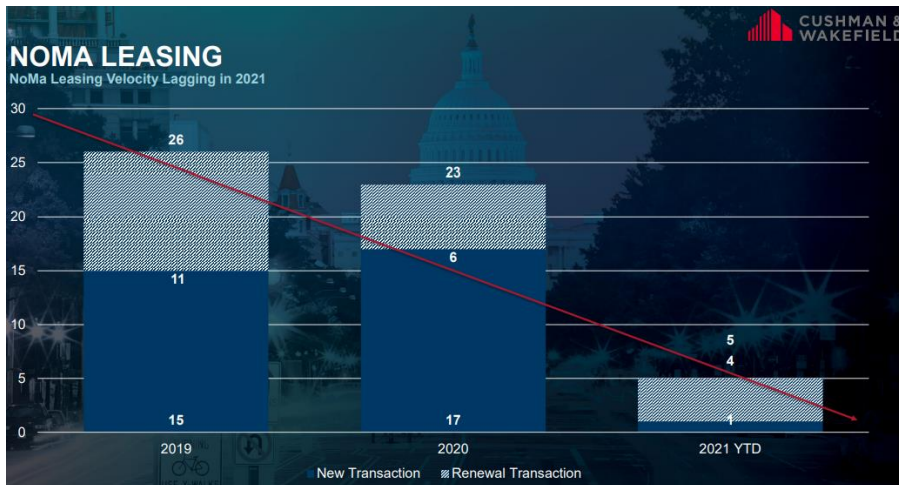


- En un mercado cada vez mas “soft” se puede observar como las concesiones van en incremento para obtener los mismos niveles de renta.
- En el caso de los edificios clase B, para obtener hoy rentas de \$50 psf, hay que otorgar el doble de Tis psf y de meses de gracia por año de arriendo, en comparación al año 2010.

Mercado - Washington DC



- Existen 43 edificios con 100.000 sf o más disponibles en DC.



- La actividad de arriendos en el submercado del NoMa cayó en un 80% respecto al año 2019.

Comparables de Venta GSA - Washington DC

Building	Address	City, State	SF	Price	Price PSF	Cap	% Government	Government Agency	% Leased	Lease Term		
										Remaining (Years)	Sale Date	
10+ Year Lease Term												
One Constitution Square*	1275 First Street, NE	Washington, DC	345,699	\$211,500,000	\$612	5.65%	86%	GSA-Peace Corp (50%) / GSA-DOJ (17%) / DC Govt (10%)	100%	13	Sept-2019	
One Independence Center*	250 E Street, SW	Washington, DC	340,355	\$171,000,000	\$502	6.05%	95%	DC Govt (32%) / GSA-CNCS (26%) / GSA-SSA (15%)	95%	11	Jan-2019	
500 E Street*	500 E Street, SW	Washington, DC	262,959	\$123,500,000	\$470	6.00%	100%	GSA-ITC (80%) / GSA-SSA (20%)	100%	15 (ITC)	Jan-2018	
Sentinel Square 2*	1050 First Street, NE	Washington, DC	280,363	\$166,000,000	\$592	5.50%	95%	DC Govt (58%) / GSA-FEC (36%)	95%	11.33 / 15	Dec-2017	
Sentinel Square 3*	45 L Street, NE	Washington, DC	545,823	\$285,985,548	\$524	5.50%	87%	GSA - FCC	87%	15	Sep-2017	
Two Independence Center*	300 E Street, SW	Washington, DC	605,897	\$360,000,000	\$594	5.70%	100%	GSA - NASA	100%	11	Jun-2017	
Three & Four Constitution Square*	175 N & 150 M Street, NE	Washington, DC	842,464	\$495,329,462	\$588	5.50%	100%	GSA - DOJ	100%	15	Sep-2016	
1301 New York Avenue	1301 New York Avenue, NW	Washington, DC	201,281	\$133,000,000	\$661	5.30%	100%	GSA - DOJ	100%	16	Jul-2013	
Bond Building	1400 New York Avenue, NW	Washington, DC	171,290	\$114,500,000	\$668	5.30%	99%	GSA - DOJ	100%	17	Jun-2013	
Constitution Center	400 7th Street, SW	Washington, DC	#####	\$734,000,000	\$524	5.50%	100%	GSA - SEC/FHFA	100%	15	Dec-2012	
Waterfront Station*	1100 & 1101 4th Street, SW	Washington, DC	639,546	\$356,000,000	\$557	5.70%	100%	DC Govt (2% esc.)	100%	15	May-2011	
Less Than 10 Year Lease Term												
64 New York Ave*	64 New York Ave	Washington, DC	355,032	\$201,750,000	\$568	6.25%	94%	DC Government	94%	6	Apr-2021	
Fairchild Building*	499 S Capitol St SW	Washington, DC	188,375	\$86,430,000	\$459	5.50%	72%	Architect of the Capitol	100%	4	Dec-2020	
90 K Street*	90 K Street, NE	Washington, DC	412,661	\$174,900,000	\$424	6.64%	96%	GSA - Multi Agency	98%	2.6	Dec-2019	
830 First Street*	830 First Street, NE	Washington, DC	247,337	\$116,550,000	\$471	6.45%	100%	GSA - DOE	100%	7	Apr-2019	
425 Eye Street	425 Eye Street	Washington, DC	385,997	\$157,000,000	\$407	6.30%	90%	GSA - VA	100%	3	Aug-2018	
999 E Street	999 E Street	Washington, DC	174,072	\$83,500,000	\$480	5.00%	87%	GSA - FEC	100%	3	Jun-2015	
Washington Office Center *	409 3rd St SW	Washington, DC	420,122	\$200,000,000	\$476	6.11%	100%	GSA - SBA	100%	8	Jul-2012	
Potomac Center South	550 12th Street SW	Washington, DC	427,463	\$199,000,000	\$466	6.30%	100%	GSA	100%	7	Jan-2012	
799 9th Street NW	799 9th Street NW	Washington, DC	203,241	\$106,000,000	\$522		100%	US Mint	100%		Jun-2012	
801 9th Street NW	801 9th Street NW	Washington, DC	236,054	\$147,500,000	\$625	4.60%	100%	US Mint	100%	7	Feb-2012	
Capitol Plaza I*	1200 1st Street, NE	Washington, DC	291,838	\$149,500,000	\$512	6.87%	89%	3 Gov't Agencies	89%	7	Jul-2011	
601 New Jersey Avenue*	601 New Jersey Avenue	Washington, DC	258,685	\$106,000,000	\$410	7.87%	100%	GSA - FTC	100%	1	Mar-2011	

- El CAP rate a los que se transan edificios arrendados por 10 años o más con arrendatarios de Gobierno, se mueven en el rango de entre el 5.3% - 6%
- En el caso de los edificios con arriendos a menos de 10 años el rango del CAP tiende a subir entre el 6% - 6.5%.

Comparables de Arriendo GSA - Washington DC

GSA Lease Comparables

Market Name	Address Line 1	Tenant Name	Leased SF	Lease		Lease Term Years	Actual Gross Base Rent	Free Rent Months	Tenant Improvements	
				Transaction Type	Date Leased					Date Lease Expires
East End	625 Indiana Avenue NW	GSA - Public Defender Service	14,598	Renewal	4/22/2020	10/31/2030	10	\$48.00	0	As-Is
East End	625 Indiana Avenue NW	GSA - Daycare	14,473	Renewal	3/20/2020	10/31/2035	15	\$55.00	0	As-Is
CBD	1615 M Street NW	GSA - Merit Systems Protection Board	46,429	Renewal	1/23/2020	1/22/2035	15	\$46.75	24	\$39.91
CBD	1120 20th Street NW	GSA - ACUS	7,289	New Lease	10/14/2019	8/31/2033	13	\$52.07	12	As-Is
East End	1401 H Street NW	GSA - U.S. Courts (Expansion)	4,085	Expansion	10/1/2019	2/1/2021	1	\$53.00	0	As-Is
Capitol Hill/NoMa	800 North Capitol Street NW	GSA - Federal Protective Service	59,681	Renewal	9/13/2019	2/26/2025	5	\$44.09	0	As-Is
East End	601 D Street NW	GSA - DOJ	309,000	New Lease	9/5/2019	8/31/2041	20	\$51.00	12	\$95.00 (TI) / \$25.00 (BSAC)
Capitol Hill/NoMa	1200 1st Street NE	GSA - IRS	26,327	Renewal	8/22/2019	12/21/2027	8	\$46.32	0	As-Is
East End	650 Massachusetts Avenue NW	GSA - DHS	66,304	Renewal	7/24/2019	7/23/2022	3	\$55.00	4	\$5.00
East End	601 D Street NW	DC Office of the Attorney General	199,736	New Lease	7/15/2019	6/30/2036	15	\$59.65	12	\$120.00
Southwest	1201 Maryland Avenue SW	GSA - DHS Immigration & Customs Enforcement	61,231	Renewal	7/1/2019	5/31/2025	4	\$50.00	0	As-Is
East End	625 Indiana Avenue NW	GSA	61,684	Renewal	2/1/2019	10/31/2035	15	\$47.48		
West End/Georgetown	1227 25th Street NW	Social Security Administration	36,647	Renewal	12/21/2018	5/21/2029	10	\$42.50	12	\$15.00
Capitol Hill/NoMa	131 M Street NE	GSA - EEOC	163,430	Renewal	12/15/2018	10/8/2033	15	\$45.88	6	\$20.00
East End	1331 Pennsylvania Avenue NW	GSA - Customs & Border Protection (Expansion)	65,836	Expansion	10/16/2018	12/31/2021	3	\$53.91		
Southwest	370 L'Enfant Plaza SW	GSA - FAA	25,518	Renewal	9/26/2018	9/30/2021	3	\$54.00	1	\$10.00
CBD	1801 L Street NW	GSA - Troubled Asset Relief Program (TARP)	134,131	Renewal	9/7/2018	7/31/2029	10	\$41.50	9	\$14.56
CBD	1730 M Street NW	GSA	35,765	New Lease	7/3/2018	7/2/2028	10	\$42.89		\$14.56
Southwest	955 L'Enfant Plaza SW	GSA - DOE	19,402	Renewal	7/1/2018	6/30/2028	10	\$45.00	0	\$17.52
Southwest	445 12th Street SW	GSA - Federal Communications Commission	602,350	Renewal	7/1/2018	7/31/2021	3	\$55.20		As-Is
Total			1,953,916					\$51.50	5.75	\$31.93
All New Leases			551,790					\$53.62	12.00	\$97.58
All Renewals			1,332,205					\$50.50	4.67	\$6.42
All Expansions			69,921					\$53.86	0.00	\$0.00
2018 Leases			1,083,079					\$50.97	5.60	\$6.36
2019/2020 Leases			870,837					\$52.16	13.00	\$63.74
Greater Than 100,000 SF			1,408,647					\$52.52	9.75	\$41.56
Less Than 100,000 SF			545,269					\$48.86	4.42	\$7.06



Independencia

Fondos de Inversión



Comparables de Arriendo GSA – Noma / Capitol Hill

Market Name	Address Line	Tenant Name	Leased SF	Lease Transaction Type	Date Leased	Date Lease Expires	Lease Term Years	Actual Gross Base Rent	Free Rent Months	Tenant Improvements
Capitol Hill/NoMa	840 1st Street NW	Lark Federal LLC	2,725	New Lease	6-Jan-20	30-Sep-25	5	\$ 48.00	7	
Capitol Hill/NoMa	840 1st Street NW	Brady Campaign to Prevent Gun Violence	13,253	Renewal	13-Sep-19	30-Nov-30	10	\$ 51.00	4	\$25.00
Capitol Hill/NoMa	840 1st Street NW	The Children's Defense Fund	22,111	New Lease	26-Feb-19	31-Aug-30	11	\$ 47.00	20	\$81.00
Capitol Hill/NoMa	999 North Capitol Street NE	Johns Hopkins University	6,456	New Lease	14-Mar-18	30-Jun-22	4	\$ 46.00	3	
Capitol Hill/NoMa	999 North Capitol Street NE	Hemophilia Federation of America	4,227	New Lease	18-Oct-17	30-Aug-29	11	\$ 47.00	15	\$85.00
Capitol Hill/NoMa	999 North Capitol Street NE	LIFT, Inc.	4,990	New Lease	6-Oct-17	28-Feb-29	11	\$ 47.00	15	\$90.00
Capitol Hill/NoMa	999 North Capitol Street NE	PICO National Network	4,143	New Lease	18-Jul-17	31-Jan-29	11	\$ 45.50	14	
Capitol Hill/NoMa	999 North Capitol Street NE	Rebuilding Together	7,233	New Lease	23-Dec-16	30-Jun-30	13	\$ 48.00	20	\$100.00
Capitol Hill/NoMa	999 North Capitol Street NE	GSA - CIS	52,881	Renewal	20-Sep-16	20-Nov-21	5	\$ 41.47	0	
Total			118,019					\$ 44.95	7.41	
All New Leases			51,885					\$ 46.95	15.83	
All Renewals			66,134					\$ 43.38	4.00	
2019/2020 Leases			38,089					\$ 48.46	13.50	
Greater Than 100,000 SF			-							
Less Than 100,000 SF			38,089					\$ 48.46	13.50	



Comparables de “Dark Value”- Washington DC

Dark Building Sale Comps

	Property	City	SF	Sale Date	Sale Price	Sale Price PSF
	555 4th Street NW	Washington DC	345,776	2020	\$77,100,000	\$223
	1425 New York Avenue NW	Washington DC	287,053	2021	\$47,000,000	\$164

- El edificio 555 4th Street NW se vendió con un año remanente de arriendo a diferencia de 1425 NY Ave que se transó completamente vacío.
- Entre nuestro edificio y estos dos comparables hay 2 millas de distancia.
- En el mes de mayo de 2021 Cushman& Wakefield nos entregó una BOV del Dark Value de nuestro edificio en \$31M que equivale a \$162 psf.

Análisis de Escenarios – Cerrar un Arriendo Hoy

Rental Rate	\$41	\$44	\$47	\$50	\$53	\$56
Cap Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Sale Price	76,700,000	86,800,000	96,800,000	106,900,000	117,000,000	127,100,000
Closing Costs	(2,490,000)	(2,820,000)	(3,150,000)	(3,470,000)	(3,800,000)	(4,130,000)
Debt Repayment	(54,901,249)	(54,901,249)	(54,901,249)	(54,901,249)	(54,901,249)	(54,901,249)
Buyer Credit of Leasing Costs	(36,723,253)	(37,981,052)	(39,238,851)	(40,496,650)	(41,854,449)	(43,112,248)
Net Proceeds	\$ (17,414,502)	\$ (8,902,301)	\$ (490,100)	\$ 8,032,101	\$ 16,444,302	\$ 24,956,503
IAM	\$ (15,673,052)	\$ (8,012,071)	\$ (441,090)	\$ 7,228,891	\$ 14,799,872	\$ 22,460,853
Initial Equity	\$ 24,725,000	\$ 24,725,000	\$ 24,725,000	\$ 24,725,000	\$ 24,725,000	\$ 24,725,000
MOIC	(0.63)	(0.32)	(0.02)	0.29	0.60	0.91
Existing Debt	54,901,249	54,901,249	54,901,249	54,901,249	54,901,249	54,901,249
Lender Payback	37,486,747	45,998,948	54,411,149	54,901,249	54,901,249	54,901,249
% DPO	31.7%	16.2%	0.9%	0.0%	0.0%	0.0%



Análisis de Escenarios – Escenario base bajo distintas rentas

Lease Assumptions

Term	16.50	Years
Rent	\$47	PSF
Free Rent	1.50	Years
TI	\$100	PSF
LC	5.00%	

	Scenario 2 Fund 35% of Carry Costs for 2 years, find tenant, refi & hold
New Equity Required	\$27,090,000
Exit Date	Oct-30
Exit Cap Rate	5.75%
Sale Price	\$92,632,614
Closing Costs	(\$3,010,560)
Debt Repayment	(\$71,700,000)
Buyer Credit of Leasing Costs	-
Net Proceeds	\$17,922,054
Marginal CoC	4.20%
Marginal MOIC	0.97
Marginal IRR	-0.48%
CoC Total (Initial + New Equity)	1.41%
MOIC Total (Initial + New Equity)	0.51
MOIC (Initial Only)	0.92
IRR Total (Initial + New Equity)	-8.46%

Rental Rate	\$44.00	\$47.00	\$50.00	\$53.00	\$56.00
Marginal CoC	3.02%	4.20%	6.11%	9.57%	18.15%
Marginal MOIC	0.71	0.97	1.41	2.20	4.16
Marginal IRR	-6.02%	-0.48%	6.09%	13.95%	23.81%
CoC Total (Initial + New Equity)	1.11%	1.41%	1.79%	2.29%	2.97%
MOIC Total (Initial + New Equity)	0.41	0.51	0.64	0.82	1.06
IRR Total (Initial + New Equity)	-11.63%	-8.46%	-5.32%	-2.28%	0.65%



Análisis de Escenarios – Cerrar un Arriendo en 2 años más

Lease Assumptions

Term	16.50 Years
Rent	\$47 PSF
Free Rent	1.50 Years
TI	\$100 PSF
LC	5.00%

	Scenario 1 Fund 35% of Carry Costs for 2 years, find a tenant and sell	Scenario 2 Fund 35% of Carry Costs for 2 years, find tenant, refi & hold	Scenario 3 DPO, Carry for 2 years, find a tenant and sell	Scenario 4 DPO, Carry for 2 years, find a tenant, refi & hold
New Equity Required	\$4,050,000	\$27,090,000	\$33,360,029	\$33,360,029
Exit Date	Oct-23	Oct-30	Oct-23	Oct-30
Exit Cap Rate	5.50%	5.75%	5.50%	5.75%
Sale Price	\$96,800,000	\$92,632,614	\$96,800,000	\$92,632,614
Closing Costs	(\$3,146,000)	(\$3,010,560)	(\$3,146,000)	(\$3,010,560)
Debt Repayment	(\$62,854,077)	(\$71,700,000)	-	(\$71,700,000)
Buyer Credit of Leasing Costs	(\$39,238,851)	-	(\$39,238,851)	-
Net Proceeds	(\$8,438,928)	\$17,922,054	\$54,415,149	\$17,922,054
Marginal CoC	N/A	4.20%	N/A	14.59%
Marginal MOIC	(1.88)	0.97	1.47	1.80
Marginal IRR	N/A	-0.48%	21.16%	12.77%
CoC Total (Initial + New Equity)	N/A	1.41%	N/A	5.39%
MOIC Total (Initial + New Equity)	(0.26)	0.51	0.84	1.03
IRR Total (Initial + New Equity)	N/A	-8.46%	-5.91%	0.51%

