



WOODLAWN VILLAGE



LOCATION:	Fredricksburg, Virginia
SALE PRICE:	\$2,375,000
GROSS LEASABLE AREA:	54,144 square feet
PRICE / SQUARE FOOT:	\$43.86
CAP RATE:	11.13%
OCCUPANCY:	97.8%
ZONING:	B-2 (Urban Commercial)
LAND AREA:	6.18 acres
PRICE / LAND SQUARE FOOT:	\$8.82
SELLER:	Mid-Atlantic Centers, L.P.
MAJOR TENANTS:	Food Lion Revco
CLOSING ISSUES:	Loan Prepayment Penalty Adjacent Pad Sites

PROJECT SUMMARY:

Ten offers were received for this property. This center was built in 1986. By 1990, as Food Lion's sales neared the break point for percentage rent, Food Lion signed a lease for another store only 1.5 miles from their existing location. However, Food Lion demonstrated their commitment to this location by completing a 7,700 square foot expansion in 1997. The main hurdles for this investment were the prepayment penalty and adjacent pad sites. Interest rates at the time of sale created a prepayment penalty in excess of \$350,000. The other choice was to assume an above market loan and pay an assumption fee. The successful purchaser was also interested in controlling the surrounding pad sites, which were being offered for sale from the original developer.