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LOCKHEED MARTIN
780 CENTERTON ROAD

NET LEASE INVESTMENT OFFERING



LOCKHEED MARTIN CORPORATION
780 CENTERTON ROAD
MOUNT LAUREL, NEW JERSEY 08054 (PHILADELPHIA MSA)



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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale five properties located within the Philadelphia MSA in Mount Laurel, New Jersey. Four of which are leased to Lockheed Martin Corporation and one that is vacant. Lockheed Martin Corporation has been operating at these locations since 2003 and exercised multiple renewal options, demonstrating their commitment to the site. The leases feature annual \$0.50/SF rental escalations and have one 3-year renewal option remaining. The current term for 780 Centerton Road expires on 11/30/2025. The tenant reimburses 100% of all operating expenses including real estate taxes, insurance, HVAC costs, and landscaping.

The 79,692 square foot office property is positioned along Centerton Road and is less than 1,000 feet from the New Jersey Turnpike (Interstate 295) which experiences 110,949 vehicles daily. There are a total of five office buildings within the park, and Lockheed Martin Corporation is the sole occupant within the campus. There are 150,747 people living within five miles of the property earning an average annual income of \$124,641. The property is also less than 20 miles east of downtown Philadelphia, PA.

Lockheed Martin Corporation is an American aerospace, defense, information security, and technology company with worldwide interests. It was formed by the merger of Lockheed Corporation with Martin Marietta in March 1995. It is headquartered in North Bethesda, Maryland, in the Washington, D.C., area. Lockheed Martin employs approximately 110,000 people worldwide as of January 2020. They are the largest government contractor for the United States of America. They are also an investment grade rated tenant (Standard & Poor's: A-).

Mount Laurel, New Jersey is the site with the largest employee base within Lockheed's world-wide RMS practice (these properties). There are approximately 6,000 Lockheed employees in New Jersey, about 80% of which occupy Mount Laurel's southern New Jersey submarket. One of their most significant products is the Aegis combat system, the primary sea-based component of the US missile defense system. This unit recently received \$1.250 Billion in modification contracts that will provide work expiring from 2024 (58%) through 2029 (42%). Mt. Laurel will be responsible for over \$77,000,000 of that work, making these properties significant for the foreseeable future. Both properties along Centerton Road are less than 3 miles from the CSEDS and MS2 facilities where the United States Navy and Lockheed work in unison on these projects. See next page for details.



NEARBY LOCKHEED MARTIN CORPORATION FACILITIES (CSEDS)

Lockheed Martin's complex along Centertron Road is less than 3 miles from The Vice Admiral James H Doyle Combat Systems Engineering Development Site (CSEDS). Constructed in the 1950's as an Air Force-operated radar site for ballistic missile early warning systems, the CSEDS became a Navy commissioned facility in 1977, known as the USS Rancocas. During the first years of Navy operations, construction was completed of the 122-foot-high forward deckhouse of a nuclear class cruiser. The site houses both Navy and Lockheed Martin Corporation personnel and acts as a research and development facility devoted to the AEGIS combat system, a naval air defense system capable of guarding against missile threats from land, sea, and air.

Formally commissioned as a naval vessel, the USS Rancocas is manned by US Navy sailors. It holds live equipment with combat element systems operated by Navy officers and maintained by Lockheed Martin employees. Due to the integration of the fully operational combat systems, the CSEDS allows for complete testing before being put into the sea fairing vessels.

The close interaction between the Navy and Lockheed Martin Corporation on the systems developed at CSEDS require and reinforce the close proximity of Lockheed Martin tenancy requirements.



INVESTMENT HIGHLIGHTS

- Positioned within the Philadelphia MSA – Ranked #8 in the United States for population size
- Lockheed Martin Corporation is an investment grade rated tenant (Standard & Poor's: A-)
- The tenant reimburses 100% of operating costs for the property
- Lockheed Martin Corporation is the largest contractor for the United States Government
- Located less than 1,000 feet from the New Jersey Turnpike (Interstate 295) which experiences over 110,949 cars daily
- Lockheed Martin Corporation has been the 100% occupant at this office since 2003, demonstrating their commitment to the site
- 6,000 employees work in New Jersey, 80% of which occupy the Mount Laurel locations, their largest employee base
- There are 150,747 people living within five miles of the property earning an average annual income of \$124,641
- 20 miles east of downtown Philadelphia, PA



PROPERTY OVERVIEW

Price:	\$13,282,000*
Cap Rate:	7.80%
Net Operating Income:	\$1,035,996**
Lease Expiration Date:	11/30/2025
Renewal Options:	One 3-year at FMV
Rental Escalations:	\$0.50/SF increases annually
Tenant:	Lockheed Martin Corporation
Year Built:	2003
Lease Type:	NN – Roof & Structure***
Building Size:	79,692 SF
Lot Size:	6.53 AC
Parking Spaces:	426 car spaces and 9 handicap spaces



* Available as portfolio only. [View Portfolio OM](#)

**NOI as of December 2021 escalation.

***Tenant reimburses 100% of operating costs to landlord including real estate taxes, insurance, HVAC costs, landscaping, and all costs related to operating and maintenance. There is a 3.5% cap on management fees. Landlord is responsible for capital improvements, replacements, and repairs on roof, building envelope, and structure.

BUILDING OVERVIEW

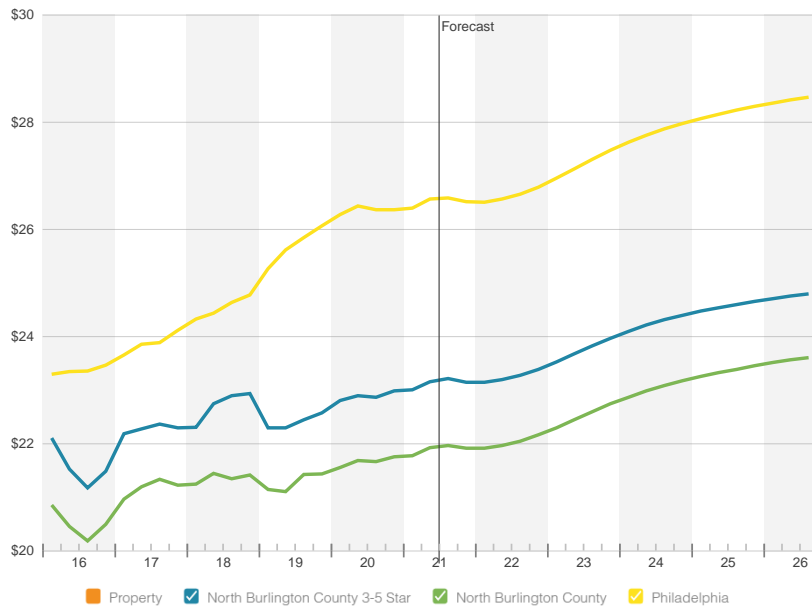
CONSTRUCTION	
Foundation / Substructure:	Concrete spread footings conforming to the soil bearing capacity
Framing:	Structural Steel
Ceiling Height:	13'4" slab to slab, 9.0' to underside of finished ceilings
Floors:	4" Fiber reinforced concrete slab on a 4" crushed stone base; upper floors are 4" reinforced concrete over metal decking
Exterior Walls:	Prefabricated cemented wall panels over rigid insulation with a portion of the ground floor wall area including a stone veneer over rigid insulation
Roof System:	EPDM single-membrane roofing system of 2" rigid insulation supported by a metal deck. PCA from 2021 indicated good condition, zero reports of leaking, original roof
Pedestrian Doors:	Entrance doors feature anodized aluminum with tempered glass storefront entrances. Tenant doors are typically solid-core wood doors set in metal frames

MECHANICAL/ELECTRICAL	
Electric:	Each building has an outdoor, pad-mounted transformer supplying a scheduled 3000 Amp service distributed through a three-phase, 480/277 primary and 120/208-volt secondary service
Elevator:	Two, hydraulic elevators with a 3,500 lb. capacity at a speed of 125 feet per minute. The interior finishes consist of carpeted floors and custom laminate or wood veneer walls
HVAC:	The building utilizes a Metasys building energy management system featuring Four York roof mounted heating/cooling, split systems - 460 Volts, 225 Amps, 80 Tons installed in 2019. Air is provided to the buildings by the variable air volume (VAV) system
Plumbing:	Domestic hot water is supplied from four 20-gallon electric water heaters located on the ground and third floors of each building
Utilities:	Water - Mt. Laurel Township Sewer - Mt. Laurel Township Electric - PSE&G Natural Gas - PSE&G Phone & Internet - Verizon
Fire/Life Safety:	The buildings are fully sprinklered. There is a central station monitoring system, fire alarms with strobe lights, pull stations, and smoke detectors in the common areas

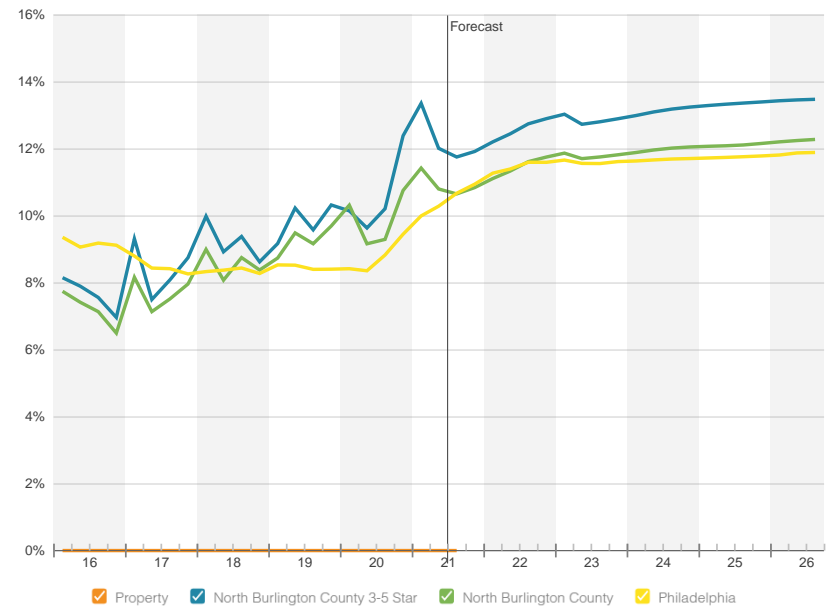
SUBMARKET OF NORTH BURLINGTON COUNTY

The North Burlington County Submarket in Philadelphia is a large submarket relative to the national norm and contains about 8.3 million SF of office space. This is a continuation of the trend: Net absorption has registered an average annual decrease of -60,000 SF per year over the past five years. Rents grew by 1.4% over the past 12 months, somewhat above the 1.1% average annual gain over the past decade. There is about 160,000 SF underway in North Burlington County, the most space under construction in more than five years. While this is not the only construction the submarket has seen in recent memory, it does represent a turnabout from the overall trend. Specifically, the inventory has contracted over the past five years, as demolition activity has outpaced new construction. Office properties traded with regularity last year, consistent with the generally high level of activity over the past three years. With the widespread distribution of vaccines, workers are beginning to return to the office. But it will likely take time before many companies bring 100% of their employees back, and that could make for a less linear office recovery.

MARKET RENT PER SF



VACANCY RATE



Source: CoStar

**LEASE
COMPARABLES**



	330 Fellowship Rd Mount Laurel, NJ	501 Fellowship Rd Mount Laurel, NJ	50 Lake Center Marlton, NJ
Tenant:	Conrail	Two Six Labs	Impulse Dynamics
Size:	26,920	70,000	20,800
Rent:	\$15.50 NNN	\$26.83 Full Service Gross	\$26.00 Net of Expenses
Term:	36 Mo.	84 Mo.	135 Mo.
Commencement:	3/1/20	3/1/20	11/1/19
Rent Increases:	2.5% Annual	\$0.50 PSF Annual	2.0% Annual
Tenant Improvement:	\$9.00	\$45.00	\$55.00
Distance to Site:	6 Miles	7 Miles	10 Miles

**SALE
COMPARABLES**



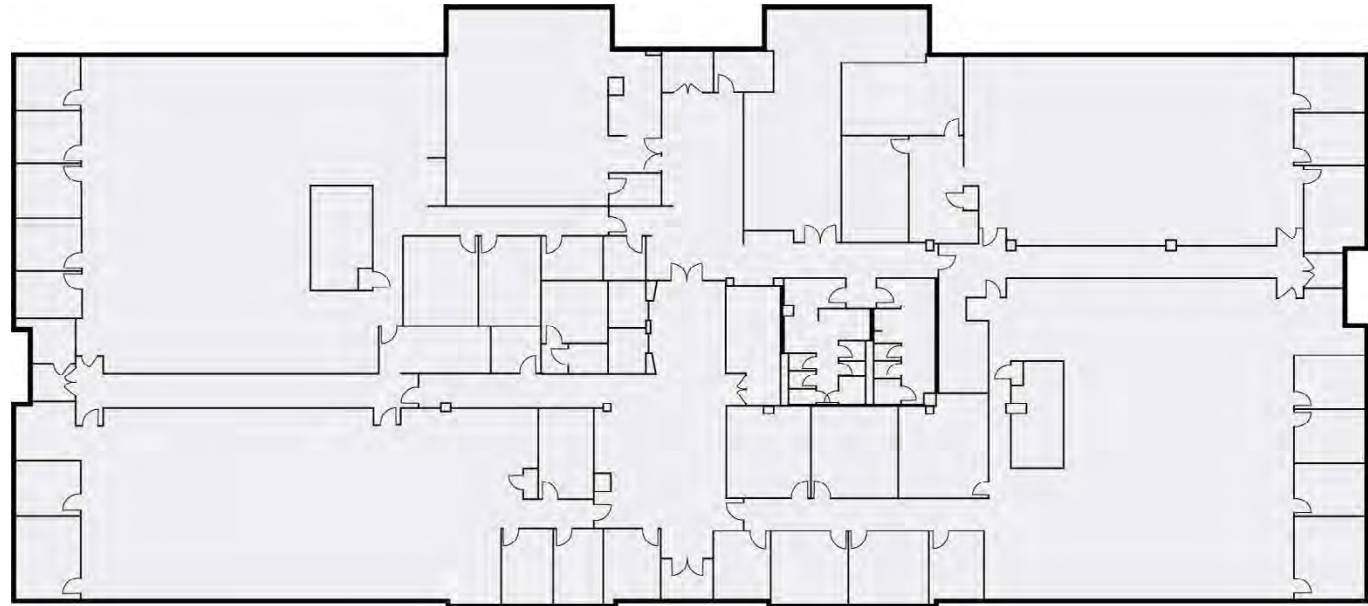
	1021 W 8th Ave King of Prussia, PA	400 Commerce Dr Newark, DE	301 & 303 Lippincott Dr Marlton, NJ
Price:	\$9,100,000	\$24,000,000	\$32,000,000
Cap Rate:	8.40%	6.70%	6.87%
Sale Date:	December 2020	August 2019	April 2019
SF:	49,112	150,000	165,742
Price Per Foot:	\$185	\$160	\$193
Year Built/ Reno:	1969/2007	1998	1988
Tenant:	Lockheed Martin Corporation	Comcast	Virtua Health Systems, Etc.
Occupancy:	100%	100%	100%
Remaining Term:	4.75 Years	10 Years	6.5 Years
Distance to Site:	51 Miles	56 Miles	11 Miles



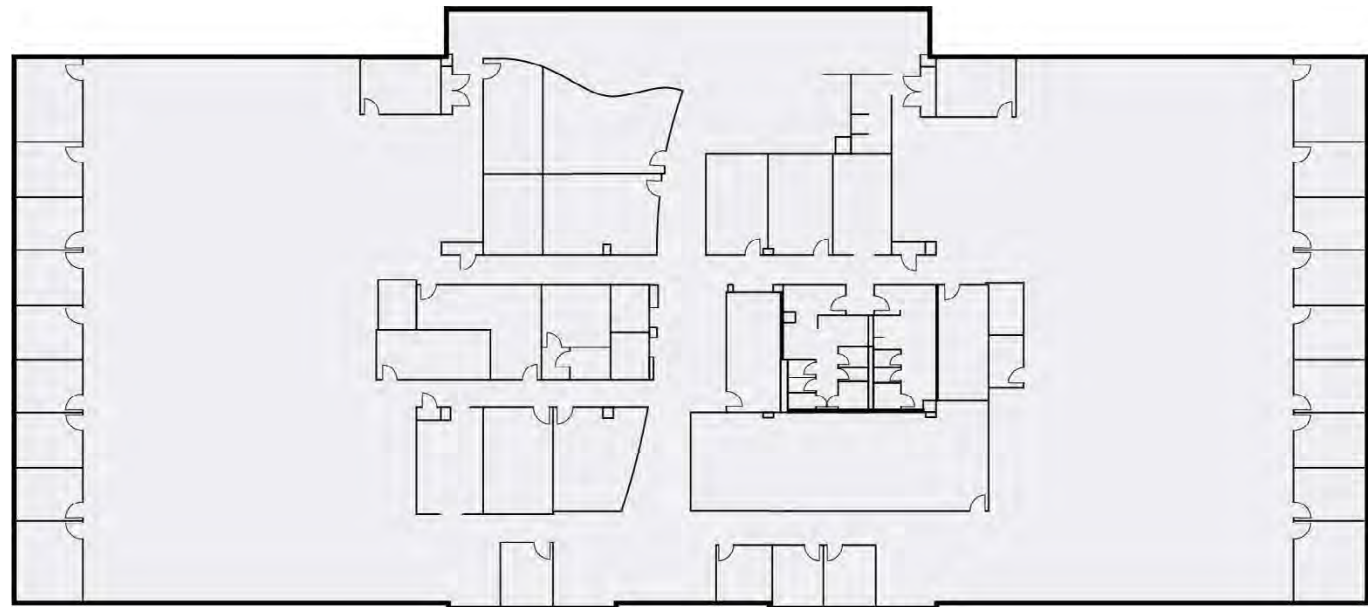


FLOOR PLANS

FIRST
FLOOR

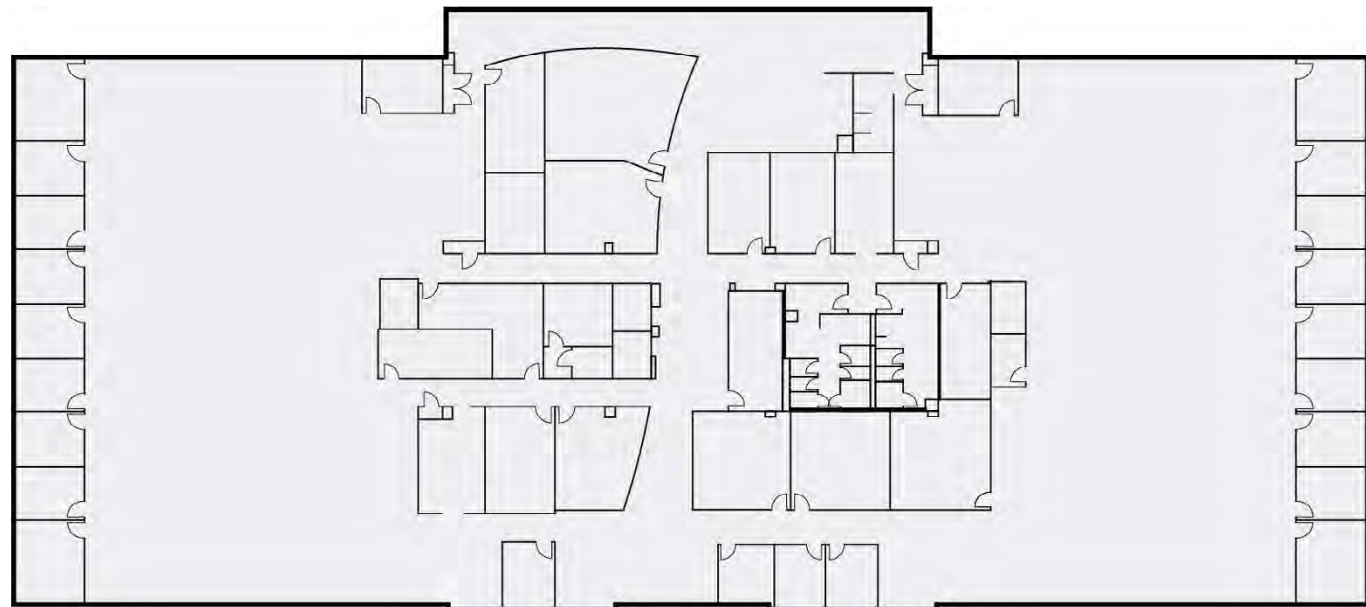


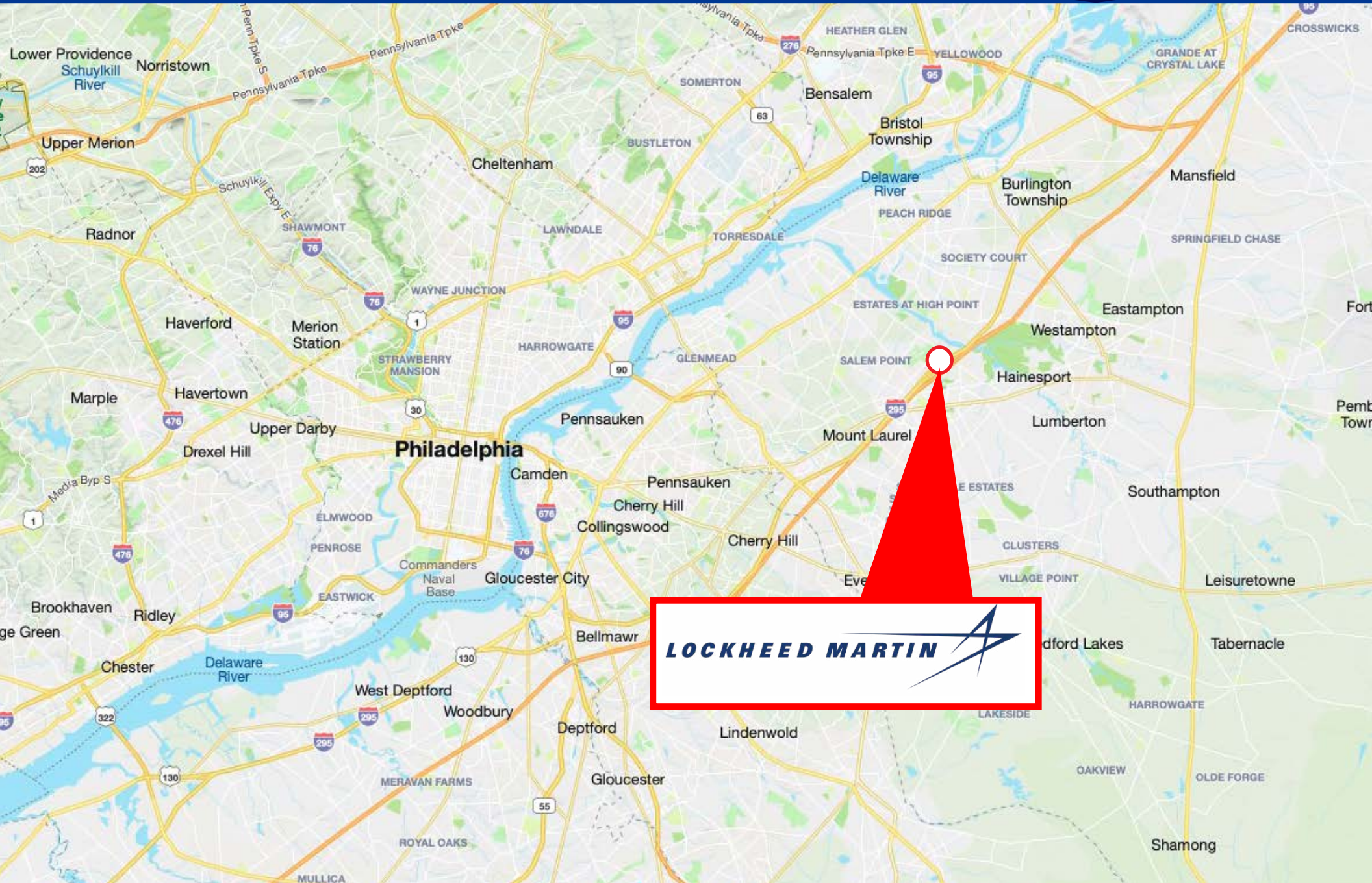
SECOND
FLOOR



FLOOR PLANS

THIRD
FLOOR





DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	4,897	49,117	150,747
Total Households:	1,697	18,816	57,171

INCOME

	1-Mile	3-Mile	5-Mile
Median Household Income:	\$136,181	\$94,048	\$90,884
Average Household Income:	\$184,169	\$130,232	\$124,641



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Lockheed Martin is one of the largest companies in the markets where it operates. It is the world's largest defense contractor by revenue for fiscal year 2014. In 2013, 78% of Lockheed Martin's revenues came from military sales; it topped the list of US federal government contractors and received nearly 10% of the funds paid out by the Pentagon. In 2009, US government contracts accounted for \$38.4 billion (85%), foreign government contracts for \$5.8 billion (13%), and commercial and other contracts for \$900 million (2%).

Half of the company's annual sales are to the U.S. Department of Defense. Lockheed Martin is also a contractor for the U.S. Department of Energy and the National Aeronautics and Space Administration (NASA).

Lockheed Martin operates in four business segments: Aeronautics, Missiles and Fire Control (MFC), Rotary and Mission Systems (RMS), and Space. The company has received the Collier Trophy six times, including in 2001 for being part of developing the X-35/F-35B LiftFan Propulsion System and most recently in 2018 for the Automatic Ground Collision Avoidance System (Auto-GCAS). Lockheed Martin is currently developing the F-35 Lightning II and leads the international supply chain, leads the team for the development and implementation of technology solutions for the new USAF Space Fence (AFSSS replacement), and is the primary contractor for the development of the Orion command module. The company also invests in healthcare systems, renewable energy systems, intelligent energy distribution, and compact nuclear fusion.

Company Website:	www.lockheedmartin.com
Company Type:	Public
Traded as:	NYSE: LMT
Number of Employees:	114,000
Annual Revenue:	\$65.4 Billion
Headquarters:	Bethesda, Maryland

LOCKHEED MARTIN



RECENT CONTRACT MODIFICATION

Lockheed Martin Corp's. Rotary and Mission Systems (RMS) unit recently secured a \$79.3-million modification contract to provide new construction production requirements for the fiscal 2021 AEGIS modernization (AMOD) and guided-missile destroyer. The RMS unit will provide these services to the defense forces of the United States and Australia, under the Foreign Military Sales (FMS) program. A Majority of the work related to the deal will be performed in Moorestown, NJ. The contract was awarded by the Naval Sea Systems Command, Washington, D.C. and the work is expected to get completed by March 2025.

SIGNIFICANCE OF THE AEGIS COMBAT SYSTEM

The Aegis combat system is an integrated missile guidance system used in the U.S. Navy and allied ships to protect the battle group. Currently, it is the world's most advanced combat system that can simultaneously destroy land targets, submarines and surface ships along with providing protection from aircraft, cruise missiles and ballistic missiles. The computer-based command and decision providing ability is the key element of the AEGIS combat system.

The Aegis Ballistic Missile Defense (BMD) system is the primary sea-based component of the U.S. missile defense system. Other militaries across the world that rely on Aegis include Japan, Canada, Norway, Korea, Spain and Australia. These international partners are currently building ships that will be drawn from the Aegis Common Source Library to support their mission on Frigates and Destroyers.

WHAT FAVORS LOCKHEED MARTIN?

Heightened geopolitical tensions and rising terrorism across the globe have compelled nations to fortify their military arsenal, with missile systems constituting an integral part of it. For instance, as Japan looks to defend itself against any possible futuristic attacks by North Korea and other regional rivals, including China, the nation relies on the Aegis combat system significantly. This, in turn, serves as a big boost for Lockheed Martin's revenues in the international market.

Meanwhile, the United States also follows a similar strategy to Japan, as it faces strong missile defense challenges from North Korea and Russia. This is evident from the inclusion of \$619 million in the U.S. fiscal 2021 defense budget to purchase the Aegis BMD system. Notably, such a stupendous budgetary amendment reflects solid growth prospects for Lockheed Martin's Aegis program, going ahead.

CITY OF MOUNT LAUREL, NEW JERSEY

Mount Laurel is a township in Burlington County, New Jersey, United States, and is an edge city suburb of Philadelphia. As of the 2010 United States Census, the township's population was 41,250, reflecting an increase of 1,643 (+4.1%) from the 40,221 counted in the 2000 Census, which had in turn increased by 9,951 (+32.9%) from the 30,270 counted in the 1990 Census. It is the home of NFL Films.

In 2020, Mount Laurel was ranked 16th in Money magazine's list of the 50 best places to live in America, citing a kid-friendly environment, affordable housing, and easy access to Philadelphia and the Jersey Shore.



MSA OF PHILADELPHIA, PENNSYLVANIA

The Delaware Valley is the valley through which the Delaware River flows. By extension, this toponym is commonly used to refer to Greater Philadelphia or the Philadelphia metropolitan area (“the [Lower] Delaware Valley Metropolitan Area”). The Delaware Valley is coterminous with a metropolitan statistical area (MSA) and broader combined statistical area (CSA), and is composed of counties located in Southeastern Pennsylvania, South Jersey, Delaware, and the Eastern Shore of Maryland. As of the 2010 Census, the MSA has a population of over 6 million, while the CSA has a population of over 7.1 million.

Philadelphia is by far the largest municipality in the Delaware Valley, and serves as the region’s major commercial, cultural, and industrial center. Other municipalities in the MSA include Camden, New Jersey and Wilmington, Delaware, while the larger CSA also includes municipalities such as Reading, Pennsylvania and Atlantic City, New Jersey. The Delaware Valley Metropolitan Area is located in the Northeastern United States and forms part of a larger urbanized area known as the Northeast megalopolis. According to the Bureau of Economic Analysis, the Philadelphia metropolitan area has a gross domestic product of \$431 billion, the ninth-largest among U.S. metropolitan areas. 2016 Census Bureau estimates rank the Delaware Valley CSA as the ninth-largest CSA in the United States.

The Delaware Valley has been influential in American history and industry; its citizens have become leaders in higher education, biotechnology, medicine, tourism, and other fields. The area has hosted many people and sites significant to American culture, history, and politics. Philadelphia is sometimes known as “The Birthplace of America”, as both the Declaration of Independence and the Constitution were drafted and signed in Philadelphia. The Delaware Valley was home to many other instrumental moments in the American Revolution, and Philadelphia served as the capital of the United States for much of the 18th century. Today, the area is home to a number of nationally known universities, such as the University of Pennsylvania, Drexel University, Villanova University, Saint Joseph’s University, Temple University, and University of Delaware.



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The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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