



LAURELWOOD APARTMENTS

OFFERING MEMORANDUM | 3444 ERICKSON RD | GIG HARBOR, WA

TABLE OF CONTENTS

EXCLUSIVELY LISTED BY

TED SIPILA, CCIM
253.722.1421
ted.sipila@kidder.com

AUSTIN KELLEY
253.722.1413
austin.kelley@kidder.com

KIDDER.COM

01

INVESTMENT SUMMARY

02

PROPERTY DESCRIPTION

03

FINANCIALS

04

COMPARABLES

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

This Marketing Brochure 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. Kidder Mathews has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Kidder Mathews has not verified, and will not verify, any of the information contained herein, nor has Kidder Mathews 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.

This information has been secured from sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.



01

INVESTMENT SUMMARY

INVESTMENT SUMMARY

We invite you to review this offering memorandum for Laurelwood Apartments. Please contact both Ted Sipila and Austin Kelley for answers to any and all questions.

Laurelwood is a two-story, wood framed 28-unit complex located just off Highway 16 and Erickson St in the heart of Gig Harbor. Consisting of both one and two-bedroom units, the Laurelwood complex has secured entry, elevator access, community room, and an on-site leasing office.

Laurelwood sits on over 1.5 acres of Class A real estate in the most sought-after Pierce County submarket, Gig Harbor. With the recent dissolution of Laurelwood's affordable requirements, this trophy project is now a market rate complex.

Laurelwood offers tremendous rental upside, interior renovations potential, approved permits for two additional units, prime location, and nearly nonexistent vacancy.



PROPERTY OVERVIEW

Address	3444 Erickson St, Gig Harbor, WA
No. of Units	28-units
NRSF	16,520 SF
Site Area	66,646 SF / 1.53 AC
Year Built	1989
Price	\$5,400,000
Price / Unit	\$192,857
Price / SF	\$249
Cap Rate	4.36%

EXECUTIVE HIGHLIGHTS

WELL MAINTAINED garden style community holding 28 apartment homes

HEAVY VALUE-ADD opportunity

96% of the units have “original” finishes and would benefit from renovation suggestions

ADDITIONAL UNIT POTENTIAL permits have been approved for the addition of two units

ATTRACTIVE AMENITIES PACKAGE includes secured entry, on-site laundry, elevator, community room, and library

UPSIDE AVAILABLE through increased rents, utility bill-back, interior renovations, and additional units

PROFESSIONALLY managed

LOW DENSITY COMMUNITY one two-story building holding 28-units on over 1.5 acres

GIG HARBOR Pierce County location

EASY ACCESS to Highway 16, Old Town, and Downtown Tacoma

EXTREMELY LOW HISTORIC VACANCY long standing residents

FREE AND CLEAR Laurelwood is being offered free and clear of existing debt





16

PIONEER WAY

KIMBALL DRIVE

ERICKSON ST



LOCATION OVERVIEW

Gig Harbor is one of several cities and towns that claim to be "the gateway to the Olympic Peninsula". It is located on Gig Harbor Bay in Puget Sound across the Narrows Bridge from Tacoma. Due to its close access to several state and city parks, and historic waterfront that includes boutiques and fine dining, it has become a popular tourist destination.

Located right off Highway 16 and Pioneer Way, Laurelwood sits in the heart of this Class A Pierce County suburb. Conveniently close to

parks, restaurants, shopping, and Gig Harbor City Hall. Laurelwood offers residents proximity to all of Gig Harbor's best in class amenities.

While population growth has increased exponentially over the last decade, supply of new units has been extremely slow to follow. Owners of Laurelwood will hold one of the very few market rate apartment complexes in Gig Harbor. This rare offering provides investors the chance to own an irreplaceable product in a market primed for long continued growth.



Photo courtesy of Wikimedia Commons

7,100

GIG HARBOR POPULATION
(2010)

37.17%

PERCENT INCREASE
(POPULATION)

11,300

GIG HARBOR POPULATION
(2020)

SEVERELY UNDERSERVED MARKET

Market Rate Multifamily Construction

(2010- Present)



BRACERA AT GIG HARBOR APARTMENTS

11400 Olympus Way- Gig Harbor

2014 Construction

172 Units



SKANSIE POINTE

4475 Fair Winds Ct- Gig Harbor

Under Construction

174 Units



SUMMIT TOWER

6563 McDonalds Ave- Gig Harbor

2015 Construction

65 Units

GIG HARBOR BAY





STATISTICS

Square Miles	6.13
Acres	3,924
Housing Units	4,220



GIG HARBOR POPULATION

City Limits	10,931
Key Peninsula	60,300
Pierce County	891,299



DEMOGRAPHICS

White	83%
African American	1%
Native American	1.2%
Hispanic	4.5%
Asian	5%
Median Age	50 yrs



HOUSING

Median Home Price	\$482,900
Median Gross Rent	\$1,366



WEATHER

Spring	47-64 F°
Summer	53-73 F°
Fall	41-51 F°
Winter	38-49 F°
Avg Rainfall	43"

July is the driest month
December is the wettest



INCOME

Gig Harbor	\$80,424
Tacoma	\$69,278
Washington State	\$70,979



SALES TAX RATES

Gig Harbor	8.7%
Tacoma	1%
Seattle	1.2%

LOCAL B&O TAX

Gig Harbor	No
Tacoma	Yes
Seattle	Yes



TRANSPORTATION

Tacoma	11 Mi
Olympia	45 Mi
Seattle	49 Mi
Olympic National Park	65 Mi
Mt Rainier National Park	83 Mi
Bremerton	28 Mi
Sea-Tac Intl. Airport	35 Mi
Tacoma Narrows Airport	3.5 Mi
Portland, Oregon	146 Mi

Pierce Transit provides local bus routes and links to Sounder trains and Link Light Rail. Three Park n Ride locations serve Gig Harbor.



02

PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

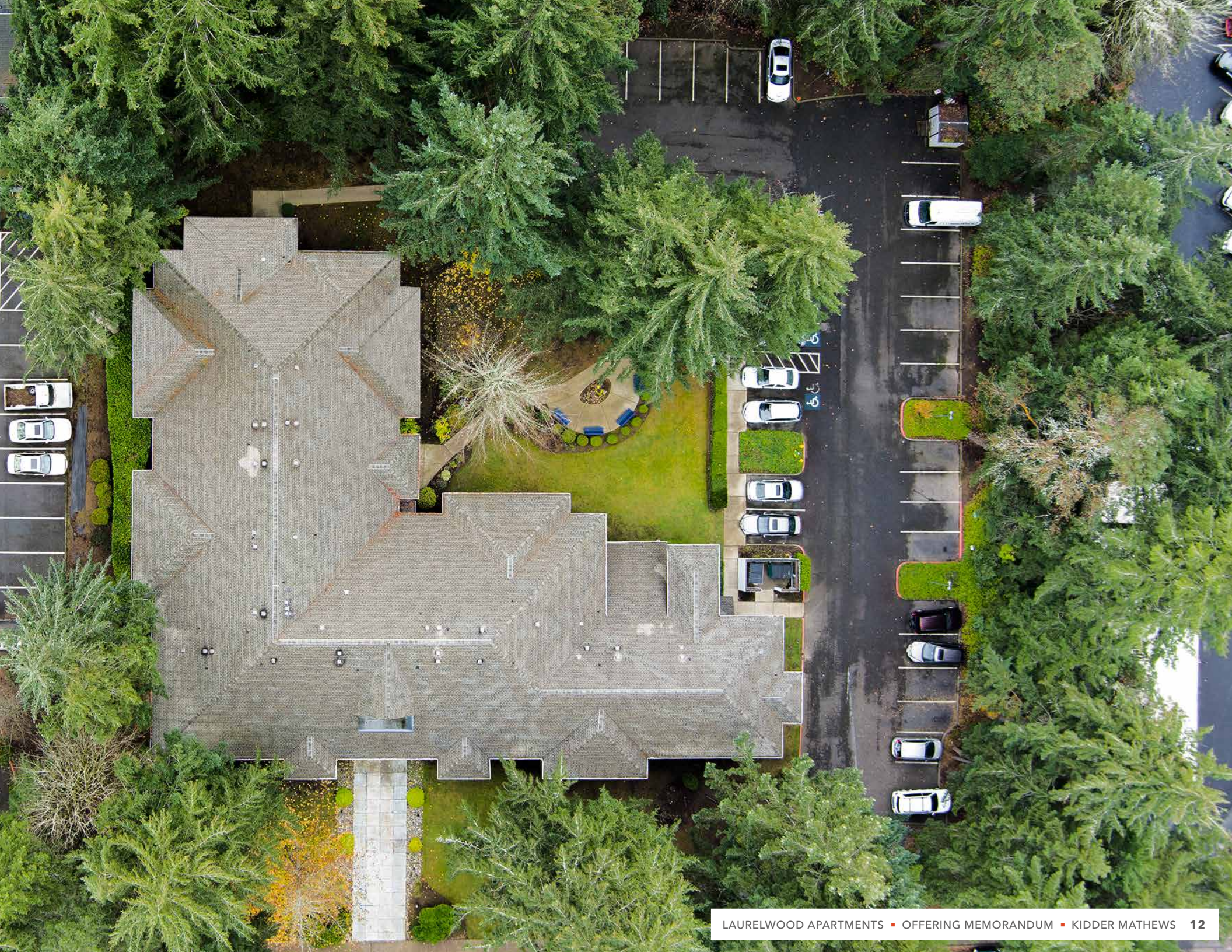


PROPERTY SUMMARY

Address	3444 Erickson Road, Gig Harbor, WA
No. of Units	28-units
NRSF (Rental)	16,520 SF
Year Built	1989
Site Area	66,646 SF / 1.53 AC
Parking Ratio	39 parking stalls / 1.39

CONSTRUCTION SPECIFICATIONS

No. of Buildings	1
No. of Floors	2
Elevator	1
Average Unit Size	590 SF
Construction Type	Wood Frame
Exterior Finishes	Wood
Unit Finishes	Original
Utilities	Partial bill-back ±50% recapture
Parcel No.	0221087014, 0221087015



LOCATION AERIAL



RENOVATION SUGGESTION

CURRENT APARTMENT HOME FINISHES

Original cabinets

Laminate countertops

White appliances

Carpet flooring in common areas and bedrooms

RECOMMEND HOME UPGRADES

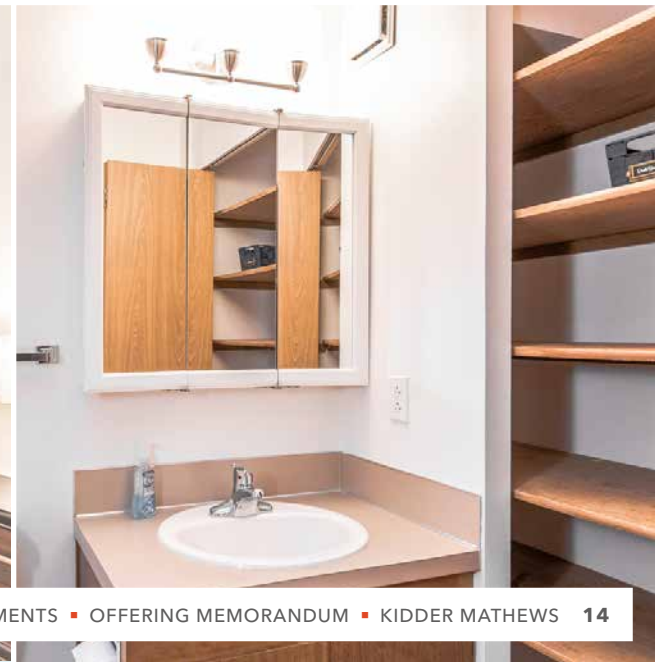
Upgrades cabinets

Vinyl plank flooring

Stainless steel appliance package with glass stove tops

Hard surface stone countertops

Updated fixtures and hardware throughout





PUGET SOUND EMPLOYMENT OPPORTUNITIES





03

FINANCIALS

PROFORMA

MARKET INCOME

	Current	Proforma	Post Renovation
Monthly Rental Income	\$30,276	\$37,900	\$41,100
Total Annual (RR Annualized)	\$363,312	\$454,800	\$493,200
Other Income (\$200/unit)	\$5,600	\$5,600	\$6,000
Utility Bill-Back	\$16,239	\$24,877	\$31,097
Laundry	\$3,535		
Credit & Vacancy (5%)	(\$19,434)	(\$24,263)	(\$26,514)
Effective Annual Income	\$369,251	\$461,013	\$503,782

ANNUAL OPERATING EXPENSES

	Current	Proforma	Post Renovation
Taxes (2020)	\$17,553	\$35,106	\$35,106
Insurance (T12)	\$6,984	\$6,984	\$6,984
Utilities (T12)	\$31,097	\$31,097	\$31,097
Repairs & Maintenance (\$750/unit)	\$21,000	\$21,000	\$21,000
Landscaping (T12)	\$9,375	\$9,375	\$9,375
Professional Management (5%)	\$18,165	\$22,740	\$24,660
Elevator	\$4,612	\$4,612	\$4,612
Payroll (5%)	\$18,165	\$22,740	\$24,660
Reserves (\$250/unit)	\$7,000	\$7,000	\$7,000
Total Annual Expenses	\$133,952	\$160,654	\$164,494
Annual Net	\$235,299	\$300,359	\$339,288
Cap Rate	4.36%	5.56%	6.28%
Value	\$5,400,000		



NOTES TO PROFORMA VALUATION UNIT MIX

One-Bedroom units	\$1,350
Two-Bedroom units	\$1,450
Laundry	In unit washer & dryer
Proforma Taxes	Estimated at 80% of property assessed value
Utility Income	80% recapture

NOTES TO POST RENOVATION INCOME UNIT MIX

*PLANS AND PERMITS HAVE BEEN APPROVED TO ADD TWO ADDITIONAL UNITS, AND CONVERT ONE 1-BEDROOM INTO A TWO BEDROOM UNIT.

26 One-Bedroom/ One Bath	\$1,350
2 One-Bedroom/ One Bath (New)	\$1,450
2 Two-Bedroom/ One Bath	\$1,550
Utility Income	100% Recapture

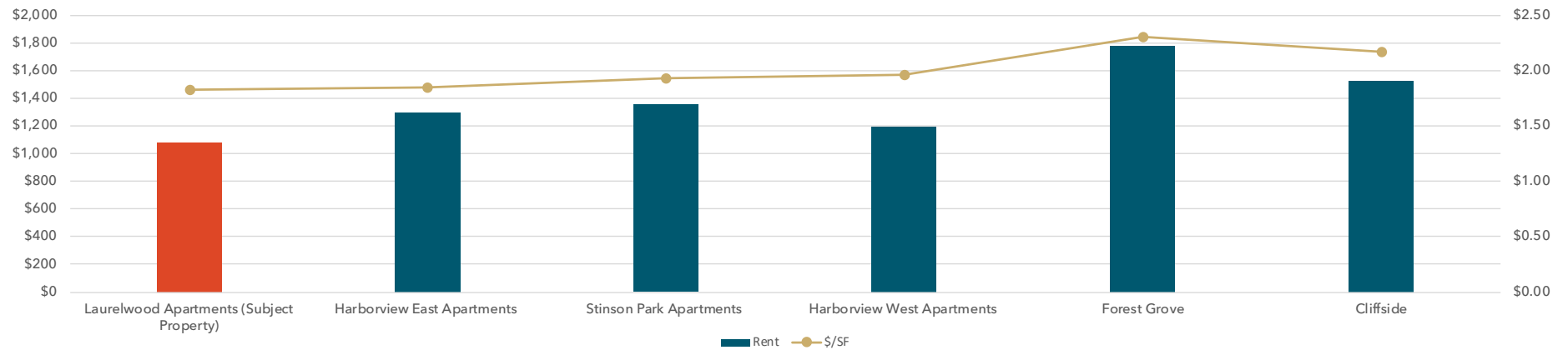


04

COMPARABLES

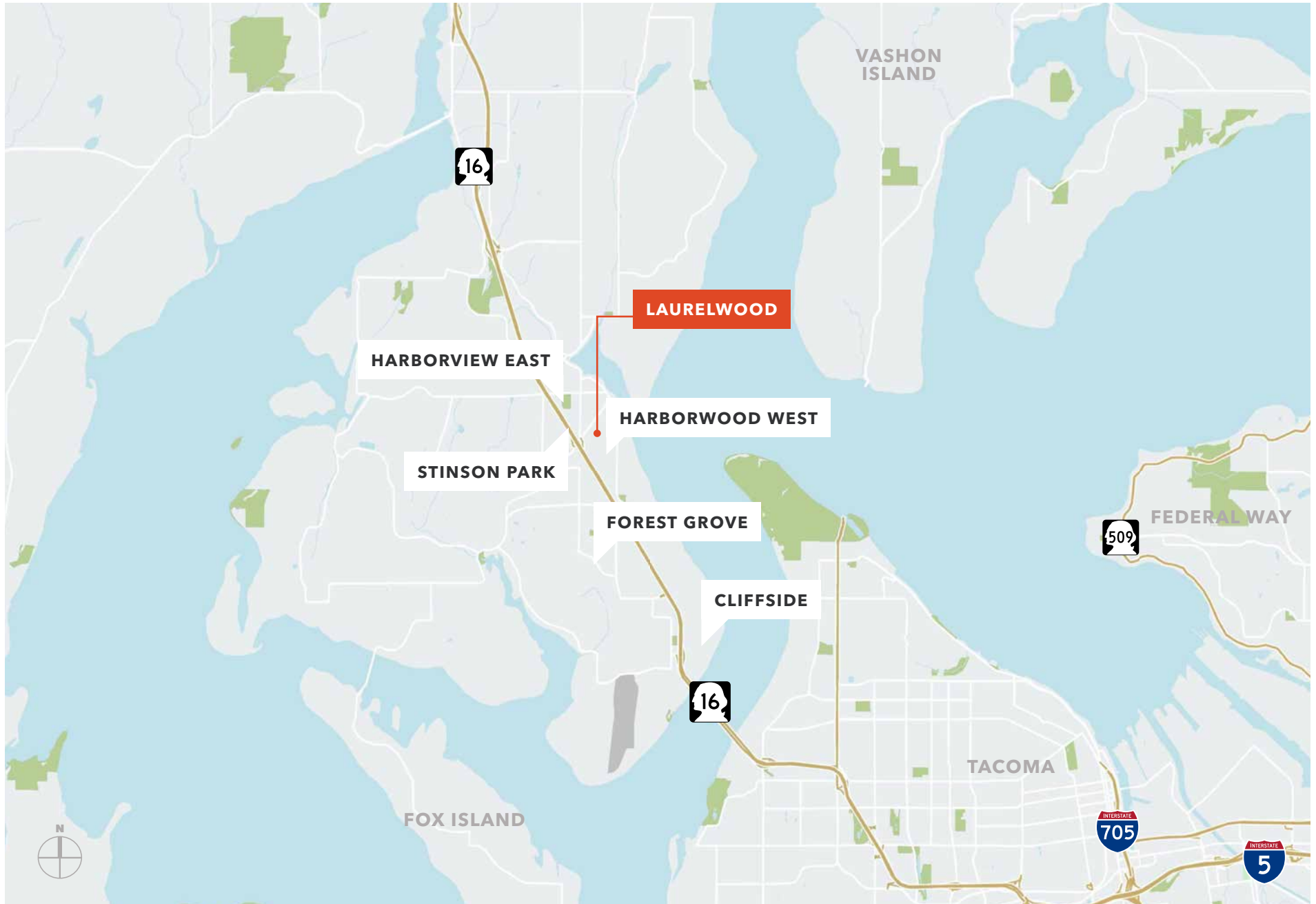
RENT COMPARABLES

1 BEDROOM / 1 BATHROOM



Property	City	Unit Finishes	Year	Unit SF	In-Place Rent	\$/SF
LAURELWOOD APARTMENTS 3444 Erickson Rd	Gig Harbor	Original	1989	590	\$1,081	\$1.83
HARBORVIEW EAST APARTMENTS 4100 Foster St	Gig Harbor	Original	1978 / 2006	700	\$1,295	\$1.85
STINSON PARK APARTMENTS 7314 Stinson Ave	Gig Harbor	Renovated	1997 / 2020	700	\$1,350	\$1.93
HARBORVIEW WEST APARTMENTS 6100 Soundview Dr	Gig Harbor	Original	1974	610	\$1,195	\$1.96
FOREST GROVE 5402 35th Ave NW	Gig Harbor	Renovated	1992	763	\$1,775	\$2.30
CLIFFSIDE 2413 Cliffside Ln NW	Gig Harbor	Renovated	1968	703	\$1,524	\$2.17
Comparable Averages				695	\$1,428	\$2.05

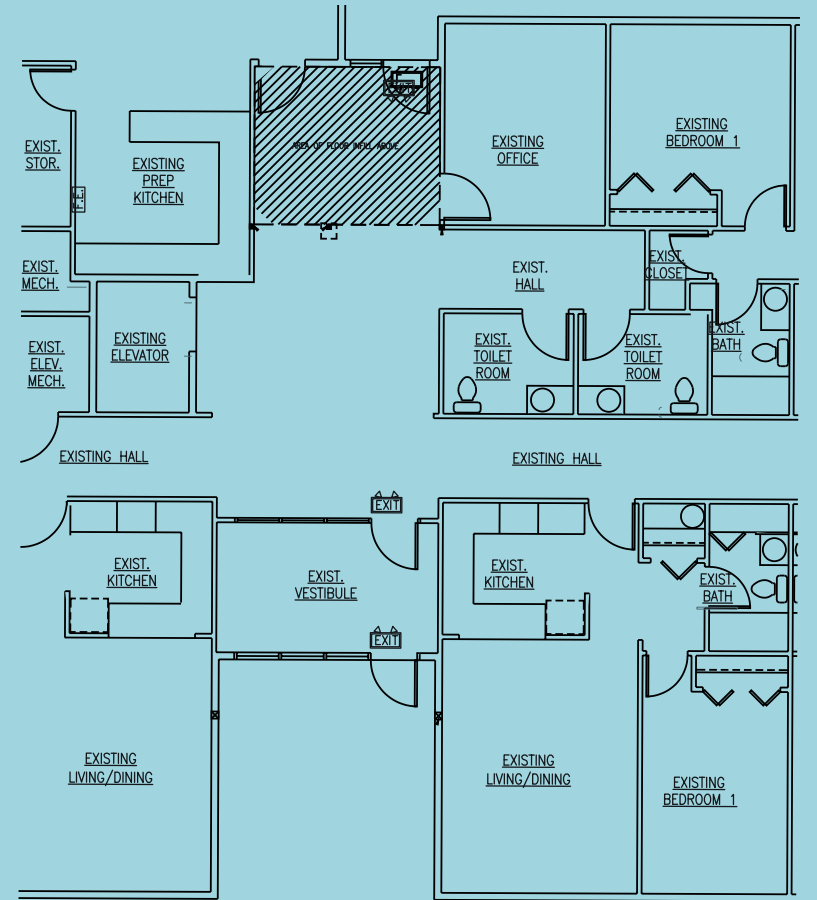
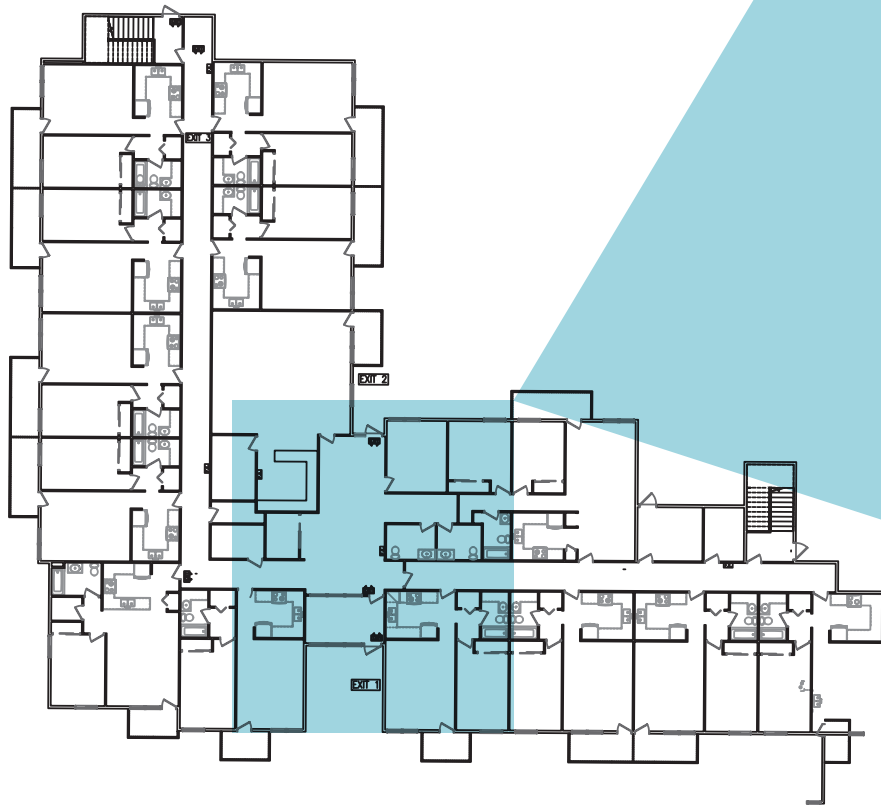
RENT COMPARABLES MAP



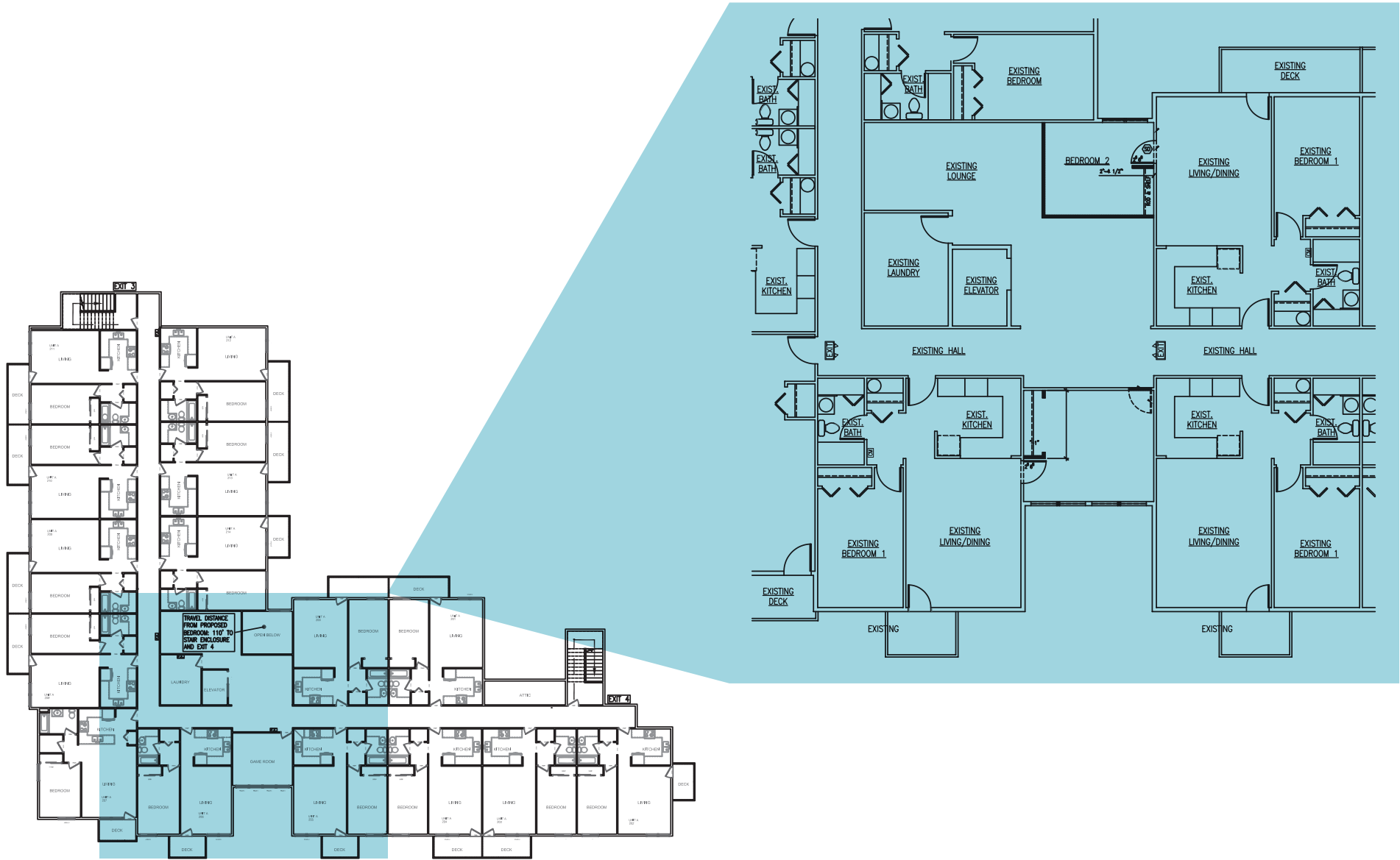
ADDITIONAL UNITS POTENTIAL

WITH ALL PLANS AND PERMITS APPROVED

Laurelwood provides new ownership the potential to add two additional units and increase the size of a one-bedroom into a two-bedroom unit. Potential future unit mix of 28 one-bedroom, one-bath units and 2 two-bedroom, one-bath units.



ADDITIONAL UNITS POTENTIAL



EXCLUSIVELY REPRESENTED BY

TED SIPILA, CCIM
253.722.1421
ted.sipila@kidder.com

AUSTIN KELLEY
253.722.1413
austin.kelley@kidder.com



KIDDER.COM