

FOR SALE

4501 Midvale Avenue N | Seattle, WA 98103

Midvale Manor Apartments



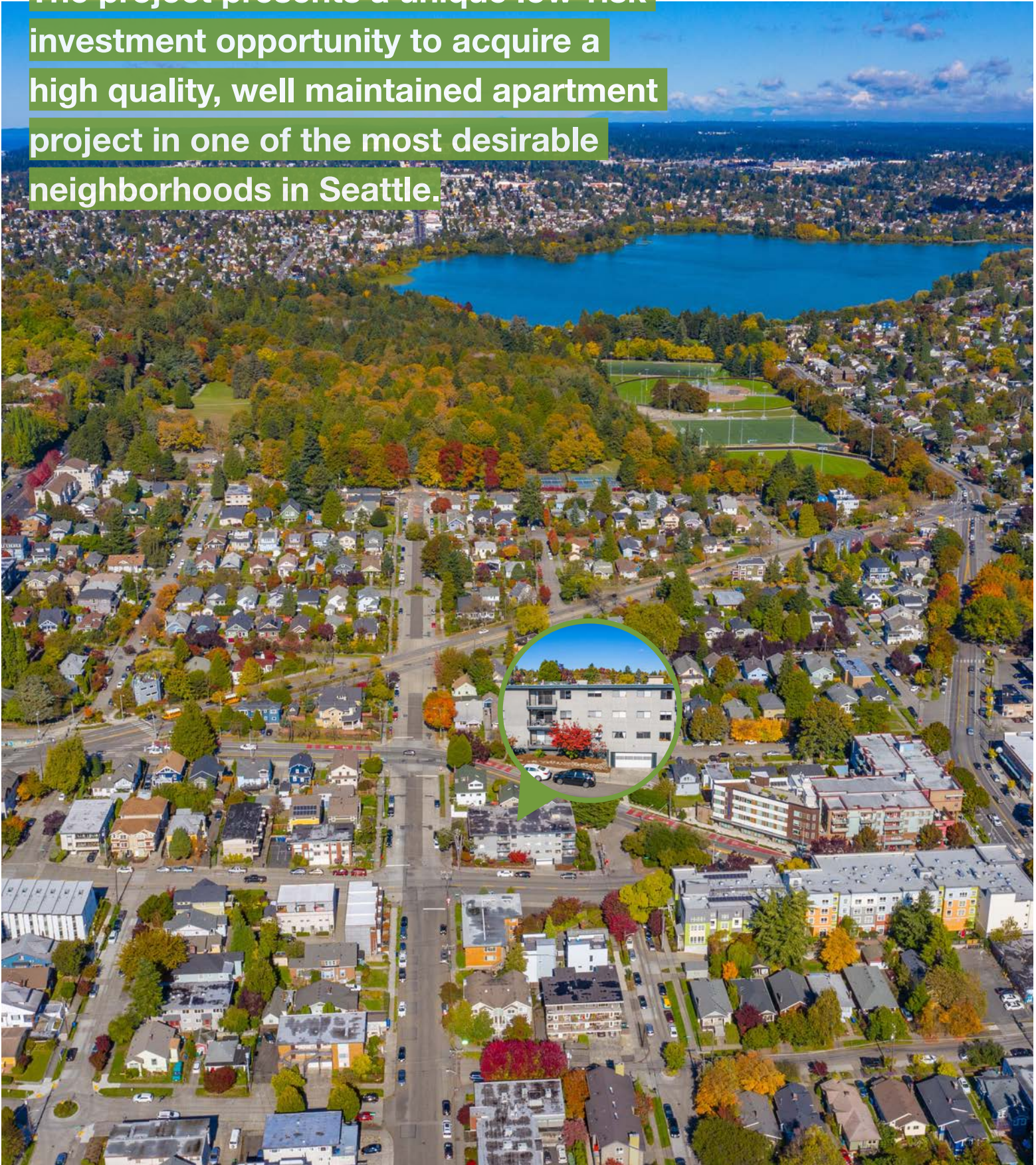
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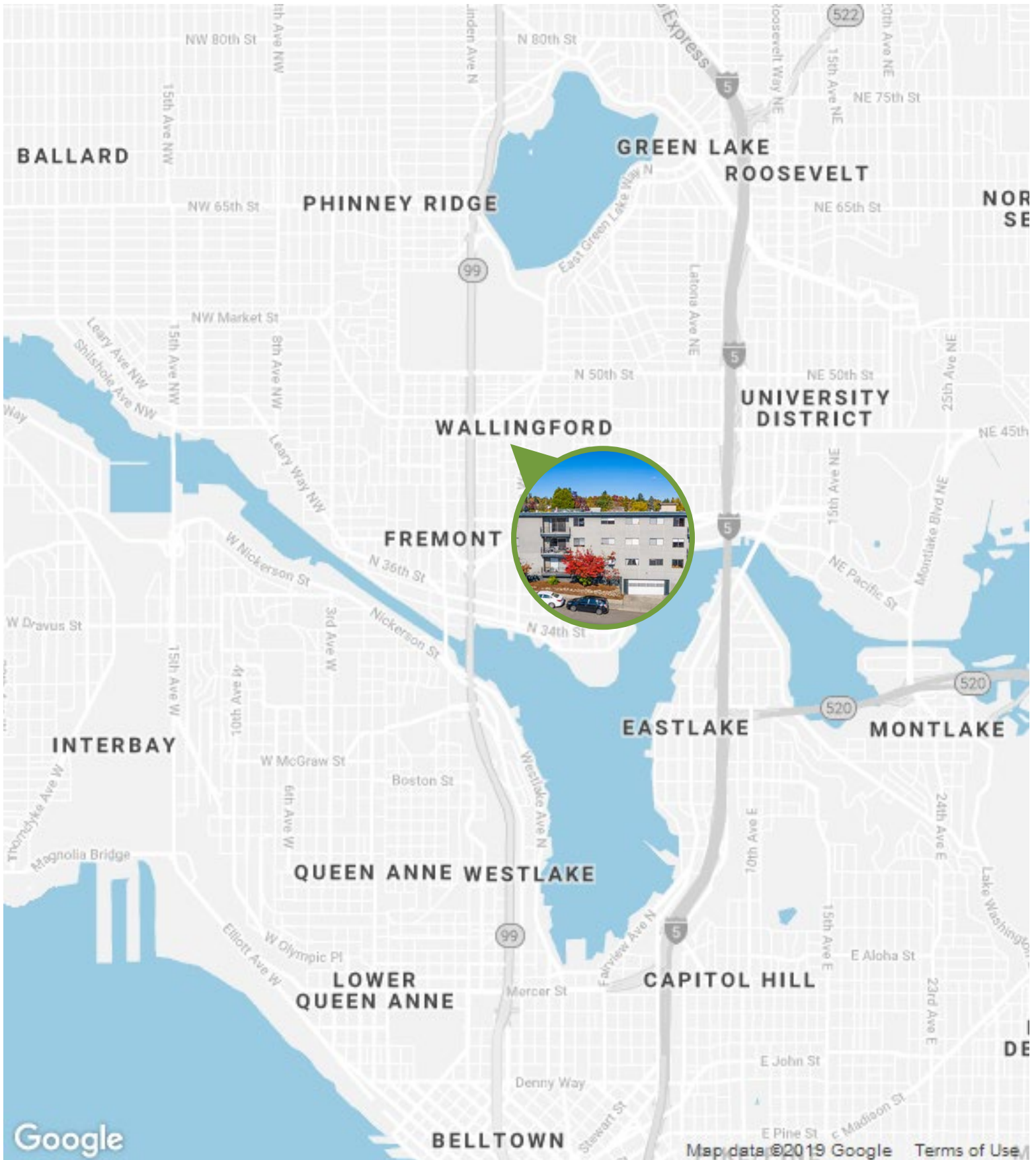
Property Overview

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NAI Puget Sound Properties is pleased to exclusively offer for sale the Midvale Manor Apartments, located in the Wallingford/Fremont neighborhood of Seattle. Available for the first time in 42 years; the project presents a unique low-risk investment opportunity to acquire a high quality, well maintained apartment project in one of the most desirable neighborhoods in Seattle. The property offers investors an array of opportunities including purchasing and managing the building as is, purchasing and stabilizing rents and expenses at market and a value-add opportunity of updating the units to today's standards and increasing rents accordingly. The property is well situated both locally and regionally, and the outlook for the neighborhood is long-term continued growth and redevelopment.

- A + location in a vibrant urban neighborhood
- Minutes away from Downtown Seattle CBD, South Lake Union, University of Washington
- Bike-able location with excellent access to public transportation
- Located in one of the strongest and most stable rental markets in the city
- Multiple amenities nearby include restaurants, banks, groceries, and miscellaneous service/retail establishments
- Gasworks Park, Lake Union, Green Lake and Woodland Park all within blocks
- Value-add opportunity by updating units
- Great unit mix - units are spacious and multiple units have decks and territorial views
- On-site laundry facilities on each floor
- Secured garage parking with additional surface parking
- Secured garage storage lockers
- Well maintained property with mature landscapae

Total Units	19 (2 studio, 10 one-bedroom & 7 two-bedroom)	
Year Built	1968	
Square Feet	21,430 GBA (per KC records) / 14,904 NRA (per owner records)	
Lot Size	0.26 AC (11,415 SF) per KC records	
KC Parcel #	686520-1000	
KC Assessed 2019	Land	\$2,283,000
	Improvements	\$3,351,000
	Total	\$5,634,000
Zoning	LR2 (M)	
Price	\$7,200,000	
Price/Unit	\$378,947	
Price/SF	\$483.09	
Current GRM/CAP	16.43 / 3.841%	
Market GRM/CAP	16.43 / 4.250%	



Location Overview



The Wallingford/Fremont neighborhood of Seattle is situated about three miles north of the Central Business District. Fremont refers to itself as the “Center of the Universe” and has an eclectic reputation, taking pride in local public art works and public sculpture. Wallingford shares much in common with Fremont although it is somewhat more strongly residential, particularly in its northern sections. Ballard is adjacent to Fremont to the west and the U-District is east of Wallingford across I-5. The property is located at the border of the Wallingford and Fremont neighborhoods, just west of the intersection of N 45th St. and Stone Way N.

The neighborhood is primarily residential with multifamily housing on the major thoroughfares, backed by pockets of single-family homes on smaller lots, most built prior to 1960. The area takes pride in local public art works and an eclectic nature. Much of that reputation was borne from a time when housing costs in the neighborhood were among the least expensive in the north end of Seattle. Those conditions have changed dramatically, and the resident mix has moved more toward a professional class. This change has brought about a great deal of home remodeling and one result is a very strong increase in neighborhood rental rates and home pricing.

Commercial and service support properties are located along the major thoroughfares, including N 45th St., Stone Way N and Fremont Ave. N. There are also pockets of office and industrial uses along the major thoroughfares heading north and west toward the Ballard neighborhood. The neighborhood has undergone

significant changes spurred in part by development of the eight-building Fremont Lake Union Center office park, which was spearheaded by the presence of Adobe's Seattle headquarters adjacent to the Fremont Bridge. Additional corporate entities now in the neighborhood include Google, Tableau and Brooks Sports.

Access

The neighborhood is a well-accessed intermodal location. The primary access routes are N 45th St. and Stone Way N, which intersect one block east of the property. These are two-lane arterials with center-turn lanes, concrete curbs and sidewalks, and streetlights. N Pacific St. provides access to N Northlake Way, the primary waterfront access road that generally meanders along the shoreline and extends along the south side of the neighborhood. This two-way, two-lane secondary street includes sections with and without street improvements. N Pacific St. provides intra-city linkage to Eastlake Ave. and Roosevelt Way allowing connectivity to the Eastlake neighborhood and downtown Seattle toward the south, and the University of Washington and Northgate to the north. I-5 extends along the east side of the neighborhood and is accessible from access points at NE 45th St. and Roanoke St. via Roosevelt Way and Eastlake Ave. The major north/south streets in the neighborhood are Aurora Ave. N (Hwy. 99), Fremont Ave., Stone Way, Wallingford Ave. and Roosevelt Way.

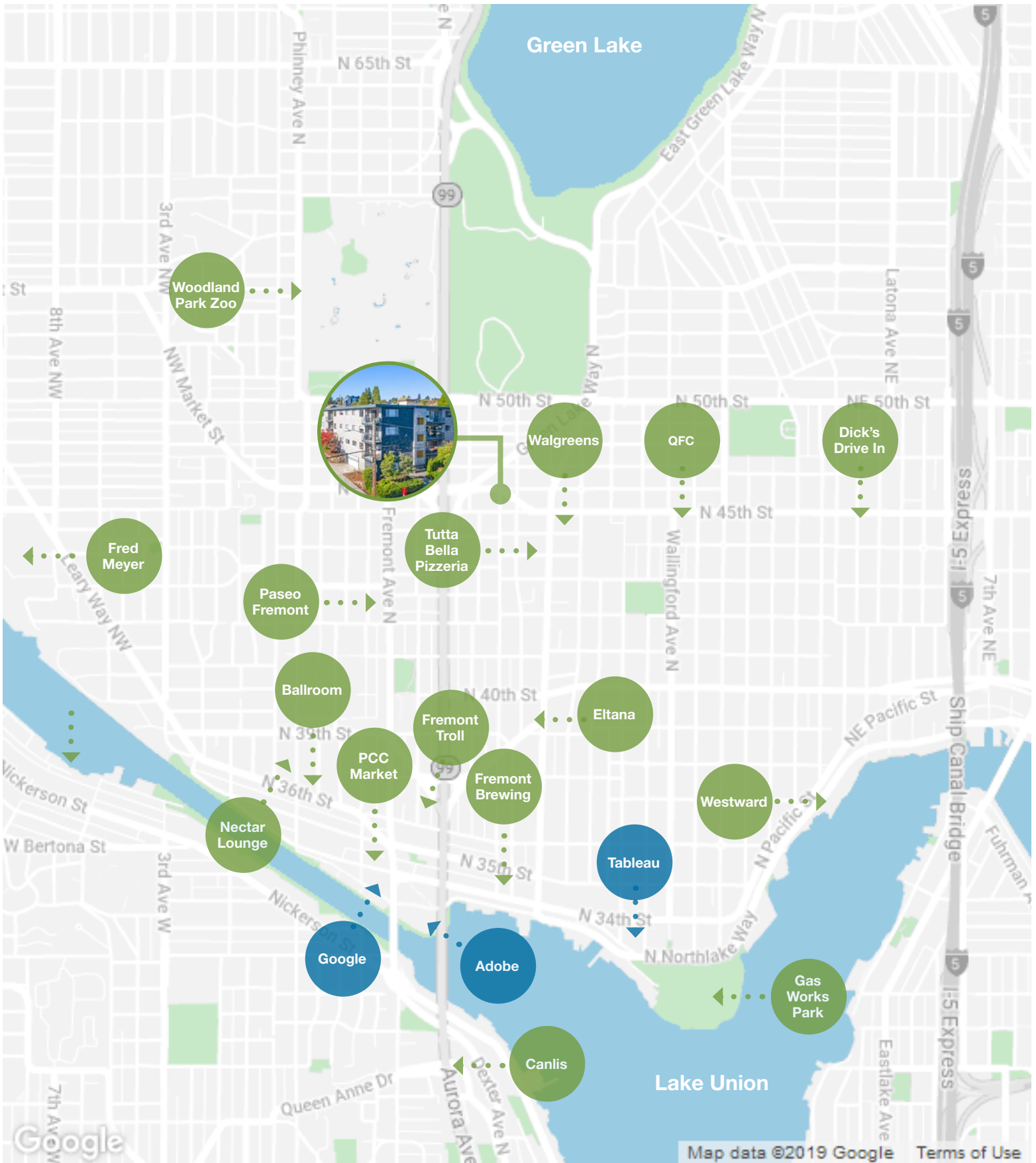
The Burke-Gilman Trail, a popular bicycling and jogging trail that spans over 14 miles from Fremont to Redmond, extends along the south side of the neighborhood. Along the trail is Gasworks Park, a

very popular gathering spot for 4th of July fireworks with spectacular views of the Seattle CBD across Lake Union.

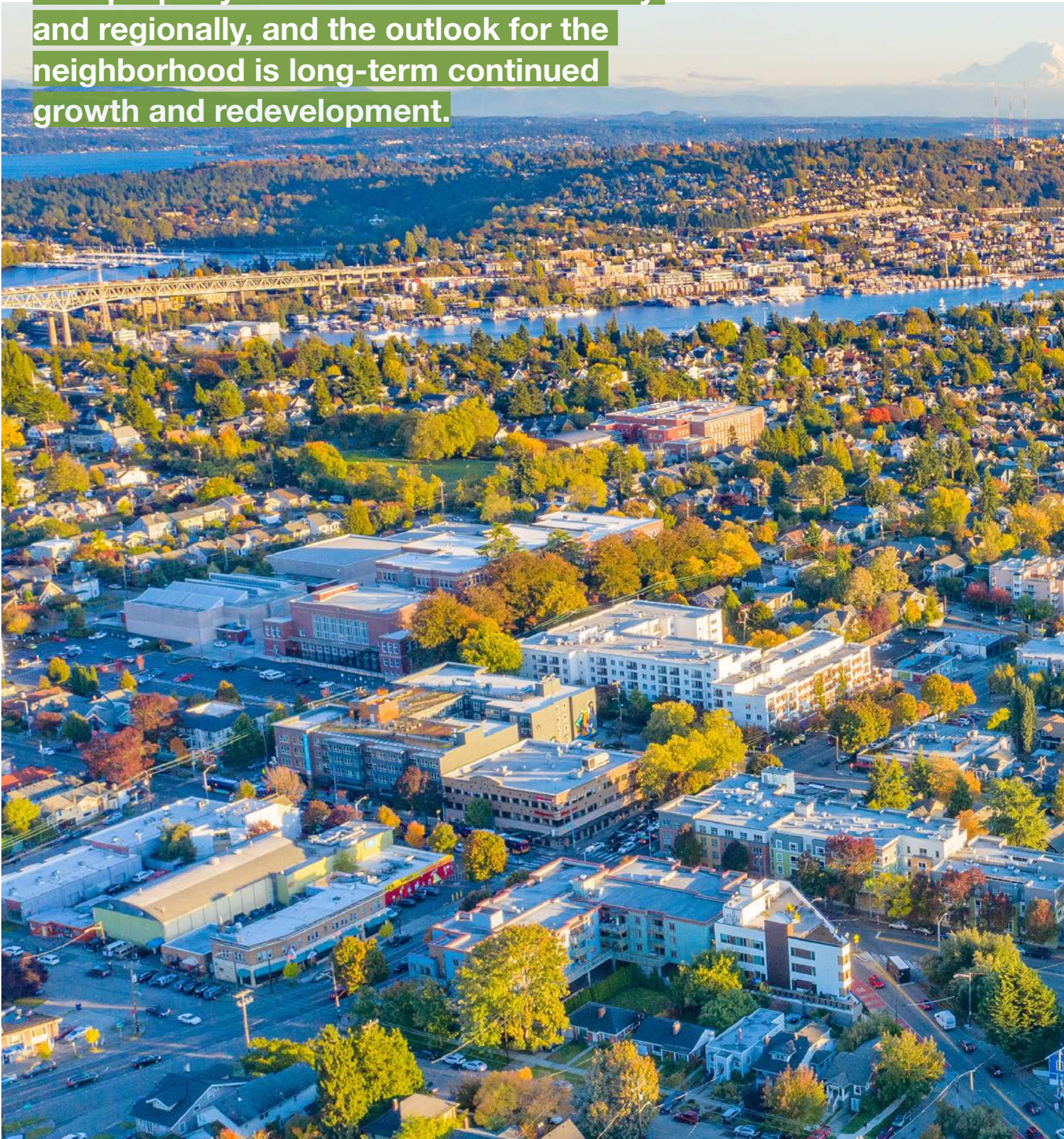
Summary

The boundaries of the Fremont/Wallingford apartment submarket are defined by the Fremont Cut and Lake Union on the south, I-5 on the east, 8th Ave. NW on the west and N 50th St. on the north, west of Woodland Park and N 60th St. east of the park. As of May 2019, there are 4,660 units in 152 multifamily properties of at least ten units in the submarket. The vacancy rate is 4.8% with a five-year average of 8.7%. In terms of vacancy rates, this is one of the strongest in the region. Rental rates fell at the beginning of the recession but have recovered with a current average of \$1,957/month, an all-time high. This is an excellent apartment location due to the residential feel of the neighborhood while still having excellent proximity to employment centers to the south (CBD), east (UW) and west (Fremont and Ballard). Because of the long-term strength, developers continue to meet the demand with additional projects. There is a significant level of development along the Stone Way corridor between 34th and 45th Streets. 1,369 units were added from 2015 through 2017 in 11 new buildings. There were no deliveries in 2018, but five projects are currently under construction that will deliver 184 units in 2019. Another 570 units in 12 buildings are proposed for completion during 2020. In 2021, 179 units in two projects are proposed to be delivered.

Location Overview



The property is well situated both locally and regionally, and the outlook for the neighborhood is long-term continued growth and redevelopment.



Location Overview



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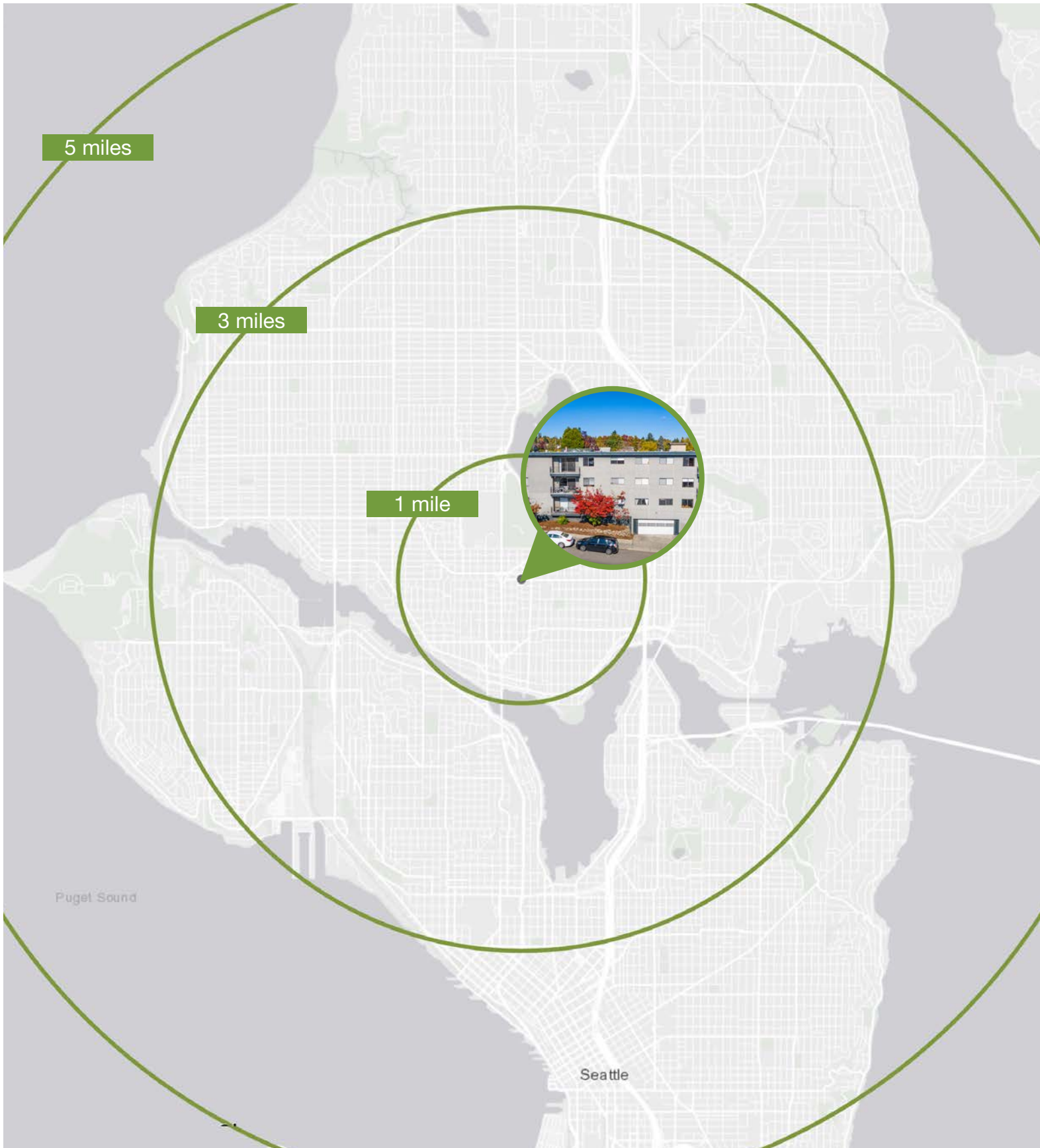
Walk Score

90

Bike Score

61

Transit Score



Demographics

1 Mile Radius

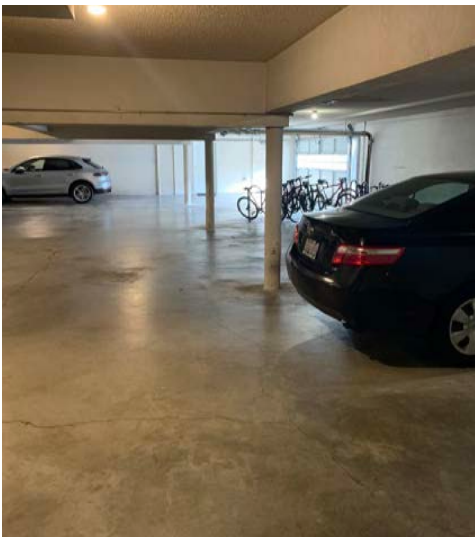


3 Mile Radius



5 Mile Radius





Financial Overview

Price	\$7,200,000	Price Per Unit	\$378,947
Units	19	\$ Per Sq. Ft.	\$483.09
Year Built	1968	Current GRM	16.43
Gross Bldg. Area	21,430	Current Cap	3.841%
Lot Size	11,415	Market GRM	16.43
Zoning	LR2 (M)	Market Cap	4.250%

Apartment Income

Type	No. of Units	Approx. Size	Current Rents	Monthly Income	Market Rents	Monthly Income
Studio	2	355 - 483	\$1,350	\$2,700	\$1,350	\$2,700
1 Bed / 1 Bath	10	638 - 856	\$1,500 - \$2,100	\$17,850	\$1,500 - \$2,100	\$17,850
2 Bed / 1 Bath	7	906 - 1,163	\$1,950 - \$2,200	\$14,445	\$1,950 - \$2,200	\$14,445
Total	19	14,904	\$2.35	\$34,995	\$2.35	\$34,995

		Current	Market
Monthly Scheduled Income	Monthly Scheduled Rent	\$34,995	\$34,995
	Laundry Income	\$200	\$200
	Parking Income	\$1,250	\$1,250
	Storage Income	\$70	\$70
	Total Monthly Income	\$36,515	\$36,515
Annualized Operating Data	Scheduled Gross Income	\$438,180	\$438,180
	Less Vacancy	-\$13,145	-\$13,145
	Gross Operating Income	\$425,035	\$425,035
	Less Expenses	\$(148,506)	\$(119,000)
	Net Operating Income	\$276,529	\$306,035
Annualized Operating Expenses	Real Estate Taxes	\$39,383	\$44,000
	Insurance	\$12,730	\$14,000
	Utilities	\$20,980	\$23,000
	Management	\$23,777	\$13,000
	Maint. / Repairs / Admin	\$51,636	\$25,000
	Total Expenses	\$148,506	\$119,000

Current Operations
 Expenses / Unit \$7,816
 Expenses / Foot \$6.93
 Percent of Gross 34.94%

Market Operations
 Expenses / Unit \$6,263
 Expenses / Foot \$5.55
 Percent of Gross 28.00%

Midvale Manor Expenses 2017-2018-2019

		Jan - Dec 17	Jan - Dec 18	Jan - Aug 19	Market Annual Op Ex
Repairs and Maintenance	Business License & Fees	71.00	120.00	544.00	500.00
	Building Repair & Maintenance	13,264.00	35,447.00	24,478.00	12,000.00
	Cleaning	850.00	3,010.00	2,095.00	3,300.00
	Contract Labor	8,616.00	2,927.00	2,198.00	3,500.00
	Landscaping	2,200.00	7,126.00	1,980.00	3,100.00
	Office Expense	477.00	1,043.00	3,731.00	1,200.00
	Telephone	701.00	1,068.00	705.00	1,100.00
	Security	0.00	895.00	189.00	300.00
	Total Repairs and Maintenance	26,179.00	51,636.00	35,920.00	25,000.00
Property Magement	Property Management Fees	16,251.00	23,777.00	30,532.00	13,000.00
Taxes and Insurance	Real Estate Taxes	39,553.00	39,383.00	21,359.00	44,000.00
	Building Insurance	12,412.00	12,730.00	1,020.00	14,000.00
	Total Taxes and Insurance	51,965.00	52,113.00	22,379.00	58,000.00
Utilities	Electricity				
	Garbage				
	Water				
	Total Utilities	24,867.00	20,980.00	16,994.00	23,000.00
Total Expenses		\$119,262.00	\$148,506.00	\$105,825.00	\$119,000.00
Total Expenses / RSF (14,904 RSF)		\$8.00	\$9.96	\$7.10	\$7.98

Midvale Manor Rent Roll October 2019

UNIT	AREA	BR/BA	LEASE EXP.	RENT	RENT / SF	PARKING	STORAGE
100 A	483	STUDIO	7/31/2020	\$1,350	\$2.80		\$35.00
101	950	2 BR 1 BA	11/30/2020	\$2,100	\$2.21	\$100	
102	710	1 BR 1 BA	M/M	\$1,500	\$2.11		\$35.00
103	739	1 BR 1 BA	9/30/2020	\$1,800	\$2.44	\$75	
104	906	2 BR 1 BA	7/31/2020	\$1,950	\$2.15		
105	355	STUDIO	M/M	\$1,350	\$3.80		
106	1,163	2 BR 1 BA	1/30/2020	\$2,100	\$1.81		
201	950	2 BR 1 BA	12/31/2019	\$2,100	\$2.21	\$200	
202	710	1 BR 1 BA	M/M	\$1,600	\$2.25	\$25	
203	739	1 BR 1 BA	7/31/2020	\$1,900	\$2.57	\$75	
204	906	2 BR 1 BA	5/31/2020	\$1,995	\$2.20	\$75	
205	638	1 BR 1 BA	3/31/2020	\$1,700	\$2.66		
206	856	1 BR 1 BA	7/31/2020	\$1,600	\$1.87	\$75	
301	950	2 BR 1 BA	5/31/2020	\$2,200	\$2.32	\$125	
302	710	1 BR 1 BA	VACANT	\$2,000	\$2.82		
303	739	1 BR 1 BA	M/M	\$2,100	\$2.84	\$75	
304	906	2 BR 1 BA	M/M	\$2,000	\$2.21	\$225	
305	638	1 BR 1 BA	6/30/2020	\$1,650	\$2.59	\$125	
306	856	1 BR 1 BA	M/M	\$2,000	\$2.34	\$75	
	14,904			\$34,995	\$2.35	\$1,250	\$70.00

Offering Terms & Procedures

Terms of Sale

The Property is being offered “as is”, “where is” and subject to all faults. Seller makes no representation or warranty with respect thereto. Buyer acknowledges that buyer is not relying on any representation or warranty of Seller or of any agent or representative of Seller. All information furnished regarding property for sale is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and the same is subject to errors, omissions, changes of prices, rental or other conditions, prior sale or lease or withdrawal without notice.

No Contact with Seller

All contact with seller shall be conducted through listing agents.

Offering Procedure

NAI Puget Sound Properties hereby solicits offers to purchase Midvale Manor Apartments. This transaction will be conducted through an offer process in accordance with the terms and provisions of this Offering Memorandum, which NAI Puget Sound Properties may, in its sole discretion, amend or update (provided that Seller has no obligation to amend or update the information included herein or otherwise made available to prospective purchasers). Inquiries concerning the procedures outlined in this Offering Memorandum may be directed to:

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