

SEATTLE



LAKE WASHINGTON

520

STERNCO SHOPPING CENTER

14625 NE 20th Street · Bellevue, WA 98007

DOWNTOWN
BELLEVUE



BEL RED ROAD

NE 20TH STREET

STERNCO
SHOPPING CENTER



520

148TH AVENUE NE



ONE OF THE FINEST INVESTMENT OPPORTUNITIES TO BE OFFERED IN THE PUGET SOUND REGION IN THE PAST DECADE

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**STERCO
SHOPPING CENTER**

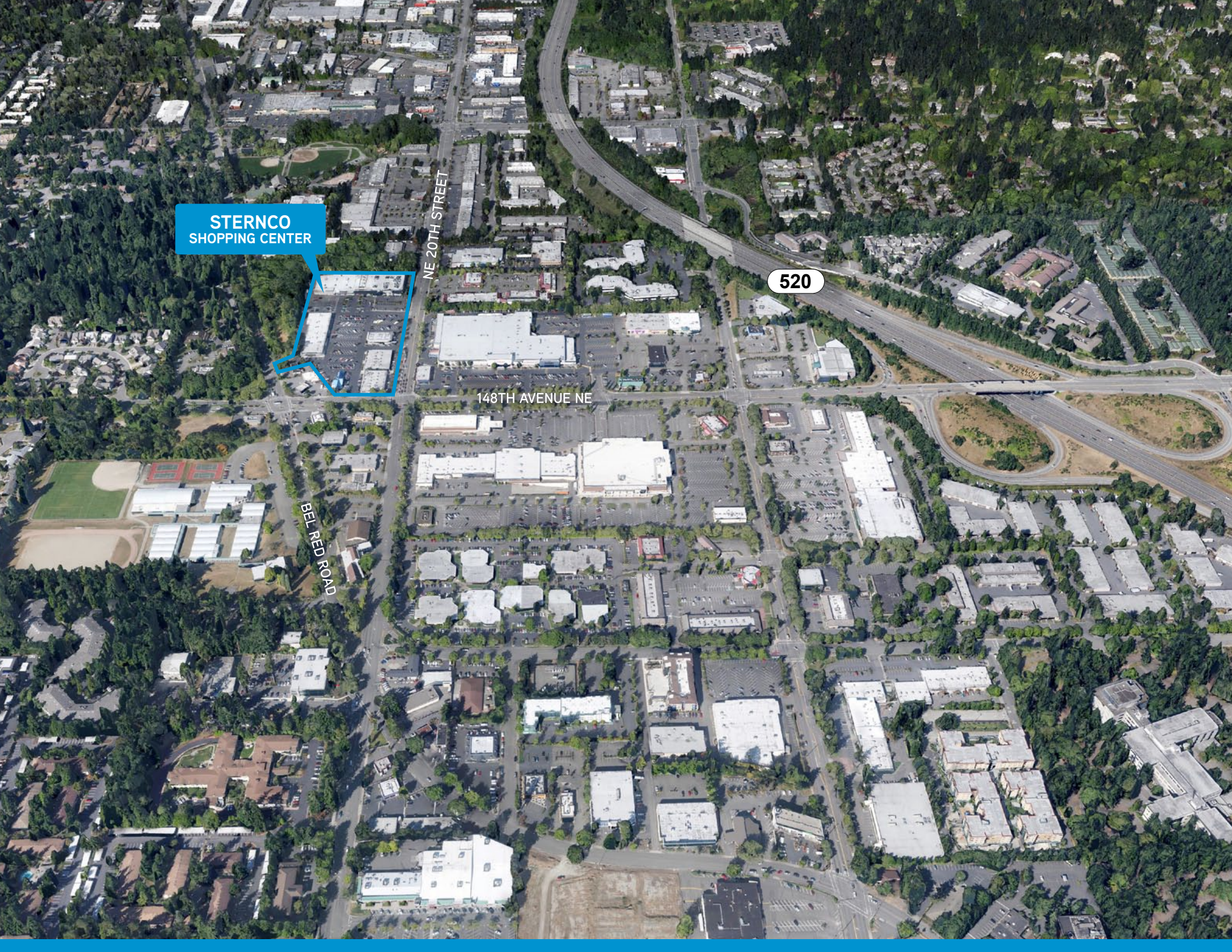


NE 20TH STREET

520

148TH AVENUE NE

BEL RED ROAD



**DOWNTOWN
BELLEVUE**

**STERNCO
SHOPPING CENTER**



148TH AVENUE NE

520



520



SAMMAMISH

ISSAQUAH

LAKE SAMMAMISH



SERNCO
SHOPPING CENTER

148TH AVENUE NE

520

520

N TO REDMOND

STERNCO SHOPPING CENTER

STERNCO SHOPPING CENTER is truly a special and unique investment opportunity. The offering is comprised of approximately 10.8 acres in one of the most dynamic trade areas on the west coast, Bellevue's "Bel-Red Corridor". The 100% leased asset provides an investor solid in-place income from successful tenants, strong rental growth, and phenomenal future development upside, **making Sternco Center one of the finest investment opportunities to be offered in the Puget Sound Region in the past decade.** The investor can continue to operate the property as a successful retail center; add additional square footage along NE 20th and Bel-Red Rd; redevelop the property as a high-end retail center; or develop a large-scale vertical mixed-use project in the future.



■ exceptional location

■ 10.8 acres

■ zoning/development upside

■ 100% leased

■ above average noi growth

■ successful anchors/tenants

■ severe barriers to entry

■ strong retail trade area

■ no debt

INVESTMENT HIGHLIGHTS

» **Exceptional Location:** The property benefits from an unparalleled location:

- Next to Microsoft campus/world headquarters.
- 2½ miles to downtown Bellevue and 11 miles to downtown Seattle.
- Located in the heart of the Bel-Red Corridor.
- High income trade area.
- Two blocks from major Hwy 520 interchange.
- Sound Transit future Light Rail Station approximately 1/2 mile away.
- Located at the intersection of 148th, 20th, and Bel-Red Rd all major arterials servicing Bellevue, Hwy-520 and I-90.
- 5,085+ residential units and 5.46 million square-feet of office space under construction, proposed, or planned within Bel-Red Corridor.

» **10.8 Acres:** It is nearly impossible to find a site of this size in the Bellevue/Seattle markets. The site layout, zoning, location, and market demand allow for a dense vertical development if desired.

» **Zoning/Development Upside:** Sternco Center is zoned BR-CR - Bel-Red Commercial/Residential allowing for a maximum height of 70 feet and Maximum FAR of 2.0.*

» **100% Leased:** The asset is 100% leased and has experienced high historical occupancy, which is a testament to the location. In addition the trade area has one of the lowest vacancy rates in the country, under 1 %.

» **Above Average NOI Growth:** The leases contain strong contracted rental increases and market rate lease options contributing to a 52% NOI growth over a 10 year hold period.

» **Successful Anchors/Tenants:** The current anchors all indicate they are very successful at this location driving significant draw to the center.

» **Severe Barriers to Entry:** The trade area contains severe barriers to entry and it is extremely rare to have the opportunity to acquire a land parcel of this size anywhere in Bellevue or Seattle.

» **Strong Retail Trade Area:** Sternco Center is located in the heart of the Bel-Red retail corridor with neighboring tenants including Sears, Fred Meyer, Trader Joes, Safeway, Ross, Walgreens, PetSmart, Office Depot, and Staples. In addition, the 436,000 square-foot Crossroads Mall is located one mile south.

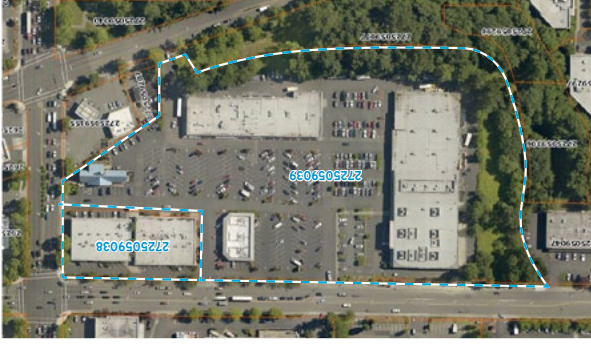
» **No Debt:** The property is being offered free and clear of debt.

* Per City of Bellevue Ordinance No 5874.



FUTURE DEVELOPMENT UPSIDE

Under the City's Zoning and Code Ordinance, the Bel-Red Corridor will experience a transformation into a dense mixed-use market. Sternco Shopping Center is zoned as Bel-Red Commercial/Residential which allows for a maximum height of 70 feet and Maximum FAR of 2.0*.



BEL-RED CORRIDOR CURRENT DEVELOPMENT

5,085+ RESIDENTIAL UNITS CURRENTLY UNDER CONSTRUCTION

5.46+ MILLION SF OF COMMERCIAL SPACE CURRENTLY PLANNED/UNDER CONSTRUCTION

10,000+ NEW JOBS GENERATED BY 2030

MARKET OCCUPANCY

One of the lowest vacancy rates in the country.

HOUSEHOLD INCOMES

One of the highest income trade areas in the state.

0.6% RETAIL VACANCY RATE

\$119,300+ AVERAGE HH INCOME

116,700+ EMPLOYMENT (3 MILE)

225,000+ POPULATION (3 MILE)

\$49,800+ SALES PER CAPITA (3 MILE)

* Per City of Bellevue Ordinance No 5874.

BARRIERS TO ENTRY

The trade area contains severe barriers to entry and it is extremely rare to have the opportunity to acquire a 10.8 acre land parcel anywhere in Bellevue or Seattle.



MICROSOFT WORLD HEADQUARTERS

Sternco Shopping Center is located just 1 mile from Microsoft's World Headquarters.



LIGHT RAIL EXPANSION

The future Sound Transit East Link Light Rail stations will be located approximately 1 mile west and 1/2 mile to northeast of Sternco Center.



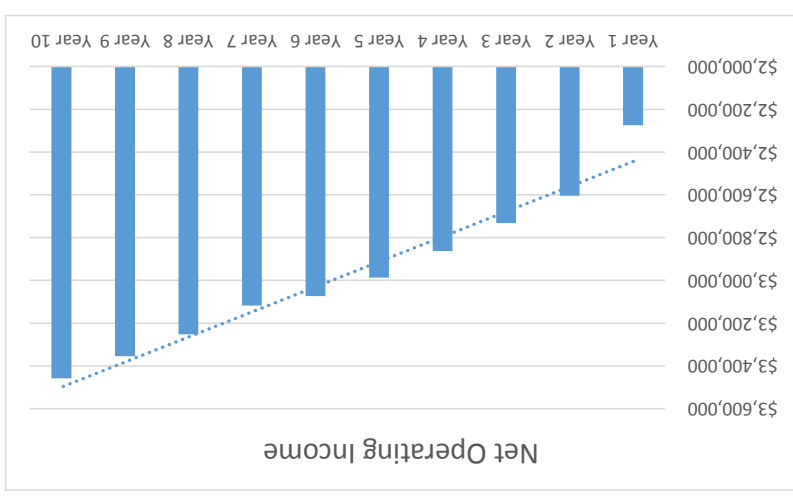
FUTURE DEVELOPMENT UPSIDE

ESTERRA PARK: 3-million-square-foot urban mixed-use redevelopment planned near Microsoft's headquarters in Redmond. In total it comprises 1,400 homes, 1.2 million square feet of office, 25,000 square feet of retail, a hotel and conference center.

PLAN: Owners are working with the City through a master planned development process in order to obtain preliminary approval to utilize infrastructure in advance of building construction.

KCC LIMITED EDITION MASTER PLAN: Owners are working with the City through a master planned development process in order to obtain preliminary approval to utilize infrastructure in advance of building construction. 200,000 square feet of office, 50,000 square feet of retail, a hotel, and associated street and utility infrastructure.

SHERWOOD CENTER: New multifamily development currently in the permit review process with the City. The project will include 611 residential units in 4 residential buildings and 730 parking stalls.



NOI GROWTH

Sternco Shopping Center offers a solid income stream now with above average NOI growth and future development potential.

SITE PLAN



TENANT	SF
C-03 Goodwill	25,307
C-01 Seattle Lighting	21,024
C-02 Asian Food Center	10,000
C-07 Asian Food Center (Expansion Space)	8,500
C-06 BTNA dba Swish-Swish, MonGa Cafe, & Smacha Tea	5,950
C-08 India Supermarket	5,600
M-07 Eastside Estate	4,960
C-05 Sherwin Williams	4,950
C-12 Action Small Appliance	3,400
C-11 Mattress Depot	3,400
M-01 Precor Home Fitness	3,400
C-10 IHOP	3,012
M-02 Chaat House	2,550
M-10 Pho Thai	1,984
M-09 Red Wing Shoes	1,984
M-04 India Supermarket (Storage Space)	1,695
M-05 Little Garden Restaurant	1,694
M-11 Regency Cleaners	992
M-08 Deeva Salon	992
M-12 Chick N Fish	992
M-03 GoIn Postal	847
TOTAL SF:	113,233

RETAIL AERIAL



BARTELL DRUGS
Washington's Own Drugstore

Fred Meyer

ROSS
DRESS FOR LESS

LOWE'S

BEST BUY

WHOLE FOODS MARKET

SAFeway
STAPLES

DOWNTOWN BELLEVUE
SEE CBD RETAILERS ON FOLLOWING PAGE

THE HOME DEPOT

Walgreens

LA | FITNESS

Walmart
NEIGHBORHOOD MARKET

BARTELL DRUGS
Washington's Own Drugstore

GROCERY OUTLET

STERNCO SHOPPING CENTER

HIGHLAND MIDDLE SCHOOL

Sears

SAFeway
RITE AID

MICROSOFT WEST CAMPUS

Office DEPOT

macy's
FURNITURE GALLERY

MICROSOFT MAIN CAMPUS

REGAL CINEMAS
BARNES & NOBLE BOOKSELLERS

JO-ANN
experience the creativity™

Michaels
THE ARTS AND CRAFTS STORE™

QFC
Quality Food & Center

OLD NAVY

PETCO
Where the pets go. e.

PARTY CITY

BED BATH & BEYOND

M
MEN'S WEARHOUSE

BevMo!
Marshalls

Walgreens
TRADER JOE'S
PET SMART



Seattle Lighting

Tasty
Cafe & Deli

GOODWILL

Seattle Hardware Co.

STERNCO

SHOPPING CENTER

DEMOGRAPHICS

	1 mile	3 miles	5 miles	7 miles
Population				
2000 Population	15,303	88,950	194,626	323,355
2010 Population	16,743	98,419	215,151	363,499
2014 Population	17,485	103,219	225,061	384,254
2019 Population	18,714	110,579	241,193	412,576
2000-2010 Annual Rate	0.90%	1.02%	1.01%	1.18%
2010-2014 Annual Rate	1.03%	1.13%	1.07%	1.06%
2014-2019 Annual Rate	1.37%	1.39%	1.39%	1.43%
2014 Male Population	52.3%	50.9%	50.3%	49.8%
2014 Female Population	47.7%	49.1%	49.7%	50.2%
2014 Median Age	33.2	36.6	38.2	39.1
Median Household Income				
2014 Median Household Income	\$64,679	\$82,556	\$93,368	\$97,344
2019 Median Household Income	\$78,217	\$96,247	\$107,472	\$109,038
2014-2019 Annual Rate	3.87%	3.12%	2.85%	2.29%
Average Household Income				
2014 Average Household Income	\$83,788	\$105,213	\$119,361	\$132,227
2019 Average Household Income	\$97,577	\$122,931	\$140,682	\$150,898
2014-2019 Annual Rate	3.09%	3.16%	3.34%	2.68%
Per Capita Income				
2014 Per Capita Income	\$35,815	\$44,663	\$49,828	\$53,829
2019 Per Capita Income	\$41,416	\$52,243	\$58,785	\$61,428
2014-2019 Annual Rate	2.95%	3.18%	3.36%	2.68%



FINANCIALS

Net Operating Income:
\$2,273,993

Asking Price:
Best Offer

Total Land Area:
10.81 Acres (Approx. 470,680 SF)

Building SF:
113,223 SF

Occupancy:
100%

Financing:
Offered Free & Clear



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