

# Highway 2 Office | For Sale

19705 Highway 2 | Monroe



COLDWELL  
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An office building in the **Safeway Shopping Center** with a long-term lease to DSHS

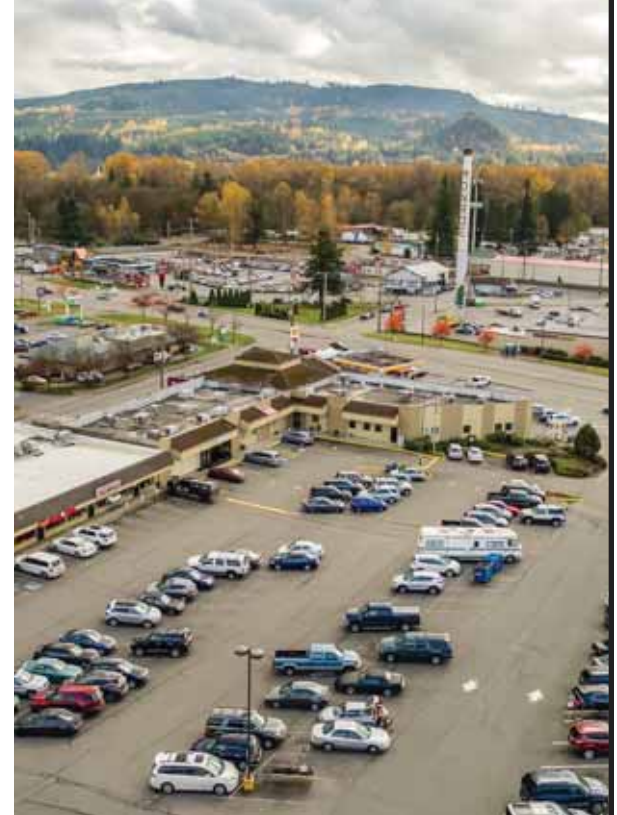






## Property Overview

|                       |   |
|-----------------------|---|
| <b>Location:</b>      | 19705 Highway 2   Monroe, WA  |
| <b>Lease Spaces:</b>  | <b>Upper Floor:</b> 12,644 rentable square feet leased to DSHS through 2023<br><b>Lower Floor:</b> 7,810 rentable square feet available for lease<br>(Currently asking \$15.00 - \$16.00 per square foot, NNN)  |
| <b>Building:</b>      | 20,454 Square Feet  |
| <b>Traffic Count:</b> | 29,000 average cars per day   Highway 2 (2016, WSDOT)   |
| <b>Parking:</b>       | 62 spaces on-site<br>3.03 spaces per 1,000 square feet  |
| <b>Showing:</b>       | <b>Please do not disturb DSHS</b> , showing of their space with a signed purchase and sale agreement. We're happy to walk you through the space which is currently available.   |
| <b>Terms:</b>         | Cash out  |
| <b>Price:</b>         | <b>\$2,950,000</b>  |
| <b>Overview:</b>      | A well-maintained building housing DSHS and potentially two more tenants. Ideal for someone looking for an owner/user situation with existing income to offset startup costs. The building is just off Highway 2 with good exposure, and is part of a larger shopping center with Safeway as anchor. Landlord is open to guaranteeing rent on the lower level for up to a year. |







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| Unit            | Tenant                            | Size (SF) | Tenant Since | Lease End  | Lease Rate            | Terms          |
|-----------------|-----------------------------------|-----------|--------------|------------|-----------------------|----------------|
| Upper Level     | DSHS                              | 12,644    | 1/1/2014     | 12/31/2023 | \$20.00 / SF          | Modified Gross |
| Ground Floor #1 | Available (Former Driving School) | 1,325     |              |            | \$15.00 / SF (Asking) | NNN (Asking)   |
| Ground Floor #2 | Available (Former DSHS)           | 6,485     |              |            | \$14.00 / SF (Asking) | NNN (Asking)   |

19750 Highway 2 | Monroe

# Highway 2 Office

19705 SR-2 in Monroe

## Operating Information



|               |             |                      |              |
|---------------|-------------|----------------------|--------------|
| Current Units | 3           | Price                | \$2,950,000  |
| Year Built    | 1993        | Price per SF         | \$144.23     |
| Rentable Area | 20,454 SF   | Occupied Area        | 12,644 SF    |
| Down Payment  | \$885,000   | 2017 GRM             | 11.26        |
| Loan Amount   | \$2,065,000 | <b>2017 CAP</b>      | <b>5.53%</b> |
| Interest Rate | 5.50%       | Pro-Forma GRM        | 8.02         |
| Amortization  | 25 Years    | <b>Pro-Forma CAP</b> | <b>8.96%</b> |

| Income | 2017 | Pro-Forma |
|--------|------|-----------|
|--------|------|-----------|

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| Monthly Rent Revenue            | \$21,835.84         | \$32,247.91         |
| Annual Rent Revenue             | <u>\$262,030.08</u> | <u>\$386,974.96</u> |
| Vacancy Factor (5.0%)           |                     | \$19,348.75         |
| <b>Gross Income</b>             | <b>\$262,030.08</b> | <b>\$367,626.21</b> |
| <b>Operating Expenses</b>       |                     |                     |
| Maintenance                     | \$34,683.78         | \$34,683.78         |
| Property Taxes                  | \$31,741.06         | \$31,741.06         |
| Property Insurance              | \$2,461.00          | \$2,461.00          |
| Management Fees                 | \$7,400.00          | \$7,400.00          |
| Repairs                         | \$10,776.84         | \$10,776.84         |
| Utilities                       | \$11,537.68         | \$16,000.00         |
| Supplies                        | \$303.27            | \$303.27            |
| Misc. Expenses                  | <u>\$0.00</u>       | <u>\$0.00</u>       |
| <b>Total Operating Expenses</b> | <b>\$98,903.63</b>  | <b>\$103,365.95</b> |
| <b>Net Operating Income</b>     | <b>\$163,126.45</b> | <b>\$264,260.26</b> |
| Less: Debt Service              |                     | \$152,171.00        |
| Cash Flow Before Taxes          |                     | \$112,089.26        |
| Less: Tax Liability             |                     | \$32,515.00         |
| Plus: Principal Reduction       |                     | \$36,201.59         |
| <b>Net Income</b>               |                     | <b>\$115,775.85</b> |

### Other Information

|                           |               |
|---------------------------|---------------|
| Annual Interest           | \$112,588     |
| Annual Cost Recovery      | \$56,708      |
| Initial Loan Fees         | \$20,650      |
| Initial Acquisition Costs | \$14,750      |
| Depreciation Method       | Straight-Line |

Pro-forma income uses figures at 100% occupancy - \$18.00 per square foot annually on a Gross basis for the vacant 1,325 SF unit on the lower level, and \$18.00 per SF Gross for the 6,485 SF vacancy.



WHY

MONROE

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Located 25 miles north of Bellevue and about 30 miles northeast of Seattle, **Monroe WA** is a suburb of local Everett where Boeing employs 30,000 skilled workers and engineers. Highway 2, one of only two routes to ski resorts and into eastern Washington, runs through the center of Monroe creating a strong retail/office corridor.

The Evergreen State Fairgrounds are located about one mile from this property, hosting various events throughout the year including the Evergreen State Fair which brings in 330,000 visitors annually. The fairgrounds also boast the only sanctioned NASCAR track in Washington state.



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