

7001 RAINIER S AVE

SEATTLE, WA 98118



INTERACTIVE OFFERING MEMORANDM



PRESENTED BY:

BRIAN BROCKMAN

Broker of Record

License No. 21256 (WA)

IN CONJUNCTION WITH:



KEVIN M. SALMON

First Vice President

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License No. 764870 (TX)







PROPERTY OVERVIEW

7001 RAINIER S AVE | SEATTLE, WA 98118

INVESTMENT HIGHLIGHTS

- South Seattle is a mid-sized multifamily submarket within the Seattle metro with more than 7,000 market-rate units. These units make up just over half the submarket's total inventory as the area also has a large share of subsidized and income-restricted communities. There are more than 5,100 units in those communities, which are not included in CoStar multifamily market reports.
- Vacancies in the South Seattle apartment submarket has been trending upward over the past few years. And despite an uptick in absorption, vacancy in stabilized properties has ticked up. This may indicate that some trading up is occurring in the area as new communities become available. As further evidence of this, absorption has been largely concentrated in newer communities.
- Absorption overall remains strong. The submarket netted about 290 new market rate apartment households over the past 12 months, compared to the five-year average of 310. Over the past year it has also outpaced construction deliveries, as 410 new units were built during that period.
- The submarket's rental growth rate has decelerated. Annual rent growth reached an all-time high of 7.7% in recent quarters, before falling to its present value of 0.8%.
- The construction pipeline is softening after a wave of deliveries in the market. This should help keep vacancy in check as net deliveries in the next couple of years are likely to be much lower than in the last couple of years, at least for market-rate units.
- Investment ticked up significantly in the third quarter. Trailing 12-month sales volume now sits at \$106 million, compared to a five-year average of \$54.7 million.





INTERIOR PHOTOS





INTERIOR PHOTOS





SouthEast
Seattle
Senior
Center
Vibrant Diverse Caring



ADEFUA AFRICAN MUSIC & DANCE

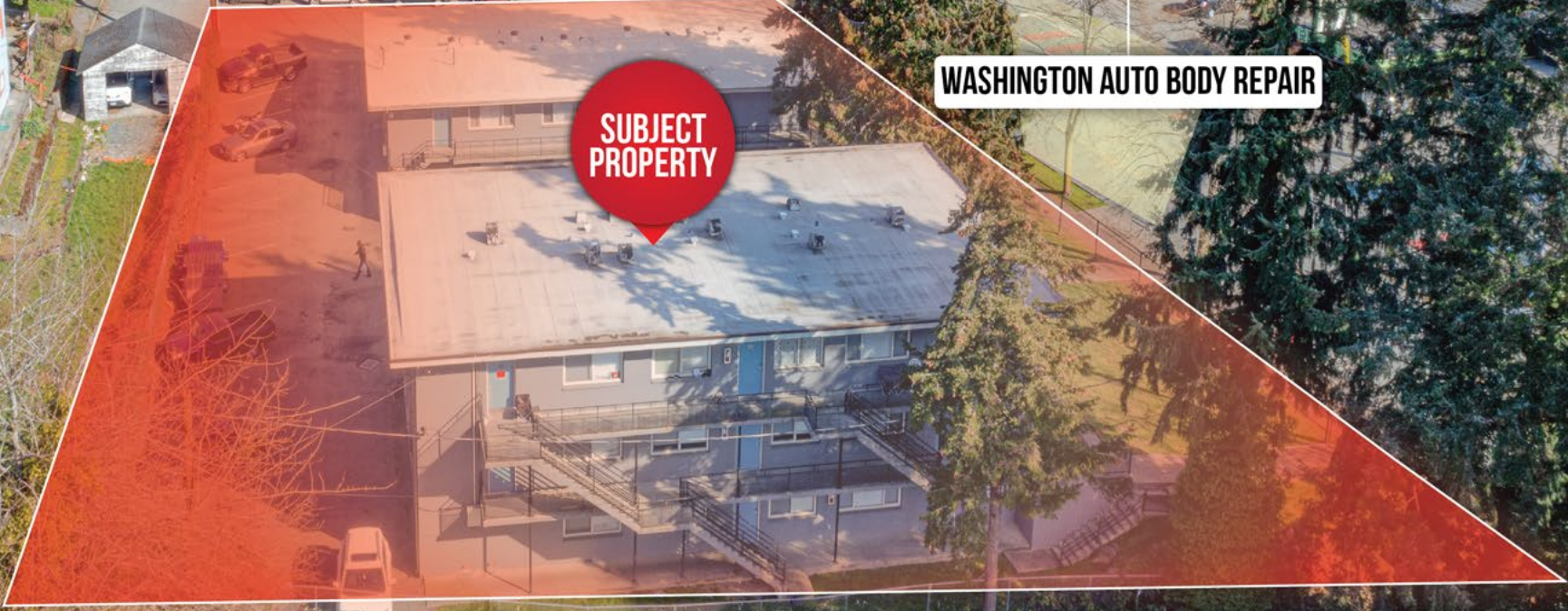
Taqueria
Los Potrillos

N & B AUTO

RAINIER AVES ± 9,000 VPD

WASHINGTON AUTO BODY REPAIR

SUBJECT
PROPERTY





LOS TINOS



HONEST JACK'S
DISCOUNT AUTO PARTS

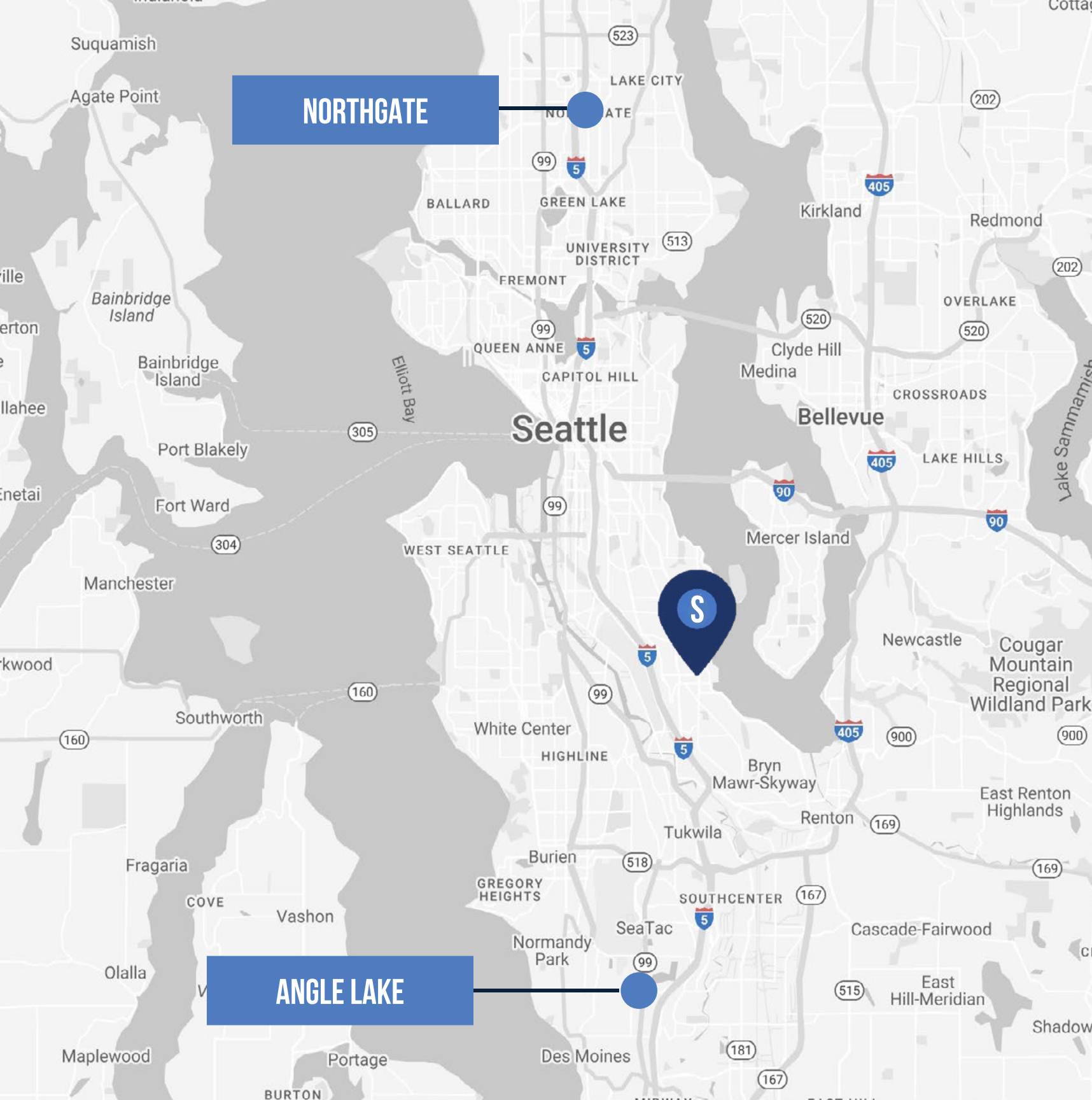
BBB USED TIRES

ZEST FAST FOOD

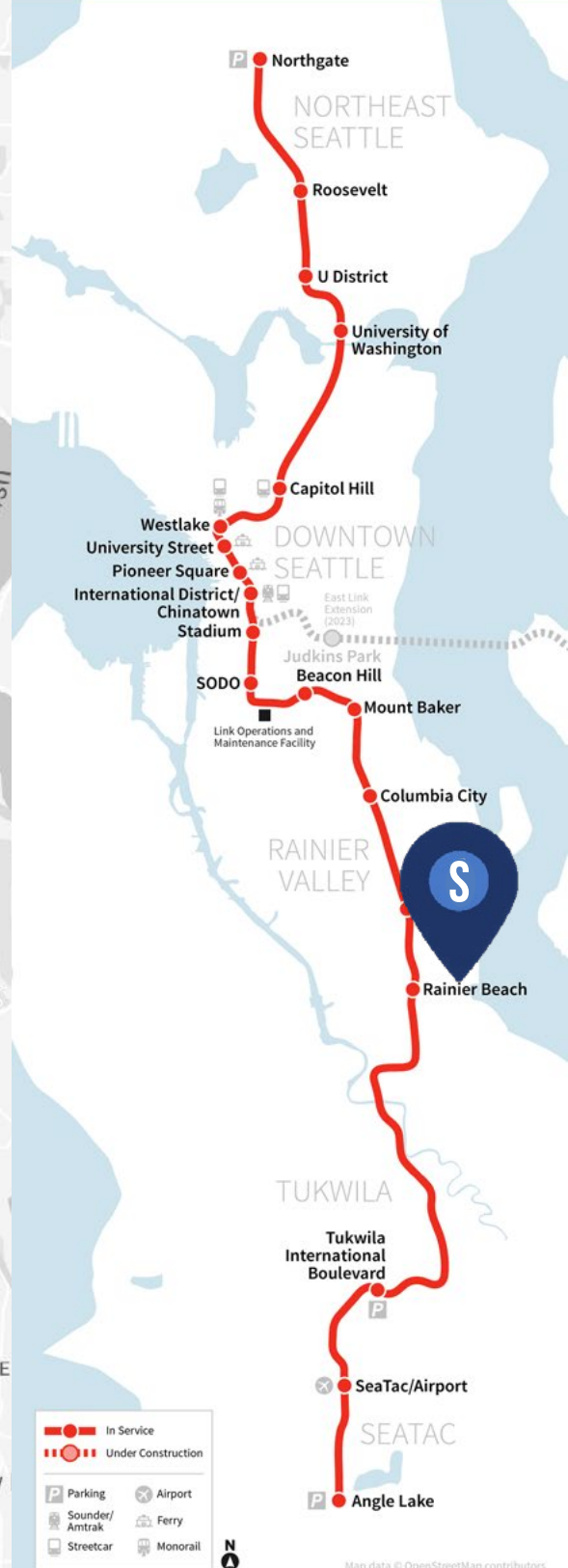
RAINIER AVES ± 9,000 VPD

SUBJECT
PROPERTY





Link light rail





FINANCIAL OVERVIEW

7001 RAINIER S AVE | SEATTLE, WA 98118

INVESTMENT SUMMARY

7001 RAINIER S AVE SEATTLE, WA 98118	
Number of Units:	28
Year Built:	2012
Building SF:	±14,830 SF
Average S.F. Per Unit:	±530 SF

VALUE RANGE

PRICE	PRICE/UNIT	PRICE/FOOT	CURRENT		PROFORMA		MARKET		PRO FORMA IRR
			CAP RATE	GRM	CAP RATE	GRM	CAP RATE	GRM	
\$7,750,000	\$276,786	\$522.59	3.63%	20.13	3.46%	16.81	3.52%	16.65	3.40%

UNIT MIX & SCHEDULE INCOME

TOTAL UNITS	UNIT MIX	UNIT MIX %	AVG. SQUARE FEET	AVG. RENT P.S.F	CURRENT AVG RENT	MARKET AVG RENT	MARKET RENT P.S.F.	CURRENT MONTHLY RENT	MARKET MONTHLY RENT
26	1+1	93%	510	\$2.54	\$1,295	\$1,335	\$2.62	\$33,657	\$34,700
2	2+1	7%	790	\$1.96	\$1,545	\$1,638	\$2.07	\$3,090	\$3,275
Average:			530	\$2.51	\$1,312	\$1,356	\$2.60	\$36,747	\$37,975
Total:			14830	\$69.96	\$36,747	\$37,975	\$72.24	\$440,964	\$455,700

ANNUAL OPERATING SUMMARY

		T-12	PER UNIT	PRO FORMA	PER UNIT	MARKET	PER UNIT
Gross Potential Rent	Pro Forma Estimates	\$375,390	-	\$455,700	Market Rent	\$455,700	21%
Less Vacancy	-5.0%	\$0	0.00%	-\$22,785	-5.0%	-\$22,785	-5.0%
Loss/Gain to Lease	-1.0%	\$0	0.00%	-\$4,557	-1.0%	\$0	0.0%
Less Concessions	0.00%	-\$1,500	-0.40%	\$0	0.0%	\$0	0.0%
Less Change in Delinquency	0.0%	\$0	0.00%	\$0	0.0%	\$0	0.0%
Other Income	2.00% % Over Actual	\$9,588	\$342	\$9,780	\$349	\$9,780	\$349
Utility Reimbursement(Water/Trash/Other)	65% % Collected	\$19,236	\$687	\$27,558	\$984	\$27,558	\$984
Gross Operating Income:		\$402,714	-	\$465,696	-	\$470,253	-
Expenses:		\$121,461	30.2%	\$197,424	42.39%	\$197,424	41.98%
Net Operating Income:		\$281,252	\$10,045	\$268,272	\$9,581	\$272,829	\$9,744
Loan Payments:		\$223,033	-	\$223,033	-	\$223,033	-
Pre-Tax Cash Flow:		\$58,220	1.3%	\$45,239	0.97%	\$49,796	1.07%
Plus Principal Reduction:		-	\$38,068	-	\$38,068	-	\$38,068
Total Return Before Taxes:		\$96,288	2.07%	\$83,308	1.79%	\$87,865	1.89%

FINANCING INQUIRIES

For financing options reach out to:

Patrick Flanagan
 (214) 550-0277
patrick.flanagan@matthews.com

PROJECTED PRO FORMA FINANCIAL ANALYSIS

	PRO FORMA ESTIMATES		% OF SGI	T-12	PER UNIT	* PRO FORMA	PER UNIT	MARKET	PER UNIT	% OF SGI
RE/Property Taxes	% of Purchase Price		0.00%	\$0	\$0	\$68,200	\$2,436	\$68,200	\$2,436	15.0%
Management Fee	6.0%	x GOI	6.29%	\$25,319	\$904	\$27,942	\$998	\$27,942	\$998	6.1%
General Administration	\$300	Per Unit	2.61%	\$10,499	\$375	\$8,400	\$300	\$8,400	\$300	1.8%
Contract Services	\$100	Per Unit	0.57%	\$2,290	\$82	\$2,800	\$100	\$2,800	\$100	0.6%
Landscaping	\$550	Per Unit	4.64%	\$18,676	\$667	\$15,400	\$550	\$15,400	\$550	3.4%
Turnover	\$200	Per Unit	0.12%	\$465	\$17	\$5,600	\$200	\$5,600	\$200	1.2%
Repairs and Maintenance	\$500	Per Unit	3.94%	\$15,876	\$567	\$14,000	\$500	\$14,000	\$500	3.1%
Electricity	2.00%	% Over Actual	1.04%	\$4,201	\$150	\$4,285	\$153	\$4,285	\$153	0.9%
Water and Sewer	2.00%	% Over Actual	9.65%	\$38,881	\$1,389	\$39,658	\$1,416	\$39,658	\$1,416	8.7%
Garbage and Recycling	2.00%	% Over Actual	0.67%	\$2,686	\$96	\$2,740	\$98	\$2,740	\$98	0.6%
Advertising	\$100	Per Unit	0.64%	\$2,569	\$92	\$2,800	\$100	\$2,800	\$100	0.6%
Reserves	\$200	Per Unit	0.00%	\$0	\$0	\$5,600	\$200	\$5,600	\$200	1.2%
Total Expenses			30.16%	\$121,461	\$4,338	\$197,424	\$7,051	\$197,424	\$7,051	43.3%
				Current	Per Unit	% of SGI				
Non-controllable expenses: Taxes, Ins., Reserves:				\$18,676	\$667	4.1%				
Total Expense without Taxes & Reserves				\$121,461	\$4,338	26.65%				

FINANCING

Loan Amount	\$3,100,000	Amortization Period:	30 Years
Down Payment: 60%	\$4,650,000	LTV:	40.0%
Yearly Pmt:	\$223,033	Interest:	6.00%
Debt Coverage:	1.20x	Monthly Pmt:	\$18,586

RENT ROLL

UNIT MIX	UNIT #	S.F	CURRENT RENT	CURRENT RENT/S.F.	MARKET RENT	MARKET RENT/S.F.	MKT RENT/S.F.
1+1	7001-01	500	\$1,350	\$2.70	\$1,350	\$2.70	\$1.19
1+1	7001-02	500	\$1,300	\$2.60	\$1,300	\$2.60	\$1.19
1+1	7001-03	500	\$1,300	\$2.60	\$1,300	\$2.60	\$1.19
1+1	7001-06	500	\$1,300	\$2.60	\$1,400	\$2.80	\$1.19
1+1	7001-07	500	\$1,300	\$2.60	\$1,300	\$2.60	\$1.19
1+1	7001-08	500	\$1,300	\$2.60	\$1,300	\$2.60	\$1.19
1+1	7005-04	500	\$1,350	\$2.70	\$1,350	\$2.70	\$1.19
2+1	7005-05	790	\$1,525	\$1.93	\$1,625	\$2.06	\$1.19
1+1	7005-09	500	\$1,400	\$2.80	\$1,400	\$2.80	\$1.19
1+1	7005-10	500	\$1,350	\$2.70	\$1,350	\$2.70	\$1.19
1+1	7005-11	500	\$1,200	\$2.40	\$1,350	\$2.70	\$1.19
1+1	7009-03	500	\$1,075	\$2.15	\$1,300	\$2.60	\$1.19
1+1	7009-04	500	\$1,300	\$2.60	\$1,300	\$2.60	\$1.19
1+1	7009-05	500	\$1,295	\$2.59	\$1,350	\$2.70	\$1.19
1+1	7009-09	500	\$1,325	\$2.65	\$1,325	\$2.65	\$1.19
1+1	7009-10	500	\$1,050	\$2.10	\$1,325	\$2.65	\$1.19
1+1	7009-11	500	\$1,295	\$2.59	\$1,325	\$2.65	\$1.19
1+1	7009-15	500	\$1,295	\$2.59	\$1,350	\$2.70	\$1.19
1+1	7009-16	500	\$1,300	\$2.60	\$1,350	\$2.70	\$1.19
1+1	7009-17	500	\$1,465	\$2.93	\$1,350	\$2.70	\$1.19
2+1	7015-01	790	\$1,565	\$1.98	\$1,650	\$2.09	\$1.19
1+1	7015-02	500	\$1,350	\$2.70	\$1,350	\$2.70	\$1.19
1+1	7015-06	500	\$1,095	\$2.19	\$1,325	\$2.65	\$1.19
1+1	7015-07	500	\$1,325	\$2.65	\$1,325	\$2.65	\$1.19
1+1	7015-08	500	\$1,302	\$2.60	\$1,325	\$2.65	\$1.08
1+1	7015-12	500	\$1,385	\$2.77	\$1,350	\$2.70	\$1.08
1+1	7015-13	750	\$1,325	\$1.77	\$1,325	\$1.77	\$1.08
1+1	7015-14	500	\$1,325	\$2.65	\$1,325	\$2.65	\$1.08
Totals			\$14,830	\$36,747	\$2.51	\$37,975	\$2.60
Averages			\$530	\$1,312	\$2.51	\$1,356	\$2.60

SALES COMPARABLES



SALES COMPARABLES

	STREET ADDRESS	NUMBER OF UNITS	SALE PRICE	SALE DATE	YEAR BUILT	LAND AREA AC	LAND AREA SF	BUILDING SF	PRICE PER SF
	7001 Rainier S Ave Seattle, WA 98118	28	\$7,500,000	-	2012	-	-	14,830	\$522.59
	4200 S Webster St Seattle, WA 98118	20	\$3,208,250	10/3/2022	1958	0.28	12,197	8,996	\$356.63
	4601 S Graham St Seattle, WA 98118	60	\$13,100,000	9/6/2022	1968	0.92	40,284	60,270	\$217.36
	7338 M.L. King Jr. Way S Seattle, WA 98118	10	\$3,050,000	7/23/2022	1946	0.15	6,710	4,480	\$680.80
	6601 Rainier Ave S Seattle, WA 98118	24	\$6,393,800	6/15/2022	1967	0.63	27,622	25,174	\$253.98
	6600 Rainier Ave S Seattle, WA 98118	16	\$2,730,000	1/3/2022	1959	0.32	13,804	10,946	\$249.41
	4830 S Garden St Seattle, WA 98118	6	\$1,664,642	10/21/2021	1979	0.18	8,002	4,582	\$363.30
	4911 S Willow St Seattle, WA 98118	4	\$2,026,110	10/19/2021	1959	0.18	7,941	5,562	\$364.28
	6730 Rainier Ave S Seattle, WA 98118	8	\$1,665,000	6/2/2021	1957	0.65	28,488	4,100	\$406.10
	Averages	19	\$4,229,725	-				15,514	\$361.48



AREA OVERVIEW

7001 RAINIER S AVE | SEATTLE, WA 98118



SEATTLE, WA

Seattle is a city on Puget Sound in the Pacific Northwest surrounded by water, mountains, and evergreen forests and contains thousands of acres of parkland. Seattle’s most well-known nickname is “the Emerald City”, in reference to the lush evergreen forests of the area. The city is also referred to informally as the Rain City and Jet City, referring to the local influence of Boeing, the multinational aerospace company that was founded in Seattle. Seattle is the state’s largest city, and it is home to major tech industry, with Microsoft and Amazon headquartered in its metropolitan area. Seattle is one of the country’s largest and most affluent urban centers. The futuristic Space Needle located in Seattle is also the state’s most iconic landmark.

Seattle offers historic districts rich with culture, vibrant hubs buzzing with new businesses, a beach town vibe in West Seattle, and Pioneer Square, where the arts and history are showcased. The city is a bustling place that thrives with industrial, commercial, and cultural activity around the clock. Although Seattle’s image is usually one of a financial and commercial center, the residents place great value on the arts, literature, sports, and other cultural activities.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2028 Projection	29,869	116,958	334,988
2023 Estimate	27,874	109,830	315,184
2010 Census	22,662	93,751	273,004
2023-2028 Growth	1.4%	1.3%	1.3%
Growth 2010-2023	1.9%	1.4%	1.3%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2028 Projection	9,442	39,266	124,806
2023 Estimate	8,874	37,084	117,792
2010 Census	7,656	33,147	104,691
2023-2028 Growth	1.3%	0.9%	0.9%
Growth 2010-2022	1.3%	1.2%	1.2%
INCOME	1-MILE	3-MILE	5-MILE
2023 Avg Household Income	\$109,507	\$125,351	\$119,880

SEATTLE ECONOMY

Seattle was rated as Forbes' best city for business for the second year in a row. This can be attributed to a booming economy, an educated workforce, and a large millennial population. The metro area is home to the two richest people on the planet, Amazon founder Jeff Bezos and Microsoft co-founder Bill Gates. Seattle has a reputation for heavy coffee consumption. Coffee companies founded or based in Seattle include Starbucks, Seattle's Best Coffee, and Tully's.

Seattle's gross metro product is \$327.1 B, and the area's major industries include Clean Energy, Aerospace & Defense, and Life Sciences (Forbes). The economy of Seattle employs 456,000 people. Other large industries in the area include Professional, Scientific, & Technical Services (88,815), Health Care & Social Assistance (56,921), and retail Trade (56,733). The highest-paying industries are Management of Companies & Enterprises (\$110,079), Information (\$109,388), and Professional, Scientific, & Technical Services (\$96,472).

TOP EMPLOYERS



SEATTLE

MAJOR EMPLOYERS

- 1 **AMAZON.COM INC. HQ**
± 55,000 EMPLOYEES
- 2 **EXPEDIA GROUP**
± 4,500 EMPLOYEES
- 3 **STARBUCKS HQ**
± 4,000 EMPLOYEES
- 4 **WEYERHAEUSER COMPANY**
± 1,000 EMPLOYEES
- 5 **SEATTLE UNIVERSITY**
± 510 EMPLOYEES
± 7,268 STUDENTS



SEATTLE

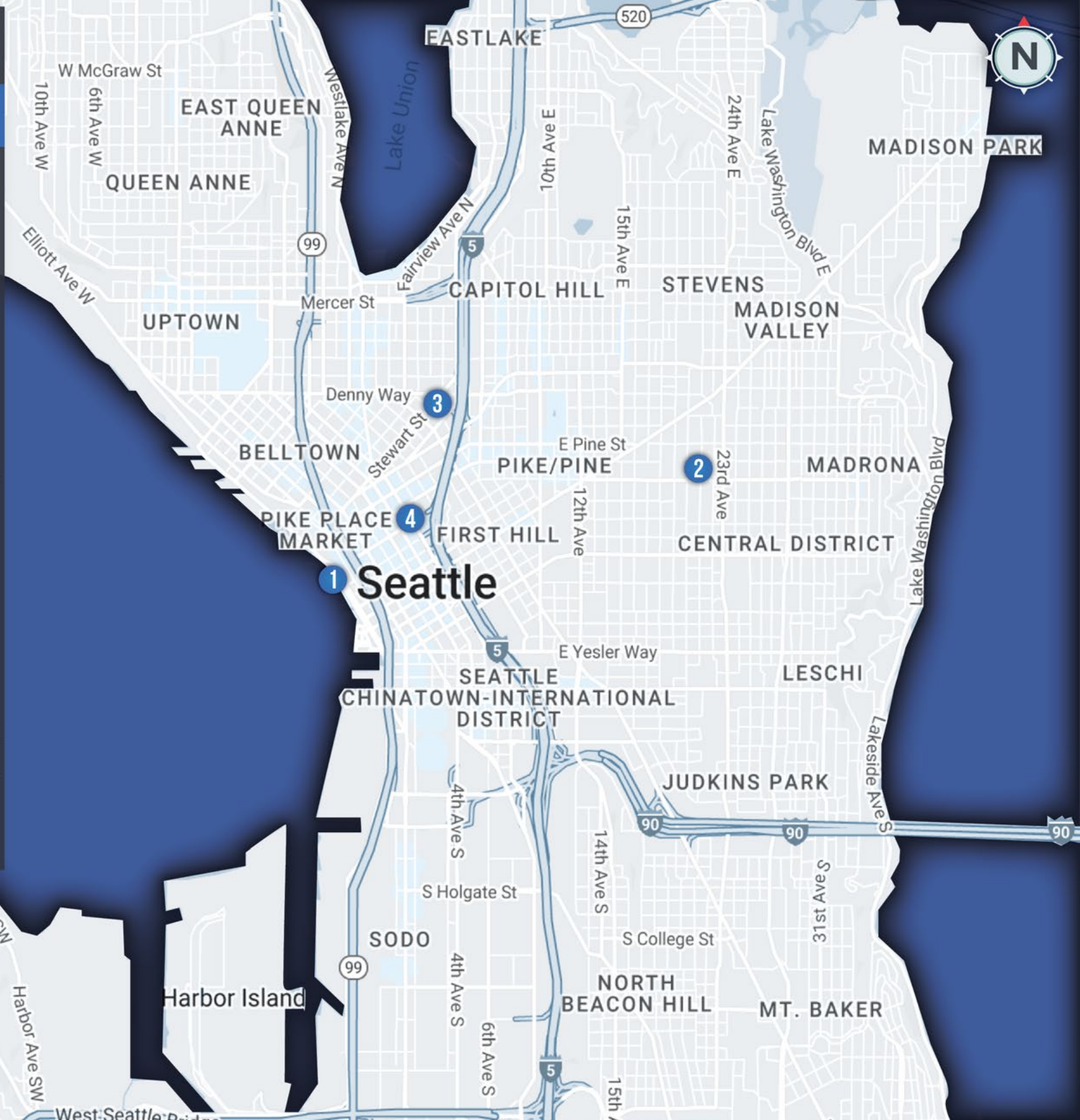
MAJOR DEVELOPMENTS

1 WATERFRONT SEATTLE
\$728 MILLION PROJECT THAT INCLUDES THE CREATION OF OVERLOOK WALK, AN ELEVATED PUBLIC PARK WITH A SCENIC PROMENADE. THE PROJECT WILL ALSO IMPROVE SIDEWALKS WITH ADDITIONAL LIGHTING AND TREES. WATERFRONT SEATTLE WILL BE FULLY COMPLETED BY 2024.

2 MIDTOWN SQUARE
THE MIDTOWN SQUARE RETAIL AND RESIDENTIAL COMPLEX WILL ADD MORE HOUSING AND ENTERTAINMENT IN THE CENTRAL DISTRICT. THE 428-UNIT APARTMENT COMPLEX IS NOW AVAILABLE FOR LEASE. JERK SHACK AND THE NEIGHBOR LADY ARE ONLY A FEW OF THE MANY RETAIL AND RESTAURANT TENANTS THAT WILL BE OPENING IN THE BUILDING.

3 1200 STEWART ST.
WESTBANK IS WORKING ON AN SLU APARTMENT TOWER THAT WILL INCLUDE A REFURBISHED BODY OF A BOEING 747. THE FUSELAGE WILL BE AN OFFICE SPACE WITHIN THE APARTMENT COMPLEX. 1200 STEWART ST. APARTMENTS IS SLATED TO OPEN FALL 2022.

4 MULTI-TOWER PROJECT
THE \$300 MILLION PROPOSED CONSTRUCTION IN MCGRAW SQUARE WILL COVER 3 CITY BLOCKS WITH 2 NEW OFFICE TOWERS AND A RESIDENTIAL TOWER. THIS 3-BUILDING DEVELOPMENT WILL INCLUDE A REHABILITATION OF THE HISTORIC LLOYD BUILDING. IF APPROVED, CONSTRUCTION IS ESTIMATED TO START AT THE END OF 2023.





PIKE PLACE MARKET

One of the longest-running farmer's markets in the country. Pike Place Market gives residents and tourists the chance to engage with all of Seattle's culture through food, drink, and the famous Pike Place fish toss.



PACIFIC SCIENCE CENTER

The Pacific Science Center features five buildings of interactive science exhibits, a tropical Butterfly House, two IMAX theatres, a planetarium, and laser light shows. The interactive programs reach more than 1.1 million people each year.



SPACE NEEDLE

The Space Needle was built in 1961 for the 1962 World Fair and is one of the most visited attractions in Seattle. The Needle is an icon the city is known for around the world.



SEATTLE ATTRACTIONS

SPORTING ARENAS

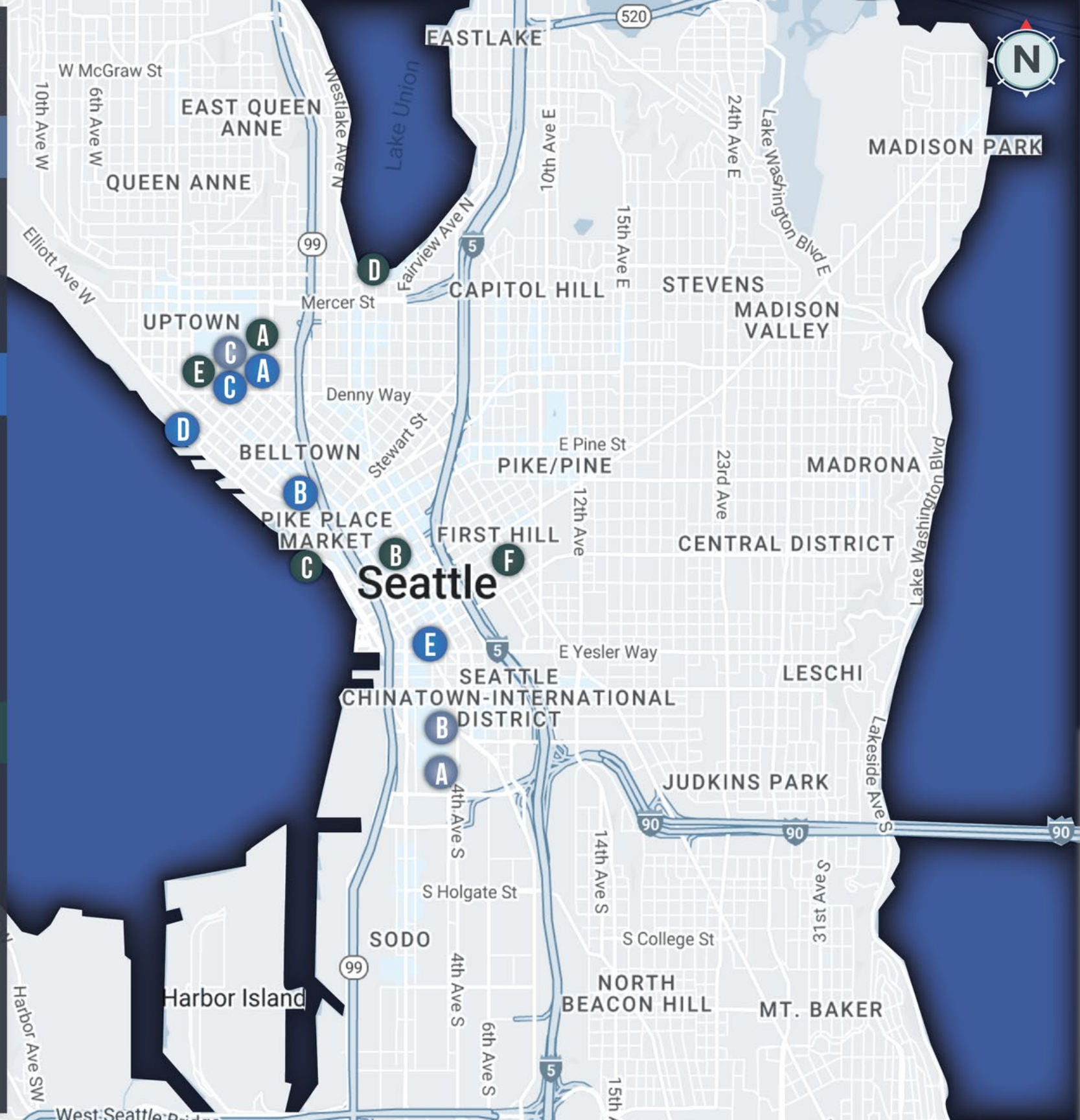
- A** T-MOBILE PARK
- B** LUMEN FIELD
- C** CLIMATE PLEDGE ARENA

SCENIC ATTRACTIONS

- A** SPACE NEEDLE
- B** PIKE PLACE MARKET
- C** CHIHULY GARDEN AND GLASS
- D** OLYMPIC SCULPTURE PARK
- E** SMITH TOWER

MUSEUMS

- A** MUSEUM OF POP CULTURE
- B** SEATTLE ART MUSEUM
- C** SEATTLE AQUARIUM
- D** MUSEUM OF HISTORY & INDUSTRY
- E** PACIFIC SCIENCE CENTER
- F** FRYE ART MUSEUM





HIGHER EDUCATION

UNIVERSITY OF WASHINGTON

The University of Washington is a public research university in Seattle that was founded in 1861. The university is one of the oldest universities on the West Coast and was established about a decade after the city's founding. The university takes up 634 acres of land with a total undergraduate enrollment of approximately 36,000 students. The university offers over 180 majors for students to study. The university offers over 640 degree options across 18 schools and colleges. As a cutting-edge research institution, UW is home to nearly 300 specialized research centers. It also offers over 950 student organizations and 70 sororities and fraternities. The university competes in the NCAA Division I and offers nine men's and twelve women's NCAA-sanctioned sports, plus men's rowing. The University of Washington's economic impact on the state exceeds \$15 billion per year.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **7001 Rainier S Ave, Seattle, WA 98118** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

7001 RAINIER S AVE

SEATTLE, WA 98118

OFFERING MEMORANDUM

PRESENTED BY:

BRIAN BROCKMAN

Broker of Record

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First Vice President

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