

\$1,300,000

Offering Memorandum

BALLARD FOUR UNIT

1614 NW 85th St
Seattle, Washington

Investment Highlights

- Up and coming North Ballard location
- Spacious updated units
- Stone's throw away from Golden Gardens Park
- Easy access to bus lines
- Surface Parking



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SECTION 1 :: INVESTMENT OVERVIEW

Investment Overview

The Foundation Group is pleased to exclusively offer for sale 1614 NW 85th St, this four unit building is located in the Ballard neighborhood of North Seattle. The property provides an opportunity to buy a well built renovated building in one of the fastest growing areas of Seattle. Its close proximity to main arterials offers tenants immediate access to mass transit for convenient commuting.

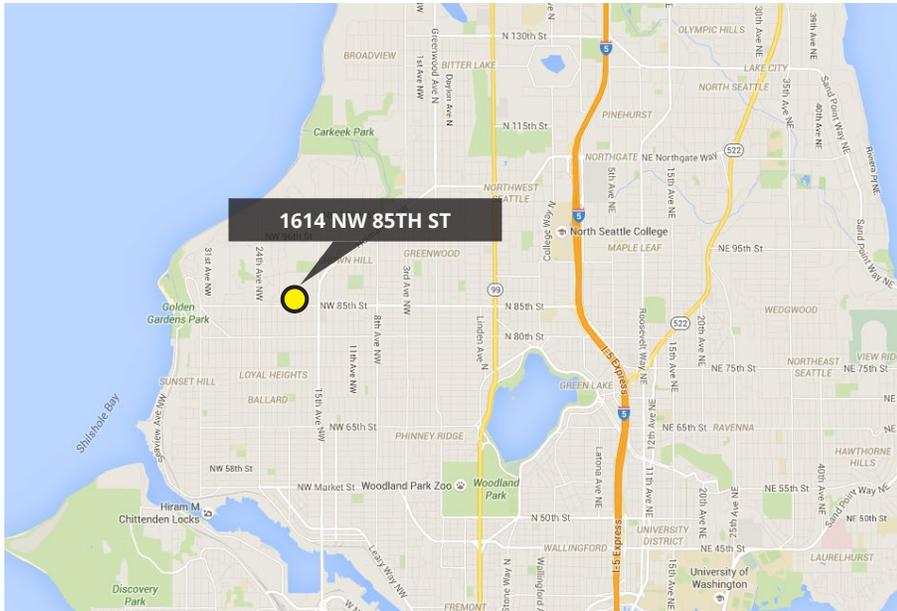
Originally built in 1956, 1614 NW 85th St. provides spacious updated units for its tenants. The building was completely renovated in 2007. Improvements to the property include in unit washer/dryers, new plumbing and electrical, new windows, and updated kitchens and bathrooms. The building is currently a triplex with the 4th unit (3 bedroom 2 bath) as a non-conforming unit. The property is zoned LR2 and falls within the Urban Village Overlay.

A new owner can easily capitalize on this turnkey property, by increasing the below market rents. Some additional unit amenities include stainless steel appliances, dishwashers and parking.

This low maintenance asset is positioned well to capitalize on the future rent growth in the North Seattle marketplace.

Ballard has become a hotspot for young millennials creating an opportunity for growth and longterm investment.





Quick Facts

Price	\$1,300,000
Units	4*
Rentable Sq.Ft.	4,138
Net Rentable Per Sq.Ft.	\$314
Price Per Unit	\$325,000
Current Cap	4.36%
Market Cap	5.71%
Current GRM	16.93
Market GRM	13.47
Year Built	1956
Laundry	In Unit
Parking	6 uncovered
Land Sq. Ft.	4,430
Zoning	LR2 (Urban Village Overlay)
Construction Type	Wood Frame
Heating Type	Forced Air

Source: Per King County Parcel Viewer

*Non-conforming 4th unit

SECTION 2 :: SUBMARKET INFORMATION

1614 NW 85th St Area Description

Ballard is one of the most up and coming neighborhoods in Seattle. It's close proximity to Greenwood, Phinney Ridge and Fremont makes this location desirable for a variety of tenant demographics. Ballard has been redined from a sleepy Norwegian fishing community to a thriving neighborhood with the best restaurants, bars, coffee shops, specialty shops and businesses.

With a Walk Score of 83, residents of 1614 NW 85th St can accomplish a majority of their daily errands on foot. Its close proximity to Golden Gardens Park, Seattle's little slice of serenity, appeals to outdoor enthusiasts, beachgoers and family's looking to enjoy its peaceful park-like setting. Furthermore, the close vicinity of Greenwood gives tenants an urban village-like feel to go shop, eat and to be entertained.

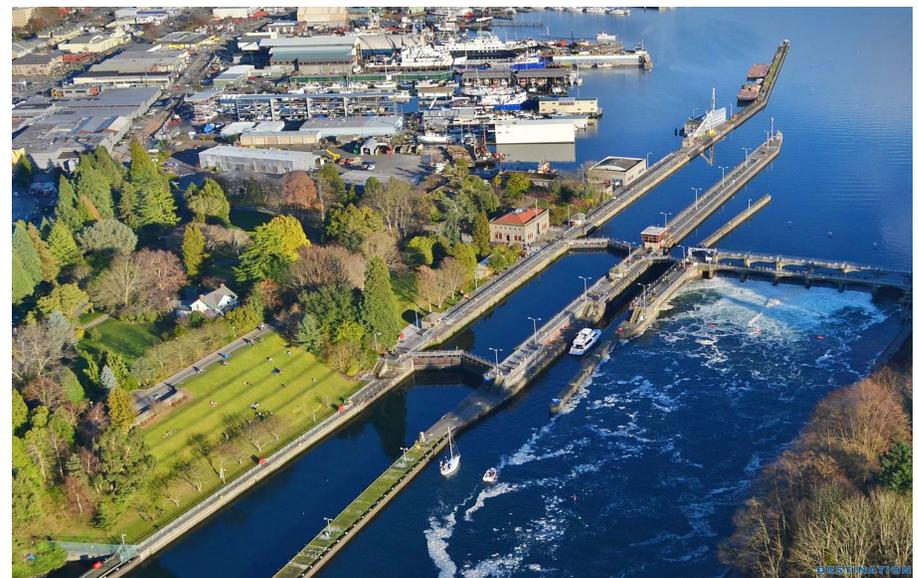
North Seattle has experienced some of the lowest vacancy rates and some of the most rapid rent growth over the past few years. The increase in demand for affordable apartments has turned North Seattle into quite the hot spot; rent growth is nearing 20% over the past two years with an astounding vacancy rate of just 3.2%. This location gives the apartment prime candidacy for investors seeking a stable marketplace and quality tenants.

Over the past two years rent growth has increased over 20%, which is complimented by a low vacancy rate of 3.2%.



GOLDEN GARDENS PARK

Source: seattle.gov



BALLARD LOCKS

Source: Destination 360

1614 NW 85th St Area Stats

RETAIL

- 1 Fred Meyer
- 2 Walgreens
- 3 Safeway
- 4 Grocery Outlet Bargain market

RESTAURANTS

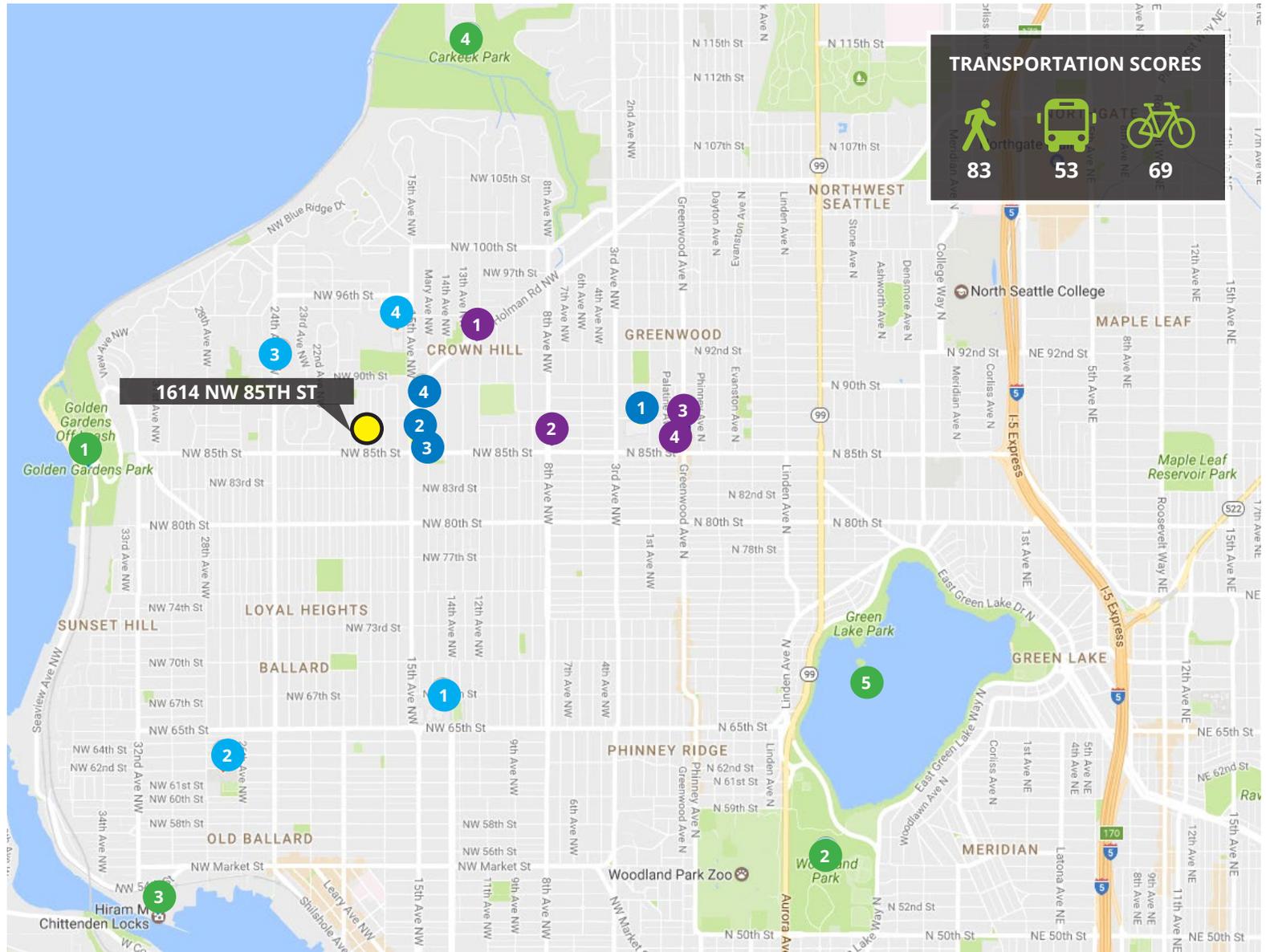
- 1 Dick's Drive-In
- 2 Chuck's Hop Shop
- 3 Naked City Brewery & Taphouse
- 4 The Lodge Sports Grille

RECREATION

- 1 Golden Gardens Park
- 2 Woodland Park
- 3 Ballard Locks
- 4 Woodland Park Zoo
- 5 Green Lake Park

SCHOOLS

- 1 Ballard High School
- 2 Adams Elementary School
- 3 North Beach Elementary
- 4 Whitman Middle School



TRANSPORTATION SCORES

83	53	69

SECTION 3 :: FINANCIAL SUMMARY

Scheduled Income

Unit Type	Units	Approx Sq Ft	Current Rent	Current / Sq Ft	Market Rent	Market / Sqft
2/1	1	829	\$1,300	\$1.57	\$1,650	\$1.99
3/1	1	920	\$1,800	\$1.96	\$1,895	\$2.06
3/1	1	1150	\$1,700	\$1.48	\$1,895	\$1.65
*3/2	1	1239	\$1,600	\$1.29	\$2,000	\$1.61
Total	4		\$6,400		\$7,440	

*Non-conforming 4th unit



Property Notes & Assumptions

- New plumbing and electrical in 2007
- Windows replaced in 2007
- Cherry cabinets, with granite countertops in kitchens and baths
- Stainless steel appliances
- W/D in units





Financials

	Current		Market	
Gross Potential Rent	\$76,800		\$89,280	
Other Income				
Utility Income	\$0		\$7,200	
Effective Gross Income	\$76,800		\$96,480	
Expenses				
Property Taxes (2016)	\$9,805		\$12,022	
Insurance	\$1,525		\$1,525	
Utilities	\$8,748		\$8,748	
Total Expenses	\$20,078	\$5,020	\$22,295	\$5,574
Net Operating Income	\$56,722		\$74,185	



SECTION 4 :: SEATTLE / PUGET SOUND REGION

Seattle / Puget Sound

Seattle is the largest city in the state of Washington with an estimated population of 684,500 as of 2015. The Seattle metropolitan area, also known as The Puget Sound, is comprised of King, Pierce and Snohomish County; as an MSA it's the 15th largest metropolitan in the United States with a population of approximately 3.7 million people.

Seattle has a thriving local economy and is home to eight Fortune 500 companies including Costco, Microsoft, Amazon, Paccar, Starbucks, Nordstrom, Expeditors International and Weyerhaeuser. In addition Seattle is home to other notable tech companies such as Expedia, Zillow, Tableau and Zulily, and is quickly establishing itself as a national tech hub as companies from Silicon Valley ranging from Google to Facebook, open Seattle offices in an attempt to draw on the talented pool of tech workers living in and moving to Seattle.

In 2016, Zillow ranked Seattle as the second hottest housing market in the nation for appreciation. Similarly in June of 2016, Redfin also ranked Seattle as the second hottest housing market behind Denver, where the average days on market of a listing is eight and median sales price growth year over year is 7.5%. Much of this growth comes from the hot job market in Seattle, ranked as the fourth best in the nation. A statistical analysis by Careerbuilder found that in 2015 Seattle added 78,082 jobs. Recently Conway Pederson forecasts they expect the Puget Sound region to add 47,900 jobs in 2016.

Currently, the year to date in-migration to the Puget Sound, based on driver's license data for January through May, shows 49,656 people have moved into the area. On an annual basis, the 12-month moving average of monthly in migration is approximately 10,000 people. Annually that puts more than 120,000 people moving into the Puget Sound region; though this does not account for people moving out of the region, the bottom line is the area has and will continue to grow at a rapid pace making the rental market as strong as its ever been.



Anchored in one of the most appealing geographic locations in the entire nation, Seattle is thriving as a bustling city with a small town feel. Additionally, creating an ideal destination for multi-family investment.





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