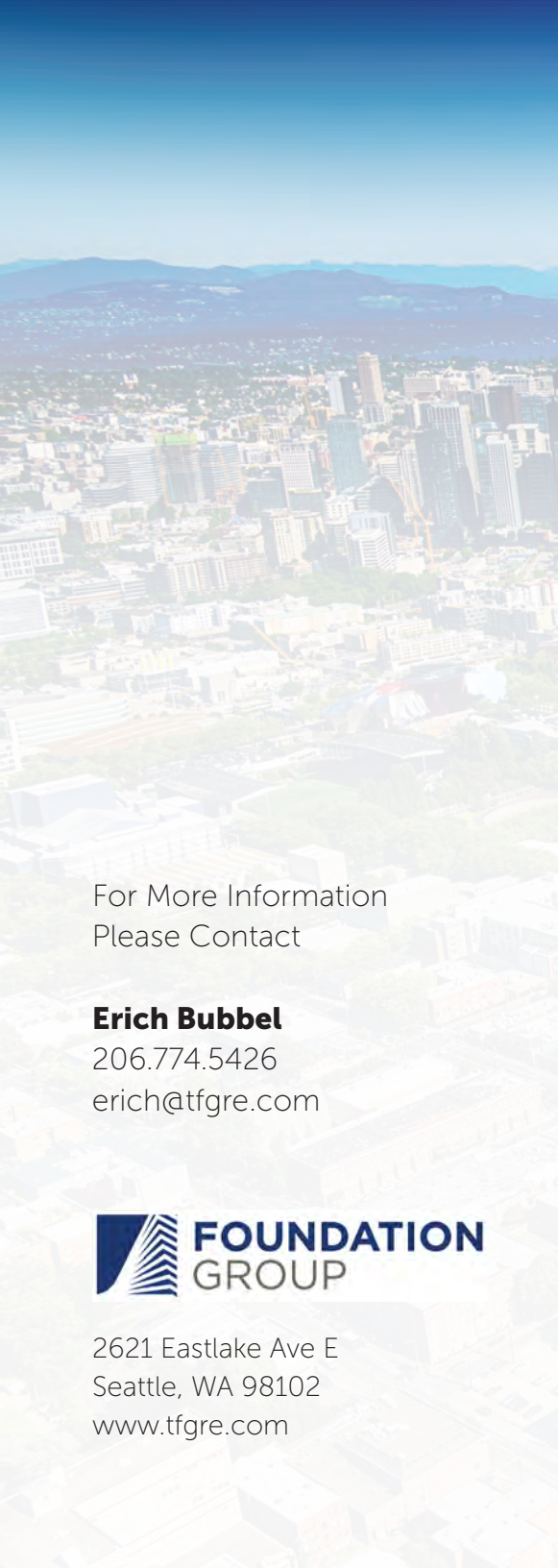


PHINNEY DUPLEX

6039 5TH AVE NW

Value-Add 2 Units • Seattle, Washington





For More Information
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02

Investment Overview

04

Submarket Information

06

Financial Summary

10

Sales Comparables

12

Photo Gallery

14

Regional Information

6039 5TH AVE NW DUPLEX



Investment Overview

The Foundation Group is pleased to exclusively offer for sale the Phinney Duplex, a 2-unit building in the Phinney Ridge neighborhood of Seattle, WA. This property provides an opportunity to purchase a unique value-add deal in one of the most premier neighborhoods in Seattle. Its close proximity to retail amenities, employment centers, public transportation, and opportunity for rent growth makes this property a can't miss for your next acquisition.

Originally built in 1908, 6039 5th Ave NW is wood-frame construction with a poured concrete foundation consisting of two 2bed/1bath units. The current owner has made new upgrades to the building by adding air conditioning to the building and also installing a new gas furnace. With washer and dryers in each unit and the possibility to finish the unfinished basement, the new owner will be able to charge a premium in rents for a higher return.

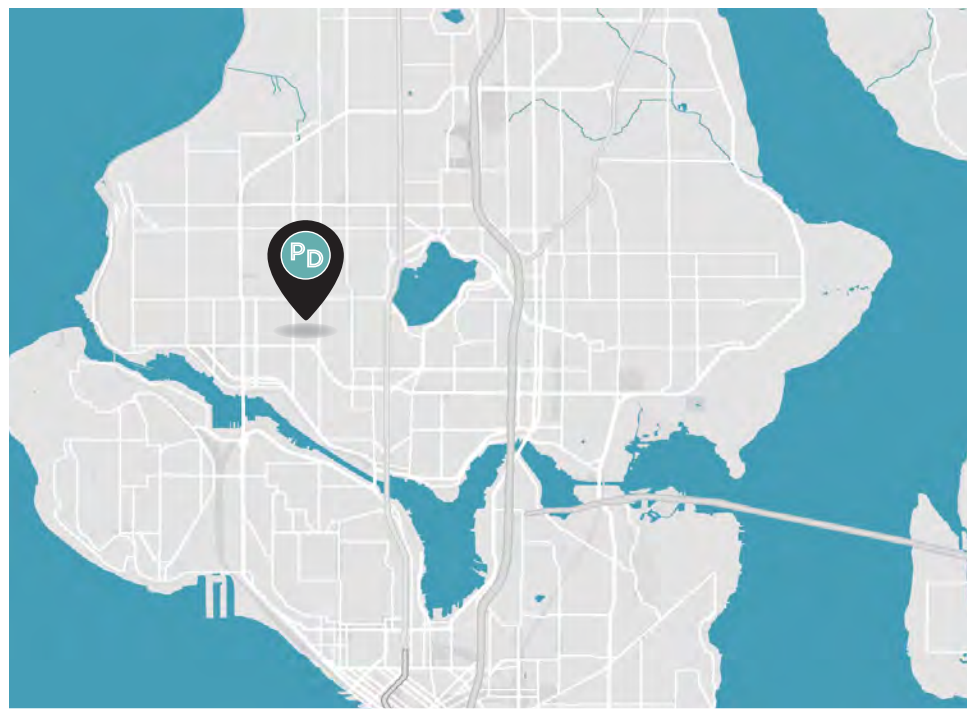
This low maintenance asset is positioned well to capitalize on the future rent growth in the Seattle marketplace. 6039 5th Ave NW is an ideal candidate for investors looking for a short-term/ long-term hold or for an individual to owner occupy.

**Phinney has become a hotspot
for young professionals
positioning the neighborhood
well for future rent growth.**



Quick Facts

| | |
|-------------------|--------------|
| Price | \$710,000 |
| Units | 2 |
| Price Per Unit | \$355,000 |
| Rentable Sq.Ft. | 2,440 |
| Price Per Sq.Ft. | \$291 |
| Current Cap Rate | 2.14% |
| Market Cap Rate | 5.18% |
| Year Built | 1908 |
| Parking | 3 off street |
| Land SF | 5,000 |
| Zoning | SF 5000 |
| Construction Type | Wood Frame |



Phinney Area Description

One of the earliest residents west of Green Lake was the wealthy real estate developer Guy Phinney, who had his own private estate of the crest of the hill (which would later become Woodland Park and the Zoo). As the area immediately surrounding Green Lake filled with residents and the sawmill there worked its way through the nearby trees, people took advantage of the newly cleared land and moved in. Mr. Phinney encouraged more settlers by putting in his own trolley from Fremont to the area. As more transportation lines were put in the entire area, including Phinney and Greenwood, became increasingly popular with many small businesses and shops lining the streets.

This area is the perfect mix of quiet neighborhood meets in-city energy. Phinney Avenue just begs to be strolled down and enjoyed. New eateries, coffee shops, and fun boutique shops are opening up all the time. In addition, the Phinney Neighborhood Association keeps a steady string of community events on their calendar.

People from all over the city flock to Woodland Park and Woodland Park Zoo. Rumor has it, if you live on the edge of the park, you get two free passes to the summer ZooTunes concerts! Red Mill Burgers is a must-see, as is the PhinneyWood Art Walk. There also seems to be a high number of pet-related businesses; pets are welcome here! Of course, Green Lake is just a roll down the hill to the east, and Ballard is equally close to the west. Source: seattle.findwell.com

Today, the area is the perfect blend of city energy within a sedate an appealing neighborhood.



PHINNEY RIDGE SHOPS

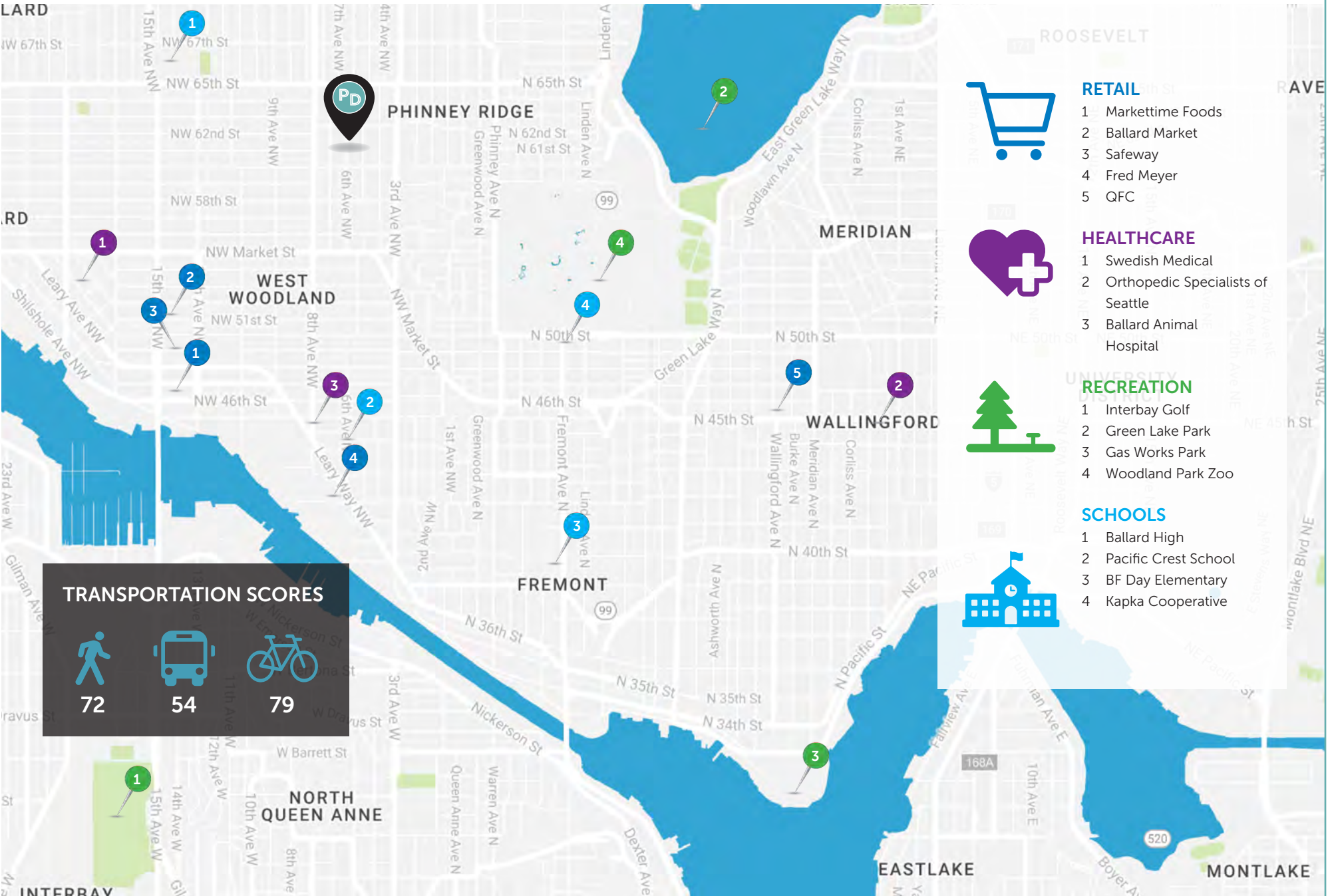
Source: seattle.findwell.com



VIEW OF GREEN LAKE FROM PHINNEY RIDGE

Source: wikipedia.com

Phinney Area Stats



Scheduled Income

| Unit Type | Units | Approx Sq Ft | Current Rent | Current / Sq Ft | Market Rent | Market / Sqft |
|----------------|----------|--------------|----------------|-----------------|----------------|---------------|
| 2 Bed 1.Bath | 1 | 1,220 | \$1,100 | \$0,90 | \$1,950 | \$1.60 |
| 2 Bed 1 Bath | 1 | 1,220 | \$1,000 | \$0.82 | \$1,950 | \$1.60 |
| Average | | 2,440 | | \$1.61 | | \$1.60 |
| Total | 2 | | \$2,100 | | \$3,900 | |

Property Notes & Assumptions

- One Lease MTM / One lease ends in November
- New Air Conditioning installed
- New Gas Furnace installed





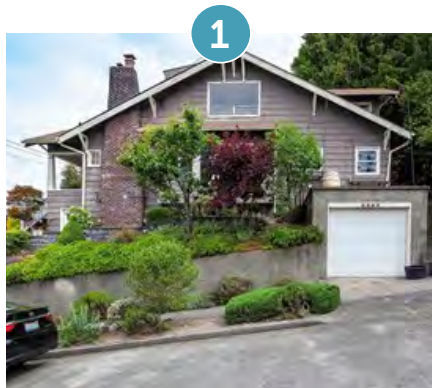
Financials

| | Current | | Market | |
|-----------------------------|-----------------|----|-----------------|----|
| Gross Potential Rent | \$25,200 | | \$46,800 | |
| Vacancy | \$0 | 0% | \$0 | 0% |
| Effective Gross Rent | \$25,200 | | \$46,800 | |
| EXPENSES | | | | |
| Property Taxes | \$6,613 | | \$6,613 | |
| Insurance | \$680 | | \$690 | |
| Utilities | \$2,634 | | \$2,634 | |
| Total Expenses | \$10,009 | | \$10,009 | |
| Net Operating Income | \$15,191 | | \$36,791 | |



Sales Comparables

| Property Name | Property Address | # Units | Sale Date | Year Built | Sale Price | Price/Unit | Price/SF | Cap Rate | GRM |
|--------------------------------------------|----------------------|---------|-----------|------------|-----------------|------------------|--------------|--------------|--------------|
| 1 5202 Greenwood Ave N | 5202 Greenwood Ave N | 2 | 7/23/18 | 1918 | \$925,000 | \$462,500 | \$350 | 2.73% | 23.94 |
| 2 2415 NW 61st St | 2415 NW 61st St | 2 | 3/27/19 | 1908 | \$850,000 | \$425,000 | \$348 | N/A | N/A |
| 3 6224 3rd Ave NW | 6224 3rd Ave NW | 3 | 5/2/19 | 1972 | \$1,350,000 | \$440,000 | \$423 | 4.63% | 16.19 |
| 4 4313 4th Ave NW | 4313 4th Ave NW | 2 | 5/10/19 | 1907 | \$950,000 | \$475,000 | \$419 | 5.43% | 15.52 |
| | | | | | Averages | \$451,375 | \$385 | 4.26% | 18.55 |
| Subject Property: Phinney Duplex | 6039 5th Ave NW | 2 | | 1944 | \$710,000 | \$355,000 | \$ | 2.10% | 28.17 |



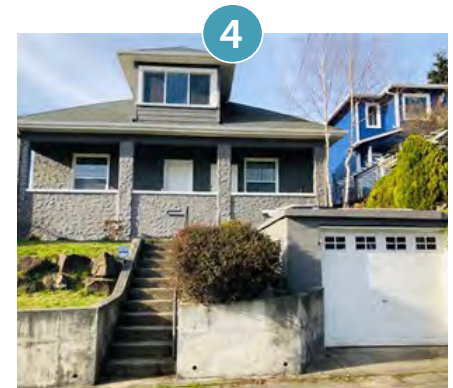
5202 Greenwood Ave N



2415 NW 61st St

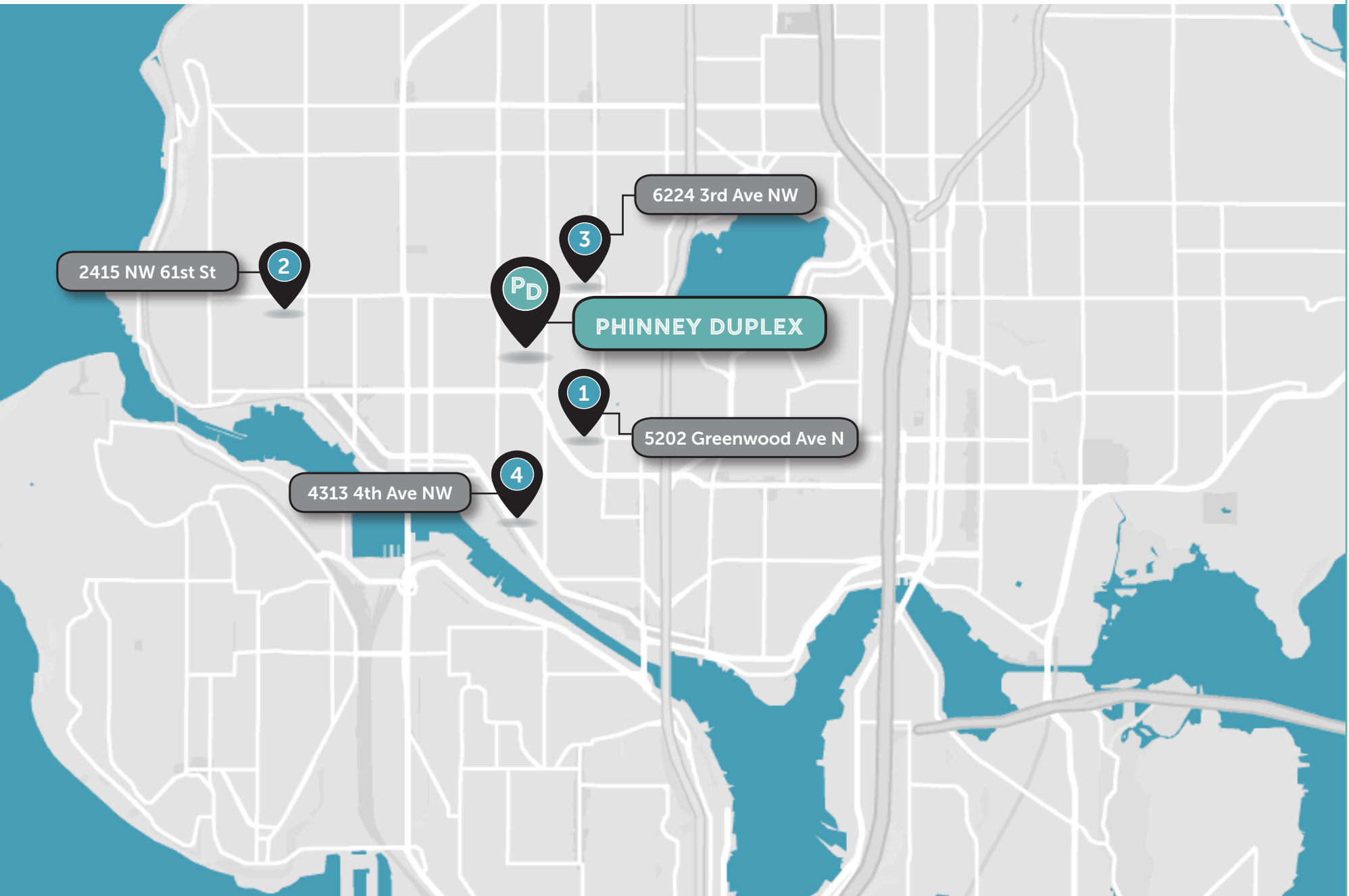


6224 3rd Ave NW



4313 4th Ave NW

Sales Comparables



Sales Comparables



5202 Greenwood Ave N
Seattle, WA



| | |
|---------------|-----------|
| Units | 2 |
| Price | \$925,000 |
| Sale Date | 7/23/18 |
| Price / Unit | \$462,500 |
| Price / Sq Ft | \$350 |
| Cap Rate | 2.73% |
| GRM | 23.94 |



71



54



75



2415 NW 61st St
Seattle, WA



| | |
|---------------|-----------|
| Units | 2 |
| Price | \$850,000 |
| Sale Date | 3/27/19 |
| Price / Unit | \$425,000 |
| Price / Sq Ft | \$348 |
| Cap Rate | N/A |
| GRM | N/A |



94



52



89



6224 3rd Ave NW
Seattle, WA



| | |
|---------------|-------------|
| Units | 3 |
| Price | \$1,350,000 |
| Sale Date | 5/2/19 |
| Price / Unit | \$440,000 |
| Price / Sq Ft | \$423 |
| Cap Rate | 4.63% |
| GRM | 16.19 |



76



53



74



4313 4th Ave NW
Seattle, WA



| | |
|---------------|-----------|
| Units | 2 |
| Price | \$950,000 |
| Sale Date | 5/10/19 |
| Price / Unit | \$475,000 |
| Price / Sq Ft | \$419 |
| Cap Rate | 5.43% |
| GRM | 15.52 |



87



64



83





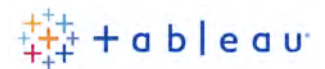
Seattle / Puget Sound Region

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.





Buoyed by its technology sector and the metro’s appeal as a live-work-play environment, Seattle’s economy and multifamily market continue to break new ground.



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