

SPANAWAY COURT 10

126 161ST STREET S | SPANAWAY, WA 98387



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Investment Offering

\$1.5M

LIST PRICE

10

OF UNITS

\$150,000

PER UNIT

Westlake Associates, Inc. is excited to offer this value-add property to the open market for the first time in over 25 years. Spanaway is one of the fastest growing markets in the region. With low gross rental rates, this submarket provides affordable, workforce housing for tenants.

Located along Pacific Ave, the Spanaway Court 10 is situated along transit lines that allow convenient access to employment hubs in Downtown Tacoma. Despite Covid-19 stalling rent growth in many markets, Spanaway has seen 20% YoY rent growth.

The Spanaway Court 10 is a recently stabilized complex with updated electrical and freshly renovated units. This complex is perfectly positioned for future growth in the region.

INVESTMENT HIGHLIGHTS

| | |
|-----------------|-------------------------------------|
| Name | Spanaway Court 10 |
| Address | 126 161st St S Spanaway, WA 98387 |
| Price | \$1,500,000 |
| Year Built | 1965 |
| # of Units | 10 Units |
| Net Rentable SF | 6,240 SF |
| \$ per Unit | \$150,000 |
| \$ per NRSF | \$240.38 |
| Market Cap Rate | 6.81% |

PROPERTY HIGHLIGHTS

- One of the tightest housing markets in the state
- Copper plumbing
- Updated electrical panels
- Fully occupied and stabilized
- Brand new double-pane vinyl windows
- 20% YoY rent growth

Property Profile

PROPERTY DETAILS

| | |
|----------|-----------------|
| County | Pierce |
| Market | Spanaway |
| Land Use | Apartments |
| Style | Low-Rise/Garden |
| APN# | 502500-2290 |
| Zoning | MUD |



BUILDING INFORMATION

| | |
|-----------------|--|
| Name | Spanaway Court 10 |
| Address | 126 161st Street S Spanaway, WA 98387 |
| Year Built | 1965 |
| # of Floors | 1 |
| # of Units | 10 |
| Lot Size | 25,347 SF |
| Net Rentable SF | 6,240 SF |
| Construction | Wood |
| Heat | Electric |
| Roof | Composite |
| Laundry | Common |
| Parking | 15 Surface |



Location



Financial Analysis

PRICE ANALYSIS

| | |
|-------------------|--------------------|
| PRICE | \$1,500,000 |
| Price per Unit | \$150,000 |
| Price per NRSF | \$240.38 |
| Price per Land SF | \$59.17 |
| Current Cap | 5.27% |
| Current GRM | 10.84 |
| Market Cap | 6.81% |
| Market GRM | 9.36 |

PROPOSED FINANCING

| | |
|-----------------|-------------|
| Loan Amount | \$1,050,000 |
| Down Payment | \$450,000 |
| Rate | 4.000% |
| % Down | 30.0% |
| Amortization | 30 Years |
| Term | 5 Years |
| Monthly Payment | \$5,013 |
| Annual Payment | \$60,154 |

UNIT MIX

| # | TYPE | SF | CURRENT | MARKET |
|-----------|----------|--------------|-----------------|-----------------|
| 5 | 1BD 1BA | 550 | \$995 | \$1,100 |
| 4 | 2BD 1BA | 650 | \$1,150 | \$1,250 |
| 1 | 2BD+ 1BA | 890 | \$1,150 | \$1,300 |
| 10 | | 6,240 | \$10,875 | \$11,801 |

INCOME

| | CURRENT | | PRO FORMA | |
|---------------------------|------------------|-------|------------------|-------|
| Scheduled Rent Income | \$130,500 | | \$141,612 | |
| + Other Income | \$900 | | \$900 | |
| + Laundry | \$2,124 | | \$2,124 | |
| + Utility | \$4,800 | | \$12,000 | |
| + Storage | \$0 | | \$3,600 | |
| Scheduled Gross Income | \$138,324 | | \$160,236 | |
| - Vacancy & Credit Losses | (\$13,832) | 10.0% | (\$8,012) | 5.00% |
| Gross Income | \$124,492 | | \$152,224 | |

EXPENSES

| | CURRENT | | PRO FORMA | |
|-----------------------|-----------------|--|-----------------|--|
| RE Taxes (2021) | \$12,400 | | \$15,744 | |
| Insurance | \$3,500 | | \$3,500 | |
| Utilities W/S/G/E | \$9,102 | | \$9,102 | |
| Maintenance / Repairs | \$7,500 | | \$7,500 | |
| Administration | \$4,145 | | \$4,145 | |
| Management | \$6,225 | | \$7,611 | |
| Reserves | \$2,500 | | \$2,500 | |
| Total Expenses | \$45,372 | | \$50,102 | |
| Expenses per Unit | \$4,537 | | \$5,010 | |

OPERATING DATA

| | CURRENT | | PRO FORMA | |
|-----------------------------|-----------------|-------|------------------|--------|
| Net Operating Income | \$79,120 | | \$102,122 | |
| Less Loan Payments | (\$60,154) | | (\$60,154) | |
| Pre-Tax Cash Flow | \$18,933 | 4.21% | \$41,968 | 9.33% |
| Plus Principal Reduction | \$18,154 | | \$18,154 | |
| Total Return Before Taxes | \$37,120 | 8.25% | \$60,122 | 13.36% |

Rent Roll

| UNIT | UNIT TYPE | SF | CURRENT | RENT / SF | MARKET | RENT / SF |
|--------------------|---------------|-----------------|-----------------|---------------|-----------------|---------------|
| 1 | 1BD 1BA | 550 | \$995 | \$1.80 | \$1,100 | \$2.00 |
| 2 | 1BD 1BA | 550 | \$995 | \$1.80 | \$1,100 | \$2.00 |
| 3 | 1BD 1BA | 550 | \$995 | \$1.80 | \$1,100 | \$2.00 |
| 4 | 2BD 1BA | 650 | \$1,150 | \$1.76 | \$1,250 | \$1.92 |
| 5 | 2BD 1BA | 650 | \$1,150 | \$1.76 | \$1,250 | \$1.92 |
| 6 | 2BD 1BA | 650 | \$1,150 | \$1.76 | \$1,250 | \$1.92 |
| 7 | 2BD 1BA | 650 | \$1,250 | \$1.92 | \$1,250 | \$1.92 |
| 8 | 2BD 1BA + Den | 890 | \$1,200 | \$1.34 | \$1,300 | \$1.46 |
| 9 | 1BD 1BA | 550 | \$995 | \$1.80 | \$1,100 | \$2.00 |
| 10 | 1BD 1BA | 550 | \$995 | \$1.80 | \$1,100 | \$2.00 |
| TOTAL / AVG | 10 | 6,240 SF | \$10,875 | \$1.72 | \$11,801 | \$1.89 |

Interior Photos



Interior Photos



Rent Comparables



SERRANO GARDENS

14103 C St S | 98444

OF UNITS 28
YEAR BUILT 1955

| UNIT MIX | # UNITS | SF | RENT | PSF |
|----------|---------|--------|---------|--------|
| 1BD 1BA | 1 | 550 SF | \$1,125 | \$2.04 |



THE WILLOWS

2100 112th St S | 98444

OF UNITS 125
YEAR BUILT 1969

| UNIT MIX | # UNITS | SF | RENT | PSF |
|----------|---------|--------|---------|--------|
| 1BD 1BA | 1 | 640 SF | \$1,100 | \$1.71 |



HUDSON COURT

14117 C St S | 98444

OF UNITS 30
YEAR BUILT 1972

| UNIT MIX | # UNITS | SF | RENT | PSF |
|----------|---------|--------|---------|--------|
| 1BD 1BA | 1 | 600 SF | \$1,095 | \$1.82 |
| 2BD 1BA | 1 | 750 SF | \$1,295 | \$1.72 |



1307 GARFIELD

1307 Garfield St S | 98444

OF UNITS 7
YEAR BUILT 1959

| UNIT MIX | # UNITS | SF | RENT | PSF |
|----------|---------|--------|---------|--------|
| 1BD 1BA | 1 | 400 SF | \$1,095 | \$2.73 |
| 2BD 1BA | 1 | 800 SF | \$1,250 | \$1.56 |



130 - 166TH STREET

130 166th St S | 98387

OF UNITS 4
YEAR BUILT 1966

| UNIT MIX | # UNITS | SF | RENT | PSF |
|----------|---------|--------|---------|--------|
| 2BD 1BA | 1 | 775 SF | \$1,200 | \$1.54 |

Sales Comparables

SUBJECT PROPERTY

126 161st St S
Spanaway, WA 98378



SUBJECT PROPERTY

LIST PRICE \$1,500,000
TOTAL SF 6,240 SF
PRICE / SF \$240.38
PRICE / UNIT \$150,000
CAPRATE 5.27%
GRM 10.84

BUILDING INFO

YEAR BUILT 1965
OF UNITS 10
BUILDING SF 6,240 SF
LOT SF 25,347 SF

MALIBU

4120 109th St SW
Lakewood, WA 98499



SALE COMPARABLE

SALE DATE 03/16/2020
SALE PRICE \$2,100,000
TOTAL SF 6,760 SF
PRICE / SF \$310.65
PRICE / UNIT \$161,538
CAPRATE -
GRM -

BUILDING INFO

YEAR BUILT 1979
OF UNITS 13
BUILDING SF 6,760 SF
LOT SF 21,780 SF
ZONING RMH

Sales Comparables

LAKWOOD FOURPLEX

5810 - 5816 77th St W
Lakewood, WA 98499



SALE COMPARABLE

SALE DATE 05/29/2020
SALE PRICE \$1,300,000
TOTAL SF 6,790 SF
PRICE / SF \$191.46
PRICE / UNIT \$162,500
CAPRATE 5.70%
GRM 12.5

BUILDING INFO

YEAR BUILT 1985
OF UNITS 8
BUILDING SF 6,790 SF
LOT SF 23,958 SF
ZONING MF2

HIGHLAND

12231 - 12233 117th Ave E
Puyallup, WA 98374



SALE COMPARABLE

SALE DATE 06/18/2020
SALE PRICE \$1,130,500
TOTAL SF 4,864 SF
PRICE / SF \$232.42
PRICE / UNIT \$141,313
CAPRATE 5.85%
GRM 13.1

BUILDING INFO

YEAR BUILT 1976
OF UNITS 8
BUILDING SF 4,864 SF
LOT SF 18,750 SF
ZONING MSF

Sales Comparables

SHERWOOD FOREST

8100 Sherwood Forest St SW
Lakewood, WA 98498



SALE COMPARABLE

SALE DATE 08/28/2020
SALE PRICE \$2,350,000
TOTAL SF 11,461 SF
PRICE / SF \$205.04
PRICE / UNIT \$146,875
CAP RATE 4.84
GRM 11.9

BUILDING INFO

YEAR BUILT 1963
OF UNITS 16
BUILDING SF 11,461 SF
LOT SF 41,817 SF
ZONING R3

UNIONAIRE

1902 S Union Ave
Tacoma, WA 98405



SALE COMPARABLE

SALE DATE 09/15/2020
SALE PRICE \$6,700,000
TOTAL SF 30,670 SF
PRICE / SF \$218.45
PRICE / UNIT \$142,553
CAP RATE 3.58%
GRM 13.1

BUILDING INFO

YEAR BUILT 1965
OF UNITS 47
BUILDING SF 30,670 SF
LOT SF 63,597 SF
ZONING CCX

Sales Comparables

PACIFIC SQUARE

6801 Pacific Ave
Tacoma, WA 98408



SALE COMPARABLE

SALE DATE 10/06/2020
SALE PRICE \$1,475,000
TOTAL SF 6,300 SF
PRICE / SF \$234.13
PRICE / UNIT \$147,500
CAP RATE 6.95%
GRM 10.9

BUILDING INFO

YEAR BUILT 1978
OF UNITS 10
BUILDING SF 6,300 SF
LOT SF 12,632 SF
ZONING R4-L

8-UNIT

11216-11230 Kline St SW
Lakewood, WA 98499



SALE COMPARABLE

SALE DATE 10/02/2020
SALE PRICE \$1,450,000
TOTAL SF 7,125 SF
PRICE / SF \$203.51
PRICE / UNIT \$181,250
CAP RATE -
GRM -

BUILDING INFO

YEAR BUILT 1940
OF UNITS 8
BUILDING SF 7,125 SF
LOT SF 46,173 SF
ZONING -

Sales Comparables Summary

| SALE COMPS | # OF UNITS | PRICE | BLDG SF | PRICE / SF | PRICE / UNIT | CAP | GRM | CLOSE |
|---|------------|-------------|-----------|------------|--------------|-------|-------|------------|
| SUBJECT PROPERTY 126 161 St S | 10 | \$1,500,000 | 6,240 SF | \$240.38 | \$150,000 | 5.27% | 10.84 | |
| MALIBU 4120 109th St SW | 13 | \$2,100,000 | 6,760 SF | \$310.65 | \$161,538 | - | - | 03/16/2020 |
| LAKWOOD FOURPLEX 5810-5816 77th St W | 8 | \$1,300,000 | 6,790 SF | \$191.46 | \$162,500 | 5.70% | 12.5 | 05/29/2020 |
| HIGHLAND 12231-12233 117th Ave E | 8 | \$1,130,000 | 4,864 SF | \$232.42 | \$141,313 | 5.85% | 13.1 | 06/18/2020 |
| SHERWOOD FOREST 8100-8408 Sherwood Forest St SW | 16 | \$2,350,000 | 11,461 SF | \$205.04 | \$146,875 | 4.83% | 11.9 | 08/28/2020 |
| UNIONAIRE 1902 S Union Ave | 47 | \$6,700,000 | 30,670 SF | \$218.45 | \$142,553 | 3.58% | 13.1 | 09/15/2020 |
| PACIFIC SQUARE 6801 Pacific Ave | 10 | \$1,475,000 | 6,300 SF | \$234.13 | \$147,500 | 6.95% | 10.9 | 10/06/2020 |
| 8-UNIT 11216-11230 Kline St SW | 8 | \$1,450,000 | 7,125 SF | \$203.51 | \$181,250 | - | - | 10/02/2020 |
| COMP AVG | | \$2,357,857 | 10,567 SF | \$227.95 | \$154,790 | 5.38% | 12.3 | |

Site Demographics & Amenities

WHAT'S NEARBY

RETAIL

| | |
|--------------------|----------------|
| Safeway | Walgreens |
| Albertsons | The Home Depot |
| Fred Meyer | Dollar Tree |
| Saar's Super Saver | |
| Walmart | |
| Rite Aid | |
| LA Fitness | |

FOOD & DRINKS

| | |
|---------------------------|---------------------|
| Mary Mary's Cafe | Crazy Tacos |
| Starbucks | Umai Bento |
| Burger King | Sunny Teriyaki |
| Exchange Tavern | Aceituno's Mexican |
| Kelleys Kafe | Dairy Queen |
| Uncle Sam's Bar & Grill | El Charrito Mexican |
| Lucky Teriyaki | Cafe Elite |
| Wendy's | CARNE AQUI |
| Country Rose Cafe | Lucky's Drive-In |
| Godfather's Pizza | Carl's Jr. |
| Taco Bell | |
| Papa John's Pizza | |
| Arby's | |
| Jack in the Box | |
| McDonald's | |
| Popeyes Louisiana Kitchen | |
| A&W Restaurant | |
| Puget Sound Pizza | |
| Krickett's Bar & Grill | |
| Lady Luck Steakhouse | |
| Pico De Gallo Mexican | |

SCHOOLS & SERVICES

| | |
|---------------------------|---------------------------|
| Lake Spanaway Golf Course | |
| Holiday Park JBLM | Spanaway Lake High School |
| Thompson Elementary | Challenger High School |
| Spanaway Middle School | MultiCare Spanaway Clinic |
| Spanaway Elementary | McChord Air Force Base |

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|---------------------------|----------|----------|----------|
| Total Population | 9,235 | 68,379 | 160,214 |
| Growth 2020 - 2025 (est.) | 7.48% | 9.03% | 8.84% |
| Median Age | 36.0 | 34.0 | 33.5 |
| HOUSEHOLDS & INCOME | 1-MILE | 3-MILE | 5-MILE |
| Total Households | 3,474 | 23,971 | 58,132 |
| Average HH Income | \$73,654 | \$85,350 | \$77,356 |
| Renter Occupied Housing | 40.73% | 33.03% | 44.82% |



Spanaway & Parkland

THE SPANAWAY NEIGHBORHOOD

Just forty minutes south of Seattle, Spanaway is known for its friendly community and the many young families that live there. The city is affordable, accessible to large cities, and has great real estate for starter homes. Residents enjoy a sense of community while providing space and breathing room between neighbors.

Close to nature, Spanaway is a wonderful choice for those who desire access to all kinds of outdoorsy fun or a quiet, peaceful place to relax. Many residents choose Spanaway for its close proximity to Joint Base Lewis-McChord and its affordable, bustling housing market. Options include big lots, old farm houses, and a variety of homes built from the 1960s to newer construction.

THE PARKLAND NEIGHBORHOOD

A largely residential area in the vicinity of the Tacoma area, Parkland is located roughly 30 minutes from downtown Seattle by car, or an hour and a half via

bus. Notable for the many creeks and ponds found within its seven square miles, the serene and sparsely populated neighborhood of Parkland sits along the route to Mount Rainier and houses the Pacific Lutheran University.

For some local culture, stop by McChord Air Force Base to take in an air museum that chronicles the United States Air Force's presence in the area. If you want to get a little sun on your face, take advantage of two fabulous parks within Parkland: Bresemann Forest and Brookdale Golf Course. A largely wild green area, Bresemann Forest features nature trails and access to Spanaway Creek. Neither park is particularly conducive to exercise fanatics or families, but immediately on the border of Parkland, find the 135 acres of Spanaway Park running along one edge of Spanaway Lake. This recreational area features two swimming beaches, a boat launch, fishing pier, handicapped accessible restrooms, picnic areas, playground equipment with seating and a three-mile trail system. There's also boat rentals, a boat ramp, softball fields, and basketball courts.

Special events include the Woof Woof Walk for dogs and their owners, as well as hydroplane races during September and the Fantasy Lights display during the holidays.

PACIFIC LUTHERAN UNIVERSITY

Located in the Parkland neighborhood of Tacoma, Washington, PLU is set in a region that also offers vast opportunities for outdoor recreation, culture and sports. Pacific Lutheran University purposefully integrates the liberal arts, professional studies and civic engagement in the beautiful Pacific Northwest. With distinctive international programs and close student-faculty research opportunities, PLU helps its 3,300 students from all faiths and backgrounds discern their life's vocation through coursework, mentorship and internships at world-class Puget Sound-area businesses and institutions.



**PLU CLIMBS TO
15TH
IN THE NATIONAL
RANKING OF BEST
MASTER'S
UNIVERSITIES**



About Westlake



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Since 1975, Westlake Associates, Inc. has been the premier provider of commercial real estate brokerage services in the Puget Sounds Region.

Our unsurpassed commitment to creating and preserving our clients' real estate investment wealth has resulted in thousands of successful transactions and a long history of repeat business and client referrals.

The professionals at Westlake Associates collaboratively work with clients to develop customized, creative solutions designed to maximize investment returns.

We've built a strong foundation of experience in Investment Property Sales, Commercial Leasing, Property Management, and comprehensive real estate services over our 40 year history. We operate as a team and leverage each other's resources and experience to provide the highest level of client services.

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