

PARKSIDE APARTMENTS

3207 SMOKEY POINT DR | ARLINGTON, WA 98223



EXCLUSIVELY LISTED BY:

STEVE FISCHER

PRINCIPAL | BROKER

P: 206.505.9435

fischer@westlakeassociates.com

JOE KINKOPF

BROKER

P: 206.505.9403

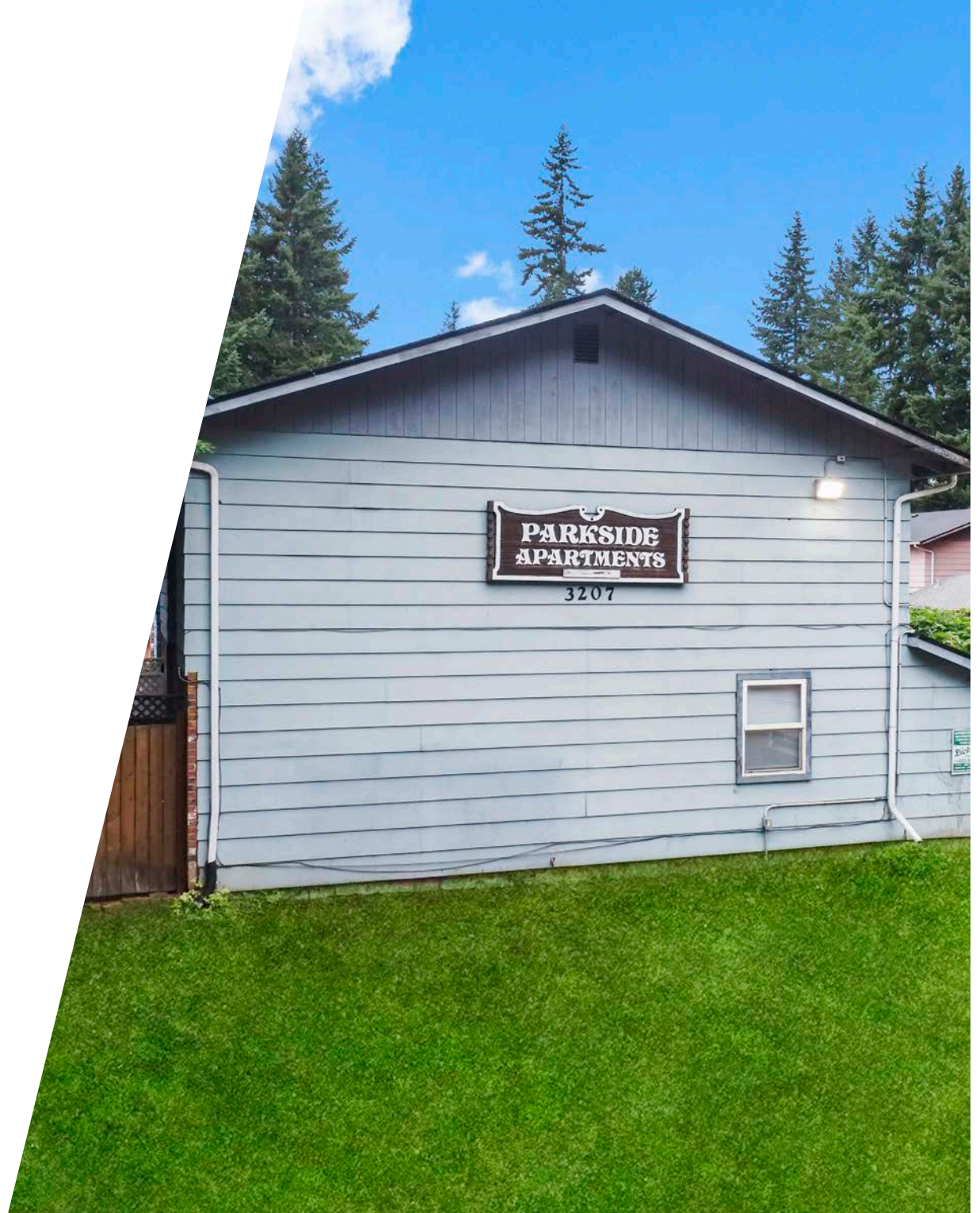
joek@westlakeassociates.com

TYLER SMITH

PRINCIPAL | BROKER

P: 206.505.9425

tylersmith@westlakeassociates.com



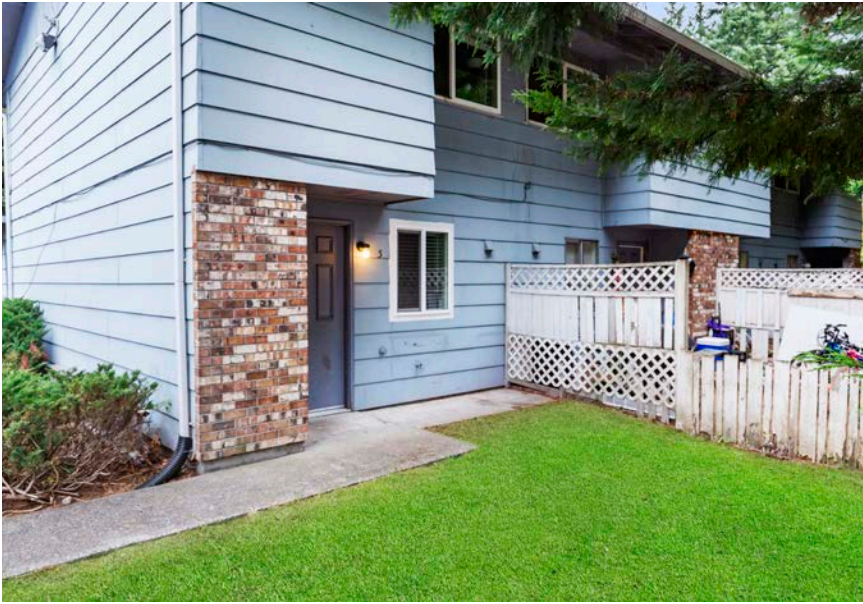
Offering Summary

PRICE: UNPRICED

Name	Parkside Apartments
Address	3207 Smokey Point Drive Arlington, WA 98223
County	Snohomish
Market	Arlington
Style	Low-Rise / Garden
APN#	006453-000-011-00
Zoning	HC
Lot Size	101,495 SF
Year Built	1976
# of Buildings	7
# of Floors	2
# of Units	24
Net Rentable SF	22,800 SF
Construction	Wood
Roof	Shingle
Heat	Electric
Laundry	Common
Parking	Surface



Property Highlights



PARKSIDE APARTMENTS

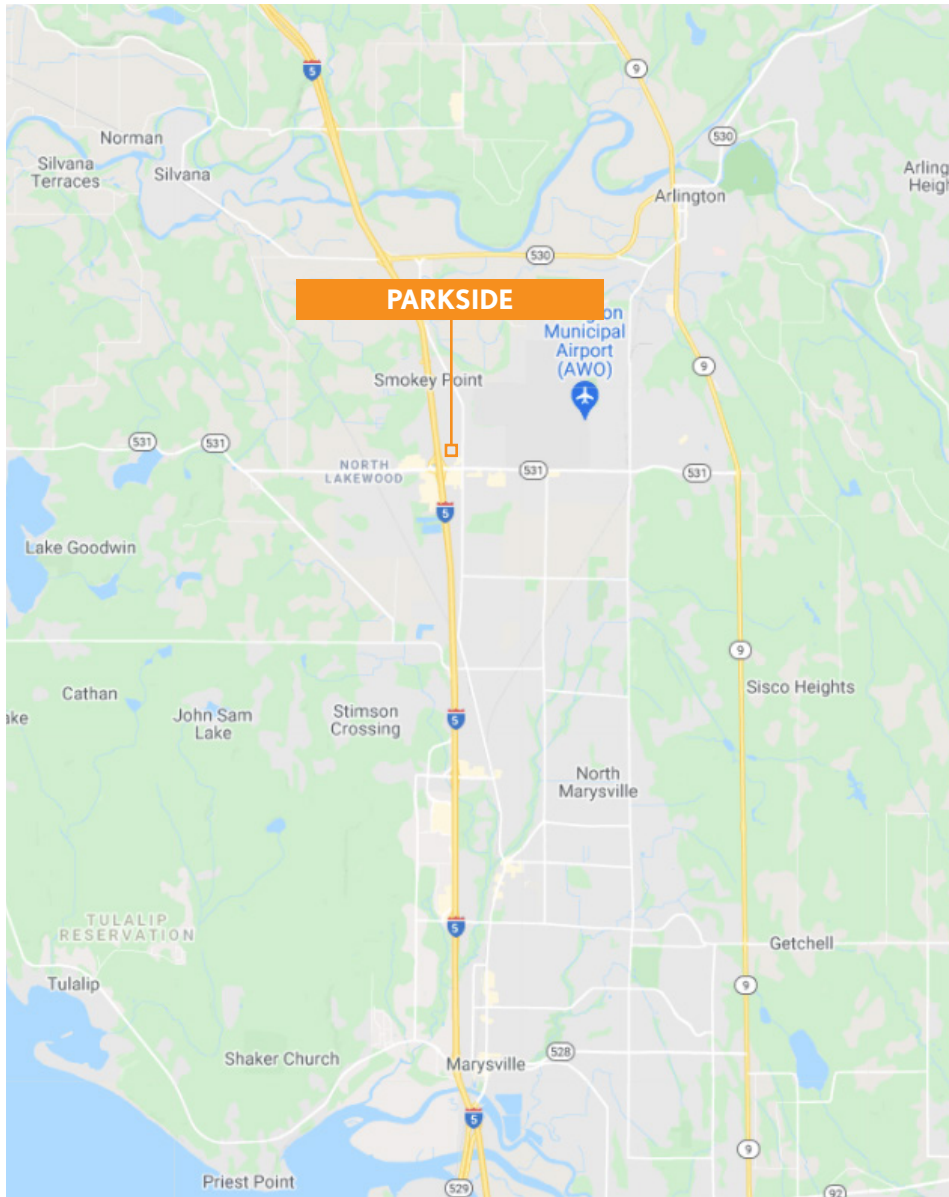
Westlake Associates Inc. is pleased to present the Parkside Apartments in Arlington for sale. The building was built in 1976 and is comprised of (24) 2x1 townhome units located in 6 buildings with 4 units each. There is a 7th building that has common coin laundry. 6 of the 7 buildings have roofs that were recently replaced.

This is a value-add opportunity with strong in-place cash flow that is located less than a mile from the brand-new Amazon distribution center that is set to open in 2022. Current NOI underwrites to \$282,000. An investor could slightly re-position the asset and continue to stabilize rents at the current proven rents of \$1595, or could undertake a more extensive renovation. Rents and occupancy in Arlington were not only resilient during the pandemic but thrived. Per CoStar, North Snohomish County rents are up 10% from 12 months prior.

PROPERTY HIGHLIGHTS

- All two-bedroom townhome units
- Kitchen / Living downstairs – 2 bed 1 bath upstairs
- Each unit has access to a quiet back yard area
- 6 of 7 roofs have been replaced
- Copper plumbing (confirmation needed)
- Proven as is market rent of \$1595 + \$70
- Unexplored potential to add Washer and Dryer
- Renovated W/D Market rents range \$1900-\$2000 for townhome units
- 1.5 Miles from Arlington Airport and New Amazon Distribution center
- Amazon distribution center will open in 2022 and employ over 1,000 people

Location



Financial Analysis

INCOME

		CURRENT	MARKET	RENOVATED
Scheduled Rent Income		\$429,360	\$459,360	\$561,600
+ Utility Recovery		\$10,920	\$21,600	\$38,880
+ Other Income		\$6,000	\$6,000	\$6,000
+ Laundry		\$3,000	\$3,000	\$0
Scheduled Gross Income		\$449,280	\$489,960	\$606,480
- Vacancy & Credit Losses	5.00%	(\$22,464)	(\$24,498)	(\$30,324)
Gross Income		\$426,816	\$465,462	\$576,156

EXPENSES

		CURRENT	MARKET	RENOVATED
Real Estate Taxes		\$22,508	\$43,453	\$43,453
Property Insurance		\$5,114	\$5,114	\$5,114
Management		\$21,341	\$23,273	\$23,046
Payroll & Administration		\$15,600	\$15,600	\$20,000
Utilities		\$46,031	\$46,031	\$46,031
Maintenance / Turnover		\$22,800	\$22,800	\$22,800
Administration		\$0	\$2,400	\$2,400
Grounds		\$4,800	\$4,800	\$4,800
Reserves		\$6,000	\$6,000	\$6,000
Total Expenses		\$144,194	\$169,471	\$173,644

OPERATING DATA

		CURRENT	MARKET	MARKET
Net Operating Income		\$282,622	\$295,991	\$402,512
Less Loan Payments		(\$187,030)	(\$187,030)	(\$182,484)
Pre-Tax Cash Flow		\$95,592	\$108,961	\$220,028
Plus Principle Reduction		\$71,701	\$71,701	\$71,701
Total Return Before Taxes		\$167,293	\$180,663	\$220,028

Rent Roll

UNIT	UNIT TYPE	SF	CURRENT	RENT / SF	MARKET	RENT / SF	RENOVATED	RENT / SF
1	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
2	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
3	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
4	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
5	2 BD 1BA	950	\$1,595	\$1.67	\$1,595	\$1.67	\$1,950	\$2.05
6	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
7	2 BD 1BA	950	\$1,395	\$1.46	\$1,595	\$1.67	\$1,950	\$2.05
8	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
9	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
10	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
11	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
12	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
13	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
14	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
15	2 BD 1BA	950	\$1,395	\$1.46	\$1,595	\$1.67	\$1,950	\$2.05
16	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
17	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
18	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
19	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
20	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
21	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
22	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
23	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
24	2 BD 1BA	950	\$1,495	\$1.57	\$1,595	\$1.67	\$1,950	\$2.05
TOTAL AVG		22,800 SF	\$35,780	\$1.56	\$38,280	\$1.67	\$46,800	\$2.05

Rent Comparables



CEDAR HOUSE

5705 Grove St | Marysville

YEAR BUILT	1965
UNITS	9

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1BA	980	\$1,750	\$1.78



ARLINGTON

1829 188th St NE | Arlington

YEAR BUILT	1989
UNITS	1

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1BA	1,200	\$1,850	\$1.54



ARLINGTON

20616 64th Dr NE | Arlington

YEAR BUILT	1970
UNITS	2

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1BA	900	\$1,800	\$2.00



MARYSVILLE

9228 50th Ave NE | Marysville

YEAR BUILT	1988
UNITS	2

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1.5 BA	1,054	\$1,895	\$1.79

Rent Comparables



VILLAS AT PORTAGE CREEK

7980 200th St NE | Arlington

YEAR BUILT	1992
UNITS	109

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1.5 BD	937	\$2,083 - \$2,100	\$2.22 - \$2.24



ARLINGTON

18707 29th Ave NE | Arlington

YEAR BUILT	2000
UNITS	2

UNIT TYPE	SF	RENT	RENT / SF
2 BD 1.5 BA	1,224	\$2,095	\$1.71



THE LODGE

17500 25th Ave NE | Marysville

YEAR BUILT	2015
UNITS	182

UNIT TYPE	SF	RENT	RENT / SF
2 BD 2 BA	1,176	\$2,162	\$1.83

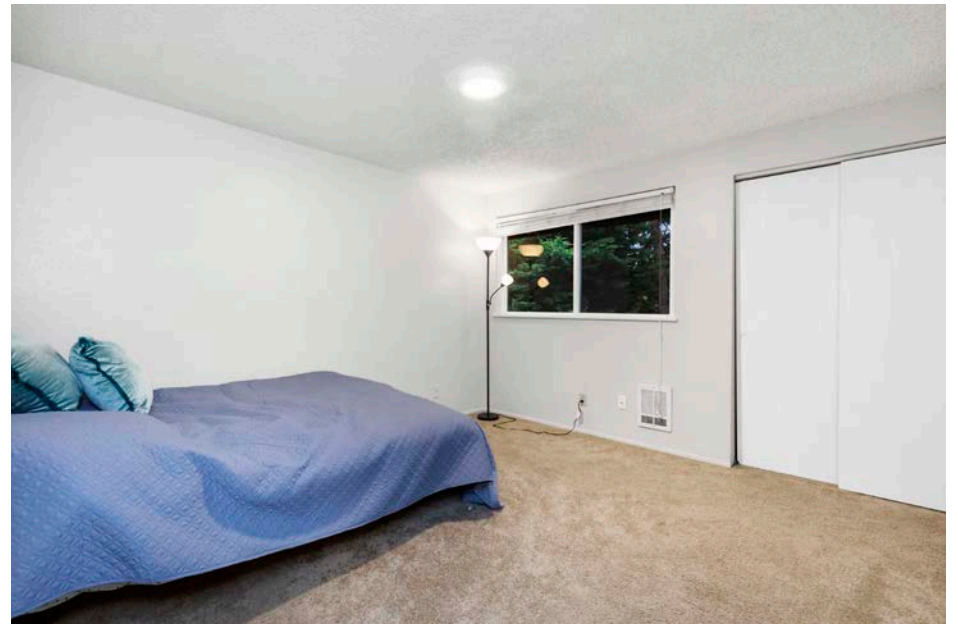
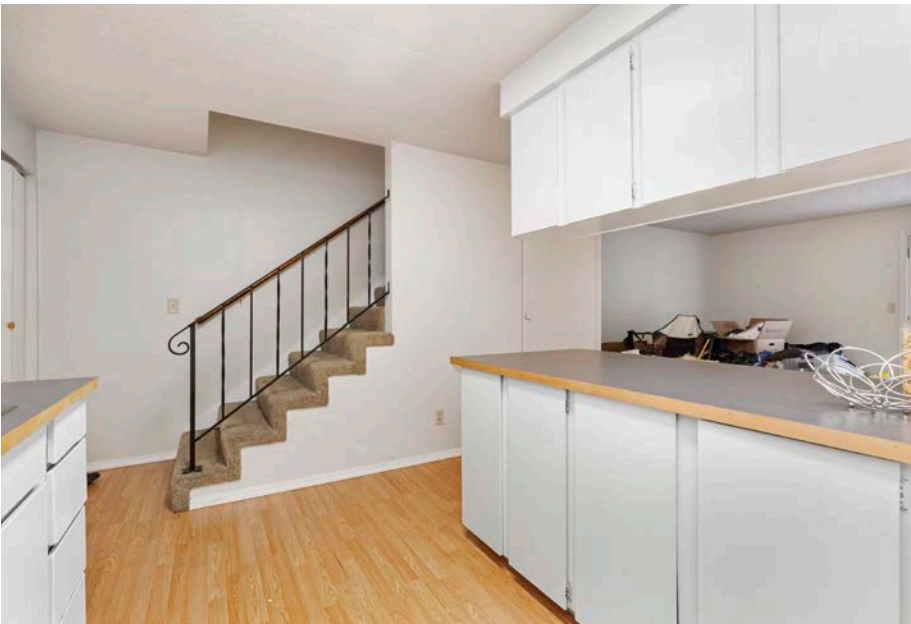
Rent Comparable Summary

	RENT COMPS	TYPE	AVAILABLE SF	RENT	RENT / SF
1	5705 GROVE ST Marysville, WA 98270	2 BD 1 BA	980	\$1,750	\$1.78
2	1829 188TH ST NE Arlington, WA 98223	2 BD 1 BA	1,200	\$1,850	\$1.54
3	20616 64TH DR NE Arlington, WA 98223	2 BD 1 BA	900	\$1,800	\$2.00
4	9228 50TH AVE NE Marysville, WA 98270	2 BD 1.5 BA	1,054	\$1,895	\$1.79
5	7980 200TH ST NE Arlington, WA 98223	2 BD 1.5 BA	937	\$2,100	\$2.24
6	18707 29TH AVE NE Arlington, WA 98223	2 BD 1.5 BA	1,224	\$2,095	\$1.71
7	17500 25TH AVE NE Marysville, WA 98271	2 BD 2 BA	1,176	\$2,162	\$1.83
	Averages			\$1,950	\$1.84

Interior Photos



Photos



Arlington Market Overview

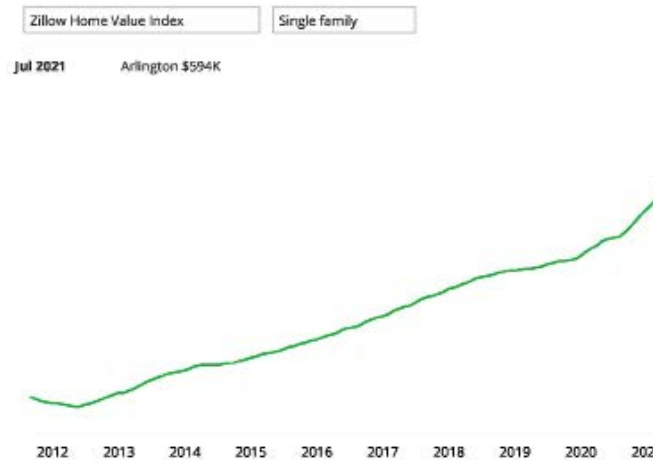
Per Zillow as of July 31, 2021, the median home price in Arlington, WA is an incredible \$559,228. This is a 28.1% change over 12 months prior. This housing pressure is creating a tightening squeeze throughout the housing market and multifamily owners are benefiting. Countywide the median home value is \$651,562. With a modest amount of new construction and continued economic and population growth, there seems to be no relief in sight.

Arlington Market Overview

Data through Jul 31, 2021

\$559,228 ZHW

No data 1-yr forecast



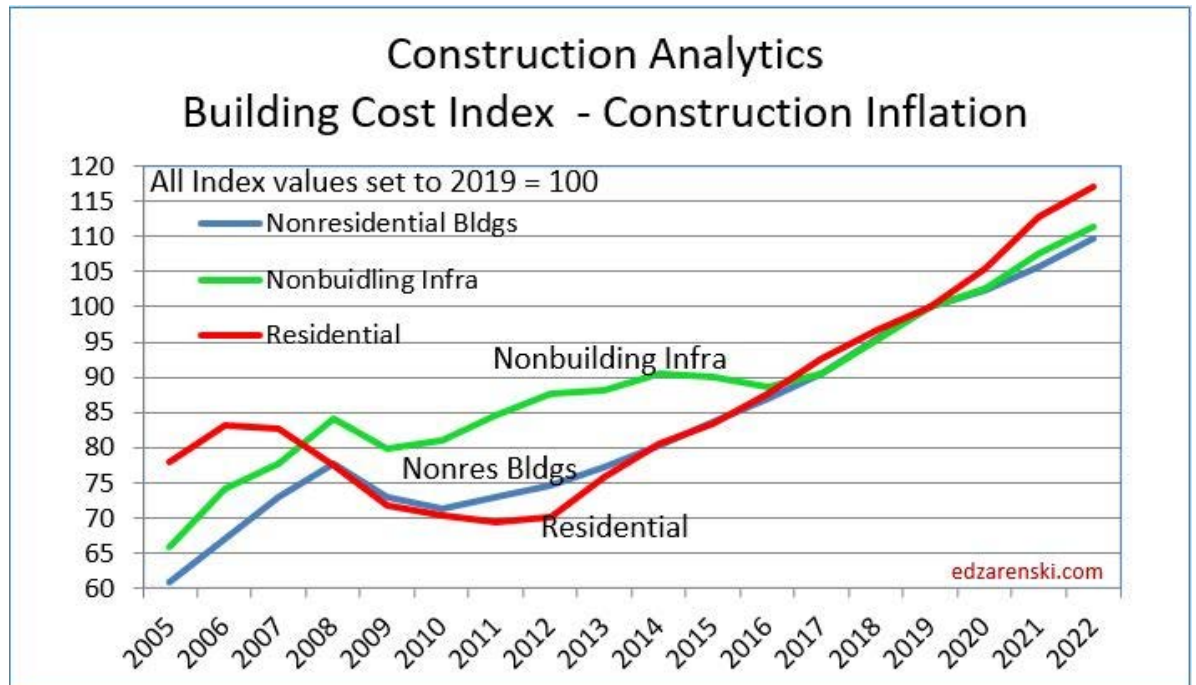
What can \$350,000 buy you?

As of July 24, 2021, There a total of 100 listings in Snohomish County available under \$350,000. Of this amount, only 21 were single family homes. 42 were condos – the remaining were a mix of manufactured homes, townhome and 'other'. The (21) available single-family homes averaged 1,044 square feet, built in the year 1966, and were typically in need of major improvements, extremely rural, or on busy corridors. Most condos at that price point were a mix of 1985 constructs averaging 933 square feet with 1.8 bedrooms.

Rising Construction Costs

Construction Inflation

Rising construction costs are another big factor on the supply pipeline. John Burns Real Estate Consulting data shows that the cost of building a home has risen by 22% year-over-year. And while apartment buildings aren't the same as single-family houses, a broad-based increase in the cost of construction will similarly impact multifamily and overall housing supply pressure. The line graph on the right provided by edzaresnki.com demonstrates a clear increase of cost in 2020.



Rents & Vacancy Trends

Outlying Snohomish County Daily Rents & Vacancy

Outlying Snohomish County has had an amazing run through 2020 and 2021. Vacancy is at an all-time low in this market, sitting at 3%. Outlying Snohomish is an extremely supply constrained market. Development in this market has been very minimal. There have been a few large deliveries in recent years, but there is not much in the pipeline for new development.

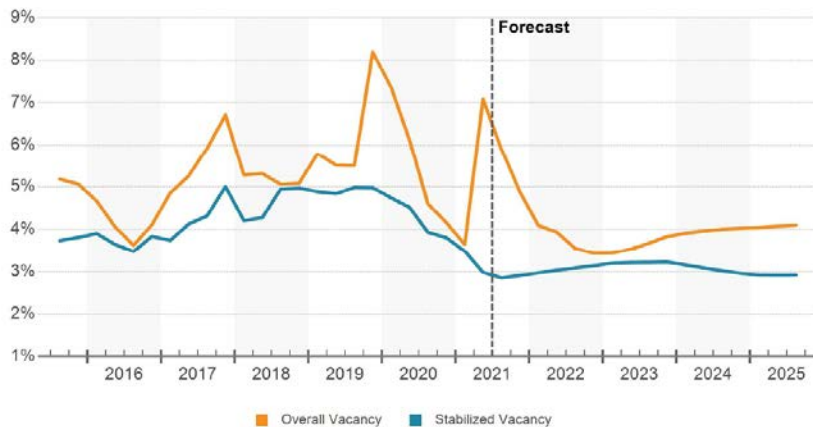
Demographics trends could also explain the tight rental market in these areas. Tenants have been fleeing urban centers in exchange for more space and less dense housing situations. Outlying Snohomish is ideal for this type of housing.

Rents have had modest but consistent growth over the past few years. Seeing growth rates between 2-4%, Snohomish has been slow and steady compared to King and Pierce counties. However, in 2021 we have seen rents start to spike in Outlying Snohomish. To date we have already seen an 6-8% gains in rents in this submarket. According to Costar projections, they expect this rate to continue and accelerate over the next two years and a return to current levels in 2024.

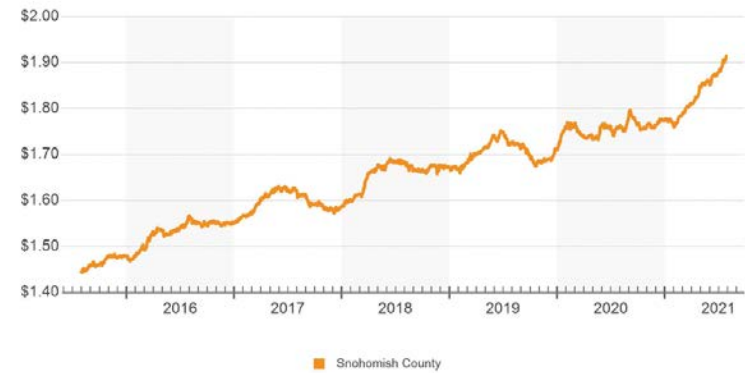
Vacancy

Snohomish County Multi-Family

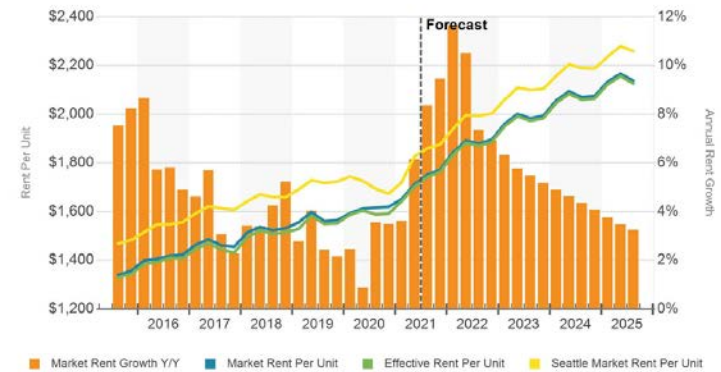
OVERALL & STABILIZED VACANCY



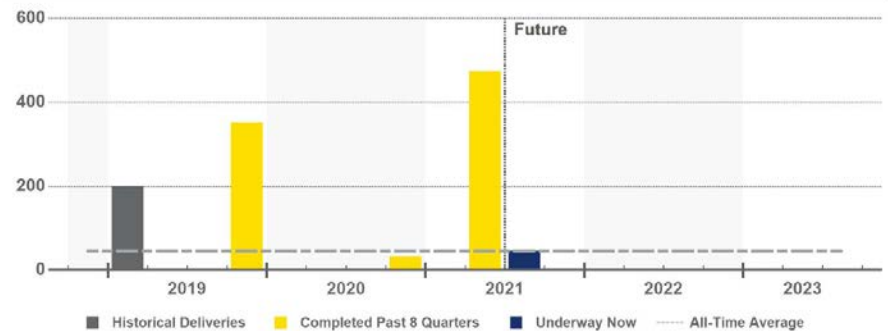
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



PAST & FUTURE DELIVERIES IN UNITS



Site Demographics & Amenities

WHAT'S NEARBY

RETAIL

Safeway	Rite Aid
Walmart	DICK'S Sporting Goods
Target	Office Depot
Best Buy	Michaels
Costco	Sound Harley-Davidson
Lowe's	Hobby Lobby
Marshalls	Public Storage
Petco	

FOOD & DRINKS

Olympia Pizza & Pasta	Cold Stone Creamery
Teriyaki Bowl	Starbucks
Taco Time	Red Robin
Little Caesars	IHOP
McDonald's	Pizza Hut
Moose Creek BBQ	Tokyo House
Jersey Mike's Subs	Gourmet Latte
Domino's Pizza	Paraiso Mexican
Panda Express	The Point Bar & Grill
Popeyes Louisiana Kitchen	Strita Kitchen
Outback Steakhouse	Longhorn Saloon
MOD Pizza	Buzz Inn Steakhouse
Bonefish Grill	Elemental Cider Co
QDOBA Mexican Grill	Hidden Vine Bistro
Hops n Drops	360 Espresso
Taco Bell	Wendy's
Crumbl Cookies	Jack in the Box
Five Guys	Teriyaki Point
Chipotle	
Buffalo Wild Wings	
Boston's Restaurant	

SCHOOLS & SERVICES

Kaiser Permanente	Arlington Municipal Airport
Lakewood High School	Smokey Point Transit Center
Lakewood Middle School	
English Crossing Elementary	
Cougar Creek Elementary	

POPULATION	1-MILE	3-MILE	5-MILE
Total Population	7,790	24,071	60,165
Growth 2021 - 2026 (est.)	6.87%	5.58%	6.09%
Median Age	36.8	371	379
HOUSEHOLDS & INCOME	1-MILE	3-MILE	5-MILE
Total Households	3,003	8,768	21,783
Median HH Income	\$66,950	\$82,484	\$86,430
Renter Occupied Housing	35.06%	25.23%	26.65%

© COSTAR REALTY INFORMATION, INC. 2021



Arlington

ARLINGTON reflects the beauty and diversity of the Northwest. It has the friendly atmosphere of a small town with “big city” amenities less than an hour away. Sitting near the base of the Cascade Mountain Range and bordered by the rolling Stillaguamish River with the Interstate 5 corridor just minutes away, Arlington is the perfect town for the slow-paced lifestyles many are looking for. Within the city limits, the friendly shopkeepers will gladly help accommodate the need for varieties of merchandise. Modern structures and restored buildings from the 1930’s era create the charms of Olympic Avenue, the town’s main street.

The vast recreational playground of State and National Forests surround the area to allow ready access to wilderness hiking, backpacking and

skiing. Nearby lakes and rivers team together to please the sport fishermen.

Arlington preserves the natural beauty of the surrounding area in town by maintaining three city parks and the Centennial fountain.

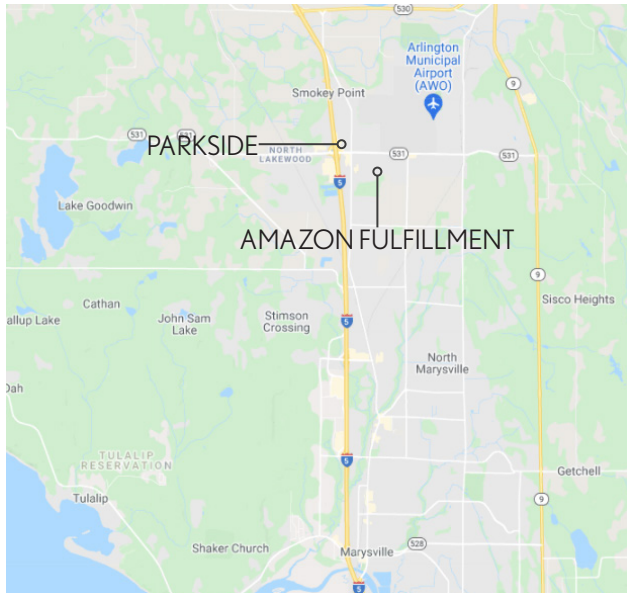
Arlington began in the late 1800’s as a lumber town with shingle mills, sawmills, and logging camps. Today, the community attracts new businesses and residents, as well as visitors because of its convenient location and beautiful surroundings. Future plans for Arlington include being part of the Centennial Trail system which will one day be a walking, jogging, biking and horseback riding trail stretching from Skagit County to Seattle.



In the News



AMAZON TO OPEN NEW FULFILLMENT CENTER IN ARLINGTON WITH OVER 1,000 EMPLOYEES



ARLINGTON, Wash. - Amazon announced plans Thursday to open a new fulfillment center in Arlington later this year.

The new facility will create more than 1,000 full-time jobs with a \$15-per-hour starting wage, a benefit package and career opportunities for local residents, said Amazon spokesperson Karen Riley Sawyer.

The new five-story, 600,000-square-foot fulfillment center will be located at 4620 - 172nd Street NE in Arlington's Cascade Industrial Center. Workers and robotics there will help pick, pack and ship customer orders to communities across Snohomish County, Washington state and beyond.

Seattle-based Amazon currently employs more than 80,000 workers throughout the state.

"We're excited to open a new, state-of-the-art fulfillment center in the city of Arlington," said Alicia Boler Davis, Amazon's vice president of global customer fulfillment. "Arlington and surrounding communities in Snohomish County offer a talented workforce, and we look forward to growing employment beyond the more than 80,000 employees already serving customers in the region."

Arlington Mayor Barbara Tolbert said the city welcomes the new Amazon facility.

"Amazon brings great jobs with great pay and benefits as well as opportunities for longer-term careers," Tolbert said. "This will help working families across our region."

Arlington city officials said Thursday that construction at the Amazon location will begin the week of April 12, starting with grading of the site. The general contractor is Clark Construction Group, LLC.

Street and traffic improvements - including a roundabout and a new roadway for increased traffic - also will be constructed at the site.

Snohomish County Executive Dave Somers says the new Amazon fulfillment center will help the county rebuild its economy from the COVID pandemic.

"We look forward to working with Amazon as they expand in business-friendly Snohomish County," he said.

About Westlake



EXCLUSIVELY LISTED BY:

STEVE FISCHER

PRINCIPAL | BROKER

P: 206.505.9435

fischer@westlakeassociates.com

JOE KINKOPF

BROKER

P: 206.505.9403

joek@westlakeassociates.com

TYLER SMITH

PRINCIPAL | BROKER

P: 206.505.9425

tylersmith@westlakeassociates.com

DISCLAIMER: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, and numbers are approximate. Parties must verify the information and bear all risk for any inaccuracies.

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

PROUD MEMBERS OF:

Commercial Brokers Association (CBA)

Northwest Multiple Listing Services (NWMLS)

LoopNet National Listing Services

CoStar Commercial Real Estate Data & National Listing

Commercial Investment Real Estate (CREI)

Washington State Realtors Association (WSMA)

1200 Westlake Avenue N, Suite 310
Seattle, Washington 98109

©2021 WESTLAKE ASSOCIATES, INC.

