



WESTLAKE  
ASSOCIATES, INC.



# DAVIS APARTMENTS

631 & 639 3RD AVE S | KENT, WA 98032



VOORHEES  
MULTIFAMILY  
GROUP



# Investment Summary



## **WESTLAKE ASSOCIATES, INC. IS PLEASED TO PRESENT THE DAVIS APARTMENTS FOR SALE**

This is a 21-unit apartment community built in 1966. The property is situated on a 1.07 acre lot sitting on two parcels, less than a mile away from Kent Station light rail stop. Fifteen (15) of the units are a 2 bedroom 1 bath layout and the remaining six (6) are a 1 bedroom 1 bath configuration.

The apartment homes have front and back entrances that open up to grassy rear yards. The unit interiors feature full size washer and dryer hookups, vaulted ceilings, and fireplaces in the end units. Fifteen (15) of the units have been remodeled within the last several years with new flooring, countertops, cabinetry, mill work, and trim. The apartments are separately metered for water usage which the tenants pay for directly. Some recent capital expenditures include new parking lot resurfacing, new double torch down roofs, and new utility garage that can be used for management or tenant storage.

The Davis Apartments presents an investor with the opportunity to own a turn-key asset with major rent lift. The current in place rents are 35-40% below market based on our recent rental survey. This investment boasts little to no “heavy lifting” needed from new owner while offering a superior cash-on-cash return upon rental stabilization.

### **PROPERTY HIGHLIGHTS**

- Full-size washer & dryers
- Rents 35-40% under market
- Vaulted ceilings
- 1.07 acres of land
- Apartments separately metered for water
- 15 of 21 units have been remodeled in recent years

# Property Details

**PRICE:**           **\$4,250,000**

Name	Davis Apartments
Address	631& 639 3rd Ave S Kent, WA 98032
County	King
Market	Kent
Style	Low-Rise / Garden
APN#	919710-0200 & 919710-0201
Zoning	MR-D
Lot Size	46,824 SF
Year Built	1962 & 1966
# of Buildings	2
# of Floors	1
# of Units	21
Net Rentable SF	15,900 SF
Construction	Wood Frame
Roof	Composition
Heat	Electric
Laundry	Common
Parking	Surface



# Income & Expenses

## PRICE ANALYSIS

<b>PRICE</b>	<b>\$4,250,000</b>
Price per Unit	\$202,381
Price per NRSF	\$267.30
Price per Land SF	\$90.76
Current Cap	3.80%
Current GRM	16.93
Market Cap	6.49%
Market GRM	10.60

## PROPOSED FINANCING

Loan Amount	\$3,187,500
Down Payment	\$1,062,500
% Down	25.0%
Rate	4.00%
Amortization	30 Years
Term	5 Years
Monthly Payment	\$15,217
Annual Payment	\$182,611

UNIT TYPE	# OF UNITS	AVG SIZE	CURRENT	PSF	MARKET	PSF
1BD 1BA	6	650	\$925	\$1.42	\$1,400	\$2.15
2BD 1BA	15	800	\$1,025	\$1.28	\$1,500	\$1.87
<b>TOTAL   AVG</b>	<b>21</b>	<b>15,900 SF</b>	<b>\$20,925</b>	<b>\$1.32</b>	<b>\$30,900</b>	<b>\$1.94</b>

## INCOME

	CURRENT	MARKET
Scheduled Rent Income	\$251,100	\$370,800
+ WSG Bill Back	\$0	\$25,200
+ Other Income	\$0	\$2,520
+ Garage Income	\$0	\$3,000
Scheduled Gross Income	\$251,100	\$400,920
- Vacancy & Credit Losses	0.00% (\$0)	5.00% (\$20,046)
<b>Gross Income</b>	<b>\$251,100</b>	<b>\$380,874</b>

## EXPENSES

	CURRENT	MARKET
Real Estate Taxes	\$33,199	\$40,000
Property Insurance	\$6,300	\$6,300
Utilities W/S/G/E	\$12,293	\$12,293
Management	\$10,698	\$19,098
Maintenance / Turnover	\$14,700	\$14,700
Grounds	\$2,400	\$2,400
Reserves	\$4,200	\$4,200
On-Site Payroll	\$6,000	\$10,000
<b>Total Expenses</b>	<b>\$89,790</b>	<b>\$104,991</b>

## OPERATING DATA

	CURRENT	MARKET
<b>Net Operating Income</b>	<b>\$161,310</b>	<b>\$275,883</b>
Less Loan Payments	(\$182,611)	(\$182,611)
Pre-Tax Cash Flow	(\$21,301)	\$93,272
Plus Principal Reduction	\$56,133	\$56,133
Total Return Before Taxes	\$34,832	\$149,405
	3.28%	14.06%

# Rent Roll

UNIT	UNIT TYPE	SF	CURRENT	RENT / SF	MARKET	RENT / SF
9	2 BD 1BA	800	\$900	\$1.12	\$1,500	\$1.87
10	2 BD 1BA	800	\$1,000	\$1.25	\$1,500	\$1.87
11	2 BD 1BA	800	\$1,000	\$1.25	\$1,500	\$1.87
12	2 BD 1BA	800	\$1,100	\$1.37	\$1,500	\$1.87
13	2 BD 1BA	800	\$1,010	\$1.26	\$1,500	\$1.87
14	2 BD 1BA	800	\$975	\$1.21	\$1,500	\$1.87
15	2 BD 1BA	800	\$900	\$1.12	\$1,500	\$1.87
16	2 BD 1BA	800	\$900	\$1.12	\$1,500	\$1.87
17	2 BD 1BA	800	\$1,000	\$1.25	\$1,500	\$1.87
18	2 BD 1BA	800	\$1,300	\$1.62	\$1,500	\$1.87
43	1BD 1BA	650	\$800	\$1.23	\$1,400	\$2.15
44	1BD 1BA	650	\$800	\$1.23	\$1,400	\$2.15
45	1BD 1BA	650	\$660	\$1.01	\$1,400	\$2.15
46	1BD 1BA	650	\$700	\$1.07	\$1,400	\$2.15
47	2 BD 1BA	800	-	-	\$1,500	\$1.87
48	2 BD 1BA	800	\$1,100	\$1.37	\$1,500	\$1.87
49	2 BD 1BA	800	\$1,000	\$1.25	\$1,500	\$1.87
50	2 BD 1BA	800	\$930	\$1.16	\$1,500	\$1.87
51	2 BD 1BA	800	\$800	\$1.00	\$1,500	\$1.87
52	1BD 1BA	650	-	-	\$1,400	\$2.15
53	1BD 1BA	650	-	-	\$1,400	\$2.15
<b>TOTAL   AVG</b>	<b>21</b>	<b>15,900 SF</b>	<b>\$20,925</b>	<b>\$1.32</b>	<b>\$30,900</b>	<b>\$1.94</b>

# Photos



# Sales Comparables

## SUBJECT PROPERTY

631 & 639 3rd Ave S  
Kent, WA 98031



SUBJECT PROPERTY	
SALE DATE	-
LIST PRICE	\$4,250,000
TOTAL SF	15,900 SF
PRICE / SF	\$267.30
PRICE / UNIT	\$202,281
CAPRATE	3.80%
GRM	16.93
YEAR BUILT	1966
# OF UNITS	21
LOT SF	46,824 SF

## TITUS MANSION

405 E Titus St  
Kent, WA 98030



SALE COMPARABLE	
SALE DATE	04/14/2021
PRICE	\$1,950,000
TOTAL SF	9,503 SF
PRICE / SF	\$205.18
PRICE / UNIT	\$216,667
CAPRATE	4.69%
GRM	12.8
YEAR BUILT	1981
# OF UNITS	9
LOT SF	14,375 SF

## KENT STATION

705-717 State Ave N  
Kent, WA 98031



SALE COMPARABLE	
SALE DATE	06/24/2021
SALE PRICE	\$2,650,000
TOTAL SF	12,744 SF
PRICE / SF	\$207.94
PRICE / UNIT	\$165,625
CAPRATE	3.02%
GRM	12.9
YEAR BUILT	1966
# OF UNITS	16
LOT SF	14,623 SF

## 9-UNIT TOWNHOMES

10626 SE 238th St  
Kent, WA 98031



SALE COMPARABLE	
SALE DATE	02/17/2021
SALE PRICE	\$2,050,000
TOTAL SF	8,276 SF
PRICE / SF	\$247.70
PRICE / UNIT	\$227,778
CAPRATE	6.12%
GRM	11.6
YEAR BUILT	1968
# OF UNITS	9
LOT SF	14,375 SF



# Comparable Sale Summary

	SALE COMPS	# OF UNITS	PRICE	BLDG SF	PRICE / SF	PRICE / UNIT	CAP	GRM	YEAR BUILT	SALE DATE
	<b>SUBJECT PROPERTY</b> 631 - 639 S 3rd Ave, Kent	21	\$4,250,000	15,900 SF	\$267.30	\$202,381	3.80%	16.93	1966	-
01	<b>TITUS MANSION</b> 405 E Titus St	9	\$1,950,000	9,503	\$205.18	\$216,667	4.69%	12.8	1981	04/14/2021
02	<b>KENT STATION</b> 705-717 State Ave N	16	\$2,650,000	12,744	\$207.94	\$165,625	3.02%	12.9	1966	06/24/2021
03	<b>9-UNIT TOWNHOMES</b> 10626 SE 238th St	9	\$2,050,000	8,276	\$247.70	\$227,778	6.12%	11.6	1968	02/17/2021
	<b>Averages</b>				\$229.65	\$202,517	4.61%	12.4		



# Rent Comparables



**5TH AVE**  
731 5th Ave S | Kent

YEAR BUILT	1965
UNITS	24

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	600	\$1,400	\$2.33
2BD 1BA	750	\$1,500	\$2.00



**HIDDEN RIDGE**  
23816 100th Ave SE | Kent

YEAR BUILT	1960
UNITS	44

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	-	-	-
2BD 1BA	750	\$1,495	\$1.99



**KENTWOOD**  
22415 Benson Rd SE | Kent

YEAR BUILT	1955
UNITS	95

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	550	\$1,400	\$2.54
2BD 1BA	722	\$1,700	\$2.35



**RIVERWOOD**  
24620 Russell Rd | Kent

YEAR BUILT	1986
UNITS	338

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	650	\$1,425	\$2.19
2BD 1BA	-	-	-

# Sound Transit Projects

## KENT STATION PROJECT MAP & SUMMARY



## KEY

- Current
- Planned ST3
- New Station / Added Parking
- Improved Station



Sound Transit is working on a project for the Federal Way Link extension of light rail from Sea-Tac through Kent to Federal Way.

Two new stations will be built in Kent when construction starts in 2019 to extend the light rail for 7.8 miles from SeaTac's Angle Lake Station to the Federal Way Transit Center. One station will go up near South 272nd Street and Pacific Highway South and the other one near South 272nd Street and Interstate 5. The new line is expected to open in 2024.

Sound Transit is working to improve access to Kent Station for people walking and cycling, transit riders and drivers. Improvements include a new 530-space parking garage at East James Street and Railroad Avenue North, as well as pedestrian, bicycle, and transit access improvements. Expected completion by 2023.

With two roundtrips added to the Sounder south line in 2017, 13 daily roundtrips now stop at Kent Station, with ridership growing steadily. These improvements make it easier and safer for people to commute stress-free on Sounder trains.

# Site Demographics & Amenities

## WHAT'S NEARBY

### RETAIL

Safeway	Rite Aid
Fred Meyer	Game Stop
M & J Food Mart	Walgreens
Bah African	JOANN Fabric
La Huerta Latin Market	The Home Depot
Grocery Outlet	Target
Mud Bay	Saar's Super Saver
Hong Kong Market	

### FOOD & DRINKS

La Chapanita	Nashville's Sports Bar
Cloud 9 Bar & Grill	Feast & Foliage
Willis Deli	Greatest Thai
Central Ave Pub	Kent Station Nutrition
Mediterranean Breeze	Fire Tacos de Birria
Taco Bell	Wingstop
MissBoba	Litty City
Antigua Guatemala	El Rinconsito
McDonald's	MOD Pizza
Emerald City Smoothie	Johnny Rockets
Ichi Teriyaki	Ram Restaurant & Brewery
Blinker Tavern	Chipotle Mexican Grill
egghole	Spring Kitchen
Jimmy John's	See's Candies
Asadero Sinaloa	Panera Bread
Ishtar Greek Cuisine	Cold Stone Creamery
Sweet Themes Bakery	Banyan Tree
Maggie's on Meeker	El Sabor
Thai Chili	Lucky House Chinese
Wild Wheat Bakery	Grandma Thai Cuisine
Rafiki Restaurant	El Senor Pollo De Kent

### SCHOOLS & SERVICES

Riverview Park	Scenic Hill Elementary
accesso ShoWare Center	Mill Creek Middle School
Kent Station	Kent Meridian High School
Uplands Playfield	Driver Licensing Office of Kent
Puget Sound Fire Station #71	

POPULATION	1-MILE	3-MILE	5-MILE
Total Population	17,443	115,663	286,137
Growth 2021 - 2026 (est.)	8.85%	7.02%	5.69%
Median Age	35.2	34.0	34.7
HOUSEHOLDS & INCOME	1-MILE	3-MILE	5-MILE
Total Households	7,736	44,683	107,163
Median HH Income	\$44,418	\$65,604	\$73,532
Renter Occupied Housing	72.44%	55.58%	45.87%

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# Kent

KENT is located in the middle of Tacoma and Seattle, sitting just 18 miles from each of these major cities and 7 miles from SeaTac International Airport. It is the second oldest incorporated city in King County after Seattle. While its history was rooted in agricultural, the city today is a thriving industrial area with many major businesses including REI, Oberto Sausage Company, Flow International Corporation and Omax Corporation. With these major companies and other businesses Kent supplies over 70,000 jobs and \$8 billion gross business income.

Kent offers residents breathtaking views of Mount Rainier, the Cascades and Olympic Mountains. Located in the heart of the Green River Valley, residents find well established neighborhoods, well maintained parks and great school systems.

The Kent Downtown Partnership has worked to preserve the historic culture of Kent and create greater economic strength in local small businesses.

Covington resides just east of Kent. The area was originally known as Jenkins Prairie. From 1899 to 1900, the Northern Pacific Railway built a cut off between Auburn and Kanasket allowing better access for an east-west route over Stampede Pass. During this development the railroad established a small camp for the workers. By 1908, this village became home to the Covington Lumber Company, which was the main business of the area until the Great Depression. In 1937, the first Covington area school district was established and later the city was incorporated by King County in 1997.

The Kent and Covington housing market primarily consists of single-family homes. There are also numerous apartments and condos available for all resident's needs.

**2ND OLDEST  
INCORPORATED CITY  
IN KING COUNTY**

**KENT, WA**

**18 MILES  
DOWNTOWN  
SEATTLE & BELLEVUE**



KENT STATION RETAIL

# 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 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.

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**CoStar Commercial Real Estate Data & National Listing**

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**Washington State Realtors Association (WSMA)**

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