

# DAVIS APARTMENTS

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





### 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**

PRICE	\$4,250,000
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
TOTAL   AVG	21	15,900 SF	\$20,925	\$1.32	\$30,900	\$1.94

### 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)	
Gross Income		\$251,100		\$380,874	

#### 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	
Total Expenses	\$89,790	\$104,991	

#### **OPERATING DATA**

	CURRENT		MARKET	
Net Operating Income	\$161,310		\$275,883	
Less Loan Payments	(\$182,611)		(\$182,611)	
Pre-Tax Cash Flow	(\$21,301)	-2.00%	\$93,272	8.78%
Plus Principal Reduction	\$56,133		\$56,133	
Total Return Before Taxes	\$34,832	3.28%	\$149,405	14.06%

# Rent Roll

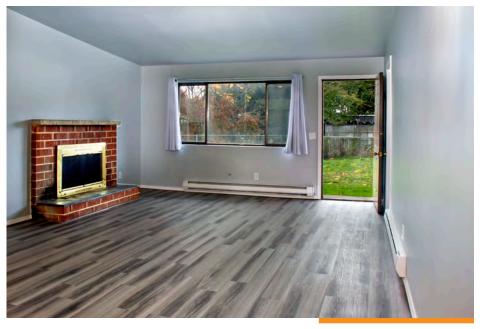
UNIT	UNIT TYPE	SF	CURRENT	RENT / SF	MARKET	RENT / SF
9	2 BD   1 BA	800	\$900	\$1.12	\$1,500	\$1.87
10	2 BD   1 BA	800	\$1,000	\$1.25	\$1,500	\$1.87
11	2 BD   1 BA	800	\$1,000	\$1.25	\$1,500	\$1.87
12	2 BD   1 BA	800	\$1,100	\$1.37	\$1,500	\$1.87
13	2 BD   1 BA	800	\$1,010	\$1.26	\$1,500	\$1.87
14	2 BD   1 BA	800	\$975	\$1.21	\$1,500	\$1.87
15	2 BD   1 BA	800	\$900	\$1.12	\$1,500	\$1.87
16	2 BD   1 BA	800	\$900	\$1.12	\$1,500	\$1.87
17	2 BD   1 BA	800	\$1,000	\$1.25	\$1,500	\$1.87
18	2 BD   1 BA	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	2BD 1BA	800	-	-	\$1,500	\$1.87
48	2BD 1BA	800	\$1,100	\$1.37	\$1,500	\$1.87
49	2BD 1BA	800	\$1,000	\$1.25	\$1,500	\$1.87
50	2BD 1BA	800	\$930	\$1.16	\$1,500	\$1.87
51	2 BD   1 BA	800	\$800	\$1.00	\$1,500	\$1.87
52	1BD 1BA	650	-	-	\$1,400	\$2.15
53	1BD 1BA	650	-	-	\$1,400	\$2.15
TOTAL   AVG	21	15,900 SF	\$20,925	\$1.32	\$30,900	\$1.94

# Photos









WESTLAKE ASSOCIATES | 7

### Sales Comparables

### SUBJECT PROPERTY

631 & 639 3rd Ave S Kent, WA 98031



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 COMPARABI	LE
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 COMPARABI	.E
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

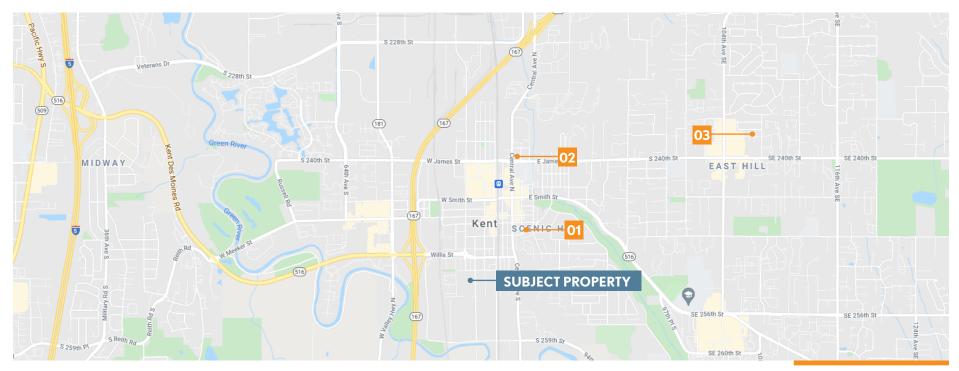
**9-UNIT TOWNHOMES** 10626 SE 238th St Kent, WA 98031



SALE COMPARABLE		
SALE DATE	02/17/2021	
<b>SALE PRICE</b>	\$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	<b># OF UNITS</b>	PRICE	BLDG SF	PRICE / SF	PRICE / UNIT	CAP	GRM	YEAR BUILT	SALE DATE
	SUBJECT PROPERTY 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
	Averages				\$229.65	\$202,517	4.61%	12.4		



WESTLAKE ASSOCIATES | 9

### Rent Comparables



#### **5TH AVE**

7315th Ave S | Kent

YEAR BUILT 1965 UNITS 24



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

YEAR BUILT	1960
UNITS	44

UNIT TYPE	SF	RENT	RENT / SF	UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	600	\$1,400	\$2.33	1BD 1BA	-	-	-
2 BD   1 BA	750	\$1,500	\$2.00	2 BD   1 BA	750	\$1,495	\$1.99



NEINI	WOOD		
22415	Benson	Rd SE	Kent

YEAR BUILT 1955 UNITS 95



### **RIVERWOOD**

24620 Russell Rd | Kent

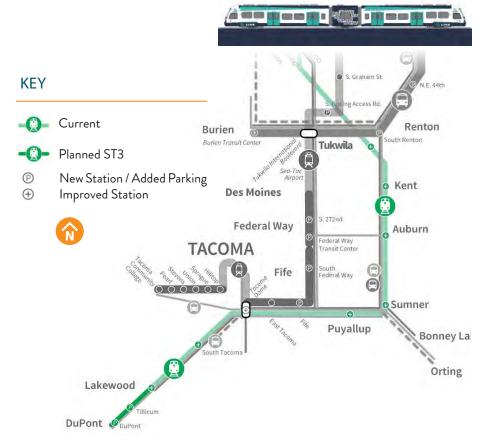
YEAR BUILT	1986	
UNITS	338	

UNIT TYPE	SF	RENT	RENT / SF	UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	550	\$1,400	\$2.54	1BD 1BA	650	\$1,425	\$2.19
2 BD   1 BA	722	\$1,700	\$2.35	2 BD   1 BA	-	-	-

### Sound Transit Projects

#### **KENT STATION PROJECT MAP & SUMMARY**





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

#### **FOOD & DRINKS**

La Chapanita Cloud 9 Bar & Grill Willis Deli Central Ave Pub Mediterranean Breeze Taco Bell MissBoba Antigua Guatemala McDonald's Emerald City Smoothie Ichi Teriyaki Blinker Tavern egghole Jimmy John's Asadero Sinaloa Ishtar Greek Cuisine Sweet Themes Bakery Maggie's on Meeker Thai Chili Wild Wheat Bakery Rafiki Restaurant

Nashville's Sports Bar Feast & Foliage Greatest Thai Kent Station Nutrition Fire Tacos de Birria Wingstop Litty City El Rinconsito MOD Pizza Johnny Rockets Ram Restaurant & Brewery Chipotle Mexican Grill Spring Kitchen See's Candies Panera Bread Cold Stone Creamery Banyan Tree El Sabor Lucky House Chinese Grandma Thai Cuisine El Senor Pollo De Kent

#### **SCHOOLS & SERVICES**

Riverview Park accesso ShoWare Center Kent Station Uplands Playfield Puget Sound Fire Station #71

Scenic Hill Elementary Mill Creek Middle School Kent Meridian High School Driver Licensing Office of Kent

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%

© COSTAR REALTY INFORMATION, INC. 2021



### 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 eastwest 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



### About Westlake



#### **EXLUSIVELY LISTED BY:**



RIVER VOORHEES BROKER P: 206.505.9438 river@westlakeassociates.com



LOUIS VOORHEES BROKER P: 206.505.9434 louisy@westlakeassociates.com 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)

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. 1200 Westlake Avenue N, Suite 310 Seattle, Washington 98109 ©2021 WESTLAKE ASSOCIATES, INC.

