

# HUDSON COURT

14117 C STREET S | TACOMA, WA 98444



EXCLUSIVELY LISTED BY:

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# Offering Summary

**PRICE: \$5,995,000**

Name	Hudson Court Apartments
Address	14117 C Street S Tacoma, WA 98444
County	Pierce
Market	Tacoma
Style	Low-Rise / Garden
APN#	031916-3054
Zoning	MHR
Lot Size	48,787 SF
Year Built	1972
# of Buildings	3
# of Floors	2
# of Units	30
Net Rentable SF	20,400 SF
Construction	Wood Frame
Roof	Composition
Heat	Electric
Laundry	Common
Parking	Surface



# Property Highlights



## HUDSON COURT

Westlake Associates Inc. is pleased to present the Hudson Court Apartments for sale. The offering provides an opportunity to acquire a fully renovated building in a growing developing community just blocks away from Pacific Lutheran University. At the asking price of \$5,995,000, the underwriting poses an in-place 5.11% cap rate with a market cap rate of 5.68% on current asking rents. The average 1x1 is in-place at \$1084, however most recent 1x1 have rented for \$1225. The average 2x1 sits at \$1280 with the most recent rent being \$1395. This provides 10% rental upside on the proven most recent leasing activity. There is also the opportunity to further pursue the feasibility of adding laundry to the units. Market rents for similar units with laundry in the area range from \$1400-\$1500 for 1x1 and \$1550-\$1650 for 2 bedrooms further demonstrating possible upside of 25%-40% rental upside!

## PROPERTY HIGHLIGHTS

- All 30 units have been renovated with new vinyl flooring, trim, paint, updated cabinets, quartz counters and new appliances including most with stainless package
- Updated landscaping, fencing, parking lot resurface, exterior paint and roofing
- Copper plumbing, vinyl double pane windows. New electrical panels along with major replacement of hot water tanks.
- Similar rental common laundry comps range between \$1300-\$1350 for 1x1 and \$1425-\$1495 for 2x1
- There is potential to add laundry with further feasibility study. In-unit laundry comps range from \$1400-\$1500 for 1x1 and \$1550-\$1650 for 2x1
- Ideally located from major employers - 1.25 miles south of Pacific Lutheran University 5 miles east of Rainier Gate at JBLM and 5.8 miles west of Boeing Fredrickson plant
- 16 minutes to downtown Tacoma, 30 minutes to Olympia, 45 minutes to downtown Seattle
- The area is also serviced by Sound Transit Station that services the south sound with direct train access through downtown Seattle all the way to Everett. Lakewood station is short 10 minute drive.



# Location



# Financial Analysis

## PRICE ANALYSIS

<b>PRICE</b>	<b>\$5,995,000</b>
Price per Unit	\$199,833
Price per NRSF	\$289.61
Price per Land SF	\$122.88
Current Cap	5.13%
Current GRM	12.37
Market Cap	5.68%
Market GRM	11.18

## PROPOSED FINANCING

Loan Amount	\$4,196,500
Down Payment	\$1,798,500
% Down	30.0%
Interest Rate	3.250%
Amortization	30 Years
Term	5 Years
Monthly Payment	\$18,263
Annual Payment	\$219,161

# OF UNITS	UNIT TYPE	SF	CURRENT	MARKET
12	1BD 1BA	600	\$1,084	\$1,225
18	2BD 1BA	750	\$1,280	\$1,395
<b>TOTAL</b>	<b>30 UNITS</b>	<b>20,400 SF</b>	<b>\$36,075</b>	<b>\$39,810</b>

## INCOME

	CURRENT	MARKET
Scheduled Rent Income	\$432,900	\$477,720
+ Utility Recovery	\$33,660	\$40,680
+ Other Income	\$13,752	\$13,752
+ Laundry	\$4,140	\$4,140
Scheduled Gross Income	\$484,452	\$536,292
- Vacancy & Credit Losses	5.00% (\$24,223)	(\$26,815)
<b>Gross Income</b>	<b>\$460,229</b>	<b>\$509,477</b>

## EXPENSES

	CURRENT	MARKET
Real Estate Taxes	\$31,296	\$45,000
Property Insurance	\$12,493	\$12,493
Management	\$23,011	\$25,474
Payroll & Administration	\$12,000	\$12,000
Utilities	\$34,358	\$34,358
Maintenance / Turnover	\$25,500	\$25,500
Administration	\$2,000	\$2,000
Grounds	\$4,800	\$4,800
Reserves	\$7,500	\$7,500
<b>Total Expenses</b>	<b>\$152,958</b>	<b>\$169,125</b>

## OPERATING DATA

	CURRENT	MARKET
<b>Net Operating Income</b>	<b>\$307,271</b>	<b>\$340,353</b>
Less Loan Payments	(\$219,161)	(\$219,161)
Pre-Tax Cash Flow	4.90% \$88,110	6.74% \$121,191
Plus Principle Reduction	\$82,775	\$82,775
Total Return Before Taxes	9.50% \$170,885	11.34% \$203,966

# Rent Roll

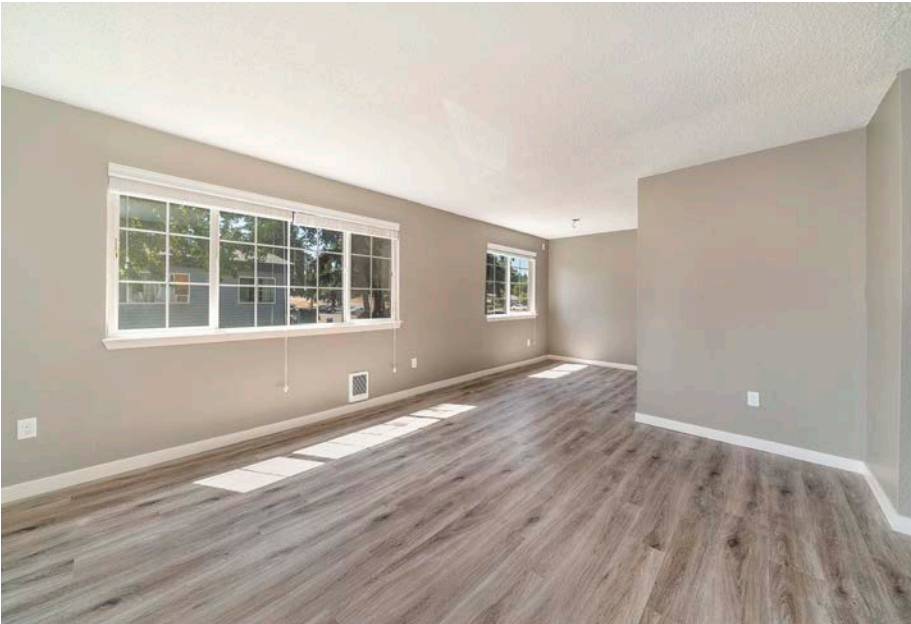
UNIT	UNIT TYPE	SF	CURRENT	RENT / SF	MARKET	RENT / SF
A	2 BD 1BA	750	\$1,395	\$1.86	\$1,395	\$1.86
AA	1BD 1BA	600	\$1,195	\$1.99	\$1,225	\$2.04
B	1BD 1BA	600	\$1,150	\$1.91	\$1,225	\$2.04
BB	2 BD 1BA	750	\$1,125	\$1.50	\$1,395	\$1.86
C	2 BD 1BA	750	\$1,250	\$1.66	\$1,395	\$1.86
CC	1BD 1BA	600	\$1,050	\$1.75	\$1,225	\$2.04
D	1BD 1BA	600	\$1,195	\$1.99	\$1,225	\$2.04
DD	2 BD 1BA	750	\$1,345	\$1.79	\$1,395	\$1.86
E	2 BD 1BA	750	\$1,345	\$1.79	\$1,395	\$1.86
F	2 BD 1BA	750	\$1,250	\$1.66	\$1,395	\$1.86
G	1BD 1BA	600	\$1,050	\$1.75	\$1,225	\$2.04
H	2 BD 1BA	750	\$1,295	\$1.72	\$1,395	\$1.86
I	1BD 1BA	600	\$1,050	\$1.75	\$1,225	\$2.04
J	2 BD 1BA	750	\$1,200	\$1.60	\$1,395	\$1.86
K	2 BD 1BA	750	\$1,295	\$1.72	\$1,395	\$1.86
L	1BD 1BA	600	\$995	\$1.65	\$1,225	\$2.04
M	2 BD 1BA	750	\$1,295	\$1.72	\$1,395	\$1.86
N	1BD 1BA	600	\$1,150	\$1.91	\$1,225	\$2.04
O	2 BD 1BA	750	\$1,395	\$1.86	\$1,395	\$1.86
P	2 BD 1BA	750	\$1,250	\$1.66	\$1,395	\$1.86
Q	1BD 1BA	600	\$1,050	\$1.75	\$1,225	\$2.04
R	2 BD 1BA	750	\$1,195	\$1.59	\$1,395	\$1.86
S	1BD 1BA	600	\$1,225	\$2.04	\$1,225	\$2.04
T	2 BD 1BA	750	\$1,250	\$1.66	\$1,395	\$1.86
U	2 BD 1BA	750	\$1,195	\$1.59	\$1,395	\$1.86
V	1BD 1BA	600	\$1,095	\$1.82	\$1,225	\$2.04
W	2 BD 1BA	750	\$1,250	\$1.66	\$1,395	\$1.86
X	1BD 1BA	600	\$950	\$1.58	\$1,225	\$2.04
Y	2 BD 1BA	750	\$1,295	\$1.72	\$1,395	\$1.86
Z	2 BD 1BA	750	\$1,295	\$1.72	\$1,395	\$1.86
<b>TOTAL   AVG</b>	<b>30</b>	<b>20,400 SF</b>	<b>\$33,455</b>	<b>\$1.76</b>	<b>\$39,810</b>	<b>\$1.95</b>



# Interior Photos



# Photos



# Rent Comparables



## CONCORDIA ARMS

114 129th St | Tacoma

YEAR BUILT	1962
UNITS	50

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	600	\$1,295	\$2.15
2BD 1BA	785	\$1,395	\$1.77



## 3903 TYLER

3903 S Tyler St | Tacoma

YEAR BUILT	2019
UNITS	24

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	600	\$1,345	\$2.24



## THE SEDONA

4005 S Warner St | Tacoma

YEAR BUILT	1976
UNITS	21

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	700	\$1,295	\$1.85



## AUSTIN TOWNHOMES

8022 S C Street | Tacoma

YEAR BUILT	1989
UNITS	8

UNIT TYPE	SF	RENT	RENT / SF
2BD 1.5BA	1,036	\$1,495	\$1.44



## BELLE GARDENS

8810 John Dower Rd SW | Lakewood

YEAR BUILT	1975
UNITS	24

UNIT TYPE	SF	RENT	RENT / SF
2BD 1BA	695	\$1,425	\$2.37

# Rent Comparables with In-Unit Laundry



**BELLAMY PARK**  
10821 108th Ave SW | Lakewood

YEAR BUILT	1975
UNITS	75

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	576	\$1,448	\$2.51



**ARBOR POINTE**  
11432 105th Ave SW | Lakewood

YEAR BUILT	1975
UNITS	188

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	615	\$1,502 - \$1,530	\$2.44 - \$2.48



**THE LODGE AT MADRONA**  
3202 S Mason Ave | Tacoma

YEAR BUILT	1986 / 2020
UNITS	465

UNIT TYPE	SF	RENT	RENT / SF
1BD 1BA	555 - 695	\$1,374 - \$1,653	\$2.47 - \$2.37



**FIRCREST GARDENS**  
4215 S 30th St | Tacoma

YEAR BUILT	1968
UNITS	121

UNIT TYPE	SF	RENT	RENT / SF
2BD 1BA	755	\$1,575	\$2.08
2BD 2BA	962	\$1,650	\$1.71



**FOURPLEX**  
3925 Mason Loop Rd | Tacoma

YEAR BUILT	1979
UNITS	4

UNIT TYPE	SF	RENT	RENT / SF
2BD 1.5BA	924	\$1,595	\$1.72



**FOURPLEX**  
3609 S Gunnison St | Tacoma

YEAR BUILT	1977
UNITS	4

UNIT TYPE	SF	RENT	RENT / SF
2BD 1BA	780	\$1,550	\$1.98

# Rent Comparable Summary

	<b>RENT COMPS COIN-OP LAUNDRY</b>	<b>TYPE</b>	<b>AVAILABLE SF</b>	<b>RENT</b>	<b>RENT / SF</b>
1	<b>114 129TH ST</b> Tacoma, WA	1 BD   1 BA 2 BD   1 BA	600 785	\$1,295 \$1,395	\$2.15 \$1.77
2	<b>3903 S TYLER ST</b> Tacoma, WA	1 BD   1 BA	600	\$1,345	\$2.24
3	<b>4005 S WARNER ST</b> Tacoma, WA	1 BD   1 BA	700	\$1,295	\$1.85
4	<b>8022 S C ST</b> Tacoma, WA	2 BD   1.5 BA	1,036	\$1,495	\$1.44
5	<b>8810 JOHN DOWER RD SW</b> Lakewood, WA	2 BD   1 BA	695	\$1,425	\$2.37
<b>Averages</b>				<b>\$1,375</b>	<b>\$1.97</b>

	<b>RENT COMPS IN-UNIT LAUNDRY</b>	<b>TYPE</b>	<b>AVAILABLE SF</b>	<b>RENT</b>	<b>RENT / SF</b>
6	<b>10821 108TH AVE SW</b> Lakewood, WA	1 BD   1 BA	576	\$1,448	\$2.51
7	<b>11432 105TH AVE SW</b> Lakewood, WA	1 BD   1 BA	615	\$1,502 - \$1,530	\$2.44 - \$2.48
8	<b>3202 S MASON AVE</b> Tacoma, WA	1 BD   1 BA	555 - 695	\$1,374 - \$1,653	\$2.47 - \$2.37
9	<b>4215 S 30TH ST</b> Tacoma, WA	2 BD   1 BA 2 BD   2 BA	755 962	\$1,575 \$1,650	\$2.08 \$1.71
10	<b>3925 MASON LOOP RD</b> Tacoma, WA	2 BD   1.5 BA	924	\$1,595	\$1.72
11	<b>3609 S GUNNISON ST</b> Tacoma, WA	2 BD   1 BA	780	\$1,550	\$1.98
<b>Averages</b>				<b>\$1,541</b>	<b>\$2.19</b>

# Rent & Vacancy Trends

## Pierce County Daily Rents & Vacancy

Over the past five years, Inland Pierce County has become a rising star in the region for both developers and investors. Traditionally Inland Pierce has been comprised of mainly blue-collar employment. However, we have been increasingly seen demographics shift as the urban core has priced out many renters. With this submarket's rents well below the surrounding region, we have seen populations move in mass.

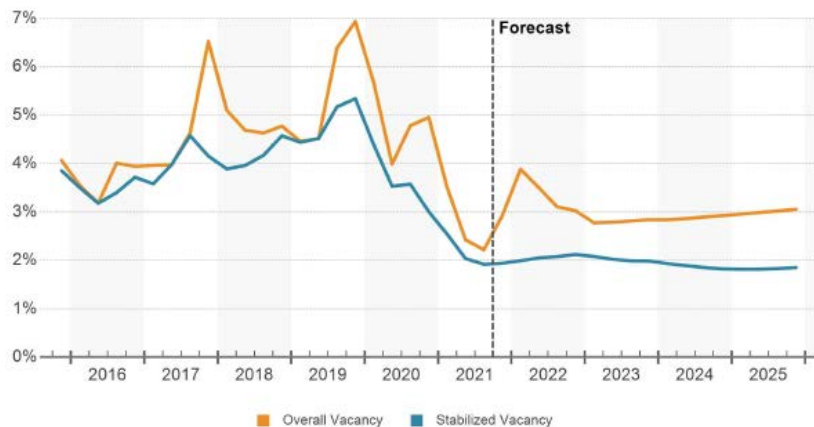
Since 2016, we have seen rent growth in this submarket consistently above 6%. In the trailing 12 months, rents in Inland Pierce have grown 12.7%. Much of this can be explained by the accessibility to the rest of Western Washington. Since this market is mostly land locked, transit in this area is surprisingly easy. In turn, tenants tend to get more space than they would in other submarkets

The rental market is incredibly tight in Inland Pierce, with vacancy rates sitting around 2%. This lack of inventory contributes to why Costar believes rent will continue to grow in double digit rates in the coming years. We have yet to see what this supply squeeze is doing to the investment market. Record rent growth, mixed with increasing cap rate compression is a recipe for record breaking transactions in Pierce County.

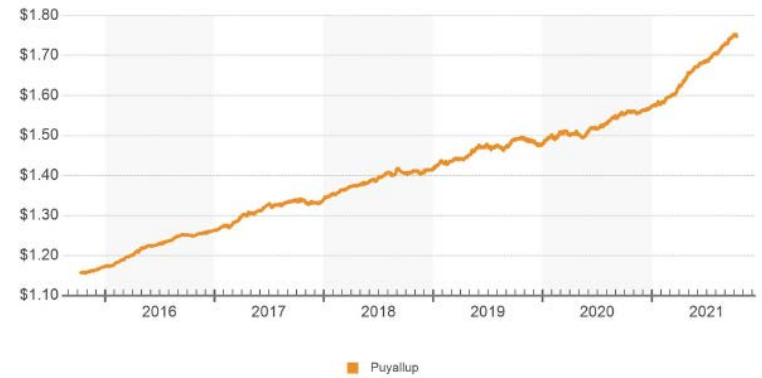
## Vacancy

Puyallup Multi-Family

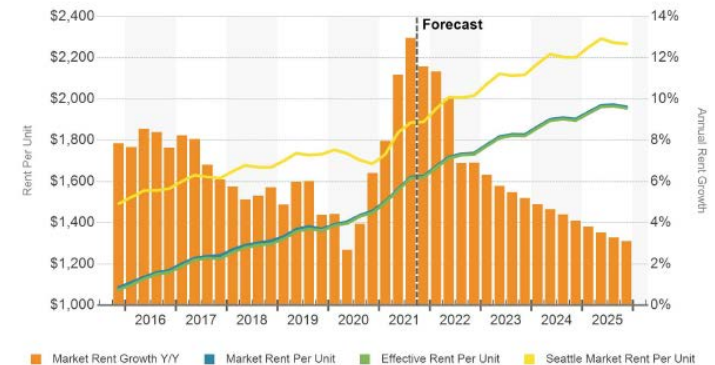
### OVERALL & STABILIZED VACANCY



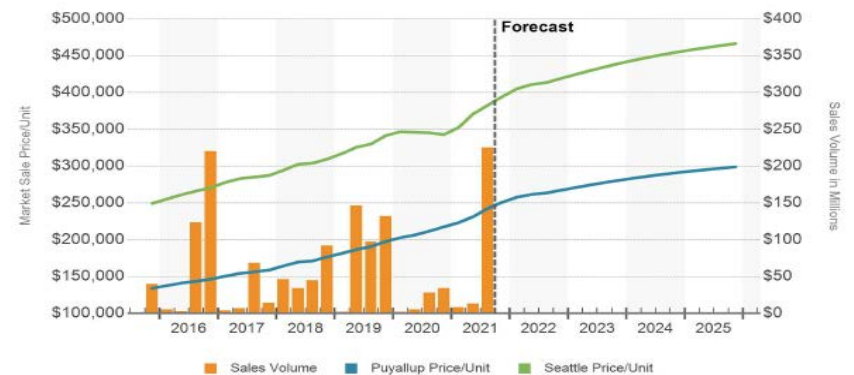
### DAILY ASKING RENT PER SF



### MARKET RENT PER UNIT & RENT GROWTH



### SALES VOLUME & MARKET SALE PRICE PER UNIT

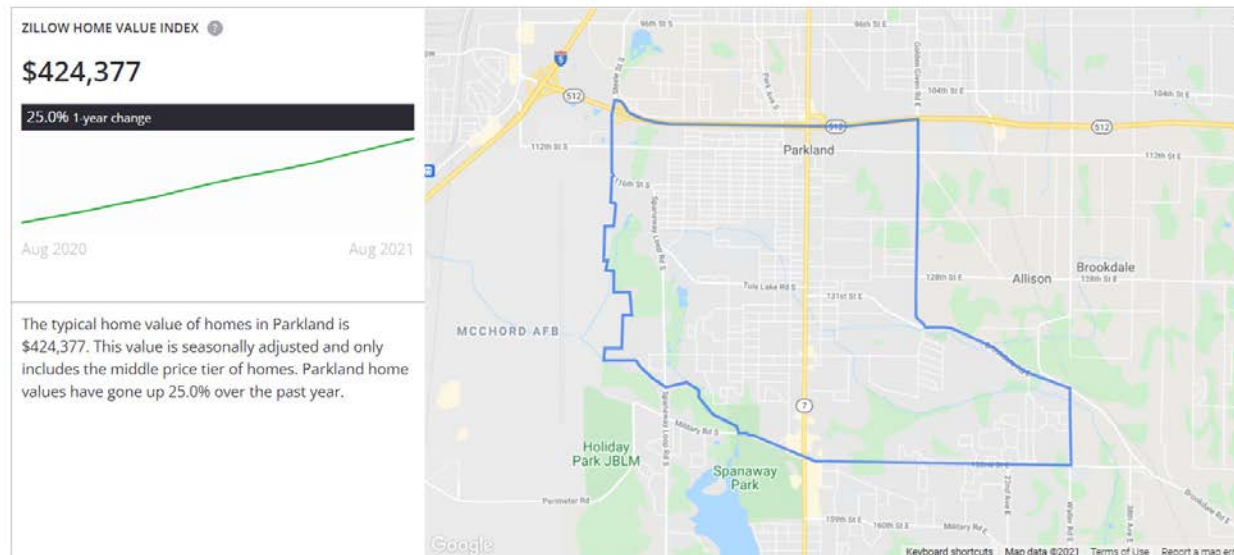


# Parkland Market Overview

Per Zillow as of August 2021, the median home price in Parkland, WA is an incredible \$424,377. This is a 25% + 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 \$504,714. With a modest amount of new construction and continued economic and population growth, there seems to be no relief in sight. Supply chain issues in the construction industry are further impacting delivery locally and nationwide.

To become a homeowner in Pierce County, a buyer would potentially need 20% down, that would result in a down payment over \$100,000 on median price in the county. Even with a 20% down payment, after taking in account real estate tax and insurance; monthly cost for a median home could over \$2300 per month. Per CoStar research the median asking rent for a 2 bedroom in Tacoma submarket is \$1547 and for a 3 bedroom is \$1975. The rising cost of single-family housing will continue to apply pressure to rental growth.

## Parkland Home Values



## What can \$350,000 buy you?

The under \$350,000 housing market in Pierce County may be the lowest price route to home ownership in the Puget Sound. What can you get for under \$350,000? As of October 2021, there are a total of 77 single family home listings in Pierce County available under \$350,000. The single-family homes averaged 1,082 Square feet and a 1960 year built. Most homes available in this range need major improvements or are located on busy corridors.

# Pierce County in the News

## THE NEWS TRIBUNE

### TACOMA'S RENTS ARE STILL LOW, COMPARATIVELY, BUT RISING FASTER THAN IN OTHER AREA CITIES

"According to Apartment List, a listings and data site, Tacoma was the lowest-priced for rent among the nine other cities in its Seattle-Tacoma metro report, but had the fastest rate of rent growth..."

[CLICK HERE FOR FULL ARTICLE](#)



## THE SEATTLE TIMES SEATTLE-AREA HOUSING MARKET IS 'ON STEROIDS'; SEE WHAT'S HAPPENING NEAR YOU

"Prices are up. Inventory is flying off the market. Home showings draw lines of potential buyers down the driveway, and multiple all-cash offers. List prices can feel like a mere suggestion..."

[CLICK HERE FOR FULL ARTICLE](#)

## PATCH

### HOME PRICES IN PUYALLUP AREA INCREASED RECENTLY

"The Puyallup area has experienced explosive home price growth this past year and prices are still moving upward."

[CLICK HERE FOR FULL ARTICLE](#)

## PUGET SOUND BUSINESS JOURNAL

### TACOMA MAYOR: "WE AREN'T THE NEXT BIG THING. WE ARE THE BIG THING."

"As the city transforms, it is experiencing the growing pains that happen when some want the city to change and others want it to remain the same. The Business Journal spoke to the mayor about these challenges, and what led her to where she is today."

[CLICK HERE FOR FULL ARTICLE](#)



## THE SEATTLE TIMES

### SEATTLE AREA SEES DRAMATIC HOME-PRICE INCREASES, ESPECIALLY IN SOME OF THE MOST AFFORDABLE CITIES

"Despite widespread job losses, demand for homes surged during the pandemic as many white-collar workers held onto their jobs and went searching for more space amid rock-bottom interest rates..."

[CLICK HERE FOR FULL ARTICLE](#)

## PUGET SOUND BUSINESS JOURNAL MICROSOFT ALREADY HAS SOUTH SOUND OUTPOST - AND AMAZON MAY FOLLOW

Microsoft Military Affairs occupies the property, at 5712 Main St. S.W., according to the company.

[CLICK HERE FOR FULL ARTICLE](#)



# Site Demographics & Amenities

## WHAT'S NEARBY

### RETAIL

Safeway	Rite Aid
Albertsons	The UPS Store
Saar's Super Savor Foods	Marvel Food & Deli
QFC	Spanaway Goodwill
Walgreens	
The Home Depot	

### FOOD & DRINKS

Lady Luck Steakhouse	Lucky Teriyaki
Frank's Donuts & Muffins	Rumors Incorporated
Pico De Gallo Mexican	Zen Ramen & Sushi
Krickett's Bar & Grill	Baskin-Robbins
CARNE AQUÍ	Uni Teriyaki
KFC	Papa Murphy's Pizza
Puget Sound Pizza	BigFoot Java
Popeyes Louisiana Kitchen	El Toro Mexican
McDonald's	The Haven Pub
Pizza Hut	Trapper's Sushi
Arby's	208 Garfield
Kolby's Donut House	Farrelli's Pizza
Little Caesars Pizza	Bowler Coffee Company
Jack in the Box	Rise & Shine Cafe
Papa John's Pizza	Warthog BBQ Pit
Taco Bell	Subway
Godfather's Pizza	Mazatlan
Country Rose Cafe	Little Caesars Pizza
Pho Pacific	Andale! Mexican
Wendy's	Frugals
Starbucks	

### SCHOOLS & SERVICES

Pacific Lutheran University	Central Pierce Fire Station 61
Paradise Lanes	Brookdale Elementary School
Spanaway Lake High School	Parkland/Spanaway Pierce Library
MultiCare Spanaway Clinic	Lake Spanaway Golf Course
Elmhurst Elementary School	Spanaway Park

POPULATION	1-MILE	3-MILE	5-MILE
Total Population	10,962	76,590	190,239
Growth 2021 - 2026 (est.)	6.38%	7.06%	7.14%
Median Age	36.2	33.7	33.9
HOUSEHOLDS & INCOME	1-MILE	3-MILE	5-MILE
Total Households	4,386	28,275	70,270
Median HH Income	\$54,302	\$65,168	\$64,101
Renter Occupied Housing	46.7%	45.1%	46.5%

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# Parkland & Tacoma

## 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.

## RESTAURANTS AND CULTURE

Though it isn't inundated with dozens of clubs and eateries, Parkland nevertheless hides a few treats among its streets. For inspired yet authentic Italian dishes with a northwest flourish, head to Marzano Italian Restaurant. Try the Spaghetti Bologneses, a traditional beef and pork ragu with red wine and Pancetta over spaghetti pasta. For a slice of delight, opt for a pizza topped with winter vegetables and pesto or try the Anatra, a spiced and braised duck leg along with duck sausage, polenta cakes and an onion confit.

For a quick bite at lunch or a dinnertime experience, drive through the aptly-named Frugals, a retro burger joint serving affordable burgers, fries, and handmade shakes in a variety of flavors. Frugals also offers a make-your-own sandwich option. 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.

## PARKS AND RECREATION

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 3,000 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  
14TH SPOT  
ON U.S. NEWS & WORLD  
REPORT'S ANNUAL  
COLLEGE RANKINGS  
2021**



# 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**

**Commercial Investment Real Estate (CREI)**

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