



THE CHELSEA

20-UNIT APARTMENT BUILDING

3315 MCKINLEY AVE | TACOMA, WA 98404



EXCLUSIVELY LISTED BY:

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Investment Overview



INVESTMENT OPPORTUNITY

The Chelsea is a 20-unit apartment community built in 1964. The property is situated on a 13,000 sf corner lot just a few blocks from the Tacoma Dome Sound Transit Station. Ten (10) of the units are a 1 bedroom 1 bath layout and the remaining ten (10) are studios. The apartment homes face a nicely landscaped courtyard or open up to their own fenced patio yards. The unit interiors have newer flooring, trim, lighting, and modern paint. Some recent capital expenditures include all new electrical panels and upgrades (2021), new asphalt parking lot (2022), exterior lighting (2022), landscaping (2022), new vinyl windows (2017). Roofs were installed 2015 (two story building) and 2017 (1 story building). This investment requires no heavy lifting from a purchaser as current ownership has managed the community very effectively.

RECENT CAPITAL EXPENDITURES

- All new exterior lighting (2022)
- New asphalt parking lot (2022)
- All new electrical panels (2021)
- Roofs installed in 2015 and 2018
- 95% of the units have been remodeled
- Improved landscaping (2022)

Property Details

PRICE: **\$4,000,000**

Name	The Chelsea
Address	3315 McKinley Ave Tacoma, WA 98404
County	Pierce
Market	Tacoma
Style	Multifamily
APN#	208429-001-0
Zoning	A36
Lot Size	13,000 SF
Year Built	1964
# of Buildings	2
# of Floors	2
# of Units	20
NRSF	8,376 SF
Construction	Wood Frame
Roof	Torchdown
Heat	Electric Forced Air
Parking	Surface



Financial Analysis

PRICE ANALYSIS

LIST PRICE	\$4,000,000
Price per Unit	\$200,000
Price per NRSF	\$477.55
Price per Land SF	\$307.69
Current Cap	5.07%
Current GRM	13.18
Market Cap	5.31%
Market GRM	12.39

PROPOSED FINANCING

Loan Amount	\$2,800,000
Down Payment	\$1,200,000
% Down	30.0%
Interest Rate	5.00%
Amortization	30 Years
Term	5 Years
Monthly Payment	\$15,031
Annual Payment	\$180,372

UNIT MIX

# OF UNITS	UNIT TYPE	AVG SF	CURRENT	PSF	MARKET	PSF
10	STUDIO	375	\$1,100	\$2.93	\$1,175	\$3.13
10	1BD 1BA	500	\$1,200	\$2.40	\$1,275	\$2.55
20 UNITS		8,376 SF	\$23,000	\$2.30	\$24,500	\$2.45

INCOME

	CURRENT	MARKET
Scheduled Rent Income	\$276,000	\$288,000
+ Other Income	\$3,600	\$4,800
+ Utility Bill Back	\$24,000	\$24,000
Scheduled Gross Income	\$303,600	\$322,800
- Vacancy & Credit Losses	(\$15,180) 5.0%	(\$16,140) 5.0%
Gross Income	\$288,420	\$306,660




EXPENSES

	CURRENT	MARKET
RE Taxes	\$21,230	\$30,000
Insurance	\$3,372	\$3,372
Utilities	\$16,096	\$16,096
Management	\$12,000	\$12,000
Payroll / Administration	\$12,000	\$12,000
Maintenance & Turnover	\$12,000	\$12,000
Miscellaneous	\$4,800	\$4,800
Reserves	\$4,000	\$4,000
Total Expenses	\$85,498	\$94,268

OPERATING DATA

	CURRENT	MARKET
Net Operating Income	\$202,922	\$212,395
Less Loan Payments	(\$180,372)	(\$180,372)
Pre-Tax Cash Flow	\$22,550 1.88%	\$32,020 2.67%

Sales Comparables

		SALES COMPS	SALE DATE	YEAR BUILT	SALE PRICE	UNITS	NRSF	\$/UNIT	\$/NRSF	CAP RATE
		SUBJECT PROPERTY 3315 McKinley Ave Tacoma, WA 98404		1964	\$4,000,000	20	8,376 SF	\$200,000	\$477.55	5.07%
1		TALISMAN 708 N J Street Tacoma, WA 98403	PENDING	1960	\$2,000,000	10	6,510	\$200,000	\$307.00	-
2		TAMARACK 702 S Oakes St Tacoma, WA 98405	Jul 2022	1964	\$2,850,000	12	10,384	\$237,500	\$332.63	4.5%
3		12 UNIT 601 S Jackson Ave Tacoma, WA 98465	Mar 2022	1959	\$3,055,000	12	7,970	\$254,583	\$383.31	-
AVERAGES								\$230,694	\$340.98	4.50%

Site Demographics & Amenities

WHAT'S NEARBY

RETAIL

New Day Market	Safeway
Walgreens	Costco
24 Hour Fitness	REI
Hong Kong Supermarket	Tacoma Mall
East Asia Market	Emerald Queen Casino
P & J Deli Mart	LeMay America's Car Museum

FOOD & DRINKS

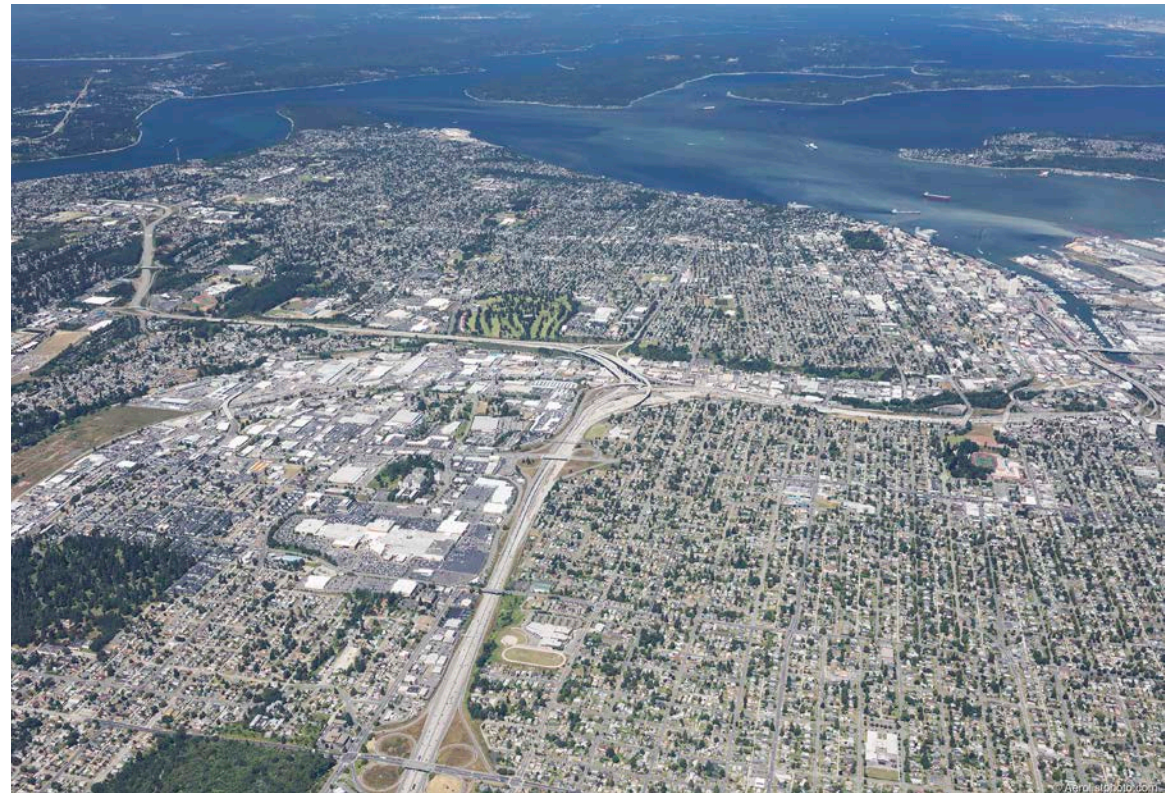
Dusty's Hideaway	Cafe La Vie
FrostFire Coffee	Burger Ranch
Fergie's on the Ave	M&K Bakery & Deli
Top of Tacoma Bar & Cafe	Vien Dong
Park's Pizza Bar	Dragon Cafe
Riverbank Express	Subway
Waterway Deli	Little Caesars Pizza
Slahal	Tami's in Tacoma
Teresita's Mexican Bakery	My Philly
El Antojo	Taqueria Zamora
Stanley & Seafort's	Sluggo Brewing Tap & Kitchen
Teriyaki Kitchen	Alfred's Cafe
Pho Tai	Olive Branch Cafe & Tea
Taqueria La Fondita	Celebrity Cake Studio
Papa Murphy's Pizza	Dockside Donuts
La Perla Del Mar	The Valley
Flying Boots & Wings	El Gaucho Tacoma
Tho Tuong BBQ	Happy Teriyaki
Starbucks	Camp Colvos Brewing
VK Viet Kitchen	7 Seas Brewery
Bambu Tacoma	Jack in the Box

SCHOOLS & SERVICES

Tacoma Fire Station 11	Tacoma Dome Station
Takopid Health Center	Tacoma Public Library - Mottet
McKinley Park	Tacoma Pierce Health Department
Verlo Playfield	AV Fawcett Elementary
Tacoma Dome	Portland Avenue Park

POPULATION	1-MILE	3-MILE	5-MILE
Total Population	12,357	106,829	262,387
Growth 2022 - 2027 (est.)	7.96%	7.99%	7.63%
Median Age	37.2	36.8	36.7
HOUSEHOLDS & INCOME	1-MILE	3-MILE	5-MILE
Total Households	4,443	41,009	101,160
Median HH Income	\$60,650	\$63,848	\$69,399
Renter Occupied Housing	46.03%	53.65%	48.17%

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Tacoma

CLEAR VIEWS OF MOUNT RAINIER and the glistening water of the Puget Sound offer a dramatic backdrop for Washington's third largest city. Tacoma is one of the West's most ecologically diverse areas with an abundance of sea life at its shores and frequent bald eagle sightings in its skies.

The city is a destination spot for tourism, residents, and more and more a choice location for growing businesses. By offering tax and other incentives to businesses that expand or move here, Tacoma continues to look for ways to capitalize on its status as a gateway to the Pacific Rim. With the port a day closer to Asian countries than California's ports, trade continues to be an important facet of business in the new Tacoma.

Tacoma is a city that bursts with culture and history. The Historic Union Station is a monument to the city's railroad heritage. Capped by its gleaming copper dome, it now serves as a federal court house. Next door is the Washington State History Museum with mirror image arches that honor the history of the old station. Furthermore, the Tacoma Dome is the largest wood-domed arena and hosts an array of sporting events, tradeshow, and big-named concerts.

The second-largest urban park in the nation sits in the city of Tacoma. Point Defiance Park is only one of nearly 100 parks in Tacoma. The park spans more than 700 acres with gardens, beaches, forests, "Never Never Land" theme park for kids and a world-class zoo and aquarium.

The borders of Tacoma's South End are south of Downtown, east of I-5, and west of Tacoma's Eastside, and north of Highway 512. This area is a great choice for commuters, which is super convenient to the north to Seattle, Downtown Tacoma, or south to JBLM, all of the freeways are accessible and the Tacoma Mall is just across I-5. The South End has several local business districts including the Lincoln International District and the Fern Hill Business District. Pacific Avenue and all of the accompanying businesses also runs through the South End. Boulevards connect Downtown Tacoma and the PLU Campus to the south in Parkland.

With its freshwater lakes and miles of Puget Sound waterways, the area provides year-round activities for outdoor enthusiasts, including fishing, sailing, scuba diving, beach combing, camping and sea kayaking. Tacoma remains a destination spot with the amenities of a big city and the charm of a small town. An ever-changing city, full of potential and excitement, Tacoma is poised to embrace the future.



Puget Sound Summary

Set in the beautiful Pacific Northwest, the greater Seattle area is a national center for manufacturing, technology, services, international trade and tourism.

MAJOR EMPLOYERS

Today some of the world's most recognizable Fortune 500 companies call Seattle home: Microsoft, Starbucks, Amazon, Nordstrom, Costco and REI. Other major companies in the area include Boeing, T-Mobile, Expedia, F5 Networks and Nintendo of America.

According to the Puget Sound Business Journal, technology companies are leading the way in employment growth in the Seattle MSA. As the home of Microsoft and Amazon, Seattle accounts for over 20% of the nation's software publishing employment. Microsoft is one of the top employers in the state with over 42,000 employees. Their World Headquarters, located in Redmond is over 10 million square feet.

The Puget Sound has become an international leader in innovative industries with organizations such as the Fred Hutchinson Cancer Research Center, the University of Washington Medical Center and the Bill and Melinda Gates foundation. Healthcare employment is projected to continue to grow dramatically and Seattle has the 5th largest biotechnology Research and Development alliance between the University of Washington and the Fred Hutchinson Cancer Research Center.

The Puget Sound is one of the capitals of the aerospace industry anchored by Boeing, the world's largest aerospace company, second-largest maker of large commercial jets, and second largest global defense contractor. Boeing is one of the largest employers in the Puget Sound, employing approximately 80,000 in Washington.

Employment is expanding through the greater Seattle area. The Puget Sound region is projected to generate 1.2 million new jobs by 2040.

INTERNATIONAL TRADE

Seattle has remained one of the most resilient cities due to its diverse industries, making it more attractive for new companies to relocate and expand in the area. The Port of Seattle, which also operates the Seattle-Tacoma International Airport, is a major gateway to Asia and cruises to Alaska. The Port of Seattle ranks as the

6th business seaport in the US, playing a key role in bringing international trade, transportation and travel to the Pacific Northwest.

RECREATION

The region is known for its quality of life, arts, and outdoor lifestyle which helps attract an educated workforce. Numerous camping, hiking, winter sports, and recreational activities are located a short drive from the city. Seattle's main attractions include Pike Place Market, the Space Needle, and Seattle Center, home of the 1962 World's Fair. Seattle is home to a number of professional sports teams including the NFL Seattle Seahawks, MLB Seattle Mariners, WNBA Seattle Storm, NHL Seattle Kraken, and the Seattle Sounders FC soccer team.

PUGET SOUND LARGEST EMPLOYERS



JOINT BASE
LEWIS-MCCHORD



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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.

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