



CENTERWOOD APARTMENTS

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Investment Summary

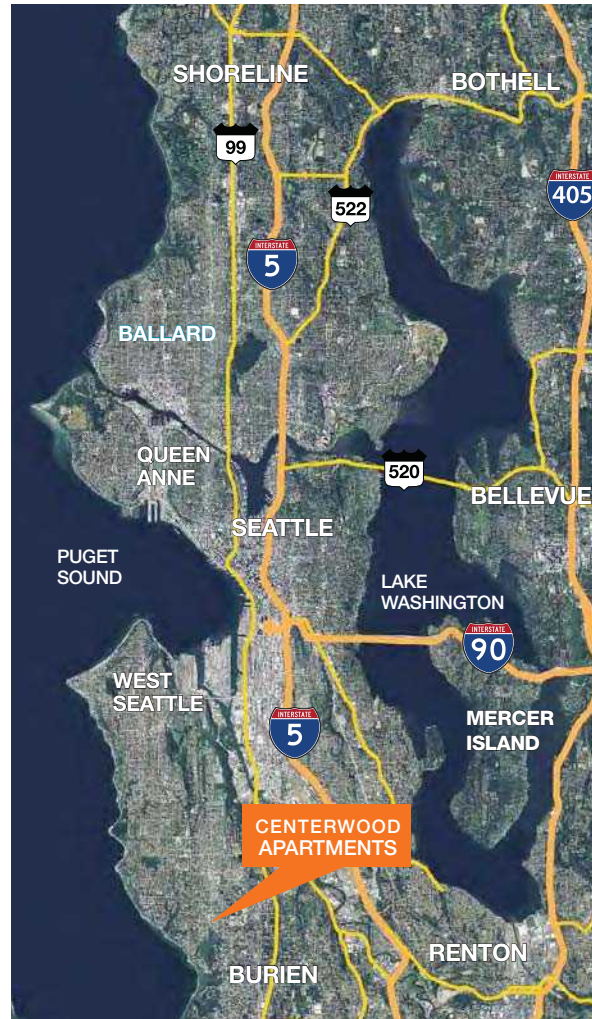
The Offering

Investment Highlights



The Offering

Capstone Commercial and Kidder Mathews are proud to present for sale the 36-unit Centerwood Apartments located at 10790 16th Ave SW Street in King County, just blocks south of Seattle Washington. The property is strategically located in West Seattle’s White Center Submarket, less than two miles from the shores of the Puget Sound, and eight miles southwest of Downtown Seattle. Its submarket features flat topography, walkable and trendy grocery and retail options, and bus service connecting to Downtown Seattle with scheduled service every 10 minutes throughout the day. The 2009 property was developed by the current owners using their years of experience in the construction field. In addition, Centerwood offers a unique unit mix of all two-bedroom units, nearly all with 1.75 baths. The average rent at Centerwood is approximately \$100 below the most recent turnover rents, and those turnover rents are approximately \$250 per unit below nearby properties. Given its high-quality new construction, up-and-coming location appealing to the current generation of renters, and significant upside in rents, the Centerwood will provide strong returns coupled with ease of maintenance and management.



PROPERTY OVERVIEW

Address	10790 16th Ave. SW Seattle, WA 98146
Price	\$7,920,000
Down Payment*	\$2,920,000 (37%)
Price per Unit	\$220,000
Price per SF	\$259.43
Number of Units	36
Average Unit Size	848
Net Rentable SF	30,528
Lot Size	0.88 acres (37,700 SF)
Year Built	2009
Type of Ownership	Fee Simple
APN	345100-0300
Zoning	R48

Building Highlights

2009 Construction

Nearly All 2 Bed / 1.75 Baths (34 of 36) and Two 2 Bed / 1 Baths

Full Sized Washer / Dryer in Each Apartment

Black Appliance Package - Dishwashers, Refrigerators, Stoves

Secured Entry

57 Parking Spaces

Pitched Composition Roofs

Attractive Hard-Surface Flooring in Kitchen and Living Areas

Electric Fireplaces in Every Living Room

All Corner Units

Maple Cabinets

6 Ground-Floor Patio Units

Location Highlights

8 Miles to Seattle CBD

Affordable Up-and-Coming/Rapidly Improving Neighborhood

Walkable Retail

More than 10 Restaurants and 2 Grocery Stores Within ½ Mile of Subject

Multiple Coffee Shops and Bakeries Within ½ Mile of Subject

Direct Bus Service to Downtown Seattle Every 10 Minutes

11 Parks Within 1.7 Miles Including Beach Access and Fautleroy Park

1.5 Miles to Puget Sound

Near West Seattle Junction and Downtown Burien Retail Center

Investments Highlights

Significant Rent Upside upon Turnover with No Unit Improvements

10% Annual Rent Increases in Last 2 Years in Submarket

Centerwood 2015 Vacancy Rate Below 3%

2015 Market Vacancy Rate Below 3%

Ease of Maintenance and Management

Ability to Secure New Debt

Submarket Median Single Family Home Price Increased 25% Year over Year

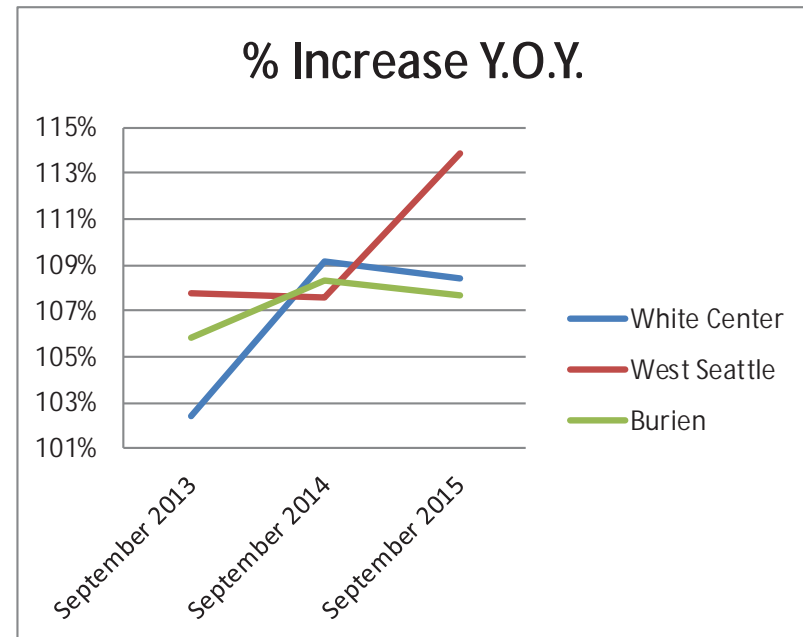
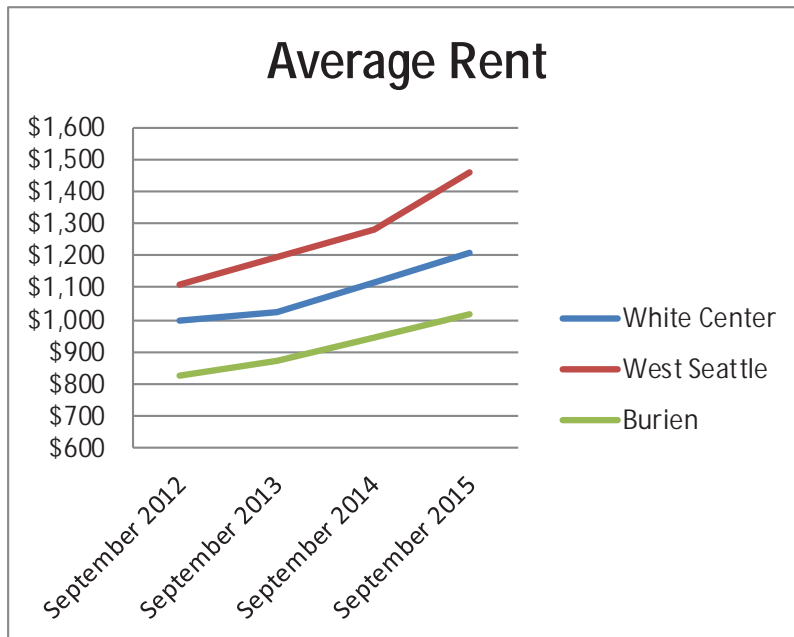
Subject Property Average Rents are 8% Below Most Recent Re-rents

Subject Property 20% Below Competing Buildings



Rent Increases

AVERAGE RENTS FOR ALL UNITS, ALL YEARS						
	White Center	% Increase	West Seattle	% Increase	Burien	% Increase
September 2012	\$999		\$1,107		\$825	
September 2013	\$1,023	102%	\$1,193	108%	\$873	106%
September 2014	\$1,117	109%	\$1,283	108%	\$946	108%
September 2015	\$1,211	108%	\$1,461	114%	\$1,019	108%



Property Overview

Property Summary

Photos

Floor Plans

The Location

Planned Transportation Improvements

Property Aerial

Amenities Aerial



Property Summary

The Centerwood Apartments, built in 2009, was developed by the current owners using their years of experience in the construction field. The strategy behind the building's construction was to minimize all ongoing maintenance to the property owner. Maintenance minimizing features include pitched composition roofs, properly flashed dual pane windows, properly waterproofed vinyl siding, and the choice to provide residents large living areas, but no exterior decks. Other exterior building amenities include a secured intercom entry, sprinkled interior corridors, a parking area for 57 vehicles, and bicycle parking.

Inside, Centerwood offers a unique unit mix of two-bedroom corner units, featuring bright natural light, a stylish design, and nearly all with 1.75 baths. New two-bedrooms are rare in Seattle with most new apartment developments being primarily studios or one-bedrooms, some as small as 160 square feet. The units have open floor plans, full sized washer / dryers, and black appliance packages with dishwasher, refrigerator, and stove. In addition, hard-surface wood-look flooring covers the living, dining, and kitchen areas. The kitchens also feature a pantry, additional closet, and ample counter space. The in-unit laundry facility is also located in its own room. The average rent at the Centerwood is approximately \$100 below the most recent turnover rents, and those turnover rents are approximately \$250 below nearby properties.



THE LOCATION

Centerwood is located in West Seattle's White Center neighborhood. This neighborhood is in close proximity to Downtown Seattle, West Seattle, and Downtown Burien, all of which are growing rapidly. Originally developed before the proliferation of



the automobile in 1912 – 1933 as part of the original Seattle street car network, White Center was named for one of its founders, George White.

The neighborhood's early 19th century retail infrastructure is currently being revitalized by a new generation of residents and renters due to its proximity to Downtown Seattle and significantly more expensive markets directly adjacent to the north and west. This West Seattle submarket features walkable and trendy grocery and retail options, and bus service connecting to Downtown Seattle with scheduled service every 10 minutes throughout the day. These retail amenities are located less than a half mile from the Centerwood. These attractive neighborhood features have come together to attract new residents and fuel an approximately 10% increase in market rents for each of the last two years. In addition, the median house price within a mile of the subject increased 25% in the last 12 months.

SUMMARY

Given its high-quality new construction, ability to secure new debt at currently low long term rates, up-and-coming location appealing to the current generation of renters, significant upside in rents both in the market and at the property, and unique unit type, the Centerwood will provide strong returns coupled with ease of maintenance and management for the next owner.

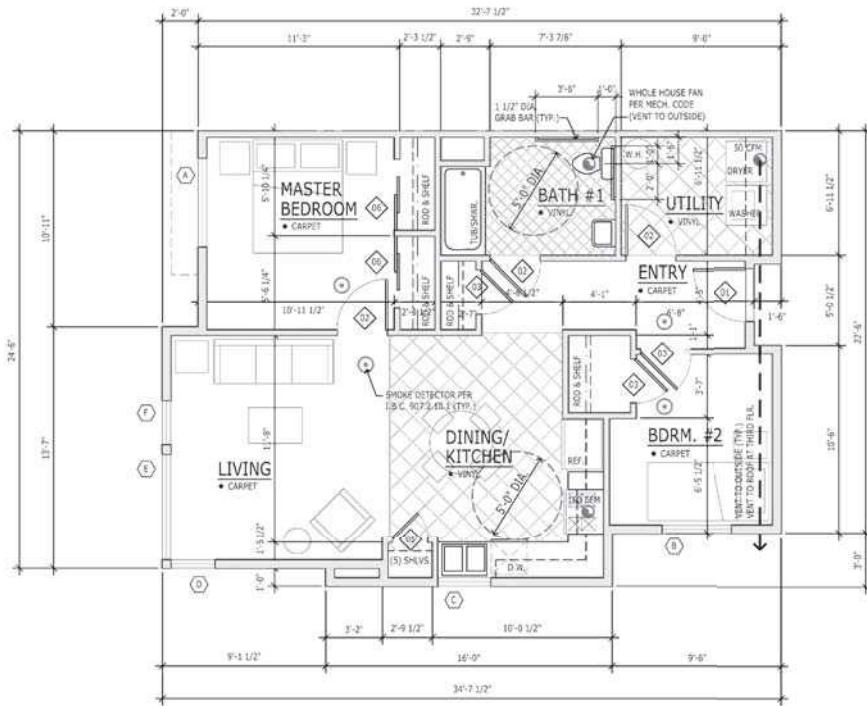
Interior Photos



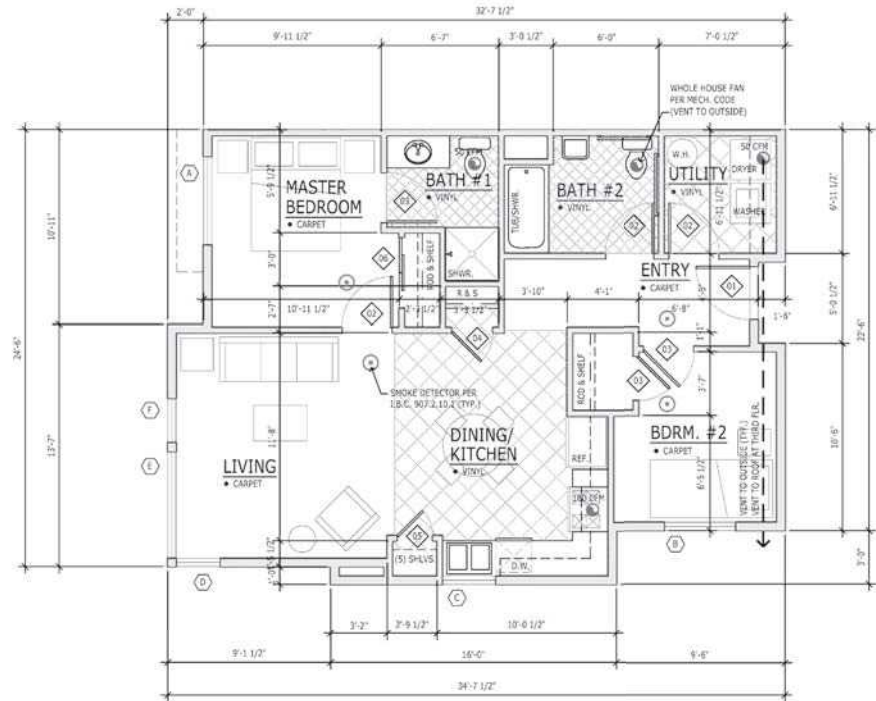
Interior Photos



Floor Plans

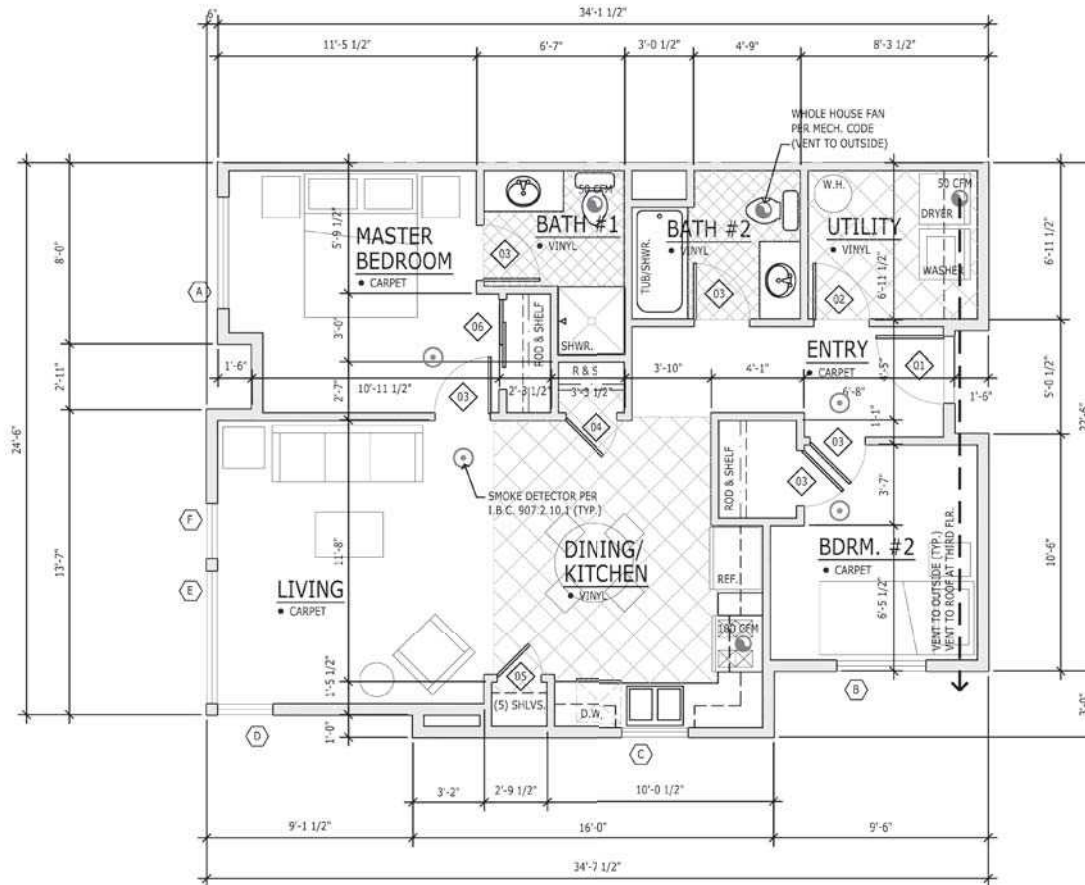


Unit Plan Type A



Unit Plan Type B

Floor Plans



Typical Unit Plan (2nd
and 3rd Floor)

West Seattle

West Seattle is the vibrant district located just 5 miles southwest of downtown Seattle, to the west of the Duwamish River. The area is made up of several neighborhoods, large parks and beach front with views of the Seattle skyline and the Olympic and Cascade Mountains. In addition to appealing to downtown professionals, West Seattle attracts residents that work in the south-end at employers such as Starbucks and Boeing's 737 plant.

Alki Point in West Seattle is considered to be the founding point of Seattle, before Downtown was moved to its current location. Each year, the summer regional, month-long Seafair celebration commences with a reenactment at Alki Beach that commemorates the landing of the original explorers in 1851.

West Seattle is also home to a year-round Sunday farmer's market. The West Seattle Farmer's Market features produce and offerings from over 35 Washington State farmers and local food processors.

White Center

Originally developed before the proliferation of the automobile in 1912 - 1933 as part of the original street car network, White Center was named for one of its founders, George White. The neighborhood's early 19th century retail infrastructure is currently being revitalized by a new generation of residents and renters due to its proximity to Downtown Seattle and significantly more expensive markets directly adjacent to the north and west. This West Seattle submarket features walkable and trendy grocery

and retail options, and bus service connecting to Downtown Seattle with scheduled service every 10 minutes throughout the day.

Admiral

The Admiral neighborhood lies on the northern bluff of the West Seattle peninsula (accurately titled the Duwamish Peninsula, after the local Indian tribe). It is rich in views and lovely, old homes and maintains a lively restaurant trade plus The Admiral movie theater - a fun, retro experience with nautical decor.

Admiral's walkable, thriving commercial district has a good mix of businesses including a choice of large grocery stores. The Hiawatha Community Center and West Seattle Library are located here. Schmitz Park, 53 acres of never-cut forest, is in Admiral.



West Seattle

Alki Beach

Besides the annual Seafair festival, Alki Beach is a popular destination for both tourists and Seattle area natives alike. There are numerous restaurants ranging from casual to gourmet dining. In the summertime, the 135.9-acre beach park is filled with joggers, cyclists, roller bladers, and dog walkers. The park includes fire pits, picnic tables, and bathhouse with an art studio. Throughout the summer there is also beach volleyball, and regional volleyball tournaments are held there. The beach is also a venue for concerts and features local artists.



The Junction

The cross streets of California Ave SW and SW Alaska Street are considered “the Junction,” the heart of West Seattle. This intersection and surrounding area is host to a myriad of restaurants, cafes and unique shops. The Junction is an eclectic mix of early twentieth century Craftsman-style homes and brand-new modern apartment complexes. A variety of events take place around the Junction, from monthly art walks to open-mic nights, beer and wine tastings, and seasonal events.

Delridge

Delridge is as it sounds – a valley and a ridge – extending to the east along the length of the peninsula. In the valley is beautiful Longfellow Creek, lovingly restored to biological health, with a walking trail that runs parallel. Longfellow runs through the 18-hole, championship West Seattle Golf Course. The ridge has great territorial views of West Seattle, the Duwamish River, South Seattle, and the Cascade Mountains. Delridge is a neighborhood of neighborhoods, encompassing Cottage Grove, Pigeon



Point, Puget Ridge, and Riverview, to name a few. It is also home to Westwood Village, the largest regional shopping village within the south Seattle Metro area. The Delridge Library is brand new. The Delridge Community Center, and Westcrest Park – which has a four-acre dog runfree area – are in Delridge.

Fauntleroy

On the west side of the peninsula, Fauntleroy is a hillside community with fabulous views of Puget Sound and nearby Vashon Island. The Fauntleroy Ferry Terminal is the eastern terminus of a Washington State Ferry line that goes between the islands and West Seattle. Fauntleroy is home to Lincoln Park, 135 acres of recreational opportunities including Colman Pool: a heated saltwater pool right next to Puget Sound. Fauntleroy Creek’s carefully watched salmon run is a joy to the local community.

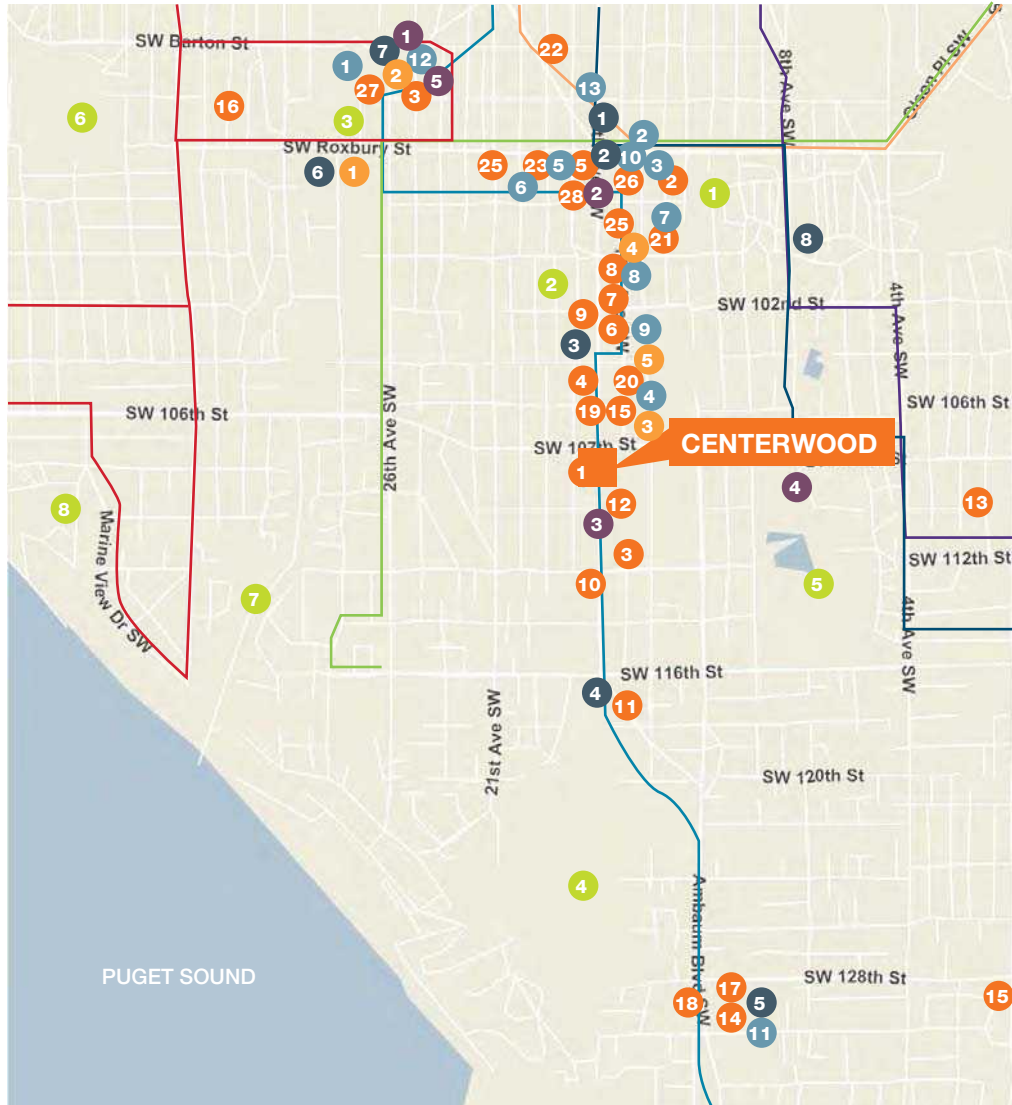




Property Aerial



Centerwood Amenities Map



EAT + DRINK

1. Taco Bell
2. Zippy's Giant Burgers
3. McDonald's
4. Little Caesars Pizza
5. Full Tilt Ice Cream
6. Chemo's Mexican Restaurant
7. KFC
8. A&W
9. Taco Time
10. Tung Kee Mi Gia
11. Berry's BBQ
12. Papa Murphy's Pizza
13. Bombay Grill
14. Pizza Gallery
15. Subway
16. A Pizza Mart
17. Jack in the Box
18. Fiesta Del Mar
19. Viva Mexico
20. Pizza Hut
21. Big Al Brewing
22. 88 Restaurant & Deli
23. Taqueria Guaymas
24. Salvadorean Bakery
25. Uncle Mikes Superlicious BBQ
26. El Paisano
27. Giannoni's Pizzeria
28. Noble Barton

SHOPPING

1. Target
2. Walgreens
3. Bartell Drugs
4. Dollar Tree
5. Rent-A-Center
6. O'Reilly Auto Parts
7. 99 Cents Plus
8. AutoZone
9. McLendon Hardware
10. House of the Pretty Woman
11. Goodwill Buriem
12. Marshalls
13. Kiki Corona

GROCERY

1. Safeway
2. QFC
3. Saars Marketplace
4. Hung Long Asian Market
5. Castillos Supermarkets

COFFEE

1. Cafe Rozella
2. Caffè Della
3. My Choice Espresso
4. Geno's Coffee Shop
5. Burien Bigfoot Java
6. Mocha Mojo
7. Starbucks
8. Dubsea Coffee






HEALTH & WELLNESS

1. 24 Hour Fitness
2. The Boxing Gym
3. Curves
4. Public Health Center
5. Desert Sun Tanning Salon

PARKS

1. White Center Pond
2. North Shorewood Park
3. Roxhill Park
4. Salmon Creek Ravine Park
5. Lakewood Park
6. Fauntleroy Park
7. Seola Park
8. Arroyos Natural Area

BUS ROUTES

-  Bus Route #21
-  Bus Route #60
-  Bus Route #113
-  Bus Route #120
-  Bus Route #128
-  Bus Route #131

Financial Summary

Rent Roll

Income & Expenses

Pricing



Rent Roll

SCHEDULED INCOME						
UNIT #	UNIT TYPE	SQUARE FOOTAGE	ACTUAL RENT	RENT PER SQ. FT.	MARKET RENT	MARKET RENT / SQ. FT.
2	2 BR / 1 BA	848	\$1,195 - \$1,245	\$1.44	\$1,425	\$1.68
34	2 BR / 2 BA	848	\$1,175 - \$1,375	\$1.49	\$1,500	\$1.77
TOTAL		30,528	\$45,325			
AVERAGE		848		\$1.48		\$1.76



Pro Forma Income & Expense Notes

Utility-Bill-Back

Based on actual rent roll.

Non-Refundable/Misc.

Current based on 2015 Actual. Pro Forma based on "Other Income" table.

Real Estate Taxes

Current based on 2015 King County Assessor's billing info. Pro Forma based on 80% of the purchase price multiplied by the current millage rate.

Insurance

Based on Farmer's Insurance quote dated 1/12/2016.

Utilities

Based on 2015 actual expenses.

Repairs and Maintenance

Based on \$600 per unit annually.

Professional Management

3.5% management expense based on quote from a local management firm.

Landscaping

Based on \$300 per month.

Capital Reserves

\$200 per unit is accumulated to pay for large capital expenditures amortized over years of operations.

OTHER INCOME

	PRO FORMA	BASIS
Non - Refundable Fees	\$3,600	\$300 Non - Refundable Fee X 40% Turnover (12 Units)
Damages / Forfeited Deposit	\$4,200	\$350 Avg Damages X 40% Turnover (12 Units)
Lease Termination	\$2,000	\$2,000 X 1 termination per year
M-T-M/Short Term	\$2,400	\$100 X 2 units X 12 Months
Pet Rent / Pet Fees	\$5,100	(\$300 Non - Refundable X 5 units) + (\$25 / month X 12 units X 12 months)
TOTAL	\$17,300	

	CURRENT	PRO FORMA
INCOME		
Total Scheduled Rent	\$543,900	\$646,200
Utility-Bill-Back	\$36,300	\$36,300
Parking	\$3,120	\$3,120
Non-Refundable/Misc.	\$5,106	\$17,300
Scheduled Potential Income	\$588,426	\$702,920
Vacancy	3% (17,653)	5% (35,146)
EXPENSES		
Real Estate Taxes	\$50,183	\$93,683
Insurance	\$8,466	\$8,466
Utilities	\$41,146	\$41,146
Repairs and Maintenance	\$21,600	\$21,600
Professional Management	\$19,977	\$23,372
On Site Leasing	\$12,960	\$12,960
Landscaping	\$3,600	\$3,600
Administrative	\$1,980	\$1,980
Capital Reserves	\$7,200	\$7,200
Total Expenses	\$167,112	\$214,007
Expenses Per Unit	\$4,642	\$5,945
Expenses Per Square Foot	\$5.47	\$7.01
Net Operating Income	\$402,145	\$450,192

ANNUALIZED OPERATING DATA

	CURRENT RENTS		PRO FORMA OPERATIONS	
Gross Potential Income		\$588,426		\$702,920
Less Physical Vacancy	3%	(\$17,653)	5%	(\$35,146)
Effective Gross Income		\$570,773		\$667,774
Less Expenses	29.28%	(\$167,112)	32.05%	(\$214,007)
Net Operating Income		\$403,661		\$453,767
Less Loan Payments		(\$269,427)		(\$269,427)
Pre-Tax Cash Flow	4.60%	\$134,234	6.31%	\$184,340
Plus Principle Reduction		\$95,956		\$95,956
Total Return Before Taxes	7.88%	\$230,191	9.60%	\$280,296

PRICING

Price	\$7,920,000
Down Payment*	\$2,920,000
Price Per Unit	\$220,000
Cost Per NRSF	\$259.43
Current GRM	13.46
Market GRM	11.27
Current Cap Rate	5.10%
Market Cap Rate	5.73%

FINANCING

Loan Amount*	\$5,000,000
Rate	3.500%
Amortization	30 years
Annual Debt Service	(\$22,452)
Debt Coverage Ratio	-1.498

The above financing terms were obtained in January 2016 and are based on a 5-year term, 30 years amortization. As loan information is time sensitive and subject to market fluctuations, we recommend that you verify quoted terms by contacting a preferred lender of your choice.



Comparables

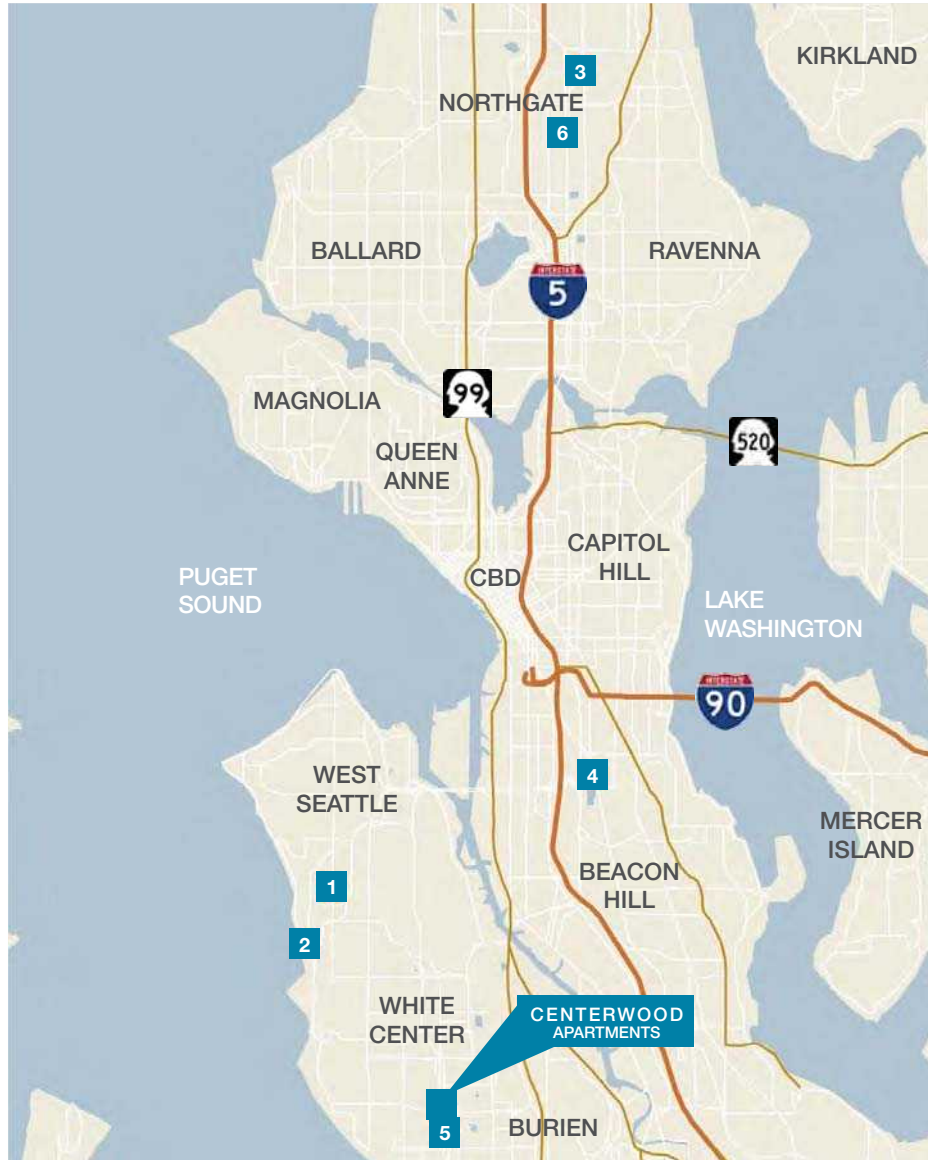
Sales Comparables

Sales Comparables Map

Rent Comparables

Rent Comparables Map

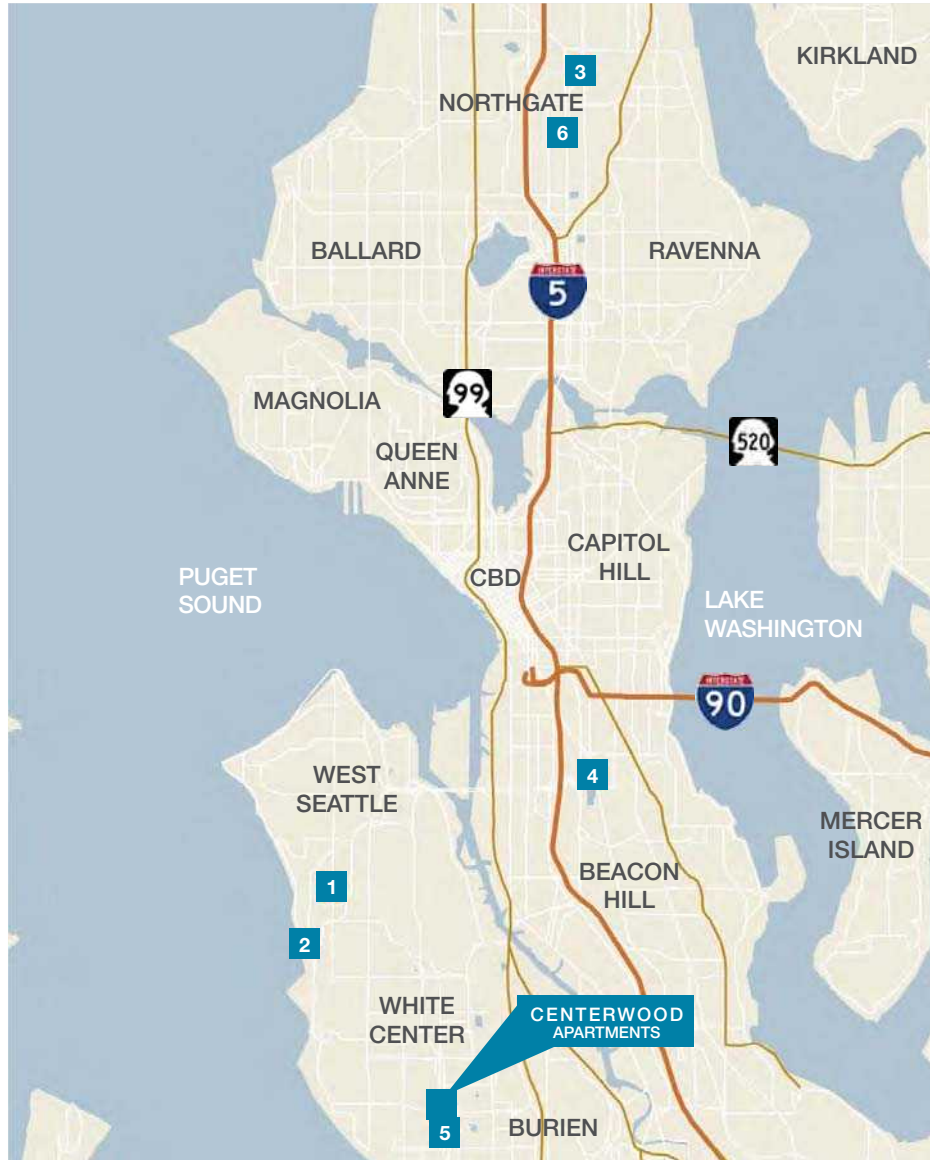




CENTERWOOD APARTMENTS	
10790 16th Ave SW, Seattle	
List Price	\$7,920,000
Price/Unit	\$220,000
Price/SF	\$259.43
Cap Rate	5.10%
GRM	13.46
Units	36
Year Built	2009

RIDGEVIEW APARTMENTS	
5631 California Ave SW, Seattle	
Date Sold	Pending
Sale Price	\$6,500,000
Price/Unit	\$361,111
Price/SF	\$337.42
Cap Rate	4.64%
GRM	15.05
Units	18
Year Built	1980

THE HALCYON	
7060 Lincoln Park Way SW, Seattle	
Date Sold	12/09/2015
Sale Price	\$ 5,450,000
Price/Unit	\$247,727
Price/SF	\$298.55
Cap Rate	4.85%
GRM	15.51
Units	22
Year Built	1968



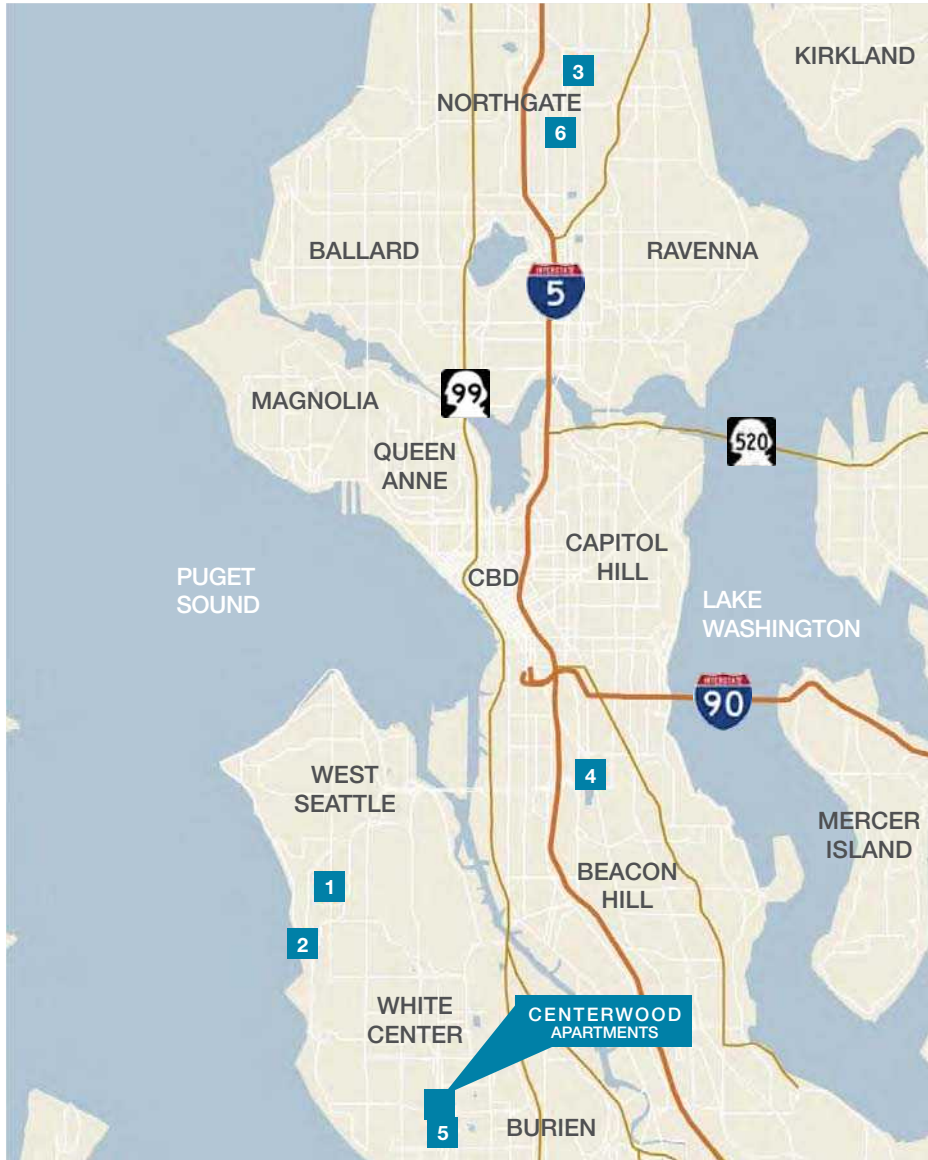
PARK PLACE 12003 15th Avenue NE, Seattle	
Date Sold	04/27/2015
Sale Price	\$2,930,000
Price/Unit	\$225,384
Price/SF	\$302.40
Cap Rate	5.5%
GRM	12.3
Units	13
Year Built	1980



CRANMORE 3301 Beacon Avenue S, Seattle	
Date Sold	09/15/2015
Sale Price	\$4,800,000
Price/Unit	\$218,181
Price/SF	\$380.89
Cap Rate	6.2%
GRM	11.2
Units	22
Year Built	1915



SHOREWOOD 11050 16th Avenue SW, Seattle	
Date Sold	09/01/2015
Sale Price	\$5,400,000
Price/Unit	\$150,000
Price/SF	\$214.59
Cap Rate	5.1%
GRM	10.8
Units	36
Year Built	2006



MAPLE LEAF VILLA 9400 Roosevelt Way NE, Seattle	
Date Sold	12/16/2015
Sale Price	\$5,050,000
Price/Unit	\$219,565
Price/SF	\$274.56
Cap Rate	3.9%
GRM	13.5
Units	17
Year Built	1993



1
The Avenues Apts
 10765 14th Ave SW, Seattle

Number of Units	100
Year Built	1990
Occupancy	95%

UNIT MIX	SF	MARKET RENT	\$/SF
2 BR / 2 BA	932	\$1,480	\$1.58
AVG	932		\$1.58



2
Overlook at Westridge
 600 SW Kenyon St, Seattle

Number of Units	156
Year Built	1988
Occupancy	95%

UNIT MIX	SF	MARKET RENT	\$/SF
Studio	450	\$960 - \$1,000	\$2.16
1 BR / 1 BA	756	\$1,340 - \$1,380	\$1.79
2 BR / 1 BA	966	\$1,570	\$1.63
2 BR / 2 BA	966	\$1,570 - \$1,610	\$1.64
3 BR / 2 BA	1,141	\$1,800 - \$1,840	\$1.59
AVG	919		\$1.66



3
West Ridge Park
 7901 Delridge Way SW, Seattle

Number of Units	239
Year Built	1990
Occupancy	96%

UNIT MIX	SF	MARKET RENT	\$/SF
1 BR / 1 BA	720	\$1,320 - \$1,380	\$1.86
2 BR / 1.5 BA	956	\$1,520 - \$1,600	\$1.61
2 BR / 1.5 BA	1,020	\$1,620 - \$1,780	\$1.65
AVG	951		\$1.68



4
Willow Court
 6901 Delridge Way, Seattle

Number of Units	104
Year Built	1987
Occupancy	96%

UNIT MIX	SF	MARKET RENT	\$/SF
1 BR / 1 BA	664	\$1,175	\$1.77
2 BR / 1 BA	900	\$1,350 - \$1,525	\$1.60
AVG			\$1.68



Westhaven

2201 SW Holden St, Seattle

Number of Units	190
Year Built	1987
Occupancy	94%

UNIT MIX	SF	MARKET RENT	\$/SF
1 BR / 1 BA	675	\$1,148 - \$1,584	\$1.99
2 BR / 1 BA	862	\$1,532 - \$1,767	\$1.87
2 BR / 2 BA	878	\$1,726 - \$2,110	\$2.08
3 BR / 2 BA	1,100	\$1,856 - \$2,146	\$1.76
AVG	783		\$1.89



Hill Crest

7524 35th Ave SW, Seattle

Number of Units	71
Year Built	1989
Occupancy	97%

UNIT MIX	SF	MARKET RENT	\$/SF
1 BR / 1 BA	644	\$1,016 - \$1,374	\$1.84
2 BR / 1 BA	790	\$1,214 - \$1,550	\$1.96
AVG	687		\$1.80

Puget Sound Market Overview

Seattle / Puget Sound Region

Top Puget Sound Area Companies

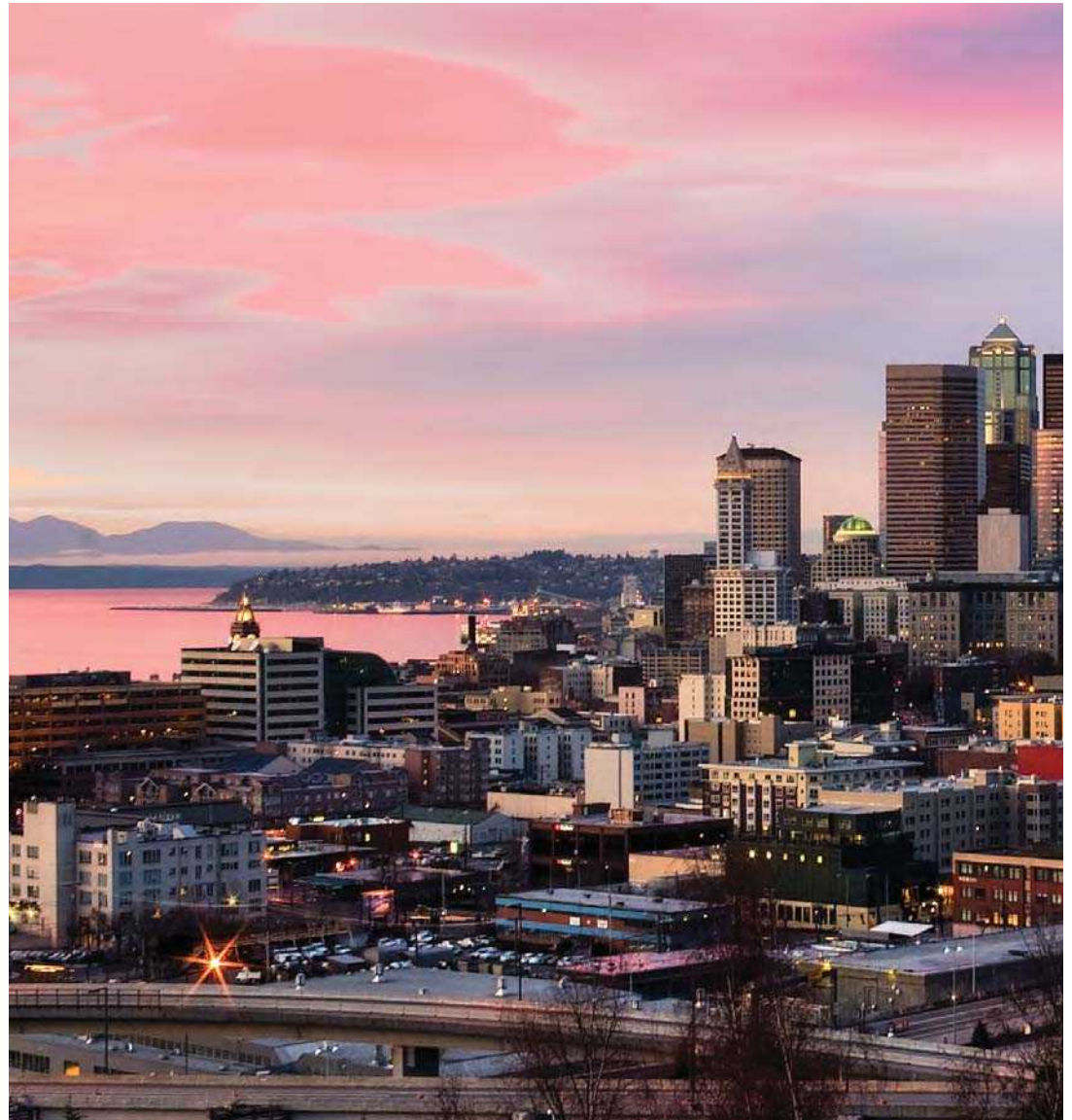
Quality of Life

Demographics

Education

Economy

Transportation



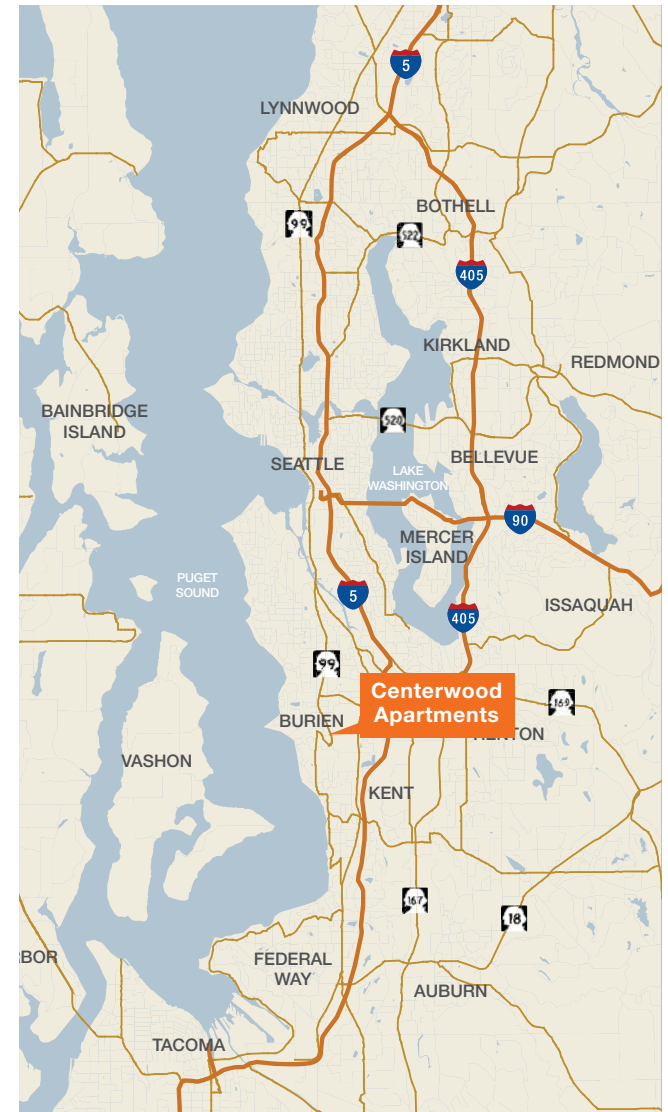
Seattle / Puget Sound Region

Metropolitan Seattle is a vibrant metropolis that continually attracts new people and businesses with its top-tier educational institutions and culture of innovation, competition, and entrepreneurship. Seattle's increasingly diverse economic base is anchored by aerospace, transport, tourism, and other traditional industries coupled with dynamic clusters of high technology and biotechnology firms, which will likely result in economic growth beyond the levels of other comparable metropolitan areas.

The Seattle area, the nation's 13th largest metropolitan area, is known for its strong business climate as well as its skilled workforce. Several factors contribute to the region's thriving business community, from the prevailing entrepreneurial spirit to the education levels and skill sets of its work force. Innovative companies attract high-quality workers

who typically possess a high level of education. This well-educated talent flows to economic centers, such as Seattle, for well-paying jobs as well as for the quality of life.

The Census Bureau recently announced that Seattle is the best-educated big city in America; 58 percent of all Seattle adults 25 and older hold bachelor's degrees or better. Next in the rankings are San Francisco, Washington, D.C., Atlanta and Boston. The median household EBI in the Greater Seattle Area is 11 percent higher than the national median, and the Seattle MSA ranked third of 280 markets nationwide for per capita income. Contributing factors to the region's economic prosperity include a successful, highly entrepreneurial business sector and consistent population growth.





Top Puget Sound Area Companies

Amazon	Paccar, Inc.
AT&T Wireless	Providence Health Care
Alaska Airlines	RealNetworks
Berlex Laboratories	REI
Boeing	Safeco
Children's Hospital	Safeway
Costco	Starbucks
Expedia, Inc.	Swedish Health Services
Google	Symetra Financial
Group Health Cooperative	T-Mobile
Macy's	The Kroger Company
Microsoft	University of Washington
MultiCare Health System	Virginia Mason Medical Center
Nintendo	Weyerhaeuser - Forest Products
Nordstrom	



Quality of Life

If you could live anywhere and an outdoor lifestyle matters to you, then you couldn't pick a better place to be than the Greater Seattle area. There are very few places where one can go skiing after work on Friday evening and then wake up and go sailing or play golf on Saturday morning. The region is simply an incredible place to live as well as to do business.

GREATER SEATTLE AREA

Seattle is the largest city in the four-county metropolitan area known as the Puget Sound region. The area's other major metropolitan cities are Bellevue, Tacoma, Everett, and Bremerton. Surrounding these are growing cities that include Kirkland, Redmond, Kent, Renton, Bothell, and Issaquah.

According to Forbes, Seattle is one of the most popular cities in the country for the millennial generation (ages 20-34), with a growth rate of 20.3% since 2007. This is primarily due to the abundance of tech, engineering, and biotechnology employment opportunities in the region, which are highly sought after industries by millennials.

CLIMATE

The temperate climate lets residents and visitors enjoy the outdoors year-round. High temperatures in July average just 75 degrees, while low temperatures drop below freezing an average of only 15 days per year. Rain does fall in Puget Sound and that is why the region's vegetation is always a lush green. However, it rarely rains heavily and the total average rainfall is 35 inches, less than New York City or Miami.

OUTDOOR ACTIVITIES, CULTURE & SPORTS

The area's natural beauty and mild climate encourage year-round activities such as hiking in the Olympic or Cascade Mountains, kayaking on Lake Union, or cycling on any of the many rails-to-trails paths.

Art and culture are also "driving" forces in the region. There are 34 museums, 30 performing arts centers and, at last count, 28 professional theatre companies.

Professional sports teams include major league football, baseball, soccer, hockey and lacrosse. In addition, there is thoroughbred racing and the University of Washington Huskies to cheer on.

Demographics

POPULATION

The region consists of approximately 3,944,500 (2015, Puget Sound Regional Council) residents in King, Snohomish, Pierce, and Kitsap counties. The current figure represents a 16.73% increase over the 2000 Census. Positive population growth in the region is expected to continue through the end of the forecast period. The Puget Sound Regional Council is estimating the area's population to be 4,168,267 in 2020, an 5.37% increase.

BUYING INCOME

The Seattle-Tacoma-Bellevue metropolitan area (MSA) is clearly the economic engine of Washington State. The MSA ranks 13th among 363 markets nationwide in terms of effective buying income (EBI or after-tax, discretionary spending power). The median household EBI in the Greater Seattle Area is 20% higher than the national median.

WORKFORCE

Approximately 56% of the population is in the prime workforce age of 25-64. Puget Sound residents are among the most highly educated in the nation, with more than 38% having at least a bachelor's degree and one-third of those holding a graduate or professional degree.

JOB GROWTH

In 2015, the region added 65,000 jobs, and 45,800 jobs are forecasted for 2016. The Puget Sound Economic Forecaster projects another 105,000 total payroll jobs to be added between 2016 - 2020.

Education

Washington State is home to six public four-year colleges and universities, 34 public community and technical colleges, and more than 300 private colleges, universities, career and vocational schools.

UNIVERSITY OF WASHINGTON

W The University of Washington is among the top higher learning institutions in the nation, ranking 11th globally by U.S. News & World Report, and among the world's top 500 universities by Academic Rankings of World Universities. The UW is also the number one public university in the nation for receiving federal support in research and training. Its medical school ranked first among all schools in the country for primary care and the School of Nursing also retained its top ranking for the 28th year. Overall, the UW School of Medicine is ranked ninth among research medical schools and first among public medical schools. The graduate program in computer science ranks seventh and the college of education graduate program was tied for ninth. Nearly three-fourths of the University's graduates remain in the state.

SEATTLE UNIVERSITY



Seattle University is a Jesuit university situated on 48 acres in Seattle's First Hill and Capitol Hill neighborhoods. The school was founded in 1891 and is the largest independent university in the Pacific Northwest. The university has a total enrollment of 7,405 students of which 64% are undergraduates. Seattle University employs 1,381 faculty and staff.

The U.S. News 2015 rankings place Seattle University 6th among the top universities in the West that offer a full range of masters and undergraduate programs.

BASTYR



Bastyr University located in Kenmore, Washington, is one of the world's leading academic centers for advancing knowledge in the natural health sciences. A 36-year pioneer in natural medicine, Bastyr continues to be in the forefront of developing the model for 21st century medicine. Bastyr University's academic and research programs have received international recognition for pioneering work in science-based natural medicine. The 51-acre campus in Kenmore was joined in September 2012 by a sister campus in San Diego, California. Bastyr University California became the first and only accredited naturopathic medicine institution in California.



University of Washington



Seattle University



Bastyr

Economy

KEY INDUSTRY SECTORS

While the greater Seattle economy includes a broad range of companies, local business and civic leaders have identified key innovative, knowledge-based industries that drive our economy and are critical to the region's current and future prosperity. These are:

Information Technology

Aerospace

Life Sciences

Interactive Media

Clean Technology

Information Technology

Many of the most well known names in the software and information technology industry are located in the Greater Seattle area. The established companies include Microsoft, Amazon, Nintendo, RealNetworks, T-Mobile, Expedia and several others.

The strong base of businesses has created the largest employment cluster in the region, supporting an estimated 155,000 jobs. The Greater Seattle area has several world-leading strengths in the IT sector.

The State of Washington is the largest employer of software publishing workers in the US. In addition, Washington ranks first in the country in the creation of new software companies.

Microsoft is the second largest employer in Washington. In addition to the 41,728 employees in the region in 2015, the company historically has had an estimated 3.4 implied employment multiplier. As a result, the company currently supports over 141,000 indirect jobs in the area. Microsoft has also greatly impacted the region

through next generation companies. Since Microsoft's founding over 250 companies have been spun off through investment/development or from former Microsoft employees.

Amazon has continued its strong employment growth. The online retailer added 72,900 payroll jobs worldwide in the past 12 months and 201,700 new jobs since 2008. Amazon currently has over 222,000 full and part time employees. It is estimated they will employ 71,500 in Seattle once their SW location is completed.

The rich and deep pool of talent has led other industry leading IT companies such as Google to identify the area as an important location for growth. In the Greater Seattle area, Google has a complex of new buildings in Kirkland and offices in the Fremont neighborhood of Seattle that employ 1,000 people. In August of 2011, Google signed a 58,000 square foot lease in Bothell, which added 840 more jobs locally. The local engineers continue to work on the high priority projects such as the Chrome browser and operation systems and Google Talk.

Expedia, a global online travel booking company founded as a division of Microsoft in 1996, has its headquarters in the Puget Sound Region. In April 2015, Expedia announced it will be moving its headquarters to a newly acquired 40 acre waterfront campus on Seattle's Elliott Bay and expansion. Expedia will be completing an extensive renovation of the existing campus and plans to move by 2018. Expedia currently has 3,000 employees at their Bellevue location but plans to grow its new headquarters to 4,500.





Amazon Growth Timeline

Added 201,700 jobs worldwide since 2008

Added 72,900 jobs worldwide in the past 12 months

Total worldwide employment of 222,000 at the end of 2015

Doubled Seattle employment since 2011

Current employment in Washington of 24,000

Amazon will have capacity for 71,500 employees in Seattle by 2022

March 2011: Occupied new 1.7 million SF South Lake Union Headquarters

Leased an additional 2+ million SF of office space since 2011

October 2012: Purchased SLU headquarters for \$1.16 billion

December 2012: Purchased three city blocks for \$207.5 million for 3.3 million SF expansion

January 2013: Vulcan broke ground of SLU Phase VI for 365,000 SF

August 2013: Vulcan broke ground on SLU Phase VII and VIII for 613,000 SF

January 2014: Amazon purchased an additional Seattle city block for \$52.2 million

March 2015: Amazon leases 817,000 SF in the Troy Block buildings

Total current and planned Seattle footprint of nearly 10 million SF office space

December 2015: Amazon's first phase of their expansion opened: 1.1 million SF

Amazon Office Space in Seattle



AMAZON WORLD HEADQUARTERS – SOUTH LAKE UNION

CAMPUS PHASE	ADDRESS	SF	STATUS
Amazon IA	410 Terry Ave N	315,513	Occupied
Amazon IB	535 Terry Ave N	113,889	Occupied
Amazon II	500 Boren Ave N	158,333	Occupied
Amazon III	550 Terry Ave N/551 Boren Ave N	237,320	Occupied
Amazon IV	310 Terry Ave N/333 Boren Ave N	542,762	Occupied
Amazon V	207 Boren Ave N	333,386	Occupied
Amazon VI	515 Westlake Ave N	365,000	Occupied
Amazon VII	333 9th Ave N	301,000	Under Construction
Amazon VIII	400 9th Ave N	312,000	Under Construction
TOTAL		2,679,203 SF	

AMAZON WORLD HEADQUARTERS EXPANSION – DOWNTOWN SEATTLE

CAMPUS PHASE	ADDRESS	SF	STATUS
Rufus 2.0 - Block 14	7th & Lenora	1,100,000	Occupied
Rufus 2.0 - Block 19	7th & Blanchard	1,100,000	Under Construction
Rufus 2.0 - Block 20	8th & Blanchard	1,100,000	Permitting/Site Work
Rufus 2.0 - Block 21	8th & Bell	778,000	Permitting
TOTAL		4,078,000 SF	

AMAZON LEASED OFFICE SPACE – CORE SEATTLE

BUILDING	ADDRESS	SF	STATUS
2201 Westlake	2201 9th Ave	180,000	Occupied
1918 Eighth Ave	1918 8th Ave	460,000	Occupied
Mercer Yale	1260 Mercer St	110,000	Occupied
West 8th	2001 8th Ave	321,718	Occupied
1800 Ninth	1800 9th Ave	100,000	Occupied
1915 Terry	1615 Terry Ave	251,000	Occupied
Met Park North	1220 Howell St	140,362	Occupied
Blanchard Plaza	2201 6th Ave	185,000	Occupied
5th and Bell	2301 Fifth Ave	100,000	Occupied
635 Elliott	635 Elliott Ave	196,000	Occupied
Supply Laundry	1265 Republican	26,000	Occupied
202 Westlake	202 Westlake Ave N	130,990	Under Construction
Troy Block	307 Fairview Ave	817,000	Under Construction
TOTAL		3,018,070 SF	

TOTAL AMAZON SEATTLE OFFICE SPACE

Occupied Space - Campus	2,774,203
Occupied Space - Leased	2,069,000
Under Construction - Expansion	2,105,000
Under Construction - Leased	947,000
Permitting	1,878,000
GRAND TOTAL	9,773,203 SF

Aerospace

The Puget Sound region has a proud history and a strong future as a leader in the aerospace industry. In 2015, aerospace supported more than 103,000 jobs in the state and includes over 650 companies, making the area the largest commercial aviation center in the country.

The largest employer is The Boeing Company, with nearly 80,000 workers in Washington State. Their main factory is located in Everett, which is 25 minutes north of Downtown Seattle. The Everett factory produces Boeing's 747s, 767s, 777s, the new 787 Dreamliner airplanes, and now the refueling tankers for the Air Force. The new tanker deal, which Boeing signed in 2011, is worth an estimated \$40 billion and is expected to support 50,000 U.S. jobs, of which 11,000 are in Washington State. In Renton, just 15 minutes south of Downtown Seattle, is Boeing's 737 factory, which is the world's most successful commercial airliner in terms of airplanes sold. The 737 has increased production from 38 to 42 planes per month April 2015. The new fuel efficient 737 MAX has received over 3,000 firm orders since it was released in August of 2011.

Boeing has been the catalyst for the Puget Sound's resurgence. The aerospace giant hired nearly 14,000 new employees since 2011. With an estimated employment multiplier of three, Boeing has been responsible for approximately 42,000 indirect jobs since 2011.



Boeing has held the number one spot in aerospace since 2012, crushing its rival Airbus in deliveries. In 2015, Boeing had 762 orders. In addition, Boeing delivered 723 airplanes in 2014, and has beat its record year over year. Boeing currently has over 6,000 firm orders for commercial airliners, which is enough for eight years of inventory.

Life Sciences

In 2005, Washington State created the \$350 million Life Sciences Discovery Fund to support life science industry research.

With a current endowment of \$43.5 billion, the Bill and Melinda Gates Foundation is also a major supporter of the area's life science companies. Recent funding helped the University of Washington move the Departments of Genome Sciences and Bioengineering into a new, shared facility and helped establish a Department of Global Health.

The Foundation opened its campus at 500 5th Ave N. in June 2011. The reported cost of the first phase of construction, which includes the two boomerang shaped office buildings, is \$500 million. Management estimated that 1,200 staff initially moved in, though the Foundation has broken ground on a third building which will add additional capacity of 500.

The South Lake Union biotechnology area, near both the Foundation and the University, houses The Fred Hutchinson Cancer Research Center, the Institute for Systems Biology, the Pacific Northwest National Laboratory (Seattle office), Amgen's Helix Campus on Elliot Bay, the Allen Institute for Brain Science, the Pacific Northwest Research Institute, the Infectious Disease Research Institute, PATH, the Seattle Biomedical Research Institute, and the Benaroya Research Institute at Virginia Mason.

The distinct healthcare industry which includes hospitals, healthcare products and services, training, and research, accounts for 96,000 jobs in Seattle and annual revenue of \$10 billion. Collaboration among professionals in healthcare, life sciences, and information technology has led to advances in bioinformatics and health informatics.



Interactive Media

The Puget Sound is an undisputed global leader in Interactive Media development. Starting with Cyan's PC games of the nineties, Myst and Riven, to Valve's Half Life, and Bungie's Halo trilogy, the history of the area is strong. With Microsoft, Nintendo, and RealNetworks in the region along with over 150 noteworthy game-technology companies, the Greater Seattle area can claim to be one of the top three game-development centers in the world.

Industry leaders such as Warner Bros. Interactive, Gas Powered Games, NCSOFT, and Sony Online Entertainment have offices here. Over the last few years, an industry task

force gathered and collaborated with public and private sector leaders to develop the Washington Interactive Media Program—the first of its kind in the nation. The program is designed to promote, nurture and grow the video game industry in the area.

There are currently over 76,000 jobs at Greater Seattle area companies or divisions wholly devoted to games today and the industry in this region is growing at over 30% each year.

Clean Technology

The Greater Seattle region has a storied history of entrepreneurship, is home to companies with world changing technologies and has an “unmatched culture of commitment to the environment”. As a result, the area is an exceptional location for emerging clean technology companies involved in clean energy, green building, and environmental technologies.

Statewide, the clean technology industry accounted for more than 20,000 jobs in the sectors of energy efficiency, renewable energy, reducing pollution, and pollution cleanup. The sectors of wind, solar, biomass, wave/tidal and geothermal energy currently employ more than 17,000. Washington State has long supported clean technology and has the largest coordinated hydro-electric system in the world, providing 75% of the state's electrical power.

The Washington Clean Technology Alliance (WCTA) was established in 2007 to take full advantage of the opportunities presented by this emerging sector and to ensure Washington's continued leadership.

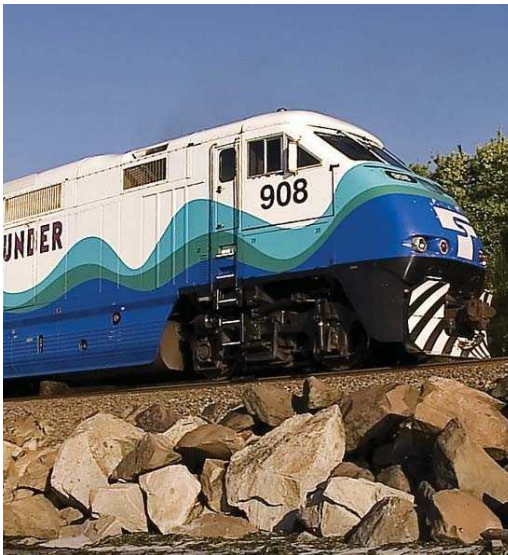
TRANSPORTATION

King County has a well-developed transportation system which provides links to all parts of the country and world. Seattle's port is closer to the main trading partners in Asia than any other major U.S. port and the region's distribution networks move goods efficiently inland.

The region's multi-modal transportation system includes two transcontinental railroads, nationwide trucking capacity, three interstate highways, a ferry system, a world-class port, light rail service, and an international airport.



The Burlington Northern Santa Fe (BNSF) and Unions Pacific Southern Pacific (UPSP) railroad serve the greater Seattle area. Both railroads have spur lines that span the area, making it possible to deliver almost any type of load. Outside of Puget Sound and across the state, there are over 4,000 miles of operable track.



Truck transportation in Washington is made possible by over 3,700 interstate trucking companies, including common carrier and contract companies. The State ranks among the top 10 states in general freight tonnage carried by trucks intrastate.

All regional communities are accessible from Seattle over an efficient, well-planned freeway system. The average commute between Seattle and outlying cities and suburbs is 23 minutes (non-peak) and 45 minutes (peak drive time). The region's highway network is anchored by three main highways: U.S. Interstate 5 which runs north-to-south from Vancouver, British Columbia to San Diego, California.

Interstate 90 runs west-to-east connecting Seattle with New York, and Interstate 405 (Washington) is a 30-mile stretch of freeway that bypasses Seattle east of Lake Washington. I-405 runs from Lynnwood in the north to Tukwila.

Over 22 million passengers annually ride the Washington State Department of Transportation's Ferry System, the largest in the country and the third largest in the world.

This system transports over 10 million vehicles a year, more than any ferry system in the world. The fleet has 20 auto-passenger ferries and two passenger-only ferries. The DOT operates 20 terminals and operates on 9 routes.

PORT OF SEATTLE



The Port of Seattle has world-class facilities and relative proximity to Asia; the port is the fastest route for cargo to and from America's heartland. The transit time from port cities in Asia to Seattle is eight days, which is 30 hours less than through Southern California ports. The Seattle-Tacoma-Everett port region is the third largest container complex in the country, smaller only than New York/New Jersey and Los Angeles/Long Beach. The region's ports serve not only the Pacific Northwest but also the Midwest, East Coast, and Canada. 2014 marked strong port activity with 2015 activity even higher.





In 2014, 37.5 million passengers and 319,350 metric tons of air cargo passed through Sea-Tac airport. Passenger levels increased 7.7% from 2013 and the volume ranked the airport as the 22nd busiest in the U.S. because of the state's strategic geographic location, Sea-Tac is one to two hours of flying time closer to Pacific Asia than Southern California airports. In addition, trans-polar routing enables Sea-Tac to rival East Coast cities like New York in flight times to European capitals.

SOUND TRANSIT

Link Light Rail

Sound Transit operates two light rail service lines within western Washington: the Central Link which currently travels between SeaTac International Airport and downtown Seattle, and Tacoma Link which has stops throughout the city of Tacoma. Both lines operate every day of the week, and also on holidays. There are currently plans to expand the Central Link service route to the eastside as far as Bellevue and north to Lynnwood with operation beginning in 2023. Planning and review is currently in progress for an extension to Federal Way in South King County. In 2016, the total line will reach 18.75 miles between SeaTac and the University of Washington. Annual ridership on Link Light Rail has grown year over year since it first began operation in 2009, and Central Link annual ridership currently exceeds 10.9 million passengers.

Sounder Train

The Sounder commuter rail line began its service line across western Washington in 2000. Over the last year, ridership has increased 11% to reach 3.4 million passengers, above the operating level before the recession.

The Sounder train has 2 current lines and 9 stations. The South Line has stops in Tacoma, Sumner, Puyallup, Auburn, Kent, and Seattle; the North Line operates between Everett and Seattle. Average weekday ridership across both lines is nearly 10,000 passengers.

With Proposition 1 passing in 2008, planning has begun for new extensions on the South Line, as well as additional potential stations in Ballard and on Broad Street in Seattle.

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