SKYWAY 53-UNIT DEVELOPMENT

OFFERING MEMORANDUM

6950 S 123RD ST, SKYWAY WA

PRESENTED BY:
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PROPERTY OVERVIEW

Parcel Number	7689600975 & 7812801880 (King County)
Address	6950 S 123rd Street, Skyway WA 98178
Present Use	Undeveloped land
Lot Size	87,300 SF / 2.0 Acres + 9,150 SF / 0.21 Acres Total Area: 96,450 / 2.21 Acres
Zoning	R-24 & R6-6
Proposed Use	Two (2) Townhouse Buildings (6 Units Total) Three (3) Apartment Buildings (47 Units Total)
Unit Summary	Townhouses: (4) Two Bedrooms, (2) Three Bedrooms Apartments: (19) Studios, (6) One Bedrooms, (22) Two-Bedrooms

This development site is proposed for building 53 units with a mix of studios, 1-bed, 2-bed, 3-bed & townhomes units.

Located in the outskirts of Seattle, it is in the federally-designated Opportunity Zone with light walking distance to Skyway Park, easy access to I-5 & I-405, few minutes to SeaTac International Airport.

The operator of the completed project may benefit from the recent annual rent growth of at least 5% per year.

Also, an investor looking for favorable treatment of capital gains taxes on most investment vehicles may benefit from the Opportunity Zone designation of the site.

SITE SUMMARY

BUILDING 1 (APARTMENTS)	10,699.5 SQ. FT.
BUILDING 2 (TOWNHOUSE)	8,161 SQ. FT.
BUILDING 3 (APARTMENT)	10,699.5 SQ. FT.
BUILDING 4 (TOWNHOUSE)	8,161 SQ. FT.
BUILDING 5 (APARTMENT)	17,016 SQ. FT.
ALL STRUCTURES TOTAL	50,737 SQ. FT.

BUILDINGS 1 + 3

FIRST FLOOR AREA:	
DWELLING UNITS:	3,234 SQ. FT.
STAIR & CORRIDOR	300.5 SQ. FT.
TOTAL	3,534.5 SQ. FT.
SECOND FLOOR AREA:	
DWELLING UNITS:	3,282 SQ. FT.
STAIR & CORRIDOR	300.5 SQ. FT.
TOTAL	3,582.5 SQ. FT.
THIRD FLOOR AREA:	
DWELLING UNITS:	3,282 SQ. FT.
STAIR & CORRIDOR	300.5 SQ. FT.
TOTAL	3,582.5 SQ. FT.
TOTAL BUILDING AREA	10,699.5 SQ. FT.

BUILDINGS 2 + 4

BUILDING 2 - UNIT 1	
GARAGE	(552 SQ. FT.)
CONDITIONED SPACE	(1,536 SQ. FT.)
TOTAL	2,088 SQ. FT.
BUILDING 2 - UNIT 2	
GARAGE	(257 SQ. FT.)
CONDITIONED SPACE	(1,697 SQ. FT.)
TOTAL	1,954 SQ. FT.
BUILDING 2 - UNIT 3	
GARAGE	(552 SQ. FT.)
CONDITIONED SPACE	(1,567 SQ. FT.)
TOTAL	2,119 SQ. FT.
BUILDING 4 - UNIT 1	
GARAGE	(552 SQ. FT.)
CONDITIONED SPACE	(1,536 SQ. FT.)
TOTAL	2,088 SQ. FT.
BUILDING 4 - UNIT 2	
GARAGE	(257 SQ. FT.)
CONDITIONED SPACE	(1,697 SQ. FT.)
TOTAL	1,954 SQ. FT.
BUILDING 4 - UNIT 3	
GARAGE	(552 SQ. FT.)
CONDITIONED SPACE	(1,567 SQ. FT.)
TOTAL	2,119 SQ. FT.
TOTAL BUILDING AREA 2+4	12,322 SQ. FT.

BUILDING 5

BASEMENT AREA	
DWELLING UNITS:	1,796 SQ. FT.
STAIR & CORRIDOR	887 SQ. FT.
STORAGE	120 SQ. FT.
TOTAL	2,803 SQ. FT.
FIRST FLOOR AREA:	
DWELLING UNITS:	2,607 SQ. FT.
RECREATION ROOM	1,036 SQ. FT.
STAIR & CORRIDOR	952 SQ. FT.
STORAGE	110 SQ. FT.
TOTAL	4,705 SQ. FT.
SECOND FLOOR AREA:	
DWELLING UNITS:	3,643 SQ. FT.
STAIR & CORRIDOR	1012 SQ. FT.
STORAGE	111 SQ. FT.
TOTAL	4,766 SQ. FT.
THIRD FLOOR AREA:	
DWELLING UNITS:	3,619 SQ. FT.
STAIR & CORRIDOR	1,012 SQ. FT.
STORAGE	111 SQ. FT.
TOTAL	4,742 SQ. FT.
TOTAL BUILDING AREA	17,016 SQ. FT.

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BLDG #	UNITS	CLASS	TYPE	GLA (EACH)	GLA (TOTAL)	RENT/SF	RENT / UNIT	TOTAL RENT
1 & 3	4	A1	2 BR / 1 BA	813	3,252	$1.85	$1,504	$6,016
1 & 3	2	B1	2 BR / 2 BA	813	1,626	$1.91	$1,553	$3,106
1 & 3	16	TU	2 BR / 2 BA	825	13,200	$1.96	$1,617	$25,872
2 & 4	2	U1	2 BR / 2 BA	1,536	3,072	$1.70	$2,611	$5,222
2 & 4	2	U2	3 BR / 3 BA	1,697	3,394	$1.70	$2,885	$5,770
2 & 4	2	U3	2 BR / 2 BA	1,567	3,134	$1.70	$2,664	$5,328
5	19	A2	STUDIO	375	9,375	$2.10	$788	$14,972
5	6	B2	1 BR / 1 BA	665	3,990	$2.00	$1,330	$7,980
						MONTHLY RENT		**$74,266**
						ANNUAL RENT		**$891,192**

PROFORMA PROJECT VALUATION & INVESTMENT STRATEGIES

SKYWAY APARTMENTS + TOWNHOMES

STABILIZED NET OPERATING INCOME

Gross Potential Rent (Mo.)	$74,266
Effective Gross Income (Yr.)	$891,172
5% Vacancy	($44,560)
Operational Expenses ($3,700/Unit)	($178,238)
Net Operating Income	$668,394

BUILD, HOLD & REFINANCE

Land Acquisition	$1,700,000
Construction Costs	$10,125,120
Project Cost	$11,825,120
Net Operating Income	$668,394
Stabilized Cap Rate	5.65%
Annual Payment on $10M Loan at 3.75%	$555,738
Annual Cash Flow after Debt Payments	$112,656
Cash-on-Cash ($1,825,120 not financed)	6.0%

PROJECT BUILD COSTS

Build 50,736 SF at $170/SF	$8,625,120
Site Work	$1,200,000
Land	$1,700,000
Permits	$300,000
Construction Financing	X
Property Stabilization	X
Total Project Costs	$11,825,120

STABILIZE & SELL

Project Cost	$11,825,120
Sell at 4.5% Cap Rate	$14,853,200
Gross Profit	$3,028,080
Profit Margin	25.6%
Project Cost	$11,825,120
Sell at 4.25% Cap Rate	$15,726,918
Gross Profit	$3,901,798
Profit Margin	33.0%

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MULTIFAMILY RENTAL SURVEY

NEWER SKYWAY MULTIFAMILY PROPERTIES

TAYLOR CREEK APARTMENTS

7050 S 116th Pl, Seattle WA 98178

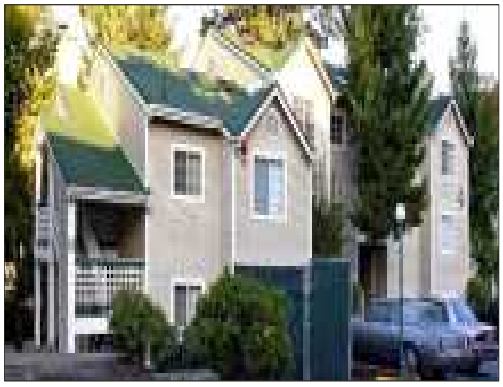
Built	2017
Units	53
2-Bedroom Top Rent	$1,923 at $1.90/SF
1-Bedroom Top Rent	$1,624 at $2.17/SF

NOTES

1-Bedrooms: 8 Units. 2-Bedrooms: 45 Units

FOSTER COMMONS

5700 S 129th St, Tukwila WA 98178



Built	1990
Units	72
2-Bedroom Top Rent	$1,400 at $1.62/SF
1-Bedroom Top Rent	$1,324 at $1.93/SF

NOTES

1-Bedrooms: 22 Units. 2-Bedrooms: 50 Units.

HILLVIEW

12825 60th Ln S, Seattle WA 98178

Built	1987
Units	94
2-Bedroom Top Rent	$1,496 at $1.69/SF
1-Bedroom Top Rent	$1,297 at $1.91/SF

NOTES

1-Bedrooms: 48 Units. 2-Bedrooms: 46 Units.

AREA MULTIFAMILY SALES TRANSACTIONS

RENTON MULTIFAMILY PROPERTIES BUILT 2015 & NEWER

SUNSET VIEW APARTMENTS

2101 SW Sunset Blvd, Renton, WA 98057

Sale Date	January 2020
Sale Price	$49,975,000
Price Per Unit	$207,292
Price Per SF	$196.52
Unit Count	240
Cap Rate	5.35%
Buyer	Turner Impact Capital
Seller	Meter Properties
Year Built	1970

NOTES

Seller invested $5M on upgrades over the last 5 years. 115 fully-renovated & 58 partially-renovated units. 96% Occupancy at time of sale. Within 1-mile radius of Subject Property

LADERA APARTMENTS

5851 S 152nd St, Tukwila, WA 98188

Sale Date	October 2020
Sale Price	$14,400,000
Price Per Unit	$218,182
Price Per SF	$237.36
Unit Count	66
Cap Rate	5.25%
Buyer	Woodspear Properties
Seller	Glen Una Management Co.
Year Built	1989

NOTES

97% Occupancy at time of sale. Half of property renovated in 2007. Within 2-mile radius of Subject Property.

TAYLOR CREEK APARTMENTS

7050 S 116th Pl, Seattle WA 98178

Sale Date	February 2018
Sale Price	$13,100,000
Price Per Unit	$247,169
Price Per SF	$262.24
Unit Count	53
Cap Rate	4.98%
Buyer	Raymond Capital
Seller	G3 Investments
Year Built	2017

NOTES

Purchase price included $250K of undisclosed personal property. 95% Occupancy at time of sale.

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