



For Sale: 56 Units - \$4.73M



An excellent investment – A 6.55% cap rate and a 7.9 GRM on current rents, a 9% cash return on a 25% down payment

Strategically located near Interstate 5, two miles from Lakewood Town Center, and 15 minutes from Downtown Tacoma

Ten of the units were built in 2017, and the remaining were remodeled in 2016 and 2017 with new appliances, countertops, flooring, cabinets, paint, and molding

The building exterior has been repainted, with new deck railings, and siding repairs as needed

The large parking lot has been resurfaced with an improved drainage system

Major employers in the area include JBLM, Madigan Army Hospital, Clover Park School District, St. Clare Hospital, McLane Northwest, Aacres, and the Cities of Lakewood and Tacoma

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Property Overview

The Eastwood Apartments in Lakewood, Washington is strategically located less than a mile from Interstate 5, approximately two and a half miles from Highway 512, roughly 15 minutes from the Tacoma Central Business District, and within easy walking distance of the Joint Base Lewis-McChord military base.

The property is conveniently located within two miles of 10 markets and grocery stores and within a mile of more than 15 restaurants and coffee shops. Also within two miles of the property are three parks, including Lakewold Gardens, a 10-acre public garden and estate that offers residents the opportunity to stroll among the National Historic Landmark's rare and native plants, Japanese maples, State Champion Trees, and more than 900 rhododendrons. A stop for Pierce Transit route 206 is steps away taking residents to Madigan Army Hospital and Lakewood Transit Center. Further, the property is located one mile to the Lakewood Sounder rail station providing commuting service to Tacoma, Auburn, Kent, and Downtown Seattle. The property also provides a short commute via personal vehicle to both Tacoma and Olympia.

The Eastwood Apartments is comprised of 56 apartments in four buildings. Ten of the apartments are brand new and were built in 2017, and every other unit was remodeled in 2016 and 2017. Remodeling work included:

New exterior paint

New deck railings

Dual pane windows

New parking lot drainage system and resurfacing

10 new units built in 2017

46 remodeled units featuring mostly new appliances, countertops, flooring, cabinets, paint, and molding

The units feature dishwashers, decks, dining areas, and large living rooms and bedrooms. The property has ample parking, and leased coin-operated washer / dryers generate additional income.

Upon renovation, each unit has been quickly leased with quality renters. At current rents and realistic expenses, the property produces a 6.55% cap rate and a 7.9 GRM. The cash-on-cash return is approximately 9% on a 25% down payment. Further, as the region's rates continue to rise, the owners of the Eastwood Apartments should experience higher rents and increasing income returns over time. The Eastwood Apartments is a turnkey investment which will provide the buyer with a strong yield and room to improve and grow.



Financials & Overview



PROPERTY OVERVIEW

Address	5302 - 5306 Chicago Avenue SW Lakewood, WA
Price	\$4,730,000
Down Payment	\$1,182,500
Price per Unit	\$84,464
Price per SF	\$124.15
Current Cap Rate	6.55%
Market Cap Rate	6.63%
Current GRM	7.9
Market GRM	7.8
# of Units	56
Avg Unit Size	±680 SF
NRSF	38,100 SF
Year Built	1969

	CURRENT	MARKET
INCOME		
Total Scheduled Rent	\$552,060	\$556,200
Laundry	\$6,000	\$6,000
Utility-Bill-Back	\$33,600	\$33,600
Non-Ref. / Late Fees	\$9,000	\$9,000
Scheduled Potential Income	\$600,660	\$604,800
Less Physical Vacancy (6%)	(\$36,040)	(\$36,288)
Effective Gross Income	\$564,620	\$568,512
EXPENSES		
Real Estate Taxes	\$58,236	\$58,236
Insurance	\$14,076	\$14,076
Utilities	\$72,000	\$72,000
Repairs and Maintenance	\$42,000	\$42,000
Professional Management	\$28,231	\$28,426
On-Site Management	\$11,400	\$11,400
Capital Reserves	\$14,000	\$14,000
Advertising	\$5,488	\$5,488
Administrative	\$4,400	\$4,400
Landscaping	\$4,800	\$4,800
Total Expenses	(\$254,631)	(\$254,826)
Expenses Per Unit	\$4,547	\$4,550
Expenses Per Square Foot	\$6.68	\$6.69
Net Operating Income	\$309,989	\$313,686



UNIT MIX

UNIT TYPE	# UNITS	AVERAGE SF	CURRENT AVG RENT	CURRENT RENT/SF	MARKET AVG RENT	MARKET RENT/SF
1 Bed / 1 Bath	40	650	\$771	\$1.19	\$775	\$1.19
2 Bed / 1 Bath	15	750	\$938	\$1.25	\$950	\$1.27
3 Bed / 1 Bath	1	850	\$1,100	\$1.29	\$1,100	\$1.29
TOTAL	56	38,100	\$46,005		\$46,350	
AVERAGE		±680	\$822	\$1.21	\$828	\$1.22

Sales Comparables



BELL GARDEN 8810 John Dower Road, Lakewood	
Sale Date	07/26/2017
Sale Price	\$2,360,000
Price/Unit	\$98,333
Price/SF	\$159.89
Cap Rate	4.1%
Units	24
Year Built	1972



PACIFIC POINTE 1801 S 84th Street, Tacoma	
Sale Date	01/25/2017
Sale Price	\$8,900,000
Price/Unit	\$83,962
Price/SF	\$109.04
Cap Rate	7.1%
Units	106
Year Built	1968



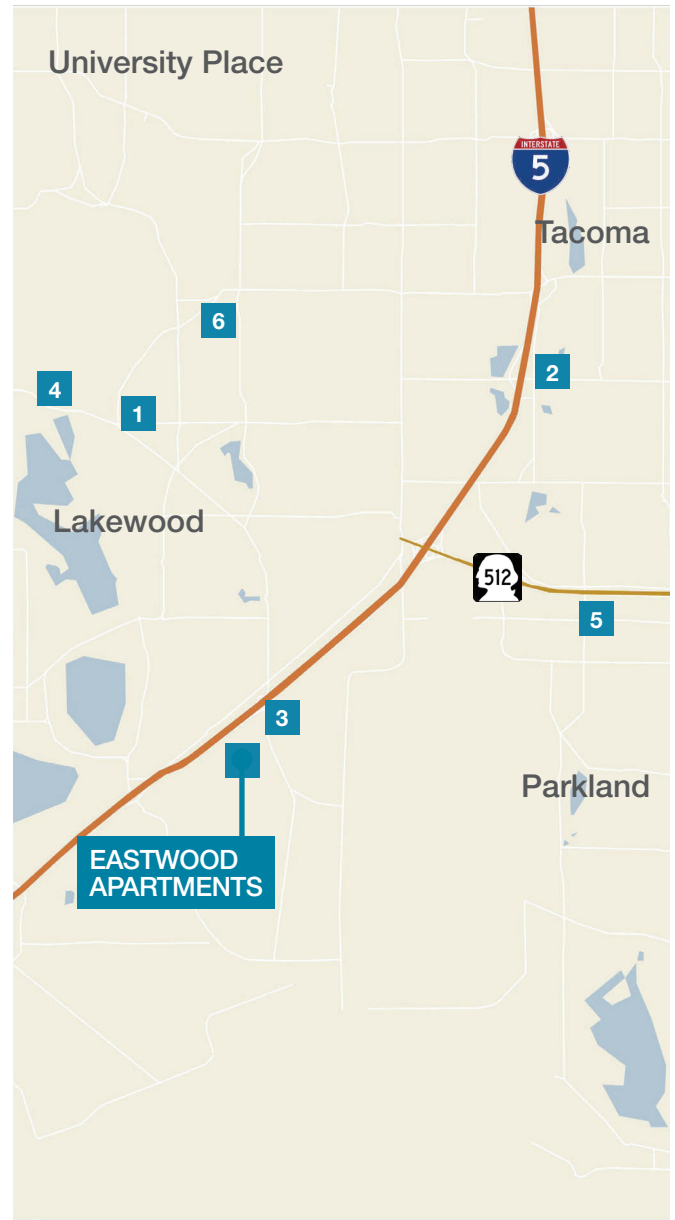
CLOVER LAKE PARK 4828 123rd Street SW, Lakewood	
Sale Date	11/10/2016
Sale Price	\$11,000,000
Price/Unit	\$76,388
Price/SF	\$104.44
Cap Rate	5.8%
Units	144
Year Built	1975



POINTE AT LAKE STEILACOOM 8416 Phillips Road SW, Tacoma	
Sale Date	09/23/2016
Sale Price	\$5,400,000
Price/Unit	\$88,524
Price/SF	\$115.58
Cap Rate	5.5%
Units	61
Year Built	1969



ASH CREEK APARTMENTS 1420 112th Street S, Tacoma	
Sale Date	Pending
Sale Price	\$1,300,000
Price/Unit	\$81,250
Price/SF	\$158.98
Cap Rate	5.0%
Units	16
Year Built	1954



WHISPERING PINES 7715 Douglas Street W, Lakewood	
Sale Date	Pending
Sale Price	\$2,025,000
Price/Unit	\$119,118
Price/SF	\$145.91
Cap Rate	6.24%*
Units	17
Year Built	1986

* Market Cap Rate