



# GREENWOOD INN APARTMENTS

9030 GREENWOOD AVENUE NORTH, SEATTLE, WA 98103

## CONTACT INFORMATION:

**TYLER SMITH**

PRINCIPAL | BROKER  
**206.505.9425**

[tylersmith@westlakeassociates.com](mailto:tylersmith@westlakeassociates.com)

**STEVE FISCHER**

PRINCIPAL | BROKER  
**206.505.9435**

[fischer@westlakeassociates.com](mailto:fischer@westlakeassociates.com)



**WESTLAKE**  
ASSOCIATES, INC.

# OFFERING SUMMARY

## WESTLAKE ASSOCIATES IS PLEASED TO PRESENT THE GREENWOOD INN APARTMENTS FOR SALE.

The Greenwood Inn is a fantastic opportunity for an investor to own an asset in the ever changing and expanding Greenwood neighborhood core of Seattle. Walking distance to Piper Village, a master planned community, residents can easily utilize the local amenities without getting into their car.

The building itself is a remodeled turn key apartment building located shouting distance from the Greenwood retail core. The building is heavily concentrated in studio-style units that function more as an open 1-bed concept. It is comprised of 22 apartment units and one ground floor live/work space. Coin-op laundry is located on site for residents as well as 21 parking spaces (17 covered and 4 uncovered). The Greenwood Inn is a perfect investment for an investor looking for a low maintenance turn key investment.

### ADDRESS

9030 Greenwood Avenue North , Seattle, WA 98103 📍

### PROPERTY HIGHLIGHTS

- + **RENOVATED BUILDING**
- + **NEW DOUBLE PANE WINDOWS**
- + **COVERED PARKING**
- + **WALKING DISTANCE TO GREENWOOD RETAIL CORE | PIPER VILLAGE**
- + **<213K PER UNIT!**
- + **LOCATED ON SEATTLE METRO BUS LINE**



Price:	\$4,900,000
Price Per Unit:	\$213,043
Price Per NRSF:	\$502.05
CAP Rate:	5.06%
GRM:	12.69
Market Cap Rate:	5.18 %
Market GRM:	12.14
Building Size:	10,486 SF
Lot Size:	9,457 SF
Year Built:	1962

**SALE PRICE****\$4,900,000****LOCATION INFORMATION**

Building Name	Greenwood Inn
Street Address	9030 Greenwood Avenue North
City, State, Zip	Seattle, WA 98103
County/Township	King
Market	Seattle
Submarket	Greenwood

**BUILDING INFORMATION**

Building Size	10,486 SF
Number Of Floors	2
Year Built	1962

**PROPERTY DETAILS**

Property Type	Multifamily
Property Subtype	Mid-Rise
Zoning	C1-40
Lot Size	9,457 SF
APN#	946520-0150
Submarket	Greenwood

## GREENWOOD NEIGHBORHOOD

The Greenwood Apartments are located at North 92th Street and Greenwood Avenue North. This location is strategically convenient: just 5.4 miles north of South Lake Union and perhaps more importantly, it is an easy commute via car or public transportation. The property is only 2 miles west of the Northgate Mall, one of Seattle's regional malls, which will also be the location of the 2021 light rail station. In addition, it is minutes from Northwest Hospital, North Seattle Community College, and Greenwood's bustling commercial hub. The Greenwood Business District offers a mixture of quaint restaurants, coffee shops, clubs, taverns, live theater, banks, a Bartell Drugs, and two major grocery stores.

Nearby, only a mile due west of the property, is Carkeek Park, which boasts Puget Sound beaches and 216 acres of park grounds. Green Lake, one of Seattle's most popular attractions, is two miles to the south. By any standard of measure, Greenwood Inn enjoys a very strong location in the heart of Seattle's most established neighborhoods, which has been a successful setting for apartments for 50 years.

Importantly, the character of Greenwood Avenue is not at all like the two highest traffic volume arterials, Highway 99 or Lake City Way. Greenwood Avenue has its share of commercial properties, but the area is chiefly a residential community with far more single-family homes and apartments along Greenwood Avenue than commercial buildings.

Greenwood Avenue is included on a dozen or more metro transit bus routes, including regular stops, express routes, and even snow routes. Residents who work in downtown Seattle have the convenience of a major Park and Ride in Northgate, just 10 minutes away. For those who commute by car, Highway 99 is a superb alternative for getting to South Lake Union or Downtown compared to the often immensely congested I-5.

North Seattle neighborhoods, like Greenwood, Phinney Ridge, Green Lake, Northgate, and other similarly established neighborhoods continue to have very strong rental housing demand that shows no sign of letting up. Many tenants are drawn to the area, because of its value: larger units, easy parking, and more affordable choices than Seattle's inner ring submarkets.



FlintCreek Cattle Co.

Seattle Met's 2017 Restaurant of the Year



Nearby Carkeek Park

## Link Light Rail System

In 2008, the region's voters approved Sound Transit 2, a major expansion of the regional transit system with substantial extensions of Link light rail throughout the region plus more Sounder train and ST Express bus services.



## Northgate Link Extension

MAY 2016

**Downtown Seattle to Northgate**  
14 minutes

**Northgate to Husky Stadium**  
7 minutes

**U District to Downtown Bellevue**  
32 minutes

**Roosevelt to Sea-Tac Airport**  
44 minutes

**Safeco & CenturyLink fields to Northgate**  
20 minutes

**South**

Sound Transit plans, builds and operates regional transit systems and services to improve mobility for Central Puget Sound, Sound Transit | 401 S. Jackson St. | Seattle, WA 98104-2826 | 1-800-201-4900 / TTY Relay: 711 | main@soundtransit.org | soundtransit.org



## Northgate Link Extension

2010–2016 Final design   2017–2020 Construction and system testing   2021 Service begins

Passengers began riding Link light rail trains between downtown Seattle and Sea-Tac Airport in 2009, and to Capitol Hill and the University of Washington in March 2016. A light rail extension south to Angle Lake is scheduled to open late 2016.

Construction is also underway on the Northgate Link Extension, which will take light rail riders north to the U District, Roosevelt and Northgate neighborhoods by 2021.

Northgate Link is a key part of the regional mass transit system approved by voters in 2008. The 4.3-mile line will provide a fast, reliable option for getting through one of the region's most congested areas.

Most of Northgate Link is underground in twin-bored tunnels, with trains moving to the surface at a tunnel portal on the east side of Interstate 5 at about NE 94th Street. From the portal, trains will rise to an elevated guideway moving north alongside

I-5 before crossing over First Avenue NE, south of NE 100th Street and connecting to the elevated Northgate Station spanning NE 103rd Street.

Excavation at the Maple Leaf tunnel portal site was completed in 2014. Two tunnel boring machines (TBMs) were launched from the site that same year. One TBM completed its journey to the University of Washington Station in March 2016. The second tunnel is expected to be completed by late 2016.

As tunneling progresses, construction crews are digging small safety cross-passages that connect the northbound and southbound train tunnels.

Soon crews will begin building the stations and the elevated guideway connecting the tunnel portal to Northgate Station.

For more information, you can visit the website: [soundtransit.org/northlink](http://soundtransit.org/northlink).



Conceptual illustration: Cover - Northgate Station platform. Above - U District Station platform.



### Northgate Station

The elevated Northgate Station is located east of First Avenue NE, spanning NE 103rd Street. The north entrance will provide access to Northgate Mall. The south entrance will be located on a new transit island designed for convenient bus transfers. The station will provide access to adjacent park-and-ride facilities and will serve the surrounding neighborhoods and businesses.



Conceptual illustration of Northgate Station looking northeast.



### Roosevelt Station

Roosevelt Station is located just west of 12th Avenue NE, across from Roosevelt High School, with entrances at NE 65th and NE 67th streets. Passengers will board trains underground. Roosevelt Station will serve the surrounding neighborhoods and the Roosevelt business district, including Roosevelt Square. Excavation of the Roosevelt station site was completed in 2015. Building demolition and environmental cleanup finished in 2013.



Conceptual illustration of the Roosevelt Station south entrance on NE 65th Street and 12th Avenue NE.



### U District Station

U District Station is located on Brooklyn Avenue NE between NE 43rd and NE 45th streets in the University District. Passengers will board trains underground. This station will serve the surrounding community, the "Ave" business district, other employment sites, the UW Tower and the north University of Washington campus.

Excavation of the U District station site was completed in 2015. Building demolition and environmental cleanup finished in 2013.



Conceptual illustration of the U District Station north entrance on Brooklyn Avenue NE.

## PROPERTY OVERVIEW

Number of Units	23
Year Constructed	1962
Rentable SF	10,486 SF
Lot Size	9,457 SF
Zoning	C1-40

## PRICE ANALYSIS

Sale Price	\$4,900,000
Price per Unit	\$213,043
Price per NRSF	\$502.05
Price per Land SF	\$518.13
Current Cap	5.06%
Current GRM	12.69
Pro Forma Cap	5.18%
Pro Forma GRM	12.14

## FINANCING

Loan Amount	\$2,940,000
Down Payment	\$1,960,000
Rate	4.25%
% Down	40.0%
Amortization	30
Term	5 Years
Monthly Payment	\$14,463
Annual Payment	\$173,556

These statements, figures & computations herein, while not guaranteed, are secured from sources we believe reliable. Investors should verify all numbers, computations, and assumptions before committing to an investment.

# OF UNITS	UNIT TYPE	AVG SIZE	CURRENT	PSF	PRO FORMA	PSF
20	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
2	2 BD   1 BA	850	\$1,745	\$2.05	\$1,795	\$2.11
1	Live   Work	475	\$1,295	\$2.73	\$1,295	\$2.73
Total   AVG			\$28,692	\$2.66	\$29,885	\$2.72

## INCOME

	CURRENT	PRO FORMA
+ Scheduled Gross Income	\$344,304	\$358,620
+ Other Income	\$1,800	\$1,800
+ Parking Income	\$6,120	\$9,180
+ Laundry Income	\$2,100	\$2,100
+ Utility Income	\$31,800	\$31,800
Scheduled Gross Income	<b>\$386,040</b>	<b>\$403,500</b>
- Vacancy & Cr Losses	\$19,306	\$20,175
Gross Income	<b>\$366,817</b>	<b>\$383,325</b>

## EXPENSES

	CURRENT	PER UNIT	PRO FORMA	PER UNIT
Real Estate Taxes	\$25,556	\$1,111	\$35,000	\$1,521
Insurance	\$4,500	\$195	\$4,500	\$195
Utilities: W   S   G   E	\$32,000	\$1,391	\$32,000	\$1,391
Maintenance & Repairs	\$18,400	\$800	\$18,400	\$800
Professional Management	\$18,341	\$797	\$19,166	\$833
Onsite Manager	\$11,040	\$480	\$11,040	\$480
Turnover	\$3,500	\$152	\$3,500	\$152
Reserves	\$5,750	\$250	\$5,750	\$250
Total Operating Expenses	\$119,087	<b>\$5,178</b>	\$129,356	<b>\$5,624</b>
Net Operating Income	\$247,731	<b>\$10,770</b>	\$253,969	<b>\$11,042</b>
Less Annual Debt Service	(\$173,556)	(\$7,545)	(\$173,556)	(\$7,545)
Cash Before Taxes	\$74,175	\$3,224	\$80,412	\$3,496
Plus Principal Reduction	\$48,606		\$48,606	

**INVESTMENT OVERVIEW**

	<b>CURRENT</b>	<b>PRO FORMA</b>
Price	\$4,900,000	\$4,900,000
Price per Unit	\$213,043	\$213,043
CAP Rate	5.06%	5.18%
GRM	12.69	12.14
Cash-on-Cash Return (yr 1)	3.78%	4.1%
Total Return (yr 1)	\$123,738	\$129,977
Debt Coverage Ratio	1.43	1.46

**OPERATING DATA**

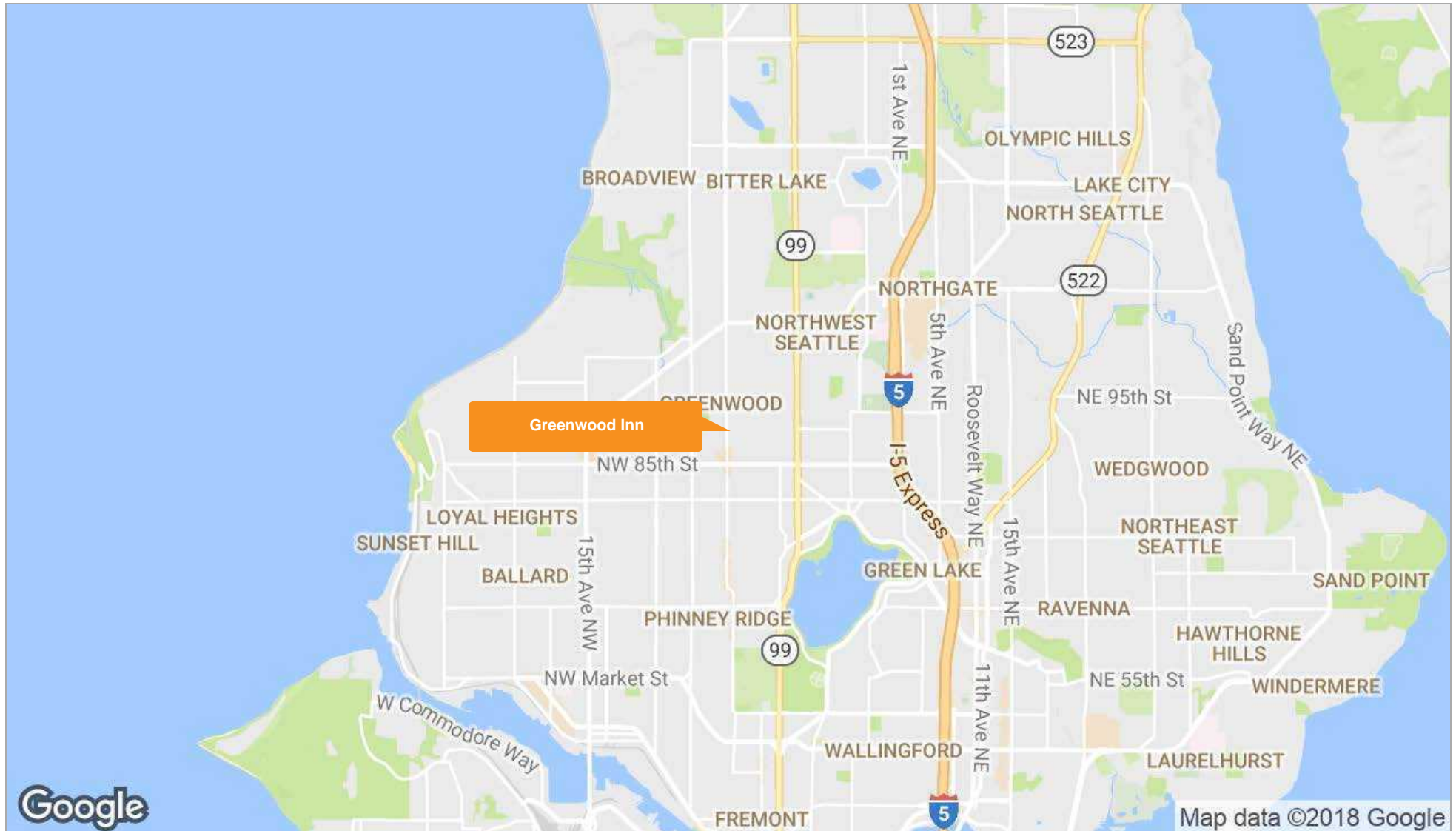
	<b>CURRENT</b>	<b>PRO FORMA</b>
Gross Scheduled Income	\$344,304	\$358,620
Other Income	\$41,820	\$44,880
Total Scheduled Income	\$386,124	\$403,500
Vacancy Cost	\$19,306	\$20,175
Gross Income	\$366,817	\$383,325
Operating Expenses	\$119,087	\$129,356
Net Operating Income	\$247,730	\$253,969
Pre-Tax Cash Flow	\$74,174	\$80,413

**FINANCING DATA**

	<b>CURRENT</b>	<b>PRO FORMA</b>
Down Payment	\$1,960,000	\$1,960,000
Loan Amount	\$2,940,000	\$2,940,000
Debt Service	\$173,556	\$173,556
Debt Service Monthly	\$14,463	\$14,463
Principal Reduction (yr 1)	\$49,564	\$49,564



UNITS	BEDROOM/ BATH	SIZE	RENT	PSF	MARKET RENT	MARKET RENT PSF
100		475				\$1.68
101	Studio	375	\$1,047	\$2.79	\$1,250	\$3.33
102	2 x 1	850	\$1,795	\$2.11	\$1,795	\$2.11
103	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
104	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
105	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
106	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
107	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
108	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
109	Studio	375	\$1,295	\$3.45	\$1,250	\$3.33
110	Studio	375	\$1,295	\$3.45	\$1,250	\$3.33
111	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
201	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
202	2 x 1	850	\$1,695	\$1.99	\$1,795	\$2.11
203	Studio	375	\$1,095	\$2.92	\$1,250	\$3.33
204	Studio	375	\$1,095	\$2.92	\$1,250	\$3.33
205	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
206	Studio	375	\$1,295	\$3.45	\$1,250	\$3.33
207	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
208	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
209	Studio	375	\$1,250	\$3.33	\$1,250	\$3.33
210	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
211	Studio	375	\$1,195	\$3.19	\$1,250	\$3.33
23		9,675	\$27,397	\$2.83	\$29,390	\$3.15
Averages		420	\$1,191	\$2.84	\$1,277	\$3.04







## PHINNEY RIDGE & GREENWOOD

The Phinney Ridge and Greenwood neighborhoods are located north of Fremont, between Ballard and Green Lake. The two neighborhoods, sometimes known as PhinneyWood, offer an array of shopping, coffeehouses, pubs and restaurants, along with many community-based events.

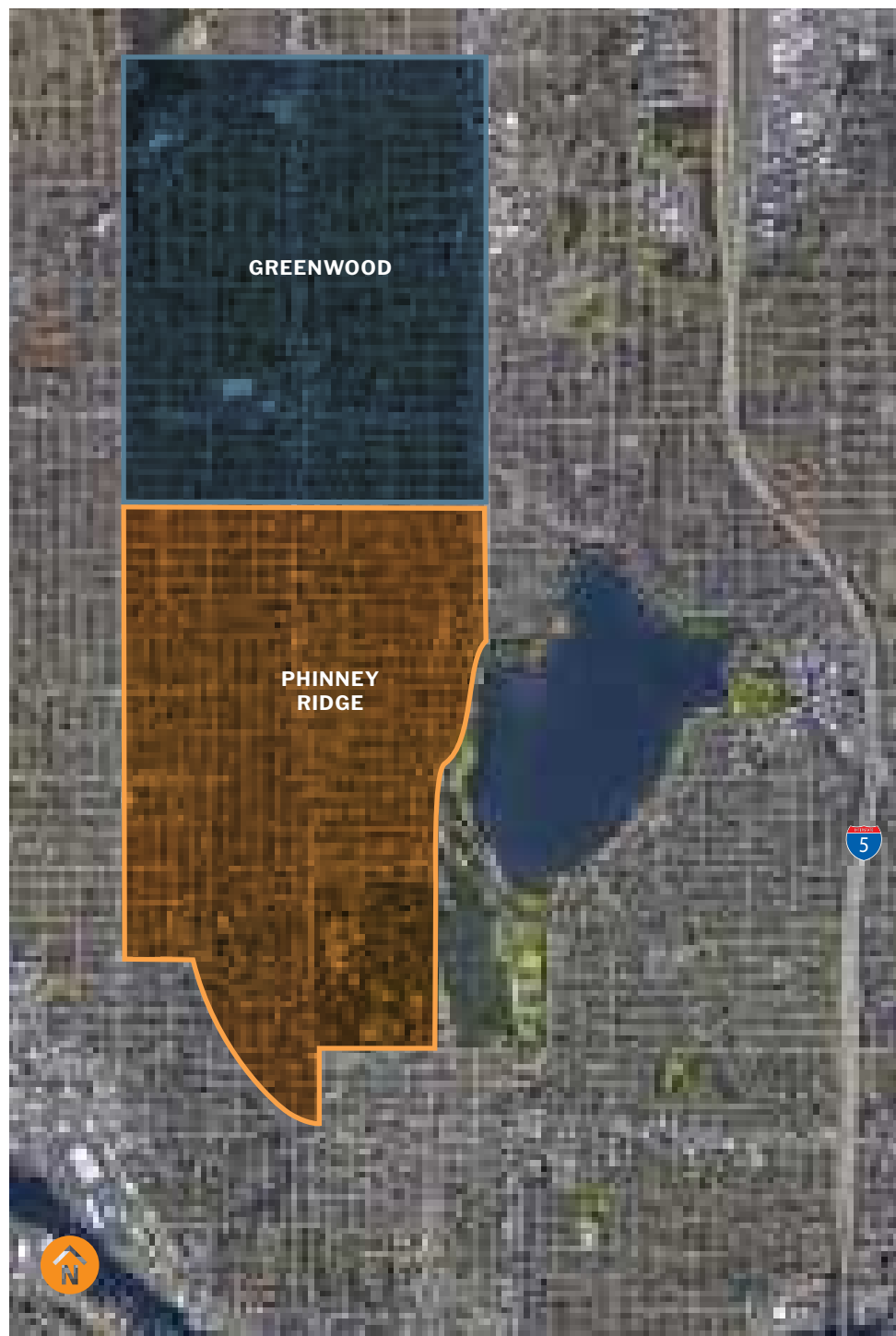
Phinney Ridge runs north and south, from approximately north 45th to north 85th Street. The ridge is named after Guy C. Phinney, lumber mill owner and real estate developer. His estate, including a private menagerie, was bought by the city and turned into Woodland Park in 1899. Phinney Ridge's main thoroughfare, which runs atop the ridge south of north 67th Street, is Phinney Avenue north. North of north 67th Street, the arterial swings a block to the west and becomes Greenwood Avenue North. The route is lined with many small businesses and shops, as well as the Phinney Neighborhood Center, located at the corner of Phinney and 67th. One of Phinney Ridge's most popular eating spots

is Red Mill Burgers. On summer evenings, the line to the counter commonly stretches out the door and along the sidewalk.

The main intersection of the Greenwood neighborhood is northwest 85th Street and Greenwood Avenue northwest. Originally named Woodland, the neighborhood became Greenwood in 1907.

Best known for its antique shops, Greenwood's commercial district also contains an eclectic mix of small businesses, specialty shops, ethnic restaurants and pubs. Notable neighborhood hangouts include the 74th Street Ale House and Yanni's Greek Restaurant.

Both Phinney Ridge and Greenwood have experienced a surge of newer condo and townhome development. These, alongside the existing classic Craftsman bungalows and Northwest Modern homes, offer something for single professionals, couples and growing families.



**THE PUGET SOUND**, in recent years, has transformed itself into a world class regional market and a formidable economic engine. Its natural beauty from the mountains to the Puget Sound attracts a highly educated, entrepreneurial population from all areas of the country and the world. The Region boasts diverse industries such as manufacturing, biotech, high tech and international trade-- all of which create a strong, well-diversified regional economy. With everything from natural beauty and world-class attractions to major sports teams, a thriving arts and culture scene, and temperate climate: The Puget Sound contains all the elements to be the perfect location to live, work, play and prosper.

## QUALITY OF LIFE

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 2013 Super Bowl champions, the Seattle Seahawks, the Seattle Mariners, and the Seattle Sounders FC soccer team.

## MOST RAPIDLY APPRECIATING HOME PRICES IN THE U.S. IN 2017 (ZILLOW)

## STRONG ECONOMIC GROWTH

The strength of this economy is its unparalleled durability. The Puget Sound region has weathered many economic storms, from the boom and bust cycles of Boeing to the Dot Com crisis. However, the region was relatively immune to the downturn after 9/11 and the financial crisis in 2008, compared to the rest of the country. This resilience has not gone unnoticed; it has attracted an immense amount of investment dollars from corporations, institutions, and individuals both local and worldwide.

This economic resilience is fundamentally based on the simple fact that this region has high demand (it is a great place to live, work, and play), limited supply (geographic constraints) and well-diversified, high-growth employers.

Seattle is the heart of the Region. It is ranked as the fastest growing city in the country last year and has been ranked in the top five for the last three years. Though the effects of this unrivaled demand are impressive, it is exponentially so with the increase of high-wage job growth.

Seattle's recent growth is truly impressive: population growth that's twice the national average, a diverse economy with a young, educated workforce, abundant capital, and top rankings for livability and outdoor activities. Seattle also benefits from having **12%** of its workforce in **STEM** occupations, twice the U.S. average.

## POPULATION GROWTH

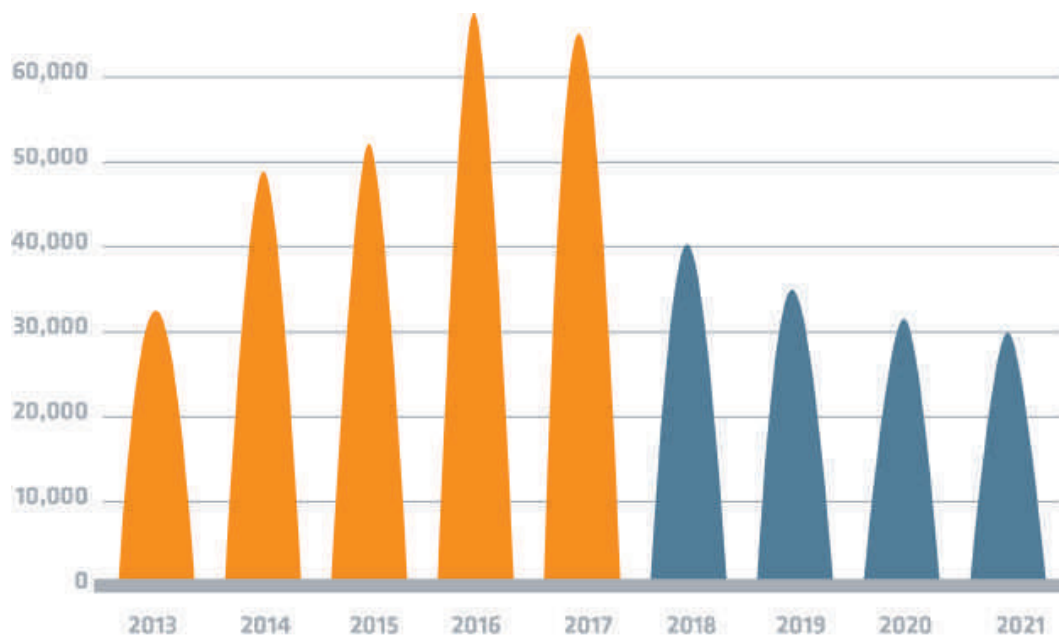
Seattle's population is growing at nearly double the rate of Silicon Valley, driven by strong job growth in fields like tech and healthcare, a relatively lower cost of living, no income tax, and lifestyle benefits of the Pacific Northwest. Between 2005 and 2015 top innovation jobs in Seattle grew by 2%, reaching 261,612. From those top jobs, we also saw increases in the following: 22% in Internet & Information; 4% in Medical Devices; and 3% in Specialized Innovation Services. In 2015, Seattle ranked second compared to other innovation regions, gaining 3,125 residents per month from immigration.

From 2005 through 2015, the STEM talent pool for technology and innovation grew by more than 60%. Over 57% of Seattle's adult residents have a Bachelor's degree or higher, nearly twice the national average. Between 2015 and 2016 the number of Seattle's master's degree holders increased by 10% per capita and bachelor's degree holders just over 8%. Population change by education attainment indicates how prepared a region is to meet the demand for the kind of high-skilled jobs needed in an innovation economy.

Prior to 2016, Seattle hadn't experienced significant population increases since the early 1990s manufacturing boom. The population for the Seattle-Bellevue-Everett MD grew by 67,560 in 2016, a 3.23% increase over the previous year. This is the largest

increase in population seen in the last 40 years. Looking forward, we expect population will peak by year-end 2017 at 65,140, and increases in 2018 and 2019 will likely not be as dramatic, at 40,341 and 34,939, respectively. From 2013 through 2017, the Seattle MD added more than 228,416 new jobs, averaging 45,683 per year, or 872 per week. The Seattle MD has experienced positive population growth for the past 30 years.

**FIRST IN  
POPULATION GROWTH  
AMONG THE 50 LARGES  
U.S. CITIES**



## SEATTLE METRO POPULATION GROWTH & PROJECTIONS

Source: O'Connor Consulting Group

## DEMOGRAPHIC OVERVIEW

### Seattle-Tacoma-Bellevue MSA



**15th**

LARGEST  
MSA IN THE US



**3,439,809**

POPULATION



**\$95,234**

AVERAGE INCOME



**\$19.5B**

ANNUAL CONSUMER  
SPENDING



**36.9**

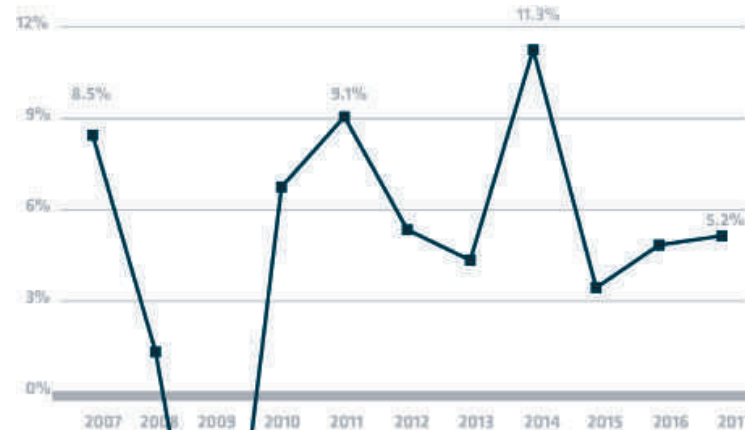
MEDIAN AGE



**314,922**

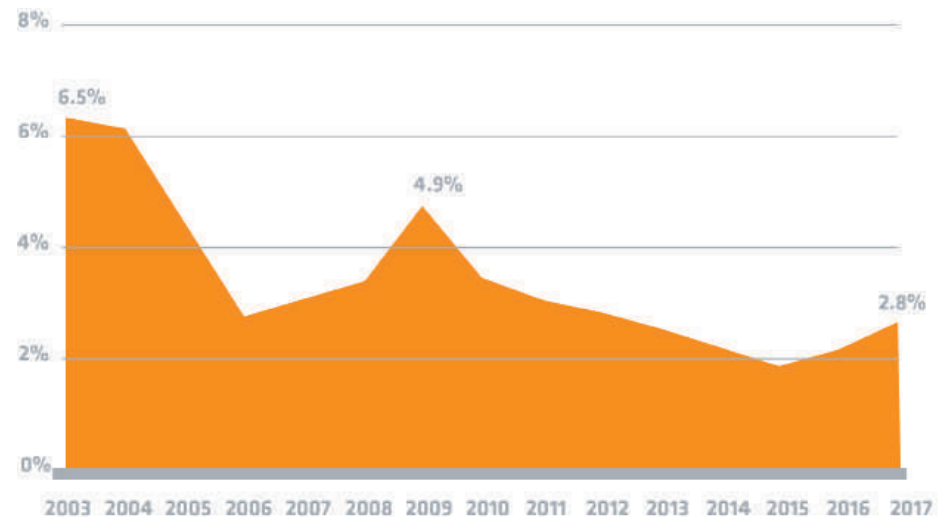
HOUSEHOLDS

## PUGET SOUND ECONOMIC TRENDS



### AVG. RENT CHANGE

Source: O'Connor  
Consulting Group



### MULTIFAMILY HISTORICAL VACANCY 2010 - Q2 2017

Source: O'Connor Consulting Group

## MAJOR EMPLOYERS

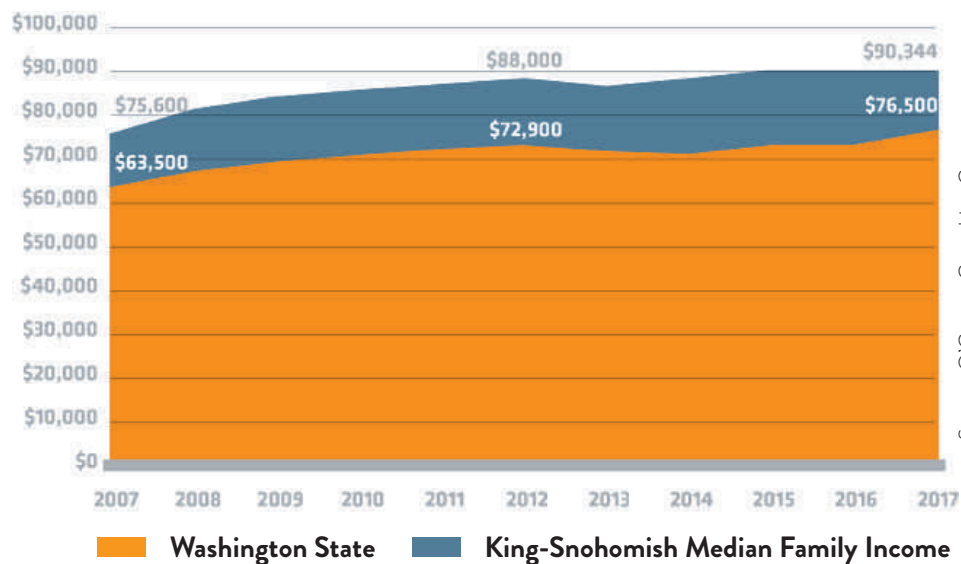
Today some of the world's most recognizable Fortune 500 companies call Seattle home: Microsoft, Starbucks, Amazon, Nordstrom, Costco and REI.

Other major companies in the area include Boeing, T-Mobile, Expedia, Boeing 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 Region is forecast to add over 70,000 new jobs over the next three years.



## WAGE GROWTH 2007 - 2017

## TOP 20 WASHINGTON EMPLOYERS



**80,000**

Employees

Location: Seattle

JOINT BASE  
LEWIS-MCCHORD

**58,074**

Employees

Location: Fort Lewis

NAVY REGION  
NORTHWEST

**46,693**

Employees

Location: Fort Lewis



World Headquarters

**43,618**

Employees

Location: Redmond



World Headquarters

**40,000**

Employees

Location: Seattle



**23,693**

Employees

Location: Seattle



**19,484**

Employees

Location: State-Wide



**17,669**

Employees

Location: Renton



**15,500**

Employees

Location: State-Wide



King County

**13,800**

Employees

Location: Seattle

## TOP 20 WASHINGTON EMPLOYERS CONT.



World Headquarters  
**12,610**  
 Employees

Location: Seattle



**11,847**  
 Employees

Location: Tacoma

**NORDSTROM**

World Headquarters  
**10,867**  
 Employees

Location: Seattle



World Headquarters  
**10,500**  
 Employees

Location: Issaquah



**10,343**  
 Employees

Location: Seattle



**9,627**  
 Employees

Location: First Hill

FAIRCHILD  
 AIRFORCE BASE

**9,110**  
 Employees

Location: Spokane



**7,645**  
 Employees

Location: State-Wide



World Headquarters  
**7,150**  
 Employees

Location: Seattle



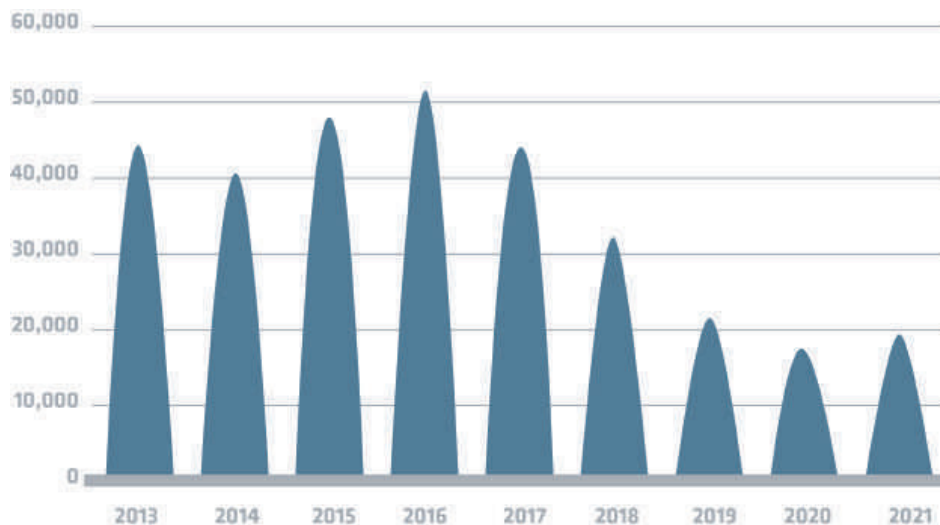
**6,587**  
 Employees

Location: Seattle

The Puget Sound has become a international leader in innovative industries with organizations such as the Fred Hutchinson Cancer Research Center, the University of Washington Medial 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. Having world-class research hospitals is not just an economic driver, it is an important amenity for our community.

**EMPLOYMENT IS EXPANDING THROUGH  
 THE GREATER SEATTLE AREA.  
 THE PUGET SOUND REGION IS PROJECTED  
 TO GENERATE 1.2 MILLION NEW JOBS BY 2040.**

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.



**SEATTLE ANNUAL JOB GROWTH**



## STRONG ECONOMIC FUNDAMENTALS

Boeing is a principal economic strength to this economy. It employs over 80,000 itself with countless other affiliated business. This diverse economic base of high paying blue-collar and technical jobs, creates a strong economic foundation. The high-growth industries, notably Tech and Biotech, compliment the International Trade and manufacturing sectors to create a dynamic, but stable regional economy.

As Boeing is a driving force in the Metro area, the fate of the local economy is strongly influenced by the performance of the aerospace giant. This year, Boeing expects to deliver between 760 and 765 commercial airplanes, bringing in between \$90.5 billion to \$92.5 billion, as reported by the Seattle Times. After a round of layoffs managed through attrition at the beginning of 2017, the company recently announced that they would be re-hiring “several hundred” of the formerly retired manufacturing workers to catch up on a backlog of production. Additionally, robotic manufacturing has begun at the Everett location for the 777X, scheduled to take flight in 2019.

Microsoft is also a significant driver of the local economy, employing more than 43,000 people in the Seattle area. As the company enters its Q1-2018 fiscal year, which ended on September 30, 2017, they reported better-than-expected earnings of \$24.5 billion in revenue, up from the \$23.56 billion previously published by Thomson Reuters, and a significant improvement over earnings in 2016 and 2015.

As Microsoft continues to fight for market share in the cloud computing market, Azure continues to bring revenue, growing 102% in 2016 and by 97% YTD, 2017. Microsoft's 2016 acquisition of LinkedIn offered a lift in 2017; additionally, LinkedIn contributed \$1.1 billion in revenue to Microsoft's Productivity and Business Processes segment, whose revenue jumped 21 percent.



Amazon occupies and has plans to build or lease as much as 13.5 million square feet across 44 buildings throughout the Seattle Metropolitan Division (MD) by 2023. This would be enough space for more than 76,000 employees. However, many office brokers believe that Amazon will end up leasing close to 15-million square-feet of office space by 2023. The retail behemoth paid more than \$19M in 2016 for two adjacent properties in the Seattle core. The two parcels form off the west side of Seventh Avenue, between Blanchard and Bell streets. The parcels, which are across the street from the company's recently opened Day One tower, are zoned for non-residential towers as tall as 340 feet. In addition, Amazon is also rumored to be eying the office space that Expedia will vacate in 2018.

The success of online retail giant Amazon.com has moved Seattle up the list of top tech hub cities and as the Internet retailer expanded in the downtown core, apartment demand has increased; thereby spurring more apartment

construction. As perhaps the worst-kept secret in Seattle commercial real estate, Amazon announced in October 2017 that it will lease all of the office space in the Rainier Square redevelopment project-more than 500,000 square-feet of office space-as well as the top six floors of the Macy's building (312,000 square-feet.) Both developments together will support more than 4,000 employees. Seattle is no exception, as Bellevue also reaps the benefits of Amazon's presence. Amazon is the sole tenant at Centre 425, securing its foothold on the Eastside to retain and attract employee workforce there. The property sold in mid-October for a whopping \$313-million (\$877 per square-foot).



## facebook

Facebook continues to invest in the region. Across the street from their Westlake offices, they acquired more than 150,000 square feet at 1101 Dexter earlier this year, and more than 384,000 square-feet at the Arbor Blocks project in December 2016. Facebook is approaching 1 million square-feet of office space in Seattle. According to mid-year announcements, they are expanding several products and platforms that are created by teams already located in Seattle, indicating a likely appetite for more office space through 2019. Currently the media company employs more than 2,000 people in the region.



## Google

Google is currently constructing three mid-rise office buildings in South Lake Union. The 620,000 project is slated for completion in 2019 and will consolidate employees from sites in Kirkland and Fremont. While Google has not yet confirmed how many people will work in the new location, the three-building project could accommodate 2,500 to 3,000 employees. Plans for the site include an option for an additional 400,000 square feet. Currently the search giant employs more than 1,900 employees in the area—the third-largest concentration of employees outside of Silicon Valley.

## TECH WORKERS

Tech workers have more disposable income in Seattle than other major cities, according to a 2017 report by real estate listing site Zillow and networking site LinkedIn. Tech workers in Seattle can expect to have about \$5,500 of their income leftover each month, or about 54%, after paying rent and taxes. Compare that to Seattle's biggest tech competitor, San Francisco, where the number calculates to about \$4,000 left over per month. The number jumps to nearly \$6,000 a month if that tech worker owns their home. Seattle beat other notable innovation regions like Austin and Philadelphia.



In January 2017, SpaceX leased a 40,625-square foot facility in Redmond with plans to renovate and insulate a portion of that location. These additional space acquisitions, recent announcements about their “constellation” microsatellite, and recent job postings fuel this speculation about their expansion in the Seattle MD with a manufacturing facility in South Seattle. The \$12-billion company currently employs 60 people in the area, with reports to hire an additional 900 in the near-term.



**Apple is expanding in the Seattle MD, but where? Following the 2016 acquisition of machine learning start-up Turi in February, rumors of Apple's expansion have been circulating broadly. According to reports, Apple will likely stay at their current location at Two Union where they occupy 30,600 square-feet. Office brokers have stated that Apple is looking to lease 600,000 to 800,000 square-feet. However, only 72,000 square feet is available in the more than 1.1 million square-foot building they currently occupy, until others vacate. Neither Apple nor their landlord has released statements. Currently Apple employs 1,200 people in Washington State. The University of Washington announced Apple's new \$1 million endowment of a professorship in artificial intelligence and machine learning as they seek deeper connections and build their presence in the city.**



In 2019, Expedia will finish moving its headquarters north of the downtown core into Seattle's Interbay neighborhood, after acquiring the former Amgen campus on the East shore of Lake Union for \$229-million. The online travel giant cites alignment with the Seattle tech hub and a recruiting advantage as instructive to the move. Currently Expedia employs around 3,500 employees with plans to hire an additional 1,000.

In 2018, we forecast that the Seattle MD will add 32,000 jobs. Local economists have consistently underestimated job growth in the region, largely due the punctuated—and difficult to predict—growth from tech companies in the area.



In March 2017, Tableau Software moved its headquarters to the NorthEdge building in Wallingford, north of Gas Works Park and just a mile from their previous location. The four-story mixed-use facility will house the company's 1,250 employees, and sublet 4,000-square-feet on the second floor to retail tenants.

## INTERNATIONAL TRADE

Another contributing pillar of Washington's prominent economy is international trade. As the United States' most trade-dependent state, international trade creates numerous jobs for Washington workers, with 40 percent of the states' jobs directly tied to international trade. Exports is a rapidly growing field, responsible for more than 30 percent of the new jobs created in the past three decades. This rise in exports is due to our large web of trading partners. While China is Washington's largest trading partner, Canada and Mexico are not far behind.



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**STEVE FISCHER****Principal Broker**

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1200 Westlake Ave N, Suite 310  
Seattle, WA 98109  
T 206.505.9435  
C 426.830.2254  
fischer@westlakeassociates.com

**PROFESSIONAL BACKGROUND**

A lifetime resident of the Seattle area, Steve graduated from the University of Washington with a degree in Economics. Beginning his real estate career as an analyst, his work ethic quickly transitioned from analyst to full time apartment broker. Since the inception of his brokerage career, Steve has successfully closed over \$100 million in sales totaling over 100 transactions. To expand his skill set, Steve also manages a portfolio of 130 apartment units in the Seattle area.

Steve excels at problem solving to complete his client's investment goals. His diverse background of brokerage and management provide a unique spectrum of knowledge. Drawing from this knowledge allows him to guide his clients not only through the sales process, but to also navigate the operational side of owning an apartment building. He truly is "A Wealth of Experience."

A firm believer of investing in real estate as a module to gain wealth, Steve has been actively investing in Seattle real estate since 2011. In 2012, he was unanimously voted a partner at Westlake Associates, Inc. Away from the office, Steve is a huge sports fan, enthusiast of the outdoors, enjoys cooking, an avid soccer player and a die-hard husky.

**TYLER SMITH****Principal Broker**

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1200 Westlake Ave N, Suite 310  
Seattle, WA 98109  
T 206.505.9425  
C 206.612.2475  
tylersmith@westlakeassociates.com

**PROFESSIONAL BACKGROUND**

For over 13 years, Tyler has specialized in the sale of middle market multi-family assets in the Puget Sound Region. Tyler's extensive experience includes the sale of various types of asset size and classifications. As an apartment owner himself, Tyler understands the importance of evaluating each client's needs individually and carefully. Since joining Westlake Associates, he has consistently been one of the firm's top performers and quickly rose to Partner. Tyler's consistent effort and drive have earned him Westlake Associates Top Producer award.

**Education**

Tyler earned a degree in economics from the University of Washington. Tyler worked in finance for a company headquartered in Irvine, CA before returning home to the Pacific Northwest. He joined Westlake Associates in 2004 and currently resides with his wife and two boys in Northeast Seattle.

Since 1975 Westlake Associates, Inc. has been the premier provider of commercial real estate brokerage services in the Puget Sound region. Our commitment to assist our clients in creating and preserving their real estate investment wealth has led to the successful closing of billions of dollars in investment property and a long history of repeat business and client referrals.

Our firm has over twenty full-time real estate professionals with expertise in the multi-family sales market. With a majority of our partners owning and operating their own investment property, we offer a unique perspective from both an agent and owner point of view. Our specialization in representing Puget Sound apartment owners results in our clients receiving the most effective representation in the industry, where maximizing client returns is our highest priority.

Through effective team work, communication, and an unparalleled knowledge of the Puget Sound apartment market, our agents continue to lead the industry in successful closings and client satisfaction.

- + **MEMBER: Commercial Brokers Association (CBA)**
- + **MEMBER: Northwest Multiple Listing Services (NWMLS)**
- + **MEMBER: Loop Net National Listing Services**
- + **MEMBER: Costar Commercial Real Estate Data and National Listing Service**
- + **MEMBER: Commercial Investment Real Estate Institute (CREI)**
- + **MEMBER: Washington State Realtors Association (WSMA)**