



# PETE'S MARKET - EASTLAKE

**OFFERING MEMORANDUM**

**PARAGON**  
REAL ESTATE ADVISORS

# PARAGON

REAL ESTATE ADVISORS

600 University St, Suite 2018 | Seattle, WA 98101  
info@ParagonREA.com

Information within this marketing package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information and bears all risk for inaccuracies.

ParagonREA.com | 206.623.8880

## EXCLUSIVELY LISTED BY:

**BRIAN PLATT**

206.812.9130

Brian@paragonREA.com



**MICHAEL URQUHART**

206.812.9123

Michael@paragonREA.com



**BEN DOUGLAS**

206.812.9132

Ben@paragonREA.com



# OFFERING

Paragon Real Estate Advisors is pleased to announce the exclusive listing of the Pete's Market Building, located across the street from the shores of Lake Union. Pete's Market opened on January 2nd, 1974 and quickly became the "House of Wines." Not only just an Eastlake neighborhood favorite, Pete's attracts visitors from all over the region. Pete's Market was fully renovated in 2019.

Located above Pete's Market are ten luxurious, spacious, and fully remodeled apartment units. The units consist of four – one bedroom one bathroom units averaging 734 square feet, two – one bedroom one bathroom plus den units that average 797 square feet, two – one bedroom plus den and balcony units that average 809 square feet, and two – two bedroom one bathroom units plus balcony that average 879 square feet. These fully-renovated units include stainless steel appliances, LVT flooring, quartz countertops, custom cabinets, and balconies in select units. All the units enjoy territorial views, and the South units enjoy views of Lake Union and Downtown Seattle.

The property is in an A+ unbeatable location in the amenity rich Eastlake neighborhood. The building offers an investor the opportunity to own a trophy asset in Seattle's best rental neighborhood just steps from the water, conveniently located next to Seattle's best employment hubs including South Lake Union, the University of Washington, and downtown Seattle. Some of the nearby tech employers include Amazon, Google, Facebook, Bill & Melinda Gates Foundation and Apple.



# FINANCIAL SUMMARY

NAME	Pete's Market Building
ADDRESS	2300 Fairview Ave N Seattle, WA 98102
PRICE	\$8,700,000
BUILT	1965
SQUARE FEET	13,968 Total Net Rentable
PRICE PER FOOT	\$623
CURRENT GRM/CAP	16.9/4.5%
LOT SIZE	11,042 Square Feet
ZONING	LR2 RC (M)

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**\*Loan assumable at 3.45% - fixed until 2027**

**\*Additional FAR available**



PROPERTY DETAILS

# INVESTMENT HIGHLIGHTS

- Trophy Eastlake Building and Location
- Current 4.50% Cap Rate
- Loan may be assumed at 3.45%- fixed until 2027
- Built in 1965 (Fully Remodeled in 2019/2020)
- 10 Luxurious Apartment Units + 5,250 Square Feet of Retail on Ground Level
- Retail Space and all 10 Apartment Units have been fully updated
- 13,968 Net Rentable Square Feet
- Pete's Market – Long Term Lease
- Four 1bd/1bth Units – 734 Square Feet
- Two 1bd/1bth + Den Units – 797 Square Feet
- Two 1bd/1bth + Den + Balcony Units – 809 Square Feet
- Two 2bd/1bth + Balcony Units – 879 Square Feet
- 1 block from Lake Union
- Additional FAR available for existing structure
- Zoning LR2 RC (M) – 11,042



## KING COUNTY BY THE NUMBERS

King County is located in the U.S. state of Washington. The population was 2.27M in the 2020 census, making it the most populous county in Washington, and the 12th-most populous in the United States. The county seat is Seattle, also the state's most populous city. The county's median age is 36.9 and a median household income is \$102,594.

2.27M

King County Population  
2020

0.89%

Increase in Population  
Since 2019

### THE LARGEST CITIES BY POPULATION:

Seattle	744,955
Bellevue	147,599
Kent	129,618
Renton	102,153
Federal Way	97,044
Kirkland	89,557
Auburn	81,905
Redmond	67,678
Sammamish	65,733
Shoreline	56,752

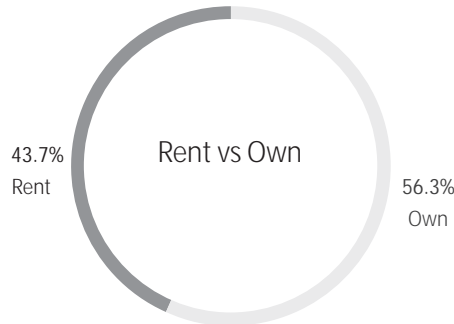
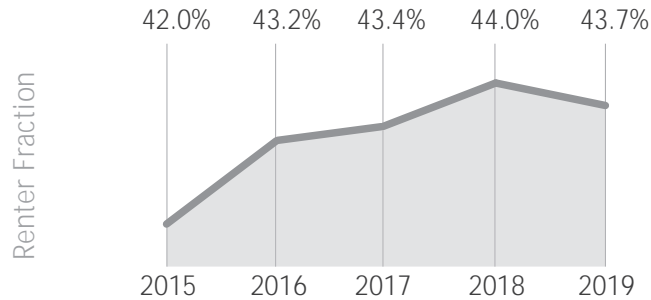
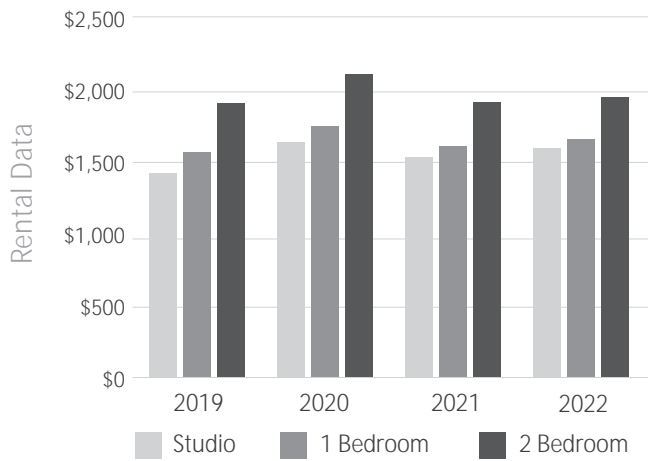
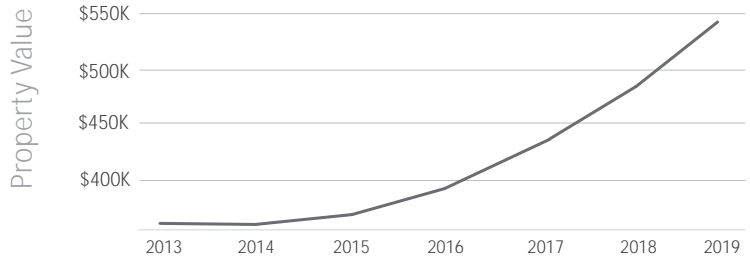


# SEATTLE, WASHINGTON

## LOCATION

# KING COUNTY REAL ESTATE STATISTICS

The median property value in King County, WA was \$643,000 in 2019, which is 2.67 times larger than the national average of \$240,500. Between 2018 and 2019 the median property value increased from \$635,200 to \$643,000, a 1.23% increase.



4.3% ↑  
Studio Rent (2021-2022)

3.3% ↑  
1Bed Rent (2021-2022)

1.8% ↑  
2Bed Rent (2021-2022)

970,301  
Housing units,  
July 1, 2019

12,337  
Building permits,  
2020

\$643,000  
2019 Median  
Property Value

1.23%  
1 Year Growth

# KING COUNTY ECONOMIC ANALYSIS

Households in King County, WA have a median annual income of \$102,594 in 2019, which is more than the median annual income of \$65,712 across the entire United States. This is in comparison to a median income of \$95,009 in 2018, which represents a 7.98% annual growth.

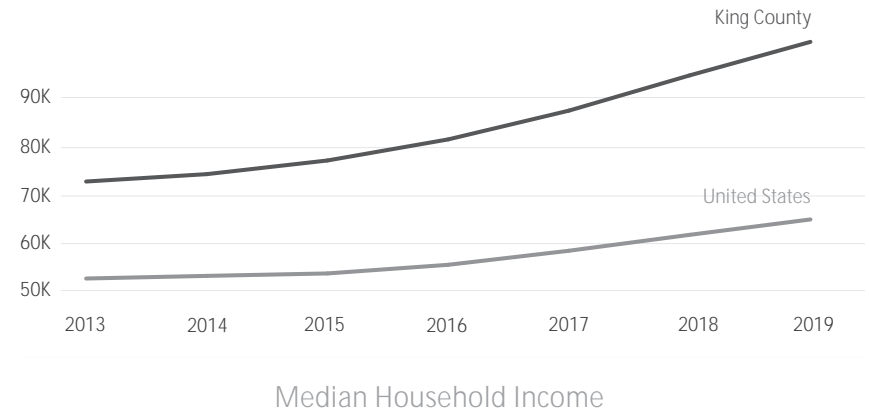
In 2019, the tract with the highest median household income in King County, WA was in Sammamish, Bellevue, and Mercer Island areas with a value range between \$229,537 and \$250,001.

**\$102,594**

Median Household Income  
2019 Value

**7.98%**

1 Year Growth



## EMPLOYMENT STATISTICS

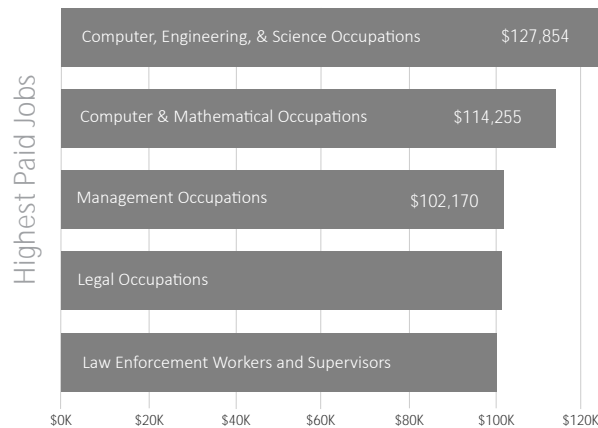
From 2018 to 2019, employment in King County, WA grew at a rate of 2.65%, from 1.23M employees to 1.27M employees. The most common job groups, by number of people living in King County, WA, are Management Occupations (170,570 people), Computer & Mathematical Occupations (144,539 people), and Office & Administrative Support Occupations (105,670 people).

**1.27M**

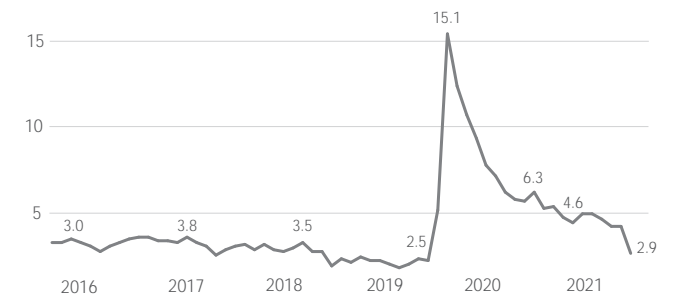
Employees  
2019 Value

**2.65%**

1 Year Growth



## Unemployment Rate



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## LOCATION

### MAJOR EMPLOYERS - GREATER SEATTLE AREA

Many large, nationally-known corporations are headquartered in King County. Within the Fortune 500 list of largest corporations in the United States, eight companies are based in King County and reveal the diversity of the region's employment market. Included in the list are large retailers Costco and Nordstrom, technology giants Amazon and Microsoft, coffee company Starbucks, truck manufacturer Paccar, global logistics company Expeditors International, and forest products company Weyerhaeuser.

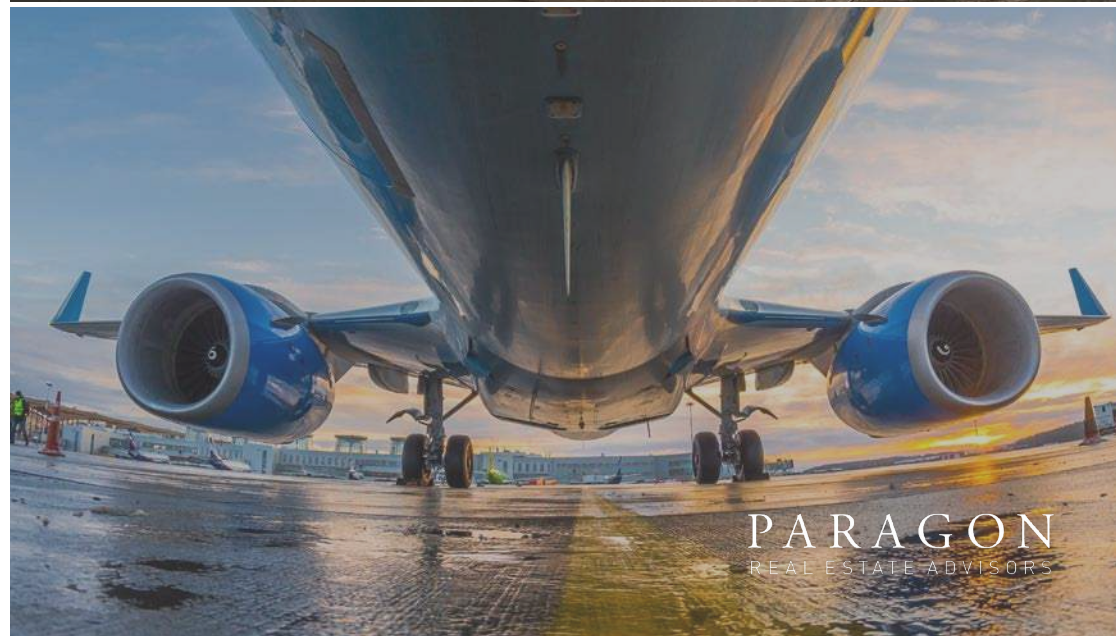
Looking beyond the Fortune 500 requirements of local headquarters and significant revenues, other major King County employers include Boeing, the University of Washington, and local and regional government. Boeing employs around 58,800 in the state of Washington, and Renton is the headquarters of Boeing Commercial Airplanes. In King County, large and well-established companies exist in nearly every sector of the labor market.

Rank	Business Name	Employed (2019)	Revenue (2019)
1	The Boeing Co.	71,829	\$76.6B
2	Amazon	60,000	\$280.5B
3	Microsoft Corp.	55,063	\$125.8B
4	University of Washington	46,824	N/A
5	Costco Wholesale Corp.	18,045	\$152.7B
6	Fred Meyer Stores	16,164	\$11.0B
7	King County Government	15,851	\$4.3B
8	City of Seattle	15,733	\$5.9B
9	Starbucks Coffee Co.	14,000	\$25.5B
10	Seattle Public Schools	11,886	N/A

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### FORTUNE 500 COMPANIES IN KING COUNTY:

Amazon  
Costco  
Microsoft  
Starbucks  
Paccar  
Nordstrom  
Expeditors Intl  
Weyerhaeuser



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LOCATION

# EASTLAKE



## NEIGHBORHOOD ANALYSIS - SEATTLE, WA

Eastlake is one of Seattle's most iconic neighborhoods, boasting the famous flotilla of boat houses on the lake, surrounded by an eclectic mix of historical townhomes, modern condominiums, and colorful apartment buildings. It is a neighborhood with a rich and distinctive history and feel. It's perfectly positioned at the center of Seattle's urban and cultural hub — UW, South Lake Union, Downtown and Capitol Hill, giving residents and visitors alike a unique and active springboard towards accessing work and play within the city. Its minutes away from Amazon's 30,000+ employee campus in South Lake Union, and adjacent to many

tech and biotech companies that make up a large part of the city's employment infrastructure, such as Adaptive Biotechnologies and Immune Design Corporation. Local coffee shops, boutiques and other businesses also thrive alongside large chains.

73%

Renter Occupied  
Housing\*

\$98,930

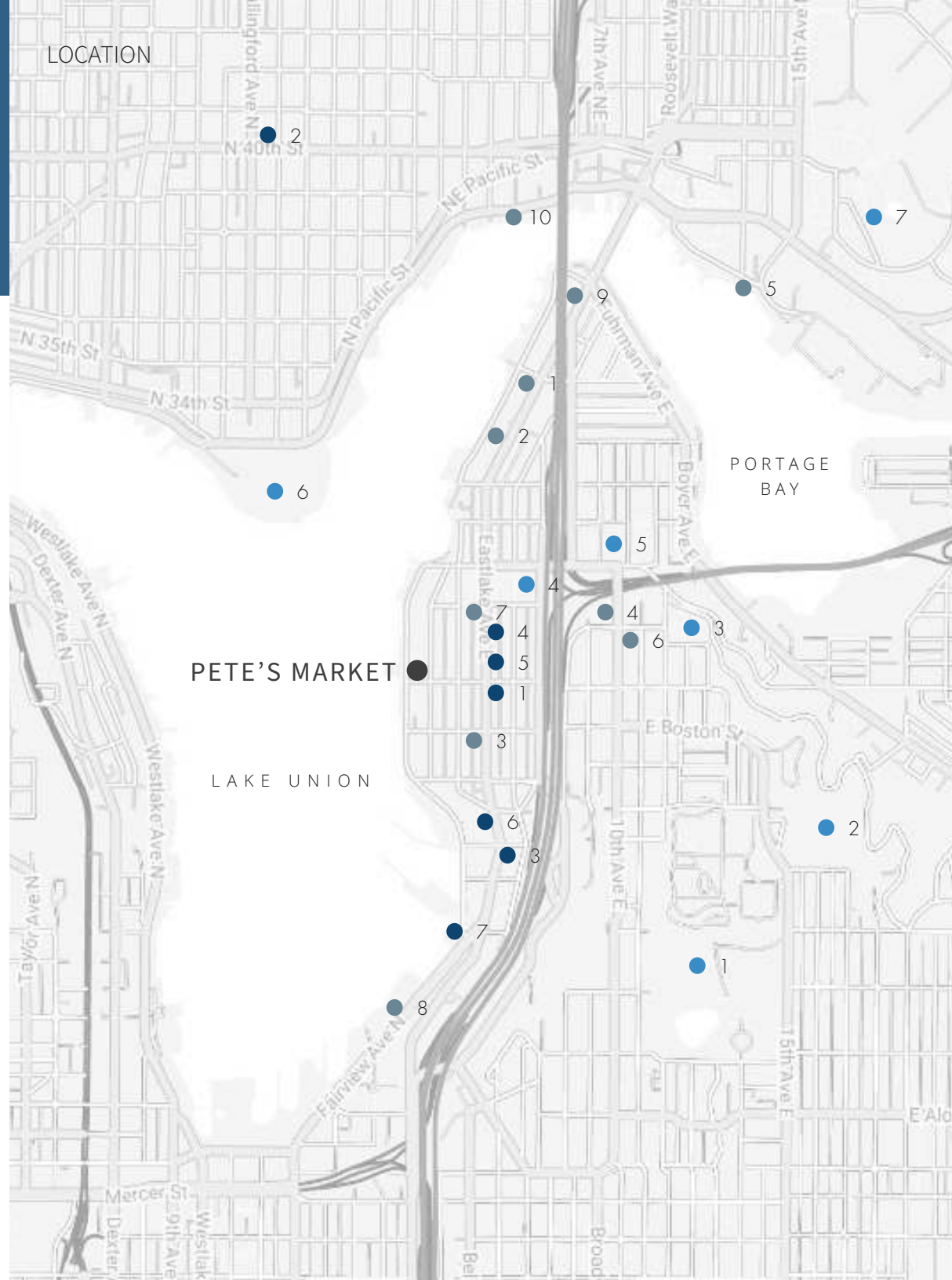
Median Household  
Income\*

\* based on 2019 Census data

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## LOCATION



## SHOPS & SERVICES

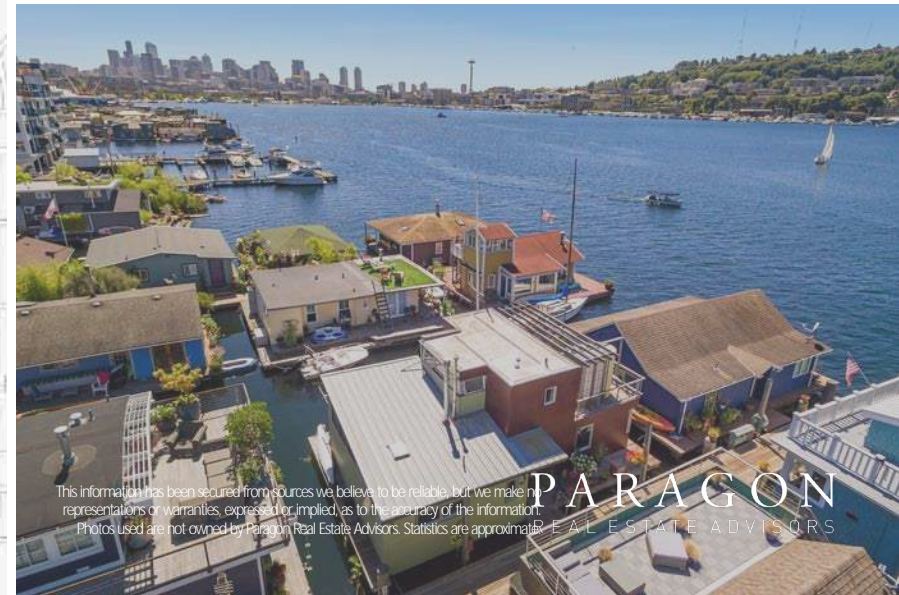
1. Eastlake Market
2. Pete's Supermarket
3. Durn Good Grocery
4. Starbucks
5. Union Center Pharmacy
6. 20 Oz Tea
7. Seattle Seaplanes

## RESTAURANTS & BARS

1. Eastlake Bar & Grill
2. Little Water Cantina
3. Serafina
4. The Roanoke
5. Aqua Verde
6. Pagliacci Pizza
7. Otter Bar
8. Duke's Seafood
9. Sebi's Bistro
10. Ivar's Salmon House

## PARKS & SCHOOLS

1. Volunteer Park
2. Interlaken Park
3. Seattle Preparatory
4. Tops at Seward School
5. Roanoke Park
6. Gas Works Park
7. University of Washington



# EXTERIORS



# EXTERIORS



# INTERIORS



# INTERIORS



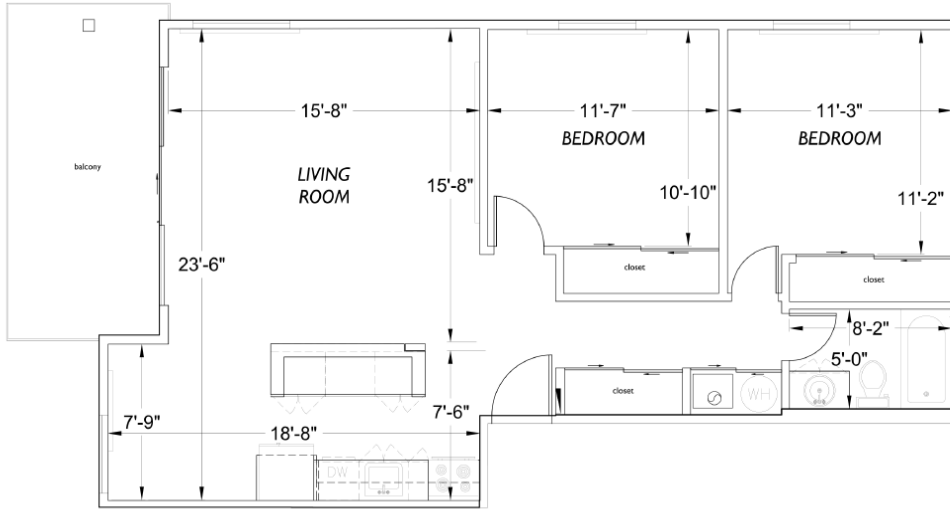
# INTERIORS



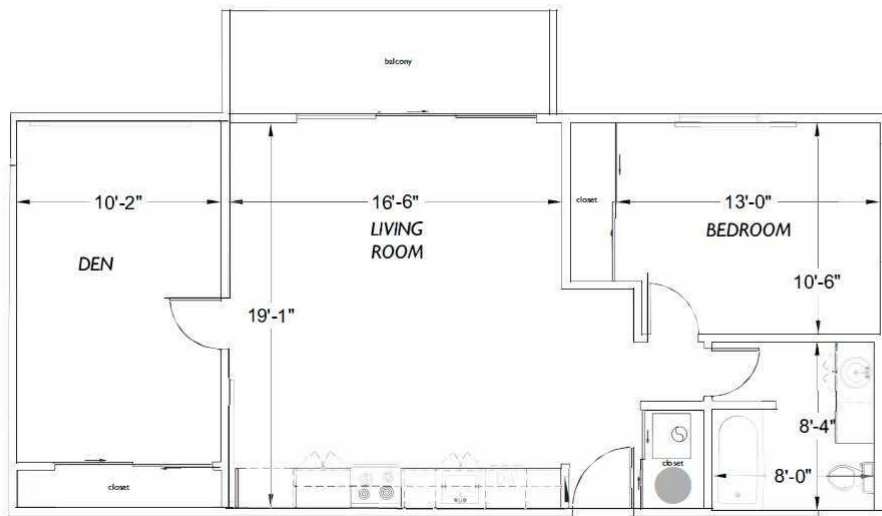


# FLOOR PLANS

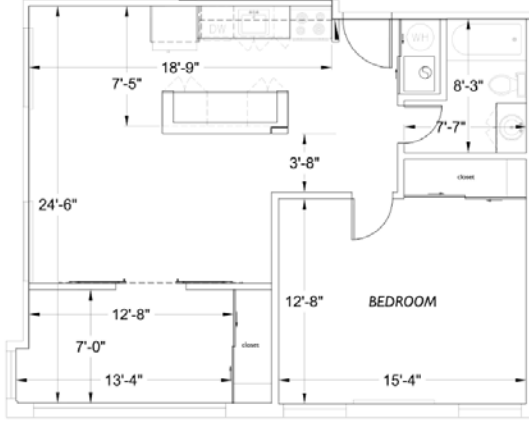
Units 1 & 6



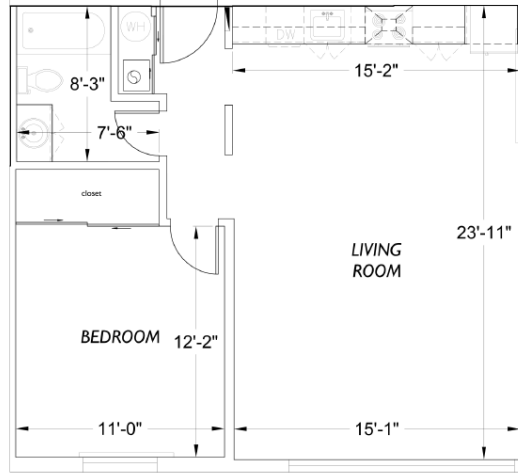
Units 5 & 10



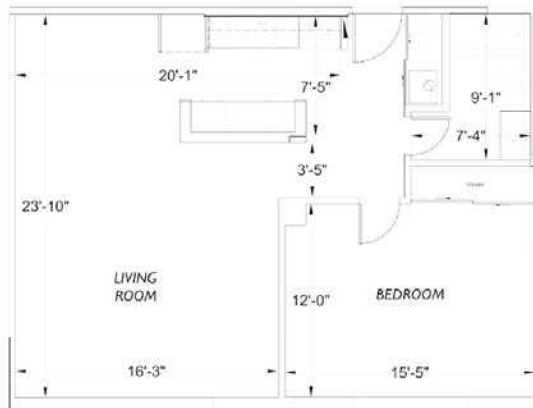
# FLOOR PLANS



Units 2 & 7



Units 3 & 8



Units 4 & 9



# UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE	CURRENT RENT	PER SQFT	PARKING	UTILITIES	STORAGE	PET RENT
Pete's Market	Retail	5,250	\$13,658	\$2.60	-	-	-	-
1	2/1.00 + Bal.	879	\$2,995	\$3.41	-	\$100.00	\$35	\$35
2	1/1.00 + Den	797	\$2,795	\$3.51	-	\$100.00	\$75	\$35
3	1/1.00	673	\$2,100	\$3.12	\$100	\$100.00	\$35	-
4	1/1.00	794	\$2,150	\$2.71	-	\$50.00	-	-
5	1/1.00 + Den + Bal.	809	\$2,595	\$3.21	-	\$50.00	-	\$20
6	2/1.00 + Bal.	879	\$3,125	\$3.07	\$120	\$75.00	-	-
7	1/1.00 + Den	797	\$2,895	\$3.63	-	\$100.00	-	\$35
8	1/1.00	673	\$2,095	\$3.11	\$100	\$50.00	-	\$35
9	1/1.00	794	\$2,345	\$2.95	\$100	\$50.00	-	\$35
10	1/1.00 + Den + Bal.	809	\$2,695	\$3.33	-	\$50.00	-	-
<b>11</b>	<b>Total/Avg</b>	<b>790</b>	<b>\$39,448</b>	<b>\$3.26</b>	<b>\$420</b>	<b>\$725</b>	<b>\$145</b>	<b>\$195</b>



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## FINANCIALS

# INCOME & EXPENSES

<b>Year Built</b>	1965	<b>Price</b>	\$8,700,000
<b>Rentable Area</b>	13,968	<b>Per Sq. Ft.</b>	\$622.85
<b>Down Pmt</b>	\$3,950,000	<b>Current GRM</b>	16.88
<b>Loan Amount</b>	\$4,750,000	<b>Current CAP</b>	4.50%
<b>Interest Rate</b>	3.45%	<b>Market GRM</b>	15.72
<b>Amortization</b>	30 years	<b>Market CAP</b>	4.54%

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
1	Retail	5,250	\$13,658	\$14,000
4	1/1	734	\$2,173	\$2,295
2	1/1 + Den	797	\$2,845	\$2,995
2	1/1 + Den + Bal	809	\$2,645	\$2,995
2	2/1 + Bal	879	\$3,060	\$3,200
<b>11</b>	<b>Total/Avg</b>	<b>790</b>	<b>\$3.26</b>	<b>\$3.49</b>

MONTHLY INCOME	CURRENT	MARKET
<b>Monthly Scheduled Rent</b>	<b>\$39,448</b>	<b>\$41,560</b>
Parking	\$420	\$425
Utility Income	\$725	\$850
NNN Income	\$1,955	\$2,971
Storage Income	\$145	\$145
Pet Income	\$195	\$195
Miscellaneous Income	\$59	\$59
<b>Total Monthly Income</b>	<b>\$42,947</b>	<b>\$46,105</b>

ANNUALIZED OPERATING DATA	CURRENT	MARKET
<b>Scheduled Gross Income</b>	<b>\$515,366</b>	<b>\$553,260</b>
Less Vacancy 5.00%	\$25,768 5.00%	\$27,663
Gross Operating Income	\$489,597	\$525,597
Less Expenses	\$97,831	\$130,684
<b>Net Operating Income</b>	<b>\$391,766</b>	<b>\$394,913</b>
Annual Debt Service (\$21,197)	\$254,367	\$254,367
<b>Cash Flow Before Tax</b> 3.48%	<b>\$137,399</b> 3.56%	<b>\$140,546</b>
Principal Reduction	\$91,937	\$91,937
<b>Total Return Before Tax</b> 5.81%	<b>\$229,336</b> 5.89%	<b>\$232,483</b>

ANNUALIZED OPERATING EXPENSES	CURRENT	MARKET
RE Taxes 2022 / Proforma	\$38,187	\$69,600
Insurance Proforma	\$5,950	\$5,950
Utilities 2021	\$14,987	\$14,987
Pro. Management Proforma (4% EGI)	\$19,584	\$21,024
Maint/Repairs 2021 / Proforma	\$10,698	\$10,698
Landscaping Proforma	\$1,200	\$1,200
Admin. Proforma	\$2,125	\$2,125
Reserves/Replacements Proforma	\$5,100	\$5,100
<b>Total Expenses</b>	<b>\$97,831</b>	<b>\$130,684</b>

CURRENT OPERATIONS	Expense/Unit	\$5,755	MARKET OPERATIONS	Expense/Unit	\$7,687
	Expense/Foot	\$7.44		Expense/Foot	\$9.93
	Percent of EGI	19.98%		Percent of EGI	24.86%

# SALES COMPARABLES



## Pete's Market

2300 Fairview Ave N, Seattle, WA 98102

Year Built	1965
Units	17
List Price	\$8,700,000
Price/Foot	\$623
Current GRM/CAP	16.9/4.5%
Market GRM/CAP	15.7/4.5%



## The Villa

938 10th Ave E, Seattle, WA 98102

Year Built	1953
Units	6
Sales Price	\$3,750,000
Price/Foot	\$736
GRM/CAP	15.9/4.4%
Status	Pending



## Cambridge Court

220 Belmont Ave E, Seattle, WA 98102

Year Built	1905
Units	13
Sales Price	\$3,335,431
Price/Foot	\$644
GRM/CAP	13.6/4.7%
Sale Date	07.21.2022



## Booker Building

1201 Pine St, Seattle, WA 98101

Year Built	1912/1955
Size	9,355 SqFt
Sales Price	\$5,000,000
Price/Foot	\$534
GRM/CAP	18.8/3.5%
Sale Date	06.06.2022



## 2020 at Lake Union

2020 Minor Ave E, Seattle, WA 98102

Year Built	1965
Units	11
Sales Price	\$5,000,000
Price/Foot	\$533
GRM/CAP	19.1/4.1%
Sale Date	01.19.2022



## Vignette & Lac Union Vue

2026 Yale Ave E, Seattle, WA 98102

Year Built	1967
Units	16
Sales Price	\$7,300,000
Price/Foot	\$490
GRM/CAP	16.0/4.0%
Sale Date	09.19.2021



## Lisa Carol Apartments

4405 Corliss Ave N, Seattle, WA 98103

Year Built	1926
Units	19
Sales Price	\$8,500,000
Price/Foot	\$676
GRM/CAP	-/-
Sale Date	06.17.2021

# SALES COMPARABLES

- 1. **The Villa** - 938 10th Ave E, Seattle, WA 98102
- 2. **Cambridge Court** - 220 Belmont Ave E, Seattle, WA 98102
- 3. **Booker Building** - 1201 Pine St, Seattle, WA 98101
- 4. **2020 at Lake Union** - 2020 Minor Ave E, Seattle, WA 98102
- 5. **Vignette & Lac Union Vue** - 2026 Yale Ave E, Seattle, WA 98102
- 6. **Lisa Carol Apartments** - 4405 Corliss Ave N, Seattle, WA 98103



# PARAGON REAL ESTATE

\$4.1 B  
Sales Volume

27  
Years in  
Business

20+  
Brokers

48 k  
Units Sold

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— ABOUT US

**Leading investment firm for multi-family property**

Paragon Real Estate Advisors is a leading Seattle real estate investment firm for multi-family property sales in Washington State. We are locally owned, client-focused, and highly experienced. When it comes to apartments and investment real estate in the Puget Sound region, we are the smart choice to partner with.



## The Top Local Multi-Family Brokerage in 2021

in the Seattle market according to  CoStar™

### PARAGON REAL ESTATE ADVISORS

In 1995 our founders saw an opportunity to form a new kind of brokerage, one that focused on sharing information between brokers and truly partnering with its clients. Paragon Real Estate Advisors quickly established itself as a leading Seattle real estate investment firm.

Paragon Real Estate Advisors is the leading Seattle real estate investment firm for multi-family property sales in Washington State. We have accrued over \$4.1 billion in sales and have closed over 1,800 successful real estate transactions. We are locally owned, client-focused, and highly experienced.

At Paragon, we build long-term partnerships that help our clients reach their long- and short-term real estate investment goals while maintaining maximum profitability for them. Our brokers have an in-depth knowledge of the Washington state real estate market, particularly in the greater Seattle area and the I-5 corridor, that comes from more than 20 years' experience in the industry. Paragon's unique focus on sharing knowledge, teamwork and collaboration within the brokerage industry leverages our collective intellect for all our clients. Our brokers provide superior customer representation through our innovative and effective marketing campaigns, co-brokerage, skilled negotiations, and ongoing partnerships.

Visit our new website! [ParagonREA.com](https://www.paragonrea.com)

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