



# 6840 Northgate Way

FERNDALE, WA 98248

\$11,475,000 / \$163 PSF / 5% CAP

- Newly built 72,437 SF manufacturing building
- 100% leased to a high quality tenant
- Strategic location adjacent to the I-5 freeway
- Assumable low interest rate debt of 3%

# The Offering

CBRE is pleased to present the opportunity to acquire **6840 Northgate Way**, (“the Property”), a newly built manufacturing facility totaling 72,437 SF in Ferndale, WA. The property was constructed in 2021 as a built-to-suit for Method LLC, an award winning prefab home manufacturing company based out of Seattle. Ideally suited for tenant demand in the region, this 2021 property has a 22’ clear height, 8 ground level doors, ample car parking and can be demised into multiple spaces. Strategically located just 0.4 miles from the Interstate 5, the property provides quick North and South access to the Seattle and Vancouver B.C. metros, with over 3.3 million people within 100 miles.

## Investment Highlights

- » Assumable low interest rate loan with purchase - approximately \$5 million, 3% interest rate, 25-year amortization, maturing in October 2028
- » Attractive cash on cash returns due to accretive debt
- » Just 6 miles north of Bellingham and a 90 minute drive north from Seattle, 70 minutes to Vancouver B.C
- » Lack of competing supply with no new construction starts of a similar size range in 2022. Demand continues to push north from Seattle along I-5
- » Sticky tenancy due to Method, LLC’s significant capital investments
- » Over the next 20 years, Ferndale’s population is forecast to grow more rapidly than any community in Northwest Washington

## Property Summary

Address	6840 Northgate Way Ferndale, Wa
Tenant	Method LLC
Total Rentable Area	72,437*
Acreage	3.9
Clear Height	22’
Occupancy	100%
Below Market %	24%
Remaining Lease Term	13.3 Years
Year 1 NOI	\$573,756

## Pricing Summary

Asking Price	\$11,475,000
PSF	\$163
Year 1 Cap	5%

*\* Method LLC pays rent on 70,560 SF. It is assumed that the second generation tenant will pay rent on 1,877 SF of second floor mezzanine space resulting in a total rentable area of 72,437 SF*



**PUGET  
SOUND  
INDUSTRIAL**

Source: CBRE Research Q4 2022

**291 MSF**

BASE

**4.0%**

VACANCY

**18%**

YOY RENT  
GROWTH



**FERNDALE /  
BELLINGHAM**

Source: CoStar Q4 2022

**6.5 MSF**

BASE

**1.4%**

VACANCY

**7%**

YOY RENT  
GROWTH



# High Quality Manufacturing Building with Flexible Divisibility

- » 72,437 SF Manufacturing building on 3.9 Acres
- » Metal construction, completed in 2021
- » 8 ground level doors & ample car parking
- » Significant capital improvements including 120kW solar array
- » Zoned Light Impact Industrial (LII)



# Fundamentally Strong Industrial Market

## PUGET SOUND

**291 MSF**

INDUSTRIAL BASE

**4.0%**

OVERALL VACANCY

**6.8 MSF**

2022  
NET ABSORPTION

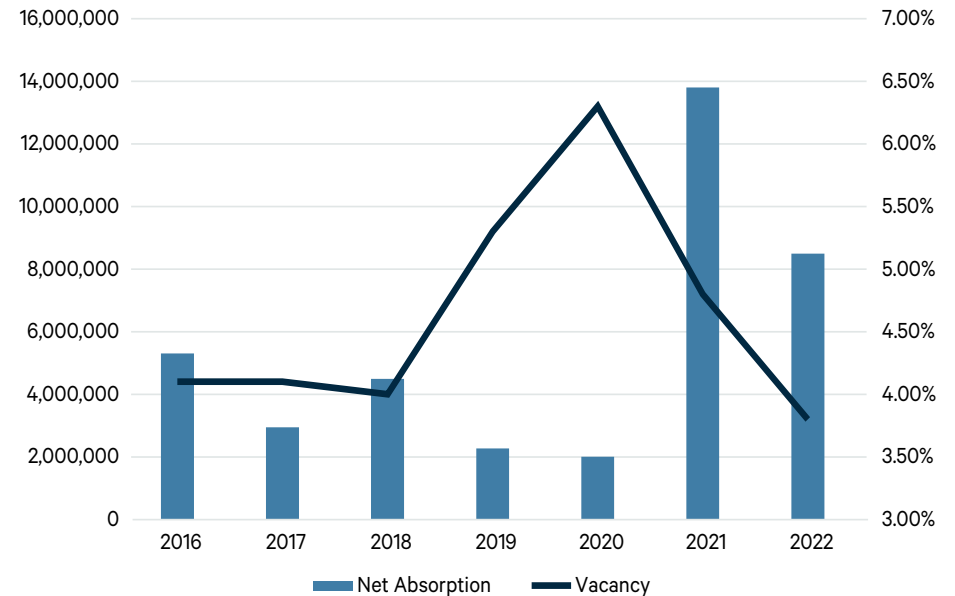
**10.1 MSF**

UNDER CONSTRUCTION

- » The diverse economy is driving strong demand from aerospace, electronics, food, apparel and 3PL industries.
- » Layered demand has caused the vacancy rate to compress over recent quarters reaching 4% in Q4 2022.

SOURCE: CBRE RESEARCH

## EXCELLENT MARKET DYNAMICS WITH STRONG NET ABSORPTION AND TIGHTENING VACANCY



## BELLINGHAM/FERNDAL

**6.5 MSF**

INDUSTRIAL BASE

**7.0%**

YOY RENT GROWTH

**1.4%**

OVERALL VACANCY

**72 KSF**

UNDER CONSTRUCTION

- » Strong rent growth is expected to continue due to the lack of supply and robust demand.

SOURCE: COSTAR Q1 2023



# Regional Map

**6840  
Northgate Way**

## Location Highlights

- » Access to 3.3 million people and 120,648 businesses within 100 miles
- » Draws from an industrial worker base of 32,784 within a 45 minute drive
- » Located less than 100 miles from Seattle with immediate I-5 access
- » 11 Miles from the United States - Canada Border and 40 Miles from Vancouver, B.C.

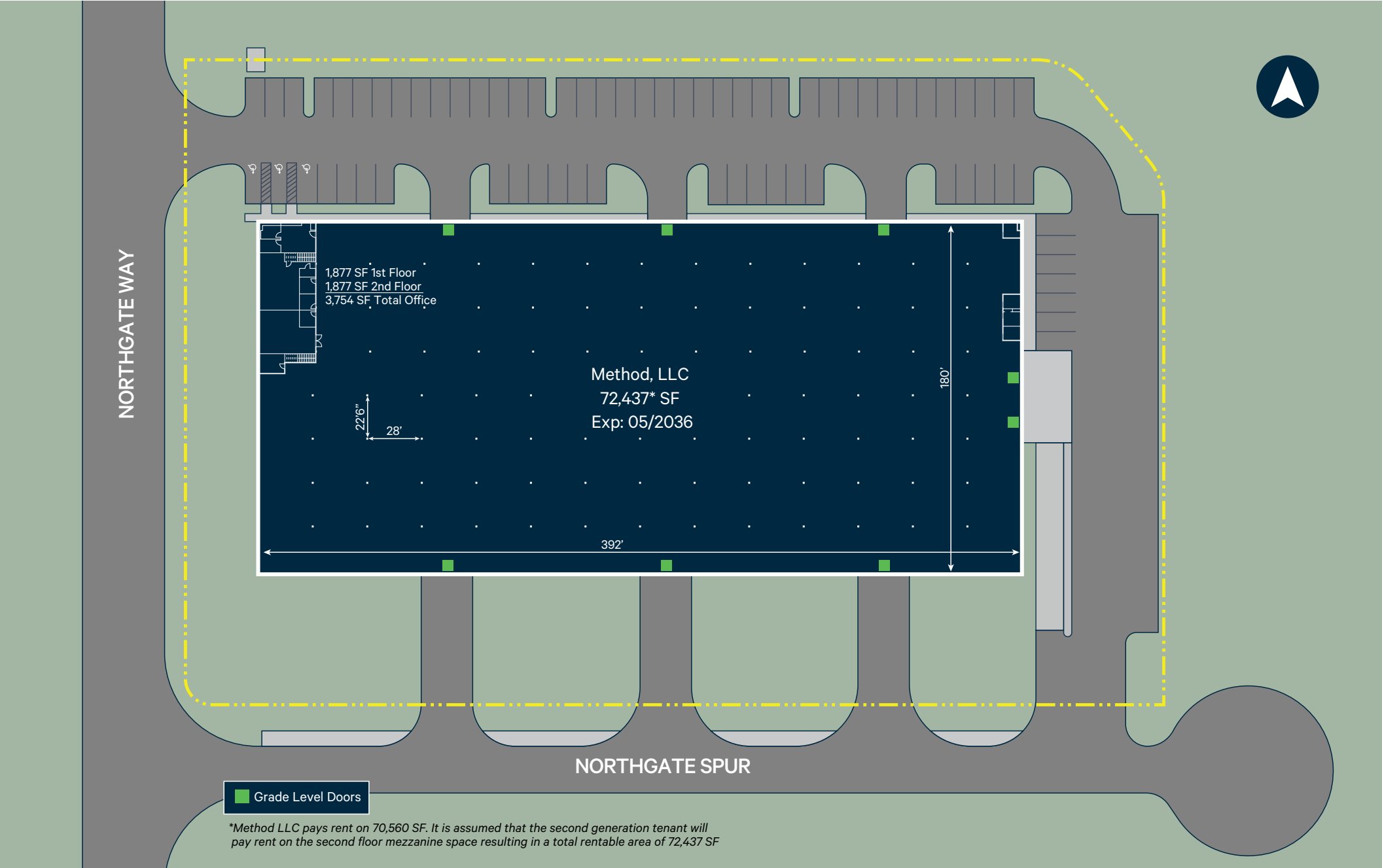
## Whatcom County Business Incentives

- » No corporate or personal income tax: regardless of your company's size or profitability, you'll only be taxed on your gross receipts
- » Washington is one of seven states that doesn't levy a Personal Income Tax  
No tax on intangible assets, like bank accounts, stocks, or bonds
- » Business and Occupation Tax: this flat rate tax system allows a manufacturer to retain more earnings as profitability grows

Source: <http://choosewhatcom.com/incentives>

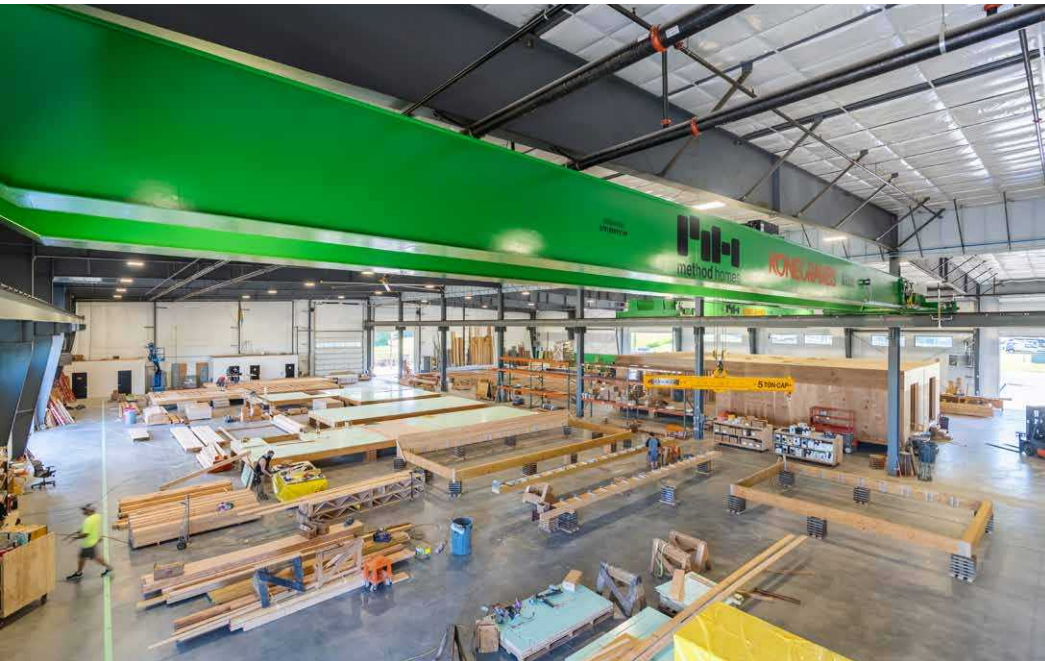


# Site Plan





# Property Photos





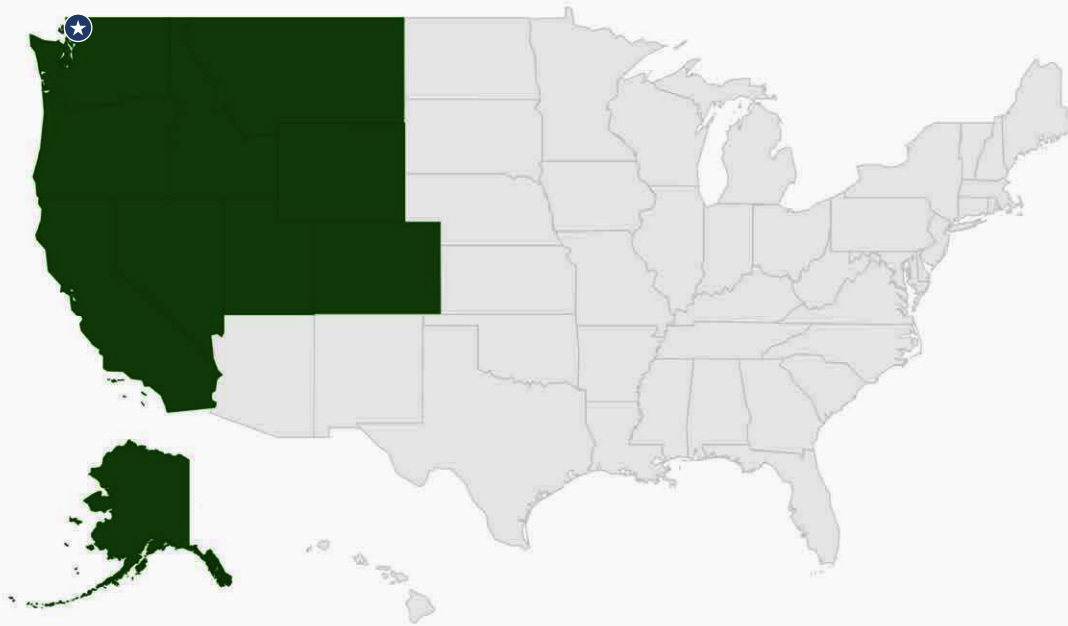
# Tenant Overview



**METHOD, LLC**  
**70,560 SF**  
**5/2036**  
**[www.methodhomes.net](http://www.methodhomes.net)**

- » Founded in 2007, Method, (Method LLC) has been in business for 15 years. The business has grown rapidly since the onset of COVID-19.
- » Custom manufacturer of precision-engineered, prefabricated structures
- » Provide comprehensive construction services from consultation and financing to design/permitting and fabrication for both residential and commercial structures
- » Industry leader in sustainable design and experienced in building to meet leading environmental certification standards
- » Locally sourced materials and a large network of fabrication facilities are crucial Method Homes' NetZero emissions commitment.
- » Extensive capital investments in the Ferndale location to make it the first Method Homes facility with a net positive energy footprint

**Service Area**







**6840 Northgate Way**  
**FERNDALE, WA 98248**

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