

ALAMO APARTMENTS



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DISCLAIMER

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PRESENTED BY:

TED WOOD

Senior Vice President

D 206-773-2674

C 206-818-0378

twood@lee-associates.com

LEVI STERLEY

Vice President

D 206-773-2679

C 425-238-8490

lsterley@lee-associates.com

ERNEST PERALTA

Associate

D 206-773-2681

C 206-661-1330

eperalta@lee-associates.com

ZARIFA AZIZ

Associate

D 425.818.2653

C 206.790.3558

zaziz@lee-associates.com



COMMERCIAL REAL ESTATE SERVICES
MULTIFAMILY

600 University Street, Suite 2407
Seattle, WA 98101

206-624-2424

lee-nw.com

THE PROPERTY

PROPERTY OVERVIEW

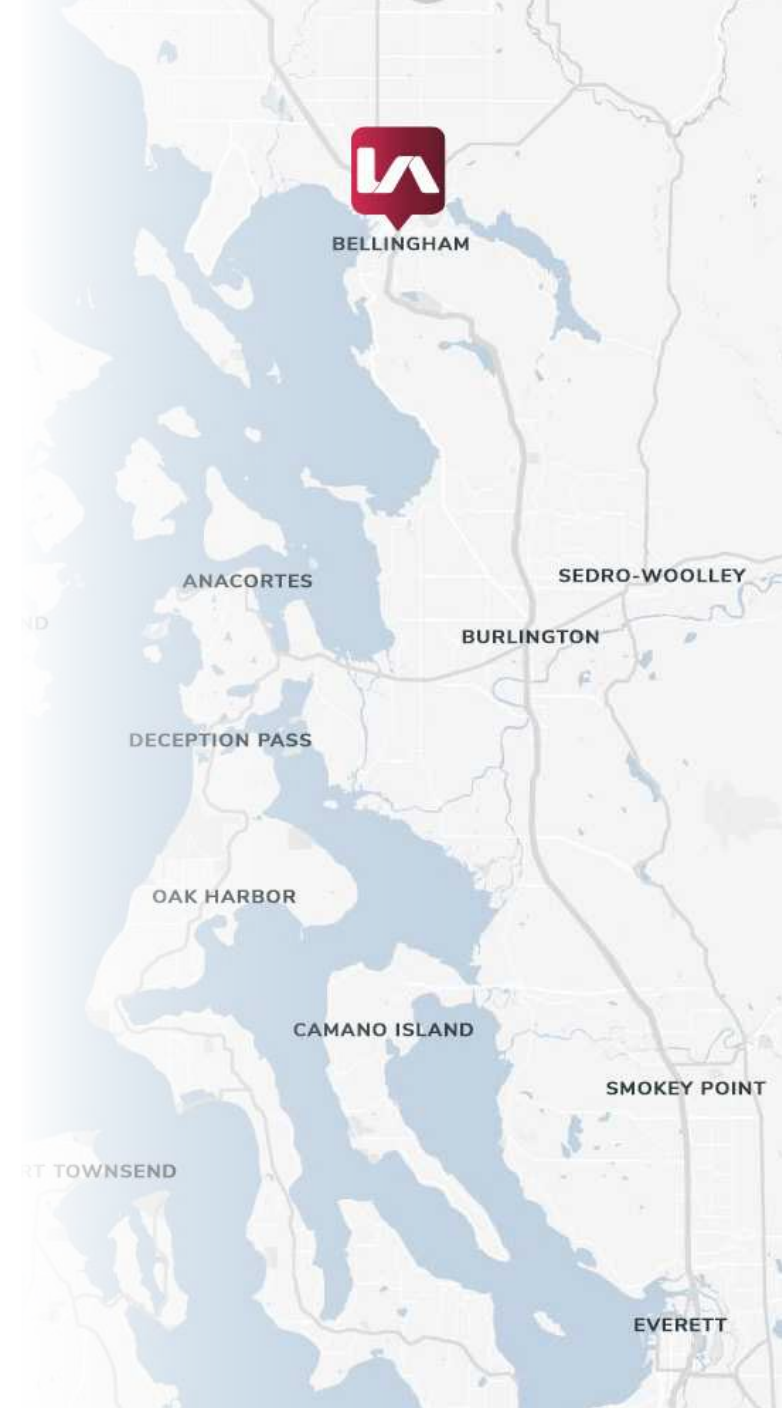
The Alamo Apartments is a 44-unit market-rate multifamily asset situated on .27 acres just off I-5 on E Maple St in Bellingham, Washington. The asset can be acquired at \$131,818 per unit today and is projected to yield a total annual return of nearly 10% post renovations.

Centrally located near the City's CBD, The Alamo Apartments are in the hub of all Bellingham has to offer. Minutes from Western Washington University, downtown restaurants, bar & grills, breweries, shopping and retail, and the waterfront, residents enjoy an efficient and affordable living situation without sacrificing location. The property received a "Walker's Paradise" notation and a walk score of 94.

The location has benefited from persistent rent growth over the previous ten years. Average asking rents increased 33% from 2012-2022, and 22% in the last five years alone, while sustaining robust demand for small one-bedroom and studio apartments.



The City of Bellingham is the largest city in Whatcom County by population and by gross area. The City has grown by more than 10% over the last decade which has contributed to minimal vacancy rates that are currently estimated to be below 2%. Major employers include, St Joseph Hospital, WWU, Lummi Nation, Bellingham Public Schools, BP Cherry Point, and the City and County.



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PROPERTY PHOTOS



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PROPERTY PHOTOS | EXISTING UNITS

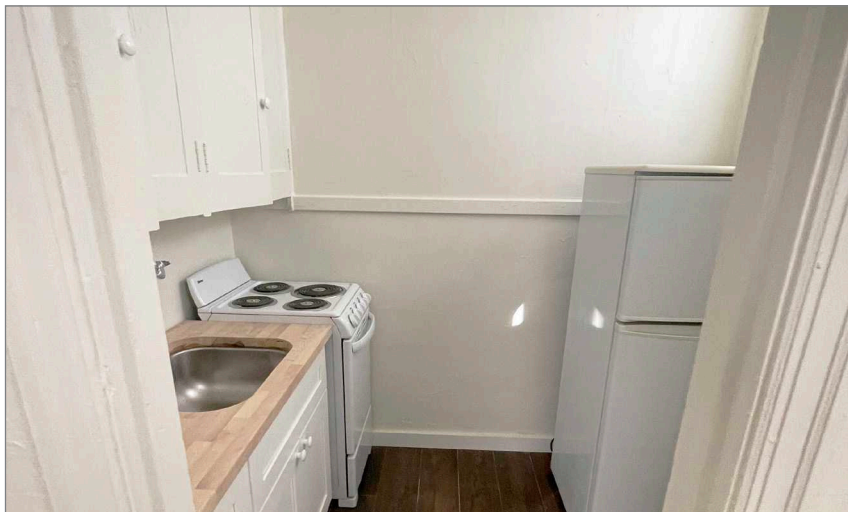
Current Condition



Kitchen



Living Room



Kitchen



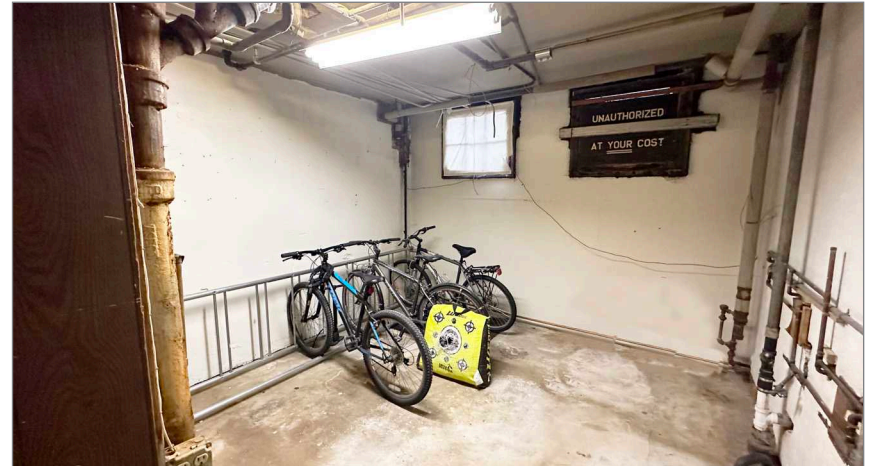
Living Room & Closet

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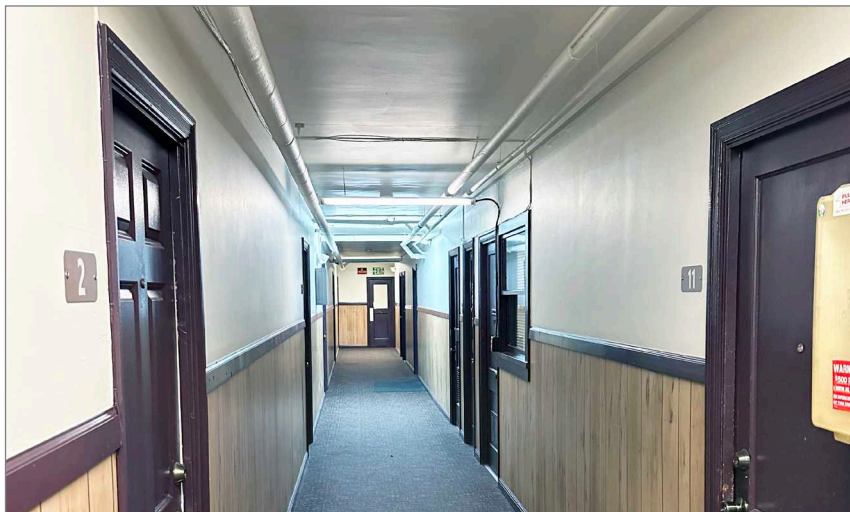
PROPERTY PHOTOS | EXISTING UNITS



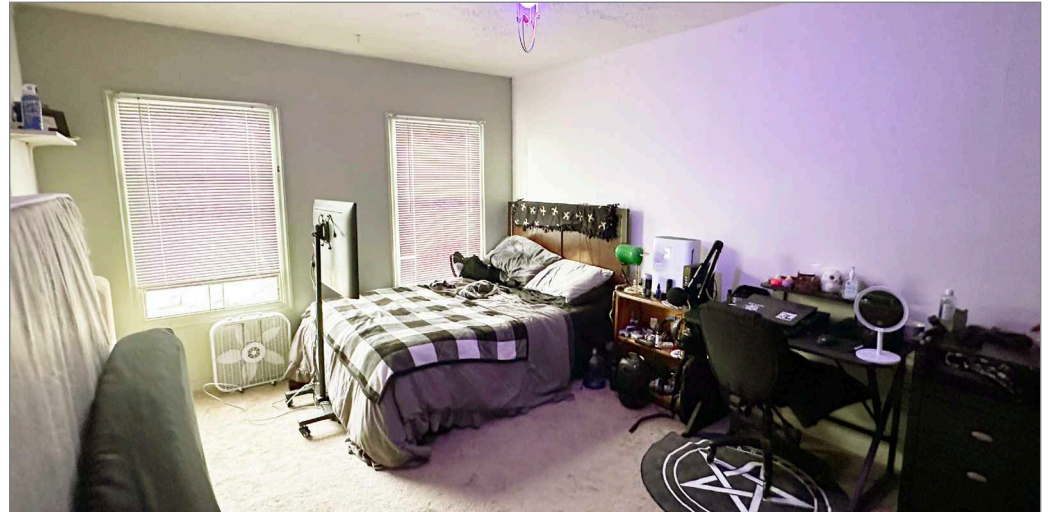
Kitchen



Bike Room



Hallway

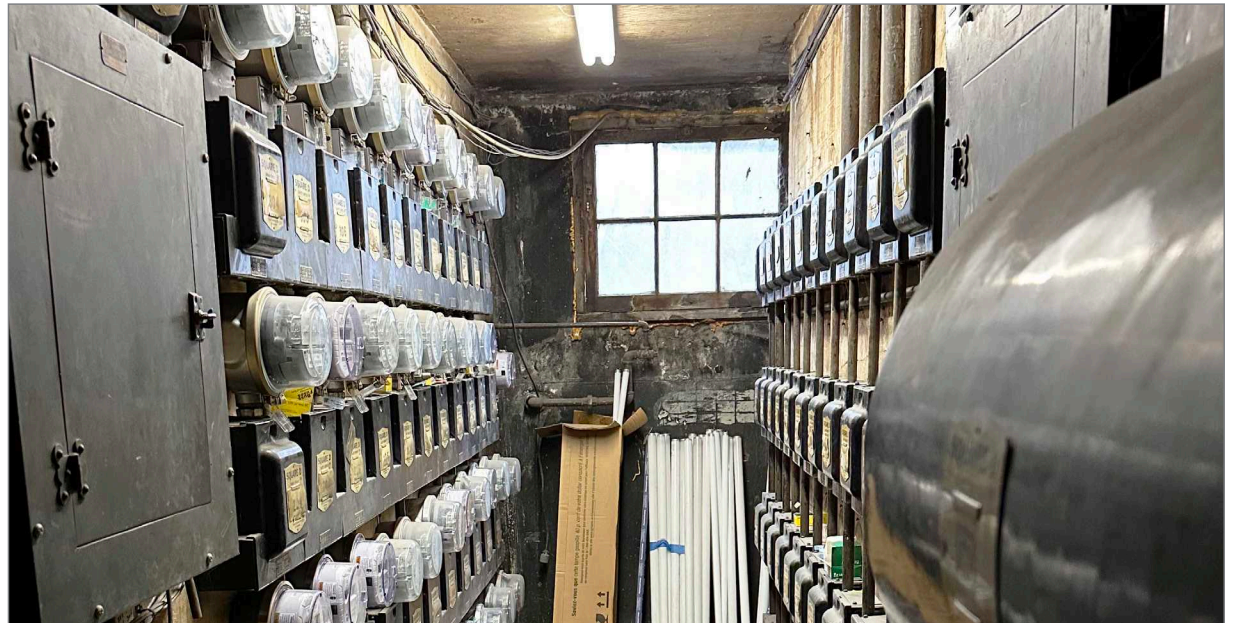


Bedroom

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PROPERTY FEATURES

- ƒ 44 Studios at 324 SF each
- ƒ 24 Hour Access
- ƒ Bike Storage
- ƒ Walker's Paradise
- ƒ Public Transportation
- ƒ Laundry Facility
- ƒ On-site Maintenance
- ƒ Freezer
- ƒ Onsite parking
- ƒ Curb parking
- ƒ Quiet neighborhood
- ƒ \$407/mo per unit upside
- ƒ \$93/mo per unit upside in RUBS and other charges
- ƒ Total of \$500/mo per unit upside blended average
- ƒ Future redevelopment opportunity



Current Utilities

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VALUE-ADD STRATEGY

Recommended Renovations to Achieve Pro Forma Rents

UNITS

- f LVP flooring throughout all units
- f New Formica/Vinyl or hard surface countertops
- f Replace cabinets & hardware
- f New black/stainless mix appliances
- f Upgrade to LED lighting throughout
- f Replace bathroom showers to modern walk-in
- f Paint interior light color
- f Replace doors to white or grey entry doors
- f Replace sinks & fixtures

COMMON AREAS

- f LVP flooring throughout hallways & entrances
- f Upgrade to LED lighting throughout
- f Upgrade to modern secure key fob access
- f Upgrade laundry room
- f New leased machine contract with card or virtual pay
- f Paint interior light color
- f Replace doors to white or grey entry doors
- f Upgrade common area bathrooms, if applicable

EXTERIOR

- f Replace siding with Hardie Plank or Panels
- f Repair/refinish roof as needed
- f Replace windows & install DP vinyl
- f Refinish and paint parking areas
- f Landscape property as needed
- f Repair mailbox as needed
- f Repair building signs as needed
- f Install LED lighting

OPTIONAL SUGGESTIONS

- f Install marketing sign on corner of property
- f Rename apartment building for fresh new branding
- f Install sign on building exterior



Photo Source: www.myharbourpoint.com

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FINANCIAL ANALYSIS

FINANCIALS

PRICING ANALYSIS

LIST

Price		\$5,800,000
Down Payment	33.5%	\$1,943,000
Price Per Unit		\$131,818
Cost Per Net RSF		\$406.85/SF
Current GRM		13.41
Market GRM		8.45
Current CAP		2.74%
Market CAP		7.11%

PROPERTY DETAILS

Property Name:	Alamo Apartments
Address:	421 E Maple St Bellingham, WA 98225
Number of Units:	44
Approximate NRSF:	14,256 SF
Year Built:	1924
Approximate Lot Size:	±0.27 AC (±11,762SF)

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FINANCIALS

ANNUALIZED OPERATING DATA

	PRO FORMA
Gross Potential Income:	\$686,120
Less Physical Vacancy: 5%	\$34,306
Effective Gross Income:	\$651,814
Less Expenses: 36.70%	(\$239,247)
Net Operating Income:	\$412,567
Less Loan Payments:	(\$276,010)
Pre-Tax Cash Flow: 7.03%	\$136,557
Plus Principle Reduction:	\$47,808
Total Return Before Taxes: 9.49%	\$184,366

ANNUALIZED EXPENSES

	PRO FORMA
Real Estate Taxes: ⁶	\$41,670.75
Insurance: ⁷	\$22,000.00
Utilities: ⁸	\$49,595.53
Repairs & Maintenance: ⁹	\$33,000.00
Professional Management: ¹⁰	\$32,590.71
Payroll: ¹¹	\$34,320.00
Capital Reserves: ¹²	\$11,000.00
Contracts: ¹³	\$6,539.47
Administrative: ¹⁴	\$4,013.91
Landscaping: ¹⁵	\$4,516.55
Total Annualized Expenses	\$239,246.92

ANNUALIZED OTHER INCOME

	CURRENT	PRO FORMA
Laundry: ¹	\$3,507.00	\$4,000.00
Parking: ²	\$0	\$1,200.00
Storage: ³	\$0	\$0
Utility Bill-Back: ⁴	\$0	\$42,156.20
Pet / Non-Refundable: ⁵	\$2,588.00	\$7,800.00
Total Other Income	\$6,095	\$55,160

TOTAL EXPENSES

\$230,413.51

Expenses Per Unit

\$5,437

Expenses Per Square Foot

\$12.59

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FINANCIALS

OTHER MONTHLY INCOME

	CURRENT	PROFORMA
Laundry: ¹	\$292.25	\$333.67
Parking: ²	\$0	\$100.00
Storage: ³	\$0	\$0
Utility Bill-Back: ⁴	\$0	\$3,513.02
Pet/Non-Refundable: ⁵	\$215.67	\$650.00

	CURRENT	PROFORMA
Total Other Income	\$508	\$4,597
Total Monthly Income	\$35,163	\$57,177
Scheduled Potential Income	\$421,955	\$686,120

SCHEDULED MONTHLY INCOME

NO. UNITS	BEDROOMS / BATHS	SF RANGE	CURRENT RENT RANGE	CURRENT AVERAGE RENTS	CURRENT INCOME	PRO FORMA RENTS	PRO FORMA INCOME
44	STUDIO	324		\$808	\$34,655	\$1,195	\$52,580
44			Total Scheduled Monthly Rent:		\$34,655		\$52,580

EXPENSE NOTES

¹ Laundry – Pro Forma: Increased to market assuming \$1.75 per unit per week.

² Parking – Pro Forma: \$20/space for 5 preferred parking spaces.

³ Storage – Pro Forma: No charge.

⁴ Utility Bill-Back – Pro Forma: Based on 85% RUBS recapture rate.

⁵ Pet / Non-Refundable – Pro Forma: Includes charging for pets in 35% of units.

⁶ Real Estate Taxes – Pro Forma: Based on reassessment per sales price.

⁷ Insurance – Pro Forma: \$500/unit based on comparable properties of similar vintage post renovation.

⁸ Utilities – Pro Forma: +3% inflation expense.

⁹ Repairs & Maintenance – Pro Forma: +3% inflation expense.

¹⁰ Professional Management - Pro Forma: 5% of EGI.

¹¹ Payroll – Pro Forma: \$65/unit per month lender underwriting.

¹² Capital Reserves – Pro Forma: \$250/unit lender underwriting.

¹³ Contracts – Pro Forma: +3% inflation expense.

¹⁴ Administrative – Pro Forma: +3% inflation expense.

¹⁵ Landscaping – Pro Forma: +3% inflation expense.

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LOAN QUOTE

LOAN QUOTE

Loan Amount:	\$4,200,000
Rate:	5.95%-6.40%
Max LTC:	75%
Max LTV:	75% on stabilized value
Minimum DCR:	1.25x on stabilized NOI per the appraisal
Term:	5-year fixed
Interest Only:	18-24 months
Amortization:	30 years per the appraisal
NOI Assumption	Minimum of \$390,000+ per the appraisal post renovations



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RENT ROLL

UNIT NO.	UNIT TYPE	SQUARE FOOTAGE (SF)	ACTUAL RENT	RENT PER SF	RENOVATED MARKET RENT	RENOVATED MARKET RENT PER SF
1	STUDIO	324	\$900.00	\$2.08	\$1,195.00	\$2.77
2	STUDIO	324	\$875.00	\$2.03	\$1,195.00	\$2.77
3	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
4	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
5	STUDIO	324	\$725.00	\$1.68	\$1,195.00	\$2.77
6	STUDIO	324	\$500.00	\$1.16	\$1,195.00	\$2.77
11	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
12	STUDIO	324	\$825.00	\$0.97	\$1,195.00	\$2.77
101	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
102	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
103	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
104	STUDIO	324	\$900.00	\$2.08	\$1,195.00	\$2.77
105	STUDIO	324	\$520.00	\$1.20	\$1,195.00	\$2.77
106	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
107	STUDIO	324	\$795.00	\$1.84	\$1,195.00	\$2.77
108	STUDIO	324	\$795.00	\$1.84	\$1,195.00	\$2.77
109	STUDIO	324	\$900.00	\$2.08	\$1,195.00	\$2.77
110	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
111	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
112	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77

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RENT ROLL

UNIT NO.	UNIT TYPE	SQUARE FOOTAGE (SF)	ACTUAL RENT	RENT PER SF	MARKET RENT	MARKET RENT PER SF
201	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
202	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
203	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
204	STUDIO	324	\$700.00	\$1.62	\$1,195.00	\$2.77
205	STUDIO	324	\$900.00	\$2.08	\$1,195.00	\$2.77
206	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
207	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
208	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
209	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
210	STUDIO	324	\$750.00	\$1.74	\$1,195.00	\$2.77
211	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
212	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
301	STUDIO	324	\$800.00	\$1.85	\$1,195.00	\$2.77
302	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
303	STUDIO	324	\$750.00	\$1.74	\$1,195.00	\$2.77
304	STUDIO	324	\$570.00	\$1.32	\$1,195.00	\$2.77
305	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
306	STUDIO	324	\$895.00	\$2.07	\$1,195.00	\$2.77
307	STUDIO	324	\$795.00	\$1.84	\$1,195.00	\$2.77
308	STUDIO	324	\$850.00	\$1.97	\$1,195.00	\$2.77
309	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77

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RENT ROLL

UNIT NO.	UNIT TYPE	SQUARE FOOTAGE (SF)	ACTUAL RENT	RENT PER SF	MARKET RENT	MARKET RENT PER SF
310	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
311	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
312	STUDIO	324	\$825.00	\$1.91	\$1,195.00	\$2.77
Total	44	14,256 NRSF	\$35,140.00		\$52,580.00	
Average		324	\$798.64	\$1.87	\$1,195.00	\$2.77

CURRENT

MINIMUM	MAXIMUM	AVERAGE
\$500.00	\$900.00	\$798.64

PROFORMA

MINIMUM	MAXIMUM	AVERAGE
\$1,150.00	\$1,295.00	\$1,195.00

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CURRENT VS. RENOVATED UNIT

Original Unit



Original Unit



Original Unit



Renovated Unit Example (Pro Forma)



Renovated Unit Example (Pro Forma)



Renovated Unit Example (Pro Forma)



ALAMO APARTMENTS AT-A-GLANCE

44
UNITS

14,256
NRSF

\$808
CURRENT RENT

\$900
IN-PLACE PROOF
OF CONCEPT RENT

\$1,195
RENOVATED
PRO FORMA RENT

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CURRENT VS. RENOVATED UNIT



Renovated Kitchen Example (Pro Forma Suggestion)



Existing Kitchen



Existing Living Room



Renovated Living to Kitchen Example (Pro Forma Suggestion)

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600 University Street, Suite 2704 | Seattle, WA 98101 | 206.624.2424 | lee-nw.com/multifamily

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