

FOR SALE



# Tacoma Central Business District

## Multifamily Transit-Oriented Development Site or Retail Owner/User Building

1352 FAWCETT AVE | TACOMA, WA 98402



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# Offering Summary

## Multifamily Transit-Oriented Development Site

<b>Offering Price</b>	\$2,200,000 (\$185/SF Land Area or \$14,667/MF Unit based on 150-Units)
<b>Land Area</b>	11,900 SF
<b>Development Potential</b>	Approximately 150 Multifamily Units

## Retail Owner/User w/ Land Bank Re-Development Investment

<b>Offering Price</b>	\$2,200,000 (\$917/SF Building Area)
<b>Building Area</b>	2,400 SF

# Property Information

PARCEL	SIZE	ADDRESS	IMPROVEMENTS
2013100090	6,000 SF	1350 fawcett Ave	2,400 SF, Built 1961, Renovated 1990, 1-Story, Parking
2013100100	5,900 SF	1352 Fawcett Ave	Parking
<b>Total</b>	11,900 SF		



## Offering Highlights

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**1352 Fawcett Avenue** represents a unique opportunity to acquire an approximately 150-unit multifamily transit-oriented development site offering the following:

- Located in a federally designated Opportunity Zone providing tax benefits.
- Multifamily Tax Exemption development incentives.
- Located in pedestrian-friendly downtown Tacoma central business district.
- Three blocks to T-Line Light Rail Station with connections to Sounder Commuter Rail and Amtrak Rail Stations.
- Two blocks to Tacoma Convention Center, Hotels, YMCA, Coffee Shops, and Retail Services.
- Excellent access to Highway 705 connecting to Interstate 5.
- Three blocks to the University of Washington Tacoma.
- Views of the City, Cascade Mountains, and Mount Rainier.
- Surrounded by extensive retail and lifestyle amenities including Thea Foss Waterway.
- Favorable Downtown Residential Zoning with 90 feet height limit and flexible uses.



# Zoning

Permitted uses include Residential, Retail, Office, Educational. The property is zoned DR (Downtown Residential District) with a 90' height limit which would allow a developer to take advantage of views of Downtown Tacoma, Commencement Bay, Mt. Rainier, and the surrounding territory.



**SUBJECT  
PROPERTY**



*Available height bonus  
by providing additional  
community benefits*

*Potential reduction or  
elimination of parking  
requirements  
depending on unit size*



**SUBJECT  
PROPERTY**

## Tacoma Quick Facts

- Seattle residents are relocating to Tacoma, where housing is more affordable.
- Tacoma's largest employer is Joint Army/Air Force base Lewis-McChord, which employs more than 54,000 people.
- Seven highways end or pass through Tacoma.
- Washington State Ferries travel from Port Defiance to southern tip of Vashon Island.
- Amtrack Trains provide daily service to Vancouver, British Columbia, and Eugene, Oregon.
- Sounder Commuter Trains provide daily service from Everett to Lakewood.
- Tacoma has over 50 distinct neighborhoods.
- Schools in the area include Tacoma Public Schools' 35 elementary, 11 middle, and 10 high schools, and 4 early learning schools.
- Colleges and universities in the area include University of Puget Sound, Tacoma Community College, City University of Seattle-Tacoma, Bates Technical College, Evergreen State College, Corban University, and the University of Washington – Tacoma.
- Tacoma's exceptional museums and parks include Point Defiance Zoo & Aquarium, America's Car Museum, The Museum of Glass, and Tacoma Art Museum.
- Downtown Broadway Center for The Arts is home to three theaters hosting performances by the Opera, Symphony, Ballet, Philharmonic, and others.

Source: CoStar

### Tacoma & Pierce County Major Employers

EMPLOYER	EMPLOYEE COUNT
Army/Air Force Base Lewis-McChord	54,000
Multi-Care Health System	8,264
Washington State Employees	7,859
CHI Fransiscan Health	5,682
Tacoma Public Schools	3,649
City of Tacoma   Tacoma Public Utilities	3,623
Pierce County Government	3,304
Puyallup School District	2,711
Bethel School District	2,689
Safeway   Albertsons	2,153
Emerald Queen Casino	2,146
Fred Meyer	1,802
Amazon	1,800
Cover Park School District	1,782
Boeing	1,550
US Postal Service	1,336
Costco	1,318
Peninsula School District	1,284
Puyallup Tribe	1,274
Sumner School District	1,270
State Farm Insurance	1,219
Franklin Pierce School District	1,161
Pacific Maritime Association	1,028
Camp Murray	940
Walmart	861

# Seattle/Tacoma Economy

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The Seattle metropolitan area has a population of about 4.1 million, making it one of the larger metros in the United States. The region's population has grown 12.9% over the past decade, compared to the national benchmark of 5.7%. Seattle's population growth is expected to slow from the annual rate of 1.6% seen in the 2010s but is still expected to outpace the national growth rate over the next few years.

Seattle's GDP in 2021 was \$480 billion, placing it in the top 10 metros in the country. That figure grew by 10.4% over the previous year, placing Seattle as the third- fastest-growing economy in the nation. The information sector, often used as a surrogate for "tech" jobs, is highly concentrated in the region, with a location quotient of 3.5. Nearly 150,000 work in this sector in the region.

With a high concentration of workers in tech-related jobs, Seattle has a large share of workers who report working from home. Nearly a third of the population works remotely.

Seattle's cost of living is among the highest in the nation, though many move to the area from more expensive markets such as the Bay Area. Seattle's CPI growth has outpaced that of the nation, reaching double-digits in 2022 before starting to recover over the past year. Housing tends to be the largest expense and households spend an average of about \$32,000 per year on housing.

To keep up with this high cost of living, wages tend to be higher in the metro, with an average hourly wage close to \$40/hour, compared to about \$30/hour for the national benchmark.

Median household income sits at around \$110,000/year. That compares to the national figure of \$75,000/year. Over the past five years, incomes in the Seattle region grew 67.6%, compared to the national benchmark of 45.4%. While there is disparity in incomes, Seattle also has one of the lowest poverty rates among large metros, at 8.6%.

Total employment sits around 2.1 million, with about 510,000 office jobs, 180,000 retail trade jobs, and 300,000 industrial jobs. Over the past year, industrial employment growth has been 4.4%, compared to 1.5% for office jobs and 1.1% for retail trade. Over the past decade, cumulative employment growth in the region was 22.4%, compared to 14.7% for the United States. The unemployment rate sits at 3.4%, compared to a 10- year average of 4.5%.

Washington State is the most trade-dependent economy in the nation, and the Export-Import Bank of the United States estimates that about 40% of jobs in the state are directly dependent on trade. According to The Northwest Seaport Alliance, the ports of Seattle and Tacoma alone support more than 58,000 jobs, and \$12.4 billion in economic impact for the region.

Source: CoStar





1,329

12 MO DELIVERED UNITS



534

12 MO ABSORPTION UNITS



6.8%

VACANCY RATES



0.6%

12 MO ASKING RENT GROWTH

# Seattle/Tacoma Multifamily Overview

As of the third quarter of 2023, the vacancy rate in the Seattle region's largest multifamily submarket sits at 6.8%. That compares to a five-year average of 5.0%. About 1,300 new units were delivered over the past 12 months, and this has been a primary driver of higher vacancy as these communities complete their lease-up period.

The gap between Seattle and Tacoma rents has tightened over the past few years, though rents are still lower in Tacoma. Apartment rents average about \$1,510/month, compared to a metro-wide average of \$1,990/month. Rent growth over the past 12 months was 0.6%, compared to a recent all-time high of 10.0%.

Some of the slowdown in rent growth can be attributed to a slowdown in demand, but another factor is a wave of new units adding competition. In addition to the 1,300 units delivered over the past year, about 2,500 are still under construction. Those under construction represent a 6.5% increase over existing stock. Much of the new development is in and around downtown Tacoma, where residents can take advantage of urban amenities in a walkable neighborhood.

The submarket's 12-month trailing sales volume slowed recently but is still in line with the long-term average. A total of 28 market-rate apartment communities traded hands in the past 12 months, totaling \$153 million in volume.

Source: CoStar





# Tacoma

## Multifamily Market

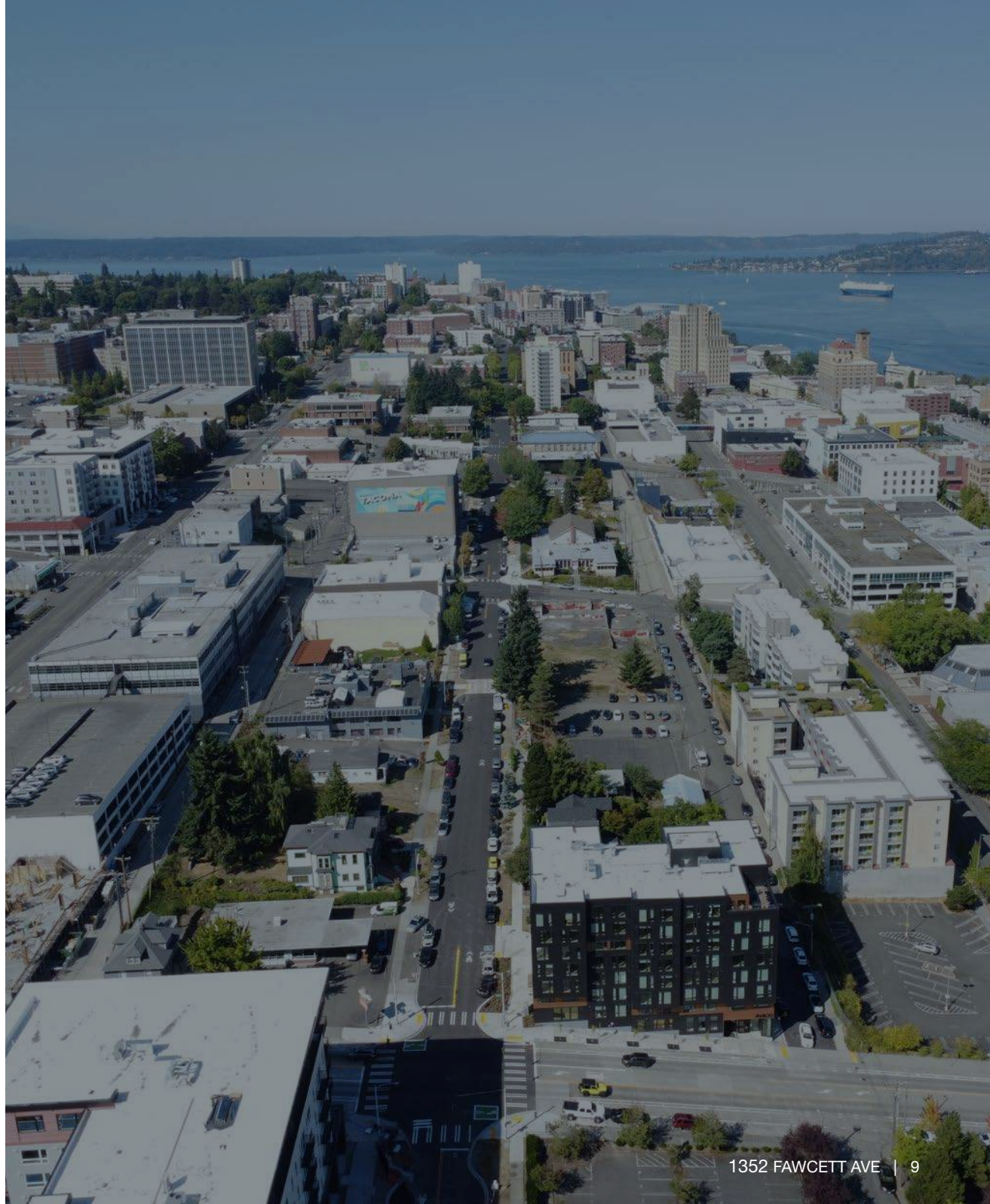


### VACANCY

Vacancy for Tacoma apartments sits at 6.8%. That compares to a five-year average of 5.0%. Vacancy is on the rise primarily due to the impact of new construction. About 1,300 units were delivered over the past 12 months and 2,500 more are still under construction. Meanwhile, absorption of new units has slowed. Over the past 12 months, the number of occupied market rate apartment units increased by 530 units, compared to the five-year average of 520. During that period, 12 months absorption reached an all-time high of 1,000 units. Proximity to major educational institutions such as the University of Washington Tacoma, University of Puget Sound and Pacific Lutheran University are a draw for residents. As is proximity to Joint Base Lewis-McCord, with approximately 60,000 troops and their families stationed there. In addition, Tacoma offers an urban lifestyle at a relatively affordable price compared to Seattle and Bellevue.

The city has one of the largest populations in the metro, but the median household income is roughly 25% below the metro median. With a large lower-income population, lower-rent properties tend to have lower vacancy rates compared to luxury properties. Also, while not included in CoStar market reports, about one in 10 apartment units are in low-income apartment complexes. For those buildings, vacancy is nearly nonexistent.

Source: CoStar





## RENT

At \$1,510/month, Tacoma has one of the lowest average asking rents in the Seattle region; the metro norm is \$1,990/month and rents are even higher in Seattle and cities east of Lake Washington, such as Bellevue. As of the third quarter of 2023, Tacoma's 12-month rent growth sits at 0.6%, compared to a high of 10.0% within just the past few years.

Rent growth in Tacoma is challenged not only by a slowdown in demand, but due to a wave of new inventory, with 1,300 units delivered over the past year and 2,500 units still under construction. The amount still under construction equals about a 6.5% increase over existing stock.

Source: CoStar





## CONSTRUCTION

During the 2nd half of 2022 and 1st half of 2023, roughly 1,300 market rate apartment units were completed in Tacoma. Most new development has been midrise communities clustered near downtown Tacoma and the Stadium District, and this is where the largest projects have delivered so far in 2023.

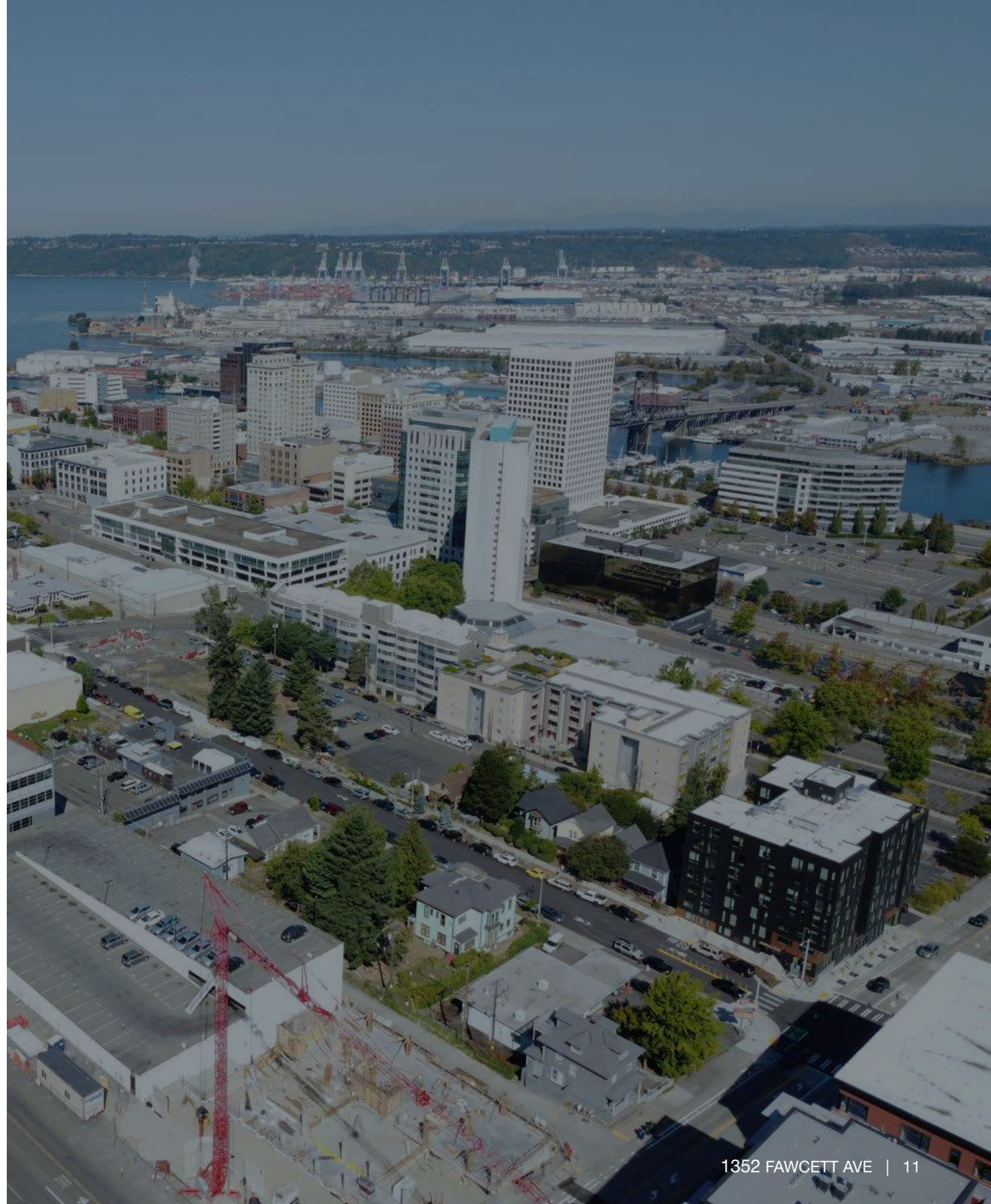
The Lex is a 247-unit midrise apartment building that was completed in 23Q1 in Tacoma's Stadium District, developed and managed by Pillar Properties. The community is made up of studio, one- and two-bedroom units with rents ranging from about \$1,600 to \$2,400/month.

By 23Q2, nearly a third of units had been leased. AV Lofts is a 159-unit midrise in Downtown Tacoma developed by Isola Enterprises. The complex includes smaller units and was completed in 23Q2. Located near the University of Washington Tacoma campus, these units will likely cater primarily to students.

Located near the University of Washington Tacoma campus, these units will likely cater primarily to students. Ruby is a 131-unit midrise in the Stadium District that was completed in 23Q2. The community is made up of studio, one- and two-bedroom units with asking rents below the prevailing market rate, averaging about \$1,700/month.

Analog Apartments is a 115-unit midrise, located in Downtown Tacoma and completed in 23Q1. This community is also made up of studio, one- and two-bedroom units, with average rents around \$1,600/month. About 2,500 are under construction in Tacoma. This is the equivalent of 6.5% of the existing stock. It also represents a significant uptick considering that the submarket netted 490 new units on average over the past 10 years.

Source: CoStar



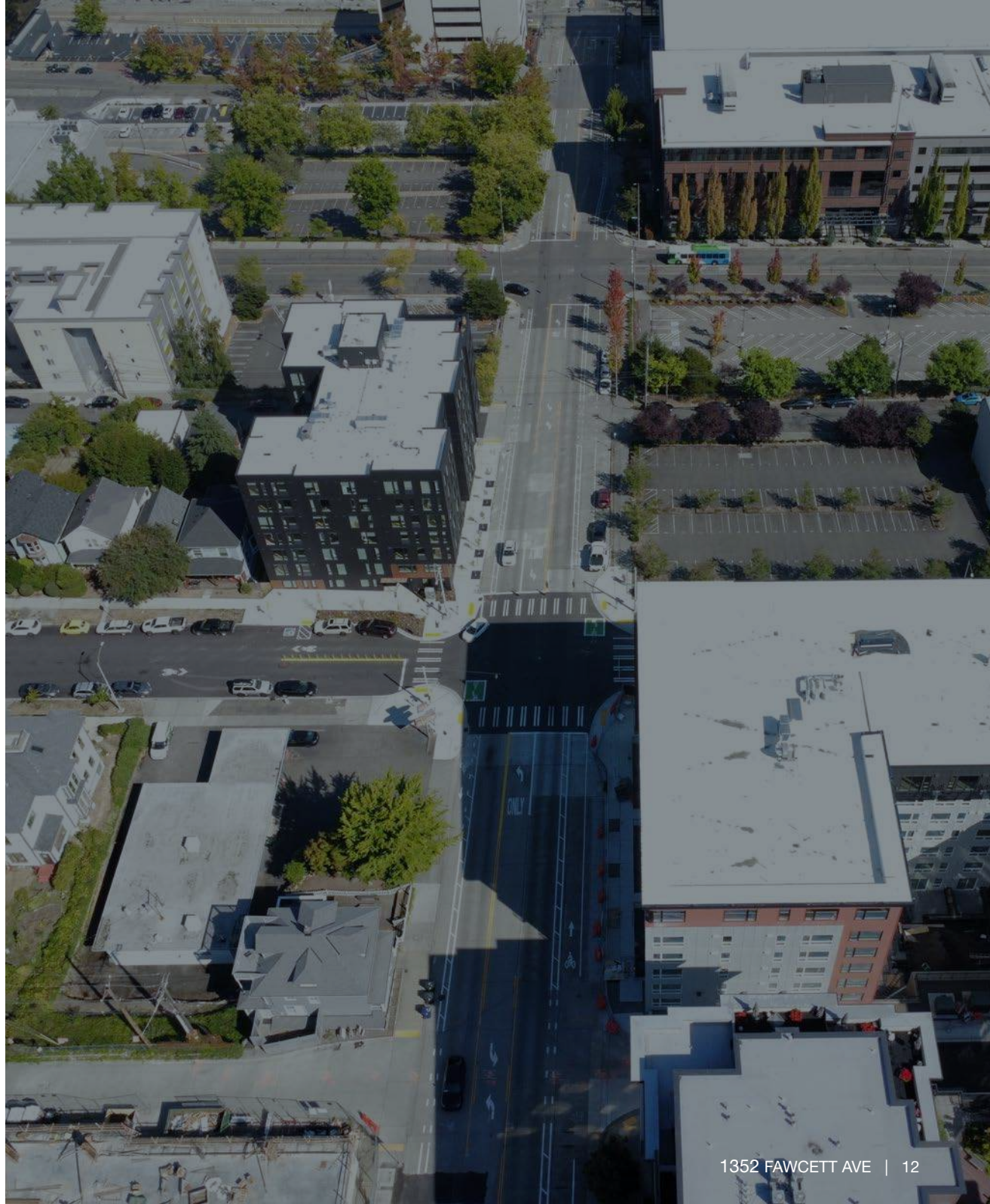


## SALES

During the 2nd half of 2022 and 1st half of 2023, sales volume reached \$153 million, compared with the five-year average of \$349 million/year. The average transaction price over the past year was \$230,000/unit, compared to the three-year average of \$200,000/unit. Recent sales in the submarket run the gamut from older, mid-tier properties to high end new development, but the largest cluster of sales is within the city of Tacoma proper.

One example is also one of the largest recent deals. That is the sale of the 131-unit Caesars Luxury Apartments for \$36 million (\$270,000/unit). The property was developed by Barcelo Homes, with completion earlier this year.

Source: CoStar



# Points of Interest

## Parks

1. Wright Park Arboretum
2. Foss Waterway

## Schools/Education

1. Bates Technical College
2. University of Washington
3. Stadium High School
4. Annie Wright Schools

## Banks

1. Key Bank Center
2. Wells Fargo Plaza
3. Chase Bank

## Restaurants

1. Doyle's Public House
2. Zen Ramen & Sushi Burrito
3. Le Sel Bistro
4. Cuerno Bravo Steakhouse
5. Sam Choy's Poke

## Hospitals

1. St Joseph Medical Center
2. MultiCare Tacoma

## Hotels/Conference

1. Convention Center
2. Hotel Murano

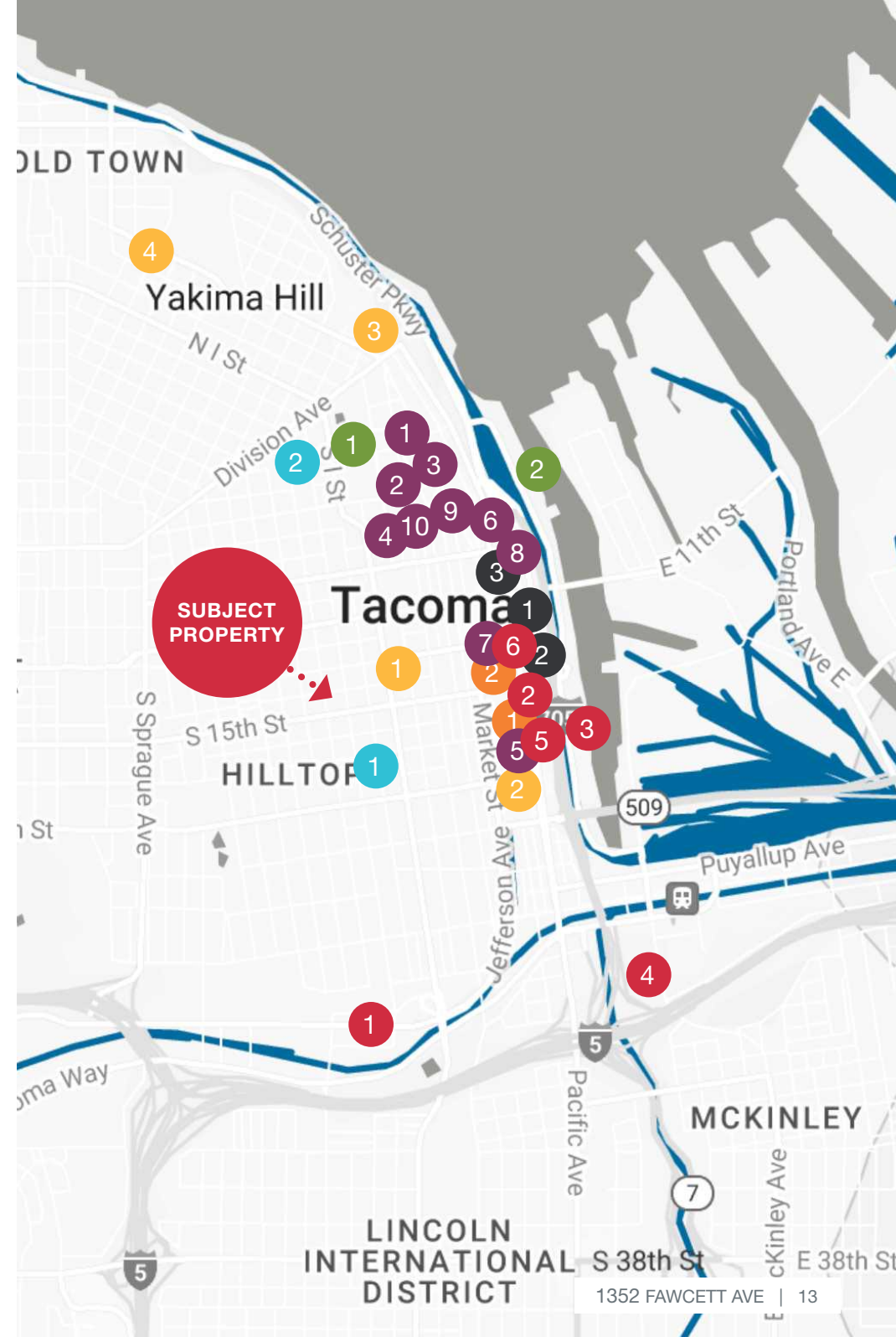
## Museums & Entertainment

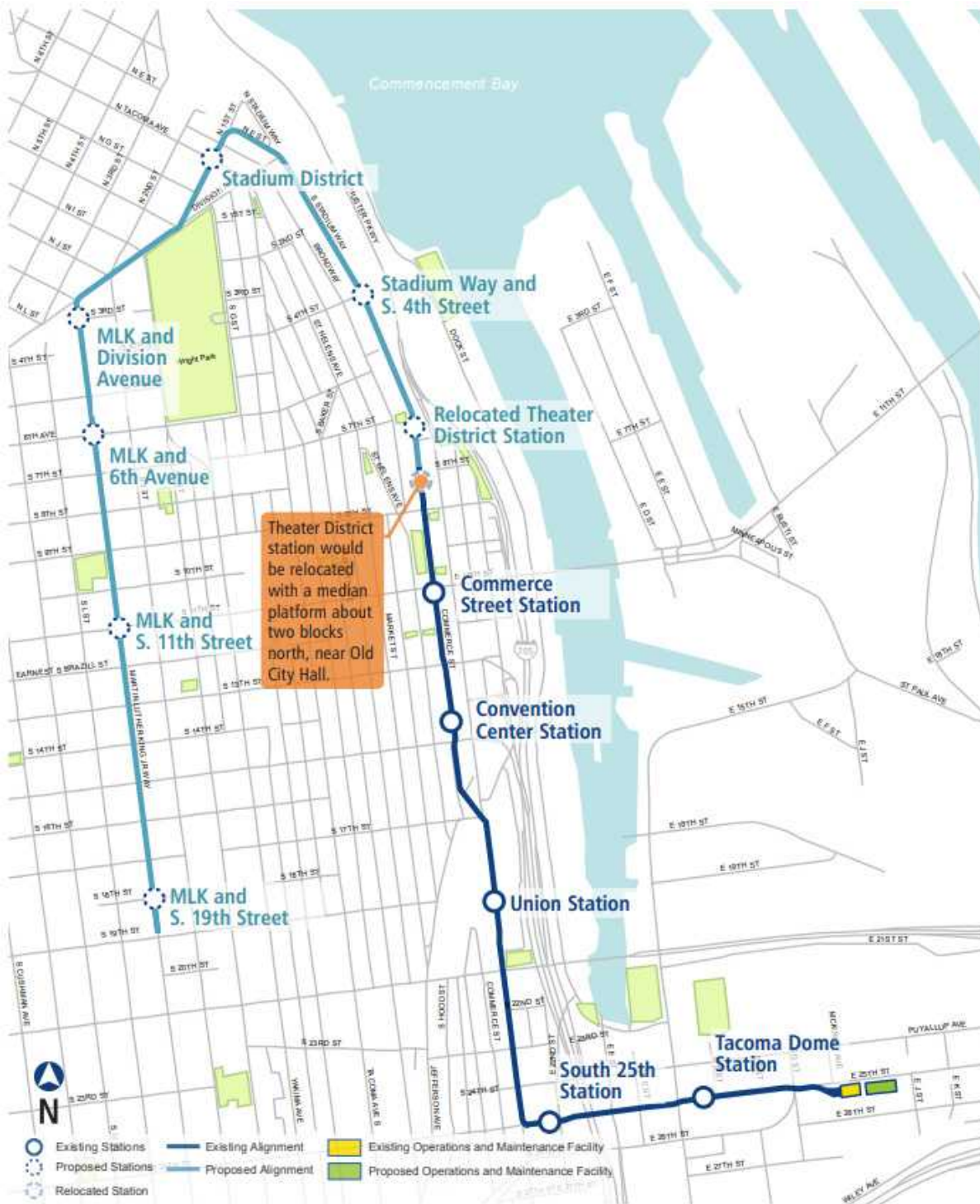
1. Seattle Mariners Training Center
2. Tacoma Art Museum
3. Museum of Glass
4. America's Car Museum
5. Washington State History Museum
6. Childrens Museum

6. Matador Tacoma
7. The Old Spaghetti Factory
8. Pita Pit
9. McMenamins Elks Temple
10. Puget Sound Pizza



Transit & Freight Lines Highlighted Blue



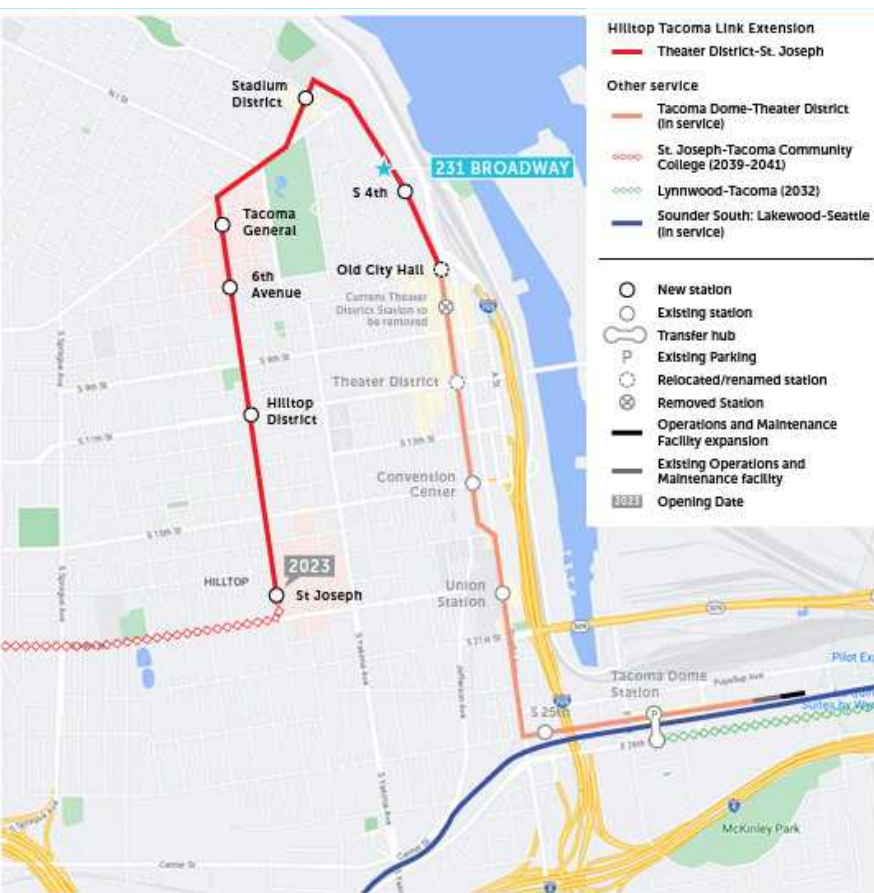


## Public Transportation

### LIGHT RAIL, COMMUTER RAIL, AND AMTRAK

The property is located three blocks to Convention Center T-Line Link Light Rail Station with connections to Sounder Commuter Rail and Amtrak regional train service. The Convention Center Link Light Rail Station offers service 5 a.m. to 10 p.m. every 10 minutes.

The Tacoma Link Light Rail provides service to Hilltop District, MultiCare Tacoma General Hospital, Stadium District, South 4th, Old City Hall, Theatre District, Convention Center, Union Station, South 25th, and Tacoma Dome, where it connected to Sounder Train and other transportation options. An extension to Tacoma Community College is scheduled to be completed 2039.



## HILLTOP LIGHT RAIL LINK EXTENSION

This project more than doubles the length of Tacoma Link, starting with a relocated Theater District station, and adding six new stations. These connect to popular destinations such as the Stadium District, Wright Park and major medical facilities before reaching the new Hilltop neighborhood terminus. Tracks run in existing road lanes and are compatible with on-street parking and existing bicycle facilities. Platforms are located in the center roadway. The project also includes expansion of the Operations and Maintenance Facility located on East 25th Street to accommodate five new light rail vehicles.

- Open: 2023
- Length: 2.4 miles
- Stations: 6 new and 1 relocated stations
- Service: Every 10 minutes
- Funding: Partnership among Sound Transit, City of Tacoma, Federal Transit Administration and other grant sources.
- Projected ridership: 2,000 – 4,000 daily riders by 2026



## SYSTEM EXPANSION

Sound Transit regional system expansion are underway throughout the Puget Sound region, connecting multiple cities between Lacey to south, Everett to north, east Issaquah and west to Seattle waterfront. New lines and stations have opened already, with others planned through 2045.

# Demographics

1352 FAWCETT AVE | TACOMA, WA 98402

2023	1 MILE	3 MILES	5 MILES
Population	21,681	105,671	272,654
Total Businesses	2,070	5,215	16,773
Median Age	36.7	36.1	37.8
Households	10,090	44,349	108,569
Renter Occupied Housing Units	7,449	23,007	48,563
Avg. HH Income	\$84,862	\$99,992	\$107,421
Avg. HH Size	1.85	2.26	2.45







University of Puget Sound

MultiCare Tacoma General Hospital

Point Ruston

McMenamins Elks Temple

Courthouse Square

University of Washington

E 11TH STREET

**APPROX. COMMUTE TIMES BY CAR**

Seattle	34 min.
Bellevue	40 min.
SeaTac Airport	26 min.
Bremerton	39 min.
Olympia	32 min.

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