

OFFERING MEMORANDUM

# FREEPORT APARTMENTS



10211 47TH AVE SW | LAKEWOOD, WA

# INVESTMENT SUMMARY

ADDRESS	10211 47th Ave SW   Lakewood WA
PARCEL	0219012043
NO OF UNITS	14
YEAR BUILT	1980
NO OF BUILDINGS	1
NO OF FLOORS	2
UNIT FINISHES	Classic / Light Upgrades
LAND AREA	27,440 / 0.63 AC
NET RENTABLE	10,724 SF
AVG. UNIT SIZE	766 SF
FOUNDATION	Slab on grade
ROOF	Composition shingle
PRICE	\$2,900,000 (\$207,142 / unit)
IN-PLACE CAP	6.40%
ASSUMABLE DEBT	3.37% fixed through April 2029

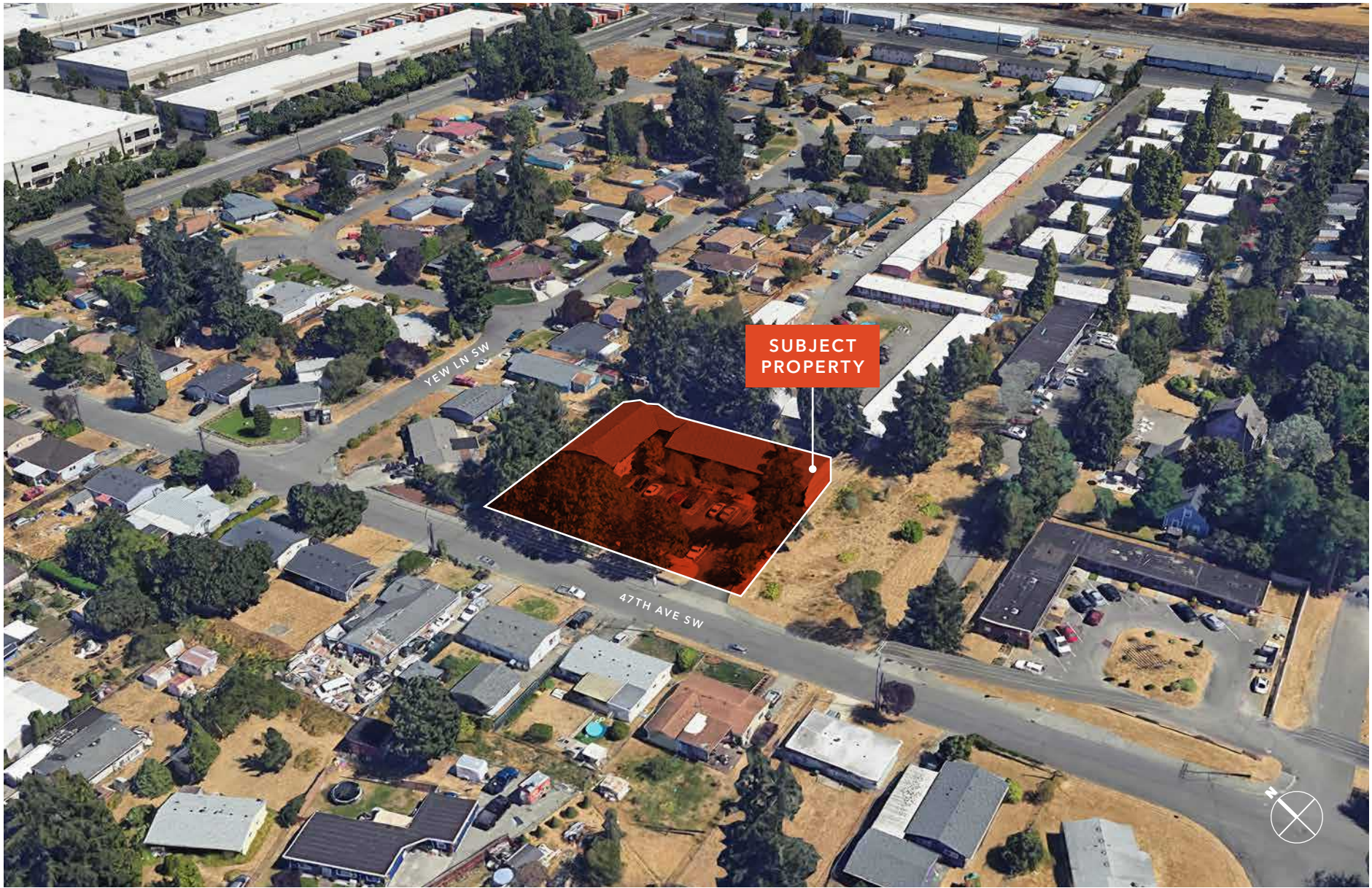
*Rare assumable debt opportunity in excellent renters market, Kidder Mathews is pleased to have the exclusive listing for the Freeport Apartments.*

A truly unique assumable debt offering, Freeport sits in the heart of Lakewood and is well positioned to offer new ownership immediate cashflow. Built in 1980, Freeport holds 14-spacious 766 SF 2-bedroom homes situated less than two miles from Interstate - 5. This transit oriented community rests on 0.63 acres of land comprised of one building, ample surface parking and mature vegetation. With over 78% of units unrenovated, investors will find immense value in interior upgrades and implementation of washer/dry add ins.

Freeport has extremely attractive assumable debt offered at 3.37% fixed through 2029. Providing day one cash flow for new ownership, the Freeport offering offers multiple avenues to add value and increase NOI in both the immediate and long term future.



LOCATION AERIAL



# AMENITIES

LAKEWOOD TOWNE CENTER


**SUBJECT PROPERTY**

CLOVER PARK HIGH SCHOOL

512

TACOMA COUNTRY CLUB

TYEE PARK ELEMENTARY



PACIFIC LUTERAN UNIVERSITY

JBLM MCCORD FIELD







# PROPERTY SUMMARY



## VALUE-ADD OPPORTUNITY

100% of units could benefit from heavy interior upgrades. Recommended improvements consist of stone countertops, new shaker cabinets, updated doors & mill work, stainless appliances.



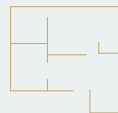
## ASSUMABLE FINANCING

Below market fixed rate creating immediate cash flow. Freeport offers principle loan balance of roughly 1.9M, at 3.37% interest fixed through 2029.



## MARKET GROWTH POTENTIAL

Since 2015 rents in Lakewood have seen an increase in rent growth of over 55%. With a limited supply of new units coming to market, demand continues to outpace supply in pushing future rental rates.



## IDEAL UNIT MIX

All units have spacious 2-bedroom layouts averaging over 760 SF. A family tailored floor plan, Freeport has extremely low historic vacancy.



## CENTRALLY LOCATED

Freeport sits minutes from Interstate - 5 providing easy access to both local and national employers include Joint Base Lewis McChord (JBLM).

## VALUATION

### INCOME

	Current	Per Unit	Proforma	Per Unit
MONTHLY RENTAL INCOME	\$21,265	\$1,519	\$23,730	\$1,695
<b>GROSS POTENTIAL INCOME</b>	<b>\$255,180</b>	<b>\$18,227</b>	<b>\$284,760</b>	<b>\$20,340</b>
VACANCY @ 5%	-\$12,759	-\$911	-\$14,238	-\$1,017
UTILITY BILL-BACK	\$15,069	\$1,076	\$17,753	\$1,268
OTHER INCOME (\$500/UNIT)	\$7,000	\$500	\$7,000	\$500
<b>EFFECTIVE GROSS INCOME</b>	<b>\$264,490</b>	<b>\$18,892</b>	<b>\$295,275</b>	<b>\$21,091</b>

### ANNUAL OPERATING EXPENSES

	Current	Per Unit	Proforma	Per Unit
REAL ESTATE TAXES (2024)	\$22,369	\$1,598	\$23,293	\$1,664
INSURANCE (\$350/UNIT)	\$4,900	\$350	\$4,900	\$350
UTILITIES (T12)	\$20,886	\$1,492	\$20,886	\$1,492
REPAIRS, MAINTENANCE & TURNOVER	\$14,000	\$1,000	\$14,000	\$1,000
MANAGEMENT FEE (5% OF EGI)	\$13,225	\$945	\$14,764	\$1,055
<b>TOTAL EXPENSES</b>	<b>\$75,380</b>	<b>\$5,384</b>	<b>\$77,843</b>	<b>\$5,560</b>
REPLACEMENT RESERVES	\$3,500	\$250	\$3,500	\$250
<b>NET OPERATING INCOME</b>	<b>\$185,611</b>		<b>\$213,933</b>	
CAP RATE	6.40%		7.38%	
	<b>\$2,900,000</b>	<b>\$207,143</b>		

### DEBT ASSUMPTION

	Current	Per Unit
LOAN BALANCE	\$1,912,000	65.93%
DOWN PAYMENT	\$988,000	34.07%
ESTIMATED INTEREST PAYMENT 3.37%	\$102,271	
YEAR ONE CASH	\$83,340	
<b>YEAR ONE CASH ON CASH</b>	<b>8.44%</b>	
PROFORMA CASH ON CASH	11.30%	



INTERIOR PHOTOS



EXTERIOR PHOTOS

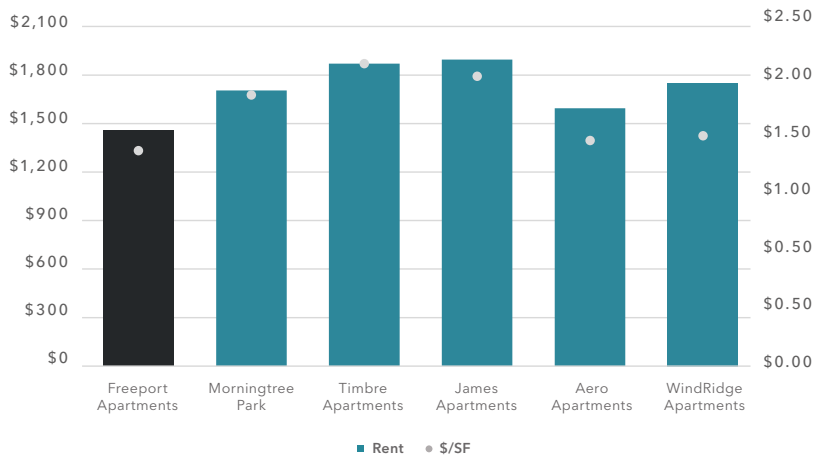




# RENT COMPARABLES

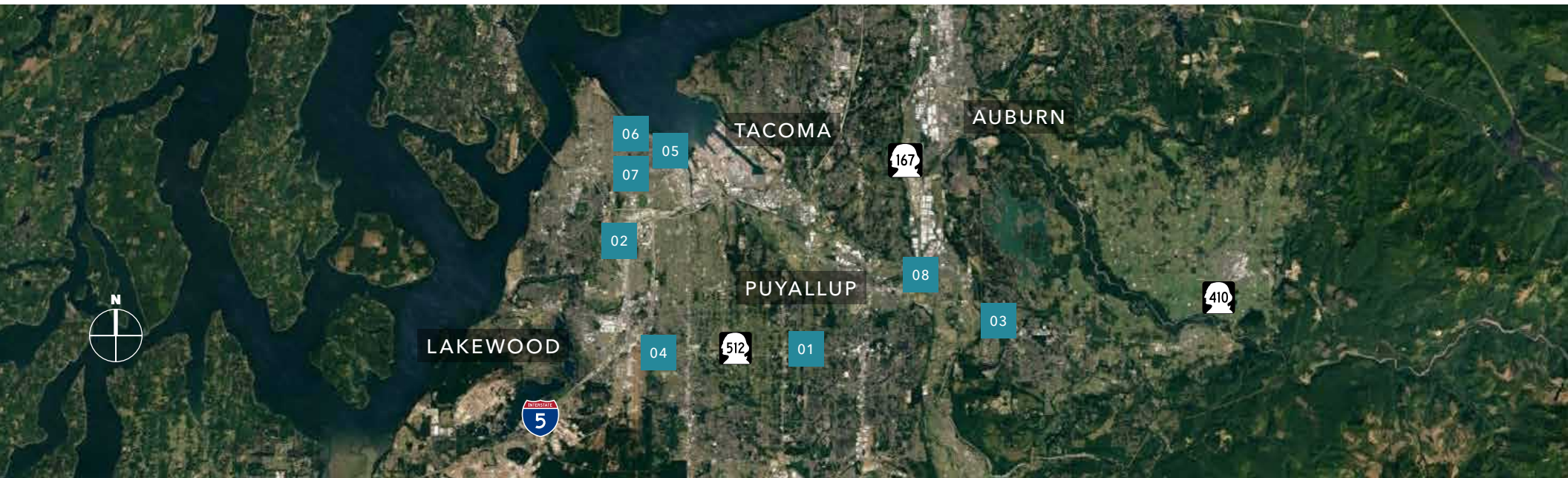
	Property Name	Unit Finishes	Year	Unit SF	Rent	%/SF
<b>01</b>	<b>FREEPORT APARTMENTS</b> 10211 47th Ave SW, Lakewood, WA	Lightly Renovated	1980	766	\$1,458	\$1.90
<b>02</b>	<b>MORNINGTREE PARK</b> 8101 SW 83rd Ave, Lakewood, WA	Lightly Renovated	1968	712	\$1,705	\$2.39
<b>03</b>	<b>TIMBRE APARTMENTS</b> 8200 Bridgeport Way, Lakewood, WA	Renovated	1970 / 2022	700	\$1,870	\$2.67
<b>04</b>	<b>JAMES APARTMENTS</b> 4828 123rd St SW, Lakewood, WA	Renovated	1976 / 2022	740	\$1,895	\$2.56
<b>05</b>	<b>AERO APARTMENTS</b> 9314 S Ash St, Tacoma, WA	Renovated	1986	800	\$1,595	\$1.99
<b>06</b>	<b>WINDRIDGE APARTMENTS</b> 4409 107TH Ct SW, Tacoma, WA	Lighly Renovated	1989	860	\$1,750	\$2.03

## 2 BEDROOM X 1 BATH



# SALES COMPARABLES

	Property Name	Year Built	# of Units	Sale Date	Sale Price	Sale \$/Unit	Cap Rate
01	<b>6608 106TH ST CT E</b> Puyallup, WA	1976	8	06/30/2023	\$1,735,000	\$216,875	NA
02	<b>4318 S PUGET SOUND AVE</b> Tacoma, WA	2021	12	06/13/2023	\$3,200,000	\$266,667	6.34%
03	<b>8609 LOCUST AVE E</b> Bonney Lake, WA	2021	18	05/23/2023	\$5,750,000	\$319,444	5.43%
04	<b>1403 107TH ST CT E</b> Tacoma, WA	1994	8	11/18/2022	\$2,330,000	\$291,250	4.92%
05	<b>708 N J ST</b> Tacoma, WA	1963	10	10/12/2022	\$2,000,000	\$200,000	4.60%
06	<b>2902 N CARR ST</b> Tacoma, WA	1968	16	09/30/2022	\$3,625,000	\$226,563	NA
07	<b>702 S OAKS ST</b> Tacoma, WA	1964	12	07/28/2022	\$2,850,000	\$237,500	4.48%
08	<b>728 CHERRY AVE</b> Sumner, WA	1967	20	07/14/2022	\$4,800,000	\$240,000	5.47%
<b>Comparable Averages</b>						<b>\$249,787</b>	<b>5.21%</b>



*Exclusively listed by*

**AUSTIN KELLEY**

Senior Vice President

253.722.1413

[austin.kelley@kidder.com](mailto:austin.kelley@kidder.com)

**TED SIPILA, CCIM**

Senior Vice President

253.722.1421

[ted.sipila@kidder.com](mailto:ted.sipila@kidder.com)

[KIDDER.COM](http://KIDDER.COM)

