

For Sale

# 230-240 Auburn Way S

AUBURN, WA 98002



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**NAI** Puget Sound  
Properties

# Offering Summary

NAI Puget Sound Properties is pleased to present for sale a multi-tenant retail/office building located at 230 & 240 Auburn Way South in Auburn, WA. The property consists of a 12,000 square-foot, two-story building, situated on a 16,000 square-foot lot, zoned DUC. The property's 8 units are currently 100% occupied with a strong tenant mix. The leases are currently under-market and have built in 4% annual increases, creating the unique opportunity for an investor to achieve a high as-is yield with the benefit of future rental upside.



<b>ADDRESS</b>	230-240 Auburn Way S Auburn, WA 98002
<b>ZONING</b>	DUC
<b>YEAR BUILT/RENOVATED</b>	1975 / 2015
<b>YEAR-1 CAP</b>	7.20%
<b>NOI</b>	\$167,540
<b>OCCUPANCY</b>	100%
<b>PRICE PSF</b>	\$193



**SALE PRICE**  
**\$2,325,000**



**BUILDING SIZE**  
**12,000 SF**



**LOT SIZE**  
**16,000 SF**





# Investment Highlights

- + STABILIZED INVESTMENT WITH UPSIDE POTENTIAL**

Uniquely high “as-is” cap rate with below market rents, allowing for upside potential. Additionally, the leases have steep built-in annual rent bumps (4%-7%).
- + 100% OCCUPIED BUILDING**

Fully occupied property with strong tenant mix and minimal vacancy history.
- + CENTRALLY LOCATED IN DOWNTOWN AUBURN**

Adjacent to national retailers such as Safeway and Burger King. New Hilton hotel development planned for site directly across the street.
- + RECENTLY REMODELED BUILDING**

In 2016, the property’s front façade was completely redesigned and rebuilt. In 2021, a new PVC roof was installed. In 2022, the rear façade of the property was remodeled, including new wood staircases, window framing, fascia boards, and paint.
- + LOW LANDLORD MANAGEMENT RESPONSIBILITIES**

Tenants are solely responsible for the maintenance of their spaces, including the HVAC units serving their space. One of the tenants also serves as the on-site property manager, significantly limiting landlord management needs.

# Financial Analysis

## Year-1 Operating Statement

Scheduled Lease Income		\$206,287
NNN Charges		-
Effective Gross Income		\$206,287
Expenses		(\$38,747)
<b>Net Operating Income</b>		\$167,540
Loan Payment		(\$119,631)
<b>Pre-Tax Cash Flow</b>	5.9%	\$47,909
Principal Reduction		\$25,911
<b>Total Return Before Taxes</b>	9.1%	\$73,820

## Expenses

Real Estate Taxes	\$21,248
Mgmt & Cleaning	\$6,084
Utilities	\$6,495
Insurance	\$4,330
Misc. Repair	\$590
<b>Total Expenses</b>	\$38,747
Expenses Per SF	\$3.23

## Proposed Financing

Loan	\$1,511,250 (65% LTV)
Terms	25-Year Amort.
Interest Rate	6.25%

# Financial Analysis

## Rent Roll

Tenant*	SF	%	Lease Start	Lease Exp	\$	\$/SF
Tenant 1	1,500	13%	Dec 2009	Dec 2028	\$2,422.00	\$19.38
Tenant 2	1,500	13%	March 2021	April 2026	\$1,995.00	\$15.96
Tenant 3	1,500	13%	Feb 2021	Jan 2026	\$2,068.00	\$16.54
Tenant 4	1,500	13%	Dec 2020	Dec 2025	\$1,903.00	\$15.22
Tenant 5	1,500	13%	February 2022	Feb 2027	\$2,524.00	\$20.19
Tenant 6	1,500	13%	July 2020	Aug 2024	\$2,212.00	\$17.70
Tenant 7	1,500	13%	August 2021	Aug 2025	\$1,863.00	\$14.90
Tenant 8	1,500	13%	October 2019	Jan 2029	\$1,725.00	\$13.80
	<b>12,000</b>	<b>100%</b>			<b>\$16,712.00</b>	<b>\$16.71</b>

\*The seller has chosen to remove tenant names to protect tenant confidentiality. Please request the tenant names and unit #'s directly from listing agent and they will be provided

## Tenant List

- |                             |                            |
|-----------------------------|----------------------------|
| + Papa Murphy Pizza         | + Therapeutic Foot Massage |
| + Management Office         | + AIPCA WA (chapel)        |
| + Auburn Postal Center      | + Oscar and Mauricio       |
| + Agape Healthcare Services | Distributions Inc          |
| + Adair Beauty Services     |                            |
| + Piano Sales and Services  |                            |

# Rent Schedule

Tenant*	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Tenant 1	\$2,422	\$2,422	\$2,422	\$2,422	\$2,422	\$2,422	\$2,422	\$2,512	\$2,512	\$2,512	\$2,512	\$2,512
Tenant 2	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,189	\$2,200	\$2,200
Tenant 3	\$2,068	\$2,068	\$2,068	\$2,068	\$2,068	\$2,068	\$2,068	\$2,068	\$2,156	\$2,156	\$2,156	\$2,156
Tenant 4	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928
Tenant 5	\$2,524	\$2,524	\$2,524	\$2,524	\$2,524	\$2,524	\$2,524	\$2,524	\$2,644	\$2,644	\$2,644	\$2,644
Tenant 6	\$2,212	\$2,212	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289	\$2,289
Tenant 7	\$1,863	\$1,863	\$1,863	\$1,947	\$1,947	\$1,947	\$1,947	\$1,947	\$1,947	\$1,947	\$1,947	\$1,947
Tenant 8	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,807	\$1,807	\$1,807	\$1,807	\$1,807
<b>Totals</b>	\$16,906	\$16,906	\$16,983	\$17,067	\$17,067	\$17,092	\$17,092	\$17,264	\$17,472	\$17,472	\$17,483	\$17,483
												<b>\$206,287</b>

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*Centrally located in  
downtown Auburn,  
with easy access to  
many local amenities  
and retailers.*





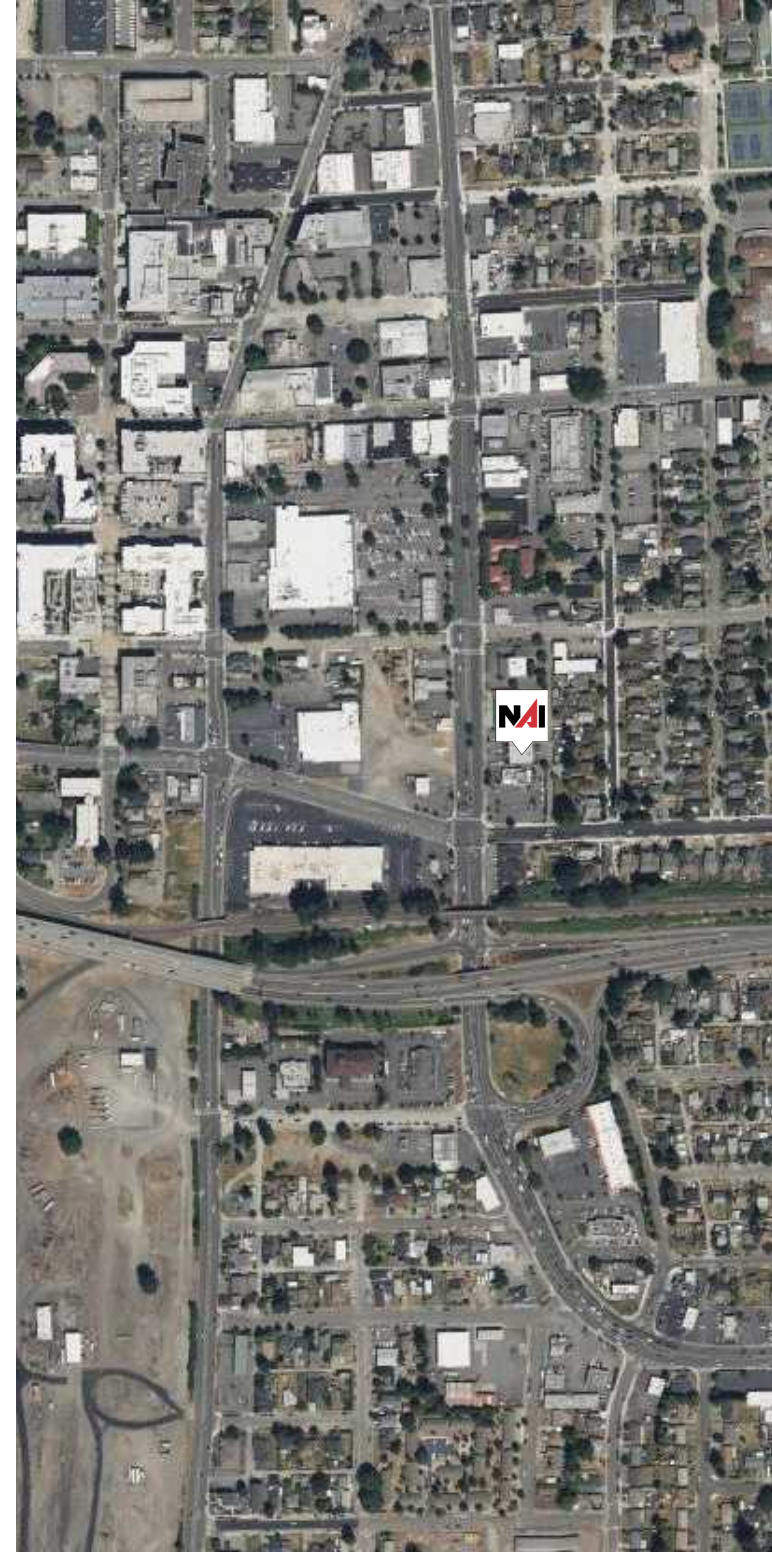
# Market Overview

**The Puget Sound Region** is considered one of the fastest growing markets in the United States — home to innovative industry leaders Amazon, Microsoft, Costco, Starbucks, Boeing, Nordstrom, Expedia, Concur Technologies, UW Medicine, Nintendo, and T-Mobile. The presence of these global leaders has attracted companies from all over the country including tech giants Facebook, Google, Apple, Uber, and Salesforce. Exponential growth from these companies has allowed many cities within the Seattle submarket to flourish.

Auburn is the fifteenth largest city in Washington and is affectionately known as the “**gateway to Mt. Rainier.**” Bordered by Federal Way to the West and Kent to the North, the city’s central location in the I-5 corridor offers convenient access to Seattle, Tacoma, and SeaTac International Airport. Auburn’s proximity to Tacoma (14 miles) and Seattle (28 miles) makes it a desirable location for commercial tenants. Incorporated in 1891, **Auburn is home to more than 80,000** residents and counts Boeing, Muckleshoot Tribal Enterprises, MultiCare Auburn, Green River College, and Emerald Downs Racetrack among its Top-10 employers.

Auburn is also a community known for its rich history and outdoor opportunities. The city is home to the White River Valley Museum and features an extensive parks and trails system. In addition to Auburn’s commercial amenities and natural beauty, **Sound Transit is expanding its link light rail extension in South King County** with stops in neighboring Kent and Federal Way. The link extension is anticipated to increase the overall commercial traffic in the region, providing higher demand and appeal for local businesses.

Sources: Explore Auburn, <https://exploreauburn.com/> and City of Auburn, Washington, <https://www.auburnwa.gov/>







## Demographic Overview

	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
Population	3,246	149,629	386,202
Households	1,331	61,460	179,391
Median Age	40.4	38.6	38.9
Median HH Income	\$103,952	\$105,531	\$107,766
Avg. HH Income	\$135,390	\$146,218	\$155,059
Renter Occupied Housing Units	570	29,495	107,979

WA PIANOS

# 230-240 Auburn Way S

AUBURN, WA 98002

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