

PARAGON  
REAL ESTATE ADVISORS



# CANYON CREST APARTMENTS

**OFFERING MEMORANDUM**



# PARAGON

REAL ESTATE ADVISORS

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Information within this marketing package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information and bears all risk for inaccuracies.

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# OFFERING

Paragon Real Estate Advisors is pleased to announce the exclusive listing of the Canyon Crest Apartments. Current ownership has improved operations over the past 24 months, but rents are still below market and a value-add opportunity exists to fully renovate the units and lift rents higher.

The Canyon Crest has seen extensive updates during the last 12 months, with over \$160,000 spent on improvements. 6 of the 9 units have been updated with LVP flooring, new appliances, bathroom remodels, and paint. All the electrical panels have been replaced during the process as well. The unit mix of the 9 units is 6 – 1-bed/1-bath units and 3 – 2-bed/1-bath units.

Exterior improvements include the installation of a brand-new membrane roof, fresh exterior paint, replacement of the sewer line connection, landscaping and the Puget Sound Energy box replacement. The building is “L-Shaped” with a courtyard which provides a sense of community for the tenants.

The City of Kent is a strategic location for property ownership, offering easy access to major cities and outdoor activities. Its growing economy and diverse population make it a promising area for commercial investments and rent growth.





# FINANCIAL SUMMARY

NAME	<b>Canyon Crest Apartments</b>
ADDRESS	9045 Canyon Dr Kent, WA 98030
PRICE	\$1,750,000
TOTAL UNITS	9
BUILT	1957
SQUARE FEET	6,271 KC Total Net Rentable SqFt
PRICE PER UNIT	\$194,444
PRICE PER FOOT	\$279
CURRENT GRM/CAP	10.1/5.8%
MARKET GRM/CAP	9.2/6.7%
LOT SIZE	23,522 Square Feet
ZONING	MR-D

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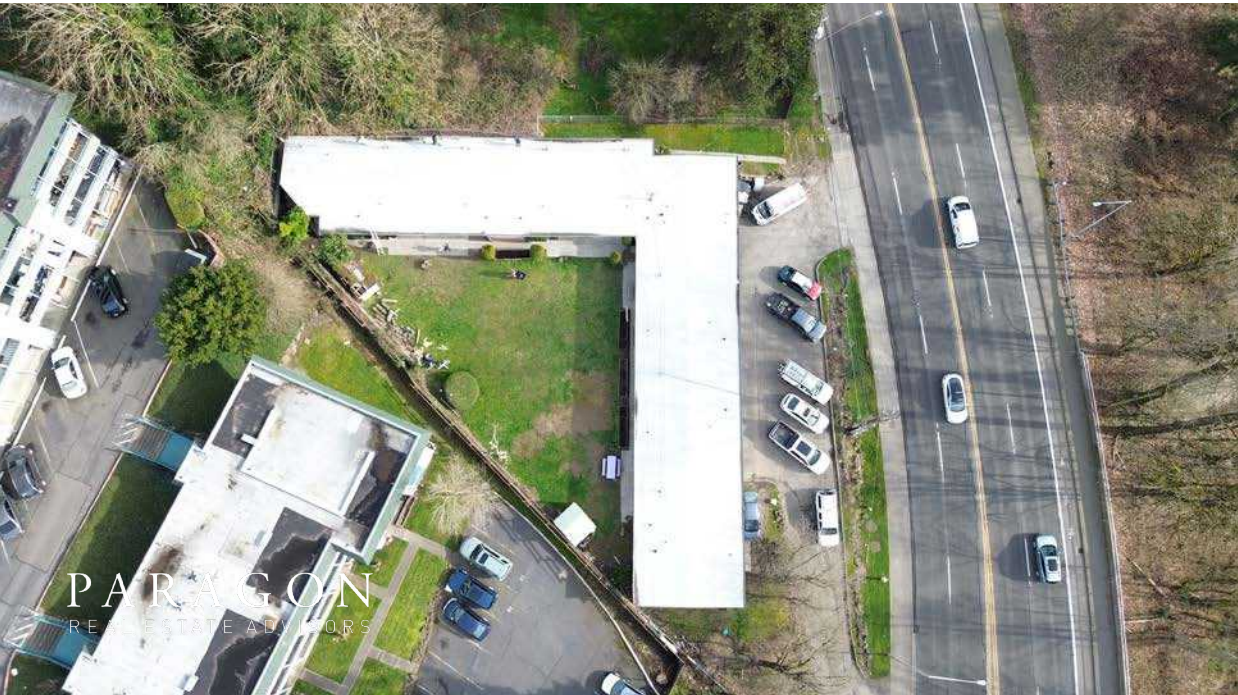
# INVESTMENT HIGHLIGHTS

- Over \$160,000 of improvements completed over the past 12 months
- New membrane roof installed
- Operational value-add opportunity to bring rents to market
- All electric panels have been updated
- Extensive landscaping completed including tree removal
- 6 of 9 units have been updated with LVP flooring, appliances, bathroom fixtures and paint
- Fresh exterior paint
- Replaced connection to the city sewer line and installed cleanouts
- Storage units available
- 9 covered parking spaces and 7 open spots





# EXTERIORS





# INTERIORS



# UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE	CURRENT RENT	PER SQFT	MARKET RENT	PER SQFT
1	2BD/1BTH	775	\$1,600	\$2.06	\$1,650	\$2.13
2	2BD/1BTH	775	\$1,600	\$2.06	\$1,650	\$2.13
3*	2BD/1BTH	775	\$1,600	\$1.87	\$1,650	\$2.13
4	2BD/1BTH	775	\$1,600	\$2.06	\$1,650	\$2.13
5*	1BD/1BTH	599	\$1,350	\$2.09	\$1,450	\$2.42
6	1BD/1BTH	599	\$1,450	\$2.42	\$1,450	\$2.42
7*	1BD/1BTH	599	\$1,350	\$2.09	\$1,450	\$2.42
8**	1BD/1BTH	599	\$1,350	\$2.09	\$1,450	\$2.42
9	2BD/1BTH	775	\$1,600	\$2.06	\$1,650	\$2.13
<b>9</b>	<b>Total/Avg</b>	<b>697</b>	<b>\$13,050</b>	<b>\$2.08</b>	<b>\$14,050</b>	<b>\$2.24</b>

\*Rent goes into effect September 1st, 2024

\*\*Rent goes into effect December 1st, 2024





# INCOME & EXPENSES: SELLER FINANCING

<b>Units</b>	9	<b>Price</b>	\$1,750,000
<b>Year Built</b>	1957	<b>Per Unit</b>	\$194,444
<b>Rentable Area</b>	6,271 SqFt	<b>Per Sq. Ft.</b>	\$279.06
<b>Down Pmt</b>	\$629,973	<b>Current GRM</b>	10.05
<b>Loan Amount</b>	\$1,120,027	<b>Current CAP</b>	5.83%
<b>Interest Rate</b>	6.500%	<b>Market GRM</b>	9.23
<b>Amortization</b>	30 Years	<b>Market CAP</b>	6.71%

<b>UNITS</b>	<b>UNIT TYPE</b>	<b>SIZE</b>	<b>CURRENT RENT</b>	<b>MARKET RENT</b>
4	1 Bd/1 Bth	599	\$1,350	\$1,450
5	2 Bd/1 Bth	775	\$1,530	\$1,650
<b>9</b>	<b>Total/Avg</b>		<b>\$2.08</b>	<b>\$2.24</b>

<b>MONTHLY INCOME</b>	<b>CURRENT</b>	<b>MARKET</b>
<b>Monthly Scheduled Rent</b>	\$13,050	\$14,050
Parking	\$0	\$0
Storage (9 Stalls)	\$0	\$225
Utility Income	\$1,110	\$1,150
Month to Month Fee	\$200	\$200
Insurance/Laundry/Other	\$151	\$180
<b>Total Monthly Income</b>	<b>\$14,511</b>	<b>\$15,805</b>

<b>ANNUALIZED OPERATING DATA</b>		<b>CURRENT</b>		<b>MARKET</b>
<b>Scheduled Gross Income</b>		<b>\$174,132</b>		<b>\$189,660</b>
Less Vacancy	5.00%	\$8,707	5.00%	\$9,483
<b>Gross Operating Income</b>		<b>\$165,425</b>		<b>\$180,177</b>
<b>Less Expenses</b>		<b>\$63,483</b>		<b>\$62,669</b>
<b>Net Operating Income</b>		<b>\$101,942</b>		<b>\$117,508</b>
<b>Annual Debt Service</b>		<b>(\$7,079)</b>		<b>\$84,952</b>
<b>Cash Flow Before Tax</b>	<b>2.70%</b>	<b>\$16,990</b>	<b>5.17%</b>	<b>\$32,556</b>
<b>Principal Reduction</b>		<b>\$12,519</b>		<b>\$12,519</b>
<b>Total Return Before Tax</b>	<b>4.68%</b>	<b>\$29,509</b>	<b>7.16%</b>	<b>\$45,075</b>

<b>ANNUALIZED OPERATING EXPENSES</b>		<b>CURRENT</b>	<b>MARKET</b>
RE Taxes	2024 Actual	\$18,614	\$18,614
Insurance	2024 Actual	\$4,756	\$4,756
Utilities	2023 Actual	\$16,174	\$16,174
Professional Management	2023 Actual	\$6,674	\$7,000
Cleaning/Maint/Repairs	Proforma	\$9,000	\$9,000
Landscaping	Proforma	\$1,200	\$1,200
Admin/Leasing/Marketing	2023 Actual	\$4,140	\$3,000
Reserves	Proforma	\$2,925	\$2,925
<b>Total Expenses</b>		<b>\$63,483</b>	<b>\$62,669</b>

<b>CURRENT OPERATIONS</b>	<b>Expense/Unit</b>	<b>\$7,054</b>	<b>MARKET OPERATIONS</b>	<b>Expense/Unit</b>	<b>\$6,963</b>
	<b>Expense/Foot</b>	<b>\$10.12</b>		<b>Expense/Foot</b>	<b>\$9.99</b>
	<b>Percent of EGI</b>	<b>38.38%</b>		<b>Percent of EGI</b>	<b>34.78%</b>



# PARAGON REAL ESTATE

\$4.1 B  
Sales Volume

29  
Years in  
Business

20+  
Brokers

48 k  
Units Sold

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**Leading investment firm for multi-family property**

Paragon Real Estate Advisors is a leading Seattle real estate investment firm for multi-family property sales in Washington State. We are locally owned, client-focused, and highly experienced. When it comes to apartments and investment real estate in the Puget Sound region, we are the smart choice to partner with.



## The Top Local Multi-Family Brokerage in 2021

in the Seattle market according to  CoStar™

### PARAGON REAL ESTATE ADVISORS

In 1995 our founders saw an opportunity to form a new kind of brokerage, one that focused on sharing information between brokers and truly partnering with its clients. Paragon Real Estate Advisors quickly established itself as a leading Seattle real estate investment firm. Paragon Real Estate Advisors is the leading Seattle real estate investment firm for multi-family property sales in Washington State. We have accrued over \$4.1 billion in sales and have closed over 1,800 successful real estate transactions. We are locally owned, client-focused, and highly experienced.

At Paragon, we build long-term partnerships that help our clients reach their long- and short-term real estate investment goals while maintaining maximum profitability for them. Our brokers have an in-depth knowledge of the Washington state real estate market, particularly in the greater Seattle area and the I-5 corridor, that comes from more than 20 years' experience in the industry. Paragon's unique focus on sharing knowledge, teamwork and collaboration within the brokerage industry leverages our collective intellect for all our clients. Our brokers provide superior customer representation through our innovative and effective marketing campaigns, co-brokerage, skilled negotiations, and ongoing partnerships.

Visit our new website! [ParagonREA.com](https://ParagonREA.com)



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