



PARAGON
REAL ESTATE ADVISORS

THE SUNWEST 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 is pleased to announce the exclusive listing of the Sunwest Apartments perched on top of the hill in Des Moines with views of Puget Sound. Situated next to the Des Moines Field House and Park, the building's location provides the tenants with a tranquil setting in a quiet residential neighborhood. Tenants are only a short walk down the hill to the Des Moines Pier, Marina, and Waterfront corridor. The downtown core features many restaurants, bars, boutiques, and more!

Built in 1967, the Sunwest Apartments is a very well-maintained property that has undergone numerous updates including all new double pane vinyl windows, sliding glass doors, copper plumbing, and interior unit upgrades. The Sunwest Apartments consists of ten large two bedroom one bath units that are clean, spacious, and provide abundant natural light with water views from the top floor units. The property will operate at a 6.07% Cap Rate once the rent increases take effect on November 1st, 2024 with additional rental upside. The location is great for commuters heading to Seattle or the Eastside as the property is located only a half mile from Highway 509 and is only a 2-mile drive to the Angle Lake Light Rail Station.



FINANCIAL SUMMARY

| | |
|-----------------|--|
| NAME | Sunwest Apartments |
| ADDRESS | 815 S 219th St Des Moines, WA 98198 |
| PRICE | \$2,200,000 |
| TOTAL UNITS | 10 |
| BUILT | 1967 |
| SQUARE FEET | 9,360 Total Net Rentable |
| PRICE PER UNIT | \$220,000 |
| PRICE PER FOOT | \$235 |
| CURRENT GRM/CAP | 10.9 / 6.1% |
| MARKET GRM/CAP | 9.1 / 7.2% |
| LOT SIZE | 15,752 Square Feet |
| ZONING | RM-2400 |

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INVESTMENT HIGHLIGHTS

- 10 Large 2 Bedroom / 1 Bathroom Units – 936 Square Feet each
- Views of Puget Sound
- Current Cap Rate – 6.07% (Rent Increases take effect on November 1st, 2024)
- \$235.04 Price per Net Rentable Square Foot
- New Windows and Sliding Doors
- New Hardie Siding installed on south and east sides of the building
- New Paint on west side of the building
- ITE Electrical Panels
- Copper Plumbing
- Common Laundry – Speed Queen Washers/Dryers – Owned
- Storage Room – 7 X 10 square feet – potential to lease out for additional income
- Located next to Des Moines Field House and only .5 miles to Des Moines Park, Pier and Marina



EXTERIORS



INTERIORS



INTERIORS



UNIT BREAKDOWN

| UNIT | UNIT TYPE | SIZE | CURRENT RENT | PER SQFT | MARKET RENT |
|-----------|------------------|--------------|----------------|---------------|----------------|
| 1 | 2 Bd/1 Bth | 936 | \$1,650* | \$1.76 | \$1,850 |
| 2 | 2 Bd/1 Bth | 936 | \$1,750 | \$1.87 | \$1,850 |
| 3 | 2 Bd/1 Bth | 936 | \$1,430 * | \$1.53 | \$1,850 |
| 4 | 2 Bd/1 Bth | 936 | \$1,700 | \$1.82 | \$1,850 |
| 5 | 2 Bd/1 Bth | 936 | \$1,430 * | \$1.53 | \$1,850 |
| 6 | 2 Bd/1 Bth | 936 | \$1,650 * | \$1.76 | \$1,950 |
| 7 | 2 Bd/1 Bth | 936 | \$1,700 * | \$1.82 | \$1,950 |
| 8 | 2 Bd/1 Bth | 936 | \$1,900 | \$2.03 | \$1,950 |
| 9 | 2 Bd/1 Bth | 936 | \$1,700 * | \$1.82 | \$1,950 |
| 10 | 2 Bd/1 Bth | 936 | \$1,900 | \$2.03 | \$1,950 |
| 10 | Total/Avg | 9,360 | \$1,681 | \$1.80 | \$1,900 |

*Rent listed reflects rent that goes into effect on November 1st, 2024.



FINANCIALS

INCOME & EXPENSES

| | | | |
|----------------------|-------------|--------------------|-------------|
| Units | 10 | Price | \$2,200,000 |
| Year Built | 1967 | Per Unit | \$220,000 |
| Rentable Area | 9,360 SqFt | Per Sq. Ft. | \$235.04 |
| Down Pmt | \$600,000 | Current GRM | 10.86 |
| Loan Amount | \$1,600,000 | Current CAP | 6.07% |
| Interest Rate | 6.95%* | Market GRM | 9.12 |
| Amortization | 30 years | Market CAP | 7.17% |

* Interest Only for first 12 months.

| UNITS | UNIT TYPE | SIZE | CURRENT RENT | MARKET RENT |
|-----------|------------------|------------|-----------------|---------------|
| 10 | 2 Bd/1 Bth | 936 | \$1,430-\$1,900 | \$1,900 |
| 10 | Total/Avg | 936 | \$1.80 | \$2.03 |

| MONTHLY INCOME | CURRENT | MARKET |
|-------------------------------|-----------------|-----------------|
| Monthly Scheduled Rent | \$16,810 | \$19,000 |
| Laundry Income | \$78 | \$100 |
| Utility Income | \$0 | \$900 |
| Miscellaneous Income | \$0 | \$100 |
| Total Monthly Income | \$16,888 | \$20,100 |

| ANNUALIZED OPERATING DATA | CURRENT | MARKET |
|----------------------------------|-------------------------|------------------|
| Scheduled Gross Income | \$202,660 | \$241,200 |
| Less Vacancy 5.00% | \$10,133 5.00% | \$12,060 |
| Gross Operating Income | \$192,527 | \$229,140 |
| Less Expenses | \$58,994 | \$71,366 |
| Net Operating Income | \$133,533 | \$157,774 |
| Annual Debt Service (\$9,267/mo) | \$111,200 (\$10,591/mo) | \$127,094 |
| Cash Flow Before Tax | 3.72% | 5.11% |
| Principal Reduction | \$0 | \$16,410 |
| Total Return Before Tax | 3.72% | 7.85% |

| ANNUALIZED OPERATING EXPENSES | CURRENT | MARKET |
|-----------------------------------|-----------------|-----------------|
| RE Taxes 2024 | \$23,377 | \$23,377 |
| Insurance 2024 | \$9,325 | \$9,325 |
| Utilities 2023 | \$11,689 | \$11,689 |
| Prof Management Proforma (5% EGI) | \$0 | \$11,457 |
| Maintenance 2023 / Proforma | \$7,585 | \$8,500 |
| Licenses/Fees 2023 | \$1,568 | \$1,568 |
| Landscaping Proforma | \$1,200 | \$1,200 |
| Admin/Acct/Marketing Proforma | \$1,250 | \$1,250 |
| Reserves Proforma | \$3,000 | \$3,000 |
| Total Expenses | \$58,994 | \$71,366 |

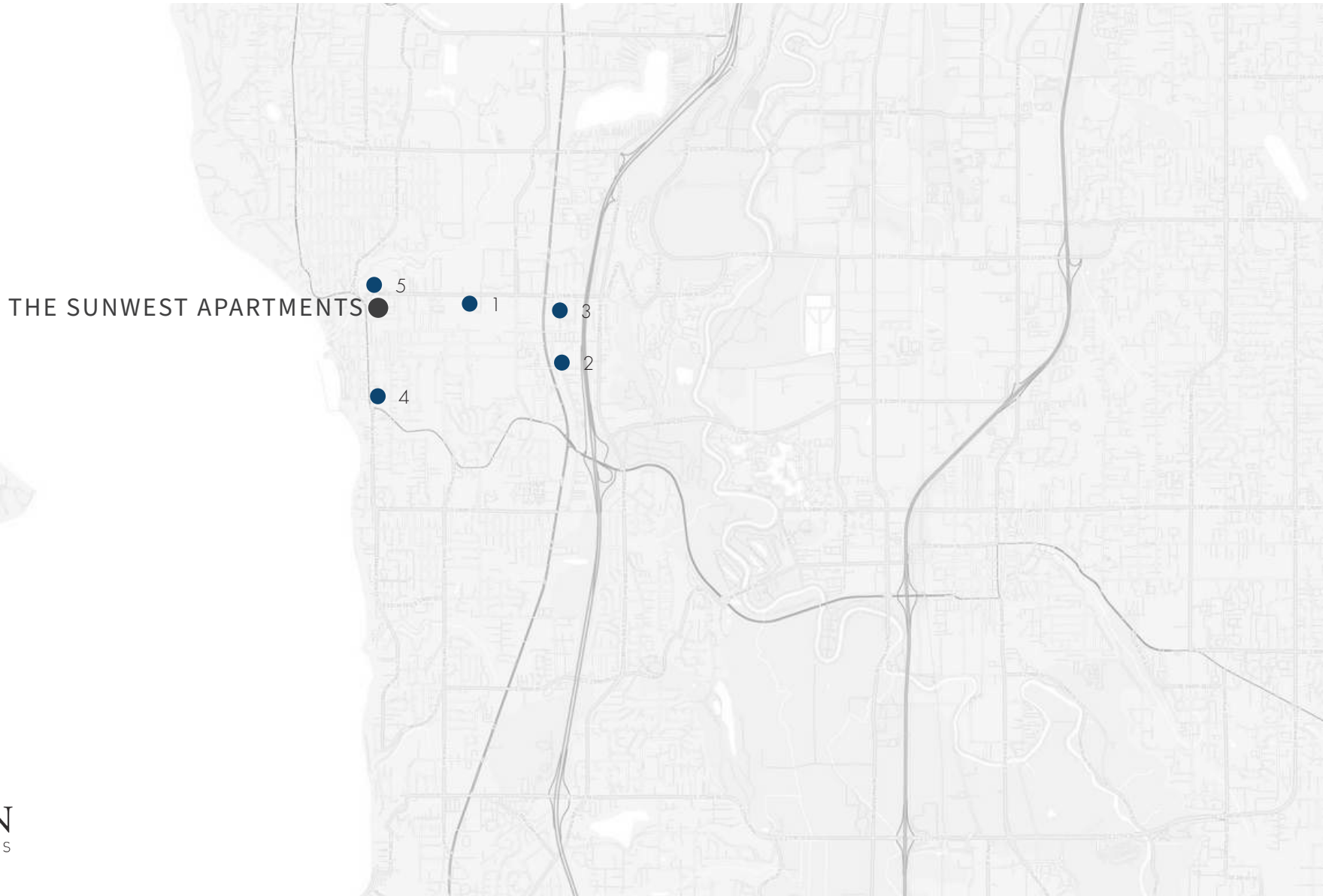
| CURRENT OPERATIONS | Expense/Unit | Expense/Foot | Percent of EGI | MARKET OPERATIONS | Expense/Unit | Expense/Foot | Percent of EGI |
|--------------------|--------------|--------------|----------------|-------------------|--------------|--------------|----------------|
| | \$5,899 | \$6.30 | 30.64% | | \$7,137 | \$7.62 | 31.15% |

RENT COMPARABLES

| | ADDRESS | BUILT | UNITS | UNIT TYPE | UNIT SIZE | RENT | RENT/SF |
|--|--|-------|-------|-----------|-----------|-----------------|---------|
|  | The Sunwest Apartments 815 S 219th St, Des Moines, WA | 1967 | 10 | 2BD/1BTH | 936 | \$1,430-\$1,900 | \$1.80 |
|  | Bayview Meadows Apartments 1835 S 216th St, Des Moines, WA | 1984 | 73 | 2BD/1BTH | 800 | \$1,850 | \$2.31 |
|  | J & R Apartments 22707 30th Ave S, Des Moines, WA | 1962 | 6 | 2BD/1BTH | 800 | \$1,675 | \$2.09 |
|  | Des Moines Fourplex 21825 30th Ave S, Des Moines, WA | 1969 | 4 | 2BD/1BTH | 1,200 | \$1,850 | \$1.54 |
|  | Landmarc V Apartments 811 S 227th Pl, Des Moines, WA | 1975 | 9 | 2BD/1BTH | 1,200 | \$2,100 | \$1.75 |
|  | Landmark IV Apartments 800 S 216th St, Des Moines, WA | 1974 | 7 | 2BD/1BTH | 700 | \$1,775 | \$2.54 |

RENT COMPARABLES

- 1. **BAYVIEW MEADOWS APARTMENTS** - Des Moines, WA 98198
- 2. **J & R APARTMENTS** - Des Moines, WA 98198
- 3. **DES MOINES FOURPLEX** - Des Moines, WA 98198
- 4. **LANDMARC V APARTMENTS** - Des Moines, WA 98198
- 5. **LANDMARK IV APARTMENTS** - Des Moines, WA 98198



PARAGON REAL ESTATE

\$4.1 B
Sales Volume

29
Years in
Business

20+
Brokers

48 k
Units Sold

PARAGON
REAL ESTATE ADVISORS

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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://www.paragonrea.com)

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