

PARAGON
REAL ESTATE ADVISORS

HOLLY COURT
OFFERING MEMORANDUM

Reproductive Resilience

655B

PARAGON

REAL ESTATE ADVISORS

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OFFERING

Paragon Real Estate Advisors is pleased to present The Holly Court, a premier investment opportunity in West Seattle. The Holly Court is a meticulously maintained apartment building with significant rental upside and prime retail frontage on California Ave. This property features seven well-appointed residential units and two retail spaces, all complemented by ten open parking stalls. The owners have taken exceptional care of the building, recently remodeling units 3, 4, 6, and 7 with no expense spared as unit 6 and 7 were at one-point owner-occupied units. The property's appeal is further enhanced by its stable retail tenants benefiting from high-visibility street frontage and the convenience of in-unit washer/dryers in all residential units.

Currently, Unit 6 commands a rental rate of \$2,600 as of August 2024, while the recently vacated Unit 7 was leased for \$2,890. The average rent for the remaining five residential units stands at \$1,757, highlighting the substantial potential for rental increases and overall income growth. This is a unique opportunity to acquire a high-quality asset in a desirable West Seattle location with strong future income potential.

The Holly Court is apart of a larger portfolio including three other West Seattle apartment buildings. Reach out to the listing agent for more information on those buildings.



FINANCIAL SUMMARY

| | |
|-------------------------|---------------------------------------------|
| NAME | Holly Court |
| ADDRESS | 6553 California Ave SW Seattle, WA 98136 |
| PRICE | \$2,900,000 |
| TOTAL UNITS | 9 (7 Apartments + 2 Commercial) |
| BUILT | 1986/2005 |
| SQUARE FEET | 8,406 Total Net Rentable |
| PRICE PER UNIT | \$322,222 |
| PRICE PER FOOT | \$345 |
| CURRENT CAP | 5.2% |
| MARKET CAP | 6.6% |
| RENOVATION CAP ON COST* | 7.3% |
| LOT SIZE | 7,454 Square Feet |
| ZONING | NC3-55 (M1) |

*Renovation Cap applies a \$35,000/unit budget to all un-renovated units and a \$10,000/unit budget to the partially renovated units (3 & 4).



INVESTMENT HIGHLIGHTS

- All spacious 2BD/1BTH units with in-unit washer/dryers
- The property has been meticulously maintained by the owners, with Unit 7 recently remodeled in 2015 to the highest standards
- Stable commercial tenants with Suite A currently rented through July 31st, 2027 and Suite B rented through October 31st, 2026
- The retail tenants benefit from excellent California Ave street frontage, providing consistent rental income and high visibility
- Each commercial tenant has a one – three-year extension option. Unit A extension would come at a rent of \$2,180 and Unit B extension would come at a rent of \$2,725
- With Unit 6 recently rented at \$2,600 and Unit 7 rented at \$2,890, there is substantial potential for increasing rents in the remaining units



PROPERTY DETAILS

PROPERTY DETAILS

HEAT TYPE Electric Baseboard

ROOF Replaced 2006 (Inspection completed in 2020 and all recommendations were completed at the time)

PLUMBING Copper

WINDOWS Double Pane Aluminum

HOT WATER In-Unit

PARKING 10 Open Stalls

LAUNDRY In-Unit



West Seattle is the number one neighborhood in the United States searched by Silicon Valley residents looking to relocate. West Seattle is a place of natural beauty, from the many parks and outdoor recreational spaces to the breathtaking panoramic views of the water and mountains. Immediately south of the property is Lincoln Park, a 135-acre waterfront park with walking and bike trails, a saltwater pool, picnic and play areas, and beach access. Just to the east is Solstice Park with six lighted outdoor tennis courts and a community pea patch. To the west is Lowman Beach Park with 300' of waterfront and a soon to be completed Roof Top Park. Here you can enjoy commanding views of Puget Sound, the Olympic Mountains, and Vashon and Blake Islands. For entertainment and services, the Morgan Junction retail area is blocks away. It features a locally owned Thriftway grocery store, Starbucks and Café Ladro coffee shops, Zeek's Pizza, Whisky West, Beverage Place and The Bridge Restaurant and Pub. These are all popular and fun places to shop, eat and socialize.

\$2,008

Average Rent as of 2024

\$143,566

Median Household Income

42%

Renter Occupied Housing

WEST SEATTLE

LOCATION

HOLLY COURT

PUGET SOUND

SHOPS & SERVICES ●

- 1. West Seattle Thriftway
- 2. Walgreens
- 3. Trader Joe's
- 4. Whole Foods Market
- 5. Home Depot
- 6. West Seattle Garden Center
- 7. Chevron
- 8. QFC
- 9. Shell
- 10. Target

RESTAURANTS & BARS ●

- 11. Zeek's Pizza
- 12. The Bridge
- 13. Grillbird Teriyaki
- 14. Cafe Ladro
- 15. The Westy Sports & Spirits
- 16. Box Bar
- 17. Uptown Espresso
- 18. Matador West Seattle
- 19. Peel & Press
- 20. Nos Nos Coffee House

PARKS & SCHOOLS ●

- 21. Lincoln Park
- 22. Lowman Beach Park
- 23. Morgan Junction Park
- 24. Denny Middle School
- 25. Fauntleroy Park
- 26. Chief Sealth High School
- 27. Gatewood Elementary



INTERIORS - ORIGINAL UNITS

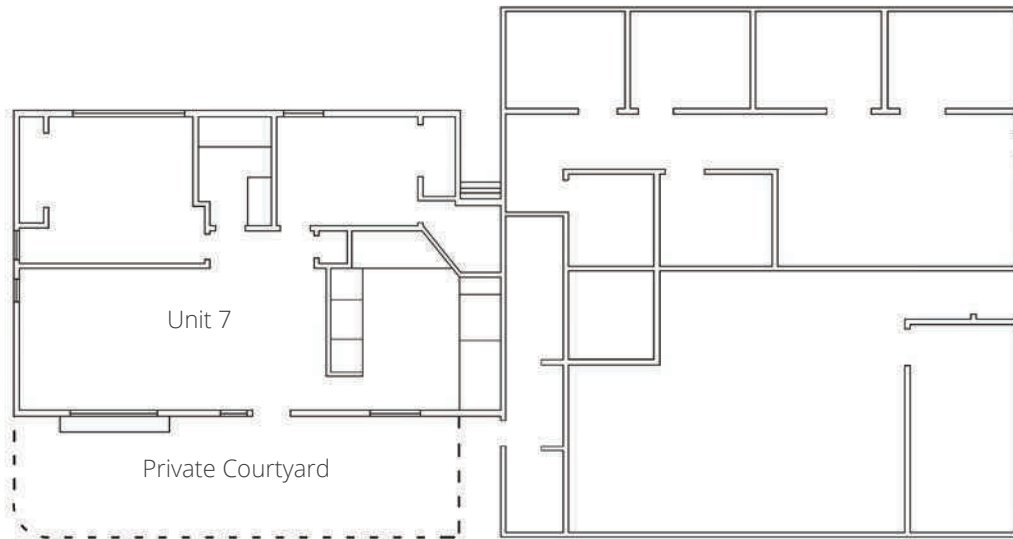


INTERIORS - FULL UNIT REMODEL (UNIT #7)



FLOOR PLANS

GROUND FLOOR



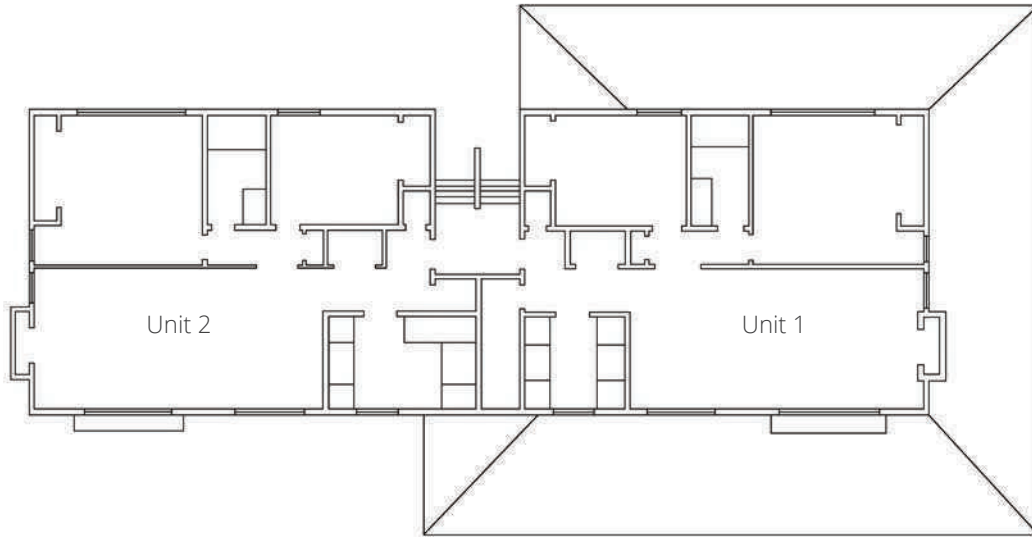
SW HOLLY ST

CALIFORNIA AVE SW



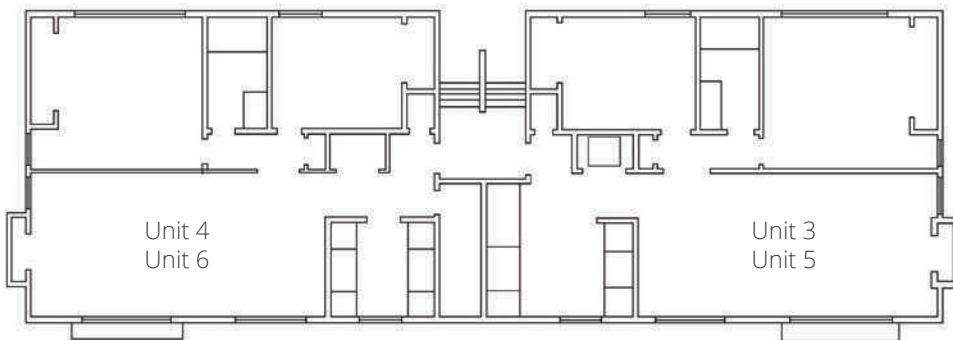
FLOOR PLANS

SECOND FLOOR



SW HOLLY ST

THIRD & FOURTH FLOOR



SW HOLLY ST

CALIFORNIA AVE SW

CALIFORNIA AVE SW



UNIT BREAKDOWN

| UNIT | UNIT TYPE | SIZE | CURRENT RENT | PER SQFT | MARKET RENT | RENO RENT |
|----------|--------------------|------------|----------------|---------------|----------------|----------------|
| 1 | 2/1.00 | 921 | \$1,720 | \$1.87 | \$2,050 | \$2,650 |
| 2 | 2/1.00 | 921 | \$1,845 | \$2.00 | \$2,050 | \$2,650 |
| 3 | R - 2/1.00 | 921 | \$2,145 | \$2.33 | \$2,450 | \$2,650 |
| 4 | R - 2/1.00 | 921 | \$1,805 | \$1.96 | \$2,450 | \$2,650 |
| 5 | 2/1.00 | 921 | \$1,270 | \$1.38 | \$2,050 | \$2,650 |
| 6 | R - 2/1.00 | 921 | \$2,395 | \$2.60 | \$2,650 | \$2,650 |
| 7 | R - 2/1.00 + Patio | 980 | \$2,795 | \$2.85 | \$2,850 | \$2,850 |
| A | COMM | 950 | \$2,000 | \$2.11 | \$2,000 | \$2,180 |
| B | COMM | 950 | \$2,500 | \$2.63 | \$2,500 | \$2,725 |
| 9 | Total/Avg | 934 | \$2,053 | \$2.20 | \$2,339 | \$2,628 |



FINANCIALS

INCOME & EXPENSES

| | | | |
|----------------------|------------|--------------------|-------------|
| Units | 9 | Price | \$2,900,000 |
| Year Built | 1986/2005 | Per Unit | \$322,222 |
| Rentable Area | 8,406 SqFt | Per Sq. Ft. | \$344.99 |
| | | Current CAP | 5.17% |
| | | Market CAP | 6.56% |
| | | Reno CAP* | 7.27% |

| UNITS | UNIT TYPE | SQFT | CURRENT RENT | MARKET RENT | RENO RENT |
|----------|------------------|------------|---------------|---------------|---------------|
| 3 | 2/1.00 | 921 | \$1,612 | \$2,050 | \$2,650 |
| 3 | R-2/1.00 | 921 | \$2,115 | \$2,517 | \$2,650 |
| 1 | R-2/1.00+Patio | 980 | \$2,795 | \$2,850 | \$2,850 |
| 2 | COMM | 950 | \$2,250 | \$2,250 | \$2,453 |
| 9 | Total/Avg | 934 | \$2.20 | \$2.50 | \$2.81 |

| MONTHLY INCOME | CURRENT | MARKET | RENO |
|-------------------------------|-----------------|-----------------|-----------------|
| Monthly Scheduled Rent | \$18,475 | \$21,050 | \$23,656 |
| Parking (10 Stalls) | \$0 | \$500 | \$500 |
| Utility Income | \$585 | \$840 | \$840 |
| Pet Rent | \$80 | \$100 | \$100 |
| Miscellaneous Income | \$0 | \$70 | \$70 |
| Total Monthly Income | \$19,140 | \$22,560 | \$25,166 |

*Renovation Cap applies a \$35,000/unit budget to all un-renovated units and a \$10,000/unit budget to the partially renovated units (3 & 4).

| ANNUALIZED OPERATING DATA | CURRENT | MARKET | RENO |
|-------------------------------|------------------|------------------|------------------|
| Scheduled Gross Income | \$229,680 | \$270,720 | \$301,992 |
| Less Vacancy | 2.00% \$4,594 | 5.00% \$13,536 | 5.00% \$15,100 |
| Gross Operating Income | \$225,086 | \$257,184 | \$286,892 |
| Less Expenses | \$75,285 | \$67,042 | \$67,042 |
| Net Operating Income | \$149,801 | \$190,142 | \$219,850 |

| ANNUALIZED OPERATING EXPENSES | CURRENT | MARKET | RENO |
|--------------------------------|--------------------------|-----------------|-----------------|
| RE Taxes | 2024 \$27,257 | \$27,257 | \$27,257 |
| Insurance | 2024 \$7,380 | \$7,380 | \$7,380 |
| Utilities | 2023 \$16,430 | \$16,430 | \$16,430 |
| Capital Reserves/ Replacements | Proforma \$2,700 | \$2,700 | \$2,700 |
| Admin/Accounting | 2023 / Proforma \$2,500 | \$1,575 | \$1,575 |
| Maint/Repairs | 2023 / Proforma \$13,626 | \$7,650 | \$7,650 |
| Landscaping | 2023 / Proforma \$1,643 | \$1,800 | \$1,800 |
| Turnover | 2023 / Proforma \$3,750 | \$2,250 | \$2,250 |
| Total Expenses | \$75,285 | \$67,042 | \$67,042 |

| CURRENT | MARKET | RENO |
|-----------------|---------|-------------------------|
| Exp/Unit | \$8,365 | Exp/Unit \$7,449 |
| Exp/Foot | \$8.96 | Exp/Foot \$7.98 |
| % of EGI | 33.45% | % of EGI 26.07% |

SALES COMPARABLES



Holly Court

6553 California Ave SW, Seattle, WA 98136

| | |
|-------------|-------------|
| Year Built | 1986/2005 |
| Units | 9 |
| Price | \$2,900,000 |
| Price/Unit | \$322,222 |
| Price/Foot | \$345 |
| Current CAP | 5.2% |
| Market CAP | 6.6% |
| Reno CAP* | 7.3% |

*Renovation Cap applies a \$35,000/unit budget to all un-renovated units and a \$10,000/unit budget to the partially renovated units (3 & 4).



8-Unit

5221 Fauntleroy Way SW, Seattle, WA 98136

| | |
|-------------|-------------|
| Year Built | 1985 |
| Units | 8 |
| Sales Price | \$2,500,000 |
| Price/Unit | \$312,500 |
| Price/Foot | \$418 |
| CAP | 3.9% |
| Sale Date | 12.18.2023 |



Sound Breeze

5034 Fauntleroy Way SW, Seattle, WA 98136

| | |
|-------------|-------------|
| Year Built | 1989 |
| Units | 6 |
| Sales Price | \$2,100,000 |
| Price/Unit | \$350,000 |
| Price/Foot | \$387 |
| CAP | 5.3% |
| Sale Date | 11.20.2023 |



8-Unit

6549 California Ave SW, Seattle, WA 98136

| | |
|-------------|-------------|
| Year Built | 1968 |
| Units | 8 |
| Sales Price | \$2,250,000 |
| Price/Unit | \$281,250 |
| Price/Foot | \$365 |
| CAP | 5.0% |
| Sale Date | 08.16.2023 |



Elikai Apartments

5600 California Ave SW, Seattle, WA 98136

| | |
|-------------|--------------|
| Year Built | 1966 |
| Units | 26 |
| Sales Price | \$11,845,500 |
| Price/Unit | \$455,596 |
| Price/Foot | \$431 |
| CAP | - |
| Sale Date | 06.27.2023 |



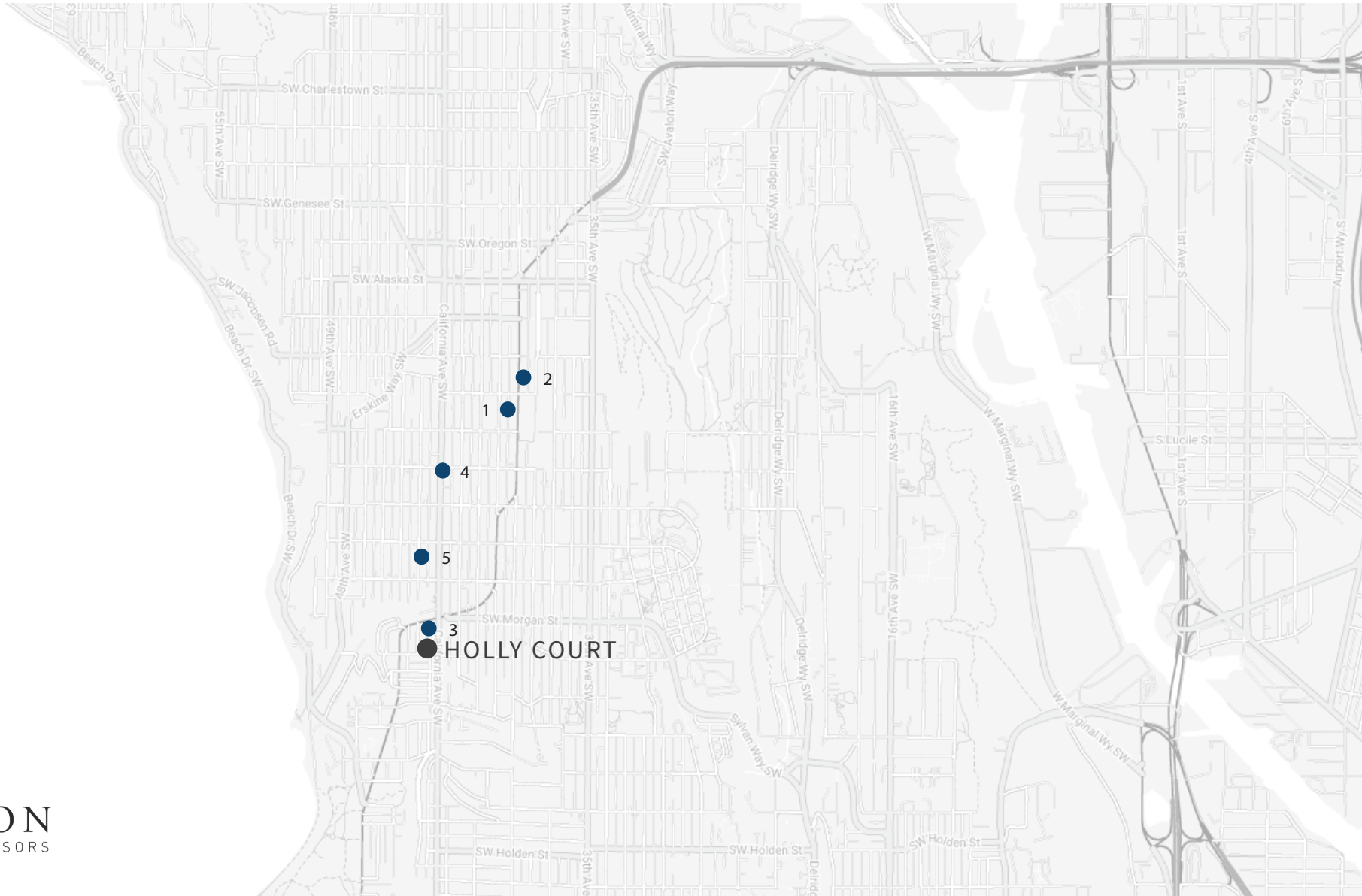
Mixed-Use Building

6041 California Ave SW, Seattle, WA 98136

| | |
|-------------|--------------|
| Year Built | 1991 |
| Units | 26 |
| Sales Price | \$12,195,500 |
| Price/Unit | \$469,057 |
| Price/Foot | \$477 |
| CAP | - |
| Sale Date | 06.02.2023 |

SALES COMPARABLES

- 1. **8-UNIT** - Seattle, WA 98136
- 2. **SOUND BREEZE** - Seattle, WA 98136
- 3. **8-UNIT** - Seattle, WA 98136
- 4. **ELIKAI APARTMENTS** - Seattle, WA 98136
- 5. **MIXED-USE BUILDING** - Seattle, WA 98136



PARAGON REAL ESTATE

\$4.5 B
Sales Volume

28
Years in
Business

20+
Brokers

48 k
Units Sold

PARAGON
REAL ESTATE ADVISORS

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ABOUT US

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.



Puget Sound's Premiere Commercial Real Estate Brokerage

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

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