



**HARVARD**  
MARKET

1401 Broadway

OFFERING MEMORANDUM

**NEWMARK**

Capital Markets Advisors

**BILLY SLEETH**  
206-250-3944  
billy.sleeth@nmrk.com

**PAUL SLEETH**  
206-409-5624  
paul.sleeth@nmrk.com

Debt & Structured Finance

**GRANT GOODING**  
503-833-2543  
grant.gooding@nmrk.com

# INVESTMENT HIGHLIGHTS



**Harvard Market** is a generational asset located in the heart of Capitol Hill – Seattle’s most dynamic and densely populated trade area. The shopping center benefits from an irreplaceable location highlighted by a high-performing shadow anchor grocery store (QFC/Kroger), huge barriers to entry, a rare value-add component due to the recent Bartell Drugs vacancy, strong annual contracted rental increases, long-term rental growth, and pure real estate appreciation.



## EXCELLENT SITE ACCESS

The Center has a dedicated above and below level parking garage with 275 parking stalls with multiple points of ingress and egress on Broadway, Harvard Ave, and E Union St.

Dedicated site parking for a retail center in the heart of Capitol Hill is extremely rare and generates ample consumer draw to the site and provides easy access to the first and second level retailers.



## ATTRACTIVE RETURNS

The offering provides attractive value-add returns, with a secure year-1 as-is yield. It is rare to find such a secure initial cap rate, with minimal down-side, and immediate upside.



## SEVERE BARRIERS TO ENTRY

The immediate trade area contains severe barriers to entry as Capitol Hill is extremely difficult to penetrate and developing a competing project is nearly impossible. Harvard Market cannot be replicated and will continue to be the dominant retail center for the foreseeable future.



## LONG-TERM RENTAL UPSIDE

The location of the Center will provide long-term rental upside upon lease rollover. The historical and projected Seattle rental trends and growth in the trade area create a compelling story for continued rental growth.



## HISTORICALLY STRONG OCCUPANCY

The Center has historically operated at or near 100% occupancy and strong tenant demand provides stability to the investor and is a testament to the quality and location of the Center.



## SHADOW ANCHORED BY QFC

Although not a part of the offering, QFC adds the grocery component, and daily goods draw to the Center. Daily needs shopping centers continue to outperform all other retail products and serves as a hedge against e-commerce and any future economic slowdowns.



## TREMENDOUS LEASING UPSIDE

The offering provides upside through leasing of the free-standing 14,668 SF former Bartell Drugs (Rite Aid) space as well as an additional small shop space. This was a successful Bartell Drugs location that operated at the center for over 25 years, but Bartell Drugs has vacated due to the Rite Aid bankruptcy creating leasing upside for the new investor.



## STRONG NOI GROWTH

Due to the leasing upside and contracted rental increases the going in yield increases approximately 230 basis points upon stabilization of the asset.

The Center has a compound annual growth rate of 6.80% over the initial 10-year hold providing strong returns to the investor.



## PIKE/PINE CONSERVATION OVERLAY DISTRICT

Harvard Market is located within the Pike/Pine Conservation Overlay District in which Transfer of Development Potential (TDPs) can be sold to other properties within the district. Harvard Market benefits from the ability to capitalize on immediate value in selling the remaining TDPs, or future development upside with the ability to add GLA through vertical development.



## STRONG CONTRACTED RENTAL INCREASES

Over 70% of the tenants have contracted rental increases providing solid NOI growth.



## TENANT MIX

The Center benefits from a mix of national and local retailers with nearly 60% of the revenue coming from nationally recognized retail brands.



## ONE OF THE FASTEST-GROWING MAJOR TRADE AREAS

Over the last decade, Seattle has been one of the fastest-growing large city in the U.S. Seattle has shown impressive economic staying power in the wake of the pandemic driven by major corporate growth, attractive cost relative to other coastal markets, and consistent job and population growth.

# IRREPLACEABLE LOCATION



## IRREPLACEABLE LOCATION



The Center is strategically positioned on one of the area's most pedestrian and vehicular trafficked intersections on the corner of Broadway and E Pike Street with traffic counts exceeding 20,000 vehicles per day.



Harvard market is in the heart of Seattle's most densely populated neighborhood – Capitol Hill.



Capitol Hill has been tabbed by the City of Seattle as an area for extreme growth over the coming decades and will add thousands of new apartment units and jobs.



Harvard Market has direct connectivity to Seattle's Financial District, Pike Place Market, South Lake Union, Amazon's HQ, and the Convention Center, including the newly constructed \$1.7B Convention Center Expansion.



Harvard Market is located less than a mile to the Capitol Hill light rail station providing access to downtown Seattle, University of Washington, Northgate, Lynnwood, SODO and SeaTac.



**The Offering** is the multi-tenant retail portion of the larger Harvard Market Shopping Center. The Offering benefits from strong and secure cash flow produced by the multi-tenant retail and its share of the parking revenue.

**The Harvard Market Shopping Center consists of:**

- » Harvard Market Multi-Tenant Retail; 43,477 SF of retail shops. **(The Offering)**
- » Underground parking garage and upper-level parking; 200 underground parking spaces and 75 parking spaces on the upper level; **(Parking is jointly owned by the "Declarants"; Parking revenue is shared between Harvard Market and QFC)**
- » QFC Grocer; 46,984 SF retail anchor space. **(Owned by QFC/Kroger and Not a Part of the Offering)**
- » Two Residential Units; 2,436 SF unit and 2,296 SF unit located above the former Bartell Drugs building. **(Owned by the individual residential unit owners and Not a Part of the Offering)**

Harvard Market (The Offering) is part of a condominium declaration containing four Declarants outlined below:

- » Quality Food Centers (QFC Grocer): Unit 1
- » Harvard Market (The Offering): Unit 2 & Unit 3
- » Residential Unit above former Bartell Drugs building: Residential Unit 4
- » Residential Unit above former Bartell Drugs building: Residential Unit 5



# TERMS OF THE OFFERING

**PRICE**  
\$25,000,000

**YEAR-1 NOI**  
\$1,357,240

**YEAR-1 CAP RATE**  
5.43%

**ADDRESS**  
1401 BROADWAY,  
SEATTLE, WA 98122

**STABILIZED RETURN  
ON COST**  
7.73%

**STABILIZED NOI**  
\$2,045,469

**UNLEVERED 10-YR IRR**  
11.08%

**LEVERED 10-YR IRR**  
14.74%



# SITE DESCRIPTION

PROPERTY ADDRESS:  
1401 BROADWAY, SEATTLE, WA 98122

## PARKING AREA

**UPPER LEVEL PARKING:** 75 SPACES  
**PARKING GARAGE:** 200 SPACES  
**TOTAL PARKING:** 275 SPACES

## LAND AREA

**LAND AREA:** 1.71 ACRES  
**PARCEL:** 314865-000  
**ZONING:** NC3P-75

## BUILDING AREA

**BUILDING AREA:** 43,477 SF  
**# OF TENANTS:** 19  
**OCCUPANCY:** 62%  
**# OF FLOORS:** 2  
**YEAR BUILT/REMODELED:** 1996/2019



# SITE AERIAL



# SITE PHOTOS

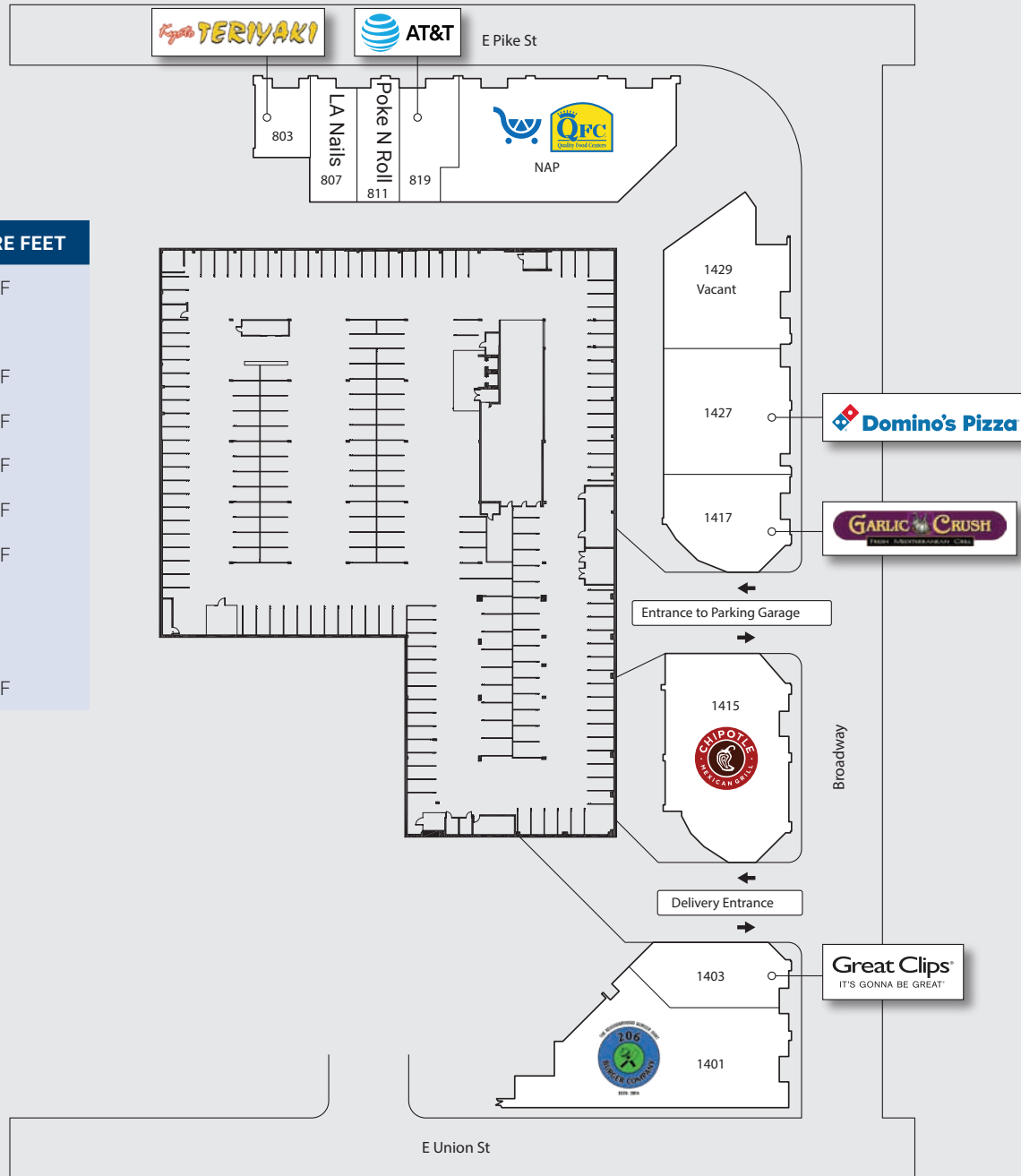




# SITE PLAN

## 1<sup>ST</sup> FLOOR PLAN

SUITE	TENANT	SQUARE FEET
1401	206 Burger	2,164 SF
1403	Great Clips	941 SF
1415	Chipotle	2,459 SF
1417	Garlic Crush	1,145 SF
1427	Domino's	1,661 SF
1429	Vacant	1,575 SF
803	Kyoto Teriyaki	1,065 SF
807	LA Nails	554 SF
811	Poke N Roll	702 SF
819	AT&T	2,705 SF





# DISCLAIMER



Newmark Real Estate of Washington, LLC, a Delaware limited liability company doing business as Newmark has been engaged as the exclusive sales representative for the sale of Harvard Market (the "Property") located at 1401 Broadway, Seattle, WA by Harvard Market LLC (the "Seller").

The Property is being offered for sale in an "as-is, where-is" condition, and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers ("Purchasers") of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a "Registered Potential Investor" or as a "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by the Agent prior to delivery of this Offering Memorandum.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor the Agent shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.



**HARVARD**  
1401 Broadway **MARKET**

1401 BROADWAY, SEATTLE, WA 98122

**NEWMARK**

Capital Markets Advisors

**BILLY SLEETH**  
206-250-3944  
billy.sleeth@nrmk.com

**PAUL SLEETH**  
206-409-5624  
paul.sleeth@nrmk.com

Debt & Structured Finance

**GRANT GOODING**  
503-833-2543  
grant.gooding@nrmk.com