



# 903 5TH AVE

Kirkland, WA 98033



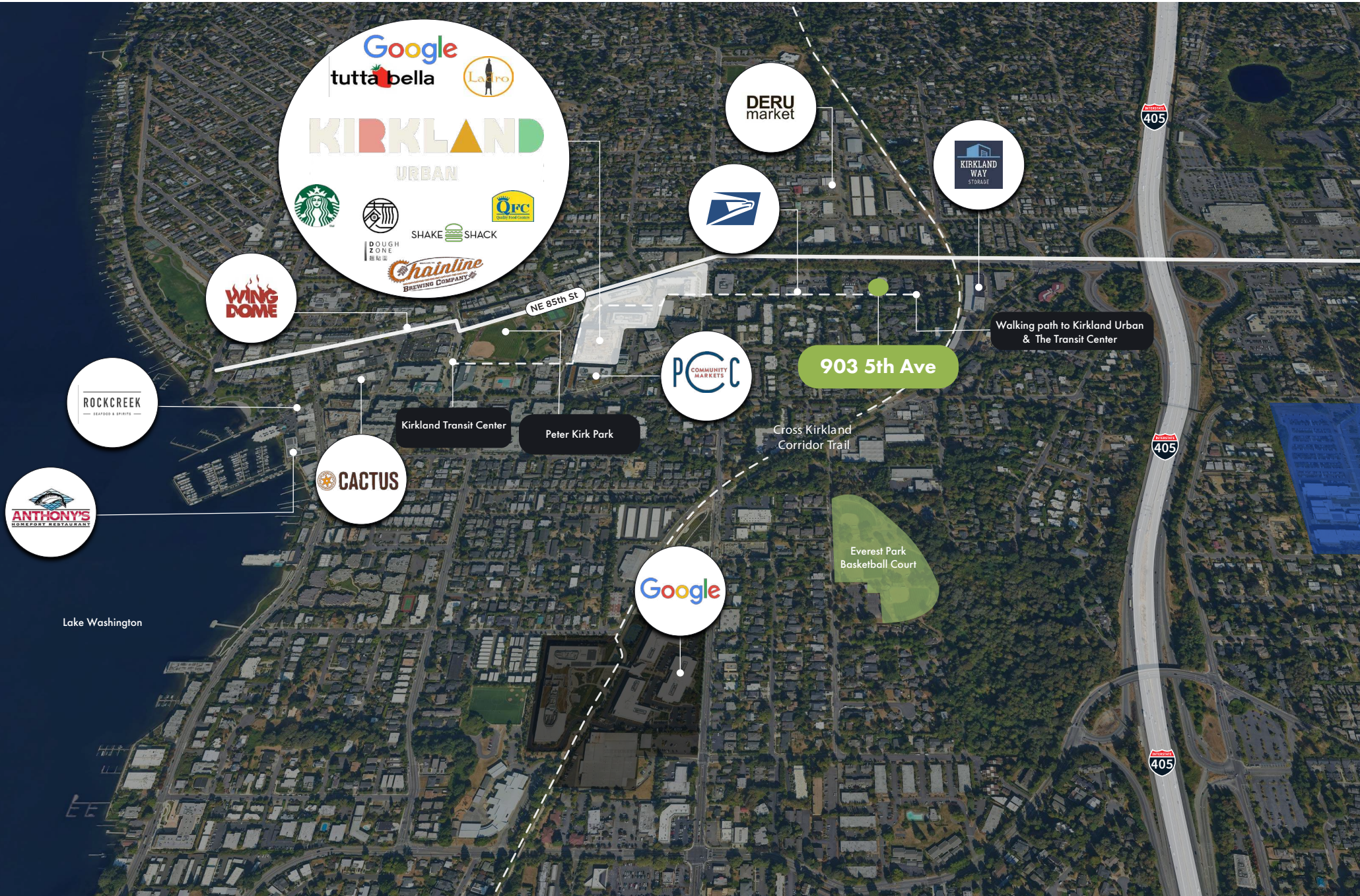
# EXECUTIVE SUMMARY

903 5th Avenue is a rare owner-user opportunity with future redevelopment upside. This two-story, 10,490 SF office building is ideally located in downtown Kirkland within walking distance to the best parts of the city. Access to 405 on NE 85th is efficient for commuters officing in this location. The Kirkland submarket has long been a desirable office and residential neighborhood, situated on the Eastside, which is one of the most sought-after locations in the country for top talent. A new owner will benefit from three existing tenants providing rental income. Walkable amenities include Kirkland Urban, Peter Kirk Park and the Kirkland Waterfront, which is highly sought after for its abundance of retail and restaurants. Corporate neighbors include the likes of Google, Bluetooth, Monolith Productions and Inrix. The half-acre site also provides incredible future upside for residential, or mixed-used redevelopment development.

**OFFERING PRICE: \$6,750,000**



# LOCATION



# KIRKLAND OVERVIEW

Kirkland, Washington is a vibrant city located on the northeastern shores of Lake Washington, just east of Seattle. Known for its welcoming community, breathtaking natural beauty, and convenient access to major urban centers like Seattle and Bellevue, Kirkland has established itself as a highly desirable location for businesses and residents alike.

Kirkland has a thriving business ecosystem that attracts a diverse range of industries. The city is particularly renowned for its thriving technology sector, with numerous startups, tech giants, and research institutions calling Kirkland home.

This concentration of talent fosters a culture of innovation and collaboration, making Kirkland an ideal place for businesses looking to grow and succeed.

Kirkland boasts a wide array of amenities that cater to diverse lifestyles. The city's vibrant downtown area is lined with trendy boutiques, upscale restaurants, and eclectic art galleries, offering a delightful mix of urban sophistication and small-town charm. For outdoor enthusiasts, the gorgeous waterfront parks and trails that dot Kirkland's shoreline provide ample opportunities for recreation, relaxation, and stunning views of Lake Washington. The city also features well-maintained public spaces, sports fields, and community centers, encouraging an active and engaged community.

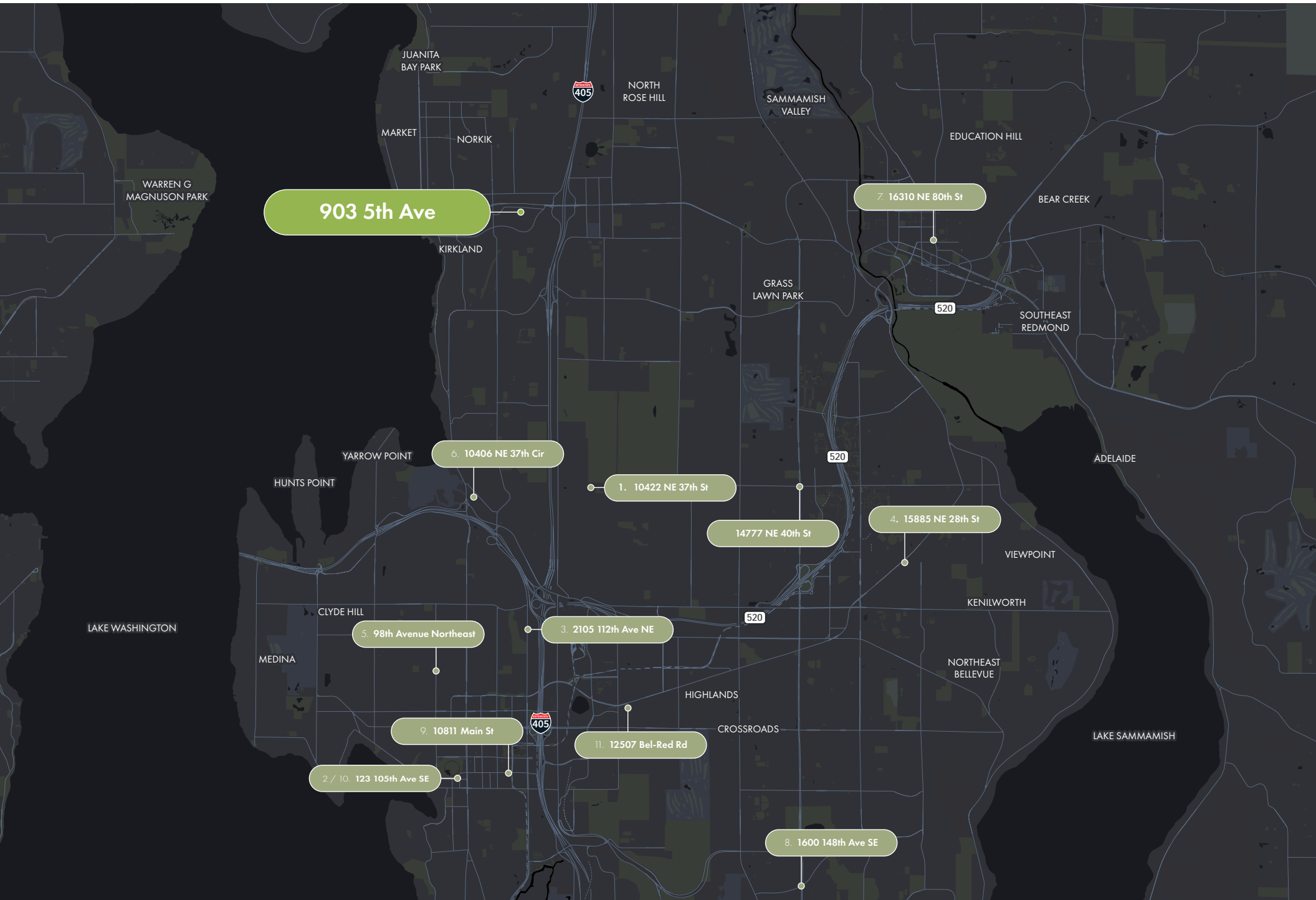
Kirkland, Washington offers an exceptional blend of urban convenience, natural beauty, and a welcoming community. With its prime location providing easy access to Seattle and Bellevue, a wealth of amenities, and proximity to the stunning Lake Washington, Kirkland presents an enticing opportunity for businesses and residents alike.



# RECENTLY SOLD BUILDINGS

	Property Name	Property Address	Building Size (SF)	Submarket Cluster	Sale Price	Sale Date	Sale Type
1	Linbrook Office Park Building 6	10422 NE 37 <sup>th</sup> St	6,064 SF	520 Corridor	\$4,500,000 (\$743/SF)	7/31/2024	Owner User
2	123 Bellevue	123 105 <sup>th</sup> Ave SE	6,490 SF	Suburban Bellevue	\$4,800,000 (\$740/SF)	4/30/2024	Owner User
3	Bellewood Office Park Bellevue Forest 1	2105 112 <sup>th</sup> Ave NE	6,776 SF	Suburban Bellevue	\$3,522,480 (\$520/SF)	2/29/2024	Owner User
4	The 15885 Building	15885 NE 28 <sup>th</sup> St	12,444 SF	Redmond	\$6,500,000 (\$522/SF)	12/26/2023	Investment
5	Juanita Height	120006 98 <sup>th</sup> Ave NE	12,145 SF	Kirkland	\$5,150,000 (\$376/SF)	11/1/2023	Investment
6	Linbrook Office Park Eastside Preparatory School	10406 - 10408 NE 37 <sup>th</sup> Cir	7,408 SF	520 Corridor	\$5,200,000 (\$702/SF)	7/19/2023	Owner User
7	Cascade View East Office	16310 NE 80 <sup>th</sup> St	14,022 SF	Redmond	\$10,000,000 (\$713/SF)	6/22/2023	Investment
8	Robinswood Office Park Building A	1600 148 <sup>th</sup> Ave	4,496 SF	Suburban Bellevue	\$2,800,000 (\$623/SF)	4/21/2023	Investment
9	Main Street Building/ 10811 Building	10811 Main St (part of a 2 Property Sale)	25,577 SF	Suburban Bellevue	\$29,500,000 (\$1,153.38/SF)	9/30/2022	Investment
10	123 Bellevue	123 105 <sup>th</sup> Ave SE	6,490 SF	Suburban Bellevue	\$4,313,425 (\$664/SF)	9/30/2022	Investment
11	Forum South Building 2	12507 NE Bel Red Rd	7,429 SF	Suburban Bellevue	\$4,450,000 (\$599/SF)	8/31/2022	Owner User

# RECENTLY SOLD BUILDINGS



# LEASE VS. OWN ANALYSIS

Scenario	Scenario 1		Scenario 2	
	903 5th Ave - Partial Occupancy		903 5th Avenue - Full Occupancy	
Assumptions	Lease	Purchase	Lease	Purchase
Rentable Square Feet (RSF)	6,960 SF	10,490 SF	10,490 SF	10,490 SF
Start Date	1/1/2025	1/1/2025	1/1/2025	1/1/2025
Term (Months)	120 Months	120 Months	120 Months	120 Months
Lease Expiration / Exit Date	12/31/2034	12/31/2034	12/31/2034	12/31/2034
<b>Initial Base Rent (PSF/Yr) / Total Investment (Purchase + Capex)</b>	<b>\$32.50</b>	<b>\$6,750,000</b>	<b>\$32.50</b>	<b>\$6,750,000</b>
NNN Expenses (PSF/Yr)	\$12.00	\$12.00	\$12.00	\$12.00
<b>Gross Rent (PSF/Yr)</b>	<b>\$44.50</b>	-	<b>\$44.50</b>	-
Rent Escalation / Interest Rate	3.00% annually	6.75% annually	3.00% annually	6.75% annually
Lease Type	NNN	-	NNN	-
Free Rent	8 Months	-	8 Months	-
<b>Initial Acquisition Costs</b>				
Purchase Price	\$0	\$6,750,000	\$0	\$6,750,000
Initial Fit Out (\$65/SF)	\$0	\$452,400	\$0	\$681,850
Downpayment (40.0%)	\$0	\$2,880,960	\$0	\$2,972,740
Loan Fees (1.00%)	\$0	Financed (\$43K)	\$0	Financed (\$45K)
Title & Escrow	\$0	\$5,000	\$0	\$5,000
<b>Total Initial Costs</b>	<b>\$0</b>	<b>\$2,885,960</b>	<b>\$0</b>	<b>\$2,977,740</b>
<b>Residual Value</b>				
Residual Type	\$0	Annual Escalation	\$0	Annual Escalation
Annual Escalation	\$0	3.00%	\$0	3.00%
Net Residual Value	\$0	\$9,501,788	\$0	\$9,501,788
<b>Net Residual (PSF)</b>	<b>\$0</b>	<b>\$905.79</b>	<b>\$0</b>	<b>\$905.79</b>
<b>After Tax Benefits</b>				
Avg. Appreciation	\$0	(\$4,816)	\$0	(\$4,816)
Avg. Principal Payment	\$0	(\$1,123)	\$0	(\$1,158)
Depreciation (50% Imp. Value)	\$0	(\$1,717)	\$0	(\$1,820)
Avg. Interest Write-Off	\$0	(\$4,822)	\$0	(\$4,976)
Rent & NNN Expense Deduction	(\$5,950)	(\$109)	(\$8,967)	(\$2,505)
<b>Total Monthly Tax Benefits</b>	<b>(\$5,950)</b>	<b>(\$12,587)</b>	<b>(\$8,967)</b>	<b>(\$15,276)</b>
<b>Financial Summary</b>				
Average Monthly Rent + Mortgage Payment	\$20,353	\$16,802	\$30,675	\$29,115
Average Opex (est.)	\$7,979	\$12,026	\$12,026	\$12,026
<b>Average Monthly Cost</b>	<b>\$28,332</b>	<b>\$28,828</b>	<b>\$42,701</b>	<b>\$41,141</b>
Total Recurring Cost	\$3,399,793	\$368,964	\$5,124,113	\$1,484,013
<b>Total Cost (Cash)</b>	<b>\$3,399,793</b>	<b>\$1,106,525</b>	<b>\$5,124,113</b>	<b>\$2,310,855</b>
Total Costs After Tax Savings (21.0%)	\$2,685,836	\$997,657	\$4,048,049	\$1,847,818
<b>NPV of Total Costs (10.0%)</b>	<b>\$2,082,540</b>	<b>\$3,245,549</b>	<b>\$3,138,771</b>	<b>\$3,788,845</b>
Total Effective Monthly Cost	\$22,382	\$16,241	\$33,734	\$25,865
<b>Comparison (%)</b>	<b>138%</b>	<b>73%</b>	<b>130%</b>	<b>77%</b>
Notes:	-Tenant Occupies 6,960 RSF for the entire Term	-Owner Occupies 6,960 RSF for the entire Term. The remainder of the Premises is leased by third-party Tenants	-Tenant Occupies 10,490 RSF for the entire Term	-Owner Occupies 6,960 RSF until 5/1/2027 the Owner will then occupy the entire building (10,490 RSF)

# BUILDING AND SYSTEMS

## BUILDING SIZE

10,490 RSF

## LAND SIZE

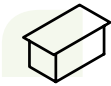
25,265 RSF

## CURRENT USE

Office

## ZONING

PLA 5C



### ROOF

The three main roof surfaces are low slope roofs with bituminous built-up roof coverings. All three sections were re-roofed in 2006 in a project that included tearing off the original roofing. Roof is maintained and serviced via Snyder Roofing.



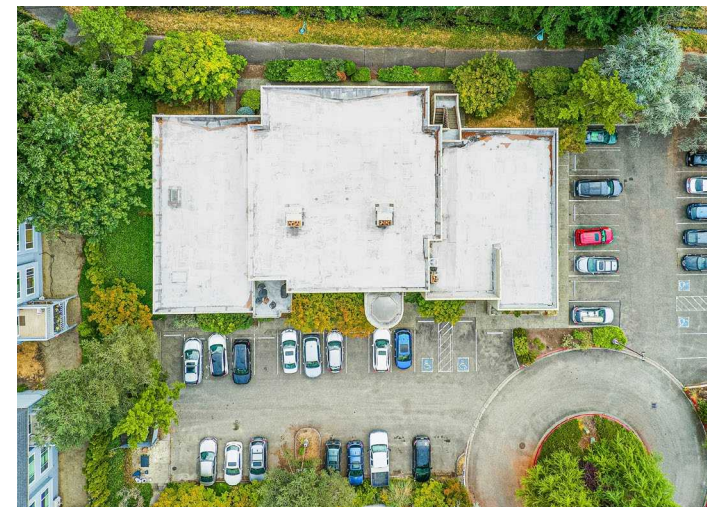
### PARKING

The building has 22 dedicated stalls, and use of the shared lot containing 35 additional spaces. Free street parking is available in front of the building as well.



### ELECTRICAL

The property receives a three-phase electrical service is provided at 208Y120 volts from a pad mounted transformer with a capacity of 150KVA at the southwest corner of the site to electrical service equipment located in a utility room on the south side of the building. Service equipment has a capacity of 800 amperes and includes six electric meters.



### HVAC

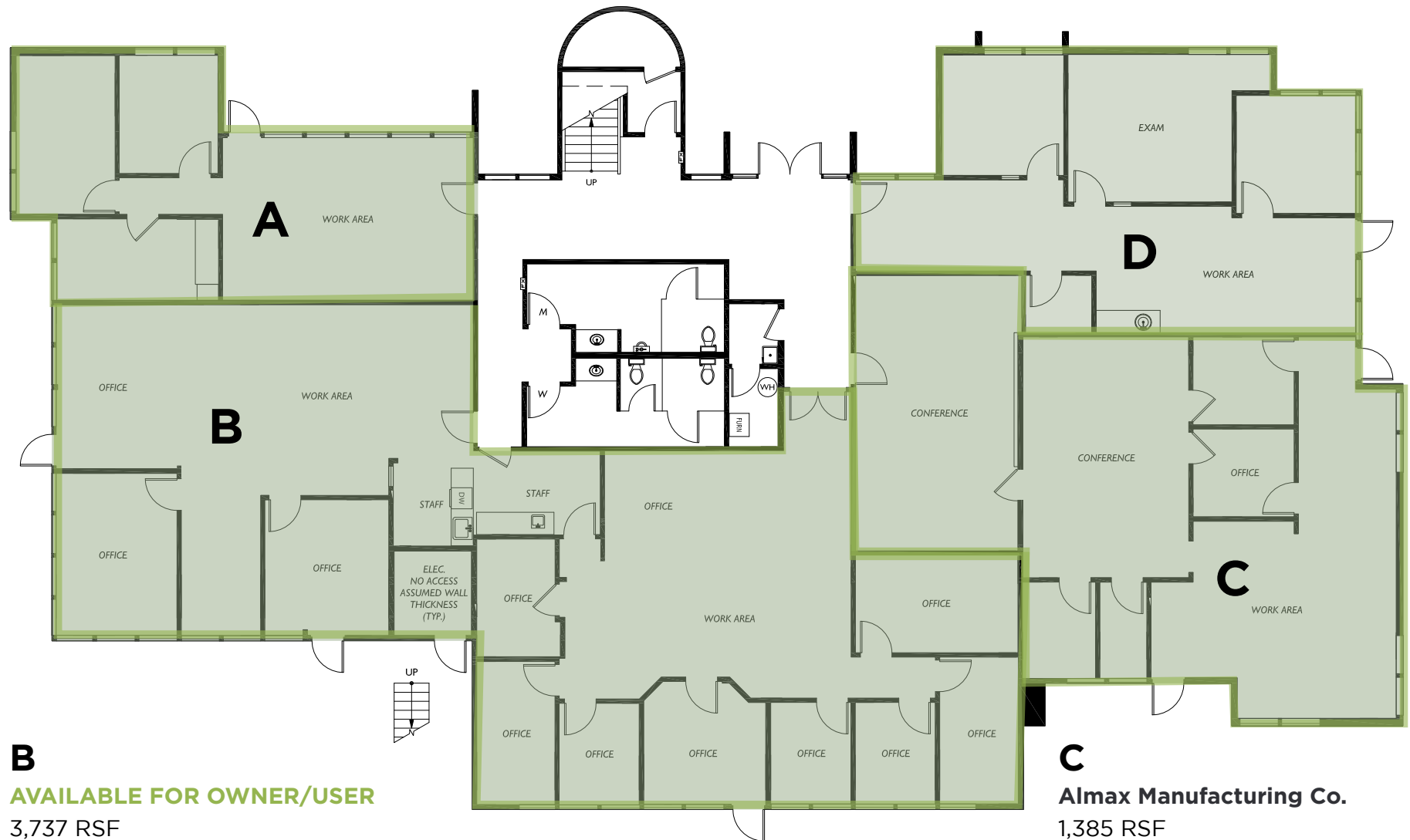
The property is equipped with two rooftop package heat pumps and four split-system heat pumps. Two HVAC units on the south side of the building were recently upgraded.



# FLOOR PLANS | FIRST FLOOR

**A**  
**Hughes Insurance Agency Inc.**  
927 RSF

**D**  
**Tatyana's Healing Arts Alliance LLC**  
1,219 RSF



**B**  
**AVAILABLE FOR OWNER/USER**  
3,737 RSF

**C**  
**Almax Manufacturing Co.**  
1,385 RSF

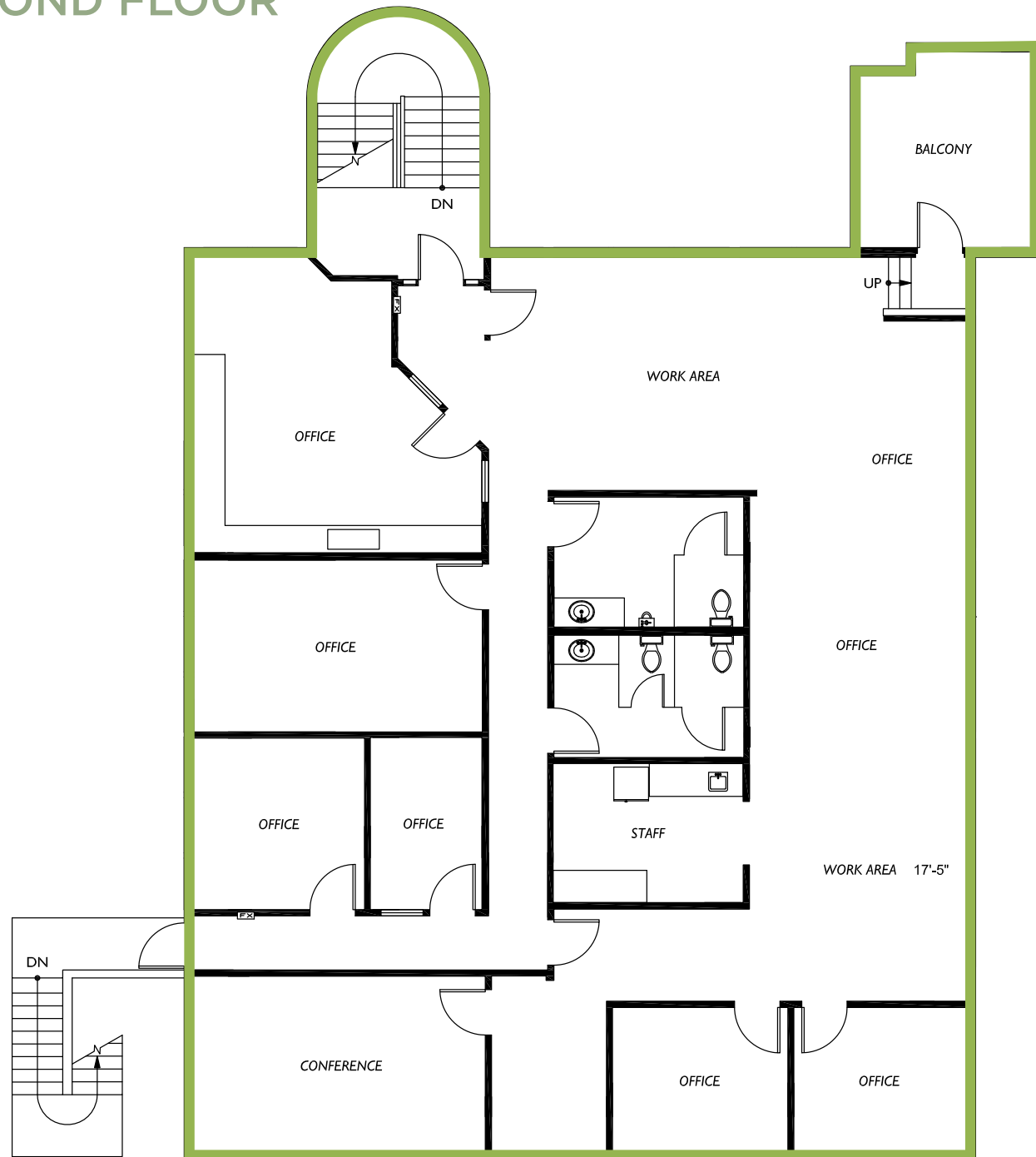
\*Existing suite conditions not accurately depicted

# FLOOR PLANS | SECOND FLOOR

Available for owner/user

3,223 RSF

Can be combined with first floor  
available space for a total of  
6,960 RSF.





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## CONTACTS

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