

**308 SOUTH FIR STREET**  
**TOPPENISH, WA 98948**



**OFFERING MEMORANDUM**



Keller Williams Sunset Corridor - Each Office Independently Owned and Operated

**10 UNITS - MULTIFAMILY PROPERTY**  
**FOR SALE - \$625,000**

# 308 SOUTH FIR STREET

TOPPENISH, WA 98948

## PROPERTY DESCRIPTION

This 10-unit multifamily property, built in 1949, is located in the heart of Toppenish, WA. Offering a mix of studios and one-bedroom units, this investment generates a gross potential rental income of \$70,440 annually. The property spans 4,725 square feet and provides a cap rate of 5.99%, with a price per unit at \$56,000.

Current operations yield a net operating income (NOI) of \$33,551, with opportunities for income growth. The investment offers stable cash flow with a debt coverage ratio (DCR) of 1.26 and a gross rent multiplier (GRM) of 7.44.

This well-located, single-story property presents a solid investment for those seeking an income-generating asset in the growing Toppenish rental market.



## INVESTMENT SUMMARY

PRICE	\$625,000
YEAR BUILT	1949
UNITS	10
PRICE/UNIT	\$62,500
RSF	4,725 RSF
PRICE/RSF	\$132.28
FLOORS	1
CAP RATE	5.6%
MARKET CAP RATE	7.11%
GRM	8.06
MARKET GRM	7.39

## FINANCING SUMMARY

LOAN 1 (FIXED)	\$468,750
INITIAL EQUITY	\$156,250
INTEREST RATE	6.25%
TERM	25 Years
MONTHLY PAYMENT	\$3,092
DCR	0.94

# PROPERTY SUMMARY

## UNIT MIX & ANNUAL SCHEDULED INCOME

TYPE	UNITS	ACTUAL	TOTAL	MARKET	TOTAL
STUDIO	1	\$6,960	\$6,960	\$7,500	\$7,500
STUDIO	1	\$6,960	\$6,960	\$7,500	\$7,500
STUDIO	1	\$6,960	\$6,960	\$7,500	\$7,500
1 BEDROOM	1	\$7,560	\$7,560	\$8,100	\$8,100
1 BEDROOM	1	\$7,560	\$7,560	\$8,100	\$8,100
LARGER 1 BEDROOM	1	\$8,040	\$8,040	\$8,400	\$8,400
LARGER 1 BEDROOM	1	\$7,800	\$7,800	\$8,400	\$8,400
1 BEDROOM	1	\$7,560	\$7,560	\$8,100	\$8,100
1 BEDROOM	1	\$7,560	\$7,560	\$8,100	\$8,100
1 BEDROOM	1	\$7,560	\$7,560	\$8,100	\$8,100
<b>TOTALS</b>	<b>10</b>		<b>\$74,520</b>		<b>\$79,800</b>

## ANNUALIZED INCOME

DESCRIPTION	ACTUAL	MARKET
<b>GROSS POTENTIAL RENT</b>	<b>\$74,520</b>	<b>\$79,800</b>
- LESS: VACANCY	(\$3,726)	(\$3,990)
+ MISC. INCOME	\$3,000	\$4,800
<b>EFFECTIVE GROSS INCOME</b>	<b>\$73,794</b>	<b>\$80,610</b>
- LESS: EXPENSES	(\$38,774)	(\$36,172)
<b>NET OPERATING INCOME</b>	<b>\$35,020</b>	<b>\$44,438</b>
- DEBT SERVICE	(\$37,106)	(\$37,106)
<b>NET CASH FLOW AFTER DEBT SERVICE</b>	<b>(\$2,086)</b>	<b>\$7,332</b>
+ PRINCIPAL REDUCTION	\$8,037	\$8,037
<b>TOTAL RETURN</b>	<b>\$5,951</b>	<b>\$15,369</b>

## ANNUALIZED EXPENSES

DESCRIPTION	ACTUAL	MARKET
PROPERTY MANAGEMENT FEE	\$6,202	\$6,384
BUILDING INSURANCE	\$3,792	\$3,578
MAINTENANCE	\$1,908	\$1,758
REPAIRS	\$1,908	\$1,758
TAXES - REAL ESTATE	\$4,324	\$4,694
CITY OF TOPPENISH W/S/G UTILITIES	\$20,640	\$18,000
<b>TOTAL EXPENSES</b>	<b>\$38,774</b>	<b>\$36,172</b>
<b>EXPENSES PER RSF</b>	<b>\$8.21</b>	<b>\$7.66</b>
<b>EXPENSES PER UNIT</b>	<b>\$3,877</b>	<b>\$3,617</b>

# EXECUTIVE SUMMARY

## ACQUISITION COSTS

PURCHASE PRICE, POINTS AND CLOSING COSTS	\$632,188
INVESTMENT - CASH	\$163,438
FIRST LOAN (FIXED)	\$468,750

## INVESTMENT INFORMATION

PURCHASE PRICE	\$625,000
PRICE PER UNIT	\$62,500
PRICE PER SF	\$132.28
EXPENSES PER UNIT	(\$3,877)

## INCOME, EXPENSES & CASH FLOW

<b>GROSS SCHEDULED INCOME</b>	<b>\$77,520</b>
TOTAL VACANCY AND CREDITS	(\$3,726)
OPERATING EXPENSES	(\$38,774)
<b>NET OPERATING INCOME</b>	<b>\$35,020</b>
DEBT SERVICE	(\$37,106)
<b>CASH FLOW BEFORE TAXES</b>	<b>(\$2,086)</b>
<b>AFTER TAX RESULTS</b>	
TOTAL INTEREST (DEBT SERVICE)	(\$29,069)
DEPRECIATION AND AMORTIZATION	(\$16,584)
TAXABLE INCOME (LOSS)	(\$10,633)
TAX SAVINGS (COSTS)	\$3,828
<b>CASH FLOW AFTER TAXES</b>	<b>\$1,742</b>

## FINANCIAL INDICATORS

CASH-ON-CASH RETURN BEFORE TAXES	-1.28%
INTERNAL RATE OF RETURN	N/A
DEBT COVERAGE RATIO	0.94
CAPITALIZATION RATE	5.60%
GROSS RENT MULTIPLIER	8.06
GROSS INCOME / SQUARE FEET	\$16.41
GROSS EXPENSES / SQUARE FEET	(\$8.21)
OPERATING EXPENSE RATIO	52.54%

# CASHFLOW ANALYSIS

<b>BEFORE-TAX CASH FLOW YEAR ENDING</b>	<b>YEAR 1 08/2025</b>	<b>YEAR 2 08/2026</b>	<b>YEAR 3 08/2027</b>	<b>YEAR 4 08/2028</b>	<b>YEAR 5 08/2029</b>
<b>BEFORE-TAX CASH FLOW</b>					
<b>GROSS SCHEDULED INCOME</b>	\$77,520	\$77,520	\$80,531	\$82,081	\$83,663
GENERAL VACANCY	(\$3,726)	(\$3,726)	(\$3,877)	(\$3,954)	(\$4,033)
TOTAL OPERATING EXPENSES	(\$38,774)	(\$38,774)	(\$40,253)	(\$41,015)	(\$41,793)
<b>NET OPERATING INCOME</b>	<b>\$35,020</b>	<b>\$35,020</b>	<b>\$36,401</b>	<b>\$37,112</b>	<b>\$37,837</b>
LOAN PAYMENT	(\$37,106)	(\$37,106)	(\$37,106)	(\$37,106)	(\$37,106)
<b>BEFORE-TAX CASH FLOW</b>	<b>(\$2,086)</b>	<b>(\$2,086)</b>	<b>(\$706)</b>	<b>\$5</b>	<b>\$731</b>
<b>CASH-ON-CASH RETURN</b>	<b>-1.28%</b>	<b>-1.28%</b>	<b>-0.43%</b>	<b>0.00%</b>	<b>0.45%</b>
<b>TAXABLE INCOME</b>					
<b>NET OPERATING INCOME</b>	<b>\$35,020</b>	<b>\$35,020</b>	<b>\$36,401</b>	<b>\$37,112</b>	<b>\$37,837</b>
DEPRECIATION	(\$16,397)	(\$16,397)	(\$17,112)	(\$17,112)	(\$16,399)
AMORTIZATION	(\$188)	(\$188)	(\$188)	(\$188)	(\$188)
LOAN INTEREST	(\$29,069)	(\$29,069)	(\$28,002)	(\$27,416)	(\$26,793)
<b>TAXABLE INCOME (LOSS)</b>	<b>(\$10,633)</b>	<b>(\$10,633)</b>	<b>(\$8,901)</b>	<b>(\$7,604)</b>	<b>(\$5,543)</b>
<b>AFTER-TAX CASH FLOW</b>					
<b>BEFORE-TAX CASH FLOW</b>	<b>(\$2,086)</b>	<b>(\$2,086)</b>	<b>(\$706)</b>	<b>\$5</b>	<b>\$731</b>
INCOME TAXES	\$3,828	\$3,828	\$3,204	\$2,737	\$1,996
<b>AFTER-TAX CASH FLOW</b>	<b>\$1,742</b>	<b>\$1,742</b>	<b>\$2,499</b>	<b>\$2,743</b>	<b>\$2,726</b>
<b>CASH-ON-CASH RETURN</b>	<b>1.07%</b>	<b>1.07%</b>	<b>1.53%</b>	<b>1.68%</b>	<b>1.67%</b>

# CASHFLOW ANALYSIS

BEFORE-TAX CASH FLOW YEAR ENDING	YEAR 1 08/2025	YEAR 2 08/2026	YEAR 3 08/2027	YEAR 4 08/2028	YEAR 5 08/2029
<b>INCOME</b>					
RENTAL INCOME	\$74,520	\$76,010	\$77,531	\$79,081	\$80,663
LAUNDRY INCOME	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
<b>GROSS SCHEDULED INCOME</b>	<b>\$77,520</b>	<b>\$79,010</b>	<b>\$80,531</b>	<b>\$82,081</b>	<b>\$83,663</b>
GENERAL VACANCY	(\$3,726)	(\$3,801)	(\$3,877)	(\$3,954)	(\$4,033)
<b>GROSS OPERATING INCOME</b>	<b>\$73,794</b>	<b>\$75,210</b>	<b>\$76,654</b>	<b>\$78,127</b>	<b>\$79,630</b>
<b>EXPENSES</b>					
PROPERTY MANAGEMENT FEE	(\$6,202)	(\$6,321)	(\$6,442)	(\$6,566)	(\$6,693)
BUILDING INSURANCE	(\$3,792)	(\$3,868)	(\$3,945)	(\$4,024)	(\$4,105)
MAINTENANCE	(\$1,908)	(\$1,908)	(\$1,908)	(\$1,908)	(\$1,908)
REPAIRS	(\$1,908)	(\$1,946)	(\$1,985)	(\$2,025)	(\$2,065)
TAXES - REAL ESTATE	(\$4,324)	(\$4,410)	(\$4,499)	(\$4,589)	(\$4,680)
CITY OF TOPPENISH W/S/G UTILITIES	(\$20,640)	(\$21,053)	(\$21,474)	(\$21,903)	(\$22,341)
<b>TOTAL OPERATING EXPENSES</b>	<b>(\$38,774)</b>	<b>(\$39,506)</b>	<b>(\$40,253)</b>	<b>(\$41,015)</b>	<b>(\$41,793)</b>
<b>OPERATING EXPENSE RATIO</b>	<b>52.54%</b>	<b>52.53%</b>	<b>52.51%</b>	<b>52.50%</b>	<b>52.48%</b>
<b>NET OPERATING INCOME</b>	<b>\$35,020</b>	<b>\$35,704</b>	<b>\$36,401</b>	<b>\$37,112</b>	<b>\$37,837</b>





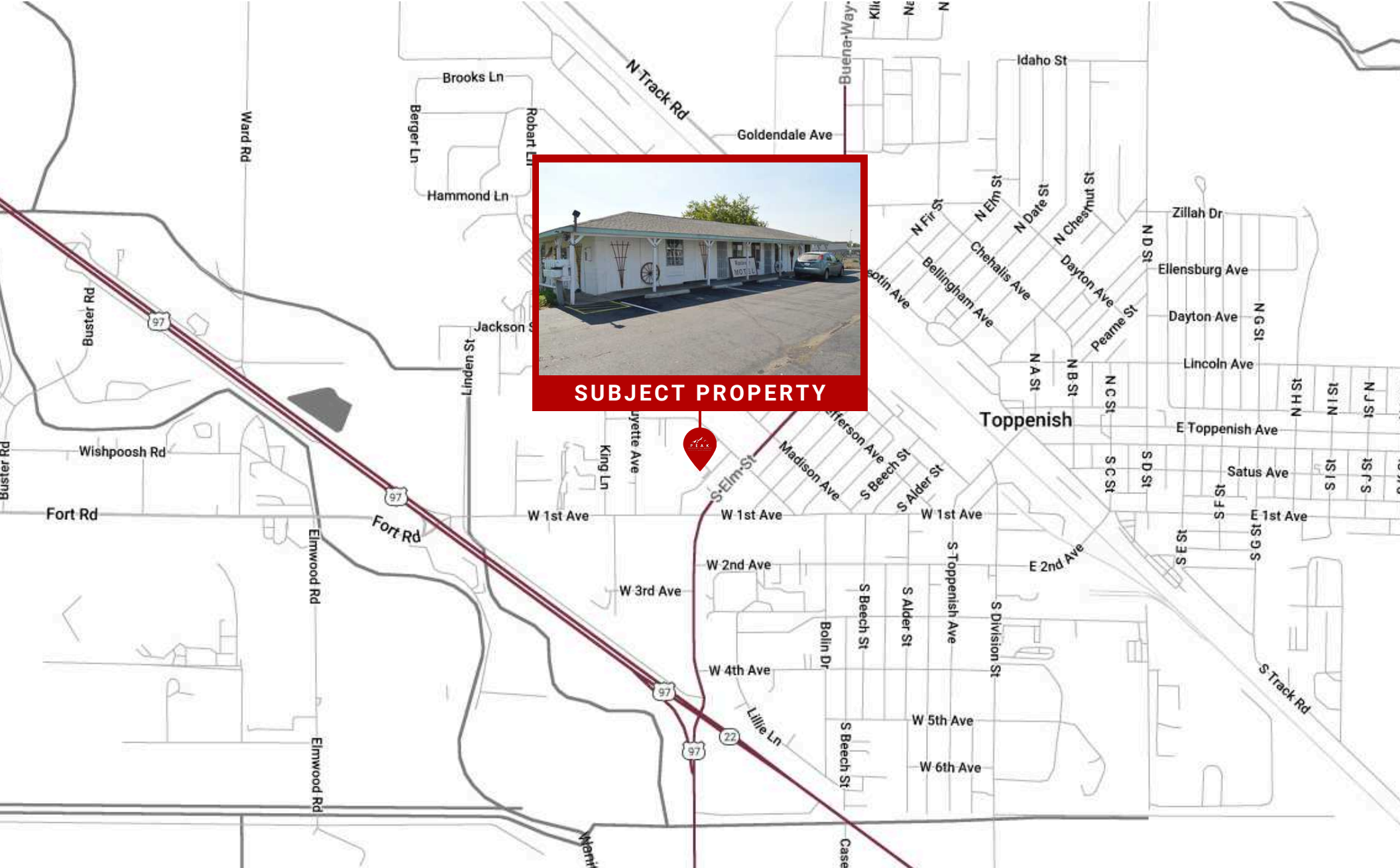








# LOCATION OVERVIEW



**SUBJECT PROPERTY**

# POINT OF INTEREST



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