

For Sale

32114 1st Ave South, Unit #101

FEDERAL WAY, WA



KYLE STERLING
425 586 5608
ksterling@nai-pp.com

STEVE BALKMAN
425 586 5606
sbalkman@nai-pp.com

NAI Puget Sound
Properties

Offering Summary

NAI Puget Sound Properties is pleased to present for sale a single-tenant NNN medical office condo leased to Mosaic Dental dba Peak Endodontics. Mosaic Dental is a leading dental services collective with 50+ dental offices nationally. Mosaic just executed a 5-year corporate backed lease in November of 2023.

\$ **\$1,100,000**

| | |
|------------------|---|
| ADDRESS | 32114 1st Ave South, Suite 101 Federal Way, WA |
| OWNERSHIP | Office Condo Unit |
| UNIT SIZE | 2,181 SF |
| TENANT | Mosaic Dental Collective, LLC |
| NOI | \$77,308 |
| CAP RATE | 7.03% |





Investment Highlights

+ CORPORATE BACKED LEASE WITH STRONG REGIONAL TENANT

Mosaic Dental operates 50+ dental offices across the Western United States.

+ RECENTLY EXECUTED 5-YEAR NNN LEASE

Mosaic just executed a 5-year lease with two 5-year options in November of 2023. The lease also includes 3% annual increases.

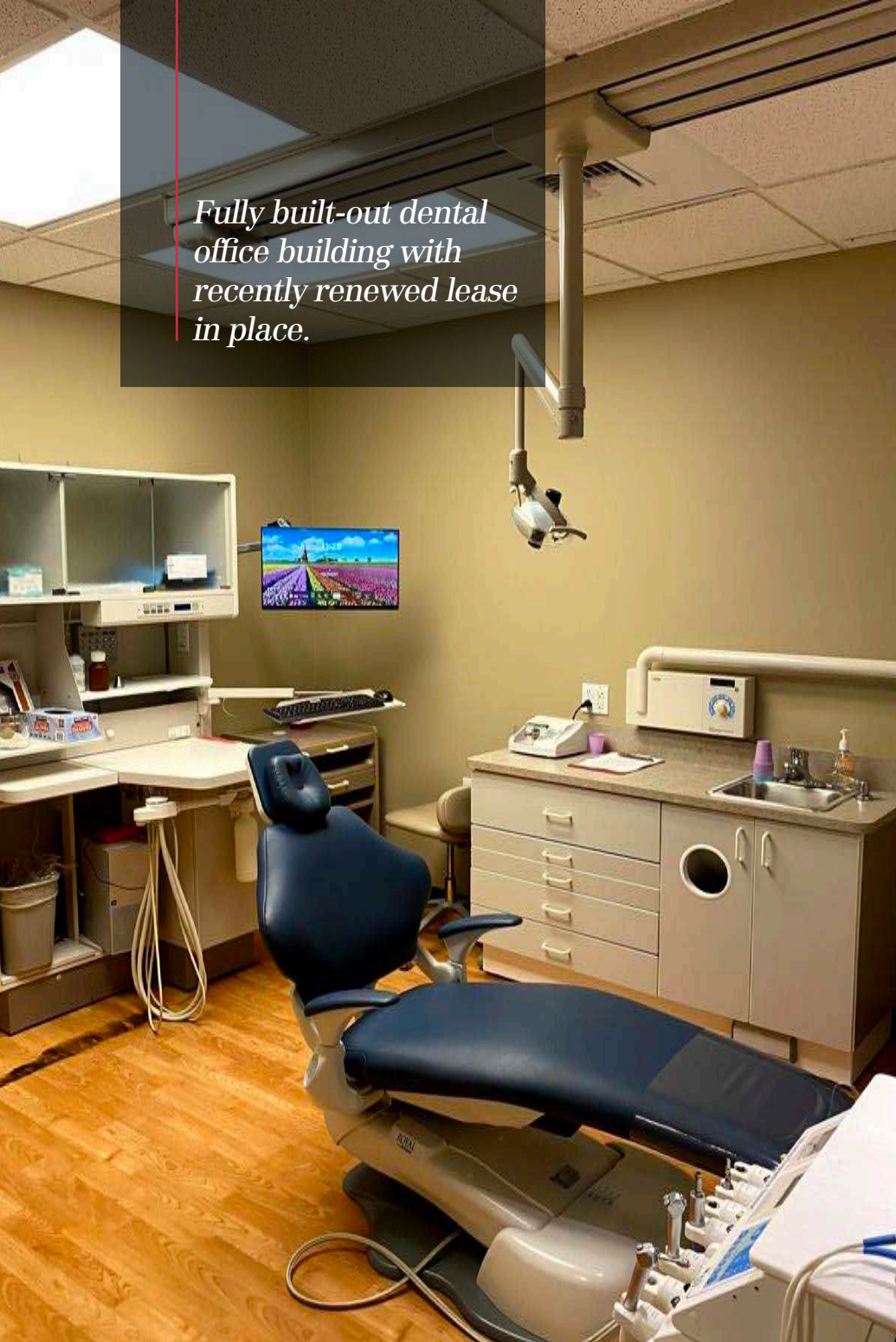
+ UPDATED DENTAL OFFICE BUILDOUT

The unit includes a large lobby area, multiple offices, six operating rooms, a storage room, and a breakroom/kitchenette space.

+ HIGHLY STABLE TENANT USE

Due to the high cost of relocating a dental clinic, dental tenants are considered highly stable and unlikely to vacate upon lease expiration.

Fully built-out dental office building with recently renewed lease in place.



Lease Abstract

Tenant Profile

Mosaic Dental Collective, LLC (“Mosaic”) dba Peak Endodontics is a leading dental services organization (DSO) supporting 50+ affiliated dental offices in California and Washington, with a differentiated dentist-led DSO model. Mosaic offers a full continuum of dental care, spanning from general dentistry, periodontics, orthodontics, endodontics, and prosthodontics to oral surgery. Mosaic is the partner of choice as a doctor-run and -led DSO committed to excellence, integrity and innovation in dental care, while offering comprehensive operational support and collaborative guidance to the more than 75 dentists across Mosaic’s network.

| | |
|-------------------------------|-------------------------------|
| TENANT | Mosaic Dental Collective, LLC |
| LEASE COMMENCEMENT | November 16, 2023 |
| LEASE EXPIRATION | November 30, 2028 |
| TENANT OPTIONS | Two 5-Year Options |
| RENTAL RATE | \$6,488/month + NNN |
| RENTAL INCREASES | 3% Annually |
| UTILITIES | Paid direct by tenant |
| PROPERTY TAXES | Paid direct by tenant |
| PROPERTY INSURANCE | Reimbursed by tenant |
| CONDO ASSOCIATION DUES | Reimbursed by tenant |



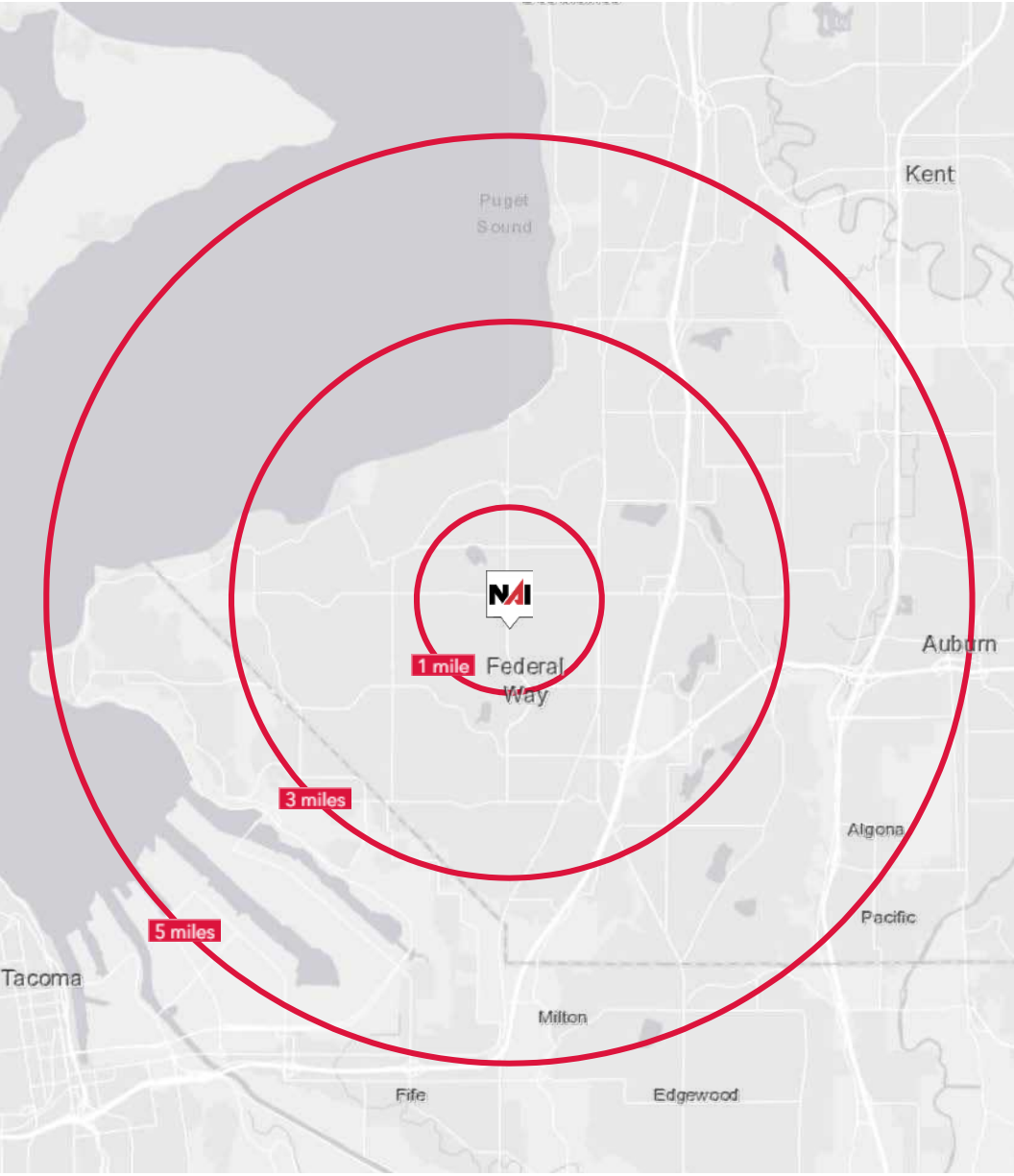
Market Overview

The Puget Sound Region is considered one of the fastest growing markets in the United States -- home to innovative industry leaders Amazon, Microsoft, Costco, Starbucks, Boeing, Nordstrom, Expedia, Concur Technologies, UW Medicine, Nintendo, and T-Mobile. The presence of these global leaders has attracted companies from all over the country including tech giants Facebook, Google, Apple, Uber, and Salesforce. Exponential growth from these companies has allowed many cities within the Seattle submarket to flourish.

Federal Way is the tenth largest city in Washington and the fifth largest in King County. It offers convenient access to Seattle, Bellevue, Tacoma and SeaTac International Airport. Originally a logging town, this city has transformed into an affluent area in the region and is now home to 99,037 residents. **The city's close proximity to Tacoma (13 miles) and Seattle (23 miles) factor into being such a desirable location for commercial tenants.** Some of the largest employers in Federal Way included St. Francis Hospital, Federal Way Public Schools, World Vision Inc. and Wild Waves Theme Park.

Federal Way is also a community known for its natural beauty. This city is home to the acclaimed Pacific Bonsai Museum and Rhododendron Species Botanical Garden. **In addition to Federal Way's commercial amenities and natural beauty, Sound Transit is expanding its link light rail extension in South King County with stops in Kent and Federal Way.** The new rail lines will be built along I-5, with the nearest stop to subject property located at the Federal Way Downtown Transit Center near The Commons at Federal Way and S 320th St. Construction for the new connection points is scheduled to begin later this year with service starting in 2026. The Federal Way Link Extension is anticipated to increase the overall commercial traffic providing more demand and appeal local businesses.





Demographic Overview

| | 1 MILE | 3 MILES | 5 MILES |
|-------------------------------|---------------|----------------|----------------|
| Population | 18,641 | 113,961 | 194,338 |
| Households | 7,099 | 40,450 | 69,192 |
| Median Age | 39.4 | 37.9 | 38.8 |
| Median HH Income | \$73,397 | \$86,502 | \$94,608 |
| Avg. HH Income | \$96,442 | \$115,711 | \$124,256 |
| Renter Occupied Housing Units | 3,559 | 17,022 | 26,060 |

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EXCLUSIVELY LISTED BY:

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