

OFFERING MEMORANDUM

ARROWHEAD PARK APARTMENTS

*42-Unit Prime Value-
Add Opportunity in
Lakewood*

10701 109TH STREET SW, TACOMA, WA 98498

BUYARROWHEADPARK.COM

\$7,795,000

LIST PRICE

8.2%

PROFORMA CAP RATE

EXCLUSIVELY LISTED BY THE SIMON | ANDERSON MULTIFAMILY TEAM

km Kidder
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INVESTMENT HIGHLIGHTS

Value-Add Potential

With opportunities for interior and exterior renovations, new ownership can increase rental income and enhance property value. Modernizing units and adding additional amenities can create upside potential for this already well-positioned asset.

Diverse Unit Mix with Spacious Layouts

The property features a well-balanced mix of one-, two-, and three-bedroom apartments, catering to a broad tenant base ranging from singles to families. This diversity supports stable occupancy rates while attracting a variety of income levels.

Proximity to Major Retail and Recreational Hubs

Arrowhead Park Apartments offers tenants immediate access to a wide variety of shopping, dining, and entertainment options, including the Lakewood Towne Center and nearby recreational areas like American Lake and Fort Steilacoom Park. This proximity to key lifestyle amenities drives tenant retention and demand.

Strategic Location in Growing Lakewood Market

Arrowhead Park Apartments is centrally located in Lakewood, WA, a city experiencing significant growth due to its proximity to Tacoma and easy access to major employers like Joint Base Lewis-McChord (JBLM) and the expanding South Sound healthcare sector. The property is positioned to benefit from Lakewood's increasing demand for rental housing as the area attracts more professionals and military personnel.



EXECUTIVE SUMMARY

ARROWHEAD PARK

PROPERTY SUMMARY

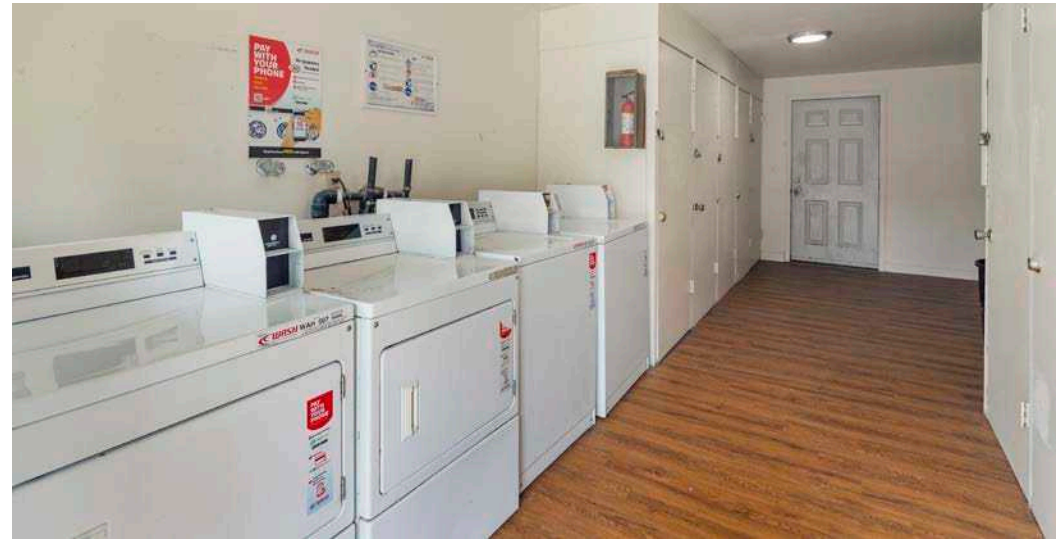
ADDRESS	10701 109th Street SW Tacoma, WA 98498
NEIGHBORHOOD	Lakewood
TOTAL UNITS	42 Units
AVG. UNIT SIZE	937 SF
RESIDENTIAL NRSF	39,340 SF
YEAR BUILT	1968
BUILDINGS	4
PARKING	32 Carports, 34 Uncovered Spaces
LAUNDRY	Common
LAND SIZE	138,870 SF
PARCEL NO.	2255300020, 2255300010, 2255300030



RESIDENTIAL UNIT SUMMARY

Type	Units	Avg SF	Total SF	IN-PLACE			MARKET		
				Rent	Rent/SF	Annual Rent	Rent	Rent/SF	Annual Rent
1X1	2	750	1,500	\$1,413	\$1.88	\$33,900	\$1,600	\$2.13	\$38,400
2X1	28	925	25,900	\$1,572	\$1.70	\$528,125	\$1,750	\$1.89	\$588,000
3X1	9	995	8,955	\$1,870	\$1.88	\$201,984	\$2,100	\$2.11	\$226,800
3X2	3	995	2,985	\$1,767	\$1.78	\$63,600	\$2,300	\$2.31	\$82,800
Total/Average	42	937	39,340	\$1,642	\$1.75	\$827,609	\$1,857	\$1.98	\$936,000

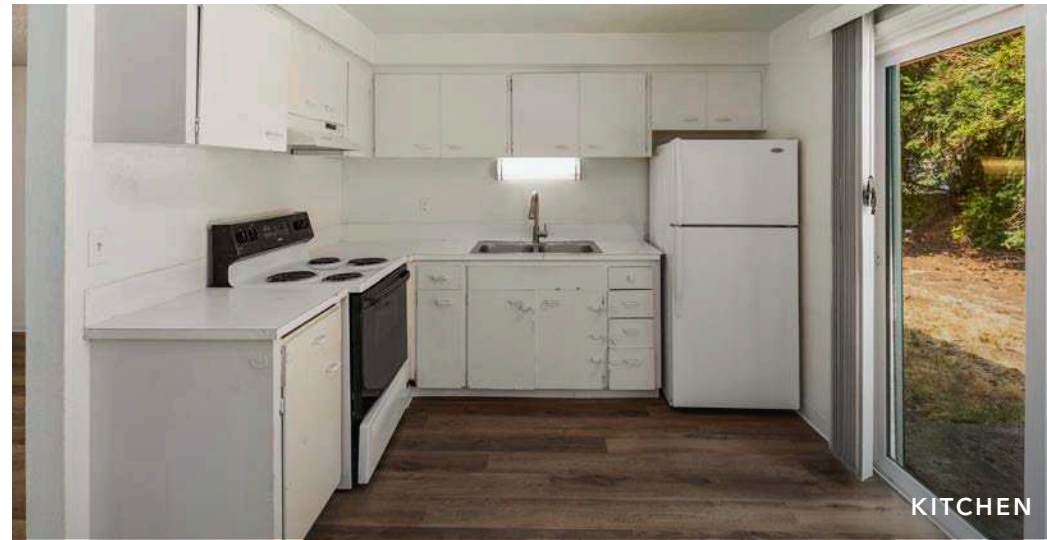
ARROWHEAD PARK PHOTOS



INTERIOR PHOTOS



LIVING ROOM



KITCHEN



BATHROOM



BEDROOM

FINANCIAL PERFORMANCE

	CURRENT RENT ROLL OPERATIONS		RENOVATED OPERATIONS	
Income	Income		Income	
Gross Potential Rent	827,609	1.75/SF/Mo	936,000	1.98/SF/Mo
Vacancy	(37,242)	4.5%	(42,120)	4.5%
Bad Debt/Concessions	(16,552)	2.0%	(18,720)	2.0%
Net Rental Income	773,814		875,160	
Utility Fees	62,880	1,497/U	62,880	1,497/U
Laundry	7,644	182/U	0*	See Below
Pet	4,410	105/U	4,410	105/U
Miscellaneous	20,279	483/U	20,279	483/U
Effective Gross Income	869,028		962,729	
Expenses	Market Expenses		Market Expenses	
Taxes	59,202	1,410/U	59,202	1,410/U
Insurance	16,059	382/U	16,059	382/U
Utilities	72,240	1,720/U	72,240	1,720/U
Repairs & Maintenance	27,825	662/U	27,825	662/U
Contract Services	6,570	156/U	6,570	156/U
Turnover	7,817	186/U	7,817	186/U
Management	28,243	3.25% of EGI	31,289	3.25% of EGI
Payroll	78,750	1,875/U	78,750	1,875/U
Marketing	6,300	150/U	6,300	150/U
Administration	18,900	450/U	18,900	450/U
Total Expenses	321,907	37% of EGI	324,952	34% of EGI
Total Expenses Per Unit		7,664/U		7,737/U
Total Expenses Per SF		8/SF		8/SF
Net Operating Income	547,121	13,027/U	637,777	15,185/U

*Assumes W/D is added to all units.

Notes & Assumptions

CURRENT OPERATIONS

Reflects the annualized rental income of all current leases. Other income and expense assumptions are based on trailing financials and operations at comparable properties of this size and vintage.

RENOVATED OPERATIONS

Reflects property operations if all units were renovated and achieving market rents. Other income and expense assumptions are based on on trailing financials and operations at comparable properties of this size and vintage.

SALE COMPARABLES

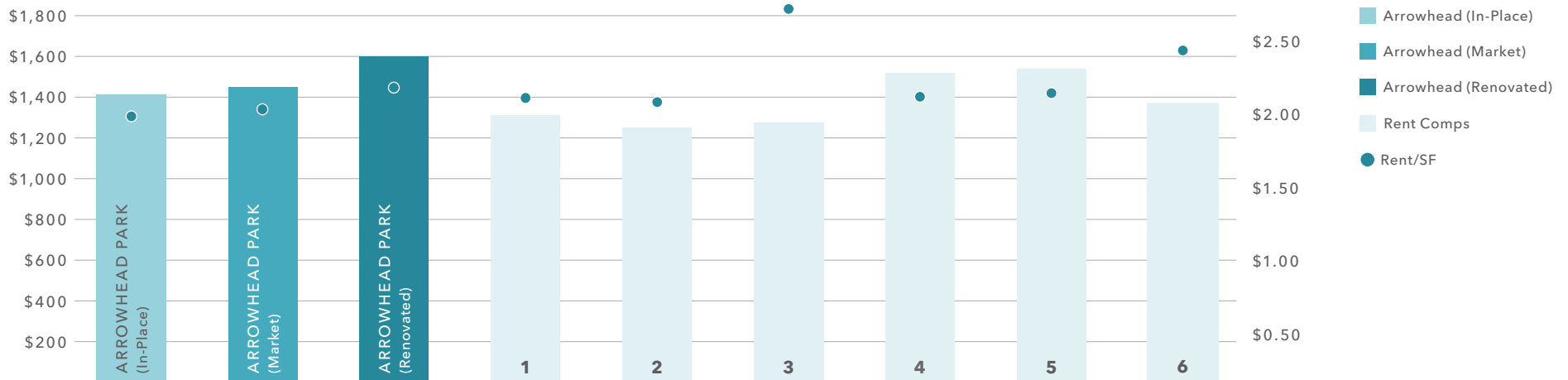
Property	Built	Units	Residential SF	Avg. Unit Size	Sale Date	Price	\$/Unit	\$/SF	Cap
ARROWHEAD PARK	1968	42	39,340	937	-	\$7,795,000	\$185,595	\$198	8.2%
01 214 131ST ST S 214 131st St S, Parkland	1984	5	5,635	1,127	4/16/2024	\$1,050,000	\$210,000	\$186	--
02 4523 S PUGET SOUND AVE 4523 S Puget Sound Ave, South Tacoma	1994	8	8,240	1,030	3/20/2024	\$2,150,000	\$268,750	\$261	5.2%
03 7605 S C ST 7605 S C St, South Tacoma	1965	9	6,244	694	12/15/2023	\$1,645,000	\$182,778	\$263	6.0%
04 CORRAL APARTMENTS 3265 S 96th St, Lakewood	1966	12	9,780	815	10/19/2023	\$1,880,000	\$156,667	\$192	--
05 PACIFIC GARDENS 8602 S C St, South Tacoma	1985	32	24,512	766	10/6/2023	\$4,876,500	\$152,391	\$199	6.0%
06 BRIDGEPORT SQUARE 4401 76th Ave W University Place	1969	16	13,454	841	8/23/2023	\$2,700,000	\$168,750	\$201	--
Average	1977	14		879			\$189,889	\$217	5.7%

RENT COMPARABLES

1X1

Property	Address	Neighborhood	Year	Unit SF	Rent	\$/SF
ARROWHEAD PARK (IN-PLACE)	10701 SW 109th St	Lakewood	1968	750	\$1,413	\$1.88
ARROWHEAD PARK (MARKET)	10701 SW 109th St	Lakewood	1968	750	\$1,450	\$1.93
ARROWHEAD PARK (RENOVATED)	10701 SW 109th St	Lakewood	1968	750	\$1,600	\$2.13
01 WESTWOOD	3024 Steilacoom Blvd	Lakewood	1972	620	\$1,310	\$2.11
02 GARDEN SQUARE	8616 Hipkins Rd SW	Lakewood	1979	600	\$1,250	\$2.08
03 8626 72ND AVENUE CT SW	8626 72nd Avenue Ct SW	Lakewood	1956	464	\$1,275	\$2.75
04 ARBOR POINTE	11432 105th Ave SW	Lakewood	1975	715	\$1,519	\$2.12
05 HARBOR OAKS	97 Byrd Drive	Lakewood	1975	726	\$1,554	\$2.14
06 BELLAMY PARK	10821 108th Ave SW	Lakewood	1973	576	\$1,389	\$2.41
			1972	617	\$1,383	\$2.27

Rent vs Rent/SF

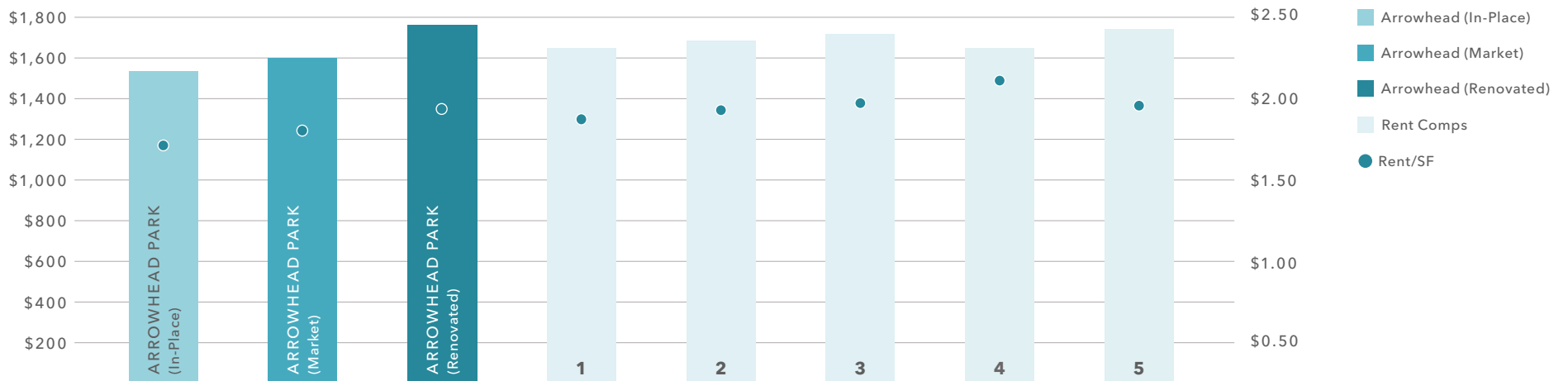


RENT COMPARABLES

2X1

Property	Address	Neighborhood	Year	Unit SF	Rent	\$/SF
ARROWHEAD PARK (IN-PLACE)	10701 SW 109th St	Lakewood	1968	925	\$1,561	\$1.69
ARROWHEAD PARK (MARKET)	10701 SW 109th St	Lakewood	1968	925	\$1,600	\$1.73
ARROWHEAD PARK (RENOVATED)	10701 SW 109th St	Lakewood	1968	925	\$1,750	\$1.89
01 2812 GARDEN CT	2812 Garden Ct	Lakewood	1972	937	\$1,650	\$1.76
02 ARBOR POINTE	11432 105th Ave SW	Lakewood	1975	930	\$1,684	\$1.81
03 HARBOR OAKS	97 Byrd Drive	Lakewood	1975	926	\$1,702	\$1.84
04 BELLAMY PARK	10821 108th Ave SW	Lakewood	1973	776	\$1,657	\$2.14
05 WINDERMERE	131 View Road	Lakewood	1986	950	\$1,725	\$1.82
			1976	904	\$1,684	\$1.87

Rent vs Rent/SF

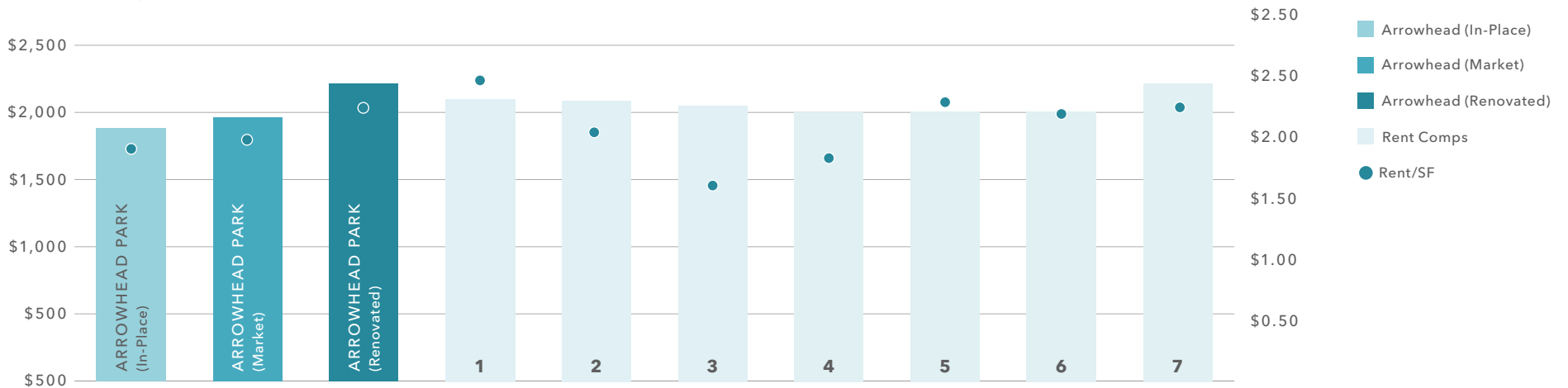


RENT COMPARABLES

3X1/3X2

Property	Address	Neighborhood	Year	Unit SF	Rent	\$/SF
ARROWHEAD PARK (IN-PLACE)	10701 SW 109th St	Lakewood	1968	995	\$1,844	\$1.85
ARROWHEAD PARK (MARKET)	10701 SW 109th St	Lakewood	1968	995	\$1,950	\$1.96
ARROWHEAD PARK (RENOVATED)	10701 SW 109th St	Lakewood	1968	995	\$2,200	\$2.21
01 14914 WOODBROOK DR SW (3X1)	14914 Woodbrook Dr SW	Lakewood	1975	864	\$2,100	\$2.43
02 THE LEXINGTON (3X2)	8720 58th Ave SW	Lakewood	1986	1075	\$2,100	\$1.95
03 8308 99TH STREET CT SW (3X1)	8308 99th Street Ct SW	Lakewood	1966	1330	\$2,050	\$1.54
04 HARBOR OAKS (3X1)	97 Byrd Drive	Lakewood	1975	1126	\$1,999	\$1.78
05 BELLAMY PARK (3X1)	10821 108th Ave SW	Lakewood	1973	876	\$1,999	\$2.28
06 8102 SHERWOOD FOREST ST SW (3X1)	8102 Sherwood Forest St SW	Lakewood	1961	920	\$2,000	\$2.17
07 11220 KLINE ST SW (3X1)	11220 Kline St SW	Lakewood	1975	1000	\$2,200	\$2.20
			1973	1027	\$2,064	\$2.05

Rent vs Rent/SF



LAKEWOOD

With around 61,000 residents, the Tacoma suburb boasts a vibrant mix of families, young professionals, and retirees, fostering an inclusive and welcoming atmosphere. Its strategic location provides convenient access to employment centers, making it an attractive choice for those seeking proximity to job opportunities.

Residents of Lakewood enjoy shorter commutes to work with Tacoma's downtown and industrial areas nearby. Additionally, the presence of Joint Base Lewis-McChord, one of the largest military installations in the country, plays a vital role in contributing to the local economy and job market.

LAKEWOOD RESIDENTS ENJOY

Serene Suburban Living away from the hustle and bustle of larger cities

Easy access to major employment centers in Tacoma and nearby cities

A vibrant mix of residents, including families, young professionals, and retirees

Picturesque landscapes with numerous lakes, parks, and green spaces, offering ample opportunities for outdoor recreation

Named one of the nation's "One Hundred Best Communities for Young People" by America's Promise Alliance six years in a row

Nestled in the heart of Pierce County, Lakewood offers a harmonious blend of urban convenience and natural beauty.



TACOMA

Tacoma ranks as the 3rd largest city in Washington State, attracting a diverse and vibrant community.

Tacoma's strategic location, merely 33 miles south of Seattle, makes it an appealing choice for residents seeking job opportunities and a more manageable commute. The city's advantageous position provides access to a variety of job centers, making it a magnet for professionals and job seekers looking to establish themselves in a competitive job market.

Tacoma's economic landscape is fortified by major employers such as Boeing, a prominent aerospace company, and MultiCare Health System, a leading healthcare organization, along with CHI Franciscan, a renowned medical provider. These institutions provide diverse and stable job prospects across industries, contributing to Tacoma's robust employment ecosystem.

The combination of job availability, lower living costs compared to Seattle, and a thriving urban environment has created an attractive atmosphere for both individuals and families looking to settle in the area. With its picturesque waterfront, cultural amenities, and recreational opportunities, Tacoma offers an appealing blend of career growth and a high quality of life, making it a desirable destination for those seeking a balanced and fulfilling lifestyle.



219K
POPULATION



3RD
LARGEST CITY
IN WA STATE



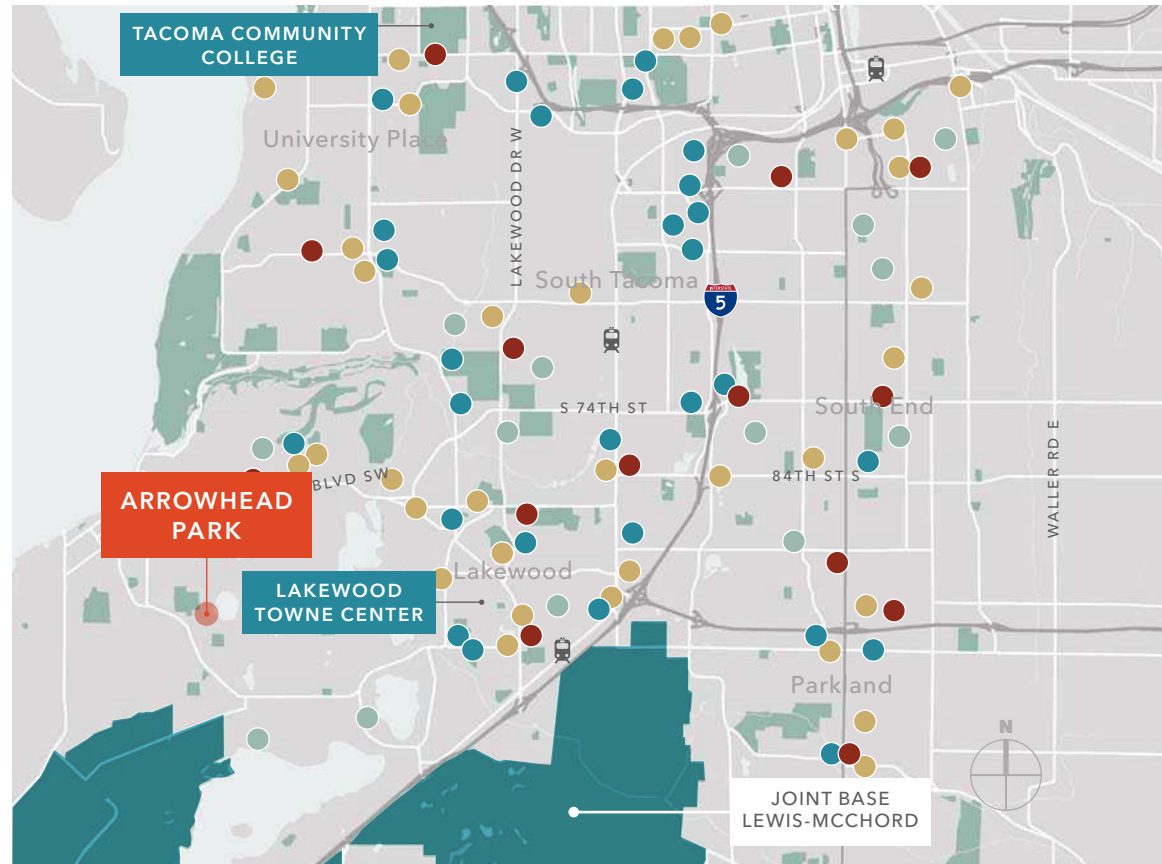
Pierce County has been one of the fastest growing counties in the state of Washington since the 1960's and consistently exceeds the state's overall rate of growth.

Pierce County, provides strong support to a diverse range of manufacturers, including industry giants like Boeing, Milgard Manufacturing, James Hardie Building Products, Toray Composites (America), Inc., and Medallion Foods. In addition to these manufacturing powerhouses, prominent companies like Recreational Equipment, Inc. (REI), Whirlpool, and Costco have also established major distribution centers within the county.

ARROWHEAD PARK APARTMENTS ARE CONVENIENTLY LOCATED

Lakewood residents experience the best of true suburban living at an affordable cost compared to Seattle, all while being just a short distance away from an abundance of amenities and the vibrant Downtown Tacoma. This idyllic combination of suburban charm and urban accessibility makes Lakewood a highly desirable location for individuals and families alike. With its scenic landscapes, welcoming community, and convenient proximity to both nature and city life, Lakewood offers a fulfilling and enriching living experience.

LAKWOOD TOWNE CENTER	<i>5 Minutes</i>
LAKWOOD STATION	<i>8 Minutes</i>
CHAMBERS BAY GOLF COURSE	<i>10 Minutes</i>
WHOLE FOODS	<i>10 Minutes</i>
TRADER JOE'S	<i>11 Minutes</i>
TACOMA MALL	<i>12 Minutes</i>
TACOMA COMMUNITY COLLEGE	<i>12 Minutes</i>
JOINT BASE LEWIS-MCCHORD	<i>14 Minutes</i>
DOWNTOWN TACOMA	<i>17 Minutes</i>



LEGEND ● Eat + Drink ● Grocery ● Health + Wellness ● Schools + Parks ● Light Rail

THRIVING HEALTHCARE SECTOR

Healthcare plays a significant role in Tacoma's growing employment base, with numerous hospitals and medical centers contributing to this sector's expansion.

The second-largest employer in Tacoma is MultiCare Health System, which provides jobs to 7,400 residents. This not-for-profit healthcare organization operates Tacoma General Hospital, featuring a 24-hour emergency Level II trauma center, the MultiCare Regional Cancer Center, and the region's largest and most advanced Neonatal Intensive Care Unit (NICU).

Other major healthcare employers in the area include CHI Franciscan with 6,500 employees and Kaiser Permanente with 755 employees. Looking ahead, MultiCare has plans to establish the Mary Bridge Children's Hospital, which will encompass a 250,000 square foot inpatient tower and an ambulatory building. The ambulatory building will house specialty clinics, urgent care services, and behavioral health crisis management services. This upcoming hospital is scheduled to commence patient care in early 2026.



MULTICARE TACOMA GENERAL HOSPITAL

MultiCare Health System's Tacoma General Hospital is the largest hospital in Tacoma, Washington. It is a level II trauma center with 437 beds and the second-largest obstetrical care center in the state of Washington.



MULTICARE ALLENMORE HOSPITAL

Leading medical facility renowned for its exceptional patient care and comprehensive medical services. With state-of-the-art facilities with 130 patient beds and a team of skilled healthcare professionals.



MULTICARE MARY BRIDGE CHILDREN'S HOSPITAL

Mary Bridge Children's in Tacoma, offers expert pediatric health care services with specialty and primary care clinics and 340 patient beds.



ST. JOSEPH MEDICAL CENTER

Serving Tacoma and surrounding areas, St. Joseph Medical Center is consistently ranked among the top hospitals in Washington with 361 patient beds.

HIGHER EDUCATION

Home to several esteemed institutions, Tacoma provides a wide array of educational opportunities for students of all interests and backgrounds. This vibrant higher education scene not only enhances the city's intellectual capital but also strengthens its cultural fabric and economic growth.

UNIVERSITY OF WASHINGTON - TACOMA

Situated at the southern end of the Tacoma Central Business District, the University of Washington - Tacoma (UWT) branch campus plays a central role in the city's landscape. Spanning approximately 46 acres, including extensive land reaching west to Tacoma Ave. S, UWT transitioned to a four-year degree program in 2007, experiencing remarkable growth with an annual enrollment now exceeding 5,100 students. As a result, the vibrant urban campus has emerged as a key focal point within the Downtown CBD, driving present-day revitalization efforts and contributing significantly to Tacoma's dynamic and progressive transformation.

TACOMA COMMUNITY COLLEGE

Tacoma Community College (TCC) is a leading institution of higher education, making a significant impact in Tacoma, Washington. With a mission to provide accessible and affordable education, TCC offers a diverse array of programs that cater to a wide range of students. The college has experienced impressive growth over the years, with an annual enrollment now exceeding 11,000 students, showcasing its popularity and importance in the community.



A prominent branch campus of the University of Washington, offering a wide range of undergraduate and graduate programs in the heart of Tacoma



A leading institution of higher education, providing accessible and diverse educational opportunities to students

JOINT BASE LEWIS-MCCHORD

52,000

EMPLOYEES

85%

OF EMPLOYEES LIVE OFF BASE

\$608,000,000

OFF-POST HOUSING ALLOWANCE

\$12,100,000,000

REGIONAL ECONOMIC IMPACT

34,000

JOBS CREATED IN WASHINGTON



LOCATION OVERVIEW

MAJOR EMPLOYERS

Seattle

108,690,376

TOTAL OFFICE SF

511,688

TOTAL EMPLOYEES

A grid of logos for major employers in Seattle. The logos are arranged in approximately 10 rows and 6 columns. Some logos include small text below them, such as 'Fred Hutch Cancer Center' and 'Seattle Cancer Care Alliance'.

Eastside

77,834,835

TOTAL OFFICE SF

259,322

TOTAL EMPLOYEES

A grid of logos for major employers in the Eastside. The logos are arranged in approximately 10 rows and 6 columns. Some logos include small text below them, such as 'KAISER PERMANENTE' and 'EvergreenHealth'.

Kent Valley

114,094,059

TOTAL INDUSTRIAL SF

279,560

TOTAL EMPLOYEES

A grid of logos for major employers in the Kent Valley. The logos are arranged in approximately 2 rows and 5 columns. Some logos include small text below them, such as 'Seattle Children's' and 'World Vision PROUD SUPPORTER'.

HEADQUARTERED IN THE PUGET SOUND

#2 FORTUNE 500

amazon

2023 Revenue **\$574,780,000,000**
 # of Employees **1,525,000**
 WA Employees **87,000**

#13 FORTUNE 500

Microsoft

2023 Revenue **\$212,000,000,000**
 # of Employees **221,000**
 WA Employees **58,400**

T-Mobile

2023 Revenue **\$78,600,000,000**
 # of Employees **67,000**
 WA Employees **7,600**

STARBUCKS

2023 Revenue **\$29,500,000,000**
 # of Employees **381,000**
 WA Employees **10,700**

Alaska

2023 Revenue **\$10,400,000,000**
 # of Employees **26,043**
 WA Employees **10,874**

(Source: ZGF)

expedia group

2023 Revenue **\$12,800,000,000**
 # of Employees **17,100**
 WA Employees **4,830**

#12 FORTUNE 500

COSTCO WHOLESALE

2023 Revenue **\$242,000,000,000**
 # of Employees **316,000**
 WA Employees **21,000**

NORDSTROM

2023 Revenue **\$14,600,000,000**
 # of Employees **60,000**
 WA Employees **6,600**

HEADQUARTERED IN THE PUGET SOUND



NOTABLE FORTUNE 500 COMPANIES EXPANDING IN THE PUGET SOUND



LIFE SCIENCES & HEALTHCARE

Seattle Ranked #9 Largest Life Science Ecosystem in the U.S.

The Seattle area ranked third for life sciences employment growth, which increased 25% from 2019 to 2022. R&D employment in the region increased even more rapidly, at 39.3%.

LEADING LIFE SCIENCE COMPANIES IN SEATTLE

Biotech & Pharmaceutical



Medical Research & Innovation



Healthcare Providers



Nonprofit & Philanthropic



LIFE SCIENCES

1,100+ life science organizations

46,540+ individuals employed directly in life science jobs

112,810+ jobs supported by WA life science industry

\$39 billion total economic impact

\$22 billion added to WA's GDP

\$49 billion record high WA life science M&A activity in 2023

HEALTHCARE

1,365+ healthcare organizations

218,515+ individuals employed directly in healthcare jobs

\$46 billion total revenues

LOCATION OVERVIEW

SEA Seattle-Tacoma International Airport

THE NORTHWEST SEAPORT ALLIANCE
SEATTLE + TACOMA

151K+ JOBS GENERATED	\$3.6B+ DIRECT EARNINGS	50.8M PASSENGERS IN 2023
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\$12.4B+ IN BUSINESS OUTPUT	58.4K JOBS GENERATED	\$4B+ IN LABOUR INCOME
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SeaTac Airport has a 4-star skytrax airport rating and designation as the best airport in North America, connecting directly to Seattle via Light Rail in 35 minutes.

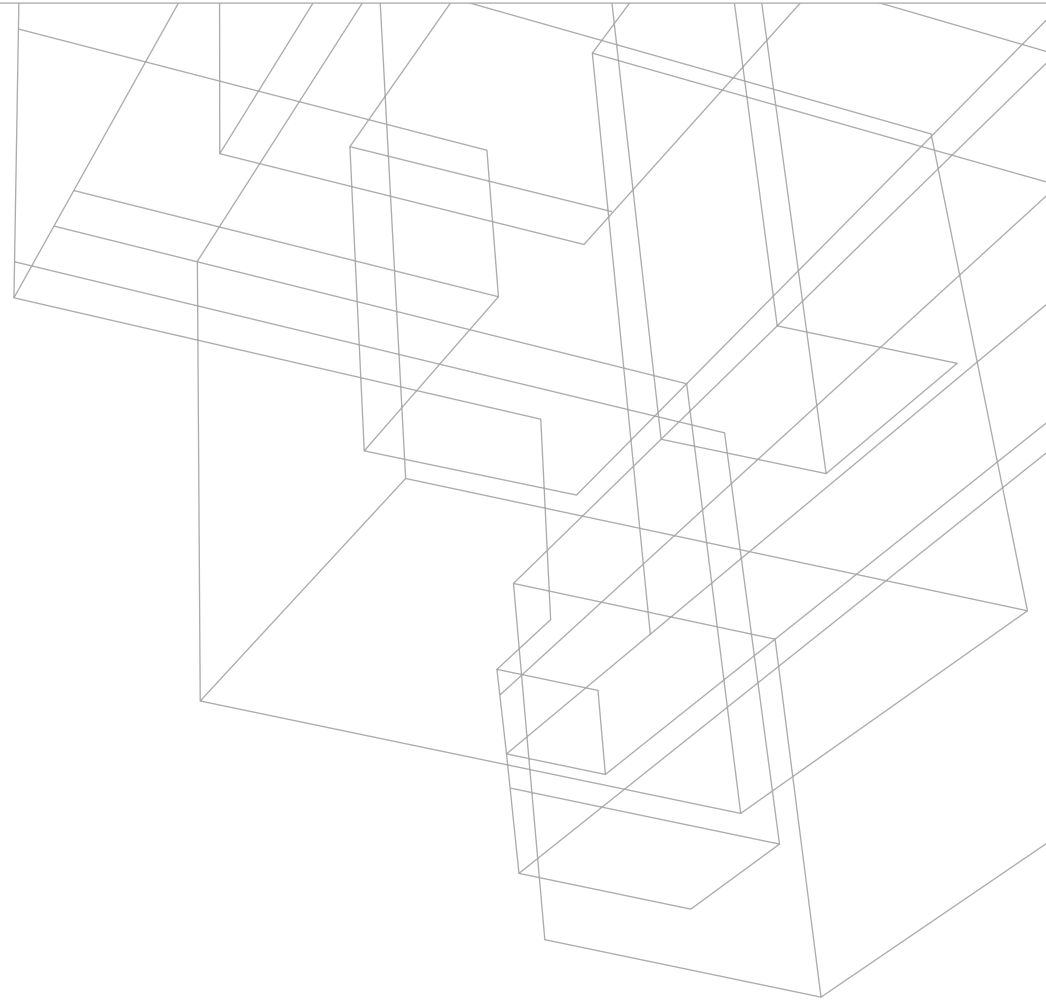
The Northwest Seaport Alliance is a marine cargo operating partnership of the Ports of Seattle and Tacoma in the Puget Sound. It is the third largest cargo port in the United States.

35 total airlines connecting to 93 non-stop domestic and 30 international destinations	\$442M+ state/local taxes
More than 87,300 direct jobs	50.8 MM passengers in 2023, 10% up from 2022
\$3.6B+ direct earnings	2024 cargo on track for four-year high (up 6.5% YTD)

20,100 of direct jobs	180 global trading partners (2022)
Over \$70 BB of waterborne trade	1.9x job multiplier
\$4B+ labor income	Full international exports up 4.9% for 2023
\$136M+ state and local taxes	

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