



# GATEWAY APARTMENTS

BELLINGHAM, WASHINGTON

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THE UFKES GROUP

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# GATEWAY APARTMENTS

**01.**

**INVESTMENT  
OVERVIEW**

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# GATEWAY APARTMENTS

PROPERTY SUMMARY

Price:  
**TO BE DETERMINED BY MARKET**

Address:  
**770 E HOLLY ST, BELLINGHAM, WA 98225**

Built :  
**2024**

Lot Size :  
**0.47 ACRES**

Net Rentable Residential Space :  
**61,701SF**

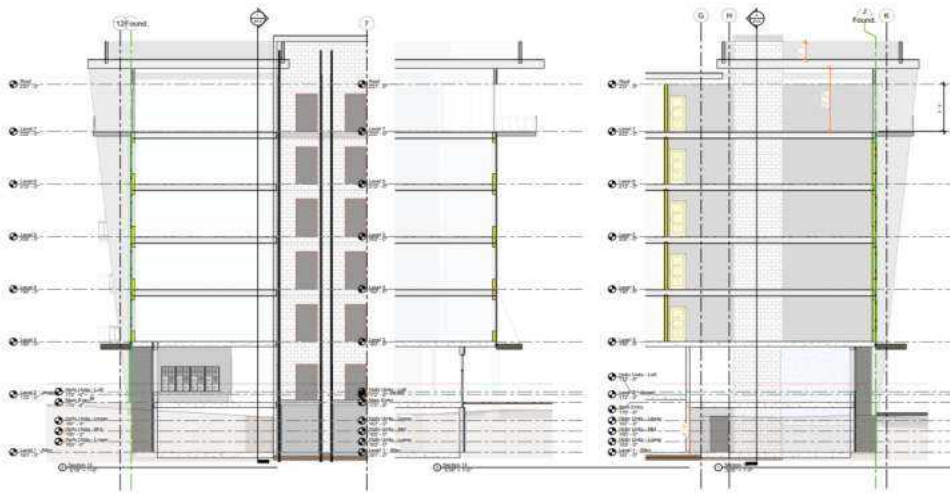
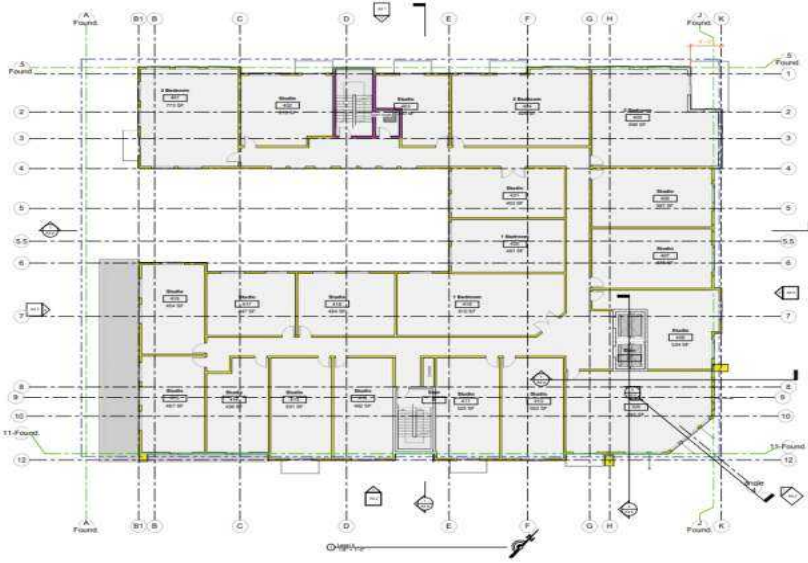
Unit Count :  
**104**

Parking :  
**69**



# BUILDING PLANS

## GATEWAY APARTMENTS



# BUILDING PLANS

*GATEWAY APARTMENTS*





# INVESTMENT SUMMARY

The Gateway Apartments sits on a 0.47-acre site in Bellingham, Washington, the geographic midway-point between the world class cities of Seattle and Vancouver. Currently an 8,175 square foot office building sits on the property. Three tenants occupy the premises generating \$6,200 per month in gross revenue. Located at 770 Holly Street at the top of a hill, the property sits half a mile from Downtown Bellingham. A Fred Meyer, Whole Foods, and various restaurants and shops are all within walking distance of the property. An onramp for Interstate 5 is about a half mile from the property. Bus stops for 10 different routes are all within walking distance.

The Gateway Apartments is a fully entitled site for 104 multifamily units. The proposed unit mix is 65 studio flats, 16 one-bedroom one-bath flats, and 23 two-bedroom two-bath flats. A 69 stall parking garage is also part of the proposed plan. The property also qualifies for Bellingham's Multifamily Tax Exemption program allowing for a 8-year real estate property tax abatement.

Bellingham, Washington, is a city celebrated for its scenic beauty, outdoor recreation, and thriving arts scene. At the heart of Bellingham's charm is the Fairhaven Historic District, a delightful neighborhood with cobblestone streets, unique shops, art galleries, and a mix of restaurants and cafes, all reminiscent of the 19th century and beautifully situated along the waterfront. The city is also home to Western Washington University, whose campus, perched on a hillside overlooking Bellingham Bay, features an impressive outdoor art collection and adds a creative, youthful energy to the area.



# INVESTMENT HIGHLIGHTS

## Entitled Site

- The site is fully entitled with plans for a 104 unit multifamily development.

## Rapidly Growing Bellingham Market

- Bellingham is among the fastest growing cities in the State of Washington.

## Proximity to Downtown Bellingham

- The Gateway is just over a ½ mile from Downtown Bellingham.

## Multi Family Tax Exempt Program

- Including a mix of rent restricted units would lower real estate tax on the property while also keeping vacancies low due to the high demand for these types of units.

## Geographic Location

- Approximately 90 minutes from downtown Seattle and downtown Vancouver, two of the premier cities on the Pacific Rim.





# GATEWAY APARTMENTS

## 02.

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### FINANCIAL SUMMARY

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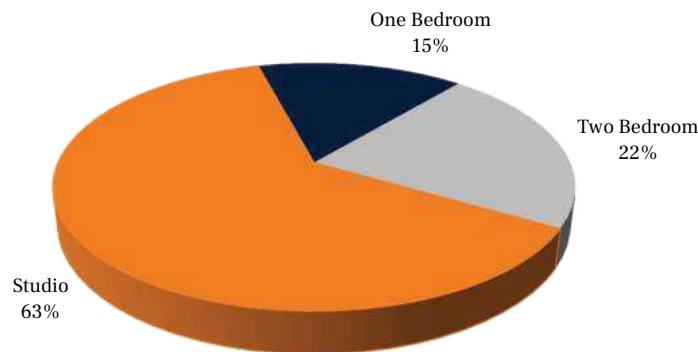
# RENT ROLL

## GATEWAY APARTMENTS

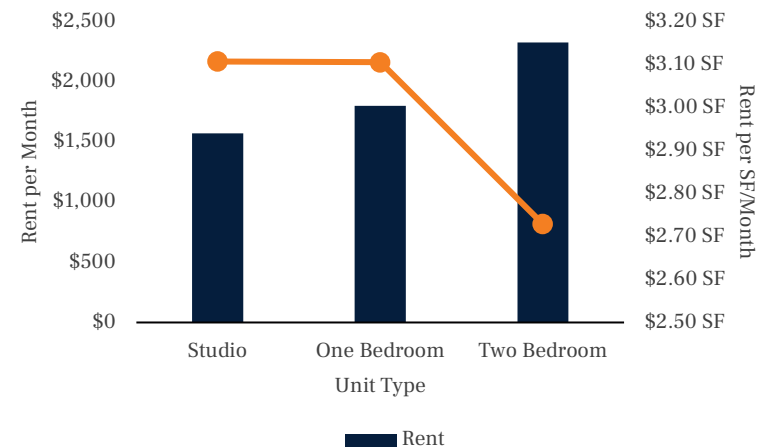
UNIT TYPE	NO. OF UNITS	RENTAL RANGE	SCHEDULED		
			AVERAGE RENT	AVERAGE RENT/SF	MONTHLY INCOME
Studio	65	505	\$1,525	\$3.02	\$99,125
1 bed	16	580	\$1,750	\$3.02	\$28,000
2 bed	23	852	\$2,250	\$2.64	\$51,750
TOTALS/ WEIGHTED AVERAGES	104	593	\$1,720	\$2.90	\$178,875

GROSS ANNUALIZED RENTS	\$2,146,505
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Unit Distribution



Unit Rent



# OPERATING STATEMENT

## GATEWAY APARTMENTS

INCOME	CURRENT		YEAR 1		NOTES	PER UNIT	PER SF
Rental Income							
Gross Scheduled Rent	2,211,905		2,278,262		[1]	21,906	36.92
Physical Vacancy	(110,595)	5.0%	(113,913)	5.0%	[2]	(1,095)	(1.85)
Total Vacancy	(\$110,595)	5.0%	(\$113,913)	5.0%		(\$1,095)	(\$2)
Effective Rental Income	2,101,310		2,164,349			20,811	35.07
Other Income							
Utility Bill Back	76,570		78,867		[3]	758	1.28
All Other Income	77,160		79,475		[4]	764	1.29
Total Other Income	\$153,730		\$158,342			\$1,523	\$2.57
Effective Gross Income	\$2,255,040		\$2,322,691			\$22,334	\$37.64

EXPENSES	CURRENT		YEAR 1		NOTES	PER UNIT	PER SF
Real Estate Taxes	224,000		230,720		[5]	2,218	3.74
Insurance	52,000		53,560		[6]	515	0.87
Utilities - Electric	20,800		21,424		[7]	206	0.35
Utilities - Water & Sewer	39,000		40,170		[8]	386	0.65
Trash Removal	44,200		45,526		[9]	438	0.74
Repairs & Maintenance	52,000		52,000		[10]	500	0.84
Marketing & Advertising	26,000		26,000		[11]	250	0.42
Payroll	130,000		130,000		[12]	1,250	2.11
General & Administrative	26,000		26,000		[13]	250	0.42
Operating Reserves	26,000		26,000		[14]	250	0.42
Management Fees	78,926	3.5%	81,294	3.5%	[15]	782	1.32
Total Expenses	\$718,926		\$732,694			\$7,045	\$11.87
Expenses as % of EGI	31.9%		31.5%				
Net Operating Income	\$1,536,113		\$1,589,997			\$15,288	\$25.76

# NOTES TO OPERATING STATEMENT

## GATEWAY APARTMENTS



1. Gross Scheduled Rent: Per market rent survey. Year 1 reflects a 3.00% increase.
2. Physical Vacancy: Adjusted to 5.00%.
3. Utility Bill-Back: Reflects 85% recapture of water, sewer, and garbage. Year 1 reflects a 3.00% increase.
4. All Other Income: Reflects \$80 per month per parking stall and \$35 per month for 1/4 of the units. Year 1 reflects a 3.00% increase.
5. Real Estate Taxes: Adjusted to reflect 85% of the property value against a 1% tax rate. Year 1 reflects a 3.00% increase.
6. Insurance: Adjusted to \$500 per unit. Year 1 reflects a 3.00% increase.
7. Utilities - Electric: Adjusted to \$200 per unit. Year 1 reflects a 3.00% increase.
8. Utilities - Water & Sewer: Adjusted to \$375 per unit. Year 1 reflects a 3.00% increase.
9. Trash Removal: Adjusted to \$425 per unit. Year 1 reflects a 3.00% increase.
10. Repairs & Maintenance: Adjusted to \$500 per unit.
11. Marketing & Advertising: Adjusted to \$250 per unit.
12. Payroll: Adjusted to \$1,250 per unit.
13. General & Administrative: Adjusted to \$250 per unit.
14. Operating Reserves: Adjusted to \$250 per unit.
15. Management Fee: Adjusted to 3.50%.



# GATEWAY APARTMENTS

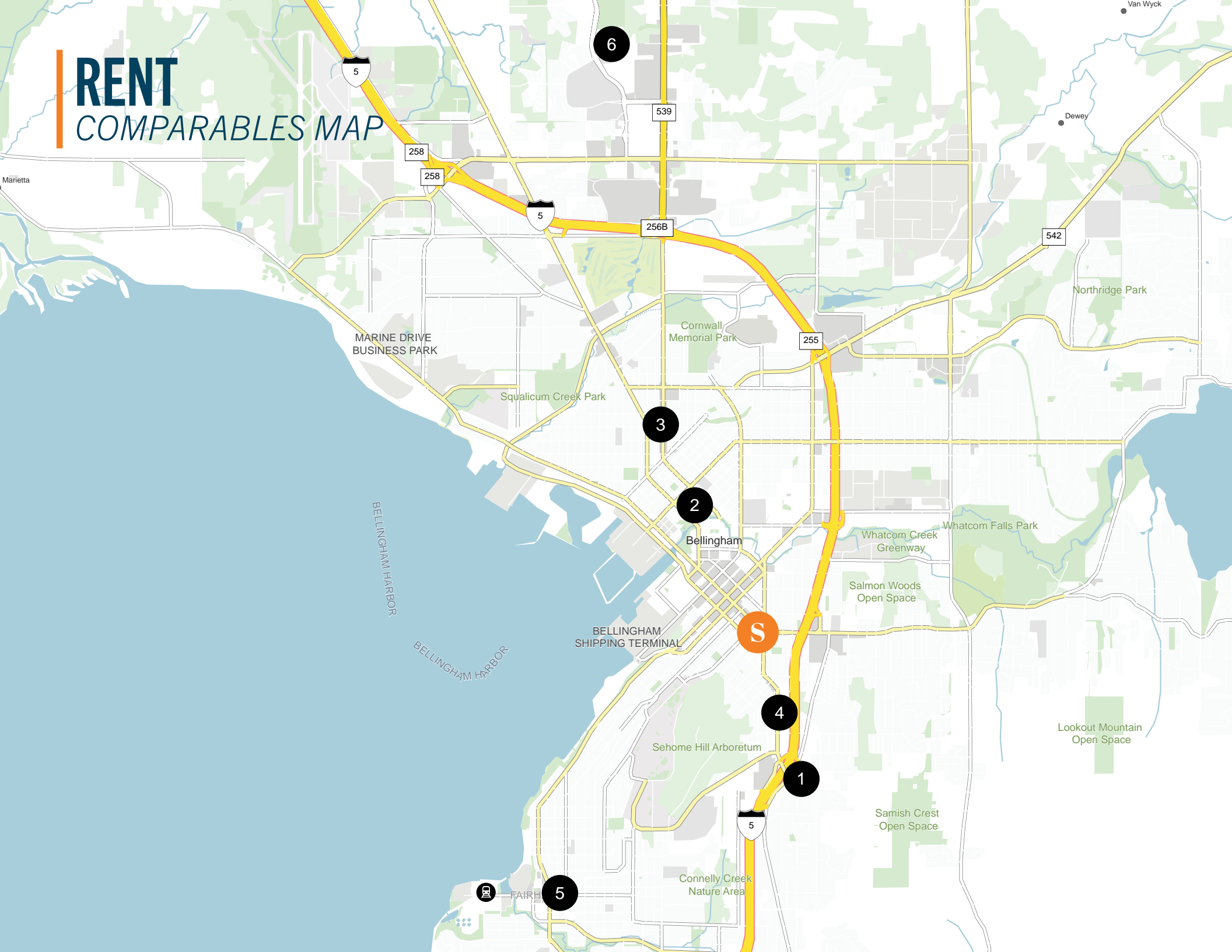
## 03.

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**MARKET  
COMPARABLES**

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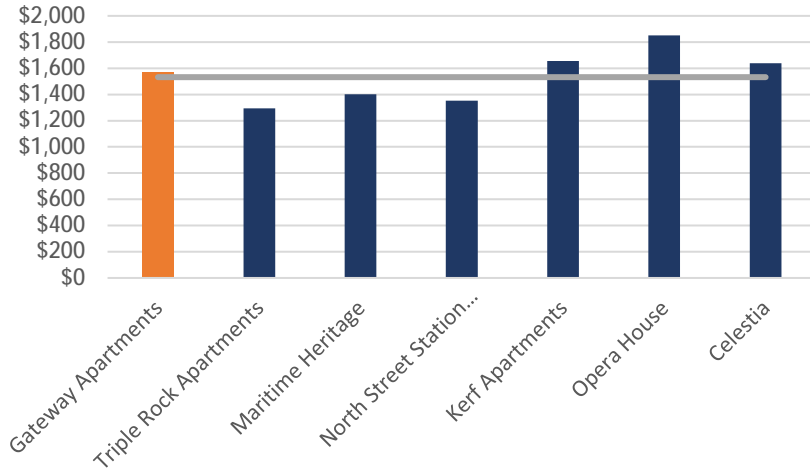
# RENT COMPARABLES MAP



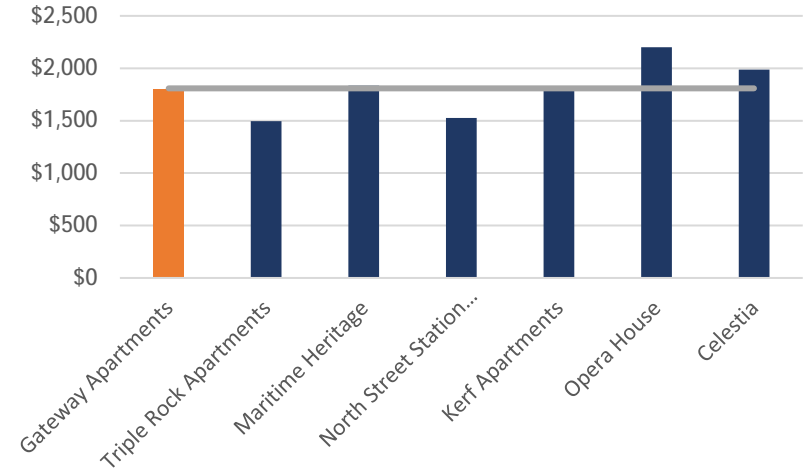
# RENT COMPARABLES

## AVERAGE RENT PER UNIT

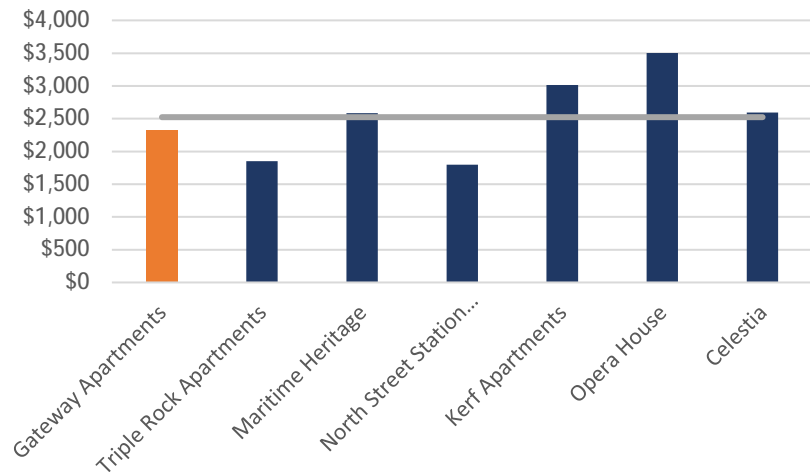
### Studio - Rent Per Unit



### One Bedroom - Rent Per Unit



### Two Bedroom - Rent Per Unit



AVERAGE STUDIO RENT PER UNIT: \$1,533

AVERAGE ONE BEDROOM RENT PER UNIT: \$1,809

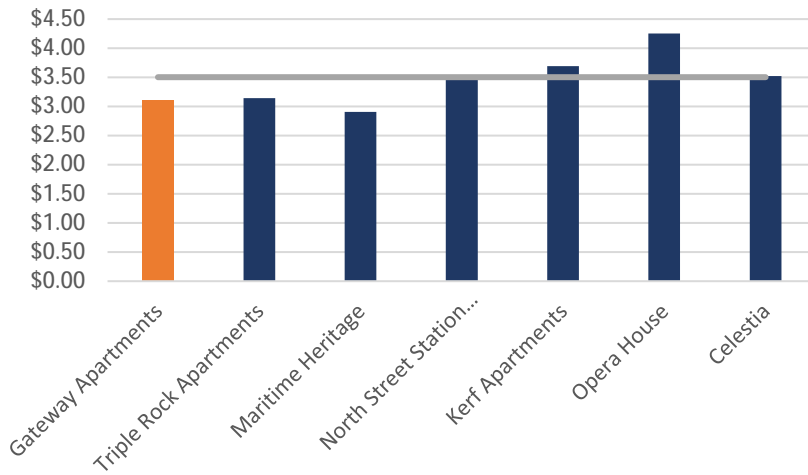
AVERAGE TWO BEDROOM RENT PER UNIT: \$2,524



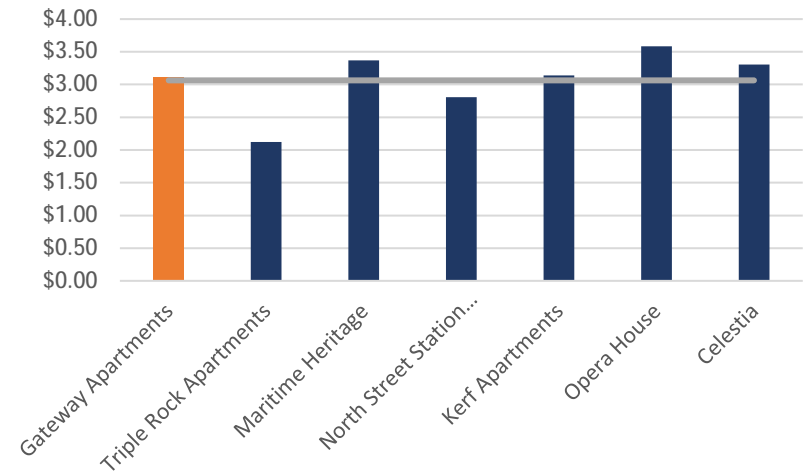
# RENT COMPARABLES

## AVERAGE RENT PER SF

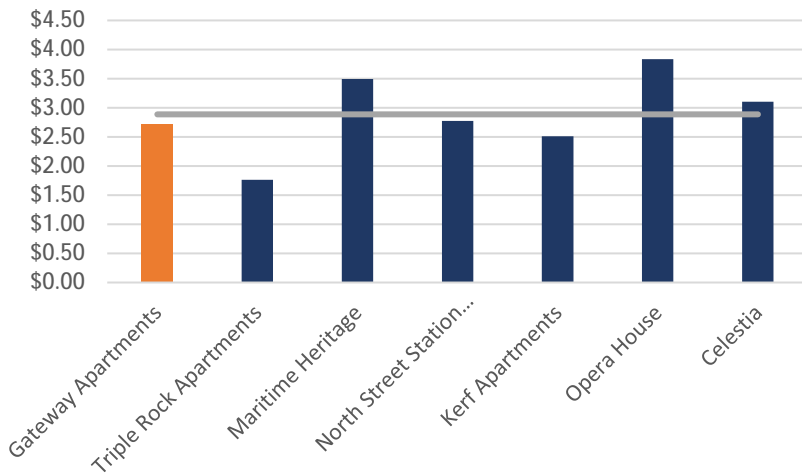
### Studio Rent - Rent Per SF



### One Bedroom- Rent Per SF



### Two Bedroom - Rent Per SF



AVERAGE STUDIO RENT PER SF: \$3.50

AVERAGE ONE BEDROOM RENT PER SF: \$3.06

AVERAGE TWO BEDROOM RENT PER SF: \$2.89

# RENT COMPARABLES



## GATEWAY APARTMENTS

770 E Holly St, Bellingham, WA 98225

**2024**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	65	505	\$1,570	\$3.11
One Bedroom	16	580	\$1,800	\$3.11
Two Bedroom	23	852	\$2,325	\$2.40
<b>AVERAGE // TOTAL:</b>	<b>104</b>	<b>593</b>	<b>\$1,772</b>	<b>\$2.99</b>

NOTES:

**01.**

## TRIPLE ROCK APARTMENTS

3817 Elwood Ave, Bellingham, WA 98229

**2023**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	11	412	\$1,295	\$2.22
One Bedroom	12	705	\$1,495	\$2.12
Two Bedroom	7	1050	\$1,850	\$1.76
<b>AVERAGE // TOTAL:</b>	<b>30</b>	<b>678</b>	<b>\$1,505</b>	<b>\$2.22</b>

NOTES: Laundry Facilities

# RENT COMPARABLES

## 02. MARITIME HERITAGE 1818 D St, Bellingham, WA 98225

**2023**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	90	482	\$1,402	\$2.91
One Bedroom	20	545	\$1,836	\$3.37
Two Bedroom	19	739	\$2,583	\$3.50
<b>AVERAGE // TOTAL:</b>	<b>120</b>	<b>529</b>	<b>\$1,643</b>	<b>\$3.10</b>

NOTES:

## 03. NORTH ST STATION APARTMENTS 2609 Meridian St , Bellingham, WA 98225

**2022**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	3	387	\$1,353	\$3.50
One Bedroom	3	544	\$1,526	\$2.80
Two Bedroom	15	647	\$1,797	\$2.78
<b>AVERAGE // TOTAL:</b>	<b>21</b>	<b>595</b>	<b>\$1,695</b>	<b>\$2.85</b>

NOTES:

# RENT COMPARABLES

## 04. KERF APARTMENTS 208 N Samish Way, Bellingham, WA 98225

**1992**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	52	449	\$1,657	\$3.69
One Bedroom	112	578	\$1,814	\$3.14
Two Bedroom	32	1,200	\$3,015	\$2.51
AVERAGE // TOTAL:	196	645	\$1,968	\$3.05

NOTES:

## 05. OPERA HOUSE 1305 Harris Ave, Bellingham, WA 98225

**1984**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	15	435	\$1,850	\$4.25
One Bedroom	15	614	\$2,201	\$3.58
Two Bedroom	6	912	\$3,501	\$3.84
AVERAGE // TOTAL:	36	589	\$2,271	\$3.86

NOTES:

# RENT COMPARABLES

**06.** CELESTIA  
430 W Stuart Rd, Bellingham, WA 98226

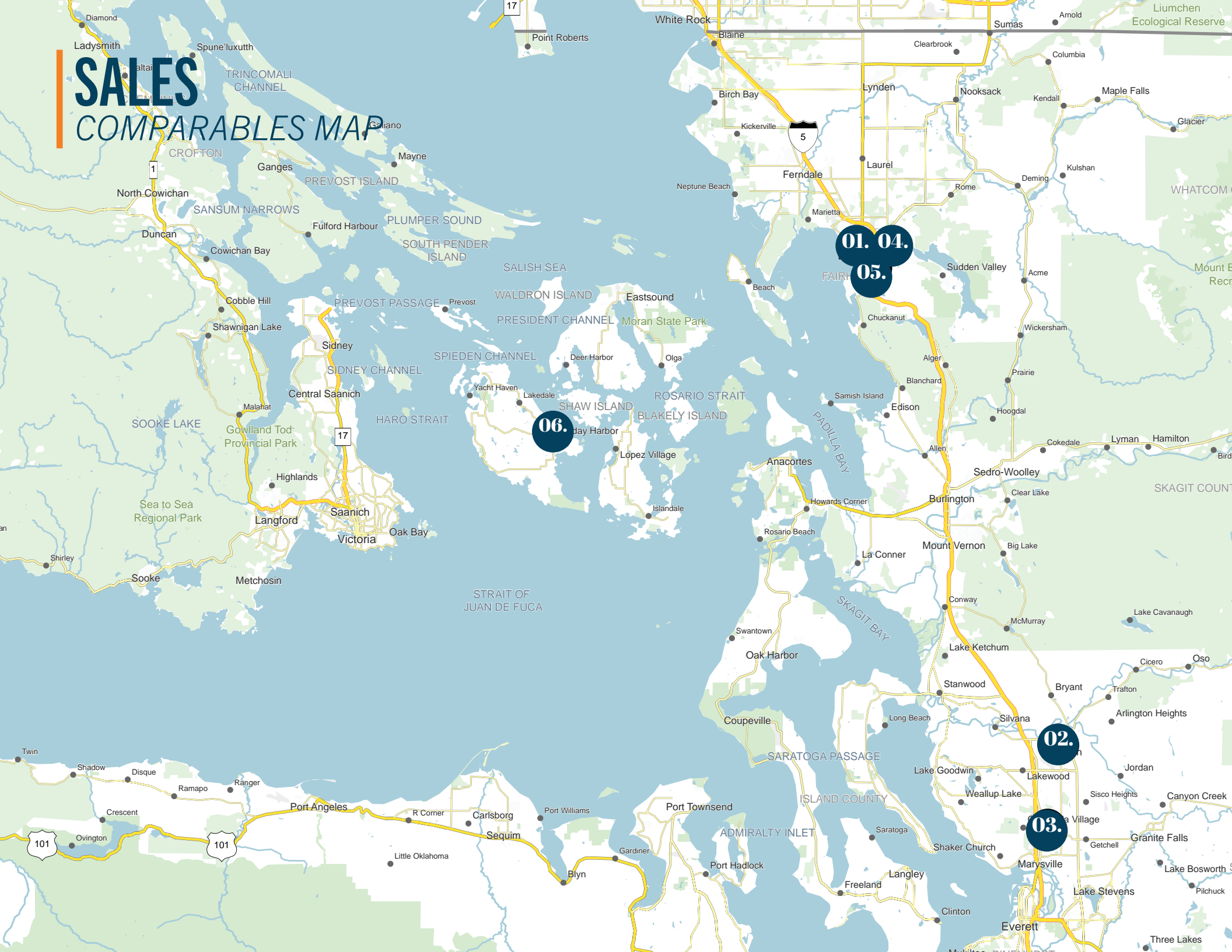
**1992**



UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	11	465	\$1,638	\$3.52
One Bedroom	74	602	\$1,988	\$3.30
Two Bedroom	25	836	\$2,596	\$3.11
<b>AVERAGE // TOTAL:</b>	<b>110</b>	<b>641</b>	<b>\$2,091</b>	<b>\$3.26</b>

NOTES:

# SALES COMPARABLES MAP

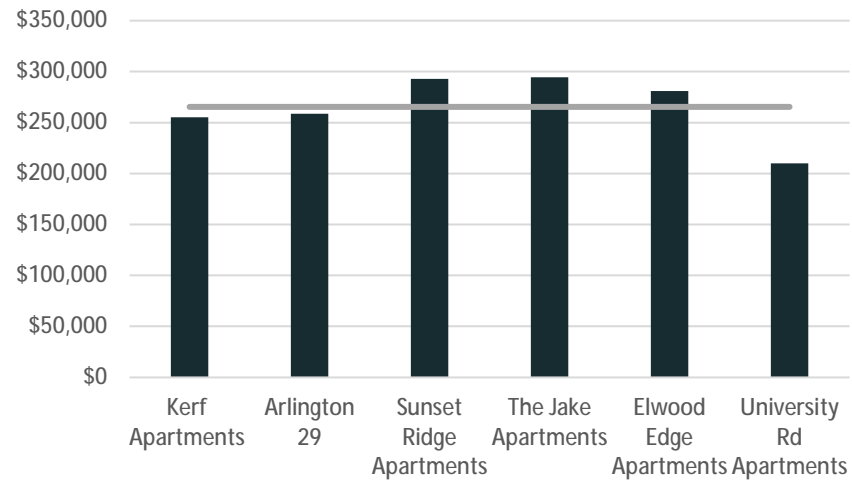


# SALES COMPARABLES

AVERAGE PRICE PER UNIT:

\$265,344

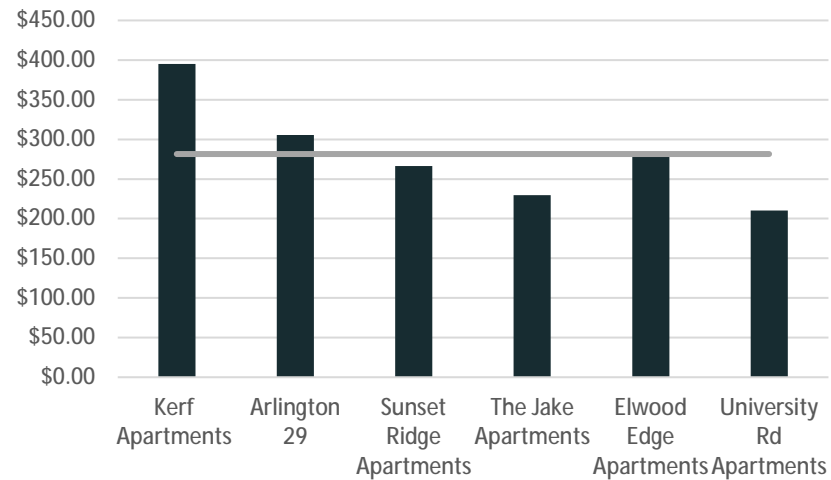
Price Per Unit



AVERAGE PRICE PER SF:

\$281.38

Price Per SF



# SALES COMPARABLES



**01.** KERF APARTMENTS  
208 N Samish Way, Bellingham, WA

CLOSE OF ESCROW	ON MARKET
SALE PRICE	\$50,000,000
PRICE/UNIT	\$255,102
PRICE/SF	\$395
CAP RATE	5.00%
# OF UNITS	196
AVERAGE UNIT SF	645
YEAR BUILT	2024



**02.** ARLINGTON 29  
6605 204th, Arlington, WA

CLOSE OF ESCROW	11/14/2023
SALE PRICE	\$7,500,000
PRICE/UNIT	\$258,621
PRICE/SF	\$306
CAP RATE	4.46%
# OF UNITS	29
AVERAGE UNIT SF	466
YEAR BUILT	2023



**03.** SUNSET RIDGE APARTMENTS  
4921 100th St NE, Marysville, WA

CLOSE OF ESCROW	10/26/2023
SALE PRICE	\$5,860,000
PRICE/UNIT	\$293,000
PRICE/SF	\$267
CAP RATE	5.35%
# OF UNITS	20
AVERAGE UNIT SF	770
YEAR BUILT	2023



# SALES COMPARABLES



**04.** THE JAKE APARTMENTS  
3805 Elwood Ave, Bellingham, WA

CLOSE OF ESCROW	7/5/2023
SALE PRICE	\$23,250,000
PRICE/UNIT	\$294,304
PRICE/SF	\$230
CAP RATE	5.50%
# OF UNITS	79
AVERAGE UNIT SF	1041
YEAR BUILT	2024



**05.** ELWOOD EDGE  
3815 Elwood Ave, Bellingham, WA

CLOSE OF ESCROW	7/5/2023
SALE PRICE	\$8,150,000
PRICE/UNIT	\$281,034
PRICE/SF	\$281
CAP RATE	6.58%
# OF UNITS	29
AVERAGE UNIT SF	665
YEAR BUILT	2023



**06.** UNIVERISTY RD APARTMENTS  
534 University Rd, Friday Harbor, WA

CLOSE OF ESCROW	4/14/2023
SALE PRICE	\$2,100,000
PRICE/UNIT	\$210,000
PRICE/SF	\$210
CAP RATE	4.90%
# OF UNITS	10
AVERAGE UNIT SF	922
YEAR BUILT	1995/2018

# GATEWAY APARTMENTS

## 04.

### LOCATION OVERVIEW



Marcus & Millichap

# BELLINGHAM

## Overview

Bellingham is a city located in the northwestern part of Washington state, United States. The city has a population of around 93,000 and is known for its scenic beauty, outdoor recreational opportunities, and vibrant cultural scene.

The economy of Bellingham is largely driven by education, with Western Washington University being one of the largest employers in the city. The university employs over 2,000 people and has a student population of around 16,000, making it a significant contributor to the local economy. The influx of students also supports many local businesses, including restaurants, cafes, and entertainment venues.

Aside from education, Bellingham's economy benefits from its proximity to the Canadian border and the city of Vancouver, British Columbia. Cross-border trade and tourism are important economic drivers, with many Canadian visitors coming to Bellingham for shopping and leisure activities. The city's port also plays a role in supporting trade and marine industries.

Tourism and outdoor recreation are key components of Bellingham's economy. The city's location near the Cascade Mountains and Puget Sound makes it a popular destination for hiking, skiing, kayaking, and other outdoor activities. The local tourism industry supports numerous hotels, restaurants, and recreational service providers.

Bellingham also has a diverse industrial base, with industries such as manufacturing, healthcare, and technology contributing to the local economy. Additionally, the agricultural sector in the surrounding Whatcom County plays a significant role, with the region known for its berry farms and dairy production.

Overall, Bellingham's economy is characterized by a strong education sector, cross-border trade, tourism, and a mix of industrial and agricultural activities.



# DEMOGRAPHICS

## Bellingham, WA



**205,216**

Total population within a 5-mile radius



**\$138,863**

Average household income within a 5-mile radius

**86,218**

Total Households (5-Mile Radius)



**\$645,036**

Average home value within a 5-mile radius

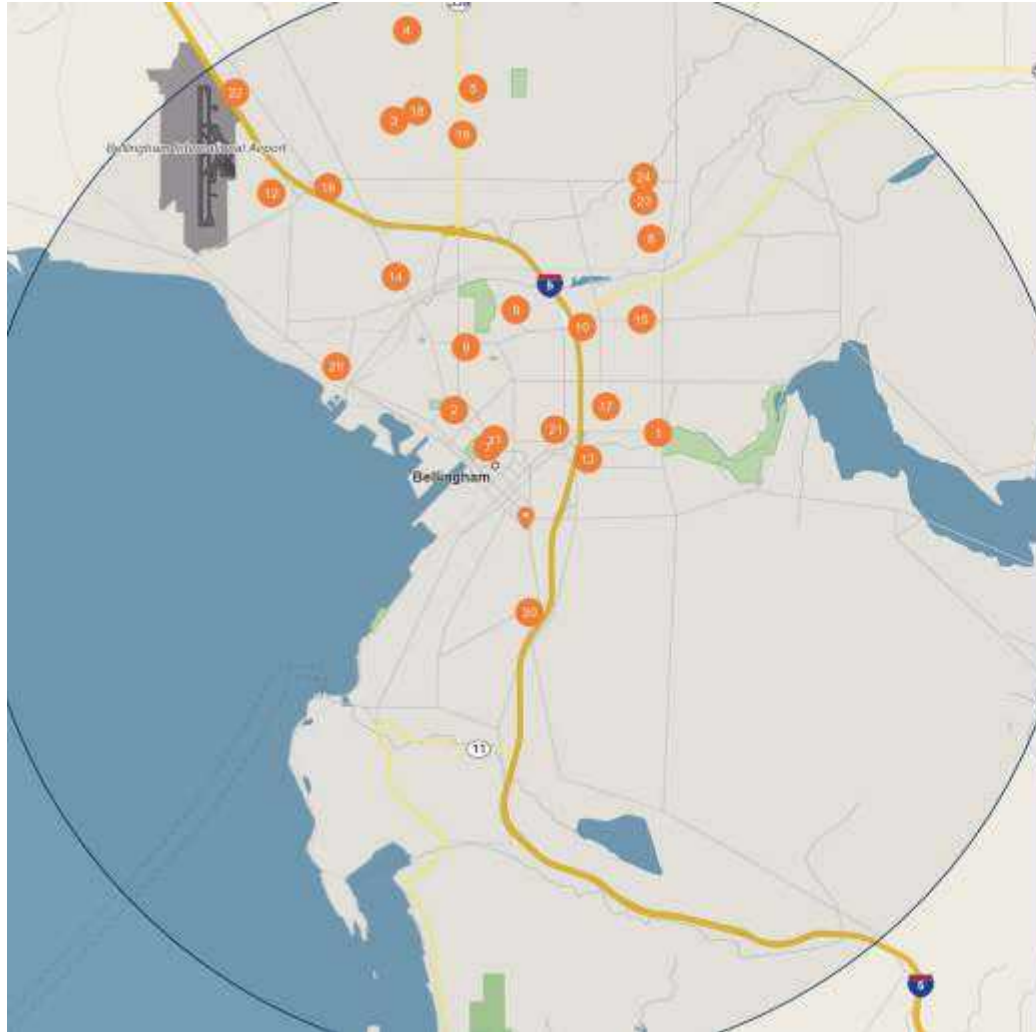


**217,098**

Projected 2028 Total Population (5-Mile Radius)

# MAJOR EMPLOYERS

## Bellingham, WA



Major Employers		Employees
1	Swickard Bellingham Rja LLC-Roger Jobs	1,314
2	Bellingham School District 501	1,300
3	Whatcom Cmnty Cllege Fundation	900
4	Haggen Inc-Haggen Foods	701
5	Walmart Inc-Walmart	546
6	Maax US Corp	509
7	Whatcom County-EXECUTIVE OFFICE	507
8	Thomas Management LLC-Thomas Cuisine Management	436
9	Haggen Inc-Haggen Foods	421
10	Lowe's Home Centers LLC-Lowe's	357
11	City of Bellingham-City Hall	300
12	Anvil Corporation	300
13	Haskell Corporation-FM Haskell Corporation	300
14	Pioneer Food Service Inc-McDonalds	290
15	Homax Group Inc-Homax Group	270
16	Fred Meyer Stores Inc-Fred Meyer Jewelers 00667	268
17	City of Bellingham-Public Works	256
18	Cascade Connections-Cascade Vocational Services	252
19	Gmri Inc-Olive Garden	237
20	Haggen Inc-Haggen Foods	234
21	Parker Corporate Services-Pacific Security	225
22	Huntley John Inc-Mills Electric Co	220
23	Whatcom Transportation Auth	214
24	Polar Tankers Inc	210
25	Bellingham Tchncl Cllege Dst-Bellingham Technical College	200

POPULATION				HOUSEHOLDS BY INCOME			
	1 MILE	3 MILES	5 MILES		1 MILE	3 MILES	5 MILES
2028 Projection				2023 Estimate			
Total Population	21,079	106,362	217,098	\$200,000 or More	27.4%	20.6%	17.3%
2023 Estimate				\$150,000-\$199,999	13.5%	13.1%	11.3%
Total Population	20,079	101,961	205,216	\$100,000-\$149,999	19.5%	22.0%	21.6%
2020 Census				\$75,000-\$99,999	9.8%	10.2%	10.2%
Total Population	20,402	102,690	202,451	\$50,000-\$74,999	10.2%	12.5%	13.4%
2010 Census				\$35,000-\$49,999	5.2%	6.6%	7.7%
Total Population	18,007	88,914	176,924	\$25,000-\$34,999	3.8%	4.3%	5.3%
Daytime Population				\$15,000-\$24,999	4.8%	4.9%	5.7%
2023 Estimate	11,286	85,880	239,085	Under \$15,000	5.8%	5.9%	7.5%
HOUSEHOLDS				POPULATION PROFILE			
	1 MILE	3 MILES	5 MILES	Population By Age			
2028 Projection				2023 Estimate Total Population			
Total Households	9,652	48,408	91,451	20,079	101,961	205,216	
2023 Estimate				Under 20			
Total Households	9,163	46,280	86,087	22.6%	20.3%	21.0%	
Average (Mean) Household Size	2.2	2.2	2.4	20 to 34 Years			
2020 Census				18.6%			
Total Households	8,865	45,041	83,087	35 to 39 Years			
2010 Census				9.9%			
Total Households	8,105	38,961	71,652	40 to 49 Years			
Growth 2023-2028	5.3%	4.6%	6.1%	16.2%			
HOUSING UNITS				50 to 64 Years			
	1 MILE	3 MILES	5 MILES	18.8%			
Occupied Units				Age 65+			
2028 Projection	10,066	50,608	95,997	14.0%			
2023 Estimate	9,577	48,563	90,814	Median Age			
Owner Occupied	5,577	26,939	47,940	39.4			
Renter Occupied	3,586	19,341	38,278	Population 25+ by Education Level			
Vacant	413	2,282	4,596	2023 Estimate Population Age 25+			
Persons In Units				14,858			
2023 Estimate Total Occupied Units	9,163	46,280	86,218	77,135			
1 Person Units	33.7%	33.9%	32.3%	Elementary (0-8)			
2 Person Units	38.2%	37.4%	34.7%	2.4%			
3 Person Units	13.7%	13.6%	14.2%	Some High School (9-11)			
4 Person Units	9.4%	9.6%	10.6%	3.2%			
5 Person Units	3.1%	3.2%	4.4%	High School Graduate (12)			
6+ Person Units	1.8%	2.1%	3.8%	12.3%			
				Some College (13-15)			
				15.7%			
				Associate Degree Only			
				7.5%			
				Bachelors Degree Only			
				36.5%			
				Graduate Degree			
				22.5%			
				Population by Gender			
				2023 Estimate Total Population			
				20,079			
				Male Population			
				47.8%			
				Female Population			
				52.2%			



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