

1704 SOUTH 12TH AVENUE

YAKIMA, WA 98902



OFFERING MEMORANDUM



Keller Williams Sunset Corridor - Each Office Independently Owned and Operated

17 UNITS - MULTIFAMILY PROPERTY
FOR SALE - \$2,450,000

1704 SOUTH 12TH AVENUE

YAKIMA, WA 98902

PROPERTY DESCRIPTION

Welcome to 12th Avenue Apartments located in the heart of Yakima right across the street from Lewis and Clark Middle School and a public transit bus stop. This expansive property offers 17 apartments, with 15 two-bedroom units and 2 three-bedroom units, perfectly designed to accommodate a variety of lifestyle needs. The property provides two assigned off-street parking spots directly in front of every apartment, a separate storage locker for every apartment, private patios, five of the units provide private washer and dryer hook-ups, and a professionally managed laundry room for everyone. Spread across five well-maintained buildings, the property encompasses a generous 1.33 acres, providing ample space and a welcoming atmosphere. All of these units have been very well taken care of by the current owners. There is upside potential for more income with some of the units currently rented below market, making it even more attractive for the astute investor.

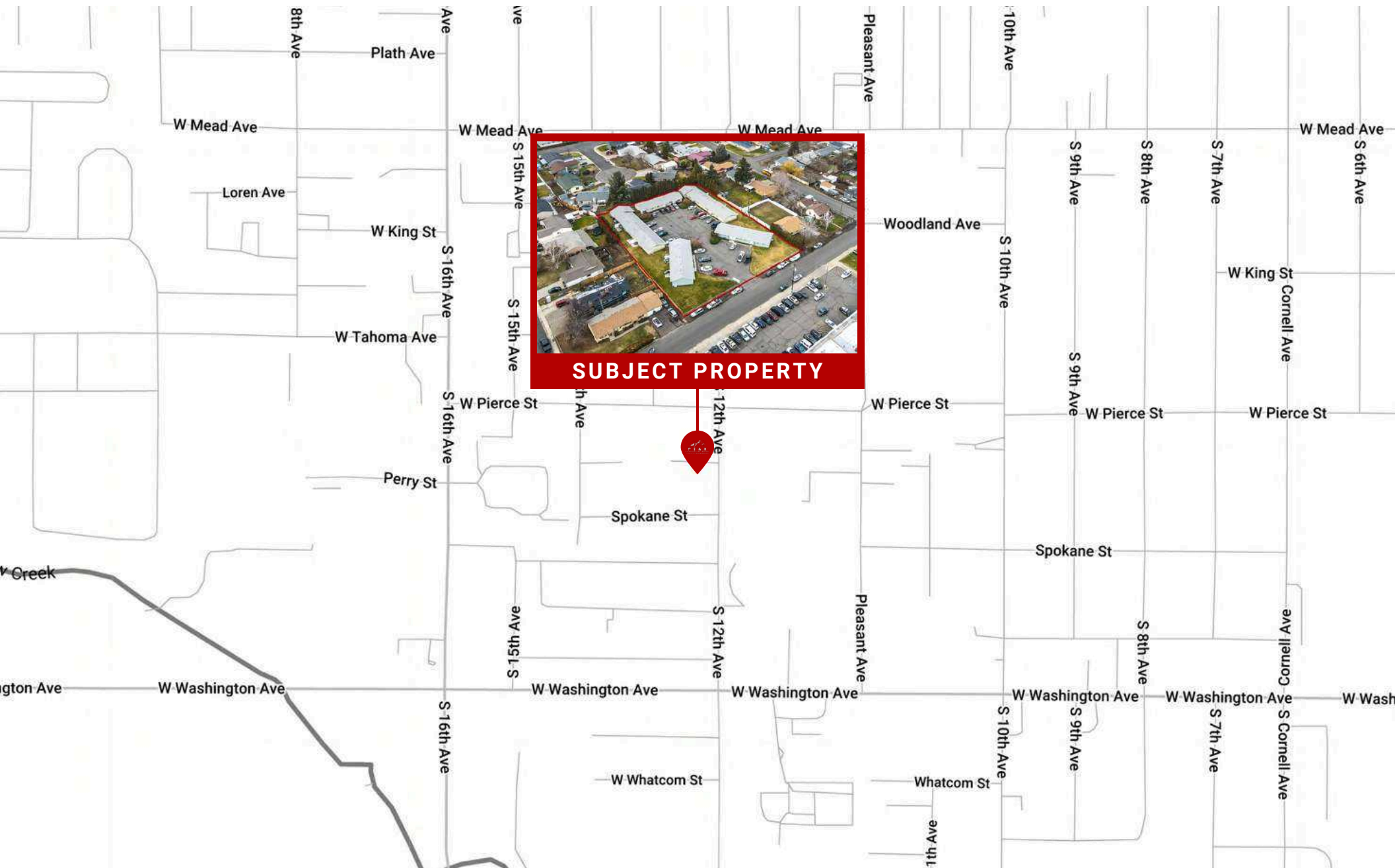
This is one of three properties in a 45 unit portfolio that are all in close proximity to each other and can be purchased separately or as a package.



INVESTMENT SUMMARY

PRICE	\$2,450,000.00
PROPERTY TYPE	Multi-family Apartment Complex
TOTAL NO. OF UNITS	17 Units
	15 Units: 2 Bedrooms, 1 Bath
	2 Units: 3 Bedrooms, 2 Baths
LOT SIZE	1.33 AC
ZONING	R-3
YEAR BUILT	1973

LOCATION OVERVIEW



POINT OF INTEREST



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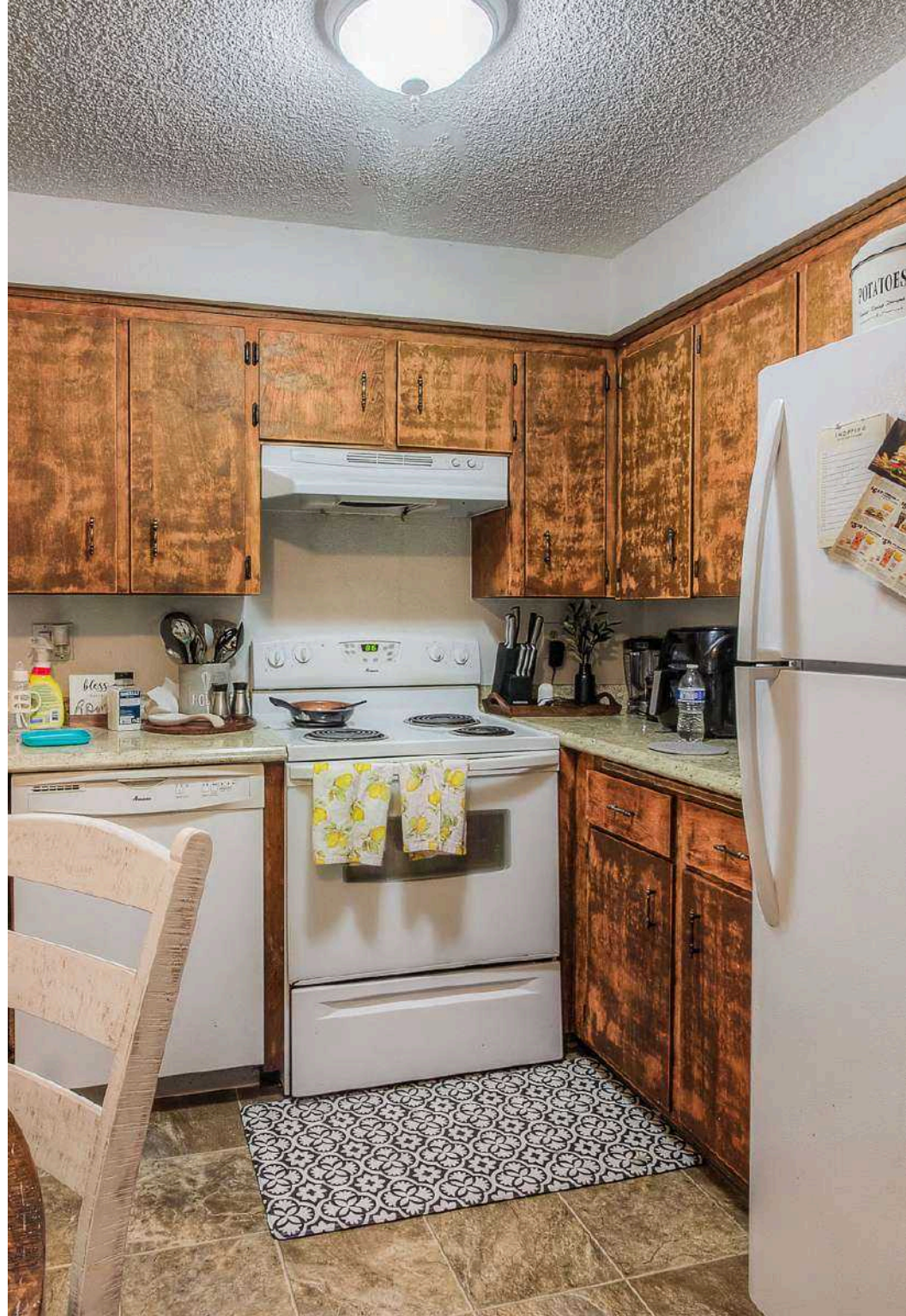
SUBJECT PROPERTY

Google Earth





















EXECUTIVE SUMMARY

Acquisition Costs

Purchase Price, Points and Closing Costs	\$2,469,650
Investment - Cash	\$754,650
First Loan (Fixed)	\$1,715,000

Investment Information

Purchase Price	\$2,450,000
Price per Unit	\$144,118
Price per SF	\$181.91
Expenses per Unit	(\$4,461)

Financial Indicators

Cash-on-Cash Return Before Taxes	4.34%
Optimal Internal Rate of Return (yr 5)	8.69%
Debt Coverage Ratio	1.25
Capitalization Rate	6.65%
Gross Rent Multiplier	9.77
Gross Income / Square Feet	\$18.62
Gross Expenses / Square Feet	(\$5.63)
Operating Expense Ratio	31.78%

Income, Expenses & Cash Flow

Gross Scheduled Income	\$250,728
Total Vacancy and Credits	(\$12,072)
Operating Expenses	(\$75,833)

Net Operating Income	\$162,823
Debt Service	(\$130,080)

Cash Flow Before Taxes	\$32,743
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After Tax Results

Total Interest (Debt Service)	(\$110,911)
Depreciation and Amortization	(\$64,655)
Taxable Income (Loss)	(\$12,743)
Tax Savings (Costs)	\$4,588

Cash Flow After Taxes	\$37,331
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ANNUAL PROPERTY OPERATING DATA

DESCRIPTION YEAR ENDING	YEAR 1 12/2025	YEAR 2 12/2026	YEAR 3 12/2027	YEAR 4 12/2028	YEAR 5 12/2029
INCOME					
RENTAL INCOME	\$241,440	\$246,269	\$251,194	\$256,218	\$261,342
LAUNDRY INCOME	\$840	\$857	\$874	\$891	\$909
MISCELANEOUS	\$600	\$612	\$624	\$637	\$649
DAMAGES	\$1,572	\$1,626	\$1,636	\$1,668	\$1,702
FORFEIT SECURITY DEPOSITS	\$2,940	\$3,059	\$3,059	\$3,120	\$3,182
UTILITY REIMBURSEMENT	\$3,336	\$3,471	\$3,471	\$3,540	\$3,611
GROSS SCHEDULED INCOME	\$250,728	\$255,743	\$260,857	\$266,075	\$271,396
GENERAL VACANCY	(\$12,313)	(\$12,313)	(\$12,560)	(\$12,811)	(\$13,067)
GROSS OPERATING INCOME	\$238,656	\$243,429	\$248,298	\$253,264	\$258,329
EXPENSES					
BUILDING INSURANCE	(\$6,047)	(\$6,228)	(\$6,415)	(\$6,608)	(\$6,806)
MAINTENANCE	(\$10,160)	(\$10,465)	(\$10,779)	(\$11,102)	(\$11,435)
MANAGEMENT FEES	(\$22,048)	(\$22,709)	(\$23,391)	(\$24,092)	(\$24,815)
REPAIRS	(\$10,160)	(\$10,465)	(\$10,779)	(\$11,102)	(\$11,435)
TAXES - REAL ESTATE	(\$11,474)	(\$11,818)	(\$12,173)	(\$12,538)	(\$12,914)
UTILITY - TRASH	(\$3,950)	(\$4,069)	(\$4,191)	(\$4,316)	(\$4,446)
UTILITY - ELECTRICITY	(\$1,889)	(\$1,946)	(\$2,004)	(\$2,064)	(\$2,126)
UTILITY - WATER	(\$6,837)	(\$7,042)	(\$7,253)	(\$7,471)	(\$7,695)
UTILITY - SEWER	(\$3,268)	(\$3,366)	(\$3,467)	(\$3,571)	(\$3,678)
TOTAL OPERATING EXPENSES	(\$75,833)	(\$78,108)	(\$80,451)	(\$82,865)	(\$85,351)
OPERATING EXPENSE RATIO	31.78%	32.09%	32.40%	32.72%	33.04%
NET OPERATING INCOME	\$162,823	\$165,321	\$167,846	\$170,399	\$172,978

CASHFLOW ANALYSIS

BEFORE-TAX CASH FLOW YEAR ENDING	YEAR 1 12/2025	YEAR 2 12/2026	YEAR 3 12/2027	YEAR 4 12/2028	YEAR 5 12/2029
BEFORE-TAX CASH FLOW					
GROSS SCHEDULED INCOME	\$250,728	\$255,743	\$260,857	\$266,075	\$271,396
GENERAL VACANCY	(\$12,072)	(\$12,313)	(\$12,560)	(\$12,811)	(\$13,067)
TOTAL OPERATING EXPENSES	(\$75,833)	(\$78,108)	(\$80,451)	(\$82,865)	(\$85,351)
NET OPERATING INCOME	\$162,823	\$165,321	\$167,846	\$170,399	\$172,978
LOAN PAYMENT	(\$130,080)	(\$130,080)	(\$130,080)	(\$130,080)	(\$130,080)
BEFORE-TAX CASH FLOW	\$32,746	\$35,242	\$37,767	\$40,319	\$42,899
CASH-ON-CASH RETURN	4.34%	4.67%	5.00%	5.34%	5.68%
TAXABLE INCOME					
NET OPERATING INCOME	\$162,823	\$165,321	\$167,846	\$170,399	\$172,978
DEPRECIATION	(\$64,084)	(\$66,880)	(\$66,880)	(\$66,880)	(\$64,087)
AMORTIZATION	(\$572)	(\$572)	(\$572)	(\$572)	(\$572)
LOAN INTEREST	(\$110,911)	(\$109,627)	(\$108,257)	(\$106,796)	(\$105,236)
TAXABLE INCOME (LOSS)	(\$12,743)	(\$11,757)	(\$7,862)	(\$3,848)	(\$3,084)
AFTER-TAX CASH FLOW					
BEFORE-TAX CASH FLOW	\$32,743	\$35,242	\$37,767	\$40,319	\$42,899
INCOME TAXES	\$4,588	\$4,233	\$2,830	\$1,385	(\$1,110)
AFTER-TAX CASH FLOW	\$37,331	\$39,474	\$40,597	\$41,705	\$41,788
CASH-ON-CASH RETURN	4.95%	5.23%	5.38%	5.53%	5.54%

RENT ROLL

UNIT #	UNIT MIX	SF	CURRENT RENT	MARKET RENT
A1	2 brm/1 bth	728	\$1,225.00	\$1,300.00
A2	2 brm/1 bth	728	\$1,225.00	\$1,300.00
A3	2 brm/1 bth	728	\$1,175.00	\$1,300.00
B4	2 brm/1 bth	728	\$1,175.00	\$1,300.00
B5	2 brm/1 bth	728	\$1,175.00	\$1,300.00
B6	2 brm/1 bth	728	\$1,125.00	\$1,300.00
B7	3 brm/2 bth	1092	\$1,575.00	\$1,600.00
C8	2 brm/1 bth	728	\$1,095.00	\$1,300.00
C9	2 brm/1 bth	728	\$1,125.00	\$1,300.00
C10	2 brm/1 bth	972	\$1,175.00	\$1,300.00
D11	3 brm/2 bth	1092	\$1,130.00	\$1,600.00
D12	2 brm/1 bth	728	\$1,070.00	\$1,300.00
D13	2 brm/1 bth	728	\$1,225.00	\$1,300.00
D14	2 brm/1 bth	728	\$1,200.00	\$1,300.00
E15	2 brm/1 bth	728	\$1,300.00	\$1,300.00
E16	2 brm/1 bth	728	\$975.00	\$1,300.00
E17	2 brm/1 bth	728	\$1,150.00	\$1,300.00
TOTALS			20,020.00	\$22,700.00



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