

VALLEY COMMONS

Investment Highlights

Very walkable Rainier Beach location near restaurants, shops, grocery stores, parks, and transit

Value-add opportunity - Likely to achieve an all-in 7%+ cap rate

All 2-bedroom units with dishwashers, dining areas, updated kitchens and baths, and upgraded dual-pane windows

Desirable features including 35 parking spaces and on-site laundry

Affordably priced at less than \$250 per foot and under \$180,000 per unit

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PROPERTY DESCRIPTION

Boasting a “Very Walkable” walk score of 81, Valley Commons is positioned in a convenient Rainier Beach location near a variety of community amenities.

Several restaurants and multiple grocery markets are within a quarter mile of the property, while Rainier Beach Playfield and the Rainier Beach Community Center and pool are all within a 10-minute walk. Within a 15-minute walk are Be'er Sheva Park and Pritchard Island Beach, with their Lake Washington access, as well as the brand-new Rainier Beach High School. Boeing Field is just 11 minutes away by car. Rainier Beach Station, which serves as a stop for both local bus transit and the regional light rail line that transports riders to the Seattle Tacoma International Airport, the University of Washington, Downtown Seattle, and Lynnwood, is less than a mile away, or 6 minutes by bicycle. Interstate 5 is approximately a mile west of the property and provides residents of Valley Commons easy access to the rest of the Puget Sound region.

Valley Commons was constructed in 1962 and is comprised of 27 two-bedroom/one-bathroom apartments. The units feature dining areas, dishwashers, updated kitchens and baths, and dual-pane windows. The property also offers 35 parking spaces and an on-site laundry facility for tenant use.

Affordably priced at less than \$250 per square foot and under \$180,000 per unit, Valley Commons is an excellent option for a value-add purchaser. The potential exists to further update and/or add laundry and re-rent the units at pro forma levels, cure deferred maintenance and improve the curb appeal, and to stabilize expenses to achieve an all-in 7%+ cap rate. Further, given the likely income produced, a competent management company and site manager could efficiently and effectively operate the property on behalf of the new ownership.

Valley Commons, with its walkable Rainier Beach location, and potential for an above-market return, is an excellent investment opportunity.

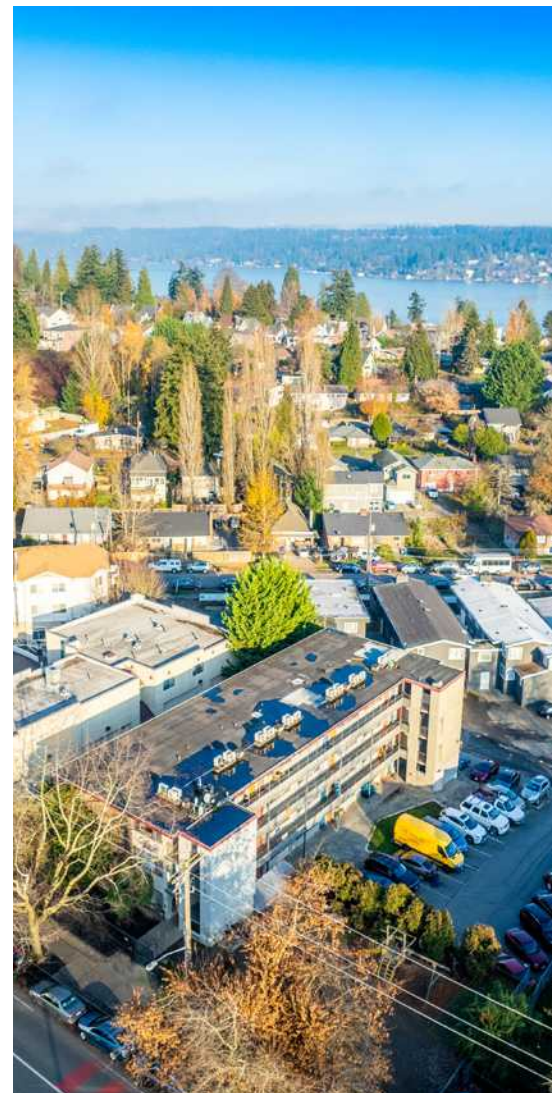
| | |
|------------------------|--------------------|
| PROPERTY NAME | Valley Commons |
| ADDRESS | 8340 Rainier Ave S |
| UNITS | 27 |
| YEAR BUILT | 1962 |
| NRSF | ±20,250 SF |
| LOT SIZE | ±15,041 SF |
| ZONING | LR3 RC (M) |
| PARCEL | 333600-0125 |
| ACQUISITION PRICE | \$4,850,000 |
| ACQUISITION PRICE/UNIT | \$179,630 |
| ACQUISITION PRICE/SF | \$239.51 |



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PHOTOS



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FINANCIALS

RENT ROLL SUMMARY

| Unit Type | # of Units | SF | Avg Current Rent | Avg Current Rent/SF | Market Rent* | Market Rent/SF | Pro Forma Rent* | Pro Forma Rent/SF |
|--------------|------------|---------------|------------------|---------------------|-----------------|----------------|-----------------|-------------------|
| 2 Bed 1 Bath | 27 | 750 | \$1,524 | \$2.03 | \$1,800 | \$2.40 | \$2,100 | \$2.80 |
| Total | 27 | 20,250 | \$41,160 | | \$48,600 | | \$56,700 | |

INCOME

| | Market* | Pro Forma* |
|-------------------------------|------------------|------------------|
| Total Scheduled Rent | \$583,200 | \$680,400 |
| Laundry | \$6,480 | \$0 |
| Parking | \$12,600 | \$12,600 |
| Utility Bill-Back | \$41,310 | \$41,310 |
| Other Income | \$16,610 | \$16,610 |
| Gross Potential Income | \$660,200 | \$750,920 |
| Less Physical Vacancy (5%) | (\$33,010) | (\$37,546) |
| Effective Gross Income | \$627,190 | \$713,374 |

EXPENSES

| | Market* | Pro Forma* |
|-----------------------------|------------------|------------------|
| Real Estate Taxes | \$46,936 | \$46,936 |
| Insurance | \$24,500 | \$24,500 |
| Utilities | \$45,900 | \$45,900 |
| Repairs & Maintenance | \$32,400 | \$32,400 |
| Professional Management | \$31,360 | \$35,669 |
| On-Site Management | \$16,200 | \$16,200 |
| Capital Reserves | \$6,750 | \$6,750 |
| Landscaping | \$3,600 | \$3,600 |
| Administration | \$2,700 | \$2,700 |
| Marketing | \$2,700 | \$2,700 |
| Total Expenses | \$213,046 | \$217,355 |
| Expenses/Unit | \$7,891 | \$8,050 |
| Expenses/SF | \$10.52 | \$10.73 |
| Net Operating Income | \$414,144 | \$496,019 |

*Market figures assume necessary renovations to the property and basic remodeling and turnover of the units. Pro Forma figures assume necessary renovations to the property and basic remodeling, addition of in-unit laundry, and turnover of the units.



INCOME & EXPENSE NOTES

LAUNDRY

Market based on \$10 per bedroom per month. Pro Forma assumes units have been renovated to include in-unit laundry

PARKING

Based on billing \$35 for each of the 30 spaces.

UTILITY BILL-BACK

Based on 90% of the utilities being billed back to residents based on a RUBS system.

OTHER INCOME

Based on the Other Income table shown below.

REAL ESTATE TAXES

Based on the purchase price multiplied by the current millage rate.

INSURANCE

Based on an unofficial quote from Charles Chai Agency.

UTILITIES

Based on \$1,700 per unit per year.

REPAIRS & MAINTENANCE

Based on \$1,200 per unit per year.

PROFESSIONAL MANAGEMENT

Based on a 5% management expense.

ON-SITE MANAGEMENT

Based on \$50 per unit per month.

CAPITAL RESERVES

\$250 per unit is accumulated to pay for large capital expenditures amortized over years of operations.

LANDSCAPING

Based on \$300 per month.

ADMINISTRATION

Based on \$100 per unit per year.

MARKETING

Based on \$100 per unit per year.

OTHER INCOME

| | | |
|-----------------------------|-----------------|--|
| Damages / Forfeited Deposit | \$3,850 | \$350 average damages x 40% turnover (11 units) |
| Late / NSF Charges | \$1,560 | \$10 late fees x 10% of the units (3 units) per month plus \$100/month NSF |
| Lease Termination Fees | \$4,000 | \$2,000 for two terminations annually |
| MTM / Short Term Fees | \$3,600 | \$100 per month x 10% of the units (3 units) |
| Pet Rent | \$3,600 | \$25 per month x 45% of the units (12 units) |
| Total | \$16,610 | |

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COMPARABLES



01

THE CRESTVIEW3630 Renton Ave S
Seattle

| | |
|------------|-------------|
| DATE SOLD | 12/30/2024 |
| SALE PRICE | \$9,165,000 |
| PRICE/UNIT | \$169,722 |
| PRICE/SF | \$290.79 |
| CAP RATE | 5.1% |
| GRM | 11.0 |
| UNITS | 54 |
| YEAR BUILT | 1968 |



02

TARA APARTMENTS

4336 15th Ave S, Seattle

| | |
|------------|-------------|
| DATE SOLD | 9/30/2024 |
| SALE PRICE | \$2,027,500 |
| PRICE/UNIT | \$168,958 |
| PRICE/SF | \$267.52 |
| CAP RATE | 5.7% |
| GRM | 10.7 |
| UNITS | 12 |
| YEAR BUILT | 1959 |



03

WILLIAMS COURT APARTMENTS607-609 Williams Ave S
Renton

| | |
|------------|-------------|
| DATE SOLD | 8/12/2024 |
| SALE PRICE | \$5,795,000 |
| PRICE/UNIT | \$193,167 |
| PRICE/SF | \$249.50 |
| CAP RATE | 5.0% |
| GRM | 11.0 |
| UNITS | 30 |
| YEAR BUILT | 1979 |



04

TANAGER GROVE

6214 S 153rd St, Tukwila

| | |
|------------|--------------|
| DATE SOLD | 5/16/2024 |
| SALE PRICE | \$13,875,000 |
| PRICE/UNIT | \$256,944 |
| PRICE/SF | \$278.67 |
| CAP RATE | 5.5% |
| GRM | N/A |
| UNITS | 54 |
| YEAR BUILT | 1966 |



05

10323 DES MOINES MEMORIAL10323 Des Moines
Memorial Dr, Seattle

| | |
|------------|-------------|
| DATE SOLD | 4/30/2024 |
| SALE PRICE | \$1,748,000 |
| PRICE/UNIT | \$174,800 |
| PRICE/SF | \$236.34 |
| CAP RATE | 5.1% |
| GRM | N/A |
| UNITS | 10 |
| YEAR BUILT | 1962 |



06

STRATFORD SQUARE APARTMENTS12708-12731
SW 128th St, Burien

| | |
|------------|-------------|
| DATE SOLD | 2/15/2024 |
| SALE PRICE | \$7,285,000 |
| PRICE/UNIT | \$227,656 |
| PRICE/SF | \$206.96 |
| CAP RATE | 4.7% |
| GRM | N/A |
| UNITS | 32 |
| YEAR BUILT | 1988 |



07

TRENTON APARTMENTS800 SW Trenton St
Seattle

| | |
|------------|-------------|
| DATE SOLD | 1/14/2025 |
| SALE PRICE | \$2,500,000 |
| PRICE/UNIT | \$156,250 |
| PRICE/SF | \$231.52 |
| CAP RATE | 5.5% |
| GRM | 10.3 |
| UNITS | 16 |
| YEAR BUILT | 1984 |

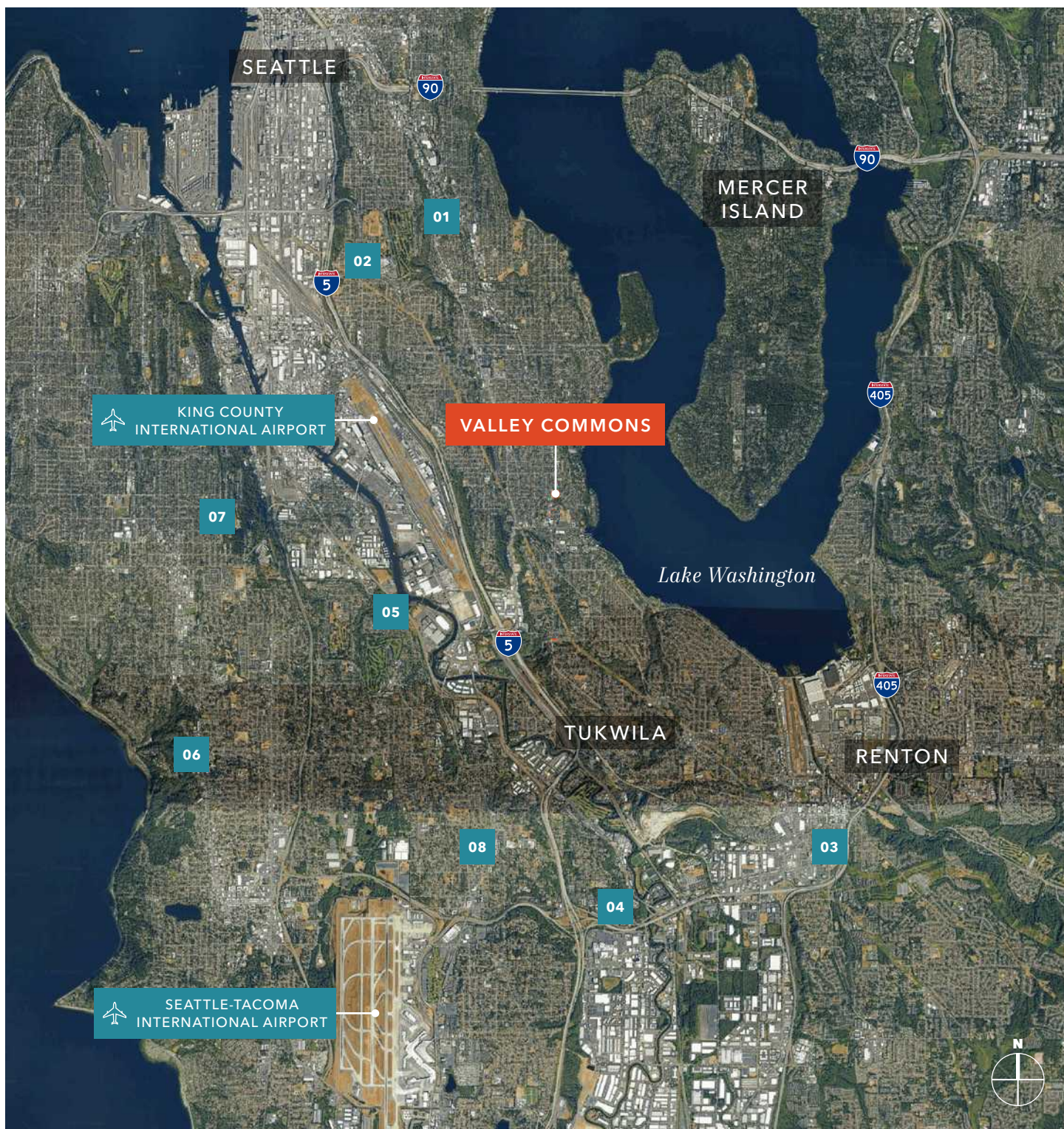


08

RIVERTON VIEW APARTMENTS3455 S 144th St
Tukwila

| | |
|------------|-------------|
| STATUS | Pending |
| LIST PRICE | \$3,995,000 |
| PRICE/UNIT | \$166,458 |
| PRICE/SF | \$234.92 |
| CAP RATE | 3.0% |
| GRM | 14.1 |
| UNITS | 24 |
| YEAR BUILT | 1963 |







SALES COMPARABLES MAP



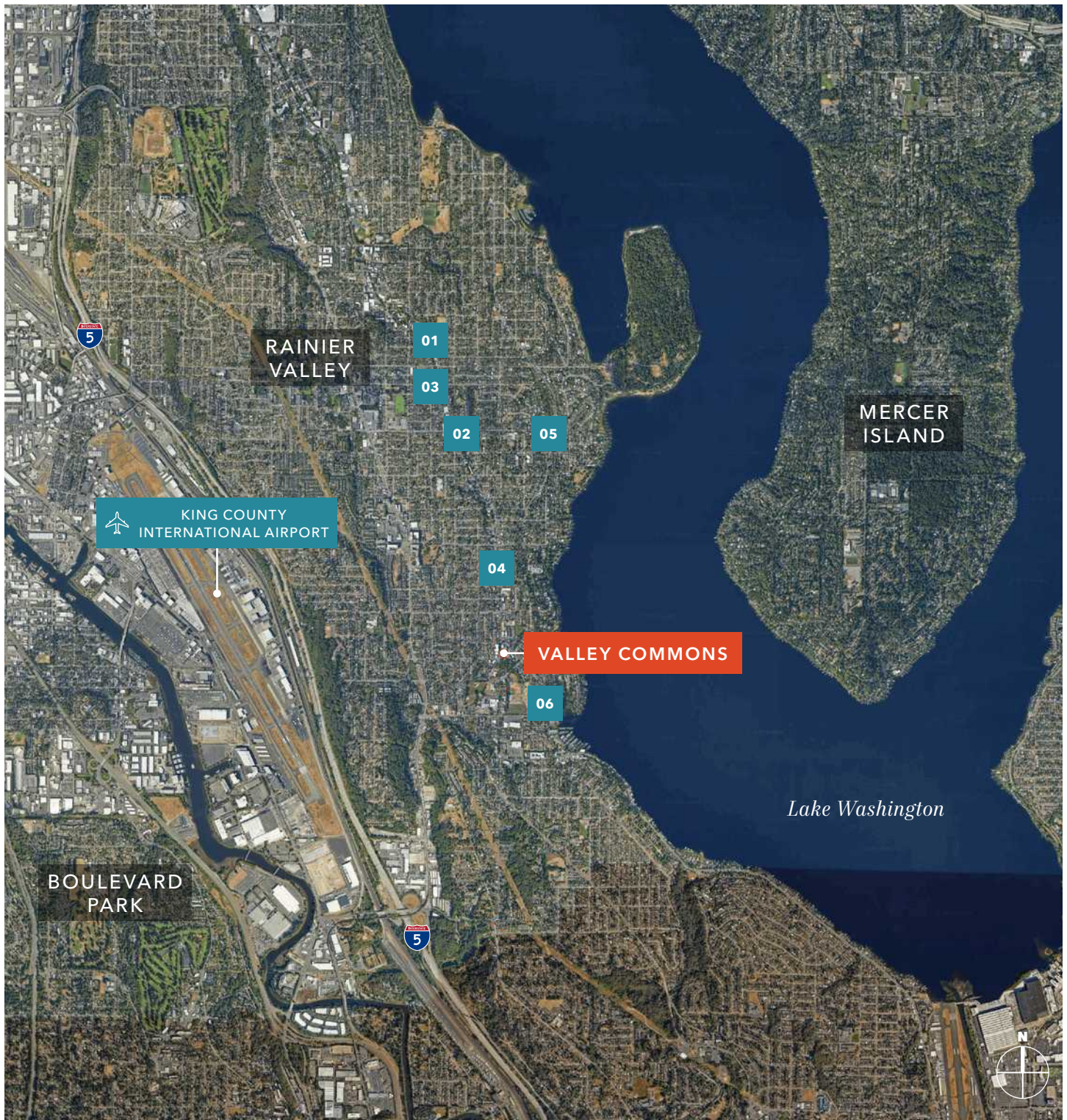
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1 BED RENT COMPARABLES

| | | Property Name | Address | Year Built | Units | Unit Type | SF | Rent | Rent/SF |
|----|---|--|------------------------|------------|-------|--------------|-----|---------|---------|
| 01 |  | BRANDON COURT | 4423 S Brandon St | 1956 | 15 | 1 Bed 1 Bath | 660 | \$1,700 | \$2.58 |
| | | Updated kitchen and bath, in-unit laundry and dishwasher | | | | | | | |
| 02 |  | LANTERA | 4601 S Graham St | 1968 | 60 | 1 Bed 1 Bath | 695 | \$1,661 | \$2.39 |
| | | Updated kitchen and bath, dishwasher | | | | | | | |
| 03 |  | KENNY APARTMENTS | 5913 Rainier Ave S | 1968 | 23 | 1 Bed 1 Bath | 680 | \$1,405 | \$2.07 |
| | | Painted cabinets, new appliances | | | | | | | |
| 04 |  | ADMIRAL APARTMENTS | 7429 Rainier Ave S | 1967 | 22 | 1 Bed 1 Bath | 600 | \$1,405 | \$2.34 |
| | | Updated flooring, painted cabinets, new appliances | | | | | | | |
| 05 |  | WILSON AVENUE DUPLEX | 6303 Wilson Ave S | 1955 | 2 | 1 Bed 1 Bath | 800 | \$1,900 | \$2.38 |
| | | Updated kitchen and bath, in-unit laundry and dishwasher | | | | | | | |
| 06 |  | SEWARD PARK FOURPLEX | 8741 Seward Park Ave S | 1958 | 4 | 1 Bed 1 Bath | 633 | \$1,475 | \$2.33 |
| | | Basic remodeling | | | | | | | |









1 BED RENT COMPARABLES MAP



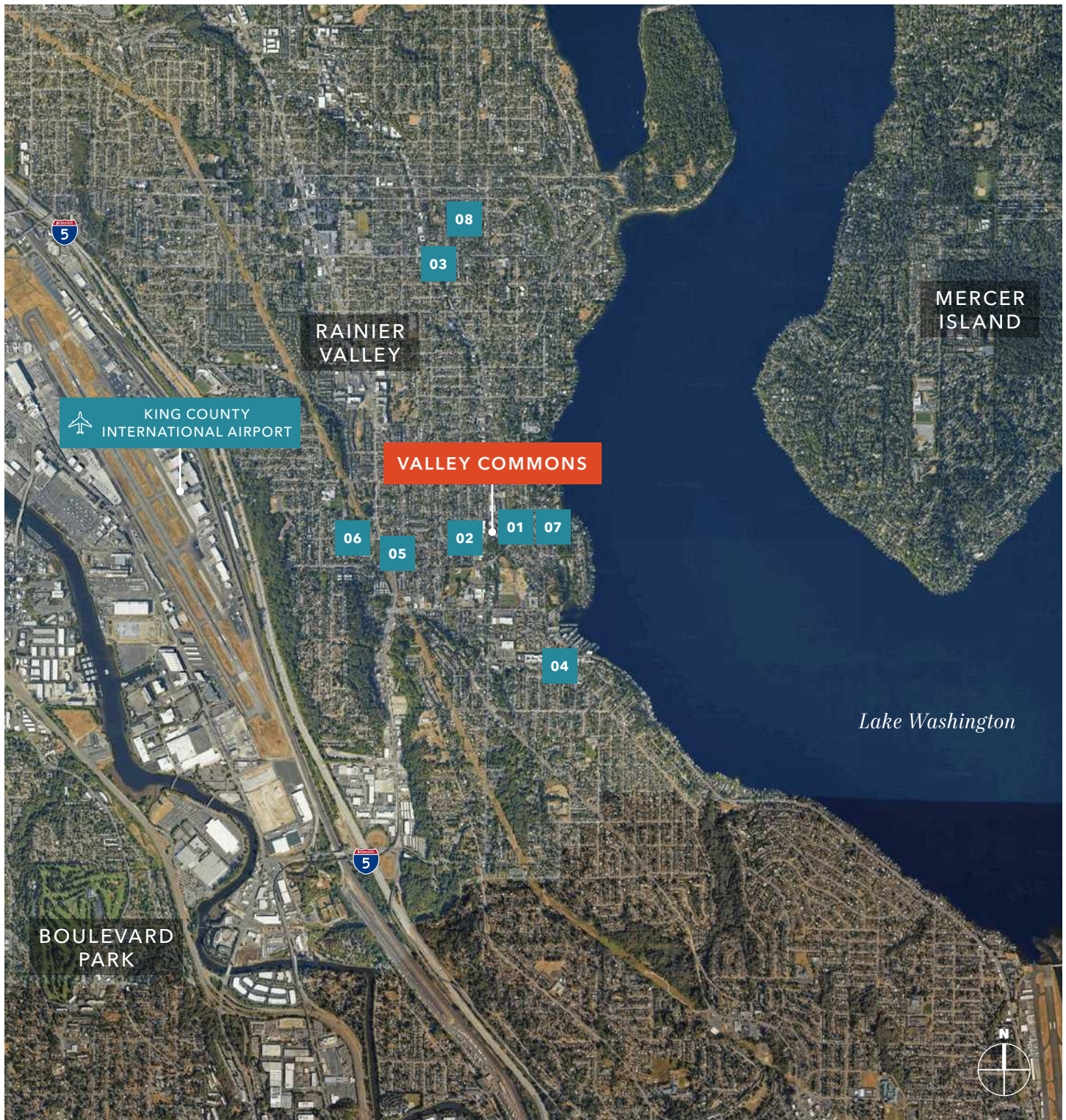
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2 BED RENT COMPARABLES

| | | Property Name | Address | Year Built | Units | Unit Type | SF | Rent | Rent/SF |
|----|---|--|----------------------------------|------------|-------|-----------------|-------|---------|---------|
| 01 |  | WABASH AVENUE TRIPLEX | 8347 Wabash Ave S | 1958 | 3 | 2 Bed 1 Bath | 1,350 | \$2,195 | \$1.63 |
| | | Painted, refinished wood floors, free community laundry | | | | | | | |
| 02 |  | EDEN'S ROCK APARTMENTS | 8401 Rainier Pl S | 1961 | 11 | 2 Bed 1 Bath | 800 | \$2,195 | \$2.74 |
| | | Updated kitchen and bath, refinished wood floors, updated appliances | | | | | | | |
| 03 |  | LANTERA | 4601 S Graham St | 1968 | 60 | 2 Bed 1 Bath | 825 | \$1,981 | \$2.40 |
| | | Updated kitchen and bath, LVP flooring | | | | | | | |
| 04 |  | MAR-VISTA APARTMENTS | 9215 56th Ave S | 1962 | 9 | 2 Bed 1 Bath | 1,000 | \$1,800 | \$1.80 |
| | | Basic remodeling, stacked in-unit laundry | | | | | | | |
| 05 |  | MLK JR WAY DUPLEX | 8428 Martin Luther King Jr Way S | 1992 | 2 | 2 Bed 1 Bath | 800 | \$1,795 | \$2.24 |
| | | Basic remodeling, in-unit laundry, no dishwasher - Basement unit | | | | | | | |
| 06 |  | THISTLE STREET DUPLEX | 3931 S Thistle St | 1966 | 2 | 2 Bed 0.75 Bath | 1,000 | \$2,200 | \$2.20 |
| | | Updated kitchen and bath, dishwasher, in-unit laundry | | | | | | | |
| 07 |  | DUNCAN AVE DUPLEX | 8408 Duncan Ave S | 1909 | 2 | 2 Bed 0.75 Bath | 980 | \$1,995 | \$2.04 |
| | | Basic remodel, poorly configured kitchen, dishwasher and in-unit laundry | | | | | | | |
| 08 |  | 48TH AVENUE DUPLEX | 6023 48th Ave S | 1984 | 2 | 2 Bed 1 Bath | 800 | \$2,200 | \$2.75 |
| | | Basic remodeling, dishwasher | | | | | | | |

2 BED RENT COMPARABLES MAP



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