



Ridgewood Apartments

401-406 Stanford Drive

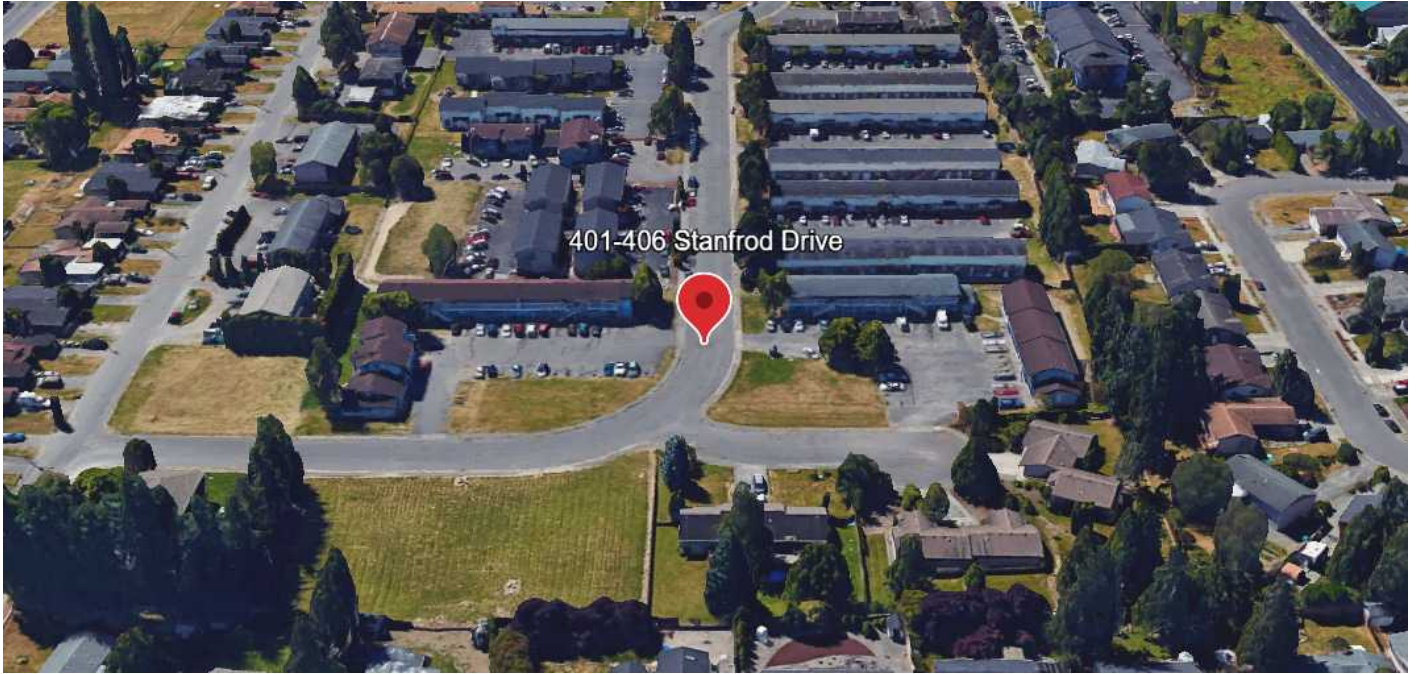
Mount Vernon, WA

MLS # 2328310

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Property Information



Offering Summary

Sale Price: **\$8,900,000**
Building Size: **23,922 SqFt**
Lot Size: **1.951 ac**
Number of Units: **45**
Price / SF: **\$372**
Year Built: **1977-2018, 2024**
Zoning: **Multi-Family**
Proforma Cap Rate: **6.05%**
Proforma NOI Rate: **531,635**

Property Overview

Large 45 unit apartment complex in 4 buildings located within walking distance of schools & the hospital. Situated on 1.95 ac. & comprising of 44-1 bed/1 bath units & 1-3 bed/3.5 bath unit. There is a management office & 3-coin operated laundry facility on site. All parking is uncovered except the 3 bed unit has a 2-car garage. Buildings were originally constructed in 1977 & 1979 & have undergone complete rehab renovations. Renovations on bldgs 401-403 were completed earlier & fully rented. Renovations on 404-406 have just been finished & are currently for rent. Units have vinyl floors, stainless steel appliances including range/oven, fridge & dishwashers. The property is partially fenced. Ext. siding and roofs are 5-6 years old.

Summary of Important Facts and Conclusions

GENERAL

Subject: Ridgewood Apartments
401-406 Stanford Dr, Mount Vernon,
Skagit County, WA, 98273

Four-building apartment complex with 45 units on an
85,000-square-foot site.

Owner: Ridgewood Holdings LLC

Date of Report: September 17, 2024

Intended Use: The intended use is for marketing purposes.

Intended User(s): client and/or assigns.

Assessment:

Real Estate Assessment and Taxes

Tax ID	Land	Improvements	Other	Total Assessment	Tax Rate	Taxes
P79463	\$1,255,500	\$679,600	\$0	\$1,935,100	\$10.22	\$19,770
P79477	\$1,255,500	\$889,800	\$0	\$2,145,300	\$10.22	\$21,917
Totals	\$2,511,000	\$1,569,400	\$0	\$4,080,400		\$41,687

Sale History: The subject has not sold in the last three years,
according to public records.

Current Listing/Contract(s): The subject property is currently listed for sale.

Land:

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
P79463 & P79477	1.95	85,000	1.95	85,000	Level	Roughly square

Improvements:

Building Summary						
Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
Ridgewood	1977-1979	Average	2.0	25,036	23,922	45

Zoning: R-3

Highest and Best Use of the Site: Multifamily

Market Area Analysis

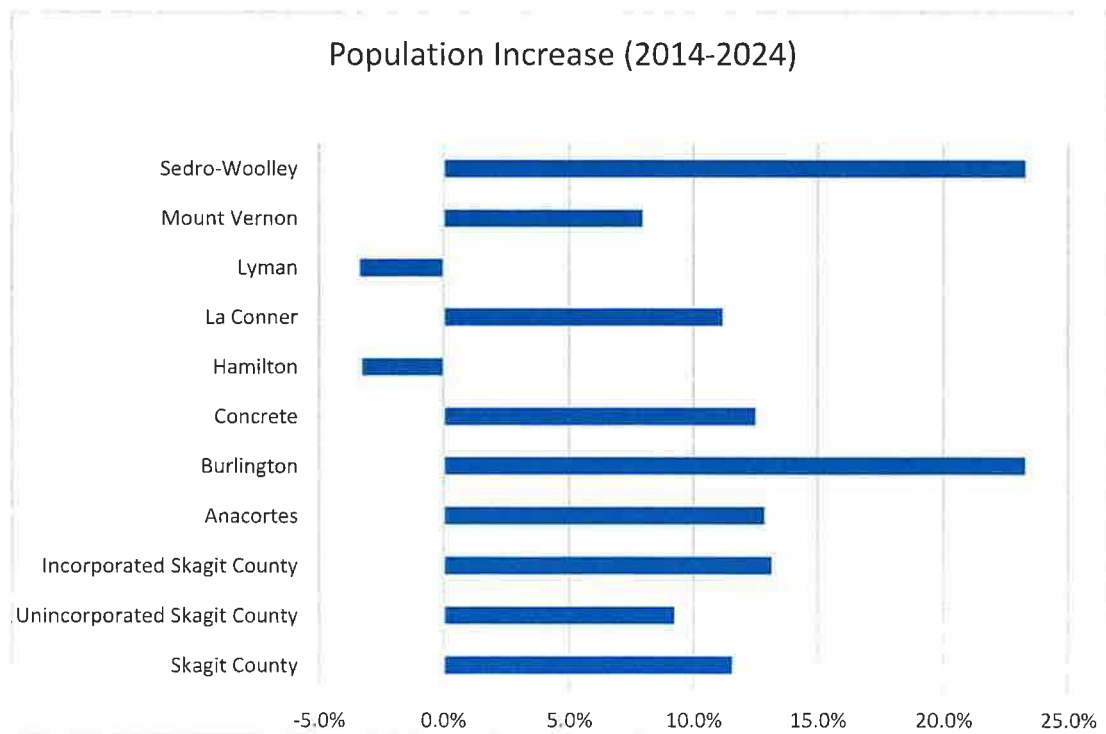
Skagit County Data

The subject property is located in Skagit County, Washington. The area is known generally as the North Puget Sound region of the State of Washington and extends from the Cascade Mountains on the east to Puget Sound on the west, and generally from Snohomish County on the south to the Canadian border on the north. Skagit County is centralized within the region and includes a portion of the higher mountains on the east to low farmlands, including the Skagit Valley to sea level on the westerly portion.

The county seat, Mount Vernon, lies approximately 65 miles north of the city of Seattle along the Interstate 5 Freeway, which is the main north-south arterial from the Canadian border to the Mexican border.

Population

The most recent data shows the population at 133,300 in Skagit County (2024)¹. The population has increased at a moderate pace at 11.5% over the past ten years. They can be compared to the State of Washington at 15.3% over that same time span. The following graph shows the population increases in different areas.



¹ <http://www.ofm.wa.gov/pop/april1/default.asp>

Economic Base Information

Although the county centers around agricultural activities, there are numerous other large employers which are itemized on the following chart. Skagit County is best known for its agriculture, but in 2013 the U.S. Bureau of Economic Analysis estimated that manufacturing was the largest contributor to the county GDP with Janicki Industries leading the way. The Skagit Valley is noted as one of the most fertile valleys with strawberries and peas as leading crops. Other crops include sweet corn, broccoli, cucumbers, potatoes, carrots, and raspberries. Other agricultural income items include seed raising, poultry farms, beef cattle operations, as well as numerous dairy herds.

The following chart shows the top employers in Skagit County (2020)².

Skagit County Top Employers

2020 Rank	2019 Rank	Company Name	Total headcount
1	1	Skagit Regional Health	3000*
2	4	Mount Vernon School District	1147
3	3	Draper Valley Farms	1038
4	5	Skagit County Government	757.5
5	6	Island Hospital	751
6	8	Janicki	692
7	7	Sedro Woolley School District	489
8	12	Shell Puget Sound Refinery	475
9	13	Skagit Valley Casino Resort	450**
10	11	Burlington Edison School District	435
11	10	Swinomish Casino	398.5
12	-	Fred Meyer	392
13	-	Tesoro Refinery	390
14	2	Skagit Horticulture LLC (Formerly Skagit Gardens)	377
15	9	Dakota Creek Industries Inc.	354
16	-	Peace Health United General Medical Center	350**
17	-	Costco	275**
18	14	Walmart	150**
19	-	PACCAR Technical Center	150**

*Based on 2019 numbers

**Estimated from 3rd party sources.

² Source: WWU Center of Economic Research, 12/31/20

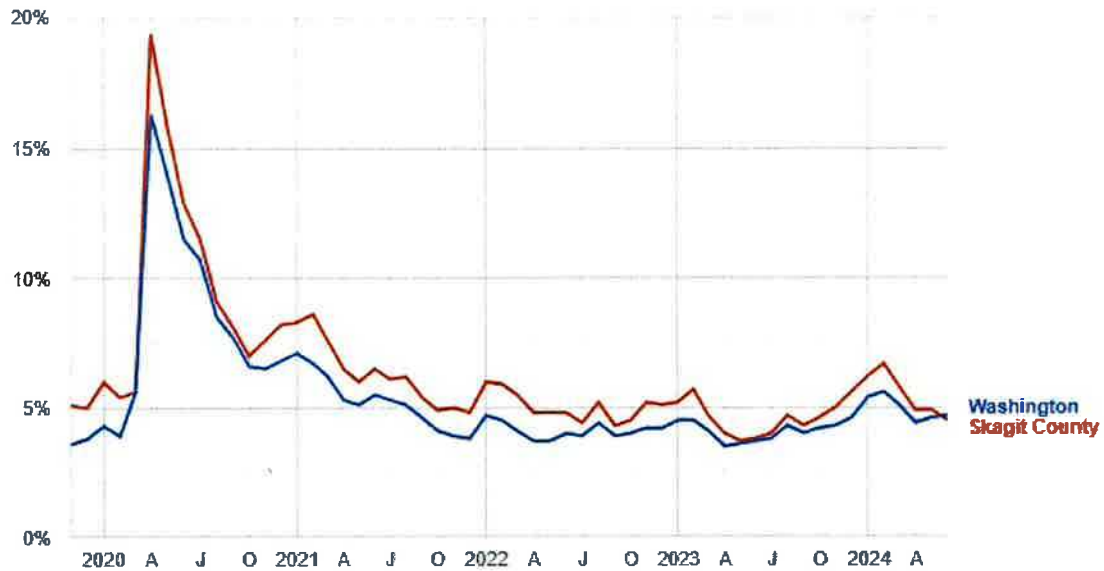
Employment by Type

Mount Vernon MSA

	2022	2021	2020	2019	Change Since 2019
Industry Title	November	November	November	November	
Total Nonfarm	50,900	50,100	48,200	52,300	-2.7%
Total Private	39,300	38,400	37,300	40,200	-2.2%
Goods Producing	10,600	10,300	10,300	11,100	-4.5%
Mining, Logging, and Construction	4,200	4,200	4,100	4,700	-10.6%
Manufacturing	6,400	6,100	6,200	6,400	0.0%
Service Providing	40,300	39,800	37,900	41,200	-2.2%
Private Service Providing	28,700	28,100	27,000	29,100	-1.4%
Trade, Transportation, Warehousing and	9,500	10,000	9,600	10,100	-5.9%
Retail Trade	6,600	7,100	6,900	7,300	-9.6%
Leisure and Hospitality	4,900	4,600	4,100	5,200	-5.8%
Government	11,600	11,700	10,900	12,100	-4.1%
Federal Government	300	400	400	400	-25.0%
Total State Government	1,200	1,200	1,200	1,400	-14.3%
Total Local Government	10,100	10,100	9,300	10,300	-1.9%

Unemployment

Skagit County's unemployment rate is currently at 4.5% as of June 2024, which is slightly higher than Washington State. The Coronavirus outbreak increased the unemployment rate substantially, but now is back to pre-pandemic levels.



Housing Market

One of the major economic forces present in the Puget Sound area today is the residential housing market. The median price has been increasing annually at a healthy pace. The coronavirus pandemic has not stopped the housing market.

Skagit County Median Price

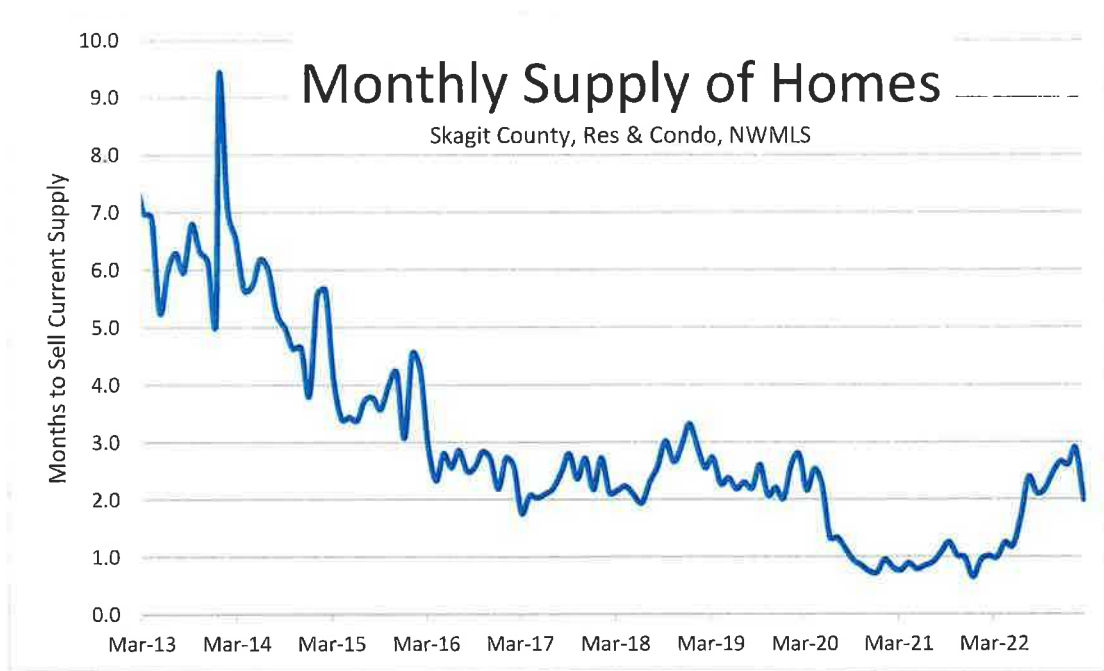
NWMLS, SFR only



The graph shows that the median price peaked in mid-2022 and has now settled in that \$550,000 to \$600,000 range. The leveling off was due to the increase in interest rates³. The median price was at \$545,000 in January of 2024, which is 13.5% higher than one year ago, but there is definitely variability month to month.

The following graph shows the balance of supply and demand in the market. It shows the number of active listings in a certain month divided by the number of sales in that month (SFR & Condo for Skagit County).

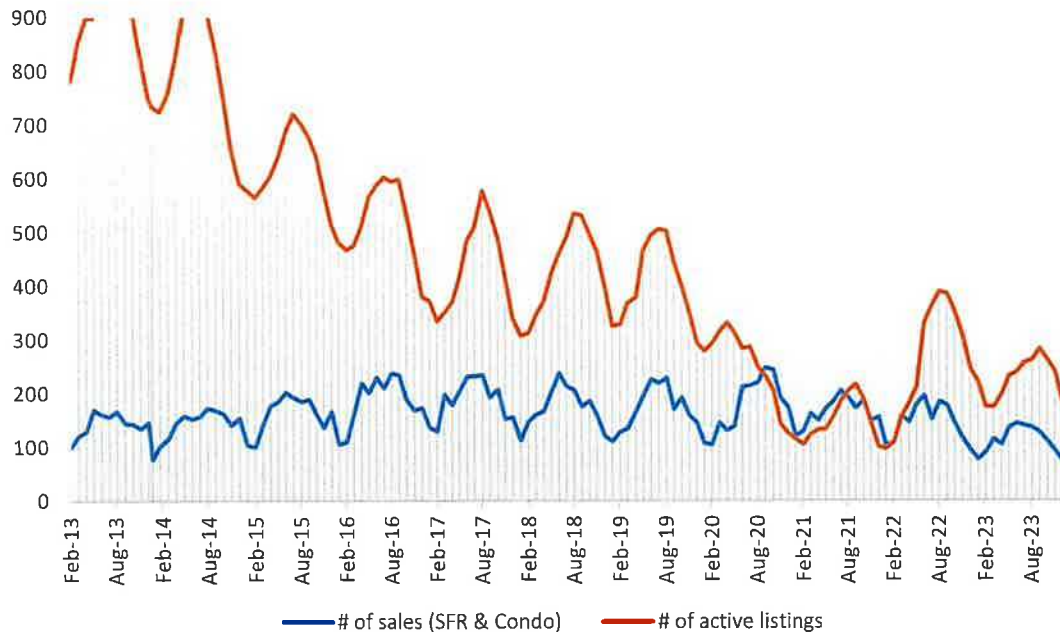
³ Source: www.nwmls.com



This shows that over the past five years the housing supply has come down to less than one month of months on the market and more recently at 2.0 months. This resembles a market that has more demand than supply as a stable market is 3-6 months. Even with the lower sale activity, it is still a seller's market. Shown below is the trend in sales and listings.

Skagit County - Sales vs Active Listings

NWMLS Data, SFR & Condo

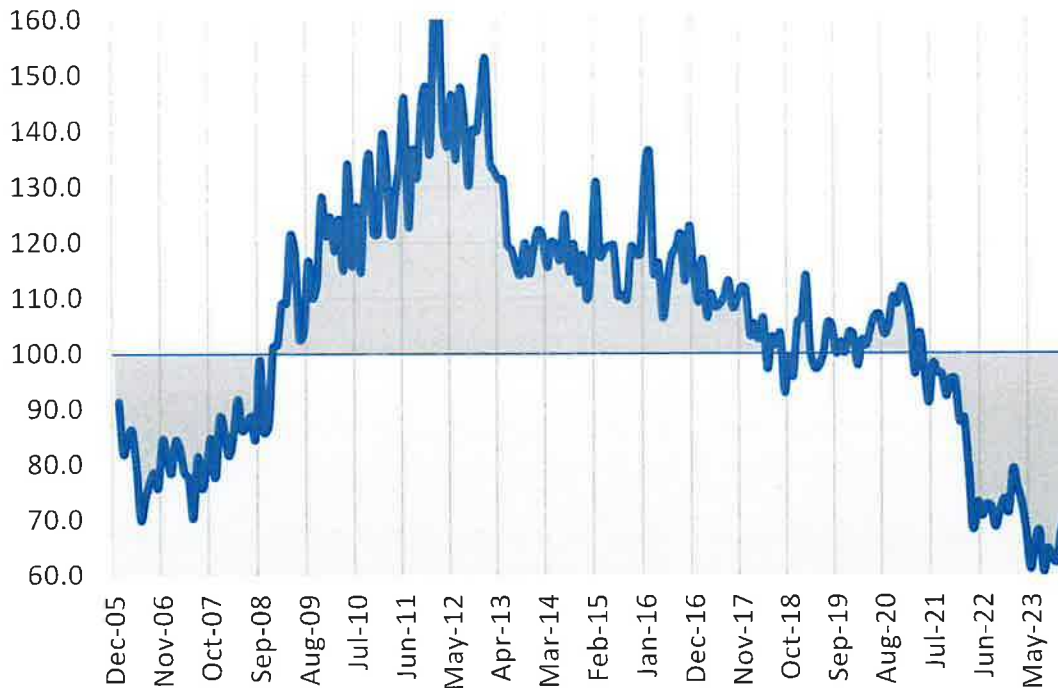


Closed sales are down 32% from one year ago and homes for sale are down 29% from one year ago. This has led to a months of supply of 2.9, which is higher than at the bottom. The following graph shows actual prices in Skagit County versus the affordable home price.⁴

⁴ Source: <http://seattlebubble.com/blog/>

Skagit County Affordability Index

A function of median price (SFR&Condo 3 Mo Avg), household income, and interest rates, Assumes 20% down and 1% tax/ins



The graph shows that housing at the current time is unaffordable at an index of 70. It is near the lowest point in decades, but slightly more affordable than neighboring counties.

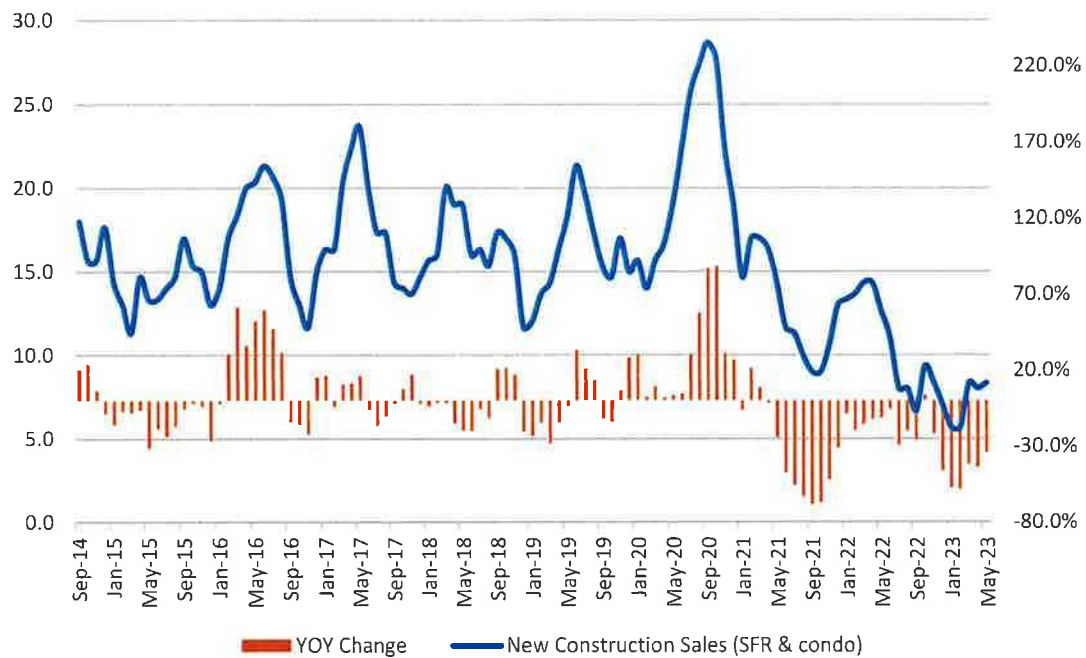
New construction and proposed projects are summarized below:

- High Point Estates with 47 lots at 5300 E Division St (Proposed 2019)
- 59 Single family lots at Highland Greens Division B (Proposed 2018)
- Cambridge Commons with 66 lots at Shannon Ave in Sedro-Woolley (Completed 2020)
- Cherry Lane and Orchard in Anacortes – 6 lots (Proposed 2020)
- 20-lot Phase III-C of Eaglemont in Mount Vernon (Completed 2020)
- 21-lot plat The Crossings at 1905 Anacopper Mine Rd in Anacortes (Planned in 2020)
- 85-lot Brickyard Park on McGarigle Rd in Sedro-Woolley (Completed 2021)
- 28-lot Garden Meadows on F & S Grade Rd in Sedro-Woolley (Completed 2021)
- 10-lot WildRidge on Francis Rd in Mount Vernon (Completed 2021)
- 41-lot Montreaux West at Broadway & Waugh Rd in Mount Vernon (Completed 2021)
- 11-lot plat at 16850 Peterson in Burlington (Proposed in 2021)
- 64-lot Bucko Estates on F&S Grade Rd in Sedro-Woolley (Proposed in 2021)
- 33-lot Bayview Estates at 13757 Josh Wilson Rd in Burlington (Proposed in 2021)
- 11 lots at 16850 Peterson Rd in Burlington (Proposed in 2022)
- 9 lots at 2307 37th St in Anacortes (proposed in 2022)
- 11-unit Waugh Road Townhomes in Mount Vernon (Proposed in 2023)
- 201-lot PRD Duke's Hill West at N Township and Portobello (Proposed 2023)

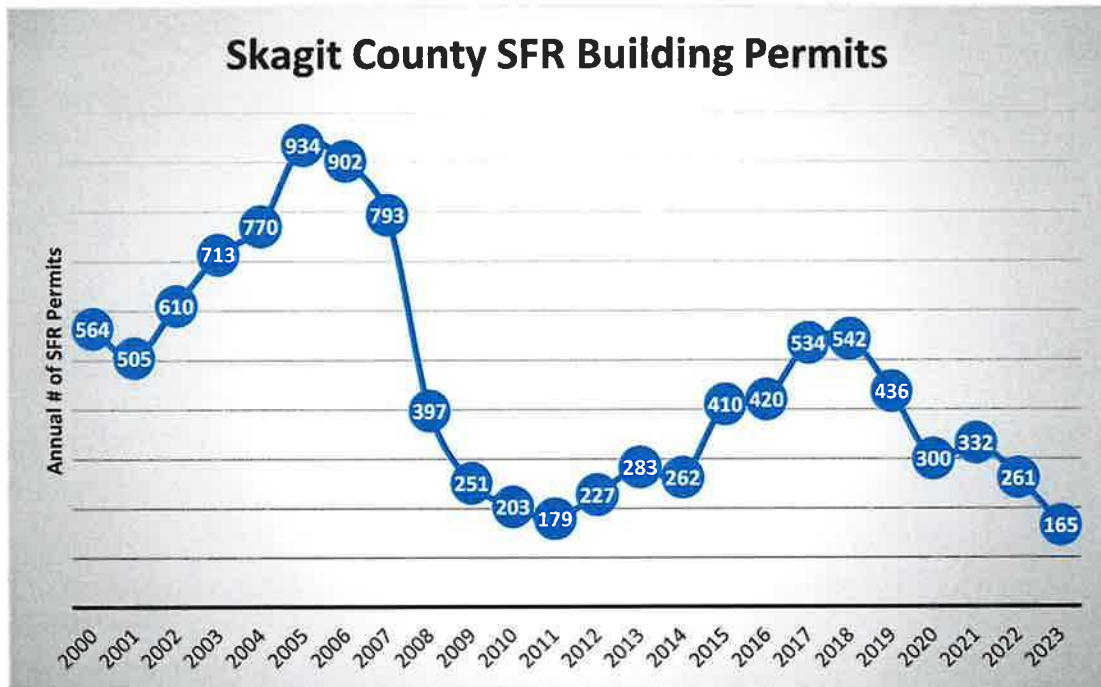
New construction has been very modest over the past couple of years with minimal new projects being completed. There are only 29 new homes for sale at the current time.

New Construction Sale Volume

NWMLS, SFR & Condo, Skagit County, 3 Month moving average



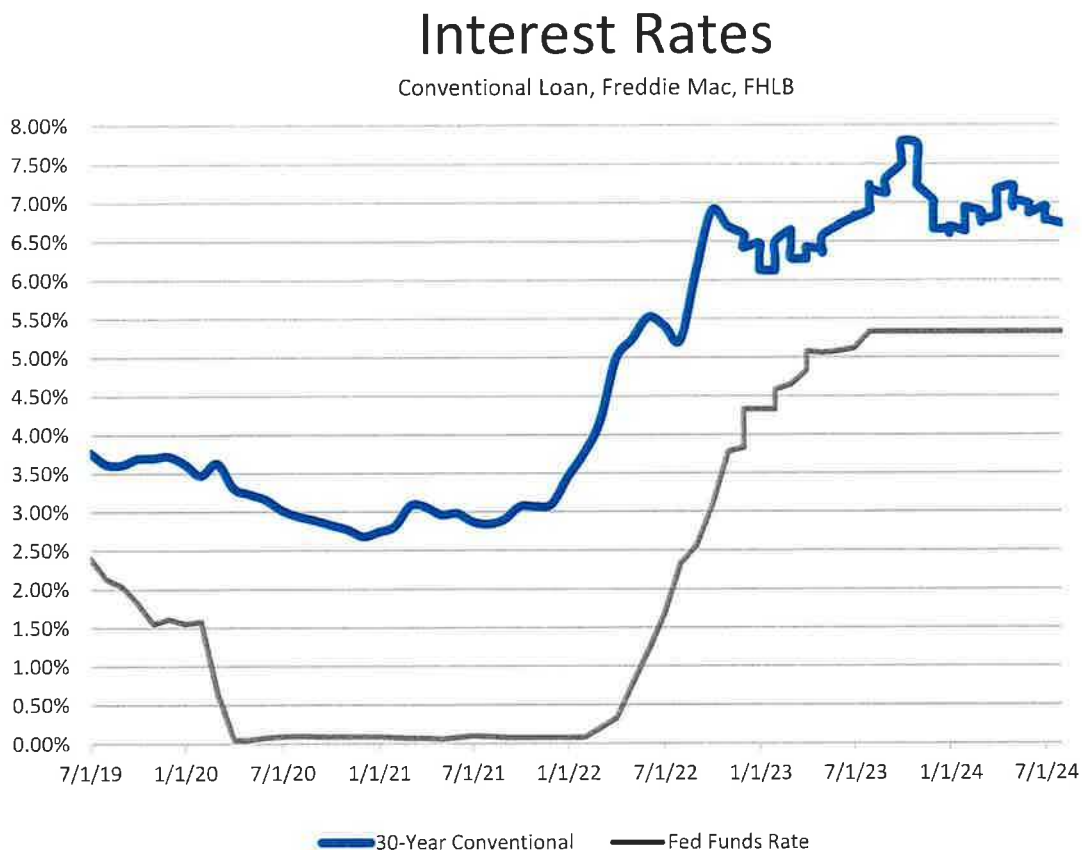
New permits are summarized in the following chart:



Affordability is an issue for buyers and prices have softened due to that. There is still more demand than supply with limited product for sale on the market, but that hasn't stopped values from decreasing in the area.

Interest Rates

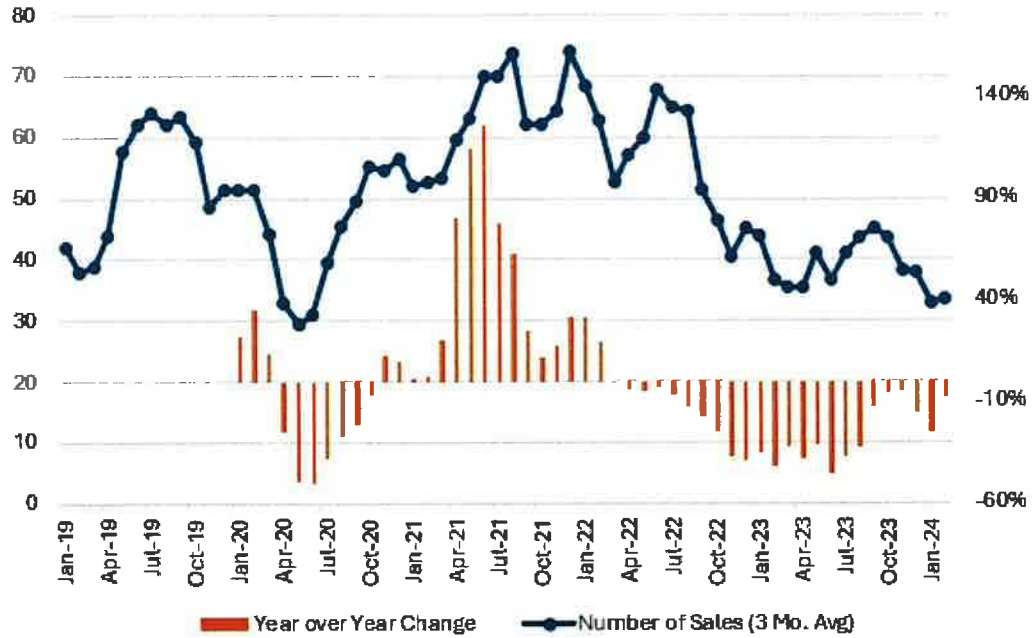
Mortgage rates can drive demand for refinancing and purchasing residential and commercial real estate. These rates vary due to various factors including the federal funds rate. The federal funds rate is set by the Federal Reserve and guides rates for bank-to-bank lending. The Federal Reserve has been increasing rates since 2022 in response to high inflation. The have been steady since 2023 and lower inflation has caused them to likely cut the rate in September of 2024. The graph below includes the rate for a 30-year conventional residential mortgage



We have seen data that shows that that residential sales volume is down after the spike in interest rates. There is also less commercial transaction activity as shown in the graph on the following page. There has been a drop of 40% drop in transaction volume. The following chart shows the commercial sales in the region via the MLS.

Number of Commercial Sales

All NWMLS Areas, Commercial, 3 Mo. Moving Avg



We will continue to track the number of sales to see if demand is noticeably waning.

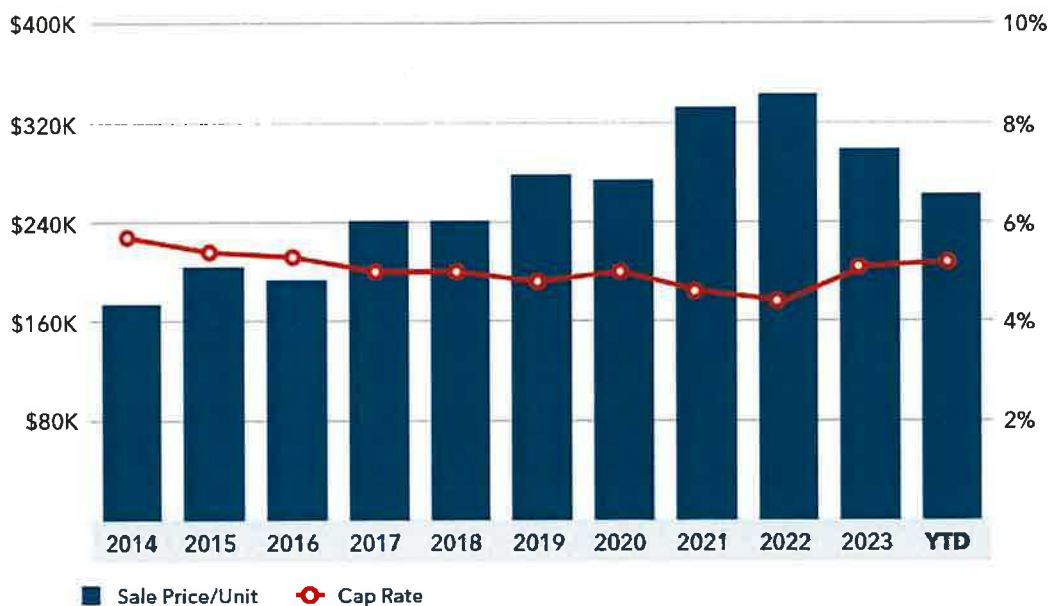
Multifamily

Kidder Mathews released a market report in the 2nd Qtr of 2024 and Marcus & Millichap released a market report in the 2nd Qtr of 2024 on the multifamily market. The following analysis is based on their market reports and Costar analytics.

Construction activity is healthy with significant new construction happening. The market is recalibrating to weaker rental demand and increasing vacancy.

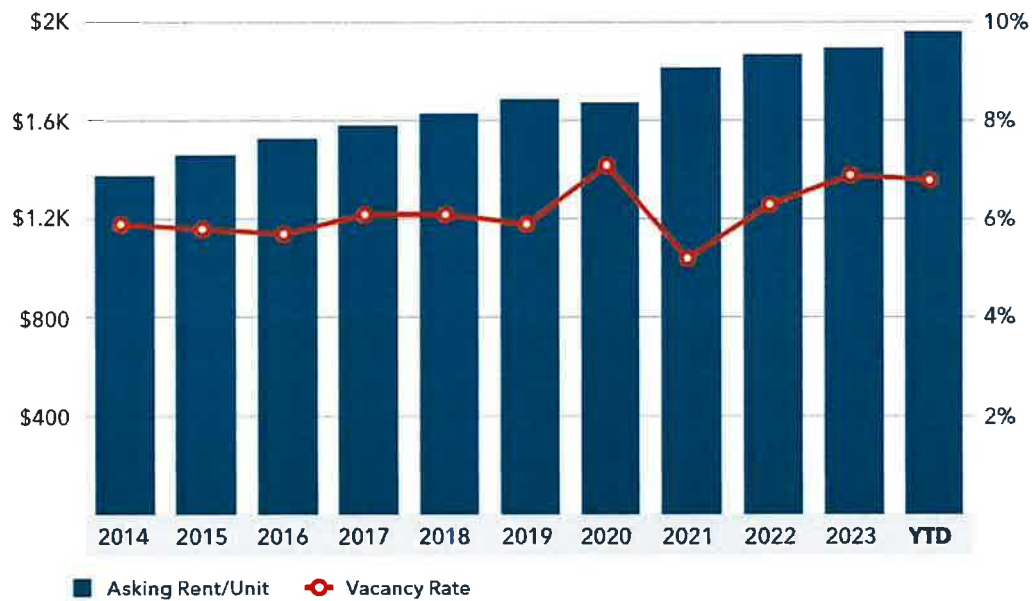
The increase in interest rates has decreased demand. Cap rates have risen since 2022 and are relatively flat year over year. The price per unit in the region is also lower in 2023 and 2024 compared to 2021 and 2022.

AVERAGE SALE PRICE/UNIT & CAP RATES



The average asking rent has continued to increase in the region according to the following chart from Kidder Mathews.

AVERAGE ASKING RENT/UNIT & VACANCY RATE



The chart shows a substantial increase in rent in 2021 with more tempered increases in 2022-2024. Vacancy has increased to 6.8% in the region, but the vacancy in the northern counties is lower.

More locally, the average rent in Skagit County continued to increase. Vacancy rates are much less in Skagit County compared to the region. The Runstad Department of Real Estate performed a study in the 1st of 2023 and found 3.4% vacancy for apartments in Skagit County, which is lower than the statewide number of 5.6%, but higher than 0.9% in 2021. The average rents were: \$1,361 for one-bedroom units (Up 5.4% year over year) and \$1,490 for two-bedroom units (Up 2.5% YOY). The strength of the market is solidified by the low vacancy rates at the elevated asking rent per unit.

The 30-year conventional mortgage rate has increased substantially. There is a minor correlation between the cap rate and interest rates in following graph showing the correlation. It suggests that cap rates should increase.

Cap Rates vs Interest Rates

PWC Multifamily Cap Rates (National) compared to the 30-year conventional rate

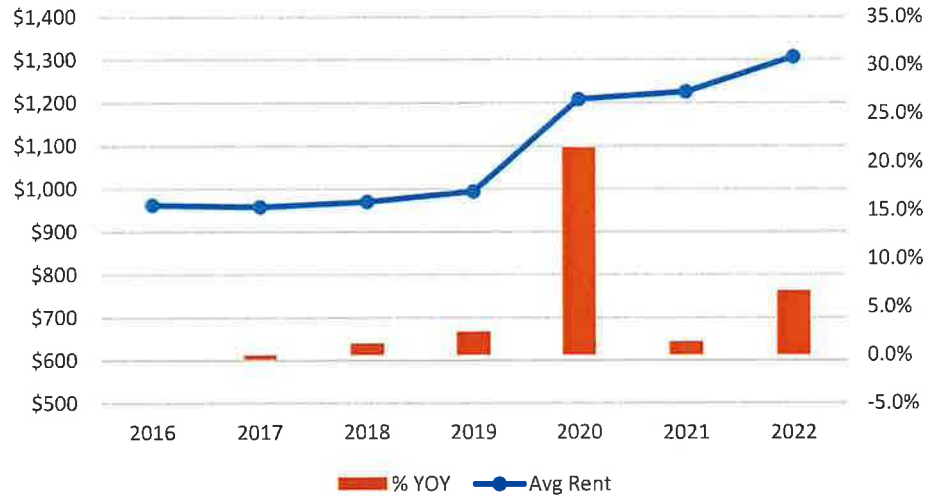


The Fair market rent is tracked by HUD for Skagit County and it is the 40th percentile of new contracts that they sign. As a result, their indicators are slightly less than the median rent. This is shown below. ⁵

⁵ HUD FMR rents 2 BR units – 40th percentile

Fair Market Rent - Skagit County

2 BR Apts, HUD Data, 40% Percentile



The rents in Skagit County have increased by 5.5% per year, on average, from 2016 to 2022.

Based on limited information it is apparent that prices have stopped increasing significantly in 2022. We analyzed multifamily sales in the Northern Counties. It has shown an increase in the median price over the past few years with a halt in demand in 2023 and a leveling off of prices. ⁶ The prices haven't returned to the peak in the 2nd Qtr 2022.

⁶ Internal document from NWMLS data (Adjustment Source Data)

MULTIFAMILY SALE ACTIVITY

MEDIAN \$/SF, SNOHOMISH, WHATCOM, ISLAND, AND SKAGIT ADJUSTED,
NWMLS, 2-4 UNITS



Breaking down the data by quarter shows mixed results in 2023 and 2024 (2024 through July). Although it should be noted that this is based on a small sample. The number of sales has also decreased, as shown below, but the most recent quarter showed an increase in sale volume from the prior year.

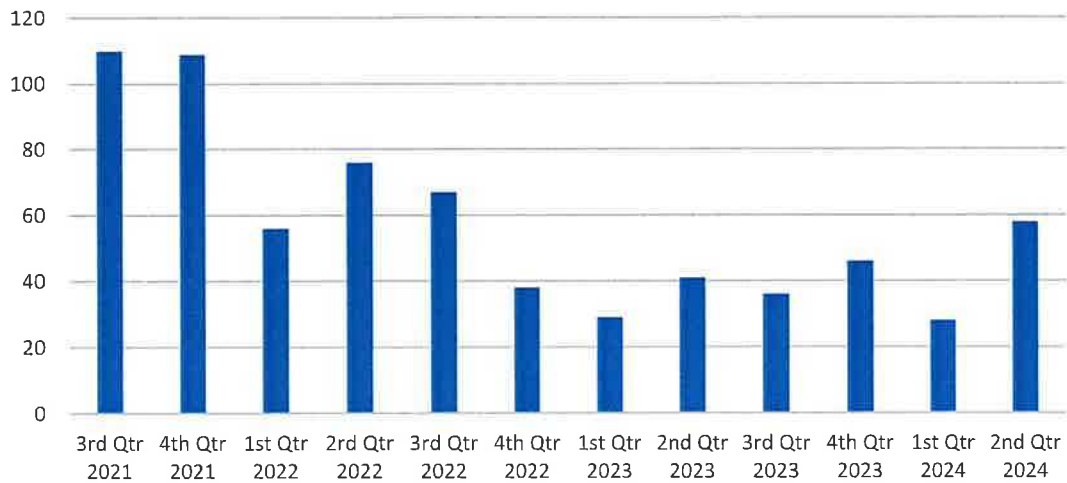
MULTIFAMILY SALES BY QUARTER

MEDIAN \$/SF, SNOHOMISH, WHATCOM, ISLAND, AND SKAGIT ADJUSTED, NWMLS, 2-4 UNITS



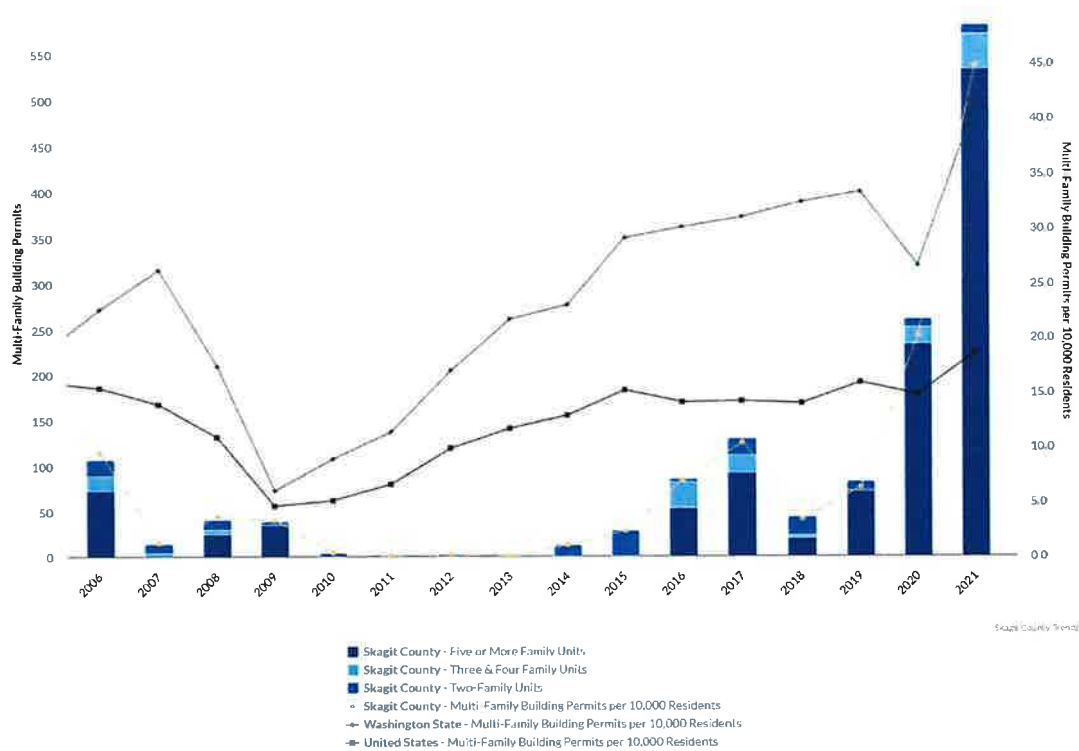
Multifamily - Number of Sales

SNOHOMISH, WHATCOM, ISLAND, AND SKAGIT COUNTY, NWMLS, 2-4 UNITS



The following graph shows the multifamily building permits issued in Skagit County⁷.

Multifamily Permit Activity



The data shows that Skagit County multifamily development was below the rate of Washington State, but new development in 2021 briefly changed that. Nevertheless, one year doesn't have a major impact.

There has been new construction in the area including, but not limited to the projects below:

New developments in Skagit County Include:

- Burlington: 72 units on E George Hopper Rd known as the Hub City Apartments (Completed 2021)
- Sedro-Woolley: 85 units at 1010 Hodgins St (Completed in 2022)
- Burlington: Apartments at 175 pump Drive: 96 units (Completed in 2022)
- Burlington : 69 units on Gilkey Road (Under construction in 2023)
- Mount Vernon: 51 Housing Authority units at 4103 E College (Under Construction 2023)
- Burlington: West Stevens Apts at Stevens & Bouslog Rd – 156 units (Planned in 2023)
- Burlington: Affinity at Burlington at 1660 S Walnut (age 55+) 170 apartments (Planned in 2023)
- Burlington: 102 units on George Hopper Rd known as the Hub City 2 (Planned in 2023)

⁷ http://skagitcountytrends.org/graph.cfm?cat_id=2&sub_cat_id=4&ind_id=3

- Sedro-Woolley: 28 apartments 711 Cook Rd (Under Construction 2023)
- Mount Vernon: 35 apartments at 1600 JJ Pl (Planned in 2024)

Multifamily Conclusions

The Skagit County market is continuing to see increases in rental rates and vacancy remains relatively low, even though it is elevated. Investor demand is softer than it was last year and capitalization rates are higher for the sales that do occur.

Condominiums are becoming desirable again, but there are no known projects planned in Skagit County.

There is new construction proposed in Skagit County, but the new development volume is not significant enough to change the market and not significant enough to get vacancy up near 5%.

Coronavirus (COVID-19)

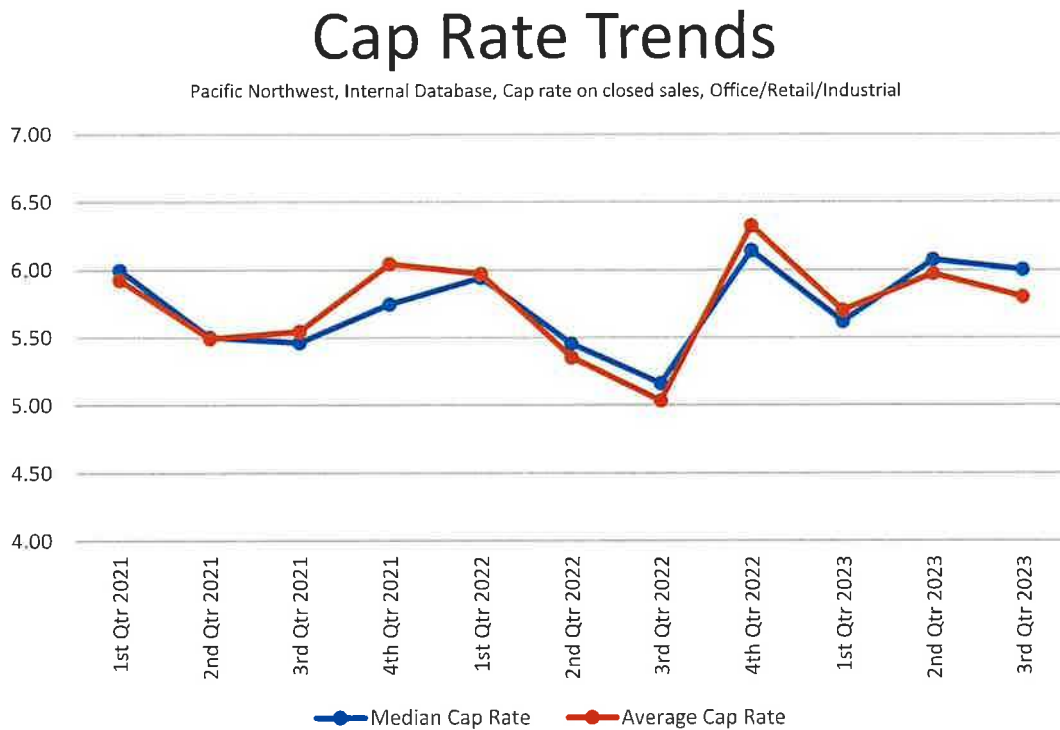
The Covid-19 outbreak was declared a global pandemic by the WHO in March of 2020. There was an impact to the local and national economy. The border with Canada was temporarily closed. There was a period where there was a residential eviction moratorium. Direct effects to the economy are in the past at this point. It appears that the State of Washington will be living with the virus for an extended period of time. The reality of the current situation is life is mostly normal.

Cap Rates

The increase in interest rates has put upwards pressure on cap rates. This is somewhat property dependent, but brokers are reporting that it is much more difficult to sell properties at the same cap rate as one year ago.

It is difficult to track the changes in cap rates because sellers are reluctant to sell at reduced prices. It is felt that cap rate changes are being felt in all property sectors.

The following graph is the internal database showing the closed cap rates for retail, office, and industrial in the Pacific Northwest. It is not a scientific study and suffers from a lack of quantity in the most recent quarters.

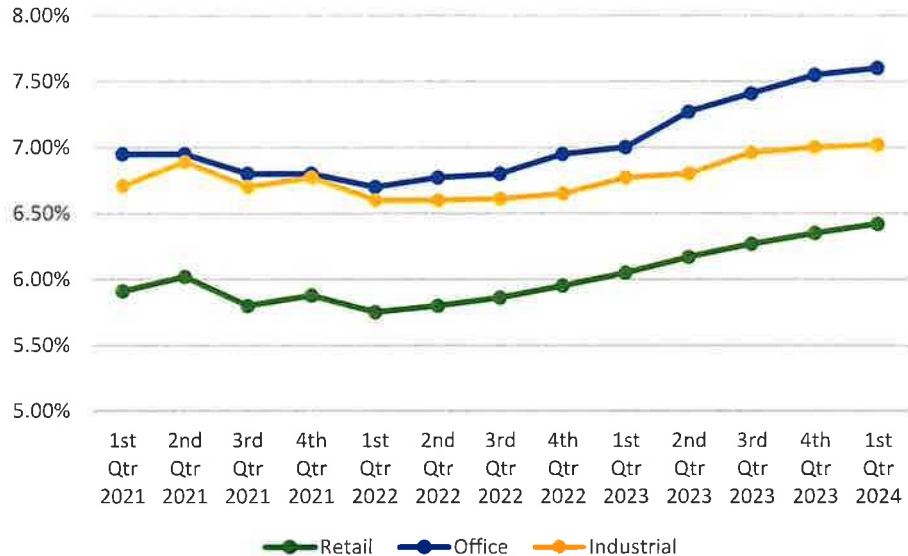


It shows mixed results without a reliable trend.

The Boulder Group is a national brokerage of single-tenant net-leased properties. They have seen asking cap rates increase in all property sectors since the 1st Quarter of 2022. The change has been notable. Assuming the office sector rent increases have been 1.5% per year, the loss in value suggests 8.6%. Assuming the retail average rent increases have been 3.0% per year, the loss in value would be around 4.8%. Assuming 5.0% annual rent increases for industrial suggests that values have still gone up by 2.6%.

Asking Cap Rates

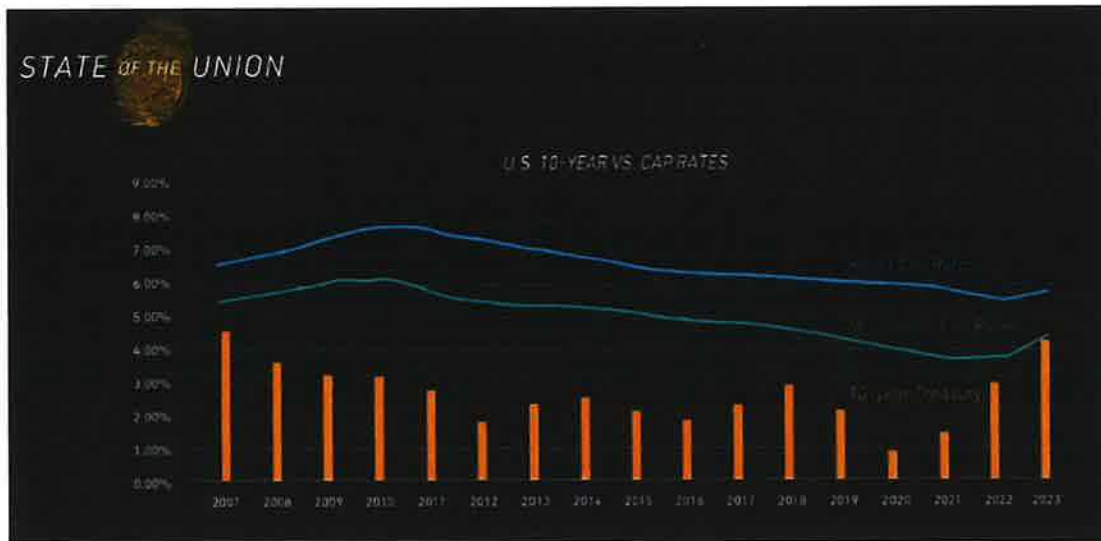
National, Boulder Group, single-tenant net leased Properties



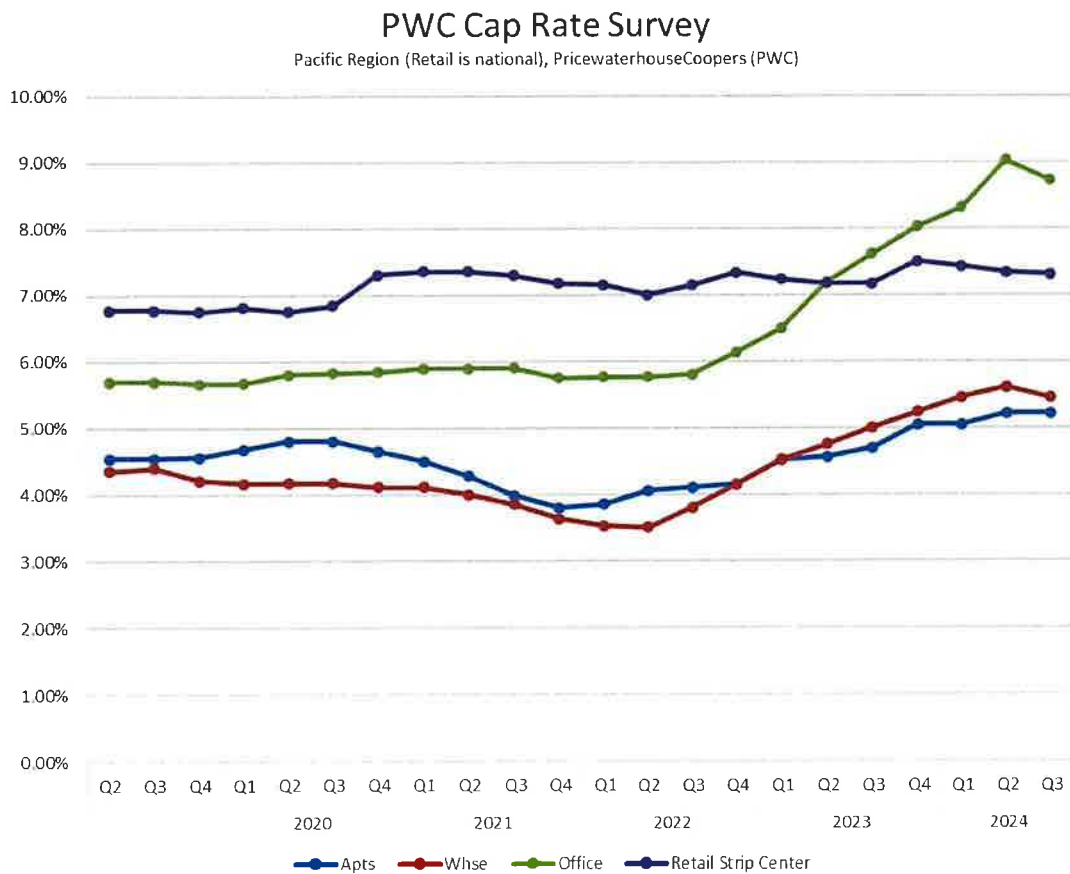
CBRE reported in March of 2023 that cap rate expansion is likely to continue, but may peak in late 2023.⁸ A CBRE survey in 2023 reported cap rates up 60 basis points (e.g. 10 basis points is the difference between 5.00% and 5.10%) since 2022. Investors expect rates to increase another 25 basis points in 2023 with the greatest upward shift in office and retail.

Sean Tufts, a retail broker, reported in May of 2023 that cap rates have increased for retail. There still are some buyers out there that are paying very low cap rates, but that is the exception rather than the rule. They are still in the discovery phase and don't know where cap rates will land, but have already increased somewhat as shown by the chart below (graph below provided by CPX).

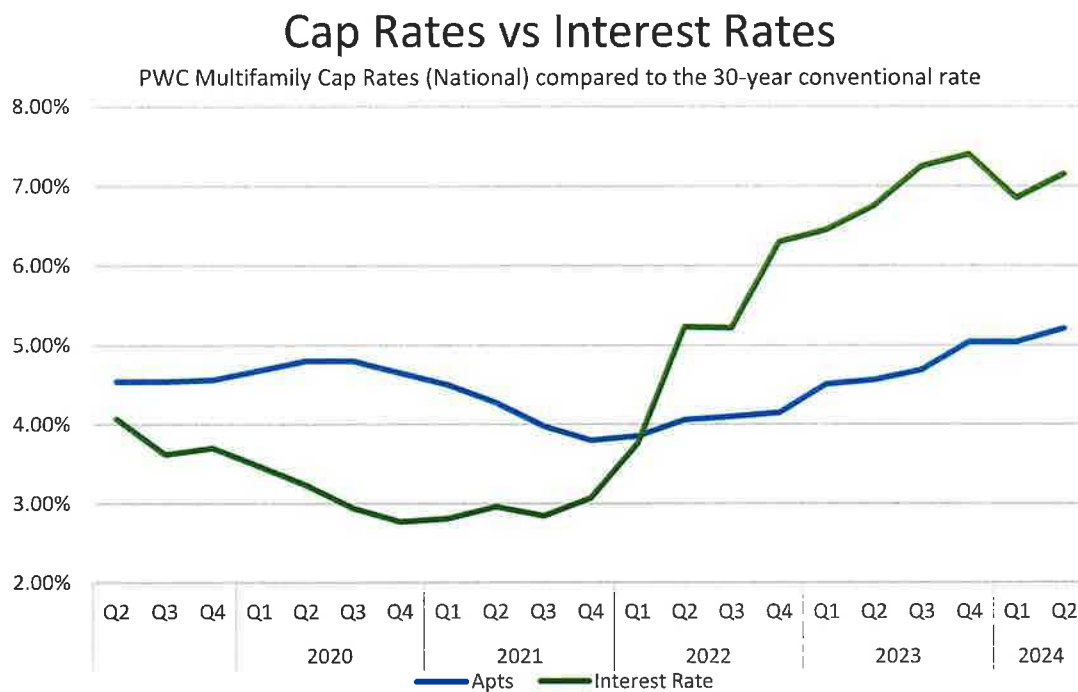
⁸ <https://www.cbre.com/press-releases/cap-rate-expansion-likely-to-continue-but-may-peak-later-in-2023-cbre-survey-finds#:~:text=With%20interest%20rates%20expected%20to,to%20about%20%25%20by%202025.>



The PriceWaterhouseCoopers investor survey has shown an increase in perceived cap rates in the Pacific Region as shown in the following graph. It is noted that these are institutional-sized investments.



The issues regarding cap rates are well illustrated in this graph showing interest rates relative to multifamily cap rates (PWC).



The cap rates tended to follow the interest rates until they diverged in 2022.

Market Analysis Conclusions

Skagit County is currently healthy with a population that is growing typical of the region. Home prices have peaked in the area with many areas showing declines in prices. There is still limited supply available. This is typical of the region. The labor market is stable in general.

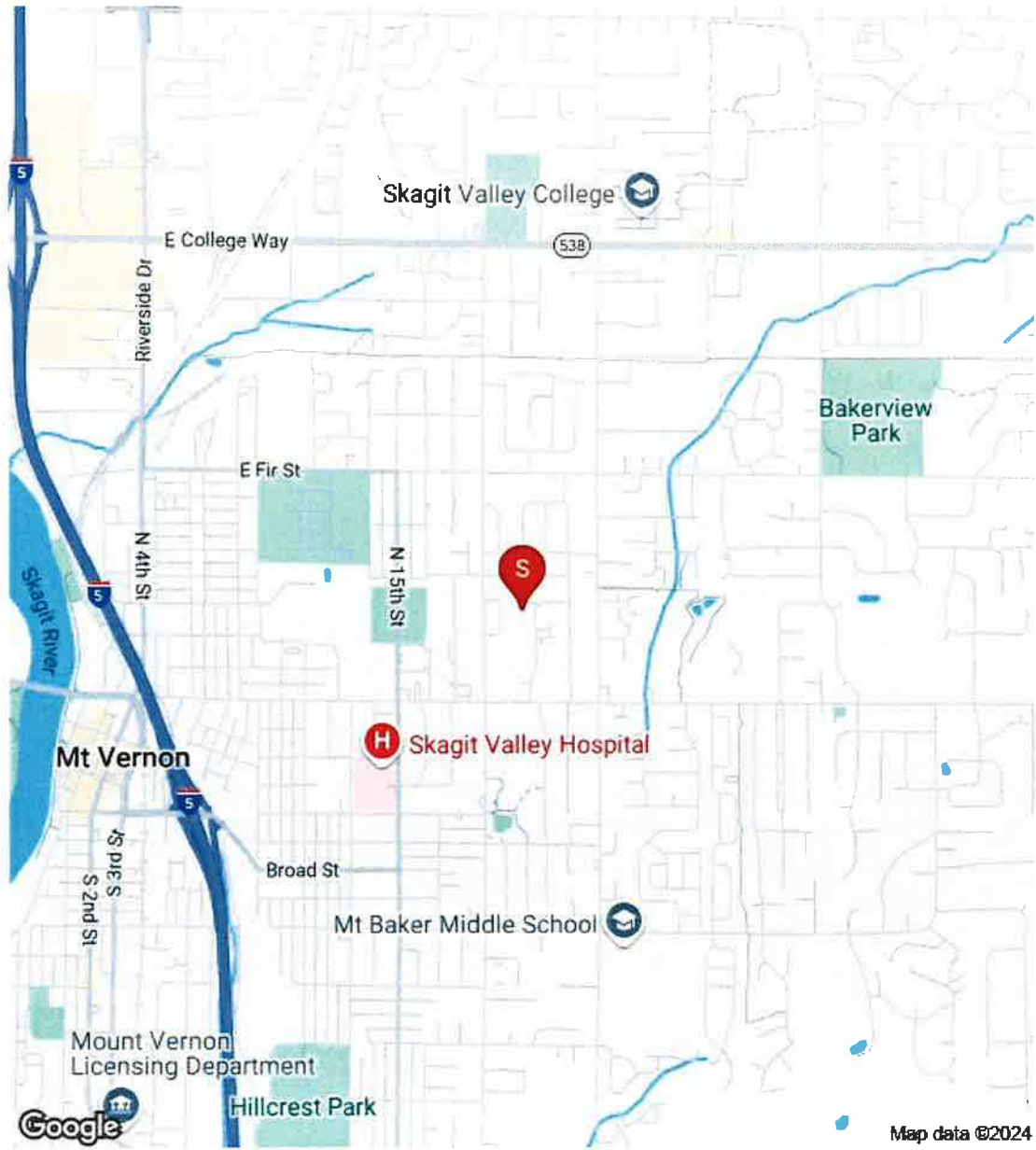
One major project is the Library Commons, which is a \$53m project being developed by the City of Mount Vernon at 208 W Kincaid Street. It is across from the courthouse and will have a library, community center, and commercial kitchen on the main floor and three floors of parking above. It is under construction as of November 2023.

Ferry traffic is back to normal levels with substantial traffic from Anacortes to the San Juan Islands

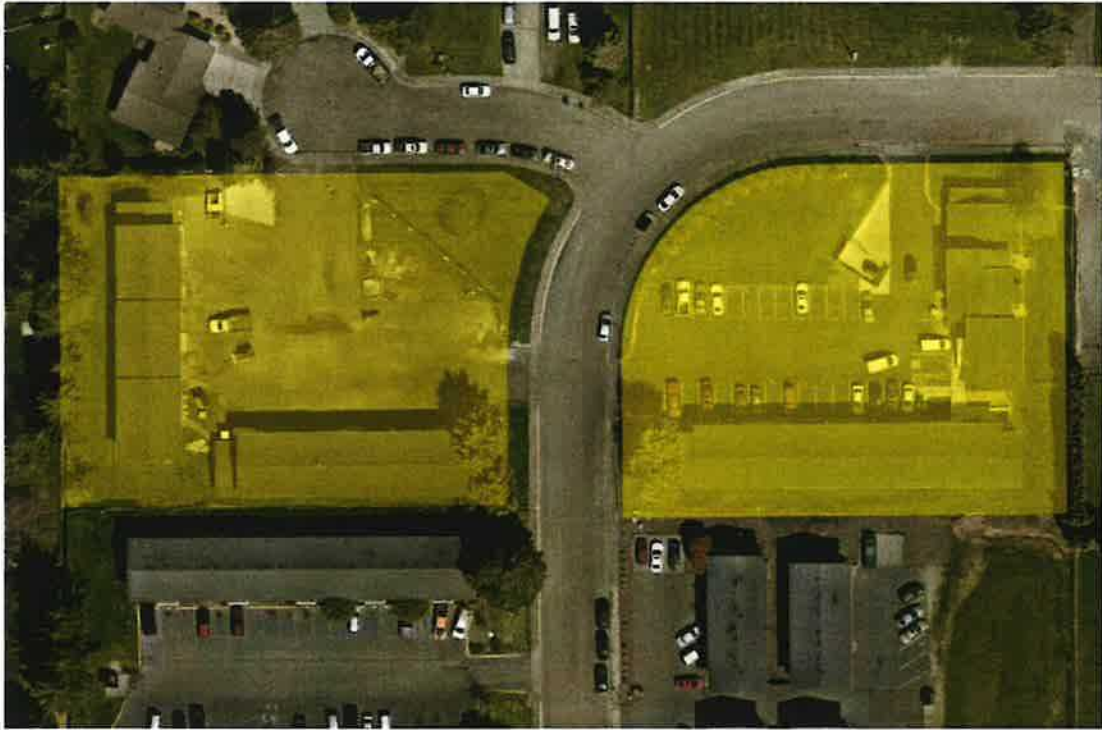
With the removal of the flood plain classification for Downtown Mount Vernon we may see more revitalization in that area.

Cap rates will likely continue to rise for most, if not all, property types.

Location Map



Aerial Map⁹



⁹ Source: iMAP; unknown date

Vicinity Map¹⁰



¹⁰ Source: iMAP unknown date

Parcel Map¹¹



¹¹ Source: iMAP; unknown date

Property Description

Four-building apartment complex with 45 units on an 85,000-square-foot site.

Legal Description

Parcel: P79477

Lot 21, Ridgewood Second Addition according to the Plat recorded in Volume 11 of
Plats, Page 40, Records of Skagit County, Washington.

Parcel: P79463

Lot 6, Ridgewood Second Addition according to the Plat recorded in Volume 11 of Plats,
Page 40, Records of Skagit County, Washington.

12

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
P79463 & P79477	1.95	85,000	1.95	85,000	Level	Roughly square

SITE	
Location:	The subject is located on two parcels on the southeast side and west side of Stanford Dr just south of Arthur Pl in the City of Mount Vernon.
Current Use of the Property:	Multifamily
Site Size:	Total: 1.95 acres; 85,000 square feet Usable: 1.95 acres; 85,000 square feet The subject property is 100% usable area.
Shape:	The site is irregularly shaped.
Frontage/Access:	<i>Site Access:</i> Site access is good with curb cuts along Stanford Dr and Arthur Pl. Left turns are permitted entering and exiting the subject property.

¹² Source: Quick Claim Deed dated 04/15/2019 (AF# 201904150064 and 201904150063)

Local Access:

Local access is average. It is a 5-minute drive to downtown Mount Vernon and 10 minutes to Burlington. Arlington Municipal Airport is a 30-minute drive from the subject.

Regional Access:

The subject property has average regional access. It is a 35-minute drive to Everett and 70 minutes to Seattle.

Access with frontage:

- Stanford Dr: 386 feet

The site has an average depth of 236 feet. It is not a corner lot.

Topography:	The subject has level topography at grade and no areas of wetlands.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	The subject's utilities are typical and adequate for the market area. The subject has access power, water, sewer, natural gas, telephone, Cable TV, and broadband internet.
Site Improvements:	The property features typical landscaping, manicured lawn areas, partial wooden fencing, and newly striped asphalt parking areas.
Flood Zone:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.</p> <p>FEMA Map Number: 5301580002B FEMA Map Date: January 3, 1985</p> <p>The subject is not in a flood zone.</p>
Wetlands/Watershed:	No wetlands are noted, but it is noted that the appraiser is not a professional in delineating wetlands.

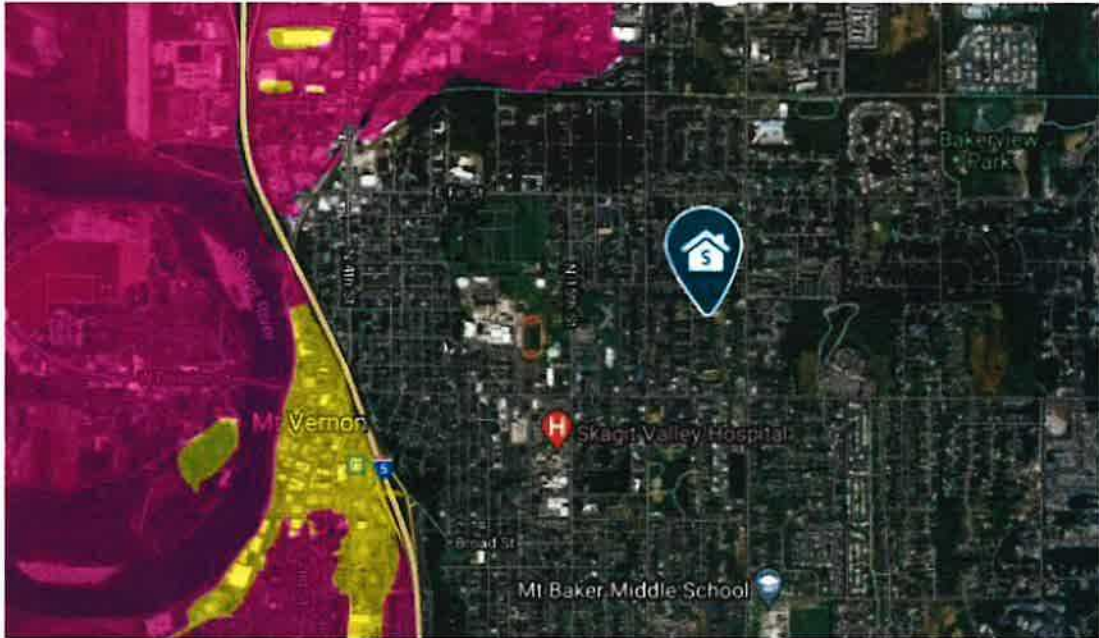
Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance /
Easements: There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Site Comments: The subject site is a typical rectangular shape with frontage on Stanford Dr with minor traffic volumes. There is also access on Arthur Pl which is a small cul-de-sac. No view amenity is noted. The subject property is surrounded by other multifamily properties and single-family residences.

[illegible]

Flood Zone Map



Building Map



Rent Roll

All Properties Owned By: Ridgewood Holdings, LLC

Units: Active

As of: 04/03/2025

Include Non-Revenue Units: No

Unit	BD/BA	Tenant	Status	Sqft	Rent	Deposit	Lease From	Lease To	Move-in	Move-out
401/403 Stanford Dr. Mount Vernon, WA 98273										
101-401	1/1.00	Kyllia M. Hang	Current		1,375.00	1,375.00	01/03/2025	07/10/2026	01/03/2025	
101-403	1/1.00	Cota A. Erney	Current		1,375.00	1,975.00	02/12/2025	08/15/2025	02/12/2025	
102-401	1/1.00		Vacant-Unrented			0.00				
102-403	1/1.00		Vacant-Rented			0.00				
103-401	1/1.00		Vacant-Unrented			0.00				
103-403	1/1.00	Fchelle D. Perea	Current		1,375.00	1,375.00	02/12/2025	08/15/2025	02/12/2025	
104-401	1/1.00		Vacant-Rented			0.00				
104-403	1/1.00		Vacant-Unrented			0.00				
105-401	1/1.00		Vacant-Unrented			0.00				
105-403	1/1.00		Vacant-Unrented			0.00				
106-401	1/1.00		Vacant-Unrented			0.00				
106-403	1/1.00		Vacant-Unrented			0.00				
201-401	1/1.00		Vacant-Unrented			0.00				
201-403	1/1.00	Rachael D. Hunter	Current		1,375.00	1,375.00	01/17/2025	07/17/2026	01/17/2025	
202-401	1/1.00		Vacant-Unrented			0.00				
202-403	1/1.00		Vacant-Unrented			0.00				
203-401	1/1.00		Vacant-Unrented			0.00				
203-403	1/1.00		Vacant-Unrented			0.00				
204-401	1/1.00		Vacant-Unrented			0.00				
204-403	1/1.00	Amanda R. Wimmer	Current		1,375.00	1,675.00	03/17/2025	03/16/2026	03/17/2025	
205-401	1/1.00		Vacant-Unrented			0.00				
205-403	1/1.00		Vacant-Unrented			0.00				
206-401	1/1.00		Vacant-Unrented			0.00				
206-403	1/1.00		Vacant-Unrented			0.00				
24 Units			20.8% Occupied	0	6,875.00	7,775.00				
Ridgewood Apartments - 402/406 Stanford Drive Mount Vernon, WA 98273										
101-402	1/1.00	Theresa L. Wyman	Current	480	1,365.00	1,325.00	11/06/2023	09/30/2025	11/06/2023	
101-406	1/1.00	Arla R. Beatty	Current		1,365.00	1,325.00	09/01/2023	08/29/2025	09/01/2023	
102-402	1/1.00	Jessica L. Guy	Current	480	1,365.00	1,925.00	08/25/2023	08/22/2025	08/25/2023	

Rent Roll

Unit	BD/BA	Tenant	Status	Sqft	Rent	Deposit	Lease From	Lease To	Move-in	Move-out
102-406	3/3.50	Carlos M. Trejo aviles	Current		2,625.00	2,800.00	03/01/2024	02/27/2026	03/01/2024	
103-402	1/1.00	Daniel I. Welch	Current	480	1,365.00	1,665.00	08/14/2024	08/13/2025	08/14/2024	
104-402	1/1.00	Alycia S. Pidgeon	Current	480	1,365.00	1,625.00	07/25/2023	07/24/2025	01/01/2024	
105-402	1/1.00	Gerardo Banales-Alaniz	Current	480	1,365.00	1,250.00	06/20/2022	06/19/2026	06/20/2022	
106-402	1/1.00	Max W. Francke	Current	480	1,365.00	1,365.00	08/01/2024	07/31/2025	08/01/2024	
107-402	1/1.00	Vicente J. Lopez Marcial	Current	480	1,365.00	1,250.00	08/01/2022	07/31/2025	08/01/2022	
108-402	1/1.00	Marilyn P. Reyes	Current	480	1,365.00	1,250.00	09/02/2022	08/29/2025	09/01/2023	
109-402	1/1.00	Jazmin Ruiz Mondragon	Notice-Unrented	480	1,365.00	1,550.00	08/01/2022	07/31/2025	08/01/2022	07/31/2025
201 - 406	1/1.00	Gerri K. Pearson	Current		1,365.00	1,625.00	09/20/2023	09/19/2025	09/20/2023	
201-402	1/1.00	Nina Garnica	Current	480	1,365.00	1,365.00	07/12/2024	07/11/2025	07/12/2024	
202-402	1/1.00	Malachi C. Alegria	Current	480	1,365.00	1,325.00	10/02/2023	09/30/2025	10/02/2023	
203-402	1/1.00	Austin G. Diirell	Current	480	1,365.00	1,250.00	07/14/2022	07/11/2025	07/14/2022	
204-402	1/1.00	Dezirae F. Washington	Current	480	1,365.00	1,925.00	07/17/2023	07/16/2026	07/17/2023	
205-402	1/1.00	Sandra M. Aranda	Notice-Unrented	480	1,365.00	1,250.00	07/01/2022	06/27/2025	07/01/2022	06/27/2025
206-402	1/1.00	Abcdeanne Ferguson	Current	480	1,365.00	1,550.00	08/22/2022	08/21/2025	08/22/2022	
207-402	1/1.00	Lisa E. Stammes	Current	480	1,365.00	1,250.00	09/19/2022	09/18/2025	09/19/2022	
208-402	1/1.00	Yesica Solano	Notice-Unrented	480	1,365.00	1,250.00	06/27/2022	06/26/2025	06/27/2022	06/26/2025
209-402	1/1.00	Andrea A. Pasillas	Current	480	1,365.00	1,250.00	07/22/2022	07/19/2025	07/22/2022	
21 Units			100.0% Occupied	8,640	29,925.00	31,370.00				
Total 45 Units			57.8% Occupied	8,640	36,800.00	39,145.00				

Improvements Description

IMPROVEMENTS DESCRIPTION	
Development/Property Name:	Ridgewood Apartments
Property Type Major:	Multifamily
Property Type:	Other
Overview:	Four-building apartment complex with 45 units on an 85,000-square-foot site.

Building Summary						
Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
Ridgewood	1977-1979	Average	2.0	25,036	23,922	45

Building Summary

<i>Building</i>	<i>Gross</i>	<i>Rentable</i>	<i>Units</i>	<i>Yr Blt</i>
401	6,048	5,760	12	1977
402	8,640	8,640	18	1979
403	6,048	5,760	12	1977
406	4,300	3,762	3	1979
<i>Total:</i>	<i>25,036</i>	<i>23,922</i>	<i>45</i>	

Floor Summary

<i>Building</i>	<i>Floor</i>	<i>Gross</i>	<i>Rentable</i>
401	Main	3,168	2,880
401	Second	2,880	2,880
402	Main	4,320	4,320
402	Second	4,320	4,320
403	Main	3,168	2,880
403	Second	2,880	2,880
406	Main	2,848	2,310
406	Second	1,452	1,452
<i>Total:</i>		<i>25,036</i>	<i>23,922</i>

Unit Summary

Unit #	BR/Bath	Sq Ft
401-107	1/1	480
401-108	1/1	480
401-109	1/1	480
401-110	1/1	480
401-111	1/1	480
401-112	1/1	480
401-207	1/1	480
401-208	1/1	480
401-209	1/1	480
401-210	1/1	480
401-211	1/1	480
401-212	1/1	480
402-101	1/1	480
402-102	1/1	480
402-103	1/1	480
402-104	1/1	480
402-105	1/1	480
402-106	1/1	480
402-107	1/1	480
402-108	1/1	480
402-109	1/1	480
402-201	1/1	480
402-202	1/1	480
402-203	1/1	480
402-204	1/1	480
402-205	1/1	480
402-206	1/1	480
402-207	1/1	480
402-208	1/1	480
402-209	1/1	480
403-107	1/1	480
403-108	1/1	480
403-109	1/1	480
403-110	1/1	480
403-111	1/1	480
403-112	1/1	480
403-207	1/1	480
403-208	1/1	480
403-209	1/1	480
403-210	1/1	480
403-211	1/1	480
403-212	1/1	480
406-101	1/1	528
406-102	3/3.5	2,706
406-201	1/1	528
Total:		23,922

GENERAL - RIDGEWOOD APARTMENTS

Building Identification:	Ridgewood Apartments
Building Description:	Two-story exterior-entry walkup apartment complex
Construction:	Wood frame
Construction Quality:	Average
Year Built:	1977-1979
Renovations:	Yes, 2018 and 2024
Effective Age:	6 years
Remaining Useful Life:	44
Condition:	Average
Appeal/Appearance:	Average
Areas, Ratios & Numbers:	Number of Stories: 2.00 Gross Building Area: 25,036 Gross Leasable Area: 23,922 Rentable Area: 23,922 Number of Units: 45 Usable Land to Building Ratio (GBA) : 3.40 to 1 Usable Land to Building Ratio (Rentable) : 3.40 to 1

FOUNDATION, FRAME & EXTERIOR - RIDGEWOOD APARTMENTS

Foundation:	Poured concrete footings
Structural Frame:	Wooden frame
Exterior:	Painted hardi board siding
Windows:	Double-pane vinyl
Roof/Cover:	Pitched / Composition shingle

INTERIOR - RIDGEWOOD APARTMENTS

Interior Layout:	All of the one-bedroom units have a typical Layout. The one-bedroom units have a kitchen and living/dining area off the entry and a bathroom in the bedroom. The 3-bedroom apartment has a kitchen, dining room, half bathroom with washer/dryer hookups, and two living room areas on the main floor. There is a door from the kitchen to access the two-car garage. On the second floor there are three bedrooms with ensuite bathrooms and walk-in closets.
Floor Cover:	LVP and carpet
Walls:	Sheetrock
Ceilings & Ceiling Height:	Sheetrock / 8'
Lighting:	Incandescent lighting
Bathrooms:	47.0
Furnished:	No

MECHANICAL SYSTEMS - RIDGEWOOD APARTMENTS

Heating:	Electric baseboard
Cooling:	None
Electrical:	Adequate to code
Plumbing Condition:	Average
Sprinkler:	None
Comments, Ridgewood Apartments:	The units are typical vinyl floors and carpets, stained oak trim, laminate counters and oak cabinets throughout. The 44 on-bedroom units do not have washer/dryer units, but there are three coin-operated laundry rooms on site. The 3-bedroom unit has W/D hookups. The kitchens include stainless steel appliances: range/oven, fridge, and dishwasher. The buildings are split by an asphalt parking area. No view amenity is noted.

PARKING	
Parking Type and Number of Spaces:	Type: Open parking Spaces: 85 Condition: Average
Parking Ratio:	1.89 spaces per unit.

AMENITIES	
Tenant Storage:	None
Laundry Facilities:	Common Coin-operated laundry There are three coin-op laundry rooms on site.
Clubhouse:	None
Pools:	None
Tennis Courts:	None
Fitness Centers:	None

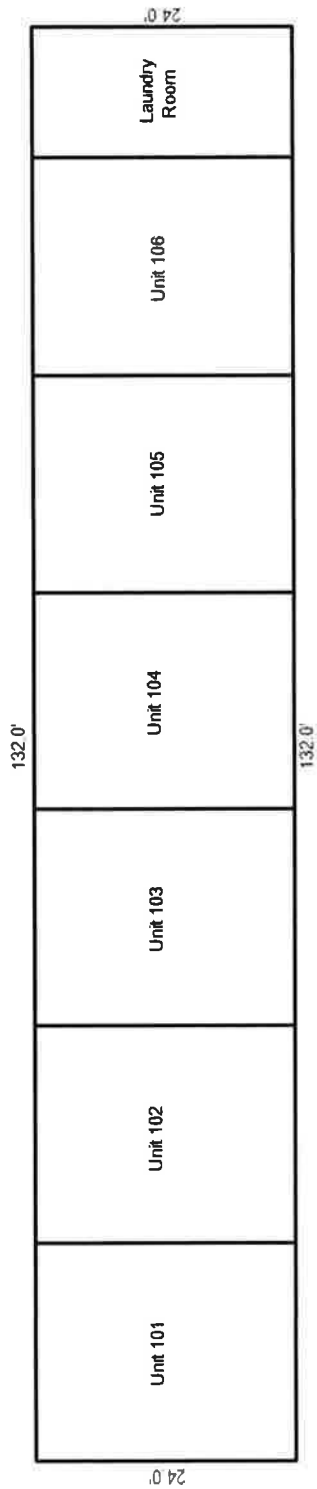
PROPERTY ANALYSIS	
Design & Functional Utility:	There are forty five units in four buildings that are mostly 1-bedroom units. There is one 3-bedroom unit. Parking is adequate on site. Units have adequate ceiling heights and lights. No functional obsolescence is noted. No external obsolescence is noted.
Deferred Maintenance:	The subject's buildings were originally constructed in 1977 and 1979. In 2017, all the buildings were evacuated due to the presence of methamphetamines, and renovations began on all four buildings. Buildings 402 and 406 had renovations completed in 2021. Renovations have been mostly completed in buildings 401 and 403 but they are not complete. However, it is a hypothetical condition in this report that the renovations have been completed and the units have been

occupied at market rent. The exteriors of all 4 buildings have newer hardi-plank siding and the roofs have been replaced on all four buildings in the past 5-6 years. We estimate about 70% of the components that were renovated are new and about 30% of the components are original. With this said, the effective age is approximately 6 years based on a 50-year life, which is a depreciation of 12%. No deferred maintenance is noted.

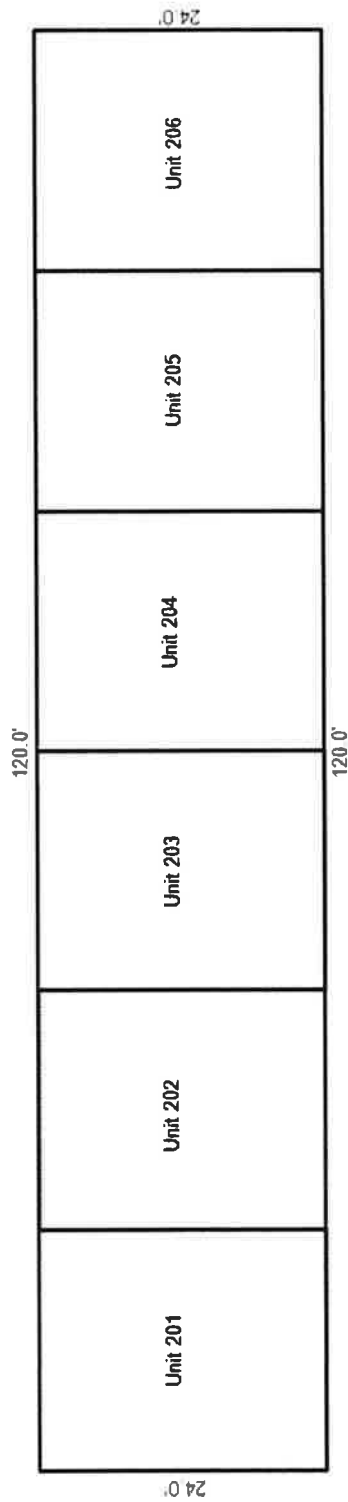
Planned Capital
Improvements:

None

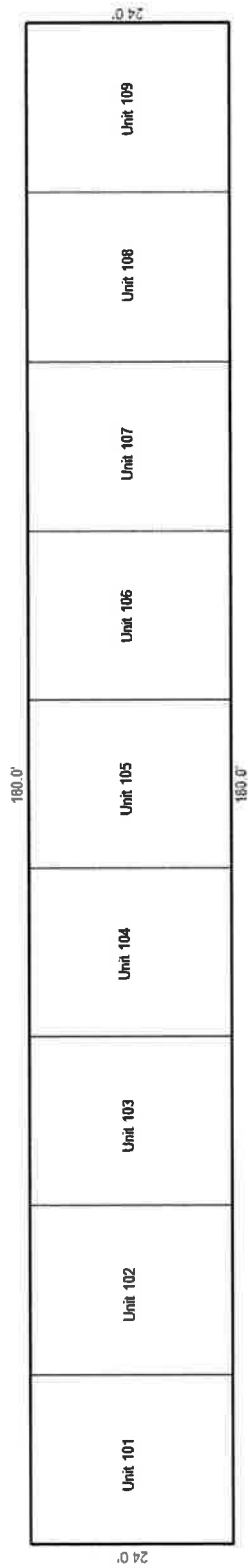
Improvements Plan



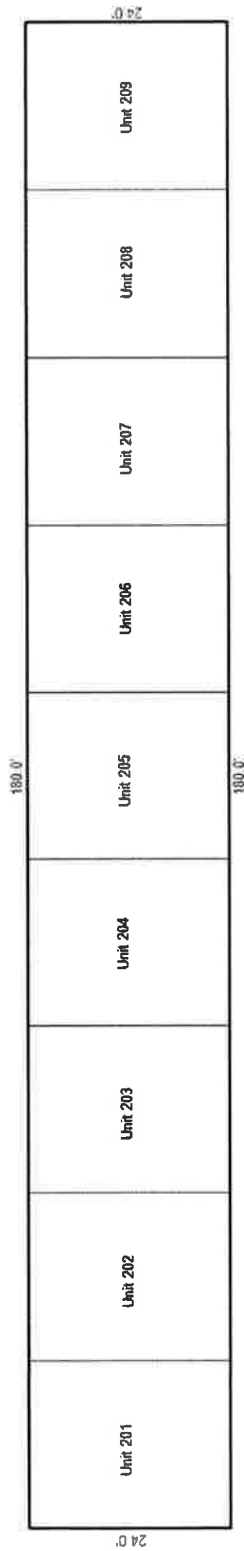
Buildings 401 and 403 Main Floor



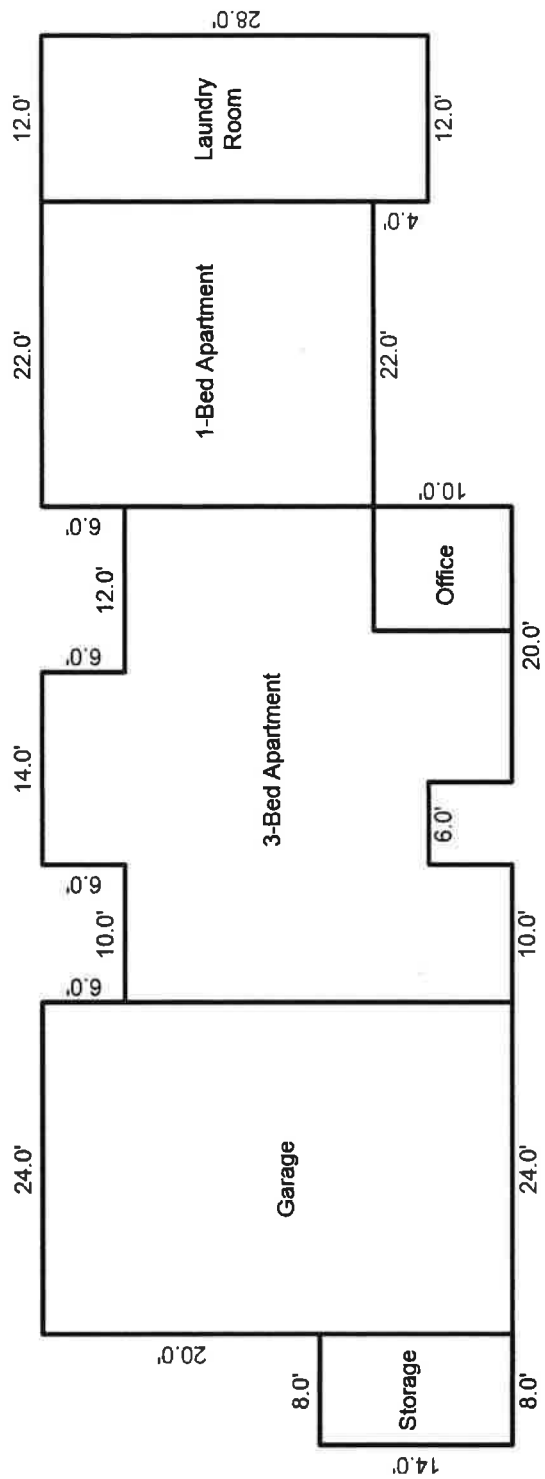
Buildings 401 and 403 Second Floor

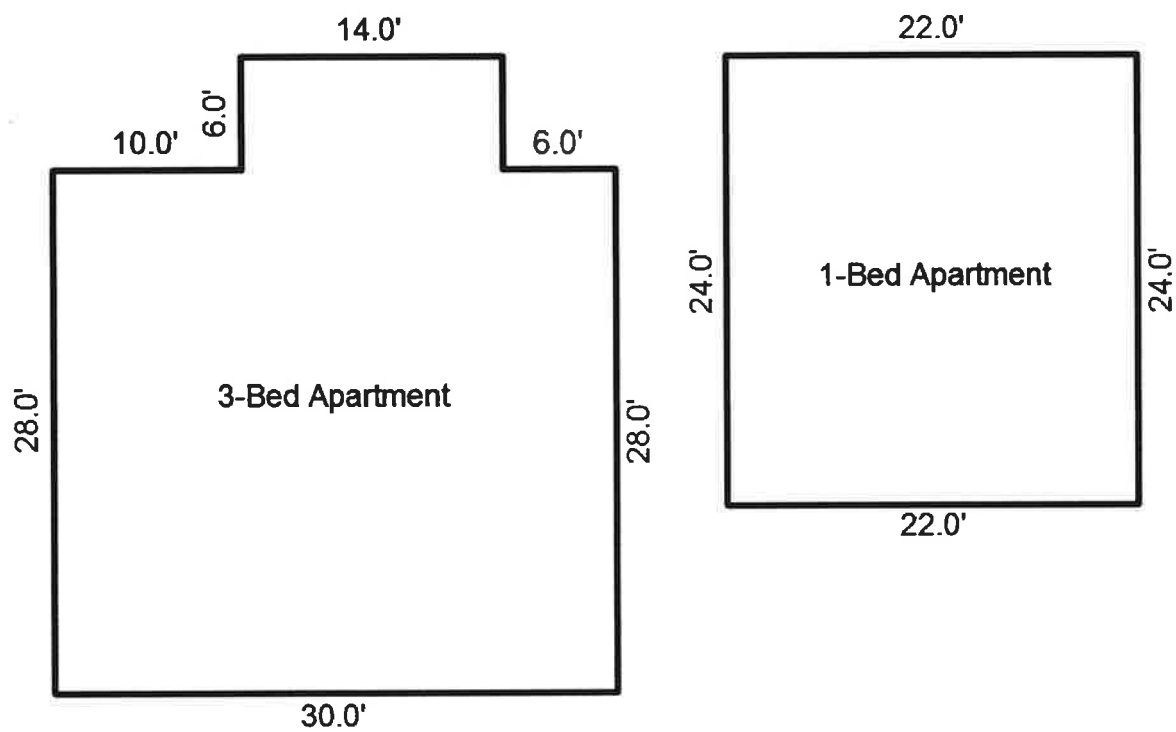


Building 402 Main Floor

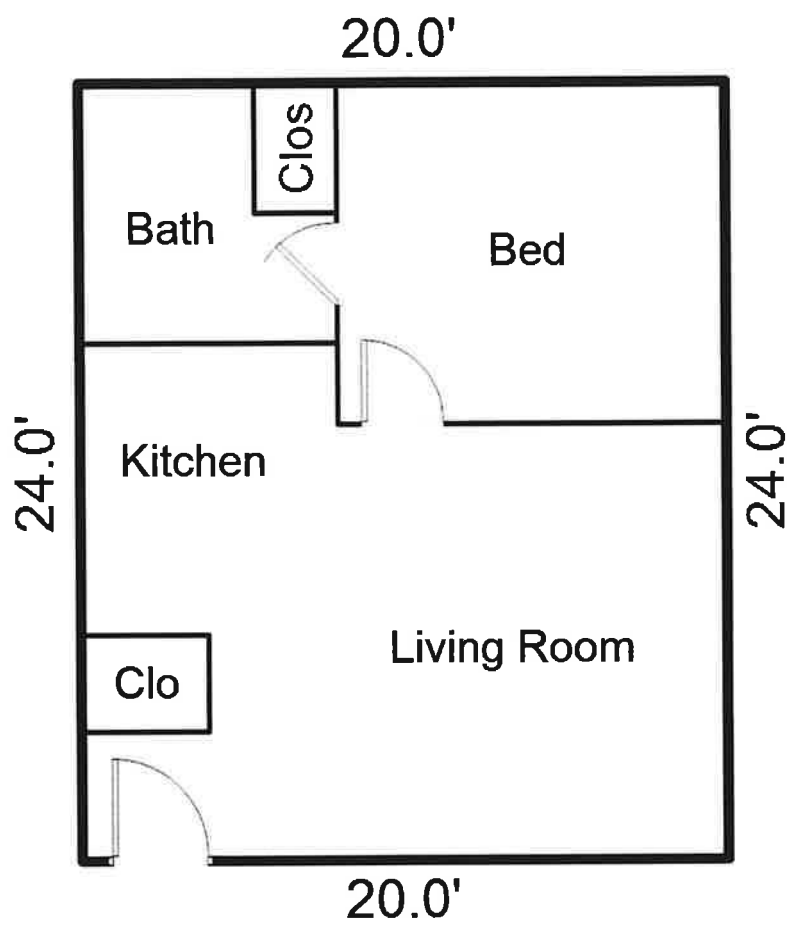


Building 402 Second Floor





Building 406 Second Floor



Interior Layout

Subject Photographs

EXTERIORS



Subject Photographs

INTERIORS - 1 & 2 Bed Units



Subject Photographs

INTERIORS - 3 Bed Unit



Assessment and Taxes

Taxing Authority Skagit County

Assessment Year 2024

Real Estate Assessment and Taxes						
Tax ID	Land	Improvements	Other	Total Assessment	Tax Rate	Taxes
P79463	\$1,255,500	\$679,600	\$0	\$1,935,100	\$10.22	\$19,770
P79477	\$1,255,500	\$889,800	\$0	\$2,145,300	\$10.22	\$21,917
Totals	\$2,511,000	\$1,569,400	\$0	\$4,080,400		\$41,687

Real Estate Assessment Analysis					
Tax ID	Per SF GBA	Per Acre	Total Assessment	Equalization Ratio	Implied Value
P79463	\$77.29	\$991,682	\$1,935,100	100.0%	\$1,935,100
P79477	\$85.69	\$1,099,403	\$2,145,300	100.0%	\$2,145,300
Totals	\$162.98	\$2,091,085	\$4,080,400		\$4,080,400

Comments

The taxes are typical for the area. There is a special assessment of \$10 for the Skagit Conservation District.

Zoning

LAND USE CONTROLS	
Zoning Code	R-3
Zoning Authority	City of Mount Vernon
Current Use Legally Conforming	The subject is a legal conforming use.
Zoning Change Likely	A zoning change is unlikely.

Zoning

The intent of the R-3 zone is to provide for areas within neighborhood with good access containing multi-family residential development at a net density of 10 to 12 dwelling units per acre.

Permitted Uses:

Permitted primary uses in the R-3 district include:

- A. Two-family and townhouse dwelling units that can meet the minimum density requirements of this zone.
- B. Multifamily residential developments of 75 dwelling units or less. The definition of “density for multifamily zoned developments” found in Chapter 17.06 MVMC describes how the maximum density is calculated within this zone.
- C. Municipal parks and playgrounds of less than one-half acre.
- D. Professional offices, such as medical and dental offices; provided, that:
 - 1. The type, size and construction are compatible with the residential intent or character of the district.
 - 2. The design, landscaping and arrangement of parking spaces are compatible with the residential character of the project and the neighborhood.
 - 3. Access is from a street capable of handling the traffic generated from the use, and is located such that it is compatible with the residential use and will not create a traffic hazard or congestion.
- E. Specialized housing for the elderly with total building area under 12,000 square feet.

F. Day nursery; provided, that the size, location and design are compatible with the residential character of the development and neighborhood. (Ord. 3802 § 19, 2019).

Conditional Uses:

Uses permitted by a conditional use permit and classified as a Type III permit in the R-3 district are as follows:

A. Churches;

B. Public utilities;

C. Specialized housing for the elderly over 12,000 square feet cumulative;

D. Multifamily residential developments of 76 dwelling units or more;

E. Neighborhood convenience uses; provided, that:

F. Bed and breakfast establishments which meet the following criteria

II. Bulk and yard regulations within the R-3 zone:

- | | |
|-----------------------------|--|
| A. Minimum lot area: | 6,000 SF |
| B. Duplex minimum lot area: | 7,600 SF |
| C. Maximum density: | 1 unit per 3,200 SF of land area
per unit w/ no enclosed parking |
| D. Front yard setback: | 25' on arterials, 20' on other |
| E. Side yard setback: | 10' on each side |
| F. Rear yard setback: | 20' |
| G. Maximum lot coverage: | 40% |
| H. Maximum height: | 25' |
| I. Parking requirement: | 1. 2 spaces per dwelling w/ 2 or more BR
2. 1½ spaces per dwelling w/ 1 BR
3. 1 space per dwelling w/ less than 1 BR |

The subject property as a 45-unit apartment building is a legal use. The use as a 45-unit apartment building is not consistent with the current zoning code which only allows 1 unit per 3,200 square feet. We assume that the subject property is a legal grandfathered use.



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