

# Highland View

Premier  
Value-Add  
Opportunity in  
Seattle's Desirable  
Queen Anne  
Neighborhood

11 UNITS • BUILT 1975

501 Highland Drive, Seattle, WA

**CBRE**



EXCLUSIVELY LISTED BY THE **CBRE PNW MULTIFAMILY TEAM**

# Premier Value-Add Opportunity Located in Desirable Queen Anne

CBRE proudly presents Highland View Apartments, an impressive 11-unit residential building located in the desirable Queen Anne neighborhood of Seattle. This well-maintained property features a spacious mix of four one-bedroom units, six two-bedroom units and a 1,915 sq. ft. three-bedroom two bath Penthouse on the top floor. Each apartment has private decks, allowing residents to enjoy expansive views of Downtown Seattle, Lake Union and the Space Needle. The interior finishes were updated between 2002 and 2008 on turnovers and featured new kitchen and bath cabinets, Formica counter tops, vinyl floor coverings, carpet, new appliances, tub surrounds, sinks, toilets, paint and light fixtures. A value-add investor could turn the units again with high end finishes and capture a significant rental premium. Originally built in 1975, the Highland View received new double pane, vinyl framed windows in 1997, and the torch down roof was replaced in 2001.

Perched atop Highland Drive, the property is just a short commute to employment powerhouses such as South Lake Union, Downtown Seattle and Westlake. Additionally, the building is walking distance to numerous trendy bars, restaurants, and even the Seattle Center, which is home to the famous Space Needle, Pacific Science Center and Climate Pledge Arena. Residents of Highland View can indulge in a vibrant lifestyle, and with ample public transit options nearby, commuting is a breeze. For residents with cars, the property offers five covered spaces and six open spaces. Well positioned in one of Seattle's most popular urban areas, the next owner will enjoy strong rental demand for years to come, making Highland View an exceptional investment opportunity.



# Highland View

## PROPERTY SUMMARY

**Address** 501 Highland Drive  
Seattle, WA 98109

**Price** \$3,650,000

**Units** 11

**Year Built** 1975

**Buildings** 1

**Net Rentable Area** 10,375 SF

**Avg. Unit Size** 941 SF

**Lot Size** 7,680 SF

**Zoning** LR3 (M)

**Submarket** Queen Anne

# Investment Highlights



Coveted Queen Anne location



Great Access to South Lake Union/Downtown Seattle



Easy access to Highway 99 and I-5 freeway



5 carports and 6 open parking spaces



Strong rental demand neighborhood



Walking distance to Seattle Center & Climate Pledge Arena



Well maintained by current ownership



Premier value-add opportunity



Walking distance to popular bars, restaurants and cafes



Private balconies with expansive lake views



Immediate access to major employers



Incredible 1,915 sq. ft. Penthouse unit



Large one and two-bedroom floor plans



Lake Union & Downtown Seattle views





## Unit Mix

Unit Type	Unit Count	Avg SF	Market Rent	Renovation Premium	Pro Forma Rent
1x1	4	708	\$1,925	\$700	\$2,625
2x2	6	935	\$2,350	\$850	\$3,200
3x2	1	1,915	\$3,500	\$1,000	\$4,500
<b>Total / Average</b>	<b>11</b>	<b>942 SF</b>	<b>\$25,300</b>	<b>\$809</b>	<b>\$34,200</b>



## Property Detail

Exterior	Stucco
Roof	Replaced in 2001, torch down
Framing	Steel and wood
Decks	Wood decks, metal railings
Windows	Double pane vinyl frame
Electrical	Copper wiring, cutler hammer breakers
Plumbing	Copper
Laundry	Common
Parking	5 carports and 6 open spaces

# Dynamic Queen Anne Location

Minutes To Major Employers, A-List Entertainment & Sporting Events, Iconic Attractions, Award-Winning Cuisine, Bars, Cafes, Breweries & Shops

**Downtown Bellevue**  
18-MINUTES • 149,000 JOBS



# Queen Anne: Neighborhood as an Amenity

## WALKABLE TO DESIRABLE AMENITIES & EASY ACCESS TO EMPLOYERS

As one of Seattle's most iconic neighborhoods, Queen Anne is overflowing with restaurants, bars and coffee shops. Residents and visitors alike flock to Queen Anne to enjoy a bite to eat at one of the area's award-winning restaurants or gather with friends at the many bars and brewpubs. In addition to restaurants and nightlife, tenants are attracted to Queen Anne due to the many cultural attractions such as the Seattle Center, Space Needle and Kerry Park. The central location makes it an easy walk to South Lake Union, Downtown, Belltown or Pike Place Market. Proximity to industry leading companies such as Amazon, Apple, Meta and Google is driving the migration of high income tenant base.



### QUEEN ANNE CHECKS ALL THE BOXES

- » Established retail corridors with hundreds of shops
- » 200+ World-class restaurants and bars
- » Walkable to Belltown, South Lake Union, and Downtown Seattle
- » Vibrant hub for arts and culture
- » Variety of walkable public transit options

## Pike Place Market



## NEARBY ATTRACTI0NS & RECREATION

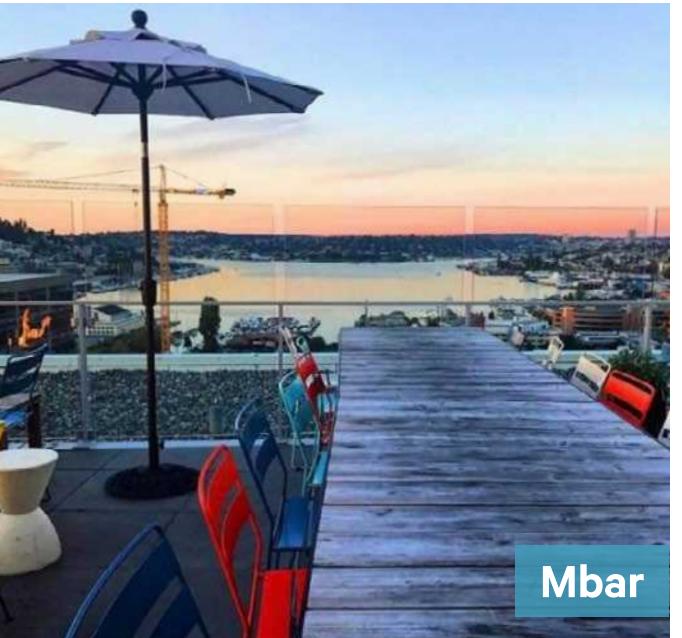
- » Pike Place Market
- » Climate Pledge Arena
- » Space Needle
- » Amazon Spheres
- » T-Mobile Park
- » Lumen Field
- » Nordstrom
- » Butcher's Table
- » Seattle Waterfront Park
- » Paramount Theater
- » Mbar Rooftop Bar & Lounge



Climate Pledge Arena



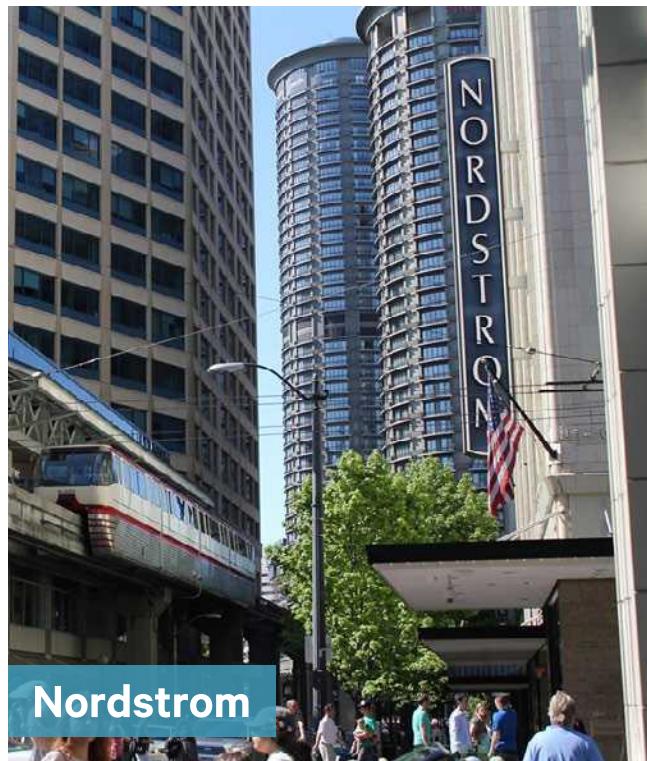
Amazon Spheres



Mbar



Butcher's Table



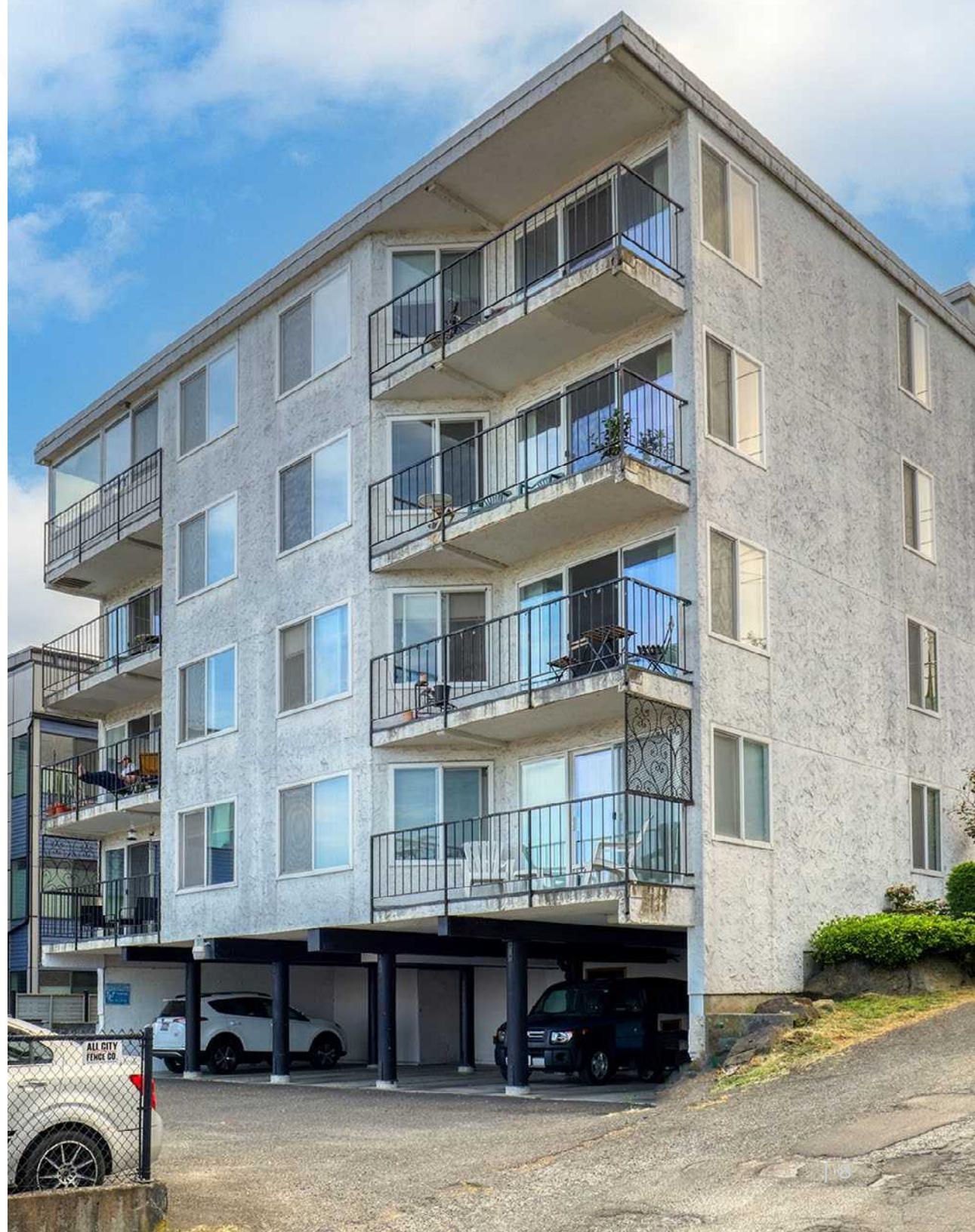
Nordstrom



Paramount Theater

# Financial Summary

Chart of Accounts	Market Operations		Pro Forma - Post Reno	
	Underwriting	Per Unit	Underwriting	Per Unit
<b>INCOME</b>				
<b>Scheduled Market Rents - Annualized</b>	\$303,600	\$2.44	\$303,600	\$2.44
Increase In Market Rents	\$0	\$0.00	\$9,108	\$0.07
Renovation Premium	\$0	\$0.00	\$110,004	\$0.89
Gain (Loss) To Lease	(\$1,518)	0.50%	(\$2,068)	0.50%
<b>Gross Potential Rent</b>	<b>\$302,082</b>	<b>\$2.43</b>	<b>\$420,644</b>	<b>\$3.38</b>
Vacancy	(\$12,083)	4.00%	(\$16,826)	4.00%
Concessions	\$0	0.00%	\$0	0.00%
Other Rent Loss	(\$1,510)	0.50%	(\$2,103)	0.50%
<b>Net Rental Income</b>	<b>\$288,488</b>	<b>\$2.32</b>	<b>\$401,715</b>	<b>\$3.23</b>
Economic Occupancy	96%		96%	
Average Effective Rents PSF	\$2.32		\$3.23	
Non-Refundable Fees	\$1,100	\$100	\$1,133	\$103
Parking Income	\$15,840	\$1,440	\$16,805	\$1,528
Utility Reimbursement	\$13,090	\$1,190	\$13,483	\$1,226
Misc. Income	\$2,200	\$200	\$2,266	\$206
<b>Gross Revenues</b>	<b>\$320,718</b>	<b>\$29,156</b>	<b>\$435,401</b>	<b>\$39,582</b>
Monthly Revenue Average	\$26,727		\$36,283	
% Increase over Market Expenses	24.1%		68.5%	
<b>EXPENSES</b>				
Payroll	\$9,900	\$900	\$10,197	\$927
Administrative	\$2,200	\$200	\$2,266	\$206
Marketing & Retention	\$1,100	\$100	\$1,133	\$103
Repairs and Maintenance	\$10,450	\$950	\$10,764	\$979
Landscaping/Contract Services	\$3,300	\$300	\$3,399	\$309
<b>Controllable Expenses</b>	<b>\$26,950</b>	<b>\$2,450</b>	<b>\$27,759</b>	<b>\$2,524</b>
Utilities	\$15,400	\$1,400	\$15,862	\$1,442
Management Fee	\$16,036	\$1,458	\$21,746	\$1,977
Insurance	\$11,000	\$1,000	\$11,330	\$1,030
<b>Non-Controllable Expenses</b>	<b>\$42,436</b>	<b>\$3,858</b>	<b>\$48,938</b>	<b>\$4,449</b>
Real Estate Taxes	\$33,559	\$3,051	\$34,566	\$3,142
Replacement Reserves	\$2,750	\$250	\$2,833	\$250
<b>Total Operating Expenses</b>	<b>\$105,695</b>	<b>\$9,609</b>	<b>\$114,094</b>	<b>\$10,372</b>
<b>Net Operating Income</b>	<b>\$215,024</b>	<b>\$19,548</b>	<b>\$321,307</b>	<b>\$29,210</b>
Annual/Monthly Debt Service	\$127,802	\$10,650	\$127,802	\$10,650
<b>Cash Flow Before Tax</b>	<b>\$87,221</b>	<b>4.78%</b>	<b>\$193,505</b>	<b>10.60%</b>

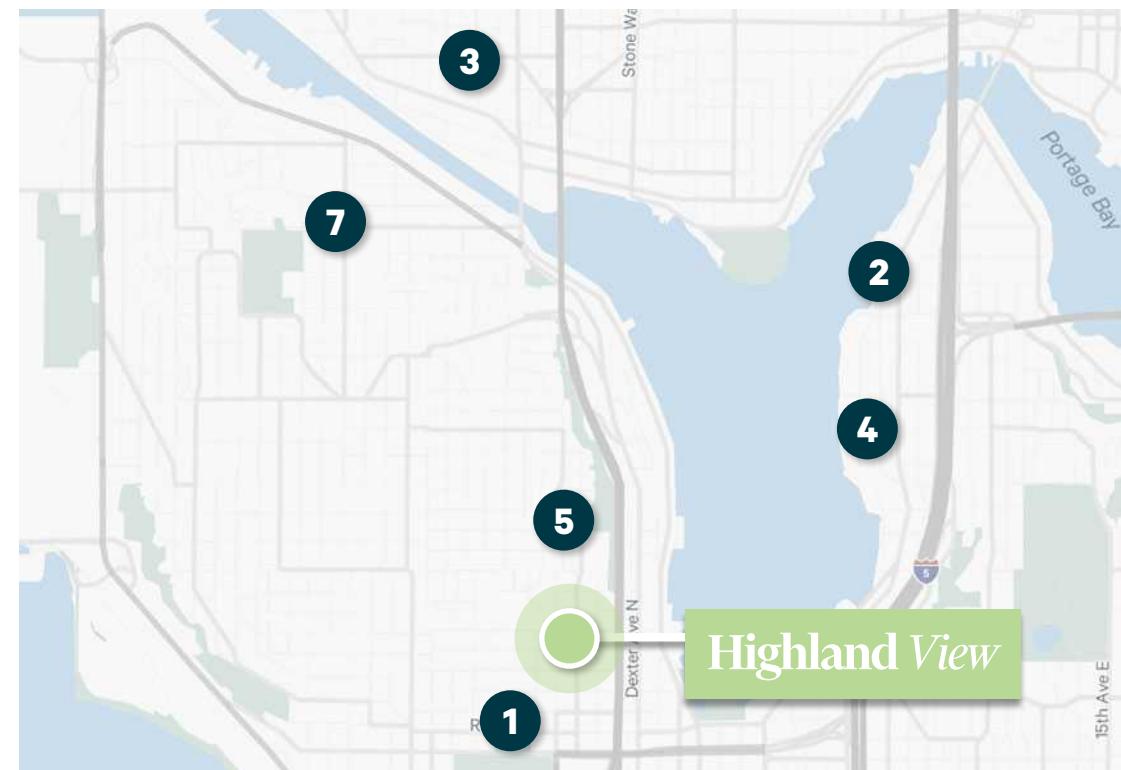


# Financial Notes

<b>Scheduled Market Rents:</b>	Current based on rent roll; Market based on comparable properties
<b>Increase in Market Rents:</b>	3.00%
<b>Renovation Premium:</b>	Assumes all units renovated to a premium scope
<b>Loss to Lease:</b>	0.50%
<b>Vacancy:</b>	Adjusted to 4.0% per industry standards
<b>Concessions:</b>	Assumes no concessions
<b>Other Rent Loss:</b>	Adjusted to 0.50% for bad debt and collection loss
<b>Non-Refundable Fees:</b>	Assumes \$200 Non-refundable fee with 50% turnover
<b>Parking:</b>	Current based on May 2025 Rent Roll; Market equal to \$150 for covered and \$95 for open spaces
<b>Utility Reimbursement:</b>	Current based on May 2025 Rent Roll; Market equal to 85% of utility expense
<b>Miscellaneous Income:</b>	Current based on May 2025 Rent Roll; Market adjusted to \$200/unit
<b>Payroll:</b>	Adjusted to \$75/unit per month
<b>Administrative:</b>	Adjusted to \$200 per unit
<b>Marketing:</b>	Adjusted to \$100 per unit
<b>R&amp;M:</b>	Adjusted to \$950 per unit
<b>Utility Expense:</b>	Estimate of \$1400 per unit
<b>Management Fee:</b>	Adjusted to 5% of Gross Revenues
<b>Insurance:</b>	Adjusted to \$1000 per unit
<b>Taxes:</b>	Current based on 2024 tax bill; Market adjusted to 100% of sales price based on current millage rate
<b>Replacement Reserves:</b>	\$250 per unit
Market Debt is sized to a 50% Loan-To-Value with a 5.75% Interest Rate, 30-Year Amortization and 5 Year(s) of Interest-Only.	

# Sales Comparables Analysis

Property		Address	Neighborhood	Units	Year Built	Avg. Unit SF	Price	Date	Price/Unit	Price/SF	Cap Rate
<b>1</b>	<b>715 Nob Hill</b>	715 Nob Hill N	Queen Anne	12	1974	734 SF	\$4,680,000	Jun-24	\$390,000	\$531	5.95%
<b>2</b>	<b>Anchor House</b>	2714 Fairview Ave E	Eastlake	18	1970	776 SF	\$6,750,000	Jun-25	\$375,000	\$483	4.00%
<b>3</b>	<b>Dayton Commons</b>	461 N 39th Street	Fremont	5	1971	960 SF	\$1,810,000	Feb-25	\$362,000	\$377	5.21%
<b>4</b>	<b>Minor Terrace</b>	2200 Minor Ave E	Eastlake	10	1967	921 SF	\$3,400,000	Aug-24	\$340,000	\$369	4.27%
<b>5</b>	<b>Char-Lee Apts</b>	1721 Taylor Ave N	Queen Anne	7	1962	643 SF	\$2,325,000	Aug-25	\$332,143	\$517	3.60%
<b>6</b>	<b>Highland View</b>	501 Highland Drive	Queen Anne	11	1975	942 SF	\$3,650,000	TBD	\$331,818	\$352	4.20%
<b>7</b>	<b>3019 3rd</b>	3019 3rd Ave W	Queen Anne	10	1981	746 SF	\$2,950,000	Feb-25	\$295,000	\$395	Vacant @ Sale
								<b>\$349,024</b>		<b>\$445</b>	<b>4.61%</b>



# Highland View



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