Marcus & Millichap
BROWN RETAIL GROUP
SEATTLE | PORTLAND | BOISE

WASHINGTON STATE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

1651 Pilgrim St, Moses Lake, WA 98837

WA STATE GUARANTEED (FITCH: AA+) DEPARTMENT OF SOCIAL AND HEALTH SERVICES FACILITY | 2015 BUILD-TO-SUIT | RECENT 5-YEAR LEASE EXTENSION WITH 17.5% RENTAL INCREASE OVER PREVIOUS TERM | RAPIDLY GROWING SUB-MARKET

100% BONUS DEPRECIATION ELIGIBLE

ACTUAL PROPERTY PHOTO

DSHS
WASHINGTON STATE
Department of Social and Health Services


SAFEWAY
STARBUCKS
crumbl
ACE Hardware
AT&T
AutoZone
Pizza Hut
RITE AID
JAPANESE PEACE GARDEN
MCCOSH PARK
SKYLINE PARK
SAMARITAN HEALTHCARE
Confluence Health
DOLLAR TREE
ENZO
MOSES LAKE HIGH SCHOOL
SHARON AVE E
GARDEN HEIGHTS ELEMENTARY
COLUMBIA MIDDLE SCHOOL
PIONEER
wheatland bank
SUBWAY
I-90 BL (+/- 12,492 VPD)
MOSES LAKE DENTIST
PILGRIM ST
COLONIAL AVE
90
MOSES LAKE SCHOOL DISTRICT #161
INLAND HEARING AIDS
PROFESSIONAL DENTURES
HORIZON CREDIT UNION
Lakeside Dental
DSHS
1651 S PILGRIM ST
MOSES LAKE, WA 98837


TOYOTA
RAMADA
WINGATE
I-90 (+/- 18,369 VPD)
Wendy's
TACO BELL
LOWE'S
GROFF ELEMENTARY SCHOOL
Denny's
Fairfield
WA-17 (+/- 11,247 VPD)
I-90 BL (+/- 12,492 VPD)
CLOVER DR
HORIZON CREDIT UNION
Lakeside Dental
MOBERG PROFESSIONAL CENTER
90
MOSES LAKE SCHOOL DISTRICT #161
PILGRIM ST
DSHS
1651 S PILGRIM ST
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PROFESSIONAL DENTURES
COLONIAL AVE
INLAND HEARING AIDS
MOSES LAKE DENTIST

THE **OFFERING**

1651 Pilgrim St, Moses Lake, WA 98837

Marcus & Millichap's Brown Retail Group has been selected to exclusively market for sale the **Department of Social & Health Services (DSHS) facility located in the rapidly growing Moses Lake, Washington, sub-market**. This Property was a build-to-suit location for DSHS, situated on a spacious 3.26-acre lot with ample parking (roughly 185 parking stalls). The Seller recently completed renovations throughout the entire property including: parking lot, landscaping, HVAC maintenance, and lighting throughout the facility. DSHS recently renewed their lease for an additional five years, with a notable 17.5% rental increase over the previous term. The lease is guaranteed by the State of Washington, which has a Fitch rating of AA+. Moses Lake currently boasts a low 2.3% vacancy rate, with rental rates increasing 12.5% cumulatively over the last three years (source: CoStar). Ideally positioned off State Highway 17, a major Moses Lake arterial, the Property is approximately one mile from Interstate 90, the nation's largest and most trafficked Interstate.

ACTUAL PROPERTY PHOTO

PRICE: $7,680,000
CAP RATE: 8.00%
CASH/CASH: 9.89%

THE **PROPERTY**

Price	$7,680,000
Cap Rate	8.00%
Price/SF	$234
Gross Leasable Area	32,800 SF
Lot Size (Acres)	3.26 Acres
Type of Ownership	Fee Simple
Year Built / Renovated	2015 / 2025

LEASE SUMMARY

Tenant	State of Washington, Department of Social and Health Services
Guarantor	State Agency
Lease Type	Modified Gross
Lease Commencement	8/1/2015
Lease Expiration	7/31/2030
Renewal Options	1, 5-Year
Term Remaining on Lease	4+ Years
Landlord Responsibility	Taxes, Insurance, Repairs & Maintenance
Tenant Responsibility	Utilities & Janitorial

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
8/1/2025 - 7/31/2030	$770,800	$64,233	$23.50
OPTION			
8/1/2030 - 7/31/2035	Fair Market Value		

DEBT QUOTE*

Rate	6.00%
Amortization	25-30 Years
LTV**	65% - 75%
Term	5 Years
Structure	Up to 2 Years I/O Available
Cash-on-Cash	**9.89%**

* As of 3/2/2026.
** LTV determined by 1.25 DSCR at 25 Year Amortization.
*** Cash-on-cash return of 9.89% with a 6.00% interest rate at 70% LTV and 30 year amortization.

Ray Allen
Senior Managing Director, Capital Markets
(206) 826-5678
rallen@ipausa.com

AA+
Fitch Rating

17,500+
Employees

OPERATING STATEMENT

Income	Year 1		Per SF	Notes
Scheduled Base Rental Income	770,800		23.50	

Operating Expenses	Year 1		Per SF	Notes
Common Area Maintenance (CAM)				
Property Maintenance Base	16,542		0.50	[1]
Fire Alarm / Fire Sprinkler	5,383		0.16	[1]
HVAC	16,000		0.49	[2]
Landscape	5,000		0.15	[3]
Phone / Cable Lines / Data Service	2,919		0.09	[1]
Carpeting / Flooring	190		0.01	[1]
Electrical	786		0.02	[4]
Exterior Maintenance	494		0.02	[4]
Interior Maintenance & lighting	1,882		0.06	[4]
Door Locks & Hardware	179		0.01	[1]
Parking Lot Maintenance (Snow Removal)	9,803		0.30	[1]
Windows	461		0.01	[1]
Pest Control	2,120		0.06	[1]
Storm Water/Irrigation	6,449		0.20	[1]
Insurance	13,998		0.43	[1]
Real Estate Taxes	52,925		1.61	[5]
Management Fee	21,109	2.7%	0.64	[1]
Total Expenses	$156,241		$4.76	
Expenses as % of EGR	20.3%			
Net Operating Income	**$614,559**		**$18.74**	

Notes	
[1]	Per Seller's 2025 P&L.
[2]	Per Seller's routine HVAC Maintenance cost of $4,000/quarter.
[3]	Per Seller's normalized budgeted amount.
[4]	Per Seller's 2025 P&L, normalized to display recurring expenses.
[5]	2025 Property Taxes per Grant County Assessor.

THE HIGHLIGHTS

WASHINGTON STATE GOVERNMENT GUARANTEE

The Lease is Guaranteed by the State of Washington, which has a Fitch rating of AA+.

RECESSION PROOF / ESSENTIAL TENANT

The Department of Social and Health Services is a critical department within the Washington State government. Demand for its services typically increases during economic downturns, offering investors a stable and reliable tenant through all economic conditions.

RECENT 5-YEAR LEASE WITH 17.5% RENT INCREASE OVER PREVIOUS LEASE

DSHS signed a brand new 5-year lease in August 2024 (lease length the government prefers to sign). The rent in the new lease increased 17.5% over the rent in its previous lease at this site. DSHS's renewal option is at fair market rent, ensuring the Property's rent continues to hedge against inflation and rising costs.

2015 CONSTRUCTION | BUILD TO SUIT

The Property was a build-to-suit for DSHS in 2015. DSHS has continuously operated at this location since the property was built, with their new 5-year lease extension showing a long-term commitment to the location, which is tailored to their needs.

2025 RENOVATIONS

The Seller recently completed renovations to the Property, including sealing and striping the parking lot; upgrading the mail room; performing HVAC maintenance; installing new parking lot bollards; improving landscaping; replacing carpet in the vestibules; updating lighting throughout the facility; and cleaning exterior windows, carpets, vinyl flooring, exterior and interior doors, and window blinds.

LARGE 3.26 ACRE LOT WITH AMPLE PARKING

The Property features 3.26 acres of land and approximately 185 parking stalls, providing more than sufficient space and parking for DSHS or a future tenant to operate efficiently.

LOW VACANCY (2.3%) MARKET WITH STRONG RENT GROWTH (12.5%)

Moses Lake currently boasts a 2.3% vacancy rate and rents have increased a cumulative 12.5% over the last 3 years, per CoStar.

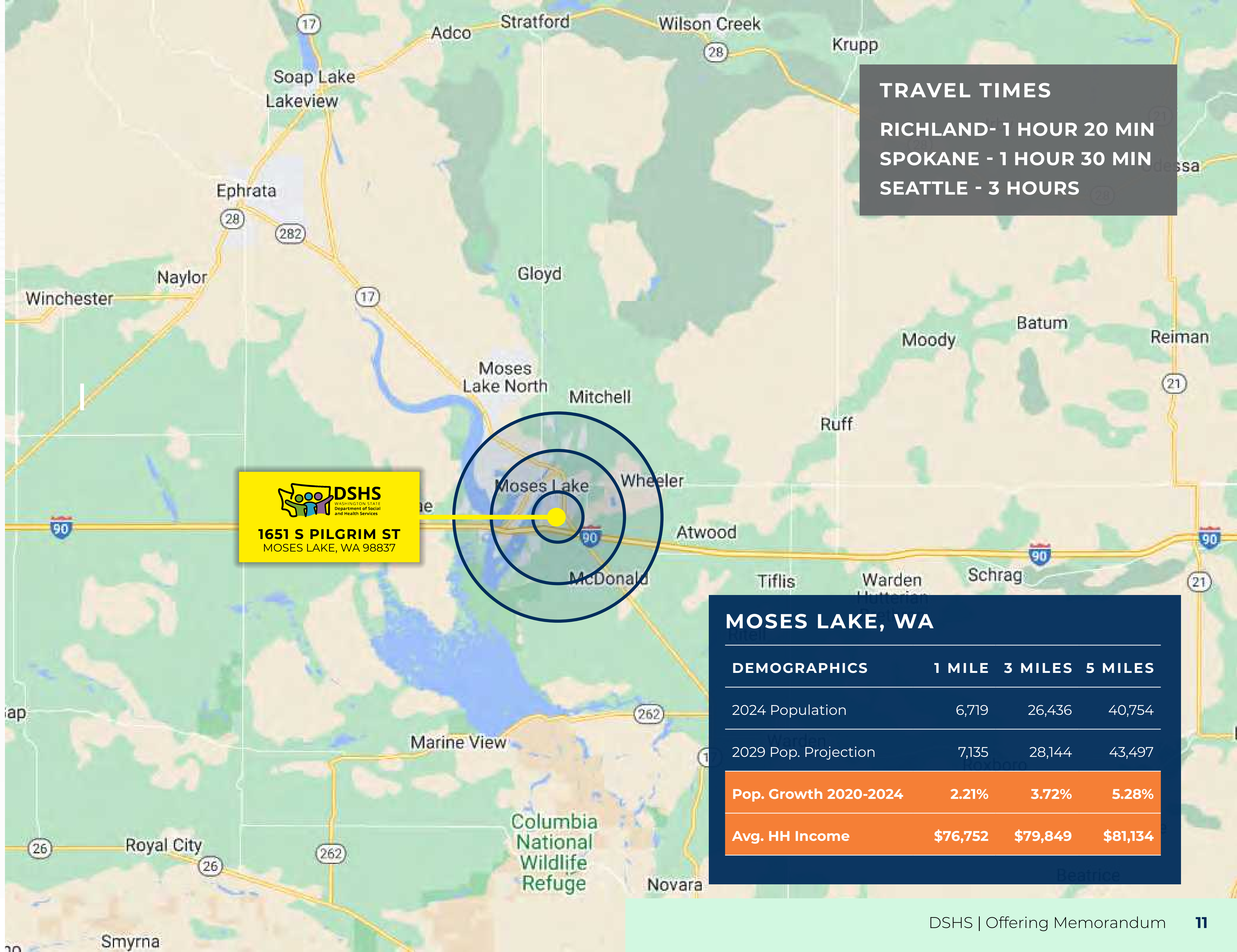
HIGH POPULATION GROWTH SUB-MARKET

Within a 5-mile radius, the population has grown by approximately 15% since 2015.

INCOME TAX FREE STATE

Washington State is an income tax free state.

SITE PLAN



TRAVEL TIMES

RICHLAND- 1 HOUR 20 MIN
SPOKANE - 1 HOUR 30 MIN
SEATTLE - 3 HOURS

MOSES LAKE, WA

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2024 Population	6,719	26,436	40,754
2029 Pop. Projection	7,135	28,144	43,497
Pop. Growth 2020-2024	2.21%	3.72%	5.28%
Avg. HH Income	$76,752	$79,849	$81,134

MOSES LAKE, **WA**

MOSES LAKE, WASHINGTON

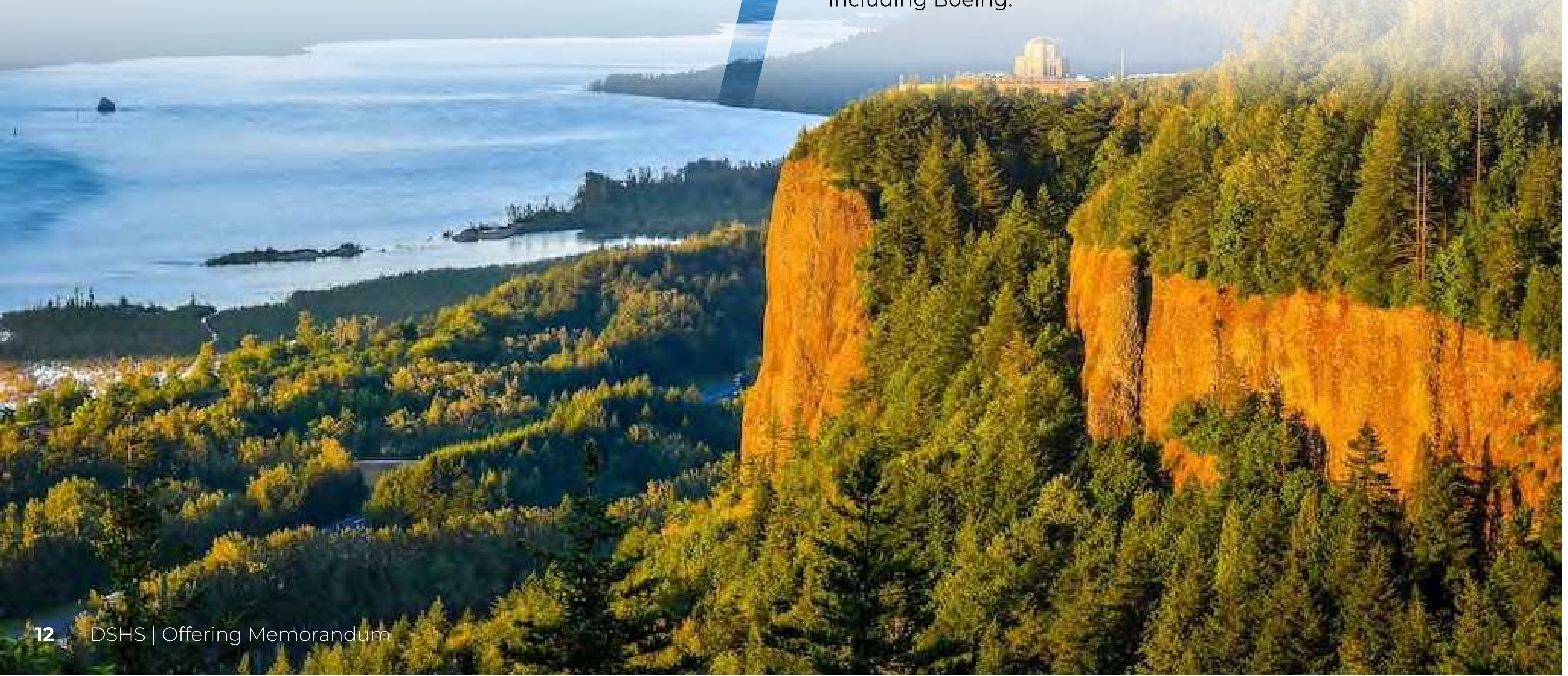
Moses Lake-Othello Metro is situated between Spokane to the northeast, the Tri-Cities to the south and Yakima to the southwest, and it consists of Grant and Adams counties. Interstate 90 and U.S. 2 traverse the region, providing convenient access to Seattle, which is 180 miles west of Moses Lake. Most areas of the state are accessible within a day's drive from the metro. The low cost of electricity, seismic stability and availability of land are attracting technology, avionics, data-processing and storage companies. Additional economic drivers are agriculture, recreation, the Port of Moses Lake and Big Bend Community College.

METRO HIGHLIGHTS

Recreation and Tourism: The area's many water bodies, favorable climate and unique geographic features underpin a large outdoor recreation and tourism sector.

Agriculture: Plenty of sunshine and irrigation support a large agricultural sector that produces wheat, corn, potatoes and apples. Raising livestock is also prevalent.

Grant County International Airport: As part of the Port of Moses Lake, the airport is one of the largest airfields in the nation with 5 runways, one of which is 13,500 feet long. The airport is a testing and training facility for military and commercial users including Boeing.



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CLAYTON J. BROWN
Senior Managing Director, Investments
206.826.5787 D
253.569.4338 C
clayton.brown@marcusmillichap.com

ACTUAL PROPERTY PHOTO