

BALLARD INVESTMENT OPPORTUNITY

FULLY LEASED BALLARD INDUSTRIAL BUILDING WITH HISTORIC CHARM EXCELLENT LOCATION

5416 Shilshole Ave NW | Seattle, WA

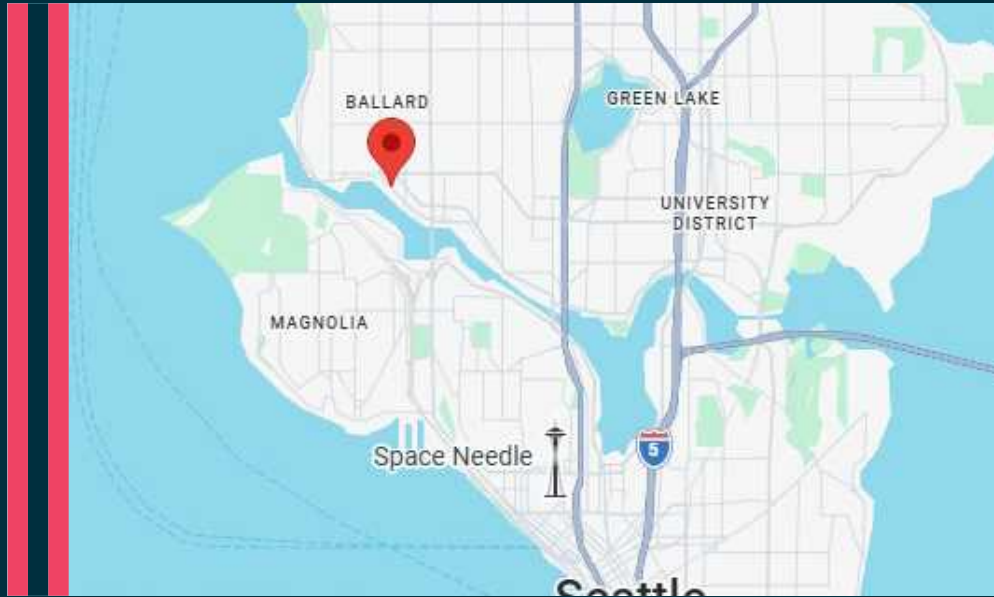


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EXECUTIVE SUMMARY



LOCATION HIGHLIGHTS

- Central location in Ballard offering excellent demographics
- Proximity to marina for specialized future uses
- Established separate entrances on each side of building
- Ballard's small industrial building inventory boasts <3% vacancy, historically outperforming the regional market in both occupancy and rental rate.

Asking Price: \$1,895,000

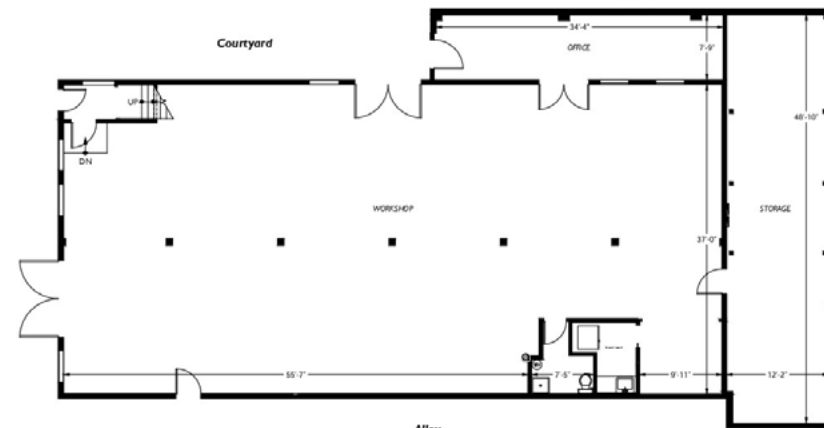
Potential 18.78% IRR on a 5-year Holding Period

PROPERTY ATTRIBUTES

TOTAL SIZE: 6,604 RSF on 4,650 SF land size

ZONING: MML U/65, City of Seattle

- Current 2-tenant layout caters to income stability, fully leased until 2029
- Small secured outdoor storage yard for tenant use
- Variety of cranes and lifting equipment existing, though not in current use
- Above standard heavy power capacity and significant natural gas service
- Investor upside upon lease turnover



TENANTS

Both tenants in the building are local Seattle businesses with well established presence and a customer reach far beyond the Puget Sound region. Each executes a business model and product offering that ensures excellent AI resilience and stable growth. Both owners are involved in the day-to-day operations and have expressed an interest in long term ongoing tenancy in the property.



ARTFUL ASHES

<https://artfulashes.com/>

Artful Ashes is a local Seattle business established in 2012 with customers all across the country. Artful Ashes crafts custom glass pieces using and incorporating the ashes of loved ones. They offer a range of memorial pieces and services, all processed and created in this location. The space includes a full glass studio, a memorial lounge area, and a shipping/receiving area. They are an excellent tenant with a solid history and desire to stay in this location for many years to come. Covered courtyard/seating area & small secured side yard

2,629 SF – \$15.45/SF/YR – lease through May 2029



YAYGIT

<https://www.yaygit.com/>

Yaygit started in 2021 as a vegan, whole-food, gut-friendly café in the Ballard neighborhood just steps from this property. In 2023 the business expanded to providing a wide variety of vegan gut-friendly products through local retailers and via an online store. This location serves as their production facility to support the ongoing café as well as their growing online and local retail demand.

3,975 SF – \$19/SF/YR – lease through January 2029

INVESTMENT PERFORMANCE

PERIOD	1	2	3	4	5	6
Scheduled Rental Income (FMV @ lease turnover)	\$112,162	\$115,527	\$118,993	\$130,759	\$134,682	\$138,722
-Structural Reserve	\$2,243	\$2,311	\$2,380	\$2,615	\$2,694	\$2,774
Effective Estimated Rental Income	\$109,919	\$113,216	\$116,613	\$128,144	\$131,988	\$135,948
+Other Income (2% management fee)	\$2,243	\$2,311	\$2,380	\$2,615	\$2,694	\$2,774
Operating Income	\$112,162	\$115,527	\$118,993	\$130,759	\$134,682	\$138,722

OPERATING EXPENSES

All OpEx passed through via NNN	-	-	-	-	-	-
Total Operating Expenses (non-reimbursed)	\$-	\$-	\$-	\$-	\$-	\$-

NET OPERATING INCOME	\$112,162	\$115,527	\$118,993	\$130,759	\$134,682	\$138,722
-Interest-First Mortgage	\$79,464	\$78,103	\$76,650	\$75,099	\$73,445	
-Cost Recovery-Improvements	\$12,182	\$12,692	\$12,692	\$12,692	\$12,182	
-Loan Costs Amortization	\$1,232	\$1,232	\$1,232	\$1,232	\$1,232	
Real Estate Taxable Income	\$19,284	\$23,500	\$28,419	\$41,736	\$47,824	

CASHFLOW AND PERFORMANCE

Net Operating Income	\$112,162	\$115,527	\$118,993	\$130,759	\$134,682	
-Annual Debt Service	\$99,802	\$99,802	\$99,802	\$99,802	\$99,802	
CASH FLOW BEFORE TAXES	\$12,360	\$15,725	\$19,190	\$30,957	\$34,880	
Cash on Cash Return	1.83%	2.33%	2.84%	4.58%	5.16%	
principal reduction	\$20,338	\$21,699	\$23,153	\$24,703	\$26,358	
Return w/ Principal Reduction	4.84%	5.54%	6.27%	8.24%	9.06%	

INVESTMENT PERFORMANCE

YEAR 5 SALE PROCEEDS

Projected Sale Price \$2,774,000

*Based on a 5% Cap Rate, or comparable user sale

CALCULATION OF BASIS

Acquisition Basis \$1,895,000

Cost Recovery Taken \$62,440

Adjusted Basis \$1,832,560

CAPITAL GAIN ON SALE

Sale Price \$2,774,000

-Costs of Sale \$211,041

-Adjusted Basis at Sale \$1,832,560

Gain/(Loss) \$730,400

-Straight Line Cost Recovery \$62,440

Total Capital Gain \$667,960

SALE PROCEEDS (BEFORE GAINS TAXES)

Sale Price \$2,774,000

Cost of Sale \$211,041

Mortgage Balance \$1,115,499

Sale Proceeds (Before Gains Taxes) \$1,447,461

FINANCING ASSUMPTIONS

Acquisition price \$1,895,000

LTV 65%

Loan Amount \$1,231,750

Interest Rate 6.50%

Terms 25-yr Amortization, 5 yr term

Loan Costs \$12,318

Down Payment \$675,568

Debt Service \$99,802

INVESTMENT PERFORMANCE

Period (EOY)	Cashflow	Proceeds
0	\$(675,567.50)	
1	\$12,359.76	\$-
2	\$15,724.62	\$-
3	\$19,190.43	\$-
4	\$30,956.88	\$-
5	\$34,879.66	\$1,447,461

Overall IRR (Before Tax) 18.78%

SITE PICTURES



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