

**OFFERING MEMORANDUM**

# The Howard Building

**224 S HOWARD ST**

Spokane, WA 99201



**PRESENTED BY:**

**JORDAN LESTER, CCIM, MBA**

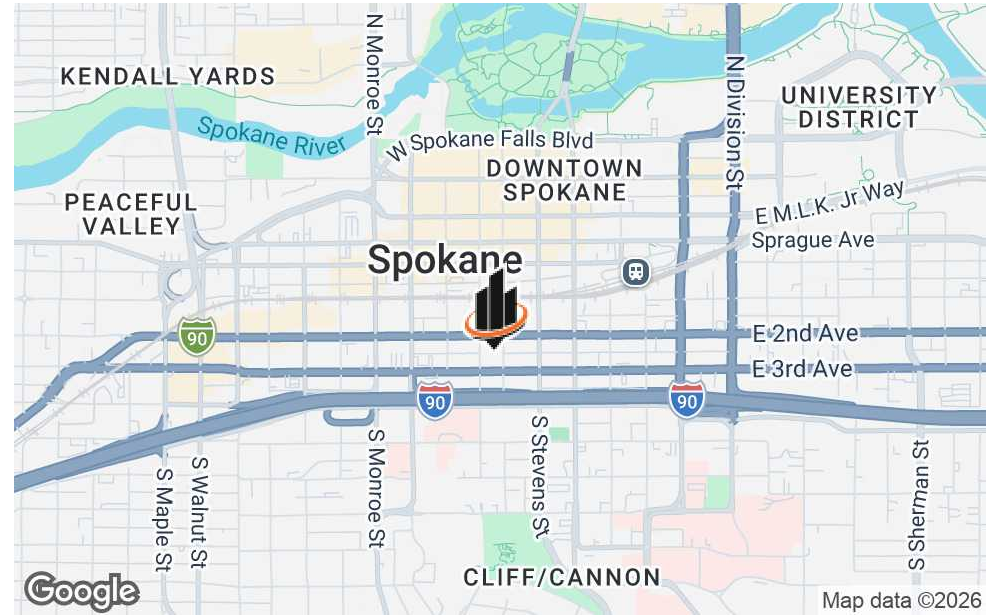
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SVN | Cornerstone

WA #21008495

# PROPERTY SUMMARY



## OFFERING SUMMARY

<b>SALE PRICE:</b>	<b>\$1,800,000</b>
<b>UNITS:</b>	42
<b>PRICE PER UNIT:</b>	\$42,857 Per Unit
<b>BUILDING SIZE:</b>	20,634 SF
<b>LOT SIZE:</b>	0.1 Acres
<b>CAP RATE:</b>	9.01%
<b>YEAR BUILT:</b>	1908
<b>SUBMARKET:</b>	City Center Spokane

## PROPERTY OVERVIEW

SVN Cornerstone is pleased to present the Howard Building for sale located at 224 S Howard St in Downtown Spokane. The Howard Building consists of 40 apartment units, 2 retail suites (one occupied by The Blessed Express Barbershop and one vacant), shared laundry facilities for the tenants, a communal gathering area for tenants, and a basement with value add opportunity for additional use.

## FIVE REASONS TO BUY

- Significant Capital Improvements - Ownership has completed extensive upgrades, including fresh interior paint, new flooring, updated bathrooms, new light fixtures, and partial furnishings.
- Diverse Income Stream - The property features 40 apartment units and 2 ground floor retail suites, providing a balanced mix of residential and commercial revenue.
- Resident Amenities - Tenants enjoy shared laundry facilities, a communal gathering space, and enhanced building security, all in a central Downtown Spokane location with walkable access to restaurants, shopping, entertainment, nearby third party parking, and transit.
- Value-Add Potential - Opportunities include leasing the vacant retail suite, activating underutilized basement space, and further optimizing operations for increased NOI.
- Attractive Assumable Loan - Seller financing available through an assumable note at 4.65% interest-only with maturity in January 2028, plus an option to extend for 24 months.

**EXTERIOR PHOTOS**



**INTERIOR PHOTOS**



# UNIT MIX SUMMARY

UNIT TYPE	COUNT	% TOTAL	CURRENT AVERAGE RENT	MARKET RENT
SROS	34	81.0	\$634	\$650
STUDIOS	6	14.3	\$664	\$850
RETAIL (ONE VACANT)	2	4.8	\$950	\$1,575
<b>TOTALS/AVERAGES</b>	<b>42</b>	<b>100%</b>	<b>\$26,500</b>	<b>\$30,350</b>

**INCOME & EXPENSES**

**INCOME SUMMARY**

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<b>TOTAL INCOME</b>	<b>\$302,100</b>
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**EXPENSE SUMMARY**

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<b>TAXES</b>	\$12,417
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<b>INSURANCE</b>	\$27,375
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<b>MANAGEMENT</b>	\$17,300
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<b>WATER SEWER AND GARBAGE</b>	\$18,180
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<b>ELECTRICITY</b>	\$29,799
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<b>CLEANING</b>	\$15,355
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<b>SECURITY</b>	\$11,760
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<b>REPAIRS AND MAINTENANCE</b>	\$7,730
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<b>GROSS EXPENSES</b>	<b>\$139,916</b>
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<b>NET OPERATING INCOME</b>	<b>\$162,183</b>
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\*Total income takes into account \$26,500 total monthly income, \$318,000 total annual income, and a 5% vacancy factor

# FINANCIAL SUMMARY

## INVESTMENT OVERVIEW

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PRICE	\$1,800,000
PRICE PER SF	\$87
PRICE PER UNIT	\$42,857
GRM	5.66
CAP RATE	9.01%

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## OPERATING DATA

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TOTAL SCHEDULED INCOME	\$318,000
VACANCY COST	\$15,900
GROSS INCOME	\$302,100
OPERATING EXPENSES	\$139,917
NET OPERATING INCOME	\$162,183

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## FINANCING DATA

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DOWN PAYMENT (33.33% OF PURCHASE PRICE)	\$600,000
LOAN AMOUNT (66.67% OF PURCHASE PRICE)	\$1,200,000
INTEREST RATE	4.65%
LOAN TYPE	Interest Only
LOAN EXPIRATION DATE	January 1, 2028
ANNUAL DEBT SERVICE	\$55,800
MONTHLY DEBT SERVICE	\$4,650

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# FINANCIAL SUMMARY

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ASSUMPTION FEE (1.5% OF LOAN AMOUNT)	\$18,000
DEBT COVERAGE RATIO	2.91
CASH ON CASH RETURN	17.73%

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## PRO FORMA OPERATING DATA

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TOTAL SCHEDULED INCOME (BASED ON MARKET RENTS)	\$364,200
VACANCY FACTOR (5%)	\$18,210
GROSS INCOME	\$345,990
OPERATING EXPENSES (INCREASED TAXES)	\$145,410
NET OPERATING INCOME	\$200,580
CAP RATE AT \$1,800,000	11.14%

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**RENT COMPS**

<b>Downtown Spokane Studio Rent Comps</b>		
<b>Property</b>	<b>Year Built</b>	<b>Rent/Month</b>
120 W 3rd Ave	1964	\$754
410 W 3rd Ave	1907	\$947
507 W 5th Ave	1910	\$729
221 W Riverside Ave	1896	\$872
515 W Sprague Ave	1950	\$907
<b>Rent Comps Averages</b>	<b>1925</b>	<b>\$842</b>
<b>Subject Property Current Averages</b>	<b>1890</b>	<b>\$664</b>
<b>Subject Property Market Rent</b>	<b>1890</b>	<b>\$850</b>

# DEMOGRAPHICS MAP & REPORT

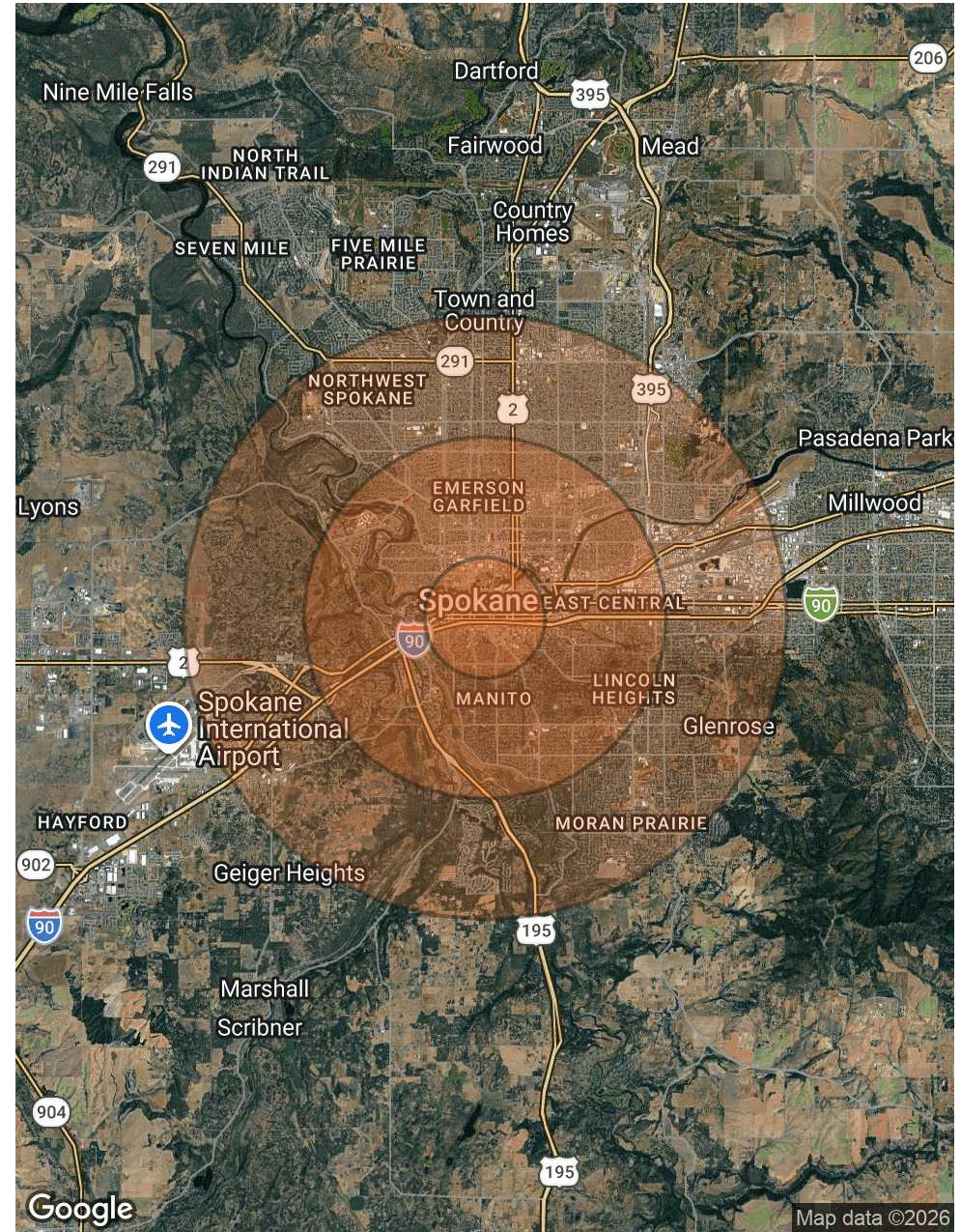
## POPULATION

	1 MILE	3 MILES	5 MILES
<b>TOTAL POPULATION</b>	16,594	106,887	223,914
<b>AVERAGE AGE</b>	42	40	40
<b>AVERAGE AGE (MALE)</b>	42	39	39
<b>AVERAGE AGE (FEMALE)</b>	42	40	41

## HOUSEHOLDS & INCOME

	1 MILE	3 MILES	5 MILES
<b>TOTAL HOUSEHOLDS</b>	8,971	46,081	93,284
<b># OF PERSONS PER HH</b>	1.8	2.3	2.4
<b>AVERAGE HH INCOME</b>	\$64,708	\$83,647	\$87,397
<b>AVERAGE HOUSE VALUE</b>	\$469,462	\$443,647	\$416,978

Demographics data derived from AlphaMap



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