

# FIRST & RAILROAD

MIXED-USE FOR SALE

PRICE IMPROVEMENT



**WESTLAKE  
ASSOCIATES**

**101 S 1ST STREET  
SHELTON, WA 98584**

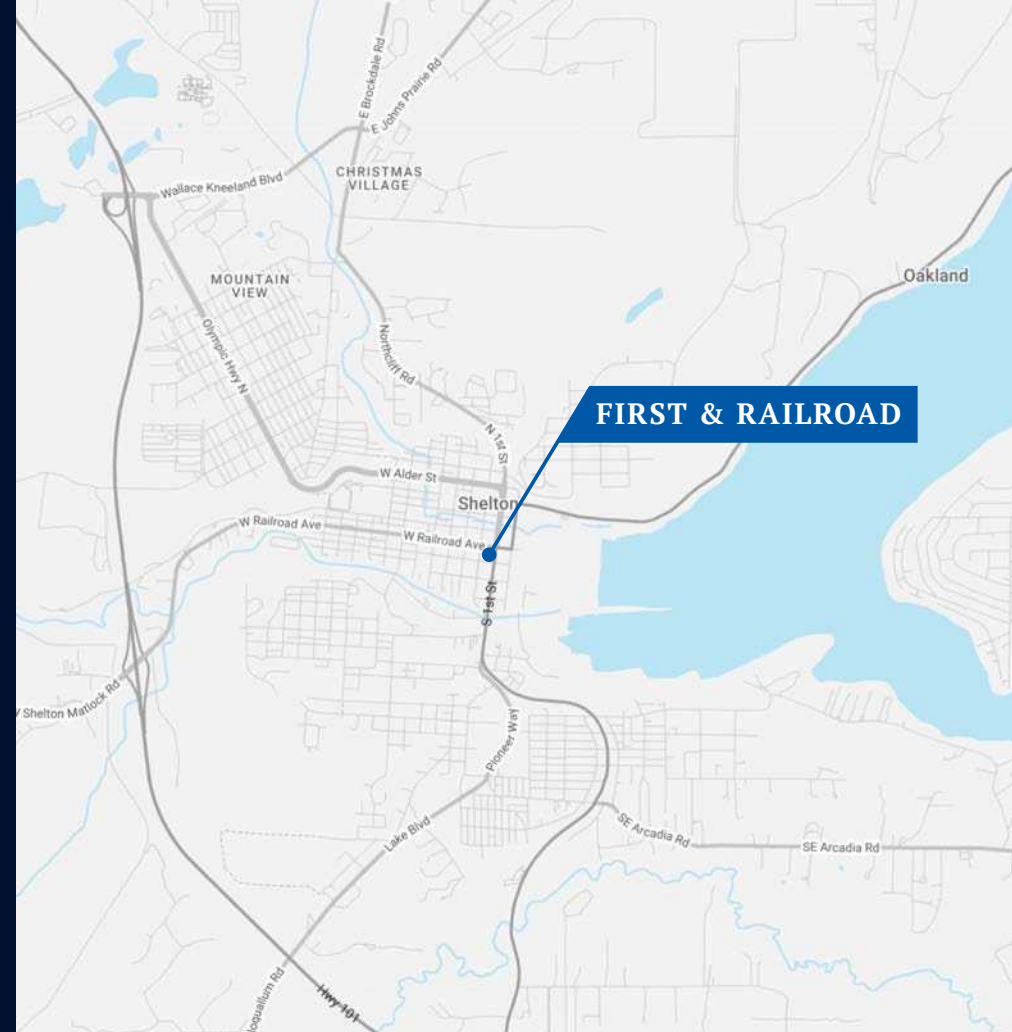
## ASSET SUMMARY

# FIRST & RAILROAD

101 S 1ST STREET  
SHELTON, WA 98584

PRICE: **\$4,350,000**

COUNTY	Mason
MARKET	Shelton
APN#	32019-50-15008 32019-50-15001
ZONING	DT
TOTAL LOT SIZE	14,374 SF   0.33 AC
YEAR BUILT	1908 / 1951 / 2000
# OF BUILDINGS	1
# OF FLOORS	3
RETAIL	4 Units
MULTIFAMILY	38 Units
GROSS BLDG SF	21,879 SF
NET RENTABLE SF	21,450 SF (approx.)
CONSTRUCTION	Wood Frame & Concrete Masonry
ROOF	Flat
HEATING	Hot Water
LAUNDRY	Common
PARKING	8 Stalls
SPRINKLER SYSTEM	Yes; Entire Building





## PROPERTY HIGHLIGHTS

- In-Place 8.10% Cap Rate
- Market 10.32% Cap Rate
- Full Building Fire Safety Sprinkler System
- **Three of Four Retail Spaces Leased**
- 28 Studios + 10 One-Bedrooms
- 30 Fully Rehabbed Units; 4 Partially Rehabbed Units; 4 Unrenovated Units
- Included 5,000 SF Second Parcel for Parking
- Permanent Skybridge Parcel Connection
- Prime South 1st Street Frontage



## AMENITIES & FEATURES

- Off-Street Parking Provided
- Controlled Access & Secure Entry
- Community Garden On-Site
- On-Site Management & Leasing Office
- Restaurant Space Move-In Ready



## LOCATION

- Safeway Located Five Blocks Away
- Near Schools and Daily Shopping
- Close to Downtown Shops & Restaurants
- Walkable to the Transit Center
- Near Movie Theater & Services



**101 First** offers a unique mixed-use investment in the heart of downtown Shelton, widely regarded as the gateway to Hood Canal and the Olympic Peninsula. The property features 28 studio units, 10 one-bedroom apartments, and four NNN-leased retail spaces positioned along the city's primary commercial corridor. A second 5,000 square-foot parcel at the corner of 1st and Cota Street serves as dedicated parking for the property and is connected to the main building via a permanent skybridge.

Retrofitted in 2000 with building improvements, including electrical upgrades, the property continues to benefit from professional on-site management and efficient operations. Tenants enjoy off-street parking, controlled access, community garden space, and convenient access to schools, grocery stores, shopping, the local movie theater, and a range of downtown amenities. Importantly, Shelton offers a more affordable cost of living and rental environment relative to nearby Olympia and other South Sound markets, supporting consistent demand from residents seeking value without sacrificing access or convenience. With walkable access to the transit center and strong visibility along South 1st Street, the property is well positioned to capture stable, long-term tenant demand from both local renters and those priced out of higher cost surrounding areas.

## DEBT PACKAGE

- |                                |           |
|--------------------------------|-----------|
| • Loan-To-Value                | 80%       |
| • Interest Rate                | 6.00%     |
| • Two Years Interest-Only      | 24 Months |
| • Step-Down Prepayment Penalty | 3, 2, 1   |

## ASSUMPTIONS

- |                        |           |                        |
|------------------------|-----------|------------------------|
| • Year 1 Cash-On-Cash  | 11.33%    | (Interest Only)        |
| • Year 2 Cash-On-Cash  | 16.15%    | (Interest Only)        |
| • Year 3 Cash-On-Cash  | 17.10%    | (Principal & Interest) |
| • Rehab Budget Assumed | \$210,000 |                        |



## CAPITAL EXPENDITURES

### Non-Recurring Capital Expenses

Building Improvement	2,858.30
Clubhouse	16,855.05
Cabinets and Countertops	11,692.45
Electrical	125.08
Elevator	2,464.28
Exterior Siding and Paint	10,525.58
Flooring	26,389.92
Interior Renovation	250,423.47
Lease Up Labor	39,892.49
Pest Control	2,127.04
Plumbing	872.3
Renovation	124,616.32
Roof	132,722.94
Structural	6,029.48
Window Coverings	851.05
<b>Total Non-Recurring Capital Expenses</b>	<b>\$628,445.75</b>

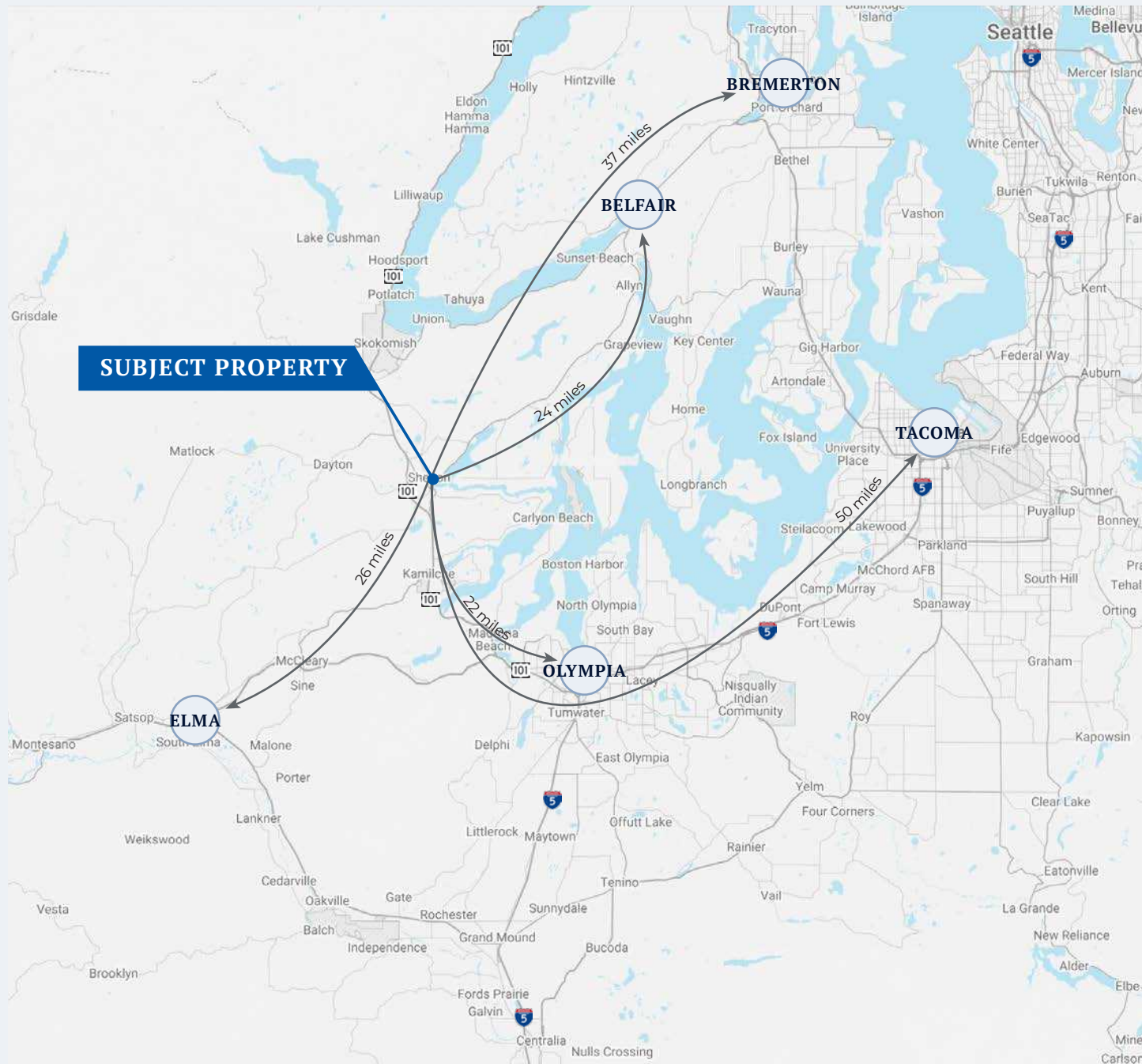
### Recurring Capital Expenses

Appliances	40,487.10
Water Heaters	1,086.93
Flooring	23,671.42
Painting	2,900.39
<b>Total Recurring Capital Expenses</b>	<b>\$68,145.84</b>

<b>TOTAL CAPITAL EXPENSES</b>	<b>\$696,591.59</b>
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# LOCATION



**SUBJECT PROPERTY**

## EST. COMMUTER TIME & DISTANCE

### LARGEST EMPLOYERS (MASON COUNTY)

<b>Washington Corrections Center</b>	<b>7.5 miles</b> 10-15 Min
<b>Shelton School District</b>	<b>4 miles</b> 5-9 Min
<b>Mason Health</b>	<b>1.5 miles</b> 5 Min
<b>Little Creek Casino</b>	<b>6 miles</b> 10-15 Min
<b>Lynch Creek Farm</b>	<b>4 miles</b> 10-15 Min
<b>Mason County Government</b>	<b>0.5 miles</b> 2 Min
<b>North Mason School District</b>	<b>21 miles</b> 25-30 Min
<b>Albertsons / Safeway</b>	<b>0.5 miles</b> 2 Min
<b>Walmart</b>	<b>2 miles</b> 6 Min

### REGIONAL EMPLOYERS (OLYMPIA / THURSTON COUNTY)

<b>Washington State Government</b>	<b>22 miles</b> 27-30 Min
<b>Thurston County Government</b>	<b>23 miles</b> 27-30 Min
<b>Providence St. Peter Hospital</b>	<b>25 miles</b> 27-30 Min
<b>Lucky Eagle Casino &amp; Hotel</b>	<b>45 miles</b> 45-55 Min

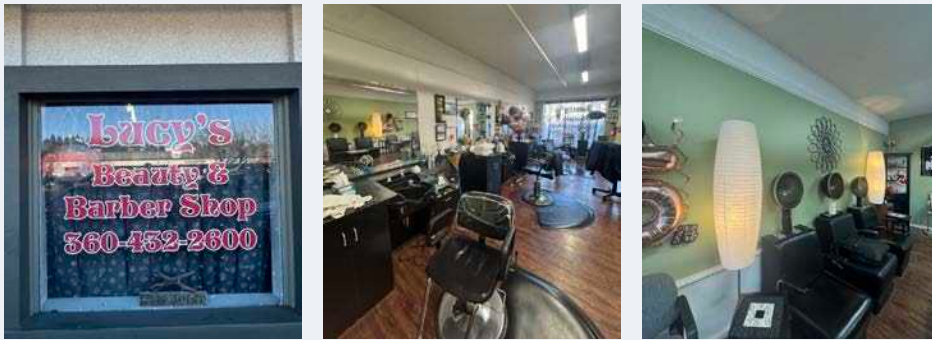


# COMMERCIAL TENANTS

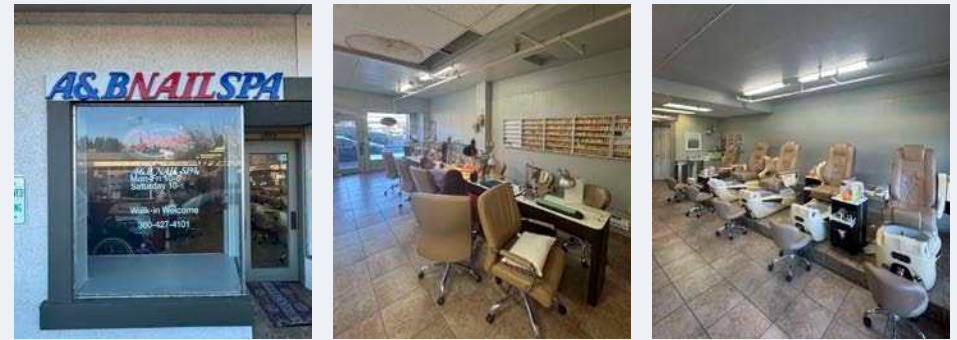
## COMMERCIAL TENANT ABSTRACT

TENANT	LEASED SF	% TOTAL	LEASE START	LEASE EXPIRATION	LEASE TYPE	RENEWAL PROBABILITY	MONTHLY RENT	RENT PSF	NOTES
Lucy's Barber Shop	750	15.8%	9/1/2021	9/1/2027	Modified Gross	90%	\$942	\$1.26	Annual Increase: 3% Utilities are \$50/mo, total rent is \$992
A&B Nail Spa	750	15.8%	9/1/2021	9/1/2027	Modified Gross	90%	\$1,169	\$1.56	Annual Increase: 3% Utilities are \$50/mo, total rent is \$1,219
Restaurant	2500	52.6%	TBD	5 Year Term	NNN	N/A	\$4,122	\$1.65	Vacant
Mary's Gift Shop	750	15.8%	12/1/2025	12/1/2027	Modified Gross	90%	\$800	\$1.07	2-Year Lease Term Utilities are \$50/mo, total rent is \$850
<b>TOTALS</b>	<b>4,750 SF</b>	<b>100.0%</b>							

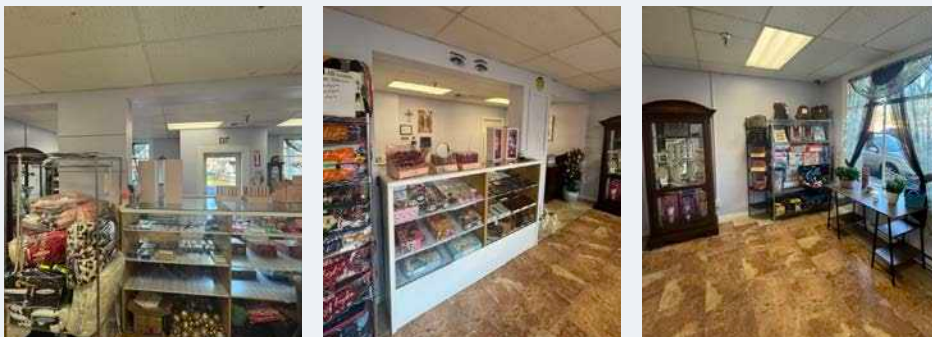
### LUCY'S BARBER SHOP



### A&B NAIL SPA



### MARY'S GIFT SHOP



### VACANT RESTAURANT SPACE



\*NOTE: All three occupied commercial spaces have a high probability of renewing their Lease. Confirmed by Property Manager.

# UNIT SUMMARY MIX

## UNIT SUMMARY MIX

# OF UNITS	UNIT TYPE	SF	CURRENT	MARKET
4	COMMERCIAL	750 - 2,500	\$800 - \$1,169	\$824 - \$4,122
28	STUDIO	400	\$1,125 - \$1,150	\$1,245
10	1 BD   1 BA	550	\$1,275 - \$1,375	\$1,415
<b>42 UNITS</b>		<b>21,450 SF</b>	<b>\$48,906</b>	<b>\$56,050</b>



# RENT ROLL

## RENT ROLL

UNIT #	UNIT TYPE	SCOPE	SF	CURRENT	PSF	MARKET	PSF
201	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
202	1/1	Full	550	\$1,350	\$2.45	\$1,415	\$2.57
203	1/1	Full	550	\$1,350	\$2.45	\$1,415	\$2.57
204	Studio	Full	400	\$1,225	\$3.06	\$1,225	\$3.06
205	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
206	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
207	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
208	Studio	Full	400	\$1,225	\$3.06	\$1,245	\$3.11
209	1/1	Unrenovated	550	\$1,350	\$2.45	\$1,415	\$2.57
210	1/1	Full	550	\$1,375	\$2.50	\$1,375	\$2.50
211 (VACANT)	Studio	Full	400	\$1,245	\$3.11	\$1,245	\$3.11
212	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
213	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
214	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
215	1/1	Full	550	\$1,350	\$2.45	\$1,415	\$2.57
216	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
217	Studio	Full	400	\$1,125	\$2.81	\$1,245	\$3.11
218	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
219	Studio	Full	400	\$1,125	\$2.81	\$1,245	\$3.11



# RENT ROLL (CONT'D.)

## RENT ROLL

UNIT #	UNIT TYPE	SCOPE	SF	CURRENT	PSF	MARKET	PSF
301	Studio	Full	400	\$1,125	\$2.81	\$1,245	\$3.11
302	1/1	Unrenovated	550	\$1,325	\$2.41	\$1,415	\$2.57
303	1/1	Unrenovated	550	\$1,350	\$2.45	\$1,415	\$2.57
304	Studio	Partial	400	\$1,225	\$3.06	\$1,245	\$3.11
305	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
306	Studio	Partial	400	\$1,150	\$2.88	\$1,245	\$3.11
307	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
308	Studio	Full	400	\$1,225	\$3.06	\$1,245	\$3.11
309	1/1	Unrenovated	550	\$1,375	\$2.50	\$1,415	\$2.57
310	1/1	Full	550	\$1,350	\$2.45	\$1,415	\$2.57
311	Studio	Full	400	\$1,150	\$2.88	\$1,225	\$3.06
312	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
313	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
314	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
315	1/1	Partial	550	\$1,350	\$2.45	\$1,415	\$2.57
316	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
317	Studio	Full	400	\$1,150	\$2.88	\$1,245	\$3.11
318	Studio	Full	400	\$1,100	\$2.75	\$1,245	\$3.11
319	Studio	Partial	400	\$1,150	\$2.88	\$1,245	\$3.11
Commercial	Lucy's Barber Shop	-	750	\$942	\$1.26	\$970	\$1.29
Commercial	A&B Nail Spa	-	750	\$1,169	\$1.56	\$1,204	\$1.61
Commercial (VACANT)	Restaurant	-	2500	\$0	\$0.00	\$4,122	\$1.64
Commercial	Mary's Gift Shop	-	750	\$800	\$1.07	\$824	\$1.10
<b>42 UNITS</b>			<b>21,450 SF</b>	<b>\$48,906</b>	<b>\$2.28</b>	<b>\$56,050</b>	<b>\$2.61</b>



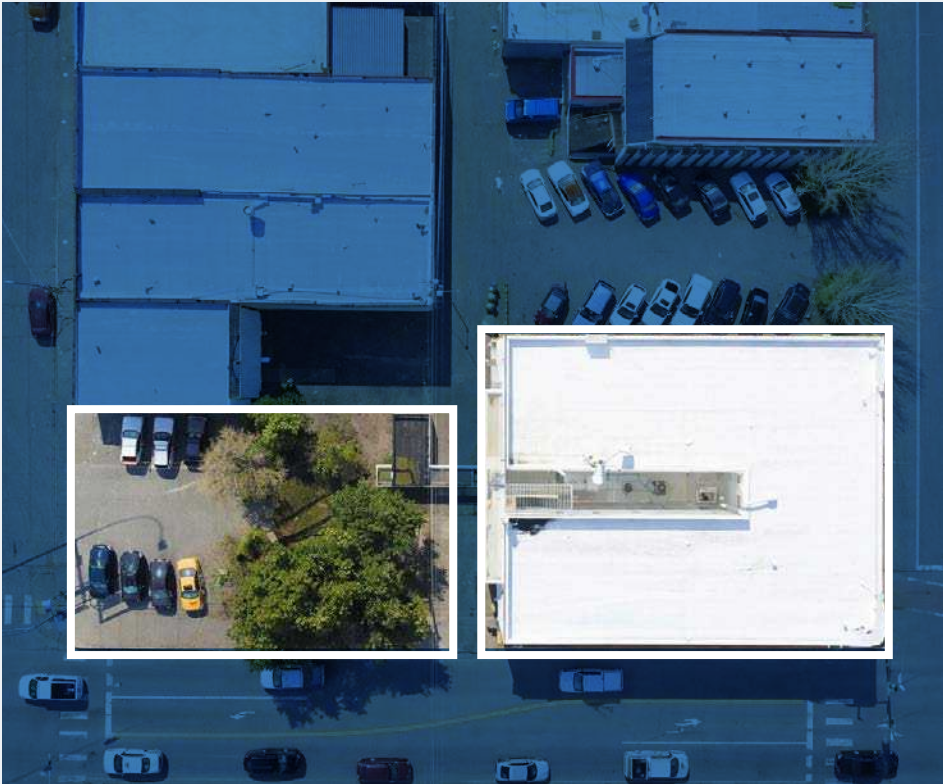
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# RENT COMPARABLES

## STUDIO

	ADDRESS	UNIT TYPE	SF	RENT	PSF	YEAR BUILT	DISTANCE
01	711 W Pine St Shelton	STUDIO	400	\$1,200	\$3.00	1935	0.5 mi.
02	114 W Cedar St Shelton	STUDIO	480	\$1,140	\$2.38	1935	0.1 mi.
03	333 Division St NW Olympia	STUDIO	384	\$1,300	\$3.39	1935	18.8 mi.
<b>AVERAGES</b>			<b>421 SF</b>	<b>\$1,213</b>	<b>\$2.92</b>		

## 1 BEDROOM

	ADDRESS	UNIT TYPE	SF	RENT	PSF	YEAR BUILT	DISTANCE
01	3000 Johns Prairie Rd Shelton	1 BD   1 BA	650	\$1,295	\$1.99	1978	2.1 mil
02	711 W Pine St Shelton	1 BD   1 BA	600	\$1,400	\$2.33	1935	0.5 mi.
03	1020-1030 Fairmount Ave Shelton	1 BD   1 BA	600	\$1,450	\$2.42	1996	1.1 mi.
<b>AVERAGES</b>			<b>617 SF</b>	<b>\$1,382</b>	<b>\$2.25</b>		

## RETAIL

	ADDRESS	LEASE TYPE	SF	RENT	PSF	NNN EXPENSE	YEAR BUILT	DISTANCE
01	301 E Wallace Kneeland Blvd Shelton	NNN	10,400	\$239,200	\$23.00	\$6.48	1999	2.1 mi.
02	301 E Wallace Kneeland Blvd Shelton	NNN	948	\$17,064	\$18.00	\$6.29	2011	2.1 mi.
03	301 E Wallace Kneeland Blvd Shelton	NNN	1,020	\$21,604	\$21.18	\$2.94	1999	2.1 mi.
04	6541 Sexton Dr NW Olympia	NNN	1750	\$40,250	\$23.00	\$5.00	1979	12.9 mi.
<b>AVERAGES</b>			<b>3,530</b>	<b>\$79,529</b>	<b>\$21.30</b>			



# SALE COMPARABLES

## SALE COMPARABLES

	PROPERTY	UNITS	NRSF	SALE PRICE	PRICE / UNIT	PRICE / SF	CAP RATE	YEAR BUILT	SALE DATE
01	<b>Cedarwood</b> 698 5th Ave W Tenino	12	9,888	\$1,320,000	\$110,000	\$133	7.13%	1980	8/28/24
02	<b>Pine Garden</b> 3000 E Johns Prairie Rd Shelton	28	26,992	\$2,800,000	\$100,000	\$104	-	1978	2/23/24
03	<b>Monte Villa</b> 610 E Pioneer Ave Montesano	24	16,680	\$2,400,000	\$100,000	\$144	8.78%	1967	7/17/25
04	<b>The Maurice</b> 622 E E St Shelton	36	34,200	\$3,564,000	\$99,000	\$104	-	2003	4/22/25
05	<b>Kayla Rae</b> 9002 154th Ave Ct NW Lakebay	13	12,340	\$1,765,600	\$135,815	\$143	6.28%	1993	7/17/25
	<b>AVERAGES</b>				<b>\$108,963</b>	<b>\$125</b>	<b>7.40%</b>		



## PRICE ANALYSIS

**PRICE** **\$4,350,000**

Number of Units:	38 + 4
Price per Unit:	\$103,571
Price per Net RSF:	\$203
Current GRM:	7.41
Current Cap:	8.10%
ProForma GRM:	6.47
ProForma Cap:	10.32%
Year Built:	1908 / 1951 / 2000
Approximate Lot Size:	14,375 SF
Approximate Net RSF:	21,450 SF

## PROPOSED FINANCING

Loan Amount:	\$3,480,000
Down Payment:	\$870,000
Down Payment %:	20%
Interest Rate:	6.25%
Term:	5 Years
Amortization:	30 Years
Annual Payment:	\$217,500
Monthly Payment:	\$18,125

## INCOME

	CURRENT	PROFORMA
Scheduled Rent Income	\$48,906	\$56,005
+ Utility Bill Back	\$4,198	\$4,875
+ Comm'l Utility Bill Back	\$0	\$300
+ Laundry Income	\$256	\$256
+ Other Income	\$1,978	\$1,978
<b>Scheduled Monthly Income</b>	<b>\$55,338</b>	<b>\$63,459</b>
<b>Annual Scheduled Income</b>	<b>\$664,058</b>	<b>\$761,512</b>

## EXPENSES

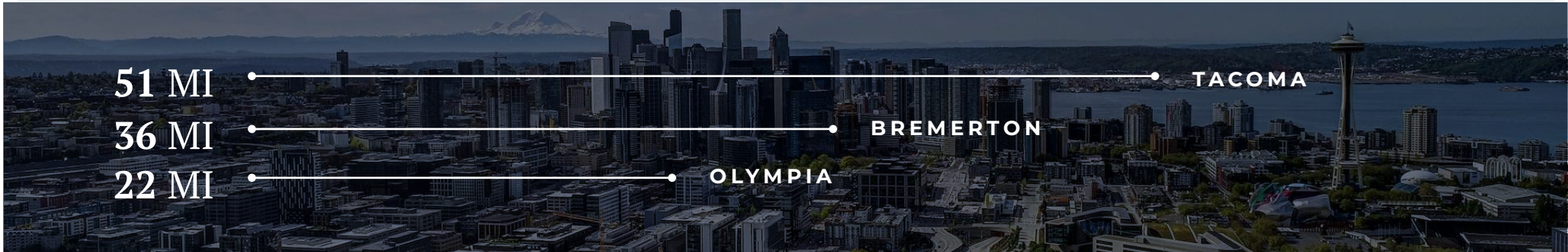
	CURRENT	PROFORMA
Property Taxes	\$27,140	\$32,685
Insurance	\$35,016	\$36,066
Utilities: W/S/G/E	\$70,496	\$72,611
Repairs & Maintenance	\$35,931	\$38,000
Marketing	\$3,693	\$3,150
Payroll	\$70,774	\$45,600
Property Mgmt	\$27,523	\$32,755
Reserves	\$9,500	\$9,500
Admin/Misc	\$8,355	\$8,400
<b>Total Expenses</b>	<b>\$288,428</b>	<b>\$278,767</b>
<b>Expenses per Unit</b>	<b>\$6,867</b>	<b>\$6,637</b>
<b>Expenses per Net RSF</b>	<b>\$13.45</b>	<b>\$13.00</b>

## OPERATING DATA

	CURRENT		PROFORMA	
Scheduled Gross Income	\$664,058		\$761,512	
Less Physical Vacancy	-\$23,475	5.00%	-\$33,630	5.00%
<b>Gross Operating Income</b>	<b>\$640,583</b>		<b>\$727,882</b>	
Less Total Expenses	-\$288,428	43.43%	-\$278,767	36.61%
<b>Net Operating Income</b>	<b>\$352,155</b>		<b>\$449,115</b>	
Less Loan Payments	-\$217,500		-\$257,124	
<b>Pre-Tax Cash Flow</b>	<b>\$134,655</b>	<b>11.33%</b>	<b>\$191,991</b>	<b>16.15%</b>
Plus Principal Reduction	\$0		\$40,778	
Total Return Before Taxes	\$134,655	11.33%	\$232,770	19.58%
Debt Service Coverage Ratio	1.62		1.75	



# SITE AMENITIES & DEMOGRAPHICS



## SCHOOLS & SERVICES

- Evergreen Elementary
- Shelton Civic Center
- Kneeland Park
- Bordeaux Elementary
- Shelton High School
- Sanderson Field Airport
- Olympic Middle School
- Mountain View Elementary
- Shelton High School
- Pear Orchard Park & Ride



## SHOPPING

- Safeway
- Mi Pueblo Market
- Mickey's Mart
- Jalisco Tortilla Factory
- Azteca Super Market
- Shop & Hop Grocers
- Shelton Fruits
- Kwik Shop Foodmart
- Walmart
- Fred Meyer



## FOOD & DRINK

- CJ's Corner Restaurant
- Town Pub
- Radio Fryer Foods
- Sushi Ranch
- Taqueria Las Palmas
- County Line Fire Pizzeria
- Railroad Tap Station
- Crazy Sweets
- Marmo
- T's Cafe & Espresso
- High Steel Beer Co.
- Bob's Tavern
- Ritz Drive-In
- Westside Pizza
- Shelton Thai Cuisine
- Wilde Irish Pub
- El Sarape
- Dairy Queen
- Zen Ramen & Sushi
- Subway

## POPULATION

	1-MILE	3-MILE	5-MILE
Total Population	14,286	28,575	39,384
Median Age	35.3	38.1	40.9

## HOUSEHOLDS & INCOME

	1-MILE	3-MILE	5-MILE
Number of Employees	11,350	22,800	31,824
Median HH Income	\$66,464	\$72,795	\$75,616
Renter to Homeowner Ratio	3:5	7:20	3:10



## SHELTON

Shelton, Washington is a welcoming community nestled between the forested foothills and the sparkling waters of the southern Puget Sound. Known for its small-town warmth and scenic beauty, Shelton offers a peaceful lifestyle surrounded by towering evergreens, abundant outdoor recreation, and stunning natural landscapes. Residents enjoy easy access to hiking, boating, and fishing, all just minutes from home.

Shelton thrives on a sense of community, with regular local events, cultural offerings, and a vibrant small-town feel. The town hosts the annual OysterFest — a much loved regional seafood festival, along with other community events throughout the year. For those who enjoy arts and culture, the town supports a local arts commission that organizes events such as art walks and festivals — giving residents a chance to connect around music, art, and community gatherings. For local shopping, several small businesses, restaurants, cafés and farmers-market venues give Shelton a charming, down-to-earth downtown vibe where people know each other and support local goods

Historically, Shelton's economy was rooted in logging and timber, and that legacy remains, wood products and local lumber operations continue to be a pillar of local employment. In addition, aquaculture, especially shellfish cultivation in nearby waters, has grown into an important industry for the area, contributing to both local jobs and regional commerce. More recently Shelton's economic base has diversified: major employment sectors now include healthcare/social assistance, public administration, manufacturing, and services, reflecting a broader job market beyond natural resources. Its proximity to larger centers (like Olympia, the state capital roughly 20 miles away) along major roads gives residents access to regional opportunities while still enjoying small-town living.



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