

OFFERING MEMORANDUM

LINCOLN HEIGHTS

3639 S G ST, TACOMA, WA 98418



LINCOLNHEIGHTSOFFERING.COM

km Kidder
Mathews

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EXECUTIVE SUMMARY

Kidder Mathews is pleased to present the Lincoln Heights apartments for sale. A brand-new 30-unit community directly across the street from Lincoln Highschool.

This offering represents a rare opportunity to acquire a newly constructed, 30-unit multifamily community in Tacoma, Washington, delivering a highly efficient, yield-driven investment profile. The property is offered at a basis well below current replacement cost, allowing investors to step into a stabilized asset at a discount to today's construction economics.

The asset benefits from a 9-year Multi-Family Tax Exemption (MFTE) tax abatement, significantly reducing property tax burden and enhancing in-place cash flow. This structure provides investors with a tax-advantaged income stream and a high degree of predictability in both day-one and forward-looking returns.

The property features a desirable unit mix of spacious one- and two-bedroom floor plans, secured gated parking access for residents, and covered stairway entry, contributing to tenant appeal and operational efficiency. Additionally, the asset is strategically located with immediate proximity to Interstate 5, offering convenient regional connectivity and supporting long-term tenant demand.

With no near-term capital expenditure requirements, reduced operating risk, and a clear, durable income profile, this offering is ideally suited for investors seeking stable cash flow, downside protection, and exposure to a newly delivered asset in the growing Tacoma market.

PRICING	<i>MARKET</i>
YEAR BUILT	<i>2025</i>
REMAINING TAX ABATEMENT	<i>9-YEAR</i>



OFFER REQUIREMENT

The purchaser of Lincoln Heights is responsible for presenting sellers with proposed terms and conditions for the transfer of ownership. All offers must be submitted to listing brokers and must include the following terms and information.

- Purchase Price
- Earnest money deposit, including non-refundable portion and timing of deposits
- Timing for due diligence and post diligence closing period
- Source of funds for acquisition

EXECUTIVE SUMMARY

PROPERTY INFORMATION

ADDRESS	3639 S G St, Tacoma, WA 98418
PARCEL NUMBER	7470032810
NO OF UNITS	30
SITE AREA	17,835 / .41 AC
YEAR BUILT	2025
PARKING	18 gated stalls / street parking
LAUNDRY	In-unit
ROOF	TPO
FOUNDATION	Poured concrete
HEATING	Electric Cadet
PLUMBING	PEX



UNIT MIX

Unit Type	# of Units	Avg SF	Total SF	Market Rent	In-place Rent	\$/SF	Monthly In-place Total
1BD/1BA	22	528 - 637	13,079	\$1,486	\$1,462	\$2.46	\$29,250
2BD/1BA	10	749 - 767	7,576	\$1,795	\$1,720	\$2.27	\$17,200
2BD/2BA	2	873	1,746	\$2,050	\$2,050	\$2.35	\$2,050
TOTAL	34	528 - 873	22,401	\$1,572	\$1,572	\$2.17	\$48,500

AMENITIES



INVESTMENT HIGHLIGHTS



TAX ABATEMENT / ENHANCED YIELD

Benefits from Tacoma's Multi-Family Tax Exemption (MFTE) program, reducing property tax burden for a defined period. Increased in-place cash flow relative to fully taxed comparable assets. Creates a meaningful spread between going-in yield and market cap rates. Provides tax-advantaged income with built-in downside protection.



BELOW REPLACEMENT COST BASIS

Acquisition at a basis below today's estimated replacement cost. Rising land, labor, and material costs continue to pressure new development economics. Opportunity to step into a stabilized asset at a discount to cost to replicate. Favorable basis supports long-term value preservation.



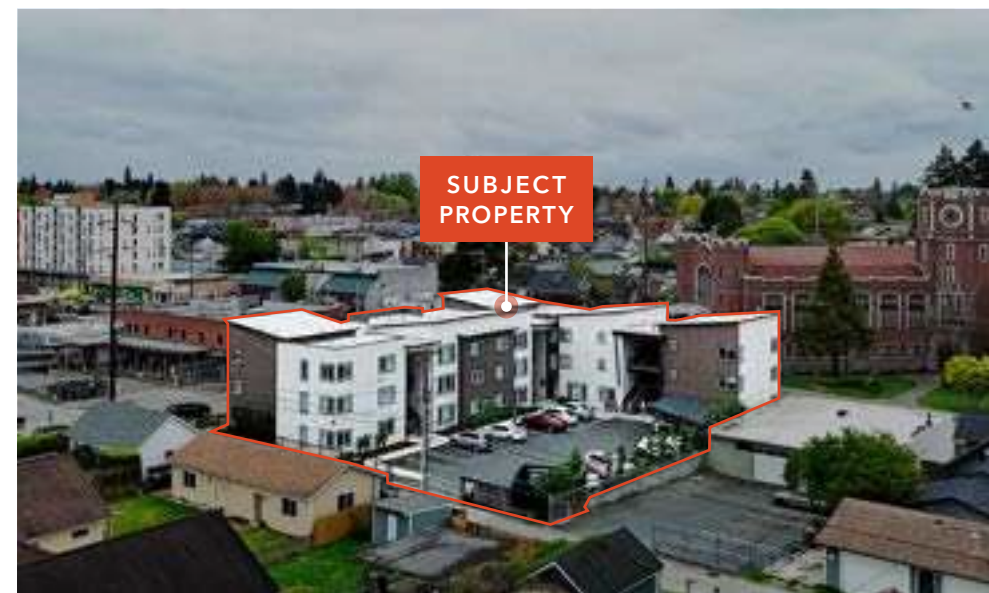
NEW CONSTRUCTION / MINIMAL CAPEX EXPOSURE

Recently completed construction with modern unit interiors and finishes. New building systems reduce near-term capital expenditure requirements. Operational efficiency with limited deferred maintenance risk. Clean hold profile without renovation or lease-up execution risk.



TRANSIT-ORIENTED LOCATION

Convenient access to major transportation corridors and regional transit options. Connectivity to key employment centers throughout Tacoma and the Puget Sound region. Transit proximity supports tenant demand and occupancy stability. Positioned to benefit from long-term urban growth and infrastructure investment.



EXTERIOR PHOTOS



INTERIOR PHOTOS



Each unit features a beautifully appointed kitchen designed. The kitchen showcases high-gloss white flat-panel cabinetry extending floor to ceiling, bar-pull hardware in brushed chrome and full appliance package.

All units have subway tile that runs full length of the wall, quartz countertops and an under-mount sink. In addition, each unit has luxury vinyl plank flooring and full sized washer and dryers.



SELECT *1-BEDROOM* LAYOUT DESIGNS



EXECUTIVE SUMMARY

INCOME APPROACH TO VALUE

	AS-ABATED (IN-PLACE TODAY)		MARKET (POST-ABATEMENT)	
	Total	Per Unit	Total	Per Unit
Gross Potential Rent	\$567,000	\$18,900	\$567,000	\$19,300
Vacancy & Bad Debt (5%)	(\$28,350)	(\$945)	(\$28,950)	(\$965)
Utility Bill-Back	\$17,907	\$597	\$17,907	\$597
Parking	\$7,560	\$252	\$7,560	\$252
Effective Gross Income (EGI)	\$564,117	\$18,804	\$575,517	\$19,184
Expenses	Current	Per Unit	Renovated	Per Unit
Real Estates Taxes	\$5,756	\$192	\$70,375	\$2,345
Insurance	\$10,500	\$350	\$10,500	\$350
Utilities	\$35,864	\$1,195	\$35,864	\$1,195
Repairs, Maintenance & Turnover	\$10,500	\$350	\$10,500	\$350
Advertising	\$5,000	\$167	\$5,000	\$166
Payroll	\$30,000	\$1,000	\$30,000	\$1,000
Management Fee (4% of EGI)	\$22,565	\$752	\$23,020	\$767
Admin	\$6,000	\$200	\$6,000	\$200
Total Operating Expenses	\$126,185	\$4,206	\$191,259	\$6,375
Replacement Reserves	\$7,500	\$250	\$7,500	\$250
Net Operating Income (NOI)	\$430,432	\$14,348	\$376,757	\$12,558

TAX ABATEMENT PREMIUM ANALYSIS

Annual Tax Savings (Market Tax – Abated Tax)	\$64,619.05	Difference between in-place abated tax & full market
Remaining Abatement Term (Years)	9	
Gross Undiscounted Savings	\$581,571	Simple undiscounted total – shown for reference only
Discount Rate (for NPV)	7.00%	Use buyer's assumed cost of capital – typically 6-8%
NPV of Tax Savings (Abatement Premium)	\$421,008	Present value of abatement benefit – the defensible premium over market value

Notes to the Valuation

AS-ABATED (IN-PLACE) OPERATIONS

For underwriting, we annualized all current leases at the property and filled vacant units are market rate. Vacancy and bad debt is underwritten at 5% of GPR, consistent with the market. Utility bill-back and parking income are based on trailing in-place amounts.

Real estate taxes reflect the in-place abated rate of \$5,756 – attributable to the property's 9-year remaining tax abatement. All other non-controllable expenses – insurance at \$10,500 (\$350/unit) and utilities at \$35,864 (\$1,195/unit) – are based trailing operations. Controllable expenses including repairs & maintenance, advertising, payroll, and admin are benchmarked against comparable properties of similar size and vintage. Management fee is underwritten at 4% of EGI. Replacement reserves are held at \$250/unit.

POST-ABATEMENT (MARKET) OPERATIONS

Income has been adjusted to reflect market rents annualized across all 30-units. The sole expense adjustment reflects the step-up in real estate taxes from the abated rate to the full market assessed rate of \$70,375 (\$2,346/unit) upon expiration of the abatement. All other expense line items remain unchanged.

TAX ABATEMENT PREMIUM

The 9-year remaining abatement generates annual tax savings of \$64,619 relative to the full market tax rate. The NPV of those savings, discounted at 7.0% representing a buyer's assumed cost of capital, yields an abatement premium of \$421,008.



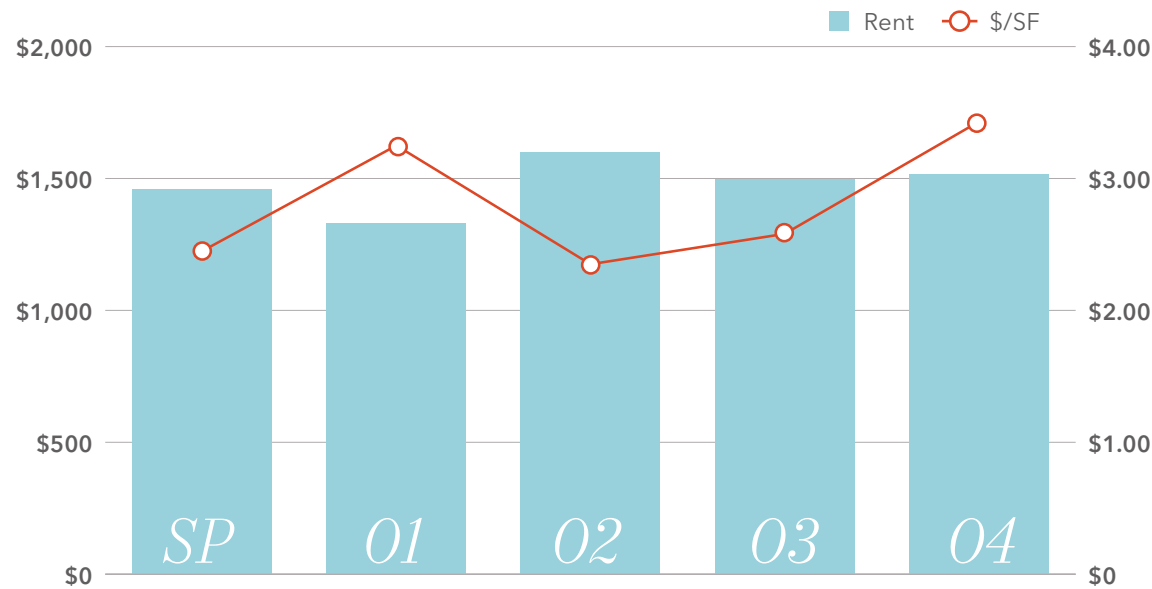
COMPARABLES

Section 02

COMPARABLES

1 BED/1 BATH

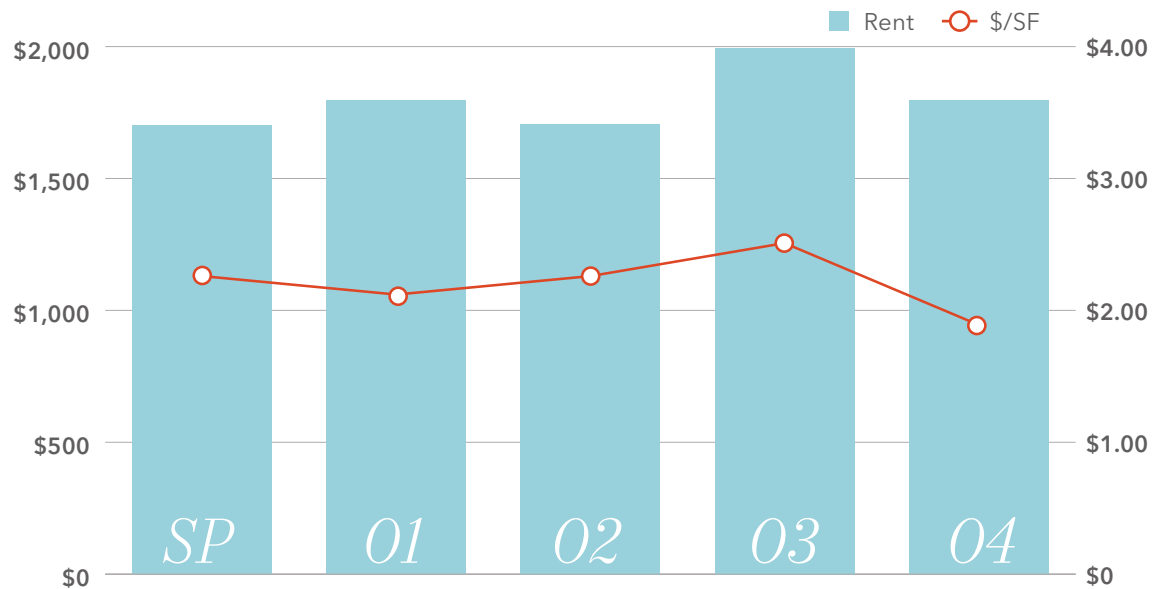
	Property Name	Unit Finishes	Year	Unit SF	Rent	\$/SF
SP	LINCOLN HEIGHTS 2639 S G St, Tacoma, WA	New	2025	596	\$1,459	\$2.45
01	PACIFIC APARTMENTS 7624 Pacific Ave, Tacoma, WA	New	2023	409	\$1,329	\$3.25
02	HALLIE COURT 4542 S Junnet St, Tacoma, WA	New	2024	681	\$1,598	\$2.35
03	LEGACY COURT 901 E 72nd St, Tacoma, WA	New	2015	580	\$1,495	\$2.58
04	2 CHELAN APARTMENTS 2 Chelan Pl, Tacoma, WA	New	2023	442	\$1,515	\$3.43



COMPARABLES

2 BED/1 BATH

	Property Name	Unit Finishes	Year	Unit SF	Rent	\$/SF
SP	LINCOLN HEIGHTS 2639 S G St, Tacoma, WA	New	2025	751	\$1,700	\$2.26
01	BELL POINT 7428 S Bell St, Tacoma, WA	New	2023	847	\$1,795	\$2.12
02	HALLIE COURT 4542 S Junnet St, Tacoma, WA	New	2024	755	\$1,707	\$2.26
03	A STREET APARTMENTS 8632 A St, Tacoma, WA	New	2024	795	\$1,995	\$2.51
04	LEGACY COURT 901 E 72nd St, Tacoma, WA	New	2015	951	\$1,795	\$1.89



COMPARABLES

SALES COMPARABLES

	Property Name	Sales Date	Sales Price	# of Units	Price/Unit	Year Built
01	THE EDGE 2818 E Meridian Ave, Edgewood, WA	06/2022	\$6.4M	20	\$320,000	2021
02	THE HERON 1624 E 32nd St, Tacoma, WA	10/2022	\$22.43M	82	\$273,557	2022
03	GRAND PACIFIC APARTMENTS 7015 S D St, Tacoma, WA	11/2021	\$33.5M	134	\$250,000	2020



PIERCE COUNTY

Located in the southern region of the Puget Sound, Pierce County's population makes it the second largest county in Washington, behind King County and is part of the Seattle MSA.

Formed out of Thurston County in 1852, Pierce County was named after U.S. President Franklin Pierce. At the 2010 census, Pierce County's population was 795,225 and it is currently estimated to be approximately 876,764. Pierce County boasts a diverse mixture of dynamic businesses with key industries including healthcare, financial services, aerospace, government, and international marine shipping principally at the Port of Tacoma.

TACOMA

With a population of over 213,000, Tacoma is the third-largest city in Washington State, the urban core of Pierce County. With access to one of the largest ports in the United States and the largest military installation west of the Mississippi, the Tacoma economy is anchored by the Trade and Government Sectors. Health care and a rapidly growing leisure and hospitality industry help add diversity to this expanding economy.

PORT OF TACOMA

The Port of Tacoma, Washington's largest port, is a major seaport for the United States, serving as a major economic hub for the region and linking local businesses with international markets. Port operations support over 29,000 jobs and generate nearly \$3 billion in economic activity, including \$223 million in annual tax revenues. Together with the Port of Seattle, the ports recorded over \$75.3 billion in two-way international trade value that included commodities ranging from electronics to produce

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