

OFFERING MEMORANDUM

DRIFTWOOD PLAZA

698 OCEAN SHORES BLVD NW, OCEAN SHORES, WA 98569



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SECTION 01

INVESTMENT SUMMARY



Kidder Mathews is pleased to present the opportunity to acquire Driftwood Plaza, a multi-tenant shopping center in Ocean Shores, Washington.

The Shopping Center is located in the heart of Ocean Shores main retail corridor which averages 3 million visitors annually. Driftwood plaza is directly adjacent to the areas most popular hotel and Convention Center, the location of most area events.



\$1,900,000

PURCHASE PRICE

6.33%

CURRENT CAP RATE

8.30%

PROFORMA CAP RATE

\$152

PRICE/SF

12,535 SF

BUILDING SF

40,075 SF

LAND AREA

60+ SPACES

PARKING



CHANCE A LA MER
BEACH ACCESS

INVESTMENT HIGHLIGHTS

Excellent retail location situated in the heart of Ocean Shores' main retail corridor. The property at the main entrance to Ocean Shores Beach and is surrounded by hotels, motels and the Convention Center

Potential to increase NOI \$30k by converting tenants to NNN leases

Located in an Opportunity Zone Investment Area

In-place leases have annual rent increases of 2.5%, ensuring steady and predictable cash flow.

One of Washington's most popular coastal cities, averaging 3 million visitors annually

Priced well below replacement cost, creating a compelling opportunity for both owner-users and value-add investors

Abundance of rare on-site parking and features an end cap drive-thru

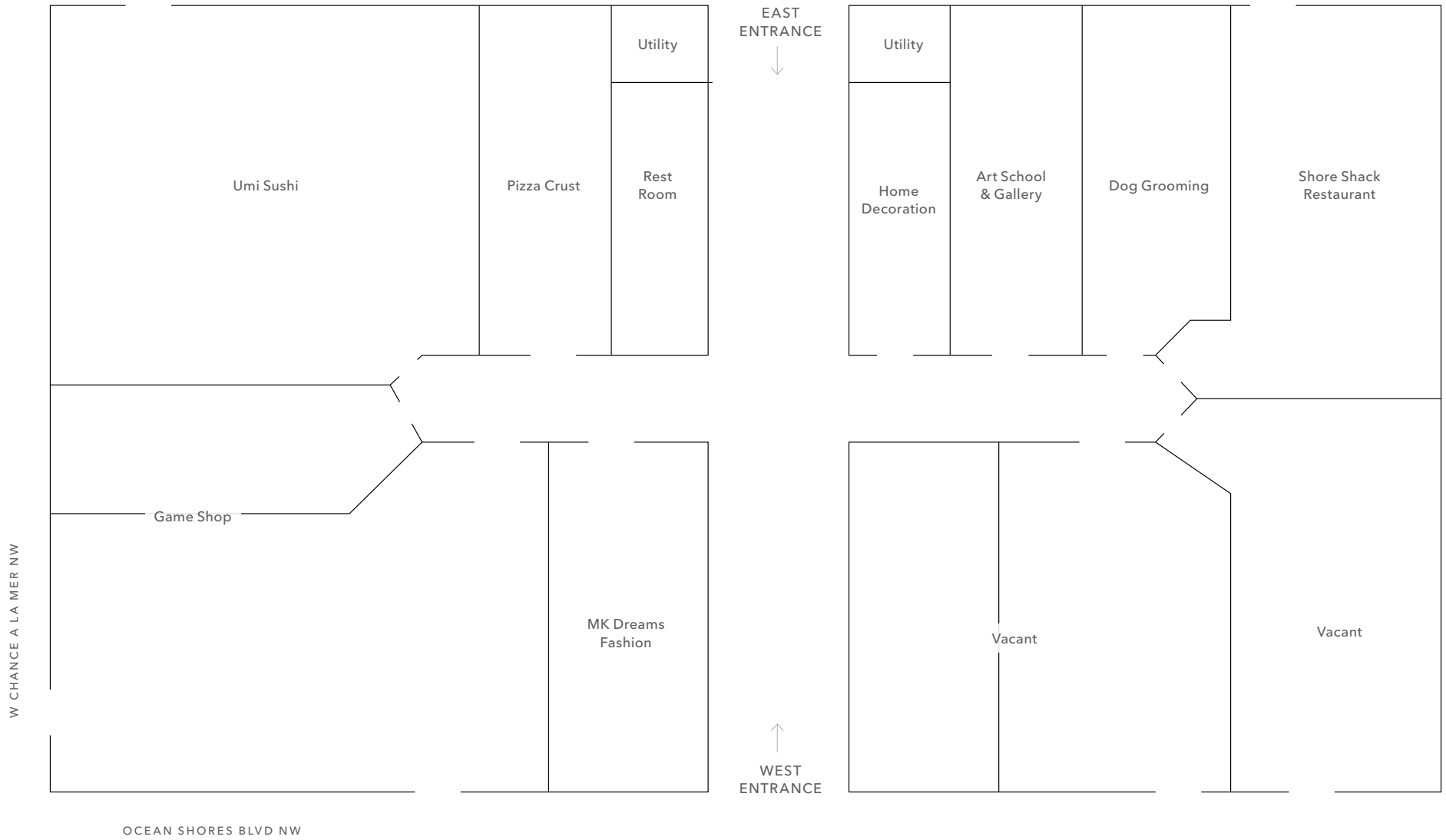
Recent improvements include a new roof and exterior paint & siding

SECTION 02

SITE PLAN



SITE PLAN



SECTION 03

FINANCIALS



CASH FLOW SUMMARY

SCHEDULED REVENUE

	Current		Proforma	
	Annual	Per SF	Annual	Per SF
Scheduled Base Rent	\$151,296	\$12.07	\$196,296	\$12.07
Rent Increases During Analysis Period	\$0	\$0.00	\$0	\$0.00
Operating Expense Reimbursement	\$8,073	\$0.64	\$10,916	\$0.87
Scheduled Gross Revenue	\$159,369	\$12.71	\$207,212	\$16.53
Current Vacancy (26%) / Proforma @ 5% Vacancy Factor	\$0	\$0.00	(\$10,361)	\$0.00
Effective Gross Revenue (EGR)	\$159,369	\$0.00	\$196,851	\$15.70

OPERATING EXPENSES

	Annual	Per SF	Annual	Per SF
Property Taxes	\$10,916	\$0.87	\$10,916	\$0.87
Insurance	\$4,710	\$0.38	\$4,710	\$0.38
CAM	\$15,507	\$1.24	\$15,507	\$1.24
Management Fee	\$6,083	\$0.49	\$6,083	\$0.49
Reserves	\$1,880	\$0.15	\$1,880	\$0.15
Total Operating Expenses	\$39,096	\$3.12	\$39,096	\$3.12
Net Operating Income		\$120,273		\$157,755

\$1,900,000

PRICE

6.33%

CURRENT CAP RATE

8.30%

PROFORMA CAP RATE

\$152

PRICE PER SQUARE FOOT

RENT ROLL

Tenant Name	Unit	Leased SF	% of NRA	Recovery Type	RENT DETAILS	
					Current Monthly Base Rent	Current Annual PSF Base Rent
Game Shop	1	2,519	20.10%	MG	\$2,850	\$13.58
VACANT (PROFORMA)	2	1,765	14.08%	--	\$2,000	\$13.60
VACANT (PROFORMA)	3	1,500	11.97%	--	\$1,750	\$14.00
Umi Sushi Restaurant	4	2,182	17.41%	MG	\$3,180	\$17.49
Shore Shack Restaurant	5	1,383	11.03%	MG	\$1,893	\$16.43
MK Dreams Fashion	6	745	5.94%	MG	\$1,128	\$18.17
Pizza Crust	7	714	5.70%	MG	\$1,107	\$18.61
Art School & Gallery	8	600	4.79%	MG	\$900	\$18.00
Home Decoration	9	390	3.11%	MG	\$600	\$18.46
Dog Grooming	10	737	5.88%	MG	\$950	\$15.47
Current Totals		12,535			\$12,608	\$12.07
Current Occupied		9,270	74%			
Leaseable		3,265	26%			
Proforma Totals		12,535	100.00%		\$16,358	\$15.66

OPERATING EXPENSES

	OPERATING EXPENSES (FORECASTED)			CURRENT REIMBURSEMENTS	PROFORMA REIMBURSEMENTS
	Total	PSF	Notations	Annualized In-Place	Annualized In-Place
Property Taxes	\$10,916	\$0.87	1	\$8,073	\$10,916
Insurance	\$4,710	\$0.38	2	\$0	\$0
CAM	\$15,507	\$1.24	2	\$0	\$0
Management Fee	\$6,083	\$0.49	2	\$0	\$0
Reserves	\$1,880	\$0.15	3	\$0	\$0
Total Expenses	\$39,096	\$3.12		\$8,073	\$10,916

NOTATIONS

- 1) Per the 2026 Grays Harbor Tax Assessor
- 2) Per Seller's Financial Statement
- 3) Calculated at \$0.15/SF



REIMBURSEMENTS

Tenant Name	Pro-Rata%	Property Tax	Notations	Current Totals	Proforma Totals
Game Shop	20.10%	\$2,194	1	\$2,194	\$2,194
VACANT (PROFORMA)	14.08%	\$0	1	\$0	\$1,537
VACANT (PROFORMA)	11.97%	\$0	1	\$0	\$1,306
Umi Sushi Restaurant	17.41%	\$1,900	1	\$1,900	\$1,900
Shore Shack Restaurant	11.03%	\$1,204	1	\$1,204	\$1,204
MK Dreams Fashion	5.94%	\$649	1	\$649	\$649
Pizza Crust	5.70%	\$622	1	\$622	\$622
Art School & Gallery	4.79%	\$523	1	\$523	\$523
Home Decoration	3.11%	\$340	1	\$340	\$340
Dog Grooming	5.88%	\$642	1	\$642	\$642
Total	100%	\$8,073		\$8,073	\$10,916

NOTATIONS

1) Tenant operates on a MG lease structure



SECTION 04

LOCATION OVERVIEW



LOCATION OVERVIEW



SHARKY'S

DRIFTWOOD PLAZA



OCEAN SHORES BEACH



Comfort



the grey gull



Shilo



Papa John's



SUBWAY



New Market Foods



Bank of the Pacific



Dugan's Pizza



Bank of the Pacific



Ocean Shores



Bennett's



LA SPIAGGIA RISTORANTE



LA SPIAGGIA RISTORANTE



PARADISE



ACE Hardware



McDonald's



Bennett's



1ST SECURITY BANK



1ST SECURITY BANK



DREX



Twin Star



Twin Star



IGA



Shell



Ocean Shores



ARROW



THE BOARDWALK SHOPS

GRAND CANAL TRAIL



Papa John's



ARROW



UNITED STATES POSTAL SERVICE

S RAIN ST NE

DOLPHIN AVE NE



KIDDER MATHEWS

LOCATION OVERVIEW

Ocean Shores pairs six miles of drive-on Pacific beach with a year-round events calendar, drawing a coastal visitor base that anchors demand for the retail and hospitality businesses positioned along its main commercial corridor.

Ocean Shores sits on a peninsula at the mouth of Grays Harbor on Washington's central coast, 1.5 hours from Olympia and 2.5 hours from Seattle. Ocean Shores is the closest full-service beach destination to the Puget Sound metro area, and the primary retail and lodging hub for Washington's North Beach.

The local economy runs on tourism. Twenty-three hotels and motels, the Quinault Beach Resort & Casino, and the 29,900-square-foot Ocean Shores Convention Center, keep the city booked with conferences, fan conventions, family reunions, and craft markets well outside the summer peak. Major annual events include the Sand & Sawdust Festival, the international Festival of Colors kite competition, the Hog Wild Motorcycle Run, and razor clam season, each pulling repeat visitor traffic to the peninsula's restaurants, shops, and lodging.

Beyond its events calendar, Ocean Shores offers a public golf course, the Grand Canal Trail, Damon Point, and the Oyhut Wildlife Area. In addition, Ocean Shores provides direct vehicle access to much of the beach, a rarity on the West Coast. The mix of scheduled events and recreational opportunities keeps foot traffic steady through the shoulder seasons, supporting consistent demand for the service and retail tenants along Ocean Shores Blvd NW and E Chance A La Mer, the city's primary commercial corridor and Driftwood Plaza's immediate trade area.



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