OFFERING MEMORANDUM

THE MARINA BUILDING

851 COHO WAY, BELLINGHAM, WA 98225 | SQUALICUM HARBOR MARINA DISTRICT

Outstanding Historical Occupancy | 98% Occupied | 8.53% Cap Rate



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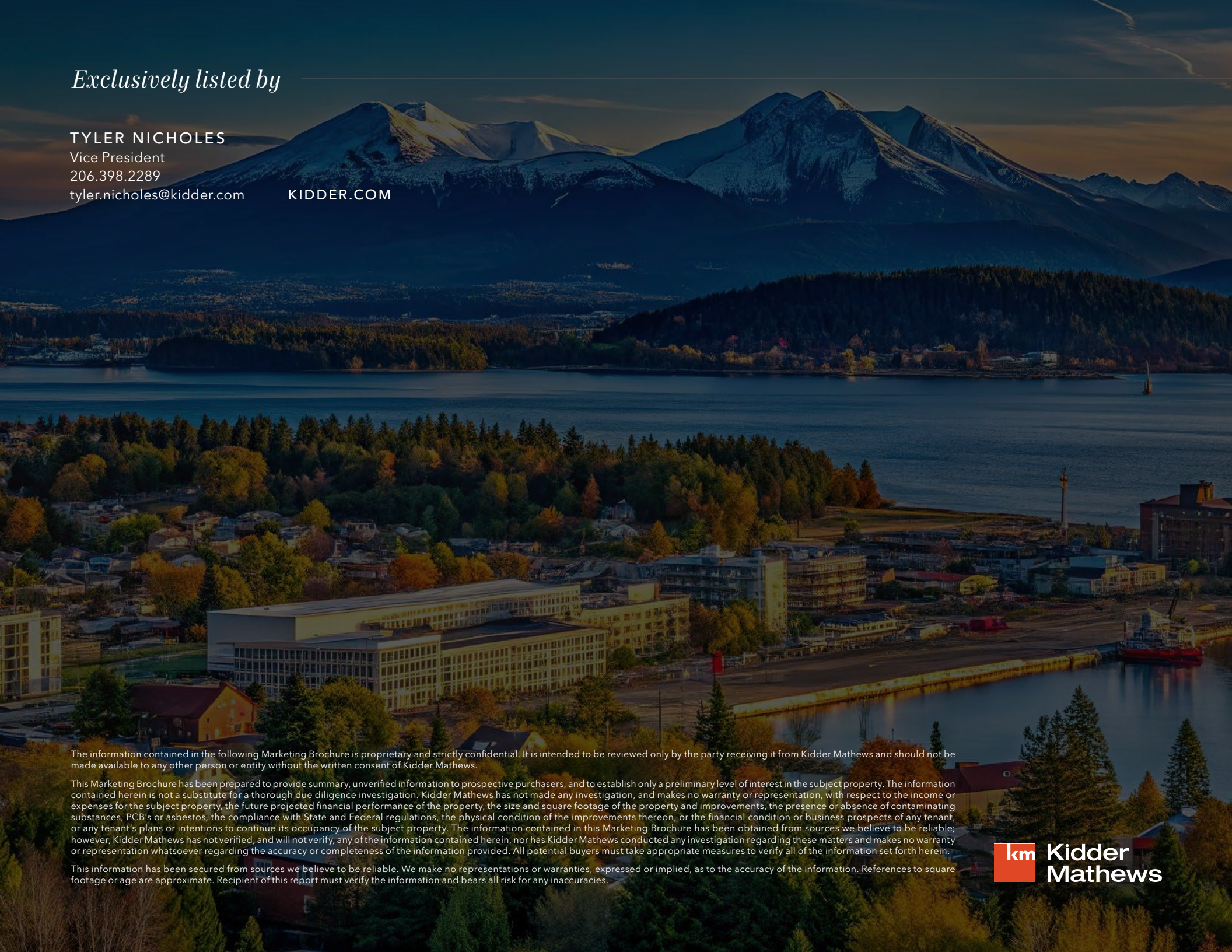

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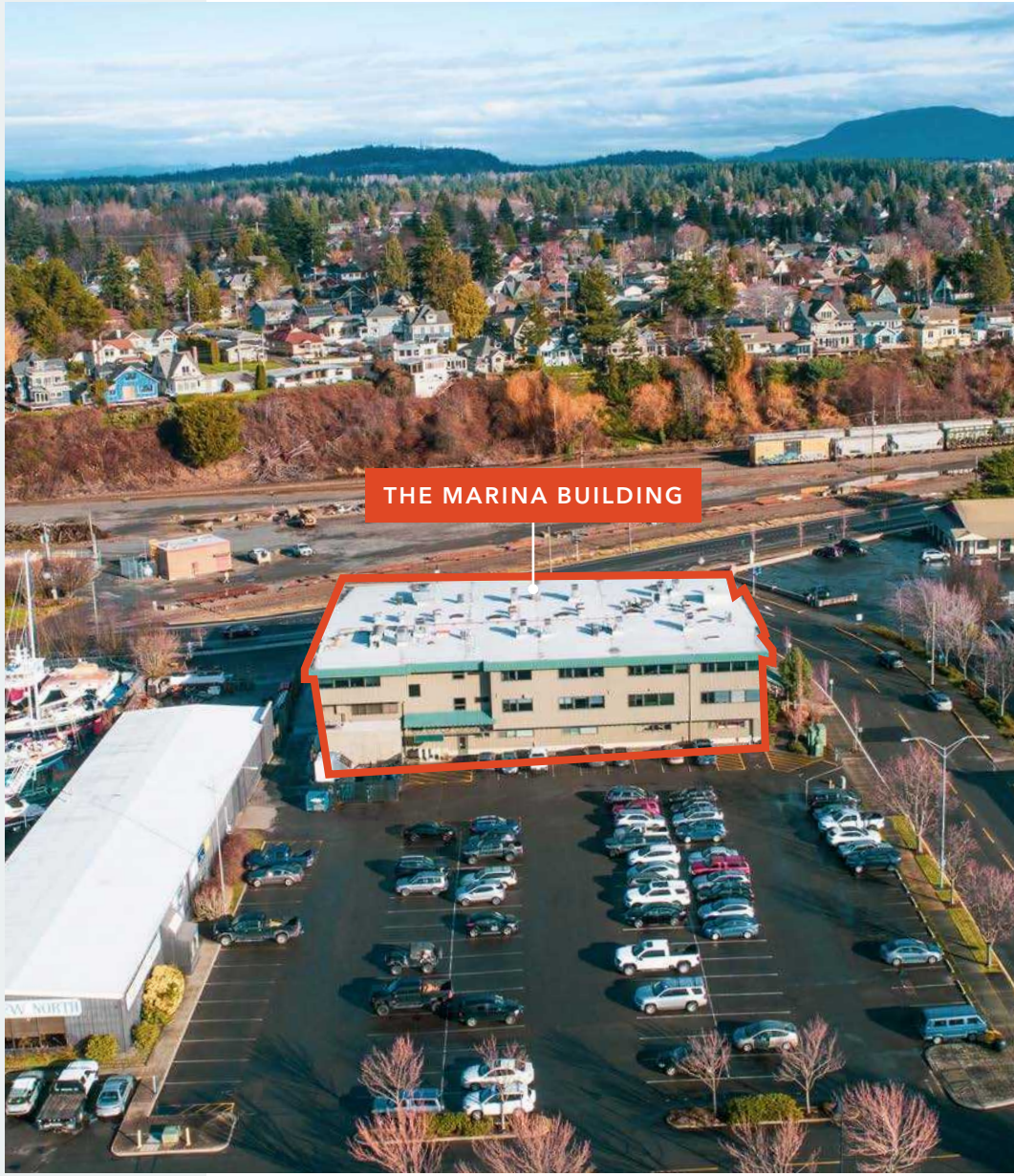
The Marina Building at 851 Coho Way represents a rare opportunity to acquire a fully-renovated, 97.8% leased multi-tenant office building in the heart of Bellingham's Squalicum Harbor Marina District.

Built in 1991 and comprehensively upgraded by ownership in recent years, the 47,478-square-foot, three-story building sits at the corner of Coho Way and Roeder Avenue on a 1.4-acre site leased from the Port of Bellingham, with secure elevator-served entry and abundant on-site parking.

The building is anchored by LFS Marine & Outdoor, a Bellingham-founded (1967) commercial fishing and marine supply retailer that has occupied its 18,710-square-foot ground-floor space — 39.4% of net rentable area — since 2020 under a lease running through March 2032. The balance of the roster is a diversified mix of thirteen additional regional and local tenants spanning healthcare, government, professional services, and technology, including NW Medicine Clinic, the City of Bellingham, Lunavi, The Markets, and AXE Engineering, nearly all under triple-net (NNN) leases that pass through operating expenses to tenants.

Ownership has invested significantly in the asset in recent years, including a full exterior repaint, new building signage and security systems, a re-graded and re-striped parking lot, a re-membraned roof, and a comprehensive interior remodel of tenant suites and common areas — delivering a turnkey, low-deferred-maintenance investment in one of Bellingham's most active waterfront submarkets.

Perhaps most compelling is the building's leasing track record. The property has historically operated near or at full occupancy and has not dropped below roughly 90% leased at any point in the current hold period — including through the pandemic. That resilience points to durable, deep-rooted tenant demand for well-located, amenitized office space in Bellingham's Squalicum Harbor submarket, where businesses increasingly compete for space close to the water with abundant on-site parking — a combination that is difficult to replicate elsewhere in the market.



INVESTMENT HIGHLIGHTS

Priced at $11,300,000 ($238/SF), reflecting an 8.47% current cap rate an attractive going-in yield for a stabilized, multi-tenant asset in a supply-constrained waterfront submarket

97.8% leased across 14 suites, with only 1,042 SF (2.2% of RBA) currently vacant, providing immediate in-place income with embedded lease-up upside

Exceptional historical occupancy –the property has historically run at or near full occupancy since being built in 1991, including through the pandemic, evidence of durable, deep-rooted tenant demand for the asset

Scarce waterfront value proposition – the combination of proximity to the water and abundant on-site parking is increasingly hard to find in Bellingham, positioning the property to keep outperforming the broader market on occupancy

Anchored by LFS Marine & Outdoor since the building was constructed in 1991 (39.4% of RBA) under a long-term NNN lease running through March 2032, backed by a nearly 60-year operating history in Bellingham's marine trade

Diversified 13-tenant roster spanning healthcare, government, professional services, and technology – no tenant besides LFS represents more than 15% of rentable area

Predominantly NNN lease structure minimizes landlord expense exposure, passing through CAM, real estate taxes, and insurance to tenants

Clear mark-to-market opportunity via several near-term and month-to-month leases (including Merchant Partners, RES Care, and Erin Schlichting CPA) rolling over within the next 12–24 months

Extensive recent capital investment – new roof membrane, repainted exterior, resurfaced and restriped parking, updated HVAC, and fully remodeled suites and common areas – minimizing near-term capital needs for a new owner

Irreplaceable waterfront location on Port of Bellingham land, under a ground lease with renewal options extending to 2061, at the center of Squalicum Harbor's ongoing waterfront redevelopment

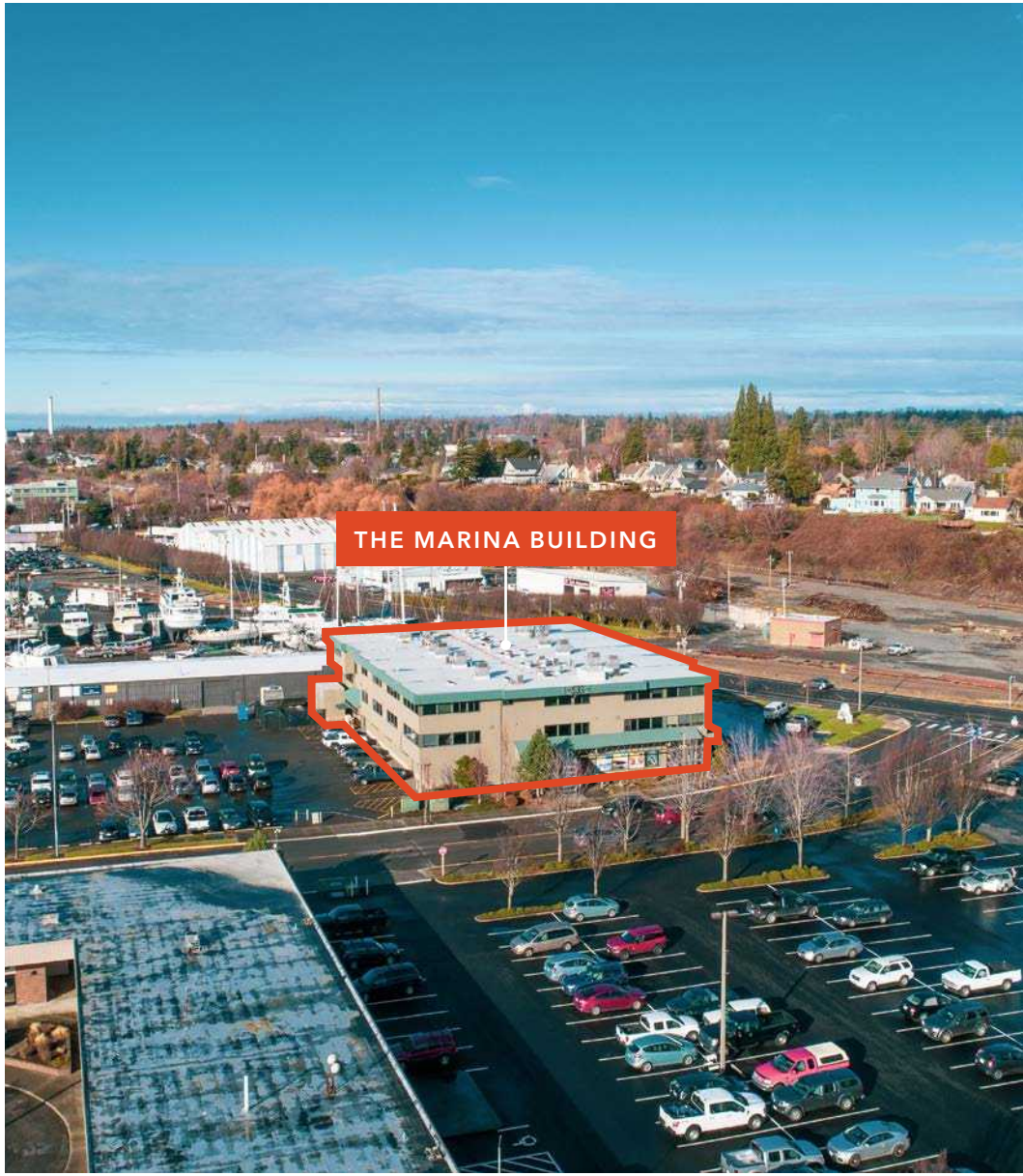
Abundant on-site parking across two dedicated lots in a walkable submarket close to restaurants, trails, and parks



PREMIER OFFERING IN SQUALICUM HARBOR MARINA DISTRICT

PROPERTY DETAILS

ADDRESS	851 Coho Way, Bellingham, WA 98255
PRICE	$11,300,000
RENTABLE BUILT AREA	47,508 SF
PRICE / SF	$238
CAP RATE	8.53%
WALT	4.98 years
YEAR BUILT	1991
LOT SIZE	60,984 SF (1.4 AC)
ZONING	CWF






EXIT
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ALL WAYS CARING HOMECARE




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Bellingham, Washington is the seat of Whatcom County and the largest city in the northwest corner of the state, home to roughly 94,000 residents within a county population of nearly 230,000.

Framed by the Salish Sea to the west and the North Cascades to the east, the city occupies a strategic position almost exactly midway between two major metropolitan markets – approximately 90 miles north of Seattle and 55 miles south of Vancouver, British Columbia – giving residents and businesses convenient access to both the greater Puget Sound economy and the Canadian market.

The city's economy benefits from a well-educated, relatively young workforce (median age of 37.5) and an above-average household income base (average household income of roughly $80,700), supported by five institutions of higher education in the surrounding area, including Western Washington University, Whatcom Community College, Bellingham Technical College, Northwest Indian College, and Trinity Western University. Bellingham's economic base spans marine trades, healthcare, education, technology, and tourism, and the city continues to draw new residents and employers seeking Pacific Northwest quality of life without the cost and congestion of Seattle or Vancouver.

Outdoor recreation is central to the city's identity and appeal – Bellingham Bay, Mount Baker, the San Juan Islands, and an extensive network of urban trails and parks are all within minutes of downtown – while a walkable core of restaurants, breweries, museums, and live-performance venues has made Bellingham one of the more desirable small metro markets in the Pacific Northwest for both residents and investors.



The Marina Building's ground lease ties it directly to the Port of Bellingham, the public agency that owns and operates Squalicum Harbor — the largest marina in the Port's system and one of the busiest working harbors on the Washington coast, with moorage for more than 1,400 commercial and recreational vessels.

That relationship gives ownership a long runway: the current lease term runs through 2041, and four remaining five-year renewal options could extend site control on the land through 2061.

The marine-district address is more than incidental – it is part of the property's draw. Ground-floor tenant LFS Marine & Outdoor has operated out of Bellingham since 1967 and has anchored the building since it was built in 1991, building a commercial fishing and boating supply business that now ships to customers in more than 175 countries through its Go2Marine platform, all while keeping its retail roots at Squalicum Harbor.

The surrounding waterfront has been on an upward trajectory since 2006, when the Port acquired the former Georgia-Pacific industrial site and set a multi-decade redevelopment plan in motion. That plan calls for roughly 37 acres of new mixed-use development along the downtown waterfront – office, residential, light-industrial, and institutional space – plus an additional 52-acre Log Pond area earmarked for transportation, business-incubator, and marine-industrial uses. The City's Comprehensive Plan has pointed to substantial additional infill housing demand in the surrounding Central Waterfront and Downtown Core, reinforcing the growth trajectory around the property for years to come.

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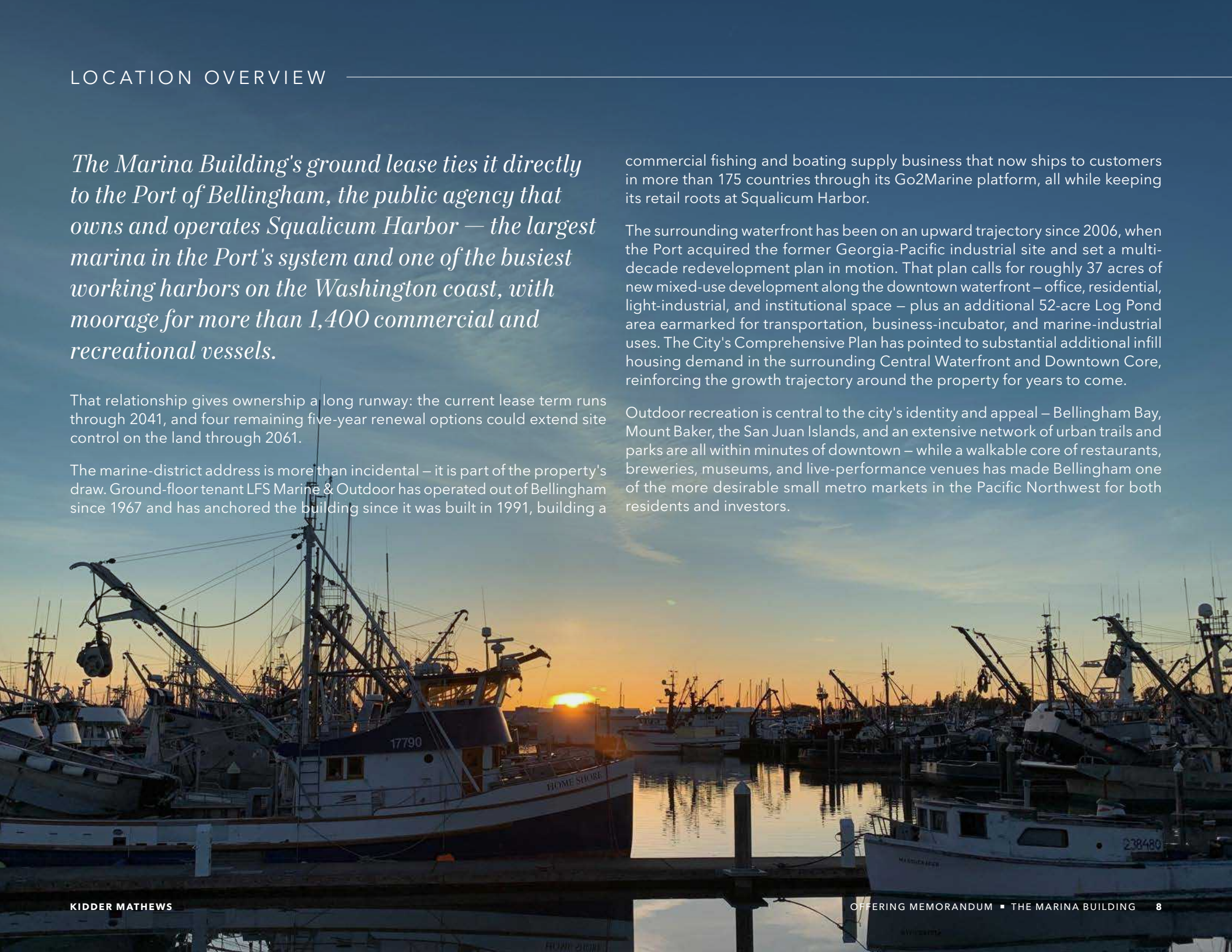

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