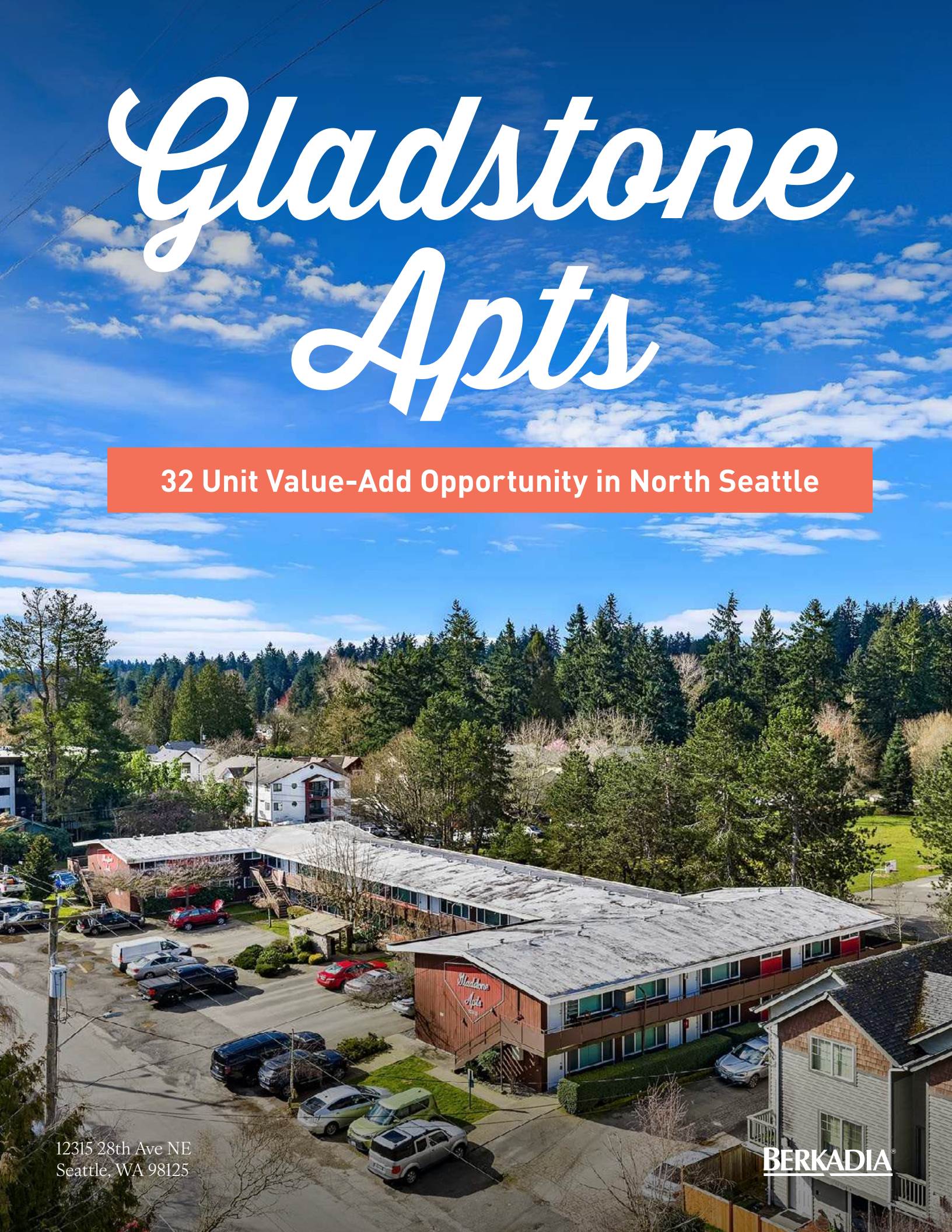
Gladstone Apts

32 Unit Value-Add Opportunity in North Seattle



12315 28th Ave NE
Seattle, WA 98125

BERKADIA®

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primary contacts

STEVEN CHATTIN

Managing Director
425.269.3826
steven.chattin@berkadia.com

investment sales

MITCHELL BELCHER

Managing Director
425.891.9594
mitchell.belcher@berkadia.com

JAY TIMPANI

Managing Director
206.999.3206
jay.timpani@berkadia.com

CHAD BLENZ

Senior Director
206.491.2008
chad.blenz@berkadia.com

BRANDON LAWLER

Senior Director
206.484.8114
brandon.lawler@berkadia.com

mortgage banking

ROBERT DOXSEE

Managing Director
425.777.0235
robert.doxsee@berkadia.com

MICHAEL MANOLIDES

Senior Director
253.670.2143
michael.manolides@berkadia.com

CONNOR LEMLEY

Associate Director
206.455.1592
connor.lemley@berkadia.com

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PRICE:	**$5,995,000**
UNITS:	**32**
AVG. UNIT SIZE:	**498 SF**
YEAR BUILT:	**1958**
BUILDING SIZE:	**15,932 NRSF**
STORIES:	**2**
PARKING:	**37 spaces**
PARCEL:	**282604-9189**
LOT SIZE:	**0.64 AC | 28,050 SF**
ZONING:	**MR (M)**
COUNTY:	**King**

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OPPORTUNITY

Experience a Growing Submarket

Gladstone Apartments is a 32-unit property in North Seattle's Lake City neighborhood, with rents currently below market, creating a clear near-term value-add opportunity. Of the 32 units, 21 are currently renovated, allowing new ownership the opportunity to complete the current renovation program.

Completing that renovation across the remaining units unlocks the full benefit of a submarket that is supply-constrained, income-rich, and infrastructure-supported, the kind of environment where value-focused ownership is consistently rewarded.

The submarket demographics around Lake City are already outperforming the broader metro. Average household income within three miles exceeds $135,000 and is projected to climb 53% to $207,000 by 2030, driven by the University of Washington, UW Medical Center, and Seattle's broader tech ecosystem. That income growth supports a deep and stable renter base, with 43% of local housing units renter-occupied and current in-place rents representing just a fraction of average household income. This means that tenants are not rent-burdened, and there is meaningful room to grow rents as units turn.

At 0.64 acres, Gladstone is also a credible covered land play and a candidate for future redevelopment as North Seattle continues to grow, and land values appreciate. While this is not the primary thesis, it does expand the range of exit strategies available at disposition.

For new ownership, Gladstone offers great value-add potential in an improving submarket, with below-market rents, a proven renovation scope, and a tenant base that is growing in both size and income.

INVESTMENT HIGHLIGHTS

- **Convenient North Seattle Location:** Located minutes from Northgate, the expanding Light Rail network, and downtown Seattle, Gladstone sits at the center of North Seattle's most connected corridor.
- **Option for Covered Land Play:** The 0.64-acre lot offers genuine redevelopment potential as North Seattle continues to densify, expanding long-term exit options beyond a standard multifamily disposition.
- **Desirable Unit Mix:** The 32-unit property consists of 28 one-bedroom/one-bathroom units and four two-bedroom/one-bathroom units, broadening renter appeal.
- **Below Market Rents:** In-place rents are currently below current market rates, with current rents representing just a fraction of average household income, leaving substantial room for future growth.
- **Strong Rent Growth Fundamentals:** Average market rents have risen 22% since 2021 and are projected to grow at a 2.8% annualized rate through 2030.
- **Demographic & Income Tailwinds:** Average household income within three miles is projected to climb 53%, from $135,000 today to $207,000 by 2030, driven by the continued expansion of high-wage employment in the University District corridor.
- **Major Developments on the Horizon:** The Lake City Community Center (Spring 2027) and Northgate Station Mixed-Use development (2026) are set to bring significant new investment and foot traffic into the corridor.



FINANCIALS

residential unit mix

Unit Type	Count	Avg. Unit SF	Total SF	Current Rent	Market Rent	Reno Rent
1 Bed / 1 Bath *Renovated*	21	456	9,576	$1,259	$1,450	$1,450
1 Bed / 1 Bath	7	494	3,456	$1,212	$1,350	$1,450
2 Bed / 1 Bath	4	725	2,900	$1,654	$1,750	$1,850
Total/Average	**32**	**498**	**15,932**	**$1,298**	**$1,466**	**$1,500**

Unit Type	Monthly Rent	Annual Rent	Rent/SF	% of Total Units
1 Bed / 1 Bath *Renovated*	$30,450	$365,400	$3.18	66%
1 Bed / 1 Bath	$10,150	$121,800	$2.94	22%
2 Bed / 1 Bath	$7,400	$88,800	$2.55	13%
Total/Average	**$48,000**	**$576,000**	**$3.01**	



Building Amenities

- 1:1 parking ratio with potential for additional income
- On-site laundry with app-based payments
- Steps from Virgil Flaim Park

Unit Amenities

- Luxury Vinyl Plank flooring throughout*
- Large bay windows and abundant natural light
- New kitchen appliances and plumbing fixtures*
- New bathroom vanities, lighting, and plumbing fixtures*

*In renovated units



FINANCIALS

pro forma

INCOME	Market	Reno
Scheduled Market Rent	$562,800	$576,000
Loss to Lease (1%)	($5,628)	($5,760)
Vacancy (5%)	($28,140)	($28,800)
Net Rental Income	$529,032	$541,440
RUBS (85% Collections)	$43,150	$43,150
Other Income	$16,000	$16,000
Laundry Income	$510	$510
Total Other Income	$59,660	$59,660
Total Operating Income	**$588,692**	**$601,100**

EXPENSES	Market	Reno
Administrative	$6,400	$6,400
Advertising & Marketing	$3,200	$3,200
Payroll	$16,000	$16,000
Repairs & Maintenance	$21,637	$21,637
Management Fee (4.00%)	$23,548	$24,044
Utilities	$50,764	$50,764
Contract Services	$3,031	$3,031
Real Estate Taxes*	$57,334	$57,334
Insurance*	$24,000	$24,000
Replacement Reserves*	$6,400	$6,400
Total Expenses	$212,315	$212,811
Net Operating Income	**$376,377**	**$388,289**

**Normalized*

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pro forma notes

Scheduled Market Rent
Pro forma scheduled market rent is based on 7/23/2026, rent roll and an analysis of multifamily rental trends in the surrounding submarket.

Vacancy & Loss-To-Lease
Pro forma vacancy was underwritten to a traditional 5% and loss-to-lease was underwritten to a traditional 1% of scheduled pro forma market rent, which reflects an industry standard.

RUBS Income
Pro forma RUBS income was underwritten to $1,348 per unit. This represents an 85% reimbursement ratio over the pro forma utility expense, which reflects an industry standard.

Other Income
Pro forma other income is $500 per unit. This can include pet rent, security deposit forfeitures, and other operating income.

Laundry Income
The pro forma laundry income is $16 per unit, reflecting current operations.

Administrative
Pro forma administrative expenses are $200 per unit, which reflects current operations at comparable properties in the same submarket. This can include banking fees, tenant screening, and other miscellaneous expenses.

Advertising & Promotion
Pro forma advertising and promotion expenses are $100 per unit, which reflects current operations at comparable properties in the same submarket. This can include online rental marketing, physical advertising, and other marketing materials.

Payroll
Pro forma payroll expense is $500 per unit, which reflects current operations at comparable properties in the same submarket. This includes any salaries or reoccurring payroll expenses related to property operations.

Repairs & Maintenance
Pro forma repairs and maintenance expenses are $676 per unit, which reflects current operations at comparable properties in the same submarket. This can include appliances, electrical, plumbing, and other turnover expenses.

Management Fee
Pro forma management fee expense is 4% of the total operating income or $736 per unit, which reflects current operations at comparable properties in the same submarket.

Utilities
Pro forma utility expense is $1,586 per unit, reflecting current operations at a 3% growth rate.

Contract Services
Pro forma contract services expenses are $95 per unit, which reflects current operations at comparable properties in the same submarket. This can include landscaping wages, pest control, and other contracted work on the property.

Real Estate Taxes
Pro forma real estate taxes are $1,792 per unit, which represents the estimated stabilized tax liability. This tax expense is based on the 2026 assessed value of $5,127,000, the 2026 levy rate of 9.91, and other charges of $6,534.

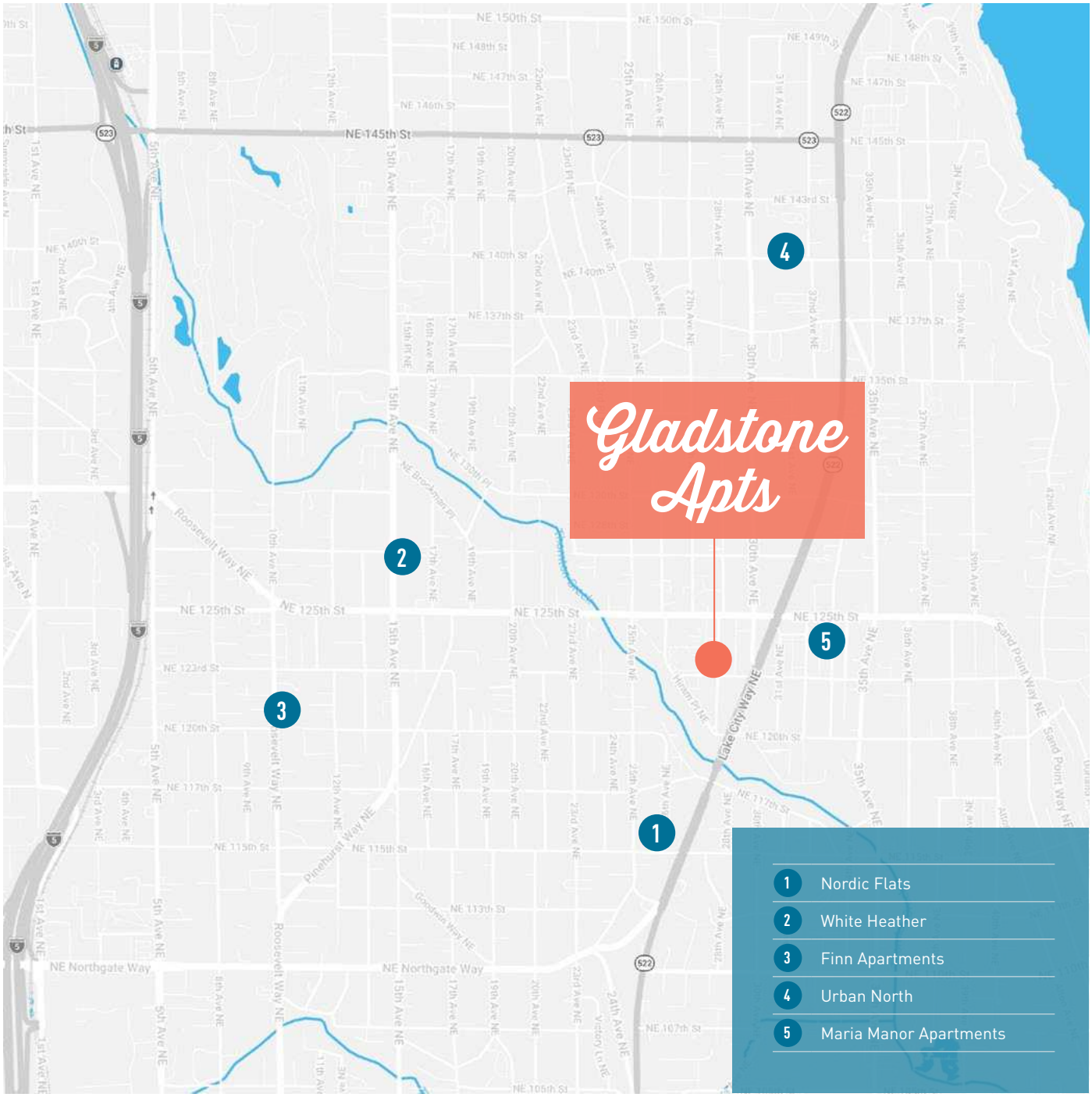
Insurance
Pro forma insurance expenses are $750 per unit, which reflects current operations at comparable properties in the same submarket.

Replacement Reserves
Pro forma replacement reserves expenses are $200 per unit, which reflects the industry standard. This includes allocated reserves for periodic replacement of building components that wear down over time.

rent comparables

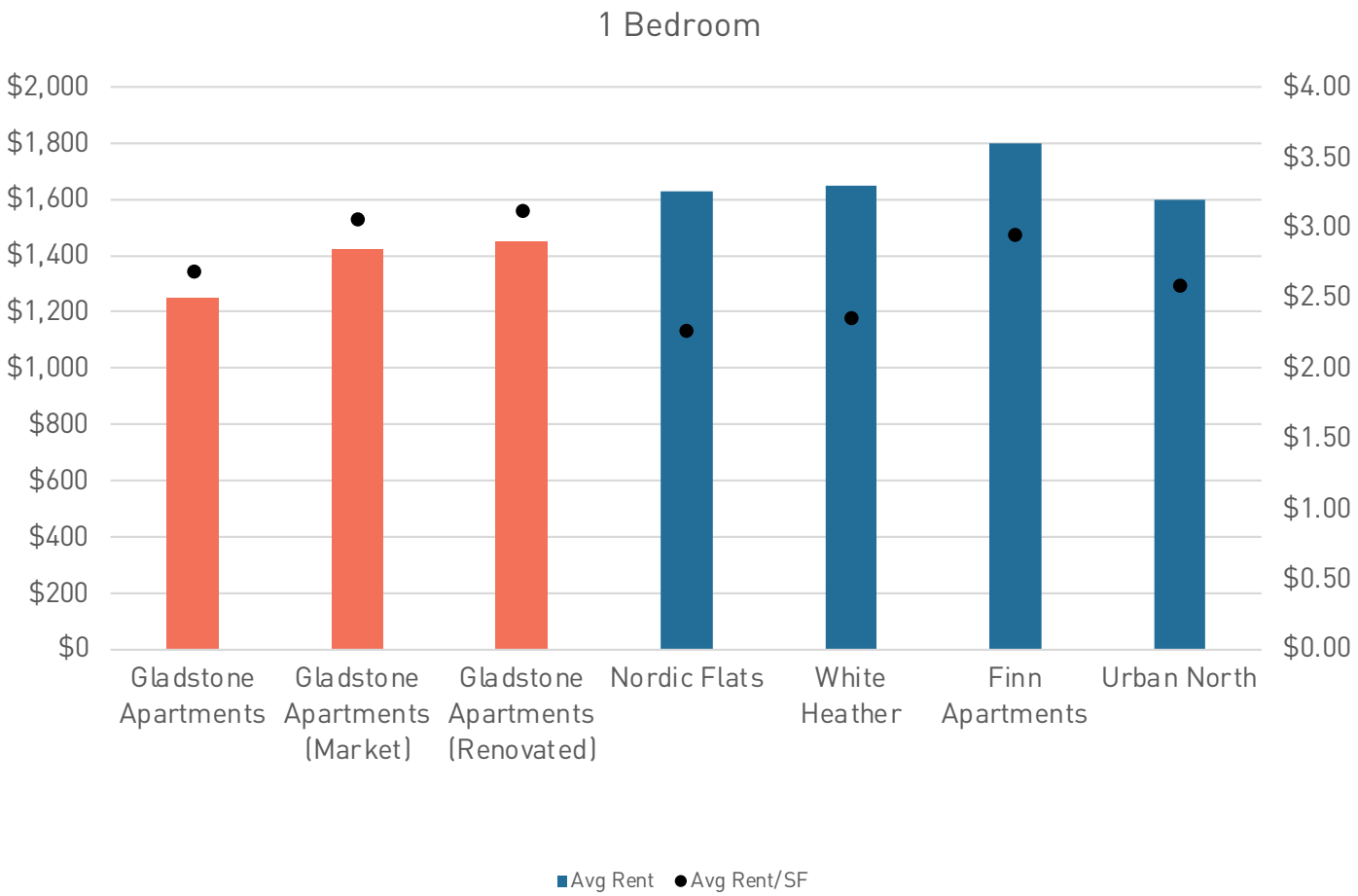
	Property Name	Address	Distance	Units	Built
	Nordic Flats	11515 26th Ave NE, Seattle, WA 98125	0.37	2	1968
	White Heather	12556 NE 15th Ave, Seattle, WA 98125	0.68	21	1965
	Finn Apartments	12002 Roosevelt Way NE, Seattle, WA 98125	0.91	75	1989
	Urban North	3032 NE 140th St, Seattle, WA 98125	0.89	27	1969
	Maria Manor Apartments	12333 NE 33rd Ave, Seattle, WA 98125	0.24	6	1967

rent comparables map



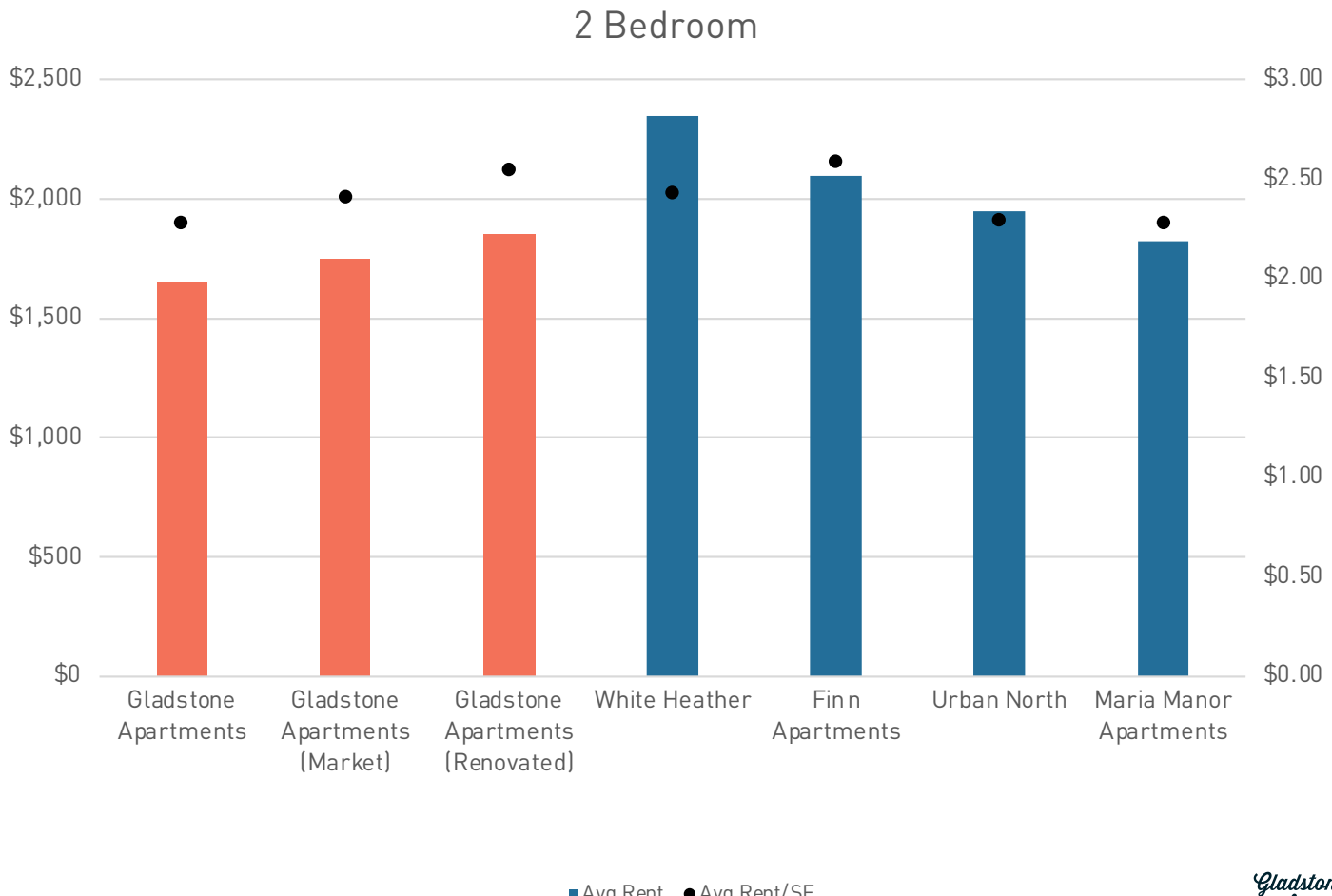
rent comparables

ONE-BED				
Property	Units	Unit Size	Rent	Rent/SF
Gladstone Apartments			**$1,248**	**$2.68**
Gladstone Apartments (Market)	**28**	**465**	**$1,425**	**$3.06**
Gladstone Apartments (Renovated)			**$1,450**	**$3.12**
Nordic Flats	2	720	$1,627	$2.26
White Heather	12	700	$1,650	$2.36
Finn Apartments	47	610	$1,799	$2.95
Urban North	19	620	$1,600	$2.58
Totals/Averages		**629**	**$1,725**	**$2.74**



rent comparables

TWO-BED				
Property	Units	Unit Size	Rent	Rent/SF
Gladstone Apartments			**$1,654**	**$2.28**
Gladstone Apartments (Market)	**4**	**725**	**$1,750**	**$2.41**
Gladstone Apartments (Renovated)			**$1,850**	**$2.55**
White Heather	9	965	$2,350	$2.44
Finn Apartments	28	810	$2,099	$2.59
Urban North	8	850	$1,950	$2.29
Maria Manor Apartments	6	800	$1,825	$2.28
Totals/Averages		**842**	**$2,088**	**$2.48**

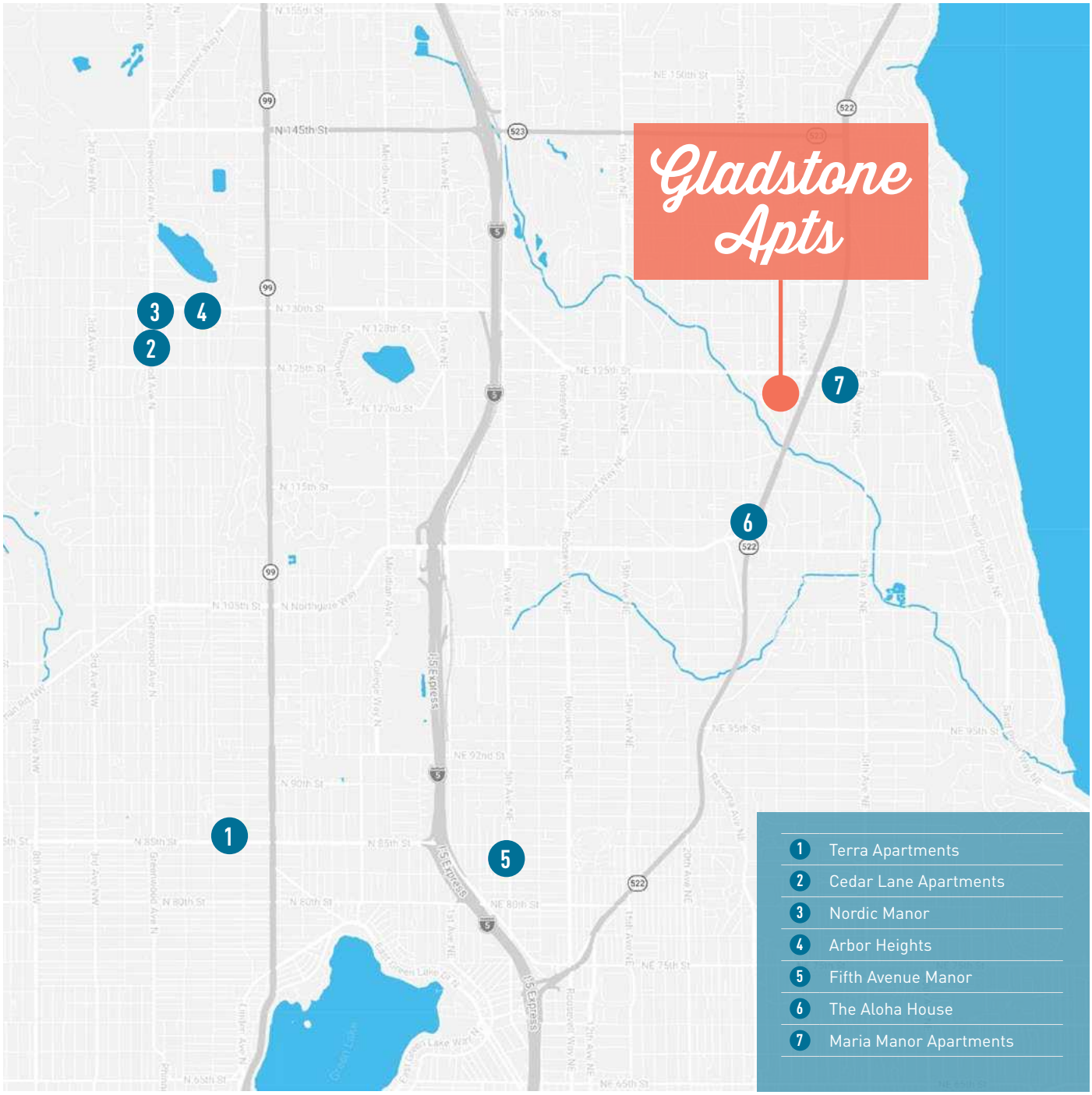


MARKET ANALYSIS

sales comparables

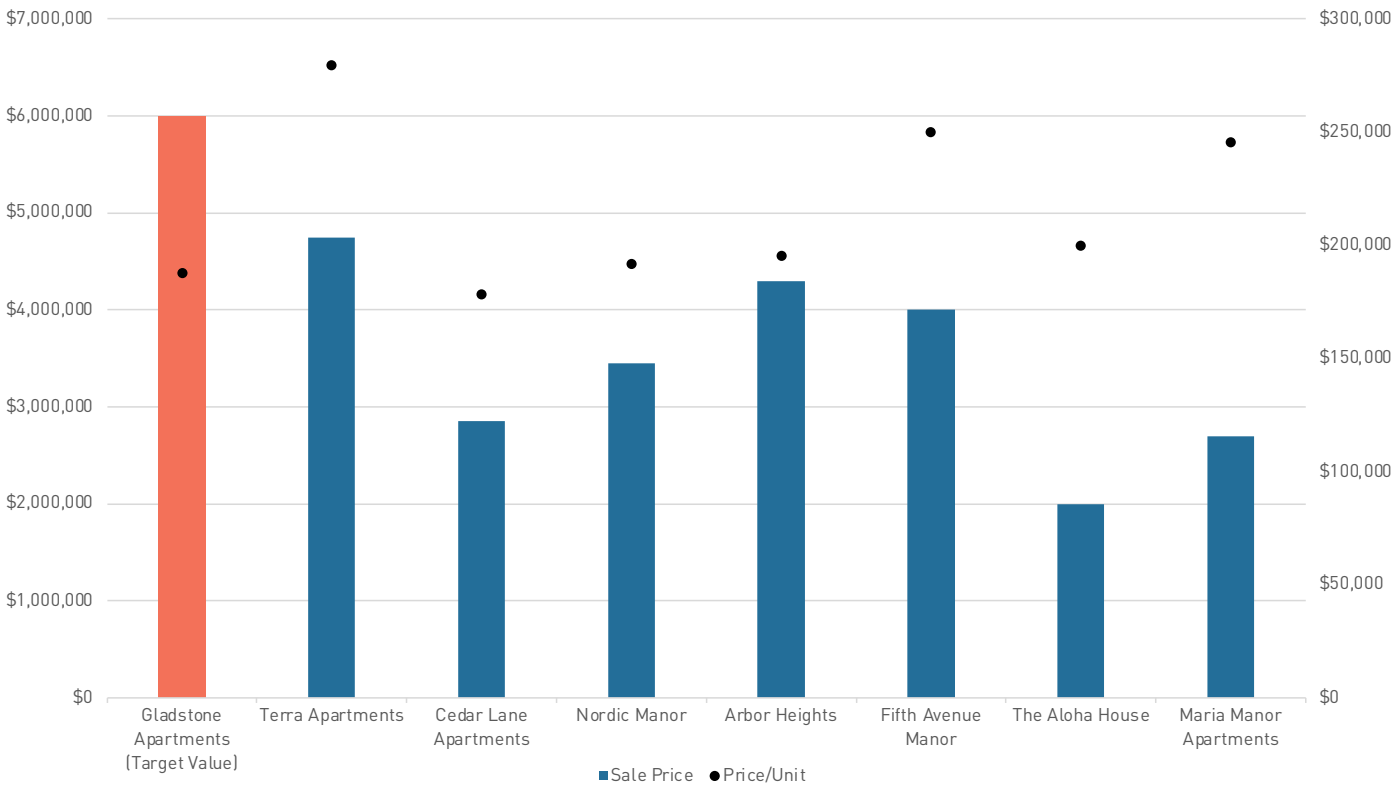
		Property Name	Address	Units	Sale Price
1		Terra Apartments ***Sold by Berkadia**	730 N 85th St, Seattle, WA 98103	17	$4,750,000
2		Cedar Lane Apartments	12536 Greenwood Ave N, Seattle, WA 98133	16	$2,850,000
3		Nordic Manor	12748 Greenwood Ave N, Seattle, WA 98133	18	$3,450,000
4		Arbor Heights	625 N 130th St, Seattle, WA 98133	22	$4,300,000
5		Fifth Avenue Manor	8309 5th Ave NE, Seattle, WA 98115	16	$4,000,000
6		The Aloha House	2460 NE Northgate Way, Seattle, WA 98125	10	$2,000,000
7		Maria Manor Apartments	12333 NE 33rd Ave, Seattle, WA 98125	11	$2,700,000
		Total / Average			**$3,606,818**

sales comparables



sales comparables

Property	Units	Built	RSF	Sale Date	Sale Price	Price/ Unit	Price/SF
Gladstone Apartments	**32**	**1958**	**15,932**	**-**	**$5,995,000**	**$187,344**	**$376**
Terra Apartments	17	1971	14,688	1/8/26	$4,750,000	$279,412	$323
Cedar Lane Apartments	16	1962	10,276	7/21/25	$2,850,000	$178,125	$277
Nordic Manor	18	1966	18,269	2/28/25	$3,450,000	$191,667	$189
Arbor Heights	22	1969	17,800	12/30/24	$4,300,000	$195,455	$242
Fifth Avenue Manor	16	1969	13,700	11/26/24	$4,000,000	$250,000	$292
The Aloha House	10	1962	5,800	7/18/24	$2,000,000	$200,000	$345
Maria Manor Apartments	11	1967	9,580	5/23/24	$2,700,000	$245,455	$282
Total / Averages					**$3,606,818**	**$218,636**	**$262**





LOCATION

Strong Rent Growth Resilient Performance Transformative Public Investment

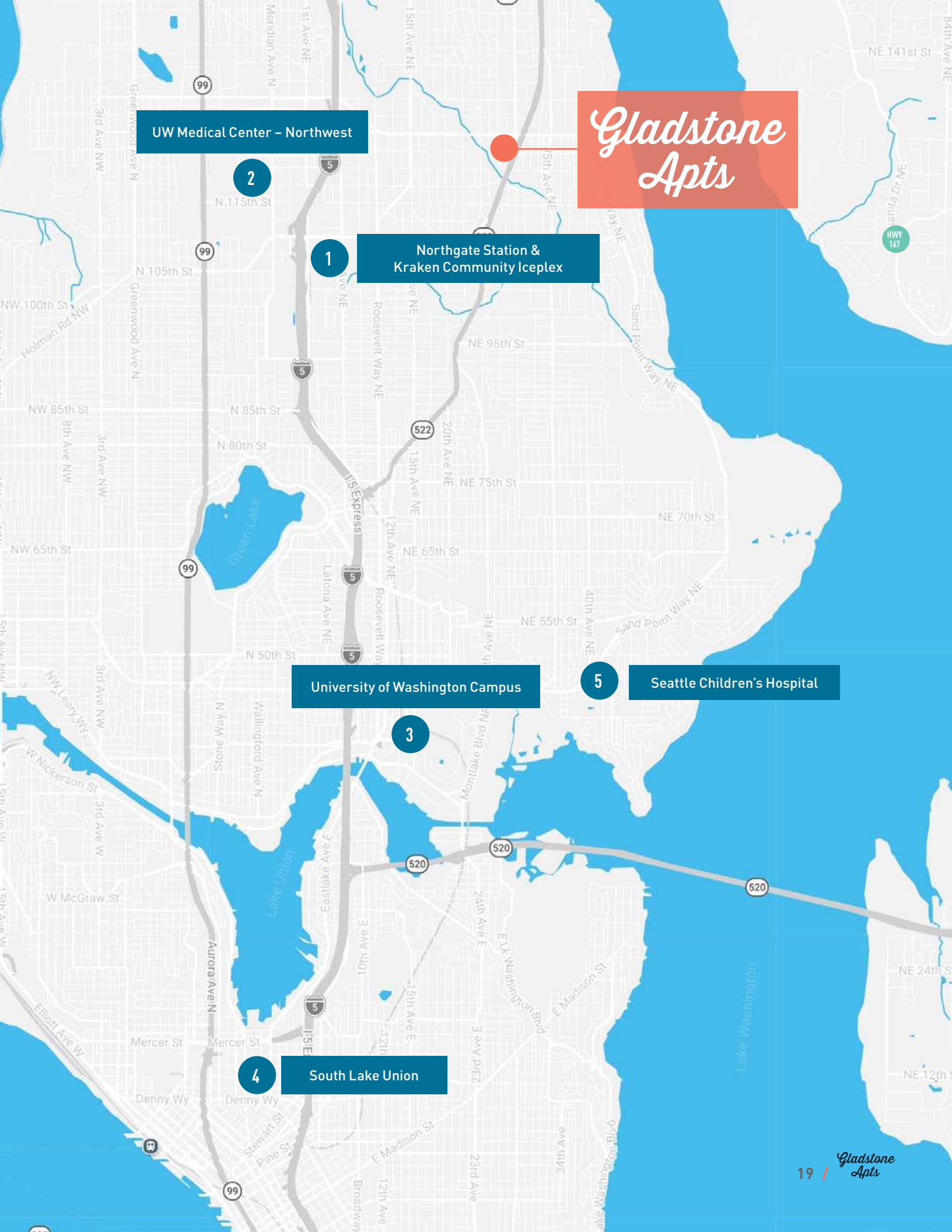
Gladstone Apartments is situated in Seattle's Lake City neighborhood, a submarket that offers residents walkable access to a commercial core with local dining, retail, entertainment, and neighborhood services, while maintaining strong connectivity to transit, regional employment, and recreation. The broader North Seattle corridor continues to attract public and private investment, supported by healthy fundamentals and major employment anchors that drive consistent rental demand.

Major Local Drivers & Amenities

- **Proximity to Major Employers:** Amazon, Meta, Alphabet, the University of Washington, and regional medical and tech clusters are all within a 20-minute drive.
- **Transit-Oriented Growth:** The new NE 130th Street Link Light Rail station opening in 2026, combined with existing Metro and Sound Transit Express bus access, significantly expands connectivity for residents.
- **Neighborhood Investment:** Lake City's commercial and cultural core is undergoing active reinvestment, with new retail, restaurants, green space, and large-scale mixed-use and affordable housing projects currently underway.
- **Lifestyle & Recreation:** Residents have immediate access to everyday retail including Target and Fred Meyer, local dining, fitness options, outdoor amenities at Matthews Beach Park and Magnuson Park, and the Kraken Community Iceplex.

Submarket Overview

- **Rent Growth:** Submarket rents have grown 23% since 2020, with average market rents now at $1,962 per month. (Axiometrics)
- **Occupancy:** Submarket occupancy reached 95.2% in Q4 2025 and has held above 94% every year since 2018.
- **Vacancy:** Submarket vacancy stands at 6.5% and is trending downward. (CoStar)
- **New Supply:** 1,362 units were delivered in 2025, down from peak delivery levels in 2024.
- **Sales Activity:** The submarket is seeing its highest sales volume since 2019, with recent transactions averaging $337,000 per unit at a 5.6% cap rate, drawing interest from both private and institutional buyers.


Gladstone Apts
UW Medical Center – Northwest
2
1
Northgate Station & Kraken Community Iceplex
University of Washington Campus
3
5
Seattle Children's Hospital
4
South Lake Union
Green Lake
Lake Union
Lake Washington
HWY 167
N 115th St
N 105th St
NW 100th St
NW 85th St
N 85th St
N 80th St
NE 95th St
NE 75th St
NE 70th St
NE 65th St
NE 55th St
N 50th St
NE 141st St
NE 24th St
NE 12th St
W McGraw St
Mercer St
Denny Wy
Holman Rd NW
Greenwood Ave N
Roosevelt Way NE
Sand Point Way NE
Latona Ave NE
Montlake Blvd NE
Stone Way N
Wallingford Ave N
Aurora Ave N
Eastlake Ave E
E Lk Washington Blvd
E Madison St
Elliott Ave W
Stewart St
Pine St
Broadway
I-5 Express
I-5 E
99
5
522
520

Sound Transit

The $53.8 billion Sound Transit 3 program is expanding the Link Light Rail system across the Seattle metro, with extensions planned for West Seattle, Tacoma, Federal Way, Ballard, Paine Field, and Everett. The West Seattle extension will add 4.1 miles of light rail service and four new stations running from SODO to Alaska Junction.

Future Expansions

- West Seattle & Tacoma by 2031
- Ballard by 2036
- Paine Field & Everett by 2036

Lake City Community Center – 12531 28th Ave NE

The City of Seattle and Mercy Housing Northwest are collaborating on a new development one block from Gladstone that will combine a fully redesigned community center with 112 units of affordable housing. The project, designed by Mithun, features a classic brick community center on the lower two floors with six floors of modern affordable housing above, arranged in a u-shape around a rooftop green space. Units will range from two to four bedrooms, affordable at 49% of area median income, with central amenities including a multi-age playground, outdoor green space, and community mural artwork. Construction is scheduled to begin in 2027.


SOUNDTRANSIT
TACOMA LINK



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