

THE MELBOURNE BUILDING

412 - 418 W Meeker Kent, WA 98032



OFFERING MEMORANDUM

Offered at a 7.39% cap rate, the 8,376 SF Melbourne Building is a fully-leased mixed-use investment in Downtown Kent with stable cash flow and renovation upside.

Five Residential Units + Three Ground-Floor Retail Spaces

Fully Leased

75% of Units Renovated Since 2021

Value-Add Potential

9-Minute Walk to Kent Station & Regional Transit



718 Rainier Ave S, Ste. G, Seattle, WA 98144

ETHAN SZMANIA
Investment Real Estate Advisor
Foundation Group, LLC
📞 206.774.5419
✉️ ethan@foundationgroupre.com

AARON LOCKE
Investment Real Estate Advisor
Foundation Group, LLC
📞 206.774.5436
✉️ aaron@foundationgroupre.com

The information contained in the following marketing material is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Foundation Group, LLC and should not be made available to any other person or entity without the written consent of Foundation Group, LLC.

This marketing brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Foundation Group, LLC has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs, or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans, or intentions to continue its occupancy of the subject property. The information contained in the marketing brochure has been obtained from sources we believe to be reliable; however, Foundation Group, LLC has not verified and will not verify, any of the information contained herein, nor has Foundation Group, LLC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. This information has been secured from sources we believe to be reliable. We make no representation or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.

High-Visibility Mixed-Use Asset | 100% Leased

Fully leased mixed-use asset featuring five apartments and three retail suites, offering stable income with renovation upside just steps from Kent Station.

The Foundation Group is pleased to exclusively offer The Melbourne Building, a well-positioned mixed-use investment opportunity in the heart of revitalized Downtown Kent. Priced at a 7.39% cap rate, this stabilized property offers immediate cash flow and built-in value-add potential through continued residential unit renovations and strategic rent increases.

In addition to recent renovations, the property benefits from a balanced mix of residential and commercial tenants, diversified income streams, and minimal near-term rollover risk all within a high-growth, walkable downtown core.

Residential Component

The unit mix includes three 2-bed/1-bath and two 1-bed/1-bath apartments, plus a non-conforming studio (vacant, offering upside). Three of the five units have undergone comprehensive interior upgrades, featuring:

- New LVP flooring
- Modernized lighting and paint
- Fully remodeled kitchens and bathrooms with updated cabinetry, tile backsplashes, tub surrounds, and appliances

A shared laundry room has also been refreshed and is equipped with owner-operated coin machines for additional revenue.

Retail Component

The street-level commercial spaces have been substantially improved over the past two years with:

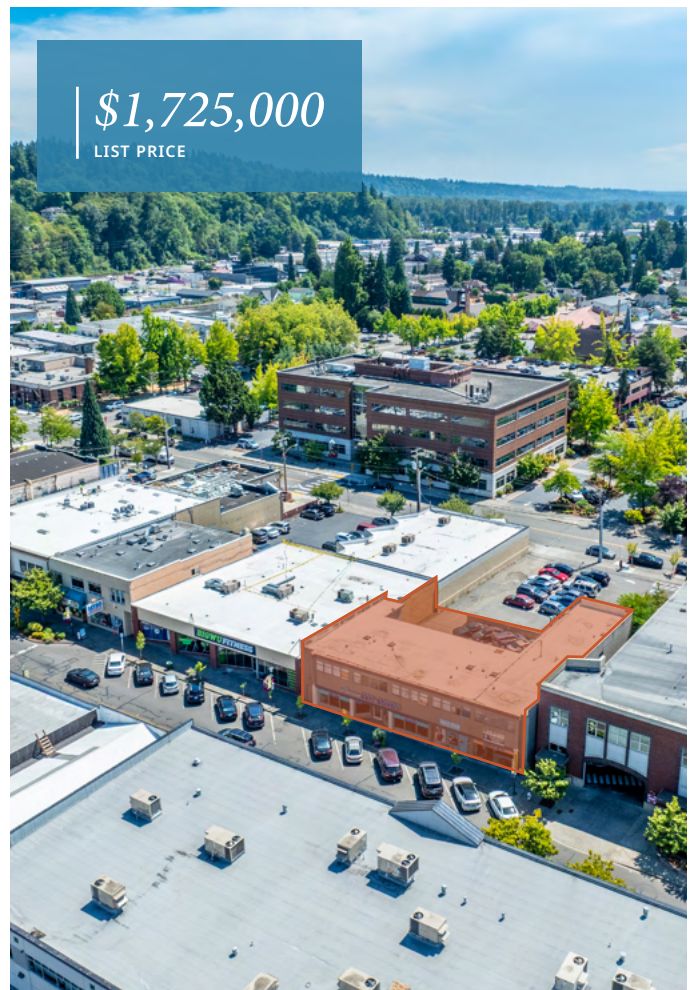
- New LVP flooring
- Bathroom and lighting upgrades
- Fresh paint and new storefront glass

Anchored by Aladdin Bail Bonds, a long-term national tenant with approximately 7 years remaining on their lease plus renewal options, the retail portion delivers predictable income. The two additional tenants include a local business with over 10 years of tenancy, enhancing the property's stability.

Located in one of Washington's fastest-growing cities, Kent boasts a population of over 135,000 and a diverse economic base anchored by aerospace, manufacturing, logistics, and technology. With a median household income above \$80,000 and strong renter demand driven by affordability and proximity to major job centers like Seattle, Bellevue, and Tacoma, the city continues to attract residents and businesses alike. Downtown Kent is experiencing a wave of revitalization, making it a compelling submarket for investors seeking long-term growth and stability.

PROPERTY OVERVIEW

Property Name	The Melbourne Building	
Address	412 - 418 W Meeker St	
City, State, Zip	Kent, WA 98032	
County	King	
Units	Retail	3
	Residential	5
Approx. Lot Size	8,156	
Approx. Net RSF	8,376	
Price / Unit	\$216,625	
Price / SF	\$252	
Current GRM	9.73	
Market GRM	9.09	
Current Cap Rate	7.39%	
Market Cap Rate	7.98%	
Zoning	DCE (Downtown Commercial Enterprise)	
Parcel	9825700355	
Year Built	1958	

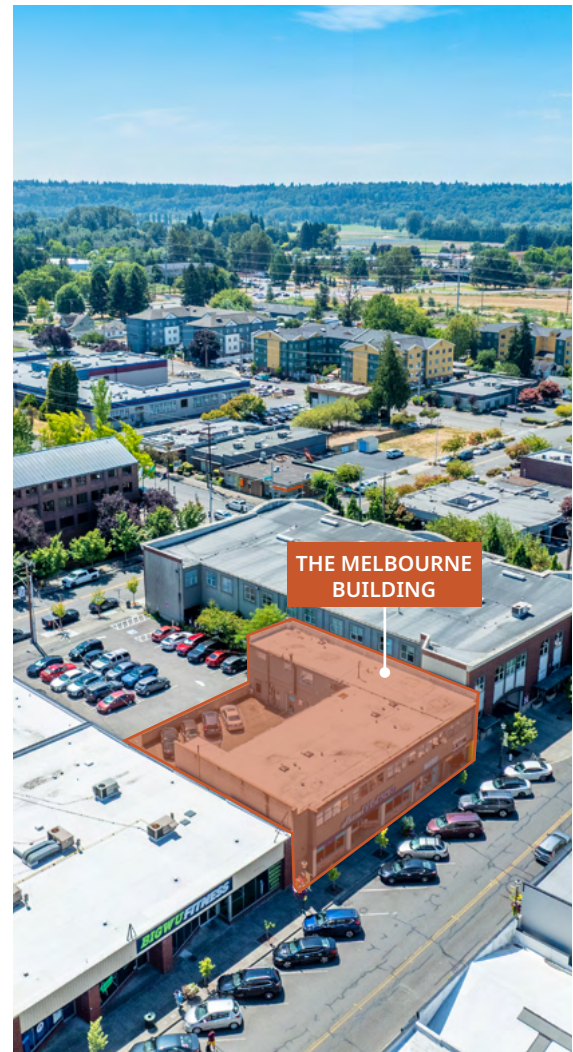


FINANCIALS

UNIT MIX

	Unit Type	# Of Units	Approx. SF	Current Rent	Avg Price \$/SF	Market Rent	Avg Price \$/SF
Apt 1	1Bed/1Bath	1	650	\$1,550	\$2.38	\$1,612	\$2.48
Apt 2	1Bed/1Bath	1	650	\$1,400	\$2.15	\$1,456	\$2.24
Apt 3	2Bed/1Bath	1	850	\$1,860	\$2.19	\$1,934	\$2.28
Apt 4	2Bed/1Bath	1	850	\$1,300	\$1.53	\$1,352	\$1.59
Apt 5	2Bed/1Bath	1	850	\$1,410	\$1.66	\$1,466	\$1.73
Apt 6	Non Conforming Studio	1	350	-	\$0.00	\$450	\$1.29
RE 414	RE	1	1600	\$3,577	\$2.24	\$3,720	\$2.33
RE 416	RE	1	1000	\$1,770	\$1.77	\$1,841	\$1.84
RE 418	RE	1	1200	\$1,900	\$1.58	\$1,976	\$1.65
Total/Average		9	8,000	\$14,767	\$1.85	\$15,808	\$1.98

Income	Current	Market
Gross Scheduled Income	\$177,204	\$189,692
Vacancy (5%)	\$8,860	\$9,485
Gross Effective Income	\$172,844	\$184,708
Additional Income	Current	Market
Laundry	\$2,160	\$2,160
Parking	\$2,340	\$2,340
Expenses	Current	Market
Property Taxes	\$12,879	\$12,879
Insurance	\$3,371	\$4,050
Utilities: W/S/G/E (2024)	\$14,336	\$14,336
Maintenance (proforma)	\$3,150	\$3,150
Unit clean / turnover	\$1,200	\$1,200
Pro Management @ 6%	\$10,357	\$11,501
Reserves	\$2,250	\$2,250
Total Expenses	\$47,543	\$49,366
Net Operating Income	\$127,551	\$137,591



INVESTMENT HIGHLIGHTS



Strong in-place cash flow at a 7.39% cap rate



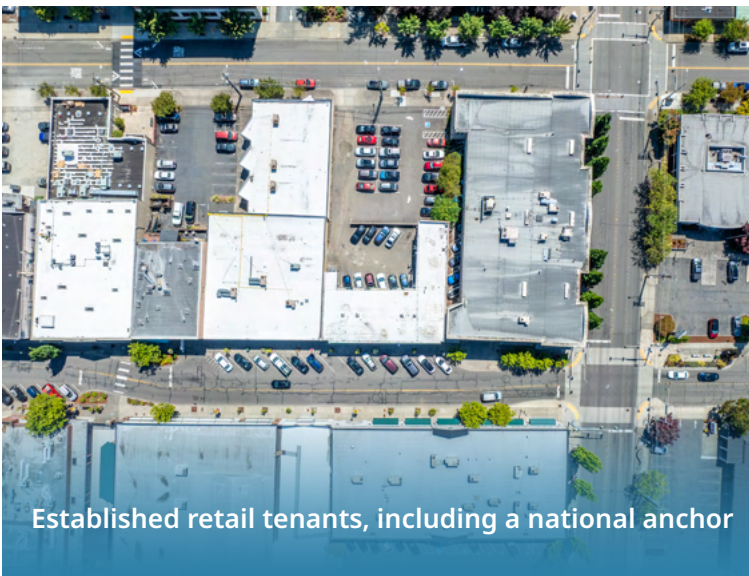
75% of units renovated since 2021 with modern finishes



Five residential units and three ground-floor retail spaces



Value-add potential through rent increases and unit upgrades



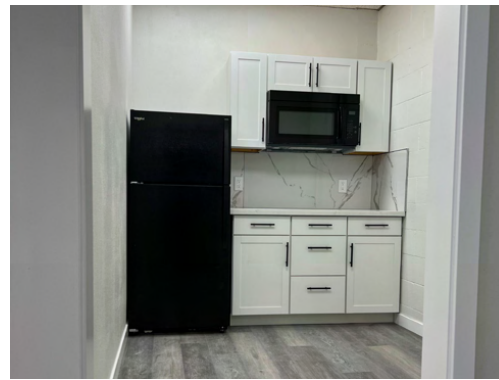
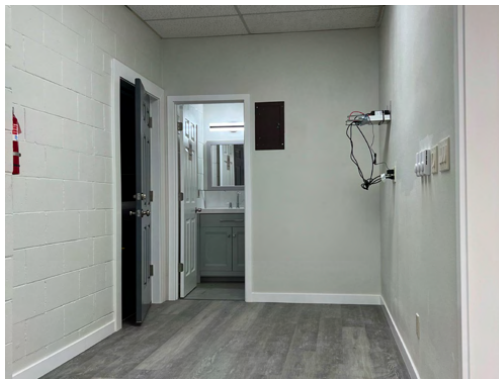
Established retail tenants, including a national anchor



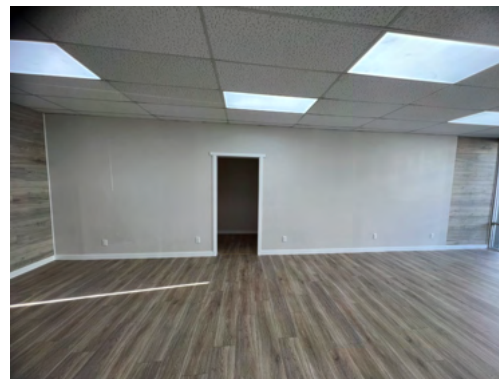
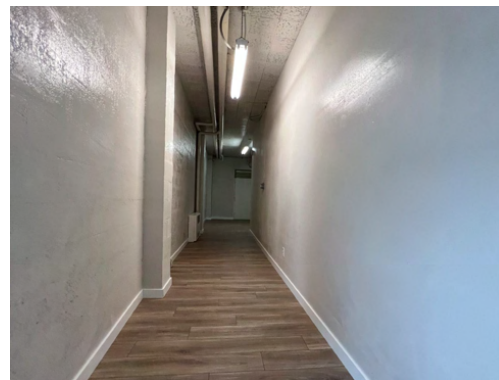
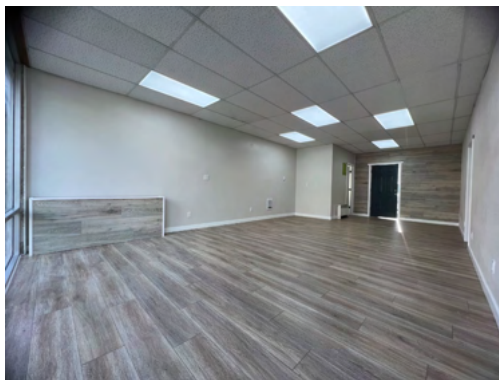
Prime Downtown Kent location with a Walk Score of 70 and proximity to Kent Station

INTERIOR PHOTOS

Retail Unit 414

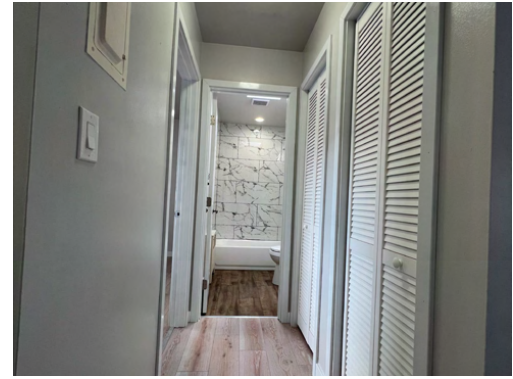


Retail Unit 416

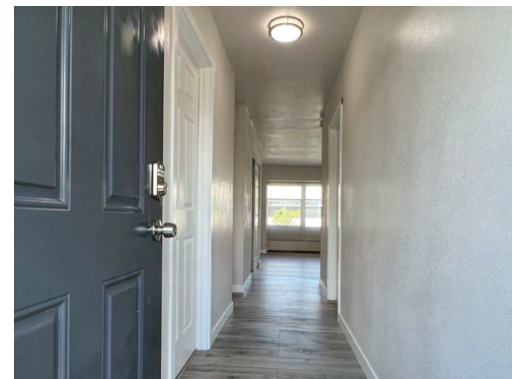
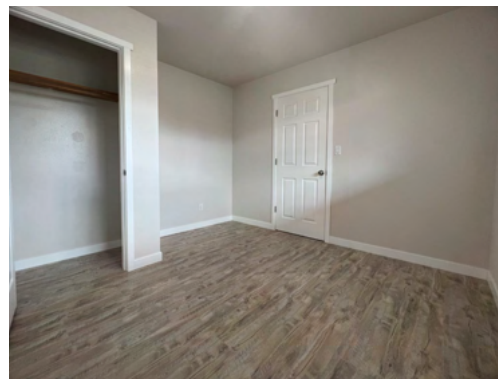
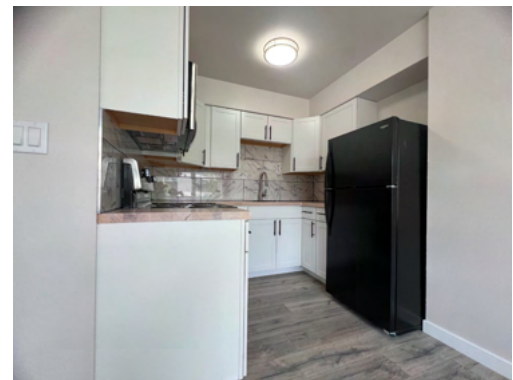


INTERIOR PHOTOS

Residential Unit 1



Residential Unit 3





SCAN TO KNOW
MORE ABOUT US

FOR MORE INFORMATION CONTACT

ETHAN SZMANIA

Investment Real Estate Advisor
206.774.5419
ethan@foundationgroupe.com



AARON LOCKE

Investment Real Estate Advisor
206.774.5436
aaron@foundationgroupe.com

