

TCO EXPECTED WITHIN 120 DAYS | ABLE TO BE DELIVERED VACANT AT CLOSING

# Regio

71 Newly-Built Units in a Pivot-Point Location  
Price Per Unit \$154,930

2335 Boylston Ave E, Seattle, WA 98102

**BERKADIA**<sup>®</sup>

a Berkshire Hathaway and Jefferies Financial Group company



exclusively offered by Berkadia Seattle

# Regio

## investment sales

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ADDRESS	2335 Boylston Ave E
CITY, STATE ZIP	Seattle, WA 98102
UNITS	71
PRICE	\$11,000,000
YEAR BUILT	2024
BUILDING SIZE	11,821 NRSF
PARKING	None
MARKET PRO FORMA CAP RATE	6.14%
PARCELS	2902200756
LOT SIZE	4,950 SF / 0.11 acres
ZONING	MR (M1)
COUNTY	King

DOCUMENT CENTER



## OPPORTUNITY

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# brand new construction in A+ location

- / Located in highly-coveted Eastlake submarket in a pivot-point location
- / TCO expected in December 2024; may be delivered 100% vacant at closing
- / Offers tenants affordable housing options with smaller unit sizes and lower projected rent levels, providing an investor with an ideal low-risk opportunity
- / Conveniently located with easy access to Interstate 5, Highway 99, and Downtown Seattle; multiple bus routes to downtown Seattle available within two blocks
- / Considered Very Walkable and Very Bikeable with score of 88 and 75, respectively



88

**Walk Score**

Very Walkable



75

**Bike Score**

Very Bikeable

## PROPERTY

# modern living ideal for young professionals

- / Regio will attract young, working professionals who value proximity to transit, amenities, and employers
- / Micros provide tenants lower rent options while owners achieve high market rent per square-foot
- / Property's central location will support consistent future rental demand
- / The building consists of 8 floors with a large common area approximating 710 square feet on street level, oversized lobby, shared laundry, and bike storage, allowing for most errands to be accomplished on foot

### Building Features

- / Includes an additional shared common area on the ground level approximating 2,635 SF with quiet study rooms and lounge areas.

### Unit Amenities

- / Stunning Views: Select units on the top three floors offer breathtaking views of downtown Seattle, Lake Union, and Portage Bay.

### Community Amenities

- / Convenient Laundry Facilities: Shared laundry located on Level 1 and shared kitchens.
- / Ample Bicycle Parking: 71 designated bicycle parking spaces.
- / Common Areas on Levels 1 and 3 for socializing and relaxation.

### Unit Mix

Unit Type	Units	Size	Total SF	Market Rent	Monthly Rent	Rent/SF
Micro	64	167	10,687	\$1,095	\$70,080	\$6.56
Micro (Affordable)	7	162	1,134	\$995	\$6,965	\$6.14
Total/Average	71	166	11,821	\$1,085	\$77,045	\$6.52



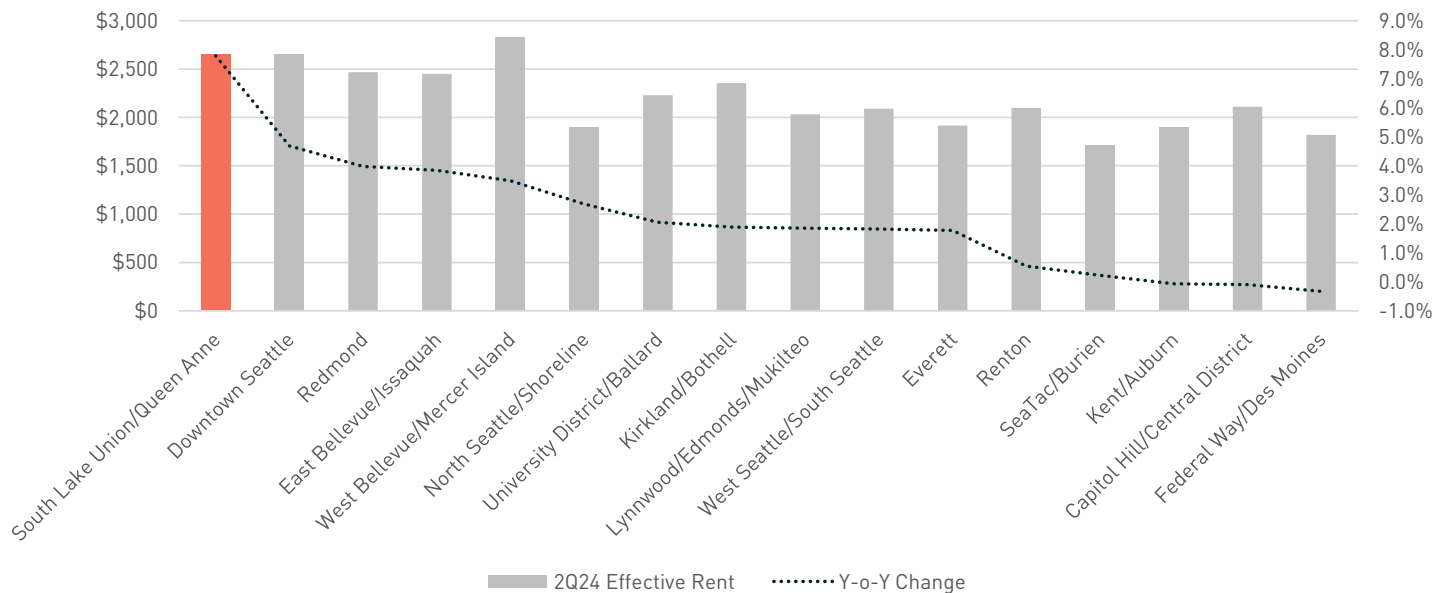


# MARKET

# strong rental submarket

- / Average effective rent in the Lake Union submarket was \$2,650 per month in 2Q24, up 7.8% YoY (Reference Seattle Metro 2Q2024 spreadsheet)
- / 2,709 total net move-ins expected during 2024
- / Average mortgage payment in the submarket is more than four times the average effective rent, favoring renting over homeownership; 51% of housing units are renter occupied versus 38% of housing units throughout the Seattle metro
- / The current median household income (\$153,232) is projected to grow 31.5% over the next five years and is 34.9% higher than residents of the metro
- / Median home price in the ZIP code 98102 appreciated 3.7% annually to reach \$1,829,520 in June 2024

Seattle MSA Submarket	2Q24 Rent	YoY Change
South Lake Union/Queen Anne	\$2,650	7.8%
Downtown Seattle	\$2,650	4.7%
Redmond	\$2,470	4.0%
East Bellevue/Issaquah	\$2,453	3.8%
West Bellevue/Mercer Island	\$2,830	3.5%
North Seattle/Shoreline	\$1,897	2.7%
University District/Ballard	\$2,232	2.1%
Kirkland/Bothell	\$2,356	1.9%
Lynnwood/Edmonds/Mukilteo	\$2,032	1.9%
West Seattle/South Seattle	\$2,091	1.8%
Everett	\$1,916	1.8%
Renton	\$2,101	0.5%
SeaTac/Burien	\$1,714	0.2%
Kent/Auburn	\$1,903	-0.1%
Capitol Hill/Central District	\$2,112	-0.1%
Federal Way/Des Moines	\$1,820	-0.3%

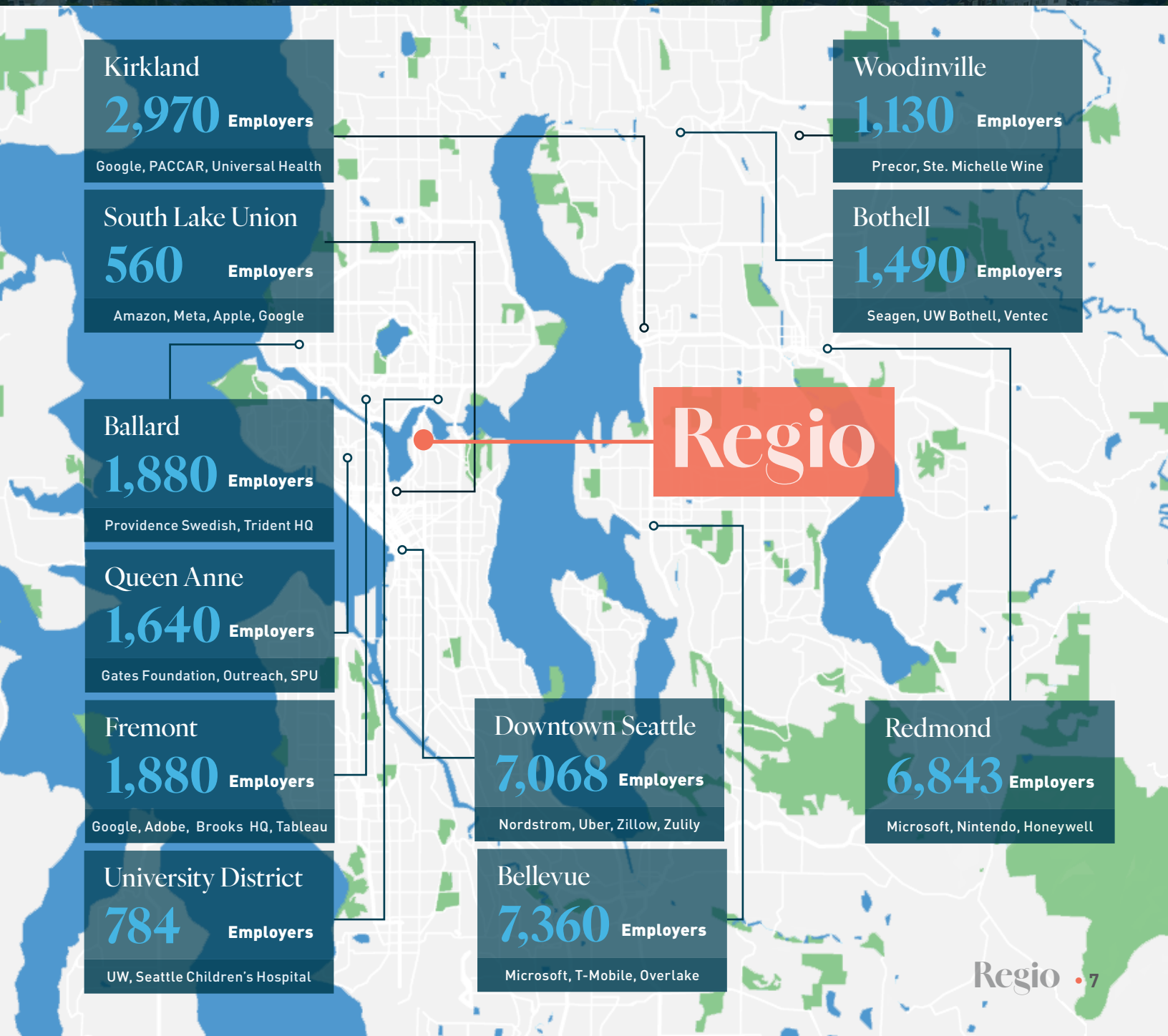




## LOCATION

# pivot point location

- / Situated on the eastern side of Lake Union, Eastlake is a popular place for high-earning young adults
- / Immediate access to Interstates 5 and 90, and SR 520, with quick commutes to the area's largest employment hubs
- / Renter hotspot: within one-mile radius of Regio, 51% of housing units are renter-occupied versus 38% throughout the Seattle metro
- / Short walk to Lake Union waterfront







## NEIGHBORHOOD FEATURES

# ideally situated within highly-coveted eastlake submarket

- / Eastlake Neighborhood home to a variety of restaurants, amenities, and eclectic boutiques, including swimming and boat launching
- / Flanked by numerous pocket parks and recreational amenities such as South Lake Union Park, the Center for Wooden Boats, Gas Works Park, UoW Waterfront Activities Center, and the Burke Gilman Trail
- / Proximity to major employers, including Amazon, Apple, Google, Facebook, and University of Washington
- / **Enhanced Connectivity:** New protected bike lanes on Eastlake Ave (90% complete, expected by end of 2024) and the South Lake Union Streetcar extending from downtown's Westlake Center through South Lake Union.
- / South Lake Union Streetcar offers another mode of transportation and extends from downtown's Westlake Center through the new employment center of South Lake Union neighborhood



## THE COMMERCIAL BUSINESS DISTRICT

# downtown seattle's transformation

- / From 2010 to 2019, Seattle grew at an unprecedented rate, with Downtown Seattle owning the largest share of the decade's economic expansion
- / Downtown is home to 11 of the state's top 15 financial services firms, making it a major global information and technology hub
- / Since 2010, an average of 28 projects were completed each year in Downtown Seattle, adding 8,300 apartment units in the area
- / Although the pandemic slowed down the economy in 2020, the region still held a strong position in construction activity across nearly all sectors
- / In 2022, 24 building projects were completed downtown, adding nearly 1.2 million SF of new office space
- / Through the second quarter of 2024, there have been 8,465 net move-ins to the Greater Seattle area, surpassing the 2023 annual total and necessitating the development of new housing
- / In the next three to four years, approximately 1.6 million SF of office space will be added downtown

1.2M

### Square Footage

New office space added downtown in 2022

12.5%

### Ridership Increase

Year over year, King County Metro in April 2023

15,236

### Avg Daily Worker Foot Traffic

Last week of April 2023, Denny Triangle neighborhood



## EMPLOYMENT HUB

# minutes from the south lake union tech scene



amazon

Google

Meta

BILL & MELINDA  
GATES foundation

- / South Lake Union neighborhood, heart of city's tech scene, is minutes from the property
- / Home to e-commerce giant Amazon as well as leading tech companies Meta, Apple, and Google
- / Thriving hub for the biotech and life science industries
- / Geographical center of Seattle, attracting residents and businesses for its pedestrian-friendly infrastructure and modern approach placemaking
- / 560+ workplace establishments with 13,500+ full-time equivalent workplace employees
- / 220 existing office buildings and 15.7 million SF of existing office space
- / 1.4 million SF of office space under construction
- / \$45.18 market rent PSF in the SLU office market



## ADDITIONAL DEMAND

# the nearby university district

- / 8 minutes away by bus, the U District Station is located in a rapidly expanding submarket with 6.3 million square feet of office space and 349,000 additional square feet of office space under construction
- / Neighborhood is home to the University of Washington's (UW) 634-acre flagship campus; as of Fall 2022, 49,520 students enrolled
- / University supports more than 30,000 jobs, equates to one out of every 37 jobs in the state
- / Receives more money from federal entities than any other public university at more than \$1.67 billion in total research awards
- / Currently constructing Behavioral Health Teaching Facility, a \$244 million project for six-story facility with 150 beds; expected completion June 2024

# \$15B

### Annual Economic Impact

UW is a major contributor to the state and regional economy

# 34,170+

### Students in Need of Off-Campus Housing

Less than a third of students live on campus



## FINANCIALS

# pro forma

INCOME	Market	Per Unit
Scheduled Market Rent	\$924,540	
Less: Vacancy (5%)	(\$46,227)	
Net Rental Income	\$878,313	
Other Income		
Plus: RUBS (85% Collections)	\$60,350	\$850
Plus: Other Income	\$7,100	\$100
Plus: Laundry Income	\$8,520	\$120
Total Other Income	\$75,970	\$1,070
<b>Total Operating Income</b>	<b>\$954,283</b>	

EXPENSES	T12	Market
Administrative	\$14,200	\$200
Advertising & Marketing	\$10,650	\$150
Payroll	\$24,850	\$350
Repairs & Maintenance	\$35,500	\$500
Management Fee (4.00%)	\$38,171	\$538
Utilities	\$71,000	\$1,000
Contract Services	\$21,300	\$300
Real Estate Taxes	\$17,452	\$246
Insurance	\$31,950	\$450
Replacement Reserves	\$14,200	\$200
Total Expenses	\$279,273	\$3,933
<b>Net Operating Income</b>	<b>\$675,010</b>	



# pro forma notes

### **Scheduled Market Rent**

Pro forma scheduled market rent is based on projected rent roll and an analysis of multifamily rental trends in the surrounding submarket.

### **Vacancy**

Pro forma vacancy was underwritten to a traditional 5% of scheduled pro forma market rent, which reflects an industry standard.

### **RUBS Income**

Pro forma RUBS income was underwritten to \$850 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 \$100 per unit. This can include pet rent, security deposit forfeitures, and other operating income.

### **Laundry Income**

The pro forma laundry income is \$120 per unit, which reflects an industry standard.

### **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 \$150 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 \$350 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 \$500 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 \$538 per unit, which reflects current operations at comparable properties in the same submarket.

### **Utilities**

Pro forma utility expense is \$1,000 per unit, which reflects current operations at comparable properties in the same submarket.

### **Contract Services**

Pro forma contract services expenses are \$300 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 \$246 per unit, which represents the estimated stabilized tax liability. This tax expense is based on the 2024 assessed value of \$1,856,200, the 2024 levy rate of 9.05, and other charges of \$648.

### **Insurance**

Pro forma insurance expenses are \$450 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	Address	Distance	Units	Built	Avg. Unit Size
<b>Regio</b>	<b>2335 Boylston Ave E</b>	-	<b>71</b>	<b>2024</b>	<b>166</b>
1 Enve	1901 Franklin Ave E	0.33	42	2019	268
2 Shelton Eastlake	2359 Franklin Ave E	0.08	9	2016	275
3 2037 Yale	2037 Yale Ave E	0.27	27	2018	226
4 Lake View	2227 Yale Ave E	0.22	33	2020	245
<b>Total / Average</b>					<b>252 SF</b>

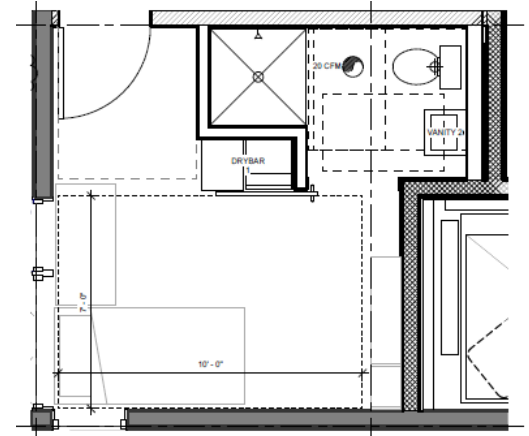


# MARKET

# rent comparison analysis

## SUMMARY

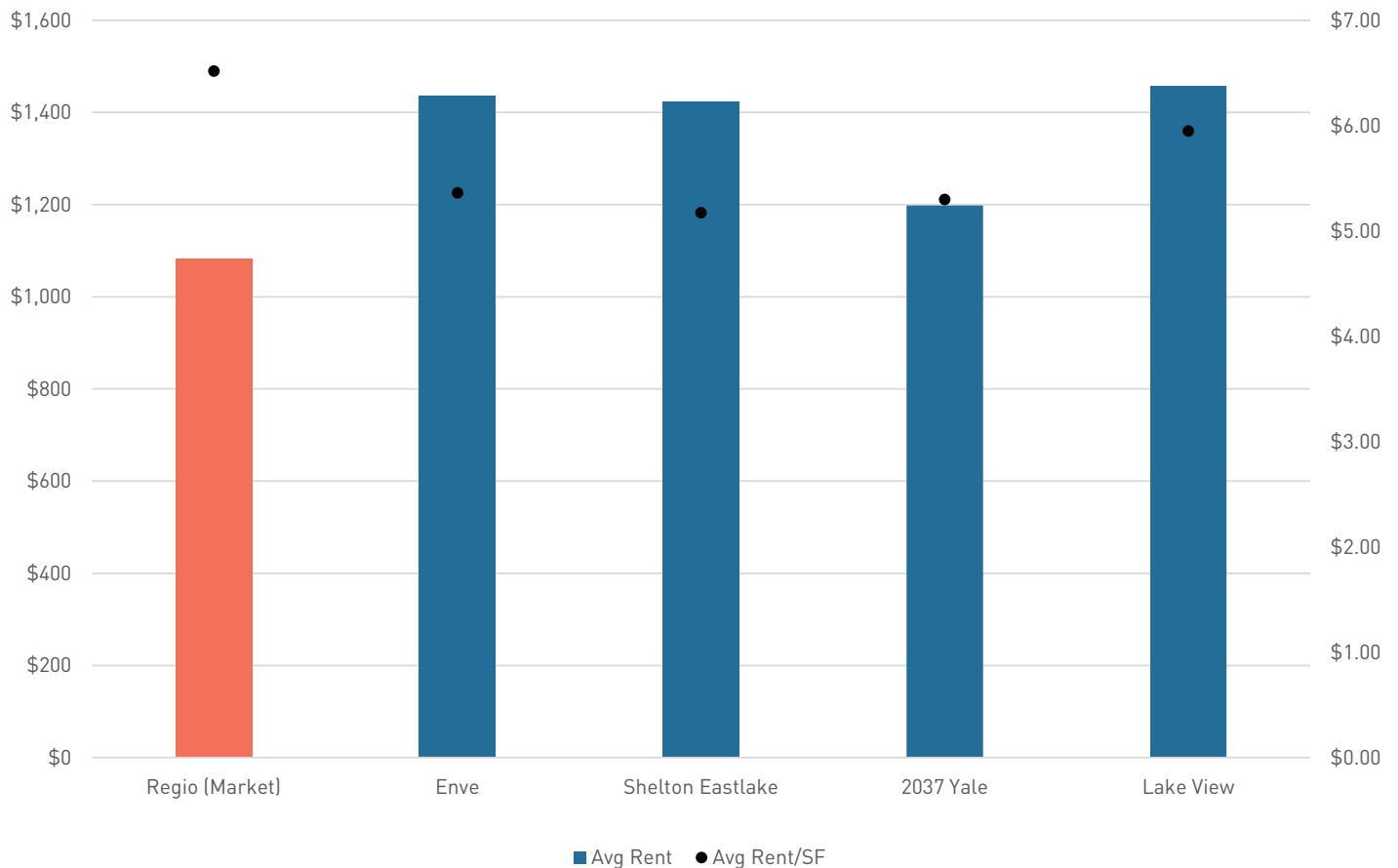
Property	Units	Unit Size	Rent	Rent/SF
<b>Regio (Market)</b>	<b>71</b>	<b>166</b>	<b>\$1,082</b>	<b>\$6.52</b>
Enve*	42	268	\$1,437	\$5.36
Shelton Eastlake*	9	275	\$1,423	\$5.17
2037 Yale*	27	226	\$1,198	\$5.30
Lake View*	33	245	\$1,458	\$5.95
<b>Totals/Averages</b>	<b>252</b>		<b>\$1,384</b>	<b>\$5.50</b>



sample floor plan

\*Excludes utilities

## Studio





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