

# Fernwood Building

19500 10th Ave NE  
Poulsbo, WA 98370

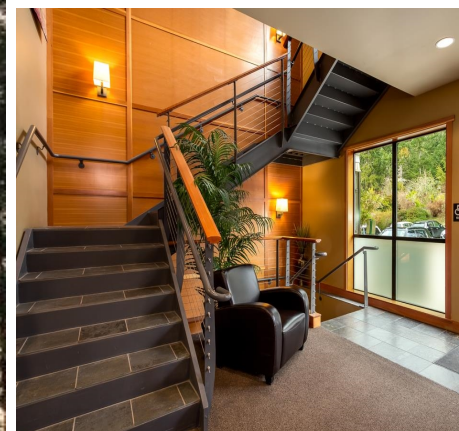
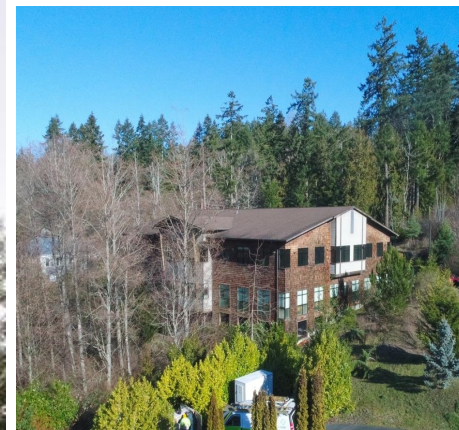


CONFIDENTIAL PROPERTY EVALUATION

100% OCCUPIED CLASS A OFFICE

*Prepared By:*

**Andrew Hunter**  
Hunter Investors  
(425) 375-5200  
andrew@hunterinvestors.com



**HUNTER INVESTORS**

*Building Wealth through Real Estate*

# Fernwood Building

## CONTENTS

**01 Executive Summary**  
Investment Summary

**02 Location**  
Location Summary  
Aerial View Map

**03 Property Description**  
Property Features  
Property Images

**04 Rent Roll**  
Rent Roll  
Lease Expiration  
Tenant Profile

**05 Financial Analysis**  
Income & Expense Analysis  
Multi-Year Cash Flow Assumptions  
Cash Flow Analysis  
Financial Metrics  
Disposition Sensitivity Analysis

**06 Demographics**  
General Demographics

*Exclusively Marketed by:*

**Andrew Hunter**  
Hunter Investors  
(425) 375-5200  
andrew@hunterinvestors.com

**HUNTER INVESTORS**

*Building Wealth through Real Estate*



# FERNWOOD BUILDING

01 Executive Summary

Investment Summary

## OFFERING SUMMARY

ADDRESS	19500 10th Ave NE Poulsbo WA 98370
COUNTY	Kitsap
MARKET	Kitsap
BUILDING SF	15,608 SF
NET RENTABLE AREA (SF)	11,445
LAND ACRES	4.73
YEAR BUILT	2007
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

PRICE	\$5,600,000
PRICE PSF	\$489.30
OCCUPANCY	100%
NOI (CURRENT)	\$417,181
NOI (Pro Forma)	\$419,429
CAP RATE (CURRENT)	7.45%
CASH ON CASH (CURRENT)	6.79%

## PROPOSED FINANCING

Quote 1 SOFR +2	
LOAN TYPE	Amortized
DOWN PAYMENT	\$1,960,000
LOAN AMOUNT	\$3,640,000
INTEREST RATE	6.10%
LOAN TERMS	10
ANNUAL DEBT SERVICE	\$284,120
LOAN TO VALUE	65%
AMORTIZATION PERIOD	25 Years

## DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2024 Population	8,024	21,104	45,214
2024 Median HH Income	\$90,877	\$104,405	\$105,191
2024 Average HH Income	\$123,821	\$136,239	\$137,094





## Class A Office Space

- The Fernwood Building presents an exceptional investment opportunity, offering a Class A office condominium with a strong financial profile and strategic location. With a current asking price of \$5,600,000, the property boasts 100% occupancy across its 11,445 net rentable square feet. Built in 2007, the property features a modern design, central lobby core, elevator, and durable steel and wood frame construction, complemented by cedar shake exterior siding and reserved underground parking, ensuring both aesthetic appeal and operational efficiency. The current Net Operating Income (NOI) stands at \$418,000 with a solid roster of tenants. Yielding an attractive current Cap Rate of 7.5% the property is priced to sell.
- Strong Financial Outlook: The Fernwood Building benefits from 100% occupancy and a solid, growing Net Operating Income, indicating strong financial health and increasing returns.
- Premium Property in a Desirable Area: This is a Class A office building, featuring modern design and durable construction, located in Poulsbo, Washington, a "charming waterfront town" with good access to regional hubs.
- Reliable Tenant Mix: The property boasts a stable and diverse tenant base, anchored by a major government tenant (FBI) with a long-term lease, ensuring consistent income streams and built-in rent growth opportunities.





02

## Location

Location Summary  
Aerial View Map

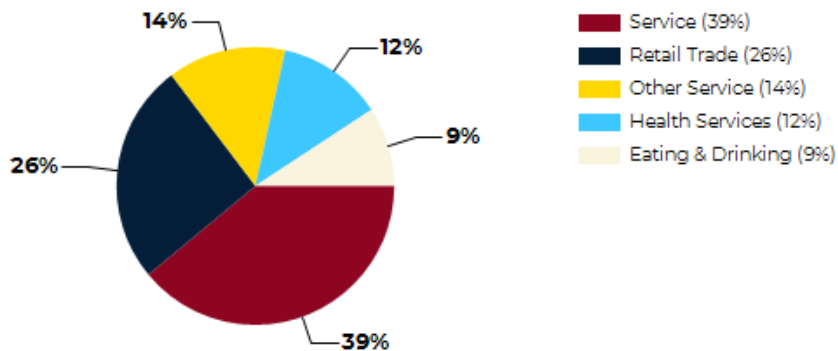
FERNWOOD BUILDING



## Grow with Poulsbo

- Poulsbo, Washington offers a balance of stable cash flow and long-term appreciation potential. The city combines high household incomes, a well-educated and growing population, and a limited supply of quality commercial space, which supports steady tenant demand. Located on Liberty Bay with convenient access to the greater Seattle market, Poulsbo provides businesses an attractive alternative to the higher rents and congestion of the urban core while maintaining strong demographics and community amenities that appeal to professional tenants.
- Downtown Poulsbo, also known as "Little Norway," is a popular tourist destination featuring quaint shops, restaurants, and the picturesque Liberty Bay waterfront.
- Strong Demographics: Median household income near \$95,800 and a steadily growing, well-educated population create a reliable office tenant base.
- Limited Competitive Supply: Few available office properties and constrained new construction help maintain occupancy and support rent growth.
- Strategic Location: Scenic waterfront setting with ferry and highway access to the Puget Sound region offers tenants proximity to Seattle at lower occupancy costs.

## Major Industries by Employee Count



**HUNTER INVESTORS**

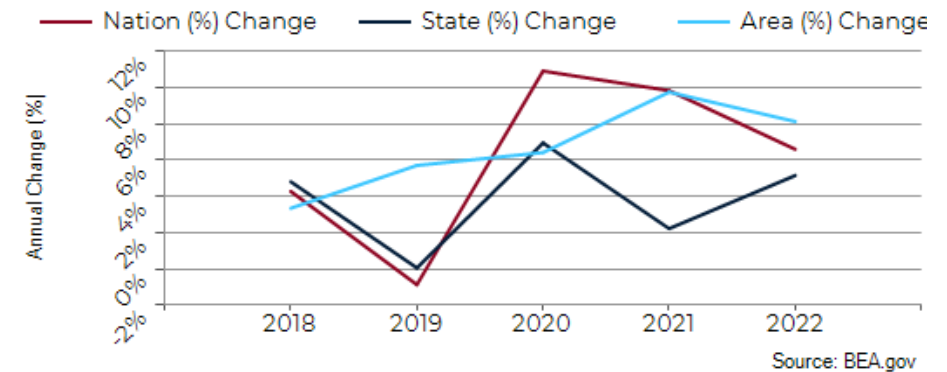
Building Wealth through Real Estate

Andrew Hunter  
(425) 375-5200  
andrew@hunterinvestors.com

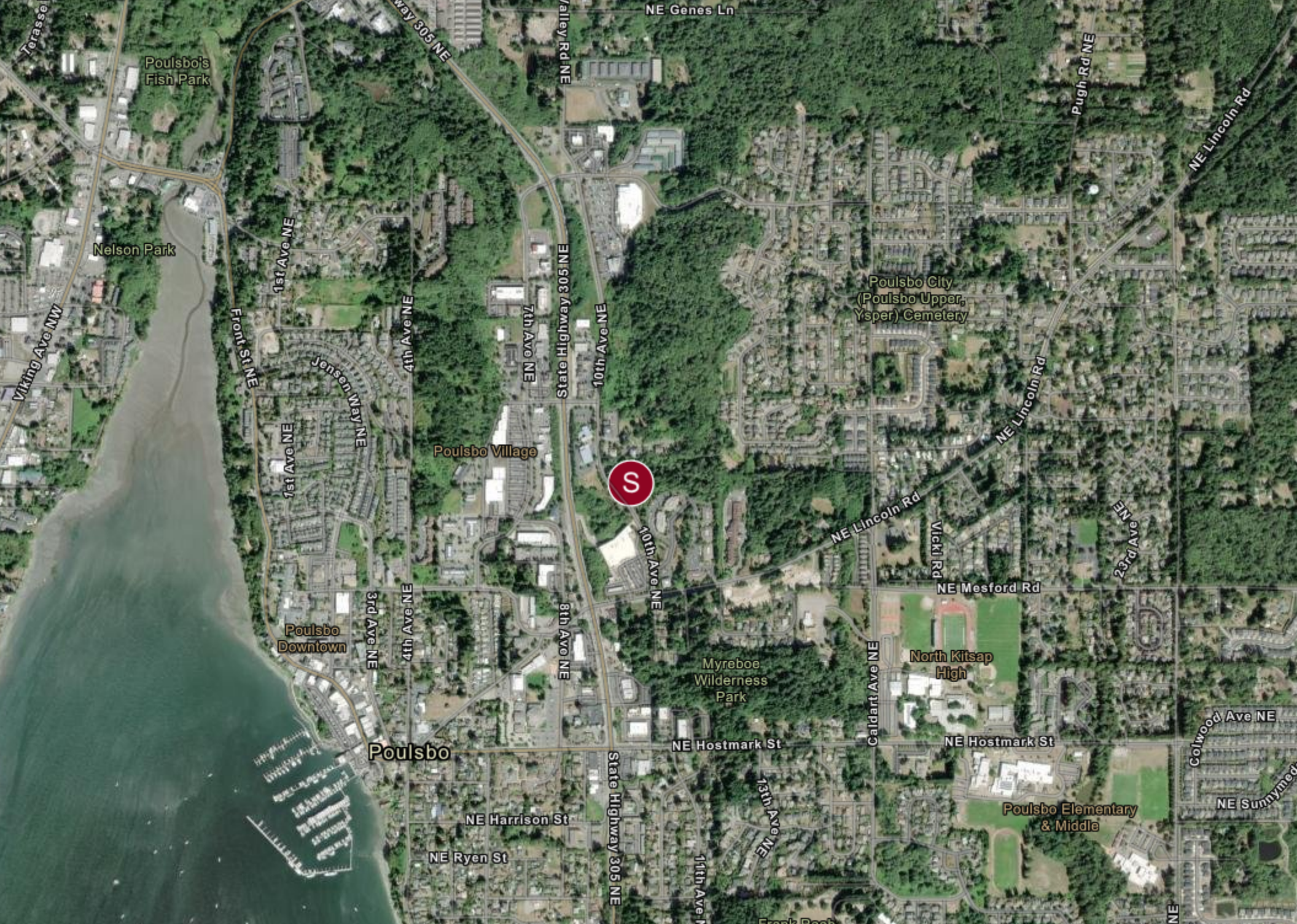
## Largest Employers

North Kitsap School District	857
Martha & Mary Health Services	372
Walmart	325
Town & Country Market	233
Watson Furniture Group	225
Gateway Fellowship & School / Christ Memorial Children's Learning Center	197
Safeway / Albertsons	170
Home Depot	125

## Kitsap County GDP Trend











03

## Property Description

Property Features

Property Images

# FERNWOOD BUILDING

## PROPERTY FEATURES

NUMBER OF TENANTS	4
BUILDING SF	15,608
NET RENTABLE AREA (SF)	11,445
LAND ACRES	4.73
YEAR BUILT	2007
# OF PARCELS	1
ZONING TYPE	C-3
BUILDING CLASS	A
LOCATION CLASS	A
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	96
PARKING RATIO	6.15
ELEVATOR	1
SUBTERRANEAN PARKING	15

## TENANT INFORMATION

MAJOR TENANT/S	FBI
----------------	-----











04

Rent Roll

Rent Roll

Lease Expiration

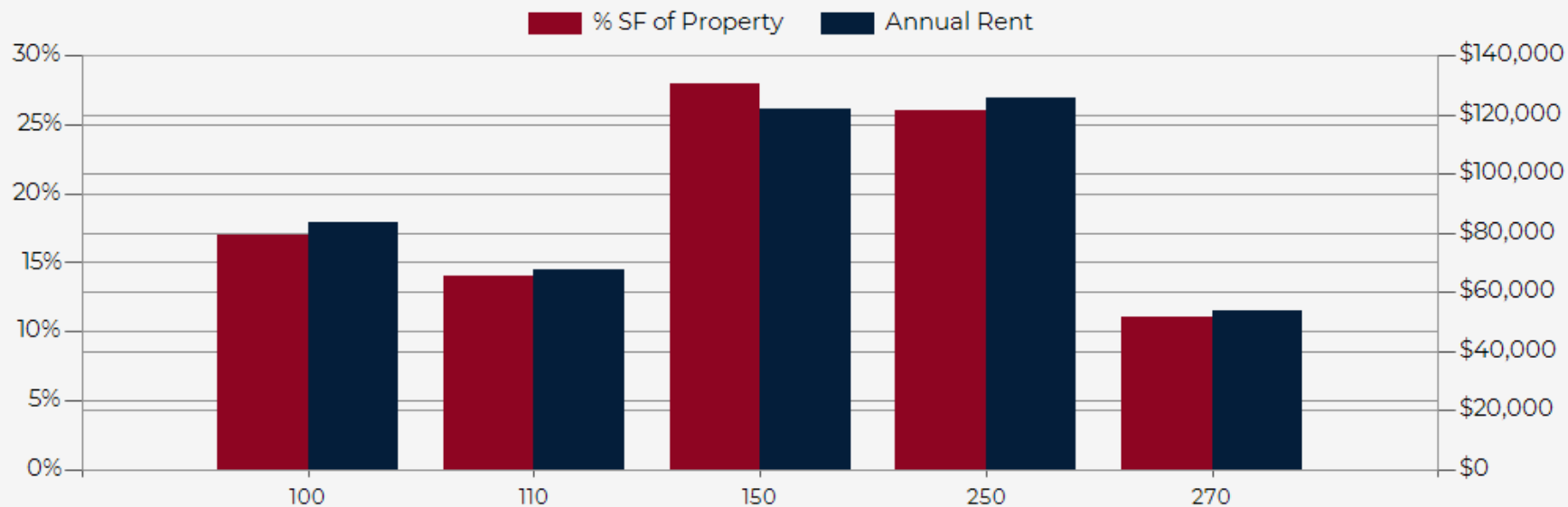
Tenant Profile

FERNWOOD BUILDING

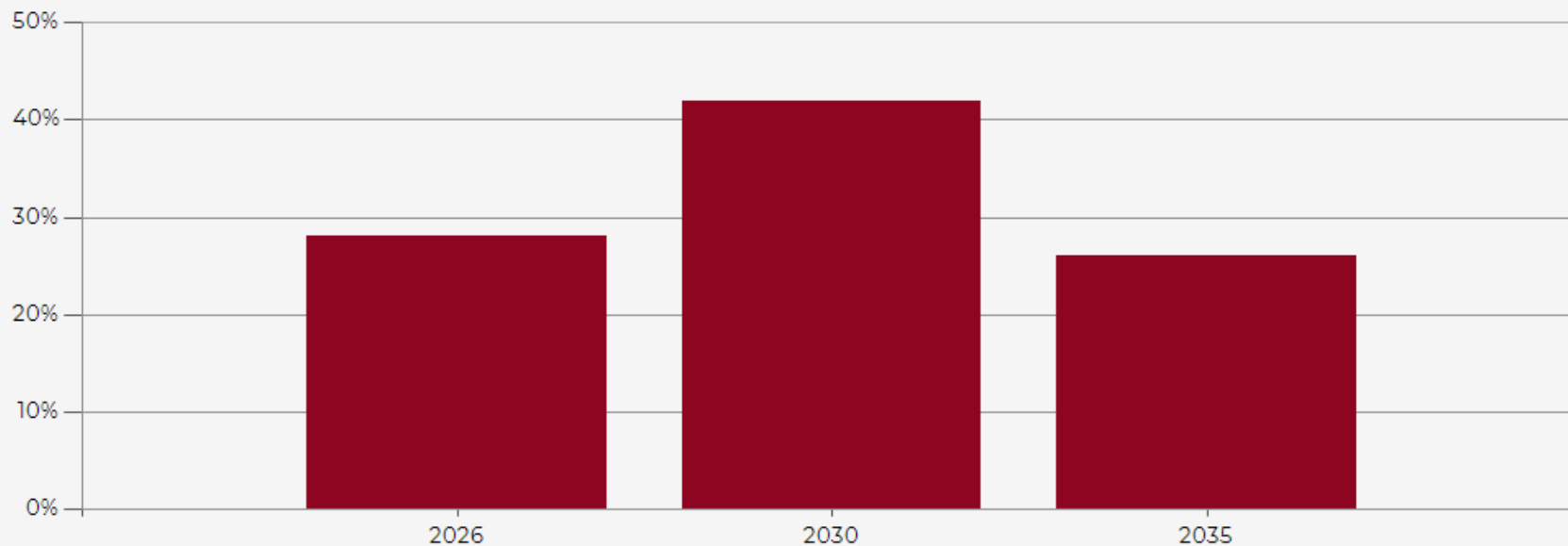


Suite	Tenant Name	Square Feet	% of NRA	Lease Term		Rental Rates						Lease Type	Options/Notes
				Lease Start	Lease End	Begin Date	Monthly	PSF	Annual	PSF	Expense Reimbursement Revenue Annual		
100	Manette Clinic	1,953	17.06%	06/01/21	06/01/26	CURRENT 01/01/2026	\$6,959 \$7,203	\$3.56 \$3.69	\$83,510 \$86,433	\$42.76 \$44.28	\$13,493	NNN	3.5% Annual Rent Bumps
110	Fernwood Office Suites	1,649	14.41%	09/01/25	09/01/30	CURRENT 01/01/2027	\$5,634 \$5,831	\$3.42 \$3.54	\$67,609 \$69,975	\$41.00 \$42.48	\$8,179	NNN	
150	Fernwood Office Suites	3,211	28.06%	09/01/25	09/01/30	CURRENT 01/01/2027	\$10,168 \$10,524	\$3.17 \$3.28	\$122,018 \$126,289	\$38.00 \$39.36	\$8,991	NNN	
250	FBI	2,986	26.09%	02/01/25	02/01/35	CURRENT 02/01/2033	\$10,488 \$13,110	\$3.51 \$4.39	\$125,860 \$157,325	\$42.15 \$52.68	\$26,665	Gross	Yearly CPI increase to CAMS
270	United Health Care	1,248	10.90%	08/01/21	08/01/26	CURRENT 01/01/2027	\$4,461 \$4,594	\$3.57 \$3.68	\$53,527 \$55,133	\$42.89 \$44.16	\$7,413	NNN	Operating as Refresh Mental Health
Totals:		11,047					\$37,710				\$64,741		

## Tenant SF Analysis



## Lease Expiration Summary







### Company

Trade Name	Federal Bureau of Investigation
Headquartered	Washington, D.C.
# of Locations	56 field offices and over 400 resident agencies ac
Website	<a href="https://www.fbi.gov/">https://www.fbi.gov/</a>

### Description

The Federal Bureau of Investigation (FBI) is a premier federal law enforcement agency dedicated to safeguarding the United States from various threats, including terrorism, cybercrime, and public corruption. With a vast network of field offices and resident agencies nationwide, the FBI ensures the enforcement of federal laws and the protection of citizens. Its commitment to justice and national security has earned it a reputation for excellence and trustworthiness in the realm of law enforcement.



### Company

Trade Name	United Healthcare
Headquartered	Minneapolis, Minnesota
# of Locations	Over 400 locations nationwide
Website	<a href="https://www.uhc.com">https://www.uhc.com</a>

### Description

UnitedHealthcare is a leading health insurance provider dedicated to improving the health and well-being of its members. With a vast network of healthcare professionals and facilities, they offer comprehensive coverage options tailored to individual needs. Their commitment to innovation and customer service ensures accessible, high-quality care for millions across the United States.



## Company

Trade Name	Manette Clinic Poulsbo
Headquartered	Poulsbo, WA
# of Locations	2 locations
Website	<a href="https://themanetteclinic.com/">https://themanetteclinic.com/</a>

## Description

The Manette Clinic, established in 2015, offers personalized primary healthcare through a membership-based model. With locations in Bremerton and Poulsbo, WA, they provide accessible and comprehensive medical care tailored to individual needs. Their dedicated team ensures patients receive high-quality, patient-centered services, fostering a welcoming environment for all. The clinic's commitment to flexibility and collaboration makes it a trusted choice for many seeking proactive healthcare solutions.



## Company

Trade Name	Fernwood Professional Suites
Headquartered	Bainbridge Island, WA
# of Locations	2 Locations

## Description

Fernwood Professional Suites offers individual professional offices ranging from 100 to 200 square feet, designed for solo practitioners, consultants, and small teams who value a quiet, professional environment. Each suite provides a flexible, turnkey workspace with high-speed internet, shared conference facilities, and convenient parking, all within a well-maintained building that conveys credibility to clients and colleagues alike.





05

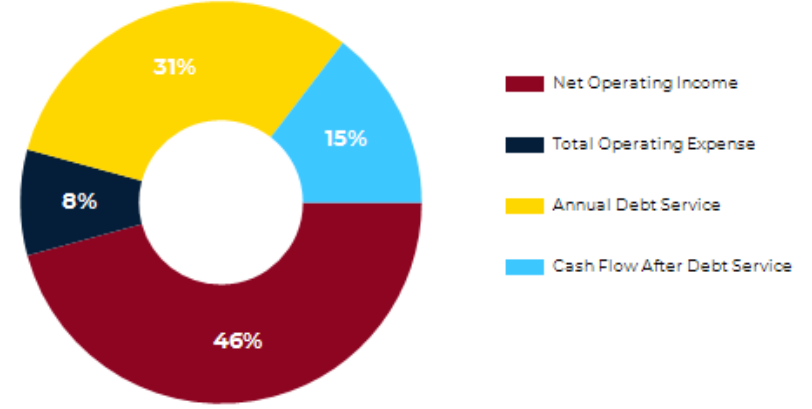
## Financial Analysis

- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics
- Disposition Sensitivity Analysis

## REVENUE ALLOCATION

CURRENT

INCOME	CURRENT		PRO FORMA	
Gross Scheduled Rent	\$452,522	87.5%	\$455,445	87.4%
Expense Reimbursement Revenue	\$64,741	12.5%	\$65,591	12.6%
<b>Total Gross Revenue</b>	<b>\$517,263</b>		<b>\$521,036</b>	
General Vacancy	-5.00%		-5.00%	
<b>Effective Gross Income</b>	<b>\$494,637</b>		<b>\$498,264</b>	
Less Expenses	\$77,456	15.65%	\$78,835	15.82%
<b>Net Operating Income</b>	<b>\$417,181</b>		<b>\$419,429</b>	
Annual Debt Service	\$284,120		\$284,120	
<b>Cash flow</b>	<b>\$133,061</b>		<b>\$135,308</b>	
Debt Coverage Ratio	1.47		1.48	

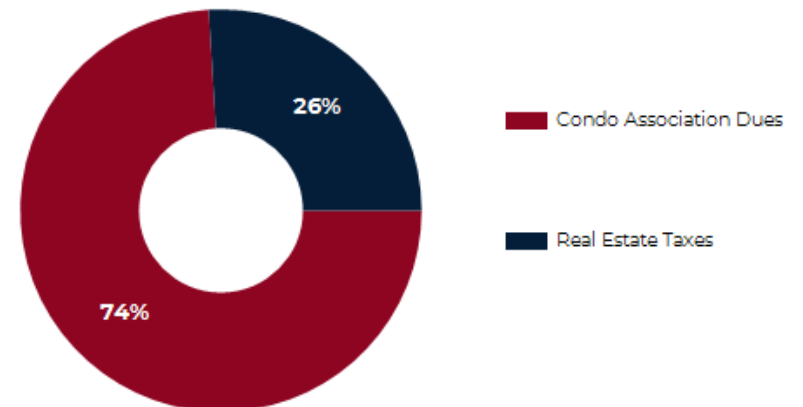


EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$20,115	\$21,464
Condo Association Dues	\$57,341	\$57,371
<b>Total Operating Expense</b>	<b>\$77,456</b>	<b>\$78,835</b>
Annual Debt Service	\$284,120	\$284,120
Expense / SF	\$6.77	\$6.89
% of EGI	15.65%	15.82%

**Expense Notes:** Condo Association Dues Cover Insurance / Common Area Maintenance

## DISTRIBUTION OF EXPENSES

CURRENT





## GLOBAL

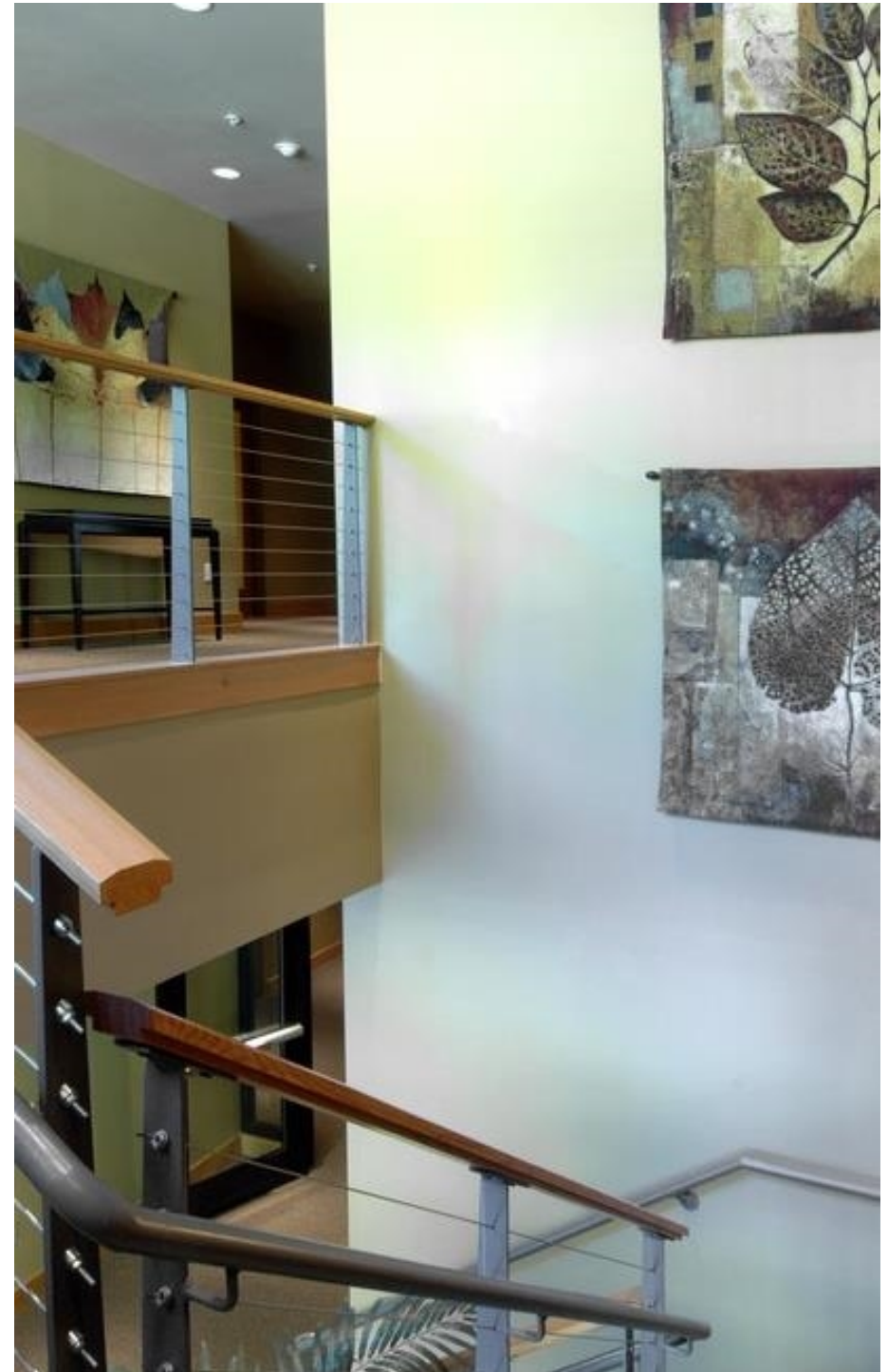
Price	\$5,600,000
Analysis Period	10 year(s)
Millage Rate	0.36000%
Exit Cap Rate	6.50%
General Vacancy	5.00%

## EXPENSES - Growth Rates

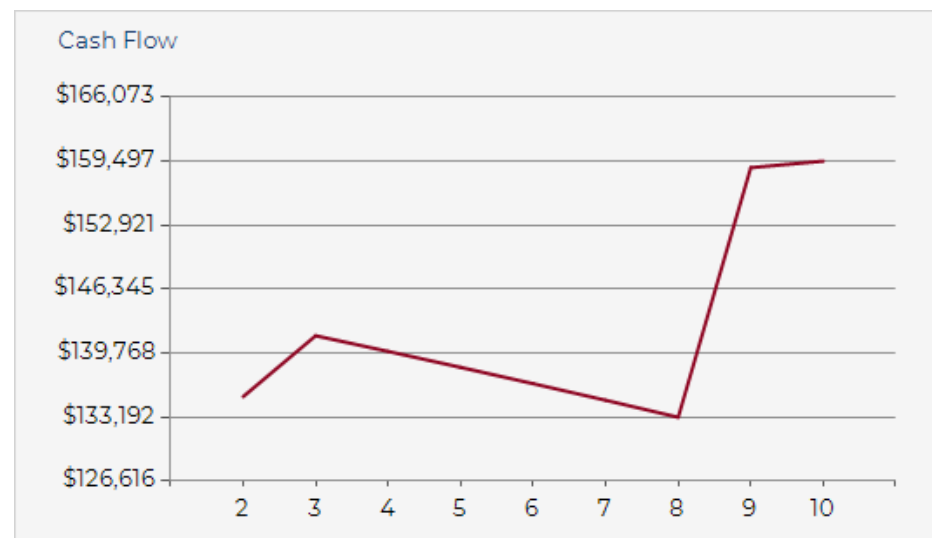
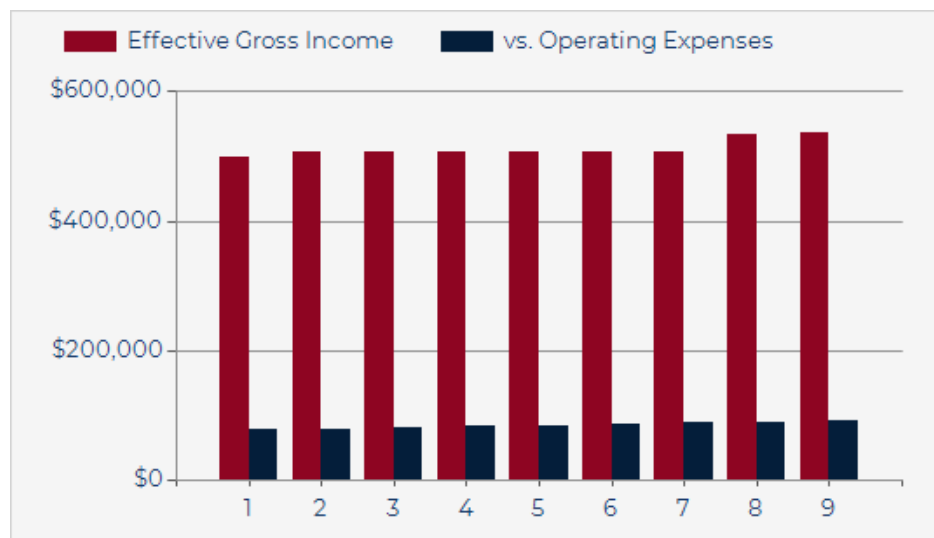
Real Estate Taxes	2.00%
Condo Association Dues	2.00%

## PROPOSED FINANCING

Quote 1 SOFR +2	
Loan Type	Amortized
Down Payment	\$1,960,000
Loan Amount	\$3,640,000
Interest Rate	6.10%
Loan Terms	10
Annual Debt Service	\$284,120
Loan to Value	65%
Amortization Period	25 Years



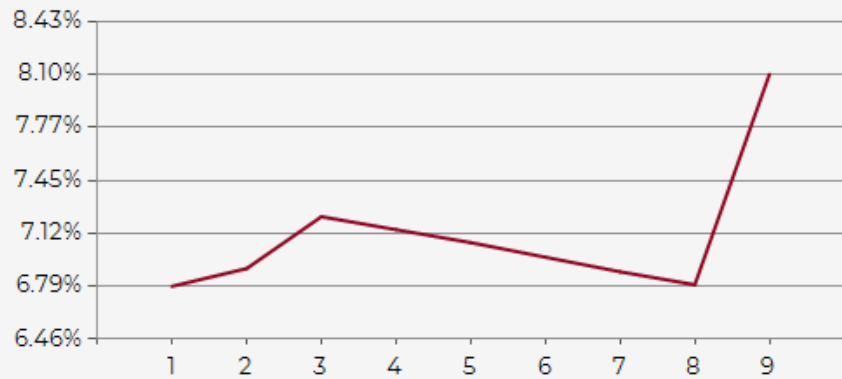
Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Revenue</b>										
Gross Scheduled Rent	\$452,522	\$455,445	\$463,687	\$463,687	\$463,687	\$463,687	\$463,687	\$463,687	\$492,529	\$495,152
Expense Reimbursement Revenue	\$64,741	\$65,591	\$65,591	\$65,591	\$65,591	\$65,591	\$65,591	\$65,591	\$65,591	\$65,591
<b>Total Gross Revenue</b>	<b>\$517,263</b>	<b>\$521,036</b>	<b>\$529,278</b>	<b>\$529,278</b>	<b>\$529,278</b>	<b>\$529,278</b>	<b>\$529,278</b>	<b>\$529,278</b>	<b>\$558,120</b>	<b>\$560,743</b>
General Vacancy	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%
<b>Effective Gross Income</b>	<b>\$494,637</b>	<b>\$498,264</b>	<b>\$506,094</b>	<b>\$506,094</b>	<b>\$506,094</b>	<b>\$506,094</b>	<b>\$506,094</b>	<b>\$506,094</b>	<b>\$533,494</b>	<b>\$535,985</b>
<b>Operating Expenses</b>										
Real Estate Taxes	\$20,115	\$21,464	\$21,893	\$22,331	\$22,778	\$23,233	\$23,698	\$24,172	\$24,655	\$25,148
Condo Association Dues	\$57,341	\$57,371	\$58,518	\$59,689	\$60,883	\$62,100	\$63,342	\$64,609	\$65,901	\$67,219
<b>Total Operating Expense</b>	<b>\$77,456</b>	<b>\$78,835</b>	<b>\$80,412</b>	<b>\$82,020</b>	<b>\$83,660</b>	<b>\$85,334</b>	<b>\$87,040</b>	<b>\$88,781</b>	<b>\$90,557</b>	<b>\$92,368</b>
<b>Net Operating Income</b>	<b>\$417,181</b>	<b>\$419,429</b>	<b>\$425,682</b>	<b>\$424,074</b>	<b>\$422,433</b>	<b>\$420,760</b>	<b>\$419,053</b>	<b>\$417,313</b>	<b>\$442,937</b>	<b>\$443,618</b>
Annual Debt Service	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120	\$284,120
<b>Cash Flow</b>	<b>\$133,061</b>	<b>\$135,308</b>	<b>\$141,562</b>	<b>\$139,953</b>	<b>\$138,313</b>	<b>\$136,640</b>	<b>\$134,933</b>	<b>\$133,192</b>	<b>\$158,817</b>	<b>\$159,497</b>



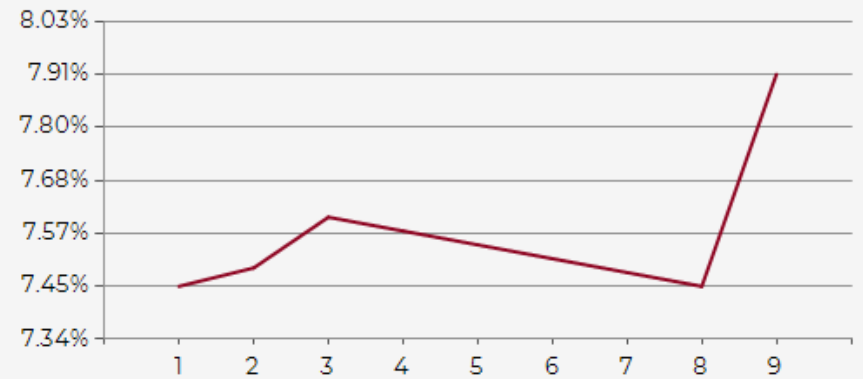


Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash on Cash Return b/t	6.79%	6.90%	7.22%	7.14%	7.06%	6.97%	6.88%	6.80%	8.10%	8.14%
CAP Rate	7.45%	7.49%	7.60%	7.57%	7.54%	7.51%	7.48%	7.45%	7.91%	7.92%
Debt Coverage Ratio	1.47	1.48	1.50	1.49	1.49	1.48	1.47	1.47	1.56	1.56
Operating Expense Ratio	15.65%	15.82%	15.88%	16.20%	16.53%	16.86%	17.19%	17.54%	16.97%	17.23%
Loan to Value	65.00%	63.87%	62.64%	61.35%	59.98%	58.53%	56.99%	55.36%	53.64%	51.77%
Breakeven Ratio	69.90%	69.66%	68.87%	69.18%	69.49%	69.80%	70.13%	70.45%	67.13%	67.14%
Price / SF	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30	\$489.30
Income / SF	\$43.21	\$43.53	\$44.21	\$44.21	\$44.21	\$44.21	\$44.21	\$44.21	\$46.61	\$46.83
Expense / SF	\$6.76	\$6.88	\$7.02	\$7.16	\$7.30	\$7.45	\$7.60	\$7.75	\$7.91	\$8.07

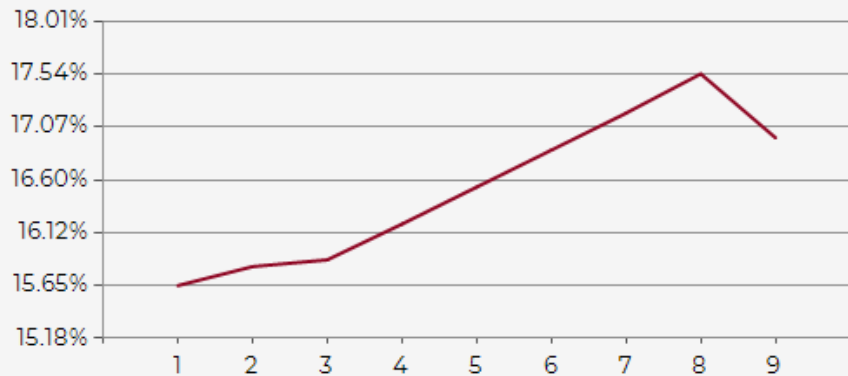
**Cash on Cash**



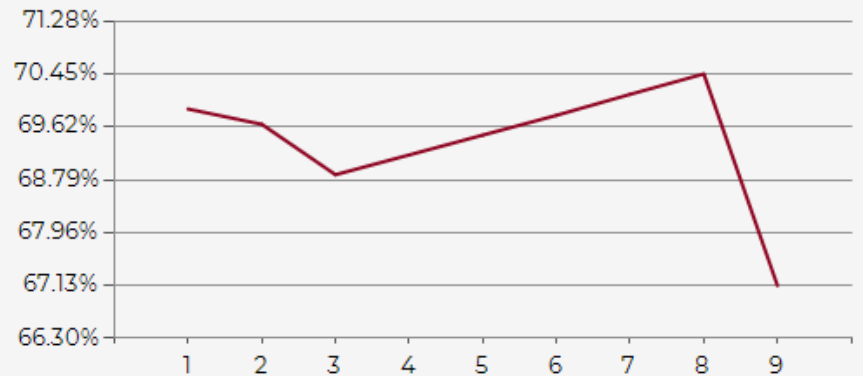
**Cap Rate**



**Operating Expense Ratio**



**Breakeven Ratio**



## 5 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	LEVERED IRR
5.50%	\$7,680,606	\$492	\$4,338,300	22.51%
5.75%	\$7,346,666	\$471	\$4,004,360	20.79%
6.00%	\$7,040,555	\$451	\$3,698,249	19.12%
6.25%	\$6,758,933	\$433	\$3,416,627	17.49%
<b>6.50%</b>	<b>\$6,498,974</b>	<b>\$416</b>	<b>\$3,156,668</b>	<b>15.89%</b>
6.75%	\$6,258,271	\$401	\$2,915,965	14.33%
7.00%	\$6,034,762	\$387	\$2,692,456	12.79%
7.25%	\$5,826,666	\$373	\$2,484,360	11.28%
7.50%	\$5,632,444	\$361	\$2,290,138	9.78%

## 10 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	LEVERED IRR
5.50%	\$8,065,775	\$517	\$4,996,816	14.80%
5.75%	\$7,715,089	\$494	\$4,646,130	14.14%
6.00%	\$7,393,627	\$474	\$4,324,668	13.50%
6.25%	\$7,097,882	\$455	\$4,028,923	12.87%
<b>6.50%</b>	<b>\$6,824,887</b>	<b>\$437</b>	<b>\$3,755,928</b>	<b>12.26%</b>
6.75%	\$6,572,113	\$421	\$3,503,154	11.67%
7.00%	\$6,337,395	\$406	\$3,268,436	11.09%
7.25%	\$6,118,864	\$392	\$3,049,905	10.52%
7.50%	\$5,914,902	\$379	\$2,845,943	9.97%





06

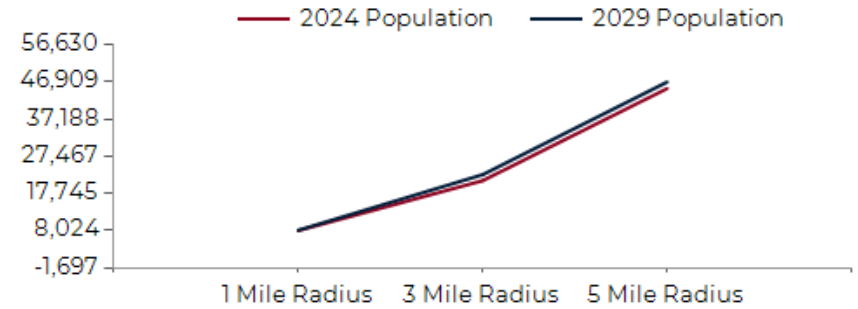
Demographics

General Demographics

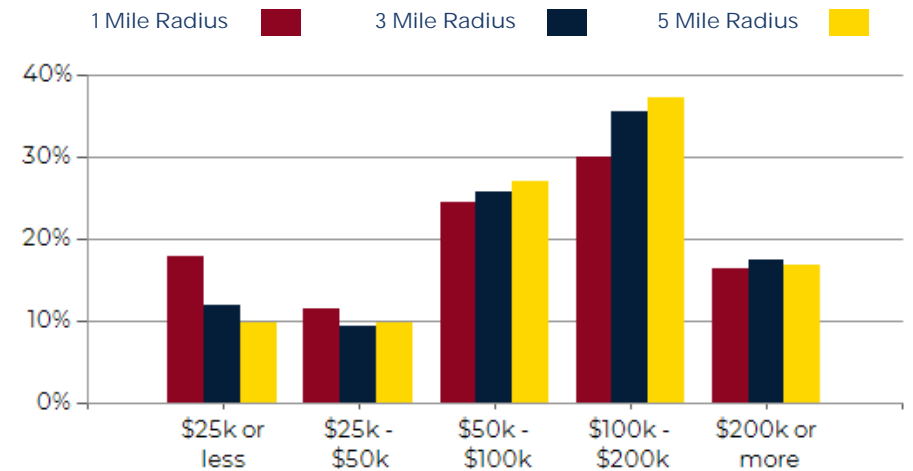
FERNWOOD BUILDING

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	5,626	14,057	35,872
2010 Population	6,787	17,258	38,983
2024 Population	8,024	21,104	45,214
2029 Population	8,114	22,665	46,909
2024 African American	95	261	898
2024 American Indian	84	419	1,126
2024 Asian	410	1,028	2,220
2024 Hispanic	931	2,061	4,477
2024 Other Race	322	718	1,533
2024 White	6,188	16,221	34,247
2024 Multiracial	898	2,370	4,947
2024-2029: Population: Growth Rate	1.10%	7.20%	3.70%

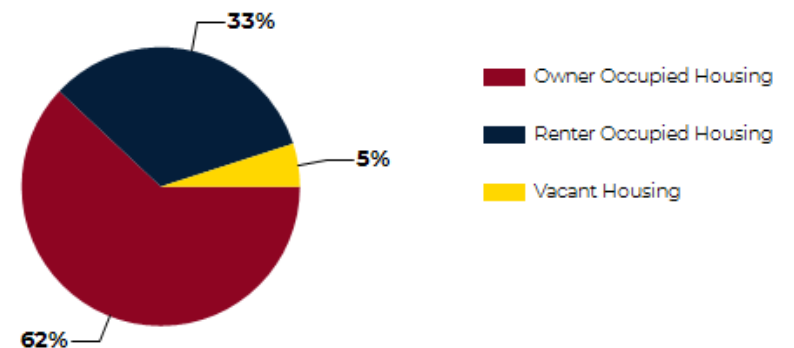
2024 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	430	688	1,182
\$15,000-\$24,999	191	298	463
\$25,000-\$34,999	107	225	435
\$35,000-\$49,999	288	557	1,195
\$50,000-\$74,999	431	1,055	2,137
\$75,000-\$99,999	420	1,089	2,398
\$100,000-\$149,999	768	1,857	3,993
\$150,000-\$199,999	273	1,100	2,267
\$200,000 or greater	568	1,453	2,817
Median HH Income	\$90,877	\$104,405	\$105,191
Average HH Income	\$123,821	\$136,239	\$137,094



## 2024 Household Income



## 2024 Own vs. Rent - 1 Mile Radius



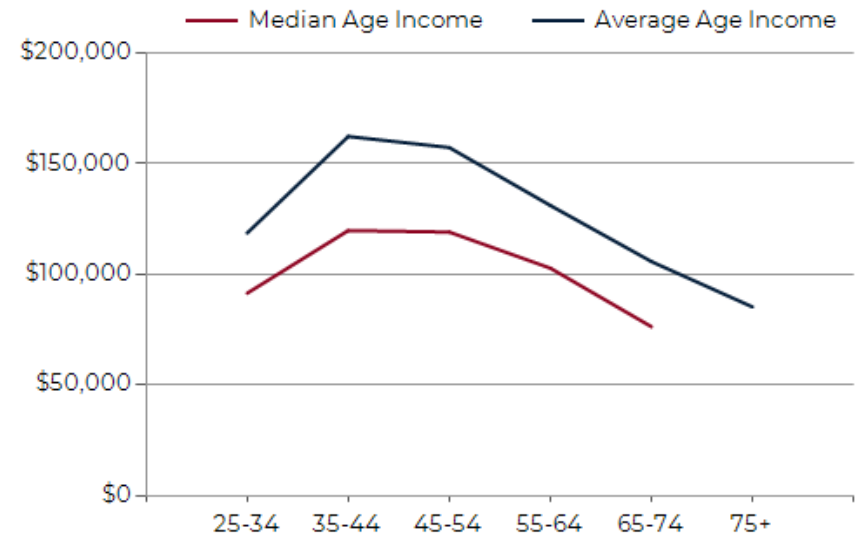
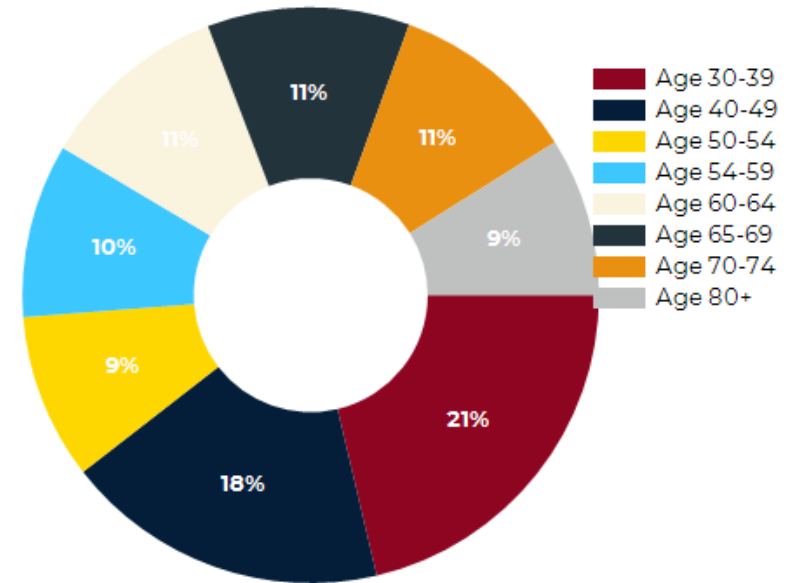
Source: esri



2024 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2024 Population Age 30-34	516	1,275	2,833
2024 Population Age 35-39	546	1,436	2,941
2024 Population Age 40-44	474	1,405	2,870
2024 Population Age 45-49	431	1,245	2,458
2024 Population Age 50-54	463	1,265	2,487
2024 Population Age 55-59	486	1,338	2,621
2024 Population Age 60-64	531	1,441	2,884
2024 Population Age 65-69	565	1,485	2,991
2024 Population Age 70-74	525	1,303	2,630
2024 Population Age 75-79	444	989	1,982
2024 Population Age 80-84	292	604	1,130
2024 Population Age 85+	380	651	1,014
2024 Population Age 18+	6,732	17,055	36,678
2024 Median Age	46	44	41
2029 Median Age	47	45	42

2024 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$91,466	\$105,208	\$103,892
Average Household Income 25-34	\$118,713	\$132,636	\$130,338
Median Household Income 35-44	\$119,815	\$134,721	\$130,669
Average Household Income 35-44	\$162,408	\$168,159	\$165,987
Median Household Income 45-54	\$119,146	\$134,223	\$130,124
Average Household Income 45-54	\$157,382	\$167,944	\$165,282
Median Household Income 55-64	\$102,793	\$113,155	\$115,058
Average Household Income 55-64	\$131,163	\$148,433	\$153,099
Median Household Income 65-74	\$76,293	\$87,671	\$93,287
Average Household Income 65-74	\$105,789	\$117,128	\$123,466
Average Household Income 75+	\$85,277	\$89,223	\$91,253

Population By Age



# Fernwood Building

## CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Hunter Investors and it should not be made available to any other person or entity without the written consent of Hunter Investors.

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to Hunter Investors. This offering memorandum has been prepared to provide summary, unverified financial and physical 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. Hunter Investors 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 local, state and federal regulations, the physical condition of the improvements thereon, or 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 this offering memorandum has been obtained from sources we believe reliable; however, Hunter Investors has not verified, and will not verify, any of the information contained herein, nor has Hunter Investors 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

*Exclusively Marketed by:*

**Andrew Hunter**

Hunter Investors

(425) 375-5200

[andrew@hunterinvestors.com](mailto:andrew@hunterinvestors.com)

**HUNTER INVESTORS**

*Building Wealth through Real Estate*