

An aerial photograph of the Arden Park Apartments complex. The complex consists of several interconnected, two-story yellow buildings with grey roofs. A central courtyard features a swimming pool and a small lawn. Numerous parking spaces with cars are visible around the buildings. In the background, there are commercial buildings, more trees, and a body of water under a cloudy sky.

Arden Park

APARTMENTS

OFFERING

Paragon Real Estate Advisors is pleased to offer for sale the Arden Park Apartments, a 36-unit community located in Kent, Washington. This central and walkable location offers convenient access to many restaurants, shopping centers and services including Kent Station & Sounder Train Station. Many large capital improvements were recently completed including new roofs, asphalted and stripped parking lots, ductless heating and cooling units, updates to common areas and 10 units have received complete renovations. Arden Park offers an investor a stabilized investment with a tenant waiting list in a quickly growing market with 10-15% rental upside on unit turns.

| | |
|-----------------|---|
| NAME | Arden Park Apartments |
| ADDRESS | 23817 108th Ave SE, Kent WA 98031 |
| TOTAL UNITS | 36 (18 Duplexes) |
| BUILT | 1968 |
| SQUARE FEET | 37,740 Total Net Rentable (Per Appraisal) |
| PRICE | \$7,400,000 |
| PRICE PER UNIT | \$205,556 |
| PRICE PER FOOT | \$196.08 |
| CURRENT GRM/CAP | 11.8/5.0% |
| MARKET GRM/CAP | 10.9/5.6% |
| LOT SIZE | 48,454 Square Feet (1.11 Acres) |
| ZONING | MR-M |

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information and bears all risk for inaccuracies.



PARCEL MAP



LOCATION HIGHLIGHTS

- Directly East of the Kent Station Shopping Center and Sounder Train
- Walking distance to the core retail shopping area
- South King County is benefiting substantially from Seattle's high cost of living, pushing tenants to move further from Seattle's core
- Kent Valley's industrial core and employment continues to expand from the efforts of Seattle growth
- All apartment units averaging 1,048 square feet
- Base rents have an additional 10-15% in upside
- Substantial capital improvements completed in the past two years
- New ductless heating and cooling system
- Corner lot consisting of 19 tax parcels



EMPLOYMENT



Port
of Seattle®
Seattle-Tacoma
International Airport



Westfield
SOUTHCENTER

BOEING



PACCAR



amazon.com



Fred Meyer



Arden Park
APARTMENTS

POPULATION, EDUCATION, INCOME

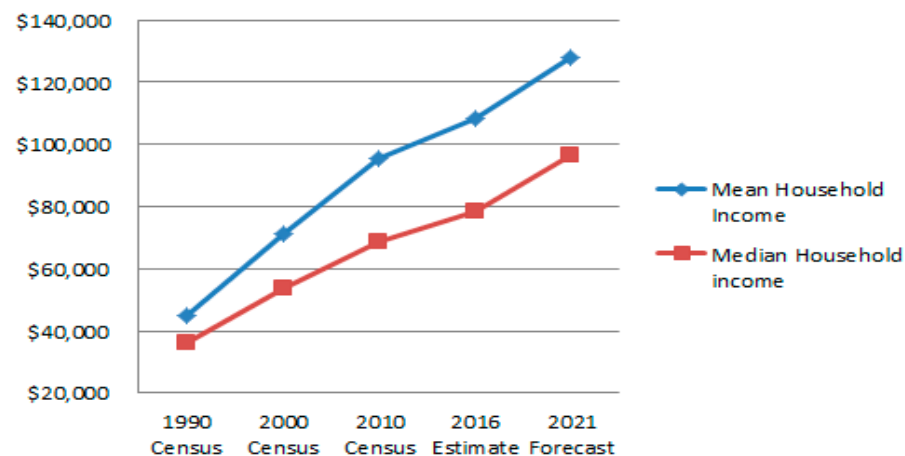
King County contains estimated 872,411 households. This number is forecast to increase to more than 912,000 by the year 2021. The county currently has 18 cities with populations greater than 20,000.

Seattle is one of the most educated cities in the United States. Over 57 percent of Seattle's adult residents have a Bachelor's degree or higher, nearly twice the national average. An educated city means an educated workforce—a solid backbone for the innovative, knowledge-based industries that drive Seattle's economy. King County also boasts high educational attainment, with 47 percent of residents over 25 having received a Bachelor's degree or higher.

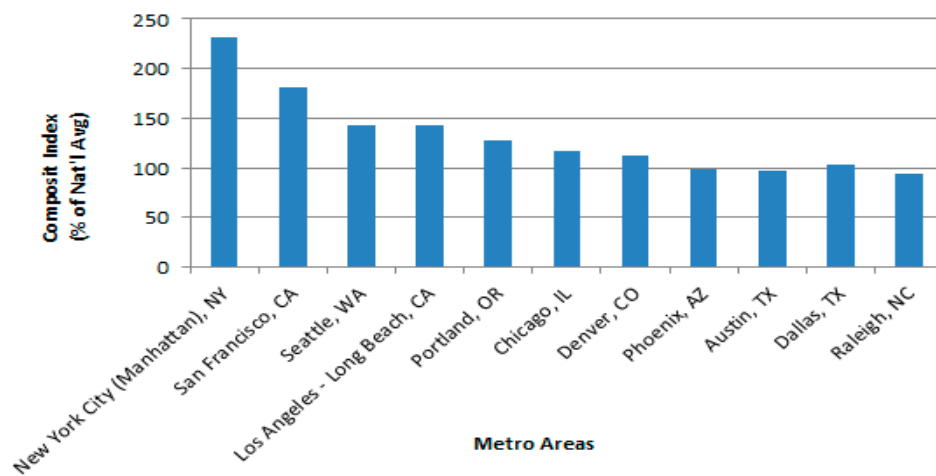
Roughly 28 percent of King County residents are in professional business/managerial positions. As a result, median household income in King County is well above the U.S. average. Cost of living is generally higher than the U.S. average, but it is in line with other metropolitan areas with similar income levels.

| TOP KING COUNTY EMPLOYERS | FTE EMPLOYEES IN WA |
|---------------------------|---------------------|
| The Boeing Co | 81,919 |
| Microsoft Corp. | 43,031 |
| University of Washington | 30,200 |
| Amazon.com Inc | 24,700 |
| Starbucks Corp | 13,400 |
| Swedish Health Services | 11,239 |
| City of Seattle | 10,758 |
| Costco Wholesale Corp | 10,080 |
| Nordstrom | 9,264 |
| Group Health Cooperative | 8,982 |

King County Household Income



Cost of Living Comparison with Competitive US Metro Areas



THE NEIGHBORHOOD

Arden Park APARTMENTS



INVESTMENT HIGHLIGHTS

- Recent substantial capital improvements
- New asphalt parking lots
- Newer roofs
- New ductless heating and cooling units
- Renovated rental office
- Heated outdoor swimming pool
- Air conditioned units
- Vaulted ceilings on the upper floor units
- Spacious two and three bedroom flats
- Full size washer and dryer in all units
- Powder coated aluminum fencing
- Rental and management upside
- Excellent reposition opportunity
- Walk Score of 75 - Very walkable for most errands



IMPROVEMENTS

The Arden Park Apartments were constructed in 1968 as 18 separately parceled duplexes totaling 36 units. It was constructed with a high level of design featuring spacious flats with vaulted ceilings (upper floors), full size washers and dryers, patios/decks and pitched composition roofs. At the center of the property is renovated clubhouse (currently used as a leasing office) and an outdoor pool.

- Garden style apartment complex
- All two and three-bedroom units
- 18 separately parceled duplexes
- Outdoor pool and recreational area
- Separate leasing office with restroom
- Upper floor units have vaulted ceilings
- Full size washer and dryer in all units
- All new ductless heating and cooling units
- Air conditioned apartments
- Private patio or decks
- Pitched composition roofs
- 60 parking stalls on-site
- Newly asphalted and striped parking lots
- New aluminum powered coated fence
- 10 units have been completely renovated



LEASING OFFICE



OUTDOOR POOL

BUILDING PHOTOS



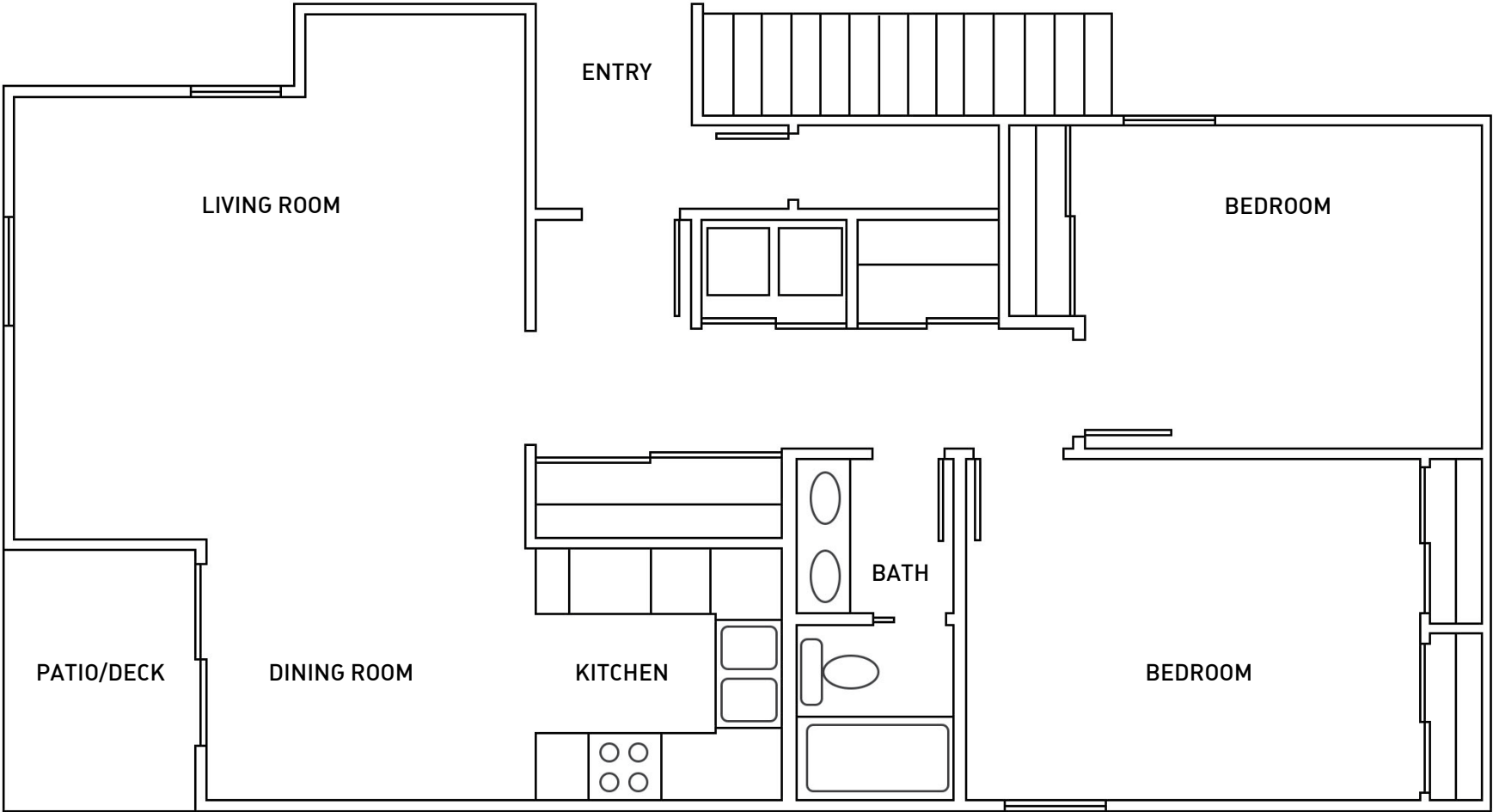
UNIT PHOTOS



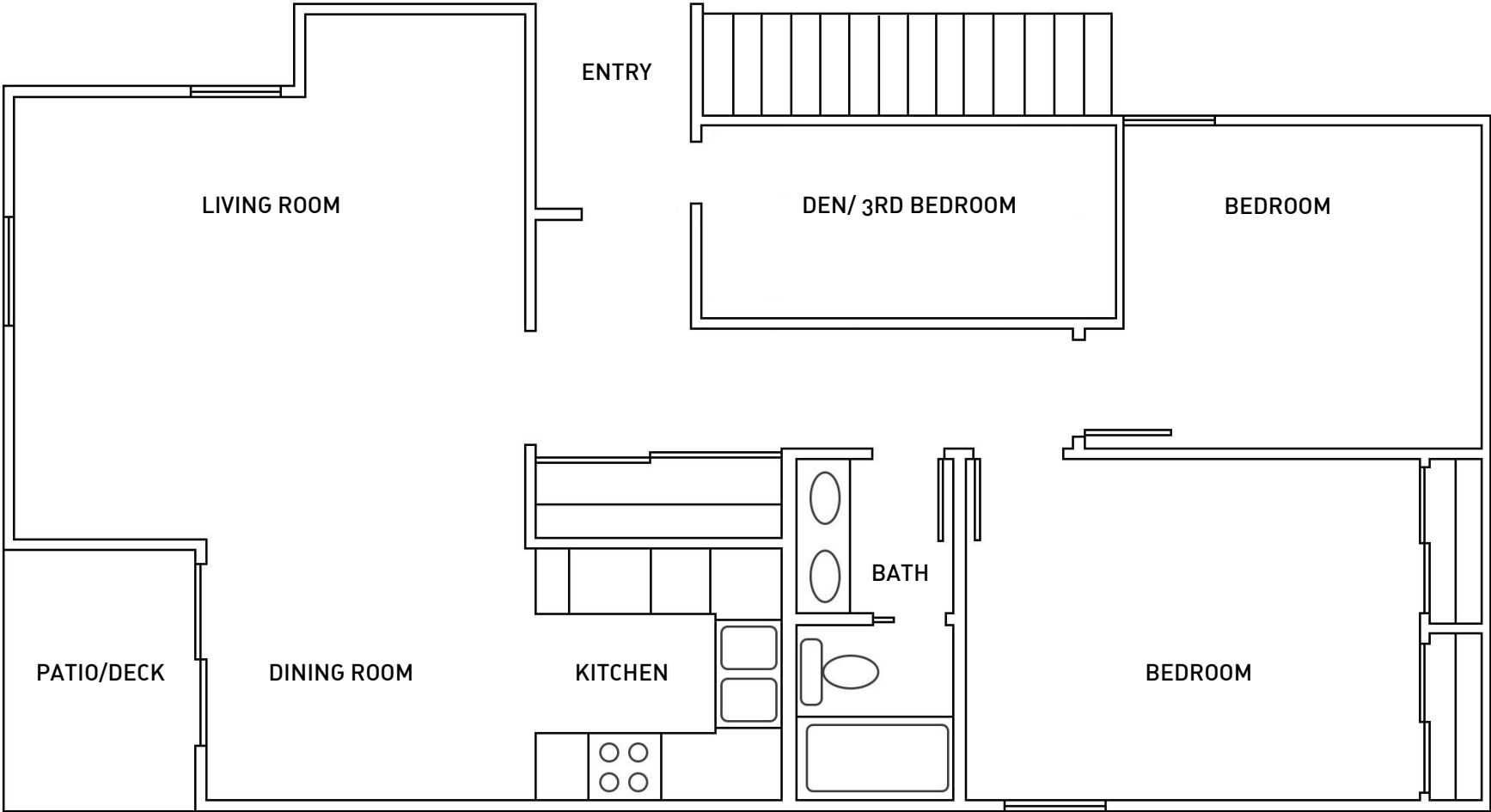
UNIT PHOTOS



TYPICAL UNIT FLOOR PLAN 2BD/1BTH



TYPICAL UNIT FLOOR PLAN 2BD/1BTH/DEN



Unit Breakdown

Arden Park APARTMENTS

| UNIT | TYPE | APPROX UNIT SIZE | CURRENT RENT | MARKET RENT |
|------|--------------------|---------------------|-----------------|----------------|
| 1 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,070 | \$1,350 |
| 2 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 3 | 2 Bd/1 Bth * | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 4 | 2 Bd/1 Bth * | 1,048 Sq.Ft. | \$1,300 | \$1,350 |
| 5 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 6 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 7 | 2 Bd/1 Bth + Den * | 1,048 Sq.Ft. | \$1,200 | \$1,400 |
| 8 | 2 Bd/1 Bth + Den * | 1,048 Sq.Ft. | \$1,200 | \$1,400 |
| 9 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 10 | 2 Bd/1 Bth * | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 11 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 12 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 13 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 14 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 15 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 16 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 17 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 18 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |

| UNIT | TYPE | APPROX UNIT SIZE | CURRENT RENT | MARKET RENT |
|------|--------------------|---------------------|-----------------|----------------|
| 19 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 20 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 21 | 3 Bd/1 Bth | 1,048 Sq.Ft. | \$1,245 | \$1,400 |
| 22 | 3 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,400 |
| 23 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 24 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 25 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 26 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 27 | 2 Bd/2 Bth + Den * | 1,048 Sq.Ft. | \$1,500 | \$1,500 |
| 28 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 29 | 2 Bd/1 Bth * | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 30 | 3 Bd/2 Bth * | 1,048 Sq.Ft. | \$1,300 | \$1,450 |
| 31 | 2 Bd/1 Bth + Den * | 1,048 Sq.Ft. | \$1,300 | \$1,400 |
| 32 | 2 Bd/1 Bth + Den * | 1,048 Sq.Ft. | \$1,250 | \$1,400 |
| 33 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 34 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 35 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,200 | \$1,350 |
| 36 | 2 Bd/1 Bth | 1,048 Sq.Ft. | \$1,100 | \$1,350 |

* Major Unit Update

Income and Expenses

| | | | |
|---------------|-------------|-------------|-------------|
| Units | 36 | Price | \$7,400,000 |
| Year Built | 1968 | Per Unit | \$205,556 |
| Rentable Area | 37,740 | Per Sq. Ft. | \$196.08 |
| Down Pmt | \$2,590,000 | Current GRM | 11.79 |
| Loan Amount | \$4,810,000 | Current CAP | 5.00% |
| Interest Rate | 3.91% | Market GRM | 10.92 |
| Amortization | 30 years | Market CAP | 5.62% |

| UNITS | UNIT TYPE | SIZE | CURRENT RENT | MARKET RENT |
|-----------|------------------|--------------|-----------------|---------------|
| 28 | 2Bd/1Bth | 1,048 | \$1,070-\$1,300 | \$1,350 |
| 4 | 2Bd/1Bth/Den | 1,048 | \$1,200-\$1,300 | \$1,400 |
| 1 | 2Bd/2Bth/Den | 1,048 | \$1,500 | \$1,500 |
| 2 | 3Bd/1Bth | 1,048 | \$1,200-\$1,245 | \$1,400 |
| 1 | 3Bd/1Bth | 1,048 | \$1,300 | \$1,450 |
| 36 | Total/Avg | 1,048 | \$1.19 | \$1.30 |

| MONTHLY INCOME | CURRENT | MARKET |
|-------------------------------|-----------------|-----------------|
| Gross Potential Rent | \$44,965 | \$49,150 |
| Utility Bill Back | \$4,655 | \$4,655 |
| Parking Income | \$960 | \$960 |
| Other Income | \$1,703 | \$1,703 |
| Gross Potential Income | \$52,283 | \$56,468 |

| ANNUALIZED OPERATING DATA | | CURRENT | | MARKET |
|--------------------------------|---------------|------------------|--------------|------------------|
| Scheduled Gross Income | | \$627,396 | | \$677,616 |
| Less Vacancy | 5.0% | \$31,370 | 5.0% | \$33,881 |
| Gross Operating Income | | \$596,026 | | \$643,735 |
| Less Expenses | | \$225,870 | | \$227,778 |
| Net Operating Income | | \$370,156 | | \$415,957 |
| Annual Debt Service | [\$22,715/mo] | \$272,578 | | \$272,578 |
| Cash Flow Before Tax | 3.77% | \$97,578 | 5.54% | \$143,379 |
| Principal Reduction | | \$86,038 | | \$86,038 |
| Total Return Before Tax | 7.09% | \$183,616 | 8.86% | \$229,417 |

| ANNUALIZED OPERATING EXPENSES | | CURRENT | MARKET |
|-------------------------------|---------------------|------------------|------------------|
| Real Estate Taxes | Actual | \$55,695 | \$55,695 |
| Insurance | Proforma \$300/unit | \$10,800 | \$10,800 |
| Utilities | Actual | \$61,174 | \$61,174 |
| Professional Mgmt | Proforma 3.5% | \$23,841 | \$25,749 |
| On-Site Payroll | Actual | \$28,800 | \$28,800 |
| Maint/Repairs | Proforma \$500/unit | \$18,000 | \$18,000 |
| Turnover | Proforma \$300/unit | \$10,800 | \$10,800 |
| Administration | Actual | \$1,760 | \$1,760 |
| Landscaping | Proforma \$500/mo | \$6,000 | \$6,000 |
| Reserves | \$250/unit | \$9,000 | \$9,000 |
| Total Expenses | | \$225,870 | \$227,778 |

| CURRENT OPERATIONS | Expense/Unit | \$6,274 | MARKET OPERATIONS | Expense/Unit | \$6,327 |
|--------------------|----------------|---------|-------------------|----------------|---------|
| | Expense/Foot | \$5.98 | | Expense/Foot | \$6.04 |
| | Percent of EGI | 36.00% | | Percent of EGI | 33.61% |

SALES COMPARABLES



Arden Park Apartments

23817 108th Ave SE
Kent, WA 98031

Year Built 1968
Units 36
Sales Price \$7,400,000
Price/Unit \$205,556
Price/Foot \$196.08
Current GRM/CAP 11.8/5.0%
Market GRM/CAP 10.9/5.6%



Nacelle Apartments

51 Hayes Pl SW
Renton, WA 98057

Year Built 1968
Units 20
Sales Price \$3,500,000
Price/Unit \$175,000
Price/Foot \$232
GRM/CAP 10.4/5.7%
Sales Date 12.7.2018



Trellis Apartments

2120 SW 352nd St
Federal Way, WA 98023

Year Built 1985
Units 111
Sales Price \$27,400,000
Price/Unit \$246,847
Price/Foot \$240
GRM/CAP 10.9/5.2%
Sales Date 11.20.2018



Landing at Rivers Edge

1741 22nd St NE
Auburn, WA 98002

Year Built 1976
Units 120
Sales Price \$21,300,000
Price/Unit \$177,500
Price/Foot \$191
GRM/CAP Unk/5.0%
Sales Date 8.15.2018



Timber Heights

4822 S 252nd Pl
Kent, WA 98032

Year Built 1967
Units 34
Sales Price \$6,087,500
Price/Unit \$179,044
Price/Foot \$228
GRM/CAP Unk
Sales Date 7.30.2018



The Chalet

606 Mills Ave S
Renton, WA

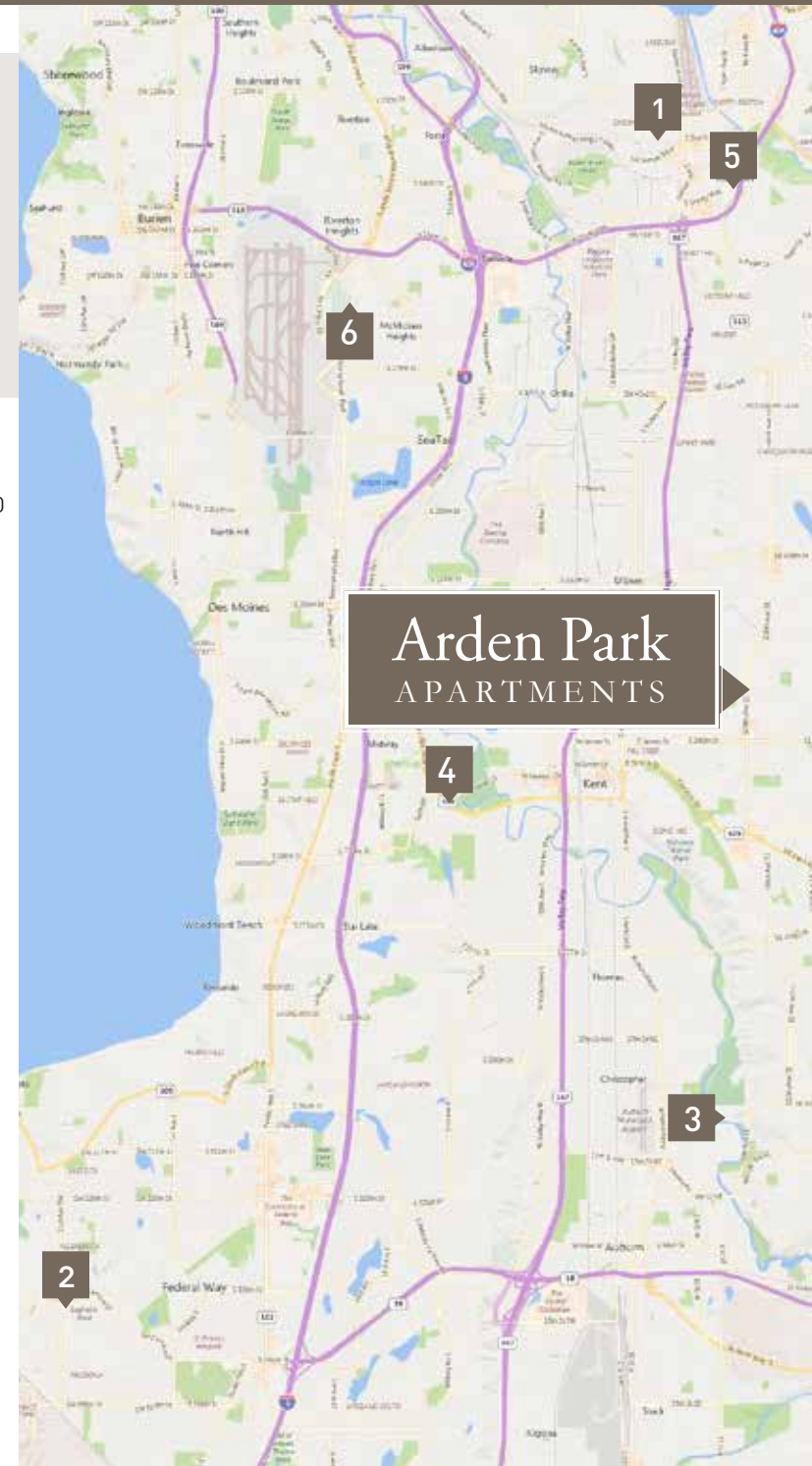
Year Built 1962
Units 20
Sales Price \$3,500,000
Price/Unit \$175,000
Price/Foot \$247
GRM/CAP 14.3/4.8%
Sales Date 6.25.2018



Totem Apartments

16644 31st Ave S
SeaTac, WA 98188

Year Built 1977
Units 13
Sales Price \$2,300,000
Price/Unit \$176,923
Price/Foot \$277
GRM/CAP 13.3/5.0%
Sales Date 6.14.2018



RENT COMPARABLES



Arden Park Apts
23817 108th Ave SE
Kent, WA 98031

1968 - 36 Units

2 Bd/1 Bth
2 Bd/1 Bth/Den
2 Bd/2 Bth/Den
3 Bd/1 Bth
3 Bd/1.75 Bth

1,048
1,048
1,048
1,048
1,048

\$1,070 - \$1,300
\$1,200 - \$1,300
\$1,500
\$1,200 - \$1,245
\$1,300

\$1.10 - \$1.34
\$1.24 - \$1.34
\$1.55
\$1.24 - \$1.28
\$1.34



Red Hill Pines
9626 S 252nd St
Kent, WA 98030

1980 - 98 Units

1 Bd/1 Bth
2 Bd/1 Bth
2 Bd/2 Bth
3 Bd/2 Bth

580
880
923
1,011

\$1,464
\$1,620 - \$1,802
\$1,819
\$1,714

\$2.52
\$1.84 - \$2.04
\$1.97
\$1.70



Mosaic Hills
10811 SE 239th Pl
Kent, WA 98030

1980 - 366 Units

1 Bd/1 Bth
2 Bd/1 Bth
2 Bd/2 Bth
3 Bd/2 Bth

670
804
905
1,165

\$1,180 - \$1,305
\$1,355 - \$1,530
\$1,394 - \$1,548
\$1,778 - \$1,906

\$1.76 - \$1.94
\$1.68 - \$1.90
\$1.54 - \$1.71
\$1.52 - \$1.63



Bryson Square
24006 108th Pl SE
Kent, WA 98030

1988 - 157 Units

1 Bd/1 Bth
2 Bd/1 Bth
3 Bd/2 Bth

725
900
1,135

\$1,285
\$1,440
\$1,795

\$1.77
\$1.60
\$1.58



River Point Apts
25842 87th Ave S
Kent, WA 98030

1988 - 102 Units

1 Bd/1 Bth
2 Bd/1 Bth
2 Bd/2 Bth

610
786
899

\$1,250
\$1,450
\$1,570

\$2.05
\$1.84
\$1.75



Meridian Garden Apts
13101 SE 240th St
Kent, WA 98031

1988 - 80 Units

2 Bd/1 Bth
2 Bd/2 Bth

867
987

\$1,500
\$1,595

\$1.73
\$1.62



Sterling Ridge
11328 SE Kent Kangley Rd
Kent, WA 98030

1980 - 98 Units

1 Bd/1 Bth
2 Bd/2 Bth
3 Bd/2 Bth

700
930
1,130

\$1,250
\$1,475 - \$1,500
\$1,620 - \$1,745

\$1.74
\$1.58 - \$1.61
\$1.43 - \$1.54





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www.ParagonREA.com

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