Offering Memorandum

# The Agency Building

**402 S 333RD ST, FEDERAL WAY, WA**

**KYLE STERLING**
425 586 5608
ksterling@nai-psp.com

NAI Puget Sound Properties

# Offering Summary

NAI Puget Sound Properties is pleased to exclusively offer for sale The Agency Building at 402 S 333rd Street in Federal Way, Washington. The subject property is a stabilized multi-tenant office investment featuring predominantly small-format suites. The property contains approximately 14,048 square feet of building area on approximately 54,798 square feet of land and is currently approximately 93.8% occupied.

The rent roll contains 39 rentable suites with an average suite size of approximately 405 square feet. These smaller units appeal to a broad range of local service, professional and entrepreneurial users, allowing ownership to achieve attractive rents on a per-square-foot basis while reducing reliance on any single tenant.

**$ 2,595,000**

| | |
|---|---|
| **CURRENT CAP RATE** | 7.03% |
| **BUILDING SIZE** | 14,048 SF |
| **LOT SIZE** | 54,798 SF |
| **CURRENT OCCUPANCY** | 93.8% |
| **AVERAGE SUITE SIZE** | 405 SF |
| **YEAR BUILT** | 1979 |
| **ZONING** | OP |
| **PRICE PSF** | $185 |

# Investment Highlights

**+ SMALL SUITES DRIVE LEASING VELOCITY & STRONG RENTS**

The property's 39 rentable suites average only approximately 405 SF. This small-suite format serves a deep pool of users that do not require traditional large office footprints and supports attractive rental economics.

**+ ATTRACTIVE GOING-IN YIELD**

At the proposed $2,595,000 asking price, the property generates approximately $182,424 of current NOI, equating to an approximately 7.03% going-in capitalization rate. The offering provides meaningful day-one cash flow without relying on a major lease-up or repositioning program.

**+ RECENT CAPITAL IMPROVEMENTS**

Ownership has completed significant recent capital work, including a new roof, HVAC upgrades/replacements, and parking lot paving. These improvements address several of the largest capital items commonly faced by owners of multi-tenant office properties and should reduce near-term capital requirements.

**+ DIVERSIFIED TENANT BASE**

The property's small-format suites are occupied by a diverse mix of professional, service, health, accounting, beauty and other local businesses. This diversification reduces concentration risk and creates a granular income stream.

**+ STABILIZED, HIGHLY OCCUPIED INVESTMENT**

The property is approximately 93.8% occupied, providing diversified in-place cash flow across a broad tenant roster. The large number of small suites limits exposure to any one tenant and helps support consistent occupancy over time.

# Financial Analysis

## Operating Data

| | | CURRENT |
|---|---|---|
| Scheduled Lease Income | | $293,220 |
| Income from T Move Out | | $806 |
| Other Income | | $3,377 |
| Effective Gross Income | | $297,403 |
| Expenses | | ($114,979) |
| **Net Operating Income** | | $182,424 |
| | | |
| Loan Payment | | ($130,413) |
| Cash-on-Cash Return | 5.73% | $52,011 |
| Principal Reduction | | $30,024 |
| **Total Return** | 9.03% | $82,035 |

## Proposed Financing

| | |
|---|---|
| Loan | $1,686,750 (65% LTV) |
| Terms | 25 year amort |
| Interest Rate | 6.00% |

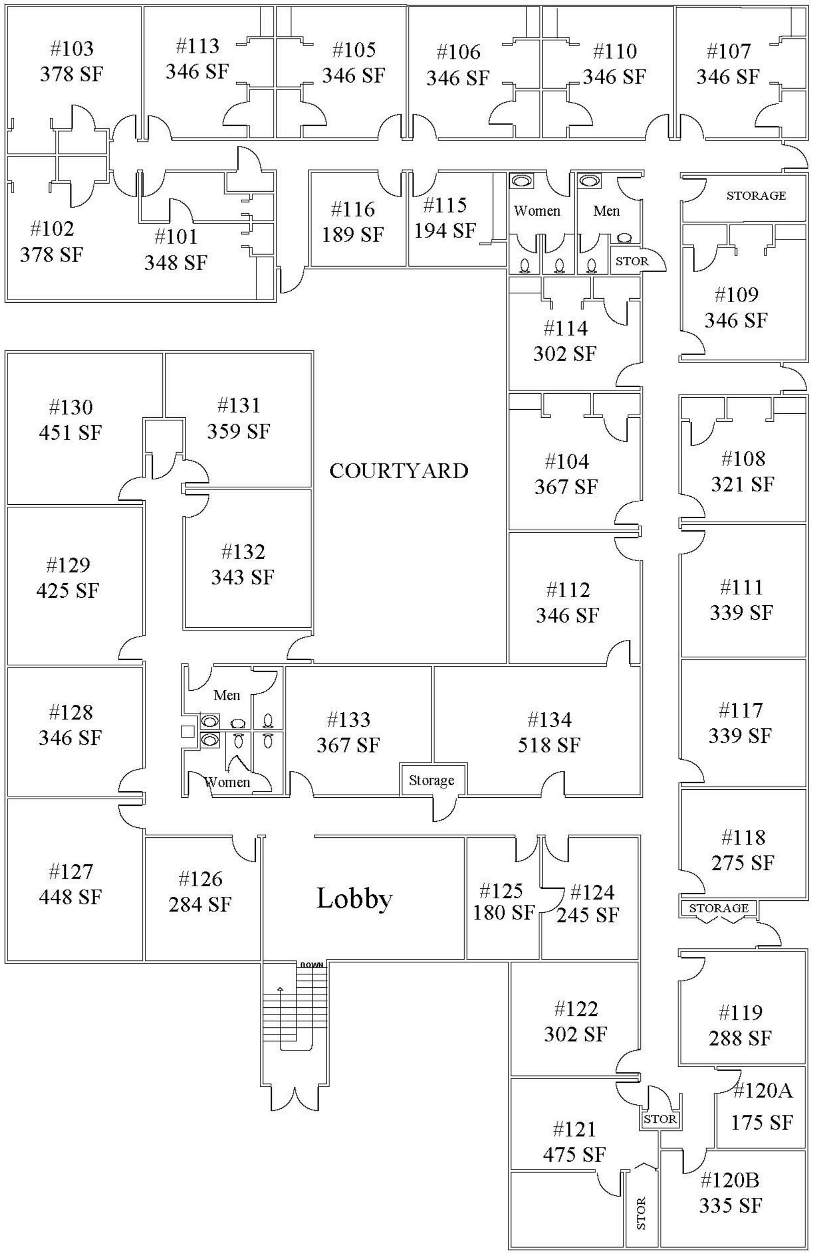
## Operating Expenses

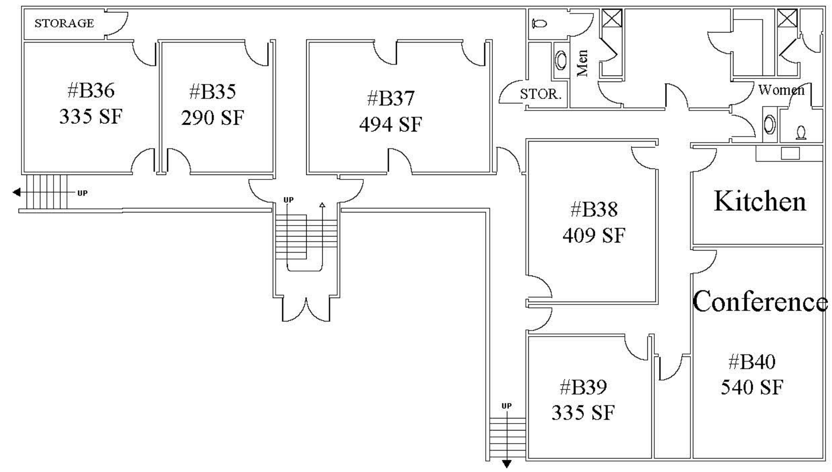
| | |
|---|---|
| Management Fee | $13,200.00 |
| Taxes | $20,691.17 |
| Insurance | $4,715.08 |
| Maintenance - Scheduled | $10,988.00 |
| Maintenance - Variable | $26,590.00 |
| Unit Turnover Expenses | $1,255.57 |
| Utilities | $37,539.33 |
| **Total** | **$114,979** |
| **Expenses PSF** | **$8.18** |

# Rent Roll

| UNIT | SF | TENANT | BASE RENT INCOME | RENT/SF | PARKING INCOME | LEASE FROM | LEASE TO |
|---|---|---|---|---|---|---|---|
| BIP | 0 | Pen Voc Services PLLC | $260.00 | | $- | 09/01/2025 | 08/31/2026 |
| B35 | 290 | Heart Start CPR | $690.00 | $28.55 | $- | Month to Month | |
| B36 | 335 | Erika N. Rinear | $825.00 | $29.55 | $- | 07/01/2026 | 06/30/2027 |
| B37 | 494 | Tetsuo P. Stewart | $800.00 | $19.43 | $100.00 | 02/20/2026 | 01/31/2027 |
| B38 | 409 | Leslie Soto | $875.00 | $25.67 | $- | 05/01/2026 | 04/30/2027 |
| B39 | 335 | Cynthia M. Mwansa | $615.00 | $22.03 | $- | 02/01/2026 | 01/31/2027 |
| B40 | 540 | ILWU Local 9 | $515.00 | $11.44 | $- | 04/01/2026 | 03/31/2027 |
| 101/102 | 726 | Gweyne M. Muchiri | $1,105.00 | $18.26 | $- | Month to Month | |
| 103 | 378 | Elemental Northwest, LLC | $750.00 | $23.81 | $- | Month to Month | |
| 104 | 346 | Vacant | $- | $- | $- | | |
| 105 | 346 | Nabatanzi A. Bewayo | $695.00 | $24.10 | $- | 04/01/2026 | 03/31/2027 |
| 106 | 346 | J.J. Brenner Oyster Co. | $695.00 | $24.10 | $- | 04/01/2026 | 03/31/2027 |
| 107 | 346 | George G. Mwaura | $595.00 | $20.64 | $200.00 | 02/02/2026 | 01/31/2027 |
| 108/111 | 660 | Sergey S. Kuyan | $1,310.00 | $23.82 | $- | 05/01/2026 | 04/30/2027 |
| 109 | 346 | BIRHANU L. GESSESE | $525.00 | $18.21 | $- | 01/01/2026 | 12/31/2026 |
| 110 | 321 | Northwest Inventory Service, Inc | $710.00 | $26.54 | $- | Month to Month | |
| 113 | 367 | m3 American Homes LLC | $705.00 | $23.05 | $- | Month to Month | |
| 114 | 302 | Hussein M. Mberwa | $550.00 | $21.85 | $- | Month to Month | |
| 115 | 194 | MaryBriana A. Appiah-kubi | $525.00 | $32.47 | $- | 09/17/2025 | 08/31/2026 |
| 116 | 189 | Jennifer A. Hurley | $565.00 | $35.87 | $- | 03/01/2026 | 02/28/2027 |
| 117 | 339 | Annexia Health Service LLC | $615.00 | $21.77 | $- | 10/01/2025 | 09/30/2030 |
| 118 | 275 | Rainy Day Therapy | $540.00 | $23.56 | $- | Month to Month | |
| 119 | 288 | Lucero Z. Rosas Abad | $595.00 | $24.79 | $- | 01/28/2026 | 12/31/2026 |
| 120 | 510 | Vacant | $- | $- | $- | | |
| 121 | 475 | C-Stars | $910.00 | $22.99 | $- | 04/01/2026 | 03/31/2027 |
| 122 | 302 | Matt C. Nystul | $675.00 | $26.82 | $- | 04/01/2026 | 03/31/2027 |
| 124 / 125 | 425 | The Laser Lab LLC | $825.00 | $23.29 | $- | 04/01/2026 | 03/31/2027 |
| 126 | 284 | Natalia M. Otrokh | $545.00 | $23.03 | $- | 07/01/2026 | 06/30/2027 |
| 127 | 448 | Takabio, LLC | $815.00 | $21.83 | $- | 01/01/2026 | 12/31/2026 |
| 128 | 346 | Patrick's Accounting Solutions LL | $680.00 | $23.58 | $- | Month to Month | |
| 129 / 131 | 784 | Karla P. Barrick | $1,370.00 | $20.97 | $- | 03/26/2026 | 02/28/2027 |
| 130 | 451 | Leila Beauty | $750.00 | $19.96 | $- | Month to Month | |
| 132 | 343 | Hyuna Kim | $600.00 | $20.99 | $- | 02/01/2026 | 01/31/2027 |
| 133 | 367 | Irina I. Focsa | $710.00 | $23.22 | $- | Month to Month | |
| 134/112 | 864 | Kevin B. Baker | $1,530.00 | $21.25 | $- | Month to Month | |
| **TOTALS** | **13,771** | | **$24,470.00** | **$22.73** | **$300.00** | | |

# Floor Plans


#103
378 SF
#113
346 SF
#105
346 SF
#106
346 SF
#110
346 SF
#107
346 SF
#116
189 SF
#115
194 SF
Women
Men
STORAGE
STOR
#102
378 SF
#101
348 SF
#114
302 SF
#109
346 SF
#130
451 SF
#131
359 SF
COURTYARD
#104
367 SF
#108
321 SF
#129
425 SF
#132
343 SF
#112
346 SF
#111
339 SF
#128
346 SF
Men
Women
#133
367 SF
#134
518 SF
Storage
#117
339 SF
#127
448 SF
#126
284 SF
Lobby
#125
180 SF
#124
245 SF
#118
275 SF
STORAGE
DOWN
#122
302 SF
#119
288 SF
#120A
175 SF
STOR
#121
475 SF
STOR
#120B
335 SF


STORAGE
#B36
335 SF
#B35
290 SF
#B37
494 SF
STOR.
Men
Women
UP
UP
Kitchen
#B38
409 SF
Conference
#B40
540 SF
#B39
335 SF
UP


Courtyard


Shared Conference Room


Kitchen / Break Room

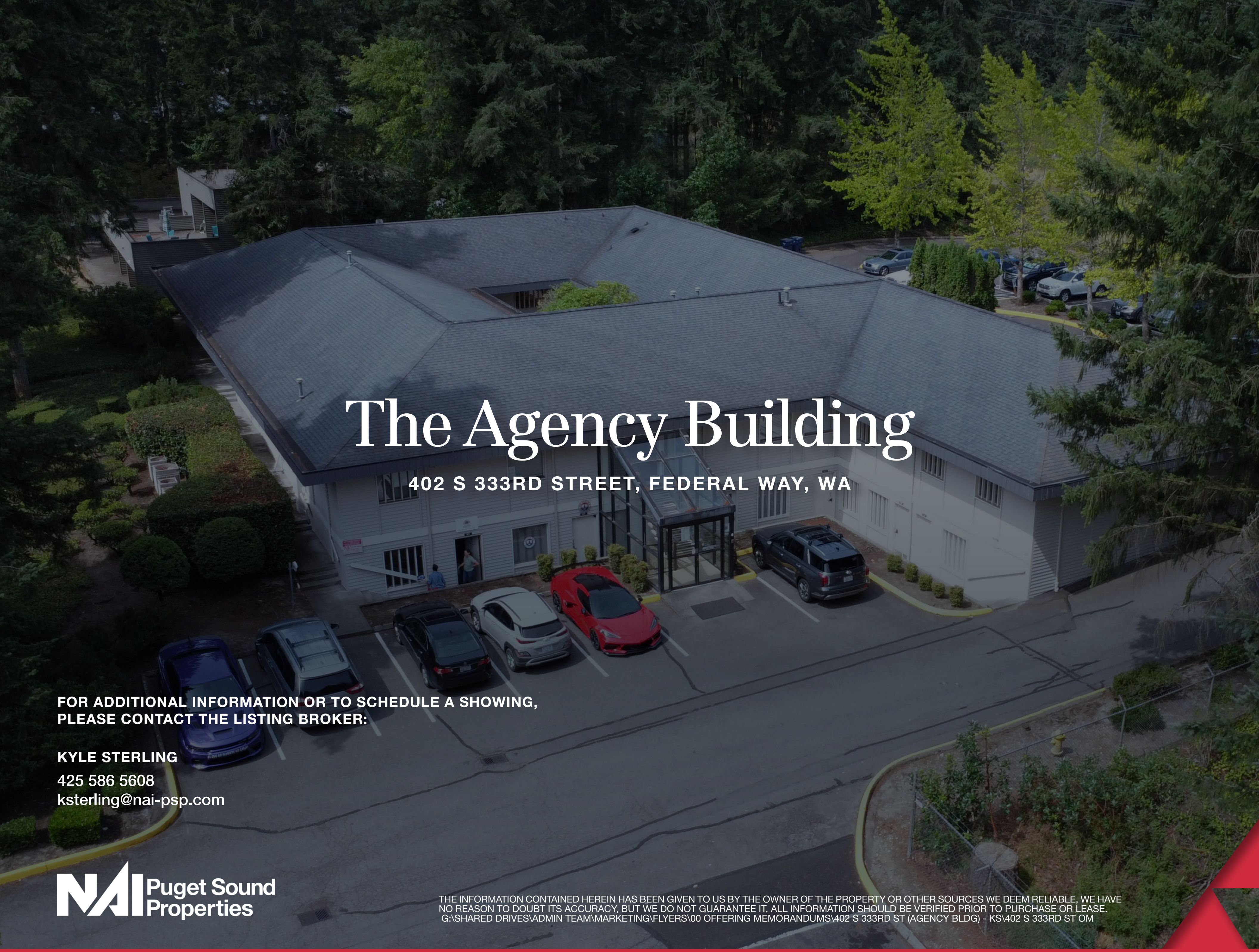

Lobby / Reception

# Market Overview

Strategically located between Seattle and Tacoma, Federal Way is a premier South King County commercial hub offering exceptional regional connectivity via Interstate 5, State Route 18, and SR-99. The city serves a broad consumer base and continues to experience investment driven by population growth, expanding healthcare services, and significant transportation improvements, including the future Sound Transit Link light rail extension.

## MARKET HIGHLIGHTS

- **Population:** 102,000+ residents
- **Regional Trade Area:** 300,000+ consumers
- **Prime Access:** Interstate 5, SR-18 & SR-99
- **Future Transit:** Sound Transit Link Light Rail (Downtown Federal Way Station)
- **Regional Retail Hub:** The Commons at Federal Way and numerous national retailers
- **Strong Retail Demand:** Grocery, restaurants, medical, fitness, and service-oriented businesses
- **Growing Office Market:** Medical, professional, and financial service tenants
- **Major Employers:** Virginia Mason Franciscan Health, Federal Way Public Schools, Weyerhaeuser, and Highline College
- **Competitive Lease Rates:** More affordable than Seattle and Bellevue, attracting expanding businesses
- **Strategic Location:** Approximately 22 miles south of Seattle and 10 miles northeast of Tacoma



# The Agency Building

**402 S 333RD STREET, FEDERAL WAY, WA**

**FOR ADDITIONAL INFORMATION OR TO SCHEDULE A SHOWING, PLEASE CONTACT THE LISTING BROKER:**


**KYLE STERLING**
425 586 5608
ksterling@nai-psp.com


NAI Puget Sound Properties