

Marcus & Millichap

BROWN RETAIL GROUP

SEATTLE | PORTLAND | SPOKANE | BOISE

SEATTLE-TACOMA
INTERNATIONAL
AIRPORT

 I-5 (252,800+ VPD)

SOUTHCENTER
MALL #6 IN THE
NATION

 I-405 (143,000+ VPD)

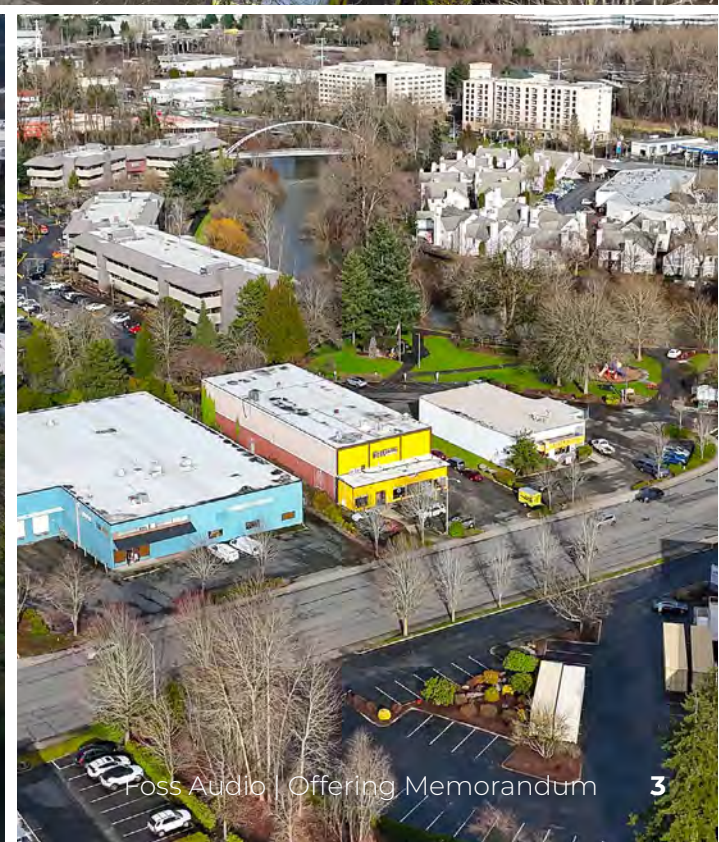
 **FOSS AUDIO**
video security tint

 Strander Blvd (18,600+ VPD)

FOSS AUDIO

512 Strander Blvd. Tukwila, WA

PRIME REAL ESTATE NEXT TO BUSIEST MALL IN WASHINGTON STATE
FEATURING BELOW MARKET RENT ON A SHORT-TERM LEASE, FAIR MARKET
RENT IN OPTION, AND LOCATED ONLY 20 MINUTES FROM DOWNTOWN SEATTLE



THE OFFERING

512 Strander Blvd. Tukwila, WA 98188

Marcus & Millichap's Brown Retail Group has been exclusively selected to market for sale **Foss Audio, a prime location opportunity featuring a short-term lease with below market rent and a fair market rent option.** The Tenant is currently paying just \$10.74/SF + NNN with market rents achievable in the \$19-\$22/SF + NNN range. The Tenant's option in 3 years is at Fair Market Rent (FMR), allowing an investor near-term upside well above an 8% cap rate by simply increasing rent to market. The Property is zoned TUC-TOD (Tukwila Urban Center - Transit Oriented Development) which permits numerous commercial uses including retail, office, hospitality, multifamily, senior housing, government, education, and transportation uses. If the tenant were to leave at the end of its lease term and option term, a new owner would be able to backfill the space with a tenant from nearly any business sector or redevelop the property into a higher and better use opportunity. Foss Audio is only two blocks from Westfield Southcenter Mall, the # 1 performing mall in Washington State and #6 nationally (Placer.ai), which boasts in excess of 14.9 million visitors annually. The Property is also located just a 20-minute drive to both downtown Seattle and downtown Bellevue. Foss Audio is roughly a 7-minute drive from Seattle-Tacoma International Airport, the largest international airport in Washington State with 19 million visitors per year. Located in the dense and rapidly growing Tukwila, WA submarket, the Property benefits from a population of over 287,000 residents within a 5-mile radius. Since 2010 the population has grown over 11% within a 5-mile radius and nearly 32% within a 1-mile radius.

PRICE: \$4,295,000
PRICE/SF: \$227
PRO-FORMA CAP RATE: 8.80%*

*Assumes rent increased to \$20/SF+NNN in Option in 2027. Market rents achievable in the \$19/SF - \$21/SF + NNN range.



THE PROPERTY

Price	\$4,295,000
Cap Rate	4.75%
Pro-Forma Cap Rate*	8.80%
Price/SF	\$227
Gross Leasable Area	18,900 SF
Lot Size (Acres)	0.69 Acres
Type of Ownership	Fee Simple
Year Built/Renovated	1969/2014

LEASE SUMMARY

Tenant	Sound Distributions, Inc. dba Foss Audio
Guarantor	Corporate Guarantee & Personal Guarantee
Rent Increases	None
Lease Type	Triple Net (NNN)
Lease Commencement	10/01/2022
Lease Expiration	09/30/2027
Renewal Options	1, 3-Year Option @ FMR
Lease Term Remaining	3 Years
Landlord Responsibility	Roof/Structure
Tenant Responsibility	Taxes, Insurance, Repairs & Maintenance

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current - 9/30/2027	\$204,000	\$17,000	\$10.74
OPTION			
Option 1: 10/01/2027 - 9/30/2030	FMR	FMR	FMR

*Assumes rent increased to \$20/SF+NNN in Option in 2027. Market rents achievable in the \$19/SF - \$21/SF + NNN range.



Foss Audio has been in business since 1983 with the goal of being "Your Premier Car Audio, Window Tinting and Car Care Center" in the Puget Sound Area. Foss Audio currently has 6 locations in the Seattle-Tacoma MSA. They strive to deliver the same legendary customer service that the company started with over 41 years ago. They do custom installs on cars, trucks, bikes, ATVs or boats. Their award-winning install technicians don't just do a good job - they care about delivering the best every time.

Headquarters **Seattle, WA**

Founded **1983**

Website **loveyourstereo.com**

THE HIGHLIGHTS

PRO-FORMA 8.80% CAP RATE - FAIR MARKET RENT IN LEASE OPTION

The tenant is currently paying just \$10.74/SF + NNN with market rents achievable in the \$19-\$21/SF + NNN range. The tenant's option in 3 years is at Fair Market Rent, allowing an investor near-term upside well above an 8% cap rate by simply increasing rent to market (\$20/SF + NNN achieves an 8.80% cap rate).

TENANT IN PLACE WITH STRONG HISTORICAL OCCUPANCY

The Property is currently leased to Foss Audio, a car stereo, window tint, and remote start installation company, with six locations throughout the northwest of Washington State, and a 41-year operating history. Foss Audio has been at this location for 10+ years.

PRIME LOCATION

The Property is two blocks from Westfield Southcenter Mall, the # 1 performing mall in Washington State and #6 nationally (Placer.ai), which boasts in excess of 14.9 million visitors annually. It is nearby numerous national retailers including Costco, Target, The Home Depot, Lowes, REI, and Total Wine & More. The Property is located in the thriving Tukwila Urban Center which hosts a myriad of retail, office, and industrial uses, providing synergies for tenants of all types.

HIGH-TRAFFIC, HIGH-VISIBILITY LOCATION

The Property is located directly on Strander Blvd (18,600+ VPD), with dedicated left turn access into the Property, and is nearby I-5 (252,800+ VPD) and I-405 (143,000+ VPD), providing excellent visibility and easy access.

FLEXIBLE ZONING ALLOWING NUMEROUS USES

The Property is zoned TUC-TOD (Tukwila Urban Center - Transit Oriented Development) which permits numerous commercial uses including retail, office, hospitality, multifamily, senior housing, government, education, and transportation uses. If the tenant were to leave at the end of its lease term and option term, a new owner would be able to backfill the space with a tenant from nearly any business sector or redevelop the Property into a higher and better use opportunity.



**SOUTHCENTER
MALL #6 IN THE
NATION**

HIGH BARRIER-TO-ENTRY MARKET WITH STRONG RENT GROWTH (9.5%)

Tukwila/Renton retail rents have increased 9.5% in the past three years and the vacancy rate is only 2.6%, per CoStar. With no new retail development under construction and no new supply delivered in the past 12 months, the development lull creates an incredibly high barrier-to-entry as demand for space remains high.

DENSE DEMOGRAPHICS / HIGH-GROWTH POPULATION SUBMARKET

The Property is located in the dense and rapidly growing Tukwila, WA submarket and benefits from a population of over 287,000 residents within a 5-mile radius. Since 2010 the population has grown over 11% within a 5-mile radius and nearly 32% within a 1-mile radius.

NNN LEASE / MINIMAL LANDLORD RESPONSIBILITIES

The Tenant operates on a NNN lease structure with very limited landlord management or repair responsibilities (landlord responsible for roof & structure).

CORPORATE GUARANTEE

The lease features a Corporate Guarantee from Foss Audio, backed by all 6 locations.

LOCATED NEAR SEATTLE, BELLEVUE, AND SEATTLE-TACOMA INTERNATIONAL AIRPORT (SEA)

The Property is located just a 20-minute drive to both downtown Seattle and downtown Bellevue. It is located roughly a 7-minute drive from Seattle-Tacoma International Airport, the largest international airport in Washington State with 19 million visitors per year and the 18th most visited in the U.S. SEA has a regional economic impact of more than \$22.5 billion in business revenue and generates more than 151,400 jobs (87,300 direct jobs), per the Port of Seattle.

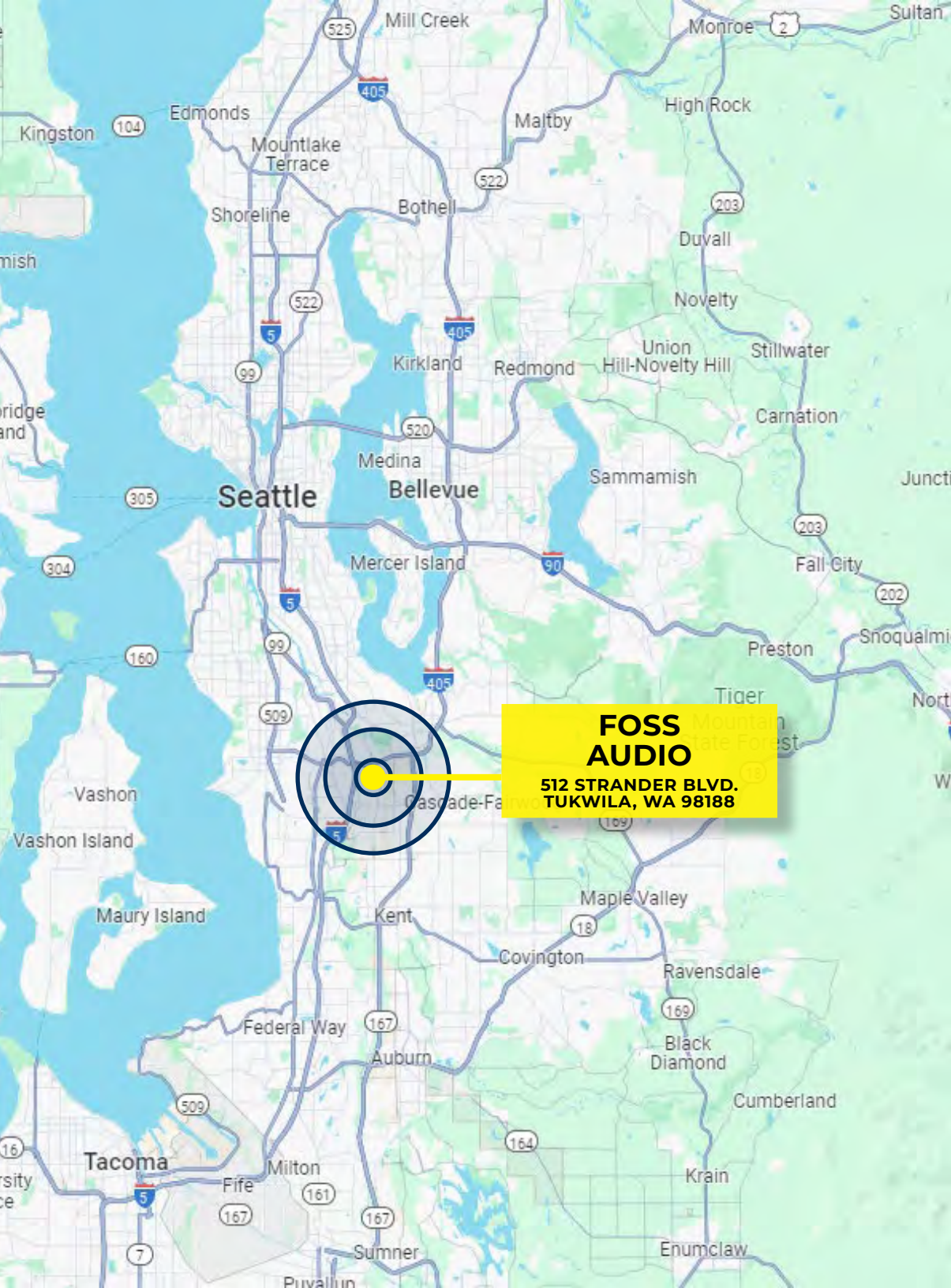
INCOME TAX FREE STATE

Washington State is an income tax free state.

TUKWILA, WA

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2023 Population	2,876	83,588	287,085
2028 Pop. Projection	2,949	83,398	287,681
Pop Growth 2010-2023	31.62%	8.19%	11.30%
Pop Forecast 2023-2028	2.54%	0.23%	0.21%
Avg. HH Income	\$79,670	\$72,065	\$78,463

TRAVEL TIMES
SEA-TAC AIRPORT - 7 MIN
DOWNTOWN SEATTLE - 15 MIN
BELLEVUE - 20 MIN
TACOMA - 30 MIN



SEATTLE-TACOMA MSA

Known as the Emerald City, Seattle-Tacoma metro is situated approximately halfway between Portland, Oregon, to the south and Vancouver, British Columbia, to the north. The area's strategic location and thriving economy have made it the commercial, cultural, and advanced technology hub of the Pacific Northwest. Seattle has also earned the nickname of Cloud City and Jet City for its significant contributions to the global technology and aerospace industries.

Seattle-Tacoma MSA is a sophisticated urban center favored by shoppers and outdoorsmen alike. Surrounded on all sides by the Cascade Mountains, Mount Rainier and the Puget Sound, the region regularly tops magazine surveys of desirable places to live, work and play, a strong incentive for employers to locate in the area.



FORTUNE 500

COMPANIES HEADQUARTERED IN THE SEATTLE MSA

SURROUNDING RETAIL



Acura
 Albert Lee
 Ashley
 Barnes & Noble
 Best Buy
 Burlington
 Costco
 Chick-Fil-A
 Dick's Sporting Goods
 DoubleTree
 Five Guys
 Holiday Inn
 Home Depot
 IHOP
 Indigo Health
 Jo-Ann Fabrics
 Kohl's
 LA Fitness

MAJOR RETAIL

Lowe's
 Michaels
 Nordstrom Rack
 Office Depot
 Outback Steakhouse
 Panda Express
 Party City
 Petco
 PetSmart
 Rite Aid
 REI
 Red Robin
 Ross Dress for Less
 Starbucks
 Sky Zone
 Target
 The Home Depot
 Total Wine & More

SOUTHCENTER MALL

AMC Cinemas
 Apple
 Bath & Body Works
 Ben Bridge
 Buffalo Wild Wings
 Claire's
 Cotopaxi
 Din Tai Fung
 Eddie Bauer
 Foot Locker
 H&M
 Lego
 Levi's
 Lululemon
 Nordstrom
 Sephora
 The North Face
+ 120 more

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY

Please consult your Marcus & Millichap agent for more details.

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COOPERATIVE BROKERAGE COMMISSION

Marcus & Millichap is offering a cooperative brokerage commission by Seller to brokers who represent purchasers that were not directly contacted via phone or e-mail by the listing brokers and who successfully close on the property at terms acceptable to Seller.

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ACTUAL PROPERTY PHOTO