

PARAGON  
REAL ESTATE ADVISORS

Aladdin BAIL BONDS

No one has lower prices.

Courteou

We get you out.

Efficient

We get you through it.

Knowledgeable

THE MELBOURNE BUILDING  
OFFERING MEMORANDUM

# PARAGON

REAL ESTATE ADVISORS

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Information within this marketing package 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.

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# OFFERING

Paragon Real Estate Advisors is pleased to present the exclusive listing of the Melbourne Building, centrally located in the heart of Downtown Kent. This presents a compelling opportunity to acquire a highly visible mixed-use property, with 75% of its units having undergone renovation since 2021. The prospective owner not only inherits the stability of existing retail tenants but also possesses the value-add potential to renovate the remaining two apartment units and bring all the rents to market.

The Melbourne Building boasts a versatile design, featuring three leased retail spaces on the ground floor and five apartment units on the top floor. All three retail units have been leased and undergone comprehensive interior renovations within the past two years. The renovations encompassed various upgrades, such as LVP flooring, bathroom cabinets, backsplashes, fixtures, storefront glass, and a fresh coat of paint.

The apartment units are a mix of 3 – 2 bedroom/1 bathroom, 2 – 1 bedroom/1 bathroom. There are three fully renovated units. Recent renovations to a 2-bedroom and a 1-bedroom unit included the installation of LVP flooring, new paint, upgraded light fixtures, and a complete overhaul of the kitchen and bathroom, including cabinets, backsplashes, tub surrounds, and appliances.

Situated in the vibrant Downtown Kent, this property benefits from the dynamic surroundings and presents an array of opportunities for prospective owners.



# FINANCIAL SUMMARY

<b>NAME</b>	<b>The Melbourne Building</b>
<b>ADDRESS</b>	412-418 W Meeker St Kent, WA 98032
<b>PRICE</b>	\$1,850,000
<b>TOTAL UNITS</b>	8 (5 Apartments + 3 Retail)
<b>BUILT</b>	1958
<b>SQUARE FEET</b>	8,376 Total Net Rentable
<b>PRICE PER UNIT</b>	\$185,000*
<b>PRICE PER FOOT</b>	\$221
<b>CURRENT GRM/CAP</b>	10.1/6.8%
<b>MARKET GRM/CAP</b>	9.0/7.7%
<b>LOT SIZE</b>	8,156 Square Feet
<b>ZONING</b>	DCE

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\*Price/Unit is calculated by using the average SqFt of conforming apartment units (838 SqFt) and dividing by total rentable SqFt



PROPERTY DETAILS

# INVESTMENT HIGHLIGHTS

- Current 6.8% CAP rate
- Over \$165,000 spent on renovations since 2021
- Value-add opportunity to renovate the remaining two apartment units and bring all rents to market levels
- Opportunity to implement a utility billback system to increase monthly income
- 10 parking spaces
- Highly visibly Downtown Kent location
- Stable retail tenants that are all leased to 2026 and 2027 with extension options
- All units have individual water shutoffs allowing for convenient renovations
- All apartment leases have 45 day termination clauses upon sale that can be exercised by new owner (Buyer to verify)



# INTERIORS - RETAIL



# INTERIORS - RENOVATED APARTMENT UNITS



# UNIT BREAKDOWN

UNIT	UNIT TYPE	SQFT	CURRENT RENT	PER SQFT	MARKET RENT	PER SQFT
1	1 Bd/1 Bth - R	620	\$1,450	\$2.34	\$1,500	\$2.42
2	1 Bd/1 Bth - R	620	\$1,400	\$2.26	\$1,500	\$2.42
3	2 Bd/1 Bth - R	900	\$1,860	\$2.07	\$1,900	\$2.11
4	2 Bd/1 Bth	900	\$1,300	\$1.44	\$1,550	\$1.72
5	2 Bd/1 Bth	900	\$1,380	\$1.53	\$1,550	\$1.72
Retail 414	Aladdin Bail Bonds	2,188	\$2,808	\$1.63	\$2,812	\$1.29
Retail 416*	Retail	1,000	\$1,300	\$1.81	\$1,570	\$1.57
Retail 418	Grey Sunz Tattoo	1,000	\$1,850	\$1.80	\$1,850	\$1.85
<b>8</b>	<b>Total/Avg</b>	<b>931</b>	<b>\$1,669</b>	<b>\$1.59</b>	<b>\$1,779</b>	<b>\$2.70</b>

\*rent effective December 1st, 2024





FINANCIALS

# INCOME & EXPENSES

<b>Units</b>	8	<b>Price</b>	\$1,850,000
<b>Year Built</b>	1958	<b>Per Unit</b>	\$185,000*
<b>Rentable Area</b>	8,376 SqFt	<b>Per Sq. Ft.</b>	\$220.87
<b>Down Pmt</b>	\$740,000	<b>Current GRM</b>	10.12
<b>Loan Amount</b>	\$1,110,000	<b>Current CAP</b>	6.75%
<b>Interest Rate</b>	6.500%	<b>Market GRM</b>	9.04
<b>Amortization</b>	30 years	<b>Market CAP</b>	7.73%

UNITS	TYPE	SIZE	CURRENT RENT	MARKET RENT
2	1 Bd/1 Bth	620	\$1,425	\$1,500
3	2 Bd/1 Bth	900	\$1,513	\$1,667
414 - Retail	Aladdin Bail Bonds	2,188	\$2,808	\$2,812
416 - Retail	Retail	1,000	\$1,300	\$1,570
418 - Retail	Grey Sunz Tattoo	1,000	\$1,850	\$1,850
<b>8</b>	<b>Total/Avg</b>	<b>931</b>	<b>\$1.60</b>	<b>\$1.70</b>

MONTHLY INCOME	CURRENT	MARKET
<b>Monthly Scheduled Rent</b>	<b>\$13,348</b>	<b>\$14,232</b>
Parking (10 Spots)	\$195	\$225
Utility Income	\$175	\$410
Laundry Income	\$185	\$200
414 Retail NNN - 38.20%	\$856	\$1,524
416 Retail NNN - 23.87%	\$470	\$470
<b>Total Monthly Income</b>	<b>\$15,229</b>	<b>\$17,061</b>

ANNUALIZED OPERATING DATA		CURRENT	MARKET
<b>Scheduled Gross Income</b>		<b>\$182,745</b>	<b>\$204,737</b>
Less Vacancy	5.00%	\$9,137	5.00% \$10,237
Gross Operating Income		\$173,608	\$194,500
Less Expenses		\$48,815	\$51,487
<b>Net Operating Income</b>		<b>\$124,792</b>	<b>\$143,013</b>
Annual Debt Service	(\$7,016)	\$84,191	\$84,191
<b>Cash Flow Before Tax</b>	<b>5.49%</b>	<b>\$40,601</b>	<b>7.95%</b> <b>\$58,821</b>
Principal Reduction		\$12,407	\$12,407
<b>Total Return Before Tax</b>	<b>7.16%</b>	<b>\$53,008</b>	<b>9.63%</b> <b>\$71,228</b>

ANNUALIZED OPERATING EXPENSES		CURRENT	MARKET
RE Taxes	2024 Actual	\$12,879	\$12,879
Insurance	2024 Actual	\$3,423	\$3,423
Utilities	2023 Actual	\$14,786	\$14,786
Cleaning/Maint/Repairs	Proforma	\$6,000	\$6,000
Management Fee	Proforma 5%	\$8,828	\$10,800
Administrative	Proforma	\$500	\$1,000
Reserves	Proforma	\$2,400	\$2,600
<b>Total Expenses</b>		<b>\$48,815</b>	<b>\$51,487</b>

CURRENT OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI	MARKET OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI
	\$6,102	\$5.83	28.12%		\$6,436	\$6.15	26.47%

\*Price/Unit is calculated by using the average SqFt of conforming apartment units (838 SqFt) and dividing by total rentable SqFt

# PARAGON REAL ESTATE

\$4.5 B  
Sales Volume

28  
Years in  
Business

20+  
Brokers

48 k  
Units Sold

PARAGON  
REAL ESTATE ADVISORS

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#### ABOUT US

##### Leading investment firm for multi-family property

Paragon Real Estate Advisors is a leading Seattle real estate investment firm for multi-family property sales in Washington State. We are locally owned, client-focused, and highly experienced. When it comes to apartments and investment real estate in the Puget Sound region, we are the smart choice to partner with.



## Puget Sound's Premiere Commercial Real Estate Brokerage

### PARAGON REAL ESTATE ADVISORS

In 1995 our founders saw an opportunity to form a new kind of brokerage, one that focused on sharing information between brokers and truly partnering with its clients. Paragon Real Estate Advisors quickly established itself as a leading Seattle real estate investment firm.

Paragon Real Estate Advisors is the leading Seattle real estate investment firm for multi-family property sales in Washington State. We have accrued over \$4.1 billion in sales and have closed over 1,800 successful real estate transactions. We are locally owned, client-focused, and highly experienced.

At Paragon, we build long-term partnerships that help our clients reach their long- and short-term real estate investment goals while maintaining maximum profitability for them. Our brokers have an in-depth knowledge of the Washington state real estate market, particularly in the greater Seattle area and the I-5 corridor, that comes from more than 20 years' experience in the industry. Paragon's unique focus on sharing knowledge, teamwork and collaboration within the brokerage industry leverages our collective intellect for all our clients. Our brokers provide superior customer representation through our innovative and effective marketing campaigns, co-brokerage, skilled negotiations, and ongoing partnerships.

Visit our new website! [ParagonREA.com](http://ParagonREA.com)

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