





THE PROPERTY —

STABLE MEDICAL OFFICE BUILDING WITH UPSIDE, or OWNER-OCCUPIED MEDICAL OFFICE \$6,000,000 | 5.84% Cap Actual | 7.11% Cap Proforma

Ayers Commercial Group is pleased to present the opportunity to purchase the Whitehorse Medical Center in Arlington, WA. Located adjacent to the Skagit Regional Health campus and Cascade Valley Hospital, the Whitehorse Medical Center is a multi-tenant medical office condo anchored by Snohomish County Public Hospital District #3 (operated by Skagit Regional Health) and Western Washington Medical Group.

Ideal opportunity for:

- 1. <u>Value-add investment</u>. Property features a strong rent roll, with rental rates on occupied spaces averaging \$29.36/SF, NNN. With high historical occupancy, but pricing based on current 87% occupancy, the building provides an investor with stable cash flow and upside through leasing the vacant units.
- 2. Owner-occupied medical group looking to establish a presence in Arlington. With only 5,152 square feet leased on a long-term lease, the property provides a new owner with the opportunity to purchase a high-quality medical building, at well below replacement cost, and occupy additional space as leases expire.

PROPERTY SUMMARY

ADDRESS	875 Wesley St, Unit 1 Arlington, WA 98223
PARCEL NUMBER	00812700000100
BUILDING SIZE	15,271 SF
LOT AREA	72,745 SF 1.67 AC
YEAR BUILT	1991
# OF SUITES	
OCCUPANCY	87%
CAP ACTUAL	5.84%
CAP PROFORMA	7.11%



RENT ROLL ———

							ACTUA	L	PRO	FORMA			
Tenant	Suite	Lease Start	Lease End	Lease Type	SF	Monthly	\$/SF	Annual	\$/SF	Annual	Date of Increase	Base Rent	Options
LabCorp	110	10/1/2023	9/30/2026	NNN	1,526	\$3,482	\$27.38	\$41,784	\$30.00	\$44,25	_		
											10/1/2024	\$3,586	One, 3-year
											10/1/2025	\$3,694	option with 270 days notice. +3% annual
													increases.
Snohomish County Public Hospital District #3	120- 130	7/1/2017	6/30/2025	NNN	3,136	\$8,127	\$31.10	\$97,528	\$30.00	\$94,080			
Whitehorse Family Medical Storage (cold shell)	135	11/1/2017	MTM	Gross	403	\$250	\$7.44	\$3,000	\$30.00	\$6,045			
Vacant	140				350	\$933	\$32.00	\$11,200	\$30.00	\$11,200			
Snohomish County Public Hospital District #3	210- 220	6/1/2017	5/31/2025	NNN	3,136	\$8,124	\$31.09	\$97,487	\$30.00	\$94,080			

RENT ROLL ———

							ACTUAL		PRO	FORMA			
Tenant	Suite	Lease Start	Lease End	Lease Type	SF	Monthly	\$/SF	Annual	\$/SF	Annual	Date of Increase	Base Rent	Options
Vacant	230				1,568	\$3,789	\$29.00	\$45,468	\$30.00	\$45,472			
Western Washington Medical Group	240- 250	12/1/2022	12/31/2032	NNN	5,152	\$11,712	\$27.28	\$140,544	\$30.00	\$144,256	12/31/2024 12/31/2025 12/31/2026 12/31/2027 12/31/2028 12/31/2029 12/31/2030	+ CPI + CPI + CPI + CPI + CPI	One, 5-year option with 270 days notice. Greater of FMV or current rent.
TOTAL					15,271	\$36,417	\$28.62	\$437,008	\$30.10	\$459,636			

CASH FLOW SUMMARY ———

	Current	Proforma
Income		
Scheduled Base Rental Income	\$437,008	\$459,636
NNN Reimbursement	\$166,537	\$196,385
Vacancy %	12.56%	5.0%
- Vacancy	(\$56,664)	(\$32,801)
Effective Gross Income	\$546,881	\$623,220

Expenses		
CAMs	\$196,385	\$196,385
Total Operating Expenses	\$196,385	\$196,385

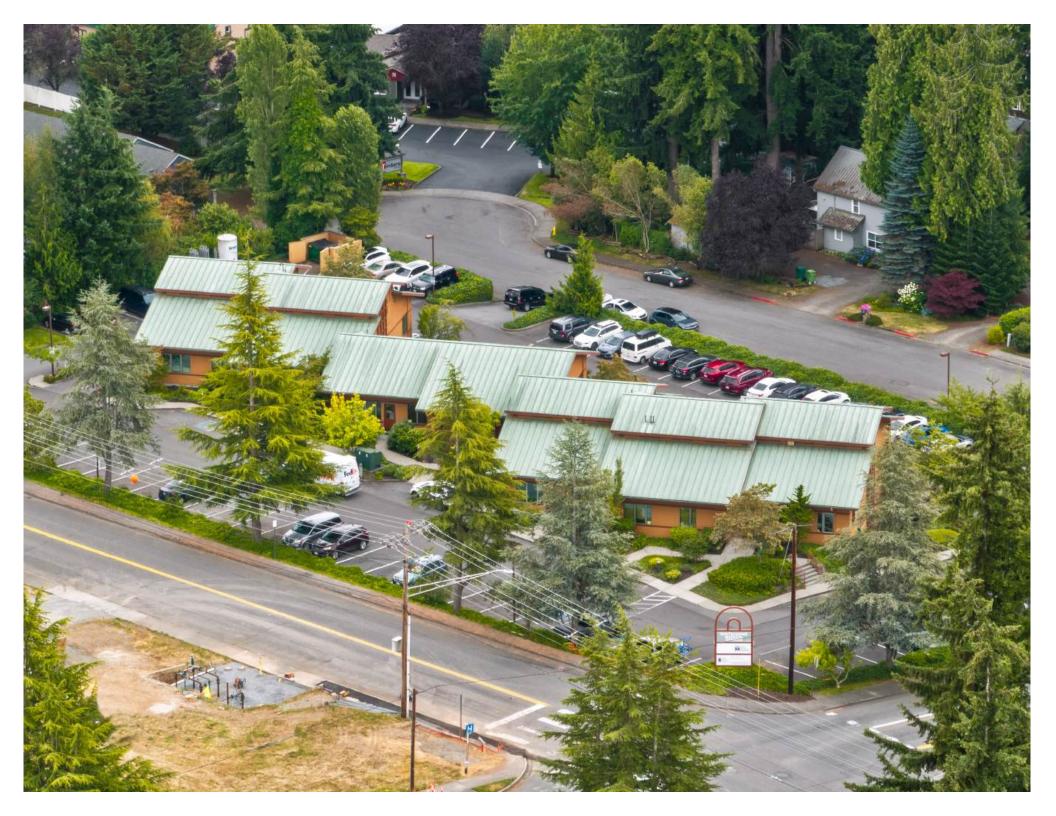
	Current	Proforma
Net Operating Income	\$324,728	\$426,835
Cap Rate	5.84%	7.11%





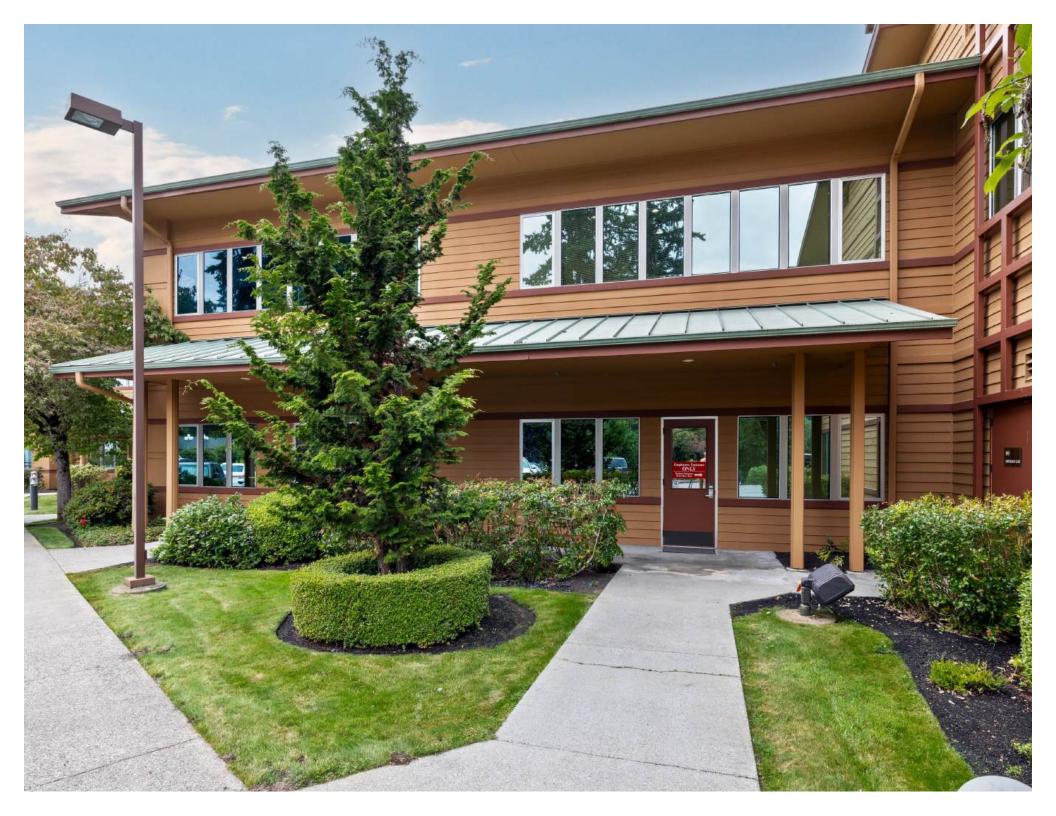












DEMOGRAPHICS

Population			
	1 mile	3 mile	5 mile
2010 Population	23,633	97,167	314,761
2023 Population	27,827	117,356	401,250
2028 Population Projection	28,075	118,813	409,110
Annual Growth 2010-2023	1.4%	1.6%	2.1%
Annual Growth 2023-2028	0.2%	0.2%	0.4%
Median Age	39.6	39.2	39.1
Bachelor's Degree or Higher	52%	47%	52%
U.S. Armed Forces	21	217	537

Income			
	1 mile	3 mile	5 mile
Avg Household Income	\$147,455	\$138,440	\$135,756
Median Household Income	\$122,064	\$107,747	\$105,456
< \$25,000	1,637	6,376	26,753
\$25,000 - 50,000	949	5,289	21,577
\$50,000 - 75,000	934	4,844	20,621
\$75,000 - 100,000	637	3,652	15,947
\$100,000 - 125,000	1,035	4,216	17,551
\$125,000 - 150,000	824	3,267	13,495
\$150,000 - 200,000	1,324	4,512	19,410
\$200,000+	2,801	10,779	42,103

