



Kaleb  
Group

# ASHWAY MF DEVELOPMENT

16725 ASH WAY, LYNNWOOD, WA

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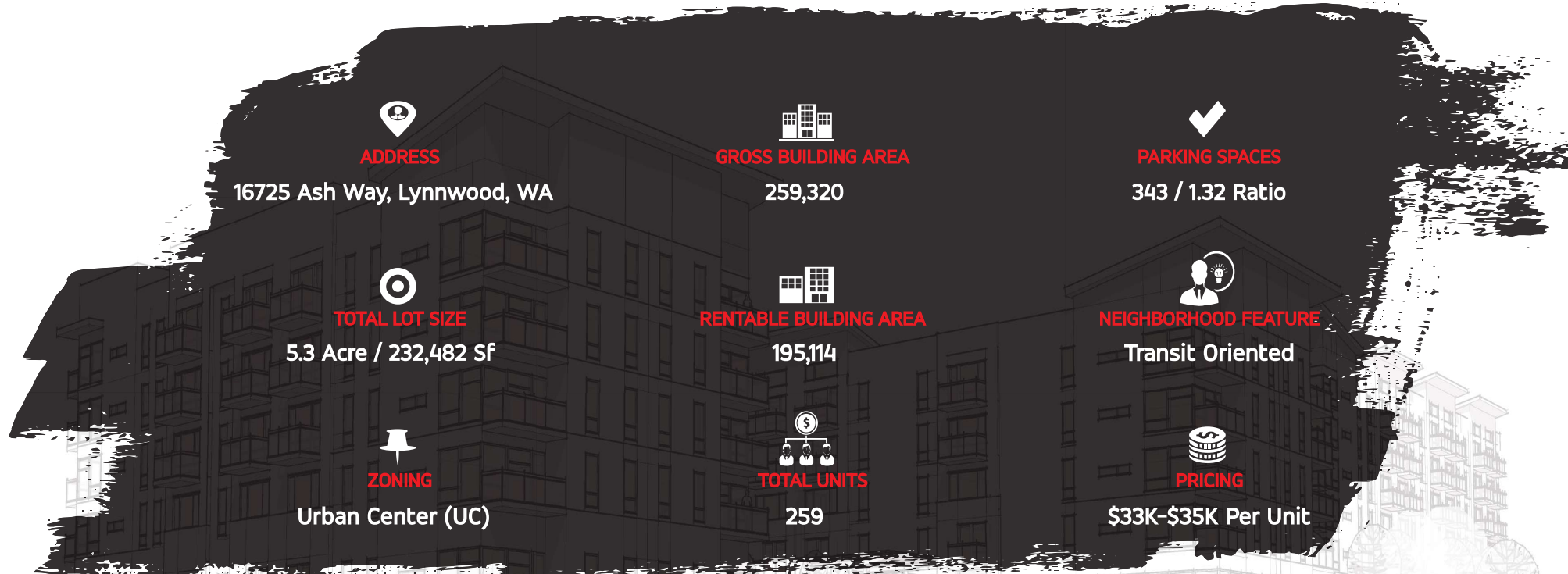
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ADDRESS

16725 Ash Way, Lynnwood, WA



GROSS BUILDING AREA

259,320



PARKING SPACES

343 / 1.32 Ratio



TOTAL LOT SIZE

5.3 Acre / 232,482 SF



RENTABLE BUILDING AREA

195,114



NEIGHBORHOOD FEATURE

Transit Oriented



ZONING

Urban Center (UC)



TOTAL UNITS

259



PRICING

\$33K-\$35K Per Unit

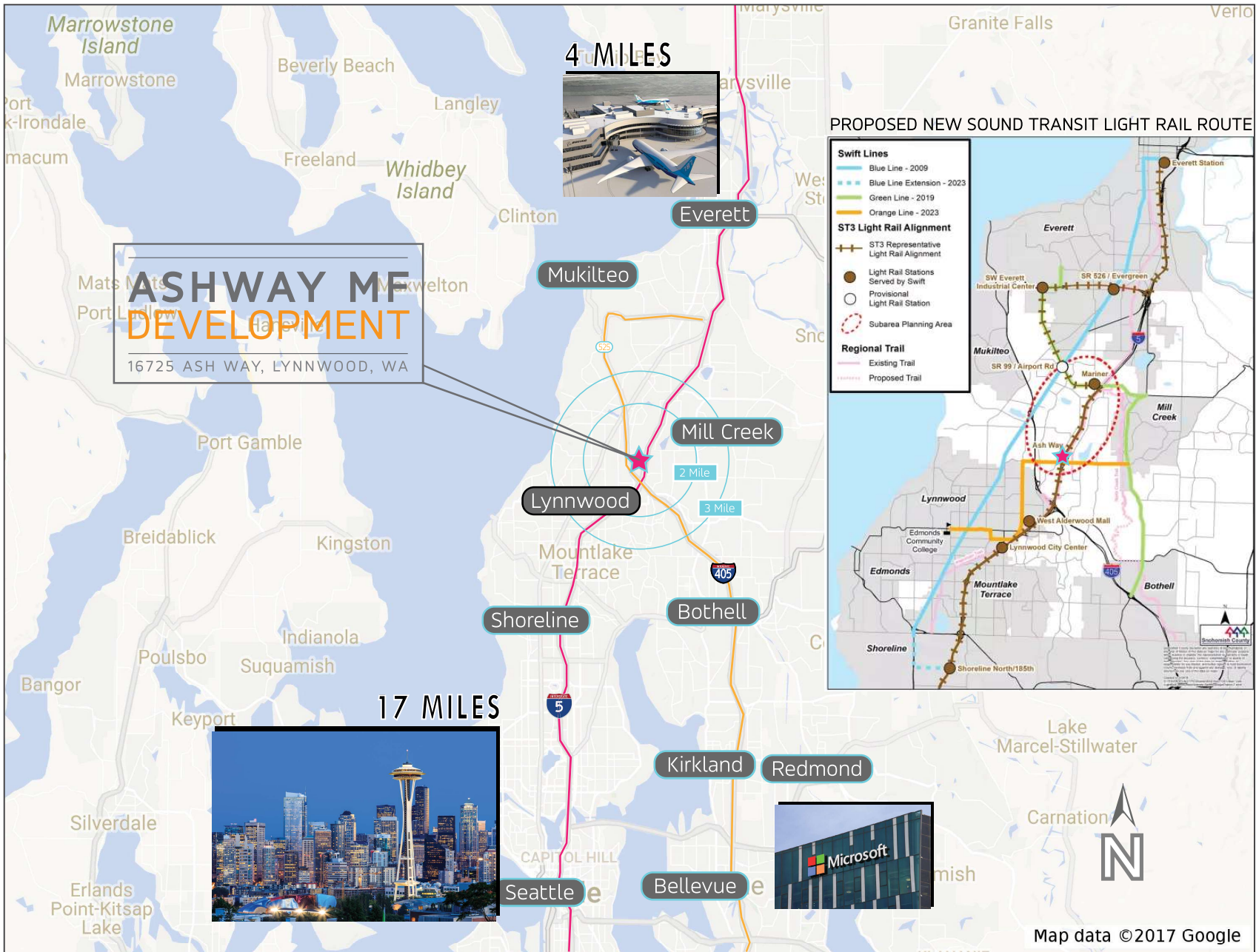
Subject property is currently undergoing entitlements to develop an approximately **5.3 acre project site into a 259 unit 5 story** residential apartment community comprised of 3 separate buildings and includes: a public park / plaza, an onsite recreation facility, a community pool area, and a number of other smaller outdoor passive and active natural and landscaped spaces distributed throughout the site. In addition, this project proposes to provide private access drives and parking as well as public utility infrastructure improvements. The site will be designed with integrated pedestrian circulation routes to conveniently connect these open space areas and other site amenities with residential buildings and public right-of-way access to both Ash Way and Alder Way. This development will be completed in accordance with Snohomish County Code (SCC) Title 30, including SCC 30.23, General Development Standards-Bulk Regulations, SCC 30.23A, Urban Residential Design Standards and SCC 30.34A, Urban Center Development.

The 5.3 acre project site is comprised of 2 existing, separate tax parcels (00372800600300 and 0065850000060). These parcels are located directly east of the intersection at Ash Way and Alder Way in Snohomish County and both are located within the Urban Center (UC) zone. Parcel 0300 is currently an undeveloped site fronted by Ash Way to the northwest and Alder Way to the southwest.

The **Ash Way Park and Ride Public Transit Facility is located less than half-mile** to the north on the east side of Ash Way and the nearest bus stop is located approximately a quarter-mile north of the site in the northwest quadrant of the Ash Way and 164th Street SW intersection. Alderwood Water and Wastewater District will provide water and sanitary sewer services. Snohomish County Fire District #1 serves the property and the project is located in Edmonds School District #15.

Approval of the Preliminary Urban Center Design is estimated to be in the summer of 2019 followed by an approximate 3 month timeframe for the Land Disturbing Activity (LDA) permit (civil) along with the Water and Sanitary Improvement packages.

# ASH WAY IS CENTRALLY LOCATED





# PROFORMA IN TOTAL \$ AMOUNT

## INCOME & EXPENSE IN TOTAL \$ AMOUNT

|   | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             | 2026             | 2027             | 2028             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>INCOME</b>                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Gross Scheduled Income - Residential        | 5,360,862        | 5,521,688        | 5,687,339        | 5,857,959        | 6,033,698        | 6,214,709        | 6,401,150        | 6,593,184        | 6,790,980        | 6,994,709        |
| Parking (Garage) Income \$125 x 160 Stalls  | 240,000          | 242,400          | 244,824          | 247,272          | 249,745          | 252,242          | 254,765          | 257,312          | 259,886          | 262,484          |
| Utility Reimbursement (RUBS) \$914 Per Unit | 236,726          | 243,828          | 251,143          | 258,677          | 266,437          | 274,430          | 282,663          | 291,143          | 299,877          | 308,874          |
| <b>TOTAL GROSS INCOME</b>                   | <b>5,837,588</b> | <b>6,007,916</b> | <b>6,183,305</b> | <b>6,363,908</b> | <b>6,549,880</b> | <b>6,741,381</b> | <b>6,938,578</b> | <b>7,141,640</b> | <b>7,350,743</b> | <b>7,566,067</b> |
| <b>VACANCY &amp; CREDIT ALLOWANCE</b>       | <b>408,631</b>   | <b>420,554</b>   | <b>432,831</b>   | <b>445,474</b>   | <b>458,492</b>   | <b>471,897</b>   | <b>485,700</b>   | <b>499,915</b>   | <b>514,552</b>   | <b>529,625</b>   |
| <b>GROSS OPERATING INCOME</b>               | <b>5,428,957</b> | <b>5,587,362</b> | <b>5,750,474</b> | <b>5,918,434</b> | <b>6,091,388</b> | <b>6,269,485</b> | <b>6,452,877</b> | <b>6,641,725</b> | <b>6,836,191</b> | <b>7,036,443</b> |
| <b>OPERATING EXPENSES</b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| ADVERTISEMENT/MARKETING \$175 PER UNIT      | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           | 45,325           |
| PAYROLL \$1,450 PER UNIT                    | 375,550          | 386,817          | 398,421          | 410,374          | 422,685          | 435,365          | 448,426          | 461,879          | 475,736          | 490,008          |
| UTILITIES \$1,070 PER UNIT                  | 277,130          | 285,444          | 294,007          | 302,827          | 311,912          | 321,270          | 330,908          | 340,835          | 351,060          | 361,592          |
| REPAIRS/MAINTENANCE \$250 PER UNIT          | 64,750           | 66,693           | 68,693           | 70,754           | 72,877           | 75,063           | 77,315           | 79,634           | 82,023           | 84,484           |
| CONTRACT SERVICES \$225 PER UNIT            | 58,275           | 60,023           | 61,824           | 63,679           | 65,589           | 67,557           | 69,583           | 71,671           | 73,821           | 76,036           |
| GENERAL ADMIN \$220 PER UNIT                | 56,980           | 58,689           | 60,450           | 62,264           | 64,131           | 66,055           | 68,037           | 70,078           | 72,181           | 74,346           |
| INSURANCE \$250 PER UNIT                    | 64,750           | 66,045           | 67,366           | 68,713           | 70,087           | 71,489           | 72,919           | 74,377           | 75,865           | 77,382           |
| GROUND EXPENSE \$100 PER UNIT               | 25,900           | 26,677           | 27,477           | 28,302           | 29,151           | 30,025           | 30,926           | 31,854           | 32,809           | 33,794           |
| PROPERTY MANAGEMENT 3% OF EGI               | 162,869          | 167,621          | 172,514          | 177,553          | 182,742          | 188,085          | 193,586          | 199,252          | 205,086          | 211,093          |
| PROPERTY TAX \$2,500 PER UNIT               | 647,500          | 666,925          | 686,933          | 707,541          | 728,767          | 750,630          | 773,149          | 796,343          | 820,234          | 844,841          |
| CAPITAL RESERVES \$200 PER UNIT             | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           | 51,800           |
| <b>TOTAL OPERATING EXPENSES</b>             | <b>1,830,829</b> | <b>1,882,058</b> | <b>1,934,811</b> | <b>1,989,131</b> | <b>2,045,066</b> | <b>2,102,664</b> | <b>2,161,975</b> | <b>2,223,049</b> | <b>2,285,939</b> | <b>2,350,700</b> |
| <b>NET OPERATING INCOME</b>                 | <b>3,598,128</b> | <b>3,705,303</b> | <b>3,815,663</b> | <b>3,929,303</b> | <b>4,046,322</b> | <b>4,166,821</b> | <b>4,290,903</b> | <b>4,418,676</b> | <b>4,550,252</b> | <b>4,685,743</b> |

# || COST SUMMARY

## FUNDING SUMMARY

### TOTAL EQUITY

Developer's cash equity, including net lease-up cost or income: \$ 18,014,143

Total Amount: \$ 18,014,143

### DEVELOPMENT LOAN

Amount: \$ 42,032,900

Interest rate: 6.500%

Term: 16 months

Points: 1.000

Average balance outstanding: 50.000%

### TAKEOUT FINANCING

Amount: \$ 42,032,900

Interest rate: 5.250%

Term: 30 years

Points: 1.000

Debt Coverage Ratio (actual): 1.26

Mortgage Constant: 6.626%

Loan amount per square foot: \$ 162.09

Loan to total project cost: 71.04%

Loan to final resale value: 54.90%

## TOTAL PROJECT COST

**LAND COST (AS-IF SCENARIO) \$8,500,000** 36.56 per SF

**SOFT COSTS \$ 3,694,284** 14.25 per SF

**HARD COSTS \$ 46,974,626** 181.15 per SF

**CONSTRUCTION CONTINGENCY \$ 0** 0.00 per SF

**TOTAL PROJECT COST before lease-up period costs or income \$ 59,168,910** 228.17 per SF

**Net Lease-up Period Costs \$ 878,143** 3.39 per SF

**TOTAL COST OVERALL (rounded, including lease-up period cost) \$ 60,047,100** 231.56 per SF

### LOANS REQUESTED

Development Loan \$ 42,032,900 162.09 per SF

**Total Loans \$ 42,032,900** 162.09 per SF

### EQUITY

Developer's cash equity excluding net lease-up income or cost \$ 17,136,000  
Plus net lease-up period costs \$ 878,143

**Total development equity (rounded) \$ 18,014,100** 69.47 per SF

% of Total Cost Overall 30.00%

Cap Rate (Expected First Year NOI / Total Cost Overall) 5.82%