

SMOKEY POINT SHOPPING CENTER

\$9,500,000 (\$109/SF)

7.7% CAP - 94% Leased



3131-17306 Smokey Point Drive, Arlington, WA 98223



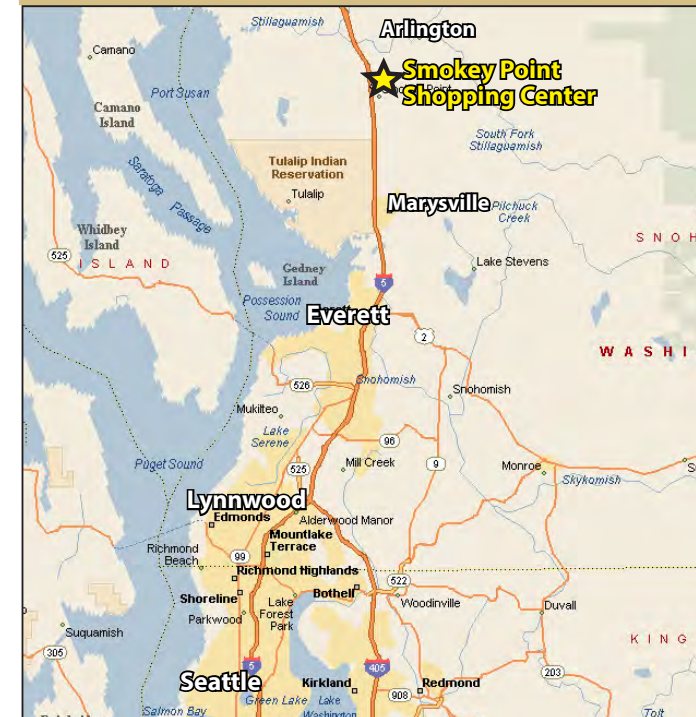
INVESTMENT DETAILS:

- **11.91%** Cash-on-Cash 2016
- **\$8.42/SF** Average NNN Rents (Well Below Market)
- NOI **\$731,868** (2016 Actual Rents)
- **2%** Outside Broker Commission

BUILDING FEATURES:

- 87,101 SF Building
- **\$33/SF** Land - 287,060 SF Total Land (6.59 Acres)
- ~1,000 SF Lineal Feet of I-5 Frontage
- 102,000+ Cars per Day
- ~327 Parking Stalls

LOCATION MAP



Rosen~Harbottle Commercial Real Estate | P.O. Box 5003 Bellevue, WA 98009-5003 | phone: (425) 454-3030 fax: (425) 454-6705

The information provided has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified and make no guarantee, warranty or representation about it. It is your sole responsibility to independently confirm its accuracy and completeness.

For more information, contact:

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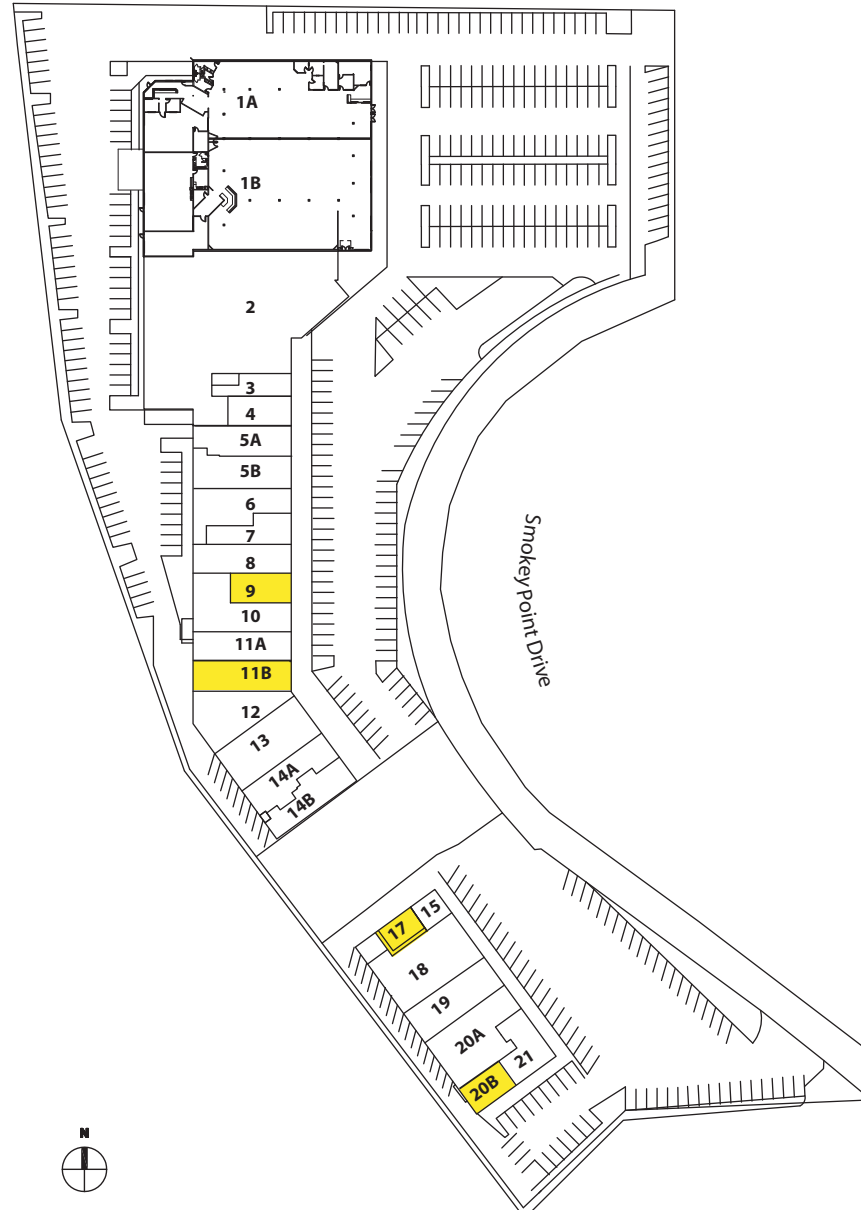
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Site Plan



Parcel Numbers: 31052000400500, 00645300001001, 00645300001000, 00645300000900, 00645300000801, 00645300000700

Suite	Tenant	Sq Ft
1A	Cutting Edge Kitchen & Bath	11,714
1B	Warm Beach Community Church	16,397
2	Power Alley Fitness	16,449
3	Infusion Studio	1,164
4	Salon Three	1,248
5A	Red Door Beads	1,839
5B	Asgard Massage	2,001
6	Companion Pet Clinic	2,534
7	State Farm Insurance	1,326
8	Glass Doctor	1,920
9	Available	1,176
10	Suds 'N' Duds	2,650
11A	USTA Martial Arts	2,012
11B	Available	1,905
12/13	Smokey Point Pawn	5,470
14A	Sunrise Dental	2,100
14B	Pottery Nook	1,779
15	City of Arlington	891
17	Available	940
18/19	NW Dance & Acro	5,744
20A	Aunt Mary's Quilt Shop	3,185
20B	Available	1,036
21	Dr. Bowman, DMD	1,621

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Financial Analysis

	ACTUAL 2016 (Y1)	2017 (Y2)	2018 (Y3)	2019 (Y4)	2020 (Y5)
Base Rent Revenue¹	\$733,166	\$827,362	\$870,158	\$901,283	\$932,996
Reimbursed Expenses	\$301,453	\$323,177	\$332,872	\$342,859	\$353,144
Monument Sign Income	\$25,620	\$25,620	\$25,620	\$25,620	\$25,620

Operating Expenses²	(\$328,371)	(\$338,222)	(\$348,369)	(\$358,820)	(\$369,584)
Vacancy³	\$0	(\$57,527)	(\$60,152)	(\$62,207)	(\$64,307)
Structural Reserve	\$0	(\$8,710)	(\$8,710)	(\$8,710)	(\$8,710)

Net Operating Income	\$731,868	\$771,700	\$811,420	\$840,025	\$869,159
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Annual Debt Service⁴	(\$392,568)	(\$392,568)	(\$392,568)	(\$392,568)	(\$392,568)
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Cash Flow	\$339,300	\$379,132	\$418,852	\$447,457	\$476,591
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Cash-on-Cash	11.91%	13.30%	14.70%	15.70%	16.72%
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Principal Reduction	\$112,102	\$116,969	\$122,038	\$127,327	\$132,845
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Return on Equity	15.84%	17.41%	18.98%	20.17%	21.38%
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Assumptions

1. Vacancy Rates: \$12/SF Y1 + 3% annual increases for Y2-Y5
2. Op Ex: 3.77/SF Y1 + 3% annual increases for Y2-Y5
3. 0% vacancy for Y1; 5% vacancy for Y2-Y5
4. Loan-to-value: 70%; 30-year amortization; 4.25% interest

Please be advised that this analysis is generalized and does not factor in many of the financial and personal aspects one should take into account when electing to purchase real property. The potential purchaser must analyze this investment based upon its own analysis, including, without limitations, its own tax considerations (including current and future tax laws), recapture of depreciation, ultimate sales price and market considerations. These items must be evaluated by a qualified CPA, attorney or other consultant when making the decision to purchase.

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FEATURES:

- Potential Redevelopment Site
- \$600,000 of Capital Improvements Since 2005
- Strong Upside Potential
- 1,000 Lineal SF of I-5 Frontage
- Monument Signs & Readerboard
- 30% Site Coverage

CAPITAL IMPROVEMENTS:

2005:	Roof replacement on south building; Renovated parapet walls
2009:	Parking lot sealcoat & striping
2011:	Roof replacement on north building & downspouts

TRAFFIC COUNT:

I-5 (N&S) @ 172nd Street NE:	102,480 Cars per Day
172nd Street NE @ Exit 206:	40,600 Cars per Day

DEMOGRAPHICS:

	<u>1 Mile</u>	<u>3 Mile</u>	<u>5 Mile</u>
2015 Population	5,918	22,018	54,385
2015 Households	2,222	7,941	19,529
2015 Average Income	\$53,101	\$62,490	\$75,089

SUMMARY:

The Smokey Point Shopping Center is one of the best value-add retail or redevelopment opportunities in Western Washington. Zoned as Highway Commercial, the center consists of over 6.59 acres (287,060 SF total) of land and is currently a multi-tenant retail building in Arlington, WA, anchored by PA Fitness and Warm Beach Church, with neighboring anchors that include Walmart, Safeway, Costco, Target, Best Buy, Lowe's and Starbucks.

Visibility is prominent, with a large monument sign and readerboard on I-5, as well as building signage opportunities for tenants. At a purchase price of \$109/SF for building and \$33/SF for land, the property is available at a fraction of the replacement cost and positioned for potential redevelopment which will provide

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