

SMOKEY POINT SHOPPING CENTER



3131 & 17306 Smokey Point Drive, Arlington, WA

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Value-Add Retail

Smokey Point Shopping Center is one of the best value-add retail / 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, Cutting Edge Kitchen and Bath, and Warm Beach Church, with neighboring anchors that include Walmart, Safeway, Costco, Target, Best Buy, Lowe's and Starbucks.

Redevelopment Potential

At a purchase price of \$34/SF for land and \$112/SF for building, the property is available at a fraction of the replacement cost and positioned for future redevelopment while providing significant cash flow in the interim and upside through increased rates and lease up.

Prominent Visibility

The property benefits from nearly 1,000 lineal feet of frontage on I-5 with large monument signs and readerboards on both I-5 and 172nd Street.



Smokey Point Town Center

Smokey Point Shopping Center



New Neighboring Development

Smokey Point Shopping Center is conveniently located at the same exit on I-5 as large national tenants such as Costco, Target, Best Buy and Lowe's which attracts an abundant amount of traffic to the Smokey Point area.

Construction has begun on a new development, Smokey Point Town Center, which includes a 182 unit multi-family apartment complex and retail center with several national tenants already committed to the center.

Impact to Subject Property

This new development will increase the traffic to the Smokey Point area, and Smokey Point Shopping Center will benefit from the additional population to inhabit the new apartment complex. Smokey Point Shopping Center is the premier cost efficient retail center for local businesses.



Features:

- 87,101 SF Building
- 287,060 SF Total Land (6.59 Acres)
- ~1,000 SF Linear Feet of I-5 Frontage
- 102,000+ Cars per Day on I-5
- Potential Redevelopment Site
- Great Upside Potential
- Monument Signs & Readerboard
- 30% Site Coverage

Capital Improvements:

\$600,000 in Capital Improvements made since 2005

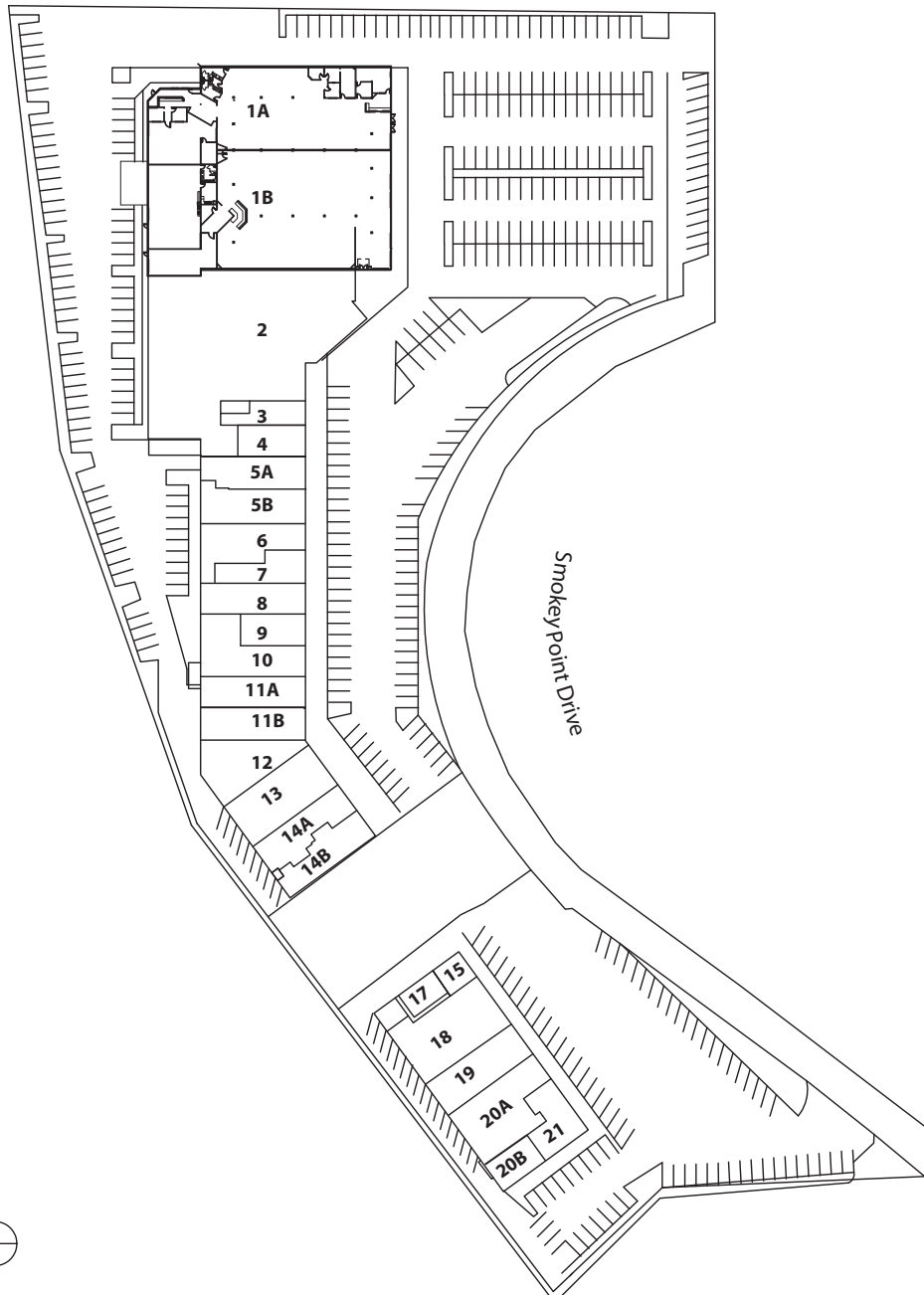
- 2005: Roof replacement on south building; Renovated parapet walls
- 2009: Parking lot sealcoat & striping
- 2011: Roof replacement on north building & downspouts

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:

	1 Mile	3 Mile	5 Mile
2017 Population	6,030	22,120	56,855
2017 Households	2,278	7,976	20,500
2017 Average Income	\$64,858	\$77,943	\$84,363



Suite	Tenant	Sq Ft
1A	Cutting Edge Kitchen & Bath	11,714
1B	Warm Beach Community Church	16,397
2/3	Power Alley Fitness	17,613
4	Salon Three	1,248
5A	Available	1,839
5B	Asgard Massage	2,001
6	Companion Pet Clinic	2,534
7	State Farm Insurance	1,326
8	Available	1,920
9/10	Suds 'N' Duds	3,826
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	Available	891
17	Available	940
18/19	NW Dance & Acro	5,744
20A	Aunt Mary's Quilt Shop	3,185
20B	Available	1,036
21	Available	1,621



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

Investment Details

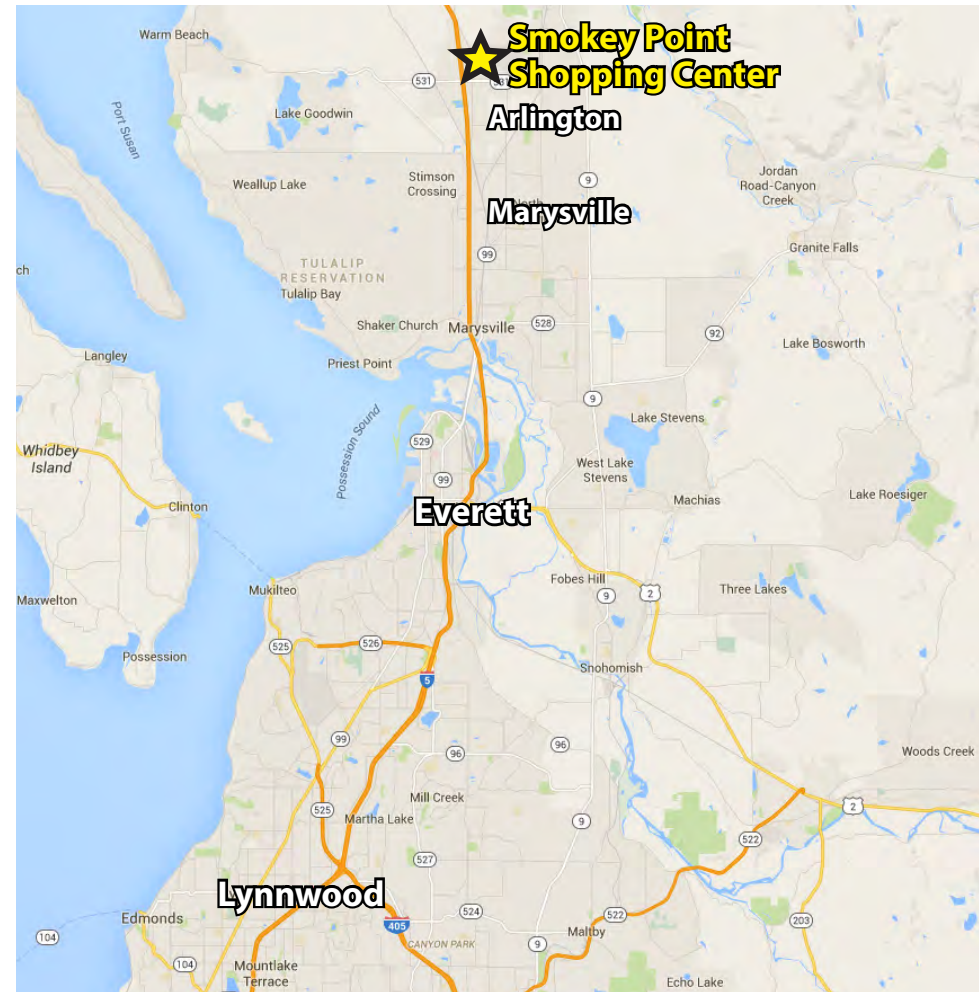
Annualized 2018

(Assumes 11.7% vacancy through 12/31/18)

- 7.1% CAP As Is
- 8.26% CAP Stabilized
- 7.93% Cash-on-Cash (65% LTV)
- \$8.19/SF Average NNN Rents
- NOI \$691,106 As Is
- 11.7% Vacant
- \$9,760,000 (\$112/SF)

Commission

- 1% to Outside Broker



Power Alley Fitness



- \$144,480 in tenant improvements
- Experienced operator with 3 locations in Marysville & Arlington
- Amenities include personal training, daycare, dry sauna, nutrition/pro shop, tanning, smoothie bar, free wifi

Warm Beach Community Church



- Extensive improvements completed by tenant with high-end finishes
- Well-funded church operating since 1972
- Reach Potential of 16,800 Increased to 208,000 by moving their main campus to Smokey Point
- Improvements include sanctuary, offices, daycare center, coffee bar & meeting rooms

Cutting Edge Kitchen & Bath



- High-end kitchen & home improvement showroom
- Appliance installation business reaches 200+ plus homes per year
- Retail & wholesale sales to home owners & contractors

Northwest Dance & Acro

Northwest Dance & Acro

- The owner has operated her own studio for seven years. Extensive training in ballet, acrobatics, jazz, lyrical and international dancing which began at the age of 12.
- Placed in the top 100 FDC National ranking as well a top 5 studios in Washington
- The studio offers classes in many dance disciplines which range from recreational to competitive levels.
- Dancers have been featured on America's Got Talent!

Arlington Companion Pet Clinic

Arlington Pet Clinic

- Dr. Gowan has been practicing veterinary medicine in Snohomish County since 1998 after graduating from WSU in 1994.
- Full range of services for dogs, cats and exotics from medical, surgical and dental
- Stem-cell therapy certified veterinarian

Smokey Point Jewelry & Pawn



- Been in business since 1995, and relocated to the center in 2013
- Offers a wide variety of items to buy, sell and trade

Location Information



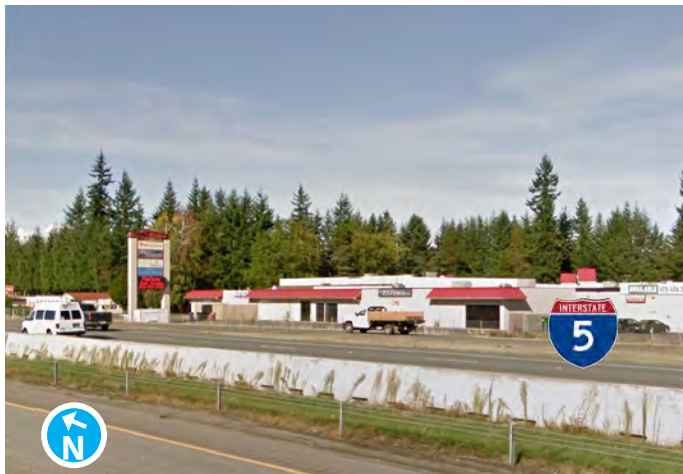
44%+ Population Growth Since 2000



\$84,363 Average Income
5 Mile



20,500 Households
73% Owner Occupied
5 Mile



- Low Vacancy Rate
- Prominent Signage
- Surrounded by National Tenants
- High-Traffic Visibility
- New Residential Units
- Below Market Rents
- ~1,000 SF Lineal I-5 Frontage
- Long-Term Anchor Tenants In-Place



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