



FOUNDATION GROUP
NOW LEASING
206-905-4636

NE 55th St
15th Ave NE

5502

 **FOUNDATION
GROUP**

FRONT NINE APARTMENTS

— 5502 15th Ave NE —
Seattle, WA 98105



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Offering Summary

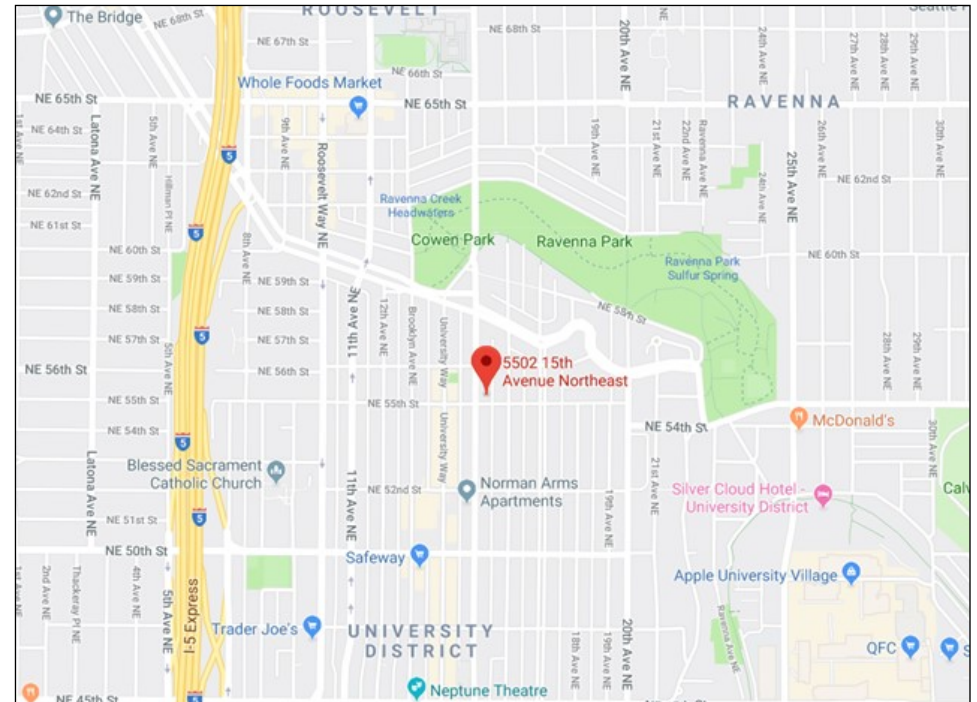
The Foundation Group is pleased to announce that it has been retained to present the Front Nine and Cowen Park Apartments to the investment public. These two prime parcels are on two separate tax lots and may be acquired separately or collectively as a package to give you 21 units.

There is also development potential. The number of units that can be built is limited only by its 50 foot height restriction and FAR limitations. Section 6 gives an example of a 70 unit design. This corner of 15th Avenue NE and NE 55th boasts a Walk Score of 96. All needs are within walking distance. Restaurants, movie theatres, grocery stores, the University of Washington itself, all can be reached on foot in fifteen minutes or less.

Cowen Park is a twelve unit building having an even mix of well laid out one and two-bedroom units. With cosmetic upgrades it is believed that rents could be brought to the level of stabilized income verified by the “Area Rents” of Section 3. The new Link Light Rail station under construction is six blocks away. Laundry facilities are located on site and there are eight parking spaces.

Property Overview

Building Name	Front Nine Apartments
Address	5502 15th Avenue NE Seattle, WA 98105
Price	\$2,200,000
Year Built	1909
Square Feet	4,824 Net Rentable / 5,430 Gross
Total Units	9
Price Per Unit	\$244,444
Price Per Foot	Net \$456.05 / Gross \$405.16
Current GRM/CAP	14.58/ 4.20%
Stabilized GRM/CAP	12.60/ 5.07%
Expense Per Unit	\$8,487
Terms	Cash Out
Lot Size	9,720 SF
Zoning	LR3 (M)



As Development Site



Investment Overview

Walker's & Biker's Paradise. Walk Score of 96 / Bike Score 94

Six blocks to the new Link Light Rail Station (under construction 45th & Brooklyn)

Walking distance to the University of Washington Campus

Eight off-street parking spaces

Develop Potential with LR3(M) zoning in the Urban Village

Major Bus Line at the front door

Attractive courtyard and walkways

Double pane windows/Updated electrical/copper plumbing/GFIs

EBB Baseboard Tenant Paid Heat

Rent Upside with cosmetic unit updating

Upside deal in one of Seattle's prime real estate locales

Available Financing

Available sources range from the regional banks to the Fannie Mae and Freddie Mac products. We have quotes from \$1,280,000 to \$1,345,000 at interest rates between 3.81% to 4.00%. A variety of programs are available, depending on whether the buyer prefers non-recourse or full recourse. Pre-payment options vary from the 3,2,1 step-downs to yield maintenance. Below is an example from the Freddie Mac Small Loan Program:

- ◆ Projected Loan Amount: \$1,345,000
- ◆ 30 year amortization
- ◆ Current fixed rate—5 year fixed @ 3.81%
- ◆ Non-Recourse / no personal guarantee
- ◆ No tax returns or banks statements needed
- ◆ Prepayment penalty—Yield Maintenance—5 years, 1%
- ◆ 60 day automatic rate lock at app—no additional deposit required



Operating Summary

Building Overview

Units	9	Price	\$2,200,000
Year Built	1909/Rehab 1993	Price Per Unit	\$244,444
Net SF	4,824	Price/Net SF	\$456.05
Gross SF	5,430	Price/Gross SF	\$405.16
Down Payment	\$855,000	Current GRM	14.58
Loan Amount	\$1,345,000	Current CAP	4.20%
Interest Rate	3.81%	Stabilized GRM	12.60
Amortization	30 Years	Stabilized CAP	5.07%

Rent Income

Units	Type	Current Rent	Monthly Income	Stabilized Rent	Monthly Income
9	1bd/1ba	\$1,240-\$1,490	\$11,880	\$1,490	\$13,410
9	536 SF Avg.	\$2.12/SF	\$11,880	\$2.78/SF	\$13,410

Total Monthly Income

	Current	Stabilized
Rent Income	\$11,880	\$13,410
Laundry Income	\$145	\$145
Parking Income	\$8	\$450
Utility Recapture	\$540	\$540
Other Income	\$0	\$0
Total Income	\$12,573	\$14,545

Annualized Operating Expenses

	Current	Stabilized
Real Estate Taxes	\$18,251	\$18,251
Insurance	\$2,384	\$2,384
Utilities	\$9,527	\$9,527
Maintenance & Repairs	\$8,356	\$8,356
On-site Management	\$4,860	\$4,860
Professional Management	\$7,544	\$8,727
Reserves		\$2,250
Total Expenses	\$50,922	\$54,355

Annualized Operating Data

	Current	Stabilized
Gross Scheduled Income	\$150,876	\$174,540
Vacancy (5%)	(\$7,544)	(\$8,727)
Gross Operating Income	\$143,332	\$165,813
Less Expenses	\$50,922	\$54,355
Net Operating Income	\$92,410	\$111,458
Annual Debt Service	\$75,297	\$75,297
Cash Flow Before Tax	\$17,113	\$36,161
Principal Reduction	\$24,477	\$24,477
Total Return Before Tax	\$41,590	\$60,638

Current Operations

Expenses per Unit	\$5,658
Expenses per Foot	\$10.56
Percentage of Gross	33.75%

Stabilized Operations

Expenses per Unit	\$6,039
Expenses per Foot	\$11.27
Percentage of Gross	31.14%





Rent Roll

Monthly Income


Unit	Unit Type	Current Rent	Stabilized Rent	Size	Current r/sf	Stabilized r/sf
F9 1	1bd/1ba	\$1,250	\$1,490	536	\$2.33	\$2.78
F9 2	1bd/1ba	\$1,300	\$1,490	536	\$2.43	\$2.78
F9 3	1bd/1ba	\$1,240	\$1,490	536	\$2.31	\$2.78
F9 4	1bd/1ba	\$1,400	\$1,490	536	\$2.61	\$2.78
F9 5	1bd/1ba	\$1,490	\$1,490	536	\$2.78	\$2.78
F9 6	1bd/1ba	\$1,400	\$1,490	536	\$2.61	\$2.78
F9 7	1bd/1ba	\$1,250	\$1,490	536	\$2.33	\$2.78
F9 8	1bd/1ba	\$1,275	\$1,490	536	\$2.38	\$2.78
F9 9	1bd/1ba	\$1,275	\$1,490	536	\$2.38	\$2.78
		\$11,880	\$13,410	4,824	\$2.46	\$2.78



Area Rents

	Year Built	Units	Rent	Sqft.	Rent/Sqft.	WSG/Parking
 <p>Rent Comparable 1</p> <p>Shuksan 5247 15th Ave NE Seattle, WA 98105 (Well maintained but not rehabbed)</p>	1960	14	1bd/1ba: \$1,335 2bd/1ba: \$2,295	1bd/1ba: 530sf 2bd/1ba: 730sf	1Bd/1ba: \$2.52 2bd/1ba: \$3.14	WSG: \$65/mo Parking: \$50/mo
 <p>Rent Comparable 2</p> <p>Outrigger 5515 15th Ave NE Seattle, WA 98105</p>	1964	24	1bd/1ba: \$1,400	1bd/1ba: 530sf	1bd/1ba: \$2.64	WSG: \$75/mo Parking: \$100/mo
 <p>Rent Comparable 3</p> <p>Iro 5233 15th Ave NE Seattle, WA 98105</p>	1965	25	1bd/1ba: \$1,585 2bd/1ba: \$1,800	1bd/1ba: 615sf 2ba/1ba: 840sf	1bd/1ba: \$2.58 2bd/1ba: \$2.14	WSG: \$40/mo Parking: \$100/mo
 <p>Rent Comparable 4</p> <p>Twin Oaks Apartments 5263 15th Ave NE Seattle, WA 98105</p>	1977	14	1bd/1ba: \$1,200 2bd/1ba: \$1,500	1bd/1ba: 500sf 2bd/1ba: 700sf	1Bd/1ba: \$2.40 2bd/1ba: \$2.14	WSG: \$80/mo Parking: \$50/mo

Area Rents

	Year Built	Units	Rent	Sqft.	Rent/Sqft.	WSG/Parking
						
Rent Comparable 5						
University Crest 5043 15th Ave NE Seattle, WA 98105	1903	6	Studio: \$1,025 1bd/1ba: \$1,425	Studio: 450sf 1bd/1ba: 550sf	Studio: \$2.28 1bd/1ba: \$2.59	WSG: \$50/mo Parking: \$80/mo
						
Rent Comparable 6						
University Heights 1415 NE 52nd St Seattle, WA 98105	1958	21	1bd/1ba: \$1,295	1bd/1ba: 435sf	1bd/1ba: \$2.98	WSG: \$50/mo Parking: \$80/mo
						
Rent Comparable 7						
Ponderay Apartments 5233 15th Ave NE Seattle, WA 98105	1963	40	Studio: \$1,185 1bd/1ba: \$1,350	Studio: 475sf 1ba/1ba: 605sf	Studio: \$2.49 1bd/1ba: \$2.23	WSG: \$75/mo Parking: \$85/mo
						
Rent Comparable 8						
Ravenna Hillside Apartments 5219 22nd Ave NE Seattle, WA 98105	1914	4	1bd/1ba: \$1,395 2bd/1ba: \$2,100	1bd/1ba: 670sf 2bd/1ba: 765sf	1bd/1ba: \$2.15 2bd/1ba: \$2.75	WSG: \$65/mo Parking: \$125/mo

Sales Comparables

	Year Built	Units	Price Per Unit	Price Per SF	GRM	CAP	Selling Price	Sale Date
 <p>Subject Property Cowan Park Apartments 5512 15th Ave NE Seattle, WA 98105</p>	1909	9	\$244,444	\$456.05	14.6	4.20%	\$2,200,000	TBD
 <p>Sales Comparable 1 University Arms 201 NE 40th St Seattle, WA 98105</p>	1957	21	\$280,238	\$435.64	13.1	3.90%	\$5,885,000	4/29/2019
 <p>Sales Comparable 2 Penthouse 4636 22nd Ave NE Seattle, WA 98105</p>	1948	12	\$325,000	\$459.36	18.7	3.41%	\$3,900,000	5/10/2018
 <p>Sales Comparable 3 Allview 4427 5th Ave NE Seattle, WA 98105</p>	1959	12	\$316,667	\$476.19	11.5	3.96%	\$3,800,000	4/26/2018

U-District Looking Southeast



U-District Looking South



Front Nine Looking North East



U-District Looking Southwest





Photo Gallery



As Development Site



Site

**NE 55th St &
15th Ave NE
Seattle, WA**
November 05, 2015

ZONING: LR3

Site: 15,120 SF (0.35 Acres)

FAR:
Residential: 2.00¹

Building Height:
Basic: 40'
30' w/n 50' of SFR

Density Limit: No Limit¹

POTENTIAL PROGRAM

11' Floor to floor for level 1.
9'-6" Floor to floor for level 2-4.

Level 1: 7,554 GSF
Level 2-4: 7,554 GSF
Total GSF: 30,216 GSF

Rentable square footage: 25,451 SF
Studio / 1 Bed: 67 units | Avg 380 SF

PARKING

Park Required:
Residential² None
Parking Provided: 13 stalls

Notes:

- ¹ Must meet additional requirements per SMC 23.45.510.C.
- ² No minimum requirement for residential uses within urban centers. SMC 23.45.015.
- ³ 25% of lot to be amenity space, 50% at ground level or on roof not enclosed within a structure.
- ⁴ Green Factor Landscaping score of 0.6 or higher required. SMC 23.47A.016



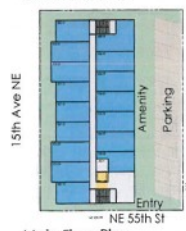
Building Massing SE



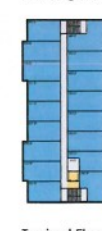
Main Floor Plan



Building Massing NW



Main Floor Plan



Typical Floor Plan 2-4

4444 Woodland Park Avenue N, Suite 100 Seattle, Washington, 98103 206.402.4484 www.twist-design.com

LR3(M) Zoning

The combination of Cowen Park and Front Nine adjacent to one another provides a rare opportunity for development of a 15,120 sq ft corner lot in the city's Urban Village overlay.

Because these properties are within the Urban Village more aggressive FAR limits are applicable. There is no unit limit. The number of units is limited only by required setbacks, a height limit of fifty feet, and the FAR limitations:

- 1.3 FAR for Cottages
- 1.6 FAR for Rowhouses
- 2.2 FAR for Townhouses
- 2.3 FAR for Apartments (including micro units)

The property also lies within the Mandatory Housing and Affordability Medium Density zone, which allows for certain benefits in exchange for cash contributions to the City for Housing Affordability.

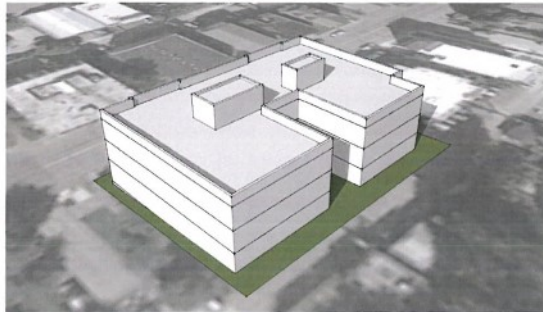
Further information can be obtained over the counter by visiting the zoning department on the twentieth floor of the Seattle Municipal Tower (700 5th Avenue, #2000), or on line <https://www.seattle.gov> by accessing the Seattle Land Use Code (Title 23).

The information provided in this section is correct to the best of our knowledge. The examples given here should not be used as a substitute for codes and regulations, which change from time to time. Buyer is responsible for Buyer's own investigation and compliance with all code and rule requirements.

As Development Site



Site



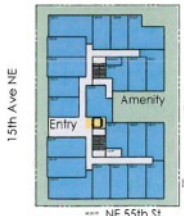
Building Massing SE



Main Floor Plan



Building Massing NW



Main Floor Plan



Typical Floor Plan 2-4

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NE 55th St & 15th Ave NE Seattle, WA November 05, 2015

ZONING: LR3

Site: 15,120 SF (0.35 Acres)

FAR:
Residential: 2.00¹

Building Height:
Basic: 40'
30' w/n 50' of SFR

Density Limit: No Limit¹

POTENTIAL PROGRAM

11' Floor to floor for level 1.
9'-6" Floor to floor for level 2-3.

Level 1: 9,858 GSF
Level 2-3: 9,858 GSF
Total GSF: 29,574 GSF

Rentable square footage: 24,555 SF
Studio / 1 Bed: 68 units | Avg 361 SF

PARKING

Park Required:
Residential² None
Parking Provided: None

Notes:

- ¹ Must meet additional requirements per SMC 23.45.510.C.
- ² No minimum requirement for residential uses within urban centers. SMC 23.45.015.
- ³ 25% of lot to be amenity space, 50% at ground level or on roof not enclosed within a structure.
- ⁴ Green Factor Landscaping score of 0.6 or higher required. SMC 23.47A.016



Site



Building Massing SE



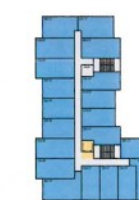
Main Floor Plan



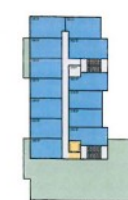
Building Massing NW



Main Floor Plan



Typical Floor Plan 2-4



4th Floor / Roof

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NE 55th St & 15th Ave NE Seattle, WA November 05, 2015

ZONING: LR3

Site: 15,120 SF (0.35 Acres)

FAR:
Residential: 2.00¹

Building Height:
Basic: 40'
30' w/n 50' of SFR

Density Limit: No Limit¹

POTENTIAL PROGRAM

11' Floor to floor for level 1.
9'-6" Floor to floor for level 2-4.

Level 1: 8,303 GSF
Level 2-4: 8,303 GSF
Level 4: 5,352 GSF
Total GSF: 30,261 GSF

Rentable square footage: 25,116 SF
Studio / 1 Bed: 72 units | Avg 349 SF

PARKING

Park Required:
Residential² None
Parking Provided: 8 stalls

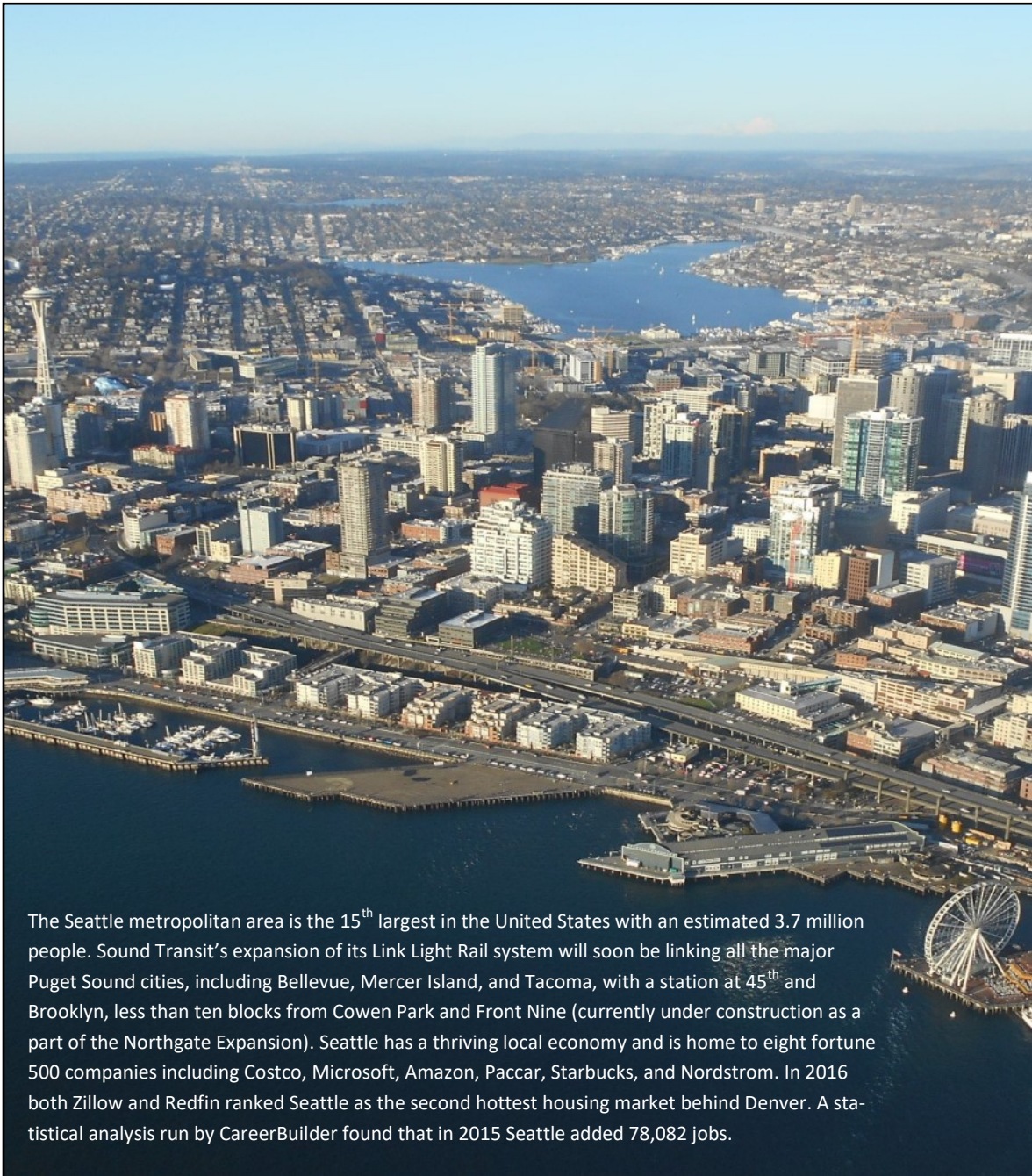
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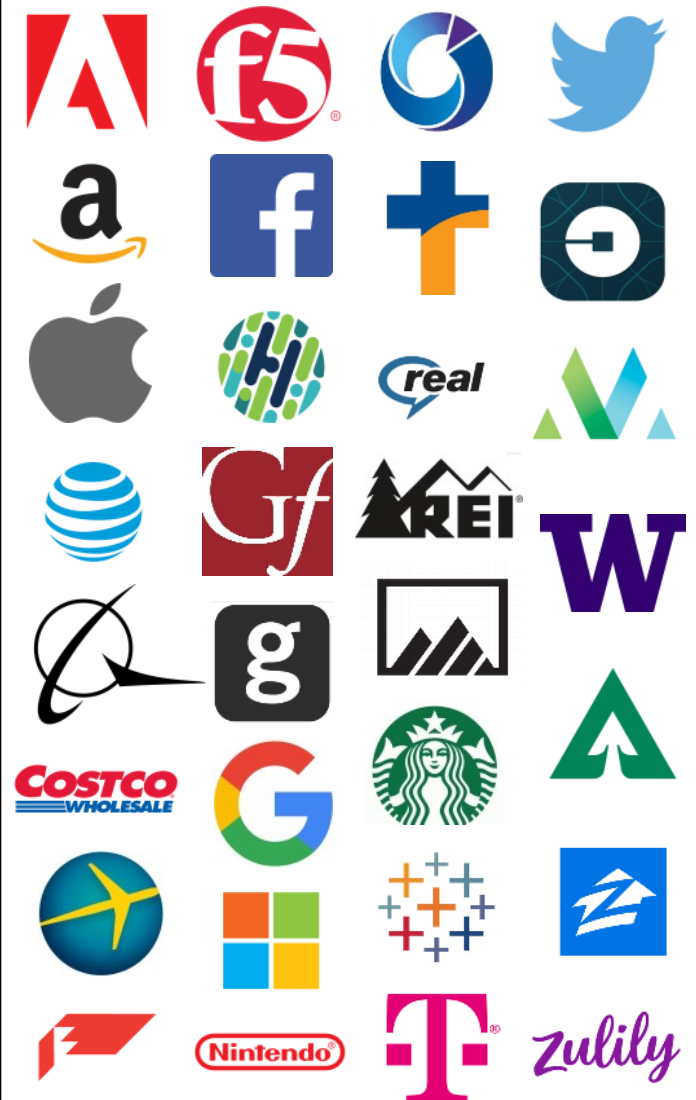
As Development Site



Puget Sound Area Overview



Top Puget Sound Area Employers





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