

THE WINCHESTER APARTMENTS

OFFERING MEMORANDUM

WINCHESTER
APARTMENTS
505 E. 2ND ST. WYOMING
CORNINGREALESTATEADVISORS.COM

PARAGON
REAL ESTATE ADVISORS

PARAGON
REAL ESTATE ADVISORS

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OFFERING

Paragon Real Estate Advisors is pleased to exclusively offer for sale the Winchester Apartments; a trophy classic-brick building in a prominent Capitol Hill location. Built in 1927 and designed by architect Louis Svarz, the Winchester Apartments sit proudly at the corner of E Denny Way and Boylston Ave E in a perfect Capitol Hill setting just blocks from Broadway. The magnificent four-story masonry building has been lovingly maintained over the years by current and past owners and showcases the incredible period detail and skilled craftsmanship that cannot be found in newer construction. The Winchester features a total of 30 apartments with a desirable mix of large studios, one-bedroom and two-bedroom floorplans. The apartments have tall ceilings, beautiful original hardwood floors, lots of windows with wonderful natural light, large walk-in closets, charming built-in storage and “breakfast nooks”, and many other characteristics that make early 1900’s construction special. The building features a secure access entry, convenient elevator service, clean and bright common laundry room, large resident storage locker area, secure bike storage room and a shop/ storage room for the building custodian.

The Winchester Apartments offer a singular opportunity to own a true trophy asset with a rich history in one of the finest rental locations in the city of Seattle. The property has been lovingly cared for by past owners and is in great condition with a very stable occupancy history. New ownership will benefit from strong future rent growth and appreciation and has several options to realize immediate income upside and ways of adding value.

Seller financing available for a qualified buyer



FINANCIAL SUMMARY

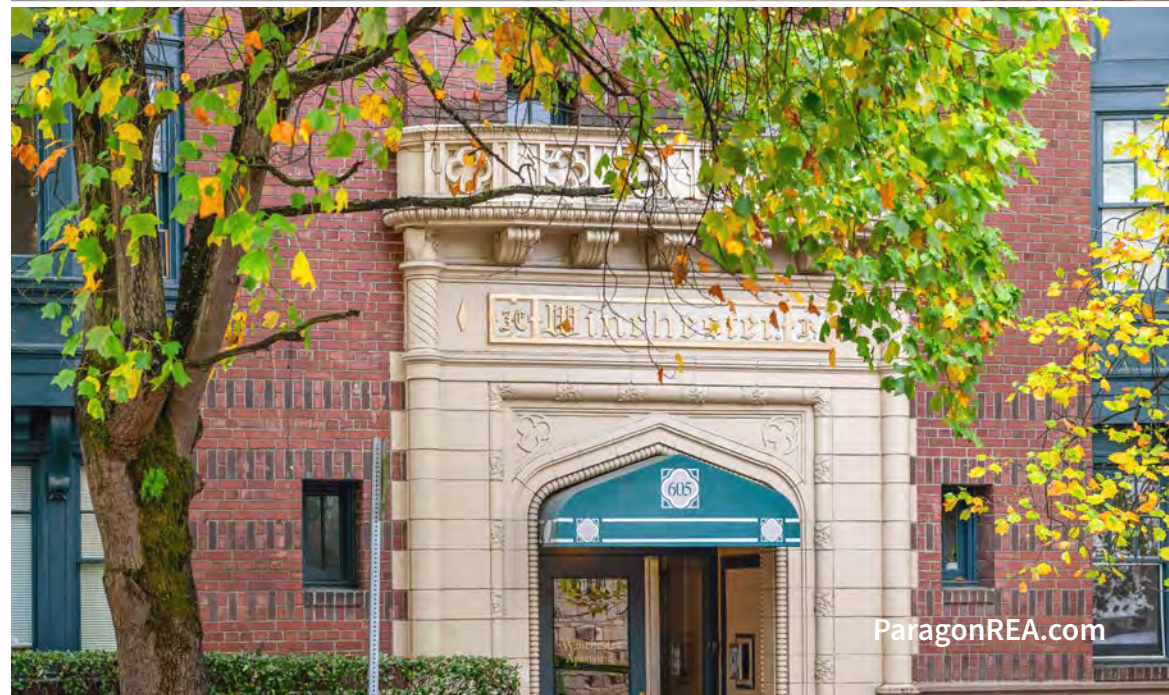
NAME	The Winchester Apartments
ADDRESS	605 E Denny Way Seattle, WA 98122
PRICE	\$5,695,000
TOTAL UNITS	30
BUILT	1927
SQUARE FEET	15,325 Total Net Rentable
PRICE PER UNIT	\$189,833
PRICE PER FOOT	\$372
CURRENT GRM/CAP	10.8/5.3%
MARKET GRM/CAP	9.8/6.0%
LOT SIZE	5,196 Square Feet
ZONING	MR (M)

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INVESTMENT HIGHLIGHTS

- Excellent Capitol Hill location close to Broadway and Pike/Pine Corridor
- Trophy “classic-brick” property with old-world character and detailing
- Attractive seller financing: \$3MM down-payment, 5% Interest-only for 3 years
- 30 units: Mix of large studios, one-bedroom and two-bedroom floorplans
- Well-maintained and updated building with professional management
- Updated systems: new central boiler, well-maintained roof, upgraded Square D breaker panels, plumbing partially replaced
- Secure access building with elevator service and recently refreshed common areas
- Immediate upside in income and further increase potential with unit renovations
- Value-add space: Lower-level storage, boiler room and laundry space could be re-purposed
- Walk Score of 98 and Transit Score of 89



LOCATION HIGHLIGHTS

- Walk Score of 98 and Transit Score of 89: The Heart of the city with access to everything!
- 3-minute walk to light rail station
- 4-minute walk to Cal Anderson Park: 7.37 acre park serves as a hub for the community and invites walking, sitting, reading, contemplation, informal sports in the meadow, and organized sports on the athletic field.
- Less than a 15-minute walk to Seattle CBD
- Less than a 20-minute walk to Amazon
- Just blocks away from Seattle Central College and less than a mile from Seattle University
- The city's most prominent and exciting dining and entertainment options are all within walking distance.
- Walk to Melrose Market: Taylor Shellfish Oyster Bar, Li'l Woody's, Terra Plata, the Starbucks Reserve Roastery and many other food and shopping destinations.
- Convenient access to healthcare options: Virginia Mason Medical Center, Swedish Hospital and Harborview Medical Center



Capitol Hill is a residential neighborhood with a lively, fast-paced, and vibrant personality. During the day, markets, boutiques, and salons are a big draw. Nightlife is hopping with clubs, bars, and music venues, and you'll often find coffee shops that moonlight as cocktail lounges. This desirable location contains some of Seattle's wealthiest neighborhoods, including "Millionaire's Row" along 14th Avenue E, a charming collection of single family residences on tree-lined streets, and the Harvard-Belmont Landmark District. To the north is Capitol Hill's largest and most popular public park. The 48 acre Volunteer Park is home to Seattle's Asian Art museum, tennis courts, a conserva-

tory, and a variety of city-wide events. The demand for Capitol Hill apartments continues to rise as nearby Amazon continues to expand in the area. This location is also home to longstanding health care providers including Swedish Medical Center, Kaiser Permanente and Virginia Medical Center. Nearby Seattle University and Seattle Central College provide a consistent base to the apartment demand in the area.

\$2,407

Average One Bedroom Rent as of 2022

61%

Renter Occupied Housing*

\$117,886

Median Household Income*

* based on 2021 Census data

CAPITOL
HILL

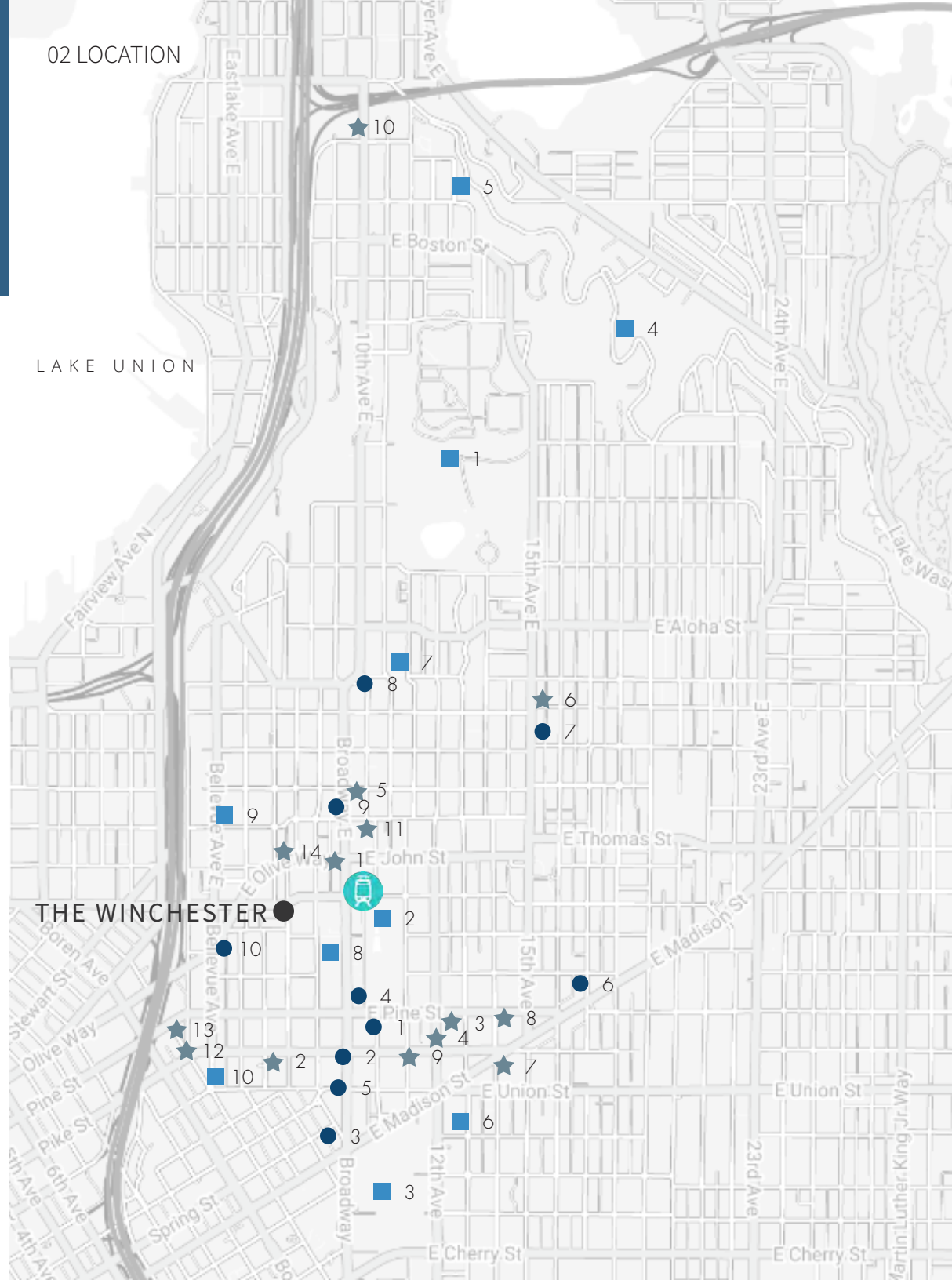
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02 LOCATION

LAKE UNION

THE WINCHESTER



SHOPS & SERVICES ●

- | | |
|----------------------------|-----------------------|
| 1. Elliot Bay Book Company | 6. Trader Joe's |
| 2. QFC | 7. Walgreens |
| 3. Whole Foods Market | 8. 76 |
| 4. Blick Art Materials | 9. Crossroads Trading |
| 5. Bartell Drugs | 10. City Market |

RESTAURANTS & BARS ★

- | | |
|--------------------------|---------------------------------|
| 1. Dick's Drive In | 8. Spinasse |
| 2. Tavolata Capitol Hill | 9. Poquitos Capitol Hill |
| 3. Momiji | 10. The Roanoke |
| 4. Unicorn Bar | 11. Rondo Japanese Kitchen |
| 5. Olmstead | 12. Starbucks Reserve Roastery |
| 6. Canterbury Ale House | 13. Taylor Shellfish Oyster Bar |
| 7. Chop Suey | 14. Hot Cakes |

PARKS & SCHOOLS ■

- | | |
|------------------------|----------------------------|
| 1. Volunteer Park | 6. Seattle Academy |
| 2. Cal Anderson Park | 7. Lowell Elementary |
| 3. Seattle University | 8. Seattle Central College |
| 4. Interlaken Park | 9. Thomas Street Mini Park |
| 5. Seattle Preparatory | 10. The Northwest School |



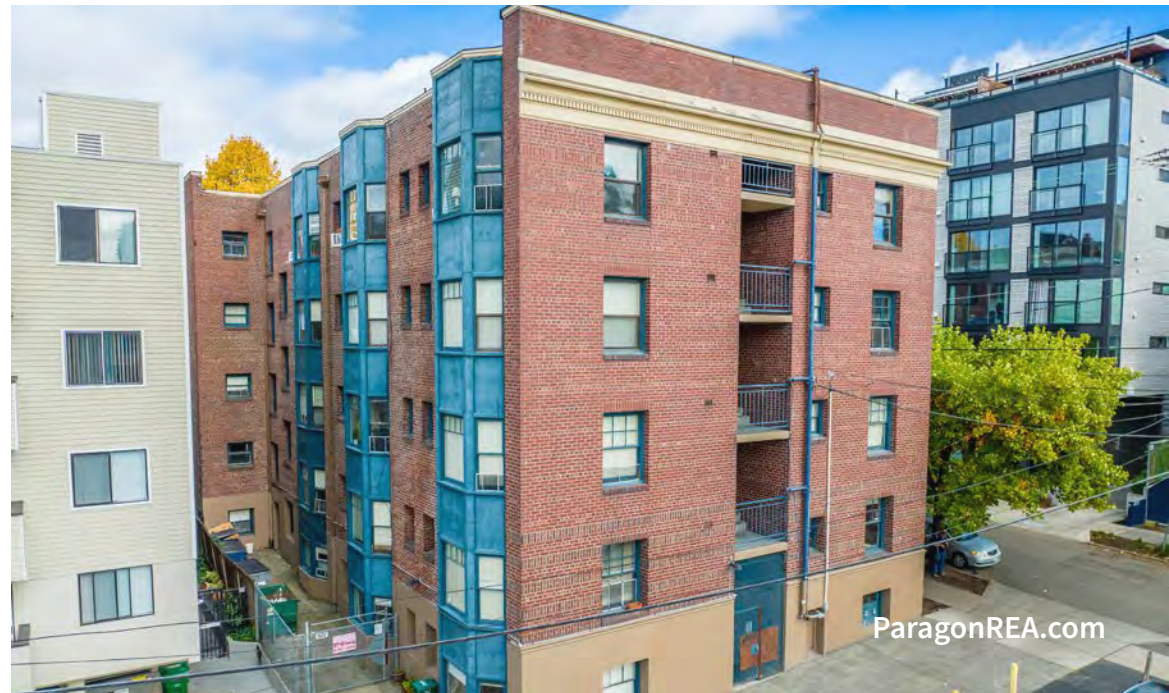
03 PROPERTY DETAILS

PROPERTY DETAILS

ADDRESS	605 E Denny Way, Seattle, WA 98122
PARCEL NUMBER	684870-0095
EXTERIOR	Brick
CONSTRUCTION	Masonry (URM)
STORIES	4
ROOF	Torch down
WINDOWS	Wood-frame, single-pane
ELECTRICAL	Square D main distribution panel and breaker panels in units
PLUMBING	Mixed. Many replacements and upgrades have been done over time with some pipes upgraded to copper or PEX.
WATER HEATER	Central gas (2022) w/ recirculation system
HEATING	Gas wall furnace in each unit
LAUNDRY	Common: 3 Washer, 3 Dryers (leased)
STORAGE	Resident storage lockers
PARKING	Street

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EXTERIORS



EXTERIORS



INTERIORS



INTERIORS



BIKE STORAGE



COMMON LAUNDRY



RESIDENT STORAGE ROOM



ELECTRIC METERS

INTERIORS



INTERIORS



FLOOR PLANS



TYPICAL FLOOR PLAN FOR FLOORS 2-4



RENT ROLL

UNIT	UNIT TYPE	CURRENT RENT	UTILITIES
101	Studio	\$1,195	\$75
103	2BD/1BTH	\$1,995	\$150
104	Studio	\$1,275	\$60
105	Studio	\$1,275	\$75
106	1bd	\$1,575	\$75
107	Studio	\$1,295	\$75
201	Studio	\$1,295	\$75
202	Studio	\$1,350	\$75
203	Studio	\$1,295	\$75
204	Studio	\$1,042	\$75
205	Studio	\$1,275	\$75
206	1BD/1BTH	\$1,575	\$75
207	Studio	\$1,295	\$75
301	Studio	\$1,295	\$75
302	Studio	\$1,350	\$75
303	Studio	\$1,275	\$75
304	Studio	\$1,325	\$75
305	Studio	\$1,295	\$75
306	1BD/1BTH	\$1,575	\$75
307	Studio	\$1,295	\$75
401	Studio	\$1,325	\$75
402	Studio	\$1,325	\$75
403	Studio	\$1,295	\$75
404	Studio	\$1,325	\$75
405	Studio	\$1,300	\$75
406	1BD/1BTH	\$1,650	\$75
407	Studio	\$1,325	\$75
B-1	Studio	\$1,250	\$75
B-2	Studio	\$1,295	\$75
B-3	1BD/1BTH	\$1,555	\$75



INCOME & EXPENSES

Units	30	Price	\$5,695,000
Year Built	1927	Per Unit	\$189,833
Rentable Area	15,325	Per Sq. Ft.	\$371.62
Down Pmt	\$3,000,000	Current GRM	10.80
Loan Amount	\$2,695,000	Current CAP	5.30%
Interest Rate	5.000% IO	Market GRM	9.76
Seller Financing	3 Years	Market CAP	6.00%

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
24	Studio	475	\$1,042 - \$1,350	\$1,395
5	1 Bd/1 Bth	650	\$1,445 - \$1,650	\$1,795
1	2 Bd/1 Bth	850	\$1,995	\$2,250
30	Total/Avg	511	\$2.65	\$2.92

MONTHLY INCOME	CURRENT	MARKET
Monthly Scheduled Rent	\$40,792	\$44,705
Utility Billback	\$2,310	\$3,000
Laundry Income	\$410	\$450
Other Income	\$440	\$450
Total Monthly Income	\$43,952	\$48,605

ANNUALIZED OPERATING DATA		CURRENT		MARKET
Scheduled Gross Income		\$527,424		\$583,260
Less Vacancy	3.00%	\$15,823	4.00%	\$23,330
Gross Operating Income		\$511,601		\$559,930
Less Expenses		\$209,980		\$218,318
Net Operating Income		\$301,621		\$341,611
Annual Debt Service	(\$11,229.17)	\$134,750		\$134,750
Cash Flow Before Tax	5.56%	\$166,871	6.90%	\$206,861
Principal Reduction		\$0		\$0
Total Return Before Tax	5.56%	\$166,871	6.90%	\$206,861

ANNUALIZED OPERATING EXPENSES		CURRENT		MARKET
Real Estate Taxes	2024	\$59,078		\$57,500
Insurance	Proforma	\$19,500		\$19,500
Utilities	2023	\$37,081		\$37,081
Professional Mgmt.	PF 5%	\$25,580		\$27,996
On-Site Payroll	Proforma	\$16,200		\$16,200
Maintenance & Repairs	Proforma	\$36,000		\$36,000
Elevator	2023	\$8,294		\$8,294
Landscaping	Proforma	\$3,500		\$3,500
Administration	2023	\$4,747		\$4,747
Replacements/Reserves	Proforma	\$0		\$7,500
Total Expenses		\$209,980		\$218,318

CURRENT OPERATIONS	Expense/Unit	\$6,999	MARKET OPERATIONS	Expense/Unit	\$7,277
	Expense/Foot	\$13.70		Expense/Foot	\$14.25
	Percent of EGI	39.81%		Percent of EGI	37.43%

SALES COMPARABLES



The Winchester Apartments
605 E Denny Way, Seattle, WA

Year Built	1927
Units	30
Price	\$5,695,000
Price/Unit	\$189,833
Price/Foot	\$371
GRM/CAP	10.8/5.3%



Davison Apartments
5003 15th Ave NE, Seattle, WA

Year Built	1926
Units	23 (22 + 1 NC)
Sales Price	\$5,100,000
Price/Unit	\$221,739
Price/Foot	\$331
GRM/CAP	12.8/4.6%
Status	On Market



Auditorium Apartments
605 5th Ave N, Seattle, WA

Year Built	1926
Units	51
Sales Price	\$12,612,500
Price/Unit	\$247,304
Price/Foot	\$436
GRM/CAP	-/-
Sale Date	04.22.2024



303 Harvard Apartments
303 Harvard Ave E, Seattle, WA

Year Built	1949
Units	14
Sales Price	\$3,895,000
Price/Unit	\$278,214
Price/Foot	\$513
GRM/CAP	13.9/3.9%
Sale Date	03.29.2024



Aldora Apartments
2037 Boylston Ave E, Seattle, WA

Year Built	1929
Units	15
Sales Price	\$4,047,000
Price/Unit	\$269,800
Price/Foot	\$420
GRM/CAP	14.5/4.2%
Sale Date	08.17.2023



Roosevelt Apartments
1729 12th Ave, Seattle, WA

Year Built	1925
Units	50
Sales Price	\$11,600,000
Price/Unit	\$232,000
Price/Foot	\$446
GRM/CAP	12.7/4.3%
Sale Date	02.17.2023

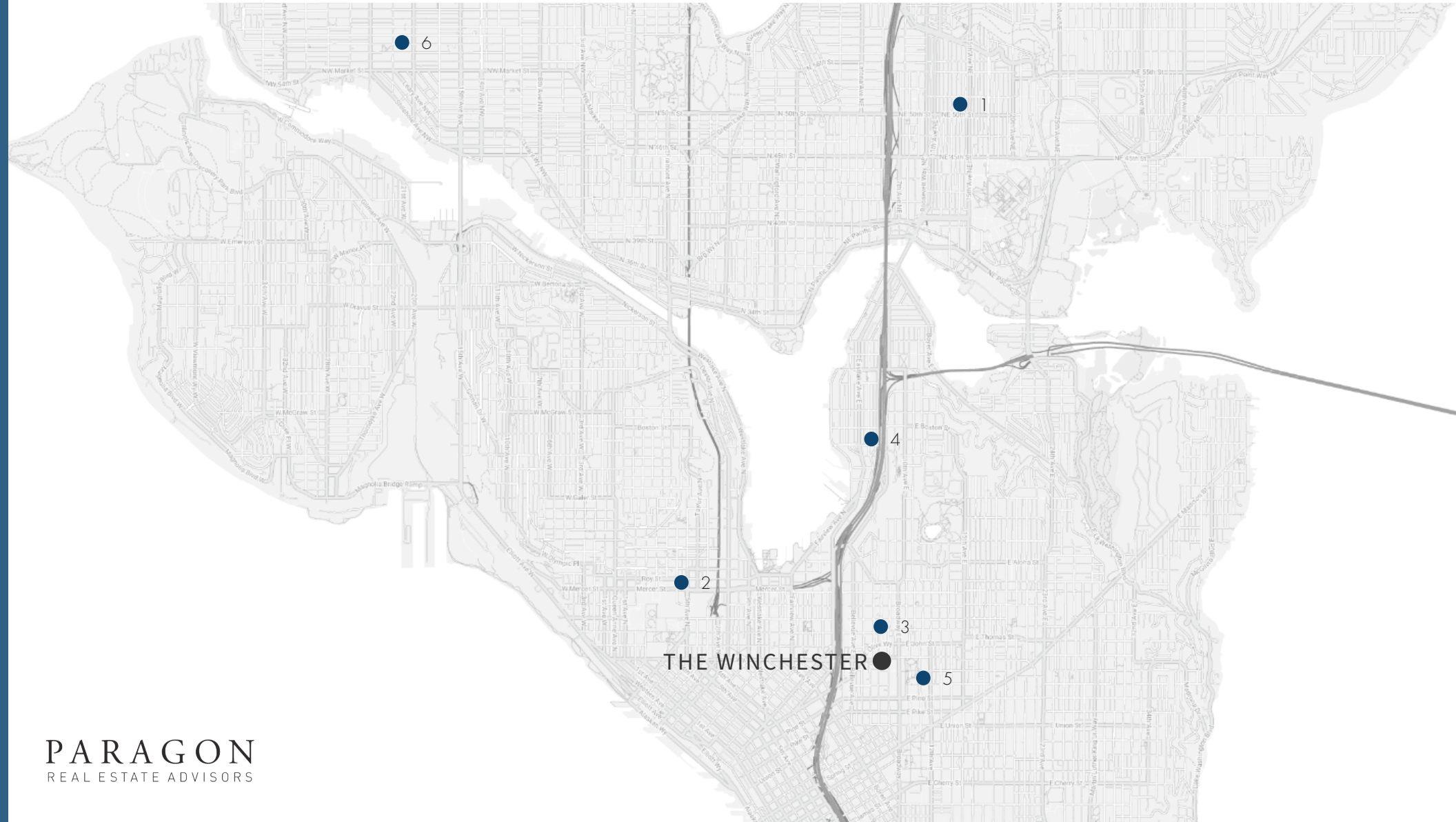


Belcourt Apartments
2021 NW 58th St, Seattle, WA

Year Built	1909
Units	25
Sales Price	\$5,900,000
Price/Unit	\$236,000
Price/Foot	\$482
GRM/CAP	12.2/4.9%
Sale Date	01.30.2023

SALES COMPARABLES

- 1. **DAVISON APARTMENTS** - Seattle, WA 98105
- 2. **AUDITORIUM APARTMENTS** - Seattle, WA 98109
- 3. **303 HARVARD APARTMENTS** - Seattle, WA 98102
- 4. **ALDORA APARTMENTS** - Seattle, WA 98122
- 5. **ROOSEVELT APARTMENTS** - Seattle, WA 98122
- 6. **BELCOURT APARTMENTS** - Seattle, WA 98107



RENT COMPARABLES

	ADDRESS	BUILT	UNITS	UNIT TYPE	UNIT SIZE	RENT	RENT/SF
	The Winchester 605 E Denny Way, Seattle, WA	1927	30	Studio 1BD/1BTH 2BD/1BTH	475 650 850	\$1,042-\$1,350 \$1,445-\$1,650 \$1,995	\$2.66
	The White House Apartments 523 E Denny Way, Seattle, WA	1963	14	Studio	380	\$1,450	\$3.81
	810 Denny 810 E Denny Way, Seattle, WA	1918	16	2BD/1BTH	995	\$2,395	\$2.41
	The Porter Apartments 1630 Boylston Ave , Seattle, WA	1917	35	Studio	500	\$1,395	\$2.79
	The Blackstone Apartments 222 Summit Ave E, Seattle, WA	1927	26	Studio	500	\$1,450	\$2.90
	The Homborness 321 Boylston Ave E, Seattle, WA	1925	31	1BD/1BTH	620	\$1,900	\$3.06
	The Biltmore Apartments 418 E Loretta Pl, Seattle, WA	1924	126	Studio	400	\$1,300-\$1,450	\$3.25- \$3.63
	The Harvard 219 Harvard Ave E, Seattle, WA	1962	28	1BD/1BTH	615	\$1,795	\$2.91

RENT COMPARABLES

- 1. **THE WHITE HOUSE APARTMENTS** - Seattle, WA 98122
- 2. **810 DENNY** - Seattle, WA 98102
- 3. **THE PORTER APARTMENTS** - Seattle, WA 98122
- 4. **THE BLACKSTONE APARTMENTS** - Seattle, WA 98102

- 5. **THE HOMBORNESS** - Seattle, WA 98102
- 6. **THE BILTMORE APARTMENTS** - Seattle, WA 98102
- 7. **THE HARVARD** - Seattle, WA 98102



PARAGON REAL ESTATE

\$4.1 B
Sales Volume

29
Years in
Business

20+
Brokers

48 k
Units Sold

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REAL ESTATE ADVISORS

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ABOUT US

Leading investment firm for multi-family property

Paragon Real Estate Advisors is a leading Seattle real estate investment firm for multi-family property sales in Washington State. We are locally owned, client-focused, and highly experienced. When it comes to apartments and investment real estate in the Puget Sound region, we are the smart choice to partner with.



The Top Local Multi-Family Brokerage in 2021

in the Seattle market according to  CoStar™

PARAGON REAL ESTATE ADVISORS

In 1995 our founders saw an opportunity to form a new kind of brokerage, one that focused on sharing information between brokers and truly partnering with its clients. Paragon Real Estate Advisors quickly established itself as a leading Seattle real estate investment firm.

Paragon Real Estate Advisors is the leading Seattle real estate investment firm for multi-family property sales in Washington State. We have accrued over \$4.1 billion in sales and have closed over 1,800 successful real estate transactions. We are locally owned, client-focused, and highly experienced.

At Paragon, we build long-term partnerships that help our clients reach their long- and short-term real estate investment goals while maintaining maximum profitability for them. Our brokers have an in-depth knowledge of the Washington state real estate market, particularly in the greater Seattle area and the I-5 corridor, that comes from more than 20 years' experience in the industry. Paragon's unique focus on sharing knowledge, teamwork and collaboration within the brokerage industry leverages our collective intellect for all our clients. Our brokers provide superior customer representation through our innovative and effective marketing campaigns, co-brokerage, skilled negotiations, and ongoing partnerships.

Visit our new website! [ParagonREA.com](https://www.paragonrea.com)

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