

PARAGON
REAL ESTATE ADVISORS



LYNNWOOD 5-UNIT
OFFERING MEMORANDUM

PARAGON

REAL ESTATE ADVISORS

600 University St, Suite 2018 | Seattle, WA 98101
info@ParagonREA.com

Information within this marketing package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information and bears all risk for inaccuracies.

EXCLUSIVELY LISTED BY:

MICHAEL URQUHART

425.999.6650

Michael@paragonREA.com



DAVE SMITH

206.660.8408

Dsmith@paragonREA.com



ParagonREA.com | 206.623.8880

OFFERING

Paragon Real Estate Advisors is pleased to offer for sale a well maintained 5-unit apartment building in Lynnwood near Alderwood Mall. Seller financing may be available for well-qualified buyers, however, the Seller's preference is for a Buyer to obtain new financing. The property was built in 1994 and has been well cared for under the same ownership for the past 23 years. The building offers high quality amenities to the tenants including in-unit washer/dryer hookups, fireplaces, private decks, full appliance packages, storage units and two parking stalls for each unit. The primary bedroom in each unit has a huge walk-in closet and an ensuite bathroom with a double vanity. The units are comprised of 5 – 891 square foot 2-bedroom/2-bathroom units.

The building has a strong rental history with a nearly 0% vacancy rate and significant rental upside through a light remodel scope including updating the appliances, flooring and interior paint. The seller just performed this remodel scope to unit 301 and is currently asking \$2,315 for the unit. The remaining units reside at an average rent of \$1,887 providing significant upside for the next owner.

The building is within walking distance to all the shops, restaurants, movies, and more found at Alderwood Mall and adjacent shopping centers. Costco, Whole Foods, Trader Joes, and Fred Meyer are also close by for all the tenant's grocery shopping needs. The building offers convenient access to I-5, I-405, and Hwy-99 for easy commuting to Seattle and the Eastside. The building is also just over a half mile away from the newly opened Lynnwood Light Rail Station providing easy access to Northgate, the University of Washington, Downtown Seattle and SeaTac.



FINANCIAL SUMMARY

NAME	Lynnwood 5-Unit
ADDRESS	4721 194th St SW Lynnwood, WA 98036
PRICE	\$1,495,000
TOTAL UNITS	5
BUILT	1994
SQUARE FEET	4,455 Total Net Rentable
PRICE PER UNIT	\$299,000
PRICE PER FOOT	\$336
CURRENT CAP	5.4%
MARKET CAP	6.9%
LOT SIZE	11,761 Square Feet

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INVESTMENT HIGHLIGHTS

- Seller financing may be available for well-qualified buyers
- 6.7% cash-on-cash return at closing with upside to 12.5% return
- All units have washer/dryer hookups – washer/dryers for four of the units are tenant owned
- 7 open parking stalls and 3 covered stalls
- 5 – 891 square foot 2-bedroom/2-bathroom units
- All units have fireplaces and a private deck
- Double pane vinyl windows
- Well located with an abundance of amenities – 5 minute drive to Alderwood Mall
- Light value-add opportunity to refresh the units with LVP flooring, new appliances, and interior paint
- Currently asking \$2,315 (\$2,195 + \$120/utilities) for unit 301
- Opportunity to increase rents by 17.6% on the other four units
- Property has five storage units and one large storage shed – Seller does not currently charge for storage
- 1994 construction presenting suitable building systems



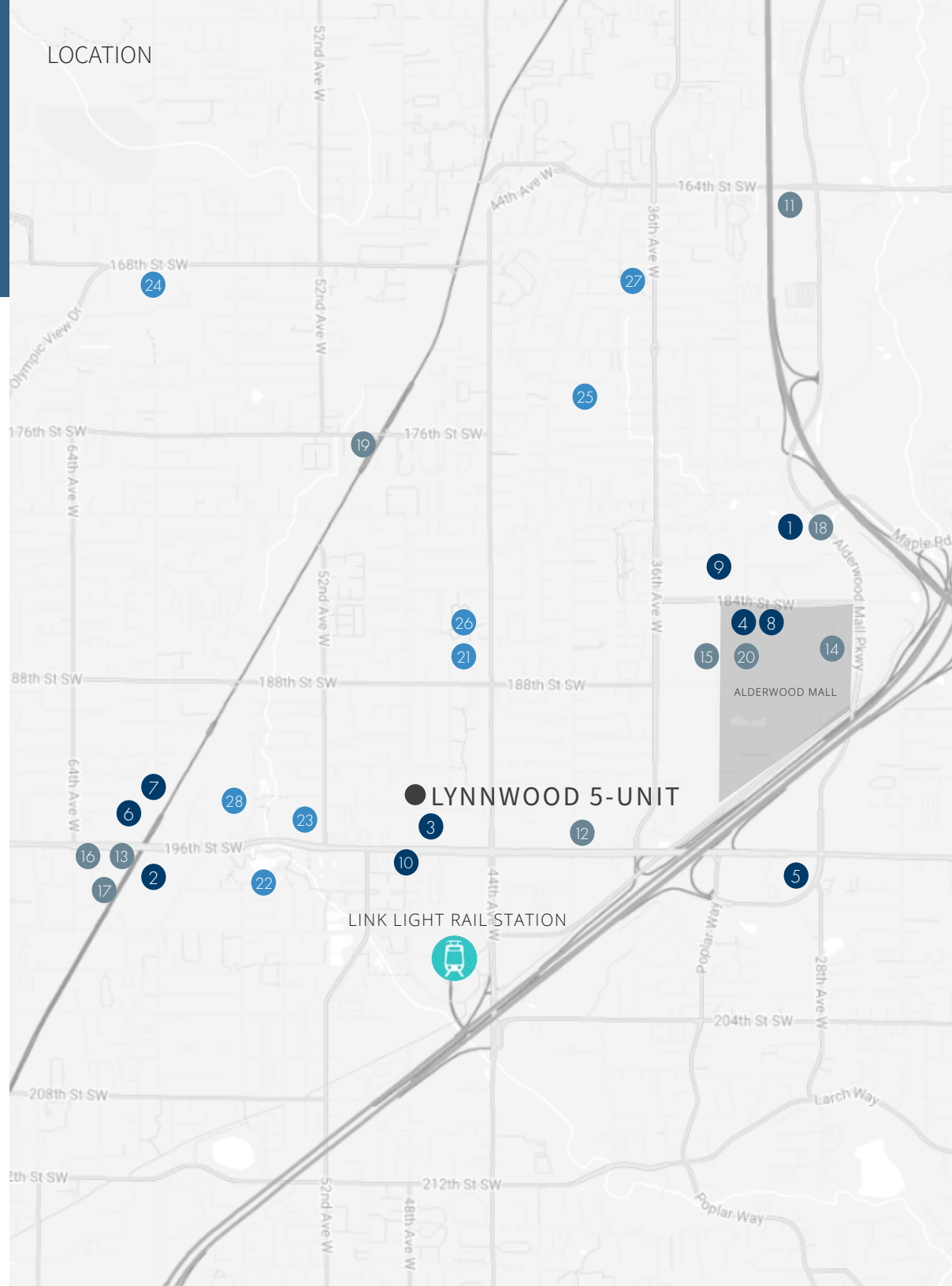
PROPERTY DETAILS

PROPERTY DETAILS

PARCEL NUMBER	5018-001-008-04
CONSTRUCTION	Wood frame
STORIES	3
ROOF	Pitched Composition (New tear-off in 2016)
PLUMBING	Copper
ELECTRICAL	Copper
ELECTRICAL PANELS	Challengers
WINDOWS	Double Pane Vinyl
HEATING	Electric Baseboard
HOT WATER	Electric In-Unit Hot Water Tanks
STORAGE	5 Storage units & Storage Shed
PARKING	7 Open Stalls & 3 Covered Stalls



LOCATION



SHOPS & SERVICES ●

1. Costco Wholesale
2. Trader Joe's
3. Fred Meyer
4. Nordstrom
5. Whole Foods Market
6. Safeway
7. 76
8. REI
9. H Mary Lynnwood
10. Arco

RESTAURANTS & BARS ●

11. Indigo Lynnwood
12. B3 Breakfast & Burger Bar
13. Five Guys
14. The Cheesecake Factory
15. Thai Isarn Kitchen
16. Caffe Ladro
17. MOD Pizza
18. The Keg Steakhouse & Bar
19. Sparta's Pizza
20. P.F. Chang's

PARKS & SCHOOLS ●

21. Lynnwood Elementary
22. Scriber Lake Park
23. Wilcox Park
24. Meadowdale High School
25. Spruce Elementary School
26. North Lynnwood Park
27. Spruce Park
28. Cedar Valley Community School

NEWLY OPENED LYNNWOOD LIGHT RAIL STATION



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EXTERIORS



INTERIORS



INTERIORS



UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE	CURRENT RENT	PER SQFT	MARKET RENT	PER SQFT
101	2BD/2BTH	891	\$1,850	\$2.08	\$2,150	\$2.41
201	2BD/2BTH	891	\$1,900	\$2.13	\$2,175	\$2.44
202	2BD/2BTH	891	\$1,900	\$2.13	\$2,175	\$2.44
301	2BD/2BTH	891	\$2,195	\$2.46	\$2,195	\$2.46
302	2BD/2BTH	891	\$1,900	\$2.13	\$2,195	\$2.46
5	Total/Avg	891	\$1,949	\$2.19	\$2,178	\$2.44



FINANCIALS

INCOME & EXPENSES

Units	5	Price	\$1,495,000
Year Built	1994	Per Unit	\$299,000
Rentable Area	4,455 SqFt	Per Sq. Ft.	\$335.58
Down Pmt	\$373,750	Current GRM	12.63
Loan Amount	\$1,121,250	Current CAP	5.42%
Interest Rate	5.00%	Market GRM	10.68
Seller Financing	Interest Only	Market CAP	6.87%

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
5	2 Bd/2 Bth	891	\$1,850-\$2,195	\$2,178
5	Total/Avg	891	\$2.19	\$2.44

MONTHLY INCOME	CURRENT	MARKET
Monthly Scheduled Rent	\$9,745	\$10,890
Utility Income	\$120	\$600
Pet & Storage Income	\$0	\$125
Miscellaneous Income	\$0	\$50
Total Monthly Income	\$9,865	\$11,665

ANNUALIZED OPERATING DATA	CURRENT	MARKET
Scheduled Gross Income	\$118,380	\$139,980
Less Vacancy 5.00%	\$5,919 5.00%	\$6,999
Gross Operating Income	\$112,461	\$132,981
Less Expenses	\$31,396	\$30,290
Net Operating Income	\$81,065	\$102,691
Annual Debt Service (\$4,672)	\$56,063	\$56,063
Cash Flow Before Tax 6.69%	\$25,003 12.48%	\$46,629
Principal Reduction	\$0	\$0
Total Return Before Tax 6.69%	\$25,003 12.48%	\$46,629

ANNUALIZED OPERATING EXPENSES	CURRENT	MARKET
RE Taxes 2024 Actual	\$9,479	\$9,479
Insurance 2024 Actual	\$3,530	\$3,530
Utilities 2023 Actual	\$9,131	\$9,131
Repairs 2023 Actual / Proforma	\$4,359	\$4,250
Cleaning, Maintenance & Landscaping 2023 Actual / Proforma	\$3,397	\$2,400
Capital Reserves/ Replacements Proforma	\$1,500	\$1,500
Total Expenses	\$31,396	\$30,290

CURRENT OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI	MARKET OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI
	\$6,279	\$7.05	27.92%		\$6,058	\$6.80	22.78%

SALES COMPARABLES



Lynnwood 5-Unit

4721 194th St SW, Lynnwood, WA 98036

Year Built	1994
Units	5
Price	\$1,495,000
Price/Unit	\$299,000
Price/Foot	\$336
Current CAP	5.4%
Market CAP	6.9%



Bothell 5-Unit

11211 Woodinville Dr, Bothell WA 98011

Year Built	1994
Units	5
Sales Price	\$2,100,000
Price/Unit	\$420,000
Price/Foot	\$379
CAP	4.0%
Sale Date	On Market



Stone Ridge 8-Plex

17728 12th Ave NE, Shoreline, WA 98155

Year Built	1999
Units	8
Sales Price	\$2,700,000
Price/Unit	\$337,500
Price/Foot	\$337
CAP	4.8%
Sale Date	Pending



Mountlake Terrace Townhomes

21220 52nd Ave W, Mountlake Terrace, WA 98043

Year Built	1962
Units	7
Sales Price	\$2,200,000
Price/Unit	\$314,285
Price/Foot	\$316
CAP	5.1%
Sale Date	Pending



Bothell 8-Unit

10304 NE 189th St, Bothell, WA 98011

Year Built	1990
Units	8
Sales Price	\$2,533,300
Price/Unit	\$316,662
Price/Foot	\$367
CAP	4.3%
Sale Date	08.20.2024



Lynnwood Fourplex

5332 188th St SW, Lynnwood, WA 98037

Year Built	1968
Units	4
Sales Price	\$1,440,000
Price/Unit	\$360,000
Price/Foot	\$363
CAP	5.5%
Sale Date	06.28.2024



Lynnwood Fourplex

5312 188th St SW, Lynnwood, WA 98037

Year Built	1968
Units	4
Sales Price	\$1,540,000
Price/Unit	\$385,000
Price/Foot	\$388
CAP	5.5%
Sale Date	05.01.2024

SALES COMPARABLES

1. **BOTHELL 5-UNIT** - Bothell WA 98011

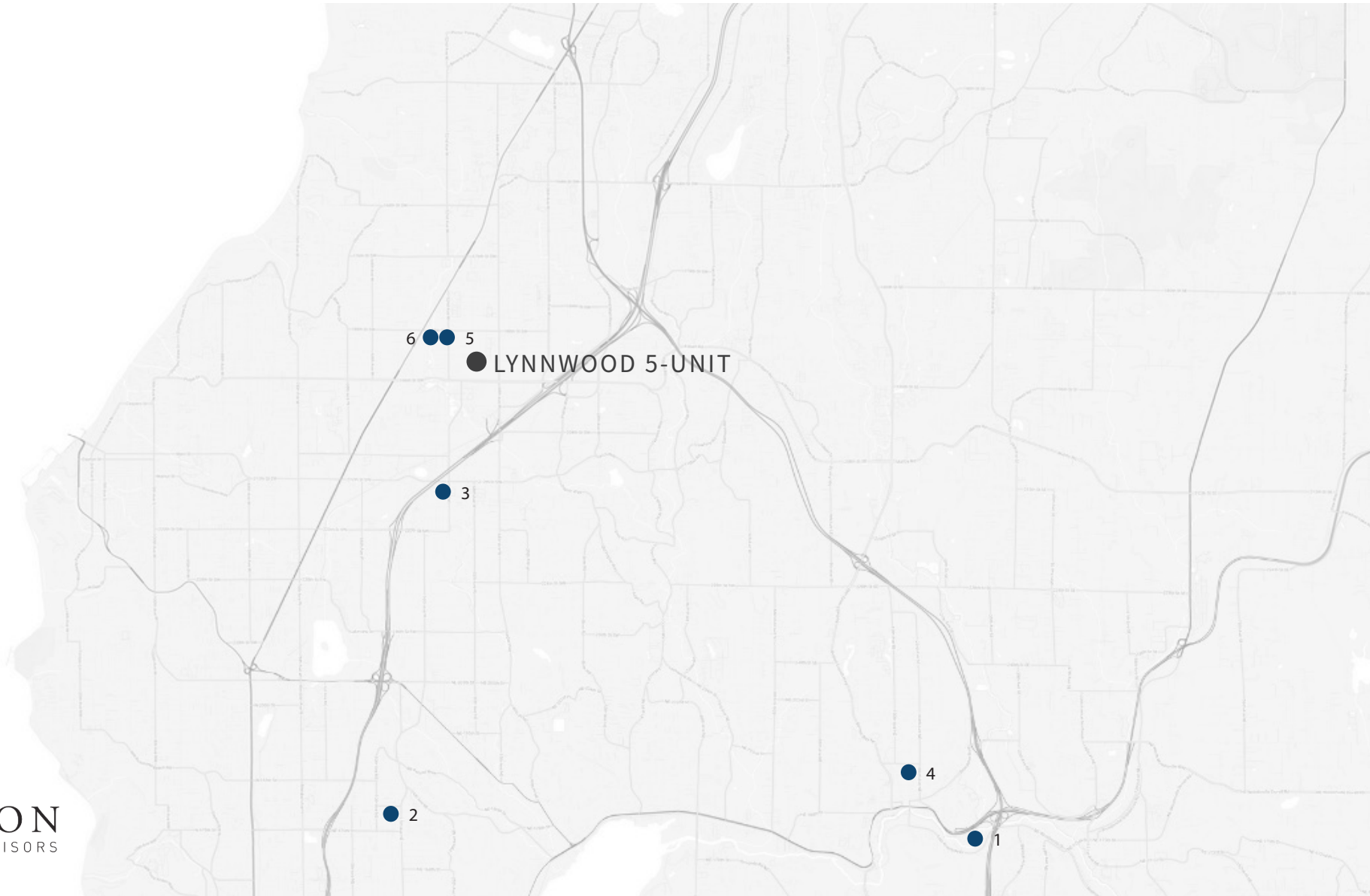
2. **STONE RIDGE 8-PLEX** - Shoreline, WA 98155

3. **MOUNTLAKE TERRACE TOWNHOMES** - Mountlake Terrace, WA 98043

4. **BOTHELL 8-UNIT** - Bothell WA 98011

5. **LYNNWOOD FOURPLEX** - Lynnwood, WA 98037

6. **LYNNWOOD FOURPLEX** - Lynnwood, WA 98037



PARAGON REAL ESTATE

\$4.5 B
Sales Volume

28
Years in
Business

20+
Brokers

48 k
Units Sold

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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.



Puget Sound's Premiere Commercial Real Estate Brokerage

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

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