Delridge Assemblage

INVESTMENT & REDEVELOPMENT SITE

OFFERING MEMORANDUM

sound REALTY GROUP Est. 2004



5632, 5638, 5644 Delridge Way SW Seattle, 98106

sound REALTY GROUP Est. 2004

Contents

THE OFFERING	4
AN IDEAL TRANSPORTATION HUB	5
NEIGHBORHOOD AMENITIES	6
OPERATING STATEMENT	7
INVESTMENT	8-9
THE PROPERTIES	10-11
MULTI-FAMILY COMPARABLES	12
DEVELOPMENT PROGRAM	13-18
DEMOGRAPHIC SUMMARY	19-21
THE SOUND REALTY GROUP TEAM	22

"Delridge is a neighborhood of neighborhoods."

-WEST SEATTLE CHAMBER OF COMMERCE



The Offering

The Delridge Assemblage is a rare opportunity to acquire three parcels consisting of 12 units, and 19,200 sq feet of NCP55 zoned land along Delridge Way. This offering appeals for investment or redevelopment in the bustling Delridge neighborhood of West Seattle. With 160 linear feet of street frontage and alley access these lots are primed for commercial mixed-use development. Each tax parcel currently contains a fully occupied 4plex with a unit mix of 1 bed/1bath units. This provides an appealing multifamily portfolio that will cash flow while larger redevelopment endeavors are set in motion.

The NCP55 zoning invites developers to craft pedestrian oriented spaces that encourage shopping and highlight neighborhood goods and services while also accommodating housing and other compatible uses. Builders can capitalize on the dense FAR of 3.75 and construct up to 5 stories; an enterprise that becomes feasible and convenient with 3 adjacent and assembled tax parcels.

This prime location boasts a strong traffic count and also connects residents and workers to key transportation hubs including Sea Tac airport, the Water Taxi, West Seattle bridge (set to re-open 2022), Alaska Junction and the future West Seattle light rail Delridge stop. While the Delridge neighborhood offers various amenities, there is a retail gap in food and beverage stores presenting an auspicious opportunity. The local lack of housing inventory (both rental and owned) also entices developers to dream and design spaces that will satisfy both the neighborhood need and the demand for investment returns.

Sound Realty Group is proud to present the Delridge Assemblage for your consideration.

Address:	5632, 5638, 5644 Delridge Way SW Seattle, 98106
List Price:	$3.3M ($1.1M per lot)
Total Lot Sq. Ft:	19,200
Parcel Numbers:	1773101945, 1773101940, 1773101935
Zoning:	NC2P55 (M)
Total Assemblage Dimensions:	160’ x 120’
Average Daily Traffic Volume:	24,200 vehicles per day
Number of Current Units:	12 total - three 4 plexes
Unit Mix:	1bed/1bath 520 sq ft
Market NOI:	$163,622
Market Cap Rate:	4.97%
Market GRM:	16.31



An Ideal Transportation Hub:

The Delridge Assemblage lends itself as the ultimate connectivity locale linking West Seattle to downtown Seattle and vice versa. SDOT is currently working on Delridge Way to construct Bus lanes, paving, landscaped medians, crosswalk improvements, protected bike lanes, neighborhood greenway connections, signal upgrades, water and sewer pipe upgrades, spot parking and bike lane removal, as well as public art. In addition to the street and infrastructure improvements already underway The Delridge Assemblage is also located just minutes from the future West Seattle Light Rail project scheduled to arrive in 2031.



Delridge Assemblage Transportation Data:

13 min
TO WEST SEATTLE FERRY FAUNTLEROY TERMINAL

20 min
TO SEA TAC AIRPORT

13 min
TO WATER TAXI

4 min
TO WEST SEATTLE BRIDGE SET TO RE-OPEN 2022

4 min
FROM FUTURE DELRIDGE LIGHTRAIL STATION

8 min
FROM ALASKA JUNCTION

Neighborhood Amenities



Restaurants, Cafes & Bars

1. West of Chicago Pizza Company
2. Luna Park Cafe
3. Chelan Cafe
4. Box Bar
5. Sound & Fog Coffee Shop

Fitness

1. West Seattle Health Club
2. LA Fitness

Parks

1. Longfellow Creek Natural Area
2. West Seattle Golf Course
3. Delridge Playfield North
4. Camp Long
5. Puget Park
6. Lincoln Park
7. Riverview Playfield

Grocery / Shopping

1. Westwood Village
2. Delridge Grocery
3. Trader Joes
4. Target
5. QFC

1.9 miles
TO WEST SEATTLE GOLF COURSE

3 miles
TO LINCOLN PARK

1.8 miles
TO LUNA PARK CAFE

Operating Statement

All three townhomes are fully occupied with a history of low vacancy and solid tenants. 5632 features in-unit laundry. 5638 and 5644 have a common laundry room (built in 2010) which tenants pay an additional monthly laundry fee for. All properties have been nicely maintained with recent Capital Improvements consisting of new siding and exterior paint on all 3 buildings. In 2010 all 8 units in 5638 and 5644 were completely remodeled with new bathrooms, kitchens, windows, and refinished hardwood floors. 5638 got a new roof in 2010, and 5644 was replaced in 2016. A new water tank was installed to all units in 5638 and 5644 in 2020. 5632 currently has a professional property management on retainer. Tenants enjoy communal yard and garden space, and ample parking in the alley. There's room for a value-add strategy to be employed which includes light upgrades in a few units and raising rents to market rate. With multiple owners in the current setup, there is also room to scale and streamline many of the expenses.

	Current	Market
Gross Scheduled Income (GS):	$170,700	$190,800
Vacancy Rate:	1%	1%
Adjusted Gross Income:	$168,993	$200,412
Operating Expenses:	$36,790	$36,790
Net Operating Income (NOI):	$132,203	$163,622
NOI/GSI:	77%	80%
Cap Rate:	4.01%	4.97%
Gross Rent Multiplier (GRM):	19.33	16.31
Rent Per Rentable SF/Month:	$2.24	$2.55



Investment

The Delridge Assemblage appeals to the savvy investor looking for a value-add, cash-flowing multi-family play with a longer term development vision. The current cap rate is just above 4% with room to attain almost a 5% market rate. The NCP55 zoning begs for a creative investment approach to maximize the lots and eventual IRR. The residential and pedestrian nature of the neighborhood should stand out to investors looking for larger multi-family, mixed-use, and/or townhome options.

EXPENSES

	Current:	Market:
Taxes:	$19,070	$19,070
Insurance:	$3,100	$3,100
Owner Paid Utilities:	$11,520	$6,163
Maintenance/Repairs:	$3,100	$3,100



Investment *(Cont...)*



RENT ROLL

	UNIT #	TYPE	SF	CURRENT RENT	RENT/SF	CURRENT MARKET RENT	CURRENT RENT/SF
5632	101	1 Bed 1 Bath	520	$950.00	$1.83	$1,325.00	$2.55
	102	1 Bed 1 Bath	520	$1,250.00	$2.49	$1,325.00	$2.55
	103	1 Bed 1 Bath	520	$1,295.00	$2.40	$1,325.00	$2.55
	104	1 Bed 1 Bath	520	$1,250.00	$2.36	$1,325.00	$2.55
5638	105	1 Bed 1 Bath	520	$1,225.00	$2.30	$1,325.00	$2.55
	106	1 Bed 1 Bath	520	$1,195.00	$2.31	$1,325.00	$2.55
	107	1 Bed 1 Bath	520	$1,200.00	$2.21	$1,325.00	$2.55
	108	1 Bed 1 Bath	520	$935.00	$1.80	$1,325.00	$2.55
5644	109	1 Bed 1 Bath	520	$1,150.00	$2.21	$1,325.00	$2.55
	110	1 Bed 1 Bath	520	$1,250.00	$2.40	$1,325.00	$2.55
	111	1 Bed 1 Bath	520	$1,150.00	$2.21	$1,325.00	$2.55
	112	1 Bed 1 Bath	520	$1,145.00	$2.20	$1,325.00	$2.55
	5638-44	Laundry		$230.00			

The Properties

5632, 5638, 5644 Delridge Way SW Seattle, 98106













The Properties

5632, 5638, 5644 Delridge Way SW Seattle, 98106



Multi-Family Neighborhood Comparables



8436 Delridge Way SW
Seattle, WA 98106

Year Built.....**1987**
Sale Date.....**10/16/2020**
Sale Price.....**$965,000**
Building SF.....**3,460**
Lot SF.....**5,199**
Number of Units.....**4**
Zoning.....**LR2 (M)**



9007 14th A ve SW
Seattle, WA 98106

Year Built.....**1952**
Sale Date.....**4/20/2020**
Sale Price.....**$2,000,000**
Building SF.....**6,561**
Lot SF.....**13,493**
Number of Units.....**10**
Zoning.....**RSL (M)**



7141 Fauntleroy Way SW
Seattle, WA 98136

Year Built.....**1960**
Sale Date.....**12/20/2020**
Sale Price.....**$5,400,000**
Building SF.....**28,714**
Lot SF.....**46,079**
Number of Units.....**23**
Zoning.....**LR1 (M)**



9203 16th Ave SW
Seattle, WA 98106

Year Built.....**1953**
List Date.....**Pending**
List Price.....**$1,100.00**
Building SF.....**5,188**
Lot SF.....**6,367**
Number of Units.....**4**
Zoning.....**(M)**



8624 Delridge Way SW
Seattle, WA 98106

Year Built.....**2000**
Sale Date.....**05/06/2021**
Sale Price.....**$1,100,000**
Building SF.....**3,607**
Lot SF.....**5,217**
Number of Units.....**4**
Zoning.....**LR2**



5635 Delridge Way SW
Seattle, WA 98106

Year Built.....**1961**
List Date.....**Pending**
List Price.....**$1,095,000**
Building SF.....**3,084**
Lot SF.....**9,936**
Number of Units.....**1**
Zoning.....**NC2P-55M**

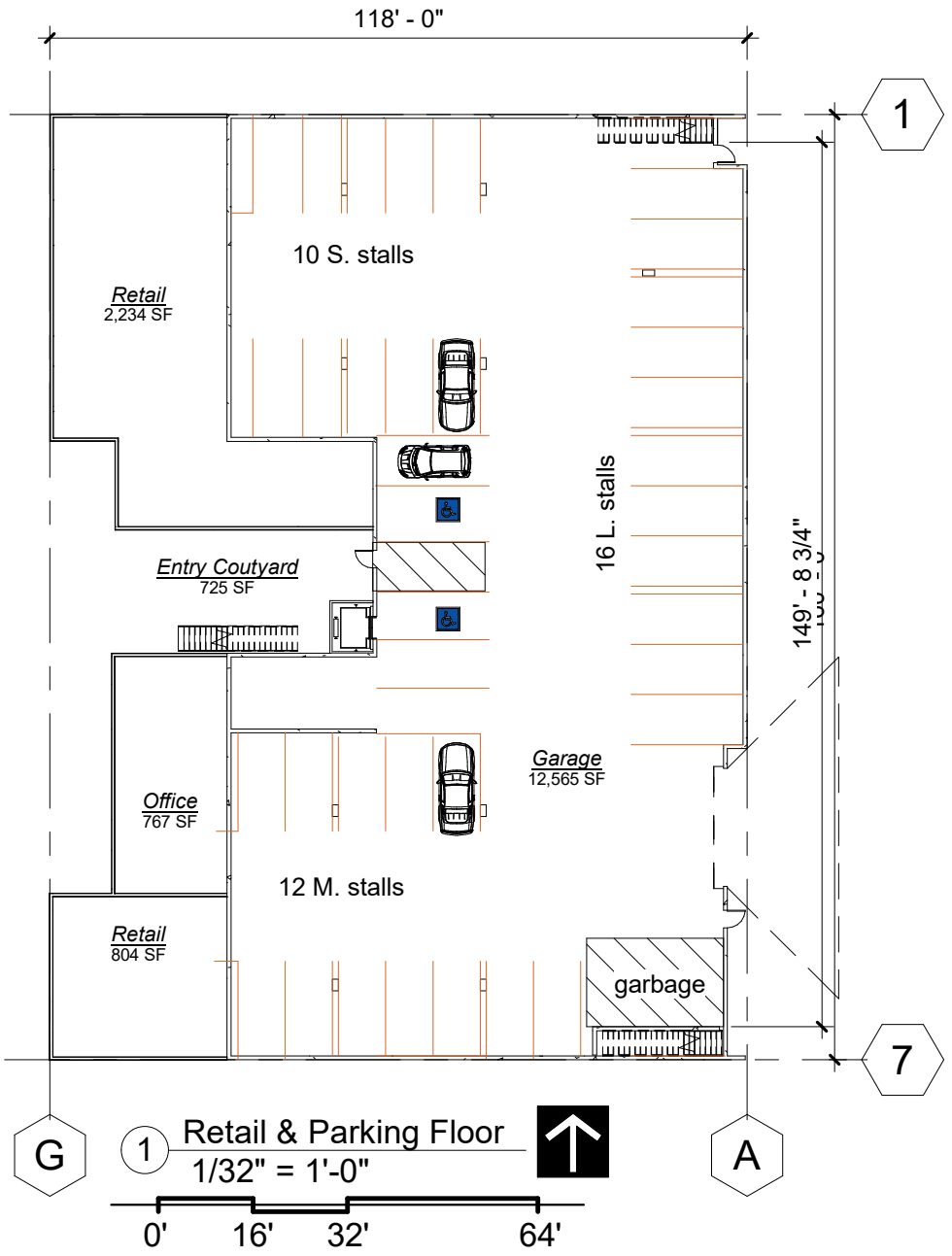


Redevelopment Program

The NCP55 zoning invites developers to craft pedestrian oriented spaces that encourage shopping and highlight neighborhood goods and services while also accommodating housing and other compatible uses. We offer two redevelopment options that incorporate the land use criteria and mesh well with the surrounding neighborhood and market demands. This data and designs have been prepared by a licensed architect.

Both options include street facing commercial space with ample ground-level parking tucked off the alley containing 35-38 stalls. The street frontage boasts a courtyard entryway that residents and customers could utilize with over 3,000 square feet of retail and/or office space. Two street level live-work units provide the flexibility and option of additional housing while meeting the commercial use criteria for ground-level retail/office space.

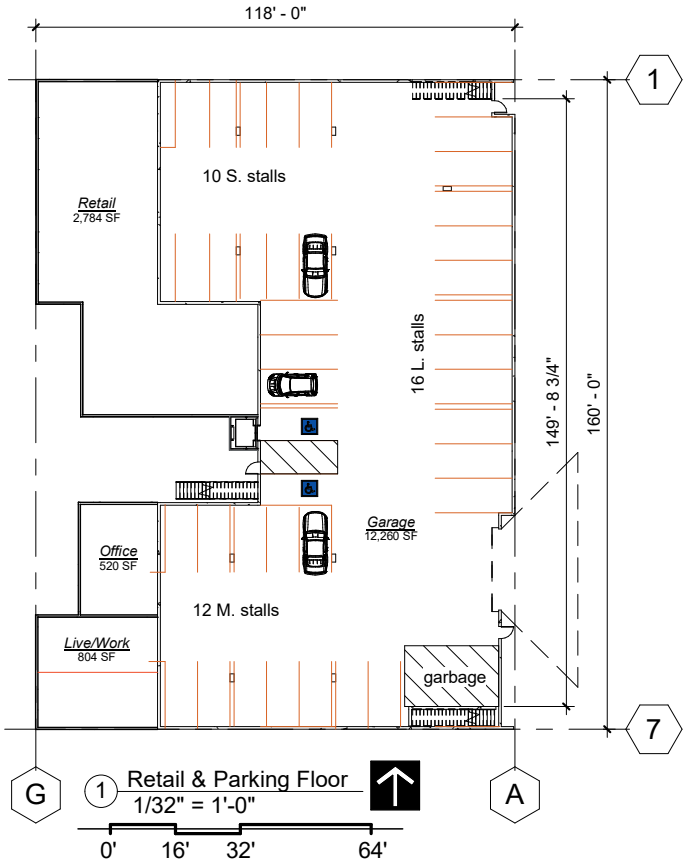


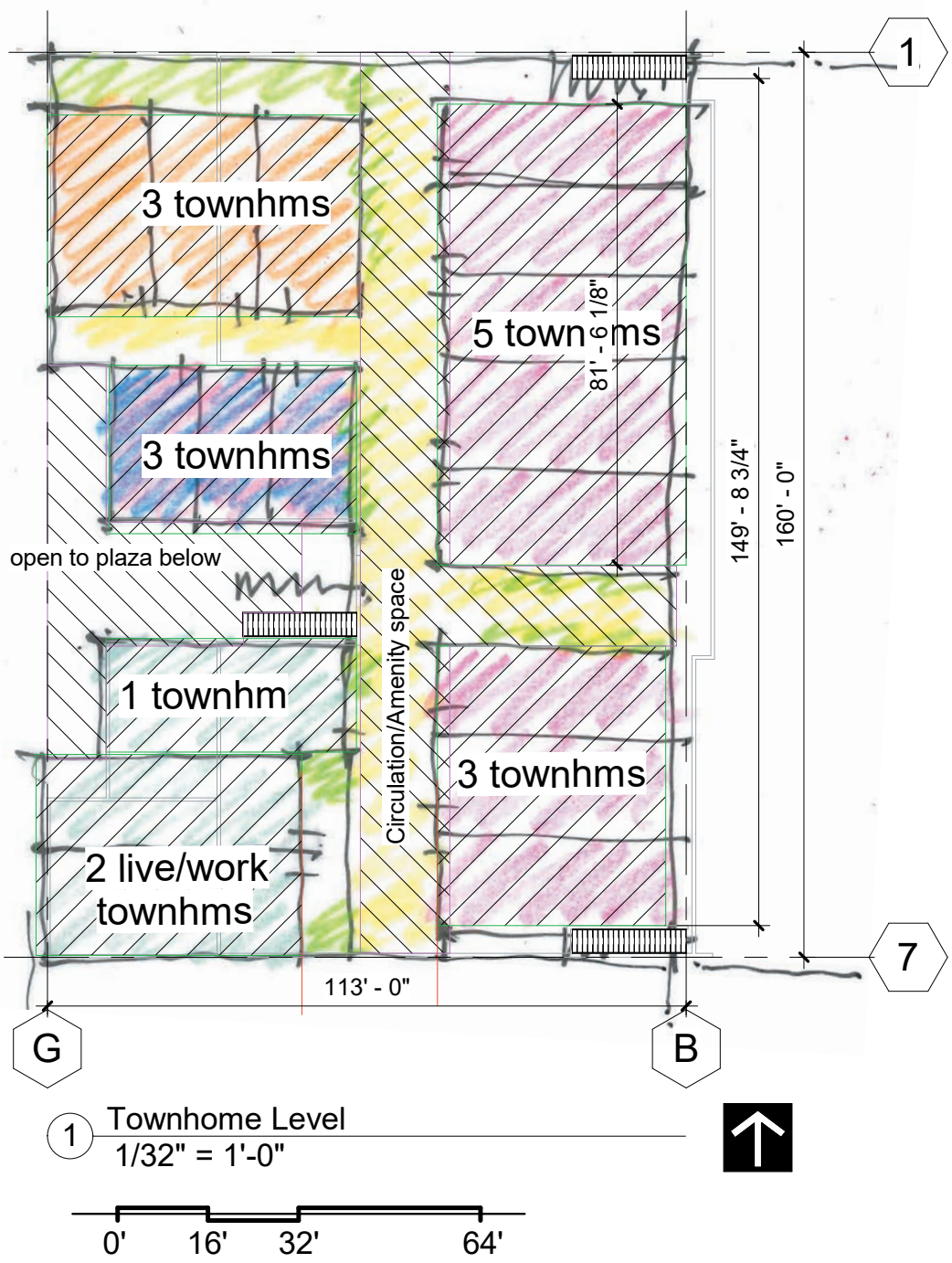


Option B | Apartment Flats

Option A | Townhomes

The Townhome Option features a second floor with an amenity area and 24 townhome style units opening off this common space. Each unit is 3 stories with space for a 3 bed/2.5 bath floor plan along with a private balcony. The parking allotments enable each unit to have it's own designated stall. A simple HOA would be the most likely solution for managing the common areas and offering owner-occupied housing. This style nicely blends private households with quality outdoor communal living spaces.



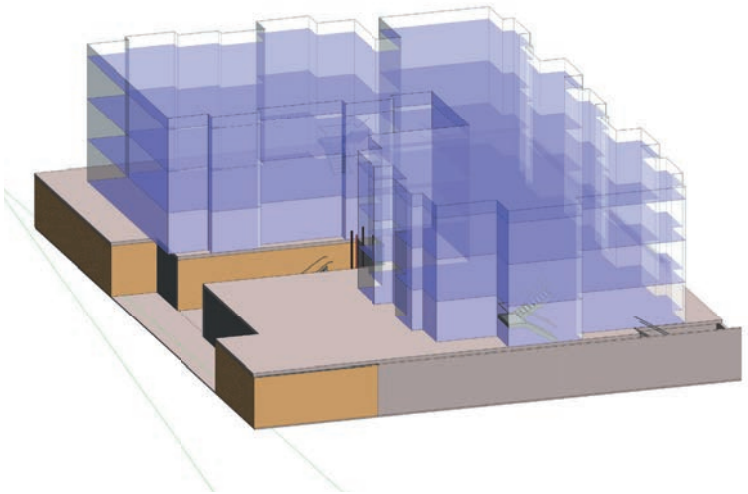


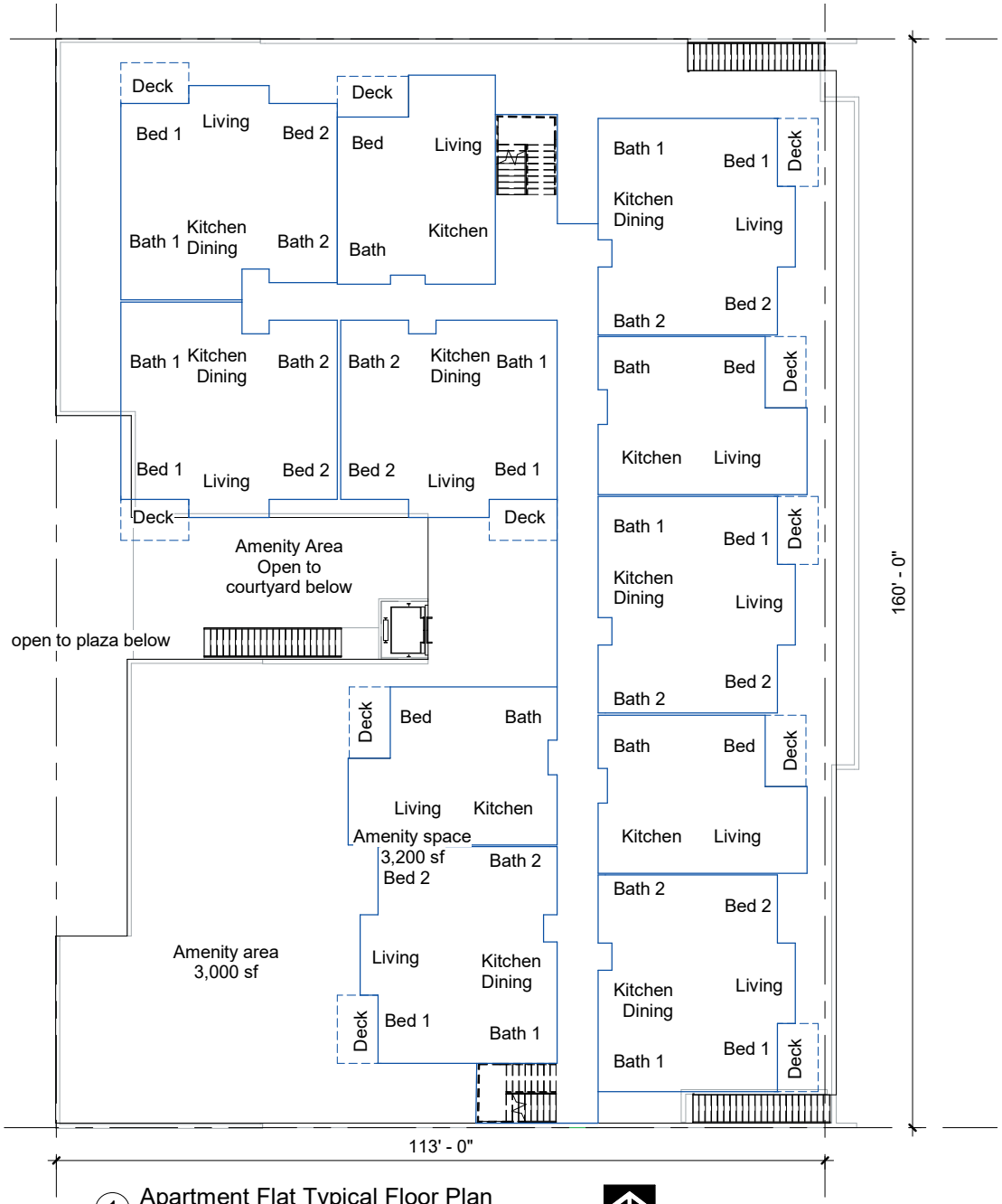
Option B | Apartment Flat Isometric View



Option B | Apartment Flat

The Apartment Option contains 27 single floor apartment units with a 2 bed/2bath unit mix, and private balcony. The amenity area in this scenario is 3,000 square feet of open decking that overlooks the courtyard entryway and captures the southwestern light - a communal bbq and raised garden beds would be the perfect feature for residents to enjoy this space! The small office suite on the ground floor could also provide the perfect space for on-site management.





1 Apartment Flat Typical Floor Plan
1" = 20'-0"

Site Calculations

ZONING	
MAXIMUM BLDG HEIGHT	NC2P - 55 M
Min commercial floor to floor	55’ 13’
Site Area, (sf):	19,200
Setbacks	
	Front 0
	Side 0
	Rear 15 (from CL Alley)

LAND USE CODE SUMMARY

5632, 5638, 5644 Delridge Way, Seattle 98106

Required Areas	
Description	Site Area
Overall Site Area	7,200 + 7,200 + 4,200 = 19,200
Lot Dimensions	160’ x120’
MHA Zoned Area	yes
Amenity area 5% of housing (23.47A.024)	1,843
Max Far (tbl 23.47A.013) 19,200 SF X 3.75	72,000
Min Far (tbl 23.47A.013) 2.0 X 19,200	38,400
Min depth of Commerical Space (23.47A.008 B3)	30’ for spaces > 600 sf
	20’ for spaces < 600 sf
Option A Townhomes | Provided Areas	
Commercial	7,200
Housing	36,864
Amenity Area, (min 10’ width)	3,120
Parking	11,281
Total Floor Area	58,465
Option B Apartments | Provided Areas	
Commerical	3,805
Housing	33,024
Amenity Area (min 10’ width)	3,200
Parking	11,281
Total Floor Area	51,310

Townhome Parking Calculations

SMC 23.54.015 Table B

	UNIT OR AREA	REQUIRED STALLS				Provided Stalls		
Building Use	**Count**	**Stall / Unit**	**Std.**	**Acc**	**Total**	**Std.**	**Acc**	**Total**
Townhome Units	24	1			25	36	2	38
Commercial*	12	see note			12			
***Subtotal**			0	0	37	36	2	38
Bicycle Parking					3			3
Commercial Area Breakdown		Stalls	SF assumption					
Eating/Drinking	1 Stall / 250 gsf	11	2,785					
Office	1 Stall / 1,000 gsf	1	520					
Live / Work Units	1 Stall / 1,500 sf	2	800					
***Total Commercial Area including Live/Work**		14	4,105					
***Live work does not need to provide additional parking**								

Apartment Flat Parking Calculations

SMC 23.54.015 Table B

	UNIT OR AREA		REQUIRED STALLS				Provided Stalls		
Building Use	**Count**	**Stall / Unit**	**Stall / Unit**	**Std.**	**Acc**	**Total**	**Std.**	**Acc**	**Total**
Housing Units	27	1.0	1	26	1	27	26	1	27
Commercial*	3,805	see note	see note	10	1	11	10	1	11
***Subtotal**				36	2	38	36	2	38
Bicycle Parking						3			3
Commercial Area Breakdown			Stalls	SF assumption					
Eating / Drinking	1 Stall / 250 gsf		8	2,039					
Sales & Services	1 Stall / 1,000 gsf		1/2	383	max 40 lf of storefront per 23.47A.005				
Office	1 Stall / 1,000 gsf		1/2	383	max 30 lf of storefront per 23.47A.005				
Retail	1 Stall / 500 gsf		2	1,000					
Total Area			11	3,805					

Demographic Summary – *1 Mile Radius*

5656 Delridge Way SW, Seattle Washington, 98106

KEY FACTS

18,576
Population

35.4
yrs. old
Median Age

7,083
Households

$72,729
Median Disposable Income

EDUCATION

9%
No High School Diploma

12%
High School Graduate

28%
Some College

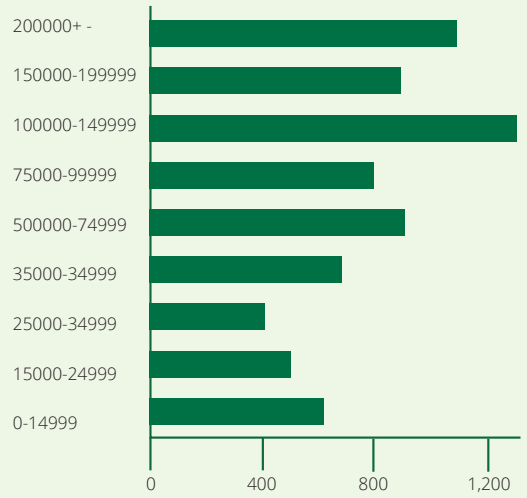
51%
Bachelor's Graduate Professor Degree

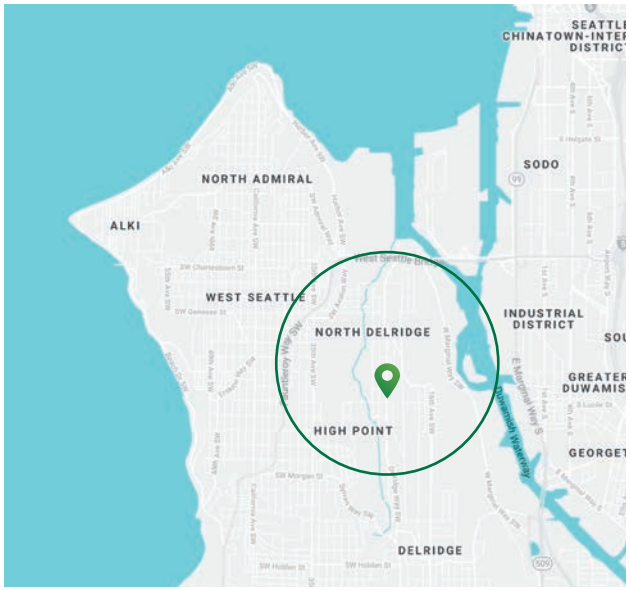
INCOME

$88,679
Median Household Income

$46,065
Per Capita Income

$86,476
Median Net Worth





EMPLOYMENT

WHITE COLLAR	72%
BLUE COLLAR	15%
SERVICES	12%

17.1%
Unemployment Rate

**This infographic contains data provided by Esri. The vintage of the data is 2020, 2025.*

Demographic Summary *– 3 Mile Radius*

5656 Delridge Way SW, Seattle Washington, 98106

KEY FACTS

118,796
Population

40.2
yrs. old
Median Age

50,761
Households

$75,074
Median Disposable Income

EDUCATION

8%
No High School Diploma

26%
High School Graduate

13%
Some College

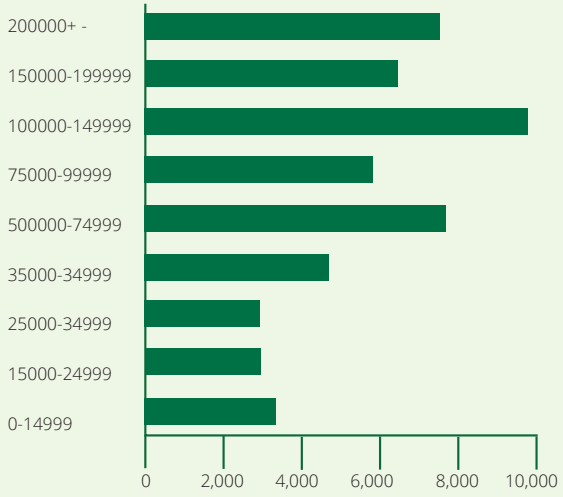
53%
Bachelor's Graduate Professor Degree

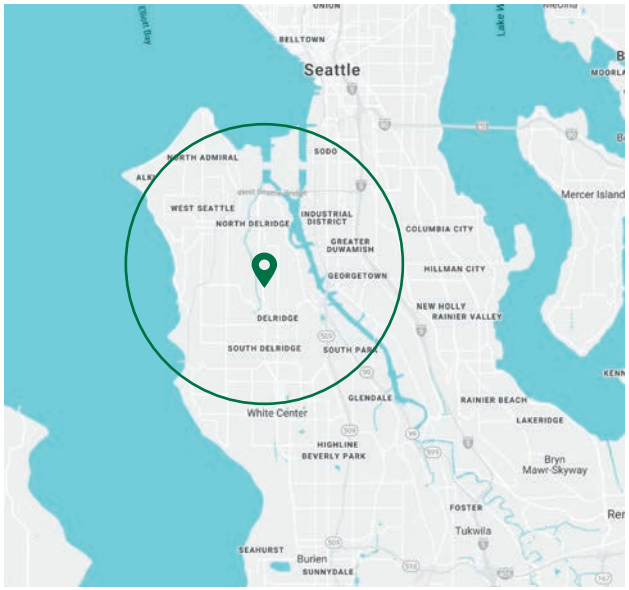
INCOME

$90,874
Median Household Income

$52,478
Per Capita Income

$122,953
Median Net Worth





EMPLOYMENT

WHITE COLLAR 73%

BLUE COLLAR 14%

SERVICES 13%

15.8%
Unemployment Rate

**This infographic contains data provided by Esri. The vintage of the data is 2020, 2025.*

Demographic Summary – *5 Mile Radius*

5656 Delridge Way SW, Seattle Washington, 98106

KEY FACTS

336,223
Population

38.9
yrs. old
Median Age

151,960
Households

$65,380
Median Disposable Income

EDUCATION

10%
No High School Diploma

14%
High School Graduate

24%
Some College

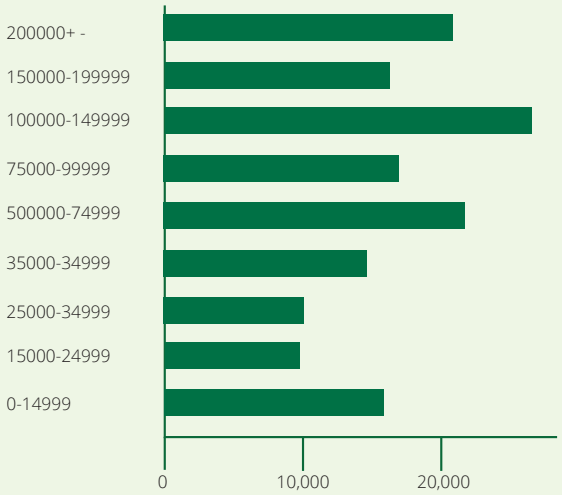
52%
Bachelor's Graduate Professor Degree

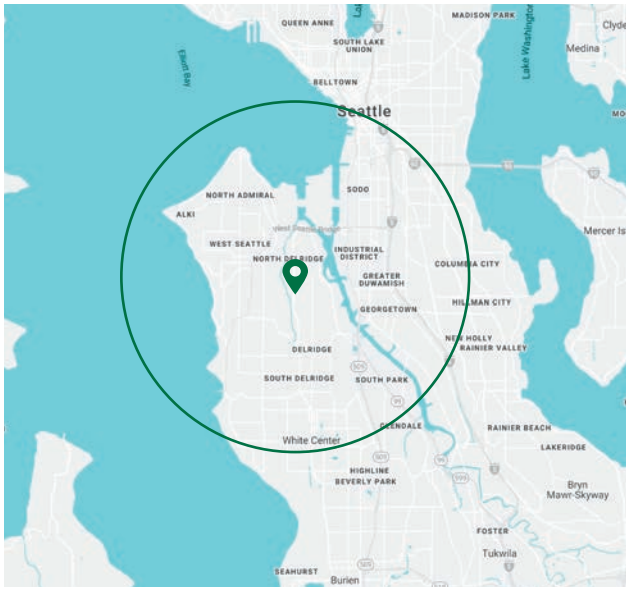
INCOME

$80,386
Median Household Income

$51,623
Per Capita Income

$64,407
Median Net Worth





EMPLOYMENT

WHITE COLLAR 72%

BLUE COLLAR 15%

SERVICES 13%

16.2%
Unemployment Rate

**This infographic contains data provided by Esri. The vintage of the data is 2020, 2025.*

The Sound Realty Group Team

Sound Realty Group is a boutique commercial and residential brokerage established in 2004. SRG serves the greater Puget Sound region with a focus on multi-family and investment real estate. Sales results from 2016-2021 rank SRG as the #1 broker for multifamily sales in WA State. However, sales units are not the only #1 ranking for SRG; the proprietary website SoundMultiFamily.com ranks as the #1 website for multifamily property searches in WA.

Led by Principal Charles Burnett CCIM, SRG employs a high caliber of brokers with extensive experience and continuous education and training. This standard of excellence, paired with advanced marketing and synchronized transaction systems assists SRG clients with their investment goals netting them the highest return with the least hassle. SRG also offers property management, and SRG brokers are also seasoned investors themselves making the brokerage a one-stop shop for market expertise and service in the real estate investment space.



CHARLES BURNETT

Designated Broker

Charles Burnett is a Seattle native; he graduated from Evergreen High School and Central Washington University in 2002. He started in the real estate industry as a mortgage lender. In 2003 he obtained his brokers license and went on for his managing broker's license in 2007 which launched him into selling real estate full time. His year-to-date sales record includes over 400 transactions across multiple asset classes and a total sales volume of more than 250 million dollars.

In 2004 he co-founded Sound Realty Group to fit his vision of providing exceptional investment real estate services and property management. He was pinned as a CCIM in 2018 after completing the rigorous CCIM academia program. Currently he fills many roles as the principal, CEO, and designated broker of the SRG brokerage, he's also a class instructor for brokers and investors, while still maintaining his own practice of listing and selling investment real estate, and working on his own private investment projects.



CHELSEA SHAPIRO

Senior Broker

Chelsea is a Seattle native; she obtained her real estate license in 2016 and has been with SRG since 2019 where she consistently ranks in the top 5% of multi-family brokers in the Puget Sound area. Chelsea spent time in marketing, and her background also includes project management, planning and consultant work with AD Shapiro Architects making her a great resource on land use, the development process, renovations, and new construction.

She has helped dozens of clients sell and buy investment properties and is a fierce negotiator during the transaction, constantly netting her clients a higher return and more favorable terms. In 2020 she started teaching classes on real estate investing as adjunct faculty in the College of Business at Northwest University.

sound REALTY GROUP Est. 2004

Delridge Assemblage

INVESTMENT & REDEVELOPMENT SITE

OFFERING MEMORANDUM