

Sound Breeze
APARTMENTS

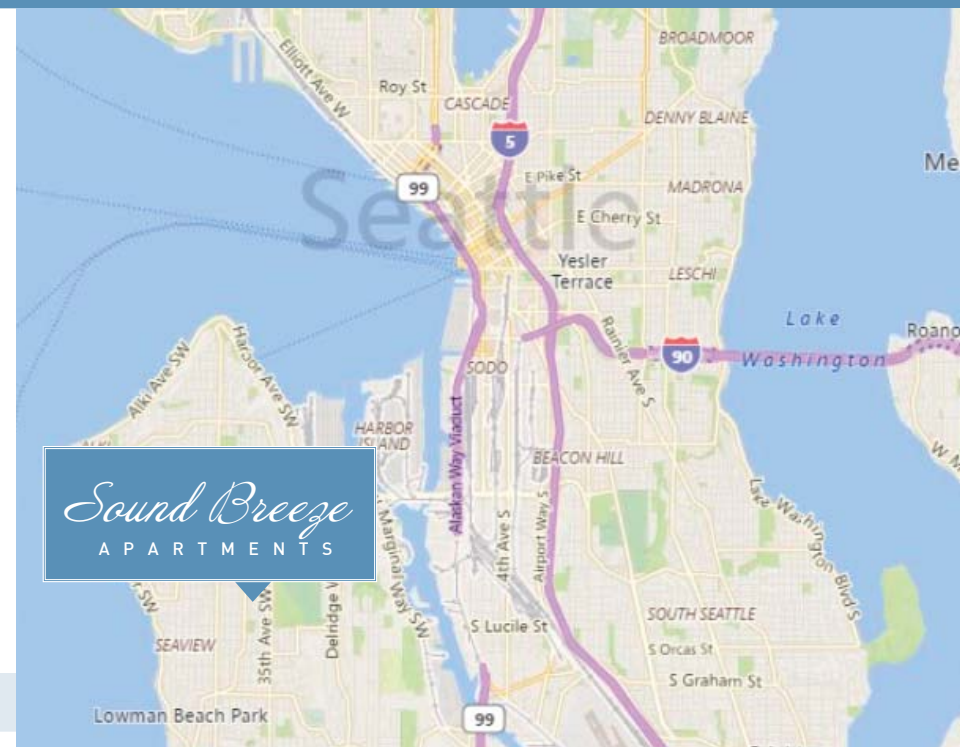


OFFERING

The Sound Breeze Apartments offers an investor the opportunity to acquire a turn-key, modern apartment building in one of the city's most popular and fastest growing neighborhoods. With large, contemporary floor-plans, complete appliance packages, and modern building mechanical systems and technology the Sound Breeze functions perfectly in the present form or could be renovated and repositioned to give it a contemporary feel with potential for even greater income. Additionally, the new owner can charge for parking to further increase revenue.

NAME	Sound Breeze Apartments
ADDRESS	5034 Fauntleroy Way SW, Seattle WA 98136
TOTAL UNITS	6
BUILT	1986
SQUARE FEET	5,424 Total Net Rentable
PRICE	\$2,375,000
PRICE PER UNIT	\$395,833
PRICE PER FOOT	\$438
CURRENT/MARKET CAP	4.6%/5.5%
LOT SIZE	5,500 Square Feet
ZONING	LR1

This information 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.

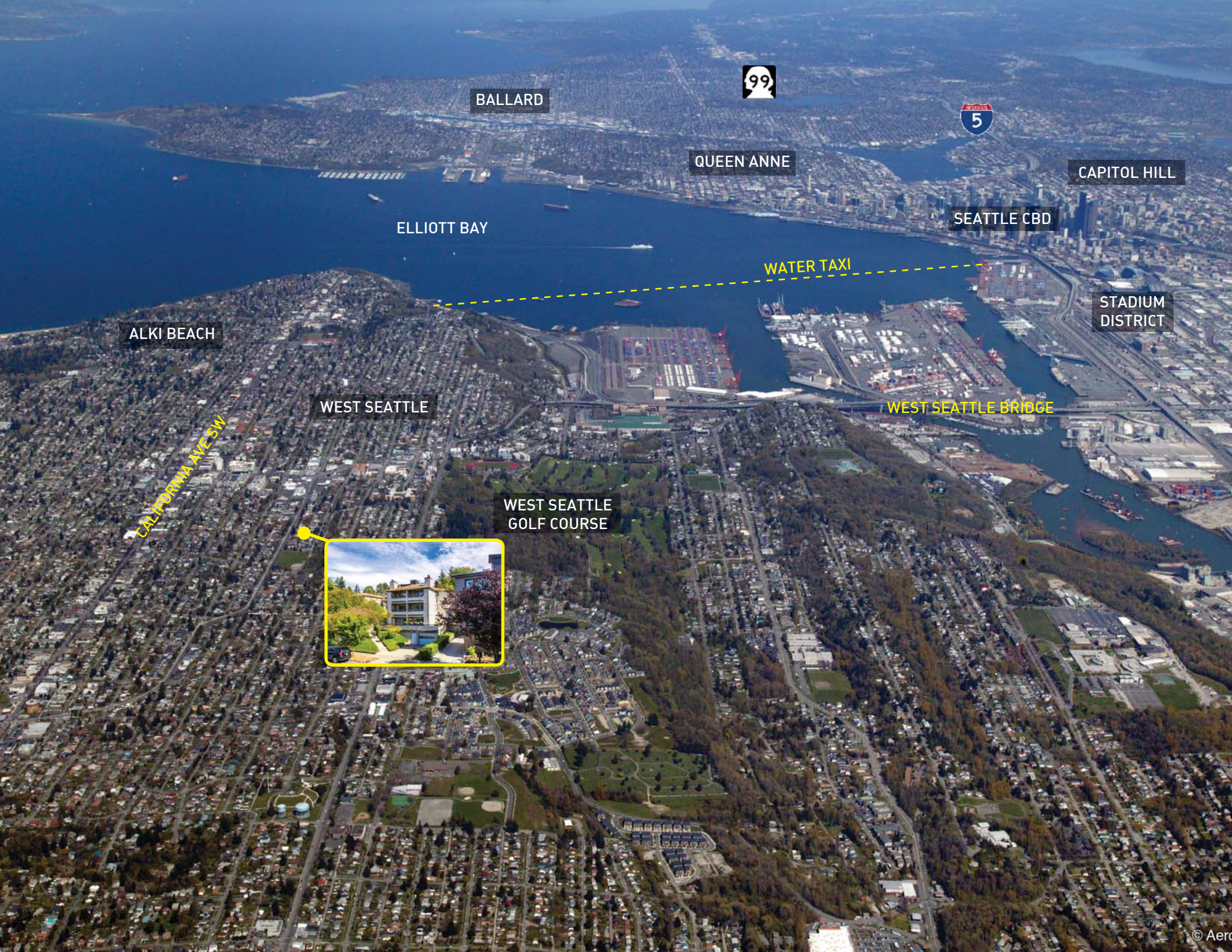


INVESTMENT HIGHLIGHTS

- Turn Key investment opportunity
- Large 2Bd/2Bth units
- Full size washer and dryer in-units
- Secure garage parking with 7 stalls
- Private balconies or patios
- Secure entry with intercom system
- 1989 construction with copper plumbing and modern systems
- Rental upside



Sound Breeze
APARTMENTS



BALLARD



QUEEN ANNE

CAPITOL HILL

ELLIOTT BAY

SEATTLE CBD

WATER TAXI

STADIUM DISTRICT

ALKI BEACH

WEST SEATTLE

WEST SEATTLE BRIDGE

CALIFORNIA AVE SW

WEST SEATTLE GOLF COURSE



LOCATION HIGHLIGHTS

West Seattle is one of the only neighborhoods you don't have to drive through to get to another neighborhood. It's located along the peninsula just West of downtown Seattle. It provides a quick 10 minute drive time to downtown Seattle during non-commuter times which makes it an attractive place to live, play, and work with quick access to Seahawks' Century Link Stadium and Mariners Safeco Field. West Seattle residents can get to downtown by car, bike, Metro's Rapid Ride C-line, West Seattle's passenger ferry as well as the future light rail service. West Seattle is the number one neighborhood in the United States searched by Silicon Valley residents looking to relocate.

- Located near West Seattle's shopping Mecca at Alaska Junction
- Easy access to local transit options via Metro Transit and Link Light Rail
- Walk to restaurants, cafés, and shopping
- Easy access to the West Seattle Bridge and CBD
- Close to many of West Seattle's parks and outdoor recreational areas



POPULATION
57,982



MEDIAN INCOME
\$92,837



COMMUTE TO DOWNTOWN
12 Minutes

WEST SEATTLE

West Seattle is one of Seattle's core residential neighborhoods and is currently ranked among the top neighborhoods in the United States to be searched by Silicon Valley residents looking to relocate. Known as the birthplace of Seattle this charming area provides a relatively quick commute to Seattle's Central Business District. It is known for its natural beauty and waterfront beach community feel. It is home to two of Seattle's largest waterfront parks, Lincoln Park, a 135-acre waterfront park with walking and bike trails, a saltwater pool, picnic and play areas, beach access, and Alki Beach Park, which is a 2.5 mile beach with sandy beaches, beach volleyball courts, bike and jogging lanes and many restaurants, pubs and many yearly events for everyone to enjoy.

For entertainment and services, the both the Alaska Junction and Morgan Junction retail areas are located mere blocks away. Shopping, dining, drinking, concert going, coffee sipping, wine tasting, and farmers-markets make this area the retail core of the neighborhood. On top of community events like art walks, seasonal festivals, open mic nights, and outdoor movie nights ensure the area is enjoyed by locals and visitors all year round.



WHY CHOOSE SEATTLE - KING COUNTY?

A HIGHLY-SKILLED WORKFORCE

The region's highly skilled and educated workforce provides a deep talent pool, with 47 percent of adults holding a bachelor's degree or higher.

Top-tier talent is one of the key reasons out-of-state companies, such as Google, Facebook, Apple, Dropbox, Twitter, Alibaba, and SpaceX, are attracted to opening strategic locations in Seattle-King County.

ESTABLISHED INDUSTRY CLUSTERS

The success of the clusters has contributed to innovation for emerging industry segments such as biomedical devices, interactive media, e-commerce, clean energy, and space exploration. Small and medium-sized businesses provide a vital contribution to the cluster ecosystem, and in turn benefit from the collaborative climate for which the Seattle-King County region is known.

CUTTING-EDGE RESEARCH

Top-ranked research institutions, including the world-renowned University of Washington, contribute to a high-caliber talent pipeline and encourage record levels of research & development spending from the private, non-profit and public sectors. The region has always fostered the next generation of business, from early-stage startups to high-growth companies with long-term success.

*Data Sources: Washington State Employment Security Department, 2015; Washington State Department of Revenue, 2015; Washington Military Alliance; Washington Aerospace Economic Impacts 2016 Update; US International Trade Administration, 2014.



POPULATION, EDUCATION, INCOME

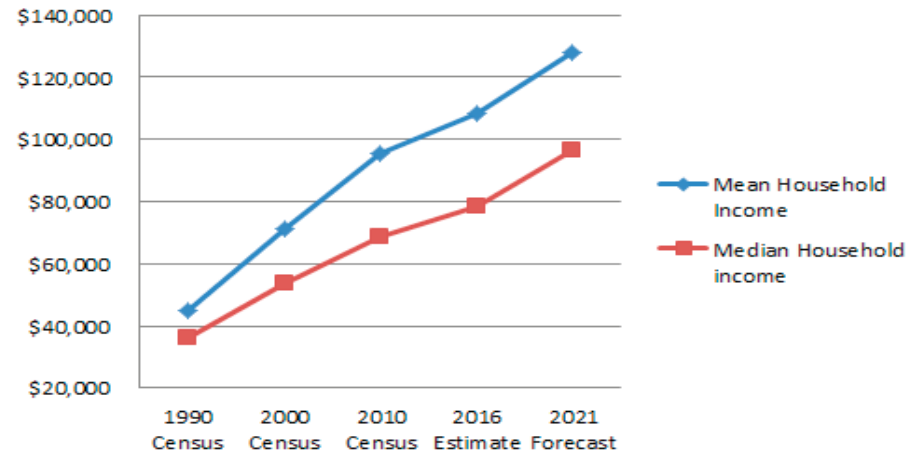
King County contains estimated 872,411 households. This number is forecast to increase to more than 912,000 by the year 2021. The county currently has 18 cities with populations greater than 20,000.

Seattle is one of the most educated cities in the United States. Over 57 percent of Seattle’s adult residents have a Bachelor’s degree or higher, nearly twice the national average. An educated city means an educated workforce—a solid backbone for the innovative, knowledge-based industries that drive Seattle’s economy. King County also boasts high educational attainment, with 47 percent of residents over 25 having received a Bachelor’s degree or higher.

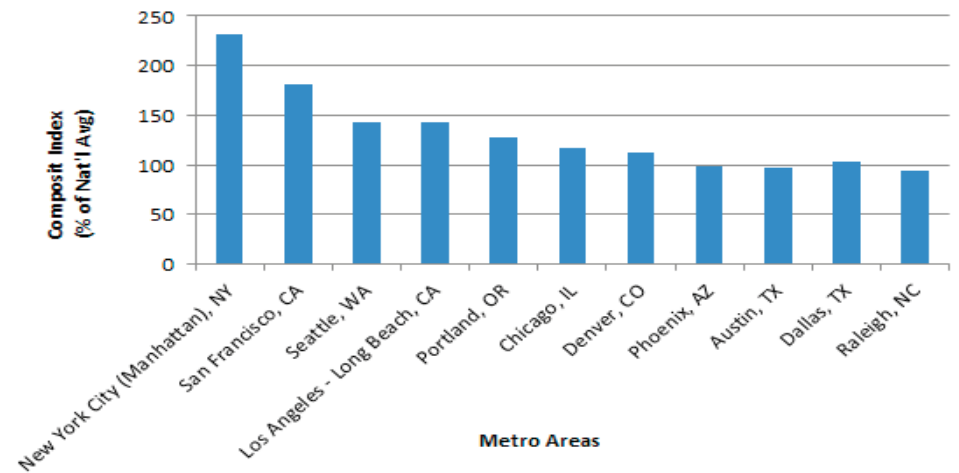
Roughly 28 percent of King County residents are in professional business/managerial positions. As a result, median household income in King County is well above the U.S. average. Cost of living is generally higher than the U.S. average, but it is in line with other metropolitan areas with similar income levels.

TOP KING COUNTY EMPLOYERS	FT EMPLOYEES IN WA
The Boeing Co	81,919
Microsoft Corp.	43,031
University of Washington	30,200
Amazon.com Inc	24,700
Starbucks Corp	13,400
Swedish Health Services	11,239
City of Seattle	10,758
Costco Wholesale Corp	10,080
Nordstrom	9,264
Group Health Cooperative	8,982

King County Household Income



Cost of Living Comparison with Competitive US Metro Areas



MAJOR EMPLOYERS - CENTRAL BUSINESS DISTRICT



Velocity
amazon.com

OnlineShoes
splunk

Apple
brightcove
SYNAPSE

medio
hp HEWLETT
PACKARD
Spoken
NOKIA

Dropbox
COVERTY
ideate
Rhapsody
aPlaceforMom
ENVESTNET
IOActive

MARCHEX
ExtraHop

White pages
SATON
CO
DE

DocuSign
GURF
INCUBATOR
VERSIVE

f5

amazon.com

GROUPON

CRAY
SweetLabs
PitchBook
heptio

ORACLE QUALCOMM
twitter Qumulo
classmates-com

daptiv

UBER

MOZ
Avalara

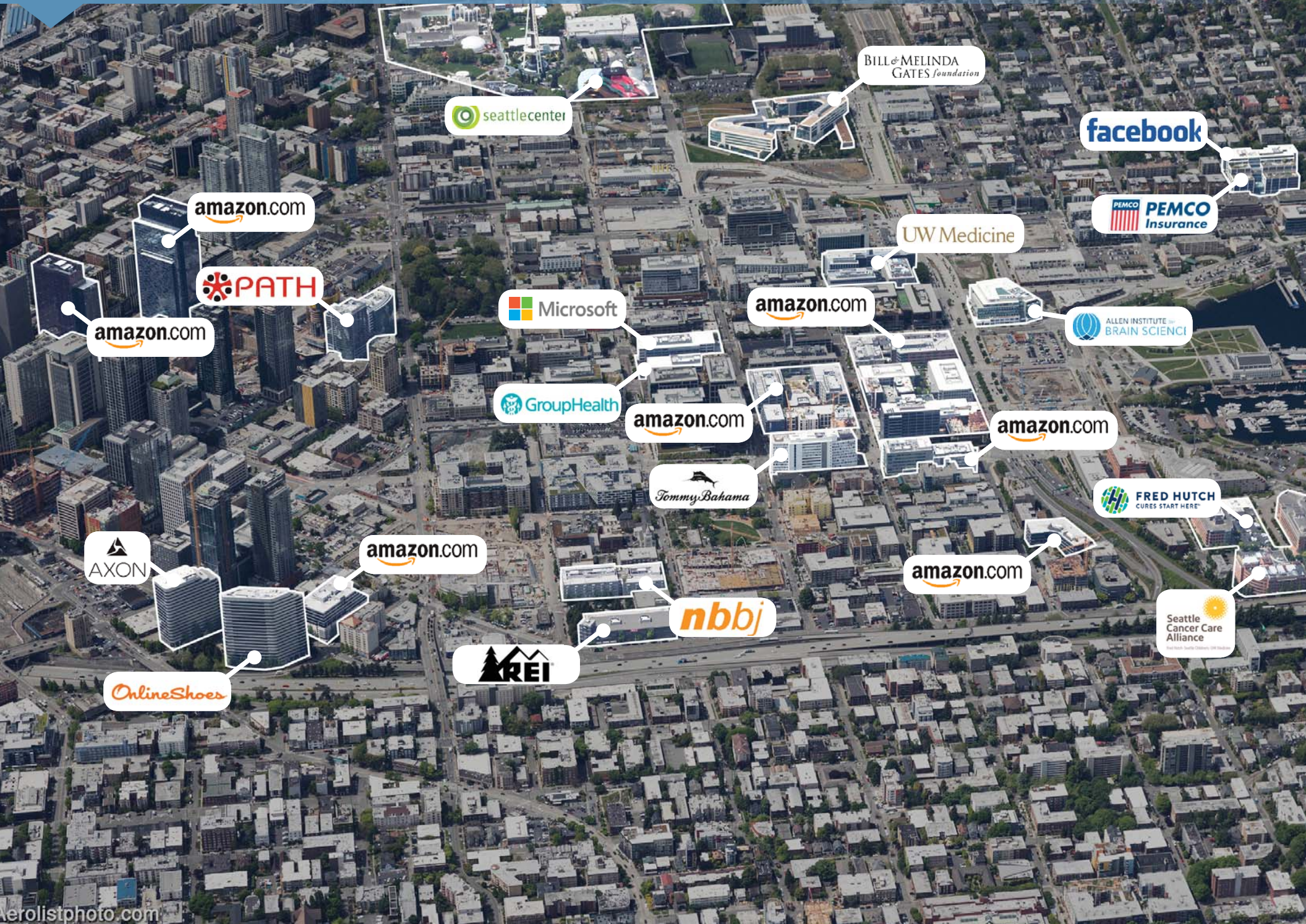
DocuSign
GURF
INCUBATOR
VERSIVE

ZONAR
INSPECT · TRACK · KNOW
Deloitte
Digital
NUANCE

P&XAR
PORTENT
UBER
projectline

King County
Water Taxi

MAJOR EMPLOYERS - SOUTH LAKE UNION



seattlecenter

BILL & MELINDA GATES foundation

facebook

PEMCO Insurance

UW Medicine

amazon.com

PATH

Microsoft

amazon.com

ALLEN INSTITUTE BRAIN SCIENCI

amazon.com

GroupHealth

amazon.com

amazon.com

Tommy Bahama

FRED HUTCH CURES START HERE™

AXON

amazon.com

amazon.com

Seattle Cancer Care Alliance

nbbj

REI

OnlineShoes

IMPROVEMENTS

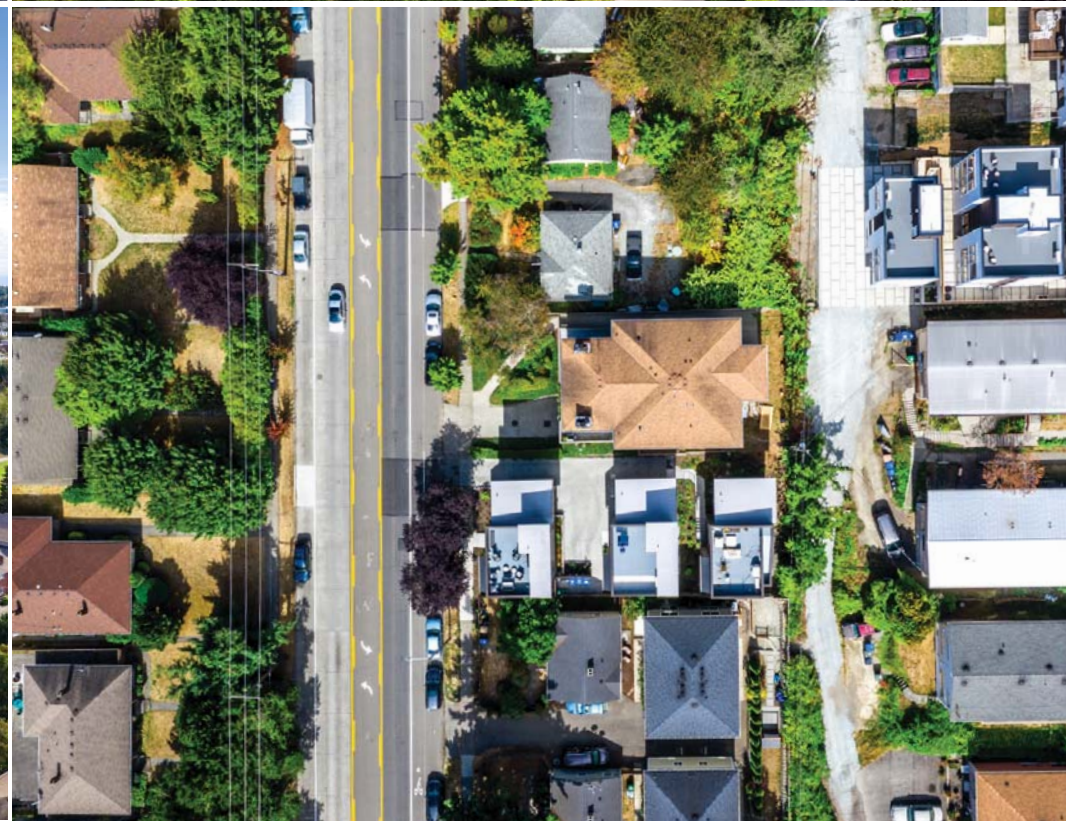
Built in 1989, the Sound Breeze Apartments is a stately and thoughtfully designed three story wood framed building constructed above a concrete parking garage. The building features a pitched composition roof, vinyl siding and double-paned vinyl windows making for efficiency and low maintenance. The building entry is through the garage or through the entry at the North side which features an intercom system for the residents safety and convenience. There are six apartments at the Sound Breeze, with two located on each floor.

This design creates privacy and separation with only one shared wall between apartment units. All units are a large two-bedroom/ two-bathroom floor plan with spacious rooms, territorial views, lots of storage and private balconies or patios. Units also feature master bedrooms with on-suite baths, fireplaces, utility rooms with full sized washer/dryers and kitchens with complete appliance packages. The lower level units have large wrap-around patios that offer excellent outdoor living and entertainment space. Apartment finishes and fixtures are typical with late 1980's and early 1990's construction. Finishes include carpet and vinyl flooring, laminate counter tops, white European cabinetry, and white appliances.

The building mechanical systems include electric baseboard heating, individual electric meters, modern breaker panels, individual hot-water tanks located in the units, and copper plumbing. Residents enjoy the secure parking garage with seven stalls and the security and convenience of the intercom entry system.



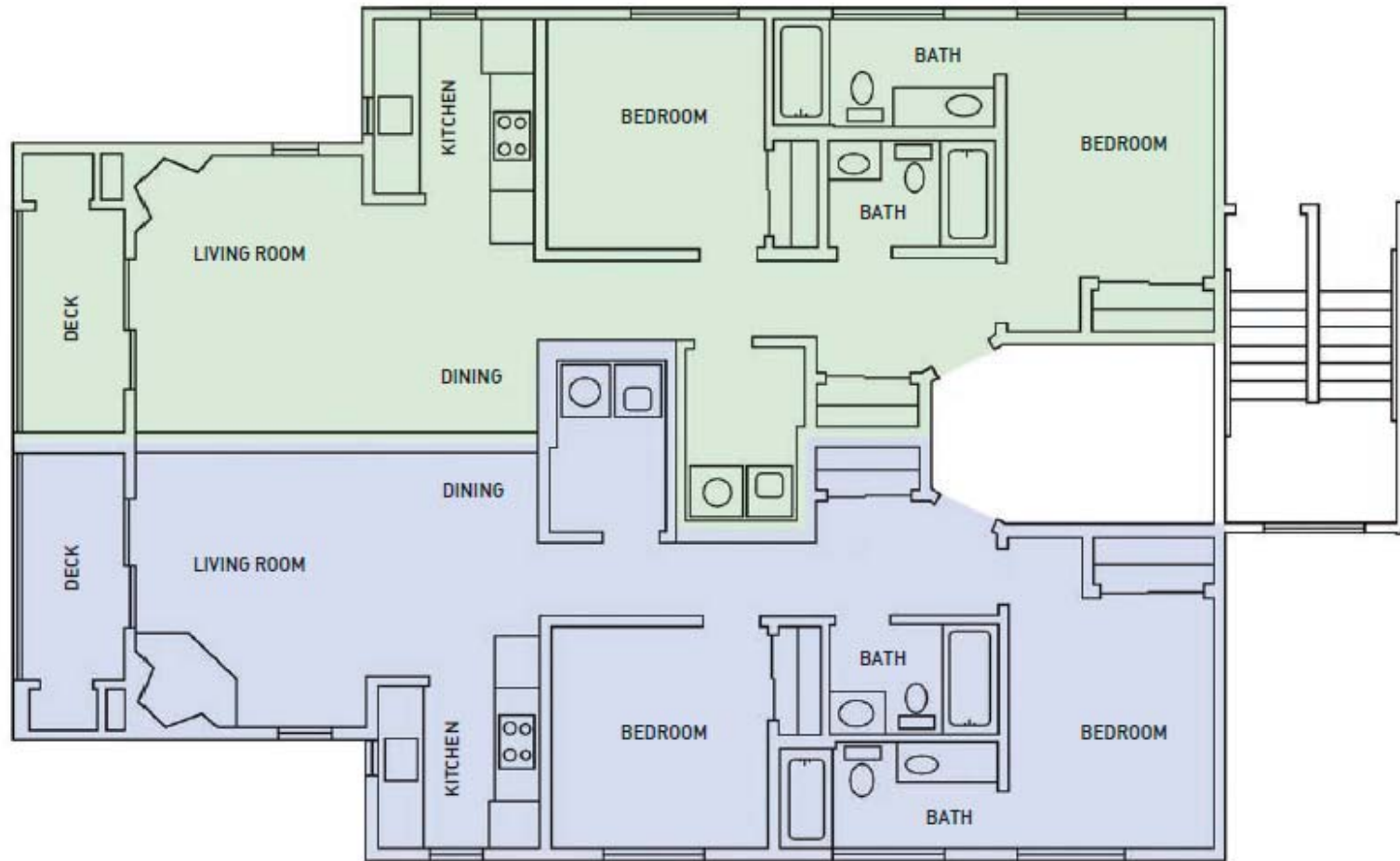
BUILDING PHOTOS



UNIT PHOTOS



FLOOR PLAN



TYPICAL FLOORPLAN

Unit Breakdown



UNIT	TYPE	APPROXIMATE UNIT SIZE	CURRENT RENT	CURRENT RENT/SQ.FT.	MARKET RENT	MARKET RENT/SQ.FT.
101	2Bd/2Bth	904 Sq.Ft.	\$2,095	\$2.22	\$2,195	\$2.43
102	2Bd/2Bth	904 Sq.Ft.	\$1,995	\$2.22	\$2,195	\$2.43
201	2Bd/2Bth	904 Sq.Ft.	\$1,995	\$2.22	\$2,195	\$2.43
202	2Bd/2Bth	904 Sq.Ft.	\$1,950	\$2.22	\$2,195	\$2.43
301	2Bd/2Bth	904 Sq.Ft.	\$1,995	\$2.22	\$2,195	\$2.43
302	2Bd/2Bth	904 Sq.Ft.	\$1,995	\$2.22	\$2,195	\$2.43
Totals/Avg		904 Sq.Ft.	\$1,995	\$2.22	\$2,195	\$2.43



Income and Expenses

Units	6	Price	\$2,375,000
Year Built	1989	Per Unit	\$395,833
Rentable Area	5,424	Per Sq. Ft.	\$438
Down Pmt	\$831,250	Current GRM	15.6
Loan Amount	\$1,543,750	Current CAP	4.6%
Interest Rate	4.75%	Market GRM	13.7
Amortization	30 years	Market CAP	5.5%

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
6	2 Bd/2 Bth	904	\$1,950 - \$2,095	\$2,195
6	Total/Avg	904	2.22	\$2.43

MONTHLY INCOME	CURRENT	MARKET
Gross Potential Rent	\$12,025	\$13,170
Parking (Secure Garage with 7 Stalls)	\$0	\$600
Utility Recapture	\$570	\$570
Misc. Fees/Deposits	\$60	\$60
Total Monthly Income	\$12,655	\$14,400

ANNUALIZED OPERATING EXPENSES		CURRENT	MARKET
Real Estate Taxes	2018	\$14,319	\$14,319
Insurance	2018	\$2,642	\$2,642
Utilities	T12	\$7,077	\$7,077
Professional Management	Pro Forma	\$3,600	\$3,600
Maintenance & Repairs	Pro Forma	\$5,100	\$5,100
Landscaping	Pro Forma	\$1,200	\$1,200
Administration	Pro Forma	\$600	\$600
Reserves	Pro Forma	\$1,500	\$1,500
Total Expenses		\$36,038	\$36,038

ANNUALIZED OPERATING DATA		CURRENT	MARKET
Scheduled Gross Income		\$151,860	\$172,800
Less Vacancy	4.00%	\$6,074	4.00% \$6,912
Gross Operating Income		\$145,786	\$165,888
Less Expenses		\$36,038	\$36,038
Net Operating Income		\$109,748	\$129,850
Annual Debt Service	(\$8,052.93)	\$96,635	\$96,635
Cash Flow Before Tax	1.58%	\$13,112	4.00% \$33,215
Principal Reduction		\$23,821	\$23,821
Total Return Before Tax	4.44%	\$36,934	6.86% \$57,036

CURRENT OPERATIONS	Expense/Unit	\$6,006	MARKET OPERATIONS	Expense/Unit	\$6,006
	Expense/Foot	\$6.64		Expense/Foot	\$6.64
	Percent of EGI	23.73%		Percent of EGI	20.86%

SALES COMPARABLES



Sound Breeze Apartments

5034 Fauntleroy Way SW
Seattle, WA 98136

Year Built 1989
Units 6
Sales Price \$2,375,000
Price/Unit \$395,833
Price/Foot \$438
Current GRM/CAP 15.6/4.6%
Market GRM/CAP 13.7/ 5.5%



Junction 8

4001 SW Edmunds
Seattle, WA 98116

Year Built 1987
Units 8
Sales Price \$2,525,000
Price/Unit \$315,625
Price/Foot \$404.06
GRM/CAP 18.5/3.8%
Sales Date 6.28.2018



7 Unit Apartment

3306 Beach Drive SW
Seattle, WA 98116

Year Built 1991
Units 7
Sales Price \$3,780,000
Price/Unit \$540,000
Price/Foot \$540
GRM/CAP 16.8/4.5%
Sales Date 3.6.2018



Alki Canoe Club

3036 60th Ave SW
Seattle, WA 98116

Year Built 1984
Units 12
Sales Price \$4,419,080
Price/Unit \$368,257
Price/Foot \$420.86
GRM/CAP 16.5/4.2%
Sales Date 10.31.2017



12 Unit Apartment

1526 44th Ave SW
Seattle, WA 98116

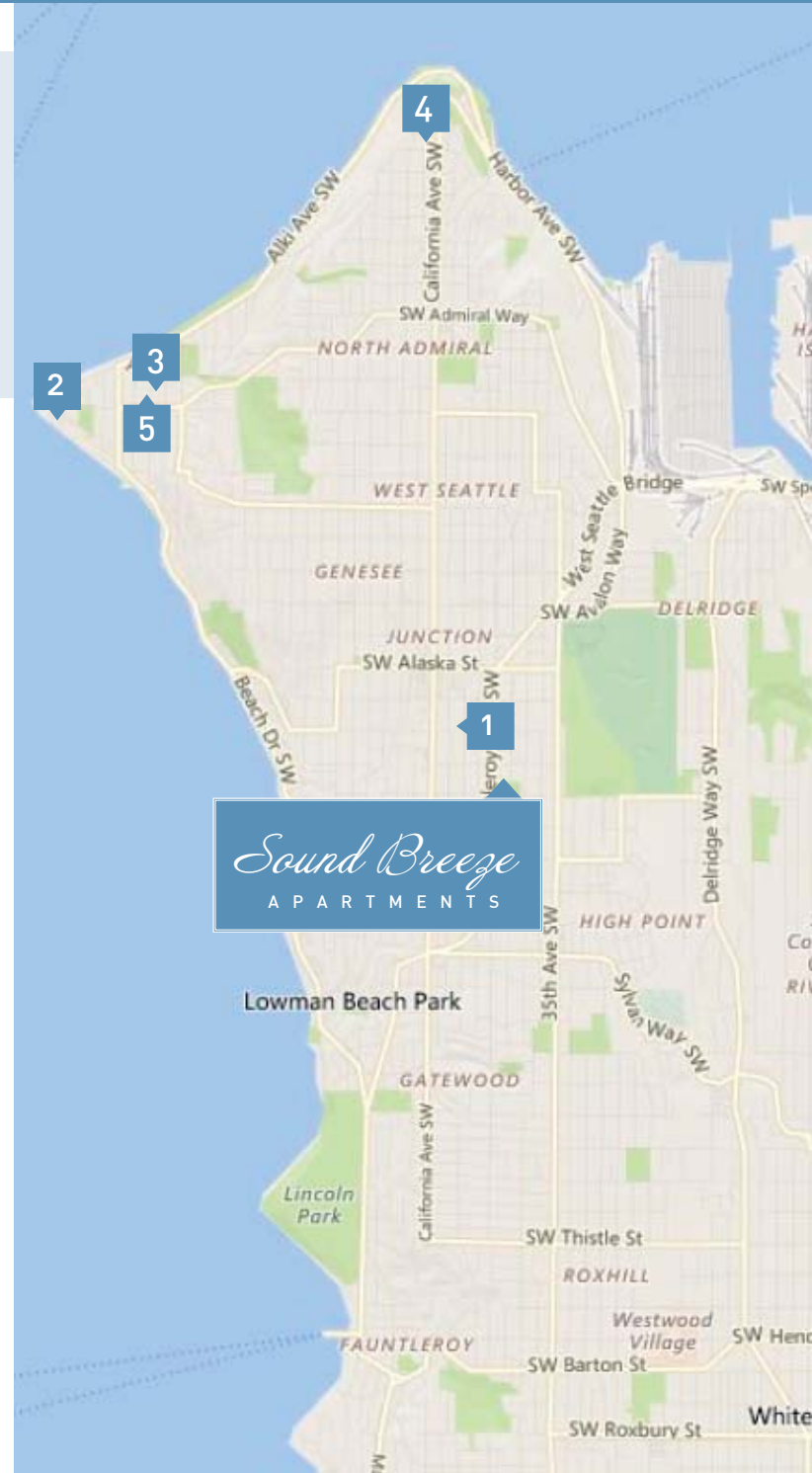
Year Built 1991
Units 12
Sales Price \$3,475,000
Price/Unit \$289,583
Price/Foot \$372.83
GRM/CAP 17.2/3.8%
Sales Date 7.14.2017



Admiral Apartments

3056 60th Ave SW
Seattle, WA 98116

Year Built 1993
Units 7
Sales Price \$2,425,000
Price/Unit \$346,429
Price/Foot \$413.61
GRM/CAP 18.9/3.5%
Sales Date 7.10.2017



RENT COMPARABLES



Sound Breeze Apts 5034 Fauntleroy Way SW Seattle, WA 98136 1989 - 6 Units	2Bd/2Bth	904	\$2,095	\$2.43
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Whittaker Apartments 4755 Fauntleroy Way SW Seattle, WA 98116 2016 - 389 Units	1Bd/1Bth	559 - 608	\$1,737 - \$1,947	\$3.20 - \$3.10
	1Bd/1Bth	674	\$1,967 - \$1,972	\$2.92 - \$2.93
	2Bd/1Bth	835	\$2,829	\$3.39



Elan 41 4100 SW Edmunds St Seattle, WA 98116 1987 - 78 Units	1Bd/1Bth	760 - 795	\$1,755 - \$1,962	\$2.31 - \$2.47
	2Bd/1Bth	950 - 1,000	\$2,258 - \$2,747	\$2.38 - \$2.75



City Watch Apartments 4744 41st Ave SW Seattle, WA 98116 1993 - 96 Units	1Bd/1Bth	837 - 844	\$1,595	\$1.89 - \$1.91
	2Bd/1Bth	903 - 1,060	\$2,095 - \$2,295	\$2.17 - \$2.32



Broadstone Sky 4745 40th Ave SW Seattle, WA 98116 2015 - 151 Units	1Bd/1Bth	555 - 671	\$1,585 - \$1,575	\$2.35 - \$2.86
	2Bd/1Bth	968	\$2,865	\$2.96





Sound Breeze
APARTMENTS

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Seattle Washington 98101

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www.ParagonREA.com

PARAGON
REAL ESTATE ADVISORS

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