

# PLAZA 12FORTY-ONE

## OFFERING MEMORANDUM

PARAGON  
REAL ESTATE ADVISORS





# PARAGON

REAL ESTATE ADVISORS

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## EXECUTIVE SUMMARY

# OFFERING

Paragon Real Estate Advisors is pleased to announce Plaza 12Forty-One, an exclusively listed, fully occupied mixed-use commercial and residential offering located in Marysville, Washington, priced at \$1,600,000. Plaza 12Forty-One is comprised of 4 commercial suites, 2 apartment units and a light manufacturing building.

Plaza 12Forty-One was developed by the current owners in 2004 when they redeveloped the site and built the mixed-use commercial/residential building. In 2007 they added the light manufacturing building to the Property. This is the first time the Property has been offered for sale by the original owner developer.

The Property is well located in a bustling retail corridor in central Marysville and further benefits by being across the street from Plaza at Maryville, a large Safeway anchored shopping center which helps drive traffic volume to over 16,000 vehicles per day on State Avenue. Plaza 12Forty-One is highly visible, has attractive street appeal and offers easy ingress and egress from State Avenue with abundant, dedicated onsite parking.

The Property's occupancy mix includes four commercial suites occupied by locally owned businesses including a chiropractic clinic, a therapeutic message clinic, a garden supply store, a tattoo parlor, two 1-bedroom apartments and a standalone light manufacturing building leased to an apparel screen printing business. The apartment homes sit on top of the quaint commercial plaza with a separate secured entrance. Each apartment is well-appointed and easy to rent with stacked washer/dryers, dishwashers, built in microwaves, and large bedrooms. The commercial tenants' leases have multiple years remaining with staggering expirations dates.

Plaza 12Forty-One should appeal to a hands-on investor seeking a well-located, quality-built, and attentively maintained investment property with a diverse mix of commercial and residential tenants. Plaza 12Forty-One has historically been nearly 100% occupied with minimal property management effort. The opportunity to raise the rents to market levels exists over the next few years with little to no physical improvements. Slight increases in Annual Rent, once commercial leases expire, to the \$11.00 and \$12.00/SqFt NNN range will achieve over a 7.00% CAP Rate for the overall investment.

The Seller will review offers as they are received and prefers to be cashed out.

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## EXECUTIVE SUMMARY

# FINANCIAL SUMMARY

NAME	Plaza 12Forty-One
ADDRESS	1241 State Ave Marysville, WA 98270
PRICE	\$1,600,000
TOTAL UNITS	5 Commercial + 2 Apartments
BUILT	2004/2007
SQUARE FEET	9,145 Total Net Rentable
PRICE PER FOOT	\$175
CURRENT CAP	5.6%
MARKET CAP	7.0%
LOT SIZE	26,572 Square Feet
ZONING	Community Business

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## LOCATION

# LOCATION HIGHLIGHTS

Plaza 12Forty-One is just north of Marysville's Downtown Master Plan study area, which is a major focus of the city's efforts to revitalize Marysville downtown and Ebey Waterfront Park. The Property is steps away from a variety of shopping, dining, and entertainment amenities. Cedar and Grove Park and Ride is just minutes away, adding additional convenience for the Property's residents. Marysville's Public Safety Center, housing both the police and fire departments, is only a block away providing peace of mind for the Property's residents, commercial tenants, clientele, and future owner knowing that emergency response times will be quick.

- Ideally suited area for both commercial and residential tenants
- Safe neighborhood; near Fire & Police Public Safety Center
- 2022 population in a 5-mile radius is 105,349
- Average household income in a 5-mile radius is over \$100,000
- Across from Safeway anchored Plaza at Marysville Shopping Center
- 16,789 Average Annual Daily Traffic (AADT CoStar 2022)
- Minutes to downtown Marysville, I-5, shopping & entertainment
- Excellent visibility from State Avenue with good ingress and egress
- 30 miles from Seattle with new HOV lane on I-5 north of Everett





## PROPERTY DETAILS

# INVESTMENT HIGHLIGHTS

- 4 commercial suites, 2 apartment homes and 1 light manufacturing space
- 100% occupied with long term commercial tenants
- Newer, quality-built, mixed-use plaza
- Meticulously maintained property
- Quality 2004 and 2007 construction
- Ideal Marysville location for a mixed-use property
- Diverse manufacturing based local economy
- First time on market by original developer
- 5.57% CAP Current; 7.01% CAP Market
- Below market rents with achievable near-term upside
- Low vacancy submarket for commercial & multifamily
- Dedicated onsite parking

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# EXTERIORS





# RENT ROLL

## Commerical

Tenant	Suite	Space Type	Square Feet	% Bldg Share	Lease Commence	Lease Expiration	Annual Rent/SF	Monthly Rent	Annual Rent	Lease Type	Expense Reimbursement
Keehn Chiropractic	101	Retail	2,877	37.24%	2/1/23	1/31/27	\$10.17	\$2,438	\$29,256	NNN	\$13,404
Homegrown Hydros	102	Retail	1,386	17.94%	2/1/23	1/31/26	\$10.35	\$1,195	\$14,340	NNN	\$6,456
Heavenly Hands	103	Retail	719	9.31%	2/1/23	1/31/27	\$10.46	\$627	\$7,524	NNN	\$3,348
Anvil Tattoo	104	Retail	643	8.32%	2/1/23	1/31/26	\$10.30	\$552	\$6,624	NNN	\$2,988
Blue Jay Screen Printing	106	Industrial	2,100	27.18%	2/1/23	1/31/27	\$8.00	\$1,400	\$16,800	NNN	\$9,792
<b>Total/Average</b>			<b>7,725</b>				<b>\$9.65</b>	<b>\$6,212</b>	<b>\$74,544</b>		<b>\$35,988</b>

## Multifamily

Resident	Unit	Unit Type	Square Feet	Lease Commence	Lease Expiration	Rent/SF	Monthly Rent	Annual Rent	Lease Type	Expense Reimbursement
Private Resident	201	1Bd/1.5Bth	710			\$1.89	\$1,340	\$16,080	Gross	\$0
Heavenly Hands	202	1Bd/1Bth	710	2/1/23	1/31/27	\$10.99	\$650	\$7,800	Gross	\$0
<b>Total</b>			<b>1,420</b>				<b>\$1,990</b>	<b>\$23,880</b>		<b>\$0</b>

<b>Combined Total</b>			<b>9,145</b>				<b>\$8,202</b>	<b>\$98,424</b>		<b>\$35,988</b>
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### NOTES

- [1] Commercial tenants pay NNN expense reimbursements as a percentage of the square foot of the total commercial space.
- [2] NNN expense reimbursements include: real estate taxes, insurances, and CAM (common area maintenance), repairs, supplies, and water/sewer/garbage.
- [3] Heavenly Hands, Suite 103 also rents Apartment 202 and pays NNN reimburesments only for commercial Suite 103
- [4] Apartment 201 shows a monthly rent/SF, and Apartment 202 shows an annual rent/SF because it is leased to a commerical tenant.



# OPERATING STATEMENT

INCOME	CURRENT		PER SF	MARKET		PER SF	NOTES
Multifamily							
Gross Potential Rent	27,600		17.25	27,600		17.25	
Loss / Gain to Lease	(3,720)	13.5%	(2.33)	0	0%	0.00	
Gross Scheduled Rent	23,880		14.93	27,600		17.25	
Utility Income	0		0.00	600		0.38	
Vacancy	(482)	3%	(0.30)	(540)	3%	(0.34)	
Effective Gross Income	\$23,398		\$14.62	\$27,660		17.29	[1]
Commerical							
Scheduled Base Rental Income	74,544		9.65	85,092		11.02	
Expense Reimbursement Income						-	
CAM (Common Area Maintenance)	19,195		2.48	24,804		3.21	
Insurance	3,377		0.44	3,377		0.44	
Real Estate Taxes	13,572		1.76	8,898		1.15	
Total Reimbursement Income	\$36,144	80.3%	\$4.68	\$37,079	100%	4.80	
Potential Gross Revenue	110,688		14.33	122,171		15.82	
Genereral Vacancy	0	0%	0.00	0	0%	0.00	
Effective Gross Revenue	\$110,688		\$14.33	\$122,171		\$15.82	[2]
Multifamily & Commerical Combined							
Combined Effective Gross Revenue	\$134,086		\$14.38	\$149,831		\$16.07	
OPERATING EXPENSES		CURRENT	PER SF	MARKET		PER SF	NOTES
CAM							
Water / Sewer / Garbage	5,769		0.62	5,769		0.62	[3]
Maintenance & Repairs	13,426		1.44	13,270		1.42	[3]
Insurance	3,377		0.36	3,377		0.36	[3]
Real Estate Taxes	13,572		1.46	8,898		0.95	[3]
Repairs - Other	4,550		0.49	4,550		0.49	[3]
Supplies	1,215		0.13	1,215		0.13	[3]
Professional/Legal Fees	1,925		0.21	0		0.00	[4]
Management Fee	1,200	0.89%	0.13	0	0%	0.00	[4]
Total Expenses	45,034		\$4.83	37,079		\$3.98	
Expenses as a % of EGR	33.6%			24.7%			
Net Operating Income	\$89,052		\$9.55	\$112,752		\$12.09	

## NOTES

[1] Multifamily Effective Gross Revenue for assumes market rent is \$1,450/mo or \$2.04/sf/mo.

[2] Commercial Effective Gross Revenue for assumes lease renewals or new leases after expiration are in the range of \$9.75/sf, \$11.00/sf and \$12.00/sf.

[3] Current based on Year End 2022; Market based on actual and projected 2023 Budget.

[4] Current based on Year End 2022; Market based on Owner/Landlord self managing property and preparing their own tax returns.



# SALES COMPARABLES



## Plaza 12Forty-One

1241 state Ave, Marysville, WA

Year Built	2004/2007
Suites	7
Size	9,145
Sales Price	\$1,600,000
Price/Foot	\$175
CAP	5.6%



## 67th St Plaza

20815 67th Ave W, Lynnwood, WA

Year Built	1980
Suites	8
Size	15,946
Sales Price	\$3,000,000
Price/Foot	\$188
CAP	5.8%
Sale Date	01.24.2023



## Allen Creek Crossing

4711 64th St NE, Marysville, WA

Year Built	2007
Suites	7
Size	8,226
Sales Price	\$4,350,000
Price/Foot	\$551
CAP	5.8%
Sale Date	09.25.2021



## Plaza 116

11603 State Ave, Marysville, WA

Year Built	2000
Suites	8
Size	2,000
Sales Price	\$3,650,000
Price/Foot	\$204
CAP	7.0%
Sale Date	01.27.2020



## Another Castle

8628 36th Ave NE, Marysville, WA

Year Built	2009
Suites	2
Size	5,548
Sales Price	\$1,470,000
Price/Foot	\$265
CAP	6.4%
Sale Date	On Market



## Marysville Mixed-Use

1227 State Ave, Marysville, WA

Year Built	1925/1963
Suites	13
Size	11,280
Sales Price	\$1,540,000
Price/Foot	\$136
CAP	7.1%
Sale Date	06.18.2021



## Marysville Towncenter

221 State Ave, Marysville, WA

Year Built	1913/2011
Suites	5
Size	7,508
Sales Price	\$1,325,000
Price/Foot	\$176
CAP	-
Sale Date	11.18.2022



# SALES COMPARABLES

**1. 67TH ST PLAZA** - Marysville, WA 98270

**2. ALLEN CREEK CROSSING** - Marysville, WA 98271

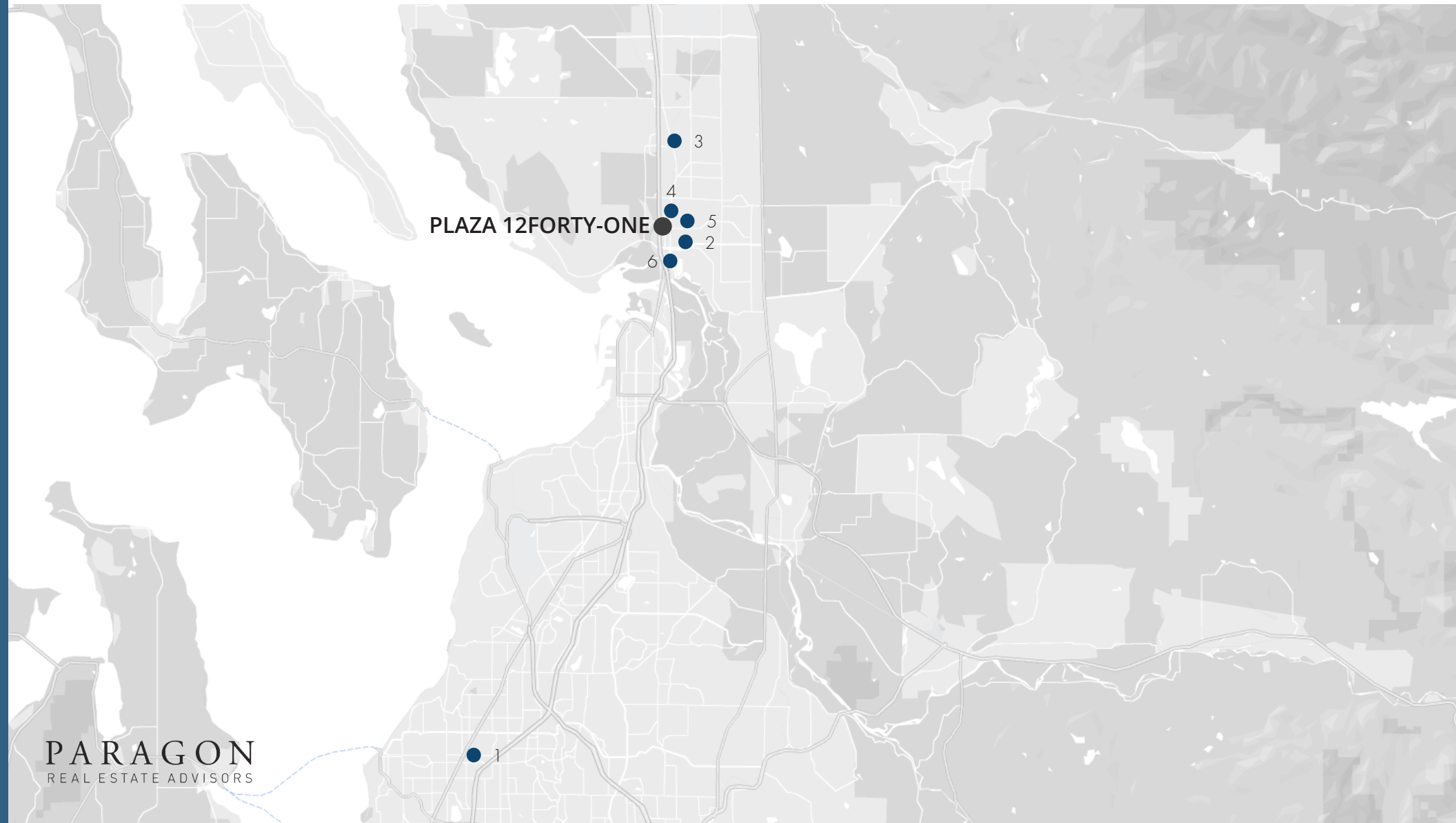
**3. PLAZA 116** - Marysville, WA 98270

**4. ANOTHER CASTLE** - Marysville, WA 98270

**5. MARYSVILLE MIXED-USE** - Marysville, WA 98270

**6. MARYSVILLE TOWNCENTER** - Marysville, WA 98270

PLAZA 12FORTY-ONE





# RENT COMPARABLES

	ADDRESS	BUILT	SUITES	TYPE	SIZE	RENT	RENT/SF
 1	<b>Pochi Bubble Tea Café</b> 3719 88th St NE, Marysville, WA	2000	1	Retail	1,200	\$2,964	\$29.6
 2	<b>Quil Ceda Village</b> 8825 34th Ave NE, Marysville, WA	2001	1	Retail	2,580	\$5,052	\$23.5
 3	<b>AT&amp;T Wireless</b> 8830 36th Ave NE, Marysville, WA	2018	1	Retail	1,507	\$4,270	\$34.0
 4	<b>NW South Boutique</b> 4711 64th St NE, Marysville, WA	2007	1	Retail	867	\$1,590	\$22.0
 5	<b>Plaza at Marysville</b> 1218 State Ave, Marysville, WA	1995	31	Retail Retail Retail	863 1,000 1,500	\$1,942 \$2,250 \$3,375	\$27.0 \$27.0 \$27.0
 6	<b>DaBella Plaza</b> 912 State Ave, Marysville, WA	1973	3	Office	600	\$1,350	\$27.0
 7	<b>Multi-Tenant Plaza</b> 1059 State Ave, Marysville, WA	1987	5	Office	1,297	\$1,405	\$13.0



# PARAGON REAL ESTATE

\$4.1 B  
Sales Volume

27  
Years in  
Business

20+  
Brokers

48 k  
Units Sold

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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.



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### 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.



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