



PARAGON
REAL ESTATE ADVISORS

SELLER FINANCED - BRUCE APARTMENTS

OFFERING MEMORANDUM

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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.

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EXECUTIVE SUMMARY

OFFERING

Paragon Real Estate Advisors is pleased to announce the exclusive listing of the Bruce Apartments. This six-unit building offers a great opportunity to own a low-maintenance property one block from the Morgan Street Junction. Seller financing is available with a 5.0% interest only rate, 25% down payment, and a 5-year term, making this an ideal opportunity for an investor to start their real estate investment portfolio or add it to their existing holdings.

The Bruce Apartments consists of all one bedroom – one bathroom units that have been meticulously maintained and updated over the years. There is a common laundry room and storage units available for each unit of which the current ownership does not charge for. Rents have been passively increased over the years, but remain well below market rate providing an opportunity for a new owner to capitalize on the existing rental upside. The next owner will be able to take advantage of the population growth moving South of the Admiral neighborhood in West Seattle. Major capital expenditure items taken care of over the last few years include a new roof and refreshed exterior paint.

The Bruce Apartments are located one block away from the bustling Morgan Street Junction which includes a Thriftway, Starbucks, Ezelle' Fried Chicken, Zeek's Pizza, and The Bridge Tavern. There is convenient access to public transportation and just a short walk away from Lincoln Park, which is one of Seattle's best public parks.

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FINANCIAL SUMMARY

NAME	The Bruce Apartments
ADDRESS	6339 42nd Ave SW Seattle, WA 98136
PRICE	\$1,550,000
TOTAL UNITS	6
BUILT	1962
SQUARE FEET	3,256 Total Net Rentable
PRICE PER UNIT	\$258,333
PRICE PER FOOT	\$476
CURRENT GRM/CAP	15.2/4.3%
MARKET GRM/CAP	11.7/6.2%
LOT SIZE	5,000 Square Feet
ZONING	NC3-40 (M)

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INVESTMENT HIGHLIGHTS

- **Seller financing terms – 5.0% interest only, 25% down payment, 5 year term**
- Most recent lease-up is 14% higher than the average rent of the other 5 units
- Well maintained units- Renovational upside exists for a new owner though
- Opportunity to implement a utility bill-back system, charge for pet rent, storage income, and parking income
- Low maintenance property
- Five of the units rents were increased starting October 2023 and no tenants moved out- rents have room to increase further
- Attractive Morgan Street Junction location
- 5,000 square foot NC3-40 (M) zoned lot- presents future development potential
- Market 6.2% cap rate
- 10% cash-on-cash return after getting rents to market



West Seattle is the number one neighborhood in the United States searched by Silicon Valley residents looking to relocate. West Seattle is a place of natural beauty, from the many parks and outdoor recreational spaces to the breathtaking panoramic views of the water and mountains. On the southeast side of the neighborhood is Lincoln Park, a 135-acre waterfront park with walking and bike trails, a saltwater pool, picnic and play areas, and beach access. Just to the east is Solstice Park with six lighted outdoor tennis courts and a community pea patch. To the west is Lowman Beach Park with 300' of waterfront and a soon to be completed Roof Top Park. Here you can enjoy commanding views of Puget Sound, the Olympic Mountains, and Vashon and Blake Islands. For entertainment and services, the Morgan Junction retail area is blocks away. It features a locally owned Thriftway grocery store, Starbucks and Café Ladro coffee shops, Zeek's Pizza, Whisky West, Beverage Place and The Bridge Restaurant and Pub. These are all popular and fun places to shop, eat and socialize.

\$2,197

Average Rent as of
2022

\$82,866

Median Household
Income*

42%

Renter Occupied
Housing*

* based on 2019 Census data

WEST
SEATTLE

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04 LOCATION

PUGET
SOUND

THE BRUCE APARTMENTS

SHOPS & SERVICES ●

1. West Seattle Thriftway
2. Walgreens
3. Trader Joe's
4. Whole Foods Market
5. Home Depot
6. West Seattle Garden Center
7. Chevron
8. QFC
9. Shell
10. Target

RESTAURANTS & BARS ●

11. Zeek's Pizza
12. The Bridge
13. Grillbird Teriyaki
14. Cafe Ladro
15. The Westy Sports & Spirits
16. Box Bar
17. Uptown Espresso
18. Matador West Seattle
19. Peel & Press
20. Nos Nos Coffee House

PARKS & SCHOOLS ●

21. Lincoln Park
22. Lowman Beach Park
23. Morgan Junction Park
24. Denny Middle School
25. Fauntleroy Park
26. Chief Sealth High School
27. Gatewood Elementary

MORGAN JUNCTION - WEST SEATTLE



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PROPERTY DETAILS

EXTERIORS



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UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE	CURRENT RENT	PER SQFT	UTILITIES	MARKET RENT
1	1BD/1BTH	543	\$1,415	\$2.61	\$75	\$1,650
2	1BD/1BTH	543	\$1,275	\$2.35		\$1,650
3	1BD/1BTH	543	\$1,340	\$2.47		\$1,650
4	1BD/1BTH	543	\$1,400	\$2.58		\$1,650
5	1BD/1BTH	543	\$1,525	\$2.81	\$75	\$1,650
6	1BD/1BTH	543	\$1,400	\$2.58		\$1,650
6	Total/Avg	543	\$1,393	\$2.57	\$150	\$1,650



FINANCIALS

INCOME
& EXPENSES

Units	6	Price	\$1,550,000
Year Built	1962	Per Unit	\$258,333
Rentable Area	3,256	Per Sq. Ft.	\$476.04
Down Pmt	\$387,500	Current GRM	15.19
Loan Amount	\$1,162,500	Current CAP	4.32%
Interest Rate	5.000%	Market GRM	11.67
Amortization	Interest Only	Market CAP	6.21%

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
6	1 Bd/1 Bth	543	\$1,393	\$1,650
6	Total/Avg	543	\$2.57	\$3.04

MONTHLY INCOME	CURRENT	MARKET
Monthly Scheduled Rent	\$8,355	\$9,900
Parking (4 Spots)	\$0	\$300
Laundry Income	\$0	\$90
Utility Income	\$150	\$480
Storage Income	\$0	\$300
Total Monthly Income	\$8,505	\$11,070

ANNUALIZED OPERATING DATA		CURRENT		MARKET
Scheduled Gross Income		\$102,060		\$132,840
Less Vacancy	5.00%	\$5,103	5.00%	\$6,642
Gross Operating Income		\$96,957		\$126,198
Less Expenses		\$29,984		\$29,984
Net Operating Income		\$66,973		\$96,214
Annual Debt Service	\$4,844	\$58,125		\$58,125
Cash Flow Before Tax	2.28%	\$8,848	9.83%	\$38,089

ANNUALIZED OPERATING EXPENSES		CURRENT	MARKET
RE Taxes	2023 Actual	\$11,823	\$11,823
Insurance	2023 Actual	\$3,467	\$3,467
Utilities	2022 Actual	\$5,694	\$5,694
Cleaning/Maint/Repairs	Proforma	\$5,100	\$5,100
Landscaping	Proforma	\$1,200	\$1,200
Administrative	Proforma	\$750	\$750
Reserves	Proforma	\$1,950	\$1,950
Total Expenses		\$29,984	\$29,984

CURRENT OPERATIONS	Expense/Unit	\$4,997	MARKET OPERATIONS	Expense/Unit	\$4,997
	Expense/Foot	\$9.21		Expense/Foot	\$9.21
	Percent of EGI	30.93%		Percent of EGI	23.76%

SALES COMPARABLES



The Bruce Apartments

6339 42nd Ave SW, Seattle, WA 98136

Year Built	1962
Units	6
Price	\$1,550,000
Price/Unit	\$258,333
Price/Foot	\$476
Current GRM/CAP	15.2/4.3%
Market GRM/CAP	11.7/6.2%



Sound Breeze Apartments

5034 Fauntleroy Wy SW, Seattle, WA 98136

Year Built	1989
Units	6
Sales Price	\$2,200,000
Price/Unit	\$366,667
Price/Foot	\$406
CAP	5.1%
Sale Date	On Market



Westernaire Apartments

4201 SW Graham St, Seattle, WA 98136

Year Built	1956
Units	28
Sales Price	\$4,700,000
Price/Unit	\$167,857
Price/Foot	\$417
CAP	5.3%
Sale Date	07.21.2023



Admiral Flats

3431 California Ave SW, Seattle, WA 98116

Year Built	1977/2014
Units	8
Sales Price	\$2,520,000
Price/Unit	\$315,000
Price/Foot	\$428
CAP	4.9%
Sale Date	12.12.2022



6033 California

6033 California Ave SW, Seattle, WA 98136

Year Built	1957
Units	12
Sales Price	\$2,939,000
Price/Unit	\$244,917
Price/Foot	\$466
CAP	2.7%
Sale Date	11.15.2022

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PARAGON REAL ESTATE

\$4.1 B
Sales Volume

27
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.



Visit our new website! **ParagonREA.com**

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.

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