



SUMMIT APARTMENTS

OFFERING MEMORANDUM - Assumable Loan with 3.83% Interest Rate Fixed until 2030

PARAGON

REAL ESTATE ADVISORS

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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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OFFERING

Paragon Real Estate Advisors is pleased to offer the opportunity to acquire the Summit Apartments, an eight-unit apartment complex located near the intersection of 66th Avenue East and 106th Street Court East in Puyallup, Washington. Built in 1976, the property has undergone significant interior and exterior renovations in recent years under both previous and current ownership, making it an exceptional investment opportunity. Exterior improvements include a newly resurfaced parking lot with 20 stalls, updated siding, a new roof, and upgraded septic systems, completed in Q3 of 2022.

The property features a unit mix consisting entirely of two-bedroom, one-bath units, each averaging approximately 750 square feet. Five of the units were renovated in the past year and now include modern upgrades and high-quality finishes. Interior enhancements in most units include stainless steel appliances (stoves/ranges, refrigerators, microwaves, and dishwashers), updated countertops, wood cabinetry, tile backsplashes, vinyl plank flooring, updated bathroom vanities, tile flooring in bathrooms, new tile tub surrounds, fresh paint and trim, and side-by-side washer/dryers. Upper-floor units also feature walk-up decks.

Additionally, the property includes two storage units, which are currently utilized by management. These spaces present an opportunity to generate additional income by renting them out to tenants or potentially converting them into a ninth unit (subject to verification by the buyer). Summit Apartments represents a rare chance to acquire a fully renovated property in a high-demand submarket, offering both immediate returns and potential for further income growth.



FINANCIAL SUMMARY

NAME	Summit Apartments
ADDRESS	6608 - 6612 106th St Ct E, Puyallup, WA 98373
PRICE	\$1,735,000
TOTAL UNITS	8
BUILT	1976
SQUARE FEET	6,000 Total Net Rentable
PRICE PER UNIT	\$216,875
PRICE PER FOOT	\$289
CURRENT CAP	4.8%
MARKET CAP	5.8%
LOT SIZE	24,300 Square Feet

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PROPERTY DETAILS

PROPERTY DETAILS

PARCEL NUMBER	756001-3560
LOT SIZE	24,300 Square Feet
CONSTRUCTION	Wood frame
YEAR BUILT	1976
STORIES	2
BUILDINGS	1
UNITS	8
EXTERIOR	Hardie Plank Wood Siding
ROOF	Flat Torch Down
WINDOWS	Mix of Double Pane Vinyl
ELECTRICAL	Copper Wiring (Panels in each unit)
PLUMBING	Mixed Plumbing
HEATING	Electric Baseboard
WATER HEATERS	In-Unit Electric
LAUNDRY	In-Unit Washer/Dryer
STORAGE	Owner Space (potential 9th unit addition)
PARKING	20 Surface Spaces



Summit Apartments is located in Puyallup, Washington, a vibrant suburb in Pierce County. Puyallup combines a peaceful, rural charm with the convenience of being close to shopping, dining, coffee spots, and everything else you need for daily living. The town features a mix of expansive farmland and modern planned neighborhoods, offering residents a serene, picturesque environment with the amenities of a bustling city. Conveniently located, Summit Apartments is just minutes away from highly rated schools like Fruitland Elementary, Ayles Junior High, and Governor John Rogers High School. It's also near top colleges, including Pacific Lutheran University, Pierce College Puyallup, Bates Technical College, and the University of Washington Tacoma.

While tucked away in a quiet residential neighborhood, Summit Apartments offers quick access to major streets like Canyon Road and South Meridian, where you'll find popular stores such as Safeway, Albertson's, Costco, Target, and Walmart. For even more shopping, a ten-minute drive will take you to South Hill Mall, home to over 120 stores, or Downtown Puyallup, which boasts more than 60 shops. Dining, retail, and entertainment options are abundant, ensuring residents have everything they need close by. Additionally, Summit Apartments is ideally positioned for commuters, located along Highway 512 with easy connections to I-5, SR 7, and SR 167. Whether heading north or south, you'll find convenient access to the greater Puget Sound area.

49%

Renter Occupied
Housing

\$106,167

Median Household
Income

PUYALLUP

INVESTMENT OVERVIEW

The Summit Apartments is located in Puyallup, Washington, one of the largest and fastest-growing submarkets in the Puget Sound Region. This area has become a prime destination for individuals priced out of urban centers and gained significant popularity with the rise of remote work during the COVID-19 pandemic in 2020. Even prior to the pandemic, Puyallup experienced robust rent growth that has remained steady over the years. Since 2017, average market rents in the area have increased by more than 35%, with the most substantial year-over-year growth occurring in 2021 at 10.8%. While some workers may return to office environments in 2023 and beyond, Puyallup's employment base is predominantly driven by industrial sectors, which have been less affected by shifting work trends. According to Costar Demographics, the current median household income in the area is \$106,176.

The Summit Apartments present a rare opportunity for investors to acquire a fully turnkey property in a high-performing submarket. Furthermore, the property comes with assumable debt, allowing an investor to secure a favorable interest rate that is nearly impossible to obtain in today's market. The current loan, held with Fannie Mae, has a balance of \$1,000,000 and is fixed at an exceptionally low interest rate of 3.83% until 2030. By assuming this loan, the buyer will enjoy approximately five more years of mortgage payments that are about 40% lower than those associated with loans issued at current rates.

Although Summit Apartments has recently undergone renovations, there is still room for operational improvement by completing updates on the remaining units. Additionally, a buyer can enhance the property's revenue by fully implementing a utility bill-back program, which could generate an additional \$125- \$170 per unit per month. Currently, this system is applied to 4 of the 8 units. By leveraging these operational enhancements, a new owner has the potential to increase the effective gross income of the property by an estimated 11.7%.

ASSUMABLE LOAN HIGHLIGHTS

Assumable loan with 3.83% interest rate fixed until 2030

Average market rents have risen over 35% since 2017

One of the fastest growing sub-markets in the Puget Sound

Operational upside through rents and utility bill-back

PROPERTY HIGHLIGHTS

Brand new parking lot with added spots for tenants and guests

5 units updated within the last 12 months

Washer/Dryer in all units

Easy access to I-5, SR 7 and SR 167

Strong unit mix of all 2-bedroom units

Vinyl plank flooring

EXTERIORS



INTERIORS



UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE	CURRENT RENT	PER SQFT	MARKET RENT	PER SQFT
A	2BD/1BTH	750 SF	\$1,695	\$2.26	\$1,600	\$2.13
B	2BD/1BTH	750 SF	\$1,297	\$1.73	\$1,600	\$2.13
C	2BD/1BTH	750 SF	\$1,497	\$2.00	\$1,600	\$2.13
D	2BD/1BTH	750 SF	\$1,486	\$1.98	\$1,600	\$2.13
E	2BD/1BTH	750 SF	\$1,381	\$1.84	\$1,600	\$2.13
F	2BD/1BTH	750 SF	\$1,311	\$1.75	\$1,600	\$2.13
G	2BD/1BTH	750 SF	\$1,387	\$1.85	\$1,600	\$2.13
H	2BD/1BTH	750 SF	\$1,695	\$2.26	\$1,600	\$2.13
8	Total/Avg	750 SF	\$11,749	\$1.96	\$12,800	\$2.13

FINANCIALS

INCOME & EXPENSES

Units	8	Price	\$1,735,000
Year Built	1976	Per Unit	\$234,375
Rentable Area	6,000	Per Sq. Ft.	\$313
Loan Amount	\$1,000,000	Current CAP	4.80%
Interest Rate	3.83%	Market CAP	5.80%
Origination Date	02/01/2020		
Remaining Term	02/01/2030		

UNITS	UNIT TYPE	SIZE	CURRENT RENT	MARKET RENT
8	2 Bd/1 Bth	750 SF	\$1,469	\$1,600
8	Total/Avg	750 SF	\$1.96	\$2.13

MONTHLY INCOME	CURRENT	MARKET
Gross Potential Rent	\$11,749	\$12,800
Parking Income	\$0	\$0
Utility Bill Back	\$519	\$884
Misc Income	\$43	\$43
Gross Potential Income	\$12,412	\$13,728

ANNUALIZED OPERATING DATA	CURRENT	MARKET
Scheduled Gross Income	\$140,991	\$153,600
Less Vacancy	5.0% \$7,050	5.0% \$7,680
Gross Operating Income	\$141,004	\$158,133
Less Expenses	\$58,363	\$57,417
Net Operating Income	\$83,162	\$100,716

ANNUALIZED OPERATING EXPENSES	CURRENT	MARKET
Real Estate Taxes	2024 Actual \$10,832	\$13,947
Insurance	\$850/unit \$12,055	\$6,800
Utilities	+3% from T-12 \$12,120	\$12,484
Repairs & Maintenance	\$550/unit \$4,400	\$4,400
Contract Services	Proforma \$4,400	\$4,400
Turnover	\$125/unit \$1,000	\$1,000
Property Management	5% of EGI \$7,076	\$7,907
Payroll / Onsite	\$300/unit/mo \$2,880	\$2,880
Admin	Proforma \$1,200	\$1,200
Reserves	Proforma \$2,400	\$2,400
Total Expenses	\$58,363	\$57,417

CURRENT OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI	MARKET OPERATIONS	Expense/Unit	Expense/Foot	Percent of EGI
	\$7,295	\$9.73	41%		\$7,177	\$9.56	36%

SALES COMPARABLES



Summit Apartments

6608 - 6612 106th St Ct E, Puyallup

Year Built	1976
Units	8
Sales Price	\$1,735,000
Price/Unit	\$216,875
Price/Foot	\$289
Cur/Mkt CAP	4.8% / 5.8%



Puyallup Four

12109 114th Ave Ct E, Puyallup

Year Built	1976
Units	4
Sales Price	\$924,600
Price/Unit	\$231,150
Price/Foot	\$331
CAP	5.0%
Sale Date	09.13.2024



Station Place

728 Cherry Ave, Sumner

Year Built	1967
Units	20
Sales Price	\$4,800,000
Price/Unit	\$240,000
Price/Foot	\$329
CAP	5.5%
Sale Date	07.14.2024



Shadow Park Apartments

521 - 525 11th St NW, Puyallup

Year Built	1985
Units	20
Sales Price	\$4,600,000
Price/Unit	\$230,000
Price/Foot	\$280
CAP	6.2%
Sale Date	08.02.2024



Sumner 8 Unit

5011 157th Ave Ct E, Sumner

Year Built	1989
Units	8
Sales Price	\$2,190,000
Price/Unit	\$273,750
Price/Foot	\$326
CAP	6.3%
Sale Date	05.28.2024



Puyallup 8 Unit

1204 7th Ave SE, Puyallup

Year Built	1970
Units	8
Sales Price	\$2,340,000
Price/Unit	\$292,500
Price/Foot	\$322
CAP	6.9%
Sale Date	12.28.2024

SALES COMPARABLES

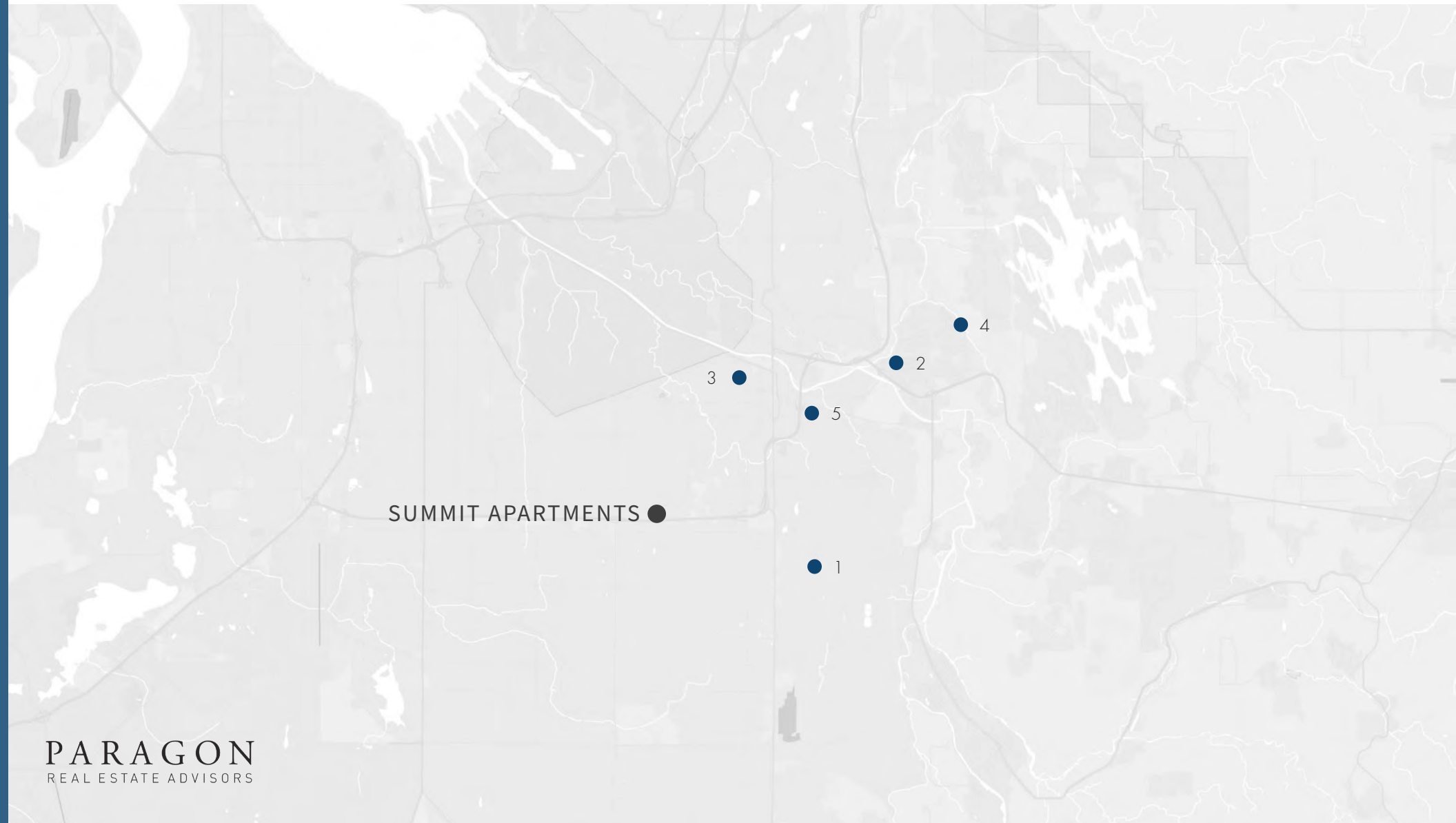
1. PUYALLUP FOUR - 12109 114th Ave Ct E, Puyallup

2. STATION PLACE - 728 Cherry Ave, Sumner

3. SHADOW PARK APTS - 521 - 525 11th St NW, Puyallup

4. SUMNER 8 UNIT - 5011 157th Ave Ct E, Sumner

5. PUYALLUP 8 UNIT - 1204 7th Ave SE, Puyallup



PARAGON REAL ESTATE

\$4.5 B
Sales Volume

30
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

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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 \$4.5 billion in sales and have closed over 2,000 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 30 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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