

PARAGON
REAL ESTATE ADVISORS

KELLEY ARMS APARTMENTS

OFFERING MEMORANDUM

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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LINK LIGHT RAIL STOP

STADIUM DISTRICT

WRIGHT PARK

EXECUTIVE SUMMARY

OFFERING

Paragon Real Estate Advisors presents Kelley Arms Apartments, a 7-unit multifamily property located in the heart of Downtown Tacoma's 6th Ave Business District. The asset combines vintage character with thoughtful updates, offering a boutique investment opportunity in one of Tacoma's most walkable and transit-connected neighborhoods.

Originally built in 1931, the property is well-positioned for a new owner to take advantage of immediate rental upside. The unit mix includes six one-bedroom units averaging 770 square feet and one studio unit at 300 square feet. Recent capital improvements include a new roof installed in 2021 and updated windows within the last four years.

Just two blocks from the LINK Light Rail 6th Ave Station, and less than one mile from both the Stadium District and Wright Park, the location provides residents with convenient access to Tacoma's urban core, parks, shopping, and entertainment.

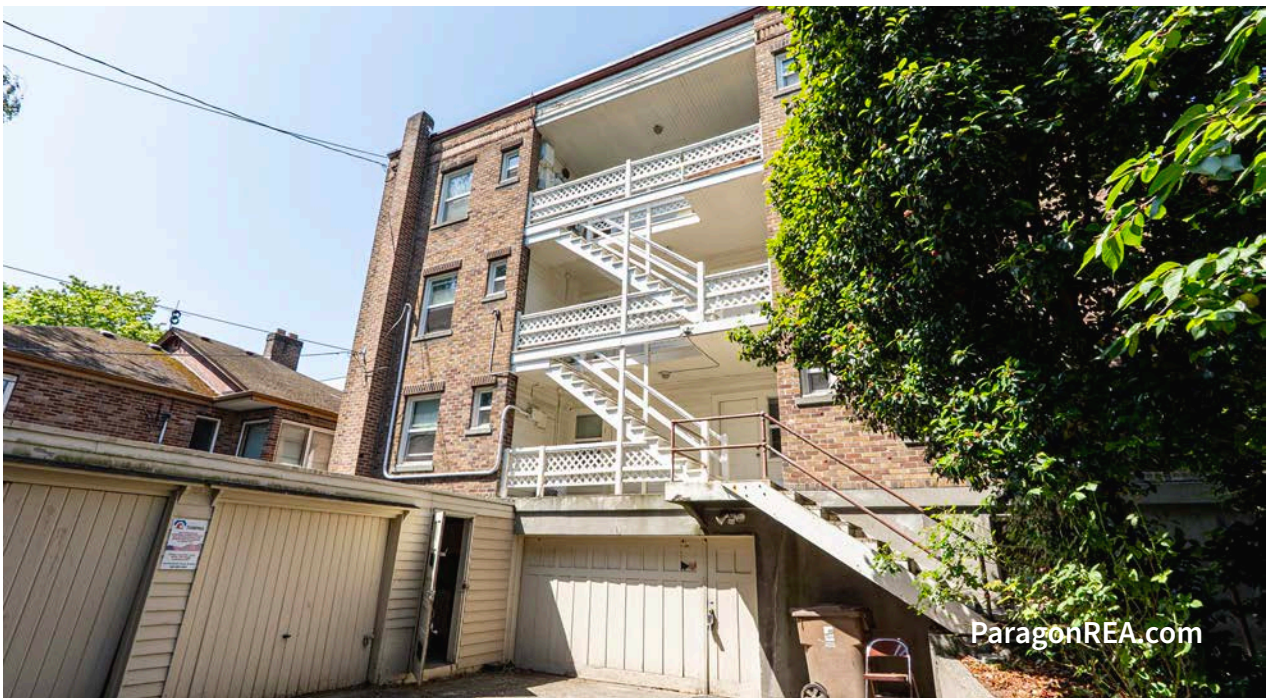
Priced at \$975,000 or \$139,286 per unit, the asset allows an incoming investor to make strategic improvements while maintaining an attractive basis relative to comparable properties. The area benefits from ongoing public infrastructure investment, proximity to major employment centers, and continued migration from Seattle, positioning Kelley Arms as a strong opportunity for both immediate income and long-term value.



FINANCIAL SUMMARY

NAME	Kelley Arms Apartments
ADDRESS	801 Martin Luther King Jr. Way Tacoma, WA 98405
PRICE	\$975,000
TOTAL UNITS	7
BUILT	1931
SQUARE FEET	4,920 Total Net Rentable
PRICE PER UNIT	\$139,286
PRICE PER FOOT	\$198
CURRENT CAP RATE	6.8%
PROFORMA CAP RATE	7.0%
LOT SIZE	3,250 Square Feet

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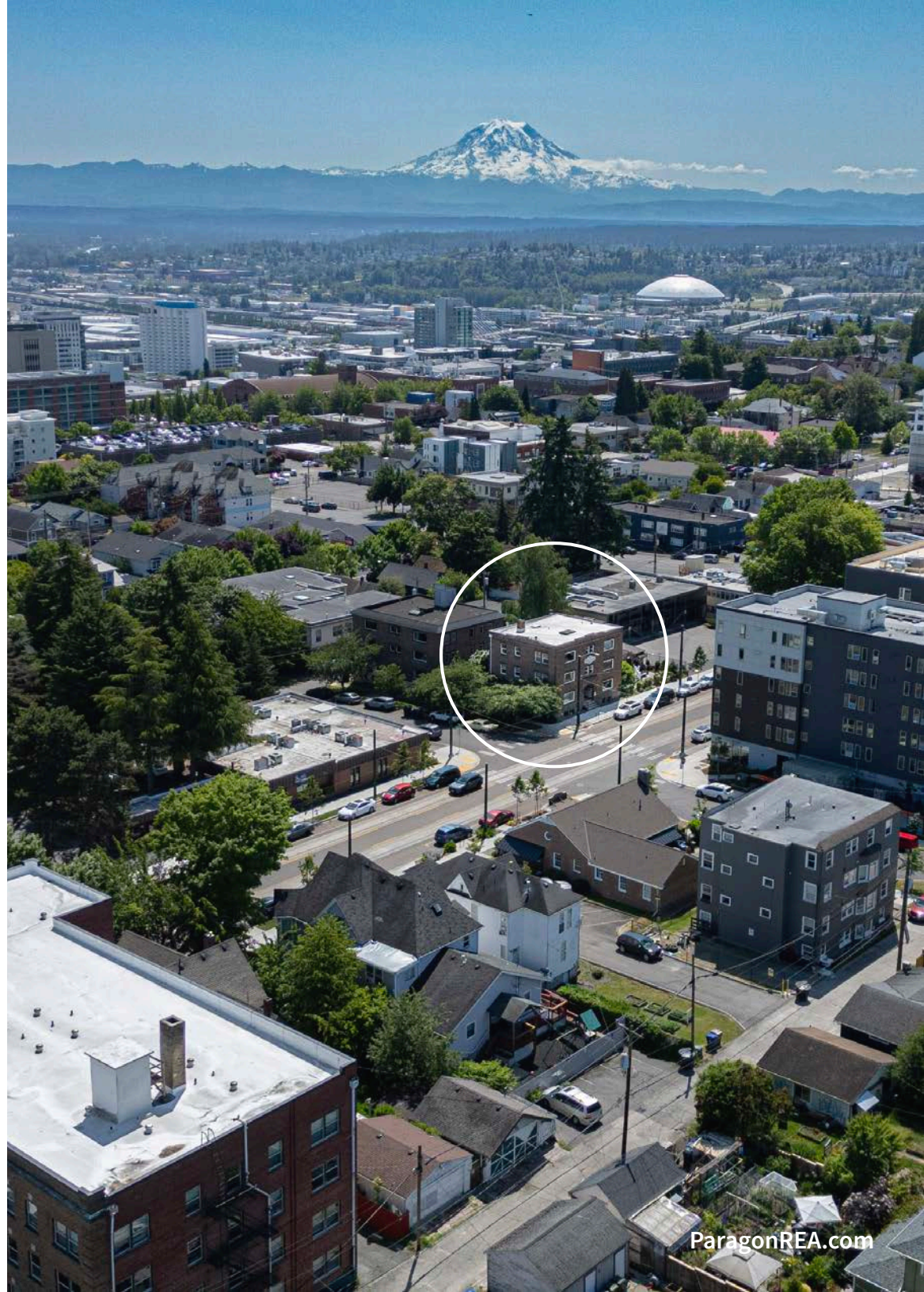
PROPERTY DETAILS

INVESTMENT HIGHLIGHTS

- Prime Downtown Tacoma location
- 91 Walk Score makes Kelley Arms a Walkers Paradise
- Directly on the Tacoma Light Rail route
- 2 Blocks from Tacoma LINK Light Rail 6th Ave Station
- Less than one mile from the Stadium District
- Walking distance to historic 27-acre Wright Park
- Windows replaced in 2021
- Roof replaced in 2021
- Large Units: One-Bedrooms over 750 SqFt
- Less than 5 Minutes from local shopping and dining
- Strong other income from garage/storage rentals
- Close to bars, restaurants, grocery stores, and other Tacoma amenities
- Direct access to Downtown Tacoma and transit connections

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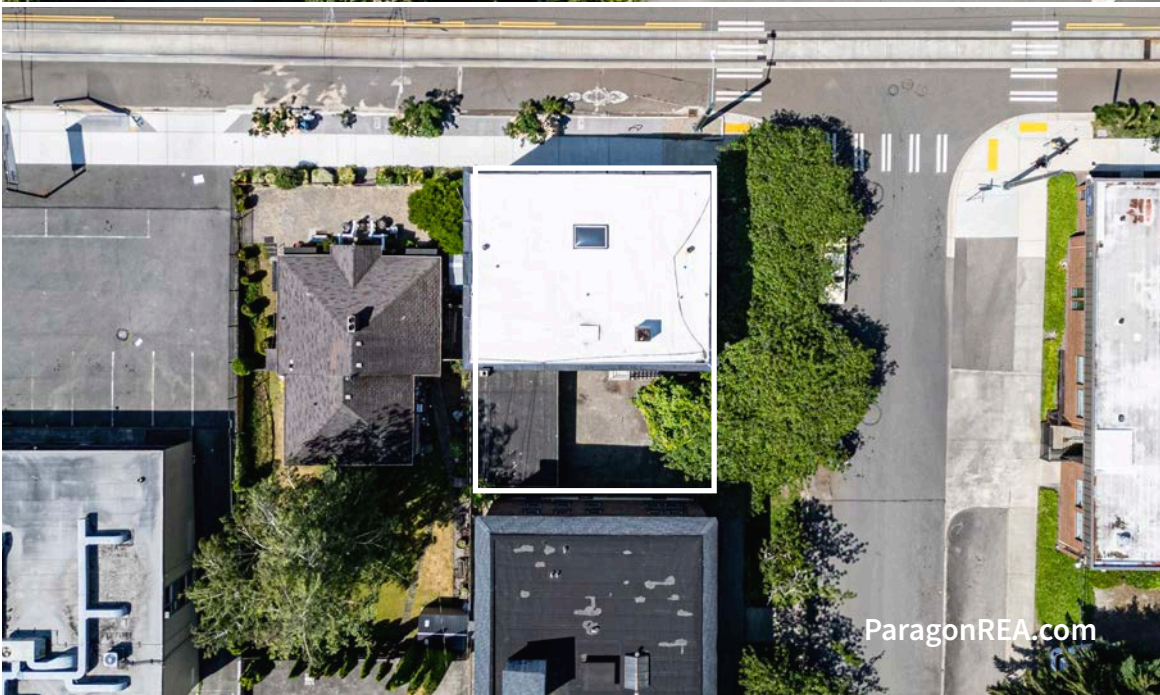


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PROPERTY DETAILS

PROPERTY
DETAILS

PARCEL NO.	2008210010
STORIES	3
ZONING	1305 - Multi-Family Apartments, 5 units or more
CONSTRUCTION	Wood frame
ROOF	Replaced in 2021
WINDOWS	Double pane, replaced in 2021
ELECTRICAL	Individually metered, breaker panels in each unit
PLUMBING	Galvanized plumbing
WATER HEATER	Gas
HEATING	Radiant heating, gas boiler
LAUNDRY	Common laundry
STORAGE	6 storage units and 2 garages
PARKING	Street parking



PROPERTY DETAILS

EXTERIORS

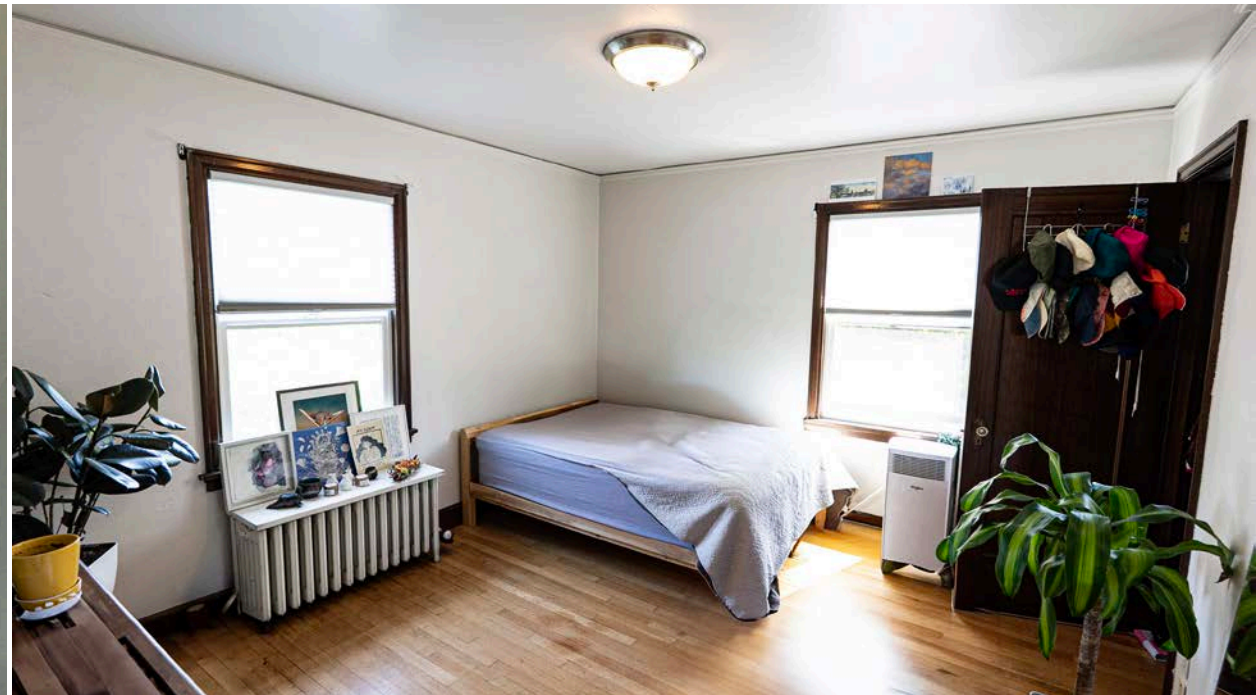


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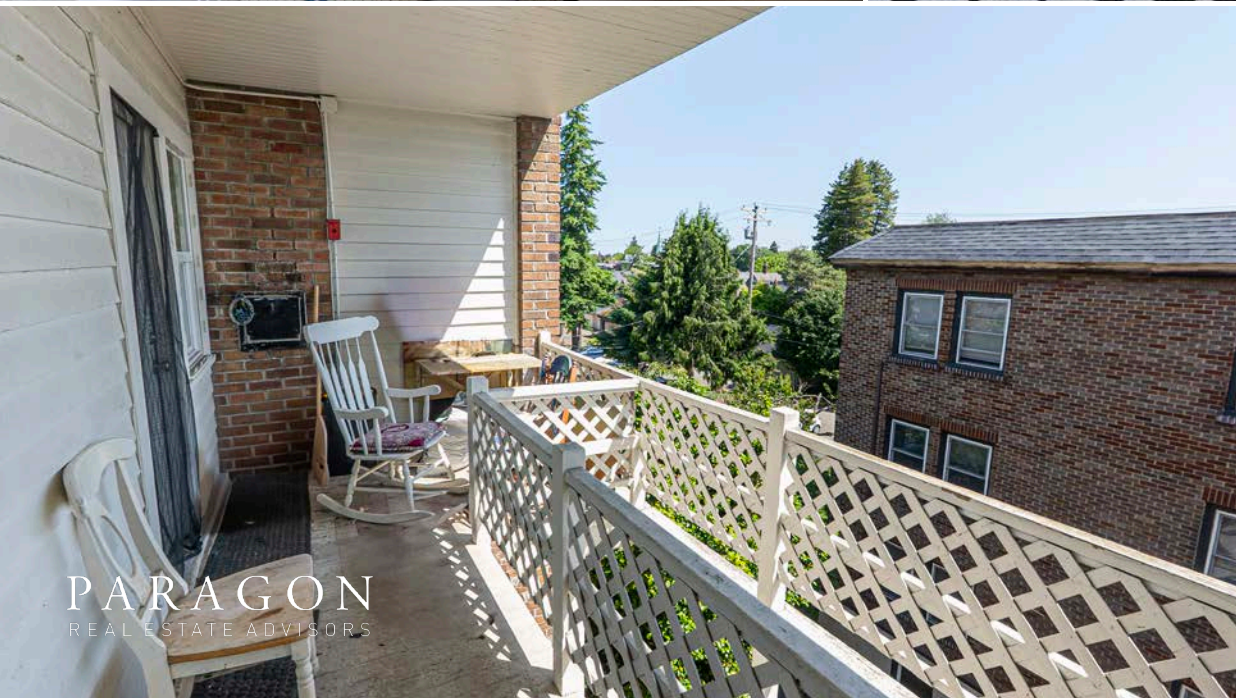
PROPERTY DETAILS

INTERIORS



PROPERTY DETAILS

INTERIORS



UNIT BREAKDOWN

UNIT	UNIT TYPE	SIZE - SQFT	CURRENT RENT	PER SQFT	MARKET RENT	PER SQFT
1	1BD/1BTH	770	\$1,295	\$1.68	\$1,400	\$1.82
2	1BD/1BTH	770	\$1,400	\$1.82	\$1,400	\$1.82
3	1BD/1BTH	770	\$1,295	\$1.68	\$1,400	\$1.82
4	1BD/1BTH	770	\$1,295	\$1.68	\$1,400	\$1.82
5	1BD/1BTH	770	\$1,295	\$1.68	\$1,400	\$1.82
6	1BD/1BTH	770	\$1,295	\$1.68	\$1,400	\$1.82
7	Studio	300	\$895	\$2.98	\$900	\$3.00
7	Total/Avg.	703	\$1,253	\$1.78	\$1,329	\$1.99



INCOME & EXPENSES

INCOME	CURRENT	PROFORMA
Gross Potential Rent	\$105,240	\$111,600
Less Vacancy	(\$5,262)	(\$5,580)
Gross Rental Income	\$99,978	\$106,020
Other Income	\$15,700	\$22,646
Effective Gross Income	\$115,678	\$128,666
Less Expenses	(\$49,212)	(\$51,220)
Net Operating Income	\$66,466	\$77,446

EXPENSES	CURRENT	PROFORMA
Real Estate Taxes	\$10,768	\$10,493
Insurance	\$8,096	\$9,100
Utilities	\$13,008	\$13,398
Repairs & Maintenance	\$790	\$3,500
Contract Services	\$4,780	\$2,100
Turnover	\$998	\$875
Property Management	\$8,000	\$6,433
Payroll / Onsite	\$0	\$2,520
Admin	\$1,023	\$1,050
Replacements & Reserves	\$1,750	\$1,750
Total Expenses	\$49,212	\$51,220

SCHEDULED MARKET RENT

Pro forma scheduled market rent is based on the 6/1/2025 rent roll and an analysis of multifamily rental trends in the surrounding submarket.

VACANCY

Pro forma vacancy was underwritten to a traditional 5%.

RUBS INCOME

Pro forma RUBS income was underwritten to \$1,339 per unit, representing a 75% reimbursement ratio over the pro forma utility expense, in line with the current RUBS program for market rate units.

STORAGE INCOME

Pro forma storage income is \$1,320 per unit, based on current operations and filling two vacant units. Please note all storage is not being used by current tenants.

PET RENT INCOME

Pro forma pet rent income is \$150 per unit, based on current operations.

LAUNDRY INCOME

Pro forma laundry income is \$101 per unit, based on current operations.

REAL ESTATE TAXES

Pro forma real estate taxes are \$1,561 per unit, based on the 2025 levy rate and list price.

INSURANCE

Pro forma insurance expenses are \$1,300 per unit, based on the current insurance market.

UTILITIES

Pro forma utility expense is \$1,914 per unit, reflecting current usage and a projected 3% growth rate.

REPAIRS & MAINTENANCE

Pro forma repairs and maintenance expenses are \$500 per unit, based on current operations. This includes appliances, electrical and plumbing.

CONTRACT SERVICES

Pro forma contract services expenses are \$300 per unit, based on current operations.

TURNOVER

Pro forma turnover expenses are \$125 per unit, based on current operations.

PROPERTY MANAGEMENT

Pro forma management fee is 5% of total operating income, or \$920 per unit, consistent with management practices at comparable properties.

PERSONNEL / PAYROLL

Pro forma payroll expense is \$360 per unit, reflecting current operations at comparable properties.

ADMINISTRATIVE

Pro forma administrative expenses are \$150 per unit, aligned with current operations at comparable properties. This includes banking fees, tenant screening, and other miscellaneous expenses.

REPLACEMENTS & RESERVES

Pro forma replacement reserves are \$250 per unit, reflecting the industry standard for funding the periodic replacement of building systems and components (e.g., roofs, HVAC, appliances).

SALES COMPARABLES



Kelley Arms Apartments

801 MLK Jr. Way, Tacoma, WA 98405

Year Built	1931
Units	7
Price	\$975,000
Price/Unit	\$139,286
Price/Foot	\$198
CAP Rate	6.8%



The Anderson

616 N Anderson St, Tacoma, WA 98406

Year Built	1967
Units	24
Sales Price	\$4,170,000
Price/Unit	\$173,750
Price/Foot	\$304
CAP Rate	5.5%
Sale Date	12.16.2025



Tacoma 5

918 N M St, Tacoma, WA 98403

Year Built	1965
Units	5
Sales Price	\$940,000
Price/Unit	\$188,000
Price/Foot	\$313
CAP Rate	5.0%
Sale Date	08.30.2024



Proctor Manor

3403 N 26th St, Tacoma, WA 98403

Year Built	1910
Units	5
Sales Price	\$825,000
Price/Unit	\$165,000
Price/Foot	\$375
CAP Rate	1.4%
Sale Date	09.23.2024



Porter Apartments

3502 E McKinley Ave, Tacoma, WA 98404

Year Built	1919
Units	21
Sales Price	\$3,250,000
Price/Unit	\$154,762
Price/Foot	\$253
CAP Rate	4.1%
Sale Date	09.13.2024



Upper Park

620 Upper Park St, Tacoma, WA 98404

Year Built	1979
Units	4
Sales Price	\$885,000
Price/Unit	\$221,250
Price/Foot	\$294
CAP Rate	5.2%
Sale Date	09.18.2024

SALES COMPARABLES

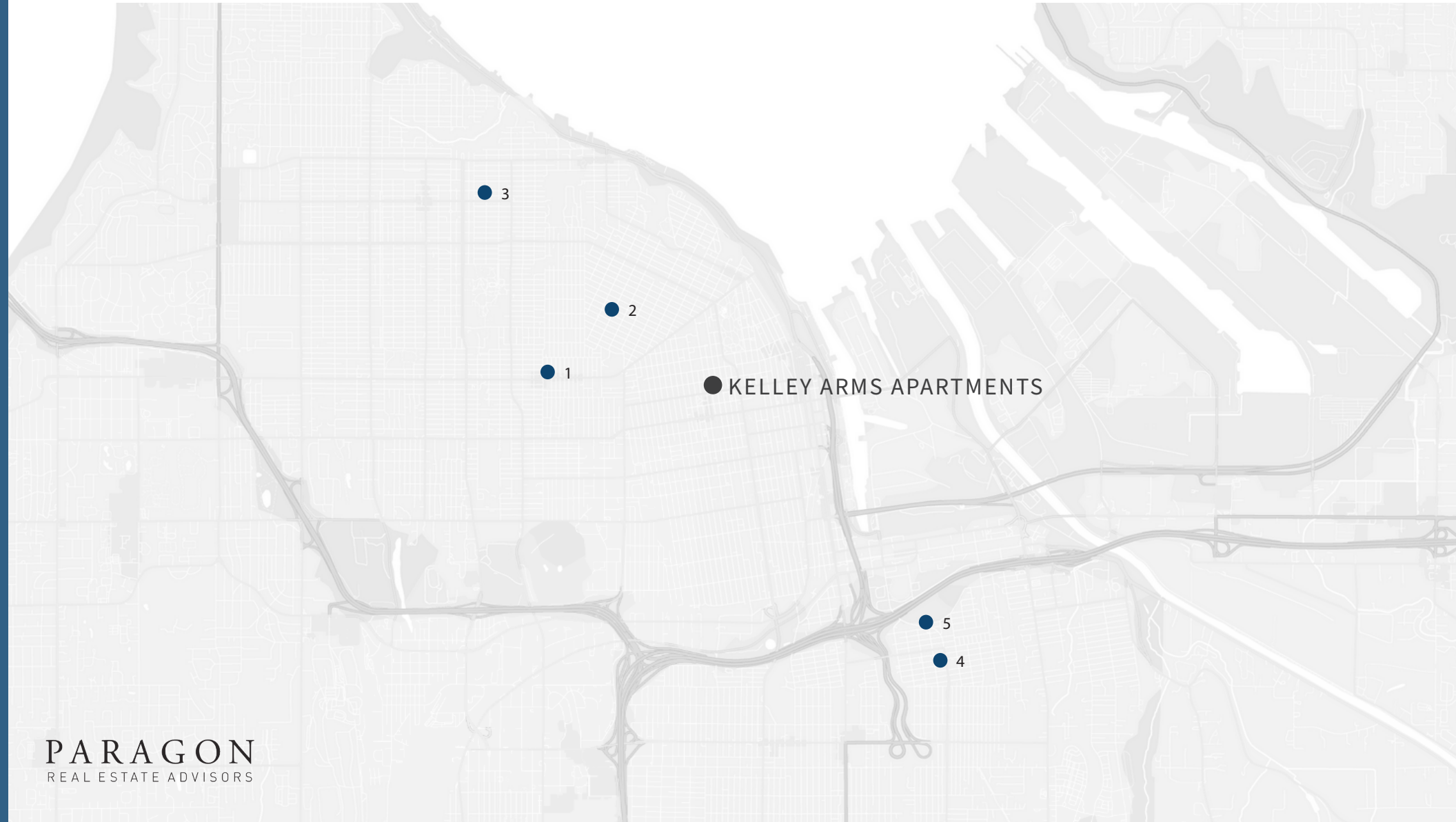
1. THE ANDERSON - Tacoma, WA 98406

2. TACOMA 5 - Tacoma, WA 98403

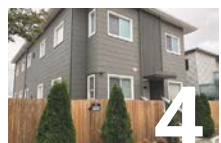
3. PROCTOR MANOR - Tacoma, WA 98403

4. PORTER APARTMENTS - Tacoma, WA 98404

5. UPPER PARK - Tacoma, WA 98404



RENT COMPARABLES



ADDRESS	BUILT	UNITS	UNIT TYPE	UNIT SIZE	RENT	RENT/SF
Kelley Arms Apartments 801 MLK Jr. Way, Tacoma, WA 98405	1931	7	Studio 1BD/1BTH	300 770	\$895 \$1,313	\$1.78
Wright Park Apartments 701 S 7th St, Tacoma, WA 98405	1981	16	1BD/1BTH	650	\$1,450	\$2.23
Sheridan Apartments 1319 S 9th St, Tacoma, WA 98405	1909	8	1BD/1BTH	750	\$1,400	\$1.87
Farrah Apartments 415 Fawcett Ave, Tacoma, WA 98402	1900	14	1BD/1BTH	620	\$1,495	\$2.41
Hilltop Apartments 1207 Alzheimer St, Tacoma, WA 98405	1889	10	Studio 1BD/1BTH	425 750	\$1,250 \$1,400	\$2.94 \$1.87
Smith Apartments 713-715 Yakima Ave Tacoma, WA 98405	1919	10	Studio	350	\$1,260	\$3.60

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.



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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.

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