



MULTIFAMILY OFFERING MEMORANDUM

Lund Pointe Apartments

3300 Valentine Ln SE | Port Orchard, WA 98366

25 Units totaling 23,760 Square Feet

Exclusively Offered By:

NEIL WALTER COMPANY
1940 East D Street, Suite 100
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NWC NEILWALTER
COMPANY
COMMERCIAL REAL ESTATE SERVICES

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The Opportunity

Neil Walter Company is pleased to present this easy to manage, turn-key asset. Lund Pointe Apartments provides an opportunity for an investor to take advantage of a strong rental market with low vacancy and growing rents. This two-story, four-building apartment complex has experienced historically low vacancy rates and has excellent upside potential.

The property is turn-key with no deferred maintenance and is currently 100% occupied.

Lund Pointe Apartments is subject to a 15-year Washington State Housing Finance Commission Tax Credit Agreement. The tax credit exemptions are expired and there's a 9 year compliance period remaining. Buyer may be able to renegotiate a new tax credit agreement with the State after closing.

Property Summary

Address	3300 Valentine Ln SE Port Orchard, WA 98366
Number of Units	25
Year Built	1995
Total Size	23,760 SF
Unit Size Range	840 SF to 1,050 SF
Site Acreage	1.55
Parcel Numbers	012301-2-143-2001
Current NOI	\$158,410
Pro Forma NOI	\$173,589
Offering Price	\$3,150,000



Property Description

Built in 1995, the Lund Pointe Apartments is a 25-unit community that has undergone many recent improvements from the past year including new flooring in 95% of the units (floors are all hard surface, no carpet), new cabinets in many of the units, new exterior paint, new gutter system, and new landscaping. Estimated life remaining on the roof is 5 years. Its convenient location allows tenants easy commutes to both Tacoma and Seattle, while also providing a quiet, peaceful setting that is easy to call home.

Tenants at Lund Pointe Apartments are within walking distance to numerous amenities including Walmart, Walgreens, Starbucks, and many restaurants. It's also a short walk from the 193-acre Kitsap Regional Park. This location also offers easy access to Highway-16.

Unit Mix

# of Units	Unit Type	Approx. SF
12	2 Bed / 1 Bath	850
13	3 Bed / 2 Bath	1,050



Unit Amenities

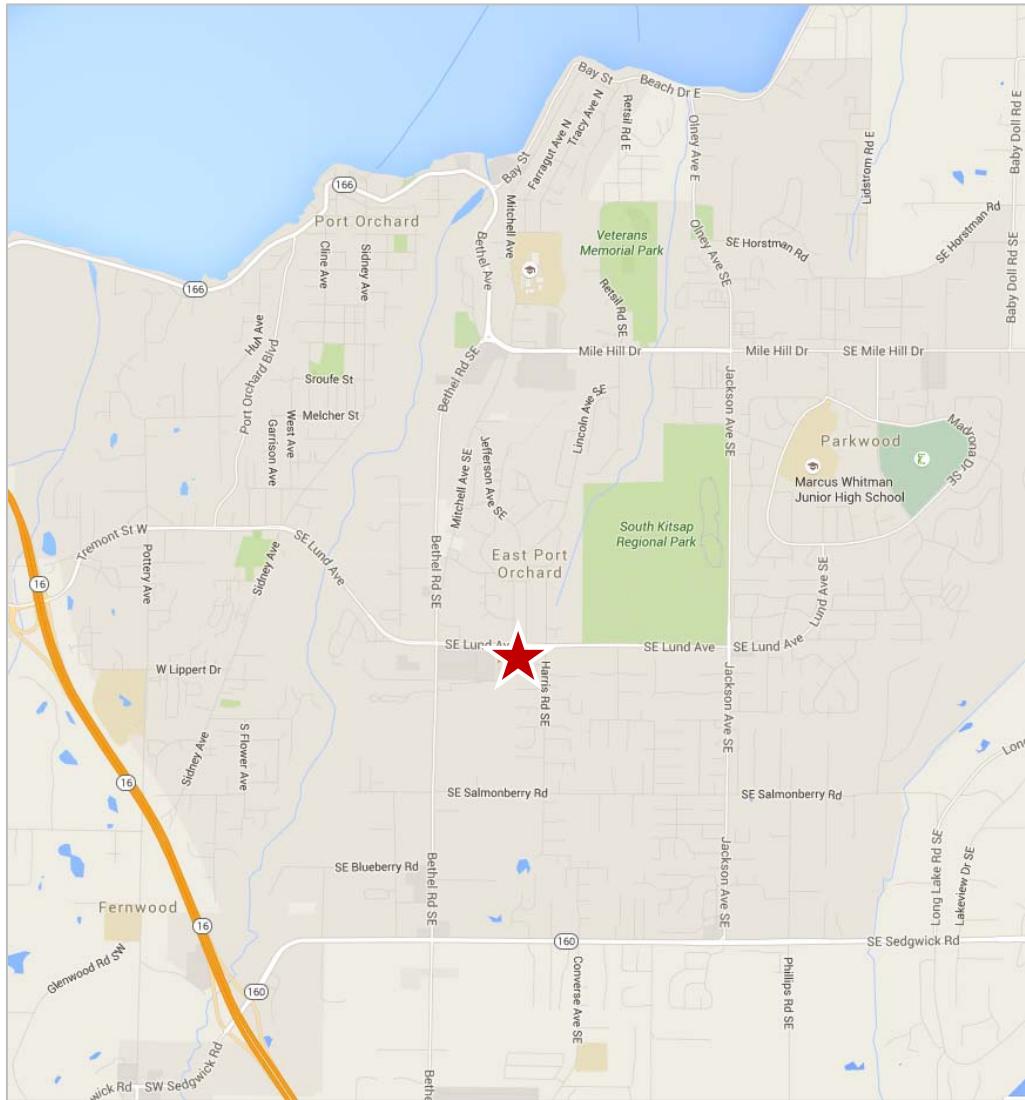
- Newer counters
- New hard surface floors
- Full size refrigerator/freezer
- Hookups for washer and dryer
- Private decks

Demographics Summary

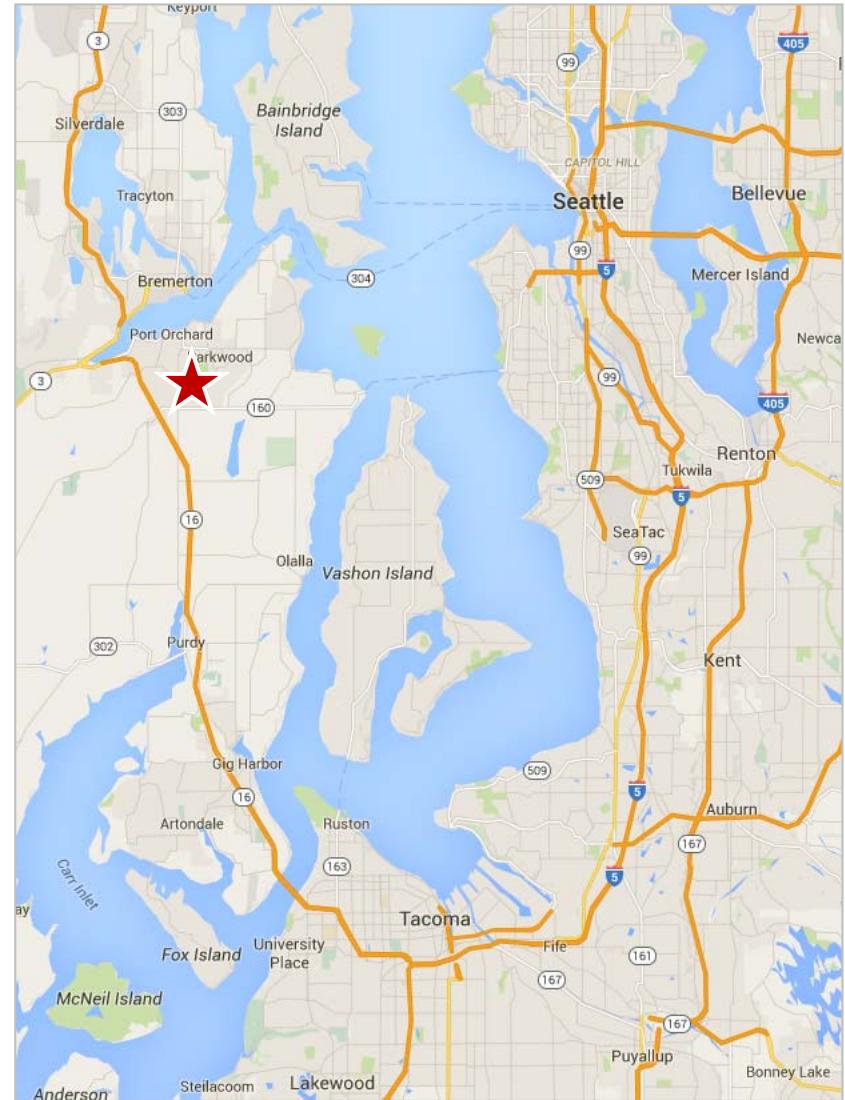
	1-Mile	3-Mile	5-Mile
2015 Total Population	9,403	36,457	89,471
2015 Total Households	3,631	13,906	34,647
2015 Avg HH Income	\$52,760	\$58,152	\$56,656



Local Map



Regional Map



Aerial View



Property Photos



2016 Net Operating Income (Actual)

# of Units	BR	Bldg %	Unit SF	Mo Rent	Rent PSF	Annual Revenue
12	2	48.0%	840	\$829.00	\$0.99	\$119,376.00
13	3	52.0%	1,050	\$949.00	\$0.90	\$148,044.00
25		100%	23,730	\$1,778.00		\$267,420.00
Expenses				Gross Rental Income:		\$267,420.00
Property Taxes		\$ 17,450.00		Less: Expenses		(\$92,964.60)
Insurance		\$ 8,554.00				
Water and Sewer		\$ 37,938.00		Less: Vacancy Allowance	3.00%	(\$8,022.60)
Maintenance		\$ 21,000.00				
Management (3%)		\$ 8,022.60		Reserves	3.00%	(\$8,022.60)
		\$ 92,964.60		Net Operating Income		\$158,410.20

Notes:

Rents are based on current average

Maintenance expense is estimated and includes landscaping

Management expense is based on market rate

2016 Net Operating Income (Pro Forma)

# of Units	BR	Bldg %	Unit SF	Mo Rent	Rent PSF	Annual Revenue
12	2	48.0%	840	\$895.00	\$1.07	\$128,880.00
13	3	52.0%	1,050	\$995.00	\$0.95	\$155,220.00
25		100%	23,730	\$1,890.00		\$284,100.00
Expenses				Gross Rental Income:		\$284,100.00
Property Taxes	\$ 17,450			Less: Expenses		(\$93,465)
Insurance	\$ 8,554					
Water and Sewer	\$ 37,938			Less: Vacancy Allowance	3.00%	(\$8,523)
Maintenance	\$ 21,000					
Management (3%)	\$ 8,523			Reserves	3.00%	(\$8,523)
	\$ 93,465			Net Operating Income		\$173,589.00

Notes:

Proforma Assumptions:

- All units brought up to current, market rents.

Rent Roll

Lund Pointe Apartments - 3300-3312 Valentine Lane SE, A 101-102, B 101-204, C 101-104 / 201-204, D 101-104 / 201-204 | Port Orchard, WA 98366

Unit	BD/BA	Status	Sq Ft	Total	Other Charges
A-101	3/2.00	Current	1,080	\$1,215	\$1,215
B-101	3/2.00	Current	1,050	\$995	\$995
B-102	2/1.00	Current	840	\$770	\$770
B-103	2/1.00	Current	840	\$895	\$895
B-104	3/1.00	Current	1,050	\$895	\$895
B-201	3/1.00	Current	1,050	\$995	\$995
B-202	2/1.00	Current	840	\$795	\$795
B-203	2/1.00	Current	840	\$895	\$895
B-204	3/2.00	Current	1,050	\$895	\$895
C-101	3/2.00	Current	1,050	\$895	\$895
C-102	2/1.00	Current	840	\$795	\$795
C-103	2/1.00	Current	840	\$795	\$795
C-104	3/2.00	Current	1,050	\$995	\$995
C-201	3/2.00	Current	1,050	\$895	\$895
C-202	2/1.00	Current	840	\$795	\$795
C-203	2/1.00	Current	840	\$895	\$895
C-204	3/2.00	Current	1,050	\$895	\$895
D-101	3/2.00	Current	1,050	\$875	\$875
D-102	2/1.00	Current	840	\$770	\$770
D-103	2/1.00	Current	840	\$895	\$895
D-104	3/2.00	Current	1,050	\$995	\$995
D-201	3/2.00	Current	1,050	\$895	\$895
D-202	2/1.00	Current	840	\$795	\$795
D-203	2/1.00	Current	840	\$850	\$850
D-204	3/2.00	Current	1,050	\$895	\$895
25 Units		100% Occ	23,760	\$22,280	\$22,280

Comparable Multifamily Sales

Property	Buyer	Year Built	Sale Date	Sale Price	# of Units	\$ / Unit	Cap Rate
Brookhaven 30823 18 th Ave S Federal Way, WA 98003	KFBFW Holdings LLC	1989	8/5/2015	\$9,495,000	72	\$131,875	5.10%
5211 66 th Street Ct W University Place, WA 98467	UP8PLEX LLC	2006	1/28/2015	\$1,060,000	8	\$132,500	6.29%
The Lighthouse 10710 256 th St Kent, WA 98030	TurAmerica Multifamily	1965	7/16/2015	\$11,500,000	76	\$151,316	5.5%
Forest Park Village Apartments 3320 Auburn Way S Auburn, WA 98092	Trimark Property Management LLC	1997	11/30/2015	\$5,370,000	41	\$130,976	5.24%
Greenwood Heights Apartments 8508-8518 Main St E Bonney Lake, WA 98391	Ocean Lake	2010	7/30/2015	\$3,525,000	21	\$167,857	5.5%

AVERAGE: \$5,418,330 39 \$135,337 5.64%

CoStar Multifamily Survey (Kitsap County)

Leasing Units	Survey	5-Year Avg
Vacant Units	248	374
Vacancy Rate	2.7%	4.1%
12 Mo. Absorption Units	57	134

Rents	Survey	5-Year Avg
Studio Asking Rent	\$681	\$653
1 Bed Asking Rent	\$892	\$796
2 Bed Asking Rent	\$1,077	\$947
3+ Bed Asking Rent	\$1,340	\$1,155
Concessions	0.6%	1.6%

Inventory in Units	Survey	5-Year Avg
Existing Units	10,733	10,905
12 Mo. Const. Starts	30	87
Under Construction	161	218
12 Mo. Deliveries	34	97

Sales	Past Year	5-Year Avg
Sale Price Per Unit	\$150,588	\$112,509
Asking Price Per Unit	\$73,593	\$57,664
Sales Volume (Mil.)	\$116	\$163
Cap Rate	4.9%	8.2%



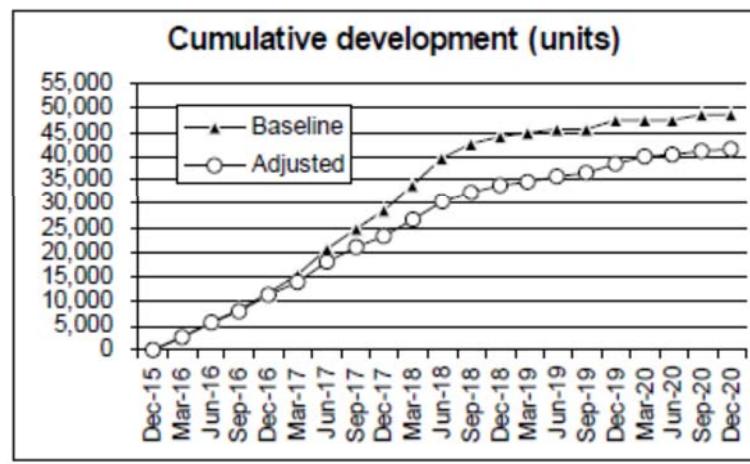
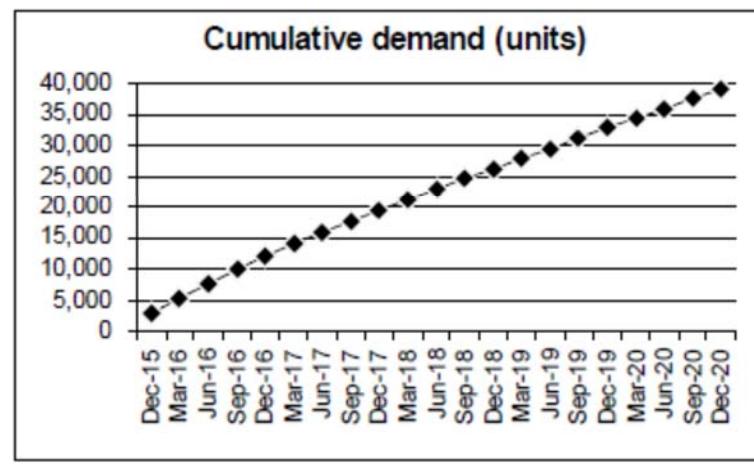
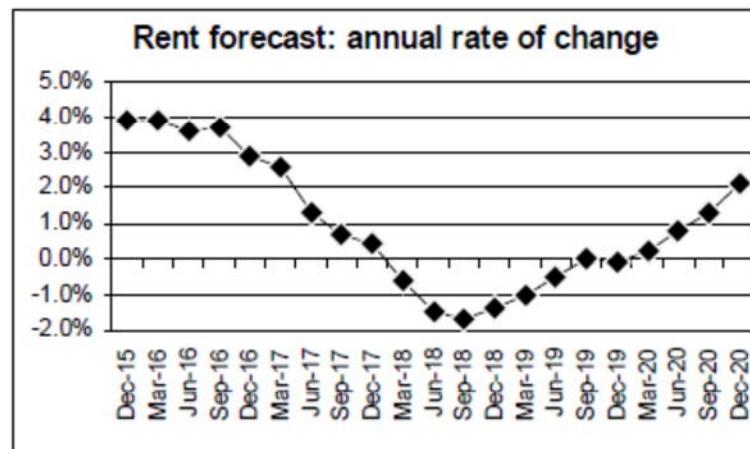
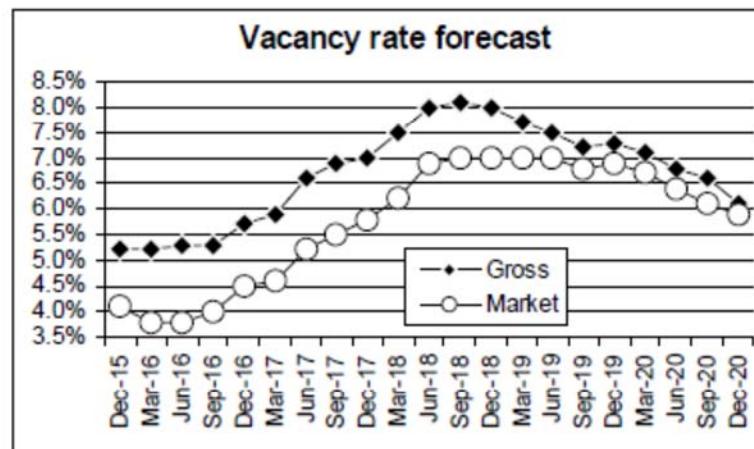
Dupre + Scott Rent & Vacancy Trends

Market area	Rent				Rent change			Vacancy rate		
	Mar-03	Mar-12	Mar-14	Mar-15	1 year	3 year	12 year	Mar-15	Mar-14	5 yr.
Pierce County	674	828	887	924	4.2%	3.7%	2.7%	3.7%	4.0%	5.0%
Downtown Tacoma	650	927	950	1,000	5.3%	2.6%	3.7%	4.2%	4.4%	5.4%
East Tacoma	637	673	711	742	4.4%	3.3%	1.3%	1.5%	3.1%	5.1%
Fife/Milton/Browns Point	788	877	912	969	6.3%	3.4%	1.7%	3.0%	3.7%	4.8%
Fircrest/University Place	645	776	820	860	4.9%	3.5%	2.4%	3.4%	3.7%	4.8%
Gig Harbor	688	849	933	1,030	10.4%	6.7%	3.4%	3.5%	3.9%	4.3%
Lakewood	611	765	789	815	3.3%	2.1%	2.4%	4.2%	4.4%	5.6%
Mid Tacoma	612	673	870	883	1.5%	9.5%	3.1%	3.5%	4.3%	5.3%
North Tacoma	650	811	987	960	-2.7%	5.8%	3.3%	3.2%	3.5%	4.3%
Parkland/Spanaway	639	750	834	863	3.5%	4.8%	2.5%	5.0%	4.7%	5.8%
Puyallup/Sumner	772	935	994	1,037	4.3%	3.5%	2.5%	3.8%	3.9%	5.0%
South Tacoma	637	789	810	810	0.0%	0.9%	2.0%	3.4%	5.7%	4.9%
Stadium District	650	844	901	990	9.9%	5.5%	3.6%	2.5%	2.6%	3.8%
Snohomish County	774	933	1,043	1,123	7.7%	6.4%	3.2%	4.3%	3.6%	4.5%
Central Everett	611	862	850	882	3.8%	0.8%	3.1%	4.7%	3.6%	4.7%
Edmonds	728	822	927	949	2.4%	4.9%	2.2%	3.0%	3.1%	4.0%
Lynnwood	783	941	1,052	1,159	10.2%	7.2%	3.3%	3.4%	3.2%	4.0%
Marysville/Monroe	664	858	937	964	2.9%	4.0%	3.2%	4.0%	1.8%	3.4%
Mill Creek	899	1,152	1,233	1,337	8.4%	5.1%	3.4%	4.4%	5.5%	4.9%
Mountlake Terrace	780	884	1,041	1,122	7.8%	8.3%	3.1%	3.9%	2.6%	3.9%
Paine Field	732	892	979	1,034	5.6%	5.0%	2.9%	4.4%	3.5%	5.0%
Silver Lake	751	894	994	1,082	8.9%	6.6%	3.1%	5.3%	4.3%	5.0%
Thrashers Corner	880	1,116	1,281	1,364	6.5%	6.9%	3.7%	4.3%	3.5%	3.7%
Kitsap County	691	879	917	947	3.3%	2.5%	2.7%	2.4%	5.6%	6.5%
Bremerton	649	839	880	874	-0.7%	1.4%	2.5%	2.5%	7.7%	7.6%
Port Orchard	630	794	833	887	6.5%	3.8%	2.9%	2.7%	4.2%	5.6%
Poulsbo	757	909	1,042	1,069	2.6%	5.6%	2.9%	3.0%	4.3%	4.1%
Silverdale	773	985	994	1,062	6.8%	2.5%	2.7%	1.7%	4.8%	6.5%
Thurston County	662	845	878	910	3.6%	2.5%	2.7%	3.3%	4.0%	4.8%
Olympia	656	840	878	930	5.9%	3.5%	3.0%	3.0%	3.0%	4.6%
Lacey	643	839	858	860	0.2%	0.8%	2.5%	4.0%	5.1%	4.9%
Tumwater	693	866	906	912	0.7%	1.7%	2.3%	3.0%	4.4%	4.8%

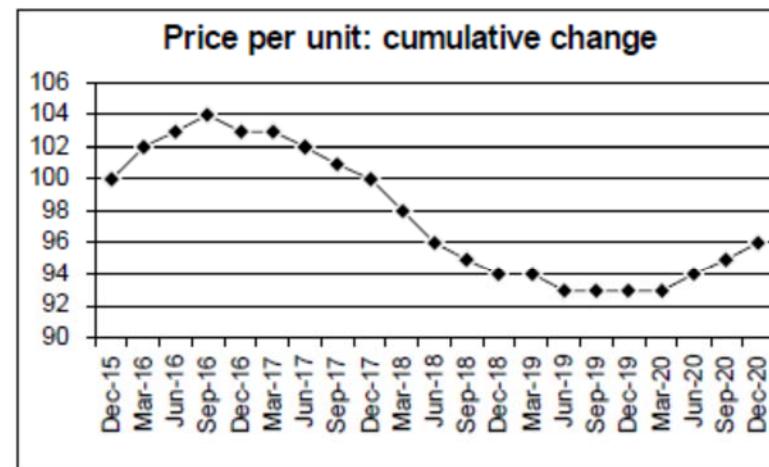
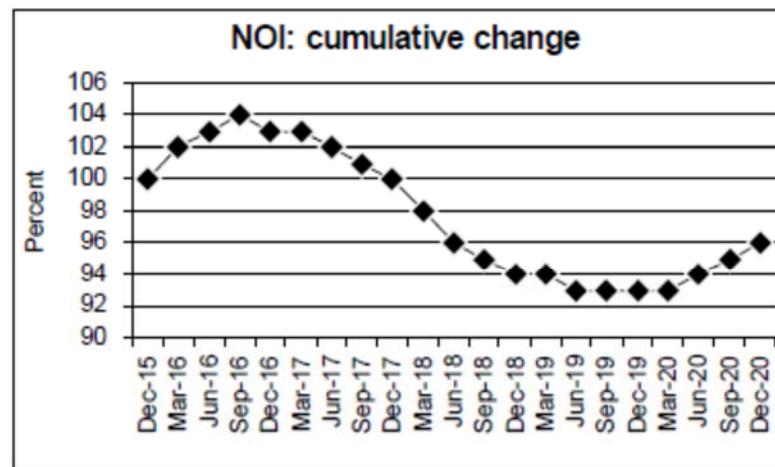
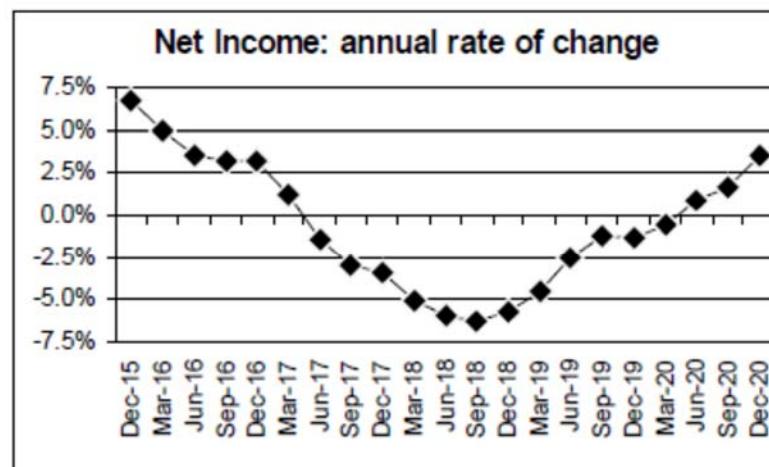
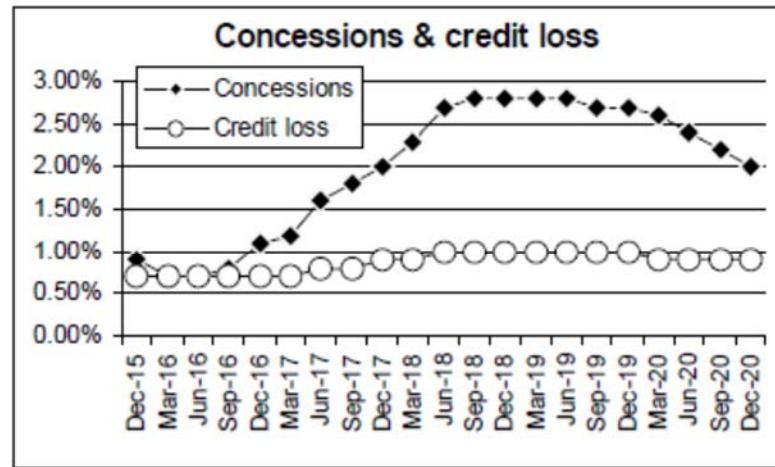
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Dupre + Scott Multifamily Forecast for Puget Sound Region

These graphs show our forecasts for apartment trends in the Puget Sound region based on the market and economic trends discussed in this issue of *The Apartment Advisor*. You can decide whether or not you agree with our observations and whether or not these forecasts are reasonable.



Dupre + Scott Multifamily Forecast for Puget Sound Region



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Demographics

Radius	1 Mile	3 Mile	5 Mile
Population			
2020 Projection	9,651	37,360	90,819
2015 Estimate	9,403	36,457	89,471
2010 Census	8,668	33,798	86,111
Growth 2015 - 2020	2.64%	2.48%	1.51%
Growth 2010 - 2015	8.48%	7.87%	3.90%
2015 Population by Hispanic Origin	772	2,627	7,018
2015 Population	9,403	36,457	89,471
White	7,752 82.44%	30,471 83.58%	73,867 82.56%
Black	265 2.82%	1,070 2.93%	3,534 3.95%
Am. Indian & Alaskan	116 1.23%	498 1.37%	1,525 1.70%
Asian	495 5.26%	1,691 4.64%	3,979 4.45%
Hawaiian & Pacific Island	192 2.04%	600 1.65%	1,167 1.30%
Other	583 6.20%	2,127 5.83%	5,399 6.03%
U.S. Armed Forces	238	1,104	5,607
Households			
2020 Projection	3,733	14,261	35,214
2015 Estimate	3,631	13,906	34,647
2010 Census	3,329	12,883	33,389
Growth 2015 - 2020	2.81%	2.55%	1.64%
Growth 2010 - 2015	9.07%	7.94%	3.77%
Owner Occupied	1,867 51.42%	8,554 61.51%	20,979 60.55%
Renter Occupied	1,764 48.58%	5,352 38.49%	13,667 39.45%
2015 Households by HH Income	3,632	13,905	34,647
Income: <\$25,000	908 25.00%	2,936 21.11%	7,928 22.88%
Income: \$25,000 - \$50,000	818 22.52%	2,968 21.34%	7,372 21.28%
Income: \$50,000 - \$75,000	681 18.75%	2,693 19.37%	6,586 19.01%
Income: \$75,000 - \$100,000	586 16.13%	2,314 16.64%	5,091 14.69%
Income: \$100,000 - \$125,000	378 10.41%	1,521 10.94%	3,532 10.19%
Income: \$125,000 - \$150,000	106 2.92%	667 4.80%	2,141 6.18%
Income: \$150,000 - \$200,000	95 2.62%	548 3.94%	1,347 3.89%
Income: \$200,000+	60 1.65%	258 1.86%	650 1.88%
2015 Avg Household Income	\$62,510	\$68,605	\$67,873
2015 Med Household Income	\$52,760	\$58,152	\$56,656

