



OFFERING
MEMORANDUM

Shelli

Marcus & Millichap
DINIUS—WARSINSKE
MULTIFAMILY GROUP



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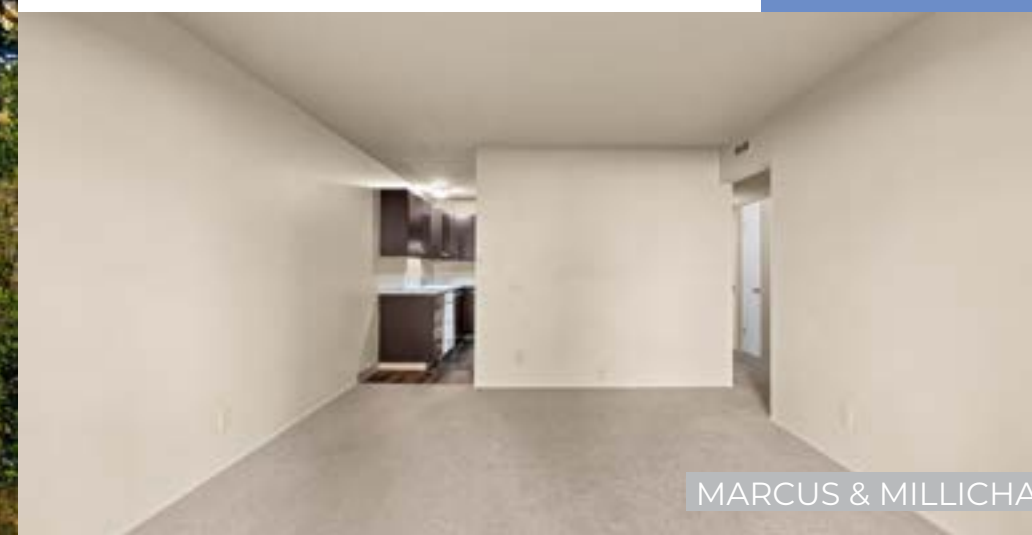
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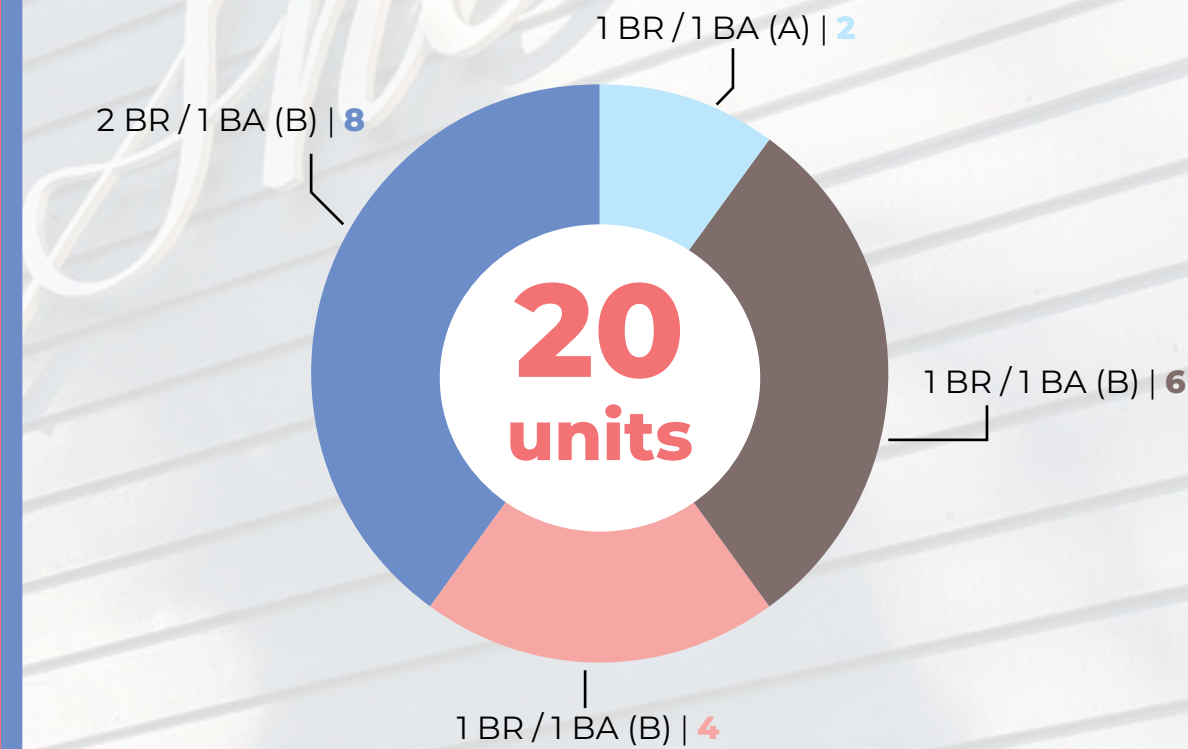
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Shelli



The Offering

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Executive Highlights



VALUE-ADD OPPORTUNITY

Value-Add opportunity with ability to capture significant rental upside through renovations



AMPLE PARKING AND STORAGE

30 open parking spaces along with 4 private garages provides ample parking and storage



ATTRACTIVE GOING IN CAP RATE



RARE OPPORTUNITY



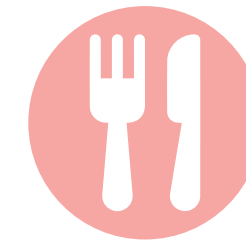
CLOSE PROXIMITY TO LIGHT RAIL

3.5 miles to Northgate Light Rail Station



1.4 MILES TO INCOMING 145TH STREET

1.4 miles to incoming 145th Street light rail station with service beginning 2024



NEAR LAKE CITY'S RESTAURANT ROW

Proximity to Lake City's restaurant row, home to the most diverse food scene in Seattle



SHORT DRIVE TO DOWNTOWN SEATTLE

20-minute drive to Downtown Seattle



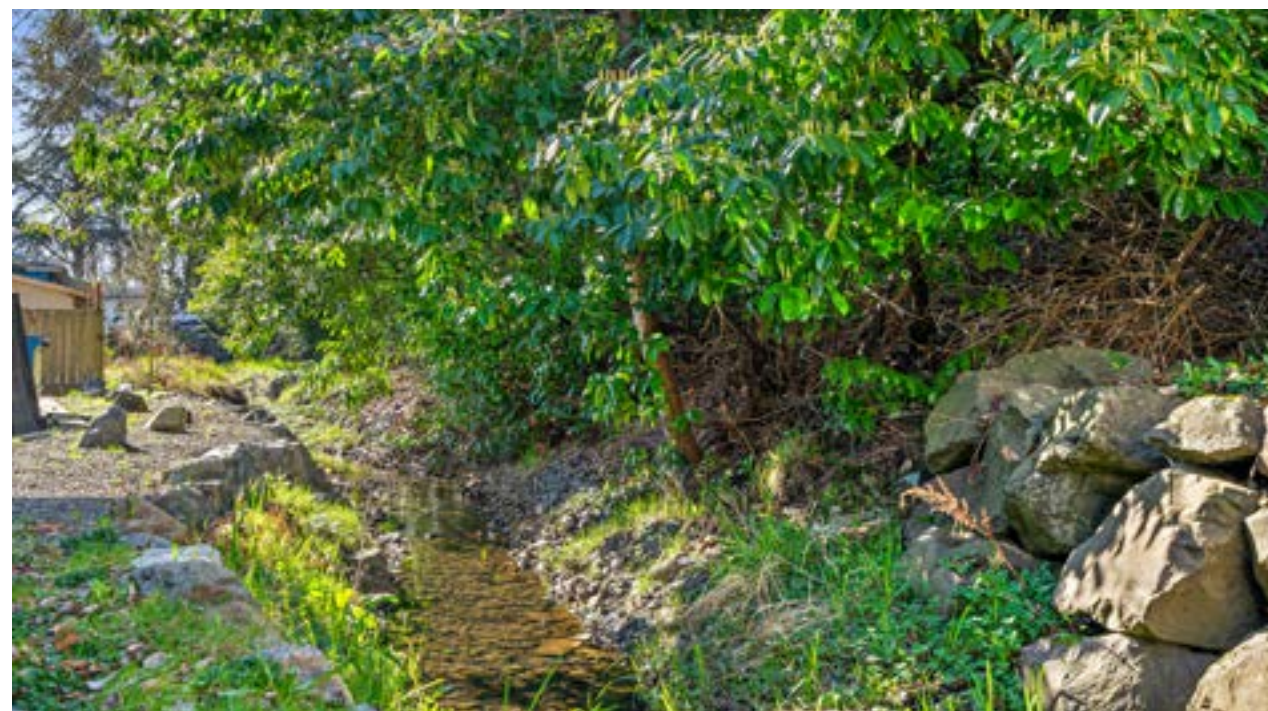
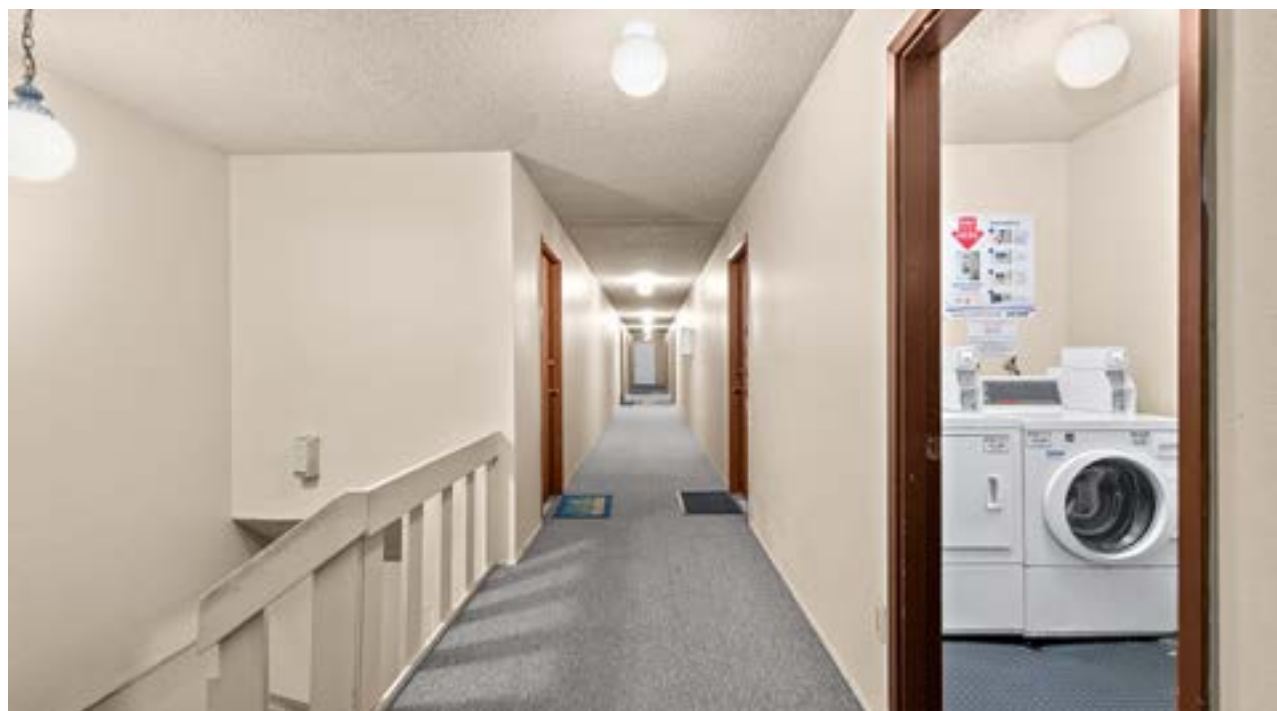
Unit Mix Summary

UNIT TYPE	# OF UNITS	SIZE	TOTAL SF	CURRENT RENT	PRO-FORMA RENT
One Bedroom / One Bathroom (A)					
One Bedroom / One Bathroom (B)					
One Bedroom / One Bathroom (C)					
Two Bedroom / One Bathroom					
TOTAL/AVG					

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2022 Marcus & Millichap. All rights reserved.



02 Property Overview





CITY OF SEATTLE

Surrounded by water, snow-capped mountains, and evergreen forests, Seattle is one of the most picturesque cities in the Pacific Northwest and features the most recognizable skyline on the West Coast. Seattle has an estimated population of over 769,700 making it the largest city in the Pacific Northwest. With a booming tech industry and home to Amazon's global headquarters, Seattle is the second best tech market in the nation, only behind San Francisco. Other Fortune 500 companies in Seattle include Boeing, Expeditors International, Microsoft, Nordstrom, Starbucks, and Weyerhaeuser.

In 2019, Seattle was ranked fastest-growing city among the 50 most populous in the U.S. Seattle was also the fastest-growing city of the past decade. Residents of the city enjoy a much lower cost of living than other cities such as San Francisco and New York, but still enjoy all the attributes that big cities have to offer – such as a thriving arts scene, world-class restaurants, and several mass transit options, but still enjoy all the attributes that big cities have to offer – such as a thriving arts scene, world-class restaurants, and several mass transit options.

KING COUNTY
BY THE
NUMBERS

2.29M TOTAL POPULATION

1,067 POPULATION DENSITY
PER SQUARE MILE7.14% PROJECTED POPULATION
GROWTH BY 2026\$143,493 AVERAGE HOUSEHOLD
INCOME59% POPULATION WITH
COLLEGE DEGREE51% HOUSEHOLDS
EARNING \$100K+



NORTH SEATTLE

Shelly is located in North Seattle, which is situated immediately north of Downtown Seattle and bisected by Interstate-5 and State Route-99. North Seattle is bounded by the Puget Sound to the west and Lake Washington to the east. The community provides excellent access to not only Downtown Seattle, but to major employment hubs to the north in Everett and Bothell.

Popular North Seattle neighborhoods include the University District, Wallingford, Fremont, Ballard, Greenlake, Phinney Ridge, Ravenna, Laurelhurst, Greenwood, Maple Leaf, Northgate, and North Seattle. While these neighborhoods are diverse, each offers residents a wide array of employment, educational, recreational, and retail options.

NORTHGATE

A bustling urban community, best known for the incoming Northgate Mall redevelopment featuring office, retail, multifamily, and hospitality space along with the new NHL practice arena. This neighborhood provides the best entertainment, shopping, dining, and recreation in the area.

The Northgate neighborhood has seen, and should continue to see, a significant amount of commercial development. Some of these developments include 507 Northgate, a mixed-use apartment community developed by Wallace Properties, and Thornton Place, another mixed-use apartment community with a 15-screen movie theater that was developed by Lorig Properties.

Northgate is home to many well-known schools making this an attractive draw for families. Area elementary schools include Olympic View, Sacajawea, and Olympic Hills and local high schools include Nathan Hale, Ingraham, and Roosevelt. Two highly respected private schools, University Prep and Lakeside, are also nearby.

Employment

SEATTLE CBD

Shelly is located 11 miles from Seattle’s Central Business District (CBD). The CBD is the Pacific Northwest’s largest employment center which accounts for over 580,000 jobs. Major employers comprising the CBD job market include Alibaba, Amazon, Apple, Bank of America, CenturyLink, Chase, Cobalt, Dendreon, DocuSign, Dropbox, EA Sports, Expedia, Facebook, Getty Images, Google, Kaiser Permanente, Microsoft, Nordstrom, Oracle, Onvia, Port of Seattle, Russell Investments, Safeco Insurance, Starbucks, Swedish Medical Center, Twitter, University of Washington, Virginia Mason, Vulcan, Washington State, Wells Fargo, and Zillow.

SILICON CANAL

With the large occupancy of tech companies in Wallingford and Fremont, the area has been dubbed “The Silicon Canal”, a play on Silicon Valley in California and the Lake Washington Ship Canal that the area borders. Google, Adobe Systems’ Seattle Office, BEA Systems, and Tableau Software are all located in the Silicon Canal region, less than 10 miles from Shelly. Other companies include AdReady, Graphite, Impinj, Netmotion Wireless, Serial Solutions, Ubermind, Brightdream Creative, ContactPro, Graphic Lab, Groundspeak, and Deloitte Digital.



Major Nearby Employers



Google

Google's presence in the Puget Sound region began in 2004 in the Fremont neighborhood, where it currently leases 190,000 square feet of space.

Google recently finished the first phase of construction on a new office campus in SLU with 954,000 square feet of space, occupying three city blocks. The first phase totals 607,000 square feet and has capacity for 3,500 Googlers working on their new cloud computing division. The second phase, totaling 347,000 square feet, is currently under construction. Once complete, the new campus could hold anywhere from 4,500 to 6,200 Google employees, nine miles from of Shelli.



Apple

Apple has been growing its presence in Seattle over the past five years and currently employs about 500 people in downtown Seattle. The company recently announced plans to add an additional 2,000 jobs in Seattle by 2023 with the lease of 333 Dexter, located 10 miles of Shelli. With a total of 630,000 square feet, Apple's new lease will provide enough space for 3,000 new employees.

Apple has stated that Seattle will become a key engineering hub for the company with new positions distributed across many specialty engineering fields, including hardware, software technology, and services.



Facebook

Since 2015, Facebook has been rapidly expanding in SLU and is now the second-largest office tenant behind Amazon. The company's SLU footprint consists of nearly 1.4 million square feet, all within 10 miles of Shelli. Using industry averages of 150 square feet per employee, Facebook will have capacity for over 9,200 employees.

Opening in 2023, Facebook will have approximately four million square feet of space on the Eastside, which would make it the region's fourth-largest occupier of space behind Amazon, Microsoft, and Boeing.

Major Nearby Employers



Amazon

Amazon's world headquarters are located in Seattle's South Lake Union neighborhood, just 10 miles from Shelli. Amazon's office space in Seattle spans more than 45 buildings, including the company's landmark, greenhouse-like glass Spheres, sprawling across several blocks. The ecommerce giant added a total of 400,000 new jobs in 2020, with 16,500 of them based in Washington. That brings Amazon's total to 80,000 employees in Washington.



Expedia

Expedia moved its headquarters to the Interbay neighborhood of Seattle, 12 miles from Shelli. Expedia purchased the 40-acre former Amgen campus on the Elliott Bay waterfront for \$228.9 million in 2015. The company completed an expansion and renovation at the campus and has spent \$900 million to acquire, renovate, and build new offices. At the beginning of 2020, the campus had 1.2 million square feet of office space and 5,000 employees. Future plans call for a total of 3.1 million square feet of office space, enough for 13,000 employees.



University of WA

The University of Washington (UW) is located five miles south of Shelli. The UW is among the top higher learning institutions in the nation. In 2021, the UW was ranked one of the top 10 universities in the world and second among U.S. public institutions by U.S. News & World Report. Founded in 1861, the UW consists of three campuses offering 180+ majors options with over 46,000 students in the state.

Transportation

Link Light Rail currently provides service on a 20-mile segment from Sea-Tac International Airport to downtown Seattle and the University of Washington, with future expansion going as far south as Tacoma, north to Everett and east to Bellevue and Redmond, totaling over 55 miles. The Northgate Station is located within three miles of Shelli, with a short commute to Seattle CBD.

Our region leads the nation in transit ridership growth; with 28 new light rail stations opening in the next five years, ridership is expected to grow dramatically. Anticipated ridership will reach 337,800 by 2025, a 110% increase over 2018 ridership.

Sound Transit's ST3 plan will expand Link Light Rail service throughout the Puget Sound region, connecting employment centers of Seattle, the Eastside, Snohomish County, and Pierce County with reliable and fast mass transit options on 116 miles of track, more than five times its current length.



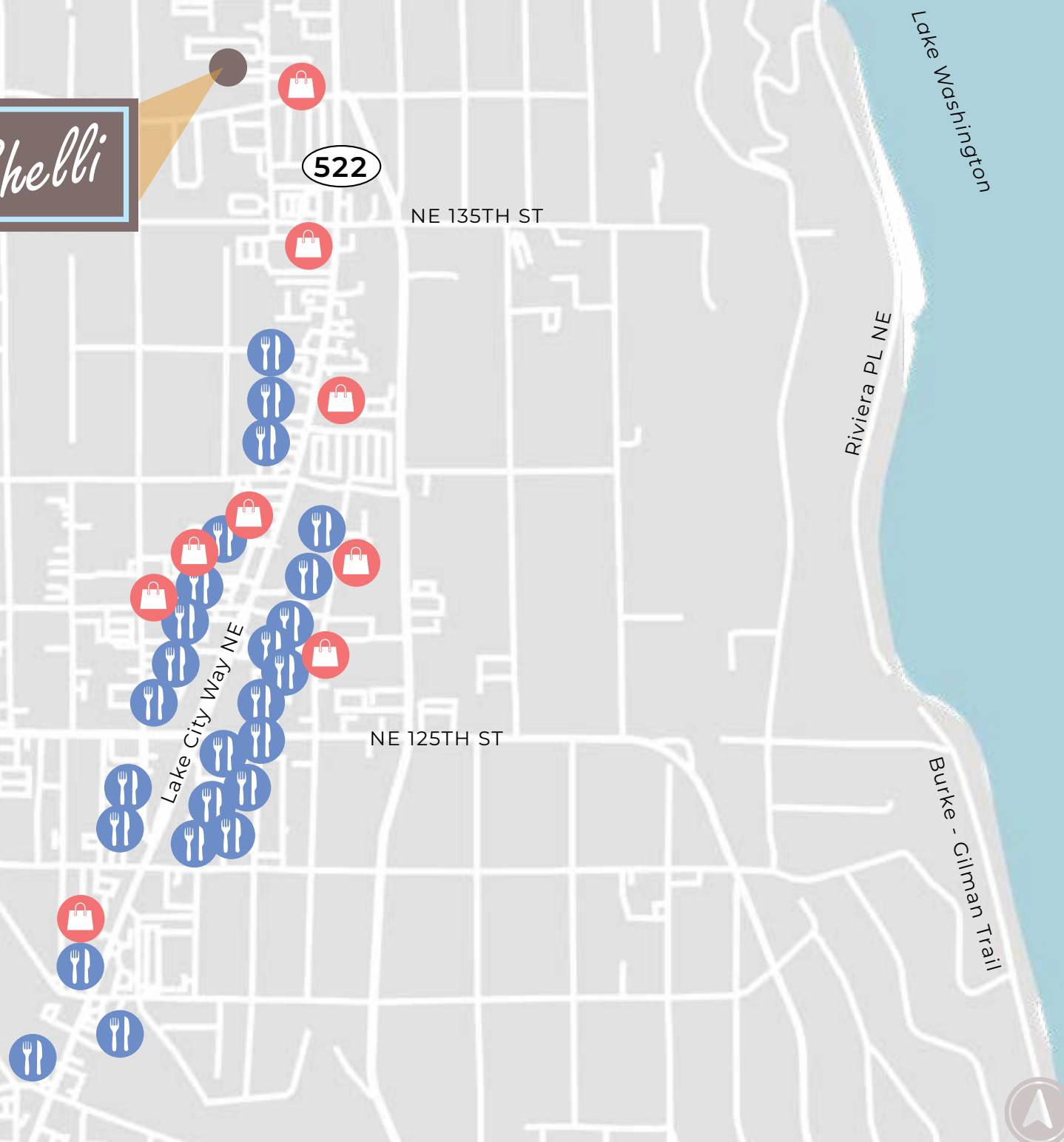
LYNNWOOD, REDMOND, FEDERAL WAY EXPANSIONS
 OPENING 2024 & 2023

NORTHGATE LINK STATION
 3 MILES FROM THE SITE



AMENITIES MAP

Shelli



Local Amenities

EAT & DRINK

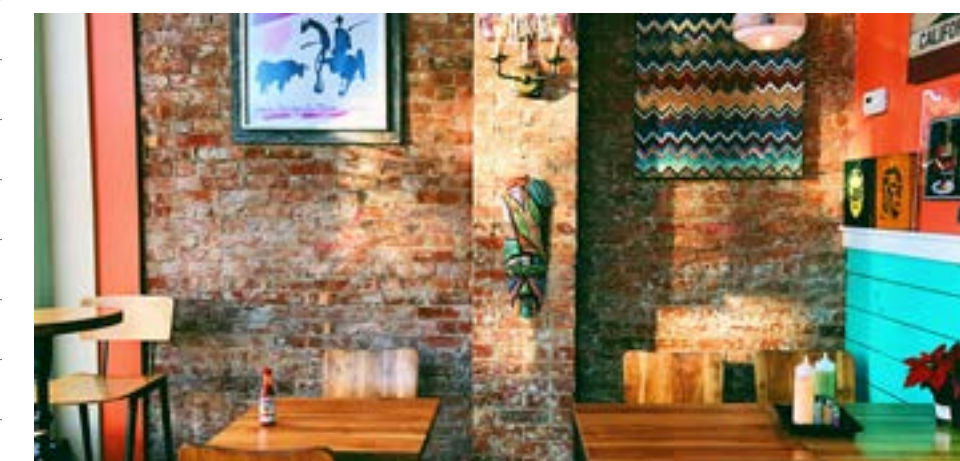
- Aceituno's Mexican Food
- Hellbent Brewing
- Seatango Argentine Bakery & Cafe
- Chawla's 2 Seattle
- Chipotle Mexican Grill
- Toyoda Sushi
- Elliott Bay Public House & Brewery
- Mount&Bao
- Pho An
- Beyond The Bowl
- 2C Thai Bistro & Spirits
- Kaffeeklatsch Seattle
- Panda Express
- VillaVerdi Italian
- Lil' Tiger Ice Cream
- Jalisco Mexican
- Thai One On
- Back Door Pub
- 24/7 Gourmet Pizza
- Breakfast Club

EAT & DRINK

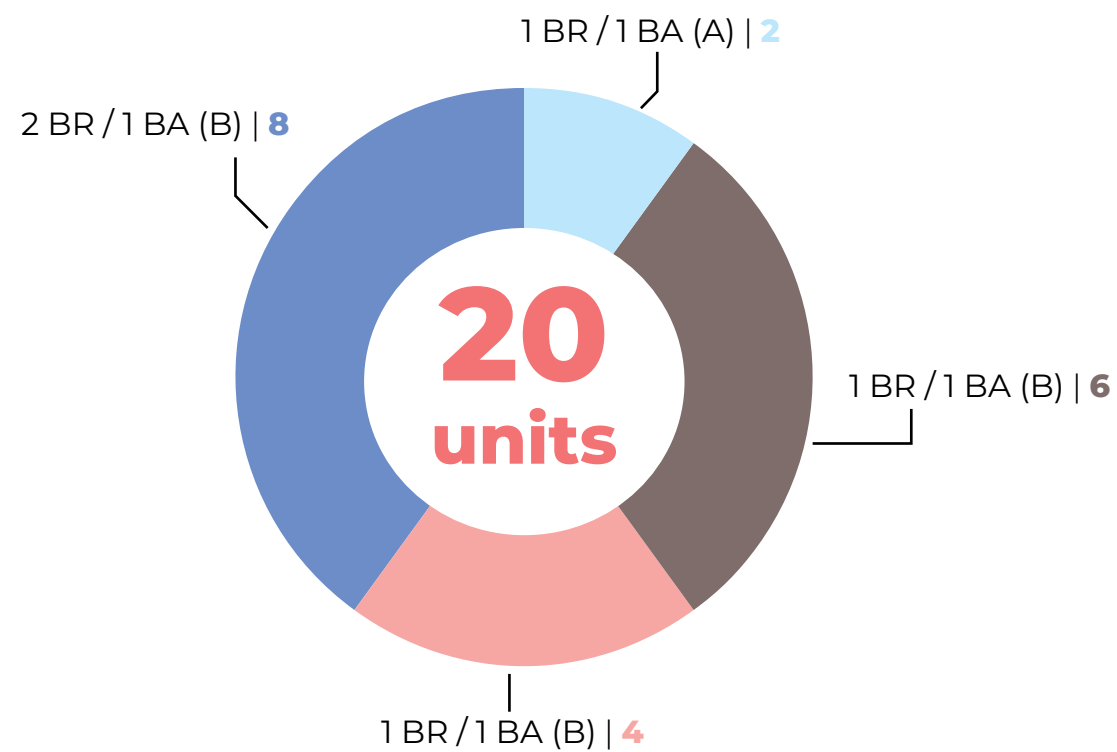
- Dicks Drive-In
- Starbucks
- Wendy's
- Taco Time NW
- Kelly Cannoli
- Tubs Gourmet
- Bankok Food Truck
- Pinehurst Pub

SHOPPING

- The Beer Authority
- O'Reilly Auto Parts
- Grocery Outlet
- T-Mobile
- AT&T
- QFC
- Get Your Bearings Skate Shop
- Safeway
- Goodies Mediterranean Market
- Toyota of Lake City
- Fred Meyer
- Bartells



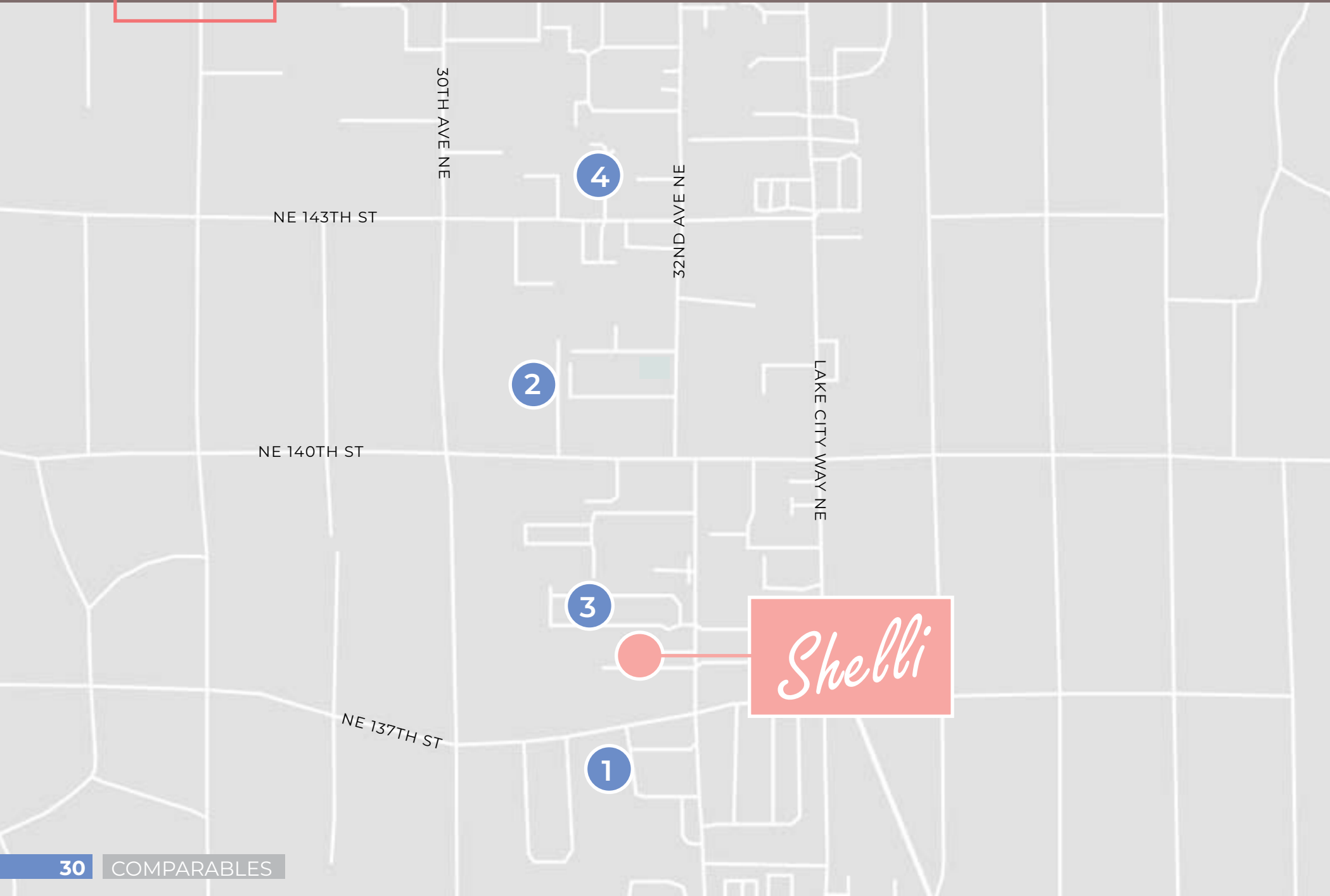
04 Financial Analysis







UNIT TYPE	# OF UNITS	SIZE	TOTAL SF	CURRENT RENT	PRO-FORMA RENT
One Bedroom / One Bathroom (A)	2				
One Bedroom / One Bathroom (B)	6				
One Bedroom / One Bathroom (C)	4				
Two Bedroom / One Bathroom	8				
TOTAL/AVG	20				

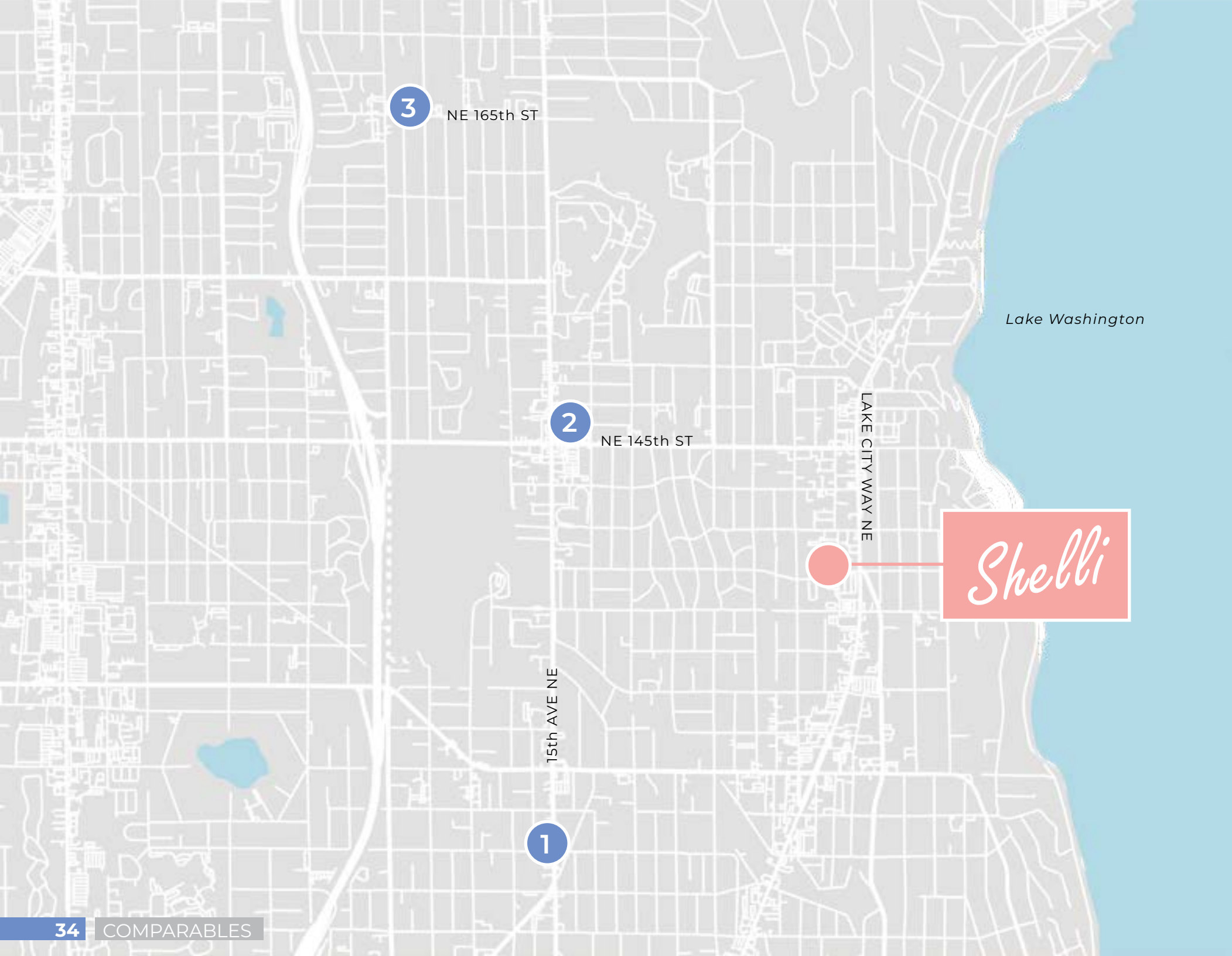
INCOME	T-12	PRO-FORMA
Rent		
Vacancy		
GROSS POTENTIAL RENT		
Other Income		
EFFECTIVE GROSS INCOME		
EXPENSES		
Real Estate Taxes		
Insurance		
Utilities		
Repairs & Maintenance		
Contract Services		
Turnover		
Property Management		
Marketing		
Admin		
Replacements and Reserves		
Total Expenses (Including RR)		
Price Per Unit		
NET OPERATING INCOME		









Rent Comparables

PROPERTY	YEAR BUILT	# UNITS	AVG SF	AVG RENT	AVG \$/SF	OCCUPANCY
 1						
 2						
 3						
 4						
TOTAL/AVG						



Sales Comparables

PROPERTY	DATE SOLD	# OF UNITS	YEAR BUILT	PRICE	\$/UNIT	\$/SF	AVG SF	CAP RATE
 3								
 1								
 2								
 3								
TOTAL/AVG								





Shelli