

Sample Market Feasibility Study
Seattle, Washington

MARKET FEASIBILITY STUDY

Prepared for
client

date

arrive

residential development consulting services

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[Name] Apartment Project

INTRODUCTION



I. INTRODUCTION

[Project Name] – Seattle, WA

Eastlake is a charming Seattle neighborhood, fit snugly between the University District and South Lake Union. It became identified as a neighborhood in the 1890's, making it one of the oldest neighborhoods in Seattle. Most residents who live in the area today have lived there for multiple years. What has kept them to remain in Eastlake today, as well as draw new residents in, has ultimately been the neighborhood's prime location. Eastlake is close in proximity to businesses downtown, yet is far enough away to feel a sense of leaving the core of the city. It is also abundant in restaurants, micro-parks, and scenic city views. Despite the growing development in Seattle, Eastlake still offers a lasting neighborhood feel – an aspect that is highly valued by its residents.

This report will provide an analysis of Eastlake's neighborhood, its overall supply and demand in apartment rentals, and will dive into who the target residents are currently and for future development. It will conclude with building program recommendations for, what we feel will be, the most successful multifamily development for the proposed subject location.



[Name] Apartment Project

NEIGHBORHOOD OVERVIEW



II. NEIGHBORHOOD OVERVIEW

The Eastlake Neighborhood

Eastlake is one of Seattle's oldest neighborhoods and named because of its location east of Lake Union. Beginning as a forest, then farmland, and then "working lake" in the early 1900s, Eastlake has continued to grow and attract all manners of Seattleites - from students to young professionals to families.

Located 1.3 miles from South Lake Union to the south, 3 miles from downtown (also south), and 1 miles from the University of Washington to the north, it is a convenient location to top employers yet a neighborhood respite from the bustling energy in either location. Many residents have called this area home for generations as it has a unique feel of a quaint small-town neighborhood located in the heart of the City.



Major Employers

Seattle continues to be a leader in the nation as one of the best job growth centers.

Top employers in the area include:

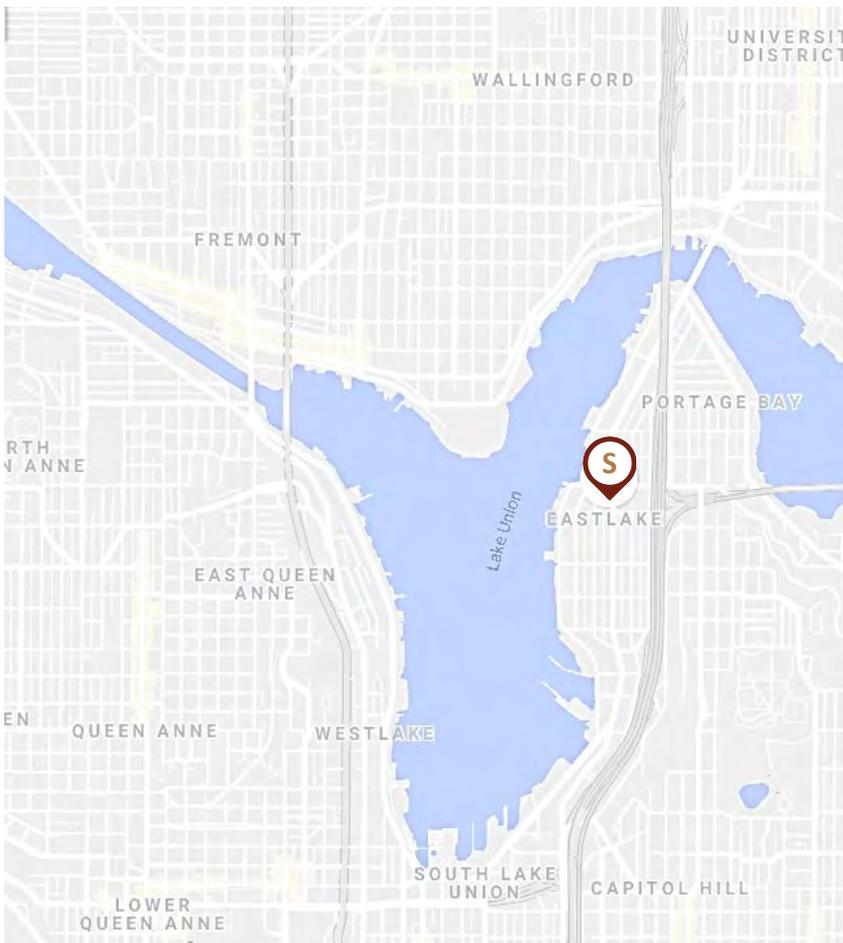
- Boeing
- Amazon
- Microsoft
- University of Washington
- Starbucks
- Expedia
- Swedish Hospital
- Costco
- Nordstrom
- Google
- Facebook
- T-Mobile
- Paccar
- Providence Health

II. NEIGHBORHOOD OVERVIEW

Subject Property

The subject property site is located [address] in Seattle, Washington. The site itself has excellent proximity to major employers such as Amazon, Google and other strong tech in the South Lake Union neighborhood simply 1.3 miles away to the South. To the north, the University of Washington is directly over the bridge one mile away.

Immediate convenience in the neighborhood is also abundant. Directly to the east of the subject site is the 2-acre Rogers Park which offers tennis courts, baseball & soccer fields, a children's playground and more. South of the subject property offers walkable retail options from Mammoth's sandwich and beer shop, dry cleaning, nail salon, Otter's Bar and Burgers, and the great neighborhood mail and parcel store: Lake Union Mail.



Opportunities:

- Property is close to downtown Seattle and UW for convenient commute.
- Close proximity to I-5.
- Close proximity to Lake Union.
- 2-acre park immediately across the street.
- Convenient transit options (bus route 70).
- Bike-friendly for commuters.
- Close proximity to Cheshiahud Loop, a full 6-mile path around all of Lake Union.
- Close to popular neighborhood retail, restaurants, shops.
- View opportunities of Lake Union and downtown Seattle.

Challenges:

- Bus stop to downtown not immediately outside or covered for inclement weather.
- No major grocery store nearby/walkable.
- No immediate local coffee shop nearby. However, Starbucks is a 4-minute walk away.

II. NEIGHBORHOOD OVERVIEW

Highlights of Living

Eastlake's population is drawn to this area and chooses to call it home for its exceptional neighborhood feel, close proximity to Downtown Seattle, Lake Union, schools & employment and convenient walkability & transit options.

Schools:

Primary school options (both public and private) are within close proximity to the subject site including TOPS K-8, Seattle Prep and St. Joe's. The latter two schools being two of the top private primary schools in the Seattle area. Higher education is abundant in the area with Cornish College of the Arts and Seattle University located nearby, however the University of Washington which in 2017 was named in the top 10 of best global universities (tied with Yale University and Johns Hopkins University) is less than one mile away.

Job Growth:

The region continues to experience a steady and, at times, exponential upward trend of job growth, with all signs showing continued future growth. According to Colliers Multifamily Team, the Seattle region's economic engine continues to churn, producing the most diversified employment base ever for the region. Since 2012, the Puget Sound has consistently created between 40,000 and 70,000 new jobs year over year. Impressively, the diversity of employment, as well as the concentration of high-wage-earning jobs, consistently topped the rest of the nation.

Lake Union:

Eastlake is known for its excellent proximity to Lake Union. Its colorful house boats cover the shoreline, and the outdoor activity in and around the lake are bountiful. Kayaking, sailing, paddle boarding, boating and other water activities are a major draw to residents of Eastlake. Along with the on-the-water activities there is also a deep connection with the shoreline through parks, pathways and p-patches. Residents of Eastlake have a deep appreciation of their outdoor opportunities offered right in the heart of the City.



Neighborhood Walkability & Transit:

According to walkscore.com, Eastlake is given a high walkability rating of 74 (out of 100). It is the 36th most walkable neighborhood in Seattle with 4,426 residents. There are roughly 46 restaurants, bars and coffee shops in Eastlake and most of these shops (and errands) can take place by foot or bike. People in Eastlake can walk to an average of 5 restaurants, bars and coffee shops in 5 minutes.

Eastlake is also given a high bike score of 78 (out of 100). Many students and professionals choose to bike or bus rather than take a car due to easy and convenient commute options. The primary bus line running north and south is Route 70, with bus stop locations extremely close-by.

[Name] Apartment Project

SUPPLY & DEMAND



III. SUPPLY & DEMAND

Supply

Current Neighborhood Supply

In study, the focus was kept on newer projects, particularly built in the last five years, with the exception of one projects built in 2008. The projects we found which stand out as strong performers in today's Eastlake market include:

Waterton

Shelton Eastlake

East Howe Steps

A.W. Larson

Eastlake 2851

The following pages contain a livability summary of each project.



Waterton



Shelton Eastlake



East Howe Steps



A.W. Larson



Eastlake 2851

III. SUPPLY & DEMAND

Waterton Apartments



Project Positioning

Waterton Apartments is located at 2201 Eastlake Avenue East. It is a boutique mid-rise apartment building located at the gateway of the Eastlake residential area (from South Lake Union). Its focus is on thoughtful apartment design that ties to Lake Union and utilizes its ground floor coffee shop as its communal amenity space. Built in 2017, it has 45 units and ground floor retail.

Unit Overview

- Home finishes are above market
- Some homes feature:
 1. High ceiling heights (9' +) with large floor to ceiling windows
 2. Units have VRF A/C units in South and West facing units
 3. Decks and patios in some units
 4. Walk in closets in bedrooms
 5. Under cabinet lighting and full height/slab backsplash in kitchen
- Average rent is \$3.86 per square foot (\$2,648/month)
- Current occupancy is 94%

Amenity Overview

- Small lobby with coffee cart and dog treats
- Package locker system in lobby was recently added
- Large rooftop deck with views of Lake Union, downtown Seattle and Space Needle
- 2 BBQ stations on rooftop deck
- Dog relief area
- Dog wash area in garage (walk in shower)
- Bike storage and maintenance area

Resident Profile

- 30s – 50s professional singles and couples
- Quiet community – introvert rather than extrovert
- Primarily work downtown or at home
- Many residents have dogs
- One loft unit has been converted to an AirBNB and is being run by the building property manager - Blanton Turner

Leasing Agent Comments

- The building took 12 months to lease-up as the developer wanted rents to outperform current market
- Residents do with they had a gym
- Unit design elements and rooftop deck have been well received
- Ground floor coffee shop is a great amenity to residents
- Lobby and corridors fall flat for the overall experience

III. SUPPLY & DEMAND

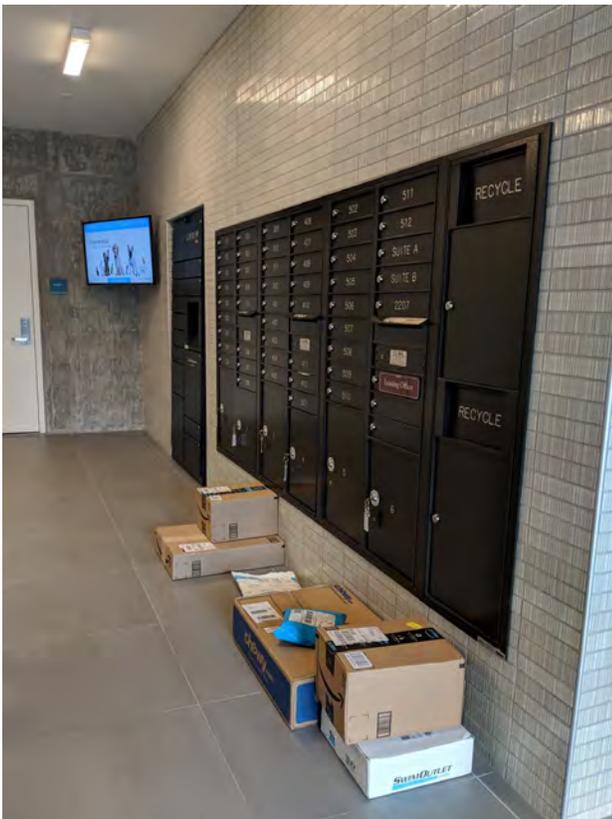
Waterton Apartments



Lobby & Leasing

The lobby area is minimally designed with small seating, refreshment cart and recently-added package locker system near mail area.

Leasing is handled off-site at a sister property.



III. SUPPLY & DEMAND

Waterton Apartments



Unit Design

The units are spacious and light-filled with expansive floor to ceiling windows. The design has an above-market finish with luxury kitchens (showcasing gas stoves, under-cabinet lighting, stone surface countertop & backsplash), air-conditioning in most units, walk in closets, ample bathroom storage in oversized vanities and decks/patios in most units.



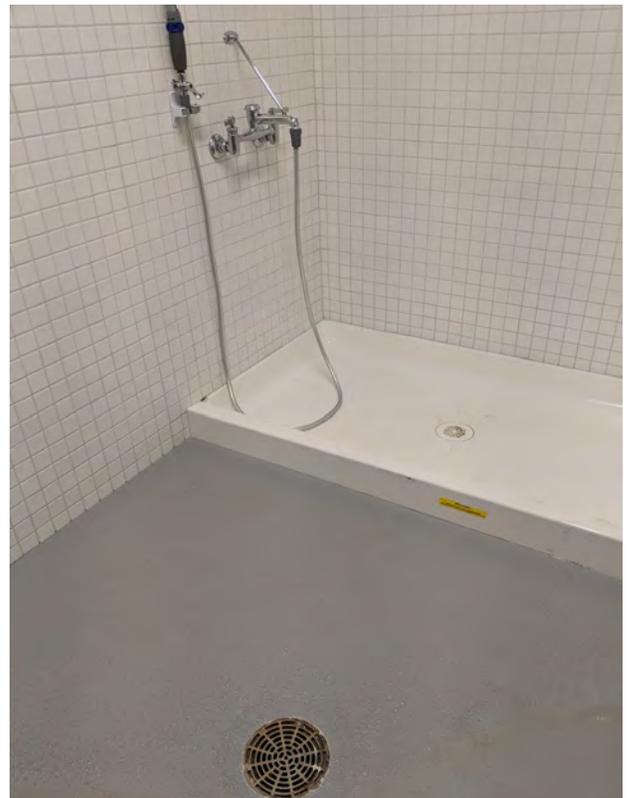
III. SUPPLY & DEMAND

Waterton Apartments



Amenity Offerings

Amenities for a boutique building of this size are ample, including a stunning rooftop deck with 2 BBQs, seating areas and corner firepit. Also included in the amenity offering are a dog relief area, a dog wash room with walk-in shower, bike storage and maintenance room, and ground floor coffee shop that doubles as a gathering space and place to work from home.



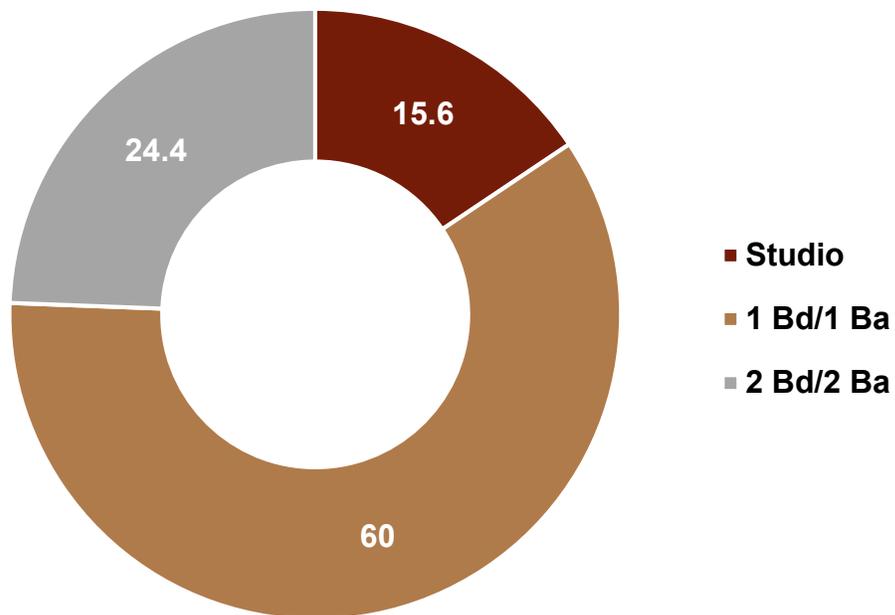
III. SUPPLY & DEMAND

Waterton Apartments



Property Composition

Unit Type	Unit Count	% of Total	Average SF	Total Rent	Rent PSF
Studio	7	15.6%	466	\$1,675	\$3.59
1 Bed/1 Bath	27	60%	654	\$2,608	\$3.99
2 Bed/2 Bath	11	24.4%	903	\$3,365	\$3.73
TOTAL	45	100%	686	\$2,648	\$3.86



III. SUPPLY & DEMAND

Shelton Eastlake



Project Positioning

Shelton Eastlake is located at 2359 Franklin Avenue East. It is positioned as a boutique, quiet project in a single family neighborhood setting just blocks away from the primary walkable retail of Eastlake. Units are small, well designed and affordable; catering to a younger demographic of students and professionals

Unit Overview

- Built in 2017, 61 units total
- Home finishes are standard market
- Some homes feature:
 1. Patio or deck
 2. Eating/dining nook
 3. Under cabinet lighting in kitchen
 4. Full height backsplash in kitchen
 5. Built in murphy bed and storage
- Average rent is \$3.69 per square foot (\$1,894/month)
- Current occupancy is 98.4%

Amenity Overview

- Small lobby and seating area
- Interior open courtyard
- Rooftop deck with BBQ and firepit
- Community room
- Bike storage
- Resident storage

Resident Profile

- Students
- Young professionals
- Mostly singles, some couples
- 20s & 30s primarily
- Majority of residents are from out of state/country

Leasing Agent Comments

- Largest missing element in the homes is air conditioning
- Small units with murphy beds are very popular for their move-in ready convenience
- Patios and decks are very popular
- Community/lounge room also doubles as leasing office which is inconvenient at times
- Package storage lockers were needed and installed after residents moved in due to demand.

III. SUPPLY & DEMAND

Shelton Eastlake



Lobby & Leasing

Shelton Eastlake has a lovely open-air interior courtyard which also houses the open mail area.

The small community room also doubles as the leasing office, when needed, and is found on the ground floor entrance to the building.



III. SUPPLY & DEMAND

Shelton Eastlake



Unit Design

Shelton Eastlake is comprised of primarily studios and one bedrooms. Studio units provide residents an option of built-in murphy beds and storage. One bedrooms provide dedicated dining nooks with large picture windows.

Finishes are well appointed with elements such as full height kitchen backsplash, under-cabinet lighting and nest thermostat systems.



III. SUPPLY & DEMAND

Shelton Eastlake



Amenity Offerings

Eastlake Shelton has minimal interior amenities, offering one small clubroom which also acts as a leasing area and large package storage.

However, the exterior amenities are well appointed with two rooftop areas (large and small) offering a BBQ grill, seating areas, and a communal firepit. The ground level open courtyard provides another option for community get-togethers as well.



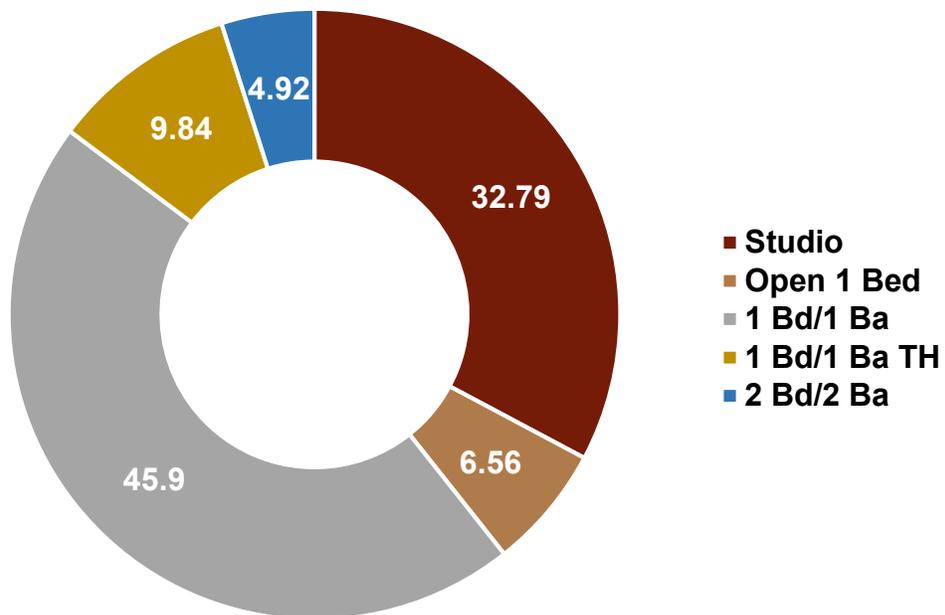
III. SUPPLY & DEMAND

Shelton Eastlake



Property Composition

Unit Type	Unit Count	% of Total	Average SF	Total Rent	Rent PSF
Studio	20	32.79%	339	\$1,457	\$4.30
Open 1 Bed	4	6.56%	448	\$1,961	\$4.38
1 Bed/1 Bath	28	45.90%	556	\$2,021	\$3.64
1 Bed/1 Bath TH	6	9.84%	756	\$2,280	\$3.02
2 Bed/2 Bath	3	4.92%	870	\$2,769	\$3.18
TOTAL	61	100%	513	\$1,894	\$3.69



III. SUPPLY & DEMAND

East Howe Steps



Project Positioning

East Howe Steps is located at 1823 Eastlake Avenue East. It is positioned as new modern apartment living in a hub of past and future industry, for the industrious professional. One of the newer and larger apartment projects in Eastlake, EHS offers an abundant amenity package and larger community experience for its residents.

Unit Overview

- Built in 2017, 96 units total in 2 buildings
- Home finishes are traditional contemporary market
- Some homes feature:
 1. Large windows
 2. Ceiling fans
 3. USB plugs
 4. Full height tile kitchen backsplash
- Average rent is \$3.47 per square foot (\$2,242/month)
- Current occupancy is 93.8%

Amenity Overview

- Lobby and seating area
- Open public walkway between both buildings
- Open air courtyards
- Rooftop deck with BBQ and firepit
- Community room
- Fitness room
- Bike storage
- Resident storage

Resident Profile

- Students
- Young professionals
- Singles and couples
- 20s – early 40s primarily
- Majority of residents are from out of state/country

Leasing Agent Comments

- Largest missing element in the homes is air conditioning
- Residents love the finish package and ample home space
- Patios and decks are very popular
- Live work units have been hard to move

III. SUPPLY & DEMAND

East Howe Steps



Lobby & Leasing

The lobby and leasing area are located off of the public plaza that runs between both buildings of East Howe Steps.



III. SUPPLY & DEMAND

East Howe Steps



Unit Design

Homes at East Howe Steps are spacious with above average ceiling heights and large light/bright windows.

Although homes do not have A/C, all bedrooms do have ceiling fans.

The design is traditional/contemporary and the finish package is well received.



III. SUPPLY & DEMAND

East Howe Steps



Amenity Offerings

East Howe Steps offers plentiful outdoor gathering spaces from its shared pedestrian plaza to its private rooftop deck, courtyards and walkways. The rooftop also features a BBQ area and a firepit with communal seating.

The property also boasts a fitness facility, bike ramp and bike storage for its residents.



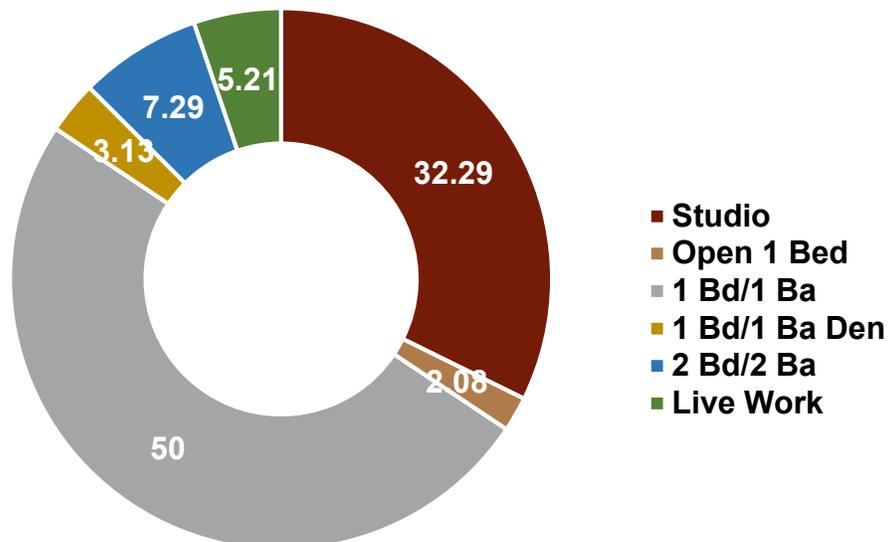
III. SUPPLY & DEMAND

East Howe Steps



Property Composition

Unit Type	Unit Count	% of Total	Average SF	Total Rent	Rent PSF
Studio	31	32.29%	476	\$1,798	\$3.74
Open 1 Bed	2	2.08%	454	\$1,698	\$3.74
1 Bed/1 Bath	48	50%	645	\$2,302	\$3.50
1 Bed/1 Bath Den	3	3.13%	945	\$2,980	\$3.15
2 Bed/2 Bath	7	7.29%	913	\$3,055	\$3.35
Live-Work	5	5.21%	1,000	\$2,784	\$2.93
TOTAL	96	100%	631	\$2,242	\$3.47



III. SUPPLY & DEMAND

A.W. Larson



Project Positioning

A.W. Larson is located at 3206 Harvard Avenue East. Its location is the northern-most tip of Eastlake, almost spilling into the University District. Positioned as close-to-everything loft living, this boutique apartment project caters to quiet professionals and students alike.

Unit Overview

- Built in 2016, 50 units total
- Home finishes standard market
- Some homes feature:
 1. Loft homes with high ceilings
 2. Raised bedroom area off kitchen
 3. Some homes offer decks/patios
 4. All homes have ceiling fans, but no A/C
 5. USB ports
- Average rent is \$3.14 per square foot (\$1,638/month)
- Current occupancy is 98%

Amenity Overview

- Lobby and seating area
- Open interior patio area with seating
- Rooftop deck with BBQ
- Community room with kitchen and fireplace
- Fitness room
- Bike storage
- Resident storage

Resident Profile

- Students
- Young professionals
- Singles and couples
- Roommates
- 20s – early 40s primarily
- Majority of residents are from out of state/country

Leasing Agent Comments

- Air conditioning would be a plus
- Residents either love or hate the loft bedroom. “Ladder living isn’t for everyone”
- Blinds are “cheap” looking. Roller shades and black out shades have been requested
- Residents like the unique layout compared to all the “boxes” on the market

III. SUPPLY & DEMAND

A.W. Larson



Lobby & Leasing

Lobby, sitting area and leasing area are simple and inviting. Mail and package area are cared for in the lobby.



III. SUPPLY & DEMAND

A.W. Larson



Unit Design

Unit design is unique in the market with some homes having bedroom lofts, elevated bedroom areas off kitchen, and exposed wood plank ceilings in living area and bathrooms.

Some layouts are larger than typical market standards and layouts shift away from standard box style design.



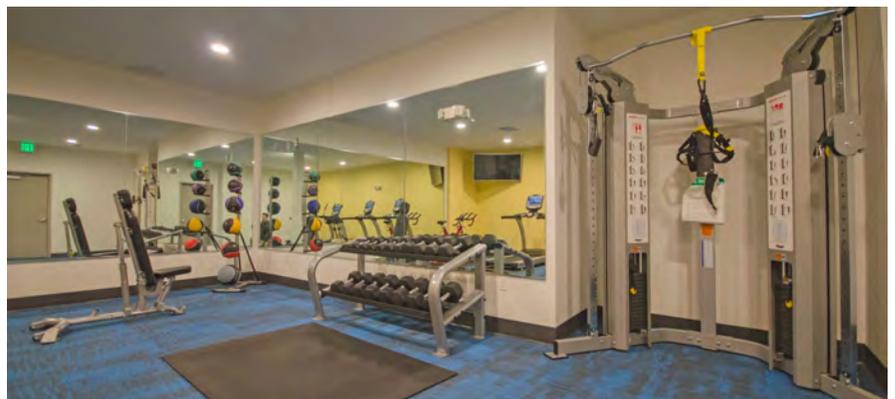
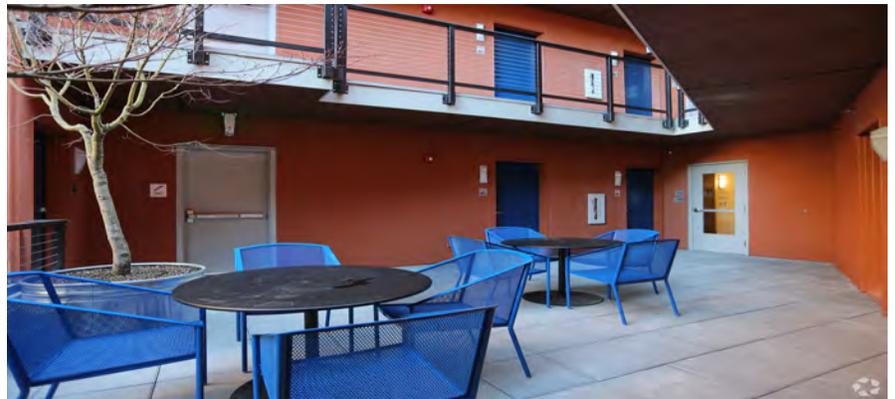
III. SUPPLY & DEMAND

A.W. Larson



Amenity Offerings

Amenities are simply designed yet a fairly large offering for a small building with community room, rooftop area, interior patio and seating area and fitness.



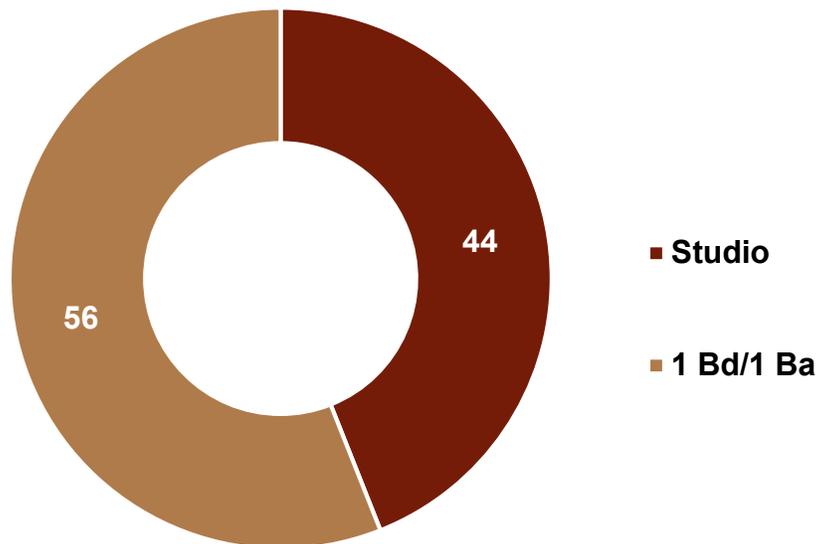
III. SUPPLY & DEMAND

A.W. Larson



Property Composition

Unit Type	Unit Count	% of Total	Average SF	Total Rent	Rent PSF
Studio	22	44%	488	\$1,622	\$3.31
1 Bed/ 1 Bath	28	56%	539	\$1,649	\$3.01
TOTAL	50	100%	517	\$1,638	\$3.14



III. SUPPLY & DEMAND

Eastlake 2851



Project Positioning

Eastlake 2851 is located at 2851 Eastlake Avenue East. Although an older property with traditional finishes, it is one of the larger communities in Eastlake and is located very close to Lake Union and adjacent to the Eastlake P-Patch. With ample amenities and larger homes on the water, it is still commanding strong market rents for several units.

Unit Overview

- Built in 2008, 133 units total
- Home finishes are below market, traditional
- Some homes feature:
 1. Larger layouts and high ceilings
 2. A/C ports and ceiling fans
 3. Wall to wall carpet
 4. Personal patios/decks
- Average rent is \$3.48 per square foot (\$2,559/month)
- Current occupancy is 98.1%

Amenity Overview

- Large rooftop decks with BBQ area, trellis seating, firepit, and gardening space
- Fitness room
- Firepit seating
- Onsite leasing and maintenance team
- Bike storage
- Resident storage

Resident Profile

- Young professionals
- Singles and couples
- Roommates
- Young families
- Mature, downsizers
- 20s – 50s primarily
- Majority of residents are from out of state/country

Leasing Agent Comments

- Residents love the size of the homes but do feel they're dated
- Hardwood flooring and true A/C would be first choice of upgrades in building
- Residents love the outdoor areas and proximity to the lake
- Garage has seen some vandalism and break ins. Would recommend a pro-active security solution

III. SUPPLY & DEMAND

Eastlake 2851



Lobby & Leasing

Bold colors and furniture welcome you to the lobby and seating areas of 2851 Eastlake.



III. SUPPLY & DEMAND

Eastlake 2851



Unit Design

Unit design is dated with wall-to-wall carpet and traditional doors and cabinet fronts. However the homes are large and functionally well designed.

Bathrooms have top-mounted sinks, laminate bathtub surrounds and laminate floors.

Some homes feature high ceilings, A/C ports, ceiling fans, personal decks or patios and walk-in-closets.



III. SUPPLY & DEMAND

Eastlake 2851



Amenity Offerings

The amenities are the star of the show at 2851 Eastlake. Two outdoor areas, one with a large firepit and seating area and the other the rooftop deck boasting a BBQ station, ample seating options, outdoor heaters and a gardening and p-patch area.

Other amenities include a fitness room, bike storage and resident storage, and immediate adjacency to the Lake and the Eastlake P-Patch.



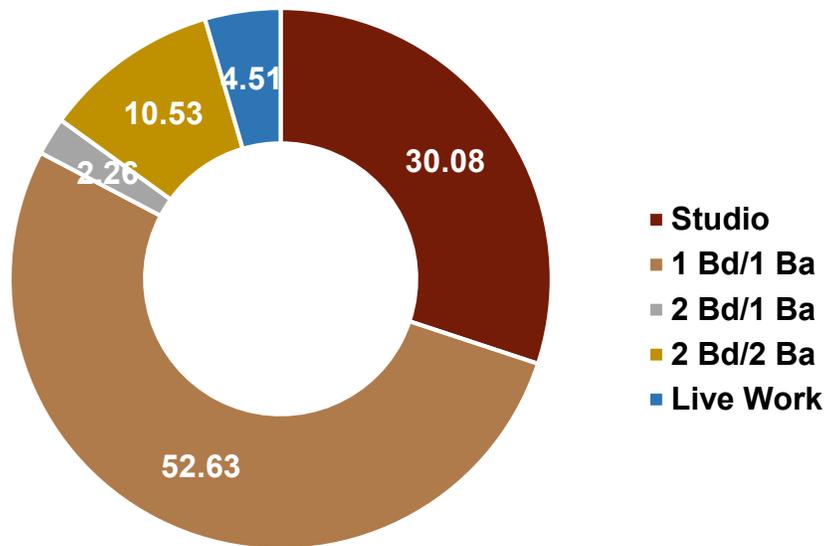
III. SUPPLY & DEMAND

Eastlake 2851



Property Composition

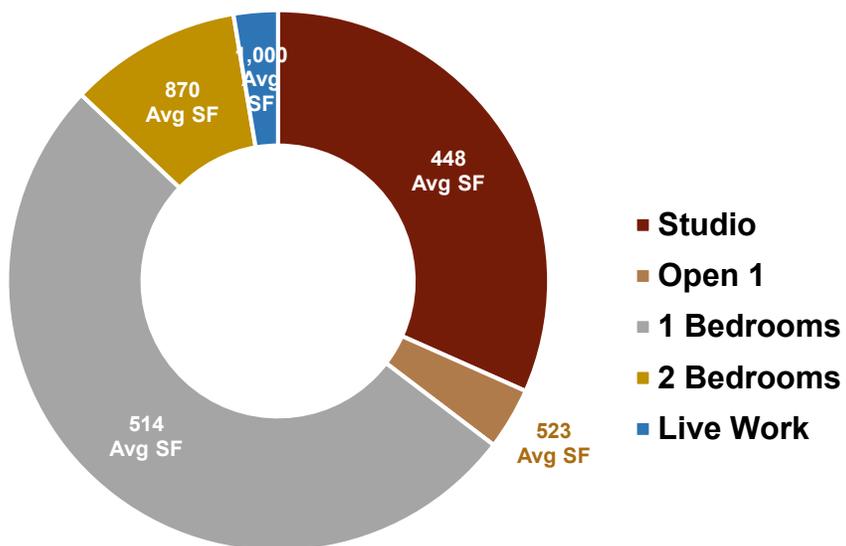
Unit Type	Unit Count	% of Total	Average SF	Total Rent	Rent PSF
Studio	40	30.08%	471	\$1,531	\$3.25
1 Bed/ 1 Bath	70	52.63%	682	\$2,264	\$3.32
2 Bed/ 1 Bath	3	2.26%	800	\$2,699	\$3.37
2 Bed/ 2 Bath	14	10.53%	795	\$2,744	\$3.45
Live/Work	6	4.51%	668	\$1,905	\$2.85
TOTAL	133	100%	633	\$2,087	\$3.30



III. SUPPLY & DEMAND

Overall Competitive Supply Analysis

Property	Studio	Urban 1	1 Bedrooms	2 Bedrooms	Live Work
Waterton	7	-	27	11	-
Shelton Eastlake	20	4	34	3	-
East Howe Steps	31	2	51	7	5
A.W. Larson	22	-	28	-	5
Eastlake 2851	40	6	70	17	-
TOTAL	120	14	196	39	11
AVERAGE SF	448	523	514	870	1,000



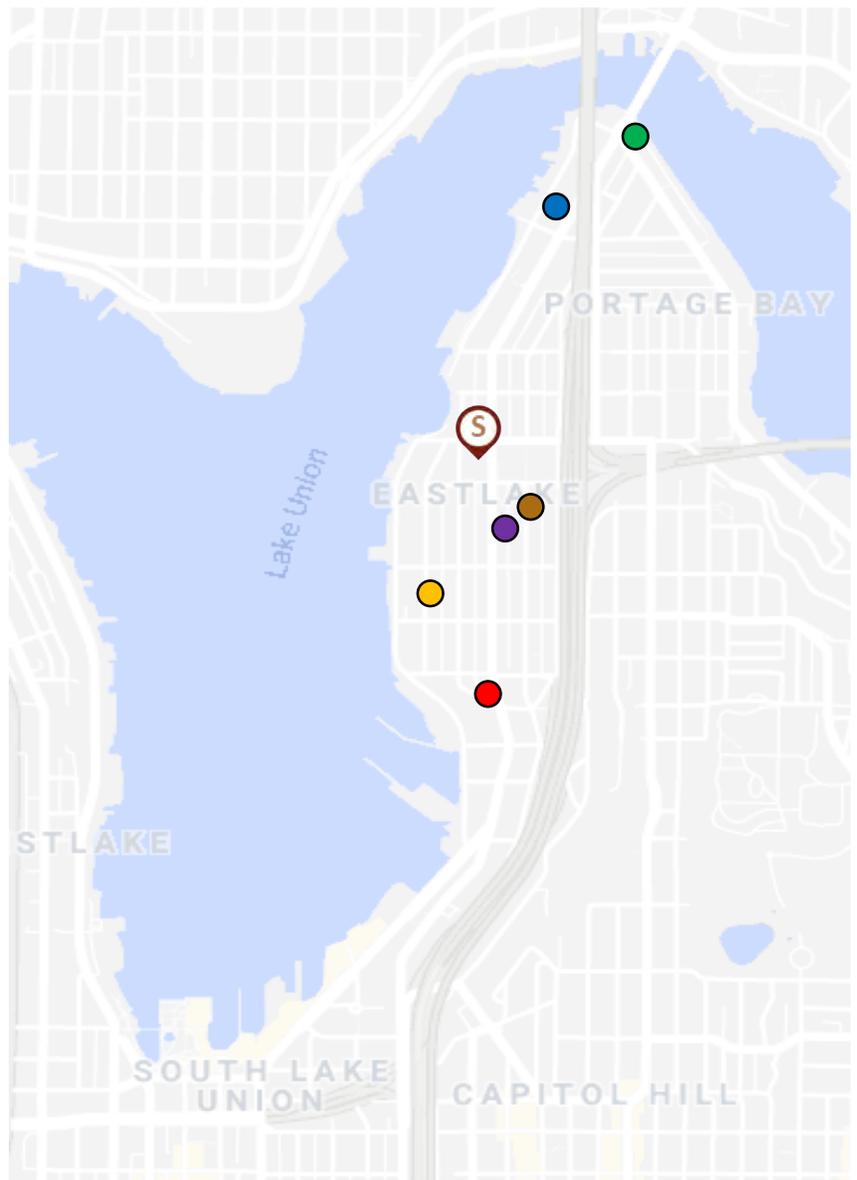
III. SUPPLY & DEMAND

Supply

Future Projected Eastlake Supply

The following future projects are anticipated to come online in the Eastlake neighborhood:

- Robins Nest
61 units w ground floor retail
Delivery: Q1 2019
- F2
100+ units with office component
Delivery: anticipated 2020
- 2234 Franklin Ave E
58 units (+50% proposed SEDU)
Delivery: anticipated 2020
- 2303 Franklin Ave E
22 units (16 Studios/6 2 BR)
Delivery: 2019
- 2227 Yale Avenue E
33 SEDU units
Delivery: anticipated 2020
- 1901 Franklin Avenue E
43 SEDU units
Delivery: Q1 2019



III. SUPPLY & DEMAND

Demand

Seattle maintains its rank as one of the best job creators in the nation, coming in fourth for most jobs created over the four-quarter period ended in March. Companies continue to recruit at a robust pace and are rapidly expanding space requirements. The largest project currently under construction is Amazon's 1.1 million-square-foot Block 20 high-rise, which opens next year and is just one of many buildings rising in South Lake Union that Amazon will occupy. With overall space demand and job growth so high across the Seattle-Tacoma metro, office vacancy is the lowest in the U.S. for major metros, even as more than 12 million square feet have been built since 2015.

Over the past decade, Seattle has added 220,000 jobs, an increase of nearly 15 percent. Amazon, which employs almost 50,000 people here and holds about one-fifth of the city's premier office space, has keyed that growth, but Amazon is just the beginning of the economic flurry. Thirty-one Fortune 500 companies now operate research and engineering hubs in Seattle, up from seven in 2010.

Although Seattle often ranks as one of the most educated cities in the nation, in-migration directly correlates to growth in the region's employment base. As demand for smart workers increases, so does in-migration.

The majority of new(er) apartment buildings in the Seattle and surrounding areas reports upwards of 60% of their communities being made up of out-of-state/country residents. California is the primary provider of new residents, which is no surprise considering California's proximity, collection of talent and high cost of living. However, we're also seeing interesting data that shows correlation with other top tech hubs and talents coming from Texas and the East Coast.

This insight is important to understand as we dive into resident trends and desires of our out-of-state renters who are new to Seattle.

Source: Colliers Multifamily Team

2Q18 – 12-MONTH PERIOD

EMPLOYMENT:

3.0% increase in total employment Y-O-Y

- Seattle added 11,600 jobs in the second quarter, capping a 12-month gain of 60,200 jobs, an increase from the 2.6 percent pace of growth registered one year earlier.
- The professional and business services sector led employment gains so far this year, adding more than 13,100 workers to payrolls, followed by a 10,700 jobs increase in the trade, transportation and utilities sector.

CONSTRUCTION:

8,300 units completed Y-O-Y

- During the first two quarters of this year, 3,600 units were completed, bringing deliveries over the past year well under the 10,800 rentals opened in the prior period.
- Downtown Seattle led deliveries, adding 1,750 units to the submarket during the past four quarters, followed by South Lake Union and Queen Anne, where 1,640 units were opened over the same timespan.

VACANCY:

20 basis point increase in vacancy Y-O-Y

- Net absorption totaled 6,100 units during the last 12 months, lifting vacancy to 4 percent in the second quarter and adding to last year's 20-basis-point rise.
- Class A vacancy climbed 50 basis points over the year ended in June to 4.6 percent while a 20-basis-point rise to 3.9 percent was posted in Class B units. Class C vacancy remained unchanged at 3.5 percent.

RENTS:

2.4% increase in effective rents Y-O-Y

- Annualized rent growth in the second quarter slowed to its lowest point since mid-2010, cooled by substantive supply growth during recent years.
- Downtown Seattle and the South Lake Union/Queen Anne area were the only submarkets to record rent declines, falling 2.9 percent to \$2,270 per month and 3.3 percent to \$2,187 per month, respectively.

Source: Marcus & Millichap

III. SUPPLY & DEMAND

Demand

Other tech companies have been expanding in Seattle, including Facebook, which will occupy nearly 850,000 SF by the end of 2019, when its current project is complete. The social media company preleased all 384,000 SF of office space at Vulcan's Arbor Blocks, slated to deliver in phases in 2018 and 2019, which could double its Puget Sound region headcount to at least 4,000 employees. Google also preleased more than 600,000 SF in South Lake Union, which will double its footprint in the metro when the property opens in 2019. Such expansions continue to drive favorable demographics—the metro's population growth far outpaces the national average. That growth provides a decisive advantage in keeping the metro at the forefront of innovation and provides a surge in ICT jobs (information & communication technology). These jobs typically garner the highest wages (and, historically, the highest year-over-year wage growth). Additionally, these ICT jobs create the greatest demand for secondary jobs – the “multiplier effect” of requiring more service work, often predicted as high as four or five jobs created for every single high-tech job.

Creative Economy of King County



120,400 Total Creative Economy Jobs

Data Collection and Graphic: Community Attributes



400 HEALTHCARE



400 AEROSPACE



300 CONSTRUCTION

Sources: Bellevue Creative Economy Study, 2017; QCEW, 2017; Washington State Employment Security Department, 2017; QCEW, Bureau of Labor Statistics, 2017; Industry/Occupation Crosswalk, Washington State Employment Security Department, 2017; Bureau of Economic Analysis, 2017

Data Collection and Graphic: Community Attributes

III. SUPPLY & DEMAND

Demand & Affordability

With the city growing at such a rapid rate, housing affordability has become one of the greatest issues the metro faces. In King County, the median home price climbed 9 percent over the past year to \$715,000, while in Snohomish County the median passed \$500,000 for the first time recently, generating strong demand for more affordable rental housing.

However, the rental market in Seattle has been seeing a slow down in absorption as well. According to RealPage, Seattle occupancy actually saw its peak in 2nd quarter 2016 at 96.4% and has since been on a downward trend. As of March 2018, occupancy in Seattle was at 95.1%, essentially flat for the quarter and down 0.6 points year-over-year.

Much of this performance has softened due to Seattle's rapidly-growing inventory base. New deliveries in 2017 weighed in at about 10,500 units, one of the highest levels seen since RealPage has been tracking the market. While annual supply volumes fell to about 9,100 units in 1st quarter 2018, that figure is still well above the metro's long-term average and increased net inventory by a notable 2.8%.

Add to this, over 14,000 units are currently under construction in this metro, and the peak seen in 2017 may be topped in the coming year, as nearly 12,000 units are expected to complete by March 2019.

But is the concern simply the amount of supply that needs absorption? No, the concern is affordability.

Rental rates in the downtown core and popular neighboring urban villages have skyrocketed pushing households out of a comfort zone of 30% - 33% of income being spent on housing. Residents looking for affordability in the rental arena are being forced to move to more suburban areas or live in smaller more efficient units to hit the right price point. SEDUs (small efficiency dwelling units) are taking on popularity in neighborhoods such as Eastlake and Capitol Hill. Millennials, and folks new to Seattle looking to get a lay of the land, are not afraid to give up space for location and convenience to work as well as a walkable lifestyle.

While over-supply and stagnant/dropping rents in Seattle have many scared that a recession is looming, just look to our North and South cities (especially those on great transit lines) and you'll find a story of rent growth and high occupancy rates. Remember all those jobs and in-migration? People are still looking for homes to rent; demand is strong. However in the city of Seattle the price point for new product is becoming almost out of reach for many.

Watching these trends in livability and affordability will be extremely important as we look to create a viable and desired new project in Eastlake.

[Name] Apartment Project

TARGET RESIDENTS



IV. TARGET RESIDENTS

Eastlakians!

Residents of Eastlake range from young individuals, to families, to seniors. Those who live in Eastlake have typically lived there for quite some time. Families and seniors are still found in the restaurants and cafes around the neighborhood; over the years however, there has been a considerable amount of younger, tech-savvy residents joining the Eastlake community. Many new-to-Seattle residents are attracted to the close proximity to downtown without being right in the heart of it. And for those affiliated with the University (student or faculty) the convenience of this nearby neighborhood can't be beat. Thus, target residents for the Eastlake neighborhood are primarily young-mid aged professionals. They range from recently graduated students landing a job with Amazon or Fred Hutch, to high-income and high-consumption corporate climbers.

Eastlakians take pride in where they live and the neighborhood secrets most visitors know nothing about (a game of Pétanque at Bouldrome Park anyone? Or a stop at Mort's Cabin for a great story and a funky lamp?). Among many perks, the neighborhood is filled with restaurants, small shops, parks, and picturesque views of Seattle. Residents also take advantage of how close they are to Lake Union. A typical resident enjoys a run or stroll on the Cheshiahud Loop, a full 6-mile path around all of Lake Union. They also bask in the rooftop views of the water and downtown, and if the weather permits, find leisure in water activities such as boating, kayaking, and paddle boarding. Residents are also near Lake Washington, and they often take their boating leisure through the Montlake Cut to get there as well.

Eastlake is a walkable neighborhood. You can spot residents walking their dog to a park, or with a friend. The various quaint, hidden mini-parks along the water and the P-Patch found on Fairview furthermore contribute to the charm of Eastlake's neighborhood.

Residents and individuals who work in the area explain how Eastlake provides a safe atmosphere. The key reason why people choose Eastlake and continue to stay there is due to the fact that it is a homey neighborhood – there is a clear separation from the grittiness and loudness of downtown. They prefer their home to be close to the action but not directly in it. And they love Eastlake's small town, quirky/funky feel.



IV. TARGET RESIDENTS

Target Resident Profiles

The following summarizes Eastlake's key target demographics:

- Young and active professionals working in Seattle
- Students and faculty at University of Washington
- Individuals in their mid 20s – late 40s
- Couples without children
- Professional singles with a 4-legged companion
- Individuals who work in the city but prefer to live a "neighborhoody" feel
- International students and professionals
- Out-of-state individuals relocating to Seattle
- International families with students at nearby colleges
- Local Eastlakians who are downsizing
- Couples of all ages in transition with a single family home (buying or selling)

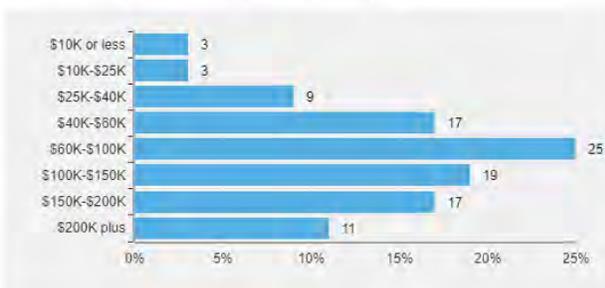
Among the target demographics, most of Eastlake's residents will be working at the following:

- Amazon
- University of Washington
- Fred Hutchinson Cancer Research Center
- Seattle Children's Hospital
- Google
- Facebook
- Adobe
- Tableau
- Various companies in sales or legal services
- Start-up tech/gaming companies
- Consultants
- People on short-term contracts
- Work from home individuals

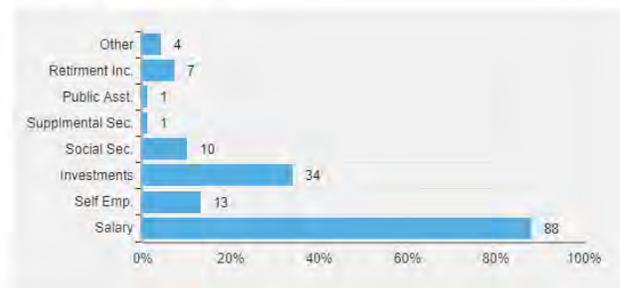
IV. TARGET RESIDENTS

Additional Demographics

Household Income Distribution



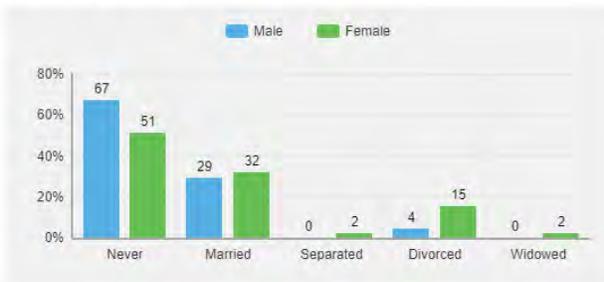
Source Of Income



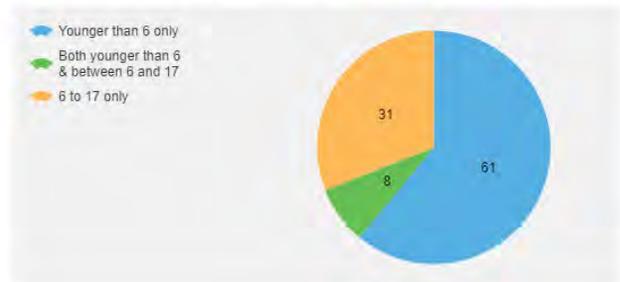
Eastlake Age Breakdown



Marital Status



Age Of Children In Married Couples



Source: The Eastlake, Seattle, WA demographics data displayed above is derived from the 2016 United States Census Bureau American Community Survey (ACS).

IV. TARGET RESIDENTS

Unit Type Demand

The following provides an overall portrait of who we believe the renter to be for certain unit types in the Eastlake apartment market. This information is based on third party data, conversations with property management teams and conversations with employees of shops and restaurants in close vicinity to local apartment projects.

Primary Resident of Studio and Units:

- Individuals in their mid 20s – early 30s
- Students or professionals
- Singles (M&F), never married or recently divorced
- University of Washington employees, or recently graduated alumni looking for work near campus
- Younger international singles whose parents are sponsoring their rent
- International, high-salary professional males sending money back home to families
- Predominantly Amazon employees or UW employees
- Singles from out-of-state coming in for work
- Frequent visitors who need somewhere to stay while visiting family or doing business

Primary Resident of Open-1 Bedroom Units:

- Individuals in their mid 20s – 30s
- Single professionals and divorces
- Ambitious young couples saving for a home
- UW students, or recently graduated alumni looking for work
- Younger singles who's parents are sponsoring their rent to keep them closer to home
- Young Eastsiders who want to try out downtown Seattle
- Individuals employed in the tech, science, and sales industries near the area
- Singles or couples from out-of-state coming in for work
- Frequent visitors who need somewhere to stay while visiting family or doing business
- International, high-salary professional males sending money back home to families

Primary Resident of 1-Bedroom Units:

- Individuals in their late 20s – mid 40s
- Professional fast-track singles
- Professional couples without children
- Individuals employed in the tech, science, and sales industries near the area
- Singles or couples from out-of-state coming in for work
- Eastlake downsizers wanting to stay in the neighborhood
- Former studio or open-1 bedroom dwellers taking a leap into a bigger home and/or a newer apartment building
- Single, active mature Eastlakians looking for a convenient and vibrant lifestyle
- Divorces in transition

IV. TARGET RESIDENTS

Unit Type Demand

The following provides an overall portrait of who we believe the renter to be for certain unit types in the Eastlake apartment market. This information is based on third party data, conversations with property management teams and conversations with employees of shops and restaurants in close vicinity to local apartment projects.

Primary Resident of 2-Bedroom Units:

- Professional couples, late 20s – mid 40s
- Some roommates involving students and recent grads getting their first jobs
- Eastlake couple downsizing from single family home
- Professional couples looking for more space and saving up to purchase a home
- Professional couples who work from home
- New families with young children
- Divorces with part time older kids
- Diverse audience in terms of age and space usage, ranging from young professionals out of college to corporate-climbing professionals
- Former 1-bedroom dwellers taking a leap into a bigger home and/or a newer apartment building

[Name] Apartment Project

BUILDING PROGRAM RECOMMENDATIONS



V. BUILDING PROGRAM RECOMMENDATION

A Local Favorite!

Eastlake is a neighborhood bursting with personality, history, and residents that will protect its small neighborhood feel to the death. It is vibrant, laid back, funky and absolutely wonderful. And just like an onion has many layers, Eastlake continues to unveil all it has to offer the more time you spend there. From the history of Lake Union and the colorful houseboats along its shore, to the hidden micro-parks dotting the shoreline, to the neighborhood shops, restaurants and beloved dive bars, Eastlake is a neighborhood worth celebrating and fully embracing.

A Local Favorite! feels like an extension of all this and more. Cozy, but a little funky. Artsy, but a little odd. Whimsical but authentic and real. On the lake, but also at the bar. Comfortable and confusing all at the same time!

Based on our research, we feel confident that “A Local Favorite!” will be very well received in the Eastlake market, and will cater to a broad demographic profile who has an appreciation for hyperlocal, authentic, and a bit of lovely neighborhood flair.

We recommend striving for the following unit mix, should the site allow:

Unit Type	% of Units	Avg Unit SF	Total Avg Rent	Avg Rent PSF	Recommended Parking Ratio
Studio	25%				.5 per unit
Open 1 Bed	20%				.5 per unit
1 Bed/1 Bath	45%				1 per unit
2 Bed/ 2 Bath	10%				1 per unit
TOTAL/AVG	100%				

*Rent projections are based in 2018 dollars
Total/Avg are not weighted*

V. BUILDING PROGRAM RECOMMENDATION

A Local Favorite!

It is important to stress that the recommended size of these homes is purposeful. Based on our findings in the demand and affordability sections of this report, and studied trends in minimalist living of this target demographic, and the current competitive landscape of new apartment product in the Seattle area, we are seeing well-designed smaller units in the market that are performing well (and that residents love!). However, it is very important that units of this size feel and live larger than they are. Ceiling heights and large windows are critical.

Finally, a word on air conditioning. All new market-rate to luxury product coming online today has air-conditioning (whether it be ports with portable A/C units or in-unit VRF or split system product). Leasing trends and feedback from property management teams and residents have shown that A/C is becoming one, if not the, most important in-home amenity. This is largely due to out-of-state residents who know nothing less than always having A/C as well as hotter summers on average and more hot days in the summertime.

Apartment Essentials

Top Design Elements Needed:

- High ceilings (8'-6" minimum to finished ceiling)
- Lots of light – large windows (floor to ceiling where possible)
- VRF or split system A/C units in all homes
- Quartz countertops
- Full height backsplash in kitchen
- Under cabinet lighting in kitchen
- Coat closet in each home
- Pantry in each home
- Walk-in-closet in 2-bedroom master
- USB plugs in kitchen and bedrooms
- Full size washer/dryer
- Overhead LED lights in bedroom and living room
- Personal outdoor space (Juliette, patio or balcony)
- Bathroom storage (either in vanity or above toilet)
- Undermount sinks
- Smart locks (front unit door)

Building Essentials

Top Design Elements Needed

- Leasing Office
- Package storage lockers and/or storage room
- Bike storage
- Resident storage lockers
- "Family room" gathering/work space
- Game room (darts, pool, game/poker table)
- Outdoor fireplace or firepit (covered from elements a plus)
- Communal BBQ grills
- Proactive rather than reactive security system
- Abundant outdoor landscaping/connection with water
- Pet areas (relief and wash)
- Local artist integration
- Local retail partnerships
- Outdoor equipment resident rental (bikes, skateboards, kayak, paddleboard)
- Photobooth

V. BUILDING PROGRAM RECOMMENDATION

A Local Favorite! Moodboard



[Name] Apartment Project

EXHIBIT: DETAILED COMP INFORMATION



Eastlake Comparable Community Attributes Summary

Supplemental Information for Market Feasibility Study dated 10/19/2018



Community Attributes	Waterton	Shelton Eastlake	East Howe Steps	A.W. Larson	2851 EastLake
In-Units					
Air Conditioning	Yes (VRF) in some	No	No	No	Yes (VRF) in some
Ceiling Fans	No	Yes	Yes	Yes	No
Gas Range	Yes	No	No	No	No
Stainless Steel Appliances	Yes	Yes	Yes	Yes	Upgraded Units Only
Full Height Backsplash	Yes	Yes	Yes	No	No
Under Cabinet Lighting	Yes	Yes	No	No	No
Soft Close Casework	Yes	No	No	No	No
9+ Ceiling Heights	Yes in some	No	No	Yes in some	Yes in some
Decks/Balconies	Yes	Yes in some	Yes in some	Yes in some	Yes in some
Walk-In Closets	Yes	No	Yes in some	Yes in some	Yes in some
Floor to Ceiling Windows	Yes	Yes in some	Yes in some	Yes in some	Yes in some
Roller Shades	Yes	No	No	No	No
Full Size Washer/Dryer	Yes	Yes	Yes	Yes	Yes
Smart Home Technology	No	Thermostat	No	No	No
Amenities					
Community Room	No	Yes, but also leasing	No	Yes	No
Kitchen	No	No	No	Yes	No
Fireplace	No	Yes	No	Yes	No
TV	No	Yes	No	Yes	No
Games	No	No	No	No	No
Fitness Center	No	No	Yes	Yes	Yes
Rooftop Deck	Yes	Yes	Yes	Yes	Yes
BBQ Grills	Yes	Yes	Yes	Yes	Yes
Fire Pit	Yes	No	Yes	No	Yes
Gardening	No	No	No	No	Yes
Water Feature	No	No	No	No	Yes
Covered Seating	No	No	No	No	Yes
Pets	Yes	Yes	Yes, +/-50%	Unknown amount	Yes, +/- 50%
Relief Area	Yes	No	No	No	No
Dog Wash	Yes	No	No	No	No
Kayaks/Paddleboards	No	No	Yes	No	No
Bike Storage	Yes (15 racks)	Yes, demand for more	Yes (75) too much	Unknown	Yes (40) w/ demand
Resident Storage	Yes (8)	Yes (10)	Yes (62) varied sizes	Unknown	Yes (38) varied sizes
Monthly \$	\$50/mo	\$50/mo	\$25/mo (down from \$50)	Unknown	\$40/mo
Demand?	50% occupied	95% occupied	No. Too many	Unknown	Yes
Secured Parking	Yes (39 stalls)	Yes (42 stalls)	Yes (63 stalls)	Unknown	Yes (191) incl retail
Monthly \$	\$175/mo	\$125/mo	\$175/mo	Unknown	\$135/mo
Demand?	Yes	Yes	Yes	Unknown	Yes
Car Charging Stations	No	No	No	No	Currently pricing to add
Package Storage	Yes, lockers	Yes, lockers	No, delivery by staff	Yes	No, delivery by staff
Trash Chutes	No	No	No	No	No
Valet Waste Service	No	No	Yes	Unknown	Yes
Demographic Information					
% Out of State	Unknown but high	>50%	> 60%	Unknown	> 60%
California	unknown	unknown	primary	Unknown	primary
Texas	unknown	unknown	secondary	Unknown	secondary
East Coast	unknown	unknown	secondary	Unknown	secondary
Target Audience	Amazon Professionals	Mix of students/prof	Younger demo	Unknown	Mix of student/prof
Young Professionals	Yes	Yes	Yes	Unknown	Yes
UW Students	No	Yes (smaller units)	Not as many	Unknown	Yes
Eastlake Downsizers	Few	No	Few	Unknown	Few
Roommates	Few	Few	Few	Unknown	Yes
Most Popular Unit	corner 1x1	studio w/ murphy bed	Studio w/ sleeping nook	Unknown	Studios & 2 Br
Challenged Unit	Loft, price point	1x1 w/ small bedroom	"Open 1" - no door	Unknown	Live/Work (Open-1)
Price Point Sweet Spot	lesser price moved first	Less than \$2k	Less than \$2k moves fast	Unknown	\$1,500 - \$1,800
Other Comments	Developer was price oriented. 12 month lease up for 45 homes. No concessions, no rent decreases. Leading the Eastlake market in rental rates.	Students and people new to area love the small studio/murphy bed for price point and turn-key convenience.	People live very minimally and have even downsized to a smaller apt after a year because they don't need that much space.	Unknown	Long term residents (2+ years). Studios and 2 bedrooms are popular due to price point.

2201 Eastlake Ave E - The Waterton Apartments
 Seattle, Washington - Eastlake Neighborhood



PROPERTY	
Property Size:	45 Units, 5 Floors
Avg. Unit Size:	686 SF
Year Built:	Dec 2017
Type:	Apartments - All
Rent Type:	Market/Affordable
Parking:	-
Distance to Subject:	0.2 Miles
Distance to Transit:	16 Minute Walk

PROPERTY MANAGER	
Blanton Turner - The Waterton Apartments	
(206) 673-7170	
OWNER	
-	

UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
Studio	1	466	7	15.6%	0	0.0%	\$1,675	\$3.59	\$1,675	\$3.59	0.0%
1	1	542	13	28.9%	1	7.7%	\$1,975	\$3.64	\$1,975	\$3.64	0.0%
1	1	758	14	31.1%	1	7.1%	\$3,195	\$4.22	\$3,195	\$4.22	0.0%
2	2	903	11	24.4%	1	9.1%	\$3,365	\$3.73	\$3,365	\$3.73	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		466	7	15.6%	0	0.0%	\$1,675	\$3.59	\$1,675	\$3.59	0.0%
All 1 Beds		654	27	60.0%	2	7.4%	\$2,608	\$3.99	\$2,608	\$3.99	0.0%
All 2 Beds		903	11	24.4%	1	9.1%	\$3,365	\$3.73	\$3,365	\$3.73	0.0%
Totals		686	45	100%	3	6.7%	\$2,648	\$3.86	\$2,648	\$3.86	0.0%

— Estimate Updated October 01, 2018

SITE AMENITIES

Elevator, Grill, Laundry Facilities, Pet Washing Station

UNIT AMENITIES

Barbecue Area, Cable Ready, Carpet, Dishwasher, Disposal, Kitchen, Oven, Range

RECURRING EXPENSES

Dog Rent \$35	Cat Rent \$35
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ONE TIME EXPENSES

Dog Deposit \$300	Cat Deposit \$300	Application Fee \$59
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PET POLICY

Cats Allowed - \$300 Deposit, \$35/Mo, 2 Maximum
 Dogs Allowed - \$300 Deposit, \$35/Mo, 2 Maximum
 Restrictions: Breed



SHELTON EASTLAKE

Shelton Eastlake

SHELTON EASTLAKE

2359 Franklin Avenue East
Seattle, WA 98102
(206) 452-9881



Agency Securitization

Number of Units	61
Completion Year	2017
Improvements Rating	B
Location Rating	B
Occupancy	98.4%
Prior Names	No previous names on record

Owner **Shilshole Development**

Mike Yukevich
2811 Fairview Avenue East #1002
Seattle, WA 98102
(206) 777-2088

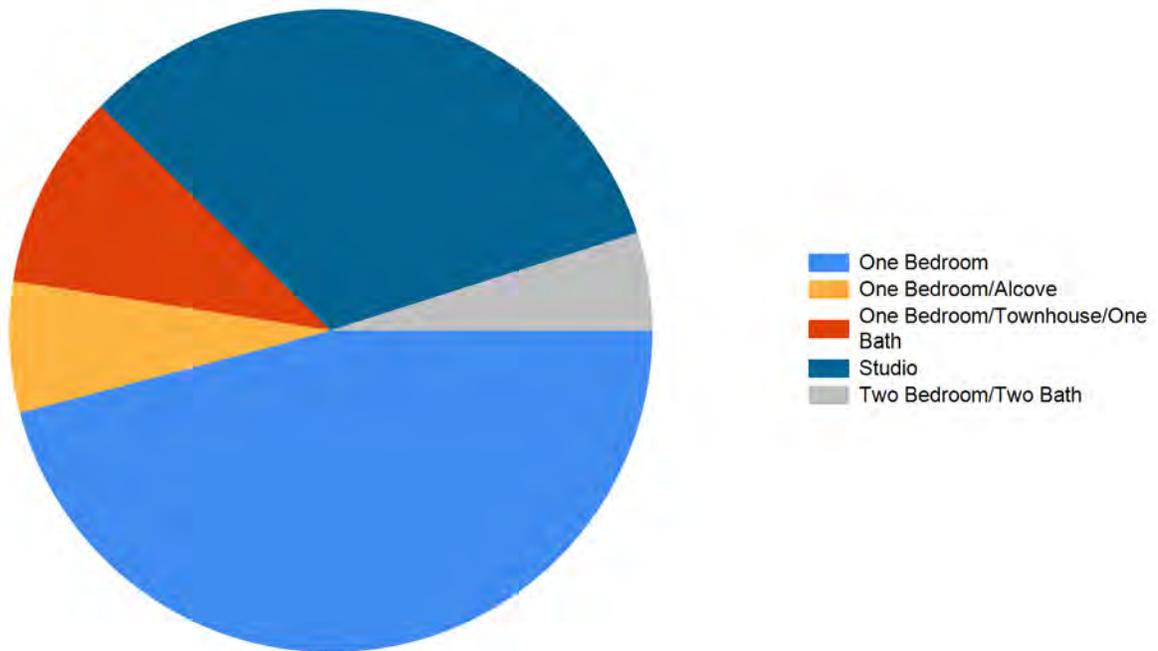
Manager **Thrive Communities**

Kari Anderson
1518 1st Avenue South #500
Seattle, WA 98134
(206) 388-2120

Shelton Eastlake

PROPERTY COMPOSITION

Unit Type	Unit Count	% of Total	Size (SqFt)		Actual Rate	
			Unit	Total	Total	SqFt
Studio	20	32.79%	339	6,770	\$1,457	\$4.30
One Bedroom/Alcove	4	6.56%	448	1,792	\$1,961	\$4.38
One Bedroom	28	45.90%	556	15,563	\$2,021	\$3.64
One Bedroom/Townhouse/One Bath	6	9.84%	756	4,537	\$2,280	\$3.02
Two Bedroom/Two Bath	3	4.92%	870	2,610	\$2,769	\$3.18
Total/Average	61	100%	513	31,272	\$1,894	\$3.69



RENTAL RATE HISTORY – BY YEAR

Per Unit Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2017	2018
Studio	10	275	\$1,314	\$1,293
Studio	10	402	\$1,544	\$1,614
One Bedroom/Alcove	4	448	\$1,918	\$1,937
One Bedroom	20	544	\$1,987	\$1,937
One Bedroom	3	561	\$2,022	\$2,021
One Bedroom	5	600	\$2,060	\$2,088
One Bedroom/Townhouse/One Bath	1	662	\$2,090	\$2,072
One Bedroom/Townhouse/One Bath	5	775	\$2,407	\$2,324
Two Bedroom/Two Bath	3	870	\$2,713	\$2,747
Total/Average	61	513	\$1,879	\$1,869

Per SqFt Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2017	2018
Studio	10	275	\$4.78	\$4.71
Studio	10	402	\$3.84	\$4.02
One Bedroom/Alcove	4	448	\$4.28	\$4.32
One Bedroom	20	544	\$3.65	\$3.56
One Bedroom	3	561	\$3.61	\$3.60
One Bedroom	5	600	\$3.43	\$3.48
One Bedroom/Townhouse/One Bath	1	662	\$3.16	\$3.13
One Bedroom/Townhouse/One Bath	5	775	\$3.11	\$3.00
Two Bedroom/Two Bath	3	870	\$3.12	\$3.16
Total/Average	61	513	\$3.67	\$3.65

PROPERTY CHARACTERISTICS

Common Area Amenities

- Controlled Access
- Clubhouse
- Covered Parking
- Covered Parking Is Available For An Additional \$150 Per Month
- Total Parking - 42 Spaces
- Parking Type - Subterranean
- Rental Office - Stand Alone

Functional Characteristics

- Four and Five Story
- Roof Type - Flat
- Elevator Served
- Construction Type - Frame
- Private Balcony/Patio In Select Units
- Semi-Private Entry
- Fire Sprinklers

Services Provided As

- Heat Individual - Electric
- Individual Domestic Hot Water - Electric

Other Factors

- Agency Securitization
- View - Lake Union
- Traffic Count - 13,050 cars per day

Comments

- Private balcony/patio available in 662, 775 and 870 square foot units.
- Rooftop terrace. Green roof.

Apartment Interior Amenities

- Washer/Dryer In All Units
- Above Standard Ceiling Height
- Microwave Ovens In All Units
- High Speed Internet Access
- Hardwood Floors

Site Characteristics

- Net Site Size - 1.00 acres
- Net Development Density - 61.00 units per acre
- Number of Buildings - 1
- County - King
- Assessors Parcel Number(s) - 290220-0906

Utilities Metering

- Electricity (Individual)
- Water (Central)

Utilities Responsibility

- Resident Pays Electricity
- Resident Pays Sewer
- Resident Pays Trash Removal
- Resident Pays Water



EAST HOWE STEPS

East Howe Steps

EAST HOWE STEPS

1823 Eastlake Avenue East
Seattle, WA 98102
(206) 485-5305



Number of Units	96
Completion Year	2017
Improvements Rating	A-
Location Rating	A-
Occupancy	93.8%
Prior Names	No previous names on record

Owner Bender Equities

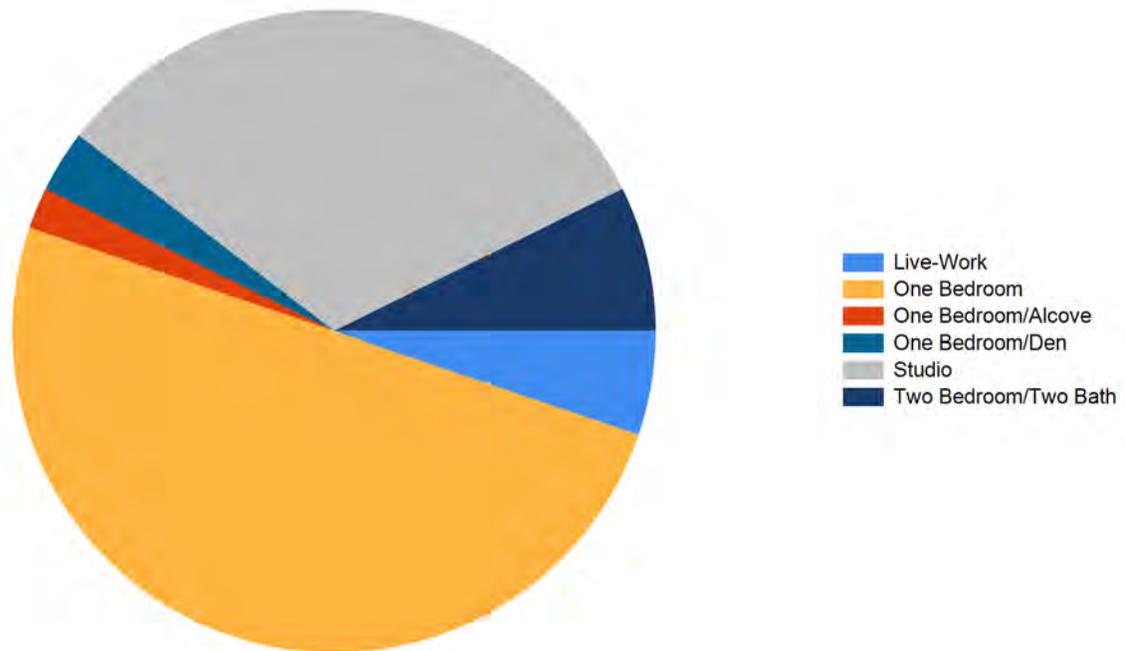
Fred H. Bender
20285 NW Amberwood Drive
Hillsboro, OR 97124
(503) 645-6269

Manager Greystar Management

Brandon Rich
5445 DTC Pkwy Penthouse 1
Greenwood Village, CO 80111
(303) 647-5610

PROPERTY COMPOSITION

Unit Type	Unit Count	% of Total	Size (SqFt)		Actual Rate	
			Unit	Total	Total	SqFt
Studio	31	32.29%	476	14,748	\$1,789	\$3.74
One Bedroom/Alcove	2	2.08%	454	907	\$1,698	\$3.74
Live-Work	4	4.17%	901	3,605	\$2,784	\$2.93
Live-Work	1	1.04%	1,148	1,148	\$2,784	\$2.93
One Bedroom	48	50.00%	645	30,954	\$2,302	\$3.50
One Bedroom/Den	3	3.13%	945	2,835	\$2,980	\$3.15
Two Bedroom/Two Bath	7	7.29%	913	6,388	\$3,055	\$3.35
Total/Average	96	100%	631	60,585	\$2,242	\$3.47



RENTAL RATE HISTORY – BY YEAR

Per Unit Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2016	2017	2018
Studio	2	436		\$1,641	\$1,601
Studio	1	436			
Studio	2	437		\$1,759	\$1,718
Studio	1	474			
Studio	2	474		\$1,790	\$1,756
Studio	1	477		\$1,770	\$1,737
Studio	3	484	\$1,597	\$1,820	\$1,791
Studio	2	485		\$1,906	\$1,870
Studio	9	490		\$1,837	\$1,798
Studio	3	490			
Studio	3	497		\$1,749	\$1,718
One Bedroom/Alcove	1	433		\$1,601	\$1,611
One Bedroom/Alcove	1	474	\$1,604	\$1,687	\$1,722
One Bedroom	7	491	\$1,604	\$1,773	\$1,761
One Bedroom	2	491			
One Bedroom	1	525			
One Bedroom	3	596			
One Bedroom	2	596	\$1,971	\$2,174	\$2,138
One Bedroom	2	633			
One Bedroom	1	639	\$2,052	\$2,229	\$2,236
One Bedroom	2	639			
One Bedroom	3	657		\$2,409	\$2,345
One Bedroom	9	683		\$2,303	\$2,129
One Bedroom	2	688		\$2,333	\$2,327
One Bedroom	3	705		\$2,425	\$2,427
One Bedroom	3	721		\$2,535	\$2,540
One Bedroom	2	723	\$2,306	\$2,530	\$2,550
One Bedroom	3	738		\$2,651	\$2,658

Per Unit Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2016	2017	2018
One Bedroom	1	775		\$3,188	\$3,202
One Bedroom	1	796			
One Bedroom	1	844		\$2,925	\$2,915
Live-Work	1	845		\$3,697	\$2,866
Live-Work	1	876		\$2,810	\$2,733
Live-Work	2	942	\$2,932	\$3,001	\$2,824
One Bedroom/Den	3	945	\$2,999	\$3,037	\$2,957
Live-Work	1	1,148		\$2,702	\$2,731
Two Bedroom/Two Bath	1	818	\$2,760	\$2,845	\$2,883
Two Bedroom/Two Bath	3	888	\$3,094	\$3,124	\$2,882
Two Bedroom/Two Bath	1	921		\$3,654	\$3,628
Two Bedroom/Two Bath	1	1,064		\$3,182	\$2,753
Total/Average	93	632	\$2,206	\$2,281	\$2,211

Per SqFt Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2016	2017	2018
Studio	2	436		\$3.77	\$3.67
Studio	1	436			
Studio	2	437		\$4.03	\$3.93
Studio	1	474			
Studio	2	474		\$3.78	\$3.71
Studio	1	477		\$3.71	\$3.64
Studio	3	484	\$3.30	\$3.76	\$3.70
Studio	2	485		\$3.93	\$3.86
Studio	9	490		\$3.75	\$3.67
Studio	3	490			
Studio	3	497		\$3.52	\$3.46
One Bedroom/Alcove	1	433		\$3.70	\$3.72
One Bedroom/Alcove	1	474	\$3.38	\$3.56	\$3.63
One Bedroom	7	491	\$3.27	\$3.61	\$3.59
One Bedroom	2	491			

Per SqFt Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2016	2017	2018
One Bedroom	1	525			
One Bedroom	3	596			
One Bedroom	2	596	\$3.31	\$3.65	\$3.59
One Bedroom	2	633			
One Bedroom	1	639	\$3.21	\$3.49	\$3.50
One Bedroom	2	639			
One Bedroom	3	657		\$3.67	\$3.57
One Bedroom	9	683		\$3.37	\$3.12
One Bedroom	2	688		\$3.39	\$3.38
One Bedroom	3	705		\$3.44	\$3.44
One Bedroom	3	721		\$3.52	\$3.52
One Bedroom	2	723	\$3.19	\$3.50	\$3.53
One Bedroom	3	738		\$3.59	\$3.60
One Bedroom	1	775		\$4.11	\$4.13
One Bedroom	1	796			
One Bedroom	1	844		\$3.47	\$3.45
Live-Work	1	845		\$4.38	\$3.39
Live-Work	1	876		\$3.21	\$3.12
Live-Work	2	942	\$3.11	\$3.19	\$3.00
One Bedroom/Den	3	945	\$3.17	\$3.21	\$3.13
Live-Work	1	1,148		\$2.35	\$2.38
Two Bedroom/Two Bath	1	818	\$3.37	\$3.48	\$3.52
Two Bedroom/Two Bath	3	888	\$3.48	\$3.52	\$3.25
Two Bedroom/Two Bath	1	921		\$3.97	\$3.94
Two Bedroom/Two Bath	1	1,064		\$2.99	\$2.59
Total/Average	93	632	\$3.27	\$3.52	\$3.42

PROPERTY CHARACTERISTICS

Common Area Amenities

- Controlled Access
- Clubhouse
- Covered Parking
- Covered Parking Is Available For An Additional \$175 Per Month
- Total Parking - 70 Spaces
- Parking Type - Subterranean
- Rental Office - Stand Alone

Functional Characteristics

- Four Story - First Floor Includes Retail
- Roof Type - Flat
- Elevator Served
- Construction Type - Frame
- Private Balcony/Patio In Select Units
- Indoor Corridor
- Fire Sprinklers

Services Provided As

- Heat Individual - Electric
- Central Domestic Hot Water - Gas

Other Factors

- Major Street Exposure - Eastlake Avenue East
- Partially Affordable
- View - Lake Union
- Traffic Count - 12,321 cars per day

Comments

- 19 units are affordable.
525, 633 and 796 square foot units and select 436, 437, 474, 490, 491, 596, 639 and 921 square foot units are reserved for low income housing.
- Includes 3,139 square feet of retail.
- Private balcony/patio available in 484, 491, 657, 683, 723, 738, 844, 845, 876, 942, 945 and 1148 square foot units and select 474, 596 and 705 square foot units.
- Rooftop terrace.

Apartment Interior Amenities

- Washer/Dryer In All Units
- Above Standard Ceiling Height
- Microwave Ovens In All Units
- High Speed Internet Access

Site Characteristics

- Net Site Size - 0.64 acres
- Net Development Density - 150.00 units per acre
- Number of Buildings - 2
- County - King
- Assessors Parcel Number(s) - 202504-9038, 202504-9039, 338390-0125, 408880-2645

Utilities Metering

- Gas (Central)
- Electricity (Individual)
- Water (Central)

Utilities Responsibility

- Resident Pays Electricity
- Resident Pays Gas
- Resident Pays Sewer
- Resident Pays Trash Removal
- Resident Pays Water



3206 Harvard Ave E

A.W. Larson Building

50 Unit Apartment Building

Seattle, Washington - Portage Bay Neighborhood

3206 Harvard Ave E - A.W. Larson Building

Seattle, Washington - Portage Bay Neighborhood



PROPERTY

No. of Units:	50
Stories:	4
Avg. Unit Size:	517 SF
Type:	Apartments - All
Rent Type:	Market
Year Built:	Dec 2016
Parking:	-
Distance to Transit:	-

PROPERTY MANAGER

Bonavista - Larson Building
(206) 486-5861

OWNER

GranCorp, Inc.

ASKING RENTS PER UNIT/SF

Current:	\$1,638	\$3.06 /SF
Last Quarter:	\$1,662	\$3.11 /SF
Year Ago:	\$1,645	\$3.07 /SF
Competitors:	\$2,186	\$3.21 /SF
Submarket:	\$1,669	\$2.65 /SF

VACANCY

Current:	2.0%	1 Unit
Last Quarter:	2.0%	1 Unit
Year Ago:	4.0%	2 Units
Competitors:	6.2%	156 Units
Submarket:	3.8%	972 Units

12 MONTH NET ABSORPTION

Current:	3 Units
Competitor Total:	28 Units
Competitor Avg:	1.6 Units
Submarket Total:	1,219 Units
Submarket Avg:	1.2 Units

UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
Studio	1	343	10	20.0%	1	10.0%	\$1,445	\$4.21	\$1,438	\$4.19	0.5%
Studio	1	587	10	20.0%	1	10.0%	\$1,695	\$2.89	\$1,687	\$2.87	0.5%
Studio	1	721	2	4.0%	1	50.0%	\$2,145	\$2.98	\$2,135	\$2.96	0.5%
1	1	-	-	-	-	-	\$1,995	-	\$1,986	-	0.5%
1	1	455	11	22.0%	0	0.0%	\$1,351	\$2.97	\$1,345	\$2.96	0.4%
1	1	465	10	20.0%	1	10.0%	\$1,625	\$3.49	\$1,618	\$3.48	0.4%
1	1	526	2	4.0%	1	50.0%	\$1,695	\$3.22	\$1,688	\$3.21	0.4%
1	1	878	5	10.0%	1	20.0%	\$2,195	\$2.50	\$2,185	\$2.49	0.4%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		488	22	44.0%	3	13.6%	\$1,622	\$3.32	\$1,615	\$3.31	0.5%
All 1 Beds		539	28	56.0%	3	10.7%	\$1,649	\$3.01	\$1,642	\$3.00	0.4%
Totals		517	50	100%	6	12.0%	\$1,638	\$3.14	\$1,630	\$3.13	0.5%

— Estimate Updated October 11, 2018

SITE AMENITIES

Bike Storage	Controlled Access	Fitness Center
Laundry Facilities	Lounge	Package Service
Rooftop Lounge		

3206 Harvard Ave E - A.W. Larson Building

Seattle, Washington - Portage Bay Neighborhood

UNIT AMENITIES

Air Conditioning	Dishwasher	Heating
Ice Maker	Kitchen	Oven
Range	Refrigerator	Tub/Shower
Wheelchair Accessible (Rooms)		

RECURRING EXPENSES

Dog Rent \$15	Cat Rent \$15	Unassigned Surface Lot Parking \$50
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ONE TIME EXPENSES

Dog Deposit \$300	Cat Deposit \$300	Application Fee \$40
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PET POLICY

Cats Allowed - \$300 Deposit, \$15/Mo, 2 Maximum
Dogs Allowed - \$300 Deposit, \$15/Mo, 2 Maximum, Maximum Weight 75 lb
Restrictions: Breed Restrictions



EASTLAKE 2851

Eastlake 2851

EASTLAKE 2851

2851 Eastlake Avenue East
Seattle, WA 98102
(206) 329-1095

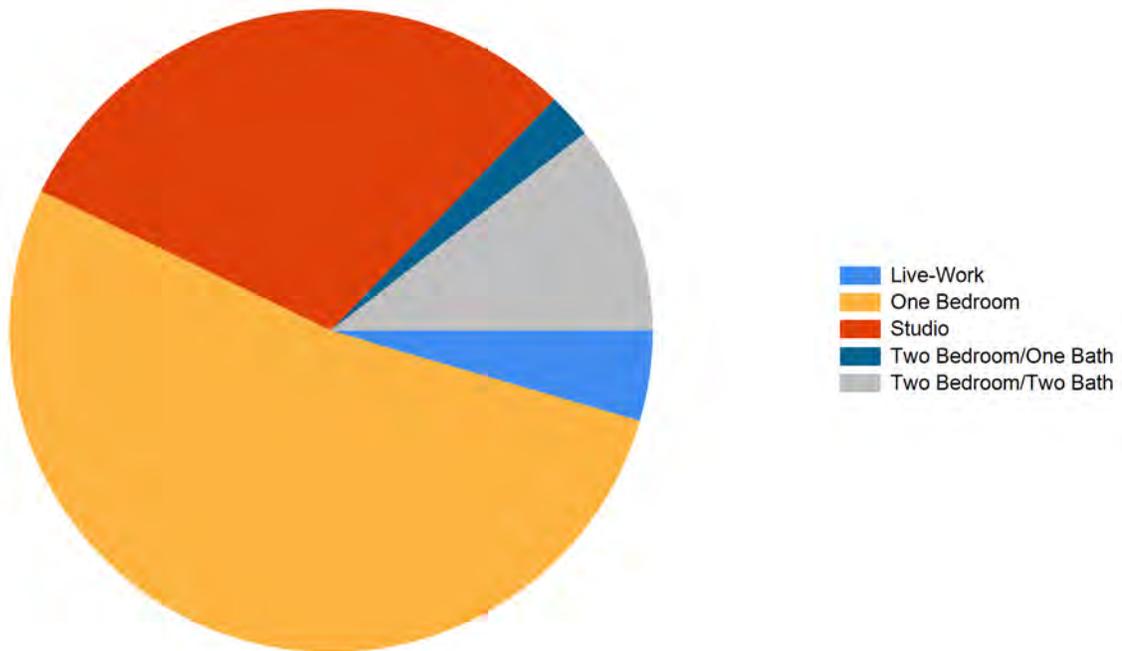


Number of Units	133
Completion Year	2008
Improvements Rating	B+
Location Rating	B
Occupancy	94.0%
Prior Names	Eastlake 2851 on Lake Union Union Lake

<p>Owner Zurich Alternative Asset Management Sean Bannon 150 Greenwich Street 52nd Floor New York, NY 10007 (917) 534-4500</p>
<p>Manager Greystar Management Brandon Rich 5445 DTC Pkwy Penthouse 1 Greenwood Village, CO 80111 (303) 647-5610</p>

PROPERTY COMPOSITION

Unit Type	Unit Count	% of Total	Size (SqFt)		Actual Rate	
			Unit	Total	Total	SqFt
Studio	40	30.08%	471	18,850	\$1,531	\$3.25
Live-Work	6	4.51%	668	4,008	\$1,901	\$2.85
One Bedroom	70	52.63%	682	47,744	\$2,264	\$3.32
Two Bedroom/One Bath	3	2.26%	800	2,400	\$2,699	\$3.37
Two Bedroom/Two Bath	14	10.53%	795	11,130	\$2,744	\$3.45
Total/Average	133	100%	633	84,132	\$2,087	\$3.30



RENTAL RATE HISTORY – BY YEAR

Per Unit Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2014	2015	2016	2017	2018
Studio	8	435	\$1,431	\$1,533	\$1,485	\$1,592	\$1,536
Studio	6	460	\$1,532	\$1,569	\$1,551	\$1,646	\$1,562
Studio	26	485	\$1,605	\$1,547	\$1,740	\$1,832	\$1,664
One Bedroom	3	510	\$1,710	\$1,773	\$1,968	\$2,024	\$1,974
One Bedroom	4	540	\$1,831	\$1,927	\$1,875	\$2,142	\$2,652
One Bedroom	2	550	\$1,704	\$1,694	\$1,940	\$2,209	\$2,643
One Bedroom	1	575	\$1,740	\$1,921	\$1,946	\$2,216	\$2,707
One Bedroom	2	580	\$1,765	\$1,966	\$1,654	\$1,929	\$2,289
One Bedroom	6	585	\$1,797	\$1,704	\$1,903	\$2,140	\$2,060
One Bedroom	2	600	\$1,922	\$1,834	\$1,886	\$1,931	\$2,394
One Bedroom	1	615	\$1,884	\$1,872	\$1,636	\$1,812	\$2,236
One Bedroom	2	635	\$1,907	\$1,829	\$1,651	\$1,710	\$2,061
One Bedroom	3	663	\$1,959	\$1,904	\$2,005	\$2,211	\$2,529
Live-Work	6	668	\$1,991	\$1,928	\$2,004	\$1,989	\$1,891
One Bedroom	1	670	\$1,980	\$2,001	\$1,744	\$2,044	\$2,573
One Bedroom	4	705	\$2,019	\$2,078	\$1,920	\$2,147	\$2,165
One Bedroom	22	730	\$1,905	\$1,770	\$2,098	\$2,147	\$2,024
One Bedroom	8	760	\$2,072	\$1,808	\$1,894	\$2,006	\$2,477
One Bedroom	2	765	\$2,079	\$1,934	\$1,923	\$1,889	\$2,155
One Bedroom	5	775	\$2,111	\$1,928	\$1,924	\$1,809	\$2,257
One Bedroom	2	800	\$2,219	\$2,049	\$2,026	\$2,155	\$2,371
Two Bedroom/One Bath	2	770	\$2,463	\$2,184	\$2,121	\$2,634	\$2,883
Two Bedroom/One Bath	1	860	\$2,415	\$2,103	\$2,357	\$2,224	\$2,291
Two Bedroom/Two Bath	6	770	\$2,544	\$2,228	\$2,528	\$2,953	\$2,793
Two Bedroom/Two Bath	2	775	\$2,380	\$2,349	\$2,757	\$2,859	\$2,933
Two Bedroom/Two Bath	1	792	\$2,391	\$2,348	\$2,821	\$2,598	\$2,657
Two Bedroom/Two Bath	2	800	\$2,553	\$2,462	\$2,455	\$2,511	\$2,574
Two Bedroom/Two Bath	2	810	\$2,624	\$2,503	\$2,370	\$2,598	\$2,663

Per Unit Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2014	2015	2016	2017	2018
Two Bedroom/Two Bath	1	948	\$2,688	\$2,573	\$2,375	\$2,445	\$2,464
Total/Average	133	633	\$1,893	\$1,817	\$1,937	\$2,054	\$2,096

Per SqFt Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2014	2015	2016	2017	2018
Studio	8	435	\$3.29	\$3.53	\$3.41	\$3.66	\$3.53
Studio	6	460	\$3.33	\$3.41	\$3.37	\$3.58	\$3.40
Studio	26	485	\$3.31	\$3.19	\$3.59	\$3.78	\$3.43
One Bedroom	3	510	\$3.35	\$3.48	\$3.86	\$3.97	\$3.87
One Bedroom	4	540	\$3.39	\$3.57	\$3.47	\$3.97	\$4.91
One Bedroom	2	550	\$3.10	\$3.08	\$3.53	\$4.02	\$4.81
One Bedroom	1	575	\$3.03	\$3.34	\$3.39	\$3.85	\$4.71
One Bedroom	2	580	\$3.04	\$3.39	\$2.85	\$3.33	\$3.95
One Bedroom	6	585	\$3.07	\$2.91	\$3.25	\$3.66	\$3.52
One Bedroom	2	600	\$3.20	\$3.06	\$3.14	\$3.22	\$3.99
One Bedroom	1	615	\$3.06	\$3.04	\$2.66	\$2.95	\$3.64
One Bedroom	2	635	\$3.00	\$2.88	\$2.60	\$2.69	\$3.25
One Bedroom	3	663	\$2.96	\$2.87	\$3.03	\$3.34	\$3.82
Live-Work	6	668	\$2.98	\$2.89	\$3.00	\$2.98	\$2.83
One Bedroom	1	670	\$2.96	\$2.99	\$2.60	\$3.05	\$3.84
One Bedroom	4	705	\$2.86	\$2.95	\$2.72	\$3.05	\$3.07
One Bedroom	22	730	\$2.61	\$2.43	\$2.87	\$2.94	\$2.77
One Bedroom	8	760	\$2.73	\$2.38	\$2.49	\$2.64	\$3.26
One Bedroom	2	765	\$2.72	\$2.53	\$2.51	\$2.47	\$2.82
One Bedroom	5	775	\$2.72	\$2.49	\$2.48	\$2.33	\$2.91
One Bedroom	2	800	\$2.77	\$2.56	\$2.53	\$2.69	\$2.96
Two Bedroom/One Bath	2	770	\$3.20	\$2.84	\$2.75	\$3.42	\$3.74
Two Bedroom/One Bath	1	860	\$2.81	\$2.45	\$2.74	\$2.59	\$2.66
Two Bedroom/Two Bath	6	770	\$3.31	\$2.89	\$3.28	\$3.84	\$3.63
Two Bedroom/Two Bath	2	775	\$3.07	\$3.03	\$3.56	\$3.69	\$3.79

Per SqFt Monthly Rental Rates

Unit Type	Unit Count	Unit Size	2014	2015	2016	2017	2018
Two Bedroom/Two Bath	1	792	\$3.02	\$2.97	\$3.56	\$3.28	\$3.36
Two Bedroom/Two Bath	2	800	\$3.19	\$3.08	\$3.07	\$3.14	\$3.22
Two Bedroom/Two Bath	2	810	\$3.24	\$3.09	\$2.93	\$3.21	\$3.29
Two Bedroom/Two Bath	1	948	\$2.84	\$2.71	\$2.51	\$2.58	\$2.60
Total/Average	133	633	\$3.00	\$2.87	\$3.06	\$3.25	\$3.31

PROPERTY CHARACTERISTICS

Common Area Amenities

- Controlled Access
- Fitness Center
- Partial Covered Parking
- Total Parking - 182 Spaces
- Parking Type - Subterranean
- Garage Parking Is Available For An Additional \$75 Per Month
- Rental Office - Stand Alone

Functional Characteristics

- Four Story - Over Parking and 8,500 Square Feet of Retail
- Roof Type - Flat
- Elevator Served
- Construction Type - Combination
- Tub and Shower Enclosures - Unitized Fiberglass
- Private Balcony/Patio In Select Units
- Indoor Corridor
- Fire Sprinklers

Services Provided As

- Heat Central - Electric
- Central Domestic Hot Water - Electric

Other Factors

- View - Lake Union
- Traffic Count - 11,935 cars per day

Apartment Interior Amenities

- Washer/Dryer In All Units
- Stacked Washer/Dryer In All Units
- Above Standard Ceiling Height
- Dual-Pane Glass
- Microwave Ovens In All Units
- High Speed Internet Access - Comcast

Site Characteristics

- Net Site Size - 0.89 acres
- Net Development Density - 149.44 units per acre
- Number of Buildings - 1
- County - King
- Assessors Parcel Number(s) - 195970-1320, 195970-1325, 195970-1330

Utilities Metering

- Electricity (Individual)
- Water (Central)

Utilities Responsibility

- Resident Pays Electricity
- Resident Pays Sewer
- Resident Pays Trash Removal
- Resident Pays Water

Utilities Provided By

- Electric - Seattle City Light
- Water - Seattle Public Utilities

[Name] Apartment Project

THANK YOU

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