

REDMOND OFFICE CENTER

BUILDING 4

OWNER / USER DEVELOPMENT OPPORTUNITY | OFFERING BROCHURE





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1 EXECUTIVE SUMMARY

SITE SUMMARY

Lee & Associates, as exclusive advisor, is pleased to represent the sale of Redmond Office Center, Building 4.

The office building is two-stories and consist of approximately 9,000 SF. The zoning, Anderson Park (AP), permits a wide variety of users including office and medical. The Building is multi-tenanted containing 26 tenants, styled as executive suites.

This offering presents an opportunity for owner/user investors, and developers. Investors can take advantage of the current cash flow, improving returns with the market. Owner/users may acquire the building and enjoy cash flow with occupancy.

PROPERTY DETAIL	BUILDING #4
Address	7981 168th Ave NE Redmond, WA 98052
Sale Price	\$4,750,000
Lot Size	19,000 SF / 0.44 AC
Building Size	9,098 SF
Year Built / Renovated	1986
Sale Type	Investment / Owner User
Occupancy	100%



Redmond Office Center is an eight-building office complex totaling 68,212 SF, situated in one of the most sought after submarkets in the region.

2 THE PROPERTY

RARE OPPORTUNITY

- Opportunity to acquire one of the buildings as an owner/user investment property in Central Redmond, with high value-add potential.
- A development potential exists with an opportunity to acquire adjacent parcels for development.
- Well-maintained two-story wood frame structures with multi-tenant options and a great mix of private offices and open work space.
- The property offers abundant free surface parking at 4 stalls per 1,000 SF.

SUPERIOR AMENITIES

- Located near Downtown Redmond with convenient access to all downtown locations.
- Location is near Redmond Town Center with an abundance of amenities and great access to SR-520. Nearby amenities include Starbucks, Panera Bread, The UPS Store and Emerald Smoothie.
- Close to community amenities including King County's Marymoor Park, a 20,000-square-foot community center offering activities, rentals, and a comfortable space to disconnect and recharge.



LOCATION AERIAL | SITE PLAN



REDMOND
OFFICE CENTER

Redmond
Elementary School

Building #4

REDMOND WAY

NE 80TH ST

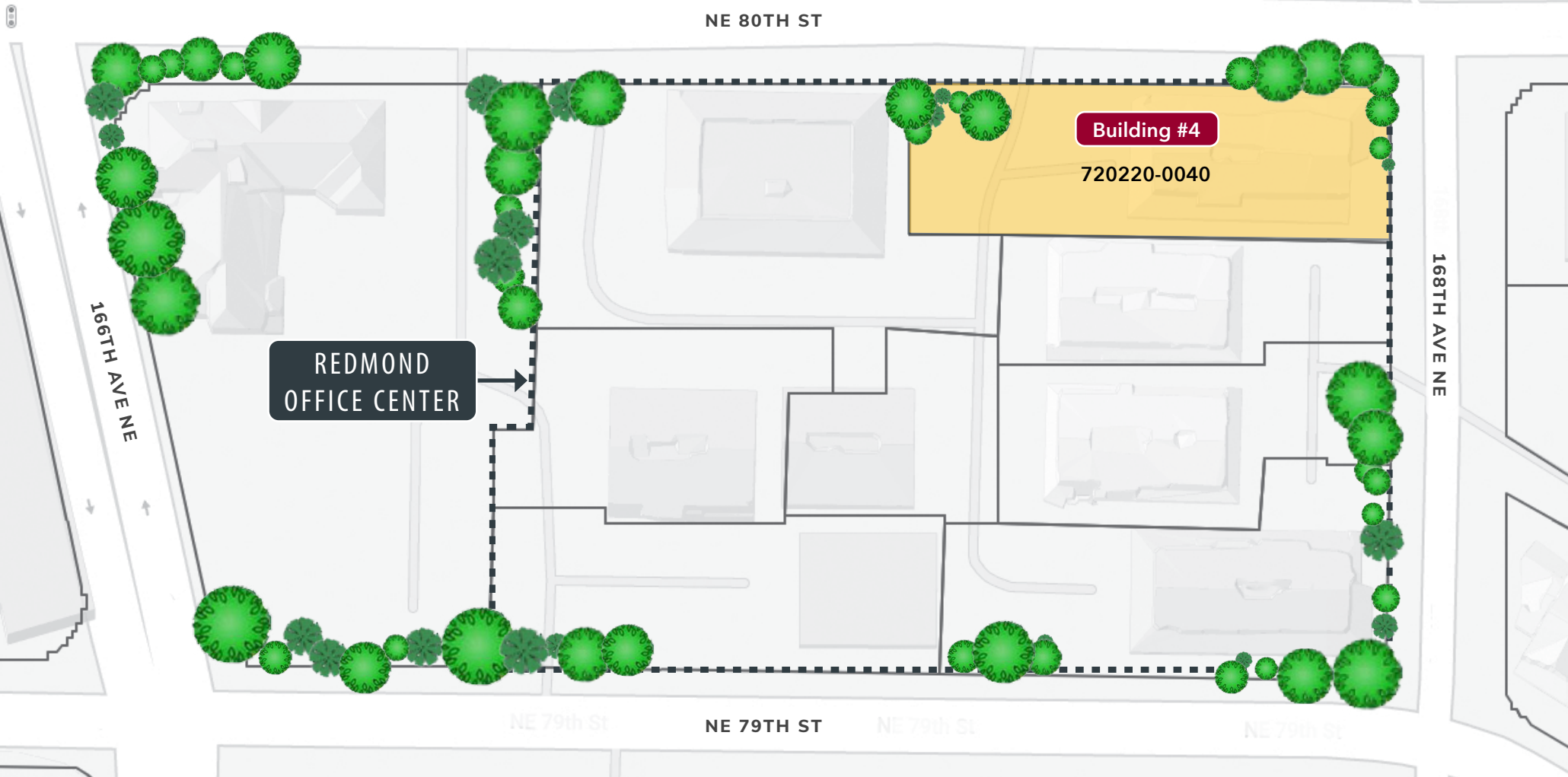
168TH AVE NE

NE 79TH ST

NE 80TH ST



PARCEL MAP



3 LOCATION

The Eastside office market is made up of the area east of Lake Washington bounded by the I-90 Corridor, the Cascade foothills, Lake Washington, and Canyon Park. Submarkets within the Eastside include Bellevue CBD, SR-520 and I-90 Corridors, Redmond, Kirkland, Coal Creek/Issaquah, and Mercer Island. Due to its advantageous location and quality of life attributes, the area draws a critical mass of Fortune 500 companies and well-known industries such as Paccar, Symetra, Microsoft, Nintendo, Google, Boeing, T-Mobile, Expedia, Costco, Amazon and more.

These large demand driving companies have spurred the Eastside's growth, creating exceptional employment through support services and the clustering effect of technology firms located in close proximity to one another. The business growth trends have created significant increases in real estate values and have made the Eastside one of the top ranked submarkets in the nation.









EASTSIDE AERIAL










4 COMPARABLE PROPERTIES

In our evaluation, 100% of the sales comparables were considered over the last 18 months for owner user buildings located on the Eastside, which found an average sales price of **\$4,065,043**, or **\$567.29/SF**.

# Transactions	13
Time Period	18 Months (01/01/22 - 07/19/23)
Average SF	7,166 SF
Average Price	\$4,065,043
Average \$/SF	\$567.29

Photo	Property	Type	Yr Built	Size	Sale Date	Price	Price/SF
	8290 165th Ave NE Redmond, WA	Office	1923	1,470	06/29/23	\$1,350,000	\$918
	Building A 1600 148th Ave Bellevue, WA	Office Live/Work Unit	1977	4,496	04/21/23	\$2,800,000	\$623
	Triland Square Building 8250 165th Ave NE Redmond, WA	Office	1985	7,857	01/05/23	\$3,250,000	\$414
	123 Bellevue 123 105th Ave SE Bellevue, WA	Office	1988	6,490	09/30/22	\$4,313,425	\$665
	Forum South - Bldg 2 4311 11th Ave NE	Office	1982	7,429	08/31/22	\$4,450,000	\$599
	Totem Lake Center 13128 Totem Lake Blvd Kirkland, WA	Office	1982	11,142	08/02/22	\$4,850,000	\$435

COMPARABLE PROPERTIES

Photo	Property	Type	Yr Built	Size	Sale Date	Price	Price/SF
	Redmond Office Center Building 8 16650 NE 79th St Redmond, WA	Medical	1986	7,484	07/26/22	\$3,850,000	\$514
	Building 1 12310 NE 8th St Bellevue, WA	Medical	1984	7,672	07/22/22	\$5,100,000	\$665
	Northrup North Bldg B 2310 130th Ave NE Bellevue, WA	Office	1985	17,144	07/01/22	\$8,767,635	\$511
	12735 Willows Building 12735 Willows Rd NE Kirkland, WA	Office Live/Work Unit	1992	6,909	06/06/22	\$3,770,000	\$546
	SharpeVision Modern Lasik 2285 116th Ave NE Bellevue, WA	Office	1979	4,293	04/29/22	\$4,019,500	\$936
	902 140th Ave NE Bellevue, WA	Office	1982	8,990	03/08/22	\$5,450,000	\$606
	Family Dental Building 33609 SE Redmond-Fall City Rd Fall City, WA	Medical	1904	1,779	03/07/22	\$875,000	\$492

5 RENT VS. OWN

OWN	
Purchase Price	\$4,750,000
Build-Out / Tenant Improvements (\$0/SF)	\$-
Total Project Cost	\$4,750,000
Down Payment (20%)	\$950,000
Loan Amount (80% LTV)	\$3,800,000
Costs (.5% Loan Fee + Appraisal + Phase I)	\$24,000
Total Out of Pocket Expense (Down + Costs)	\$974,000
Monthly Payment (5/25 @ 5.75%)	\$24,090
Monthly Principal Reduction (Average of 1st 12-months)	\$5,781
Monthly NNN Expense (\$8/SF)	\$6,065.33
Monthly 3rd Party Rental Income (6,133*32)	\$16,866
Monthly Out of Pocket Expense	\$30,155
Annual Out of Pocket Expense	\$361,861
Net Monthly Expense (Payment - Principal + NNN)	\$7,508
Net Annual Expense (Payment - Principal + NNN)	\$292,484

RENT	
Rentable Space	\$2,965
Monthly Rent	\$8,895
Monthly NNN Expense	\$-
Net Actual Monthly Expense	\$8,895
Net Actual Annual Expense	\$106,740

COMPARISON	
Annual Cost of Ownership	\$361,861
Annual Principal Reduction (Year #1)	\$69,377
Annual 3rd Party Rental Income	\$202,389
Net Annual Cost of Ownership (Excluding appreciation)	\$90,095
Net Annual Cost to Lease (Excluding Increases)	\$106,740
Annual Difference in Favor of Ownership	<u>\$16,645</u>



RENT VS. OWN DATA			
Bldg Square footage	9,098	Market Rental Rate	\$36.00
Rental Space	6,133	Rental Rate	\$25.00
Occupant Space	2,965	NNN	\$8.00



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