

OFFERING MEMORANDUM

THE HUNGATE BUILDING

214-222 E. MAIN ST. WALLA WALLA, WA



*Opportunity: Mixed-use historic building in the heart of
downtown Walla Walla*

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Location Summary

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THE OFFERING

The HH Hungate Building presents a rare opportunity to acquire a trophy historic asset in the heart of downtown Walla Walla, one of the Pacific Northwest's most vibrant and desirable lifestyle and tourism-driven markets. Situated on Main Street, the city's primary commercial corridor, the property is surrounded by award-winning restaurants, tasting rooms, boutique retail, and cultural destinations that define downtown Walla Walla's energy and appeal.

Walla Walla has emerged as an internationally recognized destination anchored by its renowned wine industry, acclaimed culinary scene, and strong regional tourism demand. With over 120 wineries in the Walla Walla Valley, a highly walkable downtown, and consistent visitation from Seattle, Portland, and beyond, the market benefits from durable hospitality-driven demand and long-term investment momentum.

Constructed in 1930, the HH Hungate Building is a classic masonry structure featuring elevator service and a highly functional mixed-use configuration, with commercial space on the ground floor and residential or hotel use on the second floor. The upper-floor units are currently operated as short-term lodging, offering new ownership the flexibility to continue hotel operations or convert the units to long-term apartment rentals.

A truly distinguishing feature of the property is its 38 off-street parking stalls, an exceptionally rare amenity in downtown Walla Walla that materially enhances tenant demand, operational flexibility, and long-term value.

With its historic character, irreplaceable parking, mixed-use versatility, and prime Main Street location, the Hungate Building offers investors a unique opportunity to acquire a cornerstone asset in one of Washington State's most compelling downtown markets.

FINANCIAL SUMMARY

Asking Price:	\$2,400,000
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Gross Building Area:	16,950
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Price Per GBA:	\$142
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NRSF (including basement):	14,638
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Price Per NRSF:	\$164
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NRSF (Excluding Basement)	10,538
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Price Per NRSF:	\$228
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Market NOI:	\$180,000
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Market CAP:	7.50%
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Market NOI has been underwritten assuming the residential units are leased as long-term apartments. However, the property benefits from meaningful operational flexibility, as short-term rentals are a permitted use within the Central Commercial (CC) zoning, allowing a buyer to continue operating the units as short-term accommodations (Airbnb/VRBO), consistent with current Hungate Hotel operations.

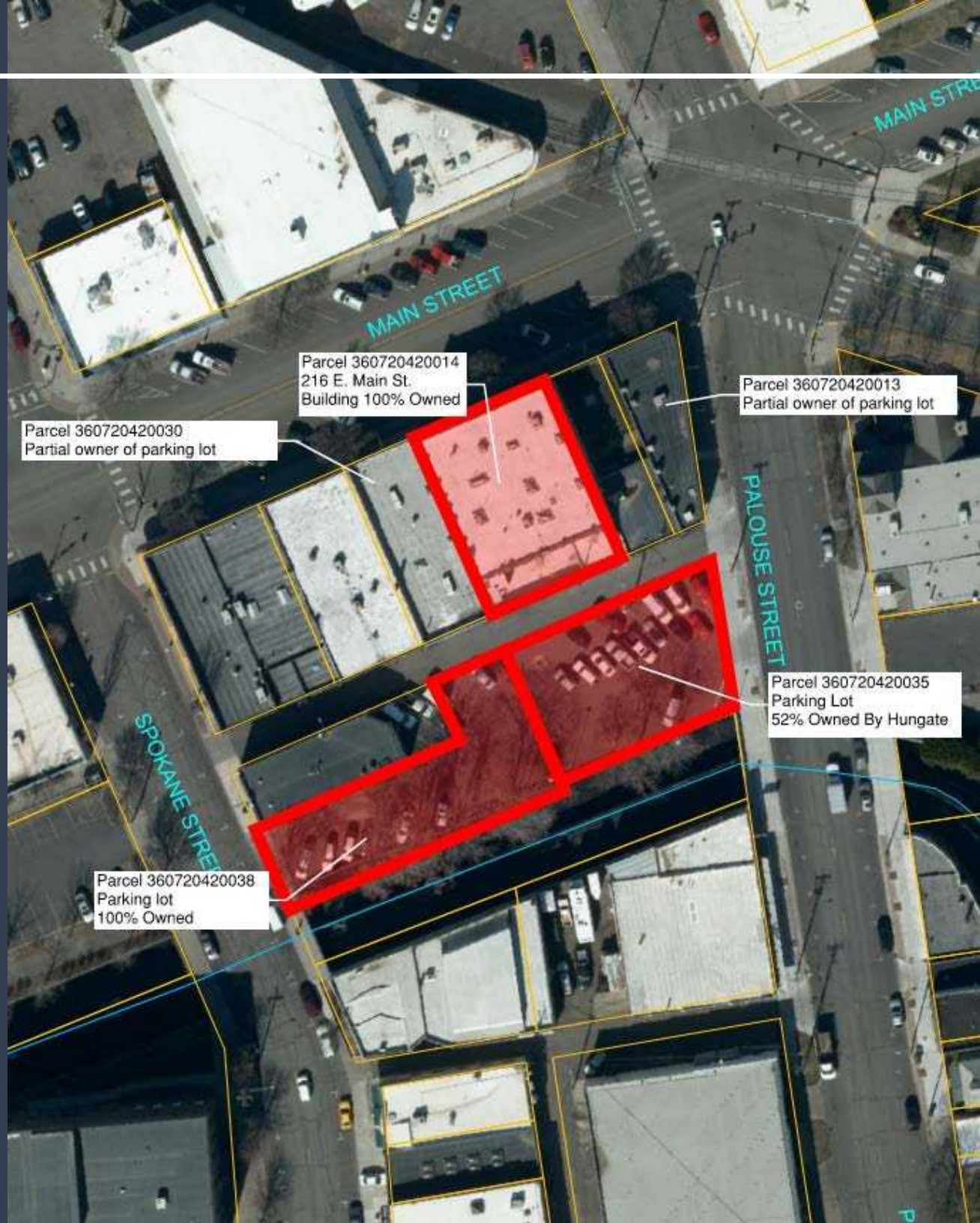
INVESTMENT HIGHLIGHT

- Prime downtown Walla Walla location situated directly on Main Street, the city's primary commercial corridor.
- Trophy historic brick building featuring classic architectural detail and enduring old-world character.
- Well-maintained and thoughtfully updated asset under professional management.
- Clear and achievable upside to a stabilized 7.5% cap rate.
- Strong in-place commercial tenancy with Shiki Hibachi Sushi, complemented by additional upside in an attractive, recently updated available commercial unit.
- Secure, elevator-served access to six upper-floor residential units currently operated as short-term hotel lodging, with the flexibility to convert to long-term apartment rentals if desired.
- Near-term income growth potential through unit renovations and rent optimization, driving increased gross revenue.
- Unparallel ownership and control over a significant amount of off-street parking.



02 PROPERTY DETAILS OVERVIEW

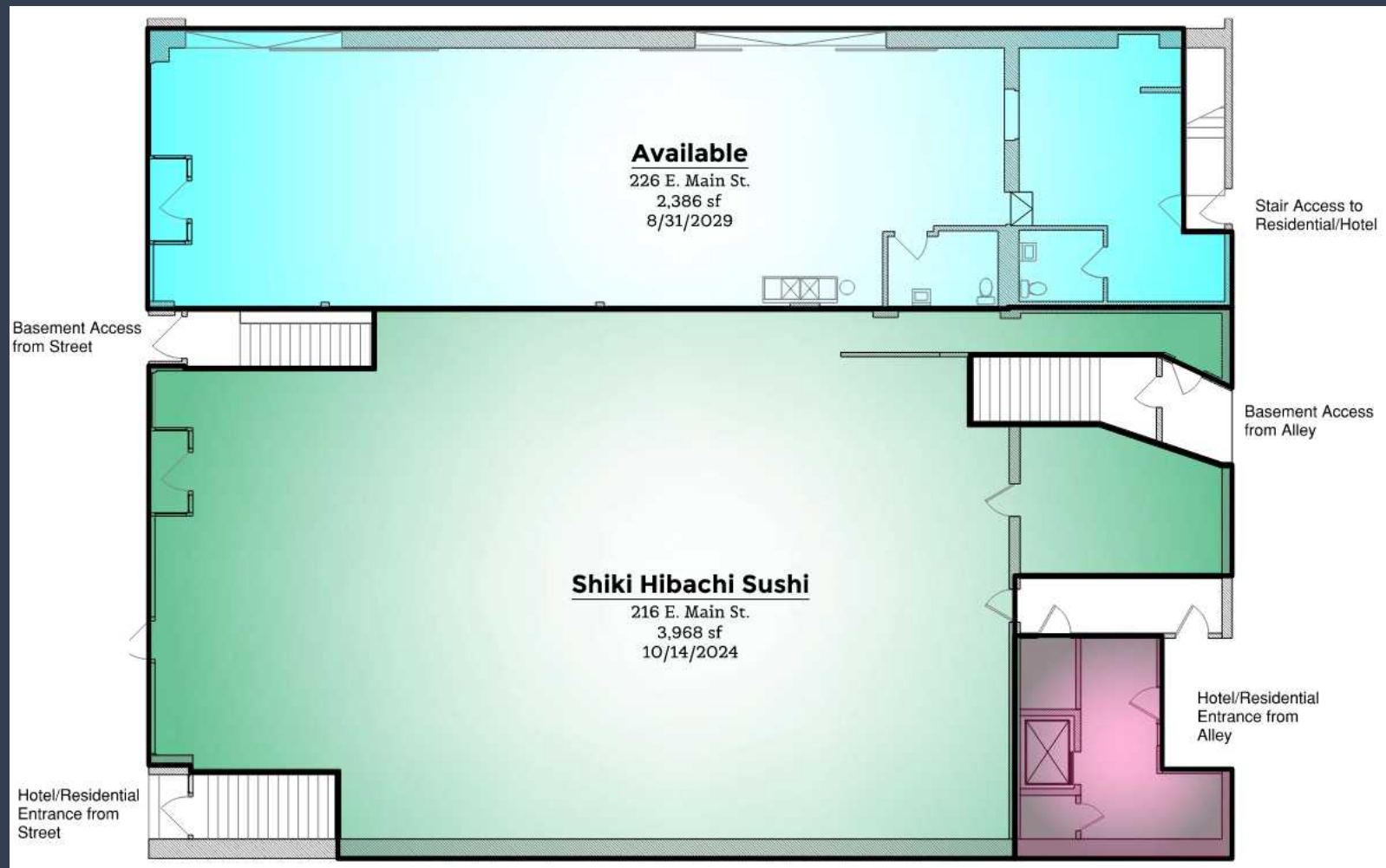
Address:	214-226 E. Main St. Walla Walla
Parcels:	360720420014 360720420038 360720420038 (52% owned)
Type:	Mixed-Use Bldg. & Parking
Total Building SF:	16,950
Total Land Acres:	0.53
Commercial Units:	2
Residential/Hotel Units:	6
Offstreet Parking Stalls:	38
Year Built:	1930
Stories:	2 + Basement
Construction:	Masonry with wood beams
Zoning:	Central Commercial (CC)



PROPERTY DETAILS

BUILDING- COMMERCIAL

FIRST FLOOR DETAIL	SF
First Floor Use:	Commercial
226 E. Main	2,386
216 E. Main (Shiki Hibachi)	3,968
Hotel Lobby + Elevator	496
First Floor Total SF:	6,850



02

PROPERTY DETAILS

BUILDING- RESIDENTIAL

SECOND FLOOR DETAIL	SF
Use:	Residential/ Hotel
Unit 1 (1bd/ 1ba):	833
Unit 2 (1bd/ 1ba):	684
Unit 3 (Studio):	313
Unit 4 (1bd/ 1ba + den):	906
Unit 5 (1bd/ 1ba):	615
Unit 6 (2bd/ 1ba):	833
Office:	140
Storage:	250
Circulation:	1,426
Total:	6,000
Number Residential Units	6
Average Unit Size	697



PROPERTY DETAILS

PARKING PARCELS

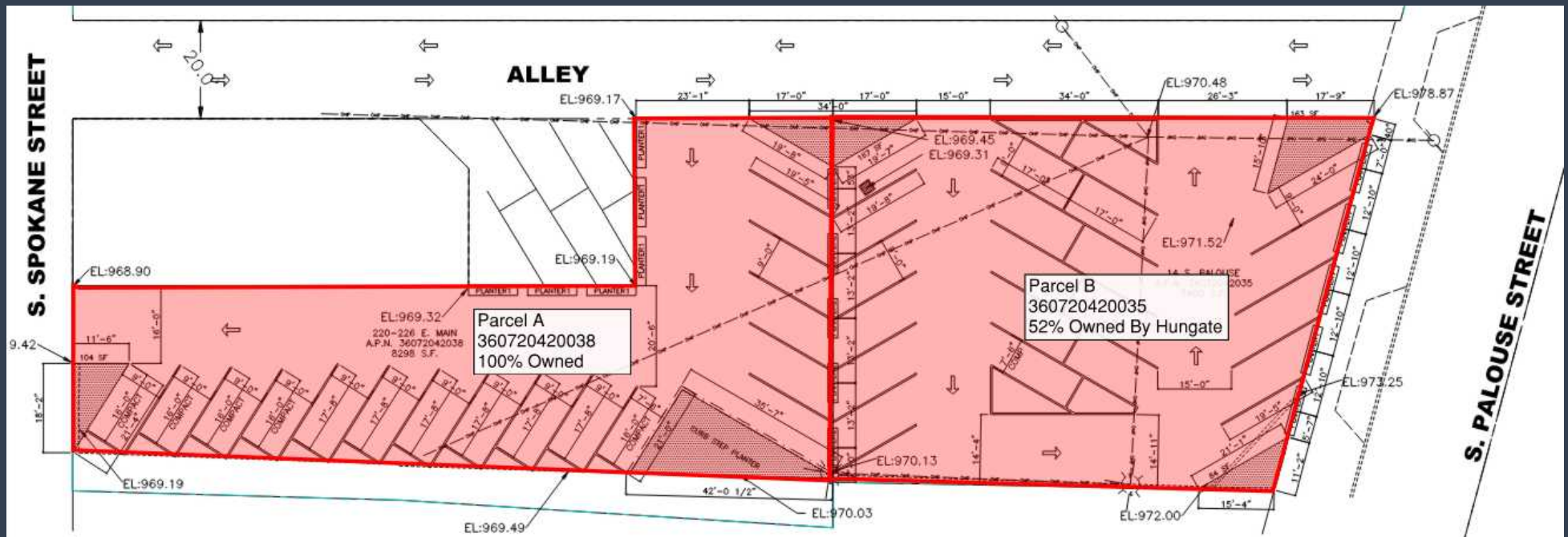
PARKING PARCEL A (100% OWNED)

Parcel No.:	360720420038
Land SF:	8,298
Land Acres:	0.19
Stalls:	17

PARKING PARCEL B (52% OWNED)

Parcel No.:	360720420035
Land SF:	7,490
Land Acres:	0.17
Stalls:	21

Parcel A consists of a parking lot owned 100% by HH Hungate. Parcel B is a shared-ownership parking lot owned 52% by Hungate, 32% by Jill Zagelow (Wingman), and 16% by Ronald and Ruth Agresti (Retail). Maintenance of the shared Parcel B parking lot is governed by Parking Covenant and Maintenance Agreement dated August 22, 2018 (Instrument #2018-07370), which establishes a formalizes a shared use parking lot to be used exclusively for vehicle parking to the benefit of property owners. It allocates a fixed percentage of parking spaces to each owner based on their percentage ownership (of which Hungate's 52% ownership equates to 11 spaces) and designates one owner as Managing Owner (Currently Hungate). All owners share costs for maintenance, repairs, lighting, striping, and related improvements in proportion of their ownership percentage.



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FINANCIAL DETAILS

PROFORMA MARKET INCOME & EXPENSES

INCOME	NRSF	RENT \$/SF/MO.	MONTHLY \$	RENT \$/SF/YR.	ANNUAL \$	
INCOME						
COMMERCIAL UNITS						
216 E. Main- Shiki Hibachi Sushi	3,968	\$2.15	\$8,542	\$25.83	\$102,508	
226 E. Main- Vacant	2,386	\$1.90	\$4,533	\$22.80	\$54,401	
RESIDENTIAL UNITS						
Unit 1 (1bd/ 1ba):	833	\$1.92	\$1,600	\$23.05	\$19,200	
Unit 2 (1bd/ 1ba):	684	\$2.05	\$1,400	\$24.56	\$16,800	
Unit 3 (Studio):	313	\$3.19	\$1,000	\$38.34	\$12,000	
Unit 4 (1bd/ 1ba + den):	906	\$1.82	\$1,650	\$21.85	\$19,800	
Unit 5 (1bd/ 1ba):	615	\$2.11	\$1,300	\$25.37	\$15,600	
Unit 6 (2bd/ 1ba):	833	\$1.92	\$1,600	\$23.05	\$19,200	
Basement (vacant)	4,100	\$0.00	\$0	\$0.00	\$0	
GROSS POTENTIAL RENT	14,638	\$1.48	\$21,626	\$17.73	\$259,509	
Parking Income		\$0.08	\$1,225	\$1.00	\$14,700	
TOTAL REVENUE		\$1.56	\$22,851	\$18.73	\$274,209	
Less: Vacancy	5.0%	-\$0.08	-\$1,143	-\$0.94	-\$13,710	
EFFECTIVE GROSS INCOME		\$1.48	\$21,708	\$17.80	\$260,498	
EXPENSES		EXP. \$/SF/MO.	MONTHLY \$	EXP. \$/SF/YR.	% of EGI	ANNUAL \$
Property Taxes (Bldg)		\$0.97	\$1,188	\$0.97	5.5%	\$14,251
Property Taxes (Owned Parking)		\$0.10	\$116	\$0.10	0.5%	\$1,391
Property Taxes (53% Owned Parking)		\$0.05	\$62	\$0.05	0.3%	\$741
Insurance		\$0.34	\$417	\$0.34	1.9%	\$5,000
Maintenance/Repair/Landscaping		\$1.50	\$1,833	\$1.50	8.4%	\$22,000
Utilities		\$0.99	\$1,208	\$0.99	5.6%	\$14,500
Management Fees		\$0.89	\$1,085	\$0.89	5.0%	\$13,025
Replacement Reserves		\$0.36	\$434	\$0.36	2.0%	\$5,210
Admin		\$0.34	\$417	\$0.34	1.9%	\$5,000
TOTAL OPERATING EXPENSES		\$5.54	\$6,760	\$5.54	31.1%	\$81,119
NET OPERATING INCOME		\$1.72	\$28,468	\$10.85		\$179,379
CAP RATE						7.50%
PRICE						\$2,400,000

03

FINANCIAL DETAILS

SALES COMPARABLES

1 Big House Brew Pub

11 S Palouse St, Walla Walla, WA

SALE PRICE

\$1,550,000

\$247.68 /SF

SALE DATE	GBA
Nov 18, 2025	6,258 SF
YEAR BUILT	CONSTRUCTION
1941	Wood Frame
CONDITION	PARKING
Good	None
OCCUPANCY	SUBMARKET
100%	CBD

Nov. 2025 sale of a downtown restaurant with indoor seating, commercial kitchen, and storage. No off-street parking. Sold to Whitman College at appraised value for use as a university-owned restaurant. Effective age estimated at 20 years.



2 Poplar Property

103 E Poplar St, Walla Walla, WA

SALE PRICE

\$796,692

\$240.55 /SF

SALE DATE	GBA
Feb 20, 2024	4,512 SF
YEAR BUILT	CONSTRUCTION
1965	Wood Frame
CONDITION	PARKING
Average	8.2 / 1,000 SF
OCCUPANCY	SUBMARKET
0%	CBD

Office/retail building on corner lot with 27 off-street parking stalls. Sold vacant; leased within 3 months to Atomic Dermatology. Price adjusted upward \$40,000 for deferred roof replacement. Buyer acquired as investment.



3 Pine Retail Building

1425 W Pine St, Walla Walla, WA

SALE PRICE

\$1,350,000

\$228.77 /SF

SALE DATE	GBA
Feb 8, 2024	5,901 SF
YEAR BUILT	CONSTRUCTION
2004	Wood Frame
CONDITION	PARKING
Average	11.7 / 1,000 SF
OCCUPANCY	SUBMARKET
0%	Hwy 12 Interchange

Former restaurant near Hwy 12/Myra Rd interchange with abundant parking. Sold vacant; buyer converted to professional office. Straightforward arm's-length transaction. Effective age estimated at 15 years.



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FINANCIAL DETAILS

SALES COMPARABLES

4 Main Street Building

301 E Main St, Walla Walla, WA

SALE PRICE

\$750,000

\$204.92 /SF

SALE DATE	GBA
Oct 13, 2023	3,660 SF
YEAR BUILT	CONSTRUCTION
1969	Wood Frame
CONDITION	PARKING
Average	2.7 / 1,000 SF
OCCUPANCY	SUBMARKET
100%	CBD

Multi-tenant retail building on eastern edge of downtown. Both suites leased at time of sale with 3 years remaining term. Acquired as investment. Effective age estimated at 25 years. No cap rate available.



5 Quinn Building

39-47 E Main St, Walla Walla, WA

SALE PRICE

\$2,500,000

\$369.49 /SF

SALE DATE	GBA
Oct 31, 2022	6,766 SF
YEAR BUILT	CONSTRUCTION
1940	Masonry
CONDITION	PARKING
Good	2.1 / 1,000 SF
OCCUPANCY	SUBMARKET
100%	CBD

Storefront retail/restaurant building in the heart of downtown Main Street. Masonry construction; effective age estimated at 10 years. Small off-street parking lot. Purchased as investment with intention to lease to multiple tenants.



6 Goodwill Industries Property

217-229 E Alder St, Walla Walla, WA

SALE PRICE

\$3,125,000

\$165.42 /SF

SALE DATE	GBA
Nov 16, 2021	18,891 SF
YEAR BUILT	CONSTRUCTION
1920	Masonry
CONDITION	PARKING
Good	None
OCCUPANCY	SUBMARKET
100%	CBD

Three-building storefront retail complex (217, 225, 229 E Alder). Open floorplans with modern amenities and attractive facades. Arm's length sale; \$80,000 seller-paid HVAC allowance. Seller vacated Sep. 2022 for new College Place facility; buyer had replacement tenants lined up.



7 Die Brucke Building

38 E Main St, Walla Walla, WA

SALE PRICE

\$2,450,000

\$137.02 /SF

SALE DATE	GBA
Sep 9, 2021	27,658 SF
YEAR BUILT	CONSTRUCTION
1903	Masonry
CONDITION	PARKING
Average	None
OCCUPANCY	SUBMARKET
75%	CBD

Two-story mixed-use building (retail ground floor, office second floor) with atrium, elevator, and 17,881 SF net rentable area. Off-market sale to regional investor after 3+ years of intermittent listing.



03

FINANCIAL DETAILS

APARTMENT RENT COMPARABLES

No.	Property	Location	Built	Units	Unit Type	SF	Rent/Mo.	Rent/SF
1	The Lodge	Walla Walla, WA	2021	137	1BR/1BA	581	\$1,200	\$2.07
	327 E. Rose St.				2BR/2BA	937	\$1,850	\$1.97
2	The Vintage	Walla Walla, WA	1962/20	43	0BR/1BA	253	\$995	\$3.93
	5 N Touchet St.				0BR/1BA	297	\$1,160	\$3.91
3	Sycamore Apartments	Walla Walla, WA	1995	83	1BR/1BA	750	\$1,375	\$1.83
	115 Mirriam St.				2BR/1BA	900	\$1,650	\$1.83
4	Creskside Apartments	Walla Walla, WA	1977	114	0BR/1BA	406	\$1,050	\$2.59
	150 S. Wilbur Ave.				1BR/1BA	540	\$1,225	\$2.27
					2BR/1BA	700	\$1,360	\$1.94
5	Mill Creek Apartments	Walla Walla, WA	2022	96	1BR/1BA	753	\$1,299	\$1.73
	2210 E. Isaacs Ave.				2BR/1BA	1,054	\$1,599	\$1.52
6	Lion's Gate Apartments	Walla Walla, WA	2004	96	1BR/1BA	713	\$1,445	\$2.03
	2222 E. Isaacs Ave.				2BR/1BA	1,028	\$1,610	\$1.57
RENT SUMMARY				Low	Average	Median	High	
Studio (0BR/1BA)				\$995	\$1,068	\$1,050	\$1,160	
One Bedroom (1BR/1BA)				\$1,200	\$1,309	\$1,299	\$1,445	
Two Bedroom (2BR/1BA)				\$1,360	\$1,614	\$1,610	\$1,850	

LOCATION SUMMARY

DOWNTOWN WALLA WALLA, WA

The HH Hungate Building sits at the center of East Main Street — the primary commercial corridor of downtown Walla Walla and one of the most vibrant small-city downtowns in the Pacific Northwest. The property is surrounded by award-winning restaurants, boutique retailers, wine tasting rooms, art galleries, and historic hotels, all serving a consistent stream of visitors and residents in one of Washington State's most compelling investment markets.

A WORLD-CLASS WINE DESTINATION

The Walla Walla Valley AVA is home to over 135 wineries, with more than 40 tasting rooms concentrated within walking distance of downtown. A 2024 economic impact study found that the region hosted an estimated 528,000 wine tourism visits in a single year, generating approximately \$260 million in visitor spending. This supports nearly 3,500 regional jobs and directly fuels demand for commercial, hospitality, and mixed-use space on Main Street. Signature annual events — Spring Release Weekend, the Balloon Stampede, Fall Release Weekend, and Holiday Barrel Weekend — drive concentrated visitor surges throughout the year.

RESILIENT, LOYALTY-DRIVEN TOURISM

Walla Walla draws a high-spending, repeat visitor base from Seattle, Portland, the Tri-Cities, and Spokane. The city is actively marketing itself as a four-season destination, broadening its appeal into outdoor recreation, culinary experiences, and agritourism. Beyond tourism, Walla Walla benefits from a diversified economic base anchored by higher education (Whitman College, Walla Walla University, Walla Walla Community College), healthcare, agriculture, and state government.

INVESTMENT SIGNIFICANCE

For investors, the Hungate Building's Main Street address places it at the intersection of the market's most durable demand drivers. With a highly limited supply of quality downtown commercial assets and no meaningful infill development pipeline, well-located historic properties command enduring premium positioning in downtown Walla Walla.

135+

Wineries in the
Walla Walla Valley

528K

Annual Wine
Tourism Visits

\$260M

Annual Visitor
Spending



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