

834 DR ML KING WAY
BREMERTON WA 98337

OFFERING MEMORANDUM



SOUTH COURT
APARTMENTS

INVESTMENT SALES

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01.

**EXECUTIVE
SUMMARY**



INVESTMENT OVERVIEW

Northmarq is pleased to present **South Court**, a 47-unit multifamily community located in Bremerton. Originally constructed in 1919, the property comprises 26,100 net rentable square feet and features a balanced mix of studio, one-bedroom, and two-bedroom residences, appealing to a broad renter demographic.

South Court currently generates \$440,679 in net operating income and is offered at an attractive 6.53% in-place Cap Rate, providing investors with strong day-one cash flow. Current rents are approximately 8.24% below market, presenting a clear opportunity to increase revenue through alignment with prevailing market rates. The property also includes 32 surface parking spaces in addition to available street parking, supporting resident convenience and operational stability.

The community benefits from convenient access to local employment centers, neighborhood retail amenities, and regional transportation connections throughout the Puget Sound area. Bremerton's growing economic base and connectivity to the broader region position the asset to capture sustained rental demand and long-term value appreciation.

INVESTMENT HIGHLIGHTS

- **Rent Growth Opportunity:** In-place rents approximately 8.24% below current market levels
- **Attractive In-Place Yield:** \$440,679 NOI offered at a 6.53% in-place cap rate
- **Balanced Unit Mix:** Studio, one-bedroom, and two-bedroom residences appealing to a diverse renter base
- **Efficient Scale:** 47 units averaging 555 SF
- **Historic Asset:** Originally constructed in 1919 with enduring presence in the submarket
- **Parking Component:** 32 surface parking spaces plus additional street parking for residents
- **Strategic Location:** Approximately a 5-minute drive from Puget Sound Naval Shipyard, which is undergoing a multi-billion-dollar modernization initiative





PROPERTY SUMMARY

Address
834 Dr ML King Way
Bremerton WA 98337

Year Built
1919

No. of Units
47

Property Type
Mid-Rise Apartments

No. of Buildings
1

Net Rentable Area
± 26,100 SF

Land Area
± 35,719 SF

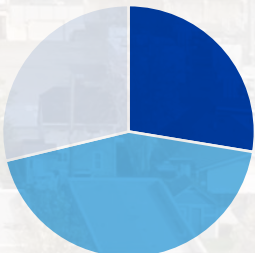
APN
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37680000270005

Parking
Surface: 32

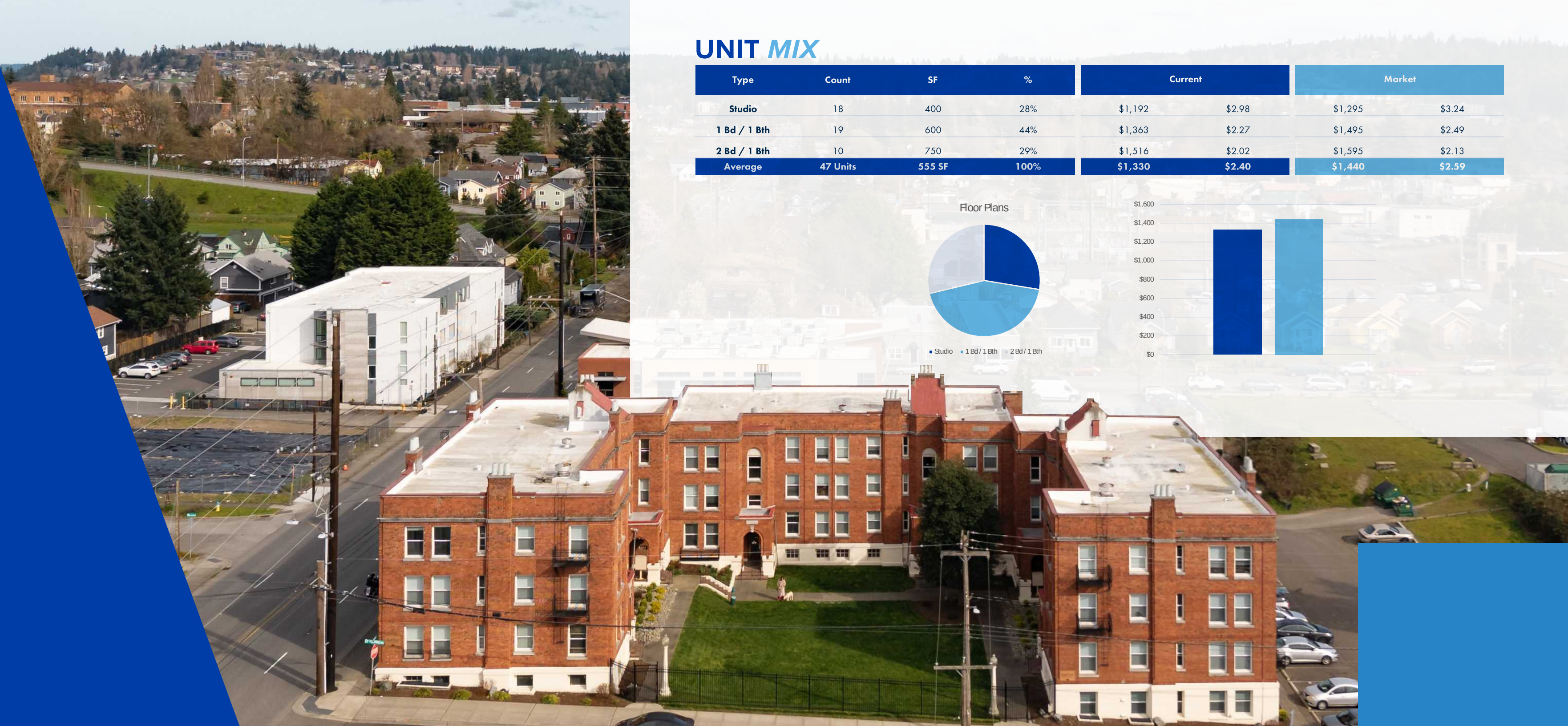
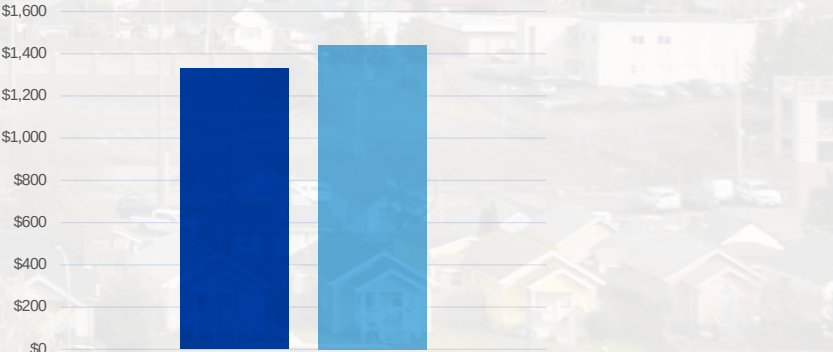
UNIT MIX

Type	Count	SF	%	Current		Market	
Studio	18	400	28%	\$1,192	\$2.98	\$1,295	\$3.24
1 Bd / 1 Bth	19	600	44%	\$1,363	\$2.27	\$1,495	\$2.49
2 Bd / 1 Bth	10	750	29%	\$1,516	\$2.02	\$1,595	\$2.13
Average	47 Units	555 SF	100%	\$1,330	\$2.40	\$1,440	\$2.59

Floor Plans



■ Studio ■ 1 Bd / 1 Bth ■ 2 Bd / 1 Bth





02.

***FINANCIAL
ANALYSIS***

INCOME AND EXPENSES

PRICE ANALYSIS

LIST PRICE	\$6,750,000
Number of Units	47
Price Per Unit	\$144,000
Price Per NRSF	\$259
Current Cap	6.53%
Current GRM	9.00
Market Cap	7.07%
Market GRM	8.31
Year Built	1919
Approx. Lot Size (SF)	± 35,719
Approx. NRSF	± 26,100

INCOME

	CURRENT	MARKET
Gross Potential Rent	\$811,980	\$811,980
Loss to Lease	(\$61,800)	\$0
Gross Scheduled Rent	\$750,180	\$811,980
Vacancy	(\$37,509)	(\$40,599)
Net Rental Income	\$712,671	\$771,381
RUBS	\$63,569	\$63,569
Storage	\$983	\$983
Pet	\$7,515	\$7,515
Laundry	\$3,220	\$3,220
Misc. Income	\$24,959	\$24,959
Total Other Income	\$100,245	\$100,245
Effective Gross Income	\$812,916	\$871,626

EXPENSES

	CURRENT	STABILIZED
Maint/Repair:	\$30,688	\$30,688
Turnover:	\$8,460	\$8,460
Payroll:	\$47,000	\$47,000
R&M Payroll:	\$47,000	\$47,000
Contract Services:	\$6,701	\$6,701
Landscaping:	\$10,221	\$10,221
Marketing:	\$11,294	\$11,294
Admin:	\$7,549	\$7,549
Total Controllable Expenses	\$168,914	\$168,914
RE Taxes:	\$66,367	\$66,367
Insurance:	\$20,395	\$40,000
Utilities W/S/G/E :	\$72,295	\$72,295
Management:	\$32,517	\$34,865
Total Non-Controllable Expenses	\$191,574	\$213,528
Total Expenses	\$360,488	\$382,441
Net Operating Income	\$452,429	\$489,185
Reserves:	\$11,750	\$11,750
Net Operating Income (After Reserves)	\$440,679	\$477,435

RENT ROLL

Unit	Type	SF	Current		Market	
1	2 Bd / 1 Bth	750	\$1,400	\$1.87	\$1,595	\$2.13
10	Studio	400	\$1,095	\$2.74	\$1,295	\$3.24
11	2 Bd / 1 Bth	750	\$1,565	\$2.09	\$1,595	\$2.13
12	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
13	2 Bd / 1 Bth	750	\$1,500	\$2.00	\$1,595	\$2.13
14	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
15	2 Bd / 1 Bth	750	\$1,450	\$1.93	\$1,595	\$2.13
20	1 Bd / 1 Bth	600	\$1,425	\$2.38	\$1,495	\$2.49
21	1 Bd / 1 Bth	600	\$1,350	\$2.25	\$1,495	\$2.49
22	Studio	400	\$1,095	\$2.74	\$1,295	\$3.24
23	1 Bd / 1 Bth	600	\$1,350	\$2.25	\$1,495	\$2.49
24	1 Bd / 1 Bth	600	\$1,220	\$2.03	\$1,495	\$2.49
25	Studio	400	\$1,150	\$2.88	\$1,295	\$3.24
26	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
27	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
28	Studio	400	\$1,220	\$3.05	\$1,295	\$3.24
30	1 Bd / 1 Bth	600	\$1,270	\$2.12	\$1,495	\$2.49
31	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
32	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
33	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
34	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
35	1 Bd / 1 Bth	600	\$1,200	\$2.00	\$1,495	\$2.49
36	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
37	1 Bd / 1 Bth	600	\$1,350	\$2.25	\$1,495	\$2.49
38	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
40	2 Bd / 1 Bth	750	\$1,500	\$2.00	\$1,595	\$2.13
41	Studio	400	\$1,295	\$3.24	\$1,295	\$3.24
42	2 Bd / 1 Bth	750	\$1,550	\$2.07	\$1,595	\$2.13
43	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
44	2 Bd / 1 Bth	750	\$1,595	\$2.13	\$1,595	\$2.13
45	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
50	Studio	400	\$1,220	\$3.05	\$1,295	\$3.24
51	1 Bd / 1 Bth	600	\$1,495	\$2.49	\$1,495	\$2.49
52	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
53	Studio	400	\$1,105	\$2.76	\$1,295	\$3.24
54	1 Bd / 1 Bth	600	\$1,350	\$2.25	\$1,495	\$2.49
55	1 Bd / 1 Bth	600	\$1,395	\$2.33	\$1,495	\$2.49
56	Studio	400	\$1,295	\$3.24	\$1,295	\$3.24
57	1 Bd / 1 Bth	600	\$1,400	\$2.33	\$1,495	\$2.49
58	1 Bd / 1 Bth	600	\$1,495	\$2.49	\$1,495	\$2.49
60	2 Bd / 1 Bth	750	\$1,500	\$2.00	\$1,595	\$2.13
61	Studio	400	\$1,190	\$2.98	\$1,295	\$3.24
62	2 Bd / 1 Bth	750	\$1,500	\$2.00	\$1,595	\$2.13
63	Studio	400	\$1,200	\$3.00	\$1,295	\$3.24
64	2 Bd / 1 Bth	750	\$1,595	\$2.13	\$1,595	\$2.13
65	Studio	400	\$1,195	\$2.99	\$1,295	\$3.24
66	1 Bd / 1 Bth	600	\$1,200	\$2.00	\$1,495	\$2.49
Total	47 Units	26,100 SF	\$62,515	\$2.40	\$67,665	\$2.59

03.

**MARKET
COMPARABLES**

RENT COMPARABLES

STUDIO

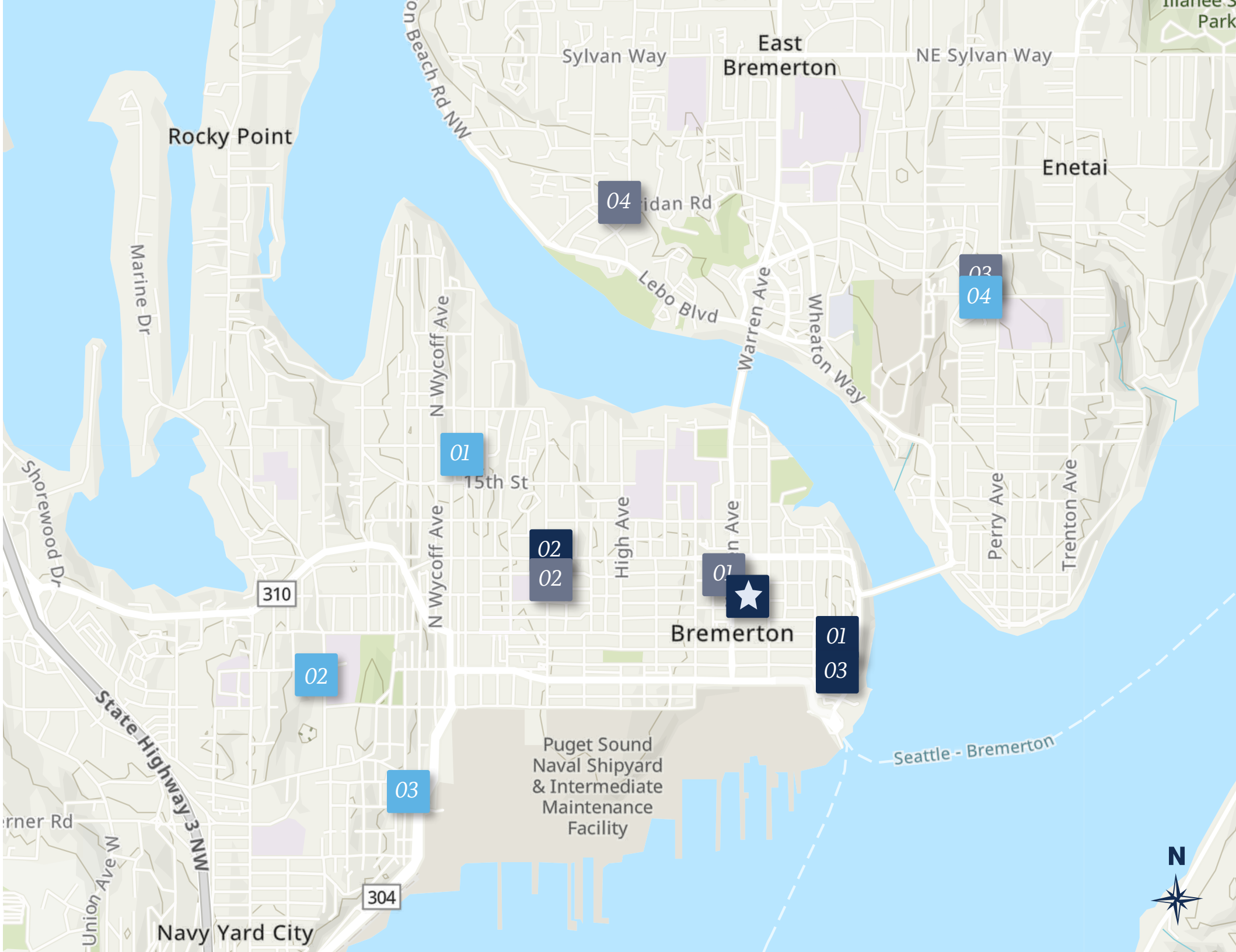
PROPERTY NAME	PROPERTY ADDRESS	UNIT TYPE	AVG SF	RENT	RENT/SF
★ South Court Apartments	834 Dr ML King Way, Bremerton WA 98337	Studio	400	\$1,295	\$3.24
01 Town Manor	241 5th St, Bremerton, WA 98337	Studio	425	\$1,250	\$2.94
02 2017 11th	2017 11th St APT 1, Bremerton, WA 98337	Studio	450	\$1,150	\$2.56
03 Harborside Flats	240 Burwell St, Bremerton, WA 98337	Studio	301	\$1,350	\$4.49
Property Averages			392	\$1,250	\$3.33

1 BEDROOM / 1 BATH

PROPERTY NAME	PROPERTY ADDRESS	UNIT TYPE	AVG SF	RENT	RENT/SF
★ South Court Apartments	834 Dr ML King Way, Bremerton WA 98337	1 Bd / 1 Bth	600	\$1,495	\$2.49
01 Broadway Manor	1015 9th St, Bremerton, WA 98337	1 Bd / 1 Bth	650	\$1,445	\$2.22
02 904 Naval	904 Naval Ave APT 5, Bremerton, WA 98312	1 Bd / 1 Bth	600	\$1,595	\$2.66
03 Park Ridge	2002 Magnuson Way, Bremerton, WA 98310	1 Bd / 1 Bth	600	\$1,395	\$2.33
04 510 Sheridan	510 Sheridan Rd, Bremerton, WA 98310	1 Bd / 1 Bth	650	\$1,600	\$2.46
Property Averages			625	\$1,509	\$2.42

2 BEDROOM / 1 BATH

PROPERTY NAME	PROPERTY ADDRESS	UNIT TYPE	AVG SF	RENT	RENT/SF
★ South Court Apartments	834 Dr ML King Way, Bremerton WA 98337	2 Bd / 1 Bth	750	\$1,595	\$2.13
01 1540 Callow	1540 N Callow Ave, Bremerton WA 98312	2 Bd / 1 Bth	650	\$1,650	\$2.54
02 Marion133	133 Marion Ave N, Bremerton, WA 98312	2 Bd / 1 Bth	800	\$1,600	\$2.00
03 324 Lafayette	324 S Lafayette Ave, Bremerton, WA 98312	2 Bd / 1 Bth	800	\$1,590	\$1.99
04 Suncrest	2009 Magnuson Way, Bremerton, WA 98310	2 Bd / 1 Bth	800	\$1,600	\$2.00
Property Averages			763	\$1,610	\$2.13





04.
**LOCATION
OVERVIEW**

BREMERTON WASHINGTON

A one hour ferry ride from downtown Seattle, Bremerton is truly a beautiful city where guests enjoy the downtown Harborside area. It includes Kitsap Conference Center, two hotels, fine dining, coffee shops, cafes and the Port of Bremerton Marina with 220 permanent slips and 100 for visiting boaters. We invite you to enjoy a stroll through the Arts District, Bremerton Naval Museum, USS Turner Joy, Boardwalk, Harborside Fountain Park and PSNS Memorial Plaza all located near the ferry terminal. Take a short walk across the Manette Bridge for more cafes and shopping. A few blocks north of downtown is the beautiful Evergreen Rotary Park featuring the 9/11 Memorial. Gold Mountain Golf Course includes two 18 hole championship courses and the now popular Disc Golf Course in NAD Park. Our diversity has rewarded Bremerton with a thriving artistic and cultural community. Bremerton has nine unique neighborhoods with new affordable housing, excellent schools, 35 parks, and many recreation programs. It will be easy to see why people are experiencing Bremerton and what a great place it is to live, work, and play.

AREA DEMOGRAPHICS

Within 5 miles of the subject property

128,679

2024 TOTAL
POPULATION

37.6

MEDIAN AGE
OF RESIDENTS

\$400K

MEDIAN HOME
VALUE

\$72,338

AVERAGE HOUSEHOLD
INCOME

0.27%

ANNUAL
POPULATION GROWTH

5,269

TOTAL
BUSINESSES

20,419

RENTER OCCUPIED
HOUSEHOLDS

29,451

OWNER OCCUPIED
HOUSEHOLDS



BREMERTON

NAVAL BASE KITSAP

Naval Base Kitsap is the U.S. Navy's largest military complex in the Northwest region. NBK is comprised of naval installations at Bremerton, Puget Sound, Bangor, Manchester, Indian Island, and Keyport. Kitsap is the Navy's third largest base. Naval Base Kitsap includes a nuclear shipyard, a strategic nuclear weapons facility, a Nimitz-class aircraft carrier capable dry dock, and the Navy's largest defense fuel depot.

The Puget Sound Naval Shipyard is on the brink of a monumental overhaul, termed a "once-in-a-century effort." With one of its dry docks set to become obsolete, a \$667 million seismic update is urgently needed to accommodate the Navy's future: the Gerald Ford-class aircraft carriers, Virginia-class attack subs, and the forthcoming Columbia class with ballistic missile capabilities. This initiative marks an \$8 billion investment by the Navy to revitalize this crucial shipyard. Contracts have been inked with five companies to compete for a decade-long modernization project across Puget Sound's docks and infrastructure.

DEFENSE MANUFACTURING

The county's economic fabric includes multinational defense firms such as Lockheed Martin, Huntington Ingalls, Raytheon, BAE, and SAIC. Beyond defense, the Bremerton-Silverdale metro area ranks second in the U.S. for patent generation, underscoring the region's innovation and potential for technological advancement.

HEALTHCARE

St. Michael Medical Center serves as the regional hub for Kitsap's growing healthcare industry. The healthcare sector in Kitsap County includes a wide range of facilities, services and specialty practices including Seattle Cancer Care Alliance (SCCA) Peninsula, a new Veterans Affairs Clinic, family care clinics, cardiac care, mental health facilities, assisted living centers, in-home health operations, physical therapy, homeopathic care, pharmacies, medical equipment sales and rentals, cancer care facilities, and medical laboratories. Workforce needs are supported with multiple healthcare career pathways, certificates, and degrees through Olympic College. St. Michael Medical Center opened December 2020 following a \$500 million expansion and offers the very latest in technology, ecological design, and healing comfort. The brand-new hospital provides emergency, trauma, and surgical care as a Level III Trauma Center. St Michael Medical Center is a part of Virginia Mason Franciscan



BREMERTON

THE ILLAHEE PRESERVE

Illahee Preserve Heritage Park stands as a verdant sanctuary situated directly adjacent to Trailhead at the Preserve, presenting residents with a natural haven at their doorstep. Beyond merely bestowing a direct amenity, this locale serves as a cornerstone for tenant retention, distinguishing itself from competing apartment complexes within its asset class. Grounded in a grassroots movement, Illahee Preserve is the embodiment of a community-driven endeavor dedicated to preserving and nurturing a verdant expanse adorned with nature's wonders. The park features meandering trails that wind through lush forests, wetlands, and diverse habitats, creating an idyllic backdrop for a range of outdoor activities, including hiking, bird watching, and the simple act of communing with nature. Far surpassing the conventional notion of a sanctuary, Illahee Preserve Heritage Park seamlessly integrates into the daily lives of Trailhead at the Preserve residents. Its diverse network of trails isn't just an avenue for an escape into nature; it serves as a recreational haven offering a spectrum of options, from leisurely strolls to invigorating hikes, tailored to accommodate the varied preferences of residents seeking outdoor pursuits.

KEY FACETS OF ILLAHEE PRESERVE HERITAGE PARK ENCOMPASS:

- **Trails:** A network of trails varying in difficulty provides an avenue for exploration, allowing visitors to delve into the preserve's myriad ecosystems.
- **Wildlife:** Hosting a diverse array of plant and animal species indigenous to the region, the park offers a haven for birdwatchers seeking glimpses of local and migratory birds.
- **Community Involvement:** Rooted in communal endeavors to conserve green spaces, Illahee Preserve encourages active participation from local residents and organizations in its ongoing maintenance and development.
- **Educational Programs:** Integrating educational elements, the park features informative signs along its trails, guided nature walks, and programs designed to enlighten visitors about the local ecology.
- **Conservation:** Aligned with its primary goal of conservation, Illahee Preserve, like many similar initiatives, safeguards natural habitats to preserve biodiversity, ensuring these areas endure for the enjoyment of generations to come.





SOUTH COURT APARTMENTS

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