

PARAGON
REAL ESTATE ADVISORS

Fairseas
5806

FAIRSEAS APARTMENTS
OFFERING MEMORANDUM

PARAGON

REAL ESTATE ADVISORS

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Information within this marketing package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information and bears all risk for inaccuracies.

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OFFERING

Paragon Real Estate Advisors is pleased to present the Fairseas Apartments, an eight unit multifamily property in the North Queen Anne neighborhood of Seattle. The asset delivers a 5.8% current cap rate on day one providing a stabilized, high income-producing return in a submarket where most comparable listings are priced at sub-5.25% current yields. Six of the eight units have been fully renovated with market-quality finishes, the building has a new Durolast roof, and received a full exterior refresh (paint, lighting, and signage) within the last three years.

The building consists of six renovated units including four 2BD/1BTH residences, one 1BD/1BTH, and one 1BD+Den/1BTH and two original 1BD/1BTH units currently occupied by long-term tenants paying below-market rents. The two original units represent significant upside for a new owner to bring these final two units to the same finish level and rent tier as the rest of the building, without touching the renovated units or any stabilized income. In-place renovated rents at Fairseas already reach \$1,800 on the one bedroom, validating the finish level and rental capability.

The property sits on an 8,400 square foot LR3 RC (M) zoned lot with 12 on-site parking stalls in a walkable North Queen Anne location: short walk to Seattle Pacific University, the RapidRide D Line, and the retail and dining on 15th Avenue West, with direct commuter access to South Lake Union, Downtown Seattle, Ballard, and Fremont. North Queen Anne continues to benefit from supply-constrained multifamily stock and durable renter demand tied to SPU, the Fishermen's Terminal maritime employment cluster, and the Fremont tech corridor.



OFFERING

| | |
|-----------------------|--------------------------------------|
| NAME | Fairseas Apartments |
| ADDRESS | 1401 W Bertona St, Seattle, WA 98119 |
| PRICE | \$2,550,000 |
| TOTAL UNITS | 8 |
| BUILT | 1925 (3 Units) / 1960s (5 Units) |
| SQUARE FEET | 5,895 SF 7,128 KC Gross SF |
| PRICE PER FOOT | \$432.57 |
| CURRENT CAP | 5.8% |
| LOT SIZE | 8,400 SF |



BUILDING SUMMARY

| | |
|--------------------------|--|
| ROOF | Durolast (installed October 2023) |
| EXTERIOR | New Paint, Lighting & Signage (August 2024) |
| ELECTRICAL PANELS | All modern panels (older panels replaced) |
| HEAT TYPE | Electric |
| HOT WATER | Individual water heaters |
| WINDOWS | Double Pane Vinyl |
| PARKING | 12 Stalls |
| LAUNDRY | Common Laundry Room + 2 Units with In-Unit W/D |
| STORAGE | 5 Storage Units |
| UTILITY BILLING | Flat fee bill-back to tenants |

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LOCATION

INVESTMENT HIGHLIGHTS

- 5.8% current cap rate day one, a stabilized yield that materially exceeds the North Queen Anne / Interbay submarket, where most competing small multifamily listings are trading at sub-5.25% current caps.
- Six of eight units fully renovated with market-quality interior finishes with rents ranging from \$1,795- \$2,825
- Two original one-bedroom units occupied by long-term tenants paying well below market, providing the remaining upside story on natural turnover without touching the stabilized renovated unit income.
- New Durolast roof installed October 2023, full exterior repaint with new exterior lighting and new building signage completed August 2024, and electrical panels fully updated, meaning very limited near-term capital exposure for a new owner and highly insurable
- Twelve on-site parking stalls currently bundled into rent, creating an additional income lever for a new owner.
- Five storage units plus a common laundry room, with in-unit washer and dryer installed in two of the renovated units.
- A+ North Queen Anne location within walking distance of Seattle Pacific University, the Rapid-Ride D Line, and 15th Ave W retail, with direct access to Downtown Seattle, South Lake Union, Fremont, and Ballard.
- 8,400 SF LR3 RC (M) zoned lot preserves long-term development optionality for a future owner.



QUEEN ANNE

NEIGHBORHOOD ANALYSIS - QUEEN ANNE

Located minutes from the western shore of Lake Union in the highly desirable and dynamic Queen Anne neighborhood, the subject is at the epicenter of Seattle's food, culture, and urban recreation scene. Queen Anne is known for its many trendy restaurants, bars, neighborhood parks, and nearby marinas. As the South Lake Union area continues to rapidly grow, the demand for Queen Anne property has drastically increased over the past few years. Companies such as Amazon, Facebook, Google, Expedia, Microsoft and Zulily continue to expand and hire more employees to the Seattle area, making Queen Anne a top location for investors.

This neighborhood is featuring world renowned attractions such as the Space Needle, Paul Allen's Museum of Pop Culture, Chihuly Garden and Glass, Key Arena, Opera House & Pacific Northwest Ballet, and the Pacific Science Center.

\$2,451

Average Rent as of
Feb 2024

\$108,652

Median Household
Income

69%

Renter Occupied
Housing

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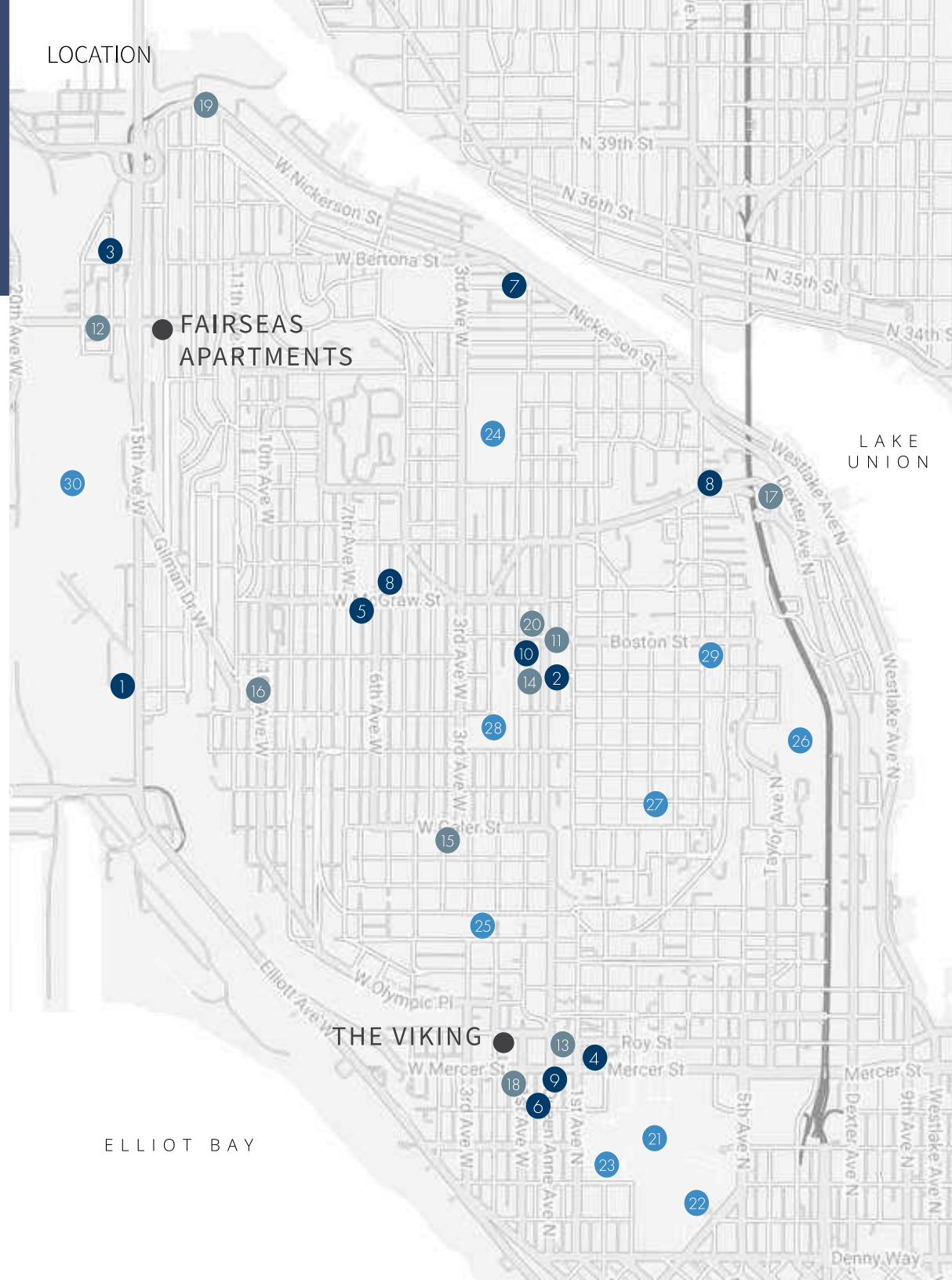
RENT SCENARIOS

| SCENARIO | MONTHLY GSI (BASE RENT) | ANNUAL GSI (BASE RENT) | INCREMENTAL LIFT VS. CURRENT |
|------------------------------|-------------------------|------------------------|------------------------------|
| Current In-Place (Apr 2026) | \$16,740 | \$200,880 | Base |
| Market Rents (No Renovation) | \$17,075 | \$204,900 | +\$4,020 / year |
| Post-Renovation Pro Forma | \$17,575 | \$210,900 | +\$10,020 / year |



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LOCATION



SHOPS & SERVICES

- 1. Whole Foods Market
- 2. Trader Joe's
- 3. QFC
- 4. Metropolitan Market
- 5. Macrina Bakery
- 6. Safeway
- 7. Shell
- 8. Ken's Market
- 9. CVS
- 10. Bartell Drugs

RESTAURANTS & BARS

- 11. Bounty Kitchen
- 12. Red Mill Burgers
- 13. Toulouse Petit
- 14. El Mexalito
- 15. Via Tribunali
- 16. Coffeemind Queen Anne
- 17. Canlis
- 18. Ozzies
- 19. Rooftop Brewing Company
- 20. Eden Hill Restaurant

PARKS & SCHOOLS

- 21. Seattle Center
- 22. Space Needle
- 23. Climate Pledge Arena
- 24. Seattle Pacific University
- 25. Kerry Park
- 26. NE Queen Anne Greenbelt
- 27. John Hay Elementary
- 28. McClure Middle School
- 29. Queen Anne Elementary
- 30. Interbay Golf Course



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INTERIORS



EXTERIORS



UNIT BREAKDOWN

| UNIT | UNIT TYPE | SIZE SF | CURRENT RENT | CURRENT RENT/ SF | UTILITIES | MARKET RENT | REMODELED |
|------------------|----------------|------------|----------------|------------------|--------------|----------------|-------------------|
| 1 | 1Bd/1Bth | 550 | \$1,425 | \$2.59 | \$75 | \$1,475 | No |
| 2 | 2Bd/1Bth | 820 | \$2,395 | \$2.92 | \$150 | \$2,400 | Yes |
| 3 | 2Bd/1Bth | 906 | \$2,575 | \$2.84 | \$125 | \$2,600 | Yes - In-Unit W/D |
| 4 | 1Bd/1Bth + Den | 620 | \$2,075 | \$3.35 | \$150 | \$2,100 | Yes |
| 5 | 1Bd/1Bth | 631 | \$1,350 | \$2.14 | \$75 | \$1,475 | No |
| 6 | 1Bd/1Bth | 613 | \$1,795 | \$2.93 | \$150 | \$1,825 | Yes |
| 7 | 2Bd/1Bth | 700 | \$2,300 | \$3.29 | \$125 | \$2,350 | Yes |
| 8 | 2Bd/1Bth | 1,055 | \$2,825 | \$2.68 | \$125 | \$2,850 | Yes - In-Unit W/D |
| Total/Avg | | 737 | \$2,093 | \$2.84 | \$975 | \$2,134 | |



FINANCIALS

INCOME & EXPENSES

| | | | |
|----------------------|---------------|--------------------|-------------|
| Units | 8 | Price | \$2,550,000 |
| Year Built | 1925/1960's | Per Unit | \$318,750 |
| Rentable Area | 5,895 | Per Sq. Ft. | \$432.57 |
| Down Pmt | \$1,075,000 | Current CAP | 5.8% |
| Loan Amount | \$1,475,000 | Market CAP | 5.9% |
| Interest Rate | 6.0% | Reno Cap | 6.1% |
| Payment | Interest Only | | |

| UNITS | UNIT TYPE | SIZE | CURRENT RENT | MARKET RENT | RENO RENT |
|----------|---------------------|------------|---------------|---------------|---------------|
| 2 | 1Bd/1Bth | 591 | \$1,388 | \$1,475 | \$1,725 |
| 1 | *R - 1BD/1BTH | 613 | \$1,795 | \$1,825 | \$1,825 |
| 1 | *R - 1Bd/1Bth + Den | 620 | \$2,075 | \$2,100 | \$2,100 |
| 4 | *R - 2Bd/1Bth | 870 | \$2,524 | \$2,550 | \$2,550 |
| 8 | Total/Avg | 737 | \$2.84 | \$2.90 | \$2.98 |

*R = Renovated Unit

| MONTHLY INCOME | CURRENT | MARKET | RENO |
|-------------------------------|-----------------|-----------------|-----------------|
| Gross Potential Rent | \$16,740 | \$17,075 | \$17,575 |
| Parking Income | \$0 | \$200 | \$200 |
| Utility Bill Back | \$975 | \$975 | \$975 |
| Storage Income | \$30 | \$125 | \$125 |
| Laundry Income | \$131 | \$131 | \$131 |
| Other Income | \$180 | \$180 | \$180 |
| Gross Potential Income | \$18,056 | \$18,756 | \$19,256 |

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| ANNUALIZED OPERATING DATA | CURRENT | MARKET | RENO |
|-------------------------------|------------------|------------------|------------------|
| Scheduled Gross Income | \$216,670 | \$225,069 | \$231,069 |
| Less Vacancy | \$8,667 | \$11,253 | \$11,553 |
| Gross Operating Income | \$208,003 | \$213,816 | \$219,516 |
| Less Expenses | \$60,560 | \$63,314 | \$63,599 |
| Net Operating Income | \$147,443 | \$150,502 | \$155,917 |
| Annual Debt Service | \$88,500 | \$88,500 | \$88,500 |
| Cash Flow Before Tax | \$58,943 | \$62,002 | \$67,417 |

| ANNUALIZED OPERATING EXPENSES | | CURRENT | MARKET | RENO |
|--------------------------------------|----------------|-----------------|-----------------|-----------------|
| RE Taxes | 2026 Actual | \$23,139 | \$23,139 | \$23,139 |
| Insurance | 2025 Actual | \$5,262 | \$5,262 | \$5,262 |
| Utilities | 2025 Actual | \$12,608 | \$12,608 | \$12,608 |
| Maint/Repairs | 2025 Actual | \$6,014 | \$6,014 | \$6,014 |
| Landscaping / Exterior UpKeep | 2025/ Proforma | \$575 | \$1,800 | \$1,800 |
| Professional Management | Proforma - 5% | \$10,400 | \$10,691 | \$10,976 |
| Admin/Marketing/ Licenses/Accounting | 2025/ Proforma | \$162 | \$1,400 | \$1,400 |
| Reserves | Proforma | \$2,400 | \$2,400 | \$2,400 |
| Total Expenses | | \$60,560 | \$63,314 | \$63,599 |

| CURRENT OPERATIONS | Expense/Unit | | MARKET OPERATIONS | Expense/Unit | |
|--------------------|----------------|---------|-------------------|----------------|---------|
| | Expense/Unit | \$7,570 | | Expense/Unit | \$7,914 |
| | Expense/Foot | \$10.27 | | Expense/Foot | \$10.74 |
| | Percent of EGI | 29.12% | | Percent of EGI | 29.61% |

SALES COMPARABLES



Fairseas Apartments

Seattle, WA

| | |
|-------------|-------------|
| Year Built | 1925/1960's |
| Units | 8 |
| Sales Price | \$2,550,000 |
| Price/Unit | \$318,750 |
| Price/Foot | \$432 |
| Current CAP | 5.8% |
| Market CAP | 5.9% |
| Reno CAP | 6.1% |



Klahowya Apartments

855 W Nickerson St,
Seattle, WA 98119

| | |
|-------------|-------------|
| Year Built | 1963 |
| Units | 9 |
| Sales Price | \$3,150,000 |
| Price/Unit | \$350,000 |
| Price/Foot | \$480 |
| CAP | 4.9% |
| Status | Available |



Nordic Lofts

3238 15th Ave W,
Seattle, WA 98119

| | |
|-------------|-------------|
| Year Built | 1967 |
| Units | 6 |
| Sales Price | \$2,350,000 |
| Price/Unit | \$392,667 |
| Price/Foot | \$511 |
| CAP | 5.2% |
| Sale Date | Available |



The Belvedere Apartments

3425 14th Ave W,
Seattle, WA 98119

| | |
|-------------|-------------|
| Year Built | 1989 |
| Units | 19 |
| Sales Price | \$3,988,000 |
| Price/Unit | \$209,895 |
| Price/Foot | \$235 |
| CAP | 4.8% |
| Status | Pending |



Cherry Court Condominiums

1410-1414 Queen Anne Ave N,
Seattle, WA 98109

| | |
|-------------|-------------|
| Year Built | 1919 |
| Units | 7 |
| Sales Price | \$2,220,000 |
| Price/Unit | \$317,143 |
| Price/Foot | \$406 |
| CAP | 5.3% |
| Sale Date | 1.05.2026 |



Nickerson Nine

645 W Nickerson St,
Seattle, WA 98119

| | |
|-------------|-------------|
| Year Built | 1988 |
| Units | 9 |
| Sales Price | \$3,100,000 |
| Price/Unit | \$344,444 |
| Price/Foot | \$386 |
| CAP | 4.8% |
| Sale Date | 07.25.2025 |



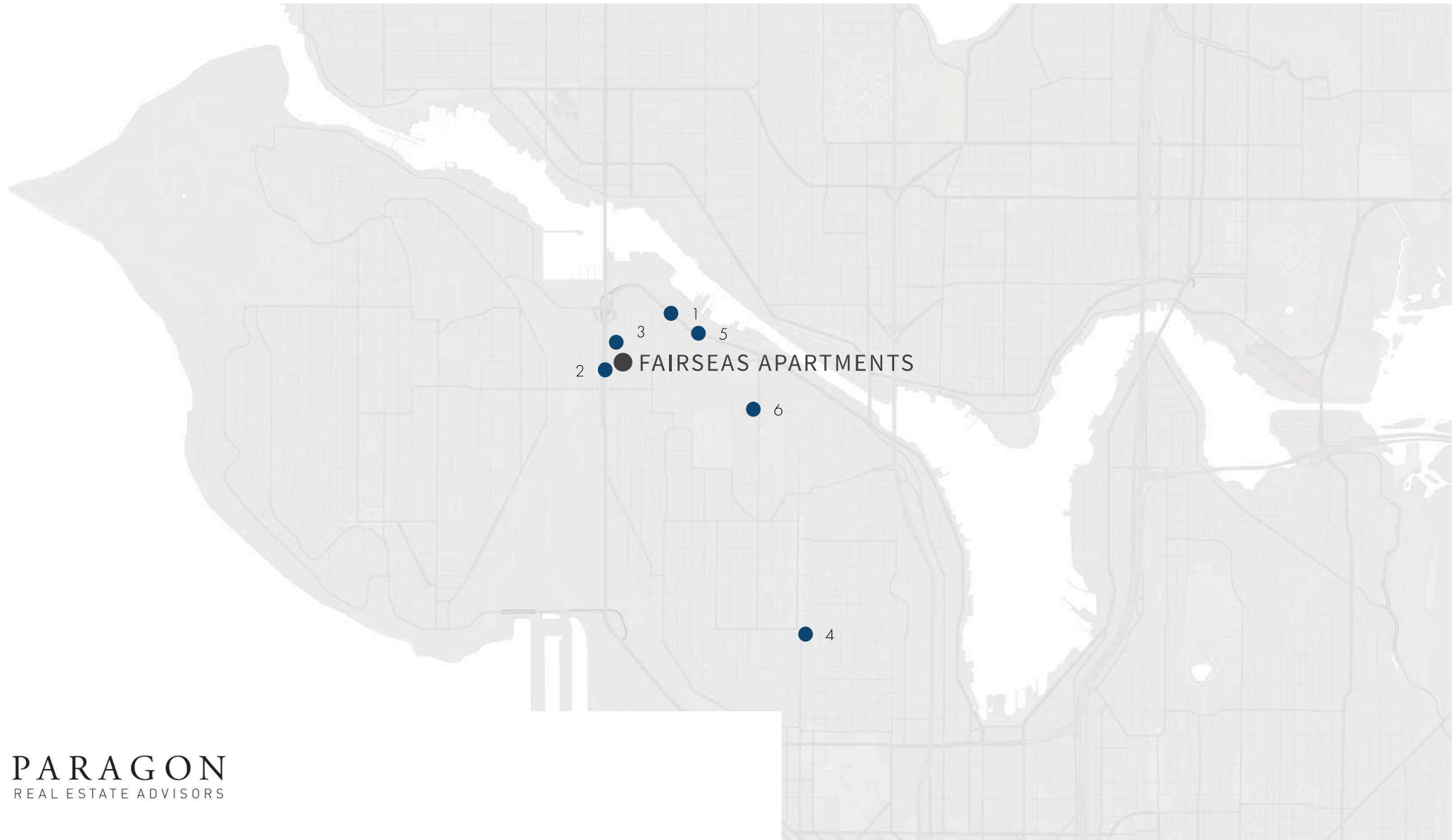
Davis Apartments

3019 3rd Ave W,
Seattle, WA 98119








| | |
|-------------|-------------|
| Year Built | 1981 |
| Units | 10 |
| Sales Price | \$2,950,000 |
| Price/Unit | \$295,000 |
| Price/Foot | \$395 |
| CAP | - |
| Sale Date | 02.03.2025 |

SALES COMPARABLES

- 1. **Klahowya Apartments** - Seattle, WA 98119
- 2. **Nordic Lofts** - Seattle, WA 98119
- 3. **The Belvedere Apartments** - Seattle, WA 98119
- 4. **Cherry Court Condominiums** - Seattle, WA 98109
- 5. **Nickerson Nine** - Seattle, WA 98119
- 6. **Davis Apartments** - Seattle, WA 98119



RENT COMPARABLES

| | ADDRESS | BUILT | UNITS | UNIT TYPE | UNIT SIZE | RENT | RENT/SF |
|--|--|-----------------|------------------|--|--------------------------|--|--|
|  | Fairseas Apartments 1401 W Bertona St, Seattle, WA 98119 | 1925/ 1960's | 2 1 1 4 | 1BD/1BTH R - 1BD/1BTH R - 1BD/1BTH + Den R - 2BD/1BTH | 591 613 620 870 | \$1,350-\$1,425 \$1,795 \$2,075 \$2,300-\$2,825 | \$2.14-\$2.59 \$2.93 \$3.35 \$2.68-\$3.35 |
|  | Bertona Steps 3402 15th Ave W, Seattle, WA 98119 | 2018 | 8 | 1BD/1.5BTH | 808 | \$2,250 | \$2.78 |
|  | Cherry Court 1410-1416 Queen Ann Ave N, Seattle, WA 98109 | 1919 | 7 | 1BD/1BTH (sm) 1BD/1BTH (lg) 2BD/1BTH | 540 985 938 | \$1,725 \$2,895 \$3,150 | \$3.19 \$2.94 \$3.36 |
|  | Queen Anne 5-Unit 2114 7th Ave W, Seattle, WA 98119 | 1927/ 2007 | 5 | 1BD/1BTH 2BD/1BTH | 655 785 | \$2,385 \$2,965 | \$2.94 \$3.36 |
|  | Klahowya Apartments 855 W Nickerson St, Seattle, WA 98119 | 1963 | 10 | 1BD/1BTH 2BD/1BTH | 625 900 | \$1,800 \$2,300 | \$2.88 \$2.56 |
|  | Golfcrest Apartments 2629 14th Ave W, Seattle, WA 98119 | 1963 | 31 | 1BD/1BTH 2BD/1BTH | 725 850 | \$1,645 \$2,150 | \$2.27 \$2.53 |
|  | Nordic Lofts 3238 15th Ave W, Seattle, WA 98119 | 1967 | - | 1BD/1BTH 2BD/1BTH | 620 840 | \$1,750 - \$1,895 \$2,450 | \$2.82 - \$3.06 \$2.92 |

RENT COMPARABLES

1. **Bertona Steps** - Seattle, WA 98119

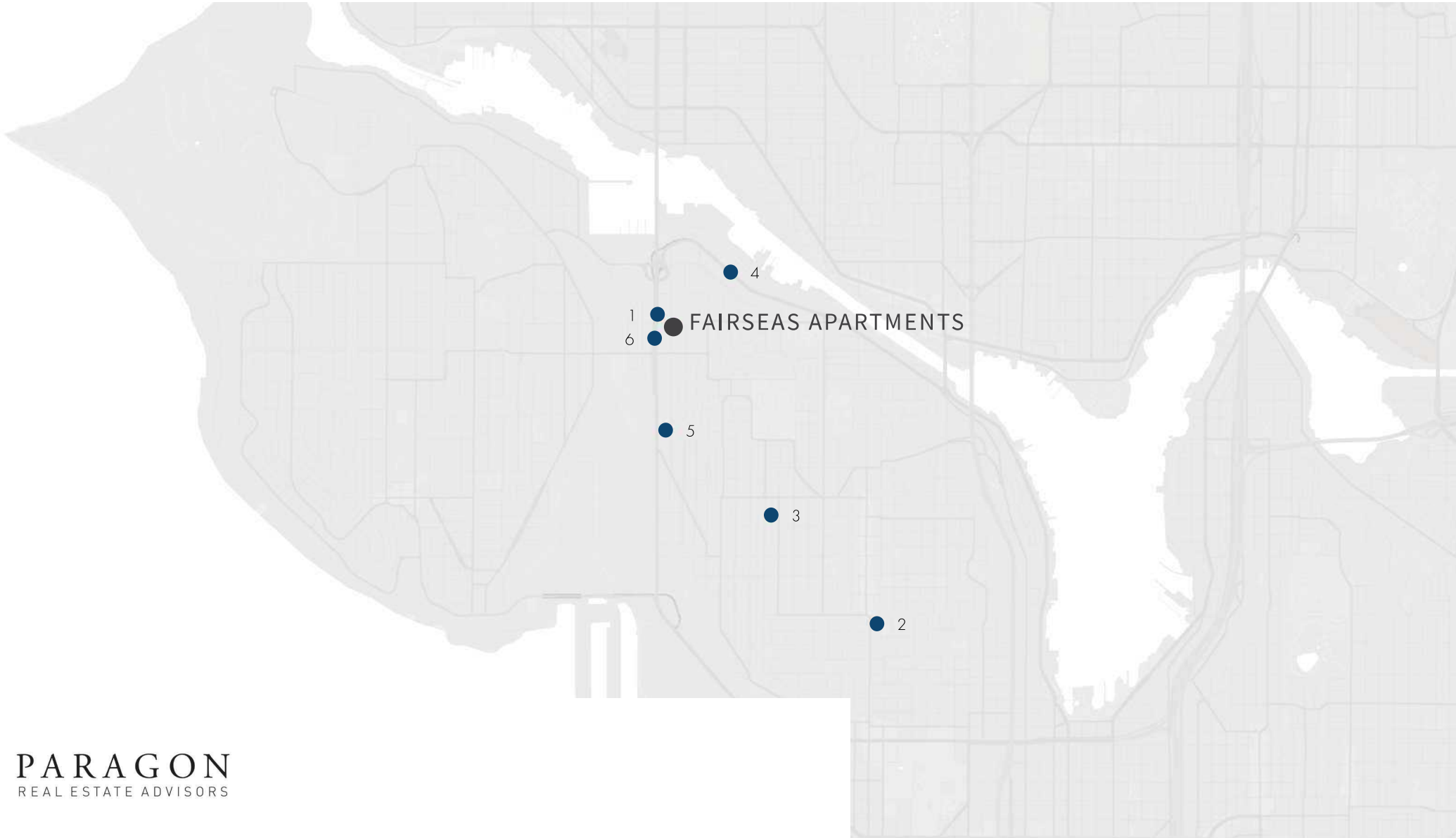
2. **Cherry Court** - Seattle, WA 98109

3. **Queen Anne 5-Unit** - Seattle, WA 98119

4. **Klahowya Apartments** - Seattle, WA 98119

5. **Golfcrest Apartments** - Seattle, WA 98119

6. **Nordic Lofts** - Seattle, WA 98119



PARAGON REAL ESTATE

\$4.5 B
Sales Volume

30
Years in
Business

20+
Brokers

48 k
Units Sold

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ABOUT US

Leading investment firm for multi-family property

Paragon Real Estate Advisors is a leading Seattle real estate investment firm for multi-family property sales in Washington State. We are locally owned, client-focused, and highly experienced. When it comes to apartments and investment real estate in the Puget Sound region, we are the smart choice to partner with.



Puget Sound's Premiere Commercial Real Estate Brokerage

PARAGON REAL ESTATE ADVISORS

In 1995 our founders saw an opportunity to form a new kind of brokerage, one that focused on sharing information between brokers and truly partnering with its clients. Paragon Real Estate Advisors quickly established itself as a leading Seattle real estate investment firm. Paragon Real Estate Advisors is the leading Seattle real estate investment firm for multi-family property sales in Washington State. We have accrued over \$4.5 billion in sales and have closed over 2,000 successful real estate transactions. We are locally owned, client-focused, and highly experienced.

At Paragon, we build long-term partnerships that help our clients reach their long- and short-term real estate investment goals while maintaining maximum profitability for them. Our brokers have an in-depth knowledge of the Washington state real estate market, particularly in the greater Seattle area and the I-5 corridor, that comes from more than 30 years' experience in the industry. Paragon's unique focus on sharing knowledge, teamwork and collaboration within the brokerage industry leverages our collective intellect for all our clients. Our brokers provide superior customer representation through our innovative and effective marketing campaigns, co-brokerage, skilled negotiations, and ongoing partnerships.

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