

# Whisperwood

apartments

126 UNITS | 100% LIHTC | BURIEN, WA (SEATTLE MSA)

EXECUTIVE SUMMARY





# The Offering

## Property Summary

ADDRESS	11844 26th Avenue South
CITY, STATE	Burien, WA
YEAR BUILT / RENOVATED	1967 / 2002
NUMBER OF UNITS	126 units
RENT & INCOME RESTRICTIONS	100% LIHTC (50% & 60% AMI)
AVERAGE UNIT SIZE	902 SF
TOTAL SF	113,625 SF
BUILDINGS	8 residential
ACRES	9.01 AC
CURRENT DENSITY (UNITS/ACRE)	14 units/AC
YEAR PLACED-IN-SERVICE	2002
END OF YEAR 15	December 31, 2016
END OF EXTENDED USE PERIOD	December 31, 2040



## Offering Procedures

TOUR SCHEDULE:	Please contact Michael Fox (michael.fox@jll.com), Doug Childers (doug.childers@jll.com), Melissa Bloem (melissa.bloem@jll.com), or Michael Lyford (michael.lyford@jll.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from JLL. Failure to adhere to this request will be taken into consideration by the Seller when offers are selected.
OFFER DATE:	To Be Announced
BEST & FINAL:	Upon review of the initial offers submitted, if appropriate, a select group of Investors will be notified of their participation within the Best and Final Round.
TERMS AND CONDITIONS:	The Property is offered on an “as is” basis, subject to the existing rent, income, and occupancy restrictions required by the existing Extended Low-Income Housing Agreement (LIHTC LURA).
APPROVALS:	Approval from the Washington State Housing Finance Commission (WSHFC) will be required of a prospective Purchaser.
SELECTION AND CRITERIA:	The prospective Investor will be selected by the Owner, in its sole and absolute discretion, on the basis of a complement of factors, including, but not limited to, purchase price; the Investor’s financial strength/ balance sheet capacity; level of discretion to invest funds; ability to close in a timely fashion; experience in closing similar transactions; reputation within the industry and the extent to which due diligence is completed.



# Investment Highlights & Property Overview



## STRONG MAX RENT GROWTH & LEASING MOMENTUM

- **17.1%** lease rent growth in the last 13 months (Jan. '23 - March '24)
- **8.8%** max rent growth in **2023**
- **2.9%** projected gross max rent growth for **2024**



## SIZABLE SPREAD TO MARKET RENTS DRIVING DEMAND

- **\$500+** spread between current lease rents and nearby market-rate comparables
- The Property's **floorplans are +117 SF larger** on average than the average submarket floorplan



## CONNECTIVITY TO MAJOR EMPLOYERS

- **5 minutes** from the Boeing Dev. Center
- **10 minutes** from SeaTac & Kings County Airports
- **10 minutes** from Downtown Burien



## PREMIUM SEATTLE METRO

- **#4 fastest growing city** in the U.S.
- **#1 MSA** for most **talented tech workforce**
- **10 Fortune 500 companies** headquartered in Seattle



## AFFORDABLE HOUSING PRESERVATION OPPORTUNITY

- Currently eligible for **re-syndication**
- **LIHTC equity** to off-set acquisition and renovation costs
- Eligible for the **130% basis boost** due to location in a Qualified Census Tract



## POTENTIAL WATER AND SEWER EXPENSE REDUCTIONS

- **\$30,000 potential annual savings** by installing low-flow fixtures
- **44% estimated reduction** in resident water consumption per day



## Community Amenities

- Swimming Pool with Sundeck
- Resident Clubhouse
- Sauna
- 24-hour Laundry Facility

## Apartment Amenities

- Fully-Equipped Kitchens Include:
  - Electric Range
  - Refrigerator
  - Dishwasher
- Oversized Patios and Balconies
- Walk-In Closet
- Spacious Floorplans

Units	Unit Description	SF	In-Place Market Rents	In-Place Lease Rents	2023 Net Max LIHTC Rent <sup>1</sup>	JLL Proj. '24 Net Max LIHTC Rent <sup>1</sup>	JLL Proforma Market Rent
3	Studio 50% AMI	700	\$1,244	\$1,175	\$1,244	\$1,281	\$1,281
3	Studio 60% AMI	700	\$1,501	\$1,413	\$1,500	\$1,545	\$1,545
25	One Bedroom, 50% AMI	860	\$1,338	\$1,340	\$1,335	\$1,375	\$1,375
62	One Bedroom, 60% AMI	846	\$1,586	\$1,490	\$1,610	\$1,658	\$1,575
8	Two Bedroom, 50% AMI	1,030	\$1,595	\$1,524	\$1,595	\$1,643	\$1,643
20	Two Bedroom, 60% AMI	1,030	\$1,917	\$1,829	\$1,925	\$1,982	\$1,982
2	Three Bedroom, 50% AMI	1,325	\$1,835	\$1,650	\$1,835	\$1,890	\$1,890
2	Three Bedroom, 60% AMI	1,325	\$2,216	\$2,165	\$2,215	\$2,282	\$2,100
1	Common Area Unit	1,325	--	--	--	--	--
126		898	\$1,594	\$1,520	\$1,606	\$1,654	\$1,610

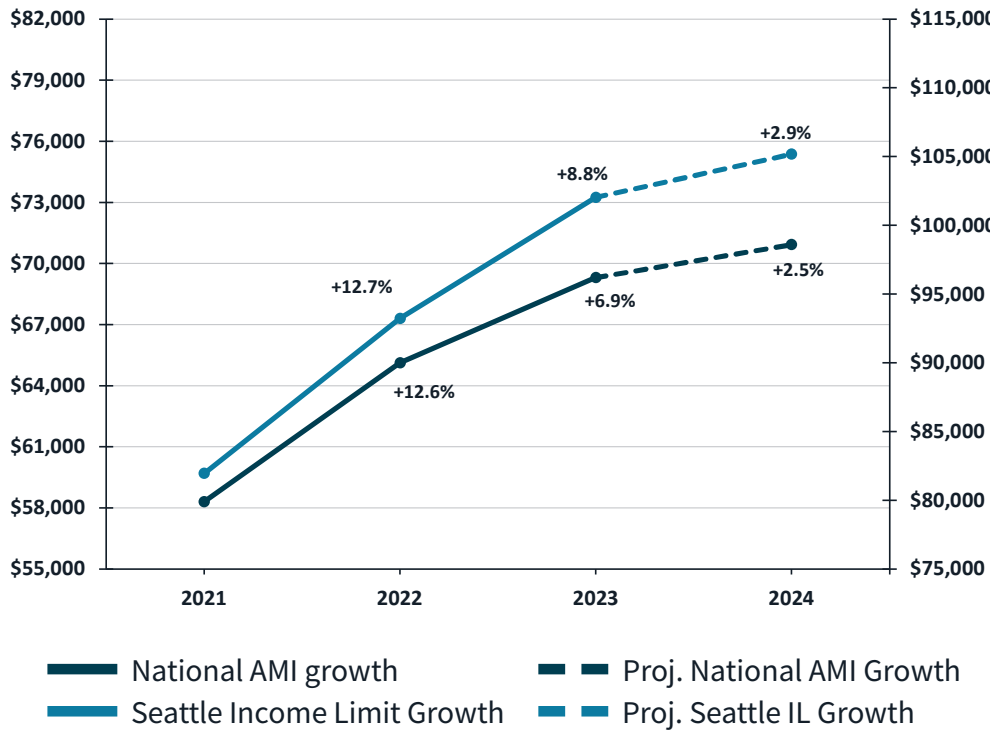
<sup>1</sup>) Max LIHTC rents take into account applicable utility allowances.

# Robust Max Rent Growth & Leasing Momentum

Whisperwood Apartments is located in the Seattle MSA which benefited from significant max rent growth from 2021 - 2023 (21.5%). Furthermore, JLL projects max rents to increase an additional 2.9% in 2024. As a result of mid-term lease adjustments that were effective in January 2024, the Property has seen 5.6% lease rent growth from November 2023 - March 2024.



SEATTLE MSA INCOME LIMIT GROWTH VS. NATIONAL AMI GROWTH



**STRONG FUTURE NOI GROWTH BUILDS ON RECENT LEASING MOMENTUM**

**January 2024: Implemented Collection Improvement Plan**

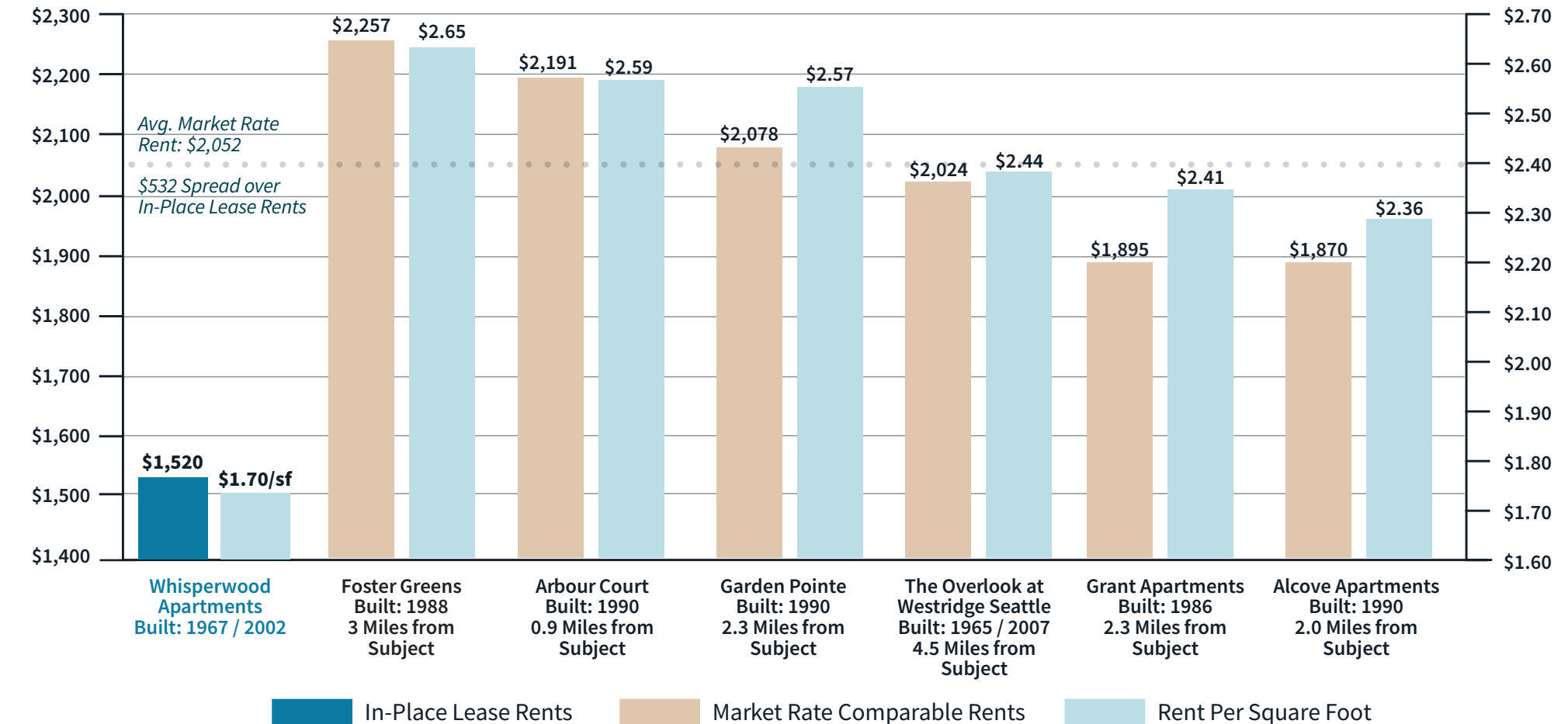
- This program resulted in 99%+ collected YTD through February.

**December 2023 & January 2024: Rent Notices / Increases**

- Resulted in a 5.6% average increase across all units.
- Lease rents on 38 **non-voucher units** (47% of total occupied non-voucher units) were increased 10.6% over previous rents.
- Lease rents on 27 **voucher units** (79% of total occupied voucher units) were increased 9.1% over previous rents.

# Sizable Spread to Market Rents Driving Demand

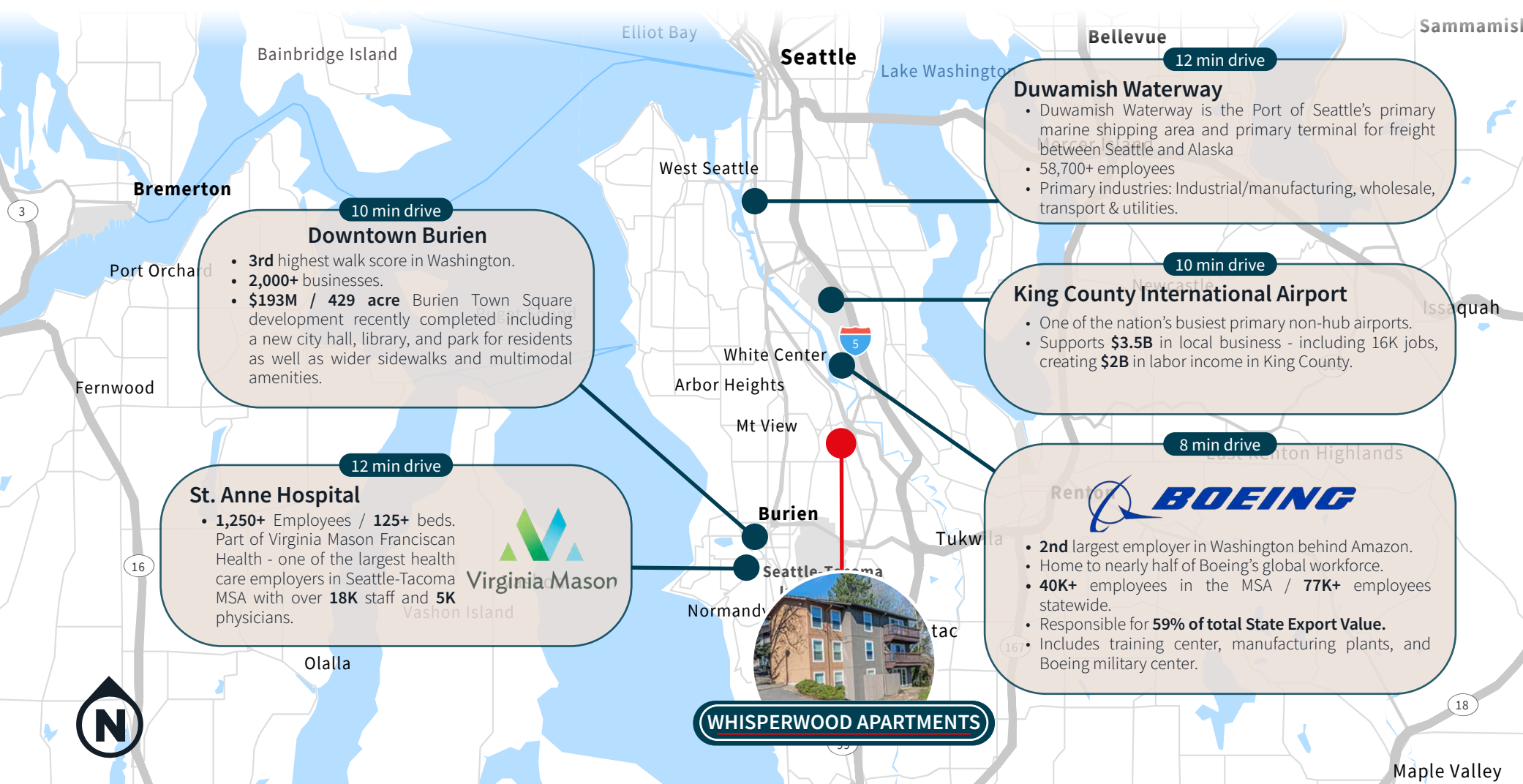
The Property is insulated from typical market volatility and offers Investors a stable, bond-like return due to the \$532 spread between effective rents at nearby market-rate properties and current in-place lease rents. Additionally, Whisperwood Apartments offers oversized units that exceed market average square footage by +117 square feet which further drives demand.





# Superior Connectivity to Major Employers

Whisperwood Apartments is conveniently located in the City of Burien, just 5 minutes from the SeaTac Airport, with access to SR-509 and SR-518 providing superior connectivity throughout the region. Burien is a young city built from homesteads around Lake Burien, boasting six miles of shoreline, expansive mountain views, and walkable city center. As an integral part of the larger Seattle-Tacoma region, Burien is home to over 2000 businesses employing more than 15,000 people and is expected to add 8,780 more jobs citywide by 2035. Burien is forecast to add approximately 9,089 new residents by 2040 (an increase of 18% from the 2015 population). The City of Burien is leading the efforts to increase both jobs and population by implementing The Burien Urban Center Plan focused on developing a new mixed-use city center and urban residential neighborhoods that would allow for 2,800 new housing units and 3,600 new jobs.





# Located in Premium Seattle Metro

**#4 CITY**  
**Fastest-Growing City**  
*(Kenan Institute - American Growth Project)*

**#2 STATE**  
**In America**  
*(U.S. News & World Report 2023)*

**#1 CITY**  
**Most Educated**  
*(U.S. Census Bureau)*

## Top Rated Population Growth

The Seattle-Tacoma-Bellevue metropolitan area has a population of over 4.0 million people, making it the 15th largest metropolitan area in the country. Over the past decade, the metro's population has exploded due to the city's pro-business environment, high-quality of life, and talented workforce.



**#1 City for Business & Careers**  
 The Best Places for Business & Careers  
*(Forbes Magazine)*

Seattle-Based Company HQs



## Nation-Leading Employment Market with Convenient Access to Major Healthcare Employers

The Seattle MSA benefits from its highly talented workforce of over 2.3 million people. The region's workforce population has seen substantial growth of 19% from 2010-2023 - outpacing the United States average of 7.8%. The growing workforce continues to attract notable employers with over 85,000 new jobs projected over the next three years.

<p><b>16-minute drive</b></p> <p><b>#112</b> best hospital in the U.S. NEWSWEEK, 2023</p> <p>Nearly <b>13K</b> employees</p> <p><b>1.5K+</b> licensed beds</p>	<p><b>18-minute drive</b></p> <p><b>#27</b> best hospital in the U.S. NEWSWEEK, 2023</p> <p><b>4.5K</b> employees</p> <p><b>413</b> licensed beds</p>	<p><b>18-minute drive</b></p> <p><b>#37</b> best hospital in the U.S. NEWSWEEK, 2023</p> <p><b>470</b> physicians</p> <p><b>366</b> licensed beds</p>	<p><b>14-minute drive</b></p> <p><b>200+</b> specialty physicians</p> <p><b>1.2K</b> employees</p>
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Sources: Harbor View, Swedish Medical Center, Virginia Mason, The Polyclinic, Newsweek, U.S. News and World Report, University of Washington

## Notable Employers in Downtown Seattle

<p><b>NOTABLE DOWNTOWN EMPLOYERS</b>  <i>All Downtown employers are located within a 20-minute drive of Whisperwood Apartments</i></p>	<p><b>DOWNTOWN SEATTLE BY THE NUMBERS</b></p> <p><b>#1</b>              RIDER LEVITT BUCKNALL CRANE INDEX</p> <p><b>\$220K</b>              AVERAGE SEATTLE TECH WORKER SALARY</p> <p>AVERAGE ANNUAL INCOME ABOVE STATE AVERAGE BY</p> <p><b>56%</b></p> <p><b>61%</b>              INCREASE IN RENTERS OVER THE PAST 10 YEARS</p>
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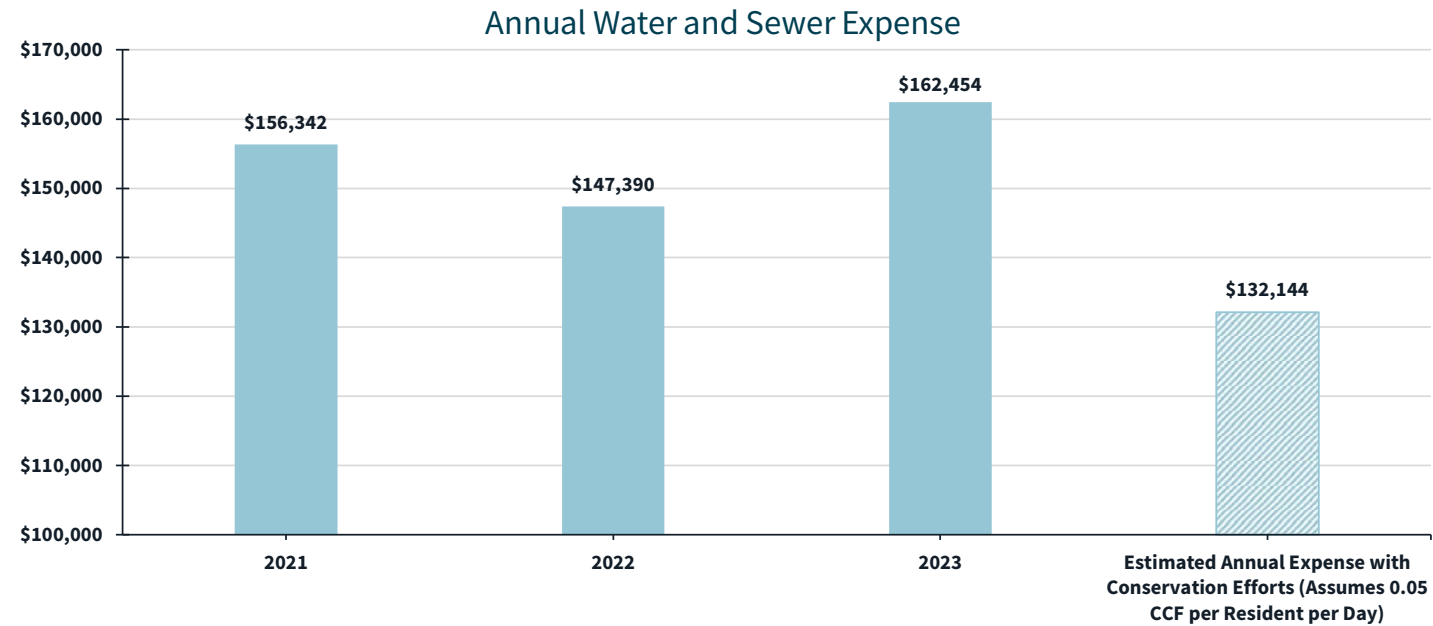
# Affordable Housing Preservation Opportunity

The expiration of the LIHTC compliance period makes Whisperwood Apartments a prime candidate for a future tax credit re-syndication.

- ✓ LIHTC Equity to off-set acquisition and renovation costs
- ✓ Eligible for the 130% basis boost due to location in a Qualified Census Tract
- ✓ 4% credit floor allows for additional tax credit equity
- ✓ Sizable developer fee
- ✓ Ability to push rents to max following LIHTC rehab
- ✓ Proposed changes to 50% test increases feasibility of potential LIHTC re-syndication

## Potential Water and Sewer Expense Reductions

Management has completed an internal analysis to showcase possible water & sewer savings that can be achieved by replacing current fixtures with low-flow fixtures. If completed, the fixture replacements could result in \$30,000 savings annually compared to current expense levels.





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*\*\*The outbreak of the COVID-19 virus (novel corona virus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.*