

# 554 PROSPECT STREET

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Turn-key 5-Unit in  
the Heart of Seattle's  
Desirable Queen Anne

554 PROSPECT STREET,  
SEATTLE, WASHINGTON



Jones Lang LaSalle Americas, Inc.



# The offering

*JLL, as exclusive advisor, is pleased to present the outstanding opportunity to acquire the 554 Prospect Apartments (“the Property”), an apartment property located in Seattle's Queen Anne neighborhood.*

Located in the charming and highly sought-after Queen Anne neighborhood, 554 Prospect consists of one studio, 2 two-bedrooms, and 2 two bedroom + den units. Originally built in 1909, the Property underwent a fully-permitted studs-out renovation in 2013, significantly upgrading its features and systems to compete with the best rental options in the submarket. Units include in-unit washers and dryers and come with a complementary storage unit. The studio is the only unit that utilizes the common laundry located in the unfinished basement area.

Nestled in the heart of Queen Anne, one of Seattle’s most popular neighborhoods, residents at the Property are proximate to a variety of retail, entertainment, and cultural amenities, as well as the employment hubs of Downtown Seattle and South Lake Union. With over 4.2 million square feet of retail within 1 mile of the Property, this highly walkable location provides residents with the benefits of urban living in a suburban environment. Just an 11-minute walk from Seattle Center, residents also have immediate access to the iconic Space Needle, Pacific Science Center, Museum of Pop Culture, and Climate Pledge Arena. Also walkable from the Property is the famous Kerry Park, renowned for its breathtaking view of the Seattle skyline. Only a 1-minute drive to State Route 99, residents of the Property benefit from direct connectivity to the north, south, and central submarkets of Seattle. 554 Prospect represents an excellent opportunity for investors seeking both reliable cash flow and the potential for continued rent growth in Seattle's most desirable neighborhood.



## Property summary

<b>Address</b>	554 Prospect Street, Seattle, WA 98109
<b>Number of Units</b>	5
<b>Average Unit Size (SF)</b>	795
<b>Year Completed</b>	1909
<b>Year Renovated</b>	2013
<b>Achieved Rent Per Unit</b>	\$2,170
<b>Achieved Rent PSF</b>	\$2.73



## Unit mix

Unit Type	Approx. SF	Achieved Rents	Avg Rent/SF	JLL Pro Forma Rents	Avg Rent/SF
Studio	617	\$1,250	\$2.03	\$1,550	\$2.51
2x2	830	\$2,400	\$2.90	\$2,700	\$3.26
2x2	830	\$2,400	\$2.90	\$2,700	\$3.26
2x2 + Den	850	\$2,400	\$2.82	\$2,750	\$3.24
2x2 + Den	850	\$2,400	\$2.82	\$2,750	\$3.24

## Superb surrounding demographics

Population Characteristics	0.5-mile	1-mile	3-mile
Population growth since 2010	69.8%	77.1%	40.6%
Average household income	\$186,830	\$185,813	\$175,981
Projected average household income growth by 2029	14.4%	13.5%	15.1%
Median age	32.4	33.5	33.3
Projected increase in median home value by 2029	37.4%	24.4%	16.5%



# QUEEN ANNE



Located just minutes from Downtown Seattle & South Lake Union, Queen Anne is a highly sought-after neighborhood that offers a blend of historical charm with contemporary living and has ample employment and amenities nearby. The neighborhood is known for its stunning views of the city skyline, quaint shopping district, world-class entertainment with live music and sports venues, and spectacular outdoor recreational activities. Lower Queen Anne is walkable from the Property and is home

to the renowned Seattle Center, which houses iconic landmarks such as the Space Needle, Pacific Science Center, and Museum of Pop Culture. The new Climate Pledge Arena which is home to the Seattle Kraken and Seattle Storm is also in Lower Queen Anne. This hub of entertainment and cultural activities attracts a large number of tourists and locals alike, providing a constant stream of vibrant energy to the area.





## Queen Anne stats



**64.7K**

total population



**\$187.4K**

average household  
income



**64.5%**

of households make  
over \$100K per year



**17.8%**

median home value  
growth by 2029



**67.6%**

rentership rate



**33.4**

median age

Source: ESRI











# Immediate access to the region's largest employment drivers in Seattle & the Eastside

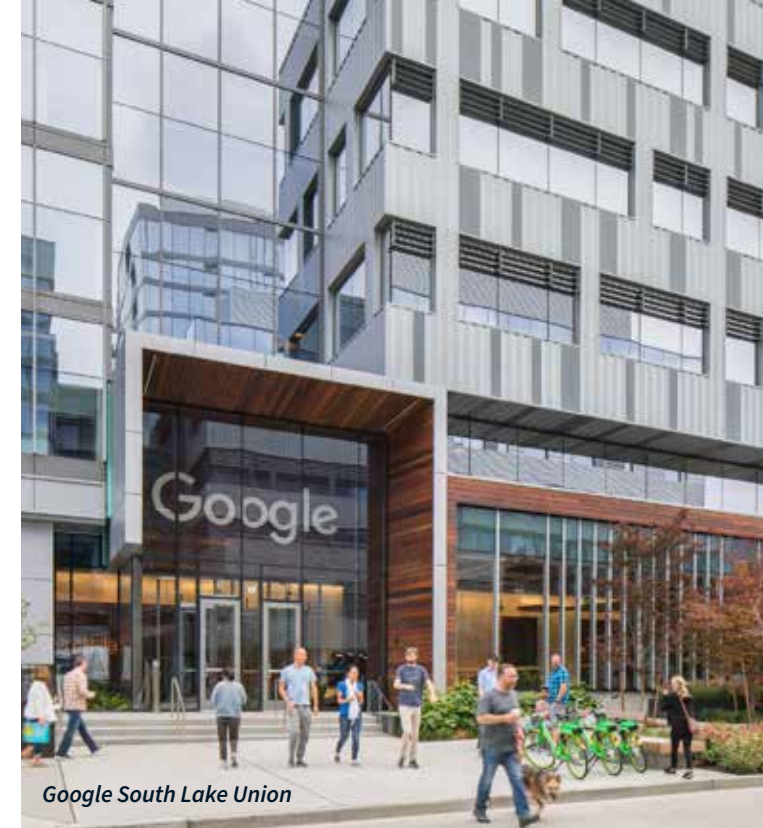
TECHNOLOGY



## Meta

*4-minute drive*

- Meta has initiated a **\$6M** redevelopment of its **280K SF** Dexter Station building in South Lake Union
- **8K** employees in Seattle area
- **2.78M SF** of office space on the Eastside



Google South Lake Union

## Google

*4-minute drive*

- **1.1M SF** office space occupied in Seattle
- **7.2K** employees in Seattle area
- **1.45M SF** of office space on the Eastside
- **\$41.33B** economic impact in Washington

Amazon headquarters

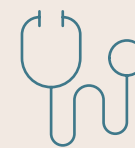


## Apple

*3-minute drive*

- **2K** employees in Seattle area
- New **193K SF** office space leased in South Lake Union, Seattle's largest new lease since 2019





LIFE SCIENCE,  
BIOTECH, &  
HEALTHCARE

## Fred Hutch Cancer Center

*5-minute drive*

- **5.7K** employees
- **1.6M SF** campus in South Lake Union

## Bill & Melinda Gates Foundation

*11-minute walk*

- **2K** employees
- **900K SF** campus in South Lake Union
- **\$75.2B** foundation trust endowment

## UW Medicine

*9-minute drive*

- **#1** ranked hospital in Washington
- **35K** employees

## Amazon

*5-minute drive to Seattle Campus*

*14-minute drive to Bellevue Campus*

- **700K SF** new office space opened in Bellevue in Q1 2024
- **14K** existing employees in Bellevue, steaming ahead to its planned **25,000** workers on the Eastside
- **6.66M SF** on the Eastside
- **8K** employees in Seattle area

## Microsoft

*16-minute drive*

- **50K** existing employees in Redmond and as many as **8K** future employees
- **Microsoft Corporate Refresh Project**
  - **3M SF** new office recently completed or under construction
  - **2-acre** open plaza to accommodate **6K** people
  - Public amenities to include retail shops, restaurants, walking trails, and sports facilities



# Financial summary

	Trailing 12	JLL MARKET PRO FORMA	
<b>INCOME</b>			
<b>Effective Rental Income</b>			Per Unit/%
Gross Potential Income	\$130,200	\$149,400	--
Renovation Income	--	--	--
Loss-to-Lease	--	--	--
<b>Gross Scheduled Rent</b>	<b>130,200</b>	<b>149,400</b>	<b>29,880</b>
Vacancy	(1,650)	(4,482)	3.00%
Concessions	--	--	--
Bad Debt	--	--	--
Non-Revenue Units	--	--	--
<b>Subtotal: Effective Rental Income</b>	<b>128,550</b>	<b>144,918</b>	<b>28,984</b>
Miscellaneous Income	--	--	--
Utility Reimbursements	7,579	7,579	1,516
Garage and Parking	--	--	--
<b>Subtotal: Other Income</b>	<b>7,579</b>	<b>7,579</b>	<b>1,516</b>
<b>Effective Gross Income</b>	<b>136,129</b>	<b>152,497</b>	<b>30,499</b>
<b>EXPENSES</b>			
<b>Controllable Expenses</b>			
Payroll	--	--	--
Marketing	15	150	--
General & Administrative	--	--	--
Turnover	--	1,750	350
Repairs & Maintenance	4,746	3,250	650
Contract Services	616	1,200	240
Utilities	8,725	8,725	1,745
<b>Subtotal: Controllable Expenses</b>	<b>14,102</b>	<b>15,075</b>	<b>2,985</b>
<b>Fixed Expenses</b>			
Management Fee	7,803	9,150	6.00%
Real Estate Taxes	14,716	17,110	3,422
Insurance	3,410	3,750	750
<b>Subtotal: Fixed Expenses</b>	<b>25,929</b>	<b>30,010</b>	<b>6,002</b>
<b>Total Expenses</b>	<b>40,030</b>	<b>45,085</b>	<b>9,017</b>
<b>Capital Reserves</b>	<b>--</b>	<b>1,000</b>	<b>200</b>
<b>Net Operating Income</b>	<b>96,099</b>	<b>106,412</b>	<b>21,282</b>

Note

1)

3)

4)

5)

2)



## Underwriting Footnotes

- 1) Pro Forma GPI based on JLL Pro Forma rents
- 2) JLL assumed a reassessment at the listing price of \$2.1M and applied the current millage rate and a 90% assessor's discount to arrive at underwritten real estate taxes.
- 3) JLL assumed \$350 per unit annually for turnover expense, in-line with comparable properties of this size.
- 4) JLL assumed \$650 per unit annually for repairs & maintenance, in-line with comparable properties of this size.
- 5) JLL assumed \$240 per unit annually for contract services, in-line with comparable properties of this size.

<b>Price</b>	\$2,100,000
<b>Units</b>	5
<b>Price/Unit</b>	\$420,000
<b>Price/NRSF</b>	\$529
<b>Current Cap Rate</b>	4.6%
<b>Market Cap Rate</b>	5.1%

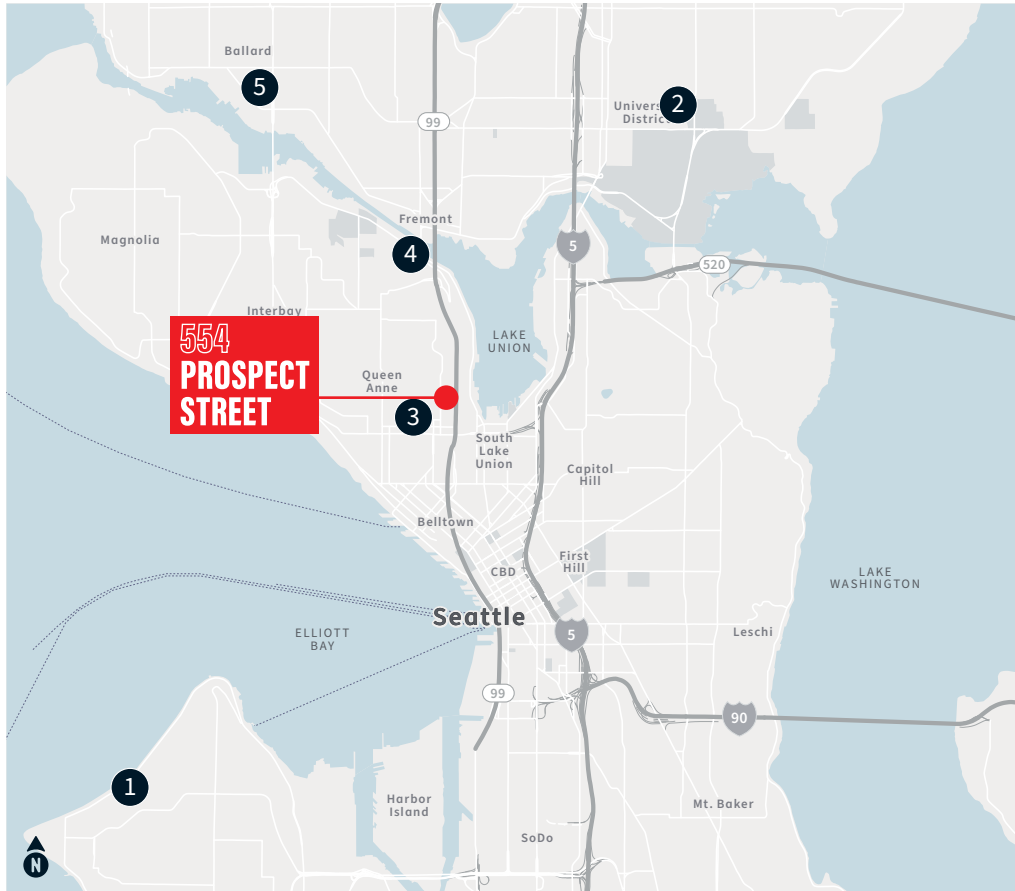






# Sales comparables

#	Date	Address	Submarket	Year Built	Units	NRSF	Unit Size	Sales Price	\$/Unit	\$/SF	Cap Rate
1	Nov-24	2440 54th Pl SW	West Seattle	2000	13	13,752	1,058	\$5,600,000	\$430,769	\$407	-
2	Dec-24	4745 Ravenna Ave NE	Ravenna	1976	5	5,543	1,109	\$2,050,000	\$410,000	\$370	4.92%
3	Jun-24	715 Nob Hill Ave N	Queen Anne	1974	12	8,811	734	\$4,680,000	\$390,000	\$531	5.70%
4	Apr-24	2731 Nob Hill Ave N	Queen Anne	1909	5	3,920	784	\$1,880,000	\$376,000	\$480	5.00%
5	Dec-23	1541 NW 52nd St	Ballard	1976	5	4,200	840	\$1,875,000	\$375,000	\$446	4.08%
<b>Averages</b>									<b>\$396,354</b>	<b>\$447</b>	<b>4.93%</b>









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