

THE CRESCENT BUILDING

**Residential Conversion
or Downtown Office
Investment Opportunity**

707 W MAIN AVENUE, SPOKANE, WA



Jones Lang LaSalle Brokerage, Inc. RE Lic: #01856260

The Offering

The Crescent Building (Property) provides a unique opportunity for either a conversion of its office space into residential housing or the ongoing utilization of its existing office mixed-use. Spanning across 98,000 square feet of Downtown Core (DTC) zoned land, The Property boasts a total building area of 250,000 square feet encompassing a spacious basement, two retail floors, and ample office space on floors two to seven. The current owner commissioned Uptic Studios Architects to conduct a comprehensive apartment conversion study, resulting in a compelling plan for approximately 90 units spanning floors 3 to 7, complemented by 50 parking stalls conveniently located on the basement level.

Downtown Spokane, nestled in eastern Washington, offers residents a vibrant and diverse array of attractions. Explore the stunning Riverfront Park after a 3-minute walk, which showcases picturesque gardens, walking trails, and the breathtaking Spokane Falls. For art enthusiasts, there are numerous galleries, theaters, and museums to indulge in, like the Fox Theater, Spokane Symphony, and the Northwest Museum of Arts and Culture. Foodies will delight in the culinary scene, with its eclectic mix of restaurants, cafes, and breweries, while outdoor enthusiasts can enjoy the nearby Centennial Trail and Mount Spokane State Park for hiking, biking, and skiing. Downtown Spokane also hosts an array of community events, such as the famous Lilac Bloomsday Run, Spokane Pig Out in the Park, and the thrilling Spokane Hoopfest. With its dynamic urban lifestyle, downtown Spokane is an enticing place to call home.

The Crescent Building presents an exceptional and unique opportunity for developers to provide sought-after rentable space to either individual or commercial renters in the heart of Spokane's vibrant retail and entertainment hub.

Property details

ADDRESS

707 W Main Avenue,
Spokane, WA 99201

SALE PRICE*

\$5,499,000

YEAR BUILT

1919; renovated: 2006

TOTAL SITE SIZE

2.26 acres / 39.8 du/ac

OFFERING SIZE*

±253,194 SF

*Retail (floor 1) is not included in this offering. Building square footage will need to be independently verified by buyer

PARCELS

35183.3303; 35183.3302

CEILING HEIGHT

13.7'-18.6'

Potential Apartments Figures

NUMBER OF UNITS / AVERAGE SIZE

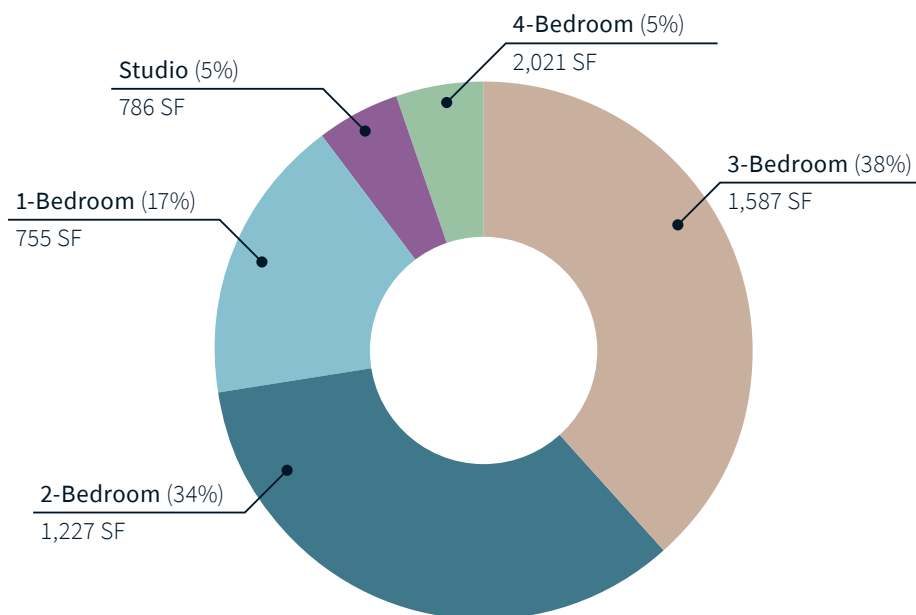
90 units / 1,303 SF

PARKING

50 standard stalls

The Crescent Building is located within an Opportunity Zone

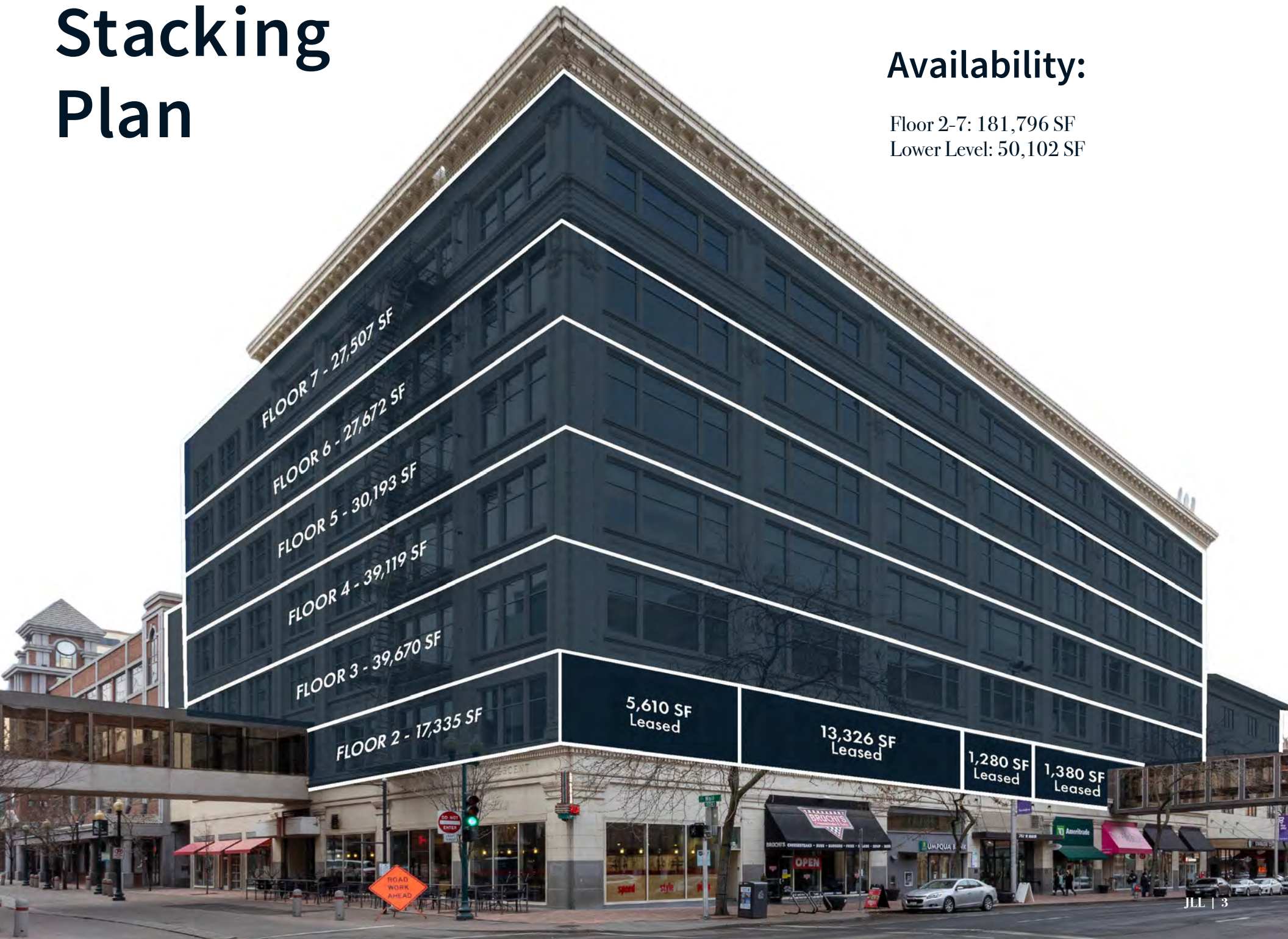
Potential unit mix



Stacking Plan

Availability:

Floor 2-7: 181,796 SF
Lower Level: 50,102 SF



Office Floor Plans

Stacking plan

Type	Floor	Floor SF	APN**
Storage/Office	Lower Level	±50,102 SF	35183.3303
Retail <i>*Not included in the offering</i>	1st Floor	±37,855 SF	35183.3301
Retail/Office	2nd Floor	±38,931 SF	35183.3302
Office	3rd Floor	±39,670 SF	35183.3303
Office	4th Floor	±39,119 SF	35183.3303
Office	5th Floor	±30,193 SF	35183.3303
Office	6th Floor	±27,672 SF	35183.3303
Office	7th Floor	±27,507 SF	35183.3303
Total included in the offering*		±253,194 SF	
Total Building Area		±298,912 SF	

*Building square footage will need to be independently verified by buyer

** APN to be independently verified by buyer



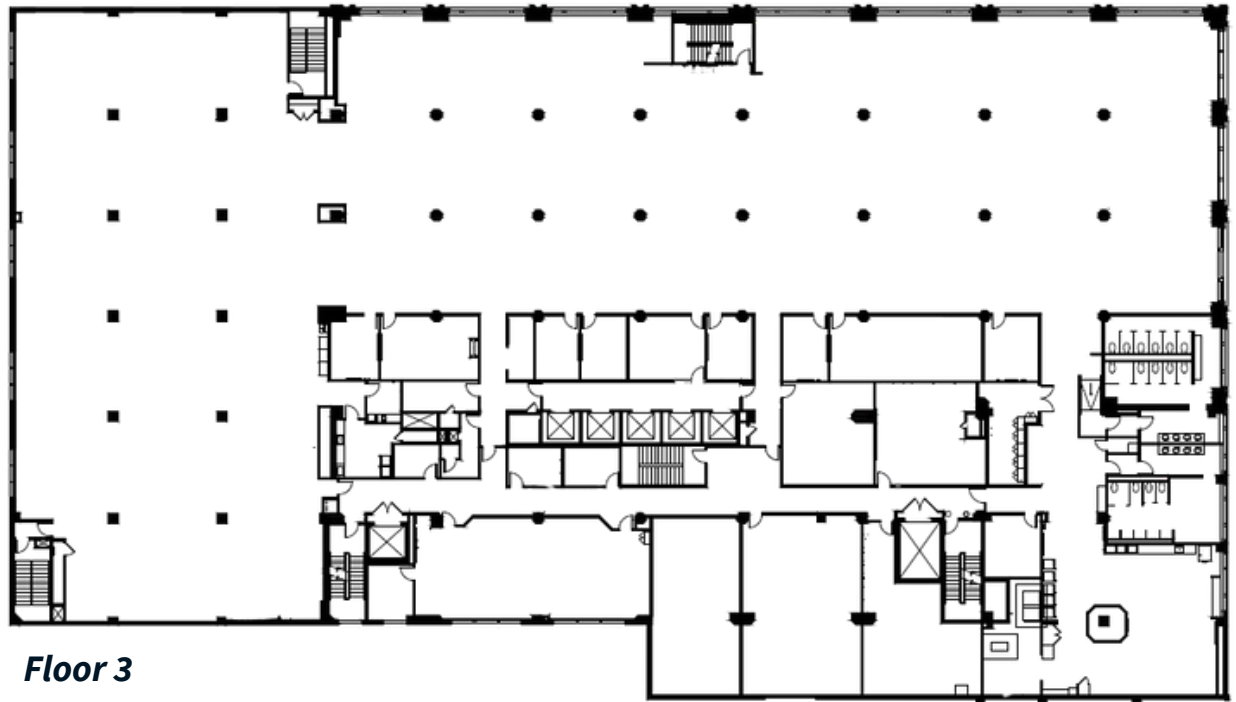
**Floor 1- Not included in this offering.
Shown for egress purposes only.**



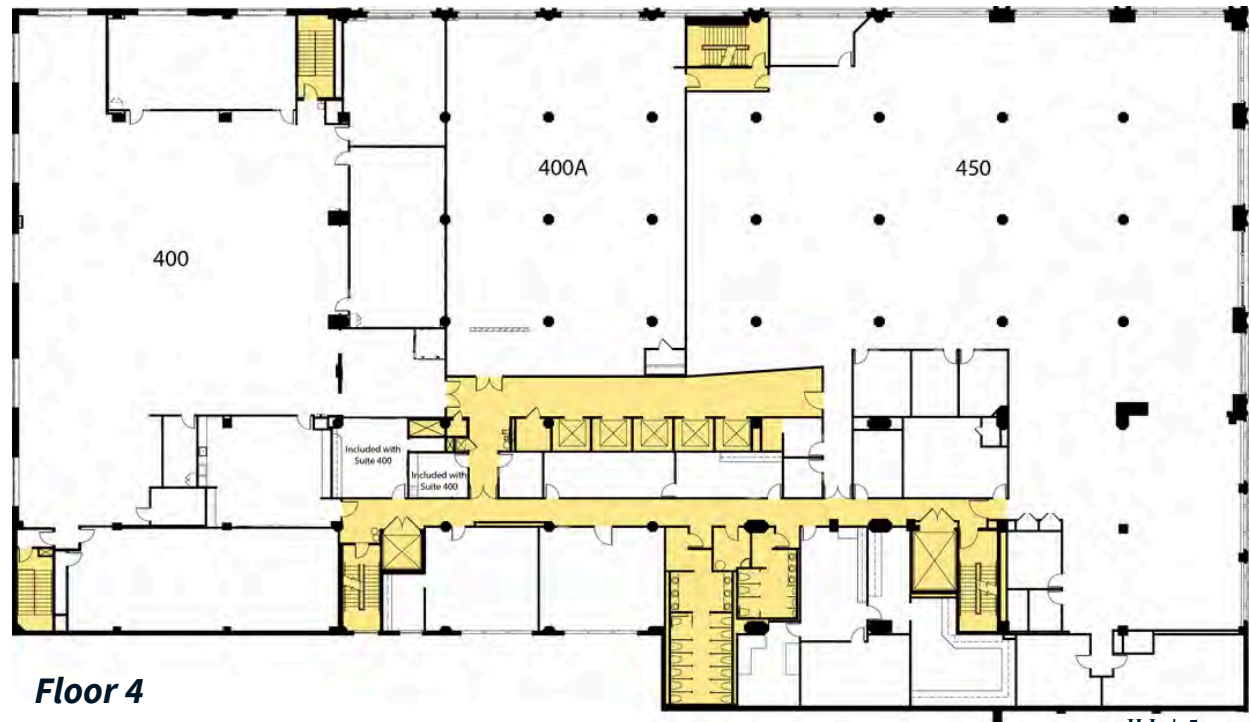
Floor 2

Office Floor Plans

continued



Floor 3

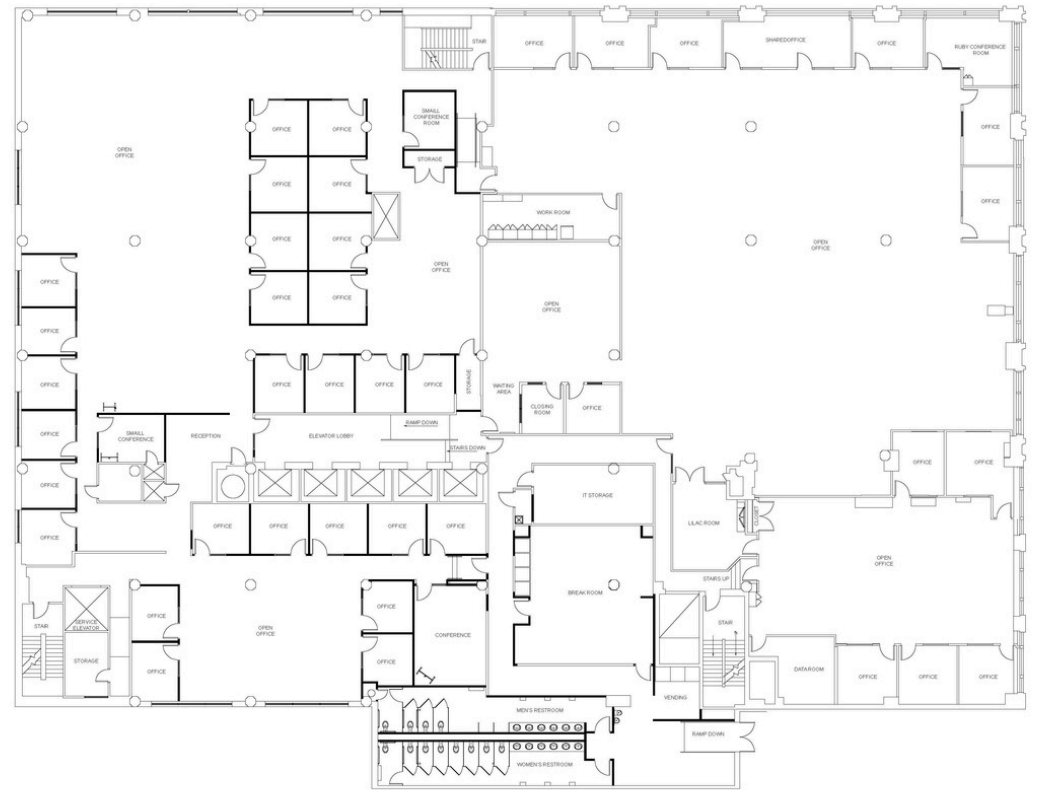


Floor 4

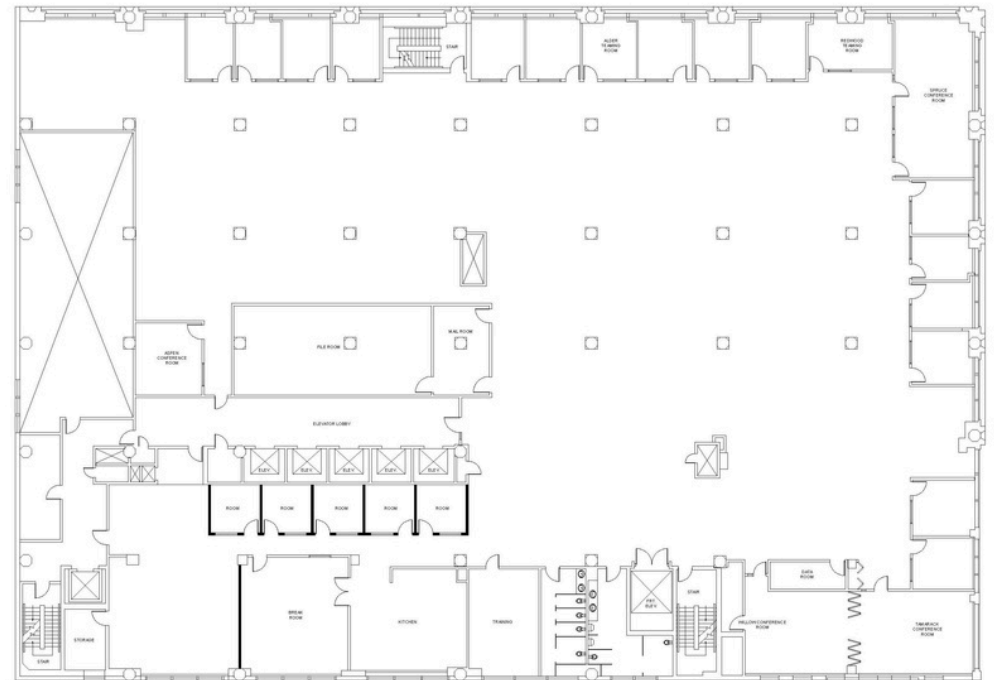
Office Floor Plans

continued

Floor 5

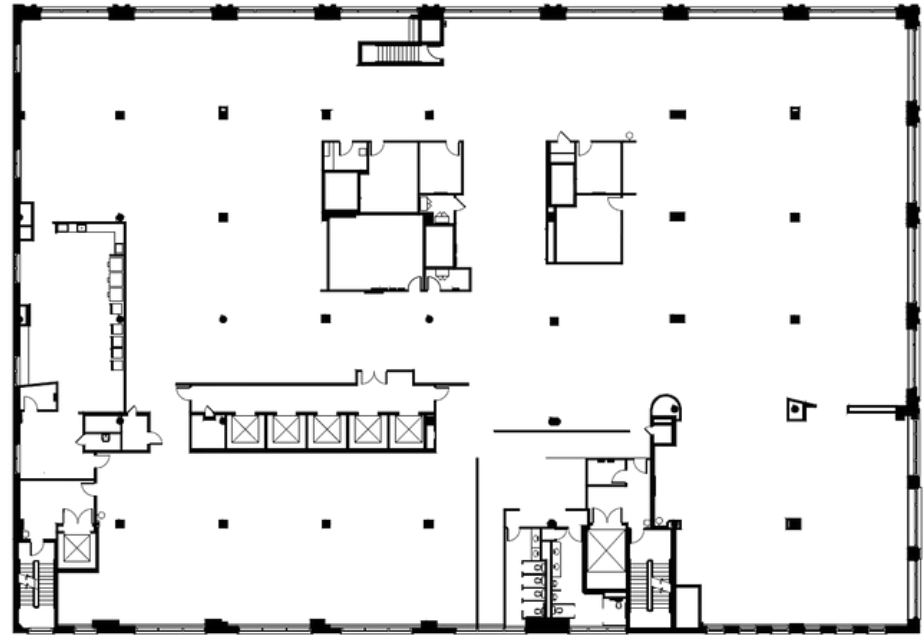


Floor 6

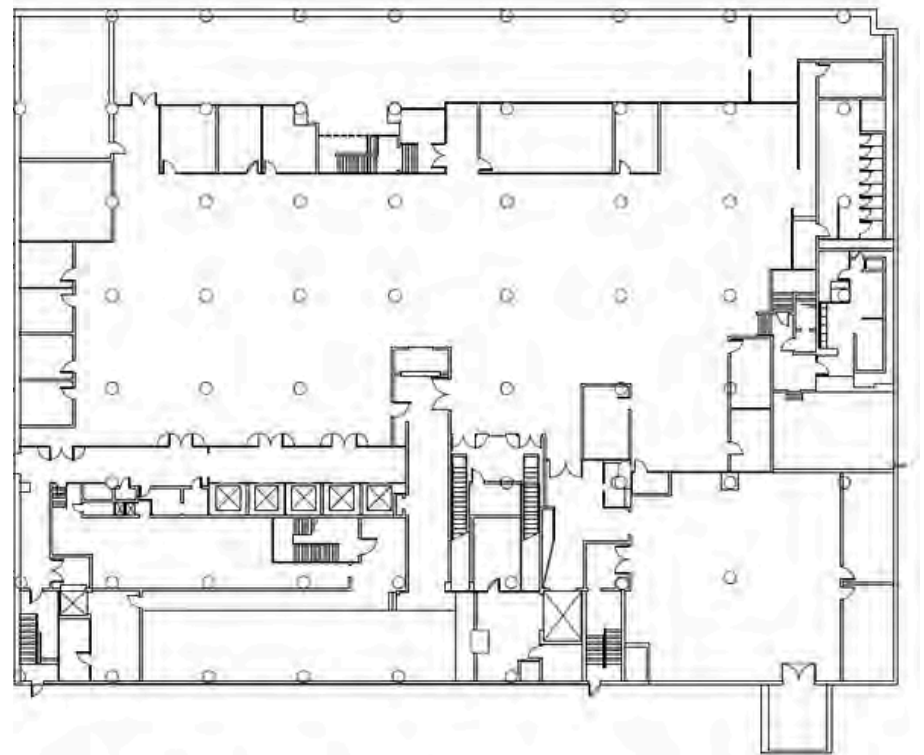


Office Floor Plans

continued



Floor 7

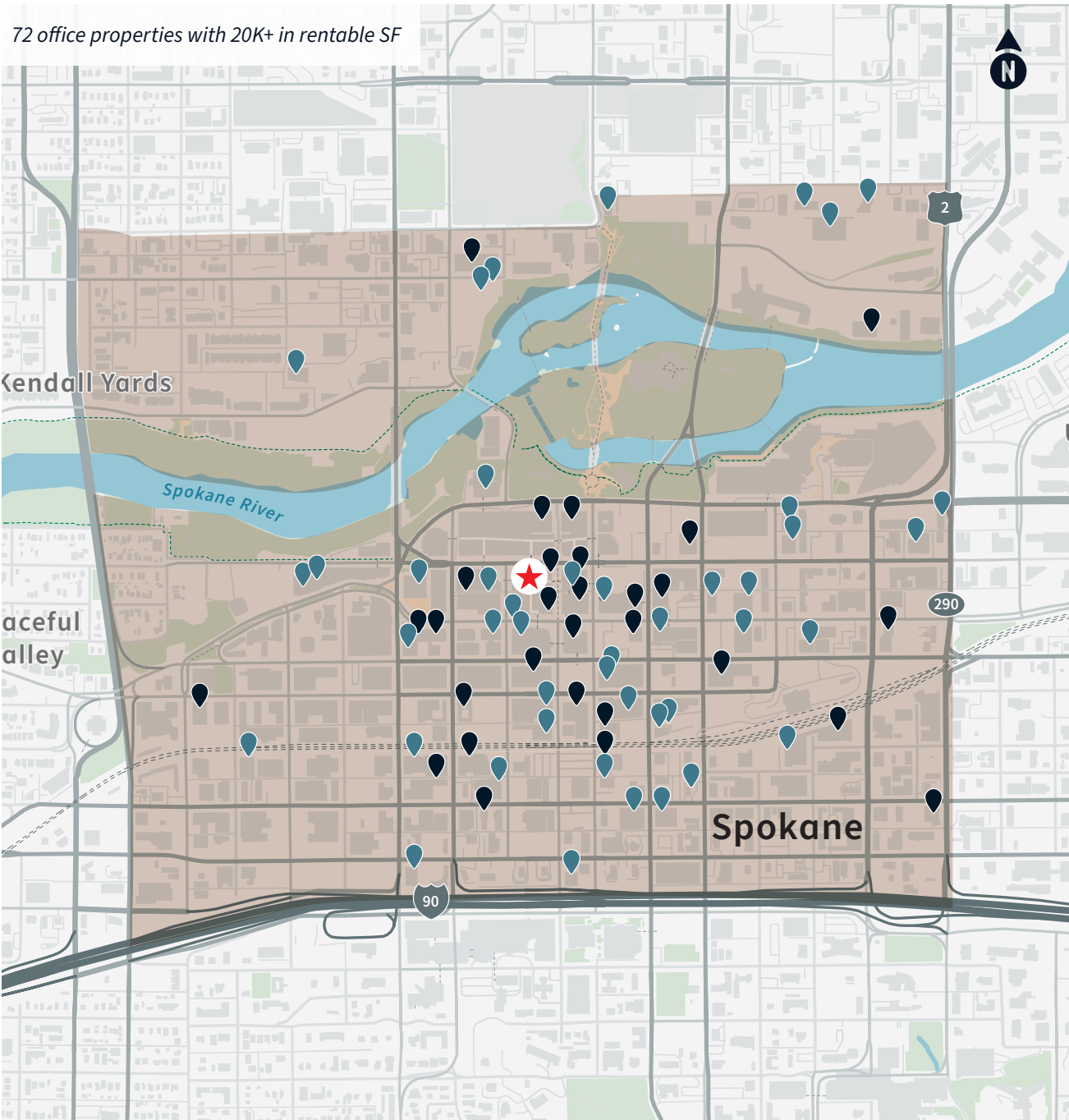


Lower Level

Office Market | Central Business District

The Property presents a compelling opportunity to acquire a superior-located asset within the Spokane CBD office submarket, which demonstrated a stabilized vacancy rate of 11.7% and net absorption of 66,000 SF in 2023. With a modest rent increase of 2.9% to an average of \$23.00/SF over the past year, this property stands out in a market that currently has no new construction in progress.

Located in downtown Spokane's Central Business District, the office property benefits from its prime location. The district encompasses 6.2 million SF of office space, minutes from major highways, public transit, and Spokane International Airport. The area is bustling with businesses, government offices, retail, dining, and entertainment establishments, creating a vibrant environment that attracts professionals and clients alike. Additionally, its central location provides proximity to essential amenities such as hotels, like The Davenport Grand, Double Tree by Hilton, and major conference centers like the Spokane Convention Center.



Class A Office Skyline Report

The Spokane Skyline is defined as assets that have a significant impact due to their size, quality of space or iconic status. Averaging more than 145,000 square feet, all buildings included offer Class A space and are situated in the most prominent, highly desired locations in the Spokane commercial business district. These assets tower above Spokane's metropolitan market and are considered the premier business addresses in the region. The key indicators for inclusion are based on product type, location, parking and rent levels.

Vacancy dipped another 1.1% even with the recent uptick in sublease offerings. The flight to quality continues to happen across the country as well as here in Spokane. A notable factor in the positive absorption is the continued office to residential conversions (Peyton Building). As more and more office buildings are converted to residential with no new office projects on the horizon, we are beginning to witness a strain on office options in the downtown core. Several Landlords have been pushing rents while some of the local owners are pushing for occupancy over return.

15.42%

Total direct
vacancy

3.02%

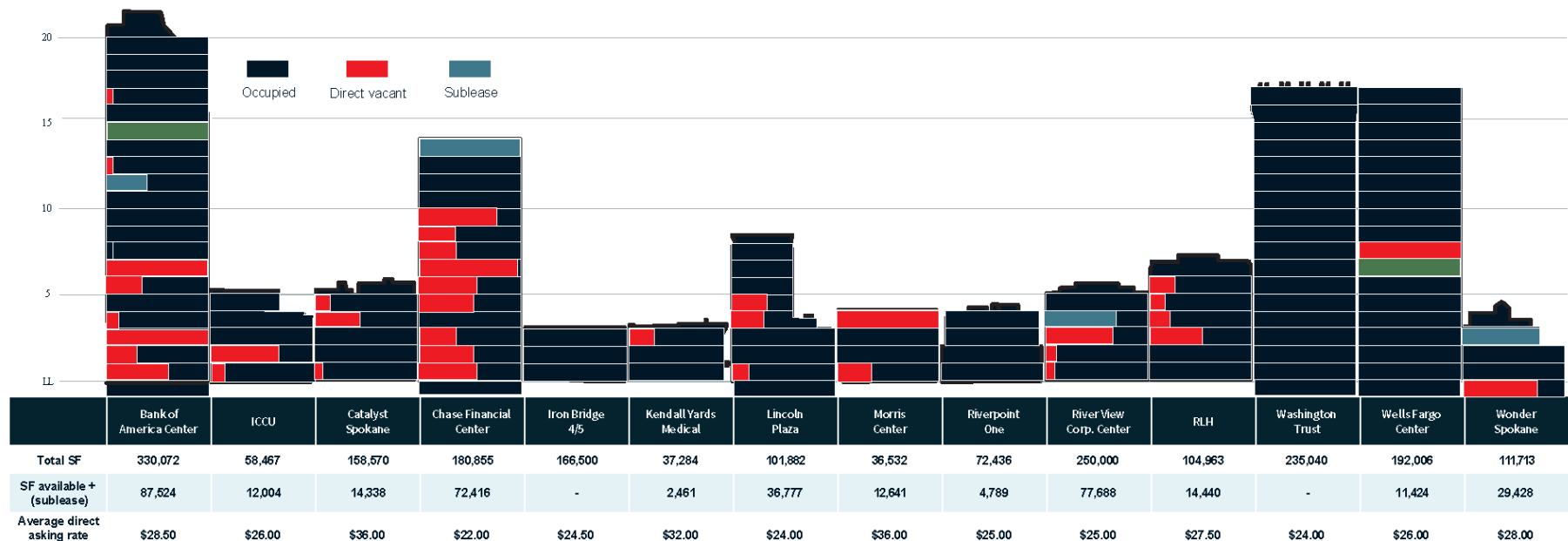
Total sublease vacancy
(% of market)

\$27.46

Direct average
asking rent PSF

2.0M

Total Market SF
(Class A)





The Property

Current Office

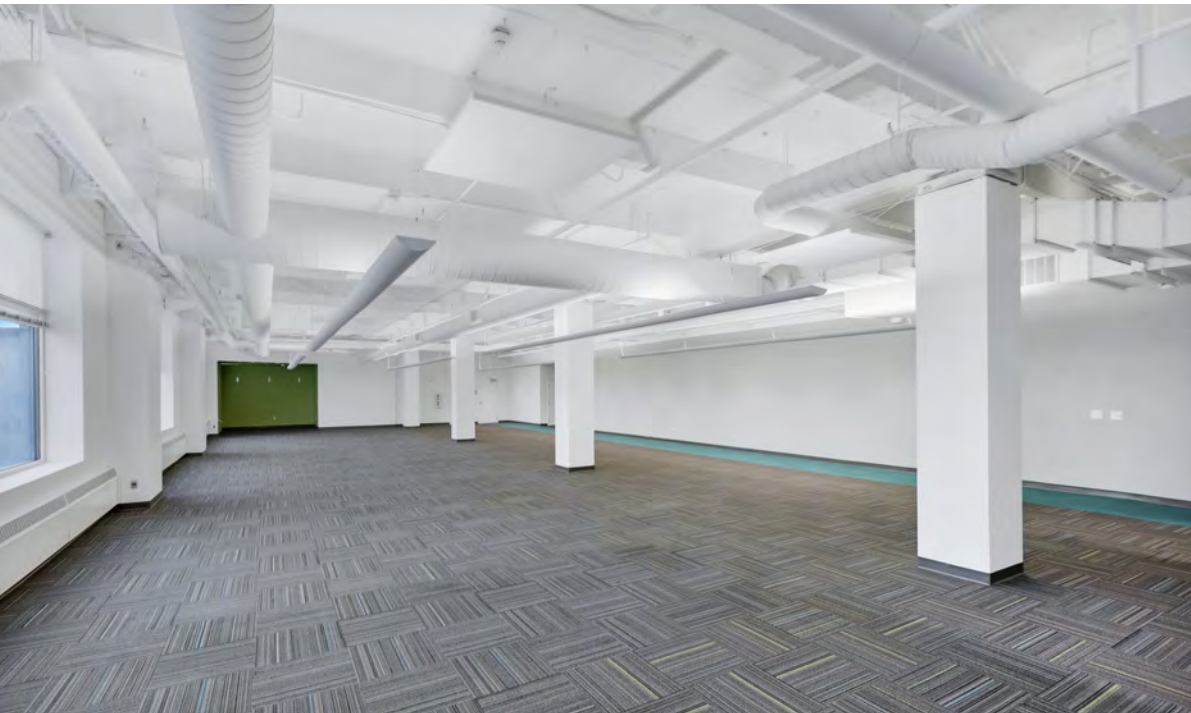




Property Characteristics

Structural Characteristics

- Concrete foundation, reinforced poured-in-place concrete
- Reinforced poured-in-place concrete slab floors
- White-glazed terra cotta facade and concrete on south elevation and west elevation above 4th floor
- Aluminum-framed, fixed-pane double-glazed windows
- Single-ply EDPM membrane roof on Crescent Building
 - » Single-ply EDPM membrane roof covered with gravel on Paterson Building
- 5 electric traction passenger elevators (3500lbs), one provides access to basement through 8th floor, the remaining four service basement through 7th floor



Elevators and Stairwells

- 5 electric traction passenger elevators (3500lbs), one provides access to basement through 8th floor, the remaining four service basement through 7th floor
 - » 2 escalators in service between first and second floor
- 2 freight elevators: ~5,000lb capacity, one serving all levels and one between basement and 7th floor
- 6 stairwells
 - » Sub-basement accessible by stairs and freight elevators





Sprinklers, Gas, and Electrical

- Basement through 8th floors are covered by wet-pipe sprinkler system and fire alarm with central monitoring station
- Basement and third floor of Crescent Building and all of Paterson Bldg served by air handlers with hot and chilled-water coils (low-pressure air ducted throughout both floors)
 - » Chilled water for basement and third floor of Crescent Building and all of Paterson Bldg produced by a water-cooled reciprocating chiller in sub-basement
- First and second floors of Crescent Building served by water-source heat pumps (ranging in size from 3 to 7 tons)
- Two 3 million BTU gas-fired boilers in sub-basement
- 4th, 5th and 6th floors served by packaged gas/electric variable rooftop units
 - » One per floor on floors 4-6 and 3 units on the seventh floor
- Paterson building receives heat from the Crescent Building boiler through a heat exchanger located in the Paterson basement
 - » Paterson 3rd floor HVAC served from an air handler on the 3rd floor of the Crescent Building, Paterson 4th floor HVAC served by its own air handling unit
- 3 electrical transformers located on south side of Crescent Building. 14,500 amp main distribution panel provides 120/208 volt 3-phase, 4-wire service to each tenant space
- All branch wiring is copper
- 1 emergency diesel generator on Paterson roof with a self-contained fuel tank (500gal) in the basement
- Piping: Copper, PVC, iron, brass and galvanized
- Domestic hot water provided by 15-gal individual EWH in each tenant space

History of The Crescent Building

Bay windows covered the entire street level of the store, making window shopping a new and exciting experience for those visiting the Crescent.

It also has windows on every floor, which was unusual for retail stores at the time. This gave the store an open and inviting feeling. People would eat lunch on the sixth floor and marvel at the view. It shares its historic traditions with such contemporary buildings as the Old City Hall, the US Bank Building, and the Smith Funeral Home.



1889

Founded

The Crescent Company: The Crescent, originally the Spokane Dry Goods Company, was Spokane's leading department store for decades. The original Crescent was located on West Riverside Avenue next to the Spokesman-Review Building and opened for business on August 5, 1889, the day after the Great Fire destroyed most of downtown Spokane. As the town's only remaining dry goods store, its entire stock sold out on the first day of business. Soon the business had outgrown the little store and Paterson decided to open a new building.

1917

Construction Started

1930s

Great Depression

The Crescent survives the Great Depression and continues to be the premier department store in the Inland Northwest.

1914

Property Purchased

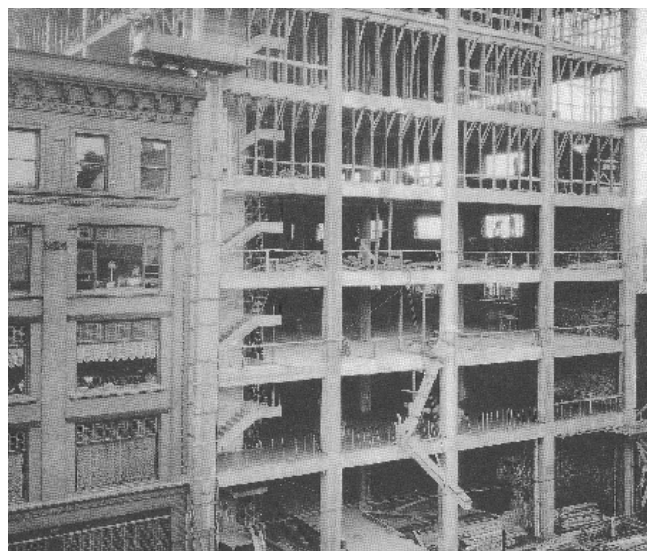
The Property was purchased at the corner of Wall and Main for \$125,000 with plans for another seven story building.

1919

Construction Finished

The seven-story building was erected in 1919 to house the fast-growing Crescent Store. Owners Robert B. Paterson and Captain J.M. Comstock hired prominent Spokane architect L.L. Rand to design the building to fit the future needs of store customers.

Originally five stories in height, the building was later expanded to seven. They also added escalators and were the first business in Spokane to have them. The police had to come to manage the crowds that showed up to try them out.



1948

First Elevators Opened

The Crescent unveiled the first set of escalators, which were at the time the only ones available between the Twin Cities and Seattle. Police were brought in to manage the crowds who flocked to witness this exciting addition.

1969

Marshall Field Company

The Crescent is acquired by Marshall Field Company.

1986

BATUS

The Crescent is acquired by British American Tobacco, United States.

1991

Closed

The new company never caught on and soon went bankrupt in 1991.

1993

Nomination into the Spokane Register of Historic Places.

1949

First Expansion

The Crescent purchased the Alexander Building—adjacent to its South—so that it now extended half a city block.

1973

Second Expansion

The final expansion was made in 1973 to include the NW corner of the block.

1988

The Merge

In 1988 the Crescent ended its 99-year run and merged with a Seattle based company becoming Frederick and Nelson.

1992

Closed

The Crescent building officially closed.

2006

Renovated

The Crescent Building underwent a partial conversion and now serves as an office/mixed-use asset in its present state.



Proximate to Spokane's Largest Employers and Anchored by Local University Presence



Amazon

3,724 full-time employees

City of Spokane

2,268 full-time employees

Fairchild Air Force Base

7,404 full-time employees

State of Washington

5,941 full-time employees

Spokane Public Schools

3,754 full-time employees

MultiCare Health System

3,354 full-time employees

Providence Inland Northwest Washington

6,775 full-time employees

WASHINGTON STATE
UNIVERSITY
SPOKANE

4-minute drive

Enrollment of 1,700

GONZAGA
UNIVERSITY

4-minute drive

Enrollment of 7,300+



Spokane Falls
Community College

10-minute drive

Enrollment of 6,800+

WHITWORTH
UNIVERSITY

15-minute drive

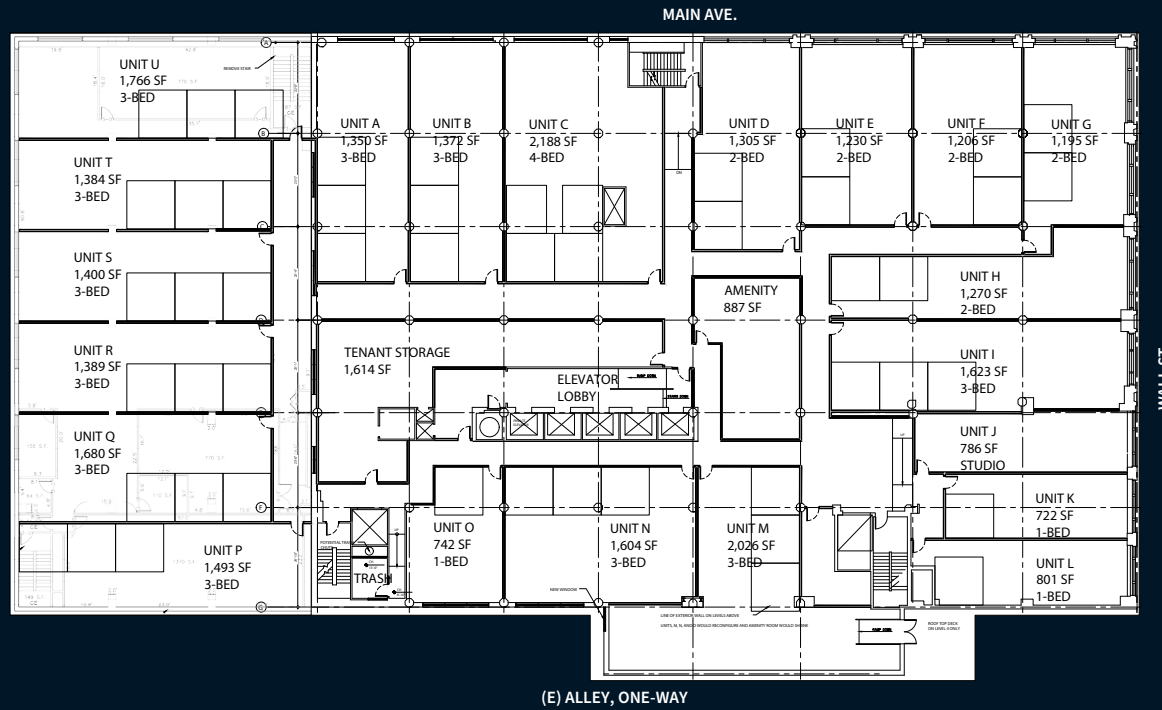
Enrollment of 2,045+

Surrounding Retail and Amenities

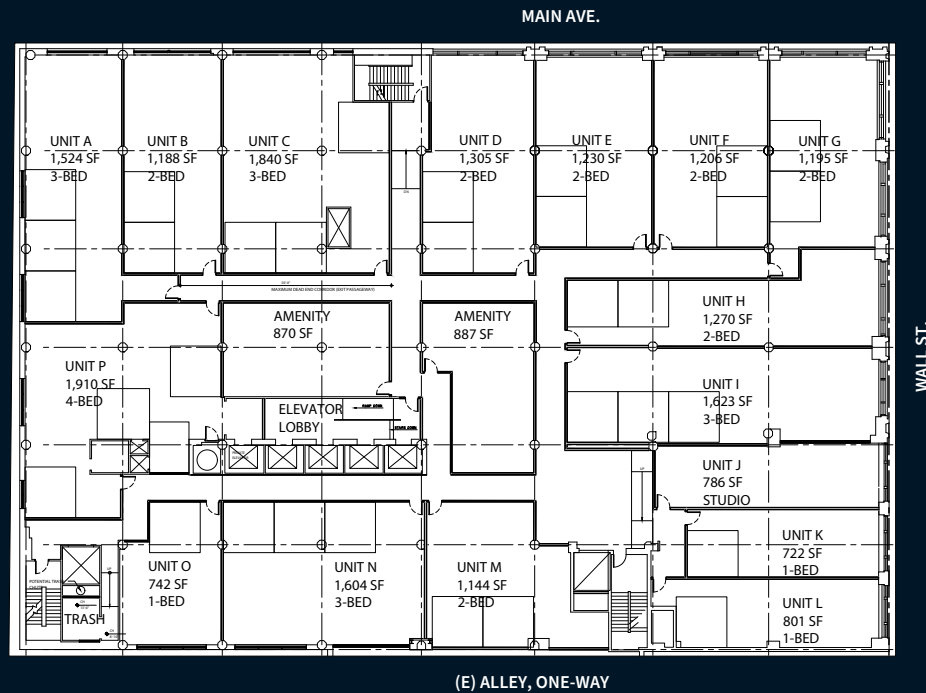


Basement Level ▶





◀ Levels 3-4



◀ Levels 5-7

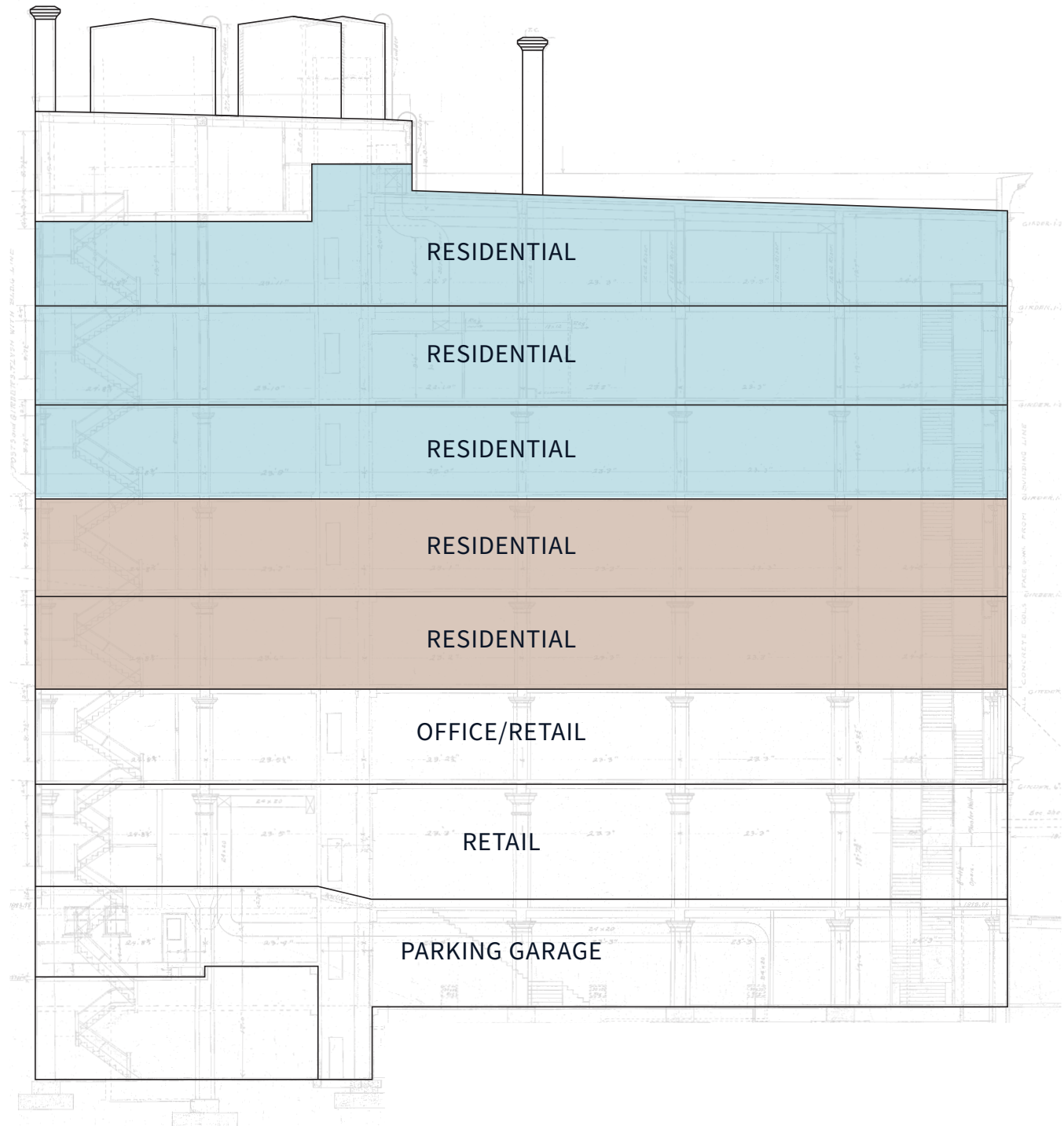
Stacking Plan

Floors 5-7

TYPE	# OF UNITS
Studio	3
1-Bedroom	9
2-Bedroom	21
3-Bedroom	12
4-Bedroom	3

Floors 3-4

TYPE	# OF UNITS
Studio	2
1-Bedroom	6
2-Bedroom	10
3-Bedroom	22
4-Bedroom	2



ProForma

	PRO FORMA	PER UNIT	%
OPERATING REVENUE			
Potential Market Rate	\$3,036,600	\$33,740	
(Loss to Lease) / Gain to Lease	\$0	\$0	0.00%
Gross Potential Rent	\$3,036,600	\$33,740	
Vacancy	-\$151,830	-\$1,687	-5.00%
Concessions	\$0	\$0	0.00%
Non-Revenue Units	\$0	\$0	0.00%
Collection Loss / Bad Debt	-\$7,592	-\$84	-0.25%
Total Economic Loss	-\$159,422	-\$1,771	-5.25%
Net Rental Income	\$2,877,179	\$31,969	
Parking	\$112,860	\$1,254	
Pet Rent	\$10,800	\$120	
Utility Reimbursement	\$145,800	\$1,620	
Miscellaneous Income	\$54,000	\$600	
Total Other Income	\$323,460	\$3,594	
Effective Gross Income	\$3,200,639	\$35,563	
Retail Rent	\$0		
NNN Reimbursement/CAMs	\$0		
Total Retail Income	\$0		
Total Operating Income	\$3,200,639		
OPERATING EXPENSES			
Controllable Expenses			
Payroll & Benefits	\$162,000	\$1,800	
Utilities	\$162,000	\$1,800	
Repairs & Maintenance	\$36,000	\$400	
Turnover	\$27,000	\$300	
Leasing & Marketing	\$27,000	\$300	
Landscaping & Contract Services	\$36,000	\$400	
Administrative	\$31,500	\$350	
Management Fee	\$96,019	\$1,067	3.00%
Insurance	\$67,500	\$750	
Real Estate Taxes	\$187,239	\$2,080	
Total Operating Expenses	\$832,259	\$9,247	
Replacement Reserves	\$22,500	\$250	
Net Operating Income	\$2,345,880		
Expenses and Reserves Per Unit	\$9,497		
Expense Ratio	26.00%		

Notes

Underwrote 5% in Vacancy
 No Concessions
 Underwrote no Non-Revenue Units
 Underwrote 25bps in Bad Debt

Underwrote 45 stalls at \$220/month with 5% vacancy
 Underwrote \$40/month with 25% of all units having a pet
 Underwrote 90% reimbursement of all utilities
 Underwrote \$600/unit in Miscellaneous Income

Retail is not included in this offering

Underwrote \$1,800/month in Payroll & Benefits
 Underwrote \$1,800/month in Utilities
 Underwrote \$400/month in Repairs & Maintenance
 Underwrote \$300/month in Turnover
 Underwrote \$300/month in Leasing & Marketing
 Underwrote \$400/month in Landscaping & Contract Services
 Underwrote \$350/month in Administrative
 Underwrote a 3% Management Fee
 Underwrote \$750/unit in Insurance
 Underwrote using 2024 in-place taxes and 2023 fees

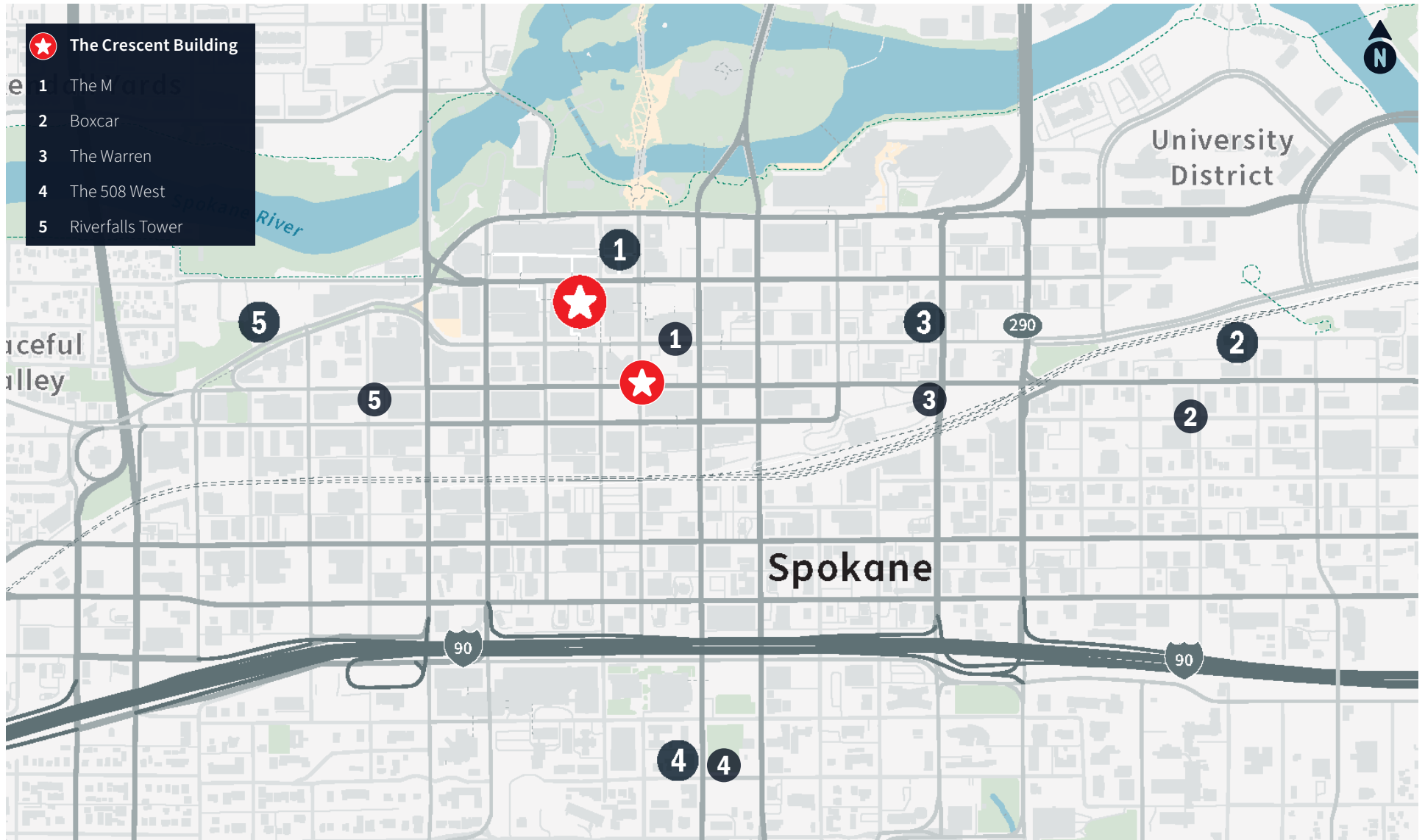
Underwrote \$250/unit in replacement reserves



Multi-Housing Comparables

Property details							
Name		The Crescent Building	The M	BoxCar	The Warren	The 508 West	Riverfalls Tower
Address		707 W Main Ave	612 W Main Ave	15 N Grant St	206 W Riverside Ave	508 W 6th Ave	1224 W Riverside Ave
Location		Spokane, WA	Spokane, WA	Spokane, WA	Spokane, WA	Spokane, WA	Spokane, WA
Year built		1919	2018	2022	2022	2024	1973 / 2020
Unit count		90	114	134	139	117	100
Occupancy		N/A	95.6%	92.5%	94.2%	N/A	97.0%
1BR	Market	\$1,700 \$2.25	\$1,770 \$2.32	\$1,600 \$2.77	\$1,500 \$2.51	\$1,800 \$2.57	\$1,935 \$2.51
	Unit size	755 SF	762 SF	578 SF	598 SF	700 SF	770 SF
2BR	Market	\$2,850 \$2.32	\$2,850 \$2.07	\$2,295 \$2.71	\$2,175 \$2.62	\$1,900 \$2.44	\$2,290 \$2.08
	Unit size	1,227 SF	1,376 SF	848 SF	831 SF	779 SF	1,100 SF

Multi-Housing Comparables Map



Historic Tax Credit Incentives

1. Investment & Rehabilitation Tax Incentive

What it does: Federal income tax credit equal to 20% of the construction costs for rehabilitating an income-producing building; the credit may be used by the building owner or “sold” to a tax credit investor.

Criteria:

- 100% of the building’s “adjusted basis”; that is, the purchase price minus the land cost and depreciation, plus prior improvements.
- The property must be listed on the National Historic Registry which is typically a 9-12 month process.

For non-contributing properties in a National Register Historic District constructed prior to 1936, a 10% Federal rehabilitation tax credit is also available.

2. Special Valuation Tax Incentive

What it does: Special valuation revises the assessed value of a historic property which subtracts, for up to ten years, such rehabilitation costs as approved by the Spokane City-County Historic Landmarks Commission.

Criteria:

- Property must be listed on the Spokane Register of Historic Places.
- Rehabilitation costs must total 25% or more of the assessed value of the structure – excluding land – prior to rehabilitation.
- Work must have been completed no more than 24 months prior to the application to the Assessor’s office.

The Crescent Building was nominated into the Spokane Register of Historic Places in 1993.



Learn more here:
historicspokane.org/incentives#Investment

Federal Grants for Office-to-Residential Conversions

The federal government recently established and revised several grant and preferential loan programs to assist with the funding of office-to-residential conversions if the residential units are close to major transit corridors.

1. Transportation Infrastructure Finance and Innovation Act (TIFIA)

- Provides preferential financing for projects that improve or construct public infrastructure within walking distance of fixed guideway transit, intercity or passenger rail, intercity bus stations, or intermodal facilities.
- Projects must cost a minimum of \$10 million and can receive up to 49% financing through a TIFIA loan.
- The loan rate is fixed and comparable to the yield on US Treasury securities with similar maturity.
- Loans can be extended up to 35 years.

TIFIA has over \$70 billion in lending capacity.

2. Railroad Rehabilitation and Improvement Financing (RRIF)

- Provides below-market financing for commercial-to-residential development near commuter rail or intercity rail stations.
- Eligible projects must incorporate more than 20% private investment and be physically connected to or within one-half mile of a transit station.
- The project should generate new revenue for the relevant passenger rail station.
- RRIF loans can finance up to 75% of eligible costs with no specific maximum or minimum project cost.
- Loans can have a repayment period of up to 35 years.

RRIF has over \$30 billion in lending capacity.

The Crescent Building is located within 1/2 mile of the Amtrak Station and The Plaza Transit Depot.



Learn more here:

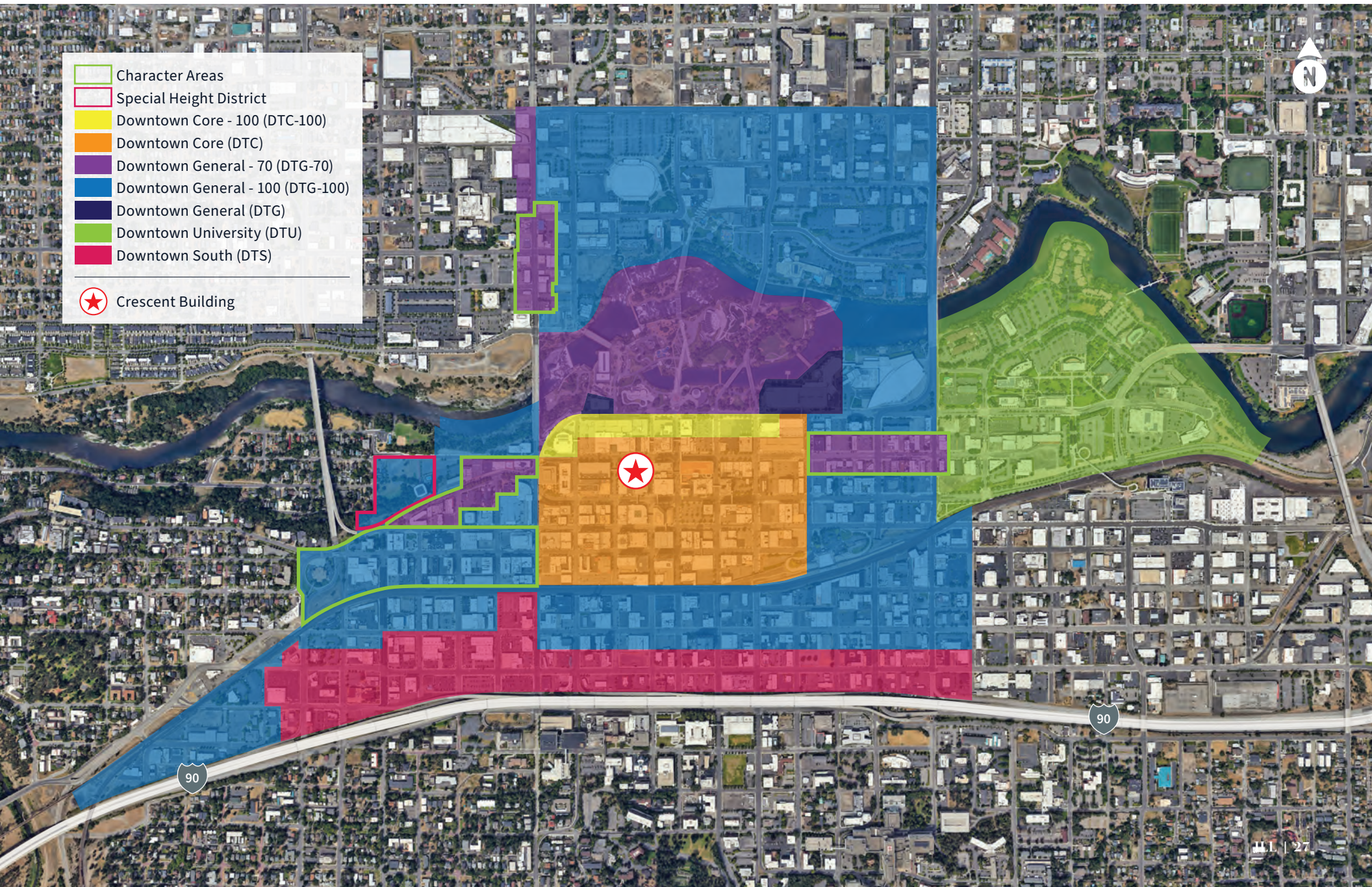
transportation.gov/buildamerica/financing/tifia



Learn more here:

transportation.gov/buildamerica/financing/rrif

Downtown Spokane Zoning





 **Providence**
Sacred Heart
Medical Center

WEAR LAW OFFICE
WELLS FARGO MAJORS LAW GROUP 

MOSSADAMS Allstate
Winston & Cashatt
LAWYERS
 Merrill Lynch NEW YORK LIFE

 Washington Trust Bank
 LUKINS & ANNIS
ATTORNEYS
DOUGLASEDEN

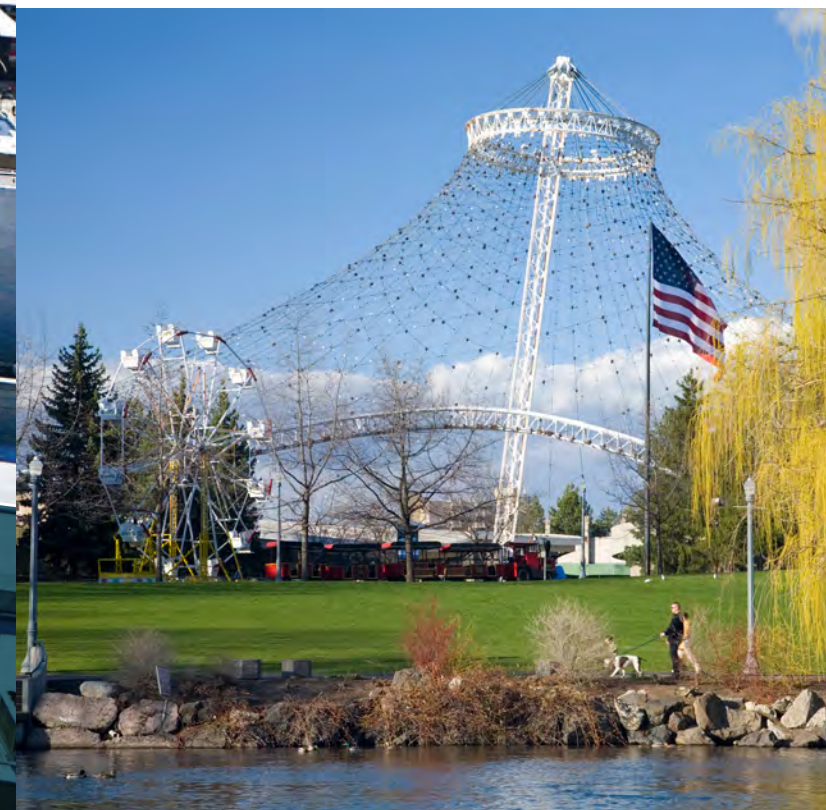
MultiCare 

 KIEMLE HAGOOD CHASE
 Crouse Erickson
FAMILY LAW ATTORNEYS

 Spokane Transit

THE
CRESCENT
BUILDING

 RIVER PARK SQUARE





SPOKANE ARENA
Seats 11.7k+ across live music, hockey, basketball, and corporate events

THE PODIUM
Athletic event venue
16 volleyball courts, 9 basketball courts, 21 wrestling mats, 200m banked track

SPOKANE PAVILION
Event venue
Seats 5,000

GONZAGA UNIVERSITY
4-min drive
7.3K enrollment

Spokane Falls

Huntington Park

THE CRESCENT BUILDING

Strong Demographics

1-MILE RADIUS



3.02% population growth by 2025



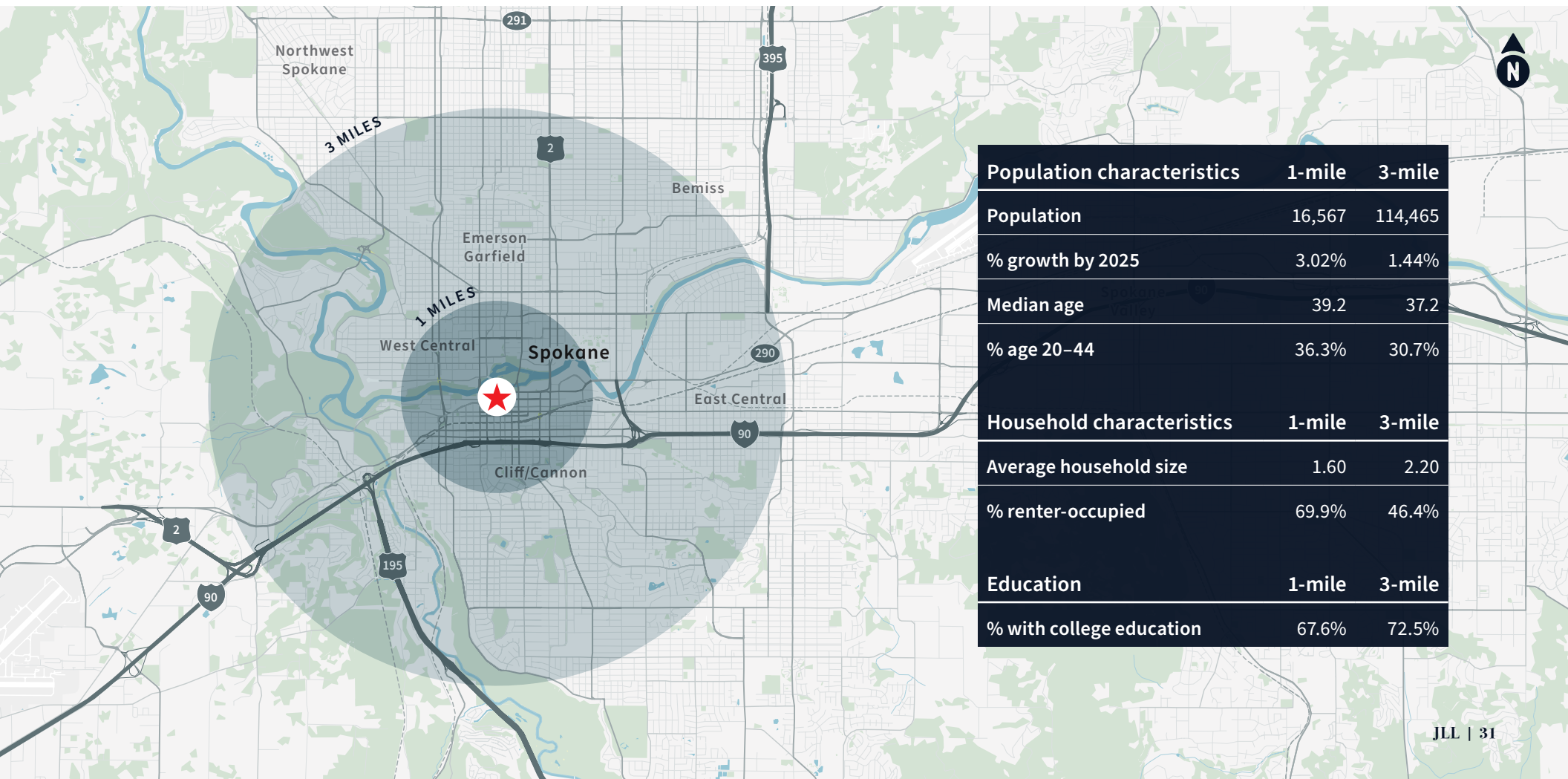
1982 average home age



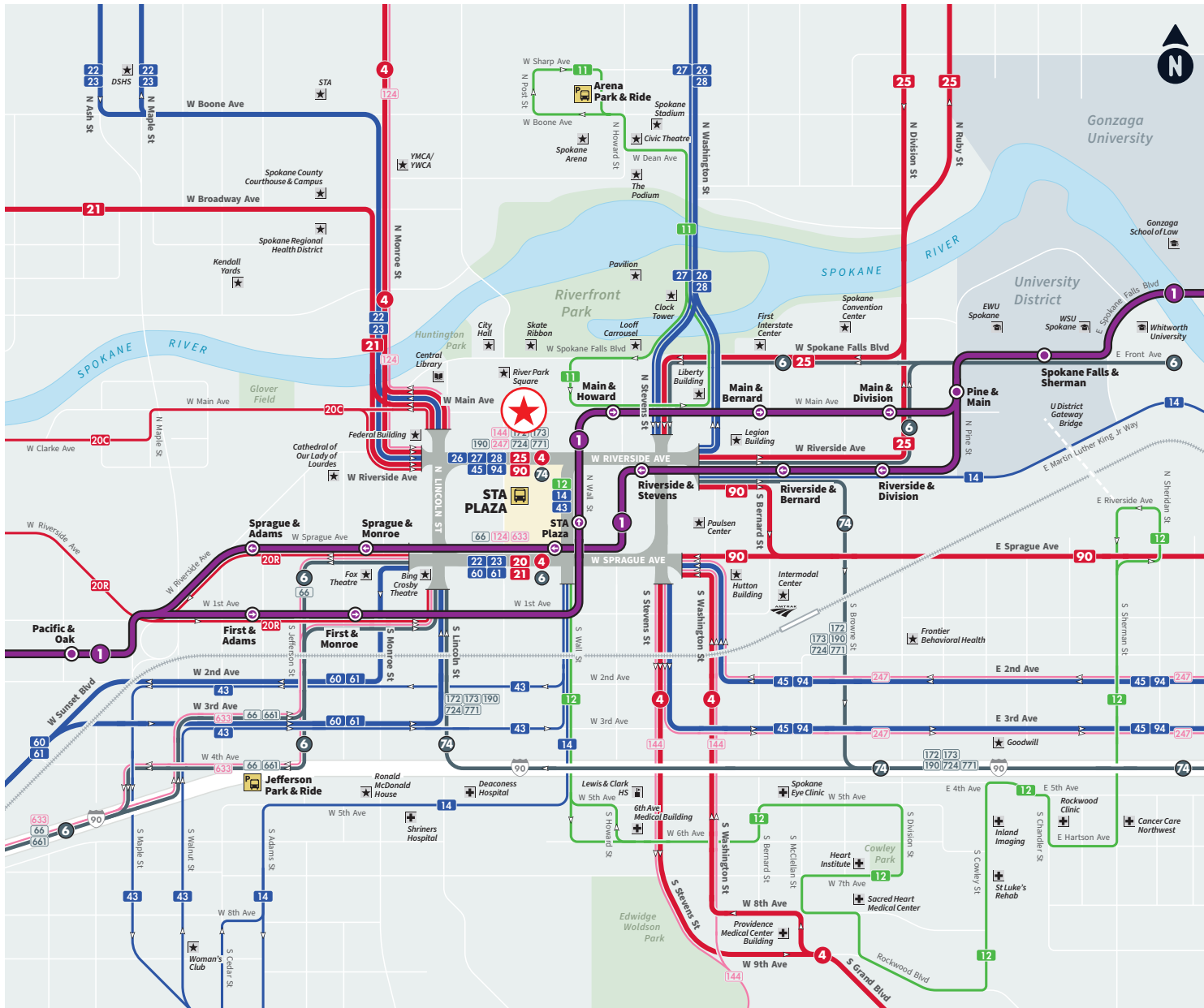
69.9% of households are renter-occupied




67.6% some college education or higher




Downtown Spokane Transportation



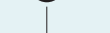


 **94**
WALK
SCORE

 **77**
TRANSIT
SCORE

 **76**
BIKE
SCORE

LEGEND

City Line 
station (both directions) 
station (one direction) 

Multiple Routes 
...on streets near STA Plaza

Frequent Route 
Regional Route 
Regular Route 
Commuter Route 
Shuttle Route 

Downtown Spokane

Downtown Spokane is the vibrant core of the Inland Northwest, combining commercial activity and residential life across its 1.5 square miles.

Home to over 3,400 residents, its population is on the rise, reflecting increasing interest in urban living. Serving as a key employment center, it offers more than 50,000 jobs within the district. The Property lies in the heart of the downtown area, amidst a walkable neighborhood celebrated for its mix of historical and contemporary elements. Amenities such as Riverfront Park and a variety of cultural venues like the Bing Crosby Theater, along with proximity to academic institutions, contribute to the locality's compelling "live-work-play" appeal.



Riverfront Park



Spokane Pavilion



Gondola Ride

Nearby attractions and community amenities

River Park Square Shopping Mall
<1-minute walk

Numerica Gondola SkyRide
3-minute walk

Numerica Skating Rink
3-minute walk

Spokane Falls
4-minute walk

Mobius Discovery Center
6-minute walk

The Knitting Factory Concert Venue
7-minute walk

Huntington Park
7-minute walk

The Fox Theater
8-minute walk

Spokane Comedy Club
8-minute walk

Pavilion
8-minute walk

Manito Park
7-minute drive

Spokane Convention Center
5-minute drive

Avista Stadium
10-min drive

GONZAGA
UNIVERSITY

1 mile | 4-minute drive

7k+
ANNUAL
ENROLLMENT



River Park Square



Numerica Skate Ribbon

Entertainment & Recreation

Downtown Spokane bursts with energy, offering diverse entertainment options. Riverfront Park is a natural delight, famous for its SkyRide over Spokane Falls and a year-round skate ribbon. The cultural scene is anchored by the Bing Crosby Theater and Martin Woldson Theater, presenting a variety of live performances.

First Friday Artwalks celebrate the arts, while the AMC theater inside River Park Square mall provides moviegoers with a premium experience alongside shopping and dining. Spokane Arena hosts sports events and the entire area buzzes with annual festivities like the Spokane Lilac Festival, Hoopfest, and the Bloomsday run. This mix of natural beauty, arts, and community events makes downtown Spokane a dynamic place to be.



Bloomsday Run

THE CRESCENT BUILDING

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