



Actual Site Photo

# 208TH STREET STATION

📍 10700 SE 208th Street, Kent, WA 98031

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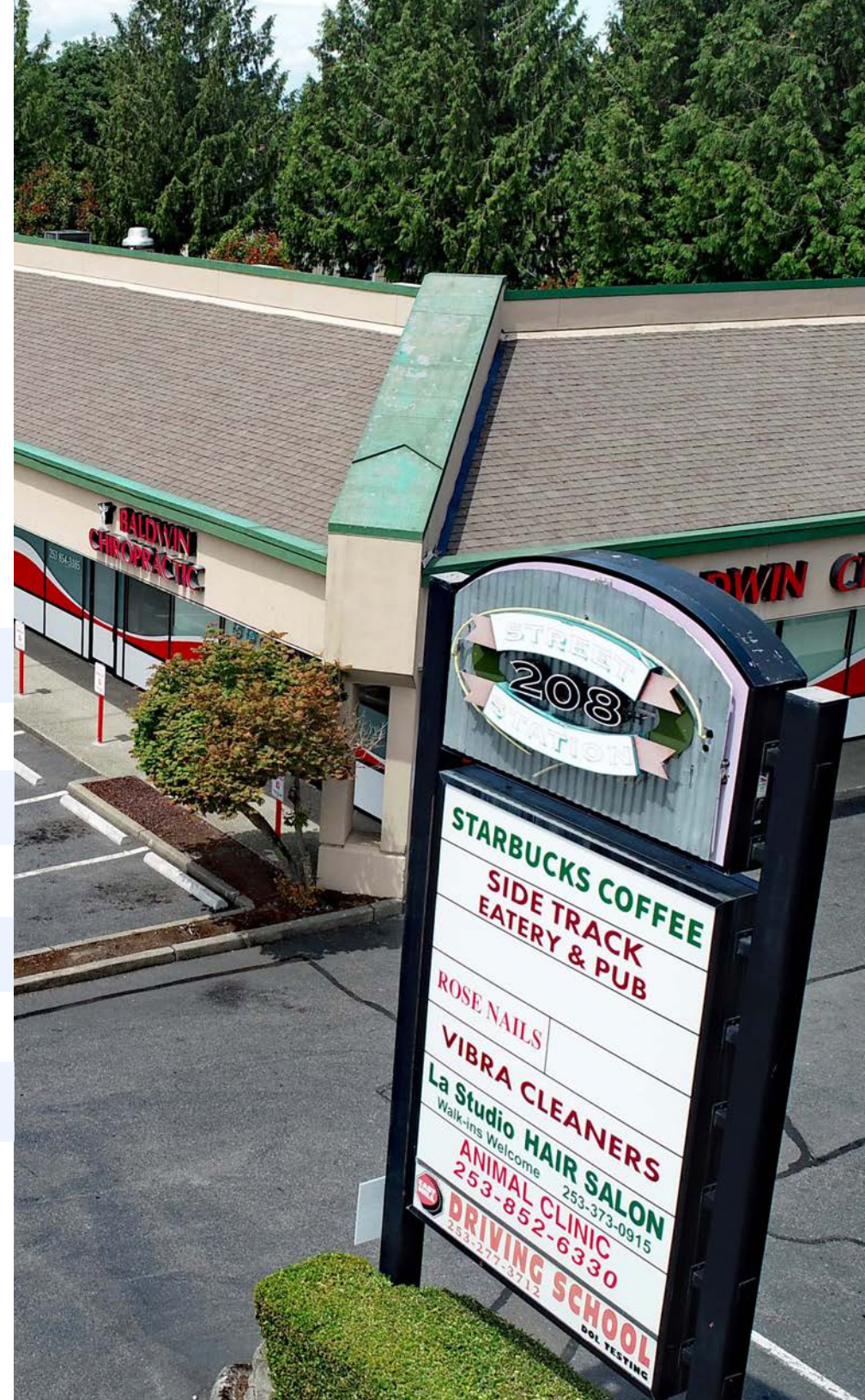


## INVESTMENT OVERVIEW

Marcus & Millichap has been selected to exclusively market for sale 208th Street Station, a 15,935 square foot retail center in Kent, Washington. The property is currently 100% occupied. Located at the signalized intersection of SE 208th Street and 108th Avenue with traffic counts of 65,000 vehicles per day, the property benefits from tremendous exposure and convenient accessibility.

The property consists of two buildings situated on a 1.34-acre parcel with ample, on-site parking, equivalent to 4.7 stalls per 1,000 square foot. The property benefits from loyal and longstanding tenants, such as Starbucks and Baldwin Chiropractic, which have been tenants since 1998 and 1991 respectively. Rose Nails and Hair Pro Nail Salon have both occupied the building for 20 years or more. Additionally, the Animal Clinic of Benson recently expanded its premises by over 100%, showing its commitment to the property.

PRICE:	\$3,930,000
CAP RATE:	6.50%
LEASABLE AREA:	15,935 SF
PRICE / SF:	\$246.63
LOT SIZE:	1.34 ACRES
OCCUPANCY:	100%
PARKING:	75 STALLS (4.7 / 1,000 SF)







STARBUCKS COFFEE

Wash Wash

HAIR NAILS

Cleaners

SALON

DRIVING SCHOOL

CHOK  
ASIAN GRO

SOUTH BUILDING





SOUTH BUILDING



## PROPERTY HIGHLIGHTS

### PROMINENT RETAIL CORRIDOR:

- Situated on Kent's East Hill, adjacent to Dollar Tree, Rite Aid and a Safeway-anchored retail shopping center

### SIGNALIZED CORNER LOCATION:

- Located at the signalized intersection of SE 208th St and 108th Ave, which boasts combined traffic counts of 65,000 VPD

### STRONG HISTORICAL OCCUPANCY:

- Nearly 75% of the GLA has occupied the property for 7+ years and 35% for 20+ years, including Starbucks (1998) and Baldwin Chiropractic (1991)

### DENSELY POPULATED & AFFLUENT TRADE AREA:

- Features over 247,000 residents within a 5-mile radius with an average household income exceeding \$91,000

### INTERNET RESISTANT TENANT MIX:

- Features service-based and internet resistant tenants, including uses such as food/beverage, medical office, cellular and health & beauty

### SMALL RETAIL SUITES:

- Ranging from 840 to 2,500 square feet, small retail suites provide ease of lease-up and will often generate a higher rent (per square foot)


### AMPLE PARKING:

- Property offers 75 parking stalls, which equates to a ratio of 4.7 per 1,000 square feet

### RECENT TENANT EXPANSION:

- The Animal Clinic of Benson recently doubled the size of its premises, showing its commitment to the Property and bringing the center to 100% occupancy





SE 208th Street  
(34,500 VPD)

This is an aerial photograph of a major intersection. A semi-transparent orange overlay is applied to the road surface, showing simulated traffic flow with various colored car models. The intersection is between SE 208th Street and 108th Ave SE. To the north of the intersection is a large commercial complex with a parking lot containing many cars. To the south is a Jack-in-the-Box restaurant with its signage visible. The surrounding area includes residential houses and trees.

108th Ave SE  
(29,300 VPD)





208th St  
Station



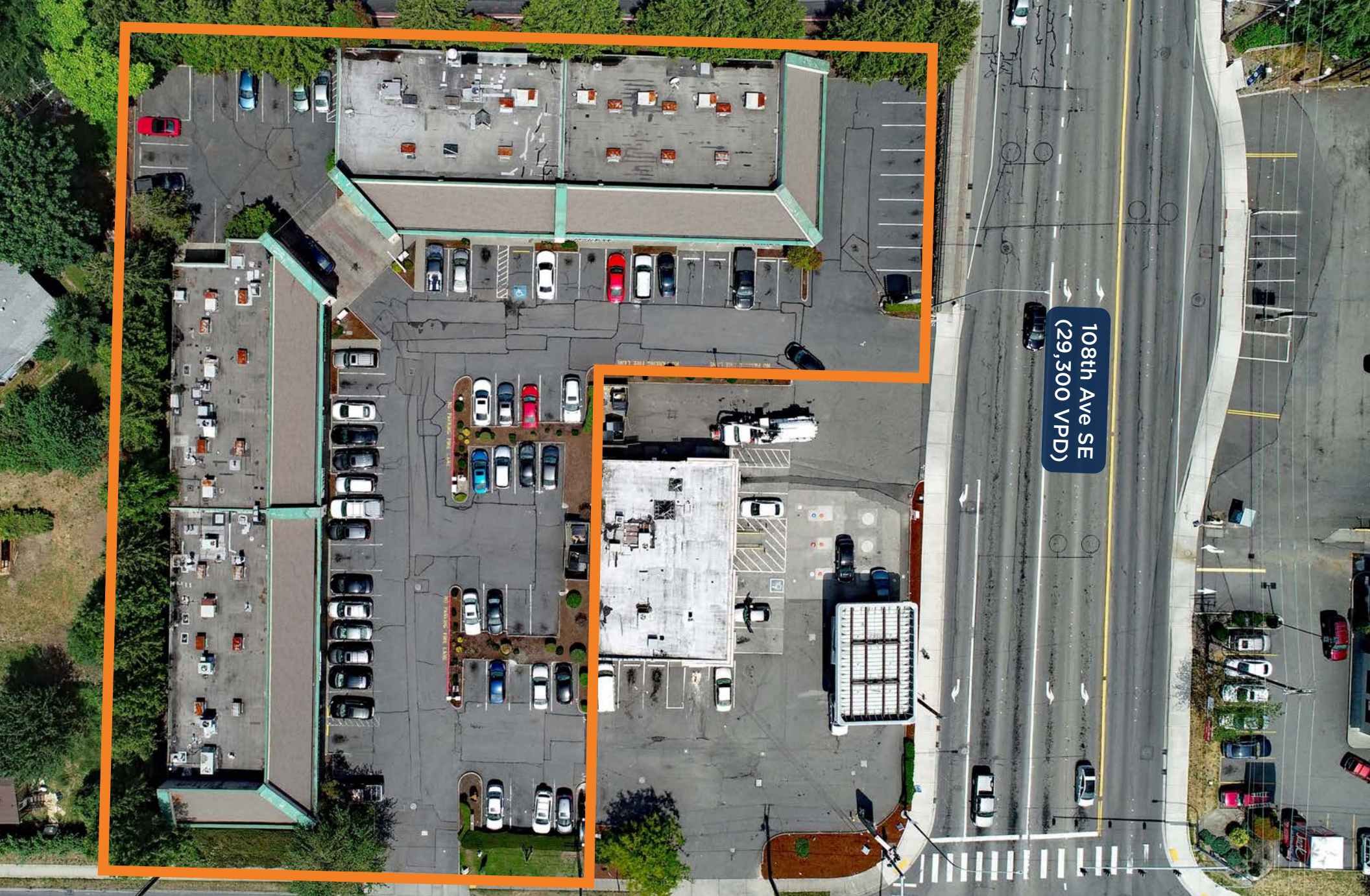
SE 208th Street  
(34,500 VPD)



108th Ave SE  
(29,300 VPD)

# TRADE AREA MAP



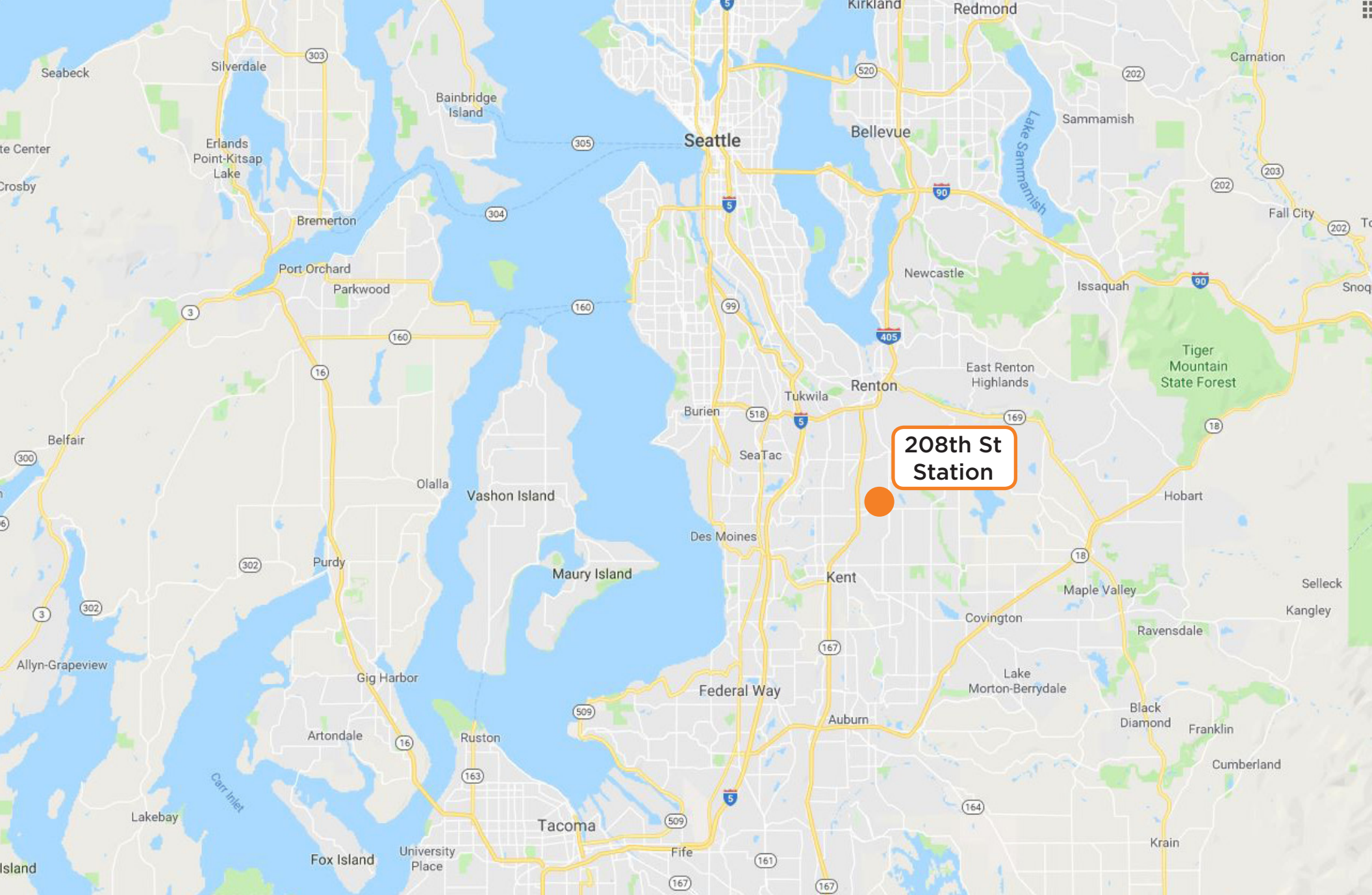


# SITE MAP

SQUARE FOOTAGE  
15,935 SQ. FT.

LOT SIZE  
1.34 ACRES





## REGIONAL MAP





## PROPERTY OUTLINE





NORTH BUILDING



# RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Lease Type	Renewal Options
				Comm.	Exp.					
Starbucks	101	1,720	10.8%	11/28/98	2/29/24	\$19.86	\$2,846	\$34,151	NNN	2 x 5 Years
Wireless Connect	103	860	5.4%	11/1/12	2/28/20	\$22.06	\$1,581	\$18,975	NNN	2 x 3 Years
Rose Nails	104	840	5.3%	2/15/98	2/28/21	\$20.71	\$1,450	\$17,394	NNN	None
Vibra Cleaners	105	860	5.4%	10/1/08	9/30/23	\$23.53	\$1,686	\$20,233	NNN	None
Hair Pro Salon	106	860	5.4%	1/8/99	1/31/20	\$20.22	\$1,449	\$17,389	NNN	None
East Hill Driving School	107	860	5.4%	12/1/12	11/30/23	\$18.20	\$1,304	\$15,649	NNN	None
Chok Hlei Asian Grocery	108	1,890	11.9%	3/1/18	6/30/23	\$14.00	\$2,205	\$26,460	NNN	None
Sidetrack Pub & Eatery	201	2,500	15.7%	11/1/13	10/31/25	\$16.29	\$3,393	\$40,716	NNN	1 x 7 Years
One Sleep Company	203	1,325	8.3%	5/1/19	6/31/2022	\$15.00	\$1,656	\$19,875	NNN	1 x 3 Years
Animal Clinic of Benson	204/205	2,130	13.3%	7/1/12	6/30/22	\$18.23	\$3,236	\$38,835	NNN	None
Baldwin Chiropractic	207	2,090	13.1%	12/1/91	11/30/21	\$20.00	\$3,483	\$41,800	NNN	1 x 5 Years
Total		15,935	100%			\$18.29	\$24,290	\$291,477		

## Notes:

- A: Starbucks: 10% rental increases every 5 years. NNN costs not to increase more than 5% annually. After 2/28/2020 tenant may terminate with 180 days notice and \$15,000 termination fee.
- B: Wireless Connect: Rent adjusts to Fair Market Value in option period.
- C: Rose Nails: 3% annual rent increases.
- D: Vibra Cleaners: 3% annual rent increases.
- E: Hair Pro Salon: 3% annual rent increases.
- F: East Hill Driving School: 3% annual rent increases.
- G: Chuk Klei Asian Grocery: 3% annual rent increase. NNN costs not to increase more than 5% annually.
- H: Sidetrack Pub & Eatery: 2% annual rent increases. Controllable expenses not to increase more than 5% annually.
- I: One Sleep Company: 2% annual rent increases. NNN costs not to increase more than 5% annually.
- J: Animal Clinic of Benson: 3% annual rent increases.
- K: Baldwin Chiropractic: Flat rent through 2021 with 2% annual increases thereafter.



# MAJOR TENANT OVERVIEW



## Starbucks Corporation

Starbucks was founded in 1971 and its headquarters remains in Seattle, Washington. This Starbucks has been a tenant at the 208th Street Station for over 20 years serving hot and cold drinks, pastries, and snacks. Today Starbucks operates over 26,000 locations worldwide with sales volume of over \$22 Billion.

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One Sleep Company is a regional mattress retailer who sources its inventory directly from their state of the art manufacturing facility in Sumner, Washington. By eliminating the middle man One Sleep Company provides brand new mattresses factory direct at wholesale pricing.

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Wireless Connect is an authorized dealer of T-Mobile - the locally based Bellevue, Washington company that offers voice, messaging, and data services to 79.7 million customers. Wireless Connect offers all types of repair services, mobile devices and a variety of plans to choose from, and carry one of the largest selections of accessories in the state.

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Baldwin Chiropractic has been serving the East Hill of Kent Washington since 1986. Dr. Baldwin and his wife Susie opened the office and since that time has served thousands of people in our community and has grown to one of the largest clinics in the region with 4 chiropractors and supporting massage therapists.

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Animal Clinic of Benson is a full service clinic and has been serving the local community for almost 20 years. Dr. Lee has over 30 years of veterinary experience and offers personalized focused care and a wide array of diagnostic tools to allow the best treatments for your pet.

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East Hill Driving School serves the Kent, Renton, Auburn, Federal Way, Tukwila and Seattle areas. Instructors are all state approved and licensed that teach safe and defensive driver's education programs for both teens and adults

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# OPERATING STATEMENT

Income	Year 1		Per SF	Year 2		Per SF	Notes
<b>Scheduled Base Rental Income</b>	<b>293,153</b>		<b>18.40</b>	<b>297,009</b>		<b>18.64</b>	
<b>Expense Reimbursement Income</b>							
CAM	93,687		5.88	96,060		6.03	
Insurance	5,088		0.32	5,191		0.33	
Real Estate Taxes	34,687		2.18	35,379		2.22	
Management Fees	14,500		0.91	15,100		0.95	
<b>Total Reimbursement Income</b>	<b>\$147,962</b>	<b>90.5%</b>	<b>\$9.29</b>	<b>\$151,730</b>	<b>90.9%</b>	<b>\$9.52</b>	
<b>Potential Gross Revenue</b>	<b>441,115</b>		<b>27.68</b>	<b>448,738</b>		<b>28.16</b>	
<b>General Vacancy</b>	(22,056)	5.0%	(1.38)	(22,437)	5.0%	(1.41)	
<b>Effective Gross Revenue</b>	<b>\$419,059</b>		<b>\$26.30</b>	<b>\$426,301</b>		<b>\$26.75</b>	
<b>Operating Expenses</b>	<b>Year 1</b>		<b>Per SF</b>	<b>Year 2</b>		<b>Per SF</b>	<b>Notes</b>
Common Area Maintenance (CAM)							
Administrative	1,950		0.12	1,989		0.12	[1]
Roof Maintenance & Repairs	4,680		0.29	4,774		0.30	[1]
Exterior Repairs & Maintenance	633		0.04	646		0.04	[1]
HVAC Contract	2,732		0.17	2,787		0.17	[1]
Fire Alarm	180		0.01	184		0.01	[1]
Utilities	29,385		1.84	29,973		1.88	[1]
Sweeping Contract	6,266		0.39	6,391		0.40	[1]
Pressure Washing	1,343		0.08	1,370		0.09	[1]
Landscaping	4,902		0.31	5,000		0.31	[1]
Pest Control	1,660		0.10	1,693		0.11	[1]
Snow Removal	3,965		0.25	4,044		0.25	[1]
CAM Lights & Facilities	8,602		0.54	8,774		0.55	[1]
Recycling & Trash Removal	24,955		1.57	25,454		1.60	[1]
Security	6,270		0.39	6,395		0.40	[1]
Insurance	6,374		0.40	6,501		0.41	[2]
Real Estate Taxes	43,452		2.73	44,321		2.78	[3]
Management Fee	14,500	3.5%	0.91	15,100	3.5%	0.95	[4]
Reserves	1,594		0.10	1,594		0.10	[5]
<b>Total Expenses</b>	<b>\$163,442</b>		<b>\$10.26</b>	<b>\$166,989</b>		<b>\$10.48</b>	
<b>Expenses as % of EGR</b>	<b>39.0%</b>			<b>39.2%</b>			
<b>Net Operating Income</b>	<b>\$255,617</b>		<b>\$16.04</b>	<b>\$259,313</b>		<b>\$16.27</b>	

Notes to Operating Statement: Year 1

[1] Based on 2019 Budget

[2] Adjusted to \$0.40 per square foot

[3] Based on 2019 Tax Assessment

[4] Based on 3.5% EGI

[5] Based on \$0.10 per square foot

[\*] Year 2 accounts for scheduled rent increases and assumes 2% increase in expenses with Reserves and Management fee held at \$0.10/sf and 3.5% EGI, respectively.



# KENT, WASHINGTON

Kent was a large farming area up until after the second World War, when Boeing and other aerospace companies moved operations into the area. Today Kent has become the sixth largest city in the state of Washington, sitting directly in the heart of the Puget Sound just 19 miles from both Seattle and Tacoma. Kent is the home to approximately 73 park facilities in the Kent park system. Kent Station is a large open-air urban village located at the heart of downtown offering residents extensive options in retail, dining and events making Kent a great place to live for individuals and families.

Kent has experienced significant growth and is a top employer in the region with high employment and a densely populated and expanding market. Several of the area’s largest companies are located here including Amazon (fulfillment center), REI (corporate headquarters), the Seattle area headquarters of Sysco (food distribution company), Boeing (space and defense), and Starbucks (roasting plant). The Kent community directly benefits from these large employers and from the overall rapid growth in the Puget Sound Region. Transportation to Seattle is easily accessed through several major highway systems located in the immediate area.

Sound Transit is expanding it’s link light rail extension with two stops in Kent and one in Federal Way adding an additional 3,200 parking spaces along the route. The new rail lines will be built along 1-5 through the City of Kent with the nearest stops at 240th Street near Highline College and 272nd Street. The new connection points are anticipated to increase the overall commercial traffic providing more demand and appeal for the 208th Street Station. Construction is scheduled to begin this year with service starting in 2024.

## DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	16,784	103,666	255,113
■ 2018 Estimate			
Total Population	16,654	100,533	247,231
■ 2010 Census			
Total Population	14,201	90,213	221,441
■ 2000 Census			
Total Population	12,907	78,480	193,300
■ Current Daytime Population			
2018 Estimate	9,448	96,248	265,847
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	5,964	38,000	97,706
■ 2018 Estimate			
Total Households	5,771	36,183	92,921
Average (Mean) Household Size	2.83	2.72	2.61
■ 2010 Census			
Total Households	4,862	32,234	82,717
■ 2000 Census			
Total Households	4,579	29,121	74,968
■ Occupied Units			
2023 Projection	5,964	38,000	97,706
2018 Estimate	5,879	36,692	94,924
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	15.34%	13.34%	13.10%
\$100,000 - \$149,000	22.09%	21.04%	18.77%
\$75,000 - \$99,999	13.59%	14.73%	14.34%
\$50,000 - \$74,999	18.83%	18.47%	17.62%
\$35,000 - \$49,999	11.83%	11.31%	12.46%
Under \$35,000	18.32%	21.10%	23.72%
Average Household Income	\$94,799	\$93,623	\$91,059
Median Household Income	\$76,639	\$73,724	\$69,297
Per Capita Income	\$32,963	\$33,917	\$34,447



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