

4411

SOUTH RYAN WAY

RAISBECK ENGINEERING BUILDING

SALE PRICE | \$6,500,000



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INVESTMENT CONTACTS

ANDREW HULL
Associate Vice President
D 253.444.3023
C 425.559.3244
ahull@lee-associates.com

ADRIENNE HUNTER
Senior Vice President
D 206.219.1282
C 206.387.5426
ahunter@lee-associates.com

JIM REED, SIOR
Principal
D 206.210.5202
C 425.679.1681
jreed@lee-associates.com



170 120th Ave NE, Suite 203
Bellevue, Washington 98005
O 425.454.4242

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EXECUTIVE SUMMARY

THE OFFERING

Lee & Associates Commercial Real Estate Services, LLC (“Lee & Associates”), is pleased to present the opportunity to acquire The Raisbeck Engineering Building, a premier property in Tukwila, WA. This is a perfect opportunity for an owner-user or investor, with adjacent land for either near term or long-term development or expansion.

Tukwila is located just south of Seattle and is easily accessible via I-5. Tukwila International Boulevard Station provides access to the Sound Transit Link light rail system, connecting to other parts of the region, including Seattle, Bellevue, and SeaTac. Tukwila is home to many of the world’s leading aerospace, advanced manufacturing, and global distribution companies, such as Boeing, Amazon, Alaska Airlines and UPS. The region is fueled by a rich legacy of innovation, trade and supply chain expertise and a world-class work force making it a leader in industrial modernization.

The Raisbeck Engineering Building is located on the corner of Martin Luther King Jr Way S and S Ryan Way, directly off I-5 via Boeing Access Road and SR 900. The property features a 22,459 SF warehouse and office building, located on two parcels of land totaling 5.75 acres.

SALE PRICE \$6,500,000

The Raisbeck Engineering Building is a premier asset offering the opportunity for an owner-user or investor to acquire a well-located industrial / flex building with additional adjacent land for near term or long-term development / expansion.

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INVESTMENT HIGHLIGHTS

DESIRABLE SOUTHEND LOCATION

- » Compelling owner-user / investor opportunity in one of the fastest growing industrial markets in the country
- » Home to a variety of industrial users, including manufacturing, distribution, and warehousing companies
- » Boeing, Amazon, UPS, Darigold, Pacific Propeller International and Alaska Airlines all have operations and/or facilities in the Tukwila area
- » Home to several parks, including the Tukwila Community Center Park and the Fort Dent Park offering playgrounds, basketball court, and picnic areas as well as hiking trails and a historical museum
- » Immediate access to I-5 via Boeing Access Road and Martin Luther King Jr Way S

STRONG MARKET FUNDAMENTALS

- » Vacancy rate at 5.8%
- » Industrial rental rates continuing an upward trend at 16% Y-o-Y
- » Historically strong rent growth
- » Limited inventory due to high demand. Very few industrial / office buildings for sale. Rare opportunity for an owner-user or investor

FAVORABLE TUKWILA DEMOGRAPHICS

- » \$101,196 average household income (3-mile radius)
- » Approximately 62% of have obtained a some college and/or a bachelor's degree or higher
- » Rapidly growing population in highly sought-after Southend submarket



Source: CoStar 2023

02.

THE PROPERTY

The Raisbeck Engineering Building was built in 1986 and renovated in 2020 and is an existing flex warehouse / office property containing 22,459 SF of rentable area and a 4.32 acre parcel of vacant land. The property was owner-purchased in 1993 and the vacant parcel in 1997.

PROPERTY DETAIL

Building Name	Raisbeck Engineering Building
Address	4411 S Ryan Way, Tukwila, WA 98178
Year Built / Renovated	1986 / 2020
Building Size	22,459 SF (9,667 SF warehouse 12,792 SF office)
Property Type	Flex Warehouse/Office with adjacent land
Occupancy	Vacant (as of 10/01/23)



SITE DETAIL

Location	Martin Luther King Jr Way S and S Ryan Way
Parcel Numbers	032304-9034 and 032304-9050
Parcel 1	22,459 SF flex building on 1.43 acres of developed and paved land
Parcel 2	4.32 acres of undeveloped woodlands. Estimated 1 acre usable (zoned CLI)
Zoning	CLI - Commercial Light Industrial LDR - Low Density Residential (the undeveloped/unusable land)
Development	The 1-acre of raw land to the south of the building is zoned CLI and would allow for uses including, but not limited to, warehouse, manufacturing, office, and retail

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THE PROPERTY | STRUCTURE / DESCRIPTION

PARCEL 1 - DEVELOPED PARCEL

- » The 22,459 SF, three-story flex building has been owned and occupied by Raisbeck Engineering as their headquarter office and warehouse for over 25 years
- » Construction consists of a concrete base and walls with steel columns, and an aluminum framed storefront glass panel office entry
- » Two driveway entrances provide access - the main site entrance includes a rolling security gate and intercom access panel
- » Paved parking lot contains 36 onsite parking stalls - 32 open parking stalls plus four carport covered stalls
- » The roof was replaced in 2016

WAREHOUSE

- » 9,667 SF
- » 600-amp, 120/208-volt, 3-phase, four wire electrical power
- » Wet pipe fire sprinkler as well as a monitored fire alarm system
- » 13' Clear Height
- » 4 dock high doors (2 edge of dock levelers) and 2 grade level doors
- » Abundant lighting with ceiling fans
- » The warehouse has been immaculately kept and in great condition

OFFICE

- » 12,792 SF on two floors
- » HVAC throughout the office area
- » A large portion of office area was extensively renovated in 2020
- » Exterior balconies with steel pipe guard railings



SITE PLAN | AERIAL VIEW

SITE PLAN



AERIAL VIEW OF PARCELS



THE PROPERTY | STRUCTURE / DESCRIPTION

PARCEL 2 - RAW LAND

- » 4.32-acre raw land site
- » Estimated 1-acre usable (zoned Commercial Light Industrial)
- » Wooded raw land has wetlands and a stream, but there is roughly 1-acre adjacent to the developed parcel that is developable
- » Parcel has split zoning per the City of Tukwila, with both CLI and LDR. Roughly 65,000 SF are within the CLI zone while the balance (123,179 SF) is zoned LDR



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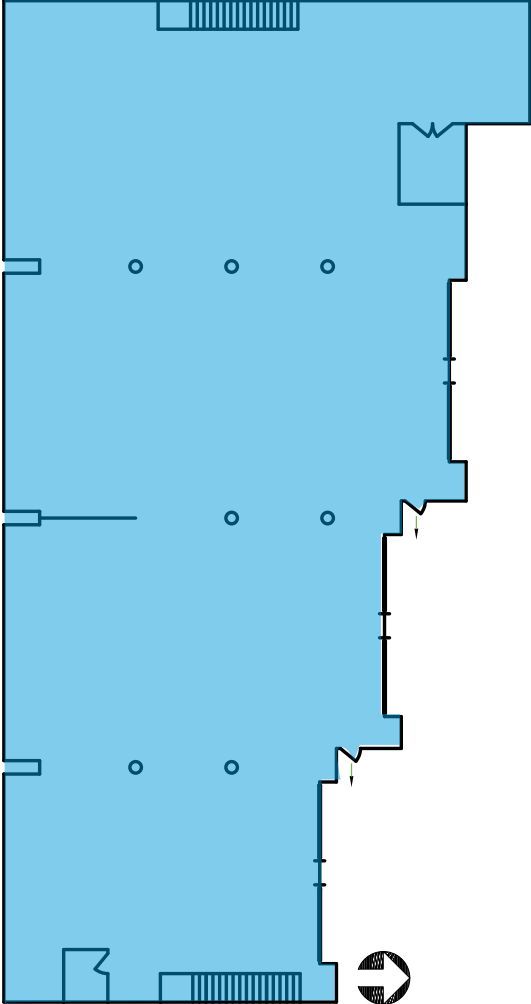
LEGEND

- Wetland Area
- Non-Delineated Wetland Boundary
- Non-Delineated Stream OHWM
- Study Area
- Data Point (DP)
- Direction of Flow
- Culvert (Unknown Outlet)

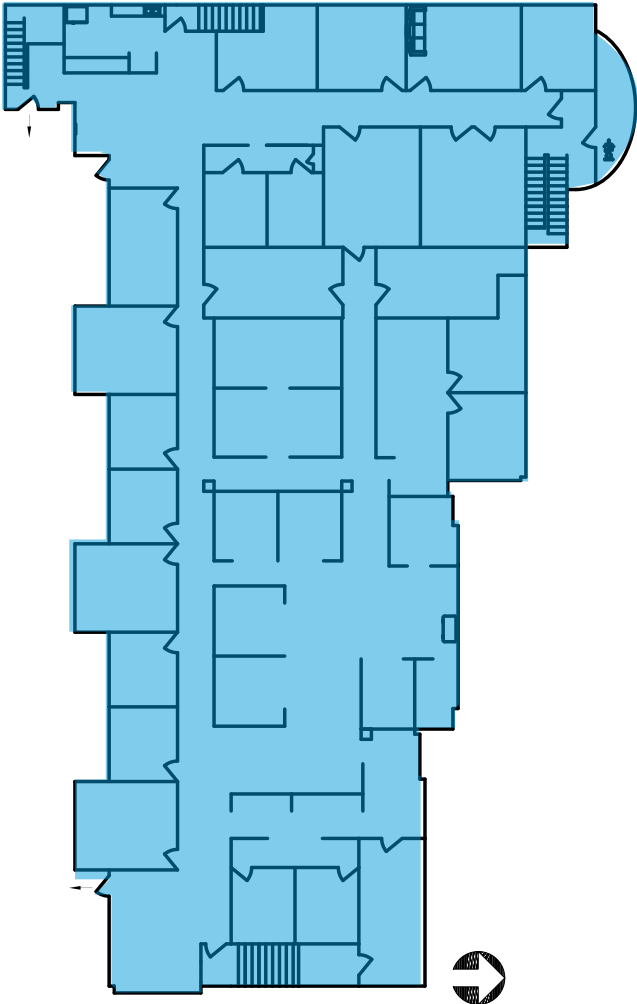
Note: Field sketch only. Features depicted are approximate and not to scale. Data points are marked with yellow- and black-striped flags. All observations were made from within the study area; adjoining private properties were not entered.

FLOOR PLANS

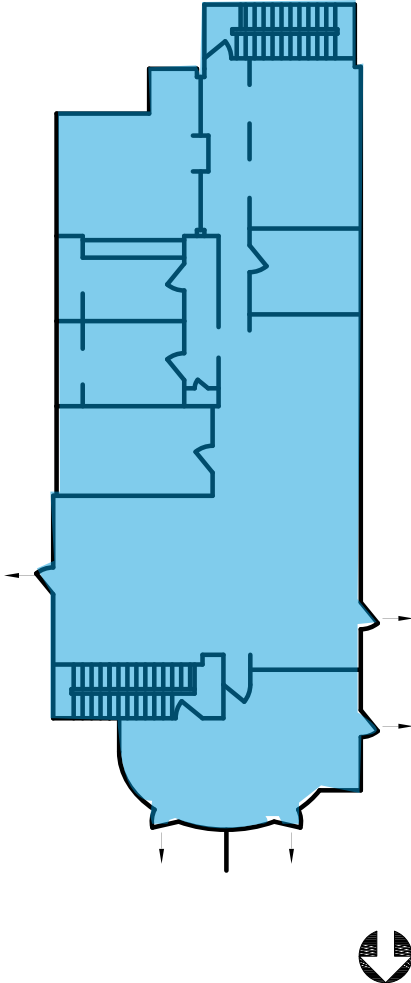
FIRST FLOOR



SECOND FLOOR



THIRD FLOOR



PROPERTY PHOTOS | BUILDING PHOTOS



PROPERTY PHOTOS | WAREHOUSE SPACE

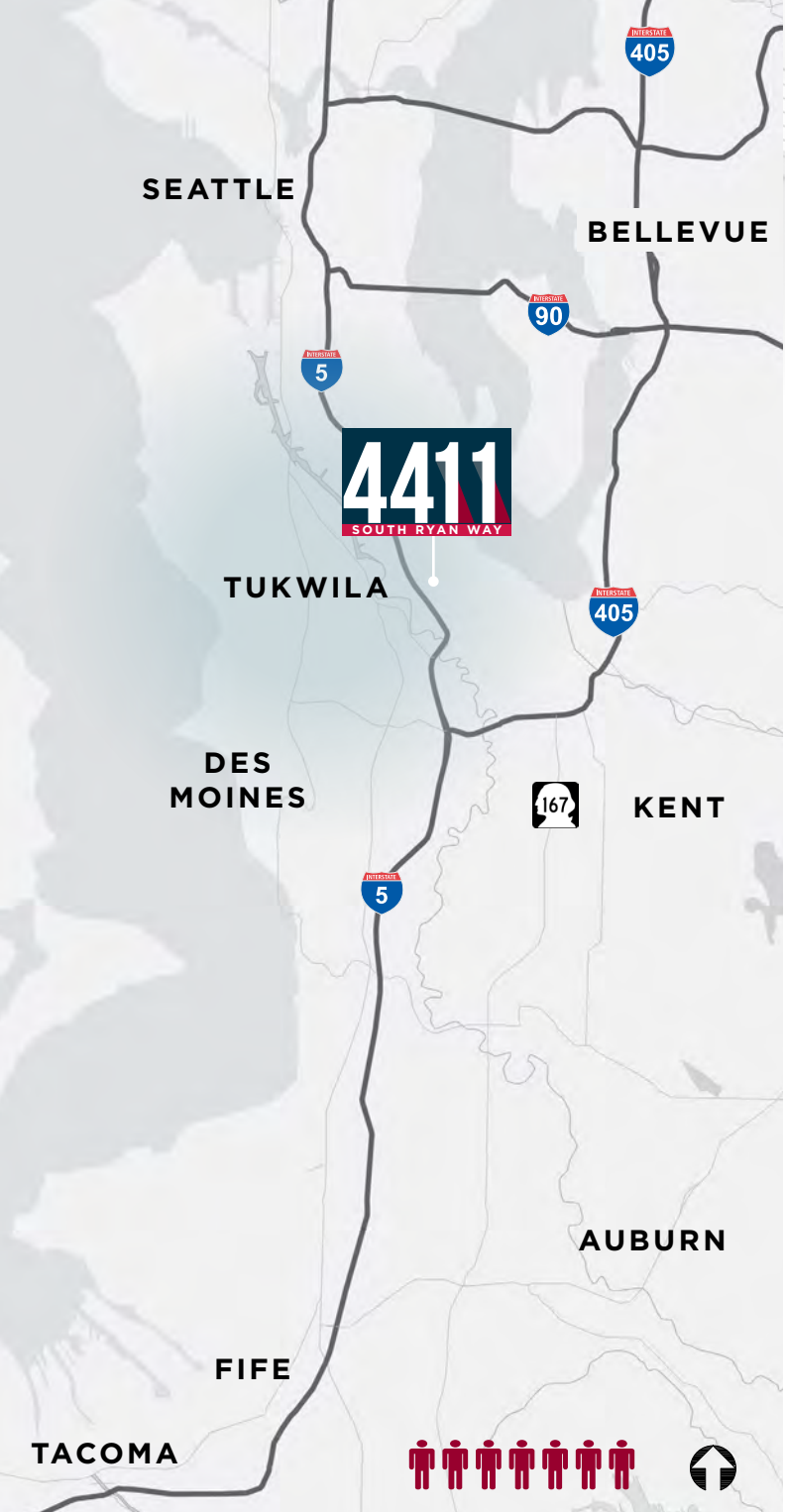


PROPERTY PHOTOS | OFFICE SPACE



03.

LOCATION / MARKET

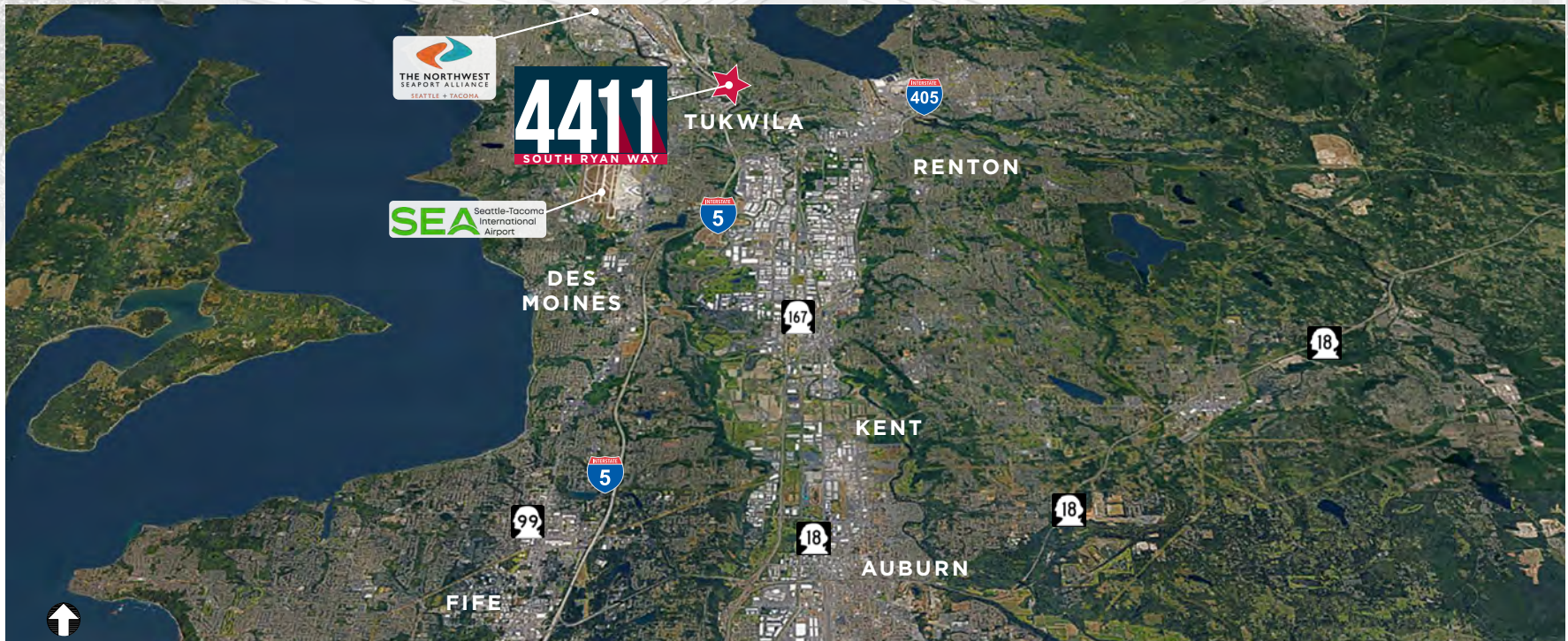


DEMOGRAPHICS	1-MILE	3-MILE	5-MILE
Population 2023:	9,490	112,172	303,978
Population 2028:	9,383	113,156	303,365
Annual Growth (2010-2022):	2.16%	3.83%	11.26%
Households 2022:	5,925	58,072	241,081
Average HH Income:	\$110,971	\$101,196	\$111,413
Median Age:	37.9	37.1	38.1

Source: CoStar Demographics 2023



REGIONAL AERIAL



NEIGHBORHOOD AERIAL



04.

OWNER/USER FINANCING

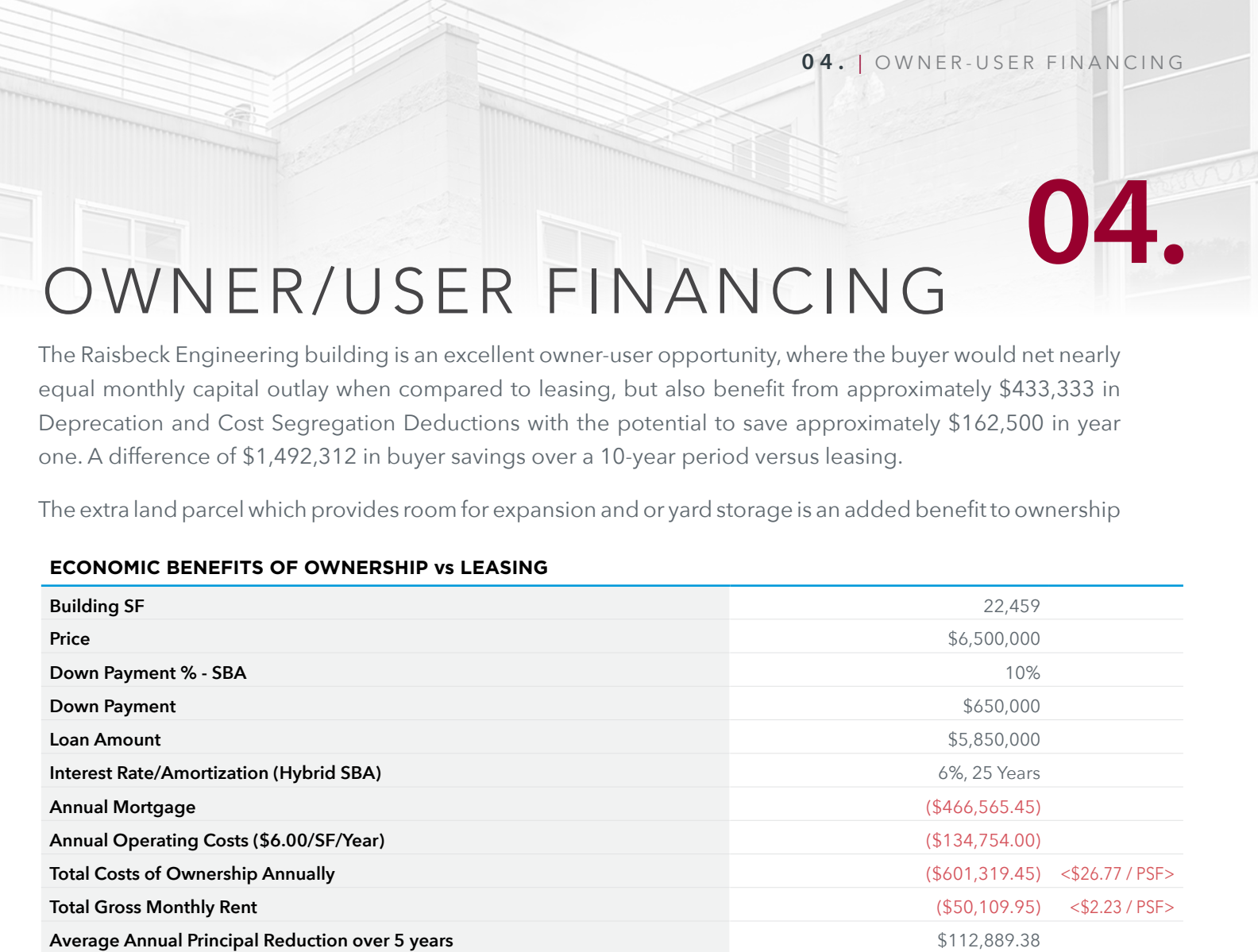
The Raisbeck Engineering building is an excellent owner-user opportunity, where the buyer would net nearly equal monthly capital outlay when compared to leasing, but also benefit from approximately \$433,333 in Depreciation and Cost Segregation Deductions with the potential to save approximately \$162,500 in year one. A difference of \$1,492,312 in buyer savings over a 10-year period versus leasing.

The extra land parcel which provides room for expansion and or yard storage is an added benefit to ownership

ECONOMIC BENEFITS OF OWNERSHIP vs LEASING

Building SF	22,459	
Price	\$6,500,000	
Down Payment % - SBA	10%	
Down Payment	\$650,000	
Loan Amount	\$5,850,000	
Interest Rate/Amortization (Hybrid SBA)	6%, 25 Years	
Annual Mortgage	(\$466,565.45)	
Annual Operating Costs (\$6.00/SF/Year)	(\$134,754.00)	
Total Costs of Ownership Annually	(\$601,319.45)	<\$26.77 / PSF>
Total Gross Monthly Rent	(\$50,109.95)	<\$2.23 / PSF>
Average Annual Principal Reduction over 5 years	\$112,889.38	
Annual Cost After Principal Reduction	(\$488,430.07)	<\$21.75 / PSF>
Monthly Cost After Principal Reduction	(\$40,702.51)	<\$1.81 / PSF>
Estimated Depreciation Deduction (39 Years)	\$111,111.11	
Average Tax Savings at 37.5%	\$41,666.67	
Estimated Accelerated Depreciation/Cost Segregation Deduction	\$433,333.33	
Tax Savings Year 1 at 37.5%	\$162,500.00	

NOTE: Does not include the additional value/appreciation on the developable raw land.



OWNER/USER FINANCING vs. LEASING

Difference of \$1,492,312 in buyer savings over a 10-year period versus leasing.

LOAN DETAILS

Loan amount	\$5,850,000.00
Annual interest rate	6.00%
Loan period in years	25
Start date of loan	7/1/2023

LOAN SUMMARY

Monthly payment	\$37,691.63
Number of payments	300
Total interest	\$5,457,489.60
Total cost of loan	\$11,307,489.60

LEASE ANALYSIS

Building SF	22,459
Lease Rate	\$18.00
Total Annual Base Rent	-\$404,262.00
Total Annual Operating Expenses	-\$134,754.00
Total Costs to Lease	-\$539,016.00

OWNER/USER ANALYSIS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Mortgage	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)	(\$452,300)
Operating Costs	(\$134,754)	(\$137,449)	(\$140,198)	(\$143,002)	(\$145,862)	(\$148,779)	(\$151,755)	(\$154,790)	(\$157,886)	(\$161,044)
Annual Payment	(\$587,054)	(\$589,749)	(\$592,498)	(\$595,302)	(\$598,162)	(\$601,079)	(\$604,054)	(\$607,090)	(\$610,185)	(\$613,343)
Annual Principal Reduction	\$104,132.28	\$110,554.93	\$117,373.72	\$124,613.07	\$132,298.93	\$140,458.84	\$149,122.03	\$157,531.89	\$167,248.12	\$177,563.61
Annual Payment After Principal	(\$482,921)	(\$479,194)	(\$475,124)	(\$470,689)	(\$465,863)	(\$460,620)	(\$454,932)	(\$449,558)	(\$442,937)	(\$435,779)
Lease Option										
Annual Base Rent	-\$404,262.00	-\$416,389.86	-\$428,881.56	-\$441,748.00	-\$455,000.44	-\$468,650.46	-\$482,709.97	-\$497,191.27	-\$512,107.01	-\$527,470.22
Annual Operating Expenses	(\$134,754)	(\$137,449)	(\$140,198)	(\$143,002)	(\$145,862)	(\$148,779)	(\$151,755)	(\$154,790)	(\$157,886)	(\$161,044)
Annual Rent	-\$539,016.00	-\$553,838.94	-\$569,079.62	-\$584,750.03	-\$600,862.51	-\$617,429.76	-\$634,464.86	-\$651,981.26	-\$669,992.79	-\$688,513.72

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