



VILLA FRANCA
WALKTHROUGH



VILLA FRANCA | AN AWARD-WINNING RESTORED SEATTLE CLASSIC

1108 9TH AVENUE WEST | SEATTLE, WA 98119

- RARE 'ANHALT' BUILDING
- PRIME SW QUEEN ANNE HILL LOCATION
- ABUNDANT PERIOD CHARM INTACT
- BEAUTIFUL SECLUDED, PRIVATE SETTING
- SOUND, MOUNTAIN AND SUNSET VIEWS

FOR MORE INFORMATION:
MIKE MARINELLA
PRINCIPAL | MANAGING BROKER

206.505.9431

mikema@westlakeassociates.com



WESTLAKE
ASSOCIATES, INC.



VILLA FRANCA
WALKTHROUGH

PRICE	\$8,700,000	STORIES	2
UNITS	13	PARCEL SIZE	20,600 Square Feet
\$/UNIT	\$669,231	ZONING	LR2
\$/SF	\$702	EXTERIOR	Stucco
CURRENT CAP	4.36%	HEATING	Forced Air Electric
MARKET CAP	4.11%	PARKING	12 Garages
CURRENT GIM	16.2	UNIT MIX	4 - 1 Bedroom 1 Bath 8 - 2 Bedrooms 1 Bath 1 - 1 Bedroom + Den 1 Bath
MARKET GIM	16.2		
NET RENTABLE AREA	12,393 Square Feet		Note: 6 units are townhomes
AVERAGE UNIT SIZE	953 Square Feet	WASHER/DRYERS	In-unit washers/dryers
YEAR BUILT	1930	ROOF	Pitch-Tile

This information contained herein, while not guaranteed, has been secured from sources Westlake Associates, Inc. believes to be reliable and is considered to be the most current and correct data available.



Courtyard layout on a quiet, secluded street. Sunny South & West Exposure.

Cognoscenti of Seattle real estate instantly recognize the name Frederic Anhalt, a legendary designer, developer and landscaper of Seattle buildings, especially apartment homes, beginning in 1926. An apartment building is an “Anhalt” much like a painting is a Rembrandt, a piece of glass is a Chihuly, or a symphony is a Mozart. Properties built by Anhalt are part real estate and part objects d’art. But make no mistake; they are 100% successful income properties. Anhalt’s genius for creating home-like living produced buildings that are every bit as popular today as they were when they opened. Anhalt built mostly Tudor style buildings but his work included several Spanish-Mediterranean style structures. Perhaps his most noteworthy building is located at 1005 E. Roy Street on Capitol Hill, a Tudor building which is affectionately known as Anhalt’s Castle.



1005 EAST ROY STREET

If 1005 E. Roy Street was Anhalt’s Castle, then Villa Franca was his Mediterranean Villa. Situated on a private, quiet site on the southwest face of Queen Anne Hill, the apartments overlook Puget Sound and the Olympic Mountains. The huge lot accommodates very low density with one and two-story apartments fashioned in a long “U” around a central courtyard with gently sloping lawns and garages around the perimeter. The site sits well above street level which adds to the ambiance. In addition to privacy and views, the site enjoys preferred south and west exposure which makes for bright and light apartments.



Anhalt buildings are so prized that they rarely change hands. The current ownership bought Villa Franca in 2015 from investors who acquired the property in 1991. This was a match made in heaven, a historic building in need of restoration and a developer with a long history of tastefully restoring vintage buildings including two of Seattle's finest, the Villa Costella (left) and the Sheffield (below), plus numerous renovations of luxury single family homes, conversion of nearly 500 multifamily units to condominiums and ground-up new construction of luxury apartment buildings.

The Queen Anne Historical Society cited Villa Franca for its quality restoration.

The period charm, artistic touches, wonderful architecture and use of the finest building materials have enabled Anhalt buildings to outperform other rentals; achieving higher rents, lower vacancies and exceptionally long occupancies.



LAKE WASHINGTON

BEACON HILL

CAPITOL HILL

DOWNTOWN SEATTLE

SOUTH LAKE UNION

VILLA FRANCA

QUEEN ANNE

LAKE UNION

PUGET SOUND

FRED HUTCH

GOOGLE CAMPUS

AMAZON

AMAZON

MUSEUM OF POP CULTURE

BILL & MELINDA GATES FOUNDATION

MCCAW HALL

CORNISH PLAYHOUSE

DENNY PARK

SPACE NEEDLE

KEY ARENA

F5 Networks, Inc.

NORDSTROM HQ

ZILLOW GROUP

PIKE PLACE MARKET

SEATTLE AQUARIUM

ZULILY

OLYMPIC SCULPTURE PARK

ELLIOT BAY & CENTENNIAL PARK

EXPEDIA GROUP

COMPLETION:
OCTOBER 2019
4,500 EMPLOYEES

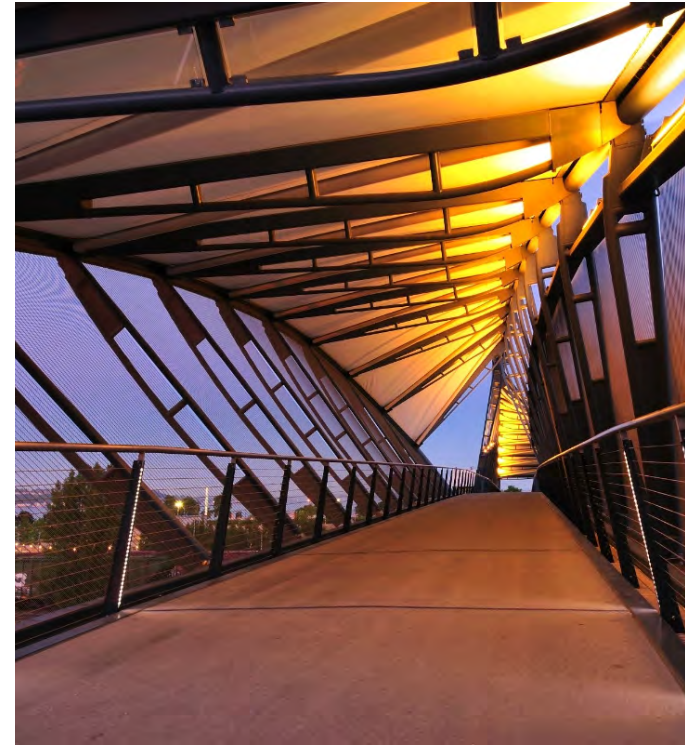




Kinnear Park is literally a few steps from Villa Franca and Expedia's new 40-acre campus is just down the hill to the West. Expedia's relocation of 4,500 employees from its Bellevue headquarters to the Interbay Campus commenced in October 2019 and is expected to be completed by the end of the year. Plans filed with the city indicate more than doubling the amount of office space over the next 15 years. Demand for Queen Anne apartments continues to rise as nearby South Lake Union experiences explosive growth as a high-tech and medical mecca. Amazon, surpassed 54,000 employees in 2019 in Seattle and continues to hire at a feverish pace bringing new, highly paid residents to the area. Other prominent employers in the South Lake Union area include Google, Facebook, Microsoft, the University of Washington, the Fred Hutchinson Cancer Research Center and the Bill and Melinda Gates Foundation.

Queen Anne Hill is an affluent neighborhood northwest of downtown Seattle. The neighborhood sits on the highest hill in the city, with a maximum elevation of 456 FT. Queen Anne Hill has long been considered Seattle's premier residential neighborhood due to its close proximity to Seattle's CBD, easy access to public transportation and the ability to maintain a family-friendly neighborhood with strong community ties. Villa Franca has easy access to Upper Queen Anne's bustling retail scene with coffee shops, restaurants, boutiques, grocery stores and other service-oriented businesses. Equally accessible is Lower Queen Anne; home to vibrant night life, numerous neighborhood restaurants and the 64-acre Seattle Center which houses the Pacific Northwest Ballet, the Pacific Science Center, the Seattle Opera, the Seattle Children's Theatre, the Space Needle, Paul Allen's MoPOP Museum and the recently-opened Chihuly Garden and Glass exhibit.





The Villa Franca is perfectly positioned to capitalize on the rapid job growth on Queen Anne, South Lake Union, Belltown, Interbay and Fremont.

Companies within 3 miles of the Villa Franca include:





South Elevation

A new waterproof, concrete deck was added, creating expansive, sunny patios off the kitchens of units 1, 2 and 3.

West Elevation

Private patios for units 12 (left) and 14 (right) were created. Altogether 11 of the 13 units have patios, balconies or both.



Restored stairway at entrance



All new landscaping and sidewalks.
New fountain. New exterior lighting.



Complete exterior restoration included removal of asbestos coating, new stucco, new landscaping, new irrigation system and new gutters and down spouts tightlined off-site. Acclaimed designer Gary Dethlefs and the developer collaborated on the exterior colors, inspired by award winning Mexican architect/artist Luis Barragán.

The twelve garages were retrofitted with electricity and new overhead garage doors.



The period charm has been retained while the kitchens were totally updated with deluxe appliances, including gas ranges.





Gourmet Kitchens





Spacious townhome bedrooms open to private, covered, view balconies.





New bathrooms

In-unit Laundry



Spacious, open floor plans





Numerous Artistic Touches



Professionally landscaped grounds



VILLA FRANCA

Expedia
Headquarters

Elliott Bay

VILLA FRANCA UPGRADES & REPAIRS

9th Ave W. retaining wall replaced

Front stairway replaced

Plaza sidewalk/approaches replaced

New exterior railings/ handrails installed at all stairways

Front fountain replaced

All landscaping replaced

New landscape irrigation system w/ “deduct meter”

Tile roof reconditioned throughout

Exterior Stucco Siding completely resurfaced (asbestos abatement)

Garage roof waterproofing replaced in all garages (#1, #2, new concrete)

New garage doors w/auto openers installed, electrical in all garages

Downspout/gutter system repaired or replaced throughout

New side sewer

Units #12 and #14 patios replaced.

Aluminum windows replaced with wood windows

Kitchen walls removed to create open floor plans

Thermal activated attic vent fans added

Dog wash facility in basement

Patios for units #1, #2 and #3 replaced

All new window coverings (roller shades)

New water supply from SPU water main

New plumbing supply (pex) to all units

New showers and plumbing fixtures

All new bathroom tile/glass enclosures

New natural (PSE) gas supply plumbed to all units

Individual in-unit laundry supply/waste

Individually metered unit water/gas equipment

All units completely rewired from sub panel to current code

GFCI and grounded circuitry

New in-wall forced-air “cadet-type” heaters

New kitchen cabinets/countertops/sinks/fixtures/etc.

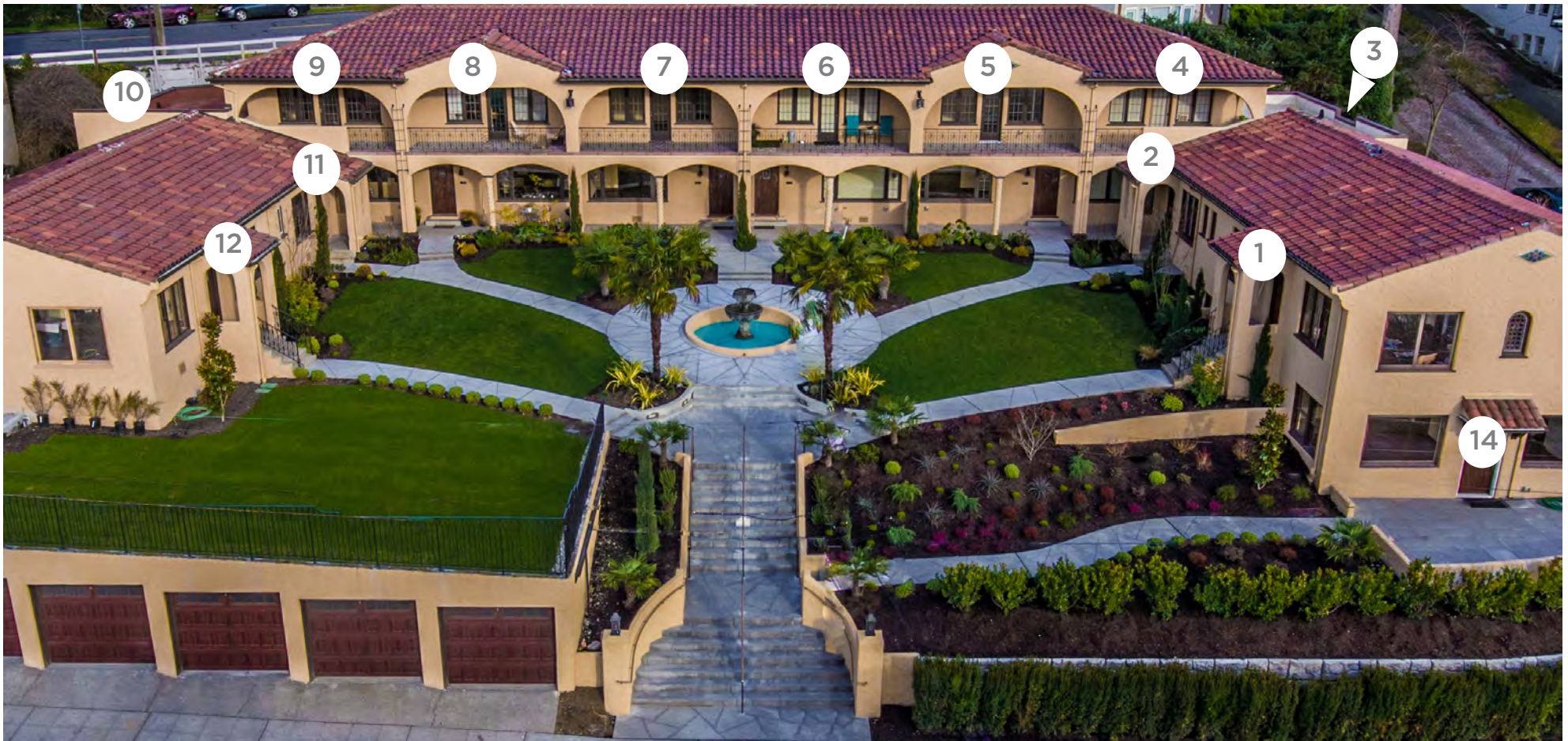
All new high-grade Bosch, Bloomberg kitchen appliances

All hardwood floors refinished

Air conditioning portals added (units 4-9)

High capacity Washer & Dryer (complimentary) in basement

Units **1** and **12** are two bedroom / one bath flats
Units **2, 3, 10,** and **11** are one bedroom / one bath flats
Unit **14** is a one bedroom + den / one bath flat
Units **4-9** are two bedroom / one bath townhomes



UNIT #	UNIT TYPE	SQ. FT.	CURRENT RENTS	PSF	MARKET RENTS	PSF
1	2 Bedroom 1 Bath	874	\$3,295	\$3.77	\$3,295	\$3.77
2	1 Bedroom 1 Bath	596	\$2,650	\$4.45	\$2,650	\$4.45
3	1 Bedroom 1 Bath	636	\$2,395	\$3.76	\$2,395	\$3.76
4	2 Bedroom 1 Bath	1,183	\$3,795	\$3.20	\$3,795	\$3.20
5	2 Bedroom 1 Bath	1,191	\$3,550	\$2.98	\$3,550	\$2.98
6	2 Bedroom 1 Bath	1,208	\$3,895	\$3.22	\$3,895	\$3.33
7	2 Bedroom 1 Bath	1,208	\$3,900	\$3.23	\$3,900	\$3.23
8	2 Bedroom 1 Bath	1,191	\$3,795	\$3.19	\$3,795	\$3.19
9	2 Bedroom 1 Bath	1,183	\$3,850	\$3.25	\$3,850	\$3.25
10	1 Bedroom 1 Bath	602	\$2,295	\$3.81	\$2,295	\$3.81
11	1 Bedroom 1 Bath	611	\$2,470	\$4.04	\$2,470	\$4.04
12	2 Bedroom 1 Bath	869	\$3,595	\$4.14	\$3,595	\$4.14
14	1 Bedroom + Den 1 Bath	1,041	\$3,450	\$3.31	\$3,450	\$3.31
TOTAL		12,393 SF	\$42,935		\$42,935	
AVERAGES		953 SF	\$3,303	\$3.46	\$3,303	\$3.46

NOTE:

* Units 4-9 are Townhouses, listed square footages for these units include enclosed 126 square foot balconies.

*Square footages are from Johnson Architects as-built drawings

PROPERTY OVERVIEW

# of Units	13
Year Built	1930
Rentable SF	12,393 SF
Lot Size	20,600 SF
Zoning	LR2
Roof	Spanish Tile
Exterior	Stucco
Heating	Forced Air Elec.
Parking	12 Garages

PRICE ANALYSIS

Sale Price	\$8,700,000
Price per Unit	\$669,231
Price per NRSF	\$702
Price per Land SF	\$422
Current CAP Rate	4.36%
Current GIM	16.2
Market CAP Rate	4.11%
Market GIM	16.2

EXISTING FINANCING

Loan Amount	\$4,850,000
Down Payment	\$3,850,000
Rate (ARM)	3.85%
% Down	44.3%
Amortization	27.0
Term	27 Years
Annual Payment	\$287,476
Loan Adjusts	11/01/2022

UNIT TYPE	#	AVG SIZE	AVG CURRENT RENT	PSF	AVG MARKET RENT	PSF
1 BD 1 BA	4	611 SF	\$2,453	\$4.01	\$2,453	\$4.01
1 BD + Den 1 BA	1	1,041 SF	\$3,450	\$3.31	\$3,450	\$3.31
2 BD 1 BA	8	1,113 SF	\$3,709	\$3.33	\$3,709	\$3.33
Total AVG	13	12,393 SF	\$42,935	\$3.46	\$42,935	\$3.46

INCOME

	CURRENT	MARKET
Scheduled Rental Income	\$515,220	\$515,220
+ Garage Income	10,500	10,500
+ Utility & Other Income	13,700	13,700
Scheduled Gross Income	\$539,420	\$539,420
- Vacancy & Cr. Losses (4.00%)	(\$21,577)	(\$21,577)
Effective Gross Income	\$517,843	\$517,843

EXPENSES

	CURRENT	PSF	MARKET	PSF
Real Estate Taxes (2020)	\$45,384	\$3.66	\$67,300	\$5.43
Property Insurance	10,200	0.82	10,200	0.82
Professional Management (4.0%)	20,700	1.67	20,700	1.67
On-site Manager	7,800	0.62	7,800	0.62
Gas	3,300	0.26	3,300	0.26
Electricity	1,200	0.09	1,200	0.09
Water & Sewer	9,900	0.79	9,900	0.79
Garbage	4,900	0.39	4,900	0.39
Repairs & Maintenance	13,000	1.04	13,000	1.04
Landscaping	13,200	1.06	13,200	1.06
Turnover	5,200	0.41	5,200	0.41
Reserves	3,900	0.31	3,900	0.31
Total Operating Expenses	\$138,684	\$11.12	\$160,600	\$12.89

NET OPERATING INCOME

NET OPERATING INCOME	\$379,159	\$357,243
-----------------------------	------------------	------------------

The statements, figures & computations herein, while not guaranteed, are secured from sources we believe reliable. Investors should verify all numbers, computations, and assumptions before committing to an investment.

INCOME

Current rental income is based on the July 2020 rent roll

Garage income is based on actual collections. Utility recovery and other income is actual.

VACANCY ALLOWANCE

A 4% allowance is used for vacancy and credit loss. This is consistent with the Queen Anne sub-market.

EXPENSES

Real Estate Taxes - The 2020 taxes are actual based on the the 2020 Assessed Value of \$4,697,000. Market Real Estate Taxes are estimated based on 80% of the asking price and the 2020 Millage Rate plus the estimated Surface Water Management charge, etc.

Insurance - The line item for insurance is the actual 2020 premium.

Management Fees - Professional Management is based on 4.0% of projected Effective Gross Income, consistent with the existing management agreement.

On-Site Manager - This expense is equal to \$50 per unit per month, the current actual expense.

Utility Expenses - These line items are in line with actuals over the past 18 months.

Repairs & Maintenance - This line item is estimated at \$1,000/unit/year.

Turnover - This line item is estimated at \$400/unit/year.

Landscaping - This line item is consistent with the existing landscape maintenance contract.

Reserves - Replacement Reserves are calculated at \$300 per unit per year.

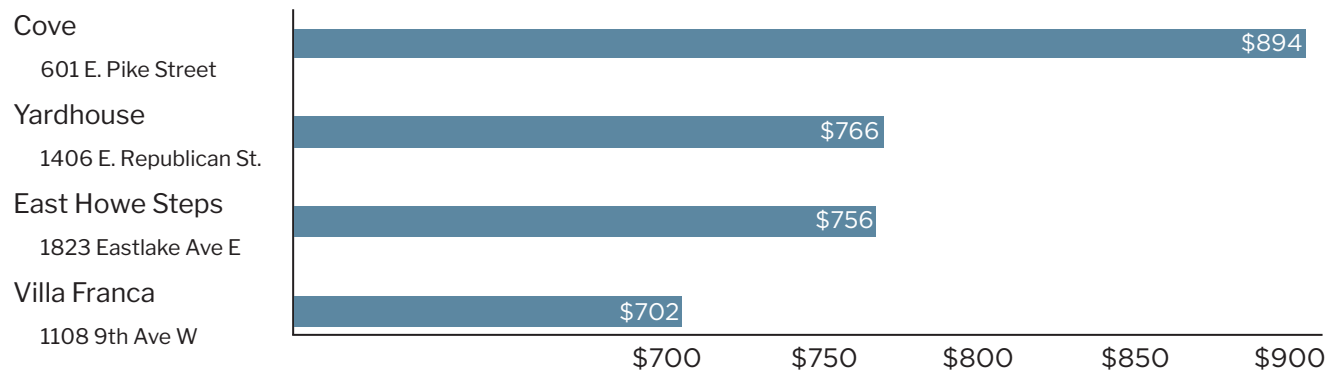
INCOME APPROACH TO VALUE

Villa Franca's Gross Income Multiplier is 16.2 times the annual income and its Capitalization Rate is 4.1% (with adjusted real estate taxes). These income-related indicators of value are in line with sales of other quality vintage buildings as shown in the table below, even though these buildings are not comparably upgraded.

ADDRESS	UNITS	SALE PRICE	YEAR BUILT	SALE DATE	CAP RATE	GIM
KENTON 303 16th Ave E	15	\$4,600,000	1926	02/01/2019	3.1%	16.6
LA VANCH 956 10th Ave E	20	\$6,850,000	1930	07/09/2019	3.9%	16.0
SWANSONIA 1017 E Harrison St	32	\$10,775,000	1925	09/25/2019	3.7%	17.7
MULHOLLAND 507 Harvard Ave E	29	\$9,350,000	1926	08/30/2019	3.7%	16.6
VILLA FRANCA	13	\$8,700,000	1930		4.1%	16.2

PHYSICAL VALUE

Considering its all encompassing restoration / remodeling, location, views, unique setting, low density and extraordinary period charm, Villa Franca is truly better than new. Therefore the prices per square foot in the sales of the new buildings below are the best indicators of physical value.



ADDRESS	UNITS TOTAL	YEAR BUILT	UNIT MIX	# OF UNITS	UNIT SIZE	CURRENT RENT	RENT/SF
THE DONPHILITA 1703-1719 Taylor Ave N	9	1927	1 BD 1 BA	7	519 - 941	\$1,900 - \$2,200	\$3.43 - \$3.66
LOS ALTOS & SAXONIA 303 & 307 W Olympic Pl	28	1927	1 BD 1 BA	22	660 - 805	\$2,295 - \$2,695	\$3.35 - \$3.48
			2 BD 2 BA	1	1,323	\$4,895	\$3.70
VILLA FRANCA	13	1930	1 BD 1 BA	4	611	\$2,453	\$4.01
			1 BD + Den 1 BA	1	1,041	\$3,450	\$3.31
			2 BD 1 BA	8	1,113	\$3,709	\$3.33

Once-in-a-lifetime opportunity to acquire a flawless trophy property

- Anhalt design, quality, vintage charm, artistic touches
- Home-like living with beautiful spacious grounds
- Quiet, secluded site with south and west exposure
- Puget Sound, Olympics, and sunset views
- Prime Queen Anne Hill location
- Individual garage parking

Highly Rated Market

Urban Land Institute 2020 Top 10 market

Expert Restoration Team

- 40+ Years experience in construction and design
- Impeccable taste
- Attention to detail
- Commitment to quality

