OFFERING MEMORANDUM

DRIFTWOOD PLAZA

698 OCEAN SHORES BLVD NW, OCEAN SHORES, WA 98569

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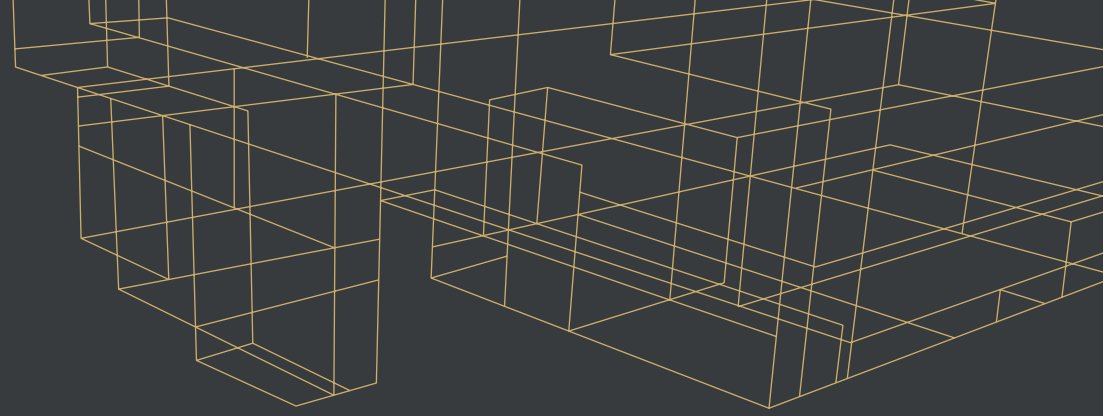

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TABLE OF CONTENTS

01
INVESTMENT SUMMARY

02
SITE PLAN

03
FINANCIALS

04
LOCATION OVERVIEW

Kidder Mathews

SECTION 01

INVESTMENT SUMMARY

Kidder Mathews is pleased to present the opportunity to acquire Driftwood Plaza, a multi-tenant shopping center in Ocean Shores, Washington.

The Shopping Center is located in the heart of Ocean Shores main retail corridor which averages 3 million visitors annually. Driftwood plaza is directly adjacent to the areas most popular hotel and Convention Center, the location of most area events.

$1,900,000
PURCHASE PRICE

6.33%
CURRENT CAP RATE

8.30%
PROFORMA CAP RATE

$152
PRICE/SF

12,535 SF
BUILDING SF

40,075 SF
LAND AREA

60+ SPACES
PARKING

INVESTMENT HIGHLIGHTS

Excellent retail location situated in the heart of Ocean Shores' main retail corridor. The property at the main entrance to Ocean Shores Beach and is surrounded by hotels, motels and the Convention Center

Potential to increase NOI $30k by converting tenants to NNN leases

Located in an Opportunity Zone Investment Area

In-place leases have annual rent increases of 2.5%, ensuring steady and predictable cash flow.

One of Washington's most popular coastal cities, averaging 3 million visitors annually

Priced well below replacement cost, creating a compelling opportunity for both owner-users and value-add investors

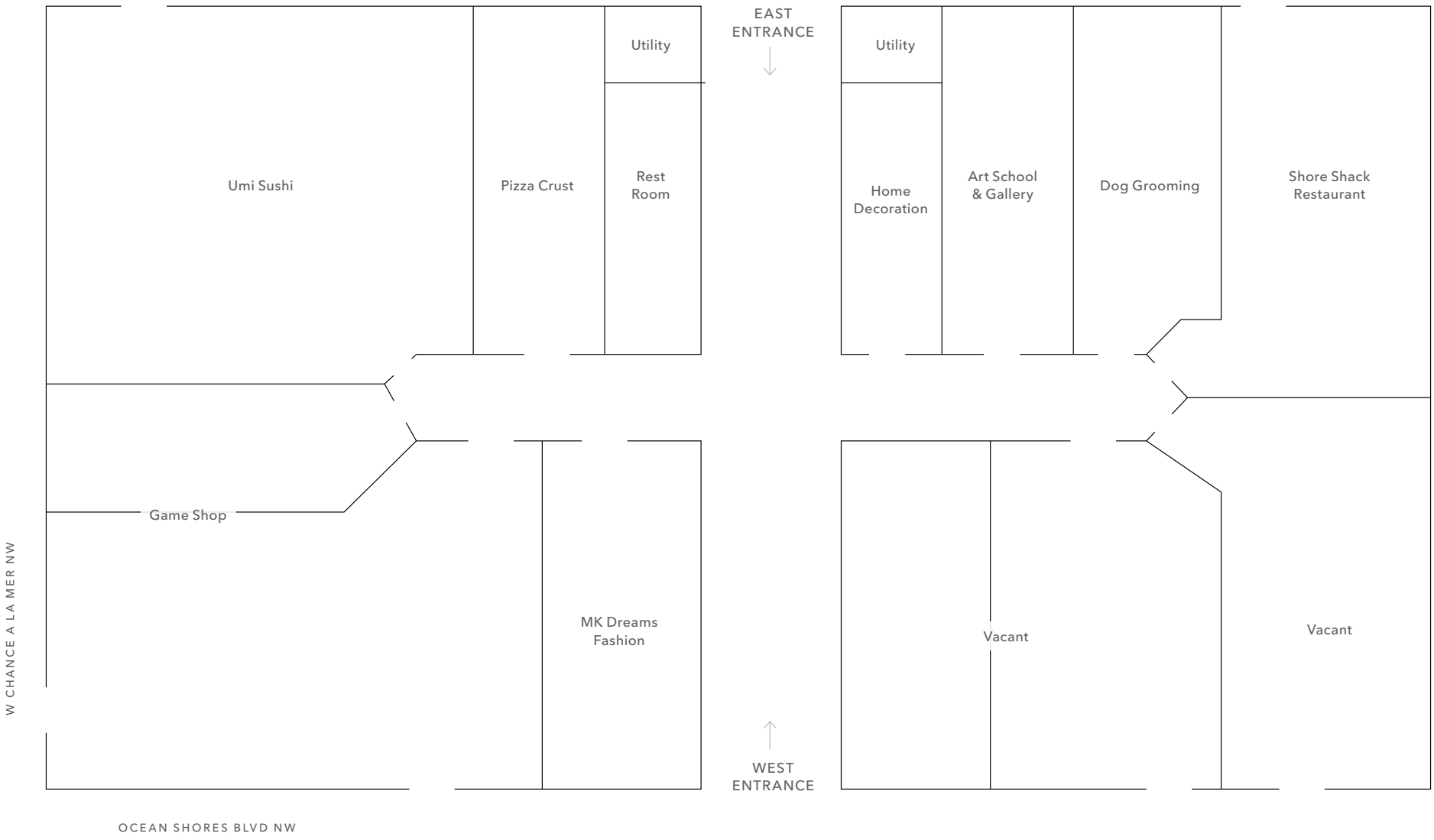
Abundance of rare on-site parking ad features an end cap drive-thru

Recent improvements include a new roof and exterior paint & siding

SECTION 02

SITE PLAN

SITE PLAN


EAST ENTRANCE
Utility
Utility
Umi Sushi
Pizza Crust
Rest Room
Home Decoration
Art School & Gallery
Dog Grooming
Shore Shack Restaurant
Game Shop
MK Dreams Fashion
Vacant
Vacant
WEST ENTRANCE
W CHANCE A LA MER NW
OCEAN SHORES BLVD NW

SECTION 03

FINANCIALS

CASH FLOW SUMMARY

SCHEDULED REVENUE	Current		Proforma	
	Annual	Per SF	Annual	Per SF
Scheduled Base Rent	$151,296	$12.07	$196,296	$12.07
Rent Increases During Analysis Period	$0	$0.00	$0	$0.00
Operating Expense Reimbursement	$8,073	$0.64	$10,916	$0.87
Scheduled Gross Revenue	$159,369	$12.71	$207,212	$16.53
Current Vacancy (26%) / Proforma @ 5% Vacancy Factor	$0	$0.00	($10,361)	$0.00
Effective Gross Revenue (EGR)	**$159,369**	**$0.00**	**$196,851**	**$15.70**
OPERATING EXPENSES	Annual	Per SF	Annual	Per SF
Property Taxes	$10,916	$0.87	$10,916	$0.87
Insurance	$4,710	$0.38	$4,710	$0.38
CAM	$15,507	$1.24	$15,507	$1.24
Management Fee	$6,083	$0.49	$6,083	$0.49
Reserves	$1,880	$0.15	$1,880	$0.15
Total Operating Expenses	$39,096	$3.12	$39,096	$3.12
Net Operating Income	**$120,273**		**$157,755**	

$1,900,000
PRICE

6.33%
CURRENT CAP RATE

8.30%
PROFORMA CAP RATE

$152
PRICE PER SQUARE FOOT

RENT ROLL

					RENT DETAILS	
Tenant Name	Unit	Leased SF	% of NRA	Recovery Type	Current Monthly Base Rent	Current Annual PSF Base Rent
Game Shop	1	2,519	20.10%	MG	$2,850	$13.58
VACANT (PROFORMA)	2	1,765	14.08%	--	$2,000	$13.60
VACANT (PROFORMA)	3	1,500	11.97%	--	$1,750	$14.00
Umi Sushi Restaurant	4	2,182	17.41%	MG	$3,180	$17.49
Shore Shack Restaurant	5	1,383	11.03%	MG	$1,893	$16.43
MK Dreams Fashion	6	745	5.94%	MG	$1,128	$18.17
Pizza Crust	7	714	5.70%	MG	$1,107	$18.61
Art School & Gallery	8	600	4.79%	MG	$900	$18.00
Home Decoration	9	390	3.11%	MG	$600	$18.46
Dog Grooming	10	737	5.88%	MG	$950	$15.47
Current Totals		**12,535**			**$12,608**	**$12.07**
Current Occupied		**9,270**	**74%**			
Leaseable		**3,265**	**26%**			
Proforma Totals		**12,535**	**100.00%**		**$16,358**	**$15.66**

OPERATING EXPENSES

OPERATING EXPENSES (FORECASTED)				CURRENT REIMBURSEMENTS	PROFORMA REIMBURSEMENTS
	Total	PSF	Notations	Annualized In-Place	Annualized In-Place
Property Taxes	$10,916	$0.87	1	$8,073	$10,916
Insurance	$4,710	$0.38	2	$0	$0
CAM	$15,507	$1.24	2	$0	$0
Management Fee	$6,083	$0.49	2	$0	$0
Reserves	$1,880	$0.15	3	$0	$0
Total Expenses	**$39,096**	**$3.12**		**$8,073**	**$10,916**

NOTATIONS

1) Per the 2026 Grays Harbor Tax Assessor

2) Per Seller's Financial Statement

3) Calculated at $0.15/SF

REIMBURSEMENTS

Tenant Name	Pro-Rata%	Property Tax	Notations	Current Totals	Proforma Totals
Game Shop	20.10%	$2,194	1	$2,194	$2,194
VACANT (PROFORMA)	14.08%	$0	1	$0	$1,537
VACANT (PROFORMA)	11.97%	$0	1	$0	$1,306
Umi Sushi Restaurant	17.41%	$1,900	1	$1,900	$1,900
Shore Shack Restaurant	11.03%	$1,204	1	$1,204	$1,204
MK Dreams Fashion	5.94%	$649	1	$649	$649
Pizza Crust	5.70%	$622	1	$622	$622
Art School & Gallery	4.79%	$523	1	$523	$523
Home Decoration	3.11%	$340	1	$340	$340
Dog Grooming	5.88%	$642	1	$642	$642
Total	**100%**	**$8,073**		**$8,073**	**$10,916**

NOTATIONS

1) Tenant operates on a MG lease structure

SECTION 04

LOCATION OVERVIEW

LOCATION OVERVIEW

Ocean Shores pairs six miles of drive-on Pacific beach with a year-round events calendar, drawing a coastal visitor base that anchors demand for the retail and hospitality businesses positioned along its main commercial corridor.

Ocean Shores sits on a peninsula at the mouth of Grays Harbor on Washington's central coast, 1.5 hours from Olympia and 2.5 hours from Seattle. Ocean Shores is the closest full-service beach destination to the Puget Sound metro area, and the primary retail and lodging hub for Washington's North Beach.

The local economy runs on tourism. Twenty-three hotels and motels, the Quinault Beach Resort & Casino, and the 29,900-square-foot Ocean Shores Convention Center, keep the city booked with conferences, fan conventions, family reunions, and craft markets well outside the summer peak. Major annual events include the Sand & Sawdust Festival, the international Festival of Colors kite competition, the Hog Wild Motorcycle Run, and razor clam season, each pulling repeat visitor traffic to the peninsula's restaurants, shops, and lodging.

Beyond its events calendar, Ocean Shores offers a public golf course, the Grand Canal Trail, Damon Point, and the Oyhut Wildlife Area. In addition, Ocean Shores provides direct vehicle access to much of the beach, a rarity on the West Coast. The mix of scheduled events and recreational opportunities keeps foot traffic steady through the shoulder seasons, supporting consistent demand for the service and retail tenants along Ocean Shores Blvd NW and E Chance A La Mer, the city's primary commercial corridor and Driftwood Plaza's immediate trade area.

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