OFFERING MEMORANDUM

THE MONROE

3218 S MONROE ST, TACOMA, WA

Kidder Mathews

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Exclusively listed by

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THE MONROE

EXECUTIVE SUMMARY

Section 01

Kidder Mathews is pleased to present the exclusive listing for The Monroe Apartments, a 59-unit multifamily community located at 3218 S Monroe St in Tacoma, WA, at the corner of Tyler and Center Street.

Built in 1976 and maintained in excellent condition, The Monroe offers a compelling dual-track investment opportunity. Currently all 59-units are rent restricted ranging from 50 - 80% of the AMI, AMI set annually by the City of Tacoma. Beginning in October 2031, all rent restrictions will lift, allowing the entire community to transition to market-rate rents, creating a clear and time-defined path to significant NOI growth.

The offering includes an assumable $1.5M grant from the Tacoma Community Redevelopment Authority, which is fully forgiven in October 2031 - the same date the rent restrictions expire - providing meaningful value to a qualified buyer through the hold period.

This dual positioning makes The Monroe well-suited for two distinct buyer profiles: affordable housing / tax credit investors seeking a stabilized, restricted-income asset, and value-add operators positioning for a 2031 conversion to full market-rate operations.

The property benefits from a centralized Tacoma location near Cheney Stadium and University Place, with convenient access to transit, schools, and neighborhood retail, supporting strong long-term demand from both subsidized and market-rate renters.

We invite you to review the offering memorandum for The Monroe. Please contact Austin Kelley and Ted Sipila to schedule a tour.

PRICING *MARKET PRICING*

OFFER REQUIREMENT

The purchaser of The Monroe is responsible for presenting sellers with proposed terms and conditions for the transfer of ownership. All offers must be submitted to listing brokers and must include the following terms and information.

- Purchase Price
- Earnest money deposit, including non-refundable portion and timing of deposits
- Timing for due diligence and post diligence closing period.
- Source of funds for acquisition

PROPERTY INFORMATION

ADDRESS	3218 S Monroe St, Tacoma, WA 98409
PARCEL NUMBERS	6445100270 / 6445100220 / 6445100230 / 6445100240 / 6445100250 / 6445100260
NO OF UNITS	59
NET RENTABLE SF	35,872 SF
NO OF BUILDINGS	5
SITE AREA	79,964 SF (1.83 AC)
YEAR BUILT	1976 / Effective: 2008
PARKING	83 stalls onsite
LAUNDRY	Common Area Laundry
ROOF	Comp Shingle
FOUNDATION	Concrete
EXTERIOR	Hardie Plank
HEATING	Electrical Cadet
ELECTRICAL	Copper
PLUMBING	Mixed Materials

UNIT MIX

Unit Type	# of Units	Avg SF	Capped Market Rents	Market $/SF
1X1 65%	1	765	$1,195	$2.66
1X1 80%	32	965	$1,395	$2.15
2X1	1	738	$1,400	$1.90
2X1 50%	5	738	$1,360	$1.84
2X1 65%	7	738	$1,425	$1.93
2X1 80%	6	738	$1,425	$1.93
50%	5	546	$1,023	$1.87
Total	**59**	**656**	**$1,292**	**$1.98**


AMENITIES
UNIVERSITY OF PUGET SOUND
HILLTOP HERITAGE MIDDLES CHOOL
MULTICARE TACOMA GENERAL HOSPITAL
Walgreens
HUNT MIDDLE SCHOOL
SAFEWAY
FRANKLIN ELEMENTARY SCHOOL
FredMeyer
FRANKLIN PARK
STANLEY ELEMENTARY SCHOOL
ST. JOSEPH MEDICAL CENTER
16
MULTICARE ALLENMORE HOSPITAL
TACOMA COMMUNITY COLLEGE
FOSS HIGH SCHOOL
BELLARMINE PREP SCHOOL
ALLENMORE GOLF COURSE
UNIVERSITY OF WASHINGTON
LOWE'S
HARMON
ZEEKS PIZZA
SUBWAY
CHENEY STADIUM
FIRCREST GOLF CLUB
Walmart
SUBJECT PROPERTY
PETSMART
DOLLAR TREE
SALLY BEAUTY
5
Office DEPOT
IHOP
TACOMA CENTRAL
LINCOLN HIGH SCHOOL
macy's
NORDSTROM
ULTA BEAUTY
ROSS DRESS FOR LESS
COSTCO WHOLESALE
JCPenney
Cheesecake Factory
Michaels
DICK'S SPORTING GOODS
Total Wine & MORE
KOHL'S
TACOMA MALL
N

INVESTMENT HIGHLIGHTS

CENTRALIZED TACOMA LOCATION

- Strategically positioned on the corner of Tyler and Center Street, with convenient access to transit, schools, and neighborhood retail.
- Located near Cheney Stadium and University Place, two major Tacoma draws that support sustained rental demand from a diverse tenant base.
- Centralized submarket location offers strong connectivity to broader Tacoma employment and amenity corridors.

DUAL-TRACK INVESTMENT OPPORTUNITY – AFFORDABLE + VALUE-ADD UPSIDE

- New investor has the opportunity to slowly renovate units while benefiting from the favorable debt, to be in a position to re-lease rent ready renovated homes post 2031.
- All rent restrictions lift in October 2031, creating a clear, time-defined path to convert the full community to market-rate rents and substantially increase NOI.
- Buyer can assume a $1.5M grant from the Tacoma Community Redevelopment Authority, fully forgiven in October 2031 – the same date restrictions expire – enhancing returns through the hold period.

BUILDING QUALITY

- Property is in excellent condition, offering a buyer the ability to underwrite with minimal near-term capital expenditure or deferred maintenance risk.
- Well-built structure with functional unit layouts suited to both subsidized and conventional renters.
- Positions a buyer to capture upside through light renovations and operational improvements ahead of the 2031 rent restriction expiration.
- Gated community with onsite office and ample surface parking.

INCOME & EXPENSES

INCOME	Current	Per Unit	Market	Per Unit
Monthly Rental Income	$69,973	$1,185	$89,350	$1,514
Total Scheduled Annual Income	$839,676	$14,231	$1,072,200	$18,172
Utility Recapture	$56,240	$953	$81,344	$1,378
Other Income	$21,886	$370	$29,500	$500
Gross Potential Income	**$917,802**	**$15,555**	**$1,183,044**	**$20,051**
Vacancy (5%)	$45,890	$777	$59,152	$1,002
Effective Gross Income (EGI)	**$871,911**	**$14,778**	**$1,123,891**	**$19,049**
EXPENSES	Stabilized			
Real Estates Taxes	$80,274	$1,360	$82,000	$1,389
Insurance	$26,550	$450	$26,550	$450
Utilities	$101,680	$1,723	$101,680	$1,723
Repairs and Maintenance	$42,217	$715	$59,000	$1,000
Payroll	$80,058	$1,356	$82,600	$1,400
Managament Fee (4.5% of EGI)	$34,876	$591	$44,955	$761
Admin & Other	$8,752	$148	$11,800	$200
Marketing	$14,750	$250	$11,800	$200
Total Operating Expenses	**$374,407**	**$6,345**	**$420,385**	**$7,125**
Replacement Reserves	$14,750	$250	$14,750	$250
Total Expenses	**$389,157**	**$6,595**	**$435,135**	**$7,375**
Net Operating Income	**$482,754**		**$688,756**	

The Monroe is subject to a forgivable grant obligation in the amount of $1,505,595 owed to the Tacoma Community Redevelopment Authority (TCRA), which bears no interest and is scheduled to be fully forgiven in October 2031, provided the Property continues to be operated in compliance with the terms and conditions governing the TCG grant

Notes & Assumptions

Current Operations

For underwriting, we annualized all the current leases at the property. Vacant units are filled at market rents. Utility recapture and other income based on in-place trailing amounts.

Expense Assumptions

For underwriting, we used in-placed trailing amounts for each line item. Four percent of the effective gross income was used for management fee. Marketing was adjusted to market averages.

Market Operations

For underwriting, we're assuming all units are achieving market rents. Utility recapture is set to 80% of annual cost. For the 1-bedroom units, we are using market rents of $1,450 and for the 2-bedroom units - we are using market rents of $1,650.

BENEFITS TO THE BUYER FROM ASSUMING THE TCRA GRANT

Less cash needed to close – the $1,505,595 grant effectively finances a portion of the acquisition, reducing the amount of new equity or debt the Buyer needs to bring to the table

Zero interest cost – unlike a conventional acquisition loan, this portion of the capital stack carries no interest expense, saving real dollars over the hold period

Eventual full forgiveness (by October 2031) – assuming continued compliance, the obligation disappears entirely and never has to be repaid, effectively converting to permanent, cost-free capital

Lower effective cost of capital – with zero interest on a meaningful piece of the total capitalization, the Buyer's blended cost of capital across the deal improves

Improved returns – cash-on-cash return, IRR, and equity multiple all benefit from having a portion of the deal financed at 0% with no repayment obligation

Reduced financing risk/complexity – less need to source additional debt or equity for that portion of the purchase price simplifies the capital raise and reduces reliance on conventional lender terms/approval


43 40
42 39
41 38
3226


BATHROOM


LIVING ROOM


BEDROOM


KITCHEN


LAUNDRY AREA

Photos shown represent units with a "classic finish". Over 75% of the units have the finishes shown in photos.

CURRENT APARTMENT HOME FINISHES

- ORIGINAL CABINETS
- WHITE APPLIANCES
- CARPET FLOORING
- LAMINATE COUNTER-TOPS

RECOMMENDED APARTMENT HOME UPGRADES

- ALL NEW SHAKER CABINETS TWO-TONE
- STAINLESS STEEL APPLIANCES WITH GLASS STOVE TOPS
- HARD SURFACE COUNTER-TOPS
- VINLY PLANK FLOORING THROUGHOUT COMMON AREAS
- NEW INTERIOR PAINT AND UPGRADED LIGHTING PACKAGE

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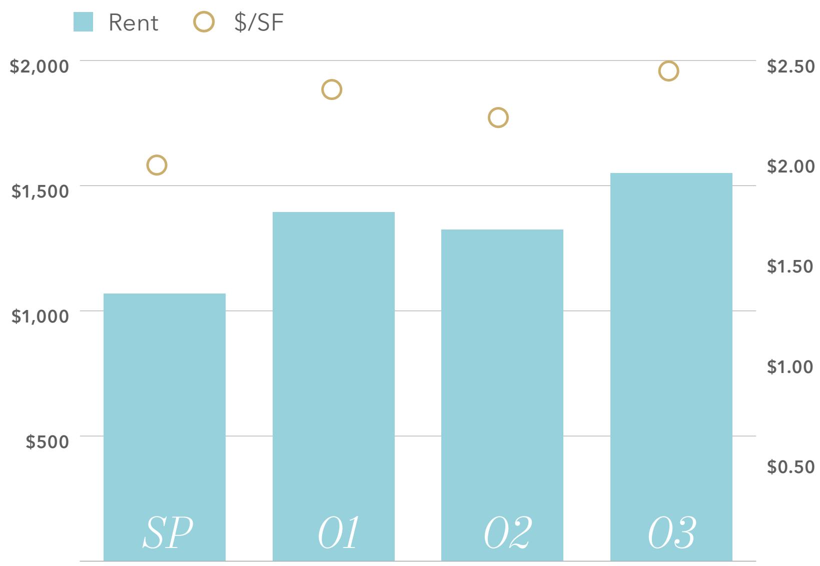
THE MONROE

COMPARABLES

Section 02

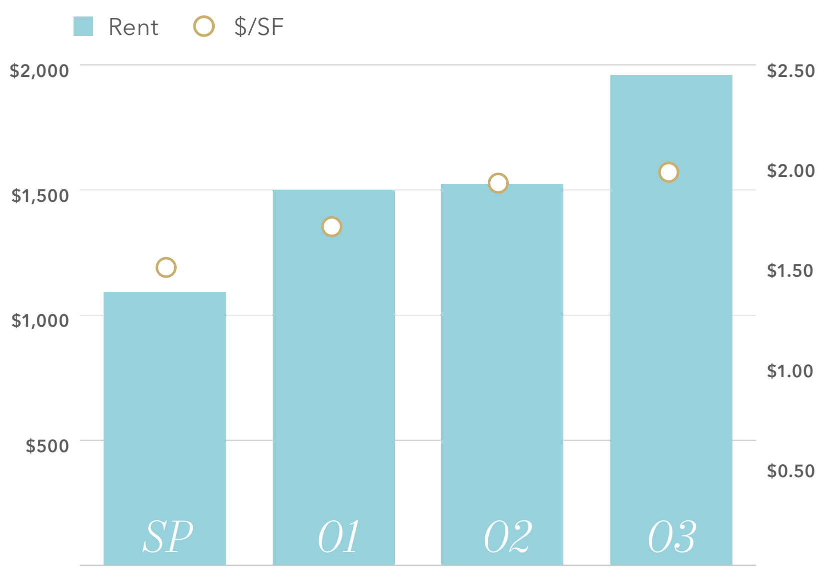
RENT COMPARABLES 1X1

	Property Name	Unit Finishes	Year Built	Unit SF	Rent	$/SF
SP	**THE MONROE APARTMENTS** 3218 S Monroe St, Tacoma, WA	Original	1976	546	$1,070	$1.96
01	**MADRONA PARK** 3001 S Tyler St, Tacoma, WA	Renovated	1992	590	$1,395	$2.36
02	**WARNER PARK** 4707 S Warner St, Tacoma, WA	Renovated	1973	600	$1,325	$2.21
03	**UNIONAIRE** 1902 S Union Ave, Tacoma, WA	Renovated	1964	635	$1,550	$2.44



RENT COMPARABLES 2X1

	Property Name	Unit Finishes	Year Built	Unit SF	Rent	$/SF
SP	THE MONROE APARTMENTS 3218 S Monroe St, Tacoma, WA	Original	1976	738	$1,094	$1.48
01	MADRONA PARK 3001 S Tyler St, Tacoma, WA	Renovated	1992	890	$1,500	$1.69
02	WARNER PARK 4707 S Warner St, Tacoma, WA	Renovated	1973	800	$1,525	$1.91
03	UNIONAIRE 1902 S Union Ave, Tacoma, WA	Renovated	1964	819	$1,595	$1.95

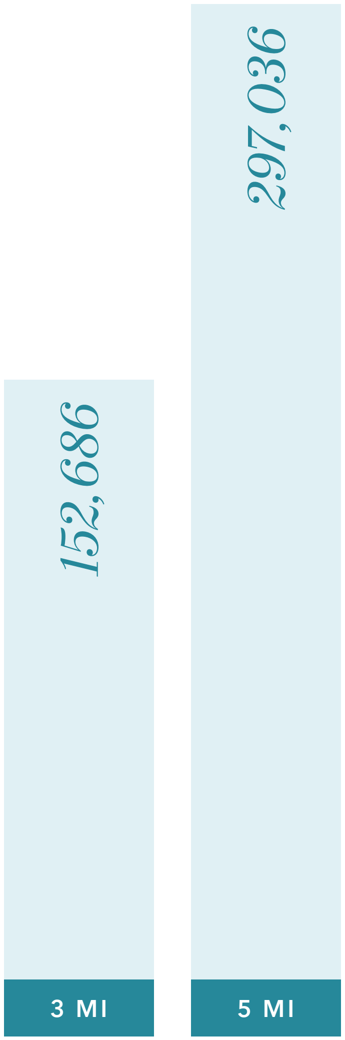


SALE COMPARABLES

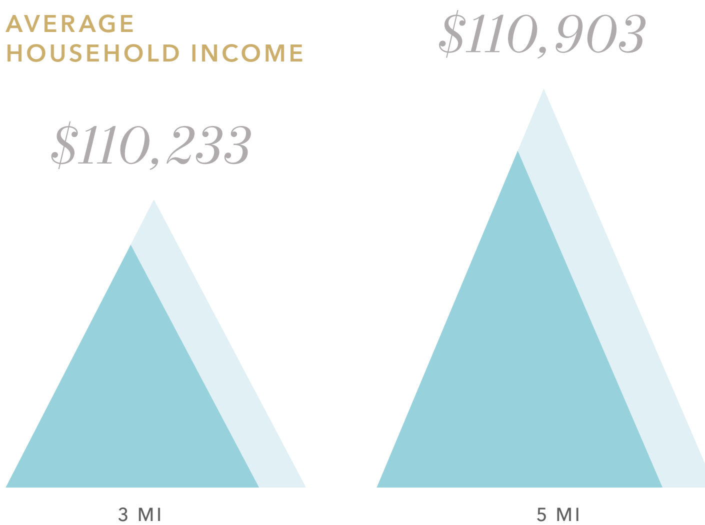
	Property Name	Sales Date	Sales Price	Price/Unit	# of Units	Year Built	Cap Rate
01	TIMBERWOOD COURT 10701 109th St SW, Tacoma, WA	05/2025	$7.25M	$172,619	42	1968	6.5%
02	HIDDEN FIRS APARTMENTS 15008 A St S, Tacoma, WA	04/2025	$10.25M	$184,821	56	1979	5.5%
03	THE ANDERSON 616 N Anderson St, Tacoma, WA	12/2024	$4.17M	$173,750	24	1967	5.5%
04	SUNRISE RIDGE APARTMENTS 3852 S 29th St, Tacoma, WA	12/2024	$7.22M	$200,556	36	1995	5.9%
05	BAYSWATER APARTMENTS (RENT RESTRICTED PROPERTY) 2628 - 2638 Cascade Pl W, Tacoma, WA	05/2024	$5M	$147,059	34	1995	4%

DEMOGRAPHICS

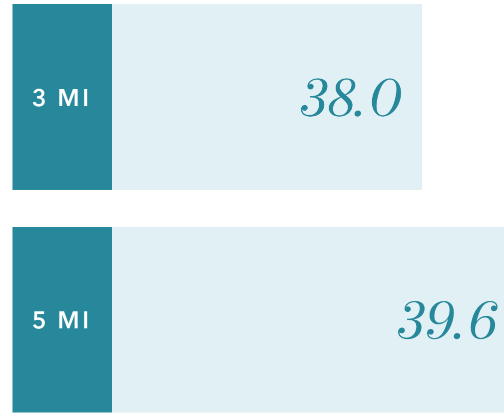
POPULATION



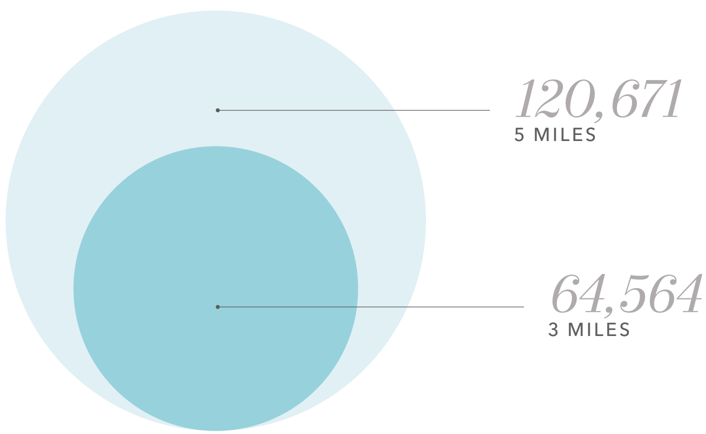
AVERAGE HOUSEHOLD INCOME



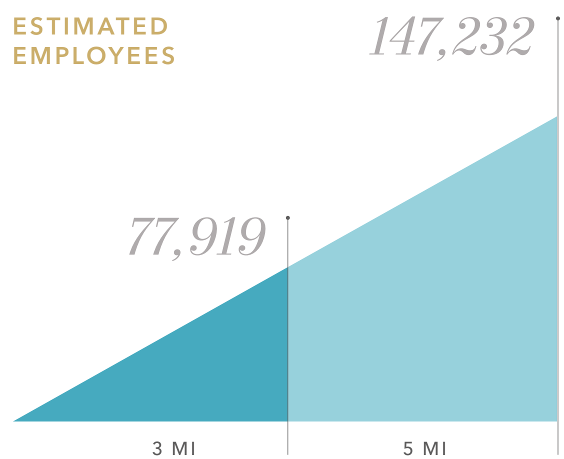
MEDIAN AGE



ESTIMATED HOUSEHOLDS



ESTIMATED EMPLOYEES



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