OFFERING MEMORANDUM

KNEELAND PARK APARTMENTS

215 TURNER AVE, SHELTON, WA 98584

1997-Vintage Apartment Community in Supply-Constrained Shelton

Kidder Mathews

Exclusively listed by

SIMON | ANDERSON MULTIFAMILY TEAM

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INTRODUCTION

Section 01

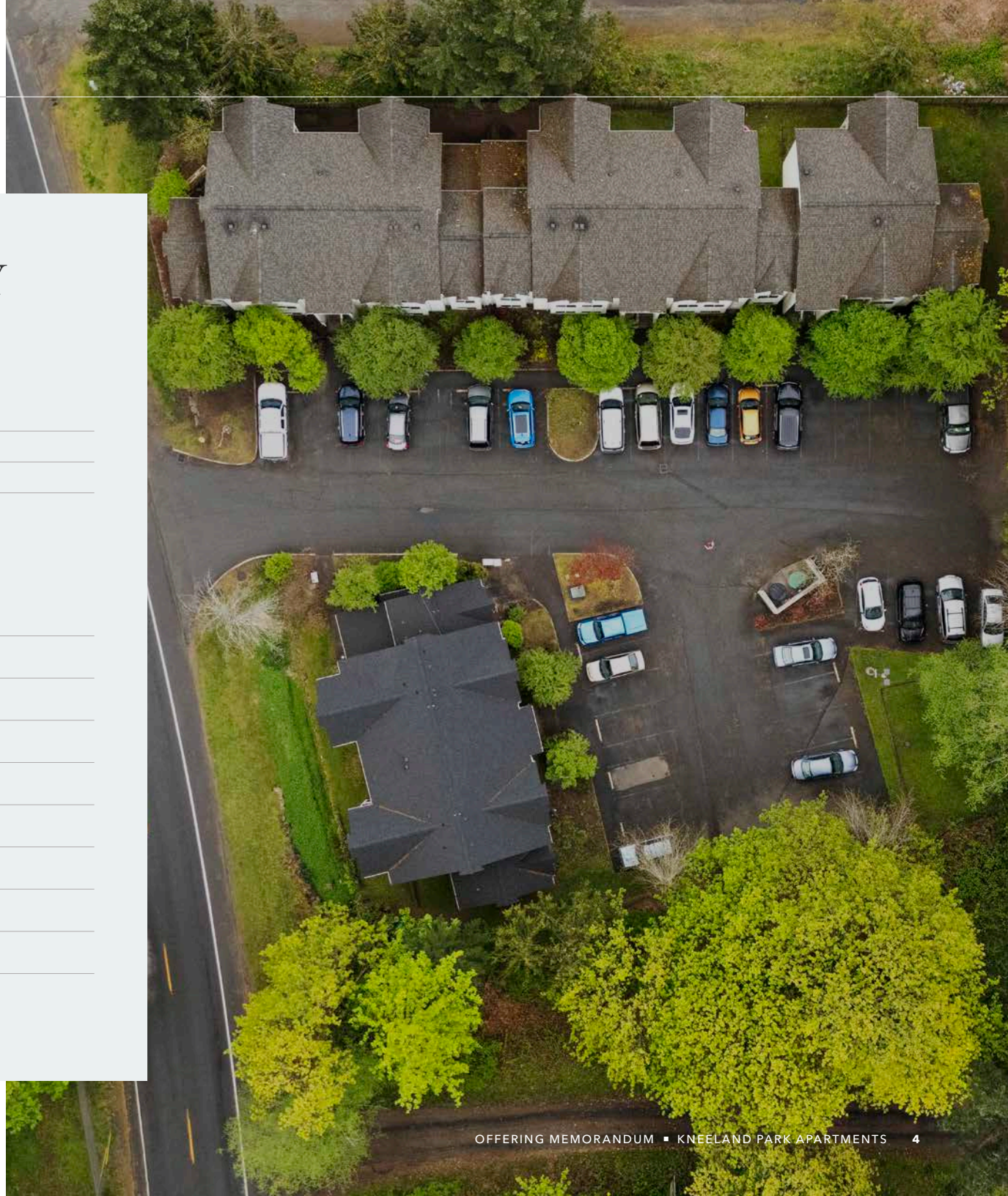
EXECUTIVE SUMMARY

OFFERING SUMMARY

PRICE	$2,850,000
PRICE/SF	$118
PRICE/DOOR	$135,714
TOURS	By Appointment

PROPERTY SUMMARY

ADDRESS	215 Turner Ave
CITY	Shelton
YEAR BUILT	1997
NUMBER OF UNITS	21
AVG UNIT SIZE	1,149 SF
STORIES	3
LAUNDRY	Private
NRSF	24,125 SF
LAND SIZE	0.82 AC
PARCEL NUMBER	32019-41-00140



SIERRA PACIFIC INDUSTRIES
KNEELAND PARK
KNEELAND PARK APARTMENTS

UNIT SUMMARY

Type	Units	Avg SF	Total SF	In-Place Rent	$/SF	Annual Rent
2 Bed	4	932	3,728	$1,190	$1.28	$57,120
3 Bed	13	1,165	15,145	$1,556	$1.34	$242,736
4 Bed	4	1,313	5,252	$1,439	$1.10	$69,088
Total/Average	**21**	**1,149**	**24,125**	**$1,464**	**$1.27**	**$368,944**

*Per LIHTC LURA, 18 units restricted at 60% AMI, 2 units at 30% AMI, and 1 manager unit.

PROPERTY HIGHLIGHTS

5 REASONS THIS ASSET STANDS OUT

Ideal Unit Mix

21-units which consists of large 2, 3, and 4 bedroom units - the exact product type most undersupplied in Shelton's workforce housing market. Larger units attract longer tenancies, lower turnover, and stronger per-unit rent performance.

01

1997 Built - 1990s Vintage

Modern structural systems and functional layouts 30+ years newer than the dominant competing stock in Mason County. The 1990s build era hits the sweet spot — materially newer than legacy product, without the premium pricing of post-2000 development.

02

Recent Capital Investment

$250,000 in capital improvements over the past two years. The next owner inherits a maintained, de-risked asset.

03

Limited Market Supply

Zero new units in pipeline. Shelton's multifamily development pipeline is empty. What exists is the market — and Kneeland Park operates without near-term competitive pressure.

04

Eligible for Full Market Rent

The LURA restriction lifts in approximately 8 years, at which point all 21 units become eligible for unrestricted market-rate rents. The current rent structure already supports strong cash flow. The expiration is a defined, time-certain upside event baked into today's basis.

An Investor buying today is acquiring the cash flow of a restricted asset at the price of a restricted asset — with a fully unrestricted outcome on the horizon.

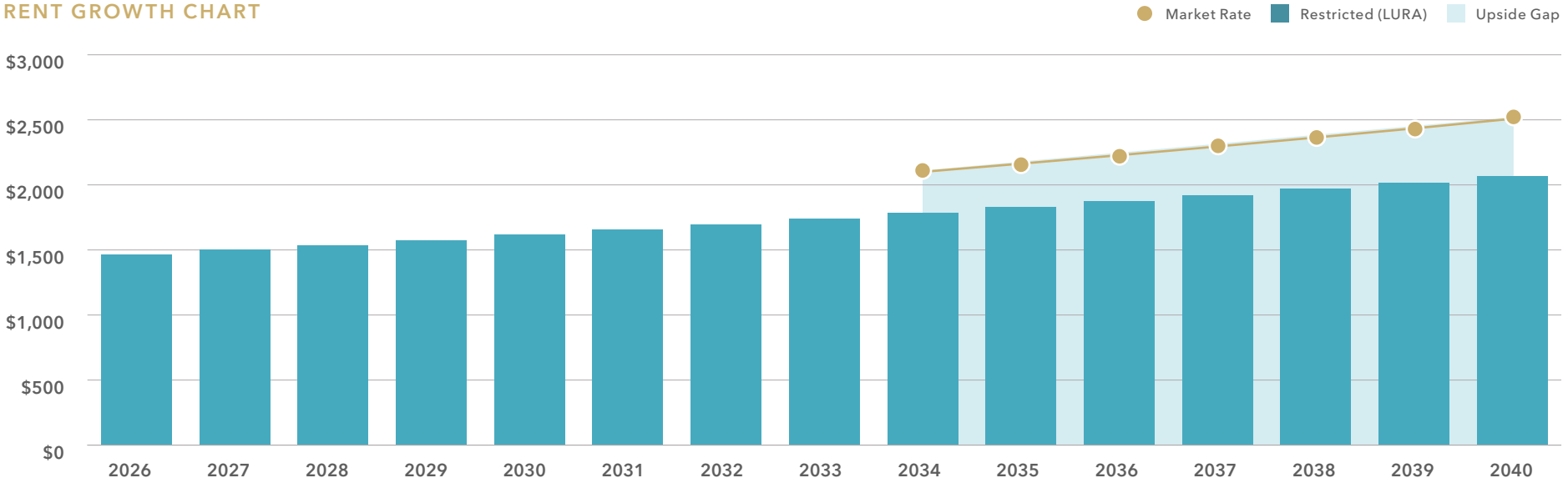
05

UPCOMING LURA EXPIRATION

Interactive rent growth chart for Kneeland Park Apartments showing restricted LURA rents from 2026 to 2034 and projected market-rate rents after LURA expiration through but not limited to 2040.

$1,464	$1,855	$2,150	$74,340
AVERAGE RENT TODAY	RESTRICTED RENT AT 2034	MARKET RENT AT CONVERSION	ANNUAL UPSIDE AT CONVERSION

RENT GROWTH CHART



Buyer to Verify

SUPPLY CONSTRAINTS DRIVE DURABLE RENTAL DEMAND

A 20-YEAR DEVELOPMENT DROUGHT

Shelton's multifamily development pipeline is functionally empty. The economics of ground-up construction in Mason County do not pencil at current cost levels - construction costs have risen over 6% annually in recent years, and the financing environment provides no relief. What exists is the market.

An investor acquiring Kneeland Park today is buying into a supply vacuum with structural permanence.

DEMAND KEEPS BUILDING

Mason County's population has grown steadily, driven by a diverse employment base anchored by Washington Corrections Center, Mason General Hospital, Sierra Pacific Industries, Simpson Lumber, and the Port of Shelton. Shelton also benefits from spillover demand out of the Olympia and Bremerton MSAs, where workers increasingly look west for attainable housing.

More households, more jobs, and no new units – a tightening market with less expansions.

Shelton Supply & Demand Snapshot

NEW MULTIFAMILY DELIVERIES (PAST 20 YEARS)	*0 UNITS*
UNITS CURRENTLY UNDER CONSTRUCTION	*0*
UNITS IN PERMITTED PIPELINE	*0*
MASON COUNTY POPULATION GROWTH (10-YR)	*+12%*
MAJOR SHELTON EMPLOYERS WITHIN 10 MIN	*6+*

Frozen Supply. Growing Demand.

Shelton offers what few submarkets in the Puget Sound region can: a completely static supply base paired with steady demographic and employment tailwinds. Every new household that moves to Mason County is absorbed into the existing rental stock – there is no new inventory to compete for them.

SIX EMPLOYERS. *MINIMAL* REMOTE WORKERS.

Every major employer in Shelton's trade area requires in-person, locally-based labor. Government, healthcare, corrections, and military - these sectors do not downsize remotely and do not follow market cycles. They produce renters who have no choice but to be here.

MASON COUNTY GOVERNMENT
PUBLIC ADMINISTRATION - COUNTY SEAT

NONE-CYCLICAL EMPLOYMENT PROFILE

County government, superior court, public health, and administrative services. A fully captive, in-person workforce with stable wages and zero probability of relocation. The bedrock of Shelton's employment base.

MASON GENERAL HOSPITAL
HEALTHCARE - PRIMARY ACUTE CARE

24/7 SHIFT-BASED RENTER DEMAND

The only acute care hospital serving all of Mason County. Physicians, nurses, technicians, and administrative staff - a rotating-shift workforce with above-median incomes and a structural preference for proximity to workplace.

WA CORRECTION CENTER
STATE GOVERNMENT - CORRECTIONS

STATE-FUNDED EMPLOYMENT SECURITY

A major state employer with a structured, consistently staffed corrections workforce. Positions are inherently local - officers and support staff cannot work remotely, cannot transfer easily, and represent a reliable segment of the renter pool.

STATE OF WASHINGTON
STATE GOVERNMENT - OLYMPIA OVERFLOW

28 MILES TO OLYMPIA

As Olympia rents have escalated, state workers have migrated west along US-101. Shelton captures this overflow - offering lower rents, higher quality product, and a commute that is uncomfortable but workable for budget-driven households.

SIERRA PACIFIC INDUSTRIES
TIMBER - MANUFACTURING - LOGISTICS

75+ YRS IN MASON COUNTY ECONOMY

One of the largest lumber and millwork producers in the U.S., major Shelton sawmill and fabrication operation directly in town

PSNS - JBLM OVERFLOW
MILITARY & DEFENSE - REGIONAL DRAW

83K+ JBLM FTE REGIONAL IMPACT

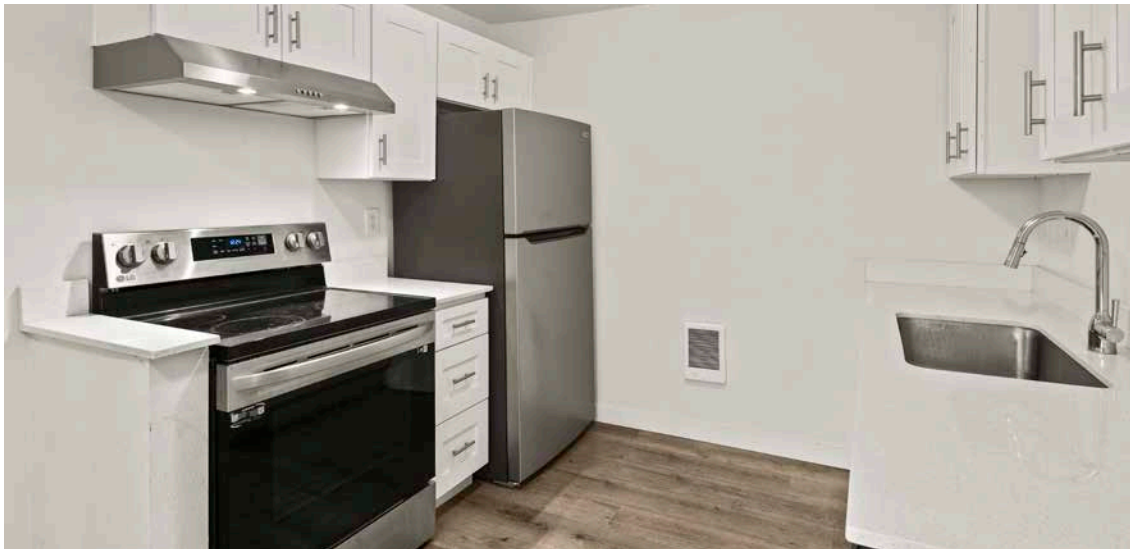
Service members and civilian contractors at JBLM and Puget Sound Naval Shipyard who choose Shelton for its price-to-quality ratio. The $608M+ in annual off-post housing allowances flowing through the South Sound rental market reaches Shelton.

PROPERTY OVERVIEW

Section 02

EXTERIOR PHOTOS

INTERIOR PHOTOS

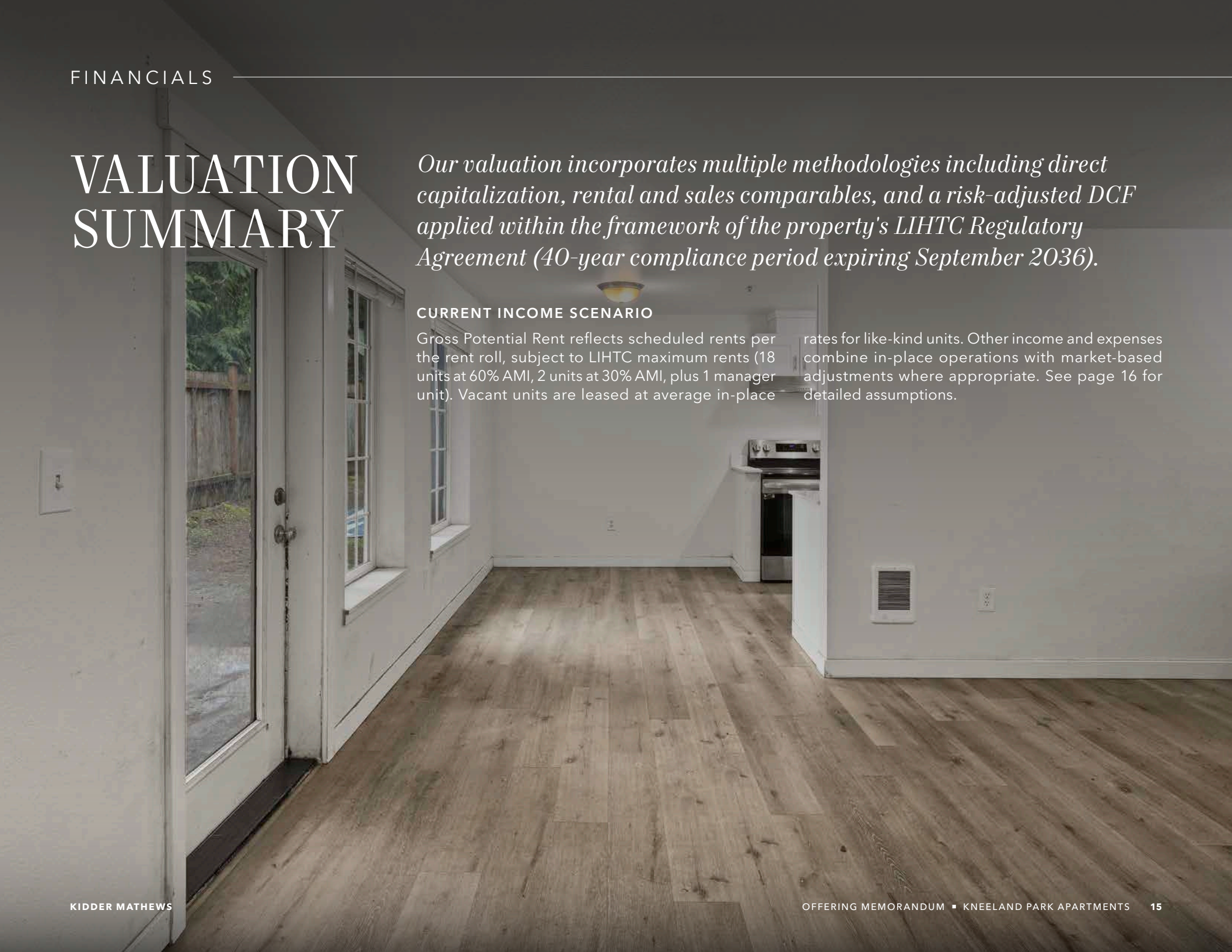


FINANCIALS

Section 03

VALUATION SUMMARY

Our valuation incorporates multiple methodologies including direct capitalization, rental and sales comparables, and a risk-adjusted DCF applied within the framework of the property's LIHTC Regulatory Agreement (40-year compliance period expiring September 2036).



CURRENT INCOME SCENARIO

Gross Potential Rent reflects scheduled rents per the rent roll, subject to LIHTC maximum rents (18 units at 60% AMI, 2 units at 30% AMI, plus 1 manager unit). Vacant units are leased at average in-place rates for like-kind units. Other income and expenses combine in-place operations with market-based adjustments where appropriate. See page 16 for detailed assumptions.

NOTES & ASSUMPTIONS

INCOME

Gross Potential Rent	Annualized from the current rent roll in accordance with prevailing LIHTC guidelines, with vacant units underwritten at the average of in-place rents.
Vacancy	Underwritten at 5%, benchmarked against comparable properties and supported by third-party data providers including Yardi, CoStar, and HelloData.
Bad Debt & Concessions	Sized in line with comparable properties and supported bythird-party data sources such as Yardi, CoStar, and HelloData.
Other Income	Underwritten to the property's trailing twelve-month operating performance.

EXPENSES

Taxes	Property is fully exempt from real estate taxes under its LIHTC designation.
Insurance	Trailing Operations: reflects the premium under the current insurance policy in force. Stabilized Operations: held at the in-place policy premium.
Utilities	Underwritten to the property's T-12 trailing operations.
R&M	Underwritten to the property's T-12 trailing operations.
Contract Services	Underwritten to the property's T-12 trailing operations.
Management	Underwritten to management fees observed at comparable properties and corroborated by third-party data providers such as Yardi and CoStar.
Payroll	Underwritten to the property's T-12 trailing operations.
Marketing	Sized in line with marketing spend observed at comparable properties.
Administration	Underwritten to the property's T-12 trailing operations.

FINANCIAL PERFORMANCE

INCOME	CURRENT OPERATIONS	
Gross Potential Rent	368,944	1.27/SF/Mo
Vacancy	(18,447)	5.0%
Bad Debt & Concessions	(3,689)	1.0%
Net Rental Income	**346,807**	
Other Income	10,143	483/U
Effective Gross Income	**356,950**	
EXPENSES	TRAILING EXPENSES	
Taxes	0	0/U
Insurance	14,871	708/U
Utilities	68,087	3,242/U
R&M	6,855	326/U
Contract Services	5,486	261/U
Management	17,848	5% EGI
Payroll	49,742	2,369/U
Marketing	2,100	100/U
Administration	14,273	680/U
Total Expenses	**179,262**	**50% EGI**
Expenses/U		8,536/U
Expenses/SF		7/SF
Net Operating Income	**177,688**	**8,461/U**

LOCATION OVERVIEW

Section 04

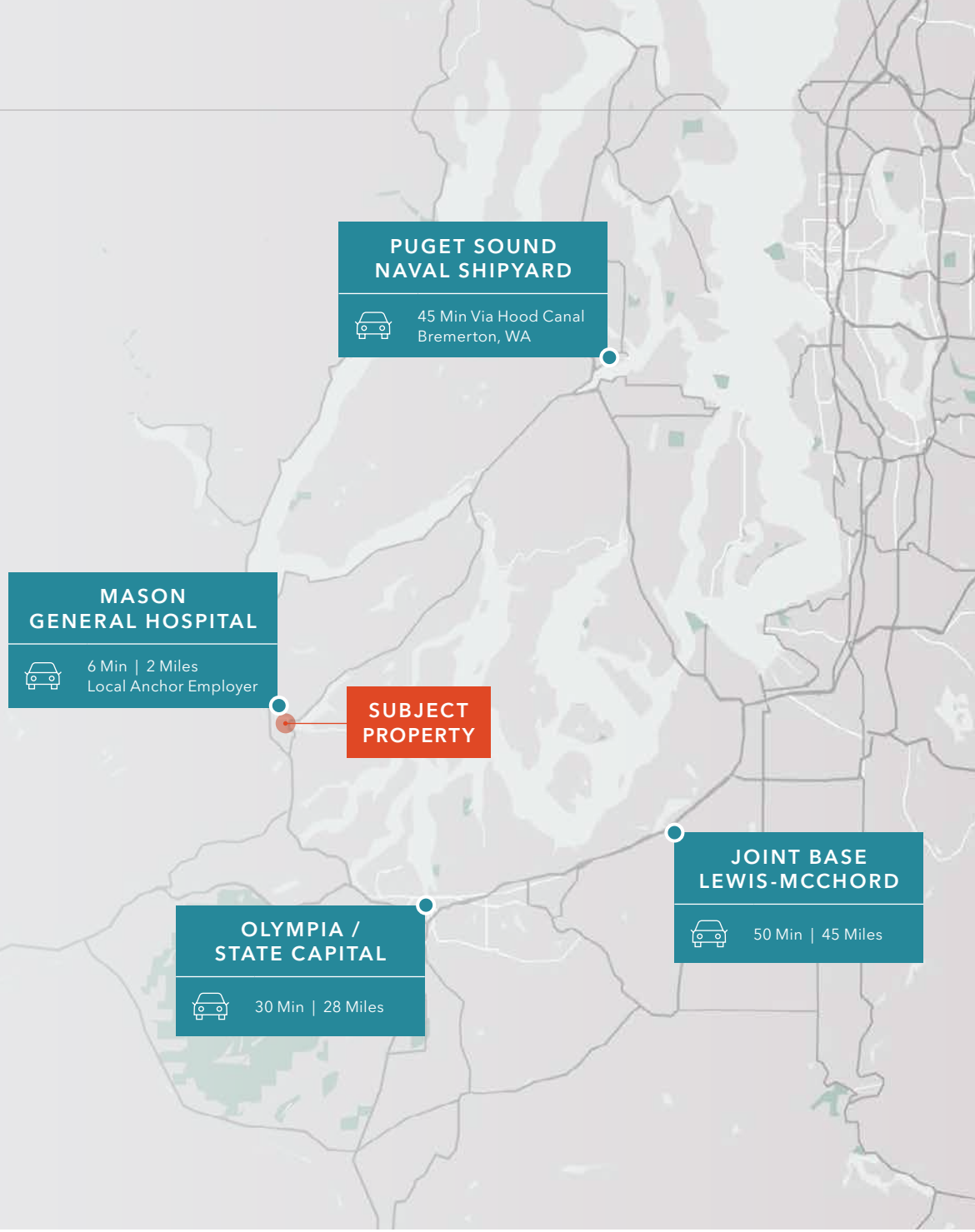
A MARKET BUILT ON *PERMANENCE*

SHELTON, WA - MASON COUNTY - SOUTH SOUND

> A captive renter base. Government-anchored employment. Zero new supply. Kneeland Park is not a bet on growth – it is a hold on durability.

Shelton sits at the convergence of three demand drivers that most markets acquire one at a time – if not all.

Military proximity. A state capital workforce priced out of Olympia. A local employment base anchored by government, corrections, and healthcare – sectors that do not close, do not relocate, and do not hire remotely. Combined with a housing pipeline that has produced virtually nothing in years. Kneeland Park operates in the kind of structural supply vacuum that produces durable, cycle-resistant cash flow.

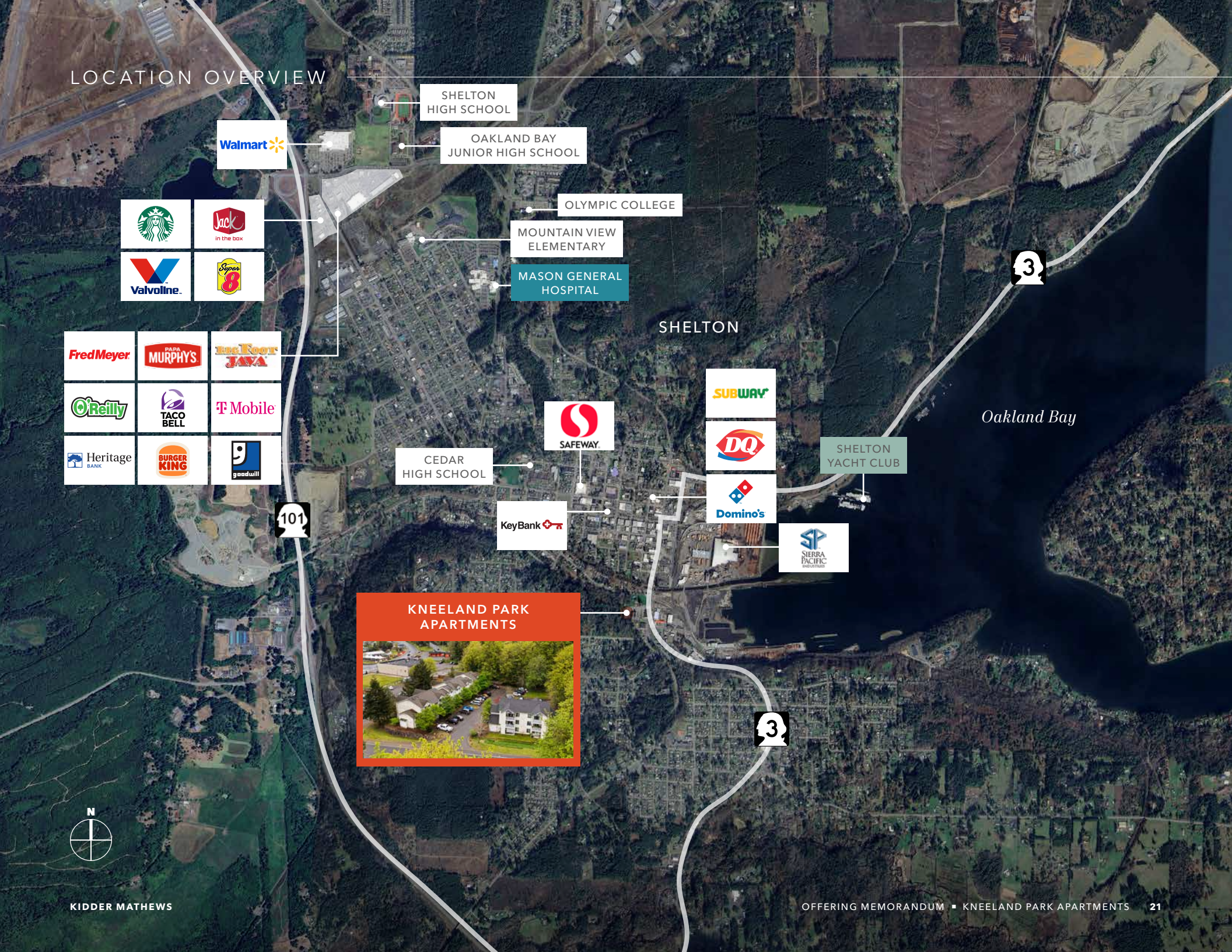


SHELTON IS NOT A GROWTH-MARKET BET. IT IS A *DURABILITY* PLAY — AND THE FUNDAMENTALS ARE IRONCLAD

Shelton's multifamily investment case rests not on projected appreciation or value-add transformation, but on the kind of structural demand permanence that produces reliable, cycle-resistant cash flow. The renter base is captive by design - non-remote, non-discretionary employment that requires physical presence in or near Mason County.

The income profile is strong. The vacancy in quality product is tight. The pipeline is empty and the acquisition price is a fraction of what it would cost to build a competing product. These conditions do not require a favorable macro environment to hold – they exist independent of it.

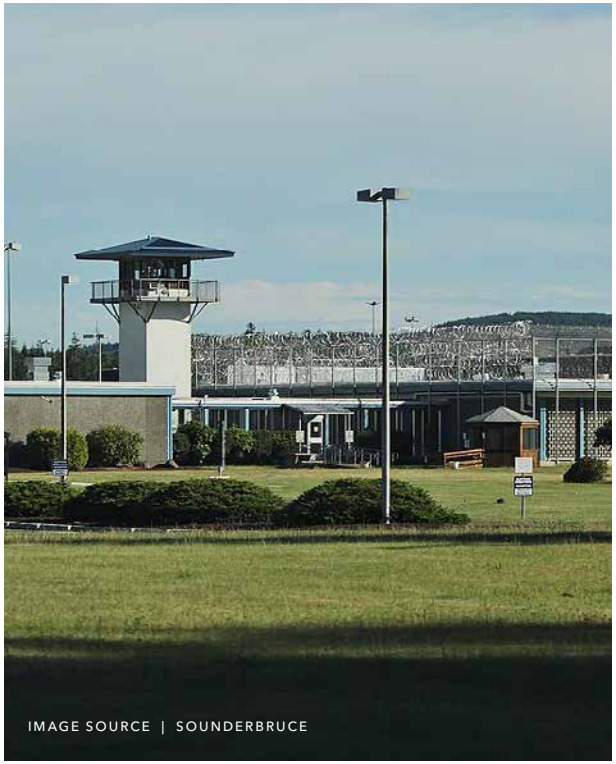
LOCATION OVERVIEW

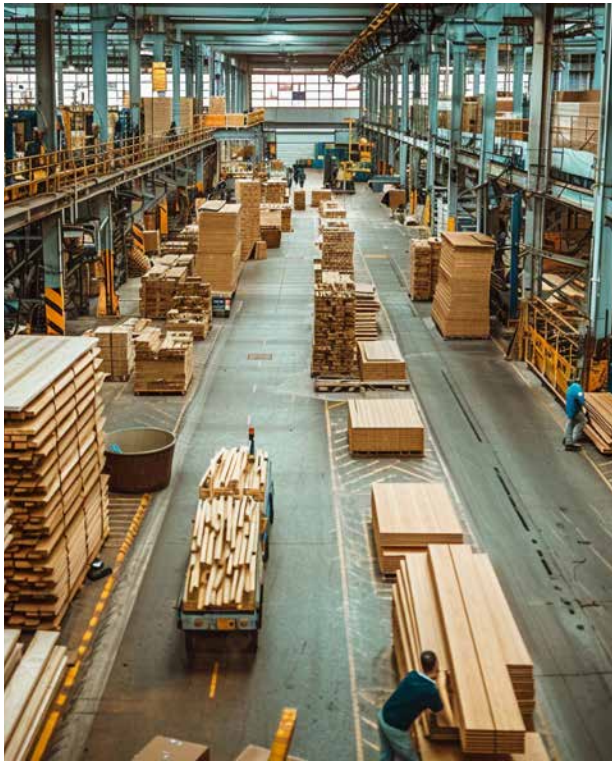


A WORKFORCE BUILT FOR *THE LONG-TERM*

Mason County's Largest Employment Hub

Major Employers Within 10 Minutes





WASHINGTON CORRECTIONS CENTER

One of the largest state employers in Mason County, providing nearly 600 full time state jobs.

MASON GENERAL HOSPITAL

County's flagship healthcare system, largest single employer

SIERRA PACIFIC

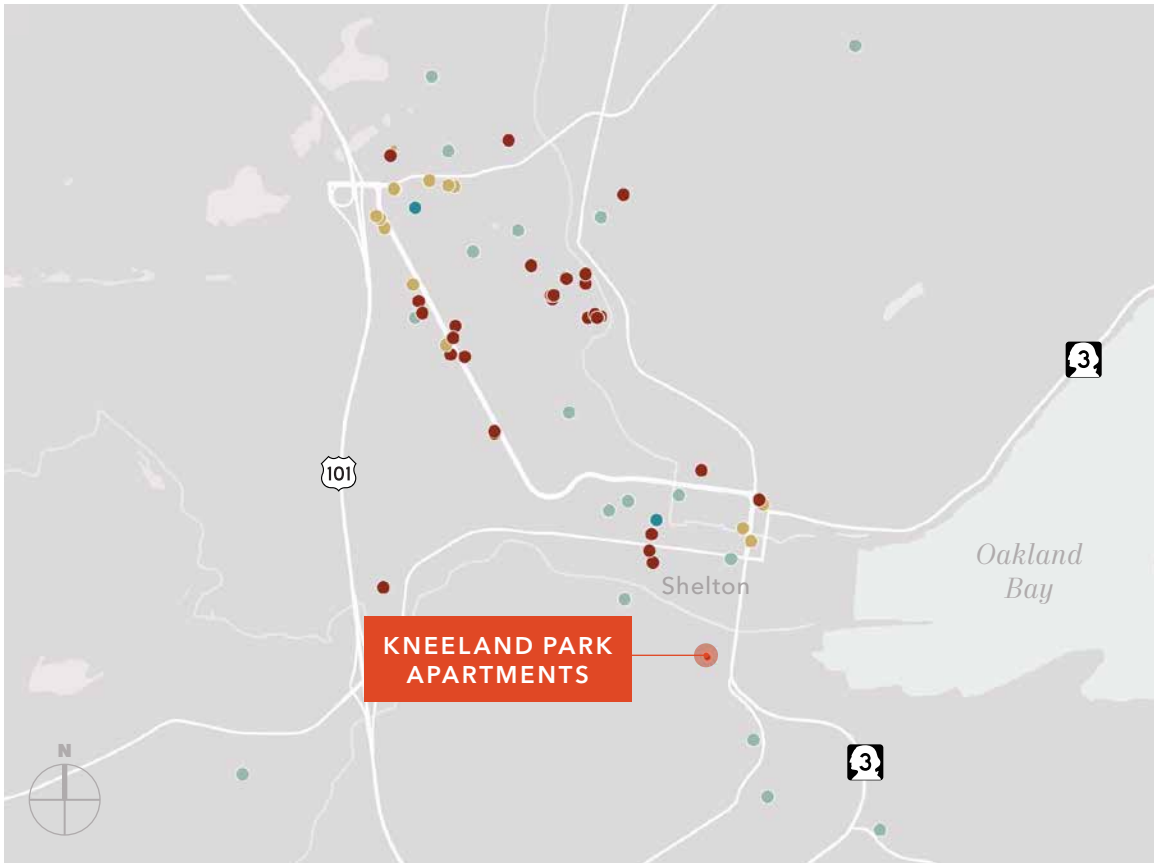
One of the largest lumber and millwork producers in the U.S., major Shelton sawmill and fabrication operation directly in town

KNEELAND PARK APARTMENTS ARE *STRATEGICALLY POSITIONED*

Located in Shelton, the county seat of Mason County and the gateway to the Olympic Peninsula, 215 Turner Ave sits within a tight-knit community anchored by a deep industrial and institutional employment base and unmatched access to Puget Sound waterfront, timberland, and recreation. The property is positioned minutes from US-101 and State Route 3, providing direct connectivity to Olympia, Bremerton, and the broader South Sound corridor.

Shelton's economy is driven by long-standing employers including Washington Corrections Center, Sierra Pacific Industries, Simpson Lumber, Rayonier, Taylor Shellfish Farms, and the Port of Shelton industrial area – a diversified mix of state institutional employment, timber, manufacturing, aquaculture, and logistics that supports steady workforce housing demand. Residents also benefit from proximity to Olympia's state government employment base and Joint Base Lewis-McChord, reinforcing the property's long-term rental demand profile.

DOWNTOWN SHELTON	3 MINUTES
SIERRA PACIFIC INDUSTRIES	4 MINUTES
MASON GENERAL HOSPITAL	5 MINUTES
PORT OF SHELTON	5 MINUTES
WASHINGTON CORRECTIONS CENTER	8 MINUTES
DOWNTOWN OLYMPIA	25 MINUTES



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