

HOVANDER

5501 Hovander Road | Bellingham, WA
OFFERING MEMORANDUM



Warehouse Investment for Sale

77,200 Gross Leasable Area



THE OFFERING

Hovander's seller purchased the land 30 years ago. Starting in 2003 they developed the project as a long term holding. No corners were cut in construction and they have managed the property with pride over the years. It is hard to believe this is not new construction. The siding consists of interlocking panels providing a cleanable metal surface on the inside. Pacific Continental Realty has placed all tenants over the years and advised on management of the property the entire time.

Each of the buildings was built to have multiple tenants, but the large building has is a single tenant user and the two smaller buildings have two tenants each. There are four tenants in five spaces because one of the tenants has both a portion of the small building and the large building. In the other building one of the tenants has expressed interest in taking the entire building should the other tenant vacate. The tenants are long term and happy.

The buildings have dock high loading as well as some grade level and the power to the site was designed for multiple tenants. The future adaptability of this project for large tenants as well as smaller tenants is built into the original construction.

This is a strong investment property with strong tenants and a sold future in the market place.



HIGHLIGHTS

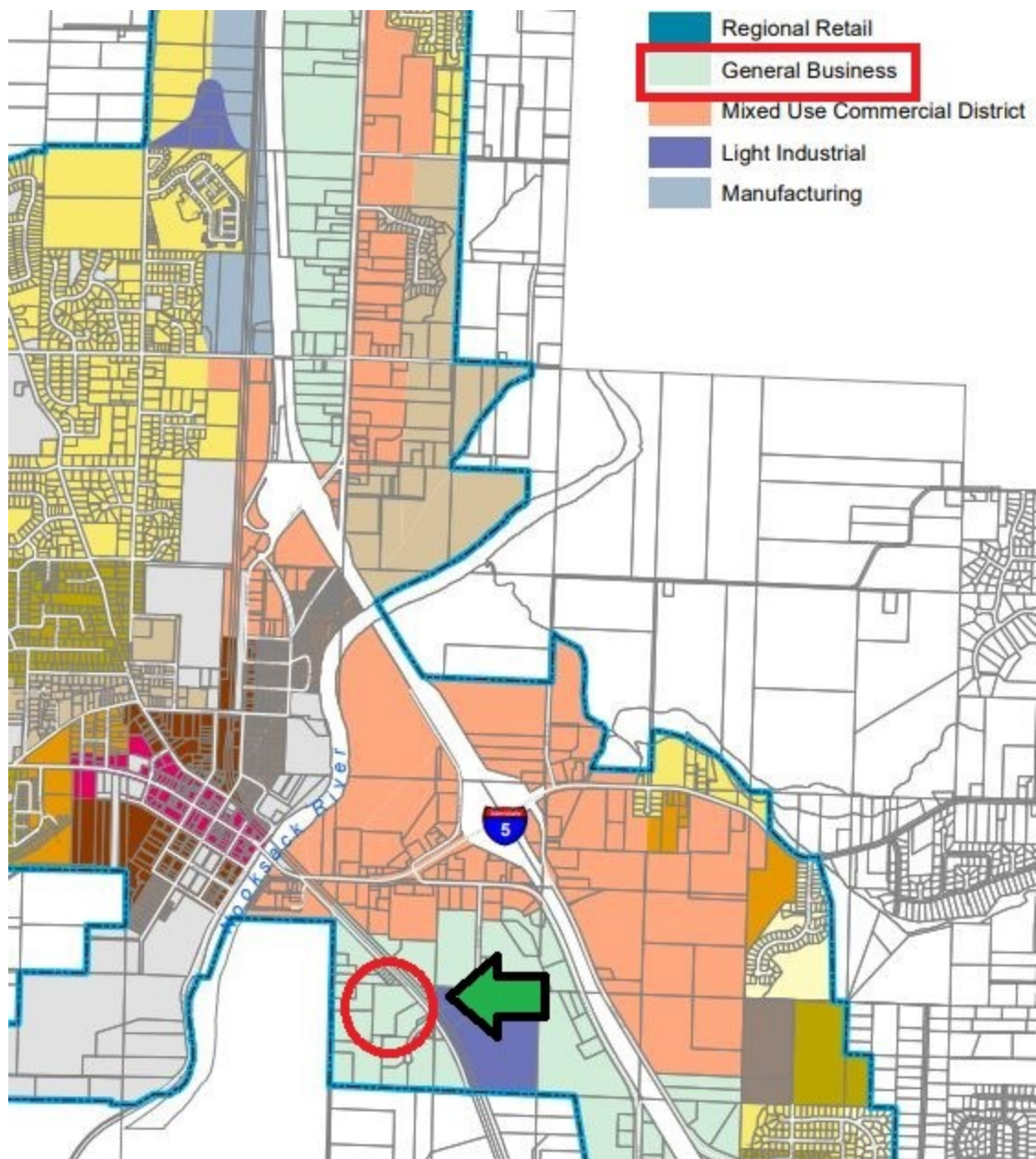
- 20' to 23'-4" ceiling height, Clear span
- 2-1/2" thick Polyurethane foam core with an interior & exterior metal skin
- Ample parking
- Building has sprinklers and dock high loading doors
- Excellent, stable tenants
- Zoned is General Business
- Efficient natural gas reznor heating system
- Bus stop 1/2 mile from warehouse
- No wetlands.

Size:	77,200 total: 22,400 SF, 32,500 SF, 33,300 SF
Parcel#:	3902-293502500000
Built:	2003-2005
# of Tenants:	4
Occupancy:	100.00%
\$ p/sf	\$134.84
Parking:	140, asphalt est 114,750 sf
Exterior Walls:	Corrugated metal and glass storefront
Structure:	Metal, clear span in two buildings
Roof:	Metal
HVAC:	Gas heaters in warehouse, some HVAC in offices
Electrical:	3 phase, ample for all users
Stories:	1 story
Internet:	Comcast

Pro Forma

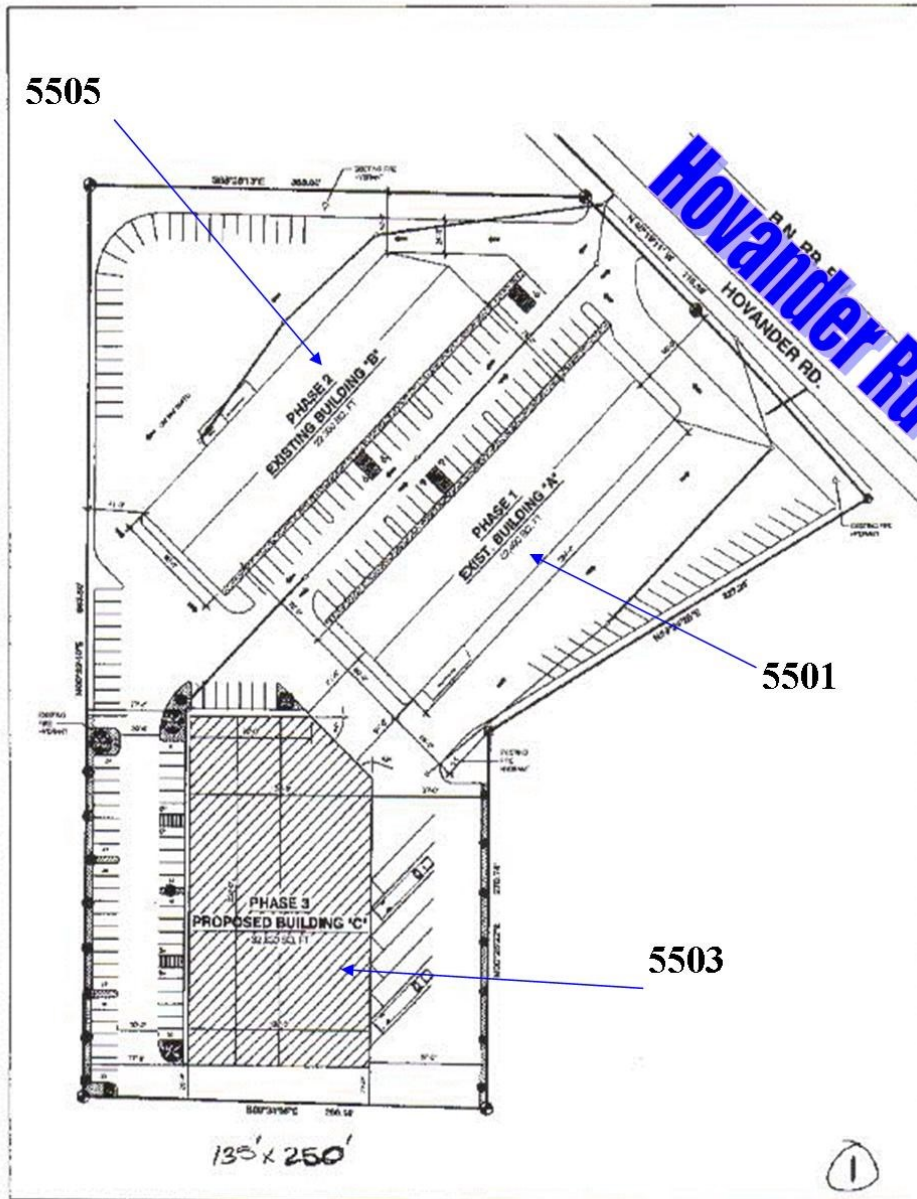
- NOI: \$538,524.00
- Price: \$9,950,000.00
- Cap Rate: 5.2%
- NNN Leases

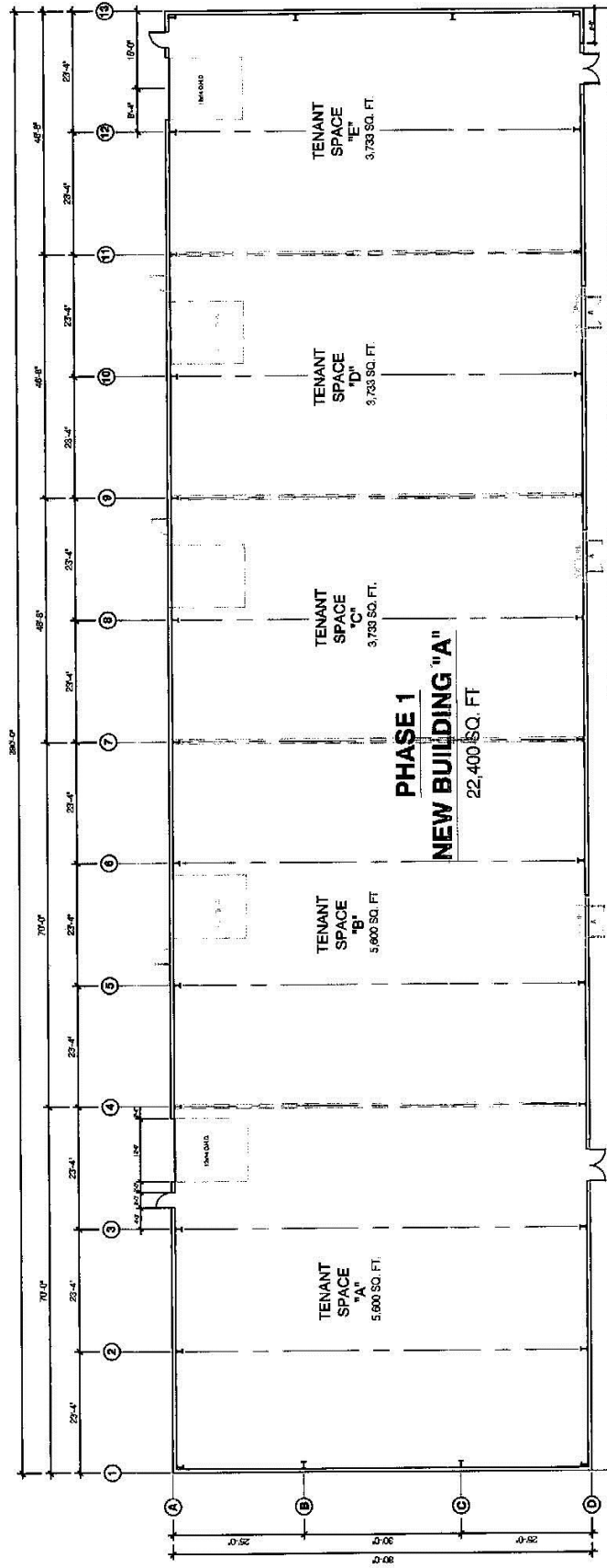




Zoning







FERNDALE BUSINESS PARK

BLDG "A" FLOOR PLAN

DATE: APR. 10, 2003


FILENAME:

A1_FirPin.dwg


No.	Date	Revision	By	Check
1	02/22/05	ISSUED FOR PRELIMINARY REVIEW	RHF	SD
2	03/14/04	ISSUED FOR CONTRACT	RHF	SD

The drawings and plans are hereby submitted for the review and approval of the City of San Francisco. The drawings are prepared in accordance with the provisions of the San Francisco Building Code, and the City Engineer's Office. The drawings are prepared in accordance with the provisions of the San Francisco Building Code, and the City Engineer's Office. The drawings are prepared in accordance with the provisions of the San Francisco Building Code, and the City Engineer's Office.

SAM CHER III ELEVATION PLAN



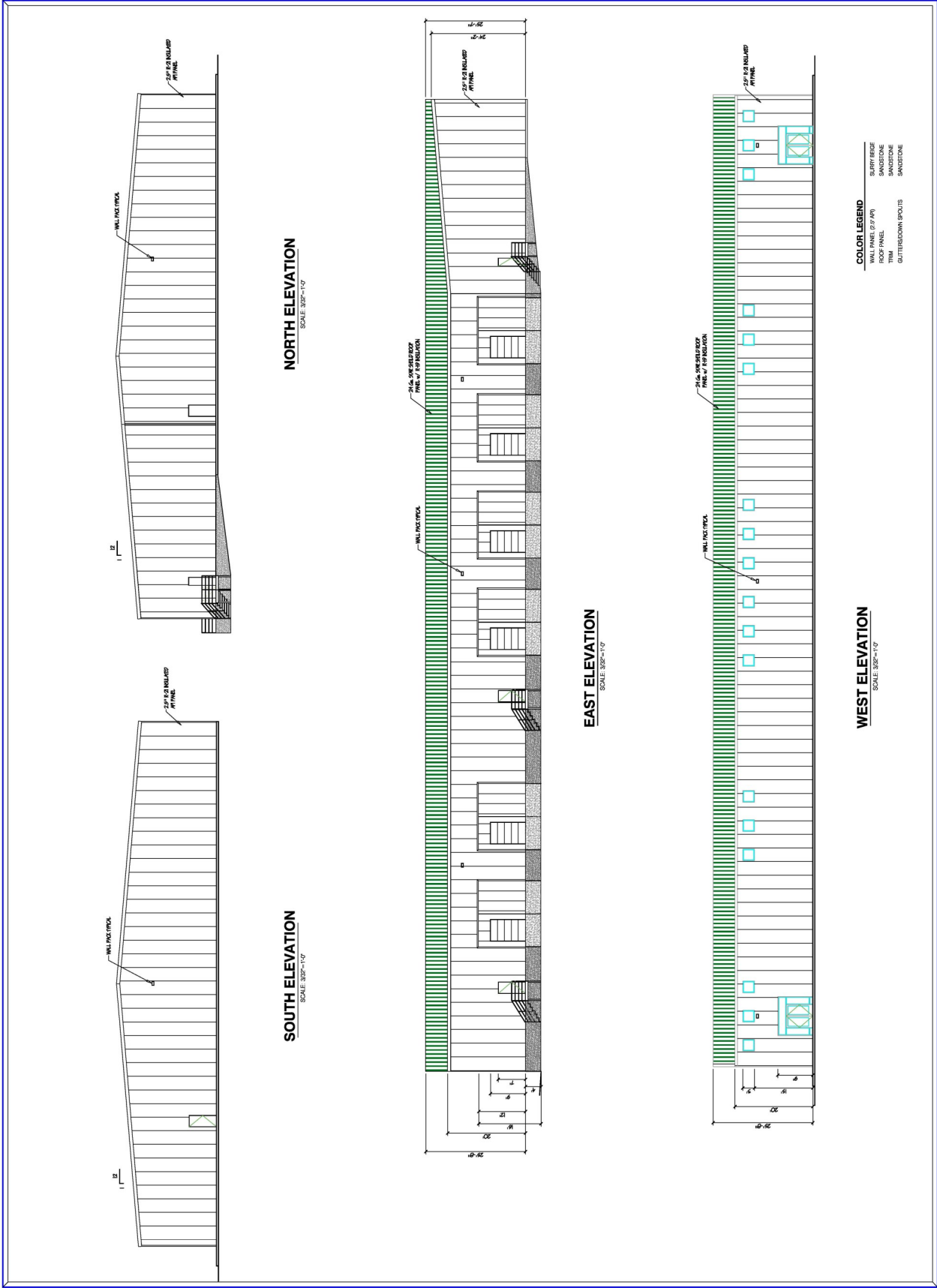
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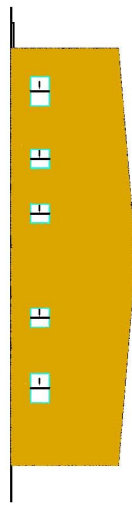
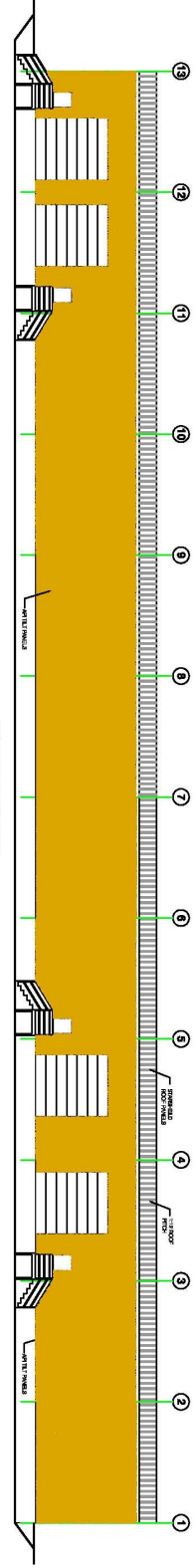
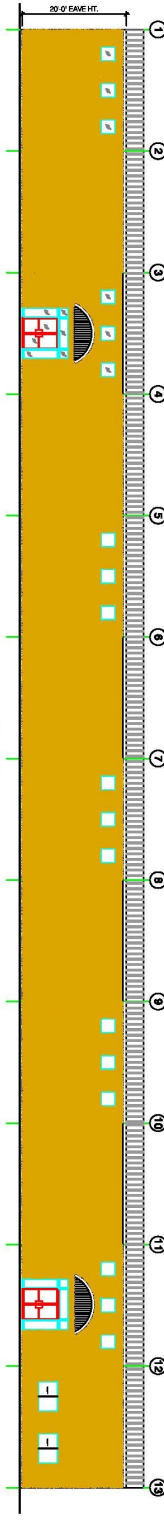
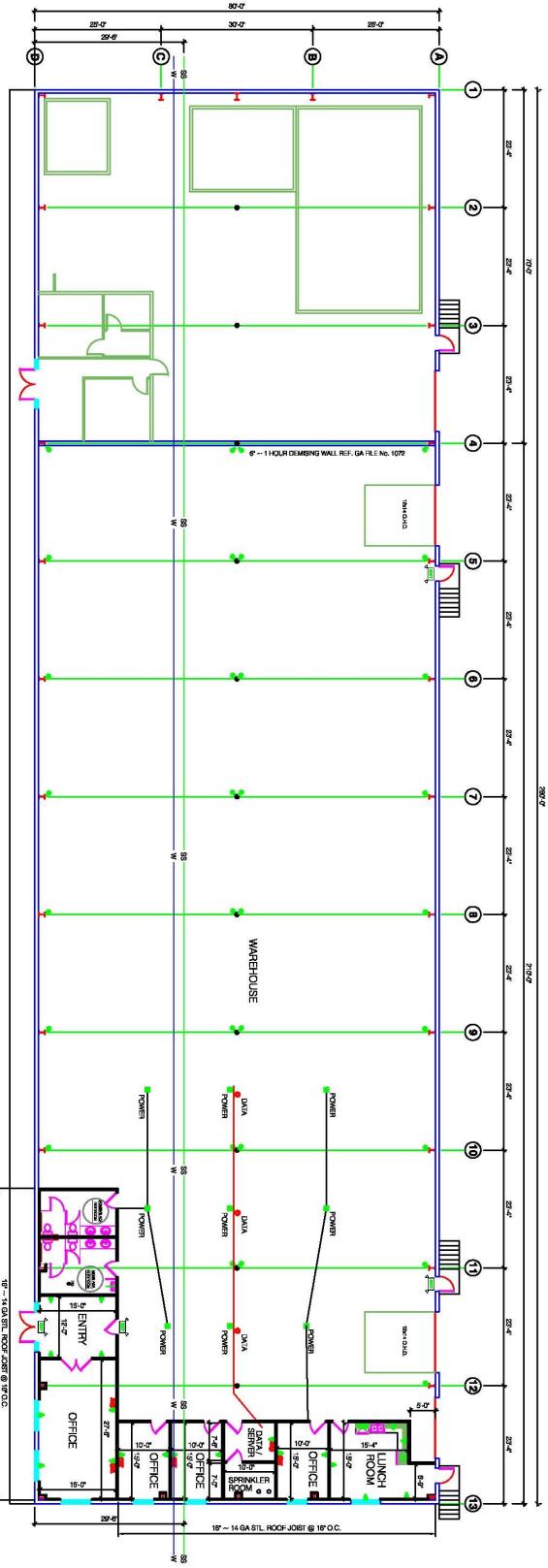


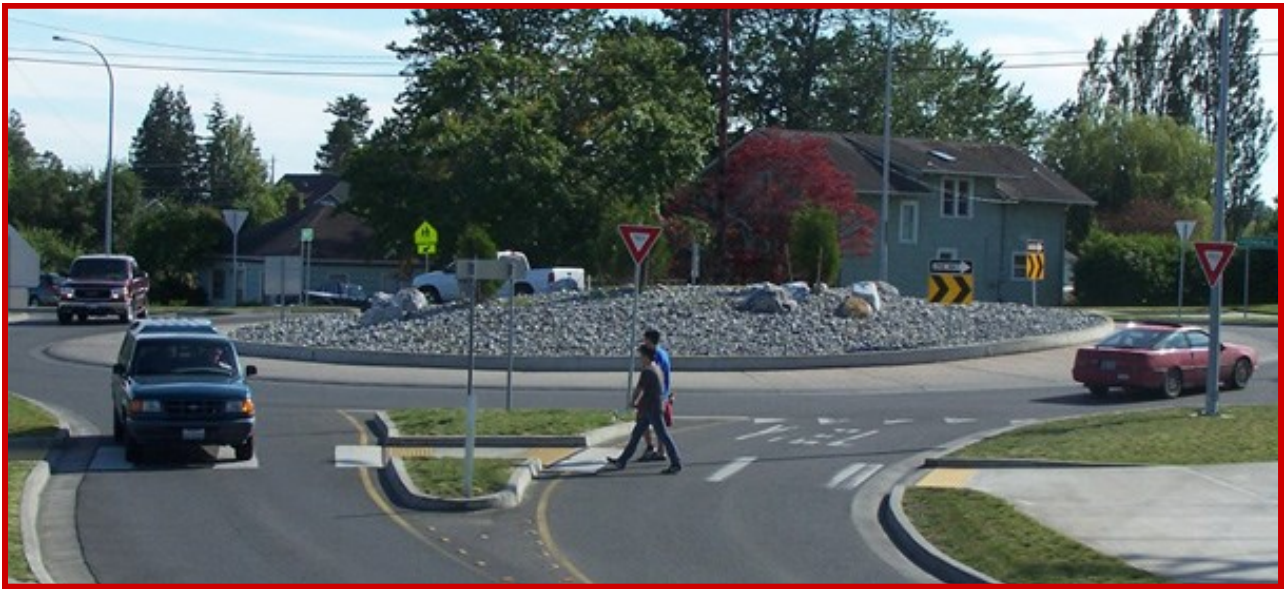
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Project Number	51741
Designed By	SD
Checked By	RHF
Drawn By	SD
Date	02/22/05
Scale	AS NOTED
Sheet Number	1

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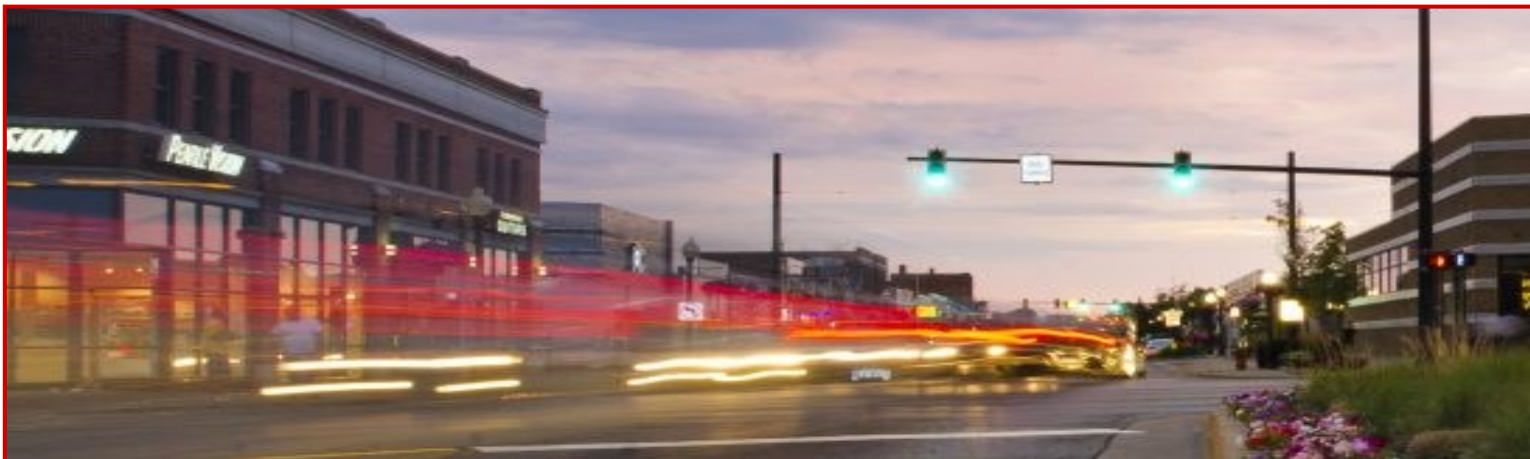




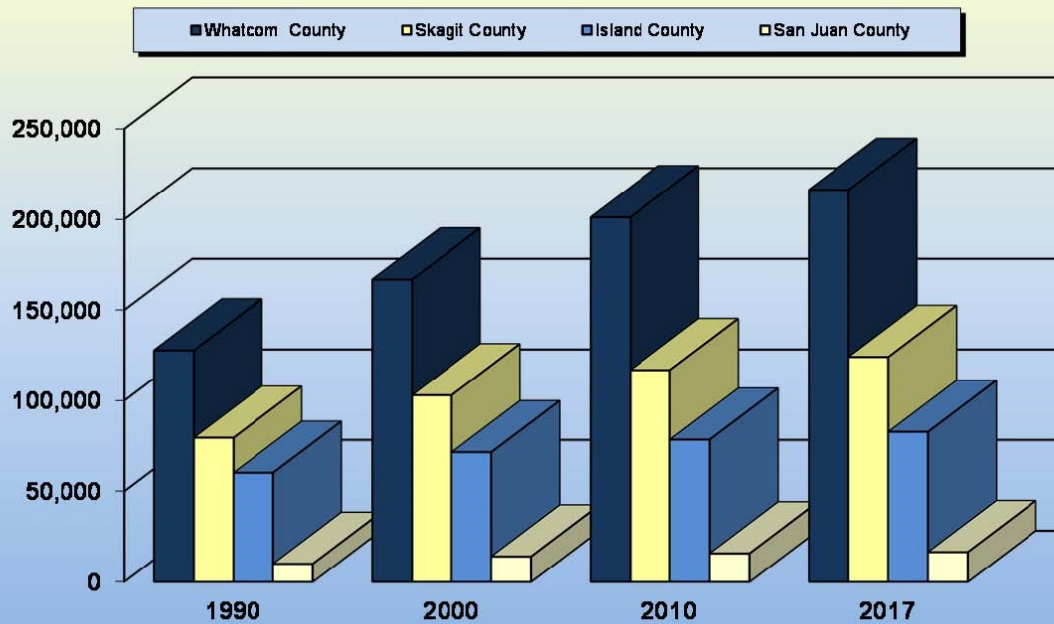
About the City of Ferndale

Located in the northwest corner of Washington State near the Nooksack River, Ferndale was officially incorporated on March 19, 1907. Once called Jam because of its location next to a logjam on the river, the City was renamed Ferndale by the school teacher who admired ferns that once grew around the original school house.

Today, Ferndale is a vibrant community of 14,354 people (April 1, 2019 Washington State Office of Financial Management population estimate), located on the Interstate 5 corridor, approximately 6 miles north of Bellingham and 13 miles south of the Canadian Border. There are many nearby attractions including Mount Baker, the San Juan Islands, numerous lakes, and the Nooksack River. Ferndale also enjoys a close proximity to Vancouver, British Columbia.



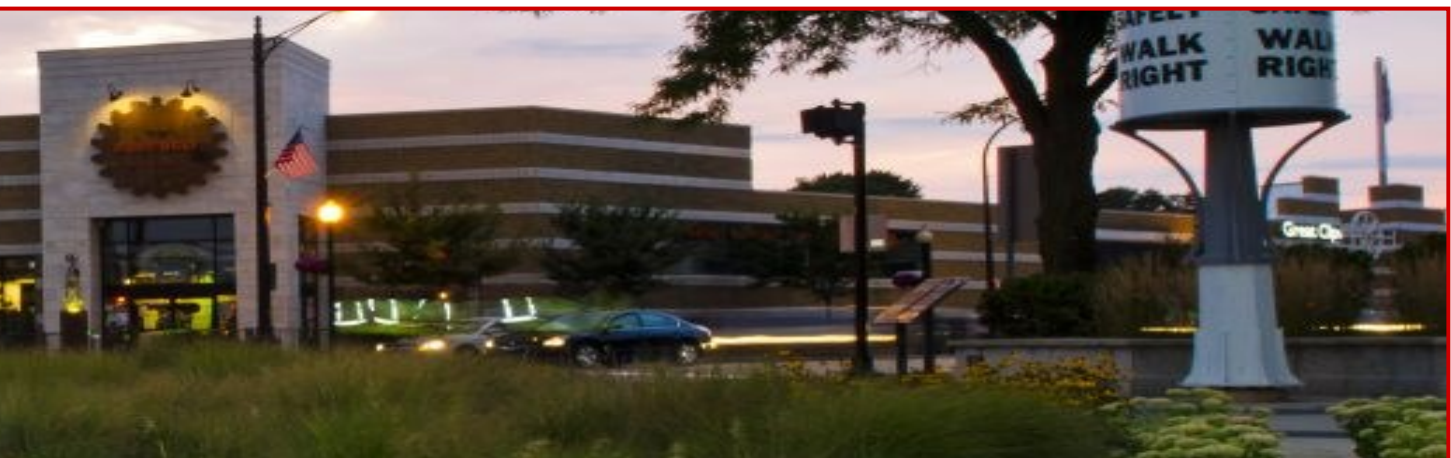
North Counties Population by County



Population in Whatcom County

Washington State Office of Financial Management estimates that the total population of Whatcom, Skagit, Island, and San Juan combined is approximately 439,700 as of 2017. With its current population estimated at 216,300, Whatcom County is by far the most populous segment of these counties.

Whatcom County has seen a steady population growth of about 2.06% since 2010, which is higher than the corresponding rate for Washington State (1.41%). Whatcom County attracts firms relocating out of the Seattle metropolitan area due to the quality of life found in cities like Bellingham and Ferndale, as well as the much lower cost of housing and living.



Non-Agriculture Employment in Whatcom County (2011-2017)

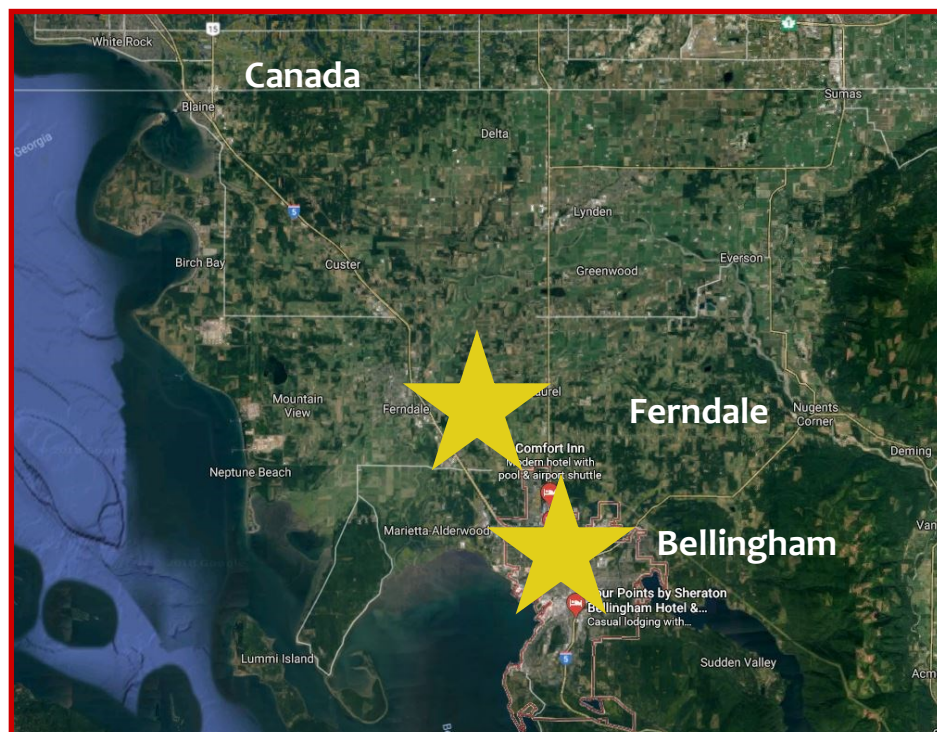
Industry Sector	2011	2012	2013	2014	2015	2016	2017
Mining, Logging, & Construction	5,700	5,800	5,800	5,900	6,400	6,600	7,600
Manufacturing	8,400	8,900	9,100	9,200	9,300	9,800	10,100
Trans/Warehousing/Utilities	4,800	5,000	4,800	5,100	5,000	5,200	5,200
Retail Trade	10,200	10,600	11,100	11,200	11,200	11,400	11,500
Leisure & Hospitality	9,200	8,800	9,400	9,800	10,000	10,200	10,400
Financial Activities	3,000	3,200	3,400	3,500	3,300	3,400	3,500
Professional Business Services	7,000	7,100	7,200	7,600	8,000	8,100	8,200
Other Services	16,700	17,200	17,200	17,100	16,500	17,100	17,900
Government	16,100	16,000	16,400	16,700	17,600	18,000	18,700
Total Employment	81,100	82,600	84,400	86,100	87,300	89,800	93,100

Source: Washington State Employment Security Dept, Labor Market & Economic Analysis Branch

Employment in Whatcom County

Agricultural jobs have seen a decrease in Whatcom county as the economy shifts to relying on non-agricultural employment and industries.

By the end of 2017, non-ag employment totaled 93,100 jobs, a total net gain of 13,200 jobs since 2010. The region surpassed the peak recession level in 2014. The biggest growth occurred between 2016 and 2017 with 3,300 new jobs added. The sectors gaining the most included mining, logging, & construction (+1,000 jobs), other services (+800 jobs), and government (+700 jobs). All of the sectors showed gains except for transportation, warehousing, and utilities, which held steady with no gains.

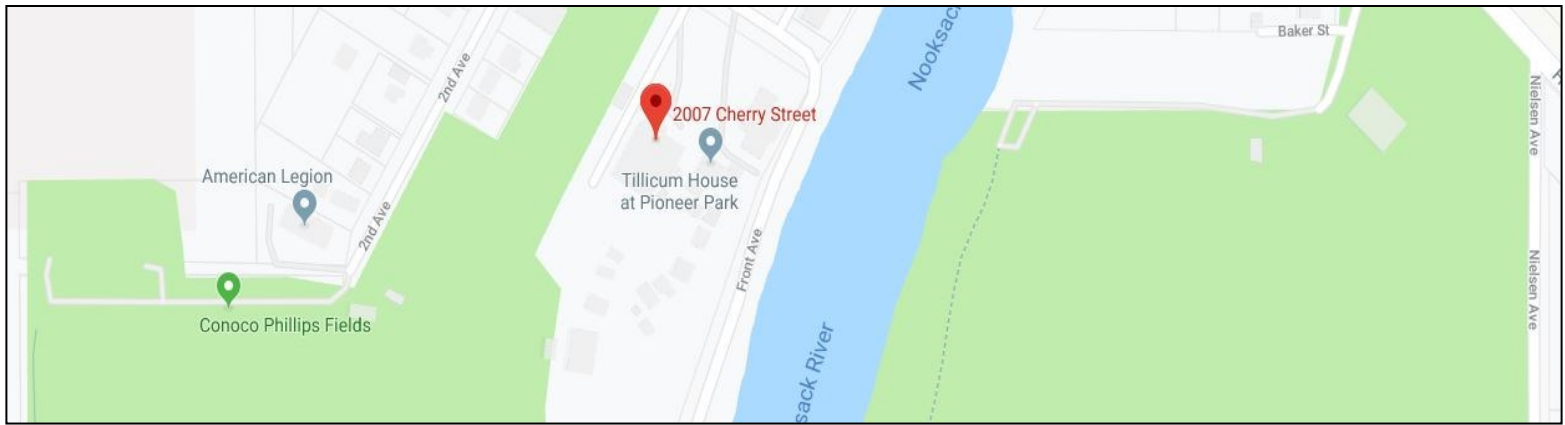




Industrial Market

Ferndale and the nearby city of Bellingham have great positives to their name – a steady unemployment percentage that rests around 5%, a growing number of jobs, and close proximity to the Canadian border. What it doesn't have is a large number of available warehouses. CBA lists 31 sales and 35 leasing offers found in Whatcom County. Only eight of these are in the Ferndale area. The rental vacancy rate in Bellingham was 2.59 as recently as 2017, and Ferndale's proximity suggests low vacancy rates as well. The market for Ferndale's industrial buildings is an owner's market.





About Downtown Ferndale

From the Downtown Ferndale website:

“Welcome to Ferndale, WA, one of the fastest growing cities in the Northwest (ranking 24th out of 281 Washington cities in growth from 2010 – 2016 and still growing)! With a population of 14,700 friendly folks (30,000 including unincorporated Ferndale), Ferndale is the best of what the Pacific Northwest has to offer. Located almost equally between Seattle, WA and Vancouver, BC, we boast fishing, hiking trails, boating, camping, hunting, skiing, golfing, historical parks and so much more and that’s just within minutes of our front door. We have great schools, affordable housing, commercial land for your business, and a beautiful Historic downtown. Unlike it’s neighbors, Ferndale began as a timber and dairy town and holds strong to its agricultural roots. But today is considered a more industrial or manufacturing city. With strong economic growth, small town charm, and stunning views of Mt. Baker and the San Juan Islands, it’s one of the most desirable cities to live in in Whatcom County and Washington State.”





Tennant Lake Park

Just outside the Ferndale city limits, Tennant Lake Park expands east from popular [Hovander Homestead Park](#). The 624-acre site is covered with extensive wetlands, deciduous forests, and riparian vegetation. The shallow lake attracts a host of migratory birds and other fascinating wildlife, all of which can be best observed from the Tennant Lake Marsh Boardwalk.

The interpretive center is a great place to start, and it offers hands-on displays and maps that explain the flora, fauna and natural processes encountered throughout the park. Just outside is the award-winning fragrance garden, where raised beds elevate examples of over 200 plant species. During blooming season, a slow stroll through the garden's intense blend of colors and scents makes for a sensational experience.

Perhaps the most conspicuous structure on the grounds is the 50-foot observation tower. Views from the top offer a fun perspective on the lands below. Also, the tower is rigged with a unique monitor system that allows disabled visitors to observe first-person views from the base. Looking east, cloudless skies enhance the scenery, with Mount Baker rising wide and tall over the North Cascades.

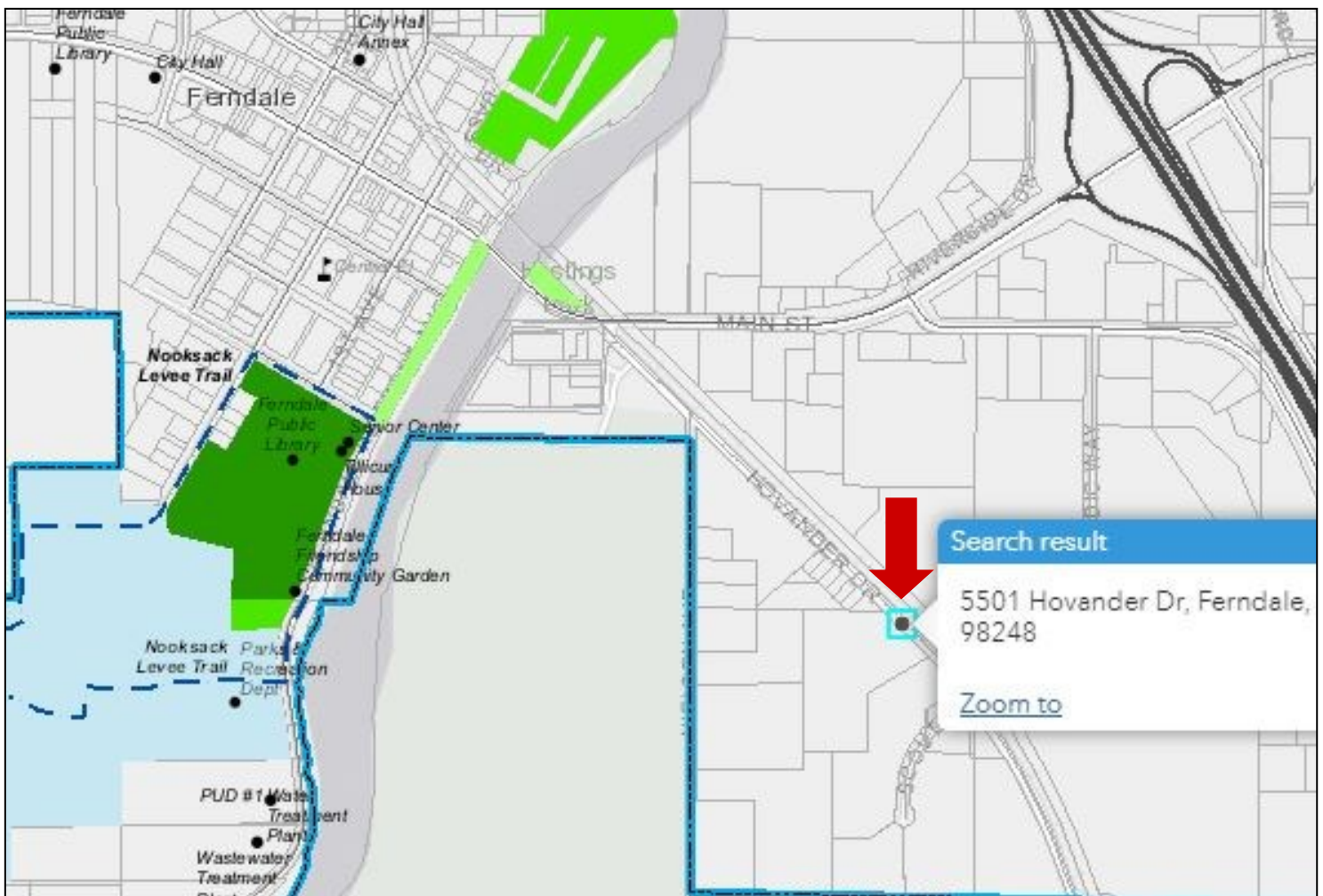
Neighborhood Description & Demographics

5501 Hovander is situated less than a mile away from downtown Ferndale, which includes City Hall, the library, and several shops and restaurants. Businesses range from pubs to retail, in a charming city with a population estimate of 14,000 residents. Ferndale is only a few miles north of Bellingham, which makes it easily accessible for Bellingham businesses.

The warehouse is just off the freeway, down Main Street one mile, and then one more mile down Hovander Road. It is an easily accessible location.

Nearby is Hovander Homestead Park. From the Whatcom County Website, Hovander Homestead Park preserves the rich history of pioneer farming and offers recreational opportunities for all ages in every season. The park encompasses nearly 350 acres, including over a mile of river frontage.

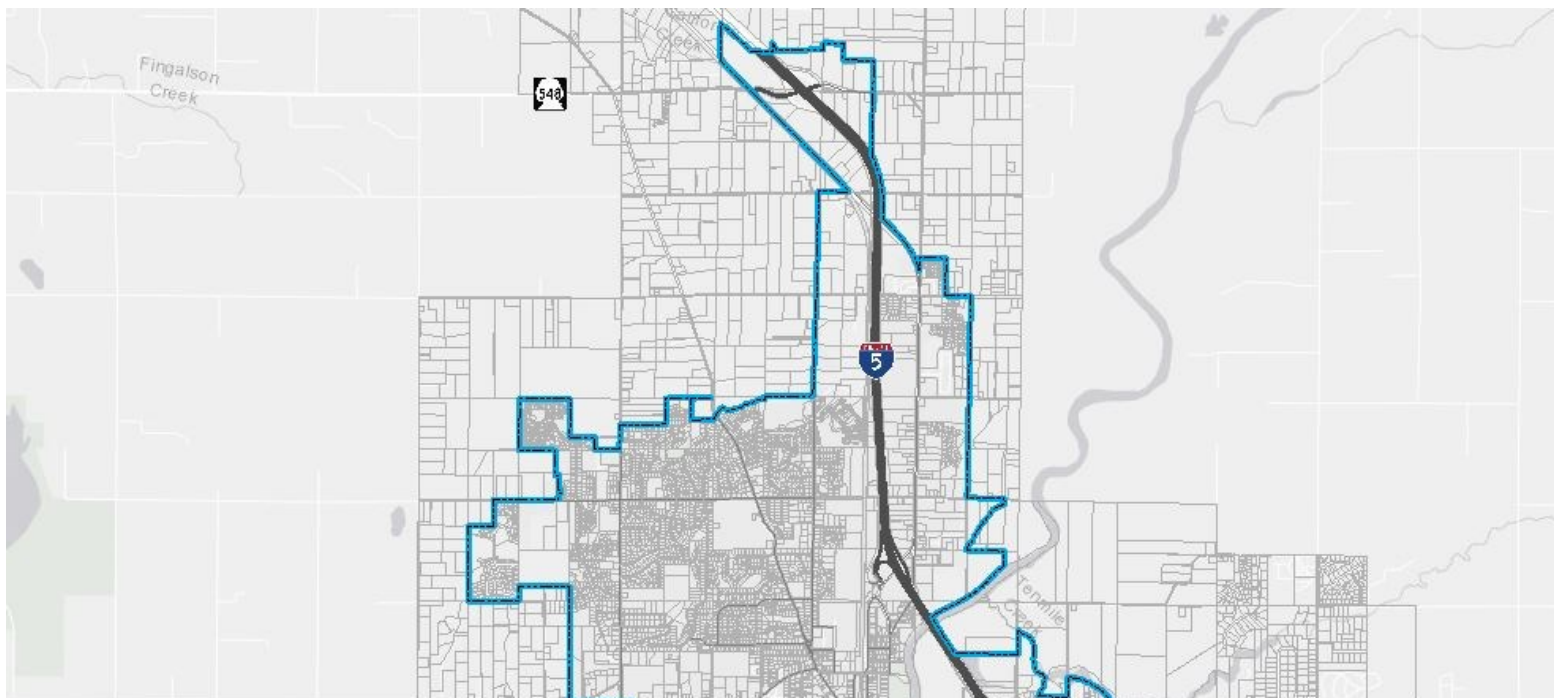
Accessible sidewalks provide access to the historic Hovander House, playground, restroom, Group Picnic Shelter, and the Hovander River Trail. The Hovander River trail, a 1.9 mile trail segment extends from the northern parking area near the boat launch to the southern boundary of the park near Slater Road. This easy trail for walkers and bicyclists follows the Nooksack River as it curves around the Hovander Homestead site.



Ferndale Demographics Profile

Statistic	Ferndale	Washington	National
Population	12,666	7,073,146	318,558,162
Population density (sq mi)	1,815	97	91
Median age	36.0	37.6	37.7
Male/Female ratio	0.8:1	1.0:1	1.0:1
Married (15yrs & older)	57%	56%	55%
Families w/ Kids under 18	52%	44%	43%
Speak English	82%	81%	79%
Speak Spanish	8%	8%	13%





CONTACTS

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