

OFFERING MEMORANDUM

ROYAL PLAZA MULTI-TENANT RETAIL CENTER



8510-8534 S TACOMA WAY, LAKEWOOD, WA 98499



TABLE OF CONTENTS

01

OFFERING SUMMARY

Property Overview
Investment Highlights
Site Plan
Quick Facts
Aerials & Maps

02

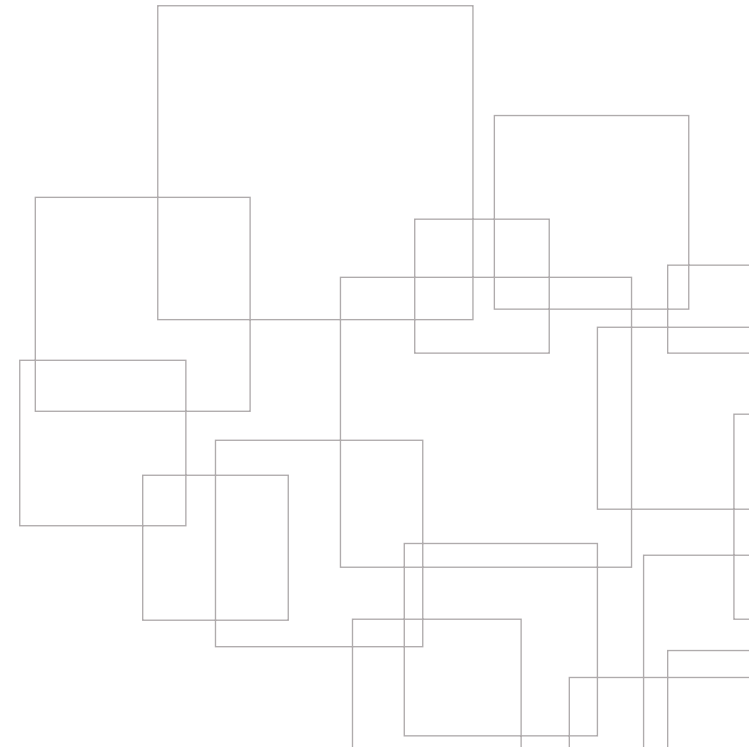
AREA OVERVIEW

Region Overview
Demographics

03

FINANCIALS

Financial Analysis
Rent Schedule



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ROYAL PLAZA MULTI-TENANT NNN CENTER

Kidder Mathews is pleased to exclusively present the opportunity to acquire Royal Plaza, a two-building multi-tenant retail center in Lakewood's Koreatown at 8510-8534 S. Tacoma Way, Lakewood, WA.

The property consists of approximately 12,989-square-foot retail space situated on ±1.14 acre and is currently occupied by eight seasoned tenants, with one vacant unit offering lease-up upside for an investor or potential owner-user opportunity.

The center features a stable mix of foods and service tenants, with several shop spaces currently leased below market rates. This presents a compelling value-add opportunity through the lease-up of the existing ±3,000 square foot vacancy, future rent increases, and/or strategic re-tenanting. For investors seeking stable in-place income with meaningful NOI growth potential, Royal Plaza represents a rare opportunity that balances downside protection with upside potential.

Royal Plaza benefits from its proximity to Joint Base Lewis-McChord (JBLM), home of I-Corps and the 62nd Airlift Wing. JBLM is one of the largest military installations on the West Coast, supporting ±60,000 military and civilian personnel, contributing nearly \$3 billion annually to the local economy, and serving over 254,000 residents in the surrounding area.

The property is surrounded by a strong roster of national and regional retailers, including H-Mart Supermarket, Pal-Do World Market, WinCo Foods, Lowe's, Safeway, Walgreens, Starbucks, McDonald's, Wells Fargo, and Chick-fil-A. This creates a high-traffic and synergistic retail corridor.

The property is strategically located and offers convenient access to key regional destinations.

- ±30 minutes to Olympia
- ±35 minutes to SeaTac International Airport
- ±45 minutes to Downtown Seattle

Positioned in the heart of South Tacoma submarket, this is one of most active retail corridors in Pierce County. Royal Plaza benefits from a dense and growing population base of more than 295,000 residents within a five-mile radius, with an average household income exceeding \$99,000.

This 1031 exchange-ready asset offers an attractive combination of stable cash flow, seasoned tenancy, value-add potential, and a prime location.

\$3,900,000

PRICE

\$234,146

NOI (IN-PLACE NOI AT 77% OCCUPANCY)

6.0%

CURRENT CAP RATE
(NOI AT 77% OCCUPANCY)

8.0%

PROFORMA CAP RATE

±12,989 SF

BUILDING SIZE

NNN

LEASE TYPE (MULTI-TENANT)

MCCHORD AFB
(JOINT BASE
LEWIS-MCCHORD)

BOO HAN MARKET

Mobil

SHIN SHIN
DEPARTMENT STORE

MART

bbq CHICKEN

CHUNG KI WA
KOREAN BBQ

Bank of Hope

SUBJECT
PROPERTY

MARATHON

ETOWNE
CAFE

HO SOON YI TOFU

KIDDER MATHEWS

TACOMA WAY

LUNE



\$3,900,000

PRICE

6.0%

CAP RATE

\$234,146

IN-PLACE NOI

8.0%

PROFORMA CAP RATE

PROPERTY OVERVIEW

ADDRESS	8510-8534 S Tacoma Way Lakewood, WA 98499
CAP RATE	6% in-place income at 77% occupancy 8% proforma cap rate
BASE RENT	\$234,146 Actual
YEAR BUILT	1990, Renovated 2018
NUMBER OF TENANTS	9
BUILDING SIZE	±12,989 SF
LAND AREA	±49,658 SF (±1.14 Acres)
APN	790000-0082
LEASE TYPE	NNN
PARKING SPACES	Approximately 65
ZONING	G-C, General Commercial
SIGNAGE	Building & Monument

INVESTMENT HIGHLIGHTS

MULTI-TENANT VALUE-ADDED SHOPPING CENTER

- Value-Added Center - 6% Cap Rate on in-place income at 77% occupancy and 8% Cap Rate on proforma income
- Owner-User Opportunity - approximately 3,000 SF available for Owner-User opportunity
- Seasoned Tenant Base - All tenants have occupied the property for over 10 years providing income diversity with daily-use, service oriented, and necessity-based businesses.
- Koreatown Tacoma location - Strategically located adjacent to H-Mart, the largest Korean supermarket chain in the U.S.
- Out of State Ownership - First time on the market in over 20 years.
- Strong Infilled Location - Positioned in high traffic retail corridor with a diverse and stable economic base.
- High Barriers to Entry - Supply-constrained submarket with limited availability for new retail development.

VALUE-ADD INVESTMENT WITH INCOME GROWTH POTENTIAL

- Below-Market Rents - Mark to market opportunity across shop spaces with annual rent increases.
- Lease Up Opportunity - Approximately 3,000 SF of vacancy provides immediate upside.
- Stable Cash Flow with Upside - Combines reliable in place income with near term growth potential.
- Compelling Risk Return Profile - Opportunity to capture both yield and appreciation in a high demand market.

PASSIVE OWNERSHIP STRUCTURE

- Internet-Resistant Tenancy - Foods and Service tenants provide durable, needs based demand
- NNN Lease Structure - Minimal Landlord Responsibilities
- Staggered Lease Expirations - Allows flexibility and phased rent growth over time

PRIME PIERCE COUNTY LOCATION

- Strong Regional Economy - Strong South Tacoma submarket, driven by Port of Tacoma, Joint Base Lewis-McCord and the manufacturing and tech Sectors.
- Proximity to JBLM - Approximately 58,000 military and civilian personnel, nearly \$3 billion annual economic impact
- Excellent Connectivity:
 - ±30 minutes to Olympia
 - ±30 minutes to SeaTac International Airport
 - ±45 minutes to Downtown Seattle

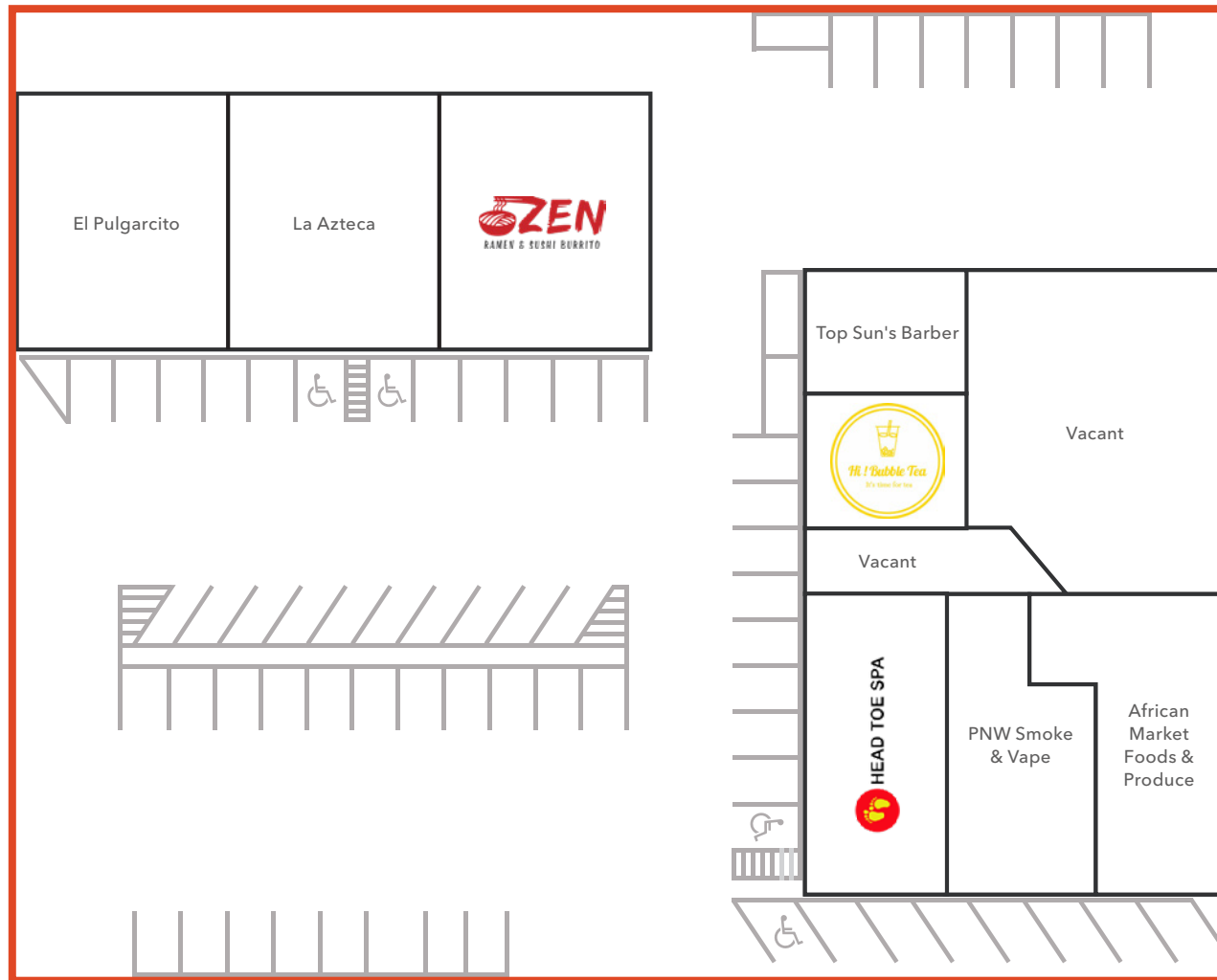
DEMOGRAPHICS & CO-TENANCY

- Established Retail Corridor - Surrounded by strong national retailers and dense and dense residential neighborhoods.
- Strong Local Base - Population exceeding 283,000 within 5 miles radius and average household income of over \$110,000.

INVESTOR-READY OFFERING

- Ideal 1031 Exchange Opportunity - Seasoned tenants, stable income, with value-add upside.
- Offered Free & Clear - Flexible for all-cash or leveraged buyers

OFFERING SUMMARY



S TACOMA WAY



QUICK FACTS



Location

8510-8534 S Tacoma Way
Lakewood, WA 98499



Access

S Tacoma Way
2 access points



Traffic Counts

S Tacoma Way &
Steilacoom Blvd SW
±27,247 vehicles per day

S Tacoma Way & 84th St S
±22,803 vehicles per day



Building Size

±12,989 SF



Parking

±65 Spaces



Parcel Size

±49,658 SF (±1.14 Acres)



Year Built

1990, Renovated 2018



Zoning

G-C, General Commercial

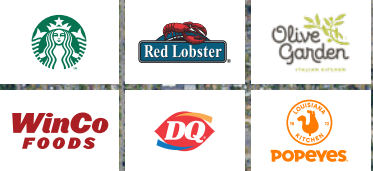




FredMeyer



GRAY MIDDLE SHOOOL



TACOMA PLACE



SUBJECT PROPERTY



LAKWOOD



MCCHORD AFB
(JOINT BASE
LEWIS-MCCHORD)



PARKLAND





South Tacoma Auto

HONDA

SOUTH
TACOMA
ANTIQUE MALL

ExtraSpace
Storage

TACO
BELL

SUBJECT
PROPERTY

HO SOON YI TOFU

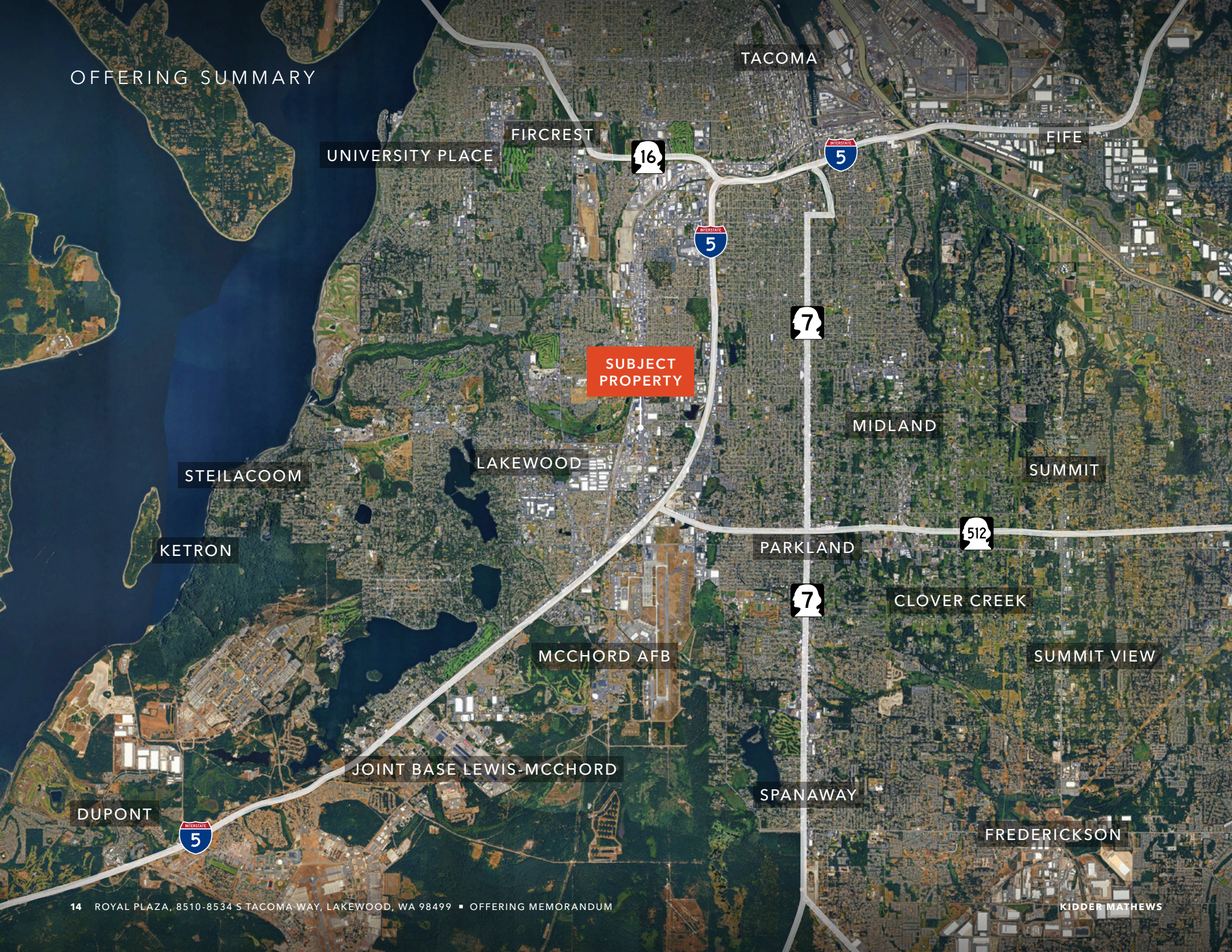
S TACOMA WAY

ROYAL
PLAZA

Bank of Hope®



OFFERING SUMMARY



TACOMA

FIRCREST

FIFE

UNIVERSITY PLACE



SUBJECT
PROPERTY

MIDLAND

SUMMIT

STEILACOOM

LAKEWOOD



KETRON

PARKLAND



CLOVER CREEK

SUMMIT VIEW

MCCHORD AFB

JOINT BASE LEWIS-MCCHORD

SPANAWAY

FREDERICKSON

DUPONT



KIDDER MATHEWS





REGION OVERVIEW

The property is located near the border of Lakewood and Tacoma.

CITY OF TACOMA

Tacoma is a city in Pierce County, Washington, located between Seattle and the state capital of Olympia. Tacoma is a port city situated on Commencement Bay in the Puget Sound. The city serves as a hub for the South Sound region along Interstate 5, providing a connection to the broader Seattle-Tacoma-Bellevue metropolitan area. Its strategic location is supported by the Port of Tacoma, which facilitates international maritime trade and logistics. Regional rail systems and proximity to Seattle-Tacoma International Airport establish the city as a center for transportation and commerce in the Pacific Northwest.

The local economy is supported by a variety of industries, including healthcare, manufacturing, and government. The city is a regional center for medical services, with multiple health systems and specialty clinics located within the urban core. Tacoma has a history rooted in industry and timber, which has evolved to include activities in aerospace and logistics. The public sector serves as a stable economic driver, with city and county administrative offices situated within the downtown district.

The city's economy is supported by the University of Washington Tacoma and the University of Puget Sound, which serve as cornerstones of the local academic community. Major employers in healthcare and regional trade contribute to the city's role as a center for professional and technical services.

CITY OF LAKEWOOD

Lakewood is a city in Pierce County located south of Tacoma and approximately 25 miles north of Olympia. Officially incorporated in 1996, the city is characterized by its numerous lakes, including American Lake and Lake Steilacoom, which serve as regional centers for recreation. Lakewood is home to several major institutions, such as Western State Hospital and Pierce College Fort Steilacoom. Its economy is closely tied to its role as a primary residential and commercial hub for the South Sound. The city also features extensive public parklands, such as Fort Steilacoom Park, which offers multiple acres of trails and recreational facilities on the site of a former military post.

JOINT BASE LEWIS-MCCHORD (JBLM)

Located south-southwest of Tacoma and bordering Lakewood, Joint Base Lewis-McChord is a major military installation and a training center for all services. Formed by the 2010 merger of Fort Lewis and McChord Air Force Base, it is the only Army power projection base west of the Rocky Mountains in the continental United States. The installation supports more than 58,500 military and civilian personnel and contributes over \$8 billion annually to the regional economy. Its location provides the military with rapid access to the deep-water ports of Tacoma, Olympia, and Seattle.

DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
2020 ESTIMATED	9,697	123,473	284,794
2025 ESTIMATED	10,421	122,652	283,393
2030 PROJECTED	10,420	122,052	283,799
2025 DAYTIME POPULATION (16+)	11,753	74,768	171,948
2025 MEDIAN AGE	33.0	34.6	35.6

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2025 ESTIMATED	4,024	48,289	111,169
2030 PROJECTED	4,081	48,652	113,059
2025 - 2030 PROJECTED GROWTH	57	362	1,889
2025 FAMILY HOUSEHOLDS	2,821	31,549	71,107

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
2025 AVERAGE HH INCOME	\$104,212	\$100,564	\$110,162
2025 MEDIAN HH INCOME	\$75,609	\$76,450	\$84,337
2025 PER CAPITA INCOME	\$40,242	\$39,739	\$43,582
2025 TOTAL BUSINESSES	874	5,115	11,190
2025 TOTAL EMPLOYEES	8,494	38,263	87,995



FINANCIAL ANALYSIS

INCOME ANALYSIS

		Actual As-Is	Proforma 100% Occupancy
INCOME	GROSS	\$311,548	\$311,548
	PLUS RECAPTURE	\$140,556	\$140,556
	TOTAL INCOME	\$452,104	\$452,104
LESS	NON-RECAP.	\$32,400	\$0
	VACANCY	\$45,000 (14%)	\$0 (0%)
	EFFECTIVE GROSS	\$374,704	\$452,104
	Expenses	\$140,556	\$140,556
	Total NOI	\$234,148	\$311,548

EXPENSE ANALYSIS

	2025 Expenses	Monthly Price/SF
PROJECT RENTABLE SF	±12,989	
PROPERTY TAXES	\$35,291	\$0.23
INSURANCE	\$7,541	\$0.05
ELECTRIC	\$8,695	\$0.06
TRASH	\$28,556	\$0.18
GAS	\$2,270	\$0.01
SEWER	\$27,435	\$0.18
WATER	\$6,038	\$0.04
PARKING LOT	\$7,930	\$0.05
REPAIR & MAINTENANCE	\$4,300	\$0.03
PROPERTY MANAGEMENT	\$12,500	\$0.08
Total Expenses	\$140,556	\$0.90



RENT ROLL

		Square Footage		Rental Information				Base Rent Increases		Lease		Tenant
Suite	Tenant Name	Area	Project %	Base	PSF	CAM's	Total Rent	Date	Amount	Options	Since	Expiration
8510A	African Market	1,200	9.24%	\$2,205.00	1.84	NNN	\$2,205.00	9/1/2027	\$2,315.00	1 (3yr)	9/1/2024	8/31/2029
8510B	PNW Smoke Vape	1,350	10.39%	\$2,387.03	1.77	NNN	\$2,387.03			1 (3yr)	1/1/2024	1/31/2027
8510C&D	Head to Toe Spa	1,460	11.24%	\$2,544.29	1.74	NNN	\$2,544.29			2 (5yr)	9/1/2021	8/31/2026
8510E	Vacant	3,000	23.10%	\$3,750.00	1.25	NNN	\$3,750.00					
8510F	Hi Bubble Tea	651	5.01%	\$1,381.29	2.12	NNN	\$1,381.29	7/1/2027 7/1/2028	\$1,422.73 \$1,465.41		7/1/2024	6/30/2029
8510G	Sun's Barber Shop	528	4.06%	\$1,004.25	1.90	NNN	\$1,004.25	8/1/2027 8/1/2028	\$1,034.38 \$1,065.41	1 (5yr)	8/1/2024	7/31/2029
8534A	Zen Ramen	1,460	11.24%	\$4,915.22	3.37	NNN	\$4,915.22	8/1/2027 8/1/2028	\$5,062.38 \$5,214.56	1 (5yr)	8/1/2024	7/31/2029
8534B	La Azteca Panaderia	1,600	12.32%	\$3,708.00	2.32	NNN	\$3,708.00	5/1/2027 5/1/2028 5/1/2029	\$3,818.67 \$3,933.33 \$4,052.00	1 (5yr)	5/1/2025	4/30/2030
8534C	El Pulgarcito Mexican Restaurant	1,740	13.40%	\$4,067.25	2.34	NNN	\$4,067.25	12/1/2026 12/1/2027 12/1/2028 12/1/2029 12/1/2030 12/1/2031 12/1/2032	\$4,271.70 \$4,484.85 \$4,709.60 \$4,944.50 \$5,191.00 \$5,450.55 \$5,723.15	1 (10yr)	12/1/2023	11/30/2033
Building Totals		12,989	100%	\$25,962		NNN	\$25,962					

The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it. Do not rely on any of the information contained herein without verifying it yourself, directly with the listing broker.

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