

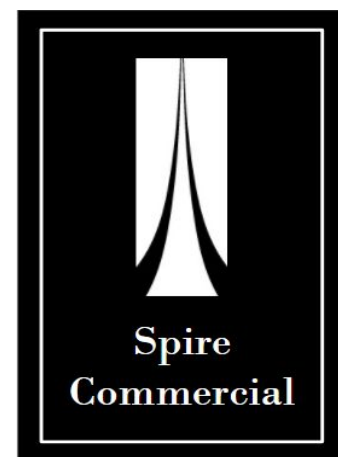
INVESTMENT COMMERCIAL REAL ESTATE

877 East Dowling Road



Light Industrial Warehouse

- Price: \$1,185,000
- \$119k Gross Annual Rent
- \$84k Net Operating Income
- 7.12% Cap Rate
- 7,976 Building
- 18,316 sf Light Industrial Lot
- Location: Center of town, major thoroughfare, high traffic counts, across from new Porsche/Volkswagen Dealership



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Net Operating Income (NOI) Valuation Analysis

Flex Warehouse: 877 E. Dowling Road, Anchorage, Alaska 99518

Prepared by Broker Hugh Wade of Spire Commercial 6-2-20

Last Updated with new, revised information:

June 2, 2020

PRO-FORMA VALUATION ANALYSIS

Location	877 E. Dowling Road, Anchorage, Alaska 99518	
Type of Property	Occupied (Investment) I-1 Warehouse with two offshoot retail/ office/ flex wings in center of Anchorage	
Property Owner	JLJ Properties LLC	
Asking Price	\$1,185,000	
Pro-Forma Cap Rate at Price	7.12%	
Price / SF	\$149	
Building Square Footage	7,976	(Sq. Ft)
Land Square Footage	18,316	
Land to Bldg Ratio:	2.30	

Assumptions:

Vacancy & Credit Losses	5.00% of PRI
Management & Leasing Expense	3.00% of EGI
Replacement Reserves	3.00% of EGI

Landlord to pay property taxes and hazard insurance, as well as water and sewer (AWWU 1 meter for 2 tenants). Tenants to pay all utilities except water-sewer, and ongoing property maintenance.

An investor (non-owner occupier) would probably self-manage. But a bank would require management fees to be included. For this and NOI consistency and comparison reasons, management expense included here.

For similar reasons, reserves are also included, although an investor may or may not actively reserve for major capital repairs and upgrades.

PRO-FORMA NET OPERATING INCOME

	SQUARE FEET	\$/Mo	\$/sf/mo
Suite 1: Big 6 Automotive	5,765	\$7,494.00	\$1.30
Suite 2: Red Sky Construction, LLC	2,211	\$2,460.00	\$1.11
Totals	7,976	\$9,954.00	

	Per Month	Per Year
POTENTIAL RENTAL INCOME (PRI)	\$9,954	\$119,448
Less: Vacancy & Cr. Losses	\$498	\$5,972
EFFECTIVE GROSS INCOME (EGI)	\$9,456	\$113,476

INVESTOR LANDLORD EXPENSES

Management and Leasing	\$284	\$3,404
Reserves	\$284	\$3,404
Property Taxes 2020	\$1,351	\$16,211
Hazard Insurance	\$438	\$5,250
Utilities: Water-Sewer	\$74	\$888
TOTAL OPERATING EXPENSES	\$2,430	\$29,157
NET OPERATING INCOME	\$7,027	\$84,318

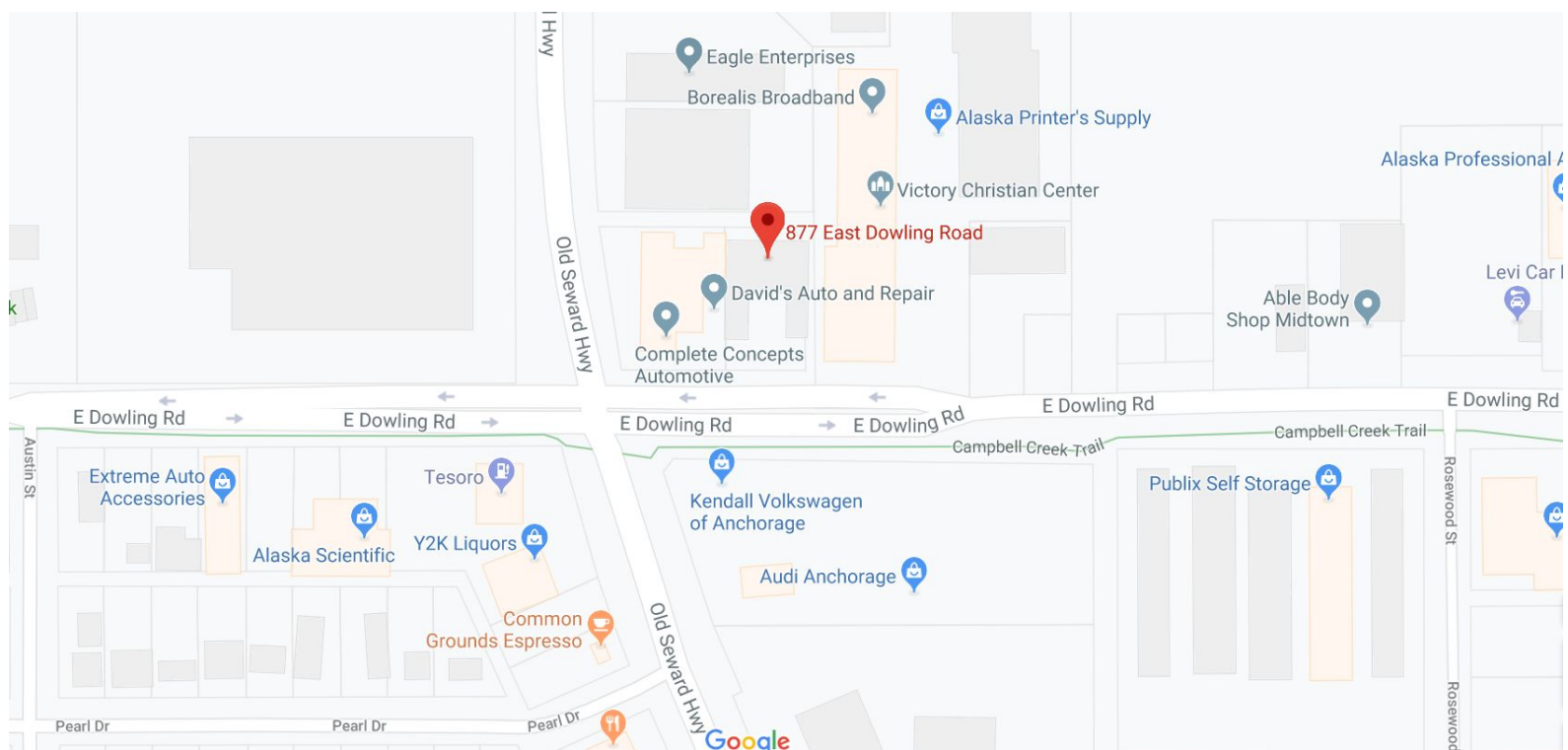
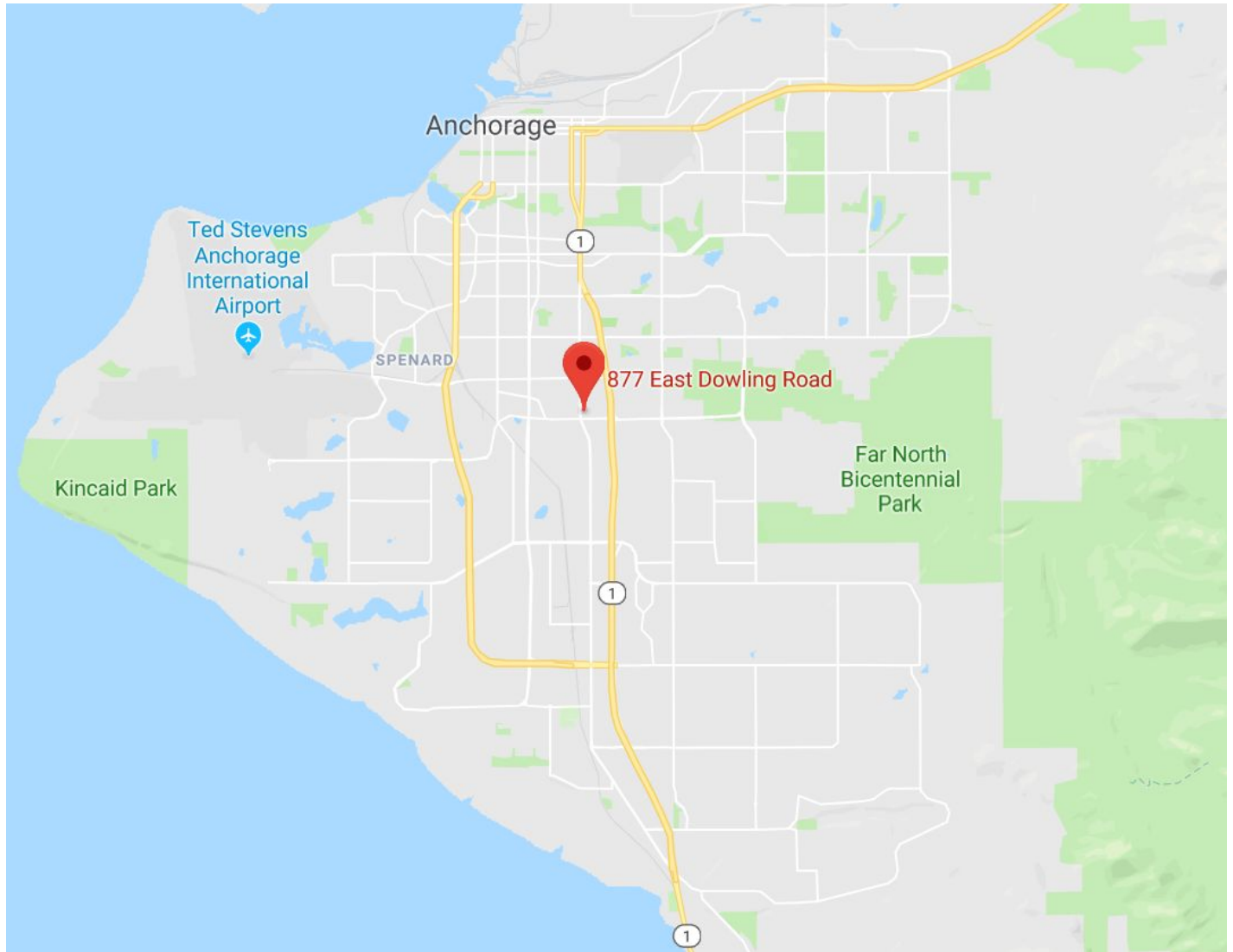
Offering Summary

<u>Address and Legal Description</u>	877 E Dowling Road Anchorage AK 99518 HILLER LT 3A
<u>Offering Price</u>	\$1,185,000
<u>Building</u>	1,488 SF (multi-use) 1,488 SF (multi-use) 5,000 SF (warehouse) 7,976 SF TOTAL
<u>Land</u>	18,316 SF
<u>Tenants</u>	Suite 1: 5,738 sf occupied by Big 6 Automotive Suite 2: 2,238 sf occupied by Red Sky Construction
<u>Zoning</u>	The Zoning is I-1 Light Industrial
<u>Drive Times</u>	5 minutes: Central Anchorage 15 minutes: All of Anchorage 30 minutes: Reaching out to JBER, Chugiak
<u>Electric Power</u>	The owner reports the building is well-supplied with power and has 3-phase.
<u>Overhead Doors</u>	The warehouse space has 6 overhead doors.
<u>Traffic Counts</u>	Over 18,000 cars per day on Old Seward Over 18,000 cars per day on Dowling
<u>Property Strengths</u>	Central location, hot corner of major arterials, high traffic counts, utilitarian and flexible tenant arrangement and uses, plenty of power, overhead doors, fully-occupied, cash flow.
<u>Why would this Property be a good purchase?</u>	A fully-occupied, cash-flowing property with quality tenants during a time of pandemic, upheaval and uncertainty. An investment-grade commercial real estate play. Possible buy leg of a 1031 Exchange.
<u>Links to Further Material</u>	Property Tear Sheet NOI Spreadsheet Appraisal Drone Video of Exterior, Surrounding Environment

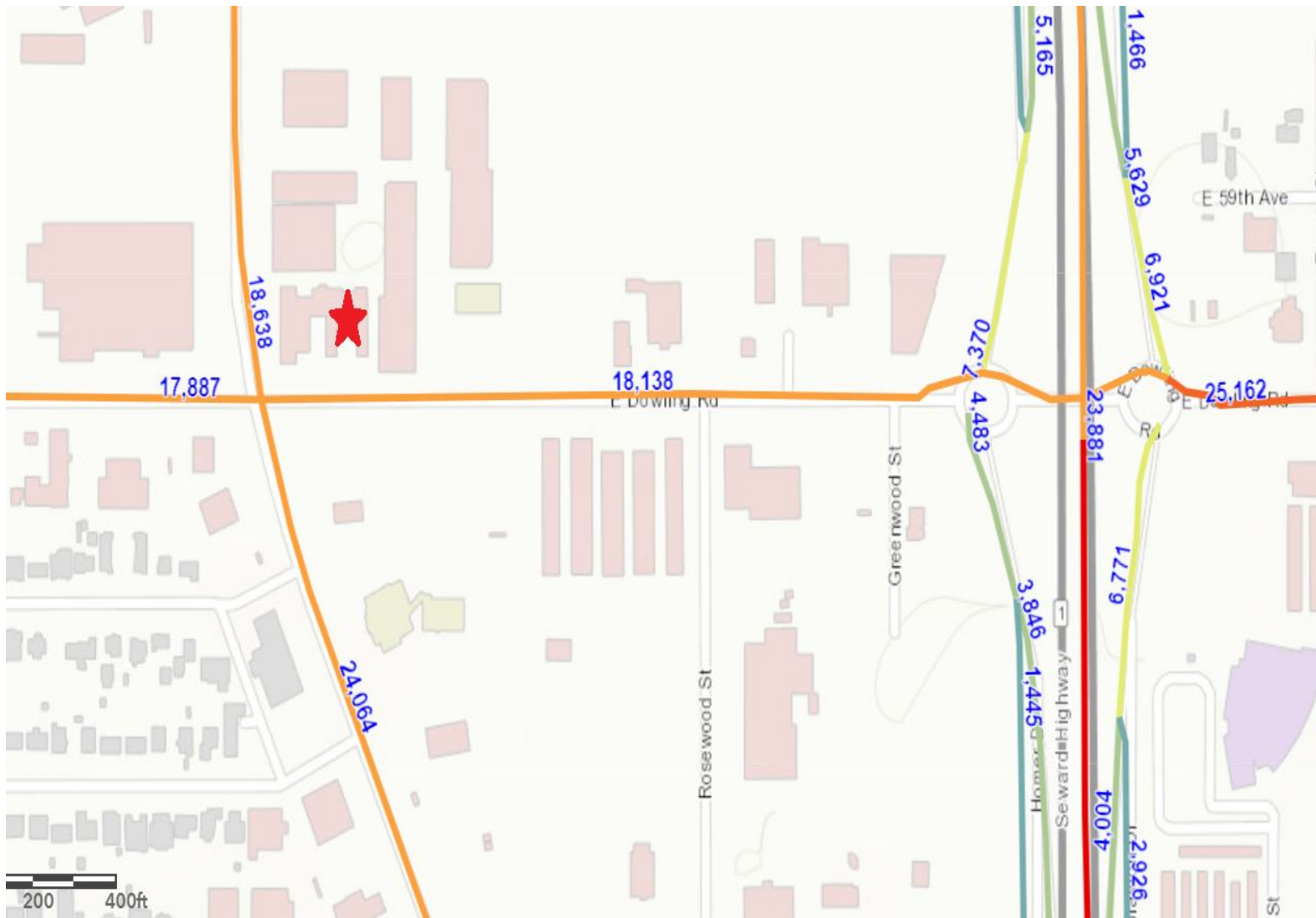
Property Images



Location



Traffic Counts



This image shows average daily vehicle counts.

Here is the State DOT link to Traffic Count Mapping:

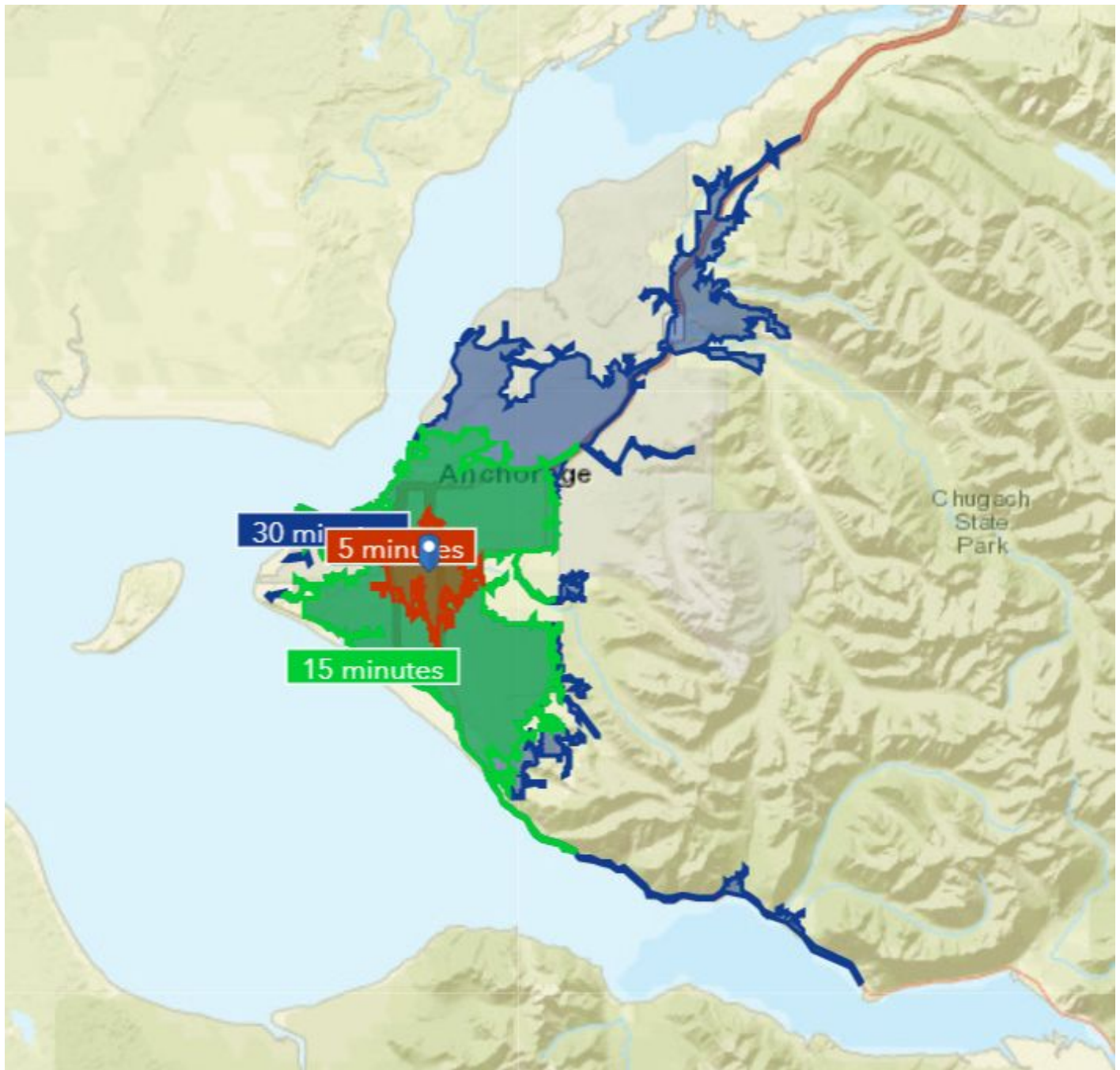
<http://akdot.maps.arcgis.com/home/webmap/viewer.html?webmap=7c1e1029fdb64d7a86449d55ef05e21c#!>

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Drive Times

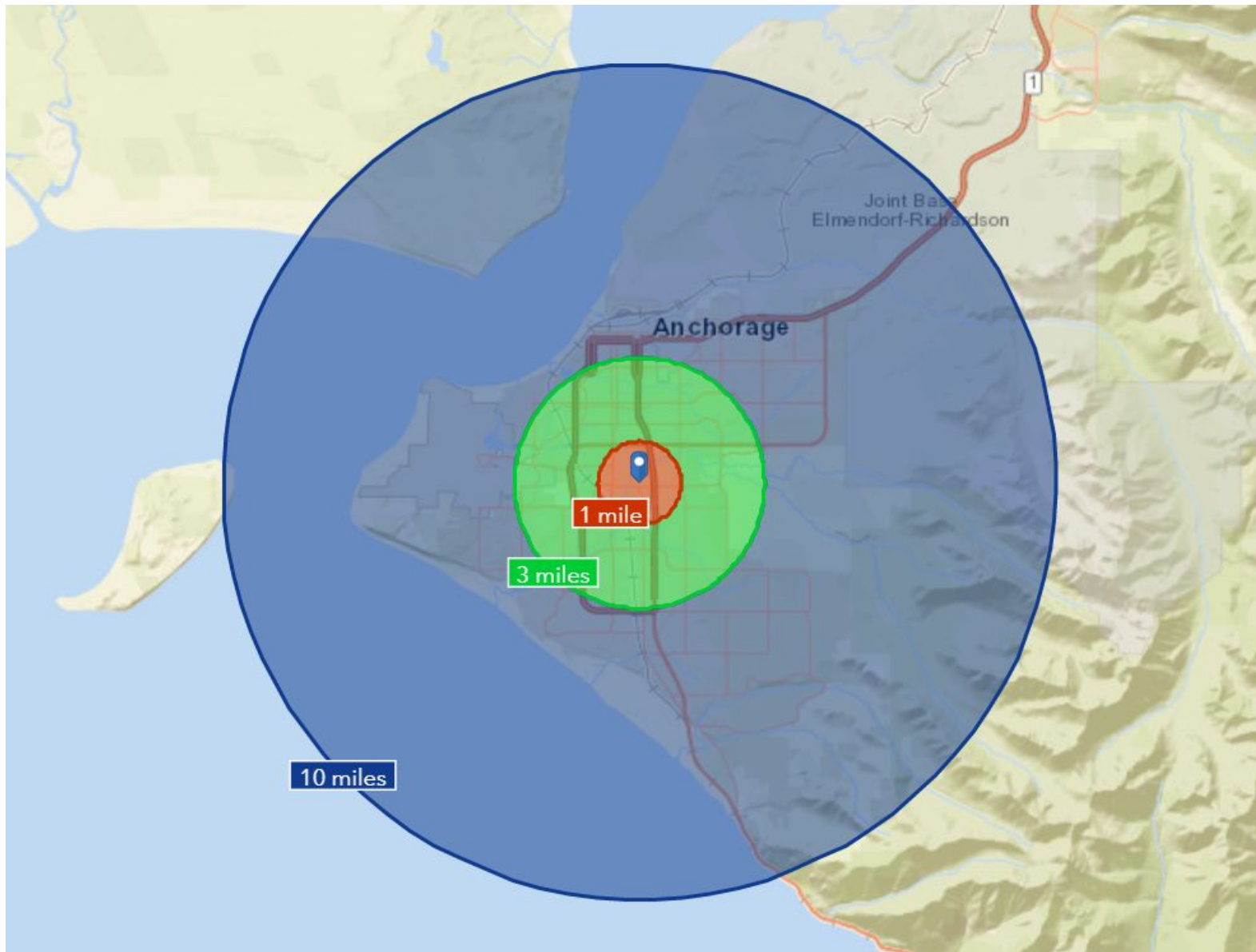


This map is a drive-time map. The map shows how far a person could go to or from the property in a car, given standard traffic and the existing road system. Red is five minutes, green is 20 minutes, and blue is 30 minutes.

The five-minute drive-time is not too bad, it includes as far south as Huffman, Dimond, and Midtown. Within 15 minutes, all of Anchorage, and then some, is within reach. In 30 minutes, you can get to Indian south of anchorage and north to Chugiach (including JBER and Eagle River)

CONCLUSION: An owner/ occupant can reach over half the population and of the state and the business that serve them in one hour or less. Conversely, half the population of the state can drive to this location within an hour.

10-Mile Radius



The ten mile radius map shows that all of Anchorage, including JBER, are within 10 miles of this location.

END OF BROCHURE.

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