



Quail Park

of Lynnwood



253-Unit Senior Living Community

4015 164TH ST SW
LYNNWOOD, WA 98087

Confidential Offering Memorandum



JONES LANG LASALLE AMERICAS, INC.



Offering Summary

Jones Lang LaSalle is pleased to present Quail Park of Lynnwood (the “Property”), a 253 unit, best-in-class, seniors housing campus located just north of Seattle.

Originally constructed in 2013, Phase I of the Property reached stabilized occupancy levels within 90 days of initial C/O (126 occupied units) and was 96% occupied leading into the pandemic. As a result of this strong performance, the Property was expanded and upgraded in 2020 to incorporate a full continuum of care and keep pace with the in-place demand. While Quail Park faced significant headwinds as a result of the COVID-19 pandemic and resulting government-imposed lockdowns, the recent easing of move-in restrictions by local Seattle municipalities has led to a demonstrable uptick in leasing momentum.

The Property thoughtfully blends a resort style atmosphere with high quality care services located on a beautiful 15-acre campus. With high quality construction, well-appointed fixtures and common spaces, and a competitive amenity mix, Quail Park offers an ideal environment for residents to enjoy the full senior living experience.

Income Statement Summary

T-1 REVPOR	\$7,505
T-12 NOI	\$3,360,265
T-3 NOI	\$3,537,794
T-1 NOI	\$4,111,153
T-1 NOI Margin	28.2%
Year 1 NOI	\$4,983,660
Year 2 NOI	\$7,454,858

**as of April 2023 Financials*



Location

4015 164th St SW,
Lynnwood, WA 98087



Number of Units

253



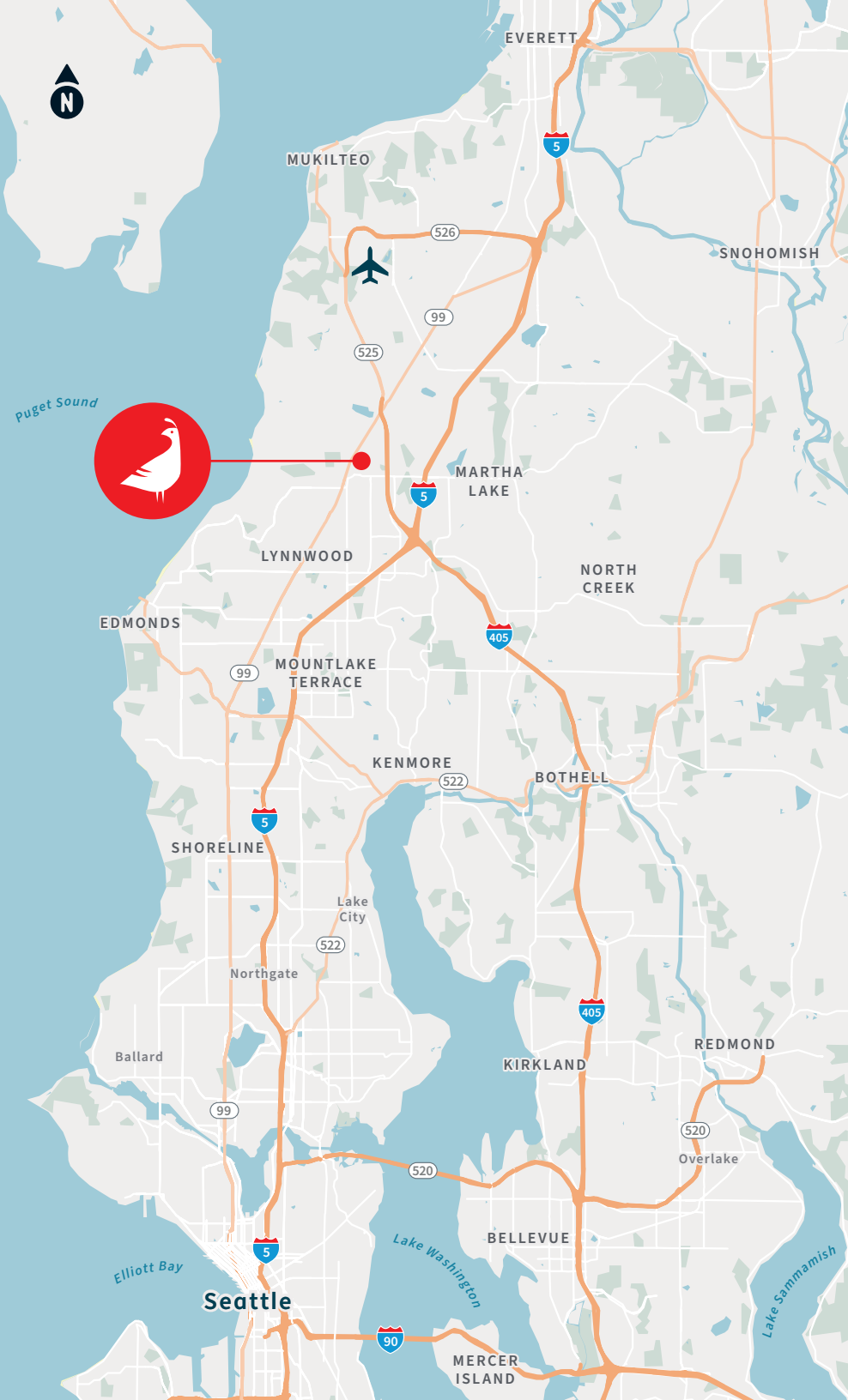
Year Built

2013 & 2020



Occupancy

66%



Investment Highlights



100% Cottage Unit Occupancy



Cash Flowing Asset with Clear Path to Stabilization



Proven Historical Performance



Aging Competitive Set; Consumer Bias Towards New Product



Macro-Economic Tailwinds



Excellent Seniors Housing Fundamentals



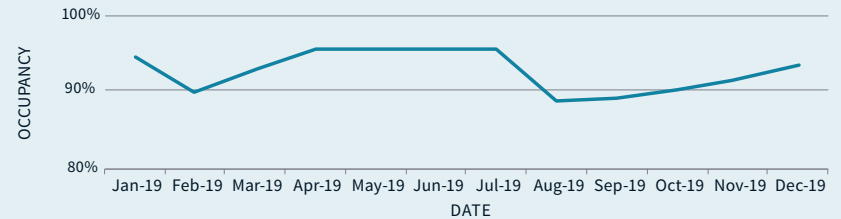
Desirable Seniors Housing Location



Proven Historical Performance

Phase I of Quail Park attained stabilized occupancy levels (126 occupied units) within **90 days of initial C/O**.

Fully stabilized for 7 years prior to COVID-19



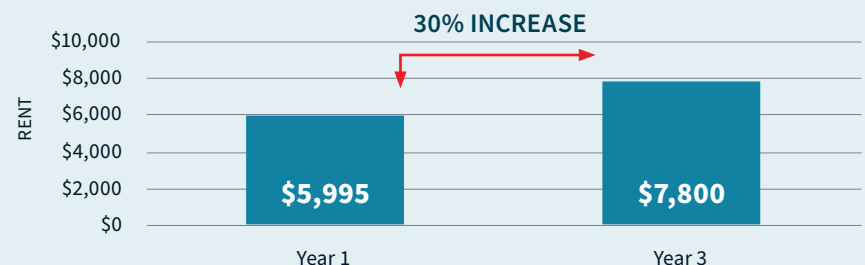
In 2019, Quail Park averaged 93% occupancy. Even in the midst of the pandemic, Phase II cottage units were particularly successful. When they were brought online in July of 2020, cottage units were being offered for \$5,995.

Cash Flowing Asset with Clear Path to Stabilization

With move-in restrictions in place, occupancy levels have remained stable over the last 12 months, top-line revenue has increased by 3% and expense levels have remained steady. With the local mask-mandate recently lifted, a new owner will be able to capitalize on pent-up demand and the Property's demonstrated historical leasing performance with minimal downside risk.

*Quail Park posted a T-1 profit margin of **28.2%**, generating an annualized **\$3.7 million of NOI***

*Cottage unit rental rates have increased **30%** to **\$7,800** and remained 100% occupied over the last 3 years. **Further 8% increases** are currently being implemented.*



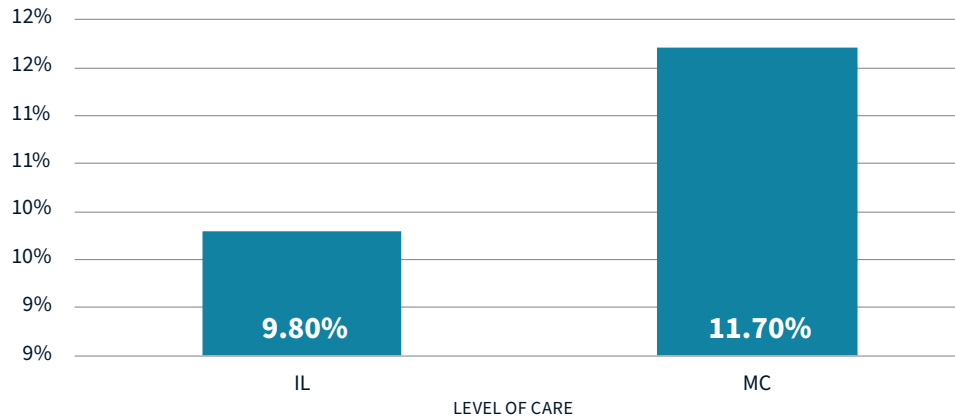


Aging Competitive Set; Consumer Bias Towards New Product

Quail Park’s competitive set has an average age of 22 years with only **3 projects delivering since 2013 and only 1 new project under development**. There is a significant bifurcation in performance between old and new product in the market; occupancy in new communities has increased while older product has declined over the same period. Newer product rents exceed the older comp set rents by 13%.

*YoY rent growth within the comp set has been exceptional, with **9.8%** rent growth for IL and **11.7%** rent growth for MC*

COMP SET YOY RENT GROWTH



*Effective March 1, 2023, the property increased in-place IL/AL and Cottage rents by **8%** and MC rents by **7%***



Macro-Economic Tailwinds

Seniors Housing construction starts across the nation are at 8-year lows, and the asset class continues to boast extraordinary long term demographic tailwinds. As the industry continues to implement rate increases and moderate expense loads, seniors housing is expected to live up to its reputation as an over-performing asset class in recessionary periods due to the needs based nature of the sector.



Desirable Seniors Housing Location

Although the Seattle region has seen a significant amount of commercial activity in recent years, development of Senior Housing product has lagged. Seniors continue to prefer suburban neighborhoods and remain active in their communities. Quail Park's suburban setting allows residents to get the “best of both worlds”, offering them a peaceful setting and access to local amenities and activities.

*Quail Park's suburban setting allows residents to get the “**best of both worlds**”*



Excellent Seniors Housing Fundamentals

Quail Park is located in the booming growth corridor of Lynnwood, Mill Creek, and Mukilteo, positioning the asset to take advantage of population growth 4-times the national average and median incomes as high as 33% above the rest of the nation. Buoyed by other economic tailwinds, such as the strong residential housing market and an influx of adult children to the area, Quail Park will be well positioned to capitalize on these long-term trends.





Big Gulch Park
2.6 miles
Easy trail route
95m elevation gain

Harbour Pointe Golf Club



Paine Field Airport

Flying Heritage & Combat Armor Museum
World's largest display of vintage planes
Boasts more than 70 pieces of military equipment

High Trek Adventures
Rope course + ziplines, Lazer tag, mini golf, fun tower, axe throwing

Walter Hall Golf Course

Everett

Arena Sports Mill Creek

Vertical World
America's first climbing gym

LA FITNESS DOLLAR TREE

99

Mill Creek

Lake Serene
Boat launch, fishing

SAFeway STARBUCKS

BARTELL DRUGS

BASE by Pros

56,760
Avg. Traffic Volume

525

SWEDISH MEDICAL CENTER Edmonds Campus
10-minute drive

Work'n More Moe's Market Envios La Cazuela Restaurant

39,540
Avg. Traffic Volume

Lynnwood

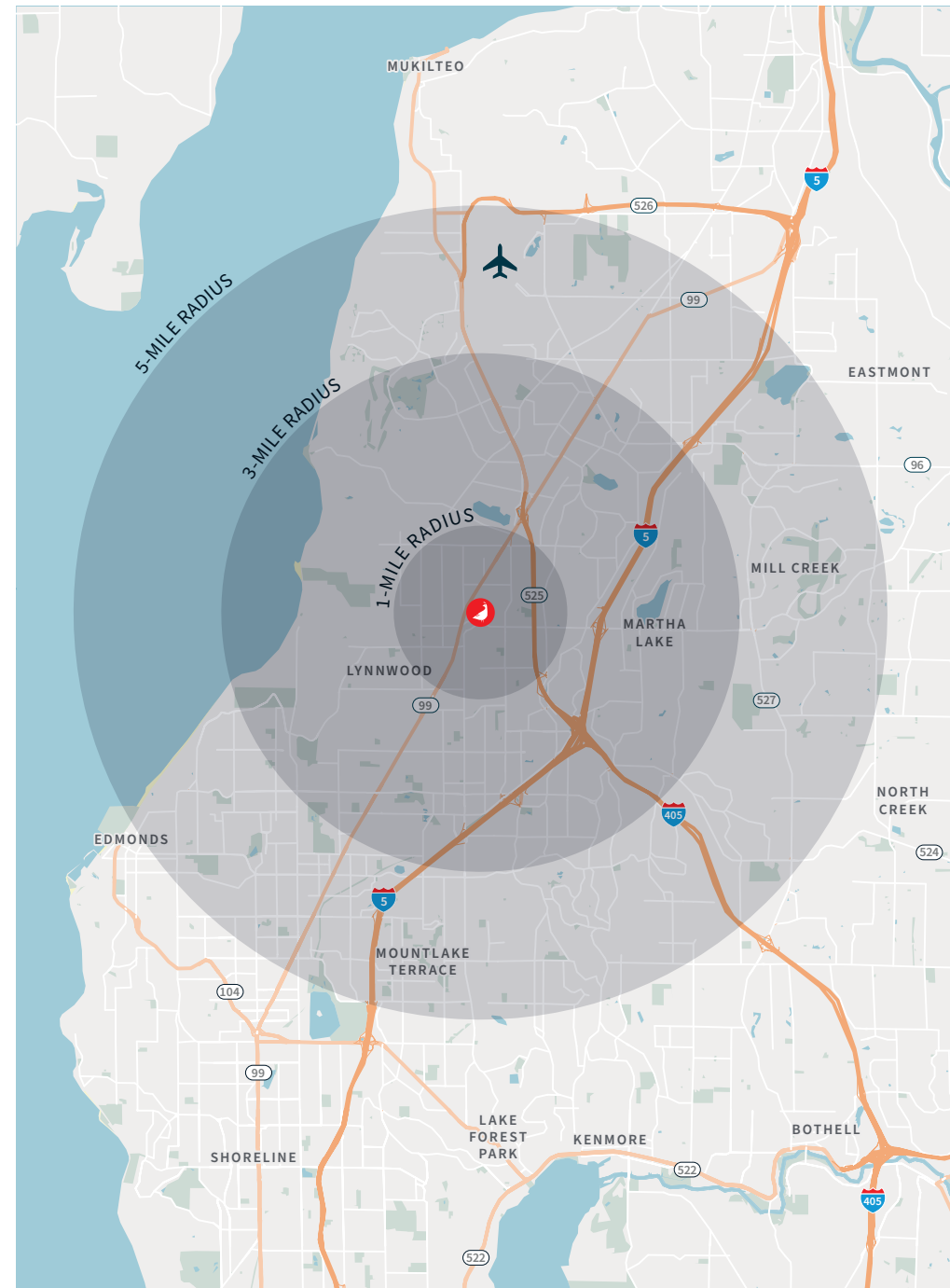
99



Median housing values within a 5 mile radius are approximately **2x the national median**

Location Overview

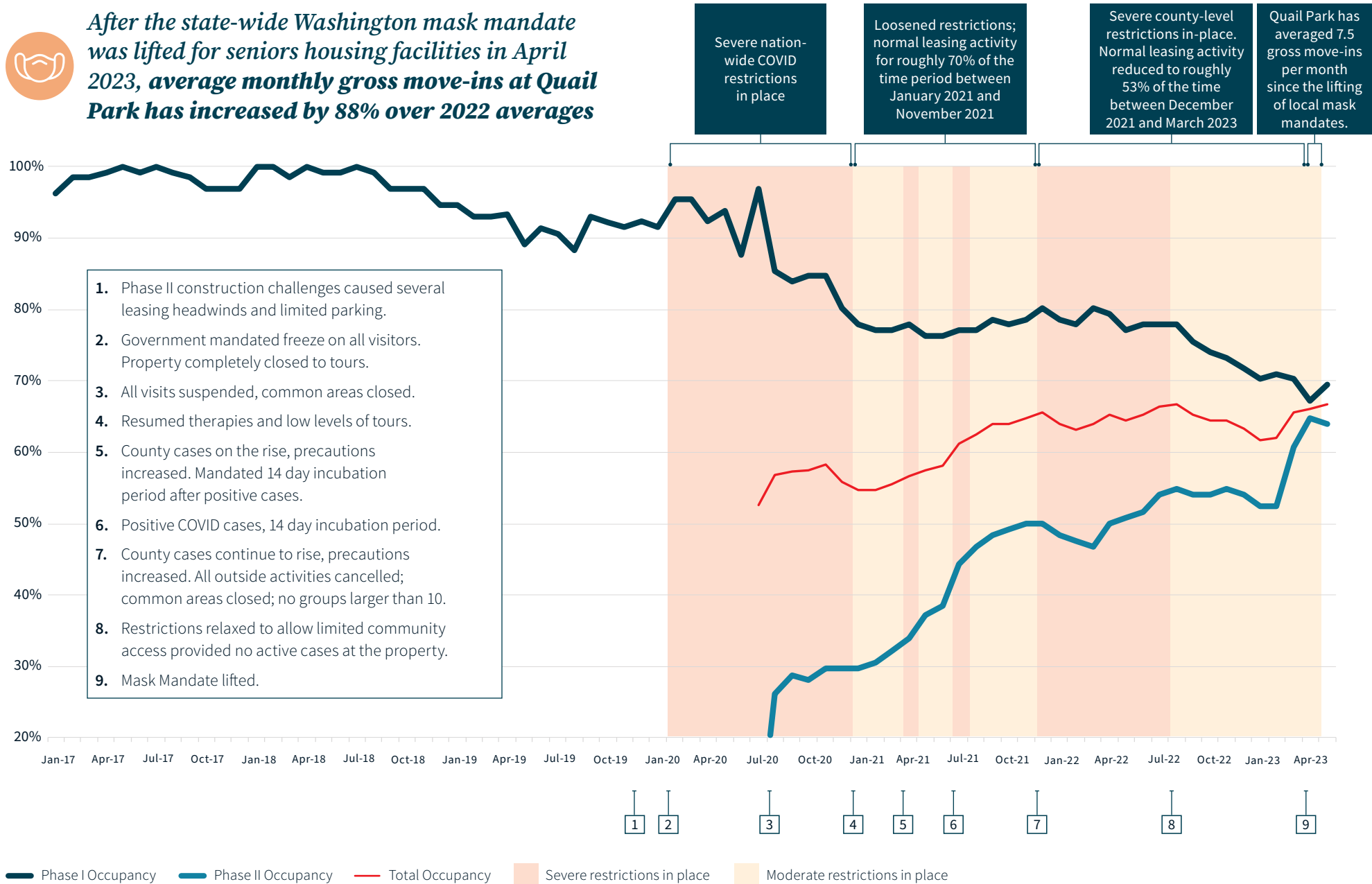
Demographics	1-Mile Radius	3-Mile Radius	5-Mile Radius	MSA	USA
Total Population					
2022 Population	25,030	136,124	329,395	4,131,015	335,707,797
Forecasted 2027 Population	26,198	143,012	340,839	4,238,801	339,902,796
Forecasted Annual Growth 85+, 2022-2027	3.71%	2.80%	2.16%	1.86%	1.64%
Income Levels					
Median Household Income, All Ages	\$80,841	\$92,215	\$96,616	\$105,891	\$72,414
Median Income Level Age 45 to 54	\$95,856	\$112,882	\$118,815	\$133,445	\$93,202
Median Income Level Age 55 to 64	\$87,845	\$105,145	\$108,484	\$117,798	\$81,726
Median Income Level Age 65 to 74	\$68,214	\$77,100	\$82,427	\$87,471	\$61,282
Median Income Level Age 75+	\$41,348	\$46,484	\$50,971	\$53,797	\$40,339
Housing Values					
Median Housing Value	\$503,867	\$538,601	\$558,213	\$589,113	\$283,272



Covid Restrictions Analysis



After the state-wide Washington mask mandate was lifted for seniors housing facilities in April 2023, average monthly gross move-ins at Quail Park has increased by 88% over 2022 averages



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