

625 TYLER STREET

PORT TOWNSEND, WA



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EXECUTIVE SUMMARY

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This exceptional commercial property at 625 Tyler St, Port Townsend, WA, offers a prime investment opportunity in the heart of downtown. Built in 1940 and significantly renovated in 2000 with a seismic retrofit, updated plumbing, electrical, CAT 5 wiring, and new windows, the property was further enhanced in 2025 with fresh paint, two 96% efficient propane furnaces, new roofs, and gutters.

The retail space, currently leased to a thriving printery under a modified gross lease, features a new 10-year lease with a 10-year extension option, ensuring long-term stability, with the potential for a buyer to owner-occupy by having tenants vacate. Additionally, the property includes a studio apartment generating \$700 per month in rental income. The retail space boasts high ceilings, exposed beams, ample storage, a roll-up bay door, multiple offices, and stunning water views, making it a standout in Port Townsend's vibrant downtown. The vacant parcel offers future development potential, enhancing the property's value. Its unmatched location, combined with recent upgrades, a secure lease, and the flexibility for owner-occupancy, positions 625 Tyler St as an attractive, low-maintenance investment with significant upside potential.



\$2,160,000
PRICE



6.10%
CAP RATE



6.14%
MARKET CAP
RATE



15.01
GRM



1940/2000
YEAR BUILT

625

Tyler Street

PORT TOWNSEND, WA

PROPERTY SUMMARY

Property Summary	
Price	\$2,160,000
Down Payment	\$784,282
Price per Net RSF	\$263.25
Current GRM	15.01
Market GRM	14.83
Current Cap	6.10%
Market Cap	6.14%
Renovated Rents	6.18%
Year Built/Renovated	1940/2000
Approx. Lot Size	7,405
Approx. Net RSF	8,205



INVESTMENT HIGHLIGHTS



Secured Income Stream

A newly executed 10-year modified gross lease with a 10-year extension option provides stable, predictable income from a well-established local printery. Supplemented by a studio apartment generating \$700/month, the asset offers immediate cash flow with minimal management burden.



Fully Renovated Asset

The property underwent two comprehensive renovation phases, including a 2000 seismic retrofit, system-wide upgrades, and 2025 mechanical replacements such as two 96% efficient furnaces, new roofs, and fresh exterior paint. These improvements deliver long-term durability and significantly reduce near-term capital expenditure risk.



Attractive Day-One Returns

Priced at \$2,160,000 (or \$1,080,000 per unit), the asset offers a 6.10% current cap rate and a 15.01 GRM, aligning with stabilized market metrics. Investors benefit from strong day-one income and a 6.17% renovated cap on cost, highlighting operational efficiency and upside potential.



Future Development Potential

A vacant parcel included in the offering presents a rare opportunity for future infill development, expansion, or additional parking. This added flexibility enhances long-term exit strategies and provides upside beyond the current income stream.



Favorable Financing Terms

The proposed financing scenario includes 36% equity, a 5.90% interest rate, and 25-year amortization, resulting in a manageable \$8,780 monthly debt service. This structure supports healthy cash-on-cash returns while allowing room for appreciation.



Premier Downtown Location

Positioned in the core of historic downtown, the property enjoys strong foot traffic, visibility, and sweeping water views from the retail space. Featuring high ceilings, exposed beams, a roll-up bay door, and ample storage, the asset combines architectural charm with commercial functionality.







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FINANCIALS

UNIT MIX

Unit Mix									
	No. of Units	Bdrms/Baths	Approx Sq. Ft.	Current Rents	Avg Rent/SF	Market Rents	Avg Rent/SF	Proforma Rents	Avg Rent/SF
A	1	Retail	7800	\$11,292	\$1.45	\$11,292	\$1.45	\$11,292	\$1.45
B	1	Studio	405	\$700	\$1.73	\$770	\$1.90	\$847	\$2.09
Totals	2	Aprox.	8,205	\$11,992	\$1.46	\$12,062	\$1.47	\$12,139	\$1.48

Scheduled Income			
	Current	Market	Proforma
Annual Scheduled Gross Income	\$143,904	\$144,744	\$145,668

ANNUALIZED OPERATING DATA

	Current Rents		Market Rents		Renovated Rents	
Gross Scheduled Income	\$143,904		\$144,744		\$145,668	
Less Physical Vacancy	\$0	0.00%	\$0	0.00%	\$0	0.00%
Gross Operating Income	\$143,904		\$144,744		\$145,668	
Less Expenses	(\$12,206)	8.48%	(\$12,206)	8.43%	(\$12,206)	8.38%
Net Operating Income	\$131,698		\$132,538		\$133,462	

Annualized Expenses		
	Current Expense	Market Expense
Property Taxes	\$8,624	\$8,624
Insurance:	\$3,582	\$3,582

Total Expenses:	\$12,206	\$12,206
Expenses as a % of GSI:	8%	8%
Expenses Per Unit:	\$6,103	\$6,103
Expenses Per Sq.Ft.:	\$1.49	\$1.49

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MARKET OVERVIEW

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Port Townsend, Washington, is experiencing steady population growth, reflecting its appeal as a desirable place to live. As of 2025, the city's population stands at approximately 10,721 residents, marking a 5.39% increase since the 2020 census. This growth is driven by factors such as its scenic coastal location, historic charm, and vibrant arts community, making it an attractive destination for both retirees and remote workers seeking a high quality of life.

The local economy in Port Townsend is diversifying, with significant investments aimed at enhancing its maritime infrastructure. The Port of Port Townsend received a \$2.3 million grant from the U.S. Department of Commerce to support the acquisition of critical maritime infrastructure needed to expand port operations. This development is expected to create jobs and stimulate economic activity in the region, reinforcing the city's position as a hub for maritime industries.

Port Townsend boasts a well-developed transportation network that supports its growing population and economy. The Jefferson Transit Authority operates a comprehensive public transit system, including shuttles that connect various parts of the city and surrounding areas. Additionally, the city's walkability is enhanced by its network of trails, sidewalks, and low-traffic streets, making it convenient for residents to navigate without a car. These transportation options contribute to the city's appeal as a sustainable and accessible community.

MARKET KEY POINTS



PROXIMITY TO EMPLOYMENT HUBS

625 Tyler Street is strategically located near major employers, including Boeing and Providence Health & Services, offering easy access for workers in these industries. The growing presence of tech companies in the region further supports demand for rental housing close to these job centers.



GROWING LOCAL POPULATION

Port Townsend has experienced steady population growth, with the city's population increasing by over 10% in the past decade. This demographic expansion is driven by people relocating for work and seeking affordable housing options outside of more expensive nearby markets like Seattle.



EXPANDING LOCAL EMPLOYERS

Port Townsend's economy is thriving, with significant expansion from key local employers such as the Port of Port Townsend, Boeing, and healthcare providers. As these employers continue to grow, the demand for residential rental properties is expected to increase, ensuring long-term housing needs for local workers.



EASY ACCESS TO TRANSPORTATION

The property benefits from excellent access to major highways and public transportation services. With quick connectivity to surrounding cities and employment hubs, tenants can enjoy a convenient and efficient commute.



GREAT NEARBY AMENITIES

The area surrounding 625 Tyler Street offers a variety of retail, dining, and recreational amenities that enhance tenant appeal. Residents can easily access shopping centers, parks, and restaurants, providing them with a well-rounded and convenient lifestyle.



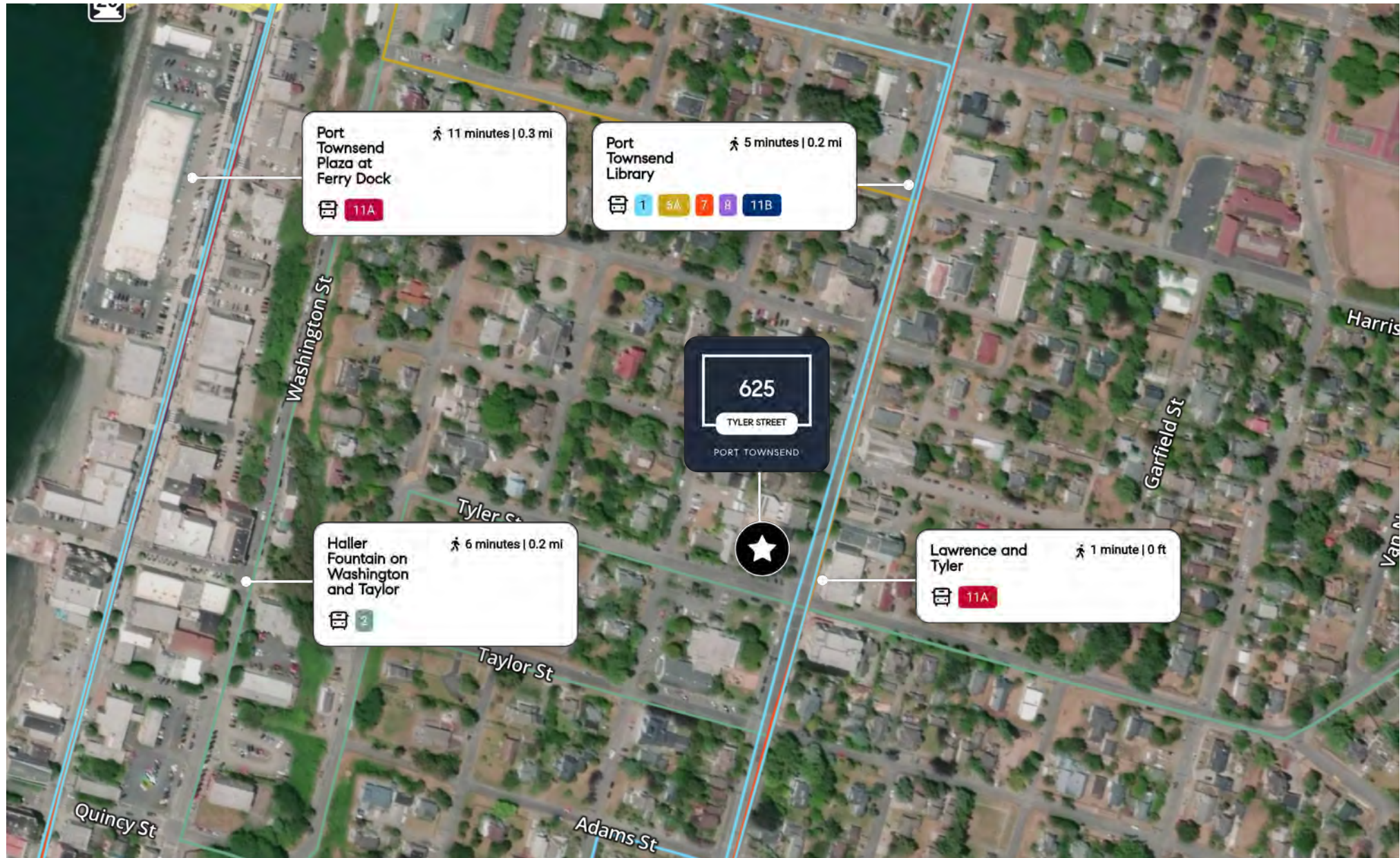
HIGH WALKABILITY SCORE

With a high walkability score, residents of 625 Tyler Street can comfortably walk to local amenities, including grocery stores, cafes, and public transportation. This walkability makes the property highly desirable to renters who prioritize convenience and ease of access to daily necessities.

AMENITIES MAP



TRANSPORTATION MAP



EDUCATIONAL ANCHORS

Port Townsend High School

Port Townsend High School, established in 1890, is one of the oldest high schools in Washington State. Serving approximately 361 students in grades 9–12 during the 2023–2024 academic year, the school boasts a student-to-teacher ratio of 19:1. Accredited by the State of Washington and the Northwest Commission on Colleges and Universities, it offers a comprehensive curriculum that prepares students for higher education and the workforce. The school's longstanding history and commitment to academic excellence contribute to the area's appeal for families seeking quality education.



Washington State University–Learning Center North Olympic Peninsula

Washington State University (WSU) operates the Learning Center North Olympic Peninsula, providing residents with access to higher education opportunities without the need to travel to the main campus. This center offers a variety of programs, including bachelor's and master's degrees, professional certificates, and continuing education courses. By extending WSU's resources to the Port Townsend area, the Learning Center plays a crucial role in workforce development and lifelong learning, enhancing the region's attractiveness to both residents and businesses seeking a well-educated labor pool.



Peninsula College

Established in 1961, Peninsula College serves as the primary institution of higher education on the North Olympic Peninsula. With a main campus in Port Angeles and extension sites in Forks and Port Townsend, the college offers a range of associate degrees, professional-technical programs, and community education courses. In the 2023–2024 fiscal year, Peninsula College generated a \$44 million economic impact on Clallam and Jefferson counties, marking a 15% increase from the previous year. Employing 323 staff members, it stands as one of the largest employers in Clallam County, underscoring its significant role in regional economic development.



MAJOR EMPLOYERS



The employment landscape surrounding 625 Tyler St in Port Townsend, WA, is anchored by a diverse array of major employers spanning healthcare, manufacturing, public education, maritime industries, government, and the arts. Key institutions such as Jefferson Healthcare provide regional medical services and stable healthcare employment, while the Port Townsend Paper Corporation serves as a significant industrial employer, underpinning the local manufacturing sector. The Port Townsend and Chimacum school districts, along with municipal government, supply a steady base of public sector jobs that contribute to economic resilience. The city's historic maritime industry remains vital, with the Port of Port Townsend and Northwest Maritime supporting both commercial and cultural activity along the waterfront. Northwind Art reflects an active creative economy, drawing regional participation and tourism. Proximity to the property ensures convenient local access to these workplaces, and the interconnectedness of industry, public service, and cultural sectors bolsters both employment stability and economic sustainability, positioning Port Townsend as a region with enduring workforce demand and a balanced economic profile.

Employer	Industry	Employ	Distance
Jefferson Healthcare	Healthcare	800	2.2 mi
Port Townsend Paper Company	Manufacturing	350	3.2 mi
Port Townsend School District	Education	250	0.5 mi
City of Port Townsend	Government	150	0.0 mi
Northwest Maritime Center	Non-profit / Education / Tourism	120	0.6 mi
Chimacum School District	Education	100	9.8 mi
Port of Port Townsend	Government / Maritime	75	1.3 mi
Fort Worden State Park / Centrum / Northwind Art	Government / Arts & Culture / Education	75	0.4 mi

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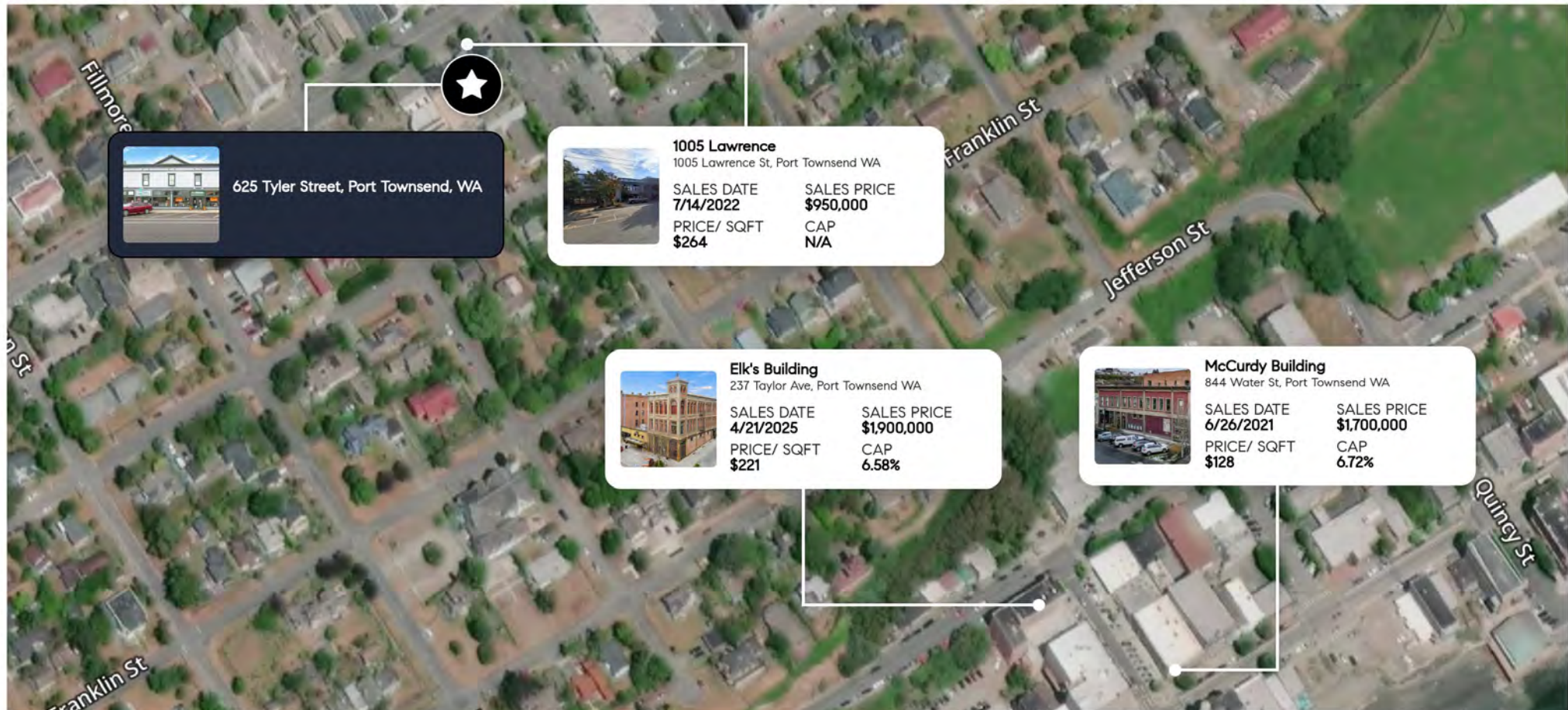


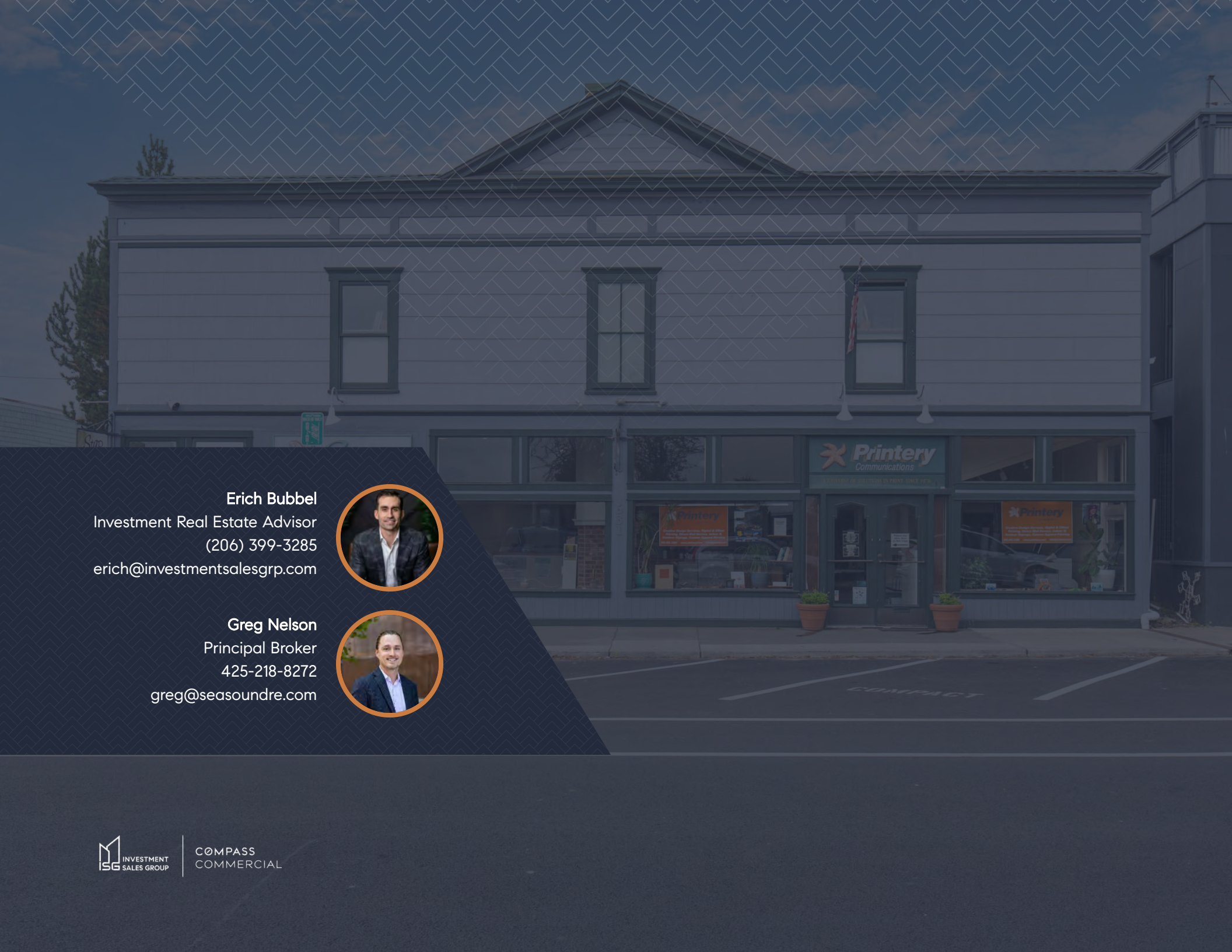
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THE COMPS

SALES COMPARABLES

ADDRESS	NAME	SALES DATE	YEAR BUILT	SALES PRICE	CAP	PRICE/ SQFT
237 Taylor Ave, Port Townsend WA	Elk's Building	4/21/2025	1889	\$1,900,000	6.58%	\$221
844 Water St, Port Townsend WA	McCurdy Building	6/26/2021	1887	\$1,700,000	6.72%	\$128
1005 Lawrence St, Port Townsend WA	1005 Lawrence	7/14/2022	1939	\$950,000	N/A	\$264
AVERAGE					6.65%	\$204





Erich Bubbel

Investment Real Estate Advisor

(206) 399-3285

erich@investmentsalesgrp.com



Greg Nelson

Principal Broker

425-218-8272

greg@seasoundre.com



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