

JERD Investments Building 3

Leased April 2024

2716 119th St SW, Everett, WA 98204

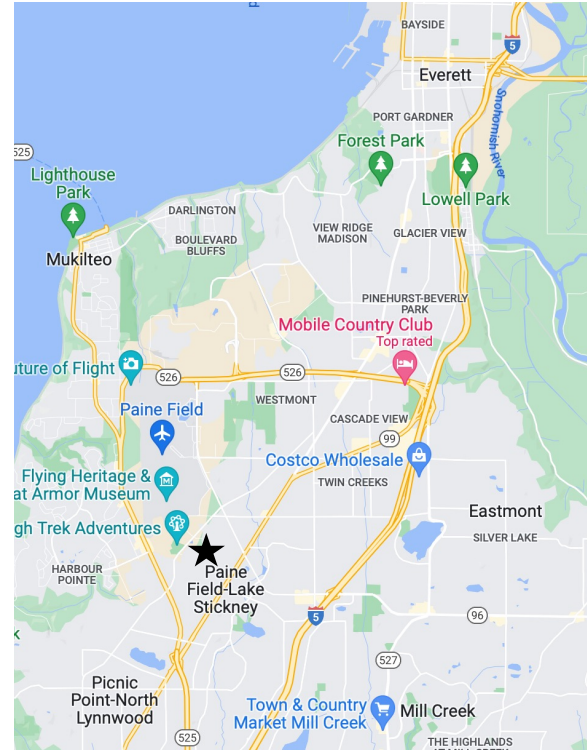


Building Details

- 21,250 Square Feet Warehouse
- Metal Construction built in 2018
- Features include insulation, LED lighting, a sprinkler system, clear span, 24' ceiling clearance, and 2 grade level doors

Transaction Overview

It might be said the JERD Investments Building 3 is nothing fancy, just a warehouse. It has no dock high loading for distribution uses, no office and relatively little parking. However it is clear span meaning without columns, a coveted feature sought by recreational users that struggle to find buildings that can fit various courts into a building. Plus, its location on the south side of Paine Field means good access heading into Lynnwood and North King County. These features worked well for a recreational user that SRE was ultimately able to finalize a lease with.



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Recreational Users

As brokers, it seems we have gotten much interest as of late from what we call “recreational” users. That’d be sports related users, and as you’d probably guess, pickleball. The rise in popularity of this sport certainly seems dramatic. But is it a fad? And how can a landlord insure or mitigate the risk of leasing to a nontraditional (possible fad) warehouse use or start-up business?

Security

Without past business financial statements, the first thing we ask for is information on the backing. In essence, show me the money! It’s one thing to believe in your business, it’s another to ask a building owner to believe. If things do not go as planned, then does the business have the ability to manage those obstacles? A personal guarantee of the lease by someone with the financial strength to carry the costs during a ramp-up period is the first thing we pursue in the representation of building ownership. Other avenues building ownerships have to increase security include increased tenant deposit, pre-paid rent, and bonds.

Upfront Costs

Risk may be lowered by reducing the financial contribution to the deal. Improvement in these scenarios can be carried out at the tenant’s cost and if need be, offset by other benefits given to the tenant. Also, timing of any costs incurred by the landlord can be spaced out or contingent on tenant performance.

The Team



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The Company

SRE is a real estate brokerage founded in 2015 by Tyler Springer. Its mission is to deliver excellent service to investors and companies in the Puget Sound area. We are a team of experienced and dedicated professionals specializing in investment sales, user sales, tenant leasing representation and landlord leasing representation. Our mission is served through holding a high ethical standard and providing dedicated attention to projects and clients. Visit us online at www.srecommercial.com.

