

OFFERING MEMORANDUM

GATEWAY CENTER

2505 OLYMPIC HIGHWAY N, SHELTON, WA 98584



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An aerial photograph of a large commercial parking lot at Gateway Center. The parking lot is filled with cars and has several small trees and bushes planted in the spaces. In the background, there are several commercial buildings, including a McDonald's. The sky is overcast with grey clouds.

INVESTMENT SUMMARY

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Kidder Mathews is pleased to present the opportunity to acquire the Gateway Center in Shelton, Washington, a 100% occupied shopping center investment anchored by Department of Social & Health Services (DSHS) and Mason General Hospital. Both tenants have occupied the property for 20+ years, providing a strong foundation of consistent occupancy and dependable cash flow.

The average rental rate at the Gateway Center stands at an exceptionally low \$13.42 psf – substantially below market averages – creating a compelling value-add opportunity through base rent increases and transitioning leases to NNN lease structures.

\$7,260,000

PRICE

\$117

PRICE/SF

8.50%

CAP RATE

62,006 SF

RENTABLE SF

4.86 AC

LAND AREA

\$617,279

NOI

100%

OCCUPANCY



INVESTMENT HIGHLIGHTS

DSHS and Mason General Hospital have occupied the property for 20+ years.

Extremely low average rental rate of \$13.42 psf, substantially below market average.

DSHS has given verbal notice of their intent to renew the lease through 2032.

Huge value-add opportunity by raising rents and converting leases to NNN.

Priced at \$117 psf, well below replacement cost and featuring 4.86 acres of land area.

Neighboring McDonald's (NAP) is ranked in the 90th percentile per Placer.ai, providing strong consumer traffic and a high-performing retail center, providing strong consumer traffic and draw to the Gateway Center.

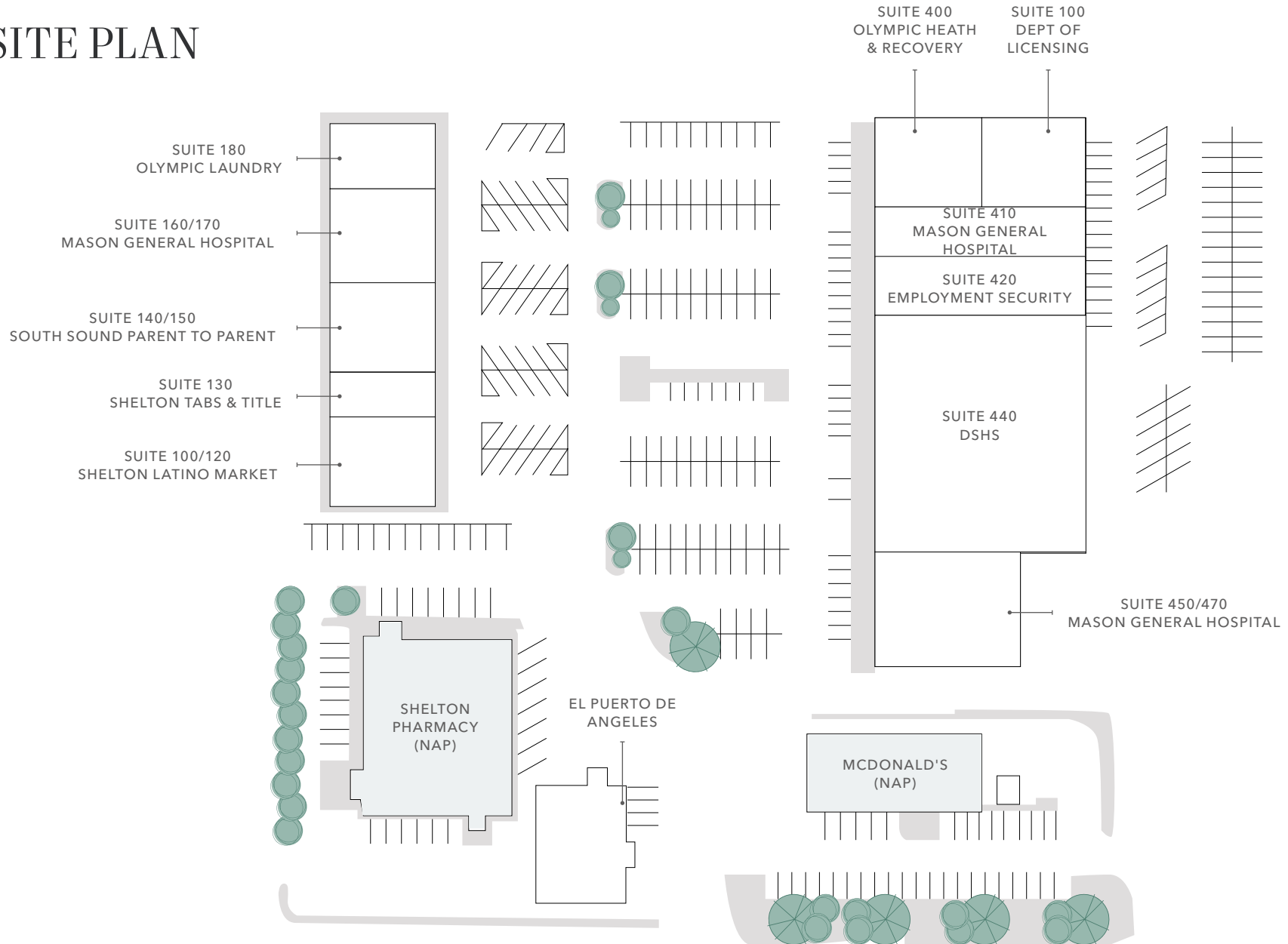




PROPERTY OVERVIEW



SITE PLAN





LOCATION OVERVIEW

SHELTON, WA

Shelton is the county seat of Mason County, located at the southern tip of Oakland Bay along Puget Sound, approximately 25 miles northwest of Olympia. The city serves as the primary commercial and governmental hub for Mason County and functions as a key gateway between the Olympic Peninsula and the South Puget Sound region.

Shelton benefits from regional accessibility via U.S. Highway 101, providing direct connections to Olympia, Aberdeen, and the broader Olympic Peninsula. Its proximity to the state capital and Joint Base Lewis-McChord enhances the area's employment base while maintaining a lower-cost alternative to larger Puget Sound markets.

The local economy is supported by a diverse mix of government services, healthcare, education, manufacturing, and natural resource industries. Major employers include Mason General Hospital & Family of Clinics, Sierra Pacific Industries, the Washington State Department of Corrections, and Mason County government. The area has a longstanding industrial and timber presence, complemented by steady growth in service-oriented businesses.

Shelton has experienced gradual population growth, driven by affordability, lifestyle appeal, and increased demand from commuters seeking housing alternatives outside Olympia and Tacoma. Recent public and private investments, including infrastructure improvements and new commercial development, continue to strengthen the city's role as a stable regional center.

LOCATION OVERVIEW



DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
2025 TOTAL	3,695	14,662	22,937
2030 PROJECTION	3,818	15,044	23,670
2020 CENSUS	3,891	15,864	24,326

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
2025 AVERAGE HH INCOME	\$89,793	\$93,252	\$100,088
2030 PROJECTED HH INCOME	\$90,243	\$93,480	\$100,335
TOTAL BUSINESSES	240	671	815
TOTAL EMPLOYEES	3,149	6,591	7,345

EDUCATION

	1 Mile	3 Miles	5 Miles
SOME HIGH SCHOOL	6.0%	8.1%	9.0%
HIGH SCHOOL DIPLOMA	36.4%	31.6%	30.2%
SOME COLLEGE	20.9%	24.7%	26.1%
ASSOCIATE	9.5%	10.1%	9.9%
BACHELOR	13.4%	12.4%	12.6%
GRADUATE	4.2%	6.4%	7.2%

HOUSEHOLDS

1,345
1 MILE

5,199
3 MILES

7,946
5 MILES

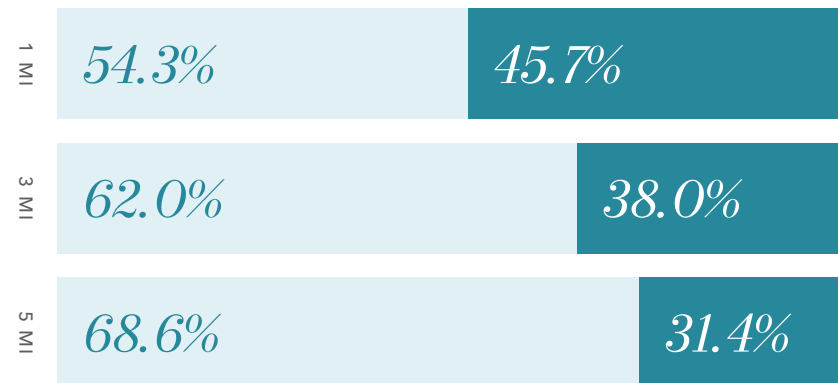
2030 PROJECTED GROWTH

0.6%
1 MILE

0.4%
3 MILES

0.5%
5 MILES

OWNER VS. RENTER OCCUPIED



■ OWNER ■ RENTER

Data Source: ©2026, Sites USA



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