WINDERMERE NORTH SOUND

OFFERING

MEMORANDUM

100% LEASED	6,965 SF / 0.48 ACRE	OFFERED AT $2,150,000

FIDALGO COMMERCIAL PROPERTIES

Four-Parcel Mixed-Use Assemblage - Downtown Anacortes,Washington

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2001 & 2011 Commercial Avenue + 909 & 915 20th Street

Anacortes, Washington 98221

Offered exclusively by Windermere North Sound

Nate Scott, Designated Broker | nscott@windermere.com

Windermere North Sound

Windermere COMMERCIAL

Confidential Investor Offering Memorandum — For Qualified Buyer Review Only

Investment Highlights

Fidalgo Commercial Properties is a four-parcel midtown corner assemblage on Commercial Avenue, the primary retail corridor in Anacortes, Washington. The offering presents an investor with stable in-place income, an eight-year tail on the anchor restaurant lease, hard-to-find Commercial Ave frontage, fifteen commercial parking stalls, embedded apartment-rent upside on next turn, and approximately 0.48 acre of contiguous commercially-zoned land — all in a Pacific Northwest tourism submarket at the gateway to the San Juan Islands.

Below-replacement-cost basis	List price of $2,150,000 sits ~4–14% below the $2,250,000–$2,500,000 estimated cost to re-assemble these four parcels today
Anchor restaurant lease	Good Bagels NNN, 10-year initial term to January 2033 with annual escalators climbing to $5,644/month; eight-year remaining term
100% income-unit occupancy	Six occupied units across four contiguous parcels — restaurant, retail + residential unit, two apartments, single-family home
Stabilized in-place NOI	$110,736 owner pro forma
Four separately-financeable parcels	Investor optionality — finance jointly, separately, or carve future asset sales; ~0.48 acre contiguous land assemblage
Irreplaceable downtown amenities	Direct Commercial Avenue frontage; fifteen commercial parking stalls; corner location — high vis with high traffic counts
Embedded NOI growth	Good Bagels rent escalates ~23% over remaining term; Lina's Nails $50/month annual bumps; apartment rent-to-market on rolls; vacant 915 20th Street accessory adds further income upside
Strong submarket fundamentals	Puget Sound retail vacancy 4.0% (Kidder Mathews Q1 2026); 754,000+ ferry passengers; +27% YoY residential price growth
Diversified Anacortes economy	Refinery (~425 jobs at HF Sinclair), tourism, marine/yachting; resilient three-legged base

Pricing Summary

Metric	Value
List Price	$2,150,000
Implied Cap Rate (owner pro forma NOI)	5.15%
Price / SF (building)	$309

PROPERTY DESCRIPTION

The portfolio comprises four separately deeded contiguous parcels assembled to form a single income-producing offering with embedded land-assemblage value.

Address	Parcel	Bldg SF	Lot SF	Year	2026 AV	Use
2001 Commercial Ave	P60411	3,150	4,200	1900	$496,700	Retail w/ 2 apts above
2011 Commercial Ave	P60412	1,535	1,800	1920	$241,400	Retail (Unit A) + Residential (Unit B)
909 20th St	P60409	1,664	10,500	1910	$522,700	Single-family home w/ 9 commercial parking
915 20th St	P60410	616	4,200	—	$205,900	Commercial accessory
Combined	—	6,965	20,700	—	$1,466,700	Mixed-use portfolio

BUILDING 1 — 2001 COMMERCIAL AVENUE (Restaurant + Apartments)
3,150 SF two-story building on a 4,200 SF lot at the corner of Commercial Avenue and 20th Street. Ground-floor restaurant space leased to Good Bagels under a 10-year NNN lease (eight years remaining); two residential apartments upstairs. Direct frontage on Commercial Avenue.

BUILDING 2 — 2011 COMMERCIAL AVENUE (Retail + Residential, Two Units)
1,535 SF single-story building on a 1,800 SF lot, immediately adjacent to Building 1, containing two units. Unit A is commercial retail space leased to Lina's Nails on a three-year lease commencing October 1, 2025. Unit B is a residential unit leased to tenant on a one-year lease through March 31, 2027.

BUILDING 3 — 909 20th STREET (Single-Family Home + Commercial Parking)
1,664 SF 1.5-story single-family home on a 0.24-acre / 10,500 SF corner lot, located directly behind Buildings 1 and 2, leased to residential tenant. Lot carries nine commercial parking stalls — a rare and irreplaceable downtown amenity.

BUILDING 4 — 915 20th STREET (Accessory Commercial)
616 SF commercial accessory building on a standard ~4,200 SF lot, immediately adjacent to the 909 20th Street single-family home parcel and completing the four-parcel corner-block assemblage.

Four-Parcel Assemblage Overview

The four parcels sit as a contiguous corner block on Commercial Avenue and 20th Street, six blocks from Cap Sante Marina. The red outlines below mark the full assemblage boundary.

Aerial view of the four-parcel assemblage, with Cap Sante Marina, Guemes Channel, and the San Juan Islands beyond

Site aerial — four contiguous parcels outlined in red, showing the nine on-site commercial parking stalls

TENANCY & RENT ROLL

All six units are currently occupied, generating $12,404/month or $148,848 in annualized Gross Scheduled Income at current rents.

Unit / Address	Tenant	Monthly	Annua l	Lease Status
2001 Commercial Ave — Retail	Good Bagels	$4,589	$55,073	10-yr NNN to 1/1/2033, annual escalators
2001.5 Commercial Ave — Apt	Residential	$1,000	$12,000	Month-to-month
2001 Commercial Ave Unit B — Apt	Residential	$1,270	$15,240	1-yr lease to 10/1/26
2011 Commercial Ave — Unit A (Retail)	Lina's Nails	$1,250	$15,000	3-yr lease to 10/1/28, $50/yr increases
2011 Commercial Ave — Unit B (Residential)	Residential	$1,995	$23,940	1-yr lease to 3/31/27
909 20th St — Single-Family Home	Residential	$2,300	$27,600	Lease exp 5/31/26 — renewal pending
Total	—	$12,404	$148,848	

ANCHOR LEASE ABSTRACT - GOOD BAGELS

Restaurant lease dated September 21, 2022
between Fidalgo Commercial Properties, LLC (Landlord) and Good Bagels, LLC (Tenant).
Premises: 2001 Commercial Avenue, Anacortes, WA 98221.
Rent commenced January 1, 2023. Initial term 120 months (10 years).
Annual minimum rent escalators: $4,200 (Yr 1), $4,326, $4,455.78, $4,589.45 (current), $4,727.14, $4,868.95, $5,015.02, $5,165.47, $5,320.43, $5,480.04, ending at $5,644.45 in months 121–122.
Tenant reimburses Landlord $531 quarterly for second-floor utilities.
Lease includes a Tenant option to extend per the Option to Extend rider.

OTHER COMMERCIAL LEASE ABSTRACTS

- Lina's Nails (2011 Commercial Ave, Unit A): three-year lease commencing October 1, 2025, expiring October 1, 2028. Initial rent $1,250/month with $50/month annual increases. Operator has a track record at the location.
- Res Tenant (2011 Commercial Ave, Unit B — residential): $1,995/month, one-year lease expiring March 31, 2027.
- Res Tenant (909 20th St — single-family home): $2,300/month, lease expiring May 31, 2026, renewal pending — opportunity for buyer to renew at market.
- Res Tenant (2001.5 Commercial Ave Apt): $1,000/month, month-to-month — likely below market and represents rent-to-market upside on next turn.
- Res Tentnat (2001 Commercial Ave Unit B): $1,270/month, one-year lease expiring October 1, 2026.

Stabilized financials below reflect a clean, ongoing operating basis. Property taxes are restated to the 2026 Skagit County levy. Insurance reflects 2024 actual.

Operating Expenses

Operating Expense	$/yr
Property taxes (2026, 4 parcels)	$11,496
Insurance	$14,349
Repairs & maintenance	$7,705
Utilities (common areas)	$4,150
Legal & professional	$107
Office supplies	$105
Other / misc	$200
Total Stabilized OpEx	$38,112

Net Operating Income

Line Item	Amount
Gross Scheduled Income (Yr 1, in-place)	$148,848
Less: Vacancy / collection (5% buyer underwrite)	($7,442)
Effective Gross Income	$141,406
Less: Stabilized Operating Expenses	($38,112)
Net Operating Income — Buyer Underwriting	$103,294
Net Operating Income — Owner Pro Forma (no vacancy)	$110,736

Embedded Growth

The Good Bagels lease carries annual rent escalators that lift monthly rent from the current $4,589 to $5,644 by lease end (~23% growth over remaining term). Lina's Nails lease carries $50/month annual increases. The apartment and residential units offer rent-to-market upside on next turn. Combined, in-place GSI grows organically to approximately $158,000–$165,000 by year five without any market-rent assumption beyond contractual escalators.

LOCATION & MARKET

Anacortes / Fidalgo Island Overview

Anacortes is a city of approximately 18,255 residents (Jul 2025) on Fidalgo Island in Skagit County, Washington, located 80 miles north of Seattle and 35 miles south of the Canadian border. The city is the mainland gateway to the San Juan Islands ferry system (754,000+ summer passengers in 2024 per Washington State Standard) and a regional hub for marine, refining, and tourism activity.

Diversified Economic Base

Unlike single-industry tourism towns, Anacortes carries a three-legged economic base. HF Sinclair operates a refinery providing approximately 425 local jobs. The marine/yachting sector (Cap Sante Marina, boatbuilding, marine services) supports working-waterfront employment year-round. Tourism is amplified by the San Juan Islands ferry system and the new Cap Sante walk-on passenger ferry (launched April 2025) that drops foot traffic directly into the downtown Commercial Avenue retail district.

Commercial Avenue Corridor

Commercial Avenue is the primary north-south retail corridor in downtown Anacortes, lined with restaurants, boutiques, marine outfitters, and professional offices. The subject portfolio occupies the corner of Commercial Avenue and 20th Street, six blocks from Cap Sante Marina. Public retail-rent benchmarks for the corridor average approximately $30/SF NNN. Retail vacancy is 4.0% across the broader Puget Sound retail market (Kidder Mathews Q1 2026). The Port of Anacortes is removing supply through redevelopment of the former Marine Hardware/Olson block for workforce housing — bullish for remaining well-located Commercial Avenue commercial buildings.

Fidalgo Commercial Properties (outlined in red) on Commercial Avenue, the main north–south corridor through downtown Anacortes

Demand Fundamentals

Skagit County residential demand has been one of the strongest stories in Pacific Northwest housing. The Commercial Avenue neighborhood median sale was $532,000 in July 2025 with median $/SF of $429 (+41.1% YoY) per Redfin. Citywide median climbed to approximately $772,880 by September 2025 (+26.7% vs 2024) — driven by retiring boomers, second-home buyers, remote workers, and Seattle/Bellevue spillover.

PHOTO GALLERY


BUILDING 1 — 2001 COMMERCIAL AVENUE (Restaurant + Apartments)


BUILDING 2 — 2011 COMMERCIAL AVENUE (Retail + Residential, Two Units)



BUILDING 3 - 909 20th Street (Single Family Home = Commercial Parking)

Aerial of 4 - Parcel Assemblage

SHOWING INSTRUCTIONS & OFFERING PROCESS

Showing & Viewing Instructions

- **All showings are by appointment only, arranged directly through the listing broker. Please do not contact tenants, employees, or occupants of the property, and do not enter any leased space without the listing broker present.**
- Exterior / drive-by viewing of the property is welcome at any time from the public right-of-way.
- Interior showings of tenant spaces (Good Bagels, Lina's Nails, the two apartments, the 2011 Commercial Ave residential unit, and the 909 20th Street single-family home) will be scheduled only after an accepted offer, in order to protect tenant operations and avoid any disruption to their businesses or homes.
- Please do not park in or otherwise disturb the tenants' or customers' use of the nine commercial parking stalls during a drive-by.
- To schedule a showing, request lease documents, or ask questions about the offering, contact the listing broker directly — see contact information below.

Offering Process

Offers should be submitted in writing through the listing broker. Preferred terms include all-cash or pre-qualified financing, a due-diligence period of 30 days or less, and the buyer's agreement to assume existing leases. Tours, additional financial detail, lease copies, and trailing-12 financials are available after a signed contract to purchase.

Listing Broker Contact

Nate Scott, Designated Broker
Windermere North Sound
360.708.2354
nscott@windermere.com .

For showings, offers, and additional due-diligence materials, contact the listing broker directly.

Confidentiality & Disclaimers

Confidentiality

This Offering Memorandum is provided to qualified prospective investors solely for the purpose of evaluating the potential acquisition of the property described herein. By accepting this OM, the recipient agrees to (a) hold the contents in strict confidence, (b) not reproduce, distribute, or share with any third party other than its advisors engaged in evaluating the acquisition, and (c) return or destroy this OM upon request if the recipient elects not to pursue the opportunity.

Disclaimers

Information contained herein has been obtained from the seller or sources deemed reliable; however, neither the seller nor Windermere North Sound makes any representation or warranty, express or implied, as to the accuracy or completeness of the information. Stabilized NOI is a normalized estimate derived from owner-provided records and is not a guarantee of

future performance. Cap rate benchmarks reflect publicly-published market reports as of the dates cited. All financial projections are estimates and depend on assumptions that may not materialize. Prospective buyers are responsible for performing independent due diligence, including but not limited to lease verification, financial review, building condition assessment, environmental review, and verification of zoning and permitted uses. This OM does not constitute an offer to sell, but rather an invitation to qualified parties to submit an offer for the seller's consideration.