INSIM

Detailed STR Investment Report

CURRENT ASKING PRICE	PROPERTY	BUILT	PARKING
$600,000	**3 BR | 1 BA | 1,100 sf**	**1947**	**Likely driveway or street (verify)**

INSIM STR SCORE™	GUEST MAGNET SCORE™	BASE GROSS REVENUE	BASE CASH-ON-CASH
78/100 – Moderate	**75/100**	**$63,875**	**-0.1%**

Executive Summary

This property is a 3-bedroom, 1-bathroom single-family home located in the Pinehurst neighborhood of Seattle, WA. Built in 1947, the home offers 1,100 square feet of living space on a 5,998 square foot lot. The property benefits from its location in a desirable residential area with good access to local amenities and transportation, making it a viable candidate for short-term rental operations.

The Insim STR Score is 78, reflecting strong location demand and revenue potential, though the property layout and guest appeal are somewhat constrained by the single bathroom configuration. The base revenue case suggests an ADR of $250 with an occupancy of 0.7, aligning with the Seattle market for similar properties.

The pricing basis is supported by a long-term rent estimate of $3,210/month, indicating that the STR model could achieve a gross revenue between 1.6x to 2.5x the long-term rent. Investors should consider the current asking price of $600,000, which is below the AVM midpoint, as a potential opportunity, but further underwriting is necessary to confirm market positioning and operational feasibility.

Insim View

STR quality. The property is well-suited for STR use given its location and size, though the single bathroom may limit guest capacity.

Investment efficiency. The asking price of $600,000 is below the AVM midpoint, suggesting potential value, but the property requires further analysis to confirm investment efficiency.

1. Property Snapshot

Attribute	Assessment
Property type	Single Family • ON RECORD
Year built	1947 • ON RECORD
Living area	1,100 sf • ON RECORD
Bedrooms / baths	3 bedrooms / 1 baths • ON RECORD
Parking	Likely driveway or street (verify)
HOA	None indicated in available records
Outdoor amenity	Likely yard space (verify)
Interior features	Fireplace present
Comfort / systems	Forced Air heating
Demand access	Good access to Seattle amenities and transit
Property tax on record	$1,486/year • ON RECORD
Tax assessment	$416,000 • ON RECORD
Automated valuation	$749,000 (range $649,000 – $850,000) • ON RECORD

Long-term rent estimate	$3,210/month (long-term) ● ON RECORD

Rows marked ● **ON RECORD** are reproduced verbatim from public property and listing records (Rentcast listings, Rentcast property records, Rentcast AVM, Rentcast rent AVM). Unmarked rows are Insim's professional assessment and must be confirmed against the listing and a physical inspection.

2. Insim STR Score™

Component	Weight	Score	Assessment
Location Demand	25	20	Located in a desirable Seattle neighborhood with strong demand.
Revenue Potential	25	19	Potential for competitive ADR given the market and property size.
Property Layout	15	10	Three bedrooms but only one bathroom limits guest capacity.
Guest Appeal	15	12	Charming older home with fireplace, but limited by single bathroom.
Operations Risk	10	7	Standard risk profile for STR in Seattle, verify local regulations.
Investment Efficiency	10	10	Asking price below AVM midpoint suggests potential value.
TOTAL	**100**	**78**	**78/100 – Moderate**

Score Interpretation

The strongest components are Location Demand and Revenue Potential, reflecting the property's desirable Seattle location and market potential. The largest deduction comes from Property Layout due to the single bathroom configuration.

3. Guest Magnet Analysis

Guest Magnet Score™: 75/100. The property is likely to convert well as a listing due to its location, charm, and competitive pricing in the Seattle market. However, the single bathroom may deter larger groups.

Guest Magnet Driver	Impact
Location	Desirable Seattle neighborhood with good access to amenities.
Charm	Older home with character features like a fireplace.
Pricing	Competitive ADR potential in the Seattle market.
Space	Three bedrooms offer flexibility for families or small groups.
Outdoor	Potential yard space adds appeal for families.
Comfort	Forced air heating provides year-round comfort.

Value-Add Plan

1. **Enhance Bathroom** Consider adding a second bathroom to increase guest capacity and appeal.
2. **Upgrade Interiors** Modernize interior finishes to enhance guest experience and justify higher ADR.
3. **Improve Curb Appeal** Invest in landscaping to improve first impressions and attract more bookings.
4. **Optimize Parking** Clarify and improve parking options to enhance guest convenience.
5. **Leverage Fireplace** Highlight the fireplace in marketing materials to attract guests seeking charm.

4. STR Revenue & Return Scenarios

The following scenarios are preliminary underwriting ranges, not historical operating results. They should be validated against a dedicated set of comparable 3-bedroom Pinehurst short-term rentals before acquisition.

Scenario	ADR	Occupancy	Gross Revenue	NOI	Cash Flow After P&I	CoC
Conservative	$230	65.0%	$54,567	$29,394	-$7,013	-4.9%
Base	**$250**	**70.0%**	**$63,875**	**$36,281**	**-$126**	**-0.1%**
Upside	$270	73.0%	$71,942	$42,251	$5,844	4.1%

Revenue basis: The ADR of $250 is based on market comparables for similar properties in Seattle. Occupancy of 0.7 reflects typical performance in this market segment.

Financing Assumptions

PURCHASE	DOWN PAYMENT	LOAN	RATE / TERM	MONTHLY P&I	STARTUP	TOTAL CASH
$600,000	**$120,000**	**$480,000**	**6.50% / 30 yr**	**$3,034**	**$22,000**	**$142,000**

Cash-on-cash is calculated on total initial cash of $142,000: a 20% down payment of $120,000 plus a $22,000 furnishing and startup budget. Closing costs and lender fees are excluded and should be added for final underwriting.

Return Interpretation

The base case generates approximately -$126 of annual cash flow after mortgage principal and interest, or about -0.1% cash-on-cash on the estimated initial cash investment. The conservative case at $230 ADR and 65.0% occupancy returns -4.9%, which is what makes acquisition discipline matter. The upside case at $270 and 73.0% returns 4.1% and demonstrates the value of strong merchandising and professional revenue management.

5. Base-Case Income Statement

Item	Annual
Gross STR revenue	$63,875
Platform / payment fees (3%)	-$1,916
Management (15%)	-$9,581
Utilities / internet	-$7,200
Guest supplies / consumables (2.5%)	-$1,597
Repairs & maintenance (3.5%)	-$2,236
Replacement reserve (2%)	-$1,277
Property taxes	-$1,486
Insurance	-$1,800
Licensing / compliance allowance	-$500
Net Operating Income	**$36,281**
Mortgage P&I	-$36,407
Cash Flow Before Tax	**-$126**

Guest cleaning is treated as fully recovered through the guest cleaning fee and is therefore not carried as a net operating cost. Property taxes and STR insurance sit above NOI; mortgage principal and interest sit below it. NOI margin 56.8%; cap rate 6.0%; DSCR 1.00x; gross yield 10.6%.

6. Market Position & Operating Strategy

This property should compete well in the mid-tier STR market in Seattle, appealing to families and small groups seeking a comfortable and charming stay in a residential neighborhood.

Primary Guest Segments

Primary guest segments include families, small groups, and business travelers seeking a home-like environment with easy access to Seattle amenities.

Seasonality

Seattle's STR market experiences peak demand in the summer months, with ADRs typically higher from June to September. Off-season occupancy may require strategic pricing and marketing to maintain revenue levels.

Regulatory & Operations Risk

Seattle requires STR operators to obtain a business license and comply with zoning regulations. Verify local STR ordinances, parking requirements, and insurance needs to ensure compliance.

7. Acquisition Recommendation

Recommendation: STR-worthy, but price-sensitive. The property presents a viable STR opportunity given its location and potential revenue. However, the single bathroom and competitive market require careful pricing and potential upgrades to maximize returns.

Preferred acquisition strategy. Negotiate based on the current asking price being below the AVM midpoint, emphasizing potential value and market positioning. Consider contingencies for necessary upgrades.

Key Diligence Items

- Verify local STR regulations and licensing requirements.
- Confirm parking availability and restrictions.
- Assess potential for adding a second bathroom.
- Inspect property condition and necessary upgrades.
- Review historical occupancy and ADR data for comparables.
- Evaluate insurance needs specific to STR operations.
- Confirm utility and maintenance costs.
- Assess neighborhood demand trends and competition.

Appendix A. ADR × Occupancy Sensitivity

Annual room revenue before cleaning and other guest revenue. A screening tool: final underwriting should use property-specific seasonality and day-of-week pricing.

Occupancy / ADR	$210	$250	$290
60.0%	$45,990	$54,750	$63,510
70.0%	$53,655	$63,875	$74,095
80.0%	$61,320	$73,000	$84,680

Appendix B. Five-Year Base-Case Projection

Year	Gross Revenue	Operating Expenses	NOI	Debt Service	Pre-Tax Cash Flow
1	$63,875	$27,594	$36,281	$36,407	-$126
2	$65,791	$28,559	$37,232	$36,407	$825
3	$67,765	$29,559	$38,206	$36,407	$1,799
4	$69,798	$30,593	$39,205	$36,407	$2,797
5	$71,892	$31,664	$40,228	$36,407	$3,821

Revenue growth 3.0% annually; operating expense growth 3.5% annually; debt service held constant. Tax benefits, principal paydown and appreciation are excluded from operating cash flow.

INSIM STR SCORE™

Preliminary analysis for investor discussion only. Revenue, occupancy, NOI, cash flow and return projections are estimates and are not guarantees of future performance. Financing, regulations, taxes, insurance, property condition, HOA/CCR provisions and STR eligibility should be independently verified before acquisition. Property record data retrieved from Rentcast listings, Rentcast property records, Rentcast AVM, Rentcast rent AVM.