STREAMLINE REAL ESTATE FINANCING

DUPLEX PROPERTY PURCHASE REPORT

PUYALLUP INCOME PROPERTY

11211 126th Avenue Ct E, Puyallup, Washington 98374

MLS 2559241 | Investor and owner-occupant analysis | August 23, 2026

EXECUTIVE ASSESSMENT

PRELIMINARY CONCLUSION: FAIRLY PRICED PHYSICAL ASSET - WEAK LEVERAGED CASH FLOW - STRONGER AS A HOUSE-HACK OR LONG-TERM HOLD

CURRENT PRICE	VALUE RANGE	REPORTED INCOME	REPORTED CAP RATE
$695,000	**$650K-$685K**	**$4,384/mo**	**5.01%**
$285 per sq. ft.	Indicated midpoint: $670K	$2,192 per unit average	$34,832 reported NOI

This is a clean, rentable 1978 rambler duplex with two 3-bedroom, 2-bath units, in-unit laundry, private outdoor space and garage parking. Recent duplex sales support a value near the upper $600,000s, but the $695,000 asking price leaves little room for repair surprises and does not produce positive cash flow with typical investment-property leverage.

What Works

Desirable unit mix - Two 3-bedroom, 2-bath units are broadly marketable to families, roommates and longer-term renters.

Turnkey positioning - The listing reports updated flooring, kitchens and baths, plus newer windows and furnace equipment. Each unit has appliances, washer/dryer and private deck or patio space.

Simple ownership structure - There is no HOA, the property is connected to public water and sewer, and the two units sit on a level, nearly one-third-acre lot.

Flexible strategy - The property can serve as a traditional rental, an owner-occupied duplex, or a future family/household compound, subject to zoning and lease terms.

What Limits the Investment

Leverage does not work at list price - At 25% down and an illustrative 7.25% investor rate, annual debt service is approximately $42,670, producing a reported-income DSCR of only 0.82.

Moderate cap rate - A 5.01% reported cap rate is not high enough to comfortably absorb current investor borrowing costs, management, capital reserves and unexpected maintenance.

1978 systems - Roof age, sewer line, electrical panels, plumbing, drainage, decks, garage assemblies and remaining furnace life require careful inspection.

Income documentation - The leases, payment history, deposits, utility allocations and seller expense records must reconcile to the MLS figures before the income can be relied upon.

PROPERTY AND OPERATING SNAPSHOT

Property Profile

Item	Reported information	Purchase interpretation
Property	Two-unit residential income duplex	Legal use and unit addresses must be verified
Price	$695,000 after $20,000 reduction	Originally listed at $715,000 on July 23, 2026
Size / unit mix	2,442 sq. ft.; two 3-bed / 2-bath units	Approximately 1,221 sq. ft. per unit
Year / design	1978; single-story rambler	Accessible layout; inspect aging components
Site	0.32 acres / about 13,940 sq. ft.	Large shared or divided yard area
Parking	2 garage spaces plus 4 uncovered	Likely one garage per unit; confirm assignments
Utilities	Public water/sewer; PSE electric	Confirm meters and landlord-paid services
Taxes	$7,612 for 2026	$634 per month
HOA	None reported	No association payment or project approval issue
Parcel	0419115037	Confirm title, legal description and both unit addresses

Seller-Reported Operating Statement

Line item	Annual	Monthly	Interpretation
Gross scheduled income	$52,608	$4,384	Current average is $2,192 per unit
Reported vacancy	5%	$219 equivalent	Confirm actual collection history
Property taxes	$7,612	$634	2026 public/listing figure
Other reported expenses	$10,164	$847	Includes $2,552 insurance; request detail
Net operating income	$34,832	$2,903	Before mortgage payments and income taxes

The MLS math indicates that the $7,612 property-tax figure is deducted separately from the reported $10,164 expense total. Gross income less taxes and other reported expenses equals the stated $34,832 NOI. Obtain the seller's Schedule E, trailing 12-month operating statement and invoices to validate this presentation.

Location and Tenant Appeal

South Hill convenience - The property is near schools, retail, services and commuter routes, supporting a deep renter pool.

School access - The listing places Sunrise Elementary approximately 0.2 mile away, with Ferrucci Junior High and Emerald Ridge High serving the area; assignments must be verified.

Lifestyle tradeoff - The immediate area is car-dependent, so garage and driveway capacity materially improve marketability.

Risk profile - Public listing data describes minimal modeled flood, wildfire and wind risk; property-specific insurance and drainage review remain necessary.

COMPARABLE SALES AND VALUE

INDICATED AS-IS VALUE RANGE: $650,000 TO $685,000 | MIDPOINT: APPROXIMATELY $670,000

Property	Sale date	Sale price	Size	$/sq. ft.	Comparison
Subject	Active 8/23/26	$695,000	2,442	$285	1978; 6/4; updated; 0.32 acre
2409-2411 26th Ave SE	5/15/26	$585,000	2,112	$277	1977; as-is; 3/1.5 each; inferior condition
8115-8117 109th St E	7/2026	$695,800	2,696	$258	1999; 6/4; newer roof; larger and newer
9921-9923 148th St Ct E	8/18/25	$657,000	2,120	$310	1989; 6/4; HOA yard care; smaller/newer
12625-12627 119th St Ct E	10/28/25	$790,000	2,706	$292	1997; 6/4; 4 garage spaces; superior
1224-1226 12th Ave NW	11/4/25	$585,000	1,568	$373	1978; 4/2; downtown; much smaller

The subject's $285 per-square-foot price is supported by the broad comparable range, but the property is older and smaller than the two strongest 6-bedroom / 4-bath upper benchmarks. The May 2026 as-is duplex at $585,000 establishes the lower end; the 1997 duplex at $790,000 establishes a superior-condition ceiling. After adjustments, the evidence centers near $670,000.

Pricing Interpretation

Price point	Cap rate using $34,832 NOI	Position
$650,000	5.36%	Strong value if condition and leases are clean
$670,000	5.20%	Balanced target near indicated midpoint
$685,000	5.09%	Upper end; requires strong inspection and income file
$695,000	5.01%	Defensible market price, but thin investor margin

Recommended Offer Range

Opening position - $650,000-$660,000, supported by the age of the building, current borrowing costs and the May 2026 $585,000 as-is duplex sale.

Target settlement - $660,000-$675,000, assuming clean leases, verified collections, acceptable inspection and no immediate capital project.

Upper planning limit - Approximately $685,000. Paying the full $695,000 is reasonable only if the building systems, rents and maintenance history are unusually strong.

Appraisal risk - Duplex appraisals will consider both comparable sales and market rent. The appraisal should include a two-to-four-unit income approach and market-rent schedule.

RENTAL AND CASH-FLOW ANALYSIS

Rent Positioning

Evidence	Rent / unit	Size / layout	Relevance
Subject reported average	$2,192	3 bed / 2 bath; 1,221 sq. ft.	Actual total reported at $4,384 monthly
12611 119th Ave E	$2,388 estimate	3 bed / 2 bath; 1,325 sq. ft.	Nearby duplex-unit automated rent estimate
13511 118th Ave Ct E	$2,393 estimate	3 bed / 2.5 bath; 1,391 sq. ft.	Updated unit with garage
12117 112th Ave E	$2,533 estimate	3 bed / 1.75 bath; 1,350 sq. ft.	Larger nearby duplex-unit estimate
12123 108th Ave Ct E	$2,175 asking	3 bed / 1.5 bath; 1,056 sq. ft.	Current/recent smaller unit listing
12518 Reservoir Rd A	$1,995 asking	3 bed / 1.75 bath; 1,040 sq. ft.	Smaller unit; early-2026 listing

REASONABLE MARKET-RENT RANGE: APPROXIMATELY $2,250-$2,400 PER UNIT, OR $4,500-$4,800 TOTAL

The reported $2,192 average rent appears slightly below the middle of the current market evidence, creating modest upside. The exact opportunity depends on each lease expiration, included utilities, interior differences, pets, condition and Washington rent-increase rules. Never underwrite an immediate increase without reviewing the leases and current law.

Two Underwriting Views at $695,000

Metric	Seller / MLS view	Stress-tested view	Why it matters
Gross annual rent	$52,608	$56,400	Stress test assumes $2,350 per unit
Vacancy / credit loss	5% reported	5%	Allows turnover and collection loss
Operating costs	$17,776 incl. taxes	$21,290	Adds fuller management and reserve allowances
NOI	$34,832	$32,290	Stress test is intentionally conservative
Cap rate	5.01%	4.65%	Return before financing and income tax
25% down debt service	$42,667	$42,667	Illustrative 7.25%, 30-year financing
Annual cash flow	-$7,835	-$10,377	Before income taxes
DSCR	0.82	0.76	Below typical investment underwriting comfort

Investor Conclusion

Cash purchase - The property produces roughly a 5% reported unleveraged yield before income taxes and major unexpected capital work.

Typical investor financing - At 25% down, the property is expected to run approximately $650-$865 per month negative under the two scenarios shown.

Break-even leverage - Using the reported NOI, approximately 40% down is needed merely to approach a 1.00 DSCR at the illustrative rate; a lender may require more cushion.

FINANCING STRATEGIES

Strategy Comparison

Strategy	Illustrative structure	Approx. monthly result	Best fit
Investor - 25% down	Loan $521,250 at 7.25%	P&I; $3,556; cash flow about -$653 using reported NOI	Long-term investor with strong reserves
Investor - 40% down	Loan $417,000 at 7.25%	P&I; $2,845; near break-even before extra reserves	Buyer prioritizing stability over leverage
Owner-occupied - 5% down	Loan $660,250 at 6.625%; illustrative MI $275	PITI+MI about $5,350; less one rent of $2,192	House hacker occupying one unit
Cash purchase	No mortgage	Reported NOI about $2,903 monthly	Income buyer avoiding rate pressure

Rates, mortgage insurance and qualifying treatment are planning assumptions, not quotes. Owner-occupied financing requires genuine occupancy. A lender may use only a percentage of the second unit's supported rent, and will require a qualifying appraisal, leases and project-specific documentation.

Why House Hacking Changes the Decision

THE PROPERTY IS MORE ATTRACTIVE WHEN ONE RENT OFFSETS THE BUYER'S HOUSING COST THAN WHEN BOTH RENTS MUST FULLY SUPPORT INVESTOR DEBT

Lower financing cost - Owner-occupied programs may offer smaller down payments and better pricing than non-owner investment financing.

One payment, two uses - The buyer secures a residence and receives rent from the adjoining unit, reducing effective housing cost.

Management proximity - On-site ownership can simplify maintenance oversight and reduce third-party management expense.

Lifestyle tradeoff - The owner lives beside a tenant and assumes landlord duties. Privacy, screening, boundaries and maintenance response must fit the buyer.

Financing and Appraisal Checklist

Legal two-unit status - Confirm zoning, permits, certificate records and appraisal recognition as a duplex.

Rental income - Provide current leases, deposits, rent roll and 12 months of payment history; ask the lender how much rent can qualify.

Insurance - Obtain a landlord or owner-occupied multi-unit policy quote before finalizing the offer; verify liability, loss-of-rent and replacement-cost coverage.

Reserves - Budget for vacancy, repairs and major systems even if the lender's minimum reserve requirement is lower.

Appraisal - Require the appraiser to analyze comparable duplex sales and market rent, not merely nearby single-family homes.

DUE DILIGENCE AND DECISION

Critical Document Review

Category	Obtain and verify	Decision impact
Leases	All leases/addenda, expiration dates, rent, deposits, concessions, utilities, pets	Confirms income and occupancy rights
Rent history	12-month ledger and bank-supported collections	Tests the $4,384 monthly income claim
Expenses	Schedule E, T-12, insurance, utilities, repairs, landscaping and licenses	Rebuilds true NOI
Title / addressing	Legal description, parcel, and reported 11209/11211 unit-address variation	Prevents title, appraisal and lease mismatch
Permits / zoning	Legal duplex status, renovations, windows, furnace and any electrical/plumbing work	Protects financing and future resale
Tenant compliance	Deposits, notices, screening records and local/state landlord requirements	Identifies inherited liability

Inspection Priorities

Roof and exterior - Determine roof age and remaining life; inspect flashing, siding/stucco transitions, decks, windows, grading, drainage and crawlspace moisture.

Sewer and plumbing - Obtain a sewer scope; identify supply and drain materials, leaks, water pressure and whether water is separately metered.

Systems and safety - Identify panel brands and service capacity; document furnace and water-heater ages; verify fire/garage separation, egress, smoke/CO alarms and locks.

Tenant condition - Inspect both units, garages and yards; leases should not substitute for physical access.

Recommended Decision

PROCEED AT A DISCIPLINED PRICE - TARGET $660,000-$675,000 - WITH FULL INCOME, LEASE, TITLE AND INSPECTION REVIEW

The duplex appears to be a solid, marketable property rather than a bargain. It earns a positive recommendation for an owner-occupant or equity-focused long-term investor who has sufficient reserves and accepts modest near-term returns. It is not recommended as a highly leveraged cash-flow acquisition at the current asking price.

Decision Triggers

Proceed - Verified rent and deposits, clean legal two-unit status, acceptable inspection, insurable property, stable tenants and purchase price near the indicated range.

Renegotiate - Deferred roof/sewer/mechanical work, rents below the represented amount, owner-paid utilities, lease problems or incomplete renovation permits.

Pause or withdraw - Illegal unit configuration, inability to access both units, material tenant disputes, title/address inconsistency, major structural/moisture problems or lender refusal.

SOURCES AND LIMITATIONS

Source Notes

Primary listing and property data: Redfin/NWMLS, https://www.redfin.com/WA/Puyallup/11211-126th-Avenue-Ct-E-98374/home/2664579

Supporting property record: Homes.com, https://www.homes.com/property/11211-126th-avenue-ct-e-puyallup-wa/jsmnc6khglbqn/

Comparable sales: Redfin pages for 2409-2411 26th Ave SE; 8115-8117 109th St E; 9921-9923 148th Street Ct E; 1224-1226 12th Ave NW. 12625-12627 119th Street Ct E sale data also reviewed through NWMLS-distributed brokerage pages.

Rental evidence: Zillow and brokerage listings for nearby South Hill duplex units. Automated rent estimates and asking rents are indicators, not completed lease evidence.

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