INVESTOR PURCHASE PROPERTY ANALYSIS

20605 74th Avenue E, Spanaway, WA 98387 | Prepared August 13, 2026

Current asking price	Current status	Property / condition
$504,900	Active - MLS 2516959	5-bed / 2.75-bath; cash or rehab loan

Executive Summary

This is a genuine value-add opportunity, but not a turnkey rental or a conventional-financing purchase. The current $504,900 asking price is 15.2% below the original May 2026 list price and only $157 per square foot, well below renovated nearby sales generally ranging from about $220 to $255 per square foot. The discount is partly explained by removed carpeting, average reported condition, more than 100 cumulative days on market, and the seller limiting terms to cash or a rehabilitation loan. A preliminary stabilized value range is approximately $600,000 to $640,000, with a stretch toward $650,000 only after a strong renovation and clean inspection, permit, title, HOA, and appraisal results.[1][2]

The property may work as a low-leverage, long-term hold because five bedrooms, a main-floor bedroom and three-quarter bath, bonus room, three-car garage, and nearly 3,000-plus-square-foot rental comparables support estimated rent of roughly $3,500 to $3,800 per month. At the current price, however, a conventional investor expense load produces only about a 4.7% to 5.3% unlevered cap rate, and stabilized debt service is approximately break-even only near 35% to 40% down.[8][9]

This report is a preliminary investor analysis based on public listing, market, tax, zoning, rental, and third-party data available on the preparation date. It is not an appraisal, inspection, contractor bid, title report, legal or tax opinion, rent guarantee, or loan commitment.

Bottom-Line Investor View

Recommendation
Do not treat the $504,900 list price as an automatic bargain. For a renovate-and-resell strategy, a disciplined acquisition target is approximately $430,000 to $455,000 unless contractor bids establish a materially lower rehab scope or MLS-grade evidence supports an after-repair value above $640,000. For a long-term rental hold, approximately $460,000 to $485,000 is more defensible if stabilized rent is at least $3,600, total repairs remain controlled, and the investor can use 35% to 40% equity. Paying near list can still create long-term equity, but the base-case flip margin and leveraged cash flow are too thin to justify ordinary renovation, financing, and execution risk.

Investment strengths

- Large 3,217-square-foot two-story layout with five MLS bedrooms, 2.75 bathrooms, formal living and dining rooms, family room, bonus room, and two fireplaces.
- One bedroom and a three-quarter bathroom on the main level may improve multi-generational and rental appeal.
- Attached three-car garage, public water, sewer availability, natural gas, paved access, patio, and modest reported HOA dues of $525 annually.
- Current asking price is $90,600 below the original $595,500 list price and below the 2026 assessed value reported by public listing sources.
- Vacant status can simplify renovation scheduling and avoids an inherited tenant or immediate relocation issue, subject to confirmation.

Principal investment risks

- Carpet has been removed, and the listing accepts only cash or rehabilitation financing. Verify whether missing flooring is the only financing issue or merely the visible part of a larger condition problem.
- Public records show four bedrooms while the MLS markets five. Confirm permits, egress, heat, closet configuration, and legal bedroom status before relying on five-bedroom rent or resale value.

- The home has no central cooling, is approximately 20 years old, and could require HVAC, water-heater, roof, appliance, fireplace, window, drainage, or exterior work beyond cosmetic flooring.
- The listing says sewer is available rather than expressly confirming connection. Verify connection, capacity, outstanding connection charges, and the actual utility billing arrangement.
- More than 100 cumulative days on market and five price reductions show seller motivation but can also signal condition, financing, title, HOA, or buyer-feedback issues that must be investigated.

Overall rating

Category	Assessment	Investor comment
As-is pricing	Potentially attractive	Very low $/sf, but the financing restriction means the discount cannot be separated from condition risk.
Stabilized value	Good upside	$600,000-$640,000 appears supportable if renovation quality and systems are competitive.
Rental demand	Good	Large-house rent near $3,500-$3,800 is plausible; tenant pool is narrower than for a 3- or 4-bedroom home.
Leveraged cash flow	Weak	At list price, meaningful positive cash flow generally requires unusually low expenses, higher rent, or 40%+ equity.
Flip margin	Weak at list	Base-case resale economics remain thin after repair, selling, financing, and holding costs.
Due diligence	High priority	Flooring, bedroom legality, sewer, HOA rental rules, permits, and complete system condition require proof.

2. Property and Listing Snapshot

Item	Reported information
Address	20605 74th Avenue E, Spanaway, WA 98387
MLS / status	NWMLS 2516959; active; listed May 1, 2026; approximately 104 cumulative days on market
Price history	$595,500 original list; reductions to $588,000, $569,900, $555,000, $530,000, and $504,900
Type / style	Single-family residence; two-story; built on lot; reported average condition
Bedrooms / baths	MLS: 5 bedrooms and 2.75 baths; public record: 4 bedrooms and 3 baths - verify legality
Living area / lot	3,217 finished square feet; approximately 8,157-square-foot lot (0.19 acre)
Year built	2006; effective year 2008 in public/listing data
Parking	Attached three-car garage; approximately 600 square feet
Construction	Metal/vinyl and stone exterior; composition roof; paved access; patio
Heating / cooling	Forced-air heat; electric and natural gas; no central cooling reported
Utilities	Spanaway Water Company public water; Pierce County sewer available; Tacoma Public Utilities power
HOA	$525 annually; common-area maintenance; obtain resale certificate and rental rules
Taxes / assessment	2026 tax $6,663; reported 2026 assessed value $604,700
Parcel / zoning screen	Pierce County APN 6025120310; public sites report former MSF classification - current County map must be checked
Schools shown	Pioneer Valley Elementary; Liberty Middle; Graham-Kapowsin High - verify assignments

Condition and record issues to resolve

- Obtain the seller disclosure, prior inspection reports, cancelled-contract feedback if any, repair history, insurance claims, and the listing agent's written explanation for cash/rehab-only terms.
- Inspect exposed subfloors for moisture, pet contamination, mold, damage, unevenness, squeaks, missing underlayment, and stair/trim damage before pricing flooring.
- Confirm the fifth bedroom is permitted and legally usable; public record and MLS bedroom counts differ.
- Confirm actual sewer connection and any local improvement district, capacity, hook-up, or outstanding utility charges.
- Reconcile the effective-year field, permit history, HOA status, and any unpermitted conversions, fireplace work, or major-system replacement.

3. Market Position and Comparable Sales

The broader 98387 market was reported as a seller's market in June 2026, with a median sale price near $505,000, approximately 100.3% sale-to-list performance, and about 13 average days on market. The subject's extended marketing period and 15.2% cumulative price reduction materially underperform that backdrop, giving an investor negotiating leverage but also reinforcing the need to identify the property-specific reason.[3]

Selected comparable evidence

Comparable	Sale date	Beds / baths	Sq. ft.	Sale price	$/sq. ft.
7808 205th St E	Feb. 5, 2026	5 / 2.5	2,810	$640,000	$228
7812 203rd St Ct E	Jan. 22, 2026	7 / 3	2,995	$660,000	$220
7117 200th St Ct E	Jan. 27, 2026	5 / 2.5	2,196	$559,950	$255
8710 203rd St E	Jul. 10, 2026	4 / 2.5	2,398	$549,000	$229
20514 81st Ave E	Aug. 28, 2025	5 / 2.5	2,536	$572,500	$226
20612 95th Ave Ct E	Jun. 30, 2026	6 / 2.5	2,958	$615,000	$208

Comparable selection is a public-data screening set rather than a formal appraisal. Condition, concessions, exact proximity, lot utility, HOA, renovation quality, bedroom legality, and property rights require MLS and appraiser review.

Comparable interpretation

- The subject is larger than the most relevant sales. Larger homes typically command a lower $/sf, so applying the full $220-$255 range to all 3,217 square feet would overstate value.
- 7808 205th and 7812 203rd are the strongest size/bedroom anchors at $640,000 and $660,000, but both were presented in stronger or newer condition than the subject appears to be today.
- A stabilized indication near $187-$199 per square foot produces approximately $600,000-$640,000 and leaves room for the subject’s age, lack of cooling, and unknown renovation scope.
- The 2026 assessed value of $604,700 supports the lower end as a reference point, but assessments are not appraisals and can lag market or condition.

Preliminary value conclusion

Condition / strategy	Indicated range	Required evidence
Current as-is screen	$485,000-$520,000	Inspection supports cosmetic scope; no hidden title, sewer, HOA, or system problem.
Stabilized ordinary rehab	$600,000-$625,000	Complete flooring/paint; functional systems; clean permits; competitive presentation.
Upper-end stabilized	$625,000-$640,000	High-quality finishes, strong systems, clean inspection, and MLS support at resale/appraisal.
Stretch case	Up to ~$650,000	Exceptional execution and condition; do not underwrite as the base case.

4. Investor Strategy and Offer Framework

Investor objective	Suggested acquisition posture	Decision standard
Renovate and resell	$430,000-$455,000 target	Base case: $50,000 rehab, $12,000 acquisition costs, $20,000 carry/finance, 8% resale costs, $625,000 ARV.
Long-term hold	$460,000-$485,000 target	Rent at least $3,600; 35%-40% equity; controlled rehab; HOA permits leasing; adequate reserves.
Strategic stretch	$486,000-$490,000	Use only with repair bids below ~$30,000, clean systems, rent near $3,800, and ARV at least $625,000.
Current list price	$504,900	Potential equity remains, but base-case cash flow and flip profit do not adequately compensate for execution risk.

Illustrative flip sensitivity

Assumptions: $50,000 renovation, $12,000 purchase/closing costs, $20,000 six-month financing and holding allowance, and 8% resale costs. These are scenario allowances, not contractor, lender, or broker quotes.

Acquisition	ARV $600,000	ARV $625,000	ARV $650,000
$450,000	$20,000 profit	$43,000 profit	$66,000 profit
$475,000	($5,000) loss	$18,000 profit	$41,000 profit
$504,900	($34,900) loss	($11,900) loss	$11,100 profit

The table shows why the current list price is not a reliable flip basis: even the optimistic $650,000 exit leaves only about $11,100 before income taxes, unexpected repairs, schedule slippage, or higher selling costs. A professional investor should require a larger contingency and profit margin than this illustration provides.

Negotiation approach

- Ask for all prior offer and inspection history permitted to be disclosed, plus the reason five sequential price reductions did not produce a closing.

- Use contractor walk-through access during the inspection period and make the offer contingent on acceptable written bids, not a generic repair estimate.
- Preserve inspection, title, HOA, financing, appraisal, sewer/utility, and permit review even if using cash.
- A lower price is more valuable than a cosmetic seller repair because the investor controls scope, contractor, warranty, schedule, and finish quality.
- If seller will not move enough on price, consider a closing-cost credit only when the selected financing permits it and the appraisal supports the contract price.

5. Rehabilitation and Capital Plan

Planning case	Allowance	Appropriate use
Light cosmetic	$25,000	Flooring and limited paint/trim only; all major systems and fixtures test well.
Moderate renovation	$50,000	Whole-house flooring, paint, repairs, fixtures, appliance allowance, landscaping, and contingency.
Heavy / systems	$80,000+	Includes one or more material roof, HVAC, water, electrical, sewer, moisture, window, kitchen, or bath items.

Do not select a planning case from listing photos alone. Require trade bids, measure actual floor area by material, test every system, and carry at least a 10%-15% renovation contingency after the scope is known.

Highest-priority inspection items

- Subfloor, odor/moisture, stairs, baseboards, doors, trim, drywall, and evidence of pet or water damage exposed by carpet removal.
- Roof age and remaining life; attic ventilation; flashing; gutters; exterior cladding; windows; grading; drainage; patio and driveway.
- Forced-air furnace, gas service, water heater, both fireplaces/venting, electrical panel, plumbing supply/drains, and sewer scope.
- Kitchen and all three bathing areas for leaks, cabinetry, counters, appliances, exhaust, waterproofing, and renovation potential.
- Every bedroom for heat, smoke/CO alarms, emergency egress, dimensions, and permit/legal status; confirm the MLS fifth bedroom.
- Pest activity, crawlspace or slab conditions as applicable, insulation, attic, structural movement, and any concealed prior repair.

6. Financing, DSCR, and Cash Requirement

The seller currently advertises cash or rehabilitation-loan terms. The table below therefore represents a post-repair stabilized 30-year takeout illustration at 7.25%, not a promise that the home qualifies for ordinary financing today. Freddie Mac reported a 6.67% national average 30-year fixed rate on August 13, 2026 for conforming owner-occupied-style survey assumptions; investor, DSCR, renovation, LLC, point, reserve, and prepayment terms can price materially higher.[6][7]

Down payment	Loan amount	Est. P&I	Est. PITIA	DSCR @ $3,600	DSCR @ $3,800
25% / $126,225	$378,675	$2,583	$3,357	1.07	1.13
30% / $151,470	$353,430	$2,411	$3,185	1.13	1.19
35% / $176,715	$328,185	$2,239	$3,013	1.19	1.26
40% / $201,960	$302,940	$2,067	$2,841	1.27	1.34

PITIA uses 2026 taxes of $6,663, HOA of $525 annually, and $2,100 annual insurance. It excludes mortgage insurance, points, utilities, maintenance, management, vacancy, repairs, and reserves. Many DSCR lenders use gross monthly rent divided by PITIA; program definitions and minimum ratios vary. Obtain a lender quote and appraisal rent schedule.

Illustrative initial cash requirement

Structure	Down / purchase cash	Rehab allowance	Closing / prepaid	Reserves	Approx. cash
25% stabilized loan	$126,225	$50,000	$15,000	$25,000	$216,225
35% stabilized loan	$176,715	$50,000	$15,000	$25,000	$266,715
All-cash acquisition	$504,900	$50,000	$7,000	$25,000	$586,900

The loan rows assume repair money is investor-funded and do not include the different draw, inspection, contingency, interest-reserve, and point requirements of a renovation or bridge loan.

Equity Title of Washington working estimate

Buyer title / escrow component	Working allowance
Buyer escrow share plus tax	$1,250-$1,500
Lender title policy and standard endorsements	$950-$1,250
Recording and miscellaneous title/escrow charges	$650-$800
Financed working total	$2,850-$3,550; use $3,250
Cash working total	$1,800-$2,400, subject to title-policy allocation

These are planning allowances modeled from the prior C2 Equity Title framework, not a live quote. Equity Title's calculator states estimates are non-binding and transaction-specific. Lender fees, appraisal, inspection, points, prepaid interest, tax/insurance reserves, and renovation draws are separate.[10]

7. Rental and Hold Analysis

Rental conclusion
The property has strong functional rental features, but the current price does not generate conventional leveraged cash flow under a complete expense load. The likely attraction is long-term equity and appreciation after renovation, not immediate yield. Confirm HOA leasing rules and obtain a professional rent survey before relying on the hold strategy.

Rent scenario	$3,500 / month	$3,600 / month	$3,800 / month
Annual gross rent	$42,000	$43,200	$45,600
Less 5% vacancy	($2,100)	($2,160)	($2,280)
Taxes / HOA / insurance	($9,288)	($9,288)	($9,288)
Maintenance reserve - 8%	($3,360)	($3,456)	($3,648)
Management - 8%	($3,360)	($3,456)	($3,648)
Illustrative NOI	$23,892	$24,840	$26,736
Cap rate at $504,900	4.73%	4.92%	5.30%

Rental evidence includes a current 2,995-square-foot five-bedroom offering near $3,719-$3,799 per month, other five-bedroom Spanaway listings near $3,135-$3,500, and a nearby 3,000-square-foot public estimate near $3,256. The subject's three-car garage and main-floor bedroom/bath support the upper half of the range only after attractive rehabilitation and subject to tenant demand.[8][9]

Operational risks for a large single-family rental

- Five-bedroom homes can achieve higher gross rent but have a smaller tenant pool, greater turnover costs, and more flooring/paint exposure.
- A large home can create higher heating, utility, roof, exterior, appliance, and make-ready costs than simplified percentage reserves suggest.
- Verify HOA rental caps, minimum lease term, tenant registration, parking rules, occupancy limits, nuisance rules, and violation history.
- Confirm fair-housing-compliant screening, Washington landlord-tenant procedures, insurance for a non-owner-occupied property, and local licensing requirements.

8. Zoning, Access, and Environmental Screen

- Pierce County APN is 6025120310. Public real-estate sources label the parcel MSF, but Pierce County adopted major land-use and housing changes effective in summer 2026 that replaced or consolidated several former zones. Confirm the parcel's current zoning through the County interactive map before assuming duplex, ADU, conversion, or density rights.[4][5]
- The reported 8,157-square-foot lot is already improved with a large home and three-car garage. Physical room, setbacks, parking, utilities, HOA restrictions, and code may be more limiting than underlying density language.
- The property is served by the Bethel School District according to public listing sources. School assignments and program access should be confirmed directly.
- Third-party First Street data displayed by Redfin rates flood 1/10, fire 1/10, heat 3/10, wind 1/10, and air-quality exposure 7/10. Obtain lender/insurer flood and hazard determinations rather than relying on this screen.[2]

- Verify actual travel times to Joint Base Lewis-McChord, Tacoma, Puyallup, SR-7, and major employers during the intended tenant commute windows.

9. Investor Due-Diligence Checklist

Priority 1 - before contingency expiration

- Full home inspection, sewer scope, roof evaluation, HVAC/fireplace service review, pest/moisture inspection, and contractor walk-through.
- Written room-by-room scope and at least two trade bids for flooring, paint, trim, cleaning, appliances, landscaping, and every identified system item.
- Listing agent explanation and documentation for cash/rehab-only terms; all available prior buyer feedback and cancelled-contract information.
- Rental analysis from a property manager and appraisal Form 1007-equivalent market-rent schedule if financing or DSCR depends on rent.
- Insurance quote for vacant renovation period and stabilized landlord use; confirm roof, fireplace, vacancy, and renovation requirements.

Priority 2 - title, HOA, permits, and use

- Preliminary title report, legal description, easements, judgments, liens, covenants, and any restrictions affecting rental, renovation, access, or future conversion.
- HOA resale certificate, CC&Rs, rules, current budget, reserves, meeting minutes, insurance, violations, litigation, special assessments, and leasing restrictions.
- Pierce County property detail, permit history, current zoning map, bedroom count, sewer connection, utility charges, and records for major improvements.
- Seller disclosure and follow-up on leaks, flooring removal, pets, odors, insurance claims, roof, drainage, fireplaces, HVAC, pests, sewer, and unpermitted work.

Priority 3 - investment execution

- Final acquisition, renovation, holding, and resale budget with 10%-15% construction contingency and explicit schedule milestones.
- Renovation-loan or bridge term sheet showing rate, points, draws, inspection fees, interest reserve, extension fees, prepayment penalty, recourse, reserves, and takeout requirements.
- Exit decision made before closing: resale price and selling-cost assumptions, or stabilized rent, management plan, reserve level, and refinance trigger.
- Entity, bookkeeping, tax, licensing, contractor, lien-release, and insurance structure reviewed with qualified professionals.

10. Investor Decision Matrix

Decision point	Proceed when...	Renegotiate or exit when...
Condition	Bids support the selected rehab case and inspection finds no uncontrolled system risk.	Unknown damage, moisture, sewer, structure, roof, or system work pushes costs beyond the contingency.
Legal bedrooms	The fifth bedroom is permitted/legal or the investment still works as a four-bedroom.	Value or rent depends on a fifth bedroom that cannot be documented.
Acquisition price	Price leaves room for verified rehab, carry, selling/refi costs, reserves, and investor return.	The deal requires the $650,000 stretch ARV or perfect execution merely to break even.
Rental	Manager supports $3,600-$3,800, HOA permits leasing, and cash flow survives realistic expenses.	Projected return depends on ignoring vacancy, management, maintenance, or capital reserves.
Financing	Rehab acquisition and stabilized takeout are both documented with acceptable cost and timing.	Takeout requires an unverified rent, appraisal, DSCR, or future rate decline.
Title / HOA / zoning	No material lien, restriction, assessment, violation, or intended-use conflict appears.	Rental or renovation is restricted, or current zoning/use cannot be confirmed.

Final Opinion

20605 74th Avenue E is more interesting than the typical Spanaway investor listing because the physical house is large, functionally versatile, and priced far below renovated nearby sales on a per-square-foot basis. The same facts that create the opportunity also create the risk: missing flooring, cash/rehab-only terms, an MLS/public-record bedroom discrepancy, uncertain sewer wording, and a long sequence of price reductions.

At $504,900, the property can plausibly create $95,000 to $135,000 of gross value spread after ordinary stabilization, but that spread is not profit. Renovation, purchase costs, financing, holding costs, resale costs, reserves, and taxes consume most or all of it in the base flip case. The rental case is steadier, but still requires substantial equity to produce acceptable coverage and offers limited current cash-on-cash return.

The disciplined conclusion is to pursue the property only if the investor can buy below list, verify a controlled repair scope, and choose the exit before closing. A price in the mid-$400,000s creates a credible value-add opportunity. Near the current ask, it becomes a long-term equity play for a low-leverage investor rather than a strong cash-flow or flip investment.

11. Sources and Limitations

[1] Every Door Real Estate / NWMLS-syndicated listing: https://everydoorrealestate.com/listing/nwmls/2516959/Spanaway/20605-74th-Avenue-E/

[2] Redfin property page, listing history, public record, comparables and climate screen: https://www.redfin.com/WA/Spanaway/20605-74th-Ave-E-98387/home/3041874

[3] Redfin 98387 market data and comparable-property pages: https://www.redfin.com/zipcode/98387/housing-market

[4] Pierce County Parkland-Spanaway-Midland community-plan and zoning resources: https://www.piercecountywa.gov/944/Parkland-Spanaway-Midland

[5] Pierce County land-use and housing code updates: https://www.piercecountywa.gov/8568/Land-Use-Housing-Code-Updates

[6] Freddie Mac Primary Mortgage Market Survey - August 13, 2026: https://www.freddiemac.com/pmms

[7] Freddie Mac PMMS definitions and survey assumptions: https://www.freddiemac.com/pmms/weightings/weightings_series_010

[8] Redfin 5-bedroom Spanaway rental listings: https://www.redfin.com/city/25634/WA/Spanaway/5-bedroom-houses-for-rent

[9] Realtor.com and Zillow Spanaway rental screens: https://www.realtor.com/apartments/Spanaway_WA/type-single-family-home/beds-5-5

[10] Equity Title of Washington rate estimator: https://equitywa.com/ratecalc.cshtml

Data cutoff: August 13, 2026. Listing status, asking price, rates, taxes, HOA information, zoning, school assignments, rents, and market conditions can change. Public listing feeds can contain errors or lag the MLS. All material facts should be confirmed through the investor's broker, lender, appraiser, inspector, contractors, property manager, title and escrow company, insurer, HOA, Pierce County, utility providers, and qualified legal and tax professionals. Projections are illustrative and no investment return is guaranteed.