

12-UNIT MULTIFAMILY

Cherry Park Apartments

2717-2745 SE Chestnut St | Milwaukie, OR 97267

Property Valuation



PROPERTY SUMMARY

Valuation	\$3,300,000
Number of Units	11 + 1 SFR
Year Built	1972
Approx. Square Feet	10,515 SF
Lot Size	0.61 AC

HIGHLIGHTS

- New Roofs/Windows/Sliders/Siding/Paint
- Unit-Mix Includes 1,300 SF SFR
- Desirable Milwaukie/Clackamas County Location
- Strong Rents
- Updated Units
- W/Ds in All Units



Chuck Brazer
503 734 7175
cbrazer@naicascade.com



Property Description



The Cherry Park Apartments were constructed in 1972 and comprise of 12 total units. Buildings include two - fourplexes, one - triplex and one single family residence. The property is situated on three separate parcels totaling .61 acres. Site includes approximately 18 off-street parking spaces for tenant usage. The unit-mix includes 11 - 2bd/1ba units at approximately 876 square feet and one - 4bd/1ba single-family home at approximately 1,306 square feet. All units have spacious floorplans, open kitchen space and stackable washer/dryer units installed. All units in one fourplex building have been completely remodeled with new flooring, cabinetry, carpets, stainless steel appliances, countertops, doors and fixtures. Implementing a repositioning program for the remaining units presents a significant add-value opportunity along with future rent growth.

Cherry Park is two-story, wood-frame construction with crawl spaces. The single-family residence has an unfinished basement. Significant recent capital improvements have been completed which include new TPO roofs on all buildings (composite shingle on SFR), new cement fiber siding on all buildings, exterior paint, new vinyl windows and sliders and new doors throughout.

Current owner has done a fantastic job keeping rents stable at or just below market levels. Rents average \$1,529 or \$1.75/SF across all 2bd/1ba units. Several units are scheduled for rent increase within the next four months and are included in the current gross income. Highest unit rent (2bd/1ba) currently achieved is \$1,695 or \$1.93/SF. Market rents in the area for similar units average just over \$2.00/SF leaving further income upside for a new investor achievable within 12-18 months or less.

Financial Summary (Actual)

Annual Property Operating Data (Actual)

Units	12	Age	1972	Cap Rate	4.07%
Acres	0.61	Approx. Sq. Ft.	13,186	GRM	14.61
Price	\$3,300,000	Price Per Unit	\$275,000	Cash/Cash	(1.17%) \$17,370
Loan	\$1,815,000 55%	Price Per SF	\$250.27	Equity Build-up 1st Year	\$26,778
Down	\$1,485,000 45%			Total Return	(2.97%) \$44,148
				Loan Balance 1st Year	\$1,788,222

Mortgage	Balance	Payment	Rate	Months
First	\$1,815,000	\$9,743.00	5.00%	360

Rent Roll

Qty.	Unit Type	Approx. Sq. Ft.	Avg. Rent	Rent/SF
11	2bd/1ba	876	\$1,529	\$1.75
1	4bd/1ba (SFR)	1306	\$1,995	\$1.53
12			\$18,820	

Income	Annual	Per Unit
Potential Rental Income	\$ 225,840	\$ 18,820
RUBS	\$ 360	\$ 30
Pet Rent/Fees	\$ 2,500	\$ 208
Laundry/Vending	\$ -	\$ -
Gross Operating Income	\$ 228,700	\$ 19,058
Less Vacancy (5.0%)	\$ (11,292)	\$ (941)
Effective Operating Income	\$ 217,408	\$ 18,117

Operating Expenses	Annual	% GRI	Per Unit
Real Estate Taxes 2021	\$ 19,665	9.0%	\$ 1,639
Property Insurance EST	\$ 3,000	1.4%	\$ 250
Garbage T12	\$ 10,667	4.9%	\$ 889
Electric T12	\$ 1,274	0.6%	\$ 106
Water/Sewer T12	\$ 17,969	8.3%	\$ 1,497
Repairs and Maintenance EST	\$ 10,870	5.0%	\$ 906
Turnover T12	\$ 805	0.4%	\$ 67
Landscape T12	\$ 5,860	2.7%	\$ 488
Management T12	\$ 9,206	4.2%	\$ 767
Admin T12	\$ 802	0.4%	\$ 67
Reserves EST	\$ 3,000	1.4%	\$ 250
Total Operating Expense	\$ 83,118	38.2%	\$ 6,927
Net Operating Income	\$ 134,290		\$ 11,191
Annual Debt Service	\$ (116,920)		(DCR) 1.15
Cash Flow Before Taxes	\$ 17,370		\$ 1,448



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Financial Summary (Proforma)

Annual Property Operating Data (Proforma)

Units	12	Age	1972	Cap Rate	5.11%
Acres	0.61	Approx. Sq. Ft.	13,186	GRM	12.42
Price	\$3,300,000	Price Per Unit	\$275,000	Cash/Cash	(3.47%) \$51,563
Loan	\$1,815,000 55%	Price Per SF	\$250.27	Equity Build-up 1st Year	\$26,778
Down	\$1,485,000 45%			Total Return	(5.28%) \$78,341
				Loan Balance 1st Year	\$1,788,222

Mortgage	Balance	Payment	Rate	Months
First	\$1,815,000	\$9,743.00	5.00%	360

Rent Roll

Qty.	Unit Type	Approx. Sq. Ft.	Avg. Rent	Rent/SF
11	2bd/1ba	876	\$1,750	\$2.00
1	4bd/1ba (SFR)	1306	\$2,895	\$2.22
12			\$22,145	

Income	Annual	Per Unit
Potential Rental Income	\$ 265,740	\$ 22,145
RUBS	\$ 360	\$ 30
Pet Rent/Fees	\$ 2,500	\$ 208
Laundry/Vending	\$ -	\$ -
Gross Operating Income	\$ 268,600	\$ 22,383
Less Vacancy (5.0%)	\$ (13,287)	\$ (1,107)
Effective Operating Income	\$ 255,313	\$ 21,276

Operating Expenses	Annual	% GRI	Per Unit
Real Estate Taxes EST	\$ 20,254	7.9%	\$ 1,688
Property Insurance EST	\$ 3,090	1.2%	\$ 258
Garbage EST	\$ 10,987	4.3%	\$ 916
Electric EST	\$ 1,312	0.5%	\$ 109
Water/Sewer EST	\$ 18,508	7.2%	\$ 1,542
Repairs and Maintenance EST	\$ 12,000	4.7%	\$ 1,000
Turnover EST	\$ 805	0.3%	\$ 67
Landscape EST	\$ 5,860	2.3%	\$ 488
Management EST	\$ 10,212	4.0%	\$ 851
Admin EST	\$ 802	0.3%	\$ 67
Reserves EST	\$ 3,000	1.2%	\$ 250
Total Operating Expense	\$ 86,830	34.0%	\$ 7,236
Net Operating Income	\$ 168,483		\$ 14,040
Annual Debt Service	\$ (116,920)		(DCR) 1.44
Cash Flow Before Taxes	\$ 51,563		\$ 4,297



Chuck Brazer
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Interior Photos



NAI Cascade

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NAI Elliott

Location Description



The Cherry Park Apartments are well-positioned just 8 miles south of Portland in the city of Milwaukie, Oregon. Milwaukie is a suburb of Portland along the banks of the Willamette River with an approximate population of 21,086 per the 2022 census. Located within Clackamas County, investment real estate owners can typically find this location more attractive due to tax savings and cost of living advantages. In addition, lack of newer multifamily development relative to nearby Portland keeps existing units in high demand.



In the immediate proximity to the subject property is SE McLoughlin Blvd (Hwy 99E), a major north/south thoroughfare providing tenants access to retail and commercial services, restaurants and shopping. Within one mile of the subject property is Oak Grove Fred Meyer, Walmart and Office Depot. Tenants at Cherry Park also have access to the SE Park Avenue MAX Light Rail station (Orange Line) which is a Park and Ride facility completed in 2015. The Orange Line station is less than one mile north and runs through historic downtown Milwaukie northward to downtown Portland.



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Location Amenities



NAI Cascade

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NAI Elliott

Demographics

DEMOGRAPHIC SUMMARY

Milwaukie City, OR
Geography: Place

KEY FACTS

21,555

Population



9,308

Households

42.8

Median Age

\$55,987

Median Disposable Income

BUSINESS

1,048



16,080



INCOME



\$71,045

Median Household Income



\$40,374

Per Capita Income



\$129,952

Median Net Worth

EDUCATION

4%

No High School Diploma



22%
High School Graduate



34%
Some College



39%
Bachelor's/Grad/Prof Degree

ANNUAL HOUSEHOLD SPENDING



\$2,138

Apparel & Services



\$167

Computers & Hardware



\$6,352

Health Care

EMPLOYMENT



69%



20%

Blue Collar

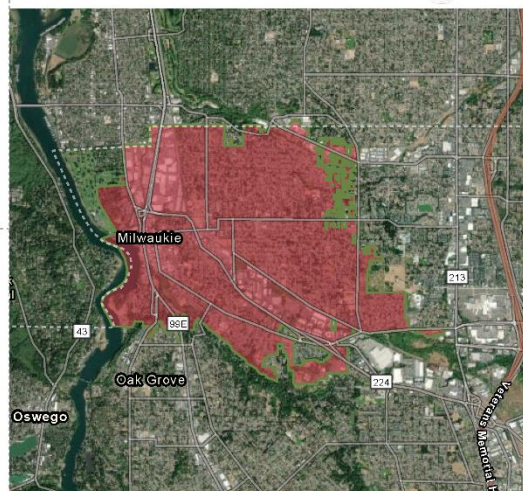


12%

Services

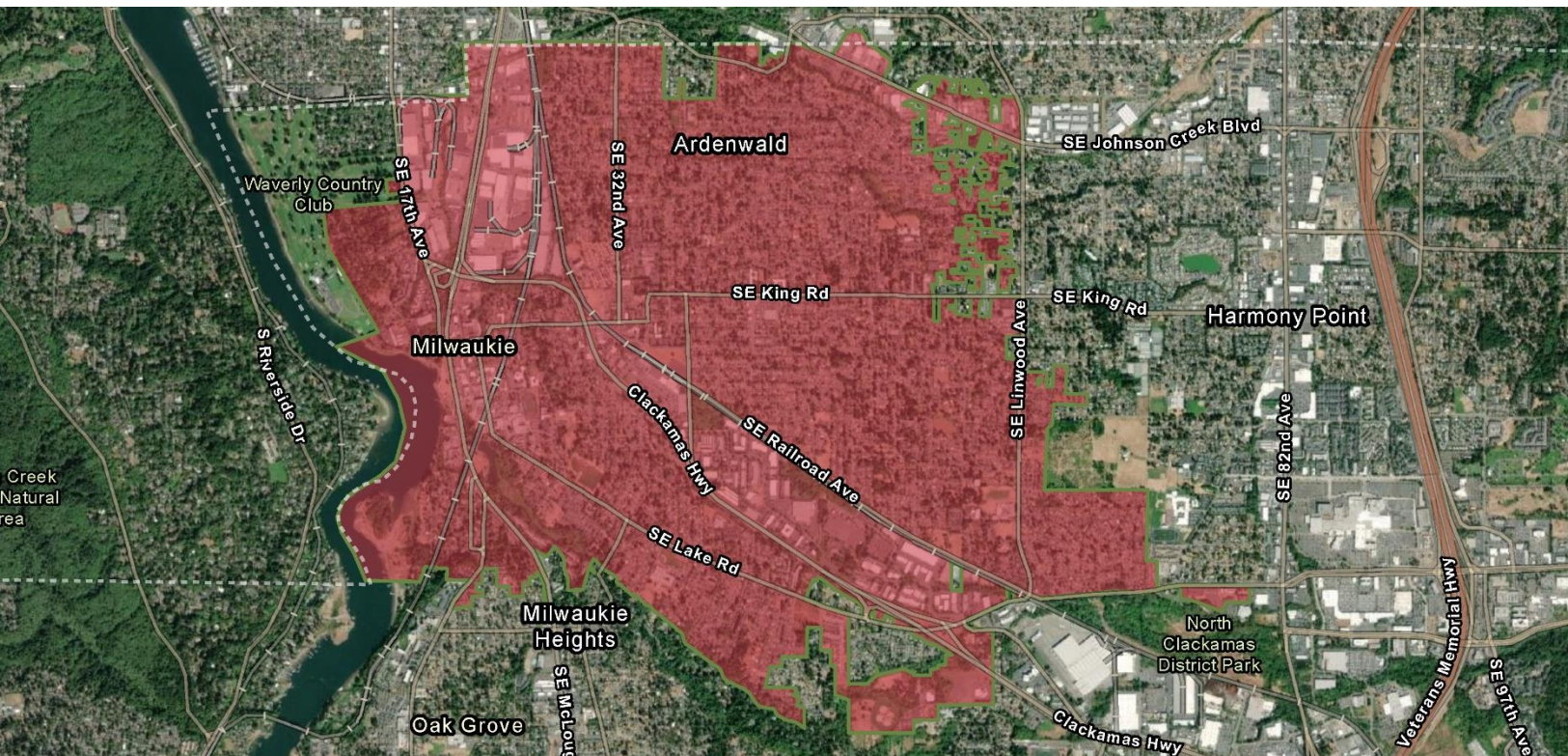
3.5%

Unemployment Rate



This infographic contains data provided by Esri. The vintage of the data is 2022, 2027.

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Comp Summary

RENT COMPS

Average 2 bed/1 bath	\$1.80/SF
Subject 2 bed/1 bath	\$1.75/SF

SALES COMPS

Per Unit	Sales Average	\$190,071
	Subject	\$275,000
Per Square Foot	Sales Average	\$218.71
	Subject	\$250.27
Cap Rate	Sales Average	4.64%
	Subject Proforma	5.11%
	Subject Actual	4.07%



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Sale Comps



HOMESTEAD COMMONS

14150 SW Driftwood Ct, Tigard, OR 97224

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM	COE
1972	28	28-2BD/1BA	\$7,250,000	\$258,929	\$252.61	4.38%	15.62	Pending

- Currently pending



COURTNEY SQUARE

2600 SE Courtney Ave, Milwaukie, OR 97222

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM	COE
1975	47	1-Studio 40-1BD/1BA 5-2BD/1BA 1-3BD/2BA	\$7,975,000	\$169,680	\$259.09	4.57%	13.82	Pending

- Currently pending



11-UNITS

1200 SE 162nd Ave, Portland, OR 97233

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM	COE
1968	11	3-1BD/1BA 6-2BD/1BA 2-3BD/1BA	\$1,900,000	\$172,727	\$199.12	4.54%	N/A	July 22

- Value add property
- Below market rents



SPRING TERRACE APARTMENTS

2641 SW Spring Garden St, Portland, OR 97219

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM	COE
1973	20	5-1BD/1BA 15-2BD/1BA	\$3,330,000	\$166,250	\$193.67	4.56%	N/A	July 22

- Below market rents
- Located in Multnomah County

NAI Cascade

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Sale Comps



TYEE APARTMENTS

3745 SW 108th Ave, Beaverton, OR 97705

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/S F	CAP	GRM	COE
1967	33	13-1BD/1BA 20-2BD/1BA	\$6,900,000	\$209,091	\$271.12	4.63%	13.64	Mar-22

- Sold March 2022



LINDEN TERRACE

13306 SE Linden Ln, Milwaukie, OR 97222

YR	UNITS	UNIT MIX	PRICE	PRICE/UNIT	PRICE/ SF	CAP	GRM	COE
1970	20	20-2BD/1BA	\$3,280,000	\$163,750	\$136.66	5.21%	11.45	Jan-22

- Sold January 2022

Rent Comps



BRISTOL COURT

7678 SE Michael Dr, Milwaukie, OR 97222

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1998	48	2BD/1BA	836	\$1,375	\$1.64



PHEASANT COURT APARTMENTS

7015 SE Lake Rd, Milwaukie, OR 97267

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1970	44	2BD/1BA	818	\$1,695	\$2.07



CRESTVIEW HEIGHTS

1200 SE 162nd Ave, Portland, OR 97233

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1950	20	1 BED/1 BATH	684	\$1,495	\$2.18



WILLOW CREEK

3745 SW 108th Ave, Beaverton, OR 97705

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1991	40	2BD/1BA	852	\$1,500	\$1.76

Rent Comps



LAKE ROAD COURTYARD

6210 SE Lake Rd, Milwaukie, OR 97222

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1975	46	2BD/1BA	850	\$1,395	\$1.64



LINDEN PLACE APARTMENTS

13306 SE Linden Ln, Milwaukie, OR 97222

YR BUILT	UNITS	UNIT MIX	UNIT SF	AVG RENT	RENT/SF
1967	20	2BD/2BA	780	\$1,579	\$2.02

Chuck Brazer

Broker, Licensed in Oregon

SCOPE OF RESPONSIBILITIES

Chuck Brazer joins NAI Cascade with 18 years of commercial real estate experience in Oregon with several national investment sales firms. Chuck was drawn to commercial real estate in college as an on-site property manager for several multi-family properties on the University of Oregon campus. His studies in architecture, business and economics gives him a unique perspective of the integration of physical asset and asset management.

BACKGROUND & EXPERIENCE

For the past 11 years, Chuck has been at a boutique commercial firm in Portland. Throughout his tenure, he has closed more than \$250 million in multifamily property transactions. He relocated to Central Oregon at the end of 2020, seeking the Bend lifestyle. He continues to grow his book of business and provide exceptional service to existing and new clients throughout Oregon.



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