

FOR SALE

EVERGREEN GARDENS

19201 - 19213 SE YAMHILL STREET | GRESHAM, OREGON 97233



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PROPERTY OVERVIEW

The Evergreen Gardens Apartments may be purchased with or separate from the Eastwood Estates Apartments one lot away. The Evergreen Gardens Apartments is a 28 unit complex consisting of twenty 1 bedroom, 1 bathroom, and eight 2 bedroom 1 bathroom units. The complex has been successfully owned and managed by the seller since 2014. The majority of the complex is comprised of single story units, each with a back yard and patio area. The private configuration along with attractive well maintained units makes for an excellent living experience for residents. The property is girt with wood cladding, upgraded with vinyl windows and sliders, newer roofs, new asphalt with plenty of off street parking and usable open space, along with significant mature landscaping on site. There is additional yard space at the rear of the lot which could be developed for additional buildings, either units or additional storage and amenities. These features make for easy and cost effective maintenance for ownership with future upside. There are seven buildings with six of them being one story. All units are garden style walkups with the two story building being in the rear of the property, thus maximizing tenant privacy and building efficiency.

The opportunity for a new buyer stems from the fact that the property has been operated for stability by current ownership and has an average vacancy of 3% over the previous five years. They made long term investments that are essential but do not increase cash flow in new roofs, paint, and parking lot. The improved lifespan of the improvements will significantly benefit a new owner with fewer capital expenditures over the life of the investment. The current tenant base is strong with good collections and rents that are under market at an average of \$953. Evergreen Gardens has little deferred maintenance, but room to invest in upgrades to receive a significant return on investment. The interior unit configurations are attractive with an open layout that feels larger than their square footage. This is a major selling point for tenants on top of the building orientations in the complex that provide privacy, security, and a secluded feel.

There is a phenomenal opportunity for an investor to operate the property with its current strong cash flows. A higher return can be accomplished by tightening landscaping and the curb appeal of the property, and by upgrading the interiors of the units. Unit interior upgrades opportunities consist of fixtures, floor coverings, paint, and bathroom mirrors. The market rents for properties nearby are between \$995 to \$1095 per one bedroom and approximately \$1,195 per 2 bedroom which warrant the cost of upgrades.

PROPERTY HIGHLIGHTS

- **Bread and Butter Units**
- **Minimal capex in the foreseeable future**
- **Newer building systems**
- **Room to push rents with a modest upgrade**

LOCATION DESCRIPTION

The property is situated in a quiet section of Rockwood. Neighboring properties consist of condos, single family homes, and other well-kept apartment complexes. Over the last two years, the neighborhood within half mile has seen significant growth thanks to an influx of capital into upgrading retail, office, and multifamily assets. Several new properties have been placed into service and have leased up very well showing strong demand in the area for all levels of finish quality. Furthering development in the area, the Rockwood Rising project has broken ground and will be a significant economic driver for the area. More information can be found at Rockwoodrising.com. The submarket and specifically Yamhill street is still affordable yet trending in an upward direction. The area around the property boasts several public spaces including Yamhill Neighborhood Park and Vance Park, and has easy access to public transportation with the Red Max Light Rail line a block away along with the 87, 25, 20, and 2 bus lines being within easy walking distance. The property is also supported major employers such as Kaiser Permanente, Multnomah County and Microchip Technology Inc. The property is also served by easy access to Dutch Bros Coffee, Albertsons, Natural Grocers, Fred Meyers, and major retail centers such as Gresham Station and Rockwood Plaza.

PROPERTY INFORMATION

| | |
|---------------|--|
| NAME | EVERGREEN GARDENS |
| ADDRESS | 19201 - 19213 SE YAMHILL STREET, GRESHAM, OREGON |
| UNITS | 28 |
| ZONING | RTC (CITY OF GRESHAM) |
| LOT SIZE | 1.13 AC |
| BUILDING SIZE | 16,560 SF |
| APN # | R153605 |
| YEAR BUILT | 1975 |

FINANCIAL SUMMARY

| | |
|---------------|------------------------------------|
| Sale Price | \$3,700,000 |
| Price/Unit | \$132,143 |
| CAP Rate | 5.70% |
| GIM | 10.79 (IN PLACE) 9.27 (PRO FORMA) |
| Price/SF | \$223.43 |
| Unit Count | 28 |
| Lot Size | 1.13 AC |
| Building Size | 16,560 SF |
| Year Built | 1975 |
| Sub Market | GRESHAM |

CAP RATES

CURRENT
5.70%

PRO FORMA
7.05%

PROPOSED RETURNS

| | CURRENT | PRO FORMA |
|---------------------------|-------------|-------------|
| Net Operating Income: | \$211,043 | \$260,832 |
| Less: Loan Payment: | (\$149,532) | (\$149,532) |
| Before Tax Cash Flow: | \$61,511 | \$111,300 |
| Cash-on-cash Return: | 6.65% | 12.03% |
| Principal Reduction Yr 1: | \$53,256 | \$53,256 |
| Total Year 1 Return: | 12.41% | 17.79% |

PROPOSED FINANCING ON SALE

| | |
|----------------------------|-------------|
| % Down: | 25.00% |
| Down Payment: | \$925,000 |
| Loan Amount: | \$2,775,000 |
| Interest Rate: | 3.50% |
| Length of Loan: | 30 |
| Monthly Payment: | (\$12,461) |
| Annual Debt Service: | (\$149,532) |
| Debt Coverage Ratio (DCR): | 1.41 |
| Pro Forma DCR: | 1.74 |



EVERGREEN GARDENS

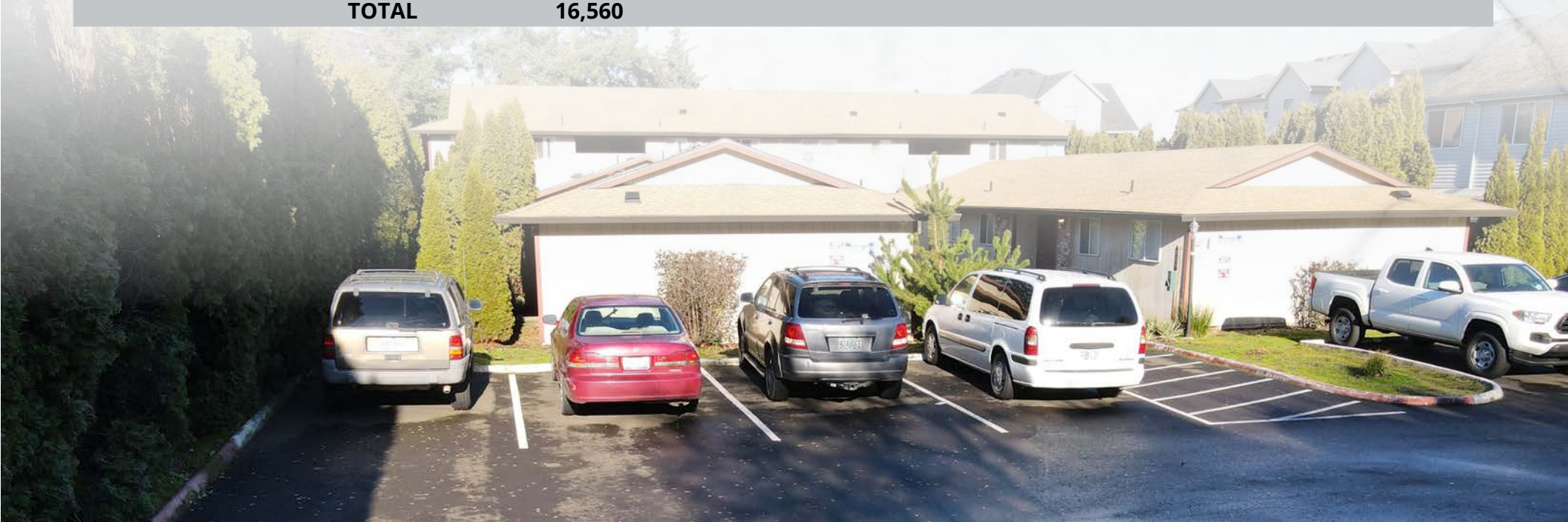
19201 - 19213 SE YAMHILL STREET
GRESHAM, OREGON

INCOME

| RESIDENTIAL INCOME | % EFFECTIVE ANNUAL INCOME | \$/UNIT/YR | BUDGET | PRO FORMA |
|--------------------------------|---------------------------|-----------------|------------------|------------------|
| Scheduled Gross Annual Income | | \$12,062 | \$337,740 | \$382,020 |
| RUBS | | - | | \$11,760 |
| Less: Vacancy | 5% | (\$603) | (\$16,887) | (\$19,101) |
| Other Income | | - | \$5,260 | \$5,260 |
| EFFECTIVE ANNUAL INCOME | | \$11,647 | \$326,113 | \$379,939 |

RENT ROLL & UNIT MIX

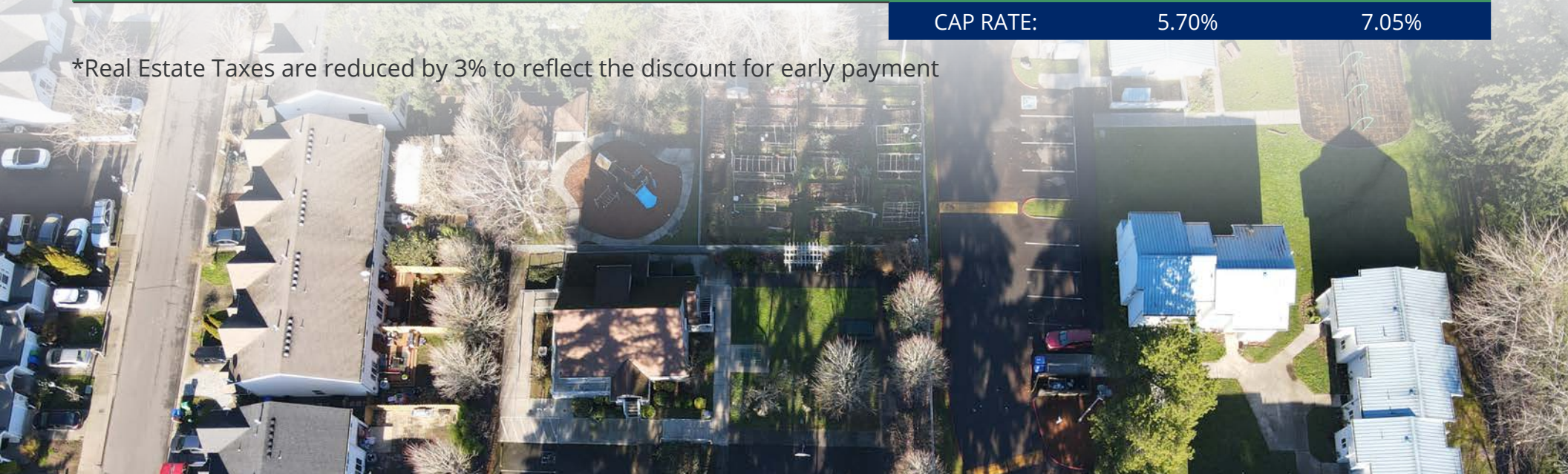
| NUMBER | UNIT TYPE | APPROX. SQ. FT. | RENT RANGE | AVG RENT PSF | MONTHLY INCOME | MARKET RENTS |
|--------|----------------|-----------------|------------------------|---------------|-----------------|-----------------|
| 20 | 1 Bed, 1 Bath | 680 | \$850 - \$1,145 | \$1.47 | \$19,210 | \$22,900 |
| 8 | 2 Bed, 1 Bath | 890 | \$1,050 - \$1,150 | \$1.24 | \$8,935 | \$8,935 |
| | AVERAGE | 740 | \$907 - \$1,146 | \$1.40 | \$28,145 | \$31,835 |
| | TOTAL | 16,560 | | | | |



EXPENSES

| | | % EFFECTIVE ANNUAL INCOME | \$.UNIT/YEAR | BUDGET | PRO FORMA |
|---|-------------|---------------------------|------------------|--------------------|--------------------|
| Real Estate Taxes* | 2019/2020 | 6.61% | \$770 | \$21,551 | \$21,551 |
| Insurance | 2020 Actual | 1.96% | \$228 | \$6,380 | \$6,380 |
| Utilities | 2020 Actual | 7.49% | \$872 | \$24,421 | \$24,421 |
| NA | NA | 0.00% | \$0 | \$0 | \$0 |
| NA | NA | 0.00% | \$0 | \$0 | \$0 |
| Management | 7.50% | 7.50% | \$874 | \$24,458 | \$28,495 |
| Maintenance/Repairs | Budget | 5.37% | \$625 | \$17,500 | \$17,500 |
| Turnover | Budget | 2.53% | \$295 | \$8,260 | \$8,260 |
| Landscape Maintenance | Budget | 1.20% | \$139 | \$3,900 | \$3,900 |
| Advertising | Budget | 0.06% | \$7 | \$200 | \$200 |
| Reserves | Budget | 2.15% | \$250 | \$7,000 | \$7,000 |
| Miscellaneous | Budget | 0.43% | \$50 | \$1,400 | \$1,400 |
| TOTAL ESTIMATED ANNUAL EXPENSES | | 35.29% | (\$4,110) | (\$115,070) | (\$119,107) |
| TOTAL ESTIMATED NET OPERATING INCOME | | 64.71% | \$7,537 | \$211,043 | \$260,832 |
| CAP RATE: | | | | 5.70% | 7.05% |

*Real Estate Taxes are reduced by 3% to reflect the discount for early payment



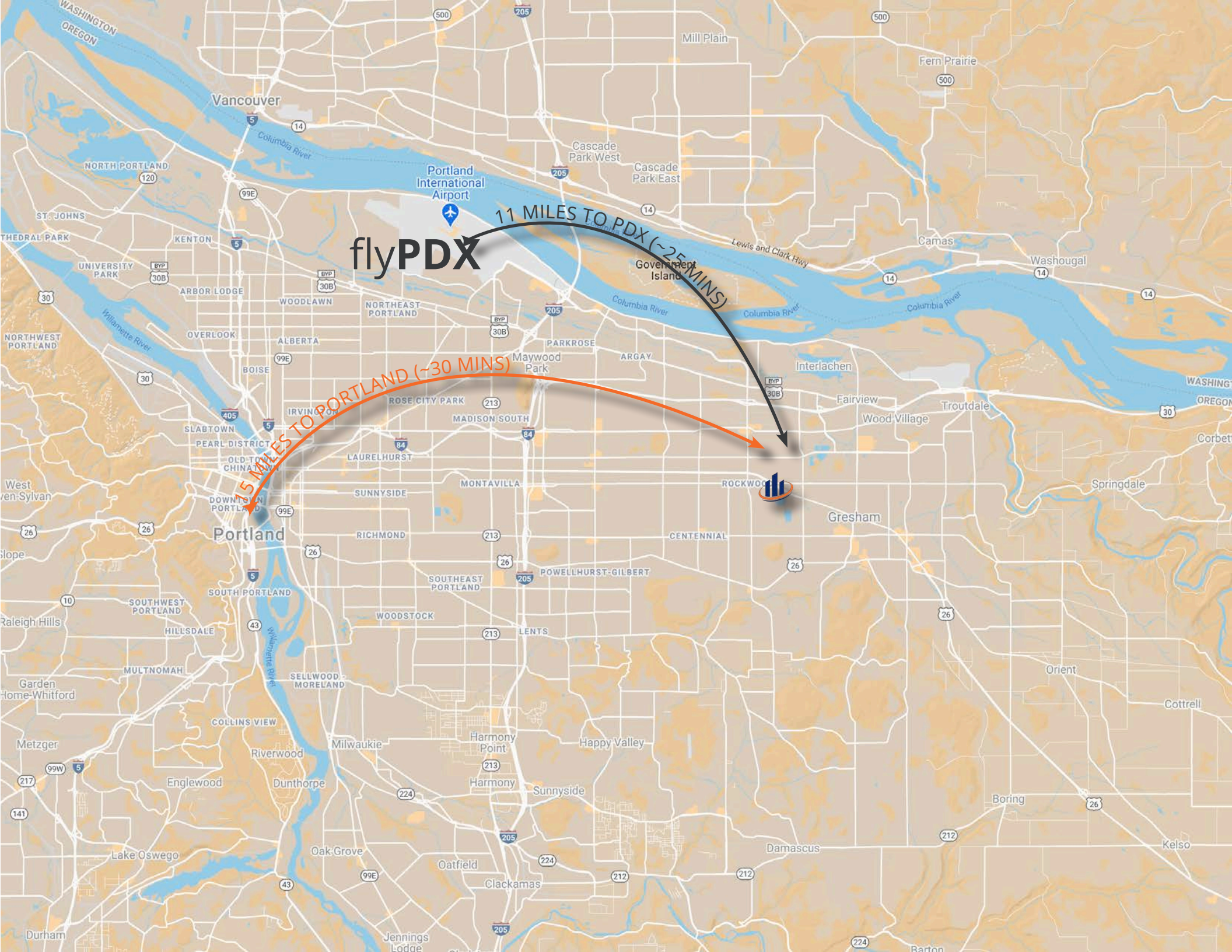


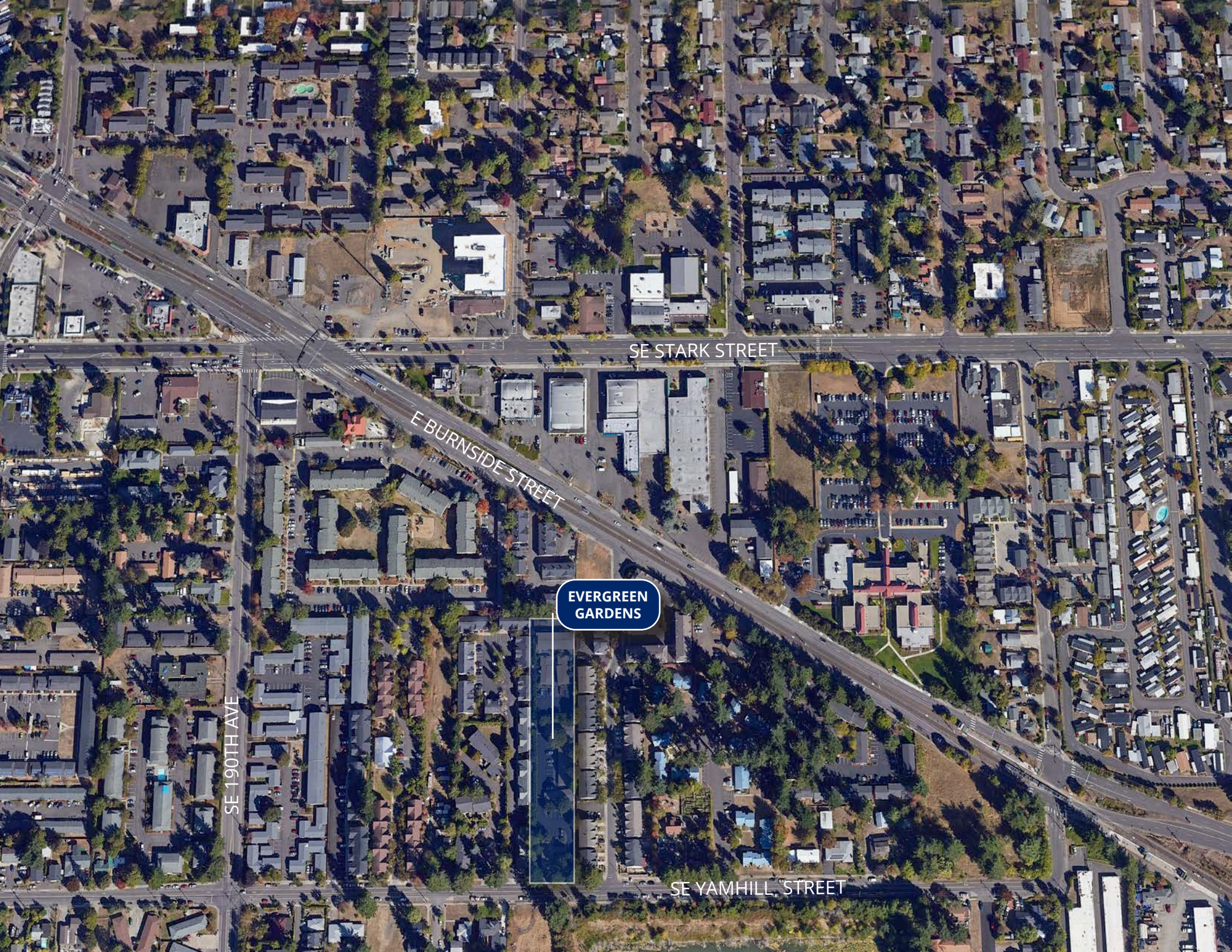


flyPDX

11 MILES TO PDX (~25 MINS)

5 MILES TO PORTLAND (~30 MINS)





SE STARK STREET

E BURNSIDE STREET

EVERGREEN GARDENS

SE 190TH AVE

SE YAMHILL STREET

DEMOGRAPHICS - 2018

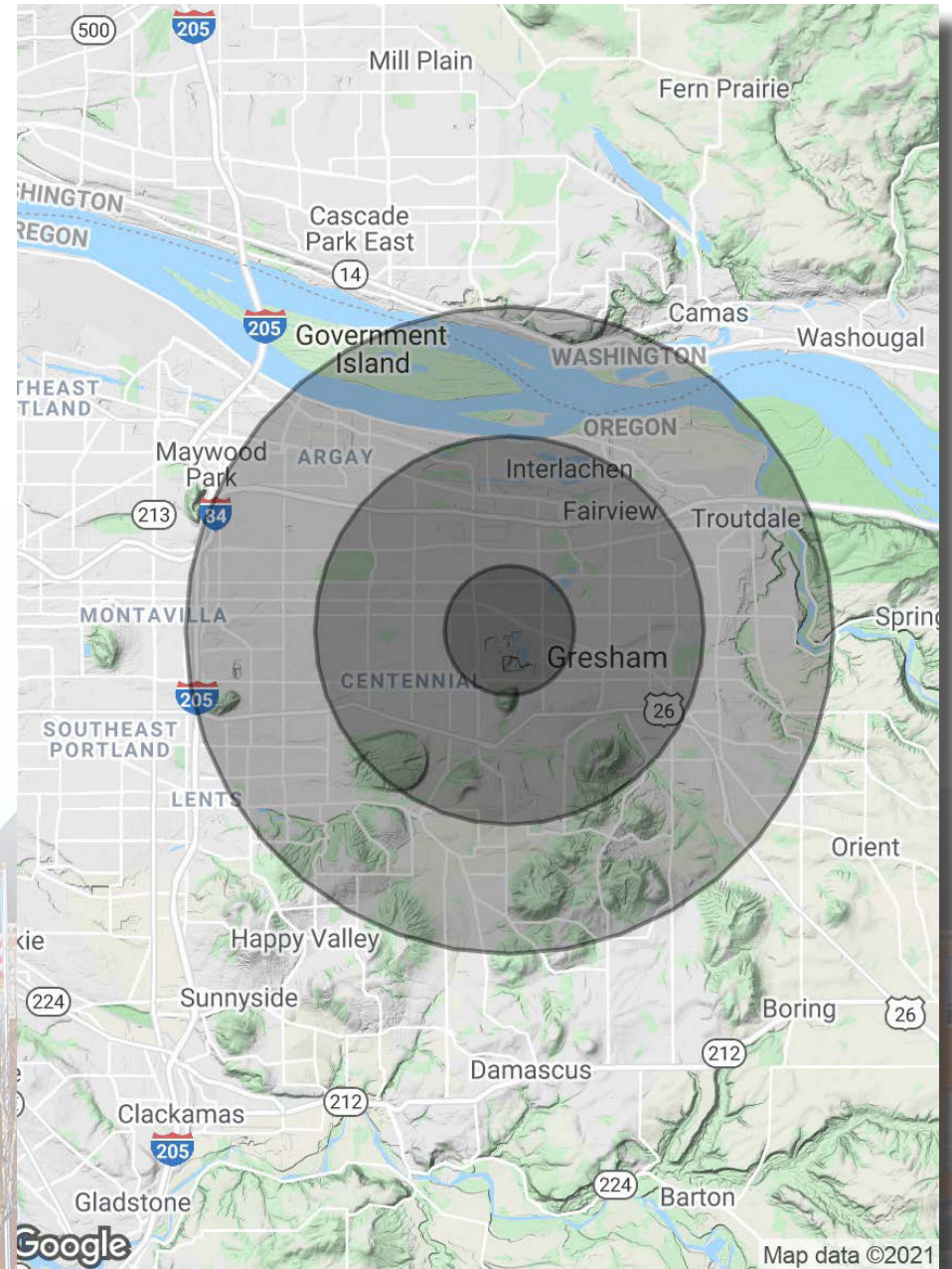
| POPULATION | 1 MILE | 3 MILE | 5 MILE |
|------------------|--------|--------|--------|
| TOTAL POPULATION | 5,349 | 36,229 | 94,788 |
| AVERAGE AGE | 32.4 | 33.7 | 34.3 |
| AVERAGE (MALE) | 30.7 | 32.7 | 33.4 |
| AVERAGE (FEMALE) | 33.6 | 34.4 | 35.0 |

| HOUSEHOLD & INCOME | 1 MILE | 5 MILE | 10 MILE |
|---------------------|-----------|-----------|-----------|
| TOTAL HOUSEHOLDS | 5,349 | 46,229 | 94,788 |
| # OF PERSONS PER HH | 2.7 | 2.7 | 2.7 |
| AVERAGE HH INCOME | \$46,066 | \$53,592 | \$57,663 |
| AVERAGE HOUSE VALUE | \$206,986 | \$224,771 | \$242,346 |

ECONOMY OF GRESHAM

The economy of Gresham, OR employs 52k people. The largest industries in Gresham, OR are Health Care & Social Assistance (7,745 people), Retail Trade (6,249 people), and Manufacturing (5,716 people), and the highest paying industries are Utilities (\$74,706), Public Administration (\$62,587), and Finance & Insurance (\$48,136).

Median household income in Gresham, OR is \$52,303. In 2018, the place with the highest Median Household Income in Gresham, OR was Census Tract 104.02 with a value of \$94,479, followed by Census Tract 99.05 and Census Tract 99.06, with respective values of \$77,574 and \$76,890.



PORTLAND METRO

MAJOR EMPLOYERS



BY THE NUMBERS

2.4 M METRO POPULATION

145.09 SQUARE MILES

3.8% METRO UNEMPLOYMENT RATE

LOCAL SPORTS TEAMS



#1
BEST FOODIE CITY
(WALLET HUB)

#8
BEST CITY TO LIVE
(US NEWS)

HIGHER EDUCATION



#12
MOVING DESTINATION
(UPDATER)

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- PRESENTED BY -

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