



# SUMMERPARK APARTMENTS

**\$2,300,000**

## LOCATION:

1311-1329 6TH STREET NW  
SALEM, OR 97304

## OVERVIEW:

- 18 UNITS
- 6.50% PROFORMA CAP RATE
- 8 UNITS CONSTRUCTED IN 1957
- 10 UNITS CONSTRUCTED IN 1993



## GABE JOHANSEN

**APARTMENT BROKER**

PRINCIPAL BROKER/OWNER  
LICENSED IN THE STATE OF OREGON

503.390.6060  
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www.smicre.com



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## PROPERTY INFORMATION

Number of Units	18
Year Built	1957 / 1993
Asking Price	2,300,000
Unit Beds/ Baths	2/1
Proforma Rent Average	1040

## FINANCIAL ANALYSIS

Purchase Price	<b>2,300,000</b>
Less Down: 25%	575,000
New 1st T.D. Loan	1,725,000
Gross Potential Income	224,640
Debt Service: Conventional 30 yr AM Calculated @ 5.0%	107,981

## INCOME

Gross Potential Income	224,640
Less Vacancy Factor (projected 3%)	6,739
Laundry Income (Actual)	0
Gross Operating Income	217,901

## SUMMARY

Scheduled Income	224,640
Less Vacancy + Laundry	6,739
Gross Operating Income	217,901
Less Total Operating Expenses	68,340
Net Operating Income	149,561
Less Annual Debit Service	107,981
Annual Pre-Tax Cash Flow	41,580
Monthly Pre-Tax Cash Flow	3,465
Cash On Cash Return	<b>7.23%</b>
Expenses Per Unit Per Year	<b>3,797</b>
Gross Rent Multiplier	<b>10.24</b>
Price Per Unit	<b>127,778</b>
Cap Rate	<b>6.50</b>

## EXPENSES

Tax Rate	8.40% of GSI	18,864	actual
Insurance	2.03%	4,560	actual
Utilities & Garbage	6.28%	14,114	actual
Landscaping	1.87%	4,202	actual
Management	6.01%	13,500	estimated
Maintenance & Repair	5.61%	12,600	estimated
Professional	0.22%	500	estimated
Total Expenses	30.42%	68,340	
Net Operating Income		149,561	



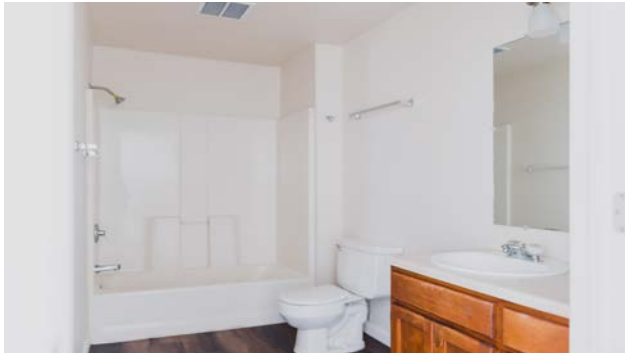
# SUMMERPARK APARTMENTS

## AMENITIES

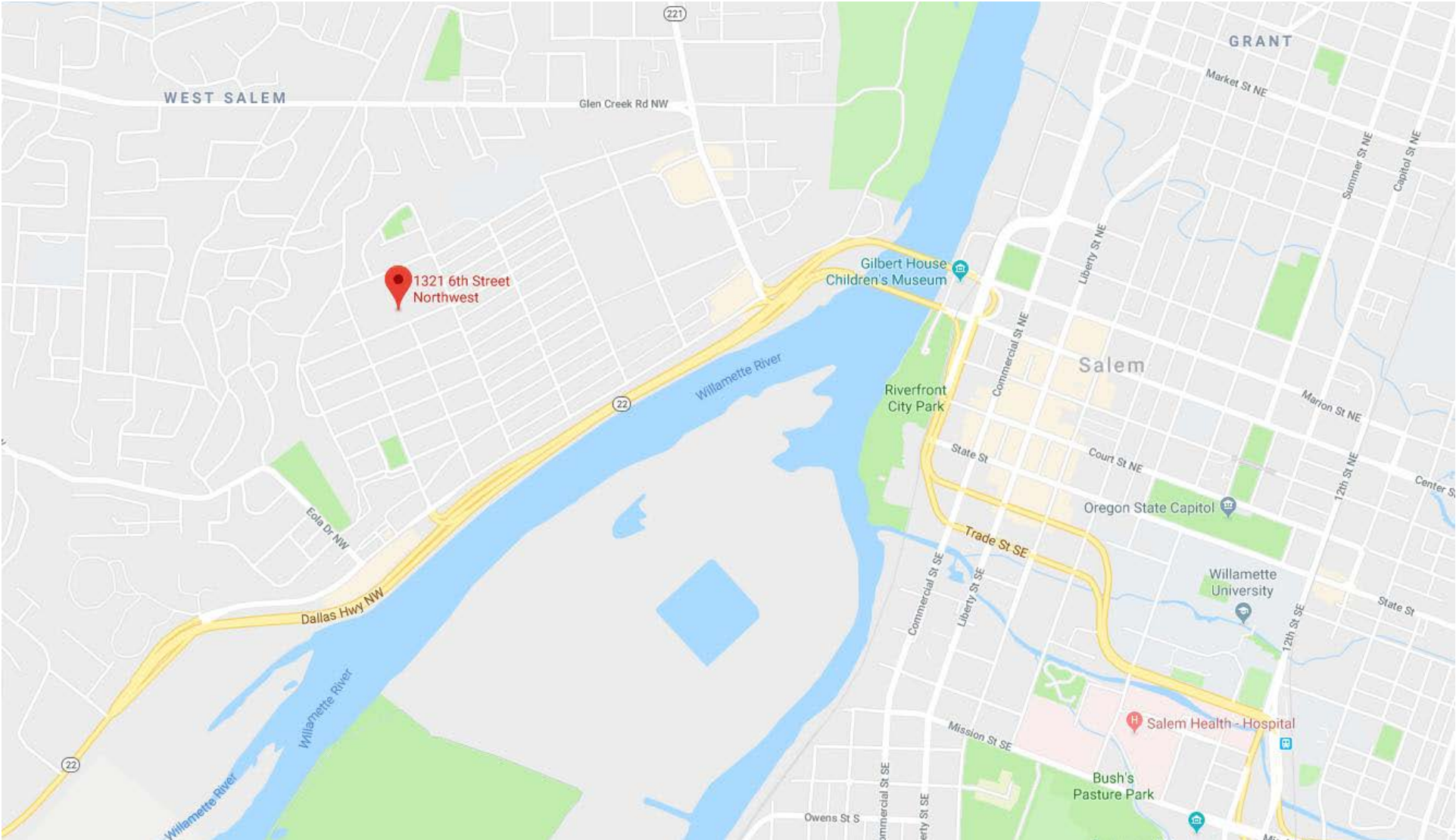
- Spacious floor plans
- W/D hook ups
- Close to bus lines
- Close to neighborhood schools
- Close to numerous amenities including, restaurants, shopping and bus lines.
- Listing Broker is part of the property ownership entity and a licensed Real Estate Broker in the State of Oregon



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**SALEM-KEIZER RENTS**

PRE 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		762	985	1151
Central Salem	642	766	885	997
NorthEast Salem	715	784	896	1176
Suburban SE Salem	690	753	966	1108
SouthEast Salem	632	754	933	1236
South Salem	689	791	1062	1323
West Salem	625	803	915	1139
<b>Average</b>	<b>669</b>	<b>771</b>	<b>941</b>	<b>1156</b>

**OUTLYING MARKET RENTS**

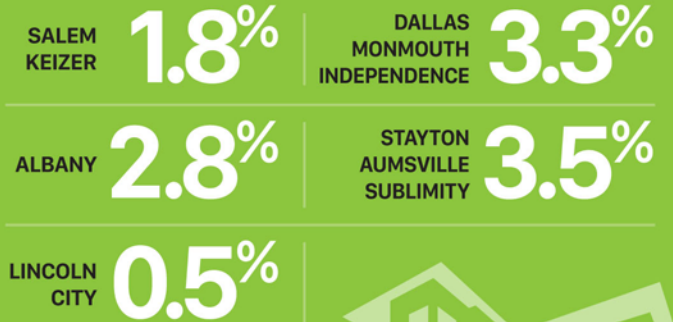
	STUDIO	1BD	2BD	3BD
Albany	780	805	997	1131
Stayton		775	790	1077
Aumsville			986	1095
Sublimity			1025	
Monmouth	493	854	972	1174
Independence	530	846	1034	1190
Dallas		767	856	1195
Lincoln City		754	926	915

POST 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		986	1015	1248
Central Salem	1050	1159	1259	1835
NorthEast Salem	929	992	982	1275
Suburban SE Salem	798	899	960	1211
SouthEast Salem	1025	1045	1159	1300
South Salem		960	1217	1477
West Salem	775	957	1156	1403
<b>Average</b>	<b>953</b>	<b>1003</b>	<b>1076</b>	<b>1311</b>

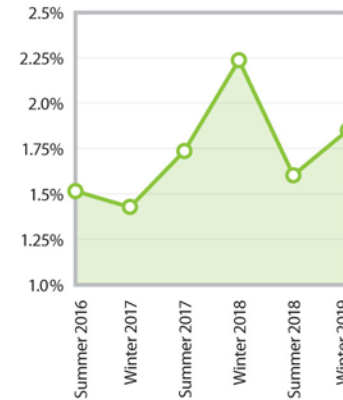
**VACANCY**

Keizer	2.1%
Central Salem	2.7%
NorthEast Salem	1.6%
Suburban SE Salem	1.2%
SouthEast Salem	1.1%
South Salem	2.4%
West Salem	1.8%
Albany	2.8%
Stayton/ Aumsville/ Sublimity	3.5%
Dallas/Monmouth/ Independence	3.3%
Lincoln City	0.5%

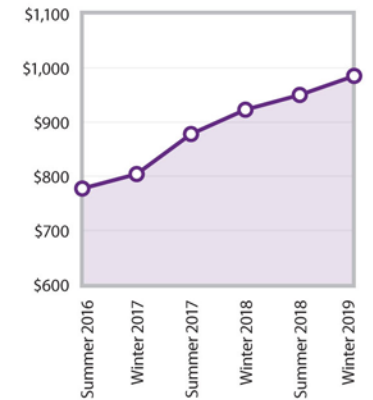
**MID-VALLEY VACANCY**



**3 YEAR VACANCY TREND**



**3 YEAR RENT TREND**



SMI Commercial Real Estate surveyed 17879 units total during the month of December 2018.



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## INITIAL AGENCY DISCLOSURE PAMPHLET

CONSUMERS: THIS PAMPHLET DESCRIBES THE LEGAL OBLIGATIONS OF OREGON REAL ESTATE LICENSEES TO CONSUMERS, REAL ESTATE BROKERS AND PRINCIPAL REAL

ESTATE BROKERS ARE REQUIRED TO PROVIDE THIS INFORMATION TO YOU WHEN THEY FIRST CONTACT YOU. A LICENSED REAL ESTATE BROKER OR PRINCIPAL BROKER NEED TO PROVIDE THE PAMPHLET TO A PARTY WHO HAS, OR MAY BE REASONABLY ASSUMED TO HAVE, RECEIVED A COPY OF THE PAMPHLET FROM ANOTHER BROKER.

THIS PAMPHLET IS INFORMATION ONLY. NEITHER THE PAMPHLET NOR ITS DELIVERY TO YOU MAY BE INTERPRETED AS EVIDENCE OF INTENT TO CREATE AN AGENCY RELATIONSHIP BETWEEN YOU AND A BROKER OR A PRINCIPAL BROKER.

### REAL ESTATE AGENCY RELATIONSHIPS

AN "AGENCY" RELATIONSHIP IS A VOLUNTARY LEGAL RELATIONSHIP IN WHICH A LICENSED REAL ESTATE BROKER OR PRINCIPAL BROKER (THE "AGENT") AGREES TO ACT ON BEHALF OF A BUYER OR A SELLER (THE "CLIENT") IN A REAL ESTATE TRANSACTION. OREGON LAW PROVIDES FOR THREE TYPES OF AGENCY RELATIONSHIPS BETWEEN REAL ESTATE AGENTS AND THEIR CLIENTS:

SELLER'S AGENT – REPRESENTS THE SELLER ONLY.

BUYER'S AGENT – REPRESENTS THE BUYER ONLY.

DISCLOSED LIMITED AGENT – REPRESENTS BOTH THE BUYER AND SELLER, OR MULTIPLE BUYERS WHO WANT TO PURCHASE THE SAME PROPERTY. THIS CAN BE DONE ONLY WITH THE WRITTEN PERMISSION OF ALL CLIENTS.

THE ACTUAL AGENCY RELATIONSHIPS BETWEEN THE SELLER, BUYER AND THEIR AGENTS IN A REAL ESTATE TRANSACTION MUST BE ACKNOWLEDGED AT THE TIME AN OFFER TO PURCHASE IS MADE. PLEASE READ THIS PAMPHLET CAREFULLY BEFORE ENTERING INTO AN AGENCY RELATIONSHIP WITH A REAL ESTATE AGENT.

### DEFINITION OF "CONFIDENTIAL INFORMATION"

GENERALLY, LICENSEES MUST MAINTAIN CONFIDENTIAL INFORMATION ABOUT THEIR CLIENTS. "CONFIDENTIAL INFORMATION" IS INFORMATION COMMUNICATED TO A

REAL ESTATE LICENSEE OR THE LICENSEE'S AGENT BY THE BUYER OR SELLER OF ONE TO FOUR RESIDENTIAL UNITS REGARDING THE REAL PROPERTY TRANSACTION, INCLUDING

BUT NOT LIMITED TO PRICE, TERMS, FINANCIAL QUALIFICATIONS OR MOTIVATION TO BUY OR SELL. "CONFIDENTIAL INFORMATION" DOES NOT MEAN INFORMATION THAT:

- (1) THE BUYER INSTRUCTS THE LICENSEE OR THE LICENSEE'S AGENT TO DISCLOSE ABOUT THE BUYER TO THE SELLER, OR THE SELLER INSTRUCTS THE LICENSEE OR THE LICENSEE'S AGENT TO DISCLOSE ABOUT THE SELLER TO THE BUYER; AND
- (2) THE LICENSEE OR THE LICENSEE'S AGENT KNOWS OR SHOULD KNOW FAILURE TO DISCLOSE WOULD CONSTITUTE FRAUDULENT REPRESENTATION.

DUTIES AND RESPONSIBILITIES OF A SELLER'S AGENT UNDER A WRITTEN LISTING AGREEMENT TO SELL PROPERTY, AN AGENT REPRESENTS ONLY THE SELLER UNLESS THE SELLER AGREES IN WRITING TO ALLOW THE AGENT TO ALSO REPRESENT THE BUYER. AN AGENT WHO REPRESENTS ONLY THE SELLER OWES THE FOLLOWING AFFIRMATIVE DUTIES TO THE SELLER, THE OTHER PARTIES AND THE OTHER PARTIES' AGENTS INVOLVED IN A REAL ESTATE TRANSACTION:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

A SELLER'S AGENT OWES THE SELLER THE FOLLOWING AFFIRMATIVE DUTIES:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the seller;
- (3) To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
- (5) To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

NONE OF THESE AFFIRMATIVE DUTIES OF AN AGENT MAY BE WAIVED, EXCEPT (7). THE AFFIRMATIVE DUTY LISTED IN \*7) CAN ONLY BE WAIVED BY WRITTEN AGREEMENT BETWEEN SELLER AND AGENT. UNDER OREGON LAW, A SELLER'S AGENT MAY SHOW PROPERTIES OWNED BY ANOTHER SELLER TO A PROSPECTIVE BUYER AND MAY LIST COMPETING PROPERTIES FOR SALE WITHOUT BREACHING ANY AFFIRMATIVE DUTY TO THE SELLER. UNLESS AGREED TO IN WRITING, AN AGENT HAS NO DUTY TO INVESTIGATE MATTERS THAT ARE OUTSIDE THE SCOPE OF THE AGENT'S EXPERTISE, INCLUDING BUT NOT LIMITED TO INVESTIGATION OF THE CONDITION OF THE PROPERTY, THE LEGAL STATUS OF THE TITLE OR THE SELLER'S PAST CONFORMANCE WITH LAW.

### DUTIES AND RESPONSIBILITIES OF A BUYER'S AGENT

AN AGENT, OTHER THAN THE SELLER'S AGENT, MAY AGREE TO ACT AS THE BUYER'S AGENT ONLY. THE BUYER'S AGENT IS NOT REPRESENTING THE SELLER, EVEN IF THE BUYER'S AGENT IS RECEIVING COMPENSATION FOR SERVICES RENDERED, EITHER IN FULL OR IN PART, FROM THE SELLER OR THROUGH THE SELLER'S AGENT.

AN AGENT WHO REPRESENTS ONLY THE BUYER OWES THE FOLLOWING AFFIRMATIVE DUTIES TO THE BUYER, THE OTHER PARTIES AND THE OTHER PARTIES' AGENTS INVOLVED IN A REAL ESTATE TRANSACTION:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

A BUYER'S AGENT OWES THE SELLER THE FOLLOWING AFFIRMATIVE DUTIES:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the buyer;
- (3) To be loyal to the buyer by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
- (5) To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

NONE OF THESE AFFIRMATIVE DUTIES OF AN AGENT MAY BE WAIVED, EXCEPT (7). THE AFFIRMATIVE DUTY LISTED IN \*7) CAN ONLY BE WAIVED BY WRITTEN AGREEMENT BETWEEN BUYER AND AGENT.

UNDER OREGON LAW, A BUYER'S AGENT MAY SHOW PROPERTIES IN WHICH THE BUYER IS INTERESTED TO OTHER PROSPECTIVE BUYERS WITHOUT BREACHING ANY AFFIRMATIVE DUTY TO THE BUYER.

UNLESS AGREED TO IN WRITING, AN AGENT HAS NO DUTY TO INVESTIGATE MATTERS THAT ARE OUTSIDE THE SCOPE OF THE AGENT'S EXPERTISE, INCLUDING BUT NOT LIMITED TO INVESTIGATION OF THE CONDITION OF THE PROPERTY, THE LEGAL STATUS OF THE TITLE OR THE SELLER'S PAST CONFORMANCE WITH LAW.

DUTIES AND RESPONSIBILITIES OF AN AGENT WHO REPRESENTS MORE THAN ONE CLIENT IN A TRANSACTION

ONE AGENT MAY REPRESENT BOTH THE SELLER AND THE BUYER IN THE SAME TRANSACTION, OR MULTIPLE BUYERS WHO WANT TO PURCHASE THE SAME PROPERTY, ONLY UNDER A WRITTEN "DISCLOSED LIMITED AGENCY AGREEMENT" SIGNED BY THE SELLER AND BUYER(S).

DISCLOSED LIMITED AGENTS HAVE THE FOLLOWING DUTIES TO THEIR CLIENTS:

- (1) To the seller, the duties listed above for a seller's agent;
- (2) To the buyer, the duties listed above for a buyer's agent; and
- (3) To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
  - (a) That the seller will accept a price lower or terms less favorable than the listing price or terms;
  - (b) That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
  - (c) Confidential information as defined above.

UNLESS AGREED TO IN WRITING, AN AGENT HAS NO DUTY TO INVESTIGATE MATTERS THAT ARE OUTSIDE THE SCOPE OF THE AGENT'S EXPERTISE.

WHEN DIFFERENT AGENTS ASSOCIATED WITH THE SAME PRINCIPAL BROKER (A REAL ESTATE LICENSEE WHO SUPERVISES OTHER AGENTS) ESTABLISH AGENCY RELATIONSHIPS WITH DIFFERENT PARTIES TO THE SAME TRANSACTION, ONLY THE PRINCIPAL BROKER WILL ACT AS A DISCLOSED LIMITED AGENT FOR BOTH THE BUYER AND SELLER. THE OTHER AGENTS CONTINUE TO REPRESENT ONLY THE PARTY WITH WHOM THE AGENTS HAVE ALREADY ESTABLISHED AN AGENCY RELATIONSHIP UNLESS ALL PARTIES AGREE OTHERWISE IN WRITING. THE PRINCIPAL REAL ESTATE BROKER AND THE REAL ESTATE LICENSEES REPRESENTING EITHER SELLER OR BUYER SHALL OWE THE FOLLOWING DUTIES TO THE SELLER AND BUYER:

- (1) To disclose a conflict of interest in writing to all parties
- (2) To take no action that is adverse or detrimental to either party's interest in the transaction; and
- (3) To obey the lawful instructions of both parties. No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

YOU ARE ENCOURAGED TO DISCUSS THE ABOVE INFORMATION WITH THE LICENSEE DELIVERING THIS PAMPHLET TO YOU. IF YOU INTEND FOR THAT LICENSEE, OR ANY OTHER OREGON REAL ESTATE LICENSEE, TO REPRESENT YOU AS A SELLER'S AGENT,

BUYER'S AGENT, OR DISCLOSED LIMITED AGENT, YOU SHOULD HAVE A SPECIFIC DISCUSSION WITH THE AGENT ABOUT THE NATURE AND SCOPE OF THE AGENCY RELATIONSHIP. WHETHER YOU ARE A BUYER OR SELLER, YOU CANNOT MAKE A LICENSEE YOUR AGENT WITHOUT THE LICENSEE'S KNOWLEDGE AND CONSENT, AND AN AGENT CANNOT MAKE YOU A CLIENT WITHOUT YOUR KNOWLEDGE AND CONSENT.

REVISED 9/9/2013

