

OFFERING MEMORANDUM



# georgia manor

10 E Avenue, Lake Oswego, OR







georgia  
manor

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Executive  
Summary

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# Executive Summary

Located in heart of Portland’s most affluent suburb, Lake Oswego, Georgia Manor has long benefited from its great location in a quiet residential neighborhood and desirable unit sizes with covered parking. Built in 1958, the property consists of 6 units on two tax lots totaling 20,553 SF of land in a courtyard style setting. There are two 2 bedroom/1 bathroom units at 960 square feet, three 2 bedroom/1 bathroom units at 893 square feet, and one lower level 1 bedroom/1 bathroom unit at 547 SF. An on-site laundry facility provides additional income.

Georgia Manor has undergone several recent improvements, including a newer roof in 2011, new electrical panels in all units and interior upgrades in five of the six units. The two largest end units have full sized washer/dryer hookups and fireplaces. The three interior two bedroom units on the main level have extra large closets that would make an ideal location for washer/dryer hookups. Additionally, the five main level units have both front and rear doors to the outside.

Current ownership has pushed the most recently turned rents closer to market rates, although the average in-place rents are approximately 10% below market. In a submarket with approximately 4% vacancy rate, increasing rents to market rates will create instant increased cash-flow and equity for a new ownership group.

Georgia Manor is located in the highly coveted First Addition neighborhood of Lake Oswego, one of the premier historic neighborhoods in all of Portland. Although it’s just eight miles south of downtown Portland, Lake Oswego is not your typical bedroom community. The thriving city of almost 37,000 is centered around the lake (of the same name) and is bordered by the Willamette River, offering wonderful views and great walks.

PROPERTY INFORMATION	
Address	10 E Avenue, Lake Oswego, OR 97034
Number of Units	6
Buildings	1
Land Area	0.47 Acres / 20,556 SF
APN	00193677; 00193695
Year Built	1958
Rentable Square Feet	5,146 SF
Average Apt. Unit Size	858 SF
Average Mo. Apt Rent	\$1,196
Parking	±7 off-street (6 covered)
Heat	Electric
Listing Price	\$1,325,000



# Property Pictures



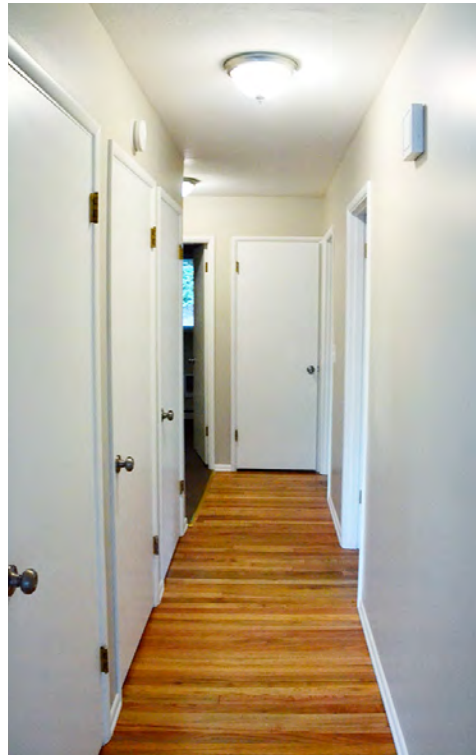
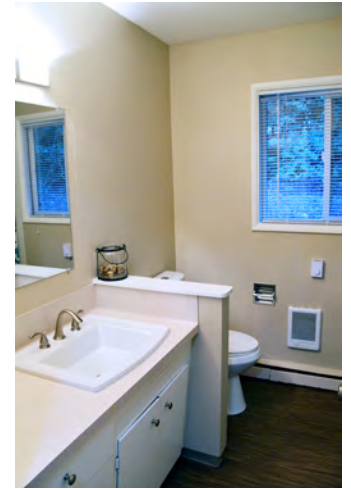
**HIGHLIGHTS**

- Coveted "First Addition" location
- Four blocks to Downtown Lake Oswego
- Brick courtyard setting
- Newer roof (2011)
- Resurfaced parking lot
- Covered parking
- Private setting
- Additional 4,000 SF vacant lot





# Property Pictures



## HIGHLIGHTS

Spacious layouts

Single level units

New electrical panels

Washer/Dryer hook-ups (2 units)

Onsite laundry facility

Five units have upgraded interiors

Hardwoods in some units

Fireplaces (2 units)



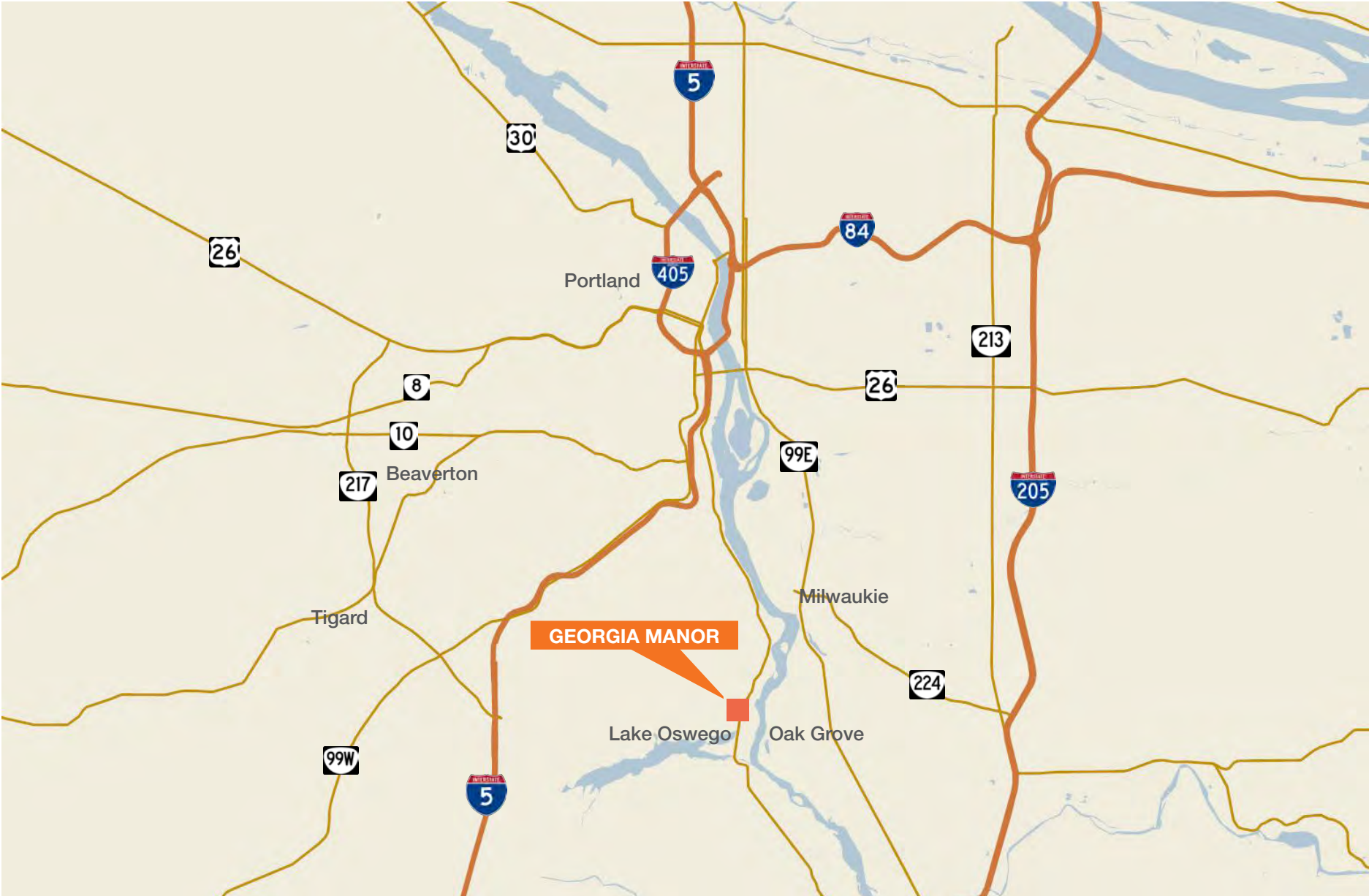
# Aerial

## NEIGHBORHOOD LOCATION





# Map Location





# Valuation Analysis

## CURRENT RENTS

QTY	TYPE	AVG SF	AVG RENT	\$/SF
1	1bd/1 ba	547	\$1,050.00	\$1.92
3	2bd/1ba	893	\$1,158.33	\$1.30
2	2bd/1 ba	960	\$1,325.00	\$1.38
<b>6</b>	<b>(Total)</b>	<b>5,146</b>	<b>\$7,174.99</b>	<b>\$1.39</b>

INCOME	ANNUAL	PER UNIT
Apartment Potential Rental Income	\$86,100	\$14,350
Other Income	\$2,500	\$417
Utility Reimbursement (\$73/unit/mo)	\$5,160	\$860
<b>Gross Operating Income</b>	<b>\$93,760</b>	<b>\$15,627</b>
Vacancy (5%)	(\$4,305)	(\$717)
<b>Effective Operating Income</b>	<b>\$89,455</b>	<b>\$14,909</b>

PRICE ANALYSIS	
Sale Price	\$1,325,000
Price Per Unit	\$220,833
Price Per SF	\$257
Cap Rate	4.69%

ESTIMATED EXPENSES		ANNUAL	% OF EXP	PER UNIT
Real Estate Taxes	2017	\$5,864	6.56%	\$(977)
Insurance	Est	\$1,200	1.34%	\$(200)
Water/Sewer	YTD	\$5,993	6.70%	\$(999)
Electricity	2016	\$500	0.56%	\$(83)
Garbage	YTD	\$1,414	1.58%	\$(236)
Landscaping	2016	\$1,170	1.31%	\$(195)
Maintenance/Repairs	Est	\$3,000	3.35%	\$(500)
Turnover	YTD	\$1,122	1.25%	\$(187)
Professional Management	Est	\$5,365	6.00%	\$(894)
Office/Admin	Est	\$500	0.56%	\$(83)
Reserves	Est	\$1,200	1.34%	\$(200)
<b>Total Operating Expenses</b>		<b>(\$27,328)</b>	<b>30.55%</b>	<b>(\$4,555)</b>
<b>Net Operating Income</b>		<b>\$62,127</b>		<b>\$10,354</b>



# Valuation Analysis

## PRO-FORMA RENTS

QTY	TYPE	AVG SF	AVG RENT	\$/SF
1	1bd/1 ba	547	\$1,125.00	\$2.06
3	2bd/1ba	893	\$1,300.00	\$1.46
2	2bd/1 ba	960	\$1,400.00	\$1.46
<b>6</b>	<b>(Total)</b>	<b>5,146</b>	<b>\$7,825.00</b>	<b>\$1.52</b>

INCOME	ANNUAL	PER UNIT
Apartment Potential Rental Income	\$93,900	\$15,650
Other Income	\$2,500	\$417
Utility Reimbursement (\$100/unit/mo)	\$5,400	\$900
<b>Gross Operating Income</b>	<b>\$101,800</b>	<b>\$16,967</b>
Vacancy (5%)	(\$4,695)	(\$783)
<b>Effective Operating Income</b>	<b>\$97,105</b>	<b>\$16,184</b>

PRICE ANALYSIS	
Sale Price	\$1,325,000
Price Per Unit	\$220,833
Price Per SF	\$257
Cap Rate	5.23%

ESTIMATED EXPENSES		ANNUAL	% OF EXP	PER UNIT
Real Estate Taxes	2017	\$5,864	6.04%	(\$977)
Insurance	Est	\$1,200	1.24%	(\$200)
Water/Sewer	YTD	\$5,993	6.17%	(\$999)
Electricity	2016	\$500	0.51%	(\$83)
Garbage	YTD	\$1,414	1.46%	(\$236)
Landscaping	2016	\$1,170	1.20%	(\$195)
Maintenance/Repairs	Est	\$3,000	3.09%	(\$500)
Turnover	YTD	\$1,122	1.16%	(\$187)
Professional Management	Est	\$5,825	6.00%	(\$971)
Office/Admin	Est	\$500	0.51%	(\$83)
Reserves	Est	\$1,200	1.24%	(\$200)
<b>Total Operating Expenses</b>		<b>(\$27,788)</b>	<b>28.62%</b>	<b>(\$4,631)</b>
<b>Net Operating Income</b>		<b>\$69,317</b>		<b>\$11,553</b>



# Comparables

## APARTMENT SALES COMPARABLES



SUBJECT

### GEORGIA MANOR 10 E Avenue, Lake Oswego

Sale Date	Listed
Number of Units	6
Year Built	1958
Sale Price	\$1,325,000
Total SF	5,146 SF
Price/Unit	\$220,833
Price/SF	\$257
Cap Rate	4.69%



1

### SAWTOOTH APARTMENTS 37 D Avenue, Lake Oswego, OR

Sale Date	7/26/2016
Number of Units	8
Year Built	2015
Sale Price	\$2,300,000
Price/Unit	\$287,500
Price/SF	\$359.38
Building SF	6,400 SF
Cap Rate	4.58%



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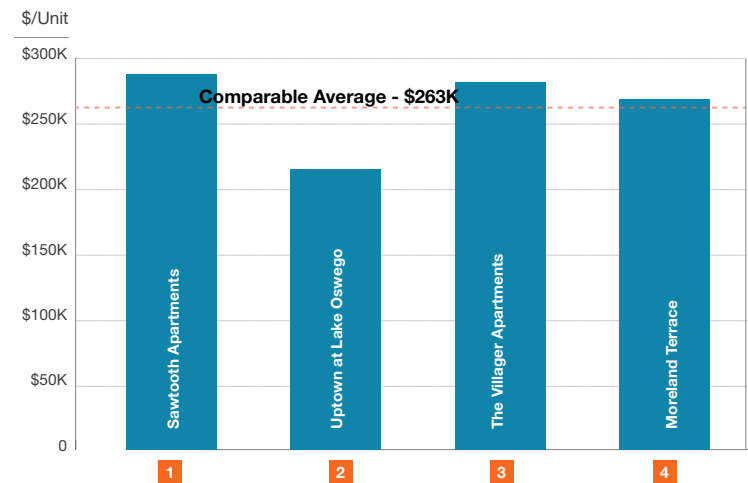
### UPTOWN AT LAKE OSWEGO 295 3rd Street, Lake Oswego, OR

Sale Date	6/9/2017
Number of Units	47
Year Built	1955
Sale Price	\$10,100,000
Price/Unit	\$214,894
Price/SF	\$278
Building SF	36,323 SF
Cap Rate	5.06%

### Average Price/SF



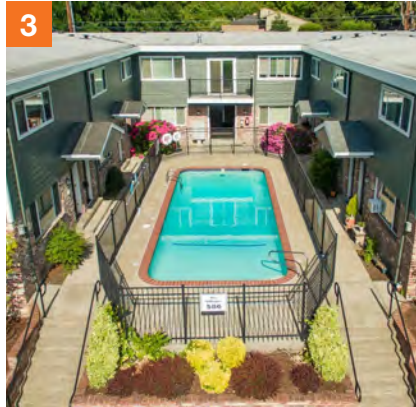
### Average Price/Unit





# Comparables

## APARTMENT SALES COMPARABLES (continued)



3

### THE VILLAGER

586 2nd Street, Lake Oswego, OR

Sale Date	10/14/2016
Number of Units	14
Year Built	1960
Sale Price	\$3,055,000
Price/Unit	\$281,214
Price/SF	\$263.36
Building SF	11,600 SF
Cap Rate	4.00%



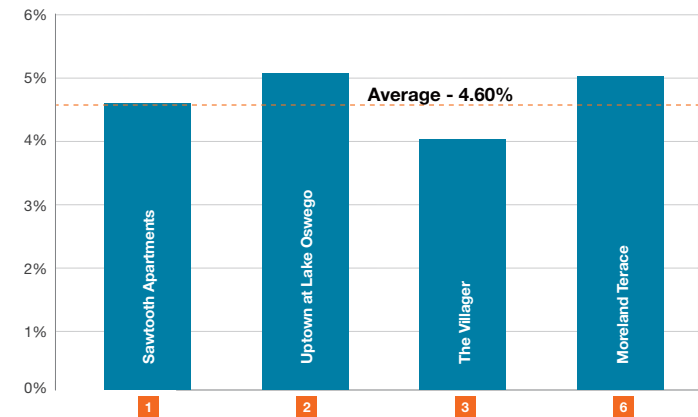
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### MORELAND TERRACE

1625 SE Bidwell St, Portland, OR

Sale Date	6/12/2017
Number of Units	8
Year Built	1962
Sale Price	\$2,150,000
Price/Unit	\$268,750
Price/SF	\$309.26
Building SF	6,952 SF
Cap Rate	5.00%

### Cap Rate





# Comparables

## RENT COMPARABLES - 1 BEDROOM / 1 BATHROOM



**SUBJECT**

**GEORGIA MANOR**  
10 E Avenue, Lake Oswego, OR

Rent	\$1,050
Units	6
Year Built	1958
Rent/SF	\$1.92
Avg SF	547



**1**

**SAWTOOTH APARTMENTS**  
37 D Avenue, Lake Oswego, OR

Rent	\$1,595
Year Built	2015
Units	8
Rent/SF	\$2.67
Avg SF	600 SF



**2**

**THE VILLAGER**  
586 2nd Street, Lake Oswego, OR

Rent	\$1,350
Year Built	1960
Units	14
Rent/SF	\$1.47
Avg SF	700 SF



**3**

**IRON HOUSE**  
580 1st Street, Lake Oswego, OR

Rent	\$1,375
Year Built	1958
Units	16
Rent/SF	\$1.52
Avg SF	850 SF



**4**

**UPTOWN AT LAKE OSWEGO**  
295 3rd Street, Lake Oswego, OR

Rent	\$1,495
Year Built	1955
Units	47
Rent/SF	\$1.96-2.16
Avg SF	600 - 690 SF



**5**

**THE OSWEGAN**  
199 E Avenue, Lake Oswego, OR

Rent	\$1,215 - \$1,550
Year Built	1966
Units	47
Rent/SF	\$2.05
Avg SF	685 SF



# Comparables

## RENT COMPARABLES - 2 BEDROOMS / 1 BATHROOM



**SUBJECT**

**GEORGIA MANOR**  
10 E Avenue, Lake Oswego, OR

Rent	\$975-\$1,350
Year Built	1958
Units	6
Rent/SF	\$1.09-\$1.40
Avg SF	893-960 SF



**1**

**THE VILLAGER**  
586 2nd Street, Lake Oswego, OR

Rent	\$1,450
Year Built	1960
Units	14
Rent/SF	\$1.29
Avg SF	1,000 SF



**2**

**IRON HOUSE**  
580 1st Street, Lake Oswego, OR

Rent	\$1,521
Year Built	1958
Units	16
Rent/SF	\$1.69
Avg SF	850 SF



**3**

**UPTOWN AT LAKE OSWEGO**  
295 3rd Street, Lake Oswego, OR

Rent	\$1,545 - \$1,645
Year Built	1955
Units	47
Rent/SF	\$1.74 - \$2.03
Avg SF	800 - 910 SF



**4**

**THE OSWEGAN**  
199 E Avenue, Lake Oswego, OR

Rent	\$1,495 - \$1,890
Year Built	1966
Units	47
Rent/SF	\$1.69
Avg SF	850 - 920 SF





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Overview

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# Location Overview

## LAKE OSWEGO AND FIRST ADDITION NEIGHBORHOOD

Lake Oswego’s downtown is a beautiful, walkable lakefront business district with an estimated 747,000 square feet of ground floor space with specialty shopping, dining, and entertainment, as well as office and service uses. Located along State Street (Highway 43) and between A to B Avenues from 6th Street to State, downtown has several connected nodes. In addition, a new mixed-use development is near completion in downtown. When completed this year, the development will provide a mix of uses in three separate buildings including 200 residential units, and 42,891 square feet of commercial space. A new parking garage will include parking for 430 cars, of which 135 spaces will be public parking.

Downtown Lake Oswego features Millennium Park, a gathering area for many local community events including concerts and the Farmer’s Market. The core of downtown Lake Oswego is only a four block walk from Georgia Manor.

Lake Oswego School District ranks among the best in the state — and the nation. Lake Oswego High and Lakeridge High were ranked the top large public high schools in U.S. News & World Report’s 2016 list of Oregon’s best high schools. They also were among 6,218 high schools to receive national recognition just as they were last year and the year before.

There are 600 acres of parks and open spaces in Lake Oswego. In addition to the city’s parks and green spaces, the 645-acre Tyron Creek State Park is Oregon’s only state park within a major metropolitan area and is located in the northeast corner of Lake Oswego, adjacent to the NE corner of First Addition.

According to Redfin, the median home list price in the First Addition neighborhood of Lake Oswego is \$1,075,000 with the price per-square foot of \$337, over double the Portland Metro average.



**LAKE OSWEGO**

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Top rated schools

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600 acres of parks and nature areas

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Exceptionally high home values

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# Portland Apartment Market

## PORTLAND APARTMENT MARKET

ULI 2017 Emerging Trends ranks Portland 3rd among 78 metro areas for real estate investment

In 2016, Oregon personal income growth was 5th nationally at 1.3%

Portland ranked #20 on Business Insider's Top 50 Best Cities for 2016

Oregon was the top 2015 destination for people moving from one state to another according to a United Van Lines Study for the 3rd year in a row

Portland has added 62,000 residents over the last three years, an increase of 2.7%

Portland MSA employment is at an all-time high, employing ±1,072,600 workers

In the past two years, Portland MSA has added over 72,800 jobs, an increase of 3.4% in the last year alone

Portland MSA is expected to add nearly 48,000 additional jobs in the next two years

Portland's unemployment rate stands at 3.5%, its lowest in 27 years

Portland MSA is the 8th strongest rental market in the nation, per Axiometrics

Portland MSA multifamily vacancy is below 4.0%

Intel, Oregon's largest private employer with 17,000 employees, has hired as many as 8,000 construction workers for its \$3 billion expansion

Nike announced a major \$275+ million expansion that will create 500 new jobs

Kaiser Hospital in Hillsboro was completed with 1,100 new jobs

Daimler Trucks has announced plans to build a \$150 million headquarters on Swan Island with 400 new jobs



### PORTLAND MARKET HIGHLIGHTS

5.7%

PERSONAL INCOME GROWTH WAS 2ND NATIONALLY

3.4%

PORTLAND MSA JOB GROWTH - 37,300 JOBS

4.0%

PORTLAND MSA MULTIFAMILY VACANCY RATE

1.72%

40,621 RESIDENTS ADDED OVER THE LAST 3 YEARS IN PORTLAND SINCE 2014





## Portland Rankings

**#1** Moving destination of 2015 – United Van Lines 2016

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**#1** America's "coolest" city right now – International Traveller, Jan 2016

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**#1** America's greenest cities – Travel & Leisure, May 2015

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**#1** Fittest city in America – Huffington Post

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**#2** Top 10 cycling cities – Travel Channel 2016

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**#3** Best places for business and careers – Forbes 2015

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**#8** Best cities for millennials – Matador Network, May 2016

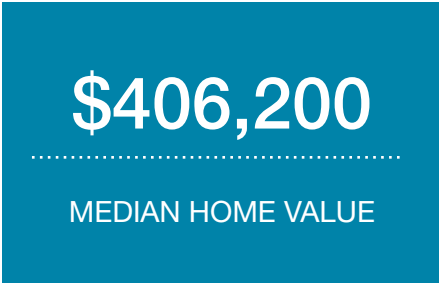
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# Portland Overview

## CITY OF PORTLAND

Portland is considered one of the nation's most livable cities. Located on the banks of the Willamette River only 90 minutes from snow-capped peaks and the Pacific Ocean, one might not realize Portland's bustling downtown and waterfront are the heart of a metropolitan region with more than 2 million people. Twelve bridges span a wide elbow of the Willamette River, connecting the east and west sides of town. Throughout the metro area are thriving neighborhoods filled with restaurants, record shops, bars, funky clothing stores, antique malls and art galleries.

Portland is known for its progressive bike-friendly attitude, lively music and restaurant scenes, food carts, farmers' markets, and endless recreation possibilities. Beyond the metro area residents enjoy the Pacific Northwest's natural beauty via slopes, sails, surf and trails.



Portland is a walkable and bikable city. Within walking distance of most parts of downtown is the campus of Portland State University, the world-class Portland Art Museum, Waterfront Park, Pioneer Courthouse Square, the Oregon Historical Society, a performing arts complex and a concert hall. For the sports-minded, Portland is home of the MLS Timbers, NBA Trail Blazers, and WHL Winterhawks. Outdoor enthusiasts love Forest Park, the largest city park in the nation, with 5,000 acres of hiking and biking trails, a zoo, public gardens and beautiful old-growth woods. The downtown core is connected by one of the world's leading public transportation systems, a combination of buses, streetcars, and light-rail trains, putting the entire metro area only a couple stops away.





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# Why Kidder Mathews

## COMPANY OVERVIEW

### Commercial Brokerage

Overall annual transaction volume ..... **\$5.6B**

Annual leases ..... **30.9M sf**

Annual sales ..... **18.6M sf**

### Property Management

Portfolio ..... **46M+ sf**

### Valuation Advisory

Appraisals annually ..... **1,300+**

Kidder Mathews is one of the largest, independent commercial real estate firms on the West Coast, with nearly 700 real estate professionals and staff in 20 offices in Washington, Oregon, California, Arizona, and Nevada. We offer a complete range of brokerage, appraisal, property management, consulting, sustainability, and project and construction management services for all property types.

#### WASHINGTON

# Brokers ..... 121  
 # Property Managers ..... 22  
 # Appraisers ..... 25

#### OREGON

# Brokers ..... 35  
 # Property Managers ..... 6  
 # Appraisers ..... 2

#### NEVADA

# Brokers ..... 10  
 # Property Managers ..... 1

#### CALIFORNIA

# Brokers ..... 155  
 # Property Managers ..... 18  
 # Appraisers ..... 11

#### ARIZONA

# Brokers ..... 15  
 # Property Managers ..... 2  
 # Appraisers ..... 1



### Kidder Mathews Services

Commercial Brokerage	Project & Construction Management
Property Management	Development Management
Valuation Advisory	Debt & Equity Finance
Consulting	

### Award Winning Services 2001-2017

The Oregonian Top Work Places	OR Business Magazine 100 Best Companies
6 times	9 times
PBJ Largest Commercial Real Estate Firms	SFBT Largest Commercial Real Estate Firms
14 times	5 times
PSBJ Largest Commercial Real Estate Firms	PSBJ Fastest Growing Companies
18 times	5 times



# Why Kidder Mathews

## THE TEAM



**Jordan Carter**  
Senior Vice President, Partner

### CAREER SUMMARY

Jordan Carter is a senior vice president and partner in the Portland office of Kidder Mathews. Since joining Kidder Mathews in 2006, his practice has focused on the sale and acquisition of multifamily and investment properties primarily in the Portland metropolitan area and along the I-5 corridor. While at Kidder Mathews, Jordan has sold over 100 properties and 3,000 apartment units, totaling over \$300 million in value.

Jordan's experience includes representing buyers and sellers of traditional apartments, new construction apartments and mixed-use buildings, as well as apartment development land.

As a licensed attorney in Oregon, prior to entering the commercial real estate profession, Jordan practiced law in Portland and assisted in his family's construction business. Jordan's legal background and knowledge of the construction industry benefit his clients by bringing a unique perspective to help evaluate and facilitate multifamily transactions.



**Clay Newton**  
Senior Vice President, Partner

### CAREER SUMMARY

Clay Newton began his career 24 years ago working in commercial real estate appraisal. He started as a Commercial Real Estate Broker in 1998, founded his own company in 2006 and in 2013 joined Kidder Mathews. Clay is currently a first vice president and partner at Kidder Mathews where his focus is representing apartment property owners and investors in the sale and acquisition of assets valued between \$1 million and \$20 million.

Clay has served on the board and development committee of Portland Youth Builders, helping to improve the lives of at-risk students. He serves on the forms committee for the Commercial Association of Brokers and is the past President of the Commercial Real Estate Brokers of Metropolitan Portland (COMP). He is a graduate of the University of Portland, where he played NCAA Division I Tennis and lives with his wife Dianna and their 10-year-old daughter Evangeline, in northeast Portland.



**Tyler Linn**  
Vice President

### CAREER SUMMARY

Tyler is a vice president in the Portland office of Kidder Mathews. He focuses on the exclusive representation of owners in the disposition and acquisition of multifamily properties, as well as business development, transaction management, and advisory services. Tyler has been involved in transactions throughout the Pacific Northwest but his primary attention is focused on Oregon and Southwest Washington.

Prior to joining Kidder Mathews, Tyler served as an associate director for a national provider of capital market transaction services specializing in multi-family sales. Tyler has worked in both the information technology and accounting industry and leverages his experience in both fields to provide a comprehensive advisory role for his clients in asset valuations, market analysis, and other advisory services.

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