



# 12TH STREET APARTMENTS

**\$1,400,000**

## LOCATION:

1348-1366 12TH ST SE  
SALEM, OREGON 97302

## OVERVIEW:

- 10 UNITS
- 6.05% CAP RATE ON ACTUALS
- COMPLETELY RENOVATED
- NEAR DOWNTOWN SALEM



## GABE JOHANSEN

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# SALEM 10-UNITS

## PROPERTY INFORMATION

Number of Units	10
Number of Rooms	14
Year Built	1910 & 1945
Parking	On-Site
Asking Price	1,400,000
Unit Bedrooms/Bathrooms	1/1 (7), 2/1 (2), 3/1 (1)
Actual Rent/unit:	1,038.50

## INCOME

Gross Scheduled Income	124,500
Less Vacancy Factor (projected 3%)	3,735
Gross Operating Income	121,765

## EXPENSES

Tax Rate	4.98% of GSI	6,201	per county
Insurance	4.42%	5,500	actual
Utilities & Garbage	4.97%	6,192	actual
Landscaping	1.45%	1,800	estimated
Maintenance & Repair	6.43%	8,000	estimated
Management	5.97%	7,435	estimated
Reserves	1.61%	2,000	estimated
Total Expenses	29.08%	37,128	
Net Operating Income		84,637	

## FINANCIAL ANALYSIS

Purchase Price	<b>1,400,000</b>
Less Down: 25%	350,000
Less 2nd T.D. Loan	0.0%
New 1st T.D. Loan	1,050,000
Gross Potential Income	124,500
Debt Service: Conventional 30 yr AM Calculated @ 4.250%	61,984

## SUMMARY

Scheduled Income	124,500
Less Vacancy	3,735
Gross Operating Income	121,765
Less Total Operating Expenses	37,128
Net Operating Income	84,637
Less Annual Debit Service	61,984
Annual Pre-Tax Cash Flow	22,653
Monthly Pre-Tax Cash Flow	1,888
Cash On Cash Return	<b>6.47%</b>
Expenses Per Unit Per Year	<b>3,713</b>
Gross Rent Multiplier	<b>11.24</b>
Price Per Unit	<b>140,000</b>
Cap Rate	<b>6.05</b>



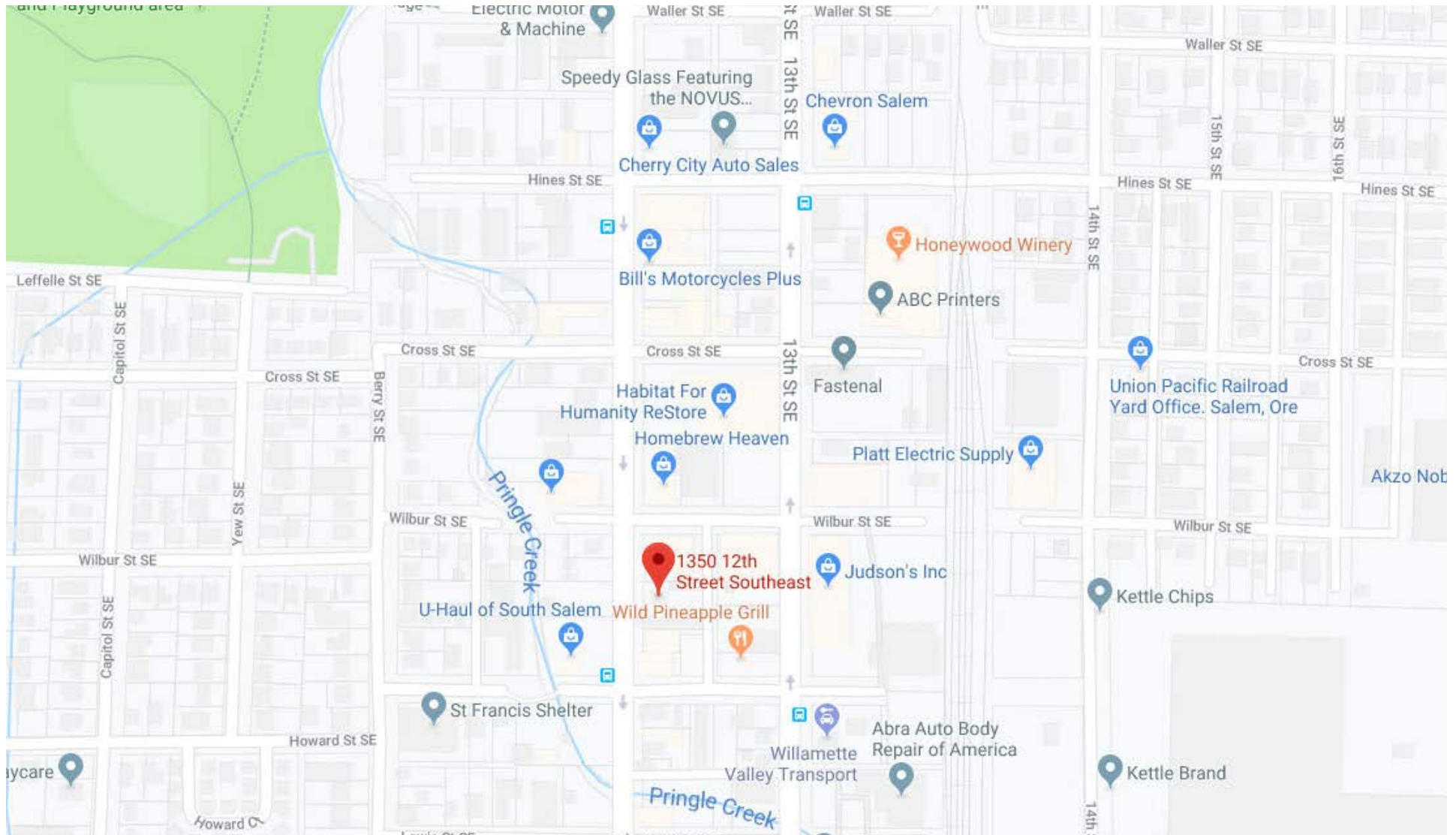
# SALEM 10-UNITS

## PROPERTY HIGHLIGHTS

- Recent renovation of the entire complex
- Property consists of one 3 bed / 1 bath house and nine apartments.
- Apartment units are seven 1 bed / 1 bath and two 2 bed / 1 bath
- South Salem School District
- Central location with easy access to I-5 and downtown Salem
- Close to Salem Hospital and Willamette University
- Located on a bus line



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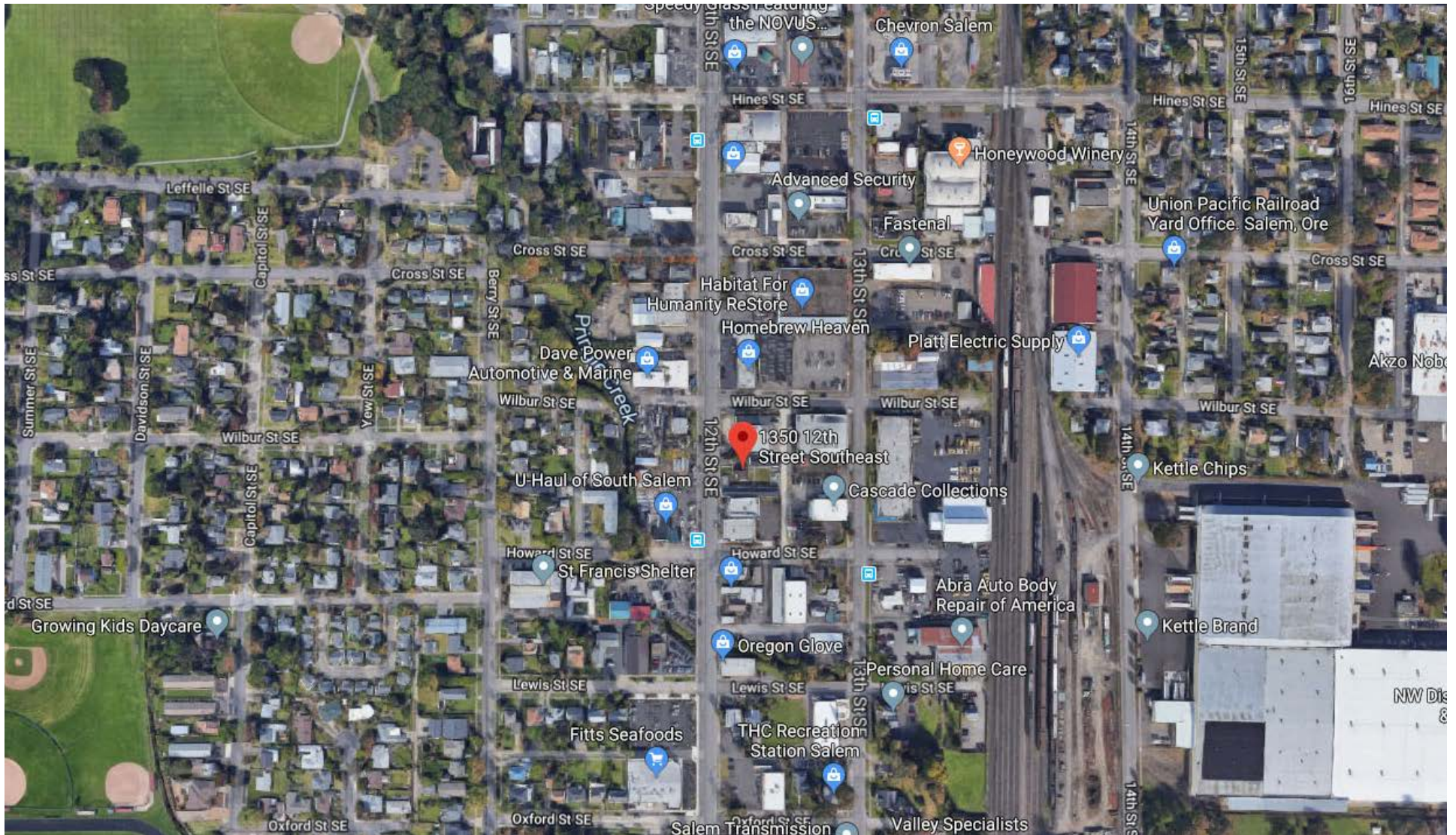
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## SALEM-KEIZER RENTS

PRE 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		780	995	1227
Central Salem	683	797	895	969
NorthEast Salem		805	925	1341
Suburban SE Salem	671	804	1006	1113
SouthEast Salem	632	854	998	1293
South Salem	713	835	1092	1359
West Salem	675	801	932	1104
<b>Average</b>	<b>674</b>	<b>807</b>	<b>970</b>	<b>1173</b>

## OUTLYING MARKET RENTS

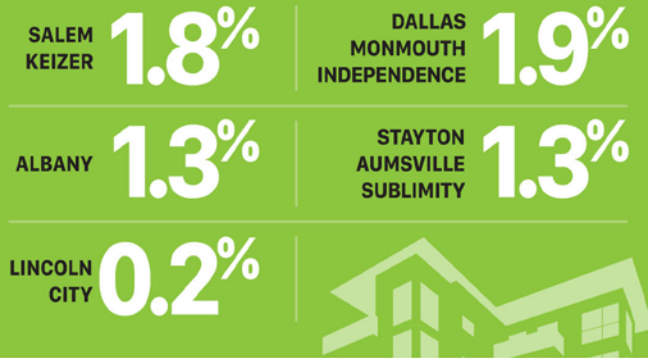
	STUDIO	1BD	2BD	3BD
Albany	803	836	1016	1080
Stayton		795	824	1083
Aumsville			990	1095
Sublimity			1050	
Monmouth	523	840	963	1160
Independence	868	990	1204	1282
Dallas		838	953	1278
Lincoln City		833	1046	1020

POST 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		1022	1108	1395
Central Salem	1050	1193	1360	1786
NorthEast Salem	929	989	1030	1300
Suburban SE Salem	800	925	969	1213
SouthEast Salem		998	1135	1299
South Salem		945	1107	1590
West Salem	775	976	1172	1464
<b>Average</b>	<b>947</b>	<b>1008</b>	<b>1105</b>	<b>1365</b>

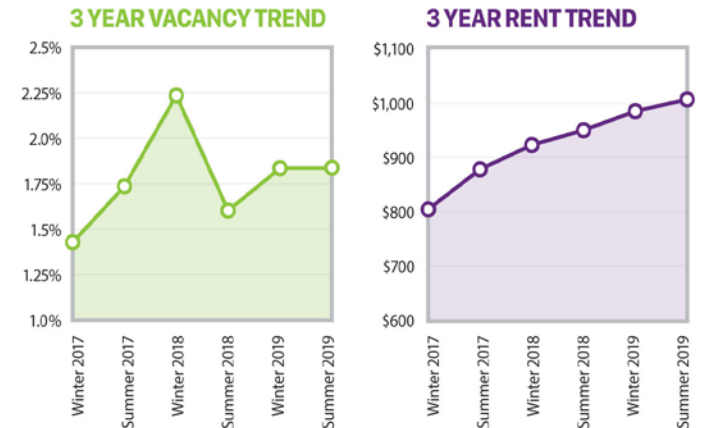
## VACANCY

Keizer	2.2%
Central Salem	2.3%
NorthEast Salem	1.6%
Suburban SE Salem	1.6%
SouthEast Salem	1.2%
South Salem	2.1%
West Salem	2.2%
Albany	1.3%
Stayton/Aumsville/Sublimity	1.3%
Dallas/Monmouth/Independence	1.9%
Lincoln City	0.2%

## MID-VALLEY VACANCY



## SALEM-KEIZER



SMI Commercial Real Estate surveyed 15,556 units total during the month of July 2019.



# SALEM 10-UNITS



## 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

