

# **127th Place Apartments**

3321 S.E. 127th Place  
Portland, Oregon 97236

Seven Apt. Units in Two Buildings  
Offered at \$495,000

Solid Apartment Value in SE Portland! Built in 1971. Seller is motivated!

- 6 Two Bedroom 1 Bath
- 1 One Bedroom 1 Bath
- Ranges & Refrigerators in each unit
- 7,57% Cap Rate
- GRM 8.2
- 100% Occupied

Renovated in 2012! Large 19,062 Sq.Ft. lot with plenty of parking!



**Western Equities**

**Randy Smith, Principal Broker**

**Phone 503.242.0033**

**Mobile 503.320.3030**

[randysmith@westernequities.com](mailto:randysmith@westernequities.com)

[www.westernequities.com](http://www.westernequities.com)

All information, while it is believed to be accurate, is not warranted. The buyer must verify all information independently, and is urged to consult qualified investment advisors.

Here in your chance to buy a solid apartment property in an excellent rental market! Recent upgrades make renting a breeze! Cash, new conventional or FHA loan is required. Get in on Portland's best real estate market in years! Call listing agent for details.



# 127th Place Apartments

Six Two Bedroom and One One Bedroom Apartments

3321 S.E. 127th Place

Portland, Oregon 97236

## Executive Summary

Please don't disturb tenants!

**Asking Price:**            **\$495,000**

**Financing:**            There is a balloon payment which is due in 2014, so the sale will require a new loan. The seller may consider creative financing ideas. Please call the listing agent for further details.

<b>Income/Expenses:</b>	Gross income is	\$ 60,360
	Less 5% vacancy	\$ 3,018
	<u>Actual 2011 expenses are</u>	<u>\$ 19,653</u>
	<b>Net Operating Income</b>	<b>\$ 37,473</b>

**Cap Rate:**            Current capitalization rate is 7.57 %.

### Property

**Description:**    127th Place Apartments consists of 2 buildings, built approximately 1968, with city water and city sewer. The units vary in square footage and there are 6 two bedroom, one bath units and 1 one bedroom, one bath apartment. All of the units have free standing ranges and refrigerators. There is a laundry room in the fourplex building for the tenant's use. Please refer to the current rent roll attached to this package for the breakdown. There are crawl spaces under the 4 unit building, but the 3 unit building is on concrete slab. The exterior siding of the units is brick and lap siding with mansard style asphalt shingles (see photos). The roofs are of two different construction styles; the easternmost building has a flat built-up roof and the second has asphalt shingles and are in average condition, per visual inspection and there are no known problems. It is recommended that the potential buyer have them inspected by a roofing professional.

Rents vary from \$750 to \$645 per month. Please refer to the attached rent roll. There are several flowering trees on the grounds. The apartments have a large off-street asphalt parking area for the tenant's use, and it is in average condition.

## Area

Description: The South East neighborhood of Portland is easily reached by Interstate 205 to SE Powell Boulevard from downtown Portland and the metroplex. The area has been steadily improving, with new restaurants and stores servicing the community. It's easy access via bus line to Max light rail should facilitate further growth and upgrading of the housing stock in the neighborhood. Public transportation in the form of frequent bus & rail service is extensive.

Portland is a city located in the Northwestern United States, near the confluence of the Willamette and Columbia rivers in the state of Oregon. As of July 2009, it has an estimated population of 582,130 making it the 29th most populous in the United States. It has been referred to as the most environmentally friendly or "green" city in the United States and the second most in the world. Portland is Oregon's most populous city, and the third most populous city in the Pacific Northwest, after Seattle, Washington, and Vancouver, British Columbia. Approximately two million people live in the Portland metropolitan area (MSA), the 23rd most populous in the United States as of July 2006. Average tri-county median household income is approximately \$48,699.

There are approximately 98,970 rental units in the city, and the 2011 vacancy rate of approximately 4% places it in 4<sup>th</sup> position among the nation's top 75 metro areas! You can read the entire article at: <http://www.oregonbusiness.com/articles/96-february-2011/4754-portland-rated-a-top-real-estate-buy>. Since that time vacancies have dropped to 2% in some sub-markets!

Feel free to call the listing broker Randy Smith for further details, or to answer questions you may have. I can be reached at: (503) 242-0033, or on cell phone: (503) 320-3030 or via email: [randysmith@westernequities.com](mailto:randysmith@westernequities.com).

Please note: The information contained in this package has been provided by sources believed to be accurate, but cannot be guaranteed. Prospective purchasers should confirm all information independently, and to consult with their own financial and legal advisors.



# Annual Property Operating Data

## 127th Place Apartmenrs

Purpose	Marketing Package
Name	127th Place Apartmenrs
Location	3321 S.E. 127th Place, Portlan
Property Type	Garden Court Apartments
Date	15 February 2013
Units	7

Price	\$495,000
-Loans	0
Down Payment	495,000
+Acq Costs	19,800
+Loan Points	0
Investment	514,800

	\$/Unit	% of GI	Annual \$
<b>Gross Income</b>	\$8,623	100.0%	\$60,360
- Vacancy & Credit Loss	431	5.0%	3,018
<b>Effective Income</b>	\$8,192	95.0%	\$57,342
Less: Operating Expenses			
Electric	307	3.6%	2,146
Garbage	334	3.9%	2,338
Water/Sewer	765	8.9%	5,358
Property Taxes	991	11.5%	6,936
Insurance 2013	337	3.9%	2,360
Maintenance 2012 Actual	104	1.2%	731
Total Operating Expenses	\$2,838	32.9%	\$19,869
<b>Net Operating Income</b>	\$5,353	62.1%	\$37,473

Capitalization Rate	7.57%
Gross Income Multiplier	8.20
Price/Unit	\$70,714

The data and calculations presented herein, while not guaranteed, have been obtained from sources we believe to be reliable, primarily from the seller. Potential purchasers must verify all information regarding this property independently, and are urged to obtain the advice of qualified accounting, legal, and 1031 tax-deferred exchange professionals.

## 127<sup>th</sup> Rent Roll

3321 \$750.00 – 2 bedroom  
3323 \$750.00 – 2 bedroom  
3325 \$735.00 – 2 bedroom  
3327 \$750.00 – 2 bedroom  
3329 \$675.00 – 1 bedroom  
3331 \$725.00 – 2 bedroom  
3333 \$645.00 – 2 bedroom

# Analysis Assumptions Report

## 127th Place Apartmenrs

### Investment Assumptions

Price of Property	\$495,000.00
Closing Costs	4% of Property Price
Date of Acquisition	1 January 2014
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	7.5% Capitalization of NOI on Sale Date
Selling Costs	6%

### Investor's Assumptions

Present Value Discount Rate	10% per Year
Tax Rate - First Year	39.6%
Tax Rate - Following Years	39.6%
Capital Gain Rate	20%
Cost Recovery Recapture Rate	25% - Losses Carried Forward

### Depreciation - Estimated Depreciation Assumptions

Depreciable Amount	\$350,000.00
Depreciable Life	27.5 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

### Current Rents Feb 2013 Revenue Assumptions

Annual Revenue (1 Units @ \$5,030.00/Unit/Month)	\$60,360.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Vacancy Factor	5%

### Electric Expense Assumptions

Annual Expense	\$2,146.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Garbage Expense Assumptions

Annual Expense	\$2,338.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Water/Sewer Expense Assumptions

Annual Expense	\$5,358.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

# Analysis Assumptions Report

## 127th Place Apartmenrs

### Property Taxes Expense Assumptions

Annual Expense	\$6,936.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Insurance 2013 Expense Assumptions

Annual Expense	\$2,360.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Maintenance 2012 Actual Expense Assumptions

Annual Expense	\$731.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate









