

Heather Glen Apartments

2547 SE 174th Avenue
Portland, Oregon 97236

Offered at \$1,299,000

- Cap Rate: 9.38%
- GRM: 7.70
- 20 Large 2 Bedroom Apts
- On site laundry
- 30 paved parking spaces
- On site office for manager



Western Equities

Randy Smith, Principal Broker

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Listing broker has an ownership interest in the property. 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.

Good South East Location!
Ample off street parking.
Excellent long term growth
opportunity. Possible owner
carry financing! Call listing
agent for details!

Heather Glen Apartments

2547 SE 174th Ave,
Portland, Oregon 97236

Executive Summary

Please don't disturb tenants or managers!

Asking Price: \$1,299,000

Financing: The seller would prefer to be cashed out, however, he may consider a land sales contract on the property with a qualified buyer. Please call the listing agent to discuss possible rate & terms.

Income/Expenses:	Actual 2010 effective income is:	\$ 168,796
	Actual 2010 expenses are:	\$ 46,935
	Net Operating Income per Seller:	\$ 121,824

Cap Rate: At the listed price, current proforma capitalization rate is 9.38 %.

Property Description:

Heather Glen Apartments is located on SE 174th Avenue, just south of Division St. in Portland, Oregon (please see maps included in this package). The property has high visibility and is situated on the bus line and convenient to shopping along the Division St. corridor. There are 20 large two – bedroom, one bath apartments of approximately 900 square feet in one two-story building. There is ample (30 spaces) paved parking for tenants & guests. The site contains 30,550 square feet according to county records.

The current owner of Hillside Terrace has completed extensive renovation of the property approximately two years ago. There is a laundry room with seller owned washers & dryers for the tenant's use. The washers & dryers are included in the purchase price.

Demographics:

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 the 2010 Census, it had an estimated population of 583,776, making it the 29th most populous in the United States. Portland is Oregon's most populous city, and the third most populous city in the Pacific Northwest, after Seattle, Washington and Vancouver, British Columbia, Canada. Approximately 2.2 million people live in the Portland metropolitan area (MSA), the 23rd most

populous in the United States as of July 2006. For further details on demographic and the economy please visit:

http://en.wikipedia.org/wiki/Portland,_Oregon#Economy

Portland was incorporated in 1851 and is the county seat of Multnomah County. Portland has been referred to as one of the most environmentally friendly or "green" cities in the world. The city and region are noted for strong land-use planning and investment in light rail, supported by Metro, a distinctive regional government. Portland is known for its large number of microbreweries and micro-distilleries, as well as its coffee enthusiasm. It is also the home of the Trail Blazers NBA team and the Timbers MLS team.

Portland lies in the Marine west coast climate region, marked by warm, dry summers and rainy but mild winters. This climate is ideal for growing roses, and for more than a century, Portland has been known as "The City of Roses" with many rose gardens—most prominently the International Rose Test Garden.

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

For additional photos of the property, please go to our website: www.westernequities.com and click on properties.

Annual Property Operating Data

Heather Glen Apartments

The amount and terms of an owner carry financing is for illustration only. The actual terms and conditions will depend on the buyer's credit rating and financial strength.

Purpose	Listing Package
Name	Heather Glen Apartments
Location	2547 SE 174th Ave., Portland,
Property Type	Garden Court Two Story Buildin
Date	30 April 2011
Units	20

Price	\$1,299,000
-Loans	1,149,000
Down Payment	150,000
+Acq Costs	6,000
+Loan Points	0
Investment	156,000

	\$/Unit	% of GI	Annual \$
Gross Income	\$8,438	100.0%	\$168,759
- Vacancy & Credit Loss	0	0.0%	0
Effective Income	\$8,438	100.0%	\$168,759
Less: Operating Expenses			
Water & Sewer	717	8.5%	14,340
Garbage	213	2.5%	4,250
Electricity	61	0.7%	1,216
Insurance	142	1.7%	2,840
Property Taxes	754	8.9%	15,079
Maintenance	421	5.0%	8,410
Other	40	0.5%	800
Total Operating Expenses	\$2,347	27.8%	\$46,935
Net Operating Income	\$6,091	72.2%	\$121,824
Less: Debt Service			
Proposed Owner Carry Contract	4,703	55.7%	94,058
Total Debt Service	\$4,703	55.7%	\$94,058
Cash Flow Before Taxes	\$1,388	16.5%	\$27,766

Capitalization Rate	9.38%
Gross Income Multiplier	7.70
Debt Coverage Ratio	1.295
Cash on Cash	17.80%
Price/Unit	\$64,950

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.

Property Acquisition Report

Heather Glen Apartments

This report shows the projected cash requirement for acquisition of the Heather Glen Apartments on 1 January 2012.

Cost of Property Acquired			
Price of Property	\$1,299,000		
+ Closing Costs	6,000		
Total Cost of Property Acquired			\$1,305,000
Property Financing			
Proposed Owner Carry Contract Loan Principal	\$1,149,000		
Proposed Owner Carry Contract Loan Proceeds		\$1,149,000	
Total Net Loan Proceeds			1,149,000
Cash Required at Acquisition			\$156,000

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Analysis Assumptions Report

Heather Glen Apartments

Investment Assumptions

Price of Property	\$1,299,000.00
Closing Costs	\$6,000.00
Date of Acquisition	1 January 2012
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	7.25% Capitalization of NOI on Sale Date
Selling Costs	4.5%

Investor's Assumptions

Present Value Discount Rate	8% 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	\$900,000.00
Depreciable Life	27.5 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

Proposed Owner Carry Contract Loan Assumptions

This loan would be a wrapped note by the seller on an underlying note and trust deed. The terms are suggested as a starting point for negotiations only; the exact terms & conditions will depend on the financial strength of the borrower.

Loan Amount	\$1,149,000.00
Loan Interest Rate	7.25% Annually
Original Loan Period	30 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Prepayment Penalty	6 Mos Interest on Declining Balance

2010 Actual Rents Collected Revenue Assumptions

Annual Revenue	\$160,796.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Other Income - Actual 2010 Revenue Assumptions

Other income includes laundry, rental applications, late fees, tenant reimbursements, if any.

Annual Revenue	\$7,963.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Analysis Assumptions Report

Heather Glen Apartments

Water & Sewer Expense Assumptions

All expenses listed are actual expenses for 2010, per the seller.

Annual Expense	\$14,340.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Garbage Expense Assumptions

Annual Expense	\$4,250.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Electricity Expense Assumptions

Annual Expense	\$1,216.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Insurance Expense Assumptions

Annual Expense	\$2,840.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Property Taxes Expense Assumptions

Annual Expense	\$15,079.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Maintenance Expense Assumptions

Annual Expense	\$8,410.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Other Expense Assumptions

Annual Expense	\$800.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate





