

Swan Court Apartments

13718 S.E. Division St.
Portland, Oregon 97236

Short Sale! Reduced!
Offered at \$799,950

Rare Short Sale Opportunity
Cosmetic Fixer. Seller is motivated!

- 19 Apartments & 1 Commercial Bldg.
- Built in 1942-1995
- Ranges & Refrigerators in each unit
- 9.37% Cap Rate
- GRM 5.57
- 100% Occupied

New roofs & complete renovations on buildings installed in 2007



Western Equities

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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! A little cosmetic fix-up will yield great results! Cash, new conventional or FHA loan is required. Get in on Portland's best real estate market in years! Call listing agent for details.



Swan Court Apartments

One Duplex, Three Fourplexes, One Fiveplex, and One Commercial
Building on 1 tax lot

13718 S.E. Division St.
Portland, Oregon 97236

Short Sale Opportunity!

Executive Summary

Please don't disturb tenants!

Asking Price: **\$799,950**

Financing: The short sale with the existing lender requires that the property be purchased with cash or a new loan only. Please call the listing agent for further details.

Income/Expenses:	Gross income is	\$ 145,560
	Less 5% vacancy (currently 100% occupied)	\$ 7,178
	<u>Actual 2011 expenses are</u>	<u>\$ 61,449</u>
	Net Operating Income	\$ 74,933

Cap Rate: Current capitalization rate is 9.37 %.

GRM: Gross Rent Multiplier is 5.57

Property

Description: Swan Court Apartments consists of five buildings, built between 1942 and 1995, with city water and city sewer. The units vary from a 4 bedroom, 1 bath unit to studios. Please refer to the current rent roll attached to this package for the breakdown. There are crawl spaces under the units, but the commercial building is on concrete slab. There is an on site laundry with coin operated machines for the tenant's use. The exterior siding of the units is stucco. The roofs are asphalt shingles and are in excellent condition, having been installed in 2007 according to a recent appraisal.

Rents vary from \$430 to \$950 per month. Please refer to the attached rent roll. There are several flowering trees on the grounds. The apartments have an off-street asphalt parking area for the tenant's use, and it is in good condition. The interiors of the apartments have been renovated in 2007.

Area

Description: The South East neighborhood of Portland is easily reached by Interstate 205 to Division from downtown Portland and the metroplex. The area has been steadily improving, with new restaurants and stores servicing the community. Its 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 4th 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.

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

Swan Court

Purpose	Proposed Sale	Price	\$799,950
Name	Swan Court	-Loans	0
Location	13718 SE Division St., Portlan	Down Payment	799,950
Property Type	Garden Court Apartments	+Acq Costs	3,000
Date	17 May 2012	+Loan Points	0
Units	20	Investment	802,950

	\$/Unit	% of GI	Annual \$
Gross Income	\$7,178	100.0%	\$143,560
- Vacancy & Credit Loss	359	5.0%	7,178
Effective Income	\$6,819	95.0%	\$136,382
Less: Operating Expenses			
Maintenance 2011	206	2.9%	4,120
Insurance 2011	154	2.1%	3,080
Property Taxes current	755	10.5%	15,109
Office/Tel/Admin	61	0.8%	1,220
Utilities	1,896	26.4%	37,920
Total Operating Expenses	\$3,072	42.8%	\$61,449
Net Operating Income	\$3,747	52.2%	\$74,933
Less: Debt Service			
Total Debt Service	\$0	0.0%	\$0
Cash Flow Before Taxes	\$3,747	52.2%	\$74,933

Capitalization Rate	9.37%
Gross Income Multiplier	5.57
Cash on Cash	9.33%
Price/Unit	\$39,998

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.

Analysis Assumptions Report

Swan Court

Investment Assumptions

Price of Property	\$799,950.00
Closing Costs	\$3,000.00
Date of Acquisition	1 January 2012
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	9% Capitalization of NOI on Sale Date
Selling Costs	6%

Investor's Assumptions

Present Value Discount Rate	8% per Year
Tax Rate - First Year	28%
Tax Rate - Following Years	28%
Capital Gain Rate	20%
Cost Recovery Recapture Rate	25% - Losses Carried Forward

Depreciation Estimated Depreciation Assumptions

Depreciable Amount	\$675,000.00
Depreciable Life	27.5 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

Current Rent Roll - Apts Revenue Assumptions

Annual Revenue	\$116,274.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Vacancy Factor	5%

Laundry & Misc. Fees Revenue Assumptions

Annual Revenue	\$3,926.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Vacancy Factor	5%

Utility Reimbursement Revenue Assumptions

Annual Revenue	\$23,360.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Vacancy Factor	5%

Analysis Assumptions Report

Swan Court

Maintenance 2011 Expense Assumptions

Annual Expense	\$4,120.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Insurance 2011 Expense Assumptions

Annual Expense	\$3,080.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Property Taxes current Expense Assumptions

Annual Expense	\$15,109.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Office/Tel/Admin Expense Assumptions

Annual Expense	\$1,220.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Utilities Expense Assumptions

Annual Expense	\$37,920.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

PF	Unit #	Owner	Address	Tenant	Johnson	Rent	Prnt. Argum. Balance	Months. Unpaid Rent	Current Month	Comments
-updated: 2/7/2012										
Swain Court 13718 SE Division Portland OR 97236										
197	D1	RNI	13718 SE Division PR:197	Suzanne Johnson	Johnson	735			810	
197	D2	RNI	13718 SE Division PR:197	Patrick Ripley	Ripley	459			810	
197	D3	RNI	13718 SE Division PR:197	Marcia Smith	Cook	535			484	
197	D4	RNI	13718 SE Division PR:197	Joyce Gallagher	Smith M Gallagher	950			0	
197	D5	RNI	13718 SE Division PR:197	Cheritina Kirby	Kirby	690			765	
197	D6	RNI	13718 SE Division PR:197	Mary Stuart	Stuart	600			0	
197	D7	RNI	13718 SE Division PR:197	Kevin McCarty	McCarty	595			0	
197	D8	RNI	13718 SE Division PR:197	Thomas McLeod	McLeod	560			0	
197	D9	RNI	13718 SE Division PR:197	Liz Bohvin	Bohvin	630			705	
197	D10	RNI	13718 SE Division PR:197	Korissa Hall	Hall	600			0	
197	D11	RNI	13718 SE Division PR:197	James Clarke/Andrew Perry	Clarke	574			0	
197	D12	RNI	13718 SE Division PR:197	Mary Orchard/Johnathan	Orchard	695			0	
197	D13	RNI	13718 SE Division PR:197	Kimberly Morgan	Morgan	500			575	
197	D14	RNI	13718 SE Division PR:197	Alice Adams	Adams	569			685	
197	D15	RNI	13718 SE Division PR:197	Patty Beehler	Beehler	620			0	
197	D16	RNI	13718 SE Division PR:197	Greg Schaebauer	Schaebauer	569			0	
197	D17	RNI	13718 SE Division PR:197	Calvin Wilson	Wilson	500			0	
197	D18	RNI	13718 SE Division PR:197	Danny Dunn	Dunn	420			0	
197	D19	RNI	13718 SE Division PR:197	Danny Dunn	Dunn Storage	40			60	
197	ST1	RNI	13718 SE Division PR:197	Suzanne Johnson	Johnson Storage	60			600	
197	ST2	RNI	13718 SE Division PR:197						400	
197	ST3	RNI							400	

S. Connors

Aditya Bhandari 2/2/15

Swan Court
Profit and Loss
For Year Ending 12/31/11

Income

Rental Income	116274	
Laundry & Other Fees	3926	
Utility Reimbursement	<u>23360</u>	
Total Income		143560

Expenses

Advertising	0	
Legal & Professional	0	
Management	0	
Maintenance	4120	
Insurance	3080	
Property Taxes	15000	
Office, Telephone, Admin.	1220	
Utilities	<u>37920</u>	
Total Expenses		<u>61340</u>
Net Income		<u><u>82220</u></u>