



# SIMPSON APARTMENTS

**\$785,000**

## LOCATION:

2522 SIMPSON ST SE  
SALEM, OREGON

## OVERVIEW:

- 6.36% CAP RATE
- 100% OCCUPIED
- PRIDE OF OWNERSHIP



## JARED STASCH

APARTMENT **BROKER**

BROKER

LICENSED IN THE STATE OF OREGON

503.390.6060

[jared@smicre.com](mailto:jared@smicre.com)

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



# SIMPSON APARTMENTS

## PROPERTY INFORMATION

Number of Units	8
Number of Bedrooms	8
Year Built	1971
Asking Price	785,000
Unit Bedrooms/Bathrooms	1/1 (8) Flats
Projected Rent per Unit	810

## INCOME

Gross Potential Income	77,760
Less Vacancy Factor (projected 3%)	2,333
Laundry Income (Actual)	1,380
Gross Operating Income	76,807

## EXPENSES

Tax Rate	7.40% of GSI	5,755	projected
Insurance	1.67%	1,300	projected
Utilities & Garbage	13.07%	10,165	projected
Landscaping	1.54%	1,200	projected
Management	5.93%	4,609	projected
Maintenance & Repair	4.94%	3,840	projected
Total Expenses	34.55%	26,869	
Net Operating Income		49,938	

## FINANCIAL ANALYSIS

Purchase Price	<b>785,000</b>
Less Down: 30%	235,500
Less 2nd T.D. Loan	0.0%
New 1st T.D. Loan	549,500
Gross Potential Income	77,760
Debt Service: Conventional 30 yr AM Calculated @4.50%	33,411

## SUMMARY

Scheduled Income	77,760
Less Vacancy	2,333
Gross Operating Income	76,807
Less Total Operating Expenses	26,869
Net Operating Income	49,938
Less Annual Debit Service	33,411
Annual Pre-Tax Cash Flow	16,527
Monthly Pre-Tax Cash Flow	1,377
Cash On Cash Return	<b>7.02%</b>
Expenses Per Unit Per Year	<b>3,359</b>
Gross Rent Multiplier	<b>10.10</b>
Price Per Unit	<b>98,125</b>
Cap Rate	<b>6.36%</b>



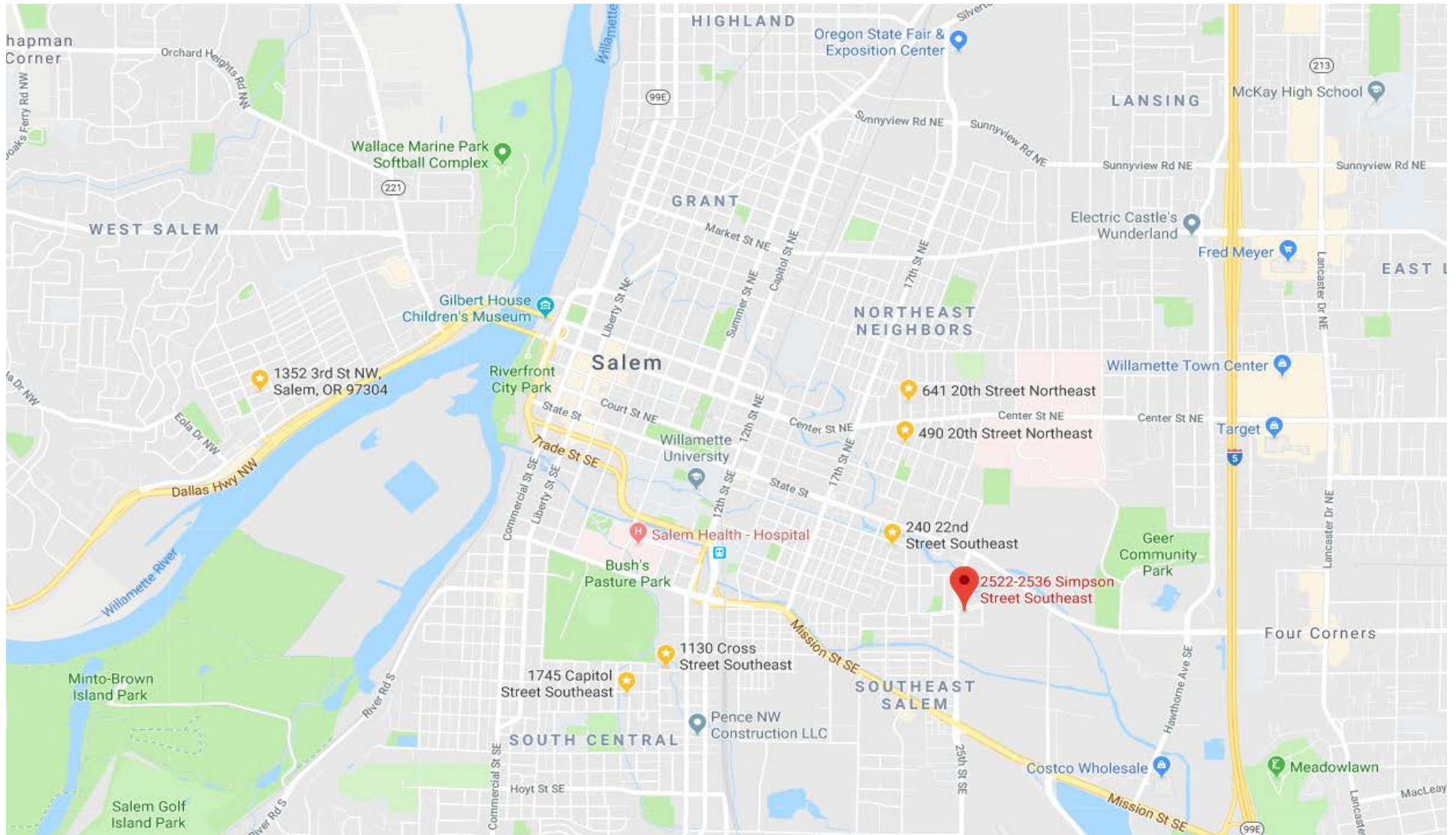
# SIMPSON APARTMENTS

## PROPERTY HIGHLIGHTS

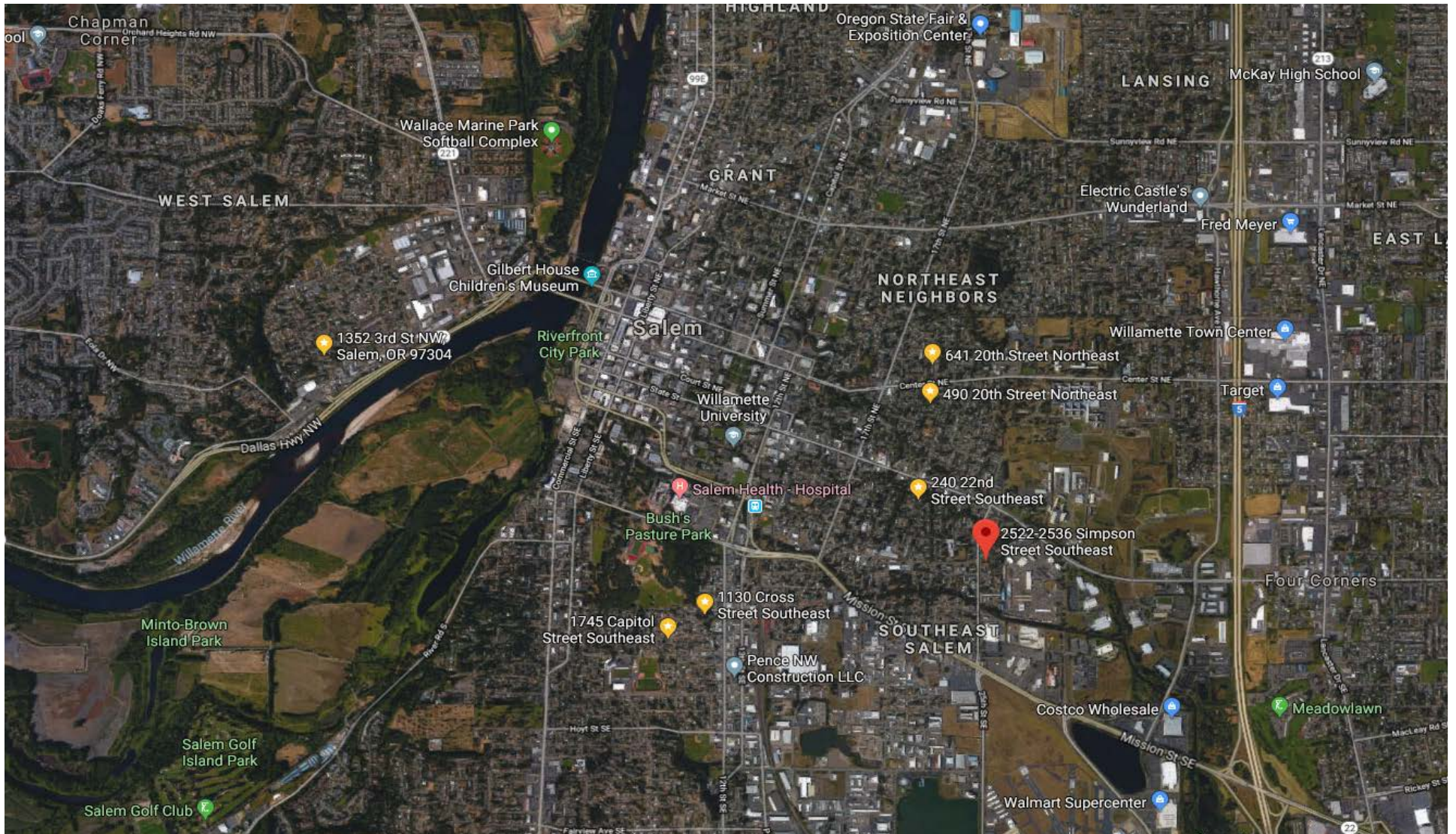
- On-site laundry
- Two buildings - 4 units each
- Pride of ownership
- Buildings contain high efficiency water heaters that serve as hot water and heating source
- Low maintenance property with great cash flow
- Located close to shopping
- Close to bus lines
- Minutes from Downtown Salem
- New exterior paint and landscaping



# SIMPSON APARTMENTS



# SIMPSON APARTMENTS



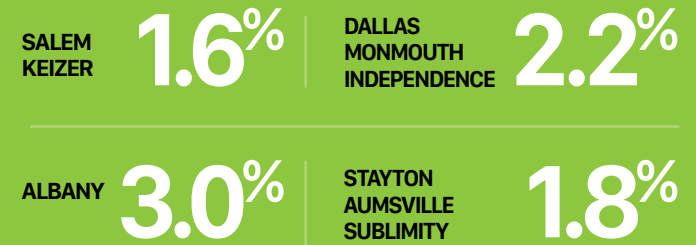
## SALEM-KEIZER RENTS

PRE 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		744	942	1171
Central Salem	618	767	862	962
NorthEast Salem	660	782	878	1179
Suburban SE Salem	550	775	947	1144
SouthEast Salem		764	973	1472
South Salem	685	775	1063	1152
West Salem	650	793	922	1111
<b>Average</b>	<b>637</b>	<b>770</b>	<b>928</b>	<b>1150</b>

## OUTLYING MARKET RENTS

	STUDIO	1BD	2BD	3BD
Albany	825	852	1033	1164
Stayton		750	743	1001
Aumsville			986	1095
Sublimity			1025	
Monmouth	465	812	933	1133
Independence	530	894	1034	1189
Dallas		750	809	

## MID-VALLEY VACANCY

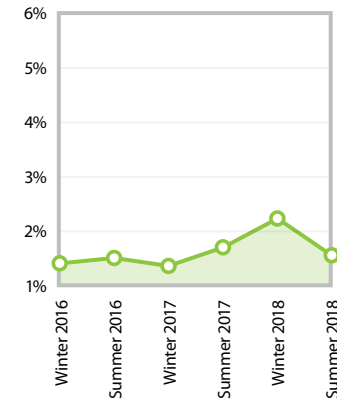


POST 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		950	1035	1343
Central Salem		725	1110	
NorthEast Salem	900	1043	1016	1368
Suburban SE Salem	795	863	946	1297
SouthEast Salem		970	1066	1265
South Salem		896	1016	1500
West Salem	775	990	1146	1404
<b>Average</b>	<b>890</b>	<b>968</b>	<b>1048</b>	<b>1327</b>

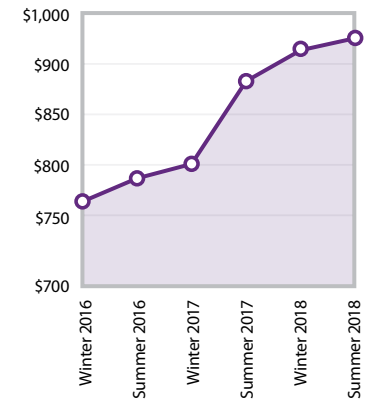
## VACANCY

Keizer	1.7%
Central Salem	2.4%
NorthEast Salem	1.5%
Suburban SE Salem	1.4%
SouthEast Salem	0.9%
South Salem	1.1%
West Salem	2.2%
Albany	3.0%
Stayton/ Aumsville/ Sublimity	1.8%
Monmouth/ Independence/ Dallas	2.2%

### 3 YEAR VACANCY TREND



### 3 YEAR RENT TREND



SMI Commercial Real Estate surveyed 14271 units total during the month of June 2018.



# SIMPSON APARTMENTS



## 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

