



CARDINAL COURT APARTMENTS

\$1,082,000

LOCATION:

141-175 HRUBETZ RD SE
SALEM, OREGON

OVERVIEW:

- 7.08% CAP RATE
- 100% OCCUPIED
- RENT UPSIDE



JARED STASCH

APARTMENT **BROKER**

BROKER

LICENSED IN THE STATE OF OREGON

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PROPERTY INFORMATION

Number of Units	10
Number of Rooms	20
Year Built	1970
Asking Price	1,082,000
Unit Bedrooms/Bathrooms	2/1 (10) Flats
Projected Rent per Unit	925

INCOME

Gross Potential Income	111,000
Less Vacancy Factor (projected 3%)	3,330
Laundry Income (Actual)	2,507
Gross Operating Income	110,177

EXPENSES

Tax Rate	6.17% of GSI	6,850	actual
Insurance	1.47%	1,636	actual
Utilities & Garbage	6.83%	7,577	actual
Landscaping	2.61%	2,902	actual
Maintenance & Repair	11.68%	9,500	actual
Management	6.55%	7,269	actual
Total Expenses	30.19%	33,512	
Net Operating Income		76,665	

FINANCIAL ANALYSIS

Purchase Price	1,082,000
Less Down: 25%	270,500
Less 2nd T.D. Loan	0.0%
New 1st T.D. Loan	811,500
Gross Potential Income	111,000
Debt Service: Conventional 30 yr AM Calculated @4.50%	49,341

SUMMARY

Scheduled Income	111,000
Less Vacancy	5,837
Gross Operating Income	105,163
Less Total Operating Expenses	33,512
Net Operating Income	71,651
Less Annual Debit Service	49,341
Annual Pre-Tax Cash Flow	22,310
Monthly Pre-Tax Cash Flow	1,859
Cash On Cash Return	8.25%
Expenses Per Unit Per Year	3,351
Gross Rent Multiplier	9.75
Price Per Unit	108,200
Cap Rate	7.08%



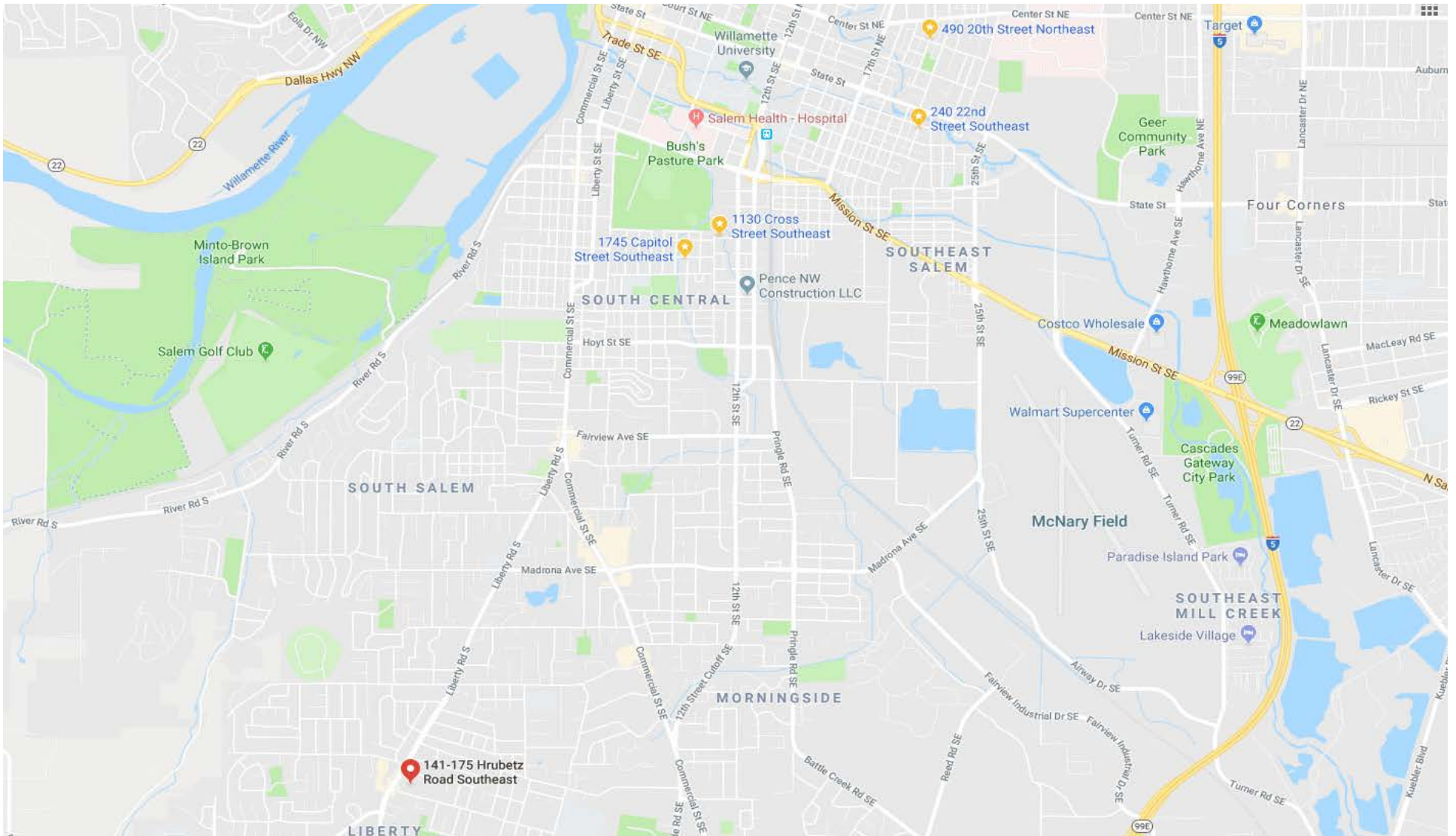
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AMENITIES

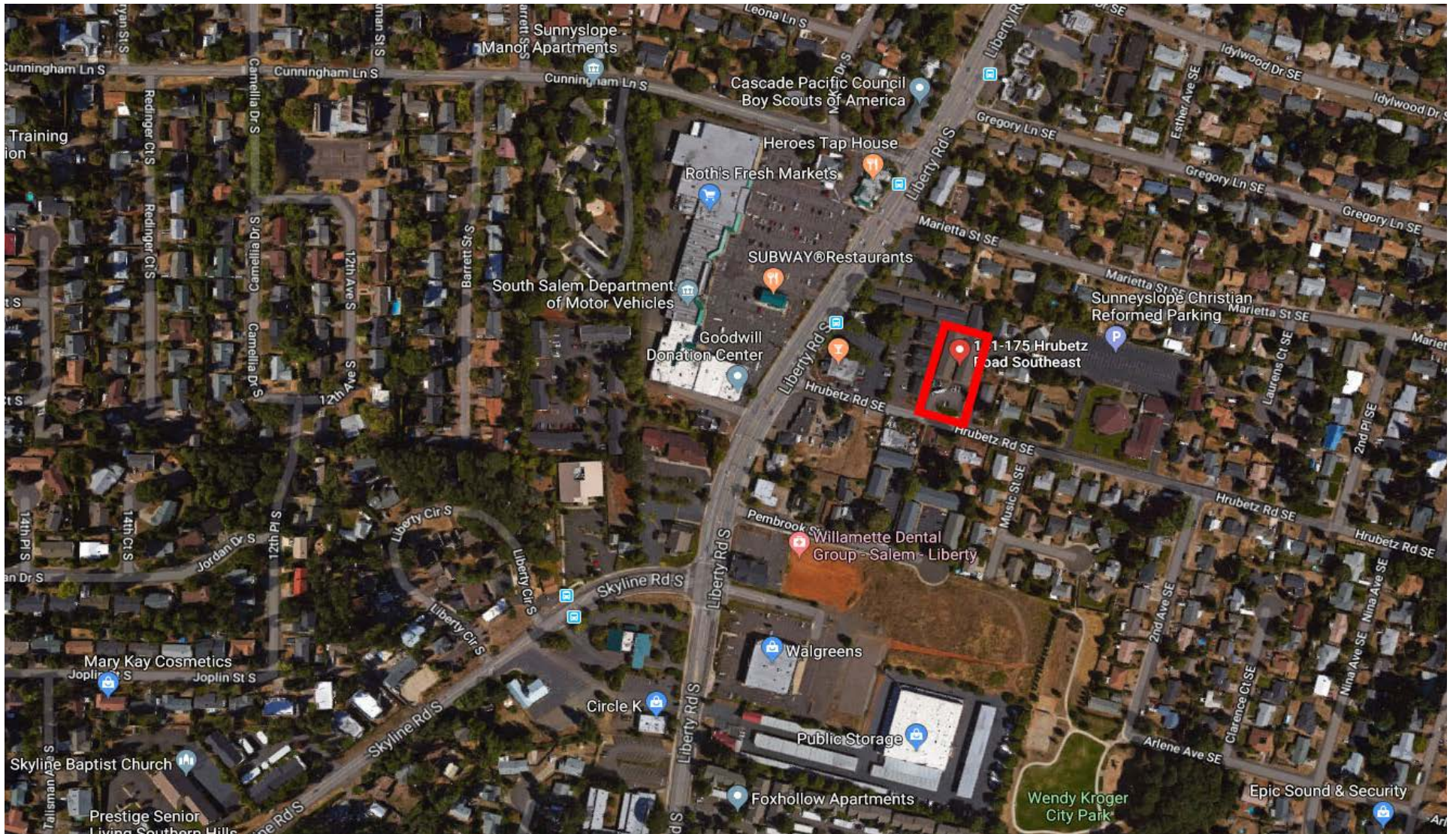
- Listing Broker is related to Seller and a licensed Real Estate Broker in the State of Oregon
- On-site laundry
- Large parking area with handicap parking
- Within walking distance of shopping and bus lines
- Average rents \$857/month with highest rent currently at \$925
- Most units have been rehabbed with fresh paint, new carpet / vinyl and like kind fixtures over the past two years
- New exterior paintg in 2016
- Easy to Manage
- Rent upside



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SALEM-KEIZER RENTS

PRE 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		722	945	1053
Central Salem	563	696	807	888
NorthEast Salem	615	744	930	1179
Suburban SE Salem	550	713	926	1031
SouthEast Salem		710	939	1238
South Salem	663	793	1075	1278
West Salem	525	783	885	1146
Average	593	727	928	1112

POST 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		962	1038	1329
Central Salem		763	861	
NorthEast Salem	900	985	1042	1275
Suburban SE Salem	796	871	945	1210
SouthEast Salem		944	1058	1236
South Salem			1012	
West Salem	700	964	1115	1417
Average	885	952	1034	1300

OUTLYING MARKET RENTS

	STUDIO	1BD	2BD	3BD
Albany	776	786	956	1041
Stayton		750	728	901
Aumsville			915	1025
Sublimity			950	
Monmouth	500	812	898	1108
Independence	530	932	1017	1184
Dallas			765	

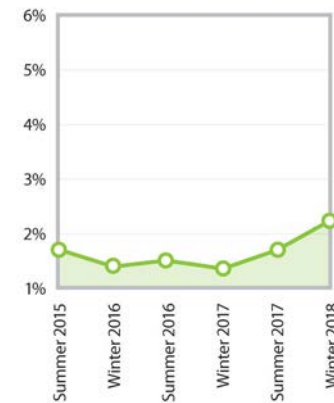
VACANCY

Keizer	2.8%
Central Salem	2.8%
NorthEast Salem	2.3%
Suburban SE Salem	2.3%
SouthEast Salem	1.5%
South Salem	2.7%
West Salem	2.3%
Albany	3.6%
Stayton/ Aumsville/ Sublimity	1.4%
Monmouth/ Independence/ Dallas	1.4%

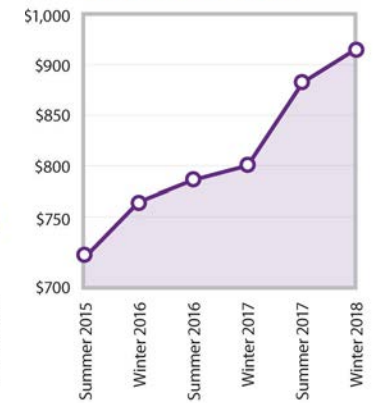
MID-VALLEY VACANCY

SALEM KEIZER	2.3%	DALLAS, MONMOUTH, INDEPENDENCE	1.4%
ALBANY	3.6%	STAYTON, AUMSVILLE SUBLIMITY	1.4%

3 YEAR VACANCY TREND



3 YEAR RENT TREND



SMI Commercial Real Estate surveyed 13,596 units total during the month of December 2017



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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

