



MEADOW CREEK APARTMENTS

\$7,000,000

LOCATION:

815 SW COZINE LN
MCMINNVILLE, OR 97128

OVERVIEW:

- 58 UNITS - 40 2BD, 18 1BD
- 2 BLOCKS FROM LINFIELD COLLEGE
- UNITS SUB-METERED FOR WATER USAGE
- WALKING DISTANCE TO DOWNTOWN SHOPPING



GABE JOHANSEN

APARTMENT BROKER

PRINCIPAL BROKER/OWNER
LICENSED IN THE STATE OF OREGON

503.390.6060
gabe@smicre.com
www.smicre.com



MEADOW CREEK APARTMENTS

PROPERTY INFORMATION

Number of Units	58
Number of Rooms	98
Year Built	1971
Parking	Covered
Asking Price	7,000,000
Unit Bedrooms/Bathrooms	1/1 (18), 2/1 (40)
Scheduled Rent per Unit	872

INCOME

Gross Scheduled Income	606,912
Less Vacancy Factor (projected 3%)	18,207
Laundry Income (estimated)	10,000
Gross Operating Income	598,705

EXPENSES

Tax Rate	6.62% of GSI	40,173	per county
Insurance	0.77%	4,661	actual
Utilities & Garbage (minus water)	2.72%	16,510	actual
Landscaping	1.15%	6,980	estimated
Professional	0.17%	1,060	estimated
Maintenance & Repair	7.65%	46,400	estimated
Management	8.00%	48,550	estimated
Reserves	1.43%	8,700	estimated
Total Expenses	28.51%	173,034	
Net Operating Income		425,671	

FINANCIAL ANALYSIS

Purchase Price	7,000,000
Less Down: 25%	1,750,000
New 1st T.D. Loan	5,250,000
Gross Scheduled Income	606,912
Debt Service: Conventional 30 yr AM Calculated @4.100%	304,415

SUMMARY

Scheduled Income	606,912
Less Vacancy: 3%	18,207
Gross Operating Income	598,705
Less Total Operating Expenses	173,034
Net Operating Income	425,671
Less Annual Debit Service	304,415
Annual Pre-Tax Cash Flow	121,256
Monthly Pre-Tax Cash Flow	10,105
Cash On Cash Return	6.93%
Expenses Per Unit Per Year	2,983
Gross Rent Multiplier	11.53
Price Per Unit	120,690
Cap Rate	6.08



MEADOW CREEK APARTMENTS

AMENITIES

- Conveniently located just off of HWY 99W
- 0.4 mile to Linfield College
- 1 mile to downtown Third Street
- Covered parking
- Thermal Pane Windows - windows and glass doors have been upgraded to new energy efficient double pane windows
- On-site Laundry
- Separately sub-metered for water usage
- Verizon Fios Available
- Short distance to HWY 18 to the Oregon Coast
- Close to Evergreen Aviation Museum, Indoor Waterpark & IMAX Theater



MEADOW CREEK APARTMENTS



MEADOW CREEK APARTMENTS



MEADOW CREEK APARTMENTS



SALEM-KEIZER RENTS

PRE 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		689	916	1046
Central Salem	580	690	790	874
NorthEast Salem		728	820	1340
Suburban SE Salem	550	710	890	986
SouthEast Salem		792	892	1104
South Salem	639	736	989	1283
West Salem	525	712	840	1157
Average	593	721	871	

POST 1990 ERA	STUDIO	1BD	2BD	3BD
Keizer		917	1006	1280
Central Salem			825	
NorthEast Salem	825	826	970	986
Suburban SE Salem		792	861	1148
SouthEast Salem		902	987	1210
South Salem			943	
West Salem		970	1116	1372
Average	825	870	989	1180

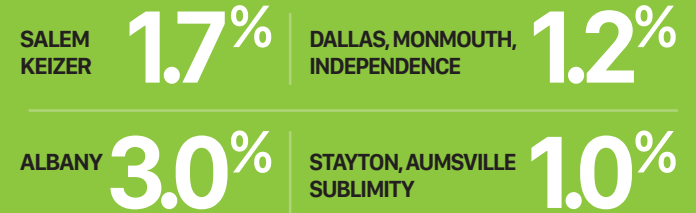
OUTLYING MARKET RENTS

	STUDIO	1BD	2BD	3BD
Albany	560	765	941	1006
Stayton		751	719	892
Aumsville			918	
Sublimity			950	
Monmouth		858	889	1089
Independence	541	945	1010	1145
Dallas			725	

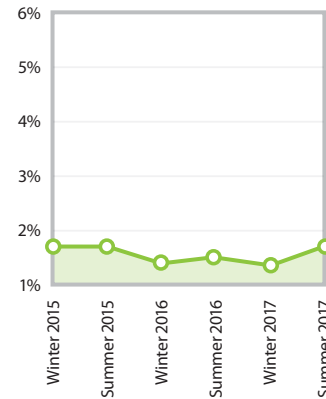
VACANCY

Keizer	2.1%
Central Salem	2.5%
NorthEast Salem	1.2%
Suburban SE Salem	1.8%
SouthEast Salem	1.9%
South Salem	0.8%
West Salem	1.3%
Albany	3.0%
Stayton/ Aumsville/ Sublimity	1.0%
Monmouth/ Independence/ Dallas	1.2%

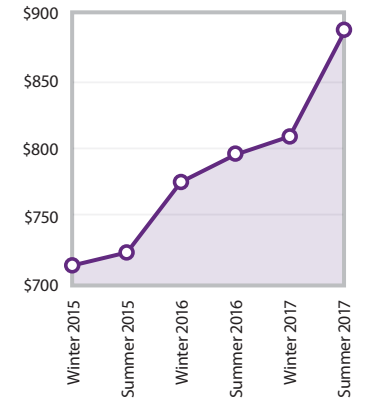
MID-VALLEY VACANCY



3 YEAR VACANCY TREND



3 YEAR RENT TREND



SMI Commercial Real Estate surveyed 11,006 units total during the month of July 2017



MEADOW CREEK 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

