



POWELL APARTMENTS

30-unit apartment building located in close-in southeast Portland; 9.71% in place cash-on-cash return.

3605 SE 38TH AVE & 3754 SE POWELL BLVD | PORTLAND, OR 97202



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FINANCIALS

THE OFFERING

Kidder Mathews presents a newer construction 30-unit apartment opportunity located in the heart of close-in SE Portland with an attractive assumable loan at 3.36% interest and over 6 years of term remaining.

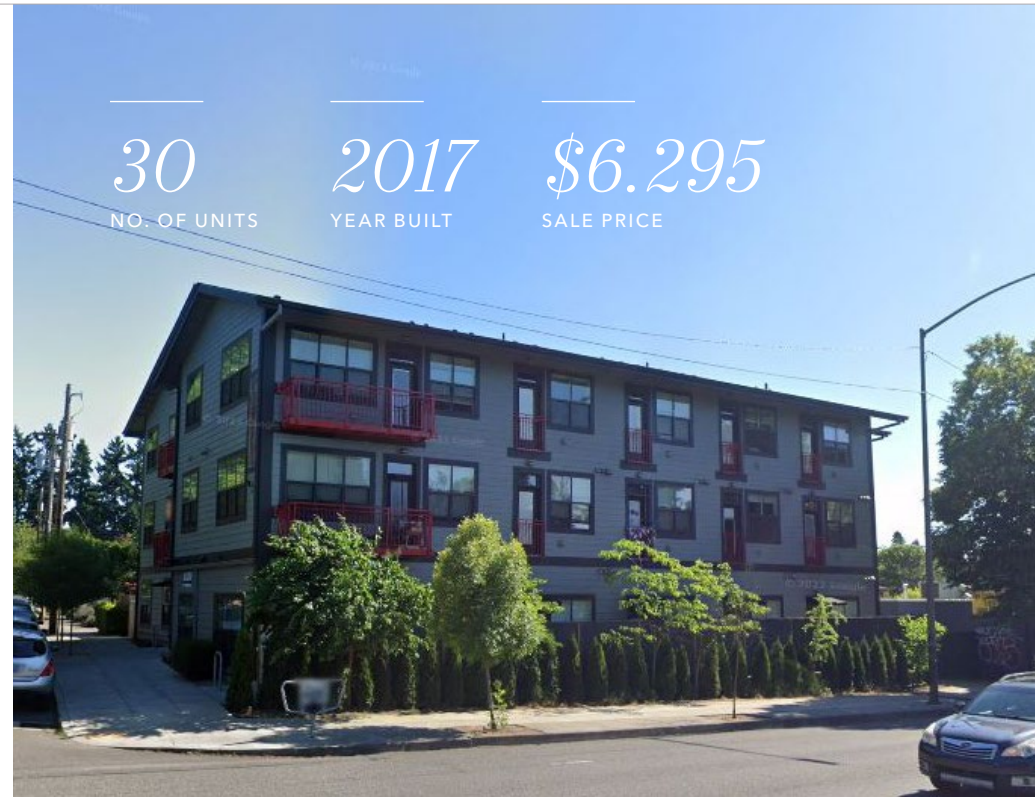
Built in 2017, the Powell Apartments are located on SE 38th Ave & Powell Blvd. The unit mix is comprised of six two-bed/one bath units and twenty four studio units, all with modern finishes, full kitchens with hard surface counters, wood-look flooring and stainless appliances. All units feature high ceilings, washer/dryers and select units have electric fireplaces and private patios or balconies. A community BBQ area is located outside for tenants to enjoy.

The asset features a highly attractive **assumable loan** with a **3.36% interest rate** with nearly seven years of term remaining (including 7 months left with **interest-only** payments) and a loan balance of approximately \$4 million. Additionally, the property has a **MULTE** property tax abatement on the real property improvements through June of 2028. The City will give a 5-year extension when that

expires. More information at this [link](#).

Located in SE Portland, Powell Blvd is one of Portland's major East/West arterial streets connecting SE Portland to Gresham. Located just minutes from downtown Portland, SE 38th Ave is in the heart of this corridor. Powell is surrounded by an array of retail and dining options, including John's Marketplace and food carts (1 block), Starbucks (1 block), Chipotle (1 block) Orange Theory Fitness (1 block) Studio One Theaters (2 blocks), and Hopworks Brewery (7 blocks). Additionally, a Safeway grocery store is two blocks away. The location has a Walk Score of 89 and a 95 Bike Score and is served by a number of bus lines.

Taking advantage of the loan assumption, an investor should achieve a day one in-place equity yield of 9.71%.



ADDRESS	3605 SE 38th Ave & 3754 SE Powell Blvd Portland, OR 97202
UNIT MIX	Studio (24), 2 Bed/1 Bath (6)
AVG UNIT SIZE	456 SF
GROSS BUILDING AREA	17,220 SF
NO. OF FLOORS	3 Floors
SITE AREA	8,763 SF (0.20 AC)
PARCEL NO.	R287024
SALE PRICE	\$6,295,000

LOCATION OVERVIEW



PORTLAND

SUBJECT PROPERTY

HOSFORD MIDDLE SCHOOL

FRANKLIN HIGH SCHOOL

GROVER CLEVELAND HIGH SCHOOL

CLEVELAND HIGH SCHOOL TRACK & FIELD

POWELL PARK

CRESTON PARK

KENILWORTH PARK

KIDDER MATHEWS

ASSUMABLE LOAN

SERVICER	Fannie Mae
LOAN BALANCE (STARTING & CURRENT)	\$3,997,500
INTEREST RATE	3.36%
ORIGINATION - MATURITY	6/1/2021 - 6/1/2031
REMAINING LOAN TERM	79 Months / 6.6 Years
INTEREST-ONLY EXPIRATION*	6/1/2025

* Interest rate remains 3.36% but payments become principal plus interest.

MULTE PROPERTY TAX EXEMPTION

START / END DATE	7/1/2018 - 6/30/2028
ORIGINAL TERM / REMAINING TERM	10 Years / 43 months
MFI FOR AFFORDABLE UNITS	60%
NO. OF AFFORDABLE UNITS	6 (5 studios & 1 two bedroom)
MAX RENTS FOR AFFORDABLE UNITS (2023)	Studio (\$1,239); 2 Bed 1 Bath (\$1,593)



CURRENT



SALE PRICE **\$6,295,000** LEVERED RETURN* **9.71%**

PRICE/UNIT **\$209,833** CAP RATE **5.60%**

*Based on loan assumption

UNIT MIX	No. of Units	Avg SF	Avg. Rent	Avg. Rent PSF
Studio Market	19	396	\$1,191.42	\$3.01
Studio Affordable	5	413	\$1,066.80	\$2.58
2x1 Market	5	686	\$1,603.20	\$2.34
2x1 Affordable	1	657	\$1,399.00	\$2.13
Total/Avg	30	13,676	\$37,385.98	\$2.73

INCOME		Annual	% EGI	Per Unit
Potential Rental Income		\$448,632		\$14,954
Other Income	T12	\$11,167		\$372
Utility Reimbursement	T12	\$27,346		\$912
Retained Deposits	T12	\$10,802		\$360
Gross Operating Income		\$497,947		\$16,598
Vacancy & Concessions		(\$22,432)	5.00%	(\$748)
Effective Operating Income		\$475,515	100%	\$15,851

OPERATING EXPENSES				
Real Estate Taxes*	2024	(\$3,937)	0.83%	(\$131)
Property Insurance	T12	(\$4,925)	1.04%	(\$164)
Water/Sewer	T12	(\$26,083)	5.49%	(\$869)
Electricity	T12	(\$2,360)	0.50%	(\$79)
Garbage	T12	(\$13,401)	2.82%	(\$447)
Gas	T12	(\$2,164)	0.46%	(\$72)
Landscaping	T12	(\$2,785)	0.59%	(\$93)
Maintenance/Repair	T12	(\$15,165)	3.19%	(\$506)
Turnover	T12	(\$14,129)	2.97%	(\$471)
Professional Management	Actual	(\$19,021)	4.00%	(\$634)
Leasing Labor & Fees	T12	(\$3,180)	0.67%	(\$106)
Office/Admin	T12	(\$6,248)	1.31%	(\$208)
Reserves	Est	(\$6,000)	1.26%	(\$200)
Total Operating Expenses		(\$119,398)	25.11%	(\$3,980)
Net Operating Income		\$356,118		\$11,871

*Property Taxes with MULTE Exemption

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