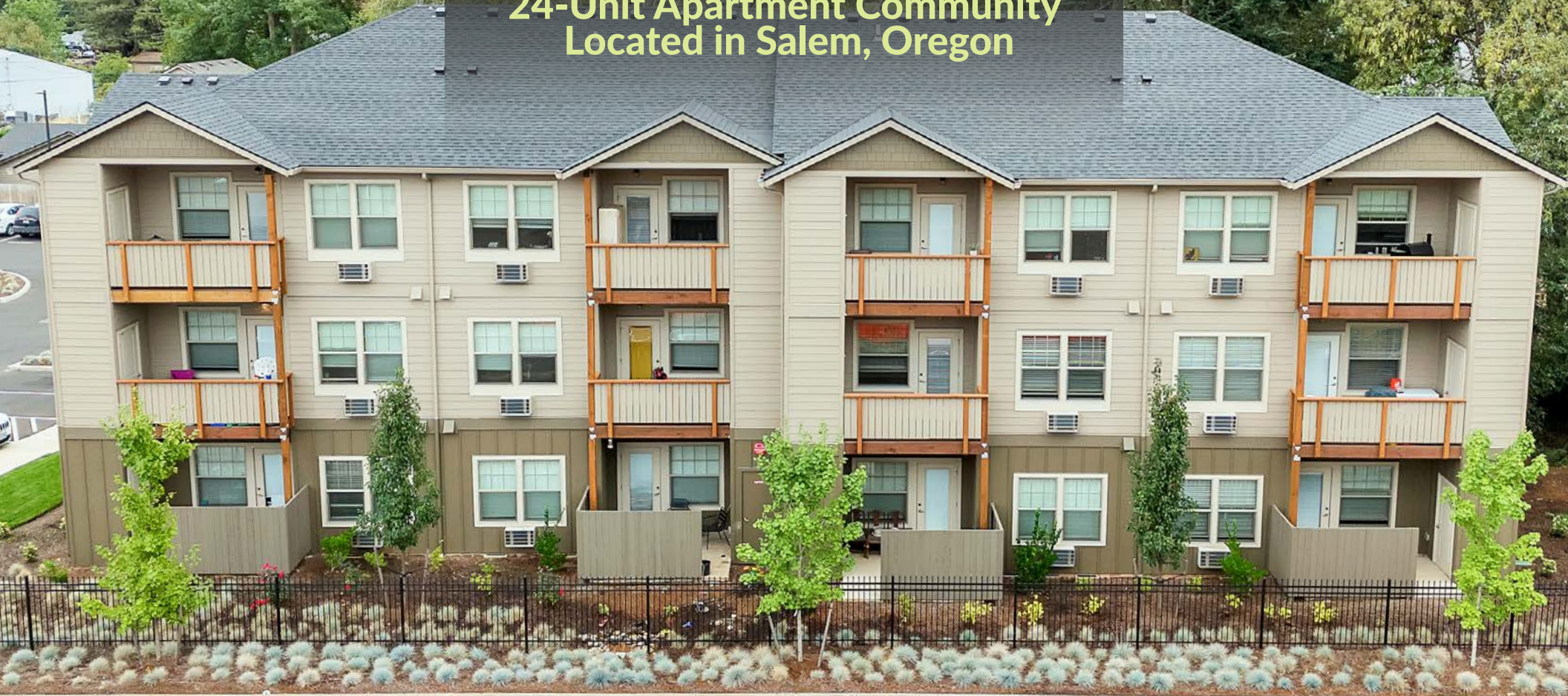




OFFERING MEMORANDUM

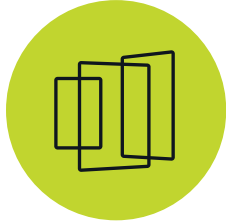
Waln Creek APARTMENTS

24-Unit Apartment Community
Located in Salem, Oregon



 (503) 241-5541

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01

Property Overview



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Waln Creek Apartments

24 Units in South Gateway Neighborhood of Salem

Introducing Waln Creek Apartments, a newly built 24-unit multifamily community located in Salem, OR. Completed in 2023, this modern property features three stories of spacious one- and two-bedroom units with open layouts. Waln Creek offers desirable apartment amenities including fully equipped kitchens with dishwashers, granite countertops, stainless steel appliances, sleek cabinetry, and wood-style flooring. Residents enjoy in-unit laundry, private balconies or patios, air conditioning, and off-street parking.

Waln Creek Apartments offers a peaceful suburban setting with the added convenience of being close to the South Commercial shopping district. Residents have easy access to a variety of local shops, dining options, and public transportation. Additionally, a quick 10-minute drive connects them to the vibrant downtown Salem area. With Interstate 5 just minutes away, Waln Creek Apartments is well-placed for fast access around Salem and the greater metro area.

Property Summary

Address	1330 Mildred Ln SE, Salem, OR 97306		
Year Built	2023	No. of Buildings	2
Unit Count	24	Lot Size	1.72
Avg Unit Size	862 SF	Density (Units/AC)	13.95
Total Rentable Size	20,688 SF	County	Marion

Pricing Summary

Price	\$5,900,000	Per/SF	\$285
Per/Unit	\$245,833	Cap Rate	5.18%



UNIT MIX SUMMARY

Unit Type	Unit Count	Avg. Unit Size (SF)	Scheduled Rents as of 08/2024	Per SF
1 Bed / 1 Bath	12	728	\$1,345	\$1.85
2 Bed / 2 Bath	12	996	\$1,650	\$1.66
Totals/Averages	24	862	\$1,498	\$1.74



AMENITIES

- » Modern & spacious layouts
- » Fully equipped kitchens with dishwashers & microwaves
- » Stainless steel appliances
- » Granite countertops
- » Valuted ceilings in top floor units
- » Hardwood-style flooring
- » Air conditioning
- » Patios & balconies
- » In-unit washers & dryers
- » Well-maintained landscaping
- » Off-street parking



Off-Street Parking



In-Unit Laundry



Modern Cabinetry & Granite Countertops



Patios or Balconies



Bright, Spacious Layouts

02

Location Overview



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LOCATION OVERVIEW

Salem, Oregon

Situated at the 45th parallel within the Willamette Valley, Salem is home to the Oregon State Capitol and a community of over 177,000 residents. As the third-most populous city in Oregon, it serves as the principal city of the Salem metropolitan statistical area, covering Marion and Polk counties. The city hosts prominent educational institutions like Willamette University, Corban University, and Chemeketa Community College. Key employers include the State of Oregon and Salem Health, contributing to the city's economic vitality.

Transportation options encompass Salem Area Mass Transit for public transit, Amtrak service, and limited air travel at McNary Field.

Salem's strategic location in the fertile Willamette Valley provides residents with excellent access to outdoor recreation, including waterfalls, mountain lakes, and the Willamette River, home to the 187-mile-long Willamette Water Trail.

In the heart of one of the world's most agriculturally productive regions, Salem is renowned for its berries, hazelnuts, honeys, and cheese. The city's culinary landscape is enriched by the presence of over 700 vineyards, contributing to the acclaimed wines of the Willamette Valley wine country.

Top Salem Employers



State of Oregon
21,000 Employees



Salem-Keizer Schools
5,137 Employees



Salem Health
Hospitals & Clinics
Salem Health
5,419 Employees



Amazon
1,400 Employees



Amazon Fulfillment Center
13-Minute Drive



Salem Public Transit
1-Min Walk to Bus Lines 06, 21



Salem Hospital
14-Minute Drive



Willamette Valley Wine Country
3- to 30-Minute Drive



Downtown Salem
15-Minute Drive



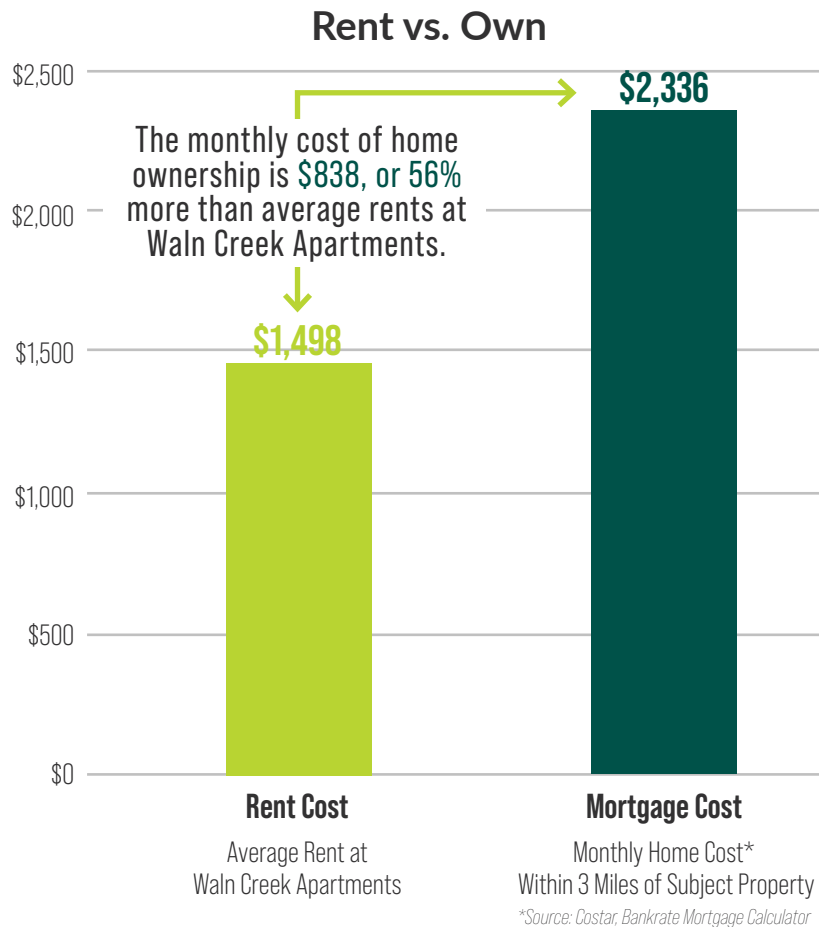
Creekside Golf Club | *4-Minute Drive*

MARKET OVERVIEW

Renters by Necessity

In a real estate landscape influenced by soaring property prices and escalating homebuying expenses, more residents are driven to rent. With mortgage rates near 8% and average home prices reaching record highs, sales of existing homes hit a 30-year low in 2023, an 18.7% decline from 2022.

Source: National Association of Realtors, Oregon Public Broadcasting



LOCATION OVERVIEW



Demographics

Waln Creek Apartments' spacious & modern one- and two-bedroom units cater to renter lifestyles in the area



Distance from Waln Creek	1 Mile	3 Miles	5 Miles
2020 Population	18,177	64,968	121,677
2024 Population	18,550	65,170	123,243
2029 Population Projection	18,824	65,922	125,070
Annual Growth 2020-2024	0.5%	0.1%	0.3%
Annual Growth 2024-2029	0.3%	0.2%	0.3%
Median Age	38.3	39.6	38.8
Avg Household Income	\$92,590	\$96,677	\$90,728
Median Home Value	\$365,337	\$379,322	\$366,019
Owner Occupied Households	4,338	15,660	26,875
Renter Occupied Households	2,892	9,271	19,616
Avg Household Size	2.5	2.5	2.5
Avg Household Vehicles	2	2	2

03

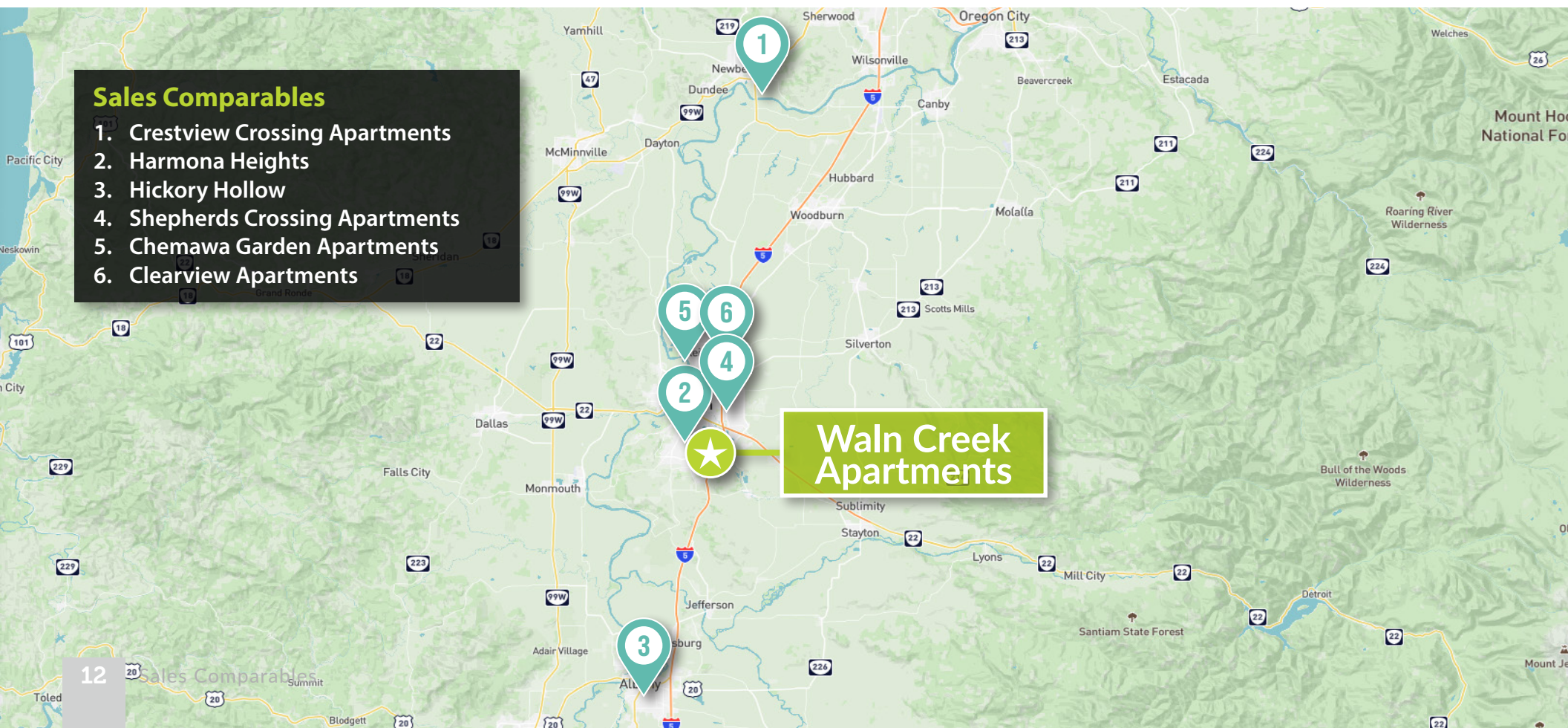
Sales Comparables



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SALES COMPARABLES

Property	Address	City	Year Built	Total Units	Sale Date	Sale Price	Price/Unit	Price/SF	Avg Unit SF	Cap Rate
1. Crestview Crossing Apartments	4460 E Jory Street	Newberg	2023	51	Jul-24	\$14,075,000	\$275,980	\$355	777	5.40%
2. Harmona Heights	1055 Schurman Drive S	Salem	2024	42	Jul-24	\$10,500,000	\$250,000	\$262	953	5.60%
3. Hickory Hollow	725 Hickory Street	Albany	2018	48	Apr-24	\$13,000,000	\$270,833	\$288	940	5.08%
4. Shepherds Crossing Apartments	4442 State Street	Salem	2022	42	Nov-23	\$10,175,000	\$242,262	\$268	905	5.84%
5. Chemawa Garden Apartments	433 Chemawa Road N	Keizer	2022	18	Mar-23	\$3,975,000	\$220,833	\$329	671	5.16%
6. Clearview Apartments	1095 Clearview Avenue NE	Keizer	2022	8	Sep-22	\$2,160,000	\$270,000	\$331	815	5.32%
AVERAGES							\$254,985	\$306	844	5.40%



- Sales Comparables**
1. Crestview Crossing Apartments
 2. Harmona Heights
 3. Hickory Hollow
 4. Shepherds Crossing Apartments
 5. Chemawa Garden Apartments
 6. Clearview Apartments

Waln Creek Apartments

SALES COMPARABLES



Crestview Crossing Apartments

4460 E Jory Street | Newberg, OR

Total Units:	51
Year Built:	2023
Avg Unit SF:	777
Sale Date:	July-24
Sale Price:	\$14,075,000
\$ / Unit:	\$275,980
\$ / SF:	\$355
Cap Rate:	5.40%



Harmona Heights

1055 Schurman Drive S | Salem, OR

Total Units:	42
Year Built:	2024
Avg Unit SF:	953
Sale Date:	July-24
Sale Price:	\$10,500,000
\$ / Unit:	\$250,000
\$ / SF:	\$262
Cap Rate:	5.60%



Hickory Hollow

725 Hickory Street | Albany, OR

Total Units:	48
Year Built:	2018
Avg Unit SF:	940
Sale Date:	April-24
Sale Price:	\$13,000,000
\$ / Unit:	\$270,833
\$ / SF:	\$288
Cap Rate:	5.08%

SALES COMPARABLES



Shepherds Crossing Apartments

4442 State Street | Salem, OR

Total Units:	42
Year Built:	2022
Avg Unit SF:	905
Sale Date:	November-23
Sale Price:	\$10,175,000
\$ / Unit:	\$242,262
\$ / SF:	\$268
Cap Rate:	5.84%



Chemawa Garden Apartments

433 Chemawa Road N | Keizer, OR

Total Units:	18
Year Built:	2022
Avg Unit SF:	671
Sale Date:	March-23
Sale Price:	\$3,975,000
\$ / Unit:	\$220,833
\$ / SF:	\$329
Cap Rate:	5.16%



Clearview Apartments

1095 Clearview Avenue NE | Keizer, OR

Total Units:	8
Year Built:	2022
Avg Unit SF:	815
Sale Date:	September-22
Sale Price:	\$2,160,000
\$ / Unit:	\$270,000
\$ / SF:	\$331
Cap Rate:	5.32%

04

Operations Analysis



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OPERATIONS ANALYSIS

Income	Historical Operations			Projected Operations			Notes
	August 2024 TTM			Scheduled Rents as of 08/2024			
Scheduled Gross Rent	\$403,254	\$16,802		\$431,280	\$17,970		1
Less: Vacancy/Credit Loss	\$0	\$0	0.0%	-\$21,564	-\$899	-5.0%	2
Less: Concessions	-\$3,915	-\$163	-1.0%	\$0	\$0	0.0%	2
Net Rental Income	\$399,339	\$16,639		\$409,716	\$17,072		
Utility Billing (RUBS)	\$0	\$0	0.0%	\$0	\$0	0.0%	3
Miscellaneous	\$3,563	\$148		\$3,563	\$148		4
Total Other Income	\$3,563	\$148	0.9%	\$3,563	\$148	0.9%	
Effective Gross Income	\$402,903	\$16,788		\$413,279	\$17,220		
Expenses	August 2024 TTM	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$20,101	\$838	5.0%	\$20,704	\$863	5.0%	5
Insurance	\$6,393	\$266	1.6%	\$6,393	\$266	1.5%	6
<i>Electricity</i>	\$2,813	\$117	0.7%	\$2,813	\$117	0.7%	
<i>Water/Sewer</i>	\$12,554	\$523	3.1%	\$12,554	\$523	3.0%	
<i>Garbage</i>	\$4,238	\$177	1.1%	\$4,238	\$177	1.0%	
Total Utilities	\$19,606	\$817	4.9%	\$19,606	\$817	4.7%	7
Administrative	\$826	\$34	0.2%	\$0	\$0	0.0%	8
Management	\$22,081	\$920	5.5%	\$28,930	\$1,205	7.0%	9
Landscaping	\$8,020	\$334	2.0%	\$8,020	\$334	1.9%	10
Repairs/Maintenance	\$12,682	\$528	3.1%	\$12,000	\$500	2.9%	11
Turnover	\$6,428	\$268	1.6%	\$6,000	\$250	1.5%	12
Reserves	\$6,000	\$250	1.5%	\$6,000	\$250	1.5%	13
Total Expenses	\$102,136			\$107,652			
Expenses per Unit	\$4,256			\$4,486			
% of EGI	25.4%			26.0%			
NOI (Net Operating Income)	\$300,766	\$12,532	74.6%	\$305,627	\$12,734		



Income

1. Rental Income	Rental income is based on current scheduled rents, which average \$1,498 per unit, or \$1.74 per SF.
2. Economic Loss	For analysis purposes, we have applied a 5.0% allocation for stabilized vacancy and credit loss, which is the market standard and is acceptable to most lenders. This allocation is inclusive of bad debt, which has been nominal.
3. RUBS Income	Tenants are not currently charged for utilities reimbursement.
4. Miscellaneous Income	Miscellaneous income includes administrative fees, pet rent, early termination fees, etc. We have applied \$148 per unit, which is supported by the subject's recent operation.

Expenses

5. Real Estate Taxes	In Oregon, property taxes are levied on a fiscal year starting July 1st. Property taxes are not reassessed on sale and are limited to a 3.0% annual increase at the state level. Any annual increase in taxes above 3.0% is due to additional location or regional bond indebtedness not restricted by the state measure. Taxes are published in October each year, and taxes paid in full before November 15th receive a 3.0% discount on the gross amount. Most property owners elect to pay in full by this date to receive the discount. Projected taxes are based on the current expense increased by 3.0% to account for the increase that is likely to occur during the coming tax year, and then discounted by 3.0%, which assumes payment in full.	<table border="1"> <thead> <tr> <th>Tax History</th> <th>2023/2024</th> <th>2024/2025 Projected</th> </tr> </thead> <tbody> <tr> <td>Acct #: 327515</td> <td>\$20,723</td> <td>\$21,344</td> </tr> <tr> <td>Total</td> <td>\$20,723</td> <td>\$21,344</td> </tr> <tr> <td>w/ Discount</td> <td>\$20,101</td> <td>\$20,704</td> </tr> <tr> <td>% Change</td> <td>--</td> <td>3.00%</td> </tr> </tbody> </table>		Tax History	2023/2024	2024/2025 Projected	Acct #: 327515	\$20,723	\$21,344	Total	\$20,723	\$21,344	w/ Discount	\$20,101	\$20,704	% Change	--	3.00%
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w/ Discount	\$20,101	\$20,704																
% Change	--	3.00%																
6. Insurance	The existing insurance policy premium is \$6,393, or \$266 per unit. This amount is within market standards and is carried forward in projected operations.																	
7. Total Utilities	Tenants pay for electricity directly. The owner is responsible for all other utilities as tenants are not currently charged for reimbursement. We have estimated total utilities at \$817 per unit.																	
8. Administrative	In projected operations, administrative costs are covered under the management fee.																	
9. Management	An on-site manager is not necessary. Instead, all management, administrative, and payroll-related expenses can be captured in a single allocation for management. We have applied 7.0% for fee management which is consistent with current rates quoted by reputable local management companies.																	
10. Landscaping	We have applied \$334 per unit, which is consistent with the existing monthly landscaping contract.																	
11. Repairs/Maintenance	General repairs and maintenance are estimated at \$500 per unit. This is consistent with current market standards and lender underwriting.																	
12. Turnover	Turnover is estimated at \$250 per unit. This is consistent with market standards and lender underwriting for properties of similar vintage and condition.																	
13. Reserves	Lenders require funds to be set aside to address future capital costs. The projected operations include \$250 per unit for reserves, which is consistent with current lender underwriting.																	

OFFERING MEMORANDUM

Waln Creek APARTMENTS

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