



OFFERING MEMORANDUM

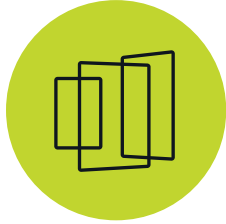
16804 SE DIVISION ST

14-Unit Apartment Community
with Retail Space in Portland, OR



 (503) 241-5541

 www.hfore.com



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Contact Us

Todd Tully

todd@hfore.com
(971) 717-6351

Jack Stephens

jack@hfore.com
(971) 717-6344

www.hfore.com • (503) 241-5541

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Property Overview



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16804 SE Division St

14 Multifamily Units & 1 Fully-Occupied Retail Space

Introducing **16804 SE Division Street**, a mixed-use property featuring 14 multifamily units and one fully occupied retail unit. The property comprises two buildings with spacious studios and two-bedroom townhomes. The retail unit is home to the Division Street Mini Mart, a convenience store that is right at residents' fingertips. The property offers desirable amenities including fully equipped kitchens with built-in microwaves, hardwood-style flooring, in-unit washers and dryers, decks or patios, and off-street parking.

16804 SE Division Street is conveniently located in Portland's Centennial neighborhood with easy access to major thoroughfares Division, Powell, and Stark Streets and a Portland TriMet bus stop right outside their door. The property is minutes away from multiple shopping centers, with lifestyle essentials like Fred Meyer grocery just five minutes away, and straddles the border between Portland and Gresham, close to desirable urban amenities in both cities.

Property Summary

Address	16804 SE Division St, Portland, OR 97236		
Year Built	2003		
Unit Count	14		
Avg Unit Size	750 SF		
Apartment Space	10,500 SF		
Commercial Space	1,200 SF		
Total Rentable Size	11,700 SF		
Lot Size	0.48 AC		
County	Multnomah		

Pricing Summary

Price	\$2,200,000	Cap Rate	6.56%
Per Unit	\$146,667	Per SF	\$188



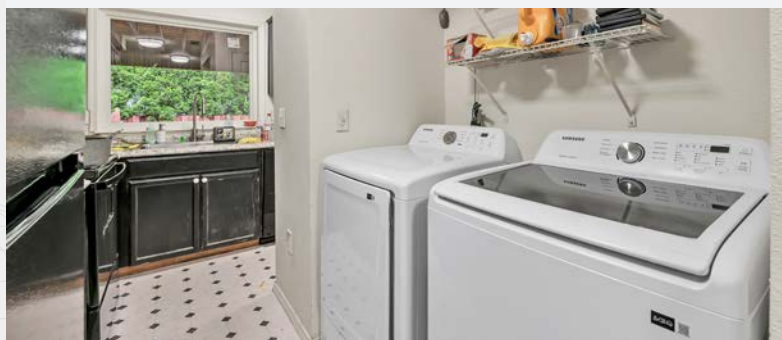
UNIT MIX SUMMARY

16804 SE Division Street | Portland, OR

Unit Type	Unit Count	Avg. Unit Size (SF)	Scheduled Rents as of 02/2025	Per SF	Highest-Achieved Rents	Per SF
0 Bed / 1 Bath	8	475	\$1,039	\$2.19	\$1,100	\$2.32
2 Bed / 1.5 Bath	5	1,100	\$1,830	\$1.66	\$2,000	\$1.82
2 Bed / 1 Bath	1	1,200	\$1,150	\$0.96	\$1,150	\$0.96
Totals/Averages	14	750	\$1,329	\$1.77	\$1,425	\$1.90

AMENITIES

- » Fully equipped kitchens with built-in microwaves
- » Dining room or breakfast nook area
- » In-unit washers and dryers
- » Hardwood-style flooring
- » Deck or patio space
- » Off-street parking



02

Location Overview



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LOCATION OVERVIEW

Centennial Neighborhood

The Centennial neighborhood in East Portland, straddling the borders of Portland and Gresham, offers a compelling blend of urban and suburban living that attracts a diverse population. This expansive neighborhood is well-connected, with major streets like Powell, Division, and Stark, ensuring easy access to public transportation and numerous businesses within walking distance.

Centennial is rich in green spaces, with two city parks and proximity to the scenic Powell Butte Park, providing ample recreational opportunities. Powell Butte is comprised of 611 acres of meadowland and forest with miles of trails in the park accommodate hikers, mountain bikers, and horseback riders. The Centennial area boasts a variety of bars, restaurants, coffee shops, and parks, creating a vibrant community atmosphere. With above-average public schools and a mix of housing options, Centennial is an appealing choice for renters, making it a prime investment opportunity for apartment investors.

Demographic Summary

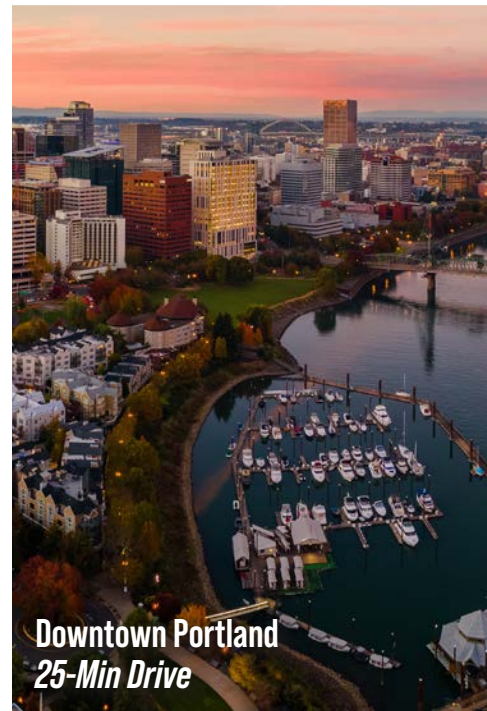
Distance from Subject Property	1 Mile	3 Miles	5 Miles
2010 Population	22,857	150,593	306,425
2023 Population	22,937	157,900	325,057
Annual Growth 2010-2023	0%	0.4%	0.5%
Avg Household Income	\$65,781	\$76,116	\$82,135
Median Household Income	\$52,746	\$59,070	\$62,991
Median Home Value	\$300,571	\$330,471	\$349,813
Owner Occupied Households	4,439	29,561	65,405
Renter Occupied Households	3,160	25,855	51,767
Avg Household Size	2.8	2.7	2.7
Avg Household Vehicles	2	2	2



Gresham Station
7-Min Drive



Fred Meyer
5-Min Drive



Downtown Portland
25-Min Drive



Regal Cinemas
1-Min Drive



Powell Butte Nature Park
5-Min Drive



Centennial High School
4-Min Drive

Why Portland?

A Prime Investment Destination in the Heart of the Pacific Northwest

16804 SE Division Street is nestled in the picturesque Pacific Northwest in the heart of Portland, which stands as a beacon of economic strength and natural beauty. Renowned for its vibrant culture, sustainable urban development, and unparalleled access to the great outdoors, Portland has emerged as a top-tier destination for savvy investors in the commercial real estate sector.

Known for its thriving economy, progressive business environment, and a diverse array of neighborhoods, Portland offers a wide range of opportunities for investors seeking to capitalize on the city's strategic advantages. **Portland and 16804 SE Division Street both present a compelling investment in a time with high demand for existing assets in an area with a burgeoning population.**



Portland is surrounded by stunning natural beauty, making it a haven for outdoor enthusiasts. With numerous parks and green spaces within the city itself, residents can easily escape into nature without venturing far from home.



Portland has become a foodie paradise, renowned for its diverse culinary scene. The city has a wide array of restaurants, food carts, and farmers' markets, offering a rich tapestry of cuisines and flavors.



The city is celebrated as a hub for craft beer, with a plethora of breweries and beer festivals that attract beer enthusiasts from far and wide.



Portland boasts a highly efficient and extensive public transit system, anchored by its iconic MAX Light Rail and a comprehensive bus network.



MARKET OVERVIEW

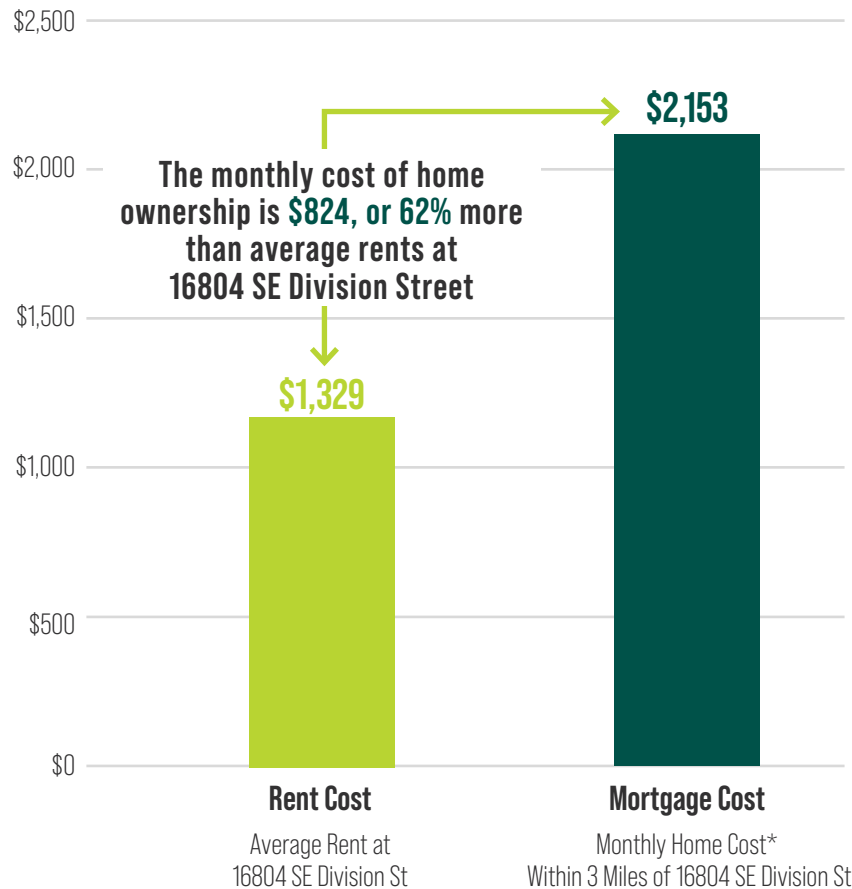
16804 SE Division Street | Portland, OR

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 7% 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

Rent vs. Own



**Source: Costar, Bankrate Mortgage Calculator*



03

Operations Analysis



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OPERATIONS ANALYSIS

16804 SE Division Street | Portland, OR

Income	Projected Operations						Notes
	Scheduled Rents as of 02/2025			Highest-Achieved Rents			
Scheduled Gross Rent	\$223,320	\$15,951		\$239,400	\$17,100		1
Less: Vacancy/Credit Loss	-\$11,166	-\$798	-5.0%	-\$11,970	-\$855	-5.0%	2
Net Rental Income	\$212,154	\$15,154		\$227,430	\$16,245		
Utility Billing (RUBS)	\$0	\$0	0.0%	\$0	\$0	0.0%	3
Miscellaneous	\$1,400	\$100		\$1,400	\$100		4
Total Other Income	\$1,400	\$100	0.7%	\$1,400	\$100	0.6%	
Base Rent	\$27,600	\$23		\$27,600	\$23		5
Less: Vacancy/Credit Loss-Commercial	-\$2,760	-\$2	-10.0%	-\$2,760	-\$2	-10.0%	5
Effective Gross Income - Commercial	\$24,840	\$21	10.4%	\$24,840	\$21	9.8%	
Effective Gross Income	\$238,394	\$15,893		\$253,670	\$16,911		
Expenses	Projected Operations	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$23,232	\$1,659	9.7%	\$23,232	\$1,659	9.2%	6
Insurance	\$6,693	\$478	2.8%	\$6,693	\$478	2.6%	7
<i>Electricity</i>	\$780	\$56	0.3%	\$780	\$56	0.3%	
<i>Water/Sewer</i>	\$19,200	\$1,371	8.1%	\$19,200	\$1,371	7.6%	
<i>Garbage</i>	\$5,988	\$428	2.5%	\$5,988	\$428	2.4%	
Total Utilities	\$25,968	\$1,855	10.9%	\$25,968	\$1,855	10.2%	8
Administrative	\$3,953	\$282	1.7%	\$3,953	\$282	1.6%	9
Management	\$17,084	\$1,220	8.0%	\$18,306	\$1,308	8.0%	10
Landscaping	\$1,800	\$129	0.8%	\$1,800	\$129	0.7%	11
Repairs/Maintenance	\$9,100	\$650	3.8%	\$9,100	\$650	3.6%	12
Turnover	\$2,800	\$200	1.2%	\$2,800	\$200	1.1%	13
Reserves	\$3,500	\$250	1.5%	\$3,500	\$250	1.4%	14
Total Expenses	\$94,130			\$95,352			
Expenses per Unit	\$6,724			\$6,811			
% of EGI	39.5%			37.6%			
NOI (Net Operating Income)	\$144,264	\$10,305		\$158,318	\$11,308		



Income

1. Rental Income	Rental income is based on current scheduled rents, which average \$1,329 per unit, or \$1.77 per SF. Highest achieved rents at the property average \$1,425 per unit, or \$1.90 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 \$100 per unit, which is within market standards.
5. Commercial Income	The property has one currently occupied retail space. A 10% vacancy factor is applied in projected operations.



Expenses

6. 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.

Tax History	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025 Projected
Acct #: R338278	\$20,403	\$22,881	\$22,684	\$23,253	\$23,950
Total	\$20,403	\$22,881	\$22,684	\$23,253	\$23,950
w/ Discount	\$19,791	\$22,195	\$22,004	\$22,555	\$23,232
% Change	3.92%	12.15%	-0.86%	2.50%	3.00%

7. Insurance

The existing insurance policy premium is \$6,693, or \$478 per unit. This amount is within market standards and is carried forward in projected operations.

8. Total Utilities

Tenants pay for electricity directly. The owner is responsible for common area electricity, water/sewer for the laundry machines, and utilities for vacant units. We have estimated total utilities at \$1,855 per unit.

9. Administrative

Administrative costs were approximately \$4,000 in the trailing 12 months. In projected operations, the expense is carried forward at \$282 per unit, which is within market standards.

10. Management

An on-site manager is not necessary. Instead, all management and payroll-related expenses can be captured in a single allocation for management. We have applied 8.0% for fee management which is consistent with current rates quoted by reputable local management companies.

11. Landscaping

We have applied \$129 per unit, which is enough to allow for a monthly landscaping contract.

12. Repairs/Maintenance

General repairs and maintenance are estimated at \$650 per unit. This is consistent with current market standards and lender underwriting.

13. Turnover

Turnover is estimated at \$200 per unit. This is consistent with market standards and lender underwriting for properties of similar vintage and condition.

14. 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.

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Contact Us

Todd Tully

todd@hfore.com
(971) 717-6351

Jack Stephens

jack@hfore.com
(971) 717-6344

OTHER CONTACTS:

Greg Frick • greg@hfore.com
Rob Marton • rob@hfore.com
Lee Fehrenbacher • lee@hfore.com
Adam Smith • adam@hfore.com
Will Thompson • will@hfore.com
Yuriy Chubok • yuriy@hfore.com



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www.hfore.com • (503) 241-5541
2424 SE 11th Ave, Portland, OR 97214
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