

# 17-UNIT MULTIFAMILY INVESTMENT OPPORTUNITY

## JFJ APARTMENTS

3955-3967 LANCASTER DRIVE NE  
SALEM, OREGON

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3955-3967  
LANCASTER DR.

# BUILDING LOCATIONS

-  Townhomes
-  Duplex
-  Single-family home

LANCASTER DRIVE NE

# THE SYNOPSIS

3955-3967 LANCASTER DRIVE NE | SALEM, OR

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\$3,3750,000

\$198,529/UNIT

\$163/SF

6.01% CAP



**\$3,375,000**

\$198,529/UNIT

6.01% CAP

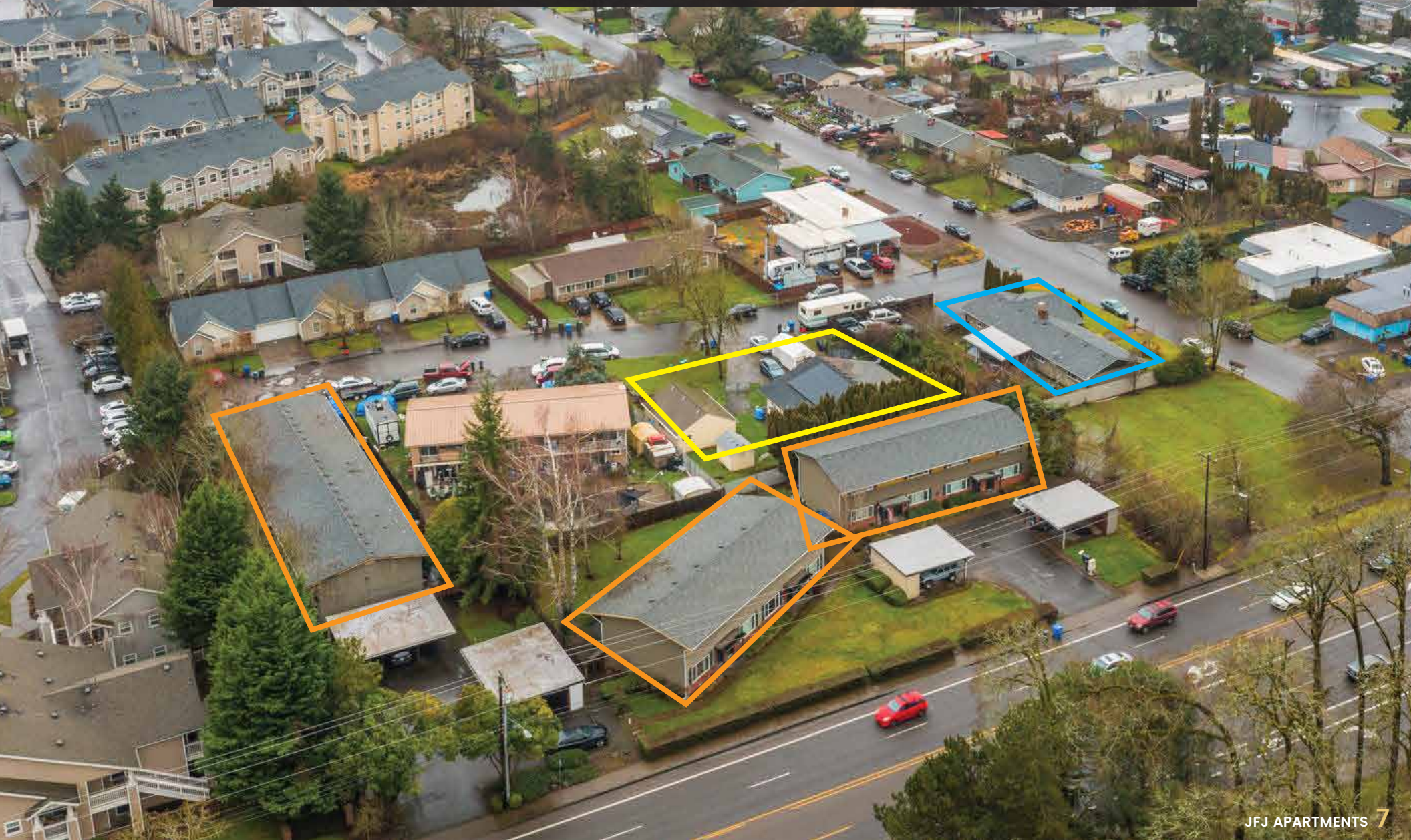
# JFJ APARTMENTS

3955-3967 LANCASTER DR NE | SALEM, OREGON

<b>Units</b>	17	<b>Zoning</b>	Medium-Density Residential (RM)
<b>Buildings</b>	5	<b>Year Built</b>	Approx. 1968
<b>Price</b>	\$3,375,000	<b>Floors</b>	1 & 2
<b>Price/Unit</b>	\$198,529	<b>Building Types</b>	Lowrise, Duplex, Single-Family House
<b>Price/SF</b>	\$163	<b>Parking</b>	26 Stalls: 2 Garage, 10 Covered, 14 Surface
<b>Cap Rate</b>	6.01%		
<b>Avg. Unit Size</b>	1,216 SF		



**STRONG EAST SALEM MARKET FUNDAMENTALS AND LARGE,  
DIVERSE UNIT MIX GIVES THIS ASSET CLEAR UPSIDE POTENTIAL  
FOR FUTURE OWNERS.**




INTERIOR PROPERTY PHOTOS





EXTERIOR PROPERTY PHOTOS





CHEMEKETA COMMUNITY COLLEGE SERVES NEARLY 30,000 STUDENTS EACH YEAR ACROSS ITS MULTIPLE OREGON CAMPUSES. THIS IS THE PRIMARY CAMPUS FOR THE SCHOOL SYSTEM AS WELL AS ONE OF THE TOP EMPLOYERS IN THE CITY OF SALEM.



CHEMEKETA COMMUNITY COLLEGE

# THE DETAILS

3955-3967 LANCASTER DRIVE NE | SALEM, OR

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\$3,375,000

\$198,529/UNIT

\$163/SF

6.01% CAP



# INVESTMENT HIGHLIGHTS



## **MULTI-FAMILY ASSET OFFERING A WIDE ARRAY OF FLOORPLANS**

JFJ offers a unique investment opportunity with 17 total units that comprise of apartments (townhomes), a duplex and a single-family residence. This wide range of unit types allows a broad marketing potential to different renters needing a variety of spaces, such as a family needing more living space and young professionals working from home.

## **SIGNIFICANTLY LARGER UNIT SIZES COMPARED TO SALEM MARKET WITH ATTRACTIVE AMENITIES**

Impressive average unit size of 1,216 square feet which is 38% larger than competing Salem apartments at an average of 884 square feet. Interior amenities include modern washer and dryer, dishwasher, disposal, carports, balconies and private fenced patios.



## **IMPRESSIVE UPSIDE POTENTIAL**

Currently renting at an average of \$1,435 while the underwritten highest achieved rents are at \$1,547. Future owners have the options to achieve even higher rents with capital expenditures to improve the property.

## **STRONG EAST SALEM MARKET FUNDAMENTALS**

As of the third quarter of 2024, cumulative rent growth in the Salem market over the past 10 years of 5.87% annually significantly outpaces the national performance of 3.94%. The construction pipeline has shrunk since its peak in late 2023 and, assuming new apartment construction continues to slow, competition for renters in the form of a supply backdrop will subside. Thus, annual growth is projected to hold strong at the 4% range by the middle part of 2025.

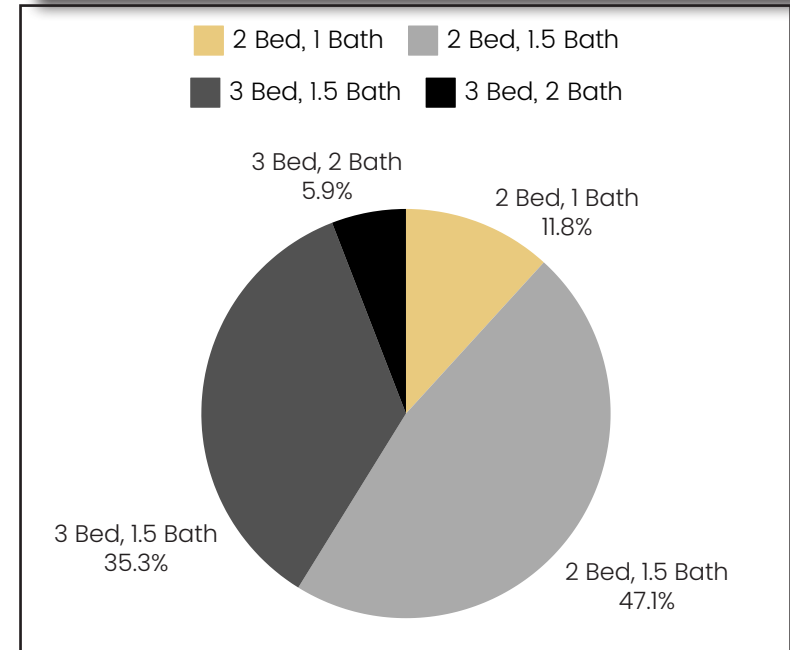
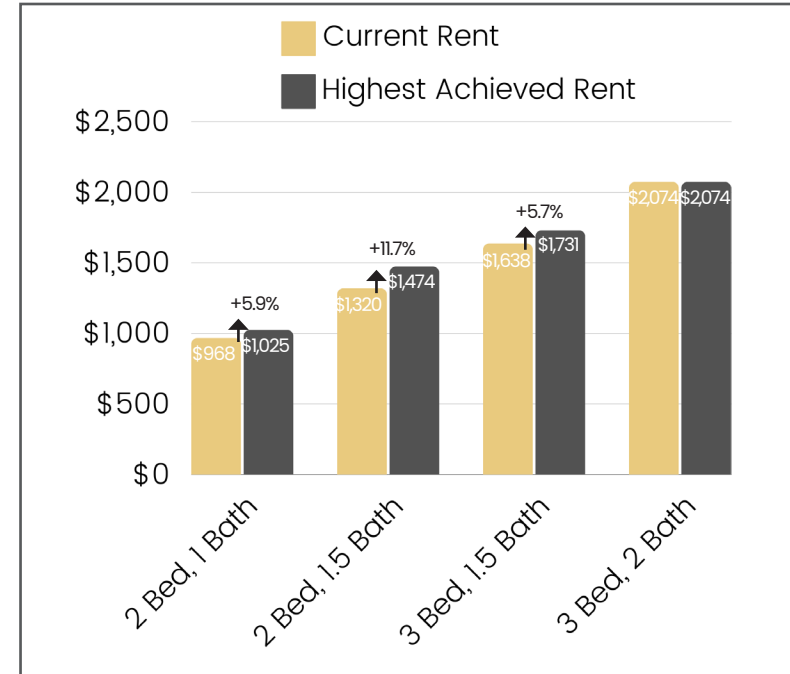
## **SALEM ECONOMY IS IN A STRONG POSITION FOR LONG-TERM STABILITY**

Salem has several major employment sources. The Oregon state capital and Willamette University are both located in Salem, as well as numerous major agricultural and farming operations. Over the past 12 months, approximately 3,138 jobs have been added to payrolls in Oregon's second-largest metropolitan area, equating to a change of 1.8%. Given its high concentration of private sector and government jobs, Salem could be better positioned than many other metros to weather an economic downturn.



# UNIT MIX & RENT ANALYSIS

TYPE	CURRENT RENT	AVG. HIGHEST ACHIEVED RENT	COUNT
2 Bedroom 1 Bath	\$910	\$1,025	1
	\$1,025	\$1,025	1
2 Bed, 1 Bath Total	\$968	\$1,025	2
2 Bedroom 1.5 Bath	\$1,175	\$1,474	1
	\$1,224	\$1,474	1
	\$1,274	\$1,474	1
	\$1,308	\$1,474	1
	\$1,310	\$1,474	1
	\$1,363	\$1,474	1
	\$1,433	\$1,474	1
	\$1,474	\$1,474	1
2 Bed, 1.5 Bath Total	\$1,320	\$1,474	8
3 Bed, 1.5 Bath	\$1,550	\$1,731	2
	\$1,583	\$1,731	1
	\$1,694	\$1,731	1
	\$1,721	\$1,731	1
	\$1,731	\$1,731	1
3 Bed, 1.5 Bath Total	\$1,638	\$1,731	6
3 Bed, 2 Bath	\$2,074	\$2,074	1
3 Bed, 2 Bath Total	\$2,074	\$2,074	1
<b>Averages/Total</b>	<b>\$1,435</b>	<b>\$1,547</b>	<b>17</b>



INCOME TYPE	CURRENT SCHEDULE OF RENTS	NOTE
Gross Scheduled Income	\$292,788	
Less: Estimated Vacancy/ Credit Loss	\$14,639	5.0%
Effective Rental Income	\$278,149	
Misc. Income	\$6,282	1
RUBs	\$12,560	1
<b>Gross Operating Income (GOI)</b>	<b>\$296,991</b>	

UNIT MIX COMPARISON						
	TYPE	QTY	APPROX. SF	AVG. CURRENT RENT	\$ PSF	MONTHLY
	2 Bedroom, 1 Bath	2	920	\$968	\$1.05	\$1,935
	2 Bedroom, 1.5 Bath	8	1150	\$1,320	\$1.15	\$10,561
	3 Bedroom, 1.5 Bath	6	1325	\$1,638	\$1.24	\$9,829
	3 Bedroom, 2 Bath	1	1682	\$2,074	\$1.23	\$2,074
	<b>TOTAL</b>	<b>17</b>	<b>1,216</b>	<b>\$1,435</b>	<b>\$1.18</b>	<b>\$24,399</b>

OPERATING EXPENSES	TOTAL/YEAR	PER UNIT	% GOI	NOTES
Real Estate Taxes	\$23,686	\$1,393	8.0%	2
Property Insurance	\$12,004	\$706	4.0%	3
Property Management	\$14,850	\$874	5.0%	4
Repair/Maintenance	\$12,750	\$750	4.3%	5
Electric	\$448	\$26	0.2%	6
Water/Sewer	\$7,552	\$444	2.5%	6
Garbage	\$4,154	\$244	1.4%	6
Turnover	\$4,250	\$250	1.4%	7
Landscaping	\$3,400	\$200	1.1%	8
General/Adminstration	\$5,100	\$300	1.7%	9
Advertising/Promotion	\$1,700	\$100	0.6%	10
Reserves/Replacements	\$4,250	\$250	1.4%	11
<b>TOTAL</b>	<b>\$94,144</b>	<b>\$5,538</b>	<b>31.7%</b>	
<b>Net Operating Income (NOI)</b>	<b>\$202,847</b>			

PRICING	
Price	\$3,750,000
Price/Unit	\$198,529
Price/SF	\$163
Cap Rate	6.01%

FOOTNOTE SUMMARY	
1.	Misc. Income; RUBs: August 2024 T-12 Actuals
2.	Property Insurance: 2024 insurance premium
3.	2023/2024 Net Real Estate Taxes
4.	Property Management: Current Marathon Management Fee of 5.0%
5.	Repair/Maint: \$750/unit estimate, covers parts/supplies related to plumbing, electrical, exterior work, flooring, hardware, etc.
6.	Utilities: August 2024 T-12 Actuals
7.	Turnover: \$250/unit estimate, lower than historicals, covers "make ready" expenses such as cleaning, painting
8.	Landscaping: \$200/unit estimate
9.	General/Admin: \$300/unit estimate to cover software, licenses, phone/internet, legal, accounting, etc.
10.	Advertising/Promotion: \$100/unit estimate
11.	Reserves/Replacements: \$250/unit estimate

The information contained herein has been obtained from sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it. Any projections, opinions, assumptions or estimates are used for example only and do not represent the current or future performance of the property. The value of this investment to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. THE PROSPECTIVE PURCHASER IS EXPECTED TO VERIFY THIS AND ALL OTHER FACTS PERTAINING TO THIS PROPERTY.

**SIGNIFICANT CAPITAL EXPENDITURES HAVE BEEN MADE OVER THE YEARS TO MAINTAIN AND IMPROVE JFJ APARTMENTS.**

<b>Category</b>	<b>Year</b>	<b>Total</b>
New Roof - Buildings 3925-3937	2015	\$10,690
Replaced Electrical Panel - Buildings 3967 & 3917	2015	\$2,277
Replace Sidewalks	2016	\$3,033
New Roof - Buildings 3913-3923	2018	\$34,123
New Roof - Buildings 3955-3967	2018	\$12,444
New Roof - Buildings 3910 (Single Family Home)	2018	\$15,056
New Roof - Carports	2018	\$10,854
New Gutters - All Buildings	2018	\$9,285
Installed new vapor barriers, screens and vents, new insulation dryer vents & ducting, drain pipes and sum pumps in crawl space - Buildings 3915, 3925, 3955	2020	\$46,662
Repair siding & paint portions of exterior - Buildings 3913, 3925 & 3955	2021	\$18,730
New Mailboxes	2022	\$7,353
Fence Repairs	2022	\$11,681
Trim Trees - All Buildings	2023	\$4,620
<b>Total</b>		<b>\$186,808</b>

# RENT COMPARABLES

## 1 Summerwood Apartments

4235 Fir Rest Way NE Salem, OR



Units: 56 Year Built: 1973 Occ: 94%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	907	\$1,150	\$1.27
3 Bed/1-2Ba	1,358	\$1,430	\$1.05

Laundry Facility on-site. Water/Sewer included, \$10 for Garbage.

## 2 Stone Creek Duplexes

2503-2577 Phipps Cir. NE Salem, OR



Units: 42 Year Built: 1979 Occ: 94%

Unit Type	SF	Rent	\$/SF
3 Bed/1-2Ba	1,300	\$1,996	\$1.54

Laundry hookups + Facility on-site.  
Utilities: Bill Back (Conservice)

## 3 Countryside Apartments

4607-4613 Silverton Rd NE Salem, OR



Units: 32 Year Built: 1987 Occ: 100%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	895	\$1,445	\$1.61
3 Bed/1-2Ba	1,135	\$1,650	\$1.45

Laundry hookups + Facility on-site.  
Utilities included in rent.

## 4 Brighton Park

3864 Sunnyview Rd. NE Salem, OR



Units: 227 Year Built: 1989 Occ: 100%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	825	\$1,350	\$1.64

Laundry Facility on-site.  
Utilities: Bill Back (Conservice)

## 5 Nola Place

2500-2550 Lancaster Dr NE, Salem, OR



Units: 54 Year Built: 1976 Occ: 96%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	750	\$1,250	\$1.67
2 Bed/1Ba	890	\$1,385	\$1.56
2 Bed/1Ba	942	\$1,425	\$1.51
3 Bed/1-2Ba	1,100	\$1,525	\$1.39

Laundry Facility on-site.  
Utilities: Bill Back (Conservice)

## 6 North Park Apartments

4356 25th Ave. NE Salem, OR



Units: 80 Year Built: 1971 Occ: 94%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	850	\$1,195	\$1.41
2 Bed/1Ba	890	\$1,195	\$1.34
2 Bed/1Ba	1,050	\$1,295	\$1.23
3 Bed/1-2Ba	1,050	\$1,400	\$1.33

Laundry Facility on-site.  
Utilities included in rent.

## 7 Logan Place

4315 25th Ave NE, Salem, OR



Units: 86 Year Built: 1971 Occ: 93%

Unit Type	SF	Rent	\$/SF
2 Bed/1Ba	896	\$1,355	\$1.51
3 Bed/1-2Ba	1,102	\$1,695	\$1.54

Laundry Facility on-site.  
Utilities included in rent.

	2 Bed/1 Bath	3 Bed/1-2 Bath
<b>Rent Comp Averages</b>	\$1,305/Unit ~ \$1.47/SF	\$1,616/Unit ~ \$1.45/SF
<b>Subject Property</b>	\$968/Unit ~ \$1.05/SF	\$1,642/Unit ~ \$1.24/SF
	\$1,335/Unit ~ \$1.16/SF	\$2,074/Unit ~ \$1.23/SF



# RENT COMPARABLES MAP

**1** Summerwood Apartments

**2** Stone Creek Duplexes

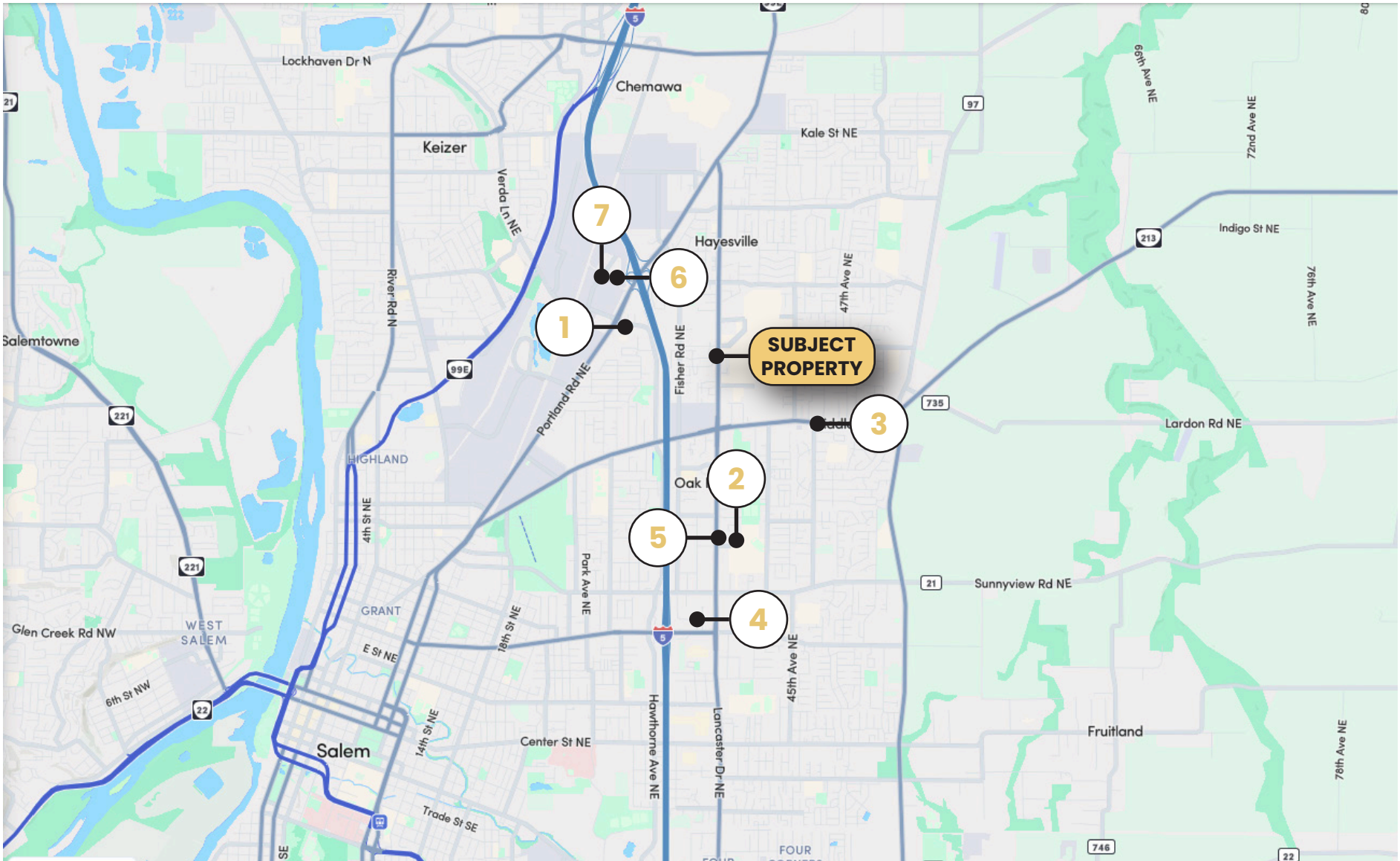
**3** Countryside Apartments

**4** Brighton Park

**5** Nola Place

**6** North Park

**7** Logan Place



# SALES COMPARABLES

## 1 Capitol Court Apartments

1000 Capitol St. NE Salem, OR



Year Built: 1930

Date Sold	1/18/22
Sale Price	\$2,400,000
Price/Unit	\$200,000
Price/SF	\$308
Approx. Net Rent SF	7,800
Units	12

## 2 The Stonecreek Duplexes

2503-2577 Phipps Cir. NE Salem, OR



Year Built: 1979

Date Sold	2/28/22
Sale Price	\$6,300,000
Price/Unit	\$150,000
Price/SF	\$142
Approx. Net Rent SF	44,264
Units	42

## 3 The Interurban

1215-1225 Chemeketa St. NE Salem, OR



Year Built: 1945

Date Sold	4/28/23
Sale Price	\$2,700,000
Price/Unit	\$135,000
Price/SF	\$221
Approx. Net Rent SF	12,233
Units	20

## 4 2451 Trade Street

2451-2473 Trade St. SE Salem, OR



Year Built: 1949

Date Sold	6/30/22
Sale Price	\$1,800,000
Price/Unit	\$163,636
Price/SF	\$404
Approx. Net Rent SF	4,452
Units	11

## 5 Salem Manor

4085 Market St. NE Salem, OR



Year Built: 1974

Date Sold	7/8/22
Sale Price	\$9,100,000
Price/Unit	\$142,188
Price/SF	\$173
Approx. Net Rent SF	52,570
Units	64

## 6 1461 Lee Street

1461-1491 Lee St. SE Salem, OR



Year Built: 1965

Date Sold	10/17/22
Sale Price	\$2,420,000
Price/Unit	\$134,444
Price/SF	\$149
Approx. Net Rent SF	16,200
Units	18

## 7 3637 White Oak Court

3637 White Oak Ct. NE Salem, OR



Year Built: 1979

Date Sold	2/9/23
Sale Price	\$1,030,000
Price/Unit	\$128,750
Price/SF	\$180
Approx. Net Rent SF	5,712
Units	8

## 8 Nola Place

2500-2550 Lancaster Dr. NE Salem, OR



Year Built: 1976

Date Sold	3/10/22
Sale Price	\$9,000,000
Price/Unit	\$166,667
Price/SF	\$176
Approx. Net Rent SF	51,160
Units	54

**Sale Comp Averages**

\$219/SF

\$152,586/Unit

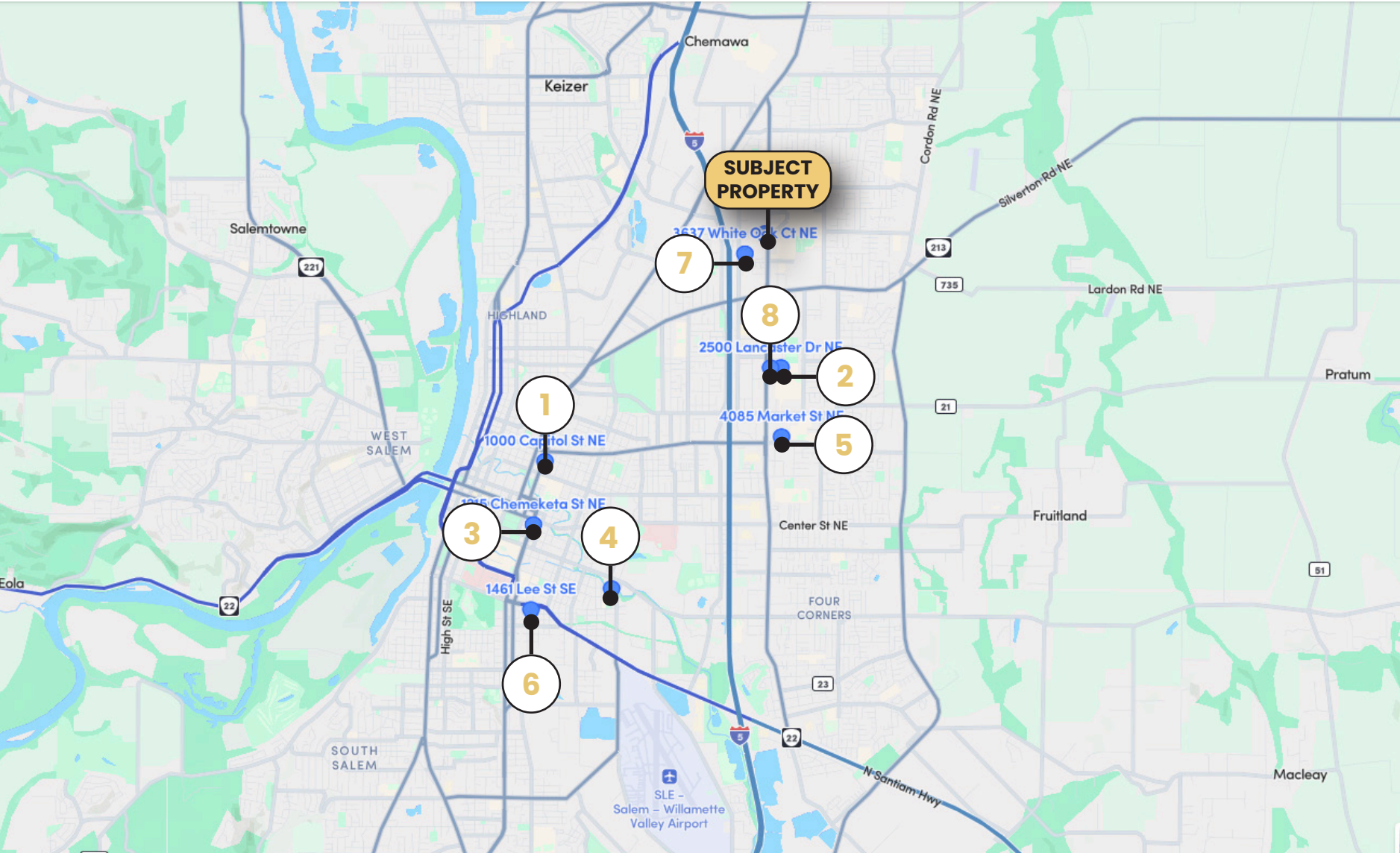
**Property Averages**

\$163 /SF

\$198,529/Unit

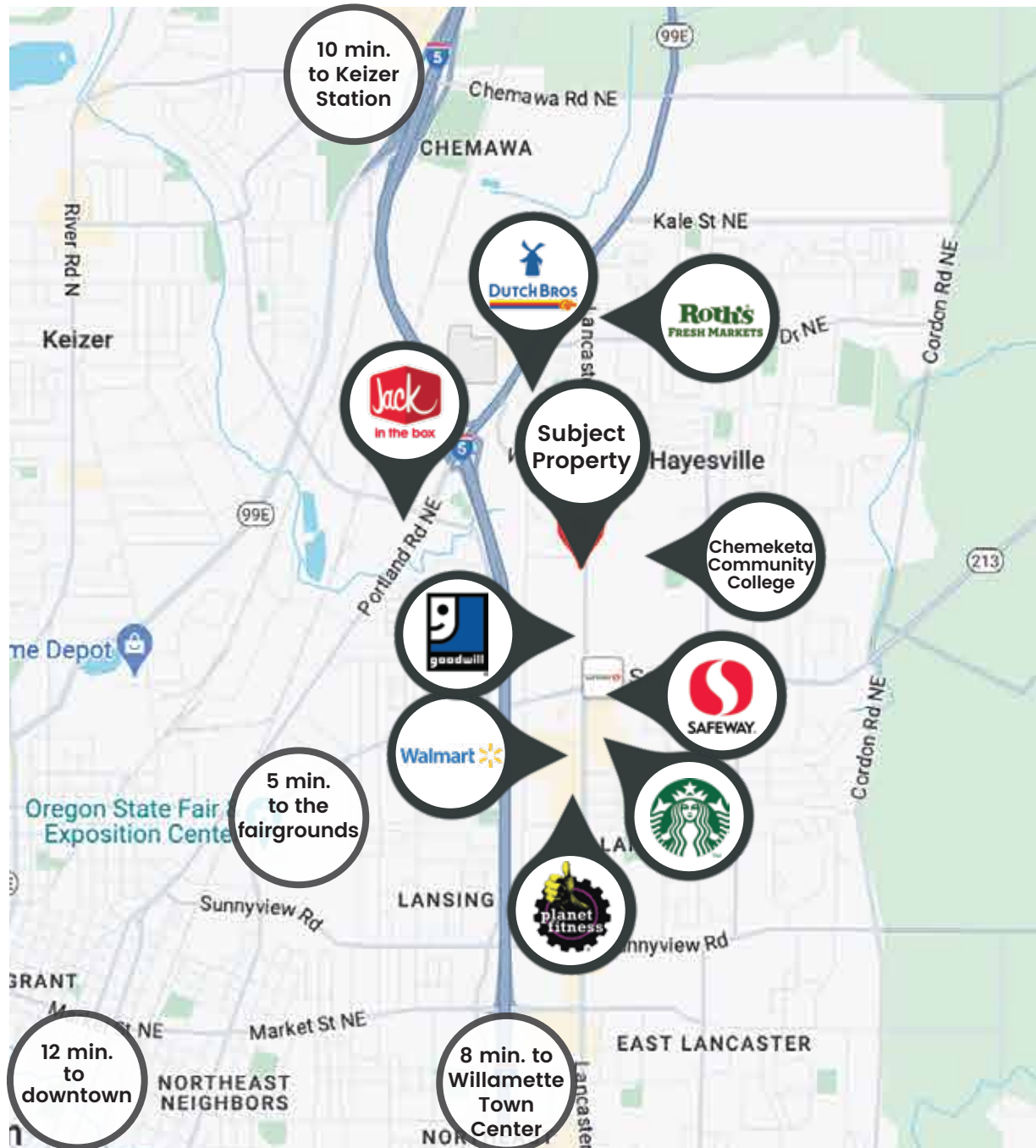
# SALES COMPARABLES MAP

- 1 Capital Court Apartments
- 2 Stone Creek Duplexes
- 3 The Interurban
- 4 2451 Trade Street
- 5 Salem Manor
- 6 1461 Lee Street
- 7 3637 White Oak Court
- 8 Nola Place

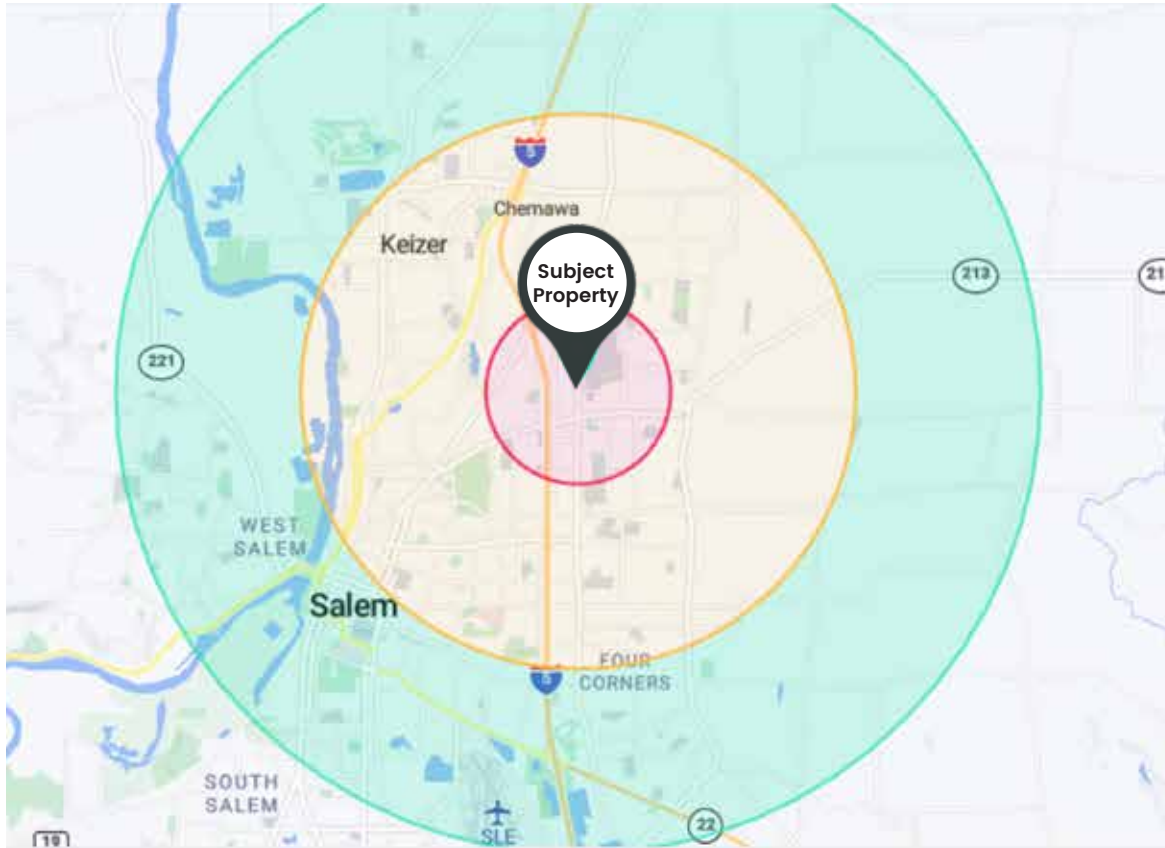


# AMENITY MAP

JFJ APARTMENTS | EAST SALEM



# AREA HIGHLIGHTS

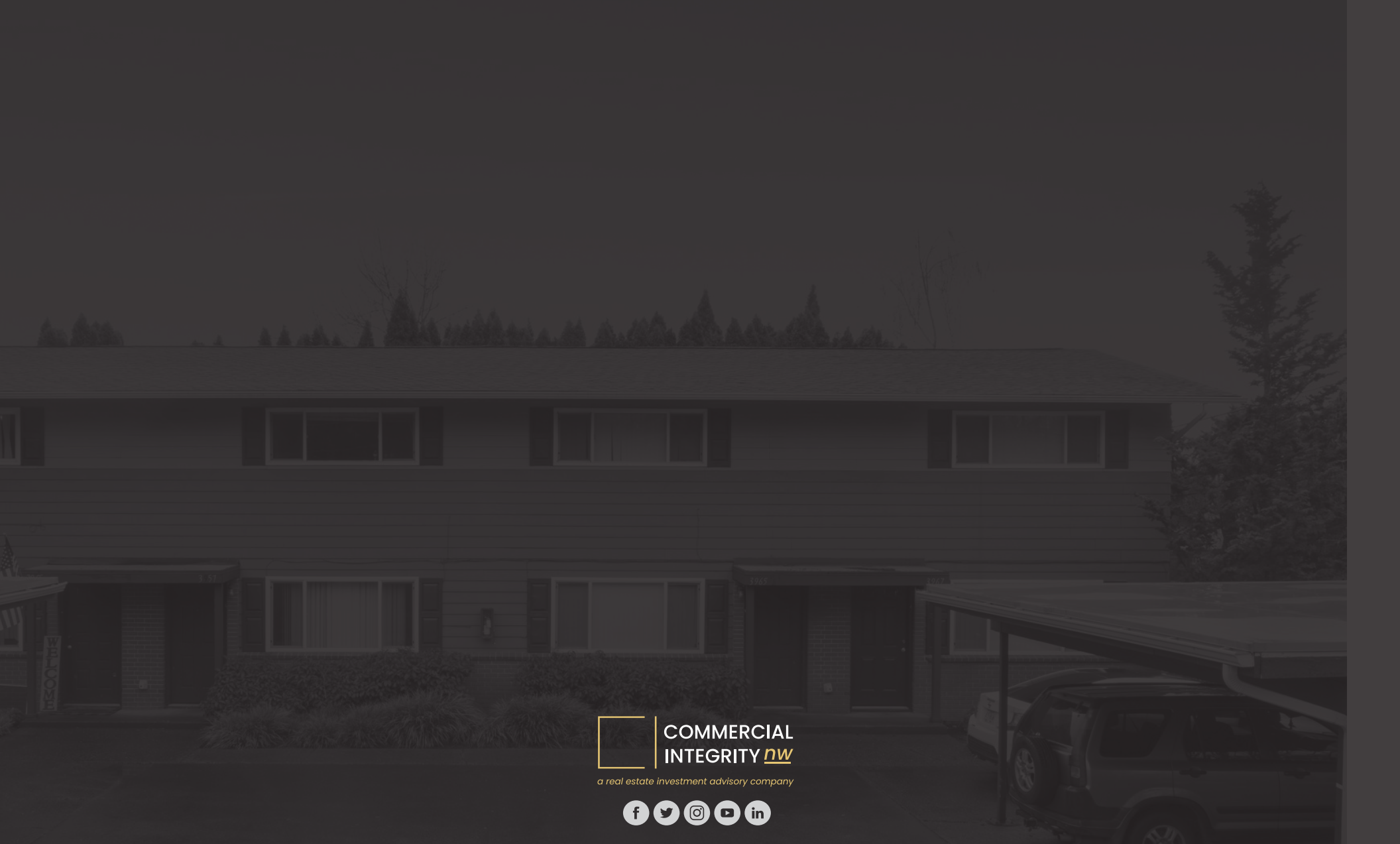


	1 MILE	3 MILES	5 MILES	DEMOGRAPHICS
POPULATION	24,457	109,106	187,971	
AVG. HOUSEHOLD SIZE	2.9	2.8	2.7	
HH INCOME	\$46,855	\$55,405	\$61,339	
CONSUMER SPENDING	\$480.1m	\$2.5b	\$4.7b	

WALKSCORE: 53 TRANSITSORE: 45	TRANSPORTATION
12 MIN DRIVE TO DOWNTOWN SALEM 10 MINUTE DRIVE TO KEIZER STATION	
AIRPORT: 1 HOUR DRIVE TO PDX PORTLAND INTERNATIONAL AIRPORT	

TRAFFIC VOLUME: 11,800 ON LANCASTER DRIVE	TRAFFIC
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STATE	OREGON	4.18 M	POPULATION
COUNTY	MARION COUNTY	809,869	
MSA	SALEM METRO AREA	2.47 M	
CITY	SALEM	650,380	



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