



OFFERING MEMORANDUM

Taylor Street APARTMENTS

5 Units Located in
Popular SE Portland, OR



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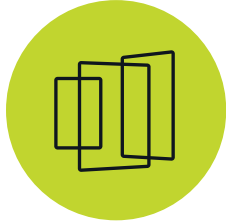
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(503) 241-5541



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Contact Us

Greg Frick

greg@hfore.com
(503) 241-5541

www.hfore.com • (503) 241-5541

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Property Overview



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Taylor Street Apartments

5 Units in Popular Southeast Portland, OR

Introducing Taylor Street Apartments, a five-unit apartment community in the heart of southeast Portland, OR. Built in 1893, the property offers studios and one-bedroom apartments featuring vintage finishes with urban amenities on residents' doorstep. Interiors include spacious kitchens with gas stoves, hardwood flooring, built-in shelving and glass-front cabinets, porch space and balconies, and abundant windows for natural light. This five-plex offers residents on-site laundry along with a large backyard space and garden.

Taylor Street Apartments is located in the historic Buckman neighborhood. Known for its vibrant urban feel in an intimate suburban setting, Buckman offers a plethora of bars, restaurants, coffee shops, and parks, with most residents choosing to rent their homes. The southern area of Buckman includes the popular Hawthorne District, famous for unique eateries and independent bars and retailers. With highly rated public schools and a reputation as one of the best neighborhoods for young professionals in Portland, Taylor Street Apartments is well-located for residents and investors.

Property Summary

Address	2325 SE Taylor Street, Portland, OR 97214		
Year Built	1893	Stories	2
Unit Count	5	Lot Size	0.11 AC
Avg Unit Size	690 SF	Density (Units/AC)	45.45
Total Rentable Size	3,450 SF	County	Multnomah

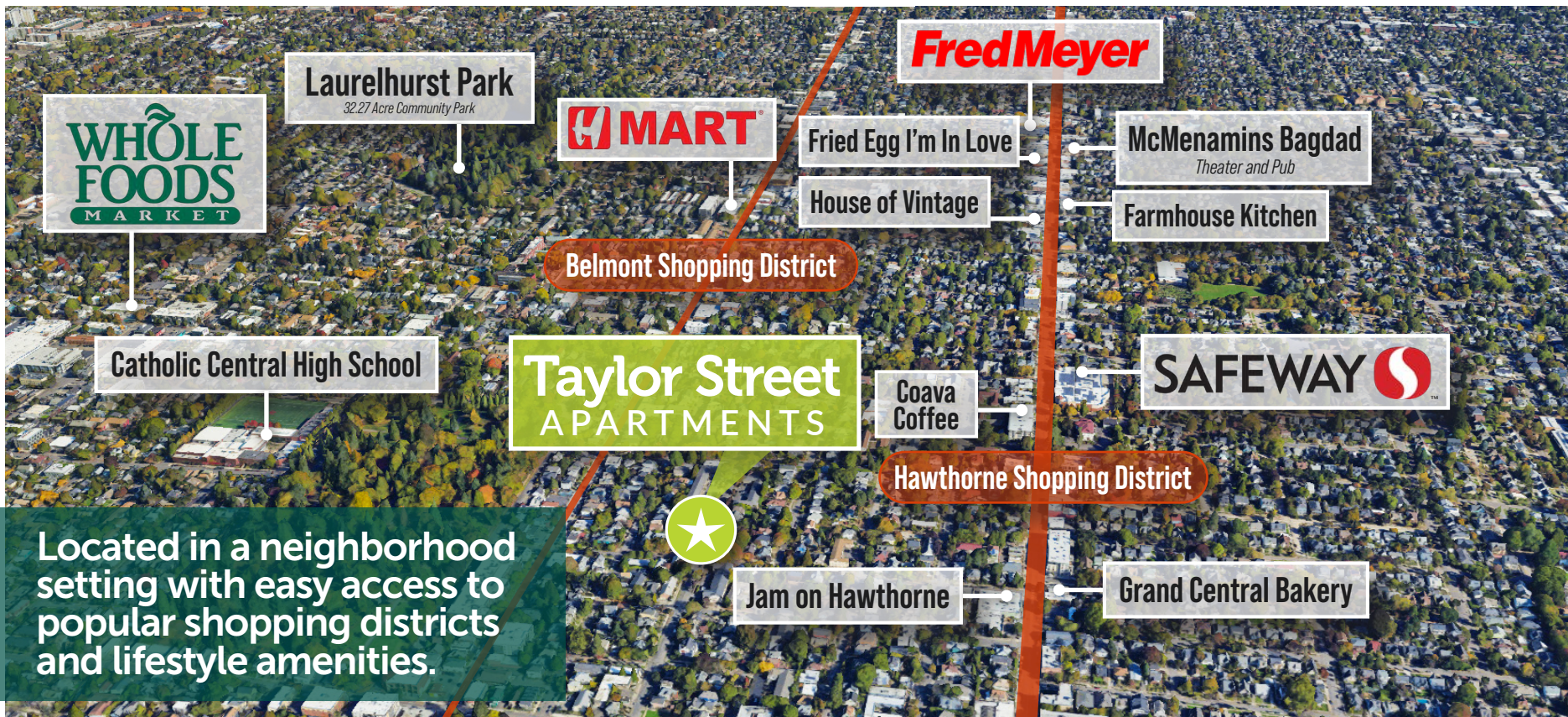
Pricing Summary

Price	\$1,200,000	Per/SF	\$348
Per/Unit	\$240,000	Cap Rate	4.78%



UNIT MIX SUMMARY

Unit Type	Unit Count	Avg. Unit Size (SF)	Scheduled Rents as of 05/2024	Per SF	Highest-Achieved Rents	Per SF
0 Bed / 1 Bath	1	450	\$1,125	\$2.50	\$1,125	\$2.50
1 Bed / 1 Bath	4	750	\$1,563	\$2.08	\$1,750	\$2.33
Totals/Averages	5	690	\$1,475	\$2.14	\$1,625	\$2.36



Well-Maintained Vintage Building

With Historic Charm & One-of-a-Kind Interior Finishes

Taylor Street Apartments | Portland, OR



AMENITIES

- » New roof
- » Updated electrical
- » Unique, historical architectural finishes including built-in shelving and glass-front cabinets
- » Varied unit layouts
- » Fully equipped kitchens
- » Abundant windows and skylights for natural light
- » Hardwood flooring
- » Clawfoot tubs
- » Porch area & balconies
- » Private backyard & garden space
- » Controlled-access entryways
- » On-site laundry facilities



Vintage Finishes



Porch & Balcony Areas




On-Site Laundry Facilities



Lush Backyard Space



Unique Tiling & Clawfoot Tubs



02

Location Overview



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Buckman Neighborhood

The Buckman neighborhood in Southeast Portland is an attractive rental location, offering a dynamic urban lifestyle that appeals to a diverse population, especially young professionals. Buckman is celebrated as one of the best places to live in Oregon, with a vibrant atmosphere characterized by an abundance of bars, restaurants, coffee shops, and parks. Most residents rent their homes, enjoying the unique charm of the area. The southern part of Buckman includes the popular Hawthorne District, renowned for its beautifully restored Old Portland homes, unique restaurants, and eclectic vibe, making it a hotspot for both locals and visitors.

Strategically located, Buckman provides easy access to some of Portland's trendiest neighborhoods in the central east side such as Kerns, Laurelhurst, and Belmont. Residents benefit from a plethora of independent retail shops, dining options, and local microbreweries, enhancing the neighborhood's appeal as a foodie's paradise. The highly rated public schools add to the neighborhood's attractiveness, particularly for families. Additionally, Buckman is ranked #7 out of 88 for the Best Neighborhoods for Young Professionals in Portland, underscoring its desirability for those seeking a vibrant, well-connected community. With its rich blend of cultural amenities and a strong sense of community, Buckman stands out as a prime location for rental housing and investment opportunities.



Grand Central Bakery
5-Min Walk



Jam on Hawthorne
5-Min Walk



Stumptown Coffee
4-Min Drive



Laurelhurst Park
6-Min Drive



McMenamins Bagdad Theater & Pub
6-Min Drive



Downtown Portland
7-Min Drive

Why Portland? Why Taylor Street?

A Prime Investment Destination in the Heart of the Pacific Northwest

Taylor Street Apartments 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 Taylor Street Apartments 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.

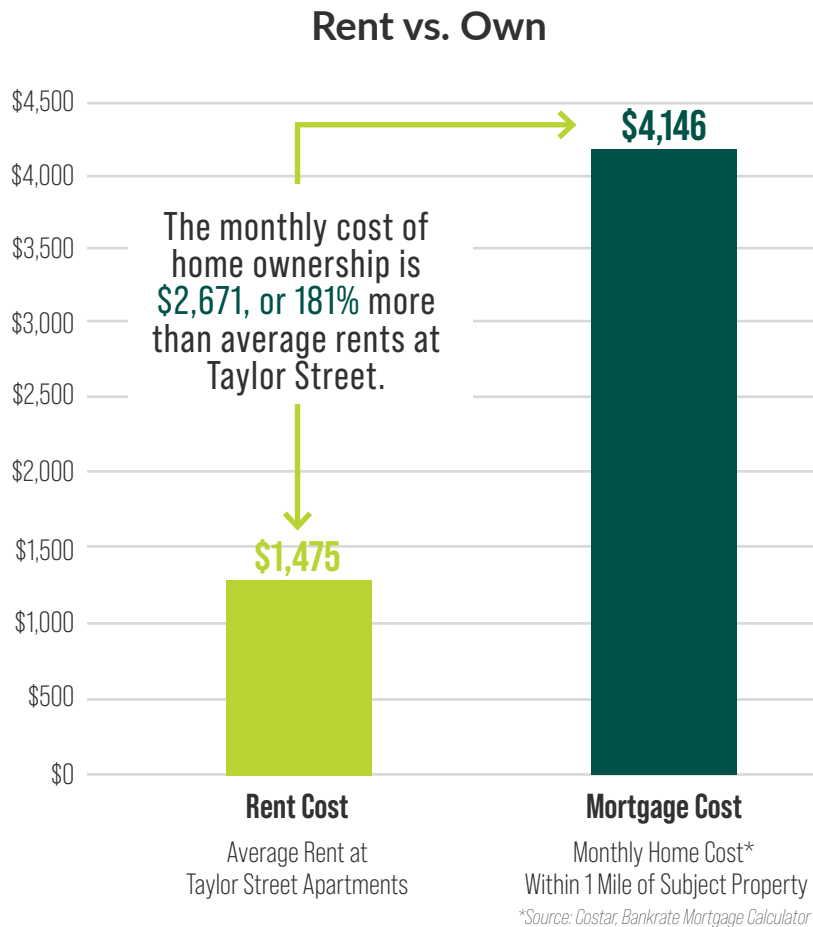


MARKET OVERVIEW

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

Taylor Street Apartments' coveted location and multiple unit layouts cater to a variety of renter lifestyles



Growing Population



Well-Earning Young Professionals



Majority Renter Area

Distance from Taylor Street	1 Mile	3 Miles	5 Miles
2010 Population	28,908	203,676	423,912
2023 Population	35,317	243,562	476,597
Annual Growth 2010-2023	1.7%	1.5%	1.0%
Median Age	39.5	40.3	40.2
Avg Household Income	\$101,853	\$107,661	\$107,953
Median Home Value	\$646,106	\$605,108	\$490,834
Owner Occupied Households	5,629	48,479	102,707
Renter Occupied Households	12,428	74,107	111,916
Avg Household Size	1.9	1.9	2.1
Avg Household Vehicles	1	1	1

03

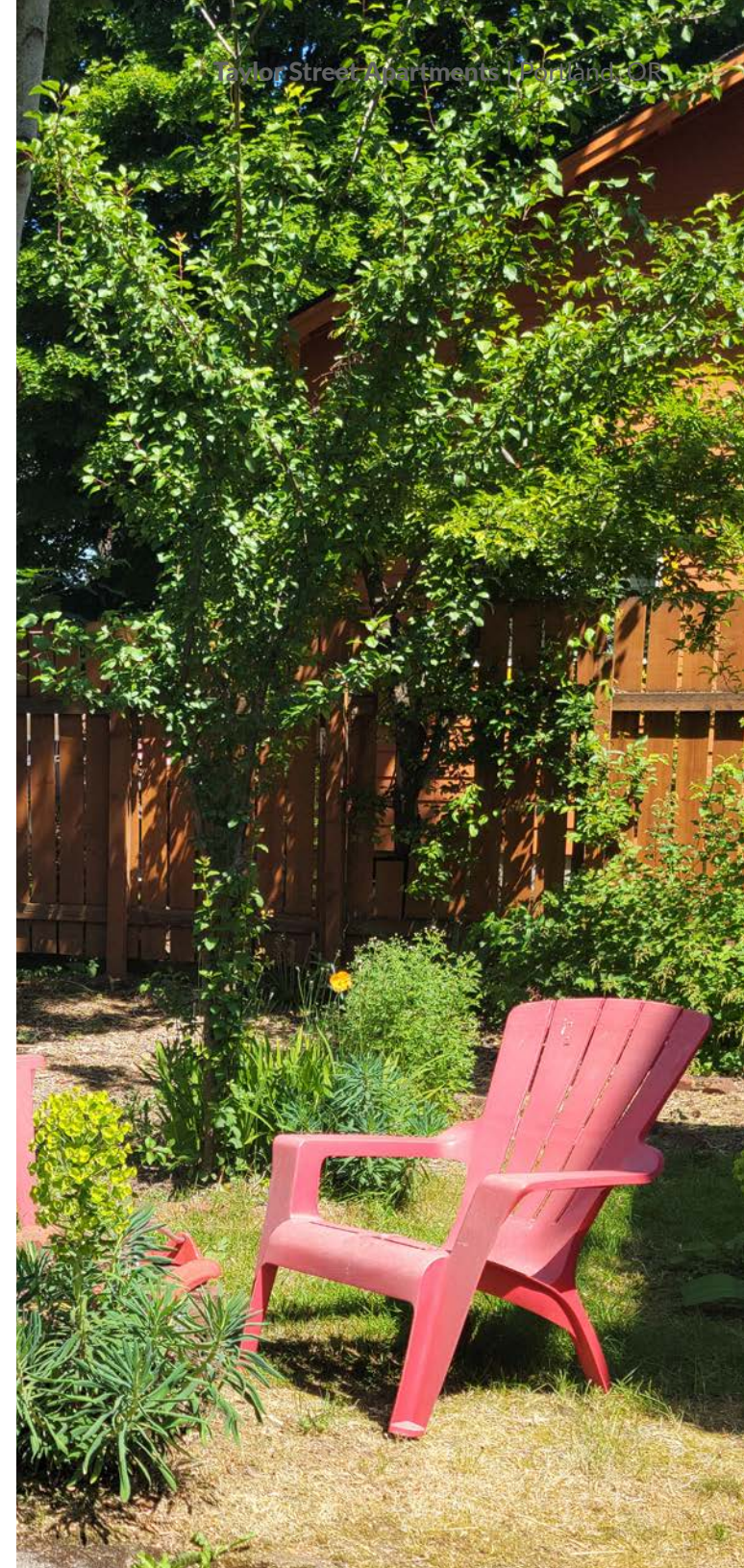
Operations Analysis



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OPERATIONS ANALYSIS

Income	Projected Operations						Notes
	Scheduled Rents as of 05/2024			Highest-Achieved Rents			
Scheduled Gross Rent	\$88,500	\$17,700		\$97,500	\$19,500		1
Less: Vacancy/Credit Loss	-\$4,425	-\$885	-5.0%	-\$4,875	-\$975	-5.0%	2
Net Rental Income	\$84,075	\$16,815		\$92,625	\$18,525		
Storage	\$300	\$60		\$300	\$60		3
Utility Billing (RUBS)	\$1,200	\$240	36.5%	\$1,200	\$240	36.5%	4
Miscellaneous	\$500	\$100		\$500	\$100		5
Total Other Income	\$2,000	\$400	2.3%	\$2,000	\$400	2.1%	
Effective Gross Income	\$86,075	\$17,215		\$94,625	\$18,925		
Expenses	Projected Operations	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$7,865	\$1,573	9.1%	\$7,865	\$1,573	8.3%	6
Insurance	\$1,955	\$391	2.3%	\$1,955	\$391	2.1%	7
<i>Electricity</i>	\$750	\$150	0.9%	\$750	\$150	0.8%	
<i>Water/Sewer</i>	\$1,669	\$334	1.9%	\$1,669	\$334	1.8%	
<i>Garbage</i>	\$1,620	\$324	1.9%	\$1,620	\$324	1.7%	
<i>Gas</i>	\$953	\$191	1.1%	\$953	\$191	1.0%	
Total Utilities	\$4,992	\$998	5.8%	\$4,992	\$998	5.3%	8
Management	\$6,886	\$1,377	8.0%	\$7,570	\$1,514	8.0%	9
Landscaping	\$1,500	\$300	1.7%	\$1,500	\$300	1.6%	10
Repairs/Maintenance	\$2,750	\$550	3.2%	\$2,750	\$550	2.9%	11
Turnover	\$1,500	\$300	1.7%	\$1,500	\$300	1.6%	12
Reserves	\$1,250	\$250	1.5%	\$1,250	\$250	1.3%	13
Total Expenses	\$28,699			\$29,383			
Expenses per Unit	\$5,740			\$5,877			
% of EGI	33.3%			31.1%			
NOI (Net Operating Income)	\$57,376	\$11,475		\$65,242	\$13,048		



Income

1. **Rental Income** Rental income is based on current scheduled rents, which average \$1,475 per unit, or \$2.14 per SF. Highest achieved rents at the property average \$1,625 per unit, or \$2.36 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. **Storage Income** Storage income is applied at \$60 per unit, which is consistent with historical collections.
4. **RUBS Income** The units are metered for electricity and tenants pay this directly. The tenants are billed for water, sewer, and garbage via a monthly RUBS charge. We have applied RUBS income at 36.5% of total utilities, which is consistent with historical collections.
5. **Miscellaneous Income** Miscellaneous income includes administrative fees, pet rent, early termination fees, etc. We have applied \$100 per unit, which is within market standards.

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 #: R131599	\$6,946	\$7,572	\$7,702	\$7,873	\$8,109
Total	\$6,946	\$7,572	\$7,702	\$7,873	\$8,109
w/ Discount	\$6,738	\$7,344	\$7,471	\$7,636	\$7,865
% Change	--	9.01%	1.72%	2.21%	3.00%

7. **Insurance** The existing insurance policy premium is \$1,955, or \$391 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 and utilities for vacant units. The owners elected to keep some of the units vacant for an extended period of time and thus incurred higher than normal utilities costs. In projected operations, the expense has been normalized at \$998 per unit.
9. **Management** At five units, 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 8.0% for fee management which is consistent with current rates quoted by reputable local management companies.
10. **Landscaping** We have applied \$300 per unit, which is consistent with the existing monthly landscaping contract.
11. **Repairs/Maintenance** General repairs and maintenance are estimated at \$550 per unit. This is consistent with current market standards and lender underwriting.
12. **Turnover** Turnover is estimated at \$300 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.

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Contact Us

Greg Frick

greg@hfore.com
(503) 241-5541

OTHER CONTACTS:

Rob Marton • rob@hfore.com
Jack Stephens • jack@hfore.com
Lee Fehrenbacher • lee@hfore.com
Todd Tully • todd@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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