



OFFERING MEMORANDUM

# The Norm APARTMENTS

12-Unit Apartment Community  
Located in Desirable NW Portland



 (503) 241-5541

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## Property Overview



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# PROPERTY OVERVIEW

The Norm | Portland, OR

## The Norm Apartments

### 12 Modern Units in NW Portland's Walkable Slabtown

Introducing **The Norm**, a 12-unit apartment community located in vibrant Northwest Portland. This boutique property offers modern, loft-style living with two-story apartments that feature private entrances along a gated walkway. Residents at this pet-friendly community enjoy a host of desirable amenities, including fully equipped kitchens with stainless steel appliances and granite countertops, hardwood floors, vaulted ceilings, ceiling fans, large skylights with remote-controlled blackout blinds, and bathrooms that are beautifully tiled.

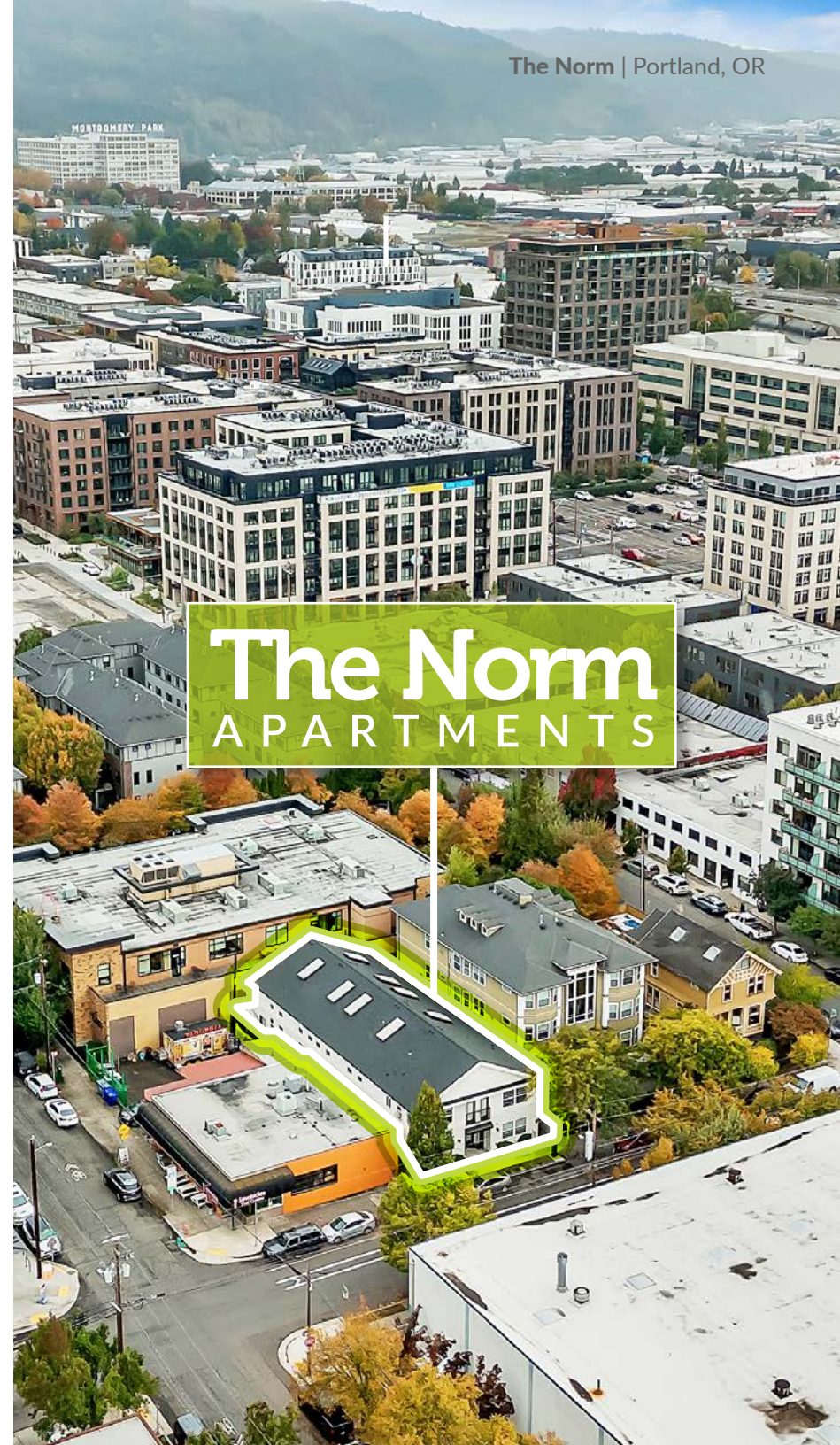
The Norm's prime location in Slabtown provides unparalleled convenience and lifestyle opportunities. This neighborhood is known for its eclectic mix of global eateries, indie shopping, and thriving cultural scene. Less than a mile from Legacy Good Samaritan Medical Center—one of Portland's top employers—and just two miles from Portland State University, the property appeals to professionals and students alike. With a Walk Score of 93, a Bike Score of 90, and proximity to the Portland Streetcar just three blocks away, The Norm is a true "walker's paradise." Residents benefit from easy access to dining, entertainment, and shopping, as well as major highways like I-5 and I-405, ensuring seamless connectivity to the greater Portland area and beyond.

### Property Summary

<b>Address</b>	1415 NW 19th Ave, Portland, OR 97209		
<b>Year Built</b>	2012	<b>Stories</b>	2
<b>Unit Count</b>	12	<b>Lot Size</b>	0.11 AC
<b>Avg Unit Size</b>	500 SF	<b>Density (Units/AC)</b>	109.09
<b>Total Rentable Size</b>	6,000 SF	<b>County</b>	Multnomah

### Pricing Summary

<b>Price</b>	\$2,500,000	<b>Price/Unit</b>	\$208,333
		<b>Price/SF</b>	\$417



# UNIT MIX SUMMARY

Unit Type	Unit Count	Av. Unit Size (SF)	Scheduled Rents as of 12/2024	Per SF	Market Rents	Per SF
0 Bed / 1 Bath	2	350	\$1,139	\$3.25	\$1,250	\$3.57
0 Bed / 1 Bath Loft	2	450	\$1,325	\$2.94	\$1,450	\$3.22
1 Bed / 1 Bath Loft	8	550	\$1,517	\$2.76	\$1,650	\$3.00
<b>Totals/Averages</b>	<b>12</b>	<b>500</b>	<b>\$1,422</b>	<b>\$2.84</b>	<b>\$1,550</b>	<b>\$3.10</b>



# AMENITIES

- » Fully equipped kitchens with energy-efficient stainless steel appliances, granite countertops, and custom wood cabinets
- » Hardwood flooring
- » Subway tiled bathrooms
- » Vaulted ceilings\*
- » Skylights with remote-controlled blackout blinds\*
- » Ceiling fans
- » Washer and dryer in unit
- » Energy efficient heating and air conditioning\*
- » Private entries behind gated walkway

\*In select units



In-Unit Laundry



Ceiling Fans & Ample Windows



Private Entries



Modern Kitchens & Vaulted Ceilings



Two-Story, Loft Style Units

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## Location Overview



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# LOCATION OVERVIEW

## Slabtown Neighborhood

Located in popular Northeast Portland, The Norm sits in the heart of Slabtown, a neighborhood known for walkable streets, strong coffee, tasty eats, and diverse retail. Nestled between the vibrant neighborhoods of the Pearl and Nob Hill, Slabtown stands out as a dynamic blend of residential charm and industrial heritage. Whether on foot or by Portland Streetcar, residents enjoy effortless access to downtown, the Pearl District, Nob Hill, and the expansive Forest Park.

Slabtown's rich history as a hub for working-class families and immigrants has evolved into a trendy, upscale neighborhood with a demographic shift towards a higher concentration of renters, particularly appealing to singles and couples. The origin of its name, derived from the lumber industry's discarded "slabs," speaks to its gritty past, now transformed into a sought-after area for modern urban living.

With its status as a "walker's paradise," Slabtown is experiencing growth and revitalization. Enhanced by new transit options and bike-friendly avenues, it epitomizes urban convenience. The Slabtown Marketplace, a revitalized 1950s shipping warehouse, has become a central gathering spot for the community, featuring a New Seasons market, popular brewery taproom, outdoor plaza, lush green wall, and sunlit porch.

Investing in Slabtown means tapping into a neighborhood with a unique identity, steeped in history but firmly planted in the present, where tenants are drawn to its mix of convenience, culture, and connectivity.



Lucky Labrador Brewing  
2-Min Walk



Forest Park  
8-Min Drive



Portland State University  
7-Min Drive



Portland Saturday Market  
7-Min Drive



Downtown Portland  
6-Min Drive

## Top Portland Area Employers



Providence Health  
23,100 Employees



Intel  
22,328 Employees



Nike  
15,522 Employees



Legacy Health  
13,087 Employees



Slabtown Marketplace | 3-Min Drive



## Why Portland?

### A Prime Investment Destination Located in the Heart of the Pacific Northwest

**The Norm** 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 The Norm both present a compelling investment in a time with high demand for existing assets in an area with a burgeoning population.**



#### Strong Demand and Investment Upside

Portland's stunning natural landscape and growing population create sustained demand for multifamily rentals, while limited housing supply positions the market for potential rental growth and appreciation.



#### Strategic Location with Growth Potential

The metropolitan area provides access to employment hubs and key trade corridors, enhancing the attractiveness of multifamily investments.



#### Diverse Economic Drivers

Growth in tech, manufacturing, and healthcare sectors fuels job opportunities, supporting high demand for rental housing.



#### Extensive Public Transit and Infrastructure

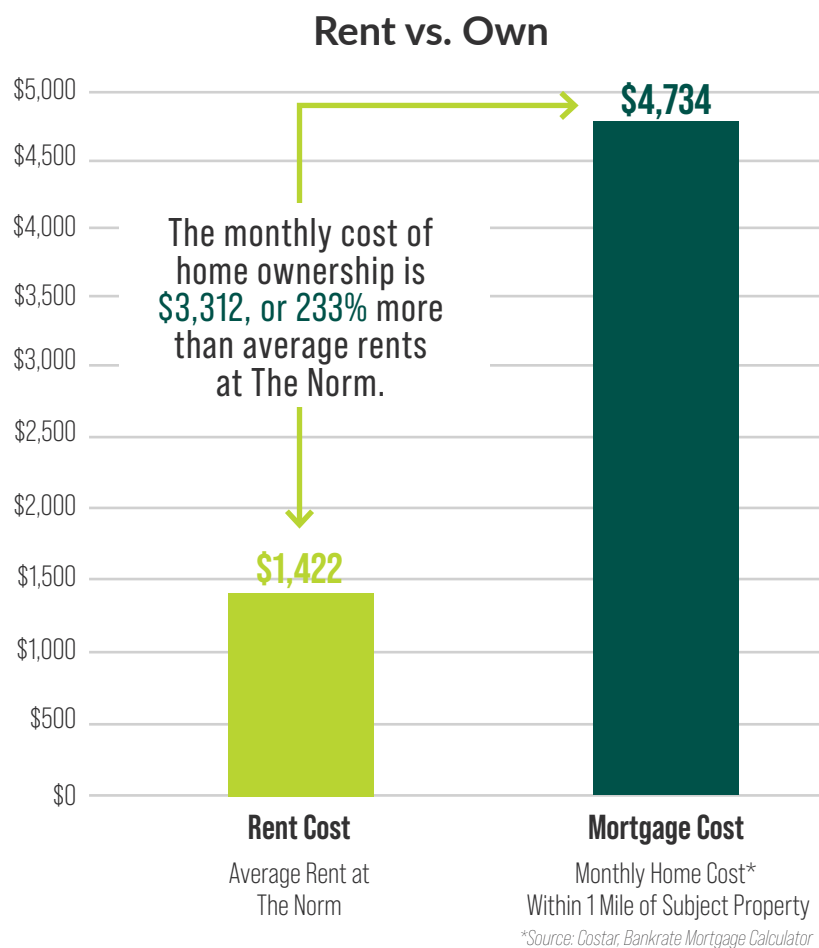
An efficient transit network, including MAX Light Rail, boosts tenant demand and supports a diverse renter demographic.



## 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





## The State of Development

**Slowdown in housing development will lead to increased rents in the years ahead as apartment demand outpaces supply.**

Rents in Portland are expected to grow in the years ahead due to a decline in apartment construction and rising interest rates.

While apartment construction within the city limits remained consistent over the past two years, it did not experience the same post-pandemic rebound seen in other parts of the metro area. Data from CoStar and ECONorthwest indicates that the number of buildings currently under construction in the city has halved compared to a year ago, signaling a significant slowdown ahead.

Across the four-county Portland metro area, there has already been a 27% decrease in the number of

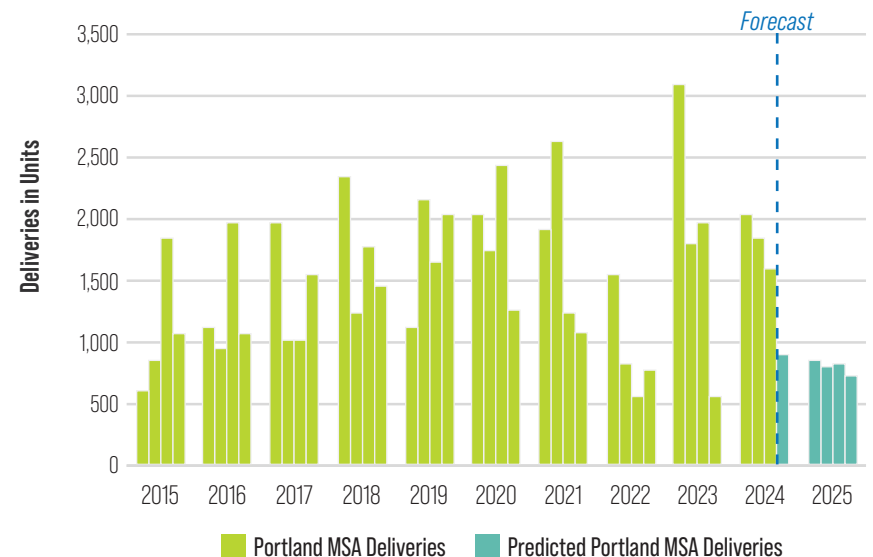
apartments under construction compared to 2022. This decline can be attributed to the increased interest rates, which have made it more costly to finance new housing projects.

Economist Mike Wilkerson, who follows the regional housing market for ECONorthwest, anticipates a spike in rents around the middle of 2024 when more people are moving and there will likely be fewer new apartments. As Mike Rogoway wrote in *The Oregonian* in November 2023, “That means more affluent renters who tend to choose the newest construction will be competing for older rentals, pushing up rental costs across the spectrum of apartments.”

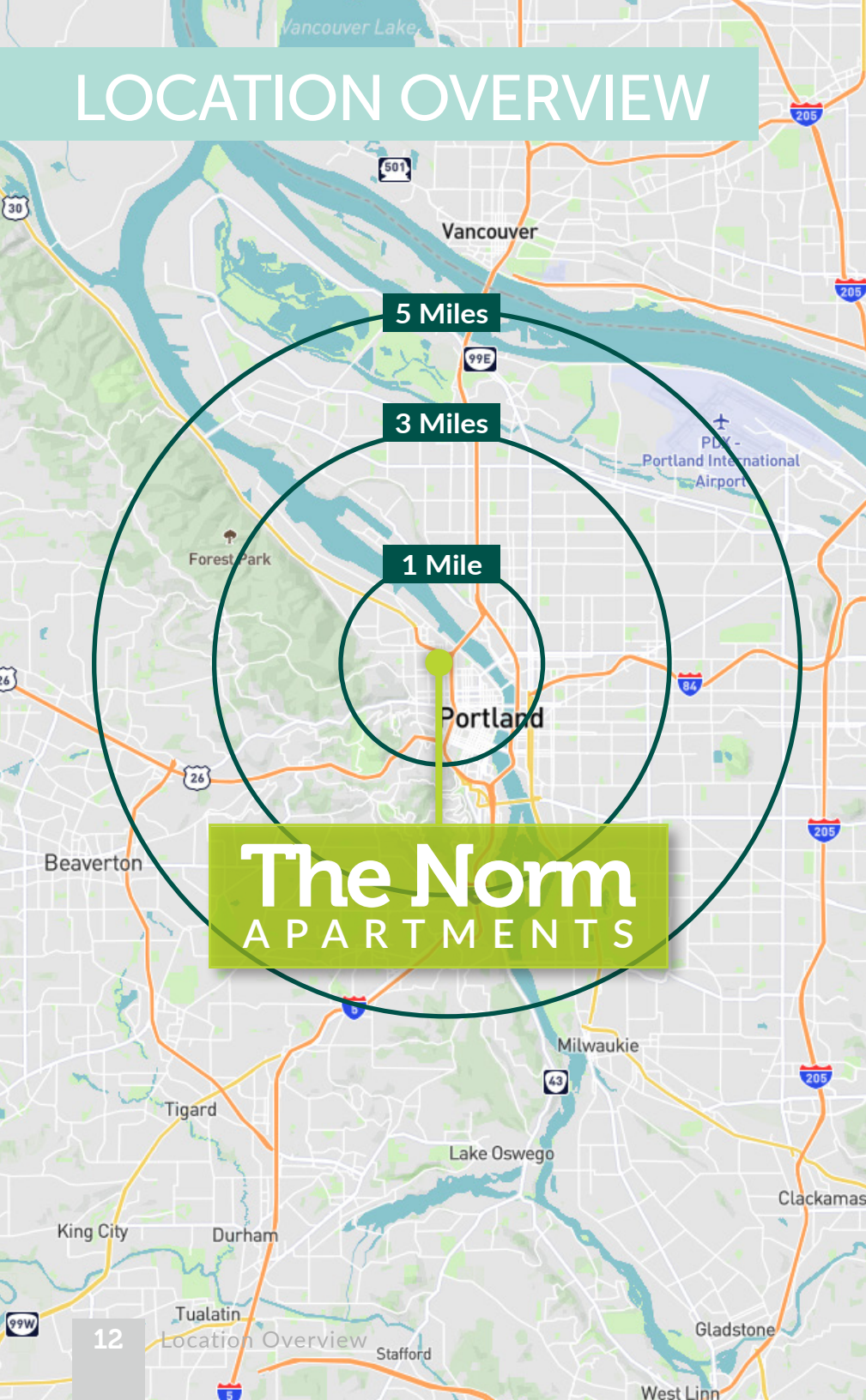
## Apartment deliveries slow in the Portland Area

The market is facing significant headwinds amid rising interest and mortgage rates, tighter lending requirements, and increasing costs for building supplies and materials. Deliveries are forecasted to be down 49% in 2024 vs 2023 and even lower in 2025.

Source: *The Oregonian*, CoStar, ECONorthwest



# LOCATION OVERVIEW



**The Norm**  
APARTMENTS

## Demographics

The Norm offers desirable units layouts in a sought-after location, catering to renter lifestyles in the area



**Educated, Young Professionals**



**Large Renter Population**



**High-Earning Households**

Distance from Subject Property	1 Mile	3 Miles	5 Miles
2020 Population	38,404	168,359	404,566
2024 Population	40,635	177,306	402,672
2029 Population Projection	40,534	176,736	397,563
Annual Growth 2020-2024	1.5%	1.3%	-0.1%
Median Age	38.8	38.4	39.5
Bachelor's Degree or Higher	65%	62%	59%
Avg Household Size	1.5	1.8	2
Avg Household Income	\$106,717	\$111,023	\$118,525
Median Home Value	\$744,450	\$714,081	\$676,435
Owner Occupied Households	5,426	28,905	82,378
Renter Occupied Households	19,907	64,912	104,018
Avg Household Vehicles	1	1	1

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# Operations Analysis



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# OPERATIONS ANALYSIS

Income	HISTORICAL OPERATIONS			PROJECTED OPERATIONS						Notes
	November 2024 T11-Months Annualized			Scheduled Rents as of 12/2024			Market Rents			
<b>Scheduled Gross Rent</b>	\$184,611	\$15,384		\$204,804	\$17,067		\$223,200	\$18,600		1
Less: Vacancy/Credit Loss	\$0	\$0	0.0%	-\$10,240	-\$853	-5.0%	-\$11,160	-\$930	-5.0%	2
<b>Net Rental Income</b>	\$184,611	\$15,384		\$194,564	\$16,214		\$212,040	\$17,670		
Utility Billing (RUBS)	\$0	\$0	0.0%	\$0	\$0	0.0%	\$10,902	\$908	85.0%	3
Miscellaneous	\$6,108	\$509		\$7,608	\$634		\$8,208	\$684		4
<b>Total Other Income</b>	\$6,108	\$509	3.2%	\$7,608	\$634	3.8%	\$19,110	\$1,592	8.3%	
<b>Effective Gross Income</b>	<b>\$190,719</b>	<b>\$15,893</b>		<b>\$202,172</b>	<b>\$16,848</b>		<b>\$231,150</b>	<b>\$19,262</b>		
Expenses	November 2024 T11	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$36,783	\$3,065	19.3%	\$38,254	\$3,188	18.9%	\$40,584	\$3,382	17.6%	5
Insurance	\$5,620	\$468	2.9%	\$5,620	\$468	2.8%	\$6,800	\$567	2.9%	6
<i>Electricity</i>	\$541	\$45	0.3%	\$541	\$45	0.3%	\$597	\$50	0.3%	
<i>Water/Sewer</i>	\$6,748	\$562	3.5%	\$6,748	\$562	3.3%	\$7,440	\$620	3.2%	
<i>Garbage</i>	\$4,436	\$370	2.3%	\$4,436	\$370	2.2%	\$4,890	\$408	2.1%	
Total Utilities	\$11,725	\$977	6.1%	\$11,725	\$977	5.8%	\$12,927	\$1,077	5.6%	7
Administrative/Advertising	\$1,383	\$115	0.7%	\$0	\$0	0.0%	\$0	\$0	0.0%	8
Management	\$0	\$0	0.0%	\$12,130	\$1,011	6.0%	\$13,869	\$1,156	6.0%	9
Landscaping	\$0	\$0	0.0%	\$1,800	\$150	0.9%	\$1,800	\$150	0.8%	10
Repairs/Maintenance	\$7,160	\$597	3.8%	\$7,160	\$597	3.5%	\$7,160	\$597	3.1%	11
Turnover	\$3,000	\$250	1.6%	\$3,000	\$250	1.5%	\$3,000	\$250	1.3%	12
Reserves	\$3,000	\$250	1.6%	\$3,000	\$250	1.5%	\$3,000	\$250	1.3%	13
<b>Total Expenses</b>	<b>\$68,671</b>			<b>\$82,689</b>			<b>\$89,139</b>			
Expenses per Unit	\$5,723			\$6,891			\$7,428			
% of EGI	36.0%			40.9%			38.6%			
<b>NOI (Net Operating Income)</b>	<b>\$122,048</b>	<b>\$10,171</b>	<b>64.0%</b>	<b>\$119,483</b>	<b>\$9,957</b>	<b>59.1%</b>	<b>\$142,010</b>	<b>\$11,834</b>	<b>61.4%</b>	

## Income

- 1. Rental Income** Rental income is based on current scheduled rents, which average \$1,422 per unit, or \$2.84 per SF. The property has historically been self-managed and would benefit from third-party professional management. Current rents are at least 9.0% below market rates at similar properties nearby. Market rents average \$1,550 per unit, or \$3.10 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 for water/sewer, garbage, and common area electricity costs. The market rents scenario assumes implementing utilities chargebacks at 85.0%, which would generate \$908 of additional income per unit.
- 4. Miscellaneous Income** Miscellaneous income includes administrative fees, late fees, early termination fees, damages, etc. We have applied \$634 per unit, which is supported by the subject's recent operation and is within market standards and includes additional income for other sources not currently collected, such as pet rent for a full year based on current number of tenants with pets. The market rents scenario includes \$684 per unit and represents additional upside.

## 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. The reduced amounts for the last and forthcoming year are shown in the trailing financials and projected operations. The market rents scenario includes the expense growing at 3% for two years.

Tax History	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
<b>Acct #: R141110</b>	\$33,456	\$36,471	\$37,099	\$37,921	\$39,437
<b>Total</b>	\$33,456	\$36,471	\$37,099	\$37,921	\$39,437
<b>w/ Discount</b>	\$32,452	\$35,377	\$35,986	\$36,783	\$38,254
<b>% Change</b>	3.82%	9.01%	1.72%	2.21%	4.00%

- 6. Insurance** The existing insurance policy premium is \$5,620, or \$468 per unit. This amount is within market standards and is carried forward in projected operations. The market rents scenario includes the expense growing at 10% for two years.
- 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 \$977 per unit. The market rents scenario includes the expense growing at 5% for two years.
- 8. Administrative/Advertising** Administrative and advertising costs were approximately \$1,383 annualized in the trailing 12 months, which is \$115 per unit. In projected operations, the expense is reduced to zero and the costs are covered under the management fee.
- 9. Management** The property has historically been self-managed. All management and payroll-related expenses can be captured in a single allocation for management. We have applied 6.0% for fee management which is consistent with current rates quoted by reputable local management companies.
- 10. Landscaping** Landscaping responsibilities are minor at the property and historically have been handled by the seller personally, and thus there were no landscaping expenses in the trailing financials. An estimate of \$1,800 annually, or \$150 per unit, is applied in projected operations.
- 11. Repairs/Maintenance** General repairs and maintenance are estimated at \$597 per unit. This is consistent with historical operations and is in line with current market standards and lender underwriting. This amount is inclusive of contracts for alarm and fire monitoring, inspections, and pest control.
- 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. Turnover occurred in the trailing period but costs were not reported on the income statement. This estimate is shown in the trailing financials in addition to projected operations.
- 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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