


OFFERING MEMORANDUM


# Cascade

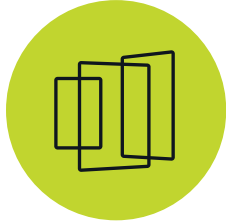
## APARTMENTS

12-Unit Apartment Community  
Located in Portland, Oregon



 (503) 241-5541

 [www.hfore.com](http://www.hfore.com)



**HFO**  
Build your legacy.®

A member of  
**GREA**

## Contact Us

**Greg Frick**

greg@hfore.com  
(503) 241-5541

[www.hfore.com](http://www.hfore.com) • (503) 241-5541

Licensed in the states of Oregon and Washington.

# Table of Contents

- 1** Property Overview
- 2** Location Overview
- 3** Operations Analysis

01

# Property Overview



HFO

Build your legacy.

# PROPERTY OVERVIEW

## Cascade Apartments

### 12 Units Minutes from Major Manufacturing Hub

Introducing Cascade Apartments, a 12-unit apartment community in Portland, OR. The property offers one- and two-bedroom units featuring beautifully renovated interiors with modern cabinetry, hardwood flooring, new light fixtures, stainless steel appliances, farmhouse-style sinks, and granite countertops throughout. Apartment amenities at Cascade include fully equipped kitchens, ceiling fans, updated bathrooms, balconies, patios with yard space, and off-street parking.

Cascade Apartments is well-located at the border of Portland and Gresham, providing residents with the perfect blend of suburban comfort and urban convenience. The property is just minutes from a major manufacturing and distribution hub, home to leading employers like Boeing, Albertsons Distribution, Amazon, and Subaru, and more. Residents also have incredible access to major retailers, schools, and parks. The property is less than a mile from I-84, a major highway connecting residents to I-205 and other major roadways, ensuring easy connectivity to the greater Portland metro area.

### Property Summary

Address	15827 NE Glisan St, Portland, OR 97230		
Year Built	1969	Stories	2
Unit Count	12	Lot Size	0.46 AC
Avg Unit Size	830 SF	Density (Units/AC)	26.09
Total Rentable Size	9,960 SF	County	Multnomah

### Pricing Summary

Price	\$2,050,000	Cap Rate	5.17%
Per/Unit	\$170,833	Per/SF	\$206



# UNIT MIX SUMMARY

Unit Type	Unit Count	Avg. Unit Size (SF)	Scheduled Rents as of 07/2024	Per SF	Recent Leases	Per SF
1 Bed / 1 Bath	1	500	\$860	\$1.72	\$860	\$1.72
2 Bed / 1 Bath	11	860	\$1,306	\$1.52	\$1,395	\$1.62
<b>Totals/Averages</b>	<b>12</b>	<b>830</b>	<b>\$1,269</b>	<b>\$1.53</b>	<b>\$1,350</b>	<b>\$1.63</b>

## AMENITIES

- » Fully equipped kitchens with stainless steel appliances, dishwashers, and farmhouse-style sinks
- » Modern cabinetry and granite counters
- » Dining area
- » Ceiling fans
- » Hardwood flooring
- » Balconies or patio space with yard area
- » Off-street parking



# AERIAL OVERVIEW



**Linfield University**  
7-Minute Drive | 20-Acre Portland Campus

**Portland Christian High School**  
6-Minute Drive | 373 Students

**Margaret Scott Elementary School**  
4-Minute Drive | 358 Students

**H.B. Lee Middle School**  
3-Minute Drive | 716 Students

**Knott City Park**

**Glendoveer Golf Course**

**Cascade APARTMENTS**

**Hartley Elementary School**  
6-Minute Drive | 325 Students

**Wood Village Town Center**  
10-Minute Drive | 139,831 SF of Major Retailers  
**Fred Meyer KOHL'S**  
**LOWE'S** **BUFFALO WILD WINGS** **IHOP** **STARBUCKS**

**Gateway Shopping Center**  
9-Minute Drive | 288,000 SF of Major Retailers

**Glenfair Elementary School**  
4-Minute Drive | 387 Students

**Albertsons**

**205 Place & 205 Plaza Shopping Centers**  
12-Minute Drive | 237,728 SF of Major Retailers

**Oliver Middle School**  
5-Minute Drive | 457 Students

**Verdell Burdine Rutherford Park**

**TRI MET Blue MAX Line**

**Gresham High School**  
15-Minute Drive | 1,626 Students

**Adventist Health Portland**  
12-Minute Drive | 1,800 Employees

**Fred Meyer**

**Gresham Station Shopping Center**  
12-Minute Drive | 341,952 SF Lifestyle Center

**Kelly Butte Natural Area**

**GROCERY OUTLET**  
bargain market

**BEST BUY** **COST CO** **WORLD MARKET** **OLD NAVY**  
**Durlington** **Panera BREAD** **STARBUCKS** **RED ROBIN**  
**BAJA FRESH**

**Downtown Gresham**

**SAFeway**

**Powell Butte Nature Park**  
11-Minute Drive | 611 Acres

**Eastside Timbers & Thorns Sports Complex**

# 02

## Location Overview



HFO

Build your legacy.

# LOCATION OVERVIEW

## Gresham, Oregon

### Offering Incredible Connectivity to Major Employers & Retail

As the fourth-largest city in Oregon and the second-largest in the Portland metropolitan area, Gresham is ideally located, benefitting from business-friendly demographics, strong transportation connections, and a high quality of life.

As the largest suburb in Portland, Gresham offers a peaceful blend of suburban tranquility and access to the stunning natural landscapes of the Pacific Northwest. Located amidst tree-lined streets and residential neighborhoods, Gresham provides a relaxed pace of life, distinct from the hustle and bustle of nearby Portland.

With excellent connectivity via TriMet buses and MAX lightrail services, Gresham residents enjoy convenient access to downtown Portland and neighboring cities. The city's historic downtown area adds to its charm, complemented by a strong sense of community fostered through multiuse parks and the ongoing development of the Springwater Corridor. As a result of Gresham's growing popularity and projected household growth, rental demand has surged, driving a steady increase in rents. This dynamic environment, coupled with Gresham's location outside of Portland city limits, positions it as an attractive choice for investors seeking an asset in the Portland/Vancouver metro area without the City of Portland renter regulations.

## Top Gresham Employers

Employer	Total Employees	% of Total City Employment
Boeing of Portland	1,372	2.57%
Gresham Barlow School District	1,125	1.91%
Mt Hood Community College	1,018	1.90%
US Bank of Oregon Columbia Center	1,013	1.33%
Centennial School District	707	1.32%
Microchip Technology Inc.	704	1.30%
ON Semiconductor	692	1.26%
City of Gresham	673	1.25%
Albertson's Distribution Center	554	1.04%





# LOCATION OVERVIEW



**amazon**  
Distribution Centers  
13-Minutes to DPD7  
15-Minutes to PDX9

**C&S Wholesale Grocers**

Swift Transportation

Tube Specialties Co

**BOEING**  
9-Minute Drive | 1,372 Employees

**GROCERY OUTLET**  
bargain market  
Distribution Center

**MICROCHIP**  
9-Minute Drive | 704 Employees

**BRIDGESTONE**  
Distribution Center | 10-Minute Drive

**STAPLES**  
Distribution Center

Cascade Corporation

North Coast Electric

Footwear Specialties

Fujicolor Processing Inc

Lineage Logistics

LaCrosse Footwear

Danner

Western Beverage

International Paper Co

**Gresham Vista Business Park**  
10-Minute Drive | 221-Acre Business Park

**OWENS CORNING**

Trailblazer Foods

Senvoy

**onsemi** **GRAINGER**  
**SUBARU** **OWENS CORNING** **ORS•Nasco**  
**ECLAIRE HEALTH** **MEDLINE** **IB Imperial BROWN**

**STAPLES**  
Distribution Center

SEKO LOGISTICS

Irby Utilities

West Coast Metals

**HONDA**  
7-Minute Drive

**Albertsons**  
5-Minute Drive | 554 Employees

**Cascade**  
APARTMENTS

Cascade Apartments is just a short commute away from a major industrial and manufacturing hub, hosting top employers and upcoming developments.



## Why Portland? Why Cascade Apartments?

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

**Cascade 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 Cascade 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.



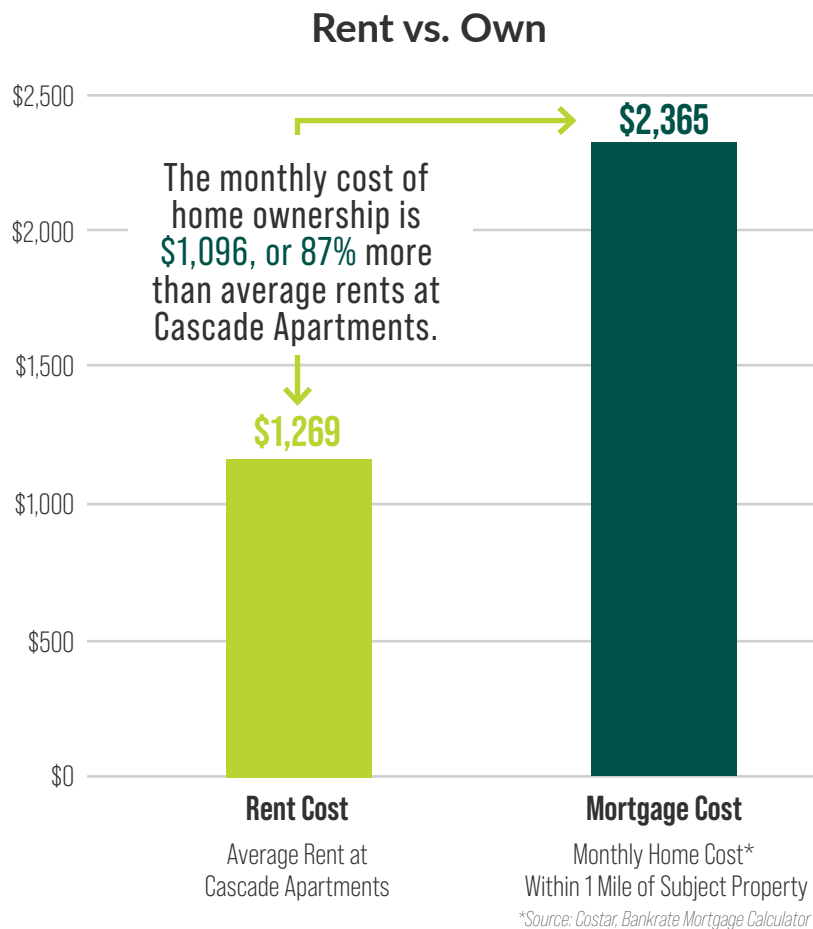
**Portland boasts a highly efficient and extensive public transit system**, anchored by its iconic MAX Light Rail and a comprehensive bus network.



## 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

Cascade Apartments offers spacious units and quality amenities, catering to a variety of renter lifestyles



Distance from Cascade	1 Mile	3 Miles	5 Miles
2010 Population	19,101	125,890	277,882
2023 Population	20,385	134,138	292,844
Annual Growth 2010-2023	0.5%	0.5%	0.4%
Median Age	37.9	39	39.8
Avg Household Income	\$67,221	\$75,266	\$86,041
Median Home Value	\$381,501	\$371,792	\$409,408
Owner Occupied Households	3,815	25,639	61,069
Renter Occupied Households	4,960	25,841	50,538
Avg Household Size	2.6	2.6	2.6
Avg Household Vehicles	2	2	2

03

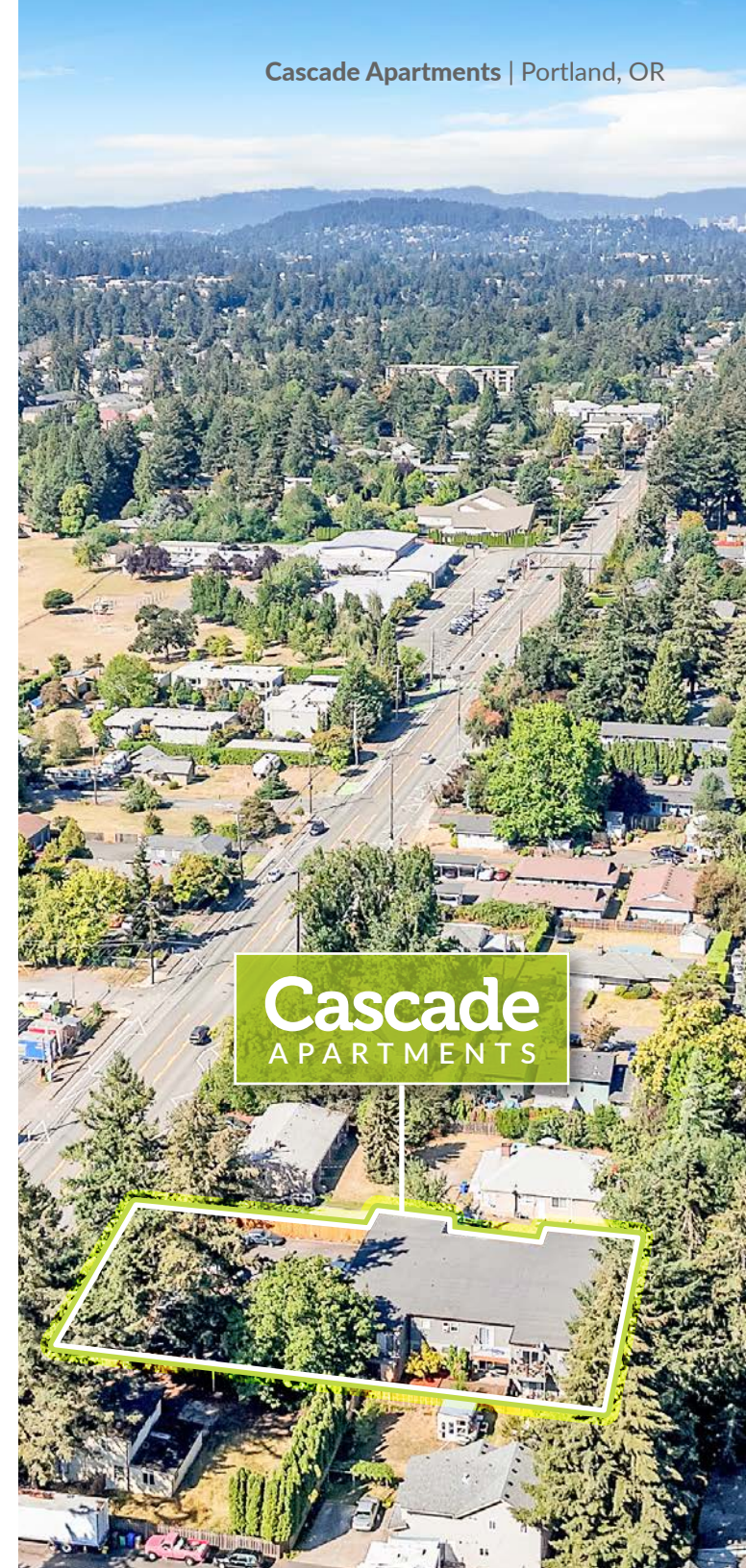
# Operations Analysis



**HFO**  
Build your legacy.

# OPERATIONS ANALYSIS

Income	Projected Operations						Notes
	Scheduled Rents as of 07/2024			Recent Leases			
<b>Scheduled Gross Rent</b>	\$182,760	\$15,230		\$194,460	\$16,205		1
Less: Vacancy/Credit Loss	-\$9,138	-\$762	-5.0%	-\$9,723	-\$810	-5.0%	2
<b>Net Rental Income</b>	\$173,622	\$14,469		\$184,737	\$15,395		
Utility Billing (RUBS)	\$5,760	\$480	73.8%	\$9,748	\$812	73.8%	3
Miscellaneous	\$2,314	\$193		\$2,314	\$193		4
<b>Total Other Income</b>	\$8,074	\$673	4.4%	\$12,062	\$1,005	6.1%	
<b>Effective Gross Income</b>	<b>\$181,696</b>	<b>\$15,141</b>		<b>\$196,799</b>	<b>\$16,400</b>		
Expenses	Projected Operations	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$16,007	\$1,334	8.8%	\$16,007	\$1,334	8.1%	5
Insurance	\$5,875	\$490	3.2%	\$5,875	\$490	3.0%	6
Electricity	\$5,704	\$475	3.1%	\$5,704	\$475	2.9%	
Water/Sewer	\$7,800	\$650	4.3%	\$7,800	\$650	4.0%	
Garbage	\$5,400	\$450	3.0%	\$5,400	\$450	2.7%	
Total Utilities	\$18,904	\$1,575	10.4%	\$18,904	\$1,575	9.6%	7
Administrative	\$1,800	\$150	1.0%	\$1,800	\$150	0.9%	8
Management	\$14,536	\$1,211	8.0%	\$15,744	\$1,312	8.0%	9
Landscaping	\$2,400	\$200	1.3%	\$2,400	\$200	1.2%	10
Repairs/Maintenance	\$9,000	\$750	5.0%	\$9,000	\$750	4.6%	11
Turnover	\$4,200	\$350	2.3%	\$4,200	\$350	2.1%	12
Reserves	\$3,000	\$250	1.7%	\$3,000	\$250	1.5%	13
<b>Total Expenses</b>	<b>\$75,722</b>			<b>\$76,931</b>			
Expenses per Unit	\$6,310			\$6,411			
% of EGI	41.7%			39.1%			
<b>NOI (Net Operating Income)</b>	<b>\$105,974</b>	<b>\$8,831</b>		<b>\$119,868</b>	<b>\$9,989</b>		



## Income

1. **Rental Income** Rental income is based on current scheduled rents, which average \$1,269 per unit, or \$1.53 per SF. Recently signed leases at the property are averaging \$1,350 per unit, or \$1.63 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** The units are metered for electricity and tenants pay this directly. The tenants are billed for water, sewer, and garbage via a monthly flat rate of \$40. This equates to a reimbursement of 73.8% of utilities.
4. **Miscellaneous Income** Miscellaneous income includes administrative fees, pet rent, early termination fees, etc. We have applied \$193 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.

Tax History	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025 Projected
<b>Acct #: R169898</b>	\$14,058	\$15,574	\$15,780	\$16,022	\$16,502
<b>Total</b>	\$14,058	\$15,574	\$15,780	\$16,022	\$16,502
<b>w/ Discount</b>	\$13,636	\$15,107	\$15,307	\$15,541	\$16,007
<b>% Change</b>	5.36%	10.79%	1.32%	1.53%	3.00%

6. **Insurance** The existing insurance policy premium is \$5,875, or \$490 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 common area electricity and utilities for vacant units. We have estimated total utilities at \$1,575 per unit.
8. **Administrative** Administrative costs are estimated in projected operations at \$150 per unit, or 1.0% of effective gross income. This amount is within market standards.
9. **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 \$200 per unit, which is enough to allow for a monthly landscaping contract.
11. **Repairs/Maintenance** General repairs and maintenance are estimated at \$750 per unit. This is consistent with current market standards and lender underwriting.
12. **Turnover** Turnover is estimated at \$350 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

# Cascade

## APARTMENTS

## 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



**HFO**  
Build your legacy®

A member of  
**GREA**

[www.hfore.com](http://www.hfore.com) • (503) 241-5541

2424 SE 11th Ave, Portland, OR 97214

Licensed in the states of Oregon and Washington

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate.

©2024 HFO Investment Real Estate LLC. Build your legacy is a service mark of HFO Investment Real Estate.