

# JFJ

## 17-Unit Value-Add Opportunity in Salem, OR

- Diverse Unit Mix Including Two-Story Townhomes
- Includes a 10,000 SF Lot Zoned for Residential Development

3913 LANCASTER DRIVE NE, SALEM, OR

**CBRE**



EXCLUSIVELY LISTED BY THE **CBRE PNW MULTIFAMILY TEAM**

# Property Overview

**Address** See Parcel & Improvement Summary Table

**Price** \$3,150,000

**Cap Rate** 6.5% In-Place; 7% at Market Rents

**Price/Unit** \$185,294

**Price/SF** \$152

**Unit Count** 17

**Unit Sizes** 920 SF - 1,682 SF; Average 1,216 SF

**Year Built**  
 Two-Bedrooms Townhomes - 1968 & 1971  
 Three-Bedroom Townhomes - 1970  
 Duplex - 1976  
 Single-Family Home - 1958

**Stories** 1 (Duplex & SFR), 2 (Townhomes)

**Parking**  
 Townhomes - 10 Carport, 15 Open; 25 Total  
 Duplex - 4 Open  
 Single-Family Home - 2 Garage, 4 Open

**Site Size** 67,005 SF / 1.54 Acres

**Parcel No.** See Parcel & Improvement Summary Table

**Submarket/  
 Neighborhood** NE Salem / Hayesville



## Parcel & Improvement Summary

Parcel #	Site Size (SF)	Address	Improvement	Year Built
522293	15,680 SF	3913-3923 Lancaster Dr NE, Salem, OR	3bd/1.5ba Townhomes (6)	1970
522301	10,000 SF	3925-3937 Lancaster Dr NE, Salem, OR	2bd/1.5ba Townhomes (4)	1968
522306	10,000 SF	3955-3967 Lancaster Dr NE, Salem, OR	2bd/1.5ba Townhomes (4)	1971
522304	11,325 SF	3990-3992 39th Ave NE, Salem, OR	2bd/1ba Duplex Units (2)	1976
546254	10,000 SF	3910 Cooley Dr NE, Salem, OR	Single-Family Home (1)	1958
546255	10,000 SF	SW Corner of Lancaster & Cooley	10,000-SF Development Lot	N/A

# Investment Highlights



**Current Rents are +/- 10% Below Market**



**Desirable Townhome Floor Plans**



**All Units Have In-Unit Laundry**



**Spacious Units Averaging 1,216 SF**



**Nearly \$1 Million in Documented CapEx in the Last 10 Years, Including New Roofs**



**Proximity to Lifestyle Amenities & Major Employers**



**All Units Have Private Yards** with Potential to Expand Yards in Several Units



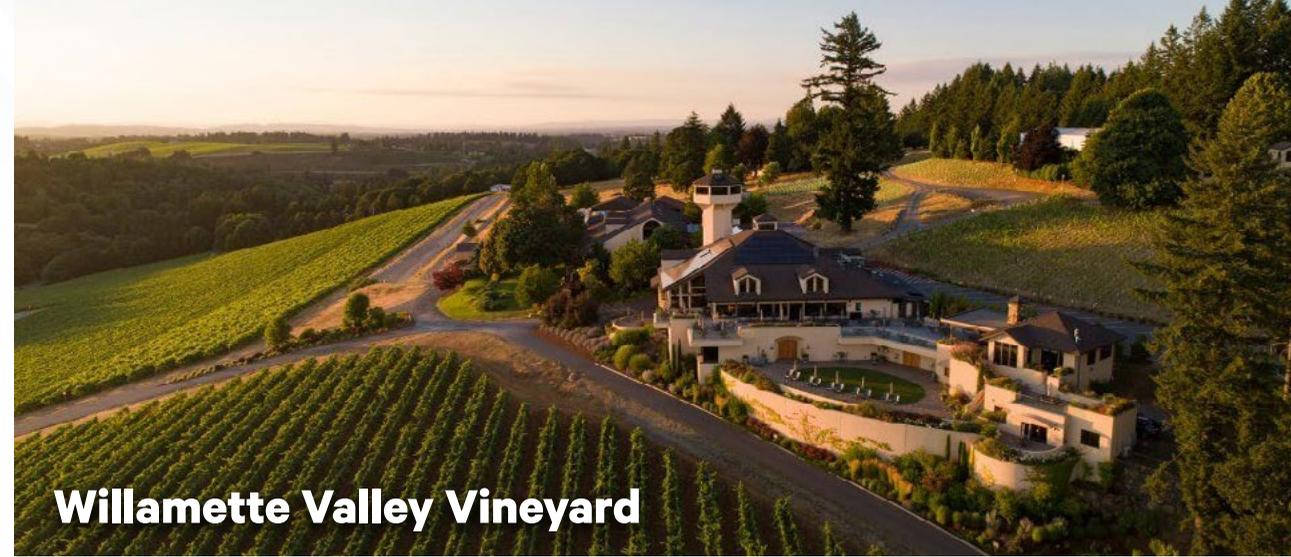
10,000-SF Corner Lot with **Potential for Additional Units** or Amenity Spaces is Included



**Primed for Light Renovation**



Mix of Open & Covered Parking



**Willamette Valley Vineyard**



**Chemeketa Community College**



**Salem Health**



**Oregon State Capitol**



## Unit Mix

Unit Type	Units	Avg SF	Total SF	In-Place Rents		CBRE Pro Forma	
				Per Unit	Per SF	Avg. Market Rent Per Unit	Rent Per SF
2bd/1ba Duplex	2	920	1,840	\$1,045	\$1.14	\$1,300	\$1.41
2bd/1.5ba TH	8	1,150	9,200	\$1,351	\$1.18	\$1,460	\$1.27
3bd/1.5ba TH	6	1,325	7,950	\$1,691	\$1.28	\$1,750	\$1.32
3bd/2ba SFR	1	1,682	1,682	\$2,074	\$1.23	\$2,075	\$1.23
<b>Averages/Totals</b>	<b>17</b>	<b>1,216</b>	<b>20,672</b>	<b>\$1,490</b>	<b>\$1.22</b>	<b>\$1,580</b>	<b>\$1.30</b>



# Salem Location | Proximity to Employers and Amenities



**Downtown Salem**  
40+ Shops/Eateries/Bars • 10-Min Drive

**Regional Medical Center**  
5,200 Jobs • 11-Min Drive

**Salem Health**  
Hospitals & Clinics

**WILLAMETTE UNIVERSITY**  
2,100 Students • 10-Min Drive

**STATE OF OREGON**  
1859

**Oregon State Capitol Campus**  
20,000 Jobs • 10-Min Drive

**10 Minutes**

**Salem Airport**  
14-Minutes

**SALEM**

Walmart • Starbucks • TARGET • CROWN CEMENT • planet fitness • SAFEWAY

**Lancaster Dr. NE Retail Corridor**  
120+ Grocery/Eateries/Retail • 1-Min Drive

**Meadowlawn Golf Course**  
11-Minutes

**12 Minutes**

1,000 Jobs • 12-Min

**amazon fulfillment**

400+ Jobs • 12-Min

**THE HOME DEPOT**

Blanchet Catholic School

McKay High School

**JFJ**

**Chemeketa**  
Community College  
3,000 Students / 500 Faculty • 2-min



# Salem Overview

## Fast Facts

**179k+**

residents

**60k**

Pop. Growth Forecasted  
Next 15 Yrs

**4,800+**

businesses

- ✓ Population forecasted to grow by 60,000 in next 15 years
- ✓ Salem, Oregon is known for its natural beauty, historic landmarks and diverse food and beverage scene
- ✓ Salem lies within the acclaimed Willamette Valley AVA, the largest wine-growing region in Oregon with it's award winning vineyards and is just a short drive to 20+ wineries
- ✓ Multiple renowned educational institutions including Willamette University & Chemeketa Community College
- ✓ Major employers include, Oregon State Capitol, Salem Health, Willamette University, Chemeketa Community College, Amazon, Home Depot & T-Mobile
- ✓ Meadowlawn Golf Course | Challenging 9 hole par 32 course bunkers and lakes
- ✓ Salem has ample outdoor recreation opportunities including Riverfront Park, the 26-acre premier urban event park located on the Willamette River



Willamette Valley Vineyards & Wineries



Amazon Distribution



Salem Health



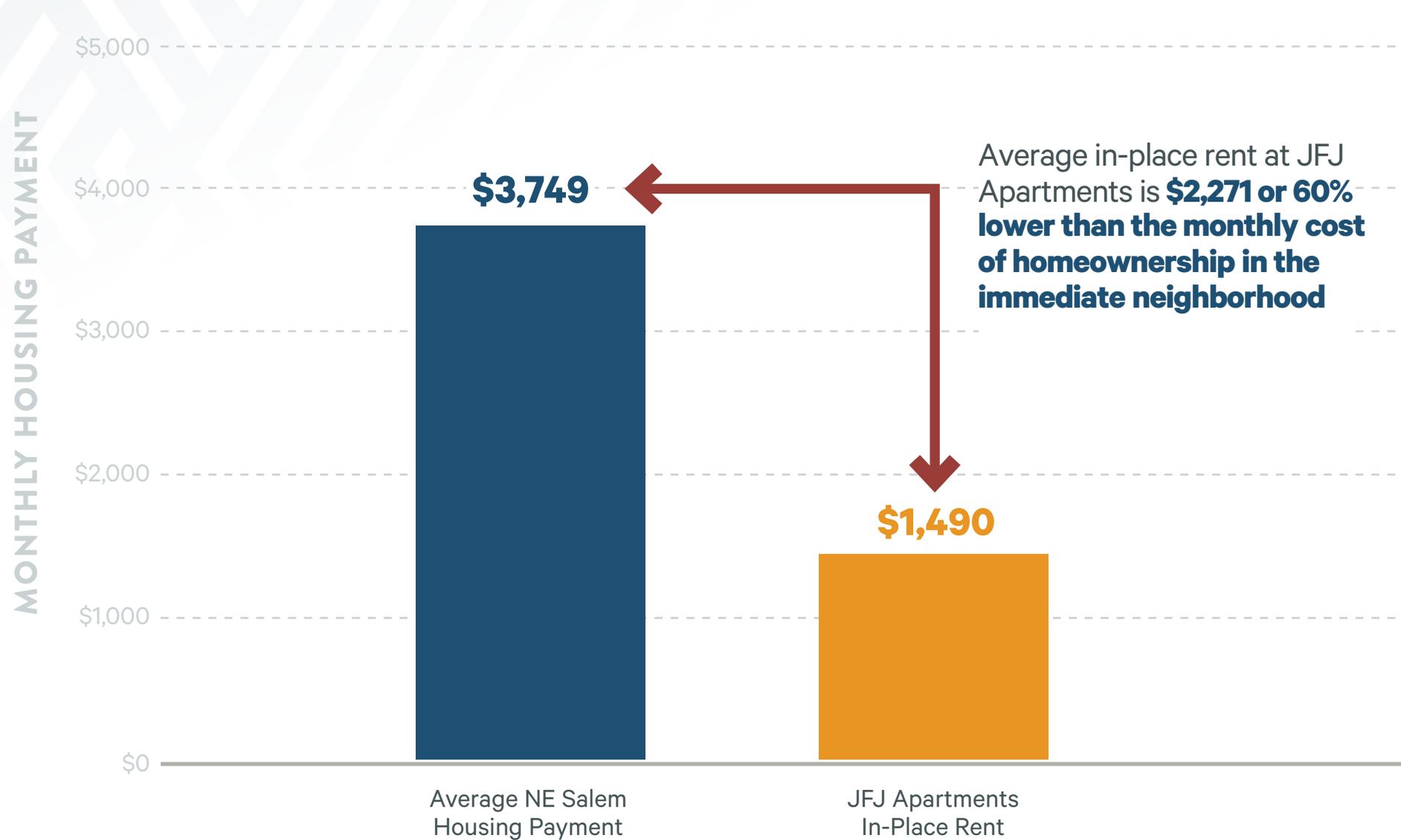
Oregon State Capitol Building & Grounds

### Salem Major Employers

### Employees

State of Oregon	20,100
Salem Health / Salem Hospital	5,200
Salem-Keizer School District	4,759
Federal Government	1,800
Marion County	1,757
City of Salem	1,305
Chemeketa Community College	960
Amazon Fulfillment Center	800
State Accident Insurance Fund	796
Walmart	761

# Salem Rent vs. Own



Median List NE Salem Single Family Home Price

**\$425k**

Median Sale NE Salem Single Family Home Price

**\$405k**

Median Sales Price Growth Last 5 Years

**+\$150k**

Median days on the market

**43 days**

Source: Redfin, Mortgage payments based on median list and sales prices of single-family homes located in the submarket, assuming a 80% LTV at 7.5% interest. Payment includes PMI, Property Taxes, and Insurance.



Willamette Valley Vineyards & Wineries



Historic Downtown Salem



Riverfront Park



Oregon State Capitol

# Salem Outdoor Recreation

Salem is a premier lifestyle destination with 34 public parks, five golf courses, 57 historic buildings, museums and art galleries, as well as 20+ wineries within a 15-minute drive

## Salem is home to world-class:

- ✓ Fishing
- ✓ Boating
- ✓ Kayaking
- ✓ Bike trails
- ✓ Parks
- ✓ Golf

## Outdoor Recreation

- ✓ 34 public parks
- ✓ 5 golf courses
- ✓ Willamette River recreation
- ✓ 27-acre Riverfront Park

## Shopping

- ✓ Lancaster Drive NE Retail Corridor
- ✓ Historic Downtown Salem
- ✓ Willamette Town Center Mall

## Wineries and Dining

- ✓ Finest wines in the world, known for acclaimed Pinot Noir
- ✓ 200 wineries within an hour's drive
- ✓ 100+ restaurants in Salem

## Arts & Entertainment

- ✓ Rich history of the capital of Oregon, including the Capitol Building and over 120 Sites listed on the National Historic Register
- ✓ Art walks
- ✓ Farmer's Markets
- ✓ The Elsinore Theater
- ✓ Pentacle Theatre



# Supportive Neighborhood Demographics



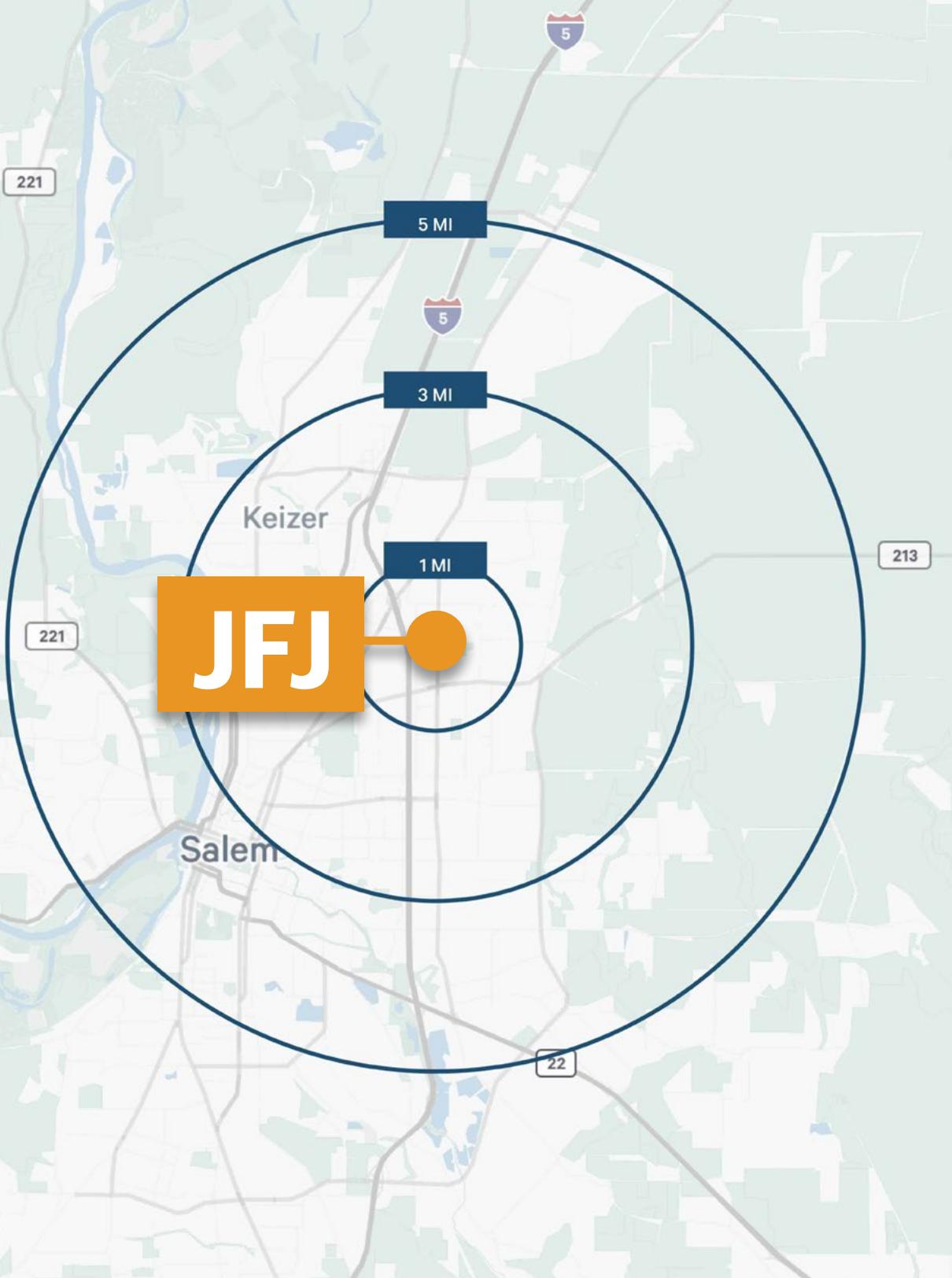
**Millennials & Gen Z with propensity to rent**



**Growing population**



**Family-Oriented Looking for Home-Like Features**



Distance from JFJ Apartments	1 Mile	3 Miles	5 Miles
2024 Businesses	503	3,763	7,683
2024 Employees	6,820	37,614	88,218
2020 Population - Census	24,143	106,310	184,214
2024 Population - Current Year Estimate	24,641	108,640	189,009
2029 Population - Five Year Projection	24,913	109,940	191,574
2020-2024 Annual Population Growth Rate	0.48%	0.51%	0.61%
2024 Average Household Income	\$68,280	\$76,241	\$84,125
2024 Median Household Income	\$55,276	\$59,995	\$65,516
% Millennials and Gen Z	55.8%	51.9%	50.8%
2024 Average Household Size	2.98	2.81	2.71
2024 Median Age	31	35	36
2024 Renter Occupied Housing Units	61.8%	47.0%	44.7%

# Pro Forma & Financial Notes

	In-Place Rents / PF Expenses		Stabilized At Market Rents	
	Per Unit	Per Unit	Per Unit	Per Unit
<b>REVENUE</b>				
<b>Gross Potential Rent</b>	<b>\$306,072</b>	<b>\$17,741</b>	<b>\$322,260</b>	<b>\$18,956</b>
Total Economic Vacancy	(\$15,304)	5.00%	(\$16,113)	5.00%
<b>Net Rental Income</b>	<b>\$286,514</b>	<b>\$16,854</b>	<b>\$306,147</b>	<b>\$18,009</b>
<b>Ancillary Income</b>				
Other Income	10,200	600	10,200	600
Pet Rent	2,040	120	2,040	120
Utility Reimbursement (RUBS)	13,640	802	13,640	802
Total Ancillary Income	\$25,880	\$1,522	\$25,880	\$1,522
<b>Gross Revenues</b>	<b>\$316,649</b>	<b>\$18,626</b>	<b>\$332,027</b>	<b>\$19,531</b>
<b>OPERATING EXPENSES</b>				
<b>Controllable Expenses</b>				
Administrative / G&A	3,400	200	3,400	200
Repairs & Maintenance	6,800	400	6,800	400
Contract Services/Landscaping	10,200	600	10,200	600
Turnover	8,500	500	8,500	500
<b>Total Controllable Expenses</b>	<b>\$28,900</b>	<b>\$1,700</b>	<b>\$24,225</b>	<b>\$1,700</b>
<b>Uncontrollable Expenses</b>				
Utilities	14,096	829	14,096	829
Management Fee	18,999	1,118	19,922	1,172
Insurance	19,680	1,158	19,680	1,158
<b>Total Uncontrollable Expenses</b>	<b>\$52,774</b>	<b>\$3,104</b>	<b>\$53,697</b>	<b>\$3,159</b>
<b>Operating Expenses</b>	<b>\$81,674</b>	<b>\$4,804</b>	<b>\$82,597</b>	<b>\$4,830</b>
<b>Other Expenses</b>				
Real Estate Taxes	25,589	1,505	25,589	1,505
Replacement Reserves	4,250	250	4,250	250
<b>Total Other Expenses</b>	<b>\$29,839</b>	<b>\$1,755</b>	<b>\$29,839</b>	<b>\$1,755</b>
<b>Total Expenses</b>	<b>\$111,514</b>	<b>\$6,560</b>	<b>\$112,437</b>	<b>\$6,614</b>
<b>Net Operating Income</b>	<b>\$205,135</b>	<b>\$12,067</b>	<b>\$219,591</b>	<b>\$12,917</b>

## Financial Notes

In the in-place analysis, gross rental income is based on current, in-place contract rents for the occupied units and CBRE market rent projections for the vacant units. The stabilized analysis reflects CBRE market rent projections applied to all 17 units. Vacancy is applied at the market standard of 5.0%.

Miscellaneous ancillary income is applied at \$600/unit. This is a reduction from the T-12, but is supported by expense comparables and investor underwriting.

Pet rent is applied at \$120/unit, which is consistent with the T-12.

Currently, tenants pay electricity direct and are billed for water, sewer, and garbage based on their pro rata share of usage via a RUBS system. RUBS utility reimbursement income is applied at 90% of total utilities, which is supported by T-12 collections.

Applied at \$200 per unit, which is higher than the T-12 but is supported by expense comparables and current investor underwriting.

Applied at \$400 per unit, which is supported by the T-12, expense comparables, and current investor underwriting.

Applied at \$600 per unit, which is supported by the T-12, expense comparables, and current investor underwriting.

Applied at \$500 per unit, which is supported by the T-12, expense comparables, and current investor underwriting.

Applied at the T-12 expense increased by 3%.

Applied at 6% of Gross Revenues, which is consistent with third-party management contracts in the metro area.

Applied at \$1,158 per unit or \$19,680 per year, which is consistent with the current policy.

Real Estate Taxes are based on the current 2024-2025 expense increased by 3% to account for the increase that is likely to occur during the 2025-2026 tax year.

Reserves are applied at the market standard of \$250 per unit.



## PNW MULTIFAMILY INVESTMENT SALES

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### **Matt Dodd**

First Vice President

+1 (503) 799 5516

matt.dodd@cbre.com

### **Sean Milligan**

Associate

+1 (503) 927 9598

sean.milligan@cbre.com

### **TOUR SCHEDULING**

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### **Patty Schaffer**

+1 503 221 4881

patty.schaffer@cbre.com

For more information, visit the website: [www.CBRE-JFJ.com](http://www.CBRE-JFJ.com)

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