

OFFERING MEMORANDUM

# PORTLAND NET LEASED CANNABIS PORTFOLIO

*100% Leased Multi-Building Investment Offering*

N ALBINA AVE

N WATTS ST

N KERBY AVE

8009 N KERBY AVE & 8120 N ALBINA AVE, PORTLAND, OR 97217

**km** Kidder  
Mathews



# *PREMIER* OFFERING IN THE HEART OF *NORTHEAST PORTLAND*

## EXCELLENT LOCATION

The Portland Net Leased Cannabis Portfolio is located in the highly desirable city of Portland, Oregon, a premier business location near the Portland International Airport. The property is located within just a few miles of both the I-5 and I-205 interchange, providing excellent access to the entire Portland Metropolitan Area. The Northeast Portland location is considered the “green row” for indoor cannabis cultivation with dozens of complimentary business in the immediate area.

## LOW-VACANCY SUBMARKET

NE Portland and in particular nearby NE Columbia Blvd area boasts some of the lowest industrial vacancy rates in Portland with a current vacancy rate of just  $\pm 2.0\%$  excluding spaces 30,000 SF or higher, which means there is very little competition to the subject property. NE Columbia Blvd is part of the “Airport Way” industrial sub-market which is comprised of the industrial areas in between the Interstate 5 and Interstate 205 freeways. Given that the subject property has 2 freestanding buildings of 11,034 and 10,900 square feet, the property has very little leasing competition which will likely continue for the foreseeable future, and even non-cannabis users would find these buildings to be highly unique and desirable.

## MINIMAL DOWNTIME

The property has been 100% leased to cannabis growers for over 9 years and has never had any vacancy since ownership.

## STABILIZED ASSET WITH EXTREME BARRIERS TO ENTRY

100% leased, the property provides a solid income stream for the investor. Each of the buildings are leased to an unrelated business with 2 total tenants at the project. Each of the 2 tenants has invested hundreds of thousands of dollars of manufacturing and cannabis infrastructure to the properties in addition to over 12-18 months of buildout and permitting time with the city of Portland, making it very unlikely any tenants will relocate. Current estimates for improvements of this value would be well in excess of one million dollars in each building.

## DESIRABLE MULTI-TENANT DESIGN WITH POTENTIAL FOR INDIVIDUAL SALES

The property features two individual buildings, 11,034 SF and 10,900 SF, respectively, for a total project square footage of  $\pm 21,934$  SF. Each property is on its own individual tax lot with potential to individually sell each building for a premium.

## HIGH LEVEL BUILDING IMPROVEMENTS

Each of the buildings has extremely heavy electrical capacity and distribution, watering systems, lighting systems, HVAC systems and has undergone a thorough inspection by the city of Portland Bureau of Development Services as well as the OLCC.

# LOCATED IN THE *DESIRABLE CITY* OF PORTLAND

*The property features two individual buildings of 11,034 SF and 10,900 SF for a total project size of ±21,934 SF*

## FINANCIAL HIGHLIGHTS

SALE PRICE	\$3,710,569
NET OPERATING INCOME	\$398,986
VACANCY/RESERVES	7.0%
ADJUSTED NET OPERATING INCOME	\$371,056
CAPITALIZATION RATE	10.0%
CASH/CASH RETURN VIA SELLER FINANCING	13.0%

**\$3.710M**

SALE PRICE

**21.9K SF**

PROPERTY SIZE

**10%**

CAP RATE



ADDRESS	8009 N Kerby Ave & 8120 N Albina Ave Portland, OR
PROPERTY SIZE	±21,934 SF
NO. OF BUILDINGS	2 industrial buildings
NO. OF TENANTS	2 industrial/cannabis tenants
IMPROVEMENTS	Each building is a fully licensed OLCC cannabis cultivation facility
YEAR BUILT/RENOVATED	1998 / 2018
SITE SIZE	1.51 AC (Combined)
CURRENTLY LEASED	100%

# FINANCIAL ANALYSIS

## FINANCIAL OVERVIEW

The Portland Net Leased Cannabis Portfolio currently has a stabilized capitalization rate of 10.0 % making it one of the most attractive investment opportunities in the Portland Metropolitan area. With high barriers to entry, 2 long term tenants and extremely expensive tenant build out costs, the asset has little vacancy risk.

## SELLER FINANCING (FOR QUALIFIED BUYERS)

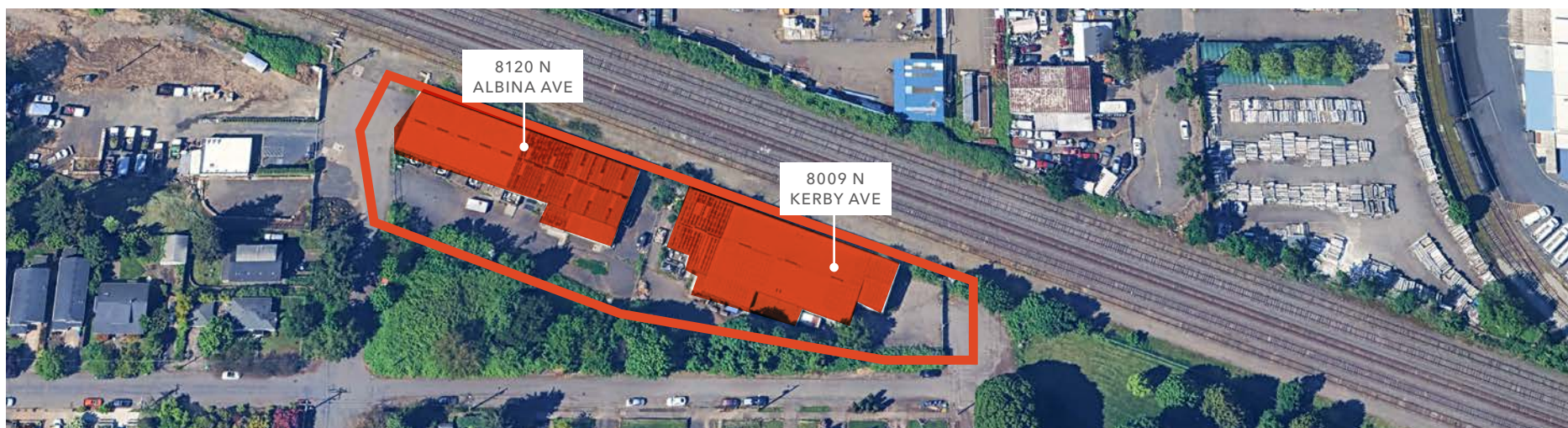
As a further incentive to sell and to increase the rate of return for an investor, the ownership has elected to offer very attractive contract sale terms to a buyer. The proposed owner carry terms include 50% down payment with an incredible 7.0% debt rate, which increases the cash on cash return to  $\pm 13.0\%$  at the asking price. The ownership is willing to carry these terms for a minimum of three (3) years.

## CAP RATE %

Sale Price	\$3,710,569
F12 Net Operating Income	\$398,986
Vacancy/Reserves	7.0%
Adjusted Net Operating Income	\$371,056
Capitalization Rate	10.0%

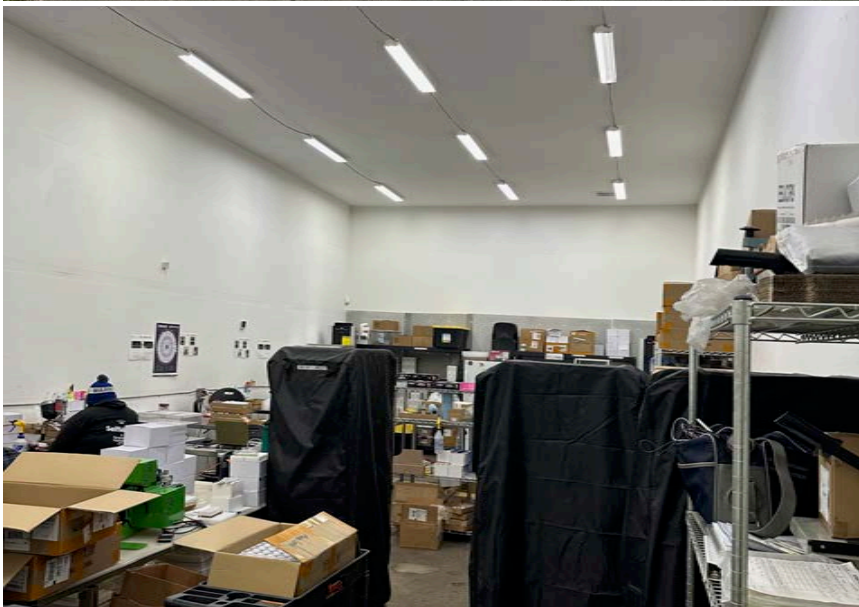
## CASH ON CASH %

Equity	\$1,855,284
Debt	\$1,855,284
NOI (adjusted)	\$371,056
Less Debt Service	(\$129,870)
Cash Flow	\$241,186
Cash on Cash %	13.0%



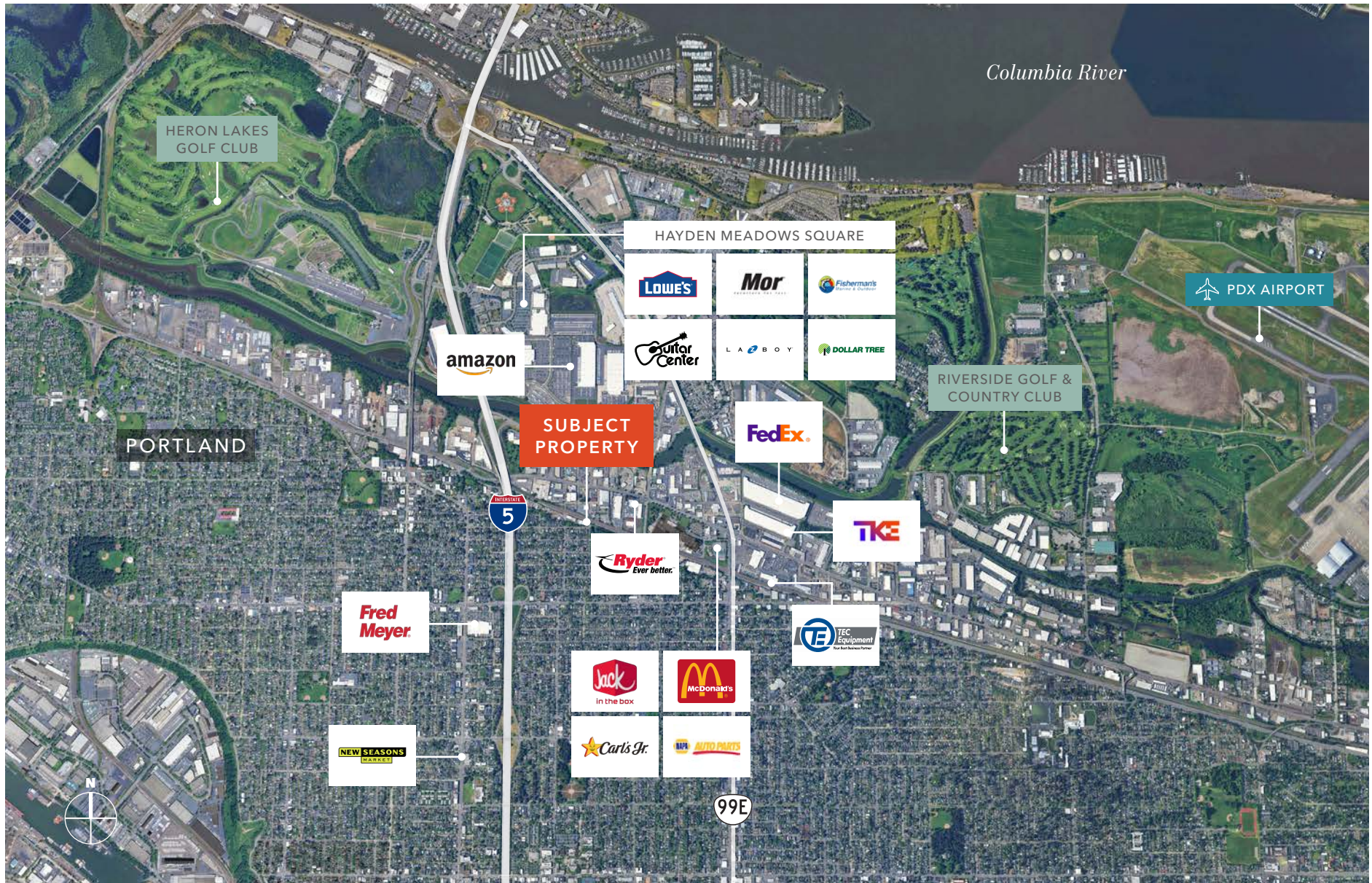


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