



OFFERING MEMORANDUM

MIXED USE DEVELOPMENT LAND

1290 CHEMEKETA ST NE
& 348 12TH ST NE
SALEM, OREGON

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**COMMERCIAL
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a real estate investment advisory company

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MIXED USE DEVELOPMENT LAND

348 12TH STREET NE, SALEM OR &
1290 CHEMEKETA STREET NE, SALEM, OR

\$475,000

19,889 SF
\$24 PSF

# of Parcels	2	Zoning	Mixed Use-I (MU-I)
Total Land (SF)	19,889 SF	Parcel #'s	587827, 587783
Total Land (AC)	0.46 AC	County	Marion
Value	\$475000	Current Improvements	Parking Lot
Value PSF	\$24/SF	Elevation	Flat

\$325,000

13,525 SF
\$24 PSF

1290 CHEMEKETA STREET NE, SALEM, OR

Parcel #	587783	Zoning	Mixed Use-I (MU-I)
Land (SF)	13,525 SF	County	Marion
Land (AC)	.31 AC	Current Improvements	Parking Lot
Value	\$325,000	Parking Stalls	39
Value PSF	\$24/SF	Elevation	Flat

\$150,000

6,364SF
\$24 PSF

348 12TH STREET NE, SALEM OR

Parcel #	587827	Zoning	Mixed Use-I (MU-I)
Total Land (SF)	6,364 SF	County	Marion
Total Land (AC)	.15 AC	Current Improvements	Parking Lot
Value	\$150,000	Parking Stalls	20
Value PSF	\$24/SF	Elevation	Flat

PROPERTY DETAILS

348 12TH ST NE, SALEM OR

Site Size 6,364 SF
Zoning Mixed Use-I (MU-I, City of Salem)
Parcel # 587827



1290 CHEMEKETA ST NE, SALEM, OR

Site Size 13,525 SF
Zoning Mixed Use-I (MU-I, City of Salem)
Parcel # 587783



PROPERTY HIGHLIGHTS



These sites are an ideal opportunity for developers offering a range of development option. Salem's Mixed-Use I zoning code (MU-I) allows for a multitude of uses including multifamily, retail and office, incentivizing mixed-use and walkability.

FLAT, PAVED SURFACES

Both sites are currently paved parking lots with minimal elevation, ideal for development



WELL-LOCATED PROPERTIES IN THE HEART OF DOWNTOWN SALEM

Both sites are located immediately off 12th Street NE, a main street running through Downtown Salem. With immediate walkability to Willamette University, the Oregon State Capital along with major employment center of Salem, these sites are in a prime location to attract multifamily and retail tenants.



THE SALEM ECONOMY IS IN A STRONG POSITION FOR LONG-TERM STABILITY

Over the past 12 months, approximately 3,138 jobs have been added to payrolls in Oregon's second-largest metropolitan area, equating to an increase of 1.8%. Given its high concentration of private sector and government jobs, Salem could be better positioned than many other metros to weather an economic downturn.

ZONING CODE ANALYSIS

Mixed Use-I (MU-I)

The purpose of the Mixed Use-I (MU-I) zone is to promote pedestrian-oriented development in vibrant mixed-use districts, encourage a mix of compatible uses in multi-story buildings, and emphasize active commercial uses on ground floors facing major streets.

The zoning code allows for single and multifamily homes, retail, office, and various other uses in an effort to encourage development plans that include residential space, job creation, public enjoyments and synergies between the different spaces.

Building requirements such as height restrictions and setbacks vary depending on the use. As explained by the Salem Community Planning and Development Department, these sites have no minimum setbacks and a maximum setback of 10-feet. Height limits are generally 65 feet maximum and 20-feet minimum for most uses. Ground floor height has a minimum of 14 feet. For more detail, all interested parties are encouraged to read the Salem Code of Ordinances, Title X, Chapter 533 for all details regarding Zoning Code

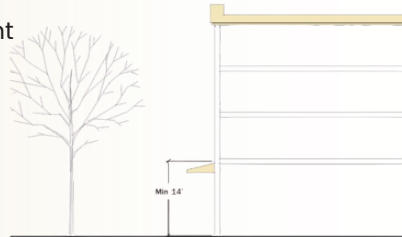


Table 533-1: Uses		
Single family	P	The following single family activities:
Three family	P	
Four family	P	
Multiple family	P	
Room and board	P	Single-room occupancy.
Residential care	P	The following residential care activities:
Short-term commercial lodging	P	
Non-profit shelters	P	Non-profit shelters serving 5 or fewer persons.
Eating and drinking establishments	P	
Retail sales	P	
Personal services	P	
Postal services and retail financial services	P	
Office	P	
Audio/visual media production	P	
Laboratory research and testing	P	
	P	All other commercial parking
Park-and-ride facilities	P	Park-and-ride facilities, when converted from portions of existing off-street parking areas.
	P	All other commercial entertainment—Indoor.
Recreational and cultural community services	P	
Parks and open space	P	
Non-profit membership assembly	P	
Religious assembly	P	

*P : Permitted

SALEM DEVELOPMENT CODE

Both properties are zoned MU-I (Mixed Use I, see SRC Chapter 533)

MU-I zoning allows various uses, typically supporting mixed-use buildings (e.g., ground floor commercial, upper floor residential).

Development standards:

- No minimum lot area.
- A minimum of 16 feet of street frontage is required

Setback requirements:

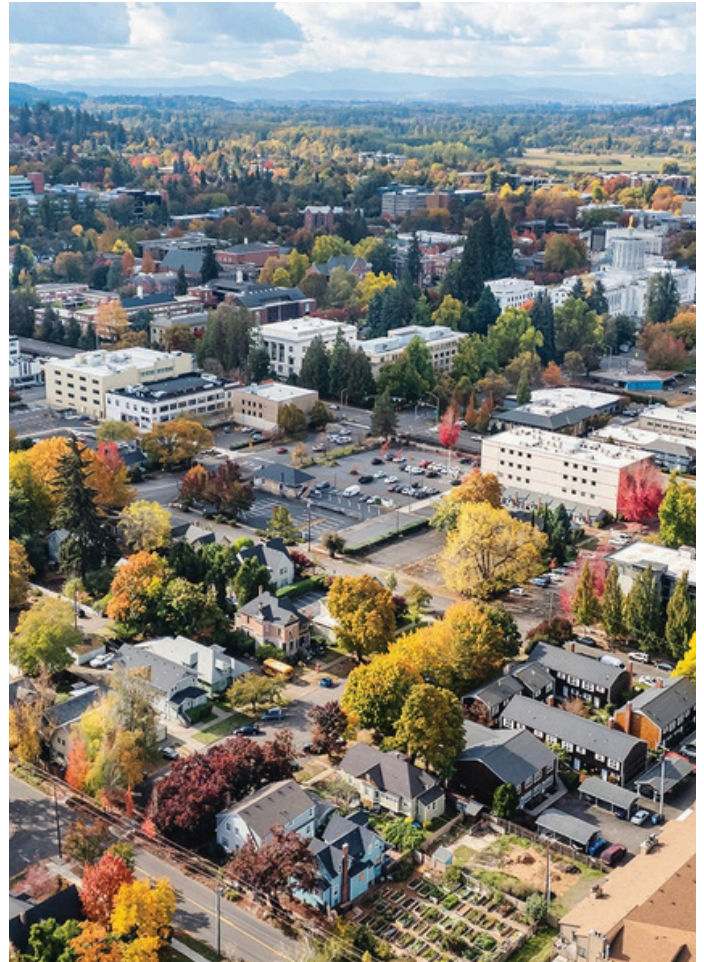
- 0–10 feet from the street, with setbacks used for pedestrian amenities.
- Parking must be located behind or beside the building.

Lot coverage:

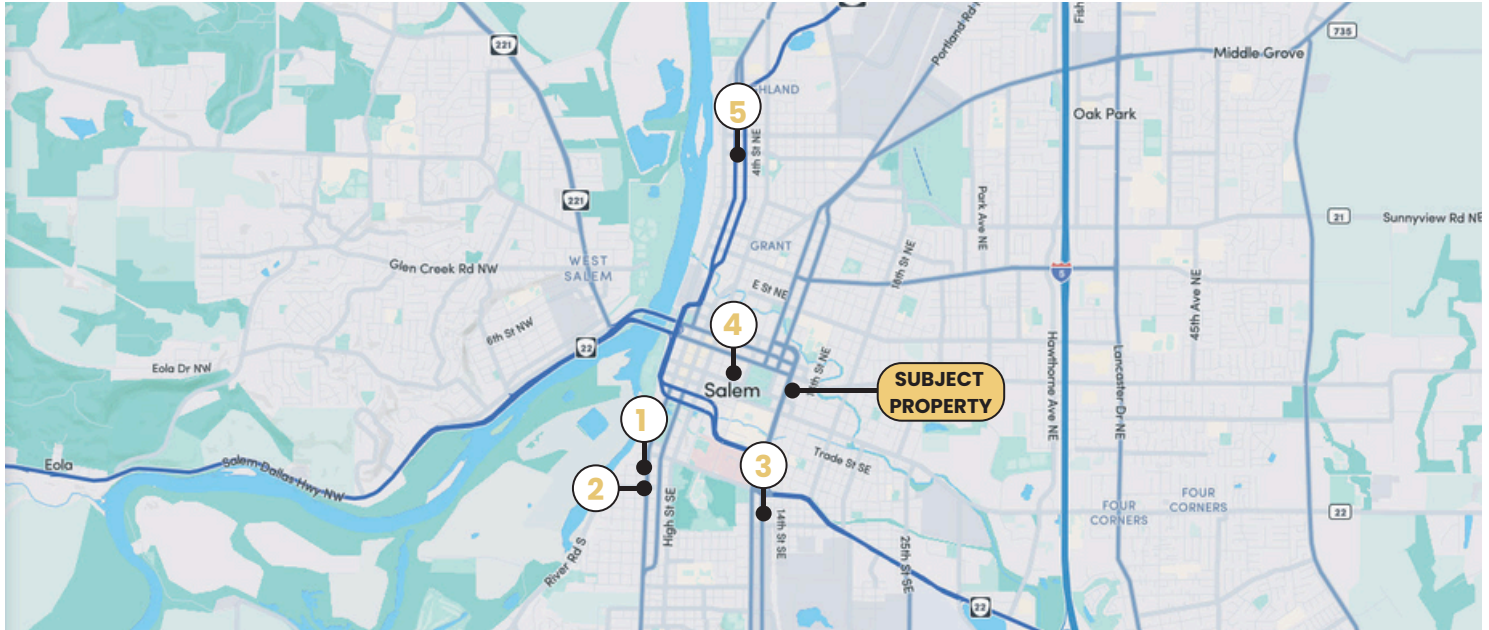
- No maximum lot coverage.
- Buildings must occupy at least 75% of the primary street frontage and 40% of the secondary street

Design requirements are outlined in Tables 533-5 and 533-6; no dwelling unit density or minimum FAR requirements.

Source: City of Salem Planning and Development Office



SALES COMPARABLES



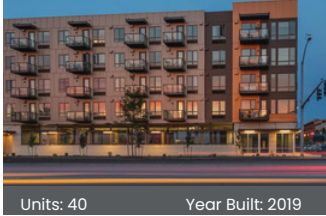
#	NAME	ADDRESS	ZONING	Mixed	Use-I	SF	SALE PRICE	PRICE/SF	SALE DATE
1	Former Kwan's Site	887 Commercial Street SE, Salem OR 97302	(MU-I)	Mixed	Use-I	61,855	\$2,000,000	\$32	6/30/22
2	Mixed Use Site	1035 Commercial Street SE, Salem OR 97302	(MU-I)	Mixed	Use-I	25,265	\$698,500	\$28	1/6/22
3	13th and Wheeler	930 13th Street SE, Salem OR 97302	(MU-I)		Retail	39,204	\$450,000	\$11	3/24/21
4	YMCA Land	700 Chemeketa Street NE, Salem OR	Commercial (CR)	Mixed		8,227	\$400,000	\$49	10/13/23
5	Micronesia Land	2210 Commercial Street NE, Salem OR	Use-I (MU-I)			27,885	\$500,000	\$18	3/14/23

	Totals/Averages							\$28	
	Salem Development Lot					19,889	\$475,000	\$24	

RENT COMPARABLES

1 The Court Yard

211 Court St NE, Salem, OR



Units: 40 Year Built: 2019

Unit Type	SF	Rent	\$/SF
Studio	541	\$1,503	\$2.78
1 Bed/1 Ba	829	\$1,763	\$2.13
2 Bed /1-2Ba	1,191	\$2,336	\$1.96

In-Unit Washer/Dryer

2 Rivenwood

424 Center St NE, Salem, OR



Units: 157 Year Built: 2024

Unit Type	SF	Rent	\$/SF
Studio	485	\$1,465	\$3.02
1 Bed/1 Ba	580	\$1,659	\$2.86
2 Bed /1-2Ba	759	\$2,073	\$2.73

In-Unit Washer/Dryer

3 Koz on State

121 SE Commercial St, Salem, OR



Units: 148 Year Built: 2021

Unit Type	SF	Rent	\$/SF
Studio	294	\$1,125	\$3.83
1 Bed/1 Ba	427	\$1,587	\$3.72
2 Bed /1-2Ba	653	\$1,786	\$2.74

Onsite Laundry Facility

4 South Block

220 Cottage St NE, Salem OR



Units: 178 Year Built: 2015

Unit Type	SF	Rent	\$/SF
Studio	534	\$1,538	\$2.88
1 Bed/1 Ba	561	\$1,802	\$3.21
2 Bed /1-2Ba	1,081	\$2,195	\$2.03
3 Bed/2Ba	1,444	\$3,329	\$2.31

In-Unit Washer/Dryer

	Studio		1 Bed/1 Bath		2 Bed/1-2 Bath		3 Bed/2 Bath	
Rent Comp Averages	\$1,408/Unit	\$3.13/SF	\$1,703/Unit	\$2.98/SF	\$2,098/Unit	\$2.36/SF	\$3,329/Unit	\$2.31/SF

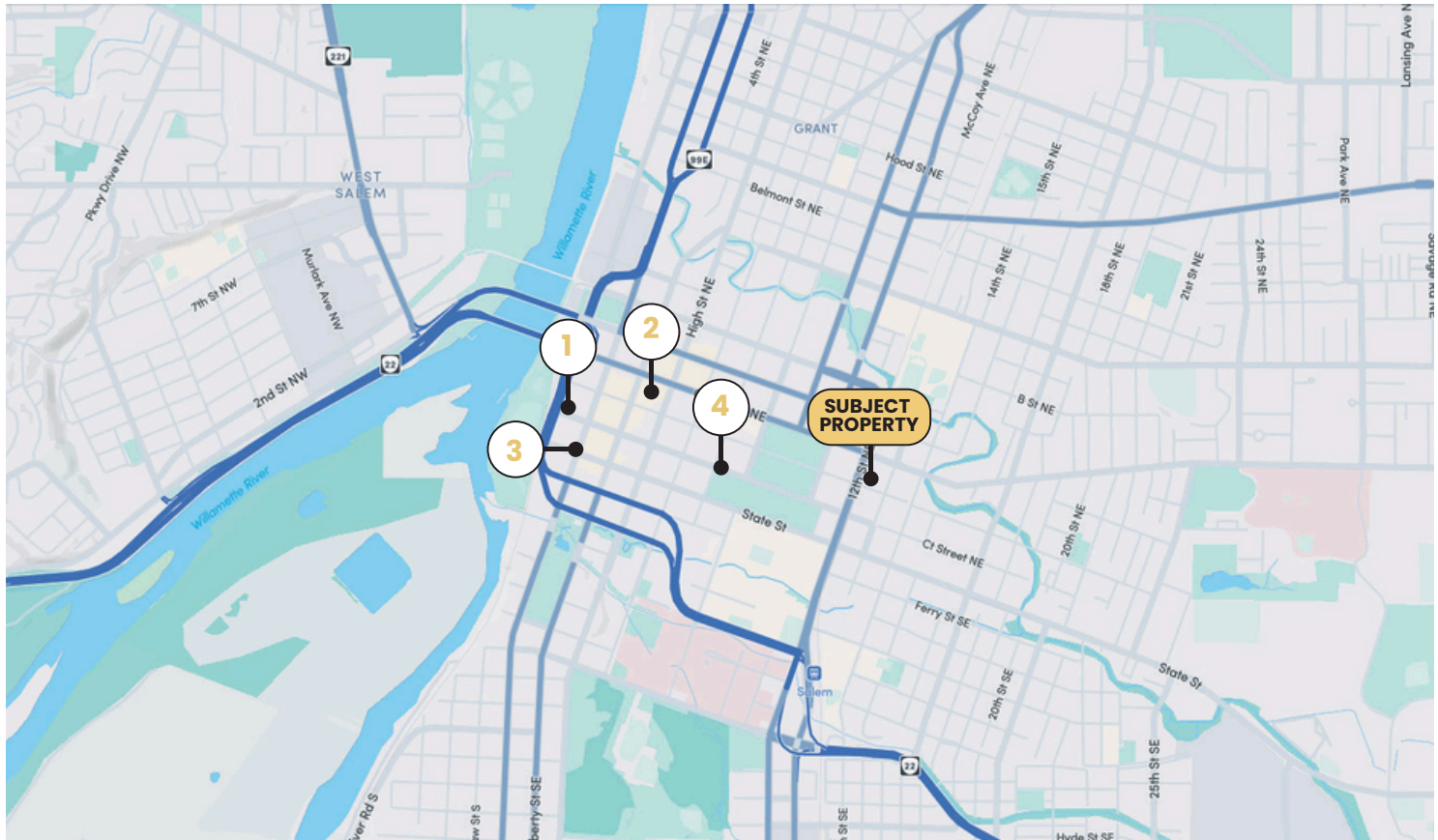
RENT COMPARABLES MAP

1 Court Yard

2 Rivenwood

3 Koz on State

4 South Block



MARKET ANALYSIS

Salem Market

A busier summer leasing season transitioning to fall has boosted demand formation in Salem. 12-Month leasing activity of 870 units now runs ahead of the five-year average of 590 units.

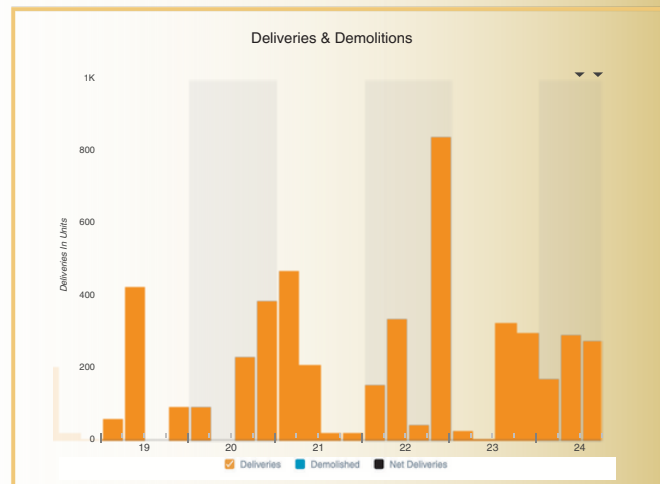
In terms of competing supply, no meaningful construction starts have occurred in the past few months, due to increased construction financing costs. Apartment inventory has grown by 27.4% over the past decade.

Salem's multifamily vacancy rate is currently hovering around 6.9%. While vacancies could have more room to run, slowing construction starts and stabilizing leasing suggest rates are close to a ceiling.

Less competing supply delivering over the next 18 months and early indications of demand stabilization forming mean rents could see a boost over the mid-term. Cumulative rent growth over the past decade of 58.6% significantly outpaces the national performance of 39.9%.










Institutional and other midsize regional investors haven't targeted Salem with the same frequency as other Oregon markets, preferring to focus more on Portland further north, Eugene further south, and Bend to the east. However, with Portland increasingly becoming an institutionally dominated market, pricing has stretched out of reach for other players. Given the shift in buyer profiles, Salem's higher yields are attractive and could boost capital market activity in the coming years.

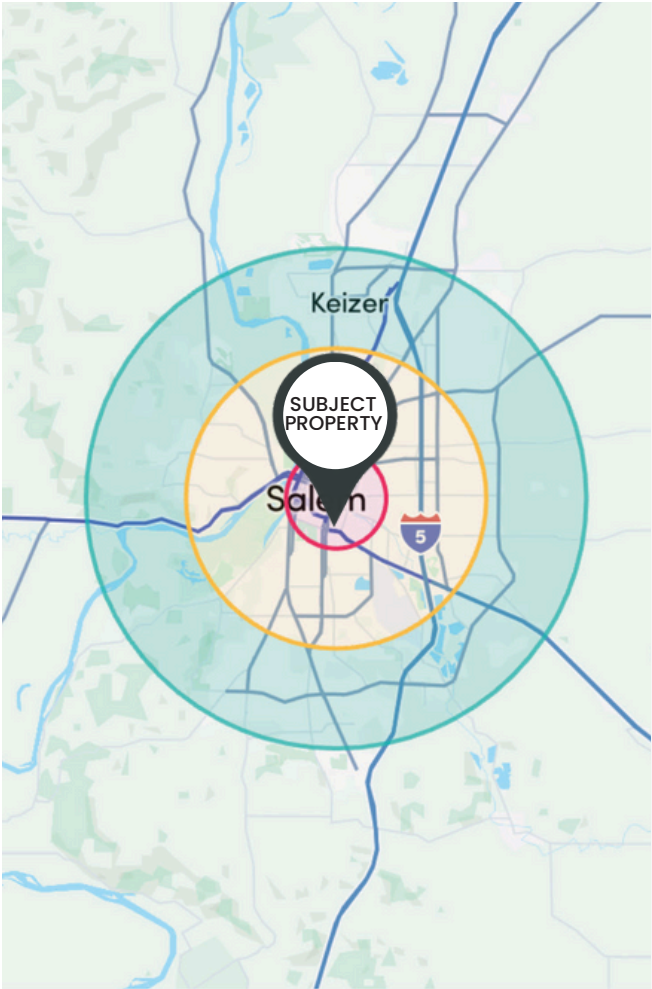
Source: Costar



SALEM AREA DEMOGRAPHICS



DEMOGRAPHICS		1 MILE	3 MILES	5 MILES
	 POPULATION	17,833	117,203	240,840
	 HOUSEHOLDS	6,105	43,092	87,028
	 HH INCOME	\$70.6K	\$79.2K	\$93.4K
TRAFFIC	 CONSUMER SPENDING	\$341.1M	\$1.9 B	\$4.1B
	 12TH ST. NE - 14,254 VPD CENTER ST. NE - 19,181 VPD 13TH ST. NE - 1,457 VPD			
TRANSPORTATION	 WALKSCORE: 87 (VERY WALKABLE) TRANSITSORE: 57 (GOOD TRANSIT)			
	 TRANSIT: 5 MINUTE DRIVE TO SALEM AMTRAK			
	 AIRPORT: 11 MINUTE DRIVE TO SALEM MUNICIPAL AIRPORT			
POPULATION	 STATE	OREGON	4.18M	
	COUNTY	MARION	346,741	
	MSA	SALEM-KEIZER METRO	433,353	
	CITY	SALEM	177,432	





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