OFFERING MEMORANDUM

The Shire II

12231-12239 SE Bush St
Portland, OR 97236

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Property Overview

THE SHIRE II | 12231-12239 SE BUSH ST, PORTLAND, OR 97236

SMI REAL ESTATE

Property Summary

Location	
Property Name	The Shire II
Address	12231 SE Bush St
City, State, Zip	Portland, OR 97236
County	Multnomah
Neighborhood	Powellhurst-Gilbert

Building	
Units	20
Average Unit Size	1,000 SF
Built	2009
Rentable SF	20,000 SF
Lot Size	0.41 Acres
Zoning	CM2
APN	R804300340
Average Rent/Unit	$1,311
Average Market Rent/Unit	$1,550
Parking	Off-Street Parking – One Per Unit

Units

Unit Type	Total Units	% Of Total	Square Footage
2-Bed / 2-Bath	20	100%	1,000
Total / Average	20	100%	1,000

Property Description

12231 SE Bush Street, The Shire II, presents the opportunity to acquire a 2009 vintage apartment complex in Southeast Portland at the low cost basis of $137,500 per unit, or $138 per square foot.

The property is a 20-unit apartment complex built in 2009, offering a uniform unit mix of large 2 Bed / 2 Bath apartments averaging approximately 1,000 square feet. The spacious floor plans, second bathrooms, and on-site parking provide a highly livable tenant experience and help support resident retention. Additionally, each unit includes a deck or patio space, storage, and in-unit washer and dryer.

From a physical standpoint, the 2009 construction and copper plumbing materially reduce near-term capital exposure compared to older vintage assets.

The asset offers investors a clear and straightforward value-add strategy to achieve over a 8.15% stabilized market cap rate and real value creation. With current rents well below market, natural rent increases and modest utility billbacks can meaningfully improve NOI without heavy CapEx.

Located in Southeast Portland, the property benefits from access to nearby commercial corridors, neighborhood amenities, and major transportation routes connecting tenants throughout the eastside and broader Portland metro.

The combination of newer construction, desirable unit layouts, practical on-site amenities, extremely attractive cost basis, and clear value-add upside makes The Shire II a highly compelling Portland multifamily offering.

$2,750,000
PRICE

$137,500
PRICE PER UNIT

$138
PRICE PER FOOT

$171,783
NET OPERATING INCOME

6.25%
CURRENT CAP RATE

8.17%
MARKET CAP RATE

8.67%
RENOVATED CAP RATE

7.33%
YIELD-ON-COST
Assuming $20,000/unit Renovation

Investments Highlights

- **Attractive Unit Mix**
  All 2 Bed / 2 Bath units, widely considered one of the most attractive unit types for both tenants and investors, offering broad renter appeal, flexibility, and a high rent ceiling.

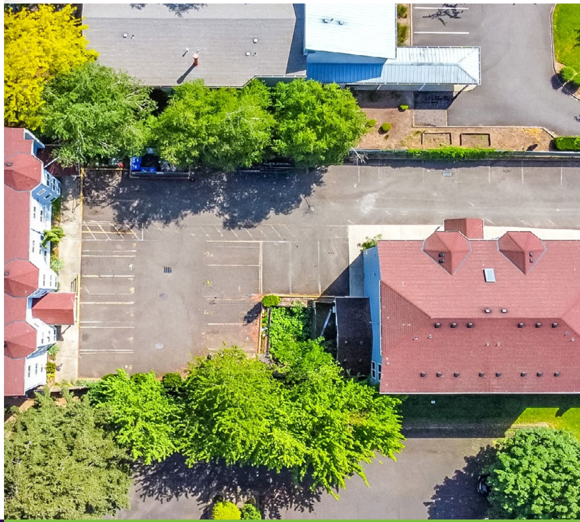
- **Off-Street Parking**
  Dedicated off-street parking for every unit, an in-demand amenity in Southeast Portland that supports tenant retention and opens a path to additional income.

- **Strong Operational Upside**
  Good bones and solid fundamentals, paired with low in-place rents and no utility billbacks, create a clear path to upside with minimal CapEx and the ability to achieve a stabilized cap rate above 8.15%.

- **2009 Construction**
  Newer-vintage 2009 construction helps avoid many of the issues common with older assets. The Shire II features copper plumbing, newer electrical systems, and vinyl windows.

- **Strong Asset Class Performance**
  Class B and C assets in the Portland MSA are outperforming the broader market as renter trade-down drives workforce housing demand.

- **Desirable Tenant Amenities**
  Each unit includes an in-unit washer and dryer, private balcony or patio, and dedicated storage, all of which support tenant livability and resident retention.



Interior Photos




Interior Photos

Property Photos

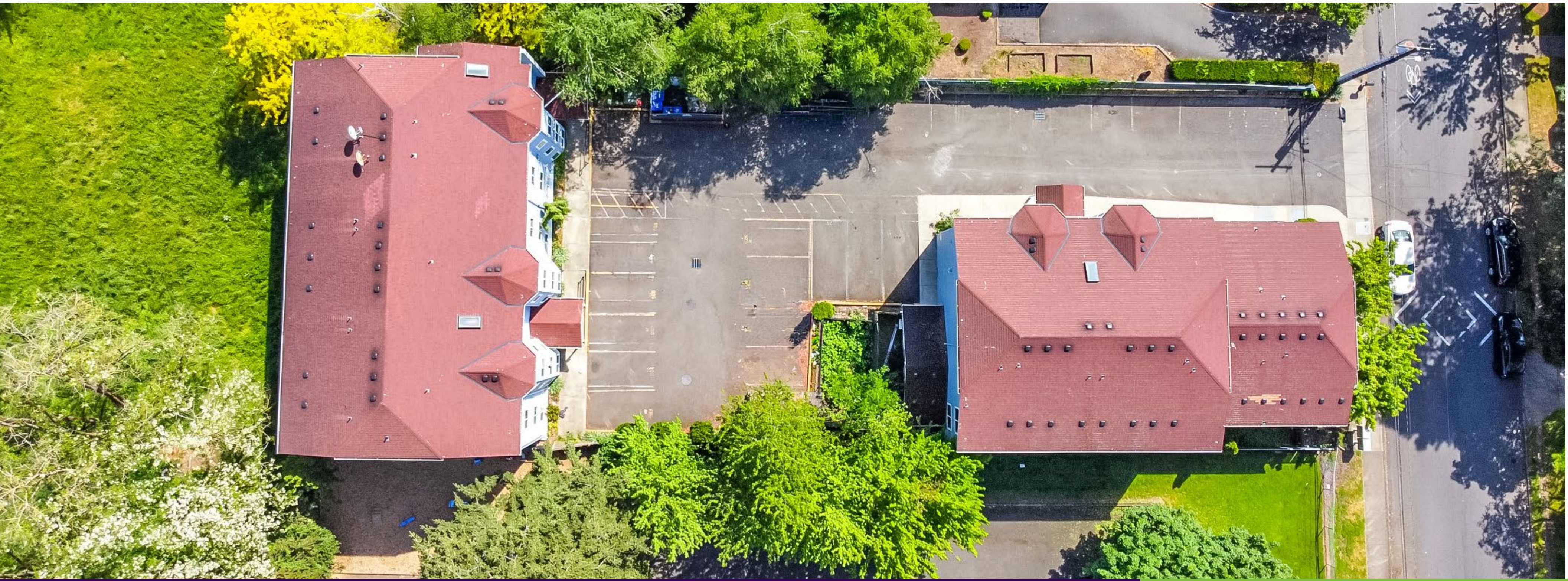
THE SHIRE II | 12231-12239 SE BUSH ST, PORTLAND, OR 97236


SLOW
Children Playing





12231
12231
71-75



Location Overview

THE SHIRE II | 12231-12239 SE BUSH ST, PORTLAND, OR 97236

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Powellhurst-Gilbert

12231 SE Bush Street is located in the Powellhurst-Gilbert neighborhood of Southeast Portland, a diverse East Portland residential area known for affordability, access to nature, and strong workforce housing demand. The neighborhood is one of Portland's areas that benefits from proximity to several major outdoor amenities and public transit.

The property is located near Powell Butte Nature Park, one of East Portland's most significant natural assets. The park offers trails, open space, and views across the city, providing nearby access to recreation and green space for residents.

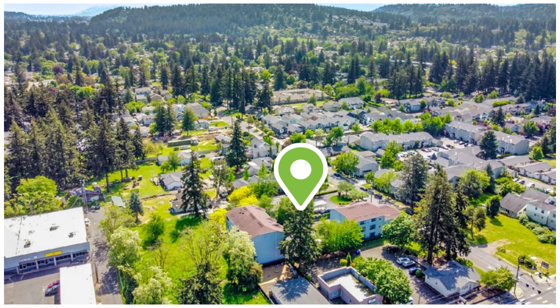
The Shire II is located 2.7 miles from Powell Butte Nature Park

Daily-needs retail and commercial services are accessible along the nearby SE Powell Boulevard and SE Division Street corridors, which provide grocery, dining, service, and transit options for residents. The location also offers convenient access to East Portland employment centers and broader Southeast Portland amenities.

Connectivity from the property is supported by SE Powell Boulevard, SE Division Street, and I-205, providing routes throughout East Portland, Southeast Portland, and the broader metro area. Nearby transit corridors further support renters who rely on public transportation.

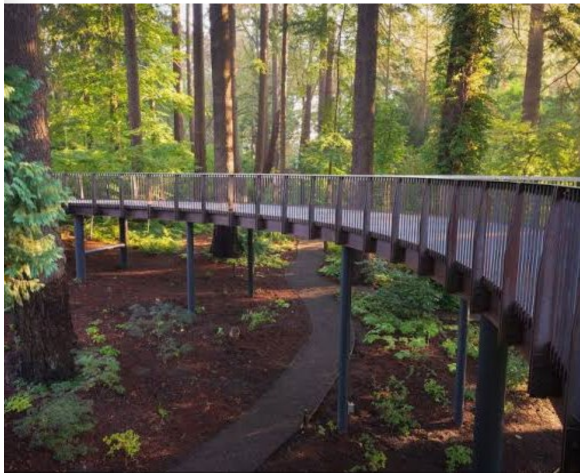
Close access to I-205, Division Street, and Powell Boulevard

Powellhurst-Gilbert is a practical workforce housing submarket with a large renter base, affordability, and access to major neighborhood amenities. The combination of nearby access to Powell Butte, everyday retail access, and spacious 2 Bed / 2 Bath units positions The Shire II well within a stable East Portland rental location.



Powellhurst-Gilbert

Powell Butte Nature Park



Leach Botanical Garden

Market Overview & Drivers

East Portland is a dynamic market driven by affordability, connectivity, and access to key employment corridors throughout Southeast and East Portland. Located in Powellhurst-Gilbert, the property benefits from immediate access to SE Powell, SE Division, SE Foster, and I-205, connecting residents to Gateway, the Central Eastside, Adventist Health Portland, Portland Community College Southeast, and major eastside job centers.

For renters seeking space, parking, and convenience without moving into higher-cost urban neighborhoods, Powellhurst-Gilbert remains a practical and highly livable option. The area offers access to transit, schools, parks, and daily amenities, while nearby natural assets such as Powell Butte and Luuwit View Park enhance quality of life and support long-term resident retention.

The supply story further strengthens the investment case. East Portland currently has little to no new market-rate inventory under construction, limiting future competition as construction lending, elevated replacement costs, and slower development activity continue to constrain new supply across the metro.

12231 SE Bush Street is well positioned to benefit from these dynamics. The property offers spacious 2 Bed/2 Bath units averaging approximately 1,000 square feet, along with on-site parking, in-unit washers and dryers, storage, and private outdoor space. These features align directly with what East Portland renters continue to prioritize: functionality, affordability, and everyday convenience.

Demographics

Income

	2 MILES	5 MILES	10 MILES
Avg Household Income	$88,467	$107,930	$117,507

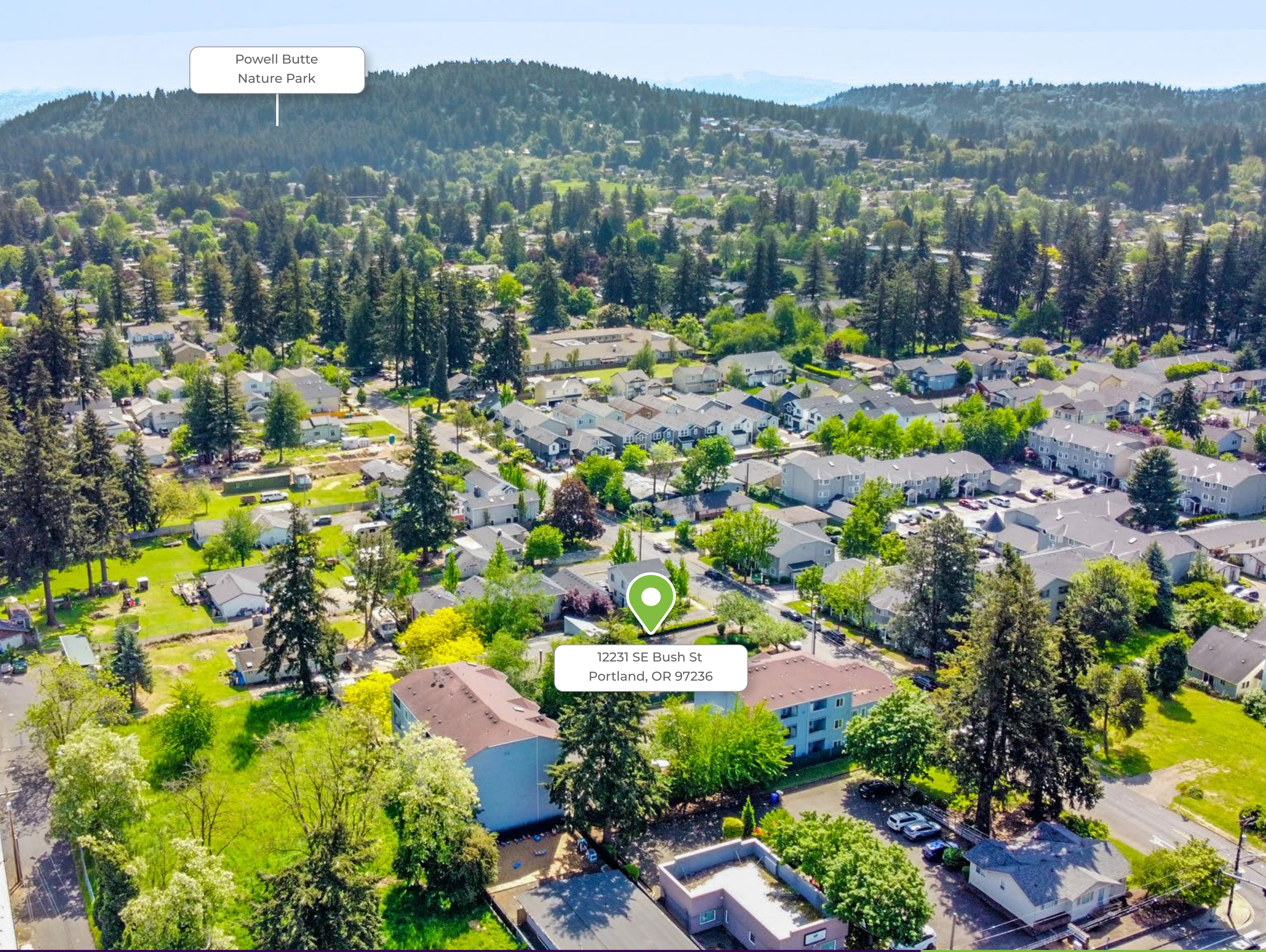
Population

	2 MILES	5 MILES	10 MILES
2025 Population	78,788	413,634	1,049,160

Households

	2 MILES	5 MILES	10 MILES
2025 Households	26,662	156,926	430,340

Retailer Map


Powell Butte
Nature Park
12231 SE Bush St
Portland, OR 97236

Financial Analysis

THE SHIRE II | 12231-12239 SE BUSH ST, PORTLAND, OR 97236

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Rent Roll

UNIT	TYPE	APPROX. SF	CURRENT RENT	CURRENT RENT/SF	MARKET RENT	MARKET RENT/ SF	RENOVATED RENT	RENOVATED RENT/SF
1	2 Bd / 2 Bth	1,000	$1,290	$1.29	$1,550	$1.55	$1,615	$1.62
2	2 Bd / 2 Bth	1,000	$1,200	$1.20	$1,550	$1.55	$1,615	$1.62
3	2 Bd / 2 Bth	1,000	$1,211	$1.21	$1,550	$1.55	$1,615	$1.62
4	2 Bd / 2 Bth	1,000	$1,280	$1.28	$1,550	$1.55	$1,615	$1.62
5	2 Bd / 2 Bth	1,000	$1,475	$1.48	$1,550	$1.55	$1,615	$1.62
6	2 Bd / 2 Bth	1,000	$1,380	$1.38	$1,550	$1.55	$1,615	$1.62
7	2 Bd / 2 Bth	1,000	$1,200	$1.20	$1,550	$1.55	$1,615	$1.62
8	2 Bd / 2 Bth	1,000	$1,300	$1.30	$1,550	$1.55	$1,615	$1.62
9	2 Bd / 2 Bth	1,000	$1,300	$1.30	$1,550	$1.55	$1,615	$1.62
10	2 Bd / 2 Bth	1,000	$1,321	$1.32	$1,550	$1.55	$1,615	$1.62
11	2 Bd / 2 Bth	1,000	$1,195	$1.20	$1,550	$1.55	$1,615	$1.62
12	2 Bd / 2 Bth	1,000	$1,300	$1.30	$1,550	$1.55	$1,615	$1.62
13	2 Bd / 2 Bth	1,000	$1,380	$1.38	$1,550	$1.55	$1,615	$1.62
14	2 Bd / 2 Bth	1,000	$1,400	$1.40	$1,550	$1.55	$1,615	$1.62
15	2 Bd / 2 Bth	1,000	$1,225	$1.23	$1,550	$1.55	$1,615	$1.62
16	2 Bd / 2 Bth	1,000	$1,238	$1.24	$1,550	$1.55	$1,615	$1.62
17	2 Bd / 2 Bth	1,000	$1,200	$1.20	$1,550	$1.55	$1,615	$1.62
18	2 Bd / 2 Bth	1,000	$1,450	$1.45	$1,550	$1.55	$1,615	$1.62
19	2 Bd / 2 Bth	1,000	$1,390	$1.39	$1,550	$1.55	$1,615	$1.62
20	2 Bd / 2 Bth	1,000	$1,475	$1.48	$1,550	$1.55	$1,615	$1.62
TOTAL	**20 Units**	**20,000 SF**	**$26,210**	**$1.31**	**$31,000**	**$1.55**	**$32,300**	**$1.62**

Income & Expense

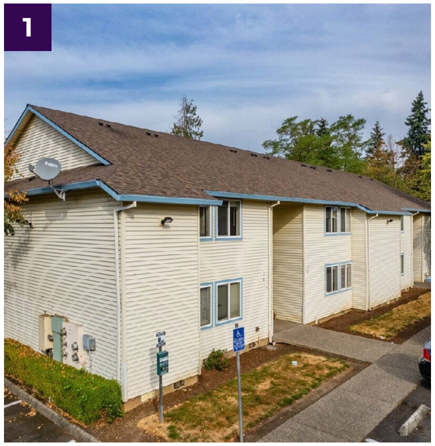
	CURRENT		MARKET		RENOVATED	
GROSS POTENTIAL RENT	$314,520		$372,000		$387,600	
VACANCY FACTOR	($15,726)	5%	($18,600)	5%	($19,380)	5%
NET RENTAL INCOME	**$298,794**		**$353,400**		**$368,220**	
RUBS	$0		$14,065		$14,065	
PET RENT / MISC. INCOME	$0		$1,800		$1,800	
TOTAL OTHER INCOME	**$0**		**$15,865**		**$15,865**	
EFFECTIVE GROSS INCOME	**$298,794**		**$369,265**		**$384,085**	
EXPENSES	**ANNUAL**	**/ UNIT**	**ANNUAL**	**/ UNIT**	**ANNUAL**	**/ UNIT**
PROPERTY TAXES	$31,230	$1,561	$32,167	$1,608	$32,167	$1,608
INSURANCE	$13,978	$699	$16,075	$804	$16,075	$804
UTILITIES: W / S / G / E	$27,310	$1,366	$28,129	$1,406	$28,129	$1,406
MAINTENANCE & REPAIRS	$14,000	$700	$20,000	$1,000	$20,000	$1,000
TURNOVER	$5,000	$250	$10,000	$500	$10,000	$500
PROPERTY MANAGEMENT	$25,493	$1,275	$27,900	$1,395	$29,070	$1,454
RESERVES	$5,000	$250	$5,150	$258	$5,150	$258
JANITORIAL & LANDSCAPING	$2,000	$100	$2,060	$103	$2,060	$103
CONTRACT SERVICES	$2,000	$100	$2,060	$103	$2,060	$103
LEGAL	$1,000	$50	$1,030	$52	$1,030	$52
TOTAL EXPENSES	**$127,011**		**$144,571**		**$145,741**	
NET OPERATING INCOME	**$171,783**		**$224,694**		**$238,344**	
EXPENSES AS A % OF EGI	42.5%		37.3%		36.1%	
EXPENSES PER UNIT	$6,351		$7,229		$7,287	
EXPENSES PER SF	$6.35		$7.23		$7.29	

Financial Assumptions

INCOME	CURRENT	MARKET	RENOVATED
RENTS	Current In-Place Rents	Based on Market Rents	Based on Renovated Market Rents
VACANCY	5% of Current Rents	5% of Market Rents	5% of Renovated Rents
RUBS	Based on 2025 P&L (N/A)	Budgeted at 50% of Market Utility Expense	Budgeted at 50% of Renovated Utility Expense
PET RENT / MISC. INCOME	Based on 2025 P&L (N/A)	Budgeted at 30% of Units at $25 per Unit	Budgeted at 30% of Units at $25 Per Unit

EXPENSES	CURRENT	MARKET	RENOVATED
PROPERTY TAXES	Based on 2025 Taxes	3% Increase on Current	3% Increase on Current
INSURANCE	Based on 2025 Taxes	15% Increase on Current	15% Increase on Current
UTILITIES: W / S / G / E	Based on 2025 Taxes	3% Increase on Current	3% Increase on Current
MAINTENANCE & REPAIRS	Budgeted at $700 Per Unit	Budgeted at $1000 Per Unit	Budgeted at $1000 Per Unit
TURNOVER	Budgeted at $250 Per Unit	Budgeted at $500 Per Unit	Budgeted at $500 Per Unit
PROPERTY MANAGEMENT	Based on 2025 Taxes	Budgeted at 7.5% of Market GPR	Budgeted at 7.5% of Renovated GPR
RESERVES	Budgeted at $250 Per Unit	3% Increase on Current	3% Increase on Current
JANITORIAL & LANDSCAPING	Budgeted at $100 Per Unit	3% Increase on Current	3% Increase on Current
CONTRACT SERVICES	Budgeted at $100 Per Unit	3% Increase on Current	3% Increase on Current
LEGAL	Budgeted at $50 Per Unit	3% Increase on Current	3% Increase on Current

Sale Comps



13062 SE Powell Blvd
Portland, OR 97236

Sold	4/3/2025
Sale Price	$2,450,000
Units	14
Price per Unit	$175,000
Square Feet	14,055
Price per SF	$174
Built	1999
Cap Rate	7.05%

4380 SE 122nd Ave
Portland, OR 97236

Sold	9/14/2024
Sale Price	$4,600,000
Units	26
Price per Unit	$176,923
Square Feet	28,090
Price per SF	$164
Built	1993
Cap Rate	6.25%

12920 SE Powell Blvd
Portland, OR 97236

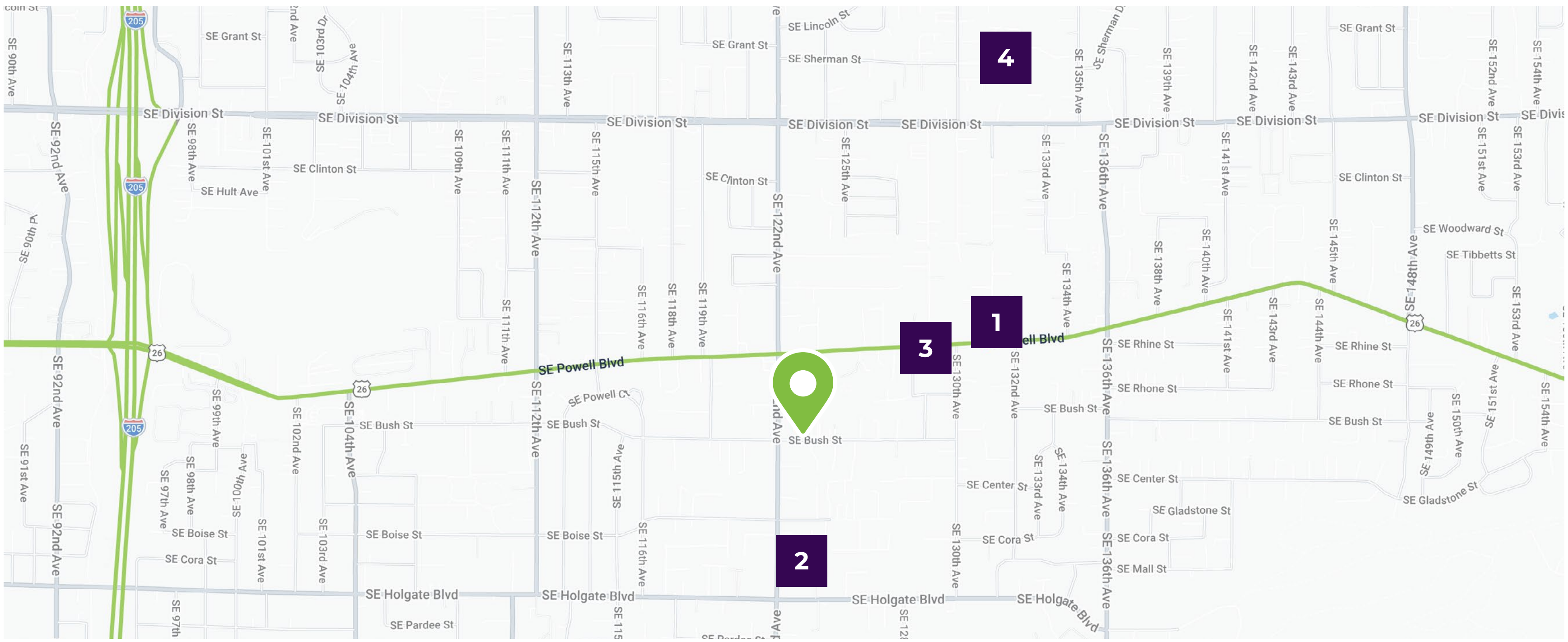
Sold	4/21/2025
Sale Price	$2,230,000
Units	16
Price per Unit	$139,375
Square Feet	13,588
Price per SF	$164
Built	1964
Cap Rate	7.43%

13145 SE Division St
Portland, OR 97236

Sold	4/8/2026
Sale Price	$3,390,000
Units	29
Price per Unit	$116,897
Square Feet	28,000
Price per SF	$121
Built	1969
Cap Rate	5.33%

Sale Comp Locations

	Name/Address	Price	Units	Price / SF	Price / Unit
★	**12231 SE Bush St** Portland, OR 97236	$2,750,000	20	$138	$137,500
1	**13062 SE Powell Blvd** Portland, OR 97236	$2,450,000	14	$174	$175,000
2	**4380 SE 122nd Ave** Portland, OR 97236	$4,600,000	26	$164	$262,500
3	**12920 SE Powell Blvd** Portland, OR 97236	$2,230,000	16	$164	$139,375
4	**13145 SE Division St** Portland, OR 97236	$3,390,000	29	$121	$116,897
	Averages	**$3,167,500**	**21**	**$156**	**$152,049**



Rent Comps

3540 SE 119th Ave APT 04
Portland, OR 97266

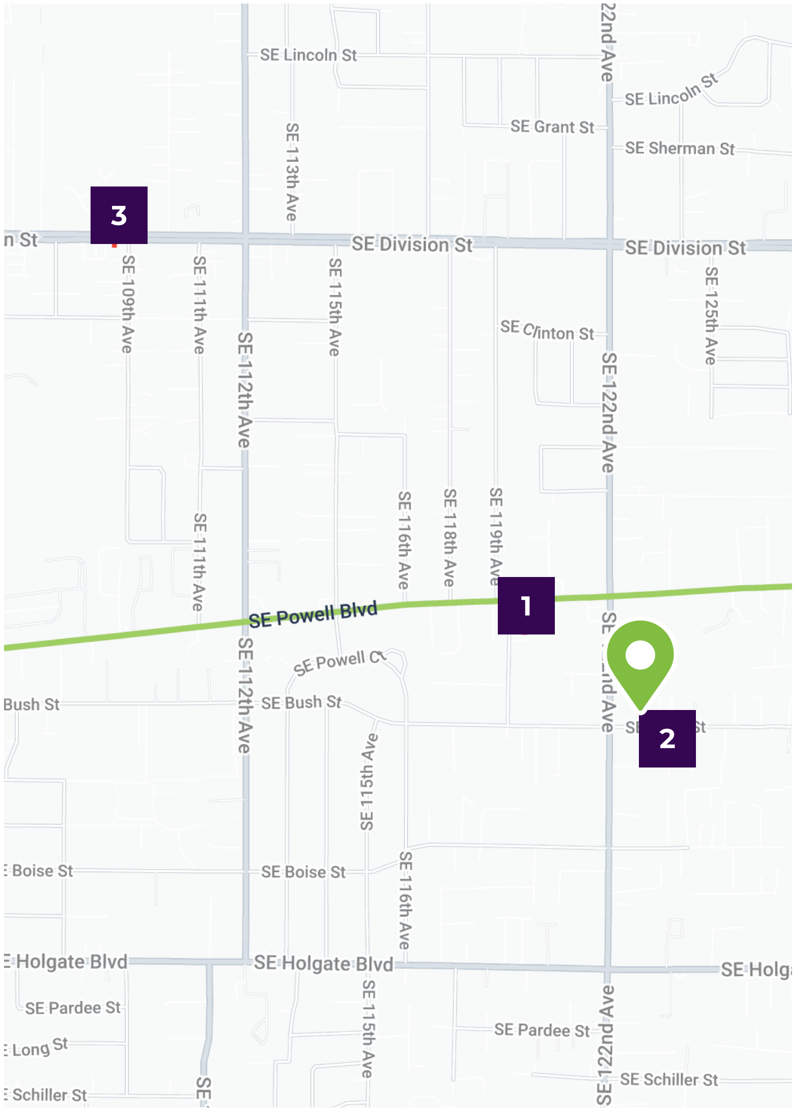
Unit Type	2bd / 2bth
Unit SF	900 Sq Ft
Rent	$1,550.00
Rent/SF	$1.72

12330 SE Bush St
Portland, OR 97236

Unit Type	2bd / 2bth
Unit SF	950 Sq Ft
Rent	$1,625.00
Rent/SF	$1.71

2509 SE 109th Ave APT 1
Portland, OR 97266

Unit Type	2bd / 2bth
Unit SF	1,200 Sq Ft
Rent	$1,625.00
Rent/SF	$1.35



OREGON REAL ESTATE AGENCY

Initial Agency Disclosure Pamphlet

Consumers: This pamphlet describes the legal obligations of Oregon real estate licensees to consumers. Real estate brokers and principal real estate brokers are required to provide this information to you at first contact as required by Oregon Administrative Rule (OAR) 863-015-0215.

***This pamphlet is informational only**. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.*

Fair Housing Statement
Oregon's laws protect you from being treated differently because of your race, color, religion, sex, national origin, source of income, domestic violence survivor status, marital status, sexual orientation, or gender identity, or whether you have kids or a disability.

If you think you are being discriminated against when looking for a home or applying for home financing, you can file a complaint with the Oregon Bureau of Labor and Industries at .

Real Estate Agency Relationships
An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent") agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction. Oregon law provides for three types of agency relationships between real estate agents and their clients:

- **Seller's Agent** — Represents the seller only.
- **Buyer's Agent** — Represents the buyer only.
- **Disclosed Limited Agent** — Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"
Generally, agents must maintain confidential information about their clients.

"Confidential information" is information communicated to a real estate agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell.

"Confidential information" does not mean information that:

- The buyer instructs the agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer.
- The agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of a Seller's Agent
Under a written listing agreement (seller representation agreement), an agent represents the seller only. A listing agreement must be entered into prior to the agent acting on behalf of the seller in offering the real property for sale or in finding and obtaining a buyer.

Revised 01.08.2026

An agent who represents only the seller owes the following affirmative duties to the seller, the other parties, and the other parties' agents involved in a real estate transaction:

1. To deal honestly and in good faith;
2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A seller's agent owes the seller the following affirmative duties:

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the seller;
3. To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
4. To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
5. To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
6. To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between seller and agent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of a Buyer's Agent
Under a written buyer representation agreement, an agent represents the buyer and the buyer's interests only, regardless of the source of compensation. A representation agreement must be entered into before, or as soon as reasonably practicable after, the licensee has started efforts to assist the buyer in purchasing property or in identifying property for purchase.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties, and the other parties' agents involved in a real estate transaction:

1. To deal honestly and in good faith;
2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A buyer's agent owes the buyer the following affirmative duties:

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the buyer;
3. To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
4. To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
5. To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
6. To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between buyer and agent.

Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of an Agent Who Represents More than One Client in a Transaction
An agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written Disclosed Limited Agency Agreement signed by both seller and/or buyer(s). A signed Disclosed Limited Agency Agreement is in addition to the required written listing agreement and buyer representation agreement(s).

Disclosed Limited Agents have the following duties to their clients:

1. To the seller, the duties listed above for a seller's agent;
2. To the buyer, the duties listed above for a buyer's agent; and
3. To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
   a. That the seller will accept a price lower or terms less favorable than the listing price or terms;
   b. That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
   c. Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

When different agents under the same principal broker establish agency relationships with different parties in the same transaction, only the principal broker acts as a **Disclosed Limited Agent** for both buyer and seller. The other agents continue to represent only their original party unless all parties agree otherwise in writing. The principal broker and the agents representing either party owe the following duties to both seller and buyer:

1. To disclose a conflict of interest in writing to all parties;
2. To take no action that is adverse or detrimental to either party's interest in the transaction; and
3. To obey the lawful instructions of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

SMI REAL ESTATE

503.390.6060 | SMIRE.COM

3625 RIVER ROAD N, SUITE 250
KEIZER, OR 97303

937-1 GEARY ST SE
ALBANY, OR 97322

7412 SW BEAVERTON HILLSDALE HWY, SUITE 203
PORTLAND, OR 97225