

FOR SALE
INVESTMENT OFFERING



7.0% CAP RATE "THE RE BUILDING"

1025 Second Street NW | Salem, Oregon 97306



"Purpose-Built for Care: Premier Class A Medical Destination"

MODERN DESIGN | MULTI-TENANT MEDICAL

100% LEASED

9,702+/- SF Multi-Tenant Facility

*Owner willing to consider Seller Financing contingent on
the Terms and Conditions in Buyer's offer*

Offered at : \$4,423,228

Brian Fratzke, CCIM, Principal

brian@fratcommercial.com | C 541.480.2526

FRATZKE
COMMERCIAL REAL ESTATE
963 SW Simpson Ave., Suite 220 | Bend, OR 97702
541.306.4948 | www.fratzkecommercial.com

This information is from sources deemed reliable but not guaranteed or warranted. Subject to change without further notice.



With You Every Square Foot of the Way.

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Brian Fratzke, CCIM, Principal Broker
brian@fratcommercial.com

Tom Tapia, CCIM, Principal Broker
tom@fratcommercial.com

Scott Harman, Broker
scott@fratcommercial.com

Emerson Fratzke, Marketing Director
emerson@fratcommercial.com

DISCLAIMER: This information is from sources we deem reliable, but for which we assume no liability. This is an exclusive listing. The information contained herein is given in confidence with the understanding that all negotiations pertaining to this property be handled through Fratzke Commercial Real Estate. All measurements are approximate.

FOR SALE EXECUTIVE SUMMARY



WESTSIDE SALEM CLINICAL MEDICAL FACILITY TAILORED FOR MEDICAL USE & PATIENT CARE EXPERIENCE

1025 Second Street West provides a stabilized, cash-flowing asset with the opportunity to acquire a 9,702+/- SF Class A Clinical Medical Building, 100% leased to three (3) tenants who deliver elite-level care across sports performance, orthopedics, and wellness triage. A primary care physician group and rehabilitation with a multi-practitioner massage therapy group all provide services under one roof. The building is fully equipped and purpose-built to support a full spectrum of medical and athletic recovery services.

Property is zoned Commercial Office (CO) for Salem, allowing and providing areas for professional and general commercial offices, membership organizations, and some multi-family uses. Building was completed in July of 2019, with frontage on Second Street NW, situated on 0.65+/-AC (28,314+/-SF) of Commercial Office (CO) land within Salem's Opportunity Zone.

The area of West Salem, Oregon, is generally known as a family-friendly area with a quiet commercial/residential atmosphere, poised for a remarkable resurgence, with rumors of a semi-pro soccer team and field being located just down the street (approximately 1 block) from the subject property in the near future.

The building is equipped with force plates, two (2) underwater treadmills, an indoor track with a firehouse-sized garage door that extends the track a full 70 meters into the outdoors, and more!

The building is fully supported for electrical needs with rooftop photovoltaic (PV) panels, creating a renewable energy source.





PROPERTY SUMMARY

<u>PROPERTY NAME</u>	"THE RE BUILDING" 100% leased Medical, Rehabilitation and Training Facility
<u>ADDRESS:</u>	1025 Second Street NW Salem, Oregon 97306
<u>TAX MAP/LOT:</u>	07321-DC-04000 TAX ID: 3225-258911
<u>PROPERTY TYPE:</u>	Commercial Office/Clinical Medical/Sports Rehabilitation, Physical Therapy/Rehabilitation Facility
<u>OWNER OF RECORD:</u>	NWRA West, LLC

BUILDING CHARACTERISTICS

NUMBER OF BUILDINGS: One (1) Building

BUILDING HEIGHT: Two-Story

GROSS BUILDING AREA: 9,702+/-SF

YEAR BUILT: 2019

DESIGN: "The RE Building" (rehabilitation, recovery, refresh) is one of Oregon's most "state-of-the-art" facilities with a synergistic group of practitioners. Common entry, restrooms and break-room shared.



PROPERTY SUMMARY

SITE CHARACTERISTICS

LAND AREA: 28,314+/-SF (0.65/AC)

ZONING DESIGNATION: CO (Commercial Office)

PARKING: 29 Dedicated parking stalls on site, plus additional on street parking

INGRESS/EGRESS: NW & Patterson St. NW

CONSTRUCTION

- Wood-framed
- Slab-on-grade constructed
- Mix of aluminum storefront and premium coated vinyl windows
- Roofing: standing seam metal roofing at sloped roof areas/TPO at flat roof areas.
- Exterior siding: mix of fiber cement and metal panel siding

OVERVIEW

- Asking Price: \$4,423,288
- Subtype: Medical Office
- Class: A
- Tenancy: Multi
- Sq. Ft. 9,702+/-
- Cap Rate: 7.0%
- Ownership: Fee Simple
- Number of Tenants: 3
- Occupancy: 100%
- Fully Sprinkled with Dry & Wet Fire Suppression System



WHAT IS "THE RE BUILDING" ALL ABOUT?

"The RE Building" by NWRA is a state-of-the-art facility dedicated to sport rehabilitation and performance training. The center is designed specifically for athletes and features advanced technology to aid in recovery and performance enhancement. Among its notable amenities are two professional-grade underwater treadmills, used by major sports teams and Division 1 collegiate programs for rehab and training.

"The RE Building" benefits from its prime location, which ensures strong foot traffic and destination traffic with easy access to surrounding retail, medical, and industrial businesses. We mentioned earlier about the resurgence and redevelopment of the surrounding West Salem neighborhood.

The incorporation of solar power through photovoltaic panels further emphasizes the center's commitment to sustainability while providing a conducive environment for athletes of all ages to recover from injuries and improve their performance through tailored treatment plans and cutting-edge training methodologies, and the practitioners.



"The RE Building"
TENANT/INCOME INFORMATION

Tenant	Rentable Square Feet	Lease Execution Date	Term Remaining	Monthly Lease Rate	Rent Income Escalator	Options to Renew
NW Lifestyle Medicine	814	11/3/20	9/5/28	\$2,296.85	3.0% annually	None
Therapy Partners	8,510	9/6/22	9/30/32	\$24,299.22	3.0% annually	Three (3) five (5) year options to renew
Erin Rene Bodywork & Coaching, LLC	378	9/20/22	9/1/28	\$1,081.50	3.0% annually	None
Total	9,702			\$27,677.57		

The property is currently occupied by the largest user, Therapy Partners (8,510 +/- RSF), through 9/30/2032, with three (3) five (5)- year renewal options. NE Lifestyle Medicine and Erin Rene Bodywork & Coaching, LLC make up the balance of the current tenants' square feet.

Please do not disturb tenants in the building. Contact the listing broker for additional information and to schedule showings. This is an exclusive right-to-sell listing with Fratzke Commercial Real Estate Advisors, Inc. Buyer is responsible for conducting their own due diligence for their satisfaction.



FINANCIALS & APOD

Property Name	RE Medical
Location	Salem, Oregon
Type of Property	Clinical Medical
Size of Property	9,702 (Sq. Ft./Units)

Purpose of analysis	Sale
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Assessed/Appraised Values	
Land	635,000
Improvements	2,983,370
Personal Property	0
Total	3,618,370

 18%
 82%
 0%
 100%

 15% DEFAULT
 85% DEFAULT

 Adjusted Basis as of: 30-Sep-25 **\$4,423,228**

Purchase Price	4,423,228
Plus Acquisition Costs	
Plus Loan Fees/Costs	
Less Mortgages	
Gross Sales Price	4,423,228

1st	Balance	Periodic Pmt	Pmts/Yr	Interest	Am or t	Loan
2nd						

ALL FIGURES ARE ANNUAL			\$/SQ FT or \$/Unit	% of GOI	COMMENTS/FOOTNOTES
1 POTENTIAL RENTAL INCOME			<-fill in \$/sf-or-Potential Rent-->	332,131	
2 Less: Vacancy & Cr. Losses			(5. % of PRI)	16,607	5% Vacancy and Credit Losses
3 EFFECTIVE RENTAL INCOME				315,524	
4 Plus: Other Income (collectable)					
5 GROSS OPERATING INCOME	\$/s.f.	% of GOI	Expense Column	315,524	
OPERATING EXPENSES:					
6 Real Estate Taxes				\$4,795	Amount Paid by Landlord
7 Personal Property Taxes					
8 Property Insurance				\$1,104	Amount Paid by Landlord
9 Off Site Management					
10 Payroll					
11 Expenses/Benefits					
12 Taxes/Worker's Compensation					
13 Repairs and Maintenance					
14 Utilities:					
15					
16					
17					
18					
19 Accounting and Legal					
20 Licenses/Permits					
21					
22 Supplies					
23 Miscellaneous Contract Services:					
24					
25					
26					
27					
28					
29					
30 TOTAL OPERATING EXPENSES				5,899	
NET OPERATING INCOME				309,626	7.0% Cap Rate
31 Less: Annual Debt Service					
32 Less: Participation Payments					
33 Less: Leasing Commissions					
34 Less: Funded Reserves					
CASH FLOW BEFORE TAXES				\$309,626	

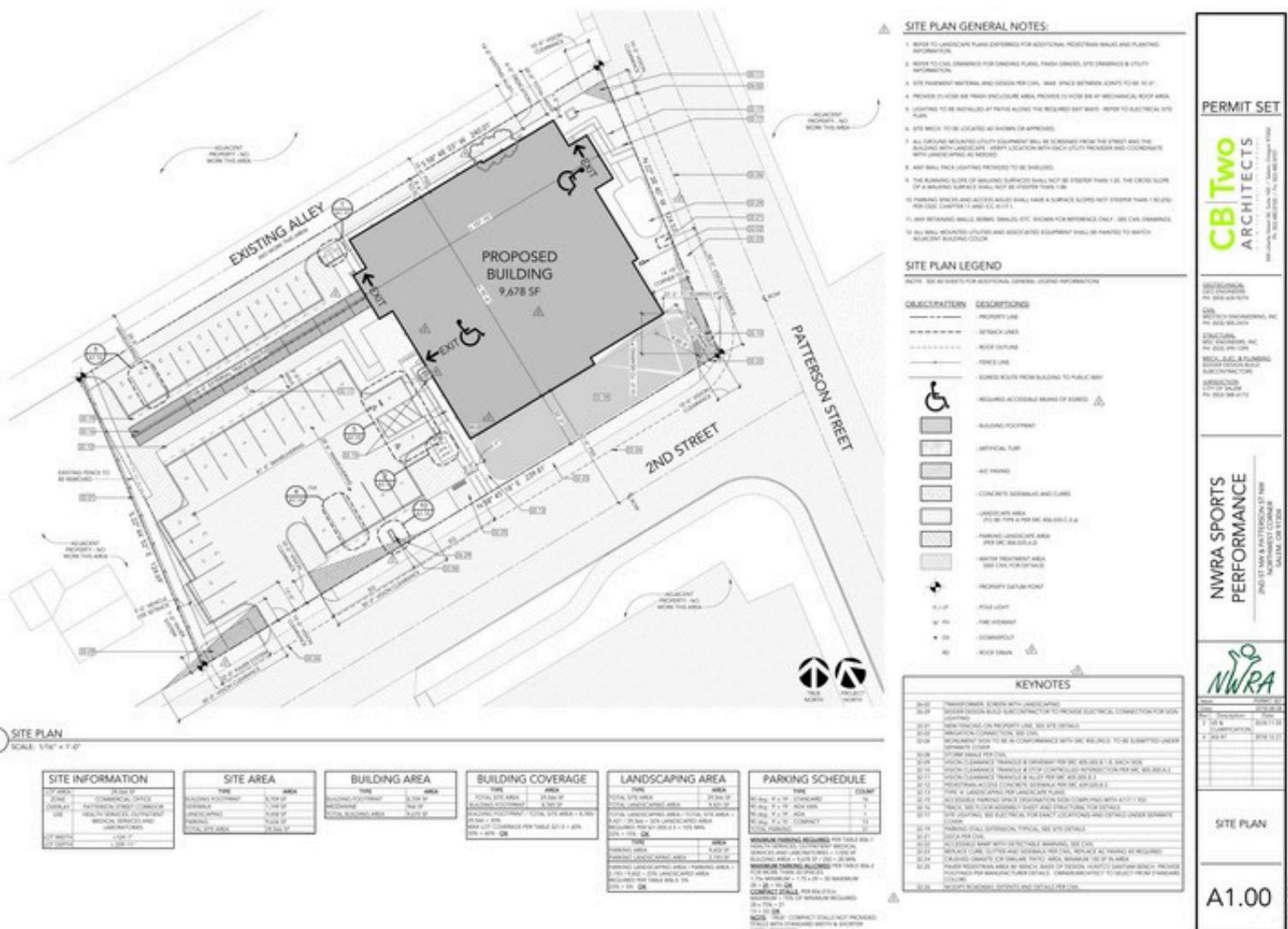
Authored by Gary G. Tharp, CCIM Copyright© 2002 by the CCIM Institute

The statements and figures herein, while not guaranteed, are secured from sources we believe authoritative.

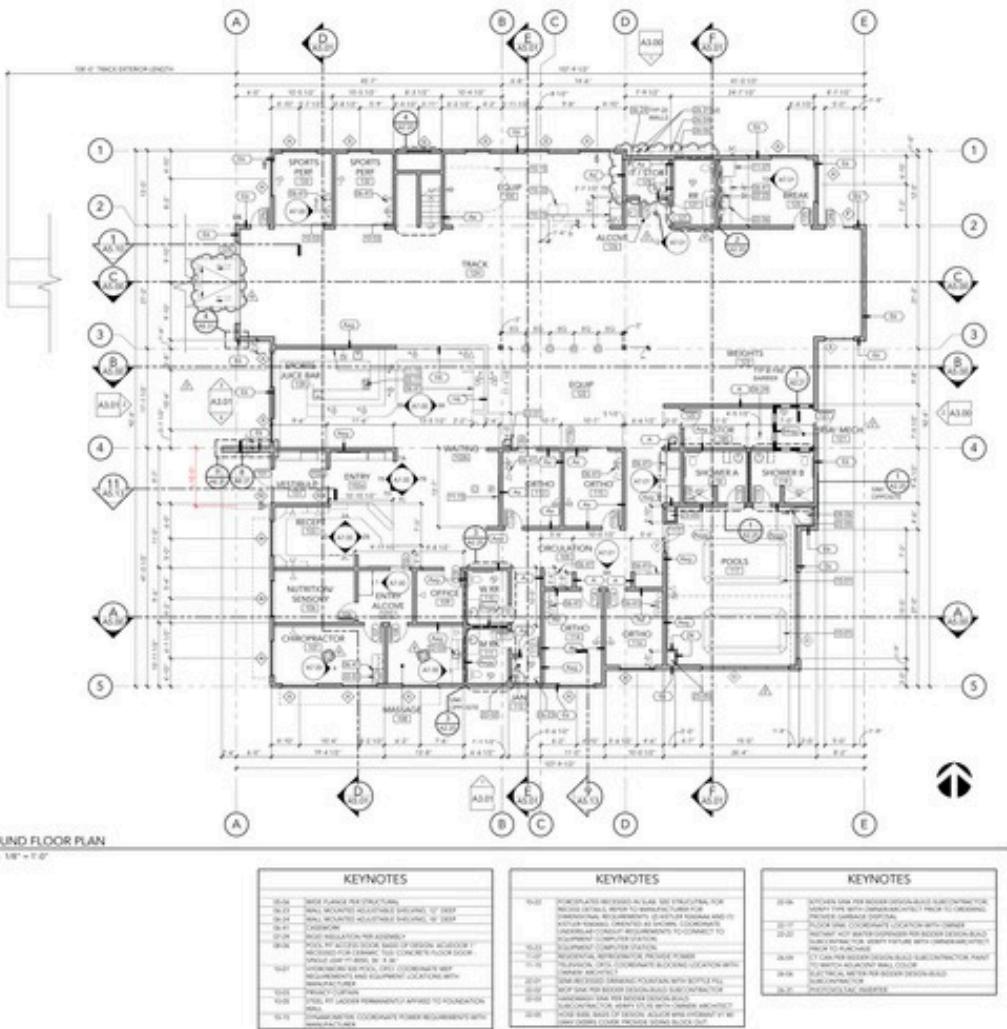
 Prepared for: Investor

 Prepared by: Brian E. Fratzke CCIM, Principal Broker

Map and Tax Lot: 181206D000713



"AS-BUILT"

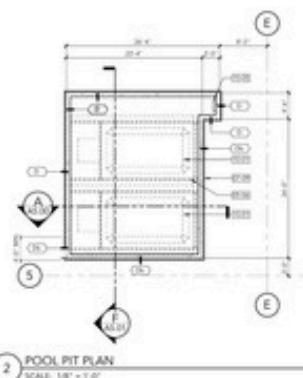


FLOOR PLAN GENERAL NOTES

1. ALL DIMENSIONS, WHERE BINS/PLATES ARE FROM FACE OF STUD TO FACE OF STUD, ON CENTERLINE OF BRACKETS, DOCK, COULUM, OR DING PLATE.
2. ALL DIMENSIONS ARE IN FEET, WHERE SHOWN IN PLATE ARE IN FRONTAGE OF PLATE TO CENTERLINE OF PLATE.
3. REFER TO COKE PLAN FOR BATTED WALL INFORMATION.
4. REFER TO COKE PLAN FOR FIRE EXTINGUISHER LOCATIONS.
5. FURNITURE & EQUIPMENT IS FOR INFORMATION ONLY. REFER TO INTERIOR DRAWINGS.
6. REFER TO ACCESSIBILITY SHEET FOR STANDARD PLATE MOUNTING HEIGHTS.
7. REFER TO SHEET FOR DOOR AND BARRIER INFORMATION.
8. ALL DOORS SHALL BE OF PRIMER/MILITARY WALL U.V.R.
9. MODELS/TYPES OF EQUIPMENT WHERE NOT SHOWN, IS AVAILABLE.
10. WALL MOUNTED EQUIPMENT & HOTELS. PROVIDE WALL BACKING AS REQUIRED.
11. WHERE WALL MOUNTED EQUIPMENT & HOTELS, PROVIDE WALL BACKING AS REQUIRED.

LEGEND

1	ROOF LINE
2	WALL SCUPPER & DRAWDOWN, 1/8 IN. HOOP PLATE
3	WALL SCUPPER (CHERLON)
4	ROOF DRAIN AND OVERFLOW
5	DRAINPOINT
6	FLOOR DRAIN, EXACT LOCATION FOR BENDER/BODDON
7	FLOOR DRAIN, COORDINATE EXACT LOCATION WITH CHERLON / ARCHITECT
8	WIRE: 888
9	ELECTRICAL: RECEPTACLE MOUNTED BETWEEN 40'-40'
10	ELECTRICAL: RECEPTACLE MOUNTED AT STANDARD HEIGHT
11	ELECTRICAL: RECEPTACLE, COORDINATE EXACT LOCATION WITH BENDER/BODDON, REBATE/CLIP
12	COORDINATE COORDINATE EXACT LOCATION WITH CHERLON / ARCHITECT
13	EMERGENCY EXIT, COORDINATE EXACT LOCATION WITH CHERLON / ARCHITECT
14	PLASTERWALL: ELECTRICAL RECEPTACLE, COORDINATE WITH FLOOR PLATE FOR PULL ROD, MOUNTING PLATE



PERMIT SET

CB Two
Architects

STRUCTURAL
METAL ENGINEERS, INC.
P.O. BOX 420707
CAB
METAL STRUCTURES, INC.
P.O. BOX 385207
STRUCTURAL
METAL ENGINEERS, INC.
P.O. BOX 420707
MECHANICAL & PLUMBING
DESIGN CONSTRUCTION
STRUCTURACTORS
STRUCTURACTORS
CITY OF BALTIMORE
P.O. BOX 420707

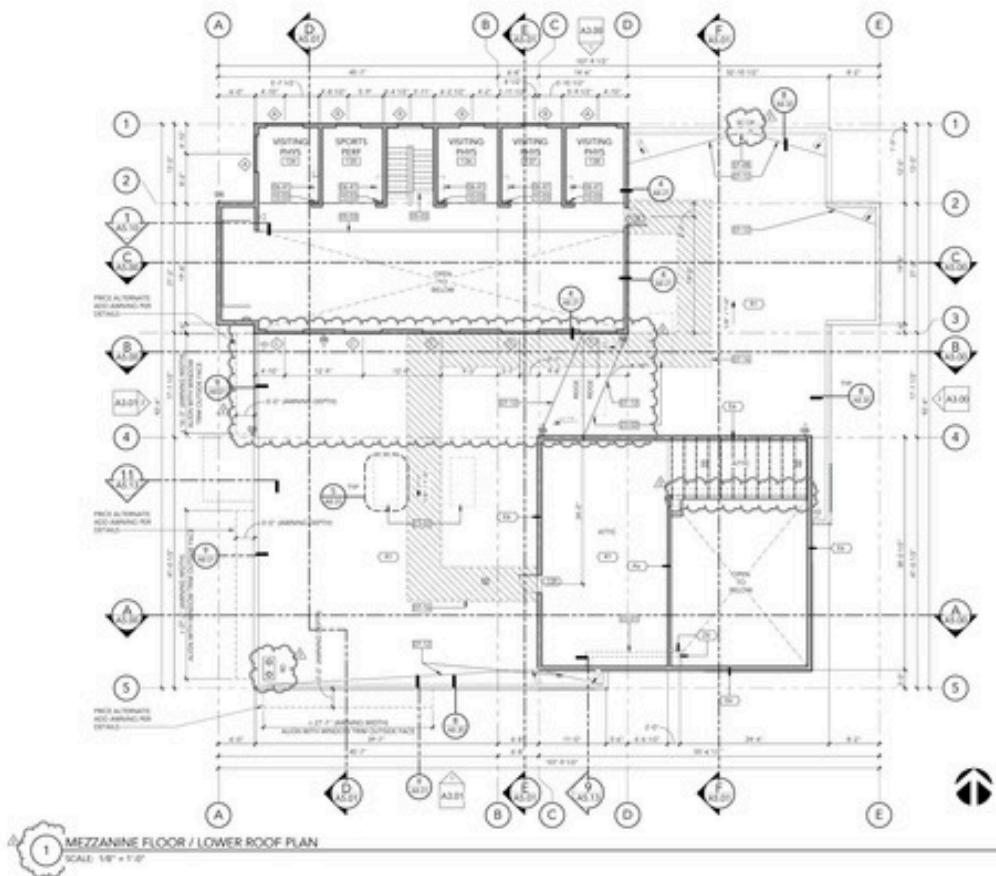
NWRA SPORTS
PERFORMANCE
INFO STAFF & PARTNERS OF NWRA
NORTHWESTERN COLLEGE


 NWRA

GROUND
FLOOR PLAN

A2.00

"AS-BUILT"



FLOOR PLAN GENERAL NOTES

- 3. ALL DIMENSIONS WHICH NAMED WALLS, ARE FROM FLOOR LINE TO FAUCET TO FAUCET OF SPUD, OR CENTERLINE OF WINDOW, SOUP, COLUMNS, ETC.
- 4. ALL SPUDS ARE TO INCLUDE SHOWER SHOWER IN PLUM, AND FAUCET LINE OF FAUCET TO FAUCET OR FAUCET TO FAUCET.
- 5. REFER TO CO-PLAN FOR REAR WALL INFORMATION.
- 6. REFER TO CO-PLAN FOR FIRE EXTINGUISHER LOCATIONS.
- 7. FURNITURE & EQUIPMENT IS SHOWN FOR REFERENCE ONLY. REFER TO INTERIOR DRAWINGS.
- 8. REFER TO ACCESSORIES SHEET FOR STANDARD FIXTURE MOUNTING HEIGHTS.
- 9. REFER TO CO-SHEET FOR DOOR AND WINDOW INFORMATION.
- 10. ALL DOORS SHOWN ARE TO BE FROM REAR/ENTRANT WALL SIDE.
- 11. MEDIUM DOOR FOR ONE DOOR WHEN NO WALL DIVIDERS. ALL WALL MOUNTED DOOR STOPS TO HAVE BLOCKERS.
- 12. WHERE MOUNTED EQUIPMENT IS NOTED, PROVIDE WALL SUCHEWS AS REQUIRED.

LEGEND

REFERENCES

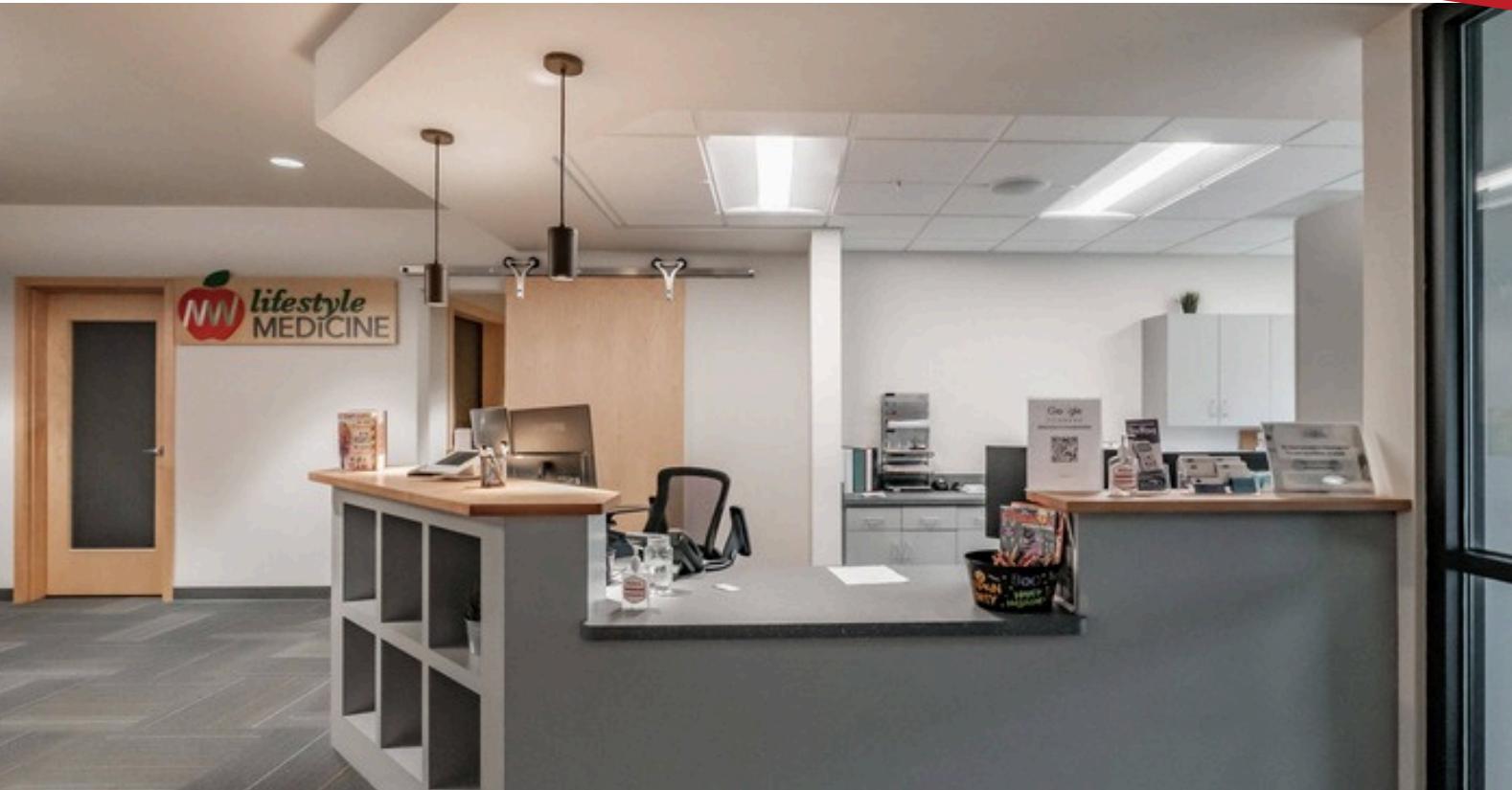
NWRA SPORTS
PERFORMANCE

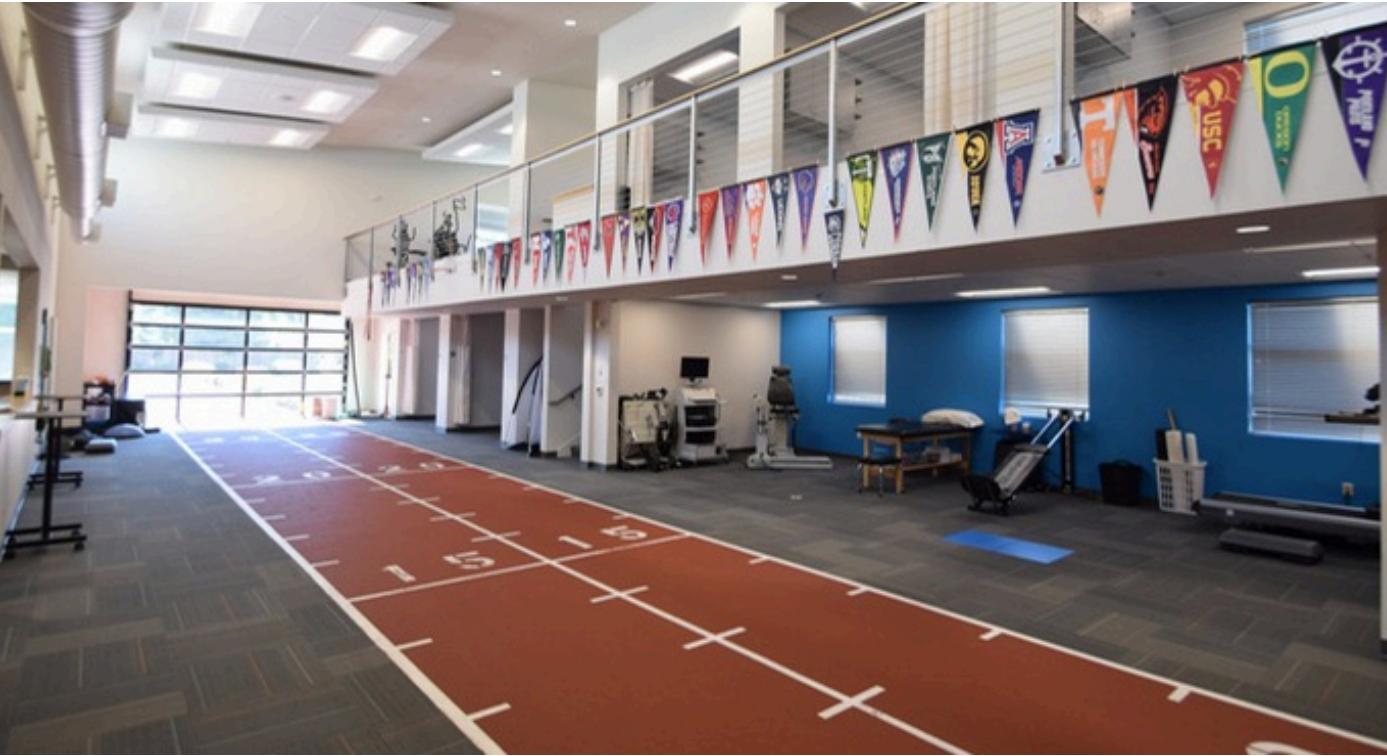
 NWRA

MEZZANINE
FLOOR /
LOWER ROOF
PLAN

A2.01

PROPERTY PHOTOS

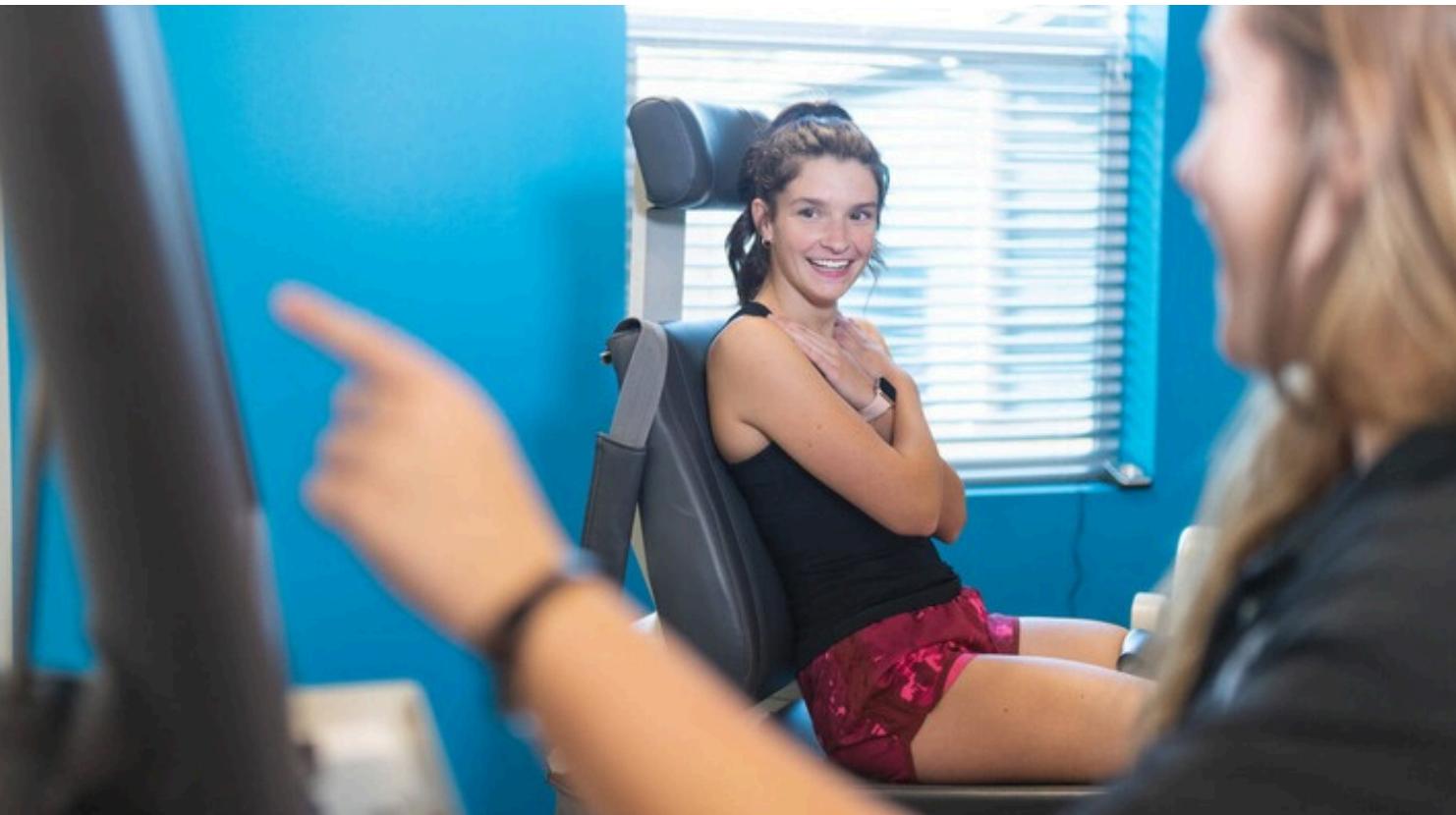




PROPERTY PHOTOS

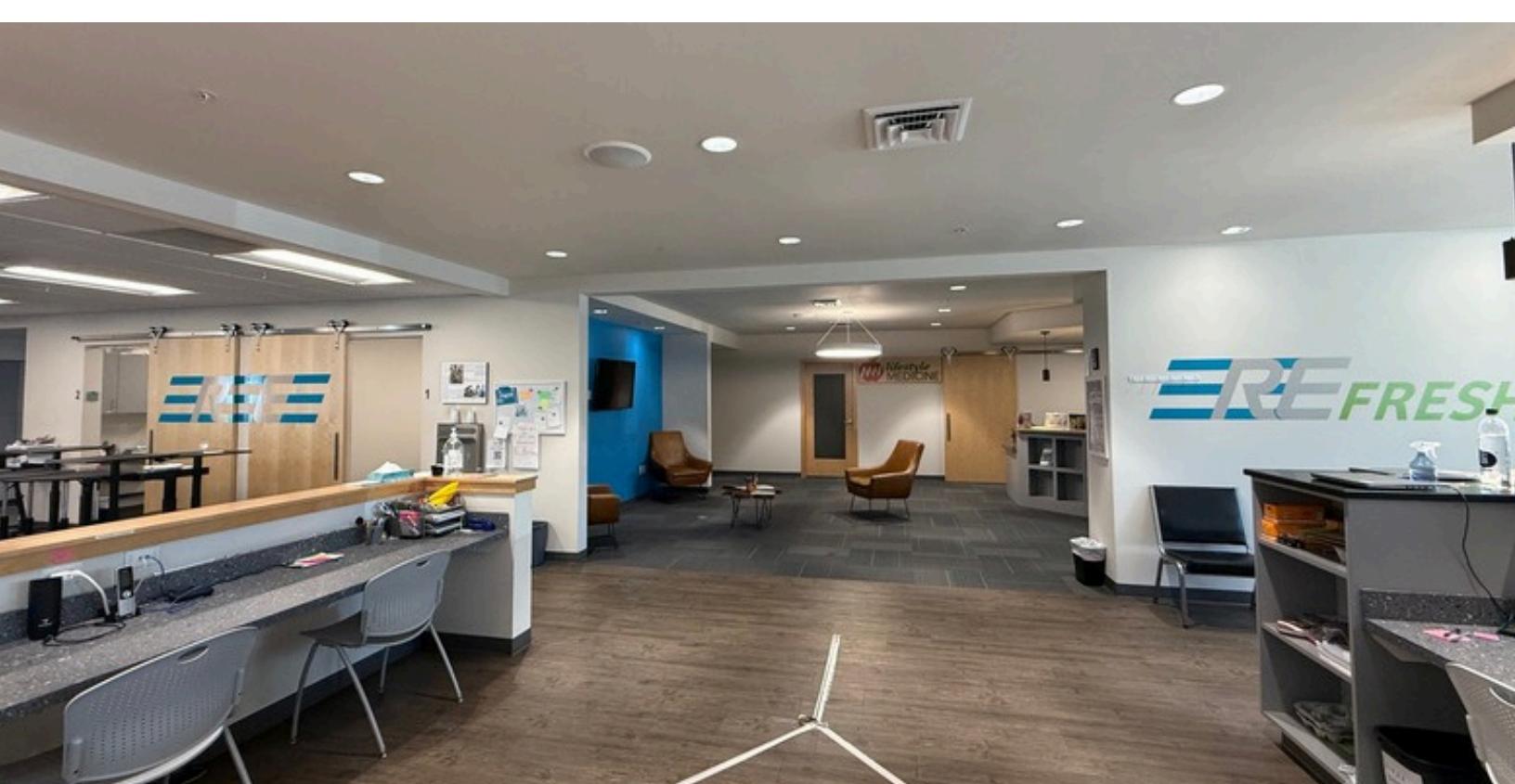


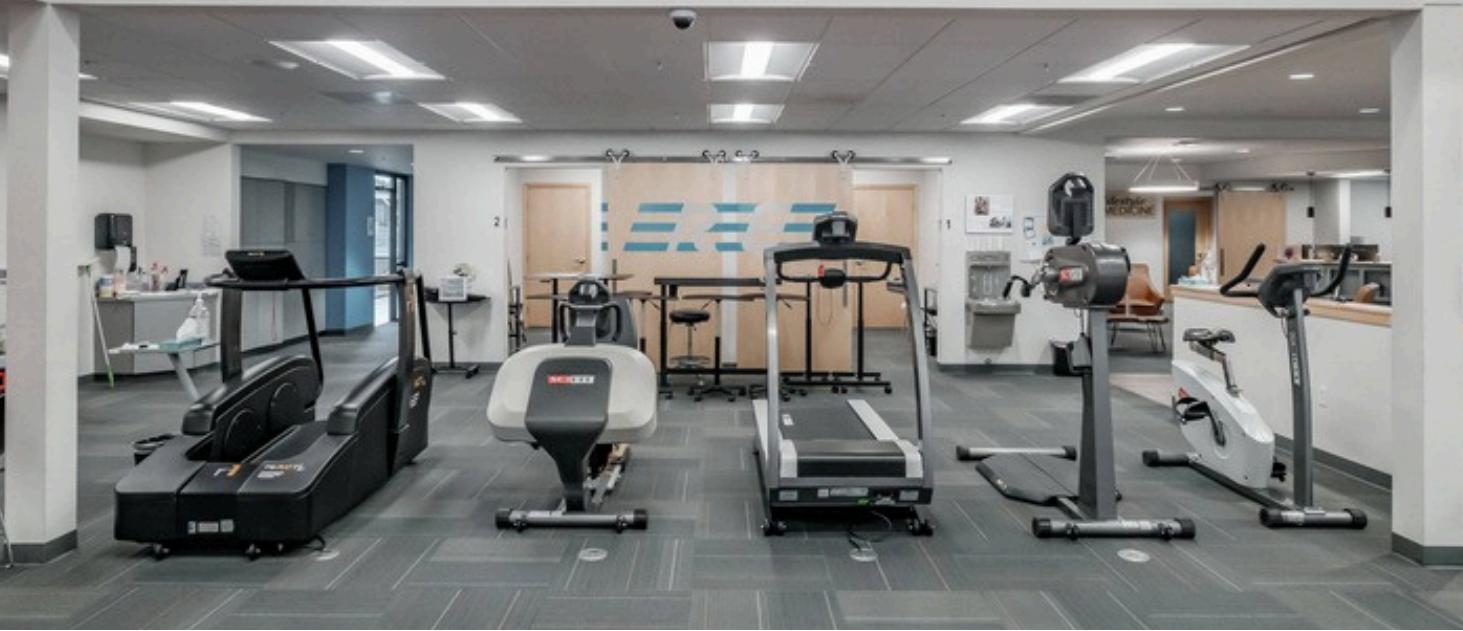
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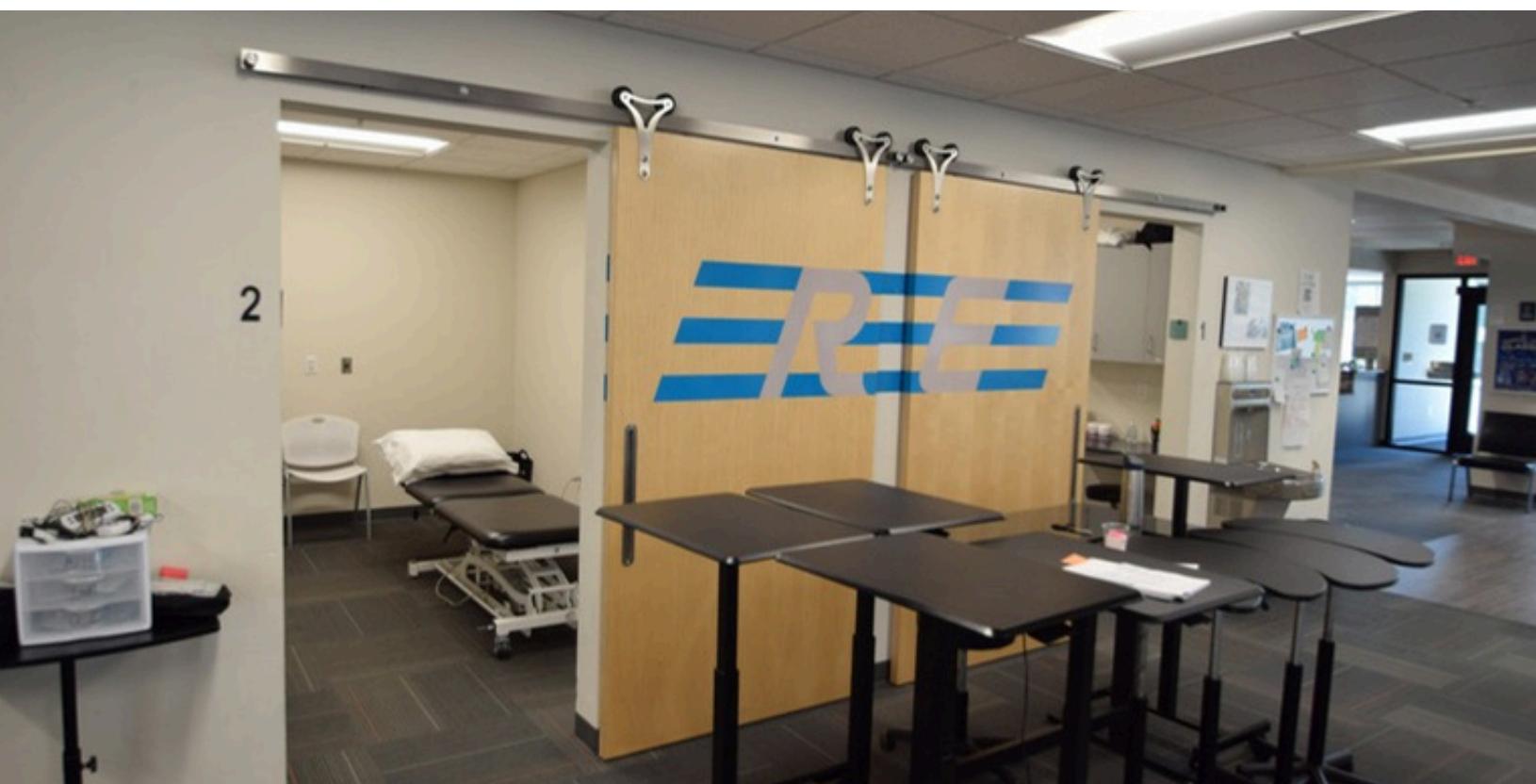
PROPERTY PHOTOS







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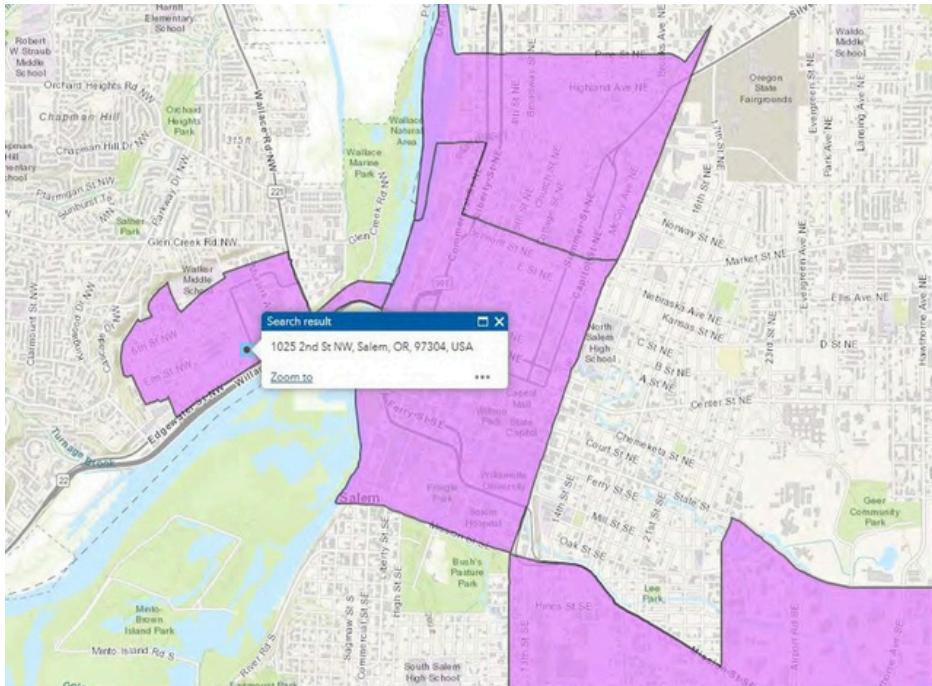


AERIAL



AERIAL





OPPORTUNITY ZONE

In 2018, the U.S. Treasury designated opportunity zones across the country to encourage long-term investments through a federal tax incentive. This new tax incentive applies to both capital gains invested initially in a qualified opportunity fund and capital gains earned by an investor from businesses or projects in a zone.

There are four Opportunity Zones in Salem:
Downtown
North Downtown
Area surrounding the Salem Airport
West Salem

Opportunity Zones offer major tax benefits for medium- to long-term investments in economically disadvantaged areas. The incentive applies to both capital gains invested in a Qualified Opportunity Fund (QOF) and any future gains from zone-based projects.

Each zone corresponds to a full census tract. Oregon has 834 tracts, of which over 300 qualify as low-income. The state could nominate up to 86 zones, 25% of its eligible tracts. These designations remain in effect through December 31, 2028, providing stability for investors. Federal law doesn't allow changes or additions, so Oregon conducted a detailed review and broad public outreach during its one-time nomination process. Beyond that process, the state has no ongoing role.

Capital gains invested in a QOF within 180 days can have taxes deferred until December 31, 2026. Investors choose how much to reinvest, when to exit, and whether to add more funds. Additional tax benefits may apply when the investment is sold or by the end of 2026, whichever comes first.

- If the value increases and it is held in the fund for at least five years, the amount subject to taxes shrinks by 10%
- If the value increases and it is held in the fund for at least seven years, the amount subject to taxes shrinks by 15% (10% for the first five years, plus 5% for each consecutive year)
- If the value decreases, the amount subject to taxes is effectively the fair market value

FACTS ABOUT SALEM, OREGON



The Community of Salem, Oregon

Salem is the capital city of Oregon, with a population estimated at 182,605 (2023). Centrally located, Salem is 47 miles south of Portland and an hour from the Cascade Mountains and the ocean beaches. Salem is in the midst of sustained, steady growth. Ongoing preservation of historic downtown buildings, along with a downtown core master plan for residential and commercial development, ensures managed growth. Salem is the third-largest city in Oregon and serves as the state's seat of government. Salem is a diverse community with well-established neighborhoods, a family-friendly ambiance, and a small-town feel. Salem has abundant land for development, a ready and willing workforce, great training programs, and a city that works hard to make doing business easy.

SALEM, OREGON

Salem is the capital city of the U.S. state of Oregon, situated in the heart of the Willamette Valley. As one of the oldest cities in the state, Salem offers a rich blend of history, culture, and natural beauty. With a population of over 170,000, Salem is the third-largest city in Oregon and serves as the state's seat of government. This regional profile will provide an overview of Salem, its history, and economy. Culture and the natural surroundings that make it a unique and attractive place to live

WILLAMETTE VALLEY REGION

The Willamette Valley is renowned for its wine production, and Salem is no exception. Tourists can explore local wineries and vineyards, sampling some of the world's finest Pinot Noir wines. The city also boasts a thriving food scene, with farm-to-table restaurants that showcase the region's agricultural bounty. Making it a culinary delight for visitors.

ECONOMY

Salem's economy is diversified, with sectors including government, healthcare, education, agriculture, and manufacturing. As the state capitol, the government is a significant employer in the city, with the Oregon State Capitol and various state agencies located in Salem. The healthcare

**2016
WINE REGION
OF THE YEAR**

**MORE THAN
168,954
RESIDENTS**

**HOME TO
SEVEN
STATE PARKS**

sector is anchored by Salem Health, a major regional medical center.

Education is another important aspect of the local economy, with institutions like Willamette University and Corban University contributing to the community. Additionally, Salem benefits from the fertile Willamette Valley, making agriculture a vital part of its economy, with a focus on berry farming and wine production. Manufacturing also plays a role, with companies engaged in food processing, electronics, and transportation equipment production.

CULTURE

Salem offers a vibrant cultural scene that blends traditional and contemporary influences. The city hosts various cultural events and festivals throughout the year, including the Salem Art Fair &

Festival and the Oregon State Fair. The Elsinore Theatre, a historic landmark, hosts a variety of performances, from live music to theater productions. Local museums, such as the Hallie Ford Museum of Art and the Mission Mill Museum, provide insight into the region's history and culture.



CONTACT



BRIAN FRATZKE

CCIM, PRINCIPAL

541.480.2526 [C]

BRIAN@FRATCOMMERCIAL.COM



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