

# OFFERING MEMORANDUM

— FOR SALE —

**6-UNIT APARTMENT COMPLEX IN GRANTS PASS, OREGON**

(541) 608-6704 | [www.Merit-Commercial.com](http://www.Merit-Commercial.com) | [team@merit-commercial.com](mailto:team@merit-commercial.com)

**Caspian Hoehne**  
Licensed Broker



**Scott King**  
Principal Broker



# CONTENTS

**3** EXECUTIVE SUMMARY & OVERLAY REPORT

**4** OFFERING DETAILS & PHOTOS

**15** MARKET OVERVIEW

**18** TRANSACTION GUIDELINES

EXCLUSIVELY REPRESENTED BY  
**MERIT COMMERCIAL REAL ESTATE**

**CASPIAN HOEHNE**

Licensed Broker

(541) 944-9967

[caspian@merit-commercial.com](mailto:caspian@merit-commercial.com)

**SCOTT KING**

Principal Broker / Owner

(541) 890-6708

[scottking@gmail.com](mailto:scottking@gmail.com)

This offering memorandum is intended for only the party receiving it from Merit Commercial Real Estate ("MCRE"), and should not be made available to any other reviewing entity without the prior written consent of MCRE. All information included in this offering memorandum has been obtained from sources deemed reliable, however, Owner, MCRE, and/or their representatives make no representations or warranties, expressed or implied, as to the accuracy of the information, and makes no warranty or representation into the exact state of the property, the presence of contaminating substances, PCB's or asbestos, the property or owner's compliance with State and Federal regulations, or the physical condition of any improvements on the property. The recipient of this document must independently verify the information and assumes any and all risk for inaccuracies contained herein. The information contained in this offering memorandum is not a substitute for a thorough due diligence investigation.

# Executive Summary

Merit Commercial Real Estate, is pleased to exclusively present for sale **807 NW 5th Street**, a 6-unit apartment complex located in Grants Pass, Oregon (the "Subject").

Priced below \$100k/unit, the Subject presents a strong opportunity for an entrepreneurial investor to jump into a well-located project in a growing sub-market.

Located in a peaceful residential neighborhood just blocks to downtown Grants Pass, the Subject enjoys the mature, tree-lined street of NW 5th Street and is a short distance to Grants Pass High School, multiple parks, employers, retail, and much more!

Originally built in approximately 1928 (buyer to confirm) as a palatial single-family home, the Subject has been thoughtfully converted to house multiple units.

While the Subject Property's units are 1-bed / 1-bath, each unit enjoys generally spacious and efficient layouts, with abundant common area including the oversized covered front porch.

The opportunity is clear to revive the potential of the Subject Property. Unlocking the full potential of the building is possible by renovating units, re-opening the currently closed on-site laundry facility, and embracing the original character and charm of the building.

Currently 100% leased, the Subject provides income either as a long-term hold or to help cover holding costs during a renovation project.

Current ownership **would prefer to utilize seller financing** - an option that could make the difference in today's market (see financing terms in the offering summary to the right).

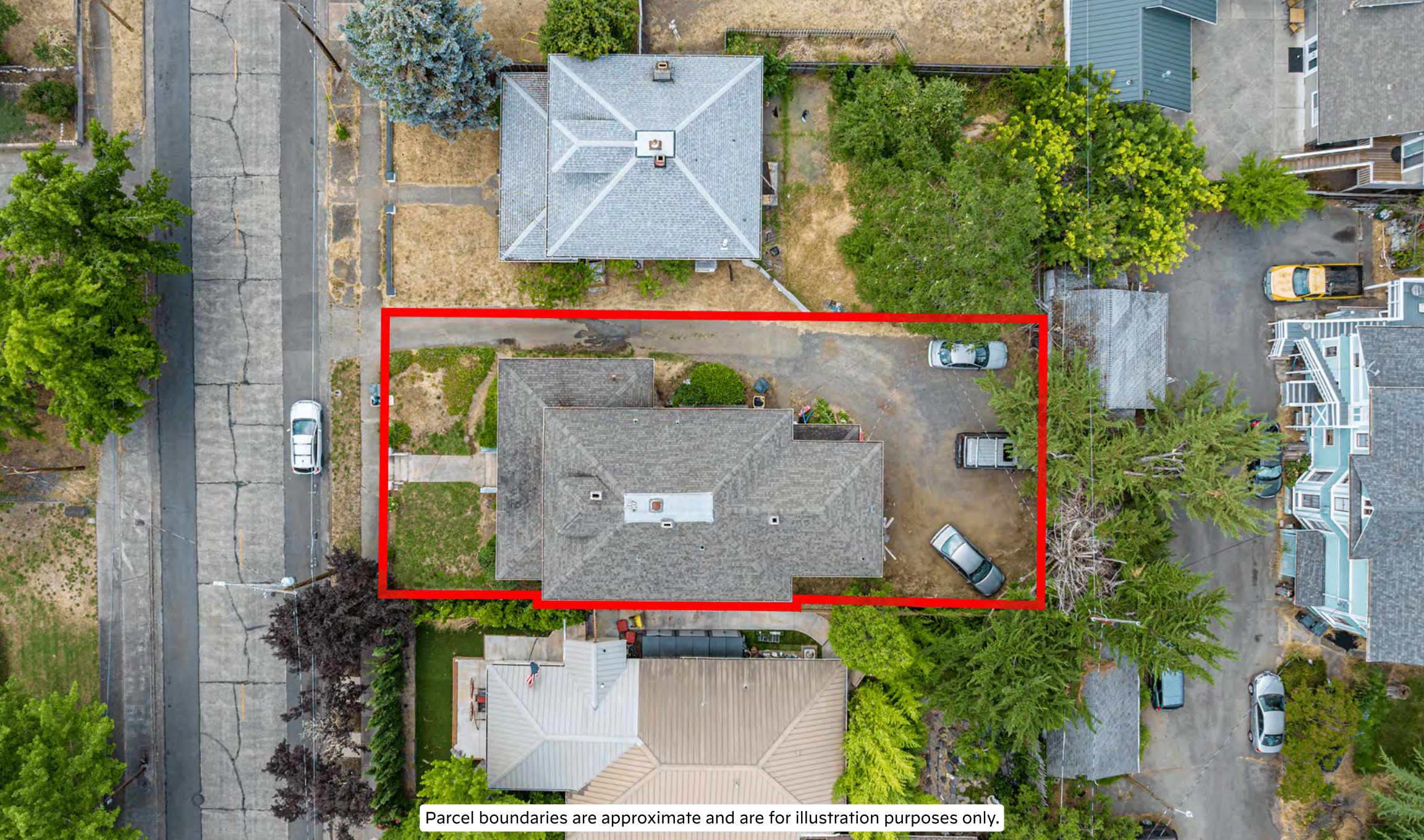
Prospective buyers are encouraged to submit proposals with seller financing options, all of which will be considered by the owner.

Contact the brokers today for more info!

Buyers are solely responsible to complete all due diligence regarding the Subject Property to their own satisfaction. This Report should not replace a Buyer's independent investigation of the Subject Property.

## Offering Summary

Offering Price:	\$585,000
Current Rent:	\$5,325/Month (gross)
Owner Financing:	Min. 30% down at 5.75%, 25-yr am, 5-year balloon (preferred sale structure)
Address:	807 NW 5th St, Grants Pass, OR 97526
Legal:	36-5W-17-BB TL 5300   APN R310149
Annual Taxes:	\$3,063.72 (2024)
Zoning:	R-1-6 (Medium Density Residential)
Gross Acreage:	0.14-acres (6,098 SF)
Year Built:	± 1928 (per County)
Gross SF:	± 2,866 SF (per County)
Unit Mix:	(6) 1-bed/ 1-bath flats
Parking:	Unmarked large parking lot in rear
Construction:	Wood-frame on perimeter foundation
Utilities:	All public
Expense Split:	LL: Water, sewer, garbage, common area power Tenants: Natural gas, internet



# Subject Property Aerial

807 NW 5th Street | Merit Commercial Real Estate | 4



Parcel boundaries are approximate and are for illustration purposes only.

## Subject Property Exterior Photo

807 NW 5th Street | Merit Commercial Real Estate | 5



## Exterior Photos



## Interior Photos



## Interior Photos

# Financial Summary - Rent Roll

## Rent Roll - as of 3Q25

Unit	Unit Type	Rent	Deposit	Lease Start	Lease To
# 1	1 / 1.00	\$950	\$1,000	06/04/2024	03/29/2025
# 2	1 / 1.00	\$900	\$900	08/13/2025	07/31/2026
# 3	1 / 1.00	\$950	\$1,200	08/26/2024	07/31/2025
# 4	1 / 1.00	\$875	\$875	03/28/2025	09/30/2025
# 5	1 / 1.00	\$800	\$800	08/21/2024	07/31/2025
# 6	1 / 1.00	\$850	\$850	03/01/2025	03/01/2025

**6 Units                      \$5,325    \$5,625**

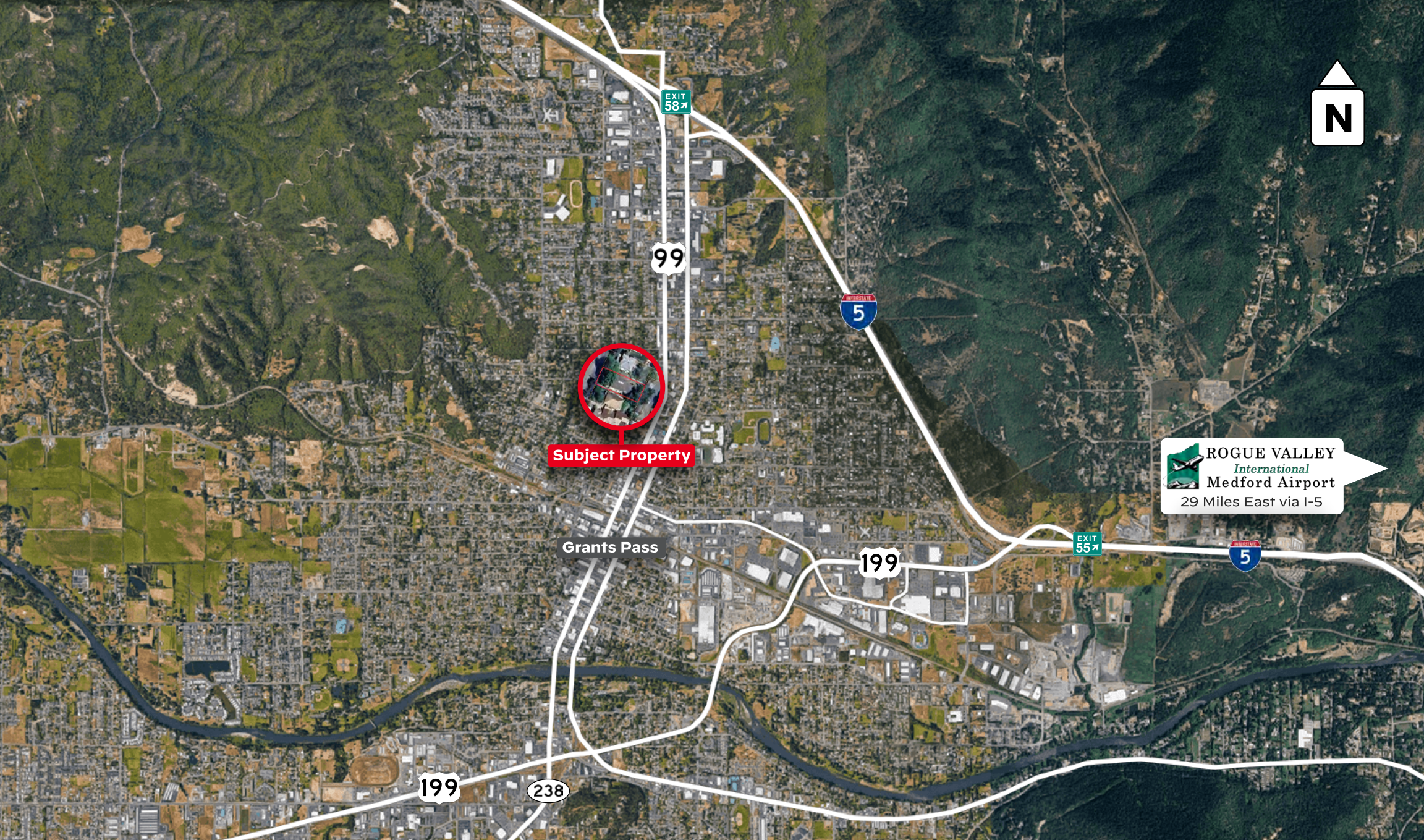
Information obtained from sources deemed reliable but not guaranteed. Subject to Buyer's independent verification. Buyer to complete all due diligence.

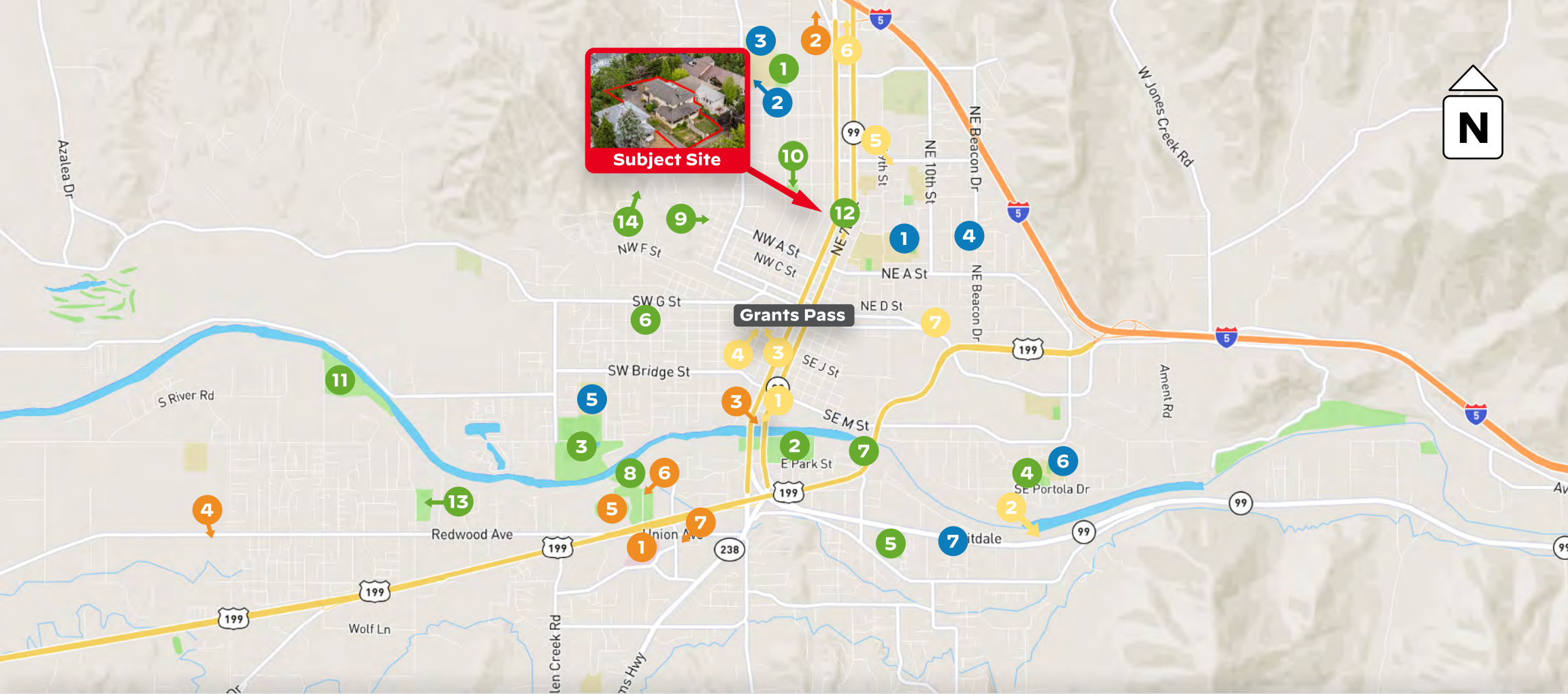


# Financial Summary - Proforma

Annual Proforma - 807 NW 5th Street												
	Year-1		Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Reversion
Gross Potential Rent	79,200		81,576	84,023	86,544	89,140	91,815	94,569	97,406	100,328	103,338	106,438
Loss-to-Lease	(15,109)		(14,280)	(13,363)	(12,350)	(11,237)	(10,016)	(8,681)	(7,223)	(5,636)	(3,911)	(2,040)
Gross Scheduled Rent	64,091		67,296	70,661	74,194	77,903	81,798	85,888	90,183	94,692	99,427	104,398
Vacancy & Credit Loss	(3,205)		(3,365)	(3,533)	(3,710)	(3,895)	(4,090)	(4,294)	(4,509)	(4,735)	(4,971)	(5,220)
Concessions	-		-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-
Effective Gross Income	60,887		63,931	67,128	70,484	74,008	77,709	81,594	85,674	89,957	94,455	99,178
Expenses	%											
Repairs & Maintenance	(3,044)	5.00%	(3,292)	(3,561)	(3,851)	(4,165)	(4,504)	(4,871)	(5,268)	(5,698)	(6,162)	(6,664)
General & Administrative	-	0.00%	-	-	-	-	-	-	-	-	-	-
Payroll	-	0.00%	-	-	-	-	-	-	-	-	-	-
Marketing	-	0.00%	-	-	-	-	-	-	-	-	-	-
Power	(3,300)	5.42%	(3,399)	(3,501)	(3,606)	(3,714)	(3,826)	(3,940)	(4,059)	(4,180)	(4,306)	(4,435)
Garbage	(1,560)	2.56%	(1,607)	(1,655)	(1,705)	(1,756)	(1,808)	(1,863)	(1,919)	(1,976)	(2,035)	(2,097)
Water & Sewer	(4,800)	7.88%	(4,944)	(5,092)	(5,245)	(5,402)	(5,565)	(5,731)	(5,903)	(6,080)	(6,263)	(6,451)
Natural Gas	(600)	0.99%	(618)	(637)	(656)	(675)	(696)	(716)	(738)	(760)	(783)	(806)
Landscaping	(1,500)	2.46%	(1,545)	(1,591)	(1,639)	(1,688)	(1,739)	(1,791)	(1,845)	(1,900)	(1,957)	(2,016)
Misc	-	0.00%	-	-	-	-	-	-	-	-	-	-
Management	(4,871)	8.00%	(5,268)	(5,697)	(6,162)	(6,664)	(7,207)	(7,794)	(8,429)	(9,116)	(9,859)	(10,663)
Taxes	(3,060)	5.03%	(3,152)	(3,246)	(3,344)	(3,444)	(3,547)	(3,654)	(3,763)	(3,876)	(3,993)	(4,112)
Insurance	(2,400)	3.94%	(2,472)	(2,546)	(2,623)	(2,701)	(2,782)	(2,866)	(2,952)	(3,040)	(3,131)	(3,225)
Total Expenses	(25,135)	41.28%	(26,297)	(27,527)	(28,829)	(30,210)	(31,674)	(33,227)	(34,876)	(36,628)	(38,490)	(40,470)
Net Operating Income	35,751		37,634	39,601	41,655	43,798	46,035	48,367	50,797	53,329	55,965	58,708
NOI Margin	58.7%		58.9%	59.0%	59.1%	59.2%	59.2%	59.3%	59.3%	59.3%	59.3%	59.2%
Capital Expenditures	-		-	-	-	-	-	-	-	-	-	
Total Debt Service	(28,706)		(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	
DSCR (Overall)	1.25		1.31	1.38	1.45	1.53	1.60	1.68	1.77	1.86	1.95	
Cash Flow After Financing	7,045		8,928	10,895	12,949	15,092	17,329	19,661	22,091	24,623	27,259	
Reversion Value (at sale)	0		0	0	0	0	0	0	0	0	903,207	
Assumptions												
5-yr note @ 5.75%, 25-yr am, 65% LTV		Investment Metrics										
		Stabilized UYOC		6.06%	Loan Constant		7.55%					
Purchase Price 585,000		Unlevered IRR		10.37%	Min. Debt Yield		10.23%					
Going-In Cap Rate 6.00%		Gross Unlevered EMx		2.21x	Unlevered NPV		99,636					
Exit Cap Rate 6.50%		Levered IRR		15.27%	Levered NPV		153,833					
Market Rent CAGR 3.00%		Gross Levered EMx		3.47x	Discount Rate		8.00%					
Expense CAGR 3.00%												
Ann. Rent Increases 5.00%												

Note: Information is provided in good faith and obtained from sources deemed reliable, but is subject to buyer's independent verification and makes no guarantees about current or future returns.





#### Schools / Education

- 1 Grants Pass High School
- 2 North Middle School
- 3 Highland Elementary
- 4 Lincoln Elementary
- 5 Parkside Elementary
- 6 Riverside Elementary
- 7 Fruitdale Elementary

#### Greenspace / Parks

- 1 Gilbert Creek Park
- 2 Riverside Park
- 3 Reinhart Park
- 4 George Eckstein Park
- 5 Morrison Cent. Park
- 6 Westholm Park
- 7 Baker Park
- 8 Tussing Park
- 9 Loveless Park
- 10 Lawnridge Park
- 11 Schroeder Park
- 12 Kesterson Park
- 13 Redwood Park
- 14 Dollar Mtn. Trail

#### Restaurants / Food Service

- 1 Taprock NW Grill
- 2 River's Edge Restaurant
- 3 Twisted Cork
- 4 Wild River Brewing
- 5 The Laughing Clam
- 6 In-N-Out
- 7 Chipotle + many more!

#### Healthcare / Other Attractions

- 1 Asante Three Rivers Hospital
- 2 ClubNW
- 3 Hellgate Jetboat Excursions
- 4 Rogue Comm. College (off map)
- 5 Dutch Bros Soccer Complex
- 6 Josephine Co. Fairgrounds
- 7 Southgate Cinemas



# Grants Pass History and Profile

**"It's the climate"**

---

**Grants Pass, Oregon** - believed to be named after General Ulysses S. Grant's battle at Vicksburg - has a rich history since the early 1800's. Grants Pass is desirable to homeowners and businesses alike for it's growing employment, natural beauty, and the City's convenient location on I-5, as well as being home to the Josephine County Fairgrounds and home of several large companies, such as Dutch Bros Coffee, AllCare Health and Asante Health System's Three Rivers Hospital.

The City was historically a hub for the timber and agriculture industries, being strategically located on the Rogue River. The local economy has significantly expanded beyond these industries, but the area remains a strong agricultural market.

Within a 30 minute drive is the domestic Grants Pass Airport as well as the Rogue Valley International-Medford Airport, a regional air travel hub for all of Southern Oregon, with well over 1M annual travelers. Breathtaking outdoor recreational activities are moments away; Upper and Lower Table Rock, the Rogue River, dozens of lakes, as well as the Crater Lake National Park are all within an easy drive.

Overall, Grants Pass is a city that blends its historical roots with a forward-looking perspective, making it a desirable destination for businesses and residents alike.

Demographic sources: CoStar, Redfin, Realtor.com, Zillow



# Why Southern Oregon?

Southern Oregon, largely encompassing Jackson and Josephine Counties, is a world-class gem hiding in plain sight. Anchored by its mild Mediterranean climate, the area boasts the winning combination of being both strategically located between Portland and San Francisco, and having forward-thinking municipal leadership. This combination drives strong economic growth and has created a long runway for development across all asset classes.

**Southern Oregon** is a gateway to the entirety of the West Coast, via Interstate 5, North through Eugene, Salem, Portland, and Washington State, and South, through Redding, San Francisco, and down to Los Angeles. The local transportation system connects the most populated cities in the region of Medford, Ashland, and Grants Pass, and has dedicated highways Northeast to Bend and West to the Oregon Coast.

**Multiple billion-dollar companies** call Southern Oregon home, such as Lithia Motors (NYSE: LAD), Asante Health Systems, Harry & David (NYSE: FLWS), Pacific Retirement Services, and countless small and mid-sized businesses.

**Historically, the area's economy** was mainly driven by the timber and agricultural industries. In the past few decades, the area has become a healthcare hub, and has a diverse economy supported by the industrial, manufacturing, logistics, retail, senior/retirement living, and finance/professional sectors. Timber and agriculture still play a role, with Timber Products and Roseburg Forest Products' main facilities located nearby.

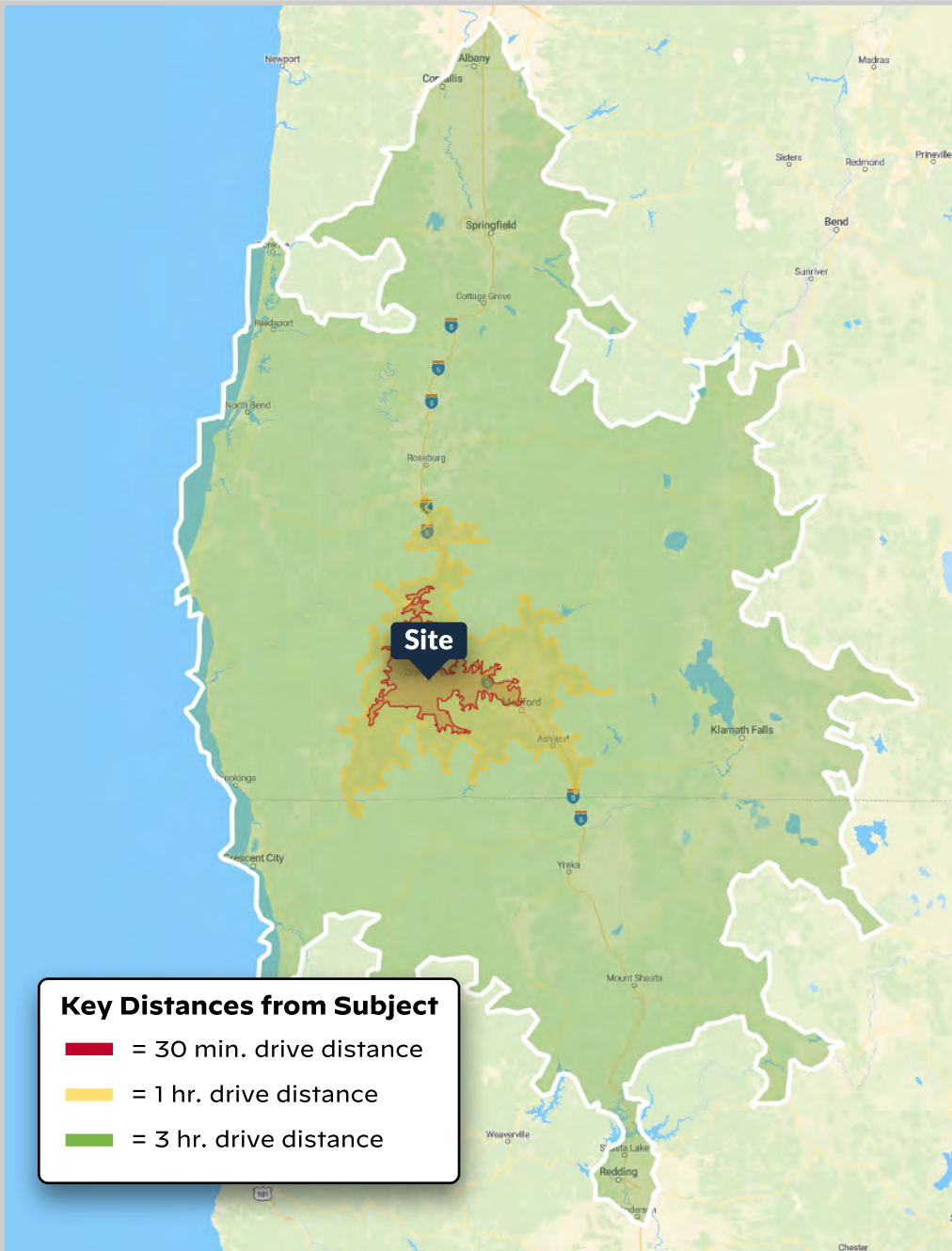
**A burgeoning golf destination**, the area has numerous renowned golf courses, and several other famous courses are within a short drive (Bandon Dunes, Pacific Dunes, Pronghorn Resort). Over 8 casinos are within a 6-hour drive, including Seven Feathers, Three Rivers, Elk Valley, and others.



# Market Summary

	Demographics	Grants Pass	Josephine County	National
Population	2021 Census Population	39,674	88,346	-
	2015 Population	36,684	84,606	-
	2010 Population	35,957	82,880	-
	Annual Growth 2010-2015	1.02%	1.04%	-
	Annual Growth 2016-2021	1.08%	1.02%	-
Personal/Education	Median HH Income	\$54,833	\$51,733	\$75,989
	Per Capita Income	\$26,875	\$29,260	\$35,384
	Median Age	39.7	47.5	38.1
	Unemployment Rate	5.30%	6.0%	3.5%
	High School Degree	90.6%	90.8%	91.1%
Housing	Bachelor's Degree	17.2%	18.1%	23.5%
	Median Home Value	\$490,800	\$488,500	\$361,970
	# Households	16,231	36,148	-
	Owner Occupied	53.7%	69.5%	60.6%
	Tenant Occupied	44.3% (±)	28.5% (±)	34% (±)
	Vacancy	2.0%	2.0%	6.0%

Note: all items listed above are from sources believed to be reliable (Census Bureau, and are provided in good faith, but are not guaranteed. Buyer, and all other parties to complete their own due diligence.





# Southern Oregon Market

# Strategic, Central Location

Southern Oregon is perfectly positioned nearly exactly halfway between Portland and Sacramento. The region's main airport, Rogue Valley International-Medford Airport (MFR) serves as both a high-traffic regional airport with dozens of direct-access and layover routes as well as a bustling private aviation hub. Well over 1m annual travelers come through MFR, with that number growing alongside the addition of several new commuter and travel routes to Portland and Salem, Arizona, California, and many others.

Medford enjoys short,  $\pm$  1 hour flight times to San Francisco (6 hr drive), Portland (4 hr drive), and Seattle (7 hr drive). The local airport recently announced plans in early 2025 to double its size and capacity over the next few years, in order to accommodate the rapid growth of the region.

From a private aviation perspective, MFR is home to 2 Fixed-Base Operators (FBOs) - Million Air and Jet Center MFR. Both are highly-active, highly-rated FBOs serving countless private aircraft owners and military personnel. Million Air prides itself on being the only FBO on the West Coast that can hangar a Boeing business jet.

The airport's low relative parking fees, combined with it's strategic, central location, has proven the region as one of the most prominent private aviation destinations in Oregon for corporations and private individuals alike.

The region's drier, sunnier climate allows for easier air travel for most of the year, compared to the rest of the State. MFR also serves as the region's air-based fire-fighting hub during the summer months.

Overall, the region is a burgeoning aviation destination, with the perfect blend of economical, weather, and geographical tailwinds spurring growth.



# Transaction Guidelines

**807 NW 5th Street** is being offered on the open market. Purchasers should rely on their own assumptions and base their offer on the "As-Is, Where-Is" condition of the property. Merit Commercial Real Estate will be available to assist prospective purchasers with their review of the offering and answer any questions within their scope of practice.

**Property Tours:** No tours are being offered prior to acceptance of a bona fide offer. During diligence, all tours will require at minimum a 24-hour notice, with 48-hour preferred.

**Offers:** There is not currently a definitive date for offers to be submitted. When a prospective buyer prepares an offer for any portion of the Site, such offers should, at a minimum, include the following:

- Purchase price
- Verifiable proof of funds
- Amount of earnest money deposit
- Buyer's due diligence period, extension options, and internal approval process
- Desired closing date
- Breakdown of closing expenses to be paid by buyer and seller, if differing from local customs

Please contact listing brokers Ashley and Caspian for additional information.

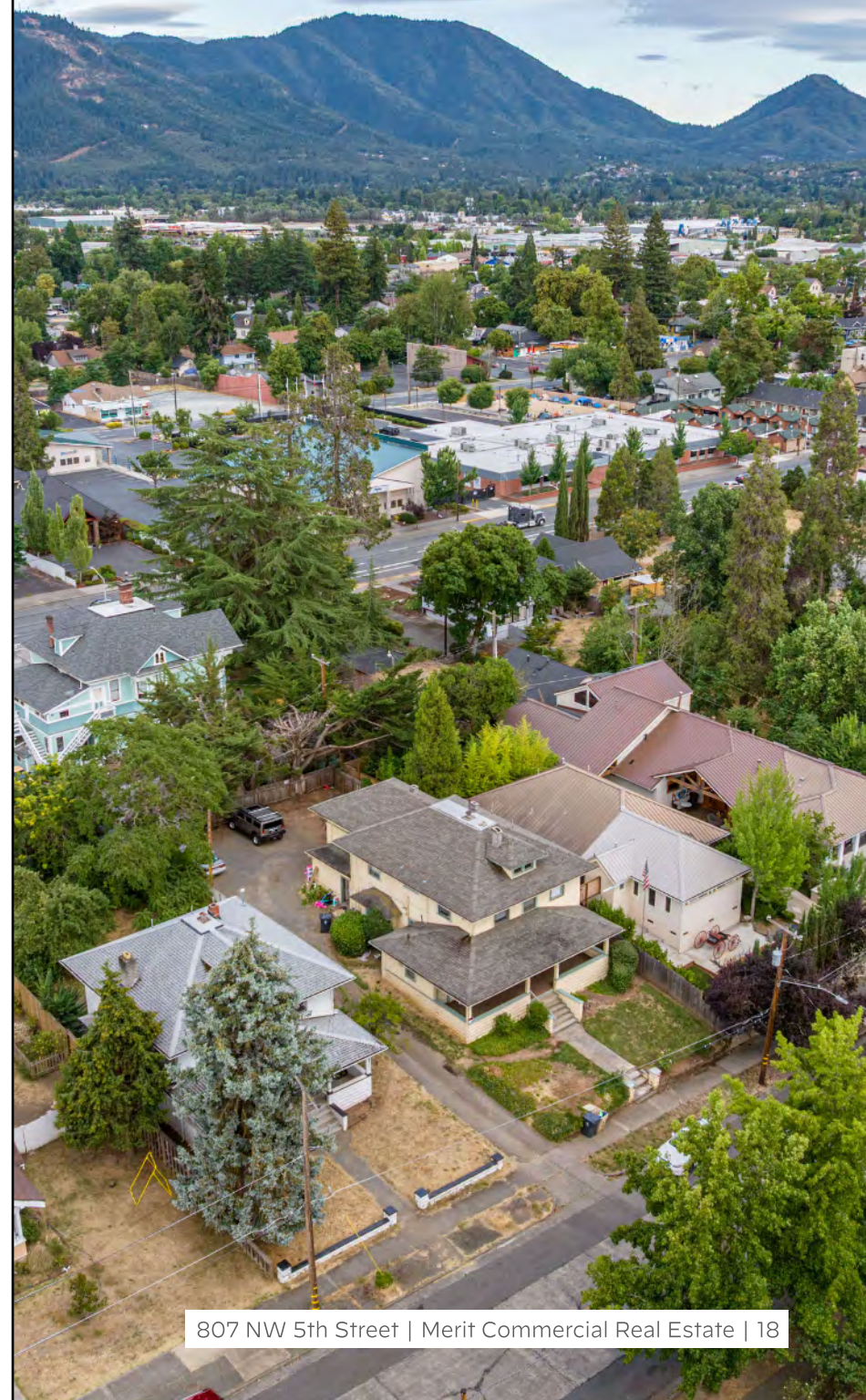
---

## Caspian Hoehne

Licensed Broker  
(541) 944-9967  
caspian@merit-commercial.com

## Scott King

Principal Broker / Owner  
(541) 890-6708  
scottking@gmail.com





# Oregon Rent Increases & Regulations

## **SB 608 & SB 611 Summary**

Per SB 608, enacted in February of 2019, the state of Oregon mandates the maximum annual rent increases for applicable multifamily properties. On July 6th, 2023, the State of Oregon passed SB 611, which, effective immediately, caps all future rent increases to a maximum of 10%, or 7% plus the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics, whichever is lower. However, the exact future rent increase maximums are not yet determined, and are typically published in Q4 of the preceding calendar year. The maximum annual rent increase for 2025 is 10.0%. Future rent increase maximums are not yet determined, and are typically published in Q4 of the preceding calendar year.

If a rental housing provider happens to increase the rent above the maximum amount allowed, SB 608 specifies a penalty of 3 months' rent, actual damages sustained by the tenant, and potential attorney fees and legal costs.

The only exemptions to this maximum rent increase limit are:

- Properties with a certificate of occupancy less than 15 years old, or
- Properties providing reduced rent to the tenant as part of any federal, state or local program or subsidy (Section 8 Housing Choice Vouchers not applicable).

Sources: MultiFamily NW, Oregon Dept of Administrative Services.

Buyer must complete any and all due diligence regarding rent increases and exemptions. All info regarding rent increases is subject to change at any time without notification to buyers or sellers.



# Notice of Disclosures

This Offering Memorandum (the "Document") is intended for only the party receiving it from Merit Commercial RE, LLC ("MCRE"), and should not be made available to any other reviewing entity without the prior written consent of MCRE. All information included in this Document has been obtained from sources deemed reliable, however, Owner, MCRE, and/or their representatives make no representations or warranties, expressed or implied, as to the accuracy of the information, and makes no warranty or representation into the exact state of the property, the presence of contaminating substances, PCB's or asbestos, the property or owner's compliance with State and Federal regulations, or the physical condition of any improvements on the property. The recipient of this Document must independently verify the information and assumes any and all risk for inaccuracies contained herein. The information contained in this Document is not a substitute for a thorough due diligence investigation.

This Document and all related materials, including but not limited to text, graphics, financial data, projections, designs, and intellectual property contained herein, are the proprietary and confidential property of MCRE. The Document is provided solely for the use of the intended recipient(s) for the purpose of evaluating the specific investment or transaction opportunity described herein.

Any unauthorized use, reproduction, duplication, distribution, or adaptation of the Document or any portion thereof, in any form or by any means, whether electronic, mechanical, or otherwise, is strictly prohibited without the express written consent of MCRE. This includes, but is not limited to, copying, modifying, creating derivative works, or using the Document as a template or basis for other materials. Such actions may constitute a violation of applicable intellectual property laws, including copyright and trade secret laws.

MCRE reserves all rights to pursue any and all legal remedies available to the fullest extent permitted by law against any individual or entity engaging in unauthorized use, reproduction, or distribution of this Document. By accepting receipt of this Document, you acknowledge and agree to abide by these restrictions and to maintain the confidentiality and integrity of the information provided.

---

**Merit Commercial RE, LLC**

Oregon license 201001084  
310 E. 6th Street, STE 400  
Medford, OR 97501

**Scott King**

Licensed Principal Broker in the  
State of Oregon (#200602153)

**Caspian Hoehne**

Licensed Real Estate Broker in the  
State of Oregon (#201234073)



**Contact listing brokers for additional information**

**Caspian Hoehne** | Broker | **Scott King** | Principal Broker

(541) 608-6704 / [team@merit-commercial.com](mailto:team@merit-commercial.com)

[www.merit-commercial.com](http://www.merit-commercial.com)