

DEVELOPMENT OPPORTUNITY

Penn Lofts

445 NE Penn Ave | Bend, OR

Fully-Approved Micro-Unit Development

PRICE REDUCED



PROPERTY SUMMARY

Offering Price	\$2,100,000
Proposed Unit Count	59 Units
Proposed Building Size	41,334 SF
Land Size	0.48 AC
Zoning	RH (Residential High Density)
Proforma Cap (completed project)	5.14%

HIGHLIGHTS

- Fully-approved micro unit project
- Excellent Midtown Bend Location with proximity to Third Street amenities and downtown
- High-demand market area
- Modern and efficient design
- MUPTE tax exemption approval (see pages 11 and 12)



Chuck Brazer
503 734 7175
cbrazer@naicascade.com

HIA[®]US HOMES

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Project Description



INTRODUCING PENN LOFTS

An innovative micro-unit development opportunity ideally located at 445 NE Penn Avenue in the heart of Bend, Oregon. Offered at \$2,400,000, this 0.48-acre site is zoned RH (Residential High Density) and is approved for a thoughtfully designed 59-unit multifamily project. With a total proposed building size of 41,334 square feet, Penn Lofts combines a high-density footprint with efficient, modern living in vibrant and dynamic midtown, the City of Bend's focus for business growth and redevelopment, and just minutes from Downtown Bend.

Each unit is a lofted, one-bedroom apartment featuring 13 ft high ceilings and full windowed wall for abundant natural light and territorial views. A kitchenette, full bathroom and built-in storage are efficiently tucked beneath the stairwell maximizing open living space.

Penn Lofts fosters community in a way that sets it apart from traditional multifamily developments. Each floor includes a shared living area with a full kitchen, co-working space and lounge section for gathering with friends. A state-of-the-art onsite gym and conference room cater to Bend's remote workforce and social lifestyle.

This forward-thinking development is designed to meet the growing housing demand in one of Oregon's fastest-growing markets and qualifies for a MUPT tax exemption (more info on pages 11 and 12). The projected valuation at completion is \$24 million, with an expected 5.14% capitalization rate, based on 95% stabilized occupancy, market-rate rents, and realistic operating expenses. The estimate reflects an anticipated 18–24 month construction timeline and continued improvement in market fundamentals.

Penn Lofts represents a rare opportunity to invest in Bend's sustainable, community-centered urban future.



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Development Summary

Sales Price	\$2,100,000																						
Address	445 NE Penn Ave Bend, OR 97701																						
Tax Account	105177																						
Acres	0.48 (20,908 SF)																						
Zoning	RH- Residential High Density The High Density Residential District is intended to provide land for primarily high density multi-unit residential in locations close to shopping and services, transportation and public open space and to provide a transitional use area between other Residential Districts and other less restrictive areas. The minimum density of the district is 21.7 units per gross acre and there is no maximum density.																						
Current Use	Vacant																						
Proposed Use	Micro Unit Housing (59 Units)																						
Allowed Use in Zone	Allowed																						
Max Site Coverage	None																						
FAR	None																						
Density	21.7 units/gross acre- no maximum																						
Height Limit	50' allowable. 49'2" proposed																						
Parking	OAR 660-012-0430 may not be required for units under 750 SF (allowable). 9 stalls approved.																						
Development Proposal	The project site is located at 445 NE Penn Avenue and is an approved high density residential zoned lot. The project proposes (1) 3 story, 41,334 sf building of (59) micro housing units. The project provides (3) community rooms. (9) parking spaces will be provided on site and will serve the tenant and common area uses of the project, prioritizing ADA and EV parking spaces.																						
Development Status	Land Use Permit: Approved through October 2025 (may be extended) Full Plan Set: Available Construction Bid: Available (2023) SDCs: Deferred to C/O (unpaid) <u>Planning Applications</u> <table><tr><td>Pre-Application:</td><td>Closed</td></tr><tr><td>Site Plan Review:</td><td>Approved</td></tr><tr><td>Variance:</td><td>Approved</td></tr><tr><td>Lot Line Adjustment:</td><td>Approved</td></tr><tr><td>Modification of Approval:</td><td>Approved</td></tr></table> <u>Engineering Permit Applications</u> <table><tr><td>Grading:</td><td>Permit Issued</td></tr><tr><td>Drainage:</td><td>Permit Issued</td></tr><tr><td>Transportation Facilities Report:</td><td>Permit Issued</td></tr></table> <u>Permit Applications</u> <table><tr><td>New Construction/Installation:</td><td>Permit Issued</td></tr><tr><td>Hydrant Meter Application:</td><td>Permit Issued</td></tr><tr><td>SDC Estimate:</td><td>Permit Issued</td></tr></table>	Pre-Application:	Closed	Site Plan Review:	Approved	Variance:	Approved	Lot Line Adjustment:	Approved	Modification of Approval:	Approved	Grading:	Permit Issued	Drainage:	Permit Issued	Transportation Facilities Report:	Permit Issued	New Construction/Installation:	Permit Issued	Hydrant Meter Application:	Permit Issued	SDC Estimate:	Permit Issued
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Prospective Renderings



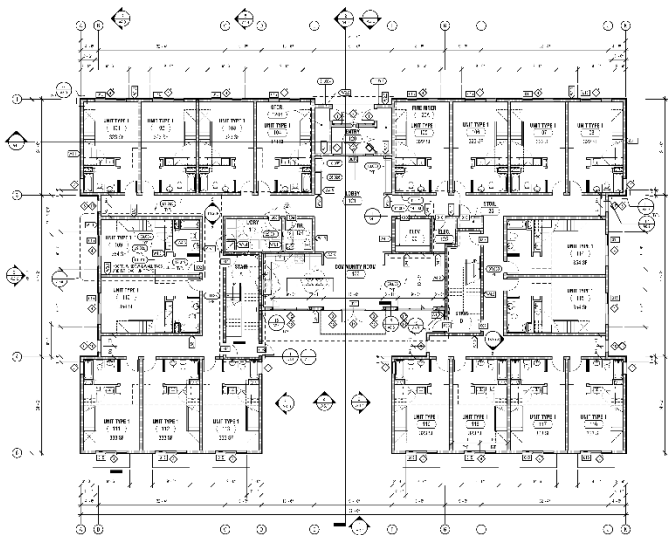
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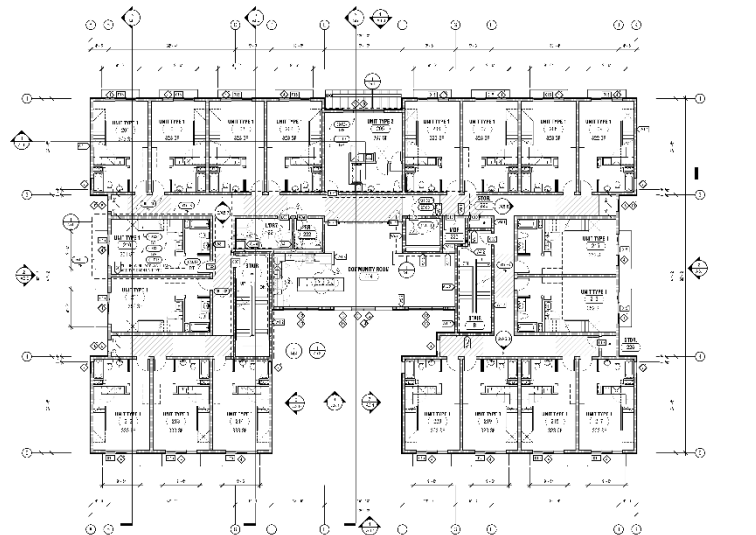
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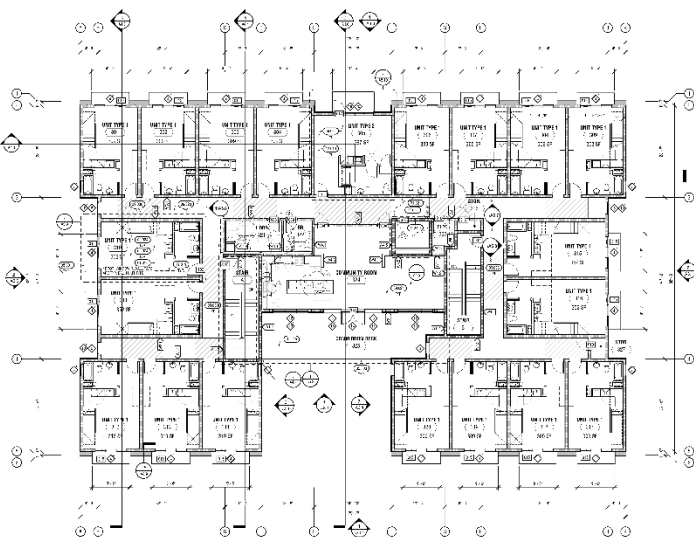
Prospective Floor Plans



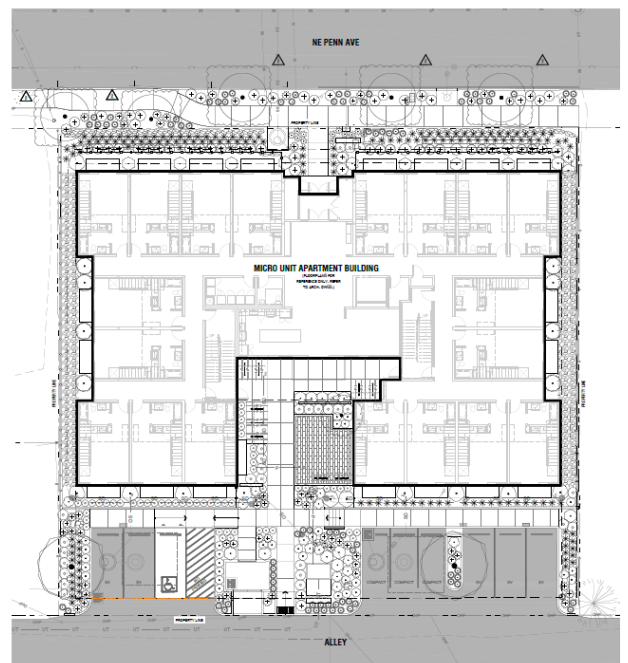
1 FIRST FLOOR PLAN



2 SECOND FLOOR PLAN



3 THIRD FLOOR PLAN



Full plan set available upon request.

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Rent Roll (Completed Project)

Unit	Floor	Total SF	Orientation	Placement	Views	Total Rent	MUPTE Qualified
101	1	466.5	North	Corner	Street	1802.78	Yes
102	1	466.5	North	Interior	Street	1727.78	Yes
103	1	466.5	North	Interior	Street	1727.78	Yes
104	1	466.5	North	End	Street	1762.78	Yes
105	1	465.5	North	End	Street	1759.43	Yes
106	1	466.5	North	Interior	Street	1727.78	Yes
107	1	465.5	North	Interior	Street	1724.43	Yes
108	1	465.5	North	Corner	Street	1799.43	Yes
111	1	476.5	South	Corner	Alley	1916.28	Yes
112	1	476.5	South	Interior	Alley	1841.28	Yes
113	1	476.5	South	Corner	Alley	1916.28	Yes
116	1	466.5	South	Corner	Alley	1882.78	Yes
117	1	466.5	South	Interior	Alley	1807.78	Yes
118	1	466.5	South	Interior	Alley	1807.78	Yes
119	1	466.5	South	Corner	Alley	1882.78	Yes
201	2	466.5	North	Corner	Neighborhood	1755.15	Yes
202	2	466.5	North	Interior	Neighborhood	1680.15	Yes
203	2	466.5	North	Interior	Neighborhood	1680.15	Yes
204	2	466.5	North	Interior	Neighborhood	1680.15	Yes
205	2	397	North	ADA	Neighborhood	1350.70	Yes
206	2	466.5	North	Interior	Neighborhood	1680.15	Yes
207	2	466.5	North	Interior	Neighborhood	1680.15	Yes
208	2	466.5	North	Interior	Neighborhood	1680.15	Yes
209	2	465.5	North	Corner	Neighborhood	1752.05	Yes
213	2	476.5	South	Interior	Mountain	1958.15	Yes
218	2	466.5	South	Interior	Mountain	1927.15	Yes
219	2	466.5	South	Interior	Mountain	1927.15	Yes
109	1	497.5	West	End	Privacy	2036.63	
110	1	497.5	West	End	Privacy	2036.63	
114	1	497.5	East	End	Privacy	2036.63	
115	1	497.5	East	End	Privacy	2036.63	
210	2	495.5	West	End	Mountain	2052.05	
211	2	495.5	West	End	Mountain	2052.05	
212	2	476.5	South	Corner	Mountain	2033.15	
214	2	476.5	South	Corner	Mountain	2033.15	
215	2	495.5	East	End	Butte	2052.05	
216	2	495.5	East	End	Butte	2052.05	
217	2	466.5	South	Corner	Mountain	2002.15	
220	2	466.5	South	Corner	Mountain	2002.15	
301	3	452.5	North	Corner	Hills	2615.13	
302	3	452.5	North	Interior	Hills	2540.13	
303	3	452.5	North	Interior	Hills	2540.13	
304	3	452.5	North	Interior	Hills	2540.13	
305	3	397	North	ADA	Hills	2592.25	
306	3	452.5	North	Interior	Hills	2540.13	
307	3	452.5	North	Interior	Hills	2540.13	
308	3	452.5	North	Interior	Hills	2540.13	
309	3	452.5	North	Corner	Hills	2615.13	
310	3	495.5	West	End	Mountain	2997.88	
311	3	495.5	West	End	Mountain	2997.88	
312	3	461.5	South	Corner	Mountain	2893.38	
313	3	462.5	South	Interior	Mountain	2822.63	
314	3	461.5	South	Corner	Mountain	2893.38	
315	3	495.5	East	End	Butte	2997.88	
316	3	495.5	East	End	Butte	2997.88	
317	3	452.5	South	Corner	Mountain	2855.13	
318	3	452.5	South	Interior	Mountain	2780.13	
319	3	452.5	South	Interior	Mountain	2780.13	
320	3	452.5	South	Corner	Mountain	2855.13	
Average Monthly						\$ 2,155.90	
Total Monthly						\$ 127,198.25	
Total Annually						\$ 1,526,379.00	



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Proforma (Completed Project)

Annual Property Operating Data (Proforma)

Units	59	Age	Land	Cap Rate	5.14%
Acres	0.48	Rentable Square Footage	33,061	GRM	15.72
Value	\$24,000,000	Price Per Unit	\$406,780	Price Per SF	\$725.93

Rent Roll

Qty.	Unit Type	Approx. Sq. Ft.	Avg. Rent	Rent/SF
59	1 BD/1 BA Lofts	468	\$2,156	\$4.61
59		27,614	\$127,198	

Income	Annual	Per Unit
Potential Rental Income	\$ 1,526,376	\$ 25,871
RUBS (\$60/unit/mo)	\$ 42,480	\$ 720
Parking/EV	\$ 13,600	\$ 231
Laundry	\$ 14,160	\$ 240
Gross Operating Income	\$ 1,596,616	\$ 27,061
Vacancy	\$ (76,319) (5.00%)	\$ (1,294)
Effective Operating Income	\$ 1,520,297	\$ 25,768

Operating Expenses	Annual	% GRI	Per Unit
Real Estate Taxes Exempt	\$ -	0.00%	\$ -
Property Insurance Est	\$ 20,957	1.38%	\$ 355
Utilities Est	\$ 94,872	6.24%	\$ 1,608
Maintenance/Repair/Grounds Est	\$ 26,550	1.75%	\$ 450
Turnover Est	\$ 23,718	1.56%	\$ 402
Elevator Est	\$ 7,137	0.47%	\$ 121
Advertising Est	\$ 6,372	0.42%	\$ 108
Administration Est	\$ 1,522	0.10%	\$ 26
Management Est	\$ 106,420	7.00%	\$ 1,804
Total Operating Expense	\$ 287,548	18.91%	\$ 4,874
Net Operating Income	\$ 1,232,749		\$ 20,894



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Aerial Map



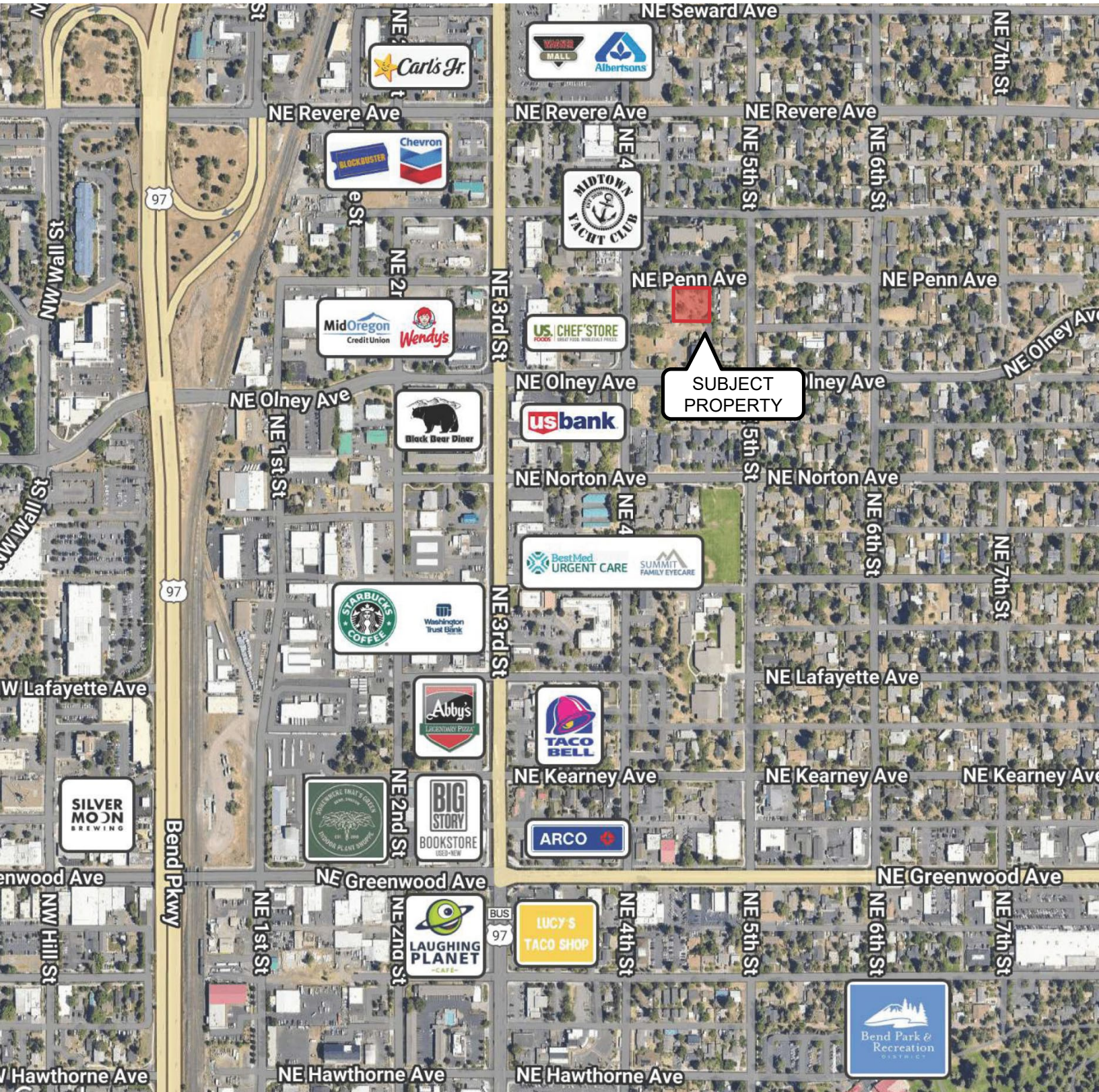
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Amenities Map



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Demographics

DEMOGRAPHIC SUMMARY

445 NE Penn Ave, Bend, Oregon, 97701 2
Drive time of 5 minutes

KEY FACTS

13,932

Population



2.2

Average Household Size

38.4

Median Age

\$94,039

Median Household Income

EDUCATION

3%

No High School Diploma



17%

High School Graduate



27%

Some College



53%

Bachelor's/Grad/Prof Degree

BUSINESS



1,986

Total Businesses



15,595

Total Employees

INCOME



\$94,039

Median Household Income



\$51,868

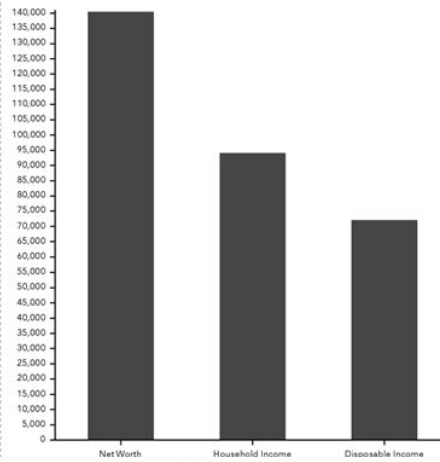
Per Capita Income



\$140,465

Median Net Worth

2022 Median Net Worth



EMPLOYMENT



White Collar

72%



Blue Collar

14%



Services

14%

4.2%

Unemployment Rate

ANNUAL HOUSEHOLD SPENDING



\$2,500

Apparel & Services



\$238

Computers & Hardware



\$4,153

Eating Out



\$7,319

Groceries



\$7,334

Health Care

ANNUAL LIFESTYLE SPENDING



\$3,550

Travel



\$116

Theatre/Operas/ Concerts



\$83

Movies/Museums/ Parks



\$93

Sports Events



\$11

Online Games

HOUSING STATS



\$722,281

Median Home Value



\$12,377

Average Spent on Mortgage & Basics



\$1,448

Median Contract Rent

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Bend, OR



Situated on the eastern edge of the Cascade Range along the Deschutes River, Bend joins forested mountain highlands and high desert plateaus, offering diverse scenery and outdoor activities.

The largest city in Central Oregon, Bend, is the commercial, recreation and social center of the tri-county region and also serves as the county seat of Deschutes County. It covers 32 square miles and sits at an elevation of 3,625 feet. Bend is noted for its scenic setting and year-round recreational activities.

Bend was rated the best performing small metro for from 2018-2022. Economically, Bend started as a logging town, but began a transition to a more varied sustainable economy in the 1980's when it became apparent that the lumber mills were no longer vital.

Unlike resort communities such as Aspen or Jackson Hole, Bend's lifestyle and quality workforce draw many successful companies in the aviation, manufacturing, renewable energy, high-tech, healthcare and recreation equipment sectors. Many of Bend's companies are owner-operated in the small to midsize range, typically with 10 to 15 employees. Companies like Breedlove Guitars, G5 Search Marketing, Deschutes Brewery, Hydro Flask and Bend Research provide solid employment and bring in vital traded-sector dollars to Bend's economy.

Source: EDCO (Economic Development of Central Oregon) edcoinfo.com/communities



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MUPTE Tax Exemption Approval



CITY OF BEND
COMMUNITY AND
ECONOMIC DEVELOPMENT

STAFF REPORT FOR MULTIPLE UNIT PROPERTY TAX EXEMPTION

PROJECT NUMBER: PRTX202300065
CITY COUNCIL DATE: April 17, 2024
**APPLICANT/
OWNER:** Hiatus Homes
Jesse Russell
740 NE 3rd Street 3-314
Bend, OR 97703

OWNER: Hiatus Capital Fund LLC
20856 SE Sotra Loop
Bend, OR 97702

**APPLICANT'S
REPRESENTATIVE:** n/a

LOCATION: 445 NE Penn Avenue Bend, OR; Tax Lot 171233BB00200
Between Revere and Olney Avenues and NE 4th & NE 5th Street

REQUEST: Multiple Unit Property Tax Exemption, 10-year tax abatement on
residential improvements

STAFF REVIEWER: Allison Platt, Economic Development

RECOMMENATION: Approval

DATE: February 20, 2024

PROJECT & SITE OVERVIEW:

The project site is at 445 NE Penn Ave in the High Density Residential (RH) zone, outside the Core Tax Increment Finance (TIF) Area. This application, submitted in January 2024, is a revision from an initial Multiple Unit Property Tax Exemption (MUPTE) application submitted by the same applicant in February of 2023. The project, subject to this MUPTE application proposes one (1) 3-story micro-unit building with 59 dwelling units. Thirty percent (30%) - 18 units - will be designated middle income housing and rented at levels affordable to those making 120% Area Median Income (AMI) or less. While the applicant will be required to deed-restrict 18 of the units to middle income levels for the 10-year exemption period, the project's proforma indicates a total of 27 units will likely meet middle-income rental levels (\$1,998 per month or less). In addition, two of the units will be dedicated as units accessible under Americans with Disabilities Act (ADA) standards. The project emphasizes community interaction and will include: three community spaces, one on each floor; a south-facing deck on the third floor; a community kitchen; and co-working spaces. Nine parking spaces will be provided on site and serve the project's tenant and common area uses. Five of these spaces will be served with Electric Vehicle (EV) charging infrastructure. In addition, the project includes



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MUPTE Tax Exemption Approval

77 total bicycle parking spaces (18 more than is required by the Bend Development Code) as well as e-bike charging stations.

The previous MUPTE application submitted by this applicant was for a micro-unit building that would consist of 40 units utilizing the same public benefits. The primary differences between this application in comparison to the initial application include the following:

- Addition of 19 residential units
 - 6 additional units to be deed restricted to those making 120% AMI or less
- 50% reduction of total parking spaces
 - One less space to be served with EV charging infrastructure

The property is currently vacant land with no buildings, so there is no residential or commercial displacement associated with this project.

A land use decision was approved by the City for this project in September of 2022 (PLSPR20210456) and a modification of approval (PLMOD20230480) to increase the unit count was approved in November of 2023 to increase the total number of units to 59, as proposed in this revised Multiple Unit Property Tax Exemption (MUPTE) application. Building permits for the project (PRNC202202626) were issued in October of 2023 and a building permit revision was submitted to the City on October 31, 2023, for the proposed revisions to the project that are being considered as part of this MUPTE application. The building permit revisions are still under review by the City. The applicant has not begun construction and has communicated to the City that they can't proceed with construction of this revised site plan without this tax exemption. Proceeding with a building permit revision will allow the applicant some administrative efficiencies in moving this project forward if approved for MUPTE.

Multifamily Broker

Chuck Brazer

Licensed in Oregon

SCOPE OF RESPONSIBILITIES

Chuck Brazer joins NAI Cascade with 22 years of multi-family sales real estate experience in Oregon with several national investment sales firms. Chuck was drawn to commercial real estate in college as an on-site property manager for several multi-family properties on the University of Oregon campus. His studies in architecture, business and economics gives him a unique perspective of the integration of physical asset and asset management.

BACKGROUND & EXPERIENCE

Prior to joining NAI Cascade, Chuck spent the previous 11 years at a boutique commercial firm in Portland. Throughout his tenure, he has closed nearly \$300 million in multifamily property transactions. He relocated to Central Oregon at the end of 2021, seeking the Bend lifestyle. He continues to grow his book of business and provide exceptional service to existing and new clients throughout Oregon.

Developer

Hiatus Homes

The Hiatus team is a collective of passionate problem-solvers with expertise in construction finance, high-performance building, architectural design, and real estate development.

We believe that well-designed, small-scale homes and communities create lasting value—for homeowners, investors, and cities alike.

For property owners, investors, and developers, we offer comprehensive feasibility studies to assess whether a cottage community is a smart investment. Our process evaluates zoning, infrastructure, site constraints, market demand, financial structuring, and development planning—providing a clear path from concept to completion. With deep insights into pricing, buyer demand, and sales strategy, we help ensure projects are not only viable but positioned for long-term success.

Whether you're looking to buy a home, build an ADU, or invest in a cottage community, Hiatus offers the expertise, vision, and strategy to help you make the most of your property.



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