

OFFERING MEMORANDUM


# 10405 E BURNSIDE STREET


19-Unit Apartment Community  
Located in Portland, Oregon



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# 01

## Property Overview



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# PROPERTY OVERVIEW

## 10405 E Burnside Street

### 19 Units Well Located in East Portland

**Introducing 10405 E Burnside**, a 19-unit building located in Portland's Hazelwood neighborhood. This two-story property was built in 1997 and features one- and two-bedroom units. Each apartment comes with fully equipped kitchens with dishwashers, private balconies, and in-unit laundry. Some units are also wheelchair accessible, and residents have on-site parking. The plumbing was recently completely replaced and updated.

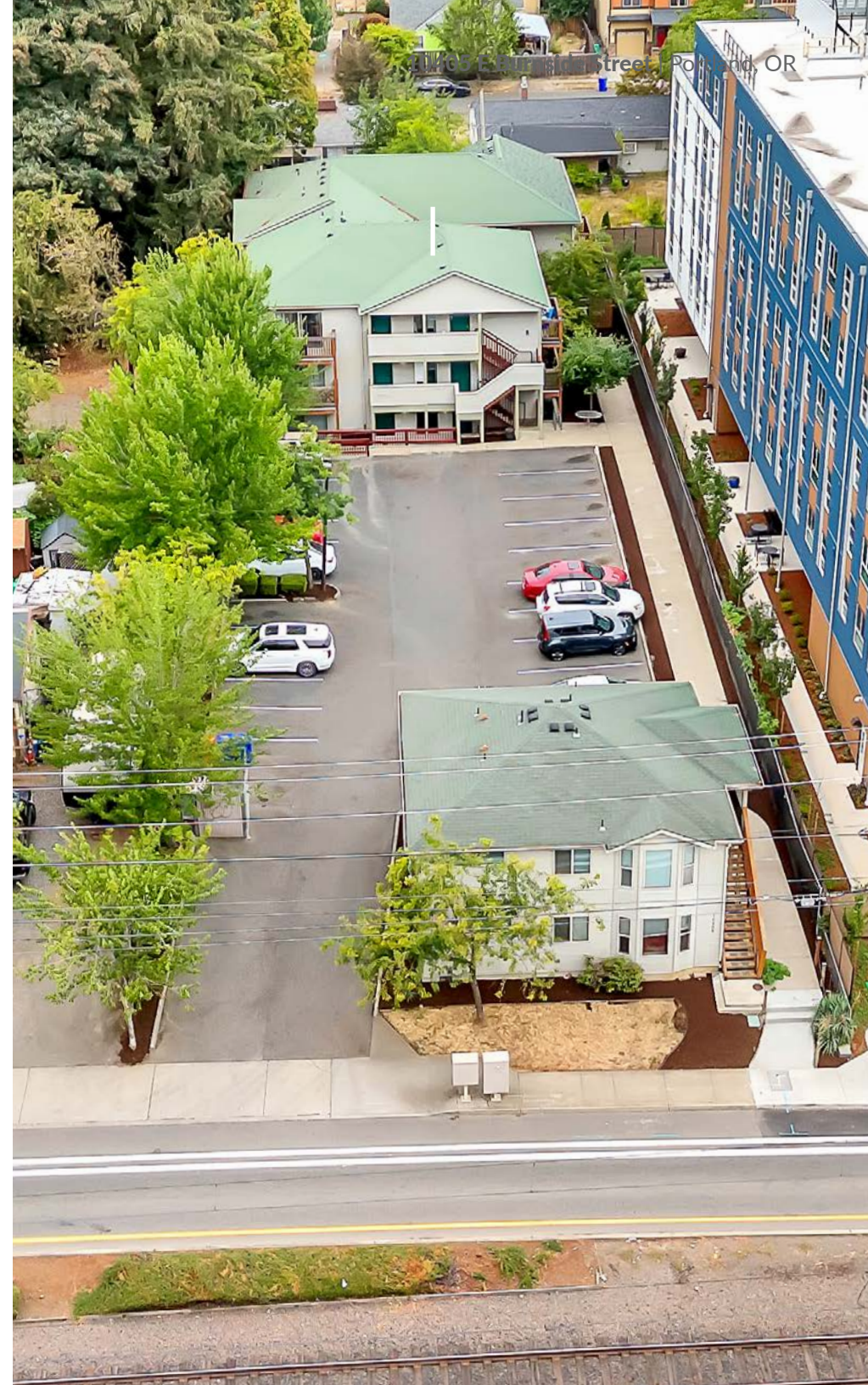
This property is centrally located in the Hazelwood, one of the largest neighborhoods in Portland. Hazelwood includes most of the Gateway Urban Renewal Area, Gateway Transit Center, the Mall 205 Shopping Center and Adventist Medical Center. The Gateway Urban Renewal project has been the driving force behind much of Portland's extensive public transit projects, including the additions of the Red, Green, and Blue TriMet MAX lines which are just minutes from 10405 E Burnside. Residents here enjoy a myriad of large, national retail-anchored shopping centers as well as great access to nearby highway entrances, allowing for easy commutes around the metro.

### Property Summary

<b>Address</b>	10405 E Burnside St, Portland, OR 97216		
<b>Year Built</b>	1997	<b>No. of Buildings</b>	2
<b>Unit Count</b>	19	<b>Lot Size</b>	0.41 AC
<b>Avg Unit Size</b>	755 SF	<b>Density (Units/AC)</b>	46.34
<b>Total Rentable Size</b>	14,340 SF	<b>County</b>	Multnomah

### Pricing Summary

<b>Price</b>	\$2,450,000	<b>Cap Rate</b>	6.15%
<b>Per/Unit</b>	\$128,947	<b>Per/SF</b>	\$171



# UNIT MIX SUMMARY

10405 E Burnside Street | Portland, OR

Unit Type	Unit Count	Avg. Unit Size (SF)	Scheduled Rents as of 01/2025	Per SF	April 2025 Rent Increases	Per SF
1 Bed / 1 Bath	4	480	\$1,074	\$2.24	\$1,094	\$2.28
1 Bed / 1 Bath	3	640	\$997	\$1.56	\$1,037	\$1.62
2 Bed / 2 Bath	12	875	\$1,249	\$1.43	\$1,294	\$1.48
<b>Totals/Averages</b>	<b>19</b>	<b>755</b>	<b>\$1,172</b>	<b>\$1.55</b>	<b>\$1,211</b>	<b>\$1.60</b>

## AMENITIES

- » Entirely replaced and updated plumbing
- » Fully equipped kitchens with dishwashers and bar-style seating
- » Dining area
- » Large windows for ample natural light
- » Balconies or patio space
- » In-unit laundry
- » Select units are wheelchair accessible
- » Off-street parking





# 02

## Location Overview



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## Hazelwood Neighborhood

Hazelwood, one of Portland's largest and most dynamic neighborhoods, combines urban convenience outside of the bustle of the city. The neighborhood is home to the Gateway Urban Renewal Area, a vital district that includes the Gateway Transit Center, the Mall 205 Shopping Center, and Adventist Medical Center, the largest employer in the area. With the creation of the Red and Green MAX train lines, residents enjoy excellent access to public transportation, connecting them easily to downtown Portland and the surrounding region. Hazelwood's retail offerings are robust, with major centers like Mall 205 and Gateway Shopping Center anchored by national retailers such as Target, Fred Meyer, The Home Depot, and Kohl's, providing ample shopping and dining opportunities.

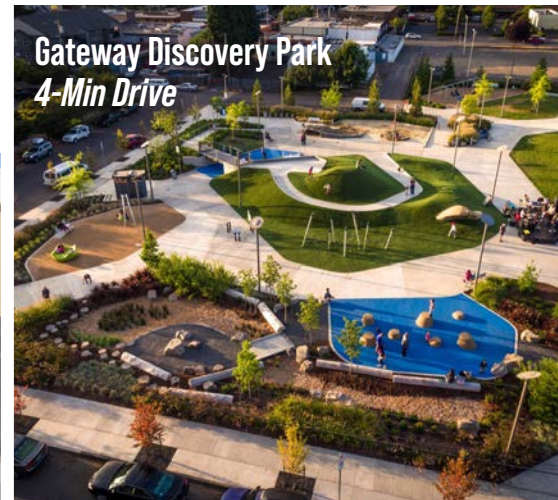
Hazelwood's designation as a Regional Center has spurred significant development, ensuring the neighborhood's continued growth and appeal. The neighborhood offers a strong mix of leisure options, from bars, restaurants, and coffee shops to the expansive Glendoveer Golf Course, which features two 18-hole courses and beautiful open spaces. For renters, Hazelwood presents a highly desirable living environment, combining walkability, great transit, and proximity to major employment hubs, making it a neighborhood primed for long-term investment potential.



**Glendoveer Golf Course**  
*8-Min Drive*



**Mall 205**  
*4-Min Drive*



**Gateway Discovery Park**  
*4-Min Drive*



**Downtown Portland**  
*20-Min Drive*



**Adventist Health Portland** | *5-Min Drive*



**TriMet MAX Line**  
*3-Min Walk*

## Why Portland?

### A Prime Investment Destination Located in the Heart of the Pacific Northwest

**10405 E Burnside Street** is nestled in the picturesque Pacific Northwest in the heart of Portland, which stands as a beacon of economic strength and natural beauty. Renowned for its vibrant culture, sustainable urban development, and unparalleled access to the great outdoors, Portland has emerged as a top-tier destination for savvy investors in the commercial real estate sector.

Known for its thriving economy, progressive business environment, and a diverse array of neighborhoods, Portland offers a wide range of opportunities for investors seeking to capitalize on the city's strategic advantages. **Portland and the apartments at 10405 E Burnside Street both present a compelling investment in a time with high demand for existing assets in an area with a burgeoning population.**



#### Strong Demand and Investment Upside

Portland's stunning natural landscape and growing population create sustained demand for multifamily rentals, while limited housing supply positions the market for potential rental growth and appreciation.



#### Strategic Location with Growth Potential

The metropolitan area provides access to employment hubs and key trade corridors, enhancing the attractiveness of multifamily investments.



#### Diverse Economic Drivers

Growth in tech, manufacturing, and healthcare sectors fuels job opportunities, supporting high demand for rental housing.



#### Extensive Public Transit and Infrastructure

An efficient transit network, including MAX Light Rail, boosts tenant demand and supports a diverse renter demographic.

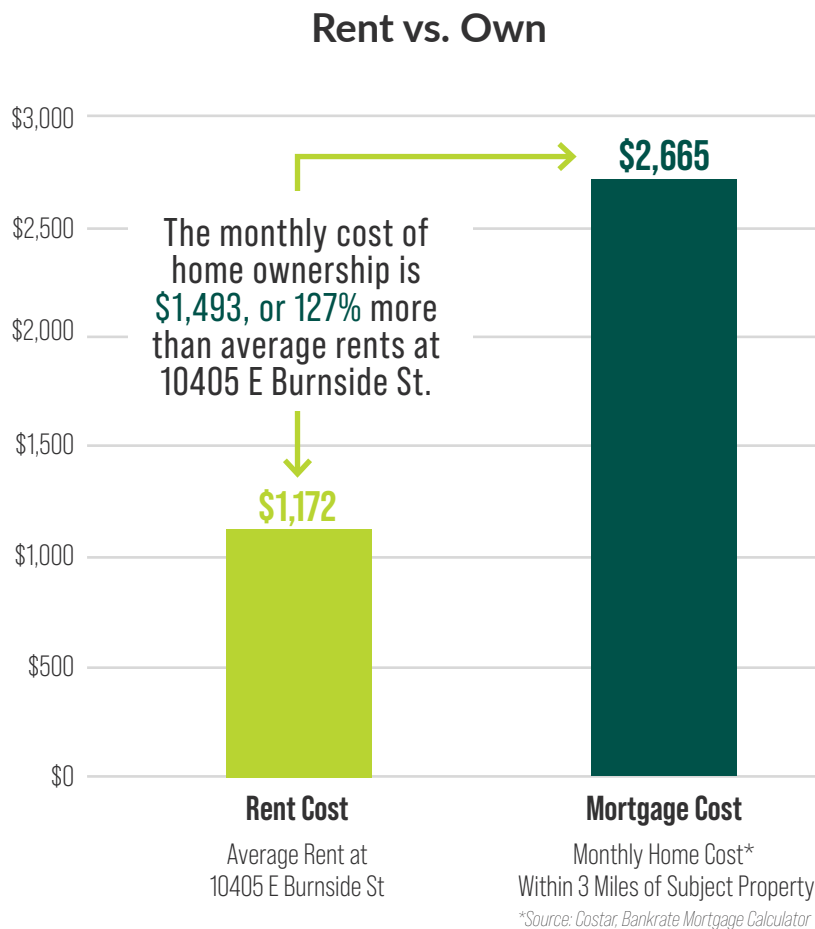




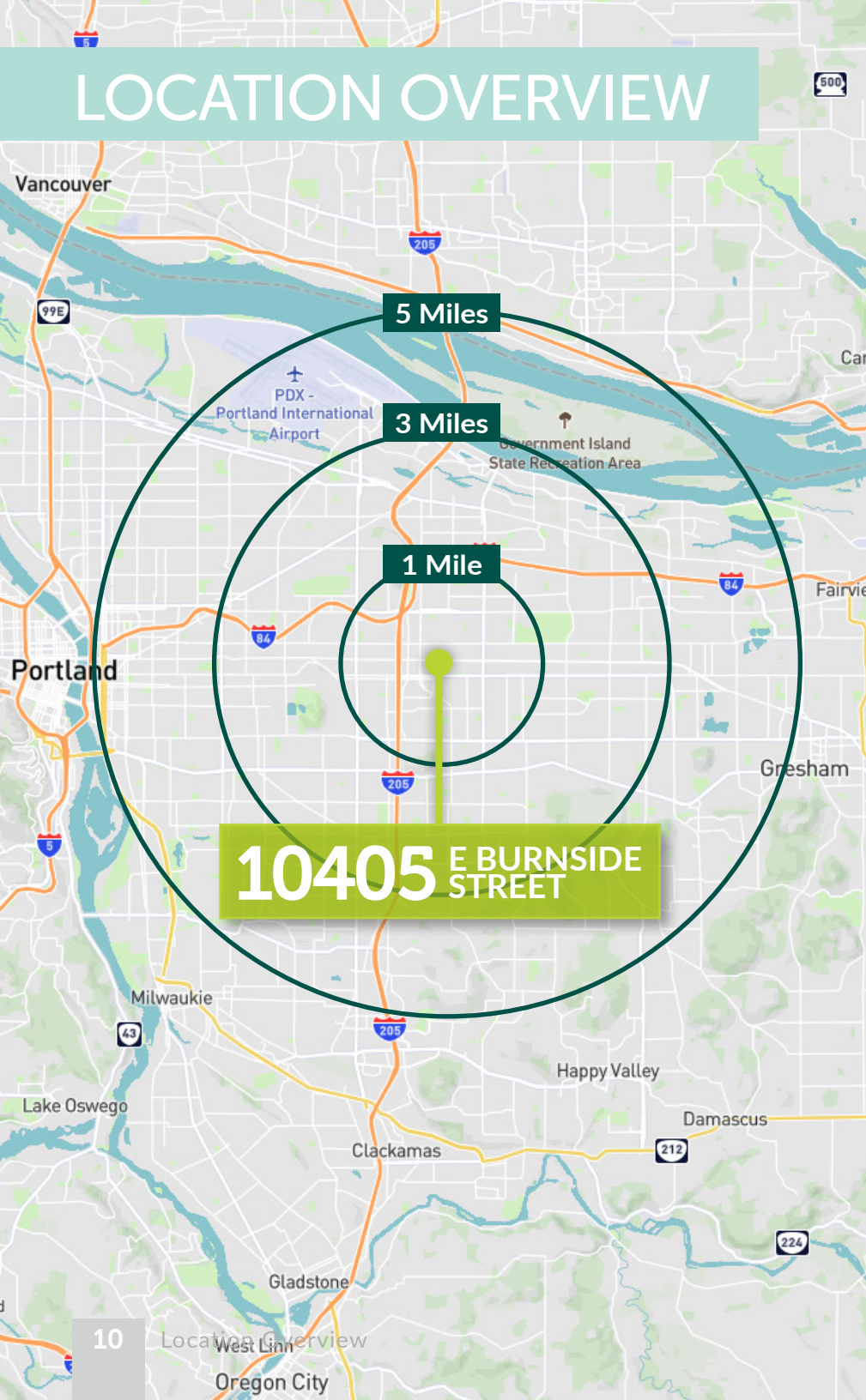
## Renters by Necessity

In a real estate landscape influenced by soaring property prices and escalating homebuying expenses, more residents are driven to rent. With mortgage rates near 7% and average home prices reaching record highs, sales of existing homes hit a 30-year low in 2023, an 18.7% decline from 2022.

Source: National Association of Realtors, Oregon Public Broadcasting



# LOCATION OVERVIEW



10405 E Burnside Street | Portland, OR

## Demographics

10405 E Burnside St offers multiple layouts and quality amenities, catering to a variety of renter lifestyles



Millennials with Family



Large Renter Population



Households with Multiple Vehicles

Distance from Subject Property	1 Mile	3 Miles	5 Miles
2020 Population	21,677	125,890	277,882
2024 Population	21,431	134,138	292,844
Annual Growth 2020-2024	-0.3%	-1.4%	-1.3%
Median Age	40.8	40.5	39.8
Avg Household Size	2.3	2.4	2.4
Avg Household Income	\$72,177	\$90,344	\$99,105
Median Home Value	\$415,842	\$434,534	\$468,070
Owner Occupied Households	3,382	36,467	82,210
Renter Occupied Households	5,040	31,942	75,304
Avg Household Vehicles	1	2	2

# 03

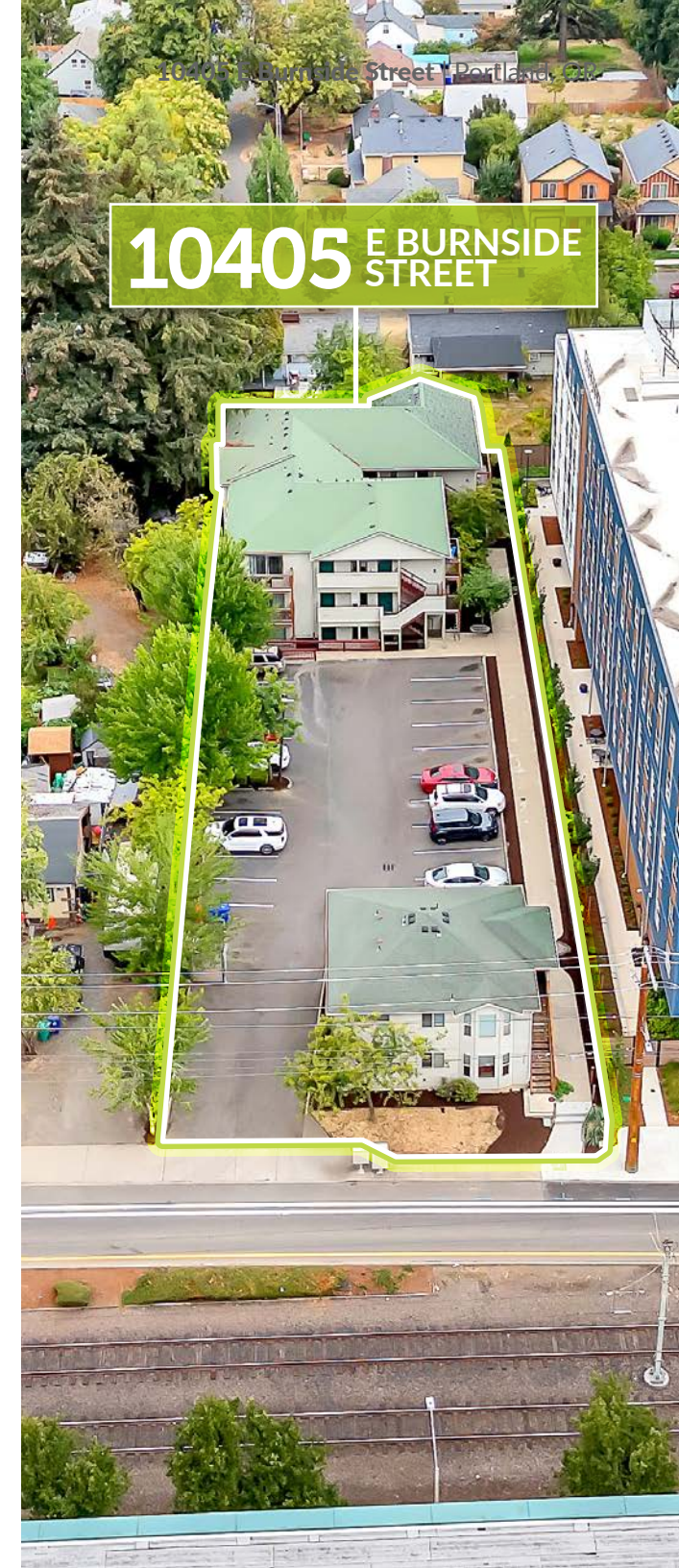
## Operations Analysis



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# OPERATIONS ANALYSIS

Income	PROJECTED OPERATIONS						Notes
	Scheduled Rents as of 01/2025			April 2025 Rent Increases			
<b>Scheduled Gross Rent</b>	\$267,300	\$14,068		\$276,120	\$14,533		1
Less: Vacancy/Credit Loss	-\$13,365	-\$703	-5.0%	-\$13,806	-\$727	-5.0%	2
<b>Net Rental Income</b>	\$253,935	\$13,365		\$262,314	\$13,806		
Utility Billing (RUBS)	\$10,080	\$531	31.5%	\$10,080	\$531	31.5%	3
Miscellaneous	\$5,400	\$284		\$5,400	\$284		4
<b>Total Other Income</b>	\$15,480	\$815	5.7%	\$15,480	\$815	5.6%	
<b>Effective Gross Income</b>	<b>\$269,415</b>	<b>\$14,180</b>		<b>\$277,794</b>	<b>\$14,621</b>		
Expenses	Projected Operations	Per Unit	% EGI	Projected Operations	Per Unit	% EGI	
Real Estate Taxes	\$30,744	\$1,618	11.4%	\$30,744	\$1,618	11.1%	5
Insurance	\$7,687	\$405	2.9%	\$7,687	\$405	2.8%	6
Electricity	\$1,509	\$79	0.6%	\$1,509	\$79	0.5%	
Water/Sewer	\$24,034	\$1,265	8.9%	\$24,034	\$1,265	8.7%	
Garbage	\$8,012	\$422	3.0%	\$8,012	\$422	2.9%	
Total Utilities	\$33,555	\$1,766	12.5%	\$33,555	\$1,766	12.1%	7
Administrative	\$2,836	\$149	1.1%	\$2,836	\$149	1.0%	8
Management	\$21,553	\$1,134	8.0%	\$22,224	\$1,170	8.0%	9
Landscaping	\$2,400	\$126	0.9%	\$2,400	\$126	0.9%	10
Repairs/Maintenance	\$10,450	\$550	3.9%	\$10,450	\$550	3.8%	11
Turnover	\$4,750	\$250	1.8%	\$4,750	\$250	1.7%	12
Reserves	\$4,750	\$250	1.8%	\$4,750	\$250	1.7%	13
<b>Total Expenses</b>	<b>\$118,725</b>			<b>\$119,395</b>			
Expenses per Unit	\$6,249			\$6,284			
% of EGI	44.1%			43.0%			
<b>NOI (Net Operating Income)</b>	<b>\$150,690</b>	<b>\$7,931</b>	<b>55.9%</b>	<b>\$158,399</b>	<b>\$8,337</b>	<b>57.0%</b>	



## Income

1. **Rental Income** Rental income is based on current scheduled rents, which average \$1,172 per unit, or \$1.55 per SF. Rent increases are slated for April 2025. These rents will average \$1,211 per unit, or \$1.60 per SF.
2. **Economic Loss** For analysis purposes, we have applied a 5.0% allocation for stabilized vacancy and credit loss, which is the market standard and is acceptable to most lenders.
3. **RUBS Income** The units are metered for electricity and tenants pay this directly. The tenants are billed for water, sewer, and garbage via a monthly RUBS charge. We have applied RUBS income at 31.5% of total utilities, consistent with scheduled utility billing.
4. **Miscellaneous Income** Miscellaneous income includes administrative fees, pet rent, early termination fees, etc. We have applied \$284 per unit, which is supported by the subject's recent operation.

## Expenses

5. **Real Estate Taxes** In Oregon, property taxes are levied on a fiscal year starting July 1st. Property taxes are not reassessed on sale and are limited to a 3.0% annual increase at the state level. Any annual increase in taxes above 3.0% is due to additional location or regional bond indebtedness not restricted by the state measure. Taxes are published in October each year, and taxes paid in full before November 15th receive a 3.0% discount on the gross amount. Most property owners elect to pay in full by this date to receive the discount.

Tax History	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
<b>Acct #: R197980</b>	\$25,605	\$28,265	\$28,737	\$30,317	\$31,694
<b>Total</b>	\$25,605	\$28,265	\$28,737	\$30,317	\$31,694
<b>w/ Discount</b>	\$24,837	\$27,417	\$27,875	\$29,407	\$30,744
<b>% Change</b>	3.29%	10.39%	1.67%	5.50%	4.54%

6. **Insurance** A new insurance policy premium is quoted at \$7,687, or \$405 per unit. This amount is within market standards and is used in projected operations.
7. **Total Utilities** Tenants pay for electricity directly. The owner is responsible for common area electricity and utilities for vacant units. We have estimated total utilities at \$1,766 per unit.
8. **Administrative** Administrative costs were approximately \$2,800 in the trailing 12 months. In projected operations, the expense is carried forward at \$149 per unit, which is within market standards.
9. **Management** An on-site manager is not necessary. Instead, all management and payroll-related expenses can be captured in a single allocation for management. We have applied 8.0% for fee management which is consistent with current rates quoted by reputable local management companies.
10. **Landscaping** We have applied \$126 per unit, which is consistent with the existing monthly landscaping contract.
11. **Repairs/Maintenance** General repairs and maintenance are estimated at \$550 per unit. This is consistent with current market standards and lender underwriting.
12. **Turnover** Turnover is estimated at \$250 per unit. This is consistent with market standards and lender underwriting for properties of similar vintage and condition.
13. **Reserves** Lenders require funds to be set aside to address future capital costs. The projected operations include \$250 per unit for reserves, which is consistent with current lender underwriting.

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