

1426 SE 25th Ave, Portland OR 97214



**JL Lutz & Company Realtors
Jim Lutz, CCIM, SEC 503-750-6388
Chris Johnson, RECS 503-407-9928**

Charming Hawthorne Rental

Location: 1426 SE 25th, Portland, OR (1/2 Block N of Hawthorne)

<u>Unit Mix:</u>	<u>Units</u>	<u>Type</u>	<u>Approx Sq. Ft.</u>	<u>Mo'ly Rent</u>
	1	2 Brm 2 Bath	1,250	\$1,645
	2	2 Brm 1 Bath	1,000	\$1,075
	3	2 Brm 1 Bath	778	\$ 995
	4	2 Brm 1 Bath	778	\$ 995

Note: Actual rents are shown on APOD and rent roll. Rents above will be starting in 2009.

Year Built: 1915

Desired Transaction: Sale or Exchange

Terms: Cash, Conventional, FHA, VA

Seller will consider an exchange down in value. The current loan balance is approximately \$500,000.

Tenants love the building and the location. An excellent location with quick access to mass transit and an easy walk or bike ride to stores and services.

Great for owner occupant or investor. Very flexible CS zoning.

Please do not contact the tenants. All offers will be subject to inspection.

For More Information Contact:

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MrPlex.com

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All information is from sources deemed reliable but is not guaranteed. A prospective purchaser is expected to verify all information and complete their professional inspections during their due diligence. Subject to prior sale, changes and withdrawal.

Charming Hawthorne Rental

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Excellent located multifamily rental. Units have tons of charm and are very easy to rent. Building features upgraded electrical service, on site coin op washer and dryer, basement and outside storage. 1 unit has a fireplace. The property is zoned CS (Storefront Commercial). This zoning is one of the most flexible in the City allowing many different uses and has no minimum lot size. Rents will go up another \$245 per month beginning 2009 or sooner.

Please do not disturb the residents. Offers are subject to inspections. www.MrPlex.com

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Owners of this property are Oregon Real Estate Brokers. Rents as of 8/2008.

Unit Description	SF	Units	Ttl SF	\$/Month	\$/Unit	\$/SF
2 Bed 2 Ba - \$1,445	1,250	1	1,250	1,445	1,445	1.16

Unit Description	SF	Units	Ttl SF	\$/Month	\$/Unit	\$/SF
2 Bed 1 Ba - \$1,075	1,000	1	1,000	1,075	1,075	1.08

Unit Description	SF	Units	Ttl SF	\$/Month	\$/Unit	\$/SF
2 Bed 1 Ba - \$950	778	1	778	950	950	1.22

Unit Description	SF	Units	Ttl SF	\$/Month	\$/Unit	\$/SF
2 Bed 1 Ba - \$995	778	1	778	995	995	1.28

Unit Description	SF	Units	Ttl SF	\$/Month	\$/Unit	\$/SF
Totals		4	3,806	4,465	1,116	1.17

Annual Property Operating Data

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Purpose	Brokers Estimate
Name	Charming Hawthorne Rental
Location	1426 SE 25th, Portland, OR
Property Type	Apartments
Date	3 September 2008
Units	4

Price	\$735,000
-Loans	477,750
Down Payment	257,250
+Acq Costs	4,000
+Loan Points	4,778
Investment	266,028

	\$/Unit	% of GI	Annual \$
Gross Income			
2 Bed 2 Ba - \$1,445 (1 units)	\$17,340	32.4%	\$17,340
2 Bed 1 Ba - \$1,075 (1 units)	12,900	24.1%	12,900
2 Bed 1 Ba - \$950 (1 units)	11,400	21.3%	11,400
2 Bed 1 Ba - \$995 (1 units)	11,940	22.3%	11,940
Total Gross Income	\$13,395	100.0%	\$53,580
- Vacancy & Credit Loss	670	5.0%	2,679
Effective Income	\$12,725	95.0%	\$50,901
Less: Operating Expenses			
Real Estate Taxes	1,214	9.1%	4,855
Garbage	156	1.2%	625
Water/Sewer	395	2.9%	1,579
Insurance	552	4.1%	2,209
Misc	509	3.8%	2,036
Total Operating Expenses	\$2,826	21.1%	\$11,304
Net Operating Income	\$9,899	73.9%	\$39,597
Less: Debt Service			
Loan	9,535	71.2%	38,142
Total Debt Service	\$9,535	71.2%	\$38,142
Net Operating Cash Flow	\$364	2.7%	\$1,455

Capitalization Rate	5.39%
Gross Income Multiplier	13.72
Cash on Cash	0.55%
Debt Coverage Ratio	1.038
Loan to Value	65.00%
Loan Constant	7.98%

The data and calculations presented herein, while not guaranteed, have been obtained from sources we believe to be reliable.
Produced by planEASe for Windows from Analytic Associates



Executive Summary

Prepared By: Jim Lutz, CCIM, SEC

Site Type: Radius	1426 SE 25th Ave Portland, OR 97214 Radius: .5 mile	1426 SE 25th Ave Portland, OR 97214 Radius: 1 mile	1426 SE 25th Ave Portland, OR 97214 Radius: 3 mile
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2008 Population

Total Population	8,254	28,804	192,698
Male Population	49.2%	49.7%	50.0%
Female Population	50.8%	50.3%	50.0%
Median Age	35.5	35.0	37.5

2008 Income

Median HH Income	\$50,814	\$50,641	\$51,108
Per Capita Income	\$34,875	\$32,726	\$34,292
Average HH Income	\$66,003	\$63,445	\$68,046

2008 Households

Total Households	4,334	14,668	95,505
Average Household Size	1.85	1.90	1.94
1990-2000 Annual Rate	0.12%	0.33%	0.63%

2008 Housing

Owner Occupied Housing Units	34.8%	36.2%	42.5%
Renter Occupied Housing Units	59.5%	58.0%	50.4%
Vacant Housing Units	5.7%	5.8%	7.2%

Population

1990 Population	8,503	28,766	179,106
2000 Population	8,228	28,647	184,656
2008 Population	8,254	28,804	192,698
2013 Population	8,395	29,336	199,322
1990-2000 Annual Rate	-0.33%	-0.04%	0.31%
2000-2008 Annual Rate	0.04%	0.07%	0.52%
2008-2013 Annual Rate	0.34%	0.37%	0.68%

In the identified market area, the current year population is 192,698. In 2000, the Census count in the market area was 184,656. The rate of change since 2000 was 0.52 percent annually. The five-year projection for the population in the market area is 199,322, representing a change of 0.68 percent annually from 2008 to 2013. Currently, the population is 50.0 percent male and 50.0 percent female.

Households

1990 Households	4,212	13,904	83,822
2000 Households	4,262	14,372	89,231
2008 Households	4,334	14,668	95,505
2013 Households	4,418	14,983	99,526
1990-2000 Annual Rate	0.12%	0.33%	0.63%
2000-2008 Annual Rate	0.2%	0.25%	0.83%
2008-2013 Annual Rate	0.38%	0.43%	0.83%

The household count in this market area has changed from 89,231 in 2000 to 95,505 in the current year, a change of 0.83 percent annually. The five-year projection of households is 99,526, a change of 0.83 percent annually from the current year total. Average household size is currently 1.94, compared to 1.99 in the year 2000. The number of families in the current year is 37,404 in the market area.

Housing

Currently, 42.5 percent of the 102,865 housing units in the market area are owner occupied; 50.4 percent, renter occupied; and 7.2 percent are vacant. In 2000, there were 94,622 housing units— 41.8 percent owner occupied, 52.5 percent renter occupied and 5.7 percent vacant. The rate of change in housing units since 2000 is 1.02 percent. Median home value in the market area is \$348,067, compared to a median home value of \$192,285 for the U.S. In five years, median home value is projected to change by 1.3 percent annually to \$371,345. From 2000 to the current year, median home value changed by 8.46 percent annually.



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Median Household Income

1990 Median HH Income	\$21,446	\$20,951	\$23,596
2000 Median HH Income	\$35,540	\$35,443	\$37,635
2008 Median HH Income	\$50,814	\$50,641	\$51,108
2013 Median HH Income	\$64,975	\$64,346	\$62,893
1990-2000 Annual Rate	5.18%	5.4%	4.78%
2000-2008 Annual Rate	4.43%	4.42%	3.78%
2008-2013 Annual Rate	5.04%	4.91%	4.24%

Per Capita Income

1990 Per Capita Income	\$13,265	\$12,449	\$14,738
2000 Per Capita Income	\$25,114	\$23,424	\$24,983
2008 Per Capita Income	\$34,875	\$32,726	\$34,292
2013 Per Capita Income	\$42,128	\$39,417	\$40,594
1990-2000 Annual Rate	6.59%	6.53%	5.42%
2000-2008 Annual Rate	4.06%	4.14%	3.91%
2008-2013 Annual Rate	3.85%	3.79%	3.43%

Average Household Income

1990 Average Household Income	\$26,699	\$25,426	\$31,001
2000 Average Household Income	\$47,542	\$45,556	\$50,861
2008 Average HH Income	\$66,003	\$63,445	\$68,046
2013 Average HH Income	\$79,664	\$76,329	\$80,079
1990-2000 Annual Rate	5.94%	6%	5.08%
2000-2008 Annual Rate	4.06%	4.1%	3.59%
2008-2013 Annual Rate	3.83%	3.77%	3.31%

Households by Income

Current median household income is \$51,108 in the market area, compared to \$53,154 for all U.S. households. Median household income is projected to be \$62,893 in five years. In 2000, median household income was \$37,635, compared to \$23,596 in 1990.

Current average household income is \$68,046 in this market area, compared to \$73,126 for all U.S. households. Average household income is projected to be \$80,079 in five years. In 2000, average household income was \$50,861, compared to \$31,001 in 1990.

Current per capita income is \$34,292 in the market area, compared to the U.S. per capita income of \$27,916. The per capita income is projected to be \$40,594 in five years. In 2000, the per capita income was \$24,983, compared to \$14,738 in 1990.

Population by Employment

Total Businesses	479	2,831	21,541
Total Employees	2,553	25,607	192,258

Currently, 93.4 percent of the civilian labor force in the identified market area is employed and 6.6 percent are unemployed. In comparison, 93.4 percent of the U.S. civilian labor force is employed, and 6.6 percent are unemployed. In five years the rate of employment in the market area will be 93.5 percent of the civilian labor force, and unemployment will be 6.5 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 93.9 percent, and 6.1 percent will be unemployed. In 2000, 71.8 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.0 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 71.0 percent in white collar jobs (compared to 60.2 percent of U.S. employment)
- 15.3 percent in service jobs (compared to 16.5 percent of U.S. employment)
- 13.7 percent in blue collar jobs (compared to 23.3 percent of U.S. employment)

In 2000, 57.1 percent of the market area population drove alone to work, and 4.5 percent worked at home. The average travel time to work in 2000 was 22.2 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2008, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 8.8 percent had not earned a high school diploma (16.4 percent in the U.S.)
- 16.9 percent were high school graduates only (29.6 percent in the U.S.)
- 6.0 percent had completed an Associate degree (7.2 percent in the U.S.)
- 29.0 percent had a Bachelor's degree (17.0 percent in the U.S.)
- 16.8 percent had earned a Master's/Professional/Doctorate Degree (9.7 percent in the U.S.)