

OFFERING MEMORANDUM

3872-3886 Liberty Road S  
Salem, OR 97302

# Silverwood Apartments

44 UNITS, BUILT IN 1992

**pounderrealty**  
INVESTMENT PROPERTIES



# Silverwood Apartments

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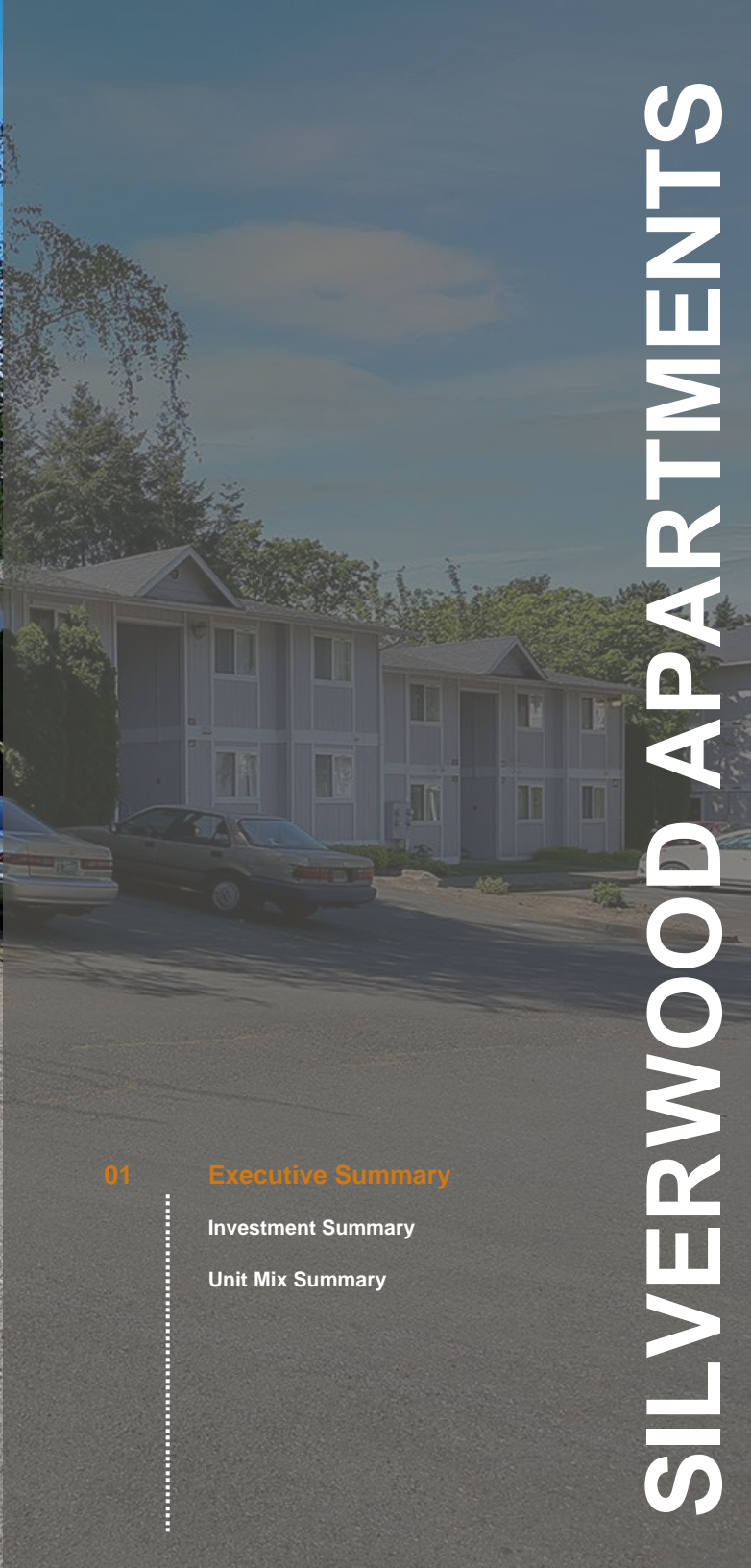
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INVESTMENT PROPERTIES

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01 **Executive Summary**  
Investment Summary  
Unit Mix Summary

# SILVERWOOD APARTMENTS



**OFFERING SUMMARY**

ADDRESS	3872-3886 Liberty Road S Salem OR 97302
COUNTY	Marion
MARKET	Salem
NUMBER OF UNITS	44
YEAR BUILT	1992

**FINANCIAL SUMMARY**

OFFERING PRICE	\$5,700,000
PRICE PER UNIT	\$129,545
OCCUPANCY	100.00 %
NOI (CURRENT)	\$303,464
NOI (Pro Forma)	\$379,060
CAP RATE (CURRENT)	5.32 %
CAP RATE (Pro Forma)	6.65 %
GRM (CURRENT)	10.78
GRM (Pro Forma)	9.61

**PROPOSED FINANCING**

LOAN TYPE	Fully Amortized
DOWN PAYMENT	\$1,995,000
LOAN AMOUNT	\$3,705,000
INTEREST RATE	4.10 %
ANNUAL DEBT SERVICE	\$214,828
LOAN TO VALUE	65 %
AMORTIZATION PERIOD	30 Years

**DEMOGRAPHICS**

	1 MILE	3 MILE	5 MILE
2018 Population	15,375	70,275	157,583
2018 Median HH Income	\$61,173	\$60,986	\$56,132
2018 Average HH Income	\$75,668	\$81,486	\$76,235

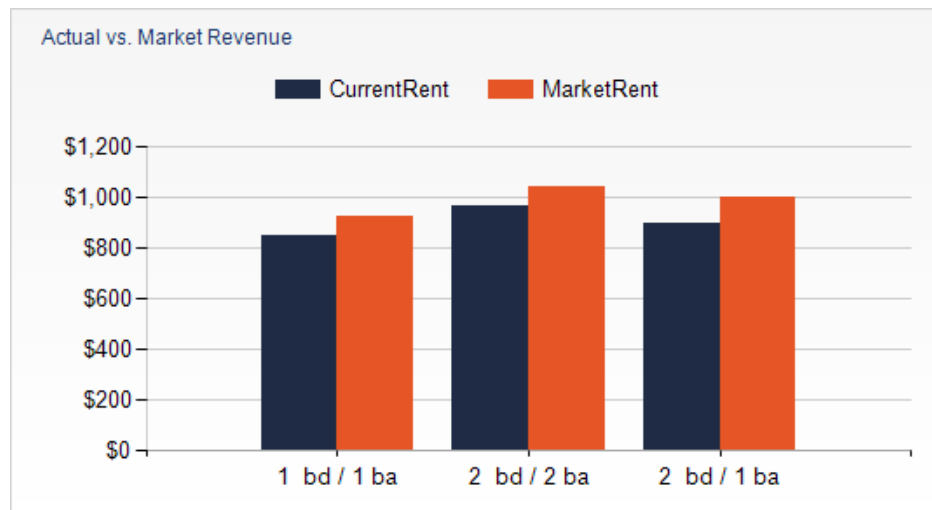
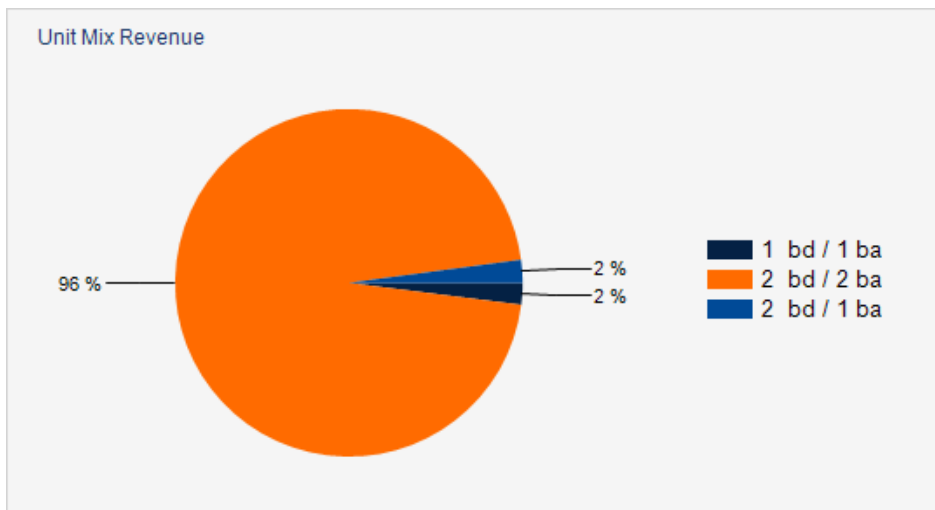
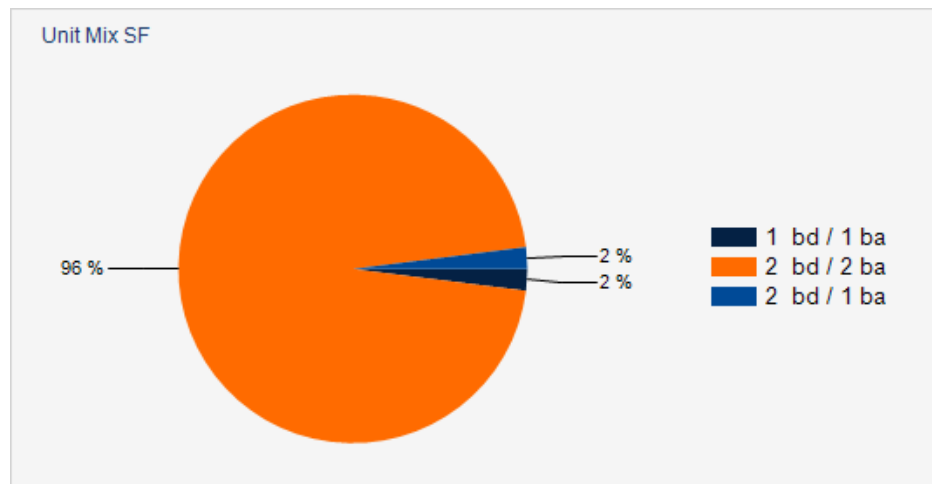
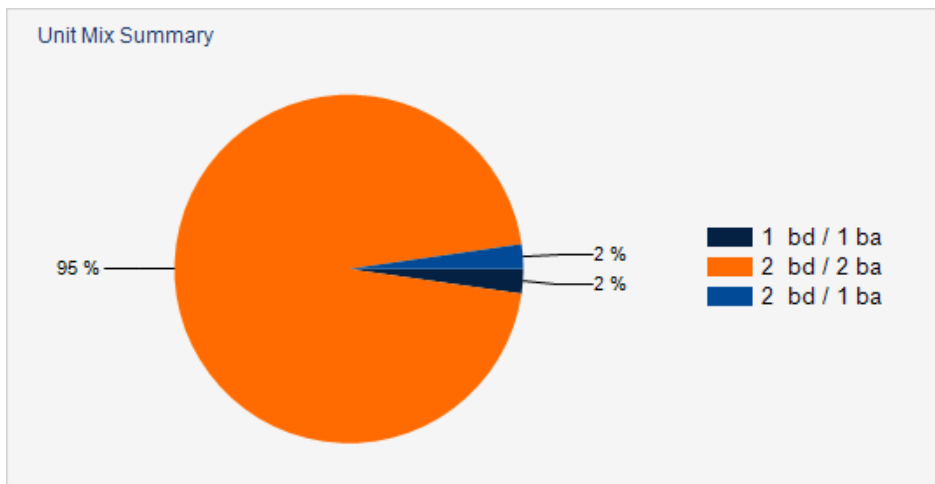


The Silverwood Apartments is a 44-unit community built in 1992. The property is comprised of 42 two-bed/two-bath units, one two-bed/one bath and one one-bedroom unit. Each spacious apartment home has washer & dryer hookups and is set in a quiet two- & three-story garden style layout. Eight garages and several storage rooms provide additional rental income.

The Silverwood Apartments are located within one mile of Fred Meyer, Walgreens, McMenamins, Starbucks, and many other restaurants and services.

The owner is offering a \$200,000 credit towards property upgrades to allow the Silverwood Apartments to continue to take advantage of its strong Salem location.

Unit Mix	# Units	Square Feet	Current Rent	Actual Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
1 bd / 1 ba	1	800	\$849	\$1.06	\$849	\$925	\$1.16	\$925
2 bd / 2 ba	42	980	\$965	\$0.98	\$40,530	\$1,045	\$1.07	\$43,890
2 bd / 1 ba	1	950	\$899	\$0.95	\$899	\$1,000	\$1.05	\$1,000
<b>Totals/Averages</b>	<b>44</b>	<b>975</b>	<b>\$961</b>	<b>\$0.99</b>	<b>\$42,278</b>	<b>\$1,041</b>	<b>\$1.07</b>	<b>\$45,815</b>







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Property Description

Property Features

Aerial Map

# SILVERWOOD APARTMENTS



**PROPERTY FEATURES**

NUMBER OF UNITS	44
YEAR BUILT	1992
# OF PARCELS	1
NUMBER OF STORIES	2 & 3
WASHER/DRYER	Hook Ups in Unit

**UTILITIES**

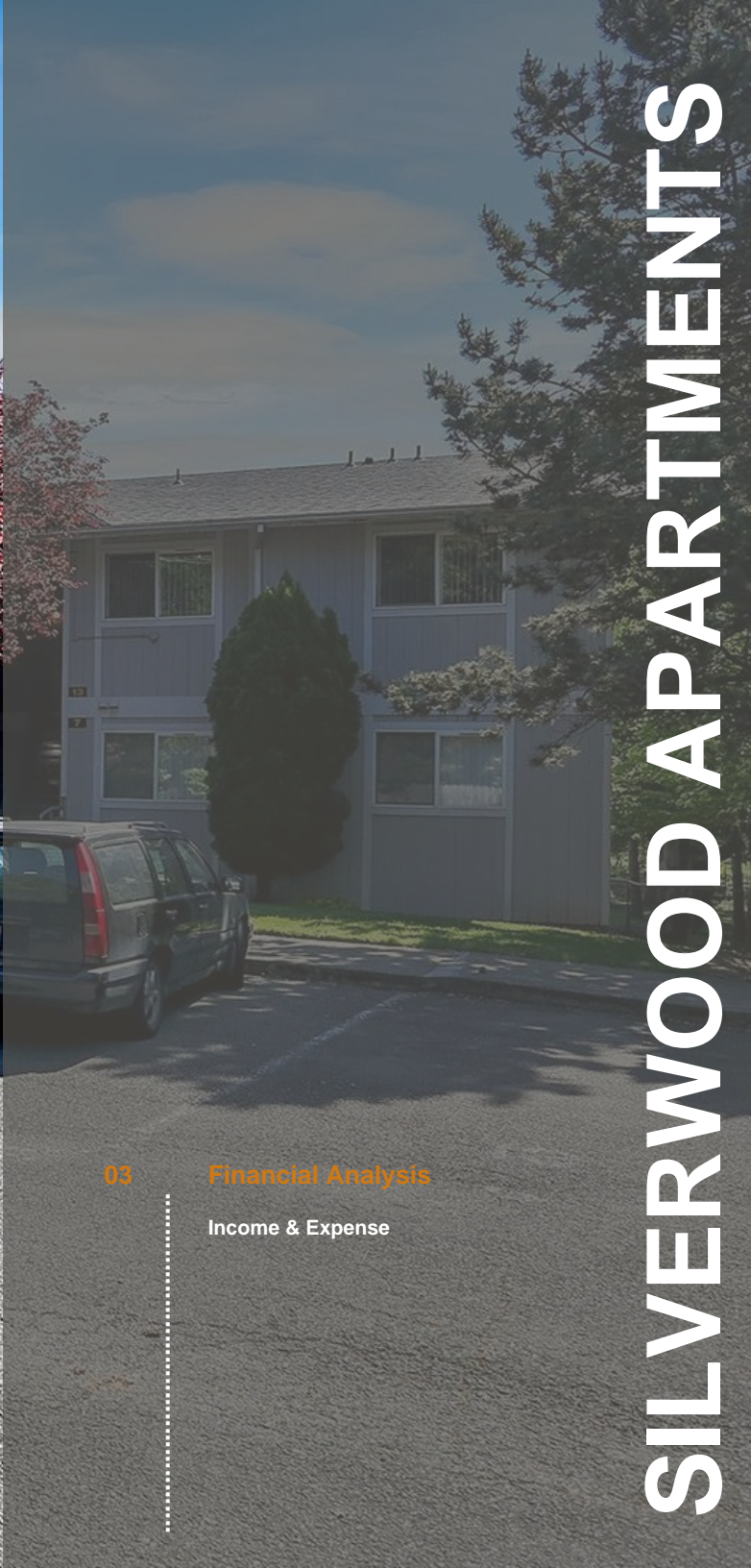
WATER	City of Salem
TRASH	D & O Garbage
ELECTRIC	Portland General Electric

**CONSTRUCTION**

FOUNDATION	Concrete
FRAMING	Wood
EXTERIOR	LP and T111
PARKING SURFACE	Asphalt
ROOF	Pitched, composition
STYLE	Garden







03

Financial Analysis

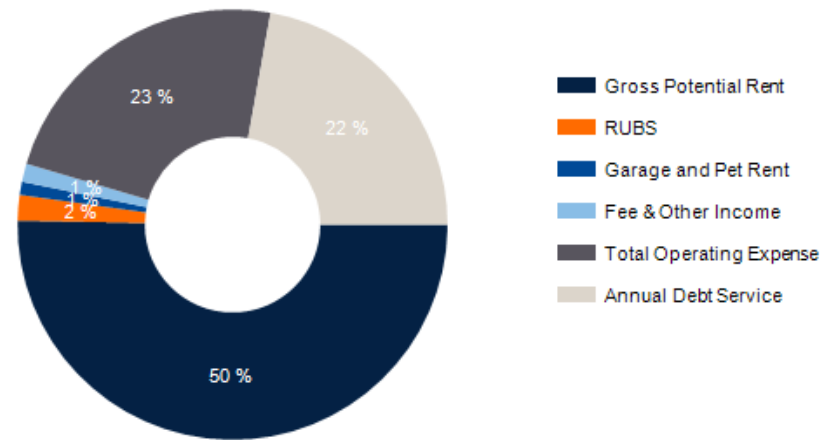
Income & Expense

# SILVERWOOD APARTMENTS



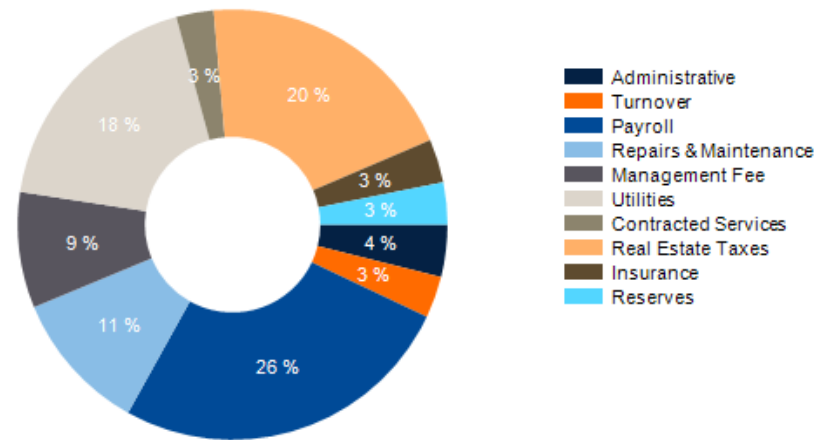
INCOME	CURRENT	PRO FORMA
Gross Potential Rent	\$487,464	\$550,320
RUBS	\$18,485	\$20,064
Garage and Pet Rent	\$9,466	\$9,400
Fee & Other Income	\$13,336	\$13,200
<b>Gross Potential Income</b>	<b>\$528,751</b>	<b>\$592,984</b>
Less: General Vacancy		\$27,516
<b>Effective Gross Income</b>	<b>\$528,751</b>	<b>\$565,468</b>
Less: Expenses	\$225,287	\$186,408
<b>Net Operating Income</b>	<b>\$303,464</b>	<b>\$379,060</b>
Annual Debt Service	\$214,828	\$214,828
Debt Coverage Ratio	1.41	1.76
<b>Cash Flow After Debt Service</b>	<b>\$81,290</b>	<b>\$153,232</b>
Principal Reduction	\$62,926	\$62,926
<b>Total Return</b>	<b>7.2 %</b>	<b>10.8 %</b>
	<b>\$144,216</b>	<b>\$216,158</b>

REVENUE ALLOCATION



EXPENSES	Per Unit	CURRENT	Per Unit	PRO FORMA
Administrative	\$207	\$9,103	\$91	\$4,000
Turnover	\$166	\$7,294	\$150	\$6,600
Payroll	\$1,376	\$60,554	\$506	\$22,250
Repairs & Maintenance	\$564	\$24,809	\$500	\$22,000
Management Fee	\$460	\$20,229	\$643	\$28,273
Utilities	\$970	\$42,684	\$970	\$42,684
Contracted Services	\$148	\$6,512	\$148	\$6,500
Real Estate Taxes	\$1,057	\$46,501	\$1,057	\$46,501
Insurance	\$173	\$7,601	\$173	\$7,600
<b>Total Operating Expense</b>	<b>\$5,120</b>	<b>\$225,287</b>	<b>\$4,237</b>	<b>\$186,408</b>
Reserves	\$167	\$7,346	\$250	\$11,000
% of EGI		42.61 %		32.97 %

DISTRIBUTION OF EXPENSES







04

Demographics

Demographic Details

Demographic Charts

SILVERWOOD APARTMENTS



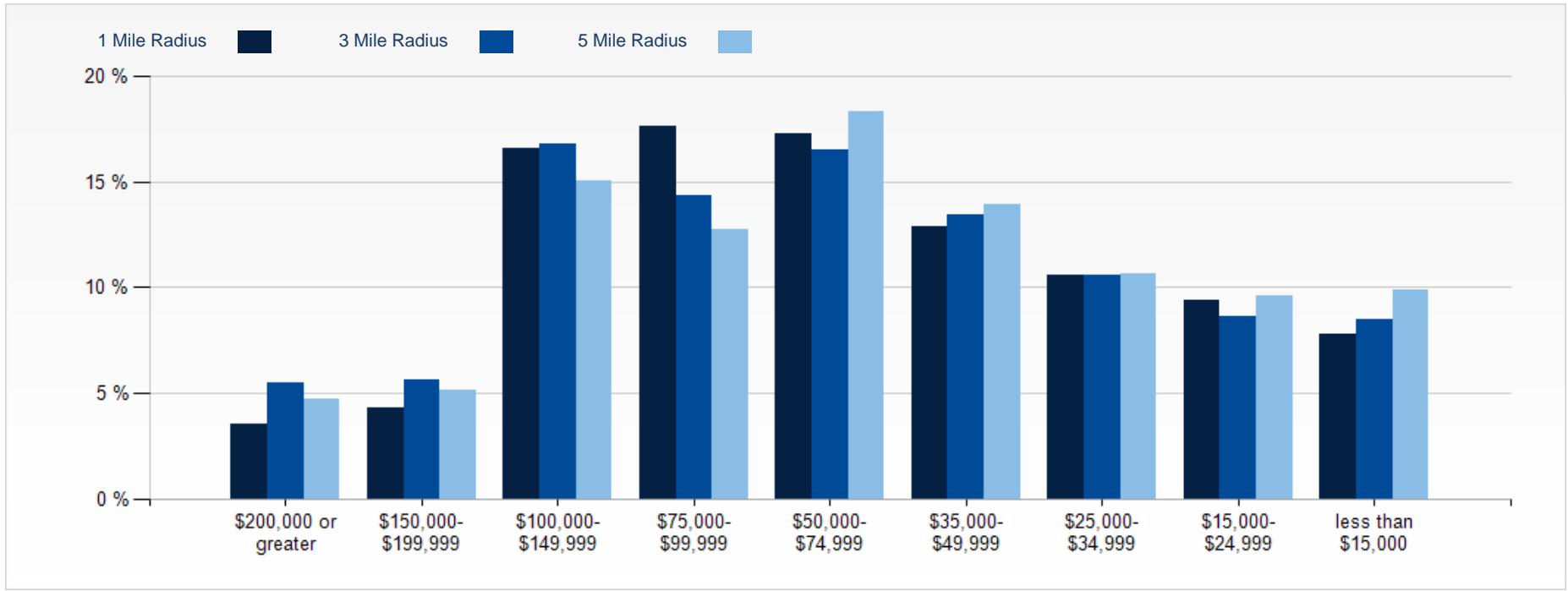
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	14,995	60,483	130,576
2010 Population	14,586	65,366	145,564
2018 Population	15,375	70,275	157,583
2023 Population	16,039	74,388	166,821
2018 African American	198	1,028	2,846
2018 American Indian	230	902	2,266
2018 Asian	366	2,219	4,381
2018 Hispanic	1,470	8,246	31,260
2018 White	13,234	58,738	123,287
2018 Other Race	517	3,352	15,348
2018 Multiracial	667	3,326	7,537
2018-2023: Population: Growth Rate	4.25 %	5.70 %	5.75 %

2018 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	507	2,389	5,783
\$15,000-\$24,999	615	2,427	5,634
\$25,000-\$34,999	689	2,967	6,234
\$35,000-\$49,999	843	3,764	8,166
\$50,000-\$74,999	1,128	4,632	10,738
\$75,000-\$99,999	1,150	4,013	7,481
\$100,000-\$149,999	1,081	4,698	8,833
\$150,000-\$199,999	282	1,577	3,009
\$200,000 or greater	232	1,547	2,773
Median HH Income	\$61,173	\$60,986	\$56,132
Average HH Income	\$75,668	\$81,486	\$76,235

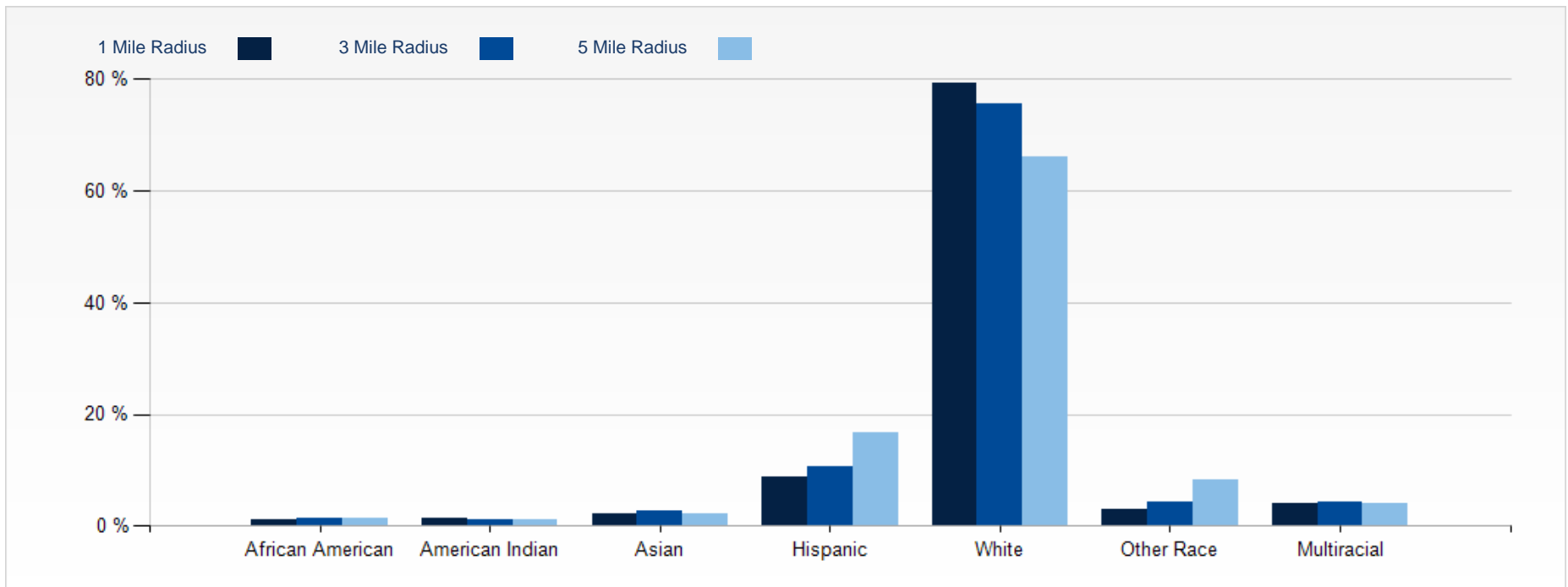
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	6,561	25,228	51,989
2010 Total Households	6,234	26,274	54,761
2018 Total Households	6,528	28,015	58,650
2023 Total Households	6,788	29,558	61,960
2018 Average Household Size	2.33	2.45	2.55
2000 Owner Occupied Housing	3,850	14,381	28,669
2000 Renter Occupied Housing	2,353	9,394	20,315
2018 Owner Occupied Housing	3,720	15,970	32,353
2018 Renter Occupied Housing	2,808	12,045	26,297
2018 Vacant Housing	498	1,745	3,629
2018 Total Housing	7,026	29,760	62,279
2023 Owner Occupied Housing	3,951	17,159	34,905
2023 Renter Occupied Housing	2,837	12,399	27,055
2023 Vacant Housing	504	1,684	3,563
2023 Total Housing	7,292	31,242	65,523
2018-2023: Households: Growth Rate	3.90 %	5.40 %	5.50 %



2018 Household Income

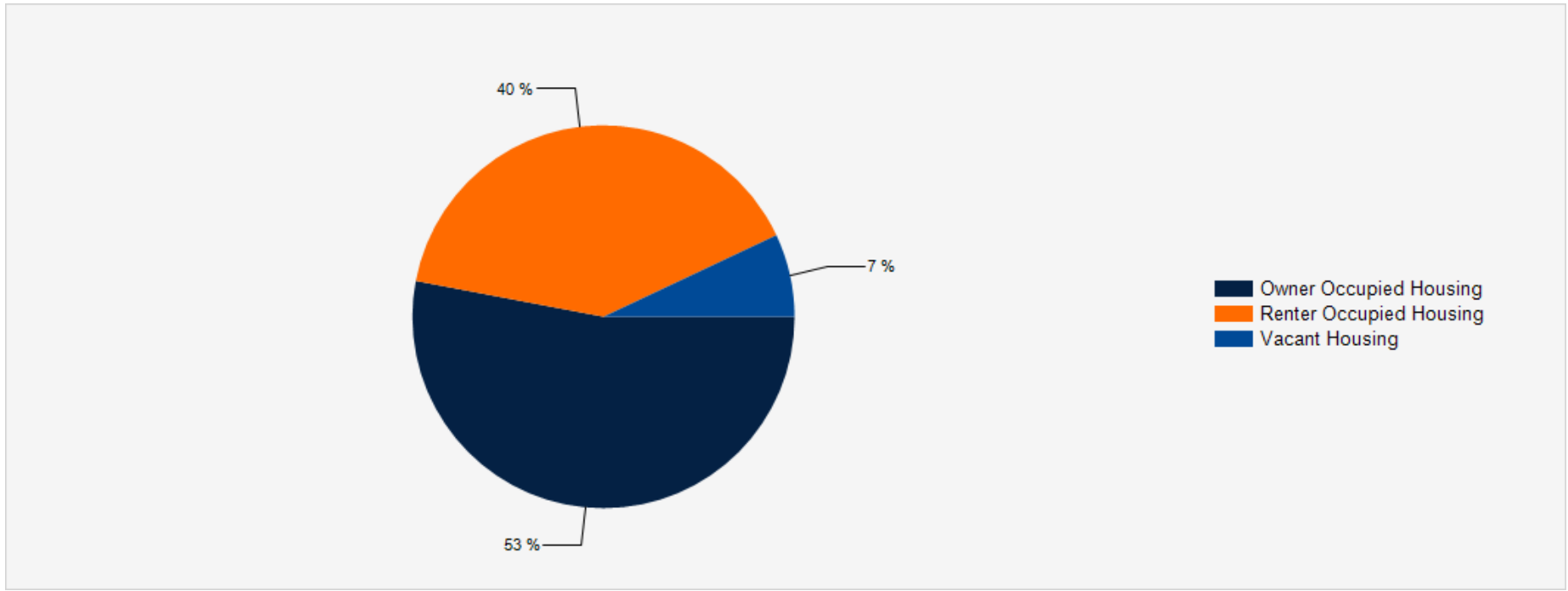


2018 Population by Race

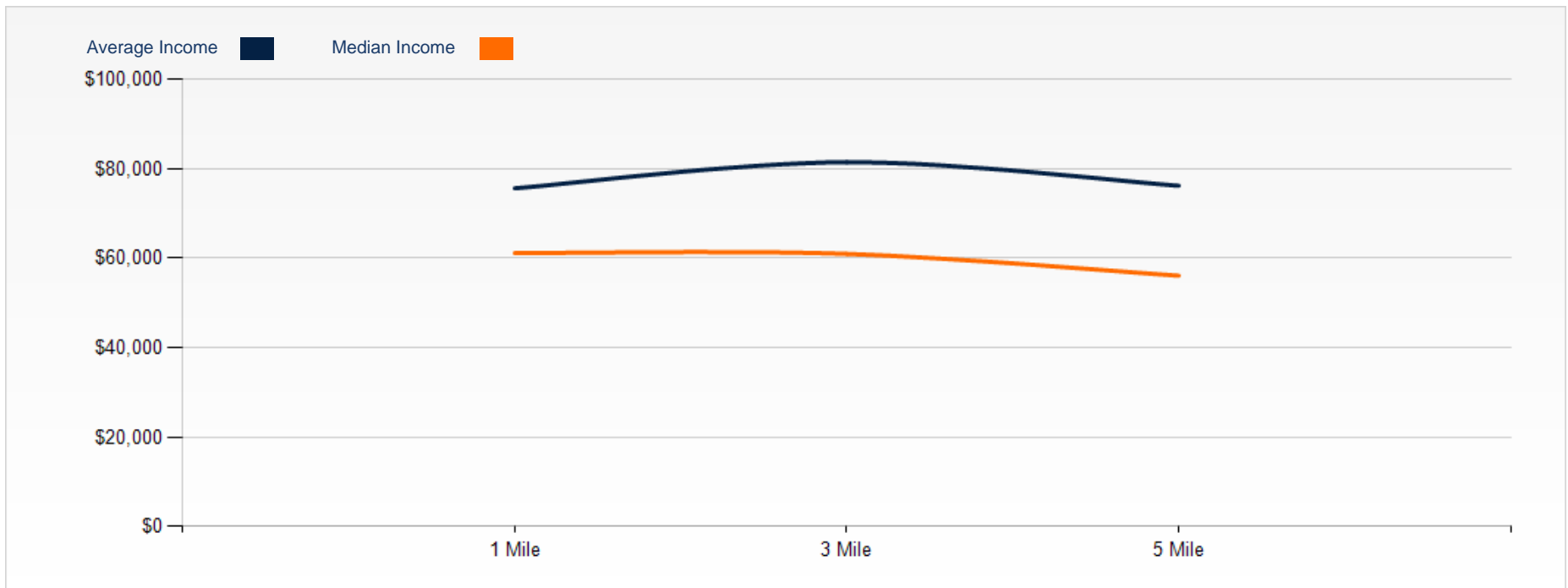




2018 Household Occupancy - 1 Mile Radius



2018 Household Income Average and Median





# Silverwood Apartments

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