

Union Arms Apartments

131 NE Martin Luther King Jr. Blvd.
Portland, OR 97232

Sale Price: \$5,700,000



Units: 42

Cap Rate: 5.51%

GIM: 9.96

For more information on this listing, please contact:

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Building Exterior



Typical Kitchen



Typical Unit w/Trundle Bed



Building Lobby/Light Well

Tim Gray/Jarrett Gray
Apartments Northwest, LLC
530 1/2 NW 23rd Ave., Portland, OR 97210
(503) 222-3433 - (503) 828-4627

APARTMENT INVESTMENT ANALYSIS

Union Arms Apartments

131 NE Martin Luther King Jr. Blvd.
Portland, OR 97232

PRICE:	\$5,700,000
# OF UNITS:	42
\$ PER UNIT:	\$135,714

PHYSICAL DATA

Year Built:	1908	Electric:	Fuses	Lot (SF):	2 8,000	Range/Refrig:	Yes/Yes
Stories:	3	Sprinklers:	Basement	Bldg Sq Ft:	22,874	Dishw/Disp:	No/No
Buildings:	1	Heat:	Central/Gas	Garages/Cp's:	No	Laundry Rm:	Yes/2 sets
Exterior:	Masonry	Roof:	Torch Down	Open Park:	Street	Controlled Ent:	Yes

Site: *8,000 SF Corner Tax Lot at the corner of NE MLK & NE Davis;
In the Middle of the Burnside Bridgehead Project;*

Amenities: *Great Mix of Studio & 1 BR Apts!
Desirable Kerns Neighborhood, Very Bike Friendly!
Charming Buildings with Vintage Appeal;
Walking Distance to Restaurants, Night Life & Employment*

Notes: **Great Re-Development or Affordable Housing Play;
* Zoned EX Central Employment, Allows for a Variety of Uses;
* OPPORTUNITY ZONE;*

PROPOSED FINANCING ON SALE:			EXISTING:	()	NEW LOAN	(X)
Type	Balance:	Monthly Payment:	Int. Rate:	Terms	Due	
Conv.	\$3,420,000	\$21,057	6.25%		7 Yr Fixed	
Total:	\$3,420,000	\$21057 x 12 =	Annual (Net) Debt Service Of:		\$252,684	

Scheduled Gross Income:	\$549,900	Price Per Unit:	\$135,714
Less: Vacancy, Conc, Emp:	(\$27,495)	Price Per Sq. Ft:	\$298.90
Plus: Other Income:	<u>\$50,000</u>		
Effective Gross Income:	\$572,405	Downpayment (40%):	\$2,280,000
Less: Expenses:	<u>(\$258,596)</u>	Gross Income Mult:	9.96
Net Operating Income:	\$313,809	Capitalization Rate:	5.51%
Less: Loan Payments:	<u>(\$252,684)</u>	Cash Flow (%):	2.68%
Before Tax Cash Flow:	<u><u>\$61,125</u></u>		

APARTMENT INVESTMENT ANALYSIS

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 PER UNIT: \$135,714
 CAP RATE: 5.51%
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PRICE: \$5,700,000
 PER UNIT: \$135,714
 CAP RATE: 6.09%
 G.I.M.: 9.18

Highest Achieved

Unit Type	# Units	Avg. SF	Rent	\$/SF	Monthly
Studio, 1 Bath	31	420	\$1,040	\$2.48	\$32,240
1 BR, 1 Bath	11	550	\$1,235	\$2.25	\$13,585

TOTALS: 42 19,070 Monthly Gross Rents \$45,825

454 SF Avg.

Scheduled Gross Income (Annual)

		\$549,900
Less: Apartment Vacancy	5.0%	(\$27,495)
Less: Model Rent		\$0
Plus: Parking Income		\$0
Plus: Utility Reimbursements		\$37,000
Plus: Fees, Laundry & Other Income		\$13,000
		<u>\$572,405</u>

Effective Gross Income (Annual)

Less: Estimated Expenses	% Of EGI	\$/SF/Year	\$/Unit/Year	Budget
Property Taxes (2023/24)	5.68%	\$1.70	\$774	\$32,500
Insurance - 2023/24	4.37%	\$1.31	\$595	\$25,000
Gas & Electric	6.11%	\$1.84	\$833	\$35,000
Water/Sewer	6.90%	\$2.07	\$940	\$39,500
Trash Collection	1.83%	\$0.55	\$250	\$10,500
Telecommunications & WIFI	0.52%	\$0.16	\$71	\$3,000
Total Fixed Expenses	25.42%	\$7.63	\$3,464	\$145,500
Management Fees	4.00%	\$1.20	\$545	\$22,896
On-Site Labor	2.31%	\$0.69	\$314	\$13,200
Repairs, Maint & Turnover	8.74%	\$2.62	\$1,190	\$50,000
Elevator	0.00%	\$0.00	\$0	\$0
Janitorial & Cleaning	2.36%	\$0.71	\$321	\$13,500
Administration	0.87%	\$0.26	\$119	\$5,000
Landscape & Pest Cntl	0.61%	\$0.18	\$83	\$3,500
Misc Expenses	0.87%	\$0.26	\$119	\$5,000
Replacement Reserves	0.00%	\$0.00	\$0	\$0
Total Variable Expenses	19.76%	\$5.93	\$2,693	\$113,096

Total Estimated Annual Expenses \$13.56 \$6,157 \$258,596

Estimated Net Operating Income

\$313,809

Pro-Forma w/Current Mkt Rents

Rent	\$/SF	Monthly
\$1,095	\$2.61	\$33,945
\$1,350	\$2.45	\$14,850

\$48,795

\$585,540

4.0% (\$23,422)

\$0

\$0

\$43,500

\$15,000

\$620,618

\$/Unit/Year Budget

\$774 \$32,500

\$595 \$25,000

\$857 \$36,000

\$952 \$40,000

\$262 \$11,000

\$60 \$2,500

\$3,500 \$147,000

\$591 \$24,825

\$370 \$15,540

\$1,190 \$50,000

\$0 \$0

\$333 \$14,000

\$119 \$5,000

\$83 \$3,500

\$119 \$5,000

\$200 \$8,400

\$3,006 \$126,265

\$6,506 \$273,265

\$347,354

EXPENSE ANALYSIS:

% of Effective Gross:	45.18%	44.03%
\$ Per Unit/ Per Year:	\$6,157	\$6,506
\$ Per NRSF/ Per Year:	\$13.56	\$14.33