

APARTMENT INVESTMENT ANALYSIS

Lancaster Gardens Apartments

3695 D Street NE
Salem, OR 97301

PRICE:	\$17,500,000
# OF UNITS:	101
\$ PER UNIT:	\$173,267

*****Total Price Including Buildable Land: \$ 18,750,000**

PHYSICAL DATA

Year Built:	1993/2004	Sprinklers:	No	Lot (AC):	5.48	Range/Refrig:	Yes/Yes
Stories:	1 & 2	Windows:	Dbl Hung	Bldg Sq Ft:	87,000	Dishw/Disp:	Yes/Yes
Buildings:	18	Heat:	Cadet	Garages:	Yes/16	Laundry Rm:	In-Unit/On-Site
Exterior:	Vinyl	Roof:	Shingle	Open Park:	Ample	Controlled Ent:	No

Site: *2 Tax Lots, Building Zoned RM2; Shovel Ready Lot With Plans For an Additional 24 Units @ \$1,250,000*

Summary: *This is a 55 and Older Community; Mix of Charming 1-Bedroom & 2-Bedroom Units & Garages; Located in Desirable NE Salem Area; Across from Willamette Town Center; A Short Distance to Numerous Amenities: Restaurants, Shopping, Schools, Parks, Etc; Walk Score of 78: "Very Walkable; Bike Score of 88: "Very Bikeable"*

Notes: *Historically Low Vacancy Rates; Avg In-Place Rents of \$1,280, Includes Rent Increases Scheduled for May/June; Great Well Kept Property; Don't Miss Out!!!*

Financing: *Local & Agency Financing Available, Ask for Quotes;*

PROPOSED FINANCING ON SALE:			EXISTING:	()	NEW LOAN	(X)
Type	Balance:	Monthly Payment:	Int. Rate:		Terms	Lender
Conv.	\$10,500,000	\$64,650	6.25%		7/30 Amort	Quote
Total:	\$10,500,000	\$64,650 x 12 =	Annual (Net) Debt Service Of:			\$775,804

Scheduled Gross Income:	\$1,551,636	Price Per Unit:	\$173,267
Less: Vacancy, Conc, Emp:	(\$31,033)	Price Per Rentable SF:	\$213.38
Plus: Other Income:	\$10,000	Price Per Total SF:	\$201.15
Effective Gross Income:	\$1,530,603	Downpayment (35%):	\$7,000,000
Less: Expenses:	(\$509,022)	Gross Income Mult:	11.43
Net Operating Income:	\$1,021,581	Capitalization Rate:	5.84%
Less: Loan Payments:	(\$775,804)	Cash Flow (%):	3.51%
Before Tax Cash Flow:	\$245,778		

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CAP RATE: 7.37%
G.I.M: 9.39

In-Place Rents, June 2024

Pro-Forma w/Current Mkt Rents

	Unit Type	# Units	Avg. SF	Rent	\$/SF	Monthly	Rent	\$/SF	Monthly
	1-BR/1-BA	13	620	\$1,093	\$1.76	\$14,209	\$1,195	\$1.93	\$15,535
	1-BR/1-BA	59	725	\$1,210	\$1.67	\$71,390	\$1,495	\$2.06	\$88,205
	1-BR/1-BA	13	760	\$1,386	\$1.82	\$18,018	\$1,565	\$2.06	\$20,345
	2-BR/1-BA	2	1,200	\$1,545	\$1.29	\$3,090	\$1,750	\$1.46	\$3,500
	2-BR/2-BA	14	1,350	\$1,614	\$1.20	\$22,596	\$1,795	\$1.33	\$25,130
TOTALS:		101	82,015	Monthly Gross Rents		\$129,303	\$152,715		

812 SF Avg.

Scheduled Gross Income (Annual)

		\$1,551,636		\$1,832,580
Less: Apartment Vacancy	2.0%	(\$31,033)	4.0%	(\$73,303)
Plus: Utility Reimbursements		\$0		\$70,260
Plus: Fees, Laundry & Other Income		\$10,000		\$35,000
		\$1,530,603		\$1,864,537

Effective Gross Income (Annual)

Less: Estimated Expenses	% Of EGI	\$/SF/Year	\$/Unit/Year	Budget	\$/Unit/Year	Budget	
Property Taxes (2023-'24)	8.34%	\$1.56	\$1,264	\$127,633	\$1,302	\$131,462	
Insurance - 2023-'24 est.	1.63%	\$0.30	\$247	\$24,912	\$254	\$25,659	
Gas & Electric	0.67%	\$0.12	\$101	\$10,193	\$104	\$10,499	
Water/Sewer	3.82%	\$0.71	\$579	\$58,495	\$597	\$60,250	
Trash Collection	1.05%	\$0.20	\$159	\$16,073	\$164	\$16,555	
Telecommunications	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Total Fixed Expenses	15.50%	\$2.89	\$2,350	\$237,306	\$2,420	\$244,425	
Management Fees	3.00%	\$0.56	\$455	\$45,918	4.00%	\$738	\$74,581
On-Site Labor	6.89%	\$1.29	\$1,044	\$105,462	\$1,076	\$108,626	
Repairs, Maint & Turnover	4.90%	\$0.92	\$743	\$75,068	\$766	\$77,320	
Janitorial & Cleaning	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Pest Control	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Administration	0.82%	\$0.15	\$124	\$12,500	\$124	\$12,500	
Landscape & Grounds	1.49%	\$0.28	\$225	\$22,768	\$225	\$22,768	
Misc Expenses	0.65%	\$0.12	\$99	\$10,000	\$99	\$10,000	
Replacement Reserves	0.00%	\$0.00	\$0	\$0	\$250	\$25,250	
Total Variable Expenses	17.75%	\$3.31	\$2,690	\$271,716	\$3,278	\$331,045	

Total Estimated Annual Expenses	\$6.21	\$5,040	\$509,022	\$5,698	\$575,470
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Estimated Net Operating Income

\$1,021,581 **\$1,289,066**

EXPENSE ANALYSIS:

% of Effective Gross:	33.26%	30.86%
\$ Per Unit/ Per Year:	\$5,040	\$5,698
\$ Per NRSF/ Per Year:	\$6.21	\$7.02

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The information contained herein has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty, or representation about it. It is your responsibility to independently confirm its accuracy and completeness.