



TILBURY FERGUSON

INVESTMENT REAL ESTATE, INC.

THE MONTEREY

14 APARTMENT UNITS

635 NE 23rd Ave, Portland, OR

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1231 NW Hoyt Street,
Suite 201 Portland,
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THE MONTEREY

LISTING PRICE:

\$2,650,000

Brokers:

Tilbury Ferguson Investment Real Estate, Inc.

Liz Tilbury, CCIM
liz@tfn-ire.com

Ben Murphy
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14 APARTMENT UNITS - NON URM BUILDING



635 NE 23rd Ave, Portland, OR

INVESTMENT HIGHLIGHTS

- ✓ Kerns is a popular close-in neighborhood with a vibrant mix of restaurants, retail and coffee shops.
- ✓ Beautifully kept vintage foursquare.
- ✓ Bikers Paradise with a 99 Bike Score, as well as a 92 Walk Score for the area.
- ✓ Excellent turn-key investment opportunity. Professionally managed.
- ✓ Corner lot with great exposure allowing for more light in the units. Unique location with historic charm but recent neighborhood development also enhances appeal.
- ✓ Stunning new landscaping and refinished common area hallways.

NOTE: PLEASE DO NOT DISTURB RESIDENTS OR STAFF

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THE MONTEREY

PRICING SUMMARY

Price:	\$2,650,000
Price/Unit	\$189,286
Avg. Rent:	\$1,166/month
Avg. Rent/SF:	\$2.34/SF

PROPERTY SUMMARY

Year Built:	1924
Gross Building Area:	8,254 SF
Net Rentable Area:	7,800 SF
Units:	14
No. Floors:	3 (Partial Basement)
Lot Size:	0.11 Acres (5,000 SF)
Exterior:	Brick/Concrete
Roof:	Flat - Durable Coating Membrane
Foundation:	Cement
Structure:	Reinforced Concrete
Windows:	Wood
Heat:	Gas/Radiant
Hot Water:	Gas (Central Boiler)
Electrical:	Individual Panels (Separately Metered)
Parking:	1 Garage - \$125/month (est.)

SORTED RENT ROLL

Type	Current	Market	Count
Studio (a) - 400 SF	\$855	\$945	1
Studio (a) - 400 SF Total	\$855	\$945	1
Studio (b) - 435 SF	\$1,065	\$1,095	1
	\$1,125	\$1,165	1
Studio (b) - 400 SF Total	\$1,095	\$1,130	2
Studio (C) - 480 SF	\$1,035	\$1,145	1
	\$1,095	\$1,145	1
Studio (C) - 480 SF Total	\$1,065	\$1,145	2
1 X 1 (a) - 500 SF	\$1,160	\$1,280	1
	\$1,265	\$1,280	1
	\$1,280	\$1,280	1
	\$1,315	\$1,280	1
1 X 1 (a) - 500 SF Total	\$1,255	\$1,280	4
1 X 1 (b) - 543 SF	\$1,250	\$1,280	1
	\$1,260	\$1,280	1
	\$1,280	\$1,280	1
	\$1,345	\$1,280	1
1 X 1 (b) - 543 SF Total	\$1,284	\$1,280	4
1 X 1 (c) - 565SF	\$995	\$1,095	1
1 X 1 (c) - 565 SF Total	\$995	\$1,095	1
AVERAGES/TOTAL	\$1,166	\$1,202	14

Current Schedule of Rents

#	Type	Approx. SF	Rent	\$/SF	Monthly
1	Studio/1BA	400	\$855	\$2.14	\$855
2	Studio/1BA	435	\$1,095	\$2.52	\$2,190
2	Studio/1BA	480	\$1,065	\$2.22	\$2,130
4	1BD/1BA	500	\$1,255	\$2.51	\$5,020
4	1BD/1BA	543	\$1,284	\$2.36	\$5,135
1	1BD/1BA	565	\$995	\$1.76	\$995
14		498	\$1,166	\$2.34	\$16,325

Income And Expense Summary

Current Gross Scheduled Income	\$195,500
Less: Estimated Vacancy/Credit Loss	\$9,795
Effective Rental Income	\$186,105
Garage Rent (1)	\$1,500
Laundry Income (1)	\$831
RUBs Income (1)	\$13,107
Miscellaneous Income	\$3,306
Gross Operating Income (GOI)	\$204,849
Total Operating Expenses	\$71,794
Total Amount/Per Year	\$68,298
% of GOI	33.3%
Per Unit/Per Year	\$4,878
Per Sq. Ft./Per Year	\$9.80
Net Operating Income (NOI)	\$136,551
Cap Rate	5.2%

Operating Expenses

Expenses:	%/GOI	Per Unit	
Real Estate Taxes (2)	8.7%	\$1,268	\$17,745
Property Insurance (3)	1.7%	\$250	\$3,500
Property Management (4)	7.0%	\$1,024	\$14,339
Repair/Maintenance (5)	4.0%	\$585	\$8,194
Electricity (6)	2.9%	\$428	\$5,995
Water/Sewer (7)	3.2%	\$475	\$6,646
Garbage (7)	1.0%	\$147	\$2,063
Turnover (8)	2.1%	\$300	\$4,200
Landscaping (9)	0.4%	\$54	\$750
General/Administration (10)	1.0%	\$148	\$2,066
Reserves/Replacements (11)	1.4%	\$200	\$2,800
Total	33.3%	\$4,878	\$68,298

(1) Garage Rent: (\$125/month); Laundry Income & RUBs Income: May 19'-Aug. 19' Actuals

(2) 2018/19 Net Real Estate Taxes

(3) Insurance Premium: Based on insurance reserve of \$250/month (2018 Year-End)

(4) Off-Site Property Management Fee: 7% Estimate

(5) Repair/Maintenance: Includes painting, plumbing, replacements, roof repair, services, materials

(6) Electricity/Gas: 2018 Year-End Actuals

(7) Water/Sewer/Garbage: 2018 Year-End Actuals

(8) Turnover: \$300/unit and covers make ready expenses such as cleaning, painting, ect.

(9) Landscaping: Actuals are considered above market, estimated \$750/year

(10) General/Admin: Covers promotion/marketing, office supplies, software, ect.

(11) Reserves/Replacements: Estimated \$250/unit

Highest Achieved Rents

#	Type	Approx. SF	Rent	\$/SF	Monthly	Increase
1	Studio/1BA	400	\$945	\$2.36	\$945	10.5%
2	Studio/1BA	435	\$1,145	\$2.63	\$2,290	4.6%
2	Studio/1BA	480	\$1,195	\$2.49	\$2,390	12.2%
4	1BD/1BA	500	\$1,295	\$2.59	\$5,180	3.2%
4	1BD/1BA	543	\$1,395	\$2.57	\$5,580	8.7%
1	1BD/1BA	565	\$1,095	\$1.94	\$1,095	10.1%
14		498	\$1,249	\$2.51	\$17,480	7.1%

Income And Expense Summary

Current Gross Scheduled Income	\$209,760
Less: Estimated Vacancy/Credit Loss	\$10,488
Effective Rental Income	\$199,272
Garage Rent (1)	\$1,500
Laundry Income (1)	\$831
RUBs Income (1)	\$13,107
Miscellaneous Income	\$3,306
Gross Operating Income (GOI)	\$218,016
Total Operating Expenses	\$69,747
Total Amount/Per Year	\$69,747
% of GOI	32.0%
Per Unit/Per Year	\$4,982
Per Sq. Ft./Per Year	\$10.01
Net Operating Income (NOI)	\$148,269
Cap Rate	5.6%

Operating Expenses

Expenses:	%/GOI	Per Unit	
Real Estate Taxes (2)	8.1%	\$1,268	\$17,745
Property Insurance (3)	1.6%	\$250	\$3,500
Property Management (4)	7.0%	\$1,090	\$15,261
Repair/Maintenance (5)	4.0%	\$623	\$8,721
Electricity (6)	2.7%	\$428	\$5,995
Water/Sewer (7)	3.0%	\$475	\$6,646
Garbage (7)	0.9%	\$147	\$2,063
Turnover (8) Landscaping	1.9%	\$300	\$4,200
(9)	0.3%	\$54	\$750
General/Administration (10)	0.9%	\$148	\$2,066
Reserves/Replacements (11)	1.3%	\$200	\$2,800
Total	32.0%	\$4,982	\$69,747

(1) Garage Rent: (\$125/month); Laundry Income & RUBs Income: May 19'-Aug. 19' Actuals

(2) 2018/19 Net Real Estate Taxes

(3) Insurance Premium: Based on insurance reserve of \$250/month (2018 Year-End)

(4) Off-Site Property Management Fee: 7% Estimate

(5) Repair/Maintenance: Includes painting, plumbing, replacements, roof repair, services, materials

(6) Electricity/Gas: 2018 Year-End Actuals

(7) Water/Sewer/Garbage: 2018 Year-End Actuals

(8) Turnover: \$300/unit and covers make ready expenses such as cleaning, painting, ect.










(9) Landscaping: Actuals are considered above market, estimated \$750/year

(10) General/Admin: Covers promotion/marketing, office supplies, software, ect.

(11) Reserves/Replacements: Estimated \$250/unit









SALE COMPARABLES

	Name	Address	Price Date	Year Built Units	Avg. Unit Sq. Ft. SF	Price Per Unit Price Per SF	GIM Cap Rate
	The Arthur	726 SW 11th Ave Portland, OR	\$7,600,000 1/26/18	1912 50	441 SF 18,102	\$152,000 \$419	12.6 5.1%
	10-Plex	335 SE 16th Ave Portland, OR	\$2,200,000 3/5/18	1922 10	846 SF 8,468	\$220,000 \$259	— 4.1%
	Bretnor Apartments	931 NW 20th Ave Portland, OR	\$4,000,000 6/21/18	1912 21	943 SF 19,804	\$190,476 \$201	12.2 5.3%
	Orleans Apartments	723-737 E Burnside Portland, OR	\$5,650,000 6/15/18	1909 31	705 SF 21,875	\$182,258 \$258	13.1 4.9%
	Amber Court	2215 NW Irving St Portland, OR	\$7,025,000 6/6/18	1926 39	824 SF 32,166	\$180,128 \$218	15.4 4.5%
	Marcella	2151 NW Johnson St Portland, OR	\$7,500,000 9/26/18	1926 46	727 SF 33,480	\$163,043 \$224	14.1 5.4%
	Elephant Court	1946-1960 NW Lovejoy Portland, OR	\$2,192,300 4/27/18	1943 11	658 SF 7,244	\$199,300 \$302	13.7 4.7%
	Mississippi Court	2631 N Mississippi Ave Portland, OR	\$7,875,000 7/8/19	1926 44	430 SF 18,928	\$178,977 \$416	13.9 5.1%
	Belle Court	120 NW Trinity Place Portland, OR	\$5,800,000 4/15/19	1912 32	623 SF 19,949	\$181,250 \$291	12.1 4.9%
TOTAL/AVERAGE						\$183,048 \$288	13.4 4.9%

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	Name & Location	Year Built	Total Units	S.F.	Studio Rent	\$/S.F.	1BD/1BA S.F.	1BD/1BA Rent	\$/S.F.	RUBS	Occp.
	Sandringham Apartments 2208 NE Multnomah St Portland, OR	1927	13	560	\$999	\$1.78	600	\$1,250	\$2.08	WSG \$60-\$90/m	97%
	Waukeena Apartments 1904 NE Couch St Portland, OR	1927	19	300	\$965	\$3.22	625	\$1,005	\$1.61	WSG \$50/m	99%
	Adare Manor 2623 SE Ankeny St Portland, OR	1930	21	550	\$985	\$1.79	600	\$1,350	\$2.25	WSG/HW \$60/studio \$80/1BD	95%
	Castle Manor 1432 NE 21st Ave Portland, OR	1930	37	605	\$1,432	\$2.37	750	\$1,315	\$1.75	WSG \$60-\$75	100%
	San Da Roda 411-433 NE 22nd Ave Portland, OR	1927	41	479	\$1,142	\$2.38	632	\$1,251	\$1.98	WSG \$65/Studio \$85/1BD	97%
AVERAGE				499	\$1,105	\$2.31	641	\$1,234	\$1.93		98%
	The Monterey 635 NE 23rd Ave Portland, OR	1924	14	400 435 480	\$855 \$1,095 \$1,065	\$2.14 \$2.52 \$2.22	500 543 565	\$1,255 \$1,284 \$995	\$2.51 \$2.36 \$1.76		



INTERIOR PHOTOS



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NEIGHBORHOOD INFORMATION



KERNS NEIGHBORHOOD

The Kerns neighborhood has come into its own. Tucked between the city's NE and SE quadrants, it offers up a perfect blend of old and new Portland. Located in Portland's inner eastside, Kerns sits just east of the Willamette River and north of Burnside Street. It's bordered by the Lloyd District and Sullivan's Gulch neighborhoods to the north, the Laurelhurst neighborhood to the east, and the Buckman and Sunnyside neighborhoods to the south. Kerns is a high-density neighborhood consisting of nearly 3,000 households and a thriving industrial district. It offers a mix of single-family rental homes, new apartment buildings, and a few landmark vintage buildings.

The neighborhood is dotted with Portland mainstays like the Sunshine Dairy, Franz Bakery, and Norse Hall. And it also encompasses the warehouses and historic buildings of the Central Eastside Industrial District. At its eastern boundary, Kerns is bookended by the 28th Avenue shopping and dining district, which is anchored by the historic Laurelhurst Theater and nuzzles up against the tony Laurelhurst neighborhood. 28th Avenue has excellent restaurants, coffee, and shopping including thrift stores and a Whole Foods Market. You'll find a range of small businesses, sometimes owner-operated.



BY BUS, BIKE OR CAR

Kerns is easy to get to. Smack dab in the middle of Portland's eastside urban core, there are two main streets to get you here. Burnside and Sandy Boulevard. Riding the bus east and west you can take TriMet bus #19, #20 or the #12 up Burnside and Sandy Boulevard and is a relatively seamless commute from downtown. The closest MAX station to Kerns is in the Lloyd District. There are plenty of bike routes that will get you to Kerns and experienced riders commute via busier streets like Burnside.



BIKE SCORE



WALK SCORE



TRANSIT SCORE

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