

OFFERING MEMORANDUM

THE RANCH



17420 NE HALSEY ST, GRESHAM, OR 97230

km Kidder
Mathews



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EXECUTIVE SUMMARY

Section 01

THE OFFERING

The Ranch consists of 46 large units with significant rental upside in one of Portland's tightest rental submarkets.

The Ranch is a 46 unit garden style community located in Gresham, Oregon. Built in 1973, the low density layout sits over 3 acres of land and is comprised of 17 duplexes and one 12-plex, with 40 of the 46 units being townhouses. All units are two or three bedrooms with large units, ranging from 800 sq. ft. to over 1,350 sq. ft., creating a spacious home-like feel highly unique to the submarket. Nearly all units have washer/dryer hookups and all units feature a garage or carport.

Tenants enjoy the seasonal pool, dedicated management office, extra parking, and mature landscaping. The current in-place rents are only \$1.37 per sq. ft. and are estimated to be at least 10% below market. The property was recently painted, but with further cosmetic upgrades the property is primed for significant upside.

The Ranch is located in Gresham, on a quiet section of NE Halsey Street, providing easy access to key eastside corridors. The I-84 freeway is nearby, giving convenient access into both downtown Portland or the Columbia River Gorge. The immediate location has schools, parks, retail amenities and is proximate to some of the region's largest and fastest growing employers, such as Amazon and FedEx.

The Ranch has an assumable loan of approximately \$2.78 million at 3.39% that a lower leveraged buyer could utilize.

46
NO. OF UNITS

40
TOWNHOMES

28
GARAGES

34
WASHERS/DRYERS



ADDRESS	17420 NE Halsey St, Gresham, OR 97230
NO. OF UNITS/BUILDINGS	46 units (40 townhouses)/18 buildings
TOTAL BUILDING AREA	±44,286 SF
AVG. UNIT SIZE	±1,165 SF
GROSS LAND SIZE	3.15 AC
YEAR BUILT	1972
SALE PRICE	Call broker for pricing



PROPERTY OVERVIEW

Section 02

PROPERTY HIGHLIGHTS

Value-add opportunity for new owner to upgrade units and increase rents while controlling expenses.

Current rents are at below market rates.

Desirable unit mix of large two and three bedroom units, including 40 townhouses and 6 flats.

The Ranch has 17 duplexes and a 12-plex.

Low density layout, size, and amenities creates a home-like feel.

Washer/dryer hookups in 34 of the 46 units.

28 units feature full attached garages while 18 units have carports.

Community amenities include dedicated management office, seasonal pool, on-site laundry and additional parking.

Turn-key opportunity as The Ranch is 95% leased with solid historical occupancy.

Strong rental submarket with low vacancy and high rent growth.

Below replacement cost resulting from high barrier of entry for new developments in the submarket.

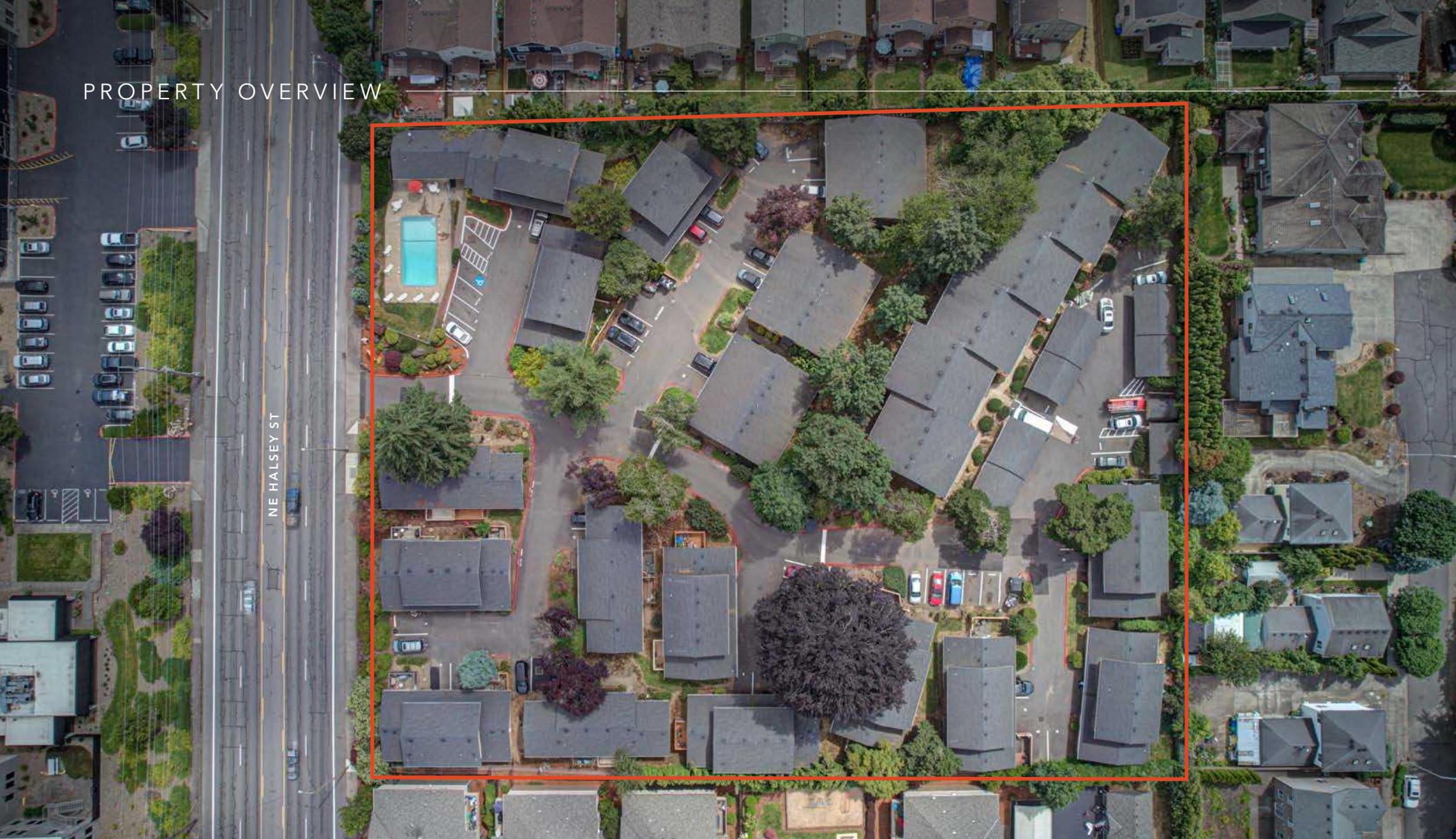
The asset was recently painted.



UNIT MIX

	Units	Avg. SF	Avg. Rent	Avg. Rent PSF	Pro-Forma Rent	Pro-Forma Rent PSF
2X1 FLAT	6	800	\$1,415	\$1.77	\$1,530	\$1.91
2X1.5 TH	12	1,100	\$1,608	\$1.46	\$1,750	\$1.59
2X1.5 TH	22	1,250	\$1,588	\$1.27	\$1,795	\$1.44
3X1.5 TH	6	1,350	\$1,770	\$1.31	\$1,850	\$1.37
TOTAL / AVG	46	53,600	\$73,334	\$1.37	\$80,770	\$1.51

PROPERTY OVERVIEW



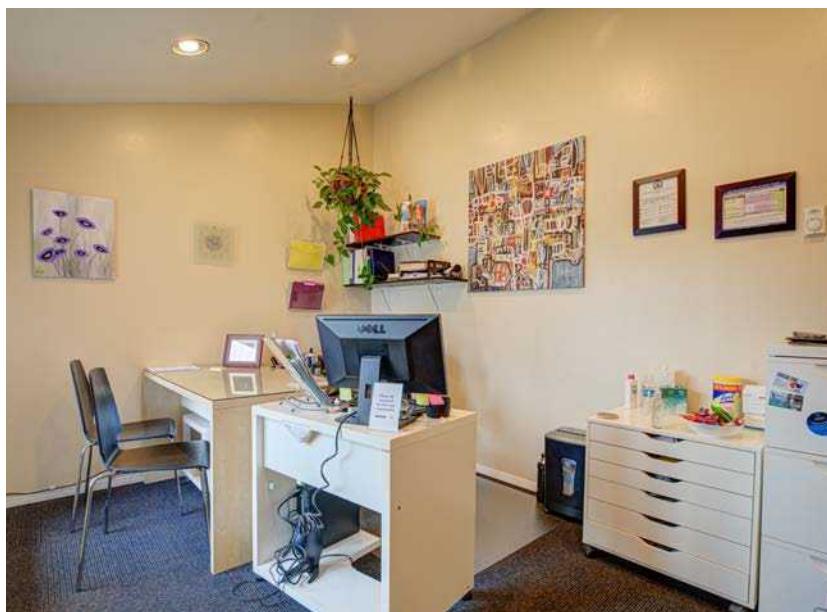
PROPERTY AMENITIES

Townhouse layouts (40 units)	Washer/dryer hookups (36 units)	Community room
Duplexes	On-site laundry (for select units)	Dedicated management office
Garages and carports	Seasonal pool	Low density layout

PROPERTY OVERVIEW



PROPERTY OVERVIEW



LOCATION OVERVIEW

Section 03

LOCATED IN THE CITY OF *GRESHAM*

Near major employers such as Amazon, Subaru, Boeing, FedEx, US Bank, and Mt. Hood Community College

Submarket population of 112,739 with 42.5% of the housing units renter-occupied

Gresham has achieved 15% rent growth since 2020 and is expected to grow another 20% over the next 5 years

Near schools, medical centers and national retailers

1 mile to I-84 freeway

3 miles to downtown Gresham

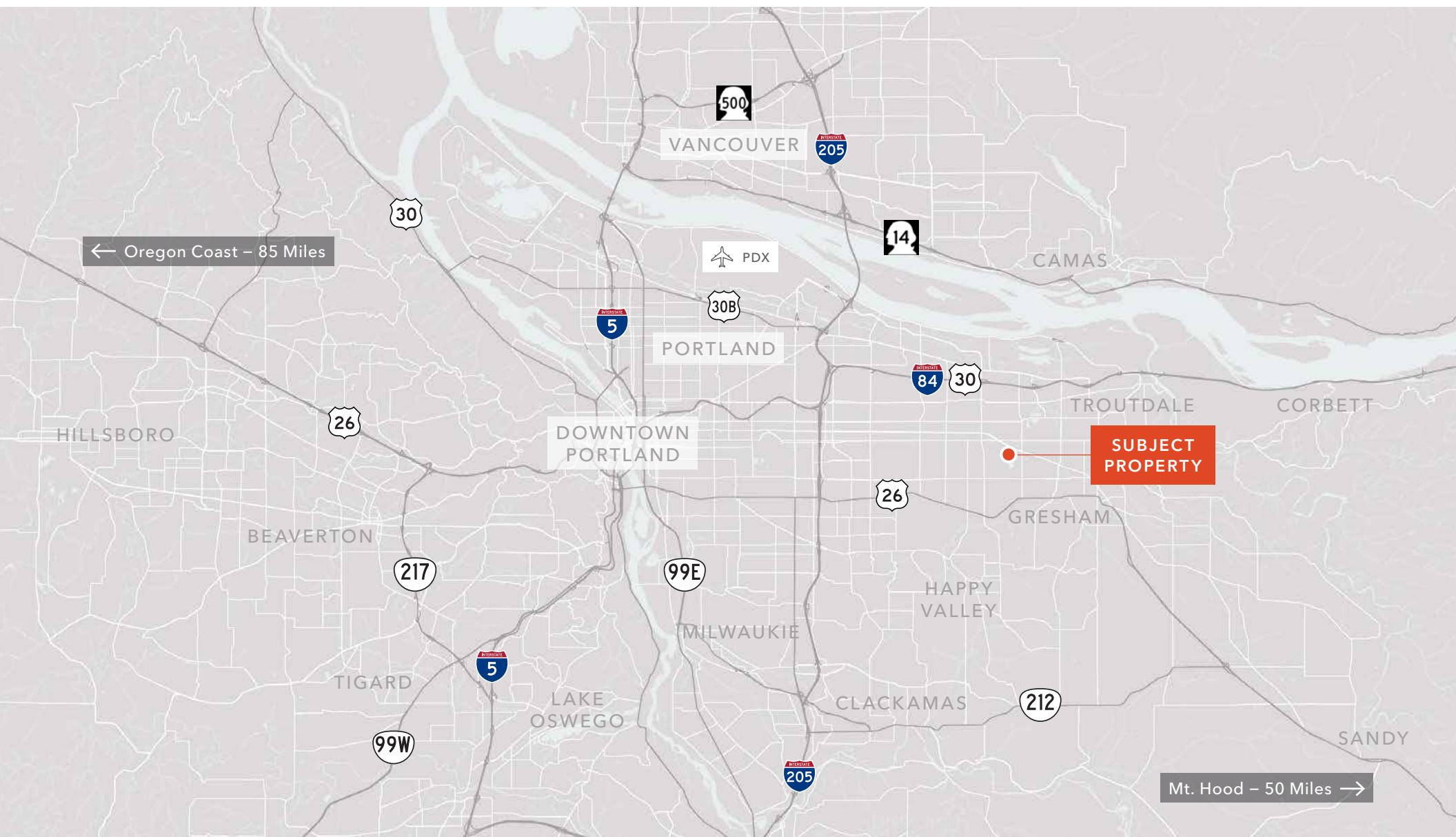
8 miles to downtown Portland



LOCATION OVERVIEW



LOCATION OVERVIEW



LOCATION OVERVIEW



STATISTICS

37 median age

\$485,000 median sold home price

4th largest city in Oregon

54% home ownership rate

\$70,000 average household income

10 bus lines

9 light rail stops

1,103 acres of parks, natural area trails

LOCATION SUMMARY

Gresham is a large, growing, dynamic city, but has retained its small-town feel.

Gresham, Oregon is a flourishing city located approximately 11 miles east of Portland. Gresham is the fourth largest city in Oregon, and the second largest in Multnomah County, behind Portland. Gresham's 110,456 plus residents contributes to 2.4 million total residents that reside in the Portland Metropolitan Area, making it among the top 25 metro areas in the country. Gresham's population is comprised of young professionals, growing families, and long-time residents. The city boasts a moderate cost of living compared to other Portland submarkets, which has resulted in marked population growth over the last two decades.

The city is well located between the I-205 and I-84 highways, bringing the Portland International Airport and downtown Portland within a 20-minute drive. Gresham's convenient location has made it a hub for large national distribution and manufacturing facilities, including Amazon, Boeing, and Subaru. Gresham has also been recognized as one of the "greenest" cities in the state, and boasts excellent parks, natural areas, libraries, schools, and public transportation.

The abundance of new construction in and around downtown Portland and the increasing costs of close-in urban living have spurred a large migration of residents east into Gresham. Despite the increasing population, new construction has been limited as developers have focused on Portland's core during the economic expansion. The result has been a submarket with some of the tightest vacancy rates and fastest rising rents in the state.

EMPLOYERS & JOBS

Gresham and Troutdale combine to make up one of the larger regional manufacturing and industrial hubs in Portland.

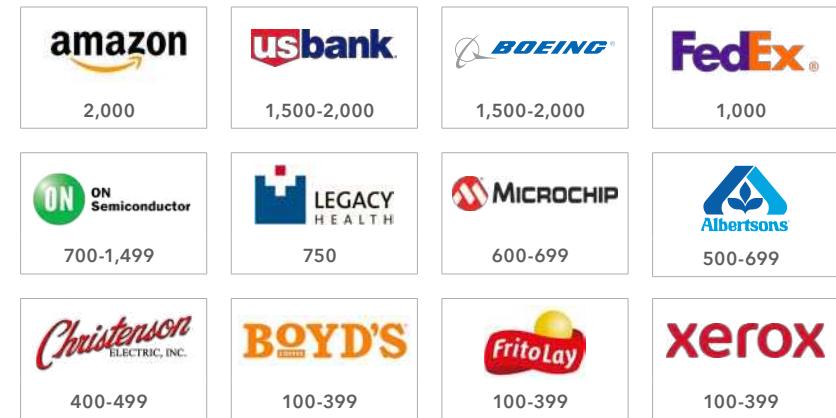
Gresham and Troutdale account for more than 30% of the entire industrial inventory added to the Portland metro this development cycle. One location that has become a center for city's industry is the Gresham Vista Business Park, a 221-acre space with many speculative spaces still open to new tenants. Located between SE Stark Street, NE 223rd Avenue, and NE Glisan Street, there are 11 lots spread across the park. Several developers are already building on the lots, including Tramell Crowe and Specht Development. Specht is building the largest ever single-phase development in the Portland-metro area at over 730,000 SF. As a tenant, Subaru opened the first center at the Park, a 600,000 SF distribution center, in 2017.

Other nearby industrial parks in the area include Prologis PDX, and the Gateway Corporate Center, with over 215,000 SF.

According to a recent CoStar East Columbia Corridor Industrial report, economic incentives, like property tax abatements and a 66-day land review period, have contributed to strong demand in the submarket. The East Columbia Corridor has been the focal point of new logistics construction in Portland for most of the past decade, and the development boom has continued to gain momentum recently.

As an indication of this success, 162 industrial tenants moved to the submarket between July 2012 and December 2016, more than three times the number of tenants that moved in from July 2003 through December 2007 during that economic expansion. Amazon's new fulfillment center in Troutdale is also one of the beneficiaries of a five-year tax abatement worth around \$9.6 million, one of the main reasons for the e-commerce giant's site selection. The 855,000 SF fulfillment center opened in 2018 and has brought more than 2,000 jobs to the area.

TOP AREA TRADED SECTOR EMPLOYERS & EMPLOYEES





FINANCIALS

Section 04

VALUATION

INCOME		CURRENT			PRO-FROMA		
		Annual	Per-Unit	% EGI	Annual	Per-Unit	% EGI
Potential Rental Income		\$880,012	\$19,131		\$969,240	\$21,070	
Other Income	2024 YE	\$39,950	\$868		\$41,149	\$895	
Utility Reimbursement	2024 YE	\$50,103	\$1,089		\$51,606	\$1,122	
Gross Operating Income		\$970,065	\$21,088		\$1,061,995	\$23,087	
Vacancy (5%)		(\$44,001)	(\$957)		(\$48,462)	(\$1,054)	
Effective Operating Income		\$926,065	\$20,132	100%	\$1,013,533	\$22,033	100%
EXPENSES							
Real Estate Taxes (w/ 3% disc)	2024	(\$57,524)	(\$1,251)	6.21%	(\$59,250)	(\$1,288)	5.85%
Property Insurance	2024 YE	(\$72,000)	(\$1,565)	7.77%	(\$40,000)	(\$870)	3.95%
Water/Sewer	2024 YE	(\$53,895)	(\$1,172)	5.82%	(\$55,512)	(\$1,207)	5.48%
Electricity	2024 YE	(\$10,044)	(\$218)	1.08%	(\$10,345)	(\$225)	1.02%
Garbage	2024 YE	(\$49,777)	(\$1,082)	5.38%	(\$51,270)	(\$1,115)	5.06%
Telephone	2024 YE	(\$4,355)	(\$95)	0.47%	(\$4,486)	(\$98)	0.44%
Landscaping	2024 YE	(\$17,760)	(\$386)	1.92%	(\$18,293)	(\$398)	1.80%
Maintenance/Repair	2024 YE	(\$63,618)	(\$1,383)	6.87%	(\$65,527)	(\$1,424)	6.47%
Turnover	2024 YE	(\$47,154)	(\$1,025)	5.09%	(\$23,000)	(\$500)	2.27%
Professional Management	Est	(\$32,412)	(\$705)	3.50%	(\$33,385)	(\$726)	3.29%
Payroll	2024 YE	(\$113,286)	(\$2,463)	12.23%	(\$85,000)	(\$1,848)	8.39%
Office/Admin	2024 YE	(\$18,517)	(\$403)	2.00%	(\$19,073)	(\$415)	1.88%
Reserves	Est	(\$13,800)	(\$300)	1.49%	(\$14,214)	(\$309)	1.40%
Total Operating Expenses		\$554,142	(\$12,047)	59.84%	\$479,353	\$10,421	47.30%
Net Operating Income		\$371,922	\$8,085		\$534,179	\$11,613	
Annual Debt Service*		(\$297,998)	(\$6,478)		(\$297,998)	(\$6,478)	
Cash Flow Before Taxes		\$73,924	\$1,607		\$236,181	\$5,134	

*Based on loan assumption

UNIT MIX

			CURRENT		PRO-FROMA	
Type	#	Avg SF	Avg Rent	PSF	Avg Rent	PSF
2X1	6	800	\$1,415	\$1.77	\$1,530	\$1.91
2X1.5	12	1,100	\$1,608	\$1.46	\$1,750	\$1.59
2X1.5	22	1,250	\$1,588	\$1.27	\$1,795	\$1.44
3X1.5	6	1,350	\$1,770	\$1.31	\$1,850	\$1.37
TOTAL	46	53,600	\$73,334		\$80,770	
AVG		1,165	\$1,594	\$1.37	\$1,756	\$1.51

ASSUMABLE LOAN

SERVICER	Greystone Servicing Company, LLC
ORIGINAL LOAN BALANCE	\$3,000,000
CURRENT LOAN BALANCE	\$2,780,000
INTEREST RATE	3.39%
INITIAL TERM - FIXED RATE	10 Years (4.5 years remaining)
ORIGINATION - MATURITY*	02/01/2020 - 02/01/2030

*30 year amortization



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