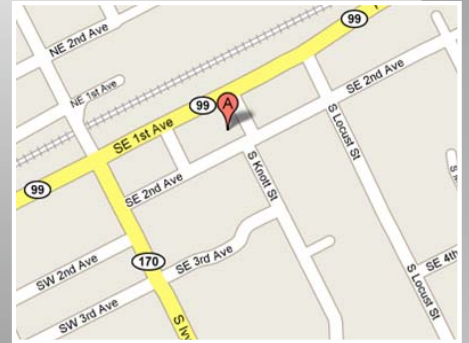


Exclusive Listing

Rancho Real Apartments

290 SE 2nd Avenue
Canby, Oregon 97013



\$895,000

Units	16
Price per Unit	\$55,938
Year Built	1963
Building Sq. Ft.	10,956

For further information, please contact:

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Rancho Real Apartments

Summary

Photos



New Long-boarded Railings



New Vinyl Energy Efficient Windows



Berber Carpeting, Clean Interiors

History of Property

The seller of the Rancho Real Apartments purchased the property in August of 2002. The seller recounts the condition of the property in 2002 as “well-built, with the bones in excellent shape but had a lot of needed maintenance. The building was structurally sound, it has copper plumbing throughout the building including the drains, but it needed upkeep.”

The owner immediately went to work on the property; he replaced old aluminum windows with vinyl energy efficient windows, replaced the roof with a quality torch down roofing system, painted the building, upgraded the units with new Berber carpet and vinyl, and built completely new railings for the stairs on the front and back of the building.

“I made sure to spend extra money on getting long boards for the railings, it cost more but it’s better structurally with less maintenance needed in the future.” The seller’s philosophy has been to make the property “as good as possible” where it is “nice enough where I would live there.”

Currently, the property is in excellent shape, with most tenants staying at the property for three to four years on average. There is one family that has occupied their unit for seven years, which is a testament to the ownership and building quality. The owner states the tenants keep the property clean and they have a pride of living at the property.

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Rancho Real Apartments

Sold Comparables

Rancho Real Apartments

290 SE 2nd Avenue
Canby, Oregon 97013



Price	\$895,000
Units	16
Price per Unit	\$55,938
Year Built	1963
Cap Rate	8.03%

Willamette Crest

1212 Division Street
Oregon City, Oregon 97045



Price	\$1,395,000
Units	24
Price per Unit	\$58,125
Year Built	1972
Cap Rate	6.69%
Date Closed	09/17/08

Funny Merrill

920 John Adams Street
Oregon City, Oregon 97045



Price	\$810,000
Units	14
Price per Unit	\$57,857
Year Built	1961
Cap Rate	7.10%
Date Closed	03/26/08

Brookside

19535 River Road
Gladstone, Oregon 97027



Price	\$760,000
Units	12
Price per Unit	\$63,333
Year Built	1969
Cap Rate	6.70%
Date Closed	10/27/08

Rent Comparables

Rancho Real Apartments

290 SE 2nd Avenue
Canby, Oregon 97013



Units	16
Unit Mix	1 Bedroom
Avg Sf / Unit	684
Avg Rent	\$550
Avg Rent / Sf	\$0.80

Redwood Terrace

2040 N Redwood Street
Canby, Oregon 97013



Units	57
Unit Mix	1 Bedroom
Avg Sf / Unit	908
Avg Rent	\$725
Avg Rent / Sf	\$0.80

Willamette Grove

1802 N Pine Street
Canby, Oregon 97013



Units	86
Unit Mix	1 Bedroom
Avg Sf / Unit	725
Avg Rent	\$695
Avg Rent / Sf	\$0.96

Royal Ascot

700 SE 5th Avenue
Canby, Oregon 97013



Units	90
Unit Mix	1 Bedroom
Avg Sf / Unit	643
Avg Rent	\$630
Avg Rent / Sf	\$0.98

Estimated Income & Expense Pro Forma

Rancho Real Apartments

290 SE 2nd Avenue
Canby, Oregon 97013

Scheduled Monthly Rents

Units	Type	Est. SF	Current Avg. Rent	Monthly Income
16	1 Bedroom / 1 Bath	684	\$550	\$8,800
16			Estimated Total	\$8,800
			Scheduled Gross Income	\$105,600
			▪ Less: Vacancy (5%) ¹	-\$5,280
			Effective Gross Income	\$100,320
			▪ Plus: Laundry	+\$5,400

Estimated Expenses

	%EGI	Current	
		Per/Unit	Amount
Taxes	5.86%	\$367	\$5,875
² Insurance	3.19%	\$200	\$3,200
³ Utilities	7.28%	\$457	\$7,308
⁴ Professional Management	6.00%	\$376	\$6,019
³ Advertising	0.14%	\$9	\$142
⁵ Repairs & Maintenance	4.86%	\$305	\$4,876
Turnover Reserves	3.19%	\$200	\$3,200
Capital Reserves	3.19%	\$200	\$3,200
Total Estimated Annual Expenses	33.71%	\$2,114	\$33,820
	of EGI	Per Unit	

Footnotes

- Actual rent collected for 2008 was \$103,462 (Schedule E), for a 98% financial occupancy rate. The potential gross rent in 2008 was \$105,600.
- Market Estimate. Seller currently has elective earthquake insurance and paid a premium of \$4,881 in 2008.
- Reflects actual 2008 expense totals.
- The current owner self managed, and does not utilize the services of a professional property management company.
- Actual repair expenses for 2008: \$21,876; 2007: \$6,650 (which includes turnover & repairs).
- Pre-approved by the Commercial Lending Group.

Estimated Net Operating Income (NOI)

\$71,900

Cap Rate

8.03%

Debt Service

\$50,252

Cash Flow

\$21,648

Cash Return

9.67%

Proposed Financing⁶

Down Payment	\$223,750
Percent Down	25%
Loan Amount	\$671,250
Interest Rate	6.375%
Loan Description	5 yr fix/30 yr. amort

Listing Summary

Price	\$895,000
Units	16
Building Sq. Ft.	10,956
Price per Unit	\$55,938
Price per Sq. Ft.	\$81.69

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