

APARTMENT INVESTMENT ANALYSIS

Wellesley Court Apartments

829 SE 15th Avenue
Portland, OR 97214

PRICE:	\$7,090,000
# OF UNITS:	56
\$ PER UNIT:	\$126,607

PHYSICAL DATA

Year Built:	1911	Balconies:	No	Lot (SF):	10,000	Range/Refrig:	Yes/Yes
Stories:	4	Windows:	Insulated	Bldg Sq Ft:	34,920	Dishw/Disp:	No/No
Buildings:	1	Heat:	Electric	Garages/Cp's:	No	Laundry Rm:	Yes
Exterior:	Masonry	Roof:	Torch Down	Parking:	Street	Controlled Ent:	Yes

Site: *1 Tax Lot; Buildings Zoned CM2 - Commercial Mixed Use 2*

Summary: *Premium Close-In Southeast Location, Minutes to Downtown Portland;
Located in the Exciting Belmont District of Portland;
The Neighborhood Offers Easy Access to Shopping, Cafes, Restaurants, & More;
Street Parking is Readily Available;
Great Unit Mix Featuring Large One-Bedroom Units & Dbl. Studios;*

*Walk Score of 94: Considered "Walker's Paradise"
Bike Score of 97: Considered "Biker's Paradise"*

Financing:

PROPOSED FINANCING ON SALE:			EXISTING:	()	NEW LOAN	(X)
Type	Balance:	Monthly Payment:	Int. Rate:	Terms	Lender	
Conv.	\$4,254,000	\$23,490	5.25%	7/30 Amort	Quote	
Total:	\$4,254,000	\$23,490x 12 = Annual (Net) Debt Service Of:				\$281,880

Scheduled Gross Income:	\$776,568	Price Per Unit:	\$126,607
Less: Vacancy, Conc, Emp:	(\$38,828)	Price Per Rentable Sq. Ft:	\$208.85
Plus: Other Income:	<u>\$55,000</u>	Price Per Total Sq. Ft:	\$203.04
Effective Gross Income:	\$792,740	Downpayment (40%):	\$2,836,000
Less: Expenses:	<u>(\$364,797)</u>	Gross Rent Mult:	9.13
Net Operating Income:	\$427,943	Capitalization Rate:	6.04%
Less: Loan Payments:	<u>(\$281,880)</u>	Cash Flow (%):	5.15%
Before Tax Cash Flow:	<u><u>\$146,063</u></u>		

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CAP RATE: 6.04%
G.R.M: 9.13

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CAP RATE: 7.44%
G.R.M: 7.93

In-Place Avg. Rents

Bdrms	Baths	# Units	Avg. SF	Rent	\$/SF	Monthly
Studio	1-BA	1	525	\$1,275	\$2.43	\$1,275
Dbl. Studio	1-BA	19	567	\$1,001	\$1.77	\$19,019
1-BR	1-BA	35	625	\$1,234	\$1.97	\$43,190
1-BR	1-BA	1	775	\$1,230	\$1.59	\$1,230
TOTALS:		56	33,948	Monthly Gross Rents		\$64,714

Pro-Forma w/Current Mkt Rents

Rent	\$/SF	Monthly
\$1,275	\$2.43	\$1,275
\$1,295	\$2.28	\$24,605
\$1,350	\$2.16	\$47,250
\$1,375	\$1.77	\$1,375
		\$74,505

606 SF Avg.

Scheduled Gross Income (Annual)

	\$776,568	\$894,060
Less: Apartment Vacancy	5.0% (\$38,828)	5.0% (\$44,703)
Less: Model Rent	\$0	\$0
Plus: Fees, Laundry, Utilities & Other Income	\$55,000	\$55,000
	\$792,740	\$904,357

Effective Gross Income (Annual)

Less: Estimated Expenses	% Of EGI	\$/SF/Year	\$/Unit/Year	Budget	\$/Unit/Year	Budget	
Property Taxes Est.	6.72%	\$1.57	\$951	\$53,255	\$980	\$54,853	
Insurance - Est.	3.78%	\$0.88	\$536	\$30,000	\$580	\$32,500	
Gas & Electric	2.28%	\$0.53	\$323	\$18,067	\$332	\$18,609	
Water/Sewer	5.68%	\$1.33	\$805	\$45,063	\$829	\$46,415	
Trash Collection	2.14%	\$0.50	\$304	\$17,000	\$313	\$17,510	
Telecom./Entry System	1.04%	\$0.24	\$147	\$8,239	\$147	\$8,239	
Total Fixed Expenses	21.65%	\$5.06	\$3,065	\$171,624	\$3,181	\$178,126	
Management Fees	4.50%	\$1.05	\$637	\$35,673	4.00%	\$646	\$36,174
On-Site Labor	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Repairs, Maint., & Turnover	16.40%	\$3.83	\$2,321	\$130,000	\$2,321	\$130,000	
Elevator Maintenance	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Admin. & General	2.52%	\$0.59	\$357	\$20,000	\$446	\$25,000	
Misc Expenses	0.95%	\$0.22	\$134	\$7,500	\$134	\$7,500	
Replacement Reserves	0.00%	\$0.00	\$0	\$0	\$0	\$0	
Total Variable Expenses	24.37%	\$5.69	\$3,450	\$193,173	\$3,548	\$198,674	

Total Estimated Annual Expenses	\$10.75	\$6,514	\$364,797	\$6,729	\$376,800
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Estimated Net Operating Income

\$427,943 \$527,557

EXPENSE ANALYSIS:

% of Effective Gross:	46.02%	41.66%
\$ Per Unit/ Per Year:	\$6,514	\$6,729
\$ Per NRSF/ Per Year:	\$10.75	\$11.10

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