

For Sale: \$975,000
Bend West Side 5-Plex
163 NW Vicksburg Ave., Bend, Oregon

Offering
Memorandum



Rare Multifamily Investment Opportunity in an A+ Location



Ron Ross, CCIM
rross@compasscommercial.com
541.322.1230

Terry O'Neil, CCIM
toneil@compasscommercial.com
541.848.4060

COMPASS 
Commercial
Navigating Your Success REAL ESTATE SERVICES

Page

03	Property Overview Property Details Executive Summary
05	Financial Information Annual Property Operating Data Rent Roll
07	Property Photos
08	Location Overview Property Aerial Regional Aerial
10	Regional Overview
12	Notices

Bend Westside 5-Plex

Property Details

Site Address: 163 NW Vicksburg Ave.
Bend, Oregon

Tax Map/Lot: 171229CD01801

Zoning: Residential Standard Density (RS)

Site Area: 0.43 Acre

Bldg. Size: 4,236 SF*

Built: 1954

No. of Units: 5

Unit Types: All are 1 bedroom / 1 bath

Buildings: Originally, this property consisted of two separate structures, but additions were made to provide connectivity allowing it to function as one two-story building. There are three units on the upper floor, all sharing a large deck, and two units below. There are five carports and the roof is metal.

Features and Amenities: With an A+ location on Bend's west side and outstanding views of the Deschutes River, Paulina Mountains, the city and Pilot Butte, this property is a rare find. There is room on the site for additional amenities such as a play area, dog run, garden area, deck, barbeque pits or sports court. Buyer must confirm with the City of Bend regarding approved amenities or additions.

Price: **\$975,000**



*Square footages represented herein are sourced from the Deschutes County Assessor office and are not warranted by Brokers or Sellers. If square footage is a material consideration for any purchaser, they are advised to independently verify the square footages to their own satisfactions.

Executive Summary

Property Description

This offering consists of a 5-plex with five carports, a laundry room and basement storage. All of the units have one bedroom and one bathroom. Built in 1954, this property exudes the charm of yesteryear with some tasteful updates. It has been well cared for, and the residents love their homes and feel fortunate to reside here. The tenants are a community in that they know and like each other resulting in minimal turnover.

The units have purposely retained their vintage charm with knotty pine panels, old hardwood floors, metal cabinets and no garbage disposals or dishwashers. A high efficiency instant hot water system was installed in September 2016 at a cost of \$5,000. A backup hot water tank supports the on-demand system.

In addition to the amazing location, charming units, laundry room, storage, large yard and outdoor gathering areas, the most notable feature for this property is the outstanding views of the Deschutes River, the city, Pilot Butte and the Paulina Mountains. Tenants also enjoy the sound of the roaring Deschutes River just by stepping outside their doors.

There is excess land on the site that could be used for additional amenities. It is doubtful that any additional units could be built. Any other amenities or structures the Buyer desires to add would need to be approved by the City of Bend. Some possible ideas could include a play area, barbeque pits, dog run, deck, sport court and more.

Financials

Please reference financial information on the following pages. Due to the incredible location of this property, and the ongoing acute housing shortage in the entire area, it is this broker's opinion that there is substantial upward potential for rents with little or no property improvements. With some simple upgrades and improvements, income could increase significantly.

Location

Of all the outstanding features of this property, perhaps the most amazing is the location. It sits amid a highly desirable West Bend single-family neighborhood in the Aubrey Heights subdivision. Situated high on a southern facing slope, the building enjoys incredible views of city, the Deschutes River and Pilot Butte along with the vast forest and Paulina Mountains to the south. The property has great proximity to downtown Bend and all the west side community amenities, including schools, shopping and recreation.

Uniquely, the property is zoned RS for Residential Standard Density which permits only three units per lot. However, the City of Bend has indicated that the current use of this building with five units is grandfathered. Buyers must conduct their own due diligence with the City to clarify any land use issues and questions.



Annual Property Operation Data

PROPERTY SUMMARY	
Units	5
Built	1954
Site Acreage	0.43
Tax Map	171229CD
Tax Lot	1801

PROPERTY SUMMARY		
Sales Price	\$ 975,000	
NOI	\$ 42,639	market rents

MARKET RENT CAP RATE
4.4%

UNIT MIX & RENT SCHEDULE					
	Units	Type	SF	Actual Rent/Mo.	Market Rent/Mo
Building #1	2	1 bed/1 bath	1276	\$ 2,000	\$ 2,100
Building #2	3	1 bed/1 bath	2960	\$ 2,740	\$ 3,150
Totals	5		4236	\$ 4,740	\$ 5,250

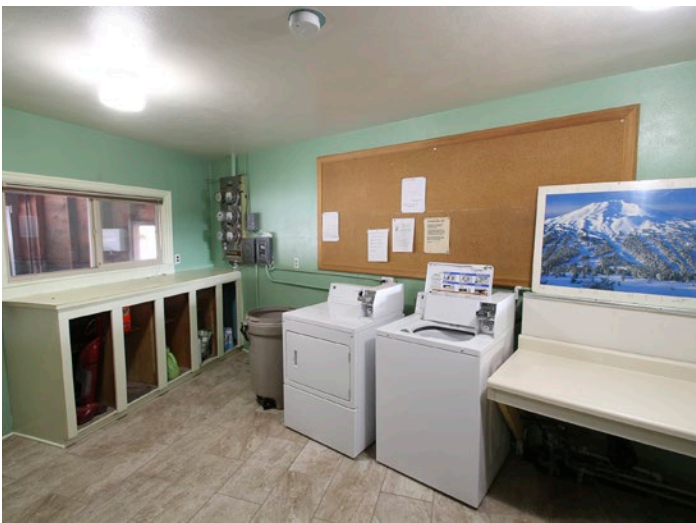
INCOME		Actual Rents	Market Rents	
Potential Rental Income		\$ 56,880	\$ 63,000	
Less Vacancy	3%	\$ 1,706	\$ 1,890	
Effective Rental Income		\$ 55,174	\$ 61,110	
Plus other income		\$ 2,400	\$ 2,400	laundry income per owner
Gross Operating Income		\$ 57,574	\$ 63,510	
EXPENSES		Actual Exp	Market Exp	
Property Taxes		\$ 5,796	\$ 5,796	actual
Property Insurance		\$ 927	\$ 927	per owner
Management	8%	\$ 4,606	\$ 5,081	8%
Repairs and Maintenance		\$ 3,000	\$ 3,000	pro forma
Garbage		\$ 565	\$ 565	12 mo. average
Water/sewer		\$ 2,232	\$ 2,232	12 mo. average
Electricity		\$ 600	\$ 600	12 mo. average
Gas		\$ 400	\$ 400	pro forma
Landscaping/snow removal		\$ 1,000	\$ 1,000	pro forma
Reserves	2%	\$ 1,151	\$ 1,270	
Total Operating Expenses		\$ 20,277	\$ 20,871	
Expense Ratio		35%	33%	
NOI		\$ 37,296	\$ 42,639	

This is a broker pro forma, the statements and figures herein, while not guaranteed, are secured from sources we believe authoritative. Buyers are advised to review actual property financial history (during due diligence) and make their own judgements and determination as to future and past financial performance of this property.

Rent Roll

RENT ROLL						
Unit	Type	Move In	Term	Sec. Deposit	Actual Rents	Market Rents
1	1 bed/1 bath	04/01/17	09/30/17	\$990	\$1,020	\$1,050
2	1 bed/1 bath	01/03/17	12/31/17	\$1,025	\$980	\$1,050
3	1 bed/1 bath	08/16/15	MTM	\$870	\$945	\$1,050
4	1 bed/1 bath	08/01/12	07/30/17	\$915	\$870	\$1,050
5	1 bed/1 bath	05/20/13	MTM	\$720	\$925	\$1,050
Totals					\$4,740	\$5,250
Avg monthly rent per unit					\$948	\$1,050

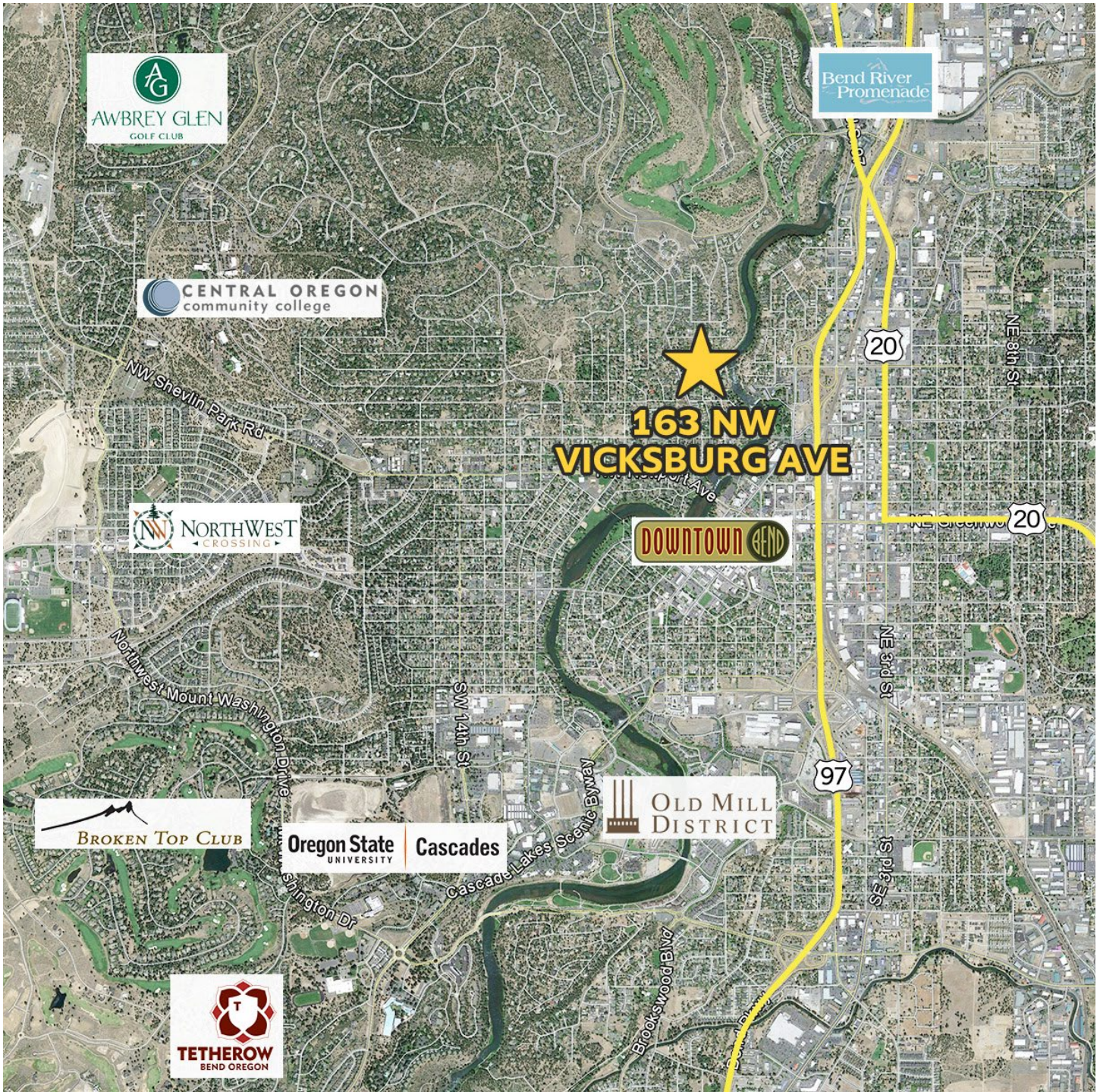
Property Photos



Property Aerial



Regional Aerial



Bend, Oregon Profile

Situated on the eastern edge of the Cascade Range along the Deschutes River, Bend joins forested mountain highlands and high desert plateaus, offering a diverse range of scenery and outdoor activities. The largest city in Central Oregon, Bend is the commercial, recreation and social center of the tri-county region and also serves as the county seat of Deschutes County. It covers 32 square miles and sits at an elevation of 3,625 feet. Bend is noted for its scenic setting and year-round recreational activities.

LIFESTYLE

Bend has a deserved reputation for attracting lifestyle migrants – urban dwellers who seek amenities typically associated with a larger metropolitan area, but yearn for the recreational pursuits of the great outdoors, a beautiful setting, and an accessible community feeling. As such, the city attracts families and entrepreneurs from all of the West Coast metro areas and some from other major population centers. Many residents remark that despite its population size of 82,000, Bend has retained its small town atmosphere and ‘feels’ smaller than its size would suggest. The city has been adopted as a gateway for many outdoor sports, including mountain biking, skiing and snowboarding, dog sled racing, fishing, hiking, rock climbing, white-water rafting and golf. There is also a sizable cluster of individuals drawn to Bend for artistic pursuits, ranging from photography to sculpture, from water color to metal working. Bend’s beer brewing industry and restaurant scene is also a draw for tourists and locals.

DEVELOPMENT

Economically, Bend started as a logging town, but began a transition to a more varied, sustainable economy in the 1980’s when it became apparent that the lumber mills would no longer be vital. Economic Development for Central Oregon (EDCO) was born in the dark days of the 1980’s, when many downtown businesses were boarded up.



Unlike resort communities such as Aspen or Jackson Hole, Bend’s lifestyle and quality workforce is a draw for many successful companies in the aviation, manufacturing, renewable energy, high-tech, healthcare and recreation equipment sectors. Many of Bend’s companies are owner-operated and in the small to midsize range, typically with 10 to 50 employees. Companies like Breedlove Guitars, PV Powered, G5 Search Marketing, Deschutes Brewery and Bend Research provide solid employment and bring in vital traded-sector dollars to Bend’s economy.

SOURCE: <http://www.edcoinfo.com/communities/bend-profile/>

Central Oregon Profile

The cities and communities that comprise Central Oregon are Bend, Redmond, Sisters, Sunriver, Prineville, La Pine, Madras, and Warm Springs.

Central Oregon has led the state's population growth over the last two decades; in fact, Deschutes County continues to be one of the fastest growing areas of the country. A lesser known fact is that our region has also topped the state in job growth over the past ten years, creating a region that's characterized by dynamic small businesses and entrepreneurial activity. The region boasts strong clusters in high technology (software, hardware and energy), advanced manufacturing, biosciences, renewable energy, brewing & distilling, value-added food products, and recreation equipment.

For most new residents, Central Oregon is a lifestyle choice, offering a friendly environment, year-round recreation options, and world class amenities – all with a hassle-free, small town feel. From a ranch in Prineville to an upscale urban condo in Bend, the region presents a rare diversity of places to live.

The region is served by Roberts Field, a commercial airport offering service at Redmond Municipal Airport (RDM, www.flyrdm.com) provided by American Airlines, Alaska Airlines, Delta and United. These carriers offer approximately 21 commercial flights daily to and from San Francisco, Portland, Seattle, Los Angeles, Salt Lake City, Phoenix and Denver.

Six major public school districts serve over 32,000 students; there are also 30 private schools in the region. The region is also home to Central Oregon Community College (COCC) and Oregon State University - Cascades, a four-year university by 2015.

SOURCE: <http://www.edcoinfo.com/communities/>



DISCLAIMER: The information contained herein has been given to us by the owners of the property or obtained from sources that we deem reliable or are based on assumptions that are considered reasonable and accurate. Although the broker has used reasonable care in obtaining data and making estimates and the projections based upon this data, this material is submitted without representation or warranty.

This package has been prepared solely for informational purposes to assist a potential purchaser in determining if there is a desire to proceed with an in-depth investigation of the property. Neither the Sellers nor any of its officers, employees or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information set forth in this Offering Package or any aspect of the property or improvements herein. Interested parties are expected to review, independently, all documents and other matters relating to the property and improvements in order to verify the accuracy and completeness of the information contained herein.

EXCLUSIVE: The property represented herein is exclusively listed for sale by Compass Commercial Real Estate Services. All negotiations for the purchase shall be conducted through Compass Commercial Real Estate Services.

Please do not disturb tenants or management.

Questions concerning this offering should be directed to:



www.compasscommercial.com

541.383.2444

RON ROSS, CCIM | rross@compasscommercial.com

TERRY O'NEIL, CCIM | toneil@compasscommercial.com

Brokers are licensed in the state of Oregon

