

For Sale: \$1,200,000

**Three High-End Rental Homes
in SW Bend, Oregon**

**Offering
Memorandum**



Built in 2015 with a Great Rental History



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Three High-End Rental Homes in SW Bend, Oregon



Property Details

Addresses:	19732 Clarion	19738 Clarion	19738 Clarion
Tax Lot:	181218BA00404	181218BA00405	181218BA00406
House Size:	2,026 SF	2,026 SF	2,026 SF
Lot Size:	0.10 AC	0.10 AC	0.10 AC
Bedrooms:	3	4	3
Offices:	1	0	1
Bathrooms:	2.5	2.5	2.5
Year Built:	2015	2015	2015

Features & Amenities: Each home is two stories and has a kitchen with laminate counter tops, black appliances, oven, gas range top, and large pantry. They have gas HVAC, carpet, high-end wood finish laminate flooring and great floor plans.

Property Management: Owner-managed

Tot. Price: \$1,200,000 **Cap Rate: 4.31% (Actual)**
4.63% (Pro Forma)

Executive Summary

Property Description

This offering consists of three high-end single family homes built by Simplicity Homes on three individual tax lots. The homes are adjacent to one another on the north side of Clarion Avenue. Each home has standard finishes including laminate counter tops, tile backsplashes and black appliances. They have a strong rental history with very little turnover. Lease agreements expire in June of 2018.

There is potential for the homes to be sold as individual units for a gradual exit strategy. Having been built in 2015, there is no deferred maintenance that the seller is aware of and the homes have been easy to self-manage.

The three homes have almost identical floor plans. The main floor is comprised of a kitchen, living room, bathroom, and office (possible bedroom). The second floor is comprised of a master bedroom with bathroom, two additional bedrooms, a common bathroom and a laundry room. Each home has nice walk-in closets in the master bedroom. The backyards are fenced and relatively small which cuts down on landscaping costs but still provide a family-friendly space.

The homes are located at the west end of Clarion Avenue which does not currently go all the way through making these three homes the last homes on the street. As a result, there is no through-traffic creating a safe and quiet neighborhood.

Financials

At the owner's request, rents in recent years have been kept at reasonable rates. This is reflected in the pro forma income statement in this package. There is an acute housing shortage region-wide with vacancy rates for the last several years running under 2% which is supporting strong rent growth in the area.

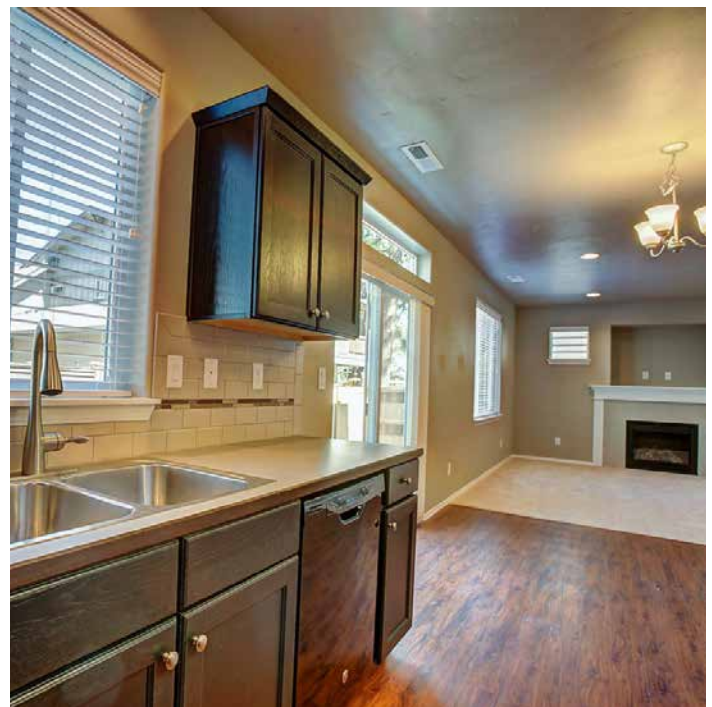
The only expense the owner pays is for landscaping so that the units keep their curb appeal. A new owner can realize greater returns by having tenants pay these costs.

Location

These homes are centrally located in the southwest quadrant of Bend, Oregon and within a few minutes driving time to downtown, the Old Mill District, Central Oregon Community College, and Oregon State University Cascades. The homes are also walking distance to Pine Ridge Elementary School.

Financing

A new buyer can place their own debt without restriction.



Rent Roll

#	House	Unit Type	SF	Current		Pro Forma	
				Rent/Mo.	Rent/Yr.	Rent/Mo.	Rent/Yr.
1	19732 Clarion	4 Bed/2.5 Bath	2,026	\$2,130	\$25,560	\$2,200	\$26,400
2	19738 Clarion	3 Bed/2.5 Bath/Office	2,026	\$1,925	\$20,400	\$2,050	\$24,600
3	19744 Clarion	3 Bed/2.5 Bath/Office	2,026	\$1,915	\$20,400	\$2,050	\$24,600
			6,078	\$5,970	\$66,360	\$6,300	\$75,600

Annual Property Operation Data (Actuals)

		Income				
INCOME						
		19732	19738	19744	Total	
Gross Potential Income	(1)	\$2,130	\$1,925	\$1,915	\$5,970	
- Vacancy	(2)	(\$32)	(\$29)	(\$29)	(\$90)	1.50%
Other Income		\$0	\$0	\$0	\$0	
Effective Gross Income		\$25,176.60	\$22,753.50	\$22,635	\$70,565	

EXPENSES						
		19732	19738	19744	Total	
Management	(4)	\$1,258.83	\$1,258.83	\$1,258.83	\$3,776.49	5.00%
Insurance	(3)	\$564	\$564	\$564	\$1,692.00	2.24%
Maintenance & Repairs	(3)	\$200	\$200	\$200	\$600.00	0.79%
Landscaping	(3)	\$400	\$400	\$400	\$1,200.00	1.59%
Property Taxes	(3)	\$3,728	\$4,069	\$3,733	\$11,530.00	14.81%
Total Expenses		\$6,150.83	\$6,491.83	\$6,155.83	\$18,798.49	24.43%

NET OPERATING INCOME		\$19,026	\$16,262	\$16,479	\$51,767
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VALUATION	
Listing Price	\$1,200,000
Cap Rate:	4.31%
# Units	3
Price per square foot	\$197.43
Value Per Unit	\$400,000

Footnotes	
1	Actual Rents
2	Market vacancy
3	Actual 2017 Expenses
4	Underwriting Estimate

Annual Property Operation Data (Pro Forma)

		Income				
INCOME						
		19732	19738	19744	Total	
Gross Potential Income	(1)	\$2,200	\$2,050	\$2,050	\$6,300	
- Vacancy	(2)	(\$34)	(\$33)	(\$33)	(\$100)	1.50%
Other Income		\$0	\$0	\$0	\$0	
Effective Gross Income		\$25,995.00	\$24,204.00	\$24,204	\$74,403	

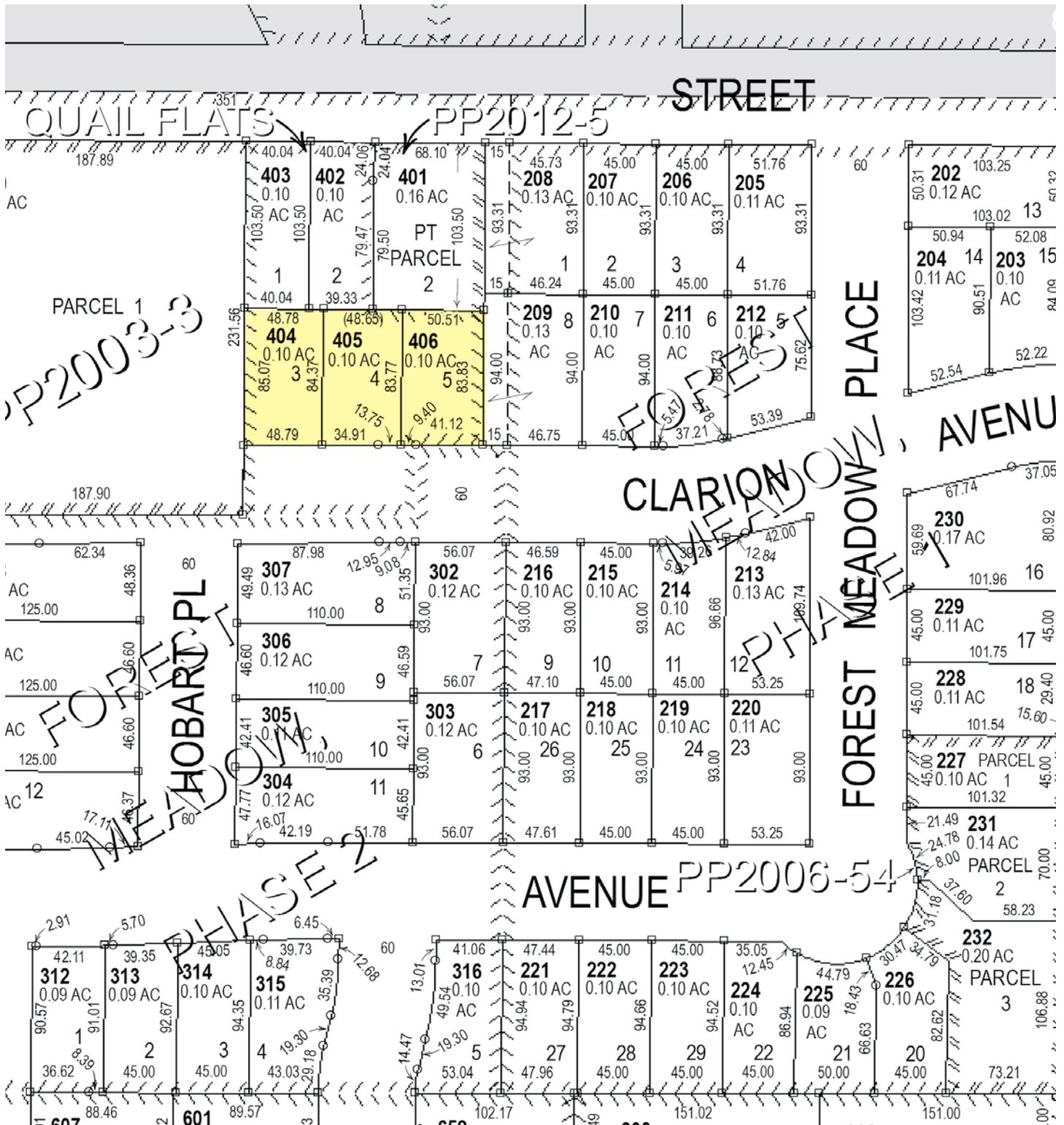
EXPENSES						
		19732	19738	19744	Total	
Management	(4)	\$1,329.75	\$1,258.83	\$1,258.83	\$3,847.41	5.00%
Insurance	(3)	\$564	\$564	\$564	\$1,692.00	2.12%
Maintenance & Repairs	(3)	\$200	\$200	\$200	\$600.00	0.75%
Landscaping	(3)	\$400	\$400	\$400	\$1,200.00	1.50%
Property Taxes	(3)	\$3,728	\$4,069	\$3,733	\$11,530.00	14.02%
Total Expenses		\$6,221.75	\$6,491.83	\$6,155.83	\$18,869.41	23.93%

NET OPERATING INCOME		\$19,773	\$17,712	\$18,048	\$55,534
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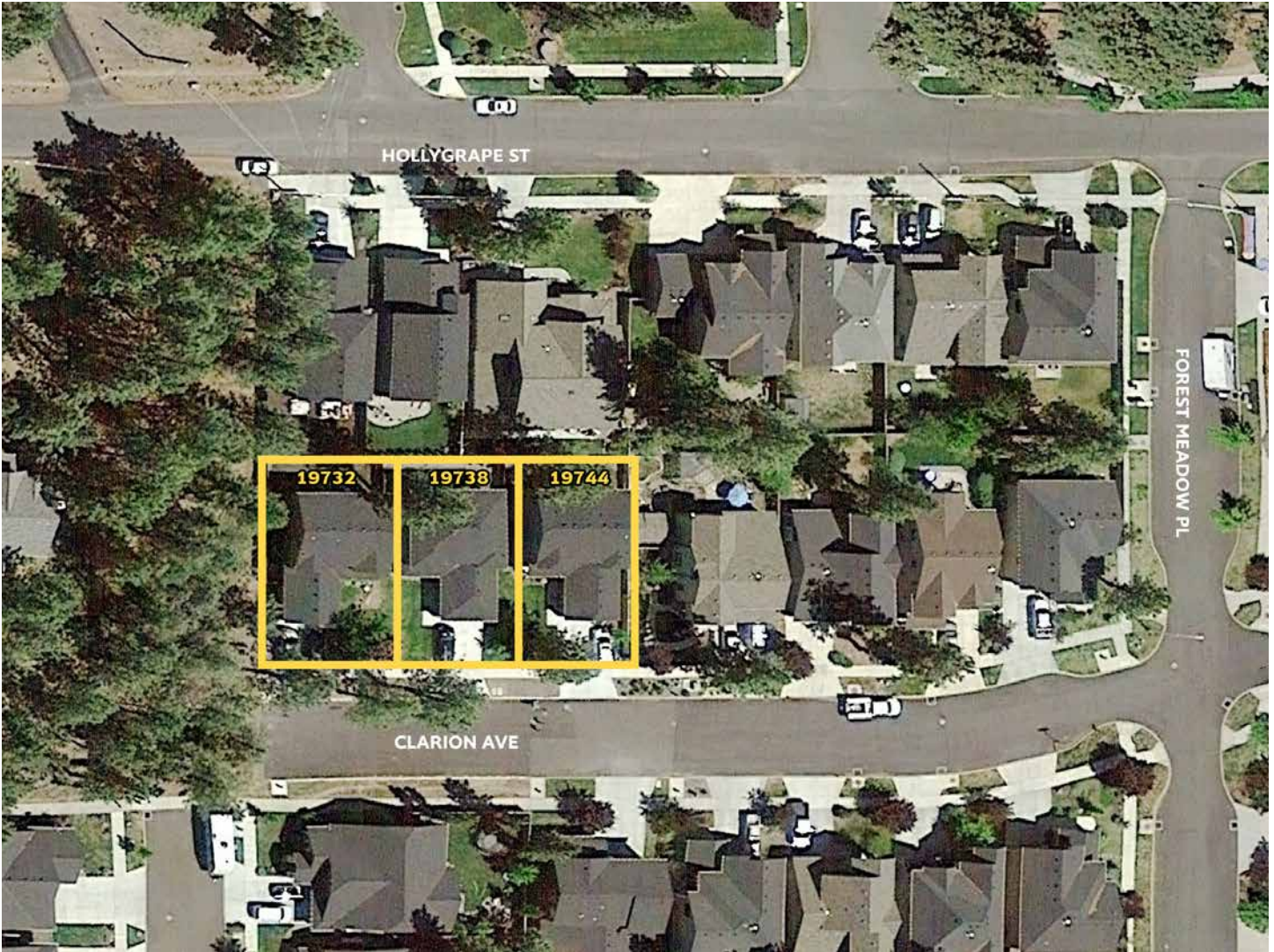
VALUATION	
Listing Price	\$1,200,000
Cap Rate:	4.63%
# Units	3
Price per square foot	\$197.43
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Footnotes	
1	Pro Forma Rents
2	Market vacancy
3	Actual 2017 Expenses
4	Underwriting Estimate

Tax Map



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, G5 Search Marketing, Deschutes Brewery, Hydro Flask 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.

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



Bend Downtown and Mt. Bachelor



OSU Cascades in Bend



Redmond Airport



Sisters Downtown

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