



FOR SALE

28 UNITS—SHELTON VILLAGE APARTMENTS

2540–2594 LEE ST SE, SALEM, OR 97301

SMI REAL ESTATE



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SHELTON VILLAGE APARTMENTS

Welcome to Shelton Village! This unique apartment complex is located in the heart of Salem.

Shelton Village is comprised of 28 units with large 3bed/1bath, 4bed/2bath, 5bed/2bath quad style townhouse layouts. Shelton Village has an inviting family atmosphere, with spacious grounds, courtyards, and adequate off-street parking with 38 standard/5 handicap spaces available to the residents.

Additional photos of the unit interiors available upon request. Loan quote package is also available upon request.

Good central location with easy access to I-5 via Mission St SE. Close proximity to shopping, restaurants, and numerous other amenities. Please do not disturb the residents.

\$3,899,000
PRICE

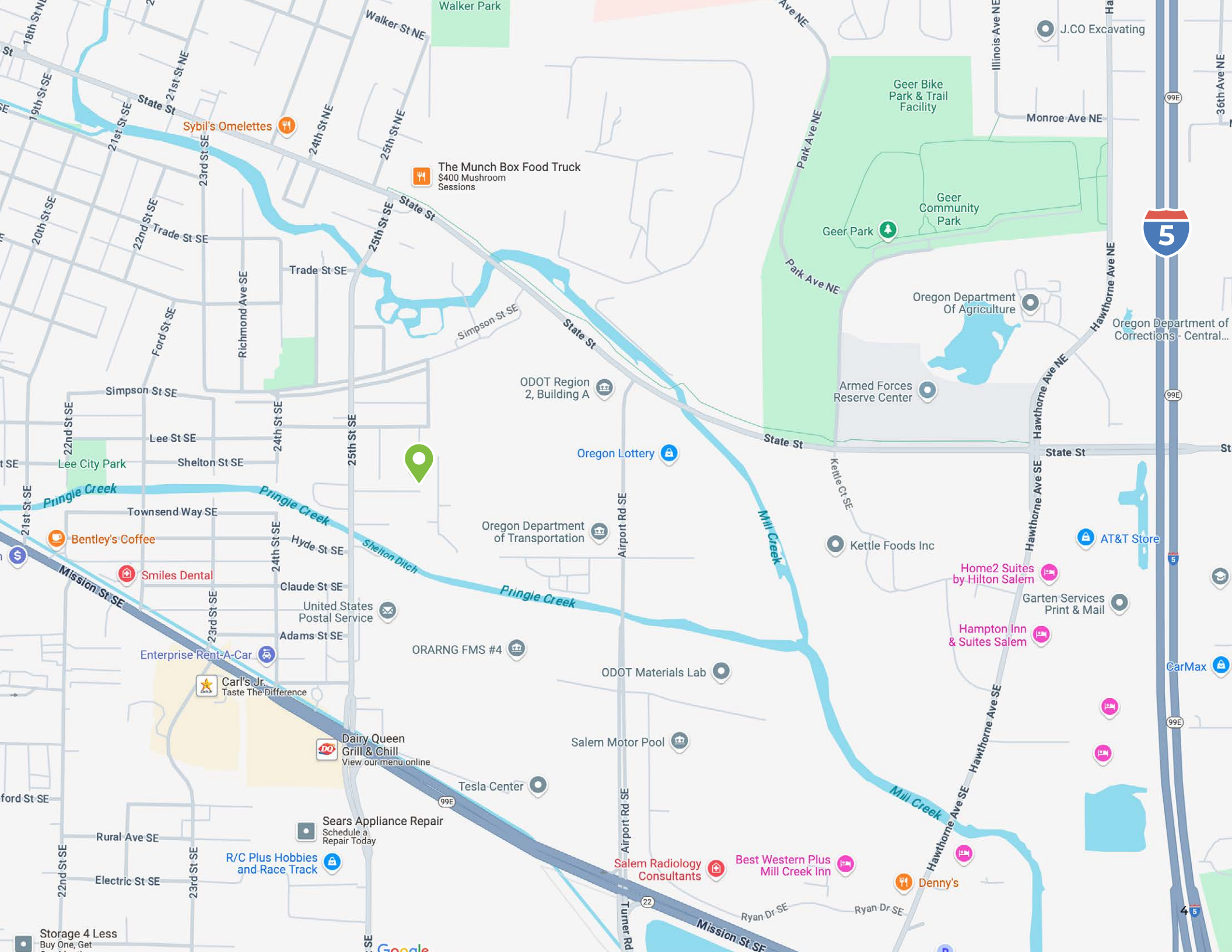
28 UNITS
MIX OF:
(20) 3 BED / 1 BATH
(6) 4 BED / 2 BATH
(2) 5 BED / 2 BATH

33,128
SQUARE FEET

1.66
ACRES

RM2
ZONE





PROPERTY FINANCIAL ANALYSIS

PROPERTY INFORMATION (At Listed Price)

Property Name: Shelton Village
Units: 28
Approximate Age: 1972
Location: Salem

Asking Price: 3,899,000
Unit Bedrooms/Bathrooms: Mixed
Actual Rent per unit: 1438.93

FINANCIAL ANALYSIS (For Broker Opinion of Value)

Purchase Price: 3,899,000
Less Down Payment: 35.0% 1,364,650
Less 2nd T.D. Loan: -
New 1st T.D. Loan: 2,534,350

Gross Potential Income: 483,480
Price Per Unit: 139,250
Gross Rent Multiplier: 8.06

Gross Potential Income			483,480
Less Vacancy Factor:	Projected	5%	24,174
	Actual	0%	-
Gross Operating Income:			459,306
Less Expenses:			
Taxes:			
Tax Rate	6.12% of GSI	29,600	actual
	0.00%		
Insurance	2.30%	11,144	Actual
Flood Insurance	0.04%	194	actual
Electricity	0.67%	3,228	actual
Water/Sewer	1.11%	5,357	actual
Gas	0.21%	995	actual
Landscaping	0.23%	1,129	actual
Garbage	3.65%	17,660	actual
Management	7.03%	34,000	estimated
Repair & Maintenance	11.58%	56,000	estimated
Turnover	1.87%	9,050	actual
	0.00%		
	0.00%		
	0.00%		
Total Expenses	34.82%	168,356	

Net Operating Income 290,951

Financing:
New First T. D. Loan: 2,534,350
Terms: Conventional 30 yr AM
Calculated at: 7.500%
Annual Payment: 212,647
2nd. Terms: Int. Only @ 0.00%
Annual Payment -

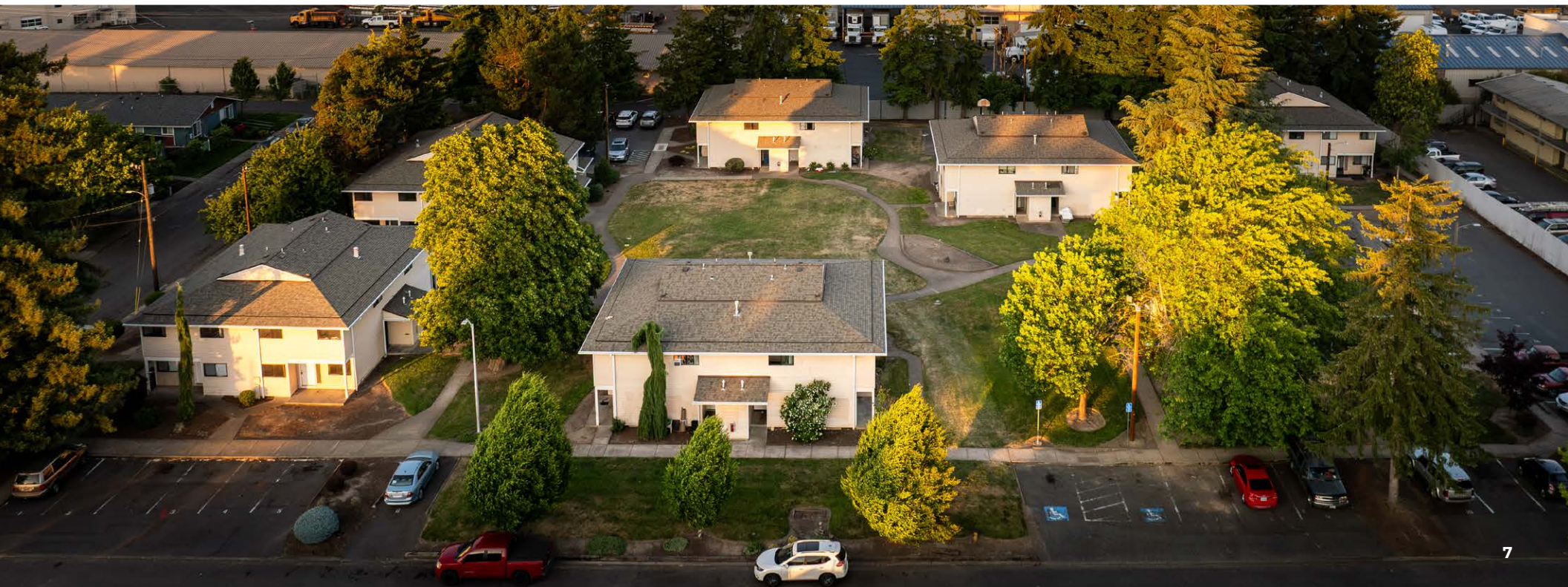
Summary:
Gross Scheduled Income: 483,480
Less: Vacancy 24,174
Gross Operating Income: 459,306
Less: Total Operating Expenses 168,356
Net Operating Income: 290,951
Less: Annual Debt Service 212,647
Annual Pre-Tax Cash Flow: 78,304

Monthly Pre-Tax Cash Flow: 6,525

Cash On Cash Return: 5.74%
Gross Rent Multiplier: 8.06
Cap Rate: 7.46

Expenses Per Unit Per Year: 6,013







INITIAL AGENCY DISCLOSURE PAMPHLET

Consumers: This pamphlet describes the legal obligations of Oregon real estate licensees to consumers. Real estate brokers and principal real estate brokers are required to provide this information to you when they first contact you. A licensed real estate broker or principal broker need to provide the pamphlet to a party who has, or may be reasonably assumed to have, received a copy of the pamphlet from another broker.

This pamphlet is information only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.

Real Estate Agency Relationships

An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent") agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction. Oregon law provides for three types of agency relationships between real estate agents and their clients:

Seller's Agent – Represents the seller only.

Buyer's Agent – Represents the buyer only.

Disclosed Limited Agent – Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"

Generally, licensees must maintain confidential information about their clients.

"Confidential information" is information communicated to a real estate licensee or the licensee's agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information" does not mean information that:

- (1) The buyer instructs the licensee or the licensee's agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer; and
- (2) The licensee or the licensee's agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of a Seller's Agent

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer. An agent who represents only the seller owes the following affirmative duties to the seller, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

A seller's agent owes the seller the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the seller;
- (3) To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
- (5) To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in *7) can only be waived by written agreement between seller and agent. Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller. Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of the property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of a Buyer's Agent

An agent, other than the seller's agent, may agree to act as the buyer's agent only. The buyer's agent is not representing the seller, even if the buyer's agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller's agent.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

A buyer's agent owes the seller the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the buyer;
- (3) To be loyal to the buyer by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
- (5) To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in *7) can only be waived by written agreement between buyer and agent.

Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching any affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of the property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of an Agent Who Represents More than One Client in a Transaction

One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written

"Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

Disclosed Limited Agents have the following duties to their clients;

- (1) To the seller, the duties listed above for a seller's agent;
- (2) To the buyer, the duties listed above for a buyer's agent; and
- (3) To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
 - (a) That the seller will accept a price lower or terms less favorable than the listing price or terms;
 - (b) That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
 - (c) Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

When different agents associated with the same principal broker (a real estate licensee who supervises other agents) establish agency relationships with different parties to the same transaction, only the principal broker will act as a Disclosed Limited Agent for both the buyer and seller. The other agents continue to represent only the party with whom the agents have already established an agency relationship unless all parties agree otherwise in writing. The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

- (1) To disclose a conflict of interest in writing to all parties
- (2) To take no action that is adverse or detrimental to either party's interest in the transaction; and
- (3) To obey the lawful instructions of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

You are encouraged to discuss the above information with the licensee delivering this pamphlet to you. If you intend for that licensee, or any other Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship. Whether you are a buyer or seller, you cannot make a licensee your agent without the licensee's knowledge and consent, and an agent cannot make you a client without your knowledge and consent.

Revised 9/9/2013



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