OFFERING MEMORANDUM

Friendship Six

133-143 Friendship Ave SE
Salem, OR 97302

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SMI REAL ESTATE

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Property Overview

FRIENDSHIP SIX | 133-143 FRIENDSHIP AVE SE, SALEM, OR 97302

REAL ESTATE

Property Summary

Location	
Property Name	Friendship Six
Address	133-143 Friendship Ave SE
City, State, Zip	Salem, OR 97302
County	Marion
Neighborhood	Faye Wright

Building	
Units	6
Average Unit Size	816 SF
Built	1991
Rentable SF	4,896 SF
Lot Size	0.36 Acres
Zoning	RM2
APN	083W09AA05901
Average Rent/Unit	$1,278
Average Market Rent/Unit	$1,450
Parking	9 Off-Street Parking Spaces

Units

Unit Type	Total Units	% Of Total	Square Footage
2-Bed / 1-Bath	6	100%	816
Total / Average	6	100%	816

Property Description

Friendship Six is a well-maintained 6-unit apartment community located in one of South Salem's most established residential neighborhoods. Built in 1991, the property consists entirely of spacious single-level 2-Bed / 1-Bath apartments measuring 816 square feet with private backyards. Each unit offers washer and dryer hookups, functional floor plans, and a comfortable living environment that continues to attract long-term residents.

Ownership has taken exceptional care of the property over the years. The building reflects true pride of ownership with mature landscaping, copper plumbing, modern electrical systems, roofs replaced in 2014, and ample on-site storage. As a result, Friendship Six offers investors a highly durable, low-maintenance asset requiring little-to-no deferred maintenance.

While the property has been meticulously maintained, there remains a straightforward path to increasing income through light interior renovations. Cosmetic improvements such as updated flooring, countertops, and appliances present an opportunity to achieve approximately $100-$200 per unit in monthly rental premiums while preserving the property's strong occupancy and long-term appeal.

Friendship Six offers investors the increasingly rare combination of stable in-place cash flow, limited operational risk, and meaningful upside through a simple renovation strategy.

$950,000
PRICE

$158,333
PRICE PER UNIT

$194
PRICE PER FOOT

$57,135
NET OPERATING INCOME

6.01%
CURRENT CAP RATE

6.30%
MARKET CAP RATE

7.02%
RENOVATED CAP RATE

Investment Highlights

- **Pride of Ownership Asset**
  Meticulously maintained by long-term original developer, with roofs replaced in 2014, copper plumbing, modern electrical systems, mature landscaping, and little-to-no deferred maintenance.

- **Simple Rental Upside**
  Light cosmetic improvements including flooring, countertops, and appliances present an opportunity to capture approximately $100-$200 per unit in additional monthly rent.

- **Single-Level Floor Plans**
  All six units feature spacious 816 SF two-bedroom, one-bathroom layouts with no stairs and private backyards, providing a highly desirable living experience for a broad tenant base.

- **In-Unit Laundry Hookups**
  Every apartment includes washer and dryer hookups, an amenity that continues to drive tenant demand and long-term occupancy.

- **Low-Maintenance Investment**
  Durable construction, modern building systems, and consistent ownership have created an asset positioned for reliable long-term cash flow with limited capital needs.

- **Private Backyards, Parking & Storage**
  Each unit includes a private fenced backyard, providing residents with dedicated outdoor living space and a single-family-home feel. Nine on-site parking spaces and private storage units add convenience and further differentiate the property from competing rentals.

- **Excellent South Salem Location**
  Situated in one of Salem's most established residential neighborhoods with convenient access to shopping, dining, parks, schools, and major employment centers.

- **Ideal Private Capital Acquisition**
  An approachable six-unit investment offering stable in-place income, straightforward operational management, and a clear path to increasing NOI.

Interior Photos

Property Photos

FRIENDSHIP SIX | 133-143 FRIENDSHIP AVE SE, SALEM, OR 97302

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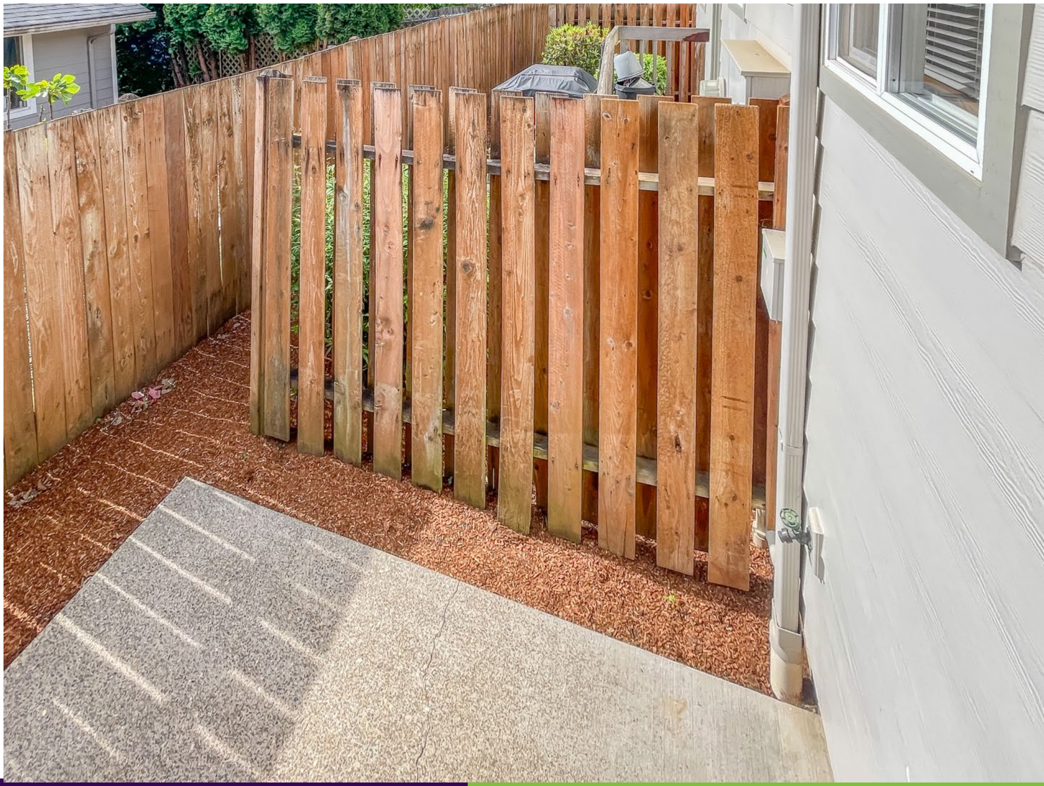

Location Overview

FRIENDSHIP SIX | 133-143 FRIENDSHIP AVE SE, SALEM, OR 97302

Faye Wright

Friendship Six is located in the Faye Wright Submarket, an established South Salem neighborhood near Commercial Street and Liberty Road, two of the area's primary north-south corridors.

The location provides convenient access to grocery stores, restaurants, schools, neighborhood services, and Cherriots transit, while Kuebler Boulevard offers a direct connection to Interstate 5 and employment throughout the Salem area.

Located 3.8 miles south of Downtown Salem

The Commercial Street corridor serves as South Salem's primary retail and service hub, offering residents convenient access to grocery stores, restaurants, healthcare providers, financial institutions, and daily necessities. Multiple shopping centers and major retailers are located within a short drive, enhancing the property's appeal to prospective tenants seeking convenience and accessibility.

The location also benefits from proximity to several of Salem's largest employment centers. Salem Hospital, the region's leading healthcare provider and largest private employer, is located nearby and serves thousands of employees.

11-minute drive from Willamette University

The Oregon State Capitol and related government offices provide an additional source of stable employment, while Willamette University, Chemeketa Community College, and numerous educational and healthcare institutions contribute to a diversified economic base. Together, these employment drivers support consistent housing demand throughout the South Salem market.

Recreational amenities further enhance the area's long-term appeal. Woodmansee Park, Bush's Pasture Park, and Minto-Brown Island Park provide residents with access to extensive trail systems, open space, sports facilities, and outdoor recreation opportunities. These amenities, combined with convenient transportation access, a diverse employment base, and a concentration of retail and service offerings, position the Faye Wright submarket as a desirable residential location within the Salem multifamily market.


Bush's Pasture Park


Downtown Salem


Willamette University

Market Drivers

- **Stable and Diverse Employment Base**
  As Oregon's state capital, Salem benefits from a steady employment base anchored by state government, healthcare, education, and regional agriculture. Government accounts for approximately 46,000 jobs, while education and health services account for another 40,000. Salem Health alone employs more than 6,000 people.

- **Continued Apartment Demand**
  The Salem market absorbed 681 units over the past year, exceeding the 525 units delivered during the same period. Overall vacancy declined to 5.5%, showing that the market is steadily working through the recent wave of new construction.

- **Limited New Supply in South Salem**
  South Salem has no apartments currently under construction, following 434 units delivered over the past eight quarters. With no additional units scheduled or proposed over the next eight quarters, existing properties should face less competition from newly built communities.

- **Long-Term Rent Growth**
  While rents have softened modestly following a period of elevated construction, Salem rents have increased 41% over the past decade, outperforming the national benchmark of 31.7%. South Salem has historically averaged approximately 4% annual rent growth over the same period.

- **Growing Regional Population**
  The Salem metro added approximately 2,400 residents in 2025, with most of that growth driven by people moving into the area. Since 2020, the region has added roughly 12,500 residents, supporting the long-term need for well-located rental housing.

Retailer Map

Downtown Salem

3.8 Miles / 10-minute drive

- Willamette University
- Bush's Pasture Park
- Salem Hospital
- Deepwood Museum & Gardens
- Oregon State Capitol
- Willamette Heritage Center
- Salem Riverfront Park
- Salem's Riverfront Carousel
- Minto Brown Island Park
- Gilbert House Children's Museum
- Oregon State CapitolPark
- Hallie Ford Museum of Art
- Salem Saturday Market
- Elsinore Theater
- Salem Center Mall

Demographics

Income

	2 MILES	5 MILES	10 MILES
Avg Household Income	$112,638	$101,630	$98,087

Population

	2 MILES	5 MILES	10 MILES
2020 Population	49,216	154,033	306,021
2025 Population	49,516	157,764	313,077
2030 Population	49,933	159,484	316,457

Financial Analysis

FRIENDSHIP SIX | 133-143 FRIENDSHIP AVE SE, SALEM, OR 97302

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Rent Roll

UNIT	TYPE	APPROX. SF	CURRENT RENT	CURRENT RENT/SF	MARKET RENT	MARKET RENT/ SF	RENOVATED RENT	RENOVATED RENT/SF
1	2 Bd / 1 Bth	816	$1,350	$1.65	$1,350	$1.65	$1,450	$1.78
2	2 Bd / 1 Bth	816	$1,165	$1.43	$1,350	$1.65	$1,450	$1.78
3	2 Bd / 1 Bth	816	$1,300	$1.59	$1,350	$1.65	$1,450	$1.78
4	2 Bd / 1 Bth	816	$1,350	$1.65	$1,350	$1.65	$1,450	$1.78
5	2 Bd / 1 Bth	816	$1,350	$1.65	$1,350	$1.65	$1,450	$1.78
6	2 Bd / 1 Bth	816	$1,150	$1.41	$1,350	$1.65	$1,450	$1.78
TOTAL	**6 Units**	**4,896 SF**	**$7,665**	**$1.57**	**$8,100**	**$1.65**	**$8,700**	**$1.78**

Income & Expense

	CURRENT		MARKET		RENOVATED	
GROSS POTENTIAL RENT	$91,980		$97,200		$104,400	
VACANCY FACTOR	($4,599)	5%	($4,860)	5%	($5,220)	5%
NET RENTAL INCOME	**$87,381**		**$92,340**		**$99,180**	
RUBS	$0		$2,063		$2,579	
STORAGE	$1,680		$2,400		$2,400	
TOTAL OTHER INCOME (STORAGE)	**$1,680**		**$4,463**		**$4,979**	
EFFECTIVE GROSS INCOME	**$89,061**		**$96,803**		**$104,159**	
EXPENSES	**ANNUAL**	**/ UNIT**	**ANNUAL**	**/ UNIT**	**ANNUAL**	**/ UNIT**
PROPERTY TAXES	$9,127	$1,521	$9,401	$1,567	$9,401	$1,567
INSURANCE	$3,365	$561	$5,048	$841	$5,048	$841
UTILITIES: W / S / G / E	$5,008	$835	$5,158	$860	$5,158	$860
MAINTENANCE & REPAIRS	$4,500	$750	$4,635	$773	$4,635	$773
TURNOVER	$1,500	$250	$2,400	$400	$2,400	$400
PROPERTY MANAGEMENT	$5,020	$837	$6,776	$1,129	$7,291	$1,215
RESERVES	$1,500	$250	$1,545	$258	$1,545	$258
JANITORIAL & LANDSCAPING	$1,906	$318	$1,963	$327	$1,963	$327
TOTAL EXPENSES	**$31,926**		**$36,926**		**$37,441**	
NET OPERATING INCOME	**$57,135**		**$59,878**		**$66,719**	
EXPENSES AS A % OF EGI	35.8%		38.1%		35.9%	
EXPENSES PER UNIT	$5,321		$6,154		$6,240	

Financial Assumptions

INCOME	CURRENT	MARKET	RENOVATED
RENTS	Current In-Place Rents	Based on Market Rents	Based on Renovated Market Rents
VACANCY	5% of Current Gross Rent	5% of Market Rents	5% of Renovated Rents
RUBS	No Current Utility Bill Back	Budgeted at 40% Market Utility Recapture	Budgeted at 50% Renovated Utility Recapture
STORAGE	Based on 2025 P&L	Budgeted at $200 Per Month	Budgeted at $200 Per Month

EXPENSES	CURRENT	MARKET	RENOVATED
PROPERTY TAXES	Based on 2025 P&L	3% Increase on Current	3% Increase on Current
INSURANCE	Based on 2025 P&L	50% Increase on Current	50% Increase on Current
UTILITIES: W / S / G / E	Based on 2025 P&L	3% Increase on Current	3% Increase on Current
MAINTENANCE & REPAIRS	Based on 2025 P&L	3% Increase on Current	3% Increase on Current
TURNOVER	Budgeted at $250 Per Unit	Budgeted at $400 Per Unit	Budgeted at $400 Per Unit
PROPERTY MANAGEMENT	Based on 2025 P&L	Budgeted at 7% of Market EGI	Budgeted at 7% of Renovated EGI
RESERVES	Budgeted at $250 Per Unit	3% Increase on Current	3% Increase on Current
JANITORIAL & LANDSCAPING	Based on 2025 P&L	3% Increase on Current	3% Increase on Current

Sale Comps

1

1155 Howard St SE
Salem, OR 97302

Units	10
Price	$1,650,000
Sale Date	2/25/2026
Price / Unit	$165,000
SF	10,774
Price / NRSF	$153
Cap Rate	5.04%
Year Built	1962

2

4334-4346 Ward Dr NE
Salem, OR 97305

Units	8
Price	$1,250,000
Sale Date	3/19/2026
Price / Unit	$156,250
SF	9,886
Price / NRSF	$126
Cap Rate	–
Year Built	1997

3

1281-1295 Church St NE
Salem, OR 97301

Units	6
Price	$825,000
Sale Date	6/30/2025
Price / Unit	$137,500
SF	3,826
Price / NRSF	$216
Cap Rate	–
Year Built	1960

Sale Comps

4

1416 D St NE
Salem, OR 97301

Units	8
Price	$1,075,000
Sale Date	7/12/2024
Price / Unit	$134,375
SF	6,940
Price / NRSF	$155
Cap Rate	6.16%
Year Built	1970

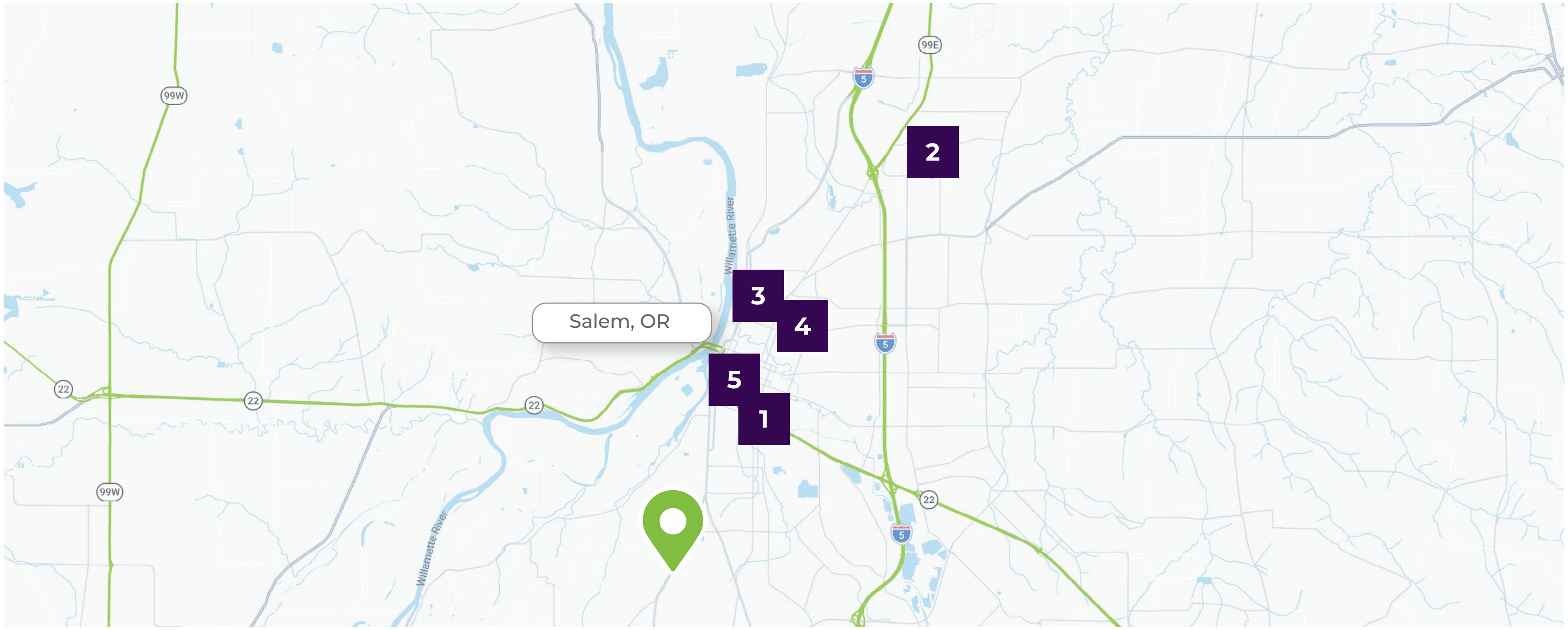
5

1104-1120 Waller St SE
Salem, OR 97302

Units	9
Price	$1,100,000
Sale Date	8/29/2025
Price / Unit	$122,222
SF	7,884
Price / NRSF	$140
Cap Rate	5.37%
Year Built	1965

Sale Comp Locations

	Name/Address	Price	Units	Price / SF	Price / Unit
1	**1155 Howard St SE** Salem, OR 97302	$1,650,000	10	$153	$165,000
2	**4334-4346 Ward Dr NE** Salem, OR 97305	$1,250,000	8	$126	$156,250
3	**1281-1295 Church St NE** Salem, OR 97301	$825,000	6	$216	$137,500
4	**1416 D St NE** Salem, OR 97301	$1,075,000	8	$155	$134,375
5	**1104-1120 Waller St SE** Salem, OR 97302	$1,100,000	9	$140	$122,222
	Averages	**$1,180,000**	**8**	**$158**	**$143,069**



OREGON REAL ESTATE AGENCY

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 at first contact as required by Oregon Administrative Rule (OAR) 863-015-0215.

***This pamphlet is informational 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.*

Fair Housing Statement
Oregon's laws protect you from being treated differently because of your race, color, religion, sex, national origin, source of income, domestic violence survivor status, marital status, sexual orientation, or gender identity, or whether you have kids or a disability.

If you think you are being discriminated against when looking for a home or applying for home financing, you can file a complaint with the Oregon Bureau of Labor and Industries at .

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, agents must maintain confidential information about their clients.

"Confidential information" is information communicated to a real estate 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:

- The buyer instructs the 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.
- The 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 (seller representation agreement), an agent represents the seller only. A listing agreement must be entered into prior to the agent acting on behalf of the seller in offering the real property for sale or in finding and obtaining a buyer.

Revised 01.08.2026

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 property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of a Buyer's Agent
Under a written buyer representation agreement, an agent represents the buyer and the buyer's interests only, regardless of the source of compensation. A representation agreement must be entered into before, or as soon as reasonably practicable after, the licensee has started efforts to assist the buyer in purchasing property or in identifying property for purchase.

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 buyer 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 buyer'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 an 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 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
An 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 both seller and/or buyer(s). A signed Disclosed Limited Agency Agreement is in addition to the required written listing agreement and buyer representation agreement(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 under the same principal broker establish agency relationships with different parties in the same transaction, only the principal broker acts as a **Disclosed Limited Agent** for both buyer and seller. The other agents continue to represent only their original party unless all parties agree otherwise in writing. The principal broker and the agents representing either party owe the following duties to both 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.

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