

OFFERING MEMORANDUM

— FOR SALE —

7-UNIT APARTMENT COMPLEX IN MEDFORD, OREGON

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MARTIN
OUTDOOR PROPERTY GROUP



MERIT
COMMERCIAL
REAL ESTATE

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Executive Summary

Martin Outdoor Property Group, in coordination with Merit Commercial Real Estate, is pleased to exclusively present for sale **516-520 J Street**, a clean, newer-vintage 7-unit apartment complex located in Medford, Oregon (the "Property").

A rare public offering of a quintessential apartment complex producing strong income in Medford, the Property presents an opportunity for investors to step into an established asset in a mature neighborhood.

Enjoying a great mix of large, townhome-style units, garages, parking, and private yards, the Property has also had significant recent updates and renovation.

The property itself consists of three distinct buildings: two triplex buildings with 2-bed / 1.5-bath, 2-story units, and a third structure with 4 private garages and a walk-up 1-bed / 1-bath unit above.

There are an additional 3 private garages adjoining the south triplex building, allowing each unit to enjoy a private enclosed garage included with

their lease. Each townhome unit also enjoys a private fenced rear yard, providing outdoor space for each tenant.

Sited on a level, centrally-located lot, the Property has two existing curb cuts, with 5 dedicated parking spaces but room for up to 8 vehicles in the parking lots, not including the garages.

The surrounding neighborhood is a mix of owner-occupied residential, some commercial, and rentals, and is close to Alba Park, Sacred Heart Catholic School, and Oakdale Middle. Located in a near-perfectly central location, the Property is a short drive to all that Medford has to offer.

The rent roll shows a handful of the tenants to be at below market rates. Recent capex spend is significant, with all new roofs in 2025, several interior renovations, and much more.

516-520 J Street is an attractive opportunity to unlock significant value from both an established neighborhood and a proven sub-market. Contact brokers for more info.

Offering Summary

Offering Price:	\$1,100,000
Cap Rate:	6.18%
Current Rent:	\$8,885/Month
Address:	516 J Street, Medford, OR, 97501 Jackson County
Legal:	37-1W-30-CC TL 5100 APN 10373685
Annual Taxes:	\$9,003.75 (2024)
Zoning:	C-S/P (Commercial; multifamily is allowed by right)
Gross Acreage:	0.30-acres (13,068 SF)
Year Built:	± 1993 (per County)
Gross SF:	± 6,838 SF (per County)
Unit Mix:	(6) 2 bed/ 1.5 bath (± 1,000 SF per unit) (1) 1 bed/ 1 bath (± 868 SF)
Parking:	(7) Attached garages (5) Parking spaces
Construction:	Wood-frame on concrete foundation
Utilities:	LL: Water, sewer, garbage, CA power Tenant: Unit power, internet Water and sewer are both public

Financial Summary - Rent Roll

Rent Roll - as of 3Q25

Unit	Unit Type	Rent	Deposit	Lease Start	Lease To
# 516-1	2 / 1.50	\$1,350	\$2,400	03/01/2025	02/28/2026
# 516-2	2 / 1.50	\$1,200	\$2,300	06/16/2017	MTM
# 516-3	2 / 1.50	\$1,350	\$2,150	05/09/2025	05/08/2026
# 518-1	2 / 1.50	\$1,200	\$860	01/17/2005	MTM
# 518-2	2 / 1.50	\$1,200	\$775	11/08/2010	MTM
# 518-3	2 / 1.50	\$1,350	\$2,500	02/08/25	02/07/2026
# 516	1 / 1.00	\$1,500	\$1,050	05/31/2019	MTM
7 Units		\$8,885	\$12,035		

Information obtained from sources deemed reliable but not guaranteed. Subject to Buyer's independent verification. Buyer to complete all due diligence.



Financial Summary - Proforma

Annual Proforma												
	Year-1		Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Reversion
Gross Potential Rent	113,400		116,802	120,306	123,915	127,633	131,462	135,406	139,468	143,652	147,961	152,400
Loss-to-Lease	(5,447)		(3,452)	(1,288)	-	-	-	-	-	-	-	-
Gross Scheduled Rent	107,953		113,350	119,018	124,969	131,217	137,778	144,667	151,900	159,495	167,470	175,844
Vacancy & Credit Loss	(5,398)		(5,668)	(5,951)	(6,248)	(6,561)	(6,889)	(7,233)	(7,595)	(7,975)	(8,374)	(8,792)
Concessions	-		-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-
Effective Gross Income	102,555		107,683	113,067	118,720	124,656	130,889	137,434	144,305	151,521	159,097	167,051
Expenses	%											
Repairs & Maintenance	(5,128) 5.00%		(5,546)	(5,998)	(6,486)	(7,015)	(7,587)	(8,205)	(8,874)	(9,597)	(10,379)	(11,225)
General & Administrative	- 0.00%		-	-	-	-	-	-	-	-	-	-
Payroll	- 0.00%		-	-	-	-	-	-	-	-	-	-
Marketing	(420) 0.41%		(433)	(446)	(459)	(473)	(487)	(502)	(517)	(532)	(548)	(564)
Power	(420) 0.41%		(433)	(446)	(459)	(473)	(487)	(502)	(517)	(532)	(548)	(564)
Garbage	(2,400) 2.34%		(2,472)	(2,546)	(2,623)	(2,701)	(2,782)	(2,866)	(2,952)	(3,040)	(3,131)	(3,225)
Water	(3,000) 2.93%		(3,090)	(3,183)	(3,278)	(3,377)	(3,478)	(3,582)	(3,690)	(3,800)	(3,914)	(4,032)
Sewer	- 0.00%		-	-	-	-	-	-	-	-	-	-
Landscaping	(1,200) 1.17%		(1,236)	(1,273)	(1,311)	(1,351)	(1,391)	(1,433)	(1,476)	(1,520)	(1,566)	(1,613)
Misc	- 0.00%		-	-	-	-	-	-	-	-	-	-
Management	(8,204) 8.00%		(8,873)	(9,596)	(10,378)	(11,224)	(12,139)	(13,128)	(14,198)	(15,355)	(16,607)	(17,960)
Taxes	(9,000) 8.78%		(9,270)	(9,548)	(9,835)	(10,130)	(10,433)	(10,746)	(11,069)	(11,401)	(11,743)	(12,095)
Insurance	(3,732) 3.64%		(3,844)	(3,959)	(4,078)	(4,200)	(4,326)	(4,456)	(4,590)	(4,728)	(4,869)	(5,015)
Total Expenses	(33,504) 32.67%		(35,196)	(36,994)	(38,907)	(40,943)	(43,111)	(45,420)	(47,881)	(50,506)	(53,306)	(56,295)
Net Operating Income	69,051		72,487	76,073	79,813	83,713	87,779	92,014	96,424	101,015	105,791	110,757
NOI Margin	67.3%		67.3%	67.3%	67.2%	67.2%	67.1%	67.0%	66.8%	66.7%	66.5%	66.3%
Capital Expenditures	-		-	-	-	-	-	-	-	-	-	-
Total Debt Service	(57,933)		(57,933)	(57,933)	(57,933)	(57,933)	(57,933)	(57,933)	(57,933)	(57,933)	(57,933)	(57,933)
DSCR (Overall)	1.19		1.25	1.31	1.38	1.45	1.52	1.59	1.66	1.74	1.83	
Cash Flow After Financing	11,118		14,554	18,140	21,880	25,781	29,846	34,081	38,491	43,082	47,858	
Reversion Value (at sale)	0		0	0	0	0	0	0	0	0	1,703,947	
Assumptions												
10-yr note @ 6.50%, 25-yr am, 65% LTV		Investment Metrics										
		Stabilized UYOC		6.53%	Loan Constant		8.10%					
Purchase Price 1,100,000		Unlevered IRR		10.50%	Min. Debt Yield		10.42%					
Going-In Cap Rate 6.18%		Gross Unlevered EM		2.23x	Unlevered NPV		198,788					
Exit Cap Rate 6.50%		Levered IRR		14.73%	Levered NPV		268,350					
Market Rent CAGR 3.00%		Gross Levered EMx		3.38x	Discount Rate		8.00%					
Expense CAGR 3.00%												
Ann. Rent Increases 5.00%												

Note: Information is provided in good faith and obtained from sources deemed reliable, but is subject to buyer's independent verification and makes no guarantees about current or future returns.



4 Private Garages
Underneath Unit #7

Unit 7
1-bd/1-ba (868 SF)
Current rent: \$1,235

Unit 6
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,350

Unit 5
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,200

Unit 4
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,200

Unit 3
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,350

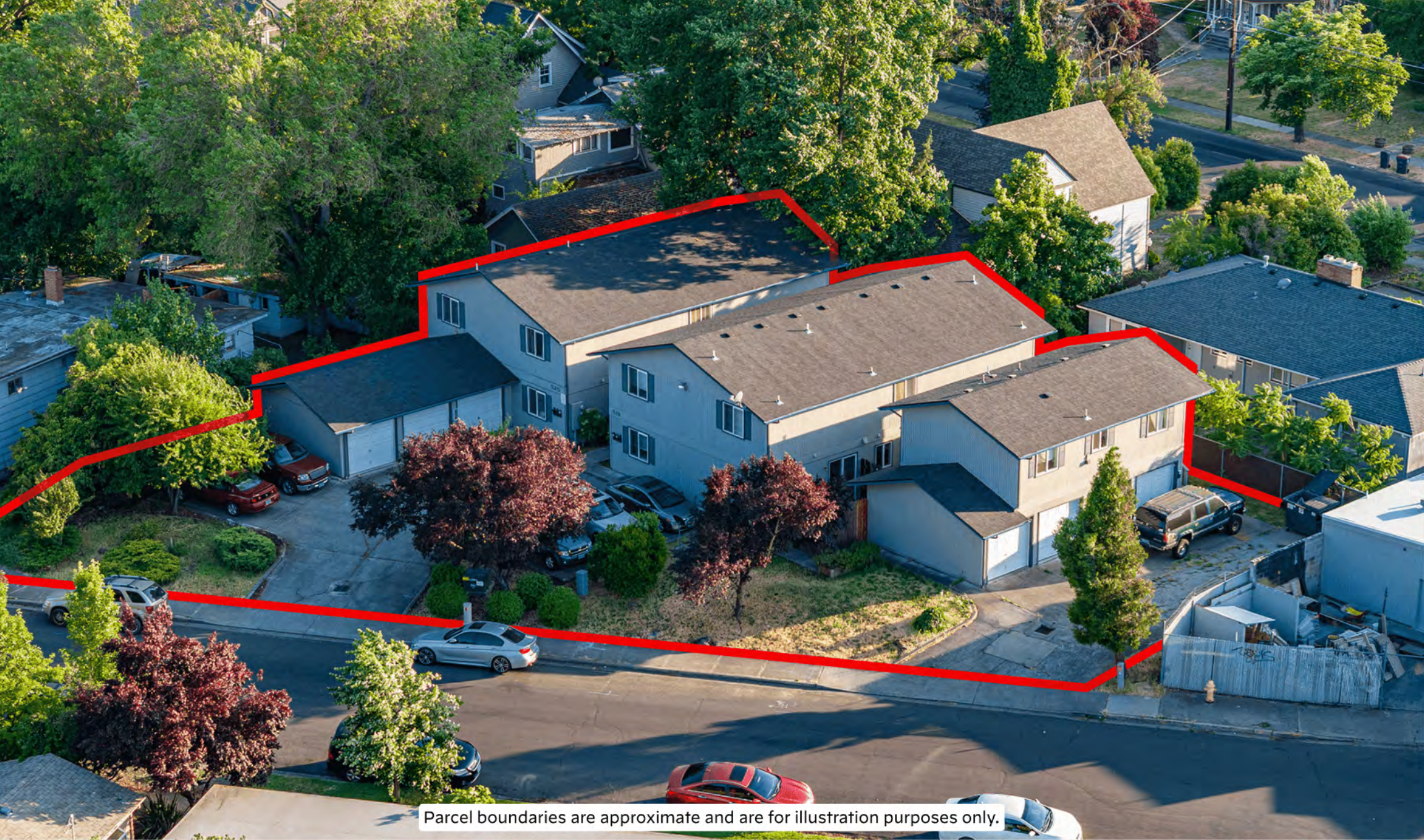
3 Private Garages
Units #1-3

Unit 2
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,200

Unit 1
2-bd/1.5-ba (1,000 SF)
Current rent: \$1,350

Subject property outlines are approximate and are for illustration purposes only.

Subject Property Aerial



Subject Property Exterior Photo

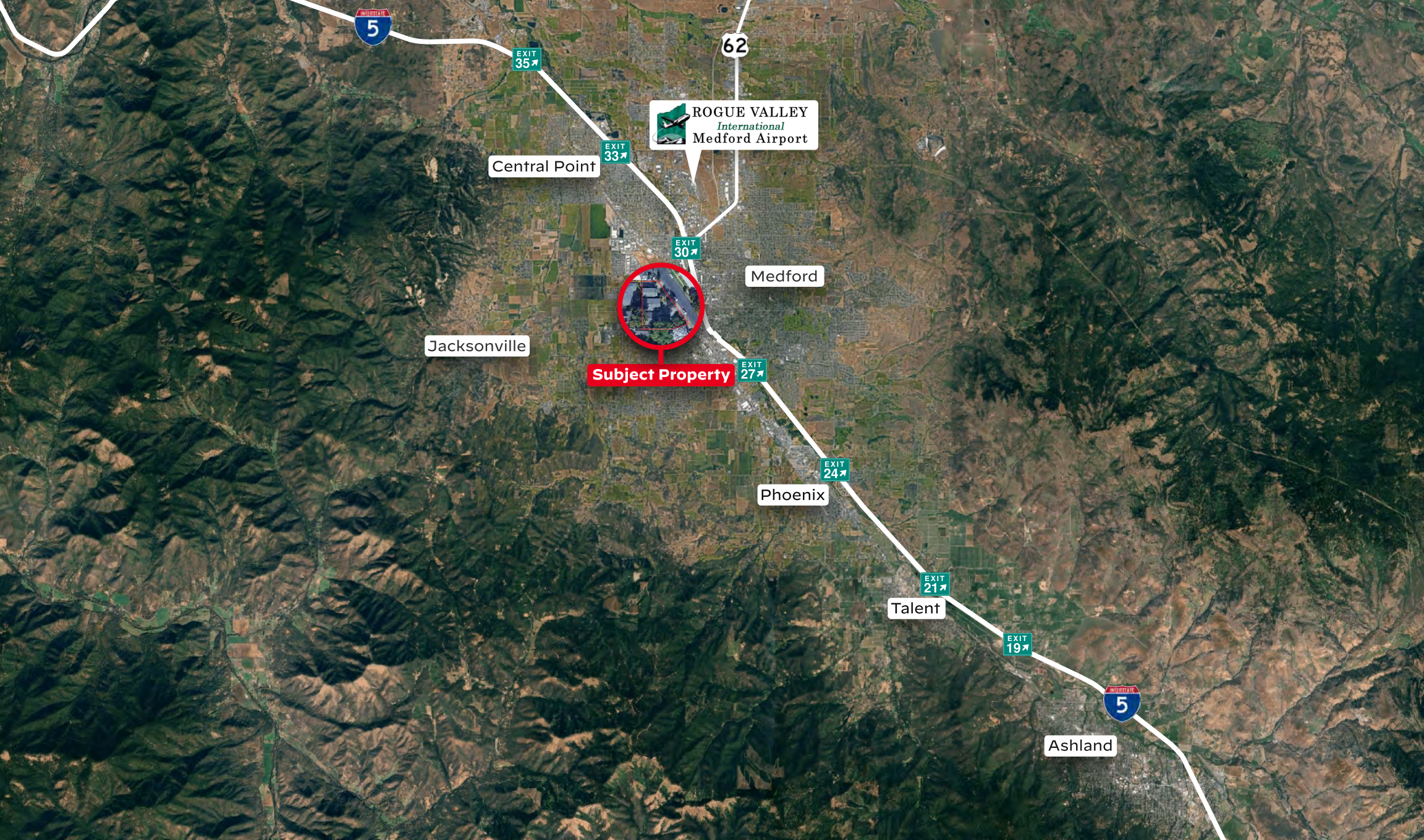
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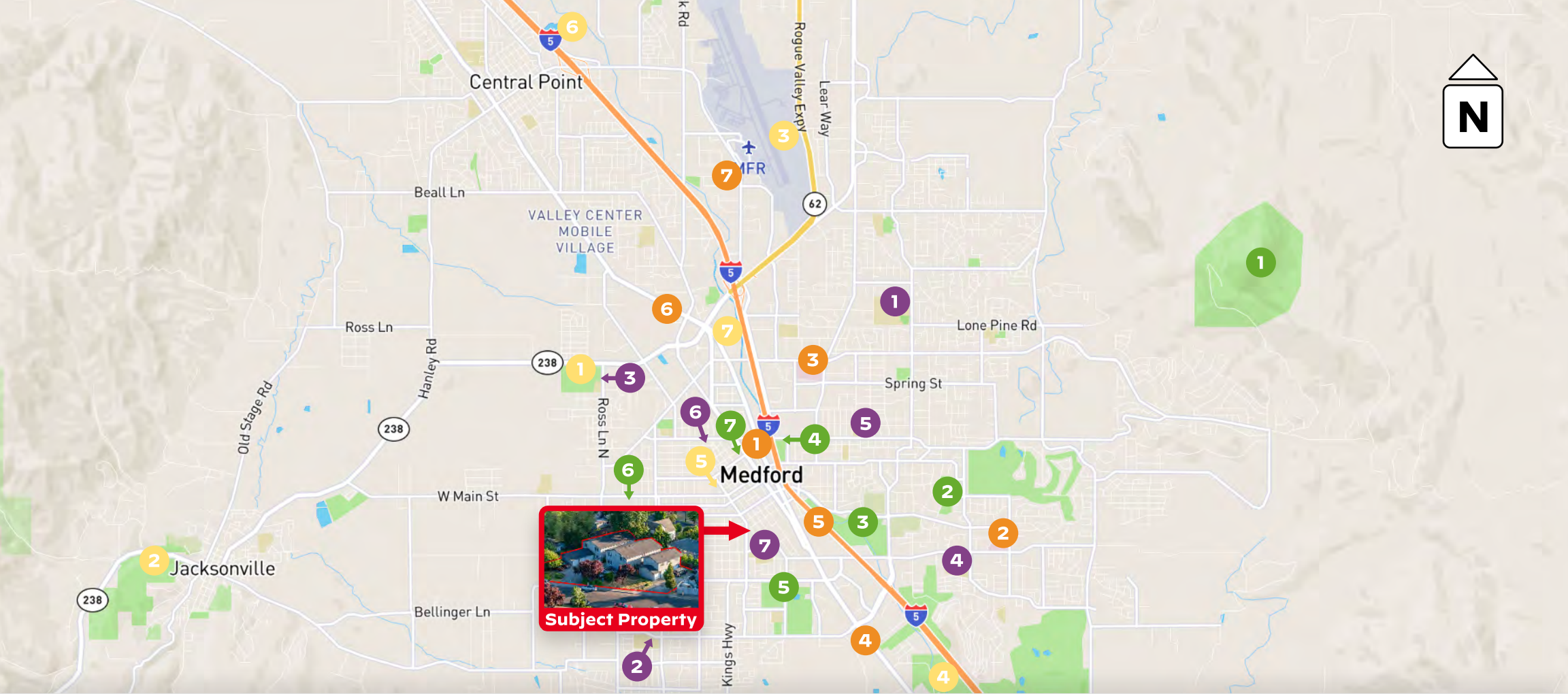


Interior Photos (Unit 1)



Interior Photos (Unit 1)





Greenspace / Parks

- 1 Prescott Park/ Roxy Ann Peak
- 2 Holmes Park
- 3 Bear Creek Park
- 4 Hawthorne Park
- 5 Fichtner-Mainwaring Park
- 6 Lewis Park
- 7 Pear Blossom Park

Schools

- 1 North Medford High School
- 2 South Medford High School
- 3 Logos Public Charter School
- 4 St. Mary's School
- 5 Hedrick Middle School
- 6 McLoughlin Middle School
- 7 Oakdale Middle School

Major Employers

- 1 Lithia
- 2 Asante
- 3 Providence
- 4 Harry and David
- 5 Pacific Retirement Services
- 6 Roseburg Forest Products
- 7 C&K Market

Landmarks

- 1 Rogue X
- 2 Britt Gardens
- 3 Rogue Valley International Airport
- 4 U.S. Cellular Fields
- 5 Jackson County Courthouse
- 6 The Jackson County Expo
- 7 Rogue Valley Mall



Medford, OR History and Profile

Medford, Oregon - Medford is a vibrant city located in Southern Oregon, known for its unique blend of natural beauty, cultural richness, and economic vitality. It serves as the county seat of Jackson County and is the fourth largest metropolitan area in Oregon. The city is renowned for its picturesque landscapes, including the nearby Rogue River and the Siskiyou and Cascade mountain ranges, which offer a plethora of outdoor activities such as fishing, hiking, and rafting.

Economically, Medford has a diverse base, with healthcare, retail, and manufacturing being significant contributors. The city is home to the Rogue Valley Medical Center and Providence Medford Medical Center, which are major employers in the region. The retail sector has performed increasingly well, anchored by the Rogue Valley Mall, the expanding Northgate Center, and the award-winning Medford Center.

The City has a strong sense of community as well as a diverse economy. Within a 15 minute drive, the Rogue Valley International-Medford Airport is the regional air travel hub for all of Southern Oregon, with well over 1M annual travelers. Breathtaking outdoor recreational activities are moments away; Upper and Lower Table Rock, the Rogue River, dozens of lakes, as well as the Crater Lake National Park are all within an easy drive.

Overall, Medford is a city that blends its historical roots with a forward-looking perspective, making it a desirable destination for businesses and residents alike.



Why Southern Oregon?

Southern Oregon, largely encompassing Jackson and Josephine Counties, is a world-class gem hiding in plain sight. Anchored by its mild Mediterranean climate, the area boasts the winning combination of being both strategically located between Portland and San Francisco, and having forward-thinking municipal leadership. This combination drives strong economic growth and has created a long runway for development across all asset classes.

Southern Oregon is a gateway to the entirety of the West Coast, via Interstate 5, North through Eugene, Salem, Portland, and Washington State, and South, through Redding, San Francisco, and down to Los Angeles. The local transportation system connects the most populated cities in the region of Medford, Ashland, and Grants Pass, and has dedicated highways Northeast to Bend and West to the Oregon Coast.

Multiple billion-dollar companies call Southern Oregon home, such as Lithia Motors (NYSE: LAD), Asante Health Systems, Harry & David (NYSE: FLWS), Pacific Retirement Services, and countless small and mid-sized businesses.

Historically, the area's economy was mainly driven by the timber and agricultural industries. In the past few decades, the area has become a healthcare hub, and has a diverse economy supported by the industrial, manufacturing, logistics, retail, senior/retirement living, and finance/professional sectors. Timber and agriculture still play a role, with Timber Products and Roseburg Forest Products' main facilities located nearby.

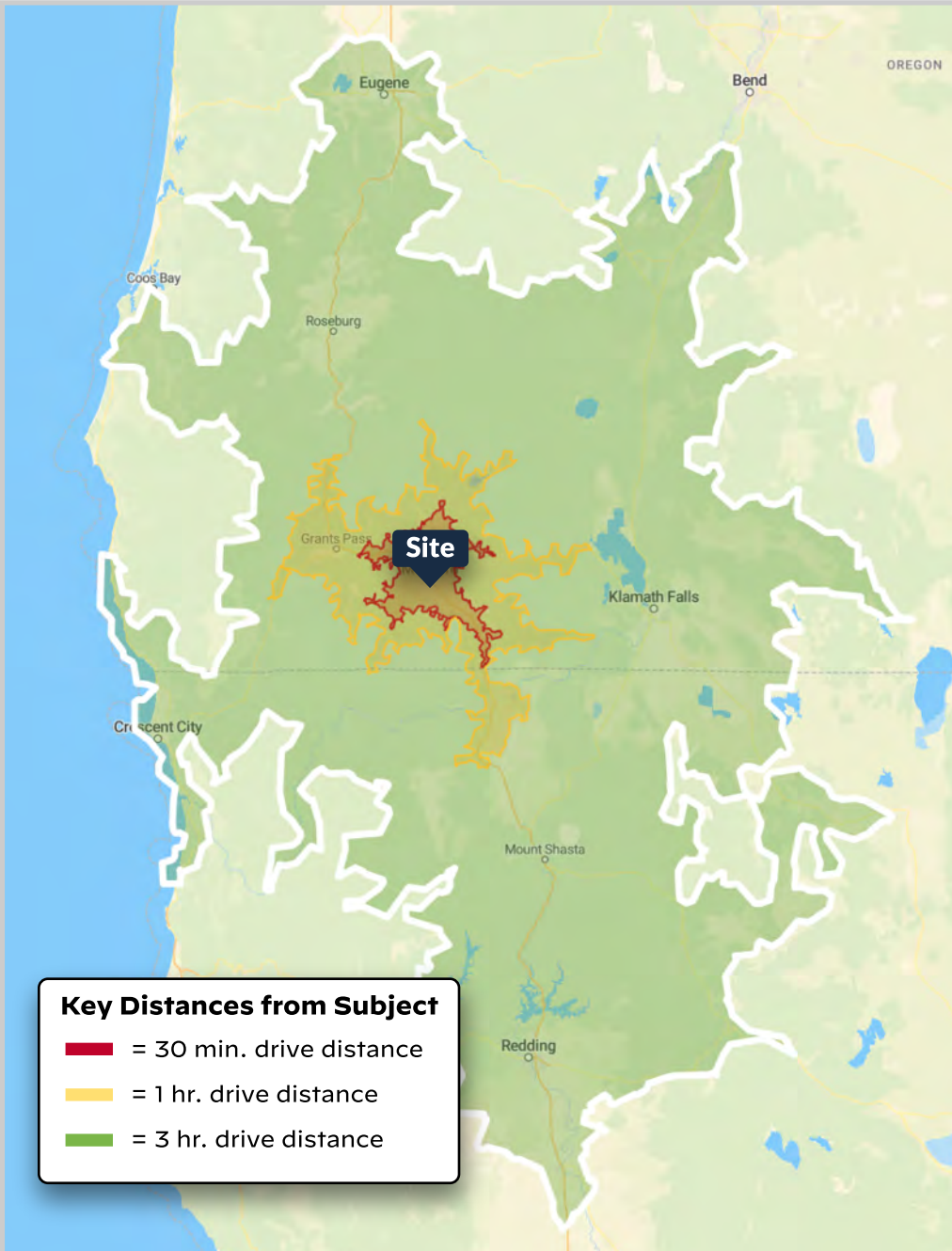
A burgeoning golf destination, the area has numerous renowned golf courses, and several other famous courses are within a short drive (Bandon Dunes, Pacific Dunes, Pronghorn Resort). Over 8 casinos are within a 6-hour drive, including Seven Feathers, Three Rivers, Elk Valley, and others.



Market Summary

	Demographics	Medford	Jackson County	National
Population	2021 Census Population	87,388	222,258	-
	2015 Population	82,421	219,616	-
	2010 Population	75,066	203,357	-
	Pop. Growth 2010-2015	9.80%	8.00%	-
	Pop. Growth 2016-2021	6.03%	1.02%	-
Personal/Education	Median HH Income	\$52,243	\$61,020	\$75,989
	Per Capita Income	\$26,875	\$33,346	\$35,384
	Median Age	37.4	42.6	38.1
	Unemployment Rate	3.9%	2.8%	3.7%
	High School Degree	90.6%	90.8%	91.1%
	Bachelor's Degree	24.5%	25.1%	36.0%
Housing	Median Home Value	\$429,500	\$465,000	\$428,700
	# Households	33,645	104,318	-
	Owner Occupied	52.8%	64.3%	64.4%
	Tenant Occupied	45.1% (±)	34.1% (±)	29.3%
	Vacancy	2.1% (±)	1.6% (±)	5.8%

Note: all items listed above are from sources believed to be reliable and are provided in good faith, but are no guaranteed. Seller, Buyer, and all other parties to complete their own due diligence.



Key Distances from Subject

- = 30 min. drive distance
- = 1 hr. drive distance
- = 3 hr. drive distance



Strategic, Central Location

Southern Oregon is perfectly positioned nearly exactly halfway between Portland and San Francisco. The region's main airport, Rogue Valley International-Medford Airport (MFR) serves as both a high-traffic regional airport with dozens of direct-access and layover routes as well as a bustling private aviation hub. Well over 1m annual travelers come through MFR, with that number growing alongside the addition of several new commuter and travel routes to Portland and Salem, Arizona, California, and many others.

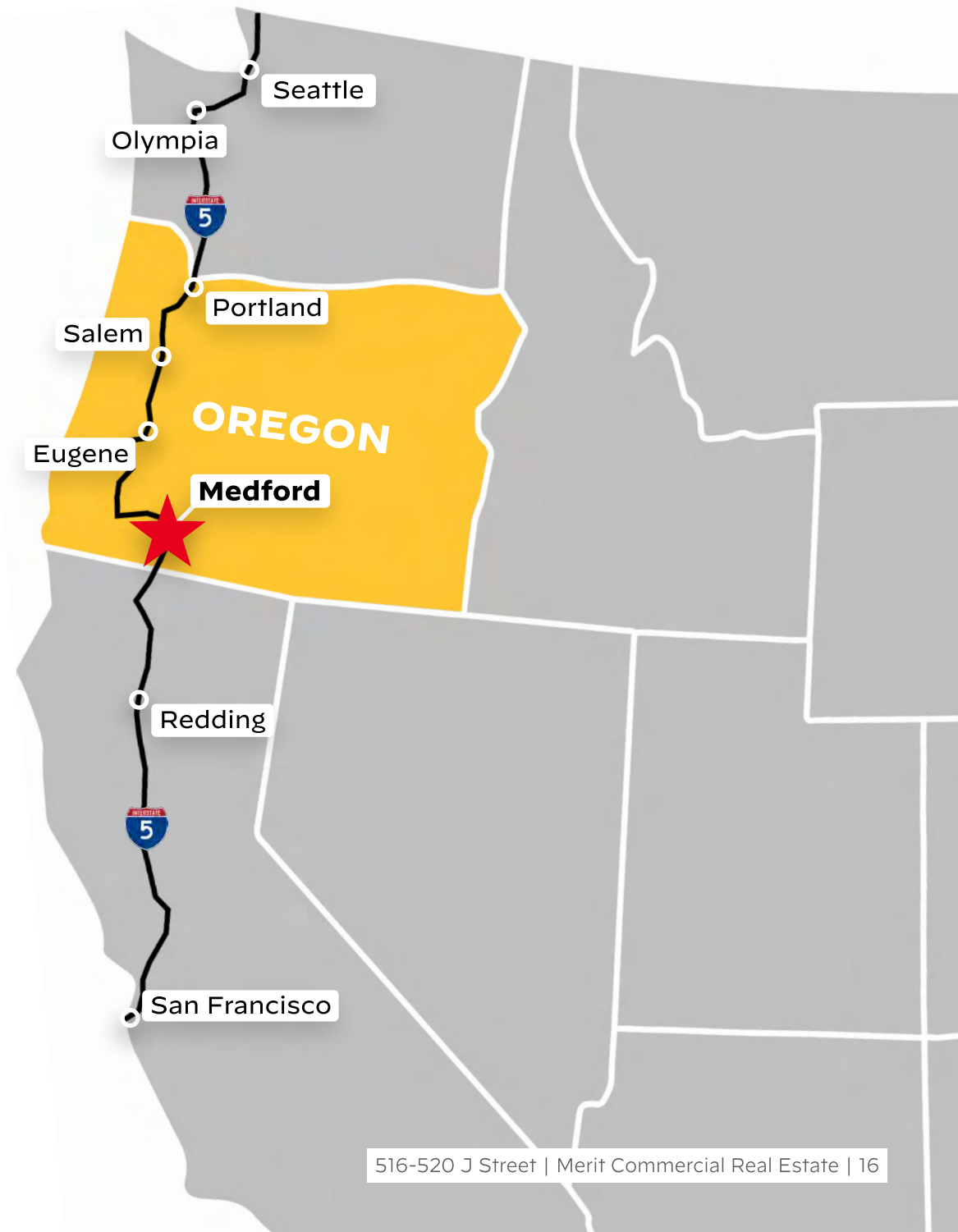
Medford enjoys short, \pm 1 hour flight times to San Francisco (6 hr drive), Portland (4 hr drive), and Seattle (7 hr drive). The local airport recently announced plans in early 2025 to double its size and capacity over the next few years, in order to accommodate the rapid growth of the region.

From a private aviation perspective, MFR is home to 2 Fixed-Base Operators (FBOs) - Million Air and Jet Center MFR. Both are highly-active, highly-rated FBOs serving countless private aircraft owners and military personnel. Million Air prides itself on being the only FBO on the West Coast that can hangar a Boeing business jet.

The airport's low relative parking fees, combined with it's strategic, central location, has proven the region as one of the most prominent private aviation destinations in Oregon for corporations and private individuals alike.

The region's dryer, sunnier climate allows for easier air travel for most of the year, compared to the rest of the State. MFR also serves as the region's air-based fire-fighting hub during the Summer months.

Overall, the region is a burgeoning aviation destination, with the perfect blend of economical, weather, and geographical tailwinds spurring growth.



Transaction Guidelines

516-520 J Street is being offered on the open market. Purchasers should rely on their own assumptions and base their offer on the "As-Is, Where-Is" condition of the property. Merit Commercial Real Estate will be available to assist prospective purchasers with their review of the offering and answer any questions within their scope of practice.

Property Tours: No tours are being offered prior to acceptance of a bona fide offer. During diligence, all tours will require at minimum a 24-hour notice, with 48-hour preferred.

Offers: There is not currently a definitive date for offers to be submitted. When a prospective buyer prepares an offer for any portion of the Site, such offers should, at a minimum, include the following:

- Purchase price
- Verifiable proof of funds
- Amount of earnest money deposit
- Buyer's due diligence period, extension options, and internal approval process
- Desired closing date
- Breakdown of closing expenses to be paid by buyer and seller, if differing from local customs

Please contact listing brokers Ashley and Caspian for additional information.

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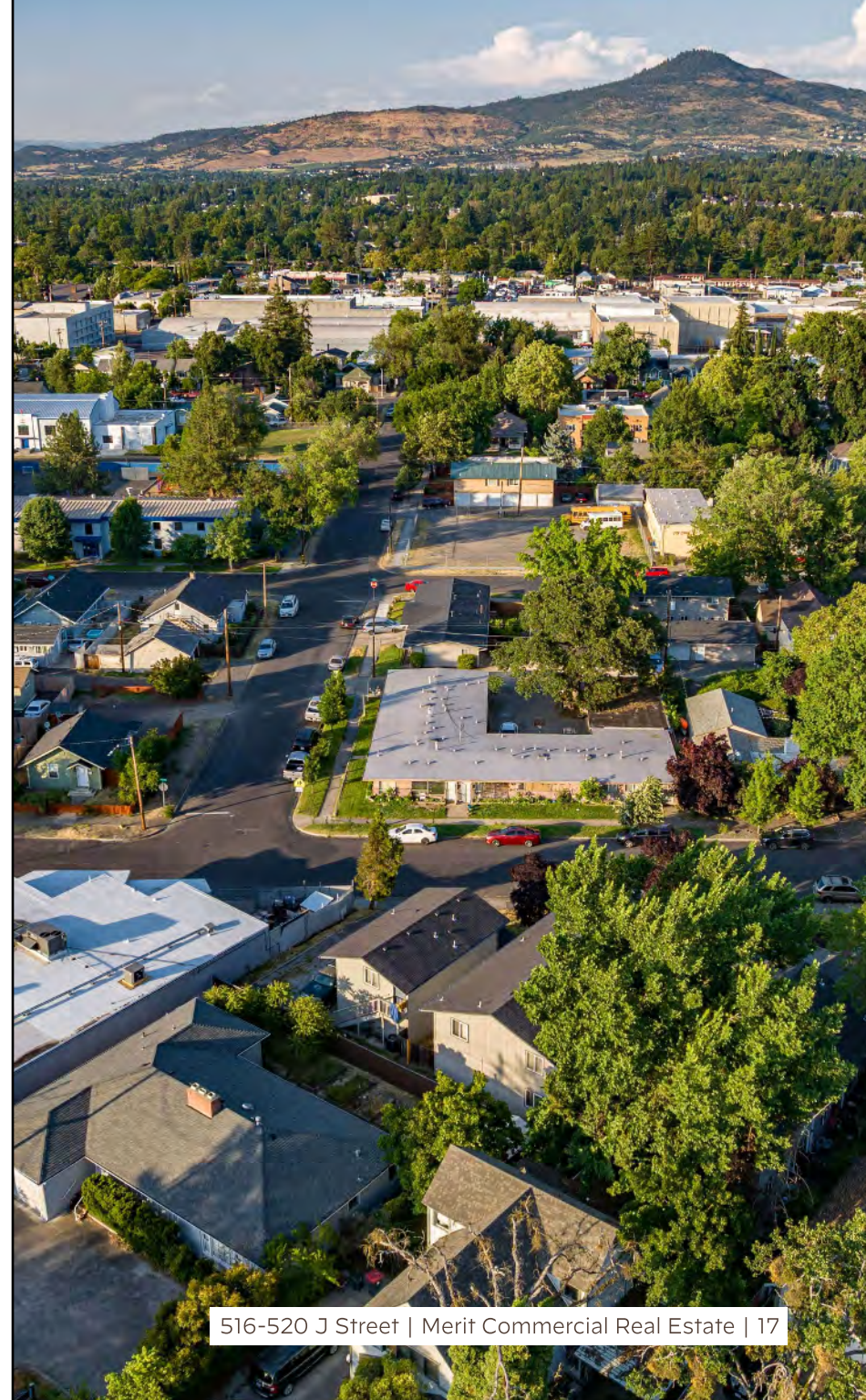
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Oregon Rent Increases & Regulations

SB 608 & SB 611 Summary

Per SB 608, enacted in February of 2019, the state of Oregon mandates the maximum annual rent increases for applicable multifamily properties. On July 6th, 2023, the State of Oregon passed SB 611, which, effective immediately, caps all future rent increases to a maximum of 10%, or 7% plus the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics, whichever is lower. However, the exact future rent increase maximums are not yet determined, and are typically published in Q4 of the preceding calendar year. The maximum annual rent increase for 2025 is 10.0%. Future rent increase maximums are not yet determined, and are typically published in Q4 of the preceding calendar year.

If a rental housing provider happens to increase the rent above the maximum amount allowed, SB 608 specifies a penalty of 3 months' rent, actual damages sustained by the tenant, and potential attorney fees and legal costs.

The only exemptions to this maximum rent increase limit are:

- Properties with a certificate of occupancy less than 15 years old, or
- Properties providing reduced rent to the tenant as part of any federal, state or local program or subsidy (Section 8 Housing Choice Vouchers not applicable).

Sources: MultiFamily NW, Oregon Dept of Administrative Services.

Buyer must complete any and all due diligence regarding rent increases and exemptions. All info regarding rent increases is subject to change at any time without notification to buyers or sellers.



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