OFFERING MEMORANDUM

FOR SALE

THIS IS A SHORTENED OM FOR MLS PURPOSES. CONTACT BROKERS OR VISIT MERIT-COMMERCIAL.COM FOR THE FULL OM.

6-UNIT APARTMENT COMPLEX IN GRANTS PASS, OREGON

(541) 608-6704 | www.Merit-Commercial.com | team@merit-commercial.com

Caspian Hoehne
Licensed Broker

MERIT COMMERCIAL REAL ESTATE

Scott King
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EXCLUSIVELY REPRESENTED BY

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Executive Summary

Merit Commercial Real Estate, is pleased to exclusively present for sale ***807 NW 5th Street***, a 6-unit apartment complex located in Grants Pass, Oregon (the "Subject").

Priced below $100k/unit, the Subject presents a strong opportunity for an entrepreneurial investor to jump into a well-located project in a growing sub-market.

Located in a peaceful residential neighborhood just blocks to downtown Grants Pass, the Subject enjoys the mature, tree-lined street of NW 5th Street and is a short distance to Grants Pass High School, multiple parks, employers, retail, and much more!

Originally built in approximately 1928 (buyer to confirm) as a palatial single-family home, the Subject has been thoughtfully converted to house multiple units.

While the Subject Property's units are 1-bed / 1-bath, each unit enjoys generally spacious and efficient layouts, with abundant common area including the oversized covered front porch.

The opportunity is clear to revive the potential of the Subject Property. Unlocking the full potential of the building is possible by renovating units, re-opening the currently closed on-site laundry facility, and embracing the original character and charm of the building.

Currently 100% leased, the Subject provides income either as a long-term hold or to help cover holding costs during a renovation project.

Current ownership ***would prefer to utilitize seller financing*** - an option that could make the difference in today's market (see financing terms in the offering summary to the right). Prospective buyers are encouraged to submit proposals with seller financing options, all of which will be considered by the owner.

Contact the brokers today for more info!

Buyers are solely responsible to complete all due diligence regarding the Subject Property to their own satisfaction. This Report should not replace a Buyer's independent investigation of the Subject Property.

Offering Summary

Offering Price:	$585,000
Current Rent:	$5,325/Month (gross)
Owner Financing:	Min. 30% down at 5.75%, 25-yr am, 5-year balloon (preferred sale structure)
Address:	807 NW 5th St, Grants Pass, OR 97526
Legal:	36-5W-17-BB TL 5300 | APN R310149
Annual Taxes:	$3,063.72 (2024)
Zoning:	R-1-6 (Medium Density Residential)
Gross Acreage:	0.14-acres (6,098 SF)
Year Built:	± 1928 (per County)
Gross SF:	± 2,866 SF (per County)
Unit Mix:	(6) 1-bed/ 1-bath flats
Parking:	Unmarked large parking lot in rear
Construction:	Wood-frame on perimeter foundation
Utilities:	All public
Expense Split:	LL: Water, sewer, garbage, common area power Tenants: Natural gas, internet

Subject Property Aerial

Exterior Photos

Interior Photos

Interior Photos

Financial Summary - Rent Roll

Rent Roll - as of 3Q25

Unit	Unit Type	Rent	Deposit	Lease Start	Lease To
# 1	1 / 1.00	$950	$1,000	06/04/2024	03/29/2025
# 2	1 / 1.00	$900	$900	08/13/2025	07/31/2026
# 3	1 / 1.00	$950	$1,200	08/26/2024	07/31/2025
# 4	1 / 1.00	$875	$875	03/28/2025	09/30/2025
# 5	1 / 1.00	$800	$800	08/21/2024	07/31/2025
# 6	1 / 1.00	$850	$850	03/01/2025	03/01/2025
6 Units		**$5,325**	**$5,625**		

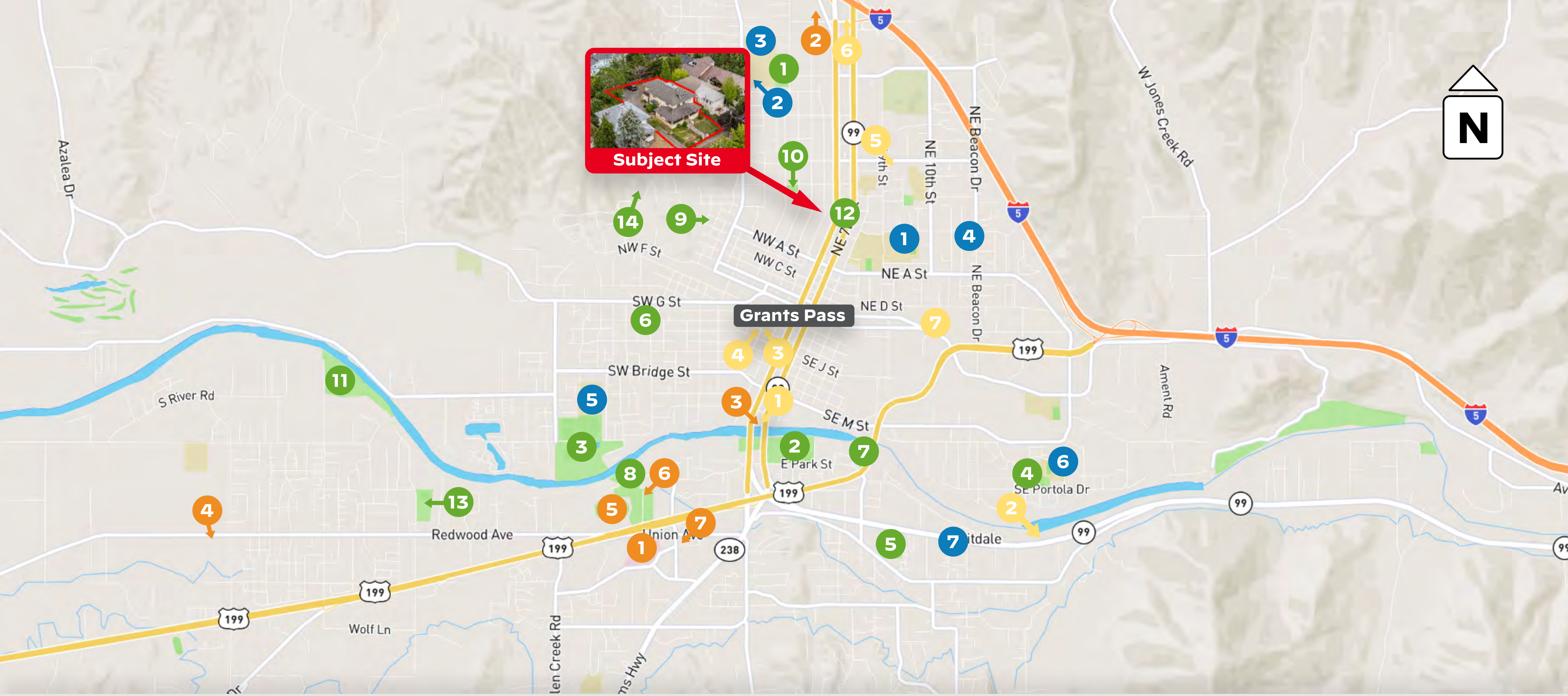
Information obtained from sources deemed reliable but not guaranteed. Subject to Buyer's independent verification. Buyer to complete all due diligence.

Financial Summary - Proforma

Annual Proforma - 807 NW 5th Street

	Year-1		Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Reversion
Gross Potential Rent	79,200		81,576	84,023	86,544	89,140	91,815	94,569	97,406	100,328	103,338	106,438
Loss-to-Lease	(15,109)		(14,280)	(13,363)	(12,350)	(11,237)	(10,016)	(8,681)	(7,223)	(5,636)	(3,911)	(2,040)
Gross Scheduled Rent	64,091		67,296	70,661	74,194	77,903	81,798	85,888	90,183	94,692	99,427	104,398
Vacancy & Credit Loss	(3,205)		(3,365)	(3,533)	(3,710)	(3,895)	(4,090)	(4,294)	(4,509)	(4,735)	(4,971)	(5,220)
Concessions	-		-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-
Effective Gross Income	60,887		63,931	67,128	70,484	74,008	77,709	81,594	85,674	89,957	94,455	99,178
Expenses		%										
Repairs & Maintenance	(3,044)	5.00%	(3,292)	(3,561)	(3,851)	(4,165)	(4,504)	(4,871)	(5,268)	(5,698)	(6,162)	(6,664)
General & Administrative	-	0.00%	-	-	-	-	-	-	-	-	-	-
Payroll	-	0.00%	-	-	-	-	-	-	-	-	-	-
Marketing	-	0.00%	-	-	-	-	-	-	-	-	-	-
Power	(3,300)	5.42%	(3,399)	(3,501)	(3,606)	(3,714)	(3,826)	(3,940)	(4,059)	(4,180)	(4,306)	(4,435)
Garbage	(1,560)	2.56%	(1,607)	(1,655)	(1,705)	(1,756)	(1,808)	(1,863)	(1,919)	(1,976)	(2,035)	(2,097)
Water & Sewer	(4,800)	7.88%	(4,944)	(5,092)	(5,245)	(5,402)	(5,565)	(5,731)	(5,903)	(6,080)	(6,263)	(6,451)
Natural Gas	(600)	0.99%	(618)	(637)	(656)	(675)	(696)	(716)	(738)	(760)	(783)	(806)
Landscaping	(1,500)	2.46%	(1,545)	(1,591)	(1,639)	(1,688)	(1,739)	(1,791)	(1,845)	(1,900)	(1,957)	(2,016)
Misc	-	0.00%	-	-	-	-	-	-	-	-	-	-
Management	(4,871)	8.00%	(5,268)	(5,697)	(6,162)	(6,664)	(7,207)	(7,794)	(8,429)	(9,116)	(9,859)	(10,663)
Taxes	(3,060)	5.03%	(3,152)	(3,246)	(3,344)	(3,444)	(3,547)	(3,654)	(3,763)	(3,876)	(3,993)	(4,112)
Insurance	(2,400)	3.94%	(2,472)	(2,546)	(2,623)	(2,701)	(2,782)	(2,866)	(2,952)	(3,040)	(3,131)	(3,225)
Total Expenses	(25,135)	41.28%	(26,297)	(27,527)	(28,829)	(30,210)	(31,674)	(33,227)	(34,876)	(36,628)	(38,490)	(40,470)
Net Operating Income	35,751		37,634	39,601	41,655	43,798	46,035	48,367	50,797	53,329	55,965	58,708
NOI Margin	58.7%		58.9%	59.0%	59.1%	59.2%	59.2%	59.3%	59.3%	59.3%	59.3%	59.2%
Capital Expenditures	-		-	-	-	-	-	-	-	-	-	
Total Debt Service	(28,706)		(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	(28,706)	
DSCR (Overall)	1.25		1.31	1.38	1.45	1.53	1.60	1.68	1.77	1.86	1.95	
Cash Flow After Financing	7,045		8,928	10,895	12,949	15,092	17,329	19,661	22,091	24,623	27,259	
Reversion Value (at sale)	0		0	0	0	0	0	0	0	0	903,207	

Assumptions		Investment Metrics			
5-yr note @ 5.75%, 25-yr am, 65% LTV		Stabilized UYOC	6.06%	Loan Constant	7.55%
Purchase Price	585,000	Unlevered IRR	10.37%	Min. Debt Yield	10.23%
Going-In Cap Rate	6.00%	Gross Unlevered EMx	2.21x	Unlevered NPV	99,636
Exit Cap Rate	6.50%	Levered IRR	15.27%	Levered NPV	153,833
Market Rent CAGR	3.00%	Gross Levered EMx	3.47x	Discount Rate	8.00%
Expense CAGR	3.00%				
Ann. Rent Increases	5.00%				



Schools / Education

1. Grants Pass High School
2. North Middle School
3. Highland Elementary
4. Lincoln Elementary
5. Parkside Elementary
6. Riverside Elementary
7. Fruitdale Elementary

Greenspace / Parks

1. Gilbert Creek Park
2. Riverside Park
3. Reinhart Park
4. George Eckstein Park
5. Morrison Cent. Park
6. Westholm Park
7. Baker Park
8. Tussing Park
9. Loveless Park
10. Lawnridge Park
11. Schroeder Park
12. Kesterson Park
13. Redwood Park
14. Dollar Mtn. Trail

Restaurants / Food Service

1. Taprock NW Grill
2. River's Edge Restaurant
3. Twisted Cork
4. Wild River Brewing
5. The Laughing Clam
6. In-N-Out
7. Chipotle + many more!

Healthcare / Other Attractions

1. Asante Three Rivers Hospital
2. ClubNW
3. Hellgate Jetboat Excursions
4. Rogue Comm. College (off map)
5. Dutch Bros Soccer Complex
6. Josephine Co. Fairgrounds
7. Southgate Cinemas

Grants Pass History and Profile

"It's the climate"

Grants Pass, Oregon - believed to be named after General Ulysses S. Grant's battle at Vicksburg - has a rich history since the early 1800's. Grants Pass is desirable to homeowners and businesses alike for it's growing employment, natural beauty, and the City's convenient location on I-5, as well as being home to the Josephine County Fairgrounds and home of several large companies, such as Dutch Bros Coffee, AllCare Health and Asante Health System's Three Rivers Hospital.

The City was historically a hub for the timber and agriculture industries, being strategically located on the Rogue River. The local economy has significantly expanded beyond these industries, but the area remains a strong agricultural market.

Within a 30 minute drive is the domestic Grants Pass Airport as well as the Rogue Valley International-Medford Airport, a 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, Grants Pass is a city that blends its historical roots with a forward-looking perspective, making it a desirable destination for businesses and residents alike.

Demographic sources: CoStar, Redfin, Realtor.com, Zillow

Transaction Guidelines

807 NW 5th 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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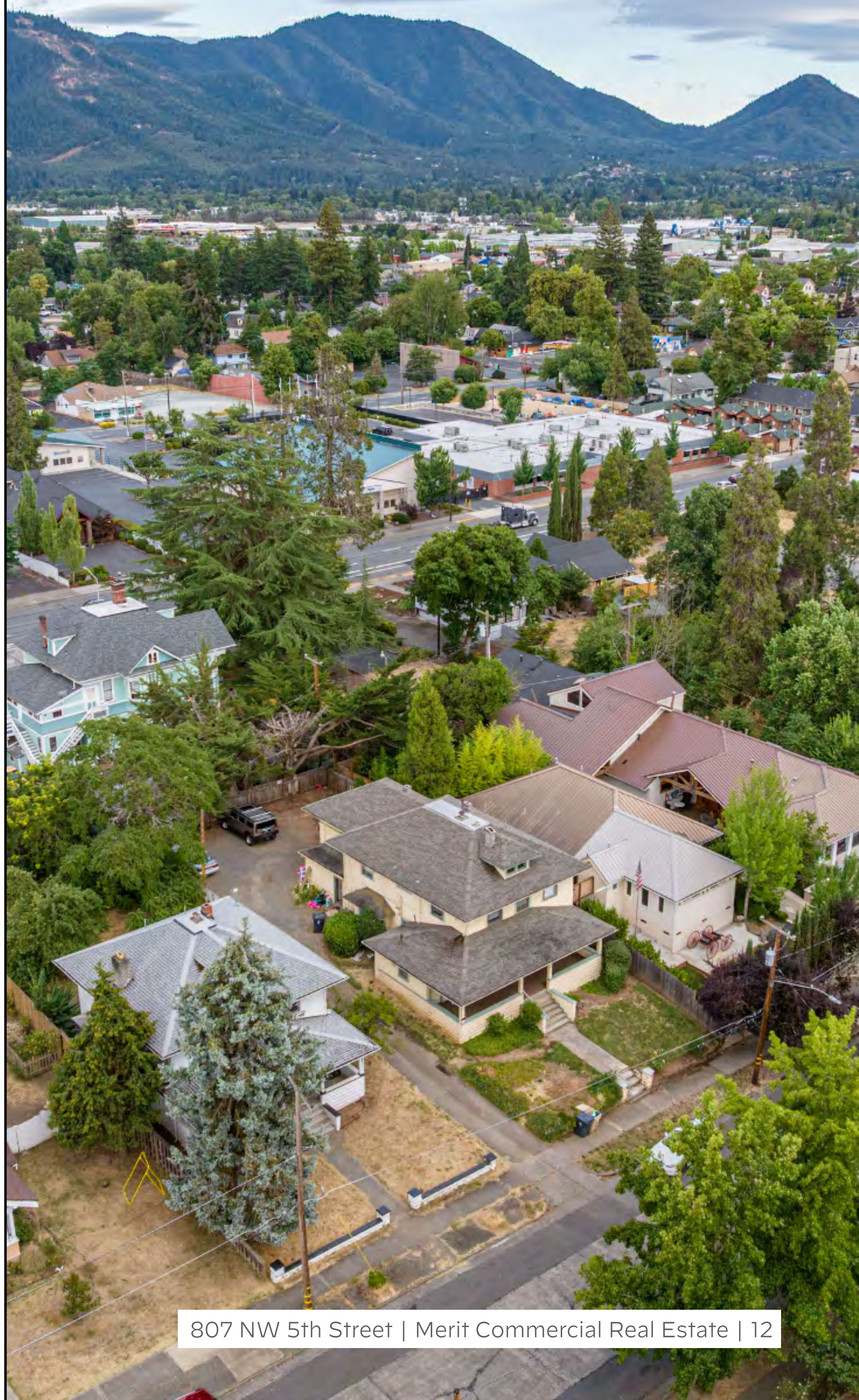

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Oregon Rent Increases & Regulations

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.