

# OFFERING MEMORANDUM

FOR SALE

**8-UNIT APARTMENT COMPLEX IN EAGLE POINT, OREGON**

[www.Merit-Commercial.com](http://www.Merit-Commercial.com) / (541) 944-9967

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**MARTIN** ×  
OUTDOOR PROPERTY GROUP

**MERIT**  
COMMERCIAL  
REAL ESTATE

**Caspian Hoehne**  
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EXCLUSIVELY REPRESENTED BY  
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# Executive Summary

Martin Outdoor Property Group, in coordination with Merit Commercial Real Estate, is pleased to exclusively present for sale **247 Lorraine Avenue**, a clean and conventional 8-unit apartment complex located in Eagle Point, Oregon (the "Property").

A rare public offering of two adjacent fourplexes producing strong income in Eagle Point, the Property presents an opportunity for investors to step into an established asset in a mature and quickly growing neighborhood.

This well-maintained property consists of two single-level fourplexes, offering (8) 655 SF, 1-bed / 1-bath units, with most units with long-term, senior tenants. Each unit enjoys a convenient and efficient floorplan, with each 'feeling' much larger than the stated square footage. The large entry and living rooms lead to a dining area, full-sized kitchen, storage, full bathroom and spacious bedroom, as well as including in-unit washer and dryer hookups. All units also enjoy a private patio, providing outdoor space for each tenant.

Access is easy and convenient, with a large private parking lot for the Property including 11 dedicated parking spaces in addition to abundant street parking.

The surrounding neighborhood is a mix of owner-occupied residential, some commercial, and other apartment complexes, and is very close to employers, parks, Hillside Elementary School, Eagle Point High School, as well as the renowned Eagle Point Golf Club.

Located in a central location, the Property is a short drive to all that Eagle Point and the greater Rogue Valley has to offer.

Note all affordability requirements previously affecting the Property have expired and all units may now be leased at full market rents.

247 Lorraine Avenue is an attractive opportunity to unlock significant value from both an established neighborhood and a proven sub-market. Please contact the brokers for more info.

## Offering Summary

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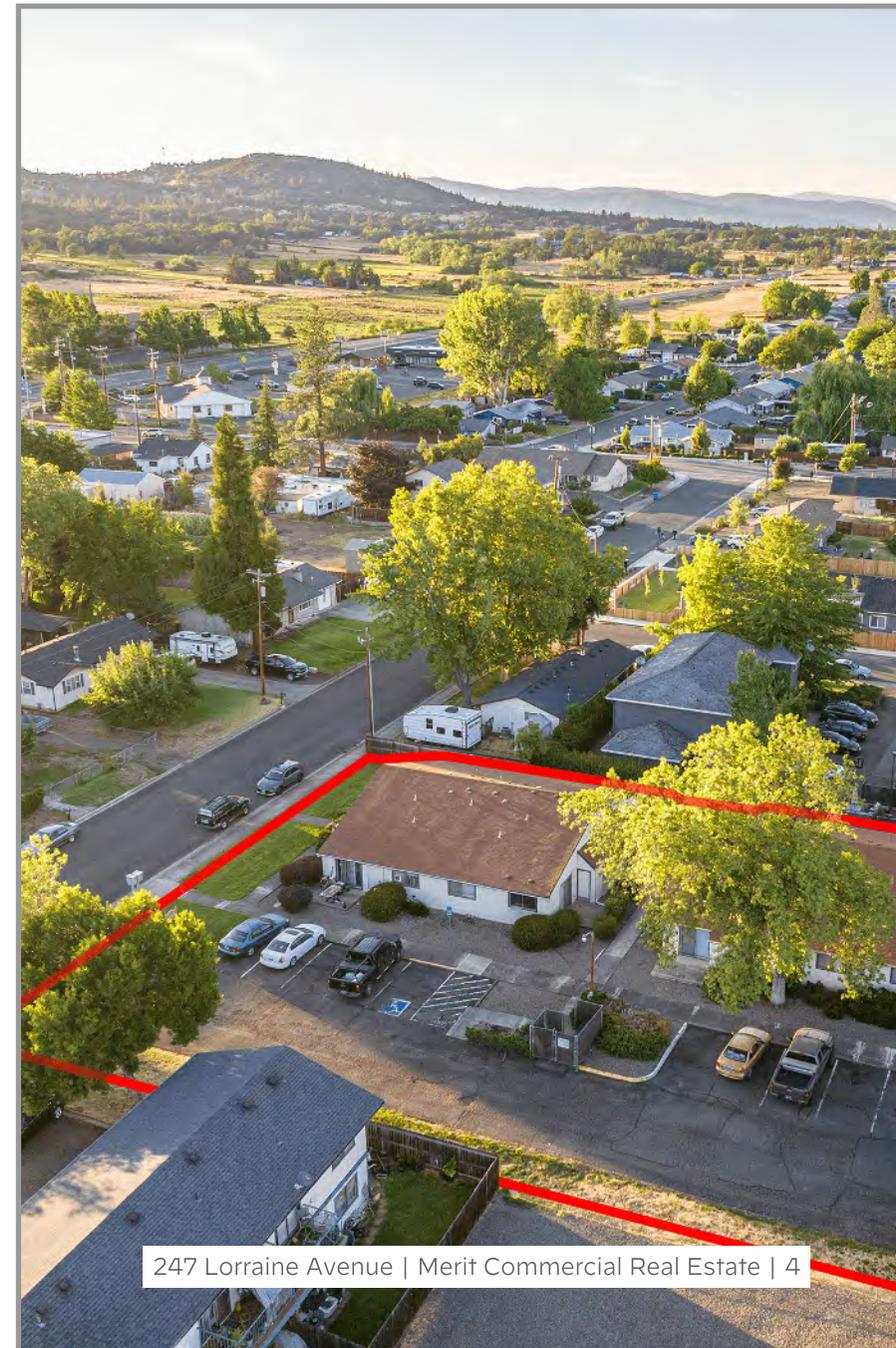
<b>Offering Price:</b>	\$1,250,000
<b>Cap Rate:</b>	6.19%
<b>Current Rent:</b>	\$8,629/Month
<b>Address:</b>	247 Lorraine Ave, Eagle Point, OR 97524 - Jackson County
<b>Legal:</b>	36-1W-03-BD TL 10000   APN 10571874
<b>Annual Taxes:</b>	\$6,085.10 (2024)
<b>Zoning:</b>	R-3 (Multifamily - Medium Density)
<b>Gross Acreage:</b>	0.55-acres (23,958 SF)
<b>Year Built:</b>	± 1977 (per County)
<b>Gross SF:</b>	± 5,240 SF (per County)
<b>Unit Mix:</b>	(8) 1 bed/ 1 bath (± 655 SF per unit)
<b>Parking:</b>	(11) parking spaces + street parking
<b>Construction:</b>	Wood-frame on slab
<b>Laundry:</b>	In-unit; machines owned by tenants
<b>Utilities:</b>	LL: Water, sewer, garbage, common area power, landscaping  Tenant: Unit power, internet, cable

# Financial Summary - Rent Roll

## Rent Roll - as of 3Q25

Unit	Unit Type	Rent	Deposit	Lease Start	Lease To
# 1	1 / 1.00	\$1,250	\$2,000	06/01/2023	MTM
# 2	1 / 1.00	\$1,475	\$1,500	03/19/2022	MTM
# 3	1 / 1.00	Vacant	-	-	-
# 4	1 / 1.00	\$1,125	\$1,800	06/02/2024	06/01/2026
# 5	1 / 1.00	\$1,100	\$1,800	07/01/2024	06/30/26
# 6	1 / 1.00	\$1,225	\$1,225	08/01/25	07/31/2026
# 7	1 / 1.00	\$1,246	\$449	03/18/2022	MTM
# 8	1 / 1.00	\$1,208.90	\$1,800	07/19/2024	MTM
<b>8 Units</b>		<b>\$8,629.90</b>	<b>\$12,035</b>		

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	121,140	124,774	128,517	132,373	136,344	140,434	144,647	148,987	153,457	158,060	162,802
Loss-to-Lease	(7,188)	(1,506)	(318)	-	-	-	-	-	-	-	-
<b>Gross Scheduled Rent</b>	<b>113,952</b>	<b>123,268</b>	<b>128,199</b>	<b>133,327</b>	<b>138,660</b>	<b>144,207</b>	<b>149,975</b>	<b>155,974</b>	<b>162,213</b>	<b>168,701</b>	<b>175,449</b>
Vacancy & Credit Loss	(5,698)	(6,163)	(6,410)	(6,666)	(6,933)	(7,210)	(7,499)	(7,799)	(8,111)	(8,435)	(8,772)
Concessions	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Effective Gross Income</b>	<b>108,254</b>	<b>117,105</b>	<b>121,789</b>	<b>126,661</b>	<b>131,727</b>	<b>136,996</b>	<b>142,476</b>	<b>148,175</b>	<b>154,102</b>	<b>160,266</b>	<b>166,677</b>
<b>Expenses</b>	<b>%</b>										
Repairs & Maintenance	(5,413) 5.00%	(6,031)	(6,460)	(6,920)	(7,413)	(7,941)	(8,506)	(9,112)	(9,761)	(10,456)	(11,200)
General & Administrative	- 0.00%	-	-	-	-	-	-	-	-	-	-
Payroll	- 0.00%	-	-	-	-	-	-	-	-	-	-
Marketing	- 0.00%	-	-	-	-	-	-	-	-	-	-
Power	(540) 0.50%	(556)	(573)	(590)	(608)	(626)	(645)	(664)	(684)	(705)	(726)
Garbage	(1,380) 1.27%	(1,421)	(1,464)	(1,508)	(1,553)	(1,600)	(1,648)	(1,697)	(1,748)	(1,801)	(1,855)
Water	(5,880) 5.43%	(6,056)	(6,238)	(6,425)	(6,618)	(6,817)	(7,021)	(7,232)	(7,449)	(7,672)	(7,902)
Sewer	- 0.00%	-	-	-	-	-	-	-	-	-	-
Landscaping	(4,380) 4.05%	(4,511)	(4,647)	(4,786)	(4,930)	(5,078)	(5,230)	(5,387)	(5,548)	(5,715)	(5,886)
Misc	- 0.00%	-	-	-	-	-	-	-	-	-	-
Management	(8,660) 8.00%	(9,649)	(10,336)	(11,072)	(11,861)	(12,705)	(13,610)	(14,579)	(15,617)	(16,729)	(17,920)
Taxes	(6,300) 5.82%	(6,489)	(6,684)	(6,884)	(7,091)	(7,303)	(7,523)	(7,748)	(7,981)	(8,220)	(8,467)
Insurance	(2,700) 2.49%	(2,781)	(2,864)	(2,950)	(3,039)	(3,130)	(3,224)	(3,321)	(3,420)	(3,523)	(3,629)
<b>Total Expenses</b>	<b>(35,253) 32.57%</b>	<b>(37,496)</b>	<b>(39,267)</b>	<b>(41,137)</b>	<b>(43,112)</b>	<b>(45,200)</b>	<b>(47,406)</b>	<b>(49,740)</b>	<b>(52,208)</b>	<b>(54,820)</b>	<b>(57,584)</b>
<b>Net Operating Income</b>	<b>73,001</b>	<b>79,609</b>	<b>82,523</b>	<b>85,524</b>	<b>88,615</b>	<b>91,797</b>	<b>95,070</b>	<b>98,436</b>	<b>101,894</b>	<b>105,447</b>	<b>109,093</b>
NOI Margin	67.4%	68.0%	67.8%	67.5%	67.3%	67.0%	66.7%	66.4%	66.1%	65.8%	65.5%
<b>Capital Expenditures</b>	<b>(20,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Debt Service	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)	(64,318)
DSCR (Overall)	1.14	1.24	1.28	1.33	1.38	1.43	1.48	1.53	1.58	1.64	
<b>Cash Flow After Financing</b>	<b>8,684</b>	<b>15,291</b>	<b>18,205</b>	<b>21,206</b>	<b>24,297</b>	<b>27,479</b>	<b>30,752</b>	<b>34,118</b>	<b>37,577</b>	<b>41,129</b>	
Reversion Value (at sale)	0	0	0	0	0	0	0	0	0	1,818,213	
<b>Assumptions</b>	<b>Investment Metrics</b>										
10-yr note @ 6.25%, 25-yr am, 65% LTV	Stabilized UYOC	6.21%	Loan Constant	7.92%							
Purchase Price	1,250,000	Unlevered IRR	9.48%	Min. Debt Yield	9.72%						
Going-In Cap Rate	6.19%	Gross Unlevered EM	2.06x	Unlevered NPV	\$115,198						
Exit Cap Rate	6.00%	Levered IRR	12.61%	Levered NPV	206,574						
Market Rent CAGR	3.00%	Gross Levered EMx	2.91x	Discount Rate	8.00%						
Expense CAGR	3.00%										
Ann. Rent Increases	4.00%										

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.



**Unit 1**  
1-bd/1-ba (665 SF)  
Current rent: \$1,250.00

**Unit 2**  
1-bd/1-ba (665 SF)  
Current rent: \$1,475.00

**Unit 4**  
1-bd/1-ba (665 SF)  
Current rent: \$1,125.00

**Unit 3**  
1-bd/1-ba (665 SF)  
Current rent: Vacant

**Unit 6**  
1-bd/1-ba (665 SF)  
Current rent: \$1,225.00

**Unit 5**  
1-bd/1-ba (665 SF)  
Current rent: \$1,100.00

**Unit 8**  
1-bd/1-ba (665 SF)  
Current rent: \$1,208.90

**Unit 7**  
1-bd/1-ba (665 SF)  
Current rent: \$1,246.00

Parcel boundaries are approximate and are for illustration purposes only.

# Subject Property Aerial



Parcel boundaries are approximate and are for illustration purposes only.

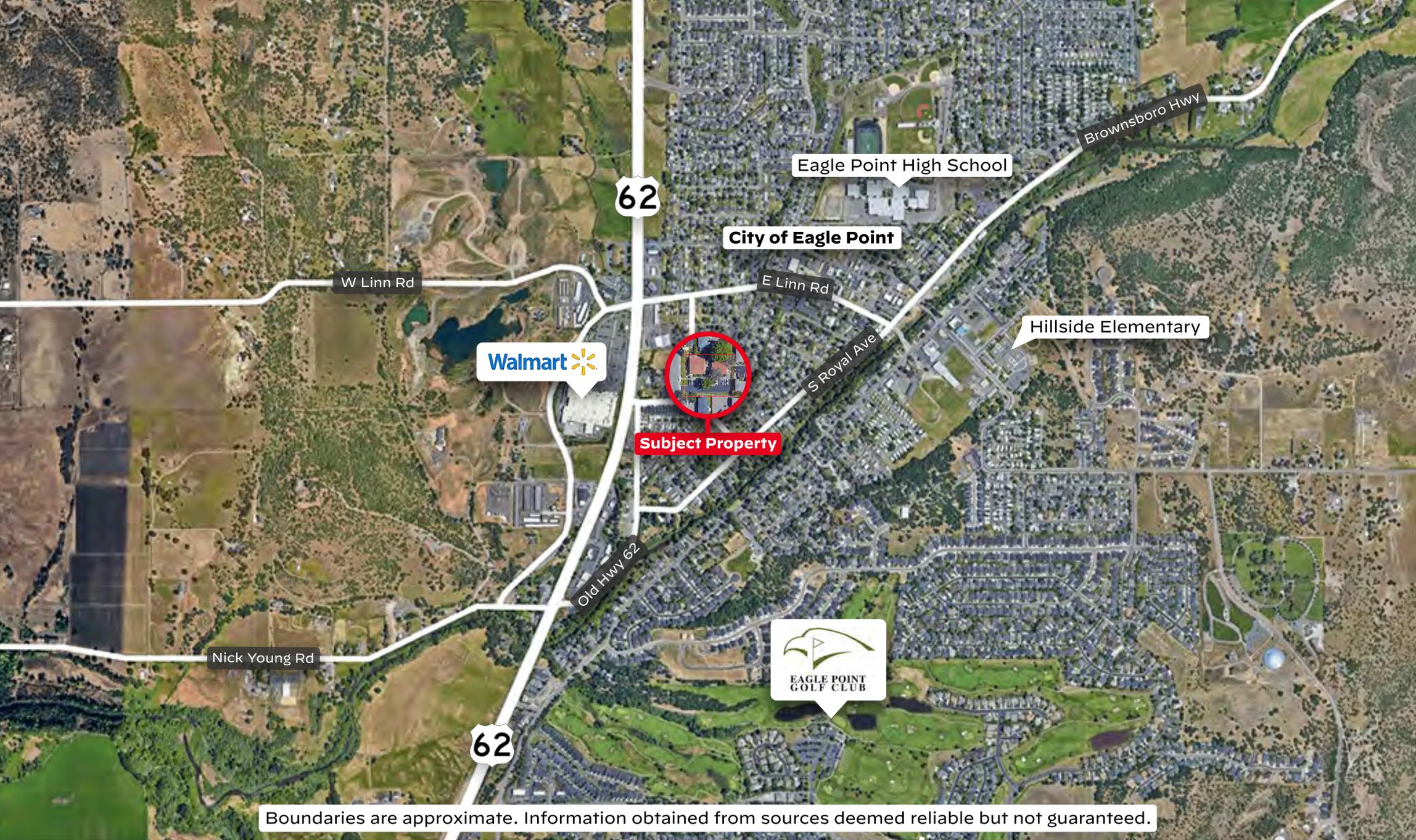
# Subject Property Exterior Photo



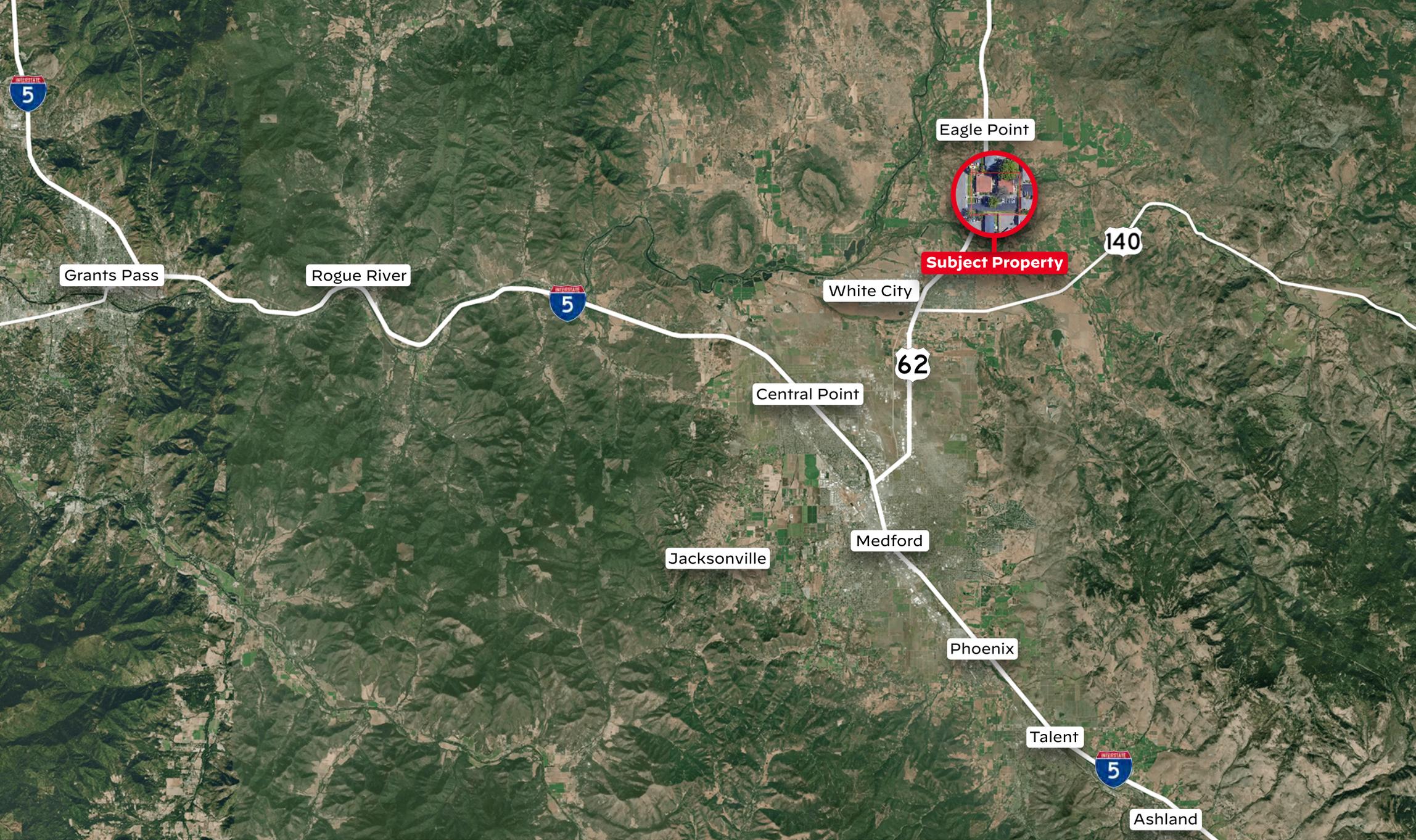
# Interior Photos (Unit 3)



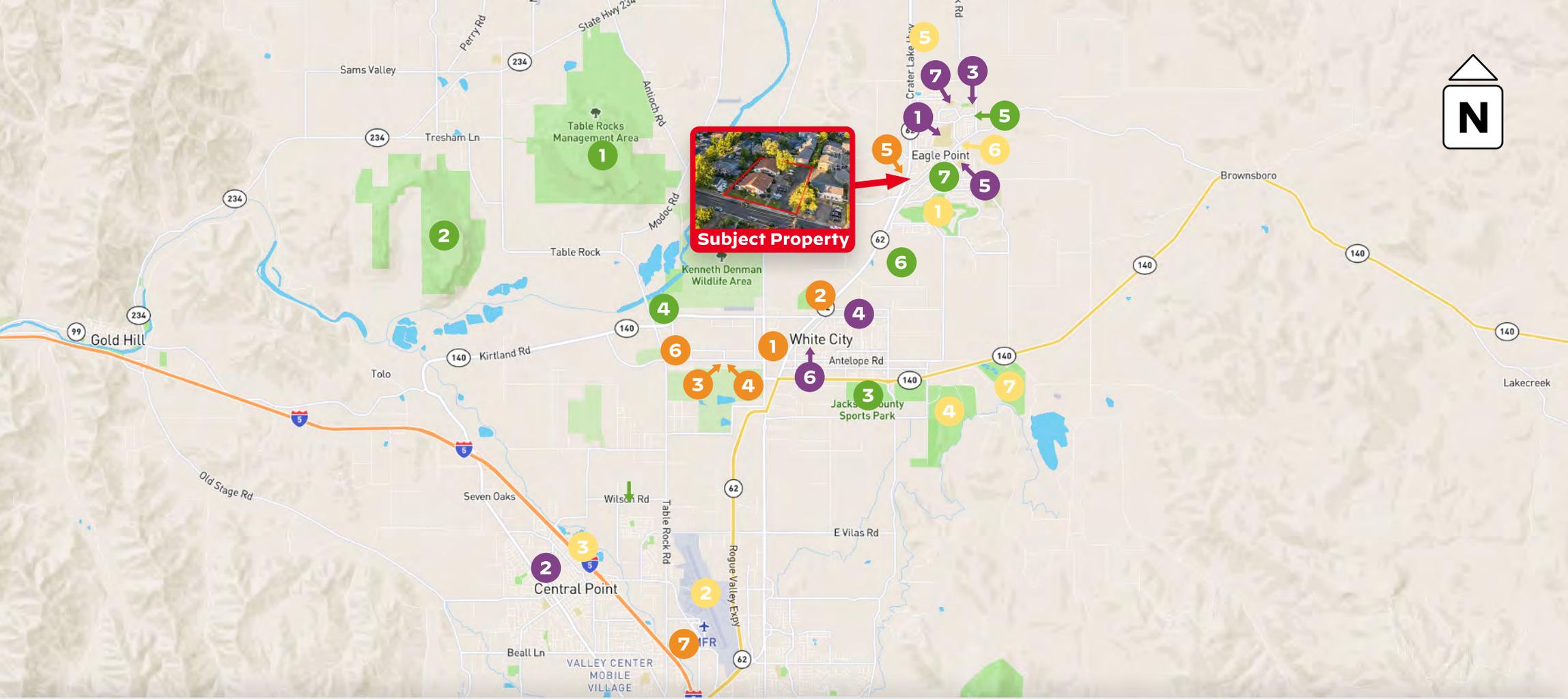
# Interior Photos (Unit 3)



Boundaries are approximate. Information obtained from sources deemed reliable but not guaranteed.



# Region Map 2



### Greenspace / Parks

- 1 Upper Table Rock
- 2 Lower Table Rock
- 3 Jackson County Sports Park
- 4 Touvelle State Recreation Site
- 5 Chamberlain Park
- 6 Lucas Park
- 7 Outback Field

### Schools

- 1 Eagle Point High School
- 2 Crater High School
- 3 Eagle Point Middle School
- 4 White Mountain Middle School
- 5 Hillside Elementary School
- 6 Table Rock Elementary School
- 7 Eagle Rock Elementary School

### Major Employers

- 1 Boise Cascade
- 2 VA Rehabilitation Center
- 3 Metal Masters
- 4 Biomed Diagnostics
- 5 Walmart
- 6 Rogue Community College
- 7 C&K Market

### Landmarks

- 1 Eagle Point Golf Course
- 2 Rogue Valley International Airport
- 3 Jackson County Expo
- 4 Southern Oregon Speedway
- 5 The Wood House
- 6 Butte Creek Mill
- 7 Stone Ridge Golf Club



# Eagle Point History and Profile

**Eagle Point, Oregon** - a picturesque city with deep historical roots and a steadily growing community. Established in the late 1800s, Eagle Point initially thrived as a stop along the wagon trail and later grew as a center for agriculture and ranching, benefiting from the region's fertile soil and access to Little Butte Creek. Its historic Butte Creek Mill, originally built in 1872, stands as a testament to the city's rich history and serves as a beloved landmark. Over the years, the town has retained its charm while evolving into a dynamic residential and commercial hub in Southern Oregon.

Known as the "Gateway to the Lakes," Eagle Point offers close proximity to popular outdoor destinations like Crater Lake, Lost Creek Lake, and the Rogue River. With a population of approximately 10,000, the city has seen consistent growth due to its family-friendly environment, strong school system, and access to recreational opportunities. Eagle Point's economy is bolstered by a mix of agriculture, retail, and service-based industries, with its historic downtown and modern shopping centers providing a balance of small-town charm and convenience. The city's strategic location, just 12 miles from Medford, makes it an attractive option for businesses and residents seeking a peaceful yet connected community.



Eagle Point Golf Club

# 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.





# Southern Oregon Market

# Strategic, Central Location

Southern Oregon is perfectly positioned nearly exactly halfway between Portland and Sacramento. 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 its 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 drier, 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

**247 Lorraine Avenue** 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 except through the one vacant unit 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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## Ashley Lacer

Broker

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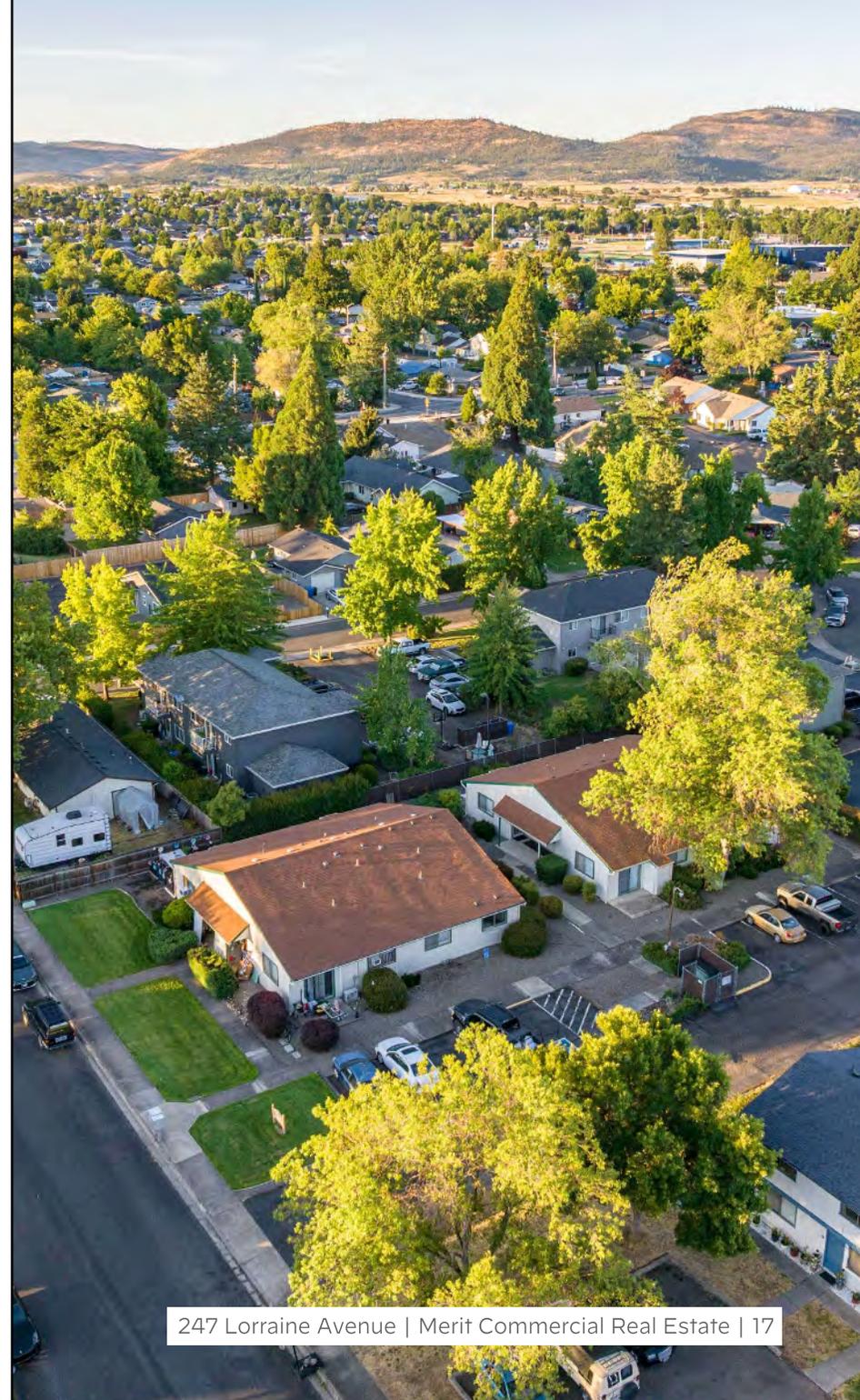
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# Oregon Rent Increases & Regulations

## **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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