

OFFERING MEMORANDUM

TERRACE GARDEN

*20-Unit Apartment Community Located on the
banks of Devil's Lake in Lincoln City, Oregon*

3456 NE WEST DEVILS LAKE RD, LINCOLN CITY, OR

km Kidder
Mathews

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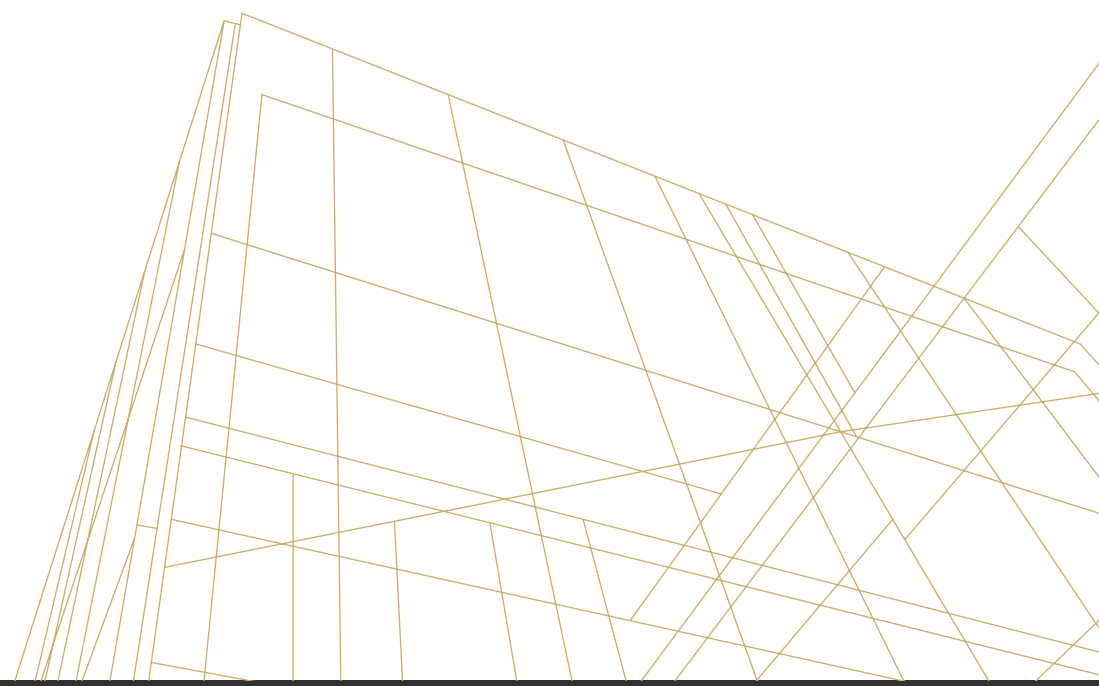
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EXECUTIVE SUMMARY

UNIQUE LIVING EXPERIENCE WITH INSPIRING LAKE VIEWS

PROPERTY OVERVIEW

ADDRESS	3456 NE West Devils Lake Rd Lincoln City, OR 97367
YEAR BUILT	1964
UNITS	20
TOTAL SF	46,609 SF
NRSF	16,884 SF
AVG UNIT SIZE	844 SF
SALE PRICE	\$4,350,000
PRICE/UNIT	\$217,500
PRICE/SF	\$249/SF
CAP RATE	6.15%
PRO FORMA CAP RATE	6.66%

\$4,350,000

SALE PRICE

Located on the banks of Devil's Lake, a 680-acre freshwater lake less than a mile from the sandy beaches of the Pacific Ocean, Terrace Garden Apartments offers a truly unique living experience, with inspiring lake views and unmatched convenience to everything Lincoln City has to offer.

The property is comprised of 20 one-, two-, and three-bedroom units ranging from 656 to 1,160 SF. Over half the units have been renovated within the last four years, featuring upgraded kitchens and baths, new flooring, and updated fixtures, commanding significant rent premiums over the classic, unrenovated units.

Recent exterior improvements include a partial roof replacement, vinyl windows, a new parking lot, and fresh exterior paint. Common area amenities include 17 covered parking spaces, six garages, common green space, on-site laundry, private storage units, and additional off-street parking. Individual units feature covered entryways and private balconies or patios overlooking the lake.

Terrace Garden is one of the only multifamily options in an area dominated by single-family residences and vacation homes, and offers meaningful upside: unrenovated units remain under market and utility reimbursements are relatively low. An additional storage space also presents the opportunity to convert into a 21st unit.

Situated in Lincoln City's desirable north end, approximately 90 miles (about an hour and a half) from Portland, Terrace Garden sits directly next to Holmes Road Park and its public boat launch on Devils Lake, offering residents immediate access to boating, fishing, kayaking, and other outdoor recreation. The property is walking distance to a bus line and to Samaritan North Lincoln Hospital, one of the area's largest employers, and is close to several neighborhood parks, Oceanlake Elementary School, and the Lincoln City Community Center. Highway 101 is just a half-mile away, connecting residents to Lincoln City's beaches and its diverse mix of coastal restaurants, retail, and entertainment, including Chinook Winds Casino Resort (750 employees), the city's largest employer and a major regional tourism draw.

Supported by a mix of healthcare, tourism, and retirement-driven demand, Lincoln City has emerged as one of the Oregon Coast's most vibrant year-round communities.

PROPERTY OVERVIEW

Section 02

IDEALLY LOCATED NEAR *RESTAURANTS, RETAIL & ENTERTAINMENT*

Approximately half the units have been upgraded, leaving upside for a new investor to finish repositioning the remaining units

Excellent mix of one-, two-, and three-bedroom units with ample parking

Building upgrades include newer windows, decks, and one roof replacement

Covered parking and garages generate additional income

Common amenities include on-site laundry facilities, green space, and covered parking

Inspiring views of Devil's Lake and surrounding mountains

Abundant shopping options within one mile that include Lincoln City Shopping Mall, Walgreens, Grocery Outlet, Starbucks, Safeway, and the many other restaurants and retailers

Within a mile of Chinook Winds Casino and Resort

Boat slip easement with the neighboring condominium is included



AMENITY FEATURES

Unit Amenities

Unsurpassed lake views

Renovated units (some units)

Energy efficient vinyl windows

Electric heat

Patios or decks

Full kitchens with dishwashers

Property Amenities

Laundry facilities

Garages and covered parking available

Storage units

Newer parking lot

Abundant green space

Newer exterior paint

One roof replacement

Adjacent to Holmes Road Park and Boat Ramp

UNIT MIX

Unit Type	# of Units	Avg SF	Avg Rent	Avg Rent/SF	Pro Forma Rent	Pro Forma/SF
1X1	4	656	\$1,431.25	\$2.18	\$1,525	\$2.32
2X1	12	815	\$1,557.33	\$1.91	\$1,695	\$2.08
3X1.5	4	1,120	\$2,012.50	\$1.80	\$2,095	\$1.87
Average	20	16,884	\$32,462.96	\$1.92	\$34,820	\$2.06



PROPERTY OVERVIEW



PROPERTY OVERVIEW



PROPERTY OVERVIEW



PROPERTY OVERVIEW



LOCATION OVERVIEW

LINCOLN CITY, OREGON

Formed from the union of five distinct communities along a stretch of Oregon coastline, Lincoln City feels varied and full of hidden gems. Known as the kite-flying capital of the United States, this artsy coastal enclave draws thousands of visitors each summer for its world-class kite festivals.

With 7.5 miles of beautiful beaches to explore, Lincoln City is a natural destination for beach lovers and outdoor enthusiasts alike, from combing the shore for shells and glass floats to hiking nearby trails and exploring local rivers and waterfalls.

While July, August, and Spring Break bring peak visitor traffic, Lincoln City is far from a seasonal destination. The city draws visitors year-round thanks to a steady calendar of events and attractions, anchored by a popular outlet mall and Chinook Winds Casino and Convention Center. In total, Lincoln City hosts more than 4 million guests annually.

That steady visitor base translates to economic strength: Lincoln City generates \$330 million annually in aggregate tourism revenue, sustaining a local economy that has grown year-over-year for the past decade.

The latest census places Lincoln City's population at 10,117, up 3.1% from 9,817 in 2020, with the city continuing to grow at a positive annual rate. At roughly 1,647 people per square mile, most new residents are transplants from Washington or other parts of Oregon. Notably, 41% of occupied homes are rented – well above the national average of 34.8% – reflecting a strong preference for renting among those relocating to the area.

Driven by a growing economy, mild coastal climate, and outdoor lifestyle, Lincoln City is well-positioned to continue attracting both residents and investment.



Demand Drivers

Tourism: Lincoln City's Primary Economic Driver

In Lincoln County alone, tourism supports 6,000 jobs annually and generating \$600 million in direct consumer spending annually.

Over 5 Million People Visit Lincoln County Annually

Lincoln City and Newport can double in population on a busy weekend during the tourist season.

10,000+ Full-Time Residents Support Year-Round Demand

Unlike many seasonal resort markets, Lincoln City maintains a substantial permanent population base in addition to its tourism economy.

27.6% Population Growth Since 2010

Population increased from 7,930 residents in 2010 to over 10,000 residents today, significantly outpacing many Oregon coastal communities.

Chinook Winds Casino Employs Around 750 People

The 157,000 SF casino and 227 room hotel generates annual revenue of approximately \$145 million.

Economic Strength

\$265.6 Million in Annual Retail Sales

Retail sales exceed \$26,000 per resident, reflecting the impact of tourism and regional spending.

\$128.9 Million in Accommodation & Food Service Sales

Tourism remains one of the strongest economic engines on the Oregon Coast.

Median Household Income of \$56,600+

Household incomes have increased substantially over the past decade.

Housing Fundamentals

Median Home Value Exceeds \$412,000

Home values continue to rise, making homeownership increasingly difficult for local workers and supporting long-term rental demand.

4,548 Households with an Average Household Size of 2.16

Provides a strong base of renter and owner households in a geographically constrained market.

84% of Residents Lived in the Same Home One Year Ago

Demonstrates a stable resident base and relatively low annual turnover.

Limited Developable Land

Demonstrates a stable resident base and relatively low annual turnover.

Quality of Life / Investment Story

90% of Adults Have a High School Diploma or Higher

An established, educated workforce supporting local employers.

91% of Households Have Broadband Internet

Supports remote workers relocating from larger metropolitan areas.

Oregon's Premier Coastal Destination

Lincoln City receives millions of visitor trips annually and generates more than \$330 million in tourism spending, creating a diverse employment base beyond traditional coastal industries.

LOCATION OVERVIEW

EAT + DRINK

- 01 Chinook Winds Casino Resort
- 02 Gallucci's Pizzeria
- 03 McMenamins Lighthouse Brewpub
- 04 Taste of India
- 05 Kylo's Seafood & Grill
- 06 Starbucks
- 07 Thai Bay
- 08 Pig N' Pancake
- 09 Pho Lincoln
- 10 The Human Bean

PARKS & RECREATION

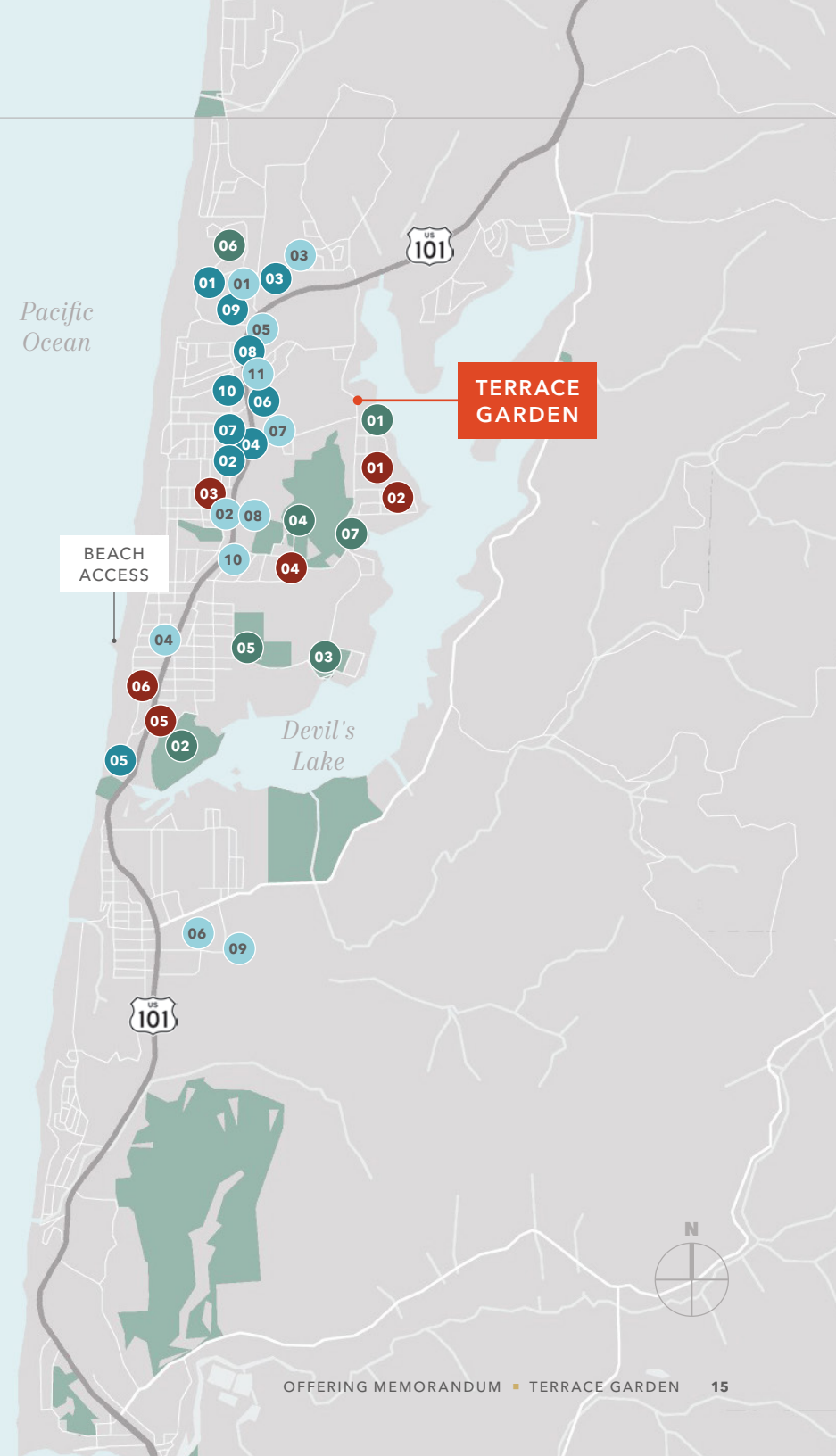
- 01 Holmes Road Park & Boat Launch
- 02 Devils Lake State Recreation Area
- 03 Regatta Park
- 04 Kirtsis Park
- 05 Spring Lake Open Space
- 06 Chinook Winds Golf Resort
- 07 Friends of the Wildwood Open Space

GROCERY + SHOPPING

- 01 Safeway
- 02 Grocery Outlet
- 03 1st Choice Fresh Market
- 04 Winddriven Kite Shop
- 05 Walgreens
- 06 Lincoln City Outlets
- 07 Safari Town Surf Shop
- 08 Ace Hardware
- 09 Bi-Mart
- 10 Barnacle Bill's Seafood Market
- 11 Little Antique Mall

HEALTH + SERVICES

- 01 Samaritan North Lincoln Hospital
- 02 Lincoln City Community Center
- 03 North Lincoln Fire & Rescue
- 04 Oceanlake Elementary School
- 05 Lincoln City Cultural Center
- 06 Samaritan Coastal Clinic



FINANCIALS

Section 04

FINANCIALS

UNIT MIX

Type	No. of Units	Avg SF	CURRENT		PRO FORMA	
			Avg Rent	PSF	Avg Rent	PSF
ONE BED/ONE BATH	4	656	\$1,431.25	\$2.18	\$1,525.00	\$2.32
TWO BED/ONE BATH	12	815	\$1,557.33	\$1.91	\$1,695.00	\$2.08
THREE BED/ONE & HALF BATH	4	1,120	\$2,012.50	\$1.80	\$2,095.00	\$1.87
Total	20	16,884	\$32,462.96		\$34,820.00	
Average		844	\$1,623.15	\$1.92	\$1,741	\$2.06

\$4,350,000

SALE PRICE

\$217,500

PRICE PER UNIT

INCOME

		CURRENT			PRO FORMA	
		Annual	Per Unit	% EGI	Annual	Per Unit
Potential Rental Income	Scheduled	\$389,556	\$19,478		\$417,840	\$20,892
Other Income	T12	\$17,575	\$879		\$18,102	\$905
Utility Reimbursement	T12	\$13,119	\$656		\$13,513	\$676
Gross Operating Income	Scheduled	\$420,250	\$21,012		\$449,455	\$22,473
Vacancy	5.00%	(\$19,478)	(\$974)		(\$20,892)	(\$1,045)
Effective Operating Income		\$400,772	\$20,039	100%	\$428,563	\$21,428

6.15%

CURRENT CAP RATE

6.66%

PRO FORMA CAP RATE

EXPENSES

		CURRENT			PRO FORMA	
		Annual	Per Unit	% EGI	Annual	Per Unit
Real Estate Taxes	2025 w/3% disc	\$21,893	\$1,095	5.46%	\$22,550	\$1,127
Property Insurance	T12	\$11,679	\$584	2.91%	\$12,029	\$601
Water/Sewer	T12	\$8,637	\$432	2.16%	\$8,896	\$445
Electricity	T12	\$3,754	\$188	0.94%	\$3,867	\$193
Garbage	T12	\$13,093	\$655	3.27%	\$13,486	\$674
Office/Admin	T12	\$4,492	\$225	1.12%	\$4,627	\$231
Landscaping	T12	\$5,441	\$272	1.36%	\$5,604	\$280
Maint/Repair	T12	\$17,018	\$851	4.25%	\$17,529	\$876
Turnover	T12	\$3,569	\$178	0.89%	\$5,000	\$250
Professional Management	Actual	\$16,031	\$802	4.00%	\$16,512	\$826
Payroll	T12	\$21,784	\$1,089	5.44%	\$22,438	\$1,122
Reserves	Estimate	\$6,000	\$300	1.50%	\$6,180	\$309
Total Operating Expenses		\$133,391	\$6,670	33.28%	\$138,717	\$6,936
Net Operating Income		\$267,381	\$13,369		\$289,846	\$14,492

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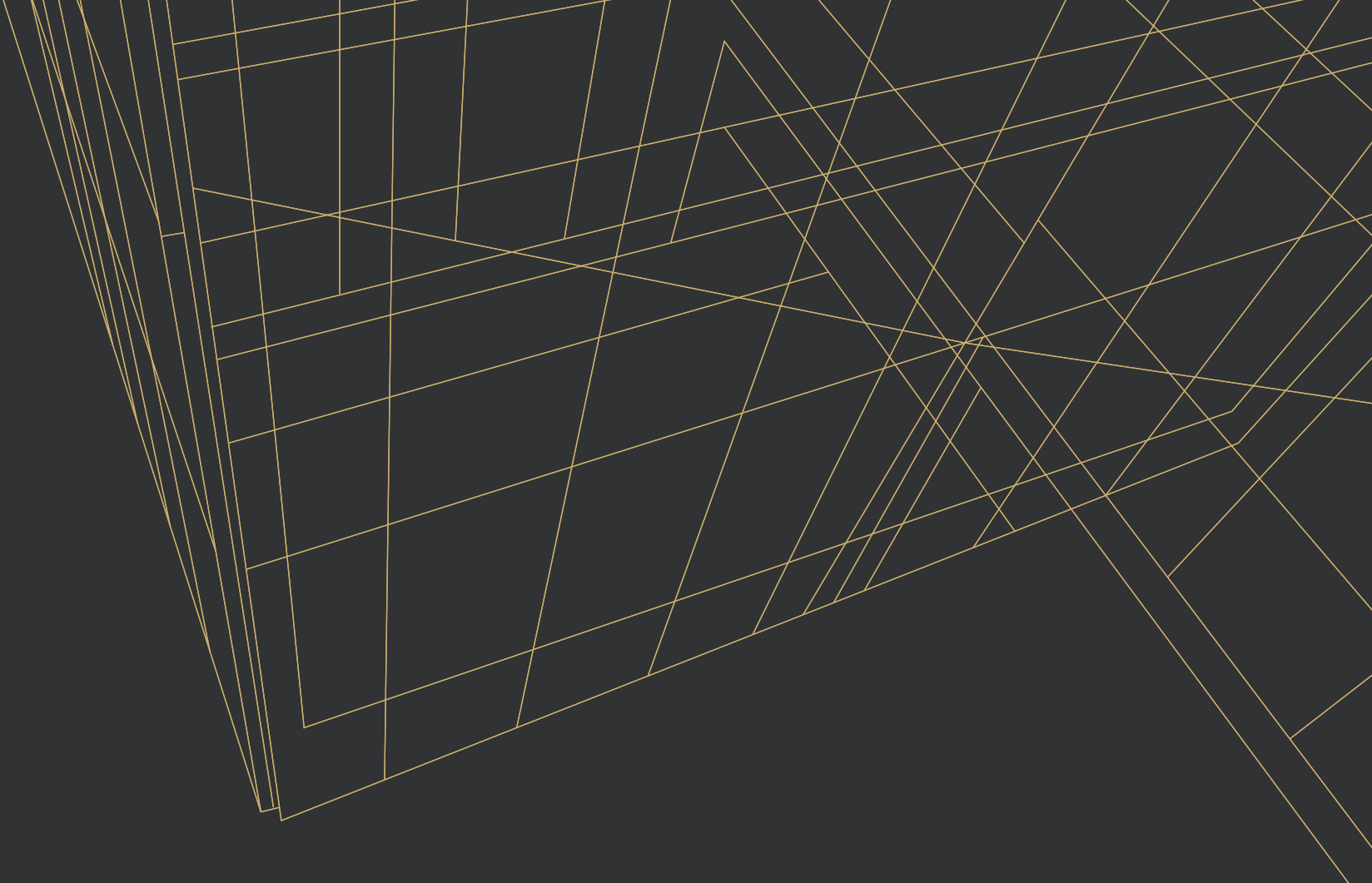
NO. OF UNITS

16,884 SF

NRSF

1.07 AC

LAND AREA



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