



OFFERING MEMORANDUM

DRIFTWOOD TERRACE APARTMENTS

33 units in Milwaukie, OR

Exclusively Listed By
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BARRY INVESTMENT
— REAL ESTATE —

DRIFTWOOD TERRACE APARTMENTS

13455 SE Oatfield Rd, Milwaukie, OR 97222

TABLE OF CONTENTS

Investment Summary.....	3
Property Highlights.....	5
Property Summary.....	6
Location Overview.....	7
Investment Highlights.....	9
Rent Growth Summary.....	10
Capital Improvements.....	11
Financial Analysis.....	12
Property Photos.....	13

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INVESTMENT SUMMARY

PROPERTY 13455 SE Oatfield Rd, Milwaukie, OR 97222

33	27,650* SF	1965	2.10 ACRES	CLACKAMAS	MR1
UNITS	BUILDING SIZE	YEAR BUILT	LOT SIZE	COUNTY	ZONING

ASSET SUMMARY

\$4,850,000	\$146,970	6.52%	7.08%	\$175
PRICE	PRICE/UNIT	CAP RATE	PROFORMA	PRICE /SF





Rare Excess Land Area Provides Potential for Future Development or Amenity Expansion such as:

- Dog Park
- Community Garden
- Additional Parking
- Storage Improvements
(Buyer to Verify)

PROPERTY HIGHLIGHTS

- 33-Unit Multifamily Community
- Low-Density Garden-Style Courtyard Setting
- Diverse Unit Mix Featuring Spacious Studio, 1BR, 2BR & 3BR Floor Plans
- Approximately 50% of Units Updated
- Significant Rental Upside Through Natural Turnover & market growth
- Long-Term Tenant Base with Below-Market Rents
- Extensive Capital Improvements Completed
- Strong Occupancy
- Clackamas County Location
- Convenient Access to MAX Orange Line & Highway 99E
- Off-Street Parking
- On-Site Laundry Facilities
- Additional Land Area Offering Potential for Future Amenities or Site Enhancements (Buyer to confirm)
- Attractive Workforce Housing Investment Opportunity



PROPERTY SUMMARY

Driftwood Terrace Apartments is a 33-unit multifamily community located in the desirable Oak Grove / Milwaukie Heights area of Clackamas County. Constructed in 1965, the property features a low-density garden-style courtyard setting with mature landscaping and attractive grounds. The property offers a diverse unit mix consisting of studio, one-bedroom, two-bedroom, and three-bedroom apartment homes, with the majority of units comprised of spacious two-bedroom and three-bedroom floor plans.

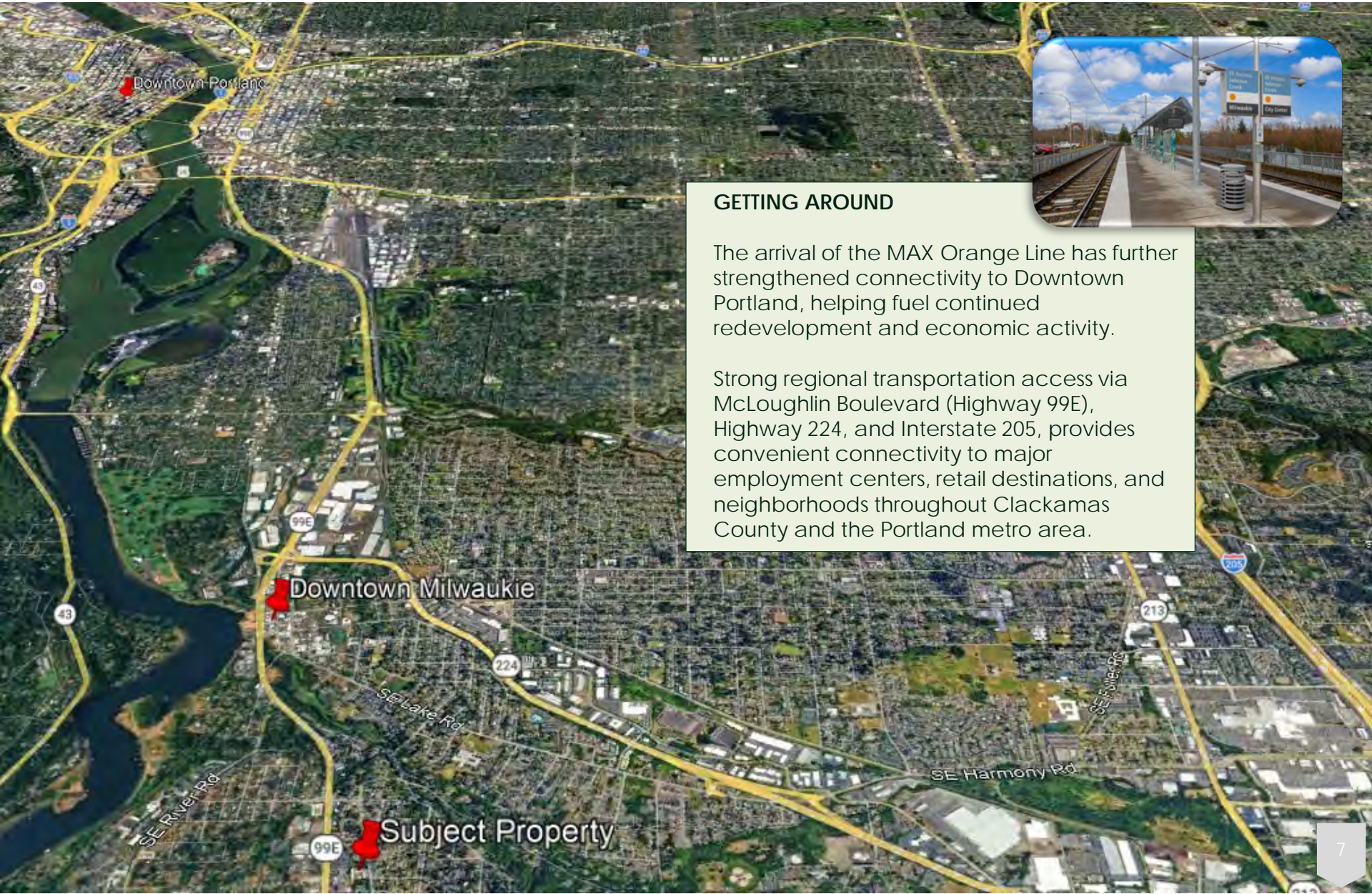
The property has benefited from significant capital investment during current ownership, including replacement of all roofs between 2016-2018, extensive deck reconstruction, stair and landing replacement, fencing improvements, and ongoing interior renovations. Ownership estimates that approximately 50% of the units have received varying levels of interior updates, creating an attractive balance between operational stability and future value-add potential through continued renovation and leasing of long-term residents upon turnover.

Driftwood Terrace continues to benefit from strong occupancy and a stable long-term tenant base. Numerous residents have occupied the property for many years and remain below current market rents, providing investors with a clear path to future rental growth through annual rent increases and natural turnover.

Located just minutes from the MAX Orange Line, Highway 99E, Downtown Milwaukie, and Downtown Portland, Driftwood Terrace offers investors the opportunity to acquire a well-maintained Clackamas County apartment community with durable physical improvements, strong transportation connectivity, and long-term rental upside.



LOCATION OVERVIEW



GETTING AROUND

The arrival of the MAX Orange Line has further strengthened connectivity to Downtown Portland, helping fuel continued redevelopment and economic activity.

Strong regional transportation access via McLoughlin Boulevard (Highway 99E), Highway 224, and Interstate 205, provides convenient connectivity to major employment centers, retail destinations, and neighborhoods throughout Clackamas County and the Portland metro area.

MILWAUKIE, OR

Milwaukie, Oregon is one of the Portland metro area's most compelling emerging submarkets, offering investors and businesses a unique combination of historic character, urban revitalization, and strategic connectivity.

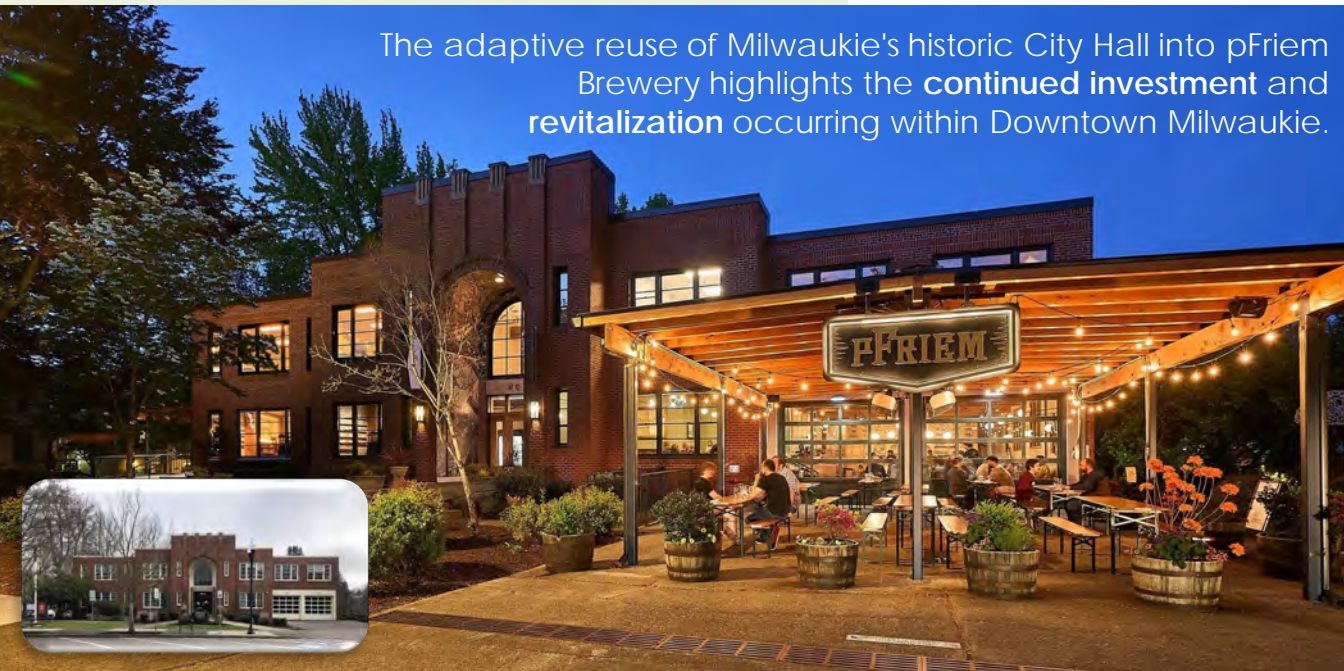
Located immediately south of Portland along the Willamette River, Milwaukie has evolved from a traditional bedroom community into a vibrant destination supported by new mixed-use development, transit-oriented growth, and an expanding local business scene.



Driftwood Terrace Apartments, 33 units | Milwaukie, OR

The city's revitalized waterfront and riverfront park enhances the area's appeal for residents and visitors.

The adaptive reuse of Milwaukie's historic City Hall into pFriem Brewery highlights the **continued investment** and **revitalization** occurring within Downtown Milwaukie.



Recent and **planned projects** including new food, beverage, and mixed-use developments reflect **ongoing confidence** in Milwaukie's **long-term growth trajectory**.

INVESTMENT HIGHLIGHTS

Extensive ownership capital investment reduces near-term capital expenditure requirements for future ownership.

Immediate rental upside through annual rent increases and natural tenant turnover.

Strong transportation connectivity with convenient access to the MAX Orange Line, Highway 99E, Downtown Milwaukie, and Downtown Portland employment centers.

Large unit concentration, with twenty-four of the thirty-three units consisting of spacious two-bedroom and three-bedroom floor plans that continue to appeal to today's renter pool.

Stable occupancy supported by a long-term tenant base and desirable Clackamas County location.



RENT GROWTH SUMMARY

Driftwood Terrace presents investors with a compelling balance of stability and upside. The property currently benefits from strong occupancy, a diverse unit mix, and a long-term resident base that has contributed to historically low turnover. Many residents remain below current market rental levels, creating the opportunity for future revenue growth through annual rent increases and natural turnover.

With approximately 50% of the units already updated and substantial exterior capital improvements completed, a future owner can focus primarily on continuing the interior renovation program while capturing rental upside over time. This combination of completed capital improvements, stable occupancy, and organic rent growth potential creates an attractive long-term investment opportunity.

CAPITAL IMPROVEMENTS

Driftwood Terrace has benefited from significant capital investment during current ownership, reducing near-term capital expenditure requirements for future ownership. Major improvements include roof replacement across all five buildings, extensive deck reconstruction, stair and landing replacement, fencing improvements, and ongoing interior unit renovations.

Improvement	Completion
Staircases & Landings Rebuilt	2015
All Roofs Replaced (5 Buildings)	2016-2018
First Phase Deck Replacement	2017-2019
Front Fencing Replaced	2020
Final Deck Replacement Program	2024
Ongoing Interior Renovations	Throughout Ownership

Ownership estimates that approximately 50% of the apartment homes have received varying levels of interior updates during ownership, including flooring, paint, fixtures, cabinetry (as needed), countertops (as needed), and other interior improvements completed as units became available.

FINANCIAL ANALYSIS



Footnotes

1. Current Rent Roll, June 2026.
2. Actual 2025 Property Taxes, with 3.00% Oregon prepay discount.
3. Actual Insurance Policy expense in place as of June 2026. Call broker for additional details.
4. Actual T-12 Utility Expense, June 2025 - May 2026: Water/Sewer: \$33,587, Garbage/Recycling: \$8,883, Electric (vacant/common area): \$5,812, Total = \$48,282.
5. Actual T-12 Expense, June 2025 - May 2026.
6. Budget Estimate for R&M (\$750/unit), Turnover (\$350/unit) and Capital Reserves (\$350/units). Actual expenses elevated due to major unit renovations, and non-recurring capital improvements/repairs.

Scheduled Monthly Rents

Units	Type	Est. SF	Current Average Rent	Current Monthly Income	Market Rent	Projected Monthly Income
1	Studio	249	\$1,095	\$1,095	\$1,095	\$1,095
10	1BR/1BA	650	\$1,287	\$12,866	\$1,295	\$12,950
18	2BR/1BA	800	\$1,392	\$25,059	\$1,495	\$26,910
4	3BR/1BA	950	\$1,683	\$6,734	\$1,795	\$7,180
33				\$45,754¹		\$48,135
Scheduled Gross Income				\$549,047		\$577,620
• <i>Less: Vacancy (5%)</i>				<i>-\$27,452</i>		<i>-\$28,881</i>
Effective Gross Income				\$521,595		\$548,739
• <i>Plus: T-12 Utility Income, June 25 - May 26</i>				<i>+\$29,381</i>		<i>+\$29,381</i>
• <i>Plus: T-12 Laundry Income, June 25 - May 26</i>				<i>+\$3,258</i>		<i>+\$3,258</i>
• <i>Plus: T-12 Pet Income, June 25 - May 26</i>				<i>+\$2,571</i>		<i>+\$2,571</i>
• <i>Plus: Budget Misc. Fee Income/Tenant Chargebacks</i>				<i>+\$3,600</i>		<i>+\$3,600</i>
Effective Annual Income				\$560,405		\$587,549

Estimated Expenses

Footnote	Current			Budget		
	%EGI	Per/Unit	Amount	%EGI	Per/Unit	Amount
² Property Taxes	6.99%	\$1,188	\$39,200	6.67%	\$1,188	\$39,200
³ Insurance	6.30%	\$1,070	\$35,306	6.01%	\$1,070	\$35,306
⁴ Utilities	8.62%	\$1,463	\$48,282	8.22%	\$1,463	\$48,282
⁵ Property Management	6.47%	\$1,099	\$36,269	6.17%	\$1,099	\$36,269
⁶ Maintenance & Repairs	4.42%	\$750	\$24,750	4.21%	\$750	\$24,750
⁶ Turnover Reserves	2.94%	\$500	\$16,500	2.81%	\$500	\$16,500
⁵ Landscaping	1.57%	\$266	\$8,792	1.50%	\$266	\$8,792
⁵ Professional & Administrative	1.46%	\$248	\$8,172	1.39%	\$248	\$8,172
⁶ Capital Reserves	2.94%	\$500	\$16,500	2.81%	\$500	\$16,500
⁵ Advertising	1.83%	\$311	\$10,275	1.75%	\$311	\$10,275
Total Est. Annual Expenses	43.55%	\$7,395	\$244,046	41.54%	\$7,395	\$244,046
	<i>of EGI</i>	<i>Per Unit</i>		<i>of EGI</i>	<i>Per Unit</i>	

Investment Summary

	Current	Projected
Net Operating Income (NOI)	\$316,359	\$343,503
Cap Rate	6.52%	7.08%

PROPERTY PHOTOS













































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