

SOLD BY COMMERCIAL BLACK

3207 SW 1st Avenue Portland, Oregon 97239 - **Lair Hill**

Acquired: 2015 Price: \$1,150,000 Market: Developer Built: 1913 Zoning: CS Land: 7,500 SF Building: 22,400



Commercial Black brokered the sales transactions for the 4 story (2 above ground & 2 below) concrete office and warehouse building in SW Portland Lair Hill Neighborhood.

This building was originally constructed in 1913 and housed the original fire station for this section of SW Portland.

The buyer is an established development company and worked to reinvent this property to house multiple tenants.

The average price per square foot for this transaction was \$52.00 per square foot for the shell.

Leveraged over 25 years at 5.00% interest and a 90% LTV the economics to evaluate: \$72,606.00 annually P&I which equals \$3.24 per SF P&I/NNN.

Compare \$3.24 to the market lease rate average for this product type of +/- \$15.00 per SF.

If a \$5.00 margin were used and capped at 6.50% it equates to \$1,750,000 in value for the buyer once a term lease is in place at market rate.