

INVESTMENT CLASS A OFFICE BUILDING FOR SALE



1220 20TH STREET SE SALEM, OR 97302

PROPERTY OVERVIEW

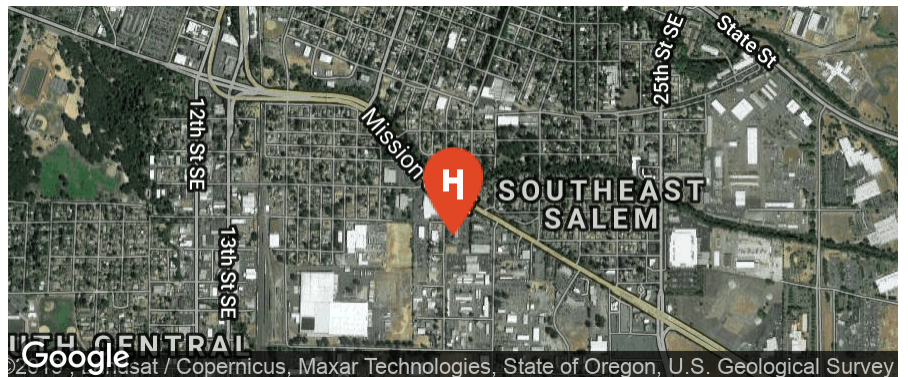
This multi-tenant Class A professional office building represents a prime investment opportunity. Built in 2003 and zoned IC, the property features 28,696 SF on 2.44 acres which includes a development-ready pad with 7,000 SF. Seller is a Licensed Broker in the State of Oregon.

PROPERTY HIGHLIGHTS

- 28,696 SF on 2.44 Acres
- 94% Occupancy
- Cap Rate 6.25%
- Building Sale Price: \$6,550,152
- Pad Site Sale Price: \$350,000

LOCATION OVERVIEW

Located off Mission Street, the property is just minutes from I-5 and Salem's City Center with high traffic counts and visibility. The building has been engineered out of the flood plain.



FULL MARKETING PACKAGE

CONTACT BROKER • 503.370.2581 • WWW.HANCOCKRE.COM

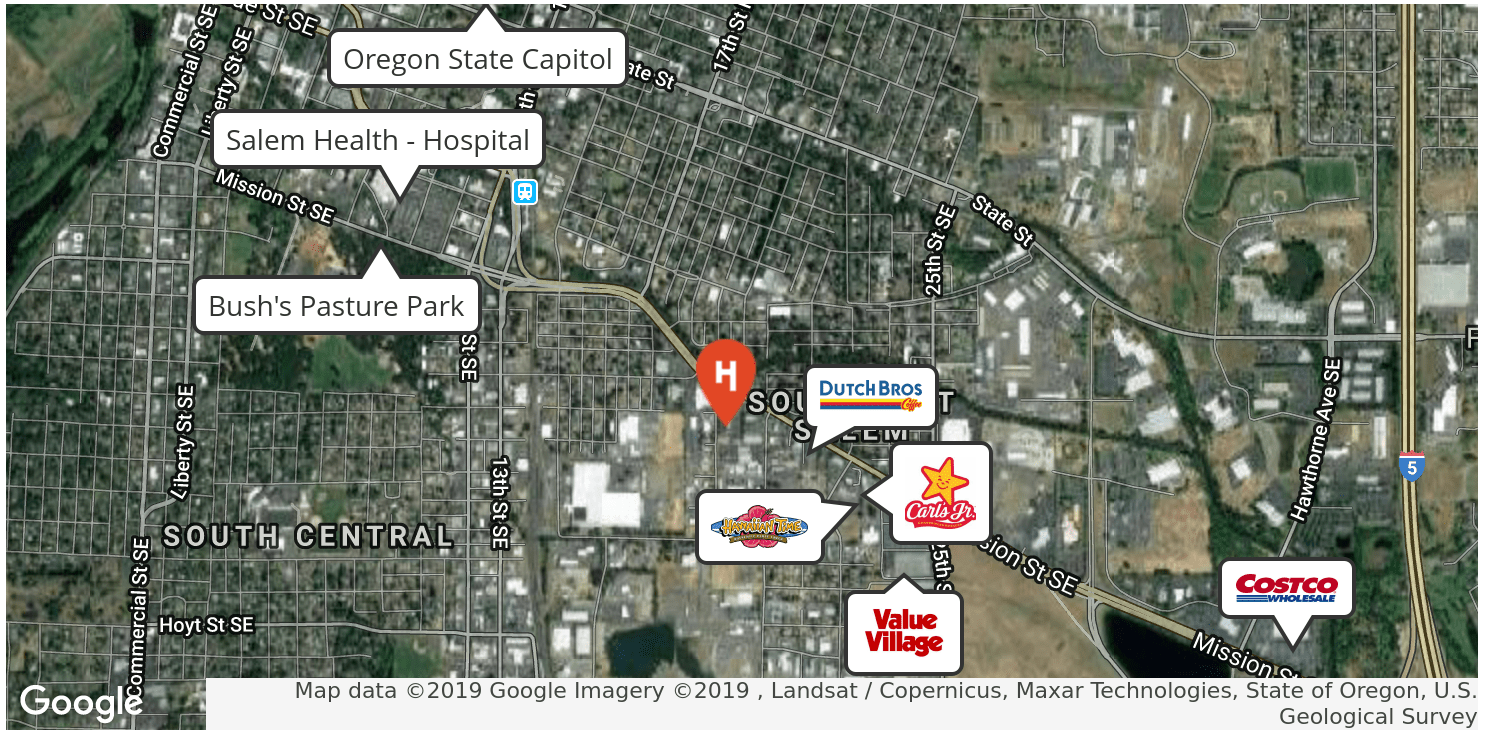
ADDITIONAL PHOTOS

Investment Class A Office Building 1220 20th Street SE, Salem, OR 97302



LOCATION MAPS

Investment Class A Office Building 1220 20th Street SE, Salem, OR 97302



FLOOD MAP

Investment Class A Office Building 1220 20th Street SE, Salem, OR 97302



AmériTitle

This map/plat is being furnished as an aid in locating the herein described land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

CITY OF SALEM ENTERPRISE ZONE

OVERVIEW

Cities and counties in Oregon have joined together to create enterprise zones to foster development and employment opportunities.

The Enterprise Zone is a 3-year or 3-to-5-year property tax abatement program. In order to qualify, an eligible firm must be making new investment in construction or equipment to leased or owned property within the Enterprise Zone boundary and must be creating new or additional jobs. Once an authorized company enters into the program, it will receive full tax abatement on all qualified property during the time period, consecutively, as long as annual compliance with program requirements is met.

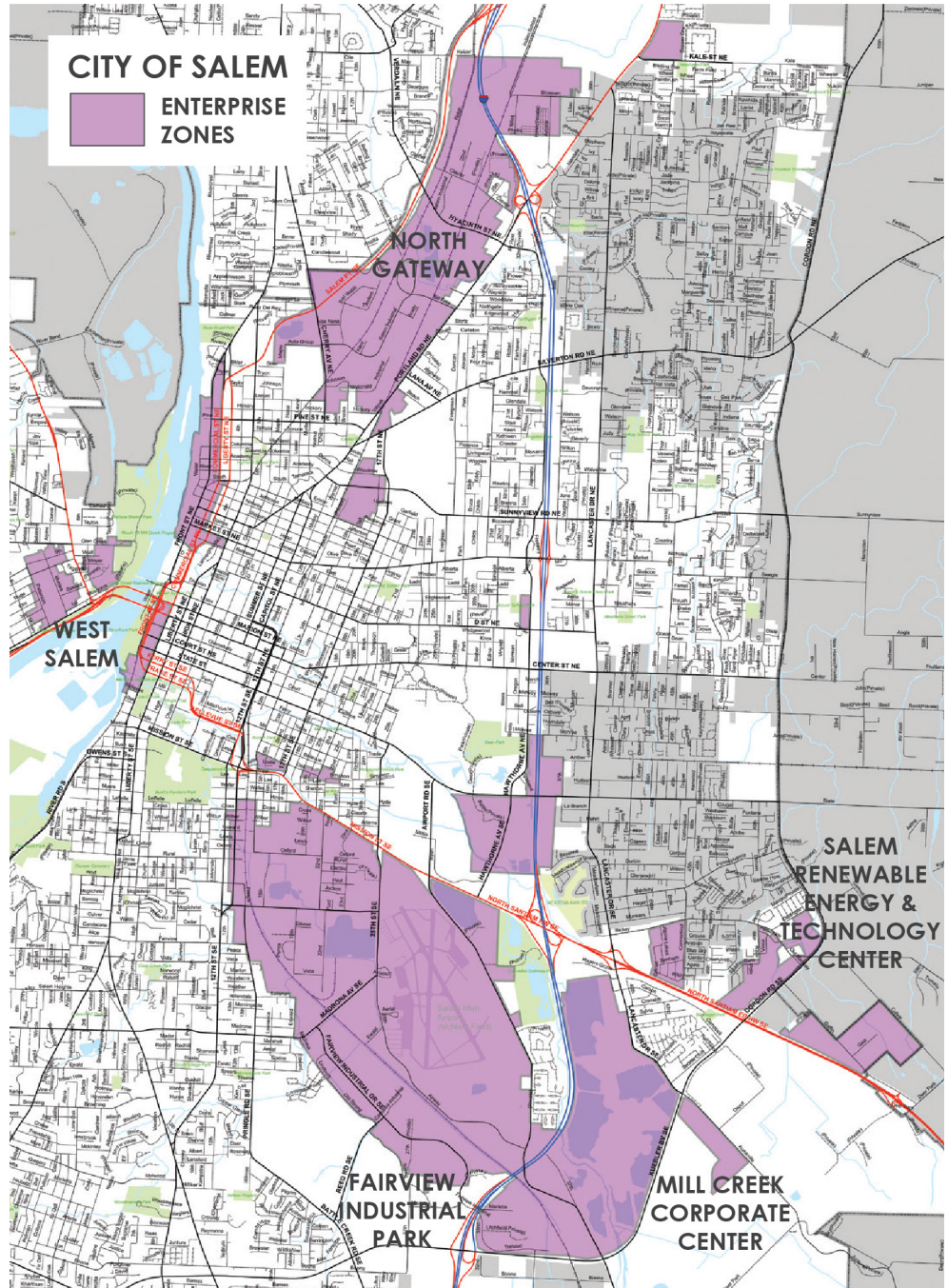
ELIGIBILITY

New companies to the area that are eligible for the program must create at least one new job, while existing companies must expand employment by at least 10 percent in the first year to be eligible. Non-qualifying employers include retail, commercial, most services, and other non-business-to-business operations. The total minimum investment required is \$50,000.

Eligible investments are new real property improvements (including buildings), major site improvements, large or immobile equipment and tools. Non-qualifying investments include land, existing buildings, existing equipment, most rolling stock (forklifts, delivery trucks) and most personal property. There are no limits to the number of times a company may use the zone.

INCENTIVES

Extended five year exemptions, an extension of the standard three-year exemption, must be approved by the zone sponsor. To qualify, companies must pay an average of 150 percent of the average wage (covered employment payroll for all employers) in total compensation, which can include non-mandatory benefits such as vacation pay, medical insurance, bonuses, overtime, profit sharing, and retirement contributions.

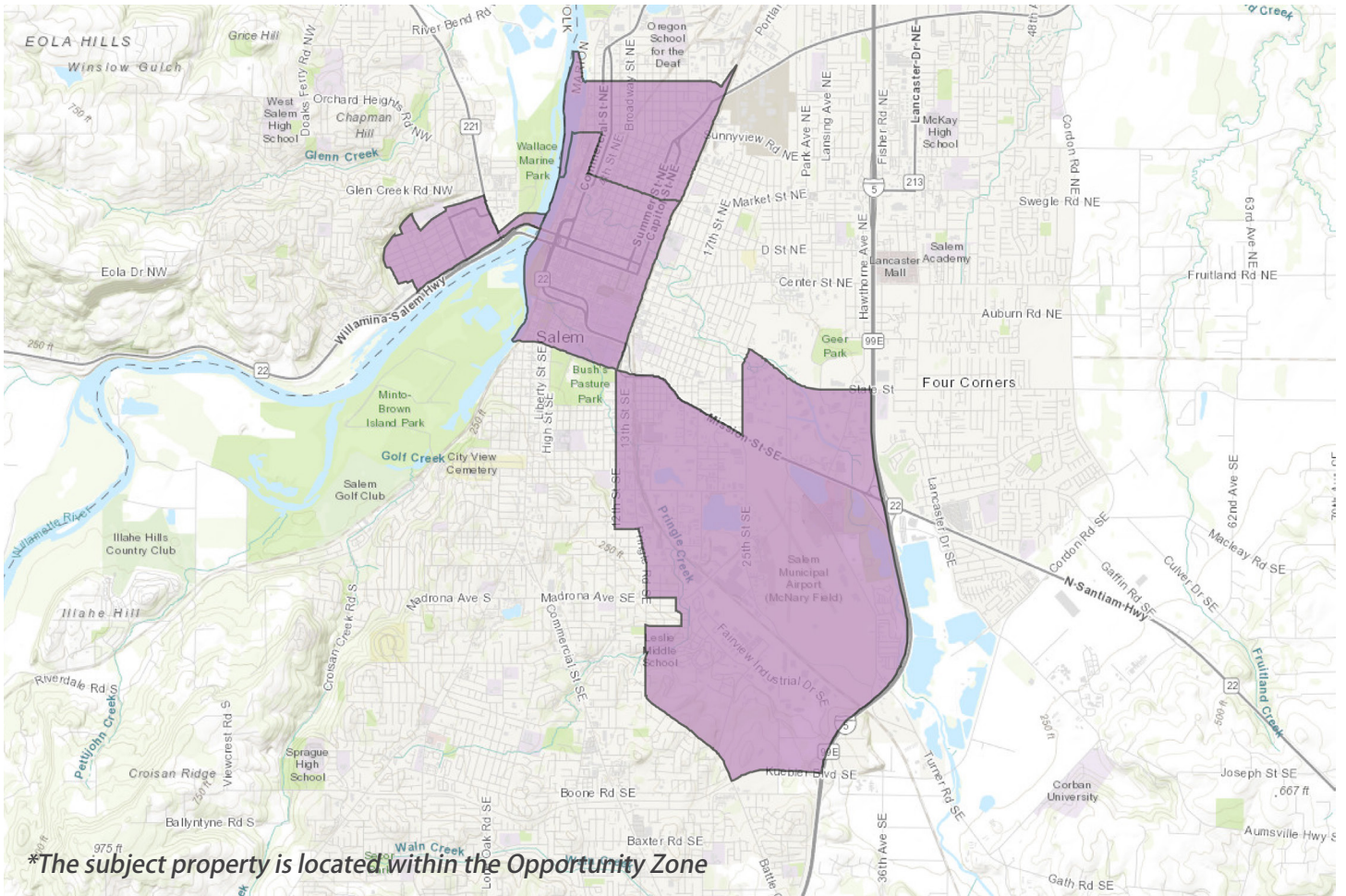


**The subject property is located within the Enterprise Zone*

Source: https://c.ycdn.com/sites/www.sedcor.com/resource/resmgr/Docs/Salem_Enterprise_Zone_2015.pdf

The information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.

CITY OF SALEM OPPORTUNITY ZONE



OPPORTUNITY ZONE OVERVIEW

In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax incentive. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund, as well as capital gains earned for the investor from businesses or projects in a zone. There are four Opportunity Zones in Salem:

- Downtown
- North Downtown
- Area surrounding the Salem Airport
- West Salem

Gains transferred into a qualified opportunity fund within 180 days will have their tax liability delayed or deferred until December 31, 2026, at the latest.

The taxpayer decides how much of the realized gains to invest, when to sell or exit that investment, and whether to invest additional funds.

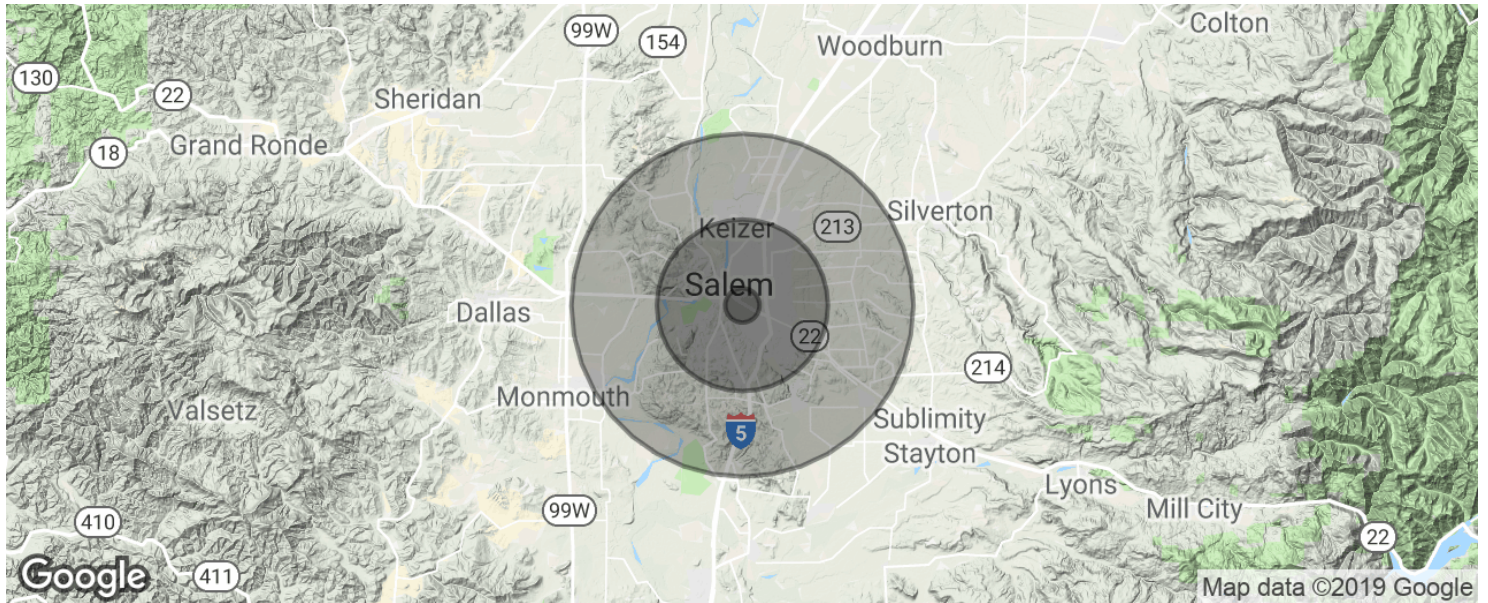
In addition to deferring income taxes, by the time the investment of tax deferred gains in the opportunity zone is sold or the end of 2026, whichever is earlier, the following applies:

- If the value increases and it is held in the fund for at least five years, the amount subject to taxes shrinks by 10%
- If the value increases and it is held in the fund for at least seven years, the amount subject to taxes shrinks by 15% (10% for the five years plus 5% for each consecutive year)
- If the value decreases, the amount subject to taxes is effectively the fair market value

Source: <https://www.cityofsalem.net/Pages/opportunity-zone.aspx>

DEMOGRAPHICS MAP & REPORT

Investment Class A Office Building 1220 20th Street SE, Salem, OR 97302



POPULATION	1 MILE	5 MILES	10 MILES
Total population	9,157	241,423	338,109
Median age	35.2	34.5	35.7
Median age (Male)	36.2	33.3	34.6
Median age (Female)	35.1	36.1	37.0
HOUSEHOLDS & INCOME	1 MILE	5 MILES	10 MILES
Total households	3,939	90,005	125,607
# of persons per HH	2.3	2.7	2.7
Average HH income	\$42,478	\$54,792	\$59,365
Average house value	\$163,765	\$207,667	\$226,839

* Demographic data derived from 2010 US Census



INITIAL AGENCY DISCLOSURE PAMPHLET

Consumers: This pamphlet describes the legal obligations of Oregon real estate licensees to consumers. Real estate brokers and principal real estate brokers are required to provide this information to you when they first contact you. A licensed real estate broker or principal broker need not provide the pamphlet to a party who has, or may be reasonably assumed to have, received a copy of the pamphlet from another broker.

This pamphlet is informational only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.

Real Estate Agency Relationships

An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent") agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction. Oregon law provides for three types of agency relationships between real estate agents and their clients:

Seller's Agent -- Represents the seller only.

Buyer's Agent -- Represents the buyer only.

Disclosed Limited Agent -- Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"

Generally, licensees must maintain confidential information about their clients. "Confidential information" is information communicated to a real estate licensee or the licensee's agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information" does not mean information that:

- (1) The buyer instructs the licensee or the licensee's agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer; and
- (2) The licensee or the licensee's agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of a Seller's Agent

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer.

An agent who represents only the seller owes the following affirmative duties to the seller, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A seller's agent owes the seller the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the seller;
- (3) To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
- (5) To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between seller and agent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of a Buyer's Agent

An agent, other than the seller's agent, may agree to act as the buyer's agent only. The buyer's agent is not representing the seller, even if the buyer's agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller's agent.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A buyer's agent owes the buyer the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the buyer;
- (3) To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
- (4) To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
- (5) To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between buyer and agent.

Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of an Agent Who Represents More than One Client in a Transaction

One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written "Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

Disclosed Limited Agents have the following duties to their clients:

- (1) To the seller, the duties listed above for a seller's agent;
- (2) To the buyer, the duties listed above for a buyer's agent; and
- (3) To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
 - (a) That the seller will accept a price lower or terms less favorable than the listing price or terms;
 - (b) That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
 - (c) Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

When different agents associated with the same principal broker (a real estate licensee who supervises other agents) establish agency relationships with different parties to the same transaction, only the principal broker will act as a Disclosed Limited Agent for both the buyer and seller. The other agents continue to represent only the party with whom the agents have already established an agency relationship unless all parties agree otherwise in writing. The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

- (1) To disclose a conflict of interest in writing to all parties;
- (2) To take no action that is adverse or detrimental to either party's interest in the transaction; and
- (3) To obey the lawful instructions of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

You are encouraged to discuss the above information with the licensee delivering this pamphlet to you. If you intend for that licensee, or any other Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship. Whether you are a buyer or seller, you cannot make a licensee your agent without the licensee's knowledge and consent, and an agent cannot make you a client without your knowledge and consent.