



2150 Country Drive S
Salem, Oregon

OFFERING MEMORANDUM
Owner/User Office Investment Opportunity
Salem, OR
FOR SALE

Click anywhere on this picture to see a virtual tour of the building.



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THE OFFERING

OFFERING SUMMARY

Tradition Real Estate Partners and Colliers International is offering this uniquely attractive owner/user opportunity to purchase the Country Financial Building, located in Salem Oregon with easy access to I-5. Built in 1990, the two story building is 54,664 rentable square feet on 5.81 acres. The property is located in South Salem, approximately ten minutes south of the Central Business District, the Oregon State Capital Building and Willamette University.

Primary access to the Skyline neighborhood is via I-5, which extends north/south just west of the property. Kaiser Permanente Skyline Medical Office is west of the property and is within walking distance to both the Doctor's Clinic and First Pacific Corp. Buildings on Skyline Road.





OFFERING HIGHLIGHTS



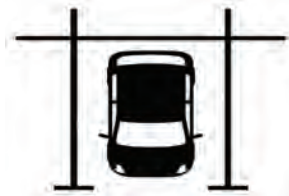
EASY FREEWAY ACCESS
to I-5 and 4 miles south of
Central Business District



54,664 SF office building on 5.81
acres (253,084 sf) zoned Com-
mercial Office/RM as well as a
4.24 acres (184,694 sf) vacant
land zoned Commercial Office



\$233,381 median owner
occupied housing value
within a 3 mile radius
56,507 - 2016 population
within a 3 mile radius.



ON SITE PARKING is striped to
accommodate 193 vehicles - a
parking ratio of 3.56/1,000SF



Located near Kaiser Permanente
and The Doctors Clinic and near
Sprague High School

DETAILS



PROPERTY DETAILS

Address:	2150 Country Drive S. Salem, Oregon
Building Description:	A two story, +/- 54,664 square foot office building.
Signage:	The building offers the ability to brand your company and the building in a highly visible way with major street signage.
Year Built:	1990
Land Area:	10.05 acres total CO Zone: 4.24 acres CO/RM Split Zone: 5.81 acres
Parking:	On-site parking for 193 vehicles; Ratio of 3.56/1,000 sf
Zoning:	CO (Commercial Office); RM2
APN:	083W17AA00700
Price:	Call for Pricing

2.2 Miles to I-5



Kuebler Blvd

Croisan Scenic Way S

CO Zone
4.24 acres (184,694 SF) of
Commercial Land
March 2020 Appraised Value
\$1,940,000

Country Drive S

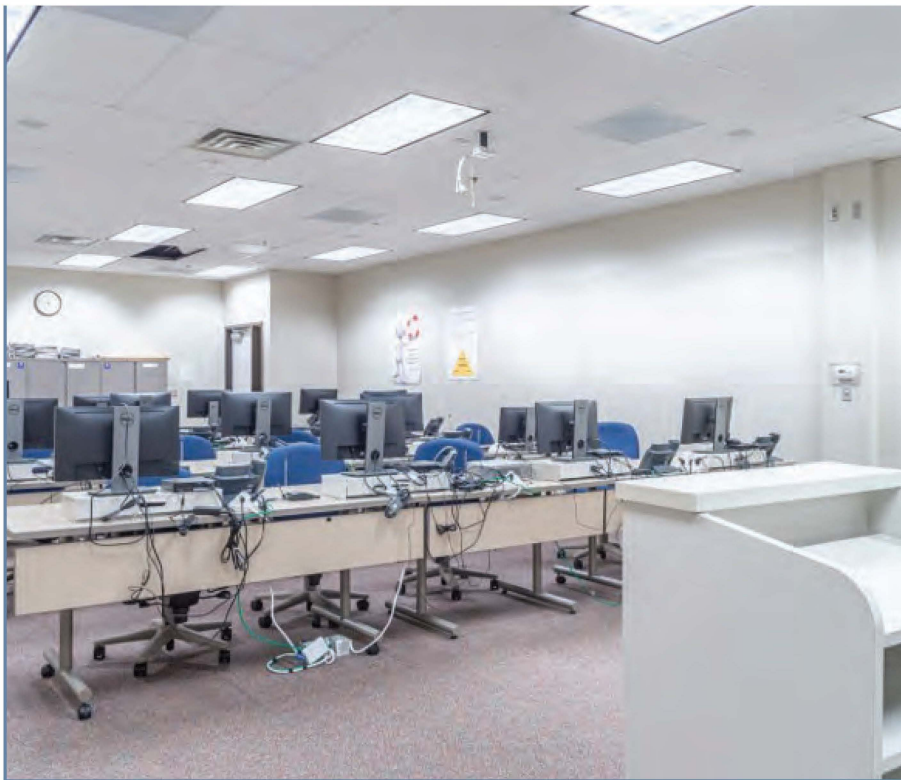
CO/RM Split Zone
5.81 acres
54,156 SF Professional
Office Building
March 2020
Appraised Value
\$10,840,000

Mountain Crest Way S

MARQUAM BRIDGE





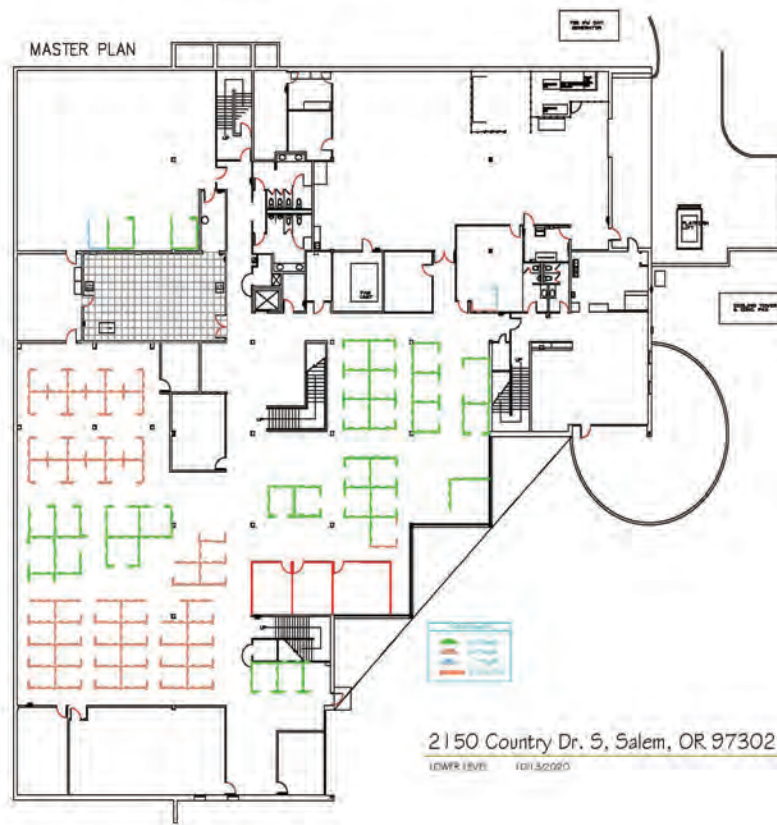


PROPERTY DESCRIPTION

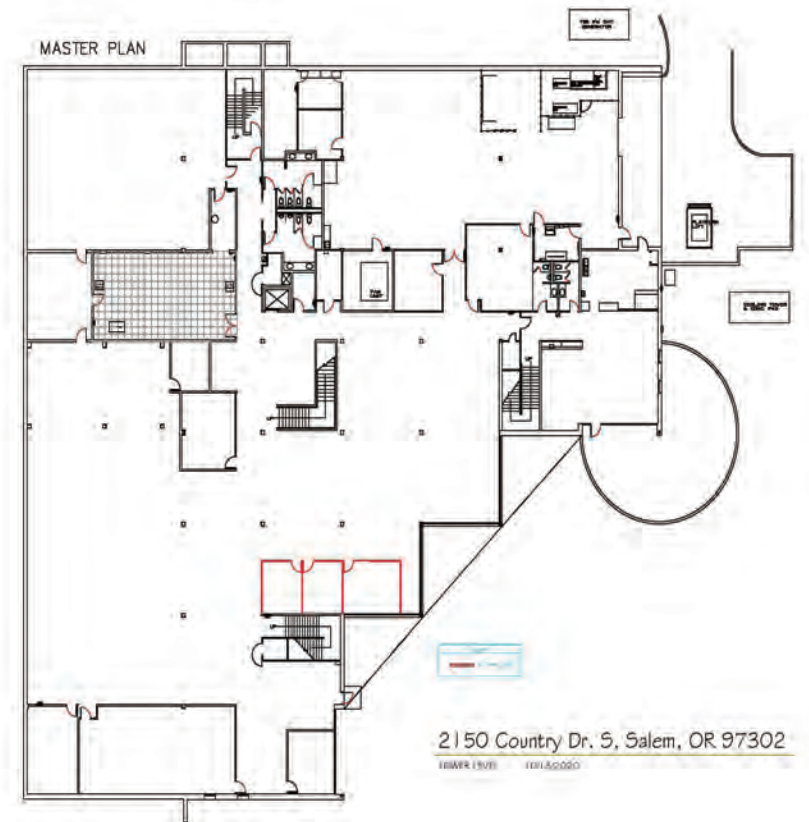
FLOORS	Carpet Vinyl and Tile
FOUNDATION	Concrete
EXTERIOR WALLS	3-4" brick veneer with metal studs and concrete
ROOF STRUCTURE	Flat. Duro-Last PVC membrane system replaced in 2012 and has a 20 year warranty.
STAIRWELLS	Four (4)
MECHANICAL DETAIL	
HEATING/COOLING	McQuay air handlers with gas boiler, DX and economizer cooling, Evapco cooling tower (replaced in 2013 at a cost of \$150,000). 50 VAV zones with electric reheat. (Controls were upgraded in 2018 at a cost of \$150,000). Many compressors, VFDs and pumps are also newer. Separate redundant Liebert HVAC units serving the Data Center (installed in 2010 at a cost of \$80,000).
ELEVATOR SERVICE	1 newly updated
FIRE PROTECTION	Fully suppressed
UTILITIES:	NW Natural Gas; PGE; City of Salem water service; Century Link copper data and dedicated fiber optic data service.
SITE IMPROVEMENT	
ON-SITE PARKING	The parking lot is striped to accommodate 193 vehicles, which indicates a parking ratio of 3.56 vehicles per 1,000 SF of building area.
PAVING/EXTERIOR	Blacktop

FIRST FLOOR

PROPOSED DENSITY

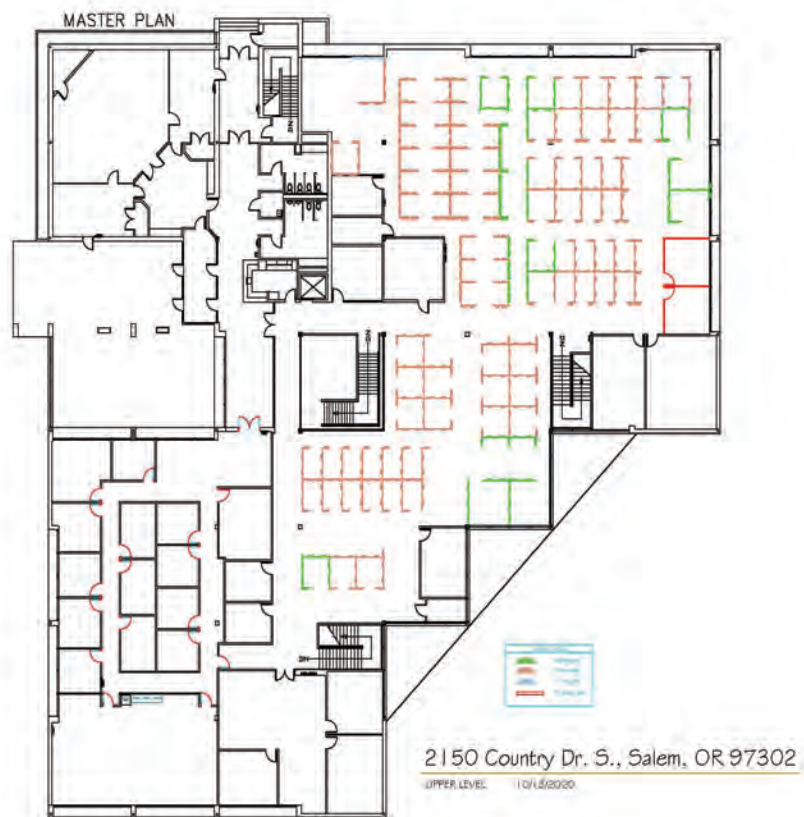


AS-BUILTS

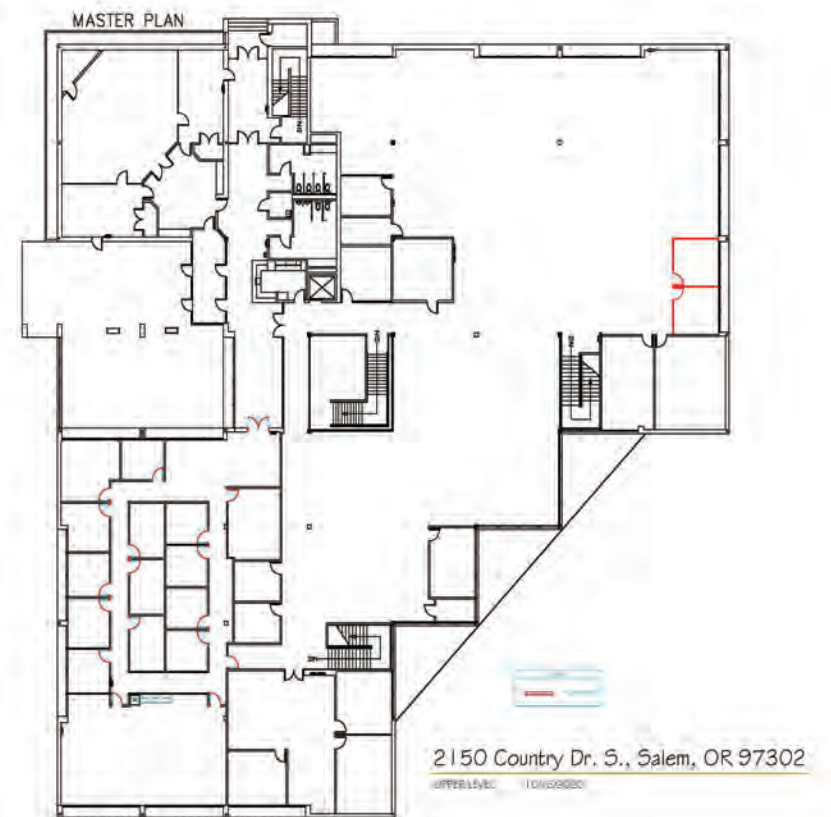


SECOND FLOOR

PROPOSED DENSITY



AS-BUILTS



MID-WILLAMETTE VALLEY

Salem is the third largest city in Oregon and is the state capital. It is located in the center of the Willamette Valley alongside the Willamette River, which runs north through the city. The river forms the boundary between Marion and Polk counties.

The city is home to Willamette University, Corban University, and Chemeketa Community College. The State of Oregon is the largest public employer in the city, and Salem Health is the largest private employer. Transportation includes public transit from Salem-Keizer Transit, Amtrak service and non-commercial air travel at McNary Field. Major roads include Interstate 5, Oregon Route 99E, and Oregon Route 22, which connects West Salem across the Willamette River via the Marion Street and Center Street bridges.

Salem lies in the center of the lush Willamette Valley, surrounded by green pastures, fields of flowers, gardens, vegetables, orchards, and vineyards. Summer farmer's markets overflow with locally-raised produce and hand-crafted products.

Salem offers a wide array of restaurants, hotels, and tourist attractions. Area attractions include historic sites, museums, and events that appeal to a variety of interests. Enjoy sports tournaments, arts fairs, theater, and music. Several parks are within walking distance from the vibrant shopping district and historic downtown, inviting residents and visitors to enjoy the outdoors year-round.

Centrally located, Salem is 47 miles south of Portland and an hour from the Cascade Mountains and the ocean beaches. Salem is in the midst of sustained, steady growth. Ongoing preservation of historic downtown buildings, along with a downtown core master plan for residential and commercial development, ensures managed growth. Salem is a diverse community with well established neighborhoods, a family-friendly ambiance, and a small town feel.

SALEM'S ECONOMY

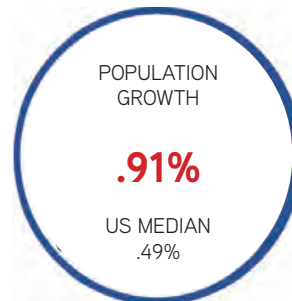
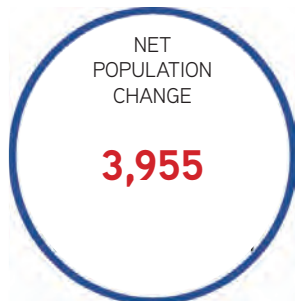
Like the rest of the nation, the coronavirus pandemic has severely disrupted the local economy. In late March, Governor Kate Brown issued a statewide stay-at-home order, forcing nonessential businesses to close and causing local firms to issue layoffs. Many companies, especially small local businesses, are at risk of closing altogether. The pandemic has been particularly devastating to the leisure and hospitality and retail trade sectors. From an unemployment rate of 3.5% in March, unemployment reached 13.1% in April following record-breaking job losses. While the situation has since improved, the unemployment rate remains elevated. With its high concentration of government jobs, Salem is better positioned than many other metros to weather the storm. Still, during the Great Recession, the stark job losses across Salem mirrored the national trend line. Salem did not see positive job growth until 2012. But from 2013 to 2019, Salem's employment growth outpaced national performance.

Salem is home to two mid-sized universities: Willamette University, the oldest institution of higher education in the American West, with 2,400 enrolled students and Western Oregon University in Monmouth, with 5,200 students. The metro also contains four state prisons, including the Oregon State Penitentiary, Oregon's only maximum security prison. As a hub for farming communities, Salem is a major agricultural food processing center.

The State of Oregon is by far the city's largest employer, with 20,100 employees. Nine total employers have more than 1,000 employees, including Salem-Keizer School District (4,900 employees), Salem Health/Salem Hospital (4,900), Marion County (1,500), the federal government (1,500), Chemeketa Community College (1,400), the City of Salem (1,300) and the State Accident Insurance Fund (1,000). Amazon joined this list in August 2019, commencing operations at its new 1 million SF distribution center with 1,000 employees.



SALEM OFFICE MARKET



WATCH FOR

At the beginning of Q2 2020, the vacancy rate for office space in Salem stood at a low 4.4%, from 4.9% at the beginning of Q2 2019. With very little new product coming to market, the rates should improve even further over the next few years.



Though Salem sees a sizable number of office properties trade hands each year, the metro's annual sales volume tends to be fairly low. With over \$60M, sales volume in 2019 was exceptionally strong. Transactions, which seldom exceed \$5M, mostly involve older buildings. Buyers are primarily Oregon-based, often living within the Salem metro. In 2019, roughly half of all transactions were owner/user deals. The Creekside Corporate Center sale aside, no investor or seller traded over \$7 million. Not infrequently, Salem sees lower investment for office than for other types of commercial real estate.

Salem Office Market Snapshot 20Q3

	Q3 2020	YOY	FORECAST
Vacancy Rate	4.7%	▲	▲
Absorption SF	-7,386SF	▲	▼
Construction SF	0	■	■
CBD Class FSG Rent	\$26.00	▲	▼

SALEM OFFICE MARKET



	17th & Mission Bldg 1660 Oak St SE Salem, OR	Creekside Corp. Ctr. 660 Hawthorne Ave SE Salem, OR	Summit Square 2855 NW Crossing Dr. Bend, Oregon	Westmoreland Med. 1650 Chambers St. Eugene, OR	Scanlon Building 300 SW Columbia St Bend, OR
Transaction Date	1/17/2020	11/22/2019	8/21/2019	7/26/2019	12/11/2018
Transaction Price	\$6,765,000	\$21,750,000	\$3,450,000	\$11,150,000	\$3,445,000
Property Type	Office	Office	Office	Office	Office
% Leased	100%	91%	100%	97%	100%
Gross Bldg Area	29,966 SF	83,781 SF	10,432 SF	34,303 SF	12,001 SF
CAP RATE	6.00%	7.16%	6.14%	6.44%	6.29%
Site Size	2.15 acres	3.1 acres	.52 acres	2.66 acres	.76 acres
Transaction \$/SF	\$220	\$260	\$331	\$325	\$287

Offering Procedure

The offering of the property is being conducted by Tradition REP and Colliers International. All questions and inquiries should be directed to the representatives listed in this offering.

Tradition REP and Colliers International will be available to assist prospective investors with their review of the offering. On-site inspections of the property and tours of the market area can be arranged directly with Tradition REP or Colliers International.

Offers should include, at a minimum, the following:

- The purchase price and closing date;
- The source of capital, both equity and debt, for the transaction
- The amount of earned money deposit;
- A detailed schedule of the due diligence and requisite approval process; and
- A description of assumptions utilized for the offer.

Please address your offers to the brokers listed below.

AJ Nash

Principal Broker/Partner

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CONFIDENTIALITY AND DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the Property. It has been prepared by Tradition Real Estate Partners and Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without written consent of Seller or Tradition Real Estate Partners or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Tradition Real Estate Partners and Colliers International from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence research.

By acknowledging your receipt of this Offering Memorandum from Tradition Real Estate Partners and Colliers International, you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence; and
- 3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Tradition Real Estate Partners and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all the materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.



**2150 Country Drive S
Salem, Oregon**

OFFERING MEMORANDUM

Owner/User Office Investment Opportunity

Salem, OR

For Sale