



# 1925 SE SCOTT

**MULTIFAMILY DEVELOPMENT  
OPPORTUNITY IN  
DOWNTOWN MILWAUKIE  
PROXIMATE TO MAX LINE**



**1925**  
SE SCOTT



**Address**

1925 SE Scott Street  
Milwaukie, OR 97222

**Parcel number(s)**

17957, 17948

**Gross land area**

20,694 SF, .48 acres

**Current use**

Retail (Peake funeral home)

**Existing structure**

4,085 SF

**County**

Clackamas

**Zoning**

Downtown Mixed Use  
(DMU)

**Base FAR**

4:1 (bonus available)

**Base height**

45 FT (69 FT with bonus)



The offering of this Site presents a rare opportunity to develop a high-density, fully market-rate community in downtown Milwaukie with high rental demand and exceptional accessibility to Portland's urban core.

Jones Lang LaSalle Capital Markets ("JLL") is pleased to present the 1925 SE Scott land site ("the Site"). At approximately 0.48 acres (20,694 SF), the Site provides a rare opportunity for high-density apartment development within the supply-constrained and highly demanded submarket of Milwaukie, Oregon. Located 0.7 miles south of Portland city limits, the Site offers exceptional connectivity to the urban core and greater Portland MSA with no inclusionary housing requirement, allowing for fully market-rate multi-housing development. There are multiple highly accretive zoning benefits to this Site, including the availability of additional density through the development of a parking garage, an 80 percent abatement on residential improvements for developments with ground floor commercial space due to being located in a Vertical Housing Development Zone and having the city's Downtown Mixed-use Zoning designation. The Site also benefits from its central location in Milwaukie's historic town center. Residents are a five-minute walk to over 50 retail destinations, a food cart pod, public parks, and the Willamette River. Moreover, the Site is a short walk to the recently implemented MAX light rail orange line which provides residents in Milwaukie with a direct connection to downtown Portland in 20 minutes.

# Investment highlights



High visibility location off highway 99E with light rail access, located on a major commuter arterial with **36,000 vehicles per day**.



No affordable housing requirement, while Portland requires 10-20 percent of units in new developments to be rent-restricted, the Site's location outside of Portland city limits **allows for fully market rate** housing.



Rare Vertical Housing Tax Credit (VHTC), providing a 20 percent abatement of residential improvement for every floor of residential above ground floor commercial up to an abatement of **80 percent of the residential improvements**.



Significant **drop-off in permit activity** in the Urban Core creates opportunity. In 2021, only 1,059 units of multi-housing have been permitted, **equating to a 66 percent reduction** from the 2015-2019 annual average.



Proximate to Portland's **densest employment districts**, as OHSU, the Central Eastside Industrial District, and Central Business District are accessible within 10 minutes.



Direct frontage to SE Main St and SE Scott Street, a **walkable retail corridor**, with over 50 restaurants, cafes, and shops within walking distance in Downtown Milwaukie.



Milwaukie's lack of historical and future supply provides an opportunity to capture **growing rental demand** as only one 50+ unit multi-housing project has been built since 2015.

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**Milwaukie demographics**

**14%**

Projected income growth 2021-2026

**46%**

College educated

# Zoning summary

The Downtown Mixed Use (DMU) Zone allows for a wide range of uses including retail, office, commercial, and residential-aimed to bring visitors to Downtown Milwaukie. The desired character of this zone is a pedestrian-friendly and vibrant urban center, with a prominent main street, unobstructed views, and access to the Willamette riverfront.

<b>Zoning</b>	Downtown Mixed Use (DMU)
<b>Permitted uses</b>	<ul style="list-style-type: none"> <li>• Multifamily</li> <li>• Rowhouse</li> <li>• Live/work units</li> <li>• Second-story housing</li> <li>• Senior and retirement housing</li> <li>• Day care</li> <li>• Manufacturing and production</li> <li>• Parks and open space</li> <li>• Home occupation</li> <li>• Short-term rentals</li> <li>• Restaurant</li> <li>• Traditional office</li> <li>• Indoor recreation</li> <li>• Retail-oriented sales</li> <li>• Person/business services</li> <li>• Production-related office (not allowed on Main Street)</li> </ul>

<b>Conditional use review required</b>	Boarding house Commercial lodging Parking facility Community service uses
<b>Minimum lot size (SF)</b>	750
<b>Minimum street frontage (FT)</b>	15
<b>Floor area ratio</b>	<b>Minimum:</b> 1:1 <b>Maximum:</b> 4:1 (FAR bonus available)
<b>Building height (FT)</b>	<b>Minimum,</b> 25 <b>Maximum,</b> 45-69 (height bonus available)
<b>Street setbacks/build-to lines (FT)</b>	<b>Minimum street setback:</b> 0 <b>Maximum street setback:</b> 10-20 <b>Side and rear setbacks:</b> None
<b>Frontage occupancy requirements</b>	90% on side facing Main Street
<b>Flexible ground-floor space standards</b>	14 feet minimum ground floor height 20 feet minimum depth Minimums required for 75 percent of ground floor space on Main Street
<b>Residential density requirements (dwelling units per acre)</b>	
<b>Rowhouses and live/work units</b>	<b>Minimum:</b> 10 du/na <b>Maximum:</b> None
<b>Stand-alone multifamily</b>	<b>Minimum:</b> 30 du/na <b>Maximum:</b> None
<b>Mixed-use buildings</b>	None

# Zoning

## FAR and height bonus

### Bonus height

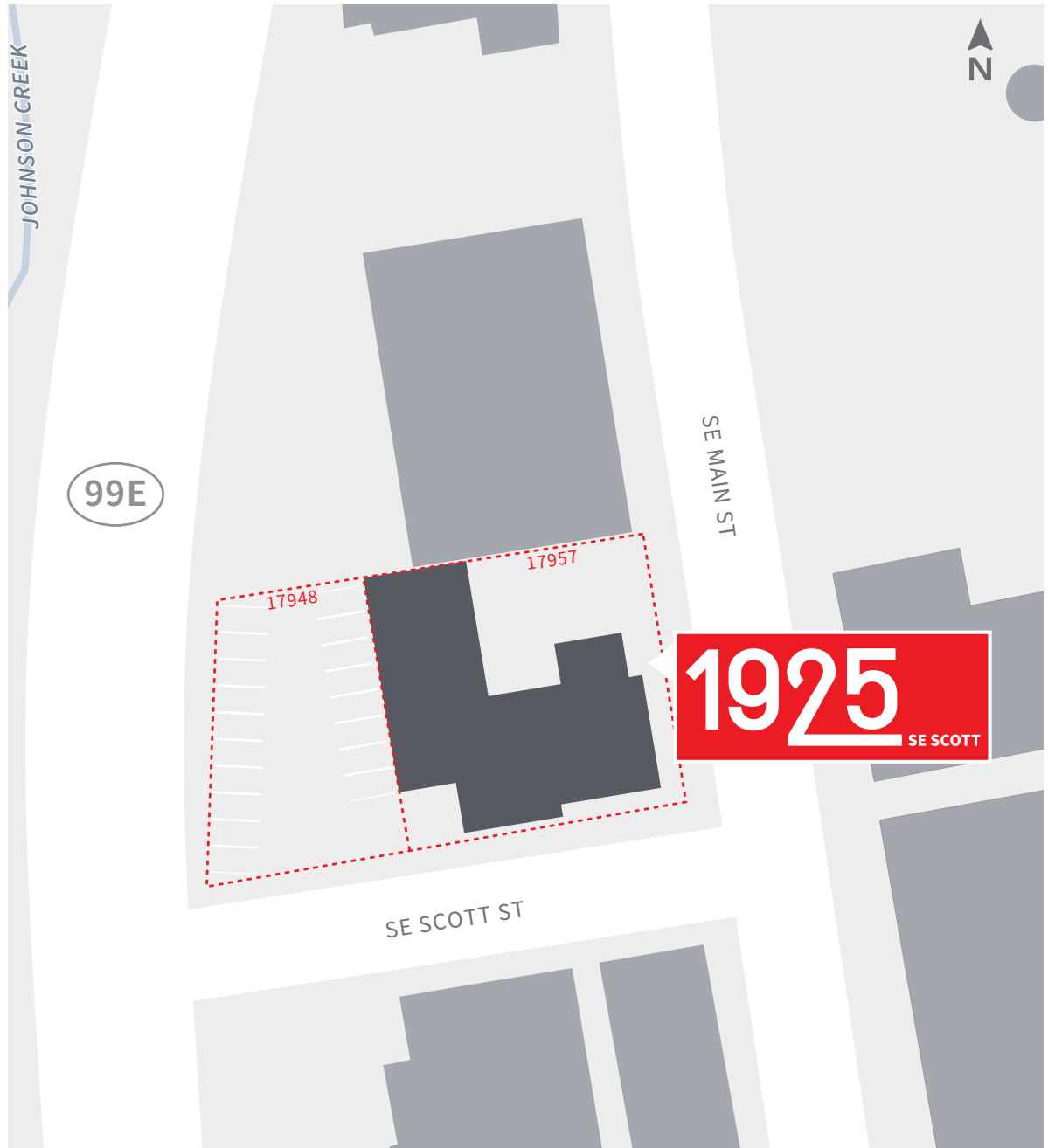
1 additional story or 12 feet of building height if at least one story or 25 percent of gross floor area is devoted to residential uses

1 additional story or 12 feet of building height if the Site proposal receives a green building standards certification

### Bonus FAR

Additional 0.5 square feet of floor area above the maximum allowed floor area ratio for every 1 square foot of structured parking provided

Parcel	SF
17948	8,264
17957	12,430
<b>Total</b>	<b>20,694</b>







# High visibility location with light rail access

With **36,000 vehicles per day** of traffic, **OR-99E** makes the Site one of the most visible pieces of land in Milwaukie. This immense exposure creates a significant benefit to potential retail tenants and will act as inherent marketing for a multi-housing development.

The **MAX Orange Light-Rail Line**, constructed in 2015, stops directly south of the Site and is an 8-minute walk along SE Main Street. The 7.3-mile line extension was part of a \$1.5 billion public infrastructure investment.

The new line creates a direct connection between Milwaukie and Downtown Portland. In under 20 minutes, commuters can now reach the Portland CBD ( $\pm 50,000$  jobs), Central Eastside ( $\pm 14,000$  jobs), and the OHSU campuses ( $\pm 18,500$  jobs) via public transportation.

- **22,000 households** and **85,000 employees** are within walking distance to one of its 17 stops.
- Projected to create up to **14,500 jobs** and generate up to \$573 million in earnings within the surrounding areas.
- Carries an average of **17,400 weekday riders** since opening



**Downtown Portland**  
10 minute drive

**Portland Airport**  
20 minute drive

**1925**  
SE SCOTT

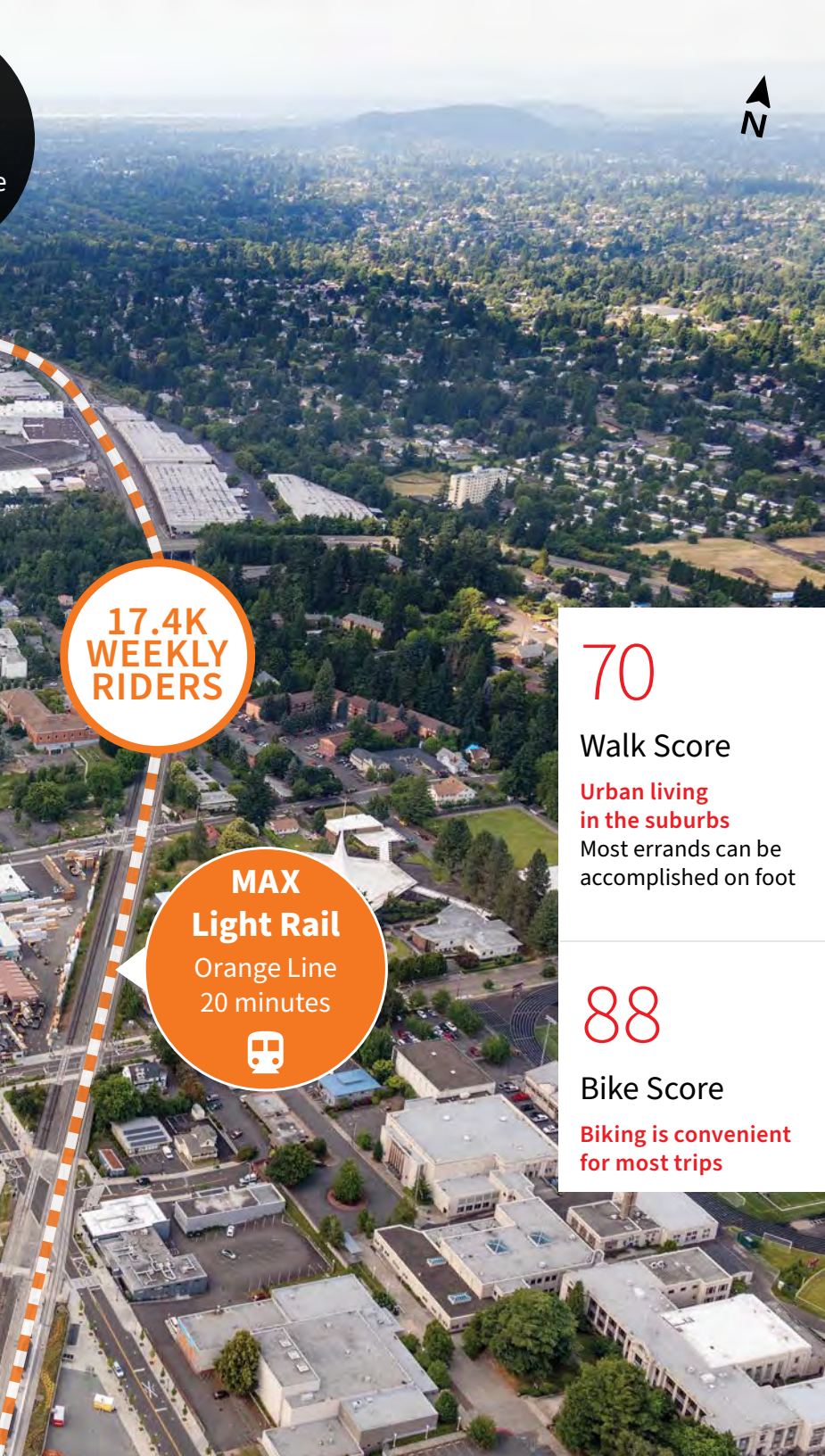
**36K**  
VPD

**Willamette River**

**SE MCLOUGHLIN BOULEVARD**

**99E**





# Instant connectivity by foot, car, or transit

Multiple commuting options connect the Site to the region’s largest employers within 20 minutes.

**17.4K  
WEEKLY  
RIDERS**

**MAX  
Light Rail**  
Orange Line  
20 minutes  


**70**  
**Walk Score**  
**Urban living  
in the suburbs**  
Most errands can be  
accomplished on foot

**88**  
**Bike Score**  
**Biking is convenient  
for most trips**

## Bike lanes

The Site connects to the Springwater Corridor Trail on the Willamette via SE 17th Avenue, providing a safe and convenient bike route to Downtown Portland in under 30 minutes.

## TriMet bus lines

33, 34, 70, 75

Multiple bus routes provide direct service to the Site, with the nearest stop located adjacent to the Site at SE Main & Scott.

## SE McLoughlin Boulevard/OR-99E

Adjacent

With 36,000 daily vehicles, the major arterial is one of the most common routes among residents commuting into Downtown Portland. In 15 minutes, residents can reach the Portland CBD, Central Eastside, and South Waterfront, which comprise the city’s largest economic drivers, collectively named “Portland’s Innovation Quadrant”.

Sources: Portland Bureau of Planning and Sustainability, Portland Business Journal, TriMet, WalkScore

# Direct access to a walkable retail corridor

Situated between McLoughlin Boulevard and SE Main Street, residents would have direct access to a walkable retail corridor with dozens of restaurants, cafés, and boutique shops running through the heart of Downtown Milwaukie. Given its high visibility, Walk Score of 70, and proximity to Downtown Milwaukie, the property is ideally located for residents and retail tenants alike, offering an urban lifestyle just outside of Portland's urban core.

## Popular destinations include:

cha  
cha!  
cha

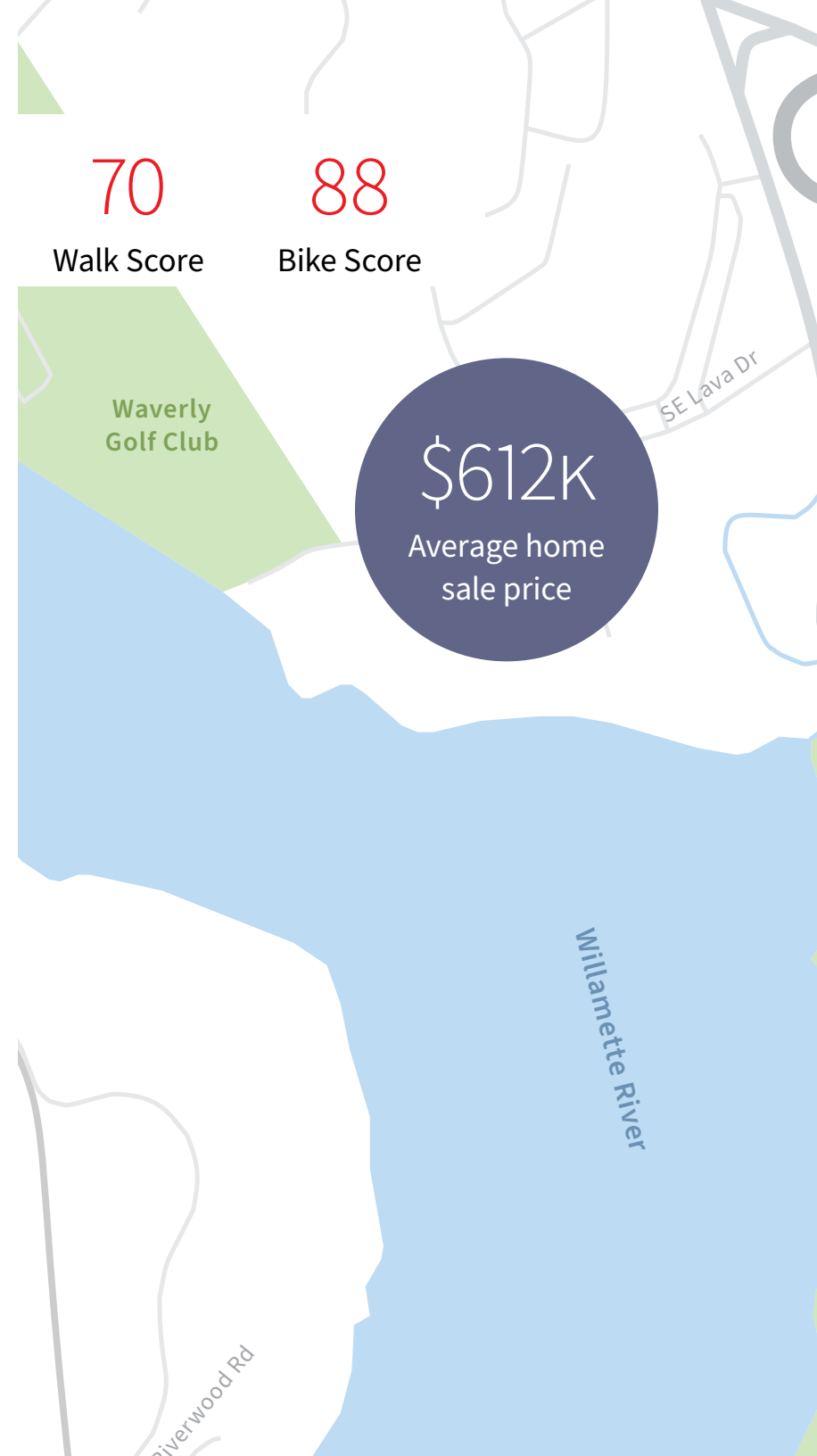
**BREAKSIDE**  
BREWERY

Wunderland  
Milwaukie Cinema

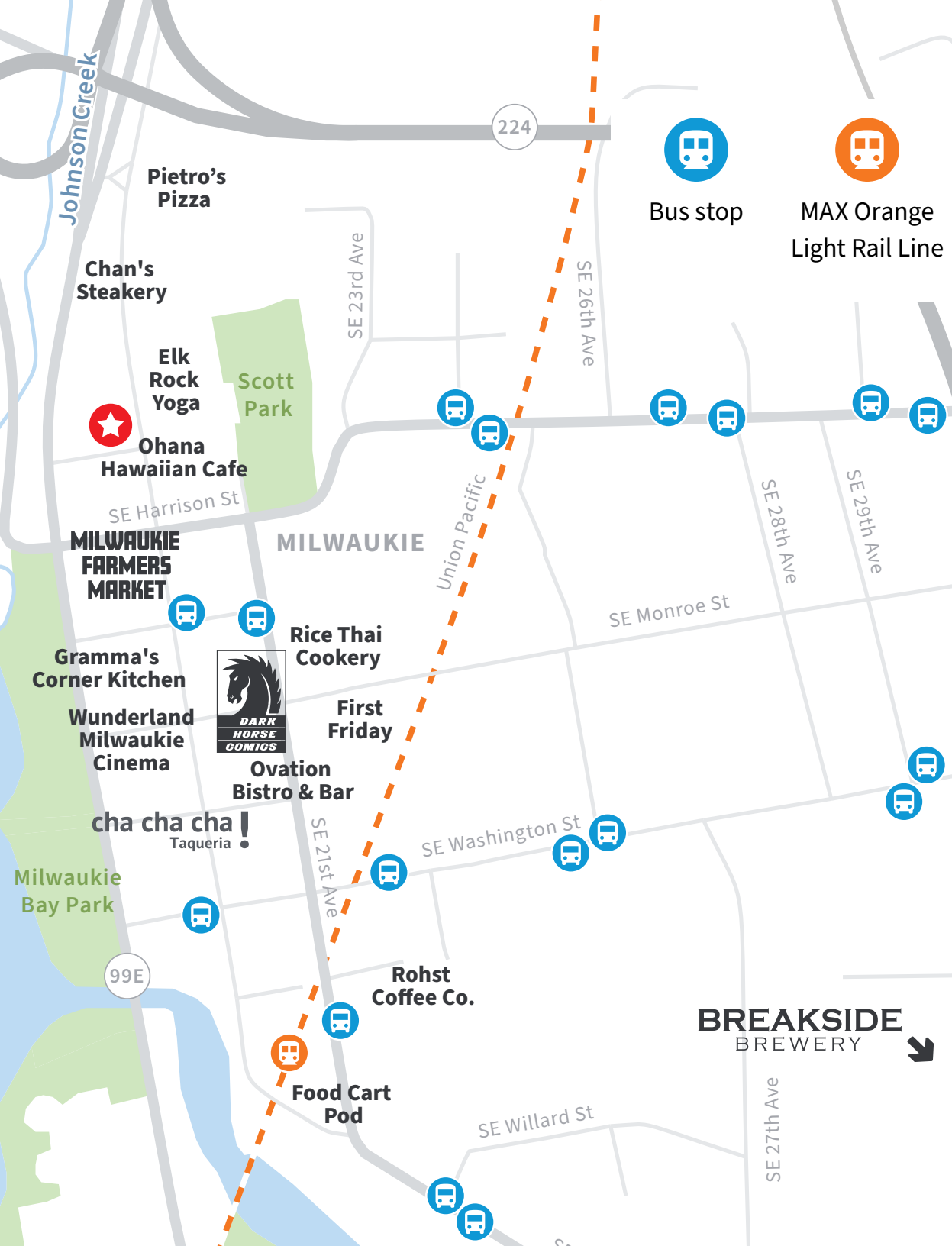


Rohst Coffee Co.

Pietro's Pizza







### Farmers Market

Downtown Milwaukie is home to one of the top farmers markets in the Portland area with the MAX Orange Line bringing visitors from all over to enjoy the many dining, food, and entertainment options.

### First Friday

Milwaukie’s seasonal block party, similar to First Thursdays in Portland, offers visitors the chance to celebrate local art, music, food, and the community of Milwaukie.

### Milwaukie Station Food Cart

Just blocks away from the Site is Milwaukie’s first food car pod. The pod is currently home to over 10 food carts and offers seating for 60.

### Dark Horse Comics

Known for publishing 300, Hellboy, SinCity, as well as numerous other films and television series, Dark Horse Comics occupies three city blocks in downtown Milwaukie. The company offers numerous display windows visible to transit riders and foot traffic alike.

# Proximate to Portland's densest **employment districts**

**OHSU** 10 minutes

**30-year** **\$7.2B**

Campus expansion

A year in total gross  
economic output

**42,639**

Jobs supported by OHSU

- Total economic impact grew **196 percent** from 2007–2019
- OHSU will begin a \$650 million expansion this spring, adding 184 beds and **3,000 to 4,000 additional employees.**

**\$120K**  
annual pay



10 minutes

Largest educational institution in the state of Oregon with over 33,000 students and faculty members.

- 26K students
- 20 to 1 student to faculty ratio
- #1 most affordable and diverse public university in the state

Sources: Comparably, Portland State University, OHSU



7 minutes

- Founded in 1908
- Over 40 majors and programs
- 9:1 student-to-faculty ratio
- 1,400 enrollment





# Central Eastside Industrial District

Over the past five years, the Central Eastside has accounted for over 35 percent of Portland’s job growth, and has helped foster the rise of Portland’s tech startup economy.

VIEWPOINT

SIMPLE

AUTODESK

# Portland CBD

50k  
Employees

The MSA’s most concentrated employment zone.



Industry-leading search engine company\*



Elemental



\*Pseudonym used for JLL client confidentiality



## No affordable housing required

Portland's inclusionary housing program, passed in 2017, requires all 20+ unit multi-housing developments within Portland city limits to contain rent-restricted affordable units. Situated just 0.7 miles south of Portland City limits, multi-housing development on this Site does not require any affordable units. This Site offers an optimal location as it benefits from proximity to Portland's urban core and employment access without having to abide by the city's inclusionary housing requirements.

## Accretive Vertical Housing Tax Credit (VHTC)

The Property is a beneficiary of Milwaukee's VHTC program. The program is designed to encourage the private sector to build higher-density mixed-use development (first floor commercial with residential above) in targeted areas of a city. The tax credit provides a 20 percent abatement of residential improvements for every floor of residential above ground floor commercial up to 80 percent of the residential improvements.

- No affordable units required
- 10-year tax abatement on 80 percent of all residential improvements

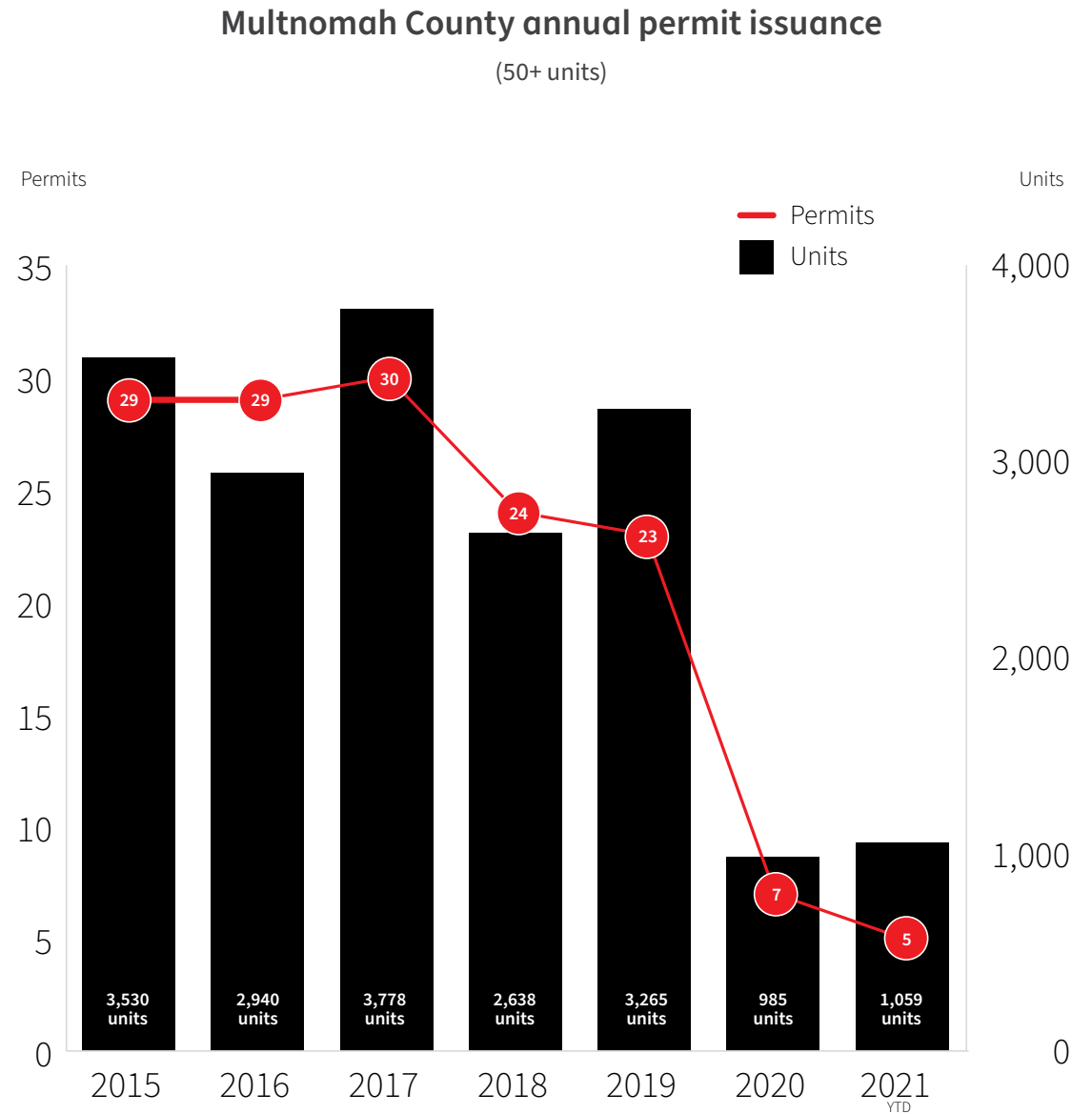


# Significant drop off in permit activity in Urban Core creates an opportunity

Located less than a mile from Multnomah County, development on this Site is poised to benefit from a future supply shortage. The County is experiencing a significant decline in annual permit issuances that is expected to drive future rental demand in Milwaukie as the available housing supply in the urban core diminishes.

From 2015 to 2019 an average of 27 permits were issued annually, or 3,230 multi-housing units in Multnomah County. In 2021, only five building permits have been issued, or 1,059 units, equating to a 66 percent reduction from the 2015-2019 annual average.

Sources: Portland Housing Bureau, Multnomah County Assessment



# 5.5%

Average annual rent growth (2015-2021)

# 4.8%

Average vacancy rate (2015-2021)

# 4.6%

Forecasted average annual rent growth (2022-2026)

# 3.4%

Forecasted average vacancy rate (2022-2026)

# Milwaukie's lack of historical and future supply provides an opportunity to **capture growing rental demand**



Since 1995, only one 50+ unit apartment building has been delivered in the Milwaukie submarket. There are currently only 3 developments proposed or under construction in the Milwaukie development pipeline, totaling just 607 units. Only 8 percent of multi-housing units in Milwaukie were built after the year 2000, presenting a shortage of new products in the submarket that will be exacerbated as incomes in the area continue to grow. Milwaukie's median income is projected to grow by 14 percent from 2021 to 2026.

The lack of historical housing supply has contributed to Milwaukie achieving 5.5 percent average year-over-year rent growth and an average vacancy rate below 5.0 percent since 2015. The majority of Milwaukie is made up of low-density residential development, which has contributed to the supply shortage seen in the single-family housing market.

<b>Milwaukie</b> SFR sales in last 12 months Built since 2015	
Average single family home sale price	\$611,819
Mortgage type	30 year fixed rate
20% down payment	\$122,364
Mortgage amount	\$489,456
Interest rate (740+ credit score)	3.10%
Monthly principal and interest	\$2,090
Property tax (5,000/year)	\$417
Home insurance (1,500/year)	\$125
Total monthly payment	\$2,632
Average in-place rent	\$1,535*
<b>Ownership premium</b>	<b>171%</b>

\*Average in-place rent of comparable developments

## Single-family housing shortage drives rent growth

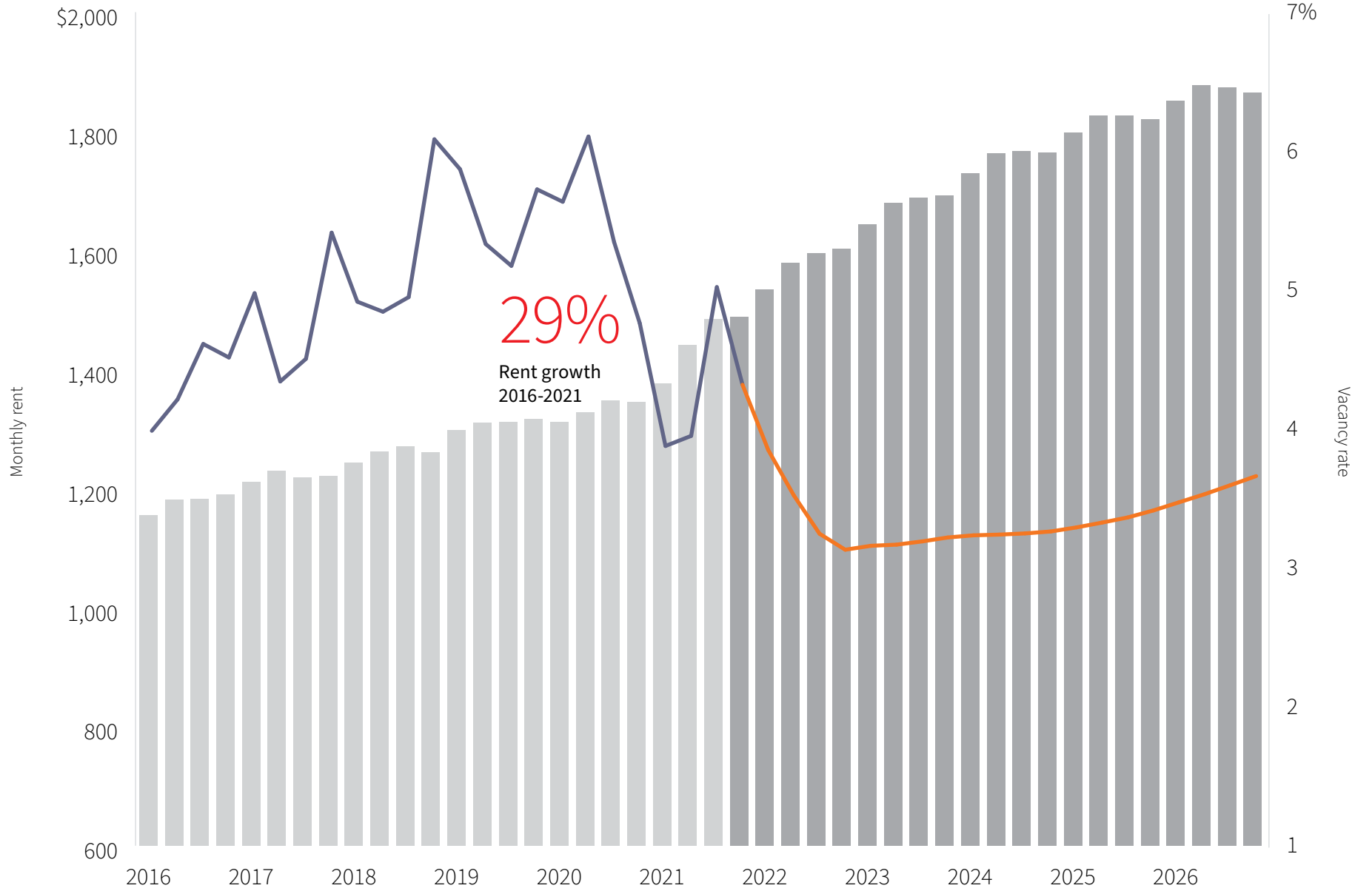
**27**  
Average days listed

**15.9%**  
Home sale price growth year-to-date

**0.7**  
Monthly of housing inventory currently on the market



## Historical and forecasted rent (per unit) and vacancy (%)



## Investment Sales Advisory

Frank Solorzano  
Associate  
+1 503 265 5093  
frank.solorzano@am.jll.com  
Licensed in Oregon

Adam Taylor, LEED AP  
Director  
+1 503 449 4837  
adam.taylor@am.jll.com  
Licensed in OR

## Debt Placement

Charlie Watson  
Director  
+1 503 265 5090  
charlie.watson@am.jll.com



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