



Letter From the President

MARKET UPDATE

The office market in Portland's CBD is faring better than most of the country. Portland ranks in the top 10 cities for current real estate investments for the office, industrial and retail sectors. It is ranked second behind Washington, D.C. in the nation for office investment potential according to the Grubb and Ellis national market report released January 5, 2009.

At North Rim Partners we have adopted a strategy of flexibility and creativity when it comes to enticing new tenants to our buildings. Addressing our tenants' needs and desires as our first priority. We have been providing short term discounts in rates being offered and additional dollars spent toward tenant improvements to motivate our customers. Our properties are continuing to out perform the market with vacancy rates hovering around 3%. There is good news on the horizon for retail activity and office, demand which have started to perk up again as we approach springtime. We are optimistic about the future holding much renewed promise in the central business district.

We continue to focus on investing in prime locations in Portland's East-side neighborhoods, which have stood the test of time as holding their value and allure over the years. The banks continue to hinder the market movement of sales and acquisitions due to their resistance to offer availability of credit, but on the bright side seller's have begun to offer Seller Financing at very competitive interest rates without all the hoops that the lenders normally require.

In closing, we are still finding excellent buying opportunities for both investors and Owner/Users as prices continue to drop and the deals continue to look more attractive from the pricing side of the market. Let us know if you have an interest in acquiring or selling a property and we will get to work on building your wealth strategies in real estate as we have done for our many clients over the past 15 years. *If you'd like to see any additional expanded market reports, send me an e-mail at JW@NorthRimPDX.com.*



Help Support Local Business

Visit our friends at the Mt. Baker Building in the 7 Corners Neighborhood of SE Division Street

Sushi Mazi - a Japanese Restaurant

Opening March 2009
Mt. Baker Building
2126 SE Division, Portland

Tart - a Yogurt Shoppe

Mt. Baker Building
2128 SE Division, Portland

Bar Avignon - a European Style Bar

Mt. Baker Building
2138 SE Division, Portland

Locate Your Business Successfully Here Today!

There are only a few spaces left. **Call Matt Now!**



RECYCLE YOUR ELECTRONICS

Best Buy offers recycling of your old electronics. Go to BestBuy.com for more information.



Jeffrey Weitz
President

Cell 503 358 7555
jw@NorthRimPDX.com

Increase Your Wealth, Invest With Us Today.



Matthew Schweitzer
Vice President

Cell 503 381 3134
Matt@NorthRimPDX.com

503.525.1925

819 SE Morrison Street, Suite 110 Portland, Oregon 97214

NorthRimPDX.com



Trading Up Using the 1031 Exchange

Despite rising real estate values across the country, property investors continue finding creative ways to make their investment dollars work for them. One of the most powerful methods for building real estate holdings includes the use of 1031 Exchanges, which allow investors to defer capital-gains taxes on investment property by reinvesting sale proceeds into the purchase of new property within a set time frame. Though 1031 Exchanges have grown in popularity as the sheer number of active real estate investors has multiplied, 1031 misperceptions and misapplications continue. Here are answers to the some basic 1031 Exchange questions.

What is a 1031 Exchange?

Simply put, it is a tax avoidance tool that allows you to defer capital gains tax to a later date when selling a piece of investment property, thereby allowing you to reinvest money received from the sale into another property. You are, in essence, ‘exchanging’ one property for another investment property of equal or greater value. When the replacement property is ultimately sold (not as part of another exchange), the original deferred gain, plus any additional gain realized since the purchase of the replacement property, is subject to tax.

Why do a 1031 Exchange?

- 1) To grow your real estate portfolio:
- 2) To turn your “gain” into immediate equity and tax-free cash
- 3) To use as an estate planning tool

Where do I start?

The first step is to identify real estate to purchase, and enter into a contract to sell your property. While you can sell your property to anyone you want for an exchange, you must identify in a written document signed by you and executed with a qualified 1031 intermediary, the property you plan to buy within 45 days of relinquishing your original property. The exchange, or final sale of the property, must be completed within 180 days after the transfer of your property. Sale proceeds must be held in an escrow account with an exchange agent, or qualified intermediary, until your “exchange” is complete.

Trading Up with a 1031 Exchange

As you can see, the tax-deferred exchange is a great way to build up your net-worth and maximize your investment dollars. And there are many more nuances to the 1031 tool not covered in this article that sophisticated property investors regularly employ, such as using them in conjunction with “triple net leases.”

But the regulations regarding 1031 exchanges are complex. They vary from state to state, and are subject to change by the IRS. Therefore, it’s best for property investors of all skill levels to speak with a professional trained in these transactions on a regular basis, as well as with your accountant, prior to engaging in a 1031 exchange. Once done, you will be able to trade-up on a tax-free basis and amass a substantial real estate portfolio using the tax code to your advantage.

* Excerpted from “Real Estate Flipping: Growing Rich Buying and Selling Property,” by Mark B. Weiss, C.C.I.M., published by Adams Media.

For a copy of the full article or if you have questions about a 1031 exchange call 503.525.1925.

RECENT SALES



RETAIL

\$745,000

2525 NE Broadway, Portland, OR
1,900 sf



OFFICE

\$2,175,000

1730 NE Tenth, Portland, OR
7,970 sf



INDUSTRIAL

\$1,000,000

898 SE Stark, Portland, OR
6,400 sf

For additional Market Comps or a Market Price Evaluation of YOUR PROPERTY, CALL US TODAY 503-525-1925

503.525.1925

819 SE Morrison Street, Suite 110 Portland, Oregon 97214

NorthRimPDX.com

The information contained in this package has been obtained from sources we believe to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your sole responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property.
©2009 North Rim Commercial Realty