

# **Trade Area Survey and Feasibility Study**

## **Main Street Storage**

### **Anytown, AZ**



Presented to  
Main Street Storage, LLC  
111 Main Street  
Anytown, AZ 85234

April 16, 2013

Prepared by:



## Table of Contents

Scope of Survey.....	1
Executive Summary.....	1
Demographic Summary.....	2
Subject Property and Trade Area.....	3
Phoenix MSA Map.....	5
Storage Competition Map.....	6
Storage Competition Summary.....	7
Storage Competition	
Jones Rd. Storage .....	8
Anytown Self Storage .....	10
Storagus Maximus Self Storage .....	12
AAAA Self Storage Mini Storage.....	14
Storage Competition Ratings and Graphs.....	16
RV Competition Map.....	20
RV Competition Summary.....	21
RV Competition Analysis.....	22
Current Real Estate Development Map.....	24
Current Real Estate Development Summary.....	25
Summary, Findings and Recommendations.....	26
Demographics.....	28
Proforma Analysis	
Proforma Summary.....	40
Proforma P&L Detail.....	41
Proforma Unit Mix.....	44
Proforma Competition Summary.....	46
Proforma Construction Cost.....	47
Resumes.....	48



## Scope of Survey

The scope of the survey was to determine and analyze the competition within the three-mile radius of the subject property. It was determined that there are four competitors within the three-mile radius. Once determined the scope is to evaluate each facility for its competitiveness and position within the trade area, its products and features, its management and its peer relationship to the subject property. Additionally we took a closer look at the RV Storage product in the three-mile radius as well as the current real estate development activities.

The specific scope of the survey is as follows:

- 1-2-3 Mile Demographics Study - reviews the specific demographics within the identified three-mile trade area and evaluates their suitability for self storage.
- 1-2-3 Mile Storage Competition Study - identifies and maps all the self storage facilities within the three-mile trade area and evaluates their position in the market, their competitive advantages/disadvantages, their product offerings and management effectiveness. Each facility is rated on its Location, Facility Attributes, Market Position and Management.
- Location Map- provides a map of the location as it relates to the overall Phoenix MSA.
- Comprehensive Storage Competition Study- provides core unit size rate summary for all the facilities within the trade area by mystery shopping the property, noting improvements, taking photos of the property and evaluating the management.
- Comprehensive RV Storage Competition Study- maps and provides core unit size rate summary for all the RV facilities within the trade area by mystery shopping the property and noting improvements.
- Current Real Estate Development Activities- maps and provides a summary of the significant current commercial and residential development within the three-mile trade area.

## Executive Summary

The proposed Main Street Self Storage property (the subject) is a vacant parcel located approximately ½ mile north of Jones Rd. on Main Street in Anytown, AZ. The subject is being considered for development of an institutional quality self storage facility.

The trade area is supported by a healthy and growing mix of residential and commercial uses which is serviced by SR 99 in the north part of the trade area and the Loop 101 in the east and south. The far southeast quadrant of the trade area is occupied by the expanding Phoenix-Gateway Airport, the ASU Polytechnic campus and the Mesa-Gateway master planned development.

The three-mile trade area is comprised of four self storage competitors with average trade area occupancy of 85%. The competition in the trade area is strong based on locations and product that are average to above average in all cases.

A majority of the competitors do not have retail offices that allow for effective merchandising of product and the ones that have the floor space do not utilize it to their advantage.

Traffic counts vary in the trade area with the dominant north-south arterial being Main Street, which bisects the trade area. Per the Anytown traffic counts, Main Street has an estimated volume of 53,000 cars per day in the southern part of the trade area and an estimated 47,000 in the northern. The traffic volume at the proposed site is estimated to have 43,000 cars per day.

### **Demographic Summary**

The demographics in three-mile radius surrounding the proposed Main Street Self Storage are adequate in terms of population, with a 2013 estimated population of 73,626 living in 25,924 households, with a 2013 estimated median household income of \$52,767.

The estimated population growth between 2010 and 2013 is an increase of 5.82% or 4,047 people. The population has experienced consistent growth in the one, two and three-mile radius of the trade area. Projected growth in the three-mile radius over the next five years is expected to grow at almost 9% and over 6,000 people.

The number of households experienced significant growth during the 2000 to 2010 time frame with 9,474 additional households or a growth of 61.52%. Between 2010 and 2013 there has been an estimated 1,051 households added to the three-mile radius surrounding the subject property. Those additional households equate to a growth of 4.23%. Of the approximately 25,924 households in the three-mile trade area, 27% are renter occupied and 73% are owner occupied. Approximately 69% of the work force is white collar employees with blue collar workers at 15% and farm/service workers at 16%.

The estimated 2013 median household income level in the trade area is \$52,767, while the average household income is \$65,967. The best income levels are west of Main Street between Jones Rd. and First Streets. Reference the Main Street Self Storage Competition Map for income levels where the darker green indicates the highest income levels.

## Subject Property and Trade Area



### Proposed Main Street Self Storage Anytown, AZ

The proposed Main Street Self Storage facility is an existing 4.25-acre parcel located on Main Street, equidistance between Elliot and Guadalupe Roads. The subject property has 300 lineal feet of frontage along Main Street and is basically flat with piles of debris and fill materials. It is also noted that there are high tension electrical lines that will affect the north part of the property. The subject is bordered on the east by the RWCD canal, the south by adjacent undeveloped property and the north by agriculture.

The Main Street corridor is a major thoroughfare with the subject property having a traffic count in excess of 43,000 cars per day. This is the highest traffic count of all competitors in the trade area.

The two-mile radius of the property can be characterized as predominantly residential with agriculture located to the east and the south east of the property. Between the two and three-mile radius of the property the characteristics of the trade area change to more commercial type uses anchored by the AAAA Self Storage Town Mall area. It also

contains large retirement communities such as Fountain of the Sun, Leisure World and Sunland Village.

The subject property's three-mile trade area is comprised of four self storage facilities with only two of the competitors located inside the two-mile radius. The subject's competition consists of good quality product with a majority offering air cooled and/or air conditioned space, with standard drive up and interior units. The average trade area occupancy is estimated at 85%. We feel that this occupancy is indicative of a strong trade area given that we surveyed the market in March. We suspect that these occupancies will get even stronger given the summer rent up season has yet to begin.

Three of the competitors, Anytown Self Storage, AAAA Self Storage and Storagus Maximus have open RV parking. These properties have the ability to expand their facilities by eliminating RV storage. In fact, the manager at the Storagus Maximus indicated they were developing plans to expand their self storage product by eliminating current RV spaces. There are also three RV only facilities in the trade area which significantly add to the RV Storage supply. Look to the RV Competition Analysis for further discussion.



Street View of Parcel




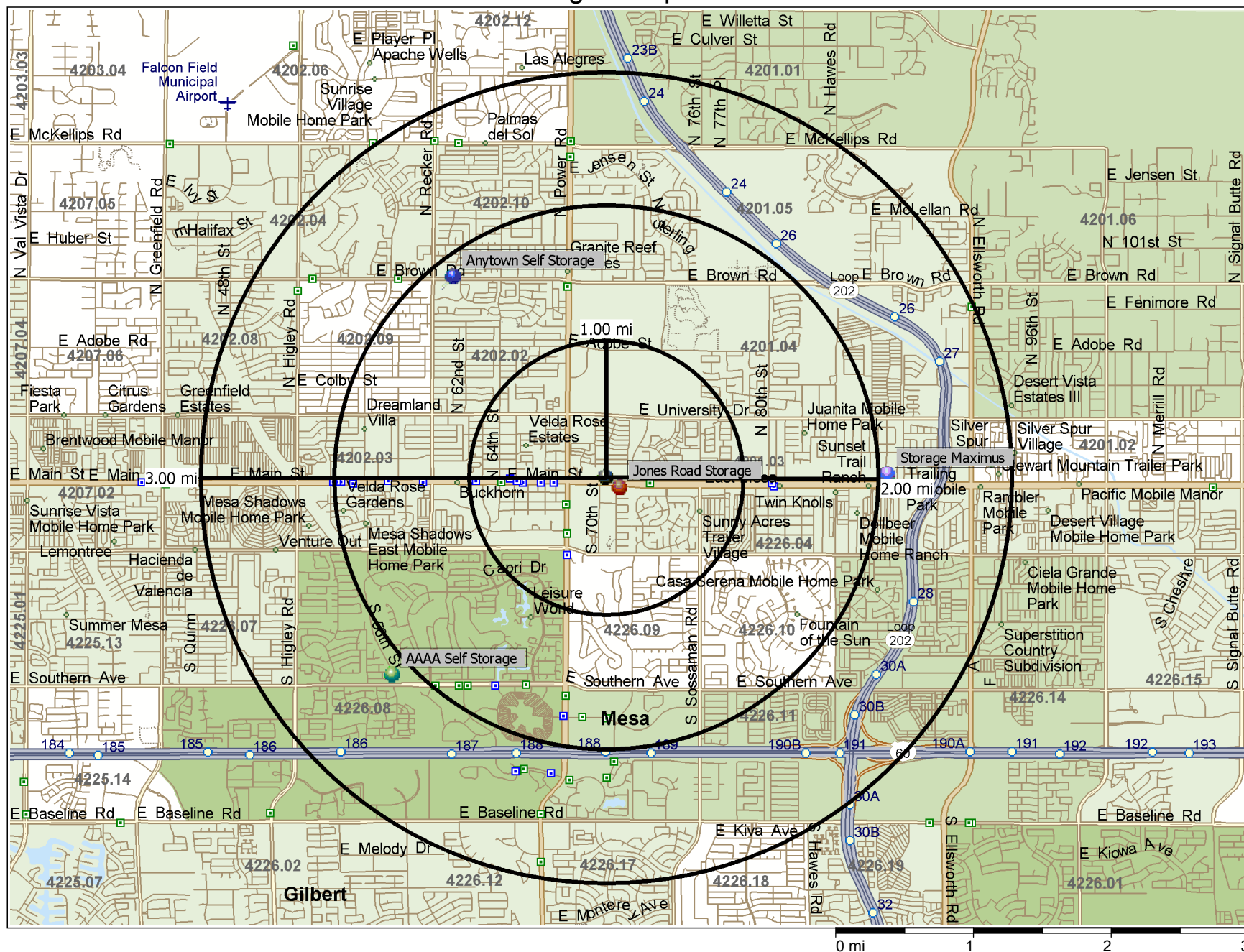
This map illustrates the Phoenix, Arizona metropolitan area, highlighting various cities, highways, and landmarks. A black circle is drawn around the central urban core, encompassing the Phoenix Sky Harbor International Airport and the surrounding area. The map shows the following cities and areas: Surprise, Sun City, Peoria, Glendale, Phoenix, Tempe, Scottsdale, Mesa, Gilbert, Chandler, and Fountain Hills. Major highways depicted include I-10, I-17, and SR-52. The map also identifies numerous mobile home parks and residential developments, such as Parkview Estates, Phoenix Mobile Home Park, and Pinnacle Peak Estates. The map is color-coded to show different geographical features, with green representing parks and open spaces, and yellow/orange representing urban areas. The map includes a grid of latitude and longitude coordinates, with labels for various points of interest and landmarks.

5



## Pushpins

 My pushpi...



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>  
 Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

## STORAGE COMPETITION

#	Name	5 x 5				5 x 10				10 x 10				10 x 20				10 x 30				Store Rating	Primary Comp	Distance	Net Rentable	Std Units	CC/EVAP Units	Total Units	Occ %
		GI	GO	EVAP	CC	GI	GO	EVAP	CC	GO	GI	EVAP	CC	GO	GI	EVAP	CC	GO	GI	EVAP	CC								
1	Jones Rd. Storage			33					95			113		161				212				B+	X	1.00	48,000	187	280	467	90%
2	Anytown Self Storage	40				59			85	93			129	145			195	205				B	X	1.60	53,000	150	300	450	70%
3	Storagus Maximus Storage	36		45	49	51		69		80		103		125		145		175		220		B-		2.50	60,000	330	270	600	90%
4	AAAA Self Storage		36	43		52		62	91	87			140	145			211	200		249		B		2.90	73,400	420	180	600	85%
5																													
6																													
7																													
8																													
9																													
10																													
11																													
12																													
13																													
14																													
15																													
16																													
17																													
18																													
19																													

### Supply Ratios (3 Mile Radius)

	Units		SF
Trade Area Population (2013 Estimated)	70,500	Trade Area Population	70,500
Existing Units	2,117	Existing SF	234,400
Existing Mkt Ratio	3.0%	Existing SF per Capita	3.3
Proposed Units	650	Proposed SF	65,000
Total Existing & Proposed	2,767	Total inc. Proposed SF	299,400
Proposed Mkt Ratio	3.9%	Proposed SF per Capita	4.2

## Competition



Jones Rd. Storage  
4242 Jones Rd.  
Anytown, AZ 85209

Unit Statistics (est.)		Property Ratings	
CC/Evap Units	280	Location	A
Standard Units	187	Facility	A-
Total Units	467	Market	B
Occupancy	90%	Management	C
Square Footage	48,000	Overall	B+

Jones Rd. Storage is located one mile north of the subject property, making this the primary competitor to the subject. Jones Rd. Storage is a well-positioned facility that provides both standard and climate controlled storage options. Due to its location on the corner of Main Street and First Avenue, large amount of linear frontage, its effective placement of the monument and building signs, and faux storage doors, makes it a

marquee self storage facility to the over 42,000 cars passing it each day. This store has the largest traffic count of all storage facilities in the three-mile trade area.

Jones Rd. Storage is an institutional quality storage product that offers a full range of self storage amenities such as wide drive aisles, access controlled interior space, CCTV system, customer friendly office, and clean and customer friendly interior storage space.

The management at this location although dressed professionally, did not seem interested in our business as she did not determine our storage needs, did not offer to show a unit or gather any customer information for follow-up. We asked to see a storage unit, which the manager showed us without much enthusiasm and again she did not display any salesmanship or a sense of urgency to rent a unit.



View into Property at Entry Gate



Signage on Main Street



Signage and Storage Presence on Main Street





Anytown Self Storage  
 1501 N. Second Avenue  
 Anytown, AZ 85234

Unit Statistics (est.)		Property Ratings	
CC/Evap Units	300	Location	B-
Standard Units	150	Facility	A-
Total Units	450	Market	B
Occupancy	70%	Management	C
Square Footage	53,000	Overall	B

Anytown Self Storage is located approximately 1.6 miles from the subject property on Second Avenue, just south of the First Street. This property has minimal storage presence. Its shared monument sign, token building signage, lack of showing storage doors and the indistinguishable buildings make it difficult at best for the person driving by to recognize it as a self-storage business. Its lack of presence along with a low traffic count (estimated 9,700 cars/day) handicap this location.

Anytown Self Storage is an institutional quality storage product that offers a full range of self storage amenities such as wide drive aisles, access controlled interior space, CCTV

system, individual door alarms, a large customer friendly office, and clean and customer friendly interior storage space.

Anytown Self has the largest office/customer service area of all competitors in the three-mile trade area. It shares this space and the customer service counter with the adjacent auto repair business. Operating both businesses at the same counter albeit convenient for both businesses causes some distractions to the storage business. The retail sales floor and customer service area is by far the largest of all the competitors, though it is not used effectively in displaying or merchandizing the store's moving and packing supplies.

The management at this location was friendly and had a professional appearance, but did not demonstrate product knowledge or salesmanship. As in the case with all the competitors, we had to ask to see a unit, the manager did not attempt to determine needs, gather customer information and/or to reserve or rent a unit.



View of Office



Street Presence



Signage on Anytown Self



Storagus Maximus Self Storage  
1234 Second Avenue  
Anytown, AZ 85209

Unit Statistics (est.)		Property Ratings	
CC/Evap Units	270	Location	B
Standard Units	330	Facility	B-
Total Units	600	Market	B+
Occupancy	90%	Management	C
Square Footage	60,000	Overall	B-

This property is located 2.5 miles north of the subject on the NEC East Second Avenue and South Jones Rd, just east of Main Street. This store has the most lineal feet of frontage on a main thoroughfare with over 800 lineal feet on Second Avenue. Although this sounds impressive, the stores frontage does not exhibit great self-storage presence as it consists of the perimeter wall and landscape with only a handful of garage doors showing through the wrought iron entrance gate. Signage is also nondescript with a monument sign located at the curb cut adjacent to the office.



Storagus Maximus Self Storage is an older property, but it has good curb appeal, is clean and appears to be well maintained despite its age. The storage product itself is far from institutional grade and offers very little additional amenities with only an access controlled gate and minimal CCTV coverage. The facility offerings include interior air-cooled space and exterior drive-up spaces. The office was small and not oriented for retail sales or customer convenience. Although the property faces presence and product issues it operates at a solid 90% occupancy.

The management at this location was friendly, but did not display any product knowledge or salesmanship. They did not ask questions to determine my needs, ask for a reservation, or to rent the unit. They also failed to gather any customer information to follow-up on the potential lead.



View of Office and Monument Sign



View of Monument Sign Looking West



Street Presence on Second Avenue



AAAA Self Storage  
 789 Second Ave.  
 Anytown, AZ 85206

Unit Statistics (est.)		Property Ratings	
CC/Evap Units	180	Location	B
Standard Units	420	Facility	B+
Total Units	600	Market	B+
Occupancy	85%	Management	B-
Square Footage	73,400	Overall	B

AAAA Self Storage is located on East Southern Avenue, approximately 2.9 miles Northwest of the subject. It has great exposure to Second Avenue with over 500 lineal feet of frontage, but similar to Storagus Maximus Self Storage it has very little storage presence to the street as the bulk of the frontage is dominated by perimeter wall, with only the wrought iron gate providing a peek-a-boo view of the actual storage units. This property has one pole sign located west of the office and curb cut, and has lettering illuminated from the ground spelling “MINI STORAGE” at the east end of the perimeter wall.

AAAA Self Storage Mini Storage offers a variety of products, including air-conditioned, evaporative-cooled and standard storage units. The property is secured with individual door alarms, CCTV cameras and an access controlled gate system. The manager's office at this location provides minimal area to merchandize moving and packing supplies, but is clean and comfortable for the customer. The facility is well maintained inside and out and has very good curb appeal to the estimated 18,000 cars per day driving by the property.

The property manager at this property was professional and very friendly. They engaged me in conversation, and asked my name. Just like all other managers in the three-mile trade area, they failed to determine needs, did not gather follow-up information, and did not ask for my business. This was the first manager however to ask if I wanted to see a unit.



View of Office and Signage



View of Interior Drive



Street Presence on Second Avenue

## Competition Ratings and Graphs

The facility ratings and graphs are a helpful tool to determine how the subject property rates among its competition and peer group within some key categories. While surveying the trade area, key components of the Location, Facility, Market, and Manager are noted. Each component is evaluated and rated on a scale of A, B or C and assigned a point value for that rating (A=3, B=2, C=1). Each component is evaluated and rated on specific criteria as follows:

### Location:

- Convenience- is the facility well located or difficult to locate?
- Accessibility- does the facility have easy access or difficult to get in or out?
- Visibility- is the facility a landmark location or buried with little or no traffic?
- Traffic- is traffic heavy at the curb (>20,000 cars per day) or light (<5000)?
- Population Density- is the population dense around the facility or modest population?

### Facility:

- Exterior- is the exterior constructed of CMU or concrete or wood/metal siding?
- Interior- does the facility have interior corridors and are they white metal partitions or wood/sheetrock construction?
- Customer Friendly- does the facility have wide inviting easy accessible drives or narrow drive aisles with long travel distances to get to interior units?
- Security- does the facility have excellent security with electronic gates, CCTV systems, individual door alarms, cylinder locks or little security with electronic gate and few to no cameras?

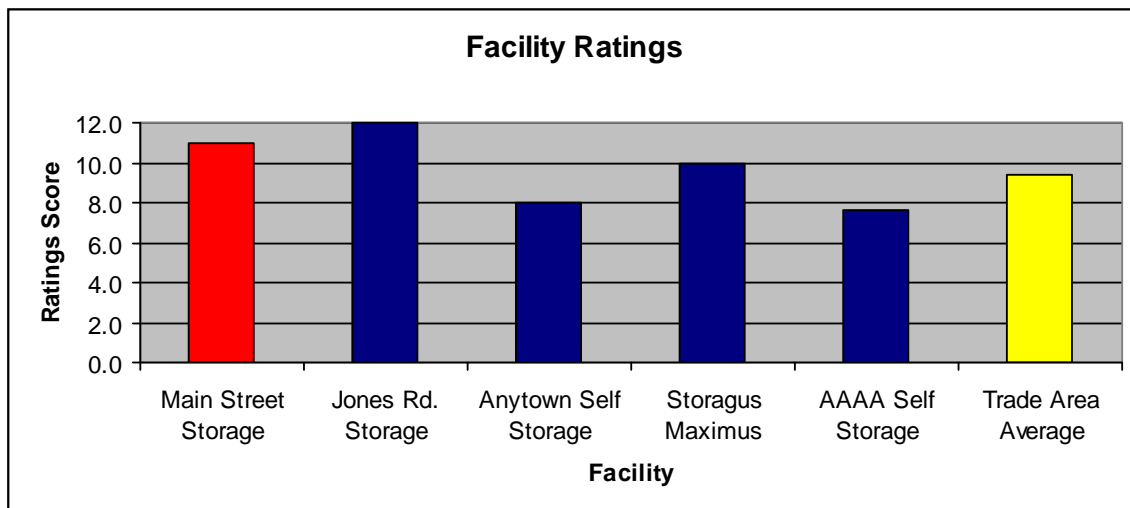
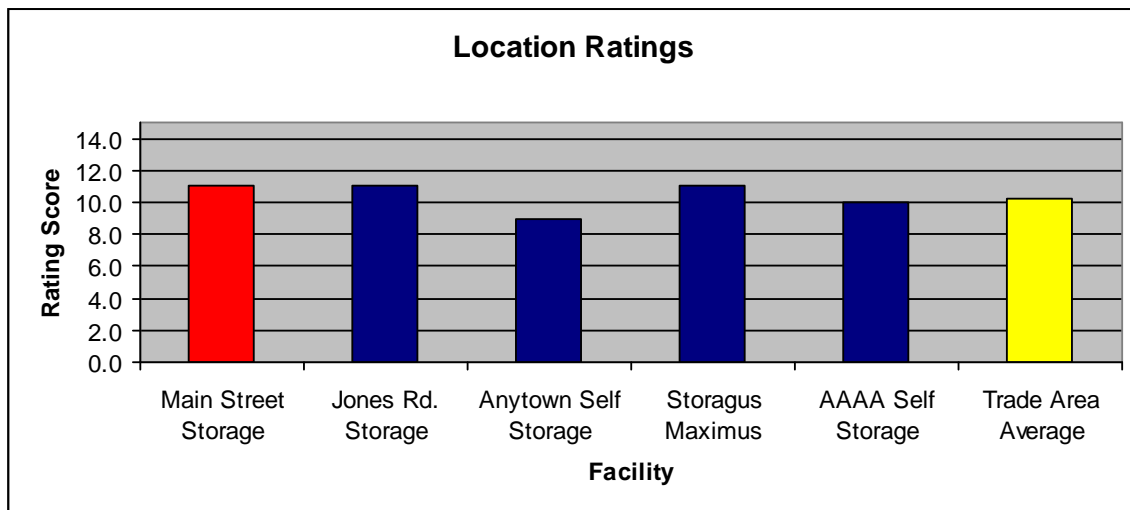
### Market:

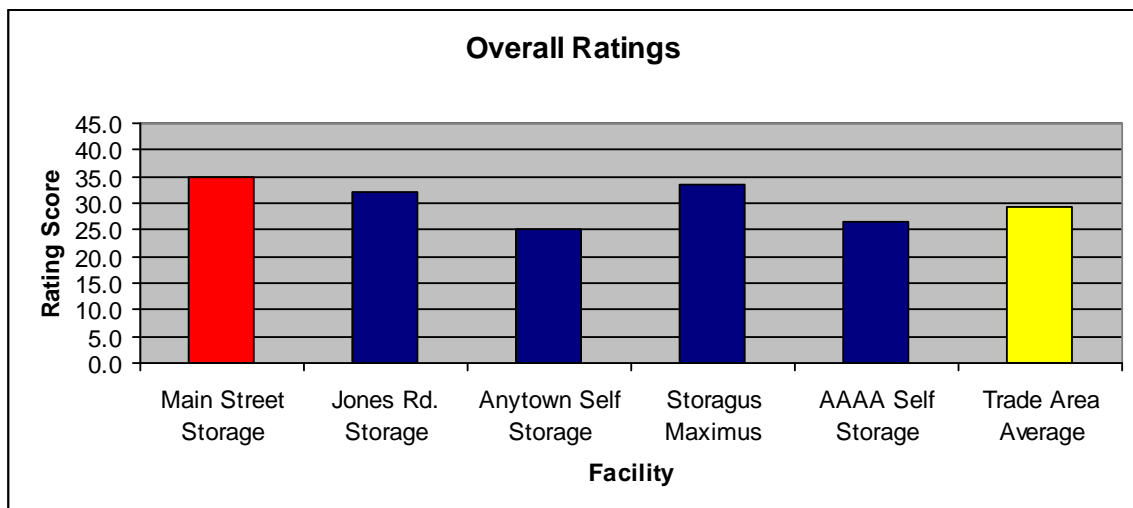
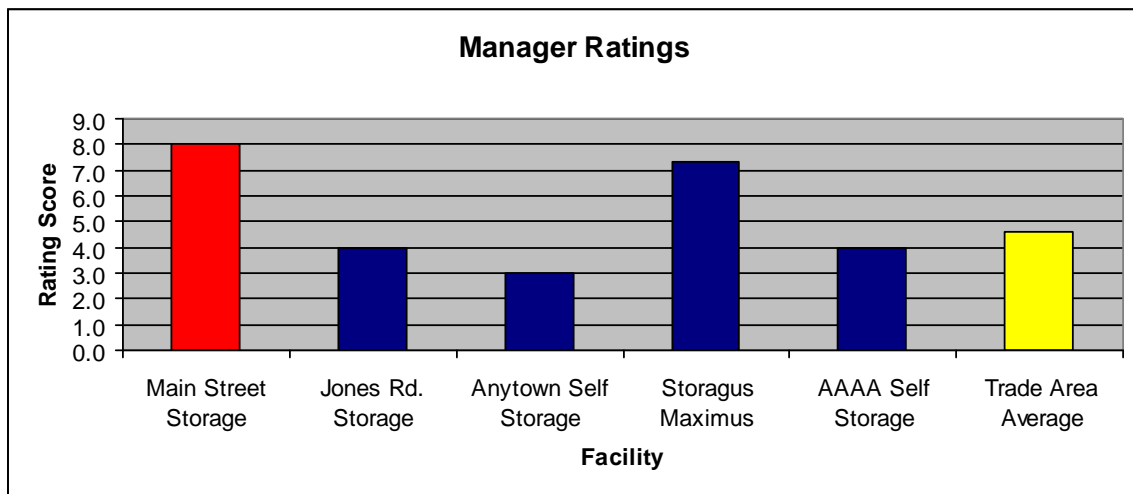
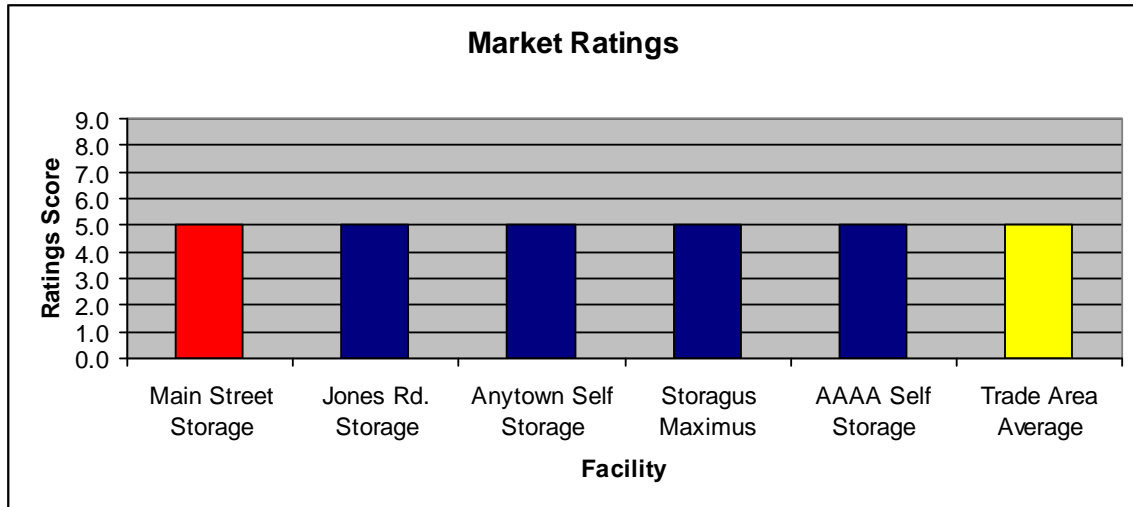
- Barriers to Entry- the trade area has little no available land or abundant land properly zoned for self-storage?
- Existing Market Supply- is the immediate market exhibiting low supply and high occupancies or over supplied and weak occupancies?
- Future Competition- no competitors have been built in the last two years or multiple new competitors have opened or are planned?

**Manager:**

- Customer Service and Friendliness- is the manager proactive in determining your needs, friendly and someone you would want to do business with or disinterested and bothered?
- Sales- are the managers adept in approaching the interaction in a sales oriented manner or just going through the motions?
- Product Knowledge- is the manager familiar with their product, what is available and pricing structures or unable to determine availability or locate a space on the property?

*The Trade Area Average ratings are based only on the existing facilities in the trade area.*





## **Facility Ratings Summary**

In surveying the subject property's trade area we found that the subject facility rated well among its peers in Location. The rating for Facility ranked highly as assumptions were made that the facility would have all the necessary amenities to be a leader in the trade area for quality. The rating for the Manager was placed as highest in the trade area assuming that the developer would employ quality management to operate the facility.

The subject property scored well in the Location Rating placing in second behind Jones Rd. Storage. Its high Location Rating is due to its convenience for potential customers, and its accessibility off Main Street. The subject rated behind Jones Rd. Storage on the merits of having the convenience of being located on the corner of Main Street and First Avenue with signage on both streets and the high traffic volumes on Main Street. The Jones Rd. Storage facility is also closely accessible to a higher density of commercial and residential population.

The Facility Rating ranked the subject first in the trade area based on the assumption that the developer will build an institutional grade facility. The planned development having a customer friendly unit mix of air-conditioned space and standard exterior space, interior corridors with full size roll-up doors and an extensive security system will easily place the subject as one of the quality leaders in this three-mile trade area.


The subject property scored the same in Market Rating with all competitors except AAAA Self Storage and Storagus Maximus Self Storage which are highest in the trade area. Although all facilities in the trade area have strong Market Ratings, the two leaders experience a closer proximity to a dense population base, are adjacent to the large commercial area of AAAA Self Storage Mall and have little to no land available in the immediate area for future self storage development. The subject property Market Rating is slightly lower based on the ample availability of land, specifically within the one-mile radius and the south east quadrant of the trade area.

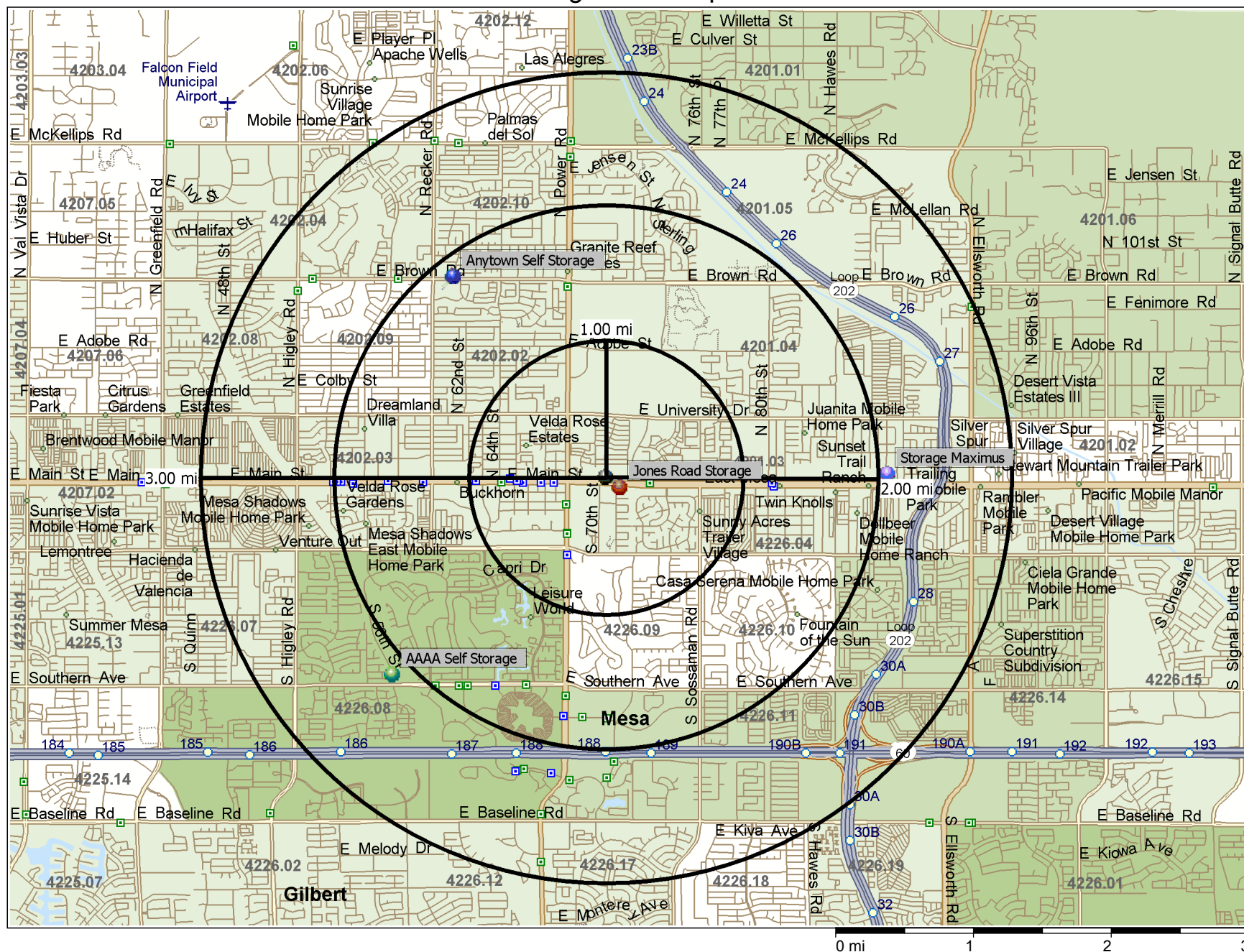
The Manager Rating for the subject property is first in the trade area and rates only slightly higher than AAAA Self Storage Mini Storage. The belief is that the developer will employ quality operators that are consistent in customer service, sales skills, and product knowledge to make the subject property the leader in quality service for the trade area. The remainder of the trade area, although friendly, lagged behind in Manager Rating as they failed to exhibit adequate product knowledge and salesmanship that would set them aside from their competition.

Overall, the proposed subject property rated very well as compared to the other facilities within the trade area and placed first overall. This overall score was based on the assumptions that the developer will build an institutional grade facility of equal or higher quality as compared to the trade area, be managed by an above average storage manager, as well as the subject's solid location on Main Street.



## Pushpins

 My pushpi...



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>  
 Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

## RV COMPETITION

[illegible]

### Supply Ratios (3 Mile Radius)

	Units		Units
Trade Area Population	73,626	Trade Area Households owning vehicles	25,924
Existing Spaces	1,241	Existing Units	1,241
Existing Mkt Ratio	1.7%	Existing Spaces / Household owning vehicles	4.8%
Proposed Spaces	150	Proposed Spaces	150
Total Existing & Proposed	1,391	Total inc. Proposed Spaces	1,391
Proposed Mkt Ratio	1.9%	Proposed Spaces/ Household owning vehicles	5.4%

## **RV Competition Analysis**

As Recreational Vehicle (RV) storage may be a product considered at the subject property a RV general competition analysis was completed. This analysis gathered rental rates for competitive properties as well as product type and amenities offered.

Through our analysis, we found six properties within the three-mile area that offered various product types of RV storage. Three of these competitors (Tom's RV Storage, Main Street RV & Boat Storage, and Jones Rd. RV) are solely RV storage facilities and do not offer traditional self-storage product. The three other RV storage competitors (Anytown Self Storage, AAAA Self Storage, and Storagus Maximus), offer RV storage as a supplementary product to their mainline business of self-storage.

The three RV storage only properties are below industry standards as far as RV storage facilities go. All three have gravel drives and parking areas, and offer no additional amenities (dumb station, wash bays, propane...). Security at these properties is minimal with two of the three having keypad entry gates and none have security cameras. All three of these properties offer uncovered RV spaces, while Discount RV & Boat offers covered parking in conjunction with its uncovered product.

Main Street RV & Boat, located 2.6 miles from the subject site on Main Street, is the largest RV storage property in the trade area with approximately 600 RV spaces and occupancy of 80%. It is a 40-acre property, of which they are only utilizing 20 acres based on RV storage demand. This property is the hardest to locate, and utilizes little to no marketing to promote its business.

Tom's RV Storage, the closest competitor located 1.2 mile away on Main Street, is a newer property with 300 spaces. As it is newer and still going through the rent-up process, its occupancy is at 40%. This property does not offer a primary office at the location and to its detriment sits a distance from Main Street.

Jones Rd. RV is located 2.9 miles from the subject property on First Street, is the smallest of the three RV only facilities. It has 150 spaces and is currently holds 60% occupancy.

The three self-storage properties offering RV storage have asphalt drives and parking areas, keypad entry systems, and cameras. The only store to have any additional amenities is Anytown Self Storage, with propane filling service.

Storagus Maximus located 3.15 miles due south of the subject property on Main Street, offers the largest supply of RV storage of the three self-storage properties. It offers 150 open RV spaces, and a minimal amount of enclosed 15' by 45' spaces. Storagus Maximus Self Storage is currently running at 75% occupancy. As a side note, the manager at this location did mention that there were plans in the near future to convert a portion of their RV lot to self-storage buildings.

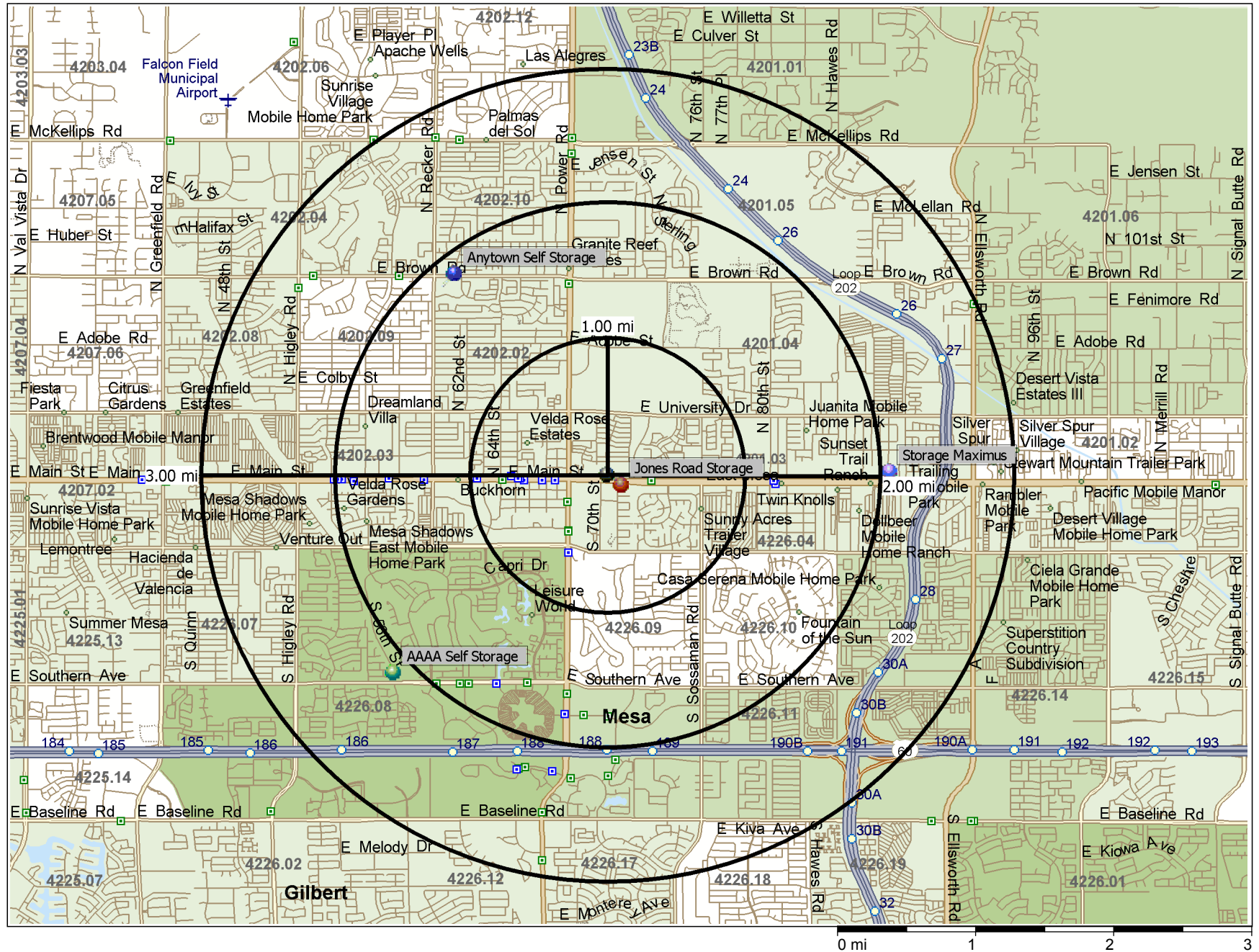
AAAA Self Storage is located 3.1 miles from the subject on Main Street, has 55 open RV spaces. Its occupancy is 85%. This property has the narrowest drives of all the self-storage/RV properties, which makes it difficult for some of the larger vehicles to utilize this property.

Anytown Self Storage is located 1.6 miles NW of the property on Second Avenue. It has the smallest RV storage space inventory at 41 spaces. The only added advantage for this location is that it offers some repair services for RVs as well as a propane filling station.

In general, RV storage in the trade area, whether operated as a primary or complimentary business is not taken seriously as seen from the poor product offered in the trade area, the lack of marketing and below average service. With that said, the businesses offering RV storage in the trade area are still realizing some success, and would probably see improved results if they were operated better and offered more to the RV customer.

# Current Real Estate Development Map

Pushpins



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>  
 Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

## **Current Real Estate Development Summary**

Real estate development in the area has been strong in the past and it is seeing some very good residential and commercial growth within the three-mile trade area. Below is a summary of some of the larger developments currently underway within three-miles of the subject property.

Highland Hills at Highland Ranch, located approximately 0.7 miles SW of the subject property on First Avenue, is adding 228 apartments to its already large residential community. Site work, utilities are underway.

Desert Vista at Highland Ranch is located approximately 0.7 miles NE of the subject property at the SWC of Second Avenue and Jones Roads. This is a significant residential development being built on over 200 acres with an estimated 697 homes slated for this master-planned community. Site work is currently underway.

Forest Woods has started the site work on the SEC of Main and First Avenues, for 208 lot residential development as an addition to the Highland Ranch community. Site work is currently underway.

Liv Northgate Anytown located just south of the Forest Woods development has broken ground on a 402-unit Class A apartment community. It is located at the NEC of First Avenue and Main Street. This is being built to compliment The Rockefeller Group's 155-acre mixed-use North Freeway master plan, which can accommodate more than 1 MSF of office and industrial space and 12.2 acres of retail development.

Joe's Pork Warehouse has broken ground on its 550,000-square foot facility, which is located two miles south of the property on Main Street. This warehouse/showroom built on 73 acres is projected to employ up to 300 people and is planned to open this year.

Cooley Falls located on Jones Road is located three miles SW of the subject property. This is a 704-acre mixed-use master-plan community. The infrastructure is in for this development, though current work has stopped.

## **Summary, Findings and Recommendations**

Based on our survey of the trade area competition, demographics, and current market conditions in the area, we feel that the proposed subject facility can be successfully added to the current trade area and compete effectively given the current environment.

As storage presence of the current competitors in the trade area is very weak, this is an area that the developer of the subject property must take advantage of when designing the property. This can be achieved through a variety of design measures, but will certainly be one of the significant keys to this property's success.

Having a strong storage presence in conjunction with the maximum allowable signage visible to the significant traffic on Main Street will be advantageous to a successful development. Other critical attributes to consider are the quality of the project, the retail and merchandise area of the office, the specific storage product offering and competent management. The majority of the competitors are lacking these key attributes in the three-mile trade area.

Storagus Maximus offered a significant variety of moving and packing supplies and had a large area to merchandize such products. Anytown Self Storage had by far the largest merchandise area but failed to take full advantage of the space by utilizing only about one-third of the space available. The other competitors in the three-mile radius had below average floor space to adequately sell moving and packing supplies. A retail office of no less than 750 SF designed to serve these needs would provide a service and amenity that is currently not adequately offered throughout the trade area.

As the Manager Ratings have shown, there are no sales oriented managers in the trade area. The managers we encountered were friendly, though they had little desire to make a sale, ask for the business and push their product. We witnessed an inability to engage the customers, establish their needs and collect information to follow up. On the one occasion where a name was asked for and provided, there was no further information obtained to follow up on the lead. The managers in the trade area appeared to either be poorly trained and/or storage sales skills were not a focus of upper management. A management staff with strong customer service values having a dedicated training program focused on salesmanship & telephone skills, and a thorough knowledge of their self storage product lines would be a significant competitive advantage for the proposed project.

The estimated 2013 population densities within the three-mile trade area while not overly dense at 73,626 people, does support the need for additional self storage units. Including the proposed subject property at 74,000 NRSF and using the three-mile trade area population, the Market Ratio of storage units to population is at 5.4%, while the Square Foot Ratio per capita is 5.9. Based on our experience, a Market Ratio of 4.0% is considered a benchmark for a trade area to have pent-up demand and a Square Foot Ratio per capita less than 7.0 is considered to be viable. The storage ratios coupled with the



residential and commercial development growth in the market appear to support a successful self storage development.

Based on our RV storage investigation and the following criteria of population densities, current market ratios, income levels, and product quality, our opinion is that the subject property is a viable candidate for an ancillary RV storage product.

To elaborate further, based on national RV ownership statistics, 8.5% of vehicle owning households owns an RV. Given this ratio when applied to the trade area's 25,189 households owning vehicles, it is estimated that there are approximately 2,141 RV owners in the three-mile trade area. With a current estimated RV Storage supply of 1,241 spaces, this leads us to believe that there is room for additional supply as it relates to current estimated RV ownership in the trade area. It should be noted that the demand for RV Storage space is not solely the recreational vehicle owner but is utilized by other commercial and residential users for such things as utility trailers, toy haulers, car and fleet parking. With this in mind, the demand for RV storage could potentially be higher than the 2,141 estimated RV owners referenced above.

The national statistics of RV ownership cite the typical RV owner as having a median household income of \$56,000 and an average household income of \$68,000. While the three-mile trade area median household income of \$52,767 and average household income of \$65,967 appear to fall just short of these two income benchmarks it should be noted that the income levels within the trade area affected by the presence of senior housing developments.

Through our observations of the trade area, its demographics and competition, the proposed subject property can be a successful development given the following recommended conditions:

- Maximizing storage presence and signage along Main Street.
- 85,000 GSF of self storage with no less than 40% of the space air conditioned.
- 150 RV spaces with a product mix containing open, covered and enclosed spaces.
- Competent management dedicated to providing high level customer service, continuous sales training and rate management.
- Offer security amenities that are at a minimum, consistent with what is currently in the trade area such as CCTV, extended access control, and cylinder locks.
- High level marketing campaigns directed at local residents, and commercial uses.
- Retail oriented office of no less than 750 SF.

Considering the aforementioned recommendations we believe this property warrants a proforma financial analysis to better understand potential investment returns.

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles <i>Radius 1</i>		0.00 - 2.00 miles <i>Radius 2</i>		0.00 - 3.00 miles <i>Radius 3</i>	
		%		%		%
<b>Population</b>						
2018 Projection	9,454		36,437		80,094	
2013 Estimate	8,844		34,120		73,626	
2010 Census	8,490		32,764		69,579	
2000 Census	5,706		23,819		43,045	
Growth 2013-2018	6.90%		6.79%		8.78%	
Growth 2010-2013	4.17%		4.14%		5.82%	
Growth 2000-2010	48.79%		37.55%		61.64%	
<b>2013 Est. Pop by Single Race Class</b>	8,844		34,120		73,626	
White Alone	7,049	79.70	28,209	82.68	59,984	81.47
Black or African American Alone	340	3.84	1,001	2.93	2,336	3.17
Amer. Indian and Alaska Native Alone	71	0.80	251	0.74	748	1.02
Asian Alone	548	6.20	1,699	4.98	3,449	4.68
Native Hawaiian and Other Pac. Isl. Alone	10	0.11	73	0.21	196	0.27
Some Other Race Alone	512	5.79	1,740	5.10	4,319	5.87
Two or More Races	314	3.55	1,147	3.36	2,594	3.52
<b>2013 Est. Pop Hisp or Latino by Origin</b>	8,844		34,120		73,626	
Not Hispanic or Latino	7,562	85.50	29,210	85.61	61,433	83.44
Hispanic or Latino:	1,282	14.50	4,910	14.39	12,193	16.56
Mexican	973	75.90	3,920	79.84	10,065	82.55
Puerto Rican	23	1.79	154	3.14	458	3.76
Cuban	14	1.09	30	0.61	32	0.26
All Other Hispanic or Latino	272	21.22	805	16.40	1,639	13.44
<b>2013 Est. Hisp or Latino by Single Race Class</b>	1,282		4,910		12,193	
White Alone	667	52.03	2,672	54.42	6,716	55.08
Black or African American Alone	9	0.70	49	1.00	130	1.07
American Indian and Alaska Native Alone	11	0.86	50	1.02	167	1.37
Asian Alone	3	0.23	18	0.37	37	0.30
Native Hawaiian and Other Pacific Islander Alone	0	0.00	4	0.08	15	0.12
Some Other Race Alone	502	39.16	1,693	34.48	4,211	34.54
Two or More Races	90	7.02	423	8.62	915	7.50

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	Radius 1	%	Radius 2	%	Radius 3	%
<b>2013 Est. Pop. Asian Alone Race by Cat</b>	548		1,699		3,449	
Chinese, except Taiwanese	46	8.39	402	23.66	676	19.60
Filipino	207	37.77	439	25.84	937	27.17
Japanese	6	1.09	29	1.71	90	2.61
Asian Indian	45	8.21	164	9.65	342	9.92
Korean	22	4.01	55	3.24	371	10.76
Vietnamese	190	34.67	250	14.71	509	14.76
Cambodian	0	0.00	3	0.18	4	0.12
Hmong	0	0.00	0	0.00	0	0.00
Laotian	21	3.83	53	3.12	67	1.94
Thai	0	0.00	146	8.59	209	6.06
All Other Asian Races Including 2+ Category	11	2.01	158	9.30	246	7.13
<b>2013 Est. Population by Ancestry</b>	8,844		34,120		73,626	
Pop, Arab	30	0.34	97	0.28	248	0.34
Pop, Czech	7	0.08	147	0.43	299	0.41
Pop, Danish	42	0.47	286	0.84	502	0.68
Pop, Dutch	33	0.37	290	0.85	754	1.02
Pop, English	915	10.35	3,218	9.43	7,027	9.54
Pop, French (except Basque)	89	1.01	623	1.83	1,254	1.70
Pop, French Canadian	13	0.15	131	0.38	278	0.38
Pop, German	1,391	15.73	5,700	16.71	11,854	16.10
Pop, Greek	8	0.09	237	0.69	482	0.65
Pop, Hungarian	37	0.42	149	0.44	275	0.37
Pop, Irish	656	7.42	2,210	6.48	4,752	6.45
Pop, Italian	180	2.04	1,137	3.33	2,558	3.47
Pop, Lithuanian	0	0.00	12	0.04	32	0.04
Pop, United States or American	244	2.76	1,126	3.30	2,681	3.64
Pop, Norwegian	63	0.71	737	2.16	1,772	2.41
Pop, Polish	187	2.11	865	2.54	1,849	2.51
Pop, Portuguese	0	0.00	28	0.08	68	0.09
Pop, Russian	4	0.05	94	0.28	591	0.80
Pop, Scottish	287	3.25	929	2.72	1,517	2.06
Pop, Scotch-Irish	142	1.61	322	0.94	557	0.76
Pop, Slovak	8	0.09	27	0.08	56	0.08
Pop, Sub-Saharan African	5	0.06	24	0.07	27	0.04
Pop, Swedish	111	1.26	507	1.49	1,050	1.43
Pop, Swiss	3	0.03	41	0.12	310	0.42
Pop, Ukrainian	0	0.00	14	0.04	79	0.11
Pop, Welsh	13	0.15	95	0.28	166	0.23
Pop, West Indian (exc Hisp groups)	0	0.00	39	0.11	65	0.09
Pop, Other ancestries	2,763	31.24	9,418	27.60	21,010	28.54



Prepared On: Tues Mar 26, 2013 Page 2 Of 12

Prepared By:

Nielsen Solution Center 1 800 866 6511

Prepared For:

© 2013 The Nielsen Company. All rights reserved.

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles <i>Radius 1</i>		0.00 - 2.00 miles <i>Radius 2</i>		0.00 - 3.00 miles <i>Radius 3</i>	
		%		%		%
<b>2013 Est. Population by Ancestry</b>						
Pop, Ancestry Unclassified	1,613	18.24	5,618	16.47	11,511	15.63
<b>2013 Est. Pop Age 5+ by Language Spoken At Home</b>	8,006		31,400		67,444	
Speak Only English at Home	6,594	82.36	27,252	86.79	58,809	87.20
Speak Asian/Pac. Isl. Lang. at Home	432	5.40	971	3.09	1,894	2.81
Speak IndoEuropean Language at Home	93	1.16	414	1.32	1,140	1.69
Speak Spanish at Home	851	10.63	2,590	8.25	5,310	7.87
Speak Other Language at Home	36	0.45	172	0.55	291	0.43
<b>2013 Est. Population by Sex</b>	8,844		34,120		73,626	
Male	4,274	48.33	16,518	48.41	35,602	48.36
Female	4,570	51.67	17,602	51.59	38,024	51.64
<b>2013 Est. Population by Age</b>	8,844		34,120		73,626	
Age 0 - 4	838	9.48	2,720	7.97	6,182	8.40
Age 5 - 9	826	9.34	2,872	8.42	6,129	8.32
Age 10 - 14	870	9.84	3,038	8.90	6,082	8.26
Age 15 - 17	516	5.83	1,772	5.19	3,342	4.54
Age 18 - 20	363	4.10	1,376	4.03	2,810	3.82
Age 21 - 24	482	5.45	1,678	4.92	3,547	4.82
Age 25 - 34	1,328	15.02	4,332	12.70	10,285	13.97
Age 35 - 44	1,324	14.97	4,943	14.49	10,465	14.21
Age 45 - 54	1,185	13.40	4,576	13.41	8,888	12.07
Age 55 - 64	692	7.82	2,947	8.64	6,144	8.34
Age 65 - 74	280	3.17	1,992	5.84	4,953	6.73
Age 75 - 84	106	1.20	1,439	4.22	3,543	4.81
Age 85 and over	34	0.38	434	1.27	1,256	1.71
Age 16 and over	6,109	69.08	24,854	72.84	54,047	73.41
Age 18 and over	5,794	65.51	23,718	69.51	51,891	70.48
Age 21 and over	5,431	61.41	22,341	65.48	49,081	66.66
Age 65 and over	419	4.74	3,865	11.33	9,753	13.25
<b>2013 Est. Median Age</b>	29.0		33.3		33.5	
<b>2013 Est. Average Age</b>	30.50		34.70		35.40	

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	<i>Radius 1</i>	%	<i>Radius 2</i>	%	<i>Radius 3</i>	%
<b>2013 Est. Male Population by Age</b>	4,274		16,518		35,602	
Age 0 - 4	428	10.01	1,369	8.29	3,176	8.92
Age 5 - 9	418	9.78	1,441	8.72	3,127	8.78
Age 10 - 14	436	10.20	1,547	9.37	3,115	8.75
Age 15 - 17	257	6.01	896	5.42	1,718	4.83
Age 18 - 20	189	4.42	692	4.19	1,407	3.95
Age 21 - 24	232	5.43	826	5.00	1,725	4.85
Age 25 - 34	604	14.13	2,060	12.47	4,861	13.65
Age 35 - 44	632	14.79	2,375	14.38	5,065	14.23
Age 45 - 54	568	13.29	2,222	13.45	4,349	12.22
Age 55 - 64	336	7.86	1,401	8.48	2,857	8.02
Age 65 - 74	118	2.76	866	5.24	2,133	5.99
Age 75 - 84	45	1.05	644	3.90	1,562	4.39
Age 85 and over	12	0.28	181	1.10	506	1.42
<b>2013 Est. Median Age, Male</b>	27.9		32.2		32.3	
<b>2013 Est. Average Age, Male</b>	29.80		33.90		34.30	
<b>2013 Est. Female Population by Age</b>	4,570		17,602		38,024	
Age 0 - 4	411	8.99	1,351	7.68	3,006	7.91
Age 5 - 9	408	8.93	1,431	8.13	3,002	7.90
Age 10 - 14	434	9.50	1,491	8.47	2,967	7.80
Age 15 - 17	259	5.67	876	4.98	1,624	4.27
Age 18 - 20	174	3.81	685	3.89	1,403	3.69
Age 21 - 24	250	5.47	852	4.84	1,821	4.79
Age 25 - 34	724	15.84	2,273	12.91	5,424	14.26
Age 35 - 44	693	15.16	2,568	14.59	5,399	14.20
Age 45 - 54	617	13.50	2,354	13.37	4,539	11.94
Age 55 - 64	356	7.79	1,547	8.79	3,287	8.64
Age 65 - 74	162	3.54	1,127	6.40	2,820	7.42
Age 75 - 84	61	1.33	795	4.52	1,981	5.21
Age 85 and over	21	0.46	253	1.44	751	1.98
<b>2013 Est. Median Age, Female</b>	29.8		34.3		34.6	
<b>2013 Est. Average Age, Female</b>	31.10		35.50		36.50	

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	Radius 1	%	Radius 2	%	Radius 3	%
<b>2013 Est. Pop Age 15+ by Marital Status</b>	6,310		25,490		55,233	
Total, Never Married	1,905	30.19	7,046	27.64	14,881	26.94
Males, Never Married	995	15.77	3,882	15.23	7,967	14.42
Females, Never Married	910	14.42	3,164	12.41	6,914	12.52
Married, Spouse present	3,404	53.95	13,679	53.66	29,807	53.97
Married, Spouse absent	196	3.11	769	3.02	1,700	3.08
Widowed	168	2.66	1,178	4.62	3,104	5.62
Males Widowed	14	0.22	192	0.75	586	1.06
Females Widowed	154	2.44	986	3.87	2,518	4.56
Divorced	637	10.10	2,817	11.05	5,741	10.39
Males Divorced	197	3.12	980	3.84	2,046	3.70
Females Divorced	440	6.97	1,837	7.21	3,695	6.69
<b>2013 Est. Pop. Age 25+ by Edu. Attainment</b>	4,949		20,663		45,535	
Less than 9th grade	77	1.56	483	2.34	1,178	2.59
Some High School, no diploma	127	2.57	755	3.65	2,058	4.52
High School Graduate (or GED)	952	19.24	4,441	21.49	10,661	23.41
Some College, no degree	1,646	33.26	6,358	30.77	13,146	28.87
Associate Degree	596	12.04	2,230	10.79	4,769	10.47
Bachelor's Degree	1,103	22.29	4,315	20.88	9,303	20.43
Master's Degree	320	6.47	1,452	7.03	3,156	6.93
Professional School Degree	82	1.66	407	1.97	804	1.77
Doctorate Degree	46	0.93	222	1.07	459	1.01
<b>2013 Est Pop Age 25+ by Edu. Attain, Hisp. or Lat</b>	629		2,431		5,962	
CY Pop 25+, Hisp/Lat, < High School Diploma	67	10.65	362	14.89	998	16.74
CY Pop 25+, Hisp/Lat, High School Graduate	223	35.45	604	24.85	1,153	19.34
CY Pop 25+, Hisp/Lat, Some College or Associate's Deg	216	34.34	936	38.50	2,504	42.00
CY Pop 25+, Hisp/Lat, Bachelor's Degree or Higher	123	19.55	528	21.72	1,306	21.91
<b>Households</b>						
2018 Projection	2,888		12,279		27,852	
2013 Estimate	2,726		11,603		25,924	
2010 Census	2,662		11,251		24,873	
2000 Census	1,671		8,174		15,399	
Growth 2013-2018	5.94%		5.83%		7.44%	
Growth 2010-2013	2.40%		3.13%		4.23%	
Growth 2000-2010	59.31%		37.64%		61.52%	
<b>2013 Est. Households by Household Type</b>	2,726		11,603		25,924	



Prepared On: Tues Mar 26, 2013 Page 5 Of 12

Prepared By:

Nielsen Solution Center 1 800 866 6511

Prepared For:

© 2013 The Nielsen Company. All rights reserved.

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	Radius 1	%	Radius 2	%	Radius 3	%
Family Households	2,212	81.14	8,856	76.33	18,866	72.77
Nonfamily Households	515	18.89	2,747	23.67	7,058	27.23
<b>2013 Est. Group Quarters Population</b>	7		26		124	
<b>2013 HHs by Ethnicity, Hispanic/Latino</b>	337	12.36	1,298	11.19	3,209	12.38
<b>2013 Est. HHs by HH Income</b>	2,726		11,603		25,924	
CY HHs, Inc < \$15,000	198	7.26	1,015	8.75	2,386	9.20
CY HHs, Inc \$15,000 - \$24,999	237	8.69	996	8.58	2,583	9.96
CY HHs, Inc \$25,000 - \$34,999	324	11.89	1,367	11.78	3,273	12.63
CY HHs, Inc \$35,000 - \$49,999	392	14.38	1,857	16.00	4,134	15.95
CY HHs, Inc \$50,000 - \$74,999	642	23.55	2,548	21.96	5,291	20.41
CY HHs, Inc \$75,000 - \$99,999	392	14.38	1,691	14.57	3,687	14.22
CY HHs, Inc \$100,000 - \$124,999	276	10.12	1,088	9.38	2,233	8.61
CY HHs, Inc \$125,000 - \$149,999	116	4.26	458	3.95	912	3.52
CY HHs, Inc \$150,000 - \$199,999	111	4.07	372	3.21	869	3.35
CY HHs, Inc \$200,000 - \$249,999	21	0.77	97	0.84	231	0.89
CY HHs, Inc \$250,000 - \$499,999	17	0.62	102	0.88	279	1.08
CY HHs, Inc \$500,000+	1	0.04	12	0.10	47	0.18
<b>2013 Est. Average Household Income</b>	\$67,779		\$66,506		\$65,967	
<b>2013 Est. Median Household Income</b>	\$58,268		\$55,554		\$52,767	
<b>2013 Median HH Inc by Single Race Class. or Ethn</b>						
White Alone	59,474		55,764		53,253	
Black or African American Alone	30,645		39,084		47,748	
American Indian and Alaska Native Alone	38,027		41,214		39,806	
Asian Alone	64,434		56,509		49,834	
Native Hawaiian and Other Pacific Islander Alone	42,744		60,393		51,322	
Some Other Race Alone	61,968		61,679		52,342	
Two or More Races	42,889		56,623		53,147	
Hispanic or Latino	54,252		55,966		53,029	
Not Hispanic or Latino	59,222		55,475		52,721	
<b>2013 Est. Family HH Type, Presence Own Children</b>	2,212		8,856		18,866	
Married-Couple Family, own children	1,078	48.73	3,480	39.30	6,751	35.78
Married-Couple Family, no own children	624	28.21	3,435	38.79	8,144	43.17



Prepared On: Tues Mar 26, 2013 Page 6 Of 12

Prepared By:

Nielsen Solution Center 1 800 866 6511

Prepared For:

© 2013 The Nielsen Company. All rights reserved.



## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	Radius 1	%	Radius 2	%	Radius 3	%
Male Householder, own children	92	4.16	376	4.25	651	3.45
Male Householder, no own children	34	1.54	165	1.86	433	2.30
Female Householder, own children	200	9.04	879	9.93	1,882	9.98
Female Householder, no own children	184	8.32	522	5.89	1,004	5.32

<b>2013 Est. Households by Household Size</b>	2,726		11,603		25,924	
1-person household	359	13.17	2,125	18.31	5,358	20.67
2-person household	716	26.27	3,626	31.25	8,414	32.46
3-person household	556	20.40	1,974	17.01	4,150	16.01
4-person household	539	19.77	1,960	16.89	3,998	15.42
5-person household	302	11.08	1,083	9.33	2,267	8.74
6-person household	157	5.76	534	4.60	1,096	4.23
7 or more person household	99	3.63	302	2.60	640	2.47

<b>2013 Est. Average Household Size</b>	3.24		2.94		2.84	
---	------	--	------	--	------	--

<b>2013 Est. Households by Presence of People</b>	2,726		11,603		25,924	
<b>Households with 1 or more People under Age 18:</b>	1,462	53.63	4,985	42.96	9,869	38.07
Married-Couple Family	1,102	75.38	3,563	71.47	7,005	70.98
Other Family, Male Householder	91	6.22	391	7.84	712	7.21
Other Family, Female Householder	264	18.06	1,004	20.14	2,111	21.39
Nonfamily, Male Householder	5	0.34	22	0.44	34	0.34
Nonfamily, Female Householder	1	0.07	4	0.08	8	0.08

<b>Households no People under Age 18:</b>	1,264	46.37	6,618	57.04	16,055	61.93
Married-Couple Family	578	45.73	3,187	48.16	7,807	48.63
Other Family, Male Householder	30	2.37	133	2.01	359	2.24
Other Family, Female Householder	115	9.10	365	5.52	736	4.58
Nonfamily, Male Householder	258	20.41	1,248	18.86	2,963	18.46
Nonfamily, Female Householder	283	22.39	1,684	25.45	4,190	26.10

<b>2013 Est. Households by Number of Vehicles</b>	2,726		11,603		25,924	
No Vehicles	36	1.32	240	2.07	735	2.84
1 Vehicle	809	29.68	4,163	35.88	9,911	38.23
2 Vehicles	1,268	46.52	4,920	42.40	10,640	41.04
3 Vehicles	435	15.96	1,617	13.94	3,353	12.93
4 Vehicles	130	4.77	514	4.43	1,025	3.95
5 or more Vehicles	49	1.80	149	1.28	261	1.01

<b>2013 Est. Average Number of Vehicles</b>	2		2		2	
---	---	--	---	--	---	--

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles <i>Radius 1</i>		0.00 - 2.00 miles <i>Radius 2</i>		0.00 - 3.00 miles <i>Radius 3</i>	
		%		%		%
<b>Family Households</b>						
2018 Projection	2,346		9,405		20,346	
2013 Estimate	2,212		8,856		18,866	
2010 Census	2,157		8,571		18,057	
2000 Census	1,475		6,683		12,085	
Growth 2013-2018	6.06%		6.20%		7.84%	
Growth 2010-2013	2.55%		3.33%		4.48%	
Growth 2000-2010	46.24%		28.25%		49.42%	
<b>2013 Est. Families by Poverty Status</b>	2,212		8,856		18,866	
2013 Families at or Above Poverty	2,041	92.27	8,308	93.81	17,685	93.74
2013 Families at or Above Poverty with Children	1,315	59.45	4,605	52.00	8,952	47.45
2013 Families Below Poverty	170	7.69	548	6.19	1,180	6.25
2013 Families Below Poverty with Children	146	6.60	442	4.99	909	4.82
<b>2013 Est. Pop Age 16+ by Employment Status</b>	6,109		24,854		54,047	
In Armed Forces	0	0.00	0	0.00	0	0.00
Civilian - Employed	4,148	67.90	15,315	61.62	32,593	60.30
Civilian - Unemployed	404	6.61	1,431	5.76	2,938	5.44
Not in Labor Force	1,557	25.49	8,108	32.62	18,515	34.26
<b>2013 Est. Civ Employed Pop 16+ Class of Worker</b>	4,317		15,990		34,073	
For-Profit Private Workers	3,258	75.47	11,994	75.01	25,336	74.36
Non-Profit Private Workers	242	5.61	863	5.40	1,957	5.74
Local Government Workers	250	5.79	970	6.07	2,142	6.29
State Government Workers	115	2.66	520	3.25	1,115	3.27
Federal Government Workers	90	2.08	296	1.85	557	1.63
Self-Emp Workers	360	8.34	1,339	8.37	2,938	8.62
Unpaid Family Workers	2	0.05	9	0.06	28	0.08
<b>2013 Est. Civ Employed Pop 16+ by Occupation</b>	4,317		15,990		34,073	
Architect/Engineer	170	3.94	473	2.96	922	2.71
Arts/Entertain/Sports	105	2.43	258	1.61	435	1.28
Building Grounds Maint	76	1.76	228	1.43	554	1.63
Business/Financial Ops	196	4.54	884	5.53	1,948	5.72
Community/Soc Svcs	58	1.34	212	1.33	445	1.31
Computer/Mathematical	143	3.31	683	4.27	1,221	3.58
Construction/Extraction	113	2.62	479	3.00	1,040	3.05
Edu/Training/Library	232	5.37	774	4.84	1,683	4.94
Farm/Fish/Forestry	13	0.30	40	0.25	61	0.18

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	Radius 1	%	Radius 2	%	Radius 3	%
Food Prep/Serving	297	6.88	1,045	6.54	1,950	5.72
Health Practitioner/Tec	283	6.56	1,200	7.50	2,368	6.95
Healthcare Support	89	2.06	396	2.48	923	2.71
Maintenance Repair	161	3.73	553	3.46	1,252	3.67
Legal	39	0.90	151	0.94	319	0.94
Life/Phys/Soc Science	26	0.60	113	0.71	200	0.59
Management	442	10.24	1,588	9.93	3,292	9.66
Office/Admin Support	792	18.35	2,694	16.85	6,010	17.64
Production	155	3.59	452	2.83	999	2.93
Protective Svcs	75	1.74	309	1.93	745	2.19
Sales/Related	496	11.49	2,214	13.85	4,551	13.36
Personal Care/Svc	113	2.62	460	2.88	1,265	3.71
Transportation/Moving	243	5.63	785	4.91	1,889	5.54

<b>2013 Est. Pop 16+ by Occupation Classification</b>	4,317		15,990		34,073	
Blue Collar	672	15.57	2,269	14.19	5,180	15.20
White Collar	2,983	69.10	11,243	70.31	23,394	68.66
Service and Farm	662	15.33	2,479	15.50	5,499	16.14

<b>2013 Est. Workers Age 16+, Transp. To Work</b>	4,221		15,627		33,154	
Drove Alone	3,474	82.30	12,607	80.67	26,338	79.44
Car Pooled	376	8.91	1,711	10.95	3,995	12.05
Public Transportation	54	1.28	131	0.84	265	0.80
Walked	24	0.57	74	0.47	135	0.41
Bicycle	2	0.05	35	0.22	151	0.46
Other Means	35	0.83	158	1.01	432	1.30
Worked at Home	257	6.09	911	5.83	1,838	5.54

<b>2013 Est. Workers Age 16+ by Travel Time to Work *</b>						
Less than 15 Minutes	779		2,957		6,610	
15 - 29 Minutes	1,528		5,723		12,175	
30 - 44 Minutes	905		3,579		7,844	
45 - 59 Minutes	483		1,531		2,834	
60 or more Minutes	247		937		2,059	

<b>2013 Est. Avg Travel Time to Work in Minutes</b>	29.70		29.33		28.99	
---	-------	--	-------	--	-------	--

<b>2013 Est. Tenure of Occupied Housing Units</b>	2,726		11,603		25,924	
Owner Occupied	1,912	70.14	8,598	74.10	18,887	72.86
Renter Occupied	815	29.90	3,004	25.89	7,037	27.14



## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles <i>Radius 1</i>		0.00 - 2.00 miles <i>Radius 2</i>		0.00 - 3.00 miles <i>Radius 3</i>	
		%		%		%
<b>2013 Owner Occ. HUs: Avg. Length of Residence</b>	10.6		11.7		11.3	
<b>2013 Renter Occ. HUs: Avg. Length of Residence</b>	4.4		4.7		4.8	
<b>2013 Est. All Owner-Occupied Housing Values</b>	1,912		8,598		18,887	
Value Less than \$20,000	6	0.31	76	0.88	439	2.32
Value \$20,000 - \$39,999	1	0.05	22	0.26	377	2.00
Value \$40,000 - \$59,999	31	1.62	138	1.61	492	2.60
Value \$60,000 - \$79,999	23	1.20	191	2.22	904	4.79
Value \$80,000 - \$99,999	21	1.10	265	3.08	890	4.71
Value \$100,000 - \$149,999	459	24.01	2,366	27.52	4,752	25.16
Value \$150,000 - \$199,999	403	21.08	1,879	21.85	3,962	20.98
Value \$200,000 - \$299,999	620	32.43	2,369	27.55	4,425	23.43
Value \$300,000 - \$399,999	233	12.19	853	9.92	1,584	8.39
Value \$400,000 - \$499,999	50	2.62	147	1.71	354	1.87
Value \$500,000 - \$749,999	55	2.88	204	2.37	484	2.56
Value \$750,000 - \$999,999	3	0.16	17	0.20	40	0.21
Value \$1,000,000 or more	6	0.31	71	0.83	184	0.97
<b>2013 Est. Median All Owner-Occupied Housing Value</b>	\$201,963		\$183,024		\$170,069	
<b>2013 Est. Housing Units by Units in Structure</b>	2,905		12,913		29,992	
1 Unit Attached	53	1.82	778	6.02	1,724	5.75
1 Unit Detached	2,340	80.55	9,872	76.45	21,388	71.31
2 Units	9	0.31	71	0.55	119	0.40
3 or 4 Units	28	0.96	151	1.17	420	1.40
5 to 19 Units	268	9.23	1,198	9.28	2,618	8.73
20 to 49 Units	76	2.62	244	1.89	565	1.88
50 or More Units	113	3.89	303	2.35	577	1.92
Mobile Home or Trailer	17	0.59	293	2.27	2,536	8.46
Boat, RV, Van, etc.	0	0.00	3	0.02	47	0.16
<b>2013 Est. Housing Units by Year Structure Built</b>	2,905		12,913		29,992	
Housing Unit Built 2005 or later	464	15.97	1,343	10.40	3,669	12.23
Housing Unit Built 2000 to 2004	736	25.34	2,566	19.87	8,044	26.82
Housing Unit Built 1990 to 1999	1,414	48.67	6,755	52.31	11,307	37.70
Housing Unit Built 1980 to 1989	231	7.95	1,649	12.77	4,312	14.38
Housing Unit Built 1970 to 1979	31	1.07	446	3.45	2,008	6.70
Housing Unit Built 1960 to 1969	11	0.38	75	0.58	363	1.21
Housing Unit Built 1950 to 1959	17	0.59	54	0.42	216	0.72
Housing Unit Built 1940 to 1949	1	0.03	23	0.18	54	0.18



Prepared On: Tues Mar 26, 2013 Page 10 Of 12

Prepared By:

Nielsen Solution Center 1 800 866 6511

Prepared For:

© 2013 The Nielsen Company. All rights reserved.

## Pop-Facts: Demographic Snapshot 2013 Report

Description	0.00 - 1.00 miles		0.00 - 2.00 miles		0.00 - 3.00 miles	
	<i>Radius 1</i>	%	<i>Radius 2</i>	%	<i>Radius 3</i>	%
Housing Unit Built 1939 or Earlier	0	0.00	1	0.01	18	0.06
2013 Est. Median Year Structure Built **	1998		1996		1997	

\*This row intentionally left blank. No total category data is available.

\*\*1939 will appear when at least half of the Housing Units in this reports area were built in 1939 or earlier.

# Pop-Facts: Demographic Snapshot 2013 Report

## Appendix: Area Listing

### Area Name:

Type: Radius 1      Reporting Detail: Aggregate      Reporting Level: Block Group

#### Radius Definition:

S POWER RD AT E OLNEY AVE	Latitude/Longitude	33.357778	-111.687473
MESA, AZ 85212	Radius	0.00	- 1.00

### Area Name:

Type: Radius 2      Reporting Detail: Aggregate      Reporting Level: Block Group

#### Radius Definition:

S POWER RD AT E OLNEY AVE	Latitude/Longitude	33.357778	-111.687473
MESA, AZ 85212	Radius	0.00	- 2.00

### Area Name:

Type: Radius 3      Reporting Detail: Aggregate      Reporting Level: Block Group

#### Radius Definition:

S POWER RD AT E OLNEY AVE	Latitude/Longitude	33.357778	-111.687473
MESA, AZ 85212	Radius	0.00	- 3.00

### Project Information:

Site: 1

Order Number: 971706169





# **Proforma Analysis**

## PRO FORMA SUMMARY

### Cost Summary

Land	687,000	12.65
Construction Hard Costs	3,161,464	58.20
Development Soft Costs	247,331	4.55
Rent-Up Reserve	363,721	6.70
Total Cost	<u>4,459,515</u>	<u>82.09</u>
Loan Amount	2,941,549	
Equity	1,517,966	

Pro Forma Summary	YR1	YR2	Stabilization	PSF
Occupancy %	33%	77%	85%	
Discount %	27%	10%	0%	
Economic Occ %	24%	69%	85%	
Net Rent Sq Ft	54,325	54,325	54,325	
SF Occupied	17,656	41,785	46,176	
<b>Revenue</b>				
Gross Potential Rent	\$792,504	\$792,504	\$792,504	14.59
Vacancy	(\$604,879)	(\$243,596)	(\$118,876)	(2.19)
Rental Income	\$187,625	\$548,908	\$673,628	12.40
Retail Sales	\$7,553	\$11,315	\$12,000	0.22
Other Income	\$11,258	\$32,934	\$40,418	0.74
Truck Income	\$0	\$0	\$0	0.00
Total Revenue	<u>\$206,436</u>	<u>\$593,158</u>	<u>\$726,046</u>	<u>13.36</u>
<b>Expenses</b>				
Personnel	(\$62,365)	(\$57,325)	(\$57,325)	(1.06)
Admin	(\$23,691)	(\$23,691)	(\$23,691)	(0.44)
Utilities	(\$24,000)	(\$24,000)	(\$24,000)	(0.44)
R&M	(\$16,200)	(\$16,200)	(\$16,200)	(0.30)
Marketing	(\$41,800)	(\$16,800)	(\$16,800)	(0.31)
Cost of Goods Sold	(\$3,776)	(\$5,658)	(\$6,000)	(0.11)
Real Estate Taxes	(\$100,799)	(\$100,799)	(\$100,799)	(1.86)
Other	(\$23,800)	(\$8,800)	(\$8,800)	(0.16)
Management Fees	<u>(\$36,000)</u>	<u>(\$37,461)</u>	<u>(\$43,563)</u>	<u>(0.80)</u>
Total Expenses	<u>(\$332,431)</u>	<u>(\$290,733)</u>	<u>(\$297,177)</u>	<u>(5.47)</u>
<b>Net Operating Income</b>	<u><b>(\$125,995)</b></u>	<u><b>\$302,425</b></u>	<u><b>\$428,869</b></u>	<u><b>7.89</b></u>
<b>Debt Service</b>	<b>(\$232,854)</b>	<b>(\$232,854)</b>	<b>(\$232,854)</b>	
<b>Net Cash Flow</b>	<u><b>(\$358,849)</b></u>	<u><b>\$69,571</b></u>	<u><b>\$196,015</b></u>	
<b>Return on Asset (ROA)</b>	<b>-2.8%</b>	<b>6.8%</b>	<b>9.6%</b>	
<b>Return on Investment (ROI)</b>	<b>-23.6%</b>	<b>4.6%</b>	<b>12.9%</b>	

## PRO FORMA DETAIL

		Year #1											
		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Occupancy %		5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
Discount %		33%	33%	33%	33%	33%	33%	25%	25%	25%	25%	25%	25%
Economic Occ%		3%	7%	10%	13%	17%	20%	26%	30%	34%	38%	41%	45%
Net Rent Sq Ft		54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325
SF Occ		2,716	5,433	8,149	10,865	13,581	16,298	19,014	21,730	24,446	27,163	29,879	32,595
<b>Revenue</b>													
Gross Potential Rent		\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042
Vacancy/Discounts		(\$63,830)	(\$61,617)	(\$59,405)	(\$57,192)	(\$54,980)	(\$52,768)	(\$48,706)	(\$46,229)	(\$43,753)	(\$41,276)	(\$38,800)	(\$36,323)
Rental Income		\$2,212	\$4,425	\$6,637	\$8,850	\$11,062	\$13,274	\$17,336	\$19,813	\$22,289	\$24,766	\$27,242	\$29,719
Retail Sales		\$435	\$471	\$506	\$541	\$576	\$612	\$647	\$682	\$718	\$753	\$788	\$824
Other Income	6%	\$133	\$265	\$398	\$531	\$664	\$796	\$1,040	\$1,189	\$1,337	\$1,486	\$1,635	\$1,783
Truck Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$2,780	\$5,161	\$7,541	\$9,922	\$12,302	\$14,683	\$19,023	\$21,684	\$24,344	\$27,005	\$29,665	\$32,326
<b>Expenses</b>													
Personnel		(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)	(\$5,197)
Admin		(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)
Utilities		(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)
R&M		(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)
Marketing		(\$6,400)	(\$6,400)	(\$6,400)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)	(\$2,511)
Cost of Goods Sold	50%	(\$218)	(\$235)	(\$253)	(\$271)	(\$288)	(\$306)	(\$324)	(\$341)	(\$359)	(\$376)	(\$394)	(\$412)
Real Estate Taxes		(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)
Other		(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)
Management Fees		(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)
Total Expenses		(\$29,272)	(\$29,290)	(\$29,307)	(\$25,436)	(\$25,454)	(\$25,472)	(\$25,489)	(\$25,507)	(\$25,524)	(\$25,542)	(\$25,560)	(\$25,577)
Start-Up Expenses		(15,000)											
Net Operating Income		(\$41,492)	(\$24,129)	(\$21,766)	(\$15,514)	(\$13,152)	(\$10,789)	(\$6,466)	(\$3,823)	(\$1,180)	\$1,463	\$4,105	\$6,748
Debt Service		(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)
Net Cash Flow		(\$60,896)	(\$43,533)	(\$41,171)	(\$34,919)	(\$32,556)	(\$30,193)	(\$25,870)	(\$23,228)	(\$20,585)	(\$17,942)	(\$15,299)	(\$12,656)
Rent Up Reserve		(\$60,896)	(\$104,430)	(\$145,600)	(\$180,519)	(\$213,075)	(\$243,269)	(\$269,139)	(\$292,367)	(\$312,952)	(\$330,894)	(\$346,193)	(\$358,849)

## PRO FORMA DETAIL

		Year #2											
		M13	M14	M15	M16	M17	M18	M19	M20	M21	M22	M23	M24
Occupancy %		65%	70%	75%	75%	76%	77%	78%	79%	80%	81%	83%	84%
Discount %		15%	15%	15%	15%	15%	10%	10%	10%	5%	5%	5%	3%
Economic Occ%		55%	60%	64%	64%	65%	69%	70%	71%	76%	77%	79%	82%
Net Rent Sq Ft		54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325
SF Occ		35,311	38,028	40,744	40,744	41,287	41,830	42,374	42,917	43,460	44,003	45,090	45,633
<b>Revenue</b>													
Gross Potential Rent		\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042
Vacancy/Discounts		(\$29,554)	(\$26,747)	(\$23,940)	(\$23,940)	(\$23,379)	(\$20,275)	(\$19,681)	(\$19,086)	(\$15,850)	(\$15,223)	(\$13,968)	(\$11,954)
Rental Income		\$36,488	\$39,295	\$42,102	\$42,102	\$42,663	\$45,767	\$46,361	\$46,956	\$50,192	\$50,819	\$52,074	\$54,088
Retail Sales		\$859	\$894	\$929	\$929	\$936	\$944	\$951	\$958	\$965	\$972	\$986	\$993
Other Income	6%	\$2,189	\$2,358	\$2,526	\$2,526	\$2,560	\$2,746	\$2,782	\$2,817	\$3,012	\$3,049	\$3,124	\$3,245
Truck Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$39,536	\$42,547	\$45,557	\$45,557	\$46,159	\$49,457	\$50,094	\$50,731	\$54,168	\$54,840	\$56,184	\$58,327
<b>Expenses</b>													
Personnel		(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)
Admin		(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)
Utilities		(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)
R&M		(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)
Marketing		(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)
Cost of Goods Sold	50%	(\$429)	(\$447)	(\$465)	(\$465)	(\$468)	(\$472)	(\$475)	(\$479)	(\$482)	(\$486)	(\$493)	(\$496)
Real Estate Taxes		(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)
Other		(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)
Management Fees		(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,006)	(\$3,044)	(\$3,250)	(\$3,290)	(\$3,371)	(\$3,500)
Total Expenses		(\$24,064)	(\$24,082)	(\$24,099)	(\$24,099)	(\$24,103)	(\$24,106)	(\$24,115)	(\$24,157)	(\$24,367)	(\$24,411)	(\$24,499)	(\$24,631)
<b>Start-Up Expenses</b>													
Net Operating Income		\$15,472	\$18,465	\$21,458	\$21,458	\$22,057	\$25,350	\$25,978	\$26,574	\$29,801	\$30,429	\$31,686	\$33,696
Debt Service		(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)
Net Cash Flow		(\$3,932)	(\$939)	\$2,054	\$2,054	\$2,652	\$5,946	\$6,574	\$7,169	\$10,397	\$11,025	\$12,281	\$14,292
Rent Up Reserve		(\$362,781)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)

## PRO FORMA DETAIL

		Year #3											
		M25	M26	M27	M28	M29	M30	M31	M32	M33	M34	M35	M36
Occupancy %		85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Discount %		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Economic Occ%		85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Net Rent Sq Ft		54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325	54,325
SF Occ		46,176	46,176	46,176	46,176	46,176	46,176	46,176	46,176	46,176	46,176	46,176	46,176
Revenue													
Gross Potential Rent		\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042	\$66,042
Vacancy/Discounts		(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)	(\$9,906)
Rental Income		\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136	\$56,136
Retail Sales		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Other Income	6%	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368	\$3,368
Truck Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504	\$60,504
Expenses													
Personnel		(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)	(\$4,777)
Admin		(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)	(\$1,974)
Utilities		(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)
R&M		(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)	(\$1,350)
Marketing		(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)
Cost of Goods Sold	50%	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Real Estate Taxes		(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)
Other		(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)	(\$733)
Management Fees		(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)	(\$3,630)
Total Expenses		(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)	(\$24,765)
Start-Up Expenses													
Net Operating Income		\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739	\$35,739
Debt Service		(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)	(\$19,404)
Net Cash Flow		\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335	\$16,335
Rent Up Reserve		(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)	(\$363,721)

## UNIT MIX

Width	Depth	Sq. Ft.	Units	Total SF	Rate	Avg Rate / PSF	Potential	
Non-Climate Outside								
5	x	5	25	16	400	\$45	\$1.80	\$720
5	x	10	50	15	750	\$69	\$1.38	\$1,035
7.5	x	10	75	8	600	\$84	\$1.12	\$672
10	x	10	100	74	7,400	\$109	\$1.09	\$8,066
10	x	15	150	68	10,200	\$142	\$0.95	\$9,656
10	x	20	200	76	15,200	\$175	\$0.88	\$13,300
10	x	30	300	0	0	\$221	\$0.00	\$0
12	x	30	360	0	0	\$250	\$0.00	\$0
			134	257	34,550		\$0.97	\$33,449

**Non-Climate Inside**

5	x	5	25	0	0	\$50	\$0.00	\$0
5	x	10	50	0	0	\$70	\$0.00	\$0
5	x	15	75	0	0	\$90	\$0.00	\$0
10	x	10	100	0	0	\$110	\$0.00	\$0
10	x	15	150	0	0	\$135	\$0.00	\$0
10	x	20	200	0	0	\$150	\$0.00	\$0
10	x	30	300	0	0	\$0	\$0.00	\$0
12	x	30	360	0	0	\$0	\$0.00	\$0
				0	0		\$0.00	\$0

**Non-Climate Elevator/Other**

5	x	5	25	0	0	\$0	\$0.00	\$0
5	x	10	50	0	0	\$0	\$0.00	\$0
5	x	15	75	0	0	\$0	\$0.00	\$0
10	x	10	100	0	0	\$0	\$0.00	\$0
10	x	15	150	0	0	\$0	\$0.00	\$0
10	x	20	200	0	0	\$0	\$0.00	\$0
10	x	30	300	0	0	\$0	\$0.00	\$0
12	x	30	360	0	0	\$0	\$0.00	\$0
				0	0		\$0.00	\$0



## UNIT MIX

### Climate Main Level

5	x	5	25	33	825	\$55	\$2.20	\$1,815
5	x	10	50	40	2,000	\$89	\$1.78	\$3,560
7.5	x	10	75	10	750	\$114	\$1.52	\$1,140
10	x	10	100	90	9,000	\$139	\$1.39	\$12,510
10	x	15	150	24	3,600	\$175	\$1.16	\$4,188
10	x	20	200	18	3,600	\$210	\$1.05	\$3,780
10	x	30	300	0	0	\$284	\$0.00	\$0
12	x	30	360	0	0	\$0	\$0.00	\$0
			92	215	19,775		\$1.37	\$26,993

### Climate Upper/Lower Level

5	x	5	25	0	0	\$55	\$0.00	\$0
5	x	10	50	0	0	\$79	\$0.00	\$0
5	x	15	75	0	0	\$103	\$0.00	\$0
10	x	10	100	0	0	\$127	\$0.00	\$0
10	x	15	150	0	0	\$150	\$0.00	\$0
10	x	20	200	0	0	\$175	\$0.00	\$0
10	x	30	300	0	0	\$245	\$0.00	\$0
12	x	30	360	0	0	\$0	\$0.00	\$0
				0	0		\$0.00	\$0

### Other

Office		500	0	0	\$750	\$0.00	\$0
Cell		0	0	0	\$0	\$0.00	\$0
Wine		0	0	0	\$0	\$0.00	\$0
Other		0	0	0	\$0	\$0.00	\$0
			0	0		\$0.00	\$0

### RV

10	x	20	200	0	0	\$0	\$0.00	\$0
10	x	30	300	0	0	\$0	\$0.00	\$0
12	x	50	600	70	42,000	\$80	\$0.13	\$5,600
			600	70	42,000		\$0.13	\$5,600

Subtotal Non-Climate	134	257	34,550			\$0.97	\$33,449
Subtotal Climate	92	215	19,775			\$1.37	\$26,993
Total Storage	115	472	54,325			\$1.11	\$60,442
Total Rentable	115	472	54,325			\$1.11	\$60,442
Total Property	178	542	96,325			\$0.69	\$66,042

**STORAGE COMPETITION**

#	Name	5 x 5				5 x 10				10 x 10				10 x 20				10 x 30				Store Rating	Primary Comp	Distance	Net Rentable	Std Units	CC/EVAP Units	Total Units	Occ %
		GI	GO	EVAP	CC	GI	GO	EVAP	CC	GO	GI	EVAP	CC	GO	GI	EVAP	CC	GO	GI	EVAP	CC								
1	Jones Rd. Storage			33					95		113		161				212				B+	X	1.00	48,000	187	280	467	90%	
2	Anytown Self Storage	40			49	59			85	93			129	145		195	205				B	X	1.60	53,000	150	300	450	70%	
3	Storagus Maximus Storage	36		45		51		69		80		103		125		145	175		220		B-		2.50	60,000	330	270	600	90%	
4	AAAA Self Storage		36	43		52		62	91	87			140	145		211	200		249		B		2.90	73,400	420	180	600	85%	
5																													
6																													
7																													
8																													
9																													
10																													
11																													
12																													
13																													
14																													
15																													
16																													
17																													
18																													
19																													
Trade Area Average		38	36		49	54			88	89		108	135	144		145	203	198			Existing Total			234,400	1,087	1,030	2,117	84%	
Primary Competition Average*		40		33	49	59			85	94		113	129	153			195	209			Subject		Main Street Storage	65,000	390	260	650		
Subject: Main Street Storage			41		56		61		83	93			138	156			208	213			Proposed Total			299,400	1,477	1,290	2,767		
Variance %					14%				-2%	-1%				7%	2%			7%	2%										
CC Variance to Std					37%				36%				48%				33%												

<u>Supply Ratios (3 Mile Radius)</u>					
Units			SF		
Trade Area Population (2013 Estimated)	70,500		Trade Area Population	70,500	
Existing Units	2,117		Existing SF	234,400	
Existing Mkt Ratio	3.0%		Existing SF per Capita	3.3	
Proposed Units	650		Proposed SF	65,000	
Total Existing & Proposed	2,767		Total inc. Proposed SF	299,400	
Proposed Mkt Ratio	3.9%		Proposed SF per Capita	4.2	

## CONSTRUCTION COSTS

### Building Summary

Net Rentable SF	54,325
Gross SF	<b>62,000</b>
Efficiency %	88%

### Construction Months

**7**

### Land Cost

Land Cost	<b>645,000</b>	10.40
Land Closing Costs	<b>42,000</b>	0.68
Total Land Costs	<b>687,000</b>	11.08

### Construction Hard Costs

Total Construction Proposal	<b>2,790,000</b>	45.00
Construction Hard Cost Contingency	<b>83,700</b>	1.35
Other Owner Construction Costs	<b>20,000</b>	0.32
Permits & Licenses	<b>35,000</b>	0.56
A&E	<b>80,000</b>	1.29
Sign Package	<b>30,000</b>	0.48
FF&E	<b>20,000</b>	0.32
Bonds	<b>10,000</b>	0.16
Construction Interest	<b>6.25%</b>	92,764 1.50
Total Construction Hard Costs	<b>3,161,464</b>	50.99

### Development Soft Costs

Legal	<b>15,000</b>	0.24
A&E	<b>20,000</b>	0.32
Survey/Topo	<b>10,000</b>	0.16
Land Use Consultant	<b>0</b>	0.00
Environmental	<b>5,000</b>	0.08
Appraisal	<b>0</b>	0.00
Loan Fees	29,415	0.47
Reimbursables	<b>10,000</b>	0.16
Development Fee	<b>4%</b>	157,915 2.55
Other Soft Costs	<b>0</b>	0.00
Soft Cost Contingency	<b>10,000</b>	0.16
Total Development Soft Costs	<b>247,331</b>	3.99

### Rent-Up Reserve

**363,721** 5.87

### Total Project Cost

**4,459,515** 71.93

# Resumes

## Jeff Helgeson

Principal at 180 Self-Storage, LLC

jeffh@180selfstorage.com

---

### Specialties

Self-Storage Management

Self-Storage Market & Feasibility Studies

Self-Storage Operations Consulting

---

### Experience

---

#### Principal at 180 Self-Storage, LLC

March 2012- Present (7 months)

Self-Storage Management & Consulting Company

#### Principal at 180 Development Services, LLC

October 2007- Present (5 years)

Responsible for real estate acquisitions, development, contract negotiation, due diligence, and entitlements in the Southwestern U.S., along with self-storage operations for 18 storage facilities in Texas and Nevada.

#### Real Estate Manager at Shurgard Self Storage

January 1999- August 2006 (7 years 8 months)

Responsible for real estate acquisitions and development including contract negotiations, due diligence, entitlements and store development in the states of Arizona, California, Washington, Oregon, Colorado and Texas.

#### Regional Manager at Shurgard Self Storage

January 1997- December 1998 (2 years)

Responsible for the operations and management of 35 storage facilities in California.

#### Market/District Manager at Shurgard Self Storage

May 1988- December 1996 (8 years 8 months)

Responsible for market operations and management of storage facilities in Oregon, Washington, Northern California and Arizona.

### Education

---

#### Central Washington University

BS- Business Administration, Marketing, 1983 - 1987

---

# Tim Jones

Principal at 180 Self-Storage, LLC

timj@180selfstorage.com

---

## Summary

---

Over 14 years of self storage development, capital expenditure and re-branding experience. Successfully executed Construction Management responsibilities throughout the western United States, including AZ, NV, CO, CA, TX, and WA while serving as Vice President of Construction/Partner with Arizona based 180 Development Services, LLC and as Regional Construction Manager with industry leader Shurgard Storage Centers, Inc. Manages the development process including but not limited to site feasibility, preliminary budgeting, design coordination, permitting, and construction management. Extensive experience inspecting potential self-storage acquisitions for deferred maintenance, developing budgets for deferred maintenance items and re-branding and implementing the capital expenditure plans.

## Experience

---

### **Principal at 180 Self-Storage, LLC**

March 2012- Present

180 Self-Storage is a Self-Storage Property Management and Consulting firm. Services included but not limited to full service operations management, construction management, feasibility studies and due diligence.

### **Vice President (Principal) at 180 Development Services, LLC.**

October 2006 - Present (5 years 8 months)

180 Development Services currently owns and/or manages 18 self-storage facilities in Texas and Nevada. We are actively looking to manage self-storage properties, in the SW, NW and West Coast of the United States. 180 Development also provides self storage consulting, feasibility studies and construction management.

### **Regional Construction Manager at Shurgard Self Storage Centers, Inc.**

February 1998 - October 2006 (8 years 9 months)

Provided Construction Management duties for the west coast, southwest and Colorado.

### **Design/Field Engineer at Chicago Bridge & Iron, Co.**

January 1992 - January 1998 (6 years 1 month)

## Education

---

### **Washington State University**

BS CM, Construction Management/Minor Business Adm., 1987 - 1991

---