

Apache Self Storage: (Cash on Cash) – 12 th Year Sale scenario

- In a Sale scenario at Year 12, you will add all 12 years Income with Equity Profit.
 - "Equity Profit" being the Sale above and beyond the Land & Construction Cost. As illustrated in attached Performa upon a Sale \$ 26.65 Million then you would deduct:

- Land and Construction Cost.
 - \$ 1.95M (**LAND**) +
 - \$ 7.15M (**CONSTRUCTION**) +
 - (**SOFT COST**) of:
 - \$ 33,200 Permits +
 - \$ 106,000 Transportation fee +
 - \$ 250,000 Construction Management/ Dev. Fee (Turn Key --> C of O) +
 - \$ 33,000 Utility connection fee's +
 - \$ 66,200 Architecture & Civil Engineering +
 - \$ 4,000 Soil Study and Certifications +
 - \$ 6700 NV Energy Design & Constr. Documents +
 - \$ 20,000 MP & E Engineering +
 - \$ 15,000 Structural Engineering +
 - \$ 1,200 Wet **Utility** Design fee +
 - \$ 8,800 Performance Bond & County Bond fee + Liability Insurance for Off-sites \$ 1,300 =
 - (**\$ 544,600 Soft**)
 - = \$ 9.64 Million

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<ul style="list-style-type: none"> • 26.81M (Sale Price @ 6 % Cap) - Year 12 • - 9.64M (Total Construction Cost with Land) • ----- • + 17.17M (Equity Profit) @ <u>end of 12th Year</u> • + 15.38M (Net Income) @ <u>end of 12th Year</u> • _____ 	<ul style="list-style-type: none"> • \$ 22.36M (Sale Price @ 6 % Cap) – Year 6 • - 9.64M (Total Construction Cost with Land) • -----
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- + 32.55 Million (Profit)
- + 12.72 Million (Profit)
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- \$ 2.85M (out) ----> \$32.55M (returned) = \$ 29.70M
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- $29.70M - 2.85M = 26,850,000 / 2,850,000 = 930 \% (12 \text{ Year ROI}) = (77.5 \% \text{ annual average}) = \text{No Loan}$
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- $20.59M - 2.85M = 17,740,000 / 2,850,000 = 622 \% (12 \text{ Year ROI}) = (51.8 \% \text{ annual average}) = \text{w/ Loan } \$ 6.5M$
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- + 12.72M (Equity Profit) @ end of 6th Year
- + 5.36M (Net Income) @ end of 6th Year
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- $18.08M - 2.85M = 15,230,000 / 2,850,000 = 534 \% (6 \text{ Year ROI}) = (89.0 \% \text{ annual average})$
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- Notes
- 96,000 sqft. Gross / 80,000 Net Rentable (80 % efficiency – Main, 100 % Garages)
- Calculations = @ 93 % Occupancy / @ 91 % Occupancy... (Year 6) ; Calculations = @ 15 % Expenses