

\$12,000,000



GIBSON 710
STORAGE FACILITY

15200 S. Gibson Ave | Los Angeles, CA
OFFERING MEMORANDUM

GIBSON 710

STORAGE FACILITY

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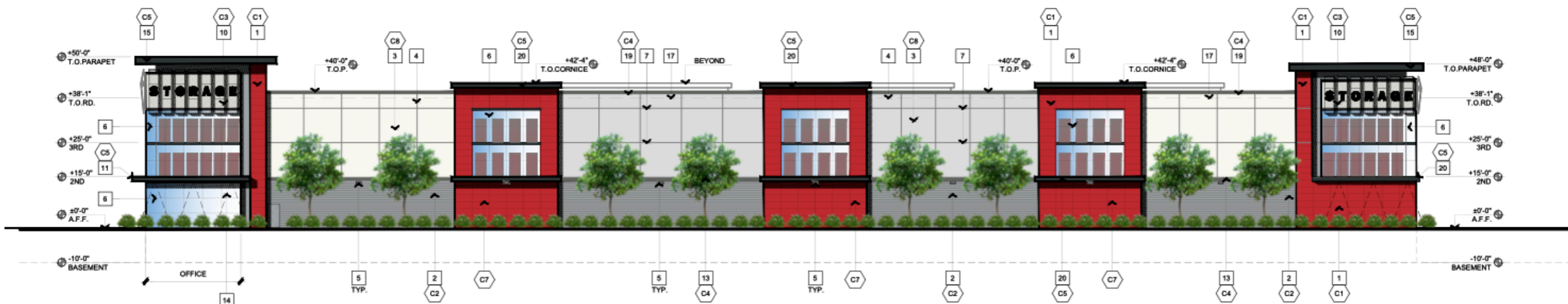
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The Ownership of the Gibson Storage Project are presenting to the market a fully entitled storage facility consisting of 108,000 square feet of structure. Development of this newly built storage facility will serve the South West Los Angeles sub-market as well as the northern region of the Long beach port areas.

The development's projected pro forma income schedule will be an attractive option for any investor looking to gain ownership in a stable cash flow investment with excellent long term returns projected. U.S. self-storage sector snapshot entails annual revenue income of approximately \$38 billion consisting of total rentable storage space of 2.3 billion square feet.

To add, National trend data shows some remarkable results that explain the rise of the self storage asset class. Over the past 25- year time frame, total supply almost tripled from 3.31 square feet of self storage space per person in 1995 to 11.25 square feet of space per person in 2023.

In summary, supply more than doubled while vacancy remained relatively stable and rents increased over the past 25 years. This demonstrates a resilient asset class. Please review the attached pro forma offering memorandum and let us know if you have any questions.

Confidentiality & Disclaimer

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The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Hart Groups and it should not be made available to any other person or entity without the written consent of The Hart Groups. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to The Hart Groups.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Hart Groups has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence of absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, The Hart Groups has not verified, and will not verify, any of the information contained herein, nor has The Hart Groups conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Offering Summary

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Pricing reduced from \$15,000,000 to \$12,000,000

OFFERING SUMMARY

ADDRESS	15200 S. Gibson Ave Los Angeles CA 90220
COUNTY	Los Angeles
MARKET	Los Angeles
SUBMARKET	South Bay
PRICE	\$15,000,000
OWNERSHIP TYPE	Fee Simple
APN	618-002-4015, 4017, 4005, 4004

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2023 Population	41,779	320,046	800,101
2023 Median HH Income	\$62,506	\$64,968	\$68,299
2023 Average HH Income	\$82,785	\$84,129	\$91,219



Demographics

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POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	41,889	320,104	783,618
2010 Population	43,568	327,240	803,564
2023 Population	41,779	320,046	800,101
2028 Population	41,020	314,561	788,144
2023 African American	4,910	42,550	113,861
2023 American Indian	1,124	8,095	18,152
2023 Asian	761	13,157	45,815
2023 Hispanic	35,108	247,086	569,181
2023 Other Race	22,406	159,318	356,916
2023 White	4,599	40,210	124,326
2023 Multiracial	7,819	54,371	136,408
2023-2028: Population: Growth Rate	-1.85 %	-1.75 %	-1.50 %
2023 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	876	7,907	22,096
\$15,000-\$24,999	733	6,050	15,735
\$25,000-\$34,999	682	7,243	17,667
\$35,000-\$49,999	1,293	9,848	24,522
\$50,000-\$74,999	2,273	15,794	40,126
\$75,000-\$99,999	1,419	13,062	33,313
\$100,000-\$149,999	1,597	14,404	38,622
\$150,000-\$199,999	639	6,000	18,064
\$200,000 or greater	406	3,451	13,879
Median HH Income	\$62,506	\$64,968	\$68,299
Average HH Income	\$82,785	\$84,129	\$91,219

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	9,453	82,522	220,822
2010 Total Households	9,372	79,810	214,843
2023 Total Households	9,919	83,760	224,025
2028 Total Households	9,831	83,019	222,416
2023 Average Household Size	4.18	3.78	3.52
2000 Owner Occupied Housing	4,661	38,416	104,395
2000 Renter Occupied Housing	4,342	39,970	106,993
2023 Owner Occupied Housing	4,900	39,352	107,065
2023 Renter Occupied Housing	5,019	44,408	116,960
2023 Vacant Housing	232	2,672	7,078
2023 Total Housing	10,151	86,432	231,103
2028 Owner Occupied Housing	4,948	39,866	108,371
2028 Renter Occupied Housing	4,883	43,154	114,045
2028 Vacant Housing	352	3,643	9,620
2028 Total Housing	10,183	86,662	232,036
2023-2028: Households: Growth Rate	-0.90 %	-0.90 %	-0.70 %

Demographics

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2023 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2023 Population Age 30-34	3,389	26,958	65,024
2023 Population Age 35-39	2,839	22,122	54,788
2023 Population Age 40-44	2,548	19,826	50,335
2023 Population Age 45-49	2,204	17,623	44,915
2023 Population Age 50-54	2,121	17,039	44,396
2023 Population Age 55-59	1,730	14,605	39,168
2023 Population Age 60-64	1,552	13,600	37,221
2023 Population Age 65-69	1,171	10,749	30,792
2023 Population Age 70-74	904	7,757	23,184
2023 Population Age 75-79	591	5,179	15,661
2023 Population Age 80-84	325	2,909	9,275
2023 Population Age 85+	234	2,461	8,811
2023 Population Age 18+	28,547	226,868	581,582
2023 Median Age	28	30	32

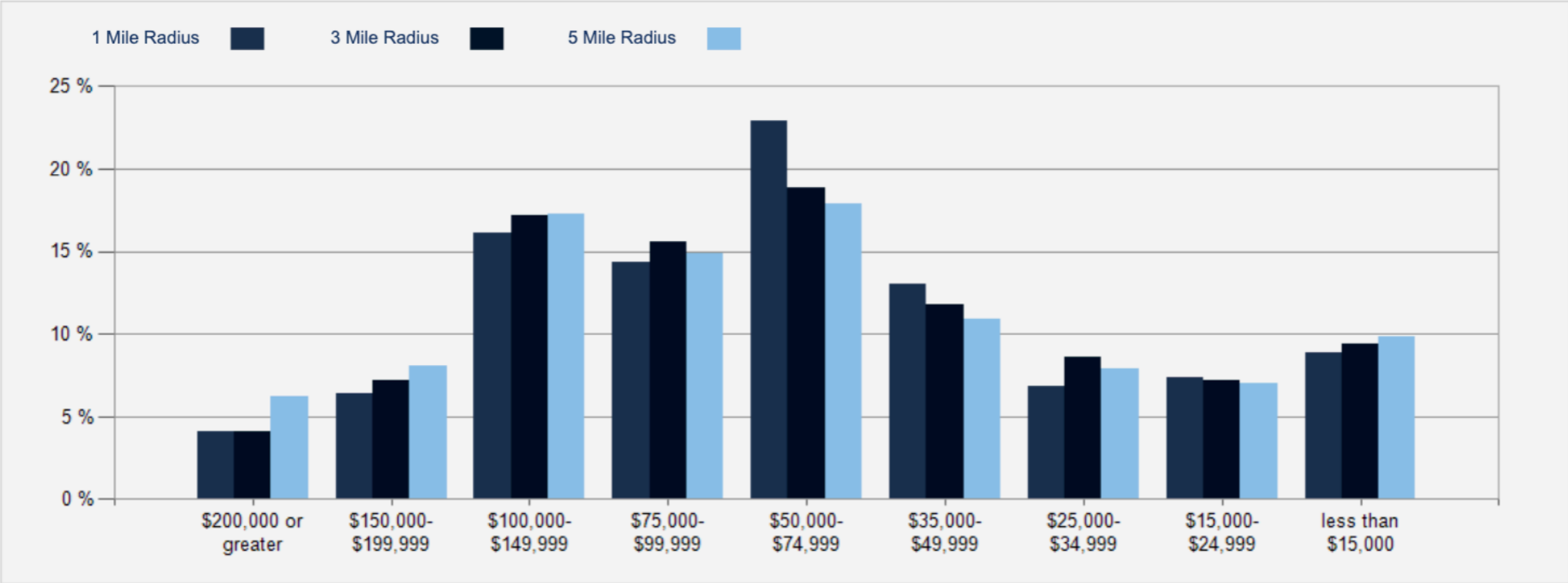
2023 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$63,099	\$65,560	\$68,567
Average Household Income 25-34	\$79,593	\$81,026	\$86,418
Median Household Income 35-44	\$71,958	\$75,086	\$77,479
Average Household Income 35-44	\$95,741	\$93,549	\$100,945
Median Household Income 45-54	\$68,422	\$76,393	\$80,545
Average Household Income 45-54	\$88,603	\$93,803	\$103,696
Median Household Income 55-64	\$60,654	\$66,076	\$72,959
Average Household Income 55-64	\$78,586	\$84,451	\$96,546
Median Household Income 65-74	\$51,439	\$50,476	\$56,345
Average Household Income 65-74	\$72,986	\$74,079	\$81,191
Average Household Income 75+	\$67,101	\$60,473	\$63,116

2028 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2028 Population Age 30-34	3,254	25,392	62,311
2028 Population Age 35-39	3,063	24,785	61,146
2028 Population Age 40-44	2,653	20,994	52,344
2028 Population Age 45-49	2,396	18,674	47,859
2028 Population Age 50-54	2,030	16,295	42,093
2028 Population Age 55-59	1,945	15,638	40,981
2028 Population Age 60-64	1,524	12,821	34,627
2028 Population Age 65-69	1,317	11,477	31,866
2028 Population Age 70-74	966	8,884	25,739
2028 Population Age 75-79	728	6,163	18,534
2028 Population Age 80-84	451	3,945	12,046
2028 Population Age 85+	322	3,064	10,303
2028 Population Age 18+	28,621	227,071	582,574
2028 Median Age	30	32	34

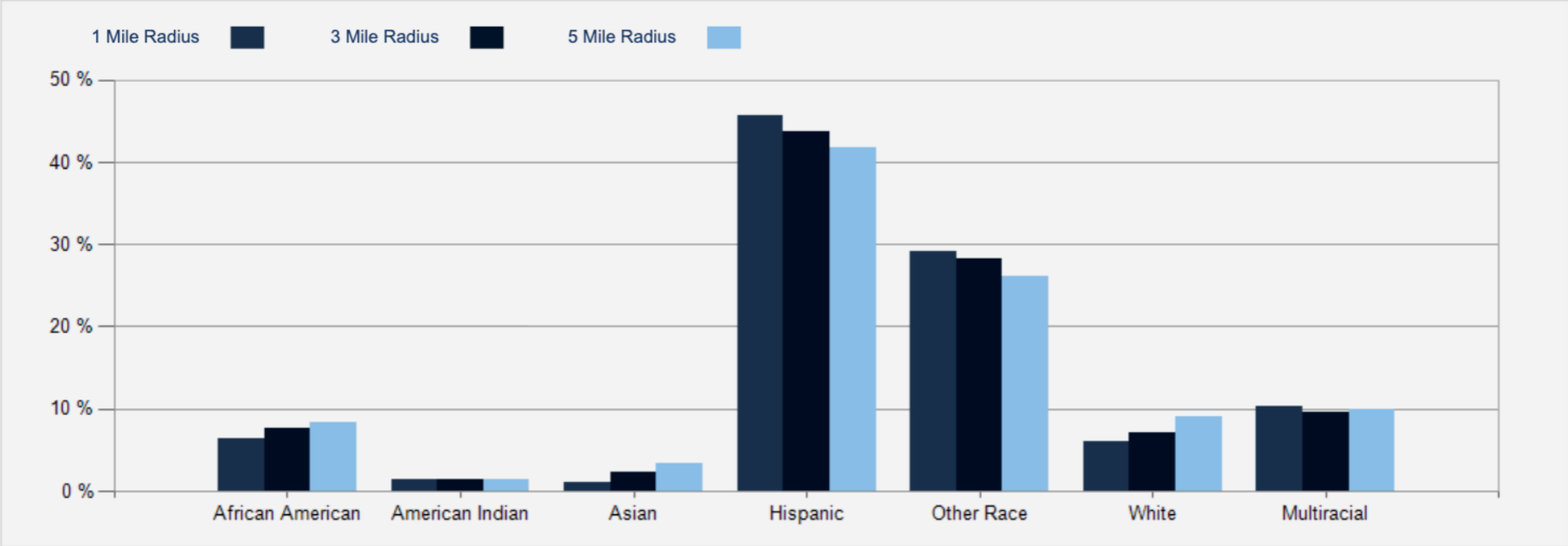
2028 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$71,796	\$75,880	\$78,205
Average Household Income 25-34	\$90,941	\$92,434	\$99,273
Median Household Income 35-44	\$80,508	\$83,727	\$87,263
Average Household Income 35-44	\$111,334	\$108,885	\$117,409
Median Household Income 45-54	\$78,291	\$85,024	\$90,716
Average Household Income 45-54	\$103,495	\$108,293	\$119,332
Median Household Income 55-64	\$68,716	\$77,278	\$83,308
Average Household Income 55-64	\$91,981	\$98,705	\$112,441
Median Household Income 65-74	\$60,319	\$61,341	\$68,659
Average Household Income 65-74	\$86,872	\$88,540	\$97,137
Average Household Income 75+	\$82,584	\$72,754	\$77,313

2023 Household Income

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2023 Population by Race

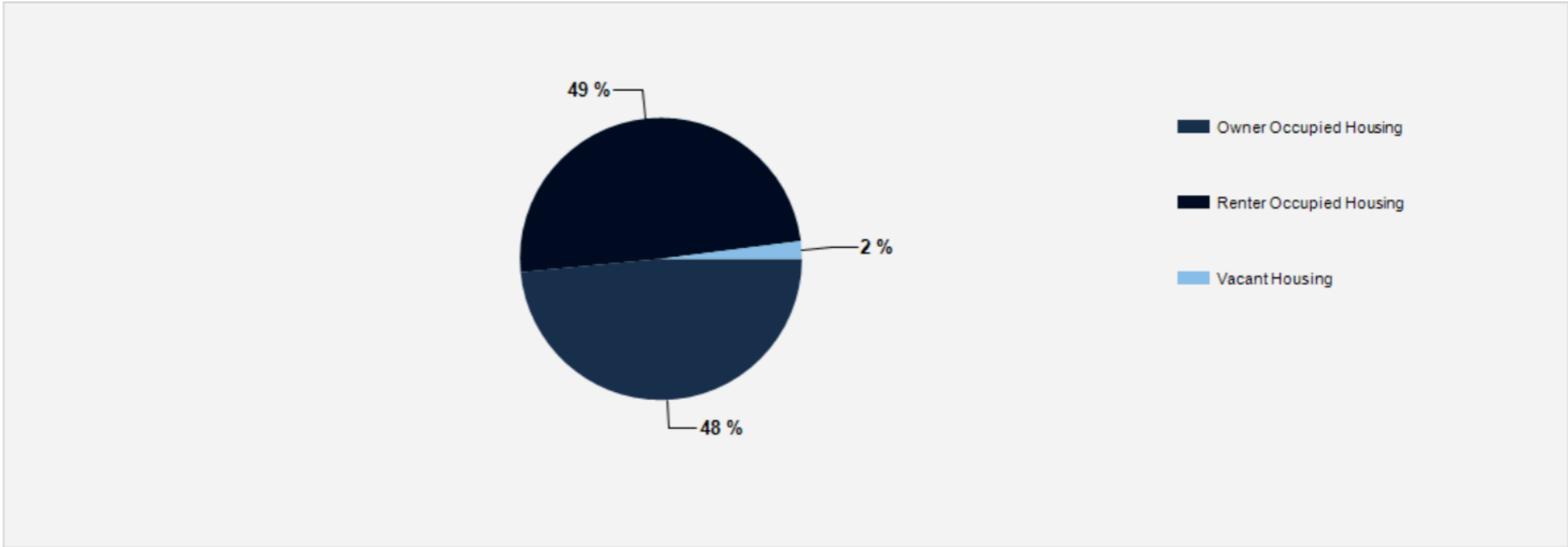


2023 Household Occupancy

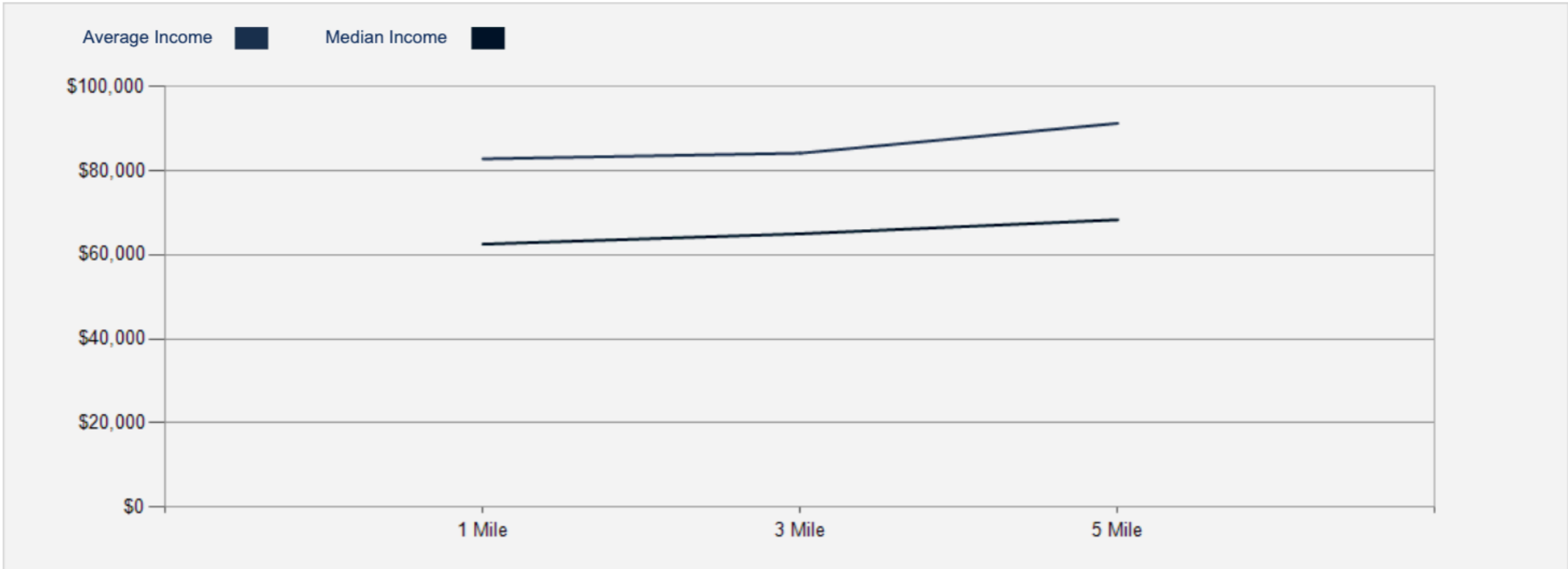
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2023 Household Occupancy - 1 Mile Radius

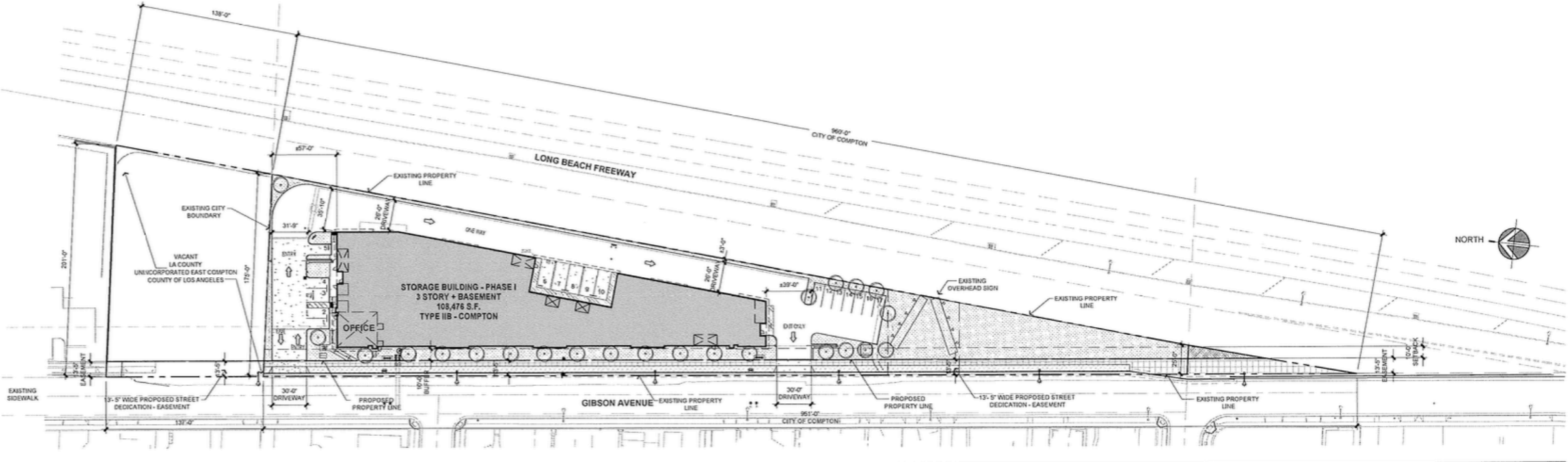


2023 Household Income Average and Median



Parcel Map

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GROSS BUILDING AREA
108636 / SQ. FT.

NET RENTABLE AREA
86245 / SQ. FT.

ADDITIONAL STORAGE
5000 / SQ. FT.

Disclaimer: We have prepared this initial preliminary financial proforma based on information gathered and presented here from sources deemed reliable, however, there are no express or implied warranties. The assumptions and projections in this report are based on findings of the self storage market in California. These may or may not be true of this particular site in this market area, at this point and time. This report is presented to the Client to assist them in their decision process concerning this site. It is recommended that the Client consult with their financial analyst and/or accountant for a more comprehensive analysis.

SELF STORAGE RENTAL INCOME		\$	2.75	x	86245 SQ. FT.	\$	237,173.75 /Mo
LESS VACANCY	at		10%			\$	(23,717.38) /Mo
N/A			0 Spaces	x	\$ -	\$	- /Mo
ADDITIONAL STORAGE			5000 Spaces	x	\$ 2.75	\$	13,750.00 /Mo
N/A	at		0%			\$	- /Mo
TOTAL RENTAL INCOME						\$	227,206.38 /Mo
						\$	2,726,476.50 /Yr
(LATE FEES/RETAIL SALES)							
ANCILLARY INCOME	at		5%			\$	11,360.32 /Mo
TENANT INSURANCE INCOME	760		75%		\$10.00	\$	5,700.00 /Mo
						\$	17,060.32 /Mo
TOTAL MISCELLANEOUS INCOME						\$	204,723.83 /Yr
EFFECTIVE GROSS INCOME/MONTH						\$	244,266.69 /Mo
ANNUAL INCOME TOTAL						\$	2,931,200.33 /Yr
REAL ESTATE TAXES							
PROPERTY INSURANCE							
UTILITIES							
REPAIRS & MAINTENANCE							
ADMINISTRATION							
OFF-SITE MANAGEMENT							
ON-SITE MANAGEMENT							
ADVERTISING							
MISCELLANEOUS							
OPERATION COSTS		\$	6.00	/	Sq. Ft.	\$	43,122.50 /Mo
						\$	517,470.00 /Yr
NET OPERATING INCOME						\$	201,144.19 /Mo
					(Before Debt Service)	\$	2,413,730.33 /Yr
CAPITALIZATION RATE			6.0%			\$	40,228,838.75
			5.5%			\$	43,886,005.91
			5.0%			\$	48,274,606.50
LESS DEBT SERVICE	Assume	\$12,911,873		loan at	7.00%		(\$75,527.84) /Mo
							(\$906,334.08) /Yr
NET OPERATING INCOME AFTER DEBT SERVICE						\$	125,616.35 /Mo
						\$	1,507,396.25 /Yr

Storage Rental Income	\$ 2.75 /Sq. Ft.		
LAND	\$ -		
SOFT COSTS	\$ 1,045,000		
Architecture & Structural	\$ 50,000		
Mech, Elect., Plumbing	\$ 10,000		
Civil Engineering	\$ 10,000		
Construction Insurance	-	(not included)	
Phase I Report	\$ -		
City Permits/Fees	\$ 350,000	estimate (not verified)	
Feasibility Study	\$ -		
Furniture & Fixtures	\$ 75,000		
Monitoring/Signage/Security	\$ 250,000		
Contingency	\$ 300,000		
CONSTRUCTION HARD COSTS			\$15,969,492.00
	108636 Sq. Ft. x	\$ 147.00 Sq. Ft.	
TOTAL DEVELOPMENT COSTS			\$17,014,492.00

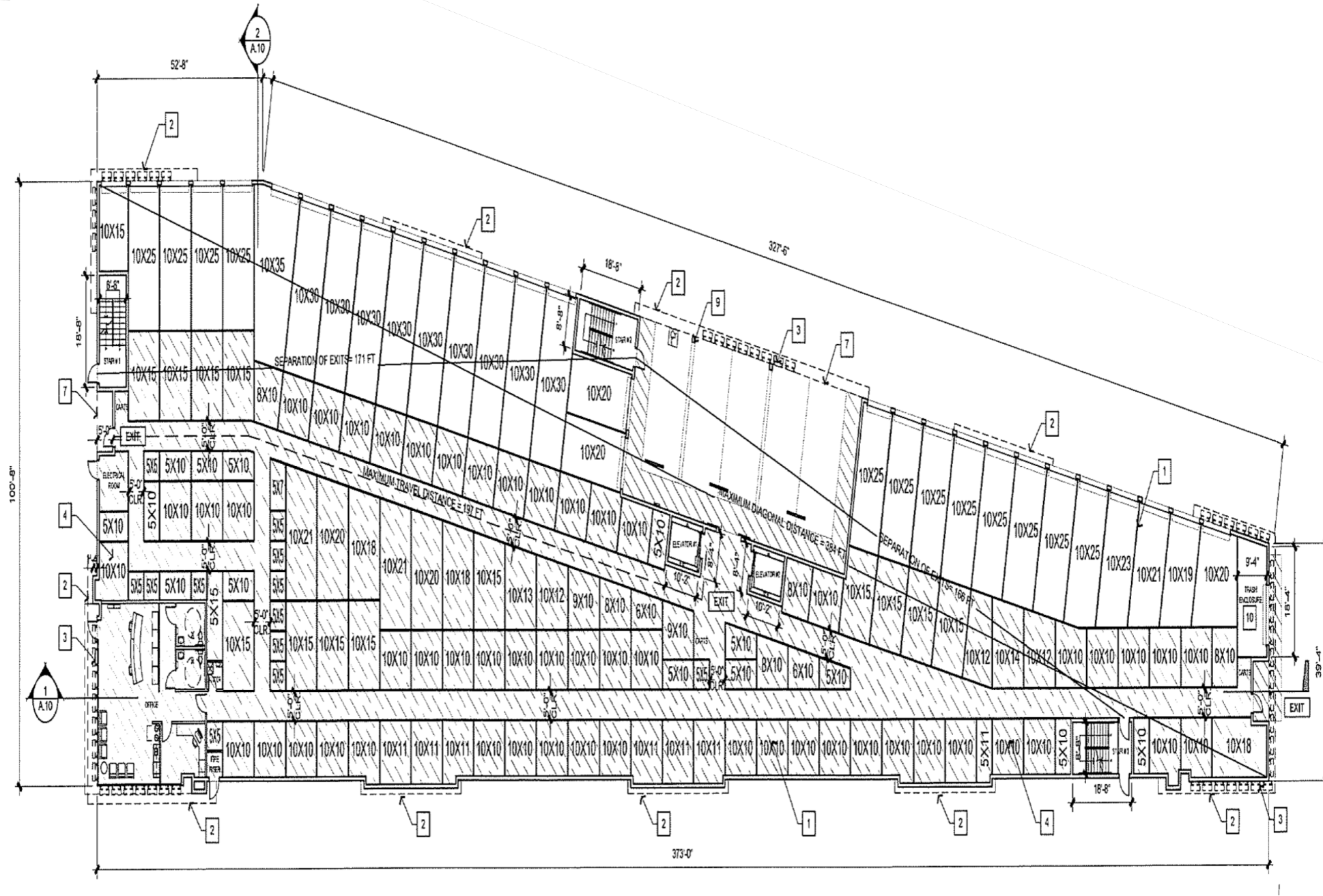
LOAN TO VALUE	65%		
	\$11,059,420		
LOAN TERM	30	Years	
	EQUITY REQUIREMENT		
	\$5,955,072		
DEBT SERVICE AMOUNT/MO.	\$	75,528	
12 MONTHS CONSTRUCTION AND 48 MONTHS INTEREST RESERVE TO CARRY PROJECT TO LEASE UP.			

Buy down option	1 pt	Fee amount	\$110,594
		<i>*this adds to final loan amount</i>	
Interest Reserve	at 7.0%	Total	\$1,741,859
		<i>*this adds to final loan amount</i>	

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Basement Floor Plan

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Location Summary

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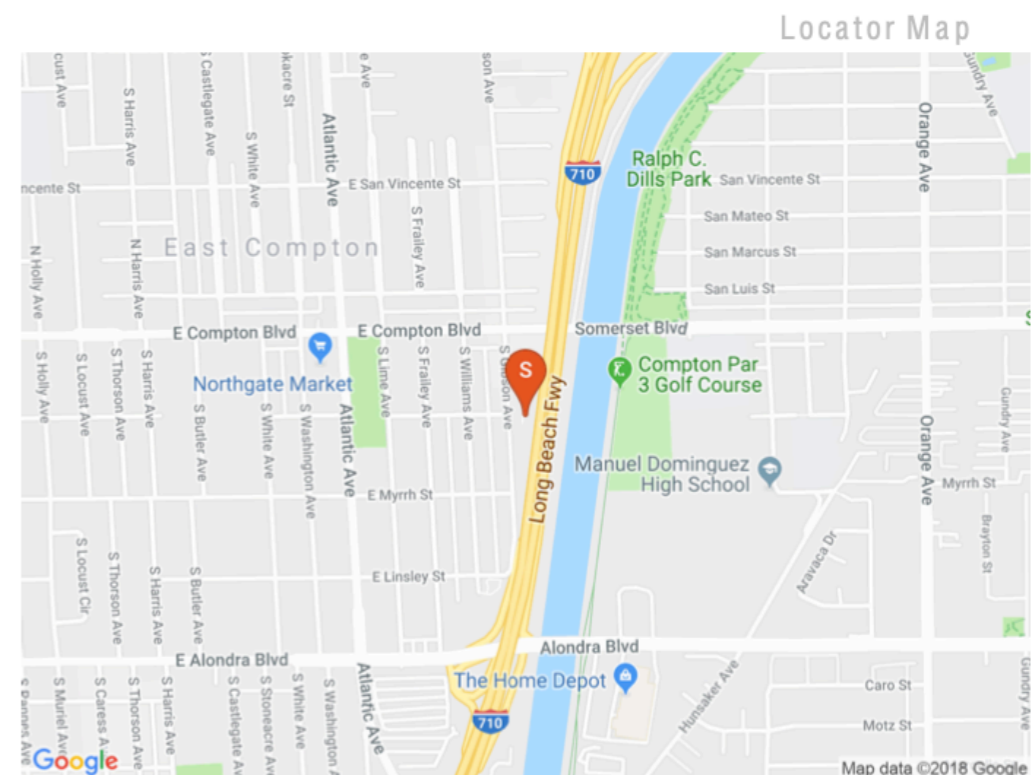
Southwest Los Angeles business creation has been strong over the past 10 years, with a net increase of 16,348 firms operating in the South Bay between 2007 and 2018. As of 2018, a total of 45,892 private and public sector establishments were operating in the South Bay.

Due to the massive upswing of pricing in the immediate west Los Angeles corridor, the South Bay and northern Long Beach areas are seeing increased redevelopment and increasing values.

Wholesale Trade and Professional, Scientific, and Technical Services sectors also contributed to net firm losses. Still, most sectors continued to see new entrants: The Other Services sector (+327), Accommodation and Food Services (+75), and Transportation and Warehousing (+32) all realized net increases.

Business creation in the Other Services sector has continued on an upward trajectory of growth. This sector includes a whole array of personal services ranging from nail salons to car repair facilities, along with the nonprofit sector. A total of 4,598 firms were operating in this sector as of 2018, representing a 327 firm increase since the year prior.

All these factors contribute greatly to the proposed Gibson-710 storage development project as the majority of storage use is targeted by local businesses.



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