

10 Federal Self Storage - Lowell

718 Robinson St, Lowell NC 28098

Located in an Opportunity Zone!



OFFERING MEMORANDUM



OFFERING SUMMARY

ADDRESS	718 Robinson St Lowell NC 28098
COUNTY	Gaston
SUBMARKET	Charlotte
RENTABLE SQUARE FEET	29,509
NUMBER OF UNITS	184
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

OFFERING PRICE	\$2,100,000
PRICE PSF	\$71.16
PRICE PER UNIT	\$11,413
NOI (CURRENT)	\$135,548
NOI (Pro Forma)	\$138,394
CAP RATE (CURRENT)	6.45 %
CAP RATE (Pro Forma)	6.59 %
GRM (CURRENT)	7.71
GRM (Pro Forma)	7.56

PROPOSED FINANCING

LOAN TYPE	Fully Amortized
DOWN PAYMENT	\$735,000
LOAN AMOUNT	\$1,365,000
INTEREST RATE	3.88 %
ANNUAL DEBT SERVICE	\$77,069
LOAN TO VALUE	65 %
AMORTIZATION PERIOD	30 Years
NOTES	Bank has underwritten the property and has issued indicative terms above subject to underwriting the borrower.

DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2019 Population	4,520	40,136	105,581
2019 Median HH Income	\$55,938	\$54,451	\$53,064
2019 Average HH Income	\$71,394	\$69,096	\$70,250

- Ideal for a 10-31 Buyer because Due Diligence and lender underwriting are complete and assignable
- Starting Cash on Cash return in excess of 13% with 35% equity invested
- The seller has updated all Due Diligence items and will assign them to the buyer
- The Seller has gotten a lender to underwrite the deal and issue terms
- 10 Federal Storage Management, LLC can continue to manage the property making it a turn-key, hands off investment for a buyer



Fully stabilized Self Storage facility located in the Charlotte MSA market in North Carolina. This facility boasts strong occupancy to go along with professional management by 10 Federal Storage Management, LLC, thus making this an excellent passive investment opportunity.

To see a video of 10 Federal Self Storage, click here.

Unit Type	SF	Monthly Rent	Total Units	Total Rent	Units Occupied	Units Vacant	% of Property	Rent/SF	Total SF	Notes
5 x 5 ncc	25	\$44	6	\$264	4	2	3.3%	\$1.76	150	
5 x 10	50	\$56	11	\$616	11	0	6.0%	\$1.12	550	
7 x 10	70	\$77	9	\$693	8	1	4.9%	\$1.10	630	
10 x 10	100	\$79	27	\$2,133	26	1	14.8%	\$0.79	2,700	
10 x 15	150	\$94	44	\$4,136	39	5	24.0%	\$0.63	6,600	
10 x 15	150	\$129	17	\$2,193	11	6	9.3%	\$0.86	2,550	
10 x 17	170	\$110	5	\$550	5	0	2.7%	\$0.65	850	
10 x 20	200	\$129	14	\$1,806	13	1	7.7%	\$0.65	2,800	
12 x 20	240	\$149	38	\$5,662	38	0	20.8%	\$0.62	9,120	
12 x 25 ncc	300	\$200	4	\$800	4	0	2.2%	\$0.67	1,200	
24 x 25 ncc	600	\$375	1	\$375	1	0	0.5%	\$0.63	600	
10 x 25 - parking	250	\$50	7	\$350	6	1	3.8%	\$0.20	1,750	
Totals/Avgs	2,305		183	\$19,578	166	17		\$0.66	29,500	

PROPERTY FEATURES

NUMBER OF UNITS	184
RENTABLE SQUARE FEET	29,509
PRODUCT CLASS	Self Storage

CONSTRUCTION

EXTERIOR	Metal
PARKING SURFACE	Asphalt
ROOF	Metal
FENCING	Yes
SECURITY	Yes
CONTROLLED ACCESS	Yes
CLIMATE CONTROLLED UNITS	Yes

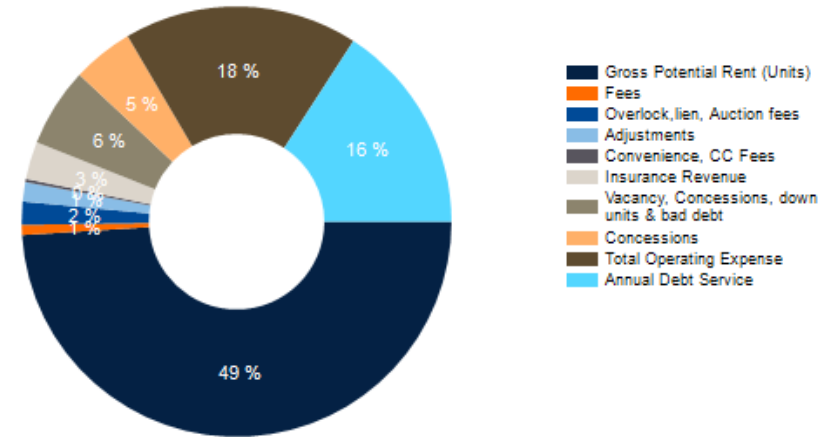






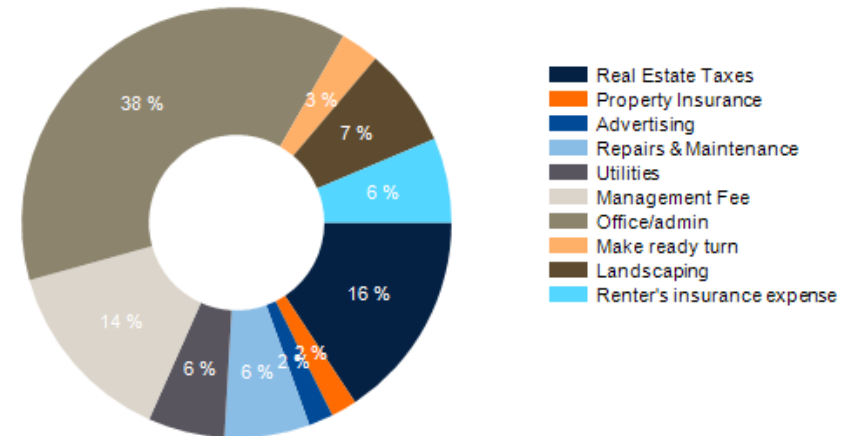
INCOME	CURRENT	PRO FORMA
Gross Potential Rent (Units)	\$238,212	\$242,976
Fees	\$3,722	\$3,796
Overlock,lien, Auction fees	\$8,400	\$8,568
Adjustments	\$7,058	\$7,199
Convenience, CC Fees	\$1,160	\$1,183
Insurance Revenue	\$13,736	\$14,011
Gross Potential Income	\$272,288	\$277,733
Vacancy, Concessions, down units & bad debt	\$28,888	\$29,466
Less: Concessions	\$22,294	\$22,740
Effective Gross Income	\$221,106	\$225,527
Less: Expenses	\$85,558	\$87,133
Net Operating Income	\$135,548	\$138,394
Principal Reduction	\$24,108	\$24,108
Total Return	11.2 % \$82,587	11.6 % \$85,433

REVENUE ALLOCATION



EXPENSES	Per Unit	CURRENT	Per Unit	PRO FORMA
Real Estate Taxes	\$73	\$13,429	\$74	\$13,563
Property Insurance	\$9	\$1,676	\$9	\$1,709
Advertising	\$9	\$1,576	\$9	\$1,607
Repairs & Maintenance	\$30	\$5,491	\$30	\$5,601
Utilities	\$27	\$4,921	\$27	\$5,019
Management Fee	\$65	\$12,000	\$67	\$12,240
Office/admin	\$175	\$32,159	\$178	\$32,802
Make ready turn	\$14	\$2,492	\$14	\$2,542
Landscaping	\$35	\$6,360	\$35	\$6,487
Renter's insurance expense	\$30	\$5,454	\$30	\$5,563
Total Operating Expense	\$465	\$85,558	\$474	\$87,133
Annual Debt Service	\$419	\$77,069	\$419	\$77,069
Expense / SF		\$2.89		\$2.95
% of EGI		38.70 %		38.64 %

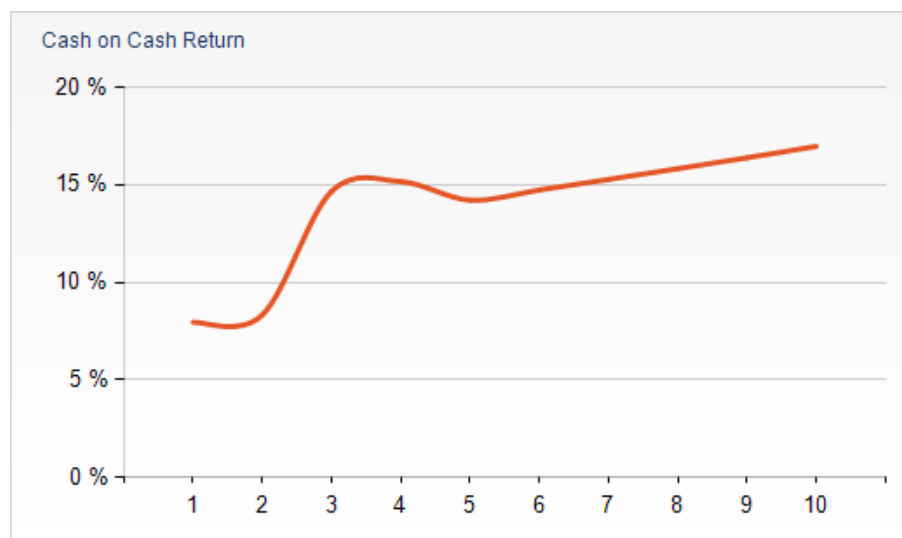
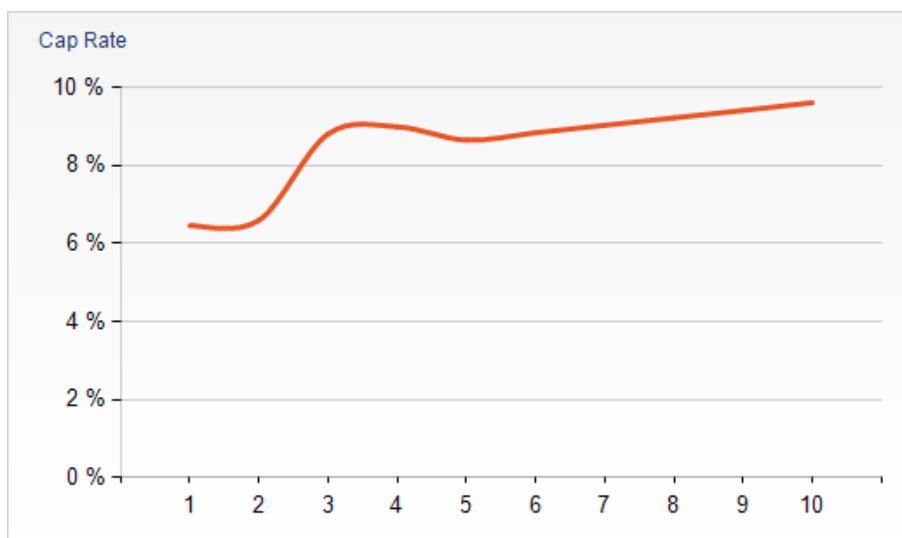
DISTRIBUTION OF EXPENSES



CASH FLOW

Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Revenue										
Gross Potential Rent (Units)	\$238,212	\$242,976	\$247,836	\$252,792	\$257,848	\$263,005	\$268,265	\$273,630	\$279,103	\$284,685
Fees	\$3,722	\$3,796	\$3,872	\$3,949	\$4,028	\$4,109	\$4,191	\$4,275	\$4,360	\$4,448
Overlock,lien, Auction fees	\$8,400	\$8,568	\$8,739	\$8,914	\$9,092	\$9,274	\$9,460	\$9,649	\$9,842	\$10,039
Adjustments	\$7,058	\$7,199	\$7,343	\$7,490	\$7,640	\$7,792	\$7,948	\$8,107	\$8,269	\$8,435
Convenience, CC Fees	\$1,160	\$1,183	\$1,207	\$1,231	\$1,255	\$1,281	\$1,306	\$1,332	\$1,359	\$1,386
Insurance Revenue	\$13,736	\$14,011	\$14,291	\$14,577	\$14,869	\$15,166	\$15,469	\$15,779	\$16,094	\$16,416
Gross Potential Income	\$272,288	\$277,733	\$283,288	\$288,953	\$294,732	\$300,627	\$306,640	\$312,772	\$319,028	\$325,408
Vacancy, Concessions, down units & bad debt	\$28,888	\$29,466	\$4,957	\$5,056	\$5,157	\$5,260	\$5,365	\$5,473	\$5,582	\$5,694
Concessions	\$22,294	\$22,740	\$4,957	\$5,056	\$5,157	\$5,260	\$5,365	\$5,473	\$5,582	\$5,694
Effective Gross Income	\$221,106	\$225,527	\$273,374	\$278,842	\$284,419	\$290,107	\$295,909	\$301,827	\$307,864	\$314,021
Operating Expenses										
Real Estate Taxes	\$13,429	\$13,563	\$13,669	\$13,836	\$24,861	\$25,109	\$25,360	\$25,613	\$25,869	\$26,128
Property Insurance	\$1,676	\$1,709	\$1,743	\$1,778	\$1,814	\$1,850	\$1,887	\$1,925	\$1,963	\$2,002
Advertising	\$1,576	\$1,607	\$1,607	\$1,639	\$1,705	\$1,739	\$1,774	\$1,810	\$1,846	\$1,883
Repairs & Maintenance	\$5,491	\$5,601	\$5,713	\$5,827	\$5,944	\$6,063	\$6,184	\$6,308	\$6,434	\$6,562
Utilities	\$4,921	\$5,019	\$5,119	\$5,222	\$5,326	\$5,433	\$5,541	\$5,652	\$5,765	\$5,881
Management Fee	\$12,000	\$12,240	\$12,485	\$12,734	\$12,989	\$13,249	\$13,514	\$13,784	\$14,060	\$14,341
Office/admin	\$32,159	\$32,802	\$33,348	\$34,127	\$34,810	\$35,506	\$36,216	\$36,940	\$37,679	\$38,433
Make ready turn	\$2,492	\$2,542	\$2,593	\$2,645	\$2,698	\$2,752	\$2,807	\$2,863	\$2,920	\$2,978
Landscaping	\$6,360	\$6,487	\$6,617	\$6,749	\$6,884	\$7,022	\$7,162	\$7,305	\$7,452	\$7,601
Renter's insurance expense	\$5,454	\$5,563	\$5,674	\$5,788	\$5,904	\$6,022	\$6,142	\$6,265	\$6,390	\$6,518
Total Operating Expense	\$85,558	\$87,133	\$88,568	\$90,345	\$102,935	\$104,745	\$106,587	\$108,465	\$110,378	\$112,327
Net Operating Income	\$135,548	\$138,394	\$184,806	\$188,497	\$181,484	\$185,362	\$189,322	\$193,362	\$197,486	\$201,694
Annual Debt Service	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069	\$77,069
Cash Flow	\$58,479	\$61,325	\$107,737	\$111,427	\$104,414	\$108,293	\$112,253	\$116,293	\$120,417	\$124,625

Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Financial Metrics										
Cash on Cash Return b/t	7.96 %	8.34 %	14.66 %	15.16 %	14.21 %	14.73 %	15.27 %	15.82 %	16.38 %	16.96 %
CAP Rate	6.45 %	6.59 %	8.80 %	8.98 %	8.64 %	8.83 %	9.02 %	9.21 %	9.40 %	9.60 %
Debt Coverage Ratio	1.76	1.80	2.40	2.45	2.35	2.41	2.46	2.51	2.56	2.62
Operating Expense Ratio	38.69 %	38.63 %	32.39 %	32.40 %	36.19 %	36.10 %	36.02 %	35.93 %	35.85 %	35.77 %
Gross Multiplier (GRM)	7.71	7.56	7.41	7.27	7.13	6.99	6.85	6.71	6.58	6.45
Loan to Value	64.95 %	63.82 %	62.60 %	61.36 %	60.00 %	58.66 %	57.24 %	55.74 %	54.17 %	52.57 %
Breakeven Ratio	73.55 %	72.81 %	60.59 %	60.04 %	63.29 %	62.67 %	62.07 %	61.47 %	60.89 %	60.31 %
Price / SF	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16	\$71.16
Price / Unit	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413	\$11,413
Income / SF	\$7.49	\$7.64	\$9.26	\$9.44	\$9.63	\$9.83	\$10.02	\$10.22	\$10.43	\$10.64
Expense / SF	\$2.89	\$2.95	\$3.00	\$3.06	\$3.48	\$3.54	\$3.61	\$3.67	\$3.74	\$3.80



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