

# 10 Federal - Asheboro

1825 N Fayetteville St, Asheboro NC 27203

Ideal for 10-31 Exchange buyer with a 7% cap rate!

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O F F E R I N G M E M O R A N D U M



# 10 Federal - Asheboro

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*Exclusively Marketed by:*

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**OFFERING SUMMARY**

ADDRESS	1825 N Fayetteville St Asheboro NC 27203
COUNTY	Randolph
MARKET	Greensboro
RENTABLE SQUARE FEET	18,825
NUMBER OF UNITS	198
OWNERSHIP TYPE	Fee Simple

**FINANCIAL SUMMARY**

OFFERING PRICE	\$2,150,000
PRICE PSF	\$114.21
PRICE PER UNIT	\$10,859
NOI (CURRENT)	\$151,284
NOI (Pro Forma)	\$155,154
CAP RATE (CURRENT)	7.04 %
CAP RATE (Pro Forma)	7.22 %
GRM (CURRENT)	7.85
GRM (Pro Forma)	7.70

**PROPOSED FINANCING**

LOAN TYPE	Interest Only
DOWN PAYMENT	\$752,500
LOAN AMOUNT	\$1,397,500
INTEREST RATE	3.88 %
ANNUAL DEBT SERVICE	\$54,223
LOAN TO VALUE	65 %
NOTES	Bank has underwritten the property and has issued indicative terms above subject to underwriting the borrower.

Above terms include 2 year interest only payments. If the leverage is reduced to 65% then full term Interest Only.

**DEMOGRAPHICS**

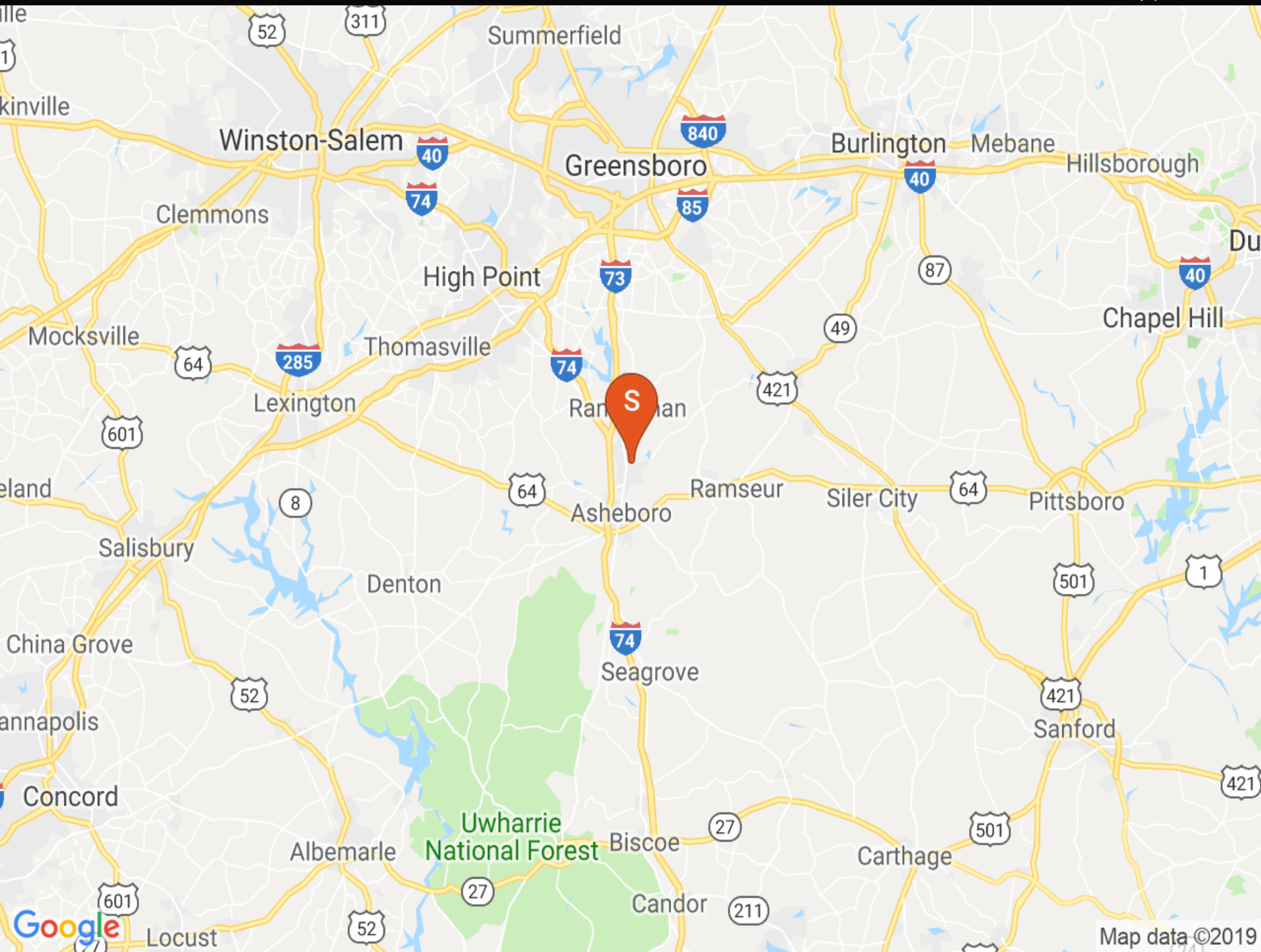
	1 MILE	3 MILE	5 MILE
2019 Population	5,162	19,393	41,083
2019 Median HH Income	\$32,575	\$36,430	\$38,625
2019 Average HH Income	\$42,992	\$52,144	\$54,717

- 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 Asheboro, NC, part of the Triad area. 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.

Unit Type	SF	Monthly Rent	Total Units	Total Rent	Units Occupied	Units Vacant	% of Property	Rent/SF	Total SF	Notes
5 x 5	25	\$57	19	\$1,083	15	4	9.6%	\$2.28	475	
5 x 10	50	\$79	35	\$2,765	31	4	17.7%	\$1.58	1,750	
5 x 15	75	\$79	52	\$4,108	51	1	26.3%	\$1.05	3,900	
10 x 10	100	\$99	41	\$4,059	41	0	20.7%	\$0.99	4,100	
10 x 10	100	\$119	1	\$119	1	0	0.5%	\$1.19	100	
10 x 15	150	\$144	30	\$4,320	28	2	15.2%	\$0.96	4,500	
10 x 20	200	\$159	19	\$3,021	18	1	9.6%	\$0.80	3,800	
20 x 10	200	\$159	1	\$159	1	0	0.5%	\$0.80	200	
<b>Totals/Avgs</b>	<b>900</b>		<b>198</b>	<b>\$19,634</b>	<b>186</b>	<b>12</b>		<b>\$1.04</b>	<b>18,825</b>	





Model unit with Automated Kiosk



Clean and well maintained



Security cameras with State of the Art features



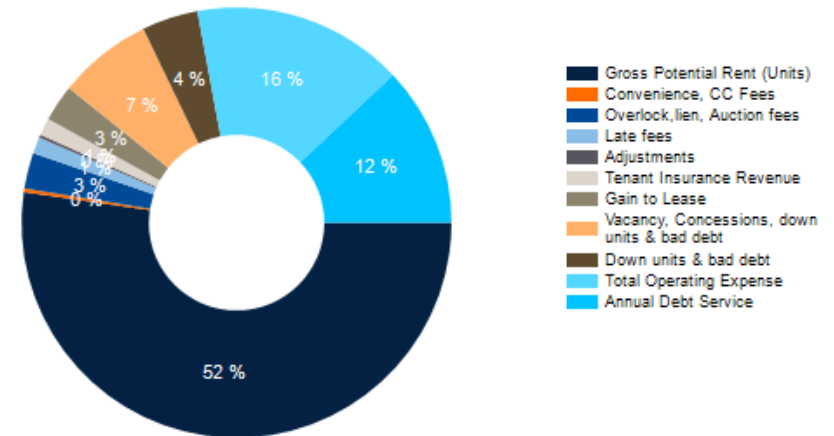
Gated and well secured

INCOME	CURRENT	PRO FORMA
Gross Potential Rent (Units)	\$235,632	\$240,345
Convenience, CC Fees	\$1,300	\$1,326
Overlock,lien, Auction fees	\$12,114	\$12,356
Late fees	\$5,540	\$5,651
Adjustments	\$1,065	\$1,086
Tenant Insurance Revenue	\$5,815	\$5,931
Gain to Lease	\$12,468	\$12,468
<b>Gross Potential Income</b>	<b>\$273,934</b>	<b>\$279,163</b>
Vacancy, Concessions, down units & bad debt	\$31,993	\$31,993
Less: Down units & bad debt	\$19,003	\$19,003
<b>Effective Gross Income</b>	<b>\$222,938</b>	<b>\$228,167</b>
Less: Expenses	\$71,654	\$73,013
<b>Net Operating Income</b>	<b>\$151,284</b>	<b>\$155,154</b>
Annual Debt Service	\$54,223	\$54,223
Debt Coverage Ratio	2.79	2.86
<b>Cash Flow After Debt Service</b>	<b>\$97,061</b>	<b>\$100,931</b>

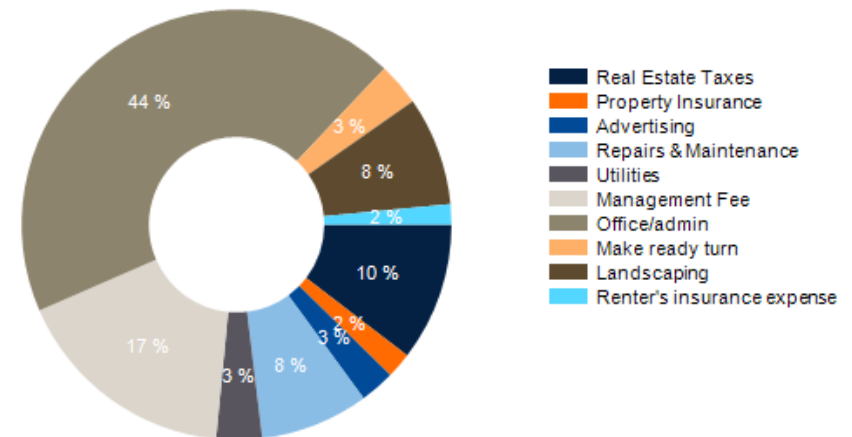
Income Notes: 1) Current adjusted to reflect September 1st, 2019 rent increases

EXPENSES	Per Unit	CURRENT	Per Unit	PRO FORMA
Real Estate Taxes	\$38	\$7,451	\$38	\$7,526
Property Insurance	\$7	\$1,370	\$7	\$1,397
Advertising	\$10	\$1,881	\$10	\$1,919
Repairs & Maintenance	\$30	\$5,846	\$30	\$5,963
Utilities	\$12	\$2,458	\$13	\$2,507
Management Fee	\$61	\$12,146	\$63	\$12,389
Office/admin	\$158	\$31,241	\$161	\$31,866
Make ready turn	\$12	\$2,304	\$12	\$2,350
Landscaping	\$30	\$5,863	\$30	\$5,980
Renter's insurance expense	\$6	\$1,094	\$6	\$1,116
<b>Total Operating Expense</b>	<b>\$362</b>	<b>\$71,654</b>	<b>\$369</b>	<b>\$73,013</b>
Expense / SF		\$3.80		\$3.87
% of EGI		32.14 %		32.00 %

### REVENUE ALLOCATION

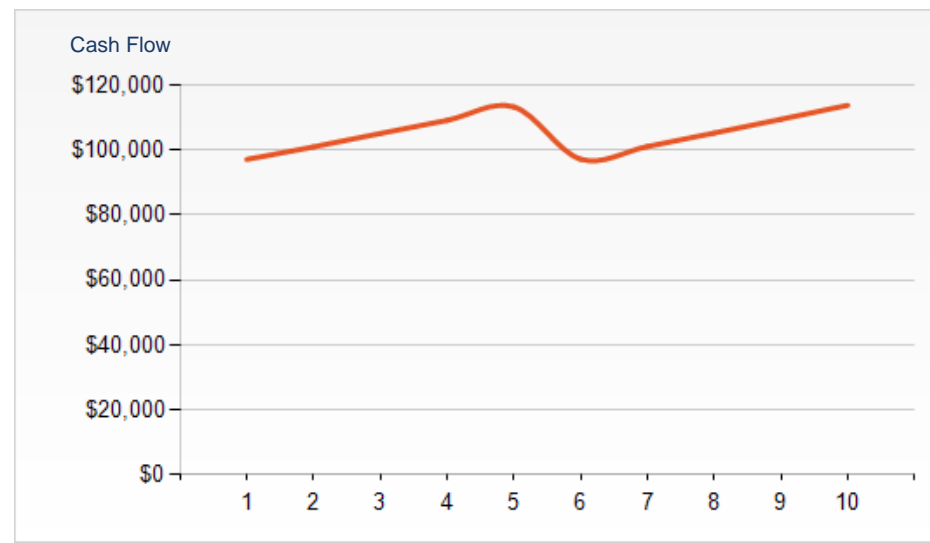
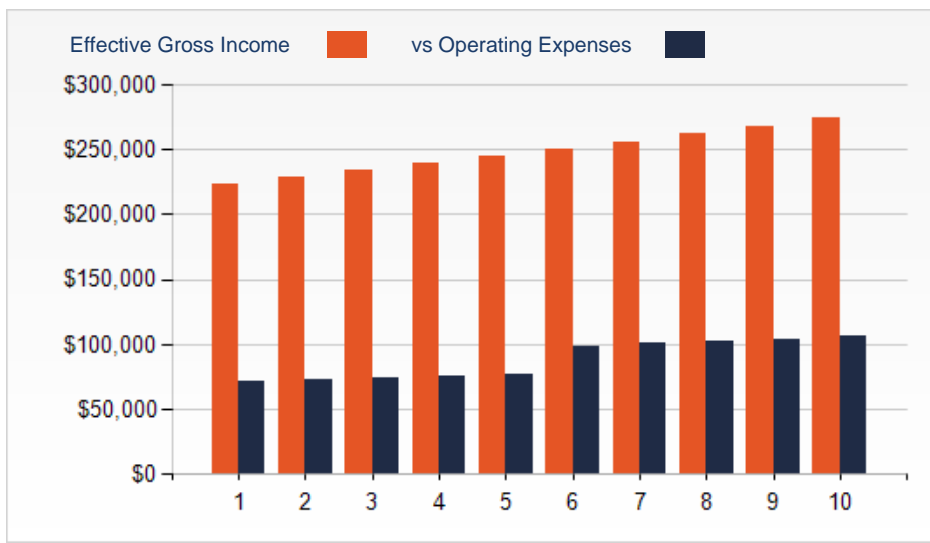


### DISTRIBUTION OF EXPENSES



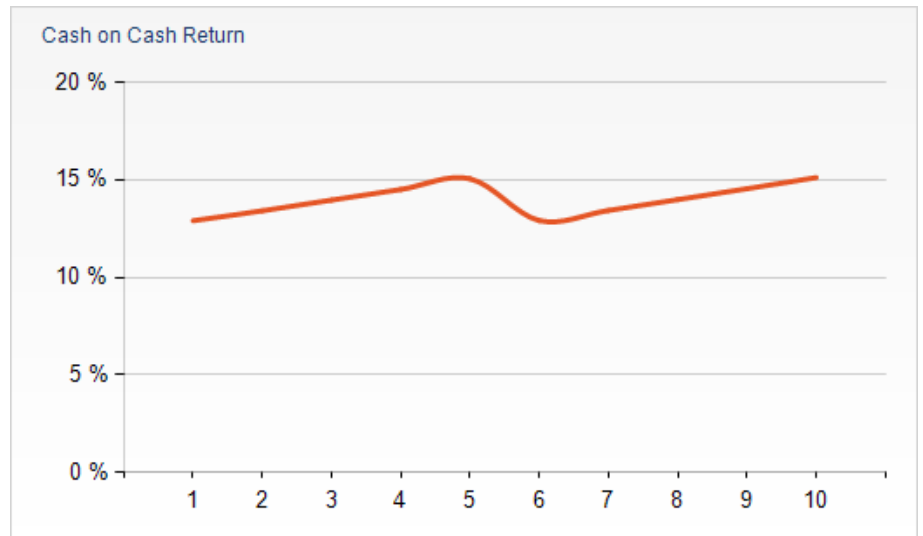
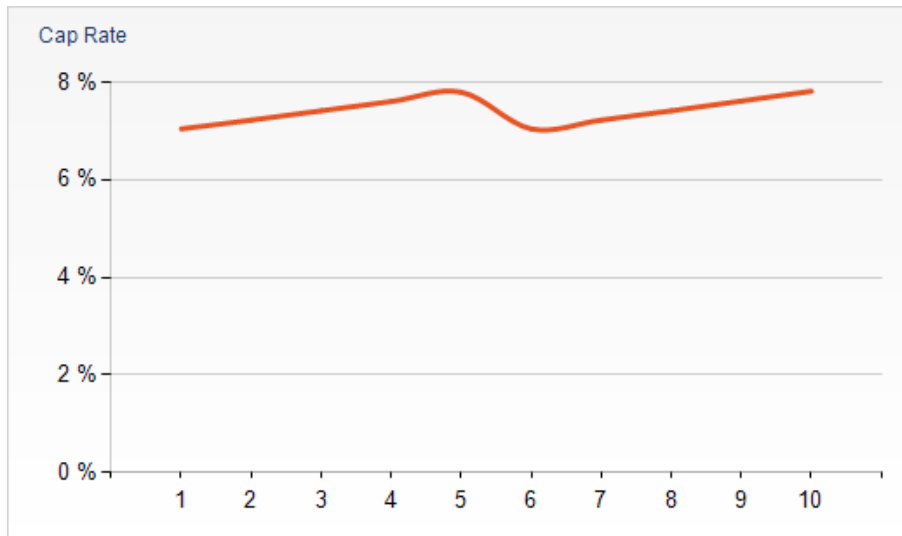
**CASH FLOW**

Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Potential Revenue</b>										
Gross Potential Rent (Units)	\$235,632	\$240,345	\$245,152	\$250,055	\$255,056	\$260,157	\$265,360	\$270,667	\$276,080	\$281,602
Convenience, CC Fees	\$1,300	\$1,326	\$1,353	\$1,380	\$1,408	\$1,436	\$1,464	\$1,493	\$1,523	\$1,553
Overlock,lien, Auction fees	\$12,114	\$12,356	\$12,603	\$12,855	\$13,112	\$13,374	\$13,641	\$13,914	\$14,192	\$14,476
Late fees	\$5,540	\$5,651	\$5,764	\$5,879	\$5,997	\$6,117	\$6,239	\$6,364	\$6,491	\$6,621
Adjustments	\$1,065	\$1,086	\$1,198	\$1,220	\$1,224	\$1,249	\$1,274	\$1,299	\$1,325	\$1,351
Tenant Insurance Revenue	\$5,815	\$5,931	\$6,050	\$6,171	\$6,294	\$6,420	\$6,368	\$6,495	\$6,625	\$6,757
Gain to Lease	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468	\$12,468
Gross Potential Income	\$273,934	\$279,163	\$284,588	\$290,028	\$295,559	\$301,221	\$306,814	\$312,700	\$318,704	\$324,828
Vacancy, Concessions, down units & bad debt	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993	\$31,993
Down units & bad debt	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003	\$19,003
<b>Effective Gross Income</b>	<b>\$222,938</b>	<b>\$228,167</b>	<b>\$233,592</b>	<b>\$239,032</b>	<b>\$244,563</b>	<b>\$250,225</b>	<b>\$255,818</b>	<b>\$261,704</b>	<b>\$267,708</b>	<b>\$273,832</b>
<b>Operating Expenses</b>										
Real Estate Taxes	\$7,451	\$7,526	\$7,526	\$7,601	\$7,601	\$27,985	\$28,265	\$28,548	\$28,833	\$29,121
Property Insurance	\$1,370	\$1,397	\$1,425	\$1,453	\$1,483	\$1,512	\$1,542	\$1,572	\$1,605	\$1,673
Advertising	\$1,881	\$1,919	\$1,957	\$1,997	\$2,036	\$2,077	\$2,119	\$2,161	\$2,204	\$2,248
Repairs & Maintenance	\$5,846	\$5,963	\$6,082	\$6,204	\$6,328	\$6,455	\$6,584	\$6,715	\$6,850	\$6,987
Utilities	\$2,458	\$2,507	\$2,557	\$2,608	\$2,660	\$2,714	\$2,768	\$2,823	\$2,880	\$2,937
Management Fee	\$12,146	\$12,389	\$12,637	\$12,890	\$13,147	\$13,410	\$13,678	\$13,952	\$14,231	\$14,516
Office/admin	\$31,241	\$31,866	\$32,503	\$33,153	\$33,816	\$34,493	\$35,183	\$35,886	\$36,604	\$37,336
Make ready turn	\$2,304	\$2,350	\$2,397	\$2,445	\$2,494	\$2,544	\$2,595	\$2,646	\$2,699	\$2,753
Landscaping	\$5,863	\$5,980	\$6,100	\$6,222	\$6,346	\$6,473	\$6,602	\$6,734	\$6,869	\$7,007
Renter's insurance expense	\$1,094	\$1,116	\$1,138	\$1,161	\$1,184	\$1,208	\$1,232	\$1,257	\$1,282	\$1,308
Total Operating Expense	\$71,654	\$73,013	\$74,322	\$75,734	\$77,095	\$98,871	\$100,568	\$102,294	\$104,057	\$105,886
<b>Net Operating Income</b>	<b>\$151,284</b>	<b>\$155,154</b>	<b>\$159,270</b>	<b>\$163,298</b>	<b>\$167,468</b>	<b>\$151,354</b>	<b>\$155,250</b>	<b>\$159,410</b>	<b>\$163,651</b>	<b>\$167,946</b>
Annual Debt Service	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223	\$54,223
Cash Flow	\$97,061	\$100,931	\$105,047	\$109,075	\$113,245	\$97,131	\$101,027	\$105,187	\$109,428	\$113,723





Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Financial Metrics</b>										
Cash on Cash Return b/t	12.90 %	13.41 %	13.96 %	14.50 %	15.05 %	12.91 %	13.43 %	13.98 %	14.54 %	15.11 %
CAP Rate	7.04 %	7.22 %	7.41 %	7.60 %	7.79 %	7.04 %	7.22 %	7.41 %	7.61 %	7.81 %
Debt Coverage Ratio	2.79	2.86	2.94	3.01	3.09	2.79	2.86	2.94	3.02	3.10
Operating Expense Ratio	32.14 %	31.99 %	31.81 %	31.68 %	31.52 %	39.51 %	39.31 %	39.08 %	38.86 %	38.66 %
Gross Multiplier (GRM)	7.85	7.70	7.55	7.41	7.27	7.14	7.01	6.88	6.75	6.62
Loan to Value	65.03 %	65.03 %	65.02 %	65.04 %	65.01 %	65.00 %	64.99 %	64.96 %	64.99 %	64.99 %
Breakeven Ratio	56.46 %	55.76 %	55.03 %	54.37 %	53.69 %	61.18 %	60.51 %	59.81 %	59.12 %	58.47 %
Price / SF	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21	\$114.21
Price / Unit	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859	\$10,859
Income / SF	\$11.84	\$12.12	\$12.40	\$12.69	\$12.99	\$13.29	\$13.58	\$13.90	\$14.22	\$14.54
Expense / SF	\$3.80	\$3.87	\$3.94	\$4.02	\$4.09	\$5.25	\$5.34	\$5.43	\$5.52	\$5.62



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