

OFFERING MEMORANDUM

Cosby Climate-Controlled Storage



3323 Cosby Highway, Cosby Tennessee 37722

For Sale: \$1,525,000

EXECUTIVE SUMMARY

Cosby Climate-Controlled Storage is a recently converted, high-visibility, climate-controlled self-storage facility that has successfully transitioned from a value-add lease-up project in 2024 to a stabilizing income-producing investment throughout 2025.

The property consists of 126 interior, climate-controlled storage units within a 20,835 SF building on 2.11 acres along Cosby Highway (US-321), the primary route from I-40 Exit 435 to Gatlinburg. The site enjoys excellent visibility directly across from Cosby High School and Cosby Elementary School, ensuring consistent daily exposure to local residents, contractors, and tourism-related users.

Actual financial results for Year End 2025 demonstrate:

- Growing occupancy through the year
- Strong rental demand
- Manageable operating expenses
- Positive Net Operating Income (NOI)
- Clear runway to full stabilization in 2026

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In addition to the storage operation, the property includes a separately leased front office generating supplemental income with a lease expiring April 16, 2026, giving a new owner flexibility for future use.

This asset is ideal for owner-operators, regional storage groups, and private investors seeking current cash flow with upside through occupancy growth and physical expansion.

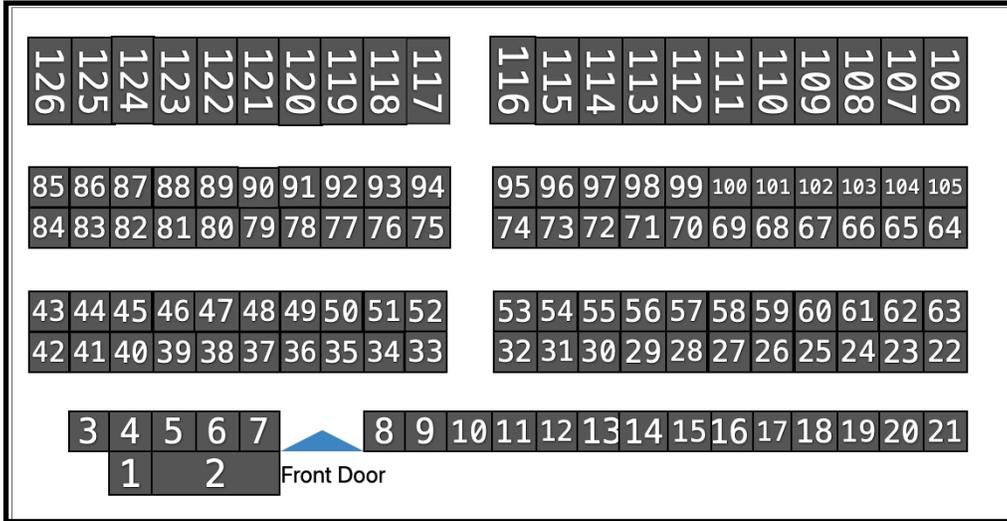
PROPERTY OVERVIEW

- **Property Name:** Cosby Climate-Controlled Storage
- **Address:** 3323 Cosby Highway, Cosby, TN
- **Property Type:** Self Storage
- **Subtype:** Climate-Controlled / Indoor
- **Investment Type:** Stabilized (post-lease-up)
- **Year Built:** 1967 (converted to storage in 2024)
- **Building Size:** 20,835 SF
- **Land Size:** 2.11 Acres
- **Flood Zone:** X (Minimal Risk)

The storage building occupies approximately two-thirds of the parcel, leaving valuable frontage along Cosby Highway available for expansion.

UNIT MIX & RENT SCHEDULE

Unit Size	Number of Units	Monthly Rent	Monthly Income
10' x 10'	104	\$105	\$10,920
10' x 20'	21	\$200	\$4,200
10' x 30'	1	\$300	\$300
Total	126		\$15,420 / month



Gross annual storage rent at current rates:

\$185,040 per year (if 100% occupied).

All units are interior, climate-controlled with secured access, supporting stable occupancy and premium rental rates relative to older outdoor facilities in the area.

SEPARATE OFFICE LEASE (SUPPLEMENTAL INCOME)



The property includes a front office space leased separately from storage operations:

- **Monthly Rent:** \$1,200
- **Annual Rent:** \$14,400
- **Lease Expiration:** April 16, 2026
- **Utilities:** Paid by tenant for their usage

This provides stable additional income today and flexibility for a new owner tomorrow.

HOW THIS PROPERTY EVOLVED FROM VALUE-ADD TO STABILIZED (2024–2025)



The storage business began operations in mid-2024 following the building's conversion from warehouse to climate-controlled storage. As a result, 2025 represents the first full year of lease-up.

The occupancy history shows a clear and consistent improvement throughout 2025:

- **January 2025:** 80 occupied units (63.9% economic occupancy)
- **July 2025:** 99 occupied units
- **November 2025 (peak):** 105 occupied units (83.27% economic occupancy)
- **December 2025:** 102 occupied units (80.94% economic occupancy)

This trajectory demonstrates that the market accepted the product, demand strengthened, and the facility moved from early-stage lease-up to a stabilizing asset by year-end.

For investors, this means:

- The hardest part of lease-up is already complete
- Revenue is already positive
- Occupancy is trending toward full stabilization
- 2026 represents the year of mature, predictable cash flow

YEAR-END 2025 ACTUAL FINANCIAL RESULTS

These figures are based on the owner's actual 2025 financial records.

YE 2025 Actual Performance

Income	Annual Amount
Storage Unit Rentals	\$113,826
Office Lease Income	\$8,400
Total Income (Actual)	\$122,226
<i>Less General Operating Expenses</i>	<i>(\$28,661)</i>
NOI (Actual 2025)	\$93,565

What this means for investors

Even while still ramping occupancy in 2025, the property:

- Covered all operating costs
- Generated positive cash flow
- Demonstrated real, verifiable income performance

This is not a speculative deal — it is already working.

STABILIZED PRO-FORMA (88% OCCUPANCY)

Based on:

- Current posted rental capacity of approximately \$13,532 per month
- Investor-standard stabilized occupancy of 88%
- Existing office lease at \$1,200/month
- Actual 2025 expenses as the operating baseline

Stabilized Income Assumptions

Income	Annual Amount
Storage Rent at 100%	\$162,384
Less 12% vacancy (88% occupancy)	\$19,486
Stabilized Storage Income	\$142,898
Office Lease Income	\$14,400
Stabilized Gross Income	\$157,298

Stabilized Expenses (Using Actual 2025 as Baseline)

Expenses	Annual Amount
Operating Expenses (Actual 2025 level)	\$28,661
Total Stabilized Expenses	\$28,661

Stabilized Net Operating Income (NOI)

Stabilized NOI
\$128,637 per year

Stabilized Value Indication (for investor context)

Using common Class B storage cap rates:

Cap Rate	Indicated Value
7.5%	\$1,715,000
8.0%	\$1,608,000

This illustrates the upside potential once the facility reaches full stabilization.

LOCATION & MARKET ADVANTAGES



- Located on Cosby Hwy (US-321), a major travel corridor to Gatlinburg
- Directly across from two public schools
- Strong mix of local residents, contractors, and tourism users
- Limited competition in climate-controlled storage
- Lower operating costs typical of East Tennessee markets

VALUE-ADD & EXPANSION POTENTIAL

A new owner can further increase value by:

- Expanding storage on the unused frontage
- Optimizing rental rates over time
- Re-tenanting the office after April 2026
- Installing additional units within the existing footprint

INVESTMENT HIGHLIGHTS

- Recently converted climate-controlled facility
- Proven lease-up through 2025
- Positive cash flow in Year 1 of full operations
- Separate office income
- Strong visibility, across from public schools on a major roadway
- Clear path to higher NOI in 2026

CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum is for informational purposes only and does not constitute an offer to sell or a solicitation to purchase. All financial information is based on estimates and information provided by ownership and third parties and should be independently verified by prospective buyers.

For additional information, site plans, or to schedule a private tour, please contact:

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