

OFFERING MEMORANDUM

— FOR SALE —



ESTABLISHED SELF-STORAGE FACILITY IN ASHLAND, OREGON
www.Merit-Commercial.com / (541) 944-9967

Scott King
Principal Broker



Caspian Hoehne
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Executive Summary

Merit Commercial Real Estate is pleased to exclusively present **2995 Hwy 66** or **"The Corner Storage"**, located in beautiful Ashland, Oregon

The Corner Storage is one of only a handful of established existing self-storage facilities in Southern Oregon, and currently the only publicly available facility in the region.

The property is a local icon, sited on the prominent corner of Hwy 66 and Dead Indian Memorial Road. The exceptional location enjoys strong traffic counts, great signage, and easy left/right access.

The unit mix is diverse and appealing. The 129 storage units range from 5x6 units to the largest 26x15 unit. Storage units are about an even split of interior-loaded hallway-accessed non-climate units, and steel-frame modular units (also non-climate). Tenant demand has been consistent, with average historical occupancy at 98%+.

There are 9 office suites, ranging from 24x10 to 52x35. While an atypical addition, the office suites have consistently leased and provides a welcome diversity to the revenue base. Additionally, there are 7 workshop spaces ranging from 24x10 - 30x19 - a high-demand product in Ashland. Lastly, there are 37

"rentable" parking spaces, ranging from 16x9 vehicle spots to 40x20 RV spaces.

There is excess land that could be developed at a higher-density or with mixed-use buildings in the NE corner of the property. The rent roll shows significant rent upside of over \$5,000/month, accounting for only turning existing units to market (not factoring rent growth or excess land)

The property has had significant recent improvements: new metal siding in 2021-22, full site pavement in 2017, new roofs on all structures in 2008, connection to city sewer, solar panels, fencing, landscaping, exterior paint, new well pump, and much more. The manager's quarters have been remodeled into a modern masterpiece in the recent years and is a strong highlight of the property.

The opportunity is clear at The Corner Storage to step into an established mixed-use storage facility with significant upside - all located in a beautiful town!

Contact the listing brokers today for additional information! Buyer is responsible for any and all due diligence, including environmental, licensing, use, legality, and all other items.

Offering Summary

Offering Price:	\$2,850,000
Phys. Occupancy:	97.8%
Econ. Occupancy:	79.4%
Address:	2995 Highway 66, Ashland, Oregon, 97520 - Jackson County
Legal:	39-1E-13BB TL 200 APN 10116264
Annual Taxes:	\$13,698.76 (tax year 2023)
Zoning:	GC (General Commercial)
Year Built:	± 1978
Gross Building SF:	± 20,860 SF (per Seller)
Gross Acreage:	2.36 acres (102,802 SF)
Unit Mix:	(129) non-climate storage units (9) office suites (7) warehouse/shops (37) rentable parking spaces
Construction:	Mix of wood-frame and metal units
Security:	Partial barbed fence, partial wood/metal, 3 secure egress/ingress gates (1 coded), full surveillance system
Utilities:	Public sewer/water, private on-site well, on-site solar panels
Mgr's Office:	On-site, live-in (open by appt. only)
Gate Hours:	8:30 - 4 Mon-Fri (tenants have 24 hr code)

Investment Highlights

A One-of-a-Kind Asset

Anchored by its exceptional location, visibility, and access, The Corner Storage is truly a one-of-a-kind property with multiple revenue drivers, significant recent capital improvements, and some excess land for future development.



Turn-Key Opportunity

The Corner Storage is a turn-key facility for a new operator. The property is in great condition, and comes nearly 100% occupied. A new operator may be able to immediately realize strong and steady cash flow without a long and arduous turn-around process.



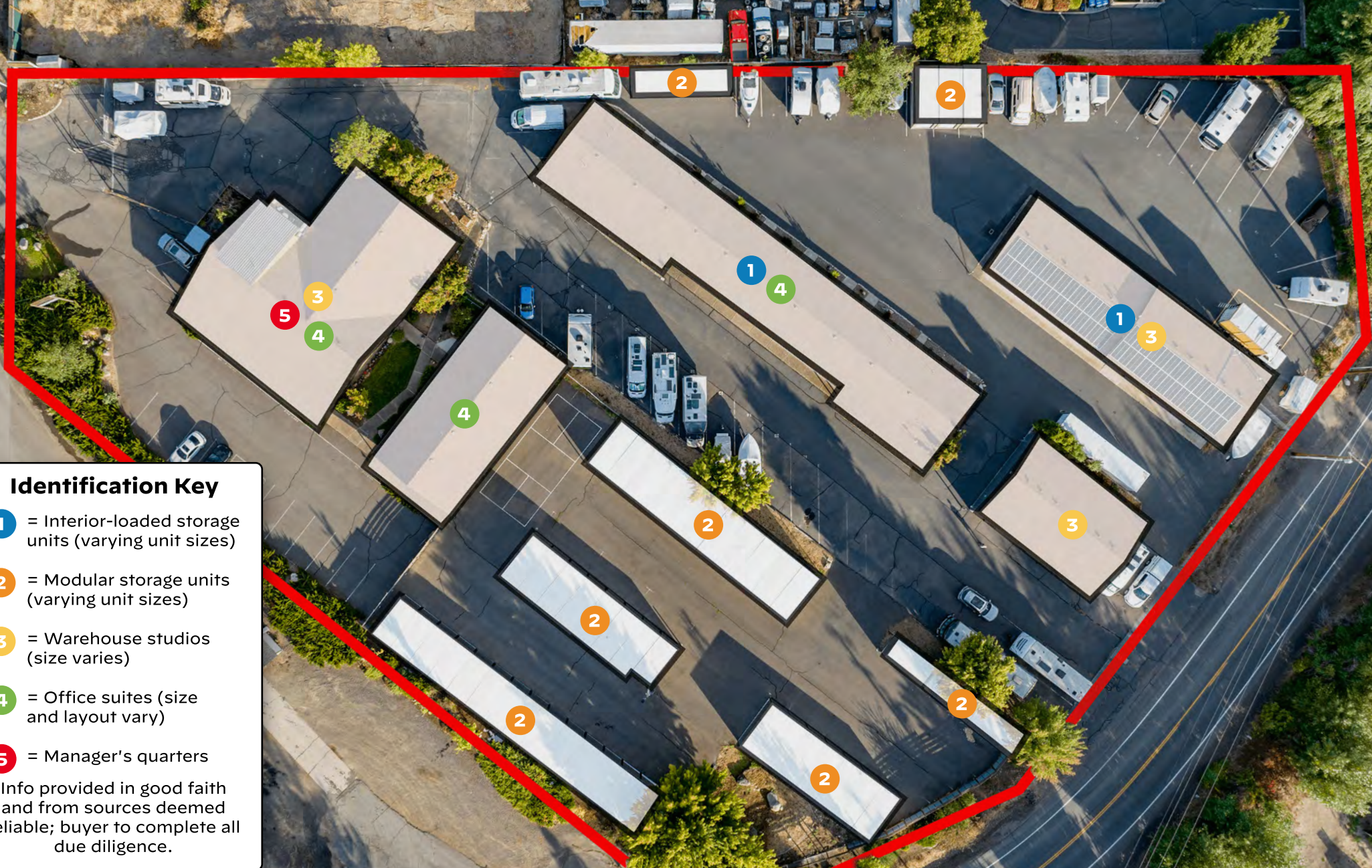
Significant Upside

A new operator may be able to significantly increase the both top-line revenue as well as NOI; unit rents across the entire property are over \$5,000/month below market. Further development of the property could also help increase revenue and future value of the property.





The property is a local icon, sited on the prominent corner of Hwy 66 and Dead Indian Memorial Road. The opportunity is clear at The Corner Storage to step into an established mixed-use storage facility with significant upside - all located in a beautiful town!



Identification Key

- 1** = Interior-loaded storage units (varying unit sizes)
- 2** = Modular storage units (varying unit sizes)
- 3** = Warehouse studios (size varies)
- 4** = Office suites (size and layout vary)
- 5** = Manager's quarters

Info provided in good faith and from sources deemed reliable; buyer to complete all due diligence.

Parcel boundaries are approximate and are for illustration purposes only.

Internal Layout (approx.)



Expansion Potential

Currently utilized for vehicle & RV parking, the NE corner of the Site could potentially be further developed to a higher density and revenue potential with permanent or modular storage units. Buyer to complete all due diligence.

Parcel boundaries are approximate and are for illustration purposes only.

Potential Site Expansion



Parcel boundaries are approximate and are for illustration purposes only.

Subject Property Aerial



Parcel boundaries are approximate and are for illustration purposes only.

Subject Property Aerial



Parcel boundaries are approximate and are for illustration purposes only.

Subject Property Aerial



Office and Manager's Quarters



Office Suites



Office Suites

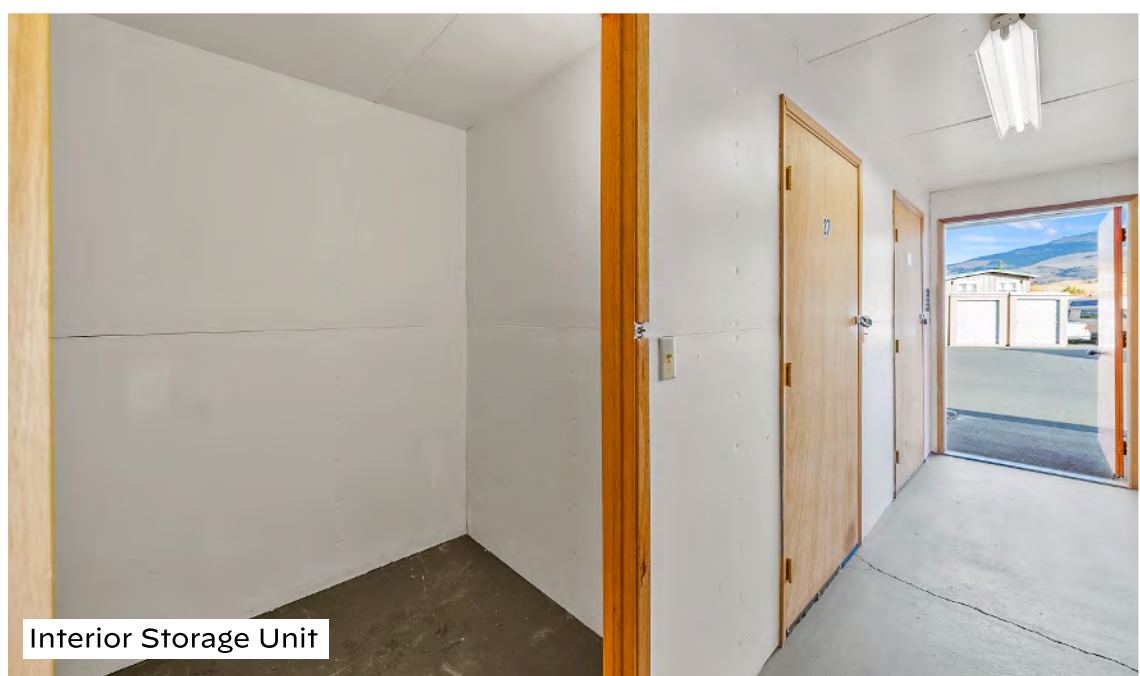


Interior-Loaded Storage Building

Additional Property Photos



Warehouse Suites



Interior Storage Unit

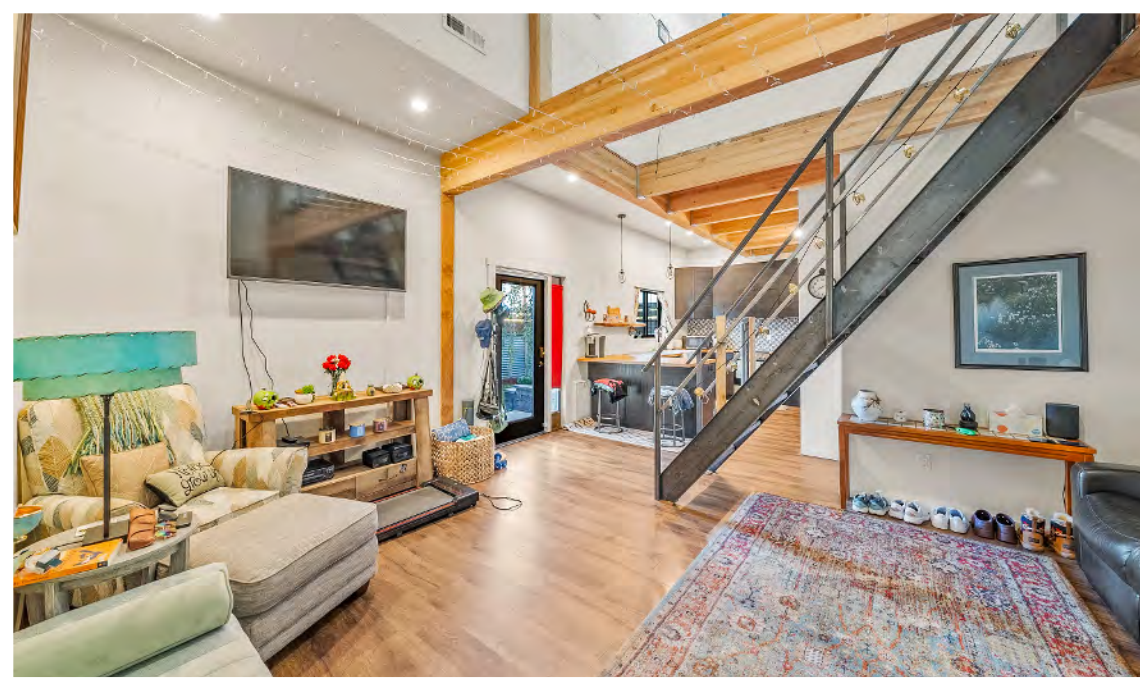


Modular Storage Units



Modular Storage Units

Additional Property Photos



Manager's Quarters

Unit Mix

Summary	# Units	SF/Unit	Total SF	Adv. Rate per Unit	Adv. Rate PSF	Market Rent	Actual Rent	Actual Rent PSF (Mo.)	Actual Rent PSF (Ann.)
7x4	1	28	28	\$60	\$2.14	\$58	\$50	\$1.79	\$21.43
11x7	1	77	77	\$99	\$1.29	\$95	\$80	\$1.04	\$12.47
11x9	1	99	99	\$115	\$1.16	\$110	\$93	\$0.94	\$11.27
11x11	1	121	121	\$135	\$1.12	\$130	\$130	\$1.07	\$12.89
9x6	3	54	162	\$75	\$1.39	\$225	\$199	\$1.23	\$14.74
5x6	23	30	690	\$60	\$2.00	\$1,380	\$1,151	\$1.67	\$20.02
7x6	8	42	336	\$68	\$1.62	\$544	\$425	\$1.26	\$15.18
4x4	3	16	48	\$50	\$3.13	\$150	\$126	\$2.63	\$31.50
12x9	4	108	432	\$115	\$1.06	\$460	\$309	\$0.72	\$8.58
12x6	4	72	288	\$90	\$1.25	\$360	\$288	\$1.00	\$12.00
10x6	1	60	60	\$85	\$1.42	\$80	\$80	\$1.33	\$16.00
12x17	1	204	204	\$220	\$1.08	\$200	\$172	\$0.84	\$10.12
15x12	1	180	180	\$180	\$1.00	\$175	\$90	\$0.50	\$6.00
26x15	1	390	390	\$275	\$0.71	\$275	\$140	\$0.36	\$4.31
14x11	1	154	154	\$165	\$1.07	\$165	\$90	\$0.58	\$7.01
11x12	1	132	132	\$135	\$1.02	\$130	\$80	\$0.61	\$7.27
20x8	19	160	3,040	\$150	\$0.94	\$2,850	\$2,658	\$0.09	\$10.49
8x5	13	40	520	\$65	\$1.63	\$845	\$716	\$1.38	\$16.52
8x10	17	80	1,360	\$100	\$1.25	\$1,700	\$1,498	\$1.10	\$13.22
16x8	16	128	2,048	\$130	\$1.02	\$2,080	\$1,916	\$0.94	\$11.23
8x4	1	32	32	\$68	\$2.13	\$63	\$63	\$1.97	\$23.63
8x8	8	64	512	\$85	\$1.33	\$680	\$547	\$1.07	\$12.82
Office - 24x10	3	240	720	\$400	\$1.67	\$1,200	\$577	\$0.80	\$9.62
Office - 15x20	4	300	1,200	\$495	\$1.65	\$1,980	\$1,186	\$0.99	\$11.86
Office - 30x14	1	420	420	\$795	\$1.89	\$795	\$795	\$1.89	\$22.71
Office - 52x35	1	1,820	1,820	\$1,800	\$0.99	\$1,800	\$1,413	\$0.78	\$9.32
Shop - 24x10	2	240	480	\$275	\$1.15	\$550	\$475	\$0.99	\$11.88
Shop - 29x10	2	290	580	\$580	\$2.00	\$1,160	\$915	\$1.58	\$18.93
Shop - 26x15	1	390	390	\$275	\$0.71	\$275	\$182	\$0.47	\$5.60
Shop - 29x11	1	319	319	\$1,500	\$4.70	\$1,500	\$717	\$2.25	\$26.97
Shop - 30x19	1	570	570	\$695	\$1.22	\$695	\$610	\$1.07	\$12.84
Parking - 16x9	10	144	1,440	\$69	\$0.48	\$654	\$633	\$0.44	\$5.28
Parking - 25x9	16	225	3,600	\$79	\$0.35	\$1,104	\$962	\$0.27	\$3.21
Parking - 40x9.5	10	380	3,800	\$99	\$0.26	\$1,041	\$896	\$0.24	\$2.83
Parking - 40x20	1	800	800	\$99	\$0.12	\$150	\$105	\$0.13	\$1.58
Totals:	182		27,052			\$25,659	\$20,367		

The Corner Storage features a diverse range of storage unit sizes, and covers essentially every segment of the possible tenant pool.

The addition of the 9 office suites and 7 warehouse/shop spaces is a welcome extension of the property. The Ashland market has shown time and time again that it "works" for small office and warehouse space.

The 37 parking spaces allows a buyer to produce income off of excess land before they choose to further develop the property.

Overall, the rent roll shows a performing, strong property with at least some upside in almost every unit type.

10-Year Proforma

Annual Proforma											
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Reversion
Gross Potential Rent	307,068	316,280	325,768	335,541	345,608	355,976	366,655	377,655	388,985	400,654	412,674
Loss-to-Lease	(53,499)	(52,171)	(49,577)	(45,540)	(41,106)	(36,249)	(30,942)	(25,156)	(18,861)	(12,025)	(4,613)
Gross Scheduled Rent	253,569	264,109	276,192	290,001	304,501	319,727	335,713	352,498	370,123	388,630	408,061
Vacancy & Credit Loss	(12,678)	(13,205)	(13,810)	(14,500)	(15,225)	(15,986)	(16,786)	(17,625)	(18,506)	(19,431)	(20,403)
Concessions	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	240,891	250,904	262,382	275,501	289,276	303,740	318,927	334,874	351,617	369,198	387,658
Expenses											
Repairs & Maintenance	(12,045)	(12,922)	(13,918)	(15,052)	(16,279)	(17,606)	(19,041)	(20,593)	(22,271)	(24,086)	(26,049)
General & Administrative	(3,000)	(3,090)	(3,183)	(3,278)	(3,377)	(3,478)	(3,582)	(3,690)	(3,800)	(3,914)	(4,032)
Payroll	-	-	-	-	-	-	-	-	-	-	-
Marketing	(600)	(618)	(637)	(656)	(675)	(696)	(716)	(738)	(760)	(783)	(806)
Power	-	-	-	-	-	-	-	-	-	-	-
Utilities	(4,500)	(4,635)	(4,774)	(4,917)	(5,065)	(5,217)	(5,373)	(5,534)	(5,700)	(5,871)	(6,048)
Internet	(1,680)	(1,730)	(1,782)	(1,836)	(1,891)	(1,948)	(2,006)	(2,066)	(2,128)	(2,192)	(2,258)
Bank / Card Fees	(3,600)	(3,708)	(3,819)	(3,934)	(4,052)	(4,173)	(4,299)	(4,428)	(4,560)	(4,697)	(4,838)
Landscaping	(4,200)	(4,326)	(4,456)	(4,589)	(4,727)	(4,869)	(5,015)	(5,165)	(5,320)	(5,480)	(5,644)
Misc	-	-	-	-	-	-	-	-	-	-	-
Management	(24,089)	(25,843)	(27,836)	(30,105)	(32,558)	(35,212)	(38,082)	(41,185)	(44,542)	(48,172)	(52,098)
Taxes	(13,800)	(14,214)	(14,640)	(15,080)	(15,532)	(15,998)	(16,478)	(16,972)	(17,481)	(18,006)	(18,546)
Insurance	(7,800)	(8,034)	(8,275)	(8,523)	(8,779)	(9,042)	(9,314)	(9,593)	(9,881)	(10,177)	(10,483)
Total Expenses	(75,314)	(79,120)	(83,320)	(87,970)	(92,935)	(98,238)	(103,905)	(109,964)	(116,445)	(123,379)	(130,802)
Net Operating Income	165,577	171,784	179,062	187,531	196,341	205,502	215,022	224,909	235,172	245,819	256,856
NOI Margin	68.7%	68.5%	68.2%	68.1%	67.9%	67.7%	67.4%	67.2%	66.9%	66.6%	66.3%
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)	(138,553)
DSCR (Overall)	1.20	1.24	1.29	1.35	1.42	1.48	1.55	1.62	1.70	1.77	
Cash Flow After Financing	27,025	33,231	40,509	48,979	57,789	66,950	76,469	86,357	96,620	107,267	
Reversion Value (at sale)	0	0	0	0	0	0	0	0	0	4,109,702	
Assumptions											
10-yr note @ 6.50%, 25-yr am, 60% LTV											
Purchase Price	2,850,000										
Going-In Cap Rate	5.81%										
Exit Cap Rate	6.25%										
Market Rent CAGR	3.00%										
Expense CAGR	3.00%										
Ann. Rent Increases	5.00%										
Investment Metrics											
	Levered IRR	11.52%									
	Unlevered IRR	9.21%									
	Levered NPV	375,195									
	Unlevered NPV	225,931									
	Discount Rate	8.00%									

Note: All financial projections are provided in good faith but are not guaranteed, and provided for discussion purposes only. All financial projections provided herein are subject to change.



2. American Mini Storage



1. Secure Storage



Subject Property

4. Mistletoe Self Storage



3. Ashland Stor-a-While



5. Ashland Mini Storage



Regional Competitors

Regional Competitors



Subject Property*

Unit	Rate	PSF
6x9	\$80	\$1.48
8x8	\$90	\$1.41
8x10	\$108	\$1.35
8x20	\$160	\$1.00
10x24	\$275	\$1.15



1. Secure Storage

Unit	Rate	PSF
5x10	\$90	\$1.80
10x10	\$140	\$1.40
10x15	\$170	\$1.13
10x20	\$190	\$0.95
10x25	\$210	\$0.84
10x30	\$240	\$0.80



2. American Mini Storage

Unit	Rate	PSF
5x10	\$65	\$1.30
10x10	\$105	\$1.05
10x15	\$130	\$0.87
10x20	\$145	\$0.73



3. Ashland Stor-a-While

Unit	Rate	PSF
5x10	\$79	\$1.58
10x10	\$129	\$1.29
10x15	\$149	\$0.99
10x20	\$175	\$0.88
10x24	\$185	\$0.77



4. Mistletoe Self Storage

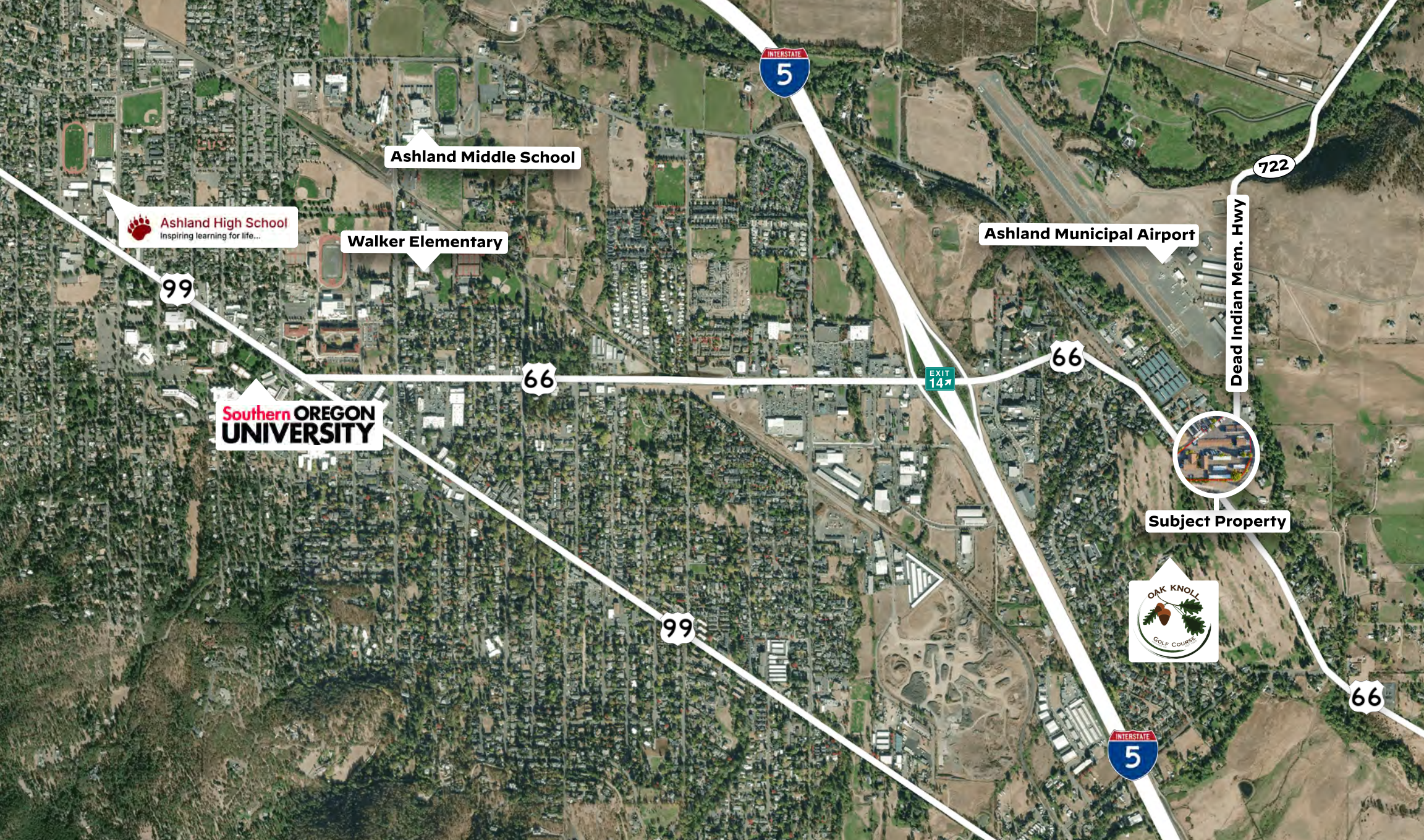
Unit	Rate	PSF
5x5	\$69	\$1.38
10x20	\$165	\$0.83
12x30	\$270	\$0.75

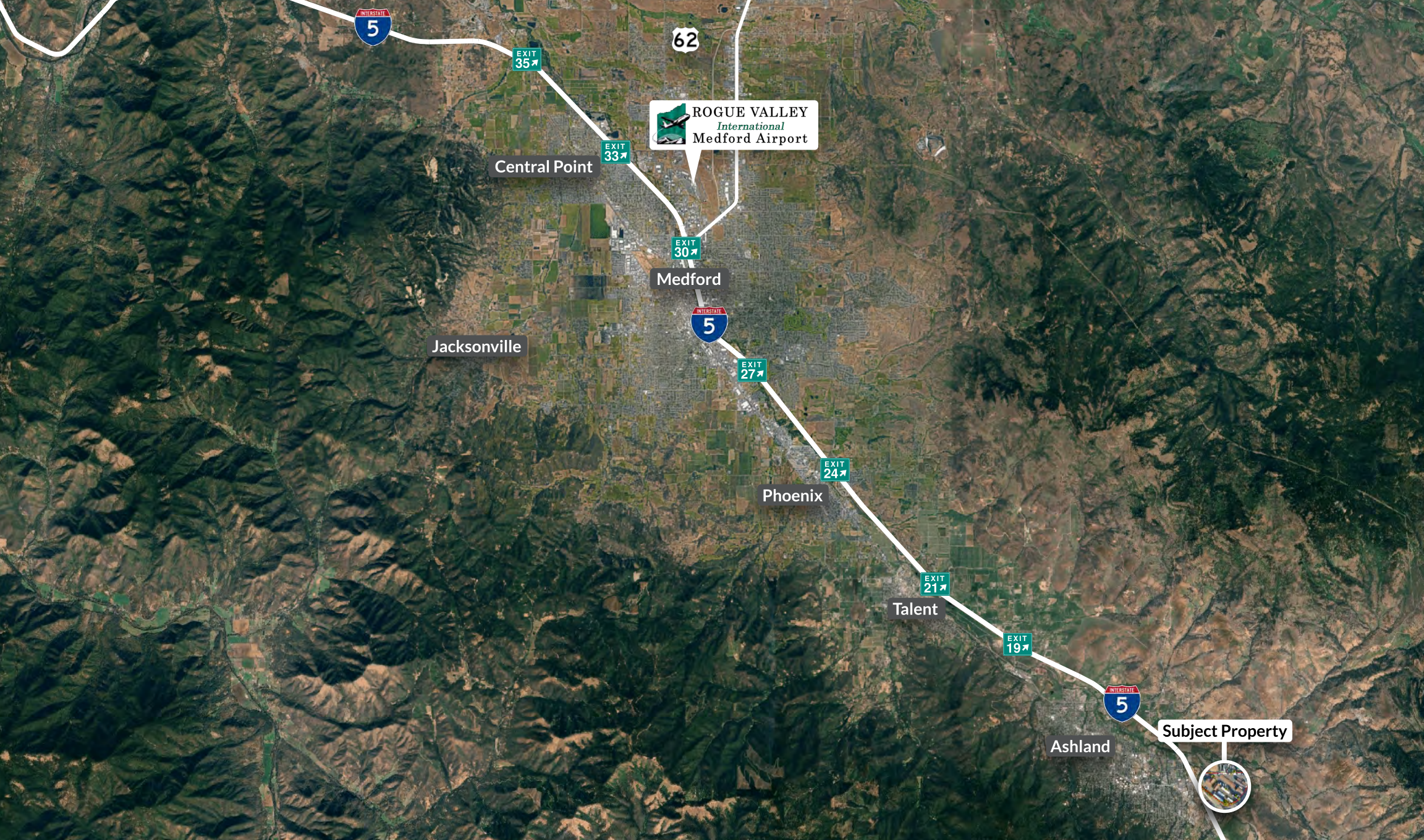


5. Ashland Mini Storage

Unit	Rate	PSF
10x10	\$125	\$1.25
10x20	\$190	\$0.95

* = sample of unit sizes only; does not include every unit size and rate. Advertised rates were provided from sources believed to be accurate but are subject to change at any time. Buyer to complete all due diligence for achievable rents and all other items.





Region Map



Ashland, OR History and Profile

Ashland, Oregon - a charming city nestled in the foothills of the Siskiyou Mountains, renowned for its unique blend of cultural richness, outdoor recreation, and small-town appeal. With a population of just over 21,000, Ashland consistently ranks as one of the "Top 10 Small Cities in America" due to its high quality of life, vibrant arts scene, and well-preserved historic downtown. The city is home to the world-famous Oregon Shakespeare Festival, which attracts thousands of visitors annually, fueling the local tourism and hospitality industries.

Beyond its cultural attractions, Ashland offers a highly desirable environment for both residents and investors, with a strong economy driven by tourism, higher education, and healthcare. Southern Oregon University, along with a robust local food and wine scene, provides additional economic drivers and diversity. Ashland's proximity to major highways and its small-town charm make it a prime location for investment properties that cater to both locals and the growing number of visitors.

The City has a strong sense of community as well as a diverse economy. Within a 20 minute drive, the Rogue Valley International-Medford Airport is the regional air travel hub for all of Southern Oregon, with well over 1M annual travelers. Breathtaking outdoor recreational activities are moments away; Upper and Lower Table Rock, the Rogue River, dozens of lakes, as well as the Crater Lake National Park are all within an easy drive.

#2 Best Small
Town in the U.S.

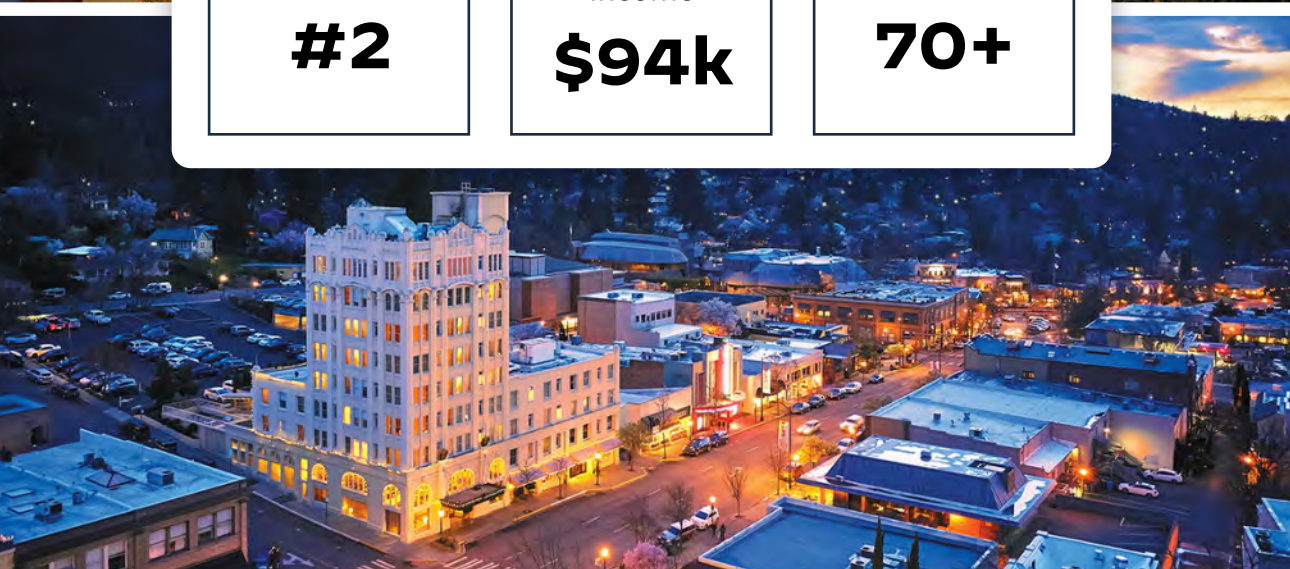
#2

Ashland avg.
household
income

\$94k

Avg. walk score
of Ashland

70+



Why Southern Oregon?

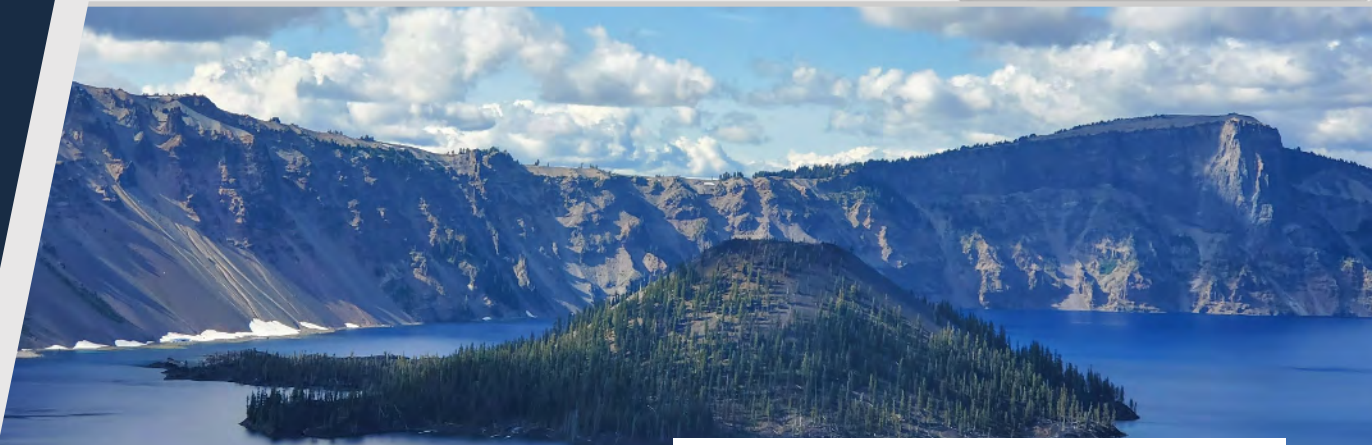
Southern Oregon, largely encompassing Jackson and Josephine Counties, is a world-class gem hiding in plain sight. Anchored by its mild Mediterranean climate, the area boasts the winning combination of being both strategically located between Portland and San Francisco, and having forward-thinking municipal leadership. This combination drives strong economic growth and has created a long runway for development across all asset classes.

Southern Oregon is a gateway to the entirety of the West Coast, via Interstate 5, North through Eugene, Salem, Portland, and Washington State, and South, through Redding, San Francisco, and down to Los Angeles. The local transportation system connects the most populated cities in the region of Medford, Ashland, and Grants Pass, and has dedicated highways Northeast to Bend and West to the Oregon Coast.

Multiple billion-dollar companies call Southern Oregon home, such as Lithia Motors (NYSE: LAD), Dutch Bros (NYSE: BROS), Asante Health Systems, Harry & David (NYSE: FLWS), Pacific Retirement Services, and countless small and mid-sized businesses.

Historically, the area's economy was mainly driven by the timber and agricultural industries. In the past few decades, the area has become a healthcare hub, and has a diverse economy supported by the industrial, manufacturing, logistics, retail, senior/retirement living, and finance/professional sectors. Timber and agriculture still play a role, with Timber Products and Roseburg Forest Products' main facilities located nearby.

A burgeoning golf destination, the area has numerous renowned golf courses, and several other famous courses are within a short drive (Bandon Dunes, Pacific Dunes, Pronghorn Resort). Over 8 casinos are within a 6-hour drive, including Seven Feathers, Three Rivers, Elk Valley, and others.





Southern Oregon Market

Strategic, Central Location

Southern Oregon is perfectly positioned nearly exactly halfway between Portland and San Francisco. The region's main airport, Rogue Valley International-Medford Airport (MFR) serves as both a high-traffic regional airport with dozens of direct-access and layover routes as well as a bustling private aviation hub. Well over 1m annual travelers come through MFR, with that number growing alongside the addition of several new commuter and travel routes to Portland and Salem, Arizona, California, and many others.

MFR is home to 2 Fixed-Base Operators (FBOs) - Million Air and Jet Center MFR. Both are highly-active, highly-rated FBOs serving countless private aircraft owners and military personnel. Million Air prides itself on being the only FBO on the West Coast that can hangar a Boeing business jet.

The airport's low relative parking fees, combined with it's strategic, central location, has proven the region as one of the most prominent private aviation destinations in Oregon for corporations and private individuals alike.

The region's dryer, sunnier climate allows for easier air travel for most of the year, compared to the rest of the State. MFR also serves as the region's air-based fire-fighting hub during the Summer months.

Erickson Air-Crane, Inc's main facility is located nearby, a global OEM aircraft company specializing in heavy-lift aerial operations in both civilian and military use.

Overall, the region is a burgeoning aviation destination, with the perfect blend of economical, weather, and geographical tailwinds spurring growth.



Transaction Guidelines

2995 Hwy 66 is being offered on the open market. Purchasers should rely on their own assumptions and base their offer on the "As-Is, Where-Is" condition of the property. Merit Commercial Real Estate ("MCRE") will be available to assist prospective purchasers with their review of the offering and answer any questions within their scope of practice. Site tours of the property and market, for qualified prospective purchasers, can be arranged with MCRE upon request. The Listing Brokers and Seller request that all initial meetings requested by prospective purchasers be arranged and coordinated through MCRE. There is not currently a definitive date for offers to be submitted. When a prospective buyer prepares an offer for any of the Properties, such offers should, at a minimum, include the following:

- Purchase price
- Verifiable proof of funds
- Amount of earnest money deposit
- Buyer's due diligence period, extension options, and internal approval process
- Desired closing date
- Breakdown of closing expenses to be paid by buyer and seller, if differing from local customs

Please contact listing brokers Scott and Caspian for additional information and to complete an NDA.

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