# Storage

# STORAGE PORTFOLIO

# FIVE SELF STORAGE PROPERTIES THROUGHOUT TEXAS

CBRE

CAPITAL MARKETS | SELF STORAGE

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# Storage

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# Storage

# **Portfolio Description**

CBRE's Self Storage Advisory Group is pleased to announce the exclusive listing of AAA Storage Portfolio that includes five self storage facilities located in some of the nation's fastest growing metros Houston, Austin and San Antonio, Texas. This unique storage portfolio offering totals 2,306 units equating to 313,039 net rentable square feet.

# CALL FOR OFFERS: JUNE 5, 2015

# Portfolio Summary

	AAA Storage FM 2920 & Postal Center	AAA Storage Hwy 71	AAA Storage Val Verde & Postal Center
Address	16920 FM 2920 Road	4405 Highway 71 E	1015 W Expressway 83
City, State, Zip	Tomball, TX 77377	Del Valle, TX 78617	Donna, TX 78537
Year Built	2004	2005	2002
No. Units	487	566	424
Net Rentable Square Feet of Self Storage	73,700	67,137.50	58,112.50
Net Rentable Square Feet of RV Parking	5,800	11,000	4,800
NOI - January - February 2015 Annualized	\$284,374	\$354,263	\$149,048
Physical Occupancy (March 2015)	75.9%	77.3%	62.1%
Economic Occupancy (February 2015)	68.3%	68.3%	59.7%

_	AAA Storage FM 2673	AAA Storage Hwy 75	Total/ Average
Address	5622 FM 2673	4215 N Frazier Street	
City, State, Zip	Canyon Lake, TX 78133	Conroe, TX 77303	
Year Built	2008	2010	
No. Units	402	427	2,306
Net Rentable Square Feet of Self Storage	57,500	56,587.50	313,037.5
Net Rentable Square Feet of RV Parking	5,000	3,000	29,600
NOI - January - February 2015 Annualized	\$199,148	\$224,607	\$1,211,440
Physical Occupancy (March 2015)	69.4%	79.8%	73.2%
Economic Occupancy (February 2015)	60.7%	64.8%	64.4%



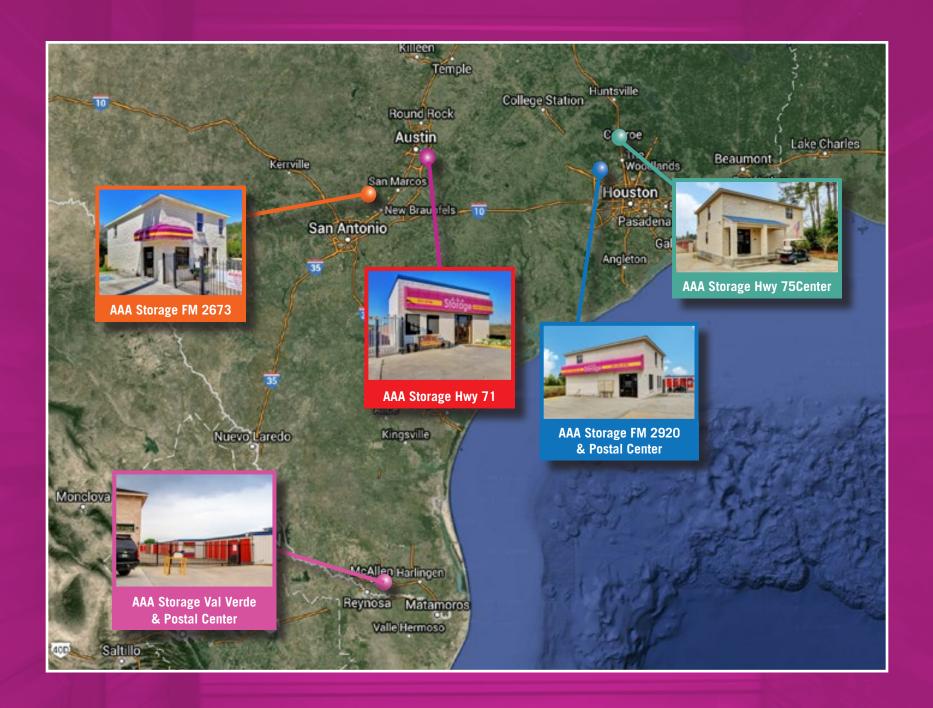
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# AAA STORAGE FM 2920 & POSTAL CENTER | TOMBALL, TX

# Storage

# AAA Storage FM 2920 & Postal Center

#### **Property Description:**

#### **Property Facts:**

Property Address	16920 Farm-to-Market 2920, Tomball, TX 77377
Year Built	2004
Construction Type	Metal
Total Building Area	73,700 (NRSF)
Number of Buildings	Five Buildings
Parking	29 Outdoor Parking Spaces
Land Area	5.22 Acres

#### Address

16920 FM 290 Tomball, Texas

#### **Assessor's Parcel Number**

129918001005

#### **Overview**

This AAA Storage property is comprised of five buildings, 458 climate and nonclimate controlled units and 73,700 net rentable square feet (NRSF) in Tomball, Texas. The facility also offers 29 outside RV and boat parking spaces equating to an additional 5,800 net rentable square feet (NRSF). With September 2014 through February 2015 annualized income, the property is projected to have a Net Operating Income of \$284,374. The property has a physical occupancy of 75.9% and an economic occupancy of 68.3%.

#### Highlights

This centrally located facility serves the communities of Rosehill, Powdermill Estates and Holly Creek Estates. The property also features a postal center where clients can purchase shipping and moving supplies. Other highlights include:

- Climate-Controlled Units
- 24-Hour Video Surveillance
- Drive-Up Access
- Truck Rental
- Postal Center
- Electronic Gate Access

#### **Demographics**

The total population within a five-mile radius of the property is 43,021 residents with an average household income of approximately \$91,483.

#### **Storage Buildings**

These single-story buildings sit on approximately 5.22 acres with approximately 1.12 acres of vacant land for additional expansion. The buildings feature metal framing, roofs, and roll up doors.

#### Access

The property has an electronic gated entryway and excellent highway access to State Highway 249 and US Highway 290. Street frontage for the property faces Farm to Market Road 2920; the site has approximately 20,871 vehicles passing by the facility daily.

#### Security

All units are secured by chain-link fencing, video surveillance and a resident manager's apartment.

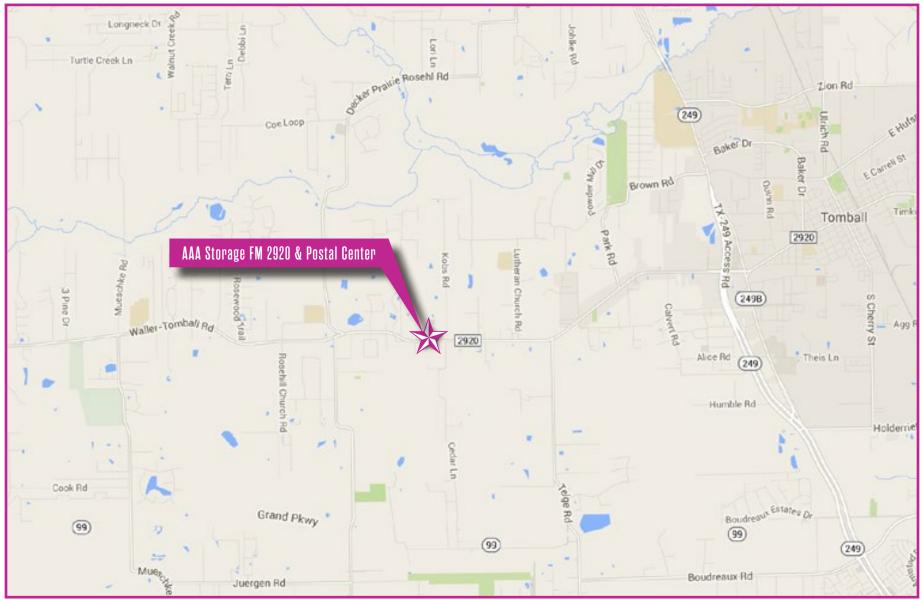
# AAA Storage FM 2920 & Postal Center



# AAA Storage FM 2920 & Postal Center



# Location - Tomball, TX



AAA STORAGE PORTFOLIO

# Aerial - Tomball, TX



# Unit Mix - Tomball, TX

Drive Up					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
18	5x5	25.0	\$32.00	\$576.00	\$6,912.00
38	5x10	50.0	\$48.00	\$1,824.00	\$21,888.00
25	5x15	75.0	\$66.00	\$1,650.00	\$19,800.00
3	10x10	100.0	\$93.00	\$279.00	\$3,348.00
20	7.5x15	112.5	\$93.00	\$1,860.00	\$22,320.00
2	10x15	150.0	\$98.00	\$196.00	\$2,352.00
40	7.5x20	150.0	\$98.00	\$3,920.00	\$47,040.00
4	7.5x25	187.5	\$118.00	\$472.00	\$5,664.00
39	10x20	200.0	\$125.00	\$4,875.00	\$58,500.00
1	10x22.5	225.0	\$140.00	\$140.00	\$1,680.00
11	10x25	250.0	\$155.00	\$1,705.00	\$20,460.00
1	12.5x20	250.0	\$167.00	\$167.00	\$2,004.00
2	10x30	300.0	\$183.00	\$366.00	\$4,392.00
9	10x30	300.0	\$190.00	\$1,710.00	\$20,520.00
7	12.5x30	375.0	\$225.00	\$1,575.00	\$18,900.00
2	10x40	400.0	\$235.00	\$470.00	\$5,640.00
3	10x40	400.0	\$230.00	\$690.00	\$8,280.00
1	15x30	450.0	\$255.00	\$255.00	\$3,060.00
2	10x45	450.0	\$243.00	\$486.00	\$5,832.00
8	12.5x40	500.0	\$272.00	\$2,176.00	\$26,112.00
5	15x40	600.0	\$305.00	\$1,525.00	\$18,300.00
1	15x40	600.0	\$290.00	\$290.00	\$3,480.00
1	20x40	800.0	\$375.00	\$375.00	\$4,500.00
243	Total	42,525		\$27,582.00	\$330,984.00



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# Unit Mix - Tomball, TX

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1st Floor Climate Con	trolled				
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
10	5x5	25.0	\$46.00	\$460.00	\$5,520.00
2	5x7.5	37.5	\$58.00	\$116.00	\$1,392.00
16	5x10	50.0	\$71.00	\$1,136.00	\$13,632.00
44	5x15	75.0	\$76.00	\$3,344.00	\$40,128.00
48	7.5x15	112.5	\$106.00	\$5,088.00	\$61,056.00
1	10x15	150.0	\$142.00	\$142.00	\$1,704.00
30	7.5x20	150.0	\$142.00	\$4,260.00	\$51,120.00
26	10x20	200.0	\$182.00	\$4,732.00	\$56,784.00
10	10x25	250.0	\$222.00	\$2,220.00	\$26,640.00
4	12.5x20	250.0	\$222.00	\$888.00	\$10,656.00
8	10x30	300.0	\$260.00	\$2,080.00	\$24,960.00
3	15x20	300.0	\$260.00	\$780.00	\$9,360.00
4	12.5x25	312.5	\$270.00	\$1,080.00	\$12,960.00
4	12.5x30	375.0	\$305.00	\$1,220.00	\$14,640.00
4	15x25	375.0	\$305.00	\$1,220.00	\$14,640.00
1	15x30	450.0	\$358.00	\$358.00	\$4,296.00
215	Total	31,175		\$29,124.00	\$349,488.00

RV & Vehicle Parking						
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income	
29	0x20		\$49.00	\$1,421.00	\$17,052.00	
29	Total			\$1,421.00	\$17,052.00	

Total				
487	Total	73,700	\$58,127.00	\$697,524.00



Underwriting - Tomball, TX			September 2014 - February 2015	
			Annualized w/ Actual	
INCOME	2014 Income & Expenses	PER SF	Expenses	PER SF
GROSS POTENTIAL RENT	\$697,524	\$9.46	\$697,524	\$9.46
Late, Letter, & NSF Fees	\$13,879	\$0.19	\$13,320	\$0.18
Merchandise Sales (NET)	\$1,650	\$0.02	\$1,650	\$0.02
Insurance *	\$17,934	\$0.24	\$16,145	\$0.22
Post Office	\$6,115	\$0.08	\$4,695	\$0.06
TOTAL OTHER INCOME	\$39,578	\$0.54	\$35,810	\$0.49
Gross Potential Income	\$737,102	\$10.00	\$733,334	\$9.95
Economic Vacancy/ Collection Allowance 37.0%	\$257,681	\$3.50	31.7% \$220,858	\$3.00
EFFECTIVE GROSS INCOME	\$479,421	\$6.51	\$512,476	\$6.95
EXPENSES				
Property Taxes (1)	\$89,346	\$1.21	\$89,346	\$1.21
Insurance (2)	\$6,136	\$0.08	\$6,136	\$0.08
Utilities & Trash (3)	\$18,307	\$0.25	\$18,307	\$0.25
Repairs, Maintenance and Reserves (4)	\$11,055	\$0.15	\$11,055	\$0.15
Advertising (5)	\$5,314	\$0.07	\$5,314	\$0.07
Salaries, Taxes, & Benefits (6)	\$40,261	\$0.55	\$40,261	\$0.55
Management Fee (7)	\$23,971	\$0.33	\$25,624	\$0.35
Office Supplies & Postage (8)	\$2,343	\$0.03	\$2,343	\$0.03
Bank & Credit Card Fees (9)	\$11,952	\$0.16	\$11,952	\$0.16
Telephone & Internet (10)	\$3,824	\$0.05	\$3,824	\$0.05
Contract Services (11)	\$6,014	\$0.08	\$6,014	\$0.08
Computer Expenses (12)	\$540	\$0.01	\$540	\$0.01
Post Office Expense (13)	\$7,338	\$0.10	\$7,386	\$0.10
Total Expenses	\$226,401	\$3.07	\$228,102	\$3.10
% of EGI	47.2%		44.5%	
NET OPERATING INCOME	\$253,020	\$3.43	\$284,374	\$3.86

#### **Comments:**

\*Insurance income is based on 60 percent of what is actually being collected.

(1) Property Taxes are based on actual taxes.

(2) Insurance is based on September 2014 through February 2015 expenses annualized.

(3) Utilities & Trash are based on September 2014 through February 2015 expenses annualized.

(4) Repairs, Maintenance, and Reserves have been adjusted to \$0.15/SF/Year.

(5) Advertising is based on September 2014 through February 2015 expenses annualized.

(6) Salaries, Taxes, & Benefits are based on September 2014 through February 2015 expenses annualized.

(7) Management Fee is based on 5% of the Effective Gross Income per industry standards.

(8) Office Supplies & Postage are based on September 2014 through February 2015 expenses annualized.

(9) Bank & Credit Card Fees are based on September 2014 through February 2015 expenses annualized.

(10) Telephone & Internet are based on September 2014 through February 2015 expenses annualized.(11) Contract Service includes landscaping, fire control, and pest control.

(12) Computer Expenses are based on September 2014 through February 2015 expenses annualized.

(13) Post Office Expenses are based on September 2014 through February 2015 expenses annualized.

#### **Property Summary**

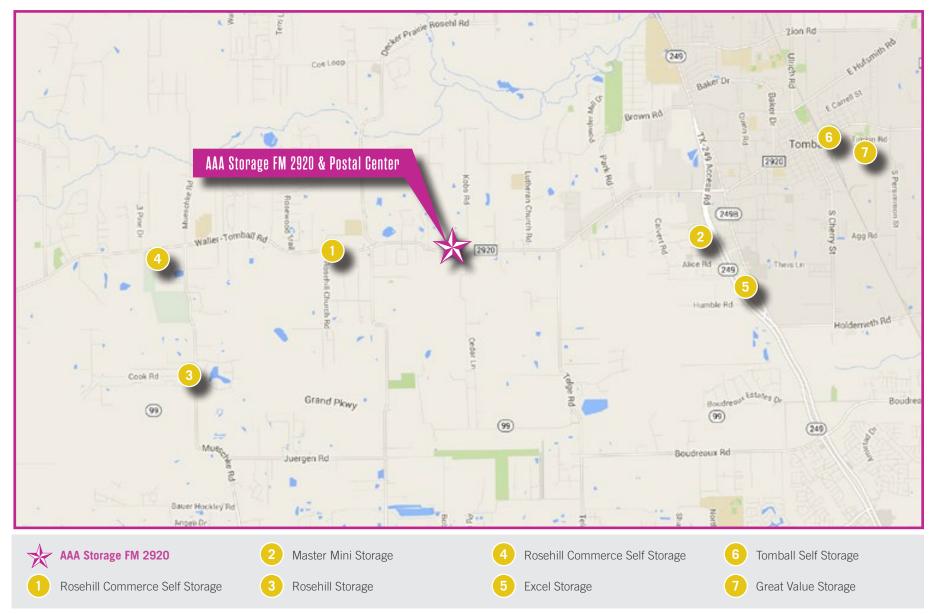
73,700 NRSF of Self Storage 5,800 NRSF of RV Parking 487 Units



## OCC,Unit,SF Increases - Tomball, TX



# Rent Comparables - Tomball, TX



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## Rent Comparables - Tomball, TX

#### AAA Storage FM 2920

16920 FM 2920 Road Tomball, TX 77377

487
75.9%
2004
Subject



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	32.00	48.00	93.00	98.00	125.00	\$0.89
1st Floor CC	46.00	71.00	DNH	142.00	182.00	\$1.28

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles, Full Postal Center.

Rosehill Commerce Self Storage					
18400 FM 2920 Road					
Tomball, TX 77377					
Year Built:	2001				



Unit Type	*5x6	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	35.00	55.00	80.00	105.00	125.00	\$0.88
1st Floor CC	45.00	65.00	100.00	115.00	135.00	\$1.05

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Individual Door Alarms, Wide Drive Aisles, Rental Truck, USPS Onsite.

#### Master Mini Storage

14122 Hirschfield Road Tomball, TX 77377

Year Built:	1991
Distance:	2.86 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	30.00	40.00	60.00	85.00	115.00	\$0.75
1st Floor CC	50.00	80.00	110.00	125.00	145.00	\$1.29

Rent Specials: No Deposit or Administration Fee Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.

#### Rosehill Storage

20030 Cook Road

Tomball, TX 77377

Year Built:	1997
Distance:	3.40 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF	
Drive Up	DNH	38.00	65.00	85.00	115.00	\$0.64	
1st Floor CC		Facility Does Not Offer Climate Controlled Units					

Rent Specials: Prepay 2 Months & Get the 3rd Month Free Property Amenities: Gated Entry with Key Code Access, Wide Drive Aisles.

## Rent Comparables - Tomball, TX

#### **Rosehill Commerce Self Storage**

20555 FM 2920 Road Hockley, TX 77447

Year Built:	2000
Distance:	3.41 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	32.00	47.50	75.00	105.00	128.00	\$0.86
1st Floor CC	40.00	65.00	100.00	120.00	140.00	\$1.10

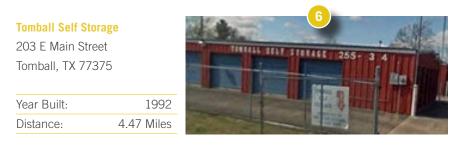
Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Individual Door Alarms, Wide Drive Aisles, Rental Truck, USPS Onsite.

#### Excel Storage 27407 Highway 249 Tomball, TX 77377 Year Built: 1995 Distance: 3.44 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	29.00	38.00	55.00	82.00	105.00	\$0.71
1st Floor CC	36.00	45.00	79.00	95.00	121.00	\$0.87

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF	
Drive Up	25.00	30.00	50.00	75.00	100.00	\$0.62	
1st Floor CC	Facility Does Not Offer Climate Controlled Units						

Rent Specials: No Deposit or Administration Fee Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	29.00	41.00	63.00	76.00	95.00	\$0.72
1st Floor CC		Facility Do	es Not Offer	· Climate Co	ontrolled U	Inits

Property Amenities: Gated Entry with Key Code Access, Wide Drive Aisles, Interior Lighting.



### Demographics - Tomball, TX

#### 16920 Fm 2920 Rd - 5 mile radius

#### **Population Information**

The population of this area in 2015 is estimated to be 43,021, which is a growth rate of 11.4% over 2010. During the next five years, the population is projected to grow by 9.0%. By comparison, the United States population is expected to grow by 3.5% in the next five years, from its estimated population of 319,459,991.

The current year median age for this population is 37.23, while the average age is 37.55. The current median age for the United States is 37.87 and the average age is 38.73.

#### **Race and Ethnicity Information**

The racial composition of this area's current year estimated population is: 80.8% are White alone, 4.5% are Black or African American alone, 0.6% are American-Indian alone, 3.0% are Asian alone, 0.0% are Native Hawaiian and Other Pacific Islander alone, 8.5% are some other race, and 2.6% are two or more races.

The United State's racial composition is: 71.1% are White alone, 12.7% are Black or African American alone, 1.0% are American-Indian alone, 5.2% are Asian alone, 0.2% are Native Hawaiian and Other Pacific Islander alone, 6.6% are some other race, and 3.2% are two or more races.

The area's current estimated Hispanic or Latino population is 21.2%, compared to the United States where the population is 17.6% Hispanic or Latino.

#### **Household Information**

There are an estimated 15,043 households in this area which represents a 10.4% growth over 2010. During the next five years households are projected to grow 8.8%. The United States has an estimated 121,099,157 households for 2015, which is a growth of 3.8% since 2010. Over the next five years household growth is projected to be 3.7%.

#### **Income Information**

The estimated average household income in this area for the current year is \$91,483, which is projected to grow 5.0% over the next five years. The United States is projected to have a 6.0% increase from the current year median household income of \$53,229.



### Demographics - Tomball, TX

#### 16920 Fm 2920 Rd - 5 mile radius

#### **Employment Information**

The population over age 16 is currently estimated at 33,142. The employment status of this labor force is as follows: 0.0% are in the armed forces, 59.0% are employed civilians, 5.0% are unemployed civilians and 36.0% are not in the labor force.

The United States population over age 16 is currently estimated at 254,151,626. The employment status of this labor force is as follows: 0.4% are in the armed forces, 57.4% are employed civilians, 6.2% are unemployed civilians and 36.0% are not in the labor force.

The following occupational categories are for the employed population in this area: 13.2% are in management; 4.4% are in business and financial operations; 14.6% are in professional and related occupations; 12.1% are in service; 6.4% are in health care; 12.0% are in sales; 13.4% are in office support; 0.2% are in farming or other agricultural occupations; 11.1% are in construction, extraction and maintenance; 12.7% are in production, transportation and material moving.

The occupation estimates for the employed population in the United States are as follows: 9.6% are in management; 4.7% are in business and financial operations; 16.1% are in professional and related occupations; 15.7% are in service; 8.2% are in health care; 11.0% are in sales; 13.6% are in office support; 0.7% are in farming or other agricultural occupations; 8.3% are in construction, extraction and maintenance; 12.1% are in production, transportation and material moving.

#### **Education Information**

Currently, it is estimated that 7.9% of the population age 25 and over in this area have earned a master's, professional, or doctorate degree and 20.0% have earned a bachelor's degree. The United States population over 25 has an estimated 10.8% of the population with a master's, professional, or doctorate degree, and 18.1% have earned a bachelor's degree.

#### **Housing Information**

**AA** STORAGE PORTFOLIO

67.7% of housing units in the area are estimated to be owner-occupied for the current year. 57.6% of the housing units in the United States are owner-occupied.

The largest segment of the dwellings in this area are estimated to be structures of 1 unit detached, accounting for 68.1% of structures in the area for the current year. Most of the structures in the United States are 1 unit detached accounting for 61.5% of structures for the current year.

The largest segment of housing units in this area are estimated to have been built 2000 and later accounting for 42.8% of structures. The largest segment of housing units in the United States are estimated to have been built After 2000 for the current year accounting for 18.8% of structures.

### Market Overview — Houston, Texas

#### **Houston Overview**

Located on the coastal prairies of southeast Texas, Houston is home to a diverse set of industries and cultures. The Houston - Sugar Land - Baytown Metropolitan Statistical Area (MSA) covers more than 10,000 square miles (an area larger than the entire states of Massachusetts, New Hampshire, New Jersey, and Vermont) and consists of ten counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller.

The Houston MSA's Gross Area Product (GAP) was estimated to be \$580.5 billion in 2014, larger than the GDP for Belgium, Argentina or Sweden. If Houston were an independent nation, it would rank as the world's 22nd largest economy. The Houston MSA recorded more than 2.9 million payroll jobs in 2014, more jobs than the job counts of 33 U.S. states. The 10-county metropolitan area ranks as the number one place to live in the country according to Kiplinger Personal Finance.



With a population exceeding 2.2 million (2010 census), the City of Houston is the fourth largest city in the United States, while the greater Houston metropolitan area ranks sixth in the nation with a population of 5.8 million. This population base includes a wide variety of racial and ethnic groups that give Houston a rich diversity and cosmopolitan feel. The Houston Region is one of the youngest, fastest-growing and diverse populations anywhere.

Houston is home to a thriving business economy that has rapidly diversified from its strong energy base. This economic diversification includes growth in high-technology industries, medical research, health care and professional services.

#### **Houston Industry Overview**

Today, the Houston economy is based on a broad spectrum of industries including:

- Oil and gas exploration
- Basic petroleum refining
- Petrochemical production
- Medical research and health care delivery
- High-technology (computer, aerospace, environmental, etc.)
- Government (City, state and federal)
- International import and export
- Commercial fishing
- Agriculture
- Education
- Film and Media
- Banking and finance
- Manufacturing and distribution
- Related service industries



Houston's infrastructure is also strengthened by three airports, which form the sixthlargest airport system in the world, and a massive trucking and rail system that links the southern, south central, midwestern and western United States. More than 600 trucking firms operate in Houston, and two major rail systems operate 14 mainline tracks radiating from Houston. Houston is well-served by a system of radial and ring highways that provide excellent access to markets outside the region.

In the Houston Consolidated Metropolitan Statistical Area (CMSA), 575.4 miles of freeways and expressways (55 percent of the planned system) are in operation.

Houston is the crossroads for Interstates 10 and 45. Other major highways serving Houston are Loop 610, U.S. 59, U.S. 290, U.S. 90, Texas 288, Texas 225, Hardy Toll Road, Sam Houston Tollway and Braesridge (Texas 99).

Houston's employment base has become increasingly diverse. In 1981, the economic base was dominated by energy-related businesses with nearly 85 percent of all jobs in those sectors. Today, nearly half of all jobs are in non-energy fields, such as business services, technology, aerospace, medicine and manufacturing.

Houston offers a richly-diverse pool of highly-skilled, multilingual, multicultural workers. Nearly 25 percent of all adults have completed four years of college, surpassing the national average, while the median age is three years younger than the national average. More than 90 languages are spoken in Houston.

For business and fun, for living and visiting, Houston is one of the dynamic frontiers on the world stage. With its proximity to the Southern Hemisphere and having the infrastructure to accommodate the growing needs of numerous global interests, Houston has become an international destination and one of the world's great cities.

#### **Quality of Life**

Houston has one of the lowest cost of living among the nation's 23 largest metropolitan areas, a key contributor to Houston's ability to continually rank among the nation's most desirable cities for companies looking to relocate or expand their operations.

Houston offers more than 11,000 restaurant options, which present culinary choices from more than 35 countries as well as from a variety of American regions. Houston is a major cultural center with more than 200 institutions devoted to the arts, science, and history and more than 500 cultural, visual, and performing arts organizations. Houston is one of five cities in the nation with permanent resident companies in all of the major performing arts disciplines - symphony, opera, theater, and ballet. The city is second to New York in number of theater seats in a downtown area. Houston's Theater District and Museum District host more than seven million visitors annually.

Houstonians enjoy championship professional sports with the Houston Rockets, the Houston Astros, and the Houston Texans, the NFL's newest franchise. The Houston Dynamo, Houston's Major League Soccer team since 2005, built a state-of-the-art, soccer-specific stadium in 2012. With its brand new world class sporting facilities, Houston has hosted a Super Bowl, an MLB All-Star Game, and an NBA All-Star Game. Recently, the city of Houston was awarded the 2017 Super Bowl.





Outdoor activities abound in Houston as a result of the city's favorable location and climate. There are more than 600 city and county parks in the area, totaling some 43,700 land acres and 12,200 water acres. There are more than 140 miles of hike and bike trails, over 180 public and private golf courses plus countless tennis courts, basketball courts, sports fields, and playgrounds.

Houston is home to more than 85 hospitals and the Texas Medical Center, the largest medical center in the world with more than 49 medical institutions on its 1,000-acre campus. Houston's hospitals consistently rank among the nation's top 50 institutions.

Below are some additional economic highlights of the Houston Metro Area:

- The Houston MSA recorded more than 2.9 million payroll jobs in 2014, more than the entire job counts of 33 states, including Arizona, Colorado and Maryland.
- Houston ranks third behind NYC and Chicago as the home of Fortune 500 companies.
- More than 5,000 energy-related companies are based in Houston which is generally recognized as the energy capital of the world.
- Houston is home to the Texas Medical Center, the largest medical center in the world, with a local economic impact of \$10 billion.
- The Port of Houston ranks first in the US for international tonnage handled and second in total cargo handled. It is the 10th largest port in the world.

#### Houston's Top 15 Employers

1	University of Texas	30,641 Employees
2	Wal-Mart Stores, Inc.	28,780 Employees
3	Insperity	20,816 Employees
4	Exxon Mobil Corporation	14,835 Employees
5	United Airlines, Inc.	14,651 Employees
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All of these favorable characteristics continue to support Houston's strong reputation as one of the best places to live and work in the United States. The following list demonstrates Houston's popularity as a place to conduct business, find employment, and live.

#### Houston # 1

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- Best Cities for Young Entrepreneurs CreditDonkey, February 19, 2014
- Top U.S. Manufacturing Cities Manufacturers' News, January 2014



# AAA STORAGE HWY 75 | CONROE, TX

# Storage

# AAA Storage Hwy 75 | Conroe, TX

#### **Property Description:**

#### **Property Facts:**

Property Address	4215 N Frazier Street, Conroe, TX 77303				
Year Built	2010				
Construction Type	Metal				
Total Building Area	56,587.5 (NRSF)				
Number of Buildings	Four Buildings				
Parking	15 Outdoor Parking Spaces				
Land Area	7.51 Acres				

#### Address

4215 North Frazier Street Conroe, TX 77303

#### **Assessor's Parcel Number**

2900-50-00400

#### **Overview**

This AAA Storage property is comprised of four single-story buildings, 412 units and 56,587.5 net rentable square feet (NRSF) in Conroe, Texas. The facility also offers 15 RV and boat parking spaces equating to an additional 3,000 net rentable square feet (NRSF). With January through February 2015 annualized income, the property is projected to have a Net Operating Income of \$224,607. The property has a physical occupancy of 79.8% and an economic occupancy of 64.8%.

#### Highlights

This centrally located facility serves the communities of Conroe, Panorama Village, Sunset Ridge and Woodland Hills. The property offers military, police/firefighter and senior discounts. Other highlights include:

- Climate-Controlled Units
- Drive-Up Access
- RV, Car and Boat Parking
- 24-Hour Video Surveillance
- Commercial Dehumidifiers
- Electronic Gate Entry

#### **Demographics**

The total population in a five-mile radius from the property is 64,280 residents with and average household income of approximately \$59,840. The population in this area is projected to grow by more than 8.7% by 2019.

#### **Storage Buildings**

These single-story buildings sit on approximately 7.51 acres and feature metal framing, roofs, and roll-up doors. The on-site parking surface is concrete.

#### Access

The property has an electronic gated entryway, easy access to Interstate 45 and street frontage on Highway 75. Traffic counts reach approximately 10,095 cars per day.

#### Security

All units are secured by chain-link fencing, video surveillance and a resident manager's apartment.



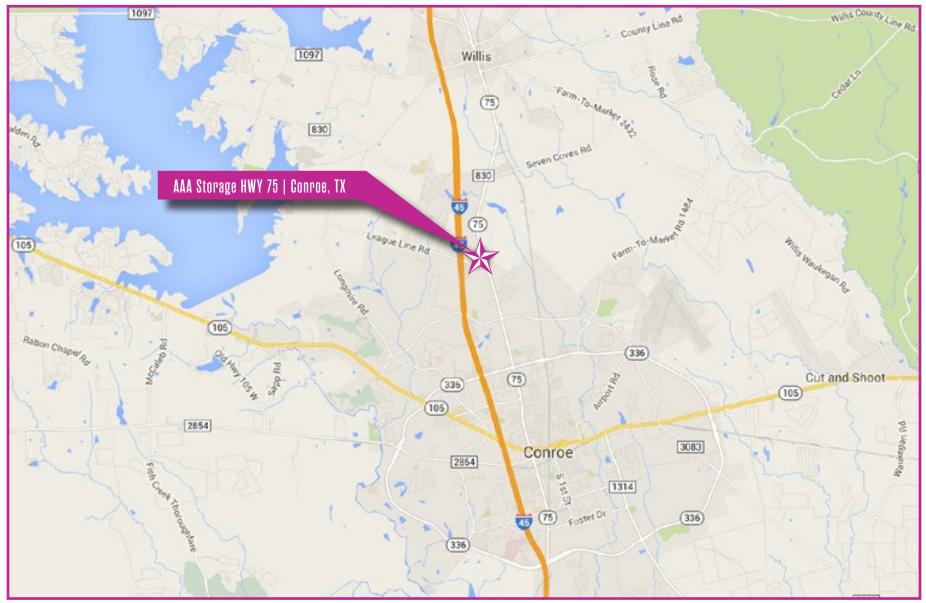
# AAA Storage Hwy 75 | Conroe, TX



# AAA Storage Hwy 75 | Conroe, TX



# Location - Conroe, TX



AAA STORAGE PORTFOLIO

# Location - Conroe, TX



# Unit Mix - Conroe, TX

Drive Up					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
10	5x5	25.0	\$35.00	\$350.00	\$4,200.00
2	5x7.5	37.5	\$43.00	\$86.00	\$1,032.00
34	5x10	50.0	\$48.00	\$1,632.00	\$19,584.00
20	5x15	75.0	\$68.00	\$1,360.00	\$16,320.00
17	10x10	100.0	\$86.00	\$1,462.00	\$17,544.00
15	7.5x15	112.5	\$86.00	\$1,290.00	\$15,480.00
14	10x15	150.0	\$98.00	\$1,372.00	\$16,464.00
18	7.5x20	150.0	\$98.00	\$1,764.00	\$21,168.00
29	10x20	200.0	\$122.00	\$3,538.00	\$42,456.00
4	12.5x20	250.0	\$143.00	\$572.00	\$6,864.00
25	10x30	300.0	\$155.00	\$3,875.00	\$46,500.00
7	12.5x30	375.0	\$180.00	\$1,260.00	\$15,120.00
1	10x40	400.0	\$190.00	\$190.00	\$2,280.00
4	15x30	450.0	\$210.00	\$840.00	\$10,080.00
200	Total	30,837.5		\$19,591.00	\$235,092.00





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# Unit Mix - Conroe, TX

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1st Floor Climate Controlled						
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income	
13	5x5	25.0	\$43.00	\$559.00	\$6,708.00	
34	5x10	50.0	\$59.00	\$2,006.00	\$24,072.00	
32	5x15	75.0	\$80.00	\$2,560.00	\$30,720.00	
35	10x10	100.0	\$105.00	\$3,675.00	\$44,100.00	
24	7.5x15	112.5	\$105.00	\$2,520.00	\$30,240.00	
29	10x15	150.0	\$145.00	\$4,205.00	\$50,460.00	
1	12.5x15	187.5	\$175.00	\$175.00	\$2,100.00	
17	10x20	200.0	\$186.00	\$3,162.00	\$37,944.00	
12	10x25	250.0	\$218.00	\$2,616.00	\$31,392.00	
8	12.5x20	250.0	\$218.00	\$1,744.00	\$20,928.00	
7	12.5x25	312.5	\$265.00	\$1,855.00	\$22,260.00	
212	Total	25,750		\$25,077.00	\$300,924.00	

RV & Vehicle Parking						
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income	
15	10x20		\$55.00	\$825.00	\$9,900.00	
15	Total			\$825.00	\$9,900.00	

Total				
427	Total	56,587.5	\$45,493.00	\$545,916.00



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Underwriting - Conroe, TX				January - February 2015 Annualized w/	
INCOME		2014 Income & Expenses	PER SF	Actual Expenses	PER SF
GROSS POTENTIAL RENT		\$545.916	\$9.65	\$545.916	\$9.65
Late, Letter, & NSF Fees		\$17,490	\$0.31	\$19,380	\$0.34
Merchandise Sales (NET)		\$1,205	\$0.02	\$0	\$0.00
Fees		\$2,014	\$0.04	\$9,208	\$0.16
TOTAL OTHER INCOME		\$20,709	\$0.37	\$28,588	\$0.51
Gross Potential Income		\$566,625	\$10.01	\$574,504	\$10.15
Economic Vacancy/ Collection Allowance	40.2%	\$219,110	\$3.87	35.2% \$192,012	\$3.39
EFFECTIVE GROSS INCOME		\$347,515	\$6.14	\$382,492	\$6.76
EXPENSES					
Property Taxes (1)		\$33,382	\$0.59	\$33,382	\$0.59
Insurance (2)		\$5,034	\$0.09	\$5,034	\$0.09
Utilities & Trash (3)		\$9,038	\$0.16	\$9,038	\$0.16
Repairs, Maintenance and Reserves (4)		\$8,488	\$0.15	\$8,488	\$0.15
Advertising (5)		\$5,120	\$0.09	\$5,120	\$0.09
Salaries, Taxes, & Benefits (6)		\$50,916	\$0.90	\$50,916	\$0.90
Management Fee (7)		\$17,376	\$0.31	\$19,125	\$0.34
Office Supplies & Postage (8)		\$4,390	\$0.08	\$4,390	\$0.08
Bank & Credit Card Fees (9)		\$9,990	\$0.18	\$9,990	\$0.18
Telephone & Internet (10)		\$4,175	\$0.07	\$4,175	\$0.07
Contract Services (11)		\$5,405	\$0.10	\$1,500	\$0.03
Computer Expenses (12)		\$540	\$0.01	\$540	\$0.01
Protection Services (13)		\$6,187	\$0.11	\$6,187	\$0.11
Total Expenses		\$160,041	\$2.83	\$157,885	\$2.79
% of EGI		46.1%		41.3%	
NET OPERATING INCOME		\$187,474	\$3.31	\$224,607	\$3.97

#### **Comments:**

(1) Property Taxes are based on actual taxes.

(2) Insurance is based on January through December 2014 expenses.

(3) Utilities & Trash are based on January through December 2014 expenses.

(4) Repairs, Maintenance, and Reserves have been adjusted to \$0.15/SF/Year.

(5) Advertising is based on January through December 2014 expenses.

(6) Salaries, Taxes, & Benefits are based on January through December 2014 expenses.

(7) Management Fee is based on 5% of the Effective Gross Income per industry standards.

(8) Office Supplies & Postage are based on January through December 2014 expenses.

(9) Bank & Credit Card Fees are based on January through December 2014 expenses.

(10) Telephone & Internet are based on January through December 2014 expenses.

(11) Contract Services include landscaping, pest control, and fire.

(12) Computer Expenses are based on January through December 2014 expenses.

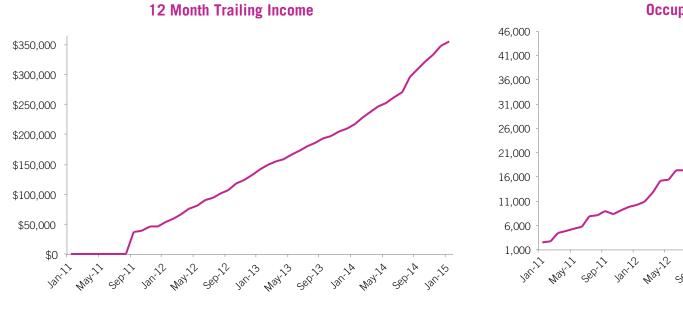
(13) Protection Services are based on January through December 2014 expenses.

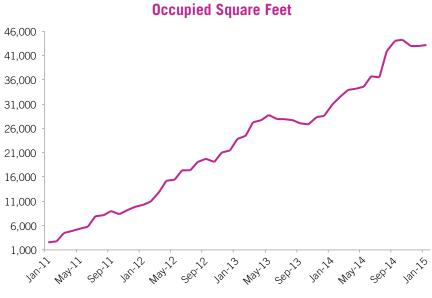
#### **Property Summary**

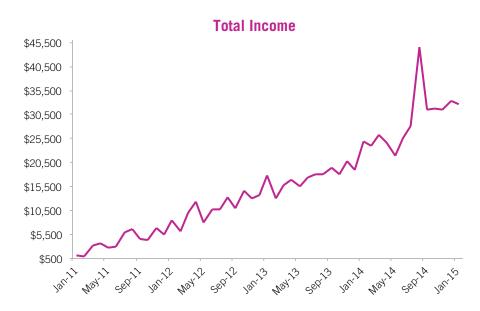
56,587.5 NRSF of Self Storage 3,000 NRSF of RV Parking 427 Units

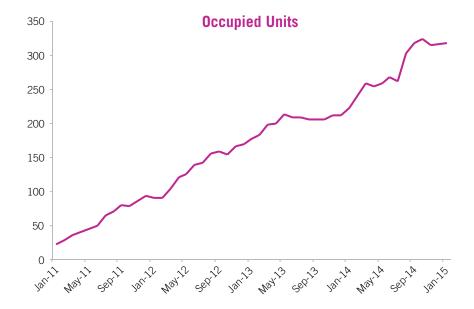


## OCC,Unit,SF Increases - Conroe, TX

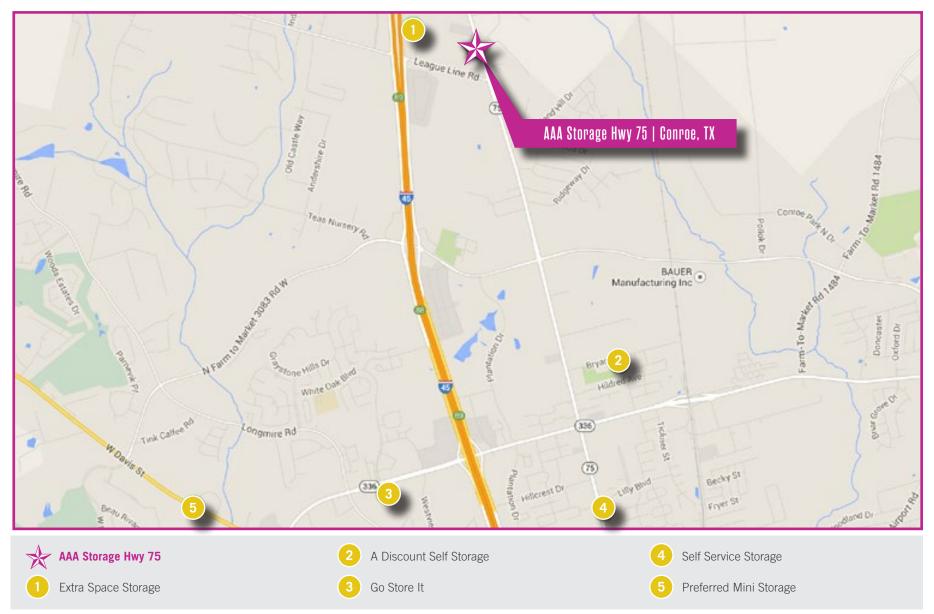








## Rent Comparables - Conroe, TX





# Rent Comparables - Conroe, TX

# **AAA Storage**

4215 N Frazier Street Conroe, TX 77303

Total Units:	427
Occupancy:	79.8%
Year Built:	2010
Distance:	Subject



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	35.00	48.00	86.00	98.00	122.00	\$0.90
1st Floor CC	43.00	59.00	105.00	145.00	186.00	\$1.17

Rent Specials: Prepay 3 Months & Get the 4th Month Free Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.

Extra Space Storage
4013 Sprayberry Lane
Conroe, TX 77303

Year Built:	2001
Distance:	0.39 Miles

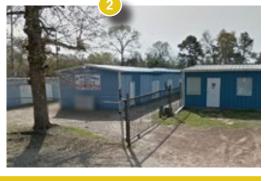


Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	28.00	58.00	90.00	130.00	146.00	\$0.96
1st Floor CC	30.00	62.00	135.00	178.00	190.00	\$1.19

Rent Specials: 50% Off First Month Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles, Rental Truck.

# A Discount Self Storage 419 Bryant Road Conroe, TX 77303

Year Built:	1988
Distance:	1.98 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	29.00	40.00	60.00	DNH	\$0.45
1st Floor CC		Facility D	oes Not Of	fer Climate (	Controlled l	Jnits

Property Amenities: Gated Entry with Key Code Access, Wide Drive Aisles.

# Go Store It

1777 N Loop 336 W Conroe, TX 77304

Year Built:	N/A
Distance:	2.61 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	40.00	70.00	104.00	130.00	150.00	\$1.01
1st Floor CC	50.00	90.00	124.00	155.00	176.00	\$1.39

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles, Outdoor Lighting.

# Rent Comparables - Conroe, TX

# Self Service Storage

1804 N Frazier Street Conroe, TX 77301

Year Built:	1975
Distance: 2	2.75 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	DNH	70.00	DNH	95.00	\$0.59
1st Floor CC	45.00	60.00	85.00	105.00	120.00	\$1.03

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles.

Preferred Mini Storage	
4300 State Highway 105	
Conroe, TX 77304	
Voor Built	NI/A

Year Built:	N/A
Distance:	3.04 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	79.00	109.00	129.00	149.00	\$1.07
1st Floor CC	59.00	99.00	139.00	159.00	179.00	\$1.54

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles, Rental Truck.



# Demographics - Conroe, TX

# 4215 N Frazier St - 5 mile radius

### **Population Information**

The population of this area in 2015 is estimated to be 64,280, which is a growth rate of 11.0% over 2010. During the next five years, the population is projected to grow by 8.8%. By comparison, the United States population is expected to grow by 3.5% in the next five years, from its estimated population of 319,459,991.

The current year median age for this population is 33.62, while the average age is 35.75. The current median age for the United States is 37.87 and the average age is 38.73.

### **Race and Ethnicity Information**

The racial composition of this area's current year estimated population is: 69.4% are White alone, 9.9% are Black or African American alone, 1.1% are American-Indian alone, 1.4% are Asian alone, 0.1% are Native Hawaiian and Other Pacific Islander alone, 14.9% are some other race, and 3.2% are two or more races.

The United State's racial composition is: 71.1% are White alone, 12.7% are Black or African American alone, 1.0% are American-Indian alone, 5.2% are Asian alone, 0.2% are Native Hawaiian and Other Pacific Islander alone, 6.6% are some other race, and 3.2% are two or more races.

The area's current estimated Hispanic or Latino population is 39.3%, compared to the United States where the population is 17.6% Hispanic or Latino.

### **Household Information**

There are an estimated 22,590 households in this area which represents a 14.1% growth over 2010. During the next five years households are projected to grow 10.4%. The United States has an estimated 121,099,157 households for 2015, which is a growth of 3.8% since 2010. Over the next five years household growth is projected to be 3.7%.

### **Income Information**

The estimated median household income in this area for the current year is \$45,055, which is projected to grow 3.0% over the next five years. The United States is projected to have a 6.0% increase from the current year median household income of \$53,229.





# Demographics - Conroe, TX

# 4215 N Frazier St - 5 mile radius

### **Employment Information**

The population over age 16 is currently estimated at 48,844. The employment status of this labor force is as follows: 0.0% are in the armed forces, 58.6% are employed civilians, 5.3% are unemployed civilians and 36.1% are not in the labor force.

The United States population over age 16 is currently estimated at 254,151,626. The employment status of this labor force is as follows: 0.4% are in the armed forces, 57.4% are employed civilians, 6.2% are unemployed civilians and 36.0% are not in the labor force.

The following occupational categories are for the employed population in this area: 7.7% are in management; 2.9% are in business and financial operations; 13.1% are in professional and related occupations; 23.3% are in service; 4.6% are in health care; 10.7% are in sales; 9.8% are in office support; 0.5% are in farming or other agricultural occupations; 12.7% are in construction, extraction and maintenance; 14.8% are in production, transportation and material moving.

The occupation estimates for the employed population in the United States are as follows: 9.6% are in management; 4.7% are in business and financial operations; 16.1% are in professional and related occupations; 15.7% are in service; 8.2% are in health care; 11.0% are in sales; 13.6% are in office support; 0.7% are in farming or other agricultural occupations; 8.3% are in construction, extraction and maintenance; 12.1% are in production, transportation and material moving.

### **Education Information**

Currently, it is estimated that 5.1% of the population age 25 and over in this area have earned a master's, professional, or doctorate degree and 13.5% have earned a bachelor's degree. The United States population over 25 has an estimated 10.8% of the population with a master's, professional, or doctorate degree, and 18.1% have earned a bachelor's degree.

### **Housing Information**

52.1% of housing units in the area are estimated to be owner-occupied for the current year. 57.6% of the housing units in the United States are owner-occupied.

The largest segment of the dwellings in this area are estimated to be structures of 1 unit detached, accounting for 57.2% of structures in the area for the current year. Most of the structures in the United States are 1 unit detached accounting for 61.5% of structures for the current year.

The largest segment of housing units in this area are estimated to have been built 2000 and later accounting for 35.8% of structures. The largest segment of housing units in the United States are estimated to have been built After 2000 for the current year accounting for 18.8% of structures.



# Market Overview — Houston, Texas

# **Houston Overview**

Located on the coastal prairies of southeast Texas, Houston is home to a diverse set of industries and cultures. The Houston - Sugar Land - Baytown Metropolitan Statistical Area (MSA) covers more than 10,000 square miles (an area larger than the entire states of Massachusetts, New Hampshire, New Jersey, and Vermont) and consists of ten counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller.

The Houston MSA's Gross Area Product (GAP) was estimated to be \$580.5 billion in 2014, larger than the GDP for Belgium, Argentina or Sweden. If Houston were an independent nation, it would rank as the world's 22nd largest economy. The Houston MSA recorded more than 2.9 million payroll jobs in 2014, more jobs than the job counts of 33 U.S. states. The 10-county metropolitan area ranks as the number one place to live in the country according to Kiplinger Personal Finance.



With a population exceeding 2.2 million (2010 census), the City of Houston is the fourth largest city in the United States, while the greater Houston metropolitan area ranks sixth in the nation with a population of 5.8 million. This population base includes a wide variety of racial and ethnic groups that give Houston a rich diversity and cosmopolitan feel. The Houston Region is one of the youngest, fastest-growing and diverse populations anywhere.

Houston is home to a thriving business economy that has rapidly diversified from its strong energy base. This economic diversification includes growth in high-technology industries, medical research, health care and professional services.

# **Houston Industry Overview**

Today, the Houston economy is based on a broad spectrum of industries including:

- Oil and gas exploration
- Basic petroleum refining
- Petrochemical production
- Medical research and health care delivery
- High-technology (computer, aerospace, environmental, etc.)
- Government (City, state and federal)
- International import and export
- Commercial fishing
- Agriculture
- Education
- Film and Media
- Banking and finance
- Manufacturing and distribution
- Related service industries



Houston's infrastructure is also strengthened by three airports, which form the sixthlargest airport system in the world, and a massive trucking and rail system that links the southern, south central, midwestern and western United States. More than 600 trucking firms operate in Houston, and two major rail systems operate 14 mainline tracks radiating from Houston. Houston is well-served by a system of radial and ring highways that provide excellent access to markets outside the region.

In the Houston Consolidated Metropolitan Statistical Area (CMSA), 575.4 miles of freeways and expressways (55 percent of the planned system) are in operation.

Houston is the crossroads for Interstates 10 and 45. Other major highways serving Houston are Loop 610, U.S. 59, U.S. 290, U.S. 90, Texas 288, Texas 225, Hardy Toll Road, Sam Houston Tollway and Braesridge (Texas 99).

Houston's employment base has become increasingly diverse. In 1981, the economic base was dominated by energy-related businesses with nearly 85 percent of all jobs in those sectors. Today, nearly half of all jobs are in non-energy fields, such as business services, technology, aerospace, medicine and manufacturing.

Houston offers a richly-diverse pool of highly-skilled, multilingual, multicultural workers. Nearly 25 percent of all adults have completed four years of college, surpassing the national average, while the median age is three years younger than the national average. More than 90 languages are spoken in Houston.

For business and fun, for living and visiting, Houston is one of the dynamic frontiers on the world stage. With its proximity to the Southern Hemisphere and having the infrastructure to accommodate the growing needs of numerous global interests, Houston has become an international destination and one of the world's great cities.

### **Quality of Life**

Houston has one of the lowest cost of living among the nation's 23 largest metropolitan areas, a key contributor to Houston's ability to continually rank among the nation's most desirable cities for companies looking to relocate or expand their operations.

Houston offers more than 11,000 restaurant options, which present culinary choices from more than 35 countries as well as from a variety of American regions. Houston is

a major cultural center with more than 200 institutions devoted to the arts, science, and history and more than 500 cultural, visual, and performing arts organizations. Houston is one of five cities in the nation with permanent resident companies in all of the major performing arts disciplines - symphony, opera, theater, and ballet. The city is second to New York in number of theater seats in a downtown area. Houston's Theater District and Museum District host more than seven million visitors annually.

Houstonians enjoy championship professional sports with the Houston Rockets, the Houston Astros, and the Houston Texans, the NFL's newest franchise. The Houston Dynamo, Houston's Major League Soccer team since 2005, built a state-of-the-art, soccer-specific stadium in 2012. With its brand new world class sporting facilities, Houston has hosted a Super Bowl, an MLB All-Star Game, and an NBA All-Star Game. Recently, the city of Houston was awarded the 2017 Super Bowl.





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# AAA STORAGE HWY 71 | AUSTIN, TX





# Storage

# AAA Storage HWY 71 | Austin, TX

# **Property Description:**

# **Property Facts:**

Property Address	4405 Highway 71 E, Del Valle, TX 78617
Year Built	2005
Construction Type	Metal
Total Building Area	67,137.5 (NRSF)
Number of Buildings	Seven Buildings
Parking	55 Outdoor Parking Spaces
Land Area	8.17 Acres

# Address

4405 Highway 71 E Del Valle, TX 78617

# **Assessor's Parcel Number**

03234101180000

# **Overview**

AAA Storage Hwy 71 is comprised of seven single-story buildings, 511 climate and non-climate controlled units and 67,137.5 net rentable square feet (NRSF) in Austin, Texas. The facility also offers 55 outside RV and boat parking spaces equating to an additional 11,000 net rentable square feet (NRSF). With January through February 2015 annualized income, the property is projected to have a Net Operating Income of \$354,263. The property has a physical occupancy of 77.3% and an economic occupancy of 68.3%.

# Highlights

This centrally located facility serves the communities of greater Austin, Cedar Creek, Wyldwood and the Austin-Bergstrom International Airport. The property includes clean, ground-level units and state-of-the-art features. Other highlights include:

- Great Highway Access and Visibility
- Drive-Up Access
- RV, Car and Boat Parking
- Electronic Gate Entry
- Temperature-Controlled Units
- 24-Hour Video Surveillance Cameras

# Demographics

The total population within a five-mile radius of the property is 30,527 residents with an average household income of approximately \$58,220. The population in this area is projected to grow by more than 11% by 2019.

# **Storage Buildings**

These single-story buildings sit on approximately 8.17 acres and feature metal framing, roofs, and roll-up doors. The on-site parking surface is concrete.

# Access

The property has an electronic gated entryway, excellent highway access and street frontage to State Highway 71 East. Traffic counts are approximately 42,000 vehicles per day.

# Security

All units are secured by chain-link fencing, video surveillance and a resident manager's apartment.



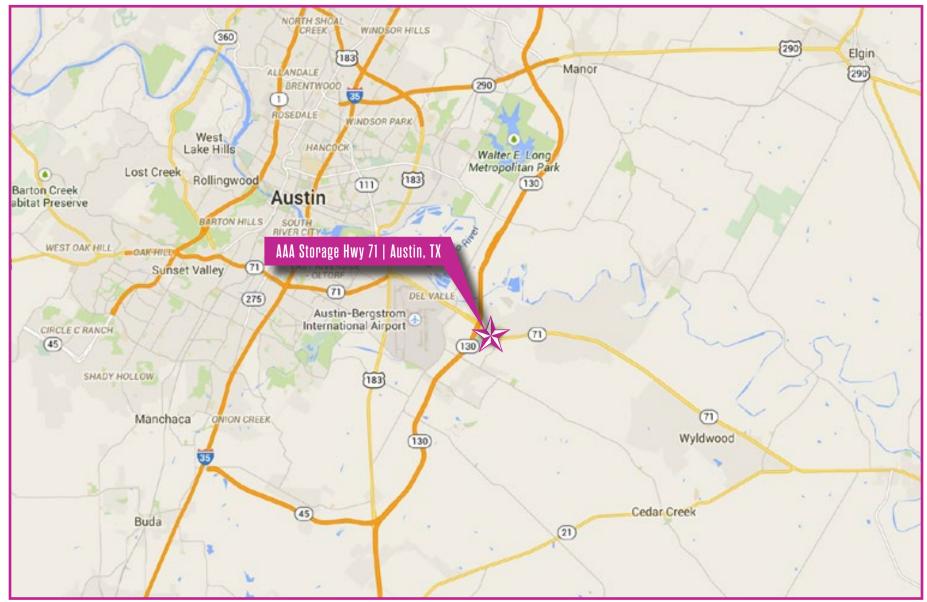
# AAA Storage Hwy 71 | Austin, TX



# AAA Storage Hwy 71 | Austin, TX

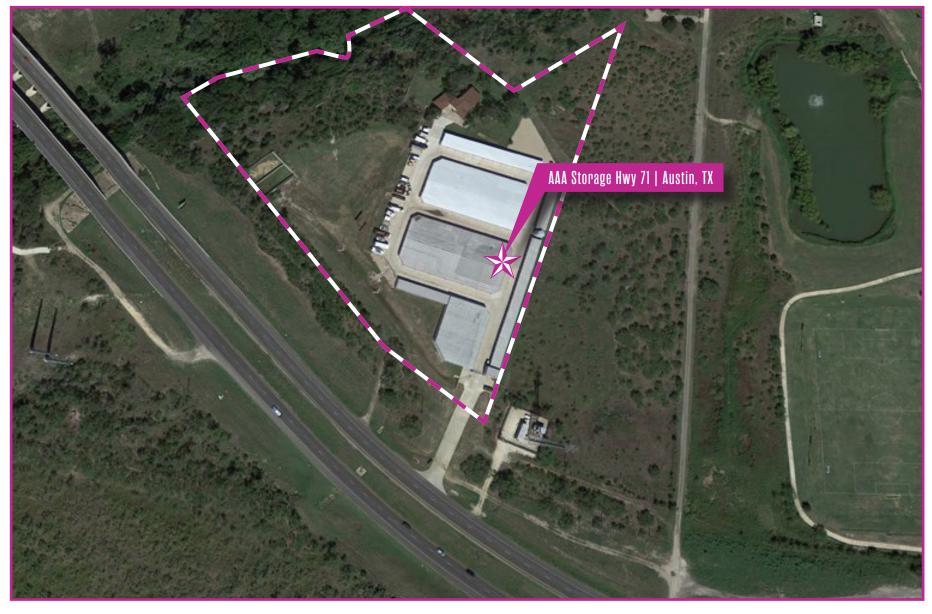


# Location - Austin, TX





# Aerial - Austin, TX





# Unit Mix - Austin, TX

Drive Up					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
22	5x5	25.0	\$45.00	\$990.00	\$11,880.00
58	5x10	50.0	\$65.00	\$3,770.00	\$45,240.00
32	5x15	75.0	\$76.00	\$2,432.00	\$29,184.00
28	10x10	100.0	\$98.00	\$2,744.00	\$32,928.00
32	7.5x15	112.5	\$98.00	\$3,136.00	\$37,632.00
3	10x15	150.0	\$112.00	\$336.00	\$4,032.00
52	7.5x20	150.0	\$112.00	\$5,824.00	\$69,888.00
1	12.5x15	187.5	\$136.00	\$136.00	\$1,632.00
50	10x20	200.0	\$142.00	\$7,100.00	\$85,200.00
1	10x22.5	225.0	\$160.00	\$160.00	\$1,920.00
2	15x15	225.0	\$160.00	\$320.00	\$3,840.00
14	10x25	250.0	\$173.00	\$2,422.00	\$29,064.00
5	12.5x20	250.0	\$173.00	\$865.00	\$10,380.00
9	10x30	300.0	\$200.00	\$1,800.00	\$21,600.00
1	15x20	300.0	\$200.00	\$200.00	\$2,400.00
2	12.5x30	375.0	\$235.00	\$470.00	\$5,640.00
2	15x30	450.0	\$270.00	\$540.00	\$6,480.00
3	10x50	500.0	\$285.00	\$855.00	\$10,260.00
2	10x55	550.0	\$305.00	\$610.00	\$7,320.00
319	Total	43,362.5		\$34,710.00	\$416,520.00



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# Unit Mix - Austin, TX

1st Floor Climate Contr	olled				
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
10	5x5	25.0	\$53.00	\$530.00	\$6,360.00
40	5x10	50.0	\$75.00	\$3,000.00	\$36,000.00
28	5x15	75.0	\$92.00	\$2,576.00	\$30,912.00
8	10x10	100.0	\$108.00	\$864.00	\$10,368.00
44	7.5x15	112.5	\$108.00	\$4,752.00	\$57,024.00
4	10x15	150.0	\$142.00	\$568.00	\$6,816.00
15	7.5x20	150.0	\$142.00	\$2,130.00	\$25,560.00
20	10x20	200.0	\$178.00	\$3,560.00	\$42,720.00
2	15x15	225.0	\$195.00	\$390.00	\$4,680.00
7	10x25	250.0	\$212.00	\$1,484.00	\$17,808.00
4	10x30	300.0	\$256.00	\$1,024.00	\$12,288.00
1	15x20	300.0	\$256.00	\$256.00	\$3,072.00
4	12.5x25	312.5	\$260.00	\$1,040.00	\$12,480.00
2	12.5x30	375.0	\$295.00	\$590.00	\$7,080.00
3	15x25	375.0	\$295.00	\$885.00	\$10,620.00
192	Total	23,775		\$23,649.00	\$283,788.00

<b>RV &amp; Vehicle Parking</b>					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
30	0x20		\$48.00	\$1,440.00	\$17,280.00
25	0x20		\$72.00	\$1,800.00	\$21,600.00
55	Total			\$3,240.00	\$38,880.00

Total				
566	Total	67,137.5	\$61,599.00	\$739,188.00



Underwriting - Austin, TX			January - February 2015 Annualized w/	
INCOME	2014 Income & Expenses	PER SF	Actual Expenses	PER SF
GROSS POTENTIAL RENT	\$739,188	\$11.01	\$739,188	\$11.01
Late, Letter, & NSF Fees	\$11,095	\$0.17	\$15,660	\$0.23
Merchandise Sales (NET)	\$3,753	\$0.06	\$3,753	\$0.06
Insurance*	\$17,049	\$0.25	\$17,856	\$0.27
TOTAL OTHER INCOME	\$31,897	\$0.48	\$37,269	\$0.56
Gross Potential Income	\$771,085	\$11.49	\$776,457	\$11.57
Economic Vacancy/ Collection Allowance 39.6%	\$292,619	\$4.36	31.7% \$234,198	\$3.49
EFFECTIVE GROSS INCOME	\$478,466	\$7.13	\$542,259	\$8.08
EXPENSES				
Property Taxes (1)	\$60,646	\$0.90	\$60,646	\$0.90
Insurance (2)	\$5,506	\$0.08	\$5,506	\$0.08
Utilities & Trash (3)	\$14,498	\$0.22	\$14,498	\$0.22
Repairs, Maintenance and Reserves (4)	\$10,071	\$0.15	\$10,071	\$0.15
Advertising (5)	\$5,629	\$0.08	\$5,629	\$0.08
Salaries, Taxes, & Benefits (6)	\$42,699	\$0.64	\$42,699	\$0.64
Management Fee (7)	\$23,923	\$0.36	\$27,113	\$0.40
Office Supplies & Postage (8)	\$2,883	\$0.04	\$2,883	\$0.04
Bank & Credit Card Fees (9)	\$13,544	\$0.20	\$13,544	\$0.20
Telephone & Internet (10)	\$1,931	\$0.03	\$1,931	\$0.03
Contract Services (11)	\$2,936	\$0.04	\$2,936	\$0.04
Computer Expenses (12)	\$540	\$0.01	\$540	\$0.01
Total Expenses	\$184,806	\$2.75	\$187,996	\$2.80
% of EGI	38.6%		34.7%	
NET OPERATING INCOME	\$293,660	\$4.37	\$354,263	\$5.28

### **Comments:**

\*Insurance Income is based on 60% of actual collections.

(1) Property Taxes are based on actual taxes.

(2) Insurance is based on January through December 2014 expenses.

(3) Utilities & Trash are based on January through December 2014 expenses.

(4) Repairs, Maintenance, and Reserves have been adjusted to \$0.15/SF/Year.

(5) Advertising is based on January through December 2014 expenses.

(6) Salaries, Taxes, & Benefits are based on January through December 2014 expenses.

(7) Management Fee is based on 5% of the Effective Gross Income per industry standards.

(8) Office Supplies & Postage are based on January through December 2014 expenses.

(9) Bank & Credit Card Fees are based on January through December 2014 expenses.

(10) Telephone & Internet are based on January through December 2014 expenses.

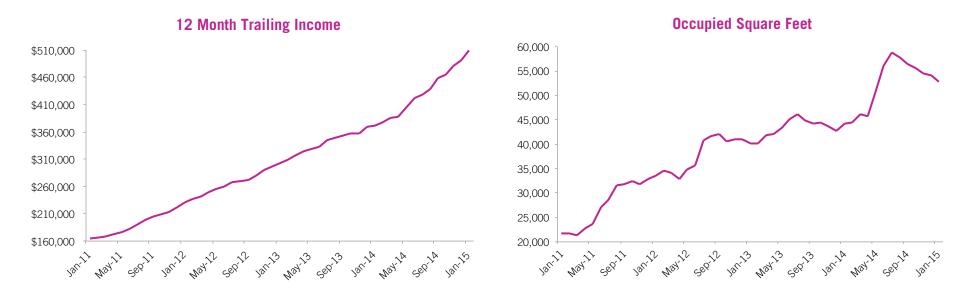
(11) Contract Service includes landscaping, fire control, and pest control.

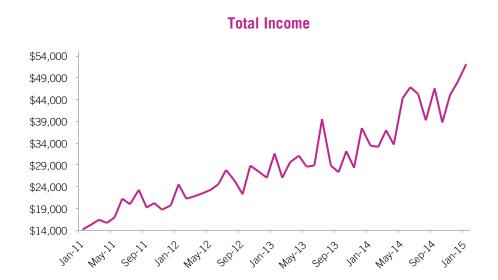
(12) Computer Expenses are based on January through December 2014 expenses.

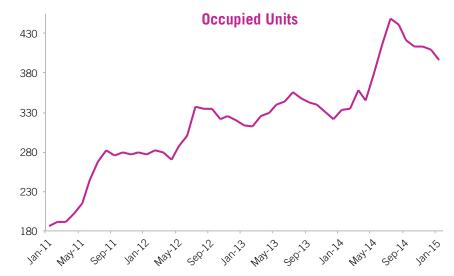
Property Summary 67,137.5 NRSF 566 Units



# OCC,Unit,SF Increases - Austin, TX

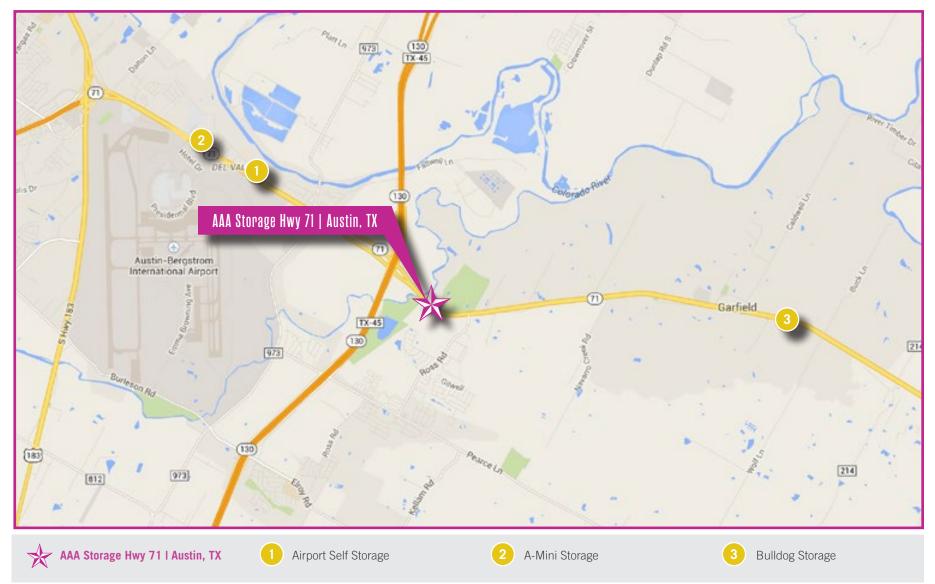






AAA Storage Hwy 71 | Austin, TX 🍑

# Rent Comparables - Austin, TX



AAA STORAGE PORTFOLIO

# Rent Comparables - Austin, TX

### **AAA Storage**

4405 E Highway 71 Del Valle, TX 78617

Total Units:	566
Occupancy:	77.3%
Year Built:	2005
Distance:	Subject



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	45.00	65.00	98.00	112.00	142.00	\$1.11
1st Floor CC	53.00	75.00	108.00	142.00	178.00	\$1.31

Rent Specials: Prepay 3 Months & Get the 4th Month Free Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.

<b>Airport Self Storage</b>	
2725 Lyle Road	
Del Valle, TX 78617	,
Total Units:	195
Year Built:	1983
Distance:	2.48 Miles



Unit Type	*5x6	5x10	10x10	10x15	10x20	Avg. Rent/SF	
Drive Up	40.00	58.00	89.00	105.00	120.00	\$0.99	
1st Floor CC	Facility Does Not Offer Climate Controlled Units						

Rent Specials: No Deposit or Administration Fee Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles.

		3
Bulldog Storage		
5280 E Highway 71		STORAGE
Del Valle, TX 78617		
		Storoge Seamer V/4
Year Built:	2005	And a state of some of the second state of the state
Distance:	4.10 Miles	

Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	49.00	79.00	100.00	130.00	\$0.77
1st Floor CC	49.00	69.00	105.00	120.00	150.00	\$1.19

Rent Specials: No Deposit or Administration Fee Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles, Rental Truck.

# **A-Mini Storage**

2381 E Highway 71 Austin, TX 78617

Year Built:	1972
Distance:	3.25 Miles

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972	A-MINI STORAGE CO. 512-385-4612	-	
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Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF	
Drive Up	60.00	85.00	120.00	150.00	170.00	\$1.43	
1st Floor CC	or CC Facility Does Not Offer Climate Controlled Units						

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles, Rental Truck.

# **Demographics - Austin**

# 4405 Highway 71 E - 5 mile radius

# **Population Information**

The population of this area in 2015 is estimated to be 30,527, which is a growth rate of 16.7% over 2010. During the next five years, the population is projected to grow by 11.6%. By comparison, the United States population is expected to grow by 3.5% in the next five years, from its estimated population of 319,459,991.

The current year median age for this population is 29.9, while the average age is 30.93. The current median age for the United States is 37.87 and the average age is 38.73.

# **Race and Ethnicity Information**

The racial composition of this area's current year estimated population is: 56.1% are White alone, 15.4% are Black or African American alone, 1.3% are American-Indian alone, 1.3% are Asian alone, 0.1% are Native Hawaiian and Other Pacific Islander alone, 22.4% are some other race, and 3.5% are two or more races.

The United State's racial composition is: 71.1% are White alone, 12.7% are Black or African American alone, 1.0% are American-Indian alone, 5.2% are Asian alone, 0.2% are Native Hawaiian and Other Pacific Islander alone, 6.6% are some other race, and 3.2% are two or more races.

The area's current estimated Hispanic or Latino population is 67.8%, compared to the United States where the population is 17.6% Hispanic or Latino.

# **Household Information**

There are an estimated 7,942 households in this area which represents a 15.8% growth over 2010. During the next five years households are projected to grow 11.3%. The United States has an estimated 121,099,157 households for 2015, which is a growth of 3.8% since 2010. Over the next five years household growth is projected to be 3.7%.

### **Income Information**

The estimated median household income in this area for the current year is \$50,019, which is projected to grow 3.0% over the next five years. The United States is projected to have a 6.0% increase from the current year median household income of \$53,229.



# **Demographics - Austin**

# 4405 Highway 71 E - 5 mile radius

# **Employment Information**

The population over age 16 is currently estimated at 21,917. The employment status of this labor force is as follows: 0.1% are in the armed forces, 57.6% are employed civilians, 8.0% are unemployed civilians and 34.3% are not in the labor force.

The United States population over age 16 is currently estimated at 254,151,626. The employment status of this labor force is as follows: 0.4% are in the armed forces, 57.4% are employed civilians, 6.2% are unemployed civilians and 36.0% are not in the labor force.

The following occupational categories are for the employed population in this area: 6.9% are in management; 4.4% are in business and financial operations; 9.5% are in professional and related occupations; 18.9% are in service; 4.1% are in health care; 9.1% are in sales; 14.7% are in office support; 0.4% are in farming or other agricultural occupations; 16.7% are in construction, extraction and maintenance; 15.3% are in production, transportation and material moving.

The occupation estimates for the employed population in the United States are as follows: 9.6% are in management; 4.7% are in business and financial operations; 16.1% are in professional and related occupations; 15.7% are in service; 8.2% are in health care; 11.0% are in sales; 13.6% are in office support; 0.7% are in farming or other agricultural occupations; 8.3% are in construction, extraction and maintenance; 12.1% are in production, transportation and material moving.

# **Education Information**

Currently, it is estimated that 2.8% of the population age 25 and over in this area have earned a master's, professional, or doctorate degree and 12.5% have earned a bachelor's degree. The United States population over 25 has an estimated 10.8% of the population with a master's, professional, or doctorate degree, and 18.1% have earned a bachelor's degree.

# **Housing Information**

71.5% of housing units in the area are estimated to be owner-occupied for the current year. 57.6% of the housing units in the United States are owner-occupied.

The largest segment of the dwellings in this area are estimated to be structures of 1 unit detached, accounting for 73.4% of structures in the area for the current year. Most of the structures in the United States are 1 unit detached accounting for 61.5% of structures for the current year.

The largest segment of housing units in this area are estimated to have been built 2000 and later accounting for 53.9% of structures. The largest segment of housing units in the United States are estimated to have been built After 2000 for the current year accounting for 18.8% of structures.



# Market Overview — Austin, Texas

# **Austin Overview**

The City of Austin is the capital of the state of Texas and the county seat of Travis County. The estimated population of the city is estimated at 846,401 as of 2013. The Austin MSA, which includes Travis, Williamson, Hays, Bastrop and Caldwell Counties, is home to over 1.8 million people and is one of the fastest growing MSA's in the country. Famous for its laid back atmosphere, fierce loyalty to the local economy, and its notoriety as the "Live Music Capital of the World," the city is cited as one of the top cities to live in by many major publications. Austin has earned the nickname "Silicon Hills" because it is a major employment base for technology companies such as Apple, Dell Computer, IBM, Freescale, AMD, Motorola, National Instruments and Samsung. In addition, the city is home to The University of Texas' flagship institution, widely regarded as one of the top public universities in the country. The University boasts an enrollment of over 52,000 students and has top rated programs in Business, Engineering, Communications and Law. The University's top ranked Division I athletic program also provides opportunities for sports entertainment in the city. With its desirable climate and abundance of entertainment options, the city is an attractive location both for current and potential residents. Over the past decade the area has enjoyed a sustained period of economic and population expansion as local companies increase their business capacity and others relocate to this desirable, central U.S. location.

# Strong Job Growth

Fueled by numerous corporate relocations and expansions in the area, Austin is experiencing growth at twice the national pace. In fact, Austin is one of few large metro areas for which total employment has risen significantly (13%) past its pre-recession peak. Over the course of 2013, Forbes named Austin the number one city for job growth, the number one city for creating middle class jobs, and the fastest growing city in America. Historically a leader with respect to job growth, Austin added 28,600 jobs (a 3.2% increase) for the year ending November 2014. Since 2004, Austin's employment base has expanded by over 34%, amounting to 230,000 new jobs. Additionally, Moody's projects total employment to reach 1,022,200 by 2018, or growth of 125,800 jobs, an average of 31,450 added jobs per year.

High-tech employment is leading the way in job creation. Austin now boasts some 4,000 technology companies which represent about 35% of the area's total payroll. Large employers in the area include IBM, Freescale Semiconductor, State of Texas, St. David's Healthcare Partnership, Dell, Whole Foods Market, Seton Healthcare Network, University of Texas, AMD and Apple. Recent announcements to either locate significant new facilities or expand existing operations have been made by Apple, Gen eral Motors, Samsung, Athenahealth, Dropbox, E-Bay and PayPal.



Because of its draw as a destination for migrating talent, the metro population grew to over 1.8 million in 2012. The decade ending 2010 saw a 37% increase in population, while growth was approximately 3% for the 2013. Austin ranked first among the fifty largest U.S. metros based on net migration as a percent of total population in 2013, and it is currently estimated that an average of 110 people move to the city every day. From 2011 to 2016, Austin expected to have an economic growth rate of over 6%, with a population growth rate approaching 3%.

Austin's unemployment rate as of November 2014 was to 3.9% (the third lowest in the United States of large metropolitan areas) as compared to a Texas average of 5.1% and national average of 6.2%. Additionally, in July 2014 the Austin area was ranked number two on Forbes Magazine's Best Cities for Future Job Growth over the next three years, with Dropbox, IBM, Websense and Oracle all announcing major expansions in the area over the last year.

In addition to the major job expansions, construction of the Dell Medical School at The University of Texas at Austin began in April 2014. The school, set to open in Fall 2016, will include research, educational and administrative facilities, as well as a medical office building and parking garage. The medical school and teaching hospital are expected to bring nearly 15,000 new jobs and about \$2 billion annually in economic activity for the Austin area.



### **Austin's Top Employers**

1	STATE OF TEXAS	70,074 Employees
2	UNIVERSITY OF TEXAS AT AUSTIN	24,183 Employees
3	DELL	14,000 Employees
4	SETON HEALTHCARE FAMILY	12,770 Employees
5	ST. DAVID'S PARTNERSHIP	8,100 Employees
6	IBM CORP	6,000 Employees
7	U.S. INTERNAL REVENUE SERVICE	5,561 Employees
8	FREESCALE SEMICONDUCTOR	5,000 Employees
9	TEXAS STATE UNIVERSITY SAN MARCOS	4,861 Employees
10	FLEXTRONICS	4,700 Employees
11	APPLE, INC.	4,000 Employees
12	AUSTIN COMMUNITY COLLEGE	3,515 Employees
13	AT&T	2,800 Employees
14	WHOLE FOODS MARKET	2,800 Employees
15	APPLIED MATERIALS	2,727 Employees
16	NATIONAL INSTRUMENTS	2,640 Employees
17	SAMSUNG AUSTIN SEMICONDUCTOR	2,600 Employees
18	ADVANCED MICRO DEVICES (AMD)	2,500 Employees
19	KELLER WILLIAMS REALTY	1,989 Employees
20	LOWER COLORADO RIVER AUTHORITY	1,810 Employees
21	GIRLING HEALTH CARE	2,225 Employees
22	STATE FARM INSURANCE CO.	2,000 Employees
23	AUSTIN ENERGY	1,700 Employees

### Austin Demographic Trends

Among the region's strong assets is the Central Texas workforce, representing one of the most educated talent pools in the country. In the Austin metro, 40.6% of adults have at least a bachelor's degree, compared to 28.5% nationally, landing Austin in the top ten among the nation's largest metros. The region benefits from over fifty colleges and universities and 400,000 enrolled students within a 100-mile radius. Austin's growing workforce is young and eager, with a median age that is over four years younger than that of the rest of the nation.

Possessing or attracting a large population of skilled, educated workers appears to be the key factor in determining whether declining urban areas chart a path back to prosperity or remain relatively stagnant. Many studies indicate that the percentage of workers with college degrees is a very powerful predictor of urban growth.

While population, personal income and total employment are the primary drivers of multi-housing demand, positive demographic trends in Austin will also support continued strong demand for rental product, as the city is seeing an influx of young, skilled and educated workers.

Not only does Austin presently have favorable demographics, but the future looks bright as well. Austin has a higher proportion of its population in each group under the age of 30 than many other metro areas. Similarly, Austin's low median age is a positive sign for the future of rental demand.

Further, Austin's percentage of renters versus owners is significantly higher than Texas and United States average. The influx of young professionals, who prefer renting or buying condominiums, is also changing the mix of housing construction and causing builders to hire.

### **Transportation**

Austin's land and air transportation are favorable for materials distribution and business travel. Distribution takes advantage of the region's location in Central Texas at the intersection of IH-35 and a network of U.S. and state highways. Three of the nation's 10 largest cities – Houston, San Antonio and Dallas – are no more than three hours away. Laredo, the major port of entry between the U.S. and Mexico, is four hours from Austin via IH-35.

### **Air Transportation**

Opened in 1999, Austin-Bergstrom International Airport (ABIA) is a valuable asset for business travelers and shippers. Aeromexico, Air Canada, American, Continental, Delta, Express Jet, Frontier, JetBlue, Midwest, Northwest, Southwest, United, U.S. Airways and Viva Aerobus served over 10 million passengers in 2013, an all-time high for the airport and a 4% increase over 2012. These airlines offer 270 commercial flights per day with nonstop service to 42 destinations in the U.S. and Mexico and connections to other destinations. Air cargo shipments pass through a \$20 million state-of-the-art cargo facility.

### Freeways, Streets and Roads

Currently, the city is served by several major interstate, U.S. and state highways to facilitate access to all parts of the Austin MSA. The city and state are actively working on alleviating problem areas, and State Highway 130 is one of several roadway improvement projects recently completed to speed goods and traffic flow through Austin. The highway runs east of the city and parallel with IH-35. Commercial trucks bypassing the city will be required to use the new state highway, therefore greatly reducing congestion. Work began in December 2013 to add a toll lane on each side of MoPac Expressway, another major project that will work to reduce congestion.

### Public Transit

The Capital Metropolitan Transportation Authority provides bus service on flexible, convenient schedules at more than 3,000 bus stops throughout Central Texas, providing riders with an average of 130,000 one-way trips each day. Capital Metro maintains the highest per capita ridership in Texas.

The company also operates the recently completed MetroRail, a 32-mile Red Line that offers Monday-Saturday service from Leander to Downtown Austin. CapMetro has plans to construct an additional rail line that will run from downtown to the Austin Bergstrom International Airport.

In January 2014, Capital Metro began offering its MetroRapid service, which offers fewer stops to get commuters to their destinations faster. The MetroRapid buses include free Wi-Fi, new stations with electronic displays to provide real-time arrival information of the next vehicle, and the option to purchase tickets from riders' cell phones.







# AAA STORAGE VAL VERDE & POSTAL CENTER | DONNA, TX

# Storage

# AAA Storage Val Verde & Postal Center | Donna, TX

# **Property Description:**

# **Property Facts:**

Property Address	1015 W Expressway 83, Donna, TX 78537
Year Built	2002
Construction Type	Metal
Total Building Area	58,112.5 (NRSF)
Number of Buildings	Eight Buildings
Parking	24 Outdoor Parking Spaces
Land Area	4.4 Acres

# Address

1015 West Expressway 83 Donna, TX 78537

# **Assessor's Parcel Number**

E6500-00-004, R634629

# **Overview**

This AAA Storage property is comprised of eight single-story buildings, 400 climate and non-climate controlled units and 58,112.5 net rentable square feet (NRSF) in Donna, Texas. The facility also offers 24 outside RV and boat parking spaces equating to an additional 4,800 net rentable square feet (NRSF). With January through February 2015 annualized income, the property is projected to have a Net Operating Income of \$149,048. The property has a physical occupancy of 62.1% and an economic occupancy of 59.7%.

# Highlights

This centrally located facility serves the communities of greater Donna, Alamo, San Juan and Weslaco. The property includes friendly on-site staff and online account management. Other highlights include:

- Climate-Control Units
- 24-Hour Video Surveillance Cameras
- RV, Car and Boat Parking
- Drive-Up Access
- Electronic Gate Entry

# Demographics

The total population in a five-mile radius from the property is 127,997 residents. The population in this area is projected to grow by more than 7.2% by 2019.

# **Storage Buildings**

These single-story buildings sit on approximately 4.4 acres and feature metal framing, roofs and roll-up doors. The on-site parking surface is concrete.

# Access

The property has an electronic gated entryway and excellent freeway access to Interstate 2. Street frontage faces East Frontage road, and the facility has approximately 78,000 passing by the facility daily.

# Security

All units are secured by chain-link fencing, video surveillance and a resident manager's apartment.

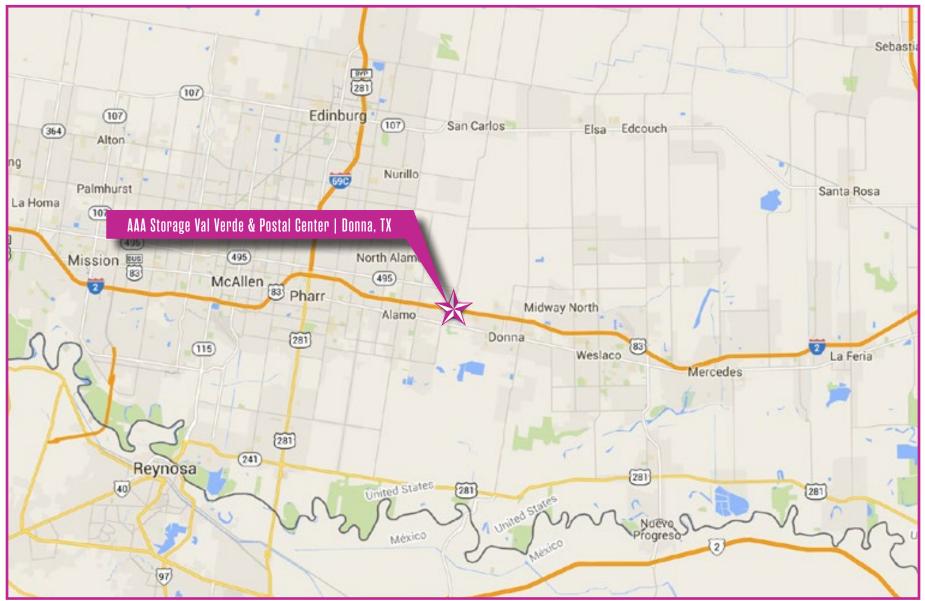
# AAA Storage Val Verde & Postal Center | Donna, TX



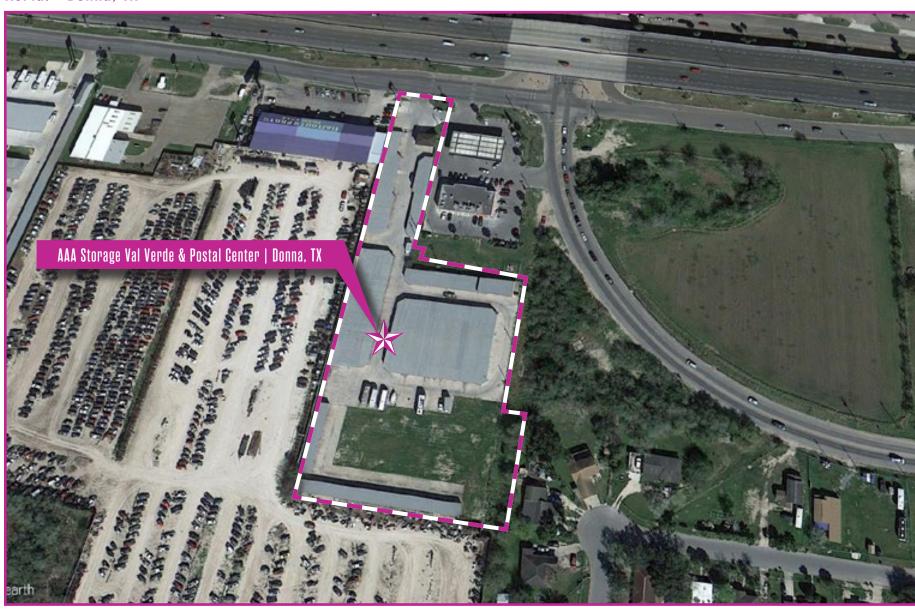
# AAA Storage Val Verde & Postal Center | Donna, TX



# Location - Donna, TX



AAA STORAGE PORTFOLIO



# Unit Mix - Donna, TX

Drive Up					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
16	5x5	25.0	\$45.00	\$720.00	\$8,640.00
1	5x7.5	37.5	\$50.00	\$50.00	\$600.00
31	5x10	50.0	\$59.00	\$1,829.00	\$21,948.00
46	5x15	75.0	\$65.00	\$2,990.00	\$35,880.00
6	10x10	100.0	\$78.00	\$468.00	\$5,616.00
34	7.5x15	112.5	\$78.00	\$2,652.00	\$31,824.00
5	10x15	150.0	\$86.00	\$430.00	\$5,160.00
48	7.5x20	150.0	\$86.00	\$4,128.00	\$49,536.00
1	7.5x25	187.5	\$101.00	\$101.00	\$1,212.00
37	10x20	200.0	\$103.00	\$3,811.00	\$45,732.00
1	15x15	225.0	\$112.00	\$112.00	\$1,344.00
9	10x25	250.0	\$120.00	\$1,080.00	\$12,960.00
12	10x30	300.0	\$142.00	\$1,704.00	\$20,448.00
1	10x30	300.0	\$175.00	\$175.00	\$2,100.00
1	10x35	350.0	\$164.00	\$164.00	\$1,968.00
4	12.5x30	375.0	\$170.00	\$680.00	\$8,160.00
4	12.5x30	375.0	\$210.00	\$840.00	\$10,080.00
2	10x40	400.0	\$175.00	\$350.00	\$4,200.00
5	12.5x35	437.5	\$180.00	\$900.00	\$10,800.00
1	10x45	450.0	\$185.00	\$185.00	\$2,220.00
2	10x50	500.0	\$175.00	\$350.00	\$4,200.00
267	Total	39,562.5		\$23,719.00	\$284,628.00



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# Unit Mix - Donna, TX cont'd.

1st Floor Climate Con	trolled				
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
4	5x5	25.0	\$47.00	\$188.00	\$2,256.00
12	5x10	50.0	\$62.00	\$744.00	\$8,928.00
19	5x15	75.0	\$66.00	\$1,254.00	\$15,048.00
15	5x20	100.0	\$78.00	\$1,170.00	\$14,040.00
16	7.5x15	112.5	\$84.00	\$1,344.00	\$16,128.00
28	7.5x20	150.0	\$98.00	\$2,744.00	\$32,928.00
4	7.5x25	187.5	\$116.00	\$464.00	\$5,568.00
20	10x20	200.0	\$122.00	\$2,440.00	\$29,280.00
8	10x25	250.0	\$148.00	\$1,184.00	\$14,208.00
2	10x30	300.0	\$165.00	\$330.00	\$3,960.00
4	15x20	300.0	\$165.00	\$660.00	\$7,920.00
1	15x25	375.0	\$198.00	\$198.00	\$2,376.00
133	Total	18,550		\$12,720.00	\$152,640.00

RV & Vehicle Parking							
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income		
24	10x20		\$39.00	\$936.00	\$11,232.00		
24	Total	0		\$936.00	\$11,232.00		

Total				
424	Total	58,112.5	\$37,375.00	\$448,500.00



Underwriting - Donna, TX		2014 Income 9			January - February 2015 Annualized w/	
		2014 Income &		20		
		Expenses	PER SF		Actual Expenses	PER SF
GROSS POTENTIAL RENT		\$448,500	\$7.96		\$448,500	\$7.96
Late, Letter, & NSF Fees		\$9,360	\$0.17		\$9,360	\$0.17
Merchandise Sales (NET)		\$3,276	\$0.06		\$3,276	\$0.06
Insurance*		\$9,290	\$0.16		\$13,595	\$0.24
TOTAL OTHER INCOME		\$21,926	\$0.39		\$26,231	\$0.47
Gross Potential Income		\$470,426	\$8.35		\$474,731	\$8.43
Economic Vacancy/ Collection Allowance	52.0%	\$232,822	\$4.13	40.3%	\$180,738	\$3.21
EFFECTIVE GROSS INCOME		\$237,604	\$4.22		\$293,993	\$5.22
EXPENSES						
Property Taxes (1)		\$52,363	\$0.93		\$52,363	\$0.93
Insurance (2)		\$4,877	\$0.09		\$4,877	\$0.09
Utilities & Trash (3)		\$12,399	\$0.22		\$12,399	\$0.22
Repairs, Maintenance and Reserves (4)		\$8,447	\$0.15		\$8,447	\$0.15
Advertising (5)		\$6,812	\$0.12		\$6,812	\$0.12
Salaries, Taxes, & Benefits (6)		\$32,125	\$0.57		\$32,125	\$0.57
Management Fee (7)		\$11,880	\$0.21		\$14,700	\$0.26
Office Supplies & Postage (8)		\$3,505	\$0.06		\$3,505	\$0.06
Bank & Credit Card Fees (9)		\$5,123	\$0.09		\$5,123	\$0.09
Telephone & Internet (10)		\$2,454	\$0.04		\$2,454	\$0.04
Contract Services (11)		\$0	\$0.00		\$1,500	\$0.03
Computer Expenses (12)		\$640	\$0.01		\$640	\$0.01
Total Expenses		\$140,625	\$2.50		\$144,945	\$2.57
% of EGI		59.2%	·		49.3%	
NET OPERATING INCOME		\$96,979	\$1.72		\$149,048	\$2.65

### **Comments:**

\* Insurance income is based on 60% of what is actually being collected.

(1) Property Taxes are based on actual taxes.

(2) Insurance is based on January through December 2014 expenses.

(3) Utilities & Trash are based on January through December 2014 expenses.

(4) Repairs, Maintenance, and Reserves have been adjusted to \$0.15/SF/Year.

(5) Advertising is based on January through December 2014 expenses.

(6) Salaries, Taxes, & Benefits are based on January through December 2014 expenses.

(7) Management Fee is based on 5% of the Effective Gross Income per industry standards.

(8) Office Supplies & Postage are based on January through December 2014 expenses.

(9) Bank & Credit Card Fees are based on January through December 2014 expenses.

(10) Telephone & Internet are based on January through December 2014 expenses.

(11) Contract Service was included by Broker.

(12) Computer Expenses are based on January through December 2014 expenses.

### **Property Summary**

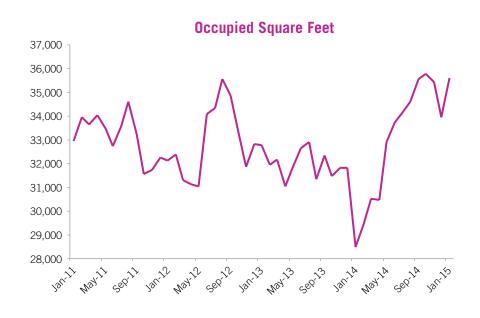
58,112.5 NRSF of Self Storage 4,800 NRSF of RV Parking 424 Units

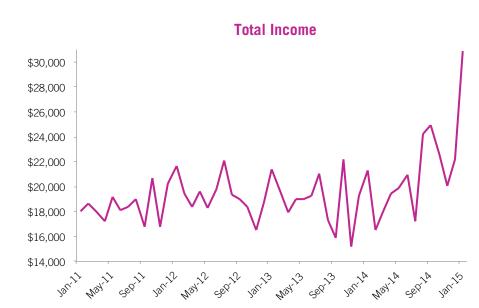


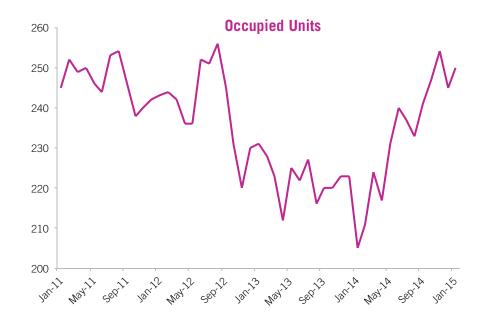
# OCC,Unit,SF Increases - Donna, TX

**12 Month Trailing Income** 



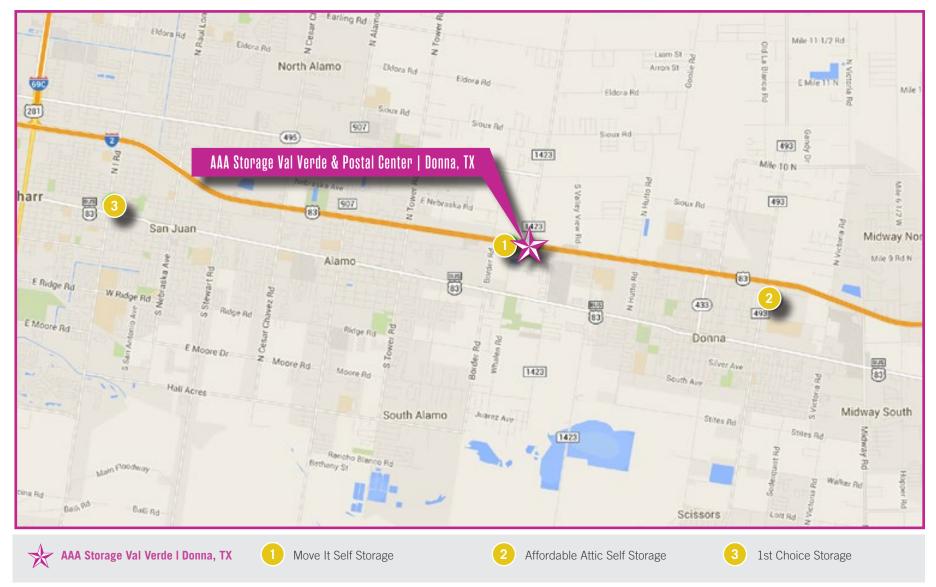








## Rent Comparables - Donna, TX



AAA Storage Val Verde & Postal Center | Donna, TX

## Rent Comparables - Donna, TX

#### **AAA Storage**

1015 W Expressway 83 Donna, TX 78537

Total Units:	424
Occupancy:	62.1%
Year Built:	2002
Distance:	Subject



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	45.00	59.00	78.00	86.00	103.00	\$0.97
1st Floor CC	47.00	62.00	\$78.00	\$98.00	122.00	\$1.03
			(5x20)	(7.5x20)		

Rent Specials: Prepay 3 Months & Get the 4th Month Free Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.

Move It Self Storage 1091 W Expressway 83 Donna, TX 78537

Year Built:	2007
Distance:	0.15 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	50.00	55.00	79.00	89.00	\$0.63
1st Floor CC	DNH	55.00	99.00	105.00	179.00	\$0.92

Rent Specials: \$29.95 First Months Rent Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles, Kiosk.

#### Affordable Attic Self Storage

512 N Salinas Boulevard Donna, TX 78537

Year Built:	2005
Distance:	2.91 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	45.00	60.00	75.00	85.00	110.00	\$0.97
1st Floor CC	60.00	92.00	130.00	155.00	185.00	\$1.50

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.



Distance: 5.00 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF		
Drive Up	48.00	58.00	69.00	80.00	92.00	\$0.71		
1st Floor CC		Facility Does Not Offer Climate Controlled Units						

Property Amenities: Gated Entry with Key Code Access, Wide Drive Aisles.



## Demographics - Donna, TX

#### Summary Prepared for: 1015 W Expressway 83 - 5 mile radius

#### **Population Information**

The population of this area in 2015 is estimated to be 127,997, which is a growth rate of 8.1% over 2010. During the next five years, the population is projected to grow by 7.2%. By comparison, the United States population is expected to grow by 3.5% in the next five years, from its estimated population of 319,459,991.

The current year median age for this population is 28.09, while the average age is 32.03. The current median age for the United States is 37.87 and the average age is 38.73.

#### Race and Ethnicity Information

The racial composition of this area's current year estimated population is: 87.9% are White alone, 0.4% are Black or African American alone, 0.2% are American-Indian alone, 0.1% are Asian alone, 0.0% are Native Hawaiian and Other Pacific Islander alone, 10.1% are some other race, and 1.3% are two or more races.

The United State's racial composition is: 71.1% are White alone, 12.7% are Black or African American alone, 1.0% are American-Indian alone, 5.2% are Asian alone, 0.2% are Native Hawaiian and Other Pacific Islander alone, 6.6% are some other race, and 3.2% are two or more races.

The area's current estimated Hispanic or Latino population is 94.1%, compared to the United States where the population is 17.6% Hispanic or Latino.

#### **Household Information**

There are an estimated 33,578 households in this area which represents a 8.1% growth over 2010. During the next five years households are projected to grow 7.0%. The United States has an estimated 121,099,157 households for 2015, which is a growth of 3.8% since 2010. Over the next five years household growth is projected to be 3.7%.

#### **Income Information**

The estimated median household income in this area for the current year is \$31,883, which is projected to grow 9.0% over the next five years. The United States is projected to have a 6.0% increase from the current year median household income of \$53,229.



## Demographics - Donna, TX

#### Summary Prepared for: 1015 W Expressway 83 - 5 mile radius

#### **Employment Information**

The population over age 16 is currently estimated at 88,381. The employment status of this labor force is as follows: 0.0% are in the armed forces, 49.4% are employed civilians, 7.8% are unemployed civilians and 42.7% are not in the labor force.

The United States population over age 16 is currently estimated at 254,151,626. The employment status of this labor force is as follows: 0.4% are in the armed forces, 57.4% are employed civilians, 6.2% are unemployed civilians and 36.0% are not in the labor force.

The following occupational categories are for the employed population in this area: 4.8% are in management; 1.3% are in business and financial operations; 9.9% are in professional and related occupations; 21.6% are in service; 7.1% are in health care; 13.1% are in sales; 12.7% are in office support; 2.3% are in farming or other agricultural occupations; 15.1% are in construction, extraction and maintenance; 12.2% are in production, transportation and material moving.

The occupation estimates for the employed population in the United States are as follows: 9.6% are in management; 4.7% are in business and financial operations; 16.1% are in professional and related occupations; 15.7% are in service; 8.2% are in health care; 11.0% are in sales; 13.6% are in office support; 0.7% are in farming or other agricultural occupations; 8.3% are in construction, extraction and maintenance; 12.1% are in production, transportation and material moving.

#### **Education Information**

Currently, it is estimated that 2.6% of the population age 25 and over in this area have earned a master's, professional, or doctorate degree and 6.3% have earned a bachelor's degree. The United States population over 25 has an estimated 10.8% of the population with a master's, professional, or doctorate degree, and 18.1% have earned a bachelor's degree.

#### **Housing Information**

64.5% of housing units in the area are estimated to be owner-occupied for the current year. 57.6% of the housing units in the United States are owner-occupied.

The largest segment of the dwellings in this area are estimated to be structures of 1 unit detached, accounting for 66.4% of structures in the area for the current year. Most of the structures in the United States are 1 unit detached accounting for 61.5% of structures for the current year.

The largest segment of housing units in this area are estimated to have been built 2000 and later accounting for 33.8% of structures. The largest segment of housing units in the United States are estimated to have been built After 2000 for the current year accounting for 18.8% of structures.



## Market Overview — McAllen-Edinburg-Pharr, Texas

#### **McAllen-Edinburg-Pharr Overview**

Moody's Economy.com provides the following McAllen-Edinburg-Pharr, TX metro area economic summary as of March 2014. The full Moody's Economy.com report is presented in the Addenda.

MCALLEN, TX - ECONOMIC ANALYSIS												
Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Metro Product (C\$B)	15.9	16.3	16.0	16.7	17.2	17.8	18.8	19.9	21.1	22.1	22.9	23.7
% Change	5.6	2.4	-1.4	4.4	3.0	3.2	5.6	5.9	6.1	4.8	3.7	3.1
Total Employment (000)	211.8	219.3	217.5	219.2	224.8	228.9	233.9	241.4	252.0	262.4	271.0	277.6
% Change	4.8	3.5	-0.8	0.8	2.5	1.8	2.2	3.2	4.4	4.1	3.3	2.1
Unemployment Rate	6.6	7.3	10.4	12.1	12.1	11.0	10.8	10.0	9.6	8.5	7.6	7.4
Personal Income Growth	7.8	9.7	4.0	5.8	4.8	2.8	3.6	6.5	9.1	8.1	6.4	5.3
Population (000)	715.3	736.7	757.5	779.3	794.5	806.6	822.1	840.5	859.9	880.4	901.0	920.9
Single-Family Permits	5,089.0	3,144.0	2,793.0	3,101.0	2,931.0	2,866.0	2,540.8	41,159.7	8,814.4	9,318.5	7,536.6	5,656.8
Multifamily Permits	1,379.0	557.0	372.0	546.0	183.0	663.0	682.6	815.9	2,038.8	2,686.1	2,583.8	2,573.1
Existing-Home Price (\$Ths)	70.2	67.0	64.9	64.6	65.5	67.9	72.9	75.9	77.2	79.4	81.2	83.5
Mortgage Originations (\$Mil)	1370.8	891.1	792.6	680.8	624.1	609.0	763.7	621.9	687.4	656.7	680.5	794.1
Net Migration (000)	6.1	7.3	6.4	8.0	2.5	-0.1	3.2	5.9	6.7	7.5	7.4	6.6
Personal Bankruptcies	727.0	841.0	972.0	933.0	887.0	773.0	627.0	476.2	509.7	565.6	681.7	869.7

Source: Moody's Economy.com

#### Location

The city of Donna is situated in Hidalgo County, in the Rio Grande Valley area of Texas.

#### Retail

Retail trade will turn a corner and make steady gains over the next two years as net migration into McAllen-Edinburg-Pharr accelerates, bolstering demand for consumer goods. Although in-migration has stalled, city planning to increase commerce and new business investment will encourage international in-migration from Mexico.

Although cross-border traffic into south Texas has declined on average 20% in the first two months of 2014 from the same period in the prior year, changing fiscal policy in Mexico will reverse that trend to the benefit of McAllen-Edinburg-Pharr. The Mexican federal sales tax in border regions will rise from 11% to 16% this year, encouraging migration to the metro area. Also, cross-border traffic will increase as Mexican consumers seek cheaper goods, providing a big lift to retail trade.

#### Healthcare

The slowdown of economic and population gains caused stagnation of healthcare in 2012, but the firm employment gains of 2013 will push onward through the long run, fortifying the sector's status as a key driver of the economy. Health networks compose three of McAllen-Edinburg-Pharr's four top employers, and as population growth accelerates, demand for home healthcare services and health practitioners will pick up speed.

Additionally, the merger of University of Texas-Pan American and the University of Texas at Brownsville, which will pave the way for a new medical school in the Rio Grande Valley, enhances healthcare's medium-term outlook. The school is set to open in fall 2015, and the medical program will help fill the shortage of physicians caused by rapid population expansion.

#### Housing

As with consumer-driven services, population expansion will stimulate house prices and residential construction over the next couple of years. House prices and housing starts have been mostly flat over the past four years, but they will reaccelerate along with job growth, rising back to their prerecession levels by the end of this year. Personal income gains will further support housing demand, and construction payrolls will expand as a result over the next three years. In anticipation of the increase in housing demand, AT&T has invested \$60 million to expand wireless and wired service networks in the metro area.

#### **Boundaries**

The neighborhood boundaries are detailed as follows:

North: Mile 12 ½ Road North

South: Ridge Road

East: Midway Road

West: South Stewart Ro

#### Land Use

The neighborhood is located along Expressway 83 between McAllen and Harlingen, with Harlingen approximately 27 miles to the east and McAllen about 6 miles to the west. The neighborhood, comprised mostly of the cities of Alamo and Donna, is primarily a bedroom community in the Rio Grande Valley. Most of the residents in this area commute to McAllen, Harlingen or Brownsville for employment opportunities. Thus, the majority of land in neighborhood is either residential or vacant land with retail located along the primary thoroughfares.

The majority of homes within the one and three-mile radii of the subject were built between 1970 and 1999. The average housing value within a one-mile radius is \$67,664. Within the three-mile radius, the average housing value is \$80,281.

#### **Employment profile**

The following table indicates the area employment profile:

#### **EMPLOYMENT BY INDUSTRY**

Occupation	1 Mile Radius	2 Mile Radius	3 Mile Radius
Agr/Frst/Fish/Hunt/Mine	4.46%	4.79%	3.79%
Constuction	9.91%	9.44%	8.43%
Total Manufacturing	3.90%	4.15%	4.34%
Wholesale Trade	2.87%	2.48%	2.38%
Retail Trade	15.14%	13.59%	13.94%
Transport/Warehse/Utils	3.98%	3.80%	4.08%
Information	0.36%	1.10%	0.84%
Fin/Insur/RE/Rent/Lse	3.09%	2.52%	2.94%
Pro/Sci/Tec/Admin	1.17%	1.85%	1.91%
Mgmt of Companies	0.00%	0.00%	0.00%
Admin/Spprt/Waste Mgmt	7.66%	7.21%	7.37%
Educational Svcs	10.63%	13.17%	13.56%
Health Care/Soc Asst	16.79%	18.81%	18.44%
<b>Entertainment &amp; Rec Services</b>	0.75%	0.78%	0.55%
Accommdtn/Food Svcs	4.51%	5.93%	7.02%
Other Svcs, Not Pub Admin	8.02%	6.84%	7.02%
Public Administration	3.76%	3.55%	3.38%

Source: Nielsen/Claritas

As indicated above, the predominant employment sectors on a three-mile radius include educational services, health care and retail trade. This is the typical profile for most cities in the Rio Grande Valley.



#### **Growth Patterns**

Growth patterns have occurred primarily along the major commercial thoroughfares such as Expressway 83, Alamo Road and Business 83. Expressway 83 is the primary east/west transportation route in the Rio Grande Valley and is lined mostly with retail uses such as big box retailers, strip centers, fast-food and full service restaurants and gas station/convenience stores.

The major retail development in the Rio Grande Valley is La Plaza Mall located west of the subject in McAllen. With over 1,200,000 square feet of retail space including its anchors Dillard's, Macy's, JC Penney, and Sears, La Plaza Mall serves the entire city of McAllen and surrounding communities in the Rio Grande Valley, as well as many border and interior cities in Mexico. La Plaza Mall is located at the intersection of Highway 83 and 10th Street in McAllen, Texas and hosts nearly 15 million shopper visits each year.

#### Access

Expressway 83 and U.S. 281 provide primary access to the subject neighborhood. Expressway 83 is an eight-lane, variable width right-of-way, traversing the area in an east-west direction. This arterial connects to the City of Harlingen to the east, and the City of Laredo to the northwest. U.S. 281 provides north-south access to the area. This arterial connects the subject neighborhood with the City of McAllen and Pharr to the south and with the city of San Antonio to the north.

The McAllen Miller International Airport is located about 10 minutes away to the west in McAllen and the Harlingen Airport is about 30 minutes east of the subject neighborhood.

## AAA STORAGE FM 2673 | CANYON LAKE, TX

# Storage

## AAA Storage FM 2673 | Canyon Lake, TX

#### **Property Description:**

#### **Property Facts:**

Property Address 5622 FM 2673, Canyon Lake, TX 78133			
Year Built	2008		
Construction Type	Metal		
Total Building Area	57,500 (NRSF)		
Number of Buildings	Five Buildings		
Parking	25 Outdoor Parking Spaces		
Land Area	5.64 Acres		

#### Address

5662 FM 2673 Canyon Lake, TX 78133

#### **Assessor's Parcel Number**

35-0530-0435-13

#### **Overview**

This AAA Storage property is comprised of three single-story and two two-story buildings, 377 climate and non-climate controlled units and 57,500 net rentable square feet (NRSF) in Canyon Lake, Texas. The two-story buildings have an elevated drive aisle allowing drive-up access to the upper level. The facility also offers 25 outside RV and boat parking spaces equating to an additional 5,000 net rentable square feet (NRSF). With January through February 2015 annualized income, the property is projected to have a Net Operating Income of \$199,148. The property has a physical occupancy of 69.4% and an econmic occupancy of 60.7%.

#### Highlights

This centrally located facility serves the community of greater Canyon Lake. The property includes both traditional and climate-controlled spaces. Other highlights include:

- 24-Hour Access
- RV, Car and Boat Parking
- Drive-Up Access
- 24-Hour Video Surveillance
- Electronic Gate Entry

#### **Demographics**

The average household income within a five-mile radius of the property is approximately \$84,449. The population in this area is projected to grow by nearly 8% by 2019.

#### **Storage Buildings**

These single and two-story buildings sit on approximately 5.64 acres and feature metal framing, roofs, and roll-up doors. The on-site parking surface is concrete.

#### Access

The property has an electronic gated entryway and street access to Farm to Market Roads 2673, 2722 and 306. Street frontage faces Farm to Market Road 2673, and traffic counts reach approximately 7,103 cars per day.

#### Security

All units are secured by chain-link fencing, video surveillance and a resident manager's apartment.

AAA Storage FM 2673 | Canyon Lake, TX 📘



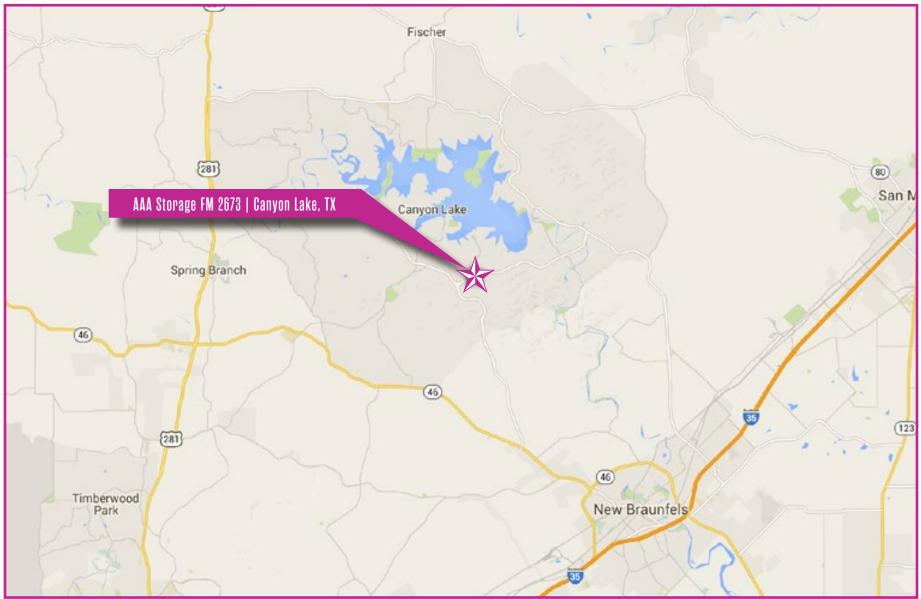
## AAA Storage FM 2673 | Canyon Lake, TX



## AAA Storage FM 2673 | Canyon Lake, TX



## Location - Canyon Lake, TX





## Aerial - Canyon Lake, TX



## Unit Mix - Canyon Lake, TX

Drive Up					
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
10	5x5	25.0	\$38.00	\$380.00	\$4,560.00
4	5x7.5	37.5	\$46.00	\$184.00	\$2,208.00
20	5x10	50.0	\$55.00	\$1,100.00	\$13,200.00
2	5x12.5	62.5	\$63.00	\$126.00	\$1,512.00
24	5x15	75.0	\$65.00	\$1,560.00	\$18,720.00
12	10x10	100.0	\$85.00	\$1,020.00	\$12,240.00
23	7.5x15	112.5	\$85.00	\$1,955.00	\$23,460.00
17	10x15	150.0	\$103.00	\$1,751.00	\$21,012.00
8	7.5x20	150.0	\$103.00	\$824.00	\$9,888.00
44	10x20	200.0	\$110.00	\$4,840.00	\$58,080.00
16	10x25	250.0	\$140.00	\$2,240.00	\$26,880.00
3	10x30	300.0	\$172.00	\$516.00	\$6,192.00
2	10x35	350.0	\$175.00	\$350.00	\$4,200.00
2	10x40	400.0	\$218.00	\$436.00	\$5,232.00
9	12.5x35	437.5	\$198.00	\$1,782.00	\$21,384.00
1	15x30	450.0	\$238.00	\$238.00	\$2,856.00
3	15x35	525.0	\$240.00	\$720.00	\$8,640.00
6	15x40	600.0	\$280.00	\$1,680.00	\$20,160.00
206	Total	35,625		\$21,702.00	\$260,424.00



## Unit Mix - Canyon Lake, TX

1st Floor Climate Con	trolled				
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income
9	5x5	25.0	\$43.00	\$387.00	\$4,644.00
2	5x7.5	37.5	\$60.00	\$120.00	\$1,440.00
28	5x10	50.0	\$75.00	\$2,100.00	\$25,200.00
31	5x15	75.0	\$94.00	\$2,914.00	\$34,968.00
14	10x10	100.0	\$113.00	\$1,582.00	\$18,984.00
1	5x20	100.0	\$113.00	\$113.00	\$1,356.00
16	7.5x15	112.5	\$113.00	\$1,808.00	\$21,696.00
14	10x15	150.0	\$135.00	\$1,890.00	\$22,680.00
12	7.5x20	150.0	\$135.00	\$1,620.00	\$19,440.00
24	10x20	200.0	\$165.00	\$3,960.00	\$47,520.00
9	10x25	250.0	\$208.00	\$1,872.00	\$22,464.00
5	10x30	300.0	\$245.00	\$1,225.00	\$14,700.00
2	15x20	300.0	\$245.00	\$490.00	\$5,880.00
4	15x25	375.0	\$277.00	\$1,108.00	\$13,296.00
171	Total	21,875		\$21,189.00	\$254,268.00

RV & Vehicle Parking						
No. of Units	Unit Type	SF/Unit	Rent/Unit	Monthly Income	Annual Income	
25	10x20 (Outside)		\$52.00	\$1,300.00	\$15,600.00	
25	Total			\$1,300.00	\$15,600.00	

Total				
402	Total	57,500	\$44,191.00	\$530,292.00



## Underwriting - Canyon Lake, TX

ondor writing banyon Lako, IA	2014 Income &			uary - February 2015 nualized Income and	
INCOME	Expenses	PER SF		Expenses	PER SF
GROSS POTENTIAL RENT	\$530,292	\$9.22		\$530,292	\$9.22
Late, Letter, & NSF Fees	\$6,150	\$0.11		\$5,880	\$0.10
Insurance *	\$8,962	\$0.16		\$9,769	\$0.17
TOTAL OTHER INCOME	\$15,112	\$0.26		\$15,649	\$0.27
Gross Potential Income	\$545,404	\$9.49		\$545,941	\$9.49
Economic Vacancy/ Collection Allowance	46.7% \$247,465	\$4.30	39.3%	\$208,498	\$3.63
EFFECTIVE GROSS INCOME	\$297,939	\$5.18		\$337,443	\$5.87
EXPENSES					
Property Taxes (1)	\$11,083	\$0.19		\$41,083	\$0.71
Insurance (2)	\$4,877	\$0.08		\$4,877	\$0.08
Utilities & Trash (3)	\$8,242	\$0.14		\$8,242	\$0.14
Repairs, Maintenance and Reserves (4)	\$8,625	\$0.15		\$8,625	\$0.15
Advertising (5)	\$4,592	\$0.08		\$4,592	\$0.08
Salaries, Taxes, & Benefits (6)	\$38,508	\$0.67		\$38,508	\$0.67
Management Fee (7)	\$14,897	\$0.26		\$16,872	\$0.29
Office Supplies & Postage (8)	\$1,433	\$0.02		\$1,433	\$0.02
Bank & Credit Card Fees (9)	\$9,094	\$0.16		\$9,094	\$0.16
Telephone & Internet (10)	\$2,210	\$0.04		\$2,210	\$0.04
Contract Services (11)	\$0	\$0.00		\$1,500	\$0.03
Computer Expenses (12)	\$540	\$0.01		\$540	\$0.01
Merchandise (13)	\$719	\$0.01		\$719	\$0.01
Total Expenses	\$104,820	\$1.82		\$138,295	\$2.41
% of EGI	35.2%			41.0%	
NET OPERATING INCOME	\$193,119	\$3.36		\$199,148	\$3.46

#### Comments:

\* Insurance income is based on 60% of what is actually being collected.

(1) Property Taxes are based on actual taxes.

(2) Insurance is based on January through December 2014 expenses.

(3) Utilities & Trash are based on January through December 2014 expenses.

(4) Repairs, Maintenance, and Reserves have been adjusted to \$0.15/SF/Year.

(5) Advertising is based on January through December 2014 expenses.

(6) Salaries, Taxes, & Benefits are based on January through December 2014 expenses.

(7) Management Fee is based on 5% of the Effective Gross Income per industry standards.

(8) Office Supplies & Postage are based on January through December 2014 expenses.

(9) Bank & Credit Card Fees are based on January through December 2014 expenses.

(10) Telephone & Internet are based on January through December 2014 expenses.

(11) Contract Service was included by Broker.

(12) Computer Expenses are based on January through December 2014 expenses.

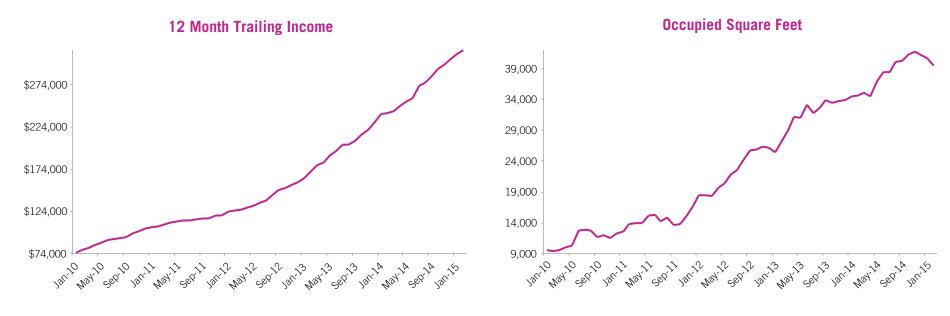
(13) Merchandise Expenses are based on January through December 2014 expenses.

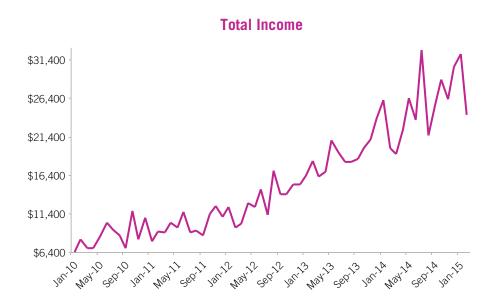


57,500 NRSF of Self Storage 5,000 NRSF of RV Parking 402 Units



### OCC,Unit,SF Increases - Canyon Lake, TX

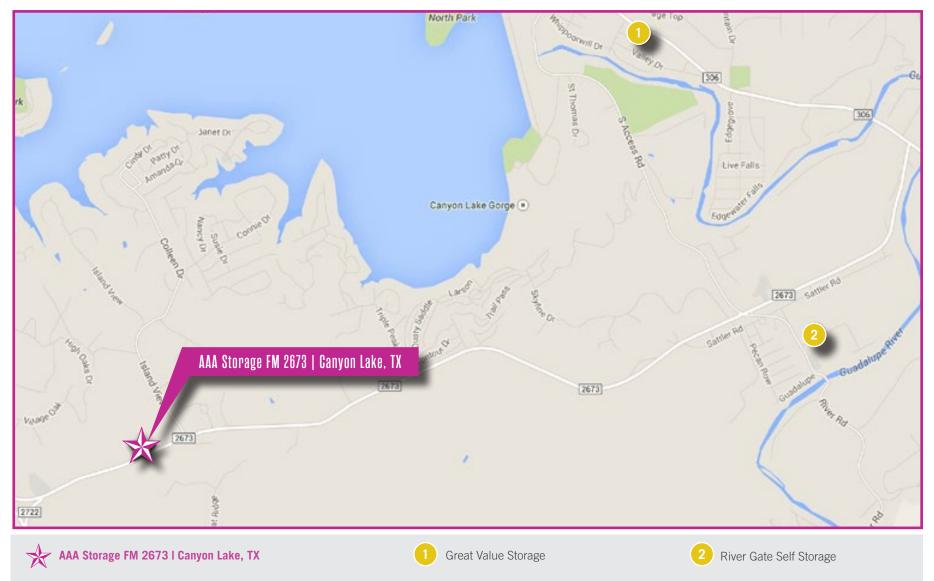








## Rent Comparables - Canyon Lake, TX



AAA Storage FM 2673 | Canyon Lake, TX 📲

## Rent Comparables - Canyon Lake, TX

#### **AAA Storage**

5662 FM 2673 Canyon Lake, TX 78133

Total Units:	403
Occupancy:	69.4%
Year Built:	2008
Distance:	Subject



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	38.00	55.00	85.00	103.00	110.00	\$0.94
1st Floor CC	43.00	75.00	113.00	135.00	165.00	\$1.22

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Wide Drive Aisles.

Great Value Storage	
13825 FM 306	
Canyon Lake, TX 78133	
Year Built:	1994

Tear Dunt.	1554
Distance:	3.72 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	32.00	54.00	79.00	89.00	N/A	\$0.94
1st Floor CC	75.00	95.00	110.00	N/A	N/A	\$2.00

Property Amenities: Gated Entry with Key Code Access, Video Surveillance, Resident Manager, Wide Drive Aisles, RV & Boat Parking.

#### **River Gate Self Storage**

183 River Gate Road Canyon Lake, TX 78133

Year Built:	2004
Distance:	3.93 Miles



Unit Type	5x5	5x10	10x10	10x15	10x20	Avg. Rent/SF
Drive Up	DNH	50.00	70.00	80.00	95.00	\$0.68
1st Floor CC	st Floor CC Facility Does Not Offer Climate Controlled Units					

Property Amenities: Gated Entry, Video Surveillance, Wide Drive Aisles, RV & Boat Parking.



## Demographics -Canyon Lake, TX

#### 5662 Fm 2673 - 5 mile radius

#### **Population Information**

The population of this area in 2015 is estimated to be 14,069, which is a growth rate of 9.7% over 2010. During the next five years, the population is projected to grow by 8.0%. By comparison, the United States population is expected to grow by 3.5% in the next five years, from its estimated population of 319,459,991.

The current year median age for this population is 51.15, while the average age is 46.4. The current median age for the United States is 37.87 and the average age is 38.73.

#### **Race and Ethnicity Information**

The racial composition of this area's current year estimated population is: 91.6% are White alone, 0.7% are Black or African American alone, 0.7% are American-Indian alone, 0.6% are Asian alone, 0.0% are Native Hawaiian and Other Pacific Islander alone, 3.9% are some other race, and 2.5% are two or more races.

The United State's racial composition is: 71.1% are White alone, 12.7% are Black or African American alone, 1.0% are American-Indian alone, 5.2% are Asian alone, 0.2% are Native Hawaiian and Other Pacific Islander alone, 6.6% are some other race, and 3.2% are two or more races.

The area's current estimated Hispanic or Latino population is 13.6%, compared to the United States where the population is 17.6% Hispanic or Latino.

#### **Household Information**

There are an estimated 6,208 households in this area which represents a 12.1% growth over 2010. During the next five years households are projected to grow 9.3%. The United States has an estimated 121,099,157 households for 2015, which is a growth of 3.8% since 2010. Over the next five years household growth is projected to be 3.7%.

#### **Income Information**

The estimated median household income in this area for the current year is \$59,730, which is projected to grow 10.0% over the next five years. The United States is projected to have a 6.0% increase from the current year median household income of \$53,229.



## Demographics -Canyon Lake, TX

#### 5662 Fm 2673 - 5 mile radius

#### **Employment Information**

The population over age 16 is currently estimated at 12,039. The employment status of this labor force is as follows: 0.3% are in the armed forces, 51.5% are employed civilians, 5.3% are unemployed civilians and 42.9% are not in the labor force.

The United States population over age 16 is currently estimated at 254,151,626. The employment status of this labor force is as follows: 0.4% are in the armed forces, 57.4% are employed civilians, 6.2% are unemployed civilians and 36.0% are not in the labor force.

The following occupational categories are for the employed population in this area: 8.1% are in management; 7.4% are in business and financial operations; 13.9% are in professional and related occupations; 11.6% are in service; 6.8% are in health care; 15.9% are in sales; 16.0% are in office support; 0.0% are in farming or other agricultural occupations; 10.2% are in construction, extraction and maintenance; 10.0% are in production, transportation and material moving.

The occupation estimates for the employed population in the United States are as follows: 9.6% are in management; 4.7% are in business and financial operations; 16.1% are in professional and related occupations; 15.7% are in service; 8.2% are in health care; 11.0% are in sales; 13.6% are in office support; 0.7% are in farming or other agricultural occupations; 8.3% are in construction, extraction and maintenance; 12.1% are in production, transportation and material moving.

#### **Education Information**

Currently, it is estimated that 9.9% of the population age 25 and over in this area have earned a master's, professional, or doctorate degree and 20.2% have earned a bachelor's degree. The United States population over 25 has an estimated 10.8% of the population with a master's, professional, or doctorate degree, and 18.1% have earned a bachelor's degree.

#### **Housing Information**

62.5% of housing units in the area are estimated to be owner-occupied for the current year. 57.6% of the housing units in the United States are owner-occupied.

The largest segment of the dwellings in this area are estimated to be structures of 1 unit detached, accounting for 79.0% of structures in the area for the current year. Most of the structures in the United States are 1 unit detached accounting for 61.5% of structures for the current year.

The largest segment of housing units in this area are estimated to have been built 2000 and later accounting for 29.3% of structures. The largest segment of housing units in the United States are estimated to have been built After 2000 for the current year accounting for 18.8% of structures.



### Market Overview - San Antonio, TX

#### San Antonio Overview

San Antonio is the county seat of Bexar County located within the Central-South region of the State of Texas. Presently, the city is the seventh-largest in the United States. Famous for its Riverwalk and the Alamo, the Tejano culture, and home to world-class theme parks, the city of San Antonio is a haven for corporate and residential relocations. Currently, USAA, H-E-B, Rackspace, Valero Energy, Tesoro and Clear Channel Communications, among others, call the city home. As the city's economy continues to diversify, companies like Toyota, Caterpillar, and Citibank have established major presences within the city. San Antonio is also home to the South Texas Medical Center, which is one of the largest medical centers in the country, employing over 27,000 people. With its desirable climate and abundance of entertainment options, the city remains a tourist haven with over 27,000,000 tourists visiting San Antonio each and every year.

The city of San Antonio is the nation's seventh largest city and is the second largest city in Texas. Nestled in the heart of Central Texas, San Antonio is the gateway connecting the export/import trade between the United States and Mexico. Growing in population at an average of over 2% per year, the MSA is poised to exceed 2,314,000 people by 2016.

#### Location

The city of San Antonio is the nation's seventh largest city and is the second largest city in Texas. Nestled in the heart of Central Texas, San Antonio is the gateway connecting the export/import trade between the United States and Mexico. Growing in population at an average of over 2% per year, the MSA is poised to exceed 2,314,000 people by 2016.

#### Government

San Antonio has a council-manager form of city government. The City Council consists of 11 elected members, with 10 members elected by districts and the Mayor elected at large. City Council members are elected for two-year terms and may serve two terms. The City Council sets the policies of the city and hires a city manager to serve as the chief administrative officer of the city.

#### **Tourism and Conventions**

Nearly 27,000,000 tourists visit San Antonio annually. Of those, over 11 million were overnight leisure guests, making San Antonio the number one tourist destination in Texas. Tourism employs over 110,000 citizens and has an estimated \$10.7 billion economic impact. The San Antonio metro area has more than 300 hotels totaling over 35,000 rooms, with downtown accounting for 11,000 rooms.



#### **Area Attractions**

The Alamo, Riverwalk, Six Flags Fiesta Texas, Sea World of Texas, Texas Hill Country, Market Square, historic Missions and La Villita arts village offer entertainment and recreation unparalleled by most cities of its size. In addition, the MSA includes several major lakes and rivers for water activities. Beyond taking in the sights and sounds of the city, San Antonio offers world famous Tex-Mex cuisine at the many fine restaurants located throughout the city.



#### **Sporting Activities**

The city of San Antonio is known for its love of sport. The city is home to the perennial NBA powerhouse San Antonio Spurs. In addition, the MSA features both a minor league hockey team (The Rampage) and baseball team (The Missions). The city also hosts the NCAA Football Alamo Bowl each December in the Alamo Dome. Retama Park is a popular destination for professional horse racing and hosts some of the premiere fields for amateur sporting competitions. In addition, the Texas Hill Country offers ample opportunity for year round outdoor fishing and hunting. Nearby rivers and lakes provide a multitude of water sports opportunities and the Gulf of Mexico is only a two hour drive from the city.

#### Education

The 17 independent public school districts in the San Antonio Region had a 2011 enrollment of +/- 395,196 students. In addition, there are more than 50 parochial schools and more than 100 private schools in San Antonio. San Antonio has eight accredited universities as well as a five-campus community college system. The largest of these is the University of Texas San Antonio (UTSA). UTSA had a Fall 2014 enrollment of 28,628 students and is San Antonio's only NCAA Division I University.

San Antonio is also home to the 3,500 student University of Texas Health Science Center. Texas A&M University opened a branch in San Antonio in 2012 with 4,133 enrolled and is designed for an eventual enrollment of 25,000 students. The university is located on the south side of San Antonio near Loop 410 and Zarzamora.



#### Industry

San Antonio's central location makes it an industrial transportation hub. Port San Antonio is a master-planned, 1.900 acre aerospace, industrial complex and international logistics platform centrally located in San Antonio. Created from the former Kelly Air Force Base, Port San Antonio is approximately equidistant from the East and West coasts of the United States and at the center of the NAFTA Corridor between Mexico and Canada. The entire development enjoys designation as a Foreign Trade Zone and includes an airport with an 11,500 foot runway or accessibility by two Class I railroads, Union Pacific and Burlington Northern Santa Fe, and direct access to three interstate highways (IH-35, IH-10 and IH-37). Port San Antonio's real estate and business development efforts to date have attracted more than 70 employers providing direct and indirect employment to 25,000 people. Collectively, these tenants generate \$4.23 billion in regional economic activity each year. Building projects at Port San Antonio over the next 15 years are projected to total \$2.5 billion, including residential development for up to 4,000 people and the creation of more office and industrial facilities. These new facilities could bring up to 21,000 additional jobs to the region to boost employment to 35,000 people by 2025. San Antonio is also home to Toyota's \$1.6 billion assembly plant.



#### Retail

San Antonio offers world-class retail centers including The Shops at La Cantera, The Rim, Alamo Quarry Market, and North Star Mall. The Neiman Marcus anchored Shops at La Cantera features more than 1.0 million square feet of open-air, high-end retail stores. At 2.0 million square feet, The Rim features Bass Pro Shop Outdoor World, a 19-screen IMAX theater, Lowe's, and Target. Adjacent to San Antonio's International Airport, North Star Mall offers over 200 stores including Saks Fifth Avenue, Macy's, Dillard's, and The Cheesecake Factory.

#### Healthcare

San Antonio's healthcare industry plays a dominant role in the local economy with an economic impact of over \$18 billion and over 141,000 jobs. The driver of the healthcare industry in San Antonio is the South Texas Medical Center (STMC). Within the 900 acre STMC there are 45 medically related institutions including various medical, dental, and nursing schools; twelve hospitals; and five specialty institutions. The STMC employs more than 27,000 and has an annual budget of \$2.859 billion. There are nearly \$1.5 billion of capital improvement projects in progress or planned over the next five years in the STMC. Additionally, with the opening of the Medical Education and Training Campus (METC) at Fort Sam Houston in 2010, all military medical training begins in San Antonio. The campus has more than 25,500 students going through its doors each year with an average daily student load of approximately 8,000. METC officials will also employ an operating staff and faculty of more than 1,400. METC's footprint covers more than 2 million square feet on Fort Sam Houston and cost more than \$1.2 billion to build and equip. This enormous addition to the San Antonio medical community will spur continued growth in the STMC.





#### **Military Information**

The Department of Defense has continued to utilize San Antonio as a major regional military stronghold, and it is even dubbed as "Military City USA". Currently there are four military bases, two Army and two Air Force, located within the MSA. The DOD released results in November 2012 stating the military supports employment of more than 189,000 in the San Antonio area translating to over a \$27 billion impact on the economy.

#### **Military Bases include:**

- Lackland Air Force Base
- Randolph Air Force Base
- Camp Bullis
- Fort Sam Houston

#### **Camp Bullis**

In 2005, the Department of Defense Base Realignment and Closure Commission (BRAC) opted to realign and consolidate a number of military bases across the country. San Antonio largely benefited from this action as the local BRAC plan had the DOD spend over \$3.3 billion on new construction and renovation projects between 2006 and 2011. The program involved building and renovating as many as 78 major facilities totaling more than 6 million square feet of space at Fort Sam Houston as well as Camp Bullis, Lackland, and Randolph Air Force bases through September 2011.



## **Texas Real Estate Commission**

#### **INFORMATION ON BROKERAGE RELATIONSHIP**

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

#### If The Broker Represents The Owner:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

#### If The Broker Represents The Buyer:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know, because a buyer's agent must disclose to the buyer any material information known to the agent.

#### If The Broker Acts As An Intermediary:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

#### (1) shall treat all parties honestly;

- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

## Texas Law Requires That All Real Estate Licensee's Present This Information To Prospective Sellers, Landlords, Buyers Or Tenants.

#### Acknowledgment:

Please acknowledge your receipt of this information, for Broker's records:

Owner (Landlord) or Buyer (Tenant) or Authorized Representative

## Affiliated Business Disclosure

CBRE, Inc. operates within a global family of companies with many subsidiaries and/ or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates. including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

#### **Confidentiality Agreement**

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

## Storage

#### EXCLUSIVELY LISTED BY:

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