



SPEED DATA LLC

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Feasibility Study

Proposed Self-Storage Facility, Magnolia, Texas

Proposed Self-Storage Facility



Prepared For:

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Proposed Location:

28018 Dobbin Huffsmith Road, Magnolia, Texas 77354

Site Survey Link: <https://youtu.be/U7cZAHFA6fg>



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SECTION I

INTRODUCTORY LETTER



To whom it may concern,

Re: Feasibility Study for the Proposed Self-Storage Facility in Magnolia, Texas

The main objective of this research was to conduct the potential feasibility for the construction of a proposed storage facility to be developed in Magnolia, Texas. This report provides an analysis of economic and market conditions, identifying site location criteria, potential benefits for the community and roles the public sector can play. It also identifies and analyzes key characteristics of competitive storage facilities. We have summarized key observations from primary research, and provided an assessment of the feasibility of a new storage facility, including demand and financial projections.

This study also includes a Statement of Estimated Operating Results outlining the first ten years of operations. These provide a forecast of revenues and expenses for the property based on our market findings, including departmental, undistributed, and fixed expenses considering local market conditions and the results of operations of comparable properties.

This feasibility report is intended for the client's internal use. This report has been designed to showcase the potential operation of the proposed property as a climate controlled storage units with appropriate service levels, amenities and furnishings. However, it may also be presented to lending institutions and sophisticated prospective investors.

This feasibility study represents compiled data from the most up-to-date sources available to us at the time the report was completed and we have no responsibility to update this report for events and circumstances occurring after each data source was accessed. The findings presented herein reflect analyses of primary and secondary sources of information. We used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

Speed Data LLC

Speed Data LLC.



SECTION II

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This study seeks to provide a method which can be utilized to get the information essential for the construction of storage facility within the confinements imposed by prevailing market conditions, monetary considerations, recommended facilities, and competitive environment for the storage facility's operations. This is accomplished by presenting first, a method of market analysis designed to determine if a market exists in a given territory and depicting specifics about that market which would influence the design. A strategy is also developed for translating the market conditions into a form which would indicate whether or not a proposed storage facility is economically feasible and what is probable value would be to an investor.

The methods developed in this report are applied to a Magnolia City for which conditions were chosen to represent a marginal situation for a storage facility project. The results of the investigation of the Magnolia City are employed in fixing a set of design determines for a storage facility project which can feasibly be built in the market area.

Assignment

Purpose and Function of the Engagement:

Aim of the feasibility study is to obtain a neutral, professional and qualified opinion and market analysis for a proposed storage facility that would be constructed on a site in Magnolia, Texas. In order to determine whether a feasible operation of such an establishment is possible, the various key factors of competitive business in this trade market will be analyzed.

All projections herein are based on operating this site as a storage facility, and retaining the brand in good standing at the time of an assumed sale after 10 years. Assumed market acceptance for a storage facility has been quantified versus market averages, and has been used in developing this study. Operating costs are set at the level of similar storage facilities in the region.

Finally, determination on the potential growth, the diversity, the level and the stability of the economic base is a matter of the analyst's familiarity with the community. The basic objectives of the study were to evaluate the market potential for the proposed storage facility based on an analysis of the market support for a storage on the proposed site. It contains project level of market penetration, occupancy, and average unit rate for the proposed storage facility for the first ten years of operations.

The study provides a written report containing the conclusions of the feasibility study and presents financial projections for the proposed storage facility.

Scope of Services:

The scope of our study involved, although was not limited to, the systematic research and analysis to reach a conclusion as to the performance of the self-storage facility, with a focus on addressing the following:

- An analysis of the subject site and the surrounding areas to determine their suitability for the proposed self-storage facility, taking into consideration such factors as accessibility, visibility, and proximity to demand generators.
- A determination of the primary market area and evolution of economic and demographic characteristics.
- An identification and evaluation of competitive self-storage facilities in the respective market.
- An identification of likely sources and projection of the demands that a new self-storage facility could reasonably expect to capture.
- A determination of market demand that is generated by single & multi-family homes, apartments, offices, retail businesses, and workers.
- Conclusions regarding the market support for the proposed self-storage facility by evaluating supply and demand relationship in the market area.
- Analysis of appropriateness of the unit mix, unit rates, and available amenities.
- Development of facilities recommendations for a new proposed storage facility.
- Development of estimation of the anticipated utilization levels and average monthly rate of the proposed self-storage facility could expect to achieve in its first five years of operation.
- The preparation of statements of estimated annual operating results for the proposed self-storage facility.
- Calculation of a net cash flow for the proposed self-storage facility.
- Projection of this final report documenting our findings, conclusions, recommendations, and financial projections for the self-storage facility.

Methodology:

The following tasks were performed in order to complete its market analysis for the project:

- Researched the viability of potential locations.
- Inspected and analyzed the site location where the construction of new proposed self-storage facility to be developed.
- Observed the existing infrastructure and surrounding businesses and residential development.
- Analyzed economics conditions and trends in the market area including demographic characteristics, industry clusters, business, and job growth.
- Evaluated existing supply.

- Collected and analyzed data representing the primary and secondary competitions.
- Toured and analyzed existing storage facilities in the area.
- Evaluated demand for self-storage units.
- Analyzed the economic and social conditions in the market area.
- Developed an operating projection for the proposed self-storage facility based upon demand, revenue and expenses derived from a set of similar storage facilities in the market.
- Anticipated net operating income of the property

Major Assumptions:

The major findings, conclusions and recommendations for the proposed self-storage facility are based on the following assumptions:

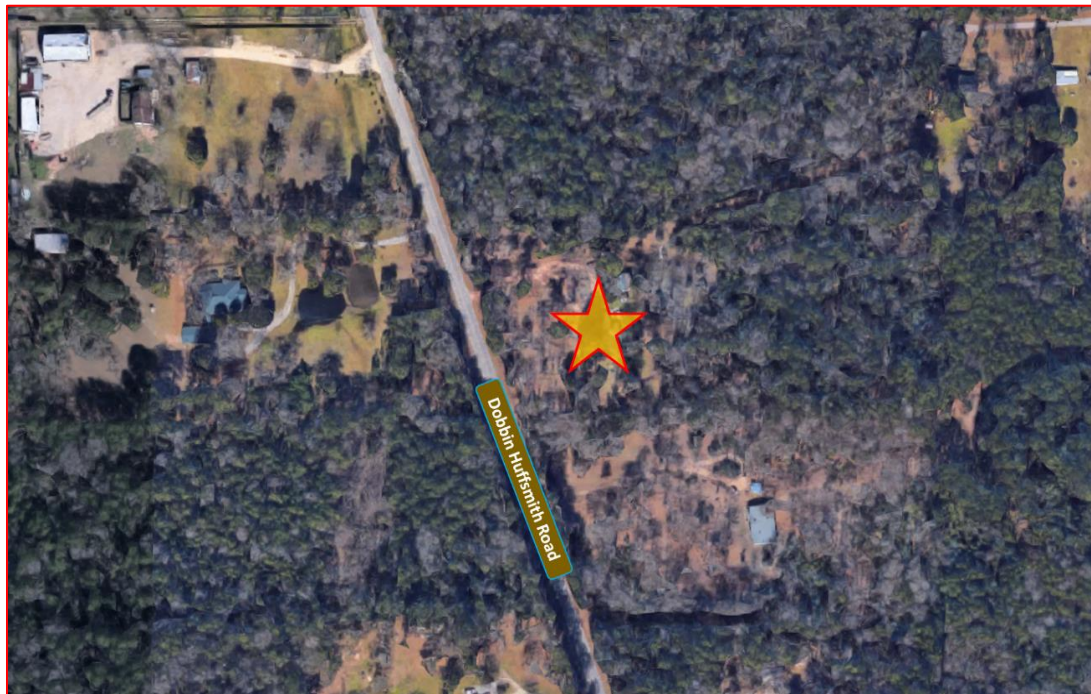
- The component of the proposed development will be branded as a self-storage facility, which contains climate controlled mix units, car, RV, and boat parking, protected with security cameras, drive-up access, and moving supplies.
- The proposed storage facility will be of good quality, and meeting the expectations of customers.
- The site has existing access to public utilities.
- Support infrastructure such as fresh water, sewage treatment, internet and electricity.
- All information contained in the report, which was furnished by others, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
- The management team will hire people that are qualified, honest, customer centric and are ready to provide the level of services.
- The facility will have dedicated parking spots which should suffice for customer.
- The management team will perform advertising and sales promotions prior to the opening of the storage facility and be maintained throughout the projection period.
- We have no prospective interest in the property and no personal interest with respect to the parties involved.
- Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the subject will sell or lease for the indicated amounts.
- The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the subject.
- Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions.

Site Summary

The proposed self-storage facility site is located at the eastbound corridor of Dobbin Huffsmith Road, in Montgomery County, Magnolia, Texas. Magnolia is a city in southwestern Montgomery County, within the Houston-The Woodlands-Sugar Land metropolitan area.

The following is a summary of the market feasibility study, which includes primary data and input regarding the overall feasibility of the self-storage facility project today and analyzes the future growth of the subject area.

- The proposed site is +/- 6.5 acres (approximately 283,140 sq. ft.)
- It is located on the corridor of Dobbin Huffsmith Road, nearby multi-family residential homes and small businesses.
- The neighborhood contains a mixture of single & multi-family residential homes with little commercial and retail density in the immediate area.
- Approximately 11.8 miles southeast of Magnolia, Texas.
- Approximately 5.5 miles southwest of Egypt, Texas
- Approximately 3.2 miles north of Hufsmith, Texas.
- Approximately 6.2 miles north of Tomball, Texas.
- Approximately 38.2 miles northwest of Houston, Texas.



Subject Site Evaluation

Zoning	Zoned for Commercial
Accessibility	• Easily accessible (ingress/egress) from major highways. • Direct access to Dobbin Huffsmith Road. Easy access to Hardin Store Road, Carraway Lane, FM 2978, Shady Lane, US Hwy 249, Magnolia, Egypt, Tomball, Hufsmith, Smith, Montgomery County, and Houston-The Woodlands-Sugar Land metropolitan area.
Visibility	• Prime property. • Excellent visibility for highway travelers and residents. • Average traffic count (all directions) of at least 4,128 vehicles per day would have access to the site.
Utilities	Available Electricity, Water/Sewer, Cable, Telephone, and Internet
Topography	Level to slope, covered with dense trees
Competition	Limited competitive storage facilities in close proximity.

Proposed Use

- The project for the self-storage facility has to include the following elements:
 - 485 mix units
 - RV, Car, and Boat parking
 - Drive-up access



Facility Recommendations

The proposed plans for the subject property include 467 units in the fortress style building and 18 vehicle storage parking:

- Typical and climate controlled units
- Moving supplies
- Truck rental and large truck access

Proposed Storage Unit Mix			
Unit Size	Count	% of Total	Rentable Sq. Ft.
Typical Storage			
5 x 5	20	4.12%	500
5 x 10	35	7.22%	1,750
10 x 10	70	14.43%	7,000
10 x 15	52	10.72%	7,800
10 x 20	25	5.15%	5,000
10 x 25	18	3.71%	4,500
10 x 30	16	3.30%	4,800
	236	48.66%	31,350
Climate Controlled Storage			
5 x 5	25	5.15%	625
5 x 10	45	9.28%	2,250
10 x 10	58	11.96%	5,800
10 x 15	30	6.19%	4,500
10 x 20	23	4.74%	4,600
10 x 25	25	5.15%	6,250
10 x 30	25	5.15%	7,500
	231	47.63%	31,525
Parking			
Covered (15 x 55 x 14)	8	1.65%	6,600
Open (15 x 40)	10	2.06%	6,000
	18	3.71%	12,600
Total	485	100%	75,475

Market Overview

Demand for storage facility has increased over the last few years in Magnolia city and there are significant self-storage demand generators within close proximity. A proposed new self-storage facility would complement the existing mix of commercial and cultural uses, create economic benefits for the community and it's compatible with public sector goals and policy.

The self-storage facility's strong brand, coupled with a premier location on a corridor of Dobbin Huffsmith Road should allow it to become a premier choice for residential homeowners, small businesses, and workers. A self-storage facility would help continue to bring vibrancy and stability to Magnolia city.

The following table shows the identified competitive storage facilities:

STORAGE FACILITIES	
Competitive Set	Distance
Great Spaces Storage	0.74 Miles
Simply Self Storage	1.33 Miles
Big League Storage	1.61 Miles
Extra Space Storage	2.23 Miles
Branch Crossing Storage Center	2.30 Miles

Conclusion

There is a plentiful request for the proposed storage facility within the essential market region, and the market underpins the self-storage development as proposed. Based on the demand components raised in study, this proposed self-storage facility construction project should be feasible and sustainable.



SECTION III

SITE ANALYSIS



Site Surroundings

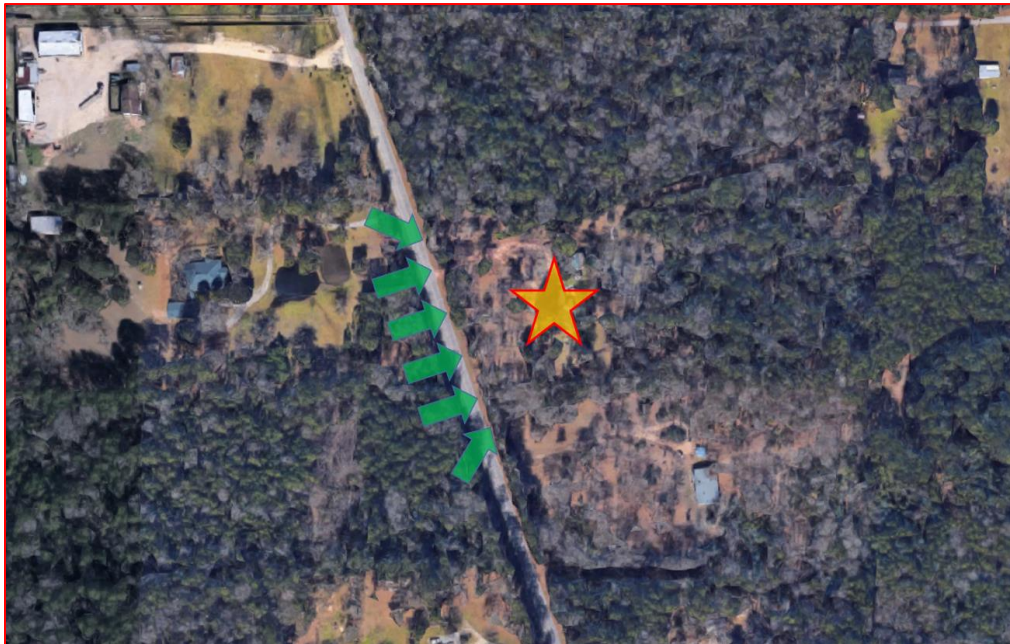
The proposed site is surrounded by single and multi-family residential homes, small businesses, under construction housing project, undeveloped farmstead use lands, and roadway access. The surrounding area includes:

- Lake Windcrest Golf Club – 7.0 miles
 - Hughes Landing – 11.4 miles
 - Memorial Hermann – 2.9 miles
 - Market Street – 12.0 miles
 - Cynthia Woods Mitchell Pavilion – 11.7 miles
 - Woodforest Golf Club – 8.7 miles
 - Woodlands Country Club Palmer Course – 4.8 miles
 - Edgewater Park – 10.7 miles
 - Woodlands Children Museum – 8.9 miles
 - The Woodlands Center – 11.3 miles
 - Baker Hughes Western Hemisphere Education Center – 4.8 miles
 - Tomball Museum Center – 5.6 miles
- ✈ George Bush Intercontinental Airport (IAH) – 28.8 miles

Accessibility and Visibility

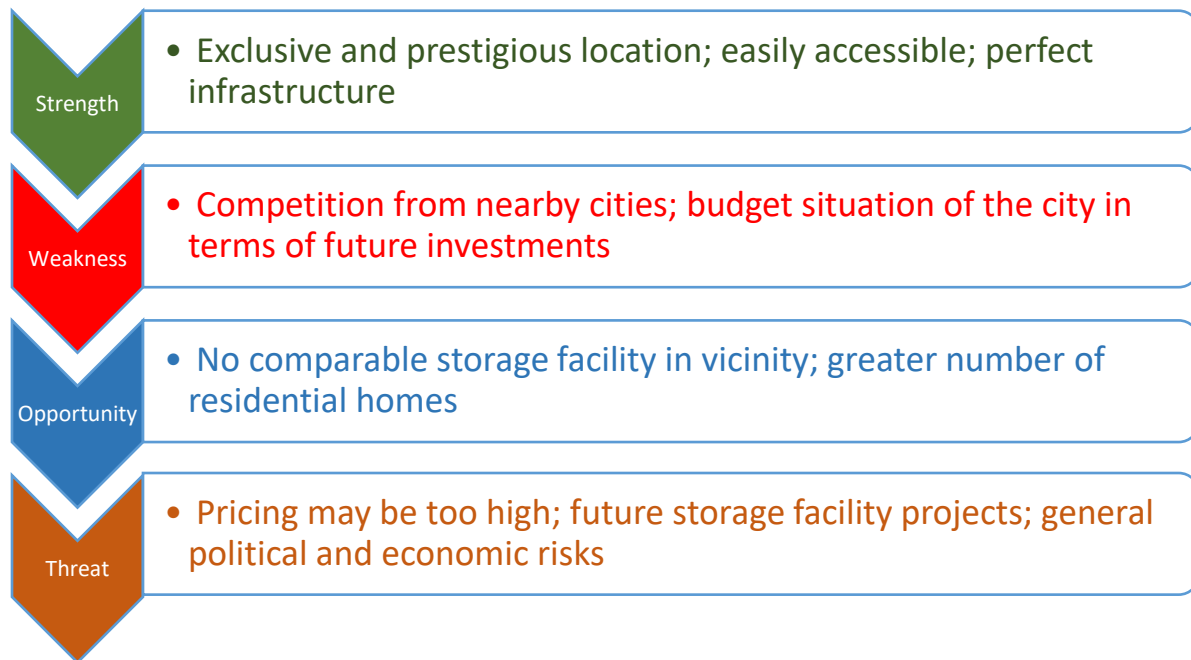
The accessibility and visibility aim to highlight the exposure of the development site which is directly correlated to the potential utilization of the self-storage facility by the passing traffic. It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access.

The proposed site is accessible via several local and county roads & State and Interstate highways. In addition, direct vehicular access to the proposed location is available on Dobbin Huffsmith Road. The proposed site will also be indirectly accessible from Hardin Store Road, Carraway Lane, FM 2978, Shady Lane, US Hwy 249, Magnolia, Egypt, Tomball, Hufsmith, Smith, Montgomery County, and Houston-The Woodlands-Sugar Land metropolitan area.



SWOT Analysis

SWOT stands for strengths, weaknesses, opportunities and threats.



Assessment of Project Site

The following customer matrix shows the assessment of the suitability of the project site related to customer segmentation;

Customer Segment		Assessment				
Purpose	Category	--	-	0	+	++
Residential	Multi-family homes					✓
	Apartments				✓	
Business	Retail shops				✓	
	Offices				✓	
Industry	Workers					✓

The result of the assessment of the project site are summarized as follows:

Criteria	Assessment				
	--	-	0	+	++
Visibility					✓
Accessibility By Car					✓
Accessibility by means of Public Transportation			✓		
General Transportation Coverage				✓	
Quality/Appearance of surrounding				✓	
Environmental Situation					✓
Security					✓
Cleanliness					✓
Customer Attractiveness					✓

Conclusion

We have analyzed the issues of size, topography, access, visibility, and the proximity of local services. The proposed site is favorably located near the county and state highways. There is no negative attributes pertaining to the proposed site during our site analysis. In general, the site should be well suited for self-storage facility use, with acceptable access, visibility, and topography for an effective operation.



SECTION IV

RECOMMENDED FACILITIES

RECOMMENDED FACILITIES

The subject project entails the new construction of climate controlled self-storage facility on a proposed site in Magnolia, Texas.

Based on our evaluation of the local storage facility supply and demand conditions we believe that a self-storage facility with climate controlled mix units carrying a well-recognized storage should be considered for Magnolia. The self-storage facility would offer a variety of amenities including RV, car, and boat parking, climate controlled storage units, 24-hour surveillance systems, gated premises, moving and storage supplies, a free truck rental, and storage units for all personal and business belongings.

Building Amenities

The new construction has been proposed to feature a self-storage facility with climate controlled mix units and vehicle storage on a 6.50 acres land (approx. 283,140 s. ft.).

- A fortress style building
- Outside landscaping
- Bright and clean storage facility
- Approx. 48.66% or 31,350 sq. ft. of typical storage
- Approx. 47.63% or 31,525 sq. ft. of climate controlled storage
- Approx. 3.71% or 12,600 sq. ft. of vehicle storage
- Movable partitions to allow changing the unit mix for the demand
- 24-hour video surveillance system
- Gated premises and door alarms
- Bright ground lights
- Timers or motion sensors lighting in all hallways and units
- Asphalt driveways
- Customer auto parking spaces with two or three being handicapped
- Bollards at the corners of each building and around the touch pads for the gate
- Condo units for a car, boat and RV
- Drive-thru units
- Office room with waiting area on reception
- Floor drain on each units with a hose bib and a shop sink
- RV dump and public restroom

Climate Controlled Storage

Climate controlled storage is heated during the winter months and kept cool in the summer to maintain a constant, moderate temperature throughout the year. Many items are susceptible to damage from prolonged exposure to changes in temperature.

Climate controlled storage removes dust and foreign matter from the air and keeps items cleaner fresher. These storages provide customers peace of mind, knowing their storage unit won't become too hot or too cold.

Climate controlled storage is the ideal option for any self-storage needs, but it's more necessary for some items. These includes:

- **Furniture:** Wooden furniture can dry out, shrink or even crack if it's allowed to get too cold or swell and warp in hot temperatures. Upholstered furniture is prone to mold and mildew if it's kept in hot temperatures over a long period of time.
- **Electronics:** Everyone loves their gadgets. If you ever have to store any of your electronics, climate controlled storage will help protect those delicate items from extremes in temperature. This includes all household appliances as well.
- **Art:** Paintings, drawings, and photographs are particularly prone to damage from exposure to excessively hot, dry, cold or moist air. Stamps, sports cards and comic book collections should also be kept in climate controlled storage.
- **Musical Instruments:** Fine music is best made with well-maintained instruments. Climate controlled storage will help prevent warping, cracking, and rot of your instruments.
- **Documents:** Archived records and documents are often irreplaceable. One of the greatest enemies of stored paper is its atmosphere. Too much moisture causes rot. Too little moisture causes printing to fade. Stored records are best kept in areas where a constant, moderate atmosphere can be maintained.
- **Textiles:** Clothing and bedding are among the most commonly stored items. Self-storage makes it easy to free up space in your home by allowing for seasonal clothing, blankets, and quilts to be rotated in and out as needed. Ensure those items are not exposed to extreme temperature change by renting climate controlled storage.
- **Wine:** Some wines improve with age, but only under controlled conditions. Temperature swings and heat accelerate the wine's aging process, leaving it sharp, acidic and vinegary.

Storage Unit Size

Storage unit size guide will help customer easily determine the perfect unit size. An equally important decision customer will need to make is choosing the size of their unit.

Storage typically comes in the following standard sizes:

Small Self Storage Units

Small lockers and small storage units ranging from 5x5 to 5x10. Some common uses for these self-storage units include:

- ✓ Seasonal storage for holiday decorations and yard tools
- ✓ Storing children's clothing, toys, and books
- ✓ Getting more spaces at home
- ✓ Summer storage for students
- ✓ Additional space while remodeling a home

The following units are suggested for the small storage:

➤ Storage Lockers

These lockers are usually 5 feet by 5 feet, and 4 feet tall. They're about the size of a small closet, and the content of this storage unit size should fit in a cargo van.



Some items that can fit in a storage locker include:

- Winter outdoor gear
- Seasonal decorations
- Business and hobby supplies
- Sports gear

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
4 ft.	5 ft.	5 ft.	100 cubic ft.

➤ 5x5 Storage Unit

These small storage units are about the size of a hall closet or half bathroom, at 5 feet wide, 5 feet long, and 8 feet tall. These units act like a small walk-in closet for smaller self-storage needs.



Some items that can fit in a 5x5 unit include:

- Full size mattress
- Dresser, Desk, Chairs
- Business storage
- Up to 120 medium boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	5 ft.	5 ft.	200 cubic ft.

➤ **5x10 Storage Unit**

These small storage units are 5 feet wide, 10 feet long, and 8 feet tall. They are about the size of a walk-in closet.



With the capability to hold the contents of a mid-sized bedroom, some items that can fit in a 5x10 unit include:

- Queen and king-size mattress
- Dresser
- Couch
- Refrigerator
- Motorcycle
- Up to 240 medium boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	5 ft.	10 ft.	400 cubic ft.

Medium Self Storage Units

10x10 to 10x15 storage units are highly versatile and are commonly used for things like:

- ✓ Storing the contents of an apartments or condo
- ✓ Additional storage to free up space at home
- ✓ Business storage for equipment, inventory, and materials

The following units are suggested for the medium storage:

➤ 10x10 Storage Unit

These storage units are about the same size as the average bedroom, at 10 feet wide, 10 feet long, and 8 feet tall. The content of this storage unit size should fit in a 12-foot moving truck.



With enough space for multiple sets of bedroom furniture with room to spare, 10×10 storage units are commonly used to store the contents of a one or two-bedroom apartment. Some items that can be stored in these units include:

- The content of two bedrooms
- The contents of an entire living room
- Kitchen or dining room furniture
- A grand patio
- Appliances
- Up to 480 medium boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	10 ft.	10 ft.	800 cubic ft.

➤ **10x15 Storage Unit**

These storage units are about the same size as the large bedroom, at 10 feet wide, 15 feet long, and 8 feet tall. The content of this storage unit size should fit in a 16-foot moving truck.



These storage units can store several bedrooms' worth of furniture plus some additional items. This makes them great for storing the contents of a two-bedroom apartment. Some commonly stored items might include:

- The content of two or three bedrooms
- Living room furniture
- Contents of a garage
- Some compact cars
- Equipment and materials for business storage
- Large quantity of boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	10 ft.	15 ft.	1,200 cubic ft.

Large Self Storage Units

With enough space to store the contents of entire homes, 10x20 to 10x30 storage units are often used for:

- ✓ Storing the contents of a house while moving
- ✓ Storing vehicles, including cars and smaller RVs or boats
- ✓ Large commercial storage needs

The following units are suggested for the large storage:

➤ 10x20 Storage Unit

Similar in size to a one-car garage, these units are 10 feet wide, 20 feet long, and 8 feet tall. A 22-foot moving truck is ideal to fill a storage unit of this size.



Capable of storing the contents of a multi-bedroom house, some items that can be stored in a 10x20 include:

- Living room furniture
- Multiple sets of bedroom furniture
- Kitchen or dining room furniture
- Patio furniture
- A mower, snow-blower, and other outdoor equipment
- An average-sized automobile including sedans, vans, and SUVs
- A large quantity of boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	10 ft.	20 ft.	1,600 cubic ft.

➤ **10x25 Storage Unit**

These small storage units are 10 feet wide, 25 feet long, and 8 feet tall.



With enough space to store a fully-furnished three-bedroom house, some of the items that can fit in a 10x25 include:

- Living room furniture
- Up to three bedrooms worth of furniture
- Appliances, including washer and dryer, refrigerator, and more
- The contents of a garage
- Patio furniture
- A large pickup truck or van
- A smaller RV or boat
- Commercial storage for parts, materials, and equipment
- A large quantity of boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	10 ft.	25 ft.	2,000 cubic ft.

➤ **10x30 Storage Unit**

This storage unit is 10 feet wide, 30 feet long, and 8 feet tall. It has 2,400 cubic feet of space and is similar in size to a large garage. A 26-foot moving truck is ideal to fill a storage unit of this size.



Similar to the space of a one and a half car garage, these self-storage units can hold the contents of up to a five-bedroom house. Some items that can fit in a 10x30 might include:

- The contents of four to five bedrooms
- Multiple sets of living room furniture
- Kitchen or dining room furniture
- Desks, chairs, and other home office furniture
- Patio furniture
- The contents of a garage including lawn equipment, bikes, and more
- An automobile
- A large quantity of boxes

Approx. dimensions (in Feet)			
Height	Width	Depth	Volume
8 ft.	10 ft.	30 ft.	2,400 cubic ft.

Vehicle Storage Units

Covered, uncovered and enclosed vehicle storage units ranging in size from 15 feet to 30 feet that are designed specifically for storing car, RV, motorcycle or boat.

The following units are suggested for the vehicle storage:

➤ **15' Vehicle Storage**

These parking spaces are generally 10 feet wide and 15 feet long, for a total of 150 square feet of space.



Suitable for motorcycle or ATV in these convenient vehicle storage spaces.

➤ **20' Vehicle Storage**

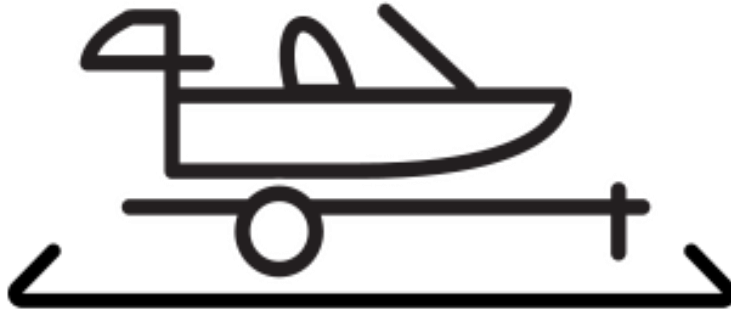
These parking spaces are generally 10 feet wide and 20 feet long, for a total of 200 square feet of space.



Suitable for sedan, SUV, or pickup in these convenient vehicle storage spaces.

➤ **26' Vehicle Storage**

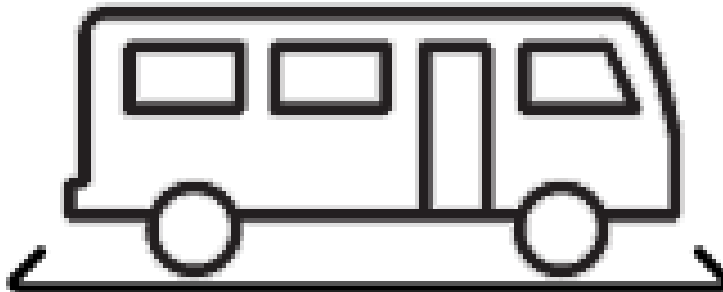
These parking spaces are generally 10 feet wide and 26 feet long, for a total of 260 square feet of space.



Suitable for Class B vehicles, like large vans and small RVs or camper vans.

➤ **30' Vehicle Storage**

These parking spaces are generally 10 feet wide and 30 feet long, for a total of 300 square feet of space.



Suitable for Class A recreational vehicles, the largest type of RV in these convenient vehicle storage spaces.

Storage Supplies

The proposed self-storage facility will carry a wide variety of supplies to help get moved in and moving on. It would have supplies from covers and blankets to boxes and available units to ease concern when packing up belongings. Moving and supply materials keep valuable items safe and looking for the big reveal out of the box.

Moving Boxes

- ✓ **Small Box (16" x 12.5" x 12.5"):**
Small moving boxes for heavier items like books, canned goods, records, CDs, DVDs, dishes, and glassware.
- ✓ **Medium Box (18" x 18" x 16"):**
Medium boxes are the storage boxes for clothes, linens, small appliances, shoes and more.
- ✓ **Large Box (24" x 18" x 18"):**
Large moving boxes are great for medium-weight bulky items such as pots, pans, Tupperware, and toys.
- ✓ **Extra Large Box (24" x 18" x 24"):**
Extra-large boxes for lightweight bulky items like pillows, sweaters, and blankets. They have hand holes for easy carrying.

Specialty Moving Boxes

- ✓ **Wardrobe Moving Box (24" x 18" x 39"):**
Transfer clothing from closet to closet without removing it from the hangers with wardrobe moving boxes.
- ✓ **Dish Pack Box (18" x 18" x 28"):**
Designed for dishes, glassware, and figurines. Use with the optional dish/glass partition kit.

Moving Supplies

- ✓ **Dish/Glass Partition Kit:**
Use with the dish pack box when packing larger quantities of dishes, glassware, and china.
- ✓ **Dish Protection Kit:**
Includes enough packaging for eight place settings. Designed to use with a small moving box.



- ✓ **Packing Tape:**
Keep cardboard boxes tightly sealed. It is available in a single pack or a multi-pack.
- ✓ **Moving Bubble Wrap:**
Cushion fragile items with this popular packing item. Available in small bubble wrap and large bubble wrap.
- ✓ **Mattress Covers:**
Fits a standard mattress or box spring and is available in twin, full, queen, and king sizes. These can help against the effects of dirt and water damage.
- ✓ **Moving Dolly or Pushcart:**
Dollies and pushcarts are available to those who rent a storage unit.

Storage Unit Locks

- ✓ **Disk Locks:**
Disk locks are more durable locks.

Prohibited Storage Goods

There are some items that cannot be stored in unit at any time. These includes:

- Live animals
- Perishables
- Liquids
- Explosives
- Flammable liquids and fuels
- Toxic materials
- Any items that need to be in a controlled environment

Unit Mix

The following section identifies our recommendation for the unit mix of the proposed self-storage facility based on the market demand characteristics.

Unit Count, Mix and Size

The following table shows recommended unit mix for the proposed site

Proposed Storage Unit Mix			
Unit Size	Count	% of Total	Rentable Sq. Ft.
Typical Storage			
5 x 5	20	4.12%	500
5 x 10	35	7.22%	1,750
10 x 10	70	14.43%	7,000
10 x 15	52	10.72%	7,800
10 x 20	25	5.15%	5,000
10 x 25	18	3.71%	4,500
10 x 30	16	3.30%	4,800
	236	48.66%	31,350
Climate Controlled Storage			
5 x 5	25	5.15%	625
5 x 10	45	9.28%	2,250
10 x 10	58	11.96%	5,800
10 x 15	30	6.19%	4,500
10 x 20	23	4.74%	4,600
10 x 25	25	5.15%	6,250
10 x 30	25	5.15%	7,500
	231	47.63%	31,525
Parking			
Covered (15 x 55 x 14)	8	1.65%	6,600
Open (15 x 40)	10	2.06%	6,000
	18	3.71%	12,600
Total	485	100%	75,475

Other Facilities

The following table shows the retail and other amenities in the proposed storage facility:

Lobby Area	
Amenities	Area (SF)
Entrance Vestibule	
Reception	
Public Circulation	
Public Restrooms	
Total	2,760

Car Parking Facilities

In order to guarantee advanced service for the storage seeking customer, a drop-off zone will be integrated in the generous drive-up zone in front of the entrance. Car parking possibilities will be provided around the storage building.

The benefits of a functional and efficient design would greatly boost the long term profitability of the proposed self-storage facility.



SECTION V

MARKET AND DEMOGRAPHIC ANALYSIS

MARKET ANALYSIS

A market area's size and density has a profound impact on an analysis in terms of demographic trends, demand estimates, and the competitive environments.

The key objective of this analysis are to recognize structural factors, opportunities and shortcomings which will influence the market's continuous competitive circumstance, and to gauge the level of bolster that exists for the advancement.

Verifiable patterns give a positive viewpoint for the financial environment within the subject market zone. An audit of showcase range financial and statistical patterns offers a sign of the relative wellbeing of the subject market range. In arrange to analyze the advertise opportunity for a proposed location, we have reviewed the market conditions within the Magnolia city and encompassing regions.

Primary Market Area (PMA)

The primary market area is the geographic region that a proposed or existing self-storage facilities serves. A real premise for characterizing the boundaries of the market area must be set up. The market area ought to consider both the proposed target market and the area of substitute self-storage facility openings that are comparative in characteristics and linkage to employment centers, community facilities, and services. The proposed self-storage facility's target market can incorporate residential homes, apartments, retail businesses, offices, and workers who live, work or have ties to the market area.

A reasonable and reliable market area requires consideration of many factors, which may vary on a market by market basis. Below are few common factors used in market area determination;

➤ **Target Market:**

The proposed self-storage facility targeting a special needs populations such as residential homes, apartments, small businesses, offices, and workers, generally draw from a larger geographic region.

➤ **Product Characteristics:**

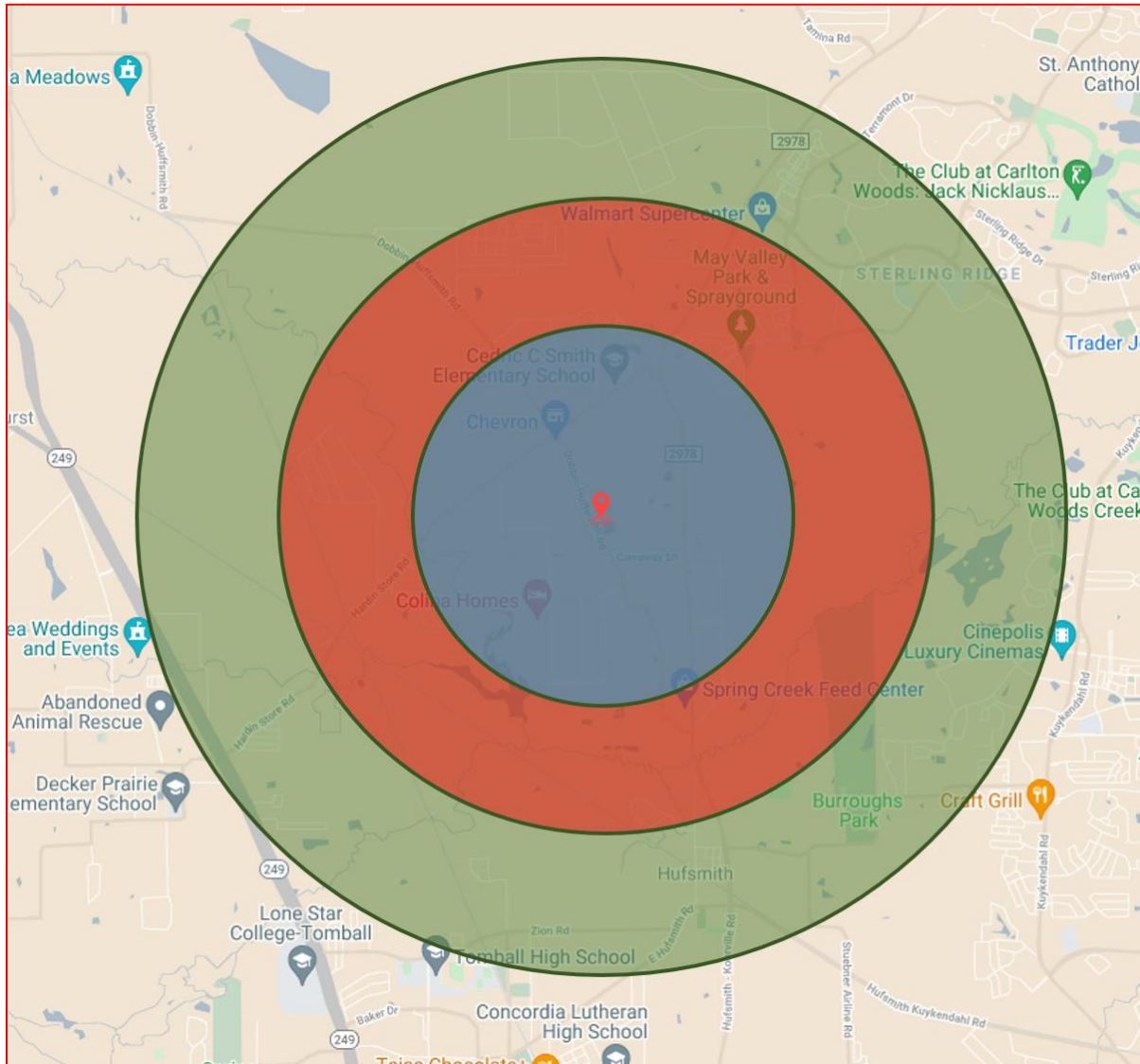
A unique product type (climate controlled units, RV & boat parking, security camera, moving supplies) may increase the draw to a particular site or submarket.

➤ **Drive-Time Analysis:**

The time travelers spend commuting and their destination often reveal distinct patterns. Drive-time analyses can help define the areas that are within the commuter sheds of potential travelers.

- **Competitive Sets:**
The competitive properties should have similar unit types, services and amenities, and transportation options as does the proposed site.
- **Transportation:**
The proximity of transportation options including major traffic arteries and mass transit options can influence the size of the market.
- **Market Perception:**
Market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within submarkets, with travelers from one side of a submarket may not move to a close by neighborhood, regardless of storage facility opportunities.
- **Employment Centers:**
If the market area's major employment centers have workers who live outside the primary market area, but have wages that are within the project's price range, the primary market area may include non-market area travelers working in the market area.
- **Regional Amenities:**
The proximity of a proposed site to regional amenities including single & multi-family residential homes, apartments, retail businesses, offices, and/or workers site often plays a role in the market area definition.
- **Natural Boundaries:**
Natural boundaries including rivers and mountains can restrict movement and travel within an area due to lack of transportation.

The PMA is defined by market proximity surrounding the proposed site, and it covers City of Magnolia within Montgomery County.



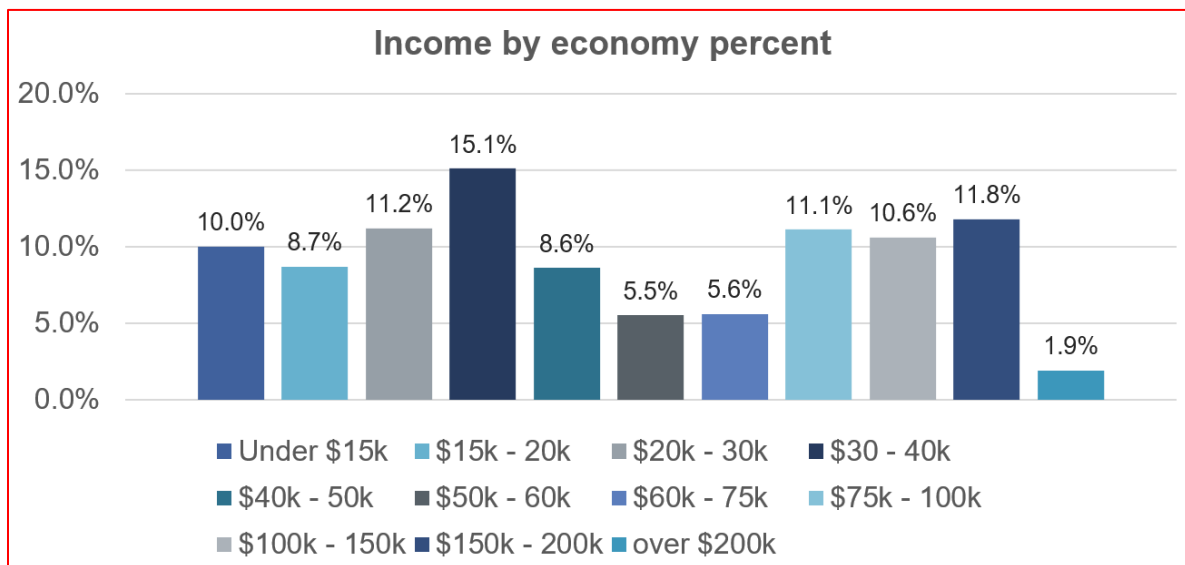
Economic Analysis

The market study must provide an overview of the market area's economic base. The economic analysis, at a minimum, must provide the:

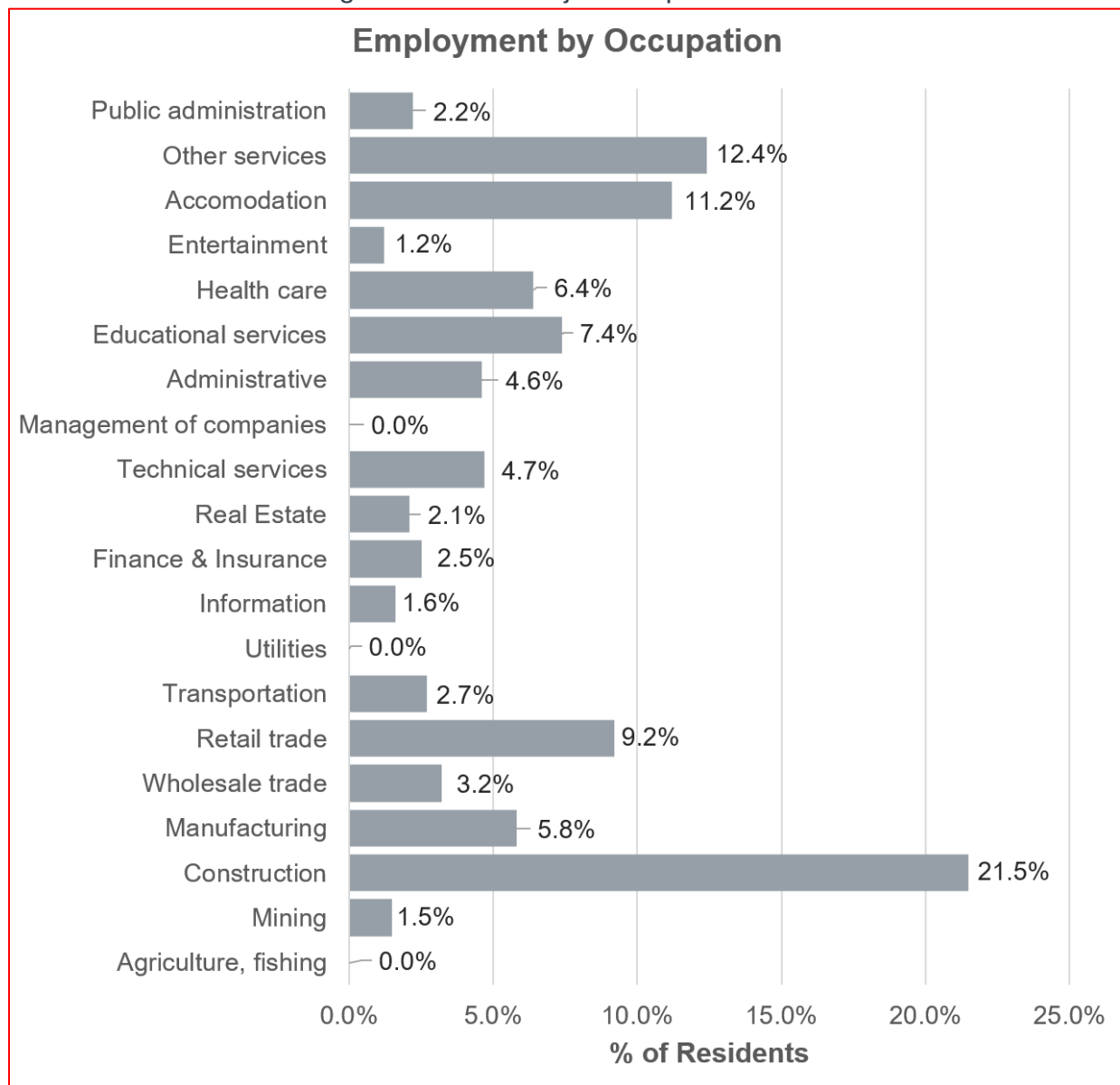
- Employment by industry
- Major Employers
- Unemployment trends

Economic factors for the market area:

ECONOMY	POPULATION PERCENT
Unemployment Rate	7.4%
Recent Job Growth	-5.6%
Future Job Growth	37.9%
Sales Taxes	7.3%
Income Tax	0.0%
Income per Capita	\$27,864



The following table shows major occupation in market area:



Demographic

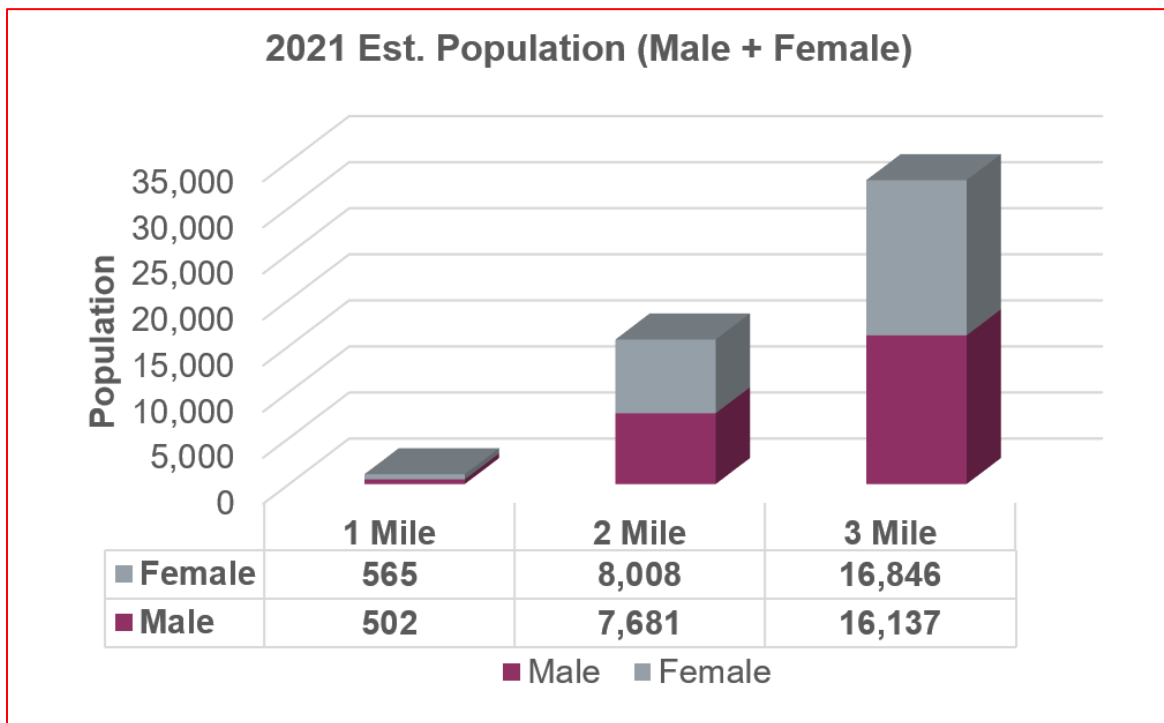
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth pattern will be studied to determine if the market area is areas of growth or contraction.

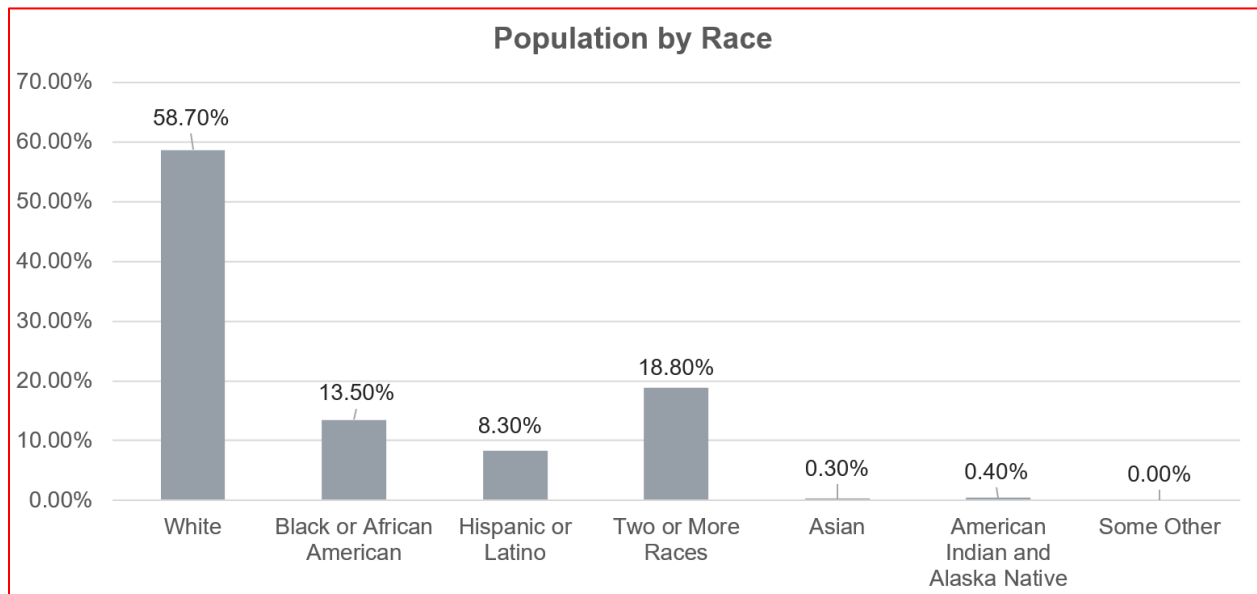
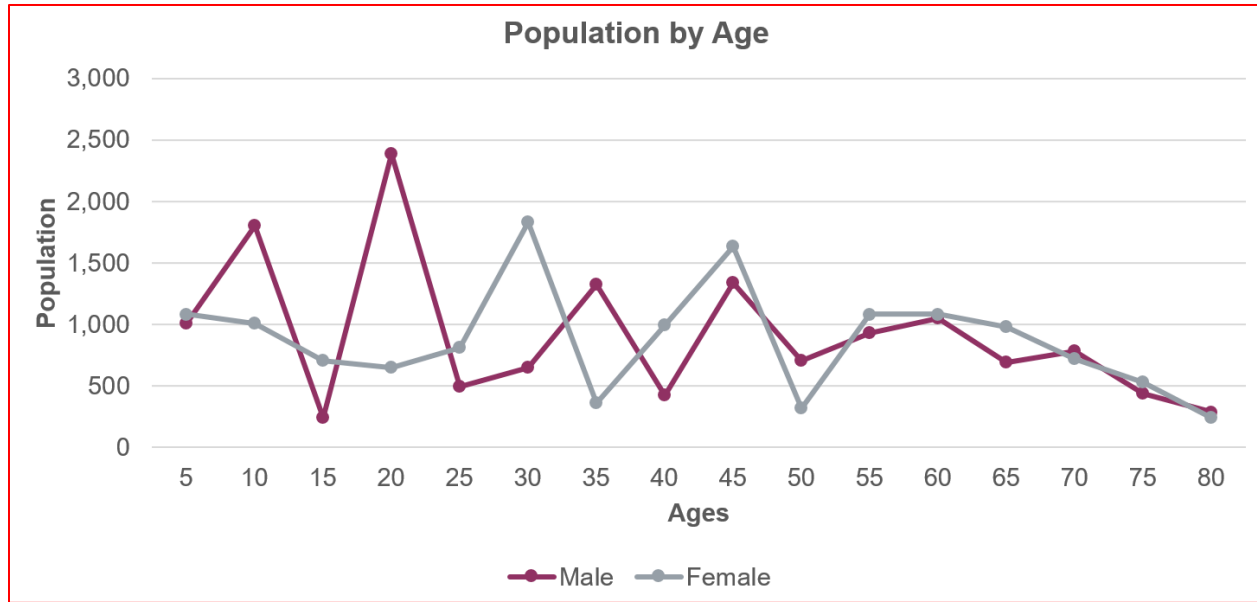
The precise demographics of the town in which site location resides is as follows:

Population:

The population in market area is 33k and median age is 36.2

POPULATION	1 MILE	2 MILES	3 MILES
2011 Census	825	15,106	32,609
2021 Estimate	1,067	15,689	32,983
2026 Projection	1,528	16,930	33,265



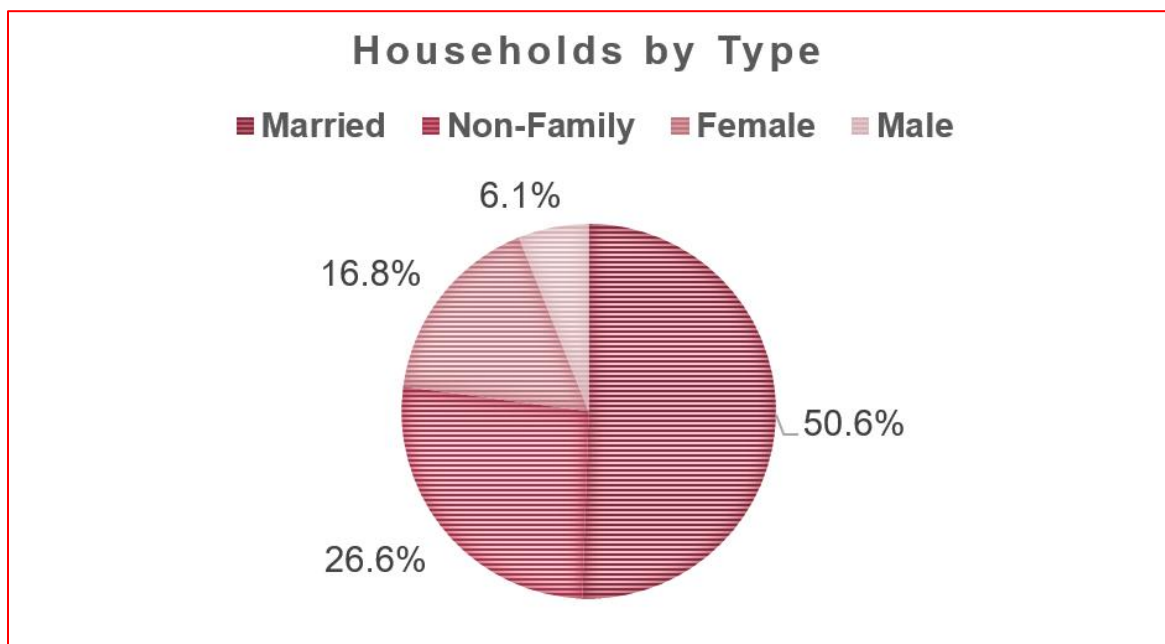


Household Distribution:

HOUSEHOLD TRENDS	
Household Size	2.85
Households	11,573

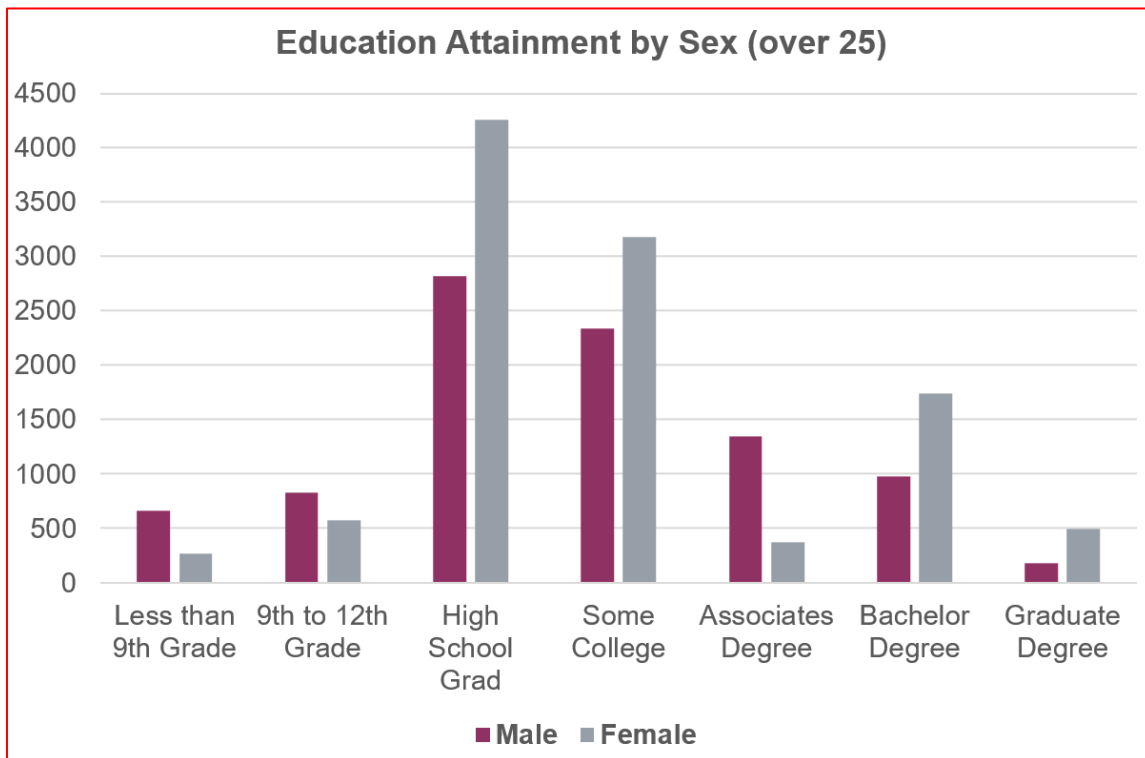
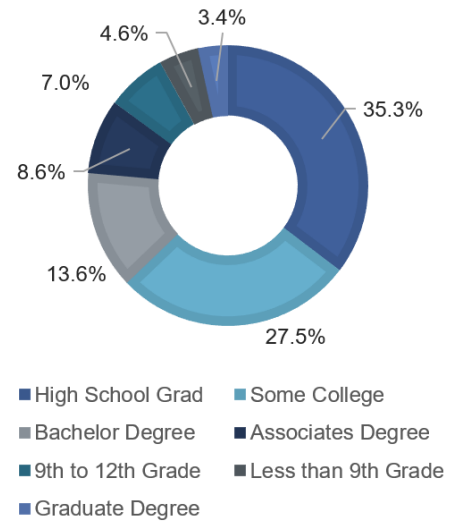
FAMILY HOUSEHOLDS	5,982
Married couple, w/children	34.8%
Married couple, no children	40.3%

NON-FAMILY HOUSEHOLDS	5,591
Single Householder, w/children	16.2%
Single Householder, no children	8.7%



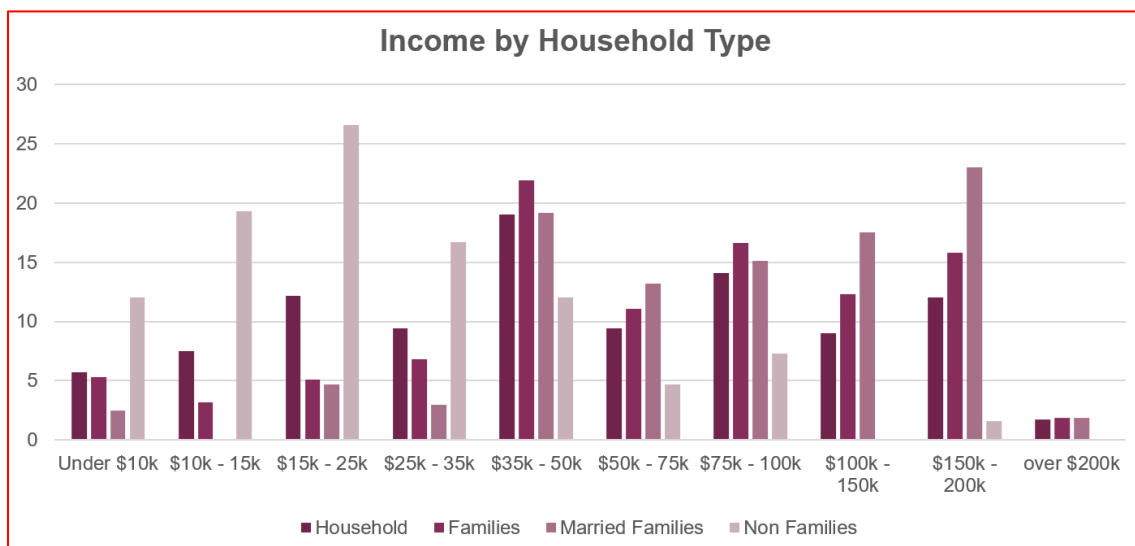
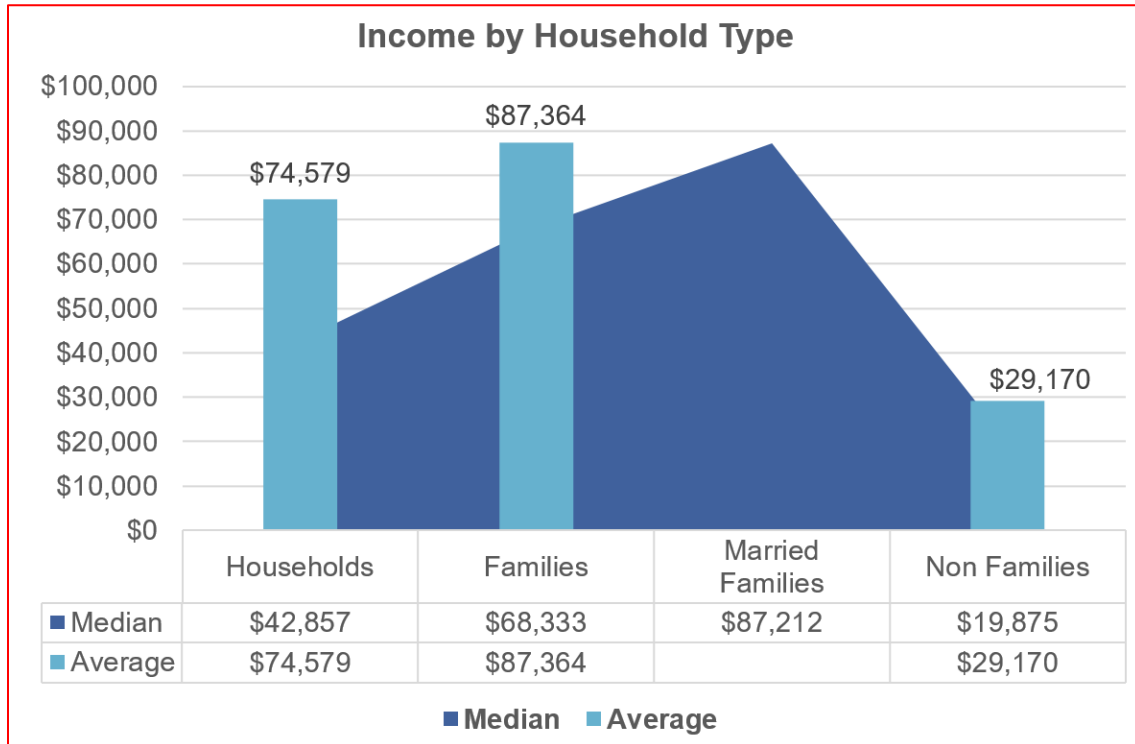
Education:

EDUCATIONAL ATTAINMENT	COUNT	PERCENTAGE
Less than 9 th Grade	930	4.64%
9 th to 12 th Grade	1,395	6.96%
School Graduate	7,080	35.33%
Some College	5,520	27.54%
Associates Degree	1,725	8.61%
Bachelor's Degree	2,715	13.55%
Graduate Degree	675	3.37%



Income:

INCOME	1 MILE	2 MILES	3 MILES
Average HH Income	\$73,024	\$73,859	\$74,579
Median HH Income	\$42,514	\$42,742	\$42,857



Traffic Volume:

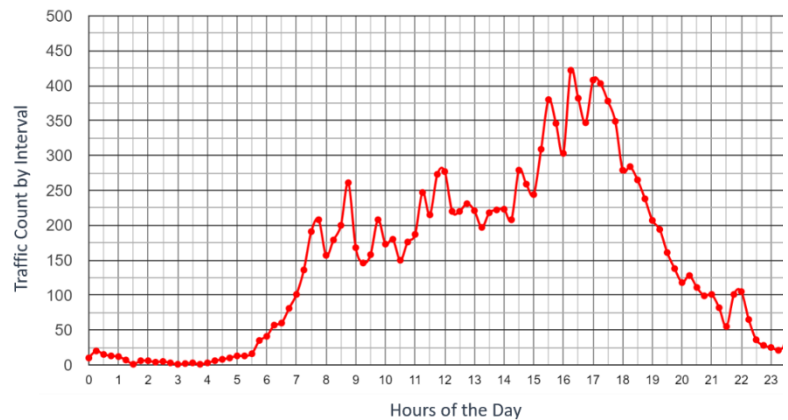
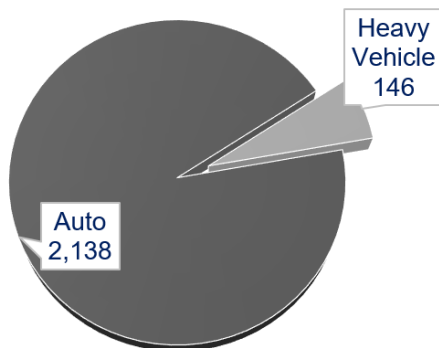
The projected traffic volume for each roadway segment in the proposed location were projected based on development according to anticipated land uses. Trip generation rates were applied to proposed site according to typical densities identified for the Dobbin Huffsmith Road. The expected trips generated by each roadway were added to the background traffic and distributed to the roadway network. The sum of the background traffic and the site-generated traffic yields the projected average daily traffic volumes.

These projected traffic volumes for each of the roadways within the proximity are shown as follow;

Average Daily Traffic Count

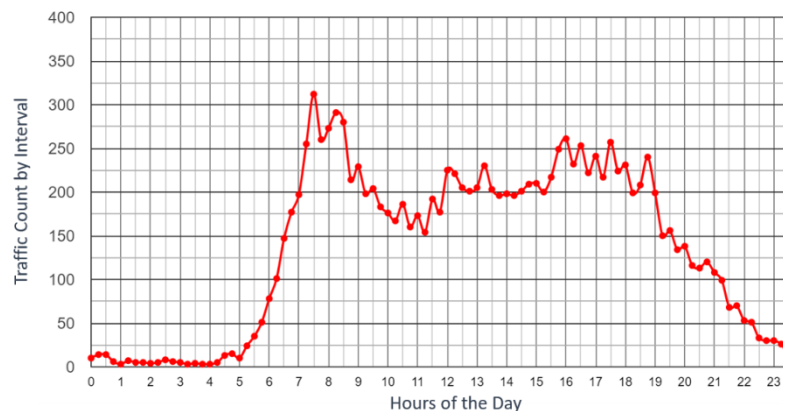
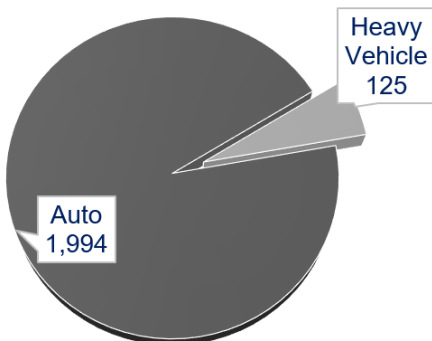
Dobbin Huffsmith Road – NB

Total NB Traffic: 2,284



Dobbin Huffsmith Road – SB

Total SB Traffic: 2,119



Based on traffic count metrics, total average annual daily traffic (AADT) is 4,403.

Design Hourly Volume (DHV) and Directional Design Hourly Volume (DDHV) traffic volumes are a major factor in selecting design criteria.

$$\text{DHV} = \text{ADT} \times K$$

$$\text{DDHV} = \text{DHV} \times D \text{ or } \text{DDHV} = \text{ADT} \times K \times D$$

Where:

K = design hourly volume factor

D = directional movement factor

$$\text{ADT} = 4,403 \text{ vehicles/day}$$

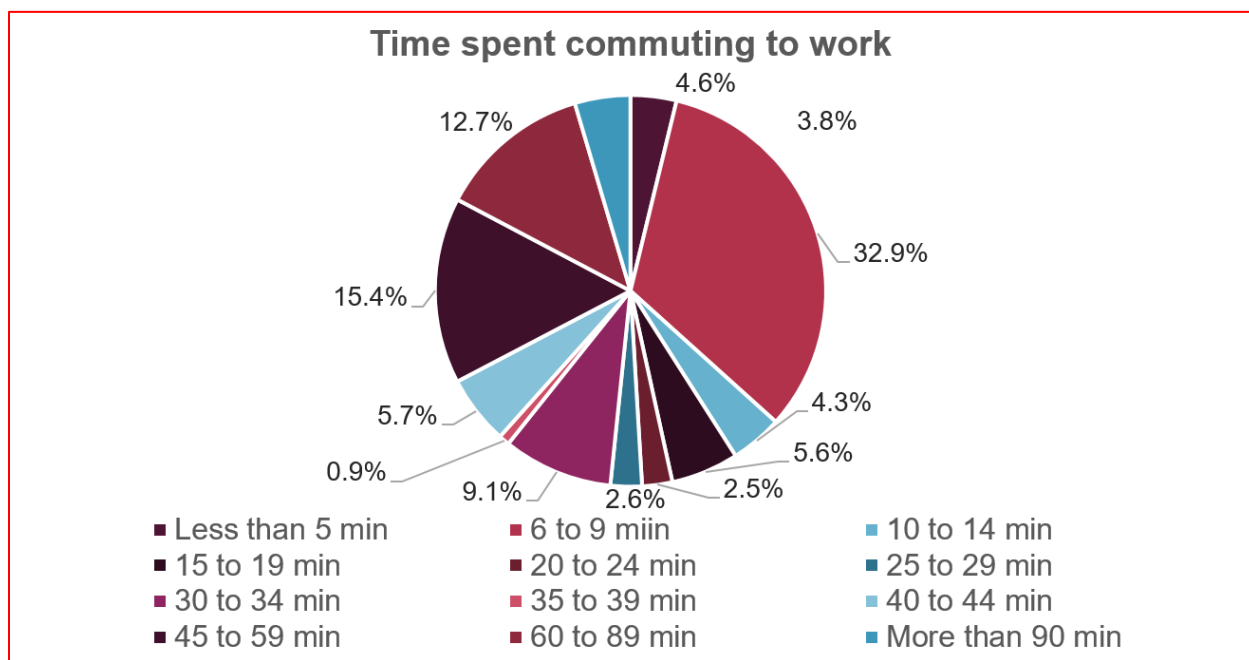
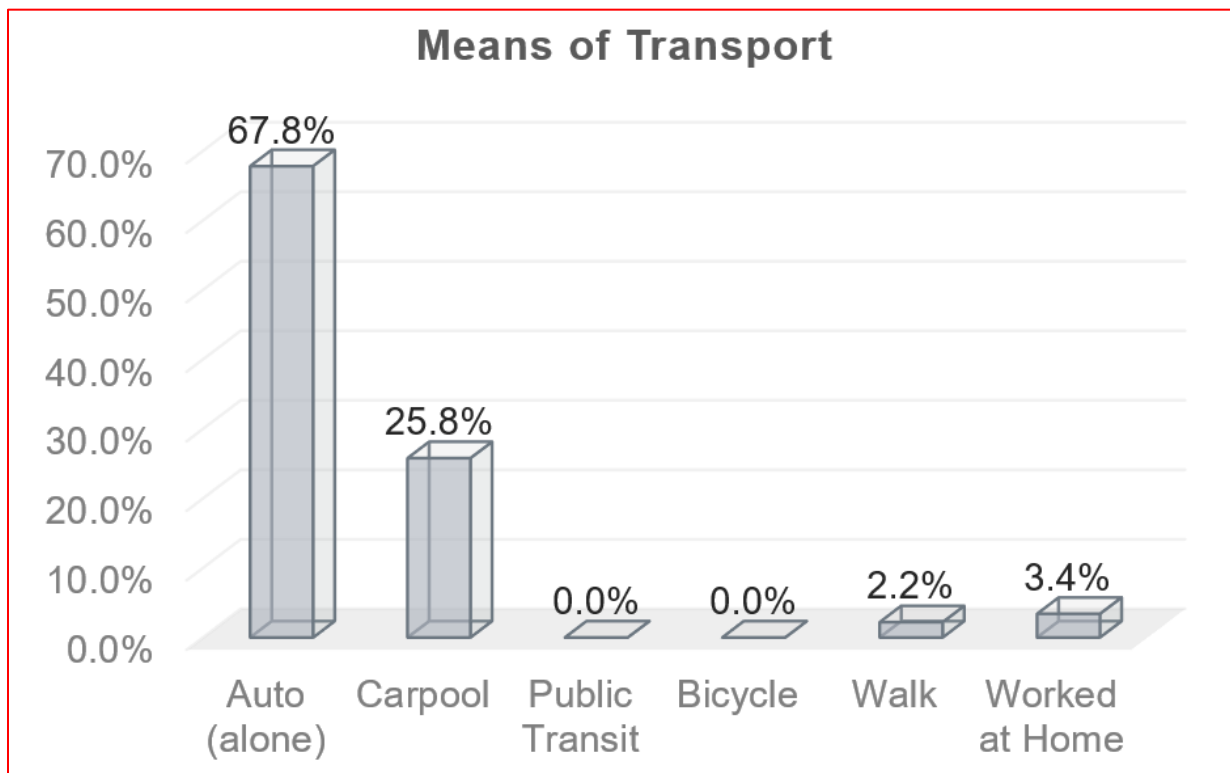
$$\begin{aligned} \text{DDHV} &= \text{ADT} \times K \times D = 4,403 \times 10\% \times 78\% \\ &= 343.43 \sim 344 \text{ vehicles/hour in the peak direction} \end{aligned}$$

$$\text{Projected traffic count} = 344 \times 12 = 4,128$$



Projected traffic counts: 4,128

Transportation:



Market Segmentation

We analyzed the estimated segmentation of the Magnolia market, based on interviews with local storage facility community, and our field work. Magnolia market is mostly reliant upon the family and homeowners. Contractors segment comes a close second, followed by businesses segment.

The following briefly describes the market segments:

	• Homeowners: Self-storage units are perfect for safely storing belongings as family grows.
	• Renters: Spacious storage units and moving supplies to help ease apartment move.
	• Businesses: Climate controlled storage units can help secure inventory and business files.
	• Empty Nesters: Storage units can secure precious family heirlooms and belongings.

	Contractors: Storage units are a house for equipment for different line of workers.
	College Students: It helps storing belongings in storage units for the summer.
	Relocation: Whether move is temporary or permanent, it covered with no long-term contract.
	Families: A variety of storage options to find what's right for growing family.

This is balanced demand cross-section and shows that the market is attractive to families, contractors and commercial business.

Market Demand

The market demand will be determined by the market segmentations as well as socio-economic factors and an increase in storage facility demand in Magnolia City. The Montgomery County and Magnolia City Economic Development Corporation team understand the unique and confidential needs of business. To facilitate and encourage business development, the city offers progressive economic development incentives.

- Site location:
A proximity to the city of Magnolia makes a location culminate for taking advantage of the better incentives, ready workforce, and transportation options.
- Dobbin Huffsmith Road:
The proposed site is located on the corridor of Dobbin Huffsmith Road, a main roadway artery mid-way between Magnolia and Hufsmith City. This increments perceivability and access to the proposed site for residential customers. The proposed site has good visibility for traffic travelling generally north and south along Dobbin Huffsmith Road.
- Community Support:
The new construction of a proposed self-storage facility to be developed will solve immediate individual business concerns. It will provide community support and will improve the competitiveness of local businesses.
- Population Profile:
Population size and growth are important indication in any land development. The population growth and size indicates the demand for a new development and determine the possibility of a sustainable development.
- The new construction of self-storage facility's brand, coupled with a chief area near business district and highways, ought to permit it to gotten to be a head choice for the common voyaging open, nearby residential, small businesses, offices, and workers. A self-storage facility would offer assistance proceed to bring dynamic quality and soundness to the city of Magnolia.

Conclusion

The new construction of the self-storage facility on proposed site could possibly cause an increase in the use by residential homeowners from other areas and therewith possibly increase the economic base of the primary market and surrounding area with possible spin-offs to other related activities to the benefit and increased employment and economic activities and related services.



SECTION VI

COMPETITIVE ANALYSIS

COMPETITIVE ANALYSIS

Competition to a large degree depends on location. Other competitive factors include breadth and depth of available room types, customer service, marketing programs, employee productivity, management of detailed information, unit design, amenities, customer loyalty, out-of-area competition, pricing and reputation.

We analyzed storage facility demand sources and identified below characteristics to determine the competitive storage facility supply upon which customers are arranging accommodation base their decision of self-storage facility selection:

- Brand recognition
- Pricing
- Quality of physical asset and furnishings
- Location
- Market positioning
- Surrounding area

Primary Competitive Set

Based on evaluation criteria above, we have identified several properties that are expected to be competitive with the proposed subject self-storage facility.

There are 5 primary storage facilities within 3 miles of proposed site, offering a typical and climate controlled units.

STORAGE FACILITIES	
Competitive Set	Distance
Great Spaces Storage	0.74 Miles
Simply Self Storage	1.33 Miles
Big League Storage	1.61 Miles
Extra Space Storage	2.23 Miles
Branch Crossing Storage Center	2.30 Miles

Primary competitive storage properties within 3-miles of proposed site



Primary Competitor 1:

GREAT SPACES STORAGE	
 (0.74 Miles) - 28543 FM 2978, Magnolia, Texas 77354	
	
Current Occupancy	83%
Rentable Sq. Ft.	64,244 sq. ft.
Unit Count	216
Climate Controlled Units	☒ Yes ☐ No
Car, RV, or Boat Parking	☒ Yes ☐ No
Amenities / Features	Security cameras, Perimeter fencing, Door alarms, Computerized access, Internet access, Truck rentals, Large truck access, Dump station, Wash station, Military & Senior discount
Property Coverage	☐ Yes ☒ No – Insurance Required ☒ Yes ☐ No – Insurance Available ☐ Yes ☒ No – Protection Plan Required ☒ Yes ☐ No – Protection Plan Available
24-Hour Access	☒ Yes ☐ No
Facility Administration Fee	☒ Yes ☐ No
On-site Office	☒ Yes ☐ No
Target Group	Families, Homeowners, Contractors
Visibility	★★★★☆ – Very Good



Pricing Analysis:

Pricing Analysis			
Unit Size	Low Price	High Price	Average Price
Typical Storage			
5 x 5	\$23	\$51	\$34
5 x 10	\$45	\$80	\$57
10 x 10	\$87	\$137	\$104
10 x 15	\$109	\$168	\$125
10 x 20	\$128	\$209	\$148
12 x 20	\$145	\$210	\$189
12 x 30	\$193	\$240	\$216
Climate Controlled Storage			
5 x 5	\$27	\$56	\$39
5 x 10	\$50	\$83	\$61
10 x 10	\$95	\$152	\$108
10 x 15	\$126	\$187	\$135
10 x 20	\$153	\$244	\$164
12 x 20	-	-	-
12 x 30	-	-	-
Parking			
Covered	\$148	\$175	\$160
Open	\$295	\$316	\$340

Primary Competitor 2:

SIMPLY SELF STORAGE	
 (1.33 Miles) - 29101 FM 2978, Magnolia, Texas 77354	
	
Current Occupancy	79%
Rentable Sq. Ft.	85,318 sq. ft.
Unit Count	310
Climate Controlled Units	☒ Yes ☐ No
Car, RV, or Boat Parking	☒ Yes ☐ No
Facilities	Security cameras, Perimeter fencing, Door alarms, Computerized access, Large truck access, Moving supplies
Property Coverage	☒ Yes ☐ No – Insurance Required ☒ Yes ☐ No – Insurance Available ☒ Yes ☐ No – Protection Plan Required ☒ Yes ☐ No – Protection Plan Available
24-Hour Access	☐ Yes ☒ No
Facility Administration Fee	☒ Yes ☐ No
On-site Office	☒ Yes ☐ No
Target Group	Families, Homeowners, Businesses
Visibility	★★★★☆ – Very Good



Pricing Analysis:

Pricing Analysis			
Unit Size	Low Price	High Price	Average Price
Typical Storage			
5 x 5	\$29	\$75	\$46
5 x 10	\$41	\$128	\$71
10 x 10	\$71	\$195	\$114
10 x 15	\$109	\$288	\$167
10 x 20	\$139	\$388	\$242
10 x 25	-	-	-
10 x 30	-	-	-
Climate Controlled Storage			
5 x 5	\$29	\$76	\$45
5 x 10	\$50	\$146	\$83
10 x 10	\$77	\$224	\$129
10 x 15	\$114	\$338	\$190
10 x 20	\$146	\$507	\$287
10 x 25	\$237	\$576	\$396
10 x 30	\$262	\$584	\$404
Parking			
Covered	\$150	\$196	\$166
Open	\$118	\$157	\$133

Primary Competitor 3:

BIG LEAGUE STORAGE	
 (1.61 Miles) - 26526 Hufsmith Conroe Road, Magnolia, Texas 77354	
	
Current Occupancy	65%
Rentable Sq. Ft.	42,607 sq. ft.
Unit Count	117
Climate Controlled Units	☒ Yes ☐ No
Car, RV, or Boat Parking	☐ Yes ☒ No
Facilities	Security cameras, Perimeter fencing, Electronic gate access, Internet access
Property Coverage	☒ Yes ☐ No – Insurance Required ☒ Yes ☐ No – Insurance Available ☒ Yes ☐ No – Protection Plan Required ☒ Yes ☐ No – Protection Plan Available
24-Hour Access	☐ Yes ☒ No
Facility Administration Fee	☒ Yes ☐ No
On-site Office	☐ Yes ☒ No
Target Group	Homeowners, Businesses
Visibility	★★★★☆ - Good



Pricing Analysis:

Pricing Analysis			
Unit Size	Low Price	High Price	Average Price
Typical Storage			
5 x 5	-	-	-
5 x 10	-	-	-
10 x 10	\$83	\$153	\$107
10 x 15	\$100	\$203	\$135
10 x 20	\$90	\$275	\$164
10 x 30	\$223	\$294	\$267
Climate Controlled Storage			
5 x 5	-	-	-
5 x 10	-	-	-
10 x 10	\$89	\$166	\$117
10 x 15	\$111	\$226	\$298
10 x 20	\$210	\$298	\$244
10 x 30	\$268	\$312	\$294
Parking			
Covered	-	-	-
Open	\$93	\$129	\$117

Primary Competitor 4:

EXTRA SPACE STORAGE	
 (2.23 Miles) - 12190 W Branch Crossing Drive, The Woodlands, Texas 77382	
	
Current Occupancy	71%
Rentable Sq. Ft.	37,382 sq. ft.
Unit Count	90
Climate Controlled Units	☒ Yes ☐ No
Car, RV, or Boat Parking	☐ Yes ☒ No
Facilities	Security cameras, Perimeter fencing, Door alarms, Moving supplies
Property Coverage	☒ Yes ☐ No – Insurance Required ☒ Yes ☐ No – Insurance Available ☒ Yes ☐ No – Protection Plan Required ☒ Yes ☐ No – Protection Plan Available
24-Hour Access	☒ Yes ☐ No
Facility Administration Fee	☒ Yes ☐ No
On-site Office	☒ Yes ☐ No
Target Group	Families, Homeowners, Businesses
Visibility	★★★★☆ - Good



Pricing Analysis:

Pricing Analysis			
Unit Size	Low Price	High Price	Average Price
Typical Storage			
5 x 5	\$27	\$45	\$37
5 x 10	\$61	\$95	\$82
10 x 10	\$143	\$173	\$158
10 x 15	\$203	\$267	\$235
10 x 20	\$252	\$319	\$286
10 x 25	\$276	\$338	\$304
10 x 30	\$283	\$345	\$318
Climate Controlled Storage			
5 x 5	\$27	\$45	\$37
5 x 10	\$61	\$95	\$82
10 x 10	\$143	\$190	\$160
10 x 15	\$203	\$267	\$235
10 x 20	\$252	\$319	\$286
10 x 25	\$276	\$338	\$304
10 x 30	\$283	\$345	\$318
Parking			
Covered	-	-	-
Open	-	-	-

Primary Competitor 5:

BRANCH CROSSING STORAGE CENTER	
 (2.30 Miles) - 28419 Sweetgum Road, Magnolia, Texas 77354	
	
Current Occupancy	83%
Rentable Sq. Ft.	62,876 sq. ft.
Unit Count	193
Climate Controlled Units	☒ Yes ☐ No
Car, RV, or Boat Parking	☒ Yes ☐ No
Facilities	Security cameras, Perimeter fencing, Door alarms, Computerized access, Large truck access, Oversized tool storage
Property Coverage	☒ Yes ☐ No – Insurance Required ☒ Yes ☐ No – Insurance Available ☒ Yes ☐ No – Protection Plan Required ☒ Yes ☐ No – Protection Plan Available
24-Hour Access	☒ Yes ☐ No
Facility Administration Fee	☒ Yes ☐ No
On-site Office	☒ Yes ☐ No
Target Group	Families, Businesses, Contractors
Visibility	★★★★★ – Very Good



Pricing Analysis:

Pricing Analysis			
Unit Size	Low Price	High Price	Average Price
Typical Storage			
5 x 5	\$23	\$51	\$34
5 x 10	\$45	\$80	\$57
10 x 10	\$87	\$137	\$104
10 x 15	\$109	\$168	\$125
10 x 20	\$128	\$209	\$148
10 x 25	-	-	-
10 x 30	-	-	-
Climate Controlled Storage			
5 x 5	\$27	\$56	\$39
5 x 10	\$50	\$83	\$61
10 x 10	\$95	\$152	\$108
10 x 15	\$126	\$187	\$135
10 x 20	\$153	\$244	\$164
10 x 25	-	-	-
10 x 30	-	-	-
Parking			
Covered	\$162	\$203	\$186
Open	\$119	\$185	\$144



Historical Pricing Analysis of Competitive Storage Facilities

Pricing Analysis			
Unit Size	Avg. Monthly Rent	Ave. Rent Per Sq. Ft.	Annual Avg. Rent Per Sq. Ft.
Typical Storage			
5 x 5	\$39	\$1.54	\$18.72
5 x 10	\$68	\$1.35	\$16.32
10 x 10	\$116	\$1.16	\$13.92
10 x 15	\$155	\$1.03	\$12.40
10 x 20	\$187	\$0.93	\$11.22
10 x 25	\$223	\$0.89	\$10.70
10 x 30	\$247	\$0.82	\$9.88
Climate Controlled Storage			
5 x 5	\$41	\$1.63	\$19.68
5 x 10	\$73	\$1.46	\$17.52
10 x 10	\$125	\$1.25	\$15.00
10 x 15	\$172	\$1.15	\$13.76
10 x 20	\$232	\$1.16	\$13.92
10 x 25	\$258	\$1.03	\$12.38
10 x 30	\$289	\$0.96	\$11.56
Parking			
15 x 55	\$158	\$0.19	\$2.30
15 x 40	\$145	\$0.24	\$2.90



SECTION VII

SUPPLY & DEMAND



SUPPLY AND DEMAND

This section projects supply and demand for the proposed new self-storage facility on Dobbin Huffsmith Road, to be constructed in close proximity to Magnolia and The Woodlands, and compiles the results into a pro forma.

The self-storage industry has had numerous supply and demand studies completed over the past years. Most experienced and successful self-storage developers have been able to determine supply and demand factors based on individual population, households, traffic counts, and rent-up history of competitors. Since self-storage is a highly localized industry, conditions in the immediate market area surrounding the store can have a major impact on occupancy rates. Factors such as a depressed local economy or the opening of a new storage facility in the area can potentially lead to a decline in occupancy. On the other end of the spectrum, new home developments, an explosion in recruitment at local companies, and other dynamics are often met with sharp increases in occupancy rates.

Using the square feet per capita has become the industry standard to measure self-storage demand. This measurement along with the occupancy levels of a given market allows us to calculate future demand in an area and determine market equilibrium. When the average occupancy is lower than 80% in the market and continuing to drop the area is considered saturated. When average occupancy is in the range of 85% and up and neither increasing nor decreasing, the market is at or nearing equilibrium. When the average occupancy is high steadily increasing, the market is considered a demand driven market.

The following table summarizes the statistics about the U.S. self-storage industry:

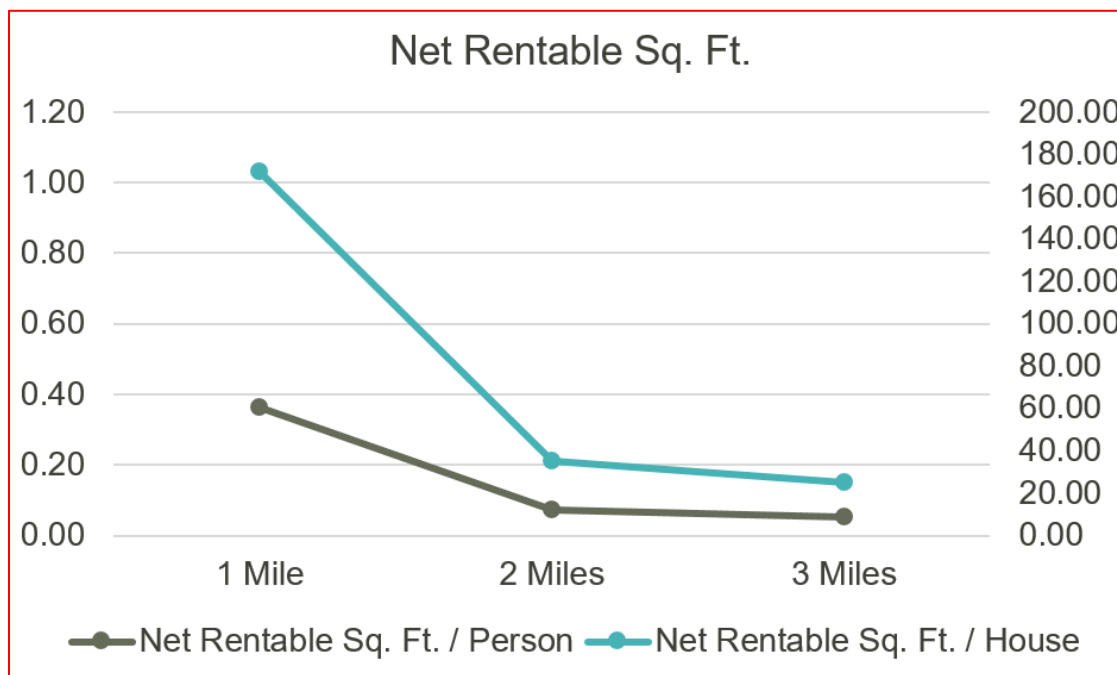
U.S. SELF STORAGE SECTOR	
Detail	Data
Annual industry revenue	\$39.5 billion
No. of storage facilities (range)	49,000+
Total rentable storage space	1.9 billion sq. ft.
Self-storage space per person	5.9 sq. ft.
% of households that rent a storage	10.6%
Average monthly cost for a self-storage unit	\$89.12



Supply Analysis

Based on the demographic data and number of facilities, the following table shows the supply levels within the trade market area:

Active Supply Data			
	1-mile	2-miles	3-miles
No. of storage facilities	1	3	5
Population	1,067	15,689	32,983
Households	374	5,504	11,573
Renter Occupied (%)	52 (14%)	1,651 (30%)	2,893 (25%)
Net rentable sq. ft.	64,244	192,169	292,427
Net rentable sq. ft. / person	60.21	12.25	8.86
Net rentable sq. ft. / house	171.78	34.91	25.27





Demand Analysis

The following table shows how the property would fare if it captured its fair share of the competitive set's demand:

Market Demand (Sq. ft. / Person)			
	1-mile	2-miles	3-miles
Small Storage			
2x2 – 4 sq. ft.	4,268	62,756	131,932
2x5 – 10 sq. ft.	10,670	156,890	329,830
5x5 – 25 sq. ft.	26,675	392,225	824,575
5x10 – 50 sq. ft.	53,350	784,450	1,649,150
Medium Storage			
10x10 – 100 sq. ft.	106,700	1,568,900	3,298,300
10x15 – 150 sq. ft.	160,050	2,353,350	4,947,450
Large Storage			
10x20 – 200 sq. ft.	213,400	3,137,800	6,596,600
10x25 – 250 sq. ft.	266,750	3,922,250	8,245,750
10x30 – 300 sq. ft.	320,100	4,706,700	9,894,900

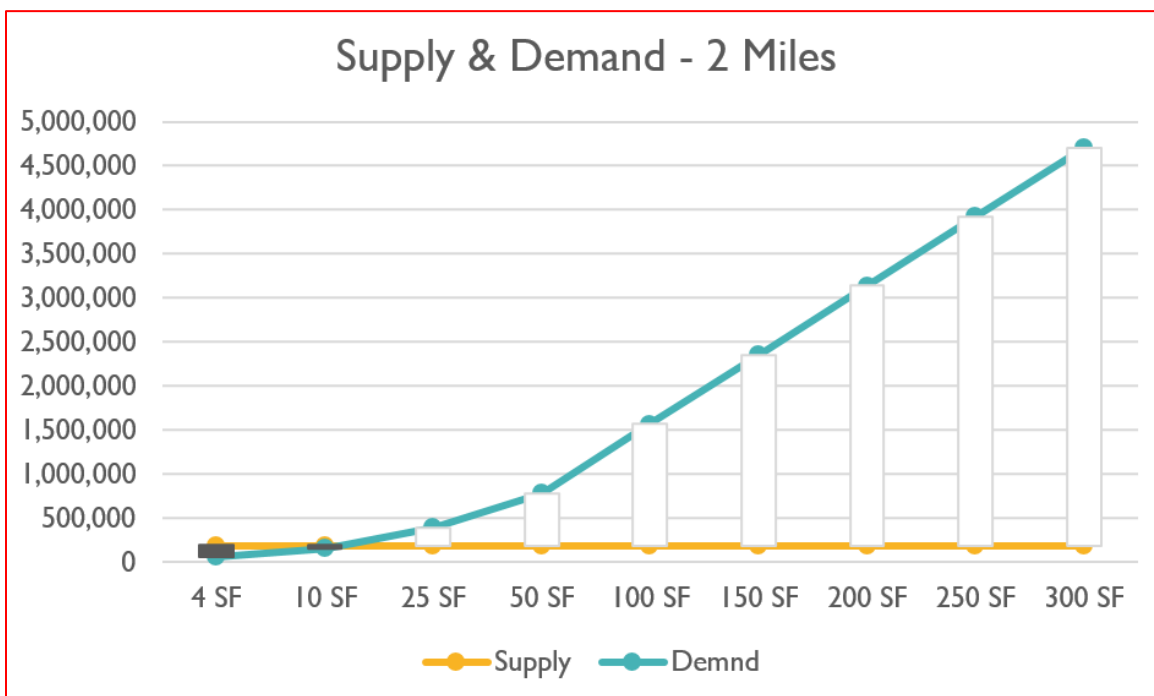
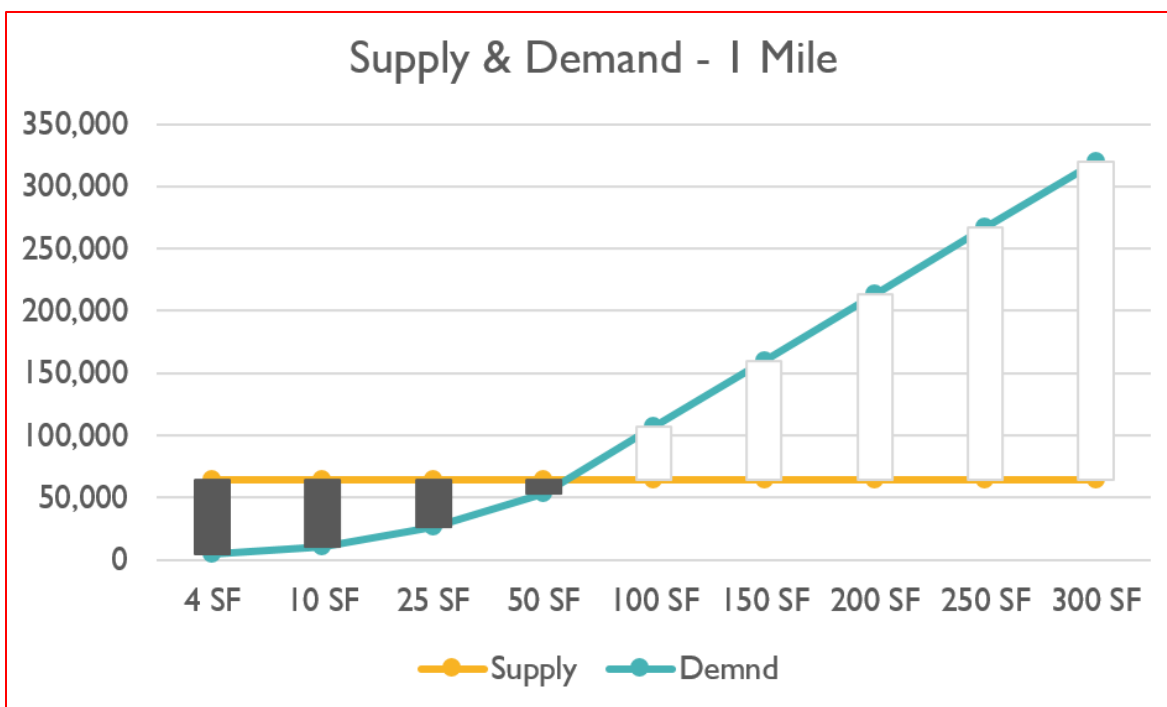


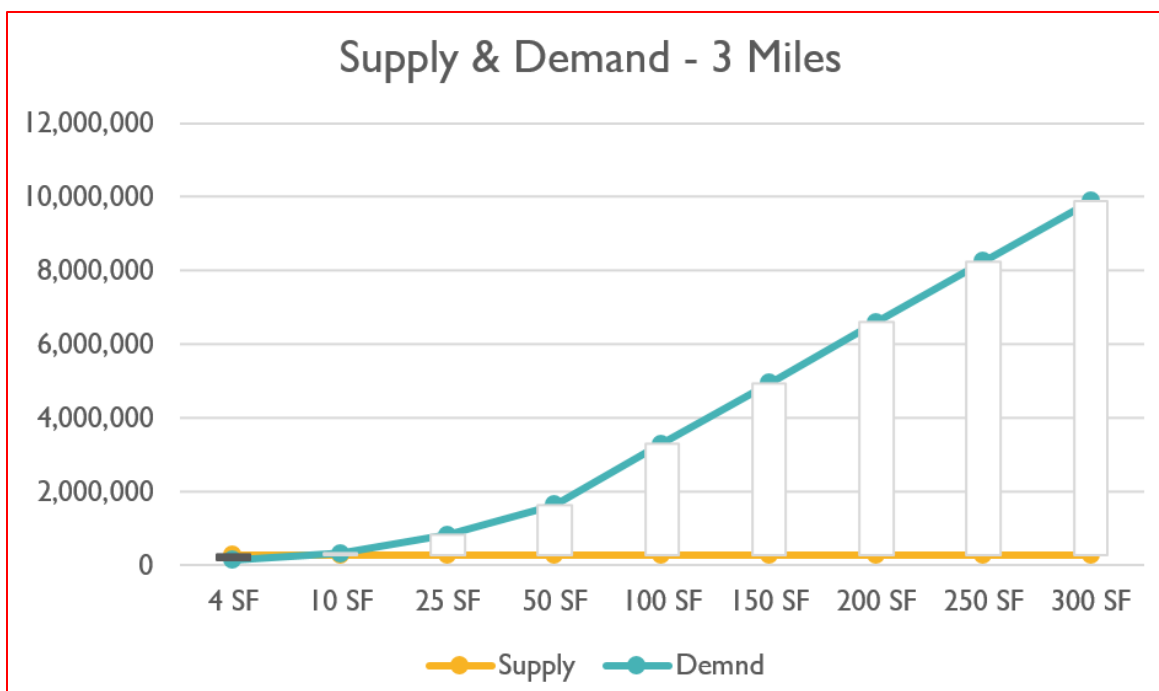
Gap Analysis

The following table shows the gap between supply and demand based on population, market demand, and rentable units:

Supply/Demand Gap (Sq. ft. / Person)			
	1-mile	2-miles	3-miles
Small Storage			
2x2 – 4 sq. ft.	-59,976	-129,413	-160,495
2x5 – 10 sq. ft.	-53,574	-35,279	37,403
5x5 – 25 sq. ft.	-37,569	200,056	532,148
5x10 – 50 sq. ft.	-10,894	592,281	1,356,723
Medium Storage			
10x10 – 100 sq. ft.	42,456	1,376,731	3,005,873
10x15 – 150 sq. ft.	95,806	2,161,181	4,655,023
Large Storage			
10x20 – 200 sq. ft.	149,156	2,945,631	6,304,173
10x25 – 250 sq. ft.	202,506	3,730,081	7,953,323
10x30 – 300 sq. ft.	255,856	4,514,531	9,602,473

*Negative values indicate oversupply





Estimated Penetration for the Proposed Storage Facility

In order to estimate the proposed self-storage facility's market penetration performance, its likely competitiveness was considered relative to each market demand segment.

The following characteristics considered in this analysis included, but are not limited to:

- Location and quality of surroundings
- Accessibility and proximity to demand generators
- Market position
- Pricing strategies
- Age of competitive supply
- Quality and variety of facilities offered



SECTION VIII

CASH FLOW PROJECTIONS

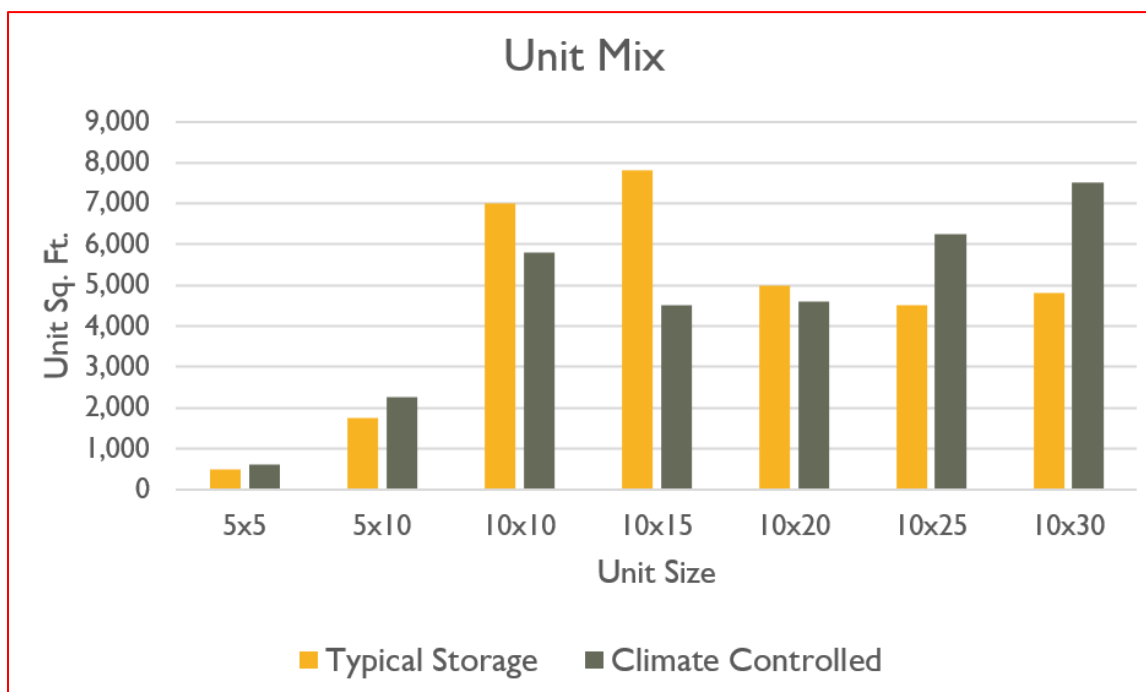
CASH FLOW PROJECTIONS

This section presents the storage facility's cash-flow projections. The prospective financial analyses are based on the operational performance of comparable existing properties in Magnolia, Texas.

This projection is done based on what is obtainable in the market and with the assumption that there won't be any major economic meltdown and the arrival of a competitor in same location as ours within the stated period. Please note that the projection might be lower and at the same time it might be higher. However, the projections are considered to be reasonable based on the proposed storage facility's aggressive management and marketing with control over costs and expenses, site location, site's attribute, and competitive position in Magnolia, Texas.

Unit Mix Report

Based on market demand, demographics, traffic count, and competitive analysis, both typical and climate controlled units are allocated to the proposed site. This storage facility could support a 48.66% or 31,350 sq. ft. of typical storage, 47.63% or 31,525 sq. ft. of climate controlled storage, and 3.71% or 12,600 sq. ft. of vehicle storage. The proposed site could also feature on-site office, moving supplies, and auto parking for customers.





UNIT MIX REPORT									
	Unit Size	Unit Sq. Ft.	Unit Count	Total Sq. Ft.	% of Total Sq. Ft.	Monthly Unit Price	Annual Rent/Sq. Ft.	Monthly GPI	Annual GPI
Typical Storage	5 x 5	25	20	500	4.12%	\$39	\$18.72	\$780	\$9,360
	5 x 10	50	35	1,750	7.22%	\$68	\$16.32	\$2,380	\$28,560
	10 x 10	100	70	7,000	14.43%	\$116	\$13.92	\$8,120	\$97,440
	10 x 15	150	52	7,800	10.72%	\$155	\$12.40	\$8,060	\$96,720
	10 x 20	200	25	5,000	5.15%	\$187	\$11.22	\$4,675	\$56,100
	10 x 25	250	18	4,500	3.71%	\$223	\$10.70	\$4,014	\$48,168
	10 x 30	300	16	4,800	3.30%	\$247	\$9.88	\$3,952	\$47,424
			236	31,350	48.66%			\$31,981	\$383,772
Climate Controlled Storage	5 x 5	25	25	625	5.15%	\$41	\$19.68	\$1,025	\$12,300
	5 x 10	50	45	2,250	9.28%	\$73	\$17.52	\$3,285	\$39,420
	10 x 10	100	58	5,800	11.96%	\$125	\$15.00	\$7,250	\$87,000
	10 x 15	150	30	4,500	6.19%	\$172	\$13.76	\$5,160	\$61,920
	10 x 20	200	23	4,600	4.74%	\$232	\$13.92	\$5,336	\$64,032
	10 x 25	250	25	6,250	5.15%	\$258	\$12.38	\$6,450	\$77,400
	10 x 30	300	25	7,500	5.15%	\$289	\$11.56	\$7,225	\$86,700
			231	31,525	47.63%			\$35,731	\$428,772
Parking	15 x 55	825	8	6,600	1.65%	\$158	\$2.30	\$1,264	\$15,168
	15 x 40	600	10	6,000	2.06%	\$145	\$2.90	\$1,450	\$17,400
			18	12,600	3.71%			\$2,714	\$32,568
	Total:		485	75,475	100.00%			\$70,426	\$845,112



Income and Expense Projections

The final step in this analysis of the potential project was to prepare income and expense projections for 10 years.

Storage facility's gross income is projected to be \$747,391 in Year 1, increasing to \$1,101,517 in Year 10. Net operating income is projected to be \$590,320 in Year 1, increasing to \$716,386 in Year 3. By Year 10, net operating income is projected to be \$888,468.

The steps in the projection of income and expenses for the potential storage facility include projecting the income and expenses for 10-years. Then, income and expenses for the proposed storage site were estimated for the projection period, using the base year estimates as a basis for prior and subsequent income and expense levels. The income for each of these years is estimated based on the expected impact that the change in occupancy and average monthly unit rates is expected to have on income and expenses. Expense estimates are assumed to have both fixed and variable components, and vary based on projected occupancy levels.

A summary pro forma financial statement for the proposed storage facility is presented below:



10-YEAR ESTIMATED CASH FLOW										
	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year
REVENUES										
Rent Revenues										
GPI	\$845,112	\$870,466	\$896,578	\$1,055,601	\$1,087,269	\$1,119,887	\$1,153,483	\$1,188,089	\$1,223,731	\$1,260,444
Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Existing SS	\$718,345	\$739,896	\$762,092	\$897,261	\$924,179	\$951,904	\$980,461	\$1,009,876	\$1,040,171	\$1,071,377
Expansion	\$5,946	\$82,974	\$108,193							
Total Storage Income	\$724,291	\$822,870	\$870,285	\$897,261	\$924,179	\$951,904	\$980,461	\$1,009,876	\$1,040,171	\$1,071,377
Other Revenues										
Total Other Income	\$23,100	\$23,793	\$24,507	\$25,242	\$25,999	\$26,779	\$27,583	\$28,410	\$29,262	\$30,140
Total Revenues	\$747,391	\$846,663	\$894,792	\$922,503	\$950,178	\$978,683	\$1,008,044	\$1,038,286	\$1,069,433	\$1,101,517
Operating Expenses										
Advertising	\$6,100	\$6,253	\$6,409	\$6,569	\$6,733	\$6,902	\$7,074	\$7,251	\$7,432	\$7,618
Personnel	\$52,860	\$54,182	\$55,536	\$56,924	\$58,348	\$59,806	\$61,301	\$62,834	\$64,405	\$66,015
Repairs Maintenance	\$12,200	\$12,505	\$12,818	\$13,138	\$13,467	\$13,803	\$14,148	\$14,502	\$14,865	\$15,236
Insurance	\$9,500	\$9,738	\$9,981	\$10,230	\$10,486	\$10,748	\$11,017	\$11,293	\$11,575	\$11,864
Utilities	\$14,500	\$14,863	\$15,234	\$15,615	\$16,005	\$16,405	\$16,815	\$17,236	\$17,667	\$18,109
Taxes	\$18,292	\$18,749	\$19,218	\$19,698	\$20,191	\$20,696	\$21,213	\$21,743	\$22,287	\$22,844
Fees	\$17,319	\$24,250	\$30,487	\$31,171	\$32,106	\$33,069	\$34,061	\$35,083	\$36,153	\$37,220
Other	\$26,300	\$28,024	\$28,723	\$29,441	\$30,177	\$30,932	\$31,706	\$32,498	\$33,311	\$34,143
Total Expenses	\$157,071	\$168,563	\$178,406	\$182,787	\$187,514	\$192,361	\$197,335	\$202,440	\$207,694	\$213,049
Net Operating Income	\$590,320	\$678,100	\$716,386	\$739,716	\$762,664	\$786,322	\$810,709	\$835,846	\$861,739	\$888,468



Distributed Departmental Revenues:

➤ **Rentable Units:**

Rent revenue is calculated by adding the GPI of estimated occupied units and

➤ **Other Revenues:**

This income category is typically comprised of smaller departments that generate income from activities such as moving supplies, rental truck, protection plans, administration fees, and similar others.

Undistributed Operating Expenses:

Operating expenses that are not chargeable to a particular operating department are presented as undistributed operating expenses.

➤ **Administrative and General:**

These expenses are expected to amount between 2.5% and 3.0% throughout the projection period. This category covers expenses such as salaries and wages for management staff, accounting, data processing charges, office supplies, legal, travel expenses, and similar items.

➤ **Marketing Expenses:**

Marketing expenses includes salaries, employee benefits and payroll costs for a sales staff, local advertising, national brand system marketing costs, and other related items.

➤ **Utilities:**

The utility expenses will be some percentage of total revenue throughout the projection period.

➤ **Property Maintenance:**

Property maintenance expenses include wear-and-tear normal maintenance of building and grounds, landscaping, electrical and mechanical equipment.

Fixed Charges:

➤ **Property Taxes:**

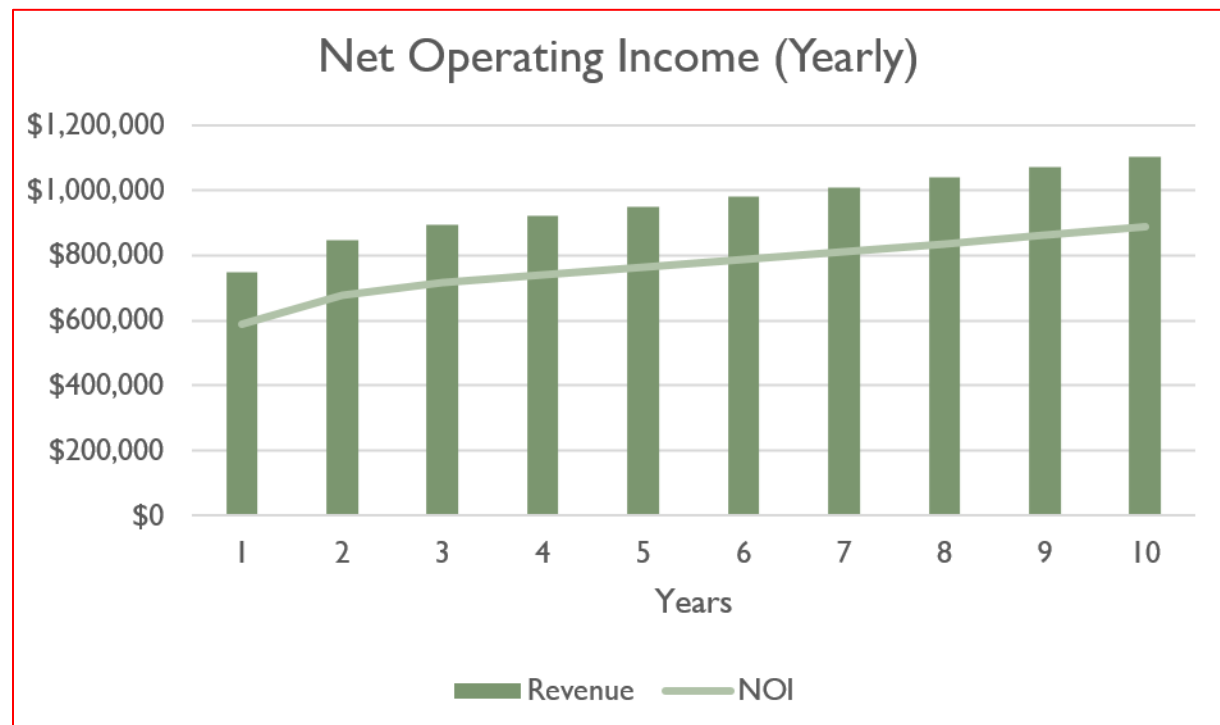
➤ **Insurance:**

➤ **Management Fees:**

Net Operating Income (NOI)

The proposed storage facility's net operating income for 10 years, are summarized in the table below:

NOI Projection Summary			
Year	Revenues	Expenses	Net Operating Income
1	\$747,391	\$157,071	\$590,320
2	\$846,663	\$168,563	\$678,100
3	\$894,792	\$178,406	\$716,386
4	\$922,503	\$182,787	\$739,716
5	\$950,178	\$187,514	\$762,664
6	\$978,683	\$192,361	\$786,322
7	\$1,008,044	\$197,335	\$810,709
8	\$1,038,286	\$202,440	\$835,846
9	\$1,069,433	\$207,694	\$861,739
10	\$1,101,517	\$213,049	\$888,468





SECTION IX

CONCLUSION



CONCLUSION

The growing year-round single and multi-family residential homes, apartments, small businesses, corporate offices, and construction industry market have created a significant demand for self-storage facilities in the Magnolia, Montgomery County. There are viable and appealing site for storage facility development in the climate controlled unit range in the city. Due to the results of the findings of the market research, proposed location has been identified for storage facility development.

The advantage of this site are listed below and should be evaluated accordingly when investments for site developments are being considered.

- ✓ Exclusive and prestigious location for storage facility
- ✓ Construction of the storage facility will induce more demands
- ✓ Access to location is excellent
- ✓ Visibility of site is awesome
- ✓ Favorable economic development
- ✓ Limited competition at and around this location
- ✓ Numerous possibilities for excursions in the surrounding area
- ✓ Excellent demographic
- ✓ All city services & utilities available

We profoundly suggest to construct a modern climate controlled self-storage facility because of prime location, concentrated demographic, limited competitor, expressive demand generators and potential growth.

Finally, the additional of a constructed storage facility to serve Magnolia city has multiple benefits including more facility income, greater unit mix, and greater economic impact. This attractiveness increase affects all facets of economic and cultural economic development.

It make sense and based on the demand factors raised in study, it's feasible, sustainable and financially worthwhile.



ACKNOWLEDGEMENTS

The perceptions, conclusions and suggestions contained in this report are exclusively those of the Speed Data LLC. In assessing the arrangement and presentation of the anticipated numbers, the customer/client ought to reexamine since of any of the numerical blunders, unreasonable or internally inconsistent assumptions, and unseemly or fragmented introduction.

All information outfitted is from sources (the customer/client, and information analyzed by Speed Data LLC) considered solid and is submitted subject to mistakes, exclusions, alter of terms and/or conditions. The duty of the Speed Data LLC and/or their representatives is constrained. The Speed Data LLC and/or their representatives will not acknowledge any responsibility within the occasion of market change and these changes may vary actual sales & volume.

To way better speak to current information, where pertinent, portions of assessed actual sales may be calculated utilizing an average sales per square foot model. Mapping data is provided by MapInfo, DOT, ESRI and/or Microsoft Corporation.

We utilized sources regraded to be dependable, but cannot ensure their precision. In addition, a few of the estimates and examinations displayed in this study are based on patterns and suspicions, which can result in contrasts between the anticipated comes about. Since occasions and circumstances regularly don't happen as anticipated, those contrasts may be material.

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Liquor Stores



Self Storage



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Speed Data LLC is a one-stop company for all your feasibility study. We pride ourselves on offering superior service – not just on a local level but on a national scale – at a fraction of the cost of our competitors and usually twice as fast.

We do land survey, site analysis and feasibility report for convenience stores, gas stations and hotels with key findings, conclusions and Go/No-Go recommendation.

It is essentially a review of the Strengths, Weaknesses, Opportunities and Threats as they relate to your business or organization. Our expertise delivers and operationalizes analytics in two weeks period of time.

The primary purpose of the feasibility study report is to analyze your business ideas before extensive time, efforts, and money are invested. You can use study report to acquire financing from lenders or investors for your site.

Speed Data's specialty is helping your business with the Intelligence approach to forecast opportunity with survey research, competitive analyses, and geographic analyses. This feasibility study provides a demographic and economic overview of the subject area to determine the overall feasibility of the expansion of an existing site or a new development.

Our services range from the more 'simple' steps of the determining land survey and site analysis, all the way to the feasibility study. We work one-on-one with our clients to ensure that each project is specially tailored to meet the needs of our clients. Both companies and lenders have relied on our team for sound judgement and comprehensive feasibility research.

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