



## **FEASIBILITY STUDY**

### **Proposed Self-Storage Development**

401 W. Golf Road  
Cook County  
Arlington Heights, IL, 60005

### **PREPARED FOR:**

Mr. Don Tomei  
Holladay Properties  
1 Walker Avenue  
Clarendon Hills, IL 60514

### **DATE OF REPORT:**

August 1, 2022

### **EFFECTIVE DATE OF THE STUDY:**

July 12, 2022

### **PREPARED BY:**

Amanda S. Helfrich, MAI  
Starr Commercial Real Estate  
Louisville, Kentucky  
amanda@starrcommercial.com

**STARR COMMERCIAL REAL ESTATE**

**FILE NUMBER: 1200-39-22-RFS**

August 1, 2022

Mr. Don Tomei  
Holladay Properties  
1 Walker Avenue  
Arlington Heights, IL 60005

SUBJECT: Self-Storage Feasibility Study  
401 W. Golf Road  
Cook County  
Arlington Heights, IL 60514  
Starr CRE File # 1200-39-22-RFS

Dear Mr. Tomei,

I have conducted a remote market analysis and feasibility study on the above referenced property. Attached are the facts and conclusions of this study provided in a market study format. The conclusions for this study are based upon the following special assumptions and limiting conditions:

- The subject property is currently improved with structures that are assumed to have no contributory value and will be demolished prior to development. The subject is proposed for three-story, 100% climate controlled self-storage development. Per the Cook County Assessor's Office, the subject consists of three recorded parcels of land with a total of 2.345 acres of land. The subject parcels include Parcel ID's, 08-16-200-077-0000, containing 0.674 acres of land; Parcel ID 08-16-200-078-0000, containing 0.621 acres of land; and Parcel ID 08-16-200-079-0000, containing 1.050 acres of land. The subject property has a physical address of 401 W. Golf Road.
- A finalized development plan, construction plans, unit mix, gross building area, net rentable area, etc. have not been provide. Some preliminary conceptual plans, and other information has been provided for this feasibility study by the client. However, a final unit mix has not been provided. Site specific demand conclusions will be presented in this study. The client indicated the proposed building will have 110,678 square feet of gross building area and 81,175 square feet of net rentable area with approximately 650 to 800 total units.
- The subject property is located in Cook County and the Village of Arlington Heights. Per the Village of Arlington Heights Zoning maps, the site is zoned M-2, Limited Heavy Manufacturing District. Self-storage does not appear to be a permitted use as the subject property is located on a main or secondary arterial roadway. It appears that the client will need to obtain a land use variation to allow for a self-storage development in this district.
- This study pertains to self-storage use; however, other similar land uses such boat/RV parking and contractor units may be a viable, complimentary land use to self-storage. Some trends pertaining to these unit types may be included or discussed herein; however, the development recommendation and proforma will pertain to self-storage use only.

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- It is unknown if the subject will offer a moving truck service such as U-Haul or Budget, etc. This is generally considered as an additional source of income or separate business. Demand and rental rates or any other further info for this business type has not been included herein.
- While it's believed that all self-storage space currently planned or under construction has been identified, any unforeseen future self-storage development of substantial size may significantly affect the conclusions of this study. Any future planned developments that are unknown by local planning officials or that do not have publicly recorded development plans may have an impact on the conclusions of this study. It is impossible for the consultant to know or locate all proposed projects which have not been publicly recorded. Therefore, the conclusions of this study are subject to change should any unknown developments be revealed within the next eight to 10 months.
- The primary and secondary market areas have been concluded and all known comparable self-storage facilities have been surveyed. We have attempted to identify all comparable self-storage facilities in the market area; however, it is possible that some smaller, inferior, Class C facilities or facilities with inadequate marketing have not been located. The results of this demand study are not anticipated to change based upon the exclusion of any significantly inferior Class C facilities containing less than 5,000 to 10,000 square feet. The proposed subject facility is assumed to be of Class A quality for the local market; therefore, Class B and C facilities are not considered to be direct competitors. All facilities located within the identified market areas have been included in the demand study analysis which results in a more conservative demand conclusion for the subject as some of the facilities are inferior and not equally competitive.
- Drive-time and other area specific maps have been reviewed; however, the demand analysis is based upon radius derived market areas, as this appears to be the norm in the self-storage market.
- This market study is valid for approximately eight to 10 months, at which time market conditions may vary, impacting the study conclusions. The market is constantly changing, and it is inherently difficult to forecast changes in the local or national marketplace or to estimate any future planned facilities in the subject's market. Should the subject not be ready for development within eight to 10 months from the effective date of this study; a follow up or updated study is recommended.
- Any future self-storage space to be built by the client at the subject location is assumed to include typical facility features or amenities, such as an onsite office and/or kiosk, effective management, surveillance cameras, secure site/buildings, gate/keypad entry, and any other typical amenities. The subject will have effective marketing and a good website in place prior to construction completion.

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- Current local rental rates have been included based upon a survey of the market area and rental rates have been forecasted for the subject. It is noted that rents are based upon market supply and demand and are subject to change.
- A flood map was obtained and is included in this study; however, a soil survey, wetlands survey, environmental assessment, etc. was not provided by the client or reviewed herein. It appears a portion of the subject site is not located in the 100-year floodplain. Mandatory flood insurance for the subject is assumed not to be required. For purposes of this study, it is assumed the subject site is not impacted by any unfavorable environmental factors. It is recommended additional studies be obtained by the client prior to any future development. Further, any potential required environmental remediation costs have not been included herein.
- Public utilities that are required for self-storage use in this market area are assumed to adequately serve the subject site and are assumed adequate for the subject's development. It is unknown if public sewers currently serve the site or will upon development.
- A general total construction cost estimate was provided by the client, which has been reviewed and considered. Additionally, a construction cost estimate has been provided by the consultant. A reconciled cost estimate will be utilized in the proforma. However, it is noted that the consultant is not a construction expert and costs can vary based upon location, timing of development, actual size and unit mix planned, office build out, required utilities, etc. The cost estimate utilized herein is based upon "typical" development and costs and do not include any unusual or extraordinary costs. The cost estimate should not be relied upon heavily by the clients.
- This study does not include an appraisal of the property. Past sale terms have not been analyzed herein. This study cannot be relied upon as an appraisal and cannot be utilized by a financial institution as such. It is a consulting assignment completed for strict use and benefit by the client previously noted herein.

## **SUMMARY OF FINDINGS AND RECOMMENDATIONS**

After researching the subject property, market area and local competition, it is my professional opinion as a real estate consultant that the subject property has a good location in a secondary to suburban market area that exhibits good growth patterns, good demographics, and overall, very good demand for self-storage use, especially climate-controlled storage.

The subject's specific location is primary to secondary commercial in nature, along a primary commuter corridor in the market area. It offers good traffic counts, good visibility and good exposure. W. Golf Road is an east to west primary corridor, which is also referred to as IL Route 58.

The primary market area (PMA) is concluded to be a three-mile radius around the subject and the secondary market area (SMA) is concluded to be a four-mile radius. There are 12 competitive self-storage facilities located within the PMA and 21 located within the SMA. The subject's market has high demand for climate-controlled storage with rents that appear to be high and increasing. The subject will be positioned as an above average facility in the local market and will command rents at the upper end of the market range.

The subject is envisioned to be of Class A quality for the local market and Class A to B quality on a national basis. The inferior, Class B to C quality competitors are not concluded to be true, direct competitors, they have been included in this analysis to determine total demand based upon total market area supply. The demand conclusions are somewhat conservative, given the inferior nature of many of the facilities in the market.

The concluded current and future demand for the market areas is summarized below. The Site to Do Business projects increasing population and households. Based upon the supply and demand analyses completed herein, both market areas are concluded to be undersupplied. Demand is expected to increase in the next five years. Current demand for the subject can be supported for development of up to 317,000 square feet of net rentable area and future demand of approximately 225,000 square feet of net rentable area, based upon market demand only.

<b>Demand Conclusions</b>				
	<b>Current - 2022</b>		<b>Future - 2027</b>	
<b>Method</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>
1 - SF/Person	208,683	202,656	195,923	143,931
2 - SF/Household	287,627	317,021	224,573	172,018
<b>Demand Range (SF)</b>	<b>209,000 to 288,000</b>	<b>203,000 to 317,000</b>	<b>196,000 to 225,000</b>	<b>144,000 to 172,000</b>
<b>Average:</b>	<b>248,155</b>	<b>259,839</b>	<b>210,248</b>	<b>157,974</b>
<b>CONCLUDED</b>	<b>248,000</b>	<b>260,000</b>	<b>210,000</b>	<b>158,000</b>

However, specific subject site demand has been reconciled at 251,000 square feet of current net rentable area and future demand of 197,000 square feet of net rentable area, as shown below. All of the demand conclusions are supportive of the proposed subject development.

<b>Estimated Current Demand</b>			
<b>Market Area</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>	<b>Total Current Demand</b>
Concluded Demand (SF)	248,000	260,000	
Weight (%)	75%	25%	
<b>Total Current Demand</b>	<b>186,000</b>	<b>65,000</b>	<b>251,000</b>

<b>Estimated Future Demand</b>			
<b>Market Area</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>	<b>Total Future Demand</b>
Concluded Demand (SF)	210,000	158,000	
Weight (%)	75%	25%	
<b>Total Future Demand</b>	<b>157,500</b>	<b>39,500</b>	<b>197,000</b>

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The demand conclusions are supported by good growth trends in the market and also by high reported occupancy rates for the existing competitive facilities. The demographic reports analyzed reveal some decrease in population and households in five years. This appears unsupported based upon historical increases as well as the noted growth patterns. Overall, the average occupancy rate in the PMA and SMA is 94%. A concluded annual, stabilized occupancy rate for this market area is 90%. However, occupancy may continue to increase above this stabilized occupancy level for the subject. Based upon the recent growth trends, current occupancy rates and demand conclusions, there could be increased competitive space in the market over the next few years. Barriers to entry are concluded to be average to high however, indicating that further development of competitive space is difficult to achieve. The demand indications for this location are strong enough to support even further storage development near the proposed subject location and development is possible, despite the level of difficulty.

Based upon market development norms, the subject site can accommodate a self-storage facility size that is within the demand conclusions supported herein. Based upon physical feasibility of the site as well as current and future demand conclusions, the subject has been estimated for development of 81,175 square feet of net rentable area and 110,678 square feet of gross building area in a three-story, 100% climate-controlled facility. The indicated building efficient ratio is 73%. The subject is assumed to be of typical three-story storage design with good access/ loading areas, two elevators, a typical sized onsite office of 500 to 1,000 square feet, secure building with keypad entry, security cameras, adequate interior common corridors, good website and management, onsite restrooms etc. The estimated absorption rate for the subject is 2,500 square feet per month. Should the subject facility contain 81,175 square feet of net rentable area, it would likely reach a stabilized occupancy rate of 90% in Month 30, or within Year 3. It is noted the test of physical feasibility resulted in a facility size that is larger than what the client intends to build; however, the usable land may be reduced given the irregular to triangular shape. Therefore, the proposed building size is concluded to be reasonable. However, it may be possible for the client to achieve more net rentable area of approximately 94,000 to 113,000 square feet of net rentable area. The subject is not recommended to be larger than 100,000 square feet of net rentable area based upon market norms.

A sample unit mix has been tailored for the subject, with a total of 799 self-storage units and an average unit size of 102 square feet. Based upon the sample unit mix utilized, with the forecasted subject rents, absorption rate, income, expenses, and other financial indicators for the subject, which have been estimated and utilized in a 7-year proforma herein, the subject is concluded to be financially feasible for development with an estimated ROI in Year 4 of 20.78% and IRR indication of 28.72%, assuming conventional financing terms that were provided by the client. Additionally, the net present value of the subject is estimated to be higher than the total development costs, supporting financial feasibility of the project. With positive demand conclusions that are greater than the proposed subject development size, and physical and financial feasibility indications

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concluded for the subject, the subject is concluded to support overall project feasibility and is recommended for development at this time.

If you have any questions or comments, please contact the undersigned. Thank you for this opportunity. Please let me know if I provide further assistance in this project or any others.

Respectfully submitted,



Amanda S. Helfrich, MAI  
Real Estate Consultant  
Starr Commercial Real Estate, LLC  
502.807.7319

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## **OBJECTIVES OF THE STUDY AND SCOPE OF WORK**

The scope describes the extent of the data collection process. For this assignment, the information considered includes a thorough investigation of the subject property, research of competing self-storage facilities and analysis of the market area. Starr Commercial's competency to conduct a remote feasibility study on self-storage facilities is based upon prior experience, as well as the data, analyses and conclusions that have been developed during the course of completion of this study. The data used in this analysis was obtained from interviews of managers/owners of competing self-storage facilities, online research, and interviews with local planning and economic development professionals in various government offices of Cook County and the Village of Arlington Heights. The concluded competitive facility sizes, number of units, occupancy rates, etc. are based solely upon public information, online research, my calculations, or estimates, and/or management interviews and is assumed to be the most accurate, available data. Some of the competitive building sizes have been estimated based upon aerial measurements from Google maps or online GIS Maps, which were taken by the consultant as some building information was unavailable through other direct sources.

The client provided subject property information including the subject location/parcel information, planned development type, civil/site plans, traffic study, unit layout, sale price of the land, and preliminary development costs. All information provided by the client is assumed to be true and accurate.

Starr Commercial has researched a total of 22 potential self-storage facility for use in this study, which are located within four miles of the subject. Only the properties concluded to be actual competitors within the primary and secondary market areas will be considered in the demand analysis herein. The comparable survey included an onsite inspection and/or management interview when possible and supplemental online research.

Additional data used in this report was found on the websites of national self-storage facilities, REITs established in the market area, national publications, and other professionals in the region. To forecast population and housing for the area, 2022 estimates and 2027 projections made by the Site to Do Business website were obtained and utilized herein. Additional publications reviewed and referenced herein include the *2014, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 Self-Storage Almanacs*, self-storage reports published by Cushman & Wakefield, the *2015-2016 Self-Storage Fact Sheet*, an article titled "*Domestic Self-Storage Market*" by Christian Sonne, MAI, MRICS; a reported titled "*Self-Storage Research*" by Marcus and Millichap, dated 1<sup>st</sup> Quarter 2014; a report titled "*Self-Storage Market Report*" by Cushman Wakefield, dated January 2014 and January 2015; the *2014 and 2017, 2019 and 2020 Self-Storage Demand Studies*; and a book titled "*Market Analysis and Valuation of Self-Storage Facilities*" written by Richard R. Correll. Additional resources include the ISS website, SSA website and Radius websites for market data. These publications helped to determine characteristics related specifically to self-storage development and supply and demand trends, typical self-storage facility design, consumer trends, etc. It is assumed the information from these sources are accurate.

The analyses and conclusions included herein are personal opinions and recommendations and are based upon our knowledge and background in the self-storage industry as a real estate consultant for this assignment. The study is not considered an appraisal and cannot be relied upon as such. It is considered a consulting assignment providing market supply and demand conclusions relative to the subject's specific market. Any future value conclusions or rents utilized herein are hypothetical and are opinions based upon my knowledge as a real estate consultant in the self-storage industry. This study is not an appraisal and cannot be relied upon by any party as such.

The report type for this assignment is a remote Feasibility Study. The specific objectives, or scope of work, as previously outlined in the proposal for this assignment include the following.

- Determine the subject's primary and secondary market area. Radius and drive-time maps will be analyzed, and concluded market areas will be presented with adequate maps. Demographics for each concluded market area will be included.
- A Starr Commercial representative will conduct a remote inspection of the existing subject property. Photographs of the subject property will be included. Other subject information will be provided including a review of zoning, traffic counts, flood map, PVA/Assessor tax map, aerial photographs, and other information. Any available subject information such as site size/survey, proposed development plans, proposed unit mix, financing terms, development timeline, entitlements, purchase contract, etc. is to be provided by the client and will be reviewed and analyzed.
- Neighborhood trends will be included which will include a review of employment, accessibility, new or planned development, demographics, etc.
- A Starr Commercial representative will remotely survey the local market to identify the existing competitive supply located within the primary and secondary market areas. This includes an online inspection of all existing competing properties with follow up phone call interviews. The survey will include a photograph of each competitive facility, gross building area, estimated net rentable area, current rental rates, occupancy rate, and year built, as available. Also, a review of market norms including typical development size, popular unit sizes, typical business operations, typical amenities, etc. will be included.
- Utilize the survey to conclude a stabilized occupancy rate and typical/current rents in the market. Subject rents will be estimated/forecasted for use in the proforma.
- Interview planning and zoning officials and local market participants and complete online market research to determine if there are any proposed self-storage developments in the market area.
- The future market area supply will be forecasted using historical development trends. Any known planned developments will be analyzed and included in the future supply estimate for each market area.
- Conduct demand analyses to estimate the residual unfulfilled existing and future self-storage demand within the market areas, which is available for the proposed subject development to capture. Two or more techniques will be utilized to determine if demand

exists. The various techniques utilize current and forecasted demographics including population and households within the primary and secondary market areas. Current and forecasted demand conclusions will be provided for each market area with a conclusion presented pertaining specifically to proposed and/or recommended subject development size.

- Research local market development trends and determine absorption trends in the market, if available. Estimate an absorption timeframe for the proposed development.
- Investigate and report on the barriers to entry for the market area.
- Rents will be provided for boat/RV parking units as available.
- Competitors offering moving truck services (U-Haul or similar) will be noted. However, truck rental rates and other trends will not be considered herein as this is considered as a separate business or ancillary income for self-storage facilities.
- Include a recommended subject development size and sample unit mix for use in the proforma. Should a preliminary plan or unit mix exist, then it will be analyzed and can be utilized further in the proforma. Other factors and considered include a feasibility rent calculation, estimated/reviewed construction costs, forecasted income and expenses and absorption/lease-up analysis, all presented in a 7-year proforma with monthly cash flow analysis. The client can provide specific financing terms for the project, if available. Otherwise, conventional market terms will be utilized. Further, all proposed plans, unit mix, construction costs, etc. that are available should be provided to the consultant for review. Any subsequent change requests to the unit mix, construction costs, financing terms, proforma, etc. will result in a new assignment as an Attachment to the initial study with an additional fee incurred. This proposal includes the potential development to be completed in one phase or as one total project. Completing a Phase 1 analysis at a later date, or in addition to a total development analysis, or additional changes required to the plan may result in an additional fee as a change order to this assignment.
- An overall recommendation will be presented to the client regarding the feasibility of the proposed subject development.
- Provide a full written report including all analyses and conclusions derived herein.
- At any time should the demand models indicate an oversupplied market or insufficient demand, physical restrictions for the proposed development or unfavorable financial feasibility conclusions, the client will be immediately contacted, and the study placed on hold. Should the client decide to cancel this study for one of these reasons, the client agrees to pay Starr Commercial Real Estate for the work completed to date. The study cannot be cancelled for any other reason or at any other time.
- The final report will be submitted to the client by email in PDF format. One bound copy of each study will be mailed to the client upon request, at completion of the study. Additional hard-bound copies can be mailed to the client upon request at an additional cost of \$30 per copy.

## **EFFECTIVE DATE OF THE STUDY**

The effective date of this market study is July 12, 2022, which is the date the subject site was inspected in-person. The date of this report is August 1, 2022, which is the date of transmittal to the client. The study period utilized for the demand analysis is Years 2022 and 2027. The demand conclusions derived herein are valid for approximately eight to 10 months from the effective date, as changes in the market may alter the conclusions.

## **INTENDED USE AND USERS**

This study has been completed for Mr. Don Tomei, Holladay Properties. Other intended users are Store Space. The study has been completed for internal review to aid in decision making pertaining to development of the subject property for self-storage use. This study is not an appraisal and all conclusions derived herein are based upon assumptions and a hypothetical proposed development, which is subject to change. All conclusions have been made by Amanda S. Helfrich, MAI, as a real estate consultant. This study has not been completed for any other use or users and cannot be relied upon by any financial institution as use as an appraisal or for any other use without consent by the consultant.

## **SUBJECT DESCRIPTION**

The subject is located in the northern portion of Cook County, Illinois, in the Village of Arlington Heights. The subject property is proposed for development of a self-storage facility. The property is currently improved with various structures which are assumed to be demolished prior to storage development. The current improvements have not been considered herein. The subject has a physical address of 401 W. Golf Road.

The subject property consists of three parcels containing a total of 2.345 acres according to the Cook County Property Assessor's office. The client intends to develop a three-story, 100% climate-controlled storage facility. Some preliminary conceptual plans, and other information has been provided for this feasibility study. However, a final unit mix as not been provided. The client indicated the building is proposed for 110,678 square feet of gross building area and 81,175 square feet of net rentable area with a range of approximately 650 to 800 total units. Upon development the facility is assumed to be of Class A quality for the local market.

The subject site is irregular to triangular in shape, has a relatively level topography and sits at road grade on 401 W. Golf Road. The parcel offers very good road frontage, access, and exposure along W. Golf Road, which is a commuter and primary to secondary roadway in the market area. All required utilities for use as a self-storage facility are assumed available to the site. A copy of the subject's aerial map is below, and the subject is identified with a red star.



**SUBJECT AERIAL MAP/ PARCEL MAP**

08-16-200-077-0000



PROPERTY ADDRESS	PROPERTY CHARACTERISTICS
401 W GOLF RD ARLINGTON HEIGHTS 60005 Township: ELK GROVE	<b>CURRENT INFORMATION</b> <b>Assessed Value:</b> (2021 Assessor First Pass) Assessment Information: 30,639 Estimated Property Value: \$306,390
<b>MAILING ADDRESS</b>	Lot Size (SqFt): 29,399 Building (SqFt): 2,029 Property Class: 2-04
HUME PROPERTIES LLC 1711 S SURREY RIDGE DR ARLINGTON HTS, IL 60005	Tax Rate : 0.000 Tax Code : 16017

08-16-200-078-0000



PROPERTY ADDRESS
401 W GOLF RD ARLINGTON HEIGHTS 60005 Township: ELK GROVE
<b>MAILING ADDRESS</b>
HUME PROPERTIES 1711 S SURREY RIDGE DR ARLINGTON HTS, IL 60005
<b>PROPERTY CHARACTERISTICS</b>



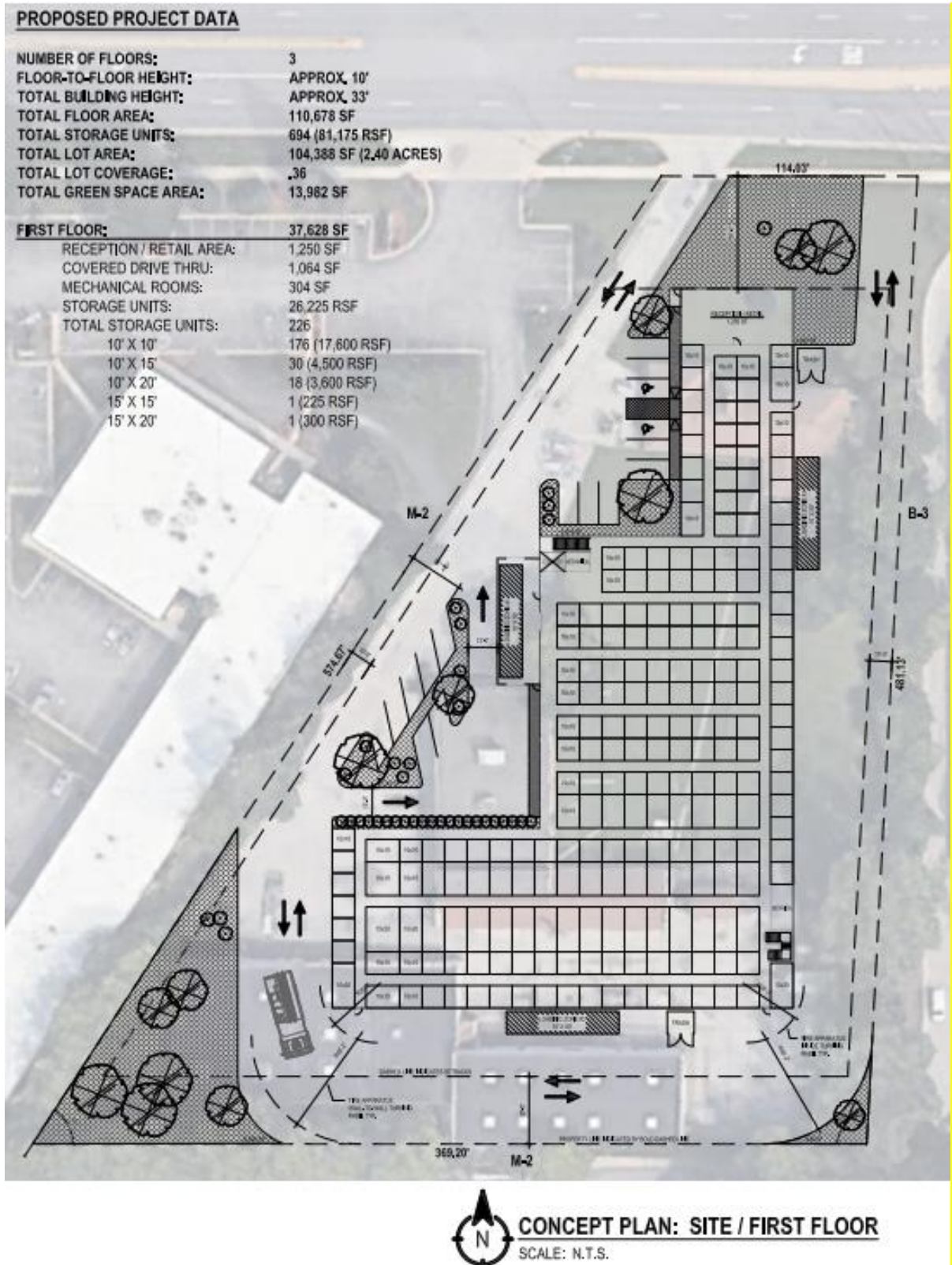
08-16-200-079-0000



PROPERTY ADDRESS	PROPERTY CHARACTERISTICS
401 W GOLF RD ARLINGTON HEIGHTS 60005 Township: ELK GROVE	<b>CURRENT INFORMATION</b> <b>Assessed Value:</b> (2021 Assessor First Pass) Assessment Information: 134,926 Estimated Property Value:
<b>MAILING ADDRESS</b>	Lot Size (SqFt): 45,851 Building (SqFt):
HUME PROPERTIES LLC 1711 S SURREY RIDGE DR ARLINGTON HT, IL 60005	Property Class: 5-93 Tax Rate : 0.000 Tax Code : 16017

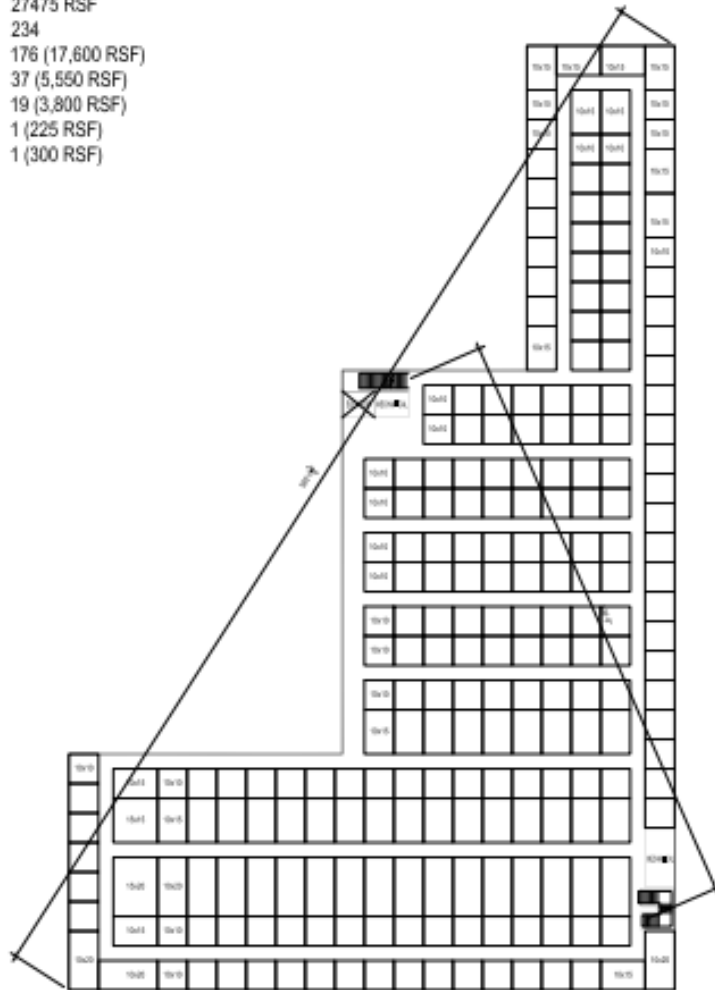
CURRENT INFORMATION
<b>Assessed Value:</b> (2021 Assessor First Pass) Assessment Information: 80,949 Estimated Property Value:
Lot Size (SqFt): 27,077 Building (SqFt): Property Class: 5-17
Tax Rate : 0.000 Tax Code : 16017

PRELIMINARY CONCEPT PLANS – PROVIDED BY THE CLIENT



<b>SECOND FLOOR:</b>	<b>36,525 SF</b>
MECHANICAL ROOMS:	302 SF
STORAGE UNITS	27,475 RSF
TOTAL STORAGE UNITS	234
10' X 10'	176 (17,600 RSF)
10' X 15'	37 (5,550 RSF)
10' X 20'	19 (3,800 RSF)
15' X 15'	1 (225 RSF)
15' X 20'	1 (300 RSF)

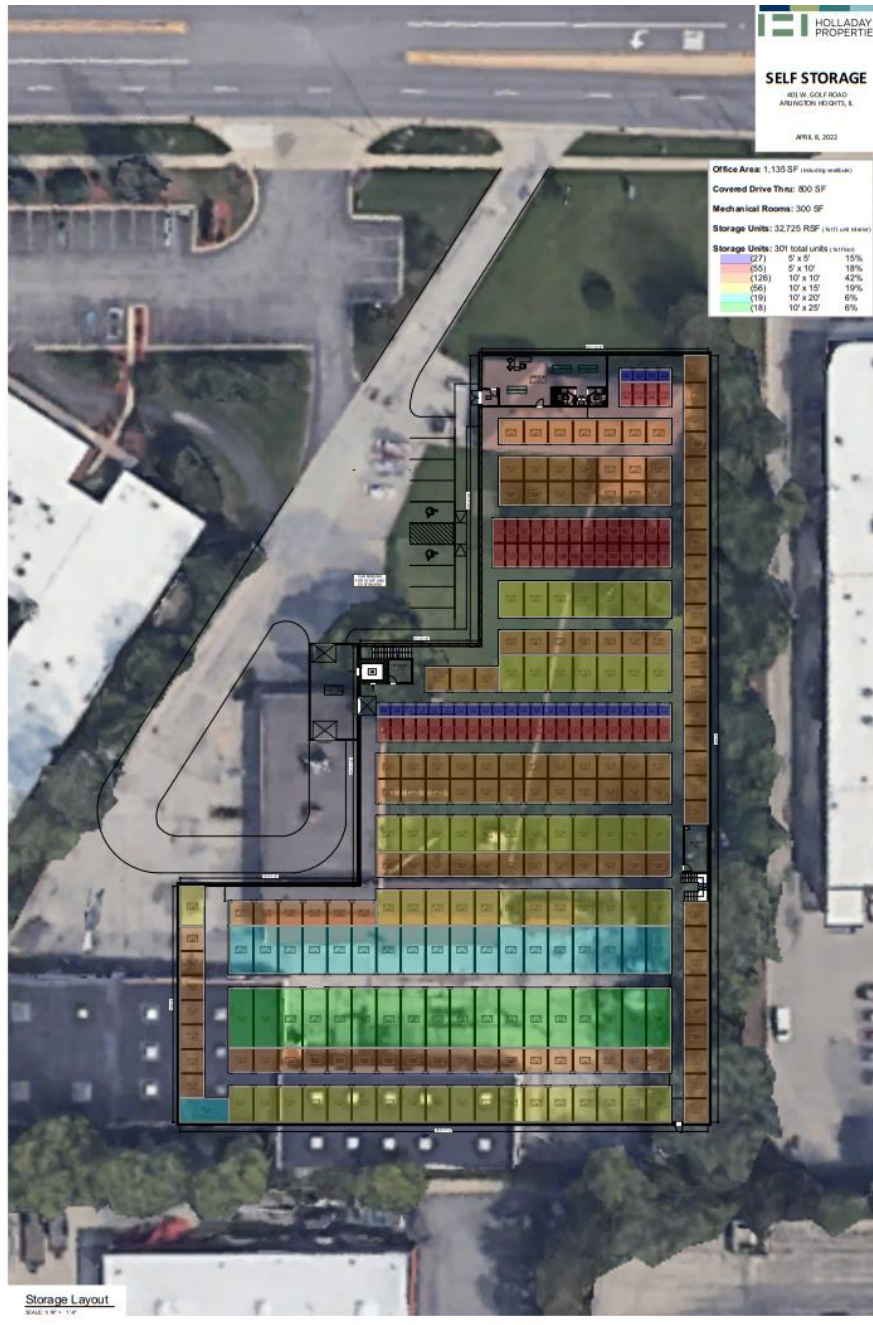
<b>THIRD FLOOR:</b>	<b>36,525 SF</b>
MECHANICAL ROOMS:	302 SF
STORAGE UNITS	27475 RSF
TOTAL STORAGE UNITS	234
10' X 10'	176 (17,600 RSF)
10' X 15'	37 (5,550 RSF)
10' X 20'	19 (3,800 RSF)
15' X 15'	1 (225 RSF)
15' X 20'	1 (300 RSF)



**CONCEPT PLAN: TYPICAL SECOND & THIRD FLOORS**

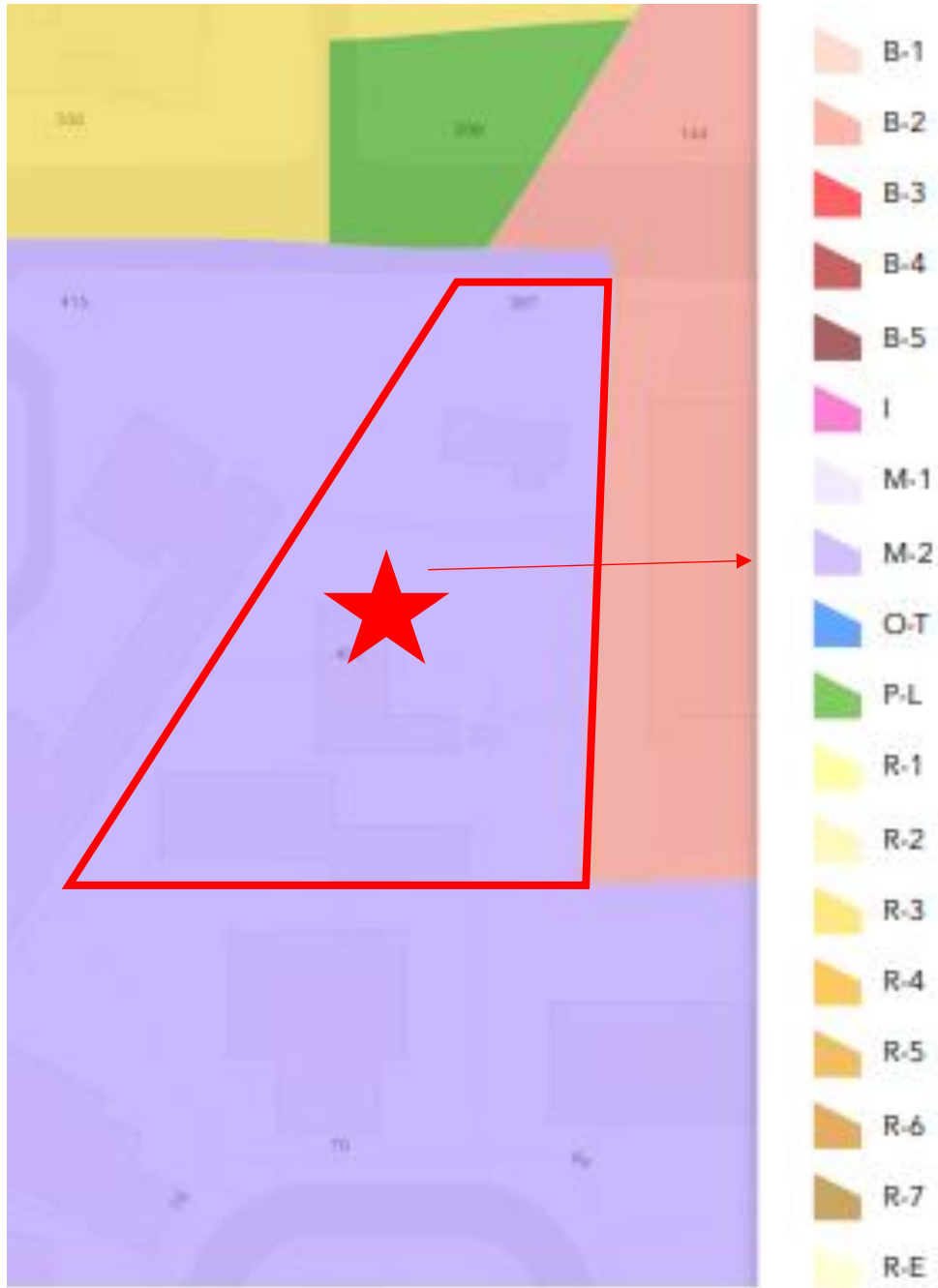
SCALE: N.T.S.





**ZONING**

Per the Village of Arlington’s Planning and Zoning Administration, the site is zoned M-2, Limited Heavy Manufacturing District. Self-storage does not appear to be a permitted use as the subject property is located on a main or secondary arterial roadway as stated in the Village of Arlington Heights zoning ordinances. It appears that the client will need to obtain a land use variation to allow for a self-storage development in this district. A copy of the subject’s current zoning map, zoning determination letter from Cook County Planning Administrator, and further zoning information is below.



## ZONING REGULATIONS

Open off-street loading facilities and open off-street parking of motor vehicles under one and one-half ton capacity may be unenclosed throughout the District, except for such screening of parking and loading facilities as may be required under applicable provisions of this Chapter.

- c. Every principal building shall be located on a lot which is a lot of record in an approved subdivision approved by the Village of Arlington Heights after February 1, 1964.

**5.1-16 Limited Heavy Manufacturing District: M-2.** The purpose of the M-2 district is to provide adequate space in appropriate locations for manufacturing and other activities. This district should be accessible to major railroads and arterial streets designated on the Village Official Map or Village Comprehensive Plan Map. Residential and retail uses are prohibited. Performance Standards protect residential areas by restricting objectionable manufacturing activities such as noise, vibration, smoke, dust, odors, heat, glare, fire hazards, and other objectionable influences. The minimum size for this District shall be four acres.

**5.1-16.1 Maximum Floor Area Ratio: 250%**

**5.1-16.2 Required Minimum Yards:**

- a. Front Yard: 15 feet except where lots within the same block and comprising 40% of the frontage on the same street are already developed on the effective date of this code, with front yards with an average depth of less than 15 feet, then such average depth shall be the required front yard depth for such frontage in said block.
- b. Side Yard: 10% of lot width but does not need to be greater than ten feet.
- c. Rear Yard: 30 feet when property abuts a residential district. No storage or parking shall take place within 15 feet of the rear lot line.

**5.1-16.3 Conditions of Use.** All uses permitted in this district are subject to the following conditions of use:

- a. Any production or processing of goods, materials, or products shall take place without creating disturbing influences to the use and occupancy of adjoining properties.
- b. All business, production, servicing and processing shall take place within completely enclosed buildings, unless otherwise specified. Within 150 feet of the nearest point of any residential district, all storage shall be in completely enclosed buildings or structures, and storage located elsewhere in this district may be open to the sky, but shall be enclosed by solid wall or fence, including solid doors or gates thereto, at least eight feet high but in no case lower in height than the enclosed storage. However, open off-street loading facilities and open off-street parking facilities for the storage of motor vehicles may be unenclosed throughout the district except for such screening of parking and loading facilities as may be required under the provisions of Section 6.16.

**5.1-17 Public Land District: P-L.** The purpose of the P-L district is to provide areas for public facilities which serve the citizens of Arlington Heights. Such facilities shall be developed in accordance with an approved Planned Unit Development.

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

<b>Manufacturing/Processing Uses</b>	<b>M1</b>	<b>M2</b>	<b>B3</b>
Products made from fabrics and similar materials and textile mill products		p	
Bakery Products, Wholesale & Production		p	
Beverages Bottling and Distributing	p	p	
Beverages – Non Alcoholic		p	
Brewery (including microbreweries) up to 20,000 square feet Note: The retail portion shall not exceed 10% of the total floor area of the unit or building occupied and shall be segregated from the remainder of the premises. <u>Facilities greater than 4,000 square feet shall not be permitted on a zoning lot contiguous to a residential district.</u>	p	p	
Carpet Cleaning on Premises		p	
Canned Food Products		p	
Ceramic Products	p	p	
Computers	p	p	
Concrete Gypsum & Plaster Products		p	
Containers, Pallets and other similar products		p	
Cosmetics, Perfumes & other similar products		p	
Dairy Products		p	
Drugs	p	p	
Dwelling Unit for Caretaker located on premises	p	p	
Electronic Components and Lighting and Wiring Equipment	p	p	
Furniture/Fixtures		p	
Glass Products made of purchased glass		p	
Household Appliances		p	
Instruments and Supplies – Medical, Dental, Engineering	p	p	
Jewelry, Silverware and Plated Ware	p	p	
Leather (not including tanning) and Vinyl Products		p	
Metal Products, Fabricated – except machinery and transportation equipment		p	
Musical Instruments	p	p	
Office and Art Supplies		p	
Paper Products from converted paper-paperboard		p	
Photographic Equipment & Supplies, Developing/Processing	p	p	
Plastic Products, Fabricated		p	
Pottery and Related Products	p	p	
Printing Ink		p	
Printing, Publishing	p	p	
Radio and Television/Communication Equipment	p	p	
Rubber Products, Fabricated		p	
Signs and Advertising Displays		p	
Silver Plating and Repairing	p	p	
Structural Clay Products, Cut Stone and Stone Products		p	
Sugar and Confectionary Products		p	
Tool and Die Shops	p	p	
Toys; Sporting Goods		p	
Watches, Clocks, Clockwork Operated Devices and Parts	p	p	
Storage Facility (not located along major or secondary arterial streets)	p	p	



### FLOOD MAP

Based upon flood maps obtained, the subject property is located in Zone X, outside of the 100-year floodplain. Additional flood insurance is not anticipated for the subject property. The Flood map below was obtained from the Site to Do Business and is included below for reference.

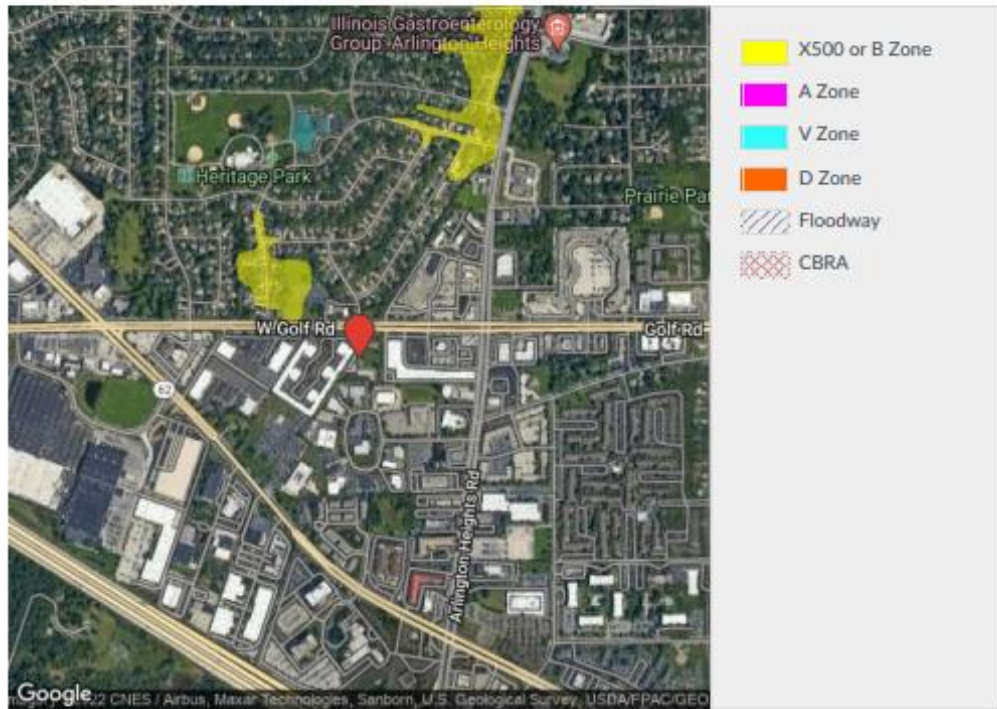
401 W GOLF RD ARLINGTON HTS, IL 60005-3903

LOCATION ACCURACY: Excellent

#### Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	170056	PANEL	0211J
PANEL DATE	August 19, 2008	MAP NUMBER	17031C0211J



***SUBJECT PHOTOGRAPHS (TAKEN REMOTELY FROM GOOGLE EARTH)***



View of the Subject Property from W. Golf Road



View East Along W. Golf Road



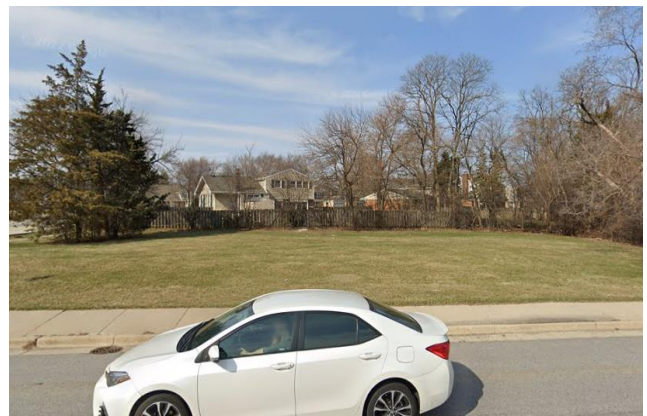
View of the Subject Property from W. Golf Road



View West Along W. Golf Road



View of the Subject Property Adjacent to the Subject Property on W. Golf Road



View of the Property Across from the Subject Property on W. Golf Road



## **TRAFFIC COUNTS**

The subject property is located in Cook County on W. Golf Road. It provides overall good frontage, access, and exposure. Traffic count maps obtained by the Illinois Department of Transportation (IDOT) is included below.

The map highlights the immediate area traffic counts. The subject is shown as a red star on the map below. Per IDOT, the reported average daily traffic count along W. Golf Road directly in front of the subject property, was 26,000 cars per, day as of 2021. The subject property is estimated to capture all of these traffic counts given its location and exposure on W. Golf Road. Since the subject property does not have exposure from any other roadways in the market area, the total traffic count conclusion for the subject site is estimated to be approximately 26,000 cars per day. This traffic count is concluded to be good and supportive of self-storage development at the subject location.

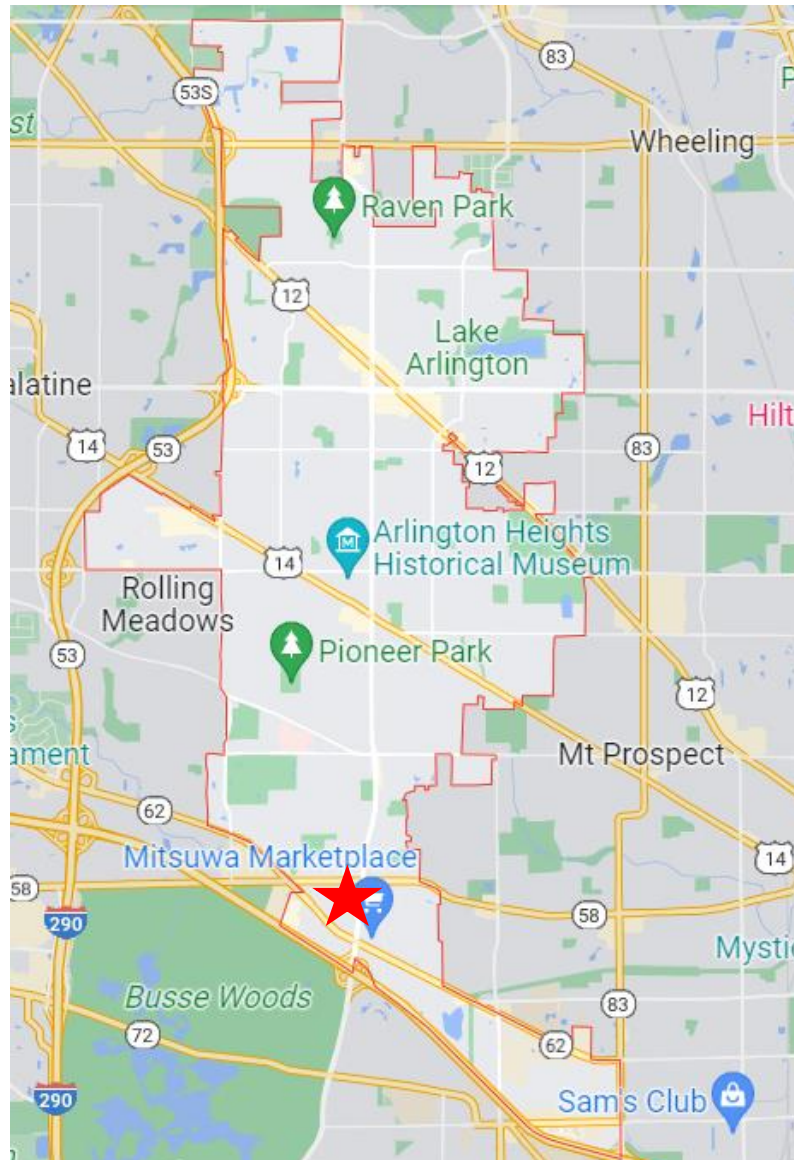


*Source: IDOT, as of 2021*

## **AREA OVERVIEW – ARLINGTON HEIGHTS, ILLINOIS**

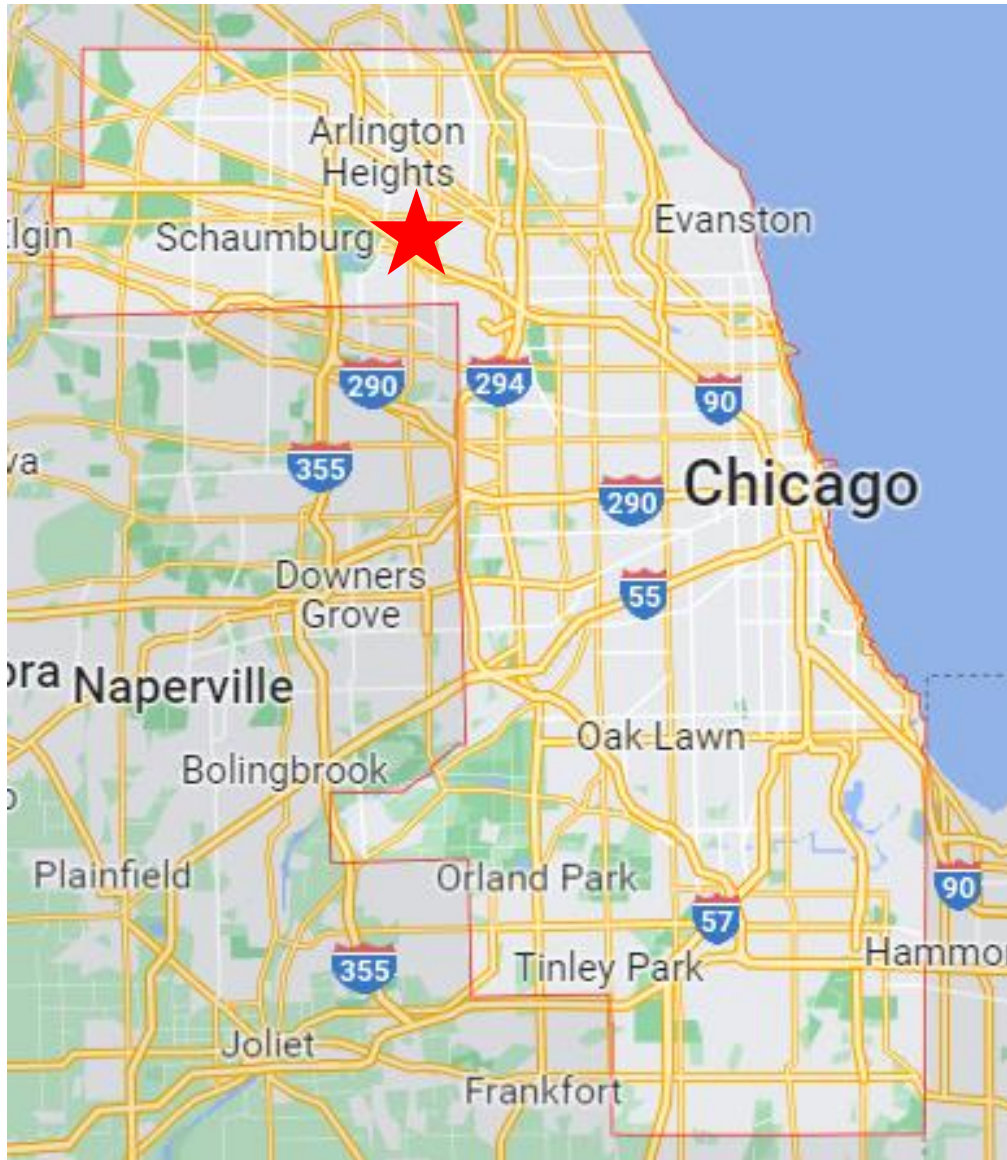
The subject property is located within the northern portion of Cook County, Illinois, in the Village of Arlington Heights, which is a suburb of Chicago. Arlington Heights is located approximately 25.0 miles to the northwest of Downtown Chicago. Arlington Heights is the most populous community in the United States that is incorporated as a village. It is most known as home to the former Arlington Park Racetrack, which is now called Arlington International Racecourse, located just 3.2 miles northwest from the subject property. The U.S. Army Reserve is located 3.2 miles from the subject property and Harper College is located nearby in Palatine, just 5.0 miles northwest of the subject property. The O’Hare International Airport is the closest major airport to the subject, which is located approximately 6.3 miles away. The map below highlights the Cook County and Village of Arlington boundaries. The subject is identified with the red star.

***VILLAGE OF ARLINGTON HEIGHTS MAP***





***COOK COUNTY MAP***



***ACCESS/TRANSPORTATION***

Primary access to the area is via Interstates 90, 294, 290 and U.S. Routes 20, 12 and 45. Secondary access in the immediate area is via State Highways 58 which is also known as Gold Road, E. Higgins Road, Busse Road, and South Arlington Heights Road. Access throughout the neighborhood is considered good.

***LOCAL EMPLOYMENT CENTERS***

Some of the noted major employers in the Village of Arlington Heights are summarized below. The information was provided by Arlington Heights Economic Development website.

## Top employers [\[ edit \]](#)

According to the Village's 2017 Comprehensive Annual Financial Report,<sup>[18]</sup> the top employers in the city are:

#	Employer	# of Employees
1	Arlington International Racecourse (seasonal)	4,500
2	Northwest Community Healthcare	3,600
3	Arlington Heights High School District #214	1,700
4	Clearbrook	1,500
5	Lutheran Home	800
6	Paddock Publications	500
7	Alexian Brothers Health System	500
8	Clearbrook	450
9	Kroeschell Inc.	450
10	Village of Arlington Heights	450

### ***NEW DEVELOPMENT AND RECENT TRENDS***

Recent or planned development in the Village of Arlington Heights and Cook County were researched to support growth within the market area. There appears to be a high level of growth taking place in the area. Some of these recent completions or proposed developments are summarized below.

- The largest development project in 20 years was approved in May 2022 by the Arlington Heights Village board. The Arlington 425 project is located in downtown Arlington Heights and will consist of three buildings with 361 units of both apartments and residential units, and over 44,000 square feet of commercial space. The full project is estimated to cost \$150-million.
- Housing Trust Group (HTG), a leading affordable housing developer, has broken ground on its first property in Illinois. Located in Arlington Heights, Crescent Place will have 40 apartments and is estimated to be complete in the Spring of 2023.
- Crescent Place apartments are a new affordable housing project located at 310 W. Rand Road. The development includes new construction of a four-story, multifamily building with approximately 45,000 square feet, containing 40 units, and 80 surface parking spaces.
- The Sigwalt 16 project is located in Downtown, between Highland Avenue and Chestnut Avenue. It is a 16-unit luxury townhome development located immediately south of the Arlington 425 development. Current plans include 3, 4-story buildings.
- Cook County recently has a list of infrastructure improvements worth \$6.2 -million and 37 grants to support a wide range of projects and improvements in different municipalities. The projects include sewers, roads, sidewalks, and community facilities.

### ***LOCATION CONCLUSION***

In conclusion, the subject is located in a growing suburban market within the Village of Arlington Heights. The immediate area shows high residential and commercial growth patterns and demographic factors that support high household income. The market appears to be experiencing very good levels of new development. The immediate area has good accessibility and characteristics that are considered supportive for continued growth, supporting the need for self-storage development.

## TRADE AREA - PRIMARY AND SECONDARY MARKET AREAS

The subject property is located in Cook County, in the Village of Arlington Heights. It is located in a primary market area that supports a high level of residential and commercial development throughout. Additionally, the market is densely populated and the median household income levels are high which further supports sustained climate-controlled storage development.

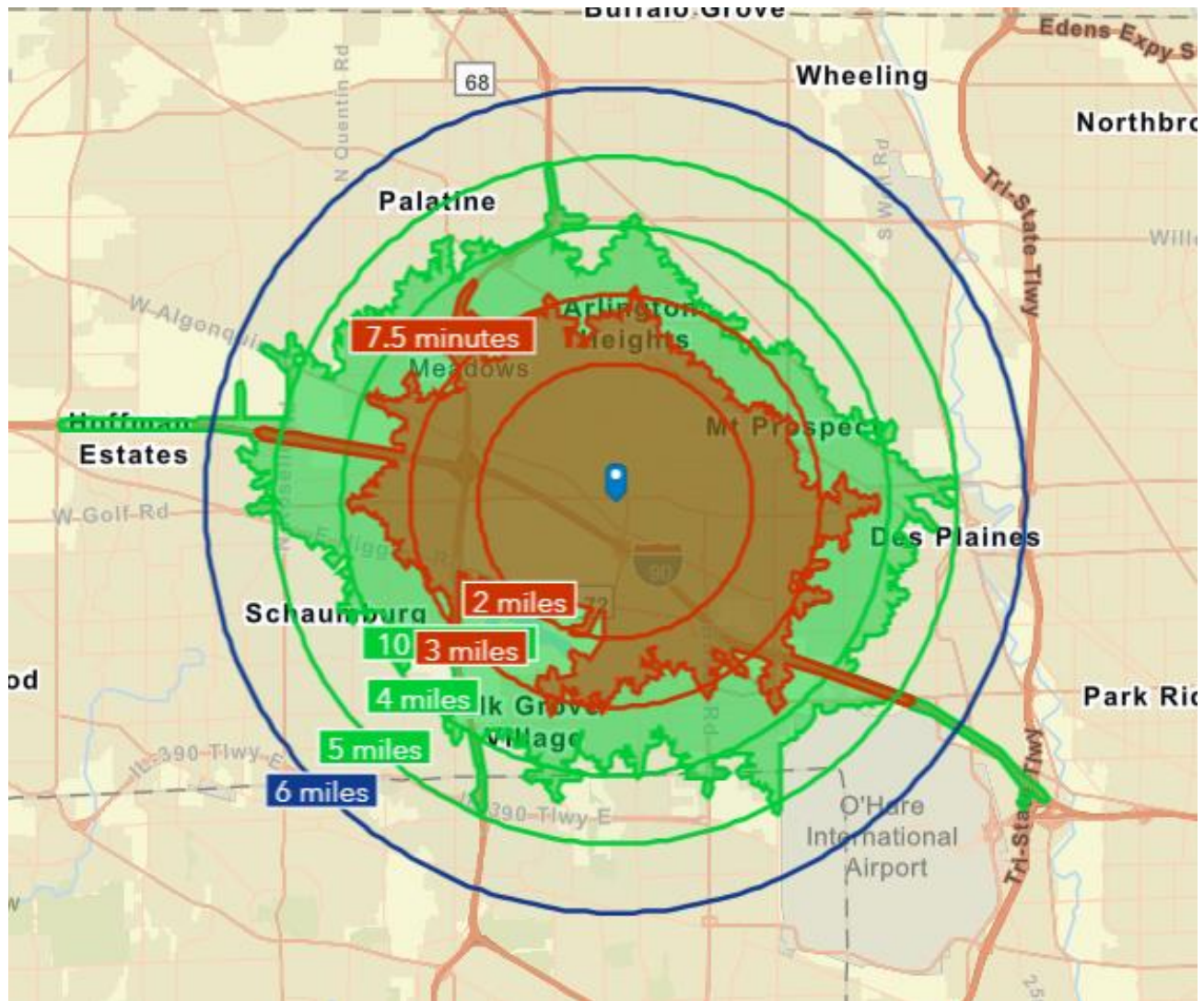
The traditional industry method for defining the self-storage market area is to draw a circle, typically with a three- to five-mile Radius (more or less depending on area) around the subject property with the subject property being in the middle of the circle. This method is called the concentric circle approach. Generally, the more rural the location, the larger the market area as compared to a more urban or larger metropolitan market area which would have a much smaller market area. The subject is located in a general area that is categorized as a growing residential market. The radius approach for the subject is concluded reliable and utilized herein. A couple of different techniques have been utilized to determine an appropriate primary and secondary market area for the subject.

Per the *Market Analysis and Valuation of Self-Storage Facilities* book, users in suburban markets will travel a maximum of 15 minutes. The *2016 Self-Storage Demand Study* reveals that 75% of a facility's customer base is located within three miles. The *2017 Self-Storage Demand Study* indicated that 36% of tenants drive less than 10-minutes to their storage unit and an additional 34% drive 19-minutes or less. Other studies indicate that the typical textbook "primary market area" will have a population of around 50,000 to 100,000+ and is noted to have 10 to 12 competitors. Various market area demographics and number of competitors are summarized below:

<u>Area Reviewed</u>	<u>Population</u>	<u># Competitors</u>
2-Miles	49,635	9
3-Miles	108,713	12
4-Miles	183,267	21
5-Miles	269,341	N/A
6-Miles	292,203	N/A
7.5-Minute Drivetime	101,537	N/A
10-Minute Drivetime	181,217	N/A

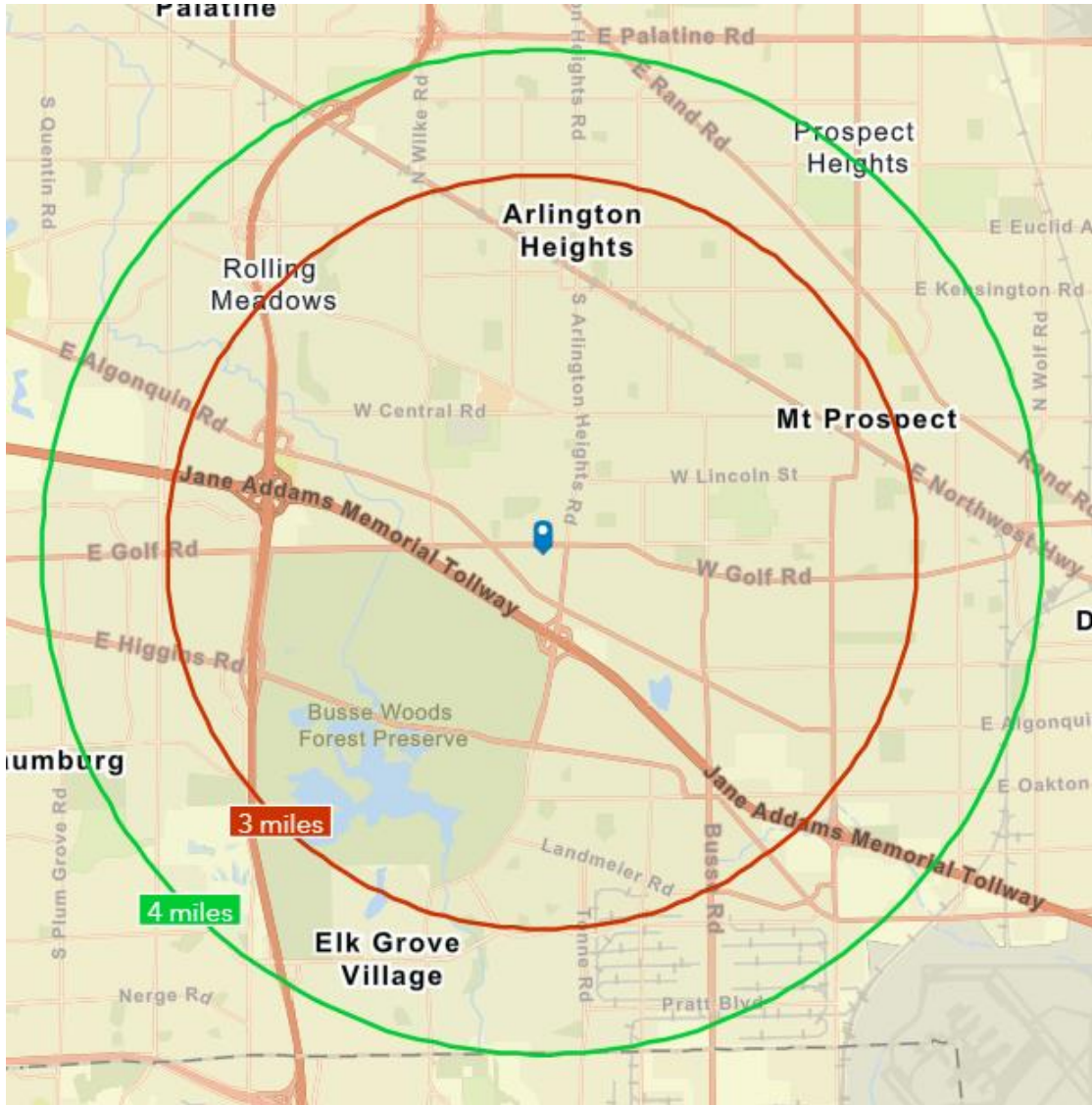
All of the market areas, with the exception of the 2-mile market area, studied above have a population that is in-line with the "typical" indication of 100,000 people. The 3-mile radius population is most in line with the reported 7.5-minute drivetime population, and the 4-mile radius population is most in line with the reported 10-minute drivetime. A map of the various studied market areas is shown below.





Considering the area demographics, a three-mile primary market area (PMA) has been concluded for the subject and a four-mile secondary market area (SMA) has been concluded for the subject.

A map of the PMA and SMA is included below.



**DEMOGRAPHIC FACTORS**

Self-storage demand derived from the surrounding residential households accounts for the majority of occupancy in most self-storage facilities. In analyzing the propensity for self-storage space use from among market area residents, they have been classified in a number of ways. Demand has been studied on a per capita basis, making good estimates of the market area population important to the demand study.

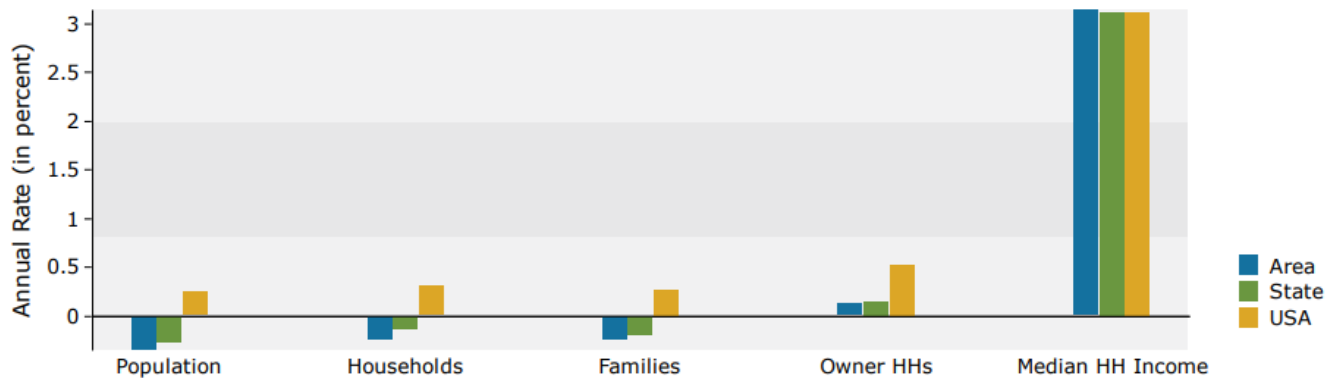
The demographics for the subject’s concluded primary market area (three-mile radius) and secondary market area (four-mile radius) are shown below. For both the primary and secondary market area, both population and number of households slightly increased from 2010 to 2022 but are expected to decrease from 2022 to 2027. However, median, and average household income is expected to significantly increase from 2022 to 2027. Given the past trends and considering the noted recent and planned developments in the area, these projected decreases tend to be unsupported. However,

no other demographic trends/projections are available and therefore, they will be utilized in the supply/demand analysis herein. The increasing demographic indications are all positive signs for future growth and demand within the SMA.

**PRIMARY MARKET AREA (PMA) – THREE-MILE RADIUS**

Summary	Census 2010	Census 2020	2022	2027
Population	106,758	109,589	108,713	106,813
Households	42,620	44,313	44,469	43,945
Families	27,843	-	28,364	28,011
Average Household Size	2.49	2.46	2.43	2.42
Owner Occupied Housing Units	29,030	-	28,901	29,084
Renter Occupied Housing Units	13,589	-	15,568	14,861
Median Age	38.6	-	41.0	41.9
Trends: 2022-2027 Annual Rate	Area	State	National	
Population	-0.35%	-0.28%	0.25%	
Households	-0.24%	-0.14%	0.31%	
Families	-0.25%	-0.20%	0.28%	
Owner HHs	0.13%	0.15%	0.53%	
Median Household Income	3.14%	3.11%	3.12%	
Households by Income	2022		2027	
	Number	Percent	Number	Percent
<\$15,000	2,141	4.8%	1,638	3.7%
\$15,000 - \$24,999	2,126	4.8%	1,466	3.3%
\$25,000 - \$34,999	2,755	6.2%	2,135	4.9%
\$35,000 - \$49,999	4,085	9.2%	3,280	7.5%
\$50,000 - \$74,999	7,297	16.4%	6,514	14.8%
\$75,000 - \$99,999	5,657	12.7%	5,271	12.0%
\$100,000 - \$149,999	9,346	21.0%	10,017	22.8%
\$150,000 - \$199,999	4,736	10.7%	6,039	13.7%
\$200,000+	6,326	14.2%	7,586	17.3%
Median Household Income	\$90,412		\$105,534	
Average Household Income	\$125,059		\$145,412	
Per Capita Income	\$50,899		\$59,507	

Trends 2022-2027

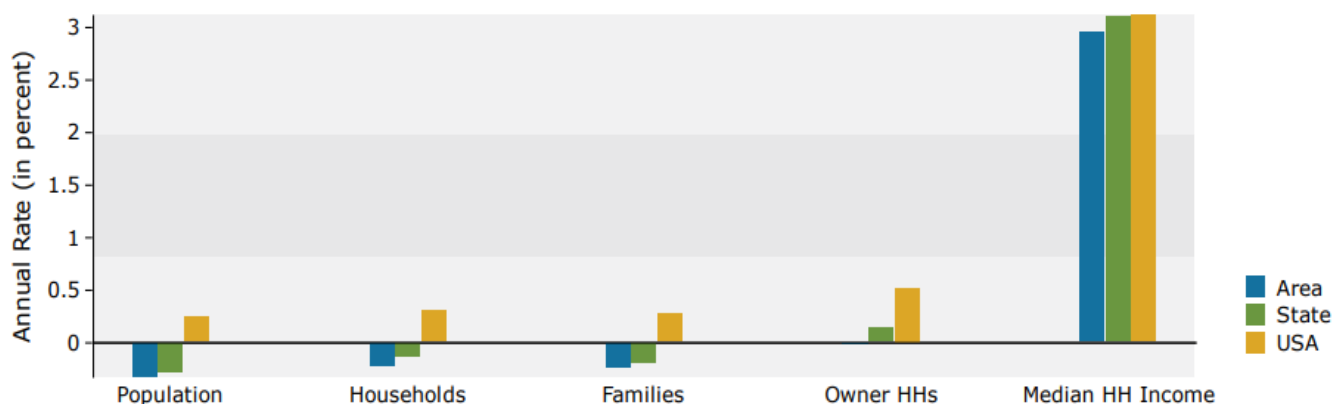


Source: Site to Do Business website, as of July 2022

SECONDARY MARKET AREA (SMA) – FOUR-MILE RADIUS

Summary	Census 2010	Census 2020	2022	2027
Population	178,349	184,138	183,267	180,284
Households	71,313	73,837	74,086	73,291
Families	46,653	-	47,311	46,732
Average Household Size	2.48	2.48	2.46	2.44
Owner Occupied Housing Units	51,298	-	51,073	51,048
Renter Occupied Housing Units	20,016	-	23,013	22,243
Median Age	39.8	-	42.0	42.8
Trends: 2022-2027 Annual Rate	Area	State	National	
Population	-0.33%	-0.28%	0.25%	
Households	-0.22%	-0.14%	0.31%	
Families	-0.25%	-0.20%	0.28%	
Owner HHS	-0.01%	0.15%	0.53%	
Median Household Income	2.95%	3.11%	3.12%	
Households by Income	2022		2027	
	Number	Percent	Number	Percent
<\$15,000	3,274	4.4%	2,470	3.4%
\$15,000 - \$24,999	3,445	4.7%	2,406	3.3%
\$25,000 - \$34,999	4,320	5.8%	3,344	4.6%
\$35,000 - \$49,999	6,560	8.9%	5,314	7.3%
\$50,000 - \$74,999	12,161	16.4%	10,673	14.6%
\$75,000 - \$99,999	9,629	13.0%	8,979	12.3%
\$100,000 - \$149,999	15,769	21.3%	16,585	22.6%
\$150,000 - \$199,999	8,113	11.0%	10,266	14.0%
\$200,000+	10,816	14.6%	13,253	18.1%
Median Household Income	\$92,604		\$107,093	
Average Household Income	\$126,948		\$148,321	
Per Capita Income	\$51,131		\$60,064	

Trends 2022-2027

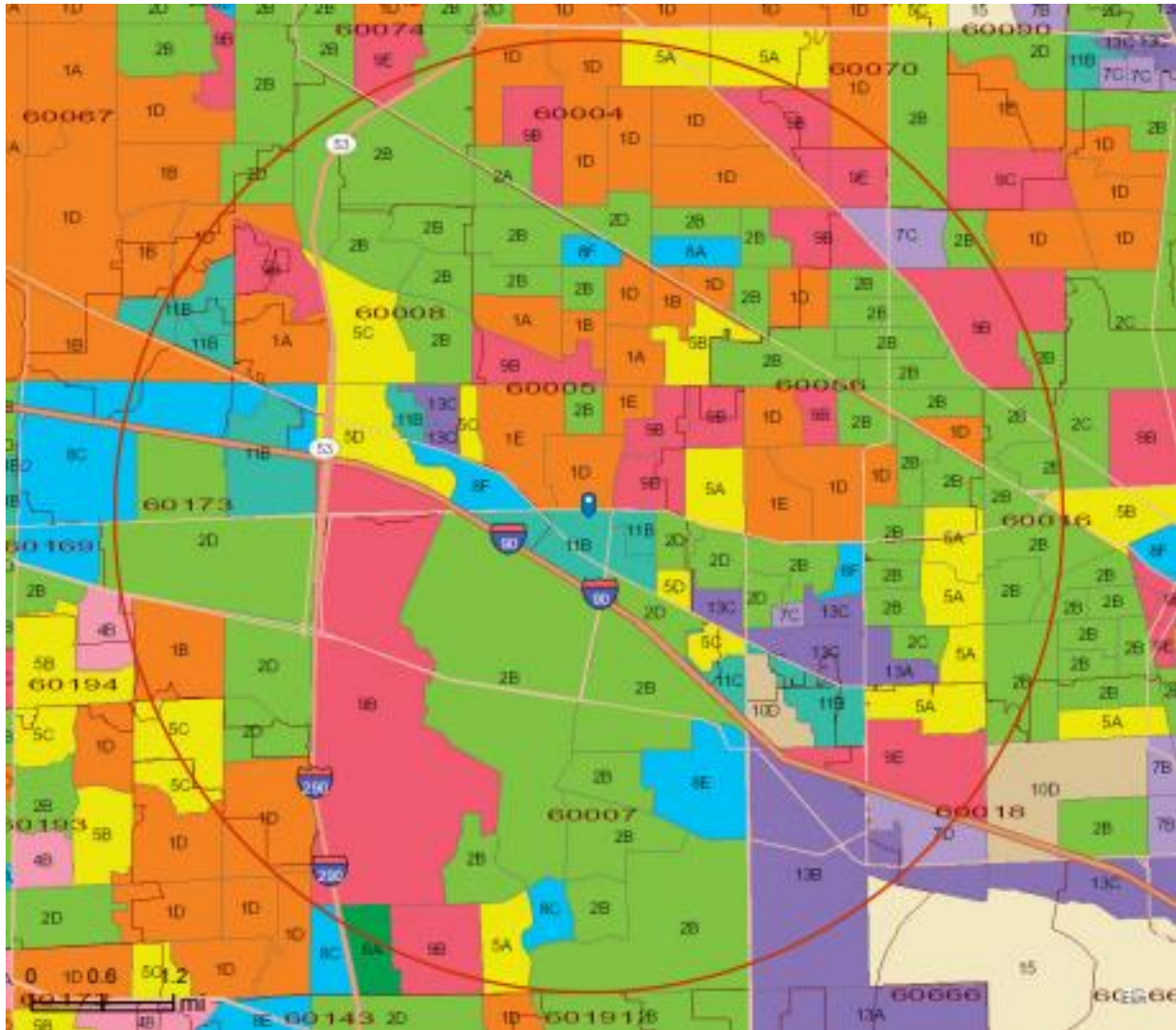


Source: Site to Do Business website, as of July 2022



***TAPESTRY SEGMENTATION AREA PROFILE***

The Site to Do Business provides Tapestry Segmentation, which classifies U.S. neighborhoods into 14 unique LifeMode groups. These groups are then further classified as 67 different consumer-segments with commonly shared traits. Tapestry Segmentation provides a variety of demographic and behavioral characteristics for each segment. The data can provide insight on consumer variables, such as age, education level, the likeliness of home ownership, a consumer’s willingness to buy or purchase certain goods and products, and their overall economic purchasing power. It also provides how consumers like to receive information, through online ads, print mediums, or in person events. It also provides fundamental differences within communities, depending on where consumers are located within an area. The subject’s tapestry segmentation follows, with further details provided on the three segments that are most prevalent in the subject’s market areas.



PMA TAPESTRY SEGMENTS

Rank	Tapestry Segment	2022 Households		2022 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Pleasantville (2B)	25.8%	25.8%	2.1%	2.1%	1215
2	Golden Years (9B)	12.2%	38.0%	1.3%	3.4%	925
3	Savvy Suburbanites (1D)	10.3%	48.3%	3.0%	6.4%	346
4	Enterprising Professionals (2D)	7.8%	56.0%	1.5%	7.9%	530
5	Young and Restless (11B)	7.0%	63.0%	1.8%	9.6%	395
	<b>Subtotal</b>	<b>63.1%</b>		<b>9.7%</b>		

PLEASANTVILLE (2B)

This tapestry segmentation is mainly composed in the suburban periphery of large metropolitan areas and has one of the lowest percentages of vacant housing units, at 4.5%. Most households own three or more cars and commute to work, while most homes are owned and are older, single-family homes with the majority being built before the 1970’s.



LifeMode Group: Upscale Avenues  
**Pleasantville**

2B

Households: 2,718,100

Average Household Size: 2.88

Median Age: 42.6

Median Household Income: \$92,900

WHO ARE WE?

Prosperous domesticity best describes the settled denizens of Pleasantville. Situated principally in older housing in suburban areas in the Northeast (especially in New York and New Jersey) and secondarily in the West (especially in California), these slightly older couples move less than any other market. Many couples have already transitioned to empty nesters; many are still home to adult children. Families own older, single-family homes and maintain their standard of living with dual incomes. These consumers have higher incomes and home values and much higher net worth (Index 364). Older homes require upkeep; home improvement and remodeling projects are a priority—preferably done by contractors. Residents spend their spare time participating in a variety of sports or watching movies. They shop online and in a variety of stores, from upscale to discount, and use the internet largely for financial purposes.

OUR NEIGHBORHOOD

- Suburban periphery of large metropolitan areas, primarily in Middle Atlantic or Pacific states.
- Most homes owned (and mortgaged) (Index 146).
- Households composed of older married-couple families, more without children under 18, but many with children over 18 years (Index 141).
- Older, single-family homes: two-thirds built before 1970, close to half from 1950 to 1969.
- One of the lowest percentages of vacant housing units at 4.5% (Index 39).
- Suburban households with three or more vehicles and a longer travel time to work (Index 132).

SOCIOECONOMIC TRAITS

- Education: 66% college educated, 37% with a bachelor’s degree or higher.
- Higher labor force participation rate at 67% (Index 107); higher proportion of households with two or more workers (Index 118).
- Many professionals in finance, information/technology, education, or management.
- Median household income denotes affluence, with income primarily from salaries and also from investments (Index 130) or Social Security (Index 106) and retirement income (Index 122).
- Not cost-conscious, these consumers willing to spend more for quality and brands they like.
- Prefer fashion that is classic and timeless as opposed to trendy.
- Use all types of media equally (newspapers, magazines, radio, internet, TV).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRB-Simmons.



2B

LifeMode Group: Upscale Avenues  
**Pleasantville**

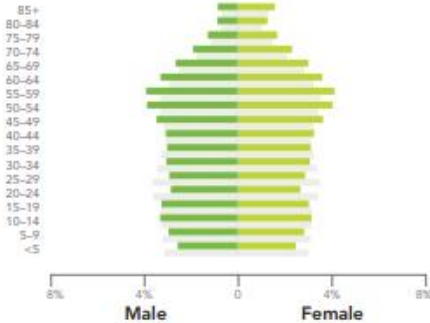


**TAPESTRY SEGMENTATION**  
esri.com/tapestry

**AGE BY SEX** (Esri data)

Median Age: **42.6** US: 38.2

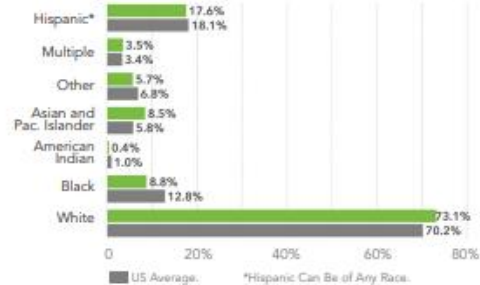
■ Indicates US



**RACE AND ETHNICITY** (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: **61.0** US: 64.0



**INCOME AND NET WORTH**

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

**Median Household Income**

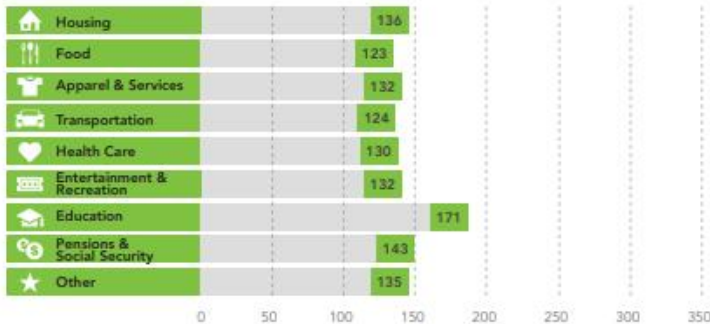


**Median Net Worth**



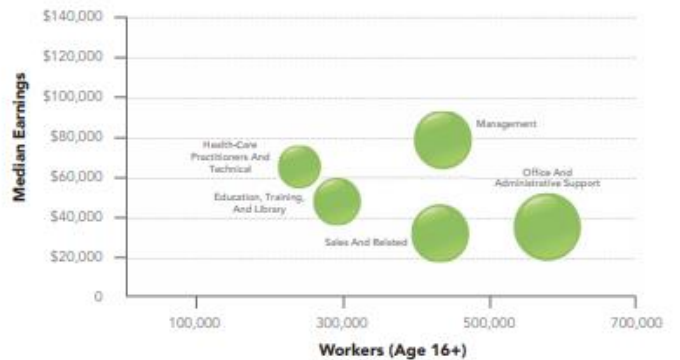
**AVERAGE HOUSEHOLD BUDGET INDEX**

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



**OCCUPATION BY EARNINGS**

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.





LifeMode Group: Upscale Avenues  
**Pleasantville**



**TAPESTRY SEGMENTATION**  
esri.com/tapestry

**MARKET PROFILE**

(Consumer preferences are estimated from data by MRI-Simmons.)

- Prefer imported SUVs, serviced by a gas station or car dealer.
- Invest in conservative securities and contribute to charities.
- Work on home improvement and remodeling projects, but also hire contractors.
- Have bundled services (TV/internet/phone).
- Access the internet via fiber optics or cable modem or on a newer computer to pay bills, make purchases, and track investments.
- Subscribe to premium channels (HBO, Showtime, or Starz) and use video-on-demand to watch TV shows and movies.
- Enjoy outdoor gardening, going to the beach, visiting theme parks, frequenting museums, and attending rock concerts.

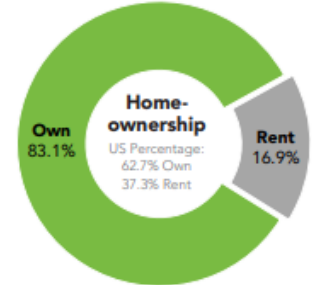
**HOUSING**

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



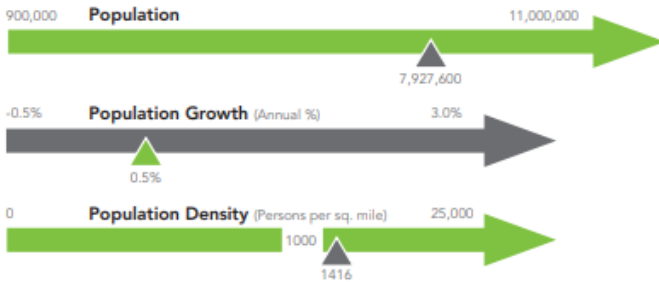
**Typical Housing:**  
Single Family

**Median Value:**  
\$382,000  
US Median: \$207,300



**POPULATION CHARACTERISTICS**

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



**ESRI INDEXES**

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



## GOLDEN YEARS (9B)

Golden Years residents are primarily active seniors who retired or are close to retirement, living alone or empty-nesters. Approximately 43% of residents live in single-family homes and another 43% live in multi-unit dwellings. This is a smaller but growing market that is financially secure.



LifeMode Group: Senior Styles  
**Golden Years**

9B

Households: 1,657,400

Average Household Size: 2.06

Median Age: 52.3

Median Household Income: \$71,700

### WHO ARE WE?

Independent, active seniors nearing the end of their careers or already in retirement best describes *Golden Years* residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

### OUR NEIGHBORHOOD

- This older market has a median age of 52 years and a disproportionate share (nearly 32%) of residents aged 65 years or older.
- Single-person households (over 40%) and married-couple families with no children (one-third) dominate these neighborhoods; average household size is low at 2.06 (Index 80).
- Most of the housing was built after 1970; approximately 43% of householders live in single-family homes and 43% in multiunit dwellings.
- These neighborhoods are found in large metropolitan areas, outside central cities, scattered across the US.

### SOCIOECONOMIC TRAITS

- *Golden Years* residents—22% have graduate or professional degrees, 28% have bachelor's degrees, and 25% have some college credits.
- Labor force participation is somewhat low at 56% (Index 89), due to residents reaching retirement.
- Median household income is higher in this market, more than \$71,000. Although wages still provide income to nearly two out of three households, earned income is available from investments (Index 171), Social Security benefits (Index 146), and retirement income (Index 144).
- These consumers are well connected: Internet access is used for everything from shopping or paying bills to monitoring investments and entertainment.
- They are generous supporters of the arts and charitable organizations.
- They keep their landlines and view cell phones more as a convenience.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Senior Styles  
**Golden Years**

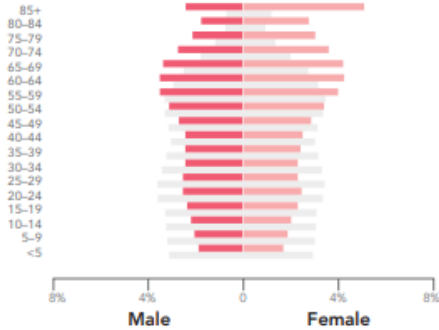


**TAPESTRY SEGMENTATION**  
esri.com/tapestry

**AGE BY SEX** (Esri data)

Median Age: **52.3** US: 38.2

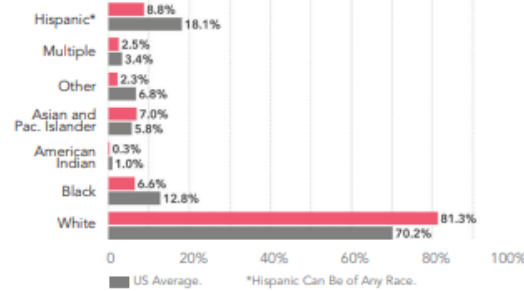
■ Indicates US



**RACE AND ETHNICITY** (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: **43.8** US: 64.0



**INCOME AND NET WORTH**

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

**Median Household Income**

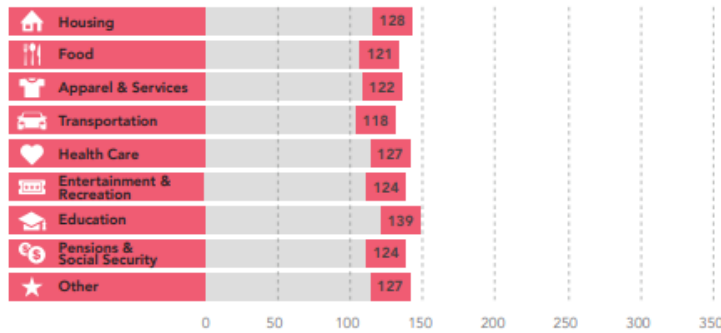


**Median Net Worth**



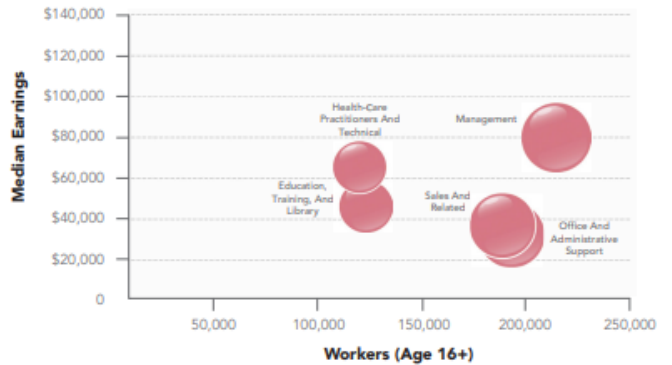
**AVERAGE HOUSEHOLD BUDGET INDEX**

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



**OCCUPATION BY EARNINGS**

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.





9B LifeMode Group: Senior Styles  
**Golden Years**



**MARKET PROFILE** (Consumer preferences are estimated from data by MRI-Simmons.)

- Avid readers, they regularly read daily newspapers, particularly the Sunday edition.
- They subscribe to cable TV; news and sports programs are popular as well as on-demand movies.
- They use professional services to maintain their homes inside and out and minimize their chores.
- Leisure time is spent on sports (tennis, golf, boating, and fishing) or simple exercise like walking.
- Good health is a priority; they believe in healthy eating, coupled with vitamins and dietary supplements.
- Active social lives include travel, especially abroad, plus going to concerts and museums.
- Residents maintain actively managed financial portfolios that include a range of instruments such as IRAs, common stocks, and certificates of deposit (more than six months).

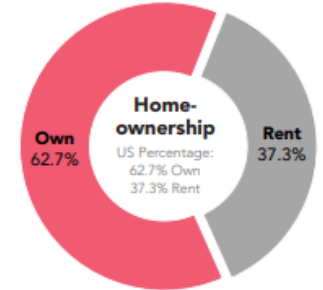
**HOUSING**

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



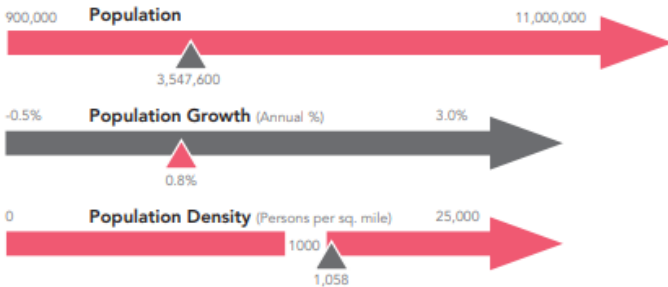
**Typical Housing:**  
Single Family;  
Multiunits

**Median Value:**  
\$332,100  
US Median: \$207,300



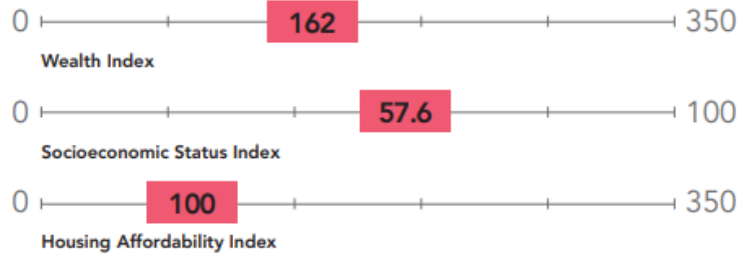
**POPULATION CHARACTERISTICS**

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



**ESRI INDEXES**

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



## SAVVY SUBURBANITES (1D)

Savvy Suburbanites residents are well educated and well capitalized. The majority of this segmentation are empty nesters, or those that want to be empty nesters, but still have adult children at home. Most residents are located in neighborhoods outside the urban core, who enjoy home remodeling, gardening, good food and wine. This segmentation also has a low vacancy rate at 3.8%.



LifeMode Group: Affluent Estates

# Savvy Suburbanites



Households: 3,664,200

Average Household Size: 2.85

Median Age: 45.1

Median Household Income: \$108,700

### WHO ARE WE?

Savvy Suburbanites residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy good food and wine, plus the amenities of the city's cultural events.

### OUR NEIGHBORHOOD

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- Married couples with no children or older children; average household size is 2.85.
- 91% owner occupied; 66% mortgaged (Index 160).
- Primarily single-family homes, with a median value of \$362,900 (Index 161).
- Low vacancy rate at 3.8%.

### SOCIOECONOMIC TRAITS

- Education: 50.6% college graduates; 77.6% with some college education.
- Higher labor force participation rate at 67.9% (Index 109) with proportionately more 2-worker households at 62.2% (Index 120).
- Well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating.
- Informed shoppers that do their research prior to purchasing and focus on quality.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRG Simoes.





LifeMode Group: Affluent Estates  
**Savvy Suburbanites**

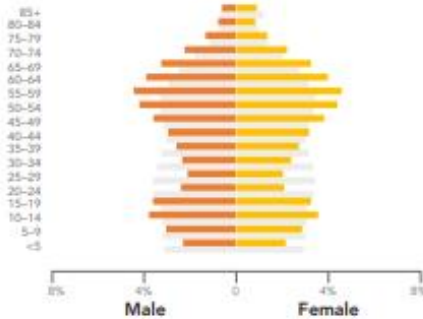


**TAPESTRY SEGMENTATION**  
esri.com/tapestry

**AGE BY SEX** (Est. data)

Median Age: **45.1** US: 38.2

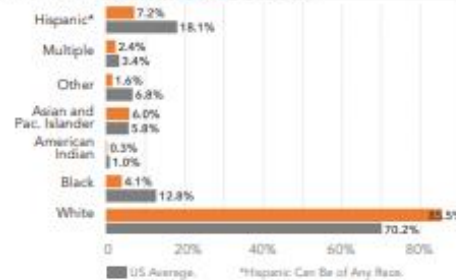
\*\*\* Indicates US



**RACE AND ETHNICITY** (Est. data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: **36.2** US: 64.0



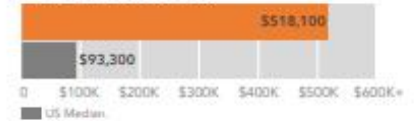
**INCOME AND NET WORTH**

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

**Median Household Income**

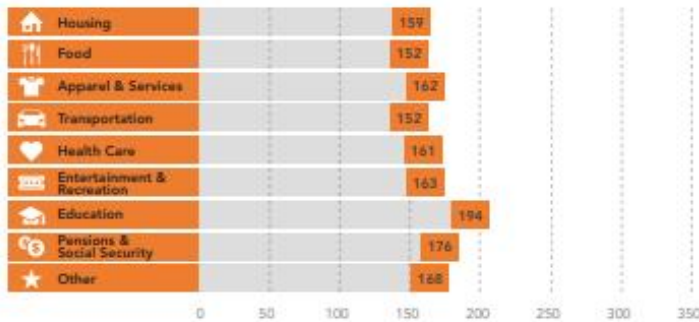


**Median Net Worth**



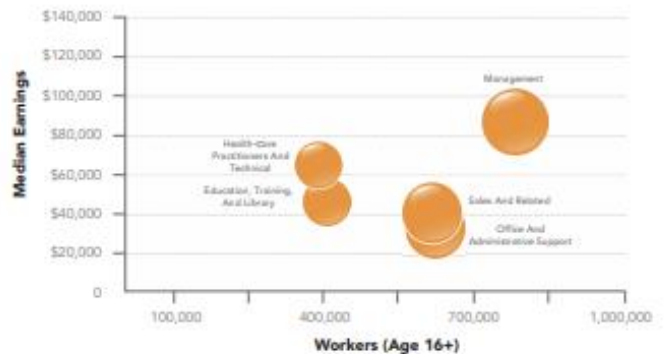
**AVERAGE HOUSEHOLD BUDGET INDEX**

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



**OCCUPATION BY EARNINGS**

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.





LifeMode Group: Affluent Estates

# Savvy Suburbanites



**TAPESTRY**  
SEGMENTATION  
esri.com/tapestry

## MARKET PROFILE

(Consumer preferences are estimated from data by MRI-Simmons.)

- Residents prefer late model, family-oriented vehicles: SUVs, minivans, and station wagons.
- Gardening and home remodeling are priorities, usually DIY. Riding mowers and power tools are popular, although they also hire contractors for the heavy lifting.
- There is extensive use of housekeeping and personal care services.
- Foodies: They like to cook and prefer natural or organic products.
- These investors are financially active, using a number of resources for informed investing. They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.
- Physically fit, residents actively pursue a number of sports, from skiing to golf, and invest heavily in sports gear and exercise equipment.

## HOUSING

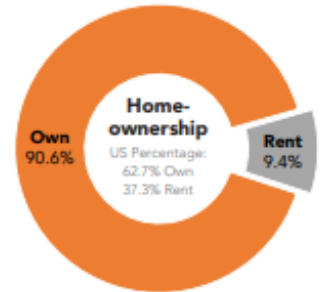
Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



**Typical Housing:**  
Single Family

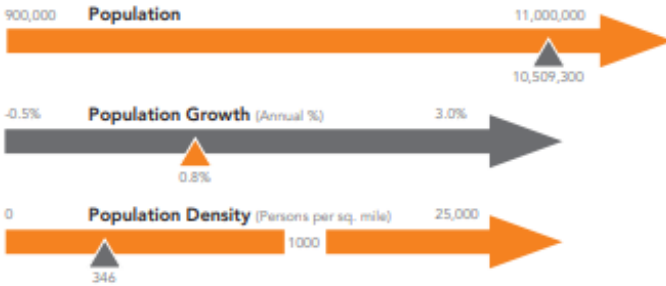
**Median Value:**  
\$362,900

US Median: \$207,300



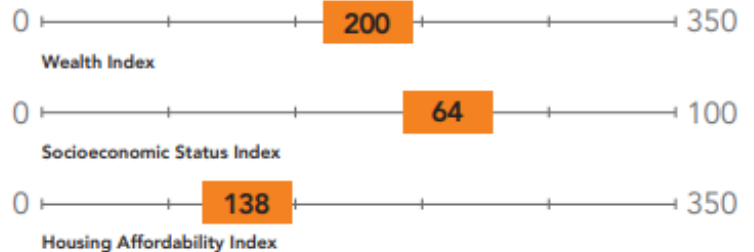
## POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



## ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



## **SUPPLY ANALYSIS**

### ***FACILITY CLASS***

Self-storage facilities are generally categorized under three broad class categories. A brief description of each Class, per the *2021 Self-Storage Almanac*, is included below.

**Class A** - For the most part, major operators and investors set their focus on Class-A facilities because of the operational value that comes from being in a prime location with good drive-by traffic and great visibility. In addition, these properties boast outstanding management professionals who may or may not live on site but who have excellent management and organizational skills including sales, customer service, and marketing. More often than not, these are newer facilities built with state-of-the-art construction materials and high-tech security, access control, and, in some cases, climate control.

**Class B** - Class-B facilities, while not as desirable as Class-A facilities, are in good to average locations, often with modest visibility. Although they may be in good condition, they may not be as new or have the excellent curb appeal that a Class-A site typically has, and they usually lack the “bells and whistles” seen at newer facilities. Even with adequate security and management in place, these facilities do not command the high rents garnered at Class-A sites.

**Class C** – Least attractive to most investors are the Class-C facilities, many of which are first-generation sites in need of rehabbing. Built in single-story rows, they evoke the stereotypical image of self-storage. With less desirable locations and low visibility, they typically command lower rents. While not targeted by major operators or institutional investors, Class-C facilities can be a good investment for smaller entrepreneurs, especially given that they have lower operational costs. Moreover, these facilities do serve as a viable option for those who prefer a less expensive means of storing goods.

The subject is envisioned to be of Class A quality for the local market and likely a Class A to B quality facility in the national market.

### ***COMPETITIVE PROPERTIES***

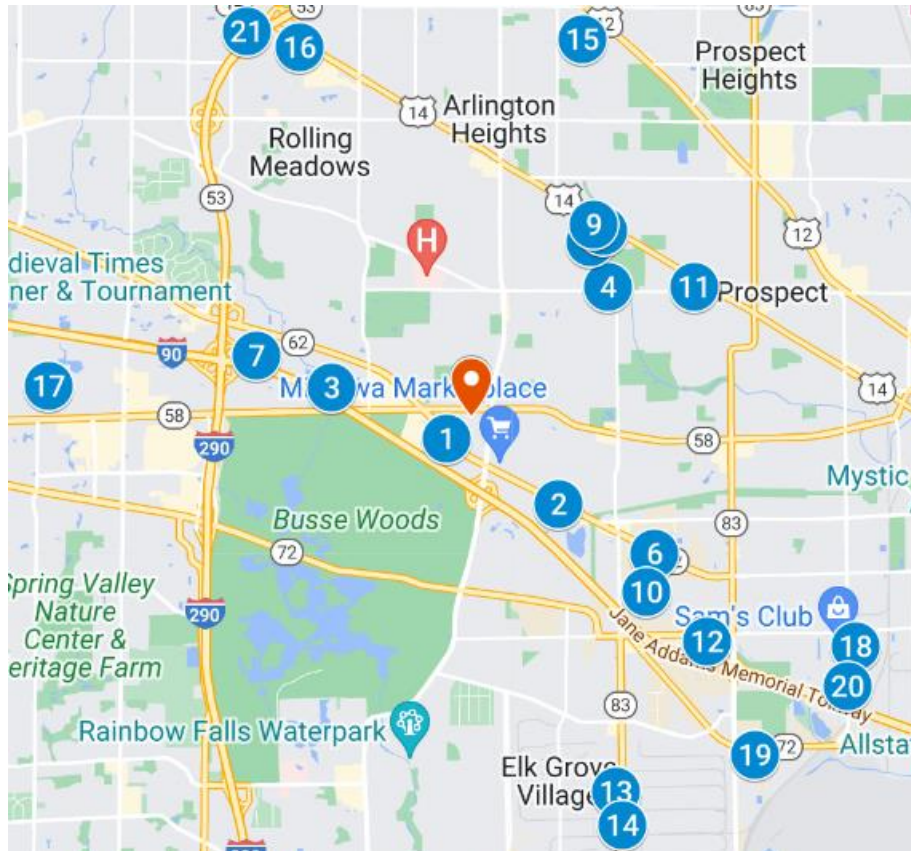
Potential competing self-storage facilities were identified that will have influence over the identified market areas. As previously determined, the primary market area is concluded to be a three-mile radius and the secondary market is concluded to be a four-mile radius. A Starr Commercial representative remotely researched all competitive facilities and interviewed facility managers. All facilities located within the PMA and SMA have been included in the demand analysis. A competitive map follows the summary of facilities below.

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

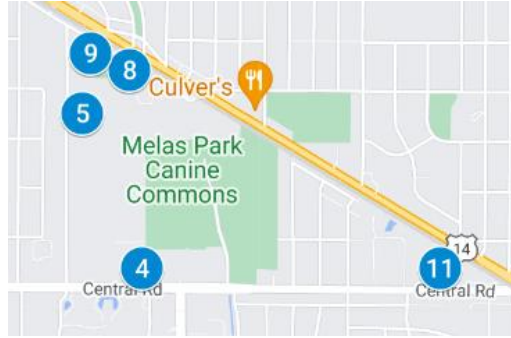
SELF-STORAGE PROPERTIES WITHIN 4-MILES										
#	FACILITY NAME	ADDRESS	SIZE (GBA)	SIZE (NRA)	# UNITS	SITE SIZE (SF)	CURRENT OCCUPANCY	YEAR BUILT	OFFERS CLIMATE-CONTROLLED	DISTANCE FROM SUBJECT
1	Safeguard Self Storage	523 W. Algonquin Rd.	88,200	66,150	635	1,660	96%	2007	Yes, 100%	0.3 miles
2	Public Storage	903 E. Algonquin Rd.	73,650	73,650	574	4,400	95%	<1998	No	1.0 miles
3	Public Storage	2401 Lois Dr.	43,400	43,400	320	2,700	91%	<1990	No	1.2 miles
4	Cubsmart	1750 W. Central Ave.	55,960	41,970	384	1,400	90%	2016	Yes, 100%	1.6 miles
5	Noffs Self Storage	627 S. Arthur St.	54,150	52,500	436	3,100	93%	1979	Yes, 20%	1.8 miles
6	Cubsmart	1551 W. Algonquin Rd.	72,000	64,800	500	3,670	N/A	<1998	Yes, 33%	2.0 miles
7	Uhaul Moving and Storage of Woodfield	5201 Tollview Dr.	83,760	62,820	670	1,870	N/A	2018	Yes, 100%	2.0 miles
8	Public Storage	1600 E. Davis St.	76,900	57,675	498	2,420	89%	<1998	Yes, 90%	2.0 miles
9	Public Storage	1430 E. Davis St.	136,650	102,500	948	1,700	94%	2019	Yes, 100%	2.0 miles
10	Padlock Limited	1600 W. Kenneth Dr.	24,650	23,910	190	1,500	90%	1982	No	2.1 miles
11	Public Storage	708 W. Central Rd.	51,960	38,970	315	2,660	86%	<2007	Yes, 100%	2.2 miles
12	Rite Storage	2501 E. Oakton St.	65,400	65,400	550	3,200	N/A	<1998	No	3.0 miles
13	SmartStop Self Storage	1600 Busse Rd.	121,500	82,000	760	5,200	99%	2016	Yes, 100%	3.6 miles
14	Cubsmart	1750 Busse Rd.	70,000	66,500	530	3,590	N/A	<1998	Yes, 20%	3.7 miles
15	Life Storage	1414 N. Rand Rd.	93,600	70,200	660	1,100	99%	2017	Yes, 100%	3.7 miles
16	Safeguard Self Storage	1136 E. Northwest Hwy.	70,500	52,875	490	0,900	95%	2000	Yes, 100%	3.8 miles
17	Life Storage	1401 N. Plum Grove Rd.	98,425	83,660	750	5,200	98%	1999	Yes, 75%	3.8 miles
18	Uhaul Moving and Storage of Ohare	1731 S. Mount Prospect Rd.	128,900	96,675	995	3,160	90%	2019	Yes, 100%	3.9 miles
19	Public Storage	2901 Touhy Ave.	48,650	48,650	449	2,580	96%	<1998	No	3.9 miles
20	Cubsmart	1950 S. Mount Prospect Rd.	68,000	67,250	519	4,310	92%	<1998	No	4.0 miles
21	Public Storage	945 Rohlwing Rd.	74,860	71,100	575	3,960	98%	<1998	Yes, 19%	4.0 miles
<b>TOTAL PMA and SMA:</b>			<b>1,601,115</b>	<b>1,332,655</b>	<b>11,748</b>					
<b>AVERAGE PMA and SMA:</b>			<b>76,244</b>	<b>63,460</b>	<b>559</b>	<b>2,870</b>	<b>94%</b>			

Notes: Gross building area is determined per County Assessor records and/or from online aerial measurements taken by the consultant and are assumed accurate; however, cannot be guaranteed. The net rentable area of each facility is has been estimated by the consultant using typical building efficiency ratios. Average occupancy rate includes stabilized facilities only.

**COMPETITIVE SUPPLY MAPS**







***CURRENT SUPPLY – PMA AND SMA***

Within the PMA there are 12 competitive facilities with a total of 693,745 square feet of net rentable area, which has been adjusted to 661,045 to account for facilities located on the market area border, adjusting for market leakage. Likewise, in the SMA, there are 21 competitive facilities with a total of 1,332,655 square feet of net rentable area, which has been adjusted to 1,263,480 square feet of net rentable area to account for market leakage. The overall average current occupancy rate in the PMA and SMA is 94%. A summary of current supply in each market area is shown below.

<b>MARKET AREA</b>	<b># COMPETITORS</b>	<b>CURRENT SUPPLY - NRA</b>	<b>ADJUSTED SUPPLY - NRA</b>
PMA (3-Miles)	12	693,745	<b>661,045</b>
SMA (4-Miles)	21	1,332,655	<b>1,263,480</b>

***COMPARABLE OCCUPANCY RATES***

As previously shown, there are a total of twenty-one competitors in the subject’s SMA market area, which reveals a stabilized occupancy rate of 94%. A concluded stabilized occupancy rate for the subject’s PMA and SMA is 90%. Occupancy rates fluctuate through the year and per conversations with management, the estimated variance between the seasons is concluded to be around 5% to 10%, or less. Therefore, it is concluded that peak market times may see occupancy rates in the mid- to upper-90% range and in low market times, may see a decrease to the mid- to upper-80% range. Per conversations with facility managers rent rates have also recently escalated along with storage demand. Many managers reported climate-controlled units of varying sizes are in high demand. A summary of occupancy rates for the competitive facilities is included below with a review of unit size and type demand as reported by onsite managers. It is likely the subject could maintain a year-round average occupancy rate that is higher than 90%; however, once the facility reaches this rate, it is considered “stable”.



**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

#	FACILITY NAME	ADDRESS	CURRENT UNIT OCCUPANCY	OFFERS CLIMATE	MANAGEMENT COMMENTS
1	Safeguard Self Storage	523 W. Algonquin Rd.	96%	Yes, 100%	Current vacancies include: (6) 5x5, (4) 5x10, (5) 10x10, (4) 7.5 x 10, (3) 10x15, (1) 10x20, (3) 10x25, and (1) 10x30. Most vacancies are on second and third floors.
2	Public Storage	903 E. Algonquin Rd.	95%	No	Current vacancies include: (5) 3x4, (7) 5x5, (5) 5x10, (3) 10x10, (2) 10x20, and (4) 10x30.
3	Public Storage	2401 Lois Dr.	91%	No	The manager stated they have approximately 30 current vacancies in varying sizes. However, currently only (1) 10x30 available.
4	Cubsmart	1750 W. Central Ave.	90%	Yes, 100%	The manager provided the current occupancy rate.
5	Noffs Self Storage	627 S. Arthur St.	93%	Yes, 20%	Current vacancies in larger units only include (2) 10x30, and (1) 10x40. Other vacancies per the manager are in size 5x10 or smaller.
6	Cubsmart	1551 W. Algonquin Rd.	N/A	Yes, 33%	Most vacancies appear to be on the second floor. Current vacancies include: (3) 5x5, (1) 5x4, (7) 10x5, (3) 10x8, (14) 10x10, (11) 10x15, (5) 10x20, (7) 10x30, (3) 10x40.
7	Uhaul Moving and Storage of Woodfield	5201 Tollview Dr.	N/A	Yes, 100%	This facility appears to have a handful of units in varying sizes available. However, we could not narrow down the occupancy based on the lack of information disclosed from the call center.
8	Public Storage	1600 E. Davis St.	89%	Yes, 90%	The manager provided the occupancy rate.
9	Public Storage	1430 E. Davis St.	94%	Yes, 100%	The manager provided the occupancy rate.
10	Padlock Limited	1600 W. Kenneth Dr.	90%	No	The manager provided the occupancy rate.
11	Public Storage	708 W. Central Rd.	86%	Yes, 100%	This facility has many sizes available and it is estimated hat a total of 40 to 50 units are currently vacant.
12	Rite Storage	2501 E. Oakton St.	N/A	No	N/A
13	SmartStop Self Storage	1600 Busse Rd.	99%	Yes, 100%	Current vacancies include: (1) 5x10, (3) 10x10, (2) 10x12, (1) 10x15, (1) 10x20, and (3) 10x25.
14	Cubsmart	1750 Busse Rd.	N/A	Yes, 20%	N/A
15	Life Storage	1414 N. Rand Rd.	99%	Yes, 100%	Current vacancies include: (2) 5x5, (3) 10x15, (3) 10x20, and (1) 10x25.
16	Safegaurd Self Storage	1136 E. Northwest Hwy.	95%	Yes, 100%	The manager stated they have approximately 25 vacant units currently.
17	Life Storage	1401 N. Plum Grove Rd.	98%	Yes, 75%	Current vacancies in climate include: (1) 7x10, (1) 10x15, (3) 10x20, and (1) 10x30. Current vacancies in regular include: (1) 10x10, (1) 10x15, (4) 10x25, and (1) 10x30.
18	Uhaul Moving and Storage of Ohare	1731 S. Mount Prospect Rd.	90%	Yes, 100%	Most vacancies appear to be on the second floor. They are limited on large units, only (8) total ranging in sizes 10x10, 10x15, and 10x20. Based on conversation with facility manager they are around 90% occupied.
19	Public Storage	2901 Touhy Ave.	96%	No	Current vacancies include: (5) 5x5, (7) 5x10, (3) 7.5 x10, (1) 10x10, and (1) 10x15.
20	Cubsmart	1950 S. Mount Prospect Rd.	92%	No	The manager provided the occupancy rate, stating most vacancies are in smaller units.
21	Public Storage	945 Rohlwing Rd.	98%	Yes, 19%	Current vacancies in regular include: (6) 5x5, (5) 5x10, (1) 7.5x10, (1) 10x10, and (1) 10x15.

**COMPETITIVE PROPERTY PHOTOGRAPHS- (FROM GOOGLE MAPS)**

A photograph of each competitive facility located within the primary and secondary market areas is included below.



Comparable 1 – Safeguard Self Storage



Comparable 1 (Aerial) – Safeguard Self Storage



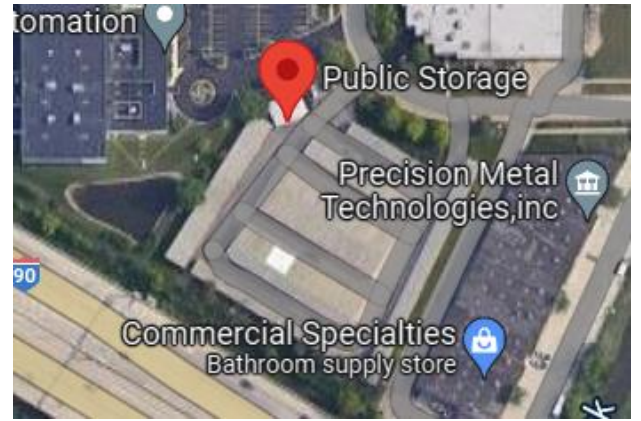
Comparable 2 – Public Storage



Comparable 2 (Aerial) – Public Storage



Comparable 3 – Public Storage



Comparable 3 (Aerial) – Public Storage

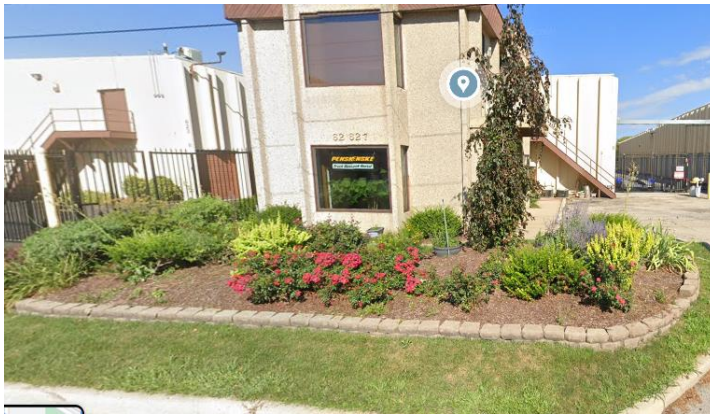




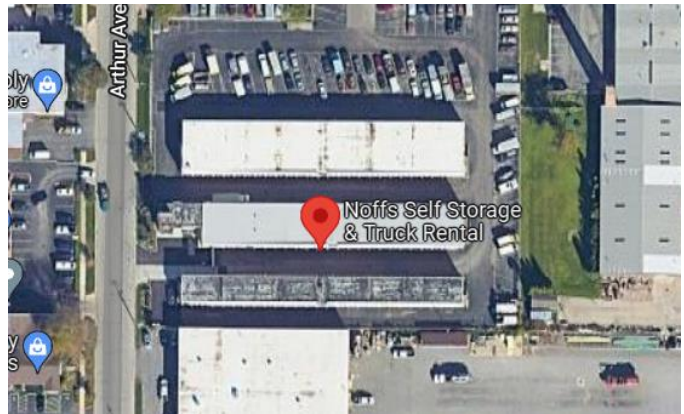
Comparable 4 – Cubesmart



Comparable 4 (Aerial)– Cubesmart



Comparable 5 – Noffs Self Storage



Comparable 5 (Aerial) – Noffs Self Storage



Comparable 6 – Cubesmart



Comparable 6 (Aerial)– Cubesmart





Comparable 7 – U-Haul Moving and Storage of Woodfield



Comparable 7 (Aerial) – U-Haul Moving and Storage of Woodfield



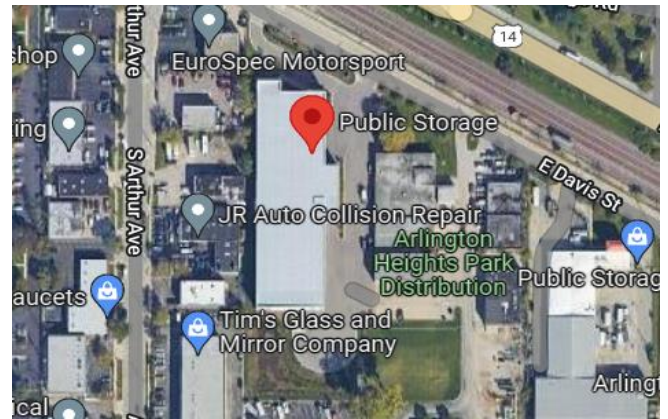
Comparable 8 – Public Storage



Comparable 8 (Aerial) – Public Storage



Comparable 9 – Public Storage



Comparable 9 (Aerial) – Public Storage





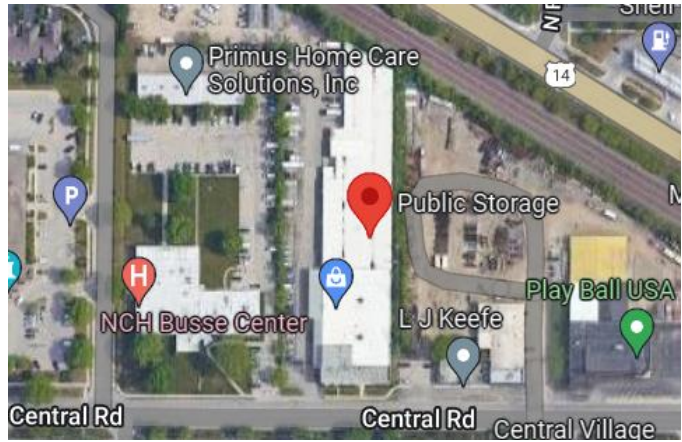
Comparable 10 – Padlock Limited



Comparable 10 (Aerial) – Padlock Limited



Comparable 11 – Public Storage



Comparable 11 (Aerial) – Public Storage



Comparable 12 – Rite Storage



Comparable 12 (Aerial) – Rite Storage





Comparable 13 – SmartStop Self Storage



Comparable 13 (Aerial) – SmartStop Self Storage



Comparable 14 - Cubesmart



Comparable 14 (Aerial) – Cubesmart



Comparable 15 – Life Storage



Comparable 15 (Aerial) – Life Storage





Comparable 16 – Safeguard Self Storage



Comparable 16 (Aerial) – Safeguard Self Storage



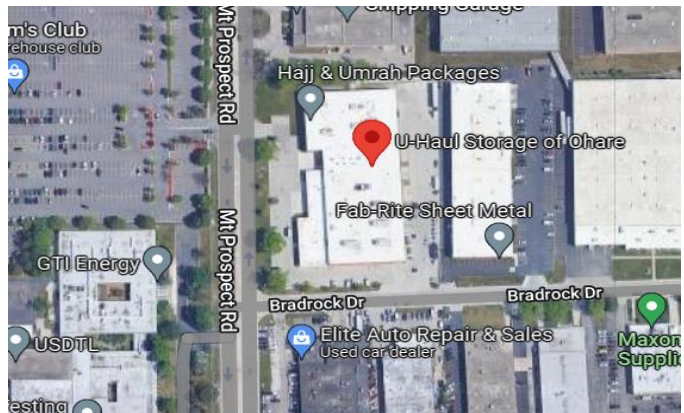
Comparable 17 – Life Storage



Comparable 17 (Aerial) Life Storage



Comparable 18 – U-Haul Storage of Ohare

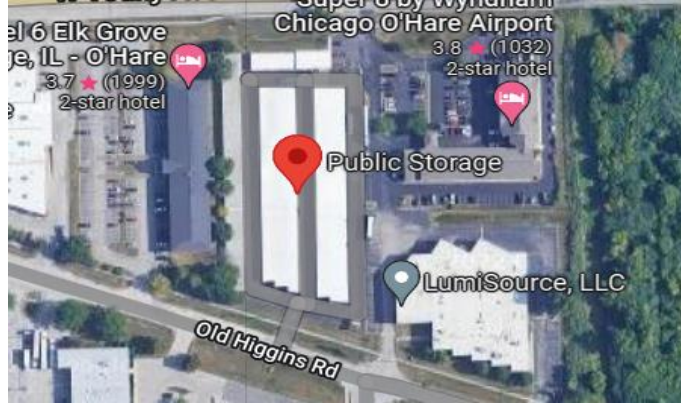


Comparable 18 (Aerial) – U-Haul Storage of Ohare





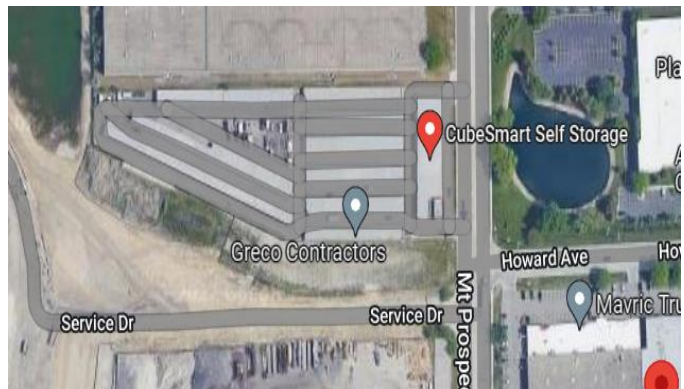
Comparable 19 – Public Storage



Comparable 19 (Aerial) – Public Storage



Comparable 20 – Cubesmart



Comparable 20 (Aerial) - Cubesmart



Comparable 21 – Public Storage



Comparable 21 (Aerial) – Public Storage

**TYPICAL FACILITY AMENITIES**

Following is a grid outlining typical facility amenities or features for facilities located in the subject’s 4-mile market area. In this market, 71% of the facilities offer climate-controlled units. Most facilities are of Class A market, or 38%, while 29% are of Class B quality and 33% are of Class C quality. More than half of the area facilities, or 52%,



are one-story design, while 48% have at least one multi-story building. Nine of the 21 facilities, or 43% are similar to the subject in offering 100% climate-controlled units. The subject is envisioned to be of Class A quality for the local market and would be positioned as an above average competitor in the market. There appears to be average to good demand for climate-controlled units in the market area. All competitors offer an onsite office and 38% of them offer an onsite manager’s apartment, while none of them offer a 24-hour rental kiosk. All of the facilities, offer some type of perimeter fencing, and an electronic gate/ keypad. Most of the facilities, or 95%, have security cameras. While only 14% of the facilities offer 24-hour access, some offer extended access hours for an additional fee. Only a few facilities, 14% offer a moving truck service such as U-Haul. Generally, 24-hour access is not typical nor recommended for Class B or better facilities and is not recommended for the subject. Tenants exhibiting a need for 24-hours could be granted 24-hour access with an additional fee. Most of the facilities require an administration fee or deposit ranging from \$24 to \$29 for a one-time administration fee or \$14 to \$220 as a refundable deposit. An administrative fee is suggested for the subject, approximately \$25 to \$29 as a one-time admin fee.

COMPETITIVE SELF-STORAGE PROPERTIES - FACILITY FEATURES/ AMENITIES													
#	Facility Name	Climate-Controlled	Office Onsite	Resident Manager	Kiosk	# Stories	Fees or Deposit	Security Cameras	Electronic Gate or Keypad	24 Hour Access	Moving Truck Rental	Fencing/ Secure Building	Overall Class
1	Safeguard Self Storage	Yes, 100%	Yes	No	No	3	\$25 Admin	Yes	Yes	Yes	No	Yes	A
2	Public Storage	No	Yes	Yes	No	1	\$29 Admin	Yes	Yes	No	No	Yes	C
3	Public Storage	No	Yes	Yes	No	1	\$29 Admin	Yes	Yes	No	No	Yes	C
4	Cubesmart	Yes, 100%	Yes	No	No	2	\$29 Admin	Yes	Yes	No	No	Yes	A
5	Noffs Self Storage	Yes, 20%	Yes	Yes	No	2	\$14 to \$220 Deposit	Yes	Yes	No	Yes	Yes	B-
6	Cubesmart	Yes, 33%	Yes	Yes	No	1	\$29 Admin	Yes	Yes	No	No	Yes	B-
7	Uhaul Moving and Storage of Woodfield	Yes, 100%	Yes	No	No	3	No	Yes	Yes	No	Yes	Yes	A
8	Public Storage	Yes, 90%	Yes	No	No	1 & 2	\$29 Admin	Yes	Yes	No	No	Yes	B
9	Public Storage	Yes, 100%	Yes	No	No	3	\$29 Admin	Yes	Yes	No	No	Yes	A
10	Padlock Limited	No	Yes	Yes	No	1	No	Yes	Yes	No	No	Yes	B
11	Public Storage	Yes, 100%	Yes	Yes	No	1 & 2	\$29 Admin	Yes	Yes	No	No	Yes	A
12	Rite Storage	No	Yes	No	No	1	N/A	No	Yes	Yes	No	Yes	C
13	SmartStop Self Storage	Yes, 100%	Yes	No	No	1	29 Admin	Yes	Yes	No	No	Yes	A
14	Cubesmart	Yes, 20%	Yes	No	No	1	\$29 Admin	Yes	Yes	No	No	Yes	B
15	Life Storage	Yes, 100%	Yes	No	No	3	\$29 Admin	Yes	Yes	No	No	Yes	A
16	Safegaurd Self Storage	Yes, 100%	Yes	No	No	4	\$25 Admin	Yes	Yes	Yes	No	Yes	A-
17	Life Storage	Yes, 75%	Yes	No	No	1	\$29 Admin	Yes	Yes	No	No	Yes	B+
18	Uhaul Moving and Storage of Ohare	Yes, 100%	Yes	No	No	2	No	Yes	Yes	No	Yes	Yes	A-
19	Public Storage	No	Yes	Yes	No	1	\$29 Admin	Yes	Yes	No	No	Yes	C
20	Cubesmart	No	Yes	No	No	1	\$29 Admin	Yes	Yes	No	No	Yes	C
21	Public Storage	Yes, 19%	Yes	Yes	No	1	\$29 Admin	Yes	Yes	No	No	Yes	C+
<b>% Have/ Offer</b>		<b>71%</b>	<b>100%</b>	<b>38%</b>	<b>0%</b>	<b>52%- 1-S 48%-Multi-S</b>	<b>85% Require - \$25 - \$29 Admin Fee or \$14 - \$220 Deposit</b>	<b>95%</b>	<b>100%</b>	<b>14%</b>	<b>14%</b>	<b>100%</b>	<b>33%-Class C 29%-Class B 38%-Class A</b>

**RENT STUDY**

To analyze current rental rates in the market, we collected online rental rates, and interviewed leasing managers located within 4.0-miles of the subject. They are included below, as available.

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

COMPETITIVE RENT SURVEY - PMA & SMA - PAGE 1						
Comparable #	1	2	3	4	5	6
Facility Name	Safeguard Self Storage	Public Storage	Public Storage	Cubsmart	Noffs Self Storage	Cubsmart
Location	523 W. Algonquin Rd.	903 E. Algonquin Rd.	2401 Lois Dr.	1750 W. Central Ave.	627 S. Arthur St.	1551 W. Algonquin Rd.
Phone #	847-403-3680	244-366-0976	244-366-0902	224-240-3051	847-870-3230	847-981-0770
Current Special/Promotion	1 mo. free rent	\$1 first mo. rent on select units	\$1 first mo. rent on select units	1 mo. free rent	N/A	1 mo. free rent
Unit Type & Size	Unit SF	\$ Rent	\$ Rent	\$ Rent	\$ Rent	\$ Rent
4x4	16					
5x5	25		\$77 - DU \$69 - Inside	\$55 - Inside	\$28 - Upper	\$51
5x10	50		\$89	\$133 - Inside	\$52 - Upper	\$76
7.5x10	75					
8x10	80					
10x10	100		\$145	\$172 - Inside	\$155 - 1st \$94 - Upper	
10x12	120			\$179		
10x15	150		\$278	\$292	\$200 - 1st \$120 - Upper	\$194
5x30	150				\$145 - 1st	
10x20	200		\$376	\$347	\$236 - 1st	
10x25	250				\$285 - 1st	\$284
10x30	300		\$424		\$336 - 1st	
Climate-Controlled	Unit SF					
*CC 5x5	25	\$85 to \$89 - 1st \$69 to \$71 - Upper				
*CC 5x8	40					
*CC 5x10	50	\$175 to \$199 - 1st \$135 to \$151 - Upper			\$92 - 1st	72 - 1st \$83
*CC 7X10	70			\$89 - Upper		
*CC 5x15	75					
*CC 7.5x10	75	\$153 to \$163 - Upper				
*CC 8x10	80					
*CC 10x10	100	\$239 - \$251 1st \$199 -- Upper			\$156 - 1st	\$130 - 1st
*CC 10x14	140			\$163 - Upper		
*CC 10x15	150	\$279 to \$335 - 1st \$223 to \$257 - Upper			\$193 - 1st	
*CC 10x20	200	\$373 to \$409- 1st \$221 to \$313 - Upper				
*CC 10x25	250	\$385 to \$487- 1st \$339 - Upper			\$302- 1st	
*CC 10x30	300	\$495 to \$559 - 1st \$383 to \$423 - Upper				
Characteristics						
Facility Class	A	C	C	A	B-	B-
Climate Control	Yes, 100%	No	No	Yes, 100%	Yes, 20%	Yes, 33%
Location	Primary Commercial	Primary Commercial/ Residential	Business Park/ Industrial	Secondary Commercial	Industrial/ Residential	Industrial
Appearance	Good	Fair	Fair	Good	Fair	Fair
Access	Good	Average	Fair	Good	Fair	Average
Frontage/Visibility	Good	Good	Average	Good	Fair	Average
Security	Good	Average	Average	Good	Fair	Average
Features	Good	Fair	Fair	Good	Fair	Average

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

**COMPETITIVE RENT SURVEY - PMA & SMA - PAGE 2**

Comparable #	7	8	9	10	11	12	13
Facility Name	Uhaul Moving and Storage of Woodfield	Public Storage	Public Storage	Padlock Limited	Public Storage	Rite Storage	SmartStop Self Storage
Location	5201 Tollview Dr.	1600 E. Davis St.	1430 E. Davis St.	1600 W. Kenneth Dr.	708 W. Central Rd.	2501 E. Oakton St.	1600 Busse Rd.
Phone #	847-637-5406	847-305-2654	847-447-2315	847-640-0110	847-305-2658	847-364-5580	224-723-7625
Current Special/Promotion	Free lock	\$1 first mo. rent on select units	\$1 first mo. rent on select units	N/A	\$1 first mo. rent on select units	N/A	5% off select units
Unit Type & Size	Unit SF	\$ Rent	\$ Rent	\$ Rent	\$ Rent	\$ Rent	\$ Rent
4x4	16						
5x5	25						
5x10	50					\$59	
7.5x10	75						
8x10	80						
10x10	100					\$139	
10x12	120						
10x15	150					\$179	
5x30	150						
10x20	200			\$200		\$249	
10x25	250					\$269	
10x30	300					\$349	
Climate-Controlled	Unit SF						
*CC 5x5	25	\$65 - Upper	\$83 - 1st		\$81		
*CC 5x8	40	\$85 - Upper					
*CC 5x10	50	\$100 - Upper	\$150 - 1st \$86 - Upper	\$84 - 1st		\$133	\$71
*CC 7X10	70						
*CC 5x15	75			\$94 - Upper			
*CC 7.5x10	75			\$126 - 1st			
*CC 8x10	80	\$150 - Upper		\$107 - Upper			
				\$147 - 1st			
*CC 10x10	100	\$160 - Upper	\$163 - 1st	\$122 - Upper			\$138
*CC 10x14	140						
*CC 10x15	150	\$200 - Upper	\$281 - 1st \$253 - Upper	\$164 - Upper			\$206
*CC 10x20	200	\$265 - Upper	\$263 - 1st \$210 - Upper	\$230 - Upper	\$266		\$232
*CC 10x25	250		\$364 - 1st	\$302 - 1st			\$281
*CC 10x30	300		\$391 - 1st	\$386 - 1st			
Characteristics							
Facility Class	A	B	A	C	B	C	A
Climate Control	Yes, 100%	Yes, 90%	Yes, 100%	No	Yes, 100%	No	Yes, 100%
Location	Business Park/ Secondary Commercial	Industrial/ Residential	Industrial/ Residential	Industrial	Secondary Commercial/ Residential	Industrial/ Residential	Primary Commercial
Appearance	Average	Average	Average	Fair	Average	Poor	Good
Access	Fair	Average	Average	Fair	Average	Fair	Average
Frontage/Visibility	Good	Average	Average	Poor	Average	Fair	Good
Security	Good	Good	Good	Fair	Average	Fair	Good
Features	Good	Good	Good	Fair	Average	Fair	Good

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

COMPETITIVE RENT SURVEY - PMA & SMA - PAGE 3																	
Comparable #	14		15		16		17		18		19		20		21		
Facility Name	Cubesmart		Life Storage		Safeguard Self Storage		Life Storage		Uhaul Moving and Storage of Ohare		Public Storage		Cubesmart		Public Storage		
Location	1750 Busse Rd.		1414 N. Rand Rd.		1136 E. Northwest Hwy.		1401 N. Plum Grove Rd.		1731 S. Mount Prospect Rd.		2901 Touhy Ave.		1950 S. Mount Prospect Rd.		945 Rohlwing Rd.		
Phone #	847-427-1409		847-485-0920		847-403-3688		847-843-0800		224-220-1635		224-366-0886		847-824-5110		847-666-5818		
Current Special/Promotion	1 mo. free rent		\$1 first mo. rent on select units		\$1 first mo. rent on select units		\$1 first mo. rent on select units		1 mo. free w/ truck rental		\$1 first mo. rent on select units		35% off select units		\$1 first mo. rent on select units		
Unit Type & Size	Unit SF	\$ Rent		\$ Rent		\$ Rent		\$ Rent		\$ Rent		\$ Rent		\$ Rent			
4x4	16																
5x5	25	\$55									\$64		\$63				
5x10	50	\$66									\$86		\$81		\$98		
7.5x10	75										\$90						
8x10	80										\$115						
10x10	100										\$134				\$145		
10x12	120																
10x15	150	\$188									\$251						
5x30	150																
10x20	200	\$218									\$351		\$374		\$295		
10x25	250	\$238						\$402									
10x30	300							\$490									
Climate-Controlled	Unit SF																
*CC 5x5	25	\$75		\$82 - Upper		\$83 - 1st \$49 to \$69 - Upper				\$65 - Upper							
*CC 5x8	40																
*CC 5x10	50					\$153 - Upper				\$100 - Upper							
*CC 7X10	70							\$134									
*CC 5x15	75																
*CC 7.5x10	75																
*CC 8x10	80																
*CC 10x10	100					\$239 - Upper				\$160 - Upper					\$100		
*CC 10x14	140																
*CC 10x15	150			\$227 - 1st \$209 - Upper		\$331 - Upper		\$305		\$200 - Upper							
*CC 10x20	200			\$291 - Upper				\$392							\$457		
*CC 10x25	250			\$366 - Upper													
*CC 10x30	300							\$587									
Characteristics																	
Facility Class		<b>B</b>		<b>A</b>		<b>A-</b>		<b>B+</b>		<b>A-</b>		<b>C</b>		<b>C</b>		<b>C+</b>	
Climate Control		Yes, 20%		Yes, 100%		Yes, 100%		Yes, 75%		Yes, 100%		No		No		Yes, 19%	
Location		Secondary Commercial		Primary Commercial		Business Park/ Secondary Commercial		Business Park		Industrial		Industrial		Business Park/ Industrial		Business Park	
Appearance		Average		Good		Good		Average		Average		Fair		Fair		Fair	
Access		Average		Good		Good		Average		Good		Fair		Fair		Average	
Frontage/Visibility		Average		Good		Good		Fair		Good		Average		Average		Fair	
Security		Average		Good		Good		Average		Average		Fair		Fair		Fair	
Features		Average		Good		Good		Average		Good		Fair		Fair		Average	



**MULTI-STORY CLIMATE RENTS – DISCOUNTING**

Most facilities offering upper-level rental units will have to charge a lower rental rate as compared to the first-floor units, as they are less convenient to tenants storing. Multiple samples of upper-level discounting were extracted from the extended market and are summarized below. In this market, discounting rents for upper-level units varies minimally but changes constantly, is likely based upon supply and demand trends and adjusted on a daily basis. Below, discounts range from -8% to -43% per unit with an overall average of 23%. Based upon this info and previously researched market norms, a typical range would be -10.0% to -25.0%, depending on unit size and availability. Discounts for upper-level units will be applied to the upper-level subject units.

<b>Upper Floor Discounting Comps</b>				
<b>Unit Size</b>	<b>1st Floor</b>	<b>Upper</b>	<b>\$</b>	<b>% Difference</b>
5x5	\$89	\$71	<b>\$18</b>	<b>-20%</b>
5x5	\$83	\$49	<b>\$34</b>	<b>-41%</b>
5x5	\$83	\$69	<b>\$14</b>	<b>-17%</b>
5x10	\$175	\$135	<b>\$40</b>	<b>-23%</b>
5x10	\$199	\$151	<b>\$48</b>	<b>-24%</b>
5x10	\$150	\$86	<b>\$64</b>	<b>-43%</b>
10x10	\$239	\$199	<b>\$40</b>	<b>-17%</b>
10x10	\$147	\$122	<b>\$25</b>	<b>-17%</b>
10x15	\$279	\$223	<b>\$56</b>	<b>-20%</b>
10x15	\$335	\$257	<b>\$78</b>	<b>-23%</b>
10x15	\$281	\$253	<b>\$28</b>	<b>-10%</b>
10x15	\$227	\$209	<b>\$18</b>	<b>-8%</b>
10x20	\$373	\$221	<b>\$152</b>	<b>-41%</b>
10x20	\$409	\$313	<b>\$96</b>	<b>-23%</b>
10x20	\$263	\$210	<b>\$53</b>	<b>-20%</b>
10x25	\$385	\$339	<b>\$46</b>	<b>-12%</b>
10x30	\$495	\$383	<b>\$112</b>	<b>-23%</b>
10x30	\$559	\$423	<b>\$136</b>	<b>-24%</b>
<b>AVG:</b>				<b>-23%</b>

**SUMMARY OF CURRENT RENTAL RATES**

Based on the survey of the competitive facilities and current rental rates provided, the following summary has been established which includes a general range of all current rents for self-storage units in the PMA and SMA. Class C facilities are concluded to be inferior to the subject and not true competitors. The subject is envisioned to be a Class A for the local market and will be one of the newest facilities. The subject’s rents are anticipated to be at the upper end of the current competitive range and consistent with comparable Class A facilities in the area. Rents vary greatly by specific location, facility quality, and supply and demand trends. The concluded current rents are based upon available rates given by management interviews and online research as of the effective date of the study and are included below.

<b>Summary of Current Competitive Rental Rates</b>						
<b>Unit Type</b>	<b>Unit Size</b>	<b>Unit Size (SF)</b>	<b>Competitive Range</b>	<b>Concluded Comparable</b>	<b>Forecasted Subject Rents</b>	<b>Subject Rents/ SF</b>
<b>Regular, Drive-Up</b>	5x5	25	\$51 to \$77	\$55 to \$65	<b>\$65</b>	\$2.60
	5x10	50	\$59 to \$98	\$75 to \$85	<b>\$85</b>	\$1.70
	5x15	75	N/A	\$115 to \$125	<b>\$120</b>	\$1.60
	10x10	100	\$139 to \$172	\$150 to \$160	<b>\$155</b>	\$1.55
	10x15	150	\$179 to \$292	\$205 to \$215	<b>\$210</b>	\$1.40
	10x20	200	\$200 to \$376	\$250 to \$260	<b>\$250</b>	\$1.25
	15x15	225	N/A	\$260 to \$275	<b>\$270</b>	\$1.20
	10x25	250	\$238 to \$402	\$275 to \$285	<b>\$280</b>	\$1.12
	10x30	300	\$336 to \$490	\$330 to \$340	<b>\$330</b>	\$1.10
<b>Climate - 1st Floor</b>	*CC 5x5	25	\$75 to \$89	\$79 to \$89	<b>\$89</b>	\$3.56
	*CC 5x10	50	\$72 to \$199	\$165 to \$175	<b>\$175</b>	\$3.50
	*CC 5x15	75	\$126	\$200 to \$210	<b>\$210</b>	\$2.80
	*CC 10x10	100	\$100 to \$251	\$225 to \$235	<b>\$235</b>	\$2.35
	*CC 10x15	150	\$193 to \$335	\$270 to \$280	<b>\$280</b>	\$1.87
	*CC 10x20	200	\$232 to \$457	\$350 to \$360	<b>\$360</b>	\$1.80
	*CC 15x15	225	N/A	\$360 to \$375	<b>\$375</b>	\$1.67
	*CC 10x25	250	\$281 to \$487	\$375 to \$385	<b>\$385</b>	\$1.54
	*CC 10x30	300	\$386 to \$587	\$440 to \$450	<b>\$450</b>	\$1.50
<b>Climate - Upper Floors</b>	*CC 5x5	25	\$65 to \$82	\$70 to \$80	<b>\$75</b>	\$3.00
	*CC 5x10	50	\$86 to \$151	\$140 to \$150	<b>\$145</b>	\$2.90
	*CC 5x15	75	\$94 to \$163	\$155 to \$165	<b>\$160</b>	\$2.13
	*CC 10x10	100	\$122 to \$199	\$170 to \$180	<b>\$175</b>	\$1.75
	*CC 10x15	150	\$164 to \$257	\$210 to \$220	<b>\$215</b>	\$1.43
	*CC 10x20	200	\$210 to \$313	\$270 to \$280	<b>\$275</b>	\$1.38
	*CC 15x15	225	N/A	\$280 to \$295	<b>\$290</b>	\$1.29
	*CC 10x25	250	\$339 to \$366	\$295 to \$305	<b>\$300</b>	\$1.20
	*CC 10x30	300	\$383 to \$423	\$345 to \$355	<b>\$350</b>	\$1.17

Rates can vary dependent on season and supply and demand trends. Research reveals that on a broad market level, rents rise roughly 2% to 8% per year. Some larger companies such as Public Storage, Cubesmart, etc. tend to change their rates on a daily basis based upon supply and demand trends. Many Class C facilities likely change their rents on more of a 3- to 5-year basis or longer. All rates provided during the course of our remote research have been included in the rent analysis. Some facilities offer promotions or discounts to new tenants such as 1<sup>st</sup> month free or ½ off second month, etc. Discounts or promotions are common as 86% of the competitors currently offer one or more. Many facilities will advertise specials at different times of the year or based upon supply and demand. In this market, several facilities were offering promotions or discounts for new rentals.

***PROPOSED OR UNDER CONSTRUCTION***

Online research and phone interviews were completed in effort to determine if there are any proposed self-storage developments in the PMA or SMA that would be reasonably competitive with the subject within the next 12-months. Online documents at various planning and zoning offices, including agendas, minutes and other publications have been researched. Cook County and the Village of Arlington Heights Planning and Zoning offices were researched.

<b>Planned or Under Construction - Potential Competition</b>						
<b>Facility Name</b>	<b>Location</b>	<b>Total Planned SF (Gross)</b>	<b>Total Planned SF (Net)*</b>	<b>Distance From Subject</b>	<b>Comments</b>	
N/A	U-Haul	1311 N. Rand Rd.	82,676	62,000	6.0 miles	Palentine's planning commission confirmed this project is approved and permitted; however, final plans have not yet been approved. Estimated completion is winter of 2022 or spring of 2023. This is a conversion for 100% climate-controlled development.
<b>Total ALL:</b>		<b>82,676</b>	<b>62,000</b>			
<b>PMA (3-Miles)</b>		<b>0</b>	<b>0</b>			
<b>SMA (4-Miles)</b>		<b>0</b>	<b>0</b>			

There are no known proposed or pipeline projects in the subject’s immediate market area. However, one proposed facility is located in the broader market of 6-miles, which has been included for informational purposes only, as shown below.

***HISTORICAL AND FORECASTED DEVELOPMENT TRENDS***

Historical development trends have been reviewed in the market to aid in estimating the typical rate of construction with the area and help estimate future supply for the subject market areas. There appears to have been increased development in the subject’s PMA or SMA since 2012. Within the PMA, 18,845 square feet of net rentable area has been added to the market per year since 2012. This rate increases to 27,553 square feet of net rentable area per year considering years 2017 to 2022 only. Within the SMA, 41,470 square feet of net rentable area has been added to market since 2012. This rate increases to 55,366 square feet per year considering years 2017 to 2022 only.

<b>Self-Storage Development - Historical Trends</b>			
<b>Facility Name</b>	<b>Year Added to the Market</b>	<b>Distance from Subject</b>	<b>Estimated SF Added</b>
CubSMART	2016	1.6 miles	41,970
Uhaul Moving and Storage of Woodfield	2018	2.0 miles	62,820
Public Storage	2019	2.0 miles	102,500
SmartStop Self Storage	2016	3.6 miles	82,000
Life Storage	2017	3.7 miles	70,200
Uhaul Moving and Storage of Ohare	2019	3.9 miles	96,675
<b>Total PMA:</b>			<b>207,290</b>
<b>Total SMA:</b>			<b>456,165</b>
<b>PMA - SF Added/ Year (Since 2012)</b>			<b>18,845</b>
<b>PMA - SF Added/ Year (Since 2017)</b>			<b>27,553</b>
<b>SMA - SF Added/ Year (Since 2012)</b>			<b>41,470</b>
<b>SMA - SF Added/ Year (Since 2017)</b>			<b>55,366</b>

The PMA has been estimated to add 25,000 square feet per year, or a total of 125,000 square feet added to the market in Year 2027. The SMA has been estimated to add 50,000 square feet per year, or a total of 250,000 square feet added to the market by Year 2027. These calculations are shown in the grid below.

<b>Market Area</b>	<b>Add: SF Per Year</b>	<b>Estimated SF Added - Year 2027</b>
PMA (3-Miles)	25,000	<b>125,000</b>
SMA (4-Miles)	50,000	<b>250,000</b>

***CURRENT AND FUTURE SUPPLY CONCLUSIONS***

**CURRENT SUPPLY**

The current supply conclusion for each market is shown below. The current or pending projects that are proposed or underway and likely competitive within the next 12 months are added to the current existing supply. The total estimated current supply for the two market areas is summarized below.

<b>Current Supply Conclusions</b>			
<b>Market Area</b>	<b>Current Market Supply (NRA)</b>	<b>Add: Under Construction/Planned SF</b>	<b>Current Supply SF</b>
PMA (3-Miles)	661,045	0	661,045
SMA (4-Miles)	1,263,480	0	1,263,480

**FUTURE SUPPLY**

Adding the concluded forecasted space to be added to the market, as previously discussed, to the current supply results in the following future supply estimates for Year 2027.

<b>Future Supply Conclusions</b>			
<b>Market Area</b>	<b>Concluded Current Supply (NRA)</b>	<b>Add: Future Additions (NRA)</b>	<b>Total Future Supply (NRA)</b>
PMA (3-Miles)	661,045	125,000	<b>786,045</b>
SMA (4-Miles)	661,045	250,000	<b>911,045</b>

**DEMAND ANALYSIS**

Demand is defined as the quantity of a particular type of real estate product or service that will be purchased or leased in a given market. Demand in the subject’s specific delineated market area, which was determined to be a primary market area of three-miles and secondary market of four-miles around the subject, will be forecasted herein.

Self-storage demand derived from the surrounding residential households accounts for the majority of occupancy in most self-storage facilities. However, demand also stems from other potential non-residential occupants including commercial or business tenants.

In an analysis of residual demand, the potential demand for a market area is first estimated. Next, the demand already being fulfilled in the market area is estimated, and the remaining unfulfilled potential demand is termed “residual” demand. In analyzing potential self-storage demand for the subject’s market area, the market area economic variables, such as



population, total households, and renter/owner households, are adjusted by “demand multiples” derived from the analysis of established metropolitan areas, regional data, and national data. These demand multiples are estimates of the amount of self-storage space demand generated on average by persons and/or households in these various studied markets. The potential demand indications from use of these demand multiples are then averaged and adjusted by the amount of self-storage space expected to be used by the subject’s specific concluded market areas (PMA and SMA).

Two methods will be utilized to determine current and future self-storage demand in the identified market area. The two methods include residual studies of self-storage square feet demanded based upon: 1) population of the subject’s market area, 2) households in the subject’s market area.

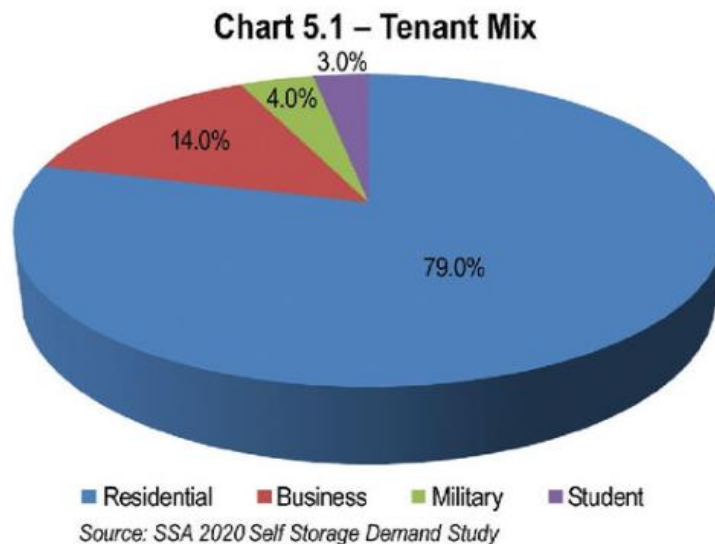
The first step in determining demand for a market is identifying the tenant profile.

### **CONSUMER PROFILE**

*Market Analysis and Valuation of Self-Storage Facilities* indicates that self-storage users generally fall into two categories: residential users and commercial users. However, based upon information for the *Self-Storage Almanac (2019 and 2020)*, self-storage properties break down their tenant type even further, by military, students, business/commercial, and residential types.

- Residential – 79%
- Business/Commercial – 14%
- Student – 3%
- Military – 4%

In many surveys, the student category is generally combined under the “residential” tenant type, which would increase the overall “residential” category to 82%.



Per the 2022 *Self-Storage Demand Almanac*, 10.60% of all American households currently rent a self-storage unit, shown below. This same national report indicates an average of 6.20 square feet of storage space per person.

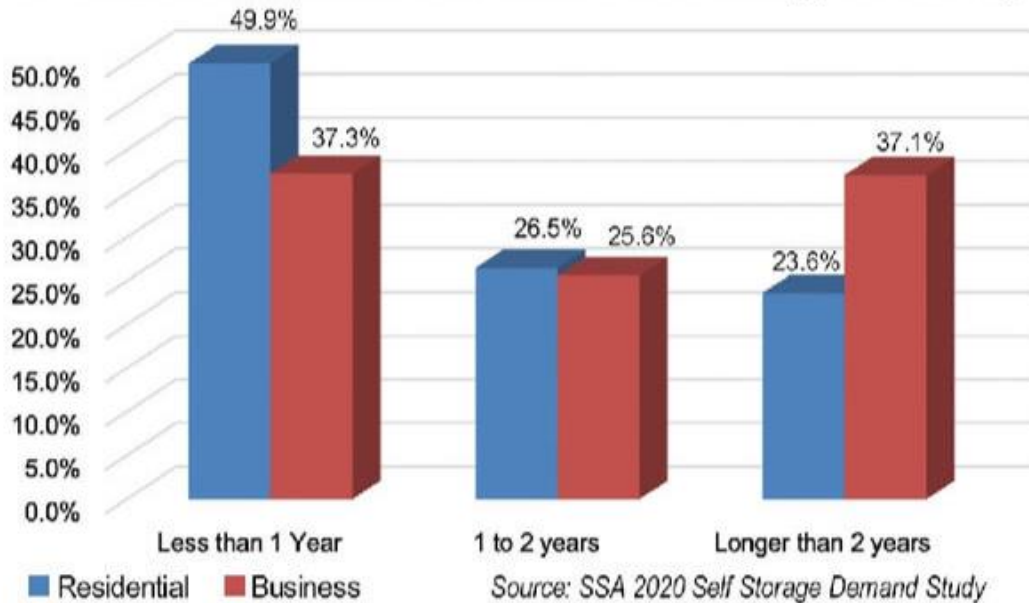
	2005	2007	2013	2017	2020
Total U.S. Households	112,116,531	113,277,870	121,165,766	126,067,560	127,679,093
Self-Storage Renter Households	10,032,740	10,766,470	10,855,031	11,806,381	13,495,671
Market Penetration	8.95%	9.50%	8.96%	9.40%	10.60%

*Source: SSA 2020 Self Storage Demand Study*

Additionally, about 49.9% of all self-storage renters say they will rent for less than 12 months with 26.5% renting for one to two years. Business tenants tend to stay short term also with 37.3% of tenants staying less than one year; however, nearly the same amount or 37.1% report staying long term, over two years.

Further, the grid below provides further delineation of length of stay for residential versus business tenants and also by region.

**Chart 9.1 – Residential vs. Business Renter Length of Stay**



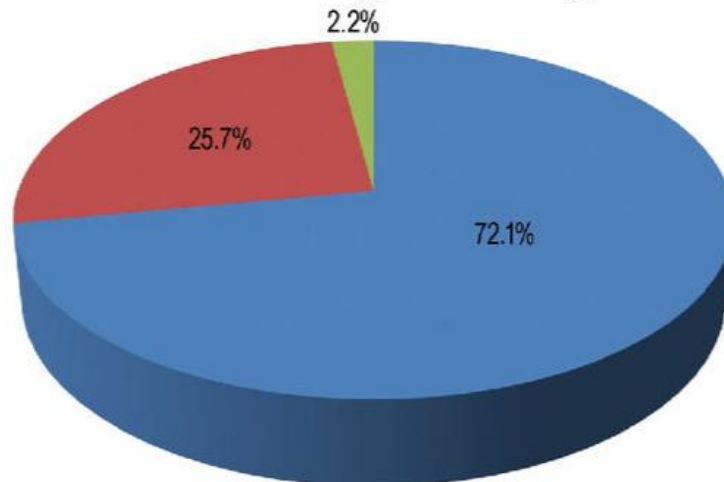
**Table 9.1 – Length of Stay by Region**

	Northeast	Midwest	South	West
Less than 3 months	10.0%	11.5%	13.2%	14.8%
3 to 6 months	17.6%	22.4%	16.8%	13.9%
7 to 12 months	17.3%	18.3%	22.1%	18.8%
1 to 2 years	30.2%	23.9%	27.2%	25.1%
Longer than 2 years	24.9%	23.9%	20.7%	27.2%

Source: SSA 2020 Self Storage Demand Study

Approximately 72.1% of all self-storage renters live in a single-family household while 25.7% live in an apartment or condo and 2.2% live in another form of housing.

**Chart 5.5 – Type of Dwelling**



■ Single Family House ■ Apartment or Condominium ■ Other

Source: SSA 2020 Self Storage Demand Study

Nearly 65% of all self-storage renters have a garage but still rent a unit; 47% have an attic in their home; and 33% have a basement.

In a survey of self-storage renters, conducted by the Self-Storage Association and as published in the *2020 Self-Storage Demand Study*, the following income trends have been established. The three income segments with most storage tenants include: 16.9% of storage renters have an average household income of \$125,000 or more, 12.6% have an average household income of \$75,000 to \$100,000, and 11.8% have an average household income of less than \$20,000.

### Renter Household Income

Less than \$20,000	11.8%
\$20,000 to < \$30,000	11.6%
\$30,000 to < \$40,000	10.3%
\$40,000 to < \$50,000	10.4%
\$50,000 to < \$60,000	7.3%
\$60,000 to < \$75,000	9.8%
\$75,000 to < \$100,000	12.6%
\$100,000 to < \$125,000	9.4%
\$125,000 or more	16.9%

Source: SSA 2020 Self Storage Demand Study

Approximately 4% of self-storage units nationwide are rented to military personnel; however, in communities adjacent to domestic U.S. military bases, military occupancy can be from 20% to 95% of all rented units.

Likewise, a facility situated near a major university or college could have high occupancy of students leading to a higher occupancy rate during summer months.

The subject is located in an area with average to good student population. There is fair to average military population in the area and overall average to good commercial/businesses. Therefore, considering the typical commercial rental share of 14%, student share is 3%, and military share is 4%, or a total of 21%, a concluded factor of 25% has been included for the subject.

Additional storage customer traits follow below.

Chart 5.11 – Business Renter Length of Stay

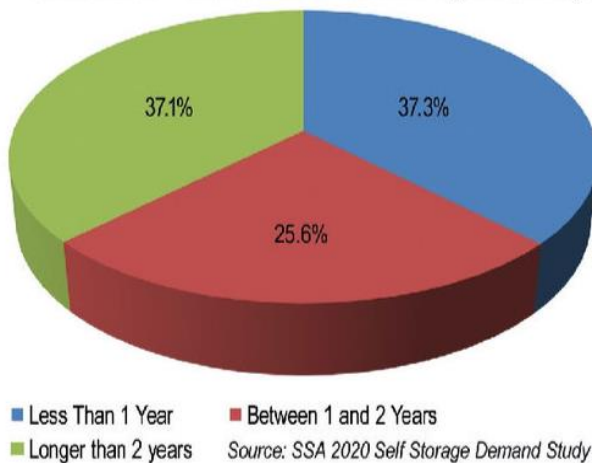
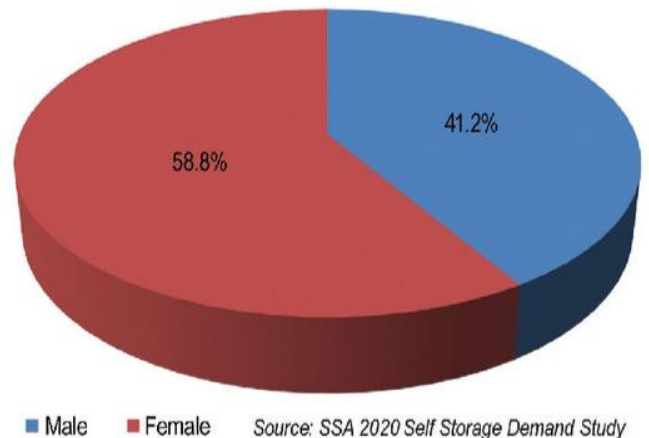


Chart 5.2 – Gender of Renters



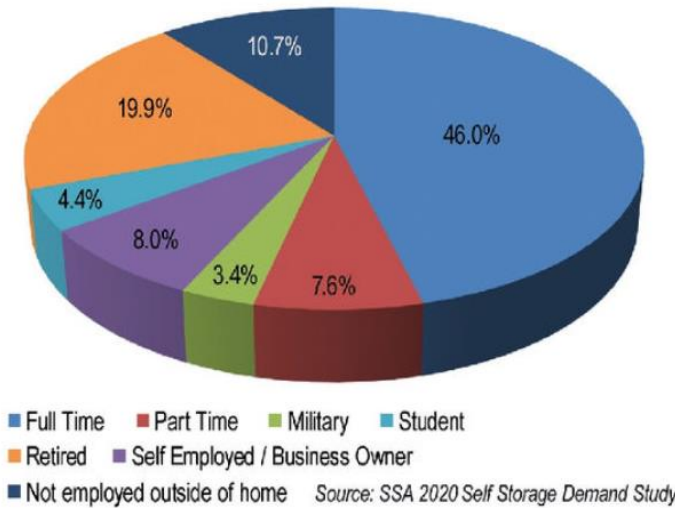


**Table 5.1 – Customer Gender by Generation**

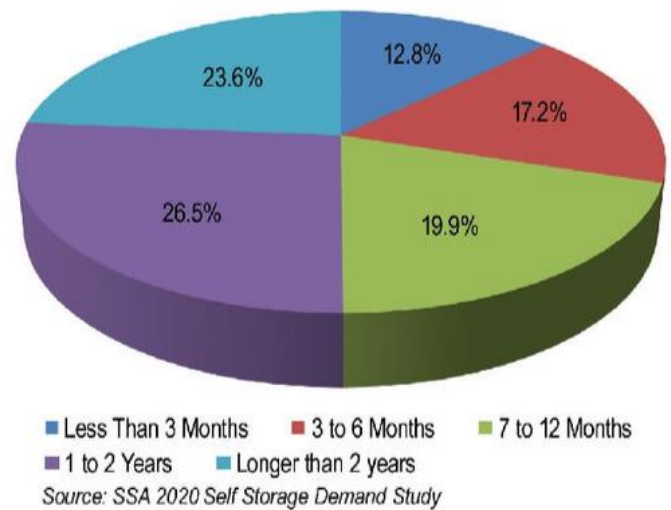
	Millennials	Gen-X	Boomers	Greatest Generation
Male	36.2%	37.9%	48.1%	68.5%
Female	63.8%	62.1%	51.9%	31.5%

Source: SSA 2020 Self Storage Demand Study

**Chart 5.9 – Renter Employment Status**



**Chart 5.10 – Length of Rental**



### **DEMAND METHOD 1 – SQUARE FEET PER PERSON**

In this analysis, the current population is analyzed for the current Year 2022 and forecasted for Year 2027 to determine the current status of the market, being either undersupplied or oversupplied. In addition to forecasted population increases, national and local published saturation ratios have been reviewed to determine a current and forecasted saturation ratio. The saturation ratios indicate the typical self-storage square footage per person.

The concluded saturation ratios are then applied to the concluded market area population for the current Year 2022 and forecasted for Year 2027, to determine the total self-storage square footage demanded in each market area. The concluded demand is then compared to the current supply or projected supply to determine if there is a surplus or shortage of space.

### **COMPARABLE SATURATION RATIOS**

Below is a summary of saturation ratios for various market areas on a national and local basis. The U.S. saturation rate was most recently reported at 5.40 to 8.10 square feet per varying published reports. The state of Illinois has an average

reported saturation ratio at 4.90 square feet per person, which is lower than the estimated average national saturation ratio range. Two CBSA’s (Core Based Statistical Area’s) have been identified in close proximity to the subject, which indicate a current range saturation ratio range of 4.73 to 6.20 square feet per person with a demanded saturation ratio range of 5.11 to 7.47 square feet per person. The general market varies in terms of broad market demand.

<b>Saturation Ratio Analysis</b>		
<b>Defined Area</b>	<b>SF per Person</b>	<b>Demanded SF per Person*</b>
United States (SSA Almanac, 2017)	6.82	
United States (CBRE report, 2017)	7.20	
United States (reported per SSA, 2018)	8.10	
United States (reported per SSA, 2019)	5.40	
United States (reported per SSA, 2020)	6.40	
United States (reported per SSA, 2021)	5.99	
United States (reported per SSA, 2022)	6.20	
Illinois (2022 Self Storage Almanac)	4.90	
<b><u>CBSA - Per 2022 Self Storage Almanac</u></b>		
Chicago-Naperville-Elgin, IL-IN-WI	4.73	5.11
Milwaukee-Waukesha-West Allis, WI	6.20	7.47
<b>Concluded Current Market SF/Person</b>	<b>6.00</b>	
<b>Concluded Future Market SF/Person</b>	<b>6.90</b>	

Considering national, state, and local saturation ratios, a concluded current saturation ratio of 6.00 square feet per person has been selected for the subject, which is somewhat higher than the state rate, but in line with the demanded ratio for the CBSA’s and in line with national norms as well.

The estimated future saturation ratio has been estimated at 6.90 square feet per person in Year 2027, which has been estimated using historical increase trends noted on a national level. Using the concluded saturation ratios and population indications per the Site to Do Business for each market area, demand from residential tenants can be estimated and utilized in demand calculation grids for each market. After determining the demand generated by residential tenants, additional demand by commercial and military tenants is then calculated and added to the residential demand figures. Business, student and/or military tenants (non-resident and included in census or demographics projections) have been estimated to make up approximately 25% of the tenants based upon market norms. The total demand for each market area is calculated below. The current supply was previously discussed and represents the current surveyed square footage for each market area. The proposed/future supply includes the additional square feet estimated by new construction or expansions in the market, which was also previously discussed. A total of 125,000 square feet is added to the PMA and 250,000 square feet added to the SMA in effort to forecast future supply for Year 2027. Demographics for the subject’s PMA and SMA are estimated to decrease in

2027, per reports generated; however, within the next five years, are expected to turn positive after our review of good development and growth trends taking place.

The primary, three-mile market area, has a current undersupply of 208,683 square feet and the secondary, four-mile market area, has a current undersupply of 202,656 square feet. In Year 2027, the primary market area shows somewhat decreased, but still above average positive demand of 195,923 square feet. The secondary market also reveals decreased demand of 143,931 square feet. Overall, current, and future demand is concluded to be good and supportive of new self-storage development at the subject location.

<b>Current Demand Analysis (2022) - SF/Person</b>		
	<b>PMA (3-Miles)</b>	<b>SMA (4-Miles)</b>
Current Population	108,716	183,267
Saturation Ratio (SF/Person)	6.00	6.00
2022 Demanded SF	652,296	1,099,602
Add: Commercial/Military/Student (25%)	<u>217,432</u>	<u>366,534</u>
Total Demanded SF	869,728	1,466,136
Current Supply	<u>661,045</u>	<u>1,263,480</u>
<b>Current Shortage/Oversupply (2022)</b>	<b>208,683</b>	<b>202,656</b>
<b>Future Demand Analysis (2027) - SF/Person</b>		
	<b>PMA (3-Miles)</b>	<b>SMA (4-Miles)</b>
Future Population	106,813	180,284
Saturation Ratio (SF/Person)	6.90	6.90
2027 Demanded SF	736,476	1,243,058
Add: Commercial/Military/Student (25%)	<u>245,492</u>	<u>414,353</u>
Total Demanded SF	981,968	1,657,411
Current Supply	<u>661,045</u>	1,263,480
Add: Future New or Expansions	125,000	250,000
Total Future Supply	<u>786,045</u>	<u>1,513,480</u>
<b>Future Shortage/Oversupply (2027)</b>	<b>195,923</b>	<b>143,931</b>

***DEMAND METHOD 2 - SQUARE FEET PER HOUSEHOLD***

In this analysis, trends on both a national level and local state level are analyzed to determine the typical amount of self-storage space in a market area based upon demanded square feet per household. The current number of households (reported as of 2022) is analyzed and is also forecasted in five years, or by (reported as of 2027). This will help determine the current and future demand in each market area using a concluded typical amount of self-storage space per household. The indicated demand will be compared to the current and future estimated supply to reconcile if the market is undersupplied or oversupplied. Below is a summary of concluded typical self-storage square feet per household for various markets based upon multiple sources.

Total Current Self-Storage SF in Illinois (2022 Almanac)	63,297,616
# Households in Illinois (Site to do Business, 2022)	4,993,039
# Households in Illinois (Site to Do Business, 2027)	4,957,695
Illinois SF per Household (Estimated 2022)	12.68
U.S. (Self-Storage Association 2015-2016 Fact Sheet)	21.00
<b>Subject Concluded Current Demand (2022)</b>	<b>16.00</b>
<b>Subject Concluded Future Demand (2027)</b>	<b>17.25</b>

Utilizing the total indicated self-storage net rentable area in the state of Illinois, per the 2022 *Self-Storage Almanac*, of 63,297,616 square feet, and dividing by the current indicated number of households, determines the typical self-storage square footage per household for the state. The concluded ratio for the state of Illinois is 12.68 square feet per household. The U.S. average is estimated at 21.00 square feet per household, as of a 2016 report, which has likely increased as of 2022. The state ratio is less than the national average. A concluded current ratio for the subject’s market area is 16.00 square feet per household, which is less than the national indication and considered to be a conservative estimate.

There is an indicated current undersupply of 287,627 square feet within the PMA and a current undersupply of 317,021 square feet within the SMA. Both market areas have good current demand conclusions.

<b>Current Demand - 2022 (SF/Households)</b>		
	<b>PMA (3-Miles)</b>	<b>SMA (4-Miles)</b>
Concluded Market SF/Household	16.00	16.00
x Current Households	<u>44,469</u>	<u>74,086</u>
Current Estimated Demand (2022)	711,504	1,185,376
Add: Commercial/Military/Student (25%)	<u>237,168</u>	<u>395,125</u>
Total Current Demand	948,672	1,580,501
Less: Current Supply	<u>661,045</u>	<u>1,263,480</u>
<b>Current Shortage/Oversupply (2022)</b>	<b>287,627</b>	<b>317,021</b>

Using national historic trends to determine an appropriate increase over the next five years, I have estimated the current household saturation rate to increase at a rate of 1.56% per year, increasing the future household saturation ratio to an estimated 17.25 square feet per household.

<b>Year</b>	<b>Self-Storage SF per Household</b>	<b>% Change per Year</b>
2009	19.20	-
2012	20.00	1.39%
2015	21.00	1.67%
<b>% Change per Year - Entire Term</b>		<b>1.56%</b>
Forecasted Change per Year		1.56%
Total Change		7.80%
Estimated Current SF/Household in Market		16.00
Future SF/Household		17.25



Utilizing the forecasted ratio of 17.25 square feet per household, multiplied by each area’s projected number of households, provides an indication of total future estimated demand. The primary and secondary markets reveal some decrease in future demand; however, both remain positive and very high. The future demand estimate in the PMA is 224,573 square feet and in the SMA is 172,018 square feet. Future demand conclusions in both markets are supportive of self-storage development at the subject location.

<b>Future Demand - 2027 (SF/Households)</b>		
	<b>PMA (3-Miles)</b>	<b>SMA (4-Miles)</b>
Projected Market SF/Household	17.25	17.25
x Projected Households	<u>43,945</u>	<u>73,291</u>
Forecasted Future Demand (2027)	757,963	1,264,123
Add: Commercial/Military/Student (25%)	<u>252,654</u>	<u>421,374</u>
Forecasted Future Total Demand	1,010,618	1,685,498
Less: Estimated Future Supply	<u>786,045</u>	<u>1,513,480</u>
<b>Future Shortage/Oversupply (2027)</b>	<b>224,573</b>	<b>172,018</b>

**DEMAND CONCLUSIONS**

The conclusions derived in the demand analyses performed herein are summarized below. It can be concluded that the subject site supports up to 317,000 square feet of current demand and up to 225,000 square feet of future demand. However, a factor has been applied to each market area conclusion with the majority of demand expected to stem from the primary market area.

<b>Demand Conclusions</b>				
	<b>Current - 2022</b>		<b>Future - 2027</b>	
<b>Method</b>	<b><u>3-Miles (PMA)</u></b>	<b><u>4-Miles (SMA)</u></b>	<b><u>3-Miles (PMA)</u></b>	<b><u>4-Miles (SMA)</u></b>
1 - SF/Person	208,683	202,656	195,923	143,931
2 - SF/Household	287,627	317,021	224,573	172,018
<b>Demand Range (SF)</b>	<b>209,000 to 288,000</b>	<b>203,000 to 317,000</b>	<b>196,000 to 225,000</b>	<b>144,000 to 172,000</b>
<b>Average:</b>	<b>248,155</b>	<b>259,839</b>	<b>210,248</b>	<b>157,974</b>
<b>CONCLUDED</b>	<b>248,000</b>	<b>260,000</b>	<b>210,000</b>	<b>158,000</b>

A factor of 75% has been applied to primary market area conclusions and a factor of 25% has been applied to the secondary market area conclusions. The secondary market area demand conclusions have been weighted with a lower factor, of 25% as compared to 75% for the primary market area, as the majority of the subject’s tenant base should be derived from the primary market. Therefore, the subject’s specific location is concluded to have a current self-storage demand estimate of 251,000 square feet. Likewise, using the same methodology, the concluded future self-storage demand estimate for the subject location is 197,000 square feet. Demand is currently very high and decreases somewhat over the next five years, from 2022 to 2027. The decrease is likely a result of increase recent construction and also the decreasing demographics as noted in the reports included. However, as mentioned, the decreasing demographics in the reports obtained are assumed to be inaccurate given historical increases and good

positive growth taking place. The future demand conclusion is considered to be low and very conservative. However, it remains very high in five years despite these considerations. All demand indications concluded herein are supportive of the subject development.

<b>Estimated Current Demand</b>			
<b>Market Area</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>	<b>Total Current Demand</b>
Concluded Demand (SF)	248,000	260,000	
Weight (%)	75%	25%	
<b>Total Current Demand</b>	186,000	65,000	<b>251,000</b>

<b>Estimated Future Demand</b>			
<b>Market Area</b>	<b>3-Miles (PMA)</b>	<b>4-Miles (SMA)</b>	<b>Total Future Demand</b>
Concluded Demand (SF)	210,000	158,000	
Weight (%)	75%	25%	
<b>Total Future Demand</b>	157,500	39,500	<b>197,000</b>

The demand conclusions are supported by other positive factors previously discussed including the high current occupancy rates in both market areas. Population and households increased from 2010 to 2022 and are projected to decrease from 2022 to 2027. However, recent growth in the market supports future increases in population and households; therefore, the noted decrease is assumed to shift positive in the near future. Further, average household income is expected to increase from 2022 to 2027, which will aid in increasing rental rates in the local market. Additionally, the current average occupancy rate in the PMA and SMA is 94%. The market appears to be operating at a stabilized level with high year-round occupancy rates reported. Climate-controlled units appear to have good demand in this market. Average household income in the SMA is approximately \$127,000 which is higher than the state average of approximately \$109,000. The reported income levels of both market areas reviewed are considered to be above average and supportive of climate controlled self-storage development at the subject location.

***BARRIERS TO ENTRY***

Barriers to entry refers to the level of difficulty for a new competitor to enter a market. Zoning, financing, availability of land, land prices, etc., can affect barriers to entry. Land availability is average in the immediate area and land prices appear to be average to high for self-storage development. However, utility availability and planning/ zoning approvals could also prevent some new self-storage development in the area. Appropriately zoned properties for self-storage use may be difficult to locate and a zoning change is possible but can be time consuming and costly. Further, planning and design for self-storage development is relatively restrictive in the market. Overall barriers to entry appear to be average to high in the immediate area, mostly due to land pricing and the entitlement process, which is somewhat of a positive for the subject as additional storage development may be restrictive in the immediate market.

## SUBJECT DEVELOPMENT RECOMMENDATIONS

Site development norms for self-storage facilities located within the PMA and SMA are summarized below. The highlighted facilities represent facilities that are of similar three-story design and are considered most similar to the subject. The highlighted facilities will be considered further herein in regard to development norms and a suggested facility size for the subject.

MARKET DEVELOPMENT NORMS											
#	FACILITY NAME	SITE SIZE (ACRES)	SIZE (SF)	FACILITY SIZE (NRA)	# UNITS	LESS:	TOTAL	AVERAGE SF/UNIT	BUILDING TO LAND RATIO	NRA/ ACRE	UNITS/ ACRE
						UNDEVELOPED OR EXCESS	DEVELOPED ACRES				
1	Safeguard Self Storage	1.660	72,310	66,150	635	0.000	1.660	104	91%	39,849	383
2	Public Storage	4.400	191,664	73,650	574	0.000	4.400	128	38%	16,739	130
3	Public Storage	2.700	117,612	43,400	320	0.000	2.700	136	37%	16,074	119
4	Cubestart	1.400	60,984	41,970	384	0.000	1.400	109	69%	29,979	274
5	Noffs Self Storage	3.100	135,036	52,500	436	1.380	1.720	120	70%	30,523	253
6	Cubestart Uhaul Moving and Storage	3.670	159,865	64,800	500	0.000	3.670	130	41%	17,657	136
7	of Woodfield	1.870	81,457	62,820	670	0.000	1.870	94	77%	33,594	358
8	Public Storage	2.420	105,415	57,675	498	0.000	2.420	116	55%	23,833	206
9	Public Storage	2.450	106,722	102,500	948	0.000	2.450	108	96%	41,837	387
10	Padlock Limited	1.500	65,340	23,910	190	0.000	1.500	126	37%	15,940	127
11	Public Storage	2.660	115,870	38,970	315	1.250	1.410	124	63%	27,638	223
12	Rite Storage	3.200	139,392	65,400	550	0.000	3.200	119	47%	20,438	172
13	SmartStop Self Storage	5.200	226,512	82,000	760	0.000	5.200	108	36%	15,769	146
14	Cubestart	3.590	156,380	66,500	530	0.000	3.590	125	43%	18,524	148
15	Life Storage	1.500	65,340	70,200	660	0.000	1.500	106	107%	46,800	440
16	Safeguard Self Storage	0.900	39,204	52,875	490	0.000	0.900	108	135%	58,750	544
17	Life Storage Uhaul Moving and Storage	5.200	226,512	83,660	750	0.000	5.200	112	37%	16,088	144
18	of Ohare	3.160	137,650	96,675	995	0.000	3.160	97	70%	30,593	315
19	Public Storage	2.580	112,385	48,650	449	0.000	2.580	108	43%	18,857	174
20	Cubestart	4.310	187,744	67,250	519	0.000	4.310	130	36%	15,603	120
21	Public Storage	3.960	172,498	71,100	575	0.000	3.960	124	41%	17,955	145
<b>TOTAL</b>		<b>61.430</b>	<b>2,675,891</b>	<b>1,332,655</b>	<b>11,748</b>						
<b>AVERAGE</b>		<b>2.925</b>	<b>127,423</b>	<b>63,460</b>	<b>559</b>		<b>2.800</b>	<b>116</b>	<b>60%</b>	<b>26,335</b>	<b>235</b>
<b>AVERAGE MOST COMPARABLE (3-Story)</b>		<b>1.870</b>		<b>79,617</b>	<b>748</b>		<b>1.870</b>	<b>106</b>	<b>98%</b>	<b>42,829</b>	<b>403</b>

The most competitive (three-story) facilities offer an average site size of 1.870 acres of land. The average facility size is 79,617 square feet of net rentable area, with average unit size of 106 square feet per unit and a building to land ratio indication of 98%. Further, typical development trends indicate a development of 42,829 square feet per acre and 403 units per acre.

The client intends to build a three-story climate-controlled facility. Supportive development trends for self-storage facilities on a per story basis is provided below.

Development Conclusions			
Stories	Building to Land Ratio	NRA per Acre	Units per Acre
1-story	30% to 40%	15,000 to 19,000	100 to 180
2-story	45% to 85%	19,000 to 38,000	190 to 300
3-story	90% to 130%	38,000 to 58,000	310 to 480
4-story	135% to 175%	58,000 to 78,000	490 to 600

The subject site has approximately 2.345 acres to accommodate the proposed storage development. The client intends to build a three-story, 100% climate structure with a total of 110,678 square feet of gross building area with a first-floor footprint of approximately 37,628 square feet. The subject is anticipated to be built in one phase of construction.

Potential net rentable area for the subject has been calculated in multiple scenarios, as shown below. Therefore, the subject has potential for development of 94,000 to 113,000 square feet of net rentable area. The client provided a preliminary plan for development of 81,175 square feet of net rentable area and 110,678 square feet of gross building area. Therefore, based upon the physical feasibility analysis herein, the subject could potentially be developed with more square footage than what is current proposed plan provided indicates. The site is irregular in shape, which may have some negative impact on development. The plan provided indicates a building efficiency ratio of 73%, which is typical for a three-story development. While it would be suggested the client revisit the plan provided and attempt increase the building size to approximately 94,000 square feet of net rentable area, the provided plan with 81,175 square feet of net rentable area is concluded to be reasonable and physically possible. The provided plan and subject size will be utilized further herein. Based upon the analysis completed, the subject site can accommodate this facility size.

A facility size of 110,678 square feet of gross building area and 81,175 square feet of net rentable area will be utilized further to test the financial feasibility of the project.

3-Story, 100% Climate-Controlled		
Site Size (Acres)	2.345	
Site Size (SF)	102,148	
Building to Land Ratio	94%	102%
Total Potential SF (NRA)	96,019	104,191
<b>Rounded To:</b>	<b>96,000</b>	<b>104,000</b>
SF/Acre	40,000	48,000
Total Potential SF (NRA)	93,800	112,560
<b>Rounded To:</b>	<b>94,000</b>	<b>113,000</b>
Units/Acre	400	450
Potential # Units	938	1,055
x Average Unit Size	100	105
Total Potential SF (NRA)	93,800	110,801
<b>Rounded To:</b>	<b>94,000</b>	<b>111,000</b>
<b>Concluded Total</b>		
<b>Subject Development</b>	<b>94,000</b>	<b>113,000</b>



A typical office size of roughly 500 to 1,00 square feet and all typical common area elements including restrooms, elevators, loading dock areas and good interior corridors are assumed for the subject building. Interior corridors should be wide enough to accommodate multiple clients at once, dollies/carts and large items, suggested at 5' or more in width. Some additional typical development trends that should be considered for the subject development include security such as a secure building with keypad access. Individual unit alarms are trending for climate-controlled units and are recommended for the subject. An onsite manager's apartment is not recommended. The facility will likely require two elevators. Sprinklers are likely required but will be determined based upon local building codes/ordinances.

A professional self-storage architect is recommended to give ideal building layout and placement onsite and will also be able to provide more feedback in terms of design and functionality. Upgraded amenities, security, and website would help the subject stand out as a superior facility in this market. The subject's actual development size could vary greatly dependent on the finalized site layout, finalized unit mix, planning approvals, development costs, financing terms and financial feasibility. It is noted the recommended facility size and unit mix is only a sample recommendation utilized to test feasibility test and that it is preliminary and subject to change. The subject's actual development size could vary greatly dependent on the finalized site layout, finalized unit mix, planning approvals, development costs, financing terms and financial feasibility. It is noted the recommended subject facility size is only a recommendation utilized to test feasibility test and that it is preliminary and subject to change. The subject is envisioned to be of Class A quality for the local market. All the amenities recommended are considered typical for Class A facilities in the area. Within the PMA and SMA, 38% of the competitors are of similar Class A quality. Approximately 33% of the competitive facilities are of inferior Class C quality and 29% are of inferior Class B quality. The subject will be positioned as an above average competitor in the local market.

## **ABSORPTION ANALYSIS**

Demand for self-storage space can also be realized by the rate of new space absorption taking place in the market. Two absorption comparables from the market area have been extracted and analyzed below.

- Comparable 9 – Public Storage – 1430 E. Davis Street – This facility opened approximately September 2019 and is currently 94% and as of July 2022. The indicated absorption rate is **2,834 square feet** per month over a 34-month period. It is a 100% climate-controlled facility.
- Comparable 18 – 1731 S. Mount Prospect Road – This facility opened approximately March 2019 and is currently 90% occupied. The indicated absorption rate is **2,175 square feet** per month over a 40-month time period. This is a 100% climate-controlled facility.

Based upon my research in other markets exhibiting average to good demand, an absorption rate of 1,500 to 3,000 square feet per month is considered typical or average.

Using reported national average data from a recent *Cushman and Wakefield* report, the typical or average self-storage facility will reach a stabilized level of occupancy within 18 to 36 months with an average lease-up period of 28 months. This is based upon market norms or averages. An average facility size on a national basis is estimated at 55,000 to 65,000 square feet. Using these typical market metrics results in a concluded absorption rate of **1,560 to 2,250 square feet per month**.

	<u>Low</u>	<u>High</u>
National Average Facility Size	55,000	65,000
Stabilized Occupancy Rate	85%	90%
Occupied SF	46,750	58,500
Typical Absorption Period	<u>30</u>	<u>26</u>
Absorption/Month (SF)	1,558	2,250
<b>Rounded:</b>	<b>1,560</b>	<b>2,250</b>

Finally, various sources, primarily management companies, have provided an indication of 2% to 5% of absorption per month as typical for self-storage facilities. Using this methodology, an absorption estimate of **1,744 to 4,359 square feet per month** can be concluded for the subject property.

	<u>Low</u>	<u>High</u>
Approximate Subject SF	87,175	87,175
Monthly Absorption (Rate %)	2%	5%
Monthly Absorption (SF)	<b>1,744</b>	<b>4,359</b>

A summary of the methods used to estimate absorption is included below:

Extracted Market Absorption Comparables	2,175 to 2,834 SF/Mo.,
Historical Market Survey Norm:	1,500 to 3,000 SF/Mo.
National Statistics (Cushman and Wakefield):	1,560 to 2,250 SF/Mo.
Management Interviews/Comps:	1,744 to 4,359 SF/Mo.

Demand is very good in the immediate area and shows expected minimal decrease over five years. Further, area occupancy rates are high in the market, which supports demand. However, there is one proposed development in the subject's SMA, which may temporarily slow absorption for the subject depending on the development timeline of the project. All factors considered, an average to somewhat conservative absorption rate will be utilized herein. The forecasted absorption rate range for the subject is 2,000 to 3,000 square feet per month for the subject. A concluded rate of 2,500 square feet per month for the subject will be utilized in the proforma. Using a projected development size of 81,175 square feet of net rentable area, the subject would reach 90% occupancy in approximately 29.2 months.

Approximate Subject SF	81,175
Stabilized Occupancy Rate	90%
Occupied SF	73,058
Absorption/Month (SF)	<u>2,500</u>
<b>Months Until Stabilization</b>	<b>29.2</b>

If the subject facility size or type differs greatly from what is assumed in this analysis, the absorption rate may change. Further, the absorption may be positively or negatively affected by any future developments such as single-family homes or apartments (positively affected) or nearby constructed self-storage facilities (negatively affected).

## FINANCIAL FEASIBILITY

Financial feasibility focuses on the income and cost aspects of the specific proposed use of the subject site. The subject is proposed for multi-story, 100% climate-controlled self-storage development. To prove financial feasibility, the proposed plan must generate positive net income. Feasible developments have some certain characteristics in common, which appear to enhance the probability of success of the proposed development. The following must apply to support financial feasibility:

*Exists for Subject*

1. There must be population growth or support (economic demand) in the market YES
2. The present and future growth of the area must be relatively homogeneous YES
3. The political and economic climate must be stable, to improving YES
4. There must be a balance of supply and demand in order to generate sufficient income to cover rent or debt service YES

## ESTIMATED CONSTRUCTION COSTS

The subject is estimated for 81,175 square feet of net rentable area in a three-story, climate-controlled structure. A general construction cost estimate has been provided by the client and will be included as support herein. However, for use in the financial analysis completed herein, the consultant has completed a cost estimate for the subject facility. This cost estimate has been completed using a combination of actual cost comparables on a national basis, as well as an estimated cost analysis completed utilizing the calculator cost method by *Marshall and Swift Valuation Service* cost manual, which analyzes typical construction costs on a national basis. The cost estimate will be reconciled for use in the proforma and financial analysis. A summary of the subject's building size breakdown is shown below. Total net rentable area is 81,175 square feet and total estimated gross building area is 110,678 square feet, with an

estimated building efficiency ratio of 73%. A typical office/retail unit is included in the base costs, with approximately 500 to 1,000 square feet, assumed. A sample unit mix follows, which is only a sample or suggested approximate mix for use in this study, which is subject to change.

	<b>Estimated NRA</b>	<b>Estimated GBA</b>
Total	81,175	110,678
Regular Drive-Up	0	0
Climate-Controlled	81,175	110,678

**CONSTRUCTION COST ESTIMATE – PER CONSULTANT**

An estimated base cost of \$65.00 per square foot has been utilized for multi-story, 100% climate-controlled construction on a gross building area basis with an additional \$150,000 for two elevators. Two elevators are recommended to reduce total steps required to each storage unit. The maximum suggested trip to unit is 150 feet. Estimated costs for signage and security are \$99,610. Site prep is estimated at \$306,445 and site improvements are estimated at \$129,040. Total hard costs are estimated at \$7,879,165. Soft costs are estimated at 4% of total costs, or \$315,167. Total construction costs (hard and soft costs) are estimated at \$8,194,332. An additional 5% has been included as entrepreneurial incentive (EI), or \$409,717. The market norm for EI is estimated at 5% to 12% and generally does not include land acquisition costs. Total estimated construction costs are \$8,604,048 or \$105.99 per square foot of net rentable area and \$77.74 per square foot of gross building area. The client indicated the subject site has an acquisition price or underlying site value of \$1,735,000. Total development costs, including estimated underlying land value are estimated at \$10,339,048. It is noted that working capital has not been considered in this cost analysis. This cost estimate is considered reasonable. The client provided a total cost estimate of approximately \$11,000,000 for this project. The two estimates are within 6% of one another.

STORAGE FACILITY - (CLIMATE CONTROLLED)			
110,678 SF	@	\$65.00 =	\$7,194,070
ELEVATORS			
2	@	\$75,000 =	\$150,000
SIGNAGE & SECURITY			
110,678 SF	@	\$0.90 =	\$99,610
SITE PREP			
102,148 SF	@	\$3.00 =	\$306,445
SITE IMPROVEMENTS			
64,520 SF	@	\$2.00 =	\$129,040
<i>Subtotal Hard Costs:</i>			<i>\$7,879,165</i>
SOFT COSTS (4%)			\$315,167
TOTAL HARD & SOFT COSTS			\$8,194,332
5.00%	ENTREPRENEURIAL INCENTIVE		\$409,717
<b>COST NEW ESTIMATE</b>			<b>\$8,604,048</b>
COST/NRA			\$105.99
COST/GBA			\$77.74
ADD: SITE VALUE/ ACQUISITION COST			\$1,735,000
<b>TOTAL COSTS:</b>			<b>\$10,339,048</b>



The costs are only an estimate for use in the financial feasibility portion of this analysis. Should actual costs vary greatly from the estimates included herein, the financial feasibility could be negatively or positively affected. The consultant reserves the right to adjust this analysis accordingly should actual, local construction bids vary greatly from the cost estimates included herein.

***SAMPLE UNIT MIX AND STABILIZED INCOME PROJECTIONS***

The client provided a unit mix for the project, which is noted as preliminary and subject to change. Therefore, a sample unit mix has been created and utilized herein. There is good demand for climate units and the suggested unit size range for the subject is 95 to 115 square feet per unit. It is suggested the larger units be placed on the first floor versus upper levels. Upper-level units should not include units that are larger than a 10x20; however, some long-term tenants may desire upper-level units with discount applied. Therefore, only a handful of units that are larger than 10x20 will be included on upper levels.

The sample unit mix and projected gross income for the sample mix is shown below and is subject to change. The average unit size is 102 square feet. Using the concluded rental rates for the subject, as previously discussed, the subject’s potential gross income has been estimated, as if it were 100% occupied, using the sample unit mix. The upper-level unit rental rates have been discounted.

Sample Unit Mix						Potential Income		
Type	Size	# Units	Unit Size (NRA)	Total NRA	% of Total	Monthly Rental Rate	Total Monthly Income	Total Annual Income
Climate - 1st Floor	5x5	4	25	100	2%	\$89	\$356	\$4,272
	5x10	24	50	1,200	12%	\$175	\$4,200	\$50,400
	10x10	86	100	8,600	43%	\$235	\$20,210	\$242,520
	10x15	40	150	6,000	20%	\$280	\$11,200	\$134,400
	10x20	28	200	5,600	14%	\$360	\$10,080	\$120,960
	15x15	5	225	1,125	3%	\$375	\$1,875	\$22,500
	<u>15x20</u>	<u>12</u>	<u>300</u>	<u>3,600</u>	<u>6%</u>	<u>\$450</u>	<u>\$5,400</u>	<u>\$64,800</u>
	Subtotal:	199		26,225			\$53,321	\$639,852
Avg:			132			\$267.94	\$24.40	
						\$2.03		
Climate - Upper Floors	5x5	60	25	1,500	10%	\$75	\$4,500	\$54,000
	5x10	147	50	7,350	25%	\$145	\$21,315	\$255,780
	10x10	283	100	28,300	47%	\$175	\$49,525	\$594,300
	10x15	89	150	13,350	15%	\$215	\$19,135	\$229,620
	10x20	17	200	3,400	3%	\$275	\$4,675	\$56,100
	15x15	2	225	450	0%	\$290	\$580	\$6,960
	<u>15x20</u>	<u>2</u>	<u>300</u>	<u>600</u>	<u>0%</u>	<u>\$350</u>	<u>\$700</u>	<u>\$8,400</u>
	Subtotal:	600		54,950			\$100,430	\$1,205,160
Avg:			92			\$167.38	\$21.93	
						\$1.83		
<b>TOTAL ALL:</b>	<b>799</b>		<b>81,175</b>	<b>102</b>			<b>\$153,751</b>	<b>\$1,845,012</b>
							<b>\$192.43</b>	<b>\$22.73</b>
							<b>\$1.89</b>	

**EXPENSE PROJECTIONS**

Expenses for the subject have been estimated using actual comparable income/expenses statements for comparable facilities on a national basis, as well as nationally published data. A summary of expense comparables is below. The subject’s projected expenses are in line with the comparables and further, are projected to increase at varying rates throughout the 7-year proforma that follows.

**EXPENSE COMPARABLES**

The expense comparables below include a variety of property types and on a regional basis. The subject’s forecasted expenses are included in this grid for comparison purposes. On an annual basis, they have been increased at an annual rate of 3% per year.

<b>Table 11.1 – Typical Expense Conclusions</b>		<i>Source: Cushman &amp; Wakefield</i>
Expense Item	Typical Ranges	Description & Analysis
Real Estate Taxes	Varies by Location	This expense includes all taxes related to the real estate. Each state has its own process of determining the assessed values. In some states, the assessment is to be based on 100 percent of market value, whereas another state may only be able to increase an assessment a certain percentage per year. It is important to not only understand the possible changes on a year-to-year basis, but also the impact of a sale on an assessment.
Property Insurance	\$0.08 - \$0.20 / SF	This expense includes costs associated with building insurance. Location factors into the cost of insurance. Areas that are more prone to flooding, hurricanes, or other natural disasters will experience higher premiums.
Repairs & Maintenance	\$0.15 - \$0.40 / SF	This expense category includes elements typical to self-storage maintenance, such as all maintenance contracts, sweeping and landscaping, pest control, gate repairs, and other general maintenance of the building.
General & Administrative	\$0.25 - \$0.75 / SF	Administration expenses related to office functions, such as telephone, postage, bank charges, credit reports, professional fees (including legal services), data processing, and other expenses incurred in the operation of a self-storage property.
On-Site Management	\$0.60 - \$1.25 / SF	On-site management expenses account for full-time management, including relief managers and payroll-related costs.
Off-Site Management	5% - 6 % of EGI	Prudent ownership will incur fees for outside management and overhead expenses, calculated as three percent to six percent of the effective gross income for self-storage properties.
Utilities	\$0.20 - \$0.50 / SF	Utility expenses include electricity, trash, water, and sewer. The climate of the facility, as well as the percentage of climate-controlled units, will impact the utility expense.
Advertising	\$0.15 - \$0.30 / SF	This expense element is crucial for the successful operation of a self-storage property. Expenses include <i>yellow page</i> advertisement, maintaining a website, promotions, and other marketing expenses.

*Source: Self-Storage Almanac, 2019*

Table 7 – Other Expenses Per Square Foot							
Region	Advertising / Technology Spend	Postage & Handling / Office	Credit Card / Bank Charges	Phone Costs	Other	Utilities	Maintenance & Repairs
West/Southwest	\$0.28	\$0.05	\$0.21	\$0.00	\$0.08	\$0.28	\$0.33
East	\$0.30	\$0.09	\$0.19	\$0.00	\$0.10	\$0.42	\$0.54
Midwest	\$0.21	\$0.04	\$0.17	\$0.00	\$0.04	\$0.26	\$0.33
South	\$0.22	\$0.06	\$0.18	\$0.00	\$0.10	\$0.34	\$0.27
Southeast	\$0.28	\$0.05	\$0.19	\$0.00	\$0.08	\$0.39	\$0.31
National	\$0.26	\$0.06	\$0.19	\$0.00	\$0.08	\$0.34	\$0.36

Table 5 – Facility Administrative Expenses Per Square Foot					
Region	On-Site Management (All-in Costs)	Administrative Expenses	Property / Liability / Casualty Insurance	Management Fee	Real Estate Taxes
West/Southwest	\$1.15	\$0.56	\$0.23	\$0.75	\$1.13
East	\$1.43	\$0.58	\$0.16	\$1.12	\$2.04
Midwest	\$0.92	\$0.36	\$0.11	\$0.55	\$1.15
South	\$0.96	\$0.43	\$0.16	\$0.64	\$1.18
Southeast	\$1.00	\$0.46	\$0.24	\$0.76	\$1.05
National	\$1.09	\$0.48	\$0.18	\$0.77	\$1.31

Source: 2019 Self-Storage Expense Guide

### SUBJECT’S PROJECTED EXPENSES

The subject is anticipated to have total expenses of \$551,826 per year, as of Year 4, the first full year of stabilization. Real estate taxes have been estimated using local tax assessment and tax bill comparables for self-storage facilities in the market. This is an estimate only and is subject to change. Total expenses in Year 4 are \$6.80 per square foot of net rentable area or 34% of effective gross income (EGI). Third party management has been included in this analysis, at 5% of effective gross income, or \$2,500 per month, whichever is greater. Many management companies charge between 3% and 8% of the effective gross income. This is assumed reasonable and is an expense item that is at the discretion of the owner/buyer to establish/maintain, and it is noted that not all facilities require third party management. However, it is a typical consideration for most buyers has been included in this analysis.

<b>Comparable Expenses - Per SF of NRA</b>			
	<b>Expense Comparables Range</b>		<b>Forecasted Subject</b>
	<b>Low</b>	<b>High</b>	
Real Estate Taxes	\$0.28	\$3.00	<b>\$2.96</b>
Insurance	\$0.07	\$0.28	<b>\$0.20</b>
Utilities	\$0.10	\$1.00	<b>\$0.50</b>
Repairs/Maintenance	\$0.05	\$0.35	<b>\$0.20</b>
Grounds Maintenance	\$0.00	\$0.03	<b>\$0.04</b>
Credit Card/Bank Charges	\$0.05	\$0.20	<b>\$0.10</b>
Payroll/Employee Benefits	\$0.73	\$1.40	<b>\$0.95</b>
Telephone	\$0.00	\$0.11	<b>\$0.08</b>
General/Administrative	\$0.02	\$0.27	<b>\$0.03</b>
Professional/Legal	\$0.00	\$0.10	<b>\$0.04</b>
Advertising	\$0.16	\$0.36	<b>\$0.25</b>
Dues, Fees, Subscriptions	\$0.00	\$0.05	<b>\$0.02</b>
Other	\$0.00	\$0.08	<b>\$0.02</b>
3rd Party Management	3%	8%	<b>5%</b>

**SUPPORTIVE CLIMATE-CONTROLLED EXPENSES**

Additional expense comparables were collected for 100% climate-controlled self-storage facilities on a national basis. The subject is a similar 100% climate-controlled facility and will likely have a higher overall expense burden as compared to regular units. Interior build-out, sprinklers, mechanicals, utilities, elevator maintenance, etc. are generally higher for this type of construction. These facilities indicate an overall expense range of \$4.21 to \$6.28 per square foot with an average of \$5.45 per square foot. The subject’s rents are just above this supported range, which is likely due to the exceptionally high real estate tax estimate.

<b>100% Climate-Controlled, Multi-Story</b>	
<b>Comp #</b>	<b>Expenses/ SF</b>
1	\$6.21
2	\$4.88
3	\$6.28
4	\$6.04
5	\$5.07
6	\$4.21
<b>Average:</b>	<b>\$5.45</b>

**PROFORMA ASSUMPTIONS**

The proforma utilizes market data and the noted conclusions pertaining to absorption rates, stabilized occupancy rates, rental rates, and market expenses. This proforma assumes a total development size of 81,175 square feet of net rentable area in a three-story building containing 100% climate-controlled units. Stabilized occupancy is estimated at 90%. An absorption rate of 2,250 square feet per month has been utilized in this analysis. Rental rates are expected to increase at an average of 3% per year. Further, expenses have been projected to increase at 3% per year. Discounts and promotions have been estimated higher during lease up, at 20% in Years 1 and 2, 15%



in Year 3, 10% in Year 4 and 5% in Years 5 to 8. The subject is located in a market with most facilities offering promotions or discounts. Financing terms were estimated using conventional terms assuming 20% down payment, 6.00% interest rate, and a 25-year term with two years of interest free financing applied. Working capital has not been included in this analysis and should be added in per lender specifications. Financing terms are subject to change and were not provided by the client. A summary of the proforma assumptions is included below.

<b>Development Projections and Assumptions</b>	
<b>GBA</b>	<b>110,678</b>
<b>NRA</b>	<b>81,175</b>
<b># Units</b>	<b>799</b>
<b>Monthly Absorption Rate (SF)</b>	<b>2,500</b>
<b>Annual Absorption Rate (SF)</b>	<b>30,000</b>
<b>Average SF per Unit</b>	<b>102</b>
<b>Rent Increases</b>	<b>3%/ Yr</b>
<b>Expense Increases</b>	<b>3%/ Yr</b>
<b>Discounts/ Promotions</b>	<b>20% - Yrs 1 &amp; 2; 15% - Yr 3; 10% - Yr 4; 5% Yrs 5 to 8</b>
<b>Stabilized Occupancy Rate</b>	<b>90%</b>
<b>Stabilized SF</b>	<b>73,058</b>

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

**PROFORMA – PAGE 1**

<b>7-Year Proforma - Proposed Self-Storage</b>								
<b>Arlington Heights, IL</b>								
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Occupied Self Storage SF:	0	30,000	60,000	73,058	73,058	73,058	73,058	73,058
Absorbed Self Storage SF:	30,000	30,000	13,058	0	0	0	0	0
<b>Total Occupied Self Storage SF:</b>	<b>30,000</b>	<b>60,000</b>	<b>73,058</b>	<b>73,058</b>	<b>73,058</b>	<b>73,058</b>	<b>73,058</b>	<b>73,058</b>
Self Storage Occupancy:	37%	74%	90%	90%	90%	90%	90%	90%
SELF STORAGE - # Units Occupied:	295	591	719	719	719	719	719	719
Rent/Year	\$369,272	\$1,072,462	\$1,672,700	\$1,761,902	\$1,797,140	\$1,833,083	\$1,869,745	\$1,907,140
Less: Discounts & Promotions	-\$73,854	-\$214,492	-\$250,905	-\$176,190	-\$89,857	-\$91,654	-\$93,487	-\$95,357
<b>TOTAL STORAGE RENTAL INCOME</b>	<b>\$295,417</b>	<b>\$857,970</b>	<b>\$1,421,795</b>	<b>\$1,585,712</b>	<b>\$1,707,283</b>	<b>\$1,741,429</b>	<b>\$1,776,258</b>	<b>\$1,811,783</b>
<b>Add: MISC. INCOME (3%)</b>	<b>\$8,863</b>	<b>\$25,739</b>	<b>\$42,654</b>	<b>\$47,571</b>	<b>\$51,218</b>	<b>\$52,243</b>	<b>\$53,288</b>	<b>\$54,353</b>
<b>Effective Gross Income (EGI)</b>	<b>\$304,280</b>	<b>\$883,709</b>	<b>\$1,464,449</b>	<b>\$1,633,283</b>	<b>\$1,758,502</b>	<b>\$1,793,672</b>	<b>\$1,829,545</b>	<b>\$1,866,136</b>
<b>Expenses</b>	<i>Per SF</i>							
Real Estate Taxes	\$2.96	\$120,000	\$240,000	\$247,200	\$254,616	\$262,254	\$270,122	\$278,226
Insurance	\$0.20	\$16,235	\$16,722	\$17,224	\$17,740	\$18,273	\$18,821	\$19,385
Utilities	\$0.50	\$40,588	\$41,805	\$43,059	\$44,351	\$45,682	\$47,052	\$48,464
Repairs/Maintenance	\$0.20	\$16,235	\$16,722	\$17,224	\$17,740	\$18,273	\$18,821	\$19,385
Grounds Maintenance	\$0.04	\$3,247	\$3,344	\$3,445	\$3,548	\$3,655	\$3,764	\$3,877
Credit Card/Bank Charges	\$0.10	\$8,118	\$8,361	\$8,612	\$8,870	\$9,136	\$9,410	\$9,693
Payroll/Employee Benefits	\$0.95	\$77,116	\$79,430	\$81,813	\$84,267	\$86,795	\$89,399	\$92,081
Telephone	\$0.08	\$6,494	\$6,689	\$6,889	\$7,096	\$7,309	\$7,528	\$7,754
General/Administrative	\$0.03	\$2,435	\$2,508	\$2,584	\$2,661	\$2,741	\$2,823	\$2,908
Professional/Legal	\$0.04	\$3,247	\$3,344	\$3,445	\$3,548	\$3,655	\$3,764	\$3,877
Advertising	\$0.25	\$20,294	\$20,903	\$21,530	\$22,176	\$22,841	\$23,526	\$24,232
Dues, Fees, Subscriptions	\$0.02	\$1,624	\$1,672	\$1,722	\$1,774	\$1,827	\$1,882	\$1,939
Other	\$0.02	\$1,624	\$1,672	\$1,722	\$1,774	\$1,827	\$1,882	\$1,939
3rd Party Management	5%	\$30,000	\$44,185	\$73,222	\$81,664	\$87,925	\$89,684	\$91,477
<b>Total Expenses</b>		<b>\$347,255</b>	<b>\$487,358</b>	<b>\$529,691</b>	<b>\$551,826</b>	<b>\$572,192</b>	<b>\$588,479</b>	<b>\$605,236</b>
<b>Per NRA</b>		<b>\$4.28</b>	<b>\$6.00</b>	<b>\$6.53</b>	<b>\$6.80</b>	<b>\$7.05</b>	<b>\$7.25</b>	<b>\$7.46</b>
<b>Expense Ratio</b>		<b>114%</b>	<b>55%</b>	<b>36%</b>	<b>34%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>
<b>NET INCOME</b>		<b>(\$42,975)</b>	<b>\$396,351</b>	<b>\$934,758</b>	<b>\$1,081,457</b>	<b>\$1,186,310</b>	<b>\$1,205,193</b>	<b>\$1,224,309</b>
<b>DISCOUNT @</b>	<b>9.50%</b>	<b>0.913242</b>	<b>0.834011</b>	<b>0.761654</b>	<b>0.695574</b>	<b>0.635228</b>	<b>0.580117</b>	<b>0.529787</b>
<b>PRESENT VALUES</b>		<b>(\$39,247)</b>	<b>\$330,561</b>	<b>\$711,962</b>	<b>\$752,234</b>	<b>\$753,577</b>	<b>\$699,153</b>	<b>\$648,623</b>
<i>Est. Cap Rate</i>		<i>6.00%</i>						
REVERSIONARY VALUE EST. (YEAR 7)								
CAPITALIZED AT 6.50%			\$19,130,000					
LESS: 3% SELLING EXPENSE			(\$573,900)					
<b>CONCLUDED REVERSIONARY VALUE</b>			<b>\$18,560,000</b>					
DISCOUNTED REVERSION			\$10,134,822					
SUM OF DISCOUNTED NET INCOMES			\$3,856,862					
NET PRESENT VALUE			\$13,991,684					
<b>PRESENT VALUE</b>	<b>ROUNDED TO</b>		<b>\$13,990,000</b>					
<b>Total Cost Estimate</b>			<b>\$10,339,048</b>					

**PROFORMA – PAGE 2**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<b>NET INCOME</b>	(\$42,975)	\$396,351	\$934,758	\$1,081,457	\$1,186,310	\$1,205,193	\$1,224,309	\$1,243,658
<b>LESS: RESERVES</b>	\$12,176	\$12,176	\$12,176	\$12,176	\$12,176	\$12,176	\$12,176	\$12,176
<b>LESS: DEBT SERVICE</b>	\$496,274	\$496,274	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500
<b>ADD: CASH THROW OFF</b>							\$11,144,437	
<b>NET CASH FLOW</b>	(\$551,426)	(\$112,100)	\$283,081	\$429,780	\$534,633	\$553,517	\$11,717,069	
<b>ROI (CASH ON CASH)</b>	<b>-26.67%</b>	<b>-5.42%</b>	<b>13.69%</b>	<b>20.78%</b>	<b>25.86%</b>	<b>26.77%</b>		
<b>AVE. DEBT COVERAGE</b>	N/A							
<b>INTERNAL RATE OF RETURN</b>	28.72%							
<b>FINANCING TERMS:</b>								
<b>EQUITY</b>	20%	\$2,067,810		<i>Monthly Pmt.</i>	<i>Annual Pmt.</i>			
<b>MORTGAGE</b>	80%	\$8,271,239		\$53,292	\$639,500			
<b>MORTGAGE TERM YRS</b>	25							
<b>INTEREST RATE</b>	6.00%							
<b>HOLDING PERIOD YRS</b>	7							
<b>PAYMENTS PER YEAR</b>	12							
<b>INTEREST ONLY</b>	24 months							
	\$496,274							

**PROFORMA CONCLUSIONS**

The property becomes stabilized at 90% occupancy in Month 30, or in the third year of operation. The first full year of stabilization is Year 4. The indicated return (cash on cash rate or ROI) in Year 4 is 20.78%. The indicated IRR is 28.72%. Both of these financial indications are supportive of the proposed development. The selected going-in cap rate of is 6.00% and a terminal cap rate of 6.50%, which is good and consistent with multi-story, 100% climate-controlled storage facilities located in suburban submarkets with high storage demand indications, on a national basis. On a local market basis, the subject is considered to be of Class A quality. On a national basis, the property would be considered a Class A to B facility. The estimated reversionary value in Year 7 is \$19,130,000. After deducting 3% seller's expense, the concluded reversionary value is reduced to \$18,560,000. The income stream has been discounted at a rate of 9.50%. The indicated net present value is \$13,990,000, which is more than the estimated total development cost, which supports the financial feasibility of the project.

A summary of national cap rate trends and statistics for the 4<sup>th</sup> quarter of 2019 from *Cushman and Wakefield*. On a national basis the property would be considered a Class A to B property. The noted national going in cap rate for Class A facilities ranges from 4.55% to 5.89% and averages 5.22%. The national average terminal cap rate for Class A facilities ranges from 5.54% to 6.77% and averages 6.21%. Further, the Class A discount rate is ranges from 7.83% to 9.50% and averages 8.67%.

The noted national going in cap rate for Class B facilities ranges from 5.54% to 6.80% and averages 6.17%. The national average terminal cap rate for Class B facilities ranges from 5.95% to 7.00% and averages 6.48%. Further, the Class B discount rate is ranges from 7.75% to 11.50% and averages 9.63%.

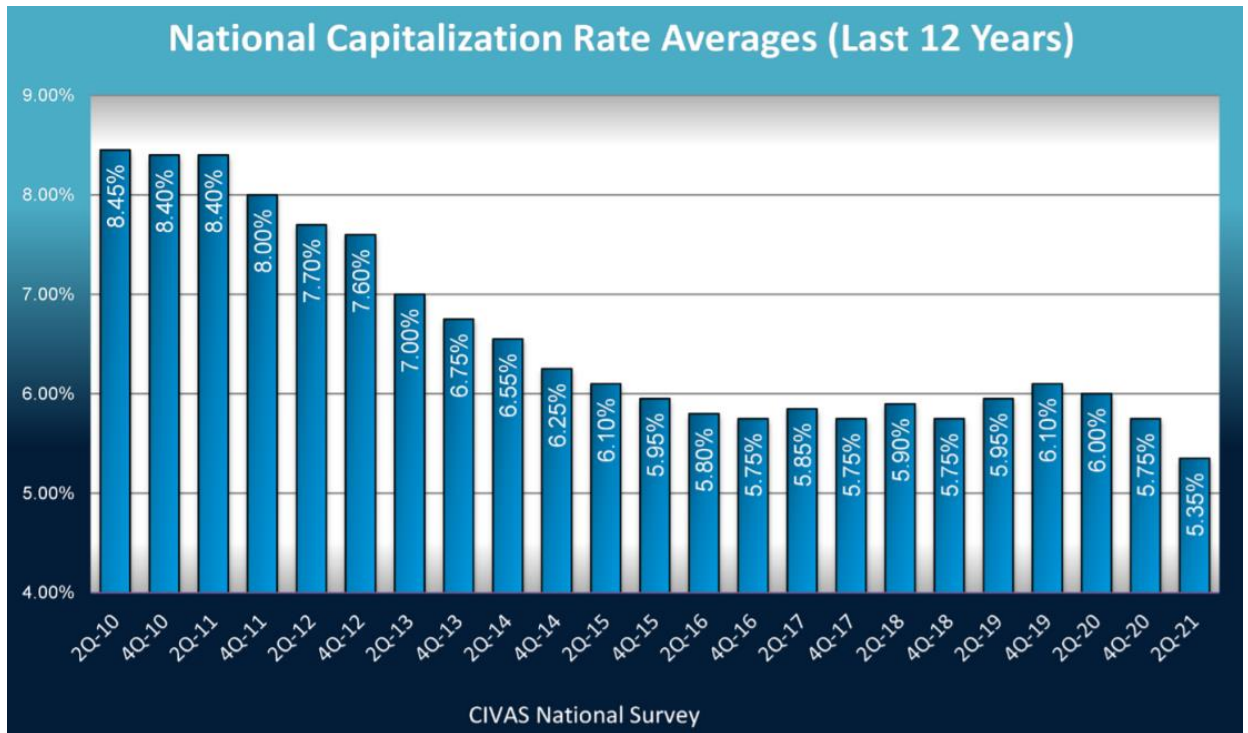
<b>CUSHMAN &amp; WAKEFIELD SELF STORAGE INVESTOR SURVEY Q4 2019</b>			
	Class A	Class B	Class C
<b>Going-In Capitalization Rate</b>			
Average Low	4.55%	5.54%	6.45%
Average High	5.89%	6.80%	8.06%
<b>Average Overall</b>	<b>5.22%</b>	<b>6.17%</b>	<b>7.26%</b>
<b>Terminal Capitalization Rate</b>			
Average Low	5.64%	5.95%	6.70%
Average High	6.77%	7.00%	7.90%
<b>Average Overall</b>	<b>6.21%</b>	<b>6.48%</b>	<b>7.30%</b>
<b>Discount Rate</b>			
Average Low	7.83%	7.75%	10.00%
Average High	9.50%	11.50%	12.67%
<b>Average Overall</b>	<b>8.67%</b>	<b>9.63%</b>	<b>11.34%</b>
Average Marketing Time (Months)	2.25	3.38	4.50
Average Rent Growth	3.00%	3.00%	3.00%
Average Expense Growth	3.63%	3.63%	3.56%

Source: Cushman & Wakefield Valuation & Advisory Self Storage Practice Group

Below is a summary of cap rate trends published in a Colliers International Valuation and Advisory Services (CIVAS) report dated 3<sup>rd</sup> Quarter 2021.



COLLIERS RATING SYSTEM / CAPITALIZATION RATES			
Characteristics	A ***** Excellent/Good	B **** Good/Average	C *** Average/Fair
Northeast	4.00% - 5.00%	5.00% - 6.00%	5.75% - 7.00%+
South	4.50% - 5.50%	5.50% - 6.5%	6.50% - 7.50%+
Midwest	4.50% - 5.50%	5.50% - 6.5%	6.50% - 7.50%+
West	4.00% - 5.00%	5.00% - 6.00%	5.75% - 7.00%+
Canada	4.50% - 5.50%	5.25% - 6.00%	6.00% - 7.00%+



**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

CATEGORY	A ***** GOOD/EXCELLENT	B **** AVERAGE/GOOD	C *** FAIR/AVERAGE
Location	Major MSA	Major MSA / Secondary	Secondary / Rural
Size	40,000 SF +	20,000 - 80,000 SF +	5,000 - 30,000 SF
Access/Exposure	Freeway Exposure with Good Access or Major Thoroughfare with Good Access and Exposure	Major Thoroughfare with Above Average Access and Exposure	Secondary Thoroughfare with Average Access and Limited Exposure
Quality	Brick, Block, or Tilt-Up, with Paved Asphalt or Concrete (Office Style/Multi-level)	Brick, Block, Tilt-Up, Steel or Wood Frame with Metal Siding and Paved Asphalt	Steel or Wood Frame with Metal Siding and Paved Asphalt (Can include portable units or swing out doors)
Condition	Newer Construction, Well Maintained, No Deferred Maintenance, Clean and Appealing	Aging Improvements, Well Maintained, Recurring Maintenance, Clean	Older Construction, Fair Maintenance, Potential for Costly Repairs, Appeal Reflects Age
Occupancy	Proven Over 90% Occupancy, Strong Fundamentals	Inconsistent Occupancy, Average Fundamentals	Inconsistent Occupancy, Weak Fundamentals
Saturation	Low to Moderate / High Barriers to Entry	Low to Moderate / Vulnerable to New Development	Saturated Market / New Development Risk
Amenities	On-Site Managers, Video Surveillance, Individual Unit Alarms, Electronic Gate, Exterior Lighting	On-Site Managers, Video Surveillance, Electronic Gate, Exterior Lighting	On-Site Managers, Perimeter Fencing, Exterior Lighting / Minimal

MONTHLY CASH FLOW ANALYSIS

Year 1	Month												TOTAL				
	1	2	3	4	5	6	7	8	9	10	11	12					
Storage Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Storage Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Total Leased SF	2,500	5,000	7,500	10,000	12,500	15,000	17,500	20,000	22,500	25,000	27,500	30,000	30,000	30,000	30,000	30,000	30,000
Total Units Rented	25	49	74	98	123	148	172	197	221	246	271	295	295	295	295	295	295
Total Occupancy	3.1%	6.2%	9.2%	12.3%	15.4%	18.5%	21.6%	24.6%	27.7%	30.8%	33.9%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Est. Rental Rate/Month	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43	\$192.43
Storage Unit Rental Income	\$4,811	\$9,429	\$14,240	\$18,858	\$23,669	\$28,480	\$33,098	\$37,909	\$42,527	\$47,338	\$52,148	\$56,767	\$56,767	\$56,767	\$56,767	\$56,767	\$369,272
Less: Discounts	-\$962	-\$1,886	-\$2,848	-\$3,772	-\$4,734	-\$5,696	-\$6,620	-\$7,582	-\$8,505	-\$9,468	-\$10,430	-\$11,353	-\$11,353	-\$11,353	-\$11,353	-\$11,353	-\$73,854
<b>Net Storage Income</b>	<b>\$3,849</b>	<b>\$7,543</b>	<b>\$11,392</b>	<b>\$15,086</b>	<b>\$18,935</b>	<b>\$22,784</b>	<b>\$26,478</b>	<b>\$30,327</b>	<b>\$34,021</b>	<b>\$37,870</b>	<b>\$41,719</b>	<b>\$45,413</b>	<b>\$45,413</b>	<b>\$45,413</b>	<b>\$45,413</b>	<b>\$45,413</b>	<b>\$295,417</b>
Add: Other Income	\$115	\$226	\$342	\$453	\$568	\$684	\$794	\$910	\$1,021	\$1,136	\$1,252	\$1,362	\$1,362	\$1,362	\$1,362	\$1,362	\$8,863
<b>Effective Gross Income</b>	<b>\$3,964</b>	<b>\$7,770</b>	<b>\$11,734</b>	<b>\$15,539</b>	<b>\$19,503</b>	<b>\$23,467</b>	<b>\$27,273</b>	<b>\$31,237</b>	<b>\$35,042</b>	<b>\$39,006</b>	<b>\$42,970</b>	<b>\$46,776</b>	<b>\$46,776</b>	<b>\$46,776</b>	<b>\$46,776</b>	<b>\$46,776</b>	<b>\$304,280</b>
<b>Estimated Expenses</b>																	
Real Estate Taxes	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Insurance	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$16,235
Utilities	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$3,382	\$40,588
Repairs/Maintenance	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$1,353	\$16,235
Grounds Maintenance	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$3,247
Credit Card/Bank Charges	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$676	\$8,118
Payroll/Employee Benefits	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$6,426	\$77,116
Telephone	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$541	\$6,494
General/Administrative	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$2,435
Professional/Legal	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$3,247
Advertising	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$1,691	\$20,294
Dues, Fees, Subscriptions	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$1,624
Other	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$1,624
3rd Party Management	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000
<b>Total Expenses</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$28,938</b>	<b>\$347,255</b>
<b>Net Operating Income</b>	<b>(\$24,974)</b>	<b>(\$21,168)</b>	<b>(\$17,204)</b>	<b>(\$13,399)</b>	<b>(\$9,435)</b>	<b>(\$5,471)</b>	<b>(\$1,665)</b>	<b>\$2,299</b>	<b>\$6,104</b>	<b>\$10,068</b>	<b>\$14,032</b>	<b>\$17,838</b>	<b>\$17,838</b>	<b>\$17,838</b>	<b>\$17,838</b>	<b>\$17,838</b>	<b>(\$42,975)</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$496,274
<b>Cash Flow</b>	<b>(\$67,345)</b>	<b>(\$63,539)</b>	<b>(\$59,575)</b>	<b>(\$55,770)</b>	<b>(\$51,806)</b>	<b>(\$47,842)</b>	<b>(\$44,036)</b>	<b>(\$40,072)</b>	<b>(\$36,267)</b>	<b>(\$32,303)</b>	<b>(\$28,339)</b>	<b>(\$24,533)</b>	<b>(\$24,533)</b>	<b>(\$24,533)</b>	<b>(\$24,533)</b>	<b>(\$24,533)</b>	<b>(\$551,426)</b>

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

Year 2	Month												TOTAL	
	13	14	15	16	17	18	19	20	21	22	23	24		
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Leased SF	32,500	35,000	37,500	40,000	42,500	45,000	47,500	50,000	52,500	55,000	57,500	60,000	60,000	60,000
Total Units Rented	320	345	369	394	418	443	468	492	517	541	566	591	591	591
Total Occupancy	40.0%	43.1%	46.2%	49.3%	52.4%	55.4%	58.5%	61.6%	64.7%	67.8%	70.8%	73.9%	73.9%	73.9%
Est. Rental Rate/Month	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28	\$196.28
Storage Unit Rental Income	\$62,809	\$67,716	\$72,427	\$77,333	\$82,044	\$86,951	\$91,858	\$96,569	\$101,476	\$106,186	\$111,093	\$116,000	\$116,000	\$1,072,462
Less: Discounts	-\$12,562	-\$13,543	-\$14,485	-\$15,467	-\$16,409	-\$17,390	-\$18,372	-\$19,314	-\$20,295	-\$21,237	-\$22,219	-\$23,200	-\$23,200	-\$214,492
<b>Net Storage Income</b>	<b>\$50,247</b>	<b>\$54,173</b>	<b>\$57,941</b>	<b>\$61,867</b>	<b>\$65,635</b>	<b>\$69,561</b>	<b>\$73,486</b>	<b>\$77,255</b>	<b>\$81,181</b>	<b>\$84,949</b>	<b>\$88,875</b>	<b>\$92,800</b>	<b>\$92,800</b>	<b>\$857,970</b>
Add: Other Income	\$1,507	\$1,625	\$1,738	\$1,856	\$1,969	\$2,087	\$2,205	\$2,318	\$2,435	\$2,548	\$2,666	\$2,784	\$2,784	\$25,739
<b>Effective Gross Income</b>	<b>\$51,755</b>	<b>\$55,798</b>	<b>\$59,679</b>	<b>\$63,723</b>	<b>\$67,604</b>	<b>\$71,648</b>	<b>\$75,691</b>	<b>\$79,573</b>	<b>\$83,616</b>	<b>\$87,498</b>	<b>\$91,541</b>	<b>\$95,584</b>	<b>\$95,584</b>	<b>\$883,709</b>
<b>Estimated Expenses</b>														
Real Estate Taxes	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$240,000
Insurance	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$16,722
Utilities	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$3,484	\$41,805
Repairs/Maintenance	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$1,394	\$16,722
Grounds Maintenance	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$3,344
Credit Card/Bank Charges	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$697	\$8,361
Payroll/Employee Benefits	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$6,619	\$79,430
Telephone	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$557	\$6,689
General/Administrative	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$209	\$2,508
Professional/Legal	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$279	\$3,344
Advertising	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$1,742	\$20,903
Dues, Fees, Subscriptions	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$1,672
Other	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$1,672
3rd Party Management	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$3,682	\$44,185
<b>Total Expenses</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$40,613</b>	<b>\$487,358</b>
<b>Net Operating Income</b>	<b>\$11,141</b>	<b>\$15,185</b>	<b>\$19,066</b>	<b>\$23,110</b>	<b>\$26,991</b>	<b>\$31,035</b>	<b>\$35,078</b>	<b>\$38,959</b>	<b>\$43,003</b>	<b>\$46,884</b>	<b>\$50,928</b>	<b>\$54,971</b>	<b>\$54,971</b>	<b>\$396,351</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$41,356	\$496,274
<b>Cash Flow</b>	<b>(\$31,230)</b>	<b>(\$27,186)</b>	<b>(\$23,305)</b>	<b>(\$19,261)</b>	<b>(\$15,380)</b>	<b>(\$11,336)</b>	<b>(\$7,293)</b>	<b>(\$3,411)</b>	<b>\$632</b>	<b>\$4,513</b>	<b>\$8,557</b>	<b>\$12,600</b>	<b>\$12,600</b>	<b>(\$112,100)</b>



SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL

Year 3	Month												TOTAL	
	25	26	27	28	29	30	31	32	33	34	35	36		
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	2,500	2,500	2,500	2,500	2,500	568	0	0	0	0	0	0	0	13,058
Total Leased SF	62,500	65,000	67,500	70,000	72,500	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	615	640	664	689	714	719	719	719	719	719	719	719	719	719
Total Occupancy	77.0%	80.1%	83.2%	86.2%	89.3%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20	\$200.20
Storage Unit Rental Income	\$123,125	\$128,130	\$132,935	\$137,940	\$142,945	\$143,946	\$143,946	\$143,946	\$143,946	\$143,946	\$143,946	\$143,946	\$143,946	\$1,672,700
Less: Discounts	-\$18,469	-\$19,220	-\$19,940	-\$20,691	-\$21,442	-\$21,592	-\$21,592	-\$21,592	-\$21,592	-\$21,592	-\$21,592	-\$21,592	-\$21,592	-\$250,905
<b>Net Storage Income</b>	<b>\$104,656</b>	<b>\$108,911</b>	<b>\$112,995</b>	<b>\$117,249</b>	<b>\$121,503</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$122,354</b>	<b>\$1,421,795</b>
Add: Other Income	\$3,140	\$3,267	\$3,390	\$3,517	\$3,645	\$3,671	\$3,671	\$3,671	\$3,671	\$3,671	\$3,671	\$3,671	\$3,671	\$42,654
<b>Effective Gross Income</b>	<b>\$107,796</b>	<b>\$112,178</b>	<b>\$116,385</b>	<b>\$120,767</b>	<b>\$125,149</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$126,025</b>	<b>\$1,464,449</b>
<b>Estimated Expenses</b>														
Real Estate Taxes	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$20,600	\$247,200
Insurance	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$17,224
Utilities	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$3,588	\$43,059
Repairs/Maintenance	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$1,435	\$17,224
Grounds Maintenance	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$3,445
Credit Card/Bank Charges	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$718	\$8,612
Payroll/Employee Benefits	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$6,818	\$81,813
Telephone	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$6,889
General/Administrative	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$2,584
Professional/Legal	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$3,445
Advertising	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$1,794	\$21,530
Dues, Fees, Subscriptions	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$1,722
Other	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$144	\$1,722
3rd Party Management	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$6,102	\$73,222
<b>Total Expenses</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$44,141</b>	<b>\$529,691</b>
<b>Net Operating Income</b>	<b>\$63,655</b>	<b>\$68,037</b>	<b>\$72,244</b>	<b>\$76,626</b>	<b>\$81,008</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$81,884</b>	<b>\$934,758</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$9,349</b>	<b>\$13,731</b>	<b>\$17,937</b>	<b>\$22,319</b>	<b>\$26,701</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$27,578</b>	<b>\$283,081</b>

SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL

Year 4	Month												TOTAL		
	37	38	39	40	41	42	43	44	45	46	47	48			
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leased SF	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719
Total Occupancy	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21	\$204.21
Storage Unit Rental Income	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$146,825	\$1,761,902
Less: Discounts	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$14,683	-\$176,190
<b>Net Storage Income</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$132,143</b>	<b>\$1,585,712</b>
Add: Other Income	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$3,964	\$47,571
<b>Effective Gross Income</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$136,107</b>	<b>\$1,633,283</b>
<b>Estimated Expenses</b>															
Real Estate Taxes	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218	\$254,616
Insurance	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$17,740
Utilities	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$44,351
Repairs/Maintenance	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$1,478	\$17,740
Grounds Maintenance	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$3,548
Credit Card/Bank Charges	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$739	\$8,870
Payroll/Employee Benefits	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022	\$84,267
Telephone	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$7,096
General/Administrative	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$2,661
Professional/Legal	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$3,548
Advertising	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$22,176
Dues, Fees, Subscriptions	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$1,774
Other	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$148	\$1,774
3rd Party Management	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$6,805	\$81,664
<b>Total Expenses</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$45,986</b>	<b>\$551,826</b>
<b>Net Operating Income</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$90,121</b>	<b>\$1,081,457</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$35,815</b>	<b>\$429,780</b>

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

Year 5	Month												TOTAL		
	49	50	51	52	53	54	55	56	57	58	59	60			
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leased SF	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719
Total Occupancy	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29	\$208.29
Storage Unit Rental Income	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$149,762	\$1,797,140
Less: Discounts	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$7,488	-\$89,857
<b>Net Storage Income</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$142,274</b>	<b>\$1,707,283</b>
Add: Other Income	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$4,268	\$51,218
<b>Effective Gross Income</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$146,542</b>	<b>\$1,758,502</b>
<b>Estimated Expenses</b>															
Real Estate Taxes	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$21,855	\$262,254
Insurance	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$18,273
Utilities	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$3,807	\$45,682
Repairs/Maintenance	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$18,273
Grounds Maintenance	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$3,655
Credit Card/Bank Charges	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$761	\$9,136
Payroll/Employee Benefits	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$7,233	\$86,795
Telephone	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$609	\$7,309
General/Administrative	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$228	\$2,741
Professional/Legal	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$3,655
Advertising	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$22,841
Dues, Fees, Subscriptions	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$1,827
Other	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$152	\$1,827
3rd Party Management	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$7,327	\$87,925
<b>Total Expenses</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$47,683</b>	<b>\$572,192</b>
<b>Net Operating Income</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$98,859</b>	<b>\$1,186,310</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$44,553</b>	<b>\$534,633</b>

SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL

	Year 6												TOTAL
	Month												
	61	62	63	64	65	66	67	68	69	70	71	72	
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leased SF	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	719	719	719	719	719	719	719	719	719	719	719	719	719
Total Occupancy	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46	\$212.46
Storage Unit Rental Income	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$152,757	\$1,833,083
Less: Discounts	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$7,638	-\$91,654
<b>Net Storage Income</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$1,741,429</b>
<b>Total Rental Income</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$145,119</b>	<b>\$1,741,429</b>
Add: Other Income	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$4,354	\$52,243
<b>Effective Gross Income</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$149,473</b>	<b>\$1,793,672</b>
<b>Estimated Expenses</b>													
Real Estate Taxes	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$22,510	\$270,122
Insurance	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$18,821
Utilities	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$3,921	\$47,052
Repairs/Maintenance	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$1,568	\$18,821
Grounds Maintenance	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$3,764
Credit Card/Bank Charges	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$9,410
Payroll/Employee Benefits	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$7,450	\$89,399
Telephone	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$7,528
General/Administrative	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$2,823
Professional/Legal	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$314	\$3,764
Advertising	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$1,961	\$23,526
Dues, Fees, Subscriptions	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$1,882
Other	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$1,882
3rd Party Management	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$7,474	\$89,684
<b>Total Expenses</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$49,040</b>	<b>\$588,479</b>
<b>Net Operating Income</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$100,433</b>	<b>\$1,205,193</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$46,126</b>	<b>\$553,517</b>



SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL

Year 7	Month												TOTAL				
	73	74	75	76	77	78	79	80	81	82	83	84					
<b>Income</b>																	
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leased SF	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719
Total Occupancy	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71	\$216.71
Storage Unit Rental Income	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$155,812	\$1,869,745
Less: Discounts	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$7,791	-\$93,487
<b>Net Storage Income</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$1,776,258</b>
<b>Total Rental Income</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$148,021</b>	<b>\$1,776,258</b>
Add: Other Income	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$4,441	\$53,288
<b>Effective Gross Income</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$152,462</b>	<b>\$1,829,545</b>
<b>Estimated Expenses</b>																	
Real Estate Taxes	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$23,185	\$278,226
Insurance	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$19,385
Utilities	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$4,039	\$48,464
Repairs/Maintenance	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$19,385
Grounds Maintenance	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$3,877
Credit Card/Bank Charges	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$808	\$99,693
Payroll/Employee Benefits	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$92,081
Telephone	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$646	\$7,754
General/Administrative	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$2,908
Professional/Legal	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$3,877
Advertising	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$2,019	\$24,232
Dues, Fees, Subscriptions	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$1,939
Other	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$1,939
3rd Party Management	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$7,623	\$91,477
<b>Total Expenses</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$50,436</b>	<b>\$605,236</b>
<b>Net Operating Income</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$102,026</b>	<b>\$1,224,309</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$47,719</b>	<b>\$572,632</b>

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

Year 8	Month												TOTAL				
	85	86	87	88	89	90	91	92	93	94	95	96					
<b>Income</b>																	
Project Total SF (NRA)	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175	81,175
Project Total Units	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799	799
Leased SF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Leased SF	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058	73,058
Total Units Rented	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719	719
Total Occupancy	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Est. Rental Rate/Month	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04	\$221.04
Storage Unit Rental Income	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$158,928	\$1,907,140
Less: Discounts	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$7,946	-\$95,357
<b>Net Storage Income</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$150,982</b>	<b>\$1,811,783</b>
Add: Other Income	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$4,529	\$54,353
<b>Effective Gross Income</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$155,511</b>	<b>\$1,866,136</b>
<b>Estimated Expenses</b>																	
Real Estate Taxes	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$23,881	\$286,573
Insurance	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$19,967
Utilities	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$49,918
Repairs/Maintenance	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$1,664	\$19,967
Grounds Maintenance	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$3,993
Credit Card/Bank Charges	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$9,984
Payroll/Employee Benefits	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$7,904	\$94,843
Telephone	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$666	\$7,987
General/Administrative	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$2,995
Professional/Legal	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$3,993
Advertising	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$24,959
Dues, Fees, Subscriptions	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$1,997
Other	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$166	\$1,997
3rd Party Management	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$7,776	\$93,307
<b>Total Expenses</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$51,873</b>	<b>\$622,478</b>
<b>Net Operating Income</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$103,638</b>	<b>\$1,243,658</b>
Less: Reserves	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$1,015	\$12,176
Less: Debt Service	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$53,292	\$639,500
<b>Cash Flow</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$49,332</b>	<b>\$591,981</b>

***FEASIBILITY RENT***

A feasibility rent analysis is included below which shows a required rental rate of \$12.82 per square foot per year to be feasible for construction. The subject’s projected average rental rate per square foot per year is \$22.73 per square foot. The anticipated income on a per square foot basis is considerably higher than the required feasible rental rate. This analysis provides support to the subject’s financial feasibility conclusion herein.

Estimated Cost	\$10,339,048
Divided by Capitalization Rate	6.00%
Required NOI	\$620,343
Add: Estimated Operating Expenses (34%)	\$316,537
EGI	\$936,880
Add: Vacancy and Collection Loss (10%)	\$104,098
Potential Gross Income (PGI)	\$1,040,978
<b>Required/ Feasibility Rent per SF</b>	<b>\$12.82</b>
<b>Subject's Estimated Average Rent per SF</b>	<b>\$22.73</b>
<b>Difference</b>	<b>\$9.90</b>

Both the internal rate of return and cash on cash rate are adequate for a development of this nature and therefore, the subject is concluded to be financially feasible. Financial feasibility in this analysis has been based upon several preliminary assumptions and is subject to change should the overall scope, size or nature of the project vary from terms outlined herein.

***SENSITIVITY ANALYSIS***

A sensitivity analysis has been completed using the subject’s projected rents at stabilization at varying occupancy rates, along with the concluded 3% other income, standard projected expenses at stabilization and the estimated debt services deducted from the income to determine how occupancy affects the overall cash flow for the project. The breakeven point occurs at the point cash flow equals zero, after all expenses have been deducted. The breakeven point in this analysis is approximately 63%. It is noted in the monthly cash flow analysis previously shown, the property appears to cash flow positive in Month 21, despite reaching physical stabilization in Month 30.

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

SENSITIVITY ANALYSIS											
OCCUPANCY RATE	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%
Potential Gross Income (PGI) at Stabilization	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012	\$1,845,012
Net Rental Income	\$738,005	\$830,255	\$922,506	\$1,014,757	\$1,107,007	\$1,199,258	\$1,291,508	\$1,383,759	\$1,476,010	\$1,568,260	\$1,660,511
Add: Other Income (3%)	<u>\$22,140</u>	<u>\$24,908</u>	<u>\$27,675</u>	<u>\$30,443</u>	<u>\$33,210</u>	<u>\$35,978</u>	<u>\$38,745</u>	<u>\$41,513</u>	<u>\$44,280</u>	<u>\$47,048</u>	<u>\$49,815</u>
Effective Gross Income (EGI)	\$760,145	\$855,163	\$950,181	\$1,045,199	\$1,140,217	\$1,235,236	\$1,330,254	\$1,425,272	\$1,520,290	\$1,615,308	\$1,710,326
Less: Operating Expenses	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>	<u>\$551,826</u>
Net Operating Income (NOI)	\$208,319	\$303,337	\$398,355	\$493,373	\$588,391	\$683,409	\$778,427	\$873,445	\$968,464	\$1,063,482	\$1,158,500
Less: Debt Service	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500	\$639,500
<b>Net Cash Flow Pre-Tax</b>	<b>(\$431,182)</b>	<b>(\$336,164)</b>	<b>(\$241,146)</b>	<b>(\$146,127)</b>	<b>(\$51,109)</b>	<b>\$43,909</b>	<b>\$138,927</b>	<b>\$233,945</b>	<b>\$328,963</b>	<b>\$423,981</b>	<b>\$518,999</b>

## CONCLUSION

Based upon the residual demand studies completed herein, there is concluded to be good current demand for self-storage development at the subject location identified as 401 W. Golf Road, in Arlington Heights, Illinois. Demand is expected to decrease some over the next five years; however, remains high and supportive for continued storage development in the future. Based upon the concluded current and future demand figures, the subject location can easily support the proposed self-storage development that is estimated to contain 110,678 square feet of gross building area and 81,175 square feet of net rentable area in a three-story, 100% climate-controlled storage building. The subject site contains approximately 2.345 acres. It has been determined that the proposed development is physically feasible on the subject site. However, our analysis provides some support for a larger storage facility of approximately 94,000 to 113,000 square feet of net rentable area. However, the physical test of feasibility does not account for atypical site considerations such as triangular shaped sites. The subject would likely offer less usable area or buildable area and therefore, the proposed development with 81,175 square feet is concluded to be reasonable.

The subject's location is considered to secondary commercial in nature along a primary commuter corridor. The property offers good traffic counts, good visibility and access and is concluded to be a good location for storage development. The current average household income is average on a national basis and somewhat below average as compared to the state average but is relatively supportive of climate-controlled storage. However, given the weather/climate in Illinois and considering the amount of growth, high occupancy rates, and high climate rental rates, only climate-controlled storage would be recommended for the subject's location. The market appears to be growing at a fast pace with good demographic factors. Barriers to entry for storage development is average to high, which is another positive for the subject, as additional storage development in the market may be restrictive.



The market consists of mostly Class A facilities, 38%, many of which are similar multi-story, 100% climate-controlled. Following Class A, the market is comprised of Class C facilities, or 33%, which are considered to be inferior to the subject. The remaining 29% of the market is of Class B quality facilities which are also concluded to be somewhat inferior to the subject. Therefore, the subject will be well positioned in the top 38% of the market facilities and will be an above average facility in the market area. To aid in lease up, an effective management company, office, website, and security must be offered.

The subject will be Class A quality for the local market and likely Class A to B on a national basis. Based upon conversations with local storage owners and managers, there is high demand for climate storage with high year-round occupancy levels. Climate rents in the market are high and supportive of climate development.

The average current occupancy rate in the primary and secondary markets is 94% and all competitive facilities are operating at a stabilized level of operation. A concluded stabilized market occupancy rate for this area is 90%, which accounts for fluctuations caused by seasonal or other changes in the market. The subject should maintain an occupancy rate that is higher than 90%; however, once it reaches 90%, it is concluded to be stable.

Based upon the analyses completed herein, the subject is concluded to be financially feasible for construction of 81,175 square feet of net rentable area in self-storage with approximately 799 units. The subject is estimated to lease-up at an average rate of 2,500 square feet per month. The facility should reach a stabilized occupancy rate of 90% in Month 30, or in Year 3. However, the subject should be cash flowing in Month 21, well before reaching a level of physical stabilization. The subject is anticipated to achieve rents that are at the upper end of the established current rents found in the local market area or that are consistent with Class A facilities. Further, the feasibility rent analysis indicates the subject can achieve an average rent that is significantly higher than what is concluded to be the feasible rent in sample proformas, providing further support to financial feasibility for the subject. The subject is concluded to be financially feasible per conclusions derived in this site-specific feasibility study.

The feasibility study is deemed reliable with all factors stated herein true and accurate to the best of my knowledge. However, some factors are inherently difficult to forecast such as proposed residential or commercial developments that could improve the results of this study. Additionally, it is possible there could be future expansions or new self-storage developments in the market that are unknown at this time, which would negatively affect the conclusions of this report. Additional facilities currently in the planning stage of development are possible and may be unknown at the time of completion of this study. Further, should the subject development be prolonged to eight to 10 months or longer, it is recommended that this feasibility study be updated for the subject development. The information included in this study is an opinion by the real estate consultant and liable to change should any provided information be changed or any other market factors change throughout the course of development. The consultant is not responsible for any unknown market factors that could negatively affect the conclusions herein.

## **CERTIFICATION**

This Certification is for the self-storage feasibility study for the property located at 401 W. Golf Road, in Arlington Heights, Illinois. The undersigned do hereby certify that:

1. To the best of their knowledge and belief, the statements of facts contained in this study are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are personal, unbiased professional analyses, opinions, and conclusions.
3. Starr Commercial Real Estate has no present or prospective interest in the property that is the subject of this market and marketability study, and no personal interest or bias with respect to the parties involved.
4. Starr Commercial Real Estate has no bias with respect to any property that is the subject of this study or to the parties involved with this assignment.
5. Compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this market and marketability study.
6. The analyses, opinions, and conclusions were developed, and this market and marketability study has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
7. The use of this study is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. This is a consulting assignment and may not be relied upon as an appraisal. Further, it is restricted to specific client use only for internal use.
8. This feasibility study was prepared by Amanda S. Helfrich, MAI, real estate consultant, who accepts full responsibility for the work completed in this study, as stated in this signed certification.
9. Amanda S. Helfrich, MAI, real estate consultant, performed no other services as a consultant, appraiser or in any other capacity regarding the subject property of this report occurred within the three-year period immediately preceding the acceptance of this assignment.
10. As of the date of this report, Amanda S. Helfrich, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.



Amanda S. Helfrich, MAI  
Real Estate Consultant  
Starr Commercial Real Estate, LLC  
502.807.7319

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This feasibility study regarding potential development as a self-storage facility located at 401 W. Golf Road, in Arlington Heights, Illinois is subject to the following assumptions and limiting conditions.

1. No responsibility is assumed for matters legal or engineering in nature. I was not provided with plans, costs, or development plans for the subject. Information provided by the client is assumed to be accurate and has been relied upon herein.
2. Any legal descriptions, property survey, site plans, site plats, drawings, and/or sketches contained herein were either furnished to the analyst(s) or are based upon data provided to the analyst(s). These items are included herein to assist the reader in visualizing the property. Although to the best of my knowledge, these items provide an accurate representation of the (proposed) property. I have not surveyed the property, measured any existing buildings, completed any environmental assessments, or determined lot lines, and I assume no responsibility in connection with such matters.
3. The accompanying feasibility study is to be used as a whole and no part to be taken as a fraction thereof. Further, this report cannot be altered or used in any other capacity other than what is noted herein for the exclusive use by Mr. Don Tomei, Holladay Properties.
4. Starr Commercial Real Estate is not required to give further consultation, make any additions or changes to this study, to testify in court or at planning and zoning hearings, or be in attendance in court or planning and zoning hearings regarding this study unless arrangements have been previously agreed upon.
5. Neither all nor any part of the contents of this study shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval by Starr Commercial Real Estate, particularly as to supply and demand conclusions, competitor survey, or financial indications, or any such information in which the identity of the analyst or firm with which he/she is connected, or any reference to the Appraisal Institute.
6. The consultant assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less suitable for the use upon which this study was based. The consultant assumes no responsibility for such conditions or for engineering, which might be required to discover such factors.
7. Responsible ownership and management are assumed.
8. The market study was not based on a requested minimum amount of indicated market demand. All calculations completed herein were derived by the consultant and are opinions as such and cannot be guaranteed.
9. Compliance of this property with the Americans with Disabilities Act (ADA) is not assumed given the property use/type, location, and date of construction.
10. It is assumed that the property does not have any environmental conditions that will preclude the use upon which the market study was based.

11. The market demand estimate expressed herein assumes competent and aggressive management and/or marketing of the subject property.
12. Unless otherwise noted herein, it is presumed that there are neither encroachments nor any violations of zoning regulations affecting the subject property use upon which the market and marketability study was based. If the subject property is not presently zoned for the proposed use upon which the market study is based, it is assumed that such zoning can be economically obtained in a timely fashion.
13. It is assumed that the subject property will maintain adequate exposure, signage, and accessibility.
14. Certain information contained in this market study has been provided by secondary sources. The sources and the information are considered to be reliable but cannot be guaranteed.
15. Information contained in this market study was gathered from Cook County government offices, as well as Starr Commercial Real Estate's research, including online research, management and leasing agent interviews and other secondary sources. The sources and the information are considered to be reliable but cannot be guaranteed.
16. The subject development is envisioned to be of average to good construction and of Class A quality (for the local market) and Class B to A on a national basis, with good management and marketing.
17. Flood maps obtained the subject property is located outside of the 100-year flood plain, which is assumed to be accurate; however, floodplains or other environmental studies were not provided by the client and cannot be guaranteed. Additional or mandatory flood insurance has not been considered for the subject as it is assumed the subject site will be built up and/or improvements to be built out of the floodplain.
18. The opinions derived herein have been completed as a consulting assignment and are hypothetical analyses only. All of my recommendations herein are based upon market norms concluded by the market survey and past completed research in this industry. Outside economic factors, changes in the proposed development location, or other future proposed self-storage facilities that may be unknown at this point in time may directly affect the results of this study. The study is not valid for any other location other than what was specified by the client for this report.
19. The consultant, Amanda S. Helfrich, MAI, is not legally bound to this study, as the results can change given the constantly changing market and demand trends. Further, the consultant cannot be held liable for any future changes in the market which could negatively affect the performance of the subject.
20. This study is not an appraisal. No conclusions pertaining to the market value, or any other valuation of the subject property have been completed or included herein. This assignment cannot be relied upon as an appraisal by any party. Only current information pertaining to the competitive facilities have been included, which is actual information provided that has been reported by the consultant herein.
21. It is noted that this study was completed during given the Coronavirus pandemic circumstances with restrictions currently placed upon travel and office operations. It is assumed that within the next 12 months or so that the economy will begin to stabilize.



It is assumed that self-storage operations will have returned to a normal state with minimal to no negative impact on new development absorption rates, rental rates, occupancy, demand, etc. However, we cannot predict the future state of the economy or any other potential changes in business operations. Therefore, this study is subject to change, dependent on these conditions and factors that may affect the subject once it is built and operational. It is recommended that market supply demand and rental rates be reviewed every three to six months to further assess the state of the self-storage market.

## ADDENDUM

### ***SUBJECT PROPERTY TAX CARDS***

7/13/22, 2:05 PM

Cook County Property Tax Portal

Property Characteristics for PIN:

**08-16-200-077-0000**



**PROPERTY ADDRESS**

401 W GOLF RD  
 ARLINGTON HEIGHTS  
 60005  
 Township: ELK GROVE

**MAILING ADDRESS**

HUME PROPERTIES LLC  
 1711 S SURREY RIDGE DR  
 ARLINGTN HTS, IL 60005

**PROPERTY CHARACTERISTICS**

**CURRENT INFORMATION**

**Assessed Value:**  
 (2021 Assessor First Pass)  
 Assessment Information: 30,639  
 Estimated Property Value: \$306,390

Lot Size (SqFt): 29,399  
 Building (SqFt): 2,029  
 Property Class: 2-04

Tax Rate: 0.000  
 Tax Code: 16017

**TAX BILLED AMOUNTS  
 & TAX HISTORY**

2021: \$4,626.22 Paid in Full  
 2020: \$8,411.30 Paid in Full  
 2019: \$8,561.67 Payment History  
 2018: \$8,642.97 Payment History  
 2017: \$8,518.37 Payment History

\*=(1st Install Only)

**EXEMPTIONS**

2021: Not Available  
 2020: 0 Exemptions Received  
 2019: 0 Exemptions Received  
 2018: 0 Exemptions Received  
 2017: 0 Exemptions Received

**APEALS**

2021: Not Available  
 2020: Not Available  
 2019: Not Available  
 2018: Appeal Information  
 2017: Appeal Information

**REFUNDS AVAILABLE**

No Refund Available

**TAX SALE (DELINQUENCIES)**

2021: Tax Sale Has Not Occurred  
 2020: Tax Sale Has Not Occurred  
 2019: No Tax Sale  
 2018: No Tax Sale  
 2017: No Tax Sale

**DOCUMENTS, DEEDS & LIENS**

0409604063 - DEED - 04/05/2004  
 0409604061 - RELEASE - 04/05/2004  
 0010127405 - CERTIFICATE OF TITLE - 02/16/2001  
 94282737 - SUBORDINATION - 03/29/1994  
 94282736 - EASEMENT - 03/29/1994

*All years referenced herein denote the applicable tax year (i.e., the year for which taxes were assessed). Parcels may from time to time be consolidated or subdivided. If information regarding a particular PIN appears to be missing for one or more tax years, it is possible that the PIN has changed due to a consolidation or subdivision. Users may contact the Cook County Clerk's Office for information regarding PIN lineage. Users should also note that the information displayed on this site does not include special assessments (which are billed and collected by municipalities) or omitted taxes (which are assessed on an ad hoc basis by the Cook County Assessor's Office). Please direct inquiries regarding the status of special assessments to your municipality. Questions regarding omitted taxes should be directed to the Assessor's Office.*

**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

7/5/22, 10:44 AM

Cook County Property Tax Portal

Property Characteristics for PIN:

**08-16-200-079-0000**



**PROPERTY ADDRESS**

401 W GOLF RD  
 ARLINGTON HEIGHTS  
 60005  
 Township: ELK GROVE

**MAILING ADDRESS**

HUME PROPERTIES LLC  
 1711 S SURREY RIDGE DR  
 ARLINGTON HT, IL 60005

**PROPERTY CHARACTERISTICS**

**CURRENT INFORMATION**

**Assessed Value:**  
 (2021 Assessor First Pass)  
 Assessment Information: 134,926  
 Estimated Property Value:  
 Lot Size (SqFt): 45,851  
 Building (SqFt):  
 Property Class: 5-93  
 Tax Rate: 0.000  
 Tax Code: 16017

**TAX BILLED AMOUNTS & TAX HISTORY**

2021: \$20,372.61 Paid in Full  
 2020: \$37,041.11 Paid in Full  
 2019: \$33,555.90 Payment History  
 2018: \$34,085.34 Payment History  
 2017: \$33,594.23 Payment History  
 \*=(1st Install Only)

**EXEMPTIONS**

2021: Not Available  
 2020: 0 Exemptions Received  
 2019: 0 Exemptions Received  
 2018: 0 Exemptions Received  
 2017: 0 Exemptions Received

**APPEALS**

2021: Not Available  
 2020: Not Available  
 2019: Not Available  
 2018: Appeal Information  
 2017: Appeal Filed

**REFUNDS AVAILABLE**

No Refund Available

**TAX SALE (DELINQUENCIES)**

2021: Tax Sale Has Not Occurred  
 2020: Tax Sale Has Not Occurred  
 2019: No Tax Sale  
 2018: No Tax Sale  
 2017: No Tax Sale

**DOCUMENTS, DEEDS & LIENS**

0409604062 - RELEASE - 04/05/2004  
 0409604060 - MORTGAGE - 04/05/2004  
 0409604059 - PROMISSORY NOTE - 04/05/2004  
 0409604058 - TRUSTEES DEED - 04/05/2004  
 93729151 - MODIFICATION - 09/13/1993

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**SELF-STORAGE FEASIBILITY STUDY – 401 W. GOLF ROAD, ARLINGTON HEIGHTS, IL**

7/5/22, 10:43 AM

Cook County Property Tax Portal

Property Characteristics for PIN:

**08-16-200-078-0000**



**PROPERTY ADDRESS**

401 W GOLF RD  
 ARLINGTON HEIGHTS  
 60005  
 Township: ELK GROVE

**MAILING ADDRESS**

HUME PROPERTIES  
 1711 S SURREY RIDGE DR  
 ARLINGTON HTS, IL 60005

**PROPERTY CHARACTERISTICS**

**CURRENT INFORMATION**

**Assessed Value:**  
 (2021 Assessor First Pass)  
 Assessment Information: 80,949  
 Estimated Property Value:  
 Lot Size (SqFt): 27,077  
 Building (SqFt):  
 Property Class: 5-17  
 Tax Rate: 0.000  
 Tax Code: 16017

**TAX BILLED AMOUNTS & TAX HISTORY**

2021: \$12,222.45 Paid in Full  
 2020: \$22,222.64 Paid in Full  
 2019: \$20,131.77 Payment History  
 2018: \$20,340.23 Payment History  
 2017: \$20,047.14 Payment History  
 \*=(1st Install Only)

**EXEMPTIONS**

2021: Not Available  
 2020: 0 Exemptions Received  
 2019: 0 Exemptions Received  
 2018: 0 Exemptions Received  
 2017: 0 Exemptions Received

**APPEALS**

2021: Not Available  
 2020: Not Available  
 2019: Not Available  
 2018: Appeal Information  
 2017: Appeal Filed

**REFUNDS AVAILABLE**

No Refund Available

**TAX SALE (DELINQUENCIES)**

2021: Tax Sale Has Not Occurred  
 2020: Tax Sale Has Not Occurred  
 2019: No Tax Sale  
 2018: No Tax Sale  
 2017: No Tax Sale

**DOCUMENTS, DEEDS & LIENS**

0409604062 - RELEASE - 04/05/2004  
 0409604060 - MORTGAGE - 04/05/2004  
 0409604059 - PROMISSORY NOTE - 04/05/2004  
 0409604058 - TRUSTEES DEED - 04/05/2004  
 96841058 - WARRANTY DEED - 11/04/1996

*All years referenced herein denote the applicable tax year (i.e., the year for which taxes were assessed). Parcels may from time to time be consolidated or subdivided. If information regarding a particular PIN appears to be missing for one or more tax years, it is possible that the PIN has changed due to a consolidation or subdivision. Users may contact the Cook County Clerk's Office for information regarding PIN lineage. Users should also note that the information displayed on this site does not include special assessments (which are billed and collected by municipalities) or omitted taxes (which are assessed on an ad hoc basis by the Cook County Assessor's Office). Please direct inquiries regarding the status of special assessments to your municipality. Questions regarding omitted taxes should be directed to the Assessor's Office.*



**INFORMATION PROVIDED BY THE CLIENT**

**ADDITIONAL INFO TO BE FILLED OUT AND RETURNED:**

**Subject Property Address and/or Parcel Number(s):**

401 W. Golf Rd. Arlington Heights, IL 60005

**Site Size (Acres), Zoning, Entitlements:**

2.5 AC, M-2 zoning,

**Summary of Proposed Project (type, design, size, etc.):**

3-story Class A Storage, 100% Climate  
controlled, ~~Best~~ highest end in market

**Client Name/Business Name and Address for use on the Report:**

Holladay Properties - 1 Walker Ave. Clarendon Hills, IL  
60514

**Other Intended Users/Persons to Note in the Report, if any (other than client who engaged):**

Store Space 3rd party

**Land Value/ Purchase Price/ Appraised Value:**

\$1.735MM

**Quoted/ Preferred Financing Terms:**

80% LTC, 25 yr, 24 mo I/O, 6% IR

**Other Information:**

Closest Comp - Safeguard Algonquin

Very high end. Expect highest local rents. 10 Mo Construction.  $\approx$  \$11MM total cost

Avg unit size - 100 SF (10x10)

Amanda,

Please find executed contract. We are planning the highest-end facility in a 5 mi radius of the site.

We expect to compete closest with the SafeGaurd storage on Algonquin within a couple miles of the site.

I have attached our concept plan and village letter – provides more info about the project.

Our plan is conceptual, and expect unit size average to come down to 100 SF. The RSF number is accurate.



