

LOCKBOX STORAGE (MANAGED)

2070 W River Dr, Davenport, IA 52802 | Offering Memorandum



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2070 W River Dr, Davenport, IA 52802



NRSF - ±52,610
SF Occupancy - 60%

Retail Tenant Map



NE



St. Ambrose University
±2,498 Students | ±2.8 Miles Away



Central High School
±3,000 Students



Modern Woodmen Park

Ice Skating Rink



Mississippi River

Iowa

Illinois



Subject Property



Canadian Pacific Kansas City (CPKC) Railway Train Station

W River Dr ± 12,000 VPD





01

PROPERTY OVERVIEW



PROPERTY OVERVIEW

Facility Name	Lockbox Storage (Managed)
Address	2070 W River Dr
City, State	Davenport, IA
County	Scott
Parcel Number	K0051-13
Lot Size (Acres)	±3.72
Year Built	1954
Year Converted	2019
Number of Buildings	1
Number of Stories	1
Net Rentable SF	±52,610
Total Units	496
Climate Controlled Units	491
Non-Climate Controlled Units	0
Parking Spaces	5
Unit Occupancy	60%
Square Foot Occupancy	60%
Economic Occupancy	82%
3-Mile SF/Capita	5.53
5-Mile SF/Capita	8.08
Management	Third-Party Management
Foundation	Concrete
Framing	Concrete
Roof	Metal
Fencing	Chain-Link, Barbed-Wire
Parking Surface	Paved
Entry	Keypad Access
Traffic Counts	±11,200 VPD
Flood Zone	No
On-Site Apartment	No

INVESTMENT HIGHLIGHTS

- Dense population with over 69,000 residents in 3-miles and 140,000 people living within 5 miles
- Significant upside upon stabilization, but going-in yield being offered despite being 60% occupied
- Limited Supply with only 5.53 Square Foot per Capita with 3 miles and 8.08 within 5 miles
- Extremely Below Market Rents with 30%+ upside still remaining
- Population Growth of 0.5% per year Since 2020
- Nothing in the self-storage development pipeline within 4-miles







02

FINANCIAL
OVERVIEW

LISTING DETAILS

\$4,370,000

List Price

\$258,050

Current NOI

\$392,488

Year 2 NOI

\$421,208

Year 4 NOI

5.91%

Going-In Cap Rate

8.98%

Year 2 Cap Rate

9.64%

Year 4 Cap Rate

496

Total Units

491

Climate Controlled Units

+/- 52,610

Net Rentable SF



UNIT MIX

Climate Controlled - Ground Level

Unit Size	Unit SF	Total Units	Occupied	Vacant	Rentable SF	Current Rate	Monthly GPI	Annual Total
4 X 5	20	38	27	11	760	\$39	\$1,482	\$17,784
5 X 10	50	142	79	63	7,100	\$57	\$8,094	\$97,128
10 X 10	100	132	82	50	13,200	\$82	\$10,824	\$129,888
10 X 15	150	95	61	34	14,250	\$97	\$9,215	\$110,580
10 X 20	200	75	37	38	15,000	\$106	\$7,950	\$95,400
10 X 25	250	8	8	0	2,000	\$149	\$1,192	\$14,304
20 X 15	300	1	1	0	300	\$199	\$199	\$2,388
Totals	-	491	295	196	52,610	-	\$38,956	\$467,472

Open Parking

Unit Size	Unit SF	Total Units	Occupied	Vacant	Rentable SF	Current Rate	Monthly GPI	Annual Total
10 X 20	0	5	1	4	0	\$59	\$295	\$3,540
Totals	-	5	1	4	0	-	\$295	\$3,540

Facility Totals	-	496	296	200	52,610	-	\$39,251	\$471,012
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FINANCIAL OVERVIEW

	T-2		Year 1		Year 2		Year 3		Year 4						
	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total	\$/SF					
Income															
Gross Potential Rent	\$471,012	\$8.95	\$565,214	\$10.74	\$628,536	\$11.95	\$647,392	\$12.31	\$666,814	\$12.67					
Merchandise Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
Tenant Insurance (Net)	\$23,105	\$0.44	\$23,798	\$0.45	\$30,638	\$0.58	\$32,553	\$0.62	\$33,530	\$0.64					
Fee Income	\$40,276	\$0.77	\$41,484	\$0.79	\$42,728	\$0.81	\$44,010	\$0.84	\$45,330	\$0.86					
Economic Vacancy	-17.8%	(\$83,805)	(\$1.59)	-12.0%	(\$67,826)	(\$1.29)	-12.0%	(\$75,424)	(\$1.43)	-12.0%	(\$77,687)	(\$1.48)	-12.0%	(\$80,018)	(\$1.52)
Effective Gross Income	\$450,588	\$8.56	\$562,671	\$10.70	\$626,478	\$11.91	\$646,269	\$12.28	\$665,657	\$12.65					
Expenses															
Real Estate Taxes	\$45,274	\$0.86	\$54,329	\$1.03	\$55,415	\$1.05	\$56,524	\$1.07	\$57,654	\$1.10					
Insurance	\$20,154	\$0.38	\$20,557	\$0.39	\$20,969	\$0.40	\$21,388	\$0.41	\$21,816	\$0.41					
Utilities & Trash	\$17,735	\$0.34	\$18,089	\$0.34	\$18,451	\$0.35	\$18,820	\$0.36	\$19,197	\$0.36					
On-Site Payroll	\$45,951	\$0.87	\$46,870	\$0.89	\$47,807	\$0.91	\$48,763	\$0.93	\$49,738	\$0.95					
Management Fees	\$22,529	\$0.43	\$28,134	\$0.53	\$31,324	\$0.60	\$32,313	\$0.61	\$33,283	\$0.63					
Bank and Credit Card Fees	\$10,986	\$0.21	\$12,660	\$0.24	\$14,096	\$0.27	\$14,541	\$0.28	\$14,977	\$0.28					
Advertising & Marketing	\$9,293	\$0.18	\$24,000	\$0.46	\$24,480	\$0.47	\$24,970	\$0.47	\$25,469	\$0.48					
Office & Administrative	\$4,988	\$0.09	\$5,088	\$0.10	\$5,190	\$0.10	\$5,293	\$0.10	\$5,399	\$0.10					
Telephone & Internet	\$2,426	\$0.05	\$2,474	\$0.05	\$2,524	\$0.05	\$2,574	\$0.05	\$2,626	\$0.05					
Repairs & Maintenance	\$13,202	\$0.25	\$13,466	\$0.26	\$13,735	\$0.26	\$14,010	\$0.27	\$14,290	\$0.27					
Total Operating Expenses	\$192,537	\$3.66	\$225,666	\$4.29	\$233,990	\$4.45	\$239,196	\$4.55	\$244,449	\$4.65					
<i>Operating Expense Ratio</i>	42.7%	-	40.1%	-	37.4%	-	37.0%	-	36.7%	-					
Net Operating Income	\$258,050	\$4.90	\$337,004	\$6.41	\$392,488	\$7.46	\$407,072	\$7.74	\$421,208	\$8.01					

Assumptions:

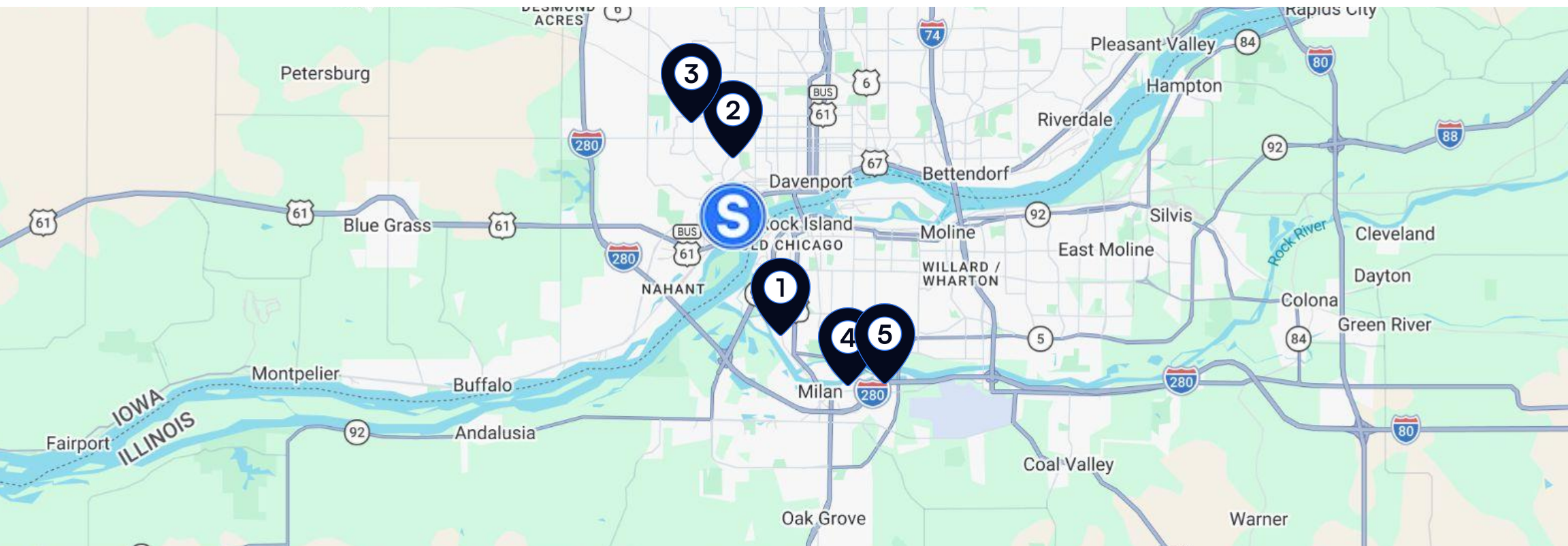
- Gross Potential Rent - 20% increase in Year 1, adjusted to market rates in Year 2, and 3% increases in Year 3 and Year 4
- Tenant Insurance (Self-Storage Units Only) - 3% annual growth moving forward
- Real Estate Taxes - Estimated in Year 1 based on the sale price (with 30% goodwill allocation) and current millage rate, followed by 2% annual growth moving forward
- Insurance Expense - 2% annual growth starting in Year 1
- Utilities Expense - 2% annual growth starting in Year 1
- Management Fee - 5% of Effective Gross Income
- Bank and Credit Card Fees - 2.25% of Effective Gross Income
- Advertising & Marketing - \$2,000 per month budget starting in Year 1, 2% annual growth moving forward
- Office & Administrative - 2% annual growth starting in Year 1
- Telephone & Internet - 2% annual growth starting in Year 1
- Repairs & Maintenance - 2% annual growth starting in Year 1

10 YEAR CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME										
Gross Potential Rent	\$565,214	\$628,536	\$647,392	\$666,814	\$686,818	\$707,423	\$728,645	\$750,505	\$773,020	\$796,211
Merchandise Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tenant Insurance (Net)	\$23,798	\$30,638	\$32,553	\$33,530	\$34,536	\$35,572	\$36,639	\$37,738	\$38,870	\$40,036
Fee Income	\$41,484	\$42,728	\$44,010	\$45,330	\$46,690	\$48,091	\$49,534	\$51,020	\$52,550	\$54,127
Economic Vacancy	(\$67,826)	(\$75,424)	(\$77,687)	(\$80,018)	(\$82,418)	(\$84,891)	(\$87,437)	(\$90,061)	(\$92,762)	(\$95,545)
Effective Gross Income	\$562,671	\$626,478	\$646,269	\$665,657	\$685,626	\$706,195	\$727,381	\$749,202	\$771,678	\$794,829
EXPENSES										
Real Estate Taxes	\$54,329	\$55,415	\$56,524	\$57,654	\$58,807	\$59,983	\$61,183	\$62,407	\$63,655	\$64,928
Insurance	\$20,557	\$20,969	\$21,388	\$21,816	\$22,252	\$22,697	\$23,151	\$23,614	\$24,086	\$24,568
Utilities & Trash	\$18,089	\$18,451	\$18,820	\$19,197	\$19,581	\$19,972	\$20,372	\$20,779	\$21,195	\$21,619
On-Site Payroll	\$46,870	\$47,807	\$48,763	\$49,738	\$50,733	\$51,748	\$52,783	\$53,838	\$54,915	\$56,013
Management Fees	\$28,134	\$31,324	\$32,313	\$33,283	\$34,281	\$35,310	\$36,369	\$37,460	\$38,584	\$39,741
Bank and Credit Card Fees	\$12,660	\$14,096	\$14,541	\$14,977	\$15,427	\$15,889	\$16,366	\$16,857	\$17,363	\$17,884
Advertising & Marketing	\$24,000	\$24,480	\$24,970	\$25,469	\$25,978	\$26,498	\$27,028	\$27,568	\$28,120	\$28,682
Office & Administrative	\$5,088	\$5,190	\$5,293	\$5,399	\$5,507	\$5,617	\$5,730	\$5,844	\$5,961	\$6,080
Telephone & Internet	\$2,474	\$2,524	\$2,574	\$2,626	\$2,678	\$2,732	\$2,786	\$2,842	\$2,899	\$2,957
Repairs & Maintenance	\$13,466	\$13,735	\$14,010	\$14,290	\$14,576	\$14,867	\$15,164	\$15,468	\$15,777	\$16,093
Total Operating Expenses	\$225,666	\$233,990	\$239,196	\$244,449	\$249,820	\$255,314	\$260,932	\$266,678	\$272,555	\$278,565
<i>Operating Expense Ratio</i>	<i>40.1%</i>	<i>37.4%</i>	<i>37.0%</i>	<i>36.7%</i>	<i>36.4%</i>	<i>36.2%</i>	<i>35.9%</i>	<i>35.6%</i>	<i>35.3%</i>	<i>35.0%</i>
Net Operating Income	\$337,004	\$392,488	\$407,072	\$421,208	\$435,806	\$450,881	\$466,449	\$482,524	\$499,124	\$516,264

CLIMATE CONTROLLED GROUND LEVEL RENT COMPARABLES

Facility Name	Address	5 x 10	10 x 10	10 x 15	10 x 20	10 x 25	Distance to Property
S Subject Property	2070 W River Dr, Davenport, IA	\$57.00	\$82.00	\$97.00	\$106.00	\$149.00	-
1 Storage of America	2832 5th St, Rock Island, IL	\$75.00	\$96.00	\$138.00	-	\$179.00	2.10 Miles
2 Storage Rentals of America	2501 N Lincoln Ave, Davenport, IA	\$101.00	\$142.00	-	-	-	2.32 Miles
3 Streamlined Storage	3511 Hickory Grove Rd, Davenport, IA	\$85.00	-	-	-	-	2.86 Miles
4 Next Door Self Storage	2820 Blackhawk Road, Rock Island, IL	\$87.00	\$146.00	\$177.00	\$185.00	-	3.94 Miles
5 Self-Storage at U-Haul	3840 46th Ave, Rock Island, IL	\$74.95	\$124.95	\$164.95	-	-	4.33 Miles
Averages		\$84.59	\$127.24	\$159.98	\$185.00	\$179.00	
Average Rent Per SF		\$1.69	\$1.27	\$1.07	\$0.93	\$0.72	





03

MARKET
OVERVIEW

DAVENPORT, IA DEMOGRAPHIC ANALYSIS

-0.26%

2020-2025 Annual
Population Growth

0.05%

2025-2030 Annual
Population Growth

37.5

Median Age

0.11%

2020-2025 Annual
Households Growth

27,200

Owner Occupied
Households

16,000

Renter Occupied
Households



100,400

Total
Population

\$1.55 B

Consumer
Spending

500+

Future Residential
Developments

\$88,500

Average
Household Income



DEMOGRAPHIC ANALYSIS

POPULATION			
	3-MILE	5-MILE	10-MILE
2020 Population	67,412	140,768	276,639
2025 Population	69,136	141,173	277,153
2030 Population Projection	69,990	142,164	278,869
Annual Growth 2020-2025	0.5%	0.1%	0%
Annual Growth 2025-2030	0.2%	0.1%	0.1%
Median Age	37.2	38.8	40.3

HOUSEHOLDS			
	3-MILE	5-MILE	10-MILE
2020 Households	27,735	59,233	115,576
2025 Households	28,680	59,554	115,835
2030 Household Projection	29,093	60,024	116,583
Annual Growth 2020-2025	0.3%	0.1%	0.3%
Annual Growth 2025-2030	0.3%	0.2%	0.1%
Owner Occupied Households	15,020	35,026	74,550
Renter Occupied Households	14,073	24,998	42,033

INCOME			
	3-MILE	5-MILE	10-MILE
Avg Household Income	\$66,276	\$76,595	\$89,241
Median Household Income	\$53,389	\$61,375	\$70,032
< \$25,000	7,370	11,837	20,023
\$25,000 - 50,000	6,299	13,110	22,217
\$50,000 - 75,000	5,289	10,709	19,633
\$75,000 - 100,000	4,003	8,840	16,691
\$100,000 - 125,000	2,435	5,231	10,893
\$125,000 - 150,000	1,443	3,633	8,523
\$150,000 - 200,000	1,166	3,987	10,324
\$200,000+	675	2,206	7,530

CONFIDENTIALITY AGREEMENT AND DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2070 W River Dr, Davenport, IA 52802** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and
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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.



MATTHEWS™

OFFERING MEMORANDUM

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