
1315 24th St


6001 MS-48

McCOMB STORAGE PORTFOLIO

MCCOMB, MS | OFFERING MEMORANDUM

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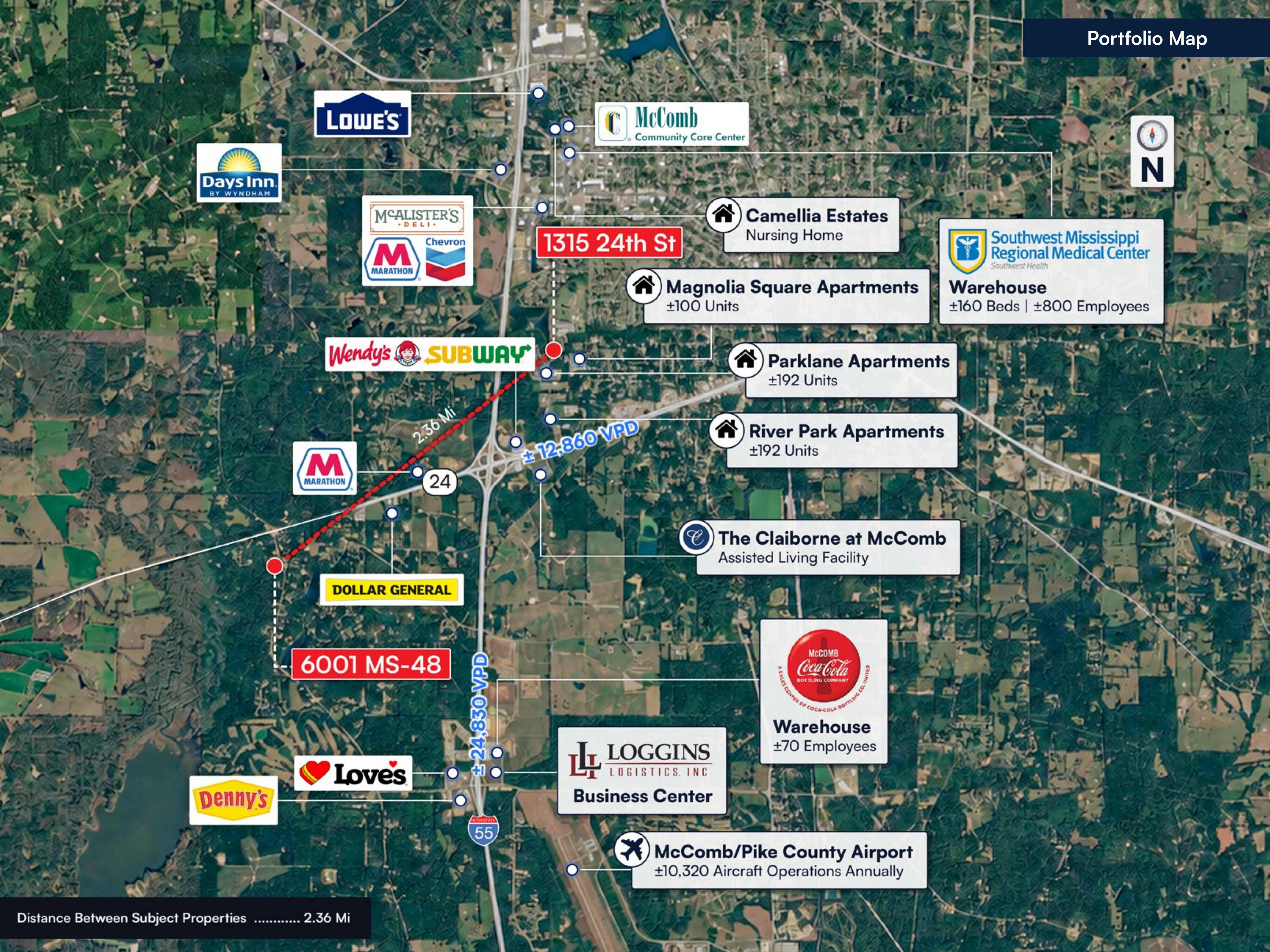
1315 24th St McComb, MS 39648

6001 MS-48 McComb, MS 39648

Portfolio Map



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PORTFOLIO OVERVIEW

PORTFOLIO DETAILS

Portfolio Name	McComb Storage Portfolio
Address	1315 24th St & 6001 MS-48
City, State	McComb, MS
County	Pike County
Parcel Numbers	582871-ZF, 711859-H
Lot Size (Acres)	4.95
Year Built	2005-2008
Number of Buildings	10
Number of Stories	1
Net Rentable SF	+/-51,350
Total Units	465
Climate Controlled Units	0
Non-Climate Controlled Units	465
Parking Spaces	0
Unit Occupancy	90%
Square Foot Occupancy	92%
Economic Occupancy	74%
3-Mile SF/Capita	17.06
5-Mile SF/Capita	15.07
Management	Owner-Operated
Foundation	Concrete
Framing	Steel
Roof	Metal
Fencing	Chain-Link, Barbed-Wire
Parking Surface	Gravel
Entry	Keypad Access
Security	13 Cameras
Traffic Counts	3,147 VPD (Parklane Rd) & 1,611 VPD (Hwy 48)
Flood Zone	No

INVESTMENT HIGHLIGHTS

- Two facilities located 2.36 miles apart, totaling 51,350 NRSF
- 90% physical occupancy across the portfolio
- Offered below replacement cost at $50.63 per rentable square foot
- Mom-and-pop operated with limited marketing and management despite strong physical occupancy
- Approximately one acre available for future expansion at Park Side Storage
- Storage Solutions of McComb benefits from its proximity to three modern apartment communities and The Claiborne, an upscale retirement community along Highway 98
- Park Side Storage is located minutes from Pinehurst, one of the submarket's premier upscale residential neighborhoods

LISTING DETAILS

$2,600,000
Portfolio List Price

$172,513 Current NOI	**$219,554** Year 2 NOI	**$244,641** Year 4 NOI
6.65% Current Cap Rate	**8.44%** Year 2 Cap Rate	**9.41%** Year 4 Cap Rate
90% Unit Occupancy	**92%** SF Occupancy	**74%** Economic Occupancy


1315 24th St


6001 MS-48


Park Side Mini Storage
601-250-0113

PORTFOLIO UNIT MIX

Non-Climate Controlled: 1315 24th St

Unit Size	Unit SF	Total Units	Occupied	Vacant	Net Rentable SF	Current Rates	Monthly GPI	Annual Total
5 X 10	50	28	17	11	1,400	$45	$1,260	$15,120
5 X 15	75	40	36	4	3,000	$50	$2,000	$24,000
10 X 10	100	132	128	4	13,200	$65	$8,580	$102,960
10 X 15	150	113	109	4	16,950	$75	$8,475	$101,700
Facility Totals		**313**	**290**	**23**	**34,550**	**-**	**$20,315**	**$243,780**

Non-Climate Controlled: 6001 MS-48

Unit Size	Unit SF	Total Units	Occupied	Vacant	Net Rentable SF	Current Rates	Monthly GPI	Annual Total
10 X 10	100	120	96	24	12,000	$65	$7,800	$93,600
10 X 15	150	32	32	0	4,800	$75	$2,400	$28,800
Facility Totals		**152**	**128**	**24**	**16,800**	**-**	**$10,200**	**$122,400**

Portfolio Totals	**-**	**465**	**418**	**47**	**51,350**	**-**	**$30,515**	**$366,180**

02 FINANCIAL OVERVIEW

PORTFOLIO FINANCIAL OVERVIEW

		T-12			Year 1			Year 2			Year 3			Year 4	
		Total	$ PSF		Total	$ PSF		Total	$ PSF		Total	$ PSF		Total	$ PSF
Income															
Gross Potential Rent		$366,180	$7.13		$366,180	$7.13		$377,165	$7.34		$396,024	$7.71		$407,904	$7.94
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)		$7,327	$0.14		$10,881	$0.21		$14,508	$0.28		$18,135	$0.35		$18,679	$0.36
Admin Fees		$823	$0.02		$4,320	$0.08		$4,450	$0.09		$4,583	$0.09		$4,721	$0.09
Late Fees		$7,646	$0.15		$7,875	$0.15		$8,111	$0.16		$8,355	$0.16		$8,605	$0.17
Economic Vacancy	-26.0%	($95,200)	($1.85)	-15.0%	($54,927)	($1.07)	-12.0%	($45,260)	($0.88)	-12.0%	($47,523)	($0.93)	-12.0%	($48,949)	($0.95)
Effective Gross Income		**$286,776**	**$5.58**		**$334,329**	**$6.51**		**$358,974**	**$6.99**		**$379,574**	**$7.39**		**$390,961**	**$7.61**
Expenses															
Real Estate Taxes		$32,216	$0.63		$44,475	$0.87		$45,365	$0.88		$46,272	$0.90		$47,198	$0.92
Insurance		$15,283	$0.30		$15,589	$0.30		$15,900	$0.31		$16,218	$0.32		$16,543	$0.32
Utilities & Trash		$6,607	$0.13		$6,740	$0.13		$6,874	$0.13		$7,012	$0.14		$7,152	$0.14
On-Site Payroll		$28,150	$0.55		$28,713	$0.56		$29,287	$0.57		$29,873	$0.58		$30,470	$0.59
Management Fees		$14,339	$0.28		$16,716	$0.33		$17,949	$0.35		$18,979	$0.37		$19,548	$0.38
Bank and Credit Card Fees		$6,452	$0.13		$7,522	$0.15		$8,077	$0.16		$8,540	$0.17		$8,797	$0.17
Advertising & Marketing		$1,750	$0.03		$6,000	$0.12		$6,120	$0.12		$6,242	$0.12		$6,367	$0.12
Office & Administrative		$4,000	$0.08		$4,080	$0.08		$4,162	$0.08		$4,245	$0.08		$4,330	$0.08
Telephone & Internet		$2,275	$0.04		$2,321	$0.05		$2,367	$0.05		$2,414	$0.05		$2,463	$0.05
Repairs & Maintenance		$3,190	$0.06		$3,254	$0.06		$3,319	$0.06		$3,385	$0.07		$3,453	$0.07
Total Operating Expenses		**$114,263**	**$2.23**		**$135,410**	**$2.64**		**$139,420**	**$2.72**		**$143,181**	**$2.79**		**$146,320**	**$2.85**
Operating Expense Ratio		*39.8%*	-		*40.5%*	-		*38.8%*	-		*37.7%*	-		*37.4%*	-
Net Operating Income		**$172,513**	**$3.36**		**$198,919**	**$3.87**		**$219,554**	**$4.28**		**$236,392**	**$4.60**		**$244,641**	**$4.76**

ASSUMPTIONS:

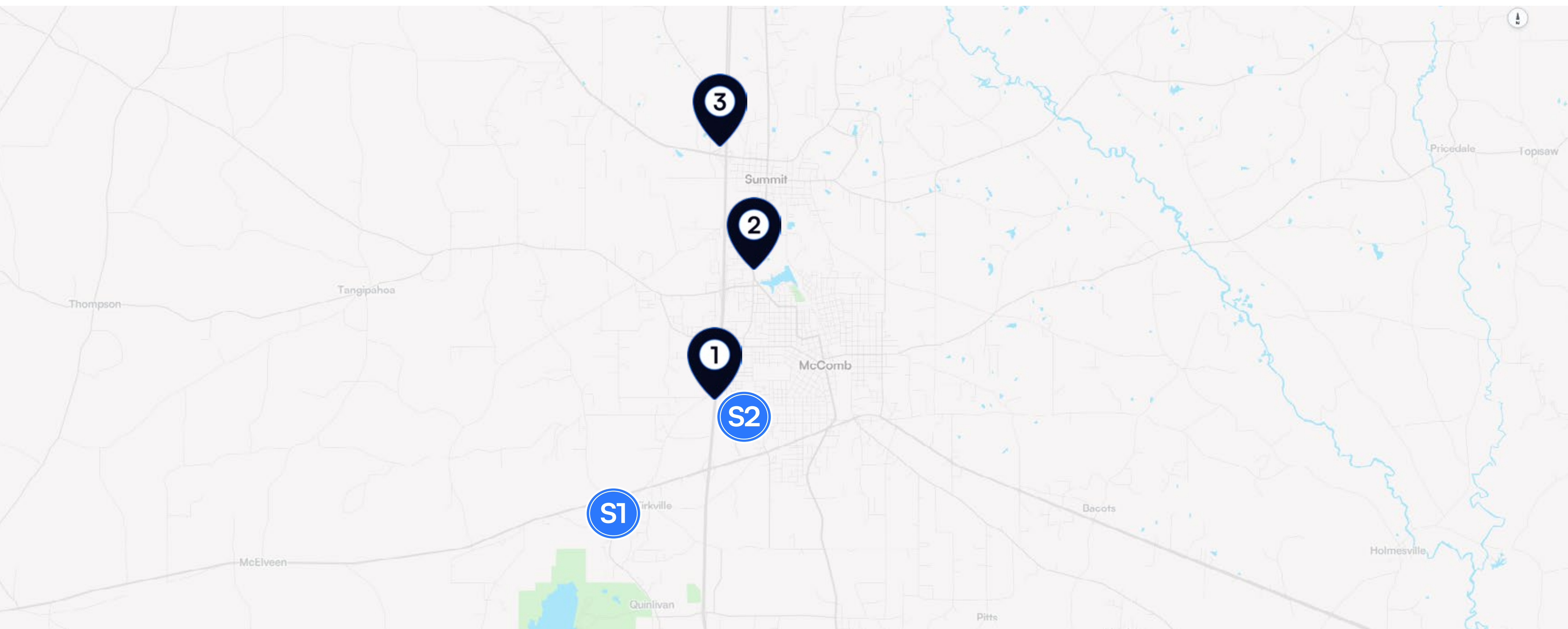
- Gross Potential Rent - Unchanged in Year 1, 3% increase in Year 2, 5% increase in Year 3, and 3% increase in Year 4
- Tenant Insurance (Self-Storage Units Only) - 30% penetration x $6.50 (Profit) x 12 months in Year 1, 40% penetration in Year 2, 50% penetration in Year 3, 3% annual growth moving forward
- Admin Fees - $24 per move-in x 15 move-ins per month x 12 months in Year 1, 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 - $500 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

PORTFOLIO 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	$366,180	$377,165	$396,024	$407,904	$420,142	$432,746	$445,728	$459,100	$472,873	$487,059
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)	$10,881	$14,508	$18,135	$18,679	$19,239	$19,817	$20,411	$21,023	$21,654	$22,304
Admin Fees	$4,320	$4,450	$4,583	$4,721	$4,862	$5,008	$5,158	$5,313	$5,472	$5,637
Late Fees	$7,875	$8,111	$8,355	$8,605	$8,863	$9,129	$9,403	$9,685	$9,976	$10,275
Economic Vacancy	($54,927)	($45,260)	($47,523)	($48,949)	($50,417)	($51,929)	($53,487)	($55,092)	($56,745)	($58,447)
Effective Gross Income	**$334,329**	**$358,974**	**$379,574**	**$390,961**	**$402,690**	**$414,770**	**$427,213**	**$440,030**	**$453,231**	**$466,828**
Expenses										
Real Estate Taxes	$44,475	$45,365	$46,272	$47,198	$48,142	$49,104	$50,086	$51,088	$52,110	$53,152
Insurance	$15,589	$15,900	$16,218	$16,543	$16,874	$17,211	$17,555	$17,906	$18,265	$18,630
Utilities & Trash	$6,740	$6,874	$7,012	$7,152	$7,295	$7,441	$7,590	$7,742	$7,896	$8,054
On-Site Payroll	$28,713	$29,287	$29,873	$30,470	$31,080	$31,701	$32,336	$32,982	$33,642	$34,315
Management Fees	$16,716	$17,949	$18,979	$19,548	$20,134	$20,739	$21,361	$22,001	$22,662	$23,341
Bank and Credit Card Fees	$7,522	$8,077	$8,540	$8,797	$9,061	$9,332	$9,612	$9,901	$10,198	$10,504
Advertising & Marketing	$6,000	$6,120	$6,242	$6,367	$6,495	$6,624	$6,757	$6,892	$7,030	$7,171
Office & Administrative	$4,080	$4,162	$4,245	$4,330	$4,416	$4,505	$4,595	$4,687	$4,780	$4,876
Telephone & Internet	$2,321	$2,367	$2,414	$2,463	$2,512	$2,562	$2,613	$2,666	$2,719	$2,773
Repairs & Maintenance	$3,254	$3,319	$3,385	$3,453	$3,522	$3,592	$3,664	$3,738	$3,812	$3,889
Total Operating Expenses	**$135,410**	**$139,420**	**$143,181**	**$146,320**	**$149,530**	**$152,813**	**$156,170**	**$159,603**	**$163,114**	**$166,705**
Operating Expense Ratio	*40.5%*	*38.8%*	*37.7%*	*37.4%*	*37.1%*	*36.8%*	*36.6%*	*36.3%*	*36.0%*	*35.7%*
NET OPERATING INCOME	**$198,919**	**$219,554**	**$236,392**	**$244,641**	**$253,160**	**$261,958**	**$271,044**	**$280,427**	**$290,117**	**$300,123**

NON-CLIMATE CONTROLLED - RENT COMPARABLES

Facility Name	Address	5x10 NC		10x10 NC		10x15 NC		Distance to Property
		In-Store	Web Rate	In-Store	Web Rate	In-Store	Web Rate	
S1 S2 **Subject Properties**	**6001 MS-48, McComb, MS** **1315 24th St McComb, MS**	**$45.00**	**-**	**$65.00**	**-**	**$75.00**	**-**	**-**
1 SafeKeep Storage	3045 US-51, McComb, MS	-	-	$70.00		$80.00		2.32 Miles
2 The Space Place Mini Storage	1076 Hwy 51 N, McComb, MS	$65.00	$50.00	$90.00	$70.00	$115.00	$105.00	2.47 Miles
3 1st Stop Storage - Summit	1065 Old Brookhaven Rd, Summit, MS	$38.00	$38.00	$58.00	$58.00	$75.00	$75.00	4.22 Miles
Averages		**$51.50**	**$44.00**	**$72.67**	**$64.00**	**$90.00**	**$90.00**	
Average Rent Per SF		**$1.03**	**$0.88**	**$0.73**	**$0.64**	**$0.60**	**$0.60**	



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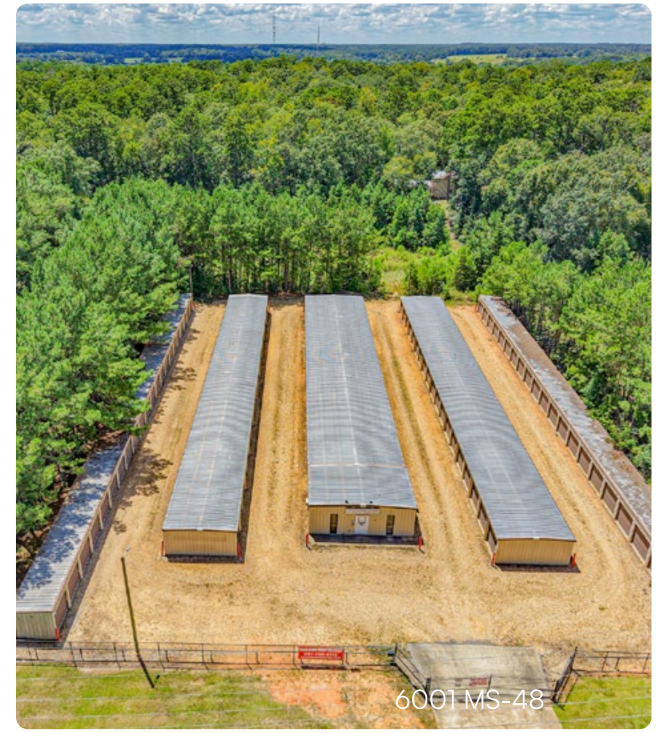
MARKET OVERVIEW

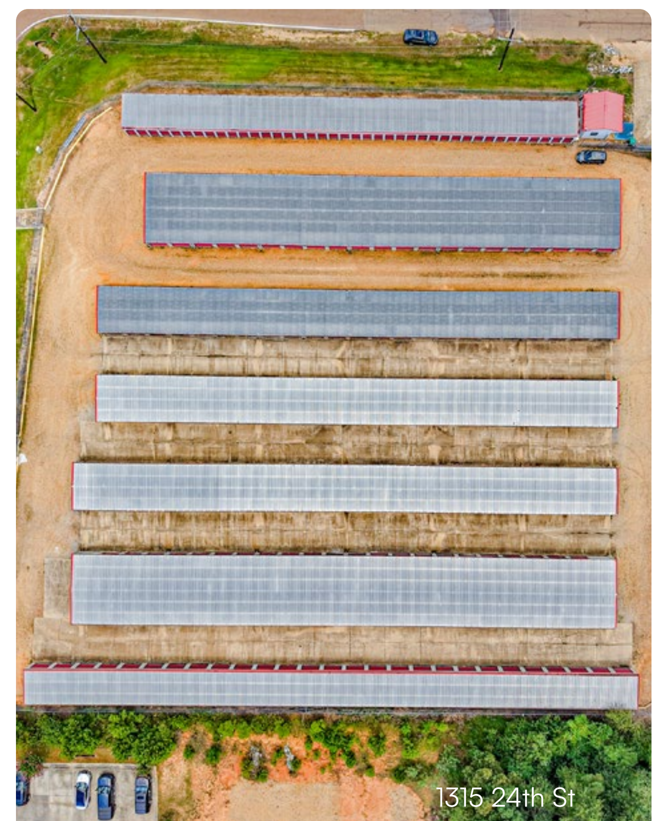
DEMOGRAPHIC ANALYSIS

POPULATION	3-MILE	5-MILE	10-MILE
2020 Population	15,322	23,047	35,659
2025 Population	14,390	21,565	33,859
2030 Population Projection	13,992	20,949	33,029
Median Age	38.3	38.4	40

HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2020 Households	2,238	5,169	6,223
2025 Households	5,907	8,647	13,616
2030 Household Projection	5,744	8,402	13,286
Owner Occupied Households	2,921	4,832	8,669
Renter Occupied Households	2,823	3,570	4,616

INCOME	3-MILE	5-MILE	10-MILE
Avg Household Income	$48,685	$52,443	$57,035
Median Household Income	$41,546	$42,439	$42,264
< $25,000	1,863	2,726	4,365
$25,000 - 50,000	1,949	2,541	3,808
$50,000 - 75,000	1,062	1,584	2,342
$75,000 - 100,000	459	787	1,192
$100,000 - 125,000	376	553	846
$125,000 - 150,000	80	175	301
$150,000 - 200,000	42	126	334
$200,000+	75	155	428





CITY OF McCOMB, MS
POPULATION STATISTICS

$679.7M
Annual Retail Sales

$322.8M
Total Specified Consumer Spending

17,123
Total Daytime Employment

2,451
Renter Occupied Households

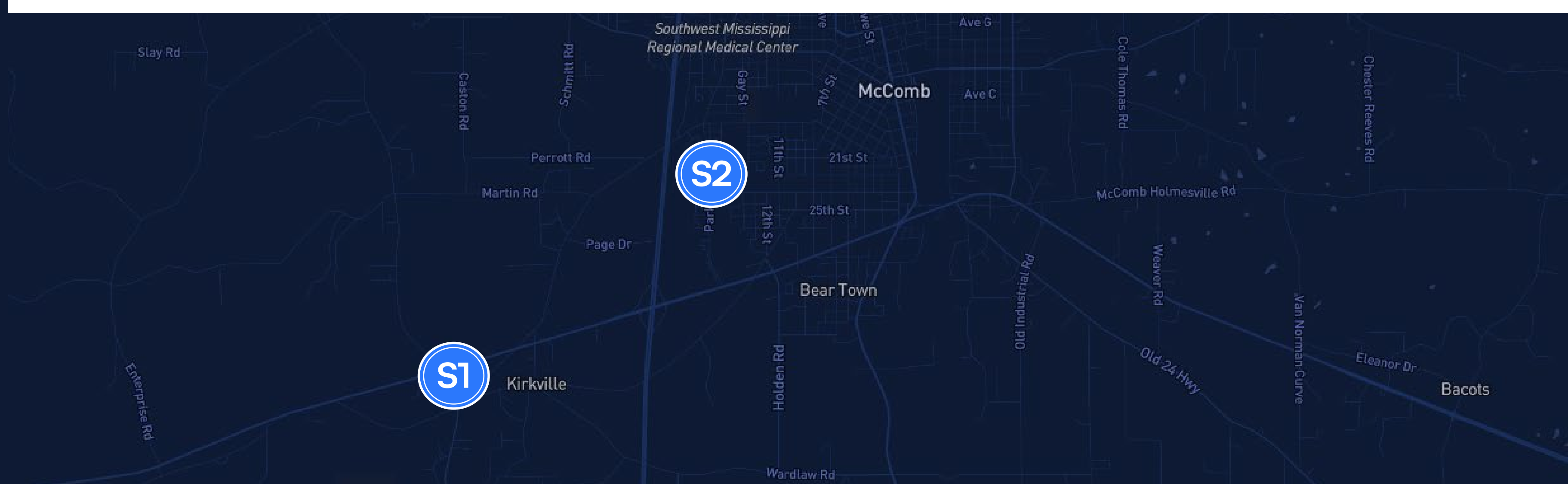
$57,035
Average Household Income

11,697+
TOTAL POPULATION

2.3
AVG HOUSEHOLD SIZE (PEOPLE)

5,091+
NUMBER OF HOUSEHOLDS

$40,707
MEDIAN HOUSEHOLD INCOME



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MATTHEWS™

OFFERING MEMORANDUM

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