

MATTHEWS™



STORAGE BROTHERS

721 FORWARD DR, MADISON, WI | OFFERING MEMORANDUM



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| 721 Forward Dr, Madison, WI





 **Wexford Crossing Condominiums**
±128 Units

 **Blackhawk Country Club**
Golf Course

 **THE UNIVERSITY OF WISCONSIN**
MADISON
University of Wisconsin—Madison
±53,219 Students | ±21,000 Employees

 **TARGET**

 **The Monticello Apartments**
±616 Units

 **Wexford Ridge Apartments**
±246 Units

 **Vel Phillips Memorial High**
±2,000 Students

 **Van Hise Elementary**
±396 Students
 **Hamilton Middle**
±790 Students

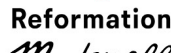
 **WHOLE FOODS MARKET**

 **UWHealth**
UW Health University Hospital
±505 Beds | ±2,000 Employees

West Towne Mall
 
 
 
  

EXACT SCIENCES is now  **ABBOTT**
Laboratory
±3,500 Total Employees

 **UWHealth**
UW Health Science Dr Medical Center
±26,000 Total Employees

Hilldale Shopping Center
 
 
 
 

 **Walmart Supercenter**

 **UNITED STATES POSTAL SERVICE**

 **Preserve West**
±318 Units

 **Midvale Elementary**
±372 Students

 **Westgate Redevelopment**
±300 Units | Multi-Phase Redevelopment

 **Nakoma Golf Club**
Golf Course

 **Cherokee Heights Middle**
±526 Students

 **Odana Hills Golf Course**
Golf Course

±76,977 VPD

 **Subject Property**



An aerial photograph of a commercial property. In the foreground, there are several long, single-story buildings with orange roll-up doors, likely storage units. To the right of these units is a large, paved parking lot with several cars parked. In the background, there is a larger building with a sign that reads "MADISON ICE ARENA". The property is surrounded by green trees and a clear blue sky. A large blue circle with the number "01" is overlaid on the left side of the image.

01

PROPERTY
DETAILS



ASSET OVERVIEW

Facility Name	Storage Brothers - Madison
Address	721 Forward Dr
City, State	Madison, WI
County	Dane County
Parcel Number	0708-254-0075-1
Lot Size (Acres)	±1.59
Year Built	1986
Number of Buildings	8
Number of Stories	1
Net Rentable SF	±25,400
Total Units	180
Climate Controlled Units	0
Non-Climate Controlled Units	180
Parking Spaces	0
Unit Occupancy	91%
Square Foot Occupancy	94%
Economic Occupancy	79%
3-Mile SF/Capita	4.75
5-Mile SF/Capita	5.05
Management	Owner-Operated with Employees
Foundation	Concrete
Framing	Cinder Block
Roof	Shingle
Fencing	None
Parking Surface	Paved
Entry	Open Access
Traffic Counts	±6,090 VPD (Schroeder Rd)
Security	2 Cameras
Flood Zone	No
On-Site Apartment	No

INVESTMENT HIGHLIGHTS

- Mom-and-pop operated, presenting upside in operations through rental rate increases and ancillary income streams
- Limited online presence but the property still maintains 91%+ occupancy
- Current rental rates are 20-30% below market when comparing to nearest competitors
- Extremely low supply in a high barrier to entry market - 4.75 SF per Capita within 3 miles, 5.05 with 5 miles.
- Dense trade area with over 90,000 people living within 3 miles and over 240,000 living within 5 miles.
- Population growth of 3.1% in the last 5 years
- Over \$9.6 Billion in the housing development pipeline within 5-miles of the property (according to TractIQ)
- Projected returns north of 9.50% in Year 3 and north of 10% in Year 4



LISTING DETAILS

\$2,500,000

List Price

\$149,795

Current NOI

\$218,053

Year 2 NOI

\$246,855

Year 4 NOI

6.00%

Current Cap Rate

8.72%

Year 2 Cap Rate

9.87%

Year 4 Cap Rate

4.75

3 Mile SF/Capita

5.05

5 Mile SF/Capita

242,233

5 Mile Population

91%

Unit Occupancy

94%

SF Occupancy

79%

Economic Occupancy



UNIT MIX

Non-Climate Controlled

Unit Size	Unit SF	Total Units	Occupied	Vacant	Net Rentable SF	Current Rates	Monthly GPI	Annual Total
5 X 10	50	40	32	8	2,000	\$80	\$3,200	\$38,400
10 X 10	100	8	6	2	800	\$105	\$840	\$10,080
10 X 11	110	40	36	4	4,400	\$115	\$4,600	\$55,200
10 X 13	130	1	1	0	130	\$130	\$130	\$1,560
10 X 15	150	2	2	0	300	\$150	\$300	\$3,600
10 X 17	170	1	1	0	170	\$160	\$160	\$1,920
10 X 20	200	88	85	3	17,600	\$170	\$14,960	\$179,520
Facility Totals	-	180	163	17	25,400	-	\$24,190	\$290,280

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	\$290,280	\$11.43	\$304,794	\$12.00	\$320,034	\$12.60	\$336,035	\$13.23	\$352,837	\$13.89					
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)	\$0.00	\$0.00	\$5,616	\$0.22	\$8,424	\$0.33	\$11,934	\$0.47	\$12,292	\$0.48					
Admin Fees	\$0.00	\$0.00	\$4,320	\$0.17	\$4,450	\$0.18	\$4,583	\$0.18	\$4,721	\$0.19					
Late Fees	\$2,165	\$0.09	\$2,324	\$0.09	\$2,394	\$0.09	\$2,466	\$0.10	\$2,540	\$0.10					
Economic Vacancy	-20.7%	(\$60,035)	(\$2.36)	-15.0%	(\$45,719)	(\$1.80)	-10.0%	(\$32,003)	(\$1.26)	-10.0%	(\$33,604)	(\$1.32)	-10.0%	(\$35,284)	(\$1.39)
Effective Gross Income	\$232,410	\$9.15	\$271,335	\$10.68	\$303,298	\$11.94	\$321,415	\$12.65	\$337,106	\$13.27					
Expenses															
Real Estate Taxes	\$42,035	\$1.65	\$31,809	\$1.25	\$32,446	\$1.28	\$33,095	\$1.30	\$33,756	\$1.33					
Insurance	\$3,696	\$0.15	\$3,770	\$0.15	\$3,845	\$0.15	\$3,922	\$0.15	\$4,001	\$0.16					
Utilities & Trash	\$3,206	\$0.13	\$3,270	\$0.13	\$3,335	\$0.13	\$3,402	\$0.13	\$3,470	\$0.14					
On-Site Payroll	\$6,000	\$0.24	\$6,120	\$0.24	\$6,242	\$0.25	\$6,367	\$0.25	\$6,495	\$0.26					
Management Fees	\$11,621	\$0.46	\$13,567	\$0.53	\$15,165	\$0.60	\$16,071	\$0.63	\$16,855	\$0.66					
Bank and Credit Card Fees	\$5,229	\$0.21	\$6,105	\$0.24	\$6,824	\$0.27	\$7,232	\$0.28	\$7,585	\$0.30					
Advertising & Marketing	\$0.00	\$0.00	\$6,000	\$0.24	\$6,120	\$0.24	\$6,242	\$0.25	\$6,367	\$0.25					
Office & Administrative	\$4,157	\$0.16	\$4,240	\$0.17	\$4,325	\$0.17	\$4,411	\$0.17	\$4,500	\$0.18					
Telephone & Internet	\$2,100	\$0.08	\$2,142	\$0.08	\$2,185	\$0.09	\$2,229	\$0.09	\$2,273	\$0.09					
Repairs & Maintenance	\$4,572	\$0.18	\$4,663	\$0.18	\$4,757	\$0.19	\$4,852	\$0.19	\$4,949	\$0.19					
Total Operating Expenses	\$82,615	\$3.25	\$81,687	\$3.22	\$85,244	\$3.36	\$87,823	\$3.46	\$90,251	\$3.55					
Operating Expense Ratio	35.5%	-	30.1%	-	28.1%	-	27.3%	-	26.8%	-					
Net Operating Income	\$149,795	\$5.90	\$189,648	\$7.47	\$218,053	\$8.58	\$233,592	\$9.20	\$246,855	\$9.72					

ASSUMPTIONS:

- Gross Potential Rent - 5% increases in Year 1, Year 2, Year 3, and Year 4
- Tenant Insurance (Self-Storage Units Only) - 40% penetration x \$6.50 (Profit) x 12 months in Year 1, 60% penetration in Year 2, 85% 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
- Payroll - 2% annual growth starting in Year 1

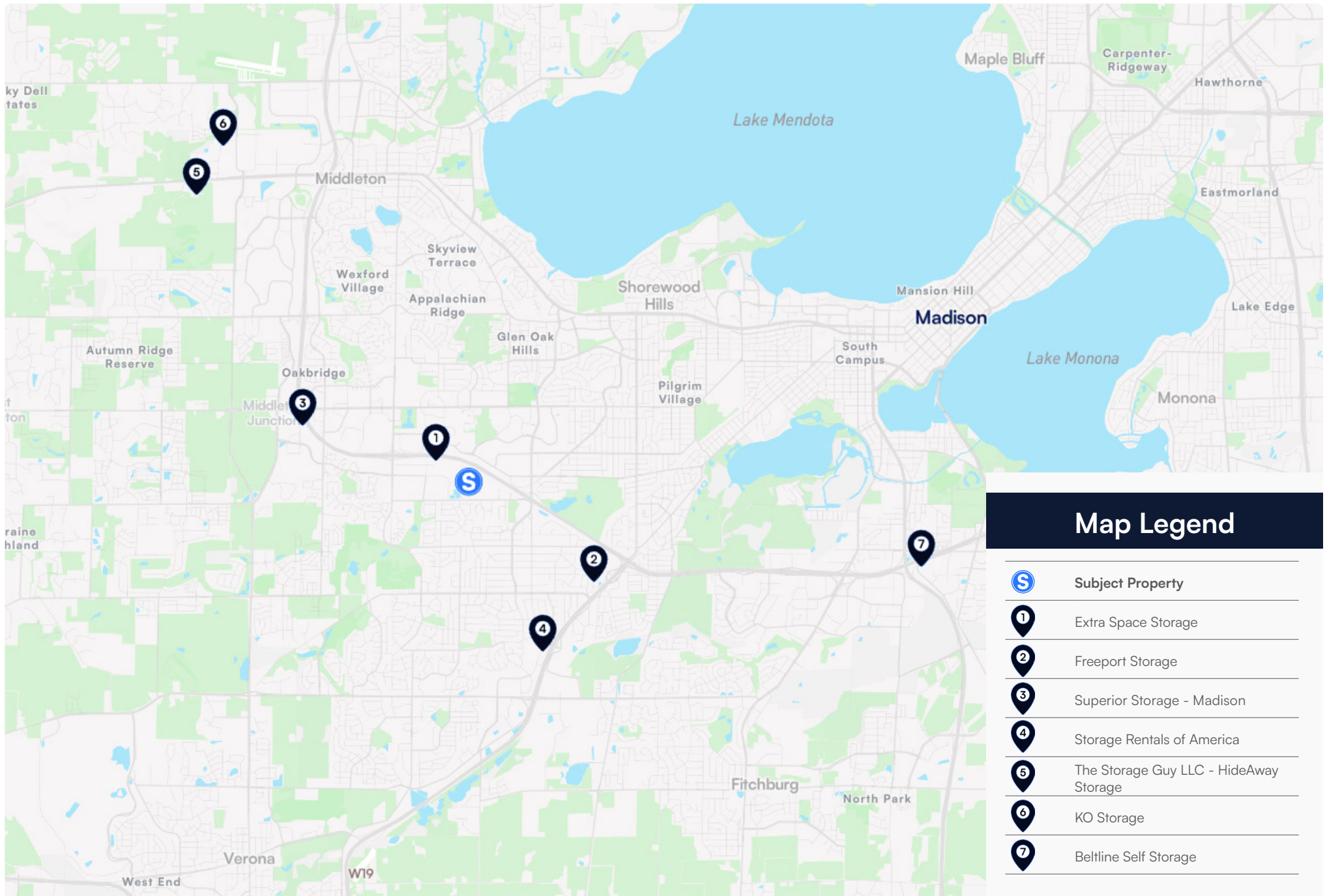
10 YEAR CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income										
Gross Potential Rent	\$304,794	\$320,034	\$336,035	\$352,837	\$363,422	\$374,325	\$385,555	\$397,121	\$409,035	\$421,306
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)	\$5,616	\$8,424	\$11,934	\$12,292	\$12,661	\$13,041	\$13,432	\$13,835	\$14,250	\$14,677
Admin Fees	\$4,320	\$4,450	\$4,583	\$4,721	\$4,862	\$5,008	\$5,158	\$5,313	\$5,472	\$5,637
Late Fees	\$2,324	\$2,394	\$2,466	\$2,540	\$2,616	\$2,694	\$2,775	\$2,858	\$2,944	\$3,032
Economic Vacancy	(\$45,719)	(\$32,003)	(\$33,604)	(\$35,284)	(\$36,342)	(\$37,432)	(\$38,555)	(\$39,712)	(\$40,903)	(\$42,131)
Effective Gross Income	\$271,335	\$303,298	\$321,415	\$337,106	\$347,219	\$357,635	\$368,364	\$379,415	\$390,798	\$402,522
Expenses										
Real Estate Taxes	\$31,809	\$32,446	\$33,095	\$33,756	\$34,432	\$35,120	\$35,823	\$36,539	\$37,270	\$38,015
Insurance	\$3,770	\$3,845	\$3,922	\$4,001	\$4,081	\$4,162	\$4,246	\$4,330	\$4,417	\$4,505
Utilities & Trash	\$3,270	\$3,335	\$3,402	\$3,470	\$3,539	\$3,610	\$3,682	\$3,756	\$3,831	\$3,908
On-Site Payroll	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171	\$7,314
Management Fees	\$13,567	\$15,165	\$16,071	\$16,855	\$17,361	\$17,882	\$18,418	\$18,971	\$19,540	\$20,126
Bank and Credit Card Fees	\$6,105	\$6,824	\$7,232	\$7,585	\$7,812	\$8,047	\$8,288	\$8,537	\$8,793	\$9,057
Advertising & Marketing	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171
Office & Administrative	\$4,240	\$4,325	\$4,411	\$4,500	\$4,590	\$4,681	\$4,775	\$4,871	\$4,968	\$5,067
Telephone & Internet	\$2,142	\$2,185	\$2,229	\$2,273	\$2,319	\$2,365	\$2,412	\$2,460	\$2,510	\$2,560
Repairs & Maintenance	\$4,663	\$4,757	\$4,852	\$4,949	\$5,048	\$5,149	\$5,252	\$5,357	\$5,464	\$5,573
Total Operating Expenses	\$81,687	\$85,244	\$87,823	\$90,251	\$92,300	\$94,398	\$96,545	\$98,743	\$100,993	\$103,296
<i>Operating Expense Ratio</i>	30.1%	28.1%	27.3%	26.8%	26.6%	26.4%	26.2%	26.0%	25.8%	25.7%
Net Operating Income	\$189,648	\$218,053	\$233,592	\$246,855	\$254,919	\$263,237	\$271,819	\$280,672	\$289,805	\$299,225

NON-CLIMATE CONTROLLED RENT COMPARABLES

	Facility Name	Address	5x10 NC	10x10 NC	10x15 NC	10x20 NC	Distance to Property
	Subject Property	721 Forward Dr, Madison, WI	\$80.00	\$105.00	\$150.00	\$170.00	-
	Extra Space Storage	6476 Seybold Rd, Madison, WI	\$117.00	\$195.00	\$293.00	\$326.00	0.43 Miles
	Freeport Storage	1903 Freeport Rd, Madison, WI	\$90.00	\$130.00	\$170.00	\$200.00	1.71 Miles
	Superior Storage - Madison	3690 Commerce Dr, Madison, WI	\$79.00	\$207.00	\$185.00	\$194.00	1.88 Miles
	Storage Rentals of America	5258 Anton Drive Fitchburg, Fitchburg, WI	\$98.00	-	-	\$221.00	1.99 Miles
	The Storage Guy LLC - HideAway Storage	4380 Schwartz Rd, Middleton, WI	\$67.00	-	-	-	4.24 Miles
	KO Storage	2325 Pinehurst Dr, Middleton, WI	\$85.00	-	\$152.00	\$150.00	4.48 Miles
	Beltline Self Storage	401 W Beltline Hwy, Madison, WI	\$103.00	\$149.00	\$179.00	\$189.00	4.96 Miles
Averages			\$91.29	\$170.25	\$195.80	\$213.33	
Average Rent Per Foot			\$1.83	\$1.70	\$1.31	\$1.07	

NON-CLIMATE CONTROLLED RENT COMPARABLES MAP



An aerial photograph of Madison, Wisconsin, showing a dense urban area with various buildings, green spaces, and a large body of water (Lake Monona) in the background. The Wisconsin State Capitol dome is a prominent landmark in the center. A large blue circle with the number '02' is overlaid on the left side of the image.

02

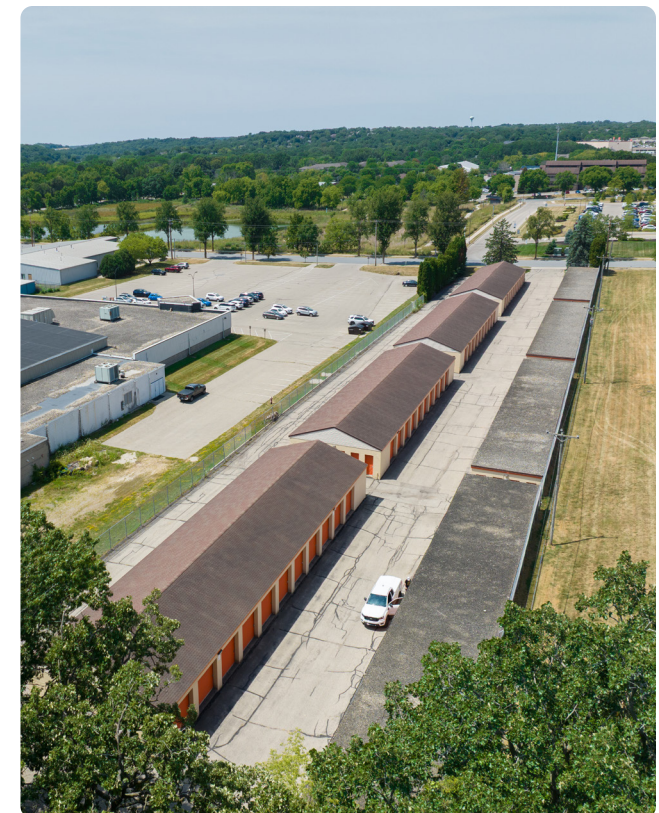
MARKET
OVERVIEW

DEMOGRAPHIC ANALYSIS

POPULATION			
	1-MILE	3-MILE	5-MILE
2020 Population	10,306	90,168	209,869
2025 Population	10,401	90,915	242,233
2030 Population Projection	10,802	94,392	257,926
Annual Growth 2020-2025	0.2%	0.2%	3.1%
Annual Growth 2025-2030	0.8%	0.8%	1.3%
Median Age	41.8	38.4	34

HOUSEHOLDS			
	1-MILE	3-MILE	5-MILE
2020 Households	4,529	40,870	89,825
2025 Households	4,687	41,473	104,445
2030 Household Projection	4,687	41,473	104,445
Owner Occupied Households	2,182	22,455	51,991
Renter Occupied Households	2,724	20,772	59,729

INCOME			
	1-MILE	3-MILE	5-MILE
Avg Household Income	\$96,844	\$114,223	\$110,170
Median Household Income	\$70,479	\$88,062	\$80,788
< \$25,000	556	4,037	15,289
\$25,000 - 50,000	952	6,549	17,866
\$50,000 - 75,000	990	7,506	16,260
\$75,000 - 100,000	530	5,063	12,128
\$100,000 - 125,000	477	4,680	9,765
\$125,000 - 150,000	347	3,541	7,849
\$150,000 - 200,000	411	4,571	10,770
\$200,000+	422	5,528	14,519



MADISON, WI

POPULATION STATISTICS

1.3%

2025-2030 Annual
Population Growth

34

Median Age

4.4%

2020-2025 Annual
Household Growth

51,991

Owner Occupied
Households

59,729

Renter Occupied
Households

\$110,170

Average Household
Income



242,233

TOTAL
POPULATION

2.2

AVG HOUSEHOLD
SIZE (PEOPLE)

104,445

NUMBER OF
HOUSEHOLDS

\$80,788

MEDIAN
HOUSEHOLD INCOME



A LEADING MARKET IN THE UPPER MIDWEST



**#6 Best Places to Live
in the U.S.**

— U.S. News & World Report

**#5 Most Educated City
in America**

— WalletHub

**#5 Fittest City in the
U.S.**

— American College of Sports Medicine

**Top 100 Places to Live
in the U.S.**

— Livability

**#7 Happiest City in
America**

— Fortune

**#7 Best Cities for
STEM Jobs**

— WalletHub

HIGHER EDUCATION

Madison is home to one of the nation's leading public research universities, the University of Wisconsin—Madison, which enrolls more than 50,000 students and supports a strong pipeline of graduates in engineering, healthcare, business, computer science, and the life sciences. The university is a major driver of research and innovation, attracting billions of dollars in annual research expenditures while fostering collaboration between academia, government, and private industry. Its presence contributes to a highly educated workforce and supports the region's continued economic growth.

Beyond UW—Madison, the region offers a diverse higher education network that includes Madison Area Technical College (Madison College), Edgewood College, Herzing University, and nearby institutions such as the University of Wisconsin—Whitewater and the University of Wisconsin—Platteville. These schools provide workforce training and degree programs across healthcare, advanced manufacturing, information technology, education, and skilled trades, helping employers meet talent needs across a broad range of industries.

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 **721 Forward Dr, Madison, WI 53711** ("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™. The material and information in the Offering Memorandum is unverified. Matthews™ 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.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

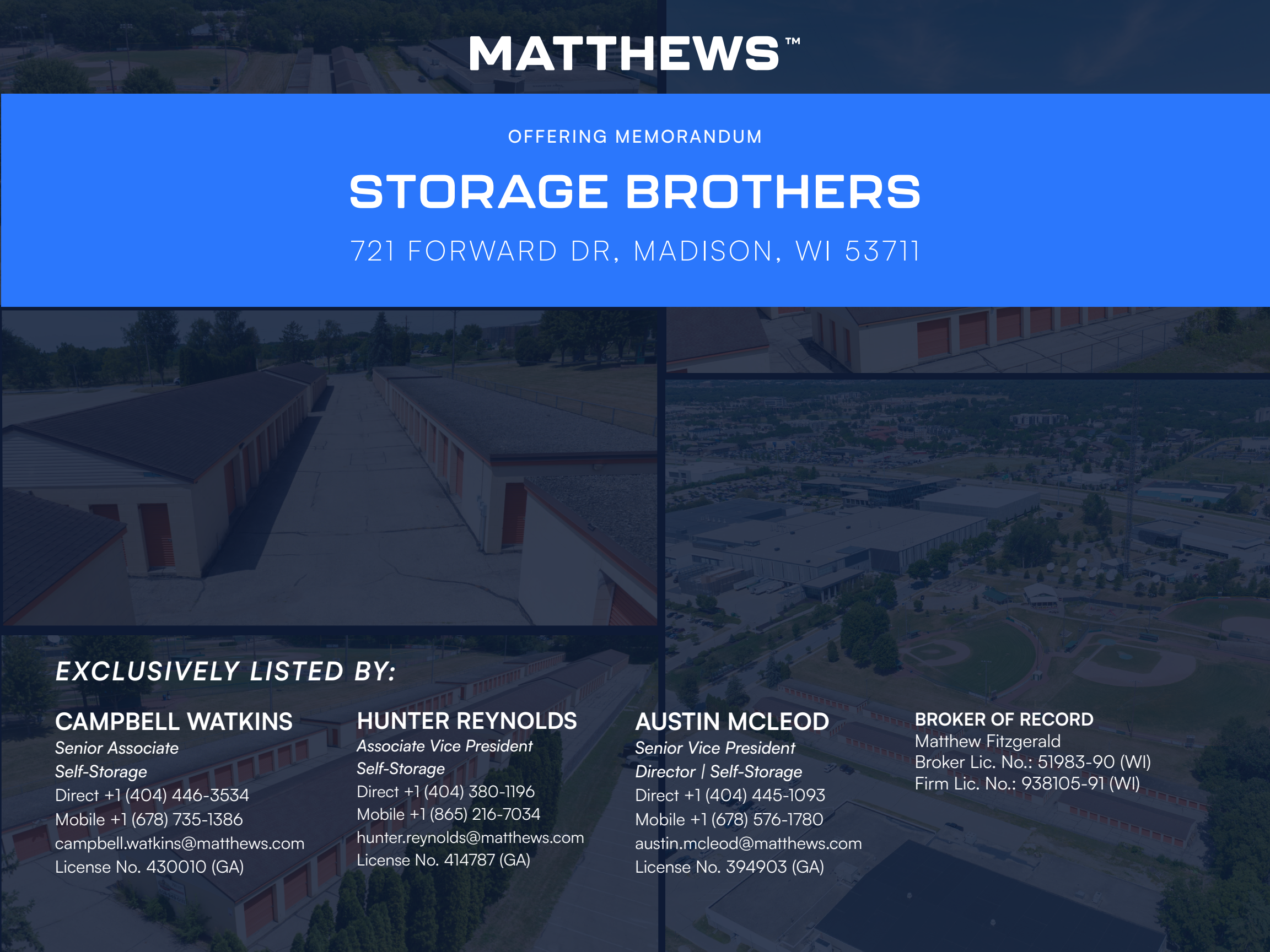
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Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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.



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