

BKB PROPERTIES
SELF STORAGE DEVELOPMENT CONSULTING

919 Storage LLC
Durham, NC

January 16, 2020

RE: 72 Marvin Edwards Lane, Chapel Hill, NC

BKB Properties conducted a limited feasibility study and market analysis for a self storage development located on Marvin Edwards Lane, Chapel Hill, NC (Chatham County, NC) for developer 919 Storage LLC.

From this site feasibility study of 72 Marvin Edwards Lane, Chapel Hill, NC, BKB Properties concludes the following:

- The subject site is located on a major corridor, with strong visibility.
- The site is suitable for self storage.
- Market demographics are very strong, with above-average household income, and strong forecasted growth.
- Market Analysis reveals that about 12% of local households use storage at any given time. All future residential growth will increase the demand for the total number of storage units.
- Most self-storage operators target 85% occupancy in a healthy market. We estimate 9 of the 10 self-storage sites within 5 miles of this proposed site should reach > 85% occupancy during the 2020 spring summer peak season.
- Seasonal student demand from nearby UNC-Chapel Hill and other local Colleges/Universities is significant.
- Rental rates across the market average around \$14/SF as a blended rate for average unit sizes.
- Total sub-market supply is estimated at 7.34 SF per person. The Raleigh-Durham average is about 7.98 SF per person.

- BKB Properties explored the local development pipeline and is unaware of any new storage development near the subject site.
- BKB Properties forecasts that the project will take about a year to build.
- The site design appears optimized for effective storm water runoff from the neighboring elevations.
- The project is economically feasible due to a market with strong demographics, and favorable long-term growth fundamentals.
- The project should reach stabilization within a reasonable investor horizon.
- The location, with main-road visibility and easy access, is excellent.
- Rental rates provided by BKB Properties should be used as conservative targets for individual unit sizes.
- Ownership/Management should plan for significant annual swings in occupancy related to seasonal demand.
- Curb appeal and security should be high priorities in the final development plan.
- A healthy contingency for cost overruns and lease-up capital should be included in the final budget and held in reserve by the developers.
- Professional Management should be used during the lease-up and ongoing operation of the facility.



MISSION STATEMENT

StorageStudy provides high value, comprehensive consulting services to self-storage owners and developers. Our company philosophy is to do good business with good people. We strive to provide a personal touch to every client, while adding to the success of their business. We want our clients to see us as an ongoing member of their team.

Since 2006, StorageStudy has conducted feasibility studies in scores of unique markets. With an extensive and in-depth consulting approach, StorageStudy is committed to helping its clients make the best investment decisions during each phase of the self-storage development process.

Site Selection/GIS Analysis

StorageStudy utilizes today's best technology to refine the developer's site selection process. GIS Analysis enables us to look at an entire city or part of a state, for example, and target those areas with favorable market dynamics and demographic trends for self-storage expansion. We train your acquisition team to find the right sites, efficiently, in good markets, and position you to make good decisions as you build a pipeline of potential development sites.

Self Storage Feasibility Study

Whether you are a seasoned developer or just getting started, a development project demands that you do your homework before investing the time and money required to build a new storage business. At StorageStudy, we investigate the specific dynamics that will impact your project's success. From defining and investigating the primary market to modeling lease-up and financial viability, we provide you with the type of in-depth research that you need to build the best project. Competitive Analysis,

Market Stability, Growth Projections, Pro-Forma Modeling, and Site Strengths & Weaknesses are included in the comprehensive final report.

This product was developed specifically to meet the requests of self-storage lenders and developers throughout the United States.

Acquisition Due Diligence

When purchasing an existing self-storage business, the typical due-diligence period in the contract phase allows time to inspect the physical condition, market, and historical financial performance of the business. Information provided in this report allows your investor team to move a contract forward with confidence.

StorageStudy specializes in this type of due diligence. With a physical condition inspection, interviews of the existing management team, and market analysis, we provide you with conclusions and recommendations that define risks and potential upside of your investment.

RV/Boat Feasibility Study

If considering site expansion to add RV/Boat storage, or looking to develop a stand-alone RV/Boat storage property, we tailor this comprehensive report to analyze feasibility specific to RV/Boat storage. Like the Self Storage Feasibility Study, this report includes: Supply & Demand Analysis, with Competitor Review, unit mix recommendations, investment model including development cost, operations budget, cash flow proforma, and market-based recommendations.

As RV ownership grows in your market and across the U.S., StorageStudy will help you identify the best way to pursue this growing opportunity.

Development & Owners Representative

Leverage StorageStudy's Development experience on any new project or expansion of an existing one. We assist in the design phase and lead the development and construction teams from concept to completion. As owner's rep, we coordinate and direct the bidding process and value engineering, oversee permitting and entitlement, manage the budget & contingency planning, direct the General Contractor & third-party inspectors, approve construction intervals and change orders, and coordinate final punchlist items prior to delivery of the finished project. With our design oversight and direction, we focus on driving efficiency throughout the process so you can focus on driving profitability upon project completion.

BKB Properties/StorageStudy
www.storagestudy.com
3200 Anderson Highway
Powhatan, VA 23139



Our Team

Ben Burkhart, Owner



Ben Burkhart is the owner of BKB Properties/StorageStudy and personally performs or oversees all consulting services. Ben lives in central Virginia, near Richmond. He has actively participated in hundreds of self-storage development or acquisition transactions. Prior to opening his own consulting firm, Ben worked as a lender with Wells Fargo, specializing in self-storage underwriting. He has participated as a speaker and educator at regional and national self-storage conventions and seminars and regularly contributes articles to the trade magazines *MiniStorage Messenger* and *Inside Self-Storage*. Ben also developed and is owner-operator of a 70,000 s.f. self-storage business outside of Richmond, Virginia. When not working in the self-storage industry, he enjoys songwriting, guitars, hunting and fishing, coaching youth sports, participating in his local Church, and especially time with his young family. (804) 598-8742 - ben@storagestudy.com

John Scheurich, Market Analyst



Mr. Scheurich began his career in the self-storage industry working as a property manager for a regional operator in Texas. Today, his primary focus is surveying managers and owners to aggregate data and gain a deeper understanding of a specific micro-market. John spends his free time windsurfing Galveston Bay, playing guitar, and enjoying the company of family and friends. He holds a B.S. in Economics from Oklahoma State University. (281)

785-4437 - john@storagestudy.com

BKB Properties/StorageStudy
www.storagestudy.com
3200 Anderson Highway
Powhatan, VA 23139

**Karen Carraway,
Project Coordinator**



In a former life, Karen Carraway navigated the Telecommunications industry in account management and technical training, determined to pursue innovative software applications for implementation in Fortune 500 companies. After a brief hiatus to start her family, fiercely fundraise for local schools, and tackle solopreneurship, Karen now parlays her corporate skills to serve BKB Properties as project coordinator.

Aside from assisting the BKB team and clients with their professional pursuits, her favorite things include, art, travel, dark chocolate, *Curb Your Enthusiasm*, camping, hiking, photography, and spending time with her family. She holds a B.S. in Telecommunications from University of Florida. (434) 202-9769 - karen@storagestudy.com

**Becky Buchanan,
Administrative Assistant**



Becky came to BKB Properties/StorageStudy in a part-time capacity after having managed a family owned storage facility for five years. In addition to working in the self-storage industry she has 30+ years' experience in small office management and bookkeeping primarily in the construction industry. Her spare time is filled making wonderful family memories, especially with her grandchildren. She enjoys flower gardening and days relaxing on or near the water. Additionally,

volunteering at her church in various capacities makes for a life well enjoyed!
(804) 598-8743 - becky@storagestudy.com