

# Sumas Mini Storage

 446 Harrison Street, Sumas, Washington 98295



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Marcus & Millichap



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# SUMAS MINI STORAGE

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01

# EXECUTIVE SUMMARY

SUMAS MINI STORAGE  
SHIPPING & RECEIVING PH 988-7723



## Sumas Mini Storage



**446 Harrison Street  
Sumas, WA 98295**



**Price: \$1,300,000  
Cap Rate: 10.85%**

|                          |         |
|--------------------------|---------|
| Rentable Square Feet     | 23,448  |
| Number of Units          | 335     |
| Lot Size (Approximately) | 1.38 AC |
| Economic Occupancy       | 80.3%   |
| Year Built               | 1981    |

## Vital Data

|   |           |
|---|-----------|
| Net Operating Income                            | \$141,085 |
| Price per NRSF                                  | \$55.44   |
| Cap Rate  | 10.85%    |
| Cash-on-Cash Return                             | 21.01%    |
| Cap Rate - Pro Forma @ 90% Occupancy            | 12.88%    |
| Cash-on-Cash Return - Pro Forma @ 90% Occupancy | 27.75%    |

## Financing Summary

|                    |            |
|--------------------|------------|
| Loan Amount        | \$910,000  |
| Interest Rate      | 4.25%      |
| Amortization (Yrs) | 25         |
| Monthly Payment    | \$4,929.82 |
| DCSR               | 2.38       |

## EXECUTIVE SUMMARY





## Summary of Terms

Fee simple interest in Sumas Mini Storage, a 23,448 square foot self storage facility located in Sumas, WA.

## Terms of the Sale

Sumas Mini Storage is offered at \$1,300,000 based on a capitalization rate of 10.85%. The net operating income figures for the Property assume a fiscal year starting September 1, 2019. Seller will respond to offers on a first-come, first-serve basis.

## Property Tours

Seller desires to limit property tours. Property tours must be arranged with the Marcus & Millichap listing agents. Please do not contact the tenants, on-site management or staff without prior approval.



## Investment Highlights

- Self Storage Facility Located on Canadian Border in Washington State
- Full-Service Shipping & Receiving Business Included
- 3 Blocks from Border Crossing
- 10.85% Cap Rate
- 335 Units; 23,500 Net Rentable Square Feet
- Traditional Self Storage Units Available for Boats, RVs and Household Goods
- Small Units and Mailboxes Designed for Shipping & Receiving Customers
- Freight and Product Forwarding to U.S. and Around the World
- Order Fulfillment – Pick, Pack and Ship
- Fenced and Gated Facility with Onsite Resident Managers

## Overview

Marcus & Millichap is pleased to offer for sale Sumas Mini Storage (the “Facility”) located in Sumas, WA. The Facility is offered at \$1,300,000, which represents a 10.85% cap rate and \$55.44 per net rentable square foot.

## Property Overview

Sumas Shipping & Mini Storage combines traditional self storage with supply chain solutions for Canadian and U.S. small businesses. Located in the border town of Sumas, WA, the Facility services both U.S. and Canadian tenants and customers. It is 3 blocks from the Sumas – Abbotsford, B.C., border crossing making it a convenient option for residents of both countries.

## EXECUTIVE SUMMARY

The Facility sits on one tax parcel of approximately 1.38 acres. It consists of four single-story self storage buildings plus a stand-alone house which serves as the residence for the onsite managers.

Built in 1981, the buildings are pole-built, wood-framed buildings with wood partitions. The exterior is metal-clad. The roofs are metal with metal-clad exterior doors and wood interior doors. There is a mix of roll-up, swing and sliding doors. The site is paved with asphalt and is fully-fenced and gated.

There are a wide variety of unit sizes ranging from 2' x 2' to 12' x 40'. Smaller units are designed for shipping and mail customers. The traditionally-sized self storage units are designed for household storage, as well as, businesses in need of larger space.

Onsite employees tend to both the self storage, as well as, the shipping business. Outgoing shipping is provided by all major U.S. freight companies.

The Facility has been under the same ownership for 20 years.

## Summary

As of September 15, 2019, the Facility was 69 percent occupied by units, 93 percent occupied by square feet and 80 percent economically occupied. Much of the unit vacancy is attributable to the extra small units. The rent roll was \$14,213, which annualizes to \$170,556.

The Facility would appeal to all existing self storage owners. Local or regional self storage owners could add a fully-stabilized facility to an existing portfolio.



## Summary

Due to its smaller size, the Facility also provides an opportunity to a first-time buyer to enter the industry. An owner could live onsite and oversee the Facility which would lower expenses and improve cash flow.

The shipping business generates between \$60,000 and \$70,000 in net cash flow after expenses per year. This additional cash flow enhances the investment return and generates sufficient revenue to pay for additional staff needed to attend to the shipping business.





## Location: Sumas, WA

Sumas is a border town in Whatcom County, Washington that was incorporated in 1891. It is located adjacent to the US-Canadian border and borders the city of Abbotsford, British Columbia. The Sumas-Huntingdon port of entry at the north end of State Route 9 operates 24 hours a day. Sumas is the northernmost settlement on Washington State Route 9 and experiences Astronomical Twilight for 22 days during the months of June and July.

## Whatcom County

Whatcom County, located in northern Washington State, had a population of 201,140 as of the 2010 U.S. Census. It is bordered by Canada to the north, Okanogan County to the east, Skagit County to the south and the Strait of Georgia on the west. Its county seat and largest city is Bellingham.

The county was originally created in March 1854 from Island County by the Washington State Territorial Legislature. It originally included part of the present-day San Juan and Skagit Counties, which were later organized after additional settlement. Whatcom County comprises the Bellingham, WA Metropolitan Statistical Area.









Infrastructure

THE OFFERING

|                           |                                    |
|---------------------------|------------------------------------|
| Property                  | Sumas Mini Storage                 |
| Property Address          | 446 Harrison St<br>Sumas, WA 98295 |
| Assessor's Parcel Numbers | 410435 068373 0000                 |

SITE DESCRIPTION

|                                   |                                |
|-----------------------------------|--------------------------------|
| Total Units                       | 335                            |
| Rentable Square Feet              | 23,448                         |
| Year Built / Expanded / Renovated | 1981                           |
| Lot Size                          | 1.38 Acres                     |
| Type of Ownership                 | Fee Simple                     |
| Number of Buildings               | 5, Including Stand-Alone House |
| Number of Stories                 | One                            |
| Parking                           | By Office                      |
| Street Frontage                   | Harrison St                    |
| Land for Additional Development   | None                           |

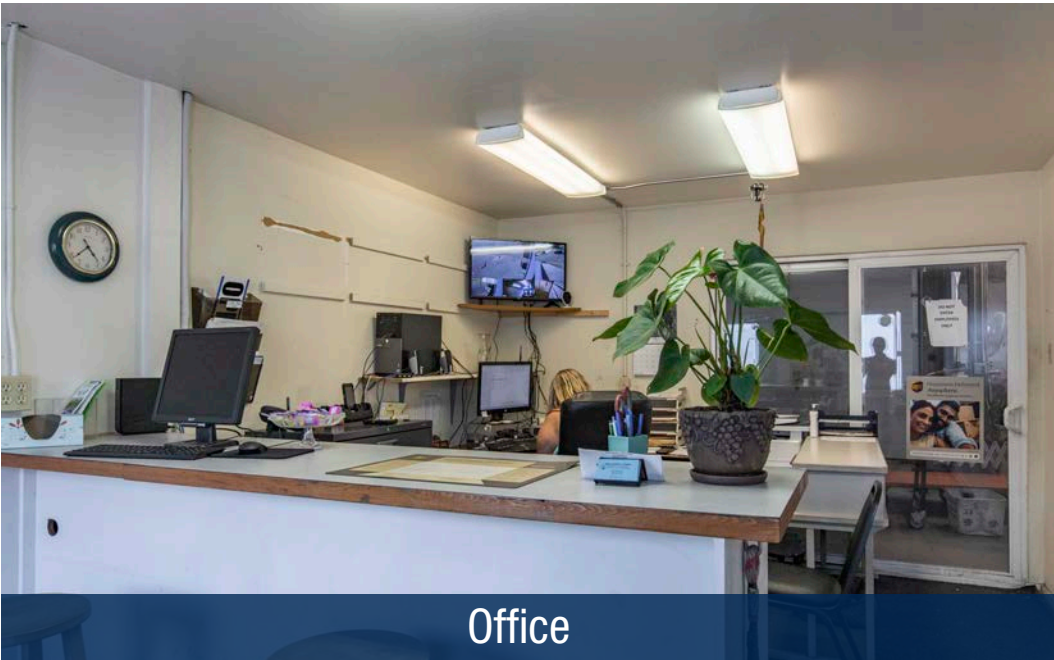
CONSTRUCTION

|                 |               |
|-----------------|---------------|
| Foundation      | Concrete Slab |
| Framing         | Wood          |
| Exterior Walls  | Wood          |
| Parking Surface | Asphalt       |
| Roof            | Metal         |
| Fencing         | Perimeter     |
| Entry           | Manual Gate   |

MECHANICAL

|                 |                    |
|-----------------|--------------------|
| Climate Control | None               |
| Fire Protection | Fire Extinguishers |
| Elevators       | None               |

EXECUTIVE SUMMARY



Office



02

# FINANCIAL ANALYSIS





## Unit Mix

## FINANCIAL ANALYSIS

|   |   |    |    | UNIT<br>SQ FT | DESCRIPTION | TOTAL<br>UNITS | VACANT<br>UNITS | OCCUPIED<br>UNITS | UNIT<br>OCCUPANCY % | TOTAL<br>SQ. FT. | CURRENT<br>MONTHLY<br>RENT / UNIT | CURRENT<br>MONTHLY<br>INCOME | CURRENT<br>MONTHLY<br>RENT / SF | PRO FORMA<br>MONTHLY<br>RENT / UNIT | PRO FORMA<br>MONTHLY<br>INCOME | PRO FORMA<br>MONTHLY<br>RENT / SF |
|---|---|----|----|---------------|-------------|----------------|-----------------|-------------------|---------------------|------------------|-----------------------------------|------------------------------|---------------------------------|-------------------------------------|--------------------------------|-----------------------------------|
| 2 | X | 2  | 4  |               | SWING       | 1              | 0               | 1                 | 100.0%              | 4                | \$12.00                           | \$12                         | \$3.00                          | \$12.36                             | \$12                           | \$3.09                            |
| 2 | X | 2  | 4  |               | SWING       | 1              | 1               | 0                 | 0.0%                | 4                | \$12.00                           | \$12                         | \$3.00                          | \$12.36                             | \$12                           | \$3.09                            |
| 2 | X | 2  | 4  |               | SWING       | 2              | 1               | 1                 | 50.0%               | 8                | \$12.00                           | \$24                         | \$3.00                          | \$12.36                             | \$25                           | \$3.09                            |
| 2 | X | 2  | 4  |               | SWING       | 5              | 1               | 4                 | 80.0%               | 20               | \$16.00                           | \$80                         | \$4.00                          | \$16.48                             | \$82                           | \$4.12                            |
| 2 | X | 2  | 4  |               | SWING       | 10             | 2               | 8                 | 80.0%               | 40               | \$9.00                            | \$90                         | \$2.25                          | \$9.27                              | \$93                           | \$2.32                            |
| 2 | X | 2  | 4  |               | SWING       | 16             | 5               | 11                | 68.8%               | 64               | \$12.00                           | \$192                        | \$3.00                          | \$12.36                             | \$198                          | \$3.09                            |
| 2 | X | 2  | 4  |               | SWING       | 19             | 2               | 17                | 89.5%               | 76               | \$9.00                            | \$171                        | \$2.25                          | \$9.27                              | \$176                          | \$2.32                            |
| 2 | X | 3  | 6  |               | SWING       | 21             | 2               | 19                | 90.5%               | 126              | \$18.00                           | \$378                        | \$3.00                          | \$18.54                             | \$389                          | \$3.09                            |
| 2 | X | 3  | 6  |               | SWING       | 100            | 72              | 28                | 28.0%               | 600              | \$15.00                           | \$1,500                      | \$2.50                          | \$15.45                             | \$1,545                        | \$2.58                            |
| 3 | X | 4  | 12 |               | SWING       | 9              | 4               | 5                 | 55.6%               | 108              | \$24.00                           | \$216                        | \$2.00                          | \$24.72                             | \$222                          | \$2.06                            |
| 3 | X | 5  | 15 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 30               | \$26.00                           | \$52                         | \$1.73                          | \$26.78                             | \$54                           | \$1.79                            |
| 4 | X | 4  | 16 |               | SWING       | 20             | 5               | 15                | 75.0%               | 320              | \$29.00                           | \$580                        | \$1.81                          | \$29.87                             | \$597                          | \$1.87                            |
| 4 | X | 5  | 20 |               | SWING       | 9              | 2               | 7                 | 77.8%               | 180              | \$30.00                           | \$270                        | \$1.50                          | \$30.90                             | \$278                          | \$1.55                            |
| 5 | X | 5  | 25 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 50               | \$35.00                           | \$70                         | \$1.40                          | \$36.05                             | \$72                           | \$1.44                            |
| 5 | X | 6  | 30 |               | SWING       | 1              | 0               | 1                 | 100.0%              | 30               | \$36.00                           | \$36                         | \$1.20                          | \$37.08                             | \$37                           | \$1.24                            |
| 5 | X | 7  | 35 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 70               | \$40.00                           | \$80                         | \$1.14                          | \$41.20                             | \$82                           | \$1.18                            |
| 6 | X | 6  | 36 |               | SWING       | 1              | 0               | 1                 | 100.0%              | 36               | \$46.00                           | \$46                         | \$1.28                          | \$47.38                             | \$47                           | \$1.32                            |
| 6 | X | 6  | 36 |               | SWING       | 3              | 1               | 2                 | 66.7%               | 108              | \$46.00                           | \$138                        | \$1.28                          | \$47.38                             | \$142                          | \$1.32                            |
| 5 | X | 8  | 40 |               | SWING       | 13             | 2               | 11                | 84.6%               | 520              | \$41.00                           | \$533                        | \$1.03                          | \$42.23                             | \$549                          | \$1.06                            |
| 5 | X | 9  | 45 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 90               | \$45.00                           | \$90                         | \$1.00                          | \$46.35                             | \$93                           | \$1.03                            |
| 6 | X | 8  | 48 |               | SWING       | 1              | 1               | 0                 | 0.0%                | 48               | \$48.00                           | \$48                         | \$1.00                          | \$49.44                             | \$49                           | \$1.03                            |
| 5 | X | 12 | 60 |               | SWING       | 1              | 0               | 1                 | 100.0%              | 60               | \$54.00                           | \$54                         | \$0.90                          | \$55.62                             | \$56                           | \$0.93                            |
| 6 | X | 10 | 60 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 120              | \$58.00                           | \$116                        | \$0.97                          | \$59.74                             | \$119                          | \$1.00                            |
| 6 | X | 12 | 72 |               | SWING       | 2              | 0               | 2                 | 100.0%              | 144              | \$60.00                           | \$120                        | \$0.83                          | \$61.80                             | \$124                          | \$0.86                            |



## Unit Mix

## FINANCIAL ANALYSIS

|    |   |    | UNIT<br>SQ FT | DESCRIPTION | TOTAL<br>UNITS | VACANT<br>UNITS | OCCUPIED<br>UNITS | UNIT<br>OCCUPANCY % | TOTAL<br>SQ. FT. | CURRENT<br>MONTHLY<br>RENT / UNIT | CURRENT<br>MONTHLY<br>INCOME | CURRENT<br>MONTHLY<br>RENT / SF | PRO FORMA<br>MONTHLY<br>RENT / UNIT | PRO FORMA<br>MONTHLY<br>INCOME | PRO FORMA<br>MONTHLY<br>RENT / SF |
|----|---|----|---------------|-------------|----------------|-----------------|-------------------|---------------------|------------------|-----------------------------------|------------------------------|---------------------------------|-------------------------------------|--------------------------------|-----------------------------------|
| 8  | X | 10 | 80            | SWING       | 1              | 1               | 0                 | 0.0%                | 80               | \$65.00                           | \$65                         | \$0.81                          | \$66.95                             | \$67                           | \$0.84                            |
| 10 | X | 10 | 100           | SWING       | 2              | 1               | 1                 | 50.0%               | 200              | \$80.00                           | \$160                        | \$0.80                          | \$82.40                             | \$165                          | \$0.82                            |
| 10 | X | 12 | 120           | SWING       | 24             | 0               | 24                | 100.0%              | 2,880            | \$95.00                           | \$2,280                      | \$0.79                          | \$97.85                             | \$2,348                        | \$0.82                            |
| 12 | X | 20 | 240           | SWING       | 1              | 0               | 1                 | 100.0%              | 240              | \$155.00                          | \$155                        | \$0.65                          | \$159.65                            | \$160                          | \$0.67                            |
| 12 | X | 20 | 240           | SWING       | 4              | 0               | 4                 | 100.0%              | 960              | \$155.00                          | \$620                        | \$0.65                          | \$159.65                            | \$639                          | \$0.67                            |
| 12 | X | 20 | 240           | SWING       | 31             | 1               | 30                | 96.8%               | 7,440            | \$155.00                          | \$4,805                      | \$0.65                          | \$159.65                            | \$4,949                        | \$0.67                            |
| 12 | X | 30 | 360           | SWING       | 10             | 1               | 9                 | 90.0%               | 3,600            | \$180.00                          | \$1,800                      | \$0.50                          | \$185.40                            | \$1,854                        | \$0.52                            |
| 20 | X | 20 | 400           | SWING       | 1              | 0               | 1                 | 100.0%              | 400              | \$200.00                          | \$200                        | \$0.50                          | \$206.00                            | \$206                          | \$0.52                            |
| 12 | X | 40 | 480           | SWING       | 6              | 0               | 6                 | 100.0%              | 2,880            | \$250.00                          | \$1,500                      | \$0.52                          | \$257.50                            | \$1,545                        | \$0.54                            |
| 6  | X | 6  | 36            | SWING       | 2              | 0               | 2                 | 100.0%              | 72               | \$46.00                           | \$92                         | \$1.28                          | \$47.38                             | \$95                           | \$1.32                            |
| 5  | X | 8  | 40            | SWING       | 1              | 0               | 1                 | 100.0%              | 40               | \$41.00                           | \$41                         | \$1.03                          | \$42.23                             | \$42                           | \$1.06                            |
| 10 | X | 12 | 120           | SWING       | 1              | 0               | 1                 | 100.0%              | 120              | \$90.00                           | \$90                         | \$0.75                          | \$92.70                             | \$93                           | \$0.77                            |
| 12 | X | 20 | 240           | SWING       | 4              | 0               | 4                 | 100.0%              | 960              | \$155.00                          | \$620                        | \$0.65                          | \$159.65                            | \$639                          | \$0.67                            |
| 12 | X | 30 | 360           | SWING       | 2              | 0               | 2                 | 100.0%              | 720              | \$180.00                          | \$360                        | \$0.50                          | \$185.40                            | \$371                          | \$0.52                            |
|    |   |    |               |             | <b>70</b>      | <b>335</b>      | <b>105</b>        | <b>230</b>          | <b>68.7%</b>     | <b>23,448</b>                     |                              | <b>\$17,696</b>                 | <b>\$0.75</b>                       | <b>\$18,227</b>                | <b>\$0.78</b>                     |

| OCCUPANCY | GROSS    | ACTUAL   | %OCC  |
|-----------|----------|----------|-------|
| UNITS     | 335      | 230      | 68.7% |
| SF        | 23,448   | 21,844   | 93.2% |
| ECONOMIC  | \$17,696 | \$14,213 | 80.3% |

Unit Mix, Rents and Occ Stats as of September 15, 2019  
Unit Mix and Occ Stats Exclude(s) RV / Vehicle Parking



## Annualized Operating Data

| INCOME                      | Current Analysis | Pro Forma Analysis |
|-----------------------------|------------------|--------------------|
| Gross Potential Income      | \$212,352        | \$218,723          |
| Less Vacancy Deductions     | \$41,797         | \$21,872           |
| Net Rental Income           | \$170,555        | \$196,850          |
| Total Other Income          | \$62,500         | \$62,500           |
| Effective Gross Income      | \$233,055        | \$259,350          |
| Operating Expenses          | \$91,970         | \$91,970           |
| <b>Net Operating Income</b> | <b>\$141,085</b> | <b>\$167,381</b>   |

## Operating Expenses

| INCOME                          | Current Analysis | Pro Forma Analysis |
|---------------------------------|------------------|--------------------|
| Advertising                     | \$2,000          | \$2,000            |
| General & Administrative        | \$10,000         | \$10,000           |
| Insurance                       | \$9,063          | \$9,063            |
| Payroll                         | \$32,000         | \$32,000           |
| Management / Legal / Accounting | \$18,000         | \$18,000           |
| Repairs & Maintenance           | \$5,862          | \$5,862            |
| Property Taxes                  | \$12,045         | \$12,045           |
| Utilities                       | \$3,000          | \$3,000            |
| <b>Total Operating Expenses</b> | <b>\$91,970</b>  | <b>\$91,970</b>    |

## Footnotes

### Income

1. Current Effective Gross Income (EGI) based on 20% economic vacancy as of September 15, 2019. Gross Potential Rent based on Unit Mix and Asking Rents Effective September 15, 2019.
2. 2018 Actual Self Storage EGI = \$167,240  
2018 Actual Shipping EGI = \$203,000
3. Actual Rent Roll as of September 15, 2019 = \$14,213, which annualizes to \$170,566. This income includes self storage but excludes income late fees, net retail sales, etc.
4. Shipping income is shown net of expenses. 2018 EGI = \$203,000. 2018 shipping expenses (including payroll) = \$126,942. 2018 net cash flow of \$76,000.
5. Pro Forma rental income based on 10% economic vacancy. Gross Potential Rent based on Projected 3% Across the Board Rent Increase.

### Expenses

1. Advertising budgeted at \$2,000 per year.
2. G&A, including merchant processing fees, budgeted at \$10,000 per year.
3. Insurance based on actual current premium of \$2,717 plus annual flood insurance premium of \$6,886.
4. Payroll budgeted at \$2,000 per month plus payroll taxes and worker's comp.
5. Management fee = flat \$1,500 per month.
6. R&M and supplies budgeted at \$0.25 per NRSF.
7. 2019 assessed value = \$365,174. 2019 taxes = \$3,980. Real estate taxes adjusted upon sale to 85% of list price x the tax rate of 1.09%.
8. Utilities based on 2018 actuals.



## Operating Statements

| INCOME                           | Current Analysis |               |               | Pro Forma Analysis |               |                |
|----------------------------------|------------------|---------------|---------------|--------------------|---------------|----------------|
|                                  | \$               | % of EGI      | Per SF        | \$                 | % of EGI      | Per SF         |
| <b>Gross Potential Rent</b>      | <b>\$212,352</b> |               | <b>\$9.06</b> | <b>\$218,723</b>   |               | <b>\$9.33</b>  |
| Vacancy / Collection Allowance   | \$41,797         | 20%           | \$1.78        | \$21,872           | 10%           | \$0.93         |
| <b>Net Rental Income</b>         | <b>\$170,555</b> | <b>73.2%</b>  | <b>\$7.27</b> | <b>\$196,850</b>   | <b>75.9%</b>  | <b>\$8.40</b>  |
| Late Charges / Lien Sales        | \$2,000          | 0.9%          | \$0.09        | \$2,000            | 0.8%          | \$0.09         |
| Retail Sales (Net)               | \$500            | 0.2%          | \$0.02        | \$500              | 0.2%          | \$0.02         |
| Shipping Income (Net)            | \$60,000         | 25.7%         | \$2.56        | \$60,000           | 23.1%         | \$2.56         |
| <b>Total Other Income</b>        | <b>\$62,500</b>  | <b>26.8%</b>  | <b>\$2.67</b> | <b>\$62,500</b>    | <b>24.1%</b>  | <b>\$2.67</b>  |
| <b>Effective Gross Income</b>    | <b>\$233,055</b> | <b>100.0%</b> | <b>\$9.94</b> | <b>\$259,350</b>   | <b>100.0%</b> | <b>\$11.06</b> |
| <b>Operating Expenses</b>        |                  |               |               |                    |               |                |
| Advertising                      | \$2,000          | 0.9%          | \$0.09        | \$2,000            | 0.8%          | \$0.09         |
| General & Administrative         | \$10,000         | 4.3%          | \$0.43        | \$10,000           | 3.9%          | \$0.43         |
| Insurance                        | \$9,063          | 3.9%          | \$0.39        | \$9,063            | 3.5%          | \$0.39         |
| Payroll                          | \$32,000         | 13.7%         | \$1.36        | \$32,000           | 12.3%         | \$1.36         |
| Management / Legal / Accounting  | \$18,000         | 7.7%          | \$0.77        | \$18,000           | 6.9%          | \$0.77         |
| Repairs & Maintenance / Supplies | \$5,862          | 2.5%          | \$0.25        | \$5,862            | 2.3%          | \$0.25         |
| Property Taxes                   | \$12,045         | 5.2%          | \$0.51        | \$12,045           | 4.6%          | \$0.51         |
| Utilities                        | \$3,000          | 1.3%          | \$0.13        | \$3,000            | 1.2%          | \$0.13         |
| <b>Total Operating Expenses</b>  | <b>\$91,970</b>  | <b>39.5%</b>  | <b>\$3.92</b> | <b>\$91,970</b>    | <b>35.5%</b>  | <b>\$3.92</b>  |
| <b>Net Operating Income</b>      | <b>\$141,085</b> | <b>60.5%</b>  | <b>\$6.02</b> | <b>\$167,381</b>   | <b>64.5%</b>  | <b>\$7.14</b>  |



## 10-Year Cash Flow Model

## FINANCIAL ANALYSIS

|   | CURRENT          | YEAR 2           | YEAR 3           | YEAR 4           | YEAR 5           | YEAR 6           | YEAR 7           | YEAR 8           | YEAR 9           | YEAR 10          |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Gross Potential Rent</b>                       | <b>\$212,352</b> | <b>\$218,723</b> | <b>\$225,284</b> | <b>\$232,043</b> | <b>\$239,004</b> | <b>\$246,174</b> | <b>\$253,559</b> | <b>\$261,166</b> | <b>\$269,001</b> | <b>\$277,071</b> |
| Vacancy/Collection Allowance                      | \$41,797         | \$21,872         | \$22,528         | \$23,204         | \$23,900         | \$24,617         | \$25,356         | \$26,117         | \$26,900         | \$27,707         |
| <b>Net Rental Income</b>                          | <b>\$170,555</b> | <b>\$196,850</b> | <b>\$202,756</b> | <b>\$208,838</b> | <b>\$215,104</b> | <b>\$221,557</b> | <b>\$228,203</b> | <b>\$235,050</b> | <b>\$242,101</b> | <b>\$249,364</b> |
| Late Charges / Lien Sales                         | \$2,000          | \$2,060          | \$2,122          | \$2,185          | \$2,251          | \$2,319          | \$2,388          | \$2,460          | \$2,534          | \$2,610          |
| Retail Sales (Net)                                | \$500            | \$515            | \$530            | \$546            | \$563            | \$580            | \$597            | \$615            | \$633            | \$652            |
| Shipping Income (Net)                             | \$60,000         | \$61,800         | \$63,654         | \$65,564         | \$67,531         | \$69,556         | \$71,643         | \$73,792         | \$76,006         | \$78,286         |
| <b>Total Other Income</b>                         | <b>\$62,500</b>  | <b>\$64,375</b>  | <b>\$66,306</b>  | <b>\$68,295</b>  | <b>\$70,344</b>  | <b>\$72,455</b>  | <b>\$74,628</b>  | <b>\$76,867</b>  | <b>\$79,173</b>  | <b>\$81,548</b>  |
| <b>Effective Gross Income</b>                     | <b>\$233,055</b> | <b>\$261,225</b> | <b>\$269,062</b> | <b>\$277,134</b> | <b>\$285,448</b> | <b>\$294,011</b> | <b>\$302,832</b> | <b>\$311,917</b> | <b>\$321,274</b> | <b>\$330,912</b> |
| <b>Operating Expenses</b>                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Advertising                                       | \$2,000          | \$2,060          | \$2,122          | \$2,185          | \$2,251          | \$2,319          | \$2,388          | \$2,460          | \$2,534          | \$2,610          |
| General & Administrative                          | \$10,000         | \$10,300         | \$10,609         | \$10,927         | \$11,255         | \$11,593         | \$11,941         | \$12,299         | \$12,668         | \$13,048         |
| Insurance   | \$9,063          | \$9,335          | \$9,615          | \$9,903          | \$10,200         | \$10,507         | \$10,822         | \$11,146         | \$11,481         | \$11,825         |
| Payroll   | \$32,000         | \$32,960         | \$33,949         | \$34,967         | \$36,016         | \$37,097         | \$38,210         | \$39,356         | \$40,537         | \$41,753         |
| Management / Legal / Accounting                   | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         |
| Repairs & Maint/Supplies                          | \$5,862          | \$6,038          | \$6,219          | \$6,406          | \$6,598          | \$6,796          | \$7,000          | \$7,210          | \$7,426          | \$7,649          |
| Property Taxes                                    | \$12,045         | \$12,406         | \$12,778         | \$13,161         | \$13,556         | \$13,963         | \$14,382         | \$14,813         | \$15,258         | \$15,715         |
| Utilities   | \$3,000          | \$3,090          | \$3,183          | \$3,278          | \$3,377          | \$3,478          | \$3,582          | \$3,690          | \$3,800          | \$3,914          |
| <b>Total Operating Expenses</b>                   | <b>\$91,970</b>  | <b>\$94,189</b>  | <b>\$96,474</b>  | <b>\$98,828</b>  | <b>\$101,253</b> | <b>\$103,751</b> | <b>\$106,323</b> | <b>\$108,973</b> | <b>\$111,702</b> | <b>\$114,513</b> |
| <b>Net Operating Income</b>                       | <b>\$141,085</b> | <b>\$167,037</b> | <b>\$172,588</b> | <b>\$178,305</b> | <b>\$184,195</b> | <b>\$190,260</b> | <b>\$196,508</b> | <b>\$202,944</b> | <b>\$209,572</b> | <b>\$216,399</b> |
| <b>Annual Debt Service</b>                        | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  | <b>\$59,158</b>  |
| <b>Debt Service Coverage Ratio (Based on NOI)</b> | <b>2.38</b>      | <b>2.82</b>      | <b>2.92</b>      | <b>3.01</b>      | <b>3.11</b>      | <b>3.22</b>      | <b>3.32</b>      | <b>3.43</b>      | <b>3.54</b>      | <b>3.66</b>      |
| <b>Leveraged Net Cash Flow</b>                    | <b>\$81,927</b>  | <b>\$107,879</b> | <b>\$113,430</b> | <b>\$119,148</b> | <b>\$125,037</b> | <b>\$131,103</b> | <b>\$137,350</b> | <b>\$143,786</b> | <b>\$150,414</b> | <b>\$157,241</b> |



03

RENT  
COMPARABLES





## Rent Comparables Map

**Sumas Mini Storage**

446 Harrison Street  
Sumas, WA 98295

**Badger Storage**

1515 E Badger Road  
Lynden, WA 98264

**K Mini Storage**

413 19th Street  
Lynden, WA 98264

**Lynden Heated Self Storage**

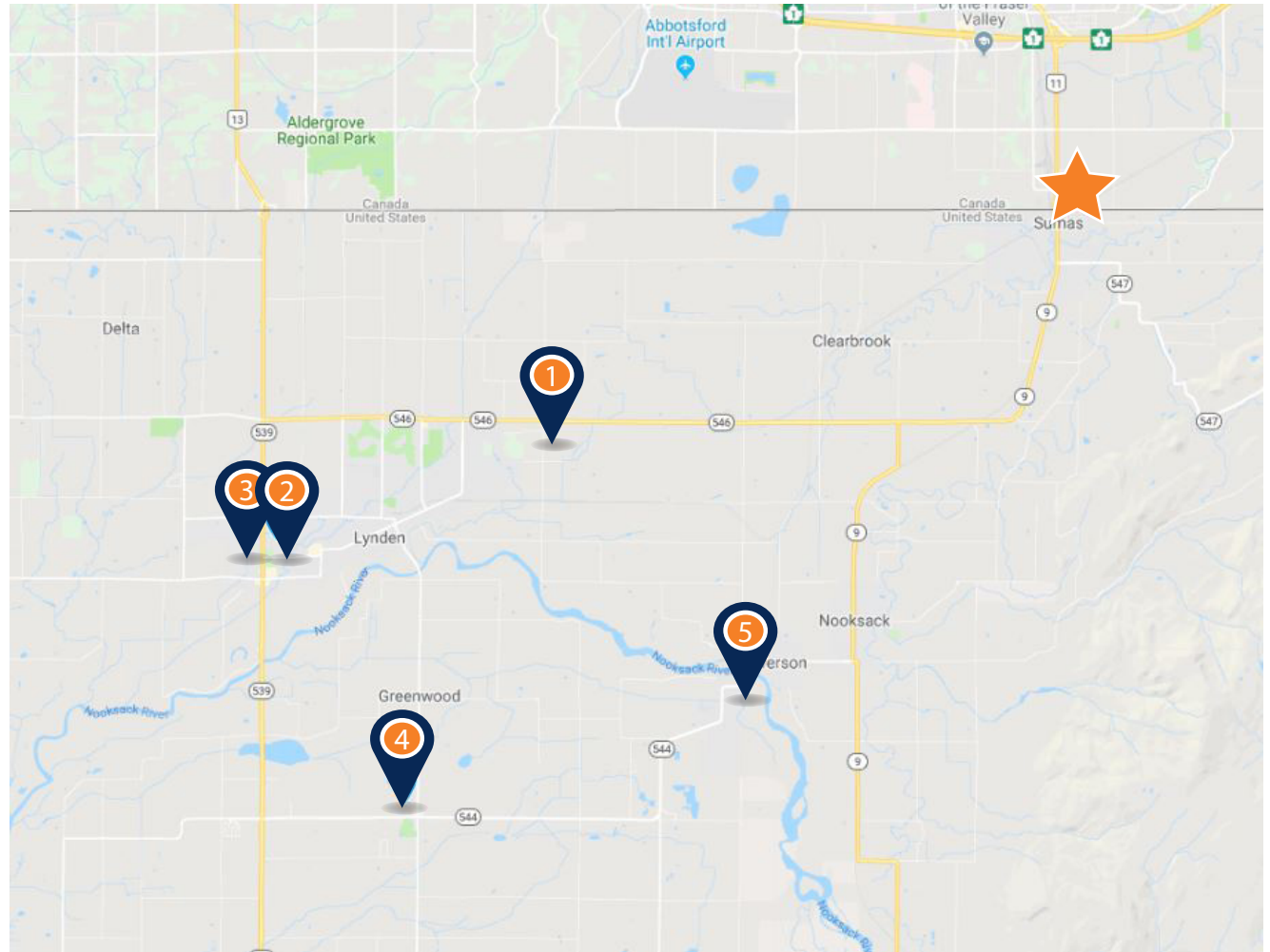
8329 WA-539  
Lynden, WA 98264

**Hinotes Corner Storage**

841 Hinotes Ct  
Lynden, WA 98264

**Everson Mini Storage**

321 Everson Road  
Everson, WA 98247



## RENT COMPARABLES



## Rent Comparables

**Sumas Mini Storage**

446 Harrison St  
Sumas, WA 98295

| UNIT TYPE     | SF/UNIT | RENT / UNIT | AVG. RENT/SF |
|---------------|---------|-------------|--------------|
| 5 X 5 Swing   | 25      | \$35.00     | \$1.40       |
| 10 X 10 Swing | 100     | \$80.00     | \$0.80       |

See Unit Mix page for a complete breakdown.

**Badger Storage**

1515 E Badger Rd  
Lynden, WA 98264

| UNIT TYPE | SF/UNIT | RENT/UNIT | AVG. RENT/SF |
|-----------|---------|-----------|--------------|
| 5 X 10    | 50      | \$77.00   | \$1.54       |
| 5 X 15    | 75      | \$95.00   | \$1.26       |
| 10 X 10   | 100     | \$115.00  | \$1.15       |
| 10 X 15   | 150     | \$155.00  | \$1.03       |
| 10 X 20   | 200     | \$195.00  | \$0.97       |

**K Mini Storage**

413 19th Street  
Lynden, WA 98264

| UNIT TYPE    | SF/UNIT | RENT/UNIT | AVG. RENT/SF |
|--------------|---------|-----------|--------------|
| 5 X 10 Swing | 50      | \$85.00   | \$1.70       |
| 10 X 10      | 100     | \$150.00  | \$1.50       |
| 10 X 15      | 150     | \$180.00  | \$1.20       |

## RENT COMPARABLES

**Lynden Heated Self Storage**

8329 WA-539  
Lynden, WA 98264

| UNIT TYPE | SF/UNIT | RENT/UNIT | AVG. RENT/SF |
|-----------|---------|-----------|--------------|
| 5 X 5 CC  | 25      | \$54.00   | \$2.16       |
| 10 X 10   | 100     | \$130.00  | \$1.30       |
| 10 X 15   | 150     | \$177.00  | \$1.18       |
| 10 X 20   | 200     | \$209.00  | \$1.04       |

**Hinotes Corner Storage**

841 Hinotes Ct  
Lynden, WA 98264

| UNIT TYPE | SF/UNIT | RENT/UNIT | AVG. RENT/SF |
|-----------|---------|-----------|--------------|
| 5 X 10    | 50      | \$40.00   | \$0.80       |
| 10 X 10   | 100     | \$60.00   | \$0.60       |
| 10 X 15   | 150     | \$80.00   | \$0.53       |
| 10 X 20   | 200     | \$95.00   | \$0.47       |
| 10 X 30   | 300     | 130.00    | \$0.43       |

**Everson Mini Storage**

321 Everson Road  
Everson, WA 98247

| UNIT TYPE | SF/UNIT | RENT/UNIT | AVG. RENT/SF |
|-----------|---------|-----------|--------------|
| 10 X 12   | 120     | \$85.00   | \$0.70       |
| 10 X 15   | 150     | \$110.00  | \$0.73       |



# 04 SALES COMPARABLES





## Sales Comparables Map

**Sumas Mini Storage**

446 Harrison St  
Sumas, WA 98295

**All Star Self Storage, Boat & RV**

19720 E Highway 106  
Belfair, WA 98528

**Airport Road Self Storage**

4114 S Airport Road  
Port Angeles, WA 98363

**Freedom Self Storage**

2992 E Johns Prairie Road  
Shelton, WA 98584

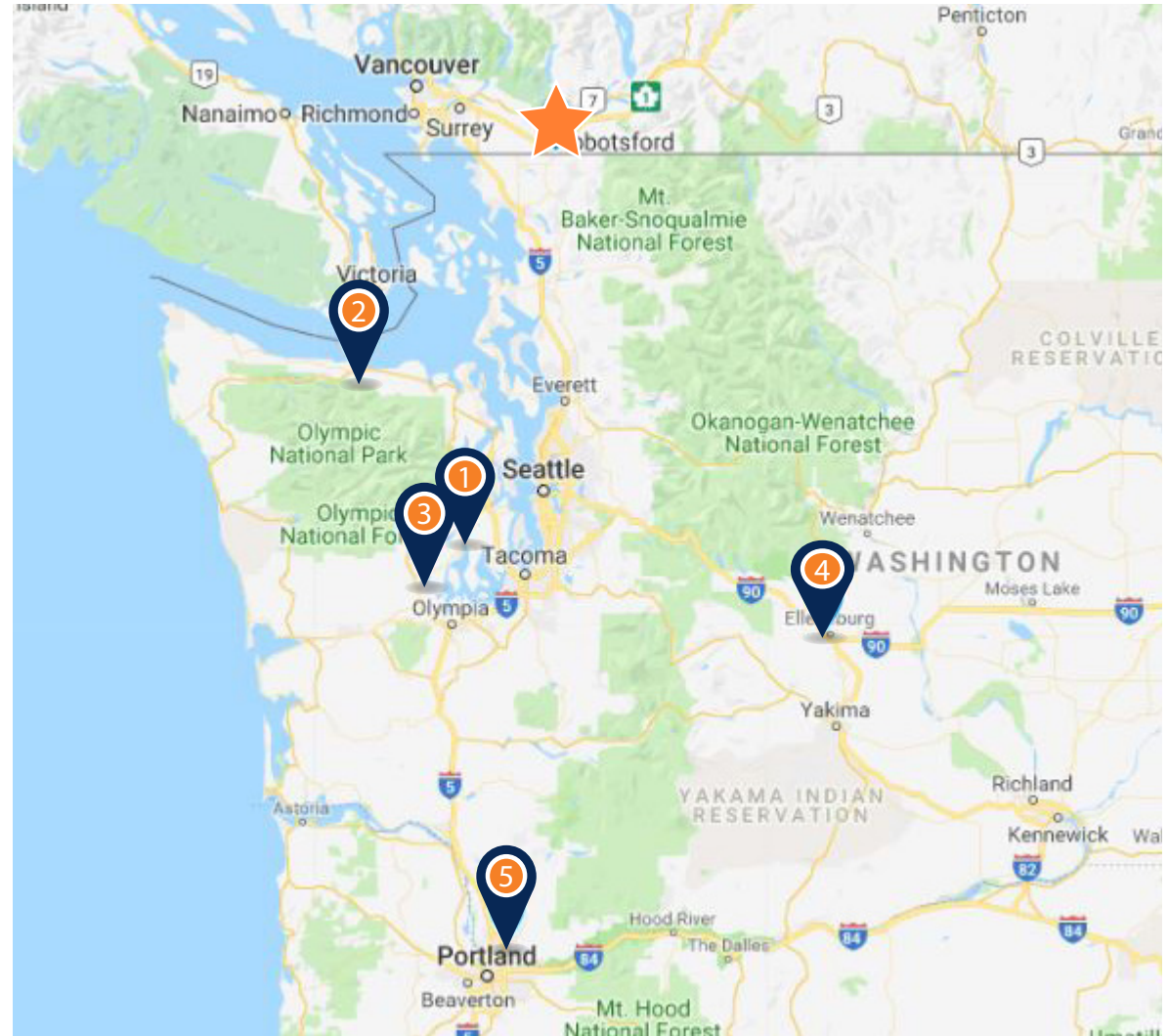
**Rodeo City Self Storage**

1304 W University Way  
Ellensburg, WA 98926

**Stor Rite Self Storage**

5515 NE 121st Avenue  
Vancouver, WA 98682

## SALES COMPARABLES





## Sales Comparables



**Sumas Mini Storage**  
**446 Harrison St**  
**Sumas, WA 98295**

Price: \$1,300,000  
 No of Units: 335

|                                   |         |
|-----------------------------------|---------|
| Net Rentable Square Feet:         | 23,448  |
| Price per NRSF:                   | \$55.44 |
| Cap Rate:                         | 10.85%  |
| Year Built / Expanded / Renovated | 1981    |



**All Star Self Storage, Boat & RV**  
**19720 E Hwy 106**  
**Belfair, WA 98528**

Sale Price: \$10,000,000  
 No of Units: 586

|                           |                  |
|---------------------------|------------------|
| Close of Escrow:          | April 11, 2019   |
| Net Rentable Square Feet: | 76,670           |
| Price per NRSF:           | \$127.17         |
| Cap Rate:                 | 7.30%            |
| Year Built:               | 1980s/1990s/2003 |



**Airport Road Self Storage**

4114 S Airport Road  
 Port Angeles, WA 98363

Sale Price: \$4,500,000  
 No of Units: 293

|                           |                    |
|---------------------------|--------------------|
| Close of Escrow:          | January 14, 2019   |
| Net Rentable Square Feet: | 44,770             |
| Price per NRSF:           | \$94.93            |
| Cap Rate:                 | 6.60%              |
| Year Built:               | 1987 / 2005 / 2011 |



**Freedom Self Storage**

2992 E Johns Prairie Road  
 Shelton, WA 98584

Sale Price: \$3,600,000  
 No of Units: 253

|                           |                 |
|---------------------------|-----------------|
| Close of Escrow:          | August 15, 2018 |
| Net Rentable Square Feet: | 36,900          |
| Price per NRSF:           | \$97.56         |
| Cap Rate:                 | 6.50%           |
| Year Built:               | 2005/2007/2017  |



## Sales Comparables

**Rodeo City Self Storage**

1304 W University Way  
Ellensburg, WA 98926

Sale Price: \$1,775,000  
No of Units: 189

|                           |               |
|---------------------------|---------------|
| Close of Escrow:          | July 16, 2018 |
| Net Rentable Square Feet: | 18,108        |
| Price per NRSF:           | \$93.88       |
| Cap Rate:                 | 6.79%         |
| Year Built                | 2004          |

**Stor Rite Self Storage**

5515 NE 121st Avenue  
Vancouver, WA 98682

Sale Price: \$2,700,000  
No of Units: 209

|                           |                   |
|---------------------------|-------------------|
| Close of Escrow:          | September 1, 2017 |
| Net Rentable Square Feet: | 23,515            |
| Price per NRSF:           | \$116.95          |
| Cap Rate:                 | 6.39%             |
| Year Built:               | 2006              |



05

MARKET OVERVIEW  
&  
DEMOGRAPHICS



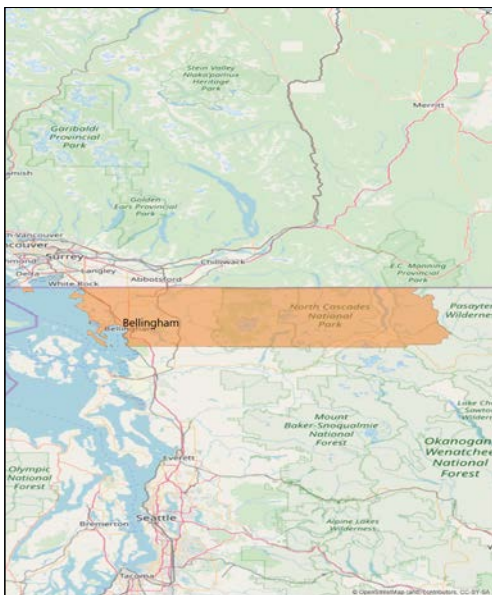
## Local Demographics (Up to 5 Mile Radius from Subject)

| POPULATION               | 1 Mile   | 3 Miles  | 5 Miles  | POPULATION PROFILE                        | 1 Mile | 3 Miles | 5 Miles |
|--------------------------|----------|----------|----------|---|--------|---------|---------|
| 2023 Projection          | 9,709    | 73,449   | 144,683  | Population By Age                         |        |         |         |
| 2018 Estimate            | 9,605    | 70,215   | 135,212  | 0 to 4 Years                              | 6.8%   | 6.8%    | 6.5%    |
| 2010 Census              | 8,828    | 65,501   | 125,341  | 5 to 14 Years                             | 10.9%  | 12.4%   | 12.4%   |
| 2000 Census              | 8,278    | 57,951   | 105,068  | 15 to 19 Years                            | 6.8%   | 5.9%    | 5.7%    |
|                          |          |          |          | 20 to 24 Years                            | 10.7%  | 6.7%    | 6.1%    |
|                          |          |          |          | 25 to 34 Years                            | 18.0%  | 15.8%   | 15.3%   |
|                          |          |          |          | 35 to 44 Years                            | 11.9%  | 12.8%   | 13.3%   |
|                          |          |          |          | 45 to 54 Years                            | 10.3%  | 11.6%   | 12.0%   |
|                          |          |          |          | 55 to 64 Years                            | 10.4%  | 11.6%   | 12.4%   |
|                          |          |          |          | 65 to 74 Years                            | 8.0%   | 8.8%    | 9.5%    |
|                          |          |          |          | 75 to 84 Years                            | 4.0%   | 4.7%    | 4.4%    |
|                          |          |          |          | 85+ Years                                 | 2.3%   | 3.1%    | 2.3%    |
|                          |          |          |          | Median Age                                | 33.0   | 36.7    | 37.7    |
|                          |          |          |          | Population 25+ by Education Level in 2018 |        |         |         |
|                          |          |          |          | Education                                 |        |         |         |
|                          |          |          |          | Elementary (K-8)                          | 3.2%   | 2.2%    | 1.6%    |
|                          |          |          |          | Some High School (9-11)                   | 5.2%   | 4.4%    | 3.8%    |
|                          |          |          |          | High School Graduate (12)                 | 25.7%  | 23.3%   | 21.2%   |
|                          |          |          |          | Some College (13-15)                      | 29.1%  | 28.4%   | 26.9%   |
|                          |          |          |          | Associate Degree Only                     | 9.4%   | 10.2%   | 10.5%   |
|                          |          |          |          | Bachelors Degree Only                     | 17.6%  | 19.7%   | 21.9%   |
| TOTAL HOUSEHOLDS         | 1 Mile   | 3 Miles  | 5 Miles  |   |        |         |         |
| 2023 Projection          | 3,875    | 30,171   | 59,369   |   |        |         |         |
| 2018 Estimate            | 3,756    | 28,432   | 54,949   |   |        |         |         |
| 2010 Census              | 3,382    | 26,258   | 50,472   |   |        |         |         |
| 2000 Census              | 3,246    | 22,942   | 41,916   |   |        |         |         |
| HOUSEHOLDS BY INCOME     | 1 Mile   | 3 Miles  | 5 Miles  |   |        |         |         |
| 2018 Estimate            |          |          |          |   |        |         |         |
| \$0 - \$15,000           | 8.1%     | 8.7%     | 8.5%     |   |        |         |         |
| \$15,000 - \$24,999      | 11.1%    | 8.8%     | 7.6%     |   |        |         |         |
| \$25,000 - \$34,999      | 11.9%    | 9.6%     | 7.8%     |   |        |         |         |
| \$35,000 - \$49,999      | 15.7%    | 12.9%    | 12.0%    |   |        |         |         |
| \$50,000 - \$74,999      | 24.4%    | 21.2%    | 20.6%    |   |        |         |         |
| \$75,000 - \$99,999      | 14.4%    | 16.9%    | 17.2%    |   |        |         |         |
| \$100,000 - \$149,999    | 9.9%     | 15.8%    | 17.4%    |   |        |         |         |
| \$150,000+               | 4.5%     | 6.0%     | 8.8%     |   |        |         |         |
| Average Household Income | \$64,277 | \$73,369 | \$81,876 |   |        |         |         |
| Median Household Income  | \$53,731 | \$61,912 | \$66,778 |   |        |         |         |

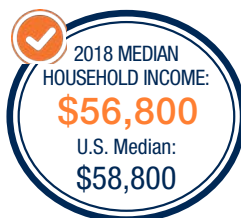
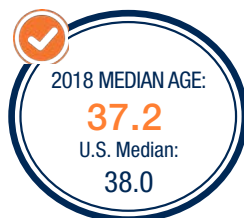
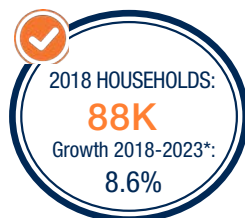


# Bellingham, WA Metropolitan Statistical Area

The Bellingham metro, which consists of Whatcom County, is bordered by Canada to the north, the Cascade mountains to the east, Skagit County to the south and the Strait of Georgia to the west. Convenient access by land, air, rail and sea as well as to Canadian markets provides for a diverse economy. The region's natural features contribute to the area's scenic beauty, drawing visitors and providing an abundance of recreational opportunities. Bellingham is the county seat and the most populous city in the county with roughly 86,000 residents.



## DEMOGRAPHICS



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Moody's Analytics; U.S. Census Bureau

## MARKET OVERVIEW



### Metro Area Highlights



#### Strategic Location

Whatcom County borders Canada and is situated between two large markets: Vancouver, B.C., 60 miles north and Seattle 90 miles to the south.



#### Scenic Beauty

Mount Baker in the Northern Cascades, the San Juan Islands, and an abundance of water features support a large outdoor recreation and tourism sector.



#### Higher-Education Institutions

Western Washington University, Whatcom Community College, Bellingham Technical College, NW Indian College and Trinity Western University contribute to a skilled labor pool.



### Economy

- The diverse array of economic drivers include maritime activities, agriculture and food processing, health and wellness, recreation and tourism, advanced manufacturing and technology.
- Whatcom County is the nation's top producer of raspberries.
- The metro is accessible by Interstate 5, Bellingham International Airport, BNSF Railway, Amtrak, Port of Bellingham, the Washington State Ferry System and the Alaska Marine Highway System. Access to Canadian rail is also nearby.
- Major employers include St. Joseph's Hospital, Western Washington University, Lummi Nation, BP Cherry Point and Fred Meyer.



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