

HUNTER INVESTORS

Building Wealth through Real Estate

SUPPLY and DEMAND experiment happening on Bainbridge Island

SUPPLY (capped) zoning does not allow more storage

DEMAND (un-capped) growing population

Raising Rental
Rates
& Property
Values

Time

Storage 98110

6455 Fletcher Bay Road
Bainbridge Island, WA 98110

Own the only Class A facility
in a Demand-Only
self storage market

FOR SALE: Storage 98110

Storage 98110 opened in 2023 and is already 38% occupied. The purchaser of this opportunity will own the last self-storage facility built on Bainbridge Island and operate in a lucrative and supply-capped market.



6455 Fletcher Bay Road
Bainbridge Island, WA 98110

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Andrew Hunter

425-375-5200

andrew@hunterinvestors.com

2018/2023
YEAR BUILT



\$1,212,000

Proforma: YEAR 3 REVENUE



46,063 NRSF/ 220 Units

Upside on Smaller Unit Size to 380 units



No New Competition

Bainbridge Island Zoned Out Self-Storage



54%
OCCUPIED



225

New Homes
(2025)



2.36
ACRES



Storage 98110 offers a truly once-in-a-generation opportunity to acquire the last self-storage facility ever built on Bainbridge Island. The newly constructed 54,775 SF facility sits on 2.36 acres of land on the main through-fare 1 mile from downtown. The City of Bainbridge Island enacted a moratorium on self-storage development that has since become a permanent zoning restriction.

- **No new developments are feasible on the island.** Rental rates will continue to rise with a fully occupied market and capped supply.
- Storage 98110 is the only Class A and fully climate-controlled facility on the island
- Over 225 new housing units will be built by 2025

Notable Bainbridge Island Housing Developments

Wyatt & Madison: This project includes an 80-unit, mixed-income residential community located in downtown Winslow. The development by Madison Avenue Development is expected to be completed by early 2025.

Wintergreen Townhomes: This development consists of 73 homes, with 31 designated as affordable housing units. The first phase of this project is underway, with the first homes expected to be available by March 2024.



Madison and Wyatt Apartments: Another project approved by the city includes a 36-unit apartment building along with six townhomes at the corner of Wyatt Way NE and Madison Avenue.

Finch Green: This project is a partnership with Bethany Lutheran Church, which is donating land for the development of 24 affordable housing. The development will include homes ranging from 800 to 1,400 square feet and is designed to serve households earning at or below 80% of the area median income.

Grow Community: The final phase of this urban "Net Zero" neighborhood in Downtown Winslow is nearing completion. This phase includes 14 single-family homes with environmentally sustainable features, such as energy-efficient designs and materials.

Storage 98110



Only and Last Class A fully enclosed facility on Bainbridge Island



One year in and 54% occupied

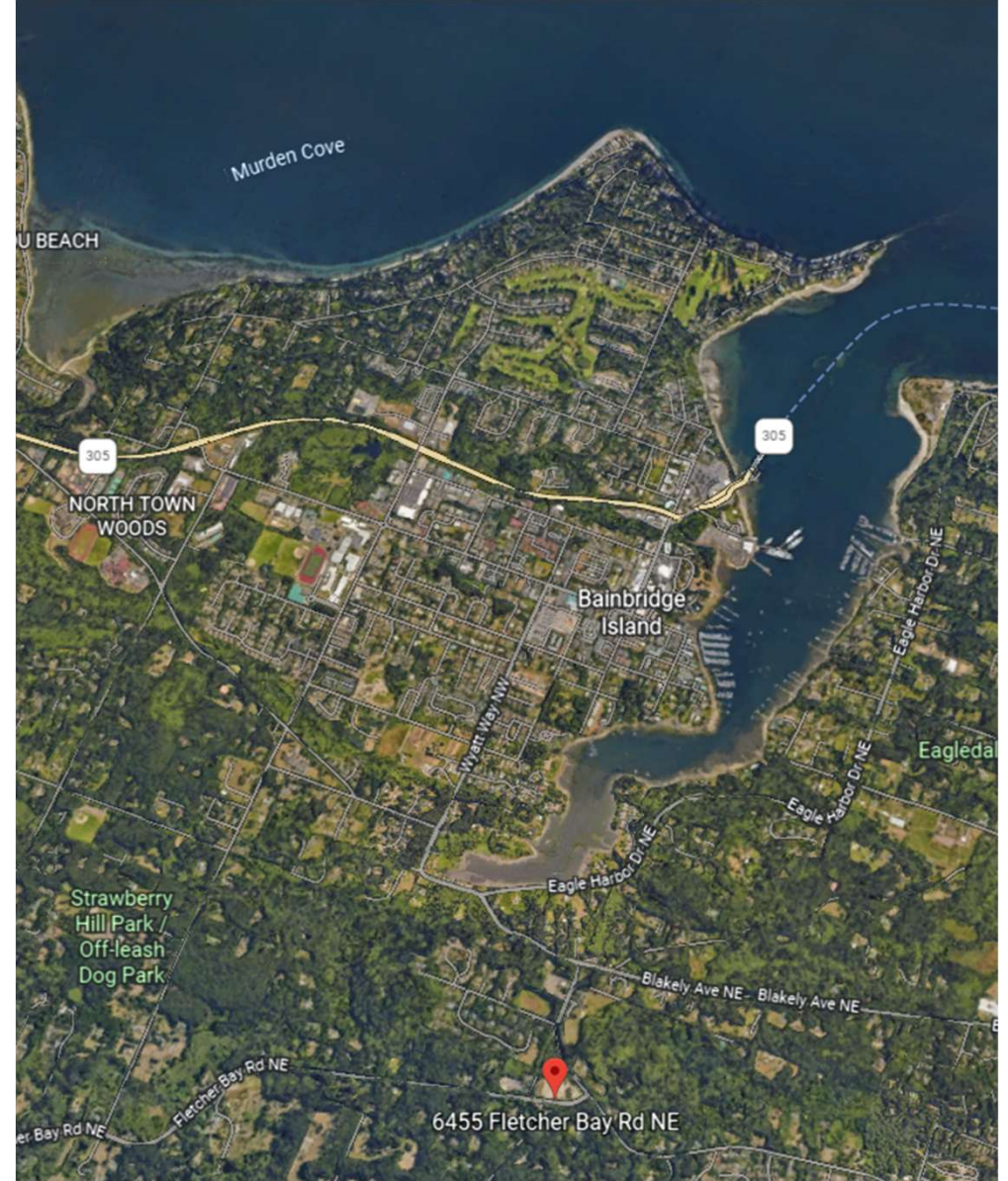
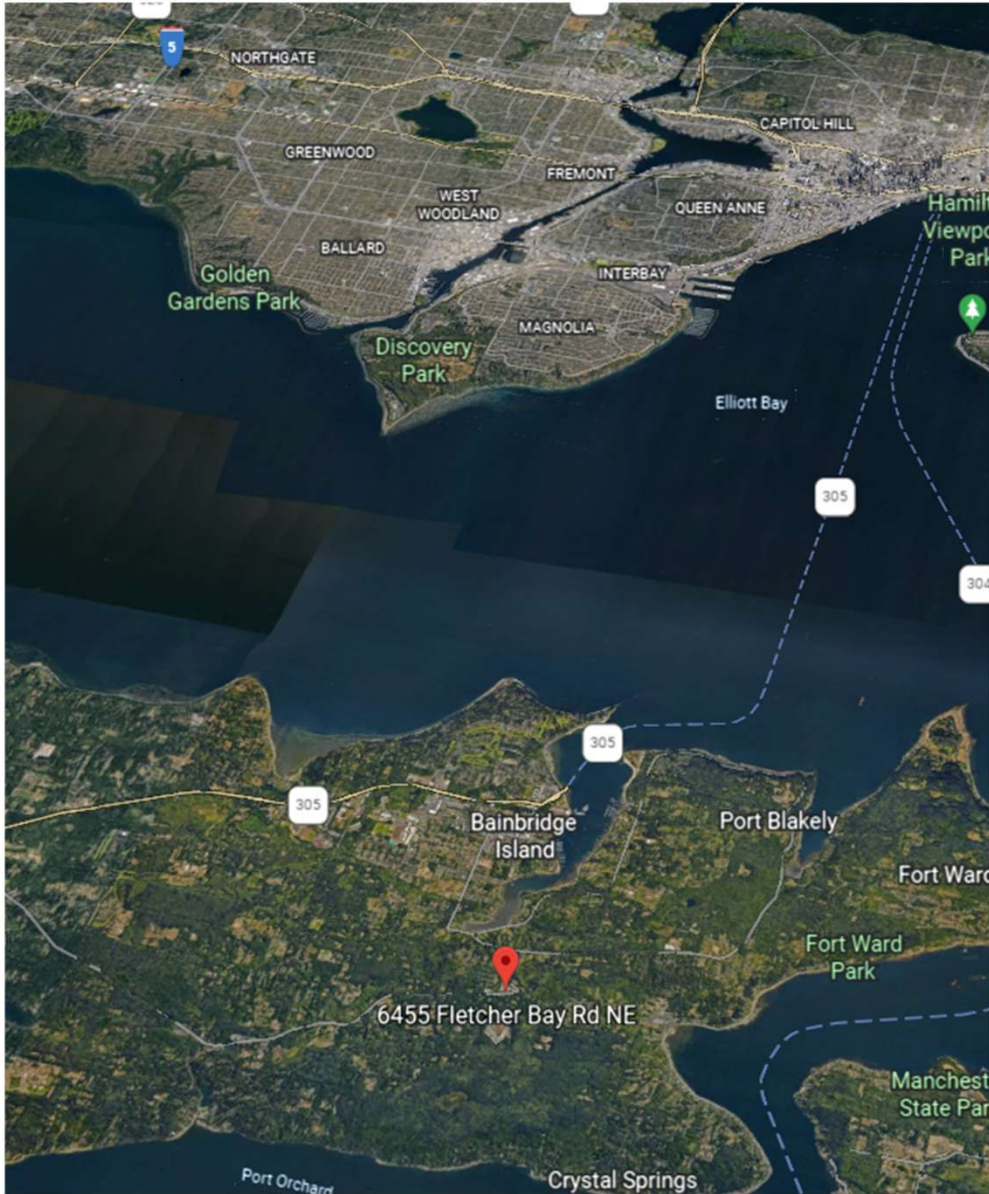


Second Floor allows for unit expansion



An affluent market and fully secure facility are a great fit for Automation

Location

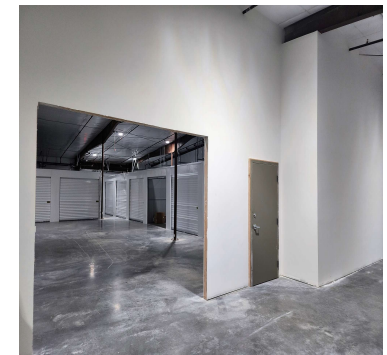


Unit Mix Current

UNIT BREAKDOWN							OCC		MONTHLY		
TYPE	SIZE	TOTAL	OCC.	UNIT SF	TOTAL SF	OCC. SF	UNITS	SF	RATE	GROSS POTENTIAL	RENT PER SF
Office	17 x 17	1	1	289	289	289	100%	100%	\$578	\$578	\$2.00
Office	23 x 32	1	1	736	736	736	100%	100%	\$1,280	\$1,280	\$1.74
Office	25 x 52	1	1	1,300	1,300	1,300	100%	100%	\$2,272	\$2,272	\$1.75
Office	26 x 45	1	0	1,170	1,170	0	0%	0%	\$2,850	\$2,850	\$2.44
Office	30 x 39	2	0	1,170	2,340	0	0%	0%	\$2,048	\$4,095	\$1.75
Office	40 x 39	1	0	1,560	1,560	0	0%	0%	\$2,730	\$2,730	\$1.75
Office	45 x 22	1	0	990	990	0	0%	0%	\$1,950	\$1,950	\$1.97
Office	60 x 22.8	1	1	1,368	1,368	1,368	100%	100%	\$2,398	\$2,398	\$1.75
Office	70 x 16.7	1	0	1,169	1,169	0	0%	0%	\$2,041	\$2,041	\$1.75
Boat/RV-Parking	10 x 20	10	8	200	2,000	1,600	80%	80%	\$295	\$2,950	\$1.48
Climate-Controlled	5 x 10	16	16	50	800	800	100%	100%	\$140	\$2,240	\$2.80
Climate-Controlled	8 x 8	6	6	64	384	384	100%	100%	\$190	\$1,140	\$2.97
Climate-Controlled	9 x 19	6	4	171	1,026	684	67%	67%	\$410	\$2,460	\$2.40
Climate-Controlled	10 x 10	30	18	100	3,000	1,800	60%	60%	\$230	\$6,900	\$2.30
Climate-Controlled	10 x 15	58	20	150	8,700	3,000	34%	34%	\$350	\$20,300	\$2.33
Climate-Controlled	10 x 15	6	4	150	900	600	67%	67%	\$380	\$2,280	\$2.53
Climate-Controlled	10 x 20	43	17	200	8,600	3,400	40%	40%	\$415	\$17,845	\$2.08
Climate-Controlled	10 x 20	15	6	200	3,000	1,200	40%	40%	\$430	\$6,450	\$2.15
Climate-Controlled	10 x 20	6	6	200	1,200	1,200	100%	100%	\$475	\$2,850	\$2.38
Climate-Controlled	10 x 25	5	2	250	1,250	500	40%	40%	\$490	\$2,450	\$1.96
Climate-Controlled	10 x 25	6	3	250	1,500	750	50%	50%	\$530	\$3,180	\$2.12
Climate-Controlled	12.5 x 20	1	0	250	250	0	0%	0%	\$530	\$530	\$2.12
Climate-Controlled	15 x 15	1	0	225	225	0	0%	0%	\$506	\$506	\$2.25
TOTALS		231	122		47,993	22,051	53%	46%		\$101,169	\$2.22



207 Average SF per Unit



Office Suites can be converted to storage. Plans available

Assumptions

<i>INCOME ASSUMPTIONS</i>		<i>EXPENSE ASSUMPTIONS</i>	
Rental Income Trailing Factor	12 Months	Expense Growth Rate	2%
Tenant Insurance Penetration Rate		Management Fee (% of EGI)	4%
Year 1	60%	Reserve for Capital Improvements	\$0.15 per NRSF
Year 2	65%		
Year 3 Moving Forward	75%		
Annual Commission to Facility Per Unit	\$115		
Physical Occupancy		<i>PROPERTY TAX ASSUMPTIONS</i>	
Year 1	60%	County	Kitsap
Year 2	85%	Current Assessed Value	15,000,000
Year 3	90%	Goodwill Price Allocation	25.00%
Year 4 Moving Forward	95%	Assessment Factor	75.00%
Economic Occupancy		Equalization Factor	1.00
Year 1	55%	Millage Rate	9.24
Year 2	80%	Millage Divisor	1,000
Year 3	85%	Reassess On Sale	Yes
Year 4 Moving Forward	90%	Property Tax Growth Rate	2.00%
Rental Rate Growth			
Year 1	3%	<i>LOAN ASSUMPTIONS</i>	
Year 2	5%	LTV	60%
Year 3	5%	Loan Term	10
Year 4	5%	Amortization (Years)	25
Year 5 Moving Forward	5%	Interest Rate (Annual)	6.00%
		Interest Only Period (Years)	5

10 Year Proforma

REVENUE	Adj. T - 12	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
Scheduled Base Rental	1,214,025	1,250,446	1,312,968	1,378,616	1,447,547	1,519,925	1,595,921	1,675,717	1,759,503	1,847,478	1,939,852
Economic Occupancy	44%	55%	80%	85%	90%	90%	90%	90%	90%	90%	90%
Effective Gross Rental Income	530,701	687,745	1,050,374	1,171,824	1,302,793	1,367,932	1,436,329	1,508,145	1,583,552	1,662,730	1,745,867
Merchandise Income	-	6,877	10,504	11,718	13,028	13,679	14,363	15,081	15,836	16,627	17,459
Cost of Goods Sold	-	(3,439)	(5,252)	(5,859)	(6,514)	(6,840)	(7,182)	(7,541)	(7,918)	(8,314)	(8,729)
Ancillary Income (e.g. Admin, 1	-	10,316	15,756	17,577	19,542	20,519	21,545	22,622	23,753	24,941	26,188
Tenant Insurance Income	-	9,563	14,677	17,931	18,928	18,928	18,928	18,928	18,928	18,928	18,928
Truck Rental Income	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	530,701	711,063	1,086,059	1,213,192	1,347,776	1,414,218	1,483,983	1,557,236	1,634,151	1,714,912	1,799,711
OPERATING EXPENSES		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
Taxes	80,561	82,172	83,816	85,492	87,202	88,946	90,725	92,540	94,390	96,278	98,204
(Costs for) On-site Management	52,792	53,848	54,925	56,024	57,144	58,287	59,453	60,642	61,855	63,092	64,354
Off Site Management	30,000	30,000	43,442	48,528	53,911	56,569	59,359	62,289	65,366	68,596	71,988
Insurance	5,759	5,874	5,992	6,112	6,234	6,359	6,486	6,615	6,748	6,883	7,020
Advertising	11,998	12,238	12,483	12,733	12,987	13,247	13,512	13,782	14,058	14,339	14,626
Repairs and Maintenance	9,599	9,791	9,986	10,186	10,390	10,598	10,810	11,026	11,246	11,471	11,701
Reserve for Capital Improvemen	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799	4,799
Utilities	12,478	12,728	12,982	13,242	13,507	13,777	14,052	14,334	14,620	14,913	15,211
Administration	15,358	15,665	15,978	16,298	16,624	16,956	17,295	17,641	17,994	18,354	18,721
Bank Charges	8,757	11,733	17,920	20,018	22,238	23,335	24,486	25,694	26,963	28,296	29,695
Telephone	2,400	2,448	2,497	2,547	2,597	2,649	2,702	2,756	2,812	2,868	2,925
Professional Fees	3,500	3,570	3,641	3,714	3,789	3,864	3,942	4,020	4,101	4,183	4,266
Other	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	238,001	244,866	268,462	279,691	291,422	299,386	307,621	316,139	324,952	334,072	343,511
Operating Expense Ratio	0.448465005	34.4%	24.7%	23.1%	21.6%	21.2%	20.7%	20.3%	19.9%	19.5%	19.1%
NET OPERATING INCOME	292,700	466,198	817,597	933,500	1,056,354	1,114,833	1,176,362	1,241,096	1,309,199	1,380,840	1,456,201
Pro Forma Cap Rate	1.89%	3.01%	5.27%	6.02%	6.82%	7.19%	7.59%	8.01%	8.45%	8.91%	9.39%
5.10% Valuation		16,031,308.02	18,303,930.21	20,712,816.15	21,859,462.21	23,065,916.73	24,335,219.66	25,670,563.94	27,075,303.15	28,552,959.60	
Cap DEBT SERVICE		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
Beginning Balance	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,134,456	8,958,702	8,772,108	8,574,005
Interest	558,000	558,000	558,000	558,000	558,000	558,000	553,497	543,286	532,446	520,938	508,719
Debt Service	(558,000)	(558,000)	(558,000)	(558,000)	(558,000)	(558,000)	(719,040)	(719,040)	(719,040)	(719,040)	(719,040)
Ending Balance	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,134,456	8,958,702	8,772,108	8,574,005	8,363,684
NET INCOME AFTER DEBT	(265,300)	(91,802)	259,597	375,500	498,354	556,833	457,321	522,056	590,158	661,800	737,161
Levered IRR	-		0.5%	12.5%	17.3%	17.0%	16.7%	16.5%	16.2%	16.0%	15.8%
Unlevered IRR	-		3.8%	8.8%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%
Cash-on-Cash Return	-	-1.5%	4.2%	6.1%	8.0%	9.0%	7.4%	8.4%	9.5%	10.7%	11.9%

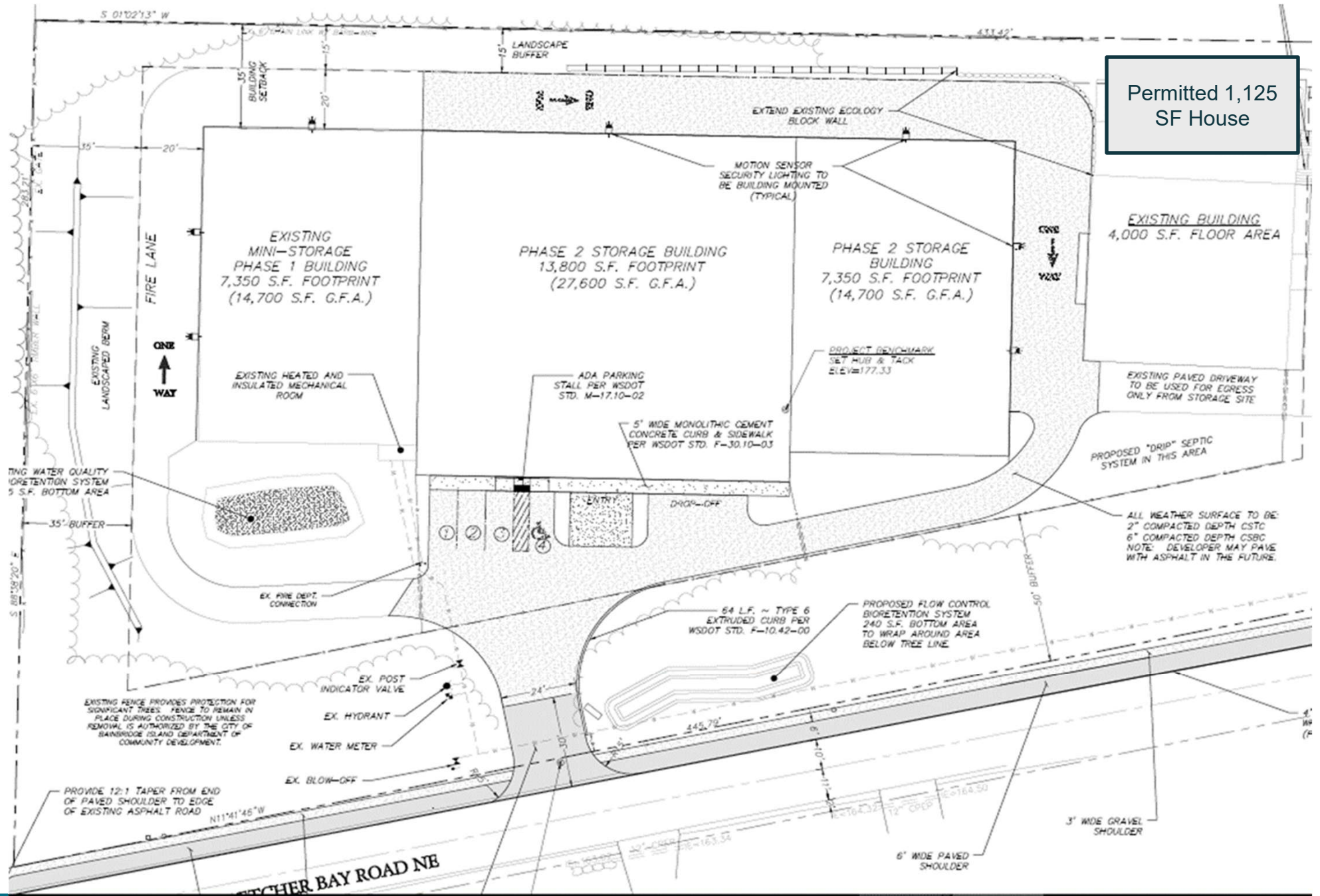
Operations depicted are for Current Layout (207 Average SF per Unit) \$136,200 in gross potential upside by expanding.

Operations

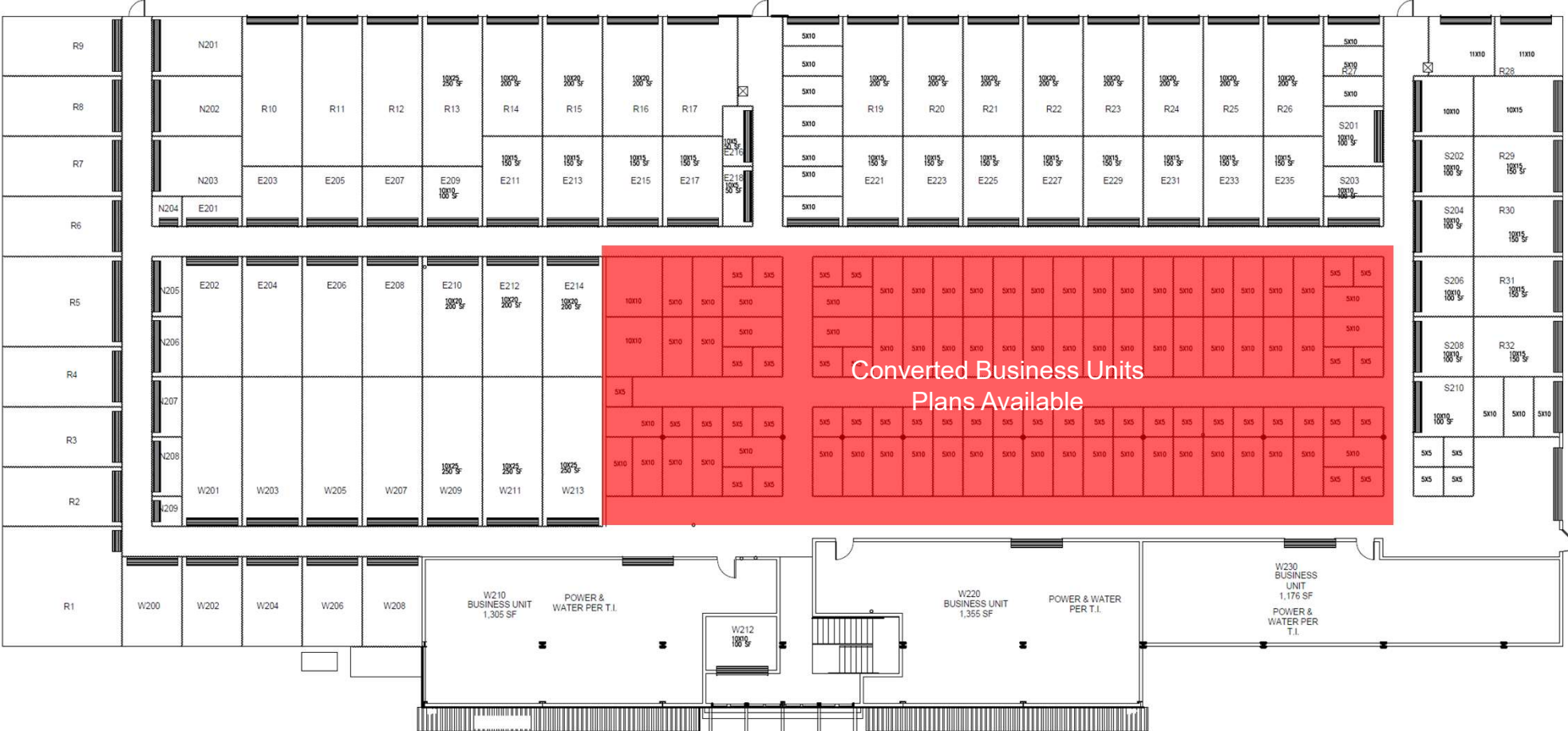
REVENUE		Adj. T - 12	\$/SF	YEAR 1	\$/SF	YEAR 2	\$/SF	YEAR 3	\$/SF	YEAR 4	\$/SF	YEAR 5	\$/SF
Scheduled Base Rental		1,214,025	\$25.30	1,250,446	\$26.05	1,312,968	\$27.36	1,378,616	\$28.73	1,447,547	\$30.16	1,519,925	\$31.67
Physical Occupancy		46%		60%		85%		90%		95%		95%	
Economic Occupancy		44%		55%		80%		85%		90%		90%	
Effective Gross Rental Income		530,701		687,745		1,050,374		1,171,824		1,302,793		1,367,932	
Merchandise Income		-	0.0%	6,877	1.0%	10,504	1.0%	11,718	1.0%	13,028	1.0%	13,679	1.0%
Cost of Goods Sold		-		(3,439)		(5,252)		(5,859)		(6,514)		(6,840)	
Ancillary Income (e.g. Admin, Late Fees)		-	0.0%	10,316	1.5%	15,756	1.5%	17,577	1.5%	19,542	1.5%	20,519	1.5%
Tenant Insurance Income		-		9,563		14,677		17,931		18,928		18,928	
Truck Rental Income		-		-		-		-		-		-	
Other Income		-		-		-		-		-		-	
EFFECTIVE GROSS INCOME		530,701	\$11.06	711,063	\$14.82	1,086,059	\$22.63	1,213,192	\$25.28	1,347,776	\$28.08	1,414,218	\$29.47
OPERATING EXPENSES													
Taxes	Δ	80,561	\$1.68	82,172	\$1.71	83,816	\$1.75	85,492	\$1.78	87,202	\$1.82	88,946	\$1.85
(Costs for) On-site Management	Δ	52,792	\$1.10	53,848	\$1.12	54,925	\$1.14	56,024	\$1.17	57,144	\$1.19	58,287	\$1.21
Off Site Management	Δ	30,000	\$0.63	30,000	\$0.63	43,442	\$0.91	48,528	\$1.01	53,911	\$1.12	56,569	\$1.18
Insurance	Δ	5,759	\$0.12	5,874	\$0.12	5,992	\$0.12	6,112	\$0.13	6,234	\$0.13	6,359	\$0.13
Advertising	Δ	11,998	\$0.25	12,238	\$0.26	12,483	\$0.26	12,733	\$0.27	12,987	\$0.27	13,247	\$0.28
Repairs and Maintenance	Δ	9,599	\$0.20	9,791	\$0.20	9,986	\$0.21	10,186	\$0.21	10,390	\$0.22	10,598	\$0.22
Reserve for Capital Improvements	Δ	4,799	\$0.10	4,799	\$0.10	4,799	\$0.10	4,799	\$0.10	4,799	\$0.10	4,799	\$0.10
Utilities	Δ	12,478	\$0.26	12,728	\$0.27	12,982	\$0.27	13,242	\$0.28	13,507	\$0.28	13,777	\$0.29
Administration	Δ	15,358	\$0.32	15,665	\$0.33	15,978	\$0.33	16,298	\$0.34	16,624	\$0.35	16,956	\$0.35
Bank Charges	Δ	8,757	\$0.18	11,733	\$0.24	17,920	\$0.37	20,018	\$0.42	22,238	\$0.46	23,335	\$0.49
Telephone	Δ	2,400	\$0.05	2,448	\$0.05	2,497	\$0.05	2,547	\$0.05	2,597	\$0.05	2,649	\$0.06
Professional Fees	Δ	3,500	\$0.07	3,570	\$0.07	3,641	\$0.08	3,714	\$0.08	3,789	\$0.08	3,864	\$0.08
Other		-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
Non-Operating Expense		-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
OPERATING EXPENSES	Δ	238,001	\$4.96	244,866	\$5.10	268,462	\$5.59	279,691	\$5.83	291,422	\$6.07	299,386	\$6.24
Operating Expense Ratio		45%		34%		25%		23%		22%		21%	
NET OPERATING INCOME	▽	292,700	\$6.10	466,198	\$9.71	817,597	\$17.04	933,500	\$19.45	1,056,354	\$22.01	1,114,833	\$23.23

Operations depicted are for Current Layout (207 Average SF per Unit) \$136,200 in gross potential upside by expanding.

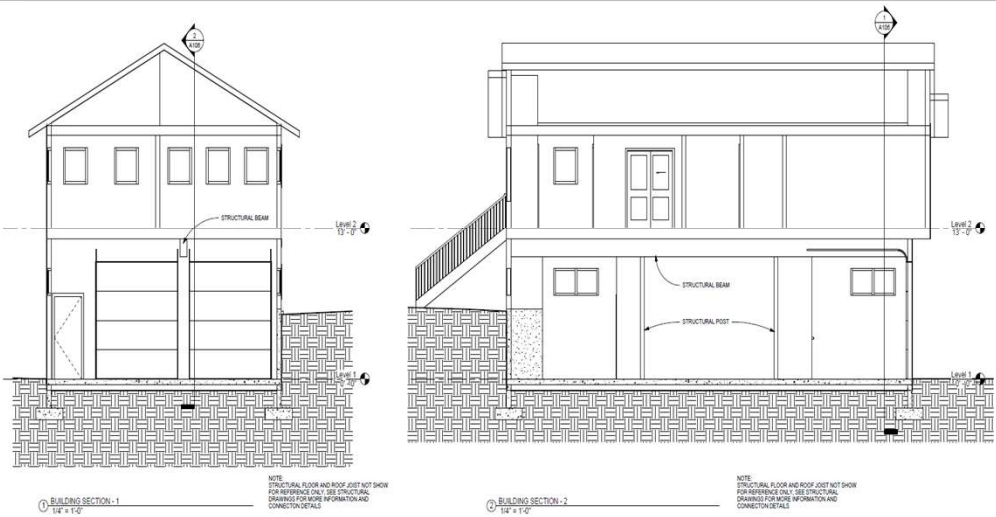
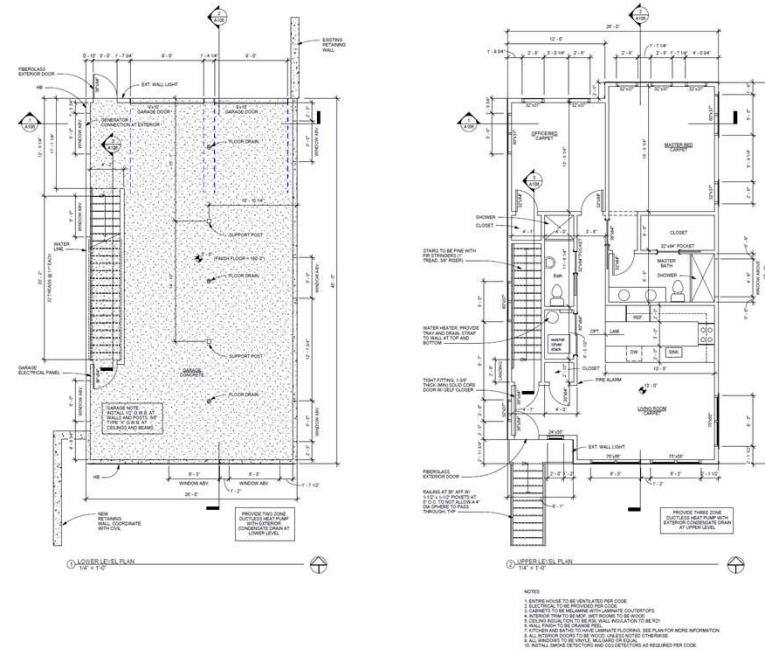
Site Layout



Site Layout



Shovel Ready House with Additional Storage



Included in Sale: Fully Permitted and Shovel Ready House

A fully permitted 1,125 SF house is included in Storage 98110 Offering. Buyer will receive all plan, permits, and drawing to complete. The house is situated in the Northwest corner of the site. The house, when built, would be worth approximately \$450,000 - \$550,000 as a private residence. The house presents the option to add additional storage units in the basement.

- Opportunity to build best-in-class Manager's Unit or Rental Property in included hot housing market.
- Additional revenue-generating storage in the basement.
- All plans, permits, and drawing are included with sale.

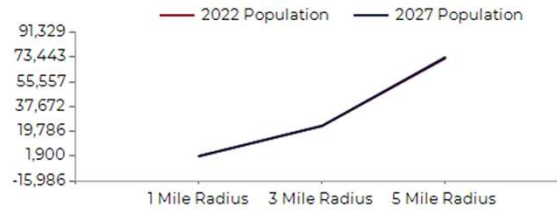
Demographic Trends

Bainbridge Island "15 min or less drive time"

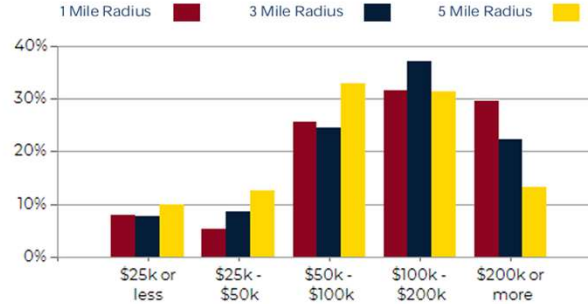
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	1,554	18,435	59,767
2010 Population	1,697	21,392	64,733
2022 Population	1,900	23,731	72,666
2027 Population	1,909	23,842	73,443
2022-2027: Population: Growth Rate	0.45%	0.45%	1.05%

2022 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	33	405	1,593
\$15,000-\$24,999	23	332	1,310
\$25,000-\$34,999	6	263	1,129
\$35,000-\$49,999	31	553	2,543
\$50,000-\$74,999	103	1,279	5,383
\$75,000-\$99,999	79	1,083	4,207
\$100,000-\$149,999	125	2,109	6,040
\$150,000-\$199,999	99	1,461	3,104
\$200,000 or greater	210	2,132	3,820
Median HH Income	\$127,316	\$116,141	\$88,767
Average HH Income	\$183,613	\$167,368	\$126,899

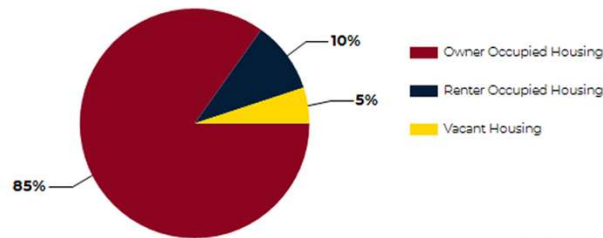
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	576	7,733	25,126
2010 Total Households	637	8,786	26,415
2022 Total Households	707	9,617	29,129
2027 Total Households	711	9,679	29,469
2022 Average Household Size	2.67	2.44	2.47
2022-2027: Households: Growth Rate	0.55%	0.65%	1.15%



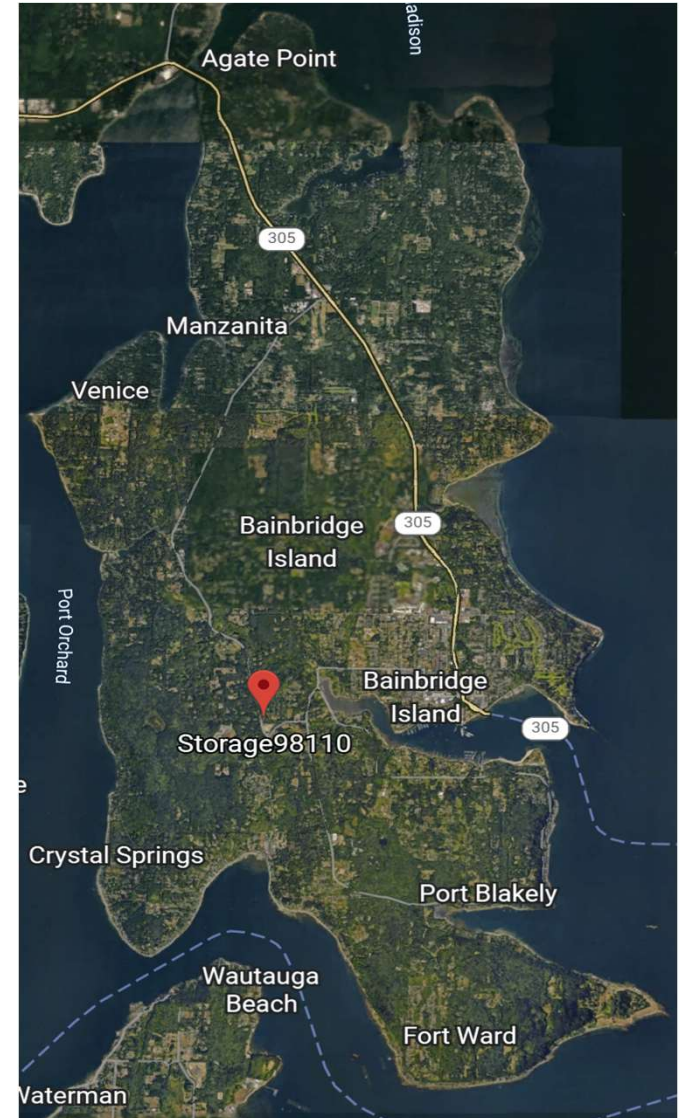
2022 Household Income



2022 Own vs. Rent - 1 Mile Radius



Source: esri



HUNTER INVESTORS

Building Wealth through Real Estate



Connect

Andrew Hunter

(425) 375-5200

Andrew@hunterinvestors.com

www.hunterinvestors.com