

Marcus & Millichap



Offering Memorandum



HWY 380 SELF STORAGE
1019 Agape Court • Caddo Mills, TX 75135

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HWY 380 SELF STORAGE

Marcus & Millichap



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Marcus & Millichap

Licensed Broker /Broker Firm Name or Primary Assumed Business Name

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Email

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Phone

Buyer/Tenant/Seller/Landlord Initials

Date

- ** A Karr Self-Storage Confidentiality / Registration Agreement must be executed by the prospective purchaser before the Offering Memorandum and back-up documentation can be viewed, and also before an offer submitted by a prospective purchaser will be considered.**
- ** All property tours / visits must be scheduled through the Karr Self-Storage team**
- ** Prospective purchasers are strongly encouraged to have been present on a formal property tour before submitting an offer.**
- ** Contact with on-site management and/or ownership is strictly prohibited. Please contact the Karr Self-Storage team with any questions.**



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INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

		VITAL DATA				
				CURRENT	M&M ADJUSTED	PRO FORMA
Price	\$1,450,000	CAP Rate		1.73%	-2.26%	7.62%
Total Units	262	Effective Gross Income		\$42,576	\$42,576	\$197,574
Rentable SF	44,400	Net Operating Income		\$25,148	-\$36,827	\$109,054
Price Per Rentable SF	\$32.66					
Number of Buildings	8					
Number of Stories	1					
Year Built / Expanded	2009 / 2017					
Lot Size	Apx. 6.62 Acres					

***Note: Short-term seller financing is available. Please contact broker for additional details.**

TRAFFIC COUNTS				
STREET NAME	CROSS STREET	YEAR	COUNT	
US Hwy 380	Co Rd 697	2012	9,700	
US Hwy 380	Co Rd 2748	2014	9,139	
N FM 36	US Hwy 380	2014	1,424	



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Atrium Extrusion Systems Inc	3,875
Cytec Aerospace Materials	1,350
OCCUPATIONAL HEALTH NETWORK	900
Gisd	800
Farmersville Ind Schl Dst	313
Sierra Nevada Corporation	258
Cytec Engineered Materials Inc	225
US Post Office	170
Greenville Hlth Rhbltation Ctr	168
Jarden Corporation	165
Caddo Mills Isd	151
A F I	125

INVESTMENT OVERVIEW

Hwy 380 Self Storage is a 44,400 rentable-square foot storage facility resting on two separate parcels encompassing apx. 6.62 acres in Caddo Mills, TX – 30 miles northeast of Dallas. Comprised of 262 non-climate drive up units ranging in size from 100-200 square feet, the property was built in two phases beginning in 2009 and culminating in late 2017. The facility features a manager's office, garage-style roll up doors, personalized key-pad gated entry, perimeter fencing and lighting, insulated roofs, and apx. 2.48 acres of raw land for future storage expansion. The facility also benefits from the excellent visibility and accessibility its strategic location on Hwy 380 provides, upon which apx. 10,000 vehicles travel each day.

The facility's currently-low occupancy rate can be attributed to both the absence of a marketing strategy, as well as the lack of consistently-present on-site personnel. To be sure, the only "marketing" of the facility comes in the form of the property's phone number painted on a building facing the highway (the property does not have a website and, as of May 20th, 2019, was not even listed on Google). Furthermore, the facility is currently "managed" by a friend of the owner, who in exchange receives for free rent in one of the two office suites located on-site. While the manager runs the property's day-to-day operations, he is only able to dedicate a small amount of time to the storage business because his primary occupation as an Infinity Insurance agent frequently requires he attend meetings out of office during normal business hours.

Offered for \$1,450,000, a new investor will be purchasing the asset below replacement cost at only \$32.66 per net-rentable-square foot. More importantly, the multitude of attractive demographic trends present in the property's submarket suggest an experienced operator will be able to lease the currently-vacant units with relative ease. To be sure, the population within a 5-mile radius surrounding the facility has grown over 20 percent since 2010 and is projected to increase an additional 13.8 percent in the next five years. Furthermore, the average household income within the trade area is apx. \$85,000.

INVESTMENT HIGHLIGHTS

- \$32.66 per Rentable-Square Foot – Below Replacement Cost
- 23.31 PERCENT PHYSICAL OCCUPANCY
- Short-Term Seller Financing Available
- Rental Rates Below Submarket Averages
- Excellent Visibility and Accessibility on Hwy 380 – Apx. 10,000 Vehicles per Day
- 20 Percent Population Growth in Submarket since 2010
- Currently Operated without Any Marketing Strategy or Dedicated On-Site Personnel



PROPERTY SUMMARY

THE OFFERING	
Property	HWY 380 SELF STORAGE
Price	\$1,450,000
Assessors Parcel Number	209199 & 209196
Zoning	N/A

SITE DESCRIPTION	
Total Units	262
Number of Buildings	8
Number of Stories	1
Year Built/Renovated	2009 / 2017
Rentable Square Feet	44,400
Lot Size	Apx. 6.62 Acres
Type of Ownership	Fee Simple
Parking	Ample
Highway Access	Located on Hwy 380
Street Frontage	Agape Court
Cross Street	Hwy 380

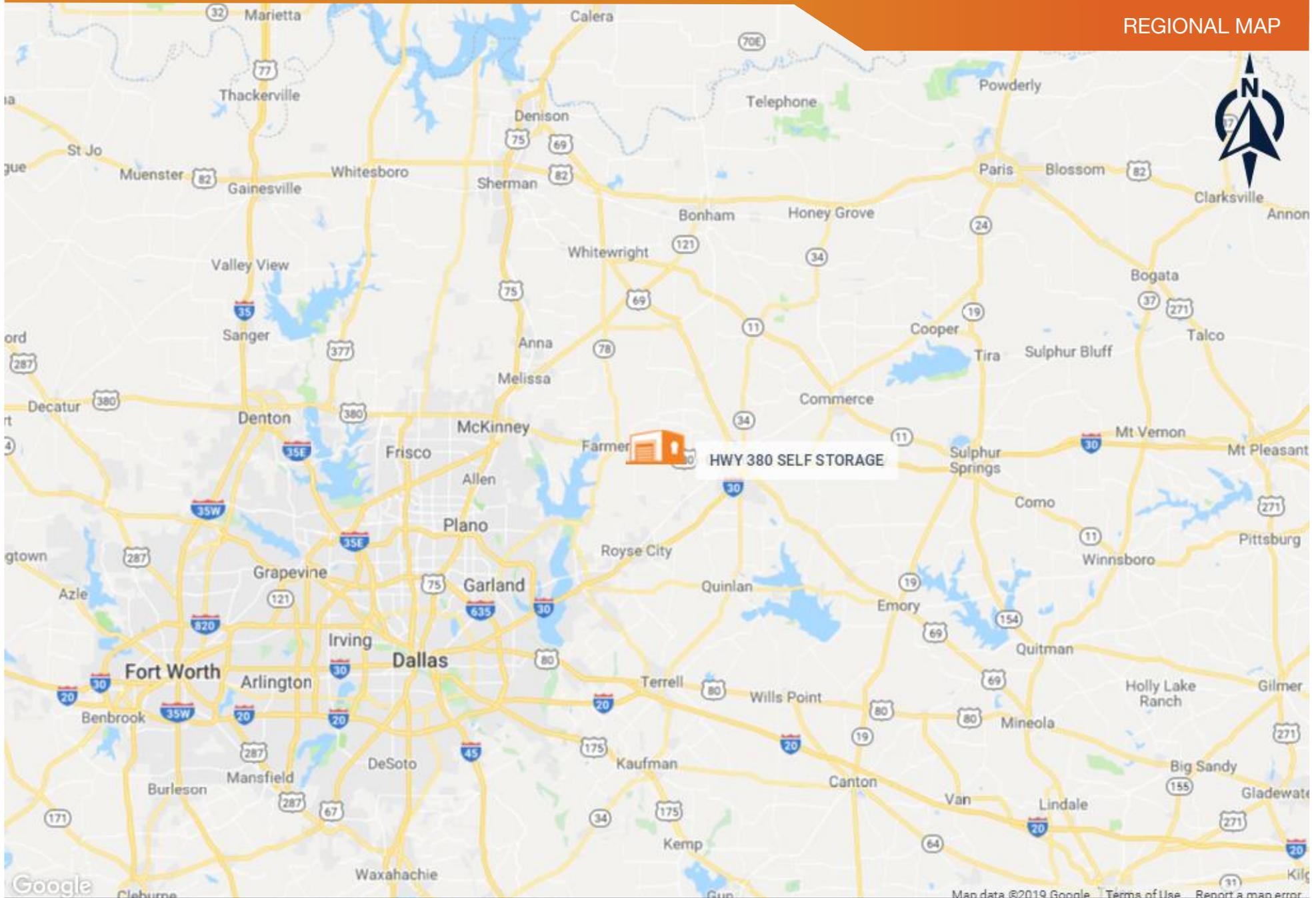
CONSTRUCTION	
Foundation	Slab-on-Grade Concrete
Framing	Steel Trusses
Exterior Walls	Metal
Parking Surface	Concrete & Gravel
Roof	R-Panel Metal
Fencing	Wrought-Iron & Chain-Link
Entry	Personalized Key-Pad

MECHANICAL	
Climate Control	No
Security	Perimeter Fencing & Lighting
Fire Protection	Fire Extinguishers

OPERATIONS	
Management Software	SiteLink
Personnel	1 Part-Time Manager
Office Hours	9:00 AM – 5:00 PM Monday-Friday
Gate Hours	24-Hour Access
Water / Sewer	City Water / Sceptic Sewer
Admin Fees	No
Tenant Insurance	No

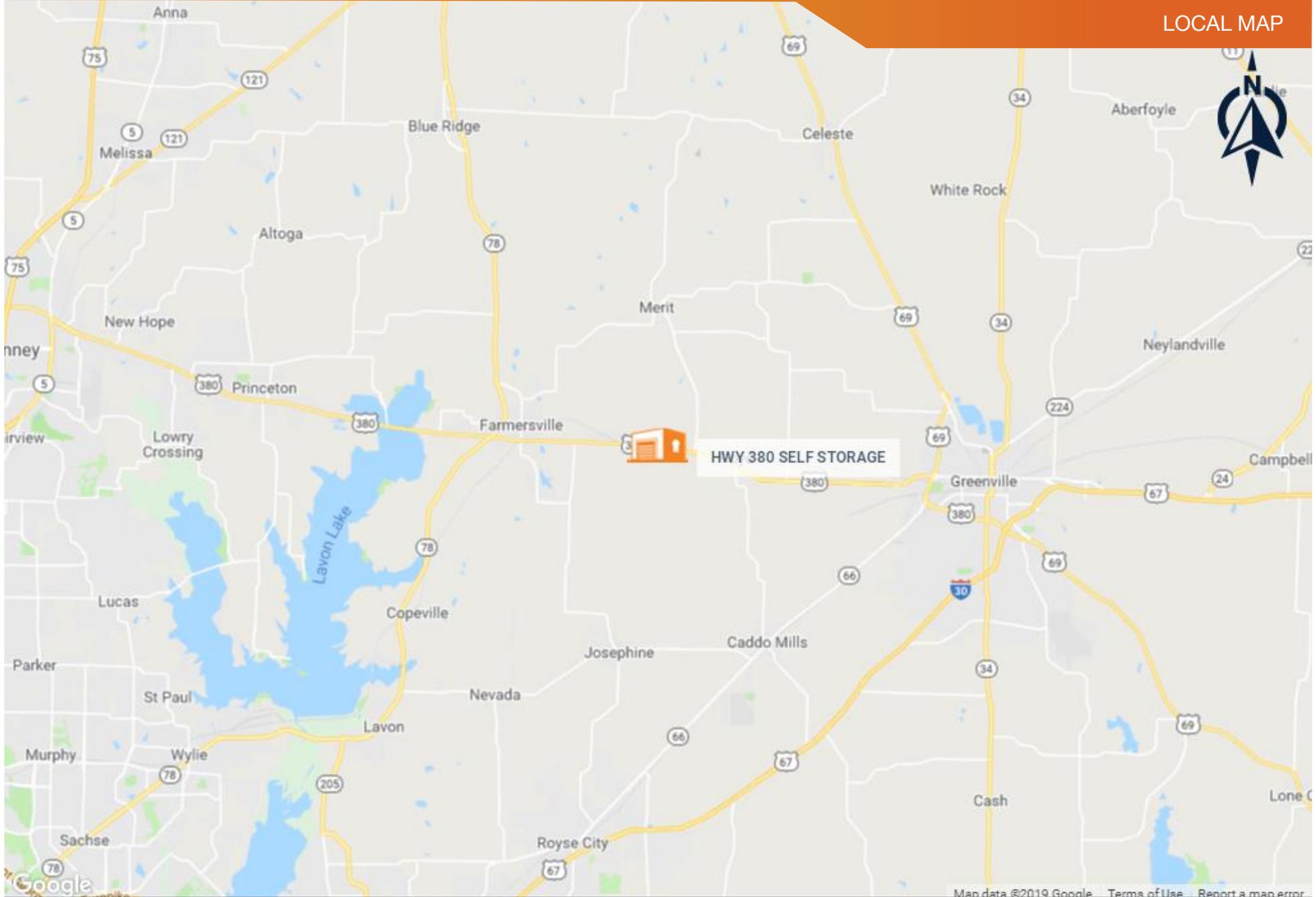
DEMOGRAPHICS			
	1-Miles	5-Miles	10-Miles
2018 Estimate Pop	220	9,687	34,910
2010 Census Pop	189	7,735	29,121
2018 Estimate HH	86	3,392	12,371
2010 Census HH	73	2,665	10,237
Median HH Income	\$60,576	\$60,468	\$52,817
Per Capita Income	\$29,594	\$29,416	\$26,449
Average HH Income	\$75,760	\$84,006	\$74,303





Google

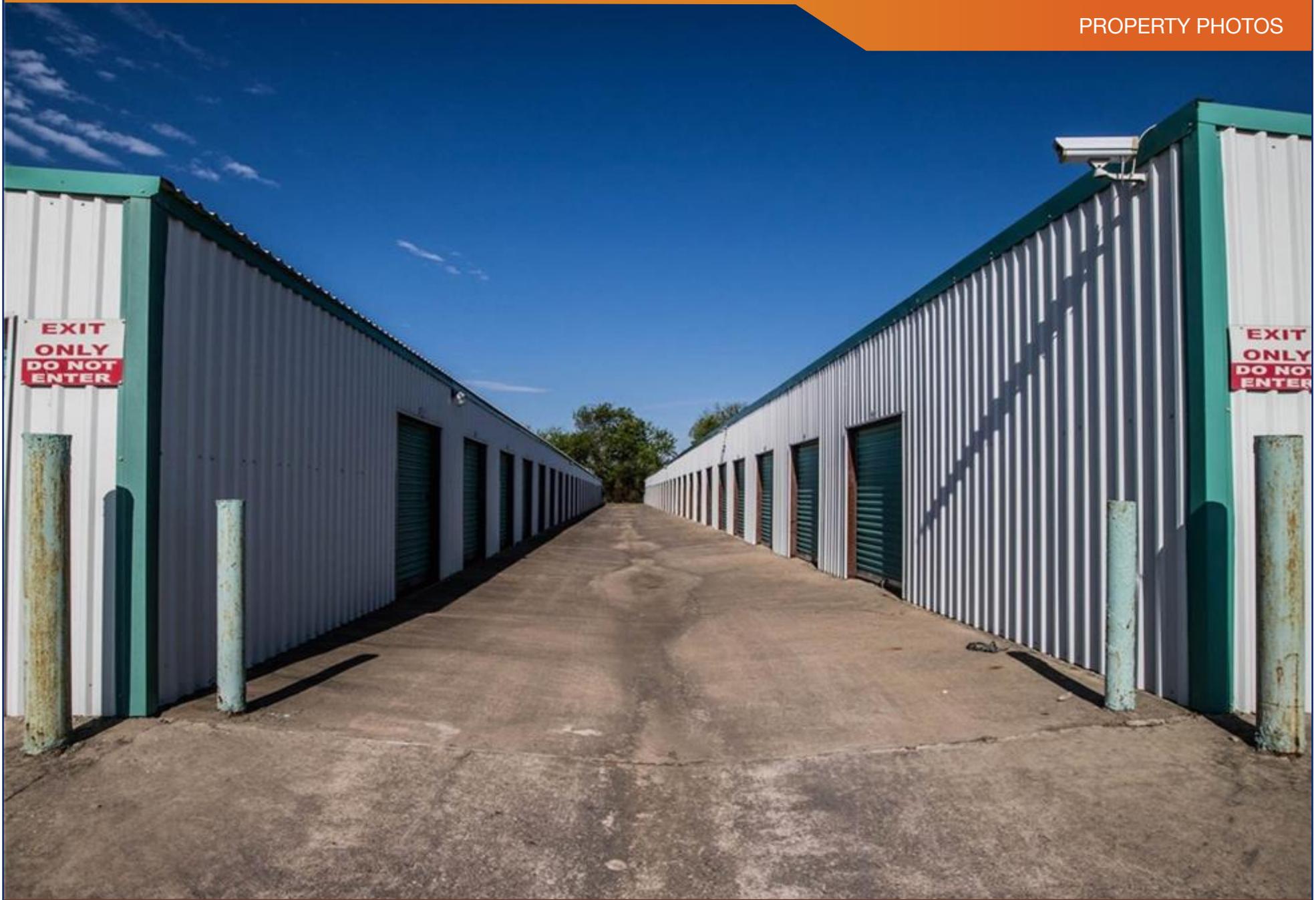
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FINANCIAL ANALYSIS



UNIT MIX DETAIL

As of May 9th, 2019

	UNITS	OCCUPIED	SIZE	RSF	RATE	GROSS POTENTIAL	RENT / SF	OCCUPIED SQ FT	SQ FT
<u>NON-CLIMATE DRIVE UP</u>	60	5	10x10	100	\$50	\$3,000	\$0.50	500	6,000
	40	11	10x15	150	\$65	\$2,600	\$0.43	1,650	6,000
	162	41	10x20	200	\$85	\$13,770	\$0.43	8,200	32,400
	262	57				\$19,370	\$0.44	10,350	44,400
	UNITS	OCCUPIED	SIZE	RSF	RATE	GROSS POTENTIAL	RENT / SF	OCCUPIED SQ FT	SQ FT
Total	262	57				\$19,370	\$0.44	10,350	44,400

OPERATING STATEMENT

Current, M&M-Adjusted, Pro Forma

INCOME				JAN-JULY 2019 ANNUALIZED				JAN-JULY 2019 ANNUALIZED				PRO FORMA			
				\$ / OCC. SF	\$232,440	% EGI					\$ / OCC. SF	\$232,440	% EGI		
GROSS POTENTIAL RENT				\$0.85	42,576	99.47%					\$1.14	197,574	99.8%		
Storage Rental Income															
Administrative Fees					0							0			
Late, Lein, NSF Fees					225							239			
Tenant Insurance Commissions					0							0			
EFFECTIVE GROSS INCOME				% GPR	\$42,801						% GPR	\$197,813			
Economic Vacancy (Storage Rent Only)				81.68%	(189,864)						15.00%	(34,866)			
EXPENSES				% EGI	YEAR-END 2018	\$ / SF	% EGI	M&M-ADJUSTED YEAR-END 2018	\$ / SF	% EGI	PRO FORMA	\$ / SF			
Cost of Goods Sold					0	0.00		0	0.00		0	0.00			
Bank & Credit Card Fees				0.00%	0	0.00	1.75%	1 749	0.02	1.75%	1 3,462	0.08			
Office & Administrative					0	0.00		2 1,175	0.03		2 1,210	0.03			
Contract Services					2,400	0.05		3 2,750	0.06		3 2,833	0.06			
Miscellaneous					0	0.00		4 750	0.02		4 773	0.02			
Utilities & Trash					2,316	0.05		2,316	0.05		2,385	0.05			
Telephone & Internet					1,836	0.04		1,836	0.04		1,891	0.04			
Marketing & Promotion					0	0.00		5 4,150	0.09		5 4,275	0.10			
Repairs & Maintenance					640	0.01		6 4,440	0.10		6 4,440	0.10			
Property Insurance					5,229	0.12		5,229	0.12		5,386	0.12			
Salaries, Taxes, & Benefits (On-Site)					0	0.00		7 22,000	0.50		7 22,660	0.51			
Property Taxes					5,232	0.12		8 21,417	0.48		8 22,894	0.52			
Third Party Management (Off-Site)				0.00%	0	0.00	5.00%	9 2,140	0.05	5.00%	9 9,891	0.22			
Reserves for Capital Improvements					0	0.00		10 6,660	0.15		10 6,660	0.15			
TOTAL EXPENSES					\$17,653	\$0.40		\$75,612	\$1.70		\$88,758	\$2.00			
Expenses % EGI				41.24%			176.66%			44.87%					
NET OPERATING INCOME					\$25,148			(\$32,811)			\$109,054				

NOTES

1. Bank & Credit Card Fees represents the industry standard 1.75% of EGI
2. Office & Administrative has been adjusted upward to reflect submarket standards
3. Contract Services has been adjusted upward to reflect submarket standards
4. Miscellaneous has been adjusted upward to reflect submarket standards
5. Marketing & Promotion have been adjusted upward to reflect submarket standards
6. Repairs & Maintenance has been calculated at \$0.10 per rentable-square foot
7. Salaries, Taxes, & Benefits (On-Site) have been adjusted upward to reflect submarket standards
8. Property Taxes have been adjusted upward to reflect a sale
9. Third Party Management (Off-Site) represents the industry standard 5% of EGI
10. Reserves for Capital Improvements represents the industry standard \$0.15 per rentable-square foot

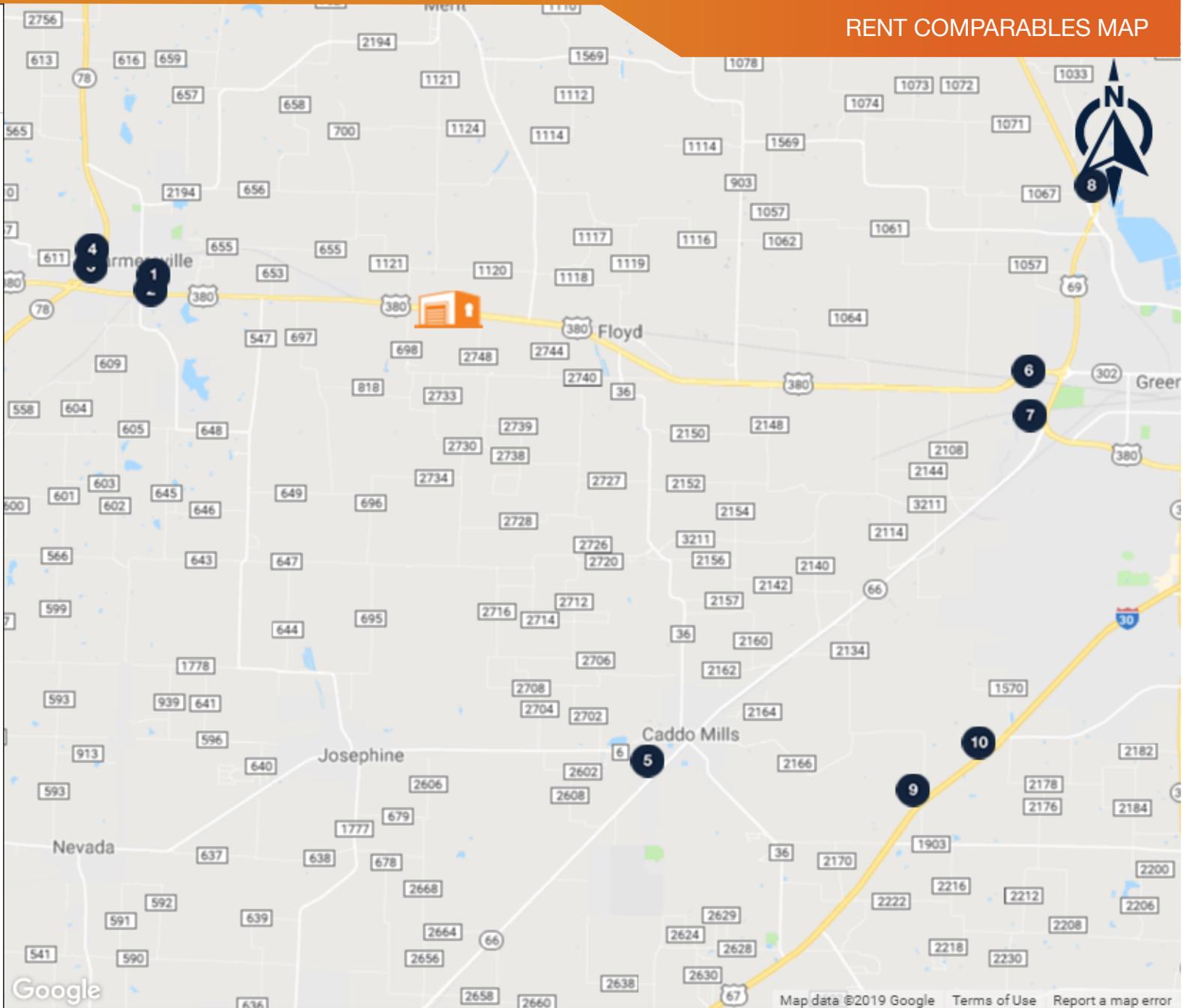
MARKET COMPARABLES



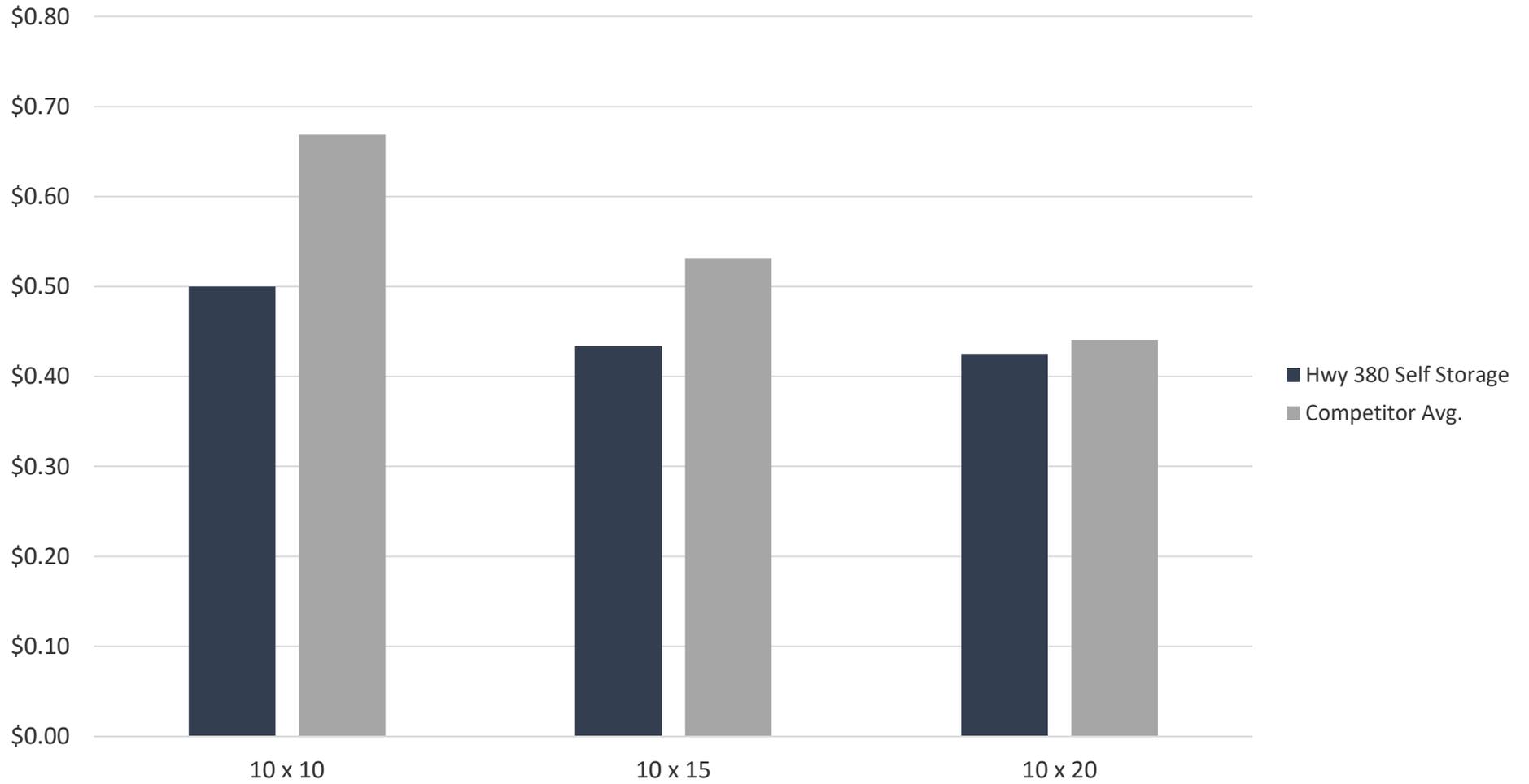


**HWY 380 SELF STORAGE
(SUBJECT)**

- 1 Self Storage of Farmersville
- 2 Orange Street Storage
- 3 Hilltop Storage
- 4 H&H Storage
- 5 Highway 66 Storage
- 6 380 Storage
- 7 AAA Industrial Park Self Storage
- 8 Citi-Limit Storage
- 9 Pro Storage TX
- 10 Steelecreek Self Storage



RENTAL RATE COMPARISON





HWY 380 SELF STORAGE
1019 Agape Court Caddo Mills, TX 75135

Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$50.00	\$0.50
Non-C/C 10x15	150	\$65.00	\$0.43
Non-C/C 10x20	200	\$85.00	\$0.43
Total/Avg.	44,400		

SELF STORAGE OF FARMERSVILLE
509 S Rike St Farmersville, TX 75442



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	N/A	N/A
Non-C/C 10x15	150	N/A	N/A
Non-C/C 10x20	200	\$85.00	\$0.43
Total/Avg.	3,200		

YEAR BUILT: 1999

NOTES

*Distance from subject property: 4.06 miles

ORANGE STREET STORAGE
819 Orange Ave Farmersville, TX 75442



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$75.00	\$0.75
Non-C/C 10x15	150	\$85.00	\$0.57
Non-C/C 10x20	200	\$95.00	\$0.48
Total/Avg.	6,000		

YEAR BUILT: 2007

NOTES

*Distance from subject property: 4.10 miles

HILLTOP STORAGE

400 Raymond St Farmersville, TX 75442



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	N/A	N/A
Non-C/C 10x15	150	N/A	N/A
Non-C/C 10x20	200	\$65.00	\$0.33
Total/Avg.	3,200		

YEAR BUILT: 1987

NOTES

*Distance from subject property: 4.91 miles

H&H STORAGE

206 State Highway 78 S Farmersville, TX 75442



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$75.00	\$0.75
Non-C/C 10x15	150	\$95.00	\$0.63
Non-C/C 10x20	200	N/A	N/A
Total/Avg.	25,662		

YEAR BUILT: 1997

NOTES

*Distance from subject property: 4.93 miles

HIGHWAY 66 STORAGE

4208 State Highway 66 Caddo Mills, TX 75135



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$65.00	\$0.65
Non-C/C 10x15	150	\$75.00	\$0.50
Non-C/C 10x20	200	\$85.00	\$0.43
Total/Avg.	24,750		

YEAR BUILT: 1999

NOTES

*Distance from subject property: 7.19 miles

380 STORAGE

6301 US-380 Greenville, TX 75401



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$55.00	\$0.55
Non-C/C 10x15	150	\$65.00	\$0.43
Non-C/C 10x20	200	\$85.00	\$0.43
Total/Avg.	31,800		

YEAR BUILT: 2007

NOTES

*Distance from subject property: 8.23 miles

AAA INDUSTRIAL PARK SELF STORAGE

6015 Industrial Dr Greenville, TX 75402



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$68.00	\$0.68
Non-C/C 10x15	150	\$80.00	\$0.53
Non-C/C 10x20	200	\$95.00	\$0.48
Total/Avg.	47,000		

YEAR BUILT: 1996

NOTES

*Distance from subject property: 8.45 miles

CITI-LIMIT STORAGE

1495 US-69 Business Greenville, TX 75401



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$60.00	\$0.60
Non-C/C 10x15	150	N/A	N/A
Non-C/C 10x20	200	\$85.00	\$0.43
Total/Avg.	21,820		

YEAR BUILT: 1994

NOTES

*Distance from subject property: 9.18 miles

PRO STORAGE TX

2518 Interstate Highway 30 W Greenville, TX 75402



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$69.00	\$0.69
Non-C/C 10x15	150	\$85.00	\$0.57
Non-C/C 10x20	200	\$99.00	\$0.50
Total/Avg.	7,000		

YEAR BUILT: 2017

NOTES

*Distance from subject property: 9.56 miles

STEELECREEK SELF STORAGE

1909 Interstate Highway 30 Greenville, TX 75402



Unit Type	SF/Unit	Rent/Unit	Rent/SF
Non-C/C 10x10	100	\$68.00	\$0.68
Non-C/C 10x15	150	\$73.00	\$0.49
Non-C/C 10x20	200	\$99.00	\$0.50
Total/Avg.	72,415		

YEAR BUILT: 1975

NOTES

*Distance from subject property: 9.88 miles

MARKET OVERVIEW



DALLAS-FORT WORTH OVERVIEW

The Dallas/Fort Worth Metroplex is the fourth-most populous metro in the nation with an aggregate of nearly 7.4 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 854,700 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metro's numerous corporations and growing industries.

METRO HIGHLIGHTS



SUBSTANTIAL POPULATION GAINS

Dallas/Fort Worth's population growth in recent years ranks among the highest in the U.S. for a major metro.



LARGE CORPORATE BASE

The Metroplex is home to 22 Fortune 500 companies and many regional headquarters, drawing workers and residents.



MAJOR DISTRIBUTION CENTER

The area's extensive network of rail and highways along with the International Inland Port of Dallas ensure its status as a distribution hub.





TRANSPORTATION

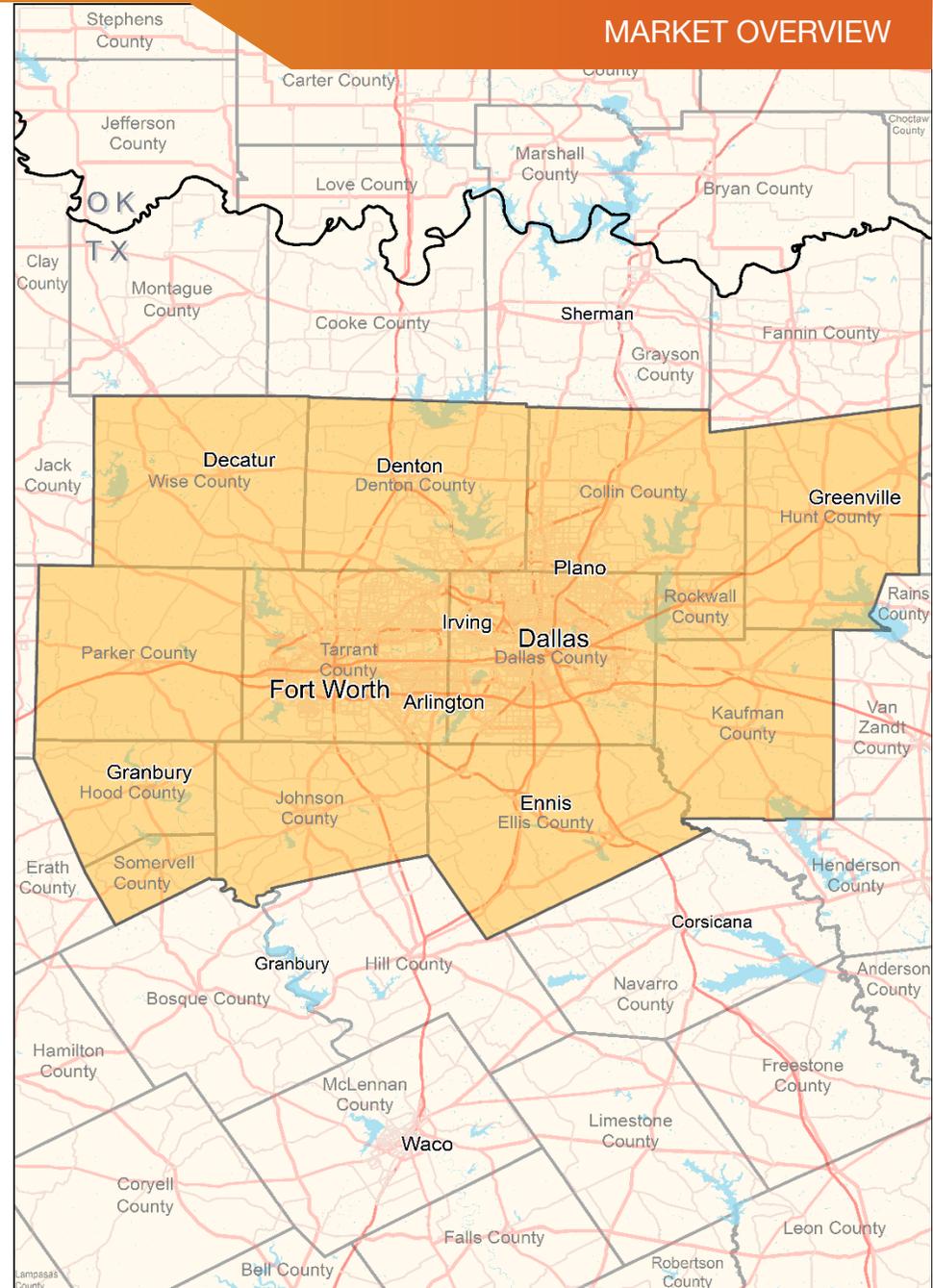
- The area is connected to the rest of the nation by way of Interstates 20, 30, 35, 45, 635 and 820.
- DART, Dallas Area Rapid Transit, covers Dallas and 12 surrounding cities, and it consists of busses and a 93-mile light-rail system.
- Freight serving lines in the region include Union Pacific, BNSF and Kansas City Southern. BNSF is headquartered in Fort Worth.
- Trinity Railway Express and Amtrak provide passenger rail service.
- Via rail to Houston Port, and Highways 20 and 45, the International Inland Port of Dallas (IIPOD) connects the region to global markets and trade.
- Airports include Dallas/Fort Worth International, Dallas Love Field, Fort Worth Alliance and 13 smaller airports.



MORE THAN
90

MILES OF A LIGHT-RAIL SYSTEM
SERVING DALLAS AND
SURROUNDING CITIES

MARKET OVERVIEW



ECONOMY

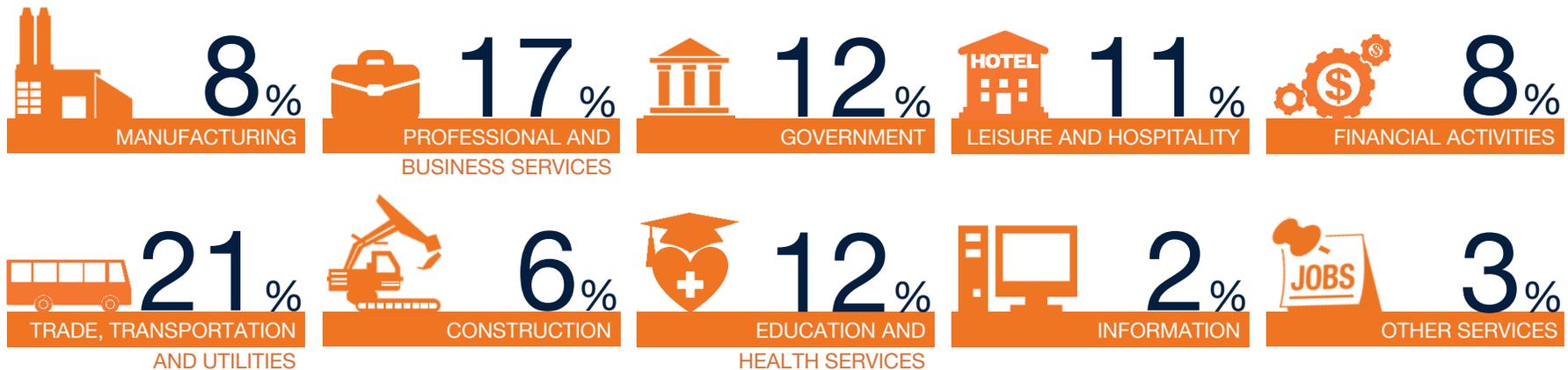
- The Metroplex's temperate climate, no state income tax and a right-to-work labor policy attract employers.
- Dallas/Fort Worth is one of the nation's largest employment markets, with nearly 3.7 million jobs.
- The region is home to 22 Fortune 500 companies in a variety of sectors, including ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and J.C. Penney.
- The area is forecast to add jobs at an annual rate of 1.9 percent through 2022, well above the U.S. level.
- Economic expansion will be further fueled by a rise in financial services and high-tech companies.

MAJOR AREA EMPLOYERS

AMR/American Airlines
AT&T
Texas Health Resources
Baylor Health Care System
Bank of America
Lockheed Martin
NAS-Fort Worth-JRB
JPMorgan Chase
HCA North Texas Division
UT-Southwestern Medical Center



SHARE OF 2018 TOTAL EMPLOYMENT

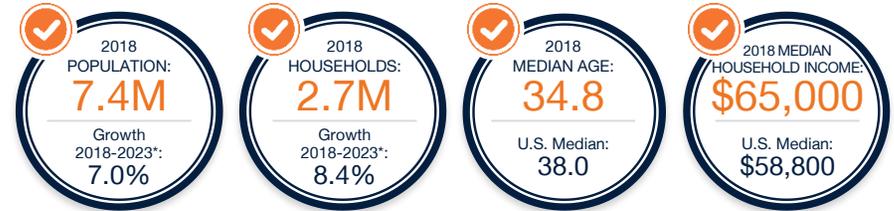




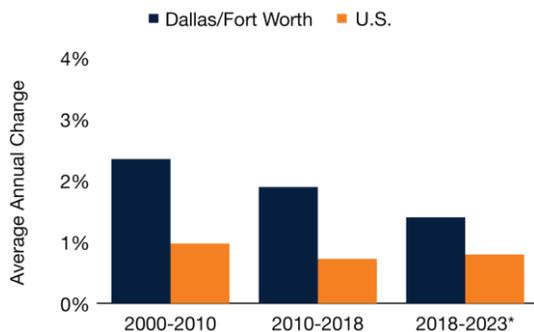
DEMOGRAPHICS

- Roughly 517,900 new people are expected through 2023, fueled by robust job growth, natural increases and north-to-south migration.
- The Metroplex is projected to add 224,700 households during the same period, generating the need for additional housing options.
- A younger population resides in the Metroplex as indicated by a median age that is well below that of the U.S.
- An educated population provides a skilled labor pool and higher incomes. Nearly 33 percent of residents age 25 and older have at least a bachelor's degree, compared with 30 percent for the nation. The median income is more than \$6,000 above the national level.
- More residents are choosing to rent as indicated by a contracting homeownership rate. During 2018, approximately 60 percent of residents own their home compared with 64 percent for the U.S.

QUICK FACTS

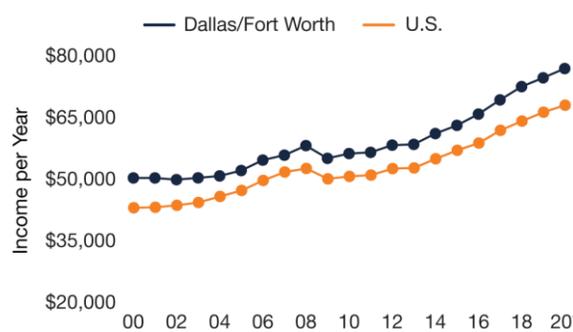


Population Growth

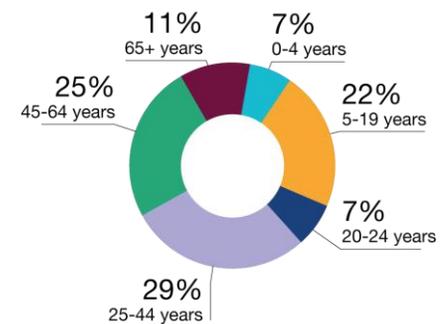


* Forecast

Median Household Income



2018 Population by Age





QUALITY OF LIFE

The Metroplex provides residents with an unparalleled lifestyle at a reasonable cost. The region continually ranks high for its affordability when compared with other large metros. A temperate climate provides ample opportunities for outdoor enthusiasts to enjoy. The region has many golf courses and activities at the metro's several reservoirs. Dallas/Fort Worth hosts professional teams in baseball, football, hockey and basketball.

Numerous educational institutions contribute to an educated workforce. The University of Texas at Dallas, University of North Texas, Texas Woman's University-Denton, Southern Methodist University, Texas Christian University and the University of Texas at Arlington are among the numerous higher-education institutions in the region. Metroplex residents are proximate to nationally recognized health centers including Parkland Memorial Hospital, Baylor University Medical Center and Texas Health Harris Methodist Hospital Fort Worth. Four medical schools also contribute to Dallas/Fort Worth's excellent healthcare providers.

\$264,500

MEDIAN HOME PRICE



150+

MUSEUMS AND ART GALLERIES



150

PUBLIC & PRIVATE GOLF COURSES



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



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



 **DALLAS METRO AREA**

Economic Trends

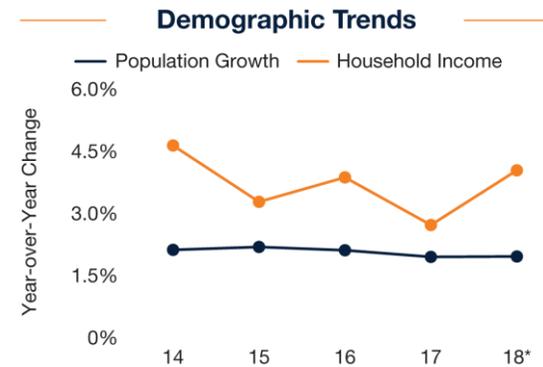
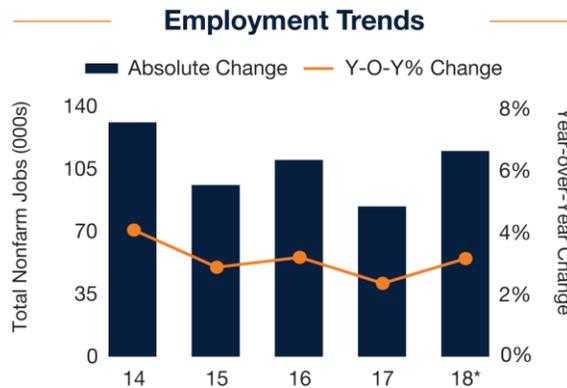
2018 Employment Forecast: g 3.2%

Widespread job creation equated to the addition of 115,100 workers over the past year in the Dallas/Fort Worth Metroplex. Hiring velocity was strongest in the professional and business services sector, expanding by 26,500 positions, with three other industries each bolstering payrolls by at least 16,000 employees. In 2018, Dallas/Fort Worth organizations will hire 115,000 people, the most of any U.S. metro.

Demographic Trends

2018 Population Forecast: g 1.9%

A wealth of job openings prompts relocations and household formations, prolonging the Metroplex’s rapid population expansion. In 2018, the Dallas/Fort Worth populace increases by 1.9 percent, or 145,000 people, comparable to the previous five-year average. The 59,000 households formed this year represents a 13-year-high, while the 20- to 34-year-old cohort enlarges by nearly 27,000 individuals.



* Forecast.

DALLAS METRO AREA

Supply and Demand Trends

2018 Construction Forecast: 2,678,000 square feet

Delivery volume surpasses 1 million square feet in both north and suburban Dallas this year, supporting the completion of nearly 2.7 million square feet.

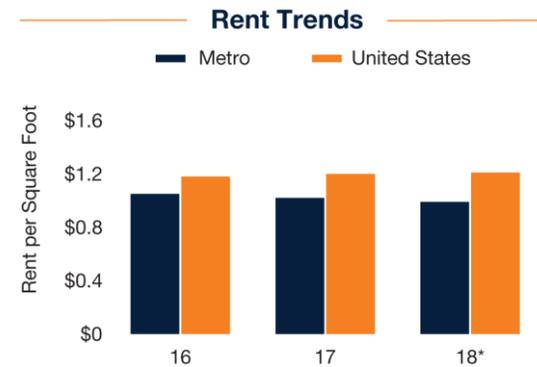
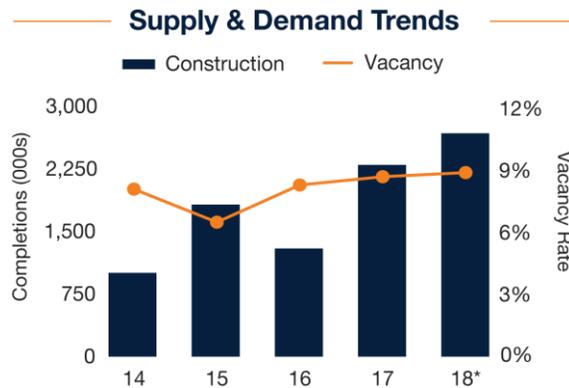
2018 Vacancy Forecast: g 20 basis points

An influx of new supply of self-storage space outpaces stout demand in 2018, raising Dallas/Fort Worth’s vacancy to 8.9 percent.

Rent Trends

2018 Rent Forecast: h 2.9%

Marketed rent declines in both regions this year. An uptick in suburban deliveries bolsters new supply, reducing the average asking rate 4 percent to 97 cents per square foot. In the northern section of Dallas, the average rent dips 2 percent to \$1.00 per square foot amid the delivery of nearly 1.6 million square feet.



* Forecast
Average rent is estimated based on rates for a 10 x 10 foot, non-climate-controlled unit.

DALLAS METRO AREA

Texas/Oklahoma Investment Trends

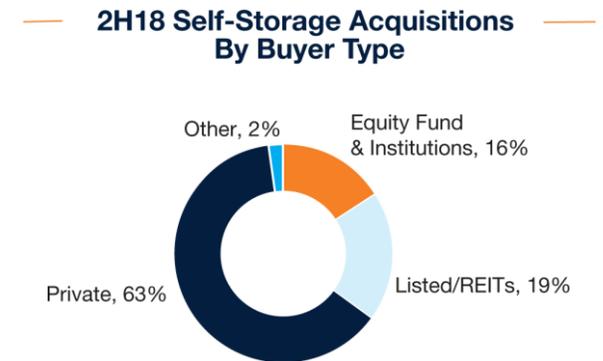
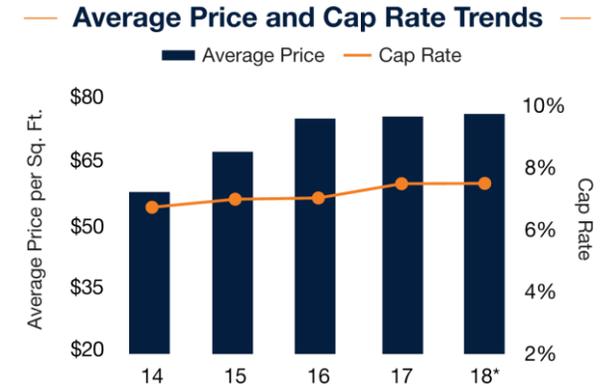
New supply additions, especially in Texas, are providing buyers in the region with new investment opportunities as the average sale price per unit remains in the \$76 range for the second year in a row. Over the same time frame, initial yields have stayed in the high-6 to mid-7 percent band.

Capital Markets

By **DAVID G. SHILLINGTON, President, Marcus & Millichap Capital Corporation**

Fed tightening monetary policy. The federal funds rate remains at 1.75 percent after the Federal Reserve raised rates 25 basis points in July. At that time, the Fed had indicated potentially two more rate hikes for this year, and as rates move up, lenders are tightening margins to compete for loans. Despite these efforts, borrowing costs are rising, which may prompt investors to seek greater returns in secondary markets.

The capital markets environment remains competitive. As the Fed stays committed to tightening policy, foreign central banks have yet to remove accommodation, encouraging flows into U.S. Treasuries. Therefore, interest rates on the 10-year Treasury remain range bound near 3.0 percent. Portfolio lenders are providing debt for self-storage assets, with 10-year loan structures ranging between 4.75 and 5.75 percent. Leverage is typically capped at 70 percent.



* Trailing 12 months through June 2018

Created on May 2019

POPULATION	1 Miles	5 Miles	10 Miles
■ 2023 Projection			
Total Population	269	11,019	38,488
■ 2018 Estimate			
Total Population	220	9,687	34,910
■ 2010 Census			
Total Population	189	7,735	29,121
■ 2000 Census			
Total Population	168	6,653	25,002
■ Daytime Population			
2018 Estimate	65	6,626	28,975
HOUSEHOLDS	1 Miles	5 Miles	10 Miles
■ 2023 Projection			
Total Households	106	3,906	13,844
■ 2018 Estimate			
Total Households	86	3,392	12,371
Average (Mean) Household Size	2.99	2.86	2.76
■ 2010 Census			
Total Households	73	2,665	10,237
■ 2000 Census			
Total Households	66	2,316	8,755

HOUSEHOLDS BY INCOME	1 Miles	5 Miles	10 Miles
■ 2018 Estimate			
\$250,000 or More	1.91%	3.49%	2.60%
\$200,000 - \$249,999	1.19%	1.36%	1.25%
\$150,000 - \$199,999	3.37%	4.47%	4.15%
\$125,000 - \$149,999	4.10%	3.89%	4.14%
\$100,000 - \$124,999	10.67%	11.11%	9.30%
\$75,000 - \$99,999	15.77%	15.15%	12.08%
\$50,000 - \$74,999	21.24%	18.22%	18.72%
\$35,000 - \$49,999	14.95%	11.92%	13.89%
\$25,000 - \$34,999	8.75%	10.74%	10.54%
\$15,000 - \$24,999	8.84%	9.10%	10.80%
Under \$15,000	9.21%	10.55%	12.53%
Average Household Income	\$75,760	\$84,006	\$74,303
Median Household Income	\$60,576	\$60,468	\$52,817
Per Capita Income	\$29,594	\$29,416	\$26,449

Source: © 2018 Experian

Created on May 2019

POPULATION PROFILE	1 Miles	5 Miles	10 Miles
■ Population by Age			
0 to 4 Years	5.63%	5.06%	6.09%
5 to 14 Years	17.31%	13.97%	13.93%
15 to 17 Years	6.29%	4.92%	4.46%
18 to 19 Years	3.30%	2.66%	2.51%
20 to 24 Years	4.54%	6.07%	6.33%
25 to 29 Years	3.48%	4.67%	5.92%
30 to 34 Years	5.87%	5.58%	6.01%
35 to 39 Years	7.96%	6.97%	6.40%
40 to 49 Years	15.80%	14.88%	13.48%
50 to 59 Years	13.26%	14.69%	14.17%
60 to 64 Years	5.90%	5.88%	5.75%
65 to 69 Years	4.06%	4.68%	4.81%
70 to 74 Years	3.36%	3.96%	3.84%
75 to 79 Years	1.88%	2.84%	2.75%
80 to 84 Years	0.76%	1.53%	1.72%
Age 85+	0.64%	1.63%	1.80%
Median Age	37.35	40.06	38.71

POPULATION PROFILE	1 Miles	5 Miles	10 Miles
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	138	6,521	23,273
Elementary (0-8)	2.93%	4.43%	5.10%
Some High School (9-11)	6.44%	7.34%	9.55%
High School Graduate (12)	40.53%	40.01%	36.75%
Some College (13-15)	26.64%	24.60%	25.08%
Associate Degree Only	7.31%	7.43%	7.56%
Bachelors Degree Only	11.30%	12.48%	11.03%
Graduate Degree	4.29%	3.18%	3.90%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 2,584. The population has changed by 56.42% since 2000. It is estimated that the population in your area will be 3,057.00 five years from now, which represents a change of 18.30% from the current year. The current population is 50.08% male and 49.92% female. The median age of the population in your area is 39.58, compare this to the US average which is 37.95. The population density in your area is 91.40 people per square mile.



Households

There are currently 881 households in your selected geography. The number of households has changed by 53.22% since 2000. It is estimated that the number of households in your area will be 1,056 five years from now, which represents a change of 19.86% from the current year. The average household size in your area is 3.02 persons.



Income

In 2018, the median household income for your selected geography is \$68,444, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 33.01% since 2000. It is estimated that the median household income in your area will be \$74,368 five years from now, which represents a change of 8.66% from the current year.

The current year per capita income in your area is \$32,710, compare this to the US average, which is \$32,356. The current year average household income in your area is \$95,932, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 88.81% White, 1.83% Black, 0.04% Native American and 0.29% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 18.46% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

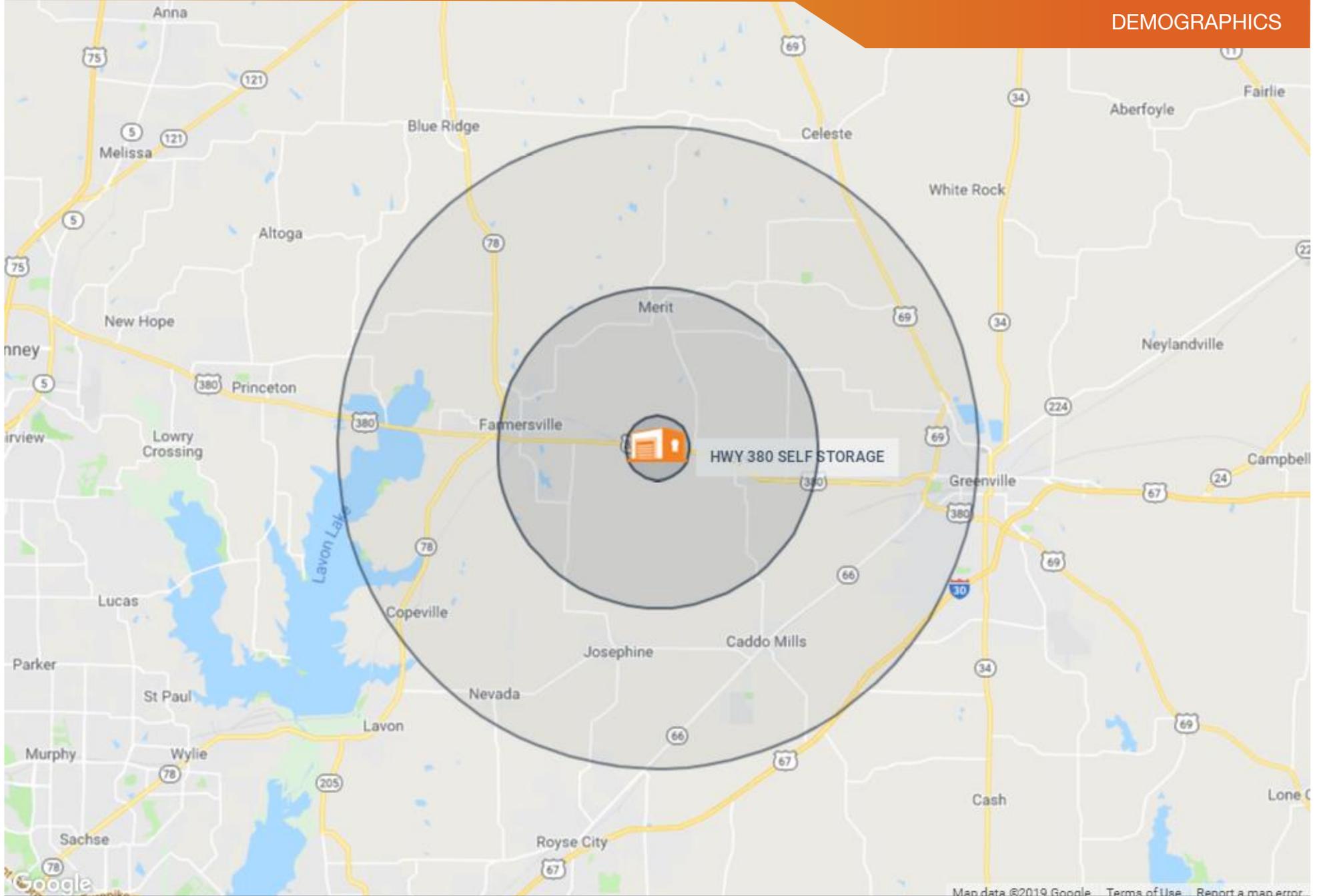
The median housing value in your area was \$164,123 in 2018, compare this to the US average of \$201,842. In 2000, there were 521 owner occupied housing units in your area and there were 55 renter occupied housing units in your area. The median rent at the time was \$463.



Employment

In 2018, there are 193 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.63% of employees are employed in white-collar occupations in this geography, and 42.25% are employed in blue-collar occupations. In 2018, unemployment in this area is 2.17%. In 2000, the average time traveled to work was 43.00 minutes.

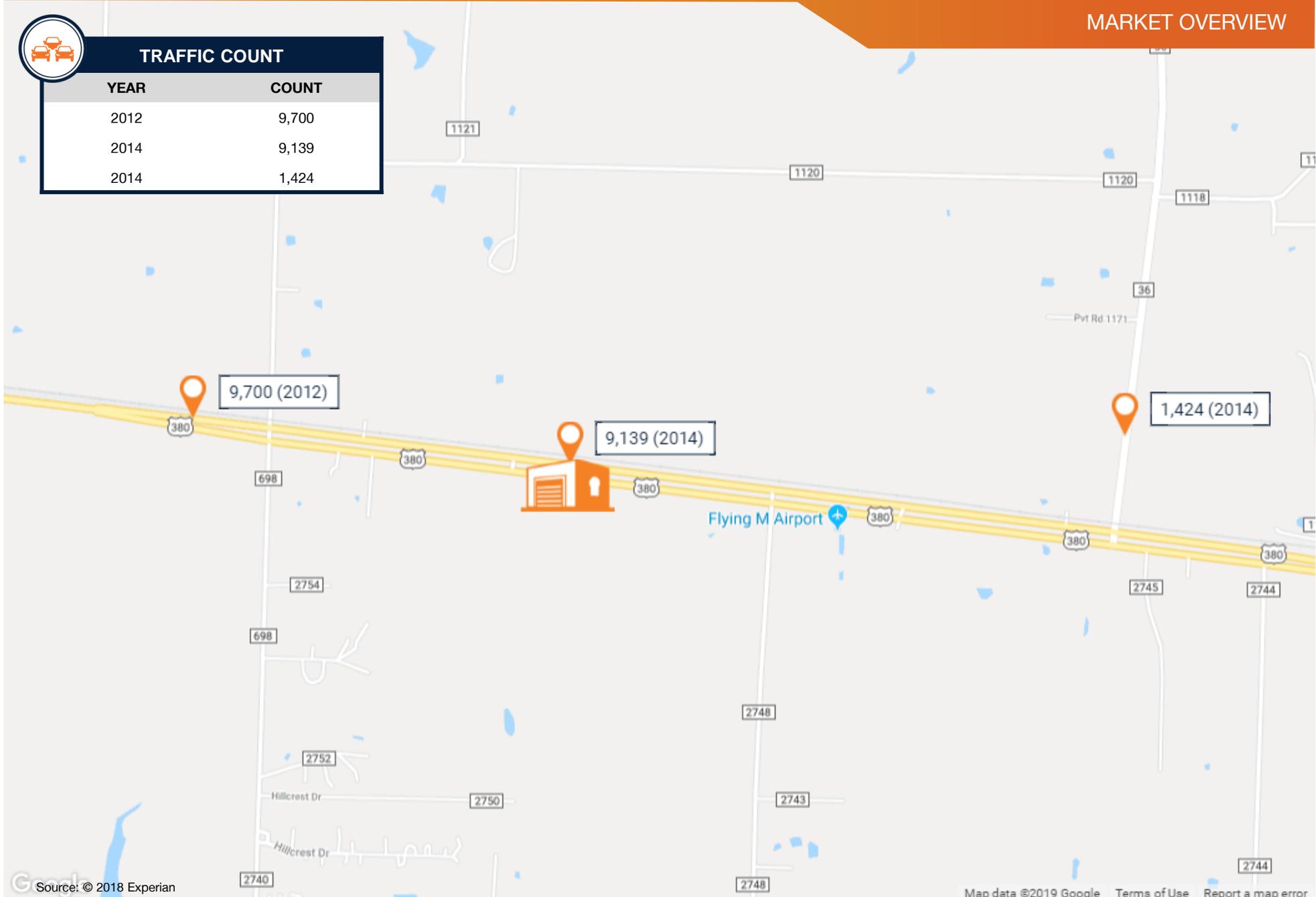
Source: © 2018 Experian





TRAFFIC COUNT

YEAR	COUNT
2012	9,700
2014	9,139
2014	1,424



Source: © 2018 Experian

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