

## Summary of Facts and Conclusions

Property Type:	An Existing 28 Unit RV & Boat Storage Facility and A 6.33 Acre Tract of Vacant Land
Address:	Improved Parcel: 753 US Hwy 281, Wichita Falls, Archer County, TX 76310 Vacant Land Parcel: No Address assigned
Location:	Improved Parcel: East Side of US Hwy 281, Approximately 1,000' N of W Jentsch Road Land Parcel: East Side of US Hwy 281, Approximately 1,200' N of W Jentsch Road
Date of Site Visit:	March 2, 2023
Date of Appraisal:	March 2, 2023
Date of Report:	April 21, 2023
Zoning:	None
Site Area:	Improved Site: 6.70 Acres (Per Survey/Plat) Vacant Land Parcel: 6.33 Acres (Per Survey)
Building Area:	15,288 SF (Gross and Net Rentable considered equivalent)
Number of Units:	28
Average Unit Size:	546 SF
Land to Building Ratio:	6.58:1 based on an area of 2.31 acres allocated to the improvements which is net of estimated surplus land area (there is surplus land to the rear of the current improvements estimated to have a total area of 4.39 acres)
Year Built:	2016 (per ACAD)
Current Occupancy	93%
Highest and Best Use "As If Vacant":	Light Industrial or Service Business use; (same conclusion for the Vacant Parcel)



## Neighborhood Analysis – Cont.

the regulation and tax burdens associated with locations in the city limits of Wichita Falls. There will likely be continued development in the area. Some of the newer developments in the area include an RV storage facility; trailer sales lot; and a diesel engine repair shop.

## Legal Description

The legal description for the improved portion of the subject:

6.70 acres out of a 13.03 Acre Tract out of the JR McDowell Survey, Abstract 272, Archer County, Texas. (per Survey/Plat; No metes and bounds legal description was provided).

The legal description for the unimproved land parcel:

6.33 acres out of a 13.03 Acre Tract out of the JR McDowell Survey, Abstract 272, Archer County, Texas. (per Survey/Plat; No metes and bounds legal description was provided).

## Site Description

### General Description

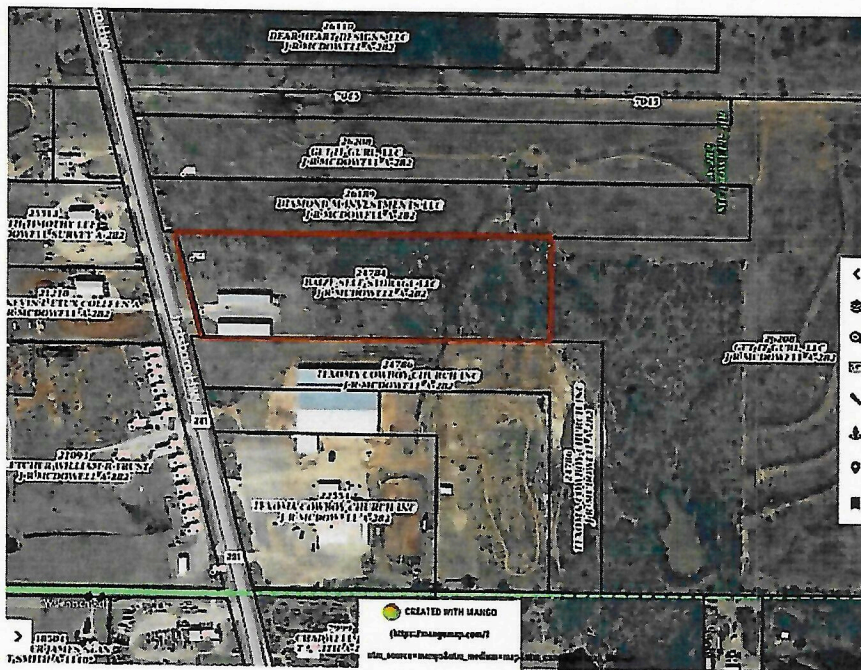
Improved Parcel: East side of US Hwy 281, Approximately 1,000' North of W Jentsch Road

Vacant Land Parcel: East side of US Hwy 281, Approximately 1,200' North of W Jentsch Road

### Size

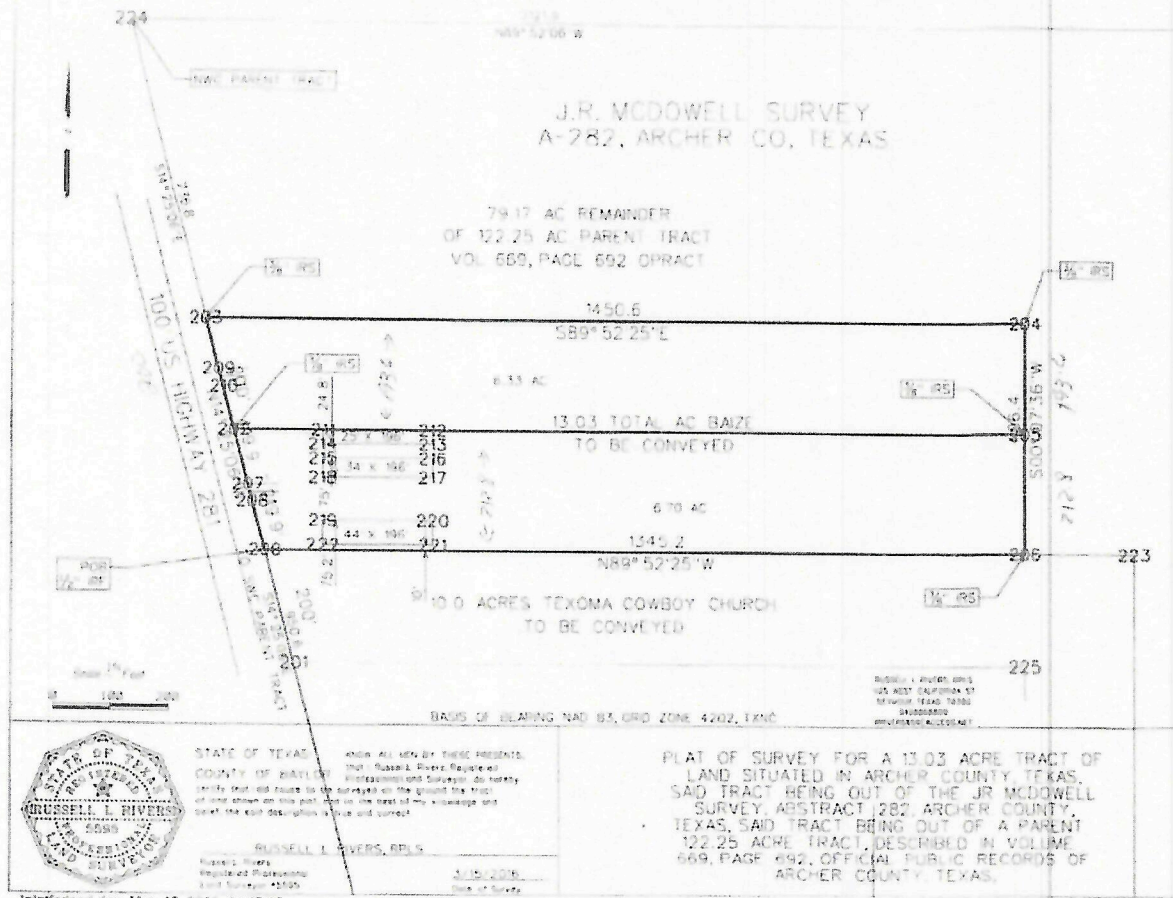
Improved Site: 6.70 Acres (Per Survey/Plat)

Vacant Land Parcel: 6.33 Acres (Per Survey/Plat)





## Site Description – Cont.



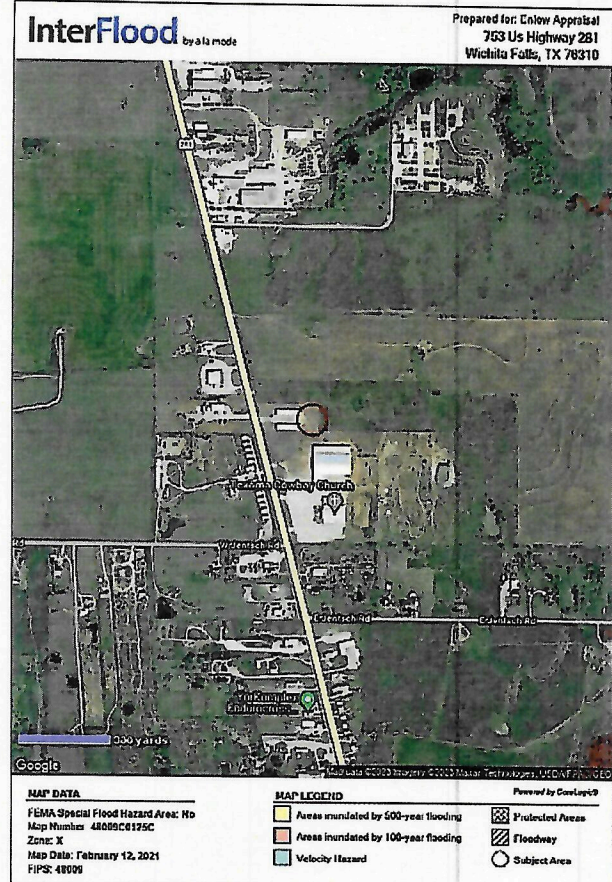
## Survey/Plat

Shape	Generally Rectangular; See Digital Plat Map and Survey/Plat.
Dimensions	Improved: Approximately 212.8' x 1372' per Survey/Plat. Vacant Land Parcel: Approximately 193.6' x 1425' per Survey/Plat
Frontage	Improved: Approximately 212.8' on E/S US Hwy 281. Vacant Land Parcel: Approximately 193.6' on E/S US Hwy 281.
Topography	The subject is generally level and at street grade.
Soil Condition	The appraiser is unaware of any adverse soil conditions, and none of the improvements in the area were noted to be suffering from adverse conditions. It is assumed that the soil's load-bearing capacity is sufficient to support the subject structures.
Flood Hazard	According to the attached FEMA flood map, the subject parcels are not located within a flood hazard zone.



## Site Description – Cont.

### Flood Map



### Utilities

There is electric service currently connected to the property. While there are no water/sewer connections, there is water/sewer service available in the area. Town of Scotland water is available via a 6 to 8 inch water line on the west side of US Hwy 281. Per Scotland Water official (Vernon Geis), there will be an approximate fee of \$10,000 to bore a water line under the highway; and there is an approximate \$2,000 meter fee.

### Accessibility/Access

The subject parcels are located along US Hwy 281 which is a major north/south highway that is a four lane asphalt paved roadway without curbs and gutters at this location. There is a single gravel drive to the improvements.

### Traffic Counts

The 2021 Texas Department of Transportation Traffic Count for US 281 is 7,048 just to the north of the subject.



## Improvements Description

Bldg No.	Floor	GBA(SF)	Use and Type (specify)	% of Total	Remaining Econ. Life:	45+-
South - Enclosed	1	4,312	Metal Storage Units	28%	Type of Construction:	Metal, metal roof, steel frame
South - Covered	1	4,312	Metal Storage Units	28%	Source of Area:	Appraiser's measurements
North - Enclosed	1	3,332		22%	Inspection(s) made:	<input checked="" type="checkbox"/> Interior of several units <input checked="" type="checkbox"/> Exterior
North - Covered		3,332		22%		
	Total	15,288	Total	100%	No. of Spaces:	Ample gravel paving Gravel pavement in the center drive.

Building Description - Buildings			Improvement Rating				
			Excel	Good	Avg	Fair	Poor
Foundation	Concrete footers; gravel paving						
Frame	Metal	Appeal/Appearance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floor Cover	Concrete	Floor Plan/Design	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling	Open to metal roof panels.	Construction Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior Walls	Metal Panel	Exterior Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Partitions	Metal Panel	Interior Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roof	Metal Panel/Steel	Roof Cover	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cover/Support							
Plumbing	None	Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating	None	Heating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Air Conditioning	None	Air Conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire Protection	None	Fire Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sprinklers		Sprinklers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical	Security Lights; electrical outlets for spaces	Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elevators	None	Elevators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation	None	Insulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscaping	None	Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paving	Gravel	Paving	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fencing	Wrought Iron front fence and gate; barbed wire at rear.	Fencing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



### Improvement Description – Cont.

Proposed Construction Year Built / Effective Age Remaining Econ. Life	<input type="checkbox"/> Yes (Completion Date ); Not applicable 2016; Effective Age of 5 years 45	Source of Square Footage: Site Visit Interior Inspection was made: See above Exterior Inspection was made: See above	Measurements; and the unit sizes and unit mix were provided by owner. See above <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No See above <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Analysis and Comments (address effect of physical characteristics on value – deferred maintenance, etc.): The units are of pre-engineered metal construction. The enclosed units have overhead roll up doors that are 12' wide and 14' tall. The enclosed units have metal dividers (partial wall) between the units and are gravel paved. The covered spaces have gravel paved and are in three sided wall buildings. The building heights are 16.5 feet at the front and 14.5 feet at the rear elevation. There is electric service to the units and there are security lights. The overall quality and condition are considered average to good. There is no significant estimated deferred maintenance noted; however, one piece of corner trim was noted to be damaged. The gravel paving is in average condition.

Following is the unit mix as provided by the owner:

Subject Unit Mix				
	Unit Type	# Units	Area (SF)	Gross Rentable SF
South Enclosed	14 44	7	616	4,312
South Covered	14 44	7	616	4,312
North Enclosed	14 34	7	476	3,332
North Covered	14 34	7	476	3,332
		28	546	15,288

The NRA of 15,288 square feet (per Rent Roll) is equal to the gross building area (GBA) of 15,288 square feet (based on site visit measurements by the appraisers). The size estimated from the rent roll is based on the owner's stated depths of the spaces which equates to the actual depths measured on site, but the width of each space has been estimated at 14 feet as opposed to the owner's stated width of 12 feet of each space. The spaces are actually 14 feet wide, but the enclosed spaces have 12 wide doors and the owner chose to utilize 12 feet as the stated width of the spaces. A 14 foot width has been utilized in this analysis.

The subject has a land to building ratio of 6.58:1 based on an area of 2.31 acres allocated to the improvements which is net of estimated surplus land area (there is surplus land to the rear of the current improvements estimated to have a total area of 4.39 acres).



## Improvement Description - Cont.

### Aerial Map

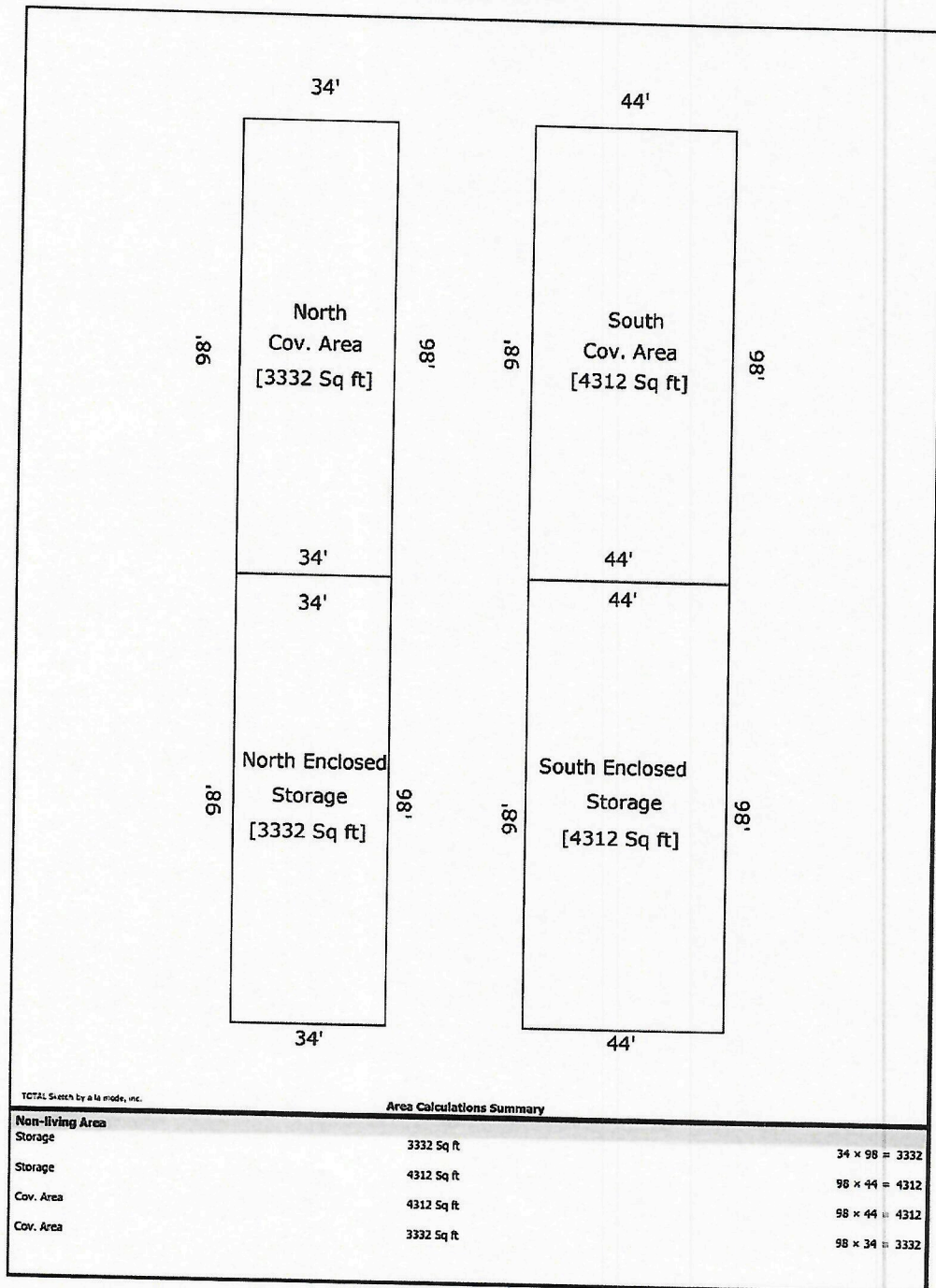




## Improvement Description – Cont.

See attached appraiser sketch that was completed on the day of the site visit.

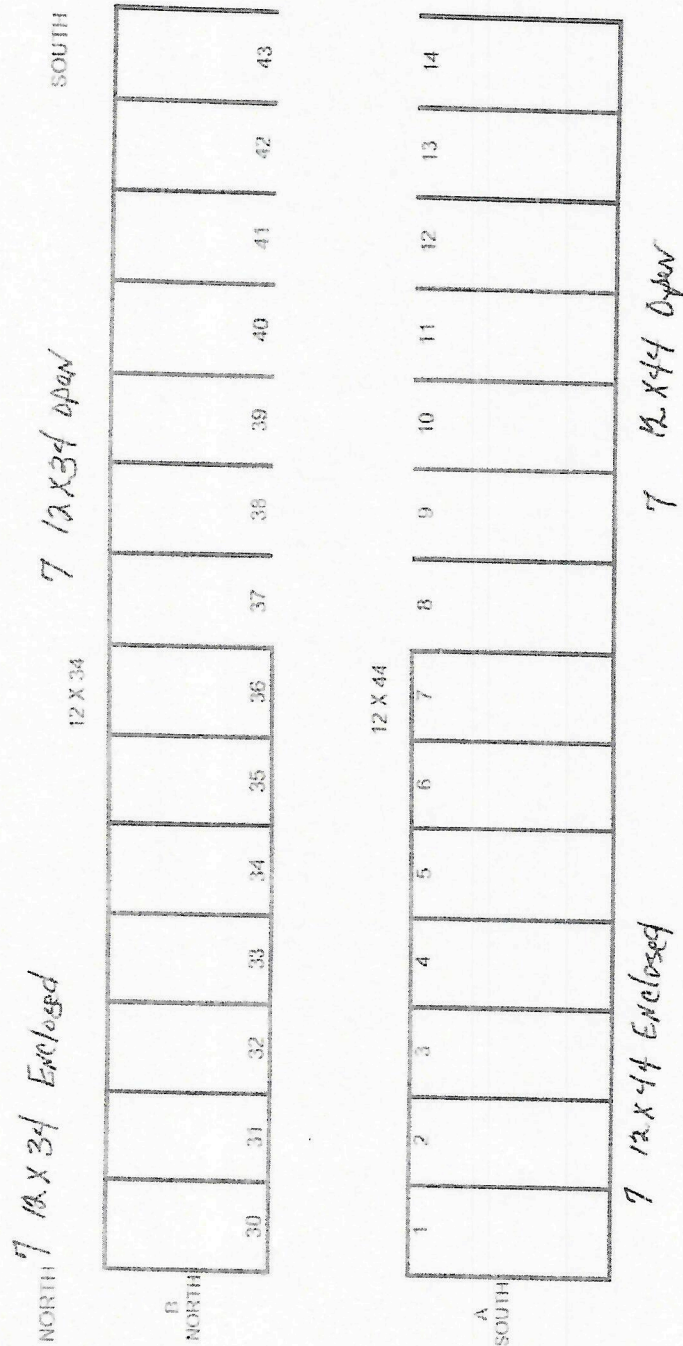
### Building Sketch





# Improvement Description - Cont.

## Owner's Floorplan Layout





## Income Approach - Cont.

**Reconstructed Operating Statement**

		\$/SF
Gross Potential Income	\$42,420	\$2.77
Vacancy/Collection Loss (5%)	(\$2,121)	5.00%
Effective Gross Income	\$40,299	\$2.64
Operating Expenses		
Real Estate Taxes	\$3,660	\$0.24
Insurance	\$3,058	\$0.20
Management 4%	\$1,612	\$0.11
Repairs/Maintenance	\$3,822	\$0.25
Electric	\$900	\$0.06
Structural Reserves	\$1,529	\$0.10
Total Expenses	\$14,580	\$0.95
Net Operating Income	\$25,719	\$1.68
Overall Rate	7.5%	
Indicated Value	\$342,915	
Plus: Estimated Surplus Land Value	\$44,000	
Total Estimated Value	\$386,915	
Rounded	\$390,000	

**Overall Rate Analysis** (Cite data sources, means of verification, and supported conclusion):

According to *The Appraisal of Real Estate*, the direct capitalization formula that applies to this type of valuation is:

$$\text{Value} = \text{Net Operating Income} \div \text{Overall Capitalization Rate}$$

An overall capitalization rate can be derived from various techniques dependent upon the data available and these techniques include: 1) derivation from comparable sales; 2) derivation from effective gross income multipliers; 3) band of investment - mortgage and equity components; 4) band of investment - land and building components; and 5) the debt coverage formula. The first technique is preferred if sufficient data is available.

**Derivation From Comparable Sales**

The Sales Comparison Approach presented four improved sales with overall rates of 8.72%, 8.05%, 5.18%, and 5.27%.

**Debt Coverage Ratio Formula**

The fifth previously mentioned technique for estimating an overall rate is by the debt coverage formula. According to *The Appraisal of Real Estate*, the debt coverage ratio is the ratio of net operating income to annual



## Final Reconciliation of Value

Reconciliation is the process in which the appraisers consider the reliability and applicability of each of the approaches used. Only the Sales and Income Approaches to value were considered in this analysis when considering the subject property with the following results.

Approach	"As Is" 03/02/2023
Site Valuation (Vacant Land Parcel)	\$88,500
Sales Approach:	\$460,000
Income Approach:	\$390,000
FINAL VALUE CONCLUSION:	
Vacant Land Parcel	\$88,500
Self-Storage Facility	\$425,000

The Sales Approach was included and a price per square foot analysis of several similar RV/Boat storage properties. An adequate number of sales were located and an analysis of the price per square foot was presented. Purchasers of the subject would likely considered alternative properties and thus the principle of substitution is considered a worthwhile and credible analysis.

The subject is an income-producing property. Hence, an Income Approach was included. An estimate of market rent was forecast along with a market vacancy and expense levels. An overall rate analysis was provided, and a value estimate was concluded from the Income Approach. The value estimate from the Income Approach was considerably less than the Sales Approach. The Sales Approach; however, included some similar sales with some consistency in the data. Equal emphasis was placed on each approach, and a value estimate in the midrange at \$425,000 has been estimated. This value estimate would indicate an overall rate of just over 6% with the estimated NOI, and that overall rate is not unreasonable given two sales had overall rates below 6%.

Based upon my investigation and analysis of the data gathered with respect to the assignment, it is our opinion that the estimated "as is" market value of the fee simple interest in the Self-Storage Unit Property as of March 2, 2023, is:

FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS

(\$425,000)\*

Based upon my investigation and analysis of the data gathered with respect to the assignment, it is our opinion that the estimated "as is" market value of the fee simple interest in the 6.33 Acre Vacant Land Parcel as of March 2, 2023, is:

EIGHTY EIGHT THOUSAND FIVE HUNDRED DOLLARS

(\$88,500)\*

actual 7.7ac

SOLD

\* Subject to Extraordinary Assumptions in Transmittal Letter