

## Summary of Facts and Conclusions

Property Type:	An Existing 42 Unit Self Storage Facility at 520 W Bryan Ave & A 21,000 Square Foot Vacant Parcel At 504-506 W Bryan Ave Electra, Wichita County, TX 76360
Address:	520 W Bryan Ave, Electra, Wichita County, TX 76360 Vacant Parcel: 504-506 W Bryan Ave, Electra, Wichita County, TX 76360
Location:	Southeast Corner of W Bryan Ave and N Bailey St (Highway 25) Vacant Parcel: Southwest Corner of W Bryan Ave and N Kendall St
Date of Site Visit:	February 28, 2023
Date of Appraisal:	February 28, 2023
Date of Report:	April 21, 2023
Zoning:	None
Site Area:	Improved Site: 21,000 SF Vacant Parcel: 21,000 SF
Building Area:	6,000 SF Rentable Area; 6,052 SF Gross Building Area (based on physical measurements as of the date of the site visit).
Number of Units:	42
Average Unit Size:	143 SF
Land to Building Ratio:	3.50:1 (excluding vacant parcel)
Year Built:	2007 & 2015 (2011 Average)
Current Occupancy	98%
Highest and Best Use "As If Vacant":	Hold for future development or assemblage with an adjoining parcel; (same conclusion for the Vacant Parcel)
"As Improved":	Continued use as a self-storage facility

## Summary of Salient Facts and Conclusions – Cont.

### Summary of Estimated Values:

Approach	"As Is" 02/28/2023
Site Valuation (Vacant Parcel)	\$2,100
Sales Approach:	\$174,000
Income Approach:	\$148,000
FINAL VALUE CONCLUSION:	
Vacant Parcel	\$2,100
Self- Storage Facility	\$155,000

### Extraordinary Assumptions

- 1) No environmental audit was provided. This appraisal assumes there is no environmental contamination and should an environmental audit reveal such, any remediation costs would have to be deducted from the value estimate presented herein.
- 2) No survey was provided. It is specifically assumed that the site area secured from the Wichita County Appraisal District is correct, and that there are no unusual or detrimental easements, encroachments, or restrictions.
- 3) The appraisal assumes that the subject's historical operating data provided by the ownership is accurate as presented.



## Legal Description

The improved land parcel consists of two tax accounts, #112571 and #112572. The legal description for #112571 is as follows: LOTS 19-20-21 & 22 BLK 13 ORIGINAL TOWNE. The legal description for #112572 is as follows: LOTS 23 & 24 BLK 13 ORIGINAL TOWNE (per Wichita County Appraisal District).

The vacant land parcel also consists of two tax accounts, #112568 and #112569. The legal description for #112568 is as follows: LOT 13 THRU 16 BLK 13 ORIGINAL TOWNE, and the legal description for #112569 is as follows: LOTS 17 & 18 BLK 13 ORIGINAL TOWNE (per Wichita County Appraisal District).

## Site Description

### General Description

The improved site is located at the Southeast Corner of W Bryan Ave and N Bailey St (Highway 25). The improved site is comprised of two tax accounts.

### Size

21,000 square feet (per WCAD)

### Shape

Rectangular; See Plat Map Below



Digital Plat Map

### Dimensions

Approximately 150' x 140' per County Appraisal District.



## Site Description - Continued

### Frontage

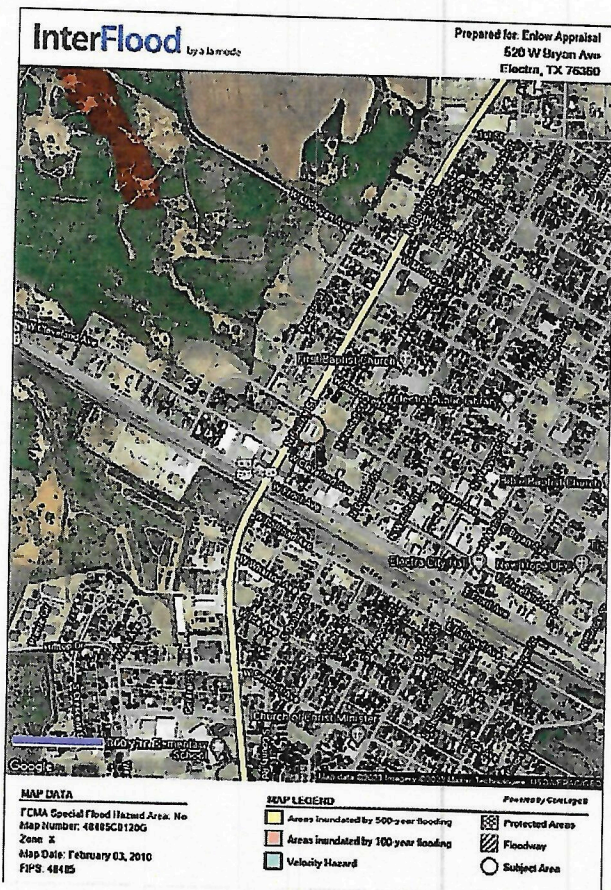
The subject has approximately 150 feet of frontage along the south side of W Bryan Ave and approximately 140 feet of frontage along the east side of Highway 25.

### Topography

The subject is generally level with a slight slope to the west/northwest.

### Flood Hazard

According to FEMA, the subject does not reside in any flood zone. See attached flood map.



### 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.

### Utilities

There is no electric service to the property and there are no water/sewer connections; however, the city of Electra reportedly has adequate supply and the ability to connect to these services. There is water/sewer service in the area with improved properties to the north and former improvements to the east.



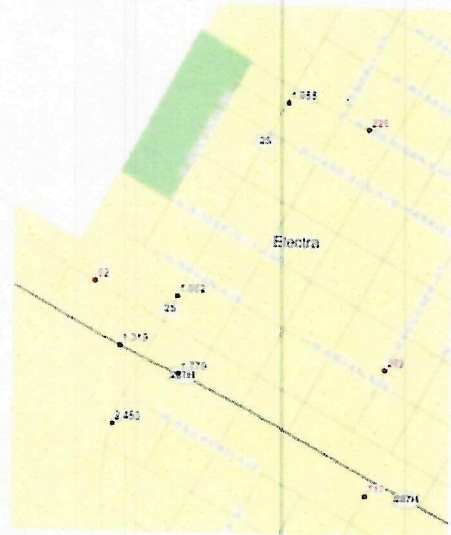
## Site Description - Continued

### Accessibility/Access

The subject is located along Highway 25 and W Bryan Ave. Access is currently only available from three gravel driveways located on W Bryan Ave. Highway 25 or N Bailey Street is the major north/south traffic artery for the Electra area.

### Traffic Counts:

2021 Traffic Counts according to TXDOT are 1,862 along SH 25 at the subject location.



### Easements

A title insurance policy was not provided. No survey was provided, and thus it is specifically assumed that there are no unusual or detrimental easements, encroachments, or restrictions.

### Environmental Hazards

The appraiser is unaware of any specific environmental hazards in the immediate area. The appraisers, however, are not qualified to detect such types of hazards and recommend that the client engage appropriate experts, if such conditions are believed to exist. Should an environmental audit reveal to the contrary, any remediation costs would have to be deducted from the opinion of value presented herein.

### Site Improvements

The subject improvements include 6,000 square feet (NRA) of self-storage units in two buildings with gravel paving. The improvements will be discussed in the Improvements Description to follow.

### Surrounding Uses:

North: Vacant land and Commercial Building  
East: Vacant land  
West: Vacant land with temporary commercial structure (firework stand)  
South: Commercial Warehouse

### Excess or Surplus Land:

The improved parcel has no excess or surplus land. A tract to the east has been considered as a separate parcel.



## Site Description - Continued

### Summary:

The improved subject parcel is located along one of the primary north/south traffic corridors (the Highway 25 corridor), just to the north of Front Ave. The subject site is small in size and has utilities available in the area.

### Vacant Parcel:

The subject property also includes a contiguous parcel of land to the east (two tax accounts). This parcel is Southwest Corner of W Bryan Ave and N Kendall St. It has adequate frontage and a rectangular shape with dimensions of 150' x 140', for a total area of 21,000 square feet. This land parcel is comprised of two tax accounts and is currently vacant with no improvements. The parcel does not have any flood hazard (see above flood map). There is an RV (used as a single-family home) to the north, a metal warehouse to the east, vacant land to the south, and a self-storage facility to the west (subject property). The subject owner acquired these properties on 12/18/2014 (112569) and 01/24/2022 (112568) with plans to hold the land for possible expansion of the self-storage facility to the west.



Vacant Parcel Digital Plat Map



## Improvements Description

Bldg No.	Floor	GBA(SF)	Use and Type (specify)	% of Total	Remaining Econ. Life:	40+-
West -1	1	3,026	Metal Storage Units	50%	Type of Construction:	Metal, metal roof, steel frame
East - 2	1	3,026	Metal Storage Units	50%	Source of Area:	Appraiser's measurements
					Inspection(s) made:	<input checked="" type="checkbox"/> Interior of 1 vacant units (#14) <input checked="" type="checkbox"/> Exterior
	Total	6,052	Total	100%	No. of Spaces:	No on site parking.
						Gravel pavement around the perimeter of the buildings.

### Building Description - Buildings

Building Description		Improvement Rating					
			Excel	Good	Avg	Fair	Poor
Foundation	Concrete						
Frame	Metal	Appeal/Appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floor Cover	Concrete	Floor Plan/Design	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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					
Electrical	None	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	None	Fencing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proposed Construction	<input type="checkbox"/> Yes(Completion Date ); Not applicable	Source of Square Footage: Site Visit	Measurements; and the unit sizes and unit mix were provided by owner.				
Year Built / Effective Age	West -2015 and East - 2007 (per owner); Avg actual year built of 2011; 10 year eff. Age	Interior Inspection was made: See above	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				



## Improvement Description – Cont.

Remaining Econ. Life 40

Exterior Inspection was made: See above

☒ Yes

☐ No

Analysis and Comments (address effect of physical characteristics on value – deferred maintenance, etc.): The units are of pre-engineered metal construction. The units have overhead roll up doors. There is no electric service to the units. The overall quality and condition are considered average. There is no significant estimated deferred maintenance. 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
5 10	6	50	300
10 10	8	100	800
10 15	18	150	2,700
10 20	8	200	1,600
10 30	2	300	600
	42	143	6,000

The NRA of 6,000 square feet (per Rent Roll) is equal to the GBA of 6,052 square feet (based on site visit measurements by the appraisers). The average unit size is 143 square feet. The subject is functionally adequate as a small self-storage facility. There is no perimeter fence, but this is typical in smaller market areas. The subject has a land to building ratio of 3.50:1, but has no excess or surplus land. There is a separate parcel to the east that has been analyzed as a distinct property.

Aerial Map

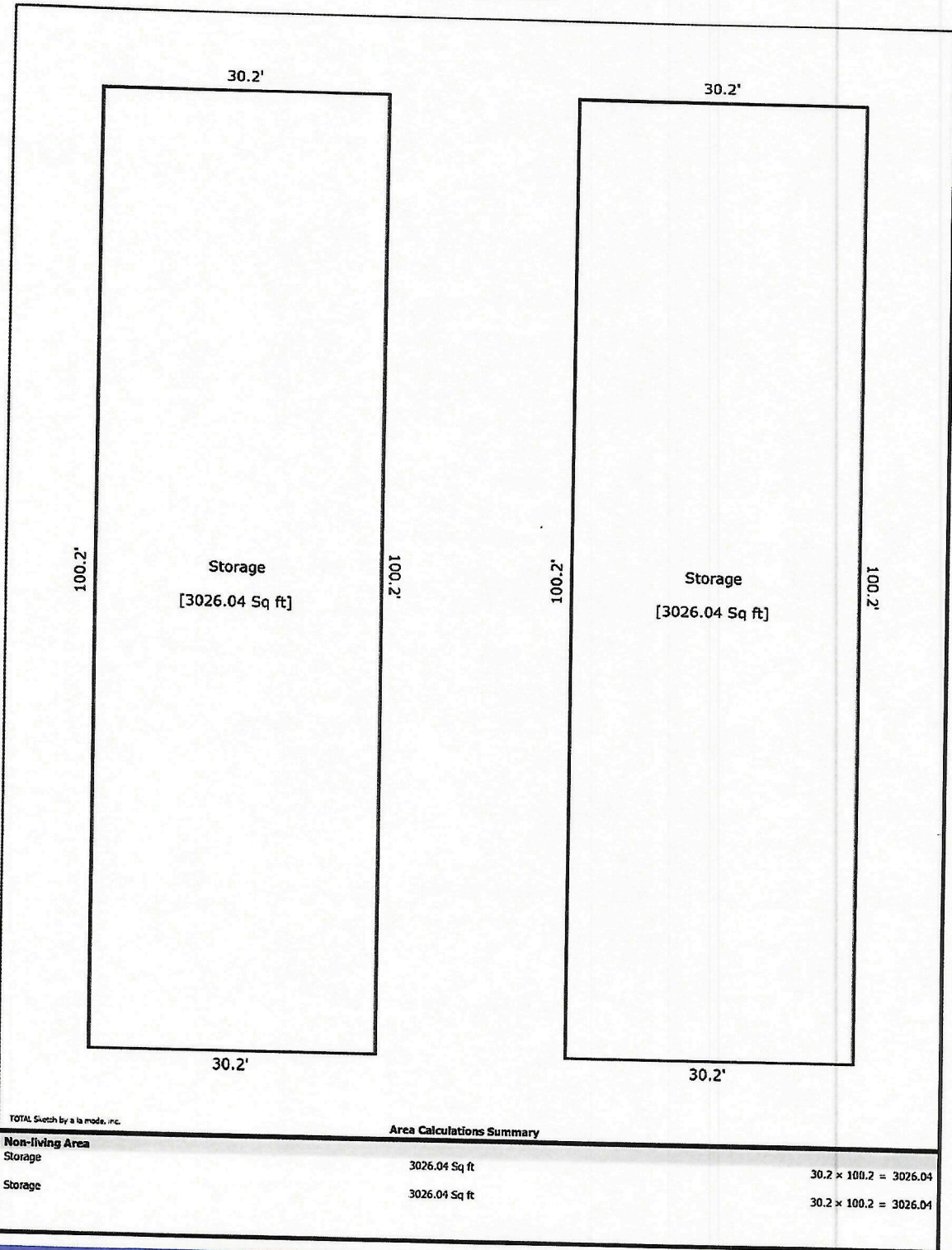




Improvement Description – Cont.

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

Building Sketch



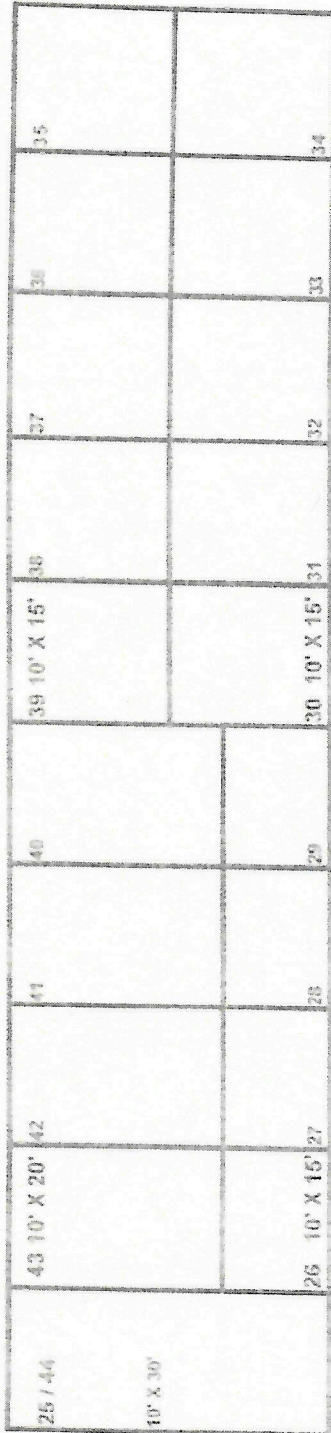


# Improvement Description - Cont.

## Owner's Floorplan Layout

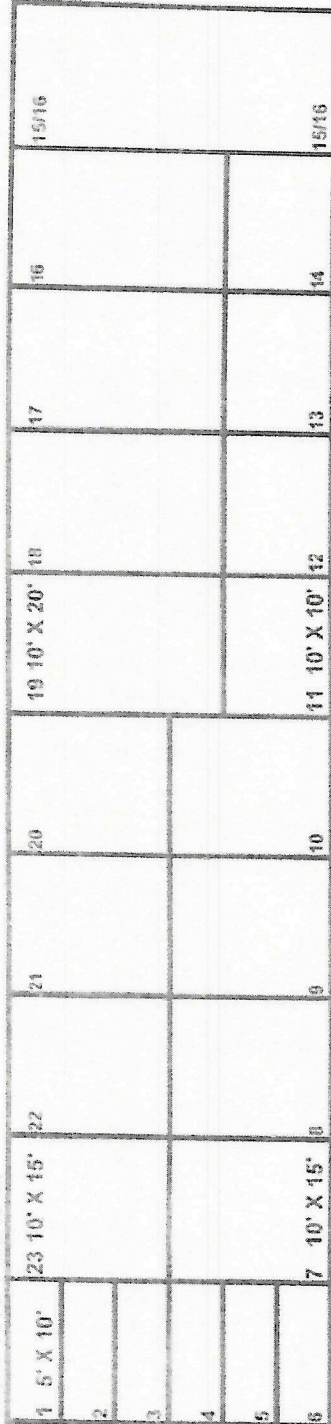
Dwyer & Bailey East Bldg.  
 7 10x10 7 10x10 1 10x30  
 10 10x15

ELECTRA 26 THRU 44



N<----->S

ELECTRA # 1 THRU 23



Dwyer & Bailey West Bldg.  
 6 5x10 8 10x15 1 10x30  
 4 10x10 4 10x20



412 Unit Electra & 21,000 sq ft

#### Income Approach - Cont.

The subject insurance expense (for 14 self-storage properties under the subject ownership) was reported at \$0.27 per square foot. The three expense comparables reported insurance expenses from \$0.34 to \$0.95 per square foot. Self-Storage Expense Guide reported insurance expenses of \$0.21 per square foot (Southwest Division). An insurance expense of 0.35 per square foot has been estimated based on the comparable data.

The subject is managed by the ownership, but a typical investor must account for a management fee. A management fee of 5% of effective gross income has been estimated. Property management fees for these types of properties generally range from 3.5% to 6.0% (based on Self-Storage Expense Guide data).

Maintenance expenses were reported from \$0.23 to \$0.34 per square foot for the 14 properties (2022 and 2021 figures), and these included some expenses associated with outside labor for cleanup, etc. The three expense comparables report maintenance expenses of \$0.06 to \$0.07, but two had additional payroll expense of \$0.26. Self-Storage Expense Guide reported \$0.28 per square foot for Repairs/Maintenance. For the subject, there is no separate payroll or administrative allowance as the maintenance person would be the only effective payroll expense. The maintenance figure for the subject has been estimated at \$0.40 per square foot (which would allow for clean out of units; and general parking lot maintenance; mowing; etc.). There are no utilities expense for the subject.

Finally, a maintenance reserve of \$0.15 per square foot has been allowed for the replacement of long lived items. According to the 1st Quarter, 2023 of PwC Real Estate Investor Survey, National Warehouse Investors (no separate survey for Self-Storage) include Replacement Reserves from \$0.02 to \$0.25 per square foot. A figure of \$0.15 per square foot has been employed in this analysis. The total expenses are forecast at \$10,126 or 43% of effective gross income. The 2023 Self-Storage Expense Guide Book reports expense ratios for all regions with a range from 30.04% to 41.08% with a national average of 34.95%. The subject expense ratio appears at the high end of the range in light of this data. The subject's real estate tax liability is higher than most properties given the higher total tax rate in the Electra area.

### Reconstructed Operating Statement

		\$/SF
Gross Potential Rental Income	\$24,720	\$4.12
Plus: Other Income	\$0	\$0.00
Gross Potential Income	\$24,720	\$4.12
Vacancy/Collection Loss (5%)	(\$1,236)	5.00%
Effective Gross Income	\$23,484	\$3.91
Operating Expenses		
Real Estate Taxes	\$3,552	\$0.59
Insurance	\$2,100	\$0.35
Management 5%	\$1,174	\$0.20
Repairs/Maintenance	\$2,400	\$0.40
Structural Reserves	\$900	\$0.15
Total Expenses	\$10,126	\$1.69
Net Operating Income	\$13,358	\$2.23
	9.0%	
Indicated Value	\$148,420	
Rounded	\$148,000	



## 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.

<i>Approach</i>	<i>"As Is"</i> <i>02/28/2023</i>
<i>Site Valuation (Vacant Parcel)</i>	\$2,100
<i>Sales Approach:</i>	\$174,000
<i>Income Approach:</i>	\$148,000
<i>FINAL VALUE CONCLUSION:</i>	
<i>Vacant Parcel</i>	\$2,100
<i>Self- Storage Facility</i>	\$155,000

The Sales Approach was included and a price per square foot analysis of several similar self-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 lower value estimate from the Income Approach is largely related to the greater real estate tax burden with the more aggressive Appraisal District assessment coupled with the higher tax rate in Electra with the additional Electra Hospital District. With considerable emphasis to the lower value estimate from the Income Approach, a final opinion of value has been estimated in the lower mid- range of the two approaches, or \$155,000.

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 42 Self-Storage Unit Property as of February 28, 2023, is:

ONE HUNDRED FIFTY FIVE THOUSAND DOLLARS

(\$155,000)\*

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 21,000 SF Vacant Parcel as of February 28, 2023, is:

TWO THOUSAND ONE HUNDRED DOLLARS

(\$2,100)\*

\* Subject to Extraordinary Assumptions in Transmittal Letter