



Self-Storage Appraisal Sales Comparison Approach

Sales Approach

- **Considers the recent reselling price of similar properties compared to the subject, broken down into common units of comparison, with adjustments made for differences.**

Property Characteristics

- Common ones that influence value

- **Size**
- **Land : Building Area**
- **Quality**
- **Age**
- **Other Features – temp/humidity controls, fire suppression, height, boxes, size, etc.**
- **Economic Considerations**

Sample Sales Approach - Lease Up Adjustments

SALE	Unadj Price	Act. Occ	Stab. Occ	Rent	Mo's Stable	Lease Up	Rnd	Adj Price	Price /SF
1	2,400,000	50	70	\$1.00	40.0	96,000	100,000	\$2,500,000	50.00
2	3,900,000	90	90	\$1.25	-	-	-	\$3,900,000	65.00
3	4,480,000	80	90	\$1.15	20.0	16,560	20,000	\$4,500,000	60.00
4	4,900,000	70	85	\$1.05	30.0	46,778	50,000	\$4,950,000	55.00
5	7,000,000	90	90	\$1.35	-	-	-	\$7,000,000	70.00

Sample Sales Approach - Lease Up Adjustments

Sample Sales Approach - Sales Characteristics

SALE	Price/SF	Building Size	Site Size	Land to Bldg	Quality (1-10)	Age	Year Built
1	50.00	50,000	60,000	1.20	3	20	1984
2	65.00	60,000	105,000	1.75	4	13	1991
3	60.00	75,000	125,000	1.67	2	21	1983
4	55.00	90,000	120,000	1.33	7	11	1993
5	70.00	100,000	200,000	2.00	8	5	1999
Subject		75,000	124,000	1.65	5	9	1995

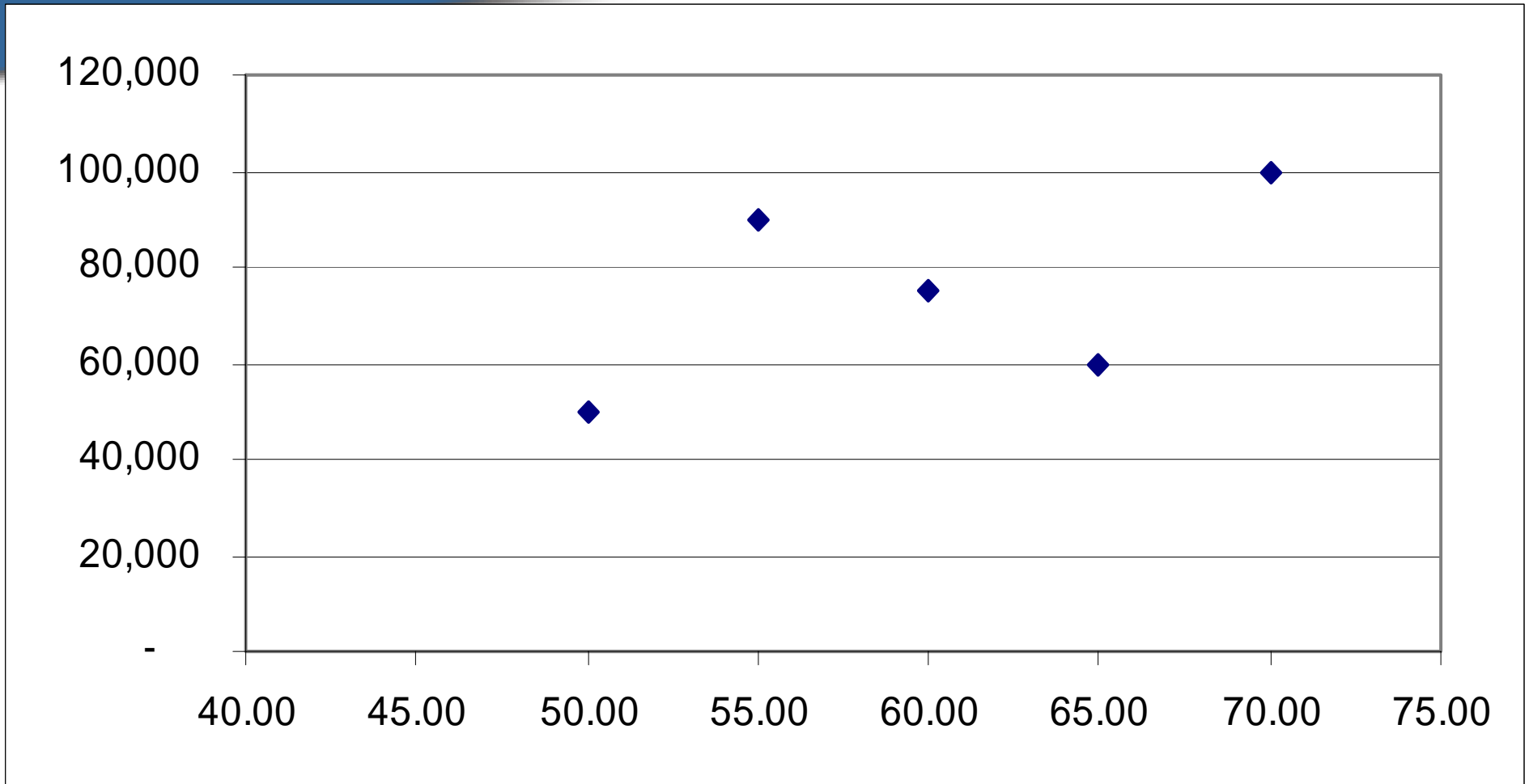
Sample Sales Approach

- Land - L:B vs Site Coverage

Comp	Land : Building	Site Coverage		
1	4.00	25%		
2	2.00	50%		
3	1.00	100%		
Subject	2.00	50%		
Adjustment	\$ 10.00	\$ 10.00		
	Adjustment		Difference	
1	\$ (20.00)	\$ (2.50)	17.50	
2	\$ (0)	\$ (0)	0	
3	\$ 10.00	\$ 5.00	5.00	

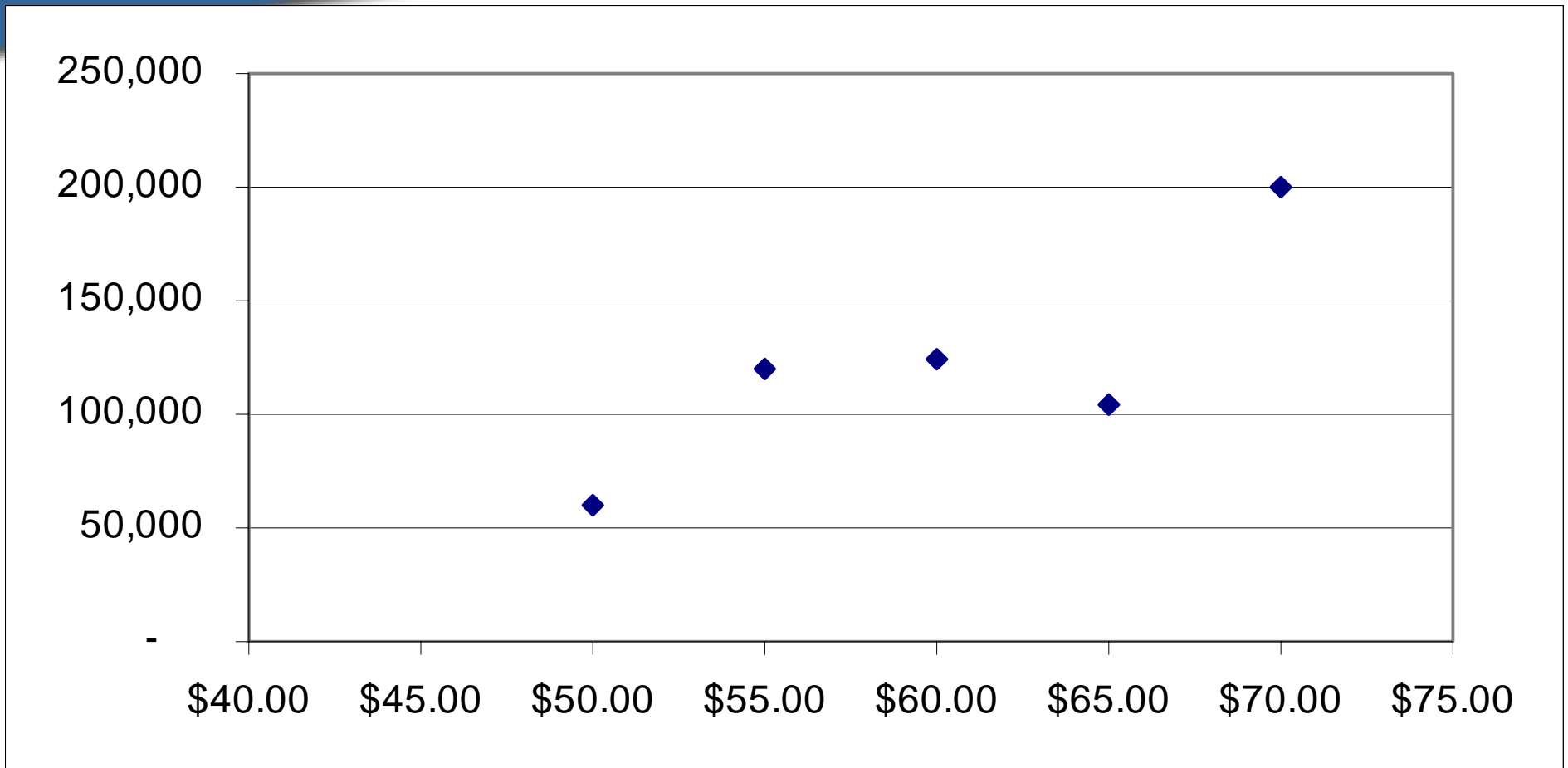
Data Plot

- Price (\$/SF) vs Building Size (SF)



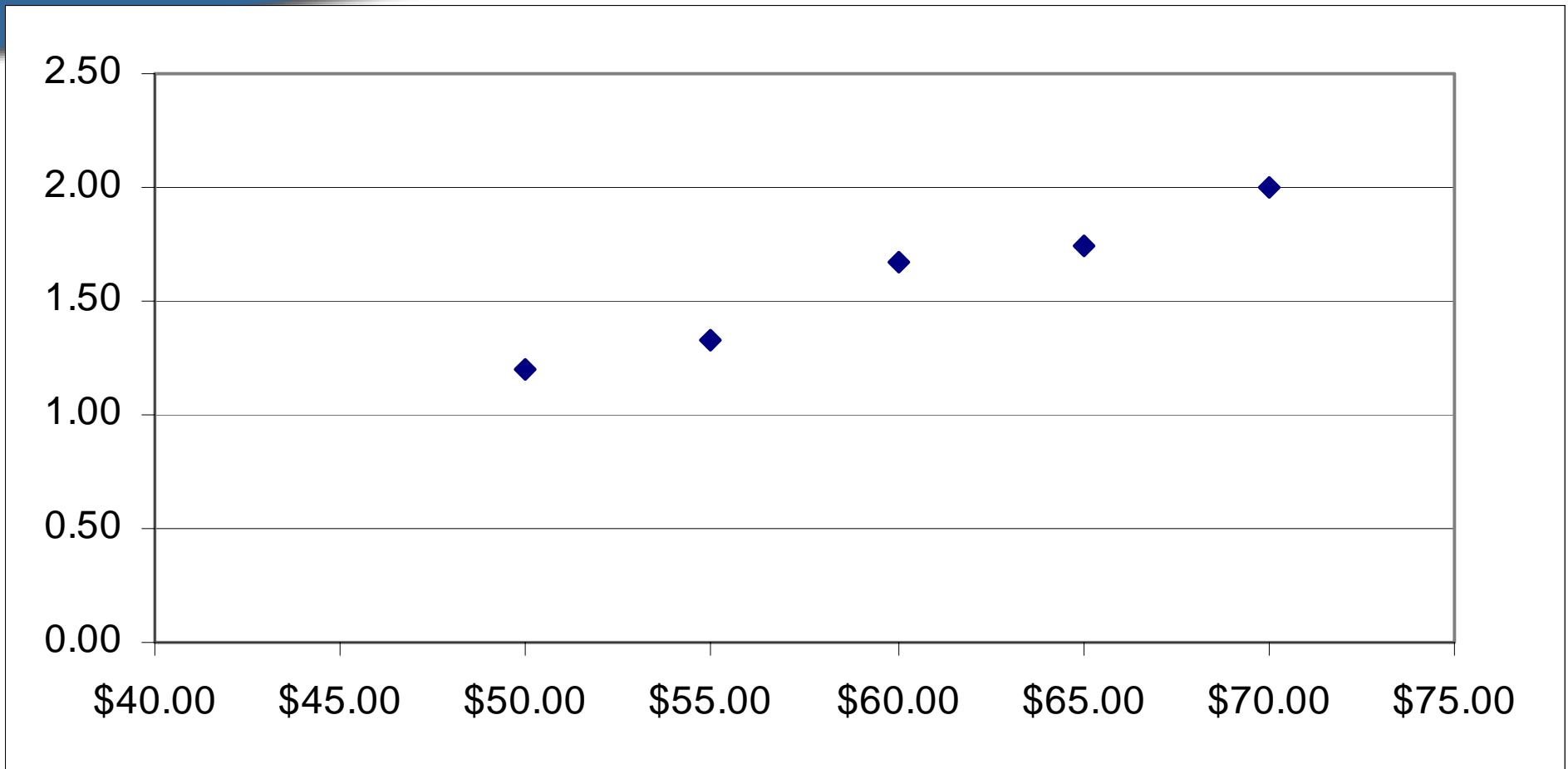
Data Plot

- Price (\$/SF) vs Site Size (SF)



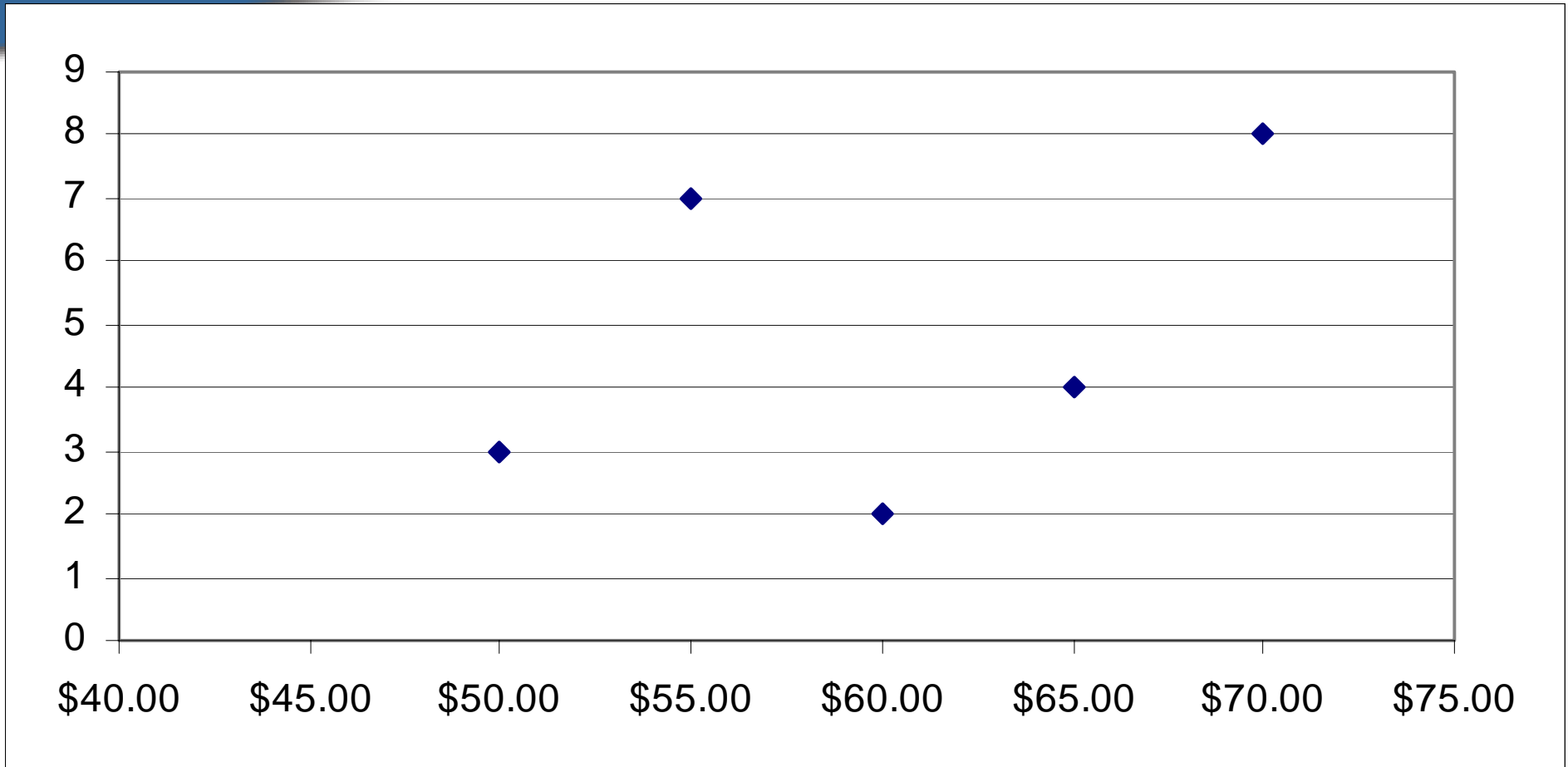
Data Plot

- Price (\$/SF) vs Land : Building Area



Data Plot

- Price (\$/SF) vs Quality (1-10)



Data Analysis within Excel

- Simple Regression

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.98691							
R Square	0.97399							
Adjusted R Square	0.96532							
Standard Error	0.06017							
Observations	5							
<i>ANOVA</i>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	1	0.41	0.4067	112.335	0.001795			
Residual	3	0.01	0.0036					
Total	4	0.42						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-0.83	0.23	-3.61	0.0365	-1.56167	-0.09833	-1.56167	-0.09833
X Variable 1	0.04033	0	10.599	0.001795	0.028223	0.052444	0.028223	0.052444

Data Analysis within Excel

<i>Regression Statistics</i>							
Multiple R	1						
R Square	1						
Adjusted R Square	65535						
Standard Error	0						
Observations	5						
ANOVA							
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>		
Regression	6	250	41.6667	#NUM!	#NUM!		
Residual	0	0	65535				
Total	6	250					
	<i>Coefficients</i>	<i>Std Err</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>
Intercept	101.18337	0	65535	#NUM!	101.18337	101.18337	101.18337
X Variable 1	-0.002171	0	65535	#NUM!	-0.0021706	-0.0021706	-0.0021706
X Variable 2	0.0004925	0	65535	#NUM!	0.0004925	0.0004925	0.0004925
X Variable 3	0	0	65535	#NUM!	0	0	0
X Variable 4	0	0	65535	#NUM!	0	0	0
X Variable 5	18.646055	0	65535	#NUM!	18.646055	18.646055	18.646055
X Variable 6	-3.635394	0	65535	#NUM!	-3.6353945	-3.6353945	-3.6353945

Linear Regression

- Use XL Forecast Function

Price/SF	Land:Bldg
\$ 50.00	1.20
\$ 65.00	1.75
\$ 60.00	1.67
\$ 55.00	1.33
\$ 70.00	2.00

=FORECAST(X?,knownYs, knownXs)

=FORECAST(b9,a2:a6,b2:b6)

61.5294

1.65

Sample Adjustment Grid - All Variables

SALE	Price/SF	Building Size	Land to Bldg	Quality (1-10)	Age			
1	\$ 50.00	10.82	1.20	3	20			
2	\$ 65.00	11.00	1.75	4	13			
3	\$ 60.00	11.23	1.67	2	21			
4	\$ 55.00	11.41	1.33	7	11			
5	\$ 70.00	11.51	2.00	8	5			
Subject		11.23	1.65	5.00	9.00			
Adjustments		\$ 10.00	\$ 10.00	\$ (5.00)	\$ (2.00)	Total Adj	Implied Value	
1	50.00	\$ 4.05	\$ 4.53	\$ (10.00)	\$22.00	\$ 20.59	\$ 70.59	
2	65.00	\$ 2.23	\$ (0.97)	\$ (5.00)	\$ 8.00	\$ 4.26	\$ 69.26	
3	60.00	\$ -	\$ (0.13)	\$ (15.00)	\$24.00	\$ 8.87	\$ 68.87	
4	55.00	\$ (1.82)	\$ 3.20	\$ 10.00	\$ 4.00	\$ 15.38	\$ 70.38	
5	70.00	\$ (2.88)	\$ (3.47)	\$ 15.00	\$ (8.00)	\$ 0.66	\$ 70.66	

Alternate Techniques

- **Sales Adjusted by NOI Ratio**
Comp \$/SF x Subject NOI ÷ Comp NOI
- **Rent Multipliers**
Analyze Multipliers from Data & Select
Appropriate Multiplier for Subject

Alternate Techniques

- **1- Expense Ratio** **75%**
- **(aka net : gross ratio)**

- **Divided by EGIM** **÷ 12**

- **Equals Cap Rate** **6.12%**