

# KEY INDICATORS

## OVERALL CAPITALIZATION RATES

<i>Investor Surveys</i>	OAR Range	Average
<b>CBRE Self Storage Investor Survey: 4th Qtr. 2015</b>	<b>5.00% - 8.25%</b>	<b>5.74%</b>
<b>CBRE Self Storage Investor Survey: 1st Qtr. 2016</b>	<b>5.00% - 8.20%</b>	<b>5.70%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2016</b>	<b>4.90% - 8.00%</b>	<b>5.64%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2017</b>	<b>4.75% - 8.50%</b>	<b>5.60%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2018</b>	<b>4.50% - 8.50%</b>	<b>5.68%</b>

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## TERMINAL CAPITALIZATION RATES

<i>Investor Surveys</i>	Rate Range	Average	Spread To Cap Rate (bps)
<b>CBRE Self Storage Investor Survey: 4th Qtr. 2015</b>	<b>5.25% - 8.25%</b>	<b>6.01%</b>	<b>25</b>
<b>CBRE Self Storage Investor Survey: 1st Qtr. 2016</b>	<b>5.25% - 8.45%</b>	<b>5.94%</b>	<b>27</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2016</b>	<b>5.20% - 8.20%</b>	<b>5.88%</b>	<b>24</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2017</b>	<b>5.00% - 8.30%</b>	<b>5.86%</b>	<b>26</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2018</b>	<b>4.75% - 8.75%</b>	<b>5.92%</b>	<b>24</b>

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# KEY INDICATORS

## DISCOUNT RATES

<i>Investor Surveys</i>	Rate Range	Average
<b>CBRE Self Storage Investor Survey: 4th Qtr. 2015</b>	<b>8.00% - 10.75%</b>	<b>8.75%</b>
<b>CBRE Self Storage Investor Survey: 1st Qtr. 2016</b>	<b>8.00% - 10.70%</b>	<b>8.72%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2016</b>	<b>7.75% - 10.75%</b>	<b>8.63%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2017</b>	<b>7.75% - 10.75%</b>	<b>8.75%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2018</b>	<b>7.50% - 11.00%</b>	<b>8.73%</b>

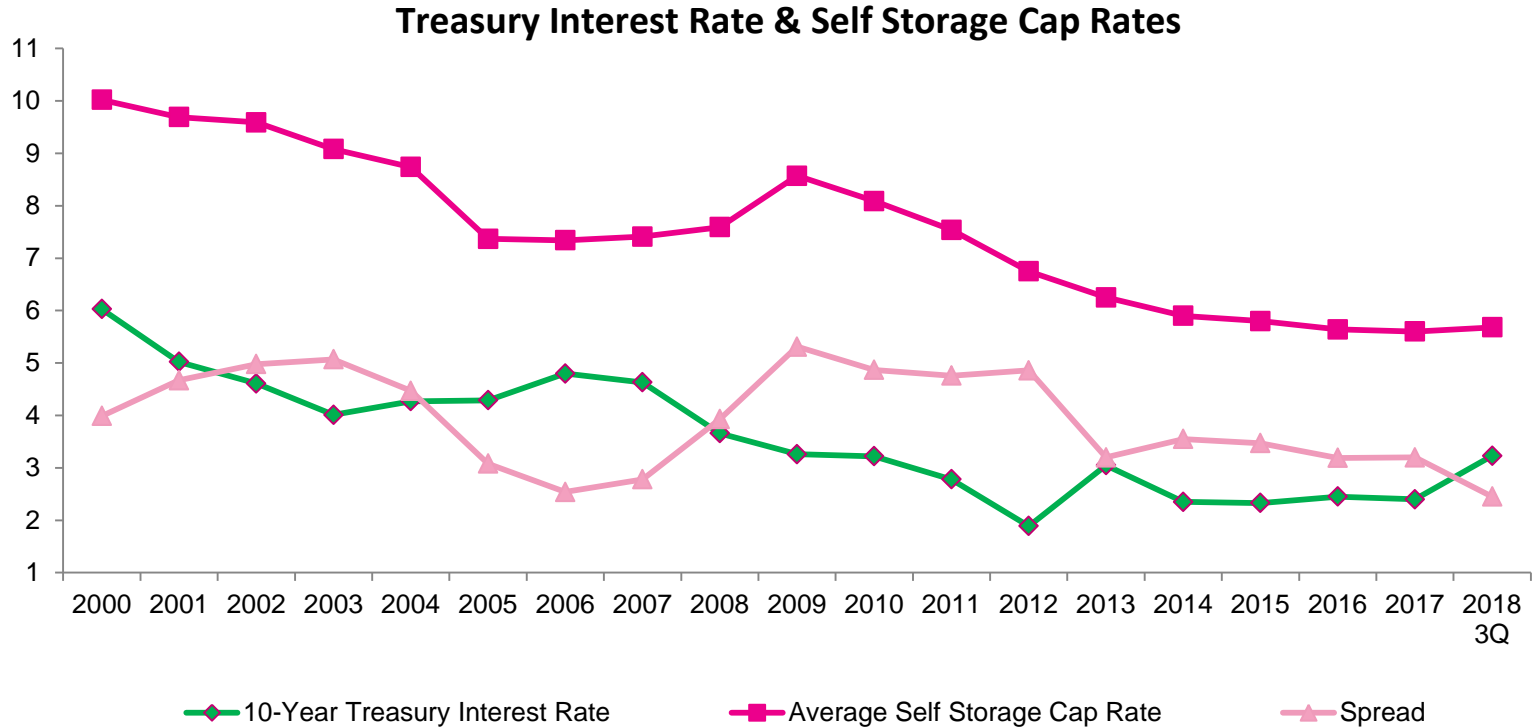
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## SUMMARY OF GROWTH RATES

<i>Investor Surveys</i>	<u>Rent Growth</u>		<u>Expense Growth</u>	
	Rate Range	Average	Rate Range	Average
<b>CBRE Self Storage Investor Survey: 4th Qtr. 2015</b>	<b>3.00% - 6.00%</b>	<b>3.60%</b>	<b>2.00% - 5.00%</b>	<b>2.94%</b>
<b>CBRE Self Storage Investor Survey: 1st Qtr. 2016</b>	<b>3.00% - 6.00%</b>	<b>3.55%</b>	<b>2.00% - 5.00%</b>	<b>3.02%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2016</b>	<b>3.00% - 6.00%</b>	<b>3.56%</b>	<b>2.00% - 5.00%</b>	<b>3.01%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2017</b>	<b>3.00% - 6.00%</b>	<b>3.50%</b>	<b>2.00% - 5.00%</b>	<b>3.02%</b>
<b>CBRE Self Storage Investor Survey: 3rd Qtr. 2018</b>	<b>3.00% - 6.00%</b>	<b>3.50%</b>	<b>2.00% - 5.00%</b>	<b>3.00%</b>

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# TREASURY INTEREST RATE & SELF STORAGE CAP RATES



Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 3Q	Average
10-Year Treasury Interest Rate	6.03	5.02	4.61	4.01	4.27	4.29	4.80	4.63	3.66	3.26	3.22	2.78	1.89	3.05	2.35	2.33	2.45	2.40	3.23	3.59
Average Self Storage Cap Rate	10.02	9.69	9.59	9.08	8.74	7.37	7.34	7.41	7.59	8.57	8.09	7.54	6.75	6.25	5.90	5.80	5.64	5.60	5.68	7.51
Spread	3.99	4.67	4.98	5.07	4.47	3.08	2.54	2.78	3.93	5.31	4.87	4.76	4.86	3.20	3.55	3.47	3.19	3.20	2.45	3.91

# BAND OF INVESTMENT

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## BAND OF INVESTMENT - MORTGAGE AND EQUITY

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<b>Mortgage Interest Rate</b>	<b>5.00%</b>			
<b>Mortgage Term (Amortization Period)</b>	<b>30 Years</b>			
<b>Mortgage Ratio (Loan-to-Value)</b>	<b>68%</b>			
<b>Mortgage Constant (monthly payments)</b>	<b>6.44%</b>			
<b>Equity Dividend Rate (EDR)</b>	<b>3.90%</b>			
<b>Mortgage Requirement</b>	<b>68%</b>	<b>x</b>	<b>6.44%</b>	<b>= 4.38%</b>
<b>Equity Requirement</b>	<b>32%</b>	<b>x</b>	<b>3.90%</b>	<b>= 1.25%</b>
	<b>100%</b>			<b>5.63%</b>
<b>Indicated OAR:</b>				<b>5.63%</b>

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# MORTGAGE EQUITY

## MORTGAGE EQUITY ANALYSIS

<b>Interest Rate</b>	<b>5.00%</b>
<b>Amortization Term</b>	<b>30 Years</b>
<b>Loan-to-Value Ratio</b>	<b>68%</b>
<b>Mortgage Constant</b>	<b>6.44%</b>
<b>Equity Yield Rate (Y<sub>E</sub>)</b>	<b>13.10%</b>
<b>Projection Period (n)</b>	<b>10 Years</b>
<b>Compound Annual Appreciation/Depreciation</b>	<b>3.5% per Year</b>
<b>Total Appreciation/Depreciation</b>	<b>41.06%</b>
<b>Compiled by: CBRE</b>	

## MORTGAGE-EQUITY ANALYSIS - AKERSON FORMAT

<b>Loan Ratio x Annual Constant</b>	=	<b>68.00% x 6.44%</b>	=	<b>4.38%</b>
<b>Equity Ratio x Equity Yield Rate</b>	= +	<b>32.00% x 13.10%</b>	=	<b>4.19%</b>
<b>Weighted Average</b>				<b>8.57%</b>
<b>Less Credit for Equity Build-up</b>				
<b>Loan Ratio x % Paid off in Projected Period x Sinking Fund Factor</b>	= -	<b>68.00% x 18.66% x 5.40%</b>	=	<b>0.69%</b>
<b>Basic Rate</b>				<b>7.89%</b>
<b>Less Appreciation / Plus Depreciation</b>				
<b>Appreciation/Depreciation x Sinking Fund Factor</b>	= +/-	<b>41.06% x 5.40%</b>	=	<b>2.22%</b>
<b>Overall Capitalization Rate</b>				<b>5.67%</b>

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# CAP RATE ANALYTICS

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<b>CAP RATE COMPARISON</b>			
<b>Time</b>	<b>Apartment</b>	<b>Self Storage</b>	<b>Spread</b>
3Q 2018	5.26%	5.68%	42
4Q 2017	5.32%	5.65%	33
3Q 2017	5.35%	5.60%	25
3Q 2016	5.25%	5.64%	39
2Q 2016	5.29%	5.65%	36
4Q 2015	5.35%	5.75%	40
2Q 2015	5.30%	5.80%	50
4Q 2014	5.36%	5.90%	54
2Q 2014	5.59%	6.12%	53
4Q 2013	5.80%	6.25%	35
2Q 2013	5.70%	6.55%	75
2Q 2010	7.85%	8.45%	60
<b>Average</b>	<b>5.68%</b>	<b>6.17%</b>	<b>45</b>
<b>Compiled by: CBRE</b>			