



FEASIBILITY STUDY

Other Services Include:

- > Contract Management
- > Feasibility Studies
- > Market and Site Evaluations
- > Business Plans
- > Development Coordination
- > Facility Audits
- > New Facility Startup
- > Consulting

Sterling Management Services has performed hundreds of market and feasibility studies over the past 14 years. Our recommendations have varied from “don’t build on this location” to an emphatic **“BUILD NOW.”**

We have developed Business Plans with Operating Pro formas for many different kinds of businesses over the past 20 years. When combined with Sterling’s hands-on management expertise, pro forma results were realized within the time specified in Sterling’s projections.

Various conditions other than statistics on population, density, housing types and economic conditions of the area can and do affect the potential for a successful self-storage location. There is no magic formula to determine absolute success.

Simply having a great location will no more assure a developer of success, just as having a poor location will not necessarily prohibit a location from being successful. When a developer weighs the good and bad aspects of their site, they make their decision after analyzing all of the factors separately and together. ***The Feasibility Study gives the developer the necessary tools to make such an analysis.***

FEASIBILITY STUDY

Our Feasibility Study ensures that the location and market of your proposed self-storage acquisition or development site is consistent with your investment goals. As an objective third party, our detailed, yet concise study validates to your investors and financial institutions that your vision and proposal are congruent with the self-storage market needs. The completed Feasibility Study includes:

Introduction to Self-Storage (intended to acquaint lenders unfamiliar with the industry).

Location: Specific conditions affecting the proposed site

- New facilities either in construction, proposed or pending approval
- Existing facilities that are planning expansions
- Analyzes ingress/egress, proposed changes in the community, or other factors that could affect the viability of the project.

Competition Analysis - Information collected in the study includes specific data pertaining to competitive facilities within the market area, for example:

- Type of construction
- Type of management
- Occupancy percentages
- Appearance
- Rate Survey
- Combined rate comparison of market
- Amenities
- Number of Units

Also provides a summary analysis of overall competition and scores the subject site's probability of success against the market.

Demographics - Compares the subject site to other successful facilities. Evaluates 14 specific common traits shared by successful facilities throughout the country to determine the common traits of the subject site and, thus, its probability of success.

Market Demand for Space - Analyzes total square footage leased in the subject market and extrapolates future growth of the area to determine amount of additional square footage the market can absorb.

Unit Mix - Sterling will recommend an optimum unit mix for the subject site, including a division of units between climate controlled versus non-climate and/or upstairs versus downstairs, if applicable.

Pricing - The study will include a complete rate survey along with an average rate by unit size in the subject market. Sterling will then recommend pricing for the subject site to create a Gross Potential Income for the site. This information can then be used to create pro forma projections by the developer and/or will become the basis of the pro forma created in the Business Plan.

Summary of Findings - The study will be summarized by scoring the probability of success for the subject site.

PRICING

First Phase Study

First phase feasibility study includes a site visit, demographic review, and competition analysis of the area. Based upon these findings we will make a preliminary recommendation as to the viability of the project. If we believe that the project has a high probability of success, we will recommend that you proceed to a full-scale feasibility study.

COST: \$3,700 plus travel

Full Scale Study

Full scale feasibility study in written format with documentation to support our findings. This finished product is professionally bound for presentation and will become part of your prospectus for submittal to a lender or to attract investors. If, after completing the field work, it is Sterling's initial finding that we will not be recommending development of this site, we will **reduce** the Cost by one-half and provide Client with a letter finding to support our "Do Not Build" conclusion.

COST: \$8,500 plus travel