

OFFERING MEMORANDUM

Cosby Climate-Controlled Storage



3323 Cosby Highway, Cosby Tennessee 37722

For Sale: \$1,400,000

EXECUTIVE SUMMARY

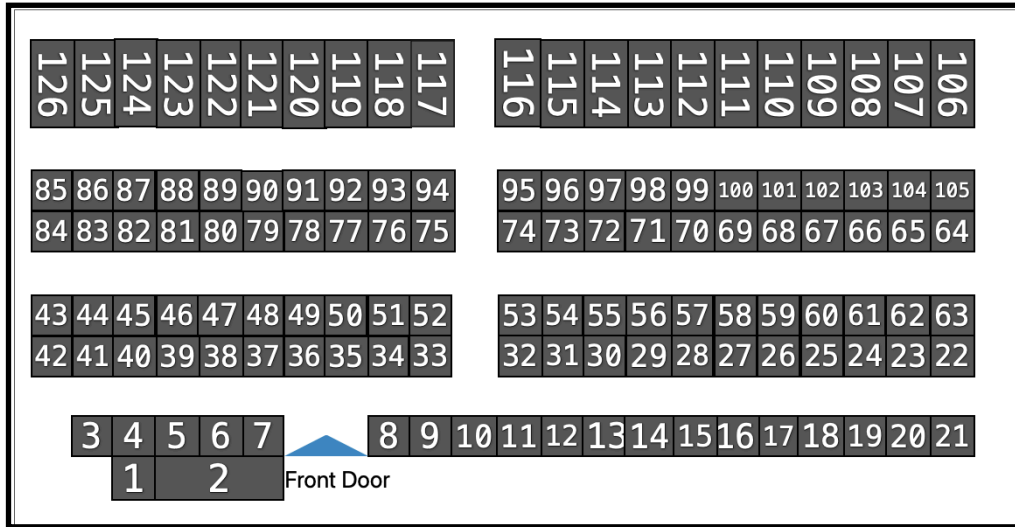
Cosby Climate-Controlled Storage presents an opportunity to acquire a recently converted, income-producing self-storage facility that has successfully transitioned from lease-up into a stabilizing and growing asset.

Originally converted in 2024, the property has demonstrated consistent occupancy growth and strong tenant demand, and is now entering a phase of predictable cash flow and operational maturity heading into 2026.

Recent rent roll activity from January through March 2026 shows continued collections and improving rental rates across units, reinforcing the facility's position as a functioning, stabilized storage operation with forward momentum.

In addition to the storage operation, the property includes a separately leased front office generating supplemental income with a lease expiring April 16, 2026, giving a new owner flexibility for future use.

This asset is ideal for owner-operators, regional storage groups, and private investors seeking current cash flow with upside through occupancy growth and physical expansion.



PROPERTY OVERVIEW

- **Property Name:** Cosby Climate-Controlled Storage
- **Address:** 3323 Cosby Highway, Cosby, TN
- **Property Type:** Self Storage
- **Subtype:** Climate-Controlled / Indoor
- **Units:** 126 Interior Units
- **Investment Type:** Stabilized (post-lease-up)
- **Year Built:** 1967 (converted to storage in 2024)
- **Building Size:** 20,835 SF
- **Land Size:** 2.11 Acres
- **Flood Zone:** X (Minimal Risk)

Located directly on US-321, the primary route from I-40 to Gatlinburg, the property benefits from strong visibility and daily traffic exposure, including local residents, contractors, and tourism-related users.

UNIT MIX & RENT SCHEDULE

Unit Size	Number of Units	Monthly Rent	Monthly Income
10' x 10'	104	\$105	\$10,920
10' x 20'	21	\$200	\$4,200
10' x 30'	1	\$300	\$300
Total	126		\$15,420 / month

Gross annual storage rent at current rates:

\$185,040 per year (if 100% occupied).

All units are interior, climate-controlled with secured access, supporting stable occupancy and premium rental rates relative to older outdoor facilities in the area.

2026 RENT ROLL PERFORMANCE (JAN–MAR)

Quarter 1 Summary

Month	Income
January	\$9,783.50
February	\$9,621.50
March	\$10,704.00
Total (Q1)	\$30,109.00
Average Monthly	\$10,036.33

Key Takeaways

- Strong recurring tenant base
- Minimal disruption in collections
- Increasing rental rates in March
- Clear progression toward stabilized income

The property is now consistently producing around \$10,000/month in real collections, with March showing upward momentum as rents adjust and occupancy stabilizes.

OFFICE SPACE – VALUE ADD OPPORTUNITY



The front office space (approx. 960 SF) is now vacant, creating immediate flexibility for a new owner.

Two Clear Upside Paths:

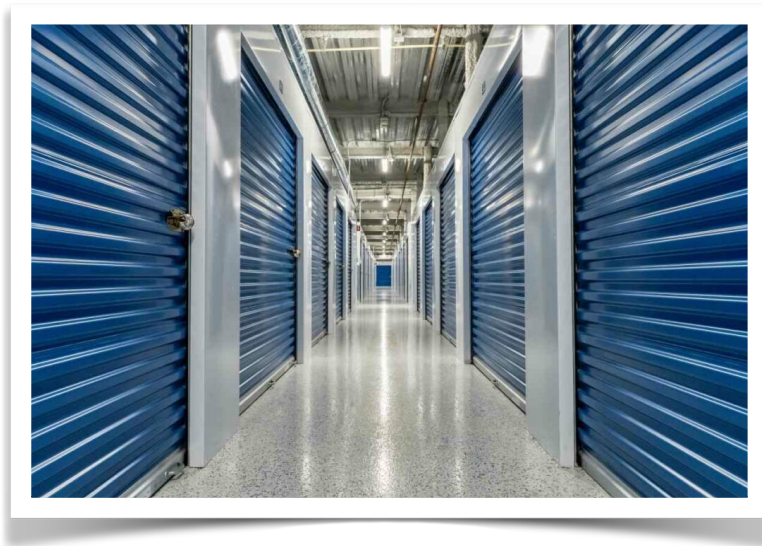
Option 1 – Re-Lease as Office

- Prior rent: ~\$1,200/month
- Annual income potential: ~\$14,400
- Suitable for local contractor, service, or admin use

Option 2 – Convert to Storage Units (Highly Attractive)

- Approx. 60' x 16' layout
- Potential to create larger premium storage bays
- Aligns building with consistent storage use
- Eliminates reliance on office tenant

This flexibility allows a buyer to optimize income based on their strategy



FINANCIAL SUMMARY

These figures are based on the owner's actual 2025 financial records.

YE 2025 Actual Performance

Income	Annual Amount
Storage Unit Rentals	\$113,826
Office Lease Income	\$8,400
Total Income (Actual)	\$122,226
<i>Less General Operating Expenses</i>	<i>(\$28,661)</i>
NOI (Actual 2025)	\$93,565

What this means for investors

Even while still ramping occupancy in 2025, the property:

- Covered all operating costs
- Generated positive cash flow
- Demonstrated real, verifiable income performance

This is not a speculative deal — it is already working.

Stabilized Income Assumptions

Income	Annual Amount
Storage Rent at 100%	\$162,384
Less 12% vacancy (88% occupancy)	\$19,486
Stabilized Storage Income	\$142,898
Office Lease Income	\$14,400
Stabilized Gross Income	\$157,298

Stabilized Expenses (Using Actual 2025 as Baseline)

Expenses	Annual Amount
Operating Expenses (Actual 2025 level)	\$28,661
Total Stabilized Expenses	\$28,661

Stabilized Net Operating Income (NOI)

Stabilized NOI
\$128,637 per year

Stabilized Value Indication (for investor context)

Using common Class B storage cap rates:

Cap Rate	Indicated Value
7.5%	\$1,715,000
8.0%	\$1,608,000

This illustrates the upside potential once the facility reaches full stabilization.

VALUE POSITIONING (NEW PRICE)

At **\$1,400,000**, the investment now reflects:

- **Improved cap rate vs prior pricing**
- Strong in-place income
- Built-in upside through:
 - rent growth
 - lease optimization
 - office conversion

This pricing creates a more attractive entry point relative to stabilized value (~\$1.6M–\$1.7M range)

INVESTMENT HIGHLIGHTS

- Recently converted climate-controlled facility
- Proven lease-up transitioning to stabilization through 2025
- Strong rent roll performance in 2026
- Immediate income with improving collections
- Flexible upside via office conversion or re-lease
- High-visibility location on major corridor
- Reduced price enhances ROI significantly
- Motivated seller due to partnership restructuring
- Clear path to higher NOI in 2026

MARKET & LOCATION ADVANTAGES



- Located on **US-321 (Cosby Hwy)** – major tourism corridor
- Direct route from **I-40 to Gatlinburg**
- Across from **Cosby High School & Elementary School** (daily visibility)
- Strong mix of:
 - Local residents
 - Contractors
 - Short-term rental owners
 - Tourism overflow demand

Regional Strength

- Continued growth in Smoky Mountain tourism
- Increasing demand for storage from STR owners and service providers
- Limited supply of climate-controlled storage in the immediate area

2026-04-14

VALUE-ADD & EXPANSION POTENTIAL

A new owner can further increase value by:

- Expanding storage on the unused frontage
- Optimizing rental rates over time
- Re-tenanting the office after April 2026
- Installing additional units within the existing footprint

CONFIDENTIALITY & DISCLAIMER


This Offering Memorandum is for informational purposes only and does not constitute an offer to sell or a solicitation to purchase. All financial information is based on estimates and information provided by ownership and third parties and should be independently verified by prospective buyers.

For additional information, site plans, or to schedule a private tour, please contact:

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