

Mortgage Loan No. 6 – Storbox Self Storage



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Mortgage Loan Information			
Mortgage Loan Seller:	BANA		
Original Balance:	\$41,500,000		
Cut-off Date Balance:	\$41,500,000		
% of Initial Pool Balance:	4.2%		
Loan Purpose:	Refinance		
Sponsor:	Barnard Foothill I, LLC		
Mortgage Rate:	4.8080%		
Note Date:	1/11/2017		
First Payment Date:	3/1/2017		
Maturity Date:	2/1/2027		
Original Term to Maturity:	120 months		
Original Amortization Term:	0 months		
IO Period:	120 months		
Seasoning:	0 months		
Prepayment Provisions:	LO (24); YM1 (91); O (5)		
Lockbox/Cash Mgmt Status:	Springing/Springing		
Additional Debt Type:	None		
Additional Debt Balance:	\$0		
Future Debt Permitted (Type):	No (N/A)		
Reserves ⁽¹⁾			
Type	Initial	Monthly	Cap
RE Tax:	\$0	\$14,312	N/A
Insurance:	\$11,770	\$2,354	N/A
Recurring Replacements:	\$0	\$1,742	\$41,796

Property Information	
Single Asset/Portfolio:	Single Asset
Location:	Pasadena, CA 91107
General Property Type:	Self Storage
Detailed Property Type:	Self Storage
Title Vesting:	Fee
Year Built/Renovated:	1988-2007/N/A
Size:	174,761 SF
Cut-off Date Balance per SF:	\$237
Maturity Date Balance per SF:	\$237
Property Manager:	Self-Managed
Underwriting and Financial Information	
UW NOI:	\$3,752,893
UW NOI Debt Yield:	9.0%
UW NOI Debt Yield at Maturity:	9.0%
UW NCF DSCR:	1.84x
Most Recent NOI:	\$4,018,992 (12/31/2016)
2nd Most Recent NOI:	\$3,804,606 (12/31/2015)
3rd Most Recent NOI:	\$3,653,917 (12/31/2014)
Most Recent Occupancy ⁽²⁾ :	96.6% (12/31/2016)
2nd Most Recent Occupancy ⁽²⁾ :	96.7% (12/31/2015)
3rd Most Recent Occupancy ⁽²⁾ :	97.8% (12/31/2014)
Appraised Value (as of):	\$65,080,000 (11/29/2016)
Cut-off Date LTV Ratio:	63.8%
Maturity Date LTV Ratio:	63.8%

Sources and Uses					
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Loan Amount:	\$41,500,000	100.0%	Loan Payoff:	\$19,918,763	48.0%
			Reserves:	\$11,770	0.0%
			Closing Costs:	\$434,145	1.0%
			Return of Equity:	\$21,135,323	50.9%
Total Sources:	\$41,500,000	100.0%	Total Uses:	\$41,500,000	100.0%

(1) See "Escrows and Reserves" below for further discussion of reserve requirements.

(2) Occupancy based on SF for the self storage space, excluding wine storage.

The Mortgage Loan. The sixth largest mortgage loan (the "Storbox Self Storage Mortgage Loan") is evidenced by a promissory note in the original principal amount of \$41,500,000, and is secured by a first priority fee mortgage encumbering a Class "A-" 174,761 SF self storage facility in Pasadena, California (the "Storbox Self Storage Property"). The proceeds of the Storbox Self Storage Mortgage Loan were used to refinance a previous mortgage loan secured by the Storbox Self Storage Property, pay closing costs and to return equity to the Storbox Self Storage Mortgage Loan sponsors. The Storbox Self Storage Mortgage Loan sponsors acquired title for the Storbox Self Storage Property in 1992 and developed the Storbox Self Storage Property. The Storbox Self Storage sponsors maintain a current cost basis of approximately \$18.9 million. The previous mortgage loan was securitized in the WBCMT 2007-C30 transaction.

The Borrower and the Sponsor. The borrower is Storbox Pasadena, LLC (the "Storbox Self Storage Borrower"), a single-purpose Delaware limited liability company structured to be bankruptcy-remote, with at least one independent director. The Storbox Self Storage Borrower is owned by Barnard Foothill I, LLC, the Storbox Self Storage Mortgage Loan sponsor. Barnard Foothill I, LLC is owned by Brett D. Barnard Trust (47.9%) and The Barnard Family Trust, whose Trustee is Stephen N. Barnard (34.4%) and eight other investors (17.7%). Brett Barnard and Stephen Barnard are the Storbox Self Storage Mortgage Loan non-recourse carveout guarantors. The Storbox Self Storage Mortgage Loan documents require the guarantors to maintain a minimum combined net worth of \$25 million.

Brett Barnard has over 20 years of experience in real estate development, financing and marketing specifically relating to self storage, office, industrial and residential properties and in 1998 formed Barnard Investments which specializes in commercial real estate development in greater Los Angeles. Stephen Barnard has over 45 years of experience in real estate development, investment and management and in 1989 founded The Barnard Company which completed projects across nine states encompassing over five million SF for an aggregate historic value in excess of \$600 million.

The Property. The Storbox Self Storage Property is comprised of three three-story buildings built in phases in from 1998 through 2007, currently configured with 1,311 interior climate controlled self storage units, 46 exterior drive-up units, 38 portable containers connected by poured concrete and roofing and 13 RV spaces. The Storbox Self Storage Property also includes 969 wine storage units which are secured by bioscript fingerprint scan and range in size from eight-case lockers to 440-case walk-in cellars. The Storbox Self Storage Property markets the wine units as "The Wine Grotto", and is one of two facilities in the market to offer wine storage. The Wine Grotto is in a portion of the facility designed to maintain stable humidity and temperature, and limit light and vibration. The Wine Grotto will receive shipments on customers' behalf and features a wine tasting room. Additionally, the Storbox Self Storage Property includes 4,011 SF of office space including 14 executive offices that are currently 100.0% occupied and a 1,000 SF leasing office.

The following table presents the unit mix at the Storbox Self Storage Property:

Unit Type	Unit Mix			Average Unit Size (SF)	Total Size (SF)	% of GPR
	Number of Units	Occupied Units	Occupancy Rate by Unit			
Interior Climate Controlled	1,311	1,268	96.7%	96	125,830	77.7%
Exterior	46	45	97.8%	145	6,661	3.8%
Container	38	36	94.7%	160	6,080	3.1%
Wine Storage	969	604	62.3%	N/A	N/A	14.8%
RV	13	11	84.6%	N/A	N/A	0.5%
Total/Wtd. Avg.	2,377	1,964	91.6%⁽¹⁾			100.0%

Source: Sponsor occupancy report dated January 4, 2017

(1) Wtd. Avg. Occupancy Rate by Unit weighted by % of GPR.

Security features at the Storbox Self Storage Property include gated access at the entrances from East Foothill Boulevard and North Craig Avenue, keypad entry, individually alarmed units, recorded 24-hour 32-camera digital video surveillance and on-site managers. Additional customer amenities include 7-day access to storage counselors, complimentary use of a moving truck at move-in, five high-speed elevators and 26 parking spaces. In 2016, the Storbox Self Storage sponsors invested approximately \$958,071 in capital improvements to the Storbox Self Storage Property including energy and elevator upgrades.

The Storbox Self Storage Property has double corner exposure on East Foothill Boulevard and White Street and North Craig Avenue and is less than a quarter mile from Interstate 210, within six miles of Interstate 10 and within eight miles of Interstate 605.

The Market. The Storbox Self Storage Property is located in Pasadena, California and is the largest wine storage and self storage facility in the San Gabriel Valley. Pasadena is a hub for scientific institutions and regional health care with The California Institute of Technology (Caltech) and its Jet Propulsion Laboratory, and Huntington Memorial Hospital and Kaiser Permanente as major employers in the area. Additional top employers include Kroger Co. (145,000 employees), County of Los Angeles (112,500 employees) and Los Angeles Unified School District (108,900 employees). Pasadena is headquarters to Parsons Corporation, Western Asset Management, Tetra Tech, East-West Bank and Singpoli Capital, among others. Additionally, Pasadena is a tourist destination as the host city for the Rose Parade and Rose Bowl Game and with its draws of the shopping and dining districts of Paseo Colorado, Historic Old Pasadena and South Lake Avenue.

According to the appraisal, the estimated 2016 population within a one-, three- and five-mile radius around the Storbox Self Storage Property was 22,971, 189,989 and 460,675 respectively. From 2010 to 2016, population within the same radii grew 3.5%, 4.5% and 4.3% respectively, with projected population growth from 2016-2021 of 2.5%, 3.0% and 2.8%, respectively. The estimated 2016 average household income within a one-, three- and five-mile radius was \$111,327, \$110,481 and \$105,799 respectively. The estimated 2016 average home value within a one-, three- and five-mile radius was \$728,676, \$869,374 and \$820,120 respectively.

In 2016, within a three-mile radius, approximately 50.9% of households were renter-occupied. The immediate area surrounding the Storbox Self Storage Property is composed of 175 multifamily properties comprising 1,976,880 SF and 1,269,689 SF of retail space with additional industrial and office uses.

The self storage vacancy rate for the Burbank/Glendale/Pasadena submarket for 2014, 2015 and 2016 was estimated at 7.1%, 7.4% and 7.8%, respectively, with average asking rents for a 10x10 climate controlled storage unit of \$190.48, \$197.37 and \$200.33, respectively. The total self storage supply within a three-mile radius of the Storbox Self Storage Property for 2016 was 1,300,794 SF, indicating a supply ratio of 6.8:1.

The only proposed new competitive supply noted by the appraisal is the Storbox Self Storage Mortgage Loan sponsor's adjacent Phase III expansion, which is expected to consist of a three-story, 46,300 SF building, which will not be included as collateral for the Storbox Self Storage Mortgage Loan.

The following table presents certain competitive self storage rental comparables to the Storbox Self Storage Property:

Competitive Property Summary								
Property	Location	Total NRA	Year Built or Converted	No. of Self Storage Units	No. of RV Units	Avg. SF/ Self Storage Unit	Occupancy %	Distance to Subject (mi.)
Storbox Self Storage Property	Pasadena, CA	174,761	1988-2007	2,364	13	74	96.7%⁽¹⁾	N/A
Pouch Pasadena Self Storage	Pasadena, CA	114,840	1978	580	0	198	94.6%	0.3
Allen Avenue Self Storage	Pasadena, CA	93,960	1999	648	10	145	93.0%	0.4
So Cal Self Storage	Pasadena, CA	142,884	2002	756	0	189	91.0%	0.6
A Space Bank Mini Storage	Pasadena, CA	183,000	1990	1,500	15	122	87.0%	1.2
Arroyo Parkway Storage	Pasadena, CA	121,900	2007	1,150	0	106	93.6%	2.5
Public Storage	Pasadena, CA	127,206	2005	1,146	0	111	94.2%	2.7
Total/Wtd. Avg.⁽²⁾		783,790		5,780		136	91.7%	

Source: *Appraisal*

(1) Occupancy as shown is as of December 31, 2016 and represents the interior self storage units only.

(2) Total/Wtd. Avg. excludes the Storbox Self Storage Property.

Operating History and Underwritten Net Cash Flow. The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the Storbox Self Storage Property:

Cash Flow Analysis						
	2013	2014	2015	2016	UW	UW PSF
Base Rent	\$3,792,316	\$4,064,327	\$4,302,159	\$4,454,023	\$5,026,880 ⁽¹⁾	\$28.76
Less Vacancy	\$0	\$0	\$0	\$0	(\$572,857)	(11.4%)
Other Income ⁽²⁾	\$112,738	\$218,493	\$213,693	\$208,548	\$223,015	\$1.28
Commercial Income	\$83,962	\$83,598	\$98,311	\$107,225	\$112,461 ⁽³⁾	\$0.64
Effective Gross Income	\$3,989,016	\$4,366,418	\$4,614,163	\$4,769,796	\$4,789,499	\$27.41
Total Operating Expenses	\$757,845	\$712,501	\$809,557	\$750,804	\$1,036,606	\$5.93
Net Operating Income	\$3,231,171	\$3,653,917	\$3,804,606	\$4,018,992	\$3,752,893	\$21.47
Capital Expenditures	\$0	\$0	\$0	\$32,455	\$26,206	\$0.15
Net Cash Flow	\$3,231,171	\$3,653,917	\$3,804,606	\$3,986,537	\$3,726,687	\$21.32
Occupancy %	96.8%⁽⁴⁾	97.8%⁽⁴⁾	96.7%⁽⁴⁾	96.6%⁽⁴⁾	88.6%	
NOI DSCR	1.60x	1.81x	1.88x	1.99x	1.86x	
NCF DSCR	1.60x	1.81x	1.88x	1.97x	1.84x	
NOI Debt Yield	7.8%	8.8%	9.2%	9.7%	9.0%	
NCF Debt Yield	7.8%	8.8%	9.2%	9.6%	9.0%	

(1) UW Base Rent based on the November 2016 rent roll plus vacant units grossed up at asking rents.

(2) Other Income includes income from the insurance program, applications and other miscellaneous income.

(3) UW Commercial Income based on the November 2016 rent roll less a 5% vacancy.

(4) Occupancy based on SF for the self storage space, excluding wine storage.

Escrows and Reserves. The Storbox Self Storage Borrower deposited at closing \$11,770 for insurance premiums and is required to deposit monthly 1/12th of the estimated annual insurance premiums, initially equal to \$2,354. The Storbox Self Storage Borrower is required to deposit monthly 1/12th of the estimated annual real estate taxes and \$1,742 for replacement reserves, subject to a cap of \$41,796.

Lockbox and Cash Management. Upon the occurrence of a Cash Sweep Period (as defined below), the Storbox Self Storage Borrower is required to establish a lockbox account and cash management account under the sole control of the lender, to which all amounts in the lockbox account shall be automatically transferred daily for the payment of, among other things, debt service, monthly escrows and operating expenses, with all excess cash being deposited to an excess cash reserve to be held as additional collateral for Storbox Self Storage Mortgage Loan.

A "Cash Sweep Period" will occur upon the debt service coverage ratio being less than 1.10x for two consecutive calendar quarters, and end upon the debt service coverage ratio being equal to or greater than 1.10x for two consecutive calendar quarters

Additional Secured Indebtedness (not including trade debts). Not permitted.

Mezzanine Loan and Preferred Equity. Not permitted.

Release of Property. Not permitted.

Terrorism Insurance. The Storbox Self Storage Borrower is required to obtain and maintain property insurance, public liability insurance and rental loss and/or business interruption insurance that covers perils of terrorism and acts of terrorism.