## **Suncrest Self-Storage Portfolio – Portfolio Refinance (Self-Storage Acquisition / Repositioning)**

**Document Type:** *Broker-Prepared Investment Summary + Internal Underwriter Commentary*

**Summary:** Suncrest Capital requests refinancing of a four-property self-storage portfolio across the Carolinas, totaling 362,000 rentable SF (3,250 units). Properties range from 1988 to 2017 vintage. Portfolio is 83 % occupied, with below-market rents in two tertiary assets (Greenville & Florence). Sponsor seeks $37.5 MM loan to retire bridge debt and fund minor expansions.

**Key Metrics (Consolidated):**

| **Metric** | **Portfolio Total** | **Notes** |
| --- | --- | --- |
| Purchase Price (2023) | 45.8 MM | original acquisition |
| Current Value | 43.2 MM | per recent MAI appraisal |
| Loan Request | 37.5 MM | 86.8 % LTV |
| NOI (2024A / 2026F) | 2.25 MM → 2.72 MM | assumes 4 % rent growth |
| Cap Rate | 5.2 % (appraisal) vs. 6.1 % market | compression issue |
| DSCR | 0.96× → 1.18× | underwritten |
| Levered IRR | ≈ 9.4 % | optimistic base |
| LTC | 82 % |  |

**Regional Split:**

| **Market** | **NOI (k)** | **Occupancy** | **Cap Rate** | **Comment** |
| --- | --- | --- | --- | --- |
| Charlotte | 870 | 90 % | 5.2 % | new build (2017) |
| Columbia | 590 | 82 % | 6.0 % | older facility |
| Greenville | 470 | 79 % | 6.3 % | weak rent story |
| Florence | 320 | 76 % | 6.6 % | oversupplied submarket |

**Underwriting Commentary (internal):**

* **Value Compression:** Two assets appraised below cost; total portfolio value now 5.7 % under 2023 purchase.
* **Expense Drift:** Payroll and utilities up 14 % YoY, no offset modeled.
* **Debt Structure:** Proposed interest-only 3 years; DSCR < 1.0× for half the term.
* **Exit Risk:** Cap-rate expansion to 6.25 % yields $43 MM exit value (barely above debt).
* **Rent Growth:** Modeled 4 %, but submarket historical 1.8–2.2 %.

**Portfolio NOI vs. Debt Service Chart**

($MM)

3.0 | ▇▇

2.5 | ▇▇▇

2.0 | ▇▇▇▇▇

1.5 |▇▇▇▇▇▇▇▇

Yr1 Yr2 Yr3 Yr4 Yr5

**Committee Discussion:** Members highlighted regional oversupply, compression reversal, and aging collateral. Sponsor financials acceptable but rent growth assumptions unrealistic. Recommendation: decline or reprice to ≤ $33 MM loan (≈ 77 % LTV).

**Conclusion:** Portfolio exhibits moderate geographic diversification but lacks pricing power; minimal spread between debt cost and yield.