

# HOW DOES SELF STORAGE DO IT? LOOK BELOW THE LINE!



## Above the line

- + Income
- Expense
- = Net operating income

**NO**  
Leasing Commissions

## Below the line

- Leasing commissions
- Tenant improvements
- Capital expenses
- = Cash flow before debt service

**NO**  
Tenant Improvements

It doesn't just stop at NOI. Costs that appear below the line such as leasing commissions and tenant improvements are important factors to consider when investing in real estate. It may be costly to customize office or retail space and pay commissions to leasing agents for new tenants. These costs are not typically shown in the net operating income. Yet, they still affect the property's bottom line. Even reasonable reserves may not be enough during unreasonable times. In contrast, self storage space is generic, usually requiring few modifications to re-lease. Plus, there are no leasing commissions to pay.

Ask your financial advisor for more information.  
Financial Professionals call:  
877.32REIT5 (877.327.3485)

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