



From Novice to Pro:
How to Invest in
Storage Units
With Your IRA



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All information and materials are for **educational purposes only**. All parties are encouraged to consult with their attorneys, accountants and financial advisors before entering any type of investment.



Today's *Agenda*

- ❖ Understanding Storage Operations & Investments
- ❖ Identifying Risks and Benefits for Each Strategy
- ❖ Reviewing Current Market Conditions
- ❖ Researching Storage Markets to Find Investments
- ❖ Learning How to Invest In and Outside an IRA





Meet **Your Host**



Rachel Stolrow



7 Years at Entrust



Educates investors and professionals on tax-preferred retirement accounts to make informed decisions in alternative investments



About Entrust



Self-Directed IRA Administrators



Knowledgeable Staff with
CISP Certifications



Monthly Educational Webinars





About Entrust



\$5B

Assets Under
Administration



45k

Investors
Empowered



40

Years of
Service



1

Point of
Contact

Let's Take a Poll

What's your biggest hurdle with self-storage investing?

Finding investments

Investments have poor liquidity

Learning how to invest with an SDIRA

Investment minimums are too high

Market conditions like inflation or high interest rates

Verifying legitimacy of investments with proper due diligence





About Reliant Real Estate Management

Reliant Real Estate Management, LLC ("Reliant"), founded in 2010 and headquartered in Roswell, GA, is a fully integrated owner and operator of self-storage facilities.

As of August 2024, Reliant ranks as the 16th largest self-storage operator in the United States with over \$1.6 billion AUM. The company's portfolio spans 9 states and comprises more than 100 properties, 60,000+ units, and over 8 million net rentable square feet.

Reliant specializes in the acquisition of existing value-add and opportunistic self-storage facilities, as well as the development of ground-up Class A self-storage facilities in secondary and tertiary markets across the United States.

Operational Overview

100+ Properties	8,000,000+ Net Rentable Sq ft
\$0 Invested Principal Lost	\$1.6 Billion Estimated Portfolio Valuation
60,000+ Units	~200 Employees

Full-Cycle Track Record: 67 Assets

3.93 yrs
Average Investment
Holding Period

Why Self-Storage

Reasons to Consider Self-Storage in Your Portfolio

- Recession Resistant
- Limited Capex
- Low Operating Expenses
- Dynamic Pricing
- Short Duration Leases
- Diversification

Why Self-Storage

3 Types of Tenant Demand

- Lifestyle
- Commercial
- Transition



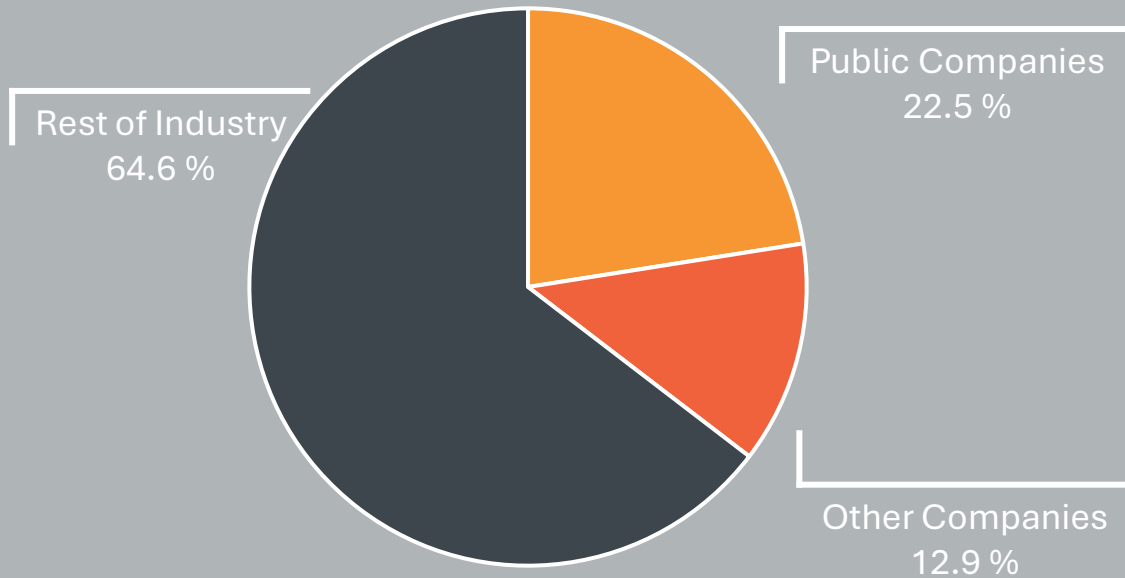
Drivers of Self-Storage Demand

The industry benefits from an economy or population in some form of transition:

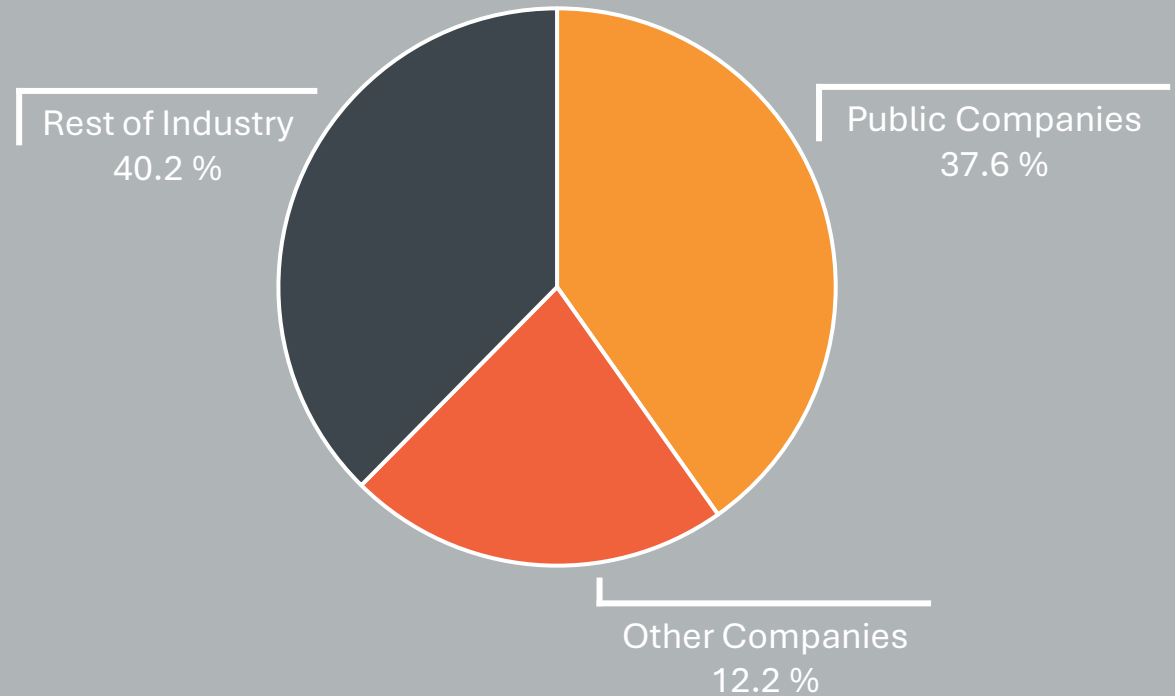
- Population Growth
- Home Sales
- Increase in regional migration
- Strong local economy
- Downsizing
- Dislocation
- Divorce
- Death

Self-Storage Overview: Macro Backdrop

Industry Market Share
By Number of Facilities



Industry Market Share
By Rentable Square Footage

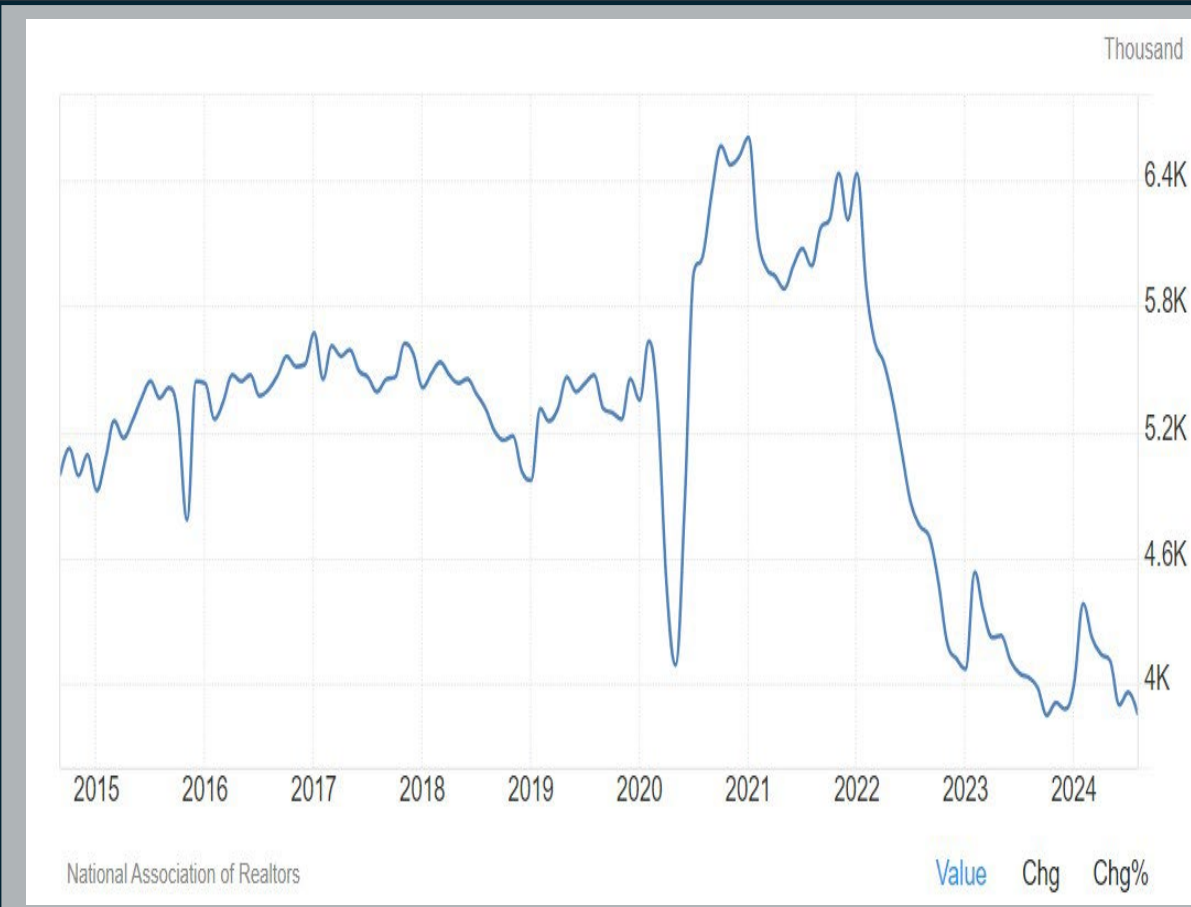


**2023 Top Operators Survey*

Today, 64.6% of self-storage facilities are operated by "mom-and-pop" or individual owners who operate just one facility. This figure is down from 76% in 2017 and 73% in 2019, providing evidence of the pending consolidation in the industry. "Mom-and-pop" operators typically lack managerial experience and expertise to maximize property value.

Current Self-Storage Market

Transition Demand Has Slowed



U.S. Existing Home Sales

U.S. Fed Fund Rate

Current Self-Storage Market

New Supply

- Performance during pandemic created surge in new development
- New supply has hit market and is impacting rates
- Additional new supply scheduled for 2025, but significant number of projects on hold

Self-Storage Market Projections

New Supply and Demand Expectations

- Development starts have slowed since 2023
 - Construction costs, lender apprehension, interest rates, lower street rates
- 2026-2029 New supply is projected to be muted
- Transition demand is expected to increase slowly through 2025 and greatly expand in 2026

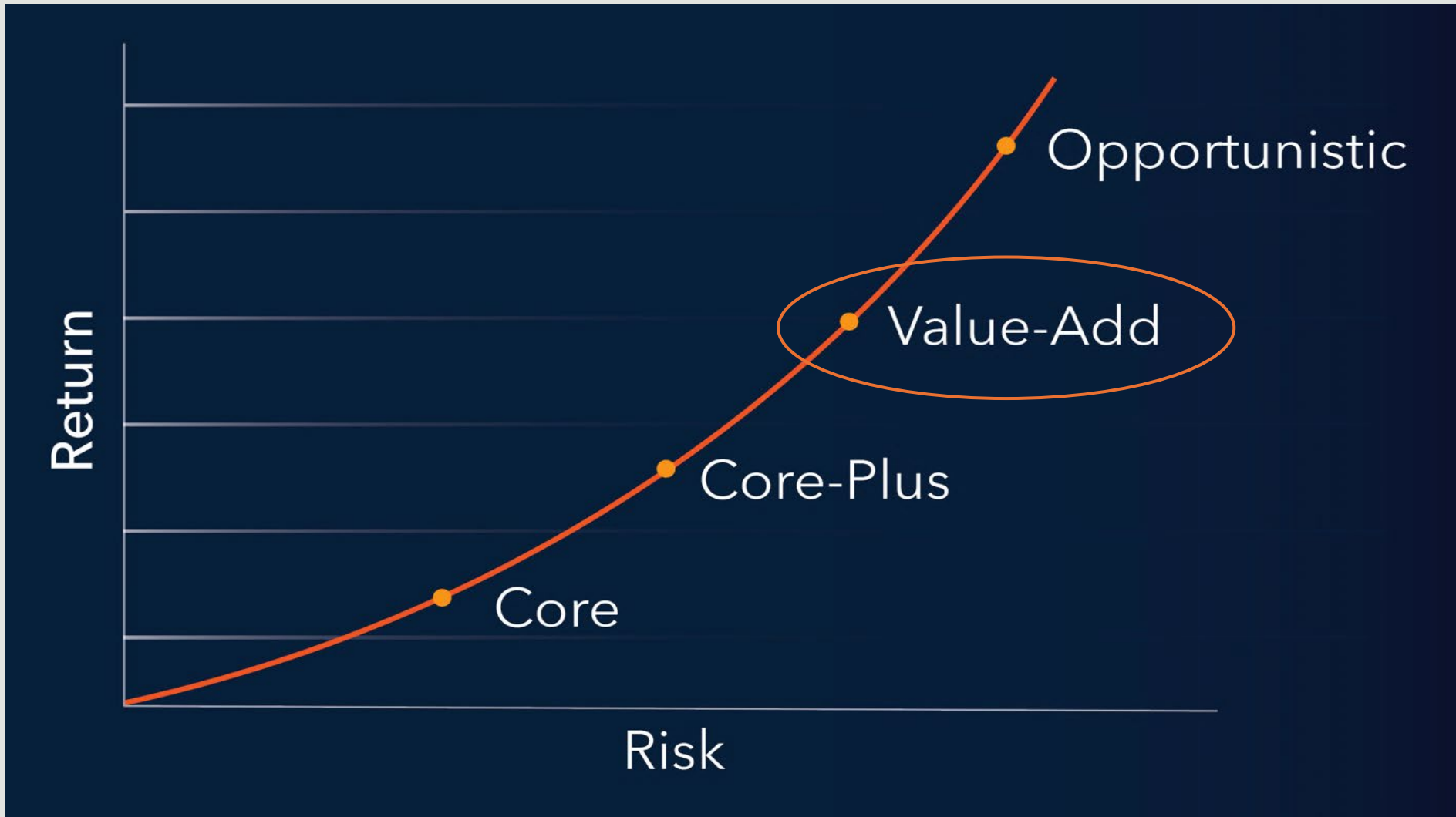
What Can We Do in this Market?

- *Transaction volume is down*
- *Property values are down*
- *Gap between Bid & Ask*
Expectations is shrinking
- *New development starts are down*
- *Future supply is projected to be muted*

Be fearful when others are greedy,
be greedy when others are fearful.
- Warren Buffett



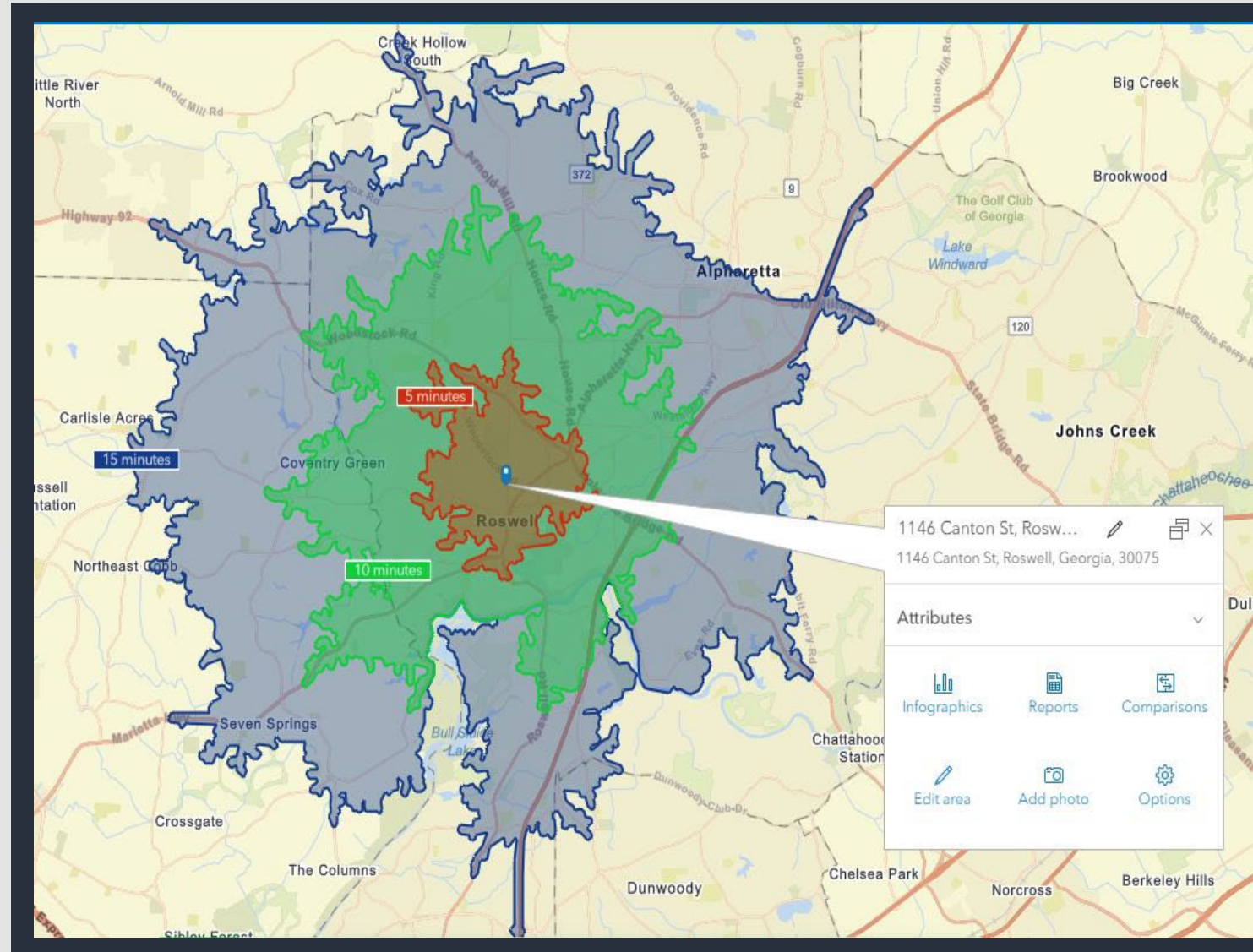
Real Estate Risk and Return



Market Analysis

Self-Storage is a Micro Market

- *Use drive time to determine addressable market*
- *No single data point determines demand*
- *Evaluate competition*
 - *Occupancy*
 - *Unit Mix*
 - *Condition/Management of facility*
- *Look for growth*
 - *New apartments*
 - *New neighborhoods*
 - *Business/Jobs moving to area*
- *Location*
 - *Traffic count*
 - *Visibility*

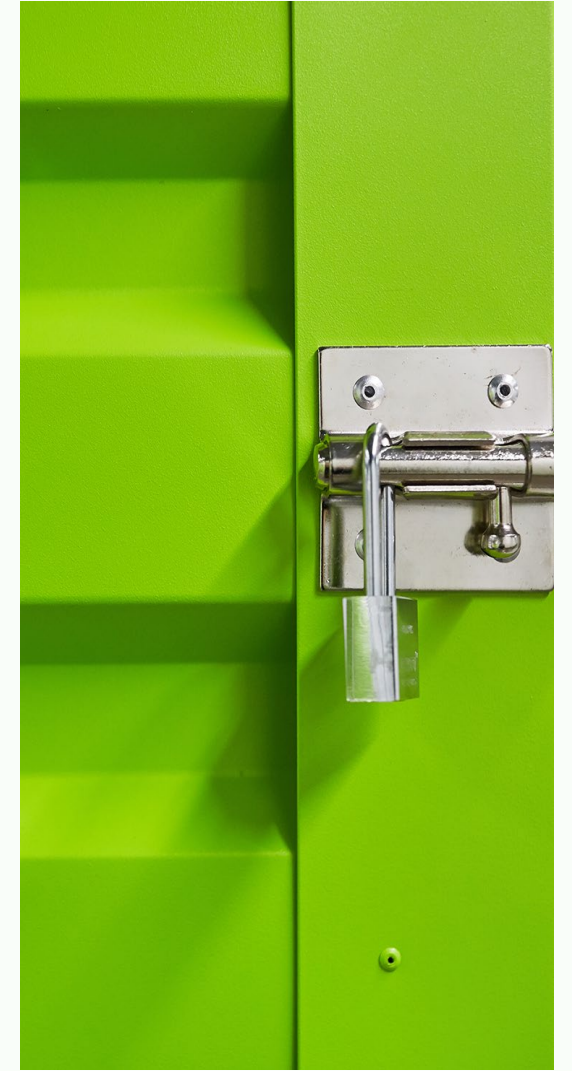


How it Works in an IRA



What is a Self-Directed IRA?

A retirement account in which the individual is in charge of making all investment decisions



What is a Self-Directed IRA?

Greater opportunity for
asset diversification outside
of traditional stocks, bonds,
and mutual funds



What is a Self-Directed IRA?

All securities and investments are held in a retirement account administered by a regulated custodian or trustee, following Internal Revenue Codes



Tax Deferred Accounts: Funding vs Earnings



Tax-Deferred Funding

With Traditional IRAs, you can invest with pre-tax income, allowing you to defer taxes until you withdraw earnings



Tax Deferred Accounts: Funding vs Earnings



Tax-Deferred Earnings

With Roth IRAs, you can invest with taxed income, allowing your investment earnings to grow tax free





UBIT: Unrelated Business Taxable Income

How does it work?

Unrelated business taxable income (UBTI) is money earned by a tax-exempt entity that's not related to its tax-exempt purpose.

The IRS defines unrelated business taxable income for most organizations as “income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization’s exemption.”

Consult your tax advisor to verify if your investments are deemed UBTI.



Getting Started in 3 steps





Getting Started in 3 steps



Open an
Entrust Account



Getting Started in 3 steps



**Open an
Entrust Account**

**Fund Your
Account**



Getting Started in 3 steps



Open an
Entrust Account

Fund Your
Account

Direct Entrust
to **Purchase**
Your Asset

Let's Wrap Up





What's Next?

Join Us for our October 24th Webinar: Invoice Factoring Investments

Register today!

Have feedback or new topic requests?

Please let us know in the brief survey as you leave





What's Next?

Need more information on SDIRAs?

Visit our website and Learning Center

Follow us on social media for updates



One More Poll



Do you feel more confident in storage unit investing?

- ❖ Yes
- ❖ No, I still need help understanding





Question & Answer Session






Stay Connected



Rachel Stolrow

 Business Development Manager
at The Entrust Group

 rstolrow@theentrustgroup.com


 (949) 335-6391



Matt Blackwell

 Director of Investor Relations
at Reliant Real Estate

 mblackwell@reliant-mgmt.com

 (706) 247-9905