

The five-minute test, and six things to check first

Chapter 2 and Appendix D. Before the yield is discussed: which rate, which square feet, which occupancy. The middle column is the store in the book, for scale.

Store		Analyst	
Pack date		Date	

Test	The book's store	Your store	What it tells you
Total annual rent divided by occupied area, against the website's advertised rate for the same store	£35.93 against £32.65: +10.0%		Above: an increase policy and an operating record. At or below: heavy discounting, new customers, or somebody stopped pushing
Share of the rent roll, and of customers, above the advertised rate	77.6% of rent, 68.9% of customers		The income the market rate could not rebuild (Chapters 2 and 26)
Share at the increase cap	7.0% of rent, 4.8% of customers		How much of the roll has stopped climbing
Which occupancy? Units or area; at a date or averaged; out-of-service units in or out	79.6% by units, at a date		A seasonal date is a chosen number (Chapter 17)
Which square feet? Gross, lettable or occupied	£21.92 / £31.63 / £39.73 revenue per sq ft		The same store, a spread of 81.2%
Which rate? Advertised, move-in, in-place, cap	£32.65 / £17.58 / £35.93 / £52.89		Move-in to in-place: 104.4%. Ask the move-in convention
Is the ancillary income in the net operating income?	9.6% of revenue		Not property income: split the yield (Chapter 15)
Is the management fee deducted?	5.5% of total revenue		Income before it is somebody else's income
Is any capital deducted?	£49,333 a year: 6.05% becomes 5.46%		The largest correction to a headline number (Chapter 24)
Market revenue per sq ft, put on this store's occupancy	$£27.40 \times 79.6 / 74.5 = £29.28$: premium 8.0%, not 15.4%		The national figure is on lettable area and a lower occupancy (Chapter 9)

Length of stay, in months, and the definition used (expected stay of an arriving customer; not the mean tenure of current customers, not twelve over churn unless the store is in steady state):

Occupancy equals move-ins times length of stay. Write the flow the reported occupancy requires next to it: here 34.0 new customers a month, for ever.

The rent roll, because there is no lease

Appendix A, questions 1 to 12. Most answers are one query away from the operator's system. The ones that are missing are an answer in themselves.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
The rent roll (1-12)		
1. Move-ins and move-outs by month, by unit type, for three years.		
2. The average length of stay, and the definition used to compute it.		
3. The tenure distribution of current customers, not just the average.		
4. Achieved rate by unit type, monthly, for three years.		
5. The advertised rate by unit type over the same period.		
6. The share of the rent roll currently above the advertised rate.		
7. The share currently at the increase cap.		
8. The promotional offer in force each month, and any changes to it.		
9. Enquiries, quotes and conversions — the funnel behind the move-ins.		
10. Units let below the advertised rate outside a promotion, and why.		
11. Units occupied but not paying — staff, storage of the store's own goods, disputes.		
12. The reservation pipeline at the date of the pack.		

Series received (three years, monthly)	From	To	Gaps / definition
Move-ins by unit type			
Move-outs by unit type			
Achieved rate by unit type			
Advertised rate by unit type			
Promotion in force			
Enquiries, quotes, conversions			

An operator who cannot produce move-ins and move-outs by month does not know the most important number about the business (Chapter 6).

The increase policy: the single most valuable document

Appendix A, questions 13 to 22, and Chapters 4 and 5. The response of customers to an increase decides the optimum and nobody publishes it. Measure it here.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
The increase policy (13-22)		
13. The written increase policy: size, timing after move-in, interval, cap.		
14. Every change to it in the past three years, with dates.		
15. Move-outs in the month following each increase cycle, against the baseline.		
16. Whether the increase is uniform or varies by unit type, tenure or occupancy.		
17. Who authorises exceptions, and how many are granted monthly.		
18. Whether a pricing system sets the advertised rate automatically, and its rules.		
19. The relationship between local availability and the advertised rate.		
20. Any commitment made to customers about future increases.		
21. Complaints and regulatory correspondence about increases.		
22. The response curve, if the operator has ever measured it. Usually absent.		

Increase cycle (date)	Increase applied	Customers who received the letter	Move-outs, month after	Move-outs, baseline month	Induced departure rate

Induced rate = (move-outs in the month after – baseline) ÷ customers noticed. Two cycles at different sizes are the minimum to estimate the exponent; a third tests the shape. The Rate Increase Planner turns this table into the optimum. On the book's curve: 12.82%, worth £23,962 a year, and the optimum sits where four increases land on the 62% cap.

The building and the costs

Appendix A, questions 23 to 46. Three quarters of the cost base does not care whether a unit is let (Chapter 12): read it line by line.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
The building (23-34)		
23. Gross internal area, net lettable area and occupied area, each measured and dated.		
24. The unit schedule: size, count and rate, reconciled to the lettable area.		
25. Units created, removed or resized in three years.		
26. The age and condition of doors, floors, lighting and access control.		
27. The date of the last full refurbishment cycle and the cost of it.		
28. Fire strategy, sprinkler provision and the current fire risk assessment.		
29. Any cladding, insulation or compartmentation issue on a converted building.		
30. Lift and loading capacity against peak Saturday demand.		
31. Roof age and condition, and whether a solar installation is feasible.		
32. Car parking, and whether it constrains the trade counter.		
33. Title, easements, rights of way and any restriction on hours.		
34. Planning permission and its conditions, particularly on use and signage.		
Costs (35-46)		
35. The full cost base for three years, by line, with invoices for the top five.		
36. The rating assessment, the current list entry and the date of the next revaluation.		
37. Any rating appeal in progress and its expected outcome.		
38. Staff numbers, roles, contracts and turnover.		
39. Whether staff transfer on sale, and on what terms.		
40. Energy contracts: supplier, expiry, unit rates and standing charges.		
41. Insurance: cover, excess, claims history, and the premium trajectory.		
42. The management fee, its base, and everything excluded from it.		
43. Central overhead recharged in addition to the fee.		
44. Bad debt written off, by year, and the arrears ageing at the date of the pack.		
45. Maintenance contracts and their notice periods.		
46. Any cost currently borne by the vendor's group that will not transfer.		

Fixed costs here: £427,900 of £586,119 (73%). Break-even occupancy 36.3%. The rating revaluation date is a line in Chapter 30's omissions table.

Ancillary income, tax and the market

Appendix A, questions 47 to 70. Ancillary income is 9.6% of revenue and none of it is property income; the market questions are mostly public.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
Ancillary income (47-54)		
47. Protection take-up as a percentage of customers, monthly, for three years.		
48. The commission arrangement behind it, and whether it transfers.		
49. Claims experience, and any liability retained by the operator.		
50. Box and packaging sales, with cost of goods.		
51. Late fee revenue, against the arrears balances that produced it.		
52. Any other income: van hire, mailbox services, telecoms masts, advertising.		
53. Which of these lines survives a change of operator, in writing.		
54. The VAT treatment of each line separately.		
Tax (55-60)		
55. Confirmation that storage supplies are standard-rated and correctly accounted for.		
56. The treatment of any supply that is not storage of goods in an enclosed structure.		
57. Whether the building is opted to tax, and the option's history.		
58. Capital allowances available and any pooling agreement with the vendor.		
59. The share of customers who are VAT-registered businesses.		
60. Any HMRC correspondence or enquiry.		
The market (61-70)		
61. Every competing store within three miles, with its size and opening date.		
62. Their current advertised rates and promotions, checked yourself, not reported.		
63. Planning applications and consents for storage use in the catchment. Public.		
64. Any site in the catchment sold or optioned to an operator.		
65. Housing transaction volumes in the catchment for five years.		
66. Business formations and closures in the catchment.		
67. Student numbers, if relevant, and the academic calendar's effect on demand.		
68. The store's own seasonality, month by month, for three years.		
69. Where the store's customers come from — postcode distribution of the rent roll.		
70. Which competitor's opening most recently affected move-ins, and when.		

Protection take-up as a RATE of customers, monthly, not as revenue. The planning register (63) is the first line of the omissions table.

The deal

Appendix A, questions 71 to 85: what exactly is being sold, and the documents that decide whether the price holds.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
The deal (71-85)		
71. What exactly is being sold: property, business, company, or some of each.		
72. Who owns the customer database, the brand and the website.		
73. The operator agreement: term, fee, termination, and change-of-control.		
74. Whether the pricing system transfers, and its licence terms.		
75. Employment liabilities and any transfer obligation.		
76. Goods in units where the customer has stopped paying, and the lien position.		
77. Disputes with customers, past and present.		
78. The reason for sale, asked directly.		
79. What the vendor's own model assumes for rent growth and exit yield.		
80. What the vendor would need to believe to buy it at this price today.		
81. The form of licence in use, and its relocation clause — the provision that keeps the arrangement a licence rather than a tenancy.		
82. Whether the sale is a transfer of a going concern, and the option-to-tax history: VAT 1614 forms, dates, disapplication correspondence.		
83. The capital allowances pooling position, to be fixed in the agreement before exchange rather than argued after.		
84. Whether the goods protection is regulated insurance mediation or a contractual limitation of liability, and whether the permission transfers.		
85. The share of the rent roll above the advertised rate, and the share of customers at the increase cap. Two queries, and the answer to Chapter 26's question.		

Question	Why it matters here
What is sold: property, business or shares (71)	Decides VAT: a property sale opted to tax carries £1.7 million of VAT and £84,318 of stamp duty on it
Customer database, brand and website (72)	Part of the price is the customer base and its price history, not the building
Share above the advertised rate and at the cap (85)	77.6% and 4.8% here: the income the market rate cannot rebuild

Length of stay, from the two raw series

Chapter 3, Chapter 6 and Appendix D. Three definitions are in circulation; they differ by more than most of what buyers argue about. Compute, do not accept.

Store		Analyst	
Pack date		Date	

Month	Move-ins	Move-outs	Units occupied at month end	Occupancy	Promotion in force

Measure	How	The book's store	Yours
Annual churn	A year's move-outs ÷ average units occupied	86.9%	
Twelve over churn	Exactly the expected stay in steady state; overstates it while a store fills (16.4 months in year one of the book's lease-up)	13.8 months	
Expected stay of an arriving customer	The sum of the survival curve: the only one that values a customer	13.8 months	
Mean tenure of current customers	What the management system prints; can be above or below the stay	13.0 months	
Move-ins needed to hold the occupancy	Occupancy × units ÷ stay	34.0 a month	
Is the store in steady state?	Move-ins ≈ move-outs over twelve months, no opening or extension	Yes: mature	

What a month of stay is worth here: £19,696 a year of net operating income, with marketing charged per customer. Everything in this asset class has a time constant of one length of stay.

The lease-up plan, tested

Chapters 3, 11, 13 and 14. Not "what occupancy do you project" but "how many new customers a month, for ever, does that occupancy require?".

Store		Analyst	
Pack date		Date	

Plan year	Occupancy projected	Length of stay assumed	Move-ins a month it requires	Catchment evidence for that flow	Above physical ceiling?

The book's new store (flow ramping on a 14-month time constant)	Value
Month in which it first earns money	25
Losses before that month	£535,460
Month it reaches 95% of stabilised occupancy	65
In-place rate at month 12 against stabilised	£28.42 against £35.93: a young roll, not a small old one
Flow that holds 79.6% at 13.8 months	34.0 a month
Flow that holds break-even (36.3%)	15.5 a month
Physical ceiling	93.0%

Question	Answer / document received	Note
Before accepting the plan		
Is the flow for every year written down, and does the catchment contain it?		
Is the lease-up income built from cohorts, or stabilised income scaled by occupancy (overstated by a fifth or more at month 12)?		
Are the losses before break-even in the development budget, next to the steelwork?		
Is the stabilised occupancy below the ceiling, and is any point above 79.6% paid for with a larger flow?		

The catchment and the store next door

Chapters 19 and 20. Read the planning register, not the market report; walk the competitors; count the drivers of move-ins, not the population.

Store		Analyst	
Pack date		Date	

Site / operator	Size, sq ft	Status (application, consent, under construction, open)	Distance	Expected opening	Share of local space

Competitor walked	Advertised rate by size (25 / 50 / 75 sq ft)	Promotion on the door	Locks counted / units (weekday afternoon)	Date

The book's thresholds	Value
One 48,000 sq ft opening, capture 42% of its share of space	6.8% of the move-in flow; income £446,666, value £7.4 million
Half the fall in occupancy has happened by	month 9; 90% by month 30
A buyer valuing on the trailing twelve months nine months after the opening overpays	£875,095
What one extra move-in is worth, to hold the flow	up to £2,424, 19 times the £126 marketing cost
Flow the store can lose before break-even	54.4%: about eight such openings at once

Arrears, the lien and the licence

Chapters 1, 4 and 18. The legal documents that decide whether the income is an asset: the licence, the increase clause and the right to sell uncollected goods.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
Arrears and occupancy		
Arrears ageing at the pack date, not just the write-off for the year (bad debt here: 1.9% of rent, £18,832)		
Units occupied but not paying: staff, the operator's own goods, disputes, goods awaiting clearance		
Direct debit take-up, as a share of rent collected		
Auction proceeds and clearance costs for three years: small and uncertain, never in the model		
The lien and the sale of uncollected goods		
Notice procedure actually followed, with one complete example file from first missed payment to clearance		
Notices meet the Torts (Interference with Goods) Act 1977, sections 12 and 13 and Schedule 1		
Proceeds accounted to the customer after the debt and the costs		
The licence		
Form of licence in use (not the one on the website), with its relocation clause: the provision that keeps it a licence		
Operator's rights of access		
Share of the rent roll from business customers (29% here): the ones who could claim renewal rights		
The increase clause (Consumer Rights Act 2015, Schedule 2 grey list)		
Notice actually given matches the licence		
Cancellation genuinely free and genuinely short		
Escalation disclosed at the point of sale, not discovered in month five		
Complaints and regulatory correspondence about increases		

The wrapper: VAT, capital allowances and the protection product

Chapters 15, 16 and 21. None of it is in a yield or in the model; all of it can move the cash by more than the yield argument.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
VAT on the transaction: in the first week		
Which sale: property alone, business, or shares? The heads of terms usually say, loosely		
Option-to-tax history: VAT 1614 forms, dates, any disapplication correspondence		
Buyer's option to tax notified to HMRC before the relevant date (a date, not a task)		
Confirmation that the option is not disapplied		
Cash cost if the going-concern treatment fails: priced, with the months to recover it		
Capital allowances		
Survey of the fit-out: lift, lighting, access control, CCTV, fire, heating and ventilation, genuinely movable partitioning		
Excluded: doors, gates, shutters and fixed partition walls		
Pooling and fixed-value position agreed in the sale agreement, before exchange		
Goods protection (6.5% of revenue)		
Genuine insurance arranged through the operator, or a contractual variation of the operator's own liability?		
If insurance: authorisation or appointed-representative status, and whether it transfers		
Take-up rate of customers, monthly, for three years; commission terms		
If a property-only sale is opted to tax		The book's store
VAT at 20% on the price	£1,686,361 of cash to fund and reclaim	
Stamp duty on the VAT (marginal 5%)	£84,318, never recovered	

Who runs it: the operator agreement and the unstaffed store

Chapters 22 and 27. The fee is on revenue and the decisions are about profit; the staff saving is real and the conversion it costs is the whole decision.

Store		Analyst	
Pack date		Date	

Question	Answer / document received	Note
Negotiate, in order of value		
The right to see the data: move-ins, move-outs, achieved rates by unit type, monthly, in a format you can compute on		
A stated rate-increase policy and notice of changes to it (worth £2.3 million of value on the book's store)		
A term long enough to be worth something and short enough to be a threat; not expiring the month after your exit		
Who owns the customer database, the brand and the website		
The fee base (5.5% of total revenue here) and everything excluded from it; central recharges		

Unstaffed: if the move-in flow falls by	Steady-state occupancy	Income, unstaffed	Against the staffed store
0%	79.6%	£612,124	+£102,000
5%	75.6%	£565,223	+£55,099
10%	71.6%	£518,322	+£8,198
15%	67.7%	£471,421	−£38,704
20%	63.7%	£424,519	−£85,605
Your store			

The saving survives a fall in move-ins of about 11% and not much more. It also loses the arrears chasing, the protection and box sales, and the pricing discretion at the counter; extended access with a staffed core is the version the arithmetic supports.

The committee paper, and the facing page

Chapter 30. Four one-page sections, then the page that separates a paper from a pitch: what the model does not price, the direction, who benefits from the silence.

Store		Analyst	
Pack date		Date	

Section	The book's store	Yours
The asset	50,000 sq ft, 590 units, 79.6%, NOI £510,124, asking £8.4m at 6.05%	
The three things that decide it	10.0% above advertised; £109,074 a year to stand still; 56.9% of value is the exit	
The yield, corrected	6.05% becomes 5.46% after the capital cycle	
The debt	£3.2m, 37.6% of price, cover-constrained; negative leverage; covenant at 63.1% occupancy	
The bid	£7,279,057: the price that earns 8.45% after 6.6% of costs, 13.7% below asking	

Not priced	Direction	Benefits	Where to find it	Asked? Answer
The response of customers to a rate increase	Both	Unknown	Operator's move-out data	
Planning consents in the catchment	Down	Vendor	Planning register	
Ancillary income surviving a change of operator	Down	Vendor	Operator agreement	
Business rates revaluation	Down	Vendor	Rating list	
Share of business customers and pricing power	Both	Unknown	Customer database	
Auction proceeds and the legal cost	Both	Unknown	Disposal records	
Fire safety on a converted building	Down	Vendor	Fire risk assessment	
Value of the customer database	Up	Buyer	Sale agreement	
Solar and EV charging	Up	Buyer	Grid study	
Trade counter or van hire	Up	Buyer	Competitors	
VAT on the transaction, going-concern treatment	Down	Vendor	Option-to-tax history	
Capital allowances and pooling	Up	Buyer	Allowances survey	
Fairness of the increase clause	Down	Vendor	Licence, complaints file	
Protection as regulated insurance, and transfer	Down	Vendor	Scheme documents, FCA register	
The relocation clause	Down	Vendor	Form of licence in use	
Capital cost of removing staff	Down	Vendor	A quotation	

Nine of the sixteen push the value down, and almost every one is a matter of public record or a document the vendor already holds. They are not unknowable. They are unasked.