



Do you want to secure your retirement and not burden yourself with the disadvantages of traditional real estate investments?

With self-storage centres, Citylagerhaus offers you predictable, secure processes for a sustainable and carefree return on investment right from the start.

AN ATTRACTIVE INVESTMENT IN YOUR SELF-STORAGE PROPERTY

- ◆ Tangible asset investment in a fully developed and tested concept
- ◆ The return on your investment can be calculated in advance
- ◆ Attractive competitive position in an expanding market
- ◆ Without disadvantages of the well-known issues with renting
- ◆ No administrative expenses
- ◆ Citylagerhaus-Verwaltungs-GmbH as a competent partner for the entire lifetime of the property
- ◆ Attractive passive income

Do you want to invest your money safely, carefree and yet highly profitable?

Invest in the booming self-storage market and acquire a Citylagerhaus facility



Frequently asked questions about your investment in a Citylagerhaus

**What is self-storage? It is self-explanatory:
A place where people can store their stuff**

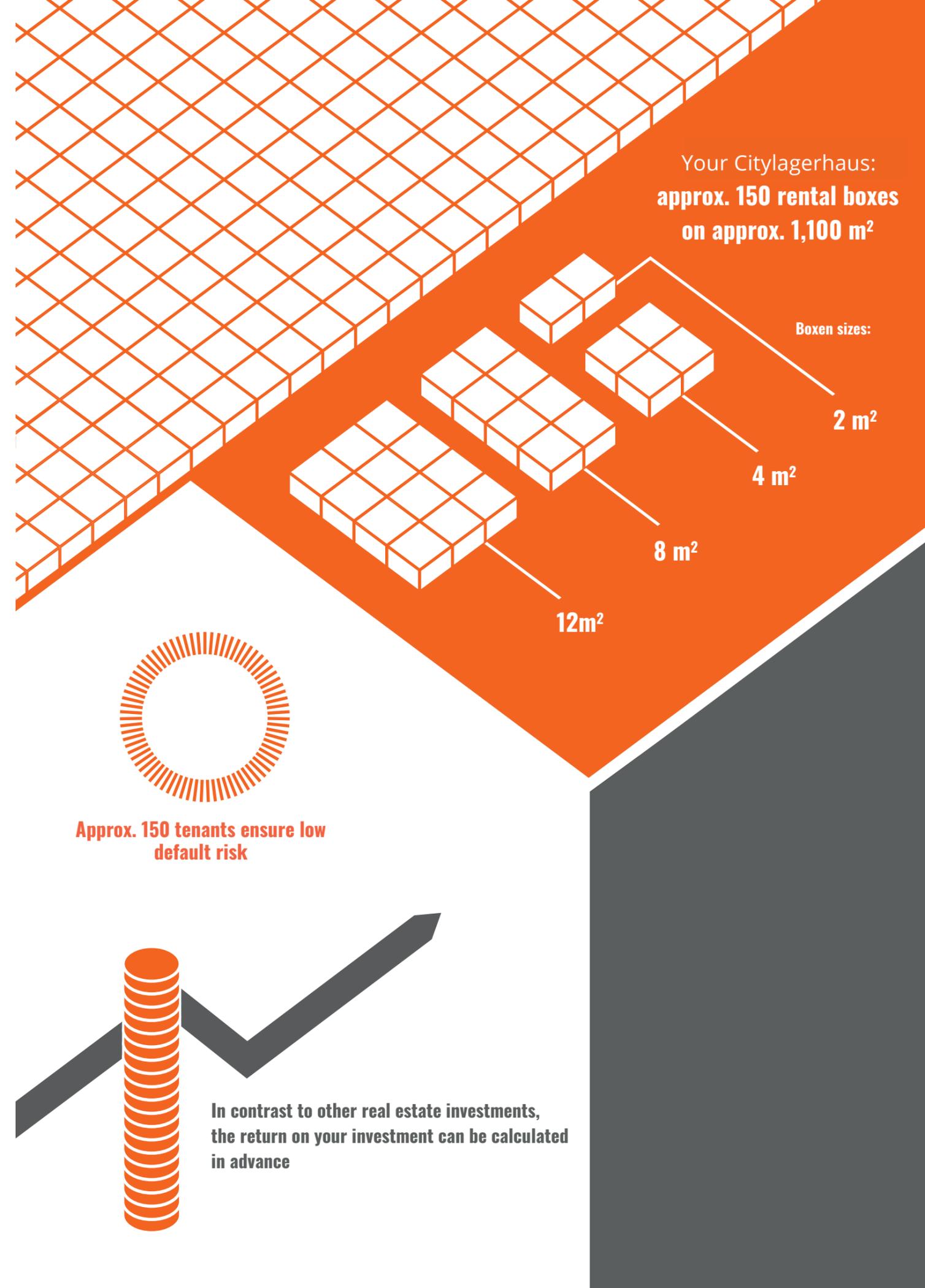
Storage rooms in sizes 2, 4, 8, 12 m² and 2.70 m high can be easily rented by private or commercial customers, even at short notice. All rooms are dry, heated, camera-monitored, air-conditioned and accessible to all tenants during opening hours. Privacy is absolutely guaranteed.

Who rents a storage room?

A unit, also called a box, can be rented by craftsmen, eBay dealers, campers, athletes, as well as flat or home owners as a basement replacement. All kinds of items can be stored, from garden furniture to Christmas decorations. Often damp garages are abandoned and boxes are rented to replace them. The outside storage option is benefiting from continuously smaller apartments lacking the necessary storage space.

Self-storage – geographic development

In the USA, the use of self-storage warehouses was already pretty standard in 1960. Starting in 1980, warehouses were built in Great Britain, and the trend moved to Germany via France and the Netherlands around the turn of the millennium. In conurbations, storage facilities grew to buildings with about 1500 storage boxes. Shurgard was the first storage operator in Germany. This storage giant operates approx. 2,500 storage facilities worldwide. According to the Selfstorage-Verband (Self-Storage Association), 260 storage facilities were built in the Federal Republic of Germany between 2000 and 2018.



The market in Germany still has a lot of potential!

Expert groups such as the Selfstorage-Verband, which created DIN 15696 for the configuration and quality of self-storage facilities, report:

In 2011, 50,098 centres were identified in the USA. There are 1,432 centres in Great Britain and 336 in France.

In 2018, there were already 260 warehouses in Germany.

In Germany, the 'global players' have made the term self-storage popular. Thus, there is huge growth potential. BUT: Now is the time to act.

The Citylagerhaus idea

In 2008, the first storage facility in Flensburg was expanded with boxes. Rental at good prices ran smoothly. Continued expansions could hardly keep up with the rental demand. Until 2016, the market was very well observed and evaluated. The term self-storage became more and more meaningful and synonymous with a name: Citylagerhaus! Then another warehouse was built in Neumünster (Schleswig-Holstein) in 2016.

Approx. 160 storage boxes are available for rent. A competitor was accepted without objection. However, 'double the space – half the price' did not stop the tenants from renting from a professional self-storage centre. 'When we store, we do it well, cleanly and safely!'

Why grow with Citylagerhaus?

Concept, experience, tenacity, honesty and constant market observation are the perfect foundation for proper preparation for the future! The sense of community and a full-service management company emphasise the idea of expansion.

Seven sophisticated modules are designed and can be used individually depending on the available plot size. These modules are ready for construction and facilitate fast building processes in order to forge ahead with the expansion.

Questions regarding issues such as taxes, legal situations, insurance, labour law, etc. are all clearly answered in advance.

There is only a low risk of loss of rent due to a high number of tenants.

Our team of experts answers every question!



Benefits of a self-storage property from Citylagerhaus

- With Citylagerhaus you invest in all the advantages of renting a commercial property without the risks and administrative tasks otherwise associated with it.
- No more legal disputes with tenants, no more calls from tenants, no more renovations, no rent losses, no ancillary cost allocation, no deposit management
- Long-term investment in land and real estate with high potential for appreciation
- All administrative tasks and rental activities, legal matters, market observation as well as marketing and advertising activities are handled by Citylagerhaus-Verwaltungs-GmbH

Save yourself the hassle of other commercial or residential properties ...

- Renovation in case of tenant change
- Demand for rent reduction after expiry of the general lease term
- Dependence on only one large anchor tenant
- Good location can change, e.g. when roads are extended, towns are redesigned or shopping centres are created
- Nomad tenants
- German Tenants' Protection Association and legal disputes
- Ancillary cost allocation
- Need for renovation when tenants change



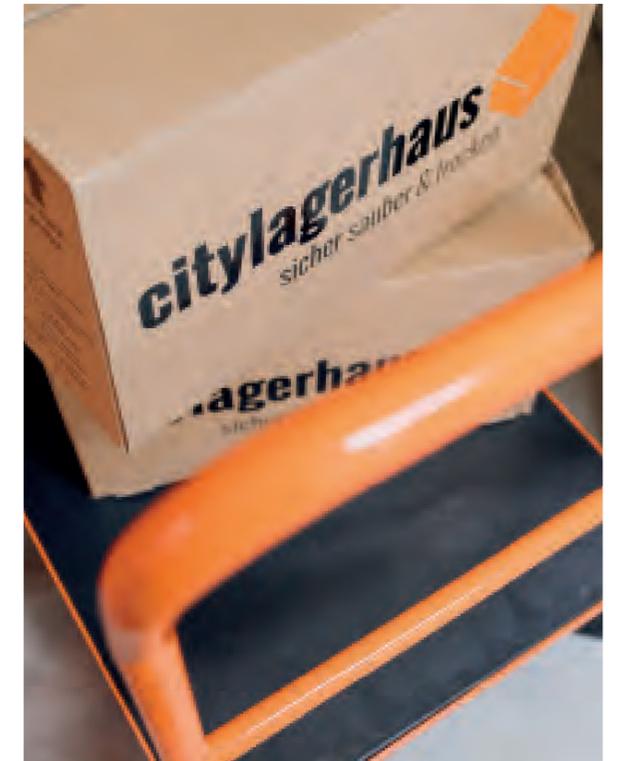
Average rental period measured over 3 years is 6.3 months per storage box

Management fees

Citylagerhaus-Verwaltungs-GmbH charges a management fee depending on the utilisation, which is tiered based on the number of boxes rented at the beginning of each month.

Citylagerhaus-Verwaltungs-GmbH charges the management fee specifically for the following services it provides:

- Hiring a property manager, training and onboarding, if necessary changing the property manager
- Maintenance of the entire asset and ensuring a neat appearance
- Monitoring of the regular maintenance of all technical equipment in the Citylagerhaus
- Rental including all related tasks such as inspections, conclusion of rental contracts, collection of rent, cancellations and, if necessary, relocations within the Citylagerhaus
- Defined advertising measures according to the purchase agreement, e.g. bus, radio or 18:1 advertising
- Beyond our advertising concept, however, the investor can commission additional advertising through Citylagerhaus-Verwaltungs-GmbH
- Establishment and implementation of collaboration with local companies such as moving companies and trailer rentals, etc.
- All legal and contractual matters with local authorities and market partners are handled by Citylagerhaus-Verwaltungs-GmbH
- The management fee includes the monthly booking of the property. The annual P&L preparation is handled by the investor's tax consultant, or, upon request, by Citylagerhaus for a special fee
- Ongoing market observation and monitoring of the competition to ensure the successful long-term strategic orientation of Citylagerhaus. The goal is to strengthen the Citylagerhaus brand and to constantly maximise awareness as a competitive advantage



Tiered structure of the management fee		
Boxes	Net fee	Gross fee
0 or more	€250.00	€297.50
30 or more	€880.00	€1,047.20
60 or more	€1,290.00	€1,535.10
100 or more	€1,540.00	€1,832.60
140 or more	€1,975.00	€2.350.25

Citylagerhaus-Verwaltungs-GmbH relieves the investor of any administrative tasks that are usually associated with the operation and rental of a commercial property. The investor is only responsible for reviewing the quarterly report and the report on the activities of Citylagerhaus-Verwaltungs-GmbH. The goal is to build up real passive income for the investor backed by a strong brand.

Figures on the property:

7 modules can be built. This example is based on module 5 (162 boxes).

Income					
Renting	m ²	Rental net price	monthly	annually	
48 Boxes	x 2m ²	x €55.00	€2,640.00	€31,680.00	
42 Boxes	x 4m ²	x €85.00	€3,570.00	€42,840.00	
40 Boxes	x 8m ²	x €145.00	€5,800.00	€69,600.00	
32 Boxes	x 12m ²	x €175.00	€5,600.00	€67,200.00	
Rent of flat project manager			€ 550.00	€6,600.00	
Total income			€ 18,160.00	€ 217,920.00	
Advertising costs/expenses (all details incl. VAT)					
Building insurance, glass breakage insurance			€156.59	€1,879.08	
Liability insurance			€28.56	€342.72	
Loss of rental income insurance			€4.99	€59.88	
Pavement winter road maintenance (not appl. to the yard area)			€37.28	€447.36	
Property tax (derived estimate)			€146.00	€1,752.00	
Electricity			€330.00	€3,960.00	
Heating			€402.00	€4,824.00	
Street cleaning			€17.50	€210.00	
Fresh water (not needed in the hall)			€0.00	€0.00	
Surface water			€48.80	€585.60	
Telephone/Fax			€37.95	€455.40	
EC/cash equipment rental			€17.80	€213.60	
Advertising according to plan			€546.22	€6,554.64	
Maintenance and safety engineering			€28.00	€336.00	
Maintenance of roller shutters			€15.00	€180.00	
Maintenance of smoke alarm system			€29.17	€350.04	
Maintenance of fire extinguishers			€13.92	€167.04	
Maintenance of ventilation system			€33.33	€399.96	
Maintenance of low voltage equipment (escape routes)			€29.17	€350.04	
Maintenance & repair (5 years warranty on new construction)			€0.00	€0.00	
Management fee / Citylagerhaus name rights			€2,350.25	€28,203.00	
Property manager wage costs			€445.94	€5,351.28	
Maintenance of outdoor facilities (handled by property manager)			€ 0.00	€0.00	
Total expenditure			€4,718.47	€56,621.64	
Income			€13,441.53	€161,298.36	
Maintenance reserve (to be increased after guarantee expires)			€250.00	€3,000.00	
Liquidity before tax, interest and repayment			€13,191.53	€158,298.36	

Retail price

From 2020 on, we will continue the expansion of the Citylagerhaus storage facilities based on our long-standing, proven experience. We have examined the market nationwide in terms of competitors and growth.

About 120 locations with 60,000 to 150,000 inhabitants have been pre-acquired. Investors can order our limited Citylagerhaus storage facilities. The construction period with approval procedures is 12 months. The investor orders his Citylagerhaus before construction begins. The takeover will take place either at zero occupancy or, if the financing requires it, at a specific occupancy level. Even in this aspect, the concept of Citylagerhaus is unique. The tiered purchase price structure depends on the already existing occupancy rate.

Tiered purchase price structure (CLH 1)

Occupancy rate	Factor	Retail price
0 Boxes	14-fold	€2.2 million
60 Boxes	16-fold	€2.5 million
120 Boxes	18-fold	€2.9 million
160 Boxes	20-fold	€3.2 million

It is based on an annual net amount of approximately € 158,298.00 (Module 5).

With regard to the speculation tax, the high resale value after 10 years at full occupancy is quite obvious. And property prices will continue to rise. In the sample calculation the property price is €65/m².

The storage boxes are only rented net. Traders are currently charged 19% sales tax on the net price. They receive a permanent invoice to deduct the input tax again.

Your investment and the sales tax

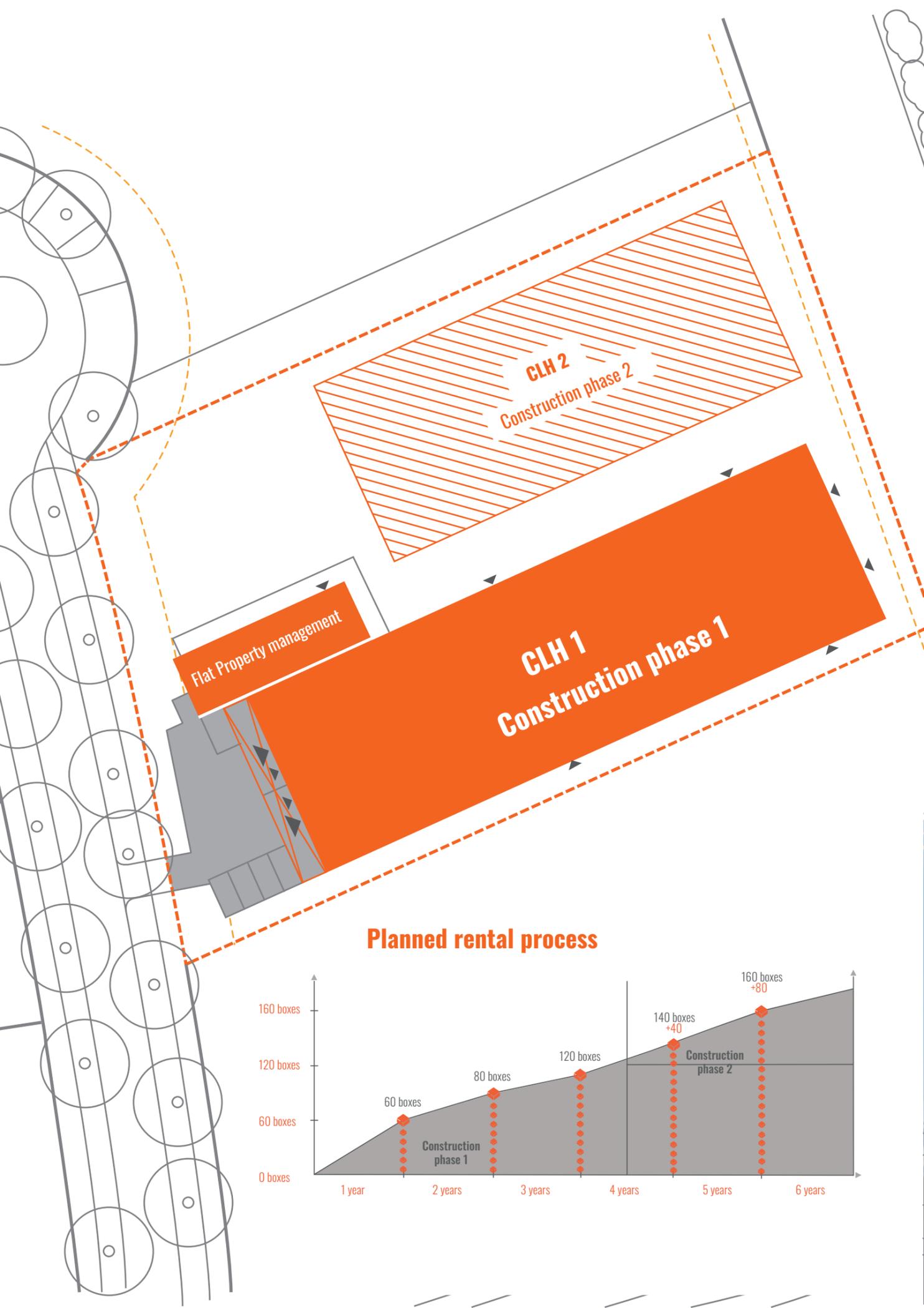
With the acquisition and operation of a Citylagerhaus, the investor becomes an entrepreneur for VAT purposes. Generally, the collected value added tax must be paid and you can deduct input tax from the costs incurred from operating the Citylagerhaus storage facility. Two special features must be taken into account in the context of the VAT return. Citylagerhaus-Verwaltungs-GmbH also takes care of this part for the investor while it is managing the property and provides the tax consultant with all the data for the tax return.

1. Allocation of input tax amounts

Generally, rental of the storage space is a tax-free service in terms of VAT. However, if the storage space is rented out to another entrepreneur, e.g. to a lawyer or craftsman, it is possible that the rent income is taxable. If the rented property is subject to tax, the input tax from the incoming cost accounting can be claimed for a refund by the tax office. Feel free to request more details in that regard.

2. Value added tax from the construction

The principles for the allocation of input tax apply not only to the running costs of the Citylagerhaus, but also to the costs of its construction. The input tax from the construction can only be claimed retroactively from the time the rent starts. For such cases, the Value Added Tax Act provides for a separate provision allowing for the correction of input tax amounts over a period of ten years. The input tax amounts from the construction are refunded in the amount of the VAT from the rent. Citylagerhaus-Verwaltungs-GmbH takes on all activities involving VAT with all its complexities in order to maximise the investor's return on investment.



Optional expansion of the Citylagerhaus

If you are interested in purchasing Citylagerhaus construction phase I, we offer you another sustainable investment: Citylagerhaus II. The Citylagerhaus concept plan is to purchase a plot of land for 2 storage facilities in order to complete construction phase II when property I is 60-70% rented. In order to be able to provide sufficient storage boxes to additional tenants and to ward off potential competition at the location, this expansion of the capacities at the location is necessary. After a construction period of approx. 12 months for property II, Citylagerhaus I is expected to be fully occupied. The purchase prices for property II are also tiered, depending on whether the purchase takes place before construction begins or only after a certain occupancy rate has been reached.

Tiered purchase price structure of CLH 2		
Occupancy rate	Factor	Retail price
0 boxes or more	14-fold	€1.6 million
30 boxes or more	16-fold	€1.8 million
60 boxes or more	18-fold	€2.0 million
100 boxes or more	20-fold	€2.3 million

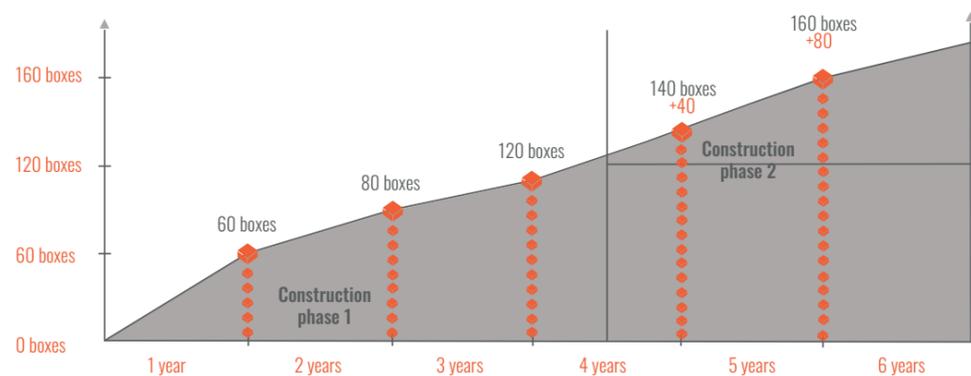
In this case, Module II with 113 boxes and thus approx. €114,000 net rental income was used as a basis.

If the investor does not exercise the option, Citylagerhaus-Verwaltungs-GmbH will construct property II and start renting it out on its own account. To avoid competition between different investors at the same location, Citylagerhaus-Verwaltungs-GmbH will not sell property II to a third party but will continue to operate it on its own account. The property manager will receive additional remuneration from Citylagerhaus-Verwaltungs-GmbH for management of the new property II. At the same time, we will ensure that prospective tenants are first offered the storage boxes of Citylagerhaus I.

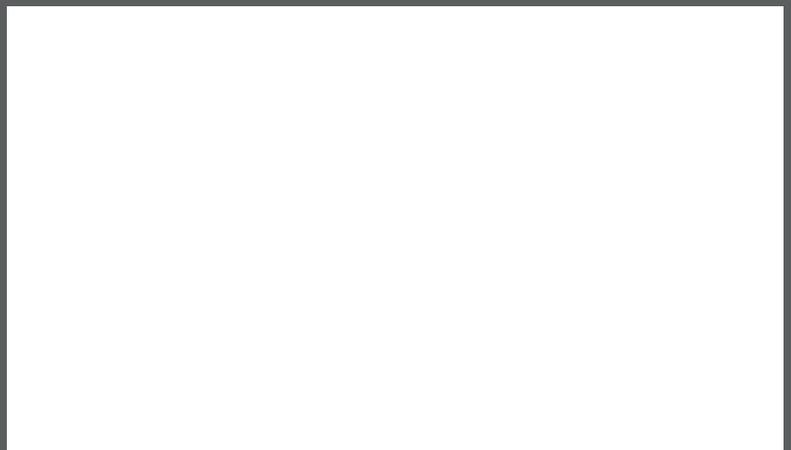
Who actually manages Citylagerhaus?

Martin Budde, residing in Hamburg, born in 1965. Martin Budde has been operating numerous commercial properties for more than 25 years. His focus has always been on sales, development and rental. As such, he has been operating the self-storage facility in Flensburg since 2008 and has successfully developed this proven, carefree turnkey package in Neumünster since 2016.

Planned rental process



RECOMMENDED BY



LAST BUT NOT LEAST

Unlike other (commercial) properties, there is no requirement that the investor resides near the site of its Citylagerhaus. This is because Citylagerhaus-Verwaltungs-GmbH assumes all tasks associated with the management of the Citylagerhaus.

This also includes regularly scheduled sightings and on-site inspections, which would otherwise have to be carried out by the investor himself to ensure proper operation.

Nevertheless, at the request of the investor, Citylagerhaus will be happy to find a location close to the investor so that the investor can enjoy his wise investment on a Sunday outing to his Citylagerhaus property.

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