

NICHE UNDERWRITING / BORROWER FIELD GUIDE

Industrial outdoor storage

Do the actual permitted site uses and tenancy rights support the proposed collateral and repayment?

Begin with the activity occurring on each portion of the site: storage, parking, loading, repairs or material handling. Match that map to actual leases, access rights and official approvals. A large parcel is not automatically an equally large rentable yard, and a successful current operation is not proof that every proposed expansion can proceed.

Use activity-specific environmental evidence

EPA describes industrial stormwater coverage by activities and identifies transportation facilities with maintenance or cleaning operations among regulated categories. Determine the actual site activities and permitting authority; do not assume every parking yard is covered, or that a storage label creates an exemption.

Separate historical use from future use

EPA's AAI overview addresses evaluating environmental conditions and potential contamination liability. An environmental assessment and a permitted-use determination answer different questions. Put both findings in the diligence file and identify any unresolved follow-up before treating expansion rent as supportable.

Measure what can earn rent

Build a usable-area bridge from gross land to leased yard after access lanes, setbacks, drainage, easements and unavailable areas are identified. Price surface repairs and drainage work separately. Ask the engineer and land-use adviser to verify those deductions for the actual operation.

Use with the dedicated Excel model for this niche. All numerical scenarios are hypothetical. Research and calculation scope are separated throughout this guide.

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What lenders want to understand

These are preparation questions. The actual lender determines required evidence, accepted cash flow and approval conditions.

01 / What activity is allowed, by whom and for how long?

Collect the site-specific zoning determination, permits, conditions and relevant lease rights; ask qualified advisers to identify transfer or change-of-use issues.

02 / Which area generates recurring cash?

Reconcile the survey and approved layout to tenant boundaries, billing units and collected receipts. Keep proposed spaces separate.

03 / What must be fixed before the next tenant can operate?

Prepare a scope for surfacing, drainage, fencing, lighting and access, with the responsible party and downtime identified.

Turn questions into an evidence ledger

For each answer, record the document date, responsible person, unresolved issue and lender response. Distinguish requested, received, reconciled and accepted. A document upload does not establish acceptance.

Hypothetical: a higher-rent trucking tenant

A buyer expects a trucking tenant to pay more than the current equipment-storage occupant.

Compare the proposed operating activity with existing approvals, physical circulation and environmental diligence. Model current rent until the necessary evidence, work and actual lease conditions support the transition.

A stronger proposed rent does not resolve a mismatch between legal use, usable area and physical capability.

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Document checklist

Use a common financial cutoff date. Record gaps and discrepancies alongside the documents.

Document and purpose	Status / owner
Survey and usable-yard reconciliation - Connect billed acreage or spaces to the actual collateral and operating footprint.	☐ Received ☐ Reconciled Owner: _____
Permits, conditions and use correspondence - Document actual allowed activities and unresolved questions instead of relying on marketing descriptions.	☐ Received ☐ Reconciled Owner: _____
Tenant leases and activity descriptions - Distinguish passive storage from maintenance, handling or other uses needing separate review.	☐ Received ☐ Reconciled Owner: _____
Environmental and stormwater findings - Retain professional conclusions, applicability determinations and dated follow-up responsibilities.	☐ Received ☐ Reconciled Owner: _____
Surface, drainage and access capital plan - Show required spending before adding new rental area or replacing an occupant.	☐ Received ☐ Reconciled Owner: _____

Attach the financing and cash evidence

Include a signed sources-and-uses reconciliation, existing debt and equipment obligations, proposed term sheet, available equity evidence, and a dated explanation for every material model assumption. Separate restricted balances from spendable cash.

Keep personal and customer records private

Use aggregate operating evidence in this educational workbook. Share sensitive supporting documents only through the lender or advisor's appropriate secure process. The workbook contains no upload connection.

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Use your dedicated Excel model

Usable Acres and Site Cash -> Operations -> Debt and Funding -> Summary

01 / Select a case

Save an untouched copy. In Assumptions D5 select 1 for Base or 2 for Downside. Both cases feed one monthly calculation; changing the selector recalculates the workbook.

02 / Populate the niche schedule

Replace blue input cells in Usable Acres and Site Cash!D10:L21 with dated source evidence. Retain formula cells. Source columns are: Gross site acres; Excluded / unusable acres; Requested leased acres; Monthly rent / usable leased acre; Rent collection fraction; Monthly upkeep / usable acre; Monthly security and site services; Drainage, surface and site capital; Actual tenant cost recoveries.

03 / Replace scenario assumptions

Replace illustrative scenario drivers, property value, acquisition uses, available equity and financing terms in Assumptions. These examples are not market benchmarks or lender requirements.

04 / Reconcile cash and financing

Trace monthly Operations into Debt and Funding. The signed funding surplus deducts closing equity and additional operating cash need; a negative result is an unfunded requirement.

05 / Resolve missing inputs

Inspect the Review checks and every unavailable result. Missing or invalid selected data is n.a.; a valid zero remains zero. Do not replace missing records with zeros.

06 / Confirm the transaction scope

Reconcile the chosen case to lender definitions and actual documents. The model covers twelve operating months and a contractual principal calculation at maturity; it does not forecast future refinancing approval.

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Calculation scope and conventions

Read these alongside the visible formulas. The source schedule is dedicated to this niche; contractual and eligibility decisions remain outside the model.

Excluded acres include the actual mapped setbacks, access, stormwater and unusable areas. Excluded area greater than gross area is unavailable, rather than treated as zero usable land.

Leasing is capped by usable acreage. The volume sensitivity changes requested leased area, not physical acreage or legal permission. Upkeep continues across all usable land, including vacant acres.

Recoveries are actual cash collected separately from rent. Keep reimbursable expense in gross site costs; do not net that cost and also add the reimbursement. Fixed costs exclude upkeep and site services already scheduled.

Site capital is below NCF and is not treated as additional acreage. Permitted use, surfaces, access, environmental conditions and stormwater requirements require parcel-specific review; acreage and cash-flow calculations establish none of those rights.

Sizing cash equals modeled annual cash NCF plus the entered lender adjustment. The adjustment does not create spendable cash.

Coverage size uses amortizing annual service. The loan is the minimum of coverage, LTV, debt yield and the requested ceiling.

The three sizing thresholds are illustrative editable inputs. Negative NCF produces zero income-supported capacity, never a negative loan.

Monthly payments use annual rate/12; IO principal is unchanged. After IO the original principal amortizes over the entered period.

Closing cash and later operating shortfalls are reconciled without counting the same cash reserve twice.

All numerical values are illustrative; no market facts or lender approval are asserted.

The twelve-month operating model omits taxes on investor returns and future refinancing costs except expressly entered items.

Author verification uses Artifact Tool recalculation, saved-XLSX reimport and separate JS arithmetic; independent application verification is recorded separately.

Legal, licensing, environmental, engineering and lender-specific recognition require actual diligence.

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A reconciled hypothetical example

Base and Downside are separate recalculations of the same model. Displayed dollars are rounded; Excel retains unrounded values.

Illustrative result	Base	Downside
Modeled revenue / contribution	\$656,640	\$564,559
NCF after reserve	\$444,741	\$325,057
NCF used for sizing	\$444,741	\$300,057
Modeled loan	\$3,600,000	\$2,492,097
Binding sizing constraint	Requested ceiling	DSCR
First-year debt service	\$262,845	\$215,090
Required closing equity	\$2,300,000	\$3,407,903
Equity left / (closing gap)	\$700,000	-\$407,903
Additional operating cash need	\$0	\$14,504
Equity left / (combined gap)	\$700,000	-\$422,406
Principal at modeled maturity	\$3,299,379	\$2,322,444

Base NCF used for sizing is \$444,741. The modeled loan is \$3,600,000, with Requested ceiling binding. Closing uses of \$5,900,000 less that loan require \$2,300,000 of equity. Available equity is \$3,000,000; the signed combined surplus/gap is \$700,000 after any additional operating cash need. Downside changes the loan to \$2,492,097 and the combined result to -\$422,406.

Illustrative Base / Downside inputs: Property value \$6,000,000 / \$5,000,000; Annual note rate 6.50% / 8.00%; Maximum LTV 65.00% / 60.00%; Minimum sizing DSCR 1.25 / 1.3; Minimum debt yield 9.00% / 10.00%; Amortization after IO (years) 25 / 25; Initial interest-only months 6 / 6.

Change the case and trace the result

Compare the binding sizing constraint, closing equity, monthly cash low point and maturity principal. A smaller modeled loan can increase the sponsor funding need even if the property remains cash-positive. The lender may use different income adjustments, payment conventions or collateral limits.

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Sources, limits and next steps

Sources below support identified research claims. They do not validate the fictional numerical inputs or represent a financing commitment.

EPA - Stormwater Discharges from Industrial Activities

Industrial Stormwater Overview; regulated categories; Authorized States

Applicability depends on activities, discharge and permitting authority; a storage label does not determine coverage.

<https://www.epa.gov/npdes/stormwater-discharges-industrial-activities>

Source checked: 2026-10-21

EPA - Brownfields All Appropriate Inquiries

All Appropriate Inquiries overview and persons subject to requirements

Environmental due-diligence context; AAI alone is not a guarantee of liability protection, site suitability or financing approval.

<https://www.epa.gov/brownfields/brownfields-all-appropriate-inquiries>

Source checked: 2026-10-21

About this educational model

Prepared with AI assistance and independently checked against the published example. Artifact Tool recalculation and saved-file checks are recorded in the release evidence. Native Microsoft Excel recalculation has not been independently verified. Verify your edited scenario in your spreadsheet application before using its results.

Discuss your financing with Jaken Finance Group

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Start a commercial financing request

Online niche guide, matching downloads and related research

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