



**Inland**  
Private Capital Corporation

Executive Overview

# Self-Storage Portfolio VIII DST

**CONFIDENTIAL**

DST Interests are speculative, illiquid and involve a high degree of risk. This material is neither an offer to sell, nor the solicitation of an offer to buy any security, which can be made only by a Private Placement Memorandum (the Memorandum), and sold only by broker dealers and registered investment advisors authorized to do so. All potential investors must read the Memorandum, and no person may invest without acknowledging receipt and complete review of the Memorandum. Investments are suitable for accredited investors only. Please see following page of this Executive Overview for important disclosures.

## Summary Risk Factors

An investment in the Interests of the Trust (as defined herein) involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum (as defined herein) captioned "*Risk Factors*." Capitalized terms used below but not defined herein shall have the meanings set forth in the Memorandum. The risks involved with an investment in the Trust include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors will have limited control over the Trust.
- The Trustees will have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- Certain risks are inherent to the self-storage industry, such as significant occupancy rate fluctuations and relatively low capital requirements or other barriers to entry for competing properties.
- An investment in Interests will not be diversified as to the type of asset or tenant mix.
- The Trust will depend on the Master Tenant for revenue and the Master Tenant will depend on the Tenants under the Rental Agreements, and any default by the Master Tenant or the Tenants will adversely affect the Trust's operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trusts.
- The Loan will reduce the funds available for distribution and increase the risk of loss.
- Because the Loan is cross-collateralized, an event of default under the Loan Documents may result in the Lender initiating a foreclosure action against all of the Properties.
- If the Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.
- The Loan Agreement contains various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- Repayment of the Loan prior to May 2, 2029 will subject the Trust to a prepayment penalty and the Loan Documents provide for cash management and cash flow sweep events.
- The Property Manager is subject to certain conflicts of interests.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

## IMPORTANT NOTES

The Inland name and logo are registered trademarks being used under license. Inland refers to some or all of the entities that are part of The Inland Real Estate Group of Companies, Inc., one of the nation's largest commercial real estate and finance groups, which is comprised of independent legal entities, some of which may be affiliates, share some common ownership or have been sponsored and managed by such entities or subsidiaries thereof. Inland has been creating, developing and supporting real estate-related companies for more than 50 years

THIS OFFERING CONTAINS REGISTERED TRADEMARKS THAT ARE THE EXCLUSIVE PROPERTY OF LIFE STORAGE, INC. AND ITS AFFILIATES. NONE OF LIFE STORAGE OR ITS AFFILIATES IS AN ISSUER OR UNDERWRITER OF THE INTERESTS BEING OFFERED IN THIS OFFERING, PLAYS (OR WILL PLAY) ANY ROLE IN THE OFFER OR SALE OF THE INTERESTS, OR HAS ANY RESPONSIBILITY FOR THE CREATION OR CONTENTS OF THIS OFFERING, AND LIFE STORAGE HAS NOT ENDORSED OR RATIFIED THIS MEMORANDUM OR THIS OFFERING. IN ADDITION, LIFE STORAGE WILL NOT HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER ARISING OUT OF OR RELATED TO THE SALE OR OFFER OF THE INTERESTS BEING OFFERED IN THIS OFFERING, INCLUDING ANY LIABILITY OR RESPONSIBILITY FOR ANY FINANCIAL STATEMENTS, PROJECTIONS, FORECASTS OR OTHER FINANCIAL INFORMATION OR OTHER INFORMATION CONTAINED IN THIS OFFERING OR OTHERWISE DISSEMINATED IN CONNECTION WITH THE OFFER OR SALE OF THE INTERESTS OFFERED BY THIS OFFERING.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.



## OFFERING HIGHLIGHTS

Beneficial Interests:	<b>\$97,179,813</b>
Loan Proceeds:	<b>\$139,100,000</b>
Offering Price:	<b>\$236,279,813</b>
Loan-to-Offering Price Ratio:	<b>58.87%</b>
Minimum Purchase (1031):	<b>\$100,000</b>
Minimum Purchase (cash):	<b>\$25,000</b>
Current Cash Flow:	<b>5.75%</b>

## > Self-Storage Portfolio VIII DST

### Portfolio of 32 Self-Storage Properties Located in Five States

Self-Storage Portfolio VIII DST, also known as the Trust, is a newly formed Delaware statutory trust (DST) and an affiliate of Inland Private Capital Corporation (IPC).

The Trust owns 32 self-storage properties (each, a Property and collectively, the Properties) across five states. Nine properties are located in Louisiana, eight properties are located in Mississippi, six properties are located in Texas, five properties are located in South Carolina and four properties are located in North Carolina. In total, the Properties comprise 17,272 storage units encompassing more than 2.1 million square feet. Each of the Properties will be operated as a self-storage facility under the Life Storage® name and brand.

**You should read the Private Placement Memorandum (the Memorandum) in its entirety before making an investment decision.** Capitalized terms used in pages 1 through 12 but not defined herein shall have the meanings set forth in the Memorandum.

## > The Offering

The Offering is designated for accredited investors seeking to participate in a tax-deferred exchange as well as those seeking a quality, multiple-owner real estate investment. Only accredited investors may purchase interests in this Offering. For more information, see “*Summary of the Offering*” and “*The Offering*”.



## Self-Storage Sector

The demand for self-storage continues to increase as healthy job growth, rising wages and the formation of new households support the need for self-storage. The self-storage sector has experienced an annual growth of 3.7 percent over the past five years, with annual U.S. revenues climbing past \$30 billion in 2018.<sup>1</sup>

Self-storage is considered by certain Wall Street analysts to be “recession resistant” based on its performance since the economic recession starting in September 2008. Demand for self-storage is driven by life events including marriage, divorce, birth, death, relocation, and the need for extra space, all of which occur regardless of economic upturns or downturns.

The retirement and downsizing of baby boomers, coupled with the continued emergence of millennials are expected to support the demand for self-storage space in the coming years. Millennials make up approximately 80 percent of the population of which slightly less than a third are non-commercial self-storage renters. This proportion is expected continue to rise as the demographic group enters their primary income-earning years. Private businesses are also a major source of self-storage demand as they tend to store additional inventory off-site at storage units rather than expanding their current office space as it is more cost effective for the business owners.<sup>2</sup>

## Sector Overview Highlights



**9.4% of renter households** use self-storage units



**3.7% annual growth** over the past 5 years



**48,500** self-storage facilities in the U.S.<sup>3</sup>



**\$38 billion<sup>4</sup>** annual industry revenue

<sup>1</sup> IBIS World. Storage & Warehouse Leasing in the U.S. July 2018.

<sup>2</sup> Marcus & Millichap. 2019 Self-Storage U.S. Investment Forecast.

<sup>3</sup> <https://www.simplyss.com/storage-options/self-storage-statistics/>

<sup>4</sup> <https://www.sparefoot.com/self-storage/news/1432-self-storage-industry-statistics/>

# > Investment Highlights

IPC believes that an investment in the Trust offers the following benefits



- Self-storage has been the fastest growing commercial real estate segment over the last 40 years
- The self-storage sector has experienced 3.7% annual revenue growth over the past five years
- Self-storage facilities continue to flourish as the cost of home ownership directs many people to apartment living where storage space is limited



- The Properties are located in five states across seven metropolitan statistical areas (MSAs), providing geographic diversification
- Each of the MSAs supports a demand for self-storage



- A subsidiary of Life Storage, Inc. (Life Storage), an established operator of self-storage properties and one of the largest self-storage companies in the world, will act as the property manager for the Properties
- Life Storage operates approximately 750 self-storage facilities encompassing more than 55 million square feet across 28 states



- Long-term amortizing loan with a 10-year term and a fixed rate of 3.809% per annum
- Principal amortizing in years four through 10 on 30-year schedule



- Master Lease structure allows the Master Tenant to operate Properties on behalf of the Trust
- Enables actions to be taken that the Trust would otherwise be unable to take, such as restrict re-leasing



# > The Properties

Each of the Properties is operated as a self-storage facility under the recognized Life Storage® brand name.

Cumulatively, the Properties offer a total of 17,272 storage units totaling more than 2.1 million rentable square feet. Certain of the Properties also contain rentable parking spaces, totaling 385 spaces.

Property	Storage Units	Rentable Square Feet*	Physical Occupancy**	2018 5-Mile Population <sup>3</sup>	2018 5-Mile Average Household Income <sup>3</sup>
<b>Louisiana Properties</b>					
<b>2207 Pinhook Property</b> 2207 W Pinhook Road Lafayette, LA 70508	503	53,475	93.0%	145,195	\$51,347
<b>2310 Pinhook Property</b> 2310 W Pinhook Road Lafayette, LA 70508	483	56,620	91.3%	146,480	\$51,880
<b>2860 Evangeline Property</b> 2860 NE Evangeline Trailway Lafayette, LA 70507	819	110,325	93.7%	89,406	\$37,794
<b>2888 Evangeline Property</b> 2888 NE Evangeline Trailway Lafayette, LA 70507	392	45,200	91.8%	87,190	\$38,019
<b>Broussard Property</b> 203 Albertson Parkway Broussard, LA 70518	662	67,575	91.8%	82,911	\$69,345
<b>Congress Property</b> 4706 West Congress Lafayette, LA 70506	557	54,292	90.7%	124,110	\$51,615
<b>Guilbeau Property</b> 313 Guilbeau Road Lafayette, LA 70506	655	73,275	92.5%	147,036	\$49,970
<b>Scott Property</b> 5922 Cameron Street Scott, LA 70583	329	31,600	92.7%	104,297	\$45,527
<b>Westgate Property</b> 300 Westgate Road Scott, LA 70506	397	37,025	89.9%	115,589	\$45,825

\* The rentable square footage includes the square footage of the storage units and the Retail Units, as applicable, but not the rentable parking spaces.

\*\* Physical occupancy is reported as of June 5, 2019 and is based on rentable square feet.

<sup>3</sup> CBRE appraisals reports.

Property	Storage Units	Rentable Square Feet*	Physical Occupancy**	2018 5-Mile Population <sup>4</sup>	2018 5-Mile Average Household Income <sup>4</sup>
<b>Mississippi Properties</b>					
<b>5111 Interstate Property</b> 5111 I-55 North Jackson, MS 39206	676	75,775	95.3%	110,459	\$44,598
<b>5961 Interstate Property</b> 5961 I-55 North Jackson, MS 39213	417	61,273	91.1%	101,059	\$50,301
<b>6011 Interstate Property</b> 6011 I-55 North Jackson, MS 39213	491	65,225	89.4%	101,059	\$50,301
<b>Flowood Property</b> 5491 Plaza Drive Flowood, MS 39232	1,006	145,080	93.5%	53,552	\$78,158
<b>Hattiesburg Property</b> 421 Classic Drive Hattiesburg, MS 39402	364	44,154	95.3%	57,344	\$38,900
<b>McDowell Property</b> 2947 McDowell Road Extension Jackson, MS 39204	304	38,361	87.2%	90,066	\$33,634
<b>Ridgeland Property</b> 130 Centre Street Ridgeland, MS 39157	697	102,750	92.3%	100,200	\$55,019
<b>West Property</b> 4000 N West Street Jackson, MS 39206	477	57,497	87.8%	115,131	\$37,917
<b>North Carolina Properties</b>					
<b>Gate City Property</b> 5810 W Gate City Boulevard Greensboro, NC 27407	460	56,388	94.4%	123,779	\$51,116
<b>Hilltop Property</b> 4207 Hilltop Road Greensboro, NC 27407	285	31,748	91.2%	156,160	\$46,592
<b>Holden Property</b> 3511 South Holden Road Greensboro, NC 27407	535	60,795	91.6%	138,242	\$42,208
<b>Stage Coach Property</b> 118 Stage Coach Trail Greensboro, NC 27409	291	32,875	89.0%	134,501	\$57,742
<b>South Carolina Properties</b>					
<b>2648 Notch Property</b> 2648 Two Notch Road Columbia, SC 29204	391	46,668	84.1%	180,229	\$41,485
<b>6000 Garners Property</b> 6000 Garners Ferry Road Columbia, SC 29209	463	51,679	95.6%	139,750	\$45,588
<b>7437 Garners Property</b> 7437 Garners Ferry Road Columbia, SC 29209	886	88,856	82.6%	109,395	\$50,239

\* The rentable square footage includes the square footage of the storage units and the Retail Units, as applicable, but not the rentable parking spaces.

\*\* Physical occupancy is reported as of June 5, 2019 and is based on rentable square feet.

<sup>4</sup> CBRE appraisals reports.



Property	Storage Units	Rentable Square Feet*	Physical Occupancy**	2018 5-Mile Population <sup>5</sup>	2018 5-Mile Average Household Income <sup>5</sup>
<b>South Carolina Properties</b>					
<b>10020 Notch Property</b> 10020 Two Notch Road Columbia, SC 29223	600	73,600	90.7%	113,745	\$66,366
<b>Parklane Property</b> 7403 Parklane Road Columbia, SC 29223	423	58,116	90.9%	123,461	\$48,358
<b>Texas Properties</b>					
<b>Dallas Property</b> 1606 Plantation Road Dallas, TX 75235	504	61,472	92.1%	338,108	\$59,441
<b>Katy Property</b> 5110 Franz Road Katy, TX 77493	625	85,652	92.2%	180,881	\$87,584
<b>League City Property</b> 2280 E Main Street League City, TX 77573	545	71,670	93.3%	190,515	\$76,305
<b>Pasadena Property</b> 4155 Fairway Plaza Drive Pasadena, TX 77505	613	99,970	90.9%	270,244	\$59,009
<b>Pinehurst Property</b> 32777 State Highway 249 Pinehurst, TX 77362	493	75,950	89.3%	47,848	\$66,391
<b>Richardson Property</b> 140 Centennial Boulevard Richardson, TX 75081	929	101,328	92.3%	413,160	\$56,398

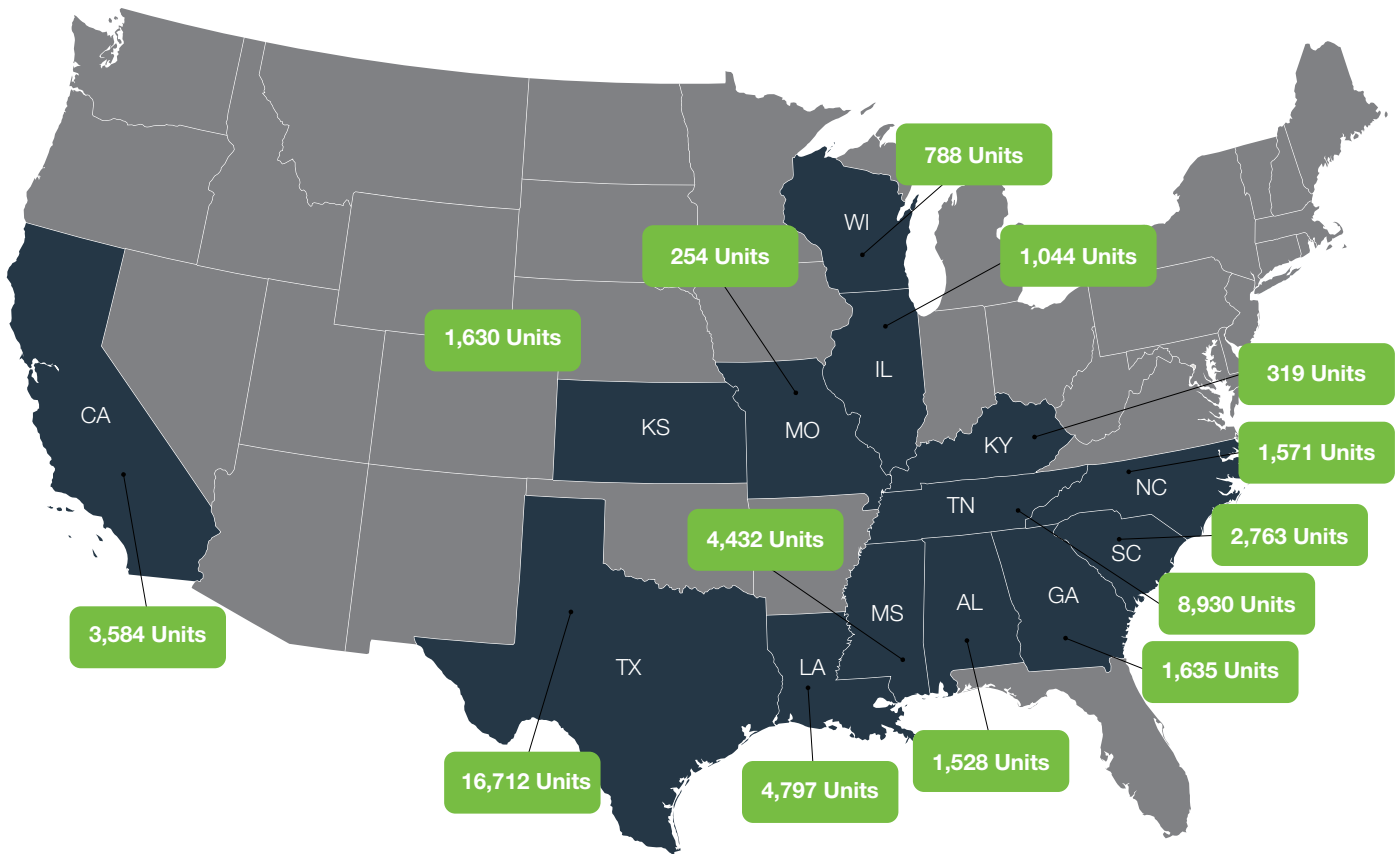
\* The rentable square footage includes the square footage of the storage units and the Retail Units, as applicable, but not the rentable parking spaces.

\*\* Physical occupancy is reported as of June 5, 2019 and is based on rentable square feet.

<sup>5</sup> CBRE appraisals reports.



## > IPC's Self-Storage Presence\*



### IPC's Investment Programs Own Self-Storage Properties Across the U.S.

- 107 self-storage properties
- 51,164 units
- More than \$695 million in aggregate offering price

\* Data as of July 19, 2019, and inclusive of the Properties described herein.

# > The Markets<sup>6</sup>

## **Lafayette, Louisiana MSA**

Nine of the Properties are located in the Lafayette, Louisiana greater region, commonly known as Acadiana. Lafayette is approximately 55 miles southwest of Baton Rouge and 150 miles northwest of New Orleans. The Lafayette MSA's population consists of more than 500,000 residents and is expected to grow through 2023. The top three industries within the Lafayette MSA are healthcare/social assistance, retail trade and accommodation/food services, representing 34 percent of the population. The MSA is forecasted to add approximately 1,600 jobs in 2019. Acadiana features some of the lowest costs to do business in the United States.

## **Jackson, Mississippi MSA**

Seven of the eight Mississippi Properties are in the Jackson, Mississippi MSA, which has a population of more than 580,000 and is expected to grow gradually through 2023. Thirty eight percent of the working population is represented in the healthcare/social assistance, retail trade and educational services sectors. The neighborhoods surrounding the Mississippi Properties contain a mix of multifamily communities as well as single-family residences.

## **Hattiesburg, Mississippi MSA**

The remaining Mississippi Property is located in the Hattiesburg, Mississippi MSA with a population of more than 147,000 and trending to increase through 2023. The MSA's top three industries are healthcare/social assistance, educational services and retail trade as the top three industries, representing 42 percent of the total population. The neighborhood includes a substantial amount of commercial development surrounded by a mix of single-family homes and apartments. The abundance of residential streets improve the accessibility to these properties which are also surrounded by retail options and the University of Southern Mississippi.

## **Greensboro-High Point, North Carolina MSA**

Four Properties are located in the Greensboro-High Point, North Carolina MSA with a population close to 770,000, which is forecasted to steadily increase by nearly 30,000 through 2023. The MSA's top three industries being manufacturing, healthcare/social assistance and retail trade, representing 42 percent of the population. The immediate neighborhood is bordered by major highways and contains a mix of multifamily and single-family homes. There are several local retail developments currently under construction along with some commercial developments.

<sup>6</sup> All market information provided by Colliers International Valuation & Advisory Services, unless noted otherwise.

### **Columbia, South Carolina MSA**

The Columbia, South Carolina MSA is home to five of the Properties and boasts a population of more than 800,000 residents with a steady growth path expected through 2023. The top three industries within the area are healthcare/social assistance, retail trade and educational services, which represent a combined total of 35 percent of the population.<sup>7</sup> The surrounding neighborhood is primarily residential with some commercial development including office buildings and neighborhood shopping centers. Some of the South Carolina Properties are also near colleges and medical care facilities.

### **Dallas-Ft. Worth-Arlington, Texas MSA**

Two of the Texas Properties are located in the Dallas-Ft. Worth-Arlington, Texas MSA which has a population of more than 7.5 million that is expected to continue to grow at almost two percent annually through 2023. The MSA has an unemployment rate of 4.3 percent and its top three industries include healthcare/social assistance, retail trade and manufacturing, representing 32 percent of the combined population. Dallas is well known for its medical district, specifically the UT Southwestern Medical Center, one of the nation's premier research institutions and ranks amongst the top academic medical centers in the nation. The recent growth in the area is contributed to by the completion of the George Bush Turnpike (SH 190), a six-lane roadway. Much of the immediate area consists of residential and retail use.

### **Houston-The Woodlands-Sugar Land, Texas MSA**

The remaining four Texas Properties are in the Houston-The Woodlands-Sugar Land, Texas MSA which is home to a population of more than seven million and is projected to grow by an additional two percent by 2023. The MSA's top three industries are healthcare/social assistance, retail trade and construction, representing 32 percent of the total population. The area is dependent on the petroleum and gas industry, including petroleum refining and petrochemical processing. The immediate area is seeing new retail developments to accommodate the rapid residential growth. The surrounding freeway system provides for easy access to the Texas Properties.

<sup>7</sup> CBRE appraisals reports.



## > The Property Manager

The Properties are managed and operated by a subsidiary of Life Storage, Inc., a fully integrated, self-administered and self-managed real estate investment trust that acquires and manages self-storage properties throughout the United States. Life Storage is headquartered in Buffalo, New York.



Neither the Property Manager nor Life Storage is affiliated with the Trust, the Master Tenant, the Asset Manager or the Sponsor.

Life Storage properties are electronically secured by video surveillance systems and provide 24-hour access at some locations. Recently, Life Storage launched an online rental system, Rent Now, which fully allows customers to complete rental agreements, pay, and move into their storage unit immediately.

### **Life Storage Highlights:<sup>8</sup>**

- 774 self-storage facilities
- 55 million square feet of storage space
- Rent Now online system

<sup>8</sup> <https://www.lifestorage.com/company/#mainMenu>



## > The Financing

The Trust funded the purchase of the Properties with a combination of cash and financing. The material terms of the loan (the Loan) are as follows.

<b>Principal Amount</b>	\$139,100,000
<b>Lender</b>	KeyBank National Association and Barclays Capital Real Estate Inc.
<b>Collateral</b>	The Properties
<b>Interest Rate</b>	3.809%
<b>Maturity Date</b>	August 1, 2029
<b>Amortization</b>	Years 4-10 on a 30-year schedule

The Loan is secured by a deed of trust or mortgage on each of the Properties. The Trust is responsible for repayment of the Loan, and the Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Properties.

# > About Inland Private Capital Corporation

Inland Private Capital Corporation specializes in offering a diverse menu of Section 1031 exchange investment opportunities and defined-asset private placements throughout the United States. Formed in 2001, IPC is recognized as the industry leader in securitized 1031 exchange transactions. IPC is part of the Inland Real Estate Group of Companies, Inc. (Inland), one of the nation's largest commercial real estate and finance groups with more than 50 years of experience, and a subsidiary of Inland Real Estate Investment Corporation, the sponsor for Inland's real estate investments and income solution programs.



#1

Market Share\*

232

Sponsored Programs

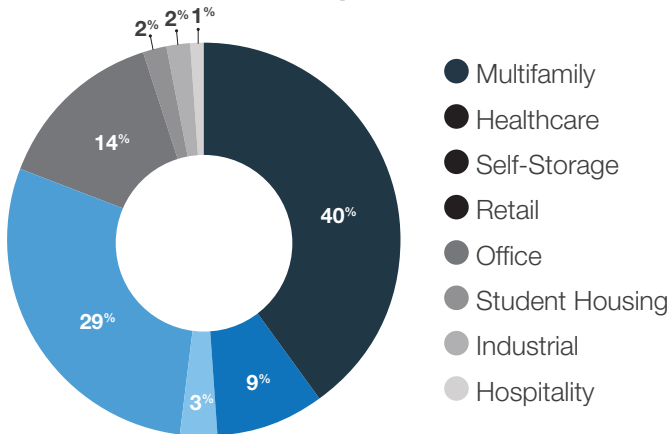
\$7.3

Billion AUM

8.01%

Weighted Average Annualized Rate of Return\*\* on Full-Cycle Programs\*\*\*

## AUM by Sector



## Results by Asset Class

	Cumulative Sales Price	Weighted Avg. ARR
Multifamily	\$236,266,108	12.63%
Retail	\$632,978,911	7.10%
Office	\$247,009,165	4.11%
Student Housing	\$81,721,250	10.63%
Industrial	\$118,170,041	5.96%
Healthcare	\$59,100,000	11.23%
<b>Total Sales Price</b>	<b>\$1,316,145,475</b>	

Since IPC's inception in 2001, Inland entities, employees, spouses, directors and affiliated employees have **invested more than \$42 million** in IPC-sponsored offerings, reflecting Inland's alignment with its investors.

**NOTE:** All data as of December 31, 2018. Past performance is not necessarily indicative of future performance.

\*Source: Mountain Dell Consulting

\*\***Weighted Average Annualized Rate of Return (ARR)** For each full-cycle program, the ARR is calculated as the sum of total cash flows distributed during the term of the investment program, plus any profit or loss on the initial offering price, divided by the investment period for that program. To determine the weighted average for all programs, the ARR for each program is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs since inception (2001). To determine the weighted average in each asset class, the ARR for each program within that asset class is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs within that asset class since inception (2001). For a full list of program dispositions, see "Prior Performance of IPC Affiliates" set forth in this Memorandum.

\*\*\* **Full-Cycle Programs** are those programs that no longer own any assets. However, in certain limited situations in which the subject property(ies) were in foreclosure, IPC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interest in the original program for a proportionate beneficial interest in a new program, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities. Because such exchanges result in an investment continuation, the original programs are not considered full-cycle programs for these purposes.



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ADISA | ALTERNATIVE & DIRECT INVESTMENTS



IPC was recognized in 2006 and 2016 for distinguished accomplishments that demonstrated commitment to excellence and service to the alternative investment industry.



Inland received the BBB's prestigious award in 2009, 2014 and 2017 honoring businesses that exhibit ethical practices in the marketplace.