Urow Real Estate

CASE STUDY

Boat & RV Storage with Solar

Oakley, California

PROJECT **AT-A-GLANCE**

2013 - 2025 Hold Period	**$2.5M** Equity Invested	**5.5x** Equity Multiple
$600K Annual Solar Income	**8+ years** Remaining Solar Term	**$9M** Federal Tax Credits

INVESTMENT SUMMARY

Oakley Executive RV & Boat Storage is a sprawling 15.2-acre site offering 273,105 square feet of covered boat and RV parking to the greater Bay Area market. The site is located along SR 160, approximately 40 miles east of San Francisco and serves the growing community of Oakley, which is celebrated for its outdoor recreation opportunities along the scenic Sacramento-San Joaquin River Delta.

The property was developed in three phases between 2013 and 2022 utilizing SBA financing and equity-efficient structures. Each phase included solar canopy installations with power purchase agreements ("PPAs") generating long-term recurring income, reducing operating expenses, and providing significant tax savings from the Federal Investment Tax Credit and Bonus Depreciation.

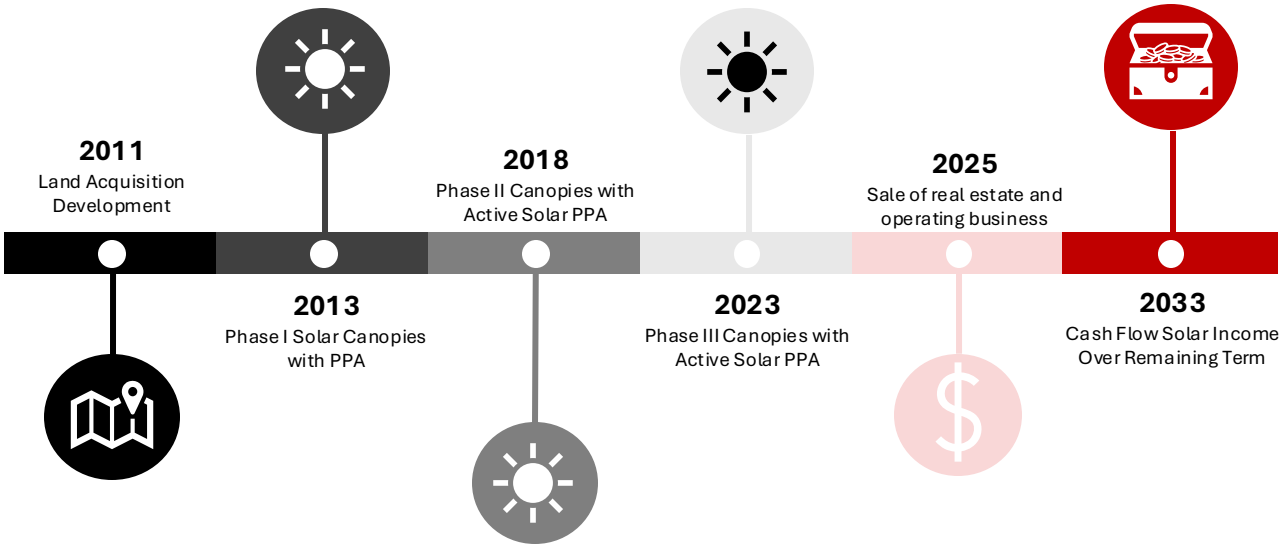
After a successful development and lease-up, the seller monetized the real estate and operating business while retaining the solar assets. The structure allowed the seller to realize a significant capital event and maintain long-term recurring cash flow. The solar assets have 10 years of remaining term to the seller and produce annual cash flows of $600k.

- **Strong Occupancy Rates –** 80% unit and 87% square foot occupancy
- **Excellent Demographics –** Situated in Contra Costa County with Avg. Household Income of $125,797 in a 20-Mile Radius.
- **State-of-the-Art Security –** 24/7 Monitored Surveillance Cameras, Gated Access, and 14' tall Perimeter Fence.
- **Best-in-Class Design –** Extra-Wide Aisles, Angled Spaces, Top-Tier Security
- **High Barrier of Entry Market –** Stringent zoning, scarce land in the Bay Area stifle new development
- **Solar-Boosted NOI –** Onsite Solar Reduces Costs and Adds $695k/Year in Revenue

PROJECT TIMELINE

The project was developed over a decade with original land acquisition in 2011. The owner took a multi-phased approach working closely with Baja Carports to develop premium, solar-canopy covered parking. The first phase delivered approximately 160k NRSF and leased within four years. Solar income from Phase I averaged $360k/year from 2014-2017, providing steady cash flow for the property during its initial lease up.

Phase II was developed in 2018 bringing another 50k NRSF and leasing over a 2-year period while adding annual solar income of $120k/year. Finally, Phase III was delivered in 2023 adding 63k NRSF of covered parking and $160k of annual solar income.

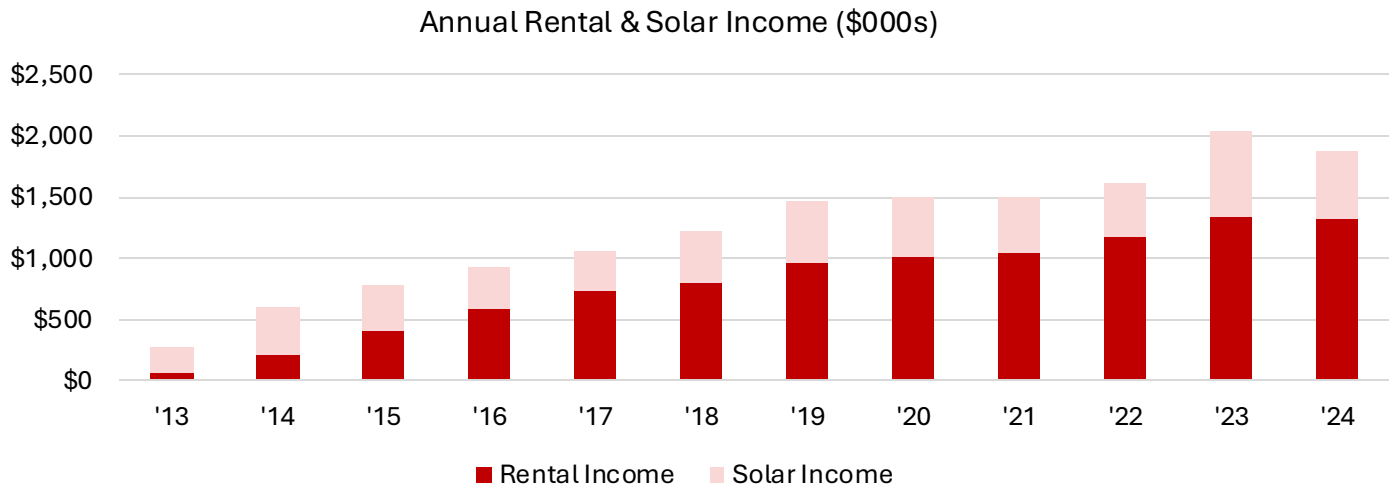


PERFORMANCE HIGHLIGHTS

This covered boat and RV storage facility was developed in three strategic phases—launched in 2013, expanded in 2018, and completed in 2023—totaling 273,000 square feet under solar canopies. Designed to meet growing demand for secure, covered storage, the project consistently leased an average of 26,000 square feet per year. At exit, the property reached 87% physical occupancy, with units achieving an impressive average rent of $269 per month. The integration of solar canopies not only provided sustainable energy benefits but also enhanced the value proposition for tenants seeking premium, weather-protected storage.

26K	87%	59%	5.5x	19.7%
SF Leased/Yr[1]	SF Occupancy%	NOI Margin[2]	Equity Multiple	IRR

[1] Average NRSF leased per year excluding development periods
[2] Stabilized NOI Margin excluding solar income



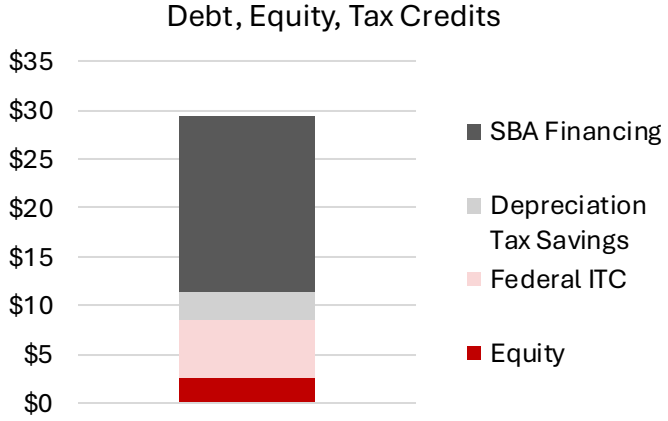
The figure above demonstrate the lease-up trend of boat and RV as well as the impact of the solar cash flows. Note, early in the lease-up period, the solar income was greater than rental income, providing critical cash flows for debt service and reducing negative carry for ownership.

CAPITAL STRUCTURE

The project was financed through a combination of owner equity, low-interest SBA debt—which covered the majority of project costs—and federal tax incentives.

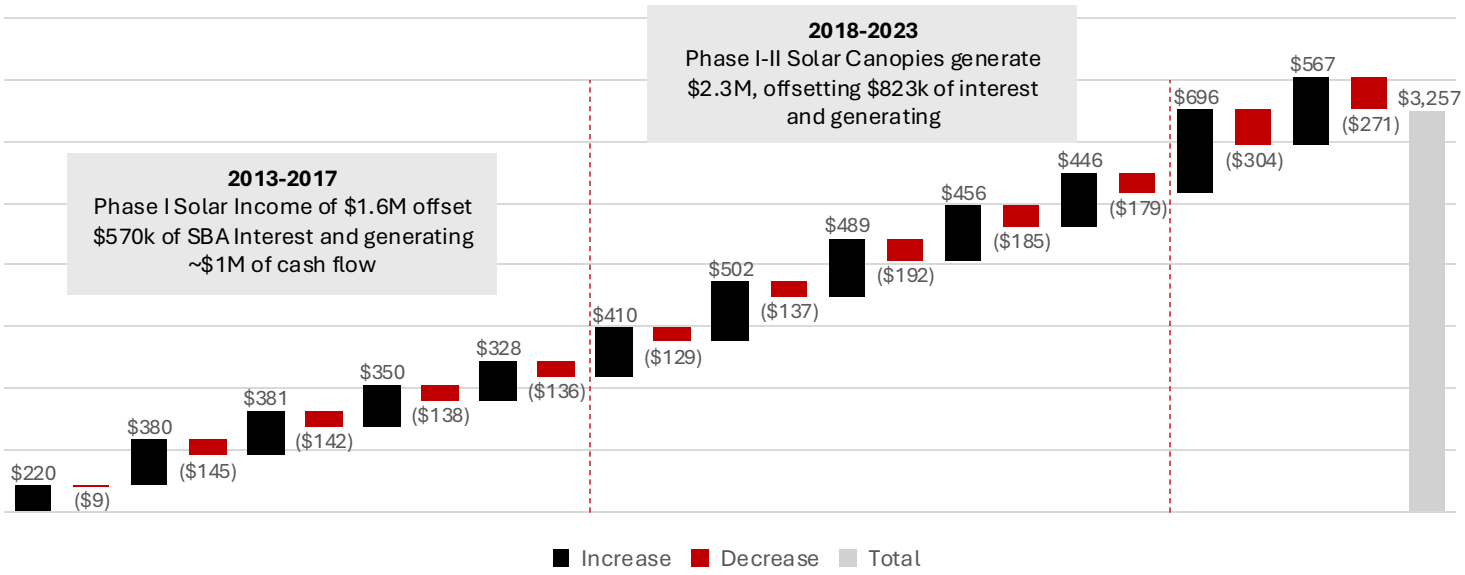
In total, the owner contributed just over $2.5M of equity. Cash tax credits from the Federal Investment Tax Credit and bonus depreciation provided an additional $6M and $3M of proceeds, respectively. The balance of the project costs were funded with SBA financing over multiple phases.

The use of attractive SBA debt, solar credit, and on-going solar income allowed the owner to mitigate interest costs and enhance the project's financial returns.



HOW SOLAR IMPACTED CASH FLOW

The chart below shows annual solar income (increases) versus SBA interest expenses (decreases) from 2013 to 2023. Solar incomes were a critical source of cash flow, offsetting SBA interest and reducing operating expense carry for the owner. Over the hold period, solar generated $3.3M of cash flow in excess of debt service.



EXIT STRATEGY & CURRENT POSITION

After stabilizing operations and successfully monetizing the core business, the seller retained ownership of the solar infrastructure, strategically isolating it as a standalone asset. With approximately $600K in current annual net operating income (NOI) derived from solar energy and bolstered by long-term power purchase agreements (PPAs), the asset now delivers reliable, recurring passive income with minimal operational overhead. This innovative structure disentangles real estate appreciation from the dependable cash flow of energy production, offering unparalleled flexibility and unlocking substantial long-term wealth creation potential.

KEY TAKEAWAYS FOR FUTURE INVESTORS

Low Equity, High Output	Attractive SBA financing, solar income, and tax credit and depreciation benefits amplified investor returns.
Tax Efficient	Over $9M of Federal Investment Tax Credits and bonus depreciation claimed
Recurring Passive income	Approximately $600k in contracted solar income locked in for 8+ years with no maintenance or repair obligations as part of PPA
Flexible Exit	Core real estate monetized for significant gain while solar income was retained by the seller
Replicable Model	Works in markets with boat and RV storage demand and attractive solar incentives