



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue IX-2014

It's Your Move!

Evaluating an Owner's Options in a Booming Market

by Ben Vestal

After three years of momentum building in the self-storage investment market, buyers and lenders will place what could be record amounts of capital into self-storage properties by the end of 2014. Self-storage lending is fundamentally strong and lenders are continuing to maintain disciplined underwriting standards all while creating liquidity and a fluid transaction market. At the same time, overall market fundamentals are remaining strong with demand surging and supply of new product still slow in coming. The question on many investors' minds is "how long will this last?" History tells us that these market cycles always go farther and last longer than anyone thinks. Each self-storage owner must consider their individual and company objectives to capitalize on the current market conditions and make sure they protect the fruits of their labor. Below I have outlined the various options that owners face today and what they can do to maximize their investment.

Option 1: Batten Down the Hatches

You want to hold on to your property for the long haul. The questions you must consider are: Are you willing to hold your property for 5-10 years? Do you have solid financing currently in place for the contractual period of at least 5-7 years? Do you have liquid resources to cover the debt service in the event that your revenues decline 25%? Is your property one of the five most competitive properties in a 3-5 mile radius? Is the local municipality reluctant to approve new self-storage projects? If you cannot answer "yes" to these questions then you will have a serious problem reaching your objective of holding the property for a long period.

As we all learned between 2008 and 2011, the availability of real estate loans can become scarce for long periods of time and terms can drastically change from one year to the next. It is clear that value of self-storage properties can fluctuate drastically in a 5-10 year period, as much as 40%. You can only imagine the effect that a 40% value reduction would have on a property that is seeking financing. If you are not comfortable with your answer to any of these questions try Option 2 below.

Option 2: Time to Move On

If you are thinking of retiring, lowering your risk, are concerned about your market or just want to take it easy and

simplify your life, maybe you should think about selling. The necessary questions to answer are: Are you willing to sell at the market price? Do you want to avoid waiting several more years for the next "peak" in values? Do you believe that prices are within 10% to 20% of the all-time highs? Do you understand cap rates? Are you willing to pay the taxes? Once again if your answer is "yes" to these questions you should evaluate the option of selling. There are many serious buyers in the market today, almost always knowledgeable about self-storage and, for the foreseeable future, willing to pay very aggressive prices for well-run and well located properties. The net result is that if you decide to explore selling in today's market, you should expect a very aggressive valuation of your property and you most likely will be faced with the decision of choosing from multiple buyers. If you are not comfortable with your answers to Option 2, you may want to think about Option 3 or returning to Option 1.

Option 3: Denial

Denial, by simple default or negligence, is often a popular choice when presented with several options that seem to make financial sense. By any standards the first two options are more difficult and denial is easier - for now! However, Options 1 and 2 give you some ability to protect the fruits of your labor. As history has proven, the one thing that remains constant is that investments change and the value of an investment has more to do with the market than the overall performance of the investment. Thoughtful action is always more productive than worrying about doing nothing!

As investment advisors, we have orchestrated over 1,500 transactions for our clients with a value that far exceeds \$1 Billion. Argus and our many colleagues in the business can help you understand the current market and assist you in buying or selling properties. Although we wish we could change the market to meet every client's needs, real estate brokers are simply in a position to keep our clients informed and help them find the best solution for their individual needs in order to help them reach their self-storage investment objectives. **MM**

Ben Vestal, President of the Argus Self Storage Sales Network, can be reached at 800-557-8673 or bvestal@argus-realestate.com.



Property Showcase

Phenix City, AL



\$1,725,000

- 145 Units **NEW!**
- 17,780 RSF
- 3.33 +/- Acres
- Includes indoor vehicle Storage
- High occupancy
- Great visibility and high traffic counts
- Owner financing available
- Expansion Potential

**Bill Barnhill, CCIM
& Stuart LaGroue**

251-432-1287

barnhill@selfstorage.com
stuart@selfstorage.com



Tavares, FL



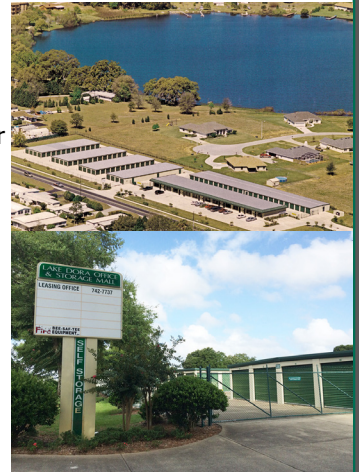
\$1,525,000

- 313 Units **NEW!**
- 35,713 RSF
- 3.02 Acres
- Value-add opportunity
- Positive occupancy trends over past two years
- Quality construction
- Well maintained
- Fenced, security cameras
- Convenient central location in Lake County, FL

**Frost Weaver
& Christopher Weaver**

904-265-2001

fweaver@weaver-realty.com
cweaver@weaver-realty.com



Yuma, AZ



\$6,500,000

- 838 Units **NEW!**
- 97,560 RSF
- 8.5 Acres
- Largest facility in Yuma with room for expansion
- Located next to Marine Corps Air Station Yuma
- Easy freeway access via I-8
- Growing economic base
- Digital LED sign
- Solar power system installed

Jeff Gorden, CCIM

480-331-8880

jgorden@selfstorage.com



Jackson, GA



\$2,520,000

- 414 Units **NEW!**
- 48,416 RSF
- 3.29 Acres
- Highly visible facility on main traffic corridor
- Well established operation with same ownership for 10 years
- 92% economic occupancy
- 2 acres to the rear of property included for expansion
- No deferred maintenance

Mike Patterson, CCIM

770-241-9070

ebroker@msn.com



Fort Collins, CO



\$2,500,000

- 211 Units **NEW!**
- 33,575 RSF
- 3.4 Acres
- Brand new self storage project
- Ability to add 10,000 SF of portable storage units
- High barriers to entry market
- Strong market fundamentals
- 415 feet of highway frontage on I-25

Joan Lucas

720-855-6587

jluucas@selfstorage.com



South Beloit, IL



\$1,100,000

- 175 Units
- 28,800 RSF
- 2.068 Acres
- Good traffic exposure and great visibility
- High historical occupancy
- Very well maintained
- Great upside potential
- Same owners for 25 years
- May be land available for purchase for future expansion

Bruce Bahrmassel

312-518-3550

bruce@selfstorage.com





Property Showcase

Brooklyn, MI • \$925,000

- 160 Units **NEW!**
- 26,160 RSF
- 4.9 Acres
- Located in the Irish Hills near State Campground/Park and MIS Speedway
- Low maintenance steel buildings
- Fenced yard with keypad access
- Expandable

Jim Soltis

810-494-2062

jsoltis@previewproperties.com



West Hurley, NY • \$4,000,000

- 348 Units **NEW!**
- 46,800 RSF
- 9.6 Acres
- Stabilized facility
- High traffic location
- High barriers to entry
- Additional land available with approvals for additional 32,000 SF
- High historic occupancy

Guy Blake, CCIM

845-522-5900

gblake@pyramidbrokerage.com



Ruidoso, NM • \$790,000

- 129 Units **NEW!**
- 15,115 RSF
- 5.201 Acres
- Only climate controlled facility in Ruidoso
- Great potential to increase current income by 24% over next few years
- Located in a year round mountain resort community
- Excellent upside potential

Noel Woodwell

915-491-9610

nwoodwell@hotmail.com



Conroe, TX • \$950,000

- 182 Units **NEW!**
- 31,600 RSF
- 3.348 Acres
- 38 parking spaces
- Great value-add opportunity
- Plenty of upside due to current occupancy
- Bankruptcy sale by trustee - must sell!
- 1.153 acres in the front for expansion

Bill Brownfield, CRE, CCIM

713-907-6497

bill@wbrownfield.com



Bayport, NY • \$2,200,000

- 133 Units **NEW!**
- 11,558 RSF
- 1.3 Acres
- Established business
- In-town location
- High visibility with 22,000+ vpd
- Located on Montauk Highway
- Expansion opportunity
- RV/Commercial parking
- Good upside potential

Linda Cinelli, CCIM

908-722-5661

linda@lcrealtyusa.com



Houston, TX • \$22,960,000

- 2-Property Portfolio **NEW!**
- 1,028 Total Units
- 128,264 Total RSF
- 6.862 Total Acres
- Beautiful "Class AA" properties in north Houston
- High occupancy
- Well maintained
- High visibility locations with main road frontage

Bill Brownfield, CRE, CCIM & Joan Lucas

713-907-6497/720-855-6587

bill@wbrownfield.com

jlucas@selfstorage.com





Sells Self Storage Nationwide!

For property details, visit www.argus-selfstorage.com or contact your local Argus Broker Affiliate!

Alabama

| | | | |
|-------------|--------------|------------------------------|--------------|
| Dothan | \$4,795,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |
| Phenix City | \$1,725,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |
| Pinson | \$1,270,000 | Bill Barnhill/Shannon Barnes | 251-432-1287 |
| | | Stuart LaGroue | 251-432-1287 |
| Theodore | SOLD! | Bill Barnhill/Stuart LaGroue | 251-432-1287 |

Arizona

| | | | |
|---------------|-------------|-------------------|--------------|
| Bullhead City | \$680,000 | Jeffery A. Gorden | 480-331-8880 |
| Fort Mohave | \$500,000 | Jeffery A. Gorden | 480-331-8880 |
| Glendale | \$1,260,000 | Jeffery A. Gorden | 480-331-8880 |
| Yuma | \$6,500,000 | Jeffery A. Gorden | 480-331-8880 |

Arkansas

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|----------|-------------|---------------|--------------|
| Avoca | \$2,347,000 | Larry Goldman | 913-339-0641 |
| Hiwassee | \$599,000 | Larry Goldman | 913-339-0641 |

California

| | | | |
|----------|--------------|-------------|--------------|
| San Jose | \$13,500,000 | Tom de Jong | 408-282-3829 |
| Vallejo | In Contract | Tom de Jong | 408-282-3829 |
| Vallejo | \$1,850,000 | Tom de Jong | 408-282-3829 |
| Woodland | \$6.50 PSF | Tom de Jong | 408-282-3829 |
| Yreka | \$590,000 | Tom de Jong | 408-282-3829 |

Colorado

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|--------------|-------------|-----------------|--------------|
| Colo Springs | \$2,700,000 | Joan Lucas | 720-855-6587 |
| Colo Springs | \$5,900,000 | Joan Lucas | 720-855-6587 |
| Colo Springs | \$7,200,000 | Joan Lucas | 720-855-6587 |
| Colo Springs | \$9,000,000 | Joan Lucas | 720-855-6587 |
| | | Bill Brownfield | 713-907-6497 |
| Cortez | \$1,185,000 | Joan Lucas | 720-855-6587 |
| Fort Collins | \$2,500,000 | Joan Lucas | 720-855-6587 |
| Loveland | \$2,400,000 | Joan Lucas | 720-855-6587 |

Florida

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|-----------------|-------------|----------------------|--------------|
| Lake City | \$325,000 | John W. Hill | 386-362-3300 |
| Melbourne | \$9,500,000 | W. Frost Weaver | 904-265-2001 |
| New Port Richey | \$425,000 | Chuck Grey/Jeff Grey | 727-849-2424 |
| Tavares | \$1,525,000 | W. Frost Weaver | 904-265-2001 |

Georgia

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|---------------|-------------|----------------|--------------|
| Douglasville | \$1,460,000 | Mike Patterson | 770-241-9070 |
| Jackson | \$2,520,000 | Mike Patterson | 770-241-9070 |
| Lawrenceville | \$3,200,000 | Mike Patterson | 770-241-9070 |
| Villa Rica | \$1,200,000 | Mike Patterson | 770-241-9070 |
| Winston | \$292,000 | Mike Patterson | 770-241-9070 |

Illinois

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|-----------|--------------|------------------|--------------|
| Danville | SOLD! | Larry Goldman | 913-339-0641 |
| Dupo | \$895,000 | Larry Goldman | 913-339-0641 |
| S. Beloit | \$1,100,000 | Bruce Bahrmassel | 312-518-3550 |

Kansas

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|---------------|--------------|---------------|--------------|
| KC Portfolio | Call Broker | Larry Goldman | 913-339-0641 |
| Iola | \$530,000 | Larry Goldman | 913-339-0641 |
| Junction City | \$1,895,000 | Larry Goldman | 913-339-0641 |
| Topeka | SOLD! | Larry Goldman | 913-339-0641 |

Michigan

| | | | |
|----------|--------------|------------|--------------|
| Brooklyn | \$925,000 | Jim Soltis | 810-494-2062 |
| Lapeer | SOLD! | Jim Soltis | 810-494-2062 |
| Sturgis | \$369,000 | Jim Soltis | 810-494-2062 |

Missouri

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|---------------|-------------|---------------|--------------|
| Arnold | \$1,330,000 | Larry Goldman | 913-339-0641 |
| Branson West | \$895,000 | Larry Goldman | 913-339-0641 |
| Lee's Summit | \$2,650,000 | Larry Goldman | 913-339-0641 |
| Mount Vernon | \$498,000 | Larry Goldman | 913-339-0641 |
| Sunrise Beach | \$1,870,000 | Larry Goldman | 913-339-0641 |

Mississippi

| | | | |
|---------|-------------|------------------------------|--------------|
| Brandon | \$650,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |
| Brandon | \$3,449,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |

Mississippi, cont.

| | | | |
|-------------------|-------------|------------------------------|--------------|
| Canton | \$850,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |
| Leland | \$220,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |
| 3-Prop. Portfolio | \$4,500,000 | Bill Barnhill/Stuart LaGroue | 251-432-1287 |

Montana

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|----------|-------------|-------------|--------------|
| Billings | \$2,700,000 | Larry Hayes | 406-544-1921 |
|----------|-------------|-------------|--------------|

New Hampshire

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|-------------|-------------|-------------|--------------|
| Claremont | \$290,000 | Joe Mendola | 603-668-7000 |
| Londonderry | \$2,300,000 | Joe Mendola | 603-668-7000 |

New Jersey

| | | | |
|--------------|-------------|---------------|--------------|
| Branchville | \$1,300,000 | Linda Cinelli | 908-722-5661 |
| Hackettstown | \$4,400,000 | Linda Cinelli | 908-722-5661 |
| Howell | \$2,350,000 | Linda Cinelli | 908-722-5661 |
| Montague | \$1,600,000 | Linda Cinelli | 908-722-5661 |
| Ogdensburg | \$1,600,000 | Linda Cinelli | 908-722-5661 |
| Orange | \$750,000 | Linda Cinelli | 908-722-5661 |
| Pemberton | \$975,000 | Linda Cinelli | 908-722-5661 |

New Mexico

| | | | |
|--------------|-----------|----------------------------|--------------|
| Mesilla Park | \$625,000 | David Etzold/Noel Woodwell | 915-491-9610 |
| Ruidoso | \$790,000 | David Etzold/Noel Woodwell | 915-491-9610 |

New York

| | | | |
|-------------|-------------|---------------|--------------|
| Bayport | \$2,200,000 | Linda Cinelli | 908-722-5661 |
| Hicksville | \$4,200,000 | Linda Cinelli | 908-722-5661 |
| Islip | \$3,995,000 | Linda Cinelli | 908-722-5661 |
| Middletown | \$450,000 | Linda Cinelli | 908-722-5661 |
| Modena | \$775,000 | Linda Cinelli | 908-722-5661 |
| Monticello | \$4,500,000 | Linda Cinelli | 908-722-5661 |
| Peekskill | \$3,500,000 | Linda Cinelli | 908-722-5661 |
| Port Jervis | \$1,600,000 | Linda Cinelli | 908-722-5661 |
| West Hurley | \$4,000,000 | Guy Blake | 845-522-5900 |

North Dakota

| | | | |
|--------------|-------------|------------------|--------------|
| Watford City | \$1,200,000 | Bruce Bahrmassel | 312-518-3550 |
|--------------|-------------|------------------|--------------|

Ohio

| | | | |
|-----------------|-------------|--------------|--------------|
| Ashtabula | \$379,000 | Alec Pacella | 216-455-0925 |
| Canton | \$2,500,000 | Alec Pacella | 216-455-0925 |
| Canton | \$1,150,000 | Alec Pacella | 216-455-0925 |
| Cleveland | \$1,600,000 | Alec Pacella | 216-455-0925 |
| Painesville | Call Broker | Alec Pacella | 216-455-0925 |
| Sheffield Vill. | \$1,050,000 | Alec Pacella | 216-455-0925 |

Oregon

| | | | |
|---------|-----------|---------------|--------------|
| Medford | \$641,000 | Steve Boldish | 541-776-1031 |
|---------|-----------|---------------|--------------|

Pennsylvania

| | | | |
|---------------|-------------|---------------|--------------|
| Bechtelsville | \$1,350,000 | Chuck Shields | 610-828-0100 |
| Matamoras | \$1,100,000 | Linda Cinelli | 908-722-5661 |
| Olyphant | \$850,000 | Chuck Shields | 610-828-0100 |

Texas

| | | | |
|------------|--------------|--------------------------------|------------------------------|
| Conroe | \$950,000 | Bill Brownfield | 713-907-6497 |
| Fort Worth | \$4,600,000 | Tyler Trahan/Richard Minker | 817-840-0055 |
| Galveston | \$8,500,000 | Bill Brownfield | 713-907-6497 |
| Houston | \$22,960,000 | Bill Brownfield/ Joan Lucas | 713-907-6497 720-855-6587 |
| Schertz | \$5,000,000 | Bill Brownfield | 713-907-6497 |
| Spring | \$6.00 PSF | Bill Brownfield | 713-907-6497 |

Virginia

| | | | |
|--------------|-------------|-------------|--------------|
| Chesapeake | \$750,000 | Stuart Wade | 757-618-3597 |
| Portsmouth | \$2,100,000 | Stuart Wade | 757-618-3597 |
| Williamsburg | \$6,490,000 | Stuart Wade | 757-618-3597 |

Wisconsin

| | | | |
|-------------|-----------|-----------------|--------------|
| New Franken | \$730,000 | Matson Holbrook | 414-270-4108 |
|-------------|-----------|-----------------|--------------|

ARGUS SALES



Congratulations to Larry Goldman, CCIM of RE/MAX Commercial who sold Flex Storage Systems in Topeka, KS and Danville Mini Warehouses in Danville, IL! Contact Larry at 913-339-0641 for more information.



Congratulations to Bill Barnhill, CCIM and Stuart LaGroue of Omega Properties, Inc. who sold Mr. P's Self Storage in Theodore, AL! Bill and Stuart can be reached at 251-432-1287 for details.



Congratulations to Jim Soltis of Preview Properties.com who sold Sam's Storage in Lapeer, MI! Contact Jim at 810-494-2062 for more information.



Congratulations to Joe Mendola of NAI Norwood Group who sold a self storage development site in Goffstown, NH! Joe can be reached at 603-668-7000 for details.

Contact an Argus Broker Affiliate

NORTHEAST

Guy Blake, CCIM
Linda Cinelli, CCIM, CEA
Joseph Mendola
Chuck Shields

Company

Pyramid Brokerage Company
LC Realty
NAI Norwood Group
Beacon Commercial Real Estate

Phone

845-522-5900
908-722-5661
603-668-7000
610-862-1645

Territory

Upstate NY, Western CT
Northern NJ, NY (NYC, Long Island)
MA, ME, NH VT, Eastern CT
Eastern PA, Southern NJ, DE

SOUTHEAST

Bill Barnhill, CCIM
N.J. "Joey" Godbold
Mike Patterson, CCIM
Stuart Wade
Frost Weaver (FL Commercial Brokers Network)

Omega Properties, Inc.
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Larry Goldman, CCIM
Mike Helling & Paul Grisanti, CCIM
Matson Holbrook, CCIM & Max Schultz
Jim Soltis

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KY, Southern IN
WI
MI

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Bill Brownfield, CRE, CCIM
David Etzold & Noel Woodwell
Larry Goldman, CCIM
Mike Helling & Paul Grisanti, CCIM
Jared Jones, CCIM
Richard D. Minker, CCIM

Omega Properties, Inc.
MKP Self Storage LLC
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Grisanti Group Commercial Real Estate
Porthaven Partners
CASE Commercial Real Estate Partners

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817-335-5600

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AR
TN
OK
North TX

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Tom de Jong
Gilbert Enciso
David Etzold & Noel Woodwell
Jeffery A. Gorden, CCIM
Larry Hayes
Joan Lucas
Bill Nicoloff
Jason Wilcox, CCIM

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Hayes & Associates
Joan Lucas Real Estate Services, LLC
Newmark Grubb ACRES
RAVEN Commercial Real Estate

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