



SELF STORAGE SALES NETWORK

# Market Monitor

America's Premier Self Storage Brokers

Issue IV-2013

## Professional Guidance: More Valuable Than You Think

by Ben Vestal

Spring is upon us and so are new opportunities in the self-storage real estate business. Over the years we have experienced the peaks and valleys of the real estate cycle and it is apparent today that we are certainly on the way up, if not at the top. This has allowed many owners, investors and self-storage professionals to enjoy the benefits of the rising real estate values. However, it has occurred to me that many owners and investors simply don't understand what value a broker brings to a transaction when they are buying or selling a self-storage property. This misunderstanding has cost self-storage owners and investors millions of dollars as they have tried to save a few thousand dollars by not engaging a professional self-storage broker. Obviously this statement is self-serving, but I think you will find the points made below valuable as you consider your representation with regard to self-storage transactions.

The question is: Why does a real estate broker get paid to help someone buy and sell self-storage facilities? The quick answer is that existing owners and potential owners believe they get value from using a brokerage service. Another answer might be that an owner might use a broker for the same reason they see a cardiologist rather than their college roommate when they have chest pain. The fact is, in the last 12 months, Argus Broker Affiliates closed over \$100+ million in self-storage transactions and currently have 70+ listings, with more than \$20 million under contract. It is therefore apparent that many of our clients believe they are getting value from our professional services.

### What Are We Selling: Dirt, Bricks or Income?

In all income-producing real estate, the valuation process is focused around the net operating income of the business and the potential for future income. It is important to understand that the value of a property is determined by the market and not by the listing process. One might say that we are selling the income of the property, not the property itself. There are many subtleties you should consider when valuing a property such as quality of construction, location, market or competition, just to name a few.

The most common and effective way to determine the value of a property is by the use of cap rates. The real estate industry evaluates the rates of return and risk for income-producing properties through the use of cap rates; essentially the rate of return that an investor requires to make the investment. Such rates of return and perceived risk compete for investor dollars with other investments such as CDs, stocks, bonds and any other income-producing investment. If you wonder why self-storage real estate has demanded such aggressive prices in today's market, it is because investors believe that the risk adjusted returns are very compelling by today's standards.

It is the duty of a good real estate broker to evaluate all of the various impacts to the value and arrive at a price that will be competitive in the marketplace. A competitive price is high enough to capture an enamored or urgent buyer who might pay a little more and allow for a little negotiation, but not so high as to scare off the serious knowledgeable buyers who actually purchase about ninety percent of all properties that are listed. Before you decide to value your sale or purchase "at home" please read the section on experience in this article.

### Exposure Still Sells!

In real estate, like any other business, exposure sells. Without it, how would prospective buyers ever know about properties for sale? The only way you are able to maximize your value and guarantee that you are receiving the best offers for your property is to ensure that the maximum number of buyers are able to see it. The end result of this effort is that sellers are always able to obtain a higher price and greater assurance of a closing if the property is marketed to the broader spectrum of qualified buyers.

Brokers today use several key websites to market their listings to the broader market as well as other brokers. Sites like LoopNet and PropertyLine are searched by thousands of buyers and brokers each day who repre-

*(continued)*

---

sent buyers and sellers of self-storage properties around the country. Argus is fortunate to have the exclusive ability to market self-storage properties for sale on the #1 internet site for self-storage, [www.selfstorage.com](http://www.selfstorage.com). It has become standard practice in the industry to list properties for sale on these websites, and without a broker to place the listing your property would be missing out on thousands of potential buyers from around the country. It is also important to consider your local market for your property, and again this is where having a broker is imperative. Argus brokers are located in over 35 markets around the country and they understand the local dynamic while developing relationships with key buyers in each market. When you have local representation your property has a much better chance of getting a serious look from the local, regional and national buyers who are active in the market.

It is also important to consider how your property is going to be marketed once you choose a broker to sell your property. A quality presentation is necessary to present your property in the best light and to give the prospective purchaser the information they need to make an informed decision. The Argus offering memorandum is a well-recognized publication in the industry and is both informative and easy to understand. With 19 years of experience in the self-storage industry we have found that in most cases the buyers of self-storage properties are already self-storage owners or have been researching the industry for an extended length of time. This means that it is important to market self-storage listings to a very specific group of people. Argus has developed a database of over 20,000 self-storage owners and investors across the country who receive our marketing publications (Market Monitor, Alert on Self-Storage) each month. This unparalleled distribution is only available to owners who list their properties with an Argus Broker Affiliate. We are convinced that no other broker or marketing company can have as effective a reach to the self-storage owners and investors demographic.

### Experience Does Matter!

We all know the feeling of putting together a child's toy around the holidays and the significant learning that comes with it. Negotiating and consummating a commercial real estate transaction, just like the child's toy, has many "little parts" that are critically necessary to a

successful completion. Successfully navigating a real estate deal requires a unique combination of skills, financial analysis, salesmanship, marketing savvy, persistence, financing, negotiation strategy, understanding of construction, tax and legal familiarity, local market knowledge, knowing who the "real buyers are" and often understanding the local political situation. Obviously, this collection of skills is not learned from a single transaction or a set of instructions, but from doing many real estate deals with a different variety of situations and surrounding yourself with a professional real estate network. Most real estate deals at one point or another become an exercise in problem solving. These crises that seem to come up in almost every deal are better met with "last time we fixed this it was this way", than "let me research the problem and get back to you" and the difference between these two is experience.

Argus brokers provide an advantage to self-storage owners because they focus on our unique corner of the real estate business. While self-storage is real estate, there are many subtleties of the business that only constant and intimate experience with the industry can provide. While we believe we know a lot about the business of buying and selling self-storage properties we are certainly not overconfident to the point that we think that we have learned everything. However, from completing more than 230+ transactions over the last few years we are certainly well versed in the deal-making business.

Argus brokers add another dimension to the experience equation that we believe is very important to our clients - our collective experience as an organization. With nearly 1,000 years of cumulative real estate experience among the 35+ Argus affiliates around the country, Argus brokers are uniquely positioned to help their clients as part of the largest self-storage specific platform in the country.

I am hopeful that this article will help you understand the value that an Argus Broker Affiliate can add to your self-storage real estate transaction. It is important for you to know what our purpose is and how we go about achieving results for our clients. Hopefully it is clear that our ultimate goal is to maintain our fiduciary responsibility to our client while assisting our clients in meeting their real estate investment goals. **MM**

*Ben Vestal, President of the Argus Self Storage Sales Network, can be reached at 800-557-8673 or [bvestal@argus-realestate.com](mailto:bvestal@argus-realestate.com).*

# ARGUS

# Property Showcase

## Bullhead City, AZ • \$475,000 & \$420,000

- 2 Properties may be purchased together or separately - contact broker for details
- Below market rents
- Excellent upside potential Clearwater Storage
- 68 Units, 13,561 RSF Riverview Self Storage
- 84 Units, 12,685 RSF

**Jeff Gorden, CCIM**

480-331-8880

[jgorden@selfstorage.com](mailto:jgorden@selfstorage.com)



## Whiteville, NC • \$3,750,000

- 6-Property Portfolio
- 871 Total Units
- 112,808 Total RSF
- 13.16 Total Acres
- Excellent opportunity to essentially control the storage market in Columbus County, NC
- Properties are well-run and well-maintained

**Joey Godbold**

704-632-1027

[jgodbold@pmcre.com](mailto:jgodbold@pmcre.com)



## Phoenix, AZ • \$1,500,000

- Self Storage Development Site
- 1.78 Acres
- 112,200 RSF Proposed
- 726 Units Proposed
- Previously entitled self storage site with plans included
- Great high traffic location in dense residential area
- Joint venture possible

**Jeff Gorden, CCIM**

480-331-8880

[jgorden@selfstorage.com](mailto:jgorden@selfstorage.com)



## Elyria, OH • \$2,699,000

- 667 Units
- 80,650 RSF
- 14 Acres
- Great location on highway exit ramp
- 11,280 SF of unused buildings offer conversion potential
- Rents below market rates

**Alec Pacella, CCIM & Michael Venesky**

216-455-0886

[apacella@naidaus.com](mailto:apacella@naidaus.com),  
[mvenesky@naidaus.com](mailto:mvenesky@naidaus.com)



## Dupo, IL • \$807,000

- 146 Units
- 23,700 RSF
- 1.56 Acres
- Excellent exposure to 15,000 cars per day
- Strong ancillary sales of portable buildings and truck rentals
- Expandable

**Larry Goldman, CCIM**

913-339-0641

[lgoldman@selfstorage.com](mailto:lgoldman@selfstorage.com)



## Painesville, OH • \$315,000

- 42 Units
- 8,060 RSF
- 1.085 Acres
- Convenient location
- Current rents are 25% below market rates
- Plenty of land for expansion
- Quality construction

**Alec Pacella, CCIM & Michael Venesky**

216-455-0886

[apacella@naidaus.com](mailto:apacella@naidaus.com),  
[mvenesky@naidaus.com](mailto:mvenesky@naidaus.com)



## St. Joseph, MO • \$2,350,000

- 426 Units
- 59,200 RSF
- 3.39 Acres
- Strong history of stable occupancy
- Manager's apartment and office
- Fenced with electronic gate access
- Located adjacent to Interstate 29

**Larry Goldman, CCIM**

913-339-0641

[lgoldman@selfstorage.com](mailto:lgoldman@selfstorage.com)



## Verden, OK • \$249,500

- 73 Units
- 9,900 RSF
- 1.286 Acres
- Room for expansion
- Highway 62 frontage
- Minimal competition
- On site management

**Jared Jones, CCIM**

918-665-1210

[jjones@bauertulsa.com](mailto:jjones@bauertulsa.com)







# Sells Self Storage Nationwide!

- Over \$117 million in self storage properties currently for sale, with prices ranging from \$300,000 to over \$9 million to meet the needs of every buyer.
- Check out our current inventory of 72 properties listed in 24 states and contact the listing broker for more information.
- For property details, broker information and helpful industry articles, visit [www.argus-selfstorage.com](http://www.argus-selfstorage.com)!

## Alabama

Andalusia	\$900,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Foley	\$999,500	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	251-432-1287
Theodore	\$300,000	Bill Barnhill/Stuart LaGroue	251-432-1287

## Arizona

Bullhead City	\$475,000	Jeffery A. Gorden	480-331-8880
Bullhead City	\$420,000	Jeffery A. Gorden	480-331-8880
Kingman	\$3,875,000	Jeffery A. Gorden	480-331-8880
Lake Havasu City	\$7,500,000	Jeffery A. Gorden	480-331-8880
Phoenix	\$1,500,000	Jeffery A. Gorden	480-331-8880

## Arkansas

Hiwassee	\$599,000	Larry Goldman	913-339-0641
Little Rock	\$2,675,000	Larry Goldman	913-339-0641
		Richard Minker/Tyler Trahant	817-335-5600
Little Rock	\$525,000	Larry Goldman	913-339-0641
Siloam Springs	<b>SOLD!</b>	Larry Goldman	913-339-0641

## California

Orland	Make Offer	Tom de Jong	408-282-3829
Vallejo	Make Offer	Tom de Jong	408-282-3829

## Colorado

Brighton	\$3,850,000	Joan Lucas	720-855-6587
Colorado Springs	\$7,012,000	Joan Lucas	720-855-6587

## Florida

Live Oak	\$599,999	John W. Hill	386-362-3300
Macclesney	\$1,725,000	W. Frost Weaver	904-265-2001
Malabar	\$475,000	Adam Rathbun	321-752-1199
Panama City	\$900,000	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	
Pensacola	\$615,000	Bill Barnhill	251-432-1287
Wildwood	\$849,000	Reggie Caruthers	352-748-1182
Wildwood	\$799,000	Reggie Caruthers	352-748-1182

## Georgia

Carrollton	\$300,000	Mike Patterson	770-241-9070
Villa Rica	\$980,000	Mike Patterson	770-241-9070

## Illinois

Dupo	\$807,000	Larry Goldman	913-339-0641
Freeport	\$1,050,000	Bruce Bahrmassel	312-518-3550
Rochelle	\$899,000	Bruce Bahrmassel	312-518-3550

## Kansas

Junction City	\$1,895,000	Larry Goldman	913-339-0641
---------------	-------------	---------------	--------------

## Michigan

Lapeer	\$785,000	Jim Soltis	810-494-2062
--------	-----------	------------	--------------

## Missouri

Marshfield	\$2,550,000	Larry Goldman	913-339-0641
Sedalia	\$775,000	Larry Goldman	913-339-0641
St. Joseph	\$2,350,000	Larry Goldman	913-339-0641

## Mississippi

Meridian	\$1,596,000	Bill Barnhill/Stuart LaGroue	251-432-1287
----------	-------------	------------------------------	--------------

## New Hampshire

Claremont	\$290,000	Joe Mendola	603-668-7000
-----------	-----------	-------------	--------------

## New Jersey

Branchville	\$1,950,000	Linda Cinelli	908-722-5661
Hackettstown	\$4,500,000	Linda Cinelli	908-722-5661
Haledon	\$725,000	Linda Cinelli	908-722-5661
Montague	\$1,600,000	Linda Cinelli	908-722-5661
Pemberton	\$975,000	Linda Cinelli	908-722-5661
Pennsauken	\$1,300,000	Linda Cinelli	908-722-5661

## New Mexico

Alamogordo	\$3,950,000	Noel Woodwell	915-491-9610
Albuquerque	\$750,000	Noel Woodwell	915-491-9610
Mesilla Park	\$550,000	Noel Woodwell	915-491-9610

## New York

Hicksville	\$4,200,000	Linda Cinelli	908-722-5661
Lynbrook	\$2,550,000	Linda Cinelli	908-722-5661
Middletown	\$450,000	Linda Cinelli	908-722-5661
Modena	\$1,800,000	Linda Cinelli	908-722-5661
Peekskill	\$3,500,000	Linda Cinelli	908-722-5661
Port Jervis	\$1,600,000	Linda Cinelli	908-722-5661
Shirley	\$5,700,000	Linda Cinelli	908-722-5661

## North Carolina

Chapel Hill	\$895,000	Joey Godbold	704-632-1027
Whiteville	\$3,750,000	Joey Godbold	704-632-1027

## North Dakota

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

## Ohio

Cleveland	\$2,300,000	Alec Pacella/Michael Venesky	216-455-0886
Elyria	\$2,699,000	Alec Pacella/Michael Venesky	216-455-0886
Franklin	\$775,000	Alec Pacella/Michael Venesky	216-455-0886
Painesville	\$315,000	Alec Pacella/Michael Venesky	216-455-0886

## Oklahoma

Commerce	\$585,000	Larry Goldman/ Jared Jones	913-339-0641 918-665-1210
Hugo	\$1,650,000	Jared Jones	918-665-1210
Stillwater	\$750,000	Jared Jones	918-665-1210
Tulsa	\$950,000	Jared Jones	918-665-1210
Verden	\$249,500	Jared Jones	918-665-1210

## Oregon

Bandon	\$749,000	Steve Boldish	541-776-1031
Medford	<b>SOLD!</b>	Steve Boldish	541-776-1031

## Pennsylvania

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

## Texas

Fulshear	\$4,250,000	Bill Brownfield	713-366-3134
Gonzales	\$3,200,000	Bill Brownfield	713-366-3134
Horizon City	\$350,000	Noel Woodwell	915-491-9610
Richmond	\$1,850,000	Bill Brownfield	713-366-3134

## Washington

Friday Harbor	\$1,890,000	Jason Wilcox	206-919-7643
Morton	\$697,000	Jason Wilcox	206-919-7643

# Argus Sales

## Congratulations to the following Argus Broker Affiliates on thier recent sales!



Larry Goldman, CCIM of RE/Max Commercial sold American Self Storage in Siloam Springs, AR! Contact Larry at 913-339-0641 for details.



Steve Boldish, CCIM of Oregon Self Storage Brokers sold Sage Road Mini Storage in Medford, OR! Steve can be reached at 541-776-1031 for more information.



Join Argus at the **SSA Spring Conference and Tradeshow** in Philadelphia! Visit the Argus Booth (#415) to talk with a broker and learn more about our available properties.

April 22-24, 2013 Philadelphia Marriott

**Click Here to request a Free Tradeshow Hall pass, or contact your Argus Broker Affiliate listed below!**

### Contact an Argus Broker Affiliate

#### NORTHEAST

Guy Blake, CCIM  
Linda Cinelli, CCIM, CEA & Sean Bortel  
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  
Frost Weaver (FL Commercial Brokers Network)

Omega Properties, Inc.  
Percival McGuire Commercial Real Estate  
Commercial Realty Services of West Georgia  
Weaver Realty Group, Inc.

888-801-4534  
704-632-1027  
770-241-9070  
904-733-0039

FL Panhandle  
NC, SC  
GA  
North, Central & South FL

#### NORTH CENTRAL

Bruce Bahrmassel  
Alec Pacella, CCIM & Michael Venesky  
Larry Goldman, CCIM  
Mike Helline & Paul Grisanti, CCIM  
Jim Soltis

Landstar Realty Group  
NAI Daus  
RE/MAX Best Associates  
Grisanti Group Commercial Real Estate  
Preview Properties.com

312-518-3550  
216-831-3310  
913-339-0641  
502-253-1811  
810-494-2062

Northern IL, Northern IN  
OH  
KS, MO, Southern IL  
KY, Southern IN  
MI

#### SOUTH CENTRAL

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

Omega Properties, Inc.  
MKP Self Storage LLC  
Etzold & Co.  
RE/MAX Best Associates  
Grisanti Group Commercial Real Estate  
Bauer & Associates  
CASE Commercial Real Estate Partners

888-801-4534  
713-366-3134  
915-845-6006  
913-339-0641  
502-253-1811  
918-665-1210  
817-335-5600

AL, MS  
South & Central TX  
West TX  
AR  
TN  
OK  
North TX

#### WEST

Tyler Clay & Bob Southern  
Steve Boldish, CCIM  
Alan Davidson, CCIM  
Tom de Jong  
David Etzold & Noel Woodwell  
Jeffery A. Gorden, CCIM  
Larry Hayes  
Joan Lucas  
Jason Wilcox, CCIM

Coldwell Banker Commercial Clay & Associates  
Oregon Self Storage Brokers  
Realty One  
Colliers International  
Etzold & Co.  
Eagle Commercial Realty Services  
Hayes & Associates  
Joan Lucas Real Estate Services, LLC  
Gleason & Company Commercial Real Estate

775-829-5900  
541-776-1031  
949-424-1680  
408-282-3829  
915-845-6006  
480-331-8880  
406-728-0088  
720-855-6587  
206-919-7643

NV  
OR  
Southern CA  
Northern CA  
NM  
AZ  
ID, MT  
CO  
WA