



SELF STORAGE SALES NETWORK

# Market Monitor

America's Premier Self Storage Brokers

Issue XII-2014

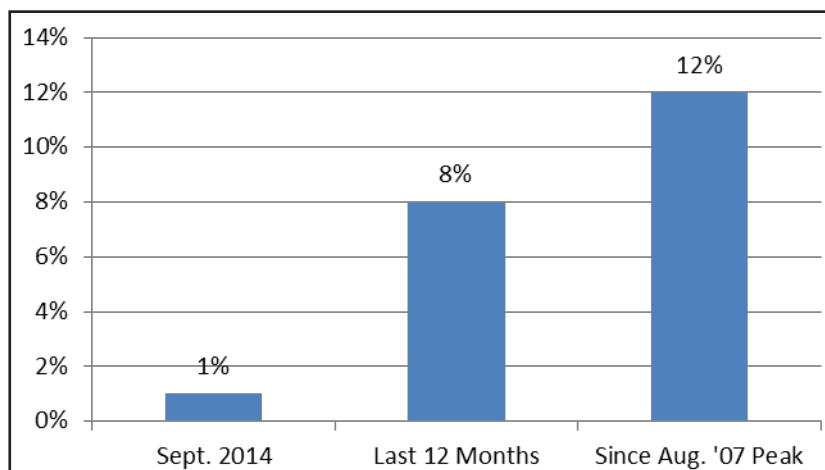
## 2014 A Year in Review

by Ben Vestal

Looking back over 2014, most self-storage operators continue to bask in their own glory and in general, self-storage properties continue to perform better than expected. The last six months of 2014 were markedly different than the first few months. Liquidity in the real estate debt and equity markets was supercharged over the last six months, pushing self-storage values to new record levels. It is clear that the art of real estate arbitrage is allowing buyers to achieve very compelling cash on cash returns, even while paying historically high prices. Remember it's the ability to borrow, not the ability to pay, that sets the market price for all real estate assets.

Most independent self-storage owners still appear to be selling primarily because of life events, with few making the decision to sell in order to capitalize on the current peak in self-storage values. However, it is very apparent that institutional (non-REIT) investors took notice of the current market conditions by selling some or all of their self-storage holdings. This year, large institutionally owned self-storage portfolios came to market or were sold this year. However, it is clear that all commercial real estate is enjoying an upward swing in valuation. According to Green Street Advisors the Commercial Property Price Index (CPPI) increased by 1% in September 2014 and is up 12% since the August 2007 peak, as indicated in the chart below.

Chart I: Change in Commercial Property Values



Source: Green Street Advisors Commercial Property Price Index

As we all know, "all boats rise with the tide" and self-storage assets seem to be leading the pack this time around. However,

the question you must ask yourself is how much of your asset's value is due to the state of the commercial real estate market and current debt markets and how much is attributable to the improved operations and fundamentals of your self-storage property?

Throughout 2014 we saw many of the small to mid-sized operators finally enjoying their share of success. This is largely due to improved management platforms, market fundamentals and the trickle down of the lower cost of capital to the small to mid-sized operators. The self-storage REITS and other large institutional operators are still enjoying very strong economics and growth. Today however, the institutional buyers seem to be struggling to find reasonably priced product (there is a limit to how much they can pay) and sufficient quality product on the market. This has led several of them to enter into build-to-suit arrangements allowing a developer to obtain a forward looking agreement that would close at certificate of occupancy.

It is now time to look into the crystal ball and position yourself for success in 2015. While we will continue to see very robust transaction volume over the next 12 months for all self-storage properties, it is possible that transaction volume may pause in mid to late-2015 as the market may adjust to the "thought" of rising interest rates and as the first wave of new development of any scale is delivered to the market. We have started to see self-storage investors, large and small, moving to smaller markets and suburban properties as they search for higher yields.

We believe this will continue for the foreseeable future. However, if investors are in search of bargains they will need to move a bit further down the quality spectrum. With real estate sentiment remaining strong, we have found, ironically, that the uncertainty in the market (interest rates, inflation, stock market, overseas conflict, stock market fluctuations, etc.) may actually be increasing demand for self-storage investment for both large institutional investors and the small entrepreneurs who are looking to invest in the stability of the self-storage industry. **MM**

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



# Property Showcase

## Saraland, AL \$3,100,000

- 475 Units
- 54,881 RSF
- 1.5 Acres
- All climate controlled facility
- High traffic, high visibility location
- Portable storage containers and truck rental offered

**NEW!**



**Bill Barnhill, CCIM &  
Shannon Barnhill Barnes, CCIM**  
251-432-1287  
barnhill@selfstorage.com  
shannon@selfstorage.com

## Mangum, OK \$350,000

- 111 Units
- 14,400 RSF
- 29,400 SF Land Area
- Well positioned property with upside available
- Priced well below replacement cost
- High quality construction
- Located in active trade area

**NEW!**



**Jared Jones, CCIM**  
918-583-3483  
jjones@porthavenpartners.com

## Livingston, TX \$1,400,000

- 249 Units
- 46,400 RSF
- 4 Acres
- Fully leased with 99% economic occupancy
- Located 1 hour north of Houston
- Portfolio sale with properties in Texarkana

**NEW!**



**Bill Brownfield, CRE, CCIM**  
713-907-6497  
brownfield@selfstorage.com

## Yuma, AZ \$2,500,000

- 452 Units
- 61,618 RSF
- 3.85 Acres
- Self serve car wash included
- Excellent frontage and corner location
- Growing economic base with excellent long term prospects

**NEW!**



**Jeff Gorden, CCIM**  
480-331-8880  
jgorden@selfstorage.com

## Muskogee, OK \$1,650,000

- 340 Units
- 52,520 RSF
- 2.42 Acres
- Significant upside available!
- Priced well below replacement cost
- Only climate control facility in the market

**NEW!**



**Jared Jones, CCIM**  
918-583-3483  
jjones@porthavenpartners.com

## Texarkana, TX \$4,100,000

- 3-Property Portfolio
- 156,361 RSF
- 995 Units
- Two stable assets and one value-add facility with significant upside
- Portfolio sale with facility in Livingston
- Approx. 1 acre available for expansion

**NEW!**



**Bill Brownfield, CRE, CCIM**  
713-907-6497  
brownfield@selfstorage.com

## Seabrook, NH \$6,000,000

- 583 Units
- 55,270 RSF
- 6.16 Acres
- Expansion opportunities on site
- Adjacent 7 acre lot for sale for \$250K
- Two 1-bedroom apartments on site provide added revenue

**NEW!**



**Joe Mendola**  
603-668-7000  
joe@nainorwoodgroup.com

## Spring City, PA \$5,250,000

- 566 Units
- 70,192 RSF
- 6.964 Acres
- Stabilized income and expenses
- Good demographics in a developing area of Chester County
- 5 approved pad sites ready for construction

**NEW!**



**Chuck Shields**  
610-282-0100  
cshields@beaconcre.com

## Franksville, WI \$499,000

- 58 Units
- 8,150 RSF
- 1.75 Acres
- Great visibility on West Frontage Road of I-94
- Near Milwaukee and its south suburbs
- Expansion possibilities and great upside

**NEW!**



**Bruce Bahrmassel**  
312-518-3550  
bruce@selfstorage.com



# Sells Self Storage Nationwide!

For property details, visit [www.argus-selfstorage.com](http://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
Saraland	\$3,100,000	Bill Barnhill/Shannon Barnes	251-432-1287

## Arizona

Bullhead City	\$249,000	Jeffery A. Gorden	480-331-8880
Bulhead City	\$431,000	Jeffery A. Gorden	480-331-8880
Fort Mohave	\$500,000	Jeffery A. Gorden	480-331-8880
Glendale	\$1,135,000	Jeffery A. Gorden	480-331-8880
Yuma	\$6,500,000	Jeffery A. Gorden	480-331-8880
Yuma	\$2,500,000	Jeffery A. Gorden	480-331-8880

## Arkansas

Avoca	\$2,347,000	Larry Goldman	913-339-0641
Ft. Smith	\$1,950,000	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

Colo Springs	\$2,700,000	Joan Lucas	720-855-6587
Colo Springs	\$8,014,623	Joan Lucas	720-855-6587
Cortez	\$1,185,000	Joan Lucas	720-855-6587
Fort Collins	<b>SOLD!</b>	Joan Lucas	720-855-6587
Loveland	\$2,400,000	Joan Lucas	720-855-6587

## Florida

Lake City	\$325,000	John W. Hill	386-362-3300
Tavares	<b>SOLD!</b>	W. Frost Weaver	904-265-2001

## Georgia

Douglasville	\$1,460,000	Mike Patterson	770-241-9070
Jackson	\$2,520,000	Mike Patterson	770-241-9070
LaFayette	\$988,000	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

Palatine	\$499,000	Bruce Bahrmassel	312-518-3550
S. Beloit	\$1,100,000	Bruce Bahrmassel	312-518-3550

## Kansas

Iola	\$530,000	Larry Goldman	913-339-0641
Junction City	\$1,895,000	Larry Goldman	913-339-0641

## Michigan

Brooklyn	\$925,000	Jim Soltis	810-494-2062
Howell	\$950,000	Jim Soltis	810-494-2062
Sturgis	\$369,000	Jim Soltis	810-494-2062

## Missouri

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
Canton	\$850,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Leland	\$199,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Pascagoula	\$1,800,000	Bill Barnhill/Shannon Barnes	251-432-1287
3-Prop. Portfolio	\$4,500,000	Bill Barnhill/Stuart LaGroue	251-432-1287

## New Hampshire

Seabrook	\$6,000,000	Joe Mendola	603-668-7000
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## New Jersey

Branchville	\$995,000	Linda Cinelli	908-722-5661
Hackettstown	\$4,400,000	Linda Cinelli	908-722-5661
Howell	\$2,350,000	Linda Cinelli	908-722-5661
Howell	\$990,000	Linda Cinelli	908-722-5661
Montague	\$1,600,000	Linda Cinelli	908-722-5661
Ogdensburg	\$1,450,000	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
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## 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
N. Ridgeville	\$375,000	Alec Pacella	216-455-0925
Painesville	Call Broker	Alec Pacella	216-455-0925

## Oklahoma

Mangum	\$350,000	Jared Jones	918-583-3483
Muskogee	\$1,650,000	Jared Jones	918-583-3483

## Oregon

Medford	\$641,000	Steve Boldish	541-776-1031
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## 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
Spring City	\$5,250,000	Chuck Shields	610-828-0100

## Texas

Conroe	\$950,000	Bill Brownfield	713-907-6497
Fort Worth	\$1,590,000	Richard Minker	817-840-0054
Fort Worth	\$3,010,000	Richard Minker	817-840-0054
Galveston	\$8,500,000	Bill Brownfield	713-907-6497
Livingston	\$1,400,000	Bill Brownfield	713-907-6497
Spring	\$6.00 PSF	Bill Brownfield	713-907-6497
Texarkana	\$4,100,000	Bill Brownfield	713-907-6497

## Utah

Enoch	\$950,000	Bill Nicoloff	801-671-7324
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## Virginia

Chesapeake	\$750,000	Stuart Wade	757-618-3597
Williamsburg	\$6,490,000	Stuart Wade	757-618-3597

## Wisconsin

Franksville	\$499,000	Bruce Bahrmassel	312-518-3550
New Franken	\$730,000	Matson Holbrook	414-270-4108



# ARGUS SALES



**Congratulations to Frost Weaver of Weaver Realty Group** who sold Lake Dora Storage in Tavares, FL! Contact Frost at 904-265-2001 for more information.



**Congratulations to Joan Lucas of Joan Lucas Real Estate Services** who sold Waterglen Self Storage in Fort Collins, CO! Contact Joan at 720-855-6587 for more details.



**Congratulations to Tom de Jong of Colliers International** who sold a development site in San Jose, CA! Contact Tom at 408-282-3829 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.  
Percival Partners  
Commercial Realty Services of West Georgia  
The Nicholson Companies  
Weaver Realty Group, Inc.

888-801-4534  
704-632-1027  
770-241-9070  
757-618-3597  
904-733-0039

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

### NORTH CENTRAL

Bruce Bahrmassel  
Alec Pacella, CCIM  
Larry Goldman, CCIM  
Mike Helling & Paul Grisanti, CCIM  
Matson Holbrook, CCIM & Max Schultz  
Jim Soltis

Waveland Commercial Real Estate, LLC  
NAI Daus  
RE/MAX Commercial  
Grisanti Group Commercial Real Estate  
Siegel-Gallagher, Inc.  
Preview Properties.com

312-518-3550  
216-831-3310  
913-339-0641  
502-253-1811  
414-270-4108  
810-494-2062

Northern IL, Northern IN  
OH, Western PA  
KS, MO, Southern IL  
KY, Southern IN  
WI  
MI

### SOUTH CENTRAL

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

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MKP Self Storage LLC  
Etzold & Co.  
RE/MAX Commercial  
Grisanti Group Commercial Real Estate  
Porthaven Partners  
CASE Commercial Real Estate Partners

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913-339-0641  
502-253-1811  
918-583-3483  
817-335-5600

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

### WEST

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

Oregon Self Storage Brokers  
Colliers International  
Torrey Pines Commercial  
Etzold & Co.  
Eagle Commercial Realty Services  
Hayes & Associates  
Joan Lucas Real Estate Services, LLC  
Newmark Grubb ACRES  
RAVEN Commercial Real Estate

541-776-1031  
408-282-3829  
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915-845-6006  
480-331-8880  
406-728-0088  
720-855-6587  
801-671-7324  
206-919-7643

OR  
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