



SELF STORAGE SALES NETWORK

# Market Monitor

America's Premier Self Storage Brokers

Issue VIII-2013

## Summer is Almost Over...What About the Real Estate Run?

by Ben Vestal

These days, it is easy to spot the signs that summer is coming to an end. School supplies are on sale and kids everywhere are trading beach towels and skateboards for backpacks. However, I am not nearly as confident that the run-up in real estate values is over yet. We have seen a 100 basis point uptick in interest rates over the last 6 months and shockingly, cap rates seem to still be coming in. Please forgive my optimism, but I think that real estate fundamentals are strong, especially self-storage fundamentals, and the increase in value that self-storage owners have enjoyed seems to be strengthening. While I would agree that many elements of the economy appear to be stabilizing, the confidence of self-storage investors seems to be gaining momentum. Sounds like good news – and it is, for now!

Never before have prices been higher for self-storage properties either in absolute dollars or in relation to the income they produce. This is all being driven by the lack of quality product on the market for sale (simple supply and demand), newly found public awareness and the STILL low interest rates. Because of the national reach Argus enjoys, it is worth noting that not every market is experiencing the same uptick in value or sales velocity. This is largely due to the increased intelligence of the self-storage investment community. Self-storage investors today are more focused on market specific demand drivers such as the migration of population, population growth, barriers to entry, income growth levels, and market specific employment basis just to name a few. Today investors are focused more on where the market is going and not where the market has been. Also it would be fair to say that we have two distinct markets within the self-storage investment world and I am not talking about the top 50 MSAs and the rest of the markets. I am talking about growth markets and non-growth markets. We have learned that small to mid-sized markets can be very productive investments if the demand drivers such

as the ones mentioned above are present. This has been the case in markets like Aurora, CO; Austin, TX; Greeley, CO; Raleigh, NC; and Williston, ND. These markets have enjoyed strong rental velocity, rental rate growth, population growth, income growth and most importantly growing demand for self-storage.

But before you get too complacent with your newfound prosperity, there are a few dark clouds on the horizon. The first is that interest rates may go up in a meaningful way. The Federal Reserve has certainly been trying to justify getting them up for close to a year now. The second issue is overbuilding; you guessed it, development is back! The great returns have drawn a crowd! We are only in the beginning stages of the development cycle but in the strong growth markets we are seeing as much as 15% to 20% additional supply getting ready to come online. As we all know, development and potential overbuilding can have a drastic effect on a market.

An owner's ability to properly evaluate the future demand and current market is the single most important thing in making the right investment decision. These are absolutely the best times in real estate for both CAREFUL buyers and sellers. The prize will go to those who analyze their competitive situation and take ACTION during this very unique time in the real estate cycle.

I really don't know how this real estate run is going to turn out, but I do know that every one of my colleagues in commercial real estate has the same question - how long will this last? Remember, a meaningful rise in interest rates or overbuilding may eliminate your options moving forward so now may be the time to act. Timing is everything in real estate and your Argus Broker Affiliate is here to help you determine if the time is right for you! **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).*

## Lake City, FL

• \$1,535,000

- 454 Units
- 52,850 RSF
- 4.83 Acres
- Two locations in close proximity to each other operating as one property
- Phase I, with a 2,226 SF duplex office is located on US 90, the main traffic artery in the city

**Frost Weaver**

904-265-2001

fweaver@weaver-realty.com



## Canton, MS

• \$850,000

- 183 Units
- 25,225 RSF
- High traffic count
- Fenced and gated
- Onsite manager

**Bill Barnhill, CCIM & Stuart LaGroue**

251-432-1287

barnhill@selfstorage.com

stuart@selfstorage.com



## Lake City, FL

• \$325,000

- 88 Units
- 10,080 RSF
- 0.758 Acres
- Strategically located on North Hwy 41 between Hwy 90 and I-10
- Lowest prices in town
- Excellent upside potential
- Low maintenance

**John W. Hill**

386-362-3300

jwhillandassociates@gmail.com



## Mesilla Park, NM

• \$582,750

- 130 Units
- 11,900 RSF
- 1.13 Acres
- Excellent corner lot with 2 acres for expansion
- Frontage on major thoroughfare
- Easy access to new I-10/I-25 interchange and NMSU
- Area for apartment adjacent to office

**Noel Woodwell**

915-491-9610

nwoodwell@hotmail.com



## Branson West, MO

• \$895,000

- 243 Units
- 37,100 RSF
- 6.1 Acres
- Located in Branson/Tablerock Lake area, one of the country's most popular vacation destinations
- Spacious 4 bedroom, 2 bath manager's apartment
- Fully fenced with excellent highway exposure

**Larry Goldman, CCIM**

913-339-0641

lgoldman@selfstorage.com



## Klamath Falls, OR

• \$1,750,000

- 148 Units
- 33,480 RSF
- 1.95 Acres
- Well maintained, pride of ownership facility
- Nice mix of storage, retail mailing & packaging business
- Long term national tenant in retail space
- Gated and fenced with keypad entry

**Steve Boldish, CCIM**

541-776-1031

steve@mcpre.com





# Sells Self Storage Nationwide!

- Over \$101 million in self storage properties currently for sale, with prices ranging from \$150,000 to over \$6 million to meet the needs of every buyer.
- For property details, broker information and helpful industry articles, visit [www.argus-selfstorage.com](http://www.argus-selfstorage.com) or contact your local Argus Broker Affiliate listed on the back of the Market Monitor!

## Alabama

Foley	\$999,500	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	251-432-1287
Pinson	\$1,385,000	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	251-432-1287
Theodore	\$300,000	Bill Barnhill/Stuart LaGroue	251-432-1287

## Arizona

Bisbee	<b>SOLD!</b>	Jeffery A. Gorden	480-331-8880
Bullhead City	\$403,750	Jeffery A. Gorden	480-331-8880
Bullhead City	\$357,000	Jeffery A. Gorden	480-331-8880
Tempe	\$4,500,000	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	\$495,000	Larry Goldman	913-339-0641

## California

Orland	\$1,875,000	Tom de Jong	408-282-3829
Rocklin	In Contract	Tom de Jong	408-282-3829
Vallejo	In Contract	Tom de Jong	408-282-3829
Yreka	\$750,000	Tom de Jong	408-282-3829

## Colorado

Cortez	\$1,243,500	Joan Lucas	720-855-6587
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## Florida

Lake City	\$1,535,000	W. Frost Weaver	904-265-2001
Lake City	\$325,000	John W. Hill	386-362-3300
Live Oak	\$599,999	John W. Hill	386-362-3300
Macclenny	\$1,725,000	W. Frost Weaver	904-265-2001

## Georgia

Carrollton	\$270,000	Mike Patterson	770-241-9070
Oakwood	\$1,499,000	Mike Patterson	770-241-9070
Villa Rica	\$940,000	Mike Patterson	770-241-9070
Villa Rica	\$1,200,000	Mike Patterson	770-241-9070

## Illinois

Byron	\$300,000	Bruce Bahrmassel	312-518-3550
Dupo	\$807,000	Larry Goldman	913-339-0641
Freeport	\$1,050,000	Bruce Bahrmassel	312-518-3550

## Kansas

Iola	\$530,000	Larry Goldman	913-339-0641
Junction City	\$1,895,000	Larry Goldman	913-339-0641
Topeka	\$1,795,000	Larry Goldman	913-339-0641

## Michigan

Lapeer	\$785,000	Jim Soltis	810-494-2062
Mason	\$2,300,000	Jim Soltis	810-494-2062

## Missouri

Branson West	\$895,000	Larry Goldman	913-339-0641
Marshfield	\$2,550,000	Larry Goldman	913-339-0641
St. Joseph	\$2,350,000	Larry Goldman	913-339-0641

## Mississippi

Canton, MS	\$850,000	Bill Barnhill/Stuart LaGroue	251-432-1287
3-Prop. Portfolio	\$4,500,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Brandon	\$650,000	Bill Barnhill/Stuart LaGroue	251-432-1287
		Shannon Barnes	

## New Hampshire

Claremont	\$290,000	Joe Mendola	603-668-7000
Fitzwilliam	\$710,000	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

Mesilla Park	\$582,750	David Etzold/Noel Woodwell	915-491-9610
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## New York

Hicksville	\$4,200,000	Linda Cinelli	908-722-5661
Middletown	\$450,000	Linda Cinelli	908-722-5661
Modena	\$1,200,000	Linda Cinelli	908-722-5661
Peekskill	\$3,500,000	Linda Cinelli	908-722-5661
Port Jervis	\$1,600,000	Linda Cinelli	908-722-5661

## North Carolina

Whiteville	\$3,750,000	Joey Godbold	704-632-1027
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## North Dakota

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

Cleveland	\$2,300,000	Alec Pacella/Michael Venesky	216-455-0886
Copley	\$1,425,000	Alec Pacella/Michael Venesky	216-455-0886
Elyria	\$2,699,000	Alec Pacella/Michael Venesky	216-455-0886
Painesville	\$315,000	Alec Pacella/Michael Venesky	216-455-0886

## Oklahoma

Hugo	\$1,650,000	Jared Jones	918-583-3483
Verden	\$249,500	Jared Jones	918-583-3483

## Oregon

Bandon	<b>SOLD!</b>	Steve Boldish	541-776-1031
Klamath Falls	\$1,750,000	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

Fort Worth	\$1,690,000	Richard Minker/Tyler Trahant	817-840-0055
Gonzales	\$3,200,000	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 Self Storage Sales Network wins Best of Business Award!

Once again, the readers of *Inside Self-Storage* Magazine have voted Argus as the Best Real Estate Brokerage! This is the third consecutive year that Argus has received this honor and we appreciate all of our clients and colleagues who voted! Argus is committed to providing the best service in the industry and we value the relationships that we have built with self-storage owners over the last 20 years!

**Congratulations to the following Argus Broker Affiliates on their recent sales!**



Jeff Gorden, CCIM of Eagle Commercial Realty Services sold Bisbee Mini Storage in Bisbee, AZ! Contact Jeff at 480-331-8880 for more information.



Steve Boldish, CCIM of Oregon Self Storage Brokers sold Bandon EZ Storage in Bandon, OR! Steve can be reached at 541-776-1031 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 McGuire Commercial Real Estate  
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 & 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, Western PA  
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 Trahan

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

888-801-4534  
713-366-3134  
915-845-6006  
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  
Tyler Clay, Bob Southern & Nicholas Maerz  
Alan Davidson, CCIM  
Tom de Jong  
David Etzold & Noel Woodwell  
Jeffery A. Gorden, CCIM  
Larry Hayes  
Joan Lucas  
Jason Wilcox, CCIM

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

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

OR  
NV  
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Northern CA  
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ID, MT  
CO  
WA