



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue IX-2017

SPECIAL REPORT:

Self-Storage Construction and Development Analysis

by Ben Vestal

Over the last 12-36 months, the self-storage development train has been picking up steam and it is clear that certain markets are starting to feel the effects of new supply. Because this information is so critical to the ongoing success of the self-storage industry, Argus has worked in conjunction with other information sources and industry professionals to compile the most accurate development information in the industry. I want to give special thanks to Chris Sonne for his collaboration with Argus in providing the industry with the best possible development data that is currently available.

Nationwide, Argus estimates approximately 750+/- facilities were constructed in 2016 and 950+/- new starts are projected by the end of 2017. Historically, about 33% of planned projects are actually constructed over the term of a development cycle (typically 3-7 years). During the current cycle, we are seeing a significant increase in the number of planned projects and actual number of starts. The start ratio of planned projects is the highest it has been in ten-plus years. When reviewing the data on the following pages, it is important to remember that even though metro areas are impacted, it is typically a 3-5 mile trade area that is more important to the success or failure of a new or existing project. For example, Denver, Atlanta, Nashville, and Austin have moved from equilibrium to over-supplied in the report below, but there will still be successful projects in individual trade areas *within* these metro areas.

As expected, most new projects are being built in high-density major MSAs and the overall facility size is increasing which is leading to more total square footage being developed. If you agree that a natural refresh rate of 1% is appropriate, then on average you should expect approximately 500 new starts each year. Since this has only occurred in the last two or three years, and there was very limited new construction during the Great Recession, Argus estimates that the self-storage sector nationwide is generally at equilibrium for 2017. It is important to remember that this report does not take into account the expansion of existing properties, or most importantly, the redevelopment of existing properties into larger properties.

Some key takeaways:

- The new construction data was compiled from a wide range of sources and the results vary widely because of the challenges in sorting out actual construction starts from planned projects.
- After reviewing all the data, we gave 50% weight to the Argus data and 50% to all other sources.
- The analysis of this data indicates that out of the 35 metro areas; 14 are over supplied, 8 are under supplied, and 13 are at equilibrium.
- The Dallas/Ft. Worth metro has the most construction underway which is estimated at more than 9,000,000 SF, and 5 additional markets moved from either under-supplied to equilibrium or equilibrium to over-supplied.

To receive more details on actual and proposed new self-storage projects in your marketplace please contact your local Argus Broker Affiliate listed on the last page of this report.



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

2017 New Construction by Metro Area

Metro	Planned	Construction & Pre-Certificate of Occupancy	Lease Up
Atlanta	15	24	10
Austin	13	22	9
Baltimore	1	2	1
Boston	8	14	6
Charlotte	10	17	7
Chicago	12	21	8
Cincinnati	2	3	1
Cleveland	1	2	1
Columbus	2	3	1
Dallas	49	82	33
Denver	14	24	10
Detroit	3	5	2
Houston	16	26	10
Indianapolis	0	1	0
Kansas City	1	2	1
Las Vegas	1	2	1
Los Angeles	6	11	4
Miami	21	35	14
Minneapolis	5	8	3
Nashville	12	20	8
New York Metro	16	27	11
Oklahoma City	5	9	4
Orlando	6	11	4
Philadelphia	5	8	3
Phoenix	13	22	9
Portland	9	16	6
Sacramento	4	7	3
San Antonio	6	10	4
San Bernardino/Riverside	7	11	4
San Diego	5	8	3
San Francisco	2	4	1
San Jose	1	1	0
Seattle	5	9	4
St. Louis	2	4	1
Tampa-St. Petersburg	5	9	3
Total:	283	480	190

Impact of New Construction by Metro Area

Metro	New Supply SF	New SF Supply/ Person	Current SF Supply/ Person	Ratio New Supply to Existing	Forecast Demand	Variance Current	Market Condition Current	After New Construction	Market Condition After Construction
Atlanta	2,681,250	0.46	6.11	7.6%	5.76	(0.35)	Equilibrium	(0.81)	Over-Supplied
Austin	2,420,000	1.17	8.39	13.9%	8.28	(0.11)	Equilibrium	(1.28)	Over-Supplied
Baltimore	165,000	0.06	3.70	1.6%	7.47	3.77	Under-Supplied	3.72	Under-Supplied
Boston	1,540,000	0.32	5.67	5.6%	8.02	2.35	Under-Supplied	2.03	Under-Supplied
Charlotte	1,815,000	0.73	5.90	12.3%	6.33	0.43	Equilibrium	(0.29)	Equilibrium
Chicago	2,282,500	0.24	4.68	5.0%	4.52	(0.16)	Equilibrium	(0.40)	Equilibrium
Cincinnati	302,500	0.14	6.14	2.2%	6.22	0.07	Equilibrium	(0.06)	Equilibrium
Cleveland	220,000	0.11	5.28	2.0%	5.31	0.03	Equilibrium	(0.08)	Equilibrium
Columbus	275,000	0.13	6.24	2.1%	6.52	0.28	Equilibrium	0.15	Equilibrium
Dallas	9,020,000	1.24	7.58	16.3%	6.01	(1.57)	Over-Supplied	(2.81)	Over-Supplied
Denver	2,653,750	0.92	7.89	11.7%	7.64	(0.25)	Equilibrium	(1.18)	Over-Supplied
Detroit	495,000	0.11	6.58	1.7%	4.72	(1.86)	Over-Supplied	(1.97)	Over-Supplied
Houston	2,873,750	0.42	7.74	5.4%	6.61	(1.13)	Over-Supplied	(1.54)	Over-Supplied
Indianapolis	55,000	0.03	8.01	0.3%	6.25	(1.76)	Over-Supplied	(1.79)	Over-Supplied
Kansas City	261,250	0.12	6.35	1.9%	6.43	0.08	Equilibrium	(0.04)	Equilibrium
Las Vegas	165,000	0.08	8.20	0.9%	6.92	(1.28)	Over-Supplied	(1.35)	Over-Supplied
Los Angeles	1,155,000	0.09	5.73	1.5%	5.43	(0.30)	Equilibrium	(0.39)	Equilibrium
Miami	3,863,750	0.64	3.19	20.1%	5.06	1.87	Under-Supplied	1.23	Under-Supplied
Minneapolis	880,000	0.24	4.90	5.0%	6.64	1.74	Under-Supplied	1.49	Under-Supplied
Nashville	2,200,000	1.16	6.57	17.7%	6.51	(0.06)	Equilibrium	(1.23)	Over-Supplied
New York Metro	2,915,000	0.14	2.95	4.8%	1.84	(1.11)	Over-Supplied	(1.25)	Over-Supplied
Oklahoma City	990,000	0.70	11.08	6.3%	6.38	(4.70)	Over-Supplied	(5.40)	Over-Supplied
Orlando	1,182,500	0.48	5.87	8.2%	6.35	0.48	Equilibrium	0.00	Equilibrium
Philadelphia	825,000	0.13	4.27	3.1%	5.66	1.39	Under-Supplied	1.26	Under-Supplied
Phoenix	2,392,500	0.51	5.24	9.6%	5.63	0.39	Equilibrium	(0.12)	Equilibrium
Portland	1,705,000	0.70	6.97	10.0%	7.36	0.39	Equilibrium	(0.31)	Equilibrium
Sacramento	742,500	0.32	7.12	4.5%	7.91	0.79	Under-Supplied	0.47	Equilibrium
San Antonio	1,141,250	0.47	7.11	6.5%	7.15	0.05	Equilibrium	(0.42)	Equilibrium
San Bernardino/Riverside	1,210,000	0.27	5.22	5.1%	7.53	2.32	Under-Supplied	2.05	Under-Supplied
San Diego	825,000	0.25	4.33	5.7%	8.90	4.57	Under-Supplied	4.32	Under-Supplied
San Francisco	385,000	0.08	8.10	1.0%	9.94	1.85	Under-Supplied	1.76	Under-Supplied
San Jose	110,000	0.05	18.78	0.3%	12.92	(5.86)	Over-Supplied	(5.91)	Over-Supplied
Seattle	1,003,750	0.26	7.62	3.5%	7.71	0.08	Equilibrium	(0.18)	Equilibrium
St. Louis	385,000	0.14	6.43	2.1%	5.58	(0.85)	Over-Supplied	(0.98)	Over-Supplied
Tampa-St. Petersburg	948,750	0.31	6.47	4.8%	4.89	(1.58)	Over-Supplied	(1.89)	Over-Supplied

Compiled by CBRE & Argus Self Storage Sales Network



Property Showcase

Ormond Beach, FL

\$1,150,000

NEW!

- 41 Units
- 11 Office Warehouse Units
- 14,125 RSF
- 2 Acres
- Well-maintained buildings built with high quality construction
- Upside potential with below market rents
- Purchase option for additional 2 acres with plans and permitting in place

**Frost Weaver
& Josh Koerner**

904-265-2001

fweaver@weaver-realty.com
jkoerner@weaver-realty.com



Hickory, NC

\$795,000

NEW!

- 161 Units
- 19,925 RSF
- 1.359 Acres
- Onsite office available for manager use or for lease
- Fenced, gated with keypad access and paved drives
- Good location just off main highway in an area of residential and retail development

**Joey Godbold
& Jamey Cox**

704-632-1030

jgodbold@svn.com
jamey.cox@svn.com



Clinton, MO

\$349,000

NEW!

- 117 Units
- 15,464 RSF
- 2.6 Acres
- Expandable facility
- Central location in downtown Clinton
- Priced below replacement cost
- Popular lake area with strong demand for boat storage
- Fenced property

Larry Goldman, CCIM

913-707-9030

lgoldman@selfstorage.com



Lakeview, OR

\$905,000

NEW!

- 39 Units
- 12,000 RSF
- 3+ Acres
- Includes one leased warehouse unit of 6,000 SF
- 2+ acres of fully fenced and secure outside RV storage just completed with minimal competition
- Room for expansion in phases per local demand

Scott King

541-890-6708

scottking@gmail.com



Henderson, NC

\$475,000

NEW!

- 89 Units
- 9,400 RSF
- 0.70 Acres
- Property is located just off I-85 in strong retail trade zone
- Fully fenced and gated with keypad access
- Paved drive-up aisles

**Joey Godbold
& Jamey Cox**

704-632-1030

jgodbold@svn.com
jamey.cox@svn.com



Medford, OR

\$375,000

NEW!

- Development Site
- 2.36 Acres
- Flexible commercial zoning allows for variety of commercial uses, including self-storage
- Located in established neighborhood of high density homes
- Ideal location off of Crater Lake Ave. in Jackson County, OR

Scott King

541-890-6708

scottking@gmail.com





Sells Self Storage Nationwide!

Our complete list of available properties is detailed below. For additional information, visit www.argus-selfstorage.com or contact your local Argus Broker Affiliate.

Alabama

Cullman	\$260,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Tallassee	\$965,000	Bill Barnhill/Stuart LaGroue	251-432-1287

Arizona

Bisbee	\$270,000	Jeffrey A. Gorden	480-331-8880
Concho	\$350,000	Jeffrey A. Gorden	480-331-8880
Gilbert	SOLD	Jeffrey A. Gorden	480-331-8880
Mayer	\$1,650,000	Jeffrey A. Gorden	480-331-8880

Arkansas

Hot Springs Vlg	\$1,600,000	Larry Goldman	913-707-9030
Hot Springs Vlg	\$180,000	Larry Goldman	913-707-9030
Jacksonville	\$365,000	Larry Goldman	913-707-9030
Russellville	\$1,495,000	Larry Goldman	913-707-9030

California

CA Portfolio	Call Broker	Tom de Jong	408-282-3829
Antioch	\$3,500,000	Tom de Jong	408-282-3829
Lincoln	Call Broker	Tom de Jong	408-282-3829
San Jose	\$10,500,000	Tom de Jong	408-282-3829
Whittier	SOLD	Peter Pappageorge	562-498-3395

Colorado

Colorado Spgs.	\$3,268,000	Joan Lucas	720-855-6587
Denver	\$1,800,000	Joan Lucas	720-855-6587
Fort Collins	\$3,500,000	Joan Lucas	720-855-6587
Loveland	\$1,270,000	Joan Lucas	720-855-6587
Thornton	\$3,513,000	Joan Lucas	720-855-6587

Florida

Navarre	Call Broker	Bill Barnhill/Shannon Barnes	251-432-1287
Ormond Beach	\$1,150,000	Frost Weaver	904-265-2001
Starke	\$920,000	Frost Weaver	904-265-2001

Georgia

Atlanta	\$925,000	Mike Patterson	770-301-1886
Carrollton	\$1,300,000	Mike Patterson	770-301-1886
Jackson	\$3,200,000	Mike Patterson	770-301-1886
Loganville	\$7,800,000	Mike Patterson	770-301-1886

Idaho

Salmon	\$399,000	Larry Hayes	406-544-1921
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Illinois

Byron	\$389,000	Bruce Bahrmassel	312-518-3550
Macomb	\$950,000	Bruce Bahrmassel	312-518-3550
Rockford	\$5,100,000	Bruce Bahrmassel	312-518-3550
Seneca	\$699,000	Bruce Bahrmassel	312-518-3550

Indiana

Terre Haute	\$1,100,000	Paul Grisanti/Mike Helline	502-296-4586
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Kansas

Basehor	\$650,000	Larry Goldman	913-707-9030
Junction City	\$380,000	Larry Goldman	913-707-9030
Junction City	\$1,195,000	Larry Goldman	913-707-9030
Lawrence	\$5,260,000	Larry Goldman	913-707-9030

Kentucky

Cynthiana	\$875,000	Paul Grisanti/Mike Helline	502-296-4586
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Massachusetts

Sutton	\$550,000	Joseph Mendola	603-668-7000
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Missouri

Clinton	\$349,000	Larry Goldman	913-707-9030
Waynesville	\$2,360,000	Larry Goldman	913-707-9030

Mississippi

Canton	\$850,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Laurel	\$550,000	Bill Barnhill/Shannon Barnes	251-432-1287

New Hampshire

Weare	\$435,000	Joe Mendola	603-668-7000
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New Jersey

Ewing	\$2,100,000	Linda Cinelli	908-722-5661
Pemberton	\$975,000	Linda Cinelli	908-722-5661
Ventnor City	\$1,850,000	Linda Cinelli	908-722-5661

New Mexico

Santa Teresa	\$4,650,000	David Etzold	915-845-6006
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New York

Islip	\$5,700,000	Linda Cinelli	908-722-5661
Monticello	\$3,850,000	Linda Cinelli	908-722-5661
Shirley	\$11,500,000	Linda Cinelli	908-722-5661

North Carolina

Asheboro	\$350,000	Joey Godbold/Jamey Cox	704-632-1030
Asheville	\$8,900,000	Joey Godbold	704-632-1027
Henderson	\$475,000	Jamey Cox	704-632-1030
Hickory	\$795,000	Jamey Cox	704-632-1030
Peachland	\$225,000	Joey Godbold/Jamey Cox	704-632-1030
Wadesboro	\$700,000	Joey Godbold/Jamey Cox	704-632-1030

Ohio

Glouster	\$299,000	Alec Pacella	216-455-0925
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Oklahoma

Ada	SOLD	Jared Jones	918-583-3483
Edmond	\$650,000	Jared Jones	918-583-3483

Oregon

Beaverton	\$3,200,000	Tom de Jong	408-282-3829
Central Point	\$1,975,000	Scott King	541-890-6708
Lakeview	\$905,000	Scott King	541-890-6708
Medford	\$375,000	Scott King	541-890-6708

Pennsylvania

Bechtelsville	\$1,600,000	Chuck Shields	610-828-0100
Olyphant	\$925,000	Chuck Shields	610-828-0100

Tennessee

Kingsport	\$1,350,000	Paul Grisanti/Mike Helline	502-296-4586
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Texas

Arlington	Call Broker	Richard Minker/Chad Snyder	817-335-5600
Bacliff	Call Broker	Bill Brownfield	713-907-6497
Fort Worth	Call Broker	Richard Minker/Chad Snyder	817-335-5600
Mineral Wells	Call Broker	Richard Minker/Chad Snyder	817-335-5600

Virginia

Windsor	\$1,100,000	Stuart Wade	757-618-3597
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ARGUS SALES



Congratulations to **Jeff Gorden, CCIM** of Eagle Commercial Realty Services who sold A-Secured Vehicle Storage in Gilbert, AZ! Contact Jeff at 480-331-8880 for details.



Congratulations to **Peter Pappageorge** of INCO Commercial Realty who sold United Self Storage in Whittier, CA! Contact Peter at 562-498-3395 for details.



UPCOMING EVENTS

Be sure to visit these upcoming state events this fall. Argus Broker Affiliates will be on hand to meet with owners and answer your questions about the market!

Arizona Self Storage Association
September 26-28, 2017 Chandler, AZ

South Carolina Self Storage Association
September 27-28, 2017 Columbia, SC

Northeast Storage Expo
September 27-28, 2017 Ledyard, CT

Georgia Self Storage Association
October 1-3, 2017 Savannah, GA

Colorado Self Storage Association
October 12, 2017 Denver, CO

New York Self Storage Association
October 16-17, 2017 Tarrytown, NY

Texas Self Storage Association
October 18-20, 2017 San Antonio, TX

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

Omega Properties, Inc.
SVN Percival Partners
Commercial Realty Services of West Georgia
The Nicholson Companies
Weaver Realty Group, Inc.

251-432-1287
704-632-1027
770-301-1886
757-618-3597
904-733-0039

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

NORTH CENTRAL

Bruce Bahrmasel
Tom Flannigan
Rusty Hike
Alec Pacella, CCIM
Larry Goldman, CCIM
Mike Helline & Paul Grisanti, CCIM
Jim Soltis

Waveland Commercial Real Estate, LLC
KW Commercial
Hike Real Estate
NAI Daus
RE/MAX Commercial
Grisanti Group Commercial Real Estate
Preview Properties.com

312-518-3550
651-269-6307
402-291-2500
216-831-3310
913-707-9030
502-253-1811
810-494-2062

Northern IL, Northern IN, WI
MN, ND
NE, IA
OH, Western PA
KS, MO, Southern IL
KY, Southern IN
MI

SOUTH CENTRAL

Bill Barnhill, CCIM
Bill Brownfield, CRE, CCIM & Tommy LeBlanc
David Etzold
Larry Goldman, CCIM
Mike Helline & Paul Grisanti, CCIM
Jared Jones, CCIM
Richard D. Minker, CCIM & Chad Snyder

Omega Properties, Inc.
Brownfield & Associates, LLC
Etzold & CO LLC
RE/MAX Commercial
Grisanti Group Commercial Real Estate
Porthaven Partners
Colliers International

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913-707-9030
502-253-1811
918-948-3941
817-335-5600

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

WEST

Steve Avanzino
David Etzold
Jeffery A. Gorden, CCIM
Larry Hayes
Scott King
Joan Lucas
Doug Shea & Peter Pappageorge
Thomas Wolter

Kidder Mathews
Etzold & CO LLC
Eagle Commercial Realty Services
Hayes & Associates
Merit Commercial Real Estate
Joan Lucas Real Estate Services, LLC
INCO Commercial
RE/MAX Commercial

775-848-5901
915-845-6006
480-331-8880
406-728-0088
541-890-6708
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562-498-3395
206-200-3325

NV
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Southern CA
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