



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue XI-2017

Self-Storage Market Trends to Watch For

by Ben Vestal

Over the last 10 years, the self-storage industry evolved from a mom and pop investment class to a mainstream institutional asset class. The industry weathered the great recession and is now reaping the benefits of strong market fundamentals. Heading into 2018, I want to highlight some industry trends that will continue throughout the year and help the industry's continued growth.

Third Party Management companies continue to improve and create value for their clients. Extra Space Storage, CubeSmart Self Storage, and Argus Professional Storage Management (APSM) paved the way for third party management by pushing revenue and standardizing and refining the process of operating a self-storage property, allowing the industry to lead all real estate sectors in performance over the last 10 years. These management techniques, processes, and capabilities have now trickled down to privately owned third party management companies. These companies are able to provide a very professional and economical product to markets and properties that haven't had access to third party management platforms. I believe that the third-party management business will continue to grow and add tremendous value to owners and the industry.

Self-Storage Technology has really grabbed hold over the last several years. The use of online SEO, web-based operating systems, e-Leases, mobile apps, kiosks, fully automated stores, energy efficient operating devices, and website and marketing firms will continue to allow owners and operators to refine their operations and grow their profitability by protecting the already strong operating margins that the self-storage business enjoys. All the above listed items, and many more, will allow operators to increase profitability either through operating expense reduction, increased revenues or produce data that will allow operators the ability to create operating efficiencies. As self-storage investment advisors we take great pride in staying on top of market technology trends which allows our clients to achieve greater market valuation.

Self-Storage Consolidation will continue in 2018. One notable factor is that the consolidation will be by a larger buyer pool than ever before. The usual suspects such as the REITS and private equity firms with a self-storage footprint will continue to dominate the larger, trophy acquisitions.

However, we will see more acquisitions by non-brand names and private real estate investors throughout 2018 as many of them take the plunge and enter the self-storage industry. I believe that the majority of consolidation will be by the mid-sized owner/operators because they are willing to look to secondary and tertiary markets and buy smaller assets in order to grow their portfolio. The old saying of "the only thing better than owning one self-storage, is owning two or three" remains true.

New Supply is being tracked by Argus in over 50 markets nationwide and 2017-2018 will see the delivery of meaningful new supply in almost every major market. This will undoubtedly influence the submarket fundamentals where these new properties are being developed. It is no surprise that the markets seeing the largest amount of new development are the ones that have enjoyed tremendous population and job growth over the last 2-4 years. Markets such as Dallas, Denver, Austin, Portland, Atlanta, San Jose, Tampa, and Orlando are all seeing a tremendous amount of new product being developed. In general, lease ups of new properties appear to be in line with the traditional 2-4 years' pace, but rental rates seem to be slipping and we are seeing new properties having to offer larger than expected discounts to maintain their lease up pace. Obviously, there is always an exception to the market and if you are one of the lucky developers who are achieving a faster than expected lease up and at or above your proforma rental rates, the grass has never looked greener.

2018 Outlook:

The outlook for the self-storage sector in 2018 remains cautiously optimistic! As the U.S. economy continues to accelerate slightly and new self-storage supply continues to come online, the self-storage sector should hold strong. There will undoubtedly be pockets of slow down, but overall the self-storage market should grow modestly in 2018. While we don't know how long this current peak in self-storage valuations will last, we do know that the owners who take proactive measures to keep their properties competitive will be in the best position to capitalize on opportunities that may arise or protect against a potential downturn. **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

Leeds, AL

\$2,800,000

NEW!

- 117 Units
- 23,575 RSF
- 5+/- Acres
- State of the art facility in a high visibility location
- Insomniac kiosk allows 24/7 operation
- High occupancy with room to expand

**Bill Barnhill, CCIM
& Stuart LaGroue**

251-432-1287

barnhill@selfstorage.com

stuart@selfstorage.com



Ft. Myers, FL

\$850,000

NEW!

- Development Site
- 0.88 Acres
- 42,900 Proposed RSF
- Prime development location with a mix of dense retail/residential
- 53,000 vpd with good exposure to US-41
- Feasibility study shows strong demand for CC units
- Strong occupancy among competitors

**Frost Weaver
& Josh Koerner**

904-591-0140

fweaver@weaver-realty.com

jkoerner@weaver-realty.com



Peoria, AZ

\$2,200,000

NEW!

- **Under Contract**
- 339 Units
- 31,175 RSF
- 1.43 Acres
- Multi-story air conditioned facility
- High traffic location on Grand Ave.
- Upside potential
- Climate control and non-climate units available

Jeff Gorden, CCIM

480-331-8880

jgorden@selfstorage.com



Laurinburg, NC

\$1,000,000

NEW!

- 220 Units
- 25,800 RSF
- Two sites located across the street from each other
- Both sites are fenced and gated with code access
- Room for expansion
- Office located at main property

Jamey Cox

704-632-1030

jamey.cox@svn.com



Phoenix, AZ

\$3,850,000

NEW!

- **Under Contract**
- 375 Units
- 41,243 RSF
- 2.26 Acres
- Recently remodeled facility with great street frontage
- Easy access to AZ-101 and I-10
- High traffic location with 30,000 vpd
- Possible expansion opportunity

Jeff Gorden, CCIM

480-331-8880

jgorden@selfstorage.com



Ada, OK

\$1,050,000

NEW!

- 493 Units
- 45,438 RSF
- 3.6 Acres
- Compelling value-add opportunity priced below replacement cost
- Additional value available through increasing occupancy, rents and ancillary sales
- Great signage potential and visibility

Jared Jones, CCIM

918-583-3483

jjones@selfstorage.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
Leeds	\$2,800,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Tallassee	\$965,000	Bill Barnhill/Stuart LaGroue	251-432-1287

Arizona

Bisbee	SOLD	Jeffrey A. Gorden	480-331-8880
Concho	\$350,000	Jeffrey A. Gorden	480-331-8880
Mayer	\$1,650,000	Jeffrey A. Gorden	480-331-8880
Peoria	\$2,200,000	Jeffrey A. Gorden	480-331-8880
Phoenix	\$3,850,000	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

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

Ft. Myers	\$850,000	Frost Weaver/Josh Koerner	904-265-2001
Ormond Beach	\$1,150,000	Frost Weaver/Josh Koerner	904-265-2001
Starke	\$920,000	Frost Weaver/Josh Koerner	904-265-2001

Georgia

Atlanta	SOLD	Mike Patterson	770-301-1886
Carrollton	\$425,000	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
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	SOLD	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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Minnesota

Chaska	Call Broker	Tom Flannigan	651-269-6307
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Missouri

Belton	\$600,000	Larry Goldman	913-707-9030
Clinton	\$319,000	Larry Goldman	913-707-9030

Missouri, cont.

Waynesville	\$2,360,000	Larry Goldman	913-707-9030
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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
Cherryville	\$2,100,000	Jamey Cox	704-632-1030
Henderson	\$475,000	Jamey Cox	704-632-1030
Hickory	\$795,000	Jamey Cox	704-632-1030
Laurinburg	\$1,000,000	Jamey Cox	704-632-1030
Peachland	\$225,000	Joey Godbold/Jamey Cox	704-632-1030
Wadesboro	SOLD	Joey Godbold/Jamey Cox	704-632-1030

Ohio

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

Ada	\$1,050,000	Jared Jones	918-583-3483
Edmond	\$650,000	Jared Jones	918-583-3483

Oregon

Central Point	\$1,975,000	Scott King	541-890-6708
Lakeview	\$835,000	Scott King	541-890-6708
Medford	\$375,000	Scott King	541-890-6708

Pennsylvania

Bechtelsville	\$1,400,000	Chuck Shields	610-828-0100
Olyphant	\$925,000	Chuck Shields	610-828-0100

Tennessee

Crossville	\$975,000	Paul Grisanti/Mike Helline	502-296-4586
Kingsport	\$1,250,000	Paul Grisanti/Mike Helline	502-296-4586

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
Texas City	Call Broker	Bill Brownfield	713-907-6497

Virginia

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



Congratulations to **Frost Weaver and Josh Koerner** of Weaver Realty Group who sold a self-storage development site in Witner Park, FL! Contact Frost and Josh at 904-591-0140 for details.



Congratulations to **Jamey Cox and Joey Godbold** of SVN Percival Partners who sold Wadesboro Self Storage in Wadesboro, NC! Contact Jamey and Joey at 704-632-1030 for details.



Congratulations to **Mike Patterson, CCIM** of Commercial Realty Services of West Georgia who sold a self-storage development site in Atlanta, GA! Contact Mike at 770-301-1886 for details.



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



Congratulations to **Larry Goldman, CCIM** of RE/MAX Commercial who sold Speedway Mini Storage in Basehor, KS! Contact Larry at 913-707-9030 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 & Jamey Cox
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
704-632-1030
770-301-1886
757-618-3597
904-733-0039

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

NORTH CENTRAL

Bruce Bahrmassel
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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918-948-3941
817-335-5600

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

WEST

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

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

915-845-6006
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NM
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Southern CA
WA