



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue II-2018

How to Win in Today's Competitive Market

by Korey Hanson

In today's dynamic self-storage business environment, many independent owners are forced to compete with larger, better capitalized and more sophisticated self-storage operators. Most owners consider the REITs to be the largest competitors in their markets, but we are now seeing the regional players and third-party management companies grow to a level that leaves the local independent operator with more skilled competitors than ever before. So, the question has become how can an independent self-storage operator take on the giant corporations and large third-party management companies and not only survive but make increased profits? Quite simply, operators need to change their attitudes and become more proactive! Here are four strategies that you can employ to compete and thrive in your local market.

1) Spend Smarter

If you try to take on the large operators head-to-head on everything you do to operate a self-storage business, the chances are you will lose. For example, you can't possibly spend the money on marketing that they do, but you can market where they do not market and be smarter about the marketing dollars you spend, specifically in your neighborhood. Join a local Chamber of Commerce or local business group. You should also consider advertising in neighborhood, church, and school newsletters or sponsoring a local youth sports team. These local advertising options can bring you a number of small businesses, employees, and people in the community who think and act like you. It's all about potential customers thinking of you first when they make the decision to rent a self-storage unit. Use this as a marketing strategy whenever possible. Instead of marketing your property on a total market basis, like the big operators do, go after your localized area and utilize your resources and efforts in ways that are most beneficial to your business. Your local knowledge, direct contact with your customer base, and the quality of your site manager will give you an advantage!

2) Refresh Your Look

Change up your street awareness and get a fresh look. Most large operators want all of their stores to look the same, but you have the ability to come up with a NEW workable design and make the change in the matter of days, not weeks or months. For example, if your curbs are painted white along the street and your office shell is cream colored with blue trim, change it - make your office shell blue, paint your curbs yellow, and paint your trim white. You will be surprised how many people will stop and notice your store even if they have been driving past it every day for years. Have multiple flags/banners with different color schemes and move them around and swap them out regularly. This will lead to new customers! The advantage you have as an independent operator is that you can change the look of your store and make street awareness an important part of your marketing campaign. Remember, independent operators don't want all of the stores to look the same so this allows you to differentiate your store from the rest of the market.

3) Control Your Costs

Can you reduce your operational costs so that your profit margin is greater, even without an increase in occupancy or rates? You better believe it! Not only will you increase profits, but this will also make your property more valuable. Shop around with local vendors for needed goods and services. Networking with the people you meet by being a member of the local Chamber of Commerce and local business groups might also create an opportunity to offer some business to many of those new connections.

It will also be worth your time to analyze all of your operational expenses. For example, you may be able to negotiate a better rate for your waste/trash removal if you find that you do not need as large a dumpster as you have, or need the frequency of pickups. Shop your vendors regularly and make sure you are getting the best price. The point is that operators can save money if you simply take the time to look at each and every detail of your business expenses and not just focus on the revenue.

4) Rental Rate Management

Instead of having the attitude that you're at odds with the large operators, join them. Many of the REITs and large operators actively adjust pricing on units daily and weekly. While you may not have the resources to be as effective as they are in doing this, take the time to identify your 3-5 main competitors and get in the habit of checking their rental rates often (onsite and website rates) and adjust your rates accordingly. It doesn't take long and should become a part of your daily or weekly routine. We have found that operators who are proactively adjusting rental rates to be competitive, and if necessary, meaningfully lower than the market, can operate at a very high occupancy and drive revenue higher from the in-place tenant base. Also, be prepared to reduce and increase street rates based on seasonality, which will vary depending on where your facility is located. Remember, you can't raise rates on a vacant unit!

With the amount of new development in the self-storage space today we are recommending to our clients that we take a very aggressive approach to rental rate management. We have found that highly occupied stores can produce much higher revenue growth. They are also in a better position to compete with new supply because most new properties have projected very aggressive rental rates in order to justify the high cost of development and are less likely to drop rates until it is too late.

These tips can help any operator, large or small, stay competitive in an increasingly tight market. Being proactive, rather than reactive, will help your facility achieve greater revenue and ultimately a higher valuation. **MM**

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Stuart, FL

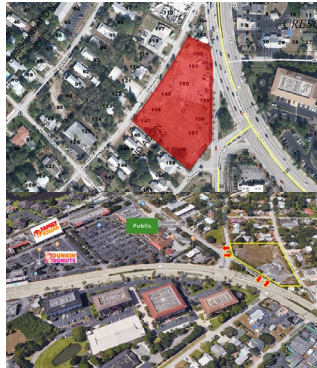
\$2,500,000

- Self-Storage Development Site
- 1.8 Acres
- Prime development location with mix of dense retail and residential
- Well-positioned site with exposure to Federal Highway
- Strong demographics

**Josh Koerner
& Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com



Sedalia, MO

\$4,370,000

- Portfolio with 5 locations
- 650 Total Units
- 115,266 Total RSF
- 9.22 Total Acres
- All properties located within 3 miles of each other
- Room to expand
- Seller financing available to qualified buyers

Larry Goldman, CCIM

913-707-9030

lgoldman@selfstorage.com



Cumming, GA

Call for Price

- Mobile storage operation for sale
- 2.4 Acres
- Business, equipment and real estate for sale
- Includes 150 8x16 containers
- Located 1 block off GA Hwy 9
- Strong operational history with minimal expenses

Mike Patterson, CCIM

770-301-1886

ebroker@msn.com



North Carolina

\$2,050,000

- 3-Property Portfolio
- Locations in Winterville, Kinston and Havelock, NC
- 515 Total Units
- 65,175 Total RSF
- 3.73 Total Acres
- All locations are fenced and gated

Jamey Cox

704-632-1030

jamey.cox@svn.com



Lithia Springs, GA

\$950,000

- 143 Units
- 21,500 RSF
- 2+/- Acres
- Great high traffic location less than 10 miles west of I-285
- Strong institutional tenants in front retail space
- Minimal competition in market

Jane Sauls

770-328-2379

janehsauls@gmail.com



Wooster, OH

\$499,000

- **Under Contract**
- 110 Units
- 14,900 RSF
- 3.7 Acres
- Located in Southeast Ohio
- Well-maintained facility with great curb appeal
- Solid in-place performance with long-time ownership

Alec Pacella, CCIM

216-455-0925

apacella@naidaus.com



Ramsey, MN

\$1,066,000

- Self-Storage Development Site
- 80,000 SF TBB
- 4.45 Acres
- Site has been fully entitled for approx. 80,000 SF, 100% climate controlled facility
- Strong demographics and growing population
- Under-supplied self-storage market

Tom Flannigan

651-269-6307

tom@selfstorage.com



Green Bay, WI

\$4,950,000

- 460 Units
- 118,860 RSF
- 7.9 Acres
- Climate control and non-climate units
- Consistently high occupancy
- Great visibility on busy commercial street
- Significant rental rate upside

Bruce Bahrmassel

312-518-3550

bruce@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

Leeds \$2,800,000 Bill Barnhill/Stuart LaGroue 251-432-1287

Arizona

Peoria \$2,200,000 Jeffrey A. Gorden 480-331-8880

Arkansas

Hot Springs Vlg \$1,600,000 Larry Goldman 913-707-9030

Jacksonville \$299,000 Larry Goldman 913-707-9030

Russellville \$1,495,000 Larry Goldman 913-707-9030

Florida

Ft. Myers \$850,000 Frost Weaver/Josh Koerner 904-265-2003

Ormond Beach \$1,150,000 Frost Weaver/Josh Koerner 904-265-2003

Starke \$875,000 Frost Weaver/Josh Koerner 904-265-2003

Stuart \$2,500,000 Frost Weaver/Josh Koerner 904-265-2003

Georgia

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

Carrollton \$1,300,000 Mike Patterson 770-301-1886

Cumming Call Broker Mike Patterson 770-301-1886

Jackson \$3,200,000 Mike Patterson 770-301-1886

Lithia Springs \$950,000 Jane Sauls 770-328-2379

Idaho

Salmon \$370,000 Larry Hayes 406-544-1921

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

Kansas

Hayesville \$785,000 Larry Goldman 913-707-9030

Junction City \$380,000 Larry Goldman 913-707-9030

Junction City \$1,195,000 Larry Goldman 913-707-9030

Kentucky

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

Maine

Naples \$850,000 Joseph Mendola 603-668-7000

Massachusetts

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

Minnesota

Chaska Call Broker Tom Flannigan 651-269-6307

Princeton \$325,000 Tom Flannigan 651-269-6307

Ramsey \$1,066,000 Tom Flannigan 651-269-6307

Missouri

Clinton **SOLD** Larry Goldman 913-707-9030

Clinton **SOLD** Larry Goldman 913-707-9030

Sedalia \$4,370,000 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

Hattiesburg \$285,000 Bill Barnhill/Shannon Barnes 251-432-1287

Mississippi, Cont.

Laurel \$550,000 Bill Barnhill/Shannon Barnes 251-432-1287

Richland \$1,300,000 Bill Barnhill/Stuart LaGroue 251-432-1287

New Hampshire

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

New Jersey

Pemberton \$975,000 Linda Cinelli 908-722-5661

Ventnor City \$1,725,000 Linda Cinelli 908-722-5661

West Berlin \$5,400,000 Linda Cinelli 908-722-5661

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

NC Portfolio \$2,050,000 Jamey Cox 704-632-1030

Cherryville \$2,100,000 Jamey Cox 704-632-1030

Henderson \$410,000 Jamey Cox 704-632-1030

Hickory \$795,000 Jamey Cox 704-632-1030

Laurinburg \$1,000,000 Jamey Cox 704-632-1030

Peachland \$205,000 Jamey Cox 704-632-1030

Ohio

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

Wooster \$499,000 Alec Pacella 216-455-0925

Oklahoma

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

Edmond \$8,000,000 Jared Jones 918-583-3483

Edmond **SOLD** Jared Jones 918-583-3483

Oregon

Central Point \$1,975,000 Scott King 541-890-6708

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Talent \$2,870,000 Scott King 541-890-6708

Talent \$1,350,000 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

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Mineral Wells Call Broker Richard Minker/Chad Snyder 817-335-5600

Texas City Call Broker Bill Brownfield 713-907-6497

Virginia

Virginia Beach Call Broker Stuart Wade 757-618-3597

ARGUS SALES



Congratulations to **Bill Brownfield, CRE, CCIM** of Brownfield & Associates who sold Jarrell RV & Boat Storage in Jarrell, TX! Contact Bill at 713-907-6497 for details.



Congratulations to **Mike Patterson, CCIM** of Commercial Realty Services of West Georgia who represented the buyer of Economy Storage in Rockmart, GA! Contact Mike at 770-301-1886 for details.



Congratulations to **Larry Goldman, CCIM** of RE/MAX Commercial who sold Highway 7 Storage and EMC Storage in Clinton, MO! Contact Larry at 913-707-9030 for details.



Congratulations to **Joan Lucas** of Joan Lucas Real Estate Services, LLC who sold a self-storage development site in Loveland, CO! Contact Joan at 720-855-6587 for details.



Congratulations to **Joey Godbold** of SVN Percival Partners who sold the A Self Storage Depot portfolio in the Asheville, NC metro area! Contact Joey at 704-632-1027 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
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Phone

845-522-5900
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Mike Patterson, CCIM
Stuart Wade
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Commercial Realty Services of West Georgia
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904-733-0039

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Preview Properties.com

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MI

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David Etzold
Larry Goldman, CCIM
Mike Helline & Paul Grisanti, CCIM
Jared Jones, CCIM
Richard D. Minker, CCIM & Chad Snyder

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AL, MS, LA
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TN
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North TX

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