



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue III-2018

Expert Guidance: What is it Really Worth?

by Ben Vestal

The value of professional advice during a self-storage transaction cannot simply be measured by wins and losses. Oftentimes, the most valuable advice does not even lead to a transaction. Over the years I have written articles and analyzed just about every aspect of the self-storage business. However, we rarely explain what a good real estate broker's duties are and why we get paid to help our clients buy and sell self-storage properties.

Over the last several years, the industry has seen, on average, more than a billion dollars of self-storage assets trade hands each year and the overwhelming majority (90% or more) of the transactions were handled by a real estate broker. However, there seems to be a trend in the industry of more owners who are willing to consider transacting their property "off-market" without the professional advice of an experienced self-storage broker. But today the value of an experienced self-storage broker is more important than ever. We are seeing several very large and well capitalized buyers in today's market and many of them have hired in-house brokers or acquisition teams to solicit "off-market" deals. They entice self-storage owners with such things as no commissions, top of the market valuation, and quick closings. It is clear that they have their client's (the BUYER) best interest in mind.

Understand What You Are Buying or Selling:

The reality is that while the dirt and bricks will be transferred by the deed, it's the income stream that creates that value in self-storage properties. In all income-producing properties, the valuation process is focused around the net operating income and the potential for future income. With all of the recent new development in the self-storage space, the potential of future income seems to be discounted. It is important to understand that the listing process does not create value; the value of the property already exists and it's set by the market of buyers willing to purchase the property. Also, brokers are not magicians; it is important to be wary of a broker who tells you he can get you a crazy high price for your property, or who is working for the buyer. The investment market is strong today but finding a greater fool who will pay an outsized price for your property is a fool's game! There are many subtleties you need to consider when buying or selling a self-storage property including new competition in the market, how the property is managed, the age of construction, the embedded value in the current tenant base, and potential market growth. An experienced broker will be able to look at the specific circumstances of your self storage operation and be able to adjust the valuation accordingly. Remember that the value of your property is set by what

a qualified buyer is willing to pay for it and a property that is priced appropriately for the market is far more likely to sell in a reasonable timeframe.

Exposure Sells & Experience Matters:

In self-storage, like any other business, exposure sells! Without it how would a prospective buyer ever know about a property for sale? The only way to guarantee that you are receiving the highest and best offer for your property is to ensure that the maximum number of qualified buyers are seeing it and that you're giving them the proper information to evaluate the investment opportunity. When discussing listing your property with a qualified self-storage broker, you should discuss marketing channels. How is the broker going to give your property the best exposure to qualified buyers and offer REAL distribution? Simply putting the property on the internet is not acceptable. While buyers tend to be concentrated at lower prices and sellers prefer higher prices, the deal is completed at a point where both sides can reach a mutual agreement. Working with an experienced self-storage broker in the buying and selling process can make a BIG difference. Only an experienced self-storage broker has access to all of the tools, industry knowledge, and relationships that will ensure the maximum value and the highest degree of success for your property. The bottom line is that experience matters and self-storage investing is very competitive. National self-storage appraisers have consistently found that transactions involving brokers sell for 5%-20% higher than transactions without a broker, and they sell within a shorter marketing timeframe. Over the last 24 years, Argus has completed over 1,800+ self-storage transactions and we have learned that an experienced self-storage broker can troubleshoot problems that inevitably occur during the transaction process. The broker's experience will lead to a smoother, more productive, and profitable outcome.

In Summary:

It is important for you to understand a broker's purpose and what they are doing to create value for your property. An experienced and well-seasoned self-storage broker will increase the professionalism and profitability of your self-storage transaction (whether buying or selling). He or she will also ensure that you have the best advice with the most comprehensive marketing program, thus maximizing the value of your investment. There is the old saying that "the lawyer who represents himself has a fool for a client." The same is even more true of the real estate investor who acts as his own broker. **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

Daphne, AL

\$530,000

- 67 Units
- 13,400 RSF
- 0.85+/- Acre
- Located just off Hwy 98 with 220'+/- of frontage on Bayfront Park Drive
- Office building is fully rented
- Contiguous land available for purchase

NEW!



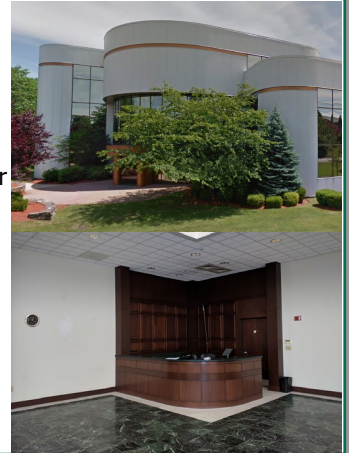
Bill Barnhill, CCIM & Shannon Barnes, CCIM
251-432-1287
shannon@selfstorage.com

Methuen, MA

\$9,500,000

- Self-Storage Conversion Opportunity
- 172,000 GSF flex building
- 9.75 Acres
- 4-story building with complete infrastructure of HVAC, sprinkler system and two 5,000 lb. lifts
- Vacant land is highly usable
- Great visibility on main retail street across from The Loop, a major power center

NEW!



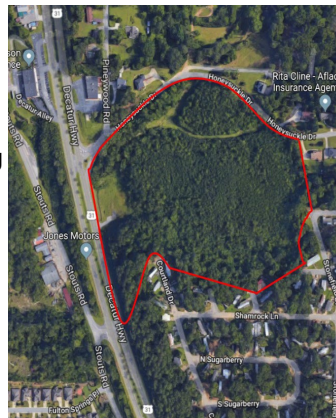
Joe Mendola
603-668-7000 ext. 203
joe@nainorwoodgroup.com

Fultondale, AL

\$899,000

- Self-Storage Development Site
- 6.5+/- Acres
- Site has special exception for self storage development
- High barriers to entry in surrounding areas
- 629 feet of road frontage along Hwy 31
- Under-supplied self storage market

NEW!



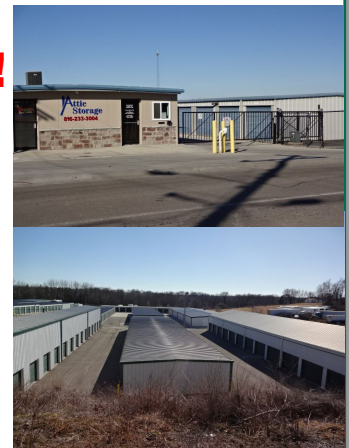
Bill Barnhill, CCIM & Stuart LaGroue
251-432-1287
stuart@selfstorage.com

St. Joseph, MO

\$9,850,000

- Portfolio with 5 locations
- 204,601 Total RSF
- 1,340 Total Units
- 14.68 Acres
- Mix of standard, outside and climate controlled storage
- 30 minutes from KCI airport
- Room for expansion
- Stable operating history
- Sites located within 4 miles of one another

NEW!



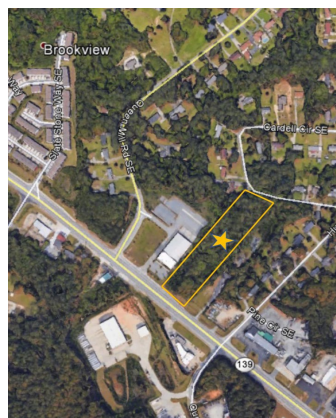
Larry Goldman, CCIM
913-707-9030
lgoldman@selfstorage.com

Mableton, GA

\$895,000

- Self-Storage Development Site
- 3.7+/- Acres
- Development opportunity located 3 miles from I-285 and 1 mile from I-20
- Daily traffic count of ~24,300 vpd
- Zoned General Commercial
- Limited supply of climate controlled storage in the area
- Approx. 200 feet of road frontage

NEW!



Jane Sauls
770-328-2379
janehsauls@gmail.com

Guymon, OK

\$1,200,000

- 231 Units
- 43,700 RSF
- 3 Acres
- Best facility in the market
- Strong occupancy history
- Upside available through conversion of open parking to storage and through rate management on current tenants
- Low maintenance operation with 24/7 kiosk

NEW!



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

Daphne	\$530,000	Bill Barnhill/Shannon Barnes	251-432-1287
Fultondale	\$899,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Leeds	\$2,800,000	Bill Barnhill/Stuart LaGroue	251-432-1287

Arizona

Peoria	SOLD	Jeff Gorden	480-331-8880
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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	\$725,000	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
Mableton	\$895,000	Jane Sauls	770-328-2379

Idaho

Salmon	\$370,000	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	SOLD	Bruce Bahrmassel	312-518-3550

Indiana

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

Hayesville	\$785,000	Larry Goldman	913-707-9030
Junction City	\$380,000	Larry Goldman	913-707-9030
Junction City	SOLD	Larry Goldman	913-707-9030

Kentucky

Cynthiana	SOLD	Paul Grisanti/Mike Helline	502-296-4586
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Maine

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

Methuen	\$9,500,000	Joseph Mendola	603-668-7000
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

Sedalia	\$4,370,000	Larry Goldman	913-707-9030
St. Joseph	\$9,850,000	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
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

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	SOLD	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	\$390,000	Jamey Cox	704-632-1030
Hickory	\$795,000	Jamey Cox	704-632-1030
Laurinburg	\$1,000,000	Jamey Cox	704-632-1030
Peachland	SOLD	Jamey Cox	704-632-1030

Ohio

Glouster	\$299,000	Alec Pacella	216-455-0925
Wooster	\$499,000	Alec Pacella	216-455-0925

Oklahoma

Edmond	\$8,000,000	Jared Jones	918-583-3483
Guymon	\$1,200,000	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
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
Austin	SOLD	Bill Brownfield	713-907-6497
Bacliff	Call Broker	Bill Brownfield	713-907-6497
Jarrell	SOLD	Bill Brownfield	713-907-6497
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
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Wisconsin

Green Bay	\$4,950,000	Bruce Bahrmassel	312-518-3550
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ARGUS SALES



Congratulations to **Bruce Bahrmassel** of Waveland Commercial Real Estate who sold Route 6 Storage in Seneca, IL! Contact Bruce at 312-518-3550 for details.



Congratulations to **Larry Goldman, CCIM** of RE/MAX Commercial who sold All American Self Storage in Junction City, KS! Contact Larry at 913-707-9030 for details.



Congratulations to **Bill Brownfield, CRE, CCIM** of Brownfield & Associates, LLC who sold East Central Storage in Austin, TX! Contact Bill at 713-907-6497 for details.



Congratulations to **Paul Grisanti, CCIM** and **Mike Helline** of Grisanti Group Commercial Real Estate who sold Safe Dry Storage in Cynthiana, KY and East Hickman Self Storage in Lyles, TN! Contact Paul and Mike at 502-296-4586 for details.



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



Congratulations to **Linda Cinelli, CCIM** of LC Realty who sold Storage Depot in Shirley, NY! Contact Linda at 908-722-5661 for details.



Congratulations to **Jamey Cox** of SVN Percival Partners who sold the Wingate Peachland Stor All Portfolio in Wingate, NC and Peachland, NC! Contact Jamey at 704-632-1030 for details.



Congratulations to **Jared Jones, CCIM** of Jones Investment Properties who represented the buyer of 51st Street Self Storage in Tulsa, OK! Contact Jared at 918-583-3483 for details.



Congratulations to **Bill Barnhill, CCIM** and **Stuart LaGroue** of Omega Properties, Inc. who sold Betta Stor-It in Gulf Breeze, FL! Contact Bill or Stuart at 251-432-1287 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
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

251-432-1287
713-907-6497
915-845-6006
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

David Etzold
Jeff 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
Centennial Advisers
RE/MAX Commercial

915-845-6006
480-331-8880
406-544-1921
541-890-6708
720-855-6587
562-269-4844
206-200-3325

NM
AZ, NV
MT
OR
CO
Southern CA
WA