



SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue XI-2019

New Decade, New Strategy?

by Ben Vestal

This time of year, we find ourselves reflecting on the things that we are grateful for and the people who mean the most to us. Here at Argus, we are most thankful for the men and women who work hard every day to serve the needs of our self-storage clients. Our organization is made up of over 50+ self-storage professionals around the country who are helping their clients navigate the buying and selling process. Over the last 26 years Argus affiliates have closed over three billion dollars in self-storage transactions for the benefit of their clients. One thing I have learned is that there is no substitution for experience and lessons learned.

In 2019, the biggest lesson we learned is that self-storage is not bulletproof. We have seen new deliveries continue to push down rental rates, occupancies and revenue growth. New development continues to be highest in markets with strong employment growth, which leads to outsized population growth and overbuilding. We are starting to see this spill over to the secondary markets but at a very moderate pace.

As self-storage investment advisors we spend a lot of time talking about cap rates, interest rates, market fundamentals, new development and the overall investment market. These key indicators are suggesting that we may be reaching a time in the real estate cycle where self-storage owners should reposition their assets for long-term prosperity and continued growth. This process involves “weeding” your portfolio to sell some of the assets that are less attractive and less profitable to your operations and locking in long term debt on your crown jewels. This does not mean that the properties that you choose to sell have anything wrong with them. It simply means that because of your personal investment approach, geographical location, growth plans, personal goals or management style (just to name a few) these properties are not reaching their highest potential. This strategy has also created opportunities for many of our clients to purchase new projects that will allow them to add scale and profitability to their portfolios or to acquire an up and running self-storage project that will allow them to add value by managing the property to its full potential.

The current changing market fundamentals, fluid lending market, well-capitalized players in the industry, and STILL historically low interest rates have kept values high and made some owners complacent. Over the last several years, this complacency has led to outsized operating expense growth which is now coming to light as the industry is experiencing operational headwinds. The risk that self-storage owners face today is not only whether their NOI goes up or down, but whether investor sentiment and cap rates will change faster than their increase in NOI can compensate for, resulting in a loss of value. Remember it is always easier to cut expenses than raise revenue. By weeding your portfolio now and selling off some of the assets that are less desirable to your investment strategy, it allows you to maximize your rate of return and limit the amount of risk (value preservation). It is only logical to think that if you position your assets to operate at the highest profitability, you will find that operations will run smoother and more efficiently, freeing up more time for you to evaluate new opportunities or simply for personal enjoyment.

With the 2020 election year around the corner, I believe we will experience the market “status quo” for the next 12 months. This will create a window of opportunity for owners to prune their portfolio. It is my observation that the buyer pool is starting to thin as the low hanging fruit of value-add opportunities are harder and harder to find largely due to the growth of platform-based third-party management. Additionally, equity providers are getting frustrated with their inability to find opportunities. It is clear that the “smart money” is taking this opportunity to reposition their portfolios and take some chips off the table while growing in the most productive manner with regard to each of their individual investment strategies. While I believe the self-storage industry is very well-positioned to continue to prosper in 2020, now is the time to start planning and rework your portfolio to make sure you are able to capitalize on the next opportunity that presents itself. Time to Love it or List it! **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

Valdosta, GA

\$2,925,000

- 417 Units
- 48,106 RSF
- 2.96 Acres
- Climate control conversion opportunity
- Limited competition within 2 miles
- Room for expansion

NEW!

**Luke Sauls
& Jane H. Sauls, CCIM**
770-841-4591
saulsluke@gmail.com
janehsauls@gmail.com



Sparks, NV

Offers Due 11/26/19

- 493 Units
- 65,650 RSF
- 2.95 Acres
- New facility opened in May 2019
- Rapid lease-up in a high barriers to entry market
- Major intersection location
- Underserved market with increasing demand for storage

NEW!

Jeff Gorden, CCIM
702-643-1000
jeff@gorden-group.com



Duluth, MN

Call Broker for Price

- 460 Units
- 60,800 RSF
- 9 Acres
- Includes 1,800 SF of office space
- Consistently high occupancy
- Rapid lease-up of recent expansion
- Budget truck rental income

NEW!

**Tom Flannigan
& Alex Ihrke**
612-790-3747
tom@selfstorage.com
alex@selfstorage.com



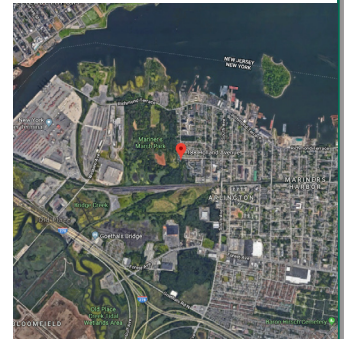
Staten Island, NY

\$6,250,000

NEW!

- Self-Storage Development Site
- 198,000 SF Proposed
- 4.58 +/- Acres
- Permitted use for self-storage
- Close proximity to La Guardia and JFK airports
- Located a few blocks off South Ave. with access to both NY and NJ container terminals

Linda Cinelli, CCIM
908-722-5661
linda@lcrealtyusa.com



Arkadelphia, AR

\$335,000

- 77 Units
- 11,400 RSF
- 2.5 Acres
- Two-facility offering priced below replacement cost
- Room to expand
- Renovated in 2017-2018
- Electronic gate at main facility

NEW!

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



Mabank, TX

\$1,800,000

- 146 Units
- 80,822 GSF
- 3.58 Acres
- Located directly off of Cedar Creek Lake
- Management upside
- Large number of commercial tenants with longer lease terms

NEW!

**Chad Snyder
& Richard Minker, CCIM**
817-980-7276
csnyder@dominuscommercial.com
rminker@dominuscommercial.com



Mohave Valley, AZ

\$450,000

- 42 Units
- 10,288 RSF
- 0.57 Acres
- Located across the Colorado River from Needles, CA and 20 miles from Laughlin, NV
- Minimal competition in the area
- Manager's residence on site
- Significant upside potential

NEW!

Jeff Gorden, CCIM
480-331-8880
jeff@gorden-group.com



Magnolia, TX

\$1,500,000

- 128 Units
- 22,800 RSF
- 3 Acres
- New construction, priced below replacement cost
- Can easily be expanded to approx. 40,000 GSF
- High growth residential area

NEW!

**Bill Brownfield, CRE, CCIM
& Faith Pate**
713-907-6497
bill@wbrownfield.com
faith.pate@avisonyoung.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

Bessemer	\$1,700,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Childersburg	\$768,000	Bill Barnhill/Stuart LaGroue	251-432-1287

Arizona

Cottonwood	\$1,750,000	Jeff Gorden	480-331-8880
Mohave Valley	\$450,000	Jeff Gorden	480-331-8880
Wickenburg	\$900,000	Jeff Gorden	480-331-8880

Arkansas

Arkadelphia	\$335,000	Larry Goldman	913-707-9030
Cabot	SOLD	Larry Goldman	913-707-9030
Hot Springs	\$295,000	Larry Goldman	913-707-9030
Hot Springs Vlg	\$1,600,000	Larry Goldman	913-707-9030
N. Little Rock	SOLD	Larry Goldman	913-707-9030
West Memphis	\$9,645,000	Larry Goldman	913-707-9030
Wynne	\$5,172,000	Larry Goldman	913-707-9030

California

Whittier	\$2,659,000	Doug Shea	562-773-4000
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Colorado

Loveland	\$5,700,000	Joan Lucas	720-855-6587
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Connecticut

Danbury	\$25/NRSF	Linda Cinelli	908-722-5661
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Florida

Chiefland	\$1,500,000	Josh Koerner/Frost Weaver	904-591-0140
Naples	\$2,650,000	Josh Koerner/Frost Weaver	904-591-0140
Ormond Beach	\$1,200,000	Josh Koerner/Frost Weaver	904-591-0140
Vero Beach	\$4,425,000	Josh Koerner/Frost Weaver	904-591-0140

Georgia

Alpharetta	\$695,000	Jane H. Sauls, CCIM	770-328-2379
Lake Park	\$2,200,000	Luke Sauls	770-841-4591
Mableton	\$895,000	Jane H. Sauls, CCIM	770-328-2379
Valdosta	\$2,925,000	Luke Sauls	770-841-4591

Illinois

Chillicothe	\$1,200,000	Bruce Bahrmassel	312-518-3550
Rockford	\$3,250,000	Bruce Bahrmassel	312-518-3550

Iowa

Boone	\$275,000	Tom Flannigan	612-790-3747
Cedar Rapids	\$650,000	Tom Flannigan	612-790-3747
Hiawatha	\$950,000	Tom Flannigan	612-790-3747

Kansas

Eudora	\$3,650,000	Larry Goldman	913-707-9030
Iola	\$565,000	Larry Goldman	913-707-9030
Lawrence	\$3,900,000	Larry Goldman	913-707-9030
Liberal	SOLD	Larry Goldman	913-707-9030
Ottawa	\$575,000	Brian Goldman	913-707-3941
S. Hutchinson	\$565,000	Jared Jones	918-609-0541

Kentucky

Shepherdsville	\$699,000	Mike Helline	502-296-4586
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Massachusetts

Northampton	\$595,000	Joseph Mendola	603-668-7000
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Michigan

Addison	\$975,000	Jim Soltis	810-494-2062
Eagle	\$450,000	Jim Soltis	810-494-2062

Minnesota

Alexandria	\$2,200,000	Tom Flannigan	612-790-3747
Coon Rapids	\$650,000	Tom Flannigan	612-790-3747
Duluth	Call Broker	Tom Flannigan	612-790-3747

Missouri

Branson West	Call Broker	Jared Jones/Larry Goldman	918-609-0541
Jefferson City	\$299,000	Larry Goldman	913-707-9030
Moscow Mills	\$4,150,000	Larry Goldman	913-707-9030

Nebraska

Lemoyne	SOLD	Joan Lucas	720-855-6587
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Nevada

Sparks	Call Broker	Jeff Gorden	480-331-8880
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New Jersey

Belvidere	\$875,000	Linda Cinelli	908-722-5661
Sparta	\$7,450,000	Linda Cinelli	908-722-5661
Ventnor City	\$2,000,000	Linda Cinelli	908-722-5661

New York

East Hampton	Call Broker	Linda Cinelli	908-722-5661
Islip	\$5,700,000	Linda Cinelli	908-722-5661
Staten Island	\$6,250,000	Linda Cinelli	908-722-5661

North Dakota

Watford City	\$2,500,000	Tom Flannigan	612-790-3747
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Ohio

N. Ridgeville	\$1,500,000	Alec Pacella	216-455-0925
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Oregon

Central Point	\$1,875,000	Scott King	541-890-6708
Lakeview	\$798,000	Scott King	541-890-6708
Medford	\$375,000	Scott King	541-890-6708

Pennsylvania

Bechtelsville	\$1,350,000	Chuck Shields	610-828-0100
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Texas

Anna	Call Broker	Richard Minker/Chad Snyder	817-980-7276
Channelview	Call Broker	Richard Minker/Chad Snyder	817-980-7276
Lewisville	Call Broker	Richard Minker/Chad Snyder	817-980-7276
Mabank	Call Broker	Richard Minker/Chad Snyder	817-980-7276
Magnolia	Call Broker	Bill Brownfield/Faith Pate	713-907-6497

ARGUS SALES



Congratulations to **Josh Koerner and Frost Weaver of Weaver Realty Group** who sold Pan Am Mini Storage in Atlantic Beach, FL! Contact Josh and Frost at 904-591-0140 for details.



Congratulations to **Jared Jones of Jones Investment Properties** who sold Liberty Storage in Tulsa, OK! Contact Jared at 918-948-3941 for details.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services** who sold Kite Ranch RV Storage in Lemoyne, NE. Contact Joan at 720-855-6587 for details.



Congratulations to **Larry Goldman, CCIM of RE/MAX Commercial** who sold Scott Storage in North Little Rock, AR, Grant St. Mini Storage in Cabot, AR and Tucker Road Storage in Liberal, 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
Jamey Cox
Mike Patterson, CCIM
Stuart Wade
Josh Koerner & 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
904-591-0140

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

NORTH CENTRAL

Bruce Bahrmassel
Tom Flannigan
Alec Pacella, CCIM
Larry Goldman, CCIM
Mike Helline & Aaron Willis
Jim Soltis

KW Commercial
NAI Pleasant Valley
RE/MAX Commercial
Column Realty
Preview Properties.com

312-518-3550
612-790-3747
216-831-3310
913-707-9030
502-296-4586
810-494-2062

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

SOUTH CENTRAL

Bill Barnhill, CCIM
Bill Brownfield, CRE, CCIM & Faith Pate
David Etzold & Avi Kotkowski
Larry Goldman, CCIM
Mike Helline & Aaron Willis
Jared Jones, CCIM
Richard D. Minker, CCIM & Chad Snyder

Omega Properties, Inc.
Brownfield & Associates, LLC
Etzold & CO LLC
RE/MAX Commercial
Column Realty
Jones Investment Properties
Dominus Commercial

251-432-1287
713-907-6497
915-845-6006
913-707-9030
502-296-4586
918-948-3941
817-980-7276

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

WEST

David Etzold & Avi Kotkowski
Jeff Gorden, CCIM
Larry Hayes
Scott King
Joan Lucas
Sandy McCleve
James Rueter
Doug Shea
Thomas Wolter

Etzold & CO LLC
Eagle Commercial Realty Services
Hayes & Associates
Merit Commercial Real Estate
Joan Lucas Real Estate Services, LLC
McCleve Real Estate, LLC
Pacific Brokers
Centennial Advisers
RE/MAX Commercial

915-845-6006
480-331-8880
406-544-1921
541-890-6708
720-855-6587
801-872-9610
805-815-8105
562-773-4000
206-200-3325

NM
AZ, NV
MT
OR
CO
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Northern CA
Southern CA
WA