



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue VIII-2020

Summer is Almost Over...How Are You Feeling About the Market?

by Ben Vestal

The summer of 2020 has been unlike any we've known in the past, but fortunately, the self-storage rental season and investment market are alive and well. Despite the stock market's recent performance and the self-storage rental season showing signs of strength within our industry, I am not confident that the market disruption and recession are over. Please forgive my skepticism, but I am concerned about the lagging effect of historically high unemployment, the impact of disrupting the traditional school schedule, the everchanging debt markets, and the impact of an election year. The reality that come November we might have a new administration saddled with a tremendous amount of debt, and one that sees the world in a totally different light should not be taken lightly.

The good news is that over the next 3-4 months we will have more clarity on several fronts; First, we will know the impact of sending kids back to school this Fall. I am expecting a bumpy process characterized by some false starts and closures that will weigh heavily on the investment market in September. Second, we will know the results of the US Presidential election and I believe it is safe to say that depending on the results of the election, several tax codes that benefit the real estate business (and self-storage) will be under review and highly scrutinized, i.e. capital gains tax rates and the 1031 exchange just to name a few. This will have a meaningful impact on self-storage investors' returns. Third, and most importantly, a COVID-19 vaccine could be on the "verge of approval." Goldman Sachs recently indicated that they believe there is a "good chance" that at least one vaccine will be approved by the FDA by the end of 2020 allowing it to be "broadly distributed" by mid-2021. This could lead to hyper-appreciation of some investments and assets in 2021.

In my 20+ year real estate career, I cannot remember a time when there were so many non-real estate factors clouding the horizon for self-storage investors. The picture is currently murky at best with little transparency on things like the path of the virus, the US political environment, taxation, stability of the current debt markets, and employment. However, it is clear that the current market has provided self-storage investors a window to capitalize on strong valuations, a fluid debt market and a very deep and well-capitalized buyer pool. I do believe some clouds will clear by the end of the year and we will start to regain clarity as to

how the self-storage investment market will be positioned in this rapidly changing environment. Undoubtedly, the rules will change as we enter 2021 and understanding your investment horizon has never been more important!

In an effort to provide our clients with real-time market information amidst all of this uncertainty, we have surveyed our database of more than 20,000 self-storage owners, investors and operators to best understand how our industry is performing and what our clients feel the future holds. Over the last 90 days Argus brokers have completed more than 20 self-storage transactions with an aggregate value of more than \$50 million. This real-time transactional data along with the survey results compiled by Argus give Argus brokers the most comprehensive market insight available in the industry today. Please contact your local Argus broker to receive a copy of the full survey results so that you may better understand the nuances of recent sales transactions and the effects on your local storage market.

Below are key takeaways from the survey results:

- Demand for self-storage is remaining strong with more than 47% of the responses indicating that their occupancy is up year over year and move outs have remained flat or decreased for more than 78% of those surveyed.
- Most properties managed by non-platform based operators (74%) are struggling to start rental rate increases on existing tenants post-COVID reopening.
- Real estate taxes are changing quickly and are the fastest growing operating expense, with 41% of respondents reporting real estate taxes as their fastest growing operating expense.
- Cap rates are remaining flat or actually compressing slightly, with 78% reporting flat or compressing cap rates in 2020.
- There are still definitely more buyers than sellers in the market.

Please contact your local Argus Broker Affiliate to receive a copy of the complete survey results. **MM**

Ben Vestal, CEO of Argus Self Storage Advisors, can be reached at 800-557-8673 or bvestal@argus-realestate.com.



Property Showcase

Black Canyon, AZ

\$2,950,000

- 68,260 RSF
- 272 Storage Units
- 106 RV Spaces
- 4.95 Acres
- Room for expansion
- Upside through active revenue management
- No competition in the market
- On-site office and residence available

NEW!

Jeff Gorden, CCIM
480-331-8880
jgorden@selfstorage.com



Colorado Springs, CO

\$6,250,000

- 502 Units
- 73,250 RSF
- 4.22 Acres
- Very stable, well-maintained project in Colorado Springs
- 24 newly added portable storage containers
- On-site resident managers, computerized gate, fully fenced

NEW!

Joan Lucas
720-855-6587
jlucas@selfstorage.com



Rimrock, AZ

\$1,900,000

- 237 Units
- 36,325 RSF
- 3.5 Acres
- Room for expansion
- Upside through revenue management
- Manager's office and residence on-site
- Limited competition in the market

NEW!

Jeff Gorden, CCIM
480-331-8880
jgorden@selfstorage.com



Clovis, NM

\$375,000

- 121 Units
- 13,560 RSF
- 0.956 Acre
- Highly visible and accessible location
- Well-kept and very clean
- Opportunity for upside on rates and occupancy
- Priced well below replacement cost
- High cap rate on proforma

NEW!

David Etzold
915-845-6006
etzoldco@att.net



Grand Junction, CO

\$708,000

- 106 Units
- 16,330 RSF
- 1.04 Acres
- Opportunity to purchase two small concrete block self storage projects in Grand Junction
- Well-maintained with asphalt paving, secure lighting and security cameras
- Can be run by part-time manager

NEW!

Joan Lucas
720-855-6587
jlucas@selfstorage.com



Enid, OK

\$7,000,000

- Under Contract
- 901 Units
- 126,590 RSF
- 6.38 Acres
- 2-Property Portfolio
- Both locations are well-lighted and have gated access with 24/7 camera surveillance
- Combination of on-site and remote management
- Minimal presence of REIT-operated properties in the market

NEW!

Jared Jones, CCIM
918-609-0541
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

Foley \$1,229,000 Bill Barnhill/Stuart LaGroue 251-432-1287

Arizona

Black Canyon \$2,950,000 Jeff Gorden 480-331-8880
Cottonwood **SOLD** Jeff Gorden 480-331-8880
Flagstaff \$1,650,000 Jeff Gorden 480-331-8880
Rimrock \$1,900,000 Jeff Gorden 480-331-8880

Arkansas

Arkadelphia \$289,000 Larry Goldman 913-707-9030
Russellville \$1,000,000 Larry Goldman 913-707-9030
Wynne \$4,340,000 Larry Goldman 913-707-9030

Colorado

Cañon City \$1,200,000 Joan Lucas 720-855-6587
Colo. Springs \$5,000,000 Joan Lucas 720-855-6587
Colo. Springs \$6,250,000 Joan Lucas 720-855-6587
Grand Junction \$708,000 Joan Lucas 720-855-6587
Loveland \$1,095,550 Joan Lucas 720-855-6587

Florida

Lady Lake \$2,900,000 Josh Koerner/Frost Weaver 904-594-0140
Oakland Park \$3,475,000 Josh Koerner/Frost Weaver 904-594-0140
Opa-Locka \$2,975,000 Josh Koerner/Frost Weaver 904-591-0140
Pensacola \$1,628,000 Bill Barnhill/Stuart LaGroue 251-432-1287
South Florida Call Broker Josh Koerner/Frost Weaver 904-591-0140
Vero Beach \$2,100,000 Josh Koerner/Frost Weaver 904-591-0140

Georgia

Alpharetta \$695,000 Jane H. Sauls 770-328-2379
Byron \$5,800,000 Luke Sauls/Jane H. Sauls 770-841-4591
Crawford \$4,300,000 Mike Patterson 770-301-1886
Douglasville \$2,900,000 Mike Patterson 770-301-1886
Jesup \$2,400,000 Josh Koerner/Frost Weaver 904-591-0140
Mableton \$895,000 Jane H. Sauls 770-328-2379

Illinois

Rockford \$2,975,000 Bruce Bahrmassel 312-518-3550

Indiana

Portage \$250,000 Bruce Bahrmassel 312-518-3550

Iowa

Altoona \$3,900,000 Tom Flannigan 612-790-3747

Kansas

Arkansas City \$585,000 Larry Goldman 913-707-9030
Hutchinson \$2,390,000 Larry Goldman 913-707-9030
Iola \$565,000 Larry Goldman 913-707-9030
Lawrence \$2,000,000 Larry Goldman 913-707-9030

Louisiana

Baton Rouge \$775,000 Bill Barnhill/Jeremy Milling 251-694-5050

Michigan

Battle Creek \$210,000 Jim Soltis 810-494-2062

Minnesota

Lakeville Call Broker Tom Flannigan 612-790-3747

Nevada

Winnemucca \$1,580,000 Jeff Gorden 702-643-1000

New Jersey

Tenafly \$3,900,000 Linda Cinelli/Edan Cohen 908-722-5661

New Mexico

Clovis \$375,000 David Etzold 915-845-6006

New York

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

North Dakota

Bowman \$700,000 Tom Flannigan 612-790-3747

Ohio

LaGrange \$395,000 Alec Pacella 216-455-0925

Oklahoma

Elgin/Verden \$1,400,000 Jared Jones 918-609-0541
Enid \$7,000,000 Jared Jones 918-609-0541
Newcastle \$2,800,000 Jared Jones 918-609-0541
Wagoner \$725,000 Jared Jones 918-609-0541

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
Vale \$1,600,000 Scott King 541-890-6708

Pennsylvania

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

Texas

Arlington Call Broker Chad Snyder 817-980-7276
Bridgeport Call Broker Chad Snyder 817-980-7276
Channelview Call Broker Chad Snyder 817-980-7276
Decatur **SOLD** Chad Snyder 817-980-7276
Euless Call Broker Chad Snyder 817-980-7276
Mabank Call Broker Chad Snyder 817-980-7276
Magnolia Call Broker Bill Brownfield/Faith Pate 713-907-6497
Mt. Pleasant Call Broker Chad Snyder 817-980-7276
Nash Call Broker Chad Snyder/Tyler Trahant 817-980-7276
Pampa Call Broker Chad Snyder/Tyler Trahant 817-980-7276
San Antonio Call Broker Bill Brownfield/Faith Pate 713-907-6497
Temple **SOLD** Chad Snyder 817-980-7276

Washington

Chattaroy \$625,000 Ryan Layton 509-435-2424
Hoodspport \$1,250,000 Thomas Wolter 206-200-3325
Olympia Call Broker Thomas Wolter 206-200-3325

Wisconsin

Ripon \$375,000 Bruce Bahrmassel 312-518-3550

ARGUS SALES



Congratulations to **Jeff Gorden, CCIM of KW Commercial** who sold Anchor Mini Storage in Cottonwood, AZ! Contact Jeff at 480-331-8880 for details.



Congratulations to **Chad Snyder and Tyler Trahant of Dominus Commercial** who sold Fryers Creek Storage in Temple, TX; 2264 Self Storage in Decatur, TX; and a 2-Property Portfolio in Irving and Fort Worth, TX! Contact Chad and Tyler at 817-980-7276 for details.



NOW AVAILABLE!

2020 Self-Storage Investment Market Survey Results

Contact your Argus Broker Affiliate, listed below, to receive the results of our 2020 Owner and Investor Market Survey. Learn about the impact of COVID on self-storage operations and the outlook for the self-storage investment market.

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
Jane H. Sauls, CCIM & Mike Patterson, CCIM
Stuart Wade & Ed Nicholson
Josh Koerner & Frost Weaver

Omega Properties, Inc.
SVN Percival Partners
Sauls Storage Group, LLC
The Nicholson Companies
Weaver Realty Group, Inc.

251-432-1287
704-632-1030
770-328-2379
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
Rob Schick
Jim Soltis

KW Commercial
NAI Pleasant Valley
Goldman Investment Advisors, Inc.
Column Realty
Revel & Underwood, Inc.
Preview Properties.com

312-518-3550
612-790-3747
216-831-3310
913-707-9030
502-296-4586
317-922-1225
810-494-2062

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

SOUTH CENTRAL

Bill Barnhill, CCIM
Bill Brownfield, CRE, CCIM & Faith Pate
David Etzold
Larry Goldman, CCIM
Mike Helline & Aaron Willis
Jared Jones, CCIM
Chad Snyder & Tyler Trahant

Omega Properties, Inc.
Brownfield & Associates, LLC
Etzold & CO
Goldman Investment Advisors, Inc.
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
Jeff Gorden, CCIM
Jeff Gorden, CCIM
Larry Hayes
Scott King
Ryan Layton
Joan Lucas
Ken Miller
Doug Shea
Thomas Wolter

Etzold & CO
KW Commercial
The Gorden Company
Hayes & Associates
Merit Commercial Real Estate
American Real Estate Associates
Joan Lucas Real Estate Services, LLC
Northstate Commercial Partners
Centennial Advisers
RE/MAX Commercial

915-845-6006
480-331-8880
702-643-1000
406-544-1921
541-890-6708
509-435-2424
720-855-6587
530-768-1650
562-773-4000
206-200-3325

NM
AZ
NV
MT
OR
Eastern WA, Northern ID
CO
Northern CA
Southern CA
Western WA