



SELF STORAGE ADVISORS

# Market Monitor

*America's Premier Self Storage Brokers*

Issue X-2020

## Staying Competitive in Today's 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! Following 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. Most of you have the opportunity to join a local Chamber of Commerce and local business groups. You should also consider advertising in neighborhood newsletters, church newsletters, school newsletters or sponsoring a local youth sports team. These local advertising options can bring you a number of small businesses, employees, their families and friends 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. Chances are the big operators will not be as effective as you because their decision makers are not privy to the same local information that you have. 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, say you have your curbs painted white along the street and your office shell is cream colored with blue trim around your windows. 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 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, 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

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property more valuable. Shop around with local vendors for needed goods and services. Local vendors are more likely to give a local business owner a better deal on goods and services as compared to a large corporation. 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. Keep an eye on your itemized bills for phone, internet and other utilities. They are infamous for adding additional fees such as fuel surcharges and for increasing rates when your current contract expires without informing you. Just by calling and saying something you can often get these reduced. 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 & ECRIs**

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. Re-

member, you can't raise rates on a vacant unit!

Actively managing your Existing Customer Rate Increases (ECRIs) in light of the COVID disruption is proving to be very challenging for small operators. The industry took the approach of suspending rate increase during the onset of the COVID pandemic in order to "do the right thing" and comply with all state and local guidelines and restrictions. However, starting in July most local and state restrictions had been lifted and industry leaders starting to roll out rate increase to their existing customers. Due to the suspension of rate increases for 90-120 days many small operators are struggling to get caught up on ECRIs. Self-storage operators need to be aggressive on rolling out ECRIs and in order to get caught up you will need to roll out a larger than normal amount for a 60 to 90-day period. We have found that due to the extended leasing season this year and surge in demand, most of our ECRIs have been effective in increasing revenue and we have had very little push back.

With the amount of new development in the self-storage space today and recent disruption of COVID we are recommending to our clients that we take a very aggressive approach to rental rate management and ECRIs. We have found that highly occupied stores can produce much higher revenue growth with aggressive rental rate management and ECRIs. 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**

*Korey Hanson is the President of Argus Professional Storage Management, one of the largest independent third-party management companies in the U.S. He can be reached at 520-320-9135 or [korey@proselfstorage.com](mailto:korey@proselfstorage.com).*



# Property Showcase

## Loganville, GA

**\$85,000/Acre**

- Self-Storage Development Site **NEW!**
- 5 +/- Acres
- Flat and cleared land designed for self-storage on Walton County future land use
- Double highway frontage on GA-81 and Center Hill Church
- Very strong demand gap for climate controlled storage as well as secure parking

**Mike Patterson, CCIM**  
770-301-1886  
ebroker@msn.com



## Hermiston, OR

**\$7,533,000**

- 674 Units **NEW!**
- 100,000+ RSF
- 2+ acres for expansion
- Limited competition within 3 miles of the facility
- On-site manager is a full-time resident
- Fully gated, paved asphalt
- Frontage on Highway 395
- High occupancy rate

**Scott King**  
541-890-6708  
scottking@gmail.com



## Cameron, MO

**\$375,000**

- 96 Units **NEW!**
- 13,240 RSF
- 1.4 Acres
- Adjacent to I-35
- Land available for expansion
- One of the few fenced and electronically gated facilities in the area
- Significant upside potential as the facility is currently undermanaged

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



## Van Alstyne, TX

**\$400,000**

- 71 Units **NEW!**
- 9,120 RSF
- 1.5 Acres
- Land available for expansion of 1-2 more buildings onsite
- Management upside opportunity
- Can be purchased with or without adjoining house
- High growth area north of Anna, TX

**Chad Snyder & Tyler Trahant**  
817-242-2361  
csnyder@dominuscommercial.com



## West Palm Beach, FL

**\$2,300,000**

- Prime development location within the West Palm Beach-FL (MSA) with dense residential housing
- The configuration will be 2 buildings; one 5-story building and one 4-story building – 110,000 GSF
- Recent study shows strong demand for climate-controlled buildings

**Josh Koerner & Frost Weaver**  
904-591-0140  
jkoerner@weaver-realty.com



## Black Canyon, AZ

**\$2,950,000**

- **Under Contract**
- 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

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







# Sells Self Storage Nationwide!

Our complete list of available properties is detailed below. For additional information, visit [www.argus-selfstorage.com](http://www.argus-selfstorage.com) or contact your local Argus Broker Affiliate.

## Alabama

Foley **SOLD** Bill Barnhill/Stuart LaGroue 251-432-1287

## Arizona

Black Canyon \$2,950,000 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 **SOLD** Joan Lucas 720-855-6587  
Colo. Springs **SOLD** 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  
Port St. Lucie \$3,250,000 Josh Koerner/Frost Weaver 904-594-0140  
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 **SOLD** Mike Patterson 770-301-1886  
Jesup **SOLD** Josh Koerner/Frost Weaver 904-591-0140  
Loganville \$85,000/Acre Mike Patterson 770-301-1886  
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

## Kansas

Arkansas City **SOLD** 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 **SOLD** Tom Flannigan 612-790-3747

## Missouri

Cameron \$375,000 Larry Goldman 913-707-9030  
Knob Noster \$1,920,000 Larry Goldman 913-707-9030  
Lee's Summit \$8,800,000 Larry Goldman 913-707-9030

## New Jersey

Tenaflly \$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  
Jamestown \$7,400,000 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  
Hermiston \$7,533,000 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 **SOLD** Chad Snyder 817-980-7276  
Euless Call Broker Chad Snyder 817-980-7276  
Granbury Call Broker Chad Snyder 817-980-7276  
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  
Van Alstyne Call Broker Chad Snyder 817-980-7276

## Washington

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

## Wisconsin

Ripon \$375,000 Bruce Bahrmassel 312-518-3550  
St. Germain \$975,000 Bruce Bahrmassel 312-518-3550

# ARGUS SALES



Congratulations to **Josh Koerner and Frost Weaver of Weaver Realty Group, Inc. and Luke Sauls and Jane H. Sauls, CCIM of Sauls Storage Group** who sold a 2-property portfolio in Jesup, GA! Contact Josh and Frost at 904-591-0140 or Luke and Jane at 770-841-4591 for details.



Congratulations to **Chad Snyder and Tyler Trahant of Dominus Commercial** who sold Country Place Mini Storage in Bridgeport, TX! Contact Chad and Tyler at 817-242-2361 for details.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services, LLC** who sold a 2-property portfolio in Cañon City, CO! Contact Joan at 720-855-6587 for details.



## NOW AVAILABLE!

### Free Operating Expense Review

Your local Argus Broker Affiliate will work with you to compare your facility's actual expenses with market averages. You can learn where cost saving measures will have the most impact on your bottom line and overall property value!

Contact your local Broker Affiliate from the list below to request your free, personalized Operating Expense Review.

#### 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, Jr. & 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  
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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

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Eastern WA, Northern ID  
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Northern CA  
Southern CA  
Western WA