



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue VI-2021

Staying Competitive in Today's Market

by Ben Vestal

In today's ultra-competitive self-storage market, many independent owners are unsure about what to focus on to keep their property competitive and increase its value. With the continued growth of the REITs, regional operators, and third-party management platforms, many independent operators are facing more skilled and well-capitalized competitors than ever before. So, the question has become, how can an independent self-storage operator not only stay competitive, but preserve and increase their value as well? It is simple; independent operators need to change their attitudes and processes to become more proactive. Below I have outlined four strategies that you can employ to compete and increase your value over the next 90 days.

1) Spend Marketing Dollars Smarter

If you try to take on the large operators head-to-head on everything they do, chances are you will lose. For example, you can't possibly spend the same amount of money on marketing that they do, but you can market where they are not and be smarter about the marketing dollars you spend, specifically in your submarket. Spend some time with your website provider to better understand your Pay Per Click (PPC) campaign and PPC words to make sure they are submarket specific and also think about upstream PPC opportunities such as local neighborhood names or local events that the larger operators are not aware of. This will make your PPC campaign more effective and you will achieve a better ROI for every marketing dollar you spend.

Also, be sure to include grass roots marketing in your plans. 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 grass roots 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 the potential customers thinking of you first when they make the decision to rent a self-storage unit. We find

that many of our customers want to "shop and rent local." Chances are the big operators will not be as effective as you will with the local marketing efforts. This will continue to deepen your ties to the community and lead to more rentals. Your local knowledge, direct contact with your customer base, and the quality of your Site Manager will give you an advantage!

2) Curb Appeal - Refresh Your Look

Change up your curb appeal 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 – and make your property stand out! 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, support the local high school or sports team by flying their flag, install a LARGE flag pole to display your patriotism with an American flag. 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 your curb appeal and street awareness an important part of your marketing campaign.

3) Control Your Operating 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. With occupancy at all-time highs, now is the time to review your advertising spend and Sparefoot bid pricing and make adjustments. If you are 90%+ occupied you DO need to continue advertising but be selective and scale back your marketing spend when appropriate.

You should also shop around with local vendors. Local vendors are more likely to give a local business owner a better deal on goods and services as compared to a large

(continued)

corporation. Maybe give the new company a try if the cost savings are compelling. It is worth your time to analyze all of your operational expenses. Keep an eye on your itemized bills for phone, internet, trash and other utilities. They are infamous for adding additional fees such as fuel surcharges, COVID cleaning charges 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 local 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) Unit Pricing & 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/weekly. Sign up for StorTrack or another service that will provide you daily rental rates for your competitors. Take the time to identify your 3-5 main competitors and get in the habit of checking their rental rates daily (onsite and website rates) and adjust your rates accordingly. It doesn't take long and should become a part of your daily routine. We have found that operators who are proactively adjusting rental rates (street rates) to be more competitive operate at higher occupancies than the market which allows them to drive revenue

higher. 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!

By pricing your units daily and driving occupancy higher it allows you to be more confident and aggressive with rate increases on your in-place tenants. Make sure you are programmatically rolling out rate increases to tenants on their 4- or 6-month anniversary and every 6-8 months thereafter. You will want to test the timing of these rate increases and also take into account seasonality when rolling them out. With historically high occupancies in the self-storage space today and very low move-out velocity over the last 3-6 months we are recommending to our clients that they take a very aggressive approach to rental rate management.

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**

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



Education: July 13-16, 2021

Exhibits: July 14-15, 2021

The Mirage | Las Vegas



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Join Argus in Las Vegas for FREE!

Click Here to register for the ISS Expo and use promo code **ARGU65** to receive a FREE Expo Hall Pass or \$30 off a seminar track registration!

Be sure to visit Argus in Booth #612 at the Expo to see our available listing inventory and speak with an Argus Broker Affiliate! Call 800-557-8673 for details.



Property Showcase

Phoenix, AZ

\$1,600,000

- Under Contract
- 246 Units
- 20,268 RSF
- 0.95 Acre
- Located just west of Highway 51
- Opportunity for economic growth
- High traffic location
- Significant upside potential

NEW!



Jeff Gorden, CCIM

480-331-8880

jgorden@selfstorage.com

Loganville, GA

\$100,000/acre

- Development Site
- 7+/- acres
- Flat and cleared land designated for self-storage
- Double highway frontage on GA Hwy 81 and Center Hill Church Rd.
- Exploding growth area in preferred Walton County School district
- Minimal grading and site work required

NEW!



Mike Patterson, CCIM

770-301-1886

ebroker@msn.com

Bennett, CO

\$5,100,000

- 357 Units
- 50,238 RSF
- 4.34 Acres
- Very well-maintained project
- 4 bedroom home is included with the sale
- Rapid residential growth in the area
- Strong commercial development nearby
- 93% Unit occupancy

NEW!



Joan Lucas

720-855-6587

jluucas@selfstorage.com

Belvidere, IL

\$599,000

- 84 Units
- 13,100 RSF
- 1.25 Acres
- Priced for entry level investor or operator who wants to augment their self storage footprint
- Significant upside potential
- Priced below replacement cost
- Opportunity to enhance operation with accounting software, website and operational changes

NEW!



Bruce Bahrmassel

312-518-3550

bruce@selfstorage.com

Lakewood, CO

Call Broker for Price

- 769 Units
- 87,180 RSF
- 3.81 Acres
- Extremely well-located, institutional quality asset
- Attractive self-storage project with heavy traffic exposure
- No new competition planned within 5 miles
- Strong demographics in area
- Consistent revenue growth

NEW!



Joan Lucas

720-855-6587

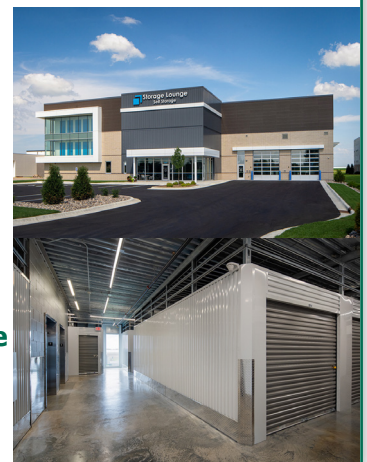
jluucas@selfstorage.com

Mankato, MN

Call Broker for Price

- 759 Units
- 75,534 RSF
- 1.81 Acres
- High quality facility opened in 2020
- Excellent demographics in the area with high incomes and growing population
- Gross potential income of \$1,016,976 at current rents

NEW!



**Tom Flannigan,
Matt Haugen & Alex Ihrke**

612-790-3747

tom@selfstorage.com

mhaugen@selfstorage.com

alex@selfstorage.com



Property Showcase

Oklahoma City, OK

\$5,500,000

- 592 Units
- 73,401 RSF
- 5 Acres
- Institutional-quality asset located in a Top 40 MSA
- Significant upside remaining through tenant insurance sales and revenue management
- Infill location with great visibility and strong traffic counts

NEW!

Jared Jones, CCIM
918-609-0541
jjones@selfstorage.com



Lufkin & Nacodoches, TX

\$1,900,000

- 2-Property Portfolio
- 265 Units
- 31,680 RSF
- 3.425 Acres
- Established locations approx. 25 miles apart
- Below market rents and management upside
- Excellent exposure in each market

NEW!

**Chad Snyder
& Tyler Trahant**
817-980-7276
csnyder@dominuscommercial.com
ttrahant@dominuscommercial.com



Tulsa, OK

Call Broker for Price

- 2-Property Portfolio
- 632 Units
- 101,118 RSF
- 7.42 Acres
- Institutional-quality portfolio located in a Top 55 MSA
- Well-positioned infill locations with high barriers to entry
- High quality construction
- Attractive scale for current or new market entrants

NEW!

Jared Jones, CCIM
918-609-0541
jjones@selfstorage.com



Ravensdale, WA

\$469,950

- 19 Units
- 3,080 RSF
- 0.311 Acre
- Consistently high occupancy with waiting list
- Turnkey operation with software and domain in place
- Expansion potential for storage containers
- Includes 780 SF commercial office/garage

NEW!

Thomas Wolter
206-200-3325
tom@thomaswolter.com



Tomball, TX

\$450,000

- 69 Units
- 6,880 RSF
- 0.54 Acre
- Great location with exposure to Hwy 249
- Rental rate upside
- Great opportunity for first time storage investors
- Low maintenance property with low operating expenses
- Surrounded by residential neighborhoods

NEW!

Faith Pate
713-805-2907
fpate@mlbcre.com



Merrill, WI

\$1,200,000

- 145 Units
- 25,790 RSF
- 24.28 Acres
- Tremendous upside and expansion potential
- Always full despite no website presence
- Significant potential to improve management
- Excellent visibility on Hwy C
- Includes 600 SF office and 1,944 SF pole barn

NEW!

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.

Arizona

Phoenix	\$1,600,000	Jeff Gorden	480-331-8880
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California

Yreka	\$1,650,000	Ken Miller/Brandy Rundell	530-768-1650
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Colorado

Bennett	\$5,100,000	Joan Lucas	720-855-6587
Brighton	Call Broker	Joan Lucas	720-855-6587
Calhan	SOLD	Joan Lucas	720-855-6587
Lakewood	Call Broker	Joan Lucas	720-855-6587
Loveland	\$1,095,550	Joan Lucas	720-855-6587

Florida

Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0104
Jacksonville	\$1,500,000	Josh Koerner/Frost Weaver	904-594-0104
Lake Wales	\$1,150,000	Josh Koerner/Frost Weaver	904-594-0104
Live Oak	\$3,500,000	Josh Koerner/Frost Weaver	904-594-0104
Palm Bay	\$900,000	Josh Koerner/Frost Weaver	904-591-0140
Port Charlotte	\$2,200,000	Josh Koerner/Frost Weaver	904-432-0140
Port St. Lucie	\$3,250,000	Josh Koerner/Frost Weaver	904-594-0140
Vero Beach	\$4,700,000	Josh Koerner/Frost Weaver	904-594-0104
Vero Beach	\$1,700,000	Josh Koerner/Frost Weaver	904-591-0140
W. Palm Beach	\$2,900,000	Josh Koerner/Frost Weaver	904-591-0140

Georgia

Augusta	\$375,000	Luke Sauls/Jane H. Sauls	770-841-4591
Byron	\$5,800,000	Luke Sauls/Jane H. Sauls	770-841-4591
Crawford	\$4,300,000	Mike Patterson	770-301-1886
Loganville	\$100,000/ac	Mike Patterson	770-301-1886
Riverdale	\$422,500	Luke Sauls	770-841-4591

Idaho

Coeur d'Alene	\$2,050,000	Ryan Layton	509-435-2424
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Illinois

Belvidere	\$599,000	Bruce Bahrmassel	312-518-3550
Rockford	\$325,000	Bruce Bahrmassel	312-518-3550

Indiana

Anderson	\$660,000	Rob Schick	317-922-1225
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Iowa

Des Moines	\$500,000	Tom Flannigan	612-790-3747
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Kansas

Hutchinson	\$2,390,000	Larry Goldman	913-707-9030
Junction City	\$2,740,000	Larry Goldman	913-707-9030

Louisiana

Cut Off	\$985,000	Bill Barnhill/Jeremy Milling	251-421-0919
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Michigan

Battle Creek	\$190,000	Jim Soltis	810-494-2062
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Minnesota

Isanti	\$2,200,000	Tom Flannigan	612-790-3747
Mankato	Call Broker	Tom Flannigan	612-790-3747
Motley	\$325,000	Tom Flannigan	612-790-3747

Missouri

St. Clair	\$200,000	Larry Goldman	913-707-9030
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Nevada

Winnemucca	\$1,630,000	Jeff Gorden	480-331-888
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New Hampshire

Concord	\$11,000,000	Joseph Mendola	603-668-7000
Nashua	\$13,500,000	Joseph Mendola	603-668-7000

New Jersey

Lopatcong	\$3,995,000	Linda Cinelli/Edan Cohen	908-722-5661
Tenafly	\$3,900,000	Linda Cinelli/Edan Cohen	908-722-5661

New York

Islip	\$5,700,000	Linda Cinelli	908-722-5661
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North Carolina

Swannanoa	\$2,300,000	Jamey Cox	704-632-1030
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Oklahoma

Enid	\$7,000,000	Jared Jones	918-609-0541
Oklahoma City	\$5,500,000	Jared Jones	918-609-0541
Tulsa	Call Broker	Jared Jones	918-609-0541
Tulsa	\$1,300,000	Jared Jones	918-609-0541

Oregon

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

Pennsylvania

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

Fate	Call Broker	Chad Snyder	817-980-7276
Joshua	Call Broker	Chad Snyder	817-980-7276
Lufkin	Call Broker	Chad Snyder	817-980-7276
Mt. Pleasant	Call Broker	Chad Snyder	817-980-7276
Tomball	Call Broker	Faith Pate	713-805-2907

Washington

Newport	\$475,000	Ryan Layton	509-435-2424
Ravensdale	\$469,950	Thomas Wolter	206-200-3325

Wisconsin

Brooklyn	\$575,000	Bruce Bahrmassel	312-518-3550
Green Bay	Call Broker	Bruce Bahrmassel	312-518-3550
Merrill	\$1,200,000	Bruce Bahrmassel	312-518-3550

ARGUS SALES



Congratulations to **Chad Snyder and Tyler Trahant of Dominus Commercial** who represented the buyer of AAA Self Storage in Granbury, TX! Contact Chad and Tyler at 817-242-2361 for details.



Congratulations to **Jared Jones, CCIM of Jones Investment Properties** who sold a 9-Property Portfolio in Oklahoma! Contact Jared at 918-609-0541 for details.



Congratulations to **Tom Flannigan, Alex Ihrke, and Matt Haugen of KW Commercial** who sold South Side Storage in Millbank, SD! Contact the KW Commercial team at 612-790-3747 for more information.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services, LLC** who sold Calhan Storage in Calhan, CO! Contact Joan at 720-855-6587 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
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.

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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

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

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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

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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

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