



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue VIII-2021

Self Storage Continues to Outperform

by Ben Vestal

As we close out the summer, the self-storage industry continues to exceed expectations with record high occupancy fueled by short-term drivers such as continued work from home requirements, explosive home remodeling, record high usership, and the typical summer demand drivers. This has pushed rental rates up across the country. In July, Yardi reported that the standard non-climate 10x10 street rates rose by more than 10% compared to July 2020 and street rates for climate-controlled units grew by more than 12%.

The self-storage REITs' same store operating performance in the second quarter 2021 was remarkably strong with an average revenue increase of more than 13% and same store NOI grew by more than 20%. Increasingly high demand for self-storage and rising rental rates have put the outlook for self-storage in a very positive light. Year to date, the self-storage REITs have posted a total return of more than 35%, making self-storage the best performing sector across the entire REIT universe.

As kids return to school and many universities return to in-person learning, Q3 2021 will likely be peak occupancy. However, I do not feel much downward occupancy pressure will occur as we are seeing very low move outs alongside consistently strong rental velocity as we close out the summer. I believe this is largely due to increasing demand and higher usership of the product.

New supply continues to be tempered as the industry's understanding of what is in the development pipeline, increased time frames for entitlement and construction, and overall increasing construction costs all seem to be keeping a lid on development for now. While we have seen a small uptick in new development, the overall number of planned, proposed and under construction projects seems to be holding steady. Yardi reported that new supply in various stages accounted for roughly 8.5% of the existing inventory today which is an uptick of 20 basis points from June to July. This is below pre-pandemic levels of 9% or greater. However, please note that the outsized returns that the sector is currently enjoying are

drawing a crowd and we will see meaningful new development in due time. I fully anticipate new development to be substantially increasing by the end of 2022.

Transaction velocity and pricing have remained extremely strong throughout the year, with all signs pointing to 2021 being a record year for transactions. Significant valuation increases across the board and uncertainty around tax policy have led more owners to consider selling. Self-storage REITs remain very active in acquiring properties from their third-party management platform and captive JV pipelines for direct acquisitions, while using their JV partners to pursue large, marketed acquisition opportunities. In addition to the REITs, we are also seeing private equity, syndicated partnerships and very well-capitalized private operators be very aggressive and I would not be surprised to see these groups' transaction volume outpace the REITs in 2021.

The continued durability of the sector has impressed and attracted the widest spectrum of capital the industry has ever seen. One difference today is that historically the majority of institutional capital in the space has had a "value add" thesis and the small bit nature of the investment, along with IRR and equity multiplies-driven investors, have kept a lid on pricing. Today we are seeing Core and Core Plus equity entering the space and this capital has a much different thesis and is more focused on stabilized returns on cost/equity and less on IRR or equity multiples. Because the self-storage business model involves month to month leases, fixed operating expenses, and very low ongoing capital requirements, self-storage is extremely well-aligned with Core equity which typically holds investments for 10+ years.

The self-storage industry is clearly continuing to consolidate and evolve. The recent changes in market fundamentals and the overall investment thesis by many of the capital providers have put self-storage owners today in the best possible position. Carpe diem! **MM**

Ben Vestal, CEO of Argus Self Storage Advisors, can be reached at 800-55-STORE or bvestal@argus-realestate.com.



Property Showcase

Brighton & Colorado Spgs, CO Call Broker

- 2-Property Portfolio
- 1,541 Units
- 153,802 RSF
- 15.803 Acres
- Class-A properties located in high growth markets
- Strong leasing activity
- Offers Due September 16, 2021

Joan Lucas

720-855-6587

jluucas@selfstorage.com



Parker & Lakewood, CO Call Broker

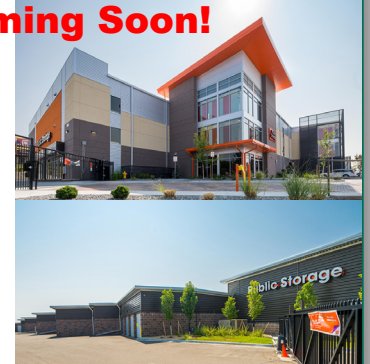
- 2-Property Portfolio
- 1,260 Units
- 151,918 RSF
- 6.91 Acres
- Newly constructed projects have enjoyed rapid lease up
- Institutional quality assets
- Offers Due September 28, 2021

Joan Lucas

720-855-6587

jluucas@selfstorage.com

Coming Soon!



Southwest Florida \$22,491,000

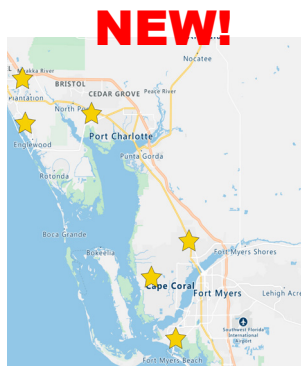
- 6-Property Development Portfolio
- 865,081 Proposed RSF
- 18.966 Acres
- All sites approved for self-storage
- Located in Lee, Sarasota and Charlotte counties
- Discounted pricing with purchase of all or multiple sites

Josh Koerner &

Frost Weaver

904-591-0140

jkoerner@weaver-realty.com



New Port Richey, FL Call Broker

- 2-Property Portfolio
- 388 Units
- 46,957 RSF
- 9.47 Acres
- Value-add opportunity with below market rates
- Room to expand
- Located in opportunity zone
- Positive occupancy trends

Josh Koerner &

Frost Weaver

904-591-0140

jkoerner@weaver-realty.com

NEW!



Ocala, FL \$3,100,000

- Boat & RV Parking Facility
- 436 Outdoor Spaces
- 8.8 Acres
- Currently in lease-up
- Excellent location in a growing area of Ocala
- Potential value-add with addition of covered parking

Josh Koerner &

Frost Weaver

904-591-0140

jkoerner@weaver-realty.com



Pensacola, FL \$2,800,000

- Conversion Opportunity
- 82,145 Proposed RSF
- 4 Acres
- Two 100% climate controlled buildings
- Zoned for self-storage
- Strong demographics
- 164 outdoor parking spaces

Josh Koerner &

Frost Weaver

904-591-0140

jkoerner@weaver-realty.com



Loganville, GA Call Broker

- 314 Units
- 55,000 RSF
- 10+/- Acres
- Brand new facility in exploding growth area of NE Atlanta MSA
- Opened in April 2021 and is already 80% occupied
- Large, covered RV/Boat storage
- Offers due September 2, 2021

Mike Patterson, CCIM

770-301-1886

ebroker@msn.com



Monticello, GA \$2,000,000

- 133 Units
- 18,000 RSF
- 5.6+/- Acres
- Consistently 100% full with waiting list
- Limited competition in the immediate market
- Room to expand

Jane H. Sauls, CCIM &

Luke Sauls

770-328-2379

jane@saulsstoragegroup.com

luke@saulsstoragegroup.com





Property Showcase

Bovey, MN

\$400,000

NEW!

- 50 Units
- 9,800 RSF
- 2.04 Acres
- Built in 2012
- 88% unit occupancy
- Great visibility from Scenic Hwy

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

612-790-3747

mhaugen@selfstorage.com

tom@selfstorage.com

alex@selfstorage.com



Park Rapids, MN

\$650,000

NEW!

- 33 Units
- 20,625 RSF
- 2 Acres
- Located in popular cabin and boating destination
- Units individually parceled

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

612-790-3747

mhaugen@selfstorage.com

tom@selfstorage.com

alex@selfstorage.com



Shawnee, OK

\$15,000,000

NEW PRICE!

- 2-Property Portfolio
- 1,125 Units
- 195,104 RSF
- 20.67 Acres
- Institutional-quality asset with substantial scale
- Located in growing suburb of Oklahoma City
- Operational value-add opportunity

Jared Jones, CCIM

918-609-0541

jjones@selfstorage.com



Tulsa, OK

\$3,700,000

NEW!

- 294 Units
- 52,995 RSF
- 2.80 Acres
- Well-positioned, institutional quality property
- Infill location with high barriers to entry
- Significant upside remaining

Jared Jones, CCIM

918-609-0541

jjones@selfstorage.com



Lawrenceville, VA

\$1,150,000

NEW!

- 199 Units
- 20,800 RSF
- 3.53 Acres
- **Under Contract**
- Two locations, located on main roads with great visibility
- Below market rents
- Limited competition within a 5-mile radius

Ed Nicholson

757-280-1738

enicholson@thenicholsoncompanies.com



Eagle River, WI

\$1,250,000

NEW!

- 40 Units
- 23,520 RSF
- 2.56 Acres
- 100% occupied
- Ample space for outdoor parking or expansion

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

612-790-3747

mhaugen@selfstorage.com

tom@selfstorage.com

alex@selfstorage.com



Prescott, WI

\$2,000,000

NEW!

- 119 Units
- 17,700 RSF
- 3.55 Acres
- **Under Contract**
- Located in the Minneapolis-St. Paul MSA
- Expansion opportunity with in-place income
- Strong value-add opportunity

Bruce Bahrmassel

312-518-3550

bruce@selfstorage.com



Medical Lake, WA

\$5,400,000

- 334 Units
- 59,841 RSF
- 3.53 Acres
- **Under Contract**
- Well-lit with security fencing, electronic gate and video surveillance system
- Room for expansion
- Opportunity to acquire a stabilized facility

Ryan Layton

509-435-2424

rlayton@areanw.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

Sedona	SOLD	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/CoSpgs	Call Broker	Joan Lucas	720-855-6587
Lakewood	Call Broker	Joan Lucas	720-855-6587

Florida

Cape Coral	\$3,896,000	Josh Koerner/Frost Weaver	904-594-0104
Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0104
Englewood	\$3,145,000	Josh Koerner/Frost Weaver	904-594-0104
Ft. Myers	\$3,750,000	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
New Pt. Richey	Call Broker	Josh Koerner/Frost Weaver	904-594-0104
N. Ft. Myers	\$3,900,000	Josh Koerner/Frost Weaver	904-594-0104
Ocala	\$3,100,000	Josh Koerner/Frost Weaver	904-594-0104
Palm Bay	\$900,000	Josh Koerner/Frost Weaver	904-591-0140
Pensacola	\$2,800,000	Josh Koerner/Frost Weaver	904-594-0104
Port Charlotte	\$4,000,000	Josh Koerner/Frost Weaver	904-594-0104
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
Venice	\$3,900,000	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	SOLD	Luke Sauls/Jane H. Sauls	770-841-4591
Crawford	SOLD	Mike Patterson	770-301-1886
Loganville	Call Broker	Mike Patterson	770-301-1886
Loganville	\$100,000/ac	Mike Patterson	770-301-1886
Monticello	\$2,000,000	Luke Sauls/Jane H. Sauls	770-841-4591
Riverdale	\$422,500	Luke Sauls	770-841-4591
Toccoa	\$950,000	Luke Sauls	770-841-4591

Illinois

Belvidere	\$599,000	Bruce Bahrmassel	312-518-3550
East Moline	\$1,750,000	Bruce Bahrmassel	312-518-3550
Rockford	SOLD	Bruce Bahrmassel	312-518-3550

Indiana

Anderson	\$660,000	Rob Schick	317-922-1225
Evansville	\$5,200,000	Rob Schick	317-922-1225

Kansas

Hutchinson	SOLD	Larry Goldman	913-707-9030
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Louisiana

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

Millville	\$2,300,000	Joseph Mendola	603-668-7000
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Michigan

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

Bovey	\$400,000	Tom Flannigan	612-790-3747
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
Park Rapids	\$650,000	Tom Flannigan	612-790-3747
Red Wing	\$2,650,000	Tom Flannigan	612-790-3747

Missouri

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

Winnemucca	SOLD	Jeff Gorden	480-331-888
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New Hampshire

Concord	\$11,000,000	Joseph Mendola	603-668-7000
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New Jersey

Lopatcong	\$3,995,000	Linda Cinelli/Edan Cohen	908-722-5661
Ringoes	\$3,800,000	Linda Cinelli/Edan Cohen	908-722-5661
Tenaflly	\$3,650,000	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

Oklahoma City	\$5,500,000	Jared Jones	918-609-0541
Shawnee	\$15,000,000	Jared Jones	918-609-0541
Tulsa	\$3,700,000	Jared Jones	918-609-0541
Tulsa	\$1,300,000	Jared Jones	918-609-0541

Oregon

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

Lufkin	Call Broker	Chad Snyder/Tyler Trahant	817-980-7276
Tomball	Call Broker	Faith Pate	713-805-2907

Virginia

Lawrenceville	\$1,150,000	Ed Nicholson	757-280-1738
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Washington

Medical Lake	\$5,400,000	Ryan Layton	509-435-2424
Newport	\$475,000	Ryan Layton	509-435-2424
Ravensdale	\$469,950	Thomas Wolter	206-200-3325

Wisconsin

Eagle River	\$1,250,000	Bruce Bahrmassel	312-518-3550
Merrill	\$1,200,000	Bruce Bahrmassel	312-518-3550
Prescott	\$2,000,000	Bruce Bahrmassel	312-518-3550

ARGUS SALES



Congratulations to **Chad Snyder and Tyler Trahan of Dominus Commercial** who represented the buyer of Cutting Horse Self Storage in Weatherford, TX and Affordable Storage in Anna, TX! Call Chad and Tyler at 817-242-2361 for details.



Congratulations to **Jeff Gorden of KW Commercial** who sold Sedona Self Storage in Sedona, AZ, a 2-Property Portfolio in Tucson, AZ and represented the buyer of a self-storage development site in Las Vegas, NV! Contact Jeff at 480-331-8880 for details.



Congratulations to **Ryan Layton of American Real Estate Associates** who sold Blackstone Storage in Hayden, ID! Contact Ryan at 509-435-2424 for details.



Congratulations to **Josh Koerner & Frost Weaver of Weaver Realty Group** who sold a 2-Property Portfolio in Jacksonville, FL! Contact Josh at 904-591-0140 for details.



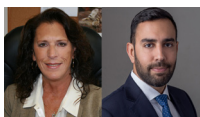
Congratulations to **Bruce Bahrmassel** who sold Central Ave. Mini Warehouse in Rockford, IL! Contact Bruce at 312-518-3550 for details.



Congratulations to **Jane H. Sauls, CCIM, Mike Patterson, and Luke Sauls of Sauls Storage Group** who sold a 2-Property Portfolio in Watkinsville & Crawford, GA and AA Augusta Storage in Augusta, GA! Contact the Sauls Storage Group team at 770-841-4591 for more information.



Congratulations to **Larry Goldman, CCIM of Goldman Investment Advisors** who sold Budget Storage in Hutchinson, KS! Contact Larry at 913-707-9030 for details.



Congratulations to **Linda Cinelli, CCIM and Edan Cohen of LC Realty** who sold AAA Storage Depot in South Plainfield, NJ! Contact Linda and Edan at 908-722-5661 for details.



Congratulations to **Jared Jones, CCIM of Jones Investment Properties** who sold Broadway Self Storage in Moore, OK and Pitchford Boat & RV in Wagoner, OK! Contact Jared at 918-609-0541 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.

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 Trahan

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
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Western WA