



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue II-2022

Unsolicited Offers - Don't Fall for the Oldest Trick in the Book!

by Ben Vestal

Today the self-storage market is white-hot! With billions of dollars of equity looking to be deployed in the self-storage space we are finding that many self-storage owners are receiving unsolicited offers from buyers that are aggressively looking to acquire self-storage assets "off market." It is not uncommon for a self-storage owner to receive 3-10 phone calls a week from buyers looking to acquire their property and many times these buyers are providing the owner an off market "unsolicited offer," with little to no property-level information. At first glance, these unsolicited offers seem too good to be true; high valuation, relatively quick closing and no broker commission. *The fact is they are too good to be true!* The reason that buyers are approaching sellers directly is they want to tie up the self-storage property before fully analyzing the asset or submarket and will ultimately try and buy the self-storage asset at a below market price in an uncompetitive environment. This process is putting many owners in a very bad situation and ultimately costing them millions of dollars.

The value of professional investment advice from a qualified self-storage broker today is more valuable than ever. Over the last year the industry has seen more than 20 billion dollars of self-storage assets trade hands and the overwhelming majority (95%+ or more) of the transactions were handled by a real estate broker. It is not uncommon for a professionally marketed property to sell for 10%-25% more than what the owner has received in an "off market" unsolicited offer. Below I have given you some insight as to why buyers will pay more for a property when it is professionally marketed.

Understanding Valuation Today:

The reality is that while the sticks and bricks will be transferred by the deed, it's the income stream or future growth of the income stream that creates that value in self-storage properties today. The valuation process is focused around the price per square foot, sales comps, net operating income of the property and the potential for future growth of the income stream. With very strong market fundamentals and the amount of new equity looking to be placed in self-storage investments today, the potential of future growth of the income stream needs to be the main focus in valuing a self-storage asset.

The investment market is very strong today, but finding a greater fool that will pay an outsized price for your property is a fool's game that ultimately leads to disappointment for the seller. There are many subtleties you need to consider when you are selling a self-storage property. An experienced self-storage broker will be able to look at the operations and submarket of a self-storage property and be able to make recommendations to increase valuation and position the assets for maximum valuation during the marketing process. It is clear that buyers today are willing to pay on future income which means that a few small tweaks to your operations, in addition to professionally

marketing the assets, will lead to big gains in valuation.

Understanding the Process:

In self-storage, like any other real estate business, exposure sells! The only way to guarantee that you are maximizing your value is to ensure that the maximum number of qualified buyers are aware of the investment opportunity and provide the proper information to evaluate the investment. When considering taking your property to market you should evaluate the marketing channels and strategies your broker is proposing and how they are going to give your property the best exposure to qualified buyers.

Today we are often suggesting taking properties to market unpriced and setting a call for offers bid date. This process consists of providing the qualified buyer pool all of the necessary information to professionally underwrite the property and collecting all of the offers together on the set bid date. This allows the market to set the price, not the broker, and the seller will have the luxury of evaluating all of the offers side by side and selecting the best offer from the most qualified group. Many times, we have several offers that are very similar and we choose to run a best and final round with a small group of bidders to ensure we are maximizing the value of the property, giving the seller a second bite of the apple. The marketing and closing process today is taking 60-120 days from start to finish.

An experienced and active self-storage broker will be able to provide you a value range, a detailed outline of their marketing platform, and a timeline for their proposed process from start to finish. Only an experienced self-storage broker has access to all of the tools, industry knowledge and relationships that will ensure maximum value and the highest degree of success for your transaction. Over the last 28 years Argus brokers have completed over 3,500 self-storage transactions, with more than \$4.5B in aggregate value. We have learned that reputation matters and running a formal marketing process using the Argus marketing platform will increase the amount a property will sell for in a timely manner.

Tying up a property "off market" with an unsolicited offer only benefits that buyer and often leads to a renegotiation of the price or terms that are not favorable to the seller. No one ever pays the highest price in a noncompetitive environment. Owners have spent years building the value of their self-storage assets - there is no need to short change yourself and settle for less at closing. Don't fall for the oldest trick in the book and accept an "off market" or unsolicited offer, you will regret it! **MM**

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



Property Showcase

Brighton, CO Offers Due March 17, 2022

- 727 Units
- 94,086 RSF
- Class A, institutional quality facility opened in 2020
- Strong area demographics
- Rapid lease up
- Well-located along strong retail and residential corridor

NEW!

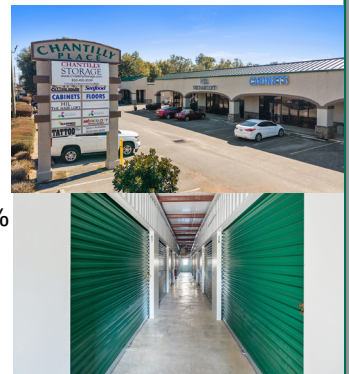


Joan Lucas
720-855-6587
jlucas@selfstorage.com

Milton, FL Offers Due March 16, 2022

- 404 Units
- 45,750 RSF
- 4.86+/- Acres
- All climate control units
- Excellent location and visibility along Highway 90 in high-growth area of FL Panhandle
- Commercial/Retail spaces 100% leased

NEW!



Bill Barnhill, CCIM
& **Stuart LaGroue**
251-432-1287
stuart@selfstorage.com

Evans, CO Offers Due March 29, 2022

- 421 Units
- 43,465 RSF
- 2.64 Acres
- Institutional quality build and finishes
- Opened in 2021 with strong leasing velocity
- Approved expansion
- Strong submarket demographics

NEW!

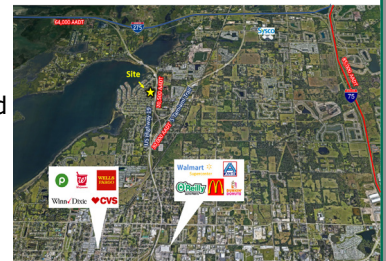


Joan Lucas
720-855-6587
jlucas@selfstorage.com

Palmetto, FL \$2,800,000

- Development Site
- 3.328 Acres
- 108,720 GSF Proposed
- 773' of frontage along Hwy 19 with 20,500+ vpd
- Close proximity to I-275 and significant retail centers
- Surrounded by residential development

NEW!



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

Montrose, CO \$4,100,000

- 198 Units
- 35,940 RSF
- 9.947 Acres
- Extremely well-positioned and stabilized storage facility
- High visibility location with 442' of frontage on the main highway to Telluride, CO
- Significant land available for immediate expansion

NEW!



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

Steger, IL \$999,000

- 88 Units
- 14,548 RSF
- 0.79 Acres
- Consistently 100% occupied
- Tremendous upside from operational changes
- Well below market rents
- Great for first time owner or experienced operator

NEW!



Bruce Bahrmassel
312-518-3550
bruce@selfstorage.com

Ft. Myers, FL \$4,500,000

- Development Site
- 4.39 Acres
- 150,000 GSF Proposed
- 338' of frontage on South Tamiami Trail
- Close to major retailers
- Strong area demographics
- Closing contingent upon rezoning

NEW!



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

Arlington, TX Call Broker for Price

- 549 Units
- 97,748 RSF
- 6.126 Acres
- Well-established property with high occupancy
- Well maintained with freshly painted exterior
- Great opportunity in Central Arlington!

NEW!



Chad Snyder & Tyler Trahant
817-813-5642
csnyder@dominuscommercial.com
trahant@dominuscommercial.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

Greenville	\$663,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Mobile	\$1,851,300	Bill Barnhill	251-432-1287

Arizona

Fort Mohave	\$6,700,000	Jeff Gorden	480-331-8880
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Arkansas

Magnolia	\$810,000	Larry Goldman	913-707-9030
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California

Bay Point	Call Broker	Ken Miller	530-768-1650
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Colorado

Brighton	Call Broker	Joan Lucas	720-855-6587
Evans	Call Broker	Joan Lucas	720-855-6587
Montrose	\$4,100,000	Joan Lucas	720-855-6587

Florida

Alachua	\$575,000	Josh Koerner/Frost Weaver	904-594-0104
Alachua	SOLD	Josh Koerner/Frost Weaver	904-594-0104
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
Ft. Myers	\$4,500,000	Josh Koerner/Frost Weaver	904-594-0104
Ft. Pierce	\$8,500,000	Josh Koerner/Frost Weaver	904-594-0104
Lake Wales	SOLD	Josh Koerner/Frost Weaver	904-594-0104
Milton	Call Broker	Bill Barnhill/Stuart LaGroue	251-432-1287
N. Ft. Myers	\$2,975,000	Josh Koerner/Frost Weaver	904-594-0104
Palmetto	\$2,800,000	Josh Koerner/Frost Weaver	904-594-0104
Pensacola	\$948,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Port Charlotte	\$3,900,000	Josh Koerner/Frost Weaver	904-432-0140
Port Charlotte	\$2,200,000	Josh Koerner/Frost Weaver	904-432-0140
Port Charlotte	\$2,000,000	Josh Koerner/Frost Weaver	904-432-0140
Port Charlotte	\$4,500,000	Josh Koerner/Frost Weaver	904-432-0140
Port St. Lucie	\$3,250,000	Josh Koerner/Frost Weaver	904-594-0140
St. Johns	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
Venice	\$3,900,000	Josh Koerner/Frost Weaver	904-594-0104

Georgia

Blairsville	Call Broker	Jane H. Sauls/Luke Sauls	770-328-2379
Riverdale	\$422,500	Luke Sauls	770-841-4591

Iowa

Davenport	\$1,200,000	Tom Flannigan	612-790-3747
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Illinois

Belvidere	\$599,000	Bruce Bahrmassel	312-518-3550
Rock Falls	\$1,300,000	Bruce Bahrmassel	312-518-3550
Seneca	\$1,200,000	Bruce Bahrmassel	312-518-3550
Steger	\$999,000	Bruce Bahrmassel	312-518-3550

Indiana

Noblesville	Call Broker	Rob Schick	317-922-1225
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Louisiana

Cut Off	\$1,193,000	Bill Barnhill/Jeremy Milling	251-421-0919
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Minnesota

Park Rapids	\$650,000	Tom Flannigan	612-790-3747
Red Wing	SOLD	Tom Flannigan	612-790-3747

Mississippi

Portfolio	\$4,500,000	Stuart LaGroue/Bill Barnhill	251-432-1287
Vanceleave	\$585,000	Jeremy Milling	251-694-5050

New York

Islip	SOLD	Linda Cinelli	908-722-5661
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Oklahoma

Broken Bow	\$1,600,000	Jared Jones	918-609-0541
Tulsa	\$3,700,000	Jared Jones	918-609-0541

Oregon

Lakeview	\$798,000	Scott King	541-890-6708
Medford	\$375,000	Scott King	541-890-6708
Medford	\$11,500,000	Scott King	541-890-6708

Pennsylvania

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

Arlington	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Burleson	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Lewisville	SOLD	Chad Snyder/Tyler Trahant	817-813-5642
Odessa	\$2,300,000	Chad Snyder/Tyler Trahant	817-813-5642

Washington

Airway Hts.	\$4,250,000	Ryan Layton	509-435-2424
Davenport	\$1,885,145	Ryan Layton	509-435-2424
Newport	\$475,000	Ryan Layton	509-435-2424

Wisconsin

Wild Rose	\$1,200,000	Bruce Bahrmassel	312-518-3550
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ARGUS SALES



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services** who sold Momentum Development Self Storage in Fort Collins, CO! Contact Joan at 720-855-6587 for details.



Congratulations to **Linda Cinelli, CCIM and Edan Cohen of LC Realty** who sold Moving and Storage Center of Long Island in Islip, NY! Contact Linda and Edan at 908-722-5661 for details.



Congratulations to **Josh Koerner and Frost Weaver of Weaver Realty Group** who sold a self-storage development site in Lake Wales, FL! Contact Josh and Frost at 904-591-0140 for details.



Congratulations to **Chad Snyder and Tyler Trahant of Dominus Commercial** who sold Interskate Storage in Lewisville, TX and Party Barn Storage in Wylie, TX! Contact Chad and Tyler at 817-980-7276 for details.



Congratulations to **Jeff Gorden, CCIM of KW Commercial** who represented the buyer of Yuma Self Storage in Yuma, AZ! Contact Jeff at 480-331-8880 for details.



Congratulations to **Matt Haugen, Tom Flannigan, Alex Ihrke of KW Commercial** who sold a Secure One Storage in Red Wing, MN! Contact the team at 612-852-5048 for details.

Contact an Argus Broker Affiliate

NORTHEAST

Guy Blake, CCIM
Linda Cinelli, CCIM, CEA
Jon Knudsen
Joseph Mendola
Chuck Shields

Company

Pyramid Brokerage Company
LC Realty
Hanna Lanholz Wilson Ellis
NAI Norwood Group
Beacon Commercial Real Estate

Phone

845-522-5900
908-722-5661
412-261-2200
603-668-7000
610-862-1645

Territory

Upstate NY, Western CT
Northern NJ, NY (NYC, Long Island)
Western PA, WV
MA, ME, NH, VT, Eastern CT
Eastern PA, Southern NJ, DE

SOUTHEAST

Bill Barnhill, CCIM
Jamey Cox
Brooks Dove
Stuart Wade, Jr. & Ed Nicholson
Josh Koerner & Frost Weaver

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

251-432-1287
704-632-1030
770-530-8441
757-618-3597
904-591-0140

FL Panhandle
NC, SC
North GA
MD, VA
FL (except Panhandle), South GA

NORTH CENTRAL

Bruce Bahrmasel
Tom Flannigan
Alec Pacella, CCIM
Larry Goldman, CCIM
Rob Schick
Jim Soltis

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

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

Northern IL, WI
MN, ND, IA
OH
KS, MO, Southern IL
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, KY
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