



SELF STORAGE ADVISORS

# Market Monitor

America's Premier Self Storage Brokers

Issue III-2022

## Do Rising Interest Rates Really Matter?

by Ben Vestal

Over the last 10+ years we have been enjoying a very fluid and robust lending market, fueled by historically low interest rates and high valuations. The latest economic reports are startling as the annual inflation rate in the US accelerated to 7.9% in February of 2022, the highest since January of 1982. Everyone has felt the increase in the everyday costs of housing, gas, and food, just to name a few. Inflation is the scourge of all savers, diminishing the value of nest eggs and retirement accounts. Among other things, inflation is the result of a “cheap money” policy and the economic stimulus that was implemented during the pandemic. Whatever the cause of inflation, the results can be devastating for most Americans, as it is difficult to find a way to protect oneself against inflation.

The Federal Reserve recently approved a 25 basis point interest rate hike, the first increase since December 2018, and chair Jerome Powell delivered his most muscular message to date on his battle with high inflation, saying the central bank must move “expeditiously” to raise rates and possibly “more aggressively” to keep an upward price spiral from getting entrenched. Since this message, the 10-year Treasury, the benchmark for all commercial real estate lending, has surged more than 65 basis points to 2.4% - a level not seen since May of 2019. This has made all commercial real estate investors stand up and pay attention. Officials also indicated an aggressive path ahead, with rate increases coming at each of the remaining six meetings in 2022.

Historically, a rise in interest rates would indicate a rise in cap rates and softening of valuations. But wait a minute, is self-storage inflation proof? Maybe we are in good stead in our modest corner of the real estate world. Self-storage has proven to be inflation resistant and the benefit of month-to-month leases and muted new supply has put self-storage owners in a unique position to raise rents faster than inflation and maintain or even grow valuations during inflationary times.

Controlling operating expenses during inflationary times is another matter, but self-storage is off to a great

start with the advantage of gross margins of 60%-65%. Improved technology coming out of the pandemic has also allowed many operators to protect these margins amidst rising operating costs such as labor, utilities, and real estate taxes. While it is hard to precisely quantify these distinctions, they are real and will tend to mitigate the impact of inflation and ultimately rising interest rates on the self-storage industry.

Clearly self-storage is in the catbird seat as we are starting to see inflation and rising interest rates take hold of the economy. However, you need to be aware of your investment horizon and goals to position your asset for success. If your investment horizon is shorter than 12-24 months you need to look hard at selling today as prices may never be better. We are experiencing a flood of capital seeking the inflation hedge that self-storage provides, and with more buyers than sellers today, valuations are peaking for self-storage assets. If you are a long-term holder, make sure you have meaningful term (36+ months) left on your low interest rate loan. If not, it is not too late to lock in a sub 5% loan (yes sub 5% is still a good loan) and ride the wave for the next several years. All in all, while self-storage cannot offer perfect protection against inflation and rising interest rates, it is certainly a lot better than other types of real estate. Because it isn't my expertise, I will let you decide on whether the stock market, bond market, or other real estate are as effective as self-storage in beating inflation and rising interest rates, but the record has not been great.

We continue to see all-time high valuations due to an increase in very sophisticated, aggressive capital coming into the space. This, combined with tempered new supply due to supply chain restraints and longer entitlement timeframes has led to rapidly rising replacement costs. Interest rate hikes are happening, but there is still a window to take advantage of the historically high prices being paid. If you have considered selling, now might be the time to reach out and plan for your future. **MM**

*Ben Vestal, CEO of Argus Self Storage Advisors, can be reached at 800-557-8673 or [bvestal@argus-realestate.com](mailto:bvestal@argus-realestate.com).*



# Property Showcase

## Wasilla, AK

Offers Due 4/28/22

- 353 Units
- 43,870 RSF
- Built in 2017
- Class A property with climate controlled units
- Year-round high occupancy and low management requirements
- Great visibility location
- High barriers to entry market
- Expansion land included

**NEW!**



**Ben Vestal & Cole Carosella**  
303-317-6469

bvestal@argus-realestate.com  
Kristen Zimmerman - AK Lic 168937

## Fort Collins, CO

Offers Due 4/26/22

- 211 Units
- 32,050 RSF
- 3.4 Acres
- Built in 2014
- Great highway visibility with over 400 ft. of I-25 frontage
- Class A, institutional quality property
- Strong submarket residential growth and demographics
- New owner should capitalize on technology-based management systems

**NEW!**



**Joan Lucas**  
720-855-6587

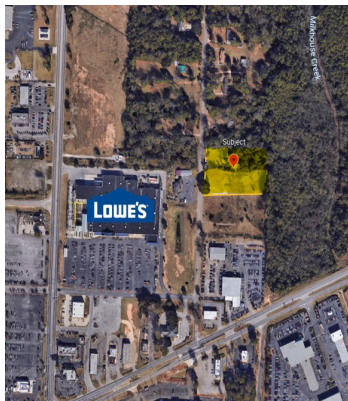
jluucas@selfstorage.com

## Mobile, AL

\$414,500

- Development Site
- 3.46 +/- Acres
- Well-located site across the street from Lowe's Home Improvement
- Easy access to Airport Blvd.
- Good area demographics
- Site is suitable for multi-story climate controlled building

**NEW!**



**Bill Barnhill, CCIM & Jeremy Milling, CCIM**

251-432-1287

barnhill@selfstorage.com  
jeremy@selfstorage.com

## Gainesville, FL

Offers Due 4/15/22

- 868 Units
- 108,700 RSF
- 11.16 Acres
- Class A, drive up climate controlled facility
- 98% occupied with below market rents
- Locally owned and operated with great community reputation
- Extremely high barriers to entry market

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com

## Malvern, AR

\$3,580,000

- 325 Units
- 54,138 GSF
- New storage conversion opened in Sept. 2021
- Room for expansion with 5,000 SF mezzanine and additional land
- High profile location on key retail corridor with 18,000 VPD
- Rapid lease up
- Additional land suited for conventional drive-up storage

**NEW!**



**Larry Goldman, CCIM**

913-707-9030

lgoldman@selfstorage.com

## Keystone Heights, FL Offers Due 4/12/22

- 3-Property Portfolio
- 431 Units
- 53,397 RSF
- 6.46 Acres
- Well-maintained properties with high occupancy
- Significant upside potential through revenue management and technology
- Great traffic exposure on SR 100 and Hwy 301

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com





# Property Showcase

## Live Oak, FL

**\$4,250,000**

- 233 Units
- 24,270 RSF
- 2.5 Acres
- 100% occupied with a mix of climate and non-climate units
- Great visibility and access from Hwy 90, a major thoroughfare
- Most modern and updated facility in Suwannee County
- Site plan approval for additional 10,200 GRSF

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

[jkoerner@weaver-realty.com](mailto:jkoerner@weaver-realty.com)

## Cannon Falls, MN

**\$2,200,000**

- 180 Units
- 28,130 RSF
- 4.03 Acres
- Climate and drive up storage with office space
- Phenomenal location visible to 24,100 VPD on Hwy 52
- Close proximity to Twin Cities
- 4,800 GSF climate controlled building with ability to add RSF

**NEW!**



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

612-790-3747

[tom@selfstorage.com](mailto:tom@selfstorage.com), [mhaugen@selfstorage.com](mailto:mhaugen@selfstorage.com), [alex@selfstorage.com](mailto:alex@selfstorage.com)

## St. Augustine, FL

**Offers Due 4/8/22**

- 560 Units
- 56,685 RSF
- 2.010 Acres
- Class A, multi-story climate controlled facility
- Located in one of the fastest growing communities in the nation
- Value-add opportunity with below market rates
- Over 32,000 new residential projects underway or planned

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

[jkoerner@weaver-realty.com](mailto:jkoerner@weaver-realty.com)

## Howard Lake, MN

**\$750,000**

- 33 Units
- 10,736 RSF
- High quality facility built in 2017
- Large units with below market rents
- Fully occupied with a waiting list
- City approval to add portable containers on the property

**NEW!**



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

612-790-3747

[tom@selfstorage.com](mailto:tom@selfstorage.com), [mhaugen@selfstorage.com](mailto:mhaugen@selfstorage.com), [alex@selfstorage.com](mailto:alex@selfstorage.com)

## Kingsland, GA

**Offers Due 4/14/22**

- 181 Units
- 15,050 RSF
- 5.52 Acres
- Offers climate controlled and Boat/RV storage
- Upside potential in rent increases and better marketing
- 1.14 acre Boat/RV parking currently in development and lease up
- Additional 2.75 acres along W King for expansion

**NEW!**



**Josh Koerner, Ryan Haney & Brooks Dove**

904-591-0140

[jkoerner@weaver-realty.com](mailto:jkoerner@weaver-realty.com)

## Howard Lake, MN

**\$750,000**

- 65 Units
- 13,130 RSF
- 6.07 Acres
- Fantastic location off Hwy 12 with exposure to 10,000 VPD
- Room for storage expansion or additional parking
- Consistently high occupancy
- Room to grow rental rates
- Less than 1-hour drive from Minneapolis

**NEW!**



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

612-790-3747

[tom@selfstorage.com](mailto:tom@selfstorage.com), [mhaugen@selfstorage.com](mailto:mhaugen@selfstorage.com), [alex@selfstorage.com](mailto:alex@selfstorage.com)





# Property Showcase

## Madison, MN

**\$425,000**

- 64 Units
- 11,504 RSF
- 0.74 Acre
- Two well-located facilities serving Madison, MN and surrounding communities
- Significant rental rate upside
- Priced below replacement cost
- Limited competition - nearest competitor is 25 miles away

**NEW!**



**Tom Flannigan,**  
**Matt Haugen & Alex Ihrke**  
612-790-3747  
tom@selfstorage.com, mhaugen@selfstorage.com, alex@selfstorage.com

## Oklahoma City MSA

**Offers Due 4/27/22**

- 10-Property Portfolio
- 4,004 Total Units
- 610,924 Total RSF
- 44.1 Total Acres
- Stabilized, institutional-quality portfolio with locations in Oklahoma City, Moore, Edmond, Yukon & Norman, OK
- Significant upside potential
- Best-in-market properties
- Strong household income and population growth markets

**NEW!**



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

## Billings, MT

**\$1,495,000**

- Under Contract
- 102 Units
- 16,920 RSF
- 5.73 Acres
- Small self storage facility with room for expansion
- All new roofs and siding in 2019
- Office attached to 1 bedroom, 2 bath home
- Potential to add outside storage

**NEW!**



**Kim Van Delinder & Larry Hayes**  
408-698-6850  
vrealty406@gmail.com

## Burleson & Crowley, TX

**Call Broker**

- Under Contract
- 750 Units
- 99,851 RSF
- Aggregation of 100,000 SF of drive up storage
- Located in growing suburbs of North TX
- Management upside
- Over 1,100 new multifamily units being delivered in a 5 mile radius

**NEW!**



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

## Boulder City, NV

**Offers Due 4/27/22**

- 220 Units
- 31,200 RSF
- 1.2 Acres
- All drive-up storage property
- Excellent location with proximity to US Hwy 93
- Significant upside potential via revenue and operations management
- 99% occupied
- Property tours available 4/18/2022

**NEW!**



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

## Fort Worth, TX

**\$1,600,000**

**NEW!**

- Under Contract
- Development Site
- 4.3 Acres
- Zoned for self-storage
- Plans for two-phase development included
- Market rent comps above \$1/SF
- Premier location in West Fort Worth



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

Greenville	\$663,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Mobile	\$1,851,300	Bill Barnhill	251-432-1287
Mobile	\$414,500	Bill Barnhill/Jeremy Milling	251-421-0919

## Alaska

Wasilla	Call Broker	Ben Vestal/Cole Carosella	303-317-6469
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## Arizona

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

Magnolia	\$810,000	Larry Goldman	913-707-9030
Malvern	\$3,580,000	Larry Goldman	913-707-9030

## 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
Fort Collins	Call Broker	Joan Lucas	720-855-6587
Montrose	\$4,100,000	Joan Lucas	720-855-6587

## Florida

Alachua	<b>SOLD</b>	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
Gainesville	Call Broker	Josh Koerner/Frost Weaver	904-594-0104
Keystone Hgts	Call Broker	Josh Koerner/Frost Weaver	904-594-0104
Live Oak	\$4,250,000	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. Augustine	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
St. Johns	<b>SOLD</b>	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
Kingsland	Call Broker	Josh Koerner/Brooks Dove	904-594-0104
Riverdale	\$422,500	Luke Sauls	770-841-4591

## Iowa

Davenport	<b>SOLD</b>	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	<b>SOLD</b>	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

Cannon Falls	\$2,200,000	Tom Flannigan	612-790-3747
Howard Lake	\$750,000	Tom Flannigan	612-790-3747
Howard Lake	\$750,000	Tom Flannigan	612-790-3747
Madison	\$425,000	Tom Flannigan	612-790-3747
Park Rapids	<b>SOLD</b>	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

## Montana

Billings	\$1,495,000	Larry Hayes/Kim VanDelinder	406-698-6850
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## Nevada

Boulder City	Call Broker	Jeff Gorden	480-331-8880
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## Oklahoma

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

## Oregon

Lakeview	<b>SOLD</b>	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
Burleson/Crowley	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Fort Worth	\$1,600,000	Chad Snyder/Tyler Trahant	817-813-5642
Odessa	\$2,300,000	Chad Snyder/Tyler Trahant	817-813-5642

## Washington

Airway Hts.	<b>SOLD</b>	Ryan Layton/Thomas Wolter	509-435-2424
Davenport	\$1,885,145	Ryan Layton	509-435-2424
Newport	<b>SOLD</b>	Ryan Layton	509-435-2424

## Wisconsin

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



Congratulations to **Rob Schick of Revel & Underwood, Inc.** who sold Union Chapel Storage in Nobelsville, IN! Contact Rob at 317-403-1205 for details.



Congratulations to **Josh Koerner and Frost Weaver of Weaver Realty Group** who sold Alachua Mini Storage in Alachua, FL, St. John's Boat & RV Storage in St. Johns, FL and US 1 Boat & RV Storage in Ponte Vedra Beach, FL! Contact Josh and Frost at 904-591-0140 for details.



Congratulations to **Scott King of Merit Commercial Real Estate** who sold All Locked Up Storage in Lakeview, OR! Contact Scott at 541-890-6708 for details.



Congratulations to **Ryan Layton of American Real Estate Associates and Thomas Wolter of RE/MAX Integrity** who sold Fairchild Mini Storage in Airway Heights, WA! Ryan also sold Seven Mile Self Storage in Newport, WA! Contact Ryan at 509-435-2424 or Thomas at 206-200-3325 for details.



Congratulations to **Ed Nicholson of the Nicholson Companies** who sold Mint Self Storage in Norfolk, VA! Contact Ed at 757-280-1738 for details.



Congratulations to **Matt Haugen, Tom Flannigan, Alex Ihrke of KW Commercial** who sold a Space Station Storage in Davenport, IA and Lake Country Storage in Park Rapids, MN! Contact the team at 612-790-3747 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 Langholz 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.  
Percival Partners  
Brick Realty, LLC  
The Nicholson Companies  
Weaver Realty Group, Inc.

251-432-1287  
704-995-9168  
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 Bahrmassel  
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