



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue VI-2022

The Market Has Changed!

by Ben Vestal

As readers of the Market Monitor have come to know, I think that low interest rates have been the best friend of self-storage owners over the last decade. It now appears that the long downward trend in interest rates has turned and rates are now heading upward. In the late spring and early summer rates for real estate loans, including self-storage, were literally at 50-year lows. Many real estate investors have gone through very long careers and never experienced these historically low interest rates and high valuations. While predicting the future of interest rates is not a high percentage game, I think it is safe to say that in the short to intermediate term it would be reasonable for interest rates to continue to trend up, pushing self-storage values down. Yes, there is a new sheriff in town! It is rising interest rates and inflation. Like many of you, I have been watching the stock market and treasuries closely over the last few weeks and the uncertainty that surrounds the economy and how we are going to curb rapidly rising inflation has never been more pronounced.

Impact on Owners:

Unfortunately, the large institutional investors that have been clamoring for self-storage investments over the last several years and pushing valuations higher are also the ones that are now pulling back, leaving many owners yearning for yesterday's pricing. If you were fortunate enough to lock in a low fixed-rate loan while interest rates were at their recent lows or sold and capitalized on historically high values, it means you are pretty smart, take a bow! If, on the other hand, you have a variable rate loan, a loan coming due, or need to sell in the short term you have some difficult thinking ahead of you. The good news for owners today is that market fundamentals remain strong and you will likely see outsized revenue and NOI growth over the next few years. However, your valuation and ability to finance your properties will meaningfully fluctuate with market sentiment and rising interest rates.

Impact on Buyers:

Clearly, higher interest rates make any new deal less attractive compared with low interest rates. Let's evaluate and see how much difference a change in interest rates can make on an investment's return. Below is a chart

that outlines the difference in the cash-on-cash return with higher interest rates, and as you can see, the impact can be significant.

	2021	2022 Q3	% Change
NOI	\$300,000	\$300,000	
Interest Rate	3.5% Interest Only	6%	↑ 71%
Loan to Value	60%	60%	
Loan Amount	\$3,600,000	\$3,600,000	
Cap Rate	5%	5%	
Value	\$6,000,000	\$6,000,000	
Equity Required	\$2,400,000	\$2,400,000	
Debt Service	\$126,000	\$259,000	↑ 105%
Cash Flow	\$174,000	\$41,000	↓ 76%
Cash on Cash Return	7.25%	1.7%	↓ 76%

Impact on Sellers:

Let me begin by saying that you should not sell just because interest rates are going up, but if you are thinking about selling in the short term, your sale today could be more profitable than in the coming months. The short, but honest, answer is that the value of your property is heavily dependent on the overall debt markets, and rapidly rising interest rates will likely drive property values down further before we reach a bottom. Over the last 28+ years at Argus, 80% or more of our clients do not sell to capitalize on current market conditions but sell due to life events. If you are at or nearing a life event and you are considering sale, it is worth moving quickly to see if you can catch the tail end of this real estate cycle. However, you must be realistic in your expectations as it is a fool's game to think you will find a buyer willing pay yesterday's prices.

You must make sure you are making the right decision for your investment objectives! It is very hard if not impossible to unwind the outcome from an incorrect decision. My advice is to listen to your stomach and make sure that the decision you make lets you sleep well at night. I find that the brain is more subject to greed and fear than the stomach! Good luck! **MM**

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



Property Showcase

Bullhead City, AZ

Call Broker for Price

- 104,660 RSF
- 183 Units
- 9.82 Acres
- 3-Property Portfolio
- Built 2018-2021
- All enclosed, condo-style boat/RV storage
- Units have access to sub-metered power, wash and dump stations; in addition to conveniently located fueling and commissary amenities

NEW!

Jeff Gorden, CCIM
480-331-8880
jgorden@gorden-group.com



Greeley, CO

Offers Due 7/19/22

- 310 Units
- 35,413 RSF
- 0.65 Acres
- Historic 2-story conversion in the Greeley Town Center
- Complete drive thru design allows all customers to unload inside the property
- Entire Central business district has undergone major renovation
- 2 miles from University of Northern Colorado

NEW!

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



Cañon City, CO

Offers Due 7/12/22

- 326 Units
- 56,275 RSF
- 3.83 Acres
- Class A project opened in 2018 and recently expanded in 2022
- Only Temperature Control product in the submarket
- Strong occupancy: 90%+ until recent expansion
- Highly visible location right off of Main street across from Walmart Supercenter

NEW!

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



Jacksonville, FL

\$3,200,000

- Development Site
- 127,840 GSF
- 2.78 Acres
- Proposed 5-Story 127,840 GSF, Class A Self Storage Building
- High visibility with 265 feet frontage along N Main St and 19,300 AADT
- Located in Downtown Jax where major transformation is underway
- 168,000 population within 5 miles

NEW!

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



Cortez, CO

\$5,600,000

- 348 Units
- 43,650 RSF
- 16.66 Acres
- Largest Self Storage project in Cortez
- 3,000 SF insulated shop and 21,000 SF of parking
- Fully fenced site w/keypad access
- Approximately 8 acres of expansion ground included
- 90 – 95% occupancy at all times

NEW!

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



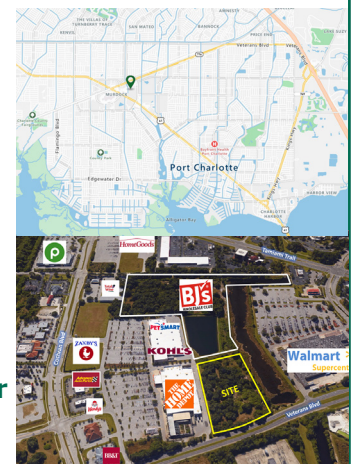
Port Charlotte, FL

\$4,500,000

- Development Site
- 150,000 GRSF
- 6.35 +/- Acres
- Prime Self-Storage Development Site in the heavy shopping district of Murdock Village
- Directly on Veterans Boulevard with additional access through the major shopping center on Cochran Blvd, connecting to Tamiami Trail

NEW!

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





Property Showcase

Council Bluffs, IA

Offers Due 6/21/22

NEW!

- 338 Units
- 58,340 RSF
- 8.2 Acres
- All-Steel construction with concrete pavement and wrought iron fencing
- Turnkey storage business to support any management style with 100% of tenants on auto-pay

Tom Flannigan, Matt Haugen & Alex Ihrke

612-790-3747

tom@selfstorage.com, alex@selfstorage.com, mhaugen@selfstorage.com



Billings, MT

\$3,325,000

• Under Contract **NEW!**

- 160 Units and 108 parking spaces
- 34,600 RSF
- 4.851 Acres
- Built 2011-2019
- Gate access via keypad or cell phone, ability to call management from keypad
- Four of the building's unit sizes can be modified to accommodate demand

Kim VanDelinder & Larry Hayes

406-698-6850

vrealty406@gmail.com



Spokane, WA

Offers Due 7/12/22

NEW!

- 410 Units
- 41,608 RSF
- 0.27 Acres
- Built 2021
- 1 of only 2 self-storage facilities serving the Downtown core
- Zero competition for 57 blocks to the South
- High efficient new elevator system installed
- Storage rental demand is high in the Spokane market

Ryan Layton & Greg Meager

509-435-2424

rlayton@areanw.com



Kingsland, GA

\$4,500,000

- 181 Units
- 15,050 RSF
- 5.52 Acres
- Built in 2005
- Over 19,000 GRSF ft of climate controlled self-storage units (95% Full)
- 1.14 acre Boat/RV parking currently under development and in lease-up with roughly 60-12x30 parking spaces
- 2.75 additional expansion acres

Josh Koerner & Frost Weaver

904-591-0140

jkoerner@weaver-realty.com



Oak Grove, MN

\$2,050,000

- 115 Units
- 23,100 RSF
- 2.09 Acres
- 97% Occupied
- Built in 2002
- Completely fenced with gate system, keypad entry and security cameras
- High barriers to entry due to zoning restrictions on self storage

Tom Flannigan, Matt Haugen & Alex Ihrke

612-790-3747

tom@selfstorage.com, alex@selfstorage.com, mhaugen@selfstorage.com



Ennis, TX

Call Broker for Price

- 301 Units
- 46,000 RSF
- 6.5 Acres
- 84% Occupied
- Best traffic exposure of any storage facility in Ennis, TX, off both Interstate 45 and Hwy 287
- Zoned and planned expansion opportunity
- Roughly 1 acre expansion land on I-45 site and another 1.5 acres at the Ensign location

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 or contact your local Argus Broker Affiliate.

Alabama

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

Bullhead City	Call Broker	Jeff Gorden	480-331-8880
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Arkansas

Malvern	\$3,580,000	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
Cañon City	Call Broker	Joan Lucas	720-855-6587
Cortez	Call Broker	Joan Lucas	720-855-6587
Evans	SOLD	Joan Lucas	720-855-6587
Fort Collins	Call Broker	Joan Lucas	720-855-6587
Greeley	Call Broker	Joan Lucas	720-855-6587
Greeley	\$4,200,000	Joan Lucas	720-855-6587
Montrose	\$4,100,000	Joan Lucas	720-855-6587

Florida

Portfolio (6)	\$16,871,340	Josh Koerner/Frost Weaver	904-594-0104
Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0104
Ft. Myers	\$4,676,676	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
Jacksonville	\$3,200,000	Josh Koerner/Frost Weaver	904-594-0104
Keystone Hgts	\$4,300,000	Josh Koerner/Frost Weaver	904-594-0104
Live Oak	\$4,250,000	Josh Koerner/Frost Weaver	904-594-0104
Pensacola	SOLD	Bill Barnhill/Stuart LaGroue	251-432-1287
Port Charlotte	\$4,500,000	Josh Koerner/Frost Weaver	904-432-0140
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
St. Augustine	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
Venice	\$3,900,000	Josh Koerner/Frost Weaver	904-594-0104
Vero Beach	\$6,800,000	Josh Koerner/Frost Weaver	904-594-0104

Georgia

Kingsland	Call Broker	Josh Koerner/Brooks Dove	904-594-0104
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Illinois

Seneca	\$1,200,000	Bruce Bahrmassel	312-518-3550
Steger	\$999,000	Bruce Bahrmassel	312-518-3550
Zion	Call Broker	Bruce Bahrmassel	312-518-3550

Iowa

Council Bluffs	Call Broker	Tom Flannigan	612-790-3747
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Kansas

Iola	\$895,000	Larry Goldman	913-707-9030
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Kentucky

Louisville	Call Broker	Mike Helline	502-296-4586
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Louisiana

Cut Off	SOLD	Bill Barnhill/Jeremy Milling	251-421-0919
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Minnesota

Alexandria	\$3,500,000	Tom Flannigan	612-790-3747
Cannon Falls	\$2,200,000	Tom Flannigan	612-790-3747
Marshall	\$2,700,000	Tom Flannigan	612-790-3747
Oak Grove	\$2,050,000	Tom Flannigan	612-790-3747
Spicer	Call Broker	Tom Flannigan	612-790-3747
Wabasha	\$1,000,000	Tom Flannigan	612-790-3747

Missouri

St. Louis	Call Broker	Larry Goldman	913-707-9030
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Montana

Billings	\$1,495,000	Larry Hayes/Kim VanDelinder	406-698-6850
Billings	\$3,325,000	Larry Hayes/Kim VanDelinder	406-698-6850

Oklahoma

OKC Portfolio	Call Broker	Jared Jones	918-609-0541
Broken Arrow	\$5,000,000	Jared Jones	918-609-0541
Broken Bow	\$1,600,000	Jared Jones	918-609-0541
Eufaula	\$1,380,000	Jared Jones	918-609-0541

Oregon

Medford	\$375,000	Scott King	541-890-6708
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Pennsylvania

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

Argyle	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Burleson/Crowley	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Ennis	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Fort Worth	\$1,600,000	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
Texas City	Call Broker	Faith Pate	713-805-2907

Washington

Davenport	\$1,750,000	Ryan Layton	509-435-2424
Spokane	Call Broker	Ryan Layton	509-435-2424

ARGUS SALES



Congratulations to **Josh Koerner and Frost Weaver of Weaver Realty Group** who sold Deland Boat & RV in Deland, FL, Eau Gallie Boat & RV and Happy Camper Storage in Melbourne, FL, and On Solid Ground Boat & RV Storage in Edgewater, FL! Call 904-591-0140 for details.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services** who sold BestWay2Store in Evans, CO, Momentum Development Self Storage in Brighton, CO, and Monte Vista Storage in Monte Vista, CO! Joan also represented the buyer of Affordable Storage in Monument, CO. Call 720-855-6587 for details.



Congratulations to **Jared Jones, CCIM of Jones Investment Properties** who sold Storage OK, a 4-property portfolio, in Tulsa, Jenks & Bixby, OK! Call 918-948-3941 for details.



Congratulations to **Bill Barnhill, CCIM & Stuart LaGroue of Omega Properties, Inc.** who sold Anchor Storage in Mobile, AL! Call 251-432-1287 for details. **Bill Barnhill, CCIM and Jeremy Milling, CCIM of MCR Commercial** sold Tarpon Springs Storage in Cut Off, LA! Contact Jeremy at 251-694-5050 for details.



Congratulations to **Joseph Mendola of NAI Norwood Group** who sold a development site in Auburn, NH! Call 603-668-7000 x203 for details.



Congratulations to **Jeff Gorden of KW Commercial** who represented the buyer of self storage and RV development sites in Colorado Springs, CO and Rio Rancho, NM! Call 480-331-8880 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
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 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