



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue VII-2022

Riding the Valuation Roller Coaster

by Ben Vestal

It has been a wild ride this summer with economic uncertainty and market sentiment creating a roller coaster for self-storage valuations. However, I am not confident that the run-up in real estate values is over just yet. We have seen a 200-250 basis point uptick in interest rates over the last 3 months and shockingly, cap rates seem to still be holding steady. Please forgive my optimism, but I think that self-storage fundamentals are strong, and the increase in value that self-storage owners have enjoyed over the last few years seems to be holding steady as NOI growth seems to be outpacing inflation for the time being. While I would agree that many elements of the economy appear to be unstable, the confidence of self-storage investors seems to be resilient for the time being. **Sounds like good news – and it is, for now!**

Over the last few years, prices have reached historically high levels for self-storage properties either in absolute dollars or in relation to the income they produce. This has been driven by the increase in demand for the product, lack of quality product on the market for sale (simple supply and demand), newly found public awareness and the STILL low interest rates (this might be changing). Because of the national reach Argus enjoys, it is worth noting that not every market is experiencing the same resiliency in valuation or sales velocity. This is largely due to the increased intelligence of the self-storage investment community and the bifurcation of institutional and non-institutional assets.

Today there are clear winners and losers when buying and selling self-storage properties. This bifurcation is driven by market fundamentals, size and age of the assets. Self-storage investors today are more focused on market and submarket specific demand drivers such as the increasing migration of population, population growth, barriers to entry, income growth levels, size and scale of the asset or portfolio, and market-specific employment basis just to name a few. Today investors are focused more on where the market is going and not where the market has been. Also, it would be fair to say that we have two distinct markets within the self-storage investment world and I am not talking about the top 50 MSAs and the rest of the markets. I am talking about growth markets and non-growth markets. We have learned that small to mid-sized markets can be very productive investments if the demand drivers such as the ones mentioned above are present. This has been the case in markets like Ocala, FL, the

Gulf Coast, Madison WI, Reno, NV, Aurora, CO, Austin, TX, Pensacola, FL, and Tucson AZ. These markets have enjoyed strong rental velocity, rental rate growth, population growth, income growth and, most importantly, growing demand for self-storage.

But before you get too complacent with your recently found prosperity, there are a few notes of caution. The first is that interest rates ARE GOING UP in a meaningful way. The Federal Reserve has certainly indicated that they will continue to raise interest rates to curb inflation and we will likely to see a 75-150 basis point increase in interest rates by the end of the year. This will undoubtedly curb valuations and slow down the transactional market. If you don't have long term debt locked in by now you may be stuck with a new loan with a 5 handle on it or greater. The second issue is investor confidence. You guessed it; market sentiment will continue to have a major impact on valuations as the dark clouds on the horizon continue to gain momentum! We will likely see valuation stall out or flatten even with NOI growth in 2022 that will outpace inflation, albeit most savvy investors feel we will see a return to mid to high single digit NOI growth by the end of 2023.

An owner's ability to properly evaluate the future demand and current market is the single most important factor in making the right investment decision. These are absolutely the most uncertain times in real estate even for CAREFUL buyers and sellers. The prize will go to those who analyze their competitive situation and take ACTION during this very unique time in the real estate cycle.

I really don't know how this real estate run is going to turn out, but I do know that every one of my colleagues in commercial real estate has the same question, **how long will this last?** Remember, a meaningful rise in interest rates or change in investor sentiment may eliminate your options moving forward so now may be the time to get off the roller coaster ride. Timing is everything in real estate and your Argus Broker Affiliate is here to help you determine if the time is right for you! **MM**

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



Property Showcase

Birmingham, AL

Offers Due 8/23/22

- 167,781 RSF
- 338 Units
- 11.9+/- Acres
- Birmingham's premier RV & Boat storage facility
- Covered and uncovered parking, all paved
- Located 10 minutes from downtown Birmingham
- Trickle charge, dump tanks, water, washing station and air available

NEW!



Stuart LaGroue & Bill Barnhill, CCIM

251-432-1287

stuart@selfstorage.com

barnhill@selfstorage.com

Delta, CO

\$2,550,000

- 31,900 RSF
- 185 Units
- 6.15 Acres
- High physical and economic occupancies with wait list
- Prime location along Hwy 50 approx. 40 minutes southeast of Grand Junction
- High quality finishes
- Remotely managed and existing management company can run for new buyer

NEW!



Joan Lucas

720-855-6587

jluucas@selfstorage.com

Buckeye, AZ

\$850,000

- 29,851 RSF
- 97 Units
- 1.94 Acres
- 100% RV & Boat storage facility
- Perimeter fencing, gated with 24/7 security monitoring
- Located in the path of growth in the greater Phoenix MSA
- Remote managed

NEW!



Jeff Gorden, CCIM

480-331-8880

jeff@gorden-group.com

Ocoee, FL

\$6,750,000

- Development Site
- 150,000 GSF
- 2.999 Acres
- Located in a suburb of the Orlando MSA
- High visibility with 384+ feet frontage along E Silver Star Rd. and 26,000 AADT
- Low SF per capita within 5 miles
- 5-mile population of 235,000+ with AHHI over \$78,000 in the Orlando MSA

NEW!



Josh Koerner & Frost Weaver

904-591-0140

jkoerner@weaver-realty.com

Colorado Springs, CO

Offers Due 7/26/22

- 77,830 RSF
- 415 Units
- 6.59 Acres
- Well-established facility in mid-town Colorado Springs
- 53,350 SF of ambient storage and 24,480 SF of boat/RV storage
- Strong Penske truck rental business
- Ability to take advantage of rental rate growth with strong management platform

NEW!



Joan Lucas

720-855-6587

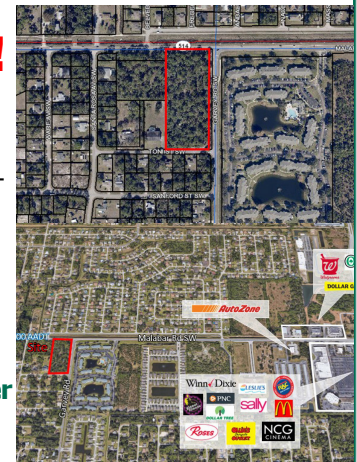
jluucas@selfstorage.com

Palm Bay, FL

Call Broker for Price

- Development Site
- 150,000 GSF
- 4.19 +/- Acres
- Proposed 3-story, Class A climate controlled building
- 293 ft. of frontage along Malabar Rd. with 16,900 AADT and 671 ft. of frontage along Garvey Rd.
- Sale contingent upon conditional use approval for self-storage and lot split of 2 additional outparcels

NEW!



Josh Koerner & Frost Weaver

904-591-0140

jkoerner@weaver-realty.com



Property Showcase

Kiln, MS

Call Broker for Price

- 345 Units
- 31,810 RSF
- 1.92 +/- Acres
- Climate and non-climate units
- High traffic count
- Excellent visibility with 537 ft. of frontage along Hwy 603
- Fenced and gated with keypad access
- U-Haul truck rentals, retail sales, and tenant insurance provide additional income

NEW!



Stuart LaGroue & Bill Barnhill, CCIM

251-432-1287

stuart@selfstorage.com
barnhill@selfstorage.com

Lemoyne, NE

\$1,850,000

- 222 Units
- 91,807 RSF
- 6.28 Acres
- Includes enclosed units, covered parking and open parking
- Closest RV/Boat facility to Lake McConaughy
- Modern features including electronic gate and text-to-open capability
- Revenue upside

NEW!



Joan Lucas & Mark Billingsley

720-855-6587

jlucas@selfstorage.com
mark@hikerealestate.com

Billings, MT

\$1,990,000

- 138 Units
- 27,000 RSF
- 2.931 Acres
- 99% Occupied
- Turnkey facility just outside of Billings - must see to appreciate!
- Includes 42 RV parking spaces
- Room for expansion
- Rents well below competitors
- Automated gate, security cameras

NEW!



Kim VanDelinder & Larry Hayes

406-698-6850

vrealty406@gmail.com

Yerington, NV

\$1,600,000

- 219 Units
- 46,020 RSF
- 3.5 Acres
- Value-add investment
- Below market rents
- Room for expansion
- Strong rental demand
- Located just off SR 89A
- Easy access to US 395 and US 95
- Property includes four warehouses with long term tenants

NEW!



Jeff Gorden, CCIM

702-643-1000

jeff@gorden-group.com

Ennis, MT

\$6,800,000

- 479 Units
- 115,840 RSF
- 9.72 Acres
- Includes 14 Office/Warehouse units totaling 18,000 SF and two stand-alone offices with fenced storage
- Expansion potential on 9.72 acre parcel
- Located in rapidly growing community outside Bozeman, MT

NEW!



Kim VanDelinder & Larry Hayes

406-698-6850

vrealty406@gmail.com

Lawton, OK

Offers Due 8/22/22

- 4-Property Portfolio
- 1,297 Units
- 198,802 RSF
- 10.30 Acres
- Value-add portfolio located in the third largest MSA in OK
- Attractive price point below replacement cost
- Significant upside available
- Expansion opportunity to add 60,000 RSF to the portfolio
- Strong population growth in the trade area

NEW!



Jared Jones, CCIM

918-948-3941

jjones@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.

Alabama

Birmingham	Call Broker	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

Arizona

Buckeye	\$850,000	Jeff Gorden	480-331-8880
Laughlin Ranch	Call Broker	Jeff Gorden	480-331-8880

Arkansas

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

California

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

Colorado

Brighton	SOLD	Joan Lucas	720-855-6587
Colorado Spgs	Call Broker	Joan Lucas	720-855-6587
Cortez	\$4,850,000	Joan Lucas	720-855-6587
Delta	\$2,550,000	Joan Lucas	720-855-6587
Fort Collins	SOLD	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	904-594-0140
Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0140
Ft. Myers	\$4,676,676	Josh Koerner/Frost Weaver	904-594-0140
Ft. Pierce	\$8,500,000	Josh Koerner/Frost Weaver	904-594-0140
Jacksonville	\$3,200,000	Josh Koerner/Frost Weaver	904-594-0140
Keystone Hgts	SOLD	Josh Koerner/Frost Weaver	904-594-0140
Ocoee	\$6,750,000	Josh Koerner/Frost Weaver	904-594-0140
Palm Bay	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
Port Charlotte	\$4,500,000	Josh Koerner/Frost Weaver	904-432-0140
Port Charlotte	SOLD	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	904-594-0140
Vero Beach	\$6,800,000	Josh Koerner/Frost Weaver	904-594-0140

Georgia

Kingsland	Call Broker	Josh Koerner/Brooks Dove	904-594-0140
-----------	-------------	--------------------------	--------------

Illinois

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

Iowa

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

Kansas

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

Kentucky

Louisville	Call Broker	Mike Helline	502-296-4586
------------	-------------	--------------	--------------

Minnesota

Alexandria	\$3,500,000	Tom Flannigan	612-790-3747
Cannon Falls	SOLD	Tom Flannigan	612-790-3747
Marshall	SOLD	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

Mississippi

Kiln	Call Broker	Bill Barnhill/Stuart LaGroue	251-432-1287
------	-------------	------------------------------	--------------

Missouri

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

Montana

Billings	\$1,990,000	Larry Hayes/Kim VanDelinder	406-698-6850
Billings	SOLD	Larry Hayes/Kim VanDelinder	406-698-6850
Butte	\$2,150,000	Larry Hayes/Kim VanDelinder	406-698-6850
Ennis	\$6,800,000	Larry Hayes/Kim VanDelinder	406-698-6850

Nebraska

Lemoyne	\$1,850,000	Joan Lucas/Mark Billingsley	720-855-6587
---------	-------------	-----------------------------	--------------

Nevada

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

Oklahoma

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
Lawton	Call Broker	Jared Jones	918-609-0541

Oregon

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

Pennsylvania

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

Texas

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

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 a 3-Property Portfolio in Keystone Heights, FL, a development site in Port Charlotte, FL and 210 Self Storage in St. Johns, FL! Call 904-591-0140 for details.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services** who sold iBox Gartrell in Aurora, CO and represented the buyer of Affordable RV in Erie, CO! Call 720-855-6587 for details.



Congratulations to **Jared Jones, CCIM of Jones Investment Properties** who sold MacArthur Storage in Shawnee, OK! Call 918-948-3941 for details.



Congratulations to **Joseph Mendola of NAI Norwood Group** who sold Hillsboro Mini Storage in Hillsboro, NH! Call 603-668-7000 x203 for details.



Congratulations to **Tom Flannigan, Matt Haugen & Alex Ihrke of KW Commercial** who sold Pleasant Lake Storage in Hackensack, MN, Marshall Mini Storage in Marshall, MN, and Quality Storage in Cannon Falls, MN! The team also represented the buyer of Comfort Storage in Marshall, MN. Call 612-790-3747 for details.



Congratulations to **Chad Snyder & Tyler Trahant of Dominus Commercial** who sold Lantana Storage Units in Argyle, TX, Burleson & Deer Creek Storage in Burleson & Crowley, TX, and Bridgeport Mini Storage in Chico, TX. Call 817-813-5642 for details.



Congratulations to **Bruce Bahrmassel** who sold Steger U Store in Steger, IL! Call 312-518-3550 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 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 & Kim VanDelinder
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