



SELF STORAGE ADVISORS

# Market Monitor

America's Premier Self Storage Brokers

Issue VIII-2022

## *An Open Letter: This is Different!*

by Ben Vestal

I am writing this letter to give you my absolutely unvarnished thoughts on today's real estate market and what I believe are an owner's options in the market today. The options are difficult and limited today because the market is rapidly changing and unusually bifurcated with buyers and sellers viewing the investment world through two totally different sets of lenses. As Q2 2022 ended, I began to think that there was something quite different about this "slow down" as it was beginning to unfold. The self-storage real estate market that had preceded the now accelerating slowdown was and continues to be dramatically resilient compared to other CRE assets and to any previous market. In the first half of 2022, prices were at record highs both nominally and in relation to the incomes of the properties (i.e., extremely low cap rates). This was largely fueled by the large amount of liquidity in the market, strong market fundamentals, and aggressive financing that was available until about the first of June. The market has changed and is now different! Owners must all remember that even though your self-storage business is very resilient, the greater real estate market has more to do with self-storage valuation than the performance of your asset.

I believe that this period of economic contraction, either directly caused or materially aggravated by the excesses of the entire investment market and cheap money, has resulted in a dramatic shift in valuations. This is the Real McCoy! It is also clear that the Federal Reserve has no intention of slowing down its efforts to curb inflation and we will likely see rising interest rates for near future. In the end, the fortunes of real estate owners will bear an outsized portion of the destruction of wealth because of the continued decline of real estate values (rising cap rates). Given the magnitude and diversity of this problem, it will not be solved quickly. It will take years not months! Unfortunately, I am not alone in this assessment, but I do sincerely hope I am wrong. The circumstances of this changing market leave self-storage operators with many challenges, and my experience tells me that owners have three options.

### Option 1: Batten Down the Hatches

You want to hold on to your property for the long haul. The questions you must consider are: Are you willing to hold the property for five years? Do you have solid financing currently in place for a contractual period of at least five years? Do you have liquid resources to cover the debt service in the event that your revenues decline 20%-30%? Are you among the five most competitive properties in your 3-mile submarket? Can your submarket absorb a new competitor? If you cannot answer "yes" to these questions then you will likely have a problem reaching your objective of holding the property

for a long period. If your current loan was made from 2014 through 2021, it is highly probable that a new loan will be at a lower amount, interest rate will be higher and recourse will be required. If you have not locked in long term financing, believe you have the superior location and product in your submarket, and you are uncomfortable with the likelihood of reduced cash flow, try Option 2 below.

### Option 2: Time to Move on, the Market is Changing

If you are thinking of retiring, lowering your risk, looking for more liquidity, or are concerned about your submarket or the general economy, then maybe you should think about selling. The necessary questions to answer are: Are you willing to sell at the current market price? Do you believe that prices are down at least 10% or more from the highs in 2021? Do you understand that cap rates have gone up and generally range from 5.5 to 8.5, depending on the location and property? Are you willing to pay the capital gains taxes? For serious sellers, the right answer is "yes!" In summary, the serious buyers today are still active and well capitalized, very knowledgeable about self-storage valuations, and for the foreseeable future are only looking for projects that are priced correctly. Additionally, we will see self-storage performance revert back to historical norms over the next year and the days of double-digit growth will fade. The net result is that if you expect to sell in today's marketplace, you must be realistic on your pricing, be ready to move quickly, and be emotionally ready to recognize the market as it is! If any of your answers are "no," you may want to think about Option 3 or return to Option 1.

### Option 3: Denial

Denial, by simple default or negligence, is often a popular choice when presented with rather stark and limited options. By any standards the first two options are more difficult and denial is easier – for now! However, the other two options give you some ability to protect the fruits of your labor and investment and are very likely to improve your future options. Thoughtful action is always more productive than worrying about doing nothing!

As advisors to the industry for over 28 years, we and our many colleagues in the business can help you understand the market and assist you in buying, selling or positioning your assets for success. Although we wish we could change the market, we hope to be able to work with self-storage owners to find the best solutions in today's rapidly changing environment. **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

## Laughlin Ranch, AZ

**\$13,500,000**

- 183 Units
- 104,660 RSF
- 9.82 Acres
- 3-Property Portfolio
- All enclosed, condo-style boat and RV storage
- Built 2018-2021
- Adjacent to Laughlin Ranch & Laughlin International Airport
- Proximity to Colorado River and boating amenities
- Extra wide drive aisles

**NEW!**



**Jeff Gorden, CCIM**

480-331-8880

jeff@gorden-group.com

## Jacksonville, FL

**\$2,400,000**

- Development Site
- 120,000 RSF
- 2.62 +/- Acres
- Proposed 3 or 4-story, 120,000 GSF, Class A, climate controlled self storage facility
- Sale contingent upon Seller rezoning and obtaining site plan approval
- 300+ ft frontage along Normandy Blvd. with 13,800 AADT

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com

## Fort Myers, FL

**\$2,400,000**

- Development Site
- 135,200 RSF
- 2.01 Acres
- Property includes four warehouses with long term tenants
- Proposed 3- or 4-story, Class A, climate-controlled building
- Frontage along all sides totaling over 1370 ft.
- Connects to Dr Martin Luther King Jr Blvd. with over 49,000 AADT

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com

## Orange Park, FL

**\$3,307,500**

- Development Site
- 94,500 RSF
- 5.429 Acres
- Proposed 2-story, climate-control building
- Sale contingent upon Seller rezoning to Planned Commercial Development (PCD) with a site plan to include vehicle storage behind building
- 560 ft frontage along College Dr. with 20,300 AADT

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com

## Hudson, FL

**\$2,750,000**

- Development Site
- 78,930 GSF
- 3.002 Acres
- Proposed 78,930 GSF, Class A climate controlled configuration
- 442 ft frontage along County Line Road with 19,300 AADT and addn'l 303 ft on Winding Oaks Blvd.
- Site already zoned for use, sold as-is

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com

## Palm Bay, FL

**\$4,865,000**

- Development Site
- 139,000 GSF
- 3.04 Acres
- Proposed 3-story, 139,000 GSF Class A Climate Controlled Self Storage
- 238 ft frontage with 9,400 AADT
- Population 90,000 within 5 miles
- Adjacent to Family Dollar and surrounded by residential developments

**NEW!**



**Josh Koerner & Frost Weaver**

904-591-0140

jkoerner@weaver-realty.com





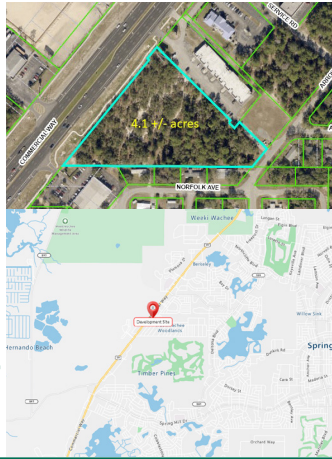
# Property Showcase

## Spring Hill, FL

**\$4,865,000**

- Development Site
- 150,000 GSF
- 4.1 +/- acre **NEW!**
- proposed 3-story, 150,000 GSF SS with additional Boat/RV storage space
- Large retailers Publix, Target, Home Depot and Lowes within proximity
- Population 88,000+ within 5 miles and AHHI over \$60,000
- Property already zoned for use

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



## Diamondhead, MS

**\$6,400,000**

- 38,010 RSF
- 324 Units
- 2.12 +/- Acres
- Built 1998
- 96.8% Occupied
- Fully fenced and gated
- Excellent location, great visibility with high traffic count
- Currently no tenant insurance program in place

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

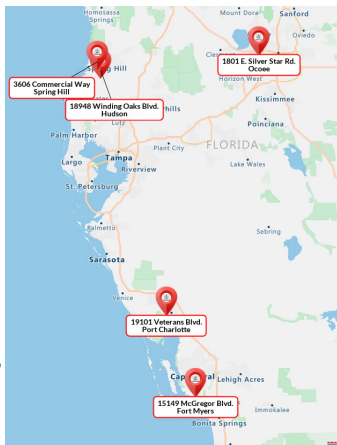


## West Coast FL

**\$20,926,676**

- 5-Property Development Portfolio
- 630,258 Proposed GSF
- Hudson and Spring Hill properties sold AS-IS with zoning in place. Remaining approvals are administrative without political risk
- Located in Lee, Pasco, Orange, Charlotte & Hernando Counties, where populations are increasing drastically

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



## Butte, MT

**\$2,150,000**

- Under Contract
- 26,980 RSF
- 191 Units
- 2.8 Acres
- Room for expansion
- Currently platted for 3 more buildings, approximately 9,360 RSF
- On site office with 1-bedroom manager's quarters and carport
- Opportunity to raise rents

**Kim VanDelinder & Larry Hayes**  
406-698-6850  
vrealty406@gmail.com



## Muncie, IN

**\$535,000**

- Development Site
- 3,000 RSF
- 2.32 +/- Acres
- Room for expansion
- Great development opportunity located directly on state Road 3
- 3,000 SF front load building completed August 2022
- An additional 18,000 SF (3 bldgs) permitted on 2.32 +/- acres

**Rob Schick**  
317-403-1205  
rschick@revelunderwood.com

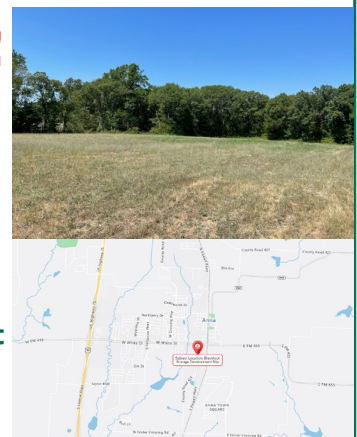


## Anna, TX

**\$1,500,000**

- Development Site
- 90,000 RSF
- 4.86 Acres
- Recent zoning approval in high growth submarket off Hwy 75 in North Dallas
- Premier location off S. Powell Parkway, east of Highway 75
- Market rent comps in the area above \$1/sf

**Chad Snyder & Tyler Trahan**  
817-242-2361  
csnyder@dominuscommercial.com  
ttrahant@cominuscommercial.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

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	\$13,500,000	Jeff Gorden	480-331-8880

## Arkansas

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

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	<b>SOLD</b>	Joan Lucas	720-855-6587
Greeley	Call Broker	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
Portfolio (5)	\$20,926,676	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. Myers	\$2,400,000	Josh Koerner/Frost Weaver	904-594-0140
Ft. Pierce	\$8,500,000	Josh Koerner/Frost Weaver	904-594-0140
Hudson	\$2,750,000	Josh Koerner/Frost Weaver	904-594-0140
Jacksonville	\$3,200,000	Josh Koerner/Frost Weaver	904-594-0140
Jacksonville	\$2,400,000	Josh Koerner/Frost Weaver	904-594-0140
Ocoee	\$6,750,000	Josh Koerner/Frost Weaver	904-594-0140
Orange Park	\$3,307,500	Josh Koerner/Frost Weaver	904-594-0140
Palm Bay	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
Palm Bay	\$4,865,000	Josh Koerner/Frost Weaver	904-594-0140
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
Spring Hill	\$4,865,000	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
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## Illinois

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

## Indiana

Muncie	\$535,000	Rob Schick	317-403-1205
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## Iowa

Council Bluffs	<b>SOLD</b>	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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## Minnesota

Alexandria	<b>SOLD</b>	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

Diamondhead	\$6,400,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Kiln	Call Broker	Bill Barnhill/Stuart LaGroue	251-432-1287

## Missouri

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

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

## Nebraska

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

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

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

Anna	\$1,500,000	Chad Snyder/Tyler Trahant	817-813-5642
Ennis	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Fort Worth	<b>SOLD</b>	Chad Snyder/Tyler Trahant	817-813-5642
Fort Worth	Call Broker	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

## Wyoming

Cheyenne	\$1,400,000	Joan Lucas/Kristen Zimmerman	720-855-6587
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# ARGUS SALES



Congratulations to **Kim VanDelinder and Larry Hayes of Hayes & Associates** who sold Flying D Mini Storage in Billings, MT! Call 406-698-6850 for details.



Congratulations to **Tom Flannigan, Matt Haugen & Alex Ihrke of KW Commercial** who sold KO Storage in Alexandria, MN and Clark Storage in Council Bluffs, IA! Call 612-790-3747 for details.



Congratulations to **Chad Snyder & Tyler Trahant of Dominus Commercial** who sold Town & Country Storage Development Site in Fort Worth, TX and represented a buyer of a storage property in Odessa, TX! Call 817-813-5642 for details.



Congratulations to **Jared Jones, CCIM of Jones Investment Properties** who sold Storage Oklahoma, a 10-property portfolio in OK! Call 918-948-3941 for details.

## Join Argus at the Self Storage Association 2022 Fall Conference and Tradeshow in Las Vegas!



The SSA Show presents an excellent opportunity for self-storage professionals to check out top-notch educational sessions and industry networking opportunities. **Visit Argus in Booth #231** to speak with a self-storage broker and learn more about our inventory of properties. We hope to see you there!

### 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