



SELF STORAGE ADVISORS

Market Monitor

America's Premier Self Storage Brokers

Issue II-2023

Here Comes Leasing Season...We Hope!

by Ben Vestal

While the last few years have been very good for the self-storage industry, the most positive and productive result of the contracting economy and return of seasonality over the last 6-9 months is that it has forced operators to take a very hard look at their operating expenses, leasing velocity, and move out trends. The slowdown in leasing velocity and declining rental rates have forced many operators to change their marketing campaigns, embrace revenue management, and move outside their comfort zone as this market continues to evolve. Today's savvy self-storage owner/operators must familiarize themselves with a variety of online marketing and revenue management techniques such as geofencing, upstream clicks, social media, negative churn, tenant acquisition costs, algorithm-based pricing models, pay by text, and length of tenancy, just to name a few. Gone are the days of simply "having a website" and rolling out street rate adjustments and existing customer rate increases annually or semiannually. Not only are self-storage owner/operators finding better and cheaper ways to communicate with their customers, but customers are choosing to receive information and make rental decisions in a more convenient way as well.

As street rates continue to moderate nationwide, Yardi Matrix has reported that national street rents for a 10x10 non-climate have fallen 2.3% and climate controlled 10x10 rental rates have fallen more than 4%. Several major MSAs have seen more than 4% rental rate declines year-over-year. For the time being, savvy operators have been able to combat falling street rates with revenue management tools and have found upside in raising existing customers' rents well above the falling street rates to maximize revenue and protect their valuations. Many self-storage customers are considered sticky, so oftentimes raising existing customers' rents above street rates will not have a major impact on occupancy. However, we all know that this trend cannot last and sooner or later the industry will experience negative churn (high paying customers being replaced by lower paying customers) unless we see leasing velocity pick up.

We all have our fingers crossed that a strong leasing season is right around the corner, but there are some concerns that the slowdown in home sales, rising interest rates, and shrinking consumer savings accounts will lead to a less-than-stellar leasing season. We all know that customer movement creates self-storage demand and if less people are moving this year, it could put a damper on the upcoming leasing season. The silver lining that we are all hoping for is that increasing product awareness and increased usership will outweigh the lack of customer movement. The recent demand study conducted by the SSA found that the percentage of households that use self-storage increased to 11.1% in 2022 from 10.6% in 2020 and 8.95% from 2005. As a result, the self-storage industry appears to be well-positioned to withstand the economic headwinds in 2023.

Over the last several years, we have seen a tremendous amount of change in how successful owner/operators are managing their street rates, existing customer rate increases, and marketing to new and existing customers. In today's very competitive environment you need to be open to change and actively making adjustments to your operations to make sure you remain competitive and that you are protecting your property's value. Ultimately, we are seeing dramatic shifts in how customers are shopping and comparing self storage properties. Sophisticated self-storage owner/operators are executing online marketing and revenue managed techniques and are able to drive customers to their property from greater distances, achieve higher revenues and reduce their operating expenses, protecting and driving their property's value higher.

Today the writing is on the wall, there is a possible crossroads this leasing season and knowledgeable owner/operators are much better-positioned to compete, as their property will outperform the market.

MM

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



Property Showcase

Longmont, CO

\$2,600,000

- 230 Units **NEW!**
- 24,217 RSF
- Room for expansion within the current site
- Historically 90%+ occupancy year round
- Located in a growing submarket outside of Boulder, CO

Cole Carosella
720-909-8602
cole@argus-realestate.com



Port St Joe, FL

\$6,500,000

- 292 Units **NEW!**
- 48,295 RSF
- 5.49 Acres
- Newly built self storage facility (Under Construction) with projected completion of Summer 2023
- Delivered with Certificate of Occupancy

**Linda Cinelli, CCIM, Edan Cohen
& Bill Barnhill, CCIM**
908-722-5661
linda@lcrealtyusa.com



New Milford, CT

Call Broker for Price

- Development Site **NEW!**
- 11.44+/- Acres
- Site delivered with approved Plans
- Plans for 127,900 GSF of Self Storage (approx. 105,200 NRSF) and for 68,600 SF of Industrial/Warehouse

**Linda Cinelli, CCIM, Edan Cohen
& Guy Blake, CCIM**
908-722-5661
linda@lcrealtyusa.com



Wharton, NJ

Call Broker for Price

- 114 Units **NEW!**
- 16,510 RSF
- 3.28 Acres
- Independently Managed Self-Storage Facility with Approved Expansion Plans
- 2 Existing Self Storage Buildings and an Office Building

**Linda Cinelli, CCIM
& Edan Cohen**
908-722-5661
linda@lcrealtyusa.com



Lady Lake, FL

Offers Due 3/2/23

- 158 Units **NEW!**
- 52,075 RSF
- 5.36+/- Acres
- Mix of retail, warehouse office and mini-storage facility
- 2 locations within proximity of each other
- All new air conditioning units in 2021/2022

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

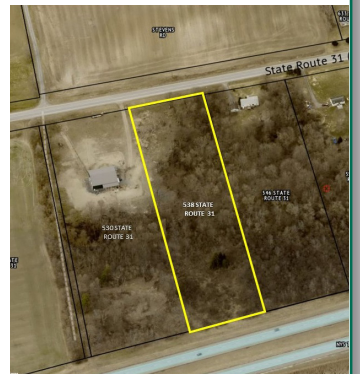


Jordan, NY

\$300,000

- Development Site **NEW!**
- 5.2 Acres
- Fully approved for 14,200 RSF and 50 Boat/RV spots
- Mix of Climate Control, Drive up and Boat/RV storage
- No competition within 3 miles
- NYS Thruway Frontage

Guy Blake, CCIM
845-787-1372
gblake@pyramidbrokerage.com



Palm Bay, FL

\$2,300,000

- Development Site **NEW!**
- 2.04+/- Acres
- 120,000 GSF
- Proposed class A climate controlled building with an additional 4,395 GSF of non-climate controlled drive up bays

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



Edmond, OK

Offers Due 3/1/23

- 467 Units **NEW!**
- 74,405 RSF
- 5.07 Acres
- Institutional quality facility, located in one the of most affluent trade areas in the Oklahoma City MSA
- State-of-the-art design with quality construction for low maintenance expense

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

Elberta	\$1,895,000	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

Arkansas

Greenbrier	\$1,400,000	Larry Goldman	913-707-9030
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California

Sonora	\$440,000	Ken Miller	530-768-1650
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Colorado

Brighton	Call Broker	Joan Lucas	720-855-6587
Evans	Call Broker	Cole Carosella	720-909-8602

Connecticut

New Milford	Call Broker	Linda Cinelli/Guy Blake	908-722-5661
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Florida

Portfolio (6)	\$16,871,340	Josh Koerner/Frost Weaver	904-594-0140
Portfolio (6)	\$17,972,460	Josh Koerner/Frost Weaver	904-594-0140
Portfolio (5)	\$25,645,832	Josh Koerner/Frost Weaver	904-594-0140
Bellevue	\$3,300,000	Josh Koerner/Frost Weaver	904-594-0140
Deland	\$2,700,000	Josh Koerner/Frost Weaver	904-594-0140
Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0140
Englewood	\$2,700,000	Josh Koerner/Frost Weaver	904-594-0140
Ft. Myers	\$3,036,000	Josh Koerner/Frost Weaver	904-594-0140
Ft. Pierce	\$14,000,000	Josh Koerner/Frost Weaver	904-594-0140
Hudson	\$1,736,460	Josh Koerner/Frost Weaver	904-594-0140
Jacksonville	\$3,300,000	Josh Koerner/Frost Weaver	904-594-0140
Jacksonville	\$3,300,000	Josh Koerner/Frost Weaver	904-594-0140
Lady Lake	\$6,900,000	Josh Koerner/Frost Weaver	904-594-0140
Lake Alfred	\$3,300,000	Josh Koerner/Frost Weaver	904-594-0140
Lake Placid	\$1,800,000	Josh Koerner/Frost Weaver	904-594-0140
Orange Park	\$2,079,000	Josh Koerner/Frost Weaver	904-594-0140
Orlando	\$2,500,000	Josh Koerner/Frost Weaver	904-594-0140
Palm Bay	\$2,966,832	Josh Koerner/Frost Weaver	904-594-0140
Palm Bay	\$2,300,000	Josh Koerner/Frost Weaver	904-594-0140
Port Charlotte	\$4,500,000	Josh Koerner/Frost Weaver	904-432-0140
Port St. Joe	\$6,500,000	Linda Cinelli/Bill Barnhill	908-722-5661
Port St. Lucie	\$3,250,000	Josh Koerner/Frost Weaver	904-594-0140
Sarasota	\$2,500,000	Josh Koerner/Frost Weaver	904-594-0140
Spring Hill	\$3,300,000	Josh Koerner/Frost Weaver	904-594-0140

Illinois

Kewanee	Call Broker	Bruce Bahrmassel/Jesse Luke	312-518-3550
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Indiana

Lafayette	\$7,150,000	Rob Schick	317-403-1205
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Iowa

Clinton	\$2,600,000	Tom Flannigan	612-790-3747
Des Moines	Call Broker	Tom Flannigan	612-790-3747
Sioux City	\$900,000	Tom Flannigan	612-790-3747

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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Michigan

Ray	\$590,000	Jim Soltis	810-494-2062
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Minnesota

Little Canada	\$1,690,000	Tom Flannigan	612-790-3747
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New Jersey

Wharton	Call Broker	Linda Cinelli/Edan Cohen	908-722-5661
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New York

Jordan	\$300,000	Guy Blake	845-787-1372
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North Carolina

Gastonia	Call Broker	Jamey Cox	704-995-9168
Mt. Pleasant	\$2,650,000	Jamey Cox	704-995-9168
Salisbury	Call Broker	Jamey Cox	704-995-9168

Oklahoma

Edmond	Call Broker	Jared Jones	918-609-0541
Lawton	Call Broker	Jared Jones	918-609-0541
Tulsa	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	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Cleburne	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Fort Worth	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Odessa	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Texas City	Call Broker	Faith Pate	713-805-2907

Washington

Hoodspoint	SOLD	Ryan Layton	509-435-2424
Spokane	Call Broker	Ryan Layton	509-435-2424

Wisconsin

Prescott	\$1,650,000	Bruce Bahrmassel	312-518-3550
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ARGUS SALES



Congratulations to **Ryan Layton of AREA Commercial Real Estate** who sold Suncrest Boat & RV in Hoodspert, WA! Contact Ryan at 509-435-2424 for details.



Congratulations to **Jeff Gorden, CCIM of The Gorden Company** who sold Foothill Mini Storage in Boulder City, NV! Contact Jeff at 702-643-1000 for details.



Congratulations to **Joan Lucas of Joan Lucas Real Estate Services and Cole Carosella of Arugs Self Storage Advisors** who sold a self storage development site in Centennial, CO! Contact Joan at 720-855-6587 for details.



Join us at the 2023 Self Storage Association Spring Conference & Trade Show in New Orleans, Louisiana. Argus will be at booth #606, 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
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
757-474-5364
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

Area CRE Services
NAI Pleasant Valley
Goldman Investment Advisors, Inc.
Schick & Associates
Preview Properties.com

312-518-3550
612-790-3747
216-831-3310
913-707-9030
317-403-1205
810-494-2062

Northern IL, WI
MN, ND, IA
OH
KS, MO, Southern IL
IN
MI

SOUTH CENTRAL

Bill Barnhill, CCIM
Faith Pate
David Etzold
Larry Goldman, CCIM
Mike Helline & Aaron Willis
Jared Jones, CCIM
Chad Snyder & Tyler Trahant

Omega Properties, Inc.
MLB Commercial Real Estate
Etzold & CO
Goldman Investment Advisors, Inc.
Column Realty
Jones Investment Properties
Dominus Commercial

251-432-1287
713-805-2907
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 & Cole Carosella
Ken Miller
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
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
206-200-3325

NM
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MT
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Eastern WA, Northern ID
CO
Northern CA
Western WA