

## Self Storage Investment Market Update

by Ben Vestal

This time of year, we find ourselves reflecting on the things we are most grateful for and the people that mean the most to us. Argus Self-Storage Advisors is made up of more than 500 self-storage professionals across our management and investment sales platforms who have been helping our friends, colleagues and clients navigate the self-storage management and investment market for the last 30 years.

Over the last 11 months we have seen the self-storage industry forge ahead and address challenging market conditions. During this time, the industry has experienced softening rental rates, rising operating expenses (Insurance & RE Taxes) and for the first time in more than a decade, we have seen demand soften. This paradigm shift in the market has self-storage investors reevaluating their business models and investment goals to make sure their self-storage investments excel in this changing environment.

The self-storage industry is at a turning point. Economic shifts, technological leaps and changing customer expectations and demographics are reshaping the landscape faster than ever before. Operating fundamentals are stabilizing and demand for customers remains competitive, with move-in rents (street rates) expected to remain pressured into 2025. However, the average

spread between move-in and move-out rent of almost -30% has narrowed over recent quarters. Consumer behavior remains resilient, featuring longer lengths of stay while consistently absorbing aggressive existing customer rent increases.

The revenue growth of the self-storage REITs' same store pools in the third quarter were all slightly negative and each of the REITs also reported negative net operating incomes in the third quarter. The REITs remain highly focused on occupancy and less on revenue growth due to Wall Street's pressure to maintain a high occupancy as a forecast of future performance and product demand. Many independent operators have **outperformed** the REITs and ended Q3 with positive revenue and NOI growth, albeit at the cost of meaningfully lower occupancy. Existing customer rate increases continue to be the primary driver of revenue growth for both the independent operators and REITs. The REITs' portfolio occupancies remain elevated ranging from 85.6% to 94.3% at the end of the third quarter, but the negative rent roll down has started to trickle into the net operating income. There are countless self-storage use cases but home sales and inflation have an outsized influence on self-storage demand, move in rents, and affordability. With the recent volatile mortgage rates now back in the high 6% range, the positive bump from pent-

*(continued)*

up home buying demand may be deferred until the second half of 2025 or 2026.

The transaction market is heating up from a slow first half of 2024, as many buyers feel we are at the bottom. The REITs and other institutional investors are all reporting increasing property offerings with narrowing bid-ask spreads. The market stabilized yields today are 5.75% to 6.25%, with meaningfully lower going-in cap rates for Class A properties. In the third quarter the self-storage REITs completed almost \$500 million in acquisitions and Argus brokers are under contract to close more than \$300 million by the end of 2024.

Self-storage continues to benefit from a tremendous amount of liquidity in the market and increased allocations from family offices and institutional equity providers. Overall sentiment that operating fundamentals have bottomed in 2024 has most self-storage investors leaning into valuations with the hope of growing revenues and occupancies in late 2025 and 2026. However, choppy capital markets have kept a lid on valuations to date, with most investors executing on a true all-cash acquisition strategy in hopes of improving capital markets and operating fundamentals in 2025 and 2026.

Argus is the only full-service self-storage advisory firm that includes third party management,

investment sales, and advisory services, so we have a very unique perspective that is all-encompassing when assisting our clients with their investment goals. Argus has maintained its **"client first" approach** and has completed more than 75+ self-storage transactions year to date and we continue to see a very active and well-capitalized buyer pool in the market today. For many of our clients, the purchase or sale of a self-storage property is a complex and life changing event. We are honored that they have chosen Argus to assist them in the process. We are very thankful for all of the support and our many relationships!

As the self-storage market navigates shifting dynamics, having an experienced partner is more important than ever. Whether you're evaluating your current portfolio, exploring new acquisitions, or seeking tailored management solutions, Argus Self Storage Advisors is uniquely positioned to help you achieve your goals. Our nationwide expertise and full-service platform ensure that your investment strategy is aligned with the evolving market. Reach out to us today to schedule a consultation and discover how we can support your success in 2025 and beyond.

Happy Thanksgiving! **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).*

**NEW**

**Porterville, CA**  
\$14,500,000

- 142,520 RSF
- 859 Units
- Proximity to Major Recreational & Tourist Attractions
- Strong Demographics & Local Population Growth
- Servicing an underserved market

**Jeff Gorden, CCIM**  
**& Tenere Williams**

480-331-8880  
jeff@gorden-group.com



**NEW**

**Bismarck, ND**  
\$1,365,000

- 92,938 Proposed RSF
- 739 Proposed Units
- 3.24 Acres
- Fully-entitled, permit-ready development site in Bismarck, ND with \$850,000 of design, site prep and soft costs paid by Seller

**Tom Flannigan**

612-790-3747  
tom@selfstorage.com



**NEW**

**Springfield, IL**  
\$1,400,000

- 14,765 RSF
- 200 Units
- 1.10 Acres
- New climate-controlled storage conversion
- Opened in Spring of 2023
- Close proximity to intersection of two Interstates

**Larry Goldman, CCIM**

913-707-9030  
lgoldman@selfstorage.com



**NEW**

**Mesquite, NV**  
\$16,700,000

- Two Property Portfolio
- 177,236 RSF
- 882 Units
- 93% Occupancy
- Professionally managed by Extra Space Storage
- Immediate cash flow with no need for operational changes

**Jeff Gorden, CCIM**

480-331-8880  
jeff@gorden-group.com



**NEW**

**Mankato, MN**  
\$835,000

- 15,900 RSF
- 78 Units
- 5.5 Acres
- 82% Occupied
- Strong demographics with a population of 48,292 in the 3 mile radius

**Matt Haugen & Tom Flannigan**

612-852-5048  
mhaugen@selfstorage.com



**NEW**

**Jourdanton, TX**  
Call Broker for Price

- 15,465 RSF
- 82 Units
- 1.10 Acres
- Newly painted with asphalt drives
- Room for expansion
- Remote managed

**Tyler Trahant**  
**& Chad Snyder**

817-901-7600  
ttrahant@dominuscommercial.com



**NEW**

**Rockford, MN**  
\$3,400,000

- 36,443 RSF
- 80 Units
- 5.5 Acres
- 100% Occupied
- Strong Demographics: Median household income in the 4 mile radius above \$100,000

**Nathan Gottlieb**  
**& Tom Flannigan**

612-930-6614  
nathan@selfstorage.com



**NEW**

**Superior, WI**  
Call Broker for Price

- 4-Property Portfolio
- 118,360 RSF
- 708 Units
- 85% Occupancy
- Ability to achieve scale in the "Twin Ports" of Duluth, MN and Superior, WI
- Turn Key Operation

**Tom Flannigan**

612-790-3747  
tom@selfstorage.com



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**

Mobile	\$1,851,300	Bill Barnhill	251-432-1287
Robertsdale	\$99,900	Bill Barnhill & Sharon Wright	251-432-1287

**Arizona**

Phoenix	Call Broker	Jeff Gorden	480-331-8880
Tucson	\$2,825,000	Jeff Gorden	480-331-8880

**California**

Hayfork	\$410,000	Vanessa Castaño/Ken Miller	951-867-0517
Porterville	\$14,500,000	Jeff Gorden	480-331-8880

**Colorado**

Brighton & Evans	Call Broker	Cole Carosella & Matthew Cox	720-909-8602
Colorado Springs	\$1,800,000	Cole Carosella & Matthew Cox	720-909-8602

**Florida**

Cocoa	\$1,800,000	Josh Koerner/Frost Weaver	904-594-0140
Delray Beach	\$4,800,000	Josh Koerner/Frost Weaver	904-594-0140
Deltona	\$1,600,000	Josh Koerner/Frost Weaver	904-594-0140
Fort Myers	\$3,250,000	Josh Koerner/Frost Weaver	904-594-0140
Holly Hill	\$2,400,000	Josh Koerner/Frost Weaver	904-594-0140
Palmetto	Call Broker	Josh Koerner/Frost Weaver	904-594-0140
Pensacola	Call Broker	Bill Barnhill/Stuart LaGroue	251-432-1287
Port St Lucie	\$1,600,000	Josh Koerner/Frost Weaver	904-594-0140
Sarasota	\$2,700,000	Josh Koerner/Frost Weaver	904-594-0140
Williston	\$1,450,000	Josh Koerner/Frost Weaver	904-594-0140

**Georgia**

Albany	\$2,400,000	Ryan Haney/Josh Koerner	904-591-1556
Brunswick	Call Broker	Ryan Haney/Josh Koerner	904-591-1556
Brunswick	Call Broker	Ed Nicholson	757-474-5365
Cataula	Call Broker	Brooks Dove	678-439-8441
Douglas	\$2,400,000	Ryan Haney/Josh Koerner	904-591-1556
Kingsland	Call Broker	Ryan Haney/Josh Koerner	904-591-1556

**Idaho**

Paul	\$1,400,000	Ryan Layton	509-435-2424
Post Falls	Call Broker	Ryan Layton	509-435-2424

**Illinois**

Antioch	\$2,450,000	Bruce Bahrmassel/Cole Carosella	312-518-3550
Springfield	\$1,400,000	Larry Goldman & Derek Arnold	913-707-9030

**Indiana**

Elkhart	\$980,000	Rob Schick	317-403-1205
Lafayette	\$8,900,000	Rob Schick	317-403-1205

**Iowa**

Des Moines	Call Broker	Tom Flannigan	612-790-3747
Des Moines MSA	Call Broker	Tom Flannigan	612-790-3747
Des Moines MSA	Call Broker	Tom Flannigan	612-790-3747
Iowa Falls	\$475,000	Tom Flannigan	612-790-3747

**Kansas**

Park City	Call Broker	Larry Goldman	913-707-9030
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**Minnesota**

Elk River	\$3,500,000	Tom Flannigan	612-790-3747
Hinckley	\$200,000	Tom Flannigan	612-790-3747
Mankato	\$835,000	Tom Flannigan	612-790-3747
Rockford	\$3,400,000	Tom Flannigan	612-790-3747
St. Cloud	\$975,000	Tom Flannigan	612-790-3747

**Minnesota Cont.**

Walker	\$2,300,000	Tom Flannigan	612-790-3747
Windom	<b>SOLD</b>	Tom Flannigan	612-790-3747

**Mississippi**

Greenwood	\$5,400,000	Bill Barnhill/Stuart LaGroue	251-432-1287
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**Missouri**

Fenton	Call Broker	Larry Goldman	913-707-9030
Harrisonville	\$1,740,000	Larry Goldman	913-707-9030
Sedalia	Call Broker	Larry Goldman	913-707-9030
Wright City	\$1,400,000	Larry Goldman	913-707-9030

**Nevada**

Mesquite	\$16,700,000	Jeff Gorden	480-331-88801
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**New Jersey**

Egg Harbor	Call Broker	Linda Cinelli	908-722-5661
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**New Mexico**

Alamogordo	\$550,000	Sam Livingston	915-497-4054
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**New York**

Yonkers	Call Broker	Linda Cinelli	908-722-5661
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**North Dakota**

Bismarck	\$1,365,000	Tom Flannigan	612-790-3747
Fargo	<b>SOLD</b>	Tom Flannigan	612-790-3747

**Ohio**

Toledo	\$900,000	Paul DiVincenzo	440-382-5700
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**Oklahoma**

Bixby/Catoosa	Call Broker	Jared Jones	918-948-3941
Broken Arrow	Call Broker	Jared Jones	918-948-3941
Moore	\$697,851	Jared Jones	918-948-3941
OKC/Mustang	\$18,750,000	Jared Jones	918-948-3941

**Oregon**

Ashland	\$2,850,000	Scott King	541-890-6708
Medford	\$375,000	Scott King	541-890-6708

**Pennsylvania**

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

Bay City	\$4,900,000	Faith Pate/Bill Brownfield	713-805-2907
Bracketville	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Bridgeport-Chico	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Cleburne	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Conroe	\$1,650,000	Chad Snyder/Tyler Trahant	817-813-5642
Denison	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Eagle Pass	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Jourdanton	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
La Marque	\$895,000	Faith Pate/Bill Brownfield	713-805-2907
South TX Portfolio	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642
Temple	Call Broker	Chad Snyder/Tyler Trahant	817-813-5642

**Washington**

Colville	\$849,000	Ryan Layton/Greg Meager	509-435-2424
Walla Walla	Call Broker	Ryan Layton/Greg Meager	509-435-2424

**Wisconsin**

Superior	Call Broker	Tom Flannigan	612-790-3747
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**Wyoming**

Cheyenne	Call Broker	Cole Carosella/Matthew Cox	720-909-8602
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## RECENT SALES



Congratulations to **Tom Flannigan, Alex Ihrke, Matt Haugen & Nathan Gottlieb** who sold Fargo Space Center in Fargo, ND and Kwiklock Storage in Windom, MN! Contact the team at 612-790-3747 for details.



Thank you for being our valued friends and colleagues, we are forever grateful for your support. May your Thanksgiving and all the days ahead be filled with happiness, joy and prosperity.

Happy Holidays from all of us at Argus Self Storage Advisors!

### 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  
Josh Koerner & Ryan Haney

Omega Properties, Inc.  
Percival Partners  
Brick Realty, LLC  
The Nicholson Companies  
Coastal Storage Group  
Coastal Storage Group

251-432-1287  
704-995-9168  
770-530-8441  
757-474-5364  
904-591-0140  
904-591-1556

FL Panhandle  
NC, SC  
North GA  
MD, VA  
FL (except Panhandle)  
South GA

#### NORTH CENTRAL

Bruce Bahrmassel  
Tom Flannigan  
Kevin Friedman  
Alec Pacella, CCIM  
Larry Goldman, CCIM  
Rob Schick

Area CRE Services / KW Integrity Lakes  
Hayes Ventures, LLC  
NAI Pleasant Valley  
Goldman Investment Advisors  
Schick & Associates

312-518-3550  
612-790-3747  
847-436-5483  
216-831-3310  
913-707-9030  
317-403-1205

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

#### SOUTH CENTRAL

Bill Barnhill, CCIM  
Larry Goldman, CCIM  
Mike Helline & Aaron Willis  
Jared Jones, CCIM  
Samuel Livingston & Jacob Livingston  
Faith Pate  
Chad Snyder & Tyler Trahant

Omega Properties, Inc.  
Goldman Investment Advisors  
Column Realty  
Jones Investment Properties  
Livingston Brokerage LLC  
MLB Commercial Real Estate  
Dominus Commercial

251-432-1287  
913-707-9030  
502-296-4586  
918-948-3941  
915-581-8754  
713-805-2907  
817-980-7276

AL, MS, LA  
AR  
TN, KY  
OK  
West TX & NM  
Central & South TX  
North TX

#### WEST

Jeff Gorden, CCIM  
Jeff Gorden, CCIM  
Kim VanDelinder & Larry Hayes  
Scott King  
Ryan Layton  
Cole Carosella & Matthew Cox  
Ken Miller  
Tenere Williams

KW Commercial  
The Gorden Company  
Hayes & Associates  
Merit Commercial Real Estate  
American Real Estate Associates  
Argus Self Storage Advisors  
Northstate Commercial Partners  
Douglas Elliman Real Estate

480-331-8880  
702-643-1000  
406-698-6850  
541-890-6708  
509-435-2424  
720-909-8602  
530-768-1650  
626-788-7774

AZ, UT  
NV  
MT  
OR  
WA, Northern ID  
CO  
Northern CA  
Southern CA