ARGUS
SELF STORAGE SALES NETWORK

Market Monitor

America's Premier Self Storage Brokers

Issue VIII-2013

Summer is Almost Over...What About the Real Estate Run?

by Ben Vestal

These days, it is easy to spot the signs that summer is coming to an end. School supplies are on sale and kids everywhere are trading beach towels and skateboards for backpacks. However, I am not nearly as confident that the run-up in real estate values is over yet. We have seen a 100 basis point uptick in interest rates over the last 6 months and shockingly, cap rates seem to still be coming in. Please forgive my optimism, but I think that real estate fundamentals are strong, especially self-storage fundamentals, and the increase in value that self-storage owners have enjoyed seems to be strengthening. While I would agree that many elements of the economy appear to be stabilizing, the confidence of self-storage investors seems to be gaining momentum. Sounds like good news – and it is, for now!

Never before have prices been higher for self-storage properties either in absolute dollars or in relation to the income they produce. This is all being driven by the lack of quality product on the market for sale (simple supply and demand), newly found public awareness and the STILL low interest rates. Because of the national reach Argus enjoys, it is worth noting that not every market is experiencing the same uptick in value or sales velocity. This is largely due to the increased intelligence of the self-storage investment community. Self-storage investors today are more focused on market specific demand drivers such as the migration of population, population growth, barriers to entry, income growth levels, 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 Aurora, CO; Austin, TX; Greeley, CO; Raleigh, NC; and Williston, ND. 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 newfound prosperity, there are a few dark clouds on the horizon. The first is that interest rates may go up in a meaningful way. The Federal Reserve has certainly been trying to justify getting them up for close to a year now. The second issue is overbuilding; you guessed it, development is back! The great returns have drawn a crowd! We are only in the beginning stages of the development cycle but in the strong growth markets we are seeing as much as 15% to 20% additional supply getting ready to come online. As we all know, development and potential overbuilding can have a drastic effect on a market.

An owner's ability to properly evaluate the future demand and current market is the single most important thing in making the right investment decision. These are absolutely the best times in real estate for both 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 overbuilding may eliminate your options moving forward so now may be the time to act. 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, President of Argus Self Storage Sales Network, can be reached at 800-557-8673 or bvestal@argus-realestate.com.

Property Showcase

Lake City, FL • $1,535,000

- 454 Units
- 52,850 RSF
- 4.83 Acres
- Two locations in close proximity to each other operating as one property
- Phase I, with a 2,226 SF duplex office is located on US 90, the main traffic artery in the city





Frost Weaver
904-265-2001
fweaver@weaver-realty.com

Canton, MS • $850,000

- 183 Units
- 25,225 RSF
- High traffic count
- Fenced and gated
- Onsite manager





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

Lake City, FL • $325,000

- 88 Units
- 10,080 RSF
- 0.758 Acres
- Strategically located on North Hwy 41 between Hwy 90 and I-10
- Lowest prices in town
- Excellent upside potential
- Low maintenance





John W. Hill
386-362-3300
jwhillandassociates@gmail.com

Mesilla Park, NM • $582,750

- 130 Units
- 11,900 RSF
- 1.13 Acres
- Excellent corner lot with 2 acres for expansion
- Frontage on major thoroughfare
- Easy access to new I-10/I-25 interchange and NMSU
- Area for apartment adjacent to office





Noel Woodwell
915-491-9610
nwoodwell@hotmail.com

Branson West, MO • $895,000

- 243 Units
- 37,100 RSF
- 6.1 Acres
- Located in Branson/ Tablerock Lake area, one of the country's most popular vacation destinations
- Spacious 4 bedroom, 2 bath manager's apartment
- Fully fenced with excellent highway exposure





Larry Goldman, CCIM
913-339-0641
lgoldman@selfstorage.com

Klamath Falls, OR • $1,750,000

- 148 Units
- 33,480 RSF
- 1.95 Acres
- Well maintained, pride of ownership facility
- Nice mix of storage, retail mailing & packaging business
- Long term national tenant in retail space
- Gated and fenced with keypad entry





Steve Boldish, CCIM
541-776-1031
steve@mcpre.com

Sells Self Storage Nationwide!

- Over $101 million in self storage properties currently for sale, with prices ranging from $150,000 to over $6 million to meet the needs of every buyer.
- For property details, broker information and helpful industry articles, visit www.argus-selfstorage.com or contact your local Argus Broker Affiliate listed on the back of the Market Monitor!

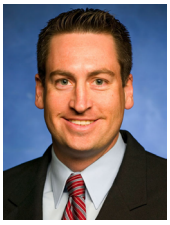
Alabama			
Foley	$999,500	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	251-432-1287
Pinson	$1,385,000	Bill Barnhill/Shannon Barnes	251-432-1287
		Stuart LaGroue	251-432-1287
Theodore	$300,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Arizona			
Bisbee	**SOLD!**	Jeffery A. Gorden	480-331-8880
Bullhead City	$403,750	Jeffery A. Gorden	480-331-8880
Bullhead City	$357,000	Jeffery A. Gorden	480-331-8880
Tempe	$4,500,000	Jeffery A. Gorden	480-331-8880
Arkansas			
Hiwasse	$599,000	Larry Goldman	913-339-0641
Little Rock	$2,675,000	Larry Goldman	913-339-0641
		Richard Minker/TylerTrahant	817-335-5600
Little Rock	$495,000	Larry Goldman	913-339-0641
California			
Orland	$1,875,000	Tom de Jong	408-282-3829
Rocklin	In Contract	Tom de Jong	408-282-3829
Vallejo	In Contract	Tom de Jong	408-282-3829
Yreka	$750,000	Tom de Jong	408-282-3829
Colorado			
Cortez	$1,243,500	Joan Lucas	720-855-6587
Florida			
Lake City	$1,535,000	W. Frost Weaver	904-265-2001
Lake City	$325,000	John W. Hill	386-362-3300
Live Oak	$599,999	John W. Hill	386-362-3300
Macclenny	$1,725,000	W. Frost Weaver	904-265-2001
Georgia			
Carrollton	$270,000	Mike Patterson	770-241-9070
Oakwood	$1,499,000	Mike Patterson	770-241-9070
Villa Rica	$940,000	Mike Patterson	770-241-9070
Villa Rica	$1,200,000	Mike Patterson	770-241-9070
Illinois			
Byron	$300,000	Bruce Bahrmasel	312-518-3550
Dupo	$807,000	Larry Goldman	913-339-0641
Freeport	$1,050,000	Bruce Bahrmasel	312-518-3550
Kansas			
Iola	$530,000	Larry Goldman	913-339-0641
Junction City	$1,895,000	Larry Goldman	913-339-0641
Topeka	$1,795,000	Larry Goldman	913-339-0641
Michigan			
Lapeer	$785,000	Jim Soltis	810-494-2062
Mason	$2,300,000	Jim Soltis	810-494-2062
Missouri			
Branson West	$895,000	Larry Goldman	913-339-0641
Marshfield	$2,550,000	Larry Goldman	913-339-0641
St. Joseph	$2,350,000	Larry Goldman	913-339-0641
Mississippi			
Canton, MS	$850,000	Bill Barnhill/Stuart LaGroue	251-432-1287
3-Prop. Portfolio	$4,500,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Brandon	$650,000	Bill Barnhill/Stuart LaGroue	251-432-1287
		Shannon Barnes	
New Hampshire			
Claremont	$290,000	Joe Mendola	603-668-7000
Fitzwilliam	$710,000	Joe Mendola	603-668-7000
New Jersey			
Branchville	$1,950,000	Linda Cinelli	908-722-5661
Hackettstown	$4,500,000	Linda Cinelli	908-722-5661
Haledon	$725,000	Linda Cinelli	908-722-5661
Montague	$1,600,000	Linda Cinelli	908-722-5661
Pemberton	$975,000	Linda Cinelli	908-722-5661
Pennsauken	$1,300,000	Linda Cinelli	908-722-5661
New Mexico			
Mesilla Park	$582,750	David Etzold/Noel Woodwell	915-491-9610
New York			
Hicksville	$4,200,000	Linda Cinelli	908-722-5661
Middletown	$450,000	Linda Cinelli	908-722-5661
Modena	$1,200,000	Linda Cinelli	908-722-5661
Peekskill	$3,500,000	Linda Cinelli	908-722-5661
Port Jervis	$1,600,000	Linda Cinelli	908-722-5661
North Carolina			
Whiteville	$3,750,000	Joey Godbold	704-632-1027
North Dakota			
Watford City	$1,200,000	Bruce Bahrmasel	312-518-3550
Ohio			
Cleveland	$2,300,000	Alec Pacella/Michael Venesky	216-455-0886
Copley	$1,425,000	Alec Pacella/Michael Venesky	216-455-0886
Elyria	$2,699,000	Alec Pacella/Michael Venesky	216-455-0886
Painesville	$315,000	Alec Pacella/Michael Venesky	216-455-0886
Oklahoma			
Hugo	$1,650,000	Jared Jones	918-583-3483
Verden	$249,500	Jared Jones	918-583-3483
Oregon			
Bandon	**SOLD!**	Steve Boldish	541-776-1031
Klamath Falls	$1,750,000	Steve Boldish	541-776-1031
Pennsylvania			
Bechtelsville	$1,350,000	Chuck Shields	610-828-0100
Matamoras	$1,100,000	Linda Cinelli	908-722-5661
Olyphant	$850,000	Chuck Shields	610-828-0100
Texas			
Fort Worth	$1,690,000	Richard MInker/Tyler Trahant	817-840-0055
Gonzales	$3,200,000	Bill Brownfield	713-366-3134
Washington			
Friday Harbor	$1,890,000	Jason Wilcox	206-919-7643
Morton	$697,000	Jason Wilcox	206-919-7643

WINNER
ISS INSIDE SELF-STORAGE 2013
BEST OF BUSINESS
BEST REAL ESTATE BROKERAGE

Argus Self Storage Sales Network wins Best of Business Award!

Once again, the readers of ***Inside Self-Storage*** Magazine have voted Argus as the Best Real Estate Brokerage! This is the third consecutive year that Argus has received this honor and we appreciate all of our clients and colleagues who voted! Argus is commited to providing the best service in the industry and we value the relationships that we have built with self-storage owners over the last 20 years!

Congratulations to the following Argus Broker Affiliates on their recent sales!



Jeff Gorden, CCIM of Eagle Commercial Realty Services sold Bisbee Mini Storage in Bisbee, AZ! Contact Jeff at 480-331-8880 for more information.



Steve Boldish, CCIM of Oregon Self Storage Brokers sold Bandon EZ Storage in Bandon, OR! Steve can be reached at 541-776-1031 for details.

Contact an Argus Broker Affiliate

	Company	Phone	Territory
NORTHEAST			
Guy Blake, CCIM	Pyramid Brokerage Company	845-522-5900	Upstate NY, Western CT
Linda Cinelli, CCIM, CEA	LC Realty	908-722-5661	Northern NJ, NY (NYC, Long Island)
Joseph Mendola	NAI Norwood Group	603-668-7000	MA, ME, NH VT, Eastern CT
Chuck Shields	Beacon Commercial Real Estate	610-862-1645	Eastern PA, Southern NJ, DE
SOUTHEAST			
Bill Barnhill, CCIM	Omega Properties, Inc.	888-801-4534	FL Panhandle
N.J. "Joey" Godbold	Percival McGuire Commercial Real Estate	704-632-1027	NC, SC
Mike Patterson, CCIM	Commercial Realty Services of West Georgia	770-241-9070	GA
Stuart Wade	The Nicholson Companies	757-618-3597	MD, VA
Frost Weaver (FL Commercial Brokers Network)	Weaver Realty Group, Inc.	904-733-0039	North, Central & South FL
NORTH CENTRAL			
Bruce Bahrmasel	Landstar Realty Group	312-518-3550	Northern IL, Northern IN
Alec Pacella, CCIM & Michael Venesky	NAI Daus	216-831-3310	OH, Western PA
Larry Goldman, CCIM	RE/MAX Best Associates	913-339-0641	KS, MO, Southern IL
Mike Helline & Paul Grisanti, CCIM	Grisanti Group Commercial Real Estate	502-253-1811	KY, Southern IN
Jim Soltis	Preview Properties.com	810-494-2062	MI
SOUTH CENTRAL			
Bill Barnhill, CCIM	Omega Properties, Inc.	888-801-4534	AL, MS, LA
Bill Brownfield, CRE, CCIM	MKP Self Storage LLC	713-366-3134	South & Central TX
David Etzold & Noel Woodwell	Etzold & Co.	915-845-6006	West TX
Larry Goldman, CCIM	RE/MAX Best Associates	913-339-0641	AR
Mike Helline & Paul Grisanti, CCIM	Grisanti Group Commercial Real Estate	502-253-1811	TN
Jared Jones, CCIM	Porthaven Partners	918-583-3483	OK
Richard D. Minker, CCIM & Tyler Trahant	CASE Commercial Real Estate Partners	817-335-5600	North TX
WEST			
Steve Boldish, CCIM	Oregon Self Storage Brokers	541-776-1031	OR
Tyler Clay, Bob Southern & Nicholas Maerz	Coldwell Banker Commercial Clay & Associates	775-829-5900	NV
Alan Davidson, CCIM	Realty One	949-424-1680	Southern CA
Tom de Jong	Colliers International	408-282-3829	Northern CA
David Etzold & Noel Woodwell	Etzold & Co.	915-845-6006	NM
Jeffery A. Gorden, CCIM	Eagle Commercial Realty Services	480-331-8880	AZ
Larry Hayes	Hayes & Associates	406-728-0088	ID, MT
Joan Lucas	Joan Lucas Real Estate Services, LLC	720-855-6587	CO
Jason Wilcox, CCIM	RAVEN Commercial Real Estate	206-919-7643	WA