



SELF STORAGE SALES NETWORK

# Market Monitor

"America's Premier Self Storage Brokers"

Issue V-2009

## A Look in the Mirror

by Michael L. McCune



If you read the [last issue](#) of the Market Monitor, you know that a lot has happened to the real estate market in the past nine months. While that article focused on the trends and difficulties of the current market and the superior operating performance of self storage, I would now like to provide you with a way to get a perspective on your own facility's value and competitiveness in the market.

Given the obvious gravity of today's real estate circumstances, I thought it might be useful to revisit a theme in a previous Market Monitor we explored in early 2008. At that time, I introduced two very helpful tools; one to estimate the current value of your property and the other to help evaluate the competitiveness of your property.

Today's real estate markets, including self storage, are very slow. Sellers are hoping to get yesterday's prices and most of the very aggressive buyers of a year ago are long gone. The remaining buyers tend to be very experienced self storage owners and they are being very cautious. Thus the market for buying and selling self storage is slower and a lot more difficult these days. How long will it last? The fact that \$1.6 trillion of CMBS loans are due to expire in the next five years may help define the period. History tells us that real estate cycles are almost always longer than we expect, and the normal cycles are usually about three years depending on the location. However, brutal experience reminds me that they can last much longer.

There are many economic issues that have all of us concerned about the future, including inflation, trade deficits, energy costs, recession, elections, credit crunches, foreclosures...well, you get the idea. While this article can't give you the answer about what happens next, I really think it is important to know where you are today so you can react appropriately as directions in the economy and the real estate markets unfold in the future. I am often surprised at how many owners don't have a very close watch on their property's value and aren't aware that the value can change dramatically in a short time even though the income remains the same.

If you have a loan on the property and the maturity date is within the next two to four years, learning the value of your

property is critical in deciding when or how to refinance the maturing loan, especially as banks are increasingly resistant to making more real estate loans. The value of your property determines the amount of your loan and the underwriting requirements have now become much more stringent. In today's market, loan proceeds will max out at about 60% to 75% of the value of the property and miscellaneous terms will be more rigorous as well.

How do you learn the value of your property? The easiest way, and we believe the best way, is to call your local Argus Broker Affiliate and ask them to give you an estimate of the value. In addition to some math, there is also an art to the business of valuation that our professionals work with every day. An Argus Broker Affiliate will be glad to help you at no cost or obligation and will be able to adjust the valuation for any unusual or special circumstances specific to your property. The next best way is to get a perspective of your facility's value is to download our [Value Estimate Worksheet](#). This analysis will provide you with a series of questions about characteristics of your property that could materially change the calculated value. This worksheet will give you a rough idea of the value of the property, but you should check it in detail with a professional before making any decisions that rely on the value. Our Argus brokers are available to discuss the worksheet with you at any time.

Additionally, we encourage you to download our [Annual Facility Checkup](#) worksheet that will help you evaluate the competitiveness of your property in your market. This self-directed survey provides a series of benchmarks that you can use to evaluate the characteristics of your property and how it compares to your competitors. This is very important because when the economy is strained these competitive issues become hypercritical. A little forewarning and action can make a large difference in the competitiveness of your property. I can guarantee that if you take half a day to do this study you will learn something very valuable.

Our brokers are always available to help you and answer any questions you may have on these or any other self storage questions. **MM**

*Michael L. McCune, President of the Argus Self Storage Sales Network, can be reached at 800-55-STORE or [mccune@argus-realestate.com](mailto:mccune@argus-realestate.com).*



# Property Showcase

## Lake Havasu, AZ • \$2,380,000

- 56,000 RSF
- 106 Units
- 3.5 Acres
- Stable self storage operation with long term tenants
- Includes rental income from office building and automotive shop
- Located in busy year-round tourist/second home destination

**For details contact:**  
**David Laney**  
**888-602-3335**  
[davidlaney@selfstorage.com](mailto:davidlaney@selfstorage.com)



## Branson West, MO • \$895,000

- 29,840 RSF
- 175 Units
- 10 Acres
- New facility opened in 2009
- 10 acre site can accommodate significant growth
- Located in growing vacation area near Branson, MO

**For details contact:**  
**Larry Goldman**  
**913-339-0641**  
[lgoldman@selfstorage.com](mailto:lgoldman@selfstorage.com)



## Jacksonville, FL • \$2,950,000

- 85,600 RSF
- 622 Units
- 8 Acres
- Well located facility with a history of high occupancy
- Built in 2004
- Room for expansion

**For details contact:**  
**Frost Weaver**  
**904-733-0039**  
[fweaver@weaver-realty.com](mailto:fweaver@weaver-realty.com)



## Hampton Falls, NH • \$4,400,000

- 54,375 +/- RSF
- 485 +/- Units
- 6.46 +/- Acres
- Three-story facility with climate and non-climate units
- High visibility location
- Expansion potential

**For details contact:**  
**Joe Mendola**  
**603-668-7000**  
[joe@nainorwoodgroup.com](mailto:joe@nainorwoodgroup.com)



## Elgin, IL • \$1,550,000

- 36,080 RSF
- 363 Units
- 3 +/- Acres
- Outstanding visibility
- Property is fenced and gated with asphalt paving
- Manager office and apartment onsite

**For details contact:**  
**Bruce Bahrmassel**  
**312-518-3550**  
[bbbahr@aol.com](mailto:bbbahr@aol.com)



## NY/PA Portfolio • \$3,826,000

- 55,180 total RSF
- 566 total Units
- 3-Property portfolio with locations in Middletown, NY, Port Jervis, NY and Matamoras, PA
- Locations are within 20 miles of one another
- Middletown location is leasehold with option to purchase

**For details contact:**  
**Linda Cinelli**  
**908-722-5661**  
[lcinelli.lcrealty@earthlink.net](mailto:lcinelli.lcrealty@earthlink.net)





# Sells Self Storage Nationwide!

- Over \$163 million in self storage properties currently for sale
- Prices range from \$450,000 to over \$28 million to meet the needs of every buyer
- Check out our current inventory of 87 properties listed in 27 states and contact the listing broker for more information or visit [www.selfstorage.com](http://www.selfstorage.com)!

## Alabama

Andalusia	\$981,900	Bill Barnhill/Stuart LaGroue	251-432-1287
Mobile	\$385,000	Bill Barnhill	251-432-1287

## Arizona

Lake Havasu	\$2,380,000	David R. Laney	888-602-3335
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## Arkansas

Fort Smith	\$1,050,000	Barney Lehmbek	405-627-5481
Gravette	\$800,000	Larry Goldman	913-339-0641
Pine Bluff	\$450,000	Barney Lehmbek	405-627-5481

## Colorado

Cortez	\$1,275,000	Joan Lucas	720-855-6587
Englewood	\$2,690,000	Joan Lucas	720-855-6587
Mead	\$925,000	Joan Lucas	720-855-6587
Superior	\$1,400,000	Joan Lucas	720-855-6587

## Florida

Gulf Breeze	\$3,695,000	Bill Barnhill/Stuart LaGroue	251-432-1287
Jacksonville	\$6,750,000	Frost Weaver	904-733-0039
Jacksonville	\$2,950,000	Frost Weaver	904-733-0039
MacClenny	\$460,000	Frost Weaver	904-733-0039
Pensacola	\$4,200,000	Bill Barnhill/Shannon Barnhill	251-432-1287

## Idaho

Sugar City	\$2,600,000	Larry Hayes	406-728-0088
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## Illinois

Antioch	\$1,850,000	Bruce Bahrmassel	312-518-3550
Chicago	\$3,600,000	Bruce Bahrmassel	312-518-3550
Elgin	\$1,550,000	Bruce Bahrmassel	312-518-3550
Mt. Olive	\$599,000	Bruce Bahrmassel/ David S. Johnson	312-518-3550 314-862-3000
Rockford	\$825,000	Bruce Bahrmassel	312-518-3550
Savanna	\$1,890,000	Bruce Bahrmassel	312-518-3550

## Indiana

Roachdale	\$299,000	Bruce Bahrmassel	312-518-3550
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## Iowa

Mason City	\$1,350,000	Bob Randklev	319-533-6927
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## Kansas

Junction City	\$2,600,000	Larry Goldman	913-339-0641
Kansas City	\$2,300,000	Larry Goldman	913-339-0641

## Kentucky

Crestwood	\$1,640,000	Mike Helline	502-253-1811
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## Louisiana

Denham Springs	\$4,250,000	Jack Stumpf	504-366-6800
Metairie	\$1,695,000	Jack Stumpf	504-366-6800

## Maine

Woolwich	\$1,490,000	Joe Mendola	603-668-7000
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## Maryland

Baltimore	\$2,300,000	Grady Riggs	301-468-0606
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## Mississippi

Flowood	Call for Price	Bill Barnhill/Stuart LaGroue	251-432-1287
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## Missouri

Belton	\$1,990,000	Larry Goldman	913-339-0641
Branson West	\$895,000	Larry Goldman	913-339-0641

## Missouri, cont.

Farmington	\$3,350,000	Sheldon Johnson	314-862-3000
Joplin	\$900,000	Larry Goldman	913-339-0641
Nixa	\$1,820,000	Larry Goldman	913-339-0641
Ozark	\$1,600,000	Larry Goldman	913-339-0641
Sedalia	\$950,000	Larry Goldman	913-339-0641
St. Joseph	<b>SOLD!</b>	Larry Goldman	913-339-0641

## Montana

Kalispell	\$1,200,000	Larry Hayes	406-728-0088
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## New England

10-Property Portfolio	\$28,322,287	Joe Mendola	603-668-7000
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## New Hampshire

Hampton Falls	\$4,400,000	Joe Mendola	603-668-7000
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## New Jersey

Egg Harbor Twp.	\$1,650,000	Linda Cinelli	908-722-5661
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## New Mexico

Alamogordo	\$800,000	David R. Laney	505-286-2060
Artesia	\$579,700	David R. Laney	505-286-2060
Belen	<b>SOLD!</b>	David R. Laney	505-286-2060
Eunice	\$595,000	David R. Laney	505-286-2060
Eunice	\$650,000	David R. Laney	505-286-2060
Gallup	\$2,040,977	David R. Laney	505-286-2060
Las Cruces	\$1,399,722	David R. Laney	505-286-2060

## New York

Ft. Edward	\$479,000	Guy Blake	845-522-5900
Kingston	\$2,500,000	Guy Blake	845-522-5900
Lowville	\$499,900	Guy Blake	845-522-5900
3-Property Portfolio	\$3,826,000	Linda Cinelli	908-722-5661

## Pennsylvania

Bechtelsville	\$1,350,000	Chuck Shields	610-828-0100
Drexel Hill	\$1,600,000	Chuck Shields	610-828-0100

## South Carolina

Hollywood	\$3,450,000	P. John DeStefano	843-406-7979
Moncks Corner	\$1,200,000	P. John DeStefano	843-406-7979
Summerville	\$4,200,000	P. John DeStefano	843-406-7979
Summerville	\$1,500,000	P. John DeStefano	843-406-7979

## Texas

Arlington	\$1,350,000	Richard Minker/Tyler Trahant	888-7-MINKER
Arlington	\$650,000	Richard Minker/Tyler Trahant	888-7-MINKER
Arlington	\$600,000	Richard Minker/Tyler Trahant	888-7-MINKER
Fort Worth	\$600,000	Richard Minker/Tyler Trahant	888-7-MINKER
Fort Worth	\$825,000	Richard Minker/Tyler Trahant	888-7-MINKER
Lubbock	\$1,390,000	Barry Comiskey	806-797-3231
Mesquite	\$750,000	Richard Minker/Tyler Trahant	888-7-MINKER
Princeton	\$695,000	Richard Minker/Tyler Trahant	888-7-MINKER
Texarkana	\$860,000	Richard Minker/Tyler Trahant	888-7-MINKER

## Virginia

King George	\$1,400,000	Grady Riggs	301-468-0606
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## Washington

Concrete	\$2,750,000	Ryan Layton	509-435-2424
Spokane	\$6,100,000	Ryan Layton	509-435-2424

## We are pleased to welcome the following new Broker Affiliates to the Argus Self Storage Sales Network!

**Marc Handley** and **Terry Krieger** of HRE, Inc. in Salt Lake City, UT will be representing Argus in Utah and Nevada.



**Marc Handley** entered into the real estate market in 1994 in the lending industry and he made the transition into the commercial brokerage 8 years later with a major focus of acquisitions and dispositions in the self storage and apartment markets and has since closed over \$150,000,000 in transactions. Marc can be reached at 801-971-3965. **Terry Krieger** has 10 years of experience in commercial real estate. In addition to specializing in investment properties,



Terry is actively involved in the development and ownership of self storage properties. He understands self storage from the ground up and has extensive experience with the entitlement, construction and feasibility processes. Terry can be reached at 801-376-4021.



**Greg McDonald** of Magnum Real Estate in Minneapolis will be representing Argus in Minnesota. Greg has been in the real estate business since 1997 and he earned his CCIM designation in 2003. Greg specializes in buyer/tenant representation, investment properties and seller representation and his experience includes office, industrial and self storage properties. He can be reached at 612-338-0444.

**Congratulations to David Laney of RealStar Commercial Real Estate on the SALE of White Elephant Self Storage in Belen, NM!**



**Congratulations to Larry Goldman of RE/MAX Best Associates on the SALE of Budget Storage in St. Joseph, MO!**

### 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  
980-722-5661  
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**

Allen Barnhill  
Bill Barnhill, CCIM  
P. John DeStefano  
Grady Riggs, GRI  
Frost Weaver

Omega Properties, Inc.  
Omega Properties, Inc.  
Commercial Investment Group, LLC  
Long & Foster Real Estate, Inc.  
Weaver Realty Group, Inc.

770-487-9006  
888-801-4534  
843-406-7979  
301-468-0606  
904-733-0039

GA  
FL Panhandle  
SC  
DC, MD, VA  
North Central FL

#### **NORTH CENTRAL**

Bruce Bahrmassel  
Robert K. Brehmer, CCIM  
Larry Goldman, CCIM  
Mike Helline & Paul Grisanti  
Peter Hitler & Chris Hitler, MBA  
Greg McDonald, CCIM  
David S. Johnson & Sheldon Johnson, CCIM  
Jim Soltis

Landstar Realty Group  
NAI Daus  
RE/MAX Best Associates  
Grisanti Group Commercial Real Estate  
Investment Real Estate Specialists  
Magnum Real Estate Services  
Johnson Group, Inc.  
Preview Properties.com

312-518-3550  
216-831-3310  
913-339-0641  
502-253-1811  
262-236-0612  
612-338-0444  
314-862-3000  
810-494-2062

Northern IL, Northern IN  
OH  
KS, Central & Western MO  
KY, Southern IN  
WI  
MN  
Eastern MO, Southern IN  
MI

#### **SOUTH CENTRAL**

Bill Barnhill, CCIM  
Barry Comiskey, CCIM  
Mark D. Keys  
Barney Lehmbeck  
Richard D. Minker, CCIM & Tyler Trahant  
Jack Stumpf & Jon Cerruti

Omega Properties, Inc.  
Westar Commercial Realty  
Cornerstone Realty  
J.R. Fulton & Associates  
**MINKER**Trahant & Associates  
Jack Stumpf & Associates

888-801-4534  
806-797-3231  
210-366-8817  
405-627-5481  
817-335-5600  
504-366-6800

AL, MS  
West TX  
Central & East TX  
OK  
North TX  
LA

#### **WEST**

Richard Arnold, CCIM  
Marc Handley & Terry Krieger  
Larry Hayes  
David R. Laney  
Ryan Layton  
Joan Lucas  
Stuart Ripley

Argus Northwest Realty  
HRE, Inc.  
Hayes & Associates  
RealStar Commercial Real Estate, LLC  
American Real Estate Associates  
Joan Lucas Real Estate Services, LLC  
Business Team

503-693-2861  
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509-435-2424  
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916-774-9000

OR, WA (Vancouver only)  
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ID, MT  
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WA  
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