



SELF STORAGE SALES NETWORK

Market Monitor

“America’s Premier Self Storage Brokers”

Issue I-2009

A Look at the New Year!

by Michael L. McCune

It is clear that the last few months of 2008 were just simply awful, especially for the real estate business, including self storage facilities. Liquidity in the CMBS market completely evaporated and banks lived up to their Scrooge reputation and did as few loans as possible. Confidence was nowhere to be found in the real estate market, thus the number of transactions dropped at least 50% and, of course, the offering prices declined as cap rates went up. The REITs dropped in price dramatically, particularly those that had short term debt to refinance. The unemployment rate went up to 7.2% and car sales dropped 35%. Somehow, I am reminded of the old quip; “Other than that, Mrs. Lincoln, how was the play?”

I must confess that all in all, this is the scariest downturn I have witnessed in my 35 years in the real estate business. However, I do think that 2009 may actually prove to be a significant improvement over 2008 for self storage. The fact is that values have gone down and loans are still very hard to get which will make refinancing quite difficult over the next few months. So if you have a loan about to mature, times will remain challenging, but hopefully the new administration can pry some loans out of those bankers’ hands.

The reason that I am somewhat optimistic about the New Year is that I think our little corner of the real estate world actually is going to perform better than virtually any other type of real estate. How about that for optimism?! Let me give you some indicators that I think are important. The only REIT that Goldman Sachs is recommending to buy is Public Storage. They don’t have any debt and the earnings are very stable.

Apparently, GS sees what we see in the self storage business.

I had a strong intuition that self storage was out-performing the rest of the real estate market, but I wanted to confirm it with real owners. So, I asked our 40 Argus Broker Affiliates to contact ten owners in their territory and ask them some questions relative to their business. I was very pleasantly surprised at their responses. We asked “what is happening to your rates?” The vast majority said they were either up or stable. “What about concessions?” Once again almost all of them said they were stable and many gave no concessions. We asked about delinquencies. A few had a little more delinquencies, but once again most were quite low (3 to 5 percent). Occupancies were also up or stable and just a very small few reported declines.

When you have a business that performs this well in a very difficult economic market there is a very good reason for some optimism in spite of the bad market. However, keep up the “hard blocking and tackling” of good management to keep your current renters and attract new ones.

Here at Argus, we are looking forward to 2009 and a new opportunity to reduce waste and increase the efficiency of our communications! If you would like to help us “Go Green,” simply fill out the form below and fax it to 303-317-5334 or email us at argus@argus-realestate.com and we will add you to our e-mail subscription list. **MM**

Michael L. McCune, President of the Argus Self Storage Sales Network, can be reached at 800-55-STORE or mccune@argus-realestate.com.

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SELF STORAGE SALES NETWORK

Property Showcase

See What's **NEW** at Argus

Robertsdale, AL
\$2,400,000

296 Units 40,490+/- RSF
9+/- Acres Built: 2008
Exp. YES

Brand new all climate controlled facility! Buyer incentives include possible owner financing and Gulf Coast "Go-Zone" accelerated depreciation benefit.

Bill Barnhill, Allen Barnhill & Ron Mitchell
251-432-1287



Ozark, MO
\$1,600,000

107 Units 48,723 RSF
4.83 Acres Built: 2007
Exp. YES

New facility with fast lease up history! Manager's office and apartment on site. Office/warehouse units with direct access.

Larry Goldman
913-339-0641



Amarillo, TX
\$1,500,000

306 Units 65,180 RSF
3.6 Acres

Great investment opportunity! Excellent frontage along Lakeview Drive. Upside potential and below market rents.

John Owens / Barry Comiskey
806-797-3231



Lake Havasu, AZ
\$2,502,448

109 Units 56,000 RSF
3.5 Acres Built: 1993
96% Occ. Exp. NO

This is an RV/Boat/Storage business and office building located in Lake Havasu, AZ. Very well maintained facility!

David R. Laney
505-286-2060



Havelock, NC
\$245,000

60 Units 5,508 RSF
4+/- Acres Exp: YES

Great opportunity to enter into the self storage industry at a modest price! Located near Cherry Point Marine Corps Air Station. High Occupancy!

Dale C. Eisenman
Midcoast Properties, Inc.
843-342-7650



Baytown, TX
\$1,600,000

286 Units 34,682 RSF
3.51+/- Acres Exp. YES
Built: 1993/1999

Located 30 miles east of downtown Houston. Fully fenced with automated gate, high occupancy and room for expansion!

Mark Keys
210-366-8817



Ellijay, GA
\$960,000

228 Units 34,850 RSF
Built: 2005

4 metal buildings with climate and non-climate units. Digital entry gate, perimeter fencing, lighting and security cameras. Concrete pad in place for next building

Dale C. Eisenman
Midcoast Properties, Inc.
843-342-7650



Eagle Creek, OR
\$1,495,000

112 Units 43,400 RSF
2.12 Acres Built: 2008
Exp. NO

High demand RV and truck storage facility! Located 15 minutes from a north-south freeway and the major east-west highway.

Richard Arnold
503-693-2861



Cleveland, TX
\$1,350,000

16 Units 3,455 RSF
0.634 Acres
Built: 1999/2005

Located 45 miles from downtown Houston. Mixed use commercial property with a modern car wash and self storage facility. Great opportunity to invest in a money making enterprise! May be purchased with facility in Coldspring, TX.

Mark Keys
210-366-8817



Junction City, KS
\$2,600,000

298 Units 56,460 RSF
4.64 Acres Built: 2000
Exp. YES

Recently expanded facility with an excellent track record. Located in a dynamic area with enormous growth.

Larry Goldman
913-339-0641



Amarillo, TX
\$872,500

216 Units 21,710 RSF
1.6 Acres Built: 1980
Exp. NO 89% Occ.

Great investment opportunity! Excellent frontage along Interstate 40. High historical occupancy with below market rents.

John Owens / Barry Comiskey
806-797-3231



Coldspring, TX
\$1,125,000

103 Units 18,340 RSF
5 Acres Built: 1997/2005

Located 65 miles from downtown Houston. Mixed use commercial property with a modern car wash and self storage facility. Great opportunity to invest in a money making enterprise! May be purchased with facility in Cleveland, TX.

Mark Keys
210-366-8817



Metairie, LA
\$1,695,000

273 Units 20,474 RSF
0.46 Acres Built: 1980
Exp. NO

This facility is easily accessible. In business for over 25 years. Recently renovated.

Jack Stumpf
504-366-6800



Amarillo, TX
\$2,265,000

327 Units 55,220 RSF
3.68 Acres Built: 1973
Exp. yes 86.72% Occ.

Great investment opportunity! Excellent frontage along Amarillo Blvd. High historical occupancy and below market rents!

John Owens / Barry Comiskey
806-797-3231



Murray, UT
\$2,850,000

571 Units 58,599 RSF
3.48 Acres Built: 1973
94% Occ. Exp. NO

Excellent location with great exposure and access to major streets. Stabilized occupancy!

Randy Ross
801-947-8344




Woolwich, ME
\$1,490,000

272 Units 26,950 RSF
4.5+/- Acres Built: 1996
Exp. YES

The facility is located on the major route in town US Rt. 1 and is the only self storage facility in town. Room for expansion!

Joe Mendola
603-668-7000



Amarillo, TX
\$1,025,000

217 Units 21,020 RSF
1.6 Acres Built: 1980
Exp. NO

Great investment opportunity! Excellent commercial frontage and adjacent to Hard-Corner intersection. High historical occupancy and below market rents.

John Owens / Barry Comiskey
806-797-3231



Ocean Shores, WA
\$315,000

16 Units 7,200 RSF
0.84 Acres 85% Occ.
Exp. YES

Clean, highly visible storage facility. High occupancy! Room for expansion!

Ryan Layton
509-435-2424





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- Over \$210 million in self storage properties currently for sale
- Prices range from \$150,000 to over \$28 million to meet the needs of every buyer
- Check out our current inventory of 117 properties listed in 29 States

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Colorado - 3	Connecticut - 1	Florida - 5
Georgia - 11	Idaho - 1	Illinois - 8
Indiana - 2	Iowa - 1	Kansas - 3
Louisiana - 4	Maine - 1	Maryland - 1
Massachusetts - 3	Mississippi - 1	Missouri - 8
New Hampshire - 8	New Jersey - 1	New Mexico - 4
New York - 2	North Carolina - 4	Oregon - 1
Pennsylvania - 2	Texas - 22	Utah - 1
Virginia - 1	Washington - 3	

For more information on any of these listings, visit www.selfstorage.com and click on "Argus" or

Contact an Argus Broker Affiliate

<u>NORTHEAST</u>	<u>COMPANY</u>	<u>PHONE</u>	<u>TERRITORY</u>
Guy Blake, CCIM Linda Cinelli, CCIM, CEA Joseph Mendola Chuck Shields	Pyramid Brokerage Company LC Realty NAI Norwood Group Beacon Commercial Real Estate	845-338-5000 908-722-5661 603-668-7000 610-862-1645	Upstate NY, Western CT Northern NJ, NY (NYC, Long Island) MA, ME, NH, VT, Eastern CT Eastern PA, Southern NJ, DE
<u>SOUTHEAST</u>			
Bill Barnhill, CCIM Dale C. Eisenman, CCIM Grady Riggs, GRI Frost Weaver	Omega Properties, Inc. Midcoast Properties, Inc. Long & Foster Realtors, Inc. Weaver Realty Group, Inc.	888-801-4534 843-342-7650 301-468-0606 904-733-0039	FL Panhandle GA, NC, SC DC, MD, VA North Central FL
<u>NORTH CENTRAL</u>			
Bruce Bahrmassel Robert K. Brehmer, CCIM Larry Goldman, CCIM Peter Hitler/Chris Hitler, MBA David S. Johnson/Sheldon Johnson, CCIM Pat Jordan, CCIM Bob Randklev Dave Smith, CCIM	Landstar Realty Group NAI Daus RE/MAX Best Associates Investment Real Estate Specialists Johnson Group, Inc. Jordan Realty, Inc. Skogman Commercial Real Estate Group RE/MAX Commercial Midwest	312-518-3550 216-831-3310 913-339-0641 262-236-0612 314-862-3000 612-827-3844 319-533-6927 402-614-9660	Northern IL & Northern IN OH KS, Central & Western MO WI Eastern MO & Southern IL MN, SD IA NE
<u>SOUTH CENTRAL</u>			
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