

# Mini-Storage MESSENGER

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THE ORIGINAL VOICE OF THE SELF-STORAGE INDUSTRY

Inside: Mobile  
Self-Storage Magazine

CMBS LOAN WORKOUTS

## Options & Strategies

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West Street Self Storage in Simsbury, Conn. The 32,725 rentable square foot facility will be operated as a satellite facility from Simsbury Self Storage. SIMI manages eight storage sites in Connecticut.

### The BSC Group Warns Borrowers To Beware

The BSC Group has been advising its clients to be cautious if they have a transaction in the market as there is a high probability that deals will shift as lenders respond to recent developments with CMBS loans. In addition, the firm suggests that those who are looking to enter the market with a new transaction may want to wait for more stability within the market before going forward.

The weak demand for bonds caused by the overhang of the debt ceiling debate in Washington, D.C., and a lack of confidence in the global economy has resulted in a significant widening of spreads. In addition, The BSC Group states that the market is dislocated as several lenders have put a hold on quoting deals. Furthermore, heightened volatility in CMBS has caused CMBS loan originators to proceed with increased caution when quoting new loans.

### HFF Closes More Than \$121 Million In Transactions

Holliday Fenoglio Fowler, L.P. (HFF), has closed 12 self-storage deals from January to July. The 12 transactions totaled more than \$121 million. The self-storage properties were located in Arizona, California, Florida, New Jersey, New York and Texas.

### Self-Storage On Top In 2011

According to a new report from Marcus & Millichap, the industry should anticipate an increase in self-storage investment activity in 2011 as banks sell real estate-owned (REO) properties. The banks will draw regional syndicates from the sidelines to target Class-B and Class-C facilities within the Sun Belt.

California and Florida will benefit from the activity as they are expected to register a sizable share of closings due to foreclosures. Financing will emerge in the form of SBA loans for new buyers who are seeking properties

below \$5 million with stable operating histories. This will help accelerate the activity.

REITs and institutions are moving back into the forefront as they leverage operating efficiencies to increase the value of recently purchased properties. Class-A assets in primary markets will attract the most attention since these properties are generally traded for more than \$10 million. ■■

## Associations

### Wisconsin Self Storage Association Offers Rummage Marketplace

The Wisconsin Self Storage Association (WSSA) is offering its members discounted pricing on lien sale auction listings through a partnership with Rummage Marketplace. WSSA members can post a lien sale auction listing on Rummage Marketplace's Web site, [www.rummagemarketplace.com](http://www.rummagemarketplace.com), for \$10. A basic listing on the Web site normally costs \$25.

### Reis Announces Exclusive Market Data Agreement

Reis, a provider of commercial real estate market information and analytical tools, has reached an exclusive market data agreement with the Self Storage Association (SSA) and three REITs to introduce ground-breaking coverage of the nation's self-storage market.

Until now, no centralized source of objective market information existed to inform the buy, sell, and hold decisions of self-storage investors or to support the management of self-storage facilities.

Under the terms of the agreement, participants will provide data on individual self-storage facilities throughout the U.S., such as physical and geographical information and performance data.

Reis will use the data to generate sophisticated analytics to provide the industry with supply, demand, and rent trends for local markets and submarkets.

The service will be launched in early 2012. It will be available via subscription on Reis SE, through [ReisReports.com](http://ReisReports.com), and for purchase by facility owners and operators through the members-only section of the SSA's Web site. ■■

## Legal

### Newspaper Lien Sale Ads Still Required In California

Despite the efforts made by the Self Storage Association and the California Self Storage Association to revise the self-storage lien law in California, the state's officials gave in to pressure from the newspaper lobby.

Gov. Jerry Brown recently signed a revision to the self-storage lien law, Senate Bill 279, which put an older, less storage-friendly version back into and reversed the legislative changes achieved by the associations last year. Although self-storage operators still were required to advertise lien sales in a newspaper of general circulation under Assembly Bill 655, the law had been expanded to include any newspaper in the storage operator's county instead of the smaller and ill-defined "judicial district."

SB 279 establishes more limitations on how self-storage lien sales can be advertised by restricting placement to the judicial district where the sale is held. ■■

## Community Outreach

### Champion Self Storage Helps School Children

Champion Self Storage in Palm Coast, Fla., hosted a fundraiser event at its facility on Aug. 20 to benefit the Flagler County School District's Homeless2Homeward and S.T.U.F.F. The Bus initiatives. The event enabled the community to donate school supplies to the support the programs. Champion provided free food, prizes and entertainment for the event.

### Lock Up Battles Crime

Lock Up Self Storage in North Naples, Fla., recently hosted a National Night Out event in an effort to build on partnerships with law enforcement and teach residents and business owners about crime and drug prevention. The event offered demonstrations by the bomb squad and SWAT units and tours of the mobile crime-scene lab. ■■