

STORAGE TALK

Quarterly Newsletter - FALL 2023

A Newsletter – Updates + Tips + Value by Self-Storage Investors – For Self-Storage Investors

Observations + Trends 🚧 that we have heard from storage folks LIKE YOU!

What other self-storage operators are telling us:

- This quarter has been notably difficult for rent collection, the toughest in the past two years. Many customers are living paycheck to paycheck, indicating a broader economic trend affecting consumer spending habits. We encourage operators to share their experiences and strategies at info@offmarketstorage.com.



Industry Complaints:

- A growing concern and feedback point has been to the number of phone calls from overseas call centres that contact self-storage operators weekly, and sometimes daily

National News:

- Multiple articles are indicating that storage occupancies are “returning to pre Covid levels” - calling it “the new normal” however, from our experience this may not be effecting smaller operators that aren’t in the big cities. **BREAKING NEWS**
- <https://www.insideselfstorage.com/happenings/news> - for storage news!

Building/Materials:

- Concrete is expensive 😬 and steel is hard to find – locking in materials is key for building right now, or planning 1+ years out to get your allocation
- Housing Shortage: Some large cities are even knocking down or renovating office space to provide more room for residential buildings – you can push storage rents in these cities

Lenders/Financing

- Current Ballpark Interest Rates = 7.5-8.0% (up 1.5% from last quarter, and 3% from last year) this rise is pushing cap rates up. Banks aren’t the money printer they used to be.



For Your Next Rent Raise!! - Instead of Increasing Rent

Partner with a tenant protection company and begin requiring protection on stored items (check local laws). Tenants will pay an extra ~\$12/month but for this protection and you’ll receive a revenue share from the insurance company!

- Examples and How to Implement head to: [OffMarketStorage.com](https://www.offmarketstorage.com)
(We are not affiliated just sharing what’s worked for us!)



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For Operators

New Tech/Equipment Bonus!

A Lock we LOVE! – Get your time back!

These locks have helped us:

- a. Reduce on our time on site!
- b. Get high reviews from Tenants!
- c. Never have to be at the facility to remove a lock again!

Want to know more info and how to implement?

- Head to: OffMarketStorage.com

(we get nothing from this, we just love them that much!)



Thinking of Selling?

Taxes/Retirement Planning

Three Ways to Reduce Capital Gains - We are not CPA's

1. Split your sale into 2+ payments - Think December 2023 and January 2024 instalment payments
2. Payments over time - Think Land Contracts/Seller Note Carry
3. Leave the country (We recommend somewhere warm! Just kidding! Haha 🤪)



Fun Storage Polls!

- We Plan on expanding this newsletter and including more up to date info and value for you! But we also want to have a little fun!
- Head to <https://www.offmarketstorage.com/general-8> to participate in a few Polls:

 **Check this out!**

Examples:

1. What would you want to see in future newsletters?
2. If you could find any fictional item in a storage unit what would it be?
3. What's the most expensive unit you have auctioned off?

