

SELF STORAGE FACILITY APPRAISAL

Investment Real Estate



“Competent appraisal of self storage facilities begins with the appraiser’s understanding of a property’s surrounding trade area demographics and demand.”

—Chuck Argianas



OBJECTIVE

Self-storage facilities are an important investment property category, and Argianas has extensive experience with single properties as well as entire portfolios of self-storage facilities.

A recent assignment required a market value appraisal involving a large, modern, investment-grade midwestern U.S. facility. The subject, a multi-building, masonry-constructed complex featuring gated security access and nearly 1,000 rental units of varying sizes, served local area residential and commercial market sectors.

APPRAISAL STRATEGY

The team carefully considered the subject’s market demand area including trade area demographics and competing area. Trade area differences included on-site manager living quarters; recreational vehicle and outdoor boat storage capabilities; and storage unit features including climate-controlled spaces, individual door alarms, and in-unit lighting and power outlets.

All three valuation techniques factored into the report. The appraisal relied primarily on the Income Approach, but our analysis was also supported by both the Cost and Sales Comparison methods.

UNIQUE APPRAISAL FEATURES

The team took a comprehensive approach estimating the stabilized market rent, restating fixed and variable operating expenses, and processing pro-forma net operating income into an estimate of market value. Income properties already operating at stabilized levels are usually best analyzed using direct capitalization, while discounted cash flow or yield analysis may be the best valuation tool for properties that have not yet achieved optimal operating levels. Argianas appraisers understand both those valuation techniques and know when to effectively employ each.

ARGIANAS DIFFERENCE

This appraisal engagement was commissioned for one of the largest commercial lenders in the country for refinancing purposes. The team relied on extensive income property experience to provide reports in compliance with FDIC, OCC and FIRREA appraisal standards on time at a competitive price. Argianas appraisers have strong analytical financial backgrounds, years of experience appraising investment-grade properties, and excellent communications skills. That powerful combination sets Argianas and Associates apart from the competition. Our promise is for quality services offered at fair professional fees. On time delivery is a priority.



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