



## **The self storage sector's continuous growth spurt: Presenting challenges in acquisition and development - by Nick Malagisi**

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Despite the record number of new build starts across the country, there are really only a few problem markets where too much supply is coming onto the market too quickly. None of those markets are located within the northeast U.S. The barriers to entry remain strong there, because of the lack of vacant land, zoning restrictions and cost of land.

Much of this new-build supply is coming from institutional capital attracted to the industry because of the growth in demand, steady returns, and a hedge against the other sectors. Self storage has performed well ever since the last recession, and returns in comparison to the other sectors have not been unnoticed by Wall St. and private equity groups.

I have just returned from the National Self Storage Association's annual fall conference in Las Vegas where a new venue has allowed even more vendors and sponsors to participate in the industry's success. Dr. Arthur Laffer gave a keynote address during our economic summit and had everyone's attention talking about working in economics for four decades and under six different presidents.

The real estate sector of self storage remains robust and present many challenges in acquisition and development. But new entrance into the industry bring new ideas and ways to do business, such as W.P. Carey structuring a sale leaseback of a portfolio of Extra Space facilities earlier this year.

The SVN National Self Storage team is a group of commercial real estate investment brokers specializing in the marketing, sale, disposition and acquisition of self storage assets throughout the U.S. Our national platform provides coast-to-coast coverage, while maintaining the national branding and professionalism our clients have become accustomed to. We utilize local market expertise to provide buyers and sellers with the most critical and up-to-date information in any specific market to strengthen the transaction process. By leveraging the appropriate self storage advisor in each market we create an unprecedented synergy for our clients. Our clients continuously rely on us to

provide the highest quality of professional representation and ethical standards in our dealings with all parties; to inspire confidence and trustworthiness in handling confidential affairs through our 30 years of commercial real estate experience; to assist in expediting the marketing and sales transaction process, while attaining the desired result of the assignment; and to continue building on the reputation that we have worked so hard to earn in this very specialized industry.

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