



A recap of New York Self Storage Association's 15th annual Investment Forum - by Nick Malagisi

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Nick Malagisi

The New York Self Storage Association (NYSSA) recently held its 15th annual Investment Forum with heavy hitters from both real estate and capital markets specialists converging on the Tarrytown Marriott.

This is the annual event that was supposed to be held the second week in January, but like many events, was canceled or postponed because of the Corona Virus sweeping through New York City at the time. NYSSA decided to postpone the event in hopes to have an “in-person” conference in May rather than cancel it outright or have a Zoom conference. This event draws 200+ people each year from the Metro NYC area to listen and learn from speakers and panel members from across the U.S. giving their thoughts on such matters as why (and will) the current increase in demand for self storage continue into the next half of 2022 and beyond; how long before cap rates begin to follow interest rate increases (if at all); and will the remote/work-from-home lifestyle continue for employers who have displaced a portion of their home with a workstation, creating the need for off-premises storage.

The Capital Markets presentation included a panel discussion lead by moderator Tom Sherlock from Talonvest Capital interviewing Marshall Nevins from Blackstone, Tom Hughes from Harrison Street and Brandon Goetzman from Blue Vista Capital. Tom Sapontzis of Colliers Valuation then led a panel of the top mortgage brokers in the industry addressing the recent changes in capital requirements and interest rates.

Jefferson Shreve, current chairman of the national SSA, spoke to the audience on the important legislative work the SSA was doing on behalf of the industry as the spokesperson for the entire industry. He also stressed the fact that all of the Board of Directors were volunteers, giving of their time to make for a better face to our “not so small anymore” industry.

Christian Sonne, MAI and specialty practice co-leader of the NKF self storage valuation team, presentation included historical cap rate trends for self-storage over the past several years.

Alyssa Quill, founder and CEO of (SIMI) Storage Investment Management Inc., the largest independently-owned, third-party self storage management company in the U.S. moderated a panel of the three largest REIT third-party management companies. The number one topic was how the self storage industry took advantage of being designated an “essential business” to the various state governments and helped the American public relocate from one domicile to another while transitioning from in-person work environment to remote work stations.

Nick Malagisi interviewing Cris Burnam, CEO of StorageMart, the new owner of Manhattan Mini Storage

I held a “fireside chat” with Chris Burnam, CEO of Storage Mart, the new owners of Manhattan Mini Storage, on how the transaction came to fruition given the many different challenges of acquiring a family-owned dominant leader of self storage in the pricey NYC market.

I also moderated a panel of vice presidents of real estate of top operators in the U.S., including Extra Space, Life Storage, CubeSmart and Merit Hill Capital. The discussion topics of interest were: Where did \$19 billion in sales come from (double the dollar volume of the previous year); is there industry consolidation happening between acquisitions and increasing use of third-party management for independent operators; and what are some of the drivers for acquiring multiple assets and portfolios.

There were many takeaways for the 200+ people in attendance, all of whom were happy to be able to converse in person with their industry peers and share their accumulated knowledge from seasoned and veteran professionals. We look forward to this event getting back on track in New York City come next January 10th, 2023.

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