



2023 NY Self Storage Association Investment Forum recap

January 31, 2023 - Front Section



Shown is Nick Malagisi and real estate executives.

Manhattan, NY The NY Self Storage Association (NYSSA) held its annual “Investment Forum” event in New York City, attracting the top self-storage companies’ real estate representatives who virtually all agreed that the industry would see a continuation of moderately rising cap rates for 2023 and into 2024 before they level off. Two hundred fifty attendees were gathered at the 583 Park Ave. venue to network and learn from each other in this first-of-the-year self-storage conference.

This one-day capital markets and real estate event featured an institutional panel of investors led by Tom Sherlock of Talonvest Capital and then a finance panel of top mortgage brokers in the industry discussed meeting the challenges of rapidly rising rates and how it affects values for refinancing and

development transactions.

Nicole Funari, vice president of research at NAREIT from Washington, D. C., made her presentation on the forces affecting the economy this past year & what to expect in the near term without making any predictions.

Nick Malagisi, SIOR, then moderated a panel of metro NYC-based national appraisers that work the self-storage industry and discussed the challenges they are facing in arriving at values given the rising interest rates and cap rates of late, especially after a 10-year period of compressed cap rates, the lowest cap rates of any property sector, other than apartments.

The day ended with a panel of the top real estate representatives for each of the five publicly traded REITS in the industry discussing their acquisitions' highlights for 2022 and what to expect for 2023. This discussion included the use of preferred developers and co-investing in joint ventures to keep their acquisitions pipeline active since most of the REITs are not developers of new facilities. Given the current disconnect between sellers' asking prices and buyers' offers, there is probably going to be a decline in transactions for the first half of 2023 before reality sets into the market.

The Investment Forum sponsored by NYSSA is the first major self-storage conference of the year and really sets the tone of what these industry professionals expect in capital markets, finance, and acquisitions activity for the coming year. Speakers, panel members, and attendees came from across the U.S. to be with their peers.

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