



SELF STORAGE SALES NETWORK

Arizona Sales and Development Update

America's Premier Self Storage Brokers

1Q2019

Quarterly Insights

by Jeff Gorden, CCIM

- Eight storage properties sold in the first quarter of 2019, representing 17% of the Arizona total for over the last 4 quarters. Of the eight properties sold in Q1, two were in the Phoenix metro, two were in Tucson and four were located in other areas of the state.
- Unlike a pattern in previous quarters, no single buyer accounted for more than one purchase.
- A 1Q19 vs 1Q18 comparison across the state shows prices increasing and transaction velocity decreasing (68% overall and 81% in the urban centers) as a result of limited supply.
- Notably, one of the reported sales in Tucson is a 100% RV storage property, effecting a lower average price per square foot than the trend.

SIERRA VISTA, AZ

CLOSED 3/29/19

- 1007 Units
- 105,750 RSF
- 13+ Acres
- Access from Highway 92
- Closest competitor is 1.5+ miles away

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TUCSON, AZ

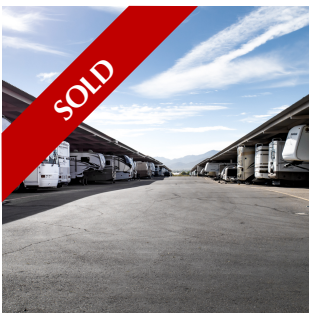
CLOSED 3/20/19

- 465 Spaces
- 190,832 RSF
- 9 Acres
- Highway Access from I-10
- Significant residential development within 2 miles
- Closest competitor is 5+ miles away

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Arizona Self Storage Sales Trends

Properties Average SF Average \$/SF

Phoenix MSA

1Q2019	2	87,965	\$120.34
4Q2018	9	98,146	\$98.28
3Q2018	4	76,656	\$76.08
2Q2018	3	70,567	\$97.92

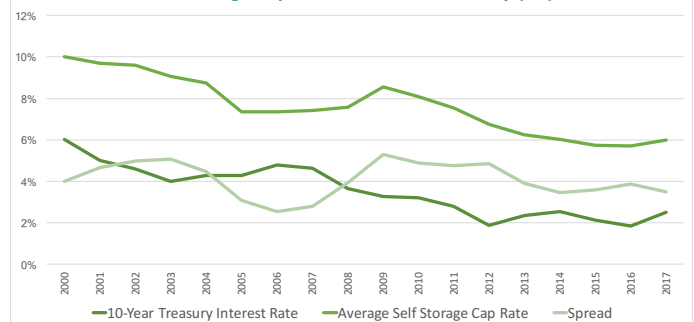
Tucson MSA

1Q2019	2	114,579	\$43.90
4Q2018	-	-	-
3Q2018	2	51,517	\$58.39
2Q2018	1	51,510	\$56.58

Balance of Arizona

1Q2019	4	45,967	\$40.41
4Q2018	-	-	-
3Q2018	-	-	-
2Q2018	7	29,414	\$43.96

Self Storage Cap Rates vs 10 Year Treasury (US)



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Development Trends

- A total of twenty eight facilities have opened in the last four quarters, including seven in the first quarter of this year.
- Looking forward to the remainder of 2019, there are now thirty six facilities under construction and seventy three more proposed across the state. These pipeline projects comprise just over 3.2 million square feet.
- Notably we are seeing meaningful development outside of the Phoenix and Tucson metros for the first time since the great recession.

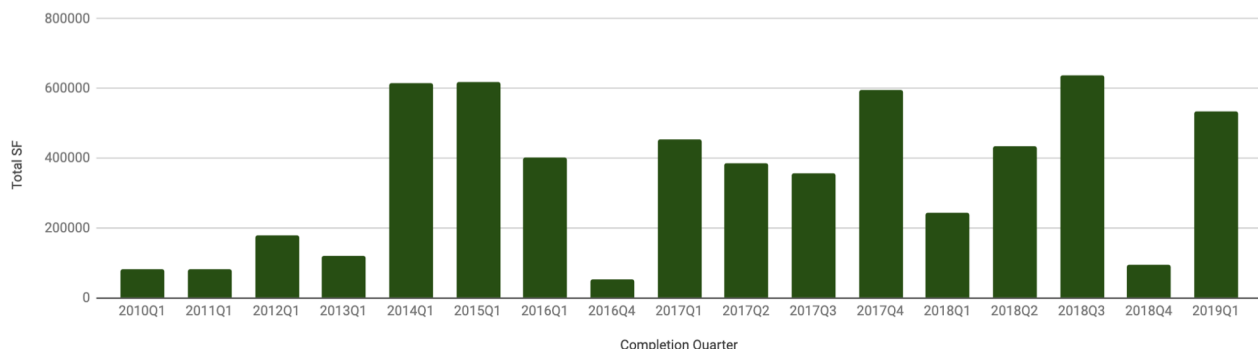
Further Information

Development and sales data contained herein is summary data. For more detailed information on projects near your facility or planned project, contact Jeff Gorden at jeff@gorden-group.com

Arizona Self Storage Development Pipeline

	#	Total SF	Total Units
Phoenix MSA			
Proposed	62	4,648,031	42,255
Under Construction	29	2,789,237	25,366
Recently Opened	22	1,945,480	17,686
Tucson MSA			
Proposed	7	356,052	3,529
Under Construction	3	213,544	1,941
Recently Opened	4	264,771	2,407
Balance of Arizona			
Proposed	4	470,447	4,299
Under Construction	4	233,392	2,122
Recently Opened	2	97,000	882

Arizona Self Storage Deliveries by SF and Completion Quarter



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About The Argus Self Storage Sales Network

The Argus Self Storage Sales Network is the only national network of commercial real estate brokers who specialize in self storage properties. The network assists buyers and sellers of self storage real estate by combining the knowledge and expertise of a local broker with the exposure of our national sales and marketing program.

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