

THE SELF STORAGE ADVISOR

Winter 2011



Value Added Services: | Brokerage | Consulting | Management

How To Improve the Marketing at Your Store

Identifying Your Most Profitable Customers and Facility Trade Area

Not long ago, self-storage marketing consisted of placing a Yellow Pages ad and then waiting for the phone to ring. In today's market, not only do you face more competition for customers, Yellow Pages is slowly being replaced by the Internet as a primary means for prospects to learn about your store. Unfortunately, Internet marketing has a similar limitation to that of Yellow Pages - namely that it works only for customers who are actively looking for you. That is why many owners are also adding more aggressive marketing strategies.

(For full article, see our *Publications* page at www.supnick.com)
Written by Jeffrey Supnick and published by Inside Self Storage Magazine

Advice on Selling Self Storage Properties

Going to Market: Long-Range Planning Helps Self-Storage Owners Build Value Prior to Sale

With credit availability increasing, property performance stabilizing and interest rates at their lowest in decades, it's no surprise self-storage sales-transaction volume is increasing. Here are some guidelines that will pay off whether or not you have immediate plans to sell your self storage property. They will help you prepare for the transaction and build more value into your asset.

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FEATURED PROPERTIES

SELF STORAGE

Lawrenceville, Mercer County, NJ

Expandable to a total of +/- 72,000 SF in 7 buildings

- 407 units in 3 existing bldgs
- +/- 44,000 net rentable SF
- Near Route 1 & Route 95



Call for Details

COMMERCIAL / INDUSTRIAL

Barneгат, Ocean County, NJ

Business Center

- +/- 20,925 net rentable SF
- 31 units
- Route 9 Frontage

For Sale or Rent

\$2,150,000



ANNOUNCEMENTS

Supnick Real Estate Establishes New Division to Handle Commercial and Industrial Real Estate

Jeffrey Sloan, a thirty year veteran of the commercial and industrial real estate industry will serve as the Managing Director of the new division.

Prior to joining Supnick Real Estate, Mr. Sloan was associated for ten years with a regional shopping center developer Penn Real Estate Group, where he was a consultant on development and investment properties for the firm.

Jeffrey Supnick will continue to lead the Self Storage Real Estate operations of the company and also serve in an advisory capacity to the new division of the company. Supnick, who also has extensive experience in commercial real estate, has served as Exclusive Representative for national commercial real estate operators like, McDonalds, Amoco Oil Corporation, TGI Fridays, Candlewood Hotels, Kentucky Fried Chicken and Manor Care Nursing Homes.

AVAILABLE PROPERTIES

Stewartsville, Warren County, NJ



\$3,000,000

- 265 units
- +/- 36,875 net rentable SF

York, York County, PA



\$1,300,000

- 338 units
- +/- 26,254 net rentable SF

NEW LISTING

Lakehurst, Ocean County, NJ



\$1,750,000

- 190 units
- +/- 24,150 net rentable SF

Supnick Real Estate Co. announces their appointment as Managers of the newly listed Lakehurst Storage Property (shown above).

In their management role, Supnick will handle the day-to-day operations of the property.

As both Brokers and Managers of self storage, we offer owners a unique blend of services designed to maximize the value of facilities by increasing operating performance.

SELF STORAGE MARKET UPDATE

Recently Released Reports by Two of the Industries Top Independent Analysts Confirm Upbeat Trends in Self Storage.

With a significant amount of new money on the sidelines wanting to get into the self storage business, we are not surprised to see confirmation from other industry experts of the presence of strong investor demand once again taking hold in the self storage market place.

According to the **Price Waterhouse Coopers 4th Q'10 Real Estate Investor Survey**, the outlook for the self-storage market is on a significant rise. Increased capital allocations from lenders and niche investors, along with slow and steady improvement in operating fundamentals are giving rise to declining cap rates – which obviously means increased pricing to sellers of self storage assets.

Domestic Self-Storage Market Overall Average Capitalization Rate

- Second Half 2010: 7.75%
- First Half 2010: 8.45% (-70 basis points change)
- Second Half 2009: 8.75% (-100 basis points change)

Source: PwC 4Q10 Real Estate Investor Survey

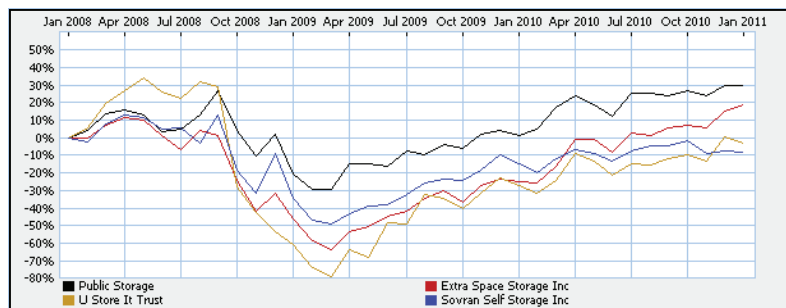
Self Storage Data Services (SSDS) has released their viewpoint 2011 based upon surveys collected every 90 days from over 6,000 self storage facilities nationwide, the survey provides one more piece of evidence that self storage continues to experience a slow and steady climb towards full recovery. SSDS finds increasing occupancy and rental rates.

The conclusion of SSDS's Viewpoint 2011 is that the self storage industry is recovering better than other types of commercial of real estate. SSDS points out that the investment market for self storage is improving faster than improvements on the income side of our business and that the real driver leading investors to become more aggressive with their acquisitions is the scarcity of good quality facilities for sale.

SELF STORAGE REIT PERFORMANCE

Performance of stock prices of the four publicly traded Self Storage Real Estate Investment Trusts (REIT) over the past three years.

We can see that the stock prices on average are slightly above the level of three years ago. The biggest story however, is the almost meteoric rise in the past two years.



Source: MSN Money Stock Charts

Self Storage REIT Stock Performance Since Financial Crisis

	Mar. 1, 2009	Jan. 18, 2011	% Gain
Public Storage	\$50.30	\$104.79	108%
Extra Space	\$11.34	\$18.42	62%
U-Store-It	\$1.95	\$9.45	385%
Sovran	\$17.10	\$36.88	116%