

TABLE OF CONTENTS

ABOUT THE AUTHORS	ix
ACKNOWLEDGMENTS	xi
FOREWORD	xiii
<hr/>	
CHAPTER 1. INTRODUCTION	1
What Is Self Storage?	1
History of Self Storage	2
Sophistication of the Asset Class	4
Self Storage Market Conditions	7
Cash Flow Characteristics	8
New Construction	8
National Summary	8
Valuation	11
Summary	14
<hr/>	
CHAPTER 2. SELF STORAGE ECONOMICS	15
Quantitative Models	17
Supply	17
Demand	19
Cost of Occupancy	20
Qualitative Models	20
Market Conditions Conclusion	21
Competitive Position of the Subject	22
Investment Class	22
The Rent Conundrum	23
Market Participant Interviews	26
Local Market Area Analysis	28
Self Storage Economics Summary	31

Applying Market Analysis Conclusions in the Highest and Best Use Analysis	33
Conclusions	34
<hr/>	
CHAPTER 3. SELF STORAGE SITE AND BUILDING DESCRIPTIONS	35
Site and Building Analysis Case Study: Surfside Self Storage	41
Environmental, Social, Governance, and Resilience	52
Summary	54
<hr/>	
CHAPTER 4. THE COST APPROACH	55
Land Valuation	55
Cost Approach Case Study: Surfside Self Storage	56
Analysis of Land Comparables	56
Discussion of Adjustments	60
Replacement Cost	63
Entrepreneurial Incentive	66
Remaining Economic Life	67
Cost Approach Conclusion	67
<hr/>	
CHAPTER 5. THE SALES COMPARISON APPROACH	69
Sales Comparison Approach Case Study: Surfside Self Storage	69
Market Data Summary	69
Discussion of Comparable Sales	70
Elements of Comparison	73
Adjustment Grid	76
Sales Comparison Approach Conclusion	76
<hr/>	
CHAPTER 6. THE INCOME CAPITALIZATION APPROACH	79
Parameters of the Approach	79
Potential Gross Income Estimate	80
Establishing Market Rent Levels	81
Other Income	92

Vacancy	92
Absorption	93
Revenue and Expense Analysis	94
Discounted Cash Flow Method	104
Effective Gross Income Multiplier	110
Reconciliation Within the Income Capitalization Approach	111
Additional Value Scenarios	112
<hr/>	
CHAPTER 7. RECONCILIATION AND REPORTING	115
Final Reconciliation	115
Reporting	117
Fund Analytics and Reporting	119
<hr/>	
CHAPTER 8. LOOKING AHEAD	123
Market Participant Interviews	124
Conclusion	125
<hr/>	
BIBLIOGRAPHY	127