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EXCLUSIVE

Investors Targeting FL Self-Storage Facilities

By **Jennifer LeClaire** | Miami

MIAMI—Florida's **self-storage** industry is seeing some early activity this year. **Talonvest Capital** brokered a $16.8 million loan on a Daytona facility while **Marcus & Millichap** closed on a Fort Meyers property.

Talonvest, a **self-storage** and commercial real estate advisor, negotiated and closed $16.8 million of permanent financing for All Aboard Storage with a European based bank. Four Daytona Beach self-storage facilities secured the 4.24%, 10-year fixed rate, 30-year amortizing loan.

Talonvest structured a financing solution for about 90% financing on three properties with discounted payoff (DPO) amounts and a cash out refinance on a fourth property to provide the requisite new equity into the other assets. Based on the DPO from the existing lender, the new loan had to fund in less than seven weeks, inclusive of the major holidays in November and December.

Jim Davies, principle of Talonvest, tells GlobeSt.com lenders have been getting even more competitive in their pricing and structuring of permanent loans in 2013. He notes, "Our most recent negotiations have led to a 35 basis point reduction in the interest rate and a 50 basis point deduction in the required debt yield as compared with late

2012 transactions."

Further south and west, M&M sold a 71,229-square-foot self-storage facility in Fort Myers, Florida. **Charles "Chico" LeClaire**, a senior vice president investments in M&M's Denver office and **Michael A. Mele**, a first vice president investments in the firm's Tampa office, had the exclusive listing to market the property on behalf of the seller, a limited liability company based in California. LeClaire and Mele also secured the Florida-based buyer.

Built in 2007, the **self-storage** facility sits on about 4.8 acres of land. The property has 537 self-storage units, of which 351 are climate controlled units, 116 are non-climate controlled units and 70 are RV/boat parking spaces. The facility includes one two-story building and three one-story buildings of concrete block with stucco finishing, garage-style, roll-up doors and steel seam roofs.

"We were inundated with sellers demanding to close by year end to avoid the raise in capital gains tax in 2013," says Mele. "This self-storage transaction is a direct result of that push."

In December, Mele sold an additional three self-storage facilities in Tampa. The three-property portfolio spanning 2,250 units sold for about $25 million.

"With a current cap rate just north of six percent, this portfolio brings together three strong performers in an equally strong market," says Mele. "Tampa's self-storage occupancy rates spiked 200 basis points in the second half of this year, and with growth in the metro projected to accelerate to 1.4% each year and the jobless rate tightening below 9%, the new investor should see reliable revenue for the foreseeable future."