



THE SELF STORAGE EXPERTS

146 E. Carrillo St. Santa Barbara, CA. 93101

**Real Estate Money Management
A New Approach**

Darren and I recently returned from an Executive level seminar sponsored by our professional trade group the Self Storage Association. These three days made Darren and me realize that our operation has changed over the years. We have become real estate money managers. Our performance over the past 20 years in self storage has focused on self storage only and we have developed a very core competency in it.

Our focus has been to add value to all that we buy. We do this by modernizing, adding units, market re-positioning, management changes and strong site managing. We frequently put our own money at risk. In return we have provided our investors with priority returns/cash flow and return of principle.

American Self Storage



For this we received a percentage of the profits. We realize that performing money managers operate the same way and that this approach concentrates talent and resources for the benefit of both parties.

Our annual returns have ranged from the mid-teens to the 30+% range.

Whether or not you have funds to purchase or wish to join with other like minded investors we can give all parties superior returns.

Please give us a call if you think you could benefit from this approach.

By: Dennis A. Peterson

Southern CA Self Storage

Self-storage facility interest remains strong when compared to other real estate properties in Southern California. Even though interest rates continue to climb, cap rates have remained low within the industry group. Top values were achieved by sellers in the first quarter of 2006.

Having said this, cap rates have started to rise in certain markets including several areas in the Inland Empire which many people believe is fast becoming overbuilt. Buyers continue to be more cautious and conservative focusing on what the facility is actually grossing instead of relying on projected income numbers.

Inland Empire cap rates for Class B & C facilities have increased as much as 8% (up .75% to 1.5 % over the past four quarters.) Class A facilities however are still demanding much lower cap rates.

In the coastal areas (San Diego, Orange, L.A., Ventura, and Santa Barbara counties) values remain stable due to the lack of sellers and land entitled for development still commanding 5.75% to 7% cap rated to the seller.

In general, storage facilities are generating 1% greater yield than office, retail and industrial properties, and 2% better than apartments.

According to the 2006 Self Storage Almanac, there are approximately 4,400 self-storage facilities in CA with approximately 3,500 located in Southern CA. There is a current supply of 4.78 sq. ft. per household and a short term forecast of 5.01 sq. ft. per household. This suggests that the market is reaching equilibrium: however there is tremendous population growth, which creates more demand within the self-storage marketplace.

While buyers may be growing more cautious, as long as the facilities remain feasible and viable, we will continue to see strong activity in the self-storage market.

By Darren A. Peterson

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Issue 8 Page 2

What's Available for Purchase:

[Visit American Self Storage
on the web at:
www.americanselfstorage.biz](http://www.americanselfstorage.biz)

	Sq. ft.	Price	Down
1) Hi-Desert	28 K	\$2.25 M	\$800 K
2) Palm Springs	75 K	\$4.75 M	\$1.7 M
3) Inland Empire	37 K	\$1.6 M	\$800 K
4) " "	39 K	\$3.2 M	\$1.2 M
5) Central Valley	31 K	\$2.75 M	\$975 K
6) " "	72 K	\$4.9 M	\$1.8 M
7) " "	77 K	\$5.2 M	\$1.8 M
8) " "	125 K	\$6.25 M	\$2.2 M
9) " "	57 K	\$3.4 M	\$1.2 M
10) " "	* 22 K	\$2.45 M	\$90 K
11) South Coast	81 K	\$12.1 M	\$4.3 M
12) Reno	260 K	\$16.5 M	\$5.8 M

All or part. 1031's o.k.

* = Partial Development Package

Real Estate Money Management

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**Featured Manager of the Quarter
July 2007**

Hello from Stockton. My name is Theresa Gill. I am the current manager (soon to be resident manager) along side my assistant Gloria Guzman. Together we are known as the "Dynamic Duo". We are the newest additions to American Self Storage. We started in January of 07' and are loving our jobs.

We both have children. Gloria has a handsome one year old boy, Gilberto III, and I have a beautiful nine month old baby girl Isabella.

They keep us busy and focused on making a better future for them. We are both close in age, Gloria 18, and



"The Dynamic Duo"

Theresa Gill (Manager right)

Gloria Guzman (Asst. Manager left)

Stockton, CA.

I'm 20.

The self storage industry is new to both of us but we are managing pretty well. Our job is unpredictable which makes it fun and exciting at times. We learn something new everyday. We enjoy creating relationships with our tenants and one of our main priorities is to make sure our facility is always friendly and welcoming.

We would like to give our thanks for this great opportunity. Our time here has been pleasant and we look forward to associating with all of you. We hope everyone has a dynamic year!

