

McCune and Argus Remain Bullish on Future of Self Storage

By Pete Schnatz

Drawing from the wisdom and experience that comes from working in commercial real estate over the last 40 years, Mike McCune is bullish on the future of the self storage industry in America. Even in the midst of uncertain economic times, McCune's fundamental business approach—based largely on aggressiveness, common sense and traditional values—led him to one conclusion: there will always be a demand for storage space.

"I'm more optimistic about the [self storage] business now than ever," McCune said. "It's a real necessity because people don't stop acquiring stuff."

That principle led McCune, who had spent more than two decades overseeing major real estate development projects throughout the western United States, to pitch self storage as a solid investment opportunity for real estate investors.

"We're always trying to do something new and fresh," said the 65-year-old McCune. "After being in the [real estate] business all those years, I did some analysis and found that the worst self storage facilities in Denver were making more money than the best office spaces. That's also when I found out that nobody had special-

ized in buying and selling self storage facilities."

The challenge of taking his career in a new direction intrigued McCune. So, after 10 years as owner and president of Argus Real Estate, Inc.—a national real estate development, consulting and brokerage company based in Denver—McCune founded the Argus Self Storage Sales Network in January of 1994. An association of over three dozen commercial real estate brokers specializing in self storage across the United States, Argus boasts over 950 years of collective real estate experience and over \$1.2 billion in sales over the years.

According to Ben Vestal, who succeeded McCune as Argus president in March, their firm has developed the only national marketing platform for buying and selling self storage facilities.

"At any one time," Vestal said, "we're helping a hundred or more self storage owners and investors navigate the buying and selling process."

For McCune, one of the most appealing aspects of dealing in self storage is the people.

"Most of the people are down-to-earth, solid people who are hard working and looking to make their

niche," McCune said. "We stay in touch with owners on a regular basis. You make calls to build trust between you and your clients. We want them to be comfortable knowing that we're looking out for their best interests."

While his personal approach has contributed to McCune's success over the years, his adaptability has also kept him viable in a career that began in 1971.

"The thing about Mike that has made the biggest impression on me is his creativity and ability to solve problems in an interesting or unexpected way," said Amy Hitchman, vice president of Argus Self Storage Sales Network since 2006.

"Mike always has new ideas about how to make our business better, or to try something that we have never done before. He truly 'thinks outside the box' and has made our company more dynamic as he continually seeks out new opportunities. I really appreciate the unique perspective that he has provided throughout my career at Argus."

Argus can represent both buyers and sellers and typically handles 90 listings at a time. With that kind of volume, McCune believes its vital that his company adheres to four basic principles.

"Number one is that the client always comes first," McCune said. "Second, our professional integrity and effectiveness are our two most important assets. Third, by working together, our association of brokers can bring more resources and a larger network of buyers and sellers to transactions. And fourth, we believe that well-operated self storage properties are the most stable real estate invest-



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~ Mike McCune

ments of any kind and consistently provide competitive returns on your investment.”

McCune pointed out that Argus, even in recognizing strong investment opportunities “by following every foreclosure, every loan,” hasn’t purchased self storage facilities so as not to be in conflict with the buyers they represent.

Finally, McCune noted that even in a down economy, self storage properties are a wise investment. “There’s a lot of flexibility in pricing—you can change your prices literally every day, depending on the market and what you need to do to keep your units occupied,” McCune said.

“When people look to rent storage space, they come into it thinking they’ll stay 30 or 60 days, but wind up staying with that facility for years. Nobody wakes up on Saturday morning and says, ‘I want to go clean out that storage unit today.’” ❖

Tax Bill Could Provide Relief

In December, President Obama signed the much-publicized \$859 billion tax bill, which includes provisions that will strengthen commercial real estate and economic recovery. The legislation includes two tax extensions that will significantly influence the commercial real estate sector: the continuation of the 15 percent tax rate on capital gains through 2012 and the 15-year timeline for depreciating leasehold improvements, retroactive to January 1, 2010 and through December 2011. The new law comes at a critical time, providing needed tax relief for a still fragile commercial real estate industry. As a member organization of the Washington-based Real Estate Roundtable (RER), the SSA backed the business-friendly tax provisions, which should enable investors to move forward with more confidence. ❖



Michigan Award

SSA VP of Government Relations Tim Dietz presents the Association’s Legislative Achievement Award to John Hutto, president of the Michigan Self Storage Association. The two groups teamed to promote the passage of an updated lien law instituted earlier in the year.

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