**Valuation of Self-Storage Properties Workshop Overview**

Purpose of this workshop is to provide some guidance and suggestions on the process of analysis and valuation of self-storage properties, using information from various areas of the U.S. Images and property characteristics of sales and listed properties will be used. Topics discussed include:

Section 1 - Introduction of instructor and workshop topic

Section 2 - USPAP Review

Section 3 – History of Self Storage Industry

Section 4 – General Self Storage Information

Section 5 – Market Value Definition

Section 6 – Highest and Best Use Analysis

Section 7 - Land Valuation

Section 8 - The Cost Approach

Section 9 – The Sales Comparison Approach

Section 10 – The Income Approach

Section 11 – Data Sources

**Self – Storage Workshop Instruction Methods**

Instruction methods consist of the following:

* Lecture with oral questions throughout to lead to class discussion and interaction
* Mathematical problems within the material that allows for discussion, examples and then student opportunity to solve a similar problem
* Large amount of data to analysis for use in the three approaches to value
* Use of sample EXCEL spreadsheets for data collection and analysis

**Valuation of Self-Storage Properties Workshop Timeline & Objectives**

8:00 – 8:15 Introduction of instructor and workshop topic (0.25 hours)

8:15 – 8:45 USPAP review (0.50 hours)

* Know the basic premises for the Uniform Standard for Professional Appraisal Practice (USPAP)
* Understand the functions of the four (4) boards associated with the Appraisal Foundation

8:45 – 9:15 The History of Self-Storage (0.50 hours)

* Understand how and why self-storage was developed

9:15 – 9:45 General Self-Storage Information (0.50 hours)

* Become familiar with the various types of self-storage units
* Understand why and what type of unit people typically seek
* Market information about rents, market conditions and future activity
* Research various websites and other sources to find data

9:45 – 10:00 Break

10:00 – 10:30 Market value definition and Highest and best use (0.30 hours)

* Understand the distinction between market value, investment and liquidation values
* Importance of market based demand and how it is recognized

10:30 – 10:45 Land valuation (0.25 hours)

* What location is preferred
* Typical site characteristic
* Visibility
* Optimal land and facility sizes

10:45 – 12:00 Cost approach (1.25 hours)

* Application of the cost approach
* Understand how the cost approach is used by the buyers and sellers of self-storage units
* Distinguish between quality class and investment class
* Use of actual cost as comparison to Marshall Valuation cost
* Appropriate application of all possible forms of depreciation

12:00 – 1:00 Lunch

1:00 – 1:45 Cost approach – continued (0.75 hours)

1:45 – 2:30 Sales comparison approach (0.75 hours)

* How the sales comparison approach is used by the buyers and sellers
* Understand some possible market adjustments to be considered or applied
* Use of outside sources to measure market activity

2:30 – 2:45 Break

2:45 – 4:45 Income approach (2.00 hours)

* How to use an income and expense questionnaire to gather data
* How to use the website, if available, for projecting potential gross income for the subject property
* Application of local government and national publications to extract typical vacancies, expenses and capitalization rates
* Understand that this approach is how self-storage properties are bought and sold

4:45 – 5:00 Closing remarks (0.25 hours)

Total Hours 7.50