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## **Mendola of NAI Norwood Group brokers \$11.1 million sale of 495 Storage**

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Joseph Mendola, senior vice president of NAI Norwood Group, has brokered the sale of 495 Storage at 545 Clark Rd. NAI Norwood represented the sellers, 495 Storage, LLC and assisted the buyers, a national self-storage operator. The purchase price was \$11.1 million. Mendola is the Argus Self Storage National Sales Network representative for the northern New England region. Argus is a national sales network of brokers who specialize in the brokerage of self-storage facilities. The sellers built a 90,000 s/f climate-controlled facility on three floors. The property has good visibility to I-495 at the Rte. 38 exit. It is also located across from a community shopping center with Market Basket as the anchor tenant.

The self-storage industry has evolved over the last 20 years in New England into a service that is in high demand. This makes the self-storage asset a first class investment in real estate. The self-storage REITS produced the highest return on capital in 2013 compared to the other real estate REITS in the US.

This investment has gone from a question of are month to month rental contracts good collateral for a loan to an investment that is commanding ever higher purchase prices in the marketplace. This is partly due to the demographic shift that is taking place in the country today. There are 2 dynamics that are in play today that create a perfect storm for increased demand for well-located quality self-storage facilities. These 2 dynamics that are taking place today is the behavior of both the "Baby Boomers" and Generation "Y."

The "Baby Boomers" are downsizing from their large colonial type homes to smaller housing in retirement. This is compounded by the fact that the Boomers' children are taking longer to form their own families. This means Mom and Dad have to hold onto more stuff. The second dynamic is that Generation "Y," the 20 to 35 year olds are not viewing the American Dream as being move to the suburbs and buy a house to start building their net worth. These people witnessed Mom and Dad either losing their home in the financial meltdown, having their parents' home be "under water" with their mortgage balance, or just unable to sell their home due to lack of equity built up in it. So owning a single family home with plenty of storage space is not as appealing was it was in the Boomers generation. Either way these dynamics support the thesis of continued increased demand for quality operated self-storage facilities in the future.

NAI Norwood Group is an affiliate of NAI Global, the world's leading managed network of independently owned commercial real estate brokerage firms. Through this network of 355 offices in 55 countries, NAI Norwood Group is able to leverage their 45 years of dedicated local experience around the world. With our extensive background and strong local contacts, we are able to assist individual corporations in negotiating leases, sales, business brokerage, investments, relocation, site selection and development.

