

## Self-storage facility OKC fetches \$2.7 million

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The self-storage business is Jeff Lester's bread and butter. Even as the commercial real estate market has slowed, Lester expects another good year in his sector.

This month he handled the sale of 23rd Street Self Storage, at 4820 NW 23rd St., to Kilpatrick Investment Co., led by Tom Kilpatrick, for \$2.765 million. The seller was BEBOP Real Estate Investments LLC. Lester and Clay Moss, both of WiggIn Properties, handled the deal.

Acquisition and disposition of self-storage properties around the country is Lester's forte, and he sells \$15 million to \$20 million worth of self-storage properties each year. "Self-storage is all I do," Lester said.

But the current market conditions do present challenges. Lester said with a slowdown in lending he has been looking to options like assumption loans until the credit market opens back up. The Kilpatrick deal was financed locally through Canadian State Bank by Suzanne Briscoe.

"We are a community bank always looking for ways to match our customers' financial needs with sound projects that also enhance our local economy," she said.

Kilpatrick purchased the 52,000 square feet of self-storage space, built in 2003, after looking at opportunities in economically distressed

areas of the country like Michigan, southern Florida and Southern California.

"I read about them every day and have made several offers," he said. "But their economies have so far to go in order to turn themselves around."

Kilpatrick said he has faith in the local economy and resiliency in the self-storage business.

"The economic fundamentals in Oklahoma continue to be sound although consumers have cut back on discretionary spending," he said. "Local retail properties have been affected by this, but self-storage remains strong. And this also demonstrates that local banks are making loans when the right conditions exist."

Lester said the property has about 90 percent of the units occupied and it has been well-maintained.

In 2009, Lester expects the self-storage market to remain steady and anticipates some new construction of units around the city. But financing for projects will still be a challenge.

"Self-storage is not recession-proof by any means," Lester said. "But it is recession-stable. I still have buyers and sellers."