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SUMMER 2009

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BUILDING SELF-STORAGE IN TODAY'S ECONOMY



PRODUCT IMPROVEMENTS AT TRACHTE

Trachte Building Systems is dedicated to bringing you the most up to date materials and design available to the metal building industry. Product improvements in 2009 make your building greener, easier to erect, and more economical to maintain.

R36 Insulation now available:

Trachte now offers options for insulating the climate controlled spaces of your buildings that meet the most stringent requirements. We have developed multiple options that will achieve up to R-36 in the roof insulation without compromising the interior design options. Increased insulation will result in an annual utility savings over the life of the building.

Improved multi story designs:

Just as we did a total redesign of our single story building, the multi-story building has undergone a complete redesign. The most

Everyone is feeling the pinch of the current economic downturn. In a lot of ways, we are experiencing an unprecedented situation that most of us have not seen before. How is this affecting self-storage? I have been talking to many self-storage owners and also corresponding with a number of feasibility consultants. Here are some of the conclusions I have come to.



by Jamie Lindau

business investment better than self-storage. At least 60% of the owners I have talked to have experienced steady or moderate increases in rental activity. Many of our customers report that the clientele has changed. The client who was using a unit while moving to a larger home has been replaced with the laid off client moving their stuff into a unit because they are now going back to live with their parents or friends. Most of our customers have seen some increase in the amount of discounting of units

First of all, I have still not found a

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Building self-storage in today's economy [cont. from cover]

to lure tenants and others have seen a rise in delinquent accounts.

The remaining 40% of owners have seen their occupancies slip. I have seen the largest amount of change happen in areas that are losing population, or in areas that have a large glut of home foreclosures. I went to the SSA regional meeting in Dallas, and they have reported that the largest REITS have seen a decline of 3-6% in occupancy. In my opinion that is minimal. I still believe this is an excellent business to be in or look to be getting into.

Fewer new or expanding self-storage sites are developing this year – many projects are on hold due to the owner having trouble gaining financing. It is available, but a larger amount of equity is required. In some cases this could mean building a smaller phase or taking on a business partner. The flip side is that for the developer that does have financing available, there is less competition for resources and building sites, not to mention less competition for new customers during rent up.

One big opportunity we have today is to get a site approved in an area of town that a couple of years ago there would be no way the city would allow you to build. Today is different, the local municipalities were

just basically holding off as much development as they could and were getting very picky about what they would allow being built in their town. The biggest change now is FEAR, the cities are now afraid that they will be getting no growth or new taxes into their community and they might have to lay off some of their own employees. Consequently, they are much more receptive to self-storage development. This may give you the advantage to get what was considered an impossible site to approve to now achievable. I recommend that you take advantage of this situation as best as you can and build that site you've always wanted to.

The other factor that makes now a great time to build is that the majority of costs related to development or construction have declined. We have seen a substantial decrease in the costs of construction materials including steel, concrete, paving and other building components. Land costs have come down in many areas due to the sluggish real estate market. The decrease on construction volume makes construction resources more readily available and affordable, which can provide higher skilled labor at better prices and with shorter lead times. When you take into account the changes in development costs, a site that last year was marginal may now become a feasible project. Additionally, hiring a general contractor is easier and also their fees have been trimmed. Taking all this into consideration, now is a great time to find that good location, build your facility and be in position for the economic rebound – you know it is going to come.

Product Improvements

[cont. from cover]

noticeable new feature will be the wider doors on the exterior units. Just like the single story building, a 10' wide unit will have a 9'-0" wide door instead of the 8'-8" door standard in the industry. All the structural components have been redesigned and detailed for faster and more consistent assembly in the field.

New Condensation Barrier: We are pleased to offer the Drip Stop system for condensation control in our buildings. Drip Stop is layered fleece material that is factory installed on the underside of the standing seam roof panels and eliminates the need for the field installed fiberglass insulation and vapor barrier. The concept is simple. When the temperature of the panel drops below the dew point, any condensation that forms on the underside of the roof panel is quickly absorbed into the fleece material preventing it from dripping on the contents of the storage unit. As atmospheric



▲ Two-story with block perimeter under construction in New Jersey

conditions improve, the moisture evaporates back into the air. The Drip Stop material requires no maintenance and is mold resistance. The benefits will be realized immediately. One complete step is now eliminated from the building assembly process thus reducing the erection expense.

MEET THE

TRACHTE TEAM

Mike Larson has been a part of the Trachte team since 1993, and has been a Regional Manager since 1998. He serves New England, from New Jersey to Maine. Prior to working as a regional manager, Mike helped customers with their projects in his roles with inside sales and as Trachte's customer service manager. He is a presenter at many of Trachte's "Building Blocks of Self-Storage" seminars around the country.

Before joining Trachte, Mike managed a concrete dispatch center with six plants and over 100 trucks.

He is originally from Milwaukee, and has a Bachelor's degree from the University of Wisconsin – La Crosse.

When Mike isn't dedicating his time to helping self-storage entrepreneurs with their projects,

he enjoys spending time with family, playing basketball, and watching Badger sports.

He recalls his weirdest self-storage experience, "I was walking into what I was told was a one on one meeting, only to find 20 people in a conference room expecting a seminar."

According to Mike, the best part of his job is "Working with customers to give them guidance and advice to help them avoid any potential problems in their development." Trachte is a great place to work – when a customer works with us to build their site, Mike knows that he has the full support of the home office to provide plans, permit sets, and quality buildings as promised.

If you'd like to contact Mike, call 800-356-5824 ext 3128, or send an e-mail to mlarson@trachte.com.



Mike Larson
Regional Manager

How do you prove "Quality?"

You may have noticed that Trachte's ads and literature now include the text "ISO 9001:2000 certified," but have you ever wondered exactly what that means to you as a customer?

In 2006, Trachte Trac-Rite and Fire Facilities were granted certification to the ISO 9001 Quality Standard. Many companies talk about quality, but with this certification we have a third party auditor confirming it.

What is ISO 9001?

ISO 9000 is a set of quality management standards, recognized worldwide, developed and controlled by the International Organization for Standardization (ISO) in Geneva, Switzerland. The U.S. is a member of ISO, represented by the American National Standards Institute (ANSI). The documents that define the ISO 9000 standard, adopted by more than 100 countries, provide a quality management system philosophy and guidance, as well as specifications to which the quality system must adhere.

Quality in Action

The ISO program works both proactively and reactively to maintain quality. Throughout Trachte our manufacturing and business processes are controlled. When a problem is realized our "Corrective Action" process is used to prevent recurrence, correct, and improve these processes. Our "Internal Audit" process reveals opportunities for improvements and help us continue to improve our business and manufacturing processes. Raw materials are



Joe Borkowski
Quality Assurance Manager

inspected and must meet engineering specifications. Our suppliers are required to perform to our expectations. Our manufacturing process has required inspection and controls for our product.

If you've purchased from Trachte in the past, you know that we send out a survey to every customer and erector. Those surveys are another component of our quality assurance. When a customer reports a problem, "Corrective Action" is taken not only to address not only the symptom, but also the root cause of the issue. Customer complaints are taken seriously and communicated to managers throughout the organization.

In short, the next time a competing salesperson tells you they are selling a quality product, ask for proof! Ask, "Is your quality certified?" Rest assured that Trachte's is.

SITE in the Spotlight



SITE STATS

Site: Moove In Self-Storage

Owner: Moove In Partners, North George LP

Manager: Linda Reigert

Location: York, PA

Building Specs:

- **square feet:** 38,950 (phase 1)
- **rentable units:** 325
- **Color Scheme:** Classic Beige and Cedar Red doors/trim

For this issue's site in the spotlight, we are interviewing John Gilliland of Moove In Partners. Investment Real Estate Construction, headed by Rod Lockard, served as General Contractor. The buildings, including the office built of conventional materials, were erected by Brecknock Builders of Denver, PA.

How long have you been in the self-storage industry?

Since 1997.

What profession did you hold before entering self-storage?

I worked for a commercial real estate brokerage, dealing with all types of investment properties. Now all we broker is self-storage.

What sparked your interest in self-storage?

As a broker I listed and sold, within a week, two self-storage properties. When I looked at the numbers I thought "Wow, this is an incredible investment opportunity." So I bought land and built my first facility. In less than a year, I had quit working for someone else and started my own brokerage specializing in self-storage.

How did you choose Trachte as your building supplier?

I found Trachte back in 1997 while

researching the industry. We were looking to build a two story into a hill, and we felt Trachte had the best design for this type of building. Greg Harvey and Jamie Lindau have been excellent to work with. Aside from the great design, Trachte provided all the documents and drawings that we needed to get through the approval process at the township level. That's a huge benefit that Trachte offers.

What are the architectural features of your site?

Our offices are designed to go along with our cow theme. We actually designed our offices to look like a barn, carrying the agricultural theme inside by using the appropriate style lighting fixtures and finishes. The current buildings are all two story into a hill. We used a fieldstone facing on the exposed concrete walls, which really dressed it up. The roofs are all standing seam. We offer climate control in about 25-35% of our space. As we add to this and a new site, we'll utilize standard single story buildings.

What gives your site a competitive advantage?

I think we're the best run facility, with great customer service and great managers. Our manager Linda (she was our manager of the year in 2007)

knows her tenants, and the great service has earned us many referrals. When we first opened, she rented out 99 units in 100 days! Additionally, we have a great high traffic location close to many homes, which gives us an advantage over our competitors. The site has all the latest security features, including access control with keypad gates and a 20 camera surveillance system.

Who is your target market?

We're located on a main north-south corridor in the region with easy access to the freeway, so we are very popular with commercial renters, sales reps, etc. We attract local residents from about a three mile range. Our business is about 70% residential.

How do you market your facility?

Our biggest marketing technique is the building itself. Our land extends to the road, but there's a creek separating them. So we designed our buildings and landscaping to have highly visible doors from both directions. We also do yellow pages and Internet – over 20% of our business now comes through the Internet. We use a call service, Phonesmart, which allows us to offer 6 am to midnight call service. It's amazing how many leases we get at 10 pm on a Saturday night.