



Missouri Self Storage Monitor

Newsletter

January 2010

Greetings MSSOA Members! The purpose of this newsletter is to give you an update and report on the "state" of your State Trade Association.

AS WE BEGIN 2010

We have a lot to look back on and speculate about and hopefully, a lot to look forward to in the New Year. This first MSSOA Newsletter of the New Year will give you some ideas and insights on four particular areas. First, additional information on MSSOA, your state trade association, second, a quick overview of one of our most important topics at this time of year, a brief review of what is happening at the national level, particularly with SSA (Self Storage Association) and ISS (Inside Self Storage). Then some personal comments by our President, Past President and our Board Assistant, Janet, who I hope you will agree deserves a better title.

THE STATE OF YOUR STATE ASSOCIATION: GOOD NEWS, BAD NEWS, HOPE FOR A BRIGHT FUTURE!

2009 was both a good year for MSSOA and a bad year. As reported earlier, we had one of our best Annual Meetings ever at Lake of the Ozarks in August and no negative legislation was introduced earlier in the year in the State Legislature in Jefferson City. However, our new Executive Director announced her retirement at the Annual Meeting; frankly, this "took the wind out of our sails." Much of our forward progress was stymied with this loss. Member communication suffered, member services suffered and more work on the part of our new President and Board was demanded.

But the Good News is, we survived the "storm" and we are better for it! Membership is now increasing again, dues are coming in regularly, plans are being laid for 2010 and our association is again running smoothly. Thanks go particularly to Dale Jordan, our past President, his wife Jenny and to their daughter Janet, who has really stepped in to fill the void. This is particularly good news, because, believe it or not, this is one of our most vulnerable times of year. We must stay on guard. We must be prepared. Why, you ask? Read on.....

"NO MAN'S LIFE, LIBERTY, OR PROPERTY IS SAFE WHEN THE LEGISLATURE IS IN SESSION!"

According to Charlie Broomfield, a founding member of MSSOA, a past President, and a former member of the Missouri House of Representative, many legislators hung signs on their office walls carrying this message 'in the old days.' Broomfield served in the House from 1965 to 1972. He is also the "key" individual responsible for passage of the Missouri Self Storage law. Of course the message was meant for fun, but the fact is, no message could be truer.

By the time you receive this Newsletter, the 2010 session of the Missouri General Assembly will be well under way, having gone into session on January 6, 2010. As you may know, Legislators, both Representatives and Senators have been introducing BILLS (proposed legislation, or LAWS) since December 1, 2009. By now there may be as many as 1000 House Bills and 500 Senate Bills introduced and in the Hopper. These BILLS cover every single aspect of life and death and business. They quite possibly might carry legislation affecting YOUR SELF STORAGE BUSINESS, and more precisely, you're POCKET BOOK! This fact may be more pertinent in 2010 than in many past years because, just like the national government, and many Americans, the State of Missouri is "broke" and desperately needs more tax revenue. Governor Jay Nixon has already announced drastic cuts in most state services, and more cuts will be needed.

Under these circumstances, it is likely that numerous Bills will be introduced to increase taxes. Such tax increases could be placed on individuals, businesses and corporations. A tax that is most feared by many self storage owners is a "sales" tax on the self storage business. Such a tax passed one House in the Illinois legislature last year and several other states have a sales tax on self storage. Of course this is not the only tax proposal that might be introduced and it is not the only self storage issue that could come up. You might remember that two years ago the County Assessors Association had a Bill introduced that would have required storage owners to provide Assessors with list of names and addresses of owners of boats, RVs and other personal vehicles stored at their facilities. Had the Bill become law, storage owners who did not abide by the law, would have been subject to fine, and paying the tax on the vehicles.

Fortunately, your trade association, MSSOA, learned of the issue early and after some major battles in the Legislature, and with the Assessors, we were able to defeat the legislation.

While MSSOA deals with many other issues in your behalf, and provides other services to Missouri self storage owners, the provision of LEGISLATIVE OVERSIGHT and LOBBYING on behalf of the self storage industry is probably the single most valuable offering of MSSOA. However, this service cannot be provided by the Officers and Board members alone. Every member of MSSOA needs to be knowledgeable of, and involved in the Lobbying aspects of MSSOA.

HERE IS WHAT YOU NEED TO DO!

- (1) Be sure you know your State Representative and Senator.
- (2) Make an effort to contact them in the next few weeks to let them know "you are around" and that you are in the storage business.
- (3) Ask them, to be sure to let you know if any self storage issues are introduced in the legislature. You want to know, and you want to have an opportunity to offer input, should such legislation (Bills) be introduced.
- (4) Should you hear of any such legislation being discussed, or introduced, be sure to contact the MSSOA office immediately. It is important to respond promptly.
- (5) Finally, be prepared to act if contacted by MSSOA that self storage legislation is pending. Again, we hope no such legislation is introduced, but don't forget the adage above.

STATE OF THE SELF STORAGE INDUSTRY NATIONALLY

While the self storage industry is not immune from the devastating economic environment we find ourselves in, numerous national reports indicate that self storage is "holding its own," and is not "hurting" nearly as much as many other industries, particularly the commercial real estate market. The greatest fear and expectation is that many storage facilities that were built in the last couple of years on "mostly" credit, will not survive the re-financing effort, because of vastly lower values, and will be forced to liquidate. If this happens, the market will be flooded with a glut of "For Sale" facilities which will drive down the market for the rest of us. On the other hand, it may also offer some great opportunities to buy.

Already, some of us are seeing increased demand from lenders for more information, more paperwork and more proof of liquidity. This along with the fact that "our state, and many other states, and our nation are in deep financial trouble, can only re-establish the fact that it will take a long time to come out of the financial mess we are in.

If you don't believe this, consider the report from PricewaterhouseCoopers that was recently offered in the national Self Storage Association's *Monday Morning Memo*. The article stated: "Commercial real estate in the United States has a 'long and bumpy' road ahead with stability more than a year away for nearly every property type." The firm's fourth quarter Korpacz Real Estate Investor Survey show that real estate investors don't expect a recovery in the commercial sector until late 2011 or 2012. What's more, difficulties refinancing under tight credit conditions as billions in commercial mortgages comes due in 2010 could further delay a commercial real estate upturn and easily sidetrack the U.S. economy's delicate recovery."

WHAT'S IN / AND NOT IN YOUR RENTAL AGREEMENT COULD HURT YOU DEARLY!!!!!!

If you are a serious self storage owner, you better be serious about what is in your Rental Agreement, and what is not in it! You will probably never attend a meeting of storage owners that the subject of RENTAL AGREEMENTS is not mentioned by someone, most often lawyers. They warn us constantly, and rightly so, that our Rental Agreement must follow state laws on storage rental. We have been warned many times that our most serious vulnerability lies in bad or poorly written Rental Agreements.

A recent event raises the point very precisely. A large storage owner was, and perhaps still may be using a Rental Agreement that does not specifically mention, or correspond with the Missouri Self Storage law, as it relates to insurance, at least in the opinion of one MSSOA member.

The Missouri Self Storage law states emphatically, that, "The lessee shall be informed in writing that the lessor either does or does not have casualty insurance on the lessee's property." (RSMO 415.410, Sub-section 4.)

Insurance language in the large storage owners Rental Agreement simply states that: "Tenant, at Tenant's expense, shall maintain a policy of fire, extended coverage endorsement, burglary, vandalism and malicious mischief insurance for actual cash value of stored property. Insurance on Tenant's property is a material condition of this agreement and is to the benefit of both the Tenant and Lessor." No mention is made whatsoever, on whether or not "Lessor either does or does not have casualty insurance on the lessee's property."

The question is; does the language in the large storage owner's Rental Agreement meet the mandates in Missouri law? We will examine this issue and question further with legal counsel, and in a future MSSOA Newsletter we will give you the answer.

In the meantime, please consider this advice; there is no better time than today, at the beginning of a New Year to have your lawyer review your Rental Agreement to be sure that it follows Missouri law. Or better still; sign up to use the MSSOA Model Rental Agreement. We know that it follows Missouri law.

Charlie Broomfield, Past President MSSOA

GREETINGS FROM YOUR PRESIDENT

It is with enthusiasm and great expectations that I wish each of you and your loved ones a Happy New Year as we begin the new decade of 2010. How quickly decades pass – seems we just

celebrated the big 2000. As we remember our goals for the new decade 10 years ago we are humbled by all that has occurred and perhaps some things that

didn't happen for us that we wish would have.

Wishing doesn't help much. Perhaps we should have worked even harder on the challenging

aspects of what lay ahead at the time, whether it be personal or professional. One thing for sure we are wiser for our experiences. This has certainly been true for your Missouri Self Storage Association. When our MSSOA Executive Director retired last year our board members immediately stepped up and assumed responsibilities and took on various tasks that some didn't know they possessed the talent for. I can't thank them enough for their efforts and subsequent successes. With all this help we are moving forward and have no intention of resting on our laurels. Your board is hard at work!

Personally, I believe we are on the threshold of stepping up to the next level of association proficiency that will enhance MSSOA's continuing contribution to each of our bottom lines while at the same time making our lives easier. Very simply we need more membership which will allow us to do even more for all our members,

but first we need new enhancements to our basic systems and operating practices. We will develop an improved system for maintaining and managing members' information so we can bill accurately, collect dues in a timely fashion, and follow up with member requests. With an accurate database we will be more effective in developing services that target member needs - i.e. our newsletters, our annual meeting and other educational and business development ideas. Proper infrastructure will allow us to improve our financial stability by increasing our income, giving us the ability to accurately prepare annual budgets and regularly publish financial reports. In addition, the proper infrastructure will enable us to establish and more consistently apply policies regarding vendors, members, past due amounts and adherence to association by-laws.

Your Vice President, Jim Whitesides, has volunteered to

review our administrative practices and procedures. His investigative work has already suggested we add some new enhancements as soon as possible.

The first step Jim suggests is to adopt a membership database that will give us a single, accurate system that tracks member information, manages billing and collections, takes payments, sends invoices and receipts, tracks financial results, includes event planning, product sales and new/prospective member information.

As we move forward with our endeavors in 2010 I ask for your support, suggestions and assistance if called upon. Thank you and have a great year!

Charles A. Hunt, MSSOA
President

STAND OUT FROM THE CROWD

Submitted from Past President Dale Jordan

I have a few ideas that might be just what you need to stand out from your competitors. These are things that I have learned over the years. They have worked well for me and my operations and maybe they will work for you too.

First of all; when any of our employees answer the phone they must have a **SMILE on their face**. This is very important. A bad day can be detected over the phone. The caller (potential tenant) probably already feels bad enough about needing to rent a storage space. They come to us because of divorce, split up, foreclosure, kicked out of apartment etc. Show concern for their situation and make them feel like their belongings are as important to you as they are to them. (Actually they are!) They will remember you for making them feel just a little better about their situation.

Do you realize that **over 60% of our tenants are women**? We keep our facility clean and neat at all times. We make sure all doors are in good working order and easy to operate. Bright lighting at night is a must. The female tenant will feel much safer if the lighting is good. We want all our tenants to feel safe when they are at our facility.

Other things that have worked well for us include;

Curb Appeal – flower beds - well maintained lawns – remove or kill unwanted grass or weeds

Painted Curbs – bright yellow curbs draw attention to your office

Display Boxes - Lets the potential tenant know “we sell boxes”

Video Surveillance Cameras – lets the good tenant know your care about their belongings and makes the bad tenant move on and rent somewhere else

Marquee sign - with quotes and sayings like ‘Elvis has left the building –space available’ or Hey Joe, you wife called and said ‘store it here’ - we change it 2-3 times per week - we want to grab their attention every time they drive by our facility

Advertisement to locals – we furnish local businesses with ink pens labeled with our name, address and phone number

Freebies to new tenants – pens, flash light key chains, magnetic rent reminder

Thank You Notes - we always send a thank you note to each new tenant – makes them feel like we care and lets us know right away if we have a bad address. We also send a move out thank you note with the return deposit and a coupon for a future rental for them or a friend. It simply lets them know that we will be here if they should need a storage space again.

This is a very important one; we listen to our tenants; whether it's a compliment or complaint, we want to know what they think. How can we fix a problem if we don't know it exists? If someone has a complaint; we listen to them and then look at it like an opportunity to improve our overall operation.

We attend our **MSSOA Expo and Trade Show** every year, this is definitely money well spent. We are always looking for more good ideas. We always pick up something we can use at our facility.

We never fail to attend the **Inside Self Storage Expo and Trade Show** in Las Vegas. They have nationally known speakers on all things pertaining to self storage.

We also search the **Self Storage Talk website**. It is a great place to network with other owners, operators, managers etc. It is a place where you can ask a question and someone will have an answer or suggestion to help you out. A lot of very useful information, we check it several times a week for things we might be able to use at our facility or in our operations.

Last of all **Upgrade – Never hesitate to upgrade, if you don't your competitor will and you will be left wondering what happened.**

This is a list of some things which have worked for us at Dale's Westside Storage LLC.

I hope you can use some or all of these ideas to help you **STAND OUT FROM THE CROWD!**

www.MSSOA.org

www.insideselfstorage.com

www.selfstoragetalk.com

Happy New Year and Happy Renting

Dale Jordan, Past President MSSOA

NOTE FROM YOUR MSSOA BOARD ASSISTANT

Thank you to all who have been so helpful as I explore the dreaded MSSOA computer. As far as I can figure this computer is approximately 8 years old and has been operated by at least 5-6 different people. Each had their own way of entering information.

I have come a long way since taking over in September but have still got a long way to go. I will continue to contact folks by mail, phone and email. I am trying to get an accurate tally of who is and is not a current member in good standing. The membership dues schedule is set up for spring and fall billings. I sent out several bills in September 09 and will send out the rest on March 1st 2010.

I am also accepting orders for the Model Rental Agreement. In the opening article by Charlie Broomfield he mentioned the importance of using a rental agreement which goes along with the state laws.

When you use the Missouri Model Rental Agreement you can be sure that you are operating under Missouri Law.

The MRA is sold in lots of 50, 100, 150, 200 and 250. The cost per lease is 53 cents each, plus the shipping and handling charge of \$9.00 per order. (Up to 250 leases)

Use the enclosed updated MRA form. We try to get them mailed within 2-3 working days of receipt of the order and payment.

At this time any member in good standing (current on dues) can order and use the MRA. Previously there was a one time fee of \$295.00, that fee has been waived for now. If you have ever thought of using the Missouri Model Rental Agreement; now is the time to do it. I have enclosed a new updated form. This one contains all the current information including the new MSSOA address. Please dispose of any previous forms you have on hand.

Thank you again to those who have been so helpful. Thank you in advance to those who I will be contacting in the coming weeks.

Janet, MSSOA Board Assistant

Your MSSOA Board of Directors
are hard at work planning the

2010 Annual Meeting and Trade Show.

Be watching the MSSOA web site (mssoa.org),
your mail box, and you email for information on
dates, times and schedule of events.

Plan now to attend!