



(<https://www.chateauproducts.com/>)  
**Click Logo for More Info**

You are here : [Blog](https://www.selfstorage.org/Blog) (https://www.selfstorage.org/Blog)

Monday, April 24, 2023

## SSA Blog

*©2023 by the Self Storage Association (SSA). SSA and SSA Magazine are trademarks of the Self Storage Association, Inc. Opinions expressed by authors and other contributors do not necessarily reflect those of the SSA, publisher or editors, nor do they represent the policy or positions of the SSA. Information contained within articles should not be construed as the primary basis for legal or investment decisions.*

Search

**13** [Commercial vs Residential: How Self Storage Influences Property Values](https://www.selfstorage.org/Blog/Author/968)  
Laura Williams-Tracy (https://www.selfstorage.org/Blog/Author/968) posted on 7/13/2021 12:33:00 PM



(/Portals/0/xBlog/Uploads/2021/7/15/4StorageNewYork.jpg)

## The gloves come off when developers and neighbors go to war over the next self storage development.

Developers see a business opportunity. Neighbors often sound a common alarm that self storage near their homes will diminish property values.

Is that ever true?

When neighbors line up behind the microphone at community hearings to express that concern, what's the best way to respond?

None of the national commercial real estate firms have conducted extensive research on the topic, though they say the data likely exists to do so.

So while self storage hasn't specifically been studied, numerous industries and uses have been looked at to determine their impact on nearby property values. In general, researchers and real estate agents concur that retail development near residential properties is a convenience and — on the whole — a benefit to property values. Even other less convenient commercial developments don't hurt property values.

Consider these results:

- A 2019 study by Wichita State University found windfarms show no significant impact on property values.
- A 2019 study by the National Bureau for Economic Research found that substance-abuse treatment facilities do not negatively affect property values nearby.
- Even the vast majority of studies have found that affordable housing does not depress neighboring property values and may even raise them, according to the Center for Housing Policy.

Only high-volume landfills decrease adjoining residential property values by 12.9%, according to a study from Pennsylvania State University. Low-volume landfills nearby have no impact at all.

Certainly, some commercial developments boost residential property values. Craft breweries do, says the University of Toledo. A supermarket within a specified proximity to a neighborhood increases property values, according to Yale University's School of Management.

What raises or lowers residential property values is multi-factorial. Real estate is not a commodity, and what a property is worth depends on what someone will pay for it.

Realtor.com has compiled a list of the things its data shows reduce value, and self storage is not among them. Realtor.com compared home prices and appreciation rates in US ZIP codes in the 100 largest metro areas where something like a power plant is present. For each potentially-detrimental business, they calculated the location discount by comparing median home prices of ZIP codes with such a business to the rest of the county.

Among the worst offenders, perceived bad schools reduce home values 22.2%. Next is strip clubs at 14.7%. Homeless shelters and cemeteries reduce home values by just over 12%. Other less-than-desirable neighbors include funeral homes, power plants, shooting ranges and even hospitals, with their all-night ambulance sirens.

Kern Slucter, an appraiser with Gannon Group in Lansing, Michigan, has attended hundreds of public meetings over the years as an appraiser. He recently completed an impact study on a proposed solar panel array, finding that the impact was almost too small to be measurable.

"What I see is fear," Slucter said. "Fear causes people to say somethings that they have absolutely no proof of, but it sounds reasonable to them. If you are going to put a solar array next to my house, it's going to drive down property values. I know it. It must."



Slucter said he has seen many fights over developments and property values, but he said he has never seen a study presented that proved property values would fall.

"I can show you a self storage property that would hurt anyone's property value, and I can show you one that would help everyone's property value," Slucter said.

Cory Sylvester, principal of Union Realtime — whose Radius software collects massive amounts of self storage development and pricing data — said the only way storage likely hurts nearby property values is if a developer is able to rezone land from residential use to commercial use for a storage development. Achieving that feat would likely mean the area was transitioning already.

"No one wants self storage next to their home, but at the same time, no one wants anything built on commercial property next to their house," Sylvester said. "On a relative basis, there's a lot of other things with a more damaging impact on home values than storage."



Daryl Leise, owner of Extra Space Storage in the Elkhorn neighborhood of Omaha, Nebraska, fought such property value claims by neighbors all the way to the state Supreme Court. In 2017, the state court upheld the Omaha City Council's 2015 decision to approve a conditional use permit for Leise to build a three-story self storage facility near two Elkhorn neighborhoods.

"It's not a personal attack on you as much as it is they don't like the decision they made to buy a house next to an open commercial lot that they don't know what is going to happen to it," Leise said. "You have to take that into consideration."

The Elkhorn development was Leise's first foray into self storage development, though the experience didn't scare him away. He's working on his seventh facility now.

The Elkhorn development that sparked the state Supreme Court case is now 97% leased with more than 200 glowing reviews on the website. Leise said some of the people who signed a petition against his project are now tenants.

He argues that many other commercial uses would have brought much more traffic, lights and noise to the community.

"A storage facility that has one of lowest traffic counts of any commercial use," Leise said. "You have to couple that with the quiet, and not much activity and a management company onsite with accountability."

As far as property values, Leise it hasn't been a factor in Elkhorn now that his Extra Space Storage is open.

"In some cases, I would say we actually improved the look of the neighborhood because we have beautiful landscaping and trees. It's not an open field with trash and old signs and weeds and overgrowth, which is what we used to drive by."

The building looks like an office building. Leise said the facility provides neighbors with the ability to clean up their garages and basements and improve the look of their own properties.

Slucter said the best way to overcome the reflexive property value argument is to anticipate questions and be prepared with a quality presentation at public meetings. Storage developers should meet with neighbors before any public presentations and learn from their questions. Then, at the public meeting, answer the focus group's original questions during the presentation and be ready to answer any other questions.



“Do your research and find out where similar projects have worked and haven’t worked,” Slucter said. “Know what is going on before you go in and then command the room. Preparation is so critical.”

Leise said he is glad he didn’t back down. His facility was half-built before the Nebraska Supreme Court ruled in his favor.

“If you have got a good site and cause, fight it,” Leise said.

Categories: | Tags: | View Count: (7388) | Return (<https://www.selfstorage.org/Blog>)

Like 21

Tweet

Share

13

## Related

- How to Market Your Self Storage Facility to Millennials (<https://www.selfstorage.org/Blog/ArticleID/157/How-to-Market-Your-Self-Storage-Facility-to-Millennials>) 7/17/2018
- How to Optimize the Value of Social Media in Your Self Storage Marketing Plan (<https://www.selfstorage.org/Blog/ArticleID/35/How-to-Optimize-the-Value-of-Social-Media-in-Your-Self-Storage-Marketing-Plan>) 4/25/2017
- How to Create a Lead Generating Website (<https://www.selfstorage.org/Blog/ArticleID/197/How-to-Create-a-Lead-Generating-Website>) 10/23/2019
- You Might Need A Self-Storage Feasibility Study If --- (<https://www.selfstorage.org/Blog/ArticleID/183/You-Might-Need-A-Self-Storage-Feasibility-Study-If>) 6/28/2019
- How Can I Reduce My Income Tax Liability To Acquire 33 Percent More Real Estate? (<https://www.selfstorage.org/Blog/ArticleID/198/How-Can-I-Reduce-My-Income-Tax-Liability-To-Acquire-33-Percent-More-Real-Estate>) 10/28/2019
- House Passes Class Action Reform Bill (<https://www.selfstorage.org/Blog/ArticleID/38/House-Passes-Class-Action-Reform-Bill>) 4/27/2017

## About the Author



I am a regular contributor to The Charlotte Business Journal, covering a wide variety of industry news for the weekly publication. The Business Journal was my first client when I began freelancing 10 years ago, and I continue to write for the Journal's weekly reports and special publications.

I contribute to the *SSA Magazine*, a trade association magazine, and *Profile* magazine. Over my career I have written for *Business North Carolina* magazine; *North Carolina* magazine (a publication of the North Carolina Chamber); *USAirways* magazine and other publications produced by Pace Communications; *Health Living* magazine; and *The Philanthropy Journal*.

For corporate and nonprofit clients I provide copy-writing services for marketing materials, video scripts and press releases and deliver media relations services. I also manage ongoing communications through organizational newsletters.

704-442-7155

laura@lwtcommunications.bz

You need to login in order to comment (<https://www.selfstorage.org/Login?returnurl=%2fBlog%2fArticleID%2f349%2fCommercial-vs-Residential-How-Self-Storage-Influences-Property-Values>)



**MAKORABCO**  
THE EDGE YOU NEED  
so you can rest easy

From Concept to Completion  
MakoRabco  
is your single source for

**SELF STORAGE  
DESIGN  
AND  
CONSTRUCTION**

Learn More

The advertisement banner has a dark blue background. At the top, the MakoRabco logo and tagline are displayed. Below this is a photograph of a person fishing at sunset. The bottom half of the banner contains text describing the company's services and a "Learn More" button. The bottom edge of the banner features a decorative pattern of blue and white wavy shapes.

**USC**  
UNIVERSAL STORAGE CONTAINERS  
The Leader in Portable Commercial Solutions  
Since 1976, USC has been the industry leader for  
International Award Winner for  
Best Portable Storage Container

Ready to Rent in 15 Minutes

**INSTANT SELF STORAGE**

Watch  
Our Video  
Click Here

The advertisement banner for USC features a photograph of several white self-storage units. The USC logo is prominently displayed in the top left corner. Text on the left side describes the company's history and awards. The central text highlights the quick rental process. A red circular button with a white border is located on the right side, containing the text "Watch Our Video" and "Click Here". The bottom of the banner features the phrase "INSTANT SELF STORAGE" in large, bold, red letters.

## About SSA

The **Self Storage Association** (SSA) is a not-for-profit tax-exempt organization formed in 1975 under Section 501-c-6 of the Internal Revenue Code. For over 40 years, the Association has served as the official trade organization and voice of the U.S. and international self storage industry.



Follow us on **Facebook** (<https://www.facebook.com/pages/Self-Storage-Association/89005666926>)



Join us on **LinkedIn** (<https://www.linkedin.com/company/self-storage-association-ssa---usa>)



Follow us on **Twitter** (<https://twitter.com/selfstorageassn>)



See us on **YouTube**

(<https://www.youtube.com/channel/UCSkTZUCyawpnlVIQSagjYTQ>)

[ABOUT SSA \(/About-SSA\)](#)

[MEMBERSHIP \(/Membership\)](#)

[EVENTS & EDUCATION \(/Events-Education\)](#)

[PRODUCTS & SERVICES \(/Products-Services\)](#)

[NEWS & ADVOCACY \(/News-Advocacy\)](#)

[ADVERTISING & SPONSORSHIPS \(/Advertising-Sponsorships\)](#)

[LIBRARY \(/Products-Services/Public-Library\)](#)

[MAGAZINE \(/LinkClick.aspx?link=http%3a%2f%2fwww.ssaglobe.org%2f&tabid=55&portalid=0&mid=434\)](#)

## Contact Us

### Self Storage Association Headquarters

**1001 North Fairfax Street, Suite 505**

**Alexandria, VA 22314**

**Tel:** (703) 575-8000

**Toll Free:** (888) 735-3784

[info@selfstorage.org](mailto:info@selfstorage.org)

Office hours: 8:30a - 5:00p EST, Mon-Fri