



## Success. Earned daily.

David “Mac” McWhorter, executive director of the Institute for Real Estate Operating Companies (iREOC), recently spoke with Drew Hoeven, chairman of the board and CIO of Westport Properties. An excerpt of their conversation follows.

**Tell us a little bit about Westport Properties. When and why was it founded?**

Westport Properties was founded in 1985 by Barry Hoeven, initially focusing on self-storage development in Southern California. Today, the company is a fully integrated operator that develops, acquires and manages its own portfolio under the US Storage Centers brand. The company currently has over

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*We are in the business of creating value for our investors and property management partners by tailoring our approach to the individual asset. Whether the focus is cash flow or asset preservation, our approach is grounded in three critical elements: Creating strong partner relationships; combining data-driven methodologies with experience; and managing to both revenue and profitability.*

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\$3.2 billion of AUM and over 600 employees nationwide. During the past five years, the company has also expanded into multifamily and industrial warehouse development. In addition, WPI is a founding partner of the 501(c)3 Kure It nonprofit, an organization that raises money for underfunded cancer research, and Charity Storage, a 501(c)3 that uses vacant storage units to raise money for local charities.

### CONTRIBUTOR



Drew Hoeven is the chairman of the board and CIO of Westport Properties.

### What is your national footprint today?

Today, Westport operates properties mostly throughout the sunbelt states and up and down both coasts. We own and operate more than 230 properties in 20 states with more than 15 million square feet. We are continuing to grow our self-storage platform nationally — during the past year we have expanded to the city of Chicago as well as the Carolinas — and are growing our industrial platform in attractive cities west of the Rockies. We are also expanding our multifamily platform into growth markets nationwide.

### How do you determine where and when to expand?

We use a data-driven methodology overlaid with decades of experience. We have an enterprise-class business intelligence and analytics platform that allows us to unify all of our data sources, enabling us to see the entire story as it's happening in real time. As a result, our strategies and decisions are based on the most relevant, up-to-date and accurate information — combined with the wisdom that comes from years of experience. This unified approach has often helped us find hidden gems and opportunities that others might miss.

### Where does Westport fall on the development continuum? Do you develop and hold or are you closer to the build-and-sell end of the spectrum?

We are typically long-term holders of self-storage and multifamily assets. In fact, we still own nearly all of the properties we've developed over the years, although we have built and sold self-storage facilities and multifamily communities with various

capital partners on occasion. To date, our industrial strategy has been build to sell, though that might change as the platform matures.

## **Tell me a little about your residential and industrial lines. Why did you decide to enter those sectors?**

About five years ago, we wanted to diversify our portfolio into other solid asset classes, so we began looking at sectors with similar characteristics to self-storage — steady demand in good and bad times, predictable cash flow, short-term leases, reliable returns, and so forth. Using the research capabilities that I mentioned earlier, we found overlapping characteristics in the warehouse and multifamily sectors. While our self-storage platform is our bread and butter, multifamily and industrial were the logical choices for expansion from a risk/reward outlook. In the past five years, our research has proven to be accurate. Warehouse and multifamily have outperformed all other sectors, and we've been able to benefit from that performance.

## **What makes self storage, warehouse and multifamily so attractive?**

These are businesses that fare well in all economic climates, which is especially attractive to investors in the type of unsettled economic environment that we are now experiencing. They are not bulletproof, but they are more resilient than most. Self-storage, for example, thrives off life events such as buying or selling a home, household formation, cycle of life events and even once-a-generation events, such as the recent pandemic, which has changed the work environment and caused many people to find storage so they could create their home office. We prefer a robust economic environment, but storage does well in downtimes, too.

## **How do you manage the properties in your portfolio?**

Westport is one of only a few private operators with the vertical integration required to handle every aspect of the investment strategy, acquisitions, development and property management across storage, multifamily and industrial real estate. Efficiencies of scale allow us to provide higher-level service at a competitive cost than other less-sophisticated managers are often able to do, which benefits our customers, partners and investors.

## **Where do you see the company going in five years?**

Our goal is to continue to be the gold standard in the product types we do business in. The company is most likely to remain private, but we will continue to grow at a pace that the market allows, such that we will likely continue to be one of the largest private self-storage operators in the country. We plan on growing our multifamily and industrial footprints in the same manner we've grown the storage portfolio. We have great capital partners that we have been very successful with and, although we do want to grow, we are in no hurry to do bad deals. Our performance over our 40-year history has shown that this methodical approach works, and we see no reason to change it.



## **A culture of giving.**

Improving the lives of others is at the heart of who we are. As such, we have founded two charitable nonprofits. Since 2007, Kure It has raised more than \$15 million to help fund the best cutting-edge cancer research programs focused on rare cancers. One novel way that Westport helps in raising money for Kure It is through our Round Up for Research program, which gives our customers a chance to get involved by rounding up their rent by only \$.50. Westport will match their donation 100 percent. In fact, Westport will match just about any donation 100 percent, be it through Round Up for Research or a one-time gift.

Our Charity Storage nonprofit uses empty storage units provided by their owners to house donated and abandoned items that are auctioned for the benefit of charities nationwide. Charity Storage has raised \$850,000 since its founding.



## **OVERVIEW**

Founded in 1985, Westport Properties (WPI) is an owner-operator of self-storage, multifamily and industrial properties across the United States. The company is a fully integrated operator that develops, acquires and manages its portfolio, as well as providing third-party management services. As of October 2023, WPI has approximately 15.0 million square feet of self-storage space under management, and its total assets under management is approaching \$3.2 billion with its US Storage Centers brand as well as over 650 multifamily units, while employing over 600 people nationwide. WPI is a founding partner of the 501(c)3 Kure It, a nonprofit organization that raises money for underfunded cancer research, and Charity Storage, a 501(c)3 that uses vacant storage units to raise money for local charities. To date, Kure It has raised over \$15 million and Charity Storage has raised over \$850,000.

## **CONTACT**

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