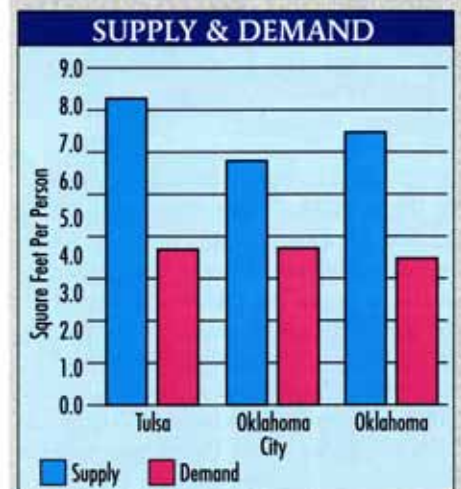


Over-Supply in Oklahoma

by R. Christian Sonne, MAI

Self-storage market conditions appear to be stable, but over-supplied in the state of Oklahoma and two selected metropolitan statistical areas (MSA). For example, the existing supply of self-storage in the state is 7.59 square feet per person, or significantly above the national average of 4.54 square feet per person. Self Storage Economics has completed demand studies by major markets as published in the *2004 Self Storage Almanac*. In peer group analyses of the U.S. by state, the *Almanac* reports that existing supply is higher than the national average in two MSAs: Oklahoma City and Tulsa. Moreover, vacancy factors in Oklahoma City and Tulsa are 16 percent and 18 percent, respectively. These quantitative factors are corroborated by qualitative characteristics of the markets: specials on rentals, and, the exit from Oklahoma of national REIT players Storage USA and Shurgard. It is important note these snapshots of the state and city are broad indications of the market only. Local market analysis by neighborhood or trade area is always best in making investment decisions about the self storage asset class. ■



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