

OVER-SUPPLY IN CENTRAL CALIFORNIA

By R. Christian Sonne, MAI

Self-storage market conditions appear to be declining due to over-supply in Central California. For example, the existing supply of self-storage in the state of California is 3.94 or below the nation 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 the Sacramento MSA. Specifically, the market is over-supplied with more product in the development pipeline. These quantitative factors are corroborated by qualitative characteristics of the markets: specials on rentals and rising vacancy. 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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