



# ARKANSAS

## A LOOK AT THE NUMBERS

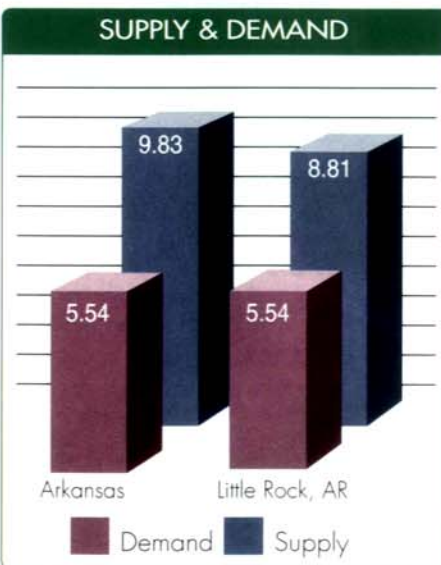
### Is There Too Much Of A Good Thing In Arkansas?

By R. Christian Sonne

With nearly 28,000,000 square feet of self-storage, the state of Arkansas has over 75 percent more self-storage square feet per person than the national average. It appears this may be too much of a good thing. The Little Rock, Arkansas Metropolitan Statistical Area (MSA) is considered over-supplied as seen in the market summary chart on page 59.

The supply and demand data in the chart below represents of the state and one key MSA. This data is based on peer group analysis and is published for all 50 states and top 100 MSAs in the country in the *2006 Self-Storage Almanac*. Clearly, the market is over-supplied. The return to equilibrium is a function of population and economic growth, balanced to growth in the self storage asset class.

Arkansas has a large retirement population, which may induce higher demand for self-storage. Based on the MSA demographics, demand is suggested near the national average. These macro views can assist, but self-storage is primarily a local or neighborhood business (micro views). Survey research and ZIP code studies consistently demonstrate that in a typical self-storage facility, 66 percent of demand is generated within a three-mile radius of the subject property. Therefore, determining winners and losers in self storage is not by state or MSA, but by trade area and neighborhood. Nevertheless, the Arkansas data suggests a cautious approach to new development is best.



Source: Cushman & Wakefield Self Storage Industry Group

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