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A LOOK AT THE NUMBERS

Under-Supply in Iowa

By R. Christian Sonne

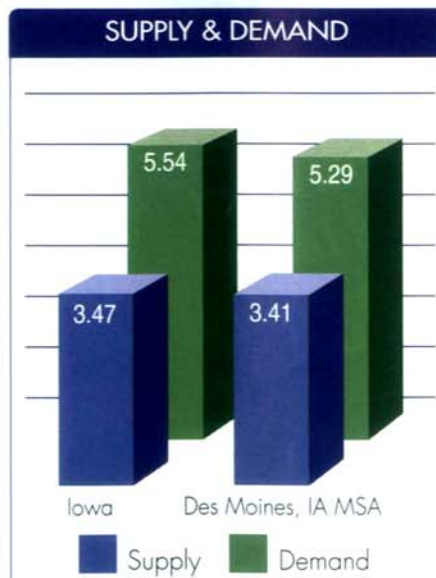
Iowa may be the land of opportunity for self-storage development. Compared to a national average of 5.54 square feet of self-storage per person, the state has 3.47 square feet of self-storage per person suggesting a general market condition of under-supply. However, these macro views are only of limited usefulness for the unique self-storage asset class—best used as a benchmark.

The Supply & Demand figure demonstrates the conditions of supply and

demand of the state and one key MSA (metropolitan statistical area). The 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 under-supplied with self-storage product suggesting rising rents and relatively high occupancy. For example, in the Des Moines MSA, the data indicate demand for 5.29 square feet per person compared to existing supply of 3.41 square feet per person. However, it is important to note, this analysis does not consider new projects in the pipeline or under construction.

This brief analysis of Iowa market conditions demonstrate that a supply based analysis is insufficient to understanding the self-storage asset class. The demand characteristics and depth of demand must be quantified on a neighborhood specific (or trade area) basis. These analyses by state and MSA are tools of analysis and should be considered only as benchmarks. In general, these analyses indicate the further study of local market conditions is warranted in Iowa, perhaps a land of opportunity for self-storage.

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Source: Cushman & Wakefield - Self Storage Industry Group