



SOUTH FLORIDA

A LOOK AT THE NUMBERS

The Big State Of Florida

By R. Christian Sonne

Florida is an immense state with nine CBSAs (core base statistical areas), analyzed in the 2007 Self-Storage Almanac. Consequently, market conditions vary significantly in various parts of the state. This is typical of the self-storage asset class, and unique to real estate that market conditions vary significantly within the CBSA. Consequently, a local trade area analysis is best when analyzing market conditions for self-storage properties.

Based on econometric modeling completed by the Self Storage Industry

Group of Cushman & Wakefield, analysis indicates the state of Florida is generally at equilibrium for self-storage product; however, the Miami-Fort Lauderdale-Miami Beach CBSA is undersupplied compared to the top 100 CBSAs in the U.S.

Demographers indicate the U.S. population will increase by at least 100 million people over the next 35 years. Based on historical usage, this suggests over 600,000 million square feet of demand for additional self-storage project. This pace equates to about one new self-storage facility being completed in the U.S. every day for the next 35 years.

Historically, the pace of new development has been over two facilities per day over the last 50 years. This underscores that historical or supply side analysis is insufficient for the self-storage asset class. For Florida, big self-storage decisions warrant local demand analysis.



Source: Cushman & Wakefield's Self Storage Industry Group

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