

ORLANDO A LOOK AT THE NUMBERS

Benchmarks In Orlando

By R. Christian Sonne, MAI

Florida has a vibrant and important political climate. It is also a benchmark state to measure market sentiment regarding the self-storage asset class; market conditions are generally stable with some positive signs for the future.

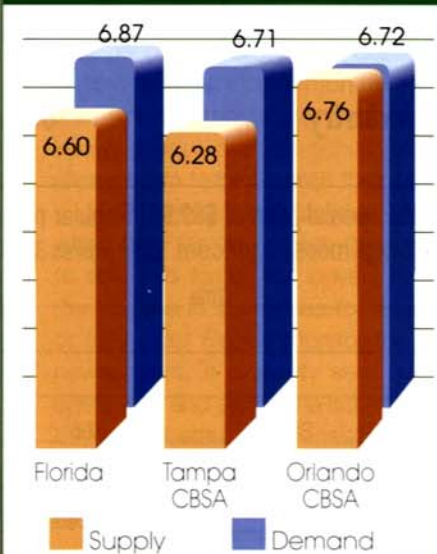
According to data in the 2008 *Self-Storage Almanac*, Florida is slightly below the national average in terms of total supply. The Orlando CBSA is at equilibrium with pressure of over-supply in the near term. Conversely,

the Tampa CBSA is at equilibrium with some indication of under-supply. However, these analyses are only a benchmark of current conditions and do not consider new construction.

Florida is also a dynamic market, particularly relating to new construction. In Orlando, for example, over 300,000 square feet of new supply was reportedly added to the market. Another 350,000 square feet of additional supply is in the planning stages. Consequently, the benchmarks are dynamic but indicate that capital and equity are in self-storage units. This is a good indication for the national markets regarding investor and market sentiments. Self-storage has a long history of low loan loss levels and among the highest returns of the major asset classes. Despite the turmoil among economic and financial markets, these benchmarks indicate positive news.

While market conditions in Orlando may indicate equilibrium, the CBSA is comprised of trade areas that are at equilibrium, over-supplied or under-supplied. While these benchmarks are cautiously optimistic, it should be bolstered by local, trade area market analysis. ■

FLORIDA SUPPLY & DEMAND



Source: Cushman & Wakefield's Self Storage Industry Group

R. Christian Sonne is Managing Director of Cushman & Wakefield's Self Storage Industry Group, a nationwide team of appraisal, research and analysis professionals specializing in the self-storage asset class.