



## SAN DIEGO A LOOK AT THE NUMBERS

### Sunshine in San Diego


By R. Christian Sonne, MAI

A sunny climate for self-storage is indicated in the San Diego-Carlsbad-San Marcos CBSA. Conditions are at equilibrium to under-supplied based on supply and demand data derived from the *2008 Self Storage Almanac*. However, the data does not account for projects in the pipeline: proposed or under construction. Considering the uncertain macro-economic condi-

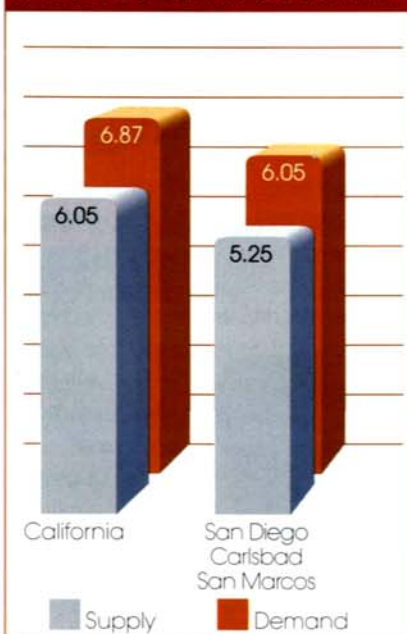
tions nationwide, a cautious forecast is best.

Self-storage has been performing well in Southern California, but with total rentable area under the national average. Due to rising land pricing and the cost of construction, new self-storage development has slowed also. Furthermore, supply has some constraints due to restrictive zoning and the difficulty associated with gaining development entitlements for self-storage in California. Some municipalities perceive self-storage as providing a low job and tax base, and encourage mixed uses or re-development.

The demand forecast uses a mathematical regression of demand variables to existing supply in order to forecast stabilized demand in a CBSA or trade area. In general, trade area forecasting is more accurate because of data consistency (wider range in CBSA data).

Self-storage performance in San Diego has been like a long, excellent wave at San Onofre State Beach on a sunny day. The key to these good conditions is continued, prudent decisions by the investment and development market. 

### SAN DIEGO 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.