



BOSTON

A LOOK AT THE NUMBERS

Demand in Massachusetts

By R. Christian Sonne, MAI

While demand for self-storage in Massachusetts is not quite analogous to demand for a Celtics ticket, market conditions are strong statewide (compared to the national average) and in three CBSAs (core based statistical area) studied. In all markets measured, markets are considered under-supplied with self-storage product, with data

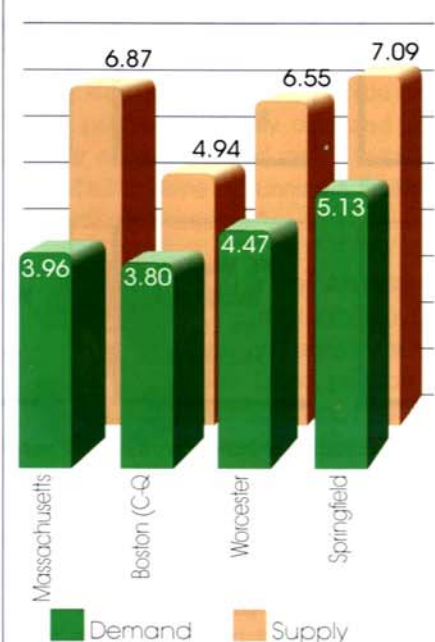
based on peer group analysis for all 50 states and top 100 CBSA's in the country in the 2008 *Self-Storage Almanac*.

The Boston Celtics success in basketball is linked to talented players. Under-supplied market conditions usually results in "the triple double" equivalent for self-storage: rising rents, stable vacancy (generally under 15 percent), and positive absorption. In urban environments, self-storage is often under-supplied due to limited availability of land suitable for development. Consequently, conversion of existing buildings is increasing in popularity. Similarly, self-storage is more often becoming part of mixed-use projects in areas of high density development and population. While these conditions can be more challenging to traditional drive-up storage, these conditions also become barriers to entry of new product and enhance the competitive position of existing product over the long run.

Ultimately, selecting the winning self-storage location is a function of the local trade area. Nevertheless, national and CBSA data as published in the *Almanac* can be useful benchmarks. ■

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BOSTON SUPPLY & DEMAND



Source: Cushman & Wakefield's Self Storage Industry Group