



# PENNSYLVANIA

## A LOOK AT THE NUMBERS

### Demand For Steel And Self-Storage In Pennsylvania


By R. Christian Sonne, MAI

High demand for steel from off-shore markets has fueled an increase in pricing for product and construction costs for self-storage. For parts of Pennsylvania, demand for steel is good for the local economy. Self-storage is also in high demand in parts of the state, as supply does not generally meet demand in a macroeconomic

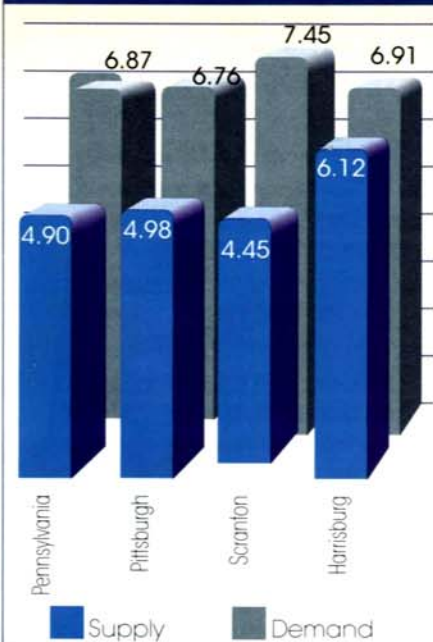
perspective. Over the long, this too is good for the local economy.

Macro-market conditions for the asset class indicate under-supply through-out the state, with market equilibrium being indicated only in the Harrisburg-Carlisle CBSA. While this data may seem like a positive forecast, it underscores the unique characteristics of self-storage in relation to other real estate. As self-storage demand is local, there are local trade areas (within an under-supplied CBSA) that are over-supplied! Thus the self-storage conundrum—market conditions are dependent upon the local trade area, generally about a three-mile radius from a facility.

This data is based on peer group analysis for all 50 states and top 100 CBSA's in the country in the 2008 *Self-Storage Almanac*. These comparative analyses can be useful tools for understanding self-storage variables from one city to another and one state to another.

In Pennsylvania, market conditions appear under-supplied. Like steel, supply has not kept pace with demand. However, with an uncertain economy, macroeconomic data is to be used as a tool of analysis. To estimate demand for self-storage, a local trade area analysis provides the solid steel answers. 

### PENNSYLVANIA SUPPLY & DEMAND



Source: Cushman & Wakefield's Self Storage Industry Group

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