Self Storage Economics

by R. Christian Sonne, MAI

ABSTRACT

Self storage has evolved from an interim property use to a core asset in the real estate industry. Investment capital in this unique asset class has increased significantly, and self storage property has performed well despite the economic recession. As the self storage industry continues to grow, more transparency will be required and more market data will be needed to support the appraiser's conclusions. This article explains recent self storage trends and why self storage has performed well and grown rapidly as an asset class.

Self storage is a unique asset class. It provides relatively high returns in terms of capitalization and yield rates compared to other types of real estate. However, it has also proven to be resistant to recession due to its lower declines and default ratios as compared to other types of real estate. Because it is a relatively new industry, self storage provides opportunities for consolidation, resulting in portfolio growth from management efficiencies. Wise operators understand that the key to self storage performance is understanding market conditions in the local trade area.

What Is Self Storage?

Self storage is essentially the concept of storing possessions. Over the last 60 years, self storage has become a $22 billion industry, with more than 50,000 self storage facilities existing in the United States. Self storage is also an export industry, with hundreds of facilities developed in Europe over the last 10 years. More recently, Asian markets have begun developing self storage facilities. While the business of simply storing "stuff" may seem odd, investors are clearly storing capital in self storage real estate.

The *American Heritage Dictionary* provides the following definition of the adjective *self storage*: "Of, relating to, or being a commercial facility in which customers can rent space to store possessions."[1] The Self Storage Association defines *self storage* more precisely as the term applied to facilities offering rental on a month-to-month basis where the tenant applies the lock and has sole access to the unit. No bailment is created by the facility by taking the care, custody, or control of the customer's goods.[2]

In other words, a self storage property is more than just a box for unused possessions; it is a specialized type of property with unique legal and economic characteristics. For appraisers, these unique characteristics complicate the tasks of identifying the property rights to be appraised, collecting and analyzing appropriate market data, and determining the most applicable valuation techniques.

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1. http://ahdictionary.com.
2. Self Storage Association, "An Introduction to Self Storage," http://www.selfstorage.org/ssa/AM/downloads/09_Abt_IntrotoSS.pdf.

History

Self storage development began in the United States after World War II as a means of land banking or an interim use pending feasible alternative development. (Some reports indicate that the first modern self storage facility appeared in Corpus Christi, Texas, in the 1960s.) Over the last 60 years, the industry has grown into a sophisticated asset class with appeal to individual investors, regional and national operators, and Wall Street investment (e.g., real estate investment trusts).

In cases when a developer would own land but not have anything to do with it, the highest and best use has often historically been self storage. Oddly shaped parcels, parcels with poor street frontage (but good access), parcels under overhead power lines, parcels in utility corridors, or old railroad rights of way have been prime sites for self storage facility development.

With the growth in the number of self storage facilities and related advertising, Americans began to get used to the idea of self storage. Lifestyle changes such as marriage, death, or moving to a new residence tend to promote the use of self storage facilities. Most people expect to use a self storage unit for a short period of time. (Units typically range in size from 25 square feet to 400 square feet.) Residential users make up approximately 76.9% of all those who use self storage units. Once a unit is rented, the average stay for residential customers is 12 to 18 months.[3]

Public Storage, a national company founded in 1972, greatly increased the visibility and acceptance of self storage as a viable real estate asset class. Public Storage is now a publicly traded real estate investment trust (REIT); it was added to Standard and Poor's index of the 500 leading companies in the top American industries in 2005. Although it had humble beginnings, the company is now the largest owner and operator of self storage facilities in the country, with nearly 100 million square feet of self storage space nationwide. Other national firms such as Sovran Self Storage, Extra Space Storage, and CubeSmart (formerly U-Store-It Trust) are also major companies that are publicly traded REITs. Large operators such as StoreSmart (Strategic Storage Trust), W. P. Carey and Company, Flagship Investment Group, and others are amassing portfolios in this sector. Once the stepchild of real estate, self storage is now a Cinderella story of success.

As the industry grew, the Self Storage Association (SSA) and private companies such as MiniCo, Inside Self-Storage, and Self Storage Data Services began providing resources and information on the self storage asset class. This led to significant industry growth over the last 15 years, which is summarized in Table 1. Assuming that the industry is 60 years old and based on data from the year 2011 indicating that there are 50,048 facilities nationwide, it can be concluded that the industry has grown at an average rate of 834 facilities per year. With over two new self storage facilities being constructed every day in the United States over the last 60 years, this pace of long-term growth beats that of McDonald's.

Table 1 Self Storage Facility Growth

Year	Facilities	Annual Growth	Annual %
2011	50,048	692	1.40%
2010	49,356	635	1.30%
2009	48,721	1,207	2.54%
2008	47,514	2,540	5.65%
2007	44,974	2,007	4.67%
2006	42,967	1,845	4.49%
2005	41,122	2,305	5.94%
2004	38,817	1,806	4.88%
2003	37,011	1,835	5.22%
2002	35,176	1,343	3.97%
2001	33,833	1,886	5.90%
2000	31,947	1,992	6.65%
1999	29,955	2,420	8.79%
1998	27,535	2,355	9.35%
1997	25,180	1,208	5.04%
1996	23,972		
15	**Averages**	**1,738**	**5.05%**

Source: Poppy Behrens and Erica Shatzer, eds., *2011 Self-Storage Almanac* (Phoenix: MiniCo Publishing, 2011).

3. Poppy Behrens and Erica Shatzer, eds., *2010 Self-Storage Almanac* (Phoenix: MiniCo Publishing, 2010).

Over 80% of self storage facilities are owned privately (not publicly traded companies). Most facilities are owned by small, local owner-operators. However, consolidation in the industry is a current ongoing trend, as operation costs tend to be lower for regional, multifacility companies.

Sophistication of the Asset Class

Comparatively high returns have led to an increase in capital flow to real estate, both equity and debt (private and public). Moreover, the appeal of self storage over other types of real estate investments is that costs tend to be lower and operating results demand a lower yield. For example, the breakeven occupancy rate for a self storage facility is approximately 40% to 45%, as compared to 60% or more for apartments. Consequently, self storage facilities tend to hold value better and recover faster than other assets when real estate markets sour. In addition, self storage had the highest total annual returns over 5-, 10-, and 15-year averages in an analysis of five different property sectors from 1994 to 2011. Table 2 summarizes these total annual returns by property sector.

These characteristics were recognized by Wall Street beginning in 1995, which started a 15-year trend of increasing investment in self storage. In the year 2000, REITs became eligible for Standard and Poor's indexes, increasing investors' exposure and lending credibility to the industry. Self storage returns consistently lead the market yet have the lowest default rate of all asset classes. These trends

Table 2 Total Annual Returns (in Percent) by Property Sector

	Office	Industrial	Retail	Apartment	Self Storage
1994	2.86	18.67	2.98	2.19	8.90
1995	38.80	16.21	5.10	12.26	34.40
1996	51.80	37.22	34.60	28.93	42.84
1997	29.01	19.02	16.95	16.04	3.41
1998	–17.35	–11.74	–4.94	–8.77	–7.20
1999	4.25	3.90	–11.77	10.73	–8.04
2000	35.46	28.62	17.97	35.53	14.69
2001	6.65	7.42	30.42	8.66	43.24
2002	–6.82	17.32	21.07	–6.15	0.56
2003	34.01	33.14	46.77	25.49	38.14
2004	23.28	34.09	40.23	34.71	29.70
2005	13.11	15.42	11.80	14.65	26.55
2006	45.22	28.92	29.01	39.95	40.95
2007	–18.96	0.38	–15.77	–25.43	–24.82
2008	–41.07	–67.47	–48.36	–25.13	5.05
2009	35.55	12.17	27.17	30.40	8.37
2010	18.41	18.89	33.41	47.04	29.29
2011 (YTD Nov. 2011)	–4.40	–9.23	8.09	8.83	31.62
			Analysis: Calculated Based on NAREIT Data		
5–yr. avg. return '07–'11	–2.09	–9.05	0.91	7.14	9.90
5–yr. standard deviation	27.01	30.77	30.01	29.11	20.39
10–yr. avg. return '02–'11	9.83	8.36	15.34	14.44	18.54
10–yr. standard deviation	25.81	28.42	27.17	24.72	19.62
15–yr. avg. return '97–'11	10.42	8.72	13.47	13.77	15.43
15–yr. standard deviation	23.75	24.53	24.10	21.82	19.88

Source: National Association of Real Estate Investment Trusts (NAREIT) demonstrate that institutional investors are seeking self storage properties as a viable alternative investment vehicle. The performance of key self storage REITs is summarized in Table 3.

Although stock prices are not directly comparable to individual assets, the market dynamics for both equity and real estate are important because the value of these companies is in the real estate. These public investment parameters are generally positive for the asset class. In addition, REIT dividends can be a resource of cash-on-cash returns that are useful in overall capitalization rate analysis.

Appraisers can use survey research to track investment criteria for self storage properties. Resources include Cushman and Wakefield's business briefings on self storage and the *PwC Real Estate Investor Survey* (formerly the *Korpacz Real Estate Investor Survey*). Survey respondents include self storage investors, developers, managers, brokers, and bankers from all over the United States and account for over 100 million square feet of self storage property. Survey research highlights key information relating to market conditions, trends, capitalization rates, financing, optimism indexes, and other current, relevant information.

The Current State of Affairs

According to the most recent data as of this writing, the market improved significantly beginning in 2010, with over $1 billion in equity money chasing yield in self storage. Public and private REITs as well as large national and regional self storage companies have gotten back in the game. As of 2011, nationwide single asset transactions are up 35% or more. Other findings show increased optimism for self storage as well as lower capitalization and yield rates. According to 2011 data, marketing times are declining, absorption times are improving, and new construction is at a 10-year low.

Capitalization and yield rates have shown modest declines. At the end of 2009, it appeared that capitalization rates were headed for 9% territory. With new capital (both equity and debt), capitalization rates have stabilized and now appear to be declining. For example, 2012 capitalization rates decreased over 100 basis points to an average of less than 7.50% (stabilized) from the prior year.

In 2009, the greatest investor concerns were related to the cost of capital; highly leveraged owners worried about increasing interest rates and declining values, a "double negative" to cash flow. This uncertainty was made worse by rating agencies' concerns over relaxed underwriting standards in the commercial mortgage-backed security (CMBS) market (in addition to losses of subprime residential loans in 2007). As of this writing, many players feel that now is the opportune time for acquisitions at below-replacement costs, especially with interest rates at historic lows. In this regard, investors are placing more emphasis on equity dividends beginning

Table 3 Self Storage REIT Statistics and Performance

		4Q-2011		4Q-2010		4Q-2009		4Q-2008	
Stock	**Ticker**	**Price**	**Dividend**	**Price**	**Dividend**	**Price**	**Dividend**	**Price**	**Dividend**
Public Storage	PSA	$131.90	2.88%	$96.60	3.31%	$80.69	2.71%	$73.41	2.72%
Sovran Self Storage	SSS	$41.64	4.32%	$36.03	5.00%	$32.00	5.65%	$40.10	6.28%
CubeSmart	CUBE	$9.97	2.81%	$8.27	1.21%	$6.39	1.59%	$9.16	7.86%
Extra Space Storage	EXR	$24.10	2.32%	$16.02	2.50%	$11.42	8.89%	$14.29	7.00%
Averages		$51.90	3.08%	$39.23	3.01%	$32.63	4.71%	$34.24	5.97%
		4Q-2007		**4Q-2006**		**4Q-2005**		**4Q-2004**	
Stock	**Ticker**	**Price**	**Dividend**	**Price**	**Dividend**	**Price**	**Dividend**	**Price**	**Dividend**
Public Storage	PSA	$73.41	2.70%	$94.45	2.13%	$70.29	2.85%	$56.57	3.18%
Sovran Self Storage	SSS	$40.10	6.30%	$55.22	4.47%	$47.68	5.16%	$42.48	5.70%
U-Store-It Trust	YSI	$9.16	12.70%	$19.97	5.82%	$20.50	5.66%	$17.00	4.73%
Extra Space Storage	EXR	$14.29	7.20%	$18.82	4.87%	$14.80	6.15%	$13.55	6.72%
Averages		$34.24	7.23%	$47.12	4.32%	$38.32	4.96%	$32.40	5.08%

Source: Cushman and Wakefield Self Storage Industry Group, compiled from public filings at 5% and equity (levered) yields beginning at 14% for single assets. The focus is clearly on cash flow on income in place. As of this writing, capitalization rates on existing income have recently decreased for properties with upside potential in rents or occupancy.

Lending is still facilitated by large national banks and smaller local ones. However, low-leveraged financing is available from life insurance companies for properties with strong balance sheets. Beginning in 2010, even CMBS lenders returned to self storage. Lending criteria typically includes recourse loans at loan-to-value ratios not exceeding 72%, debt coverage ratios starting at 1.25, amortization over 25 years, and interest rates reportedly in the -5% to 6%+ range. According to the most recent data as of this writing, most respondents still described market conditions as oversupplied. However, on a scale of 1 lowest to 10 highest, the optimism index increased to 6, up slightly from 5 in 2009.

Cumulatively, the data reflects the macro concerns of the economy:

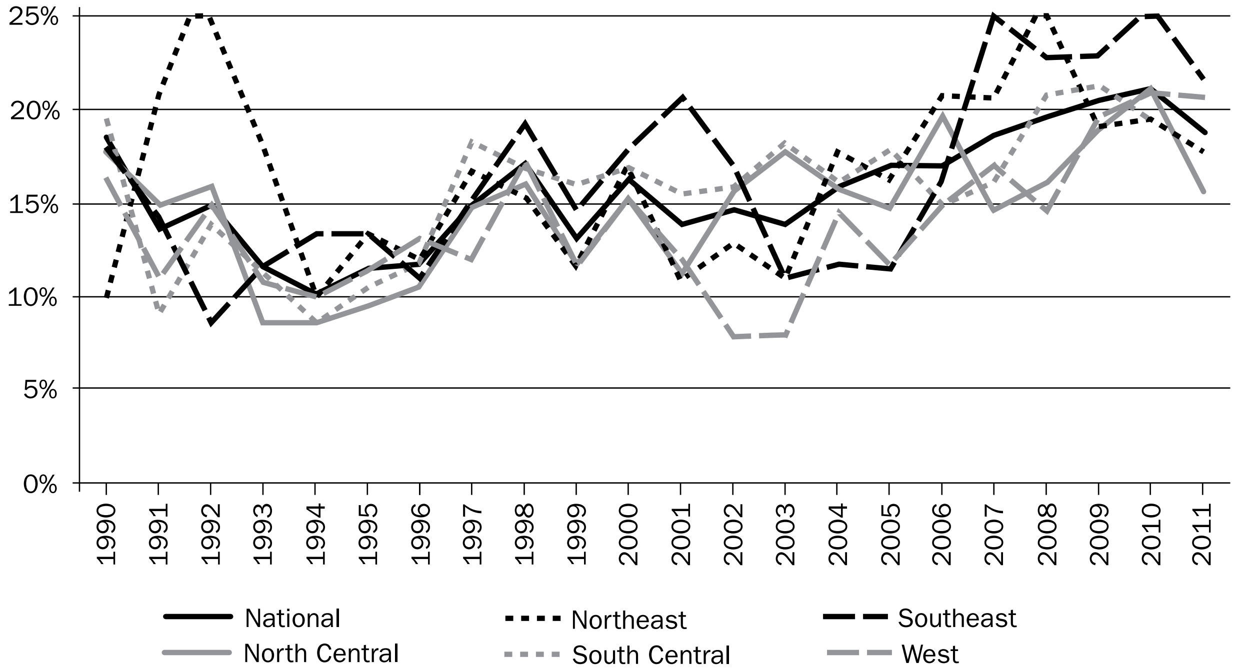
- Employment
- Inflation
- The housing downturn
- The credit crunch
- Consumer confidence

Micro concerns of the asset class include overbuilding and uncertainty about interest rates. However, self storage has been resilient, with stable property fundamentals. One view is that housing downsizing has led to an increase in demand for self storage. Another view is that decreasing household income and deteriorating consumer confidence will cause customers to budget more carefully, decreasing the demand for self storage. Historically, national self storage vacancy rates have generally been 20% or less through both upward- and downward-moving market cycles. Vacancy data compiled from the *2011 Self-Storage Almanac* is presented in Figure 1.

Real estate economists are always wary of predicting the date or time of changing market conditions. Therefore, noting the concerns of the market is good for self storage market conditions over the long run. Because self storage is a neighborhood-specific asset with wide variances of market conditions, even within a particular city or metropolitan statistical area, local research remains the most important tool for investors.

A review of over 3,000 sales representing self storage properties nationwide since January of 2000 is summarized in Figure 2. The data indicates interesting trends that confirm the findings of the investor surveys. The actual data represents over

Figure 1 Self Storage Vacancy Trends



Source: *2011 Self-Storage Almanac*

$11 billion of self storage transactions, with an average price of $82.64 per square foot in 2011. This corresponds to a declining trend in overall capitalization rates to 7.67%, reflecting a decrease of 103 basis points from the prior year. However, this is 235 basis points below the overall capitalization rate peak of 10.02% in 2000. Current sales data and survey research indicate a further decline in capitalization rates, with an average nationwide stabilized target rate near 7.25% (in a range from 7.0% to 8.5%).

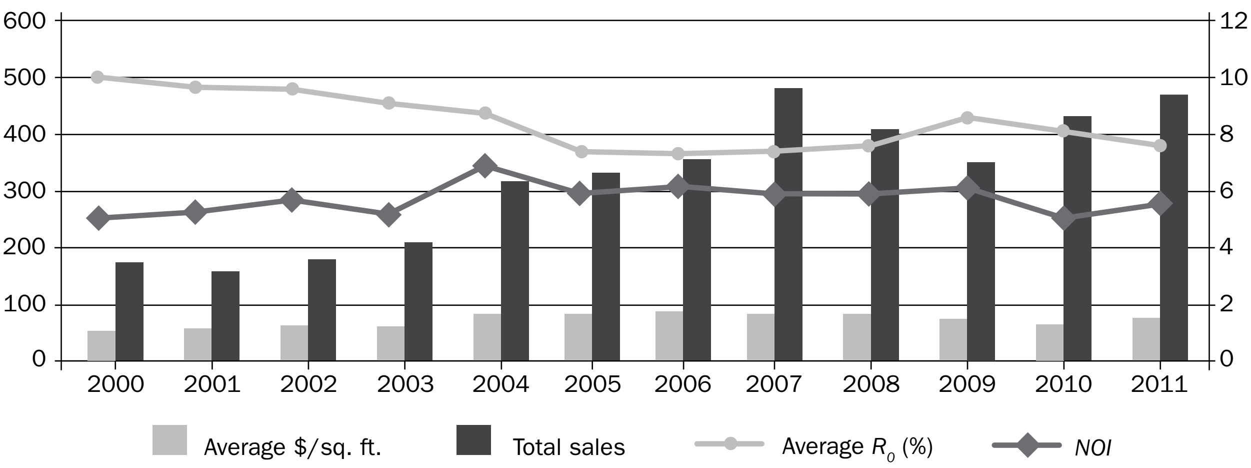
The data indicates a self storage market characterized by strong returns. Yet after several years of investment and expansion, the self storage industry is increasingly expressing concern about the future, particularly due to overbuilding and interest rates. The downside of self storage is the ease of entry, causing markets to saturate quickly. For example, the *2011 Self-Storage Almanac* reports a 20-year cycle with a vacancy rate range from 10.10% in 1994 to 18.60% in 2011 and a nationwide average of 14.36%. This trend demonstrates the cyclical nature of the industry and underscores the importance of analysis in each trade area.

Clearly, investor sophistication is increasing in the decision-making process for the self storage asset class. More investors are increasingly relying on discounted cash flow (DCF) analysis with a target internal rate of return of 10.25%; this represents an increase of 25 basis points to the terminal capitalization rate with a 3% cost of sales on a 10-year hold (as of 2011). Balanced cash flow modeling (45%-50% to cash flow) and realistic growth forecasting are also considered important. DCF analysis is particularly important for facilities battling absorption in challenging economic conditions. In fact, it can take so long to reach stabilization in some oversupplied markets that there is no upside to current value. On the other hand, capitalization rates on income in place for well-located facilities in the absorption phase were less than 6% for transactions in 2011. This rate was below the 7.25% national average for stabilized properties, which suggests that buyers expect improvement for the assets that are not at stabilized occupancy.

Market Participant Interviews. Due to dynamic real estate market conditions, many investors and lenders are looking for real time perspective to add to the analysis of a local trade area. In this regard, market conditions for self storage are dynamic, with significant equity capital flowing into the asset class in 2011. Current players include nationwide companies such as Strategic Storage Trust, W. P. Carey, and Flagship, as well as REITs and smaller regional companies. Investors from other asset classes, including crossover investors from apartments, are also exploring investment in self storage.

As of this writing, all of the self storage REITs (such as Public Storage and Extra Space Storage) are currently in acquisition mode. Public Storage completed their first significant portfolio transaction in several years in March 2010 by purchasing 30 assets from A-American Self Storage. The portfolio was composed primarily of Class B properties and was reportedly purchased at a capitalization rate

Figure 2 National Self Storage Pricing Trends



Source: Cushman and Wakefield Self Storage Industry Group, compiled from data obtained from CoStar of just below 8%. The properties were operating on a stabilized basis and located mostly in Southern California, with two assets in Chicago.

Specific acquisition and return requirements of self storage REITs are summarized as follows:

- Strategic Storage Trust, a non-publicly traded REIT that got its start in 2006, raised over $100 million by 2010 and had a portfolio of 92 properties by 2011. Current investment rates have been at nearly one property per week, with interest in properties nationwide. This REIT desires properties that are near stabilization. However, they will consider some upside in rents and absorption but tend to only view properties that are at least 60% occupied with a history of positive absorption. In 2009, an 8%+ capitalization rate on the trailing 12 months was the target. Now, the target rates have declined by 50 to 100 or more basis points, based on a careful analysis of the local trade area of an asset. Strategic Storage Trust is currently the most active buyer of self storage property in the country.
- W. P. Carey and Company (WPC) was founded in New York in 1973 as an investment management company. Current assets exceed $10 billion, and the company is publicly traded on the New York Stock Exchange. In 2004, a partnership among WPC affiliates completed a $312 million acquisition of 78 U-Haul self storage and truck rental facilities located in 24 states. Since December of 2006, they have acquired 13 self storage properties for approximately $60 million. More recently, they have formed a joint venture with Harbert Management Corporation and contributed $50 million to actively pursue additional self storage assets. They are pursuing self storage in all 50 states and will consider properties in absorption. The target rate of assets is a 7.5% capitalization rate on a stabilized basis after analysis of the competition in the local trade area.
- Flagship Investment Group is new to self storage and receives equity funding from the Kayne Anderson investment group. They recently acquired a portfolio of five properties in the Southeast near an 8% capitalization rate but have interest in properties nationwide.
- Tellus Development is a relatively new but active buyer in the Southeast that focuses on secondary markets with higher returns. The company has been seeking returns exceeding a 7.5% capitalization rate.

National Self Storage Trends

National trend data shows some remarkable results that explain the rise of the self storage asset class. Over a 15-year time frame, total supply more than doubled from 3.31 square feet of self storage space per person in 1995 to 7.25 square feet of space per person in 2011, reflecting a compound growth rate of 5.37% per year. Even while supply doubled, national occupancy ranged from 82.9% to 89.4%, with an average of 86.72%. Moreover, the average monthly rental rate for a 10-by-10 storage unit went from $56.02 in 1995 to $83.54 in 2011, reflecting a compound growth rate of 2.70%. (See Figure 3.)

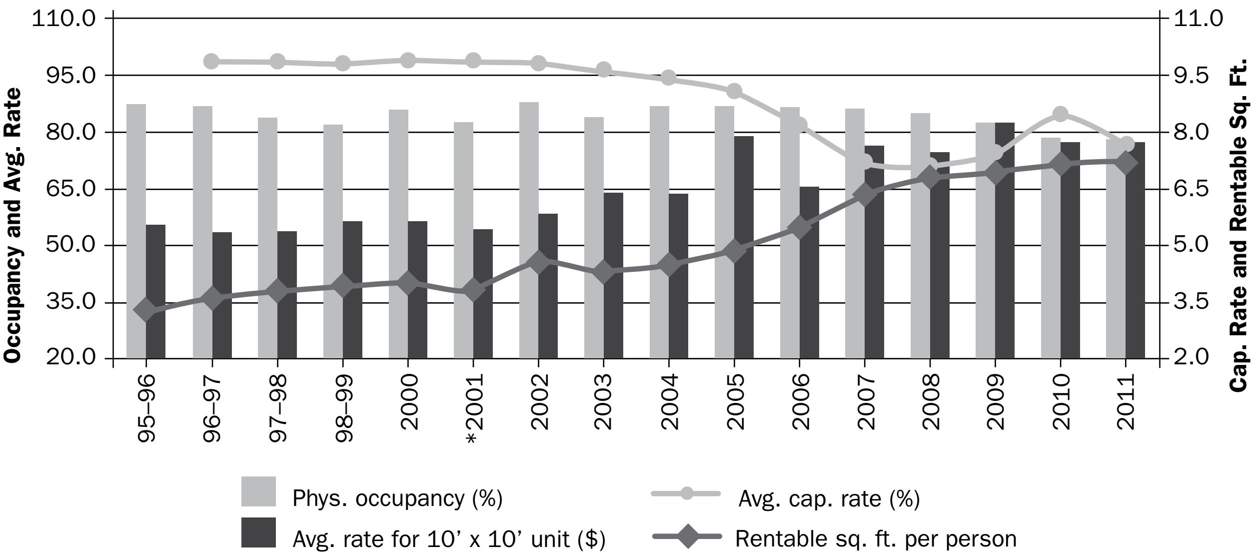
In summary, supply more than doubled while vacancy remained relatively stable and rents increased over the past 15 years. This demonstrates a resilient asset class. To test this resiliency, a simple scoring model that sums rent and occupancy to obtain a score for each year has been analyzed. The data indicates that in the United States' 2001 recession year, the score declined by only 3.35% to 138.80, down from 143.61 the previous year. In 2002, the score increased by 6.76% to 148.18. This indicates that the asset class is resistant to recession.

The current cycle for self storage reflects market fundamentals versus capital markets. Although the market fundamentals remain stable, the capital markets' demise has led to difficult access to capital. Consequently, cash players are now in a key position to capitalize in both development and acquisitions. More rigorous due diligence and discipline in the industry will continue to support market fundamentals as the focus moves to trade area analysis.

Cumulatively, these factors indicate that self storage market fundamentals are strong. In September of 2009, Green Street Advisors stated that self storage has an impressive track record of nominal net operating income (*NOI*) growth that has far outpaced other REIT sectors by roughly 200 basis points (bps) per year since the mid-1990s.[4] Nevertheless, the key to success in the asset class is to understand that despite strong national fundamentals, the difference between winners and losers is a function of the market conditions within the local trade area.

4. Green Street Advisors, "Self-Storage REITs: Unlocking the Self-Storage Sector," September 9, 2009, http://www.greenstreetadvisors.com.

Figure 3 National Self Storage Operational Trends



*Recessionary period

Source: *2011 Self-Storage Almanac*

Valuation

As is the case with any property type, self storage is a unique asset, and appraisal methodology that is specific, appropriate, and relevant to this sector must be used. Relevant analyses include market analysis and a detailed study of the income characteristics of the property. Quantitative analysis as well as qualitative studies should be employed.

Even the appraiser's preliminary task of identifying the property rights to be appraised is complicated by the nature of self storage ownership and tenancy. As stated in the SSA's definition quoted earlier in this article, a self storage tenant rents space with no "bailment" in the agreement. This means that the tenant applies the lock and does not place the possessions to be stored in the care or custody of the self storage facility owner or operator. Furthermore, the storage unit is rented on a month-by-month basis, and no lease is signed. Because the contract between the property owner and tenant is not a lease, the owner can change the rent at any time; this has important implications to the management. Complex revenue enhancement models allow the management to raise rents on existing tenants. In fact, sometimes the economic occupancy of a facility is higher than the physical occupancy. For example, a facility might only have 60% occupancy of the available units, but the management has been able to increase the contract rents of the existing tenants above the current market rent so that the facility takes in 70% of the potential gross income for all the units at market rent levels. This ability to quickly adjust rents is partly why self storage cash flow was resilient during the recession and why in 2011 the sector had the highest returns of any REIT sector. Lenders tend to view the lack of a lease (and the potential revenue enhancement) as a benefit. However, the lack of leases was a concern for banks lending on self storage properties in the past. When Wall Street took an interest in this asset class, Main Street banks eventually followed, and the performance history of the asset class now outweighs any lingering institutional concern about the perceived lack of leases. Appraisers are most often asked to value the fee simple interest in a self storage property or group of properties, which are the only property interests that trade in the marketplace.

Understanding market conditions within a specific trade area is critical when conducting the market analysis in the appraisal of a self storage property. This requires a detailed survey of all competitors within the defined trade area, which is the best way for appraisers to understand the local market conditions that serve as the basis of income forecasting. An econometric model and benchmarking tools based on published data resources can be used to provide a mathematical model that can simulate market conditions in the trade area. Then the competitive position of the subject is analyzed and evaluated as the basis for revenue projections (rents and long-term vacancy).

The analysis of the income is the basis of market decisions for the self storage sector. Trailing three-year financials benchmarked to the trailing twelve months is ideal. Patterns of effective gross income (*EGI*) should be carefully considered in relation to the conclusions of the market conditions in the subject trade area. Both direct and yield capitalization techniques are becoming standard tools of income analysis by market players and analysts. In the end, the significance, applicability, and defensibility of each approach and conclusion should be weighed when deriving the final value opinion. Typically, the income capitalization approach conclusion is given primary emphasis in the final value opinion, which is consistent with the perspective of the self storage investment market.

Other income or ancillary income from late fees and product sales are typical to this sector and are often included with the real estate. Cell towers, tenant insurance sales, and billboards can also provide additional income. The equipment or furniture, fixtures, and equipment (FF&E) associated with these uses, if owned as part of the facility, should be detailed separately from the real estate. The market recognizes that ancillary income is replaceable. A relatively higher amount of ancillary income is often a function of facilities with more land (providing for a return to the real estate and allowing for storage expansion or RV and boat storage). Moreover, truck rental income and storage income are interdependent, as truck rentals induce demand for storage and storage reciprocates the demand for truck rentals. These interdependent forces complement demand and affect total income.

Truck rental and towing accessories can be a significant component of some self storage facilities. In these cases, careful attention must be paid that the return is not greater than the real estate. A cost approach may be required to test the reasonableness of income and returns to the real estate. Facilities with significant truck rental income may have historical other income that is as much as 20% of the total *EGI*. However, facilities with significant truck rental income have higher operating expenses.

Truck rentals only allow for a facility to store the trucks and act as a rental agent. The trucks are owned and maintained by another company. Therefore, no FF&E is associated with the property in such cases. Moreover, any buyer can obtain or assume a similar license agreement with the truck rental companies, such as Ryder or U-Haul. In exceptional cases, truck rental and hitch operators who also operate some self storage may have facilities for which income from the truck rental business exceeds a fair return to the real estate. In these rare situations, an appraiser valuing the real property (i.e., the ownership interest in the truck rental business, the self storage units, and all the associated real estate) could allocate the truck rental income to an intangible business asset rather than the real estate.

Summary

Self storage is now considered to have the investment characteristics of an asset class. As concerns of industry saturation have grown (i.e., How much is too much?), more sophisticated analysis and drilling down to market conditions in the local trade area is warranted.

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Web Connections

Internet resources suggested by the Y. T. and Louise Lee Lum Library

Cushman and Wakefield, Self Storage Industry Group
—City Focus, market conditions in key cities
http://www.selfstorageeconomics.com/cityfocus.htm

—Self Storage Data Services
http://www.selfstorageeconomics.com/ssreports.htm

—Self Storage Investor Survey
http://www.selfstorageeconomics.com/investorsurvey.htm

Inside Self Storage—Information Resources
http://www.insideselfstorage.com/topics/publications.aspx

MiniCo Insurance Agency—Data and Industry News
http://www.minico.com/publications.html

PricewaterhouseCoopers—*PwC Real Estate Investor Survey*, Self Storage
http://www.pwc.com/us/en/asset-management/real-estate/publications/korpacz-real-estate-investor-survey.jhtml