

PRESIDENT'S PERSPECTIVE



Mike Mele, FSSA President

How has your facility been doing over the last 6 months? I have asked this to many owners and operators and many of them have told me the same thing, "not so good" This is in stark contrast to the responses I received in the past.

So what happened? This time last year everyone was happy. Occupancy was high, rates were increasing and values keep rising. It seemed like it would go on forever, didn't it? But a funny thing happened this fall. Occupancy's started to drop, and drop and drop some more. Not like the standard fall slowdown we all see, but at a rather alarming rate.

Now if you didn't see this at your facility, great, but you are in the minority. But if you did and felt you must be doing something wrong and were afraid to tell anyone, you were not alone.

So, is this the end of the profitable self storage business as we know it? Well in one sense it is. We are not a tiny little industry anymore. We have been invaded by REIT's, pension funds, insurance companies and various other institutions and become subject to the same upturns and downturns as other real estate product types. In other words, "welcome to the big leagues"

However, it is not the end of profitable self storage. Like any other maturing industry, we must

now be better at what we do to survive. In other words you will have to work harder and smarter. Will you be one of the ones who do?

These are just a few a of the questions you need to ask your self honestly. Do you have a proactive marketing plan in place? Are you an expert in your market? Do your managers know how do close? If the answer is no, fortunately it is not too late. There is a wealth of information available to owners and operators that did not exist five years ago. Seminars, trade shows and publications that can be an excellent source for keeping tract of the most recent trends and helping you to become proactive in the market instead of reactive.

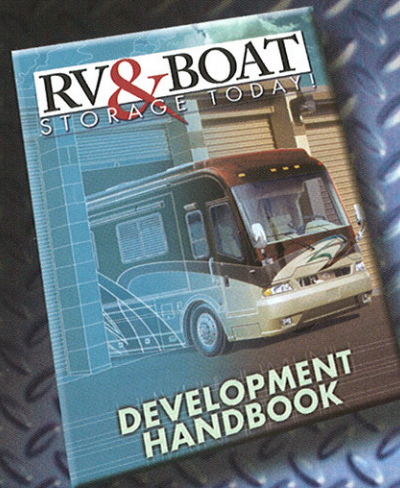
If you need even more help we now have numerous management and consulting companies that can make your job very easy. The Florida Self Storage Association is always there to help as well. We have opened bulletin boards on our website, our annual trade show and educational seminar and lists of recommended vendors for what ever your needs. Just to name a few. In the near future we will be commissioning a market study to help our members really know the state of the industry here in Florida.

But if you want to stay competitive you have to start now. Everything I have seen so far calls for increased development in the next several years. This will mean even more competition. Are you willing and able to adapt to the changing market so you will be able to thrive while others struggle.

We are never going back to where we were. The fortunate thing is that we are in a great emerging business in a great state for self storage. I don't think many of us want to trade our position for anything else. Constant growth will make our downturns shorter than most other markets. But that should be your excuse not to stand idle. Embrace change and you will be more successful than ever.

Yours in storage,
Iron Mike

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