

Storage Condo Market Analysis - Southampton County

Background

The storage condo industry is a niche but fast-growing industry across the country. What differentiates storage condos from traditional, self-storage units is the size, amenities, and clientele. Often, storage condos are significantly larger than storage units, have features such as offices and restrooms, and cater to individuals looking for space in which to operate their business or who do not have room to build an addition or detached garage on their own property.

Storage condos are typically purchased rather than rented on a month-to-month basis, and owners pay a monthly fee for the maintenance of the property. This ownership model allows for extensive customization. Owners can transform their units into personalized spaces or businesses, with the ability to add features like wet bars or kitchens, mezzanines, and pedestrian access doors. This level of customization offers a unique storage experience.

This ownership model also has the potential to create a long-term investment opportunity. Owners have the opportunity to build equity in a property that can appreciate in value over time. Additionally, if the location is in a high-demand area, owners of the storage condo could benefit from potential rental income if they choose to lease or sublease their unit.

Target Market

Storage condos appeal to a wide range of individuals who require additional space for either personal items or business operations.

Collectors and Enthusiasts

Storage condos cater to collectors and enthusiasts, such as car enthusiasts, boat owners, and owners of recreational vehicles. These individuals often have valuable or large vehicles that require specialty, secure, and/or climate-controlled storage solutions. Storage condos provide enthusiasts with a secure, unique space to showcase their collections and provide owners of specialty vehicles with large-scale storage they may not have at their personal residences.

Business Owners and Entrepreneurs

Entrepreneurs and business owners, particularly those in industries like automotive, marine, and construction use storage condos to store inventory, tools, equipment, and vehicles. The flexibility and customization options offered by storage condos allow these business owners to create efficient and organized workspaces tailored to their specific needs. These spaces can serve as workshops, showrooms, or storage facilities, providing a cost-effective solution for business operations that can also allow access for clients and customers.

Investors and Property Developers

Storage condos present an attractive investment opportunity for real estate investors and property developers. The potential for consistent rental income, coupled with property appreciation, makes storage condos an appealing choice. Investors often target areas with a strong demand for storage solutions, capitalizing on the growing trend of storage condo ownership.

Seasonal Residents and Travel Enthusiasts

Individuals who travel frequently or have seasonal residences often find storage condos convenient for storing their vehicles and recreational equipment during extended periods away from home. These customers appreciate the security and peace of mind that storage condos offer, knowing their belongings will be safe while they are away and easily accessible when they return.

Hobbyists and Craftsmen

Hobbyists and craftsmen, including artists, woodworkers, and DIY enthusiasts, may require dedicated spaces for their projects and materials. Storage condos provide a private and secure environment where they can pursue their passions without limitations. The ability to customize these spaces enables these individuals to create studios, workshops, or storage areas tailored to their specific needs and projects.

E-commerce and Retail Businesses

E-commerce and retail businesses that require additional storage space for inventory, packaging materials, and seasonal items can benefit from storage condos. These businesses can optimize their operations by storing products in close proximity to their distribution areas. This allows them to reduce logistical challenges and improve overall efficiency. As with other business owners, this space may also allow them to invite customers if need be.

Fitness Centers and Gyms

Gyms and fitness centers can use storage condos to store exercise equipment, supplies, and seasonal items, such as outdoor equipment during the winter months. These businesses can optimize their space by securely storing fitness apparatus, allowing for a clutter-free workout environment. Additionally, storage condos serve as convenient locations for fitness professionals and specialty gyms, offering the ability to host personal training services and providing space for group fitness classes.

Site Selection Considerations

Below are seven major considerations when determining the viability of a storage condo facility within Southampton County:

Market Demand and Competition

- **Assess Local Demand:** When evaluating the demand for storage solutions within Southampton County, it is important to consider demographics such as income levels, lifestyle preferences, and housing trends.
- **Evaluate Competition:** Identify existing storage facilities, both traditional and specialized like storage condos, within Southampton County. Target areas with limited competition, especially in regions where the demographics align with your target market.

Accessibility and Visibility

- **Proximity to Routes:** Choose a location close to major routes, especially highways like US Route 58 or State Route 35, for easy access. Consider commuter patterns and traffic flow data to ensure convenient accessibility for potential customers.
- **Visible Locations:** Opt for sites visible from well-traveled roads within the county. High visibility enhances brand recognition and will help attract local residents and businesses, especially those within your target demographic.

Zoning and Regulations

- **Zoning Compliance:** Ensure the selected site aligns with Southampton County's zoning laws for storage facilities, taking into account specific regulations that might be relevant to your target demographic. For example, if your target market includes individuals in the construction business or fitness-related businesses, noise may be a consideration.
- **Environmental Concerns:** Assess environmental factors in accordance with local regulations, considering the preferences of the local population. Address any concerns related to environmental impact, ensuring alignment with the community's values.

Security and Safety

- **Low-Crime Areas:** Choosing a location within low-crime areas, focusing on neighborhoods preferred by your target demographic, should be a consideration when choosing where to develop storage condos. Safety is a top concern for individuals storing valuable possessions and business owners.
- **Disaster Preparedness:** Evaluate the site's susceptibility to natural disasters, considering historical data. Opt for areas with minimal natural disaster exposure to reassure customers about the safety of their belongings.

Demographics and Target Audience

- **Local Demographics:** Study the demographics of Southampton County, including age groups, income levels, and cultural diversity. Tailor your storage condo offerings to meet the specific needs and preferences of the local population. For instance, if there is a high percentage of vehicle enthusiasts, emphasize storage features catering to cars and recreational vehicles. Likewise, if the population is growing, the need for more construction-related businesses could signal a potential target demographic.
- **Proximity to Target Audience:** Select a site near communities, recreational areas, or business districts where your target demographic resides or operates. Close proximity enhances accessibility and convenience for your ideal customers, as well as their potential client base if they are business owners.

Infrastructure and Utilities

- **Utilities Availability:** Ensure the chosen site has reliable access to utilities like electricity, water, and sewage systems. Adequate utilities are vital for the construction and operational needs of the facility, ensuring a comfortable experience for customers.
- **Transportation Infrastructure:** Consider the existing transportation infrastructure within the county. Easy accessibility to major roadways that can support commercial vehicles may increase the desirability of the facility for would-be customers.

Future Growth and Development

- **Economic Outlook:** It is also important to understand economic development plans and growth projections within the county, aligning them with your target demographic. Choosing a location in an area poised for future economic expansion would be optimal, as it may indicate potential increased demand for storage solutions among the growing population segments.
- **Local Development Projects:** It is also important to understand ongoing or planned local development projects that might attract your target demographic. Areas undergoing development often present opportunities for growth and an increased customer base.

Key Demographic Statistics

18,181

Population (2022)

Population grew by 315 over the last 5 years and is projected to grow by 728 over the next 5 years.

4,402

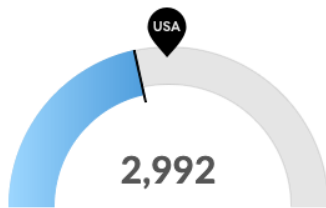
Total Regional Employment

Jobs grew by 31 over the last 5 years and are projected to grow by 405 over the next 5 years.

\$65.1K

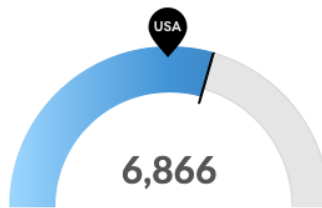
Median Household Income (2021)

Median household income is \$3.9K below the national median household income of \$69.0K.



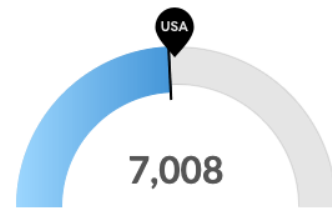
Millennials

Southampton County, VA has 2,992 millennials (ages 25-39). The national average for an area this size is 3,678.



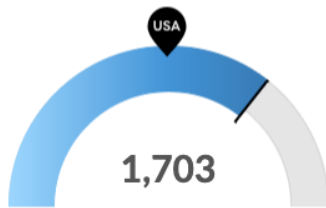
Retiring Soon

Retirement risk is high in Southampton County, VA. The national average for an area this size is 5,352 people 55 or older, while there are 6,866 here.



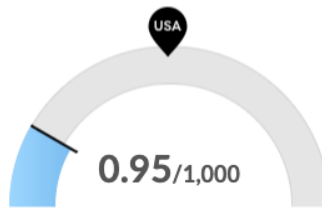
Racial Diversity

Racial diversity is about average in Southampton County, VA. The national average for an area this size is 7,327 racially diverse people, while there are 7,008 here.



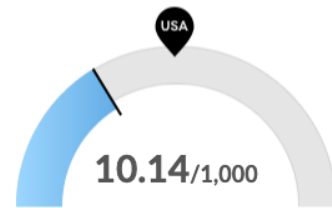
Veterans

Southampton County, VA has 1,703 veterans. The national average for an area this size is 946.



Violent Crime

Southampton County, VA has 0.95 violent crimes per 1,000 people. The national rate is 3.59 per 1,000 people.



Property Crime

Southampton County, VA has 10.14 property crimes per 1,000 people. The national rate is 17.8 per 1,000 people.

	Population (2023)	Labor Force (May 2023)	Jobs (2022)	Cost of Living	GRP	Imports	Exports
Region	18,335	8,922	4,402	100.9	\$528.0M	\$1.2B	\$989.1M
State	8,750,052	4,607,268	4,490,338	102.2	\$643.1B	\$691.2B	\$922.4B

Industry Concentration

When evaluating potential high-growth industry clusters, several potential industry targets for storage condos emerged. This concentration index is scored out of 100 and compares the relative performance of industry clusters to each other. Clusters ranked higher than 38 are above average for Southampton County.

All industries, as well as their respective NAICS code and industry concentration score, are listed below, with potential industry targets for storage condos highlighted:

NAICS	Industry	Jobs	Score
611110	Elementary and Secondary Schools	177	100
311911	Roasted Nuts and Peanut Butter Manufacturing	96	89
424910	Farm Supplies Merchant Wholesalers	237	88
903999	Local Government, Excluding Education and Hospitals	303	66
457110	Gasoline Stations with Convenience Stores	134	62
321920	Wood Container and Pallet Manufacturing	131	49
115111	Cotton Ginning	26	46
541110	Offices of Lawyers	45	45
621210	Offices of Dentists	32	45
113310	Logging	55	42
621910	Ambulance Services	28	40
493110	General Warehousing and Storage	40	39
482110	Rail transportation	20	38
111000	Crop Production	85	37
813110	Religious Organizations	113	36
484220	Specialized Freight (except Used Goods) Trucking, Local	32	35
902999	State Government, Excluding Education and Hospitals	554	34
238910	Site Preparation Contractors	22	34
238990	All Other Specialty Trade Contractors	32	34
561730	Landscaping Services	64	33
484110	General Freight Trucking, Local	26	32
522110	Commercial Banking	14	32
901199	Federal Government, Civilian, Excluding Postal Service	36	32
333922	Conveyor and Conveying Equipment Manufacturing	12	31
901149	US Postal Service	28	30
811111	General Automotive Repair	21	29
236115	New Single-Family Housing Construction (except For-Sale Builders)	14	27

812112	Beauty Salons	22	27
712110	Museums	21	26
115115	Farm Labor Contractors and Crew Leaders	24	25
901200	Federal Government, Military	75	25
624410	Child Day Care Services	22	24
484121	General Freight Trucking, Long-Distance, Truckload	23	21
621111	Offices of Physicians (except Mental Health Specialists)	38	21
561720	Janitorial Services	13	20
722513	Limited-Service Restaurants	115	19
238220	Plumbing, Heating, and Air-Conditioning Contractors	31	18
624120	Services for the Elderly and Persons with Disabilities	63	17
623110	Nursing Care Facilities (Skilled Nursing Facilities)	127	16
445110	Supermarkets and Other Grocery (except Convenience) Stores	39	14
903611	Elementary and Secondary Schools (Local Government)	492	1

Given the projected growth in population, it is likely that many of the industries that are currently scored low will experience an increase in demand due to an increased need for residences and residential construction.

Concluding Thoughts

When developing storage, there are several target demographics that can be considered. When considering these opportunities within Southampton County, the most viable customer base would be business owners, e-commerce, and retail services. Overall, the county has a positive economic outlook, with a growing population, low crime rates, and a comparatively low cost of living.

When examining the high-growth industry concentration in and around Southampton County, there is ample opportunity for establishing a customer base for a storage condo facility. In addition to those listed above, when the geographic region is expanded to include locations within a one-hour drive of the county, other industry opportunities emerge, such as taxi and limousine service, landscape architects, electrical repair and maintenance businesses, furniture makers, and general retailers. The presence of these businesses, coupled with low competition in the region begin to make a case for the development of a storage condo facility.

Ultimately, the success or failure of the facility will hinge on proper site selection for the development. Ensuring that the facility is visible and easily accessible for the developer's target customers will help to increase the likelihood that such a facility will succeed in Southampton County.