

# SELF STORAGE

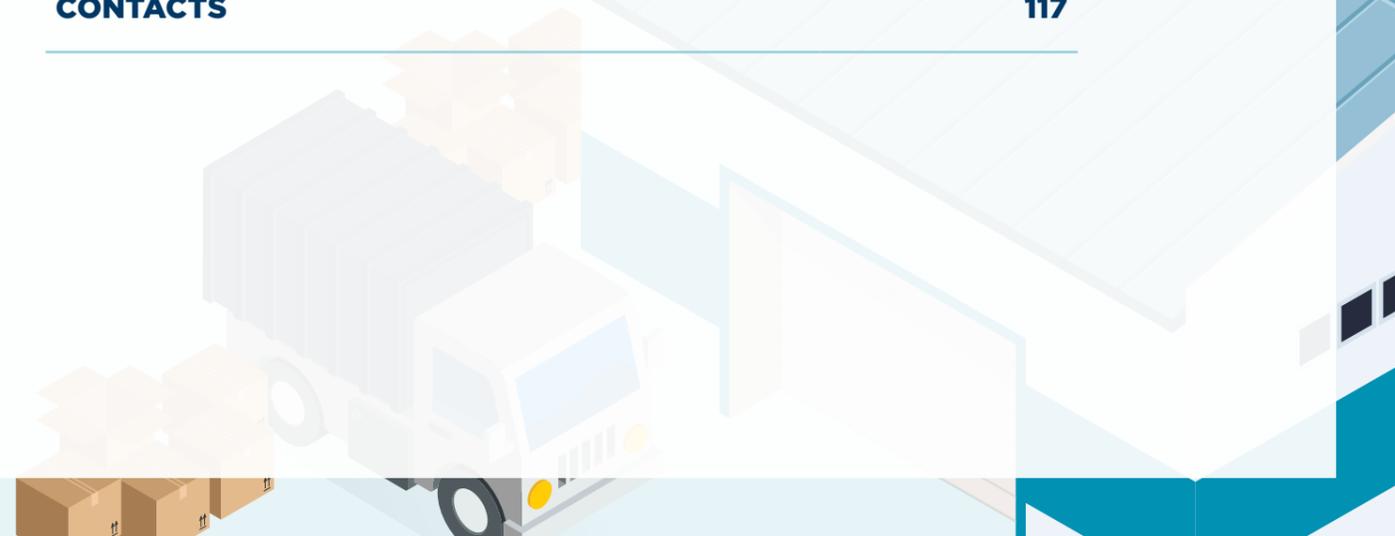
ANNUAL  
INDUSTRY REPORT  
**2021**





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# SUMMARY OF KEY FINDINGS



OCCUPANCY ON CURRENT LETTABLE SPACE IS **82.3%**, UP FROM **76.2%** LAST YEAR



THE UK AVERAGE NET RENTAL RATE IS **£23.94** PER SQUARE FOOT PER ANNUM UP **3.7%** ON LAST YEAR



**83%** OF BUSINESSES THAT USE SELF STORAGE HAVE LESS THAN **10** STAFF



ONLY **17%** OF CUSTOMERS HAD THEIR USAGE OR NEED FOR STORAGE CHANGE DURING THE PANDEMIC



**18%** OF OPERATORS INCREASED THEIR LEVEL OF DISCOUNTS IN 2020 BUT **9%** DECREASED THEM



PEOPLE RENOVATING THEIR HOME ARE **3** TIMES MORE LIKELY TO CONSIDER USING SELF STORAGE.



**29%** OF SELF STORAGE CUSTOMERS ARE INVOLVED IN MOVING HOUSE



CUSTOMER PREFERENCE TO BOOK THEIR UNIT IN STORE DROPPED FROM **33%** TO **25%**



**76%** OF BUSINESSES ALLOW CUSTOMERS TO RESERVE OR PAY FOR THEIR UNIT ONLINE



**70%** OF SELF STORAGE USERS ARE **40 - 70** YEARS OLD



A DEATH IN THE FAMILY IS THE MOST COMMON LIFE EVENT THAT PEOPLE USE STORAGE FOR.



**92%** OF CUSTOMERS ARE SATISFIED WITH THE SERVICE FROM THEIR SELF STORAGE STORE



**43.3%** OF SELF STORAGE CUSTOMERS HAVE USED SELF STORAGE PREVIOUSLY



DIVORCED OR SEPARATED PEOPLE ARE TWICE AS LIKELY TO USE SELF STORAGE



**50%** OF THE PUBLIC HAVE A GOOD AWARENESS OF SELF STORAGE





# INTRODUCTION AND METHODOLOGY





# INTRODUCTION AND METHODOLOGY



*This is the 14th year the Self Storage Association UK (SSA UK) has been surveying its members and producing an annual industry report. The report covers all viewpoints of the industry, collecting data from operators, customers and the general public. The impact of the COVID-19 pandemic has resulted in some significant variations in the data this year. There were also additional questions added to deal specifically with the pandemic and its impact on the industry and its customers.*

Over the last 5 years the sample group has remained fairly stable with some additional operators, mergers and acquisitions reflecting the growth of the industry as our sample group grows. This allows for better comparison of the data on a year to year basis. With around a third of stores in the UK completing the survey, representing just under half the storage space, the sample size is exceptionally robust.

For the sixth year, the report has been produced in conjunction with Cushman & Wakefield. Their extensive experience in valuing self storage properties around the world, as well as knowledge of the broader property market has further added to the valuable information in this report. The economic overview provided by Cushman & Wakefield included in the report also gives context to the achievements of the industry.

This year, to supplement the document, there is an interactive online dashboard that allows people to further interrogate the key metrics of occupancy and revenue on a more regional basis. The data can be examined at a county level and down to postcodes where there are 5 or more stores from different operators in the data set.

The operators survey was completed by 76 companies with 504 stores in total. They were all members of the SSA UK. The survey was completed in the months of January and February based on data from the 2020 calendar year unless otherwise stated. Compared to the industry as a whole the data set is slightly weighted to larger operators as less of the small independent operators complete the survey.

The customer survey was completed in January 2021 by 29 self storage companies across the UK who have over 125 stores in total. 1,226 customers responded to the survey of which 73% were domestic customers and 27% business customers. This survey was sent to the main contact on the self storage contract. The survey was entirely voluntary and without reward. The latter part of the survey asked specific questions addressed to either private/ domestic customers or business customers. 744 domestic customers and 270 business customers provided answers to these more focussed elements of the survey.

The public survey conducted online by YouGov on behalf of the SSA UK, was completed between January 28 and 29. It was an online survey with data taken from a statistically selected and weighted sample that represents the demographics of the adult UK population. This year 2,092 people completed the survey.

I would like to thank the members of the SSA UK who responded so promptly to the survey this year and the team at Cushman & Wakefield for collating the data, providing commentary and interpretation of the data and producing the final report. Also thanks to all the operators who allowed us to survey their customers. I hope that you find value in this report, it certainly further demonstrates the industries resistance to political and economic challenges during this recent pandemic.

**RENNIE SCHAFER**  
CEO SELF STORAGE ASSOCIATION UK





# IMPACT OF COVID-19





# IMPACT OF COVID-19 PANDEMIC ON THE INDUSTRY



*On 23 March 2020 the first lockdown commenced in the UK as a result of the COVID-19 pandemic. This meant that all non essential retail and businesses were forced to close and people were required to stay at home except for essential travel. Self storage was deemed to be a part of the logistics chain, classed as an essential service and allowed to remain open under certain conditions. The industry is used by the healthcare and food industries as well as many online and other businesses permitted to operate during the lockdown. It was also deemed as low risk as there is minimal contact between people within a self storage business.*

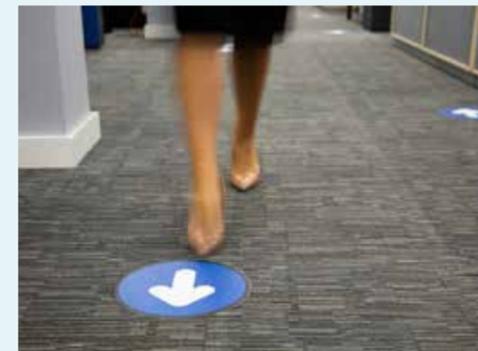
Operators were required to implement social distancing policies for staff and customers as well as rigorous cleaning and sanitisation regimes. Some chose to reduce their operating hours or move to fully remote operations with no interaction between staff and customers. Staffing levels were often reduced initially, and systems put in place to separate staff working together at the same store. As the pandemic continued to impact the country, further protection was added such as use of face masks and protective screens. The industry remained open during the course of the pandemic for those customers that were permitted to travel. As the self storage contract is a licenced use of space, not a property lease, the payment holidays and eviction moratoriums provided in the real estate market did not apply to self storage. Operators were able to make individual arrangements with customers in financial difficulty, as normal, and could terminate self storage contracts if required.

As the data in this report shows the industry held up well during the pandemic. The churn of customers was lowered, with people not able, or willing, to move out during the various lockdowns. However, there was not a mass exodus of customers when the lockdowns were eased. The government's stamp duty holiday resulted in property transactions and house moves continuing. If not increasing, during the pandemic, driving more business to self storage. People's

changing circumstances such as working from home or having children at university come home, required them to make more space in their homes, another opportunity for self storage. There was demand from businesses needing to make more space along with online retailers who could no longer get "just in time" stock. Some businesses were also assisting the NHS and other providers in storing PPE and other equipment.

At the time of writing this report the country was easing out of lockdowns with over 50% of the public having received their first dose of a vaccine. The industry has adapted to the pandemic requirements and most stores are back to full operation in terms of staffing and opening hours. There has been a shift within the industry as more operators offer a full or partial online sign up system, so less customers need to complete contracts in store with staff. As the data in the report shows there are also more operators allowing customers to book their unit online.

Despite the challenges of construction during the pandemic the industry continued to grow with almost 100 stores of various sizes opening during the year. While there were delays in construction during 2020 the pipeline for growth remains strong for 2021 and 2022 with operators optimistic about future expansions.





# INDUSTRY OVERVIEW





# INDUSTRY OVERVIEW



*As the self storage industry develops and evolves the exact definition of self storage has been debated. It is a term increasingly being used by a variety of businesses offering different forms of storage solutions.*

Self storage in the UK is not a regulated industry, there is little guidance from government as to exactly what makes a self storage store. There is a European Standard for self storage, however this was drafted over 12 years ago before newer industries like mobile storage, trade counters, peer to peer storage and valet storage had emerged. The standard was primarily focussed on differentiating self storage from removers storage and defining minimum levels of security and legal protection for customers. Without a clear definition of self storage, commentary on the size and performance of the industry in documents like this is difficult.

To provide clarity for this document and future SSA UK publications the association has defined a self storage unit as:

*A self storage unit is a securable static space less than 500 square feet in size that is to be used by a person or business for the storage of their goods. The customer will have exclusive and ready access to the space. Ready access means the ability to access the unit at will during normal office hours without intervention. It is not intended that the unit be used as a workspace, trade counter or place where business activities other than storage or storage related activities take place. Storage related activities would include goods receiving, dispatch and packing that involve the goods in storage. This unit would be rented under a self storage contract that was not part of, or tied to, an additional agreement such as a residential tenancy, office space, workspace or similar.*

This definition would not include mobile storage where portable units are delivered to customers and then returned on request as this does not meet the criteria of static space or ready access. Similarly it would not cover peer to peer storage in most cases as this also would not meet the criteria ready access without intervention. It is understood that some businesses that do not meet this definition do have the term self storage in their name or description, however for the purpose of clarity they are not defined as self storage in this report.

Based on this definition it is estimated that there are just under 2,000 self storage stores in the UK of which 598 are predominately container based storage (typically converted shipping containers or similar). These stores are spread across 998 different brands, while most of these brands are independently owned there are a small number of operators with stores under multiple brands. There is around 50.5 million square feet of self storage in the UK.

The average size of a self storage store continues to fall across the industry as a whole. There has been more development in rural locations and secondary cities, that do not generally support larger stores. An increase in container style self storage which often use a model of having a series of smaller sites in a regional locations. Less mega stores being built by the major operators, although there are some very large London stores currently in planning for development in the next couple of years. It will be interesting to see if the move towards more remote operation of stores, online contracts and the like also results in the emergence of smaller predominately unmanned sites in the future.



## SUPPLY

**50.5** MILLION SQ FT



## STORES

**1,997**



## NUMBER OF BRANDS

**998**



## STORAGE SPACE PER HEAD OF POPULATION

**0.74** SQ FT



## ANNUAL TURNOVER

**£890** MILLION



## AVERAGE SIZE OF STORE

**25,288** SQ FT



# INDUSTRY HIGHLIGHTS





# INDUSTRY HIGHLIGHTS



## JANUARY 2020

Shurgard acquire land for development in London

The UK formerly left the EU on 31 January 2020 to begin the transition period to complete withdrawal



## FEBRUARY 2020

Legal and General acquire Storage Boost store in Stafford

COVID-19 takes hold in Europe



## MARCH 2020

Shurgard acquires development site in Barking

UK enters lockdown on 23 March due to rising cases of COVID-19



## MAY 2020

Cinch Self Storage acquires two assets in Leighton Buzzard and Letchworth



## JULY 2020

Safestore acquire Birmingham Middleway freehold

Safestore freehold interest of existing Basildon store acquired

Big Yellow acquires site in Wapping, London for £18.6 million



## OCTOBER 2020

L&G acquires two assets in Bury and Lichfield

Heitman acquires Space Station and its 5 freehold assets

Lok'n Store acquires site in Peterborough for new purpose built store



## MAY 2021

Heitman acquires Rent A Space facility in Shrewsbury

## APRIL 2021

Lok'n Store agrees a lease on a development site in Basildon

Storage King acquires Blackpool Self Store for £3.6 million

Safestore exchanged contracts on site adjacent to existing Wimbledon store

Safestore exchange contracts on a freehold site at Lea Bridge in North East London



## MARCH 2021

Big Yellow buys 0.8 acre site for £6.5 million.

Safestore exchange contracts on a freehold site in North East London

Big Yellow acquires site in Kentish Town, London for £16.5 million



## JANUARY 2021

Lok'n Store agree a deal for a purpose built facility above a supermarket in Staines

Lok'n Store purchases an existing managed store in Chichester.



## DECEMBER 2020

Big Yellow acquires site in Staines, London



## NOVEMBER 2020

Safestore acquire development site in London-Park West Place



# UK ECONOMIC AND POLITICAL OVERVIEW





# UK ECONOMIC AND POLITICAL OVERVIEW



## INTRODUCTION, UPDATE ON CURRENT SITUATION

When it comes to looking at this year's edition of the economic and political overview I cast my mind back to last year, and the overwhelming feeling I get is one of uncertainty. The Covid-19 pandemic, "lockdown" measures enacted, the furlough scheme, the effect on employment, the economy, not to mention Brexit. The past year has seen unprecedented restrictions on freedom of movement in the form of three lockdowns, government intervention on a scale previously unimaginable, 111,000 deaths (within 28 days of a positive Covid-19 test) at the time of writing, political protests to say the least eventful U.S. election and the avoidance of hard Brexit in the form of a limited UK-EU free trade agreement, among other notable events.

Over the past year we have learned much concerning Covid-19 and can begin to take a more optimistic view in respect of the lockdown in the UK easing and the vaccination rollout programme, which will hopefully enable us to return to normal life, or a "new normal". At the time of writing over 66% of people aged 18 and over have received a first dose of the vaccine, while more than 30% have had a second and so are fully vaccinated, and the hope is that all adults will have been offered a first dose by

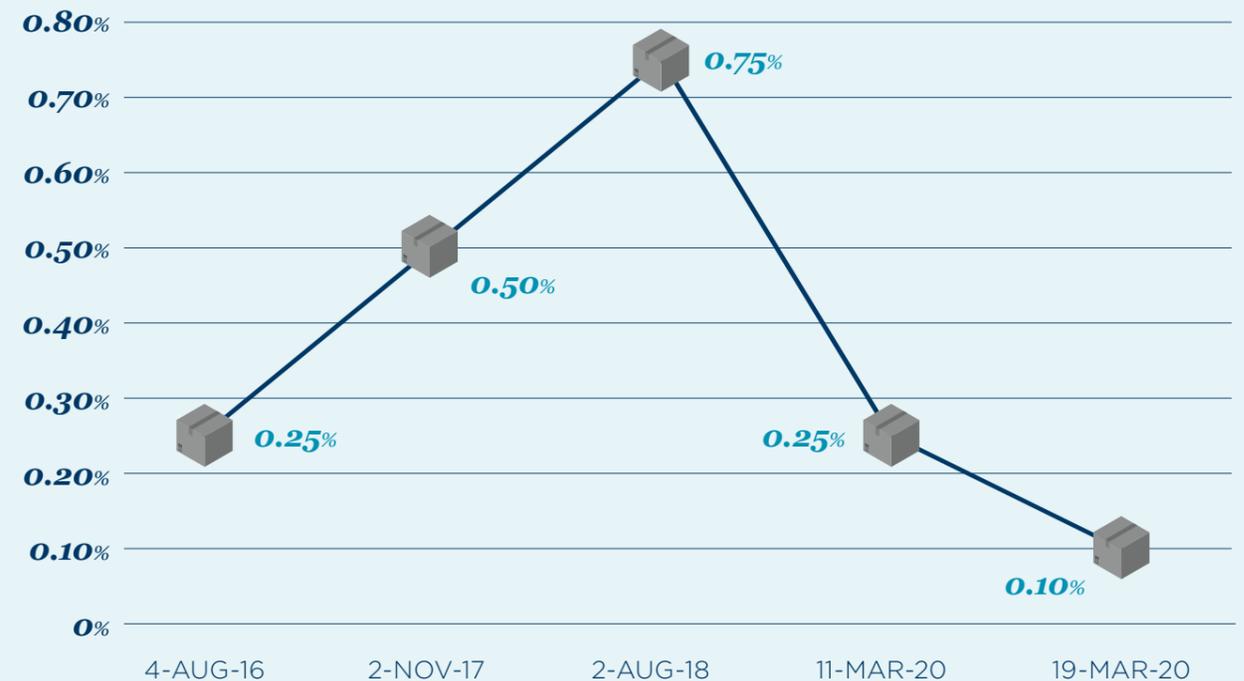
the end of July. The roadmap for easing the country out of lockdown involves four steps, with the final one expected to take place on the 21st June, when it is hoped that all limits on social contact can be removed. Although the success of the vaccination rollout and the lifting of restrictions concerning freedom of movement will herald a return to normality, or a "new normal", the Covid-19 pandemic will have far reaching effects which will dominate the coming years.



## INTEREST RATES

Over the past year the Bank of England has reacted to the crisis through two cuts to the interest rate, which currently stands at 0.1% as of 19th March, resulting in the lowest rate in the 325 year history of the central bank. This reversed an increasing of the rate from 0.25% to 0.50% in November 2017 and 0.75% in Q3 2018. In the November 2020 monetary policy meeting, following hundreds of billions of pounds of direct fiscal and economic support to the UK economy, the bond-purchasing program was expanded to the tune of an addition £150 billion, now standing at £850 billion. There has been some talk of negative interest rates on the horizon, with an official enquiry made by the Bank of England in October 2020 as to whether banks would be prepared for this, however it is the view of many that this policy would not be the most effective for the U.K. economy at this moment in time and is so unlikely to occur. According to Moody's, the interest rate will remain at the current level until early 2022, with a gradual increase from then on and is not projected to reach 1% until Q3 2024.

### UK BANK BASE RATE





# UK ECONOMIC AND POLITICAL OVERVIEW



## INFLATION

The inflation rate has declined over the last year and currently the 12 month CPI rate stands at 0.7% as at March 2021, as opposed to a 12 month CPI rate of 1.5% as at February 2020 and 1.9% in the same month in 2019. It should be noted that the recent fall is a reversal of the increases seen over the last two months. When looking at the historical rates over the last 5 years the impact of the pandemic is clear to see. With the lockdown measures being relaxed and a recovery from the second quarter it is expected that the inflation rate will see a gradual resurgence, with pre-pandemic levels achieved at the end of the year. The Bank of England has a target rate of 2%, a level not reached since July 2019, and although a bounce back may increase the rate to that level in 2022 this is expected to be only temporary, and so will remain below the target for the next few years, according to Moody's.

### UK 5 YEAR CPI (12 MONTH RATE)



Source: Office for National Statistics

## LABOUR MARKET

With the country having suffered throughout the pandemic and the lockdown measures enacted the labour market has been severely affected, with ONS statistics showing that the number of payroll employees has decreased by 813,000 since March 2020. Moreover, it is clear which demographics have felt this the most, with the under 25 age group accounting for 53.7% of this figure, and which industries have been most impacted, with 355,000 jobs lost in the accommodation and food service activities sector. In the three months to February 2021 the UK unemployment rate was estimated at 75.1%, a decline of 1.4% on the corresponding period a year earlier and 0.1% lower than the previous quarter of September to November 2020.

The Coronavirus Job Retention Scheme, announced on the 20th March 2020 and originally due to run until the end of June 2020, is still ongoing and has now been extended until 30 September 2021. This scheme was introduced with the aim of saving people's jobs and maintaining household income until those affected can get back to work, and at its peak in May 2020 30% of the country's workforce was enrolled, totalling 8.9 million people. Provisional figures as at 28 February 2021, the latest set of data available, show a total of 4.7 million people participating in the scheme. There has been much talk of what will happen once the scheme ends and the extent to which the unemployment rate will rise, with many companies under financial pressure.





# UK ECONOMIC AND POLITICAL OVERVIEW



## GDP

Much has been commented on how the ongoing pandemic has ravaged the economy. The 9.9% annual drop in 2020 is the largest recorded and the greatest since “The Great Frost” of 1709, when Britain was a largely agricultural economy. Quarterly figures for the year 2020 give a Q1 GDP fall of -2.8%, a monumental Q2 decline of -19.5%, a rebound in Q3 of 16.9%, and a Q4 figure of 1.3% projections, and it appears that GDP ended up falling between those made by the European Commission and Capital Economics, of -8.3% and 12% respectively. Some may find it interesting to note that other tumultuous declines have coincided with the end of the Napoleonic Wars in 1815, Post World War 1 and the Spanish Flu pandemic, and the Financial Crisis of 2007-08.

The picture looks a lot more positive for the year ahead, provided the government roadmap is followed and the country continues to open up with non-essential retail and outdoor hospitality resumed on April 12th, indoor hospitality and hotels on May 17th and all other restrictions being lifted on 21st June. The success of the vaccine program is an important part of this reopening, and there are expectations that a strong consumer led recovery will take place. GDP will also be influenced by continued fiscal support, low inflation supporting household spending power, consumers spending

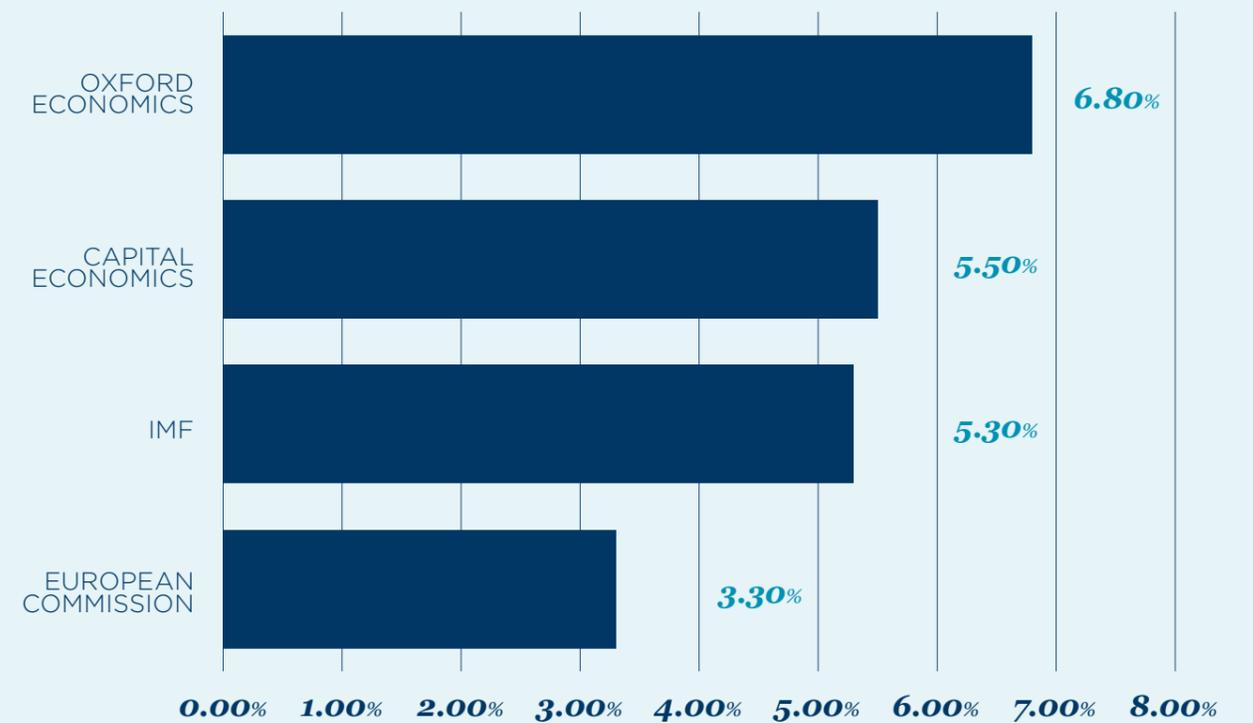
enhanced by the estimated £150 billion pounds saved over the course of the pandemic, sustained monetary policy support, and extra trade frictions due to the limited Brexit deal signed with the European Union. Looking ahead though there are risks relating to a resurgence in the amount of Covid-19 cases, the effectiveness of the vaccine dropping due to mutations of the virus and new variants, and how the labour market will react come the end of the furlough scheme. The UK economy is not expected to recover to pre-pandemic levels until 2022.

### UK ANNUAL GDP GROWTH - 15 YEAR HISTORY



Source: Office for National Statistics

### GDP PROJECTIONS - 2021



Sources: Oxford Economics, Capital Economics, IMF, European Commission



# UK ECONOMIC AND POLITICAL OVERVIEW



	2019	2020	2021	2022	2023	2024
<b>Real GDP, chained bil, SAAR</b>	2,172.51	1,942.37	1,990.93	2,155.94	2,229.05	2,264.12
<b>% chg</b>	1.43	-10.59	2.5	8.29	3.39	1.57
<b>Components, % chg</b>						
<b>Private consumption</b>	1.1	-12.13	0.72	6.58	4.41	2.4
<b>Government consumption</b>	4.01	-8.78	5.06	-0.7	-0.24	0.04
<b>Gross capital formation</b>	1.17	-13.76	10.36	21.64	4.59	2.2
<b>Gross fixed capital formation</b>	1.53	-12.5	-0.56	14.19	3.74	2.47
<b>Changes in inventories, bil</b>	0.57	-4.4	32.15	64.2	70.41	70.9
<b>Net exports of goods and services, bil</b>	-26.69	9.35	-3.62	2.81	-1.98	-10.58
<b>Labor market</b>	32.8	32.64	31.81	32.03	32.51	32.84
<b>Total employment, mil</b>	1.11	-0.5	-2.54	0.72	1.47	1.04
<b>% chg</b>	3.83	4.58	7.33	7.2	6.28	5.64
<b>Nominal wages and salaries, % chg</b>	3.69	1.28	1.65	4.27	3.77	2.27
<b>Prices</b>						
<b>Consumer price index, % chg</b>	1.77	0.91	0.9	2.78	3.01	2.35
<b>Producer price index, % chg</b>	1.6	-0.49	0.35	3.45	3.7	2.74
<b>West Texas Intermediate, \$ per bbl</b>	57.02	39.5	48.6	55.47	60.34	61.43

	2019	2020	2021	2022	2023	2024
<b>Brent crude oil prices, \$ per bbl</b>	64.18	43.21	51.85	58.47	63.36	64.41
<b>House price index</b>	135.47	138.92	133.93	134.38	144.17	154.06
<b>% chg</b>	0.97	2.54	-3.59	0.34	7.29	6.86
<b>Industry</b>						
<b>Industrial production, % chg</b>	-1.17	-8.89	4.68	6.72	0.95	0.96
<b>Fiscal</b>						
<b>Government budget, % of GDP</b>	-2.31	-14.23	-11.34	-1.79	0.31	0.58
<b>International</b>						
<b>Current account balance, bil</b>	-68.63	-63.87	-31.52	-22.08	-28.55	-39.77
<b>Exports of goods and services, bil</b>	689.27	583.62	546.78	575.27	623.53	665.16
<b>Imports of goods and services, bil</b>	716.74	574.98	545.59	568.86	626.92	682.39
<b>Financial</b>						
<b>Policy rate, %</b>	0.75	0.23	0.1	0.18	0.49	0.92
<b>10-yr bond rate, %</b>	0.9	0.34	0.52	1.08	1.93	2.56
<b>Exchange rate, US\$</b>	1.28	1.28	1.49	1.72	1.84	1.84
<b>Stock price index</b>	7,276.24	6,273.66	6,520.20	6,412.59	6,211.14	6,389.26
<b>% chg</b>	-1.2	-13.78	3.93	-1.65	-3.14	2.87

Source: Moody's Analytics



# UK ECONOMIC AND POLITICAL OVERVIEW



## POLITICAL CLIMATE

As with last year's edition, the pandemic has been the main political focus of the year. Other significant political topics include a focus on climate change and sustainability, which is covered in an additional section, the signing of a Brexit deal, and Black Lives Matters protests following the death of George Floyd at the hands of the United States police force, sparking international protests and highlighting issues of racism felt in the UK during daily life.



## HOUSING MARKET

The annual sales volume figures released by the ONS shown on the next page make interesting reading, with five of the last six months up to and including March 2021 showing English sales volumes greater than 100,000 each month. Indeed, the last time the 100,000 mark was breached was March 2016, when 150,000 sales were registered, ahead of stamp duty changes in April that year. Sales did decrease substantially in April and May of 2020, as is to be expected due to the restrictive measures in force, but have been steadily increasing since then, with the notable exception of January this year. As can be seen in the graph below, sales volumes are at a level unseen since the introduction of the 3% stamp duty surcharge on 1 April 2016, with provisional figures for March 2021 exceeding those for March 2016. When it comes to pricing, average house prices registered a 8.6% increase over the year to February 2021, with the North West market being the most buoyant with a 11.9% annual growth, as opposed to the 4.6% increase experienced in London, the lowest scoring market. The RICS sentiment survey for March showed a marked improvement in the indicators concerning enquiries, sales and new instructions compared to the previous release. A net balance of +42% of contributors stated that there was an increase in new buyer enquiries, and a net balance of 50% of those surveyed reported an increase in agreed sales.

What has been driving this increase? With transactions registering substantial declines in April and May of 2020 it is a reflection of pent-up demand and also due to temporary changes in the Stamp Duty Land Tax. Previously the nil rate band stood at £125,000, whereas between July 8th 2020 and 30 June 2021 stamp duty is only paid on the amount paid for a property above £500,000, reducing to £250,000 from July 1 to 30 September 2021, and returning to the standard amount on October 2021.

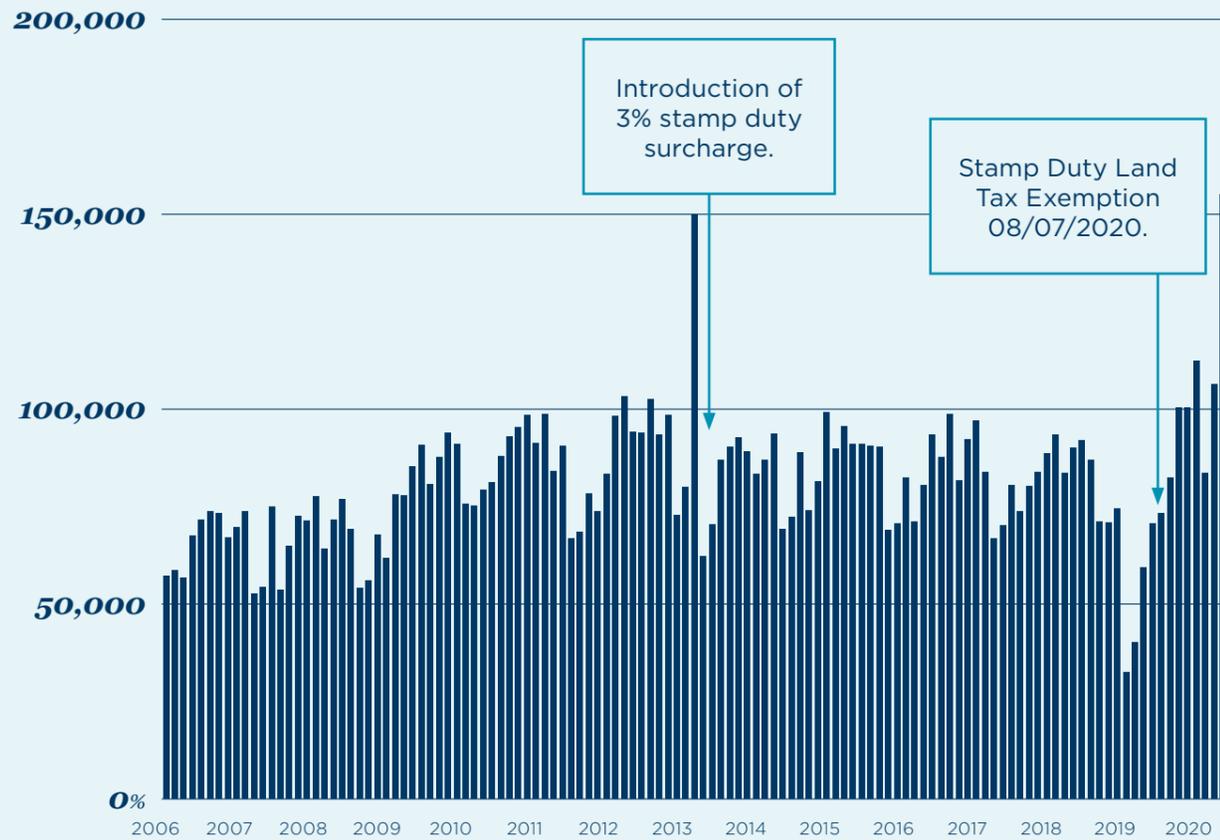
What is the outlook for the rest of the year with lockdown measures easing? There are many factors in play, with the stamp duty holiday running until the end of September, international travel rules still uncertain, the easing of lockdown roadmap and the ongoing vaccination programme having an impact, and the return to schooling affecting demand and supply. With all this in mind it will not be until towards the end of this year that we see how the lay of the land is post pandemic.



# UK ECONOMIC AND POLITICAL OVERVIEW

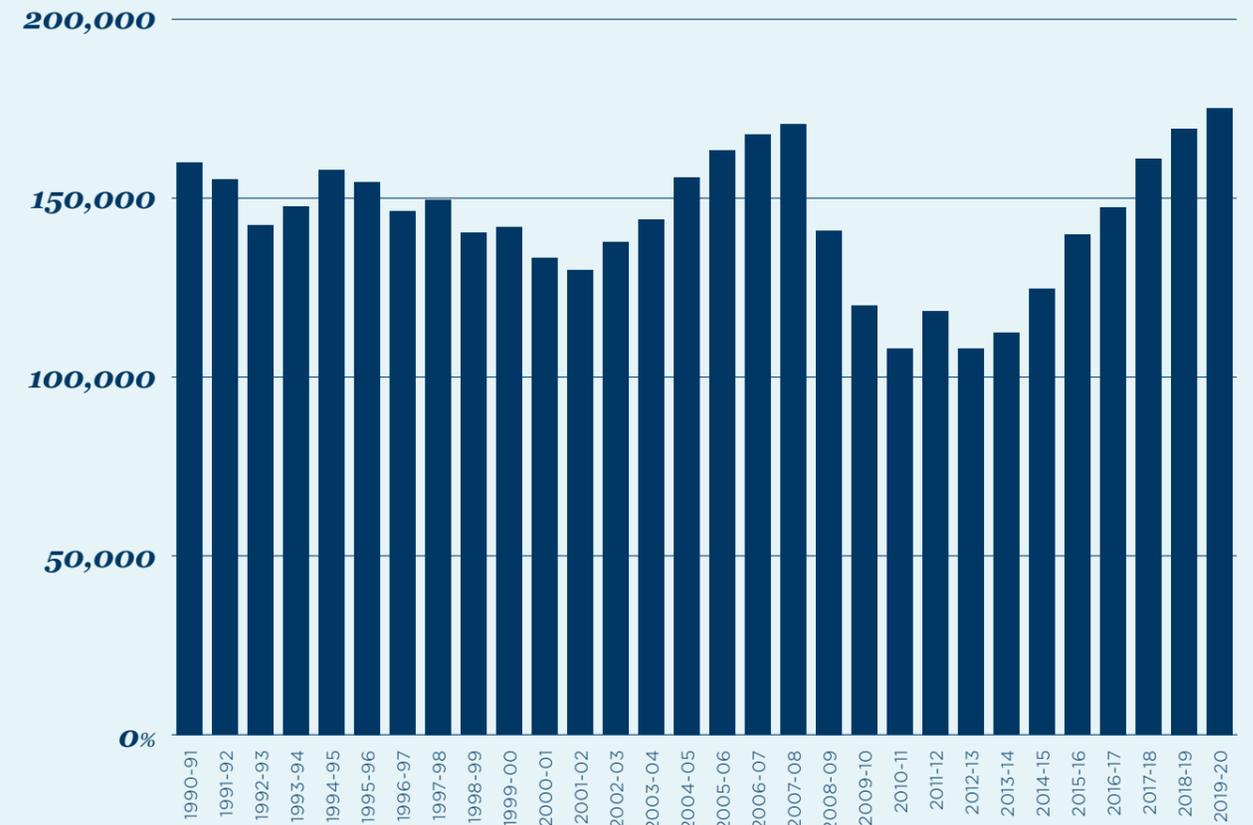


## ENGLISH MONTHLY HOUSE SALES VOLUMES - LAST 10 YEARS



Source: Office for National Statistics

## ENGLISH NEW HOME COMPLETIONS - ALL TENURES



Source: Office for National Statistics

2020 marked seven consecutive years of increasing new home completions and the highest annual total since 2007/08. The construction industry was allowed to operate throughout successive lockdowns if workers could adhere to social distancing rules, and although at the peak of the pandemic 41% of staff were participating in the

Coronavirus Job Retention Scheme, the upward annual trend of new home completions has been sustained. The government has pledged to build 300,000 new homes a year and while the current figures fall short of this objective, there is a recognition of the pressures exerted on housing supply.





# UK ECONOMIC AND POLITICAL OVERVIEW



## 10 YEAR POPULATION FORECASTS

The 10 year population forecasts for the five most populous European countries (excluding Russia), based on population estimates and projections provided by the World Bank, indicate a sustained trend of urbanisation and depopulation of the rural environment, and shows the continued pressure that the respective housing markets are and will face. The data indicates that the United Kingdom will experience the largest percentage increase in both total and urban population growth, with Italy and Spain the largest rural population decreases at 14%, although the UK and France are not far behind at -12%. The UK urban population is projected to increase by 3.7 million, the rural population is forecast to decrease by 1.3 million, and a total projected population increase of 2.4 million by 2030.

### 10 YEAR POPULATION FORECASTS

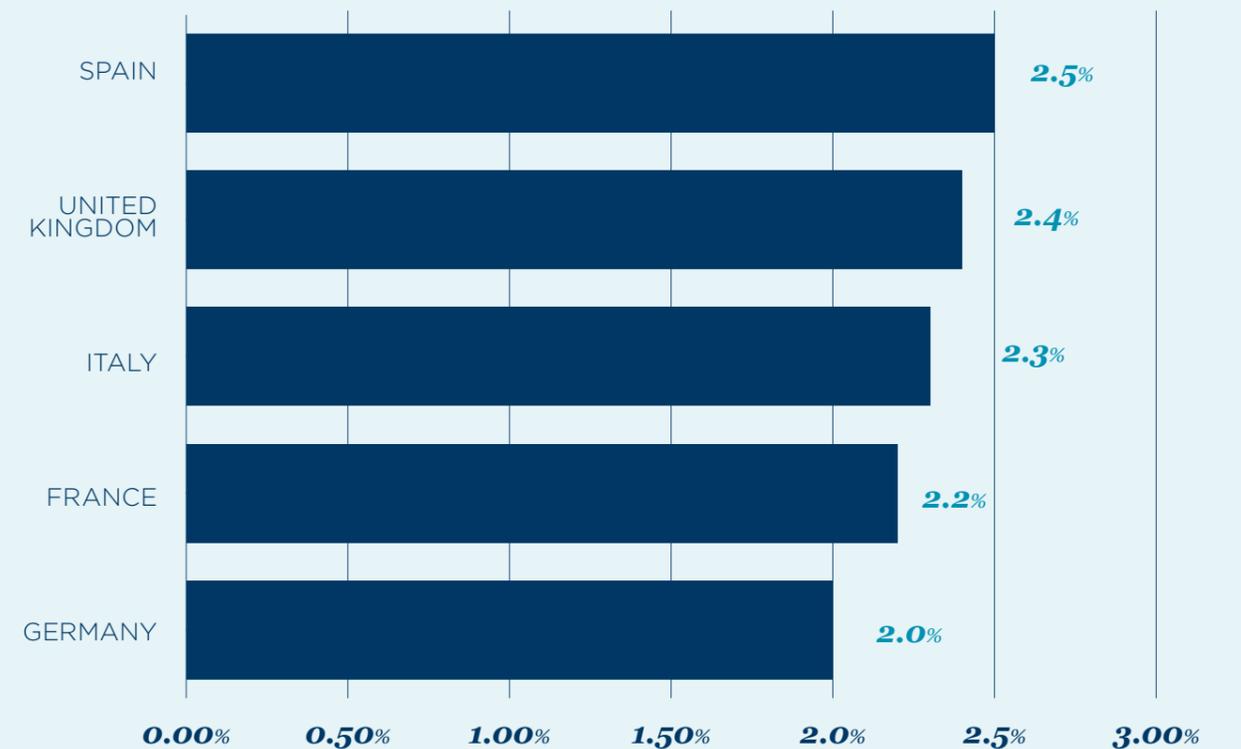


Source: World Bank

## AVERAGE HOUSEHOLD SIZES EUROPE

Looking at those five European countries with the greatest population it can be seen that Spain has the largest average household size at 2.5 persons per household, with the UK not far behind at 2.4 persons per household. The most direct comparable market, Germany, registers 2 persons per household. ONS data indicates that the average UK household size will remain at this level until 2029, when it will decrease to 2.3, although it is worth noting that England by itself is projected to decrease to 2.3 persons per household in 2025, down from the current average of 2.4 in line with the rest of the UK. With the average UK property size smaller than those in these other markets and the projected increase in urban migration and population growth and an albeit increasing, new housing under-supply, the pressures exerted supply side are clear to see.

### AVERAGE HOUSEHOLD SIZE (PERSONS)



Source: Oxford Economics



# UK ECONOMIC AND POLITICAL OVERVIEW



## PROPERTY COMMENTARY ON COVID EFFECT / UPDATE ON MAIN PROPERTY SECTORS: RETAIL, OFFICE AND LOGISTICS

*The events of the past year have greatly impacted and will continue to have significant implications on the commercial real estate market, with each sector affected differently. While some have seen rent collection drop due to the restrictive measures enacted, such as in the retail sector, others have remained stable or thrived due to increased demand, as is the case with logistics. There are also trends which, although present in the pre-covid environment, such as online shopping or home working, have been propelled forward. The pandemic has provoked structural changes, and while it is not the case that bricks and mortar retail is dead nor that the majority of office workers will never set foot in an office again, something of a reset has been provoked. Should one wish to see how our behaviour has changed there is a very interesting Google mobility tracker where you can find mobility changes related to workplaces and retail and recreation throughout the country.*

A strong case could be made for the retail sector having suffered the most over the past year. The Centre for Retail Research notes that 2020 was the worst year on record for the number of companies/employees affected by retail failures (54 and 109,000 respectively). Some of the most recognised groups, such as Debenhams and Arcadia, have filed for CVAs and administrations. Already greatly impacted by online shopping pre-covid, people's predisposition to shop online has increased dramatically, which is not surprising given the closure of non-essential retail during repeated lockdowns. Online accounted for 27.9% of total retail sales in 2020 according to the Office of National Statistics, up from 19.2% in 2019. Business rates relief has been extended for retail, hospitality and leisure businesses in England until 30 June 2021 (100% relief), followed by a two-thirds discount from 1 July 2021 until 31 March 2022, while the ban on commercial evictions has been extended to 30 June, all welcome news for retailers. An increasing number of landlords are looking at repurposing/ redeveloping their assets, with residential-led mixed-use schemes a popular mix under consideration. On the investment side, 2020 saw the lowest retail investment volumes since 2001, at £5.8 billion, amidst a backdrop of increased vacancy rates,

depressed rent collection rates and negative sentiment concerning the sector.

There have been great changes in the office sector as well, with many instructed to work from home since the pandemic began. There are those of us who have not been into the office for over a year, and a main topic of discussion concerns the hybrid office/work from home model, a trend which has now been brought forward a few years. The office sector is intertwined with the labour market, with the job retention scheme believed to have slowed the rise in the unemployment rate, although total employment is not expected to recover until Q3 2022. On the occupier side, take-up in Q4 2020 rose to 1.4 million sq ft, the highest quarterly total since before the first lockdown in March 2020, although leasing activity does remain depressed and below the five-year quarterly average of 1.9 million sq ft. Vacancy rates in London rose to 6.5% in Q4 2020, while the vacancy rate in the regions remained stable at 7.5% and below the five-year average of 8.1%. Investment in the final quarter of the year did increase, at more than double the previous quarter however still a third down on the same quarter in the previous year,

amidst renewed confidence in the sector with many business highlighting the importance of the office environment. Looking to the future, there is much discussion on the future of towns and cities and which locations could benefit due to changing working practices post-pandemic.

2020 marked a record year for the logistics market, with the strongest Q4 ever recorded at 14.3 million sq ft of take-up, and a record annual high of 50.4 million sq ft. The shift to online was accelerated due to the pandemic and associated lockdowns, and nearly 40% of the annual take-up figure is accounted for by E-commerce and Post & Parcel operators, with Amazon very active in the market acquiring over 12 million sq ft in 21 units. High transaction volumes have seen decreased available stock in some regions, and headline rents reaching their highest annual rate since 2018 according to the C&W Prime Rent Index, at +4.3%. This has been noted by developers, with an increase in speculative development. Overall total investment volumes for the year rose by 18% to around £8 billion, highlighting the confidence in the sector. Capital values have seen the benefit too; with the MSCI UK Monthly Property Index indicating that values rose by 8.66% over the year to March 2021.





# UK ECONOMIC AND POLITICAL OVERVIEW



## CLIMATE CHANGE

*Recent years have seen a renewed focus on the climate change and sustainability agenda.*

It is worth noting that this has been in the conscience of UK policy for several years, with Britain's Climate Change Act, passed in 2008, the world's first legally binding national commitment to cut greenhouse gas emissions. 2019 saw the UK become the first major economy to commit to a net zero emissions policy by 2050. More than £2 billion has been earmarked by the government to support decarbonisation, with measures relating to real estate such as improving the energy efficiency of commercial buildings. The UK is due to host the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow this upcoming November, where the focus is on accelerating action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

## U.S. ELECTION

*Of great global significance is the 2020 United States Presidential election, held on Tuesday 3rd November, which saw the Democratic Party, led by Joe Biden oust the incumbent Republican Party, headed by Donald Trump.*

Despite different opinions surrounding Brexit, this represents a closer alignment between the United States and the United Kingdom on several policies, notably climate change, with Biden moving to reinstate the US to the Paris Climate Agreement and putting it second in the White House list of priorities after the Covid-19 pandemic, and the international response to Covid. Post-Brexit this gives an opportunity for the UK to re-establish itself internationally.

## CENSUS 21

*It is worth noting that the decennial census, a survey concerning all the households in England and Wales, took place this year on Sunday 21st March.*

A mix of demographic information, it is used to give greater insight into UK population characteristics across the constituent countries and helps to predict the demands on public services and map the social geography of the UK. The survey is run by the various national statistical agencies: the Office of National Statistics in England and Wales, National Records of Scotland and the Northern Ireland Statistics Agency.

## SUMMARY. KEY RISKS.

*The past year has been nothing if eventful. The ongoing pandemic greatly is impacting the economy, with the UK suffering its greatest drop in economic output in three centuries.*

Despite this there is reason for optimism given the success of the vaccination program, the U.S. election results and the agreement of a Brexit deal, which although limited signalled the end of the possibility of a Hard Brexit. It is however worthwhile to look at some of the key risks for the future. Relating to the ongoing Covid pandemic, the possibility of the crisis exacerbating or not being contained and an associated increase in cases could lead to future restrictions, thus impacting economic activity. The vaccination progress made is welcome news, however should there be any notable delays, for example through a restricted use of the Oxford-AstraZeneca vaccine, or the effectiveness of the vaccine dropping due to mutations of the virus and new variants, then this would have associated negative impacts. Support measures brought about through the government response to the pandemic are due to wind down towards the end of the year, and it is expected that this will lead to an increase in unemployment as it is doubtful that the majority of employees currently furloughed will be reabsorbed back into the labour market. There is also Brexit to consider, with the limited deal signed having a negative impact on the potential growth of the U.K. economy. Already trade has plunged, with January 2021 seeing British exports to the European Union drop 42.0% (£5.7 billion) from the previous month and imports registering a 29.7% (£6.7 billion) decline. The latest data, for February 2021, shows a partial recovery with exports increasing month on month by 46.6% (£3.7 billion) and imports registering an increase of 7.3% (£1.2 billion) following these record declines.





# INDUSTRY SURVEY





# INDUSTRY SURVEY



## KEY THEMES

The COVID-19 pandemic has not negatively impacted the self storage industry. In fact, the industry has recorded some of its best results during 2020, significantly increasing occupancy and returns. Customers stayed longer as a result of lockdowns, reducing churn in the businesses. As expected, more enquiries moved online with walk-in's reducing. Developments of new sites continued and was only slowed by the conditions lockdowns and the pandemic put on the construction industry and access to building materials. There was not an exodus of customers when the lockdowns were eased over summer and operators remain positive for the coming year.

## OCCUPANCY

Following a drop in overall occupancy in 2019, occupancy levels increased significantly in 2020. UK levels rose from 76.2% to 82.3%. This is the highest recorded level of occupancy across the industry, as well as the largest single year increase since this report was first produced in 2004. It should be noted that total occupancy rates are influenced by new developments added into the survey sample, as new stores will have lower occupancy during the fill-up phase.

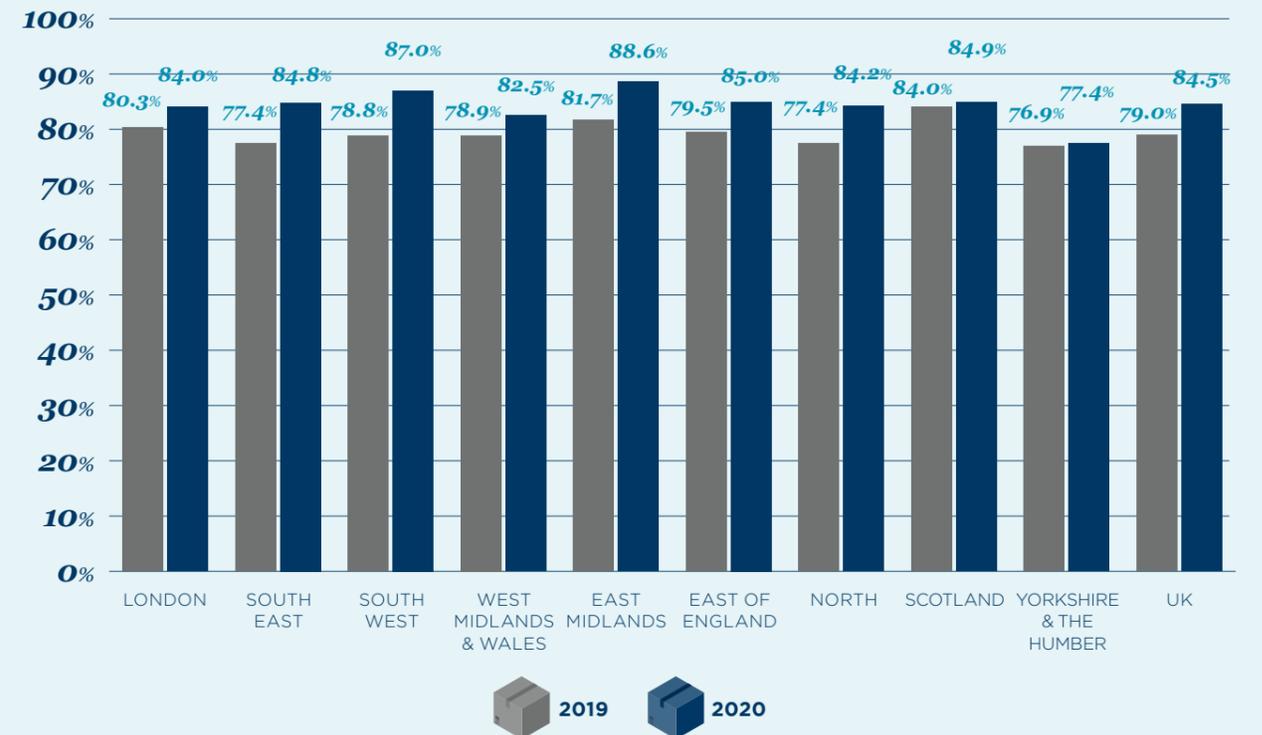
### UK OCCUPANCY ON CURRENT LETTABLE AREA ALL STORES



The following graph aims to remove the influence of new stores and expansions by only considering occupancy rates for businesses that have not had significant (less than 5%) expansion in the past 2 years. This is done on the theory that these stores are more likely to be near their mature occupancy levels for that stage of their development. Here we can see that occupancy has also increased significantly.

It remains to be seen if these occupancy levels will be sustainable throughout 2021 or if they have been buoyed up by the impact of the pandemic and lockdowns. Interestingly, when looking at the occupancy rate throughout 2020, there was no drop when then lockdowns were eased over summer. In fact, most operators saw a further escalation of the occupancy rate increase over this period, indicating there was no mass move out.

### OCCUPANCY BASED ON REGION FOR MATURE STORES



Occupancy increased in all regions, with the South East showing the largest increase, from 77.4% to 84.8% and Yorkshire showing the lowest increase, 76.9% to 77.4%. This graph removes those stores in fill-up stage and hence raises the average level of occupancy. However, it does not entirely remove

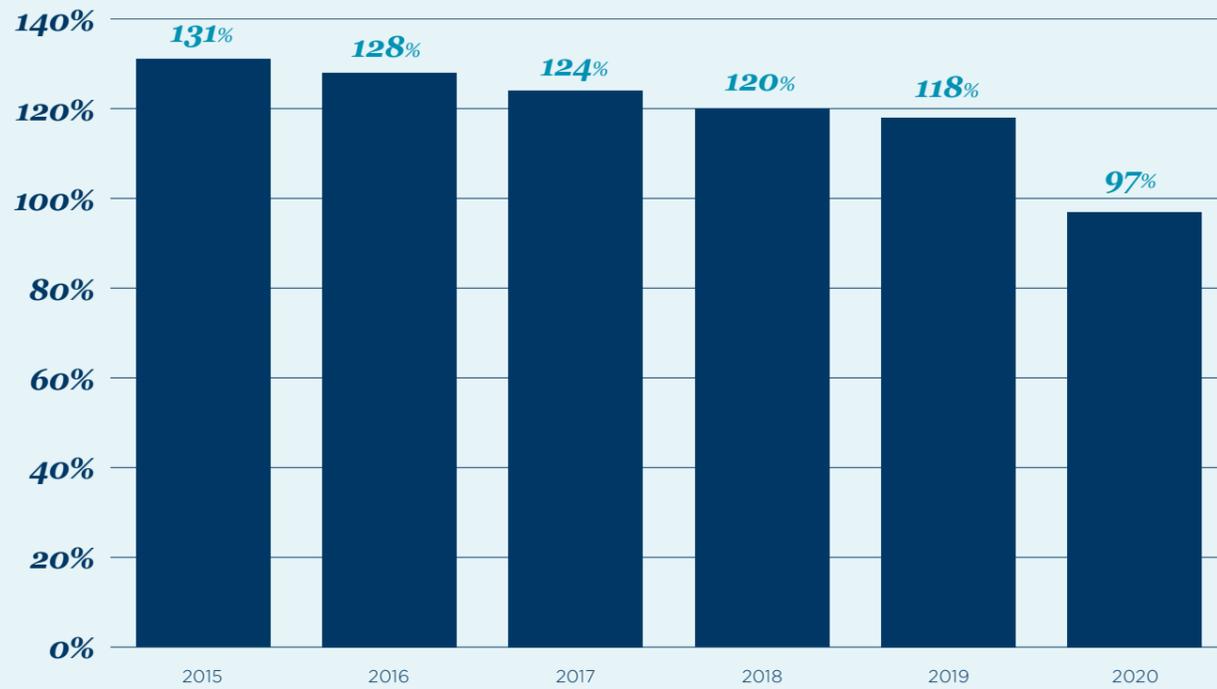
the influence of new stores and additional space into a market. Yorkshire for example, had a significant increase in space added during 2019 and 2020, the filling up of this new space is likely to have a flow on effect to mature stores occupancy as well, and could be a reason behind the lower increase in this area.



# INDUSTRY SURVEY



## CHURN RATE



Another factor to measure in terms of customer retention is churn. This is measured by the total number of move outs in a year, divided by the total amount of units that were occupied during that period. Generally speaking, the more long-term customers a store has would result in less churn. The higher the level of churn, the more work and potential cost to the business in acquiring these new customers.

It is evident that the pandemic lockdowns have considerably reduced the level of churn with less customers moving out of their storage unit. Self storage has remained open throughout the pandemic in the UK, and customers are less likely

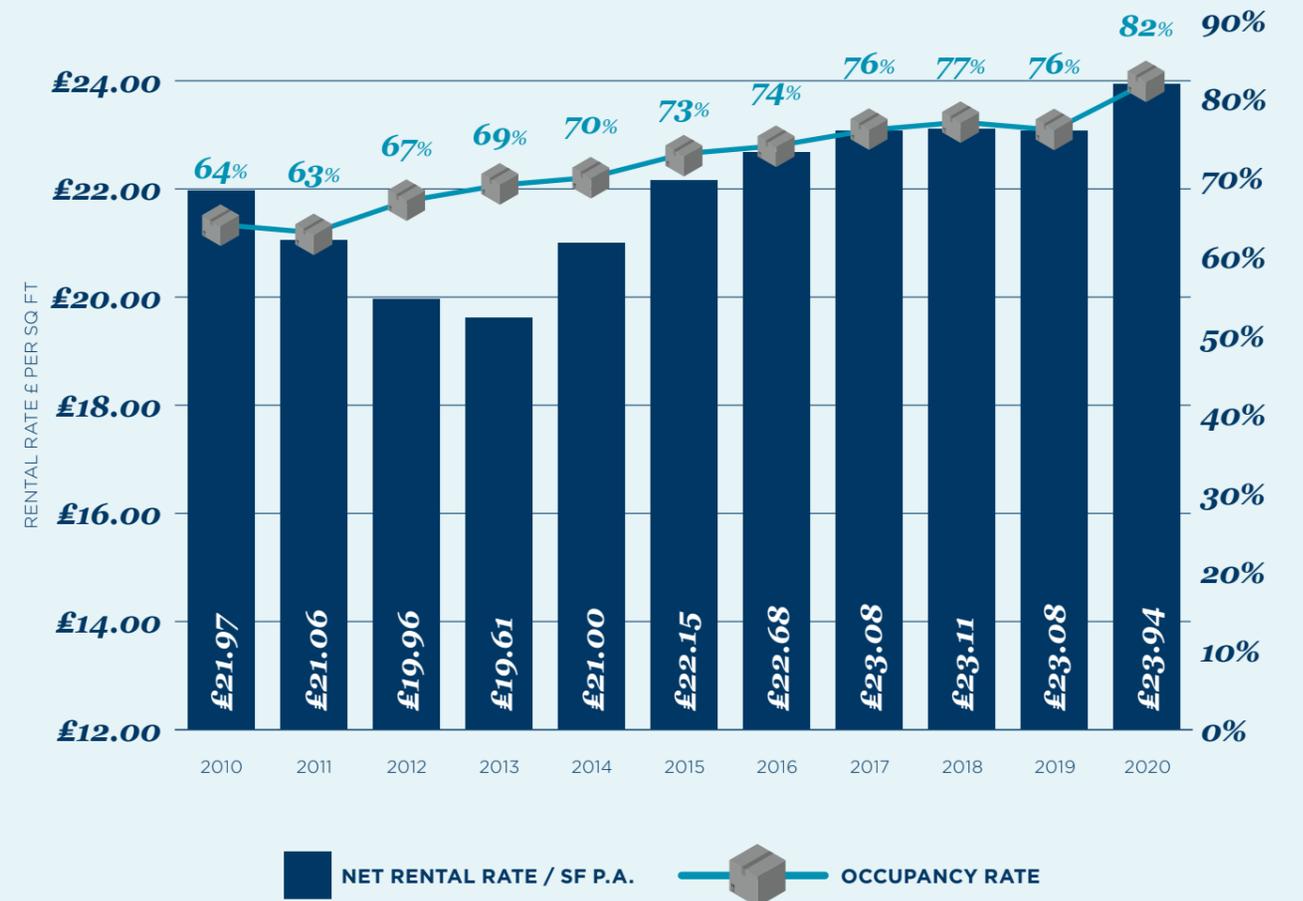
to move their goods out during lockdowns. This could be because of their own safety concerns and it not deemed as essential travel, or because their circumstances have changed, such as a delay in house sale. However, when the lockdown was eased over summer there was not a mass exodus of customers who had been waiting to leave. This would indicate that many customers who may have come to self storage for a short term use pre-pandemic, may have now decided to keep their unit long term. It is also possible that the industry will not experience the impact of these move outs until later in 2021 when it is envisaged lockdowns will be finished completely.

## RENTAL RATES

Average rental rates had been within a range of less than 50p for the past 5 years but there was an increase of £0.86 this year, with rates reaching their highest level on record, just short of £24 per square foot per year. All rental rate data is excluding VAT.

When combining this with the increase in occupancy, the industry was considerably more profitable in 2020. This is despite many operators being cautious in terms of rate increases during the pandemic and some providing rental relief for impacted customers, particularly businesses that were closed during lockdowns.

## AVERAGE NET ROOM RATE

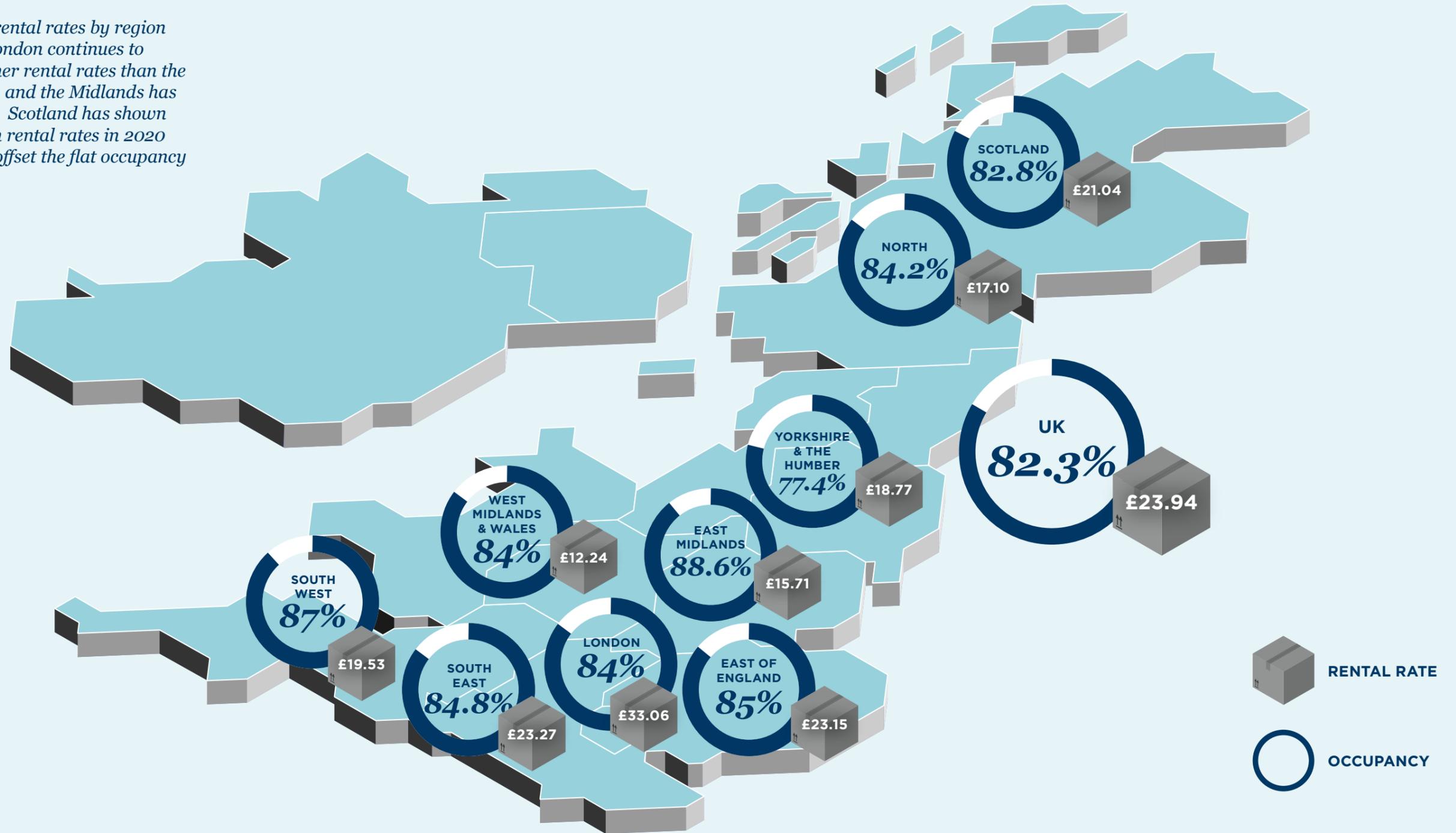




# INDUSTRY SURVEY



When comparing rental rates by region you can see that London continues to demand much higher rental rates than the rest of the country, and the Midlands has the lowest returns. Scotland has shown a sharp increase in rental rates in 2020 which would help offset the flat occupancy levels.





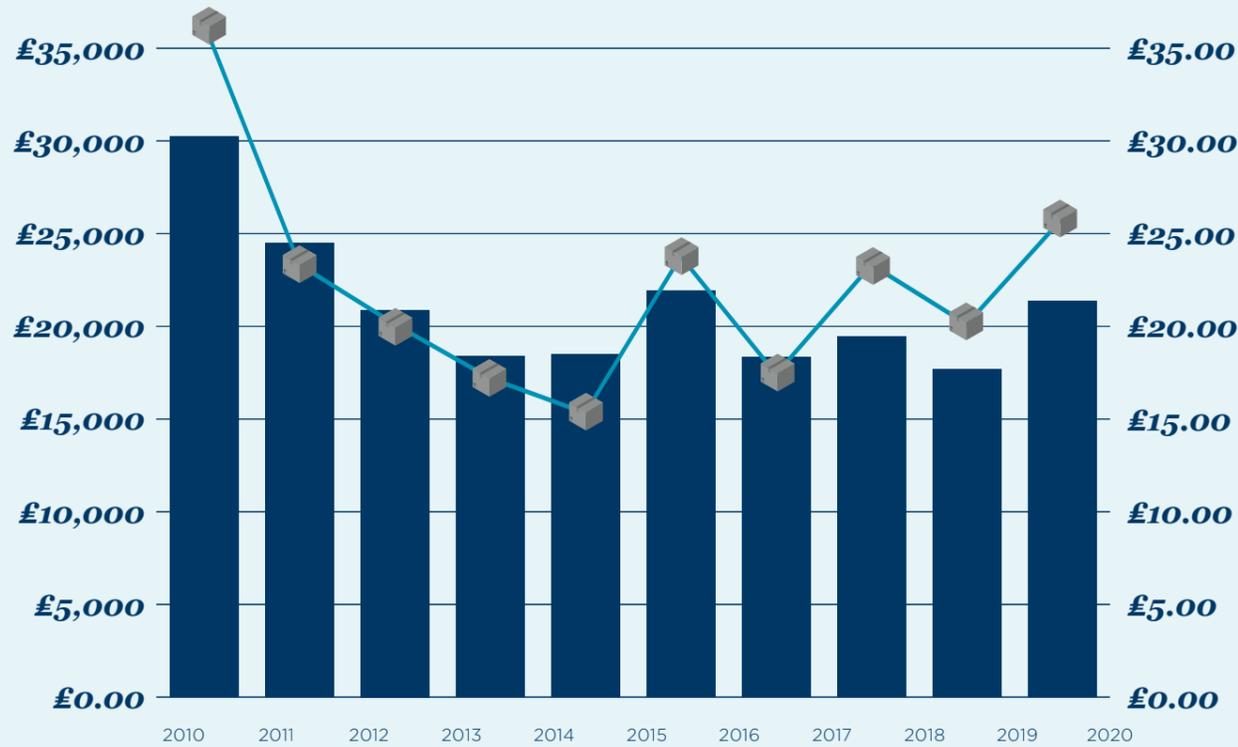
# INDUSTRY SURVEY



While rental rates in London are higher, so is the average disposable income. Cost of living is also higher as are land prices or property rental rates for the London stores. This chart shows that while the Midlands are returning lower returns, they also have lower average household income. However, Yorkshire and Scotland that also have lower household income are demanding higher storage rents.

Measuring rental rate on its own only gives part of the equation, as the profitability of the business is tied to both rental rate and occupancy. If one is increased at the expense of the other, then increase in profit is limited. As the following chart shows, the increase in both occupancy and returns has seen a sharp increase in the profitability of the industry.

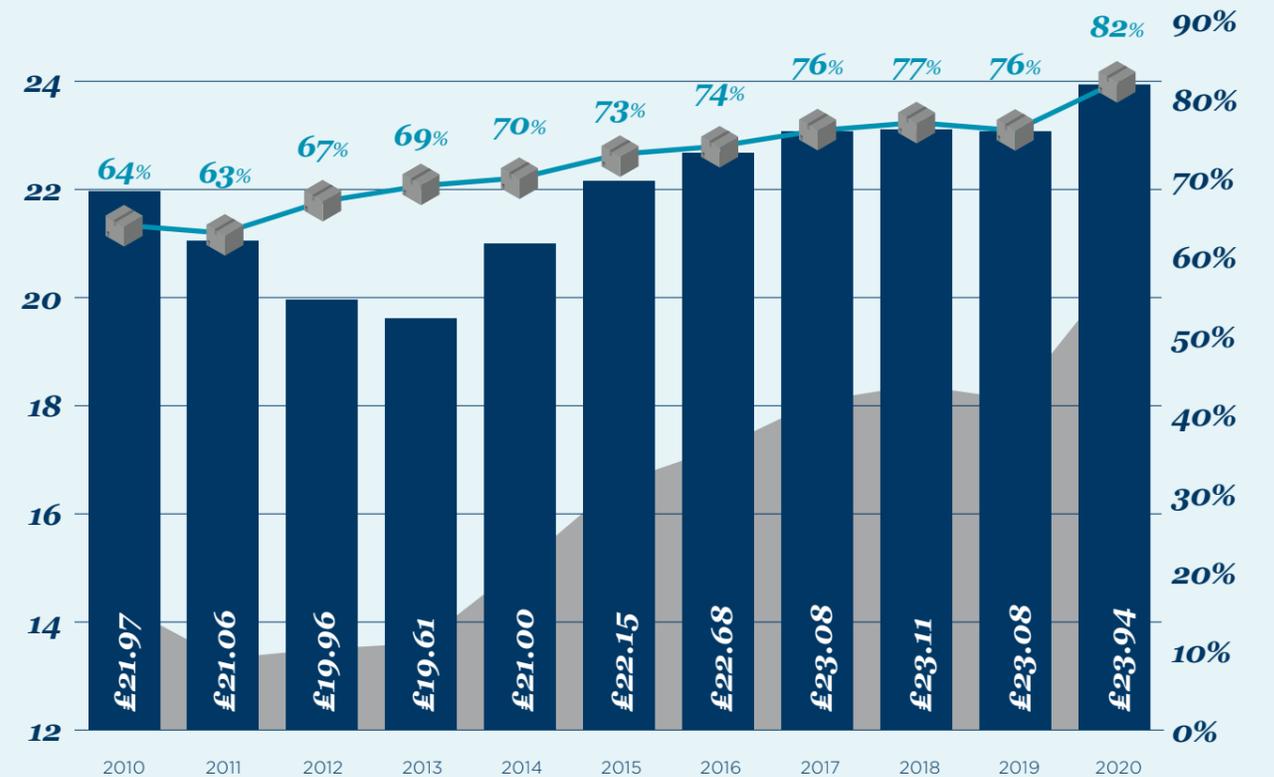
## REGIONAL SPLIT OF RENTAL RATE VS. DISPOSABLE INCOME



■ HOUSEHOLD DISPOSABLE INCOME PER CAPITA £    ■ AVERAGE RENTAL RATE (MATURE STORES)

Source: Oxford Economics

## INDUSTRY PROFITABILITY



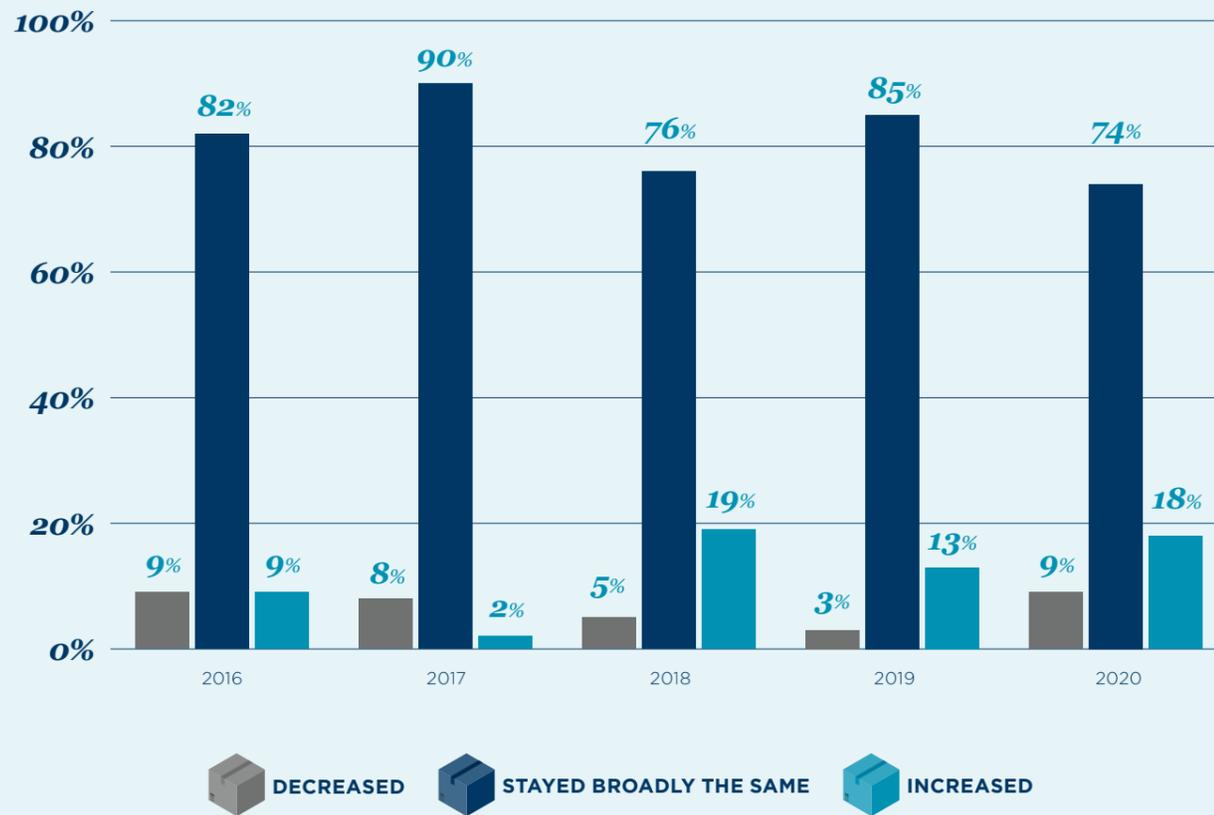
■ PROFITABILITY    ■ NET RENTAL RATE / SF P.A.    ■ OCCUPANCY RATE



# INDUSTRY SURVEY



## CHANGE IN INCENTIVES PROVIDED OVER THE PAST YEAR



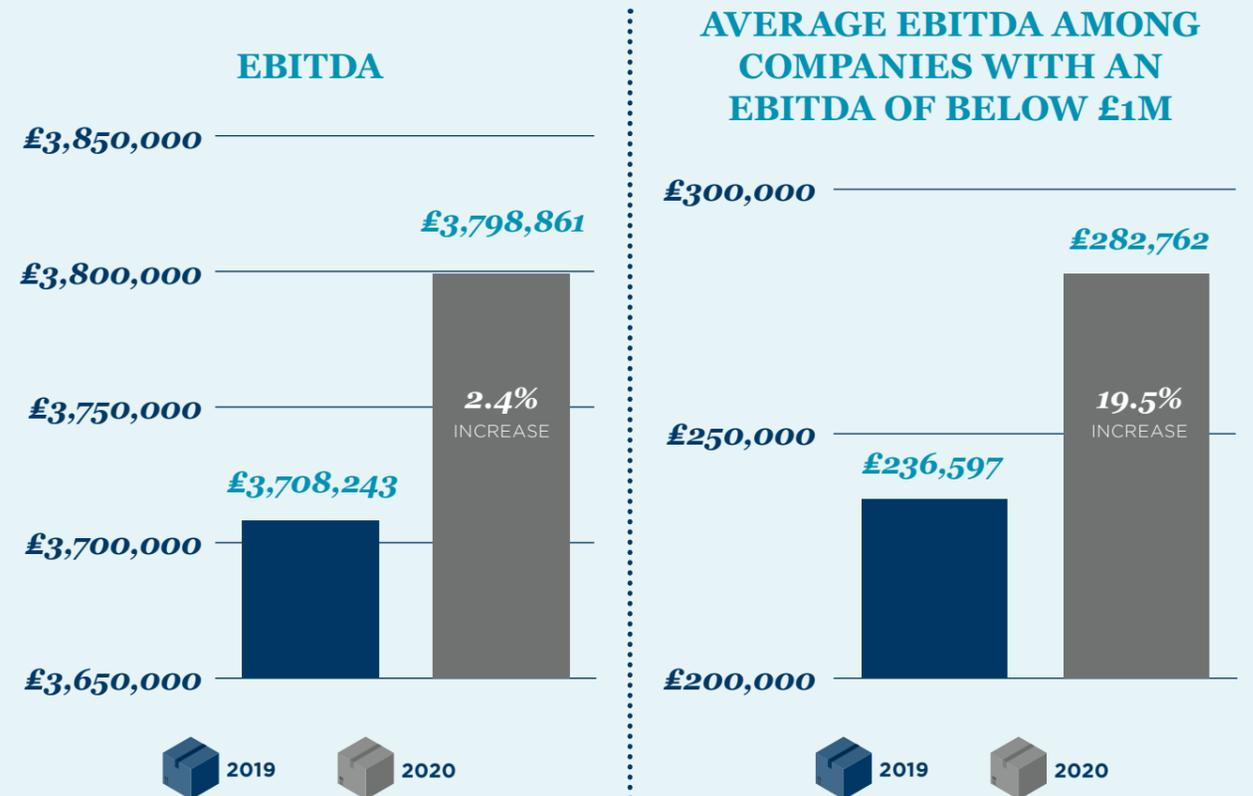
Survey respondents were asked if they had changed the level of incentives or discounts offered to customers over the last 12 months. Discounts are offered to encourage customers to use the service, particularly as product awareness is low. Other data in this report shows that often customers think they will only use storage for a short period of time but end up using it longer. This gives the business the opportunity to recover this initial discounted rate over time. More operators increased their level of discounts than last year. This is understandable

given the uncertainty of the pandemic impact. Operators were uncertain about the impact of lockdowns and business closures, especially in the first half of the year and were more likely to offer discounts for new customers. Given the reduction in churn of customers and increase in occupancy and revenue, many would consider this a good investment. The question is, do these incentives genuinely attract new customers or just reduce the profit margin for the business?

## OTHER OPERATING METRICS

Many self storage businesses use EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) to measure the profitability and growth of their business. This metric measures the profit made by the business and is somewhat a proxy for cashflow. It removes many items business owners have discretion over, such as debt financing, capital structure and depreciation to give a simpler analysis of profit from the business. EBITDA will clearly vary depending on the size of the business.

It should be noted that not all operators provided this data to the survey. Also, self storage businesses in initial fill up stage may have a negative EBITDA result. The survey has only been measuring EBITDA for the last 2 years.



This is another metric that shows the success of the industry over the last 12 months, particularly with the smaller companies showing on average a 19.5% increase in their EBITDA.



# INDUSTRY SURVEY



## OPERATING COSTS

**32%**



**STAFF COSTS**

**24%**



**RATES AND TAXES**

**17%**



**MANAGEMENT COSTS**

**10%**



**ONLINE MARKETING**

**8%**



**UTILITIES**

**11%**



**OTHER EXPENSES**

**4%**



**MERCHANDISE**

**4%**



**REPAIRS AND MAINTENANCE**

**3%**



**INSURANCE**

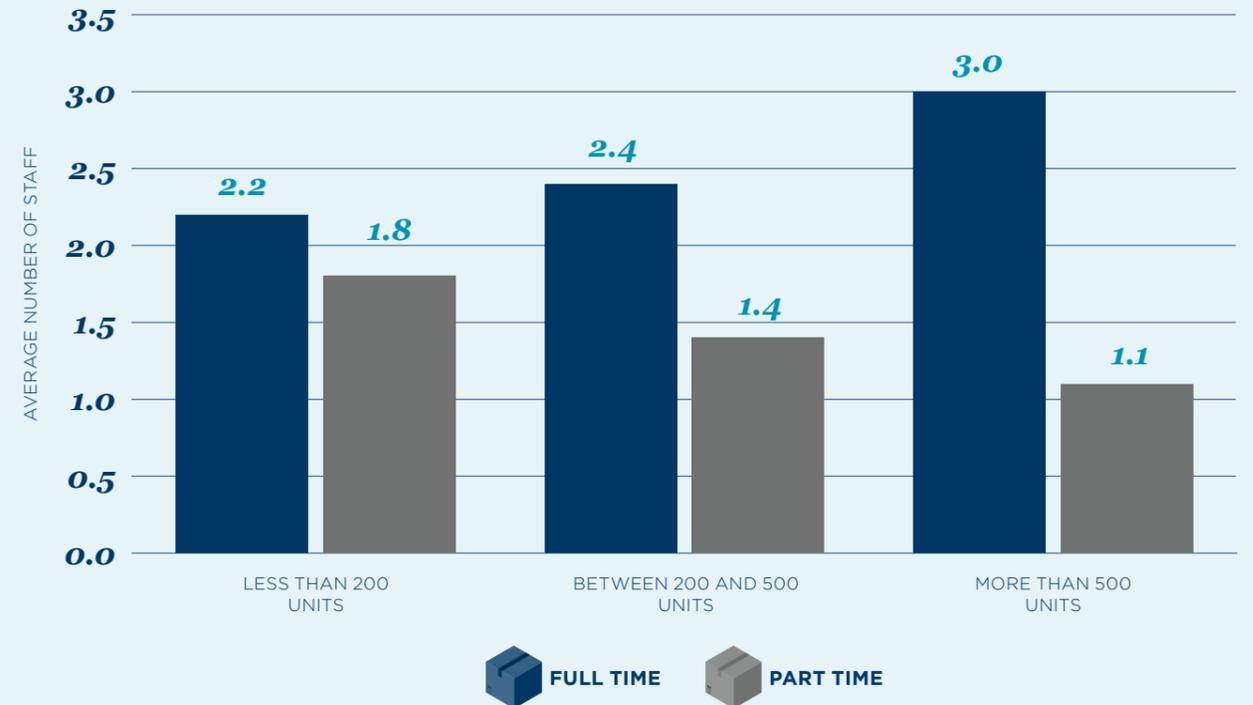
**2%**



**OTHER MARKETING**

Operating cost data can vary materially in this area, with operators taking differing approaches to the allocation of certain cost lines, so a certain amount of judgement is required on operating costs. However, staff costs, rates and taxes are the highest costs, totalling 56% of all costs. The long-term trends for this data are relatively stable.

## AVERAGE NUMBER OF STAFF FOR DIFFERENT FACILITY SIZES



Self storage stores themselves do not employ many people, with even the largest stores having on average only 3 full time staff. However, while not direct employers, self storage stores are strong supporters of local small businesses. Many are viewed as business incubators, assisting local business transition from family, home based operations, to larger scale, employing more staff.

There has been an increase in staffing levels in the less than 200 unit stores this year, up from 1.9 full time and 1.4 part time last year.





# INDUSTRY SURVEY



## SOURCE OF ENQUIRIES

# 69%



WEBSITE

# 11%



SIGNAGE

# 5%



DIRECTORIES

# 9%



REFERRAL

# 3%



SOCIAL MEDIA

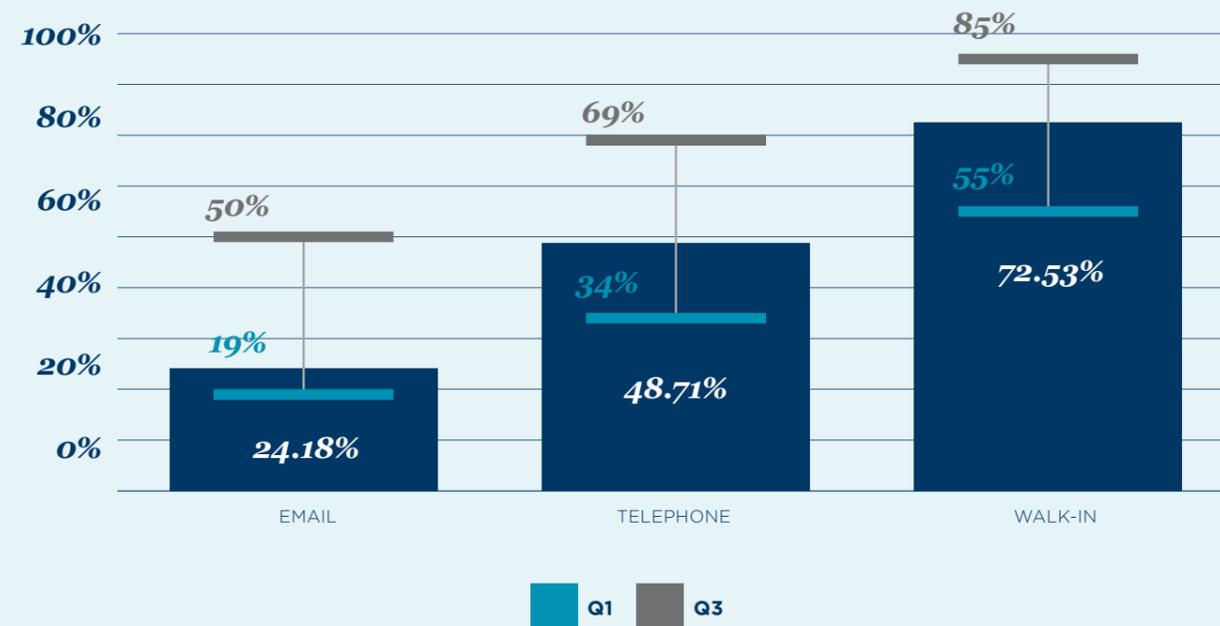
# 3%



NOT KNOWN / OTHER

Web based enquiries continue to represent the bulk of the source of enquiries and have maintained a similar share to 2019. Care should be taken when interpreting this data as often the enquiry is not clearly from a single source. For example, a customer that was aware of the store from signage may use the website to get contact details of the store and to find more information.

## ESTIMATED CONVERSION RATE



Conversion data varies considerably from store to store as shown by the quartile bars in this graph. This is partly due to the way in which stores handle customer enquiries but is also influenced by the way in which they record their data. Recording all incoming enquiries to their correct source requires robust management systems.

Walk in conversions rose considerably in 2020, but the quantity of walk ins reduced. This is most likely a result of the lockdowns. Customers would be less likely to be shopping around self storage stores in person and were generally moving to more online enquiries. This means the customers walking into a storage store would be more likely to store there, and were possibly visiting with that very purpose, rather than traveling to another store for comparison.

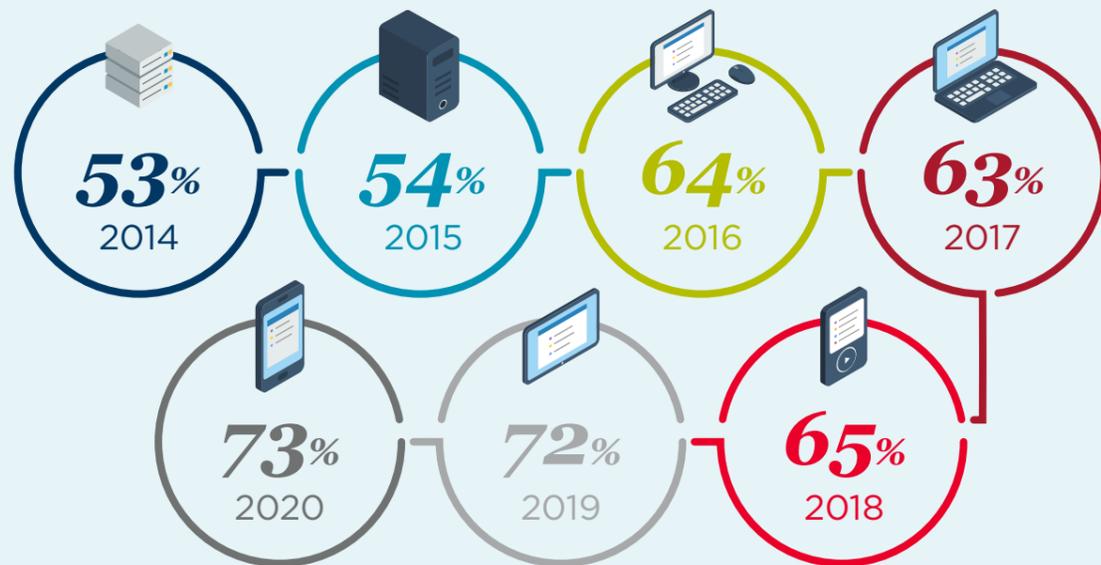
Conversion rates are influenced by the number of stores a customer contacts. They are more likely to contact multiple stores online, while only visit one or two. Hence conversions for online will always be lower. Other research the Association conducts, such as the Mystery Shopping Programme, indicates a large difference in the way operators deal with online enquiries. Some operators will engage with a customer online and attempt to secure a sale in that medium, while others will endeavour to contact the customer by telephone and convert the sale in a more personal medium. Further detailed analysis would be required to determine the impact the various methods have on online conversion rates. This data does suggest that some operators are performing well above the average.



# INDUSTRY SURVEY



## COMPANIES THAT DISPLAY PRICES ON THEIR WEBSITE



For a period, many operators were resisting placing their prices online. This was mostly due to the concern that as self storage is a new industry which customers do not understand fully, customers may buy on price alone rather than understand the various differences and benefits between stores. There was a big increase in operators publishing prices online in 2019 and a further increase in 2020.

## CAN CUSTOMERS RESERVE A UNIT THROUGH YOUR WEBSITE?



Interestingly, despite the pandemic and the increase in online enquiries, there was no increase in the number of operators that allow customers to reserve or reserve and pay for a unit online. Possibly, this is due to the time it takes to implement technology of this kind. While taking payments online is relatively easy, the process of checking ID and validating self storage contracts is more complex. There is a reluctance from some operators to allow people to complete the self storage sale online, preferring to speak to all customers in person.





# INDUSTRY SURVEY



## AVERAGE FACILITY SIZE

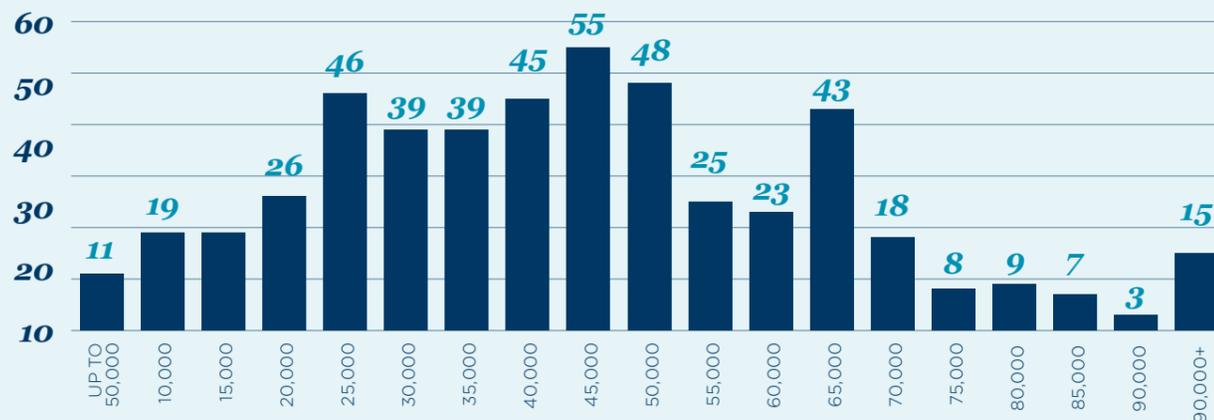
	2018	2019	2020
Current space occupied (sq ft) (CLA)	33,708	29,886	33,646
Current net lettable (sq ft)	44,290	40,401	41,612
Maximum net lettable (sq ft) (MLA)	46,731	42,537	44,055

Data from operators that completed the survey shows the average store size has increased for the first time in 4 years. The industry is expanding in all markets, including London, regional cities, and small regional towns. The size of the store will vary greatly depending on its location, with several “mega stores” in London, larger stores in the main cities such as Manchester and Birmingham, working down to small sites of less than 100 units in regional locations. The smallest site in the survey group had less than 1500 square feet of CLA and the largest had over 150,000.

The companies that completed the survey indicated they have over 1 million square feet of potential self storage space yet to be fitted out within the existing supply of facilities. This shows that even without the addition of new stores, there is considerable growth potential in terms of available space within the industry. Bearing in mind that not all available storage space is always fitted out.

This chart shows the spread of store sizes within the sample group. The large number of 65,000 square feet stores would most likely be in the major cities that support larger stores, while the 40-50,000 sized stores would be considered large in the more regional markets.

## NUMBER OF STORES BY SIZE FROM SURVEY SAMPLE



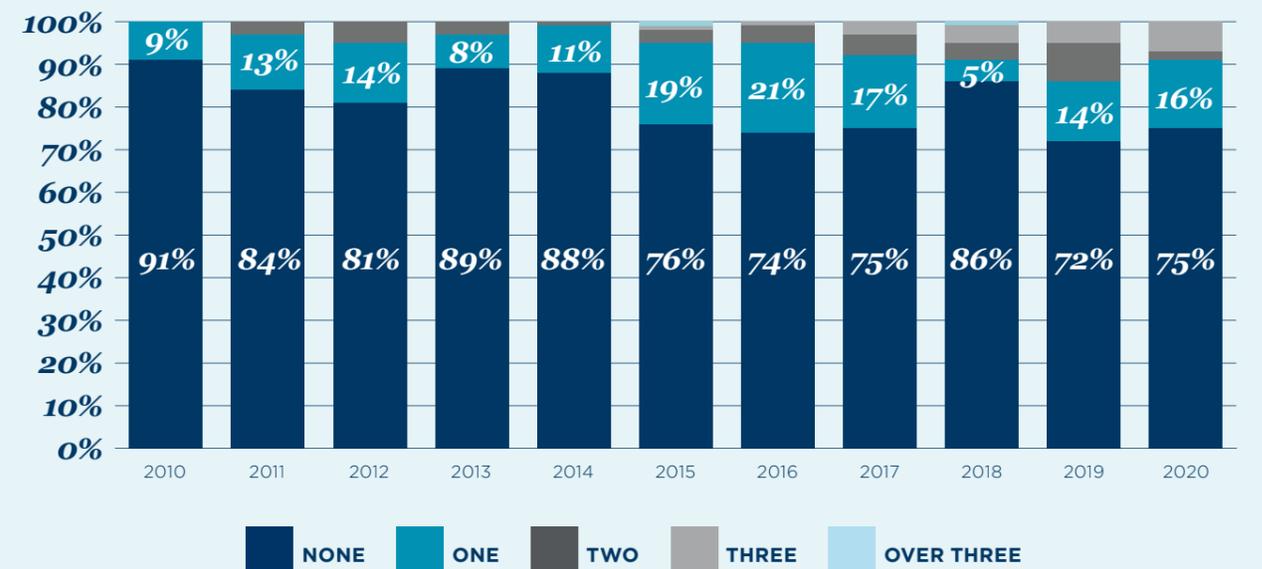
## TYPE OF OWNERSHIP

The balance between freehold/long leasehold and short leasehold (generally under 25 years) has been very slowly increasing since 2010 where it was 15%. This year 23% of properties in the survey were leasehold, the same result as 2019. Short leaseholds are usually only considered where a freehold cannot be secured, or where there is a constraint in funding. New entrants to the industry may take leasehold sites initially and then acquire freehold sites later when they have access to more capital funding. Container sites are also more likely to use leasehold property.

## EXPANSION ACTIVITY

This chart shows the ongoing growth of the industry but also the constraining factors on operators developing new sites. It is unusual for an operator to develop more than 3 stores in a year, even for the large publicly listed companies. Many operators have ambitious growth plans, but more often than not they are limited by access to property, planning constraints and timing, funding constraints or delays in construction. It should be noted this data is from the survey group only and does not represent the entire industry.

## NUMBER OF STORES OPENED PER OPERATOR



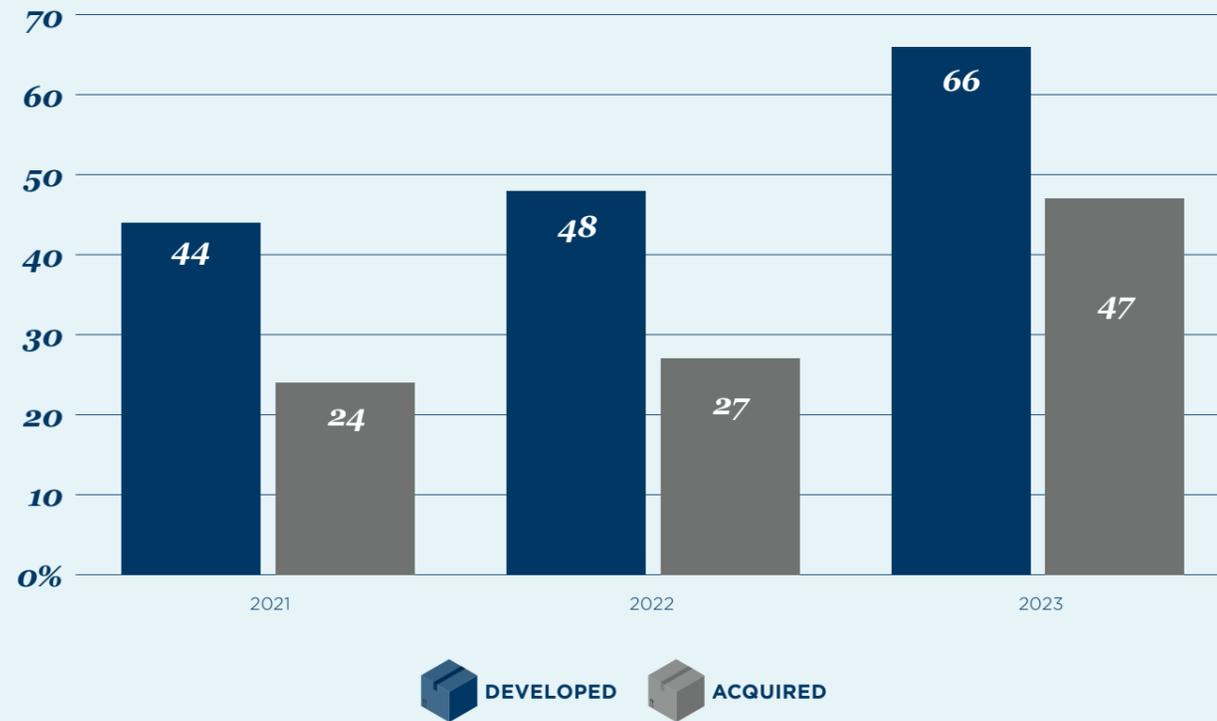


# INDUSTRY SURVEY



## OUTLOOK AND BUSINESS CONFIDENCE

### NUMBER OF SITES EXPECTED TO BE DEVELOPED OR ACQUIRED IN THE FUTURE

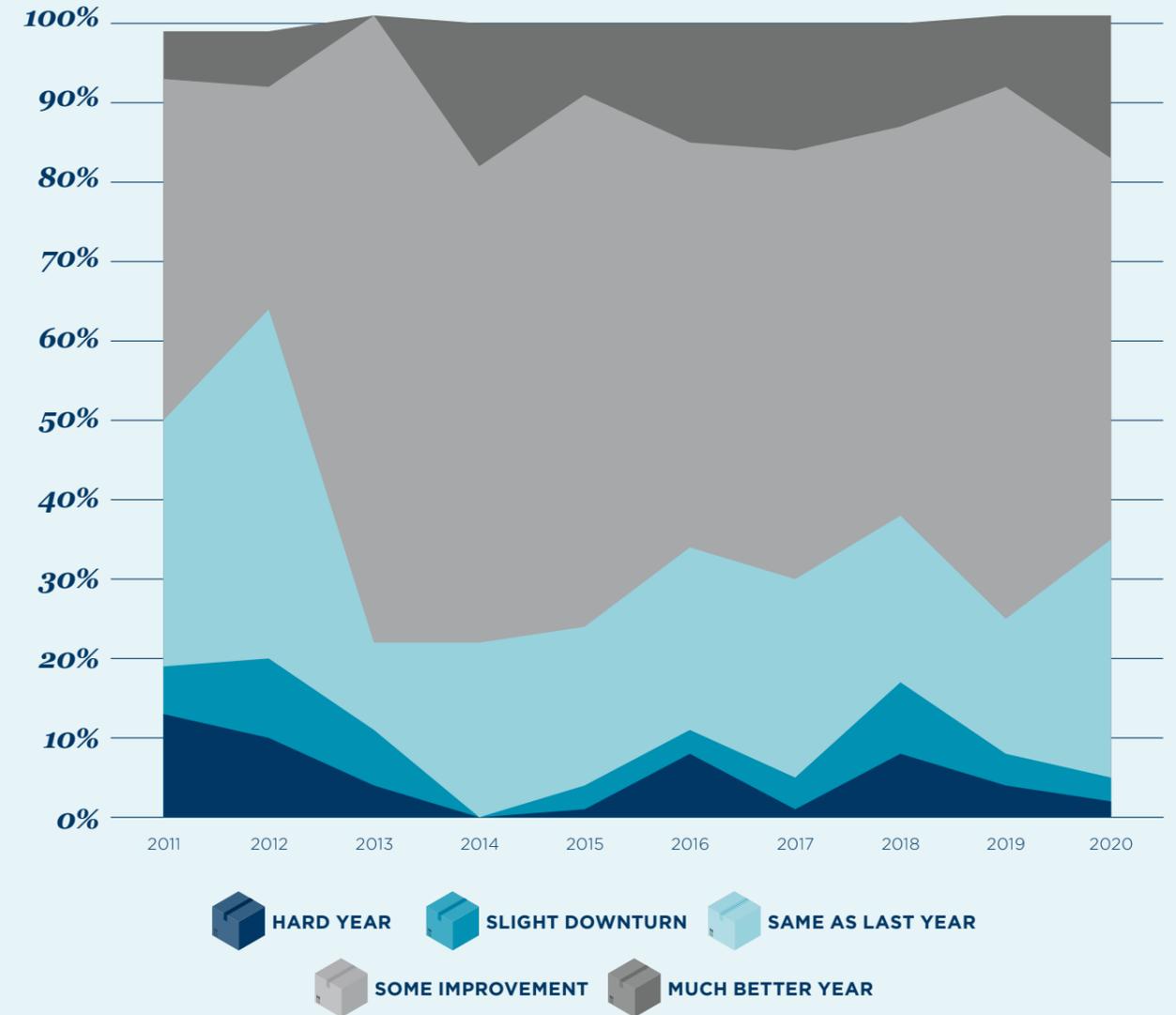


Operators continue to be bullish in terms of their expectations of growth in the coming years. It should be noted that historically, operators have only delivered on around 50% of the stores they expect to develop in a year. Acquisition levels are also quite volatile, where a single large acquisition can push the results closer to predictions, but the industry is becoming more consolidated with a limited number of “mid-tier” operators with 5 – 20 substantial sites in the market. The COVID-19 pandemic has clearly not limited operator’s expectations of growth in the industry. However, it is interesting to note they expect a large upturn in 2023. This could be based on an expectation that

fallout from the COVID-19 crisis will provide more development opportunity which will take several years to develop and open. Or it could be operators considering the upturn in profits this year and how that could be re-invested into the business.

The time from concept to opening for a self storage development is increasing. While it is possible to open a store within 12 months of acquiring the development property, it is less common, especially for new builds. Planning permissions are taking longer and there is a strong demand for building contractors.

### OPTIMISM REGARDING PROFITS



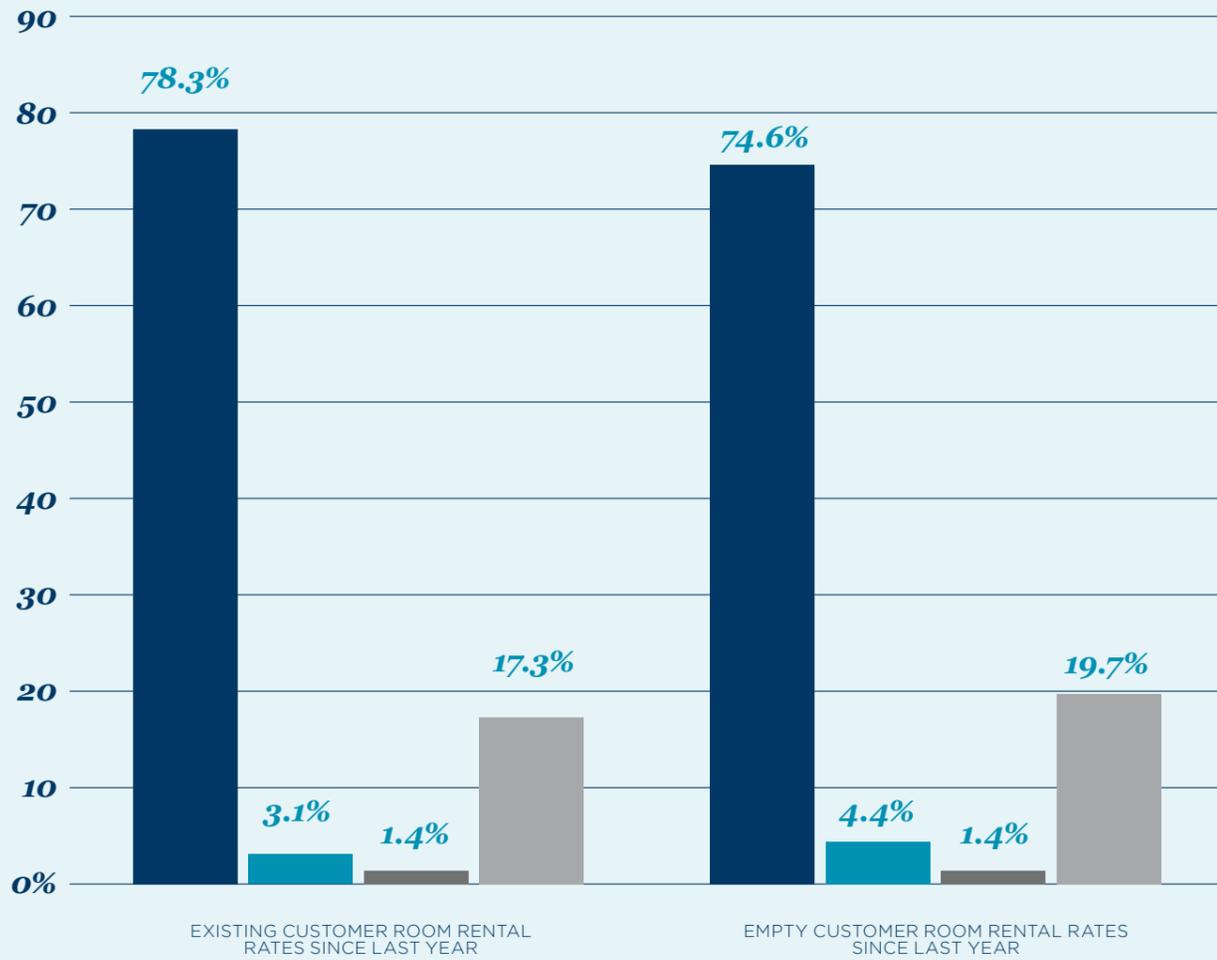
The outlook for the industry remains positive, despite coming off a very good year. 18% of respondents think that 2021 will be much better than 2020. Given the record increases in occupancy and returns in 2020, this is a very positive projection. The increase in respondents saying the same as last year is possibly reflective of the positive 2020 results. Importantly, there has been a decrease in the number of operators expecting a downturn, only 5%.



# INDUSTRY SURVEY



## PROJECTED INCREASE IN STORAGE FEES



This optimism is further demonstrated in expectations of increases in storage fees, with the vast majority of operators expecting to raise fees above inflationary levels. Again, this level of optimism is significantly higher than last year's survey which was completed before the COVID-19 pandemic had hit Europe.

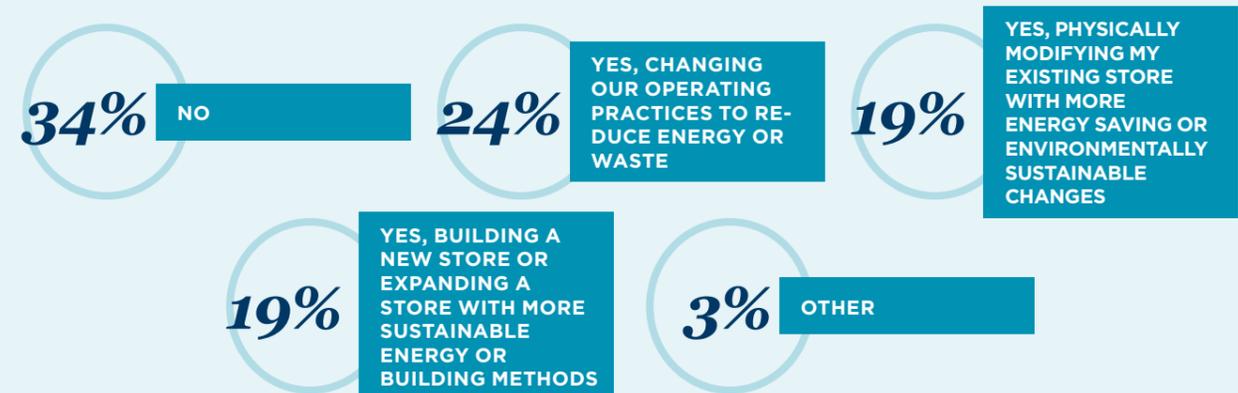
## FUTURE CHANGES

### ARE YOU CONSIDERING FUTURE MIXED-USE DEVELOPMENT FOR EITHER EXISTING OR FUTURE STORES?



More new self storage developments are looking at mixed use, such as adding shop fronts, workshops, retail, residential or another use to their site in addition to self storage. This can increase the prominence of the site and attract more customers as well as potentially open-up different properties for viable development. With 37% of respondents considering or planning mixed use development, it is likely there will be many more of these types of stores developed in the future.

### ARE YOU MAKING ANY SUSTAINABILITY IMPROVEMENTS TO YOUR BUSINESS IN 2021/22?



There is a growing movement for more environmental sustainability in the property industry. Not just in terms of reduced carbon operations, but also in terms of construction methods and ongoing sustainability for buildings. Self storage businesses by their nature are not large consumers of energy, especially when measured against the size of their physical footprint. However, the adoption of extra sustainability measures such

as solar or wind generation, water reclamation and the like, has been limited within the industry to date. More recently, the larger operators in particular have been building new developments using more sustainable methods, some reaching outstanding BREEAM ratings. Some companies are planning net zero carbon constructions and operations for their future buildings.



# INDUSTRY SURVEY



## COVID-19 SPECIFIC ISSUES

Given the changes to the UK and the world generally due to the pandemic, operators were asked some specific questions about the impact of the pandemic and associated government responses on their business.

### WOULD YOU SAY THE IMPACT OF COVID-19 ON YOUR BUSINESS HAS RESULTED IN?

**52%**

A MINOR IMPROVEMENT IN BUSINESS OVERALL

**28%**

A SIGNIFICANT IMPROVEMENT IN BUSINESS OVERALL

**13%**

NEGLIGIBLE IMPACT ONE YOUR BUSINESS

**7%**

A MINOR NEGATIVE IMPACT ON YOUR BUSINESS OVERALL

**0%**

A SIGNIFICANT NEGATIVE IMPACT ON YOUR BUSINESS OVERALL

Given the success of the industry in 2020 it is maybe surprising that more operators did not indicate a significant improvement in their business overall. However, self storage business growth is limited by space, so some operators have not been able to capitalise on the increase in demand as much as others if they were already operationally full and had less opportunity to add new customers. 80% of respondents believed that the pandemic improved their business.

## HAVE YOU SEEN A CHANGE IN USE BY PEOPLE MOVING HOUSE, POTENTIALLY AS A RESULT OF THE STAMP DUTY HOLIDAY?

**49%** A MINOR INCREASE IN PEOPLE USING STORAGE FOR HOUSE MOVES

**31%** A SIGNIFICANT INCREASE IN PEOPLE USING STORAGE FOR HOUSE MOVES

**16%** NO CHANGE IN PEOPLE USING STORAGE FOR HOUSE MOVES

**3%** LESS PEOPLE USING STORAGE FOR HOUSE MOVES



As is indicated later in this report, house moves are a significant part of the self storage customer base. The government incentive of waiving stamp duty for most residential property purchases stimulated the property moving market during the pandemic and particularly during the second lockdown, house moves were continuing to occur. 80% of operators saw an increase in customers moving house. This could result in a decrease in customer move ins once the stamp duty holiday finishes at the end of June. Bearing in mind that while house moves account for the largest single reason domestic customers use self storage, they also only account for 21% of all self storage customers. So, there is opportunity for the business to replace any downturn in house moves with another customer source, possibly driven by the economic changes as lockdowns ease.



# INDUSTRY SURVEY



## WOULD YOU SAY CHANGES IN THE REAL ESTATE MARKET AS A RESULT OF COVID-19 WILL CHANGE THE PROSPECTS OF YOU ACQUIRING OR DEVELOPING A NEW STORE?

# 59%

IT WILL MAKE NO DIFFERENCE

# 10%

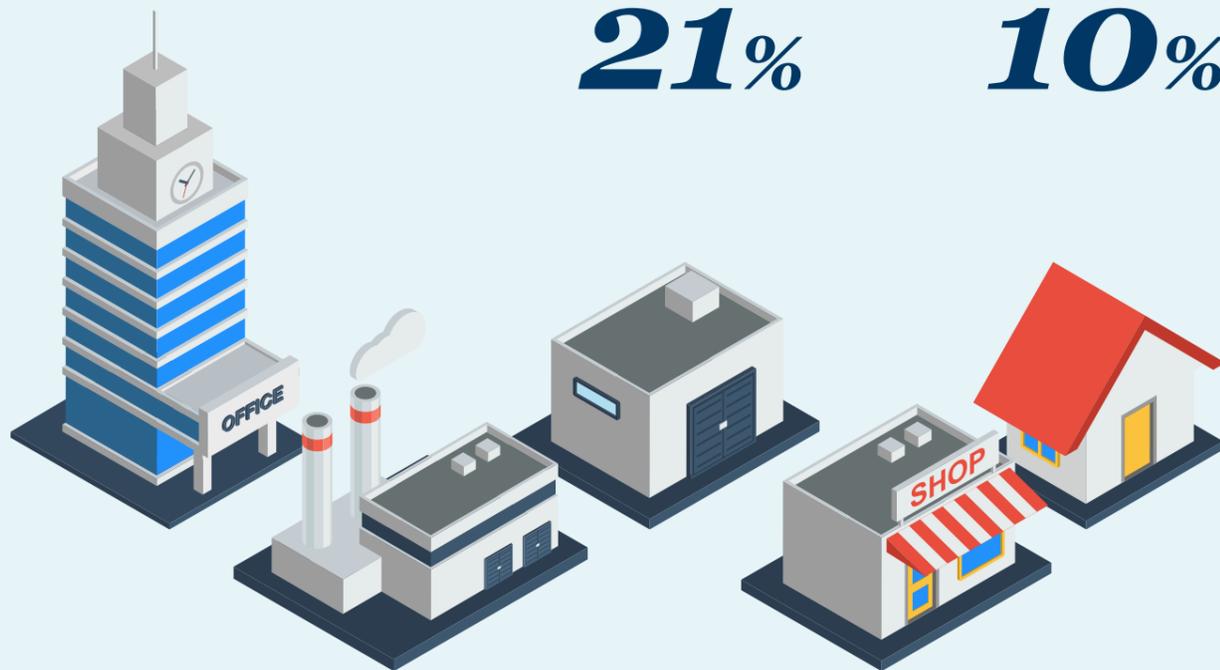
IT WILL MAKE FUTURE DEVELOPMENT HARDER BY RESTRICTING ACCESS TO MORE SITES

IT WILL MAKE FUTURE DEVELOPMENT EASIER BY MAKING MORE PROPERTY AVAILABLE AND AFFORDABLE

OTHER

# 21%

# 10%



There has been a great deal of commentary about changes to the property market, generally as a result of the pandemic. Re-purposing of retail for example, or even car parks as more people remain working from home. While there is some optimism that this may create opportunities for self storage development, most operators do not believe it will make a difference. Self storage does need a specific size and type of building, which does not always lend itself to repurposing of retail parks, car parks or similar. 20,000+ feet of space with eave heights to allow mezzanine floors are generally what operators are looking for. They also need easy vehicle access for customers that does not compete with HGV vehicles or high traffic areas.





# CUSTOMER SURVEY





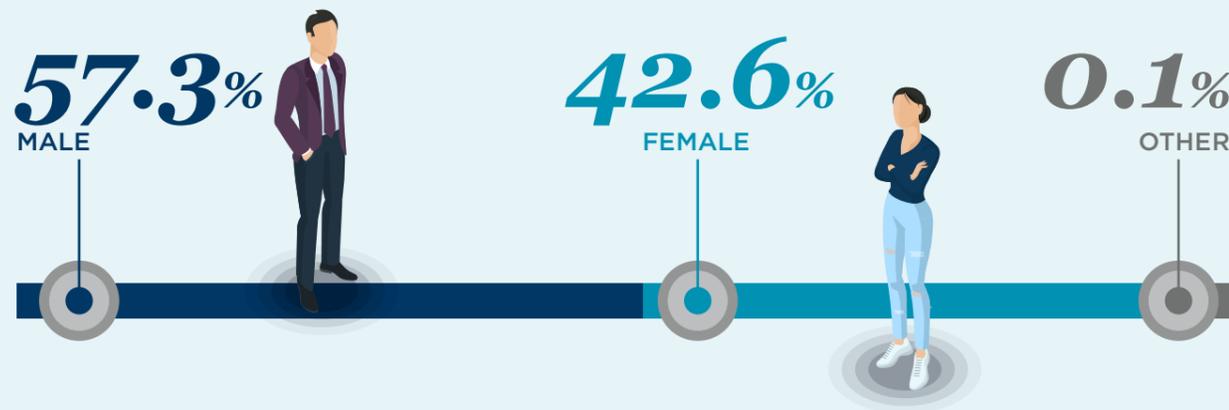
# CUSTOMER SURVEY



In January 2021, the SSA UK undertook a survey of its member's customers. The survey was undertaken online and was sent to the customers of 30 self storage companies across the UK who have over 120 stores in total. 1,226 customers responded of which 73% were domestic customers and 27% business customers. This survey was sent to the main contact on the self storage contract.

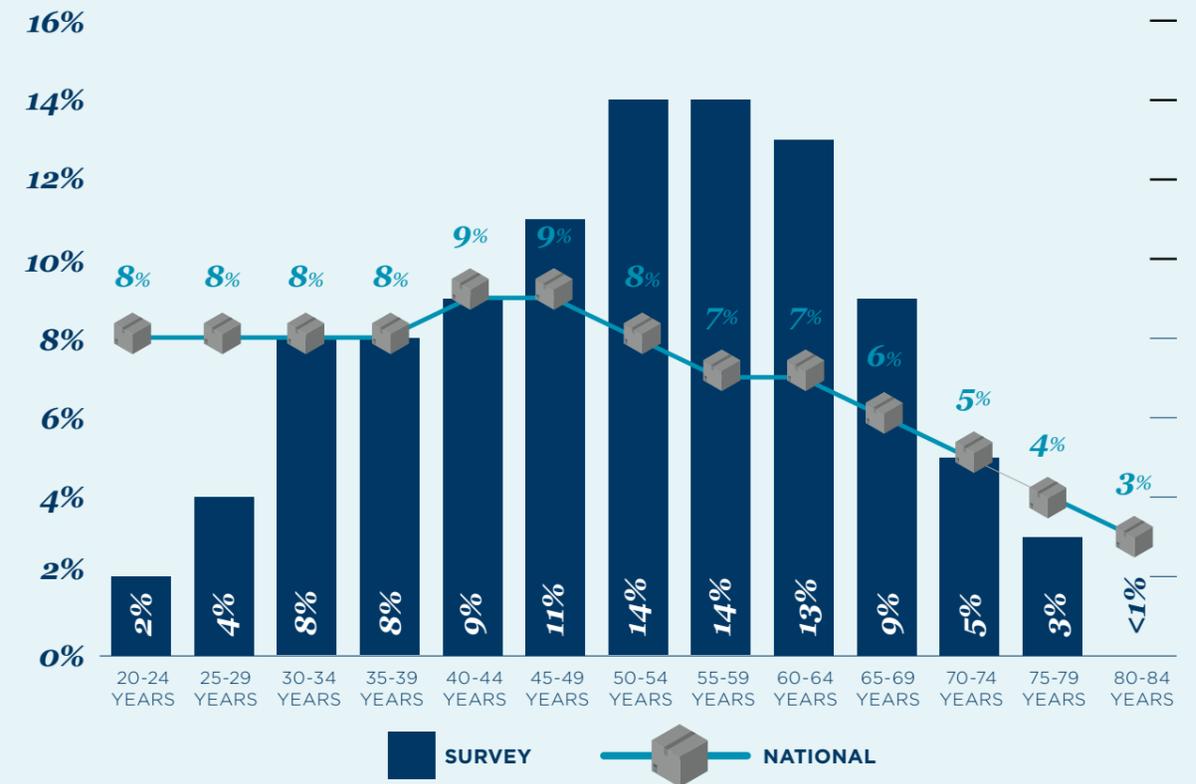
The survey was entirely voluntary and without reward. The latter part of the survey asked specific questions addressed to either private/domestic customers or business customers. When we talk of statistics from the survey, the figures represent the number or percentage of those who responded to each question, not necessarily the total sample group. The survey provides insight into the characteristics of the users of the product and their opinions about the industry.

## CUSTOMER PROFILE FOR DOMESTIC USERS

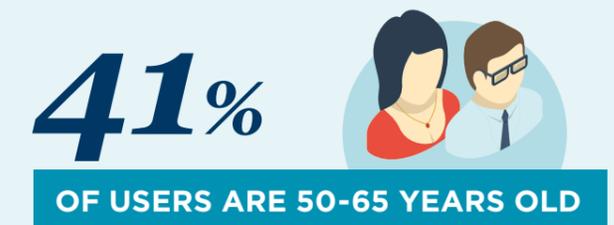


This graph shows the percentage of male and females that took out the initial self storage contract. It has remained broadly the same over the past 4 years. Measuring the mix of customers that actually use self storage is more complicated as often multiple people use the same unit. For example, a husband and wife where only one have put their name on the contract.

## AGE PROFILE



Only 12% of users were aged between 25 and 35, a similar result to previous years. This is likely due to a combination of factors. Younger people have fewer possessions generally and less money for discretionary spend of this type. They are also less likely to have gone through the life changing moments that can lead people to self storage, such



as moving house, getting divorced and dealing with a deceased family member's estate. The timing of the survey also reduces the likelihood of student storage as this is more common in the summer months, and was further influenced by the pandemic in 2020.



# CUSTOMER SURVEY



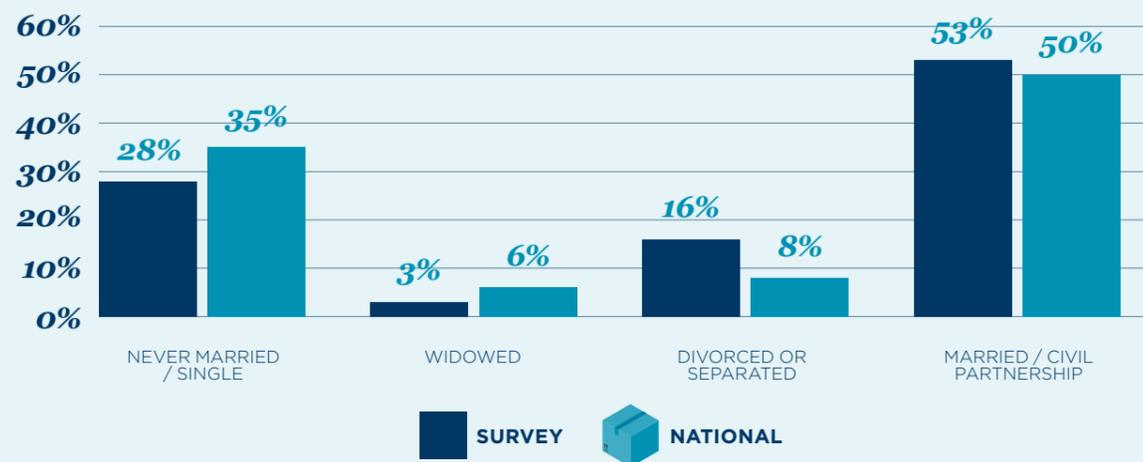
## PREVIOUS USE

Have used both their current store and another store previously	8%
Have used just their current store previously	10.2%
Have used just another store previously	25%
Have used self storage previously	43.3%

Considering around 2% of the population are using self storage, it is interesting to note that over 43% of current users have used self storage previously. This further reinforces the importance of growing the market, as repeat usage is common. The level of repeat usage has also been slowly increasing, up from 40.3% in 2019.

The industry often provides incentives for customers to initially use self storage based on the theory that getting a new customer to try self storage is the biggest barrier. Once they experience the service, they are likely to stay longer than originally expected and potentially become a repeat customer.

## MARITAL STATUS



The reason customers first come to self storage is typically a life changing moment. When people break-up they often suddenly need space for their goods, having moved out of their home and possibly downsized or moved in with friends and family. Once into self storage these customers often find it a useful resource as they begin the next chapter in

their lives. Hence, the reason divorced, or separated people have a higher likelihood of using self storage. However, the data this year shows that for the first time people in partnerships have a higher representation than the national average. This has come largely due to the decrease in singles and widowed customers.

## TENURE OF RESIDENCY

SURVEY  
**43%**



NATIONAL  
**31%**

OWNED OUTRIGHT

**31%**



**33%**

OWNED WITH A MORTGAGE

**26%**



**36%**

RENTED



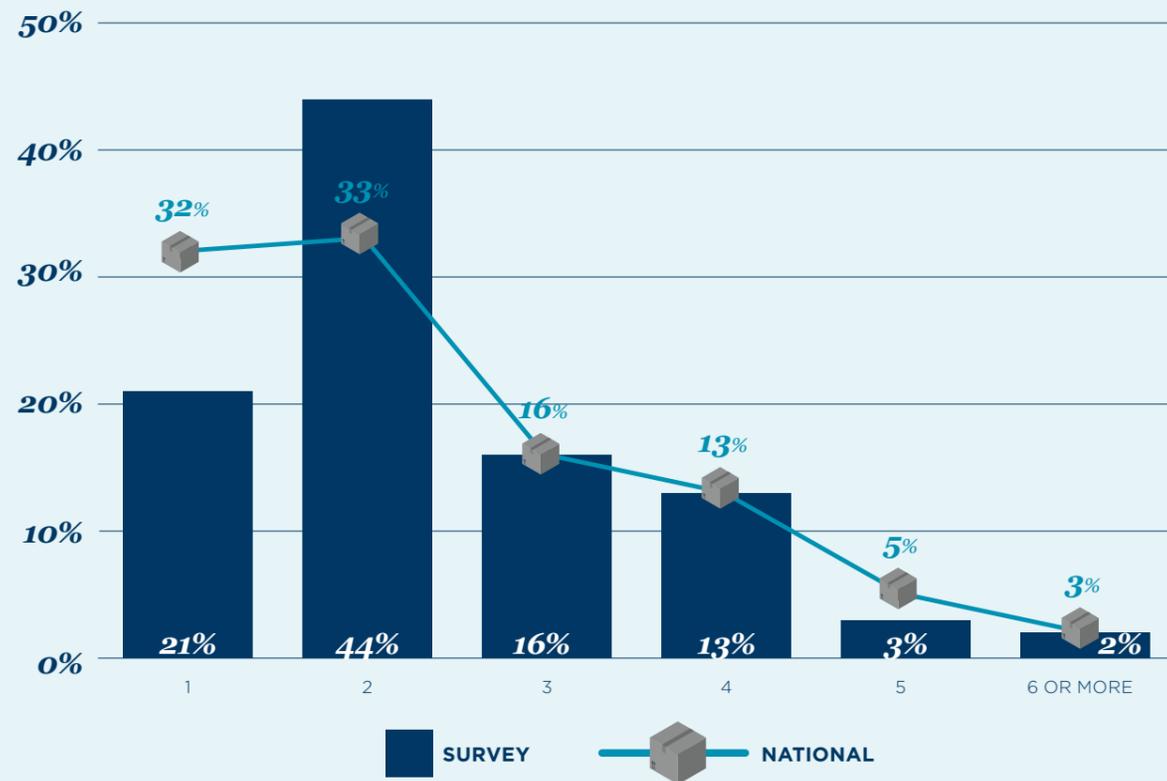


# CUSTOMER SURVEY



There is clear indication that people owning their own home are more likely to use self storage than renters. There was a small increase in the number of outright home owners this year, up from 41%. This also ties into the other demographic data that customers tend to be older and wealthier, who are also more likely to own their own home.

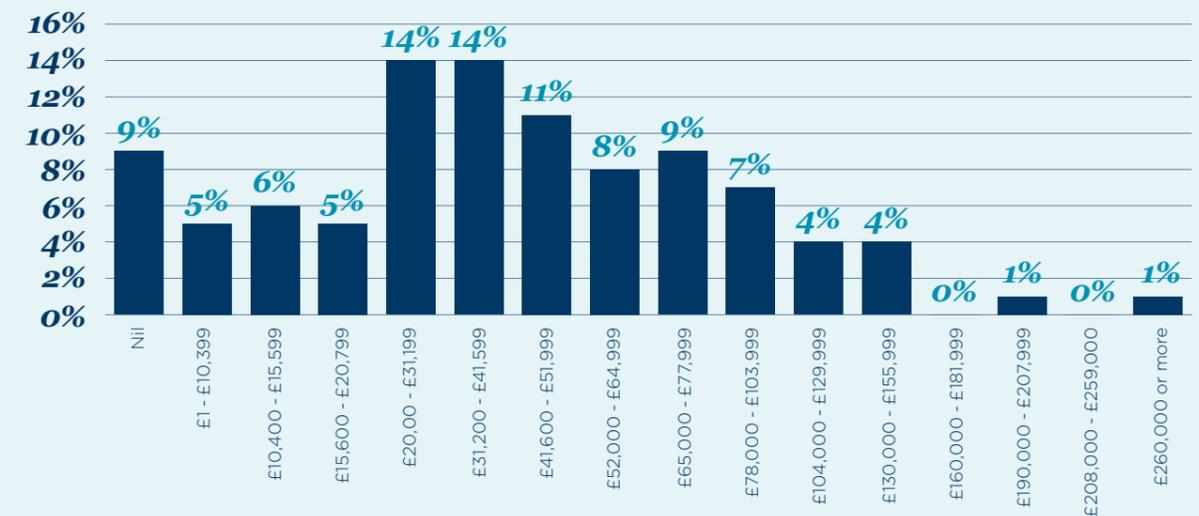
## AGE PROFILE OF SELF STORAGE CUSTOMERS



It may be surprising for some to see that self storage is most used by couples and not larger households or singles. This does fit in with the age and earnings demographic for self storage users. It may contradict the idea that divorcees are more likely to use self storage. However, divorcees are not always living on their own and may be living with children,

other family or with a new partner. Given the other demographic data we know about customers, it is likely that many of these couples do have children, but they are no longer living at home. It also must be considered that often self storage units are not used by a single person. The "family" self storage unit may be contracted to the parents but storing the kid's belongings.

## HOUSEHOLD EARNINGS OF CUSTOMERS



This chart shows household earnings and indicates that self storage customers tend to earn more than the national average, with 60% of customers earning above the average UK household earnings of £400-£599 per week.

The notable change from last year is the increase in customers reporting nil income, 9% up from 5% last year. This may be a result of the pandemic with customers having lost their jobs. The furlough scheme may have also influenced this data.



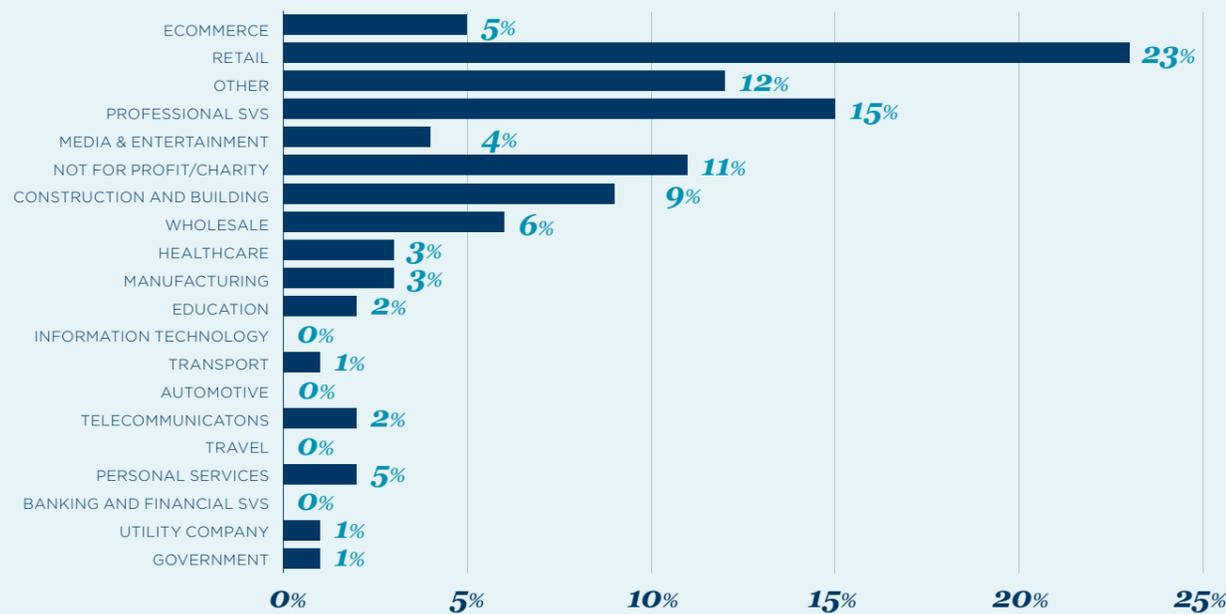


# CUSTOMER SURVEY



*This chart shows the breadth of business customers that use self storage. There was a significant uptake in retail customers this year, up 5 percentage points from 17% last year. This is despite a change to the question that added e-commerce as a separate option. Not for profits and charities also increased, up 3 points from 8% last year. Travel dropped completely, which is understandable given the impact the pandemic had on this industry.*

## CUSTOMER PROFILE FOR BUSINESS USERS



## HOW MANY EMPLOYEES IN YOUR BUSINESS

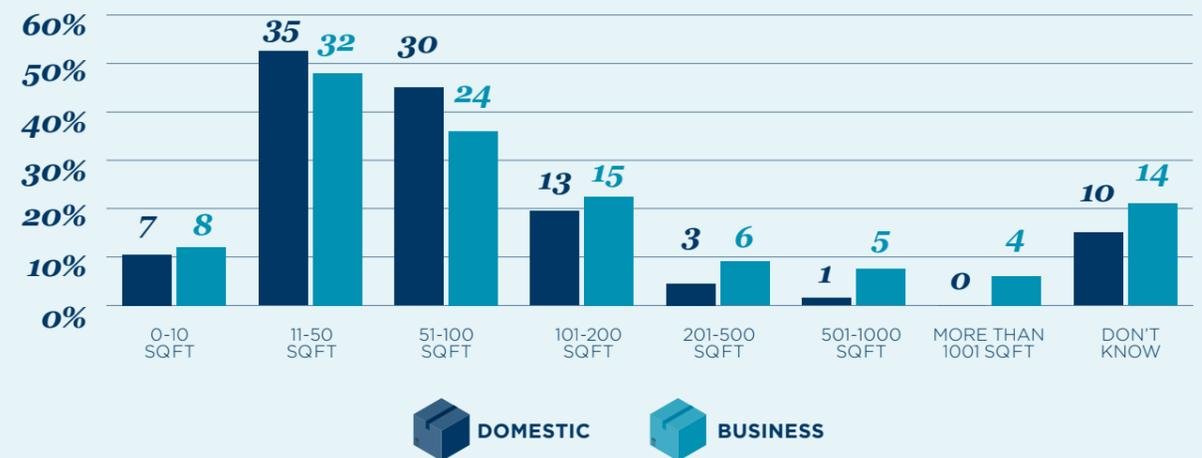


As one would expect, self storage is used more by small enterprises, with 84% having no more than 10 staff and most three or less staff. This has increased from 72% in 2019, largely due to a drop in the 50 and above companies using storage. It remains unclear if this is a result of the pandemic and will correct over time or an indication of a significant shift in the customer base. It could also be a result

of the increasing number of small businesses in the UK. However, it should be noted this survey may not have been responded to by many of the very large businesses that use self storage because they have a national account, and the survey may have not been sent to the correct person for completion, ending up with the accounts or sales department instead.

## PATTERNS OF USE

### DOMESTIC / BUSINESS SIZE OF UNIT OCCUPIED



It is clear from the data that business customers tend to take larger units than domestic customers. They are also more likely to take multiple units with 20% of commercial customers indicating they used more than one self storage unit. This year there has been a shift towards smaller units by business customers, with the amount of business users using 11-50 sq ft increasing from 27% to 32% and 0-10 sq ft up from 6% to 8%, higher than the percentage of domestic users in this size.

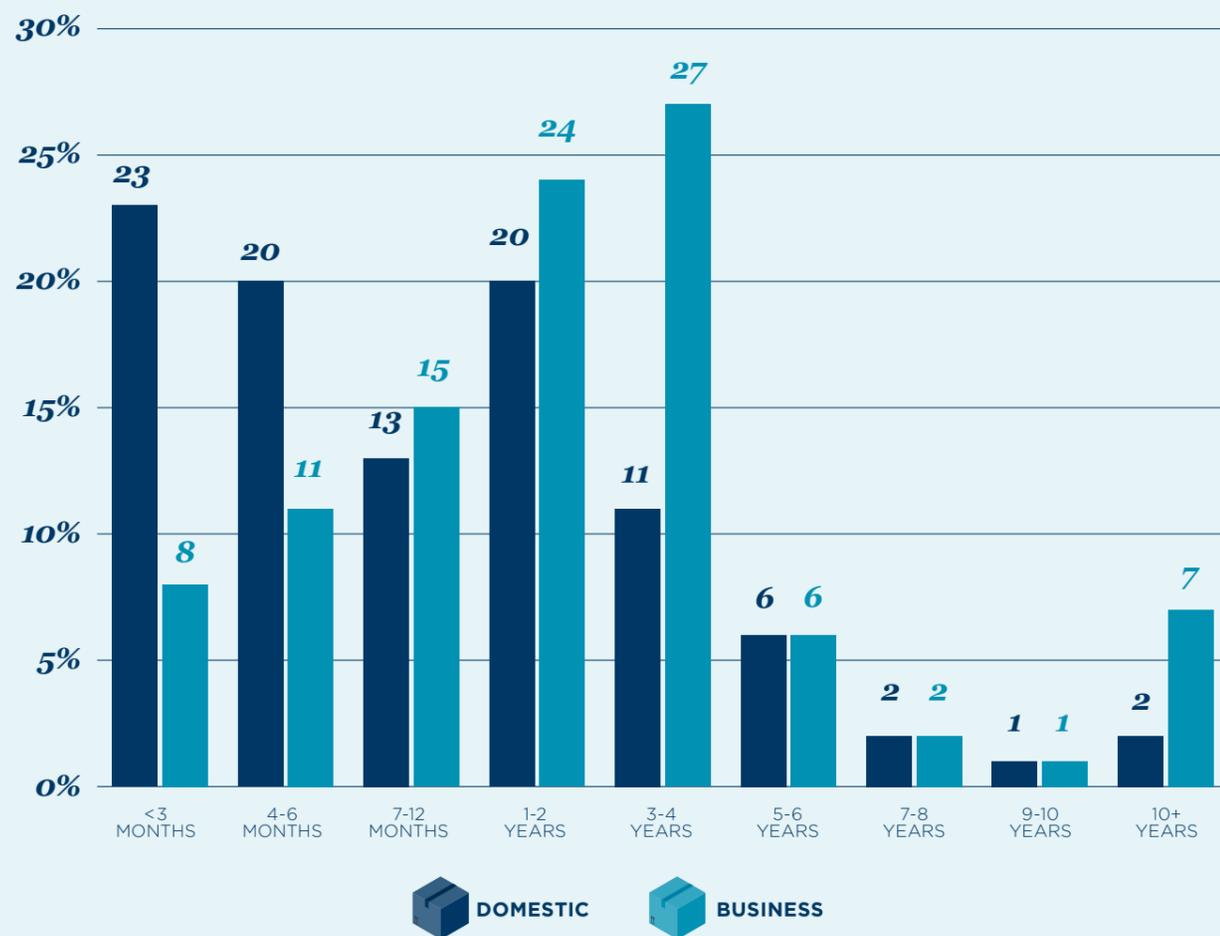
The high level of don't know answers further demonstrates that customers struggle with unit sizes, even when they are using the unit.



# CUSTOMER SURVEY



## HOW LONG HAVE YOU HAD YOUR CURRENT UNIT?



27% of customers have had their unit for three years or more. For the second year in a row this figure has fallen, down from 30% last year. This is due to a drop in business customers in the 7-10 year bracket. However, the 10+ year has remained the same. The data does indicate that there have been a higher percentage of new domestic customers than previous years and there has been a number of long-term business customers move out. This is a similar pattern to what was seen during the global economic crisis where larger commercial customers left but were replaced by domestic users and smaller online businesses.

## INTENDED LENGTH OF USE



Unsurprisingly, business customers are intending to continue to use their unit for the long term. Once again it is the business users where we see a change in this data from last year. The number planning on staying more than 2 years is down from 52% to 42% and the number planning on staying 7-12 months is up from 6% to 15%. This could be indicative of the remaining uncertainty amongst businesses about the longer-term impact of the pandemic once furlough and other government subsidies finish.

Most domestic customers intend to use self storage for less than 6 months when they first take out their unit. We see this when they complete their initial contracts and select an intended move out date. Yet as previous data shows, 57% stay over 6 months and 44% over a year. The challenge for self storage operators is to convince more domestic customers to stay beyond the 6 month period and convert into long term customers.

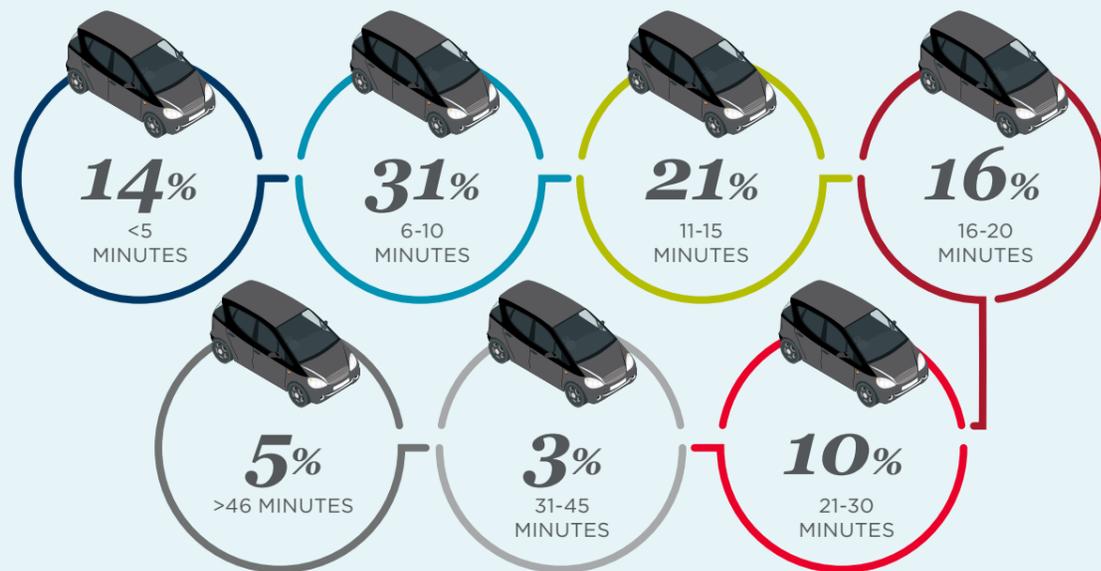




# CUSTOMER SURVEY



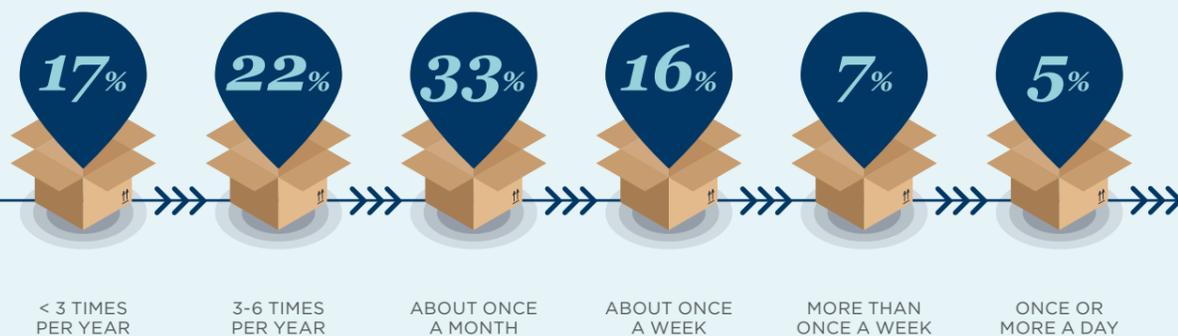
## DISTANCE TO TRAVEL TO YOUR SELF STORAGE STORE



It is well established that self storage is very much a location-based business. The data supports this with 66% of respondents travelling 15 minutes or less and 72% travelling 20 minutes or less to their self storage store. Customers in more regional

areas may have to travel over 20 minutes to find their nearest store, while most cities now have a much higher density of self storage supply with a range of stores within a 20 minute commute of most customers.

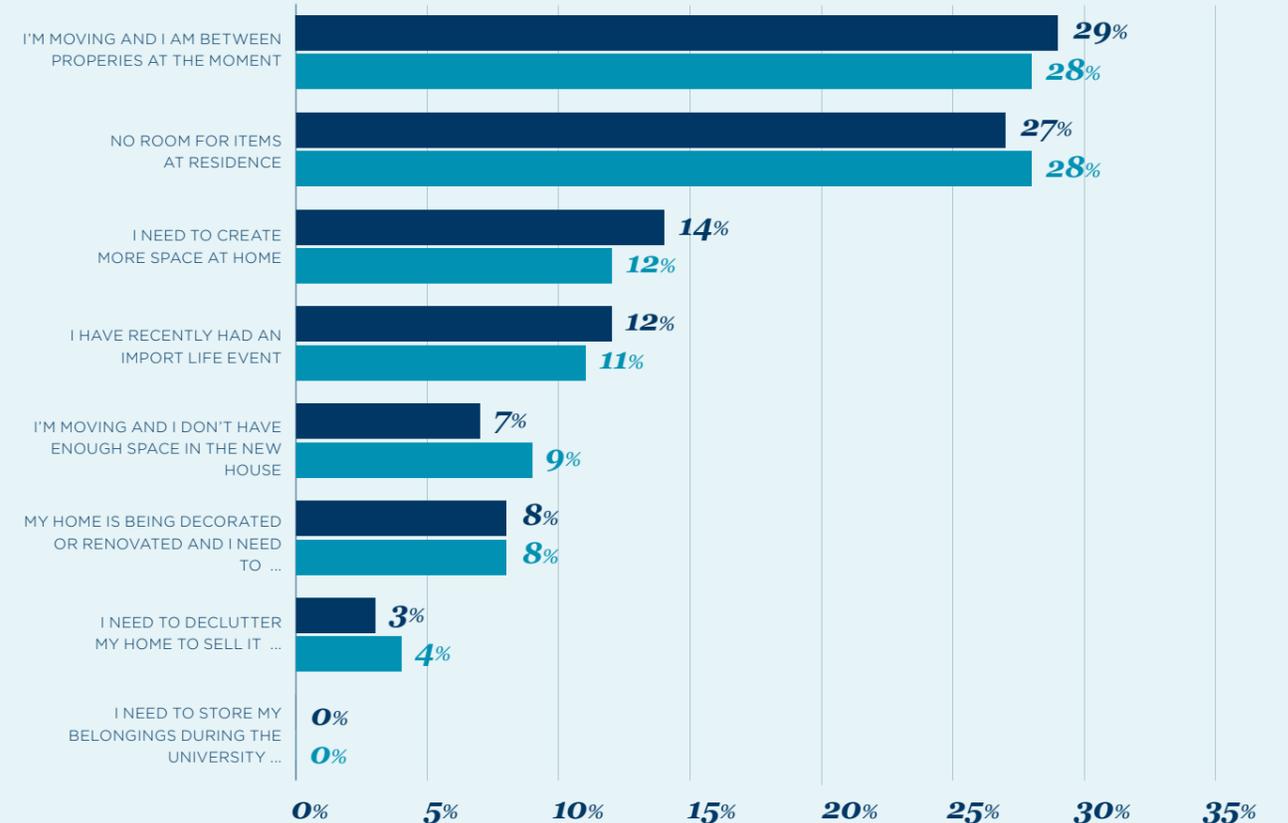
## VISITS



72% of customers visit their unit once a month or less. This result has not changed significantly from last year despite the lockdowns and suggests customers have answered the question based on their "normal" visiting habits, rather than the actual number of visits during the lockdowns throughout

the year. Business customers make up the bulk of customers that access their unit daily or weekly. Self storage is often perceived a high traffic business. However, this data suggests the contrary with very few customers accessing their unit daily or even weekly.

## REASONS FOR PERSONAL STORAGE



This question was only addressed to domestic users and it was possible to provide more than one answer. The results are shown as a % of all answers provided.

Despite the pandemic the reasons customers use self storage has remained relatively the same from last year. There is no spike due to house moves

due to the stamp duty holiday as some might have expected. Moving house and reasons associated with this such as decluttering to sell do make up the largest amount of domestic customers. However, this is still only 39% of domestic customers, not the vast bulk that many people may think. If you include commercial customers in this then they make up only 29% of all customers.



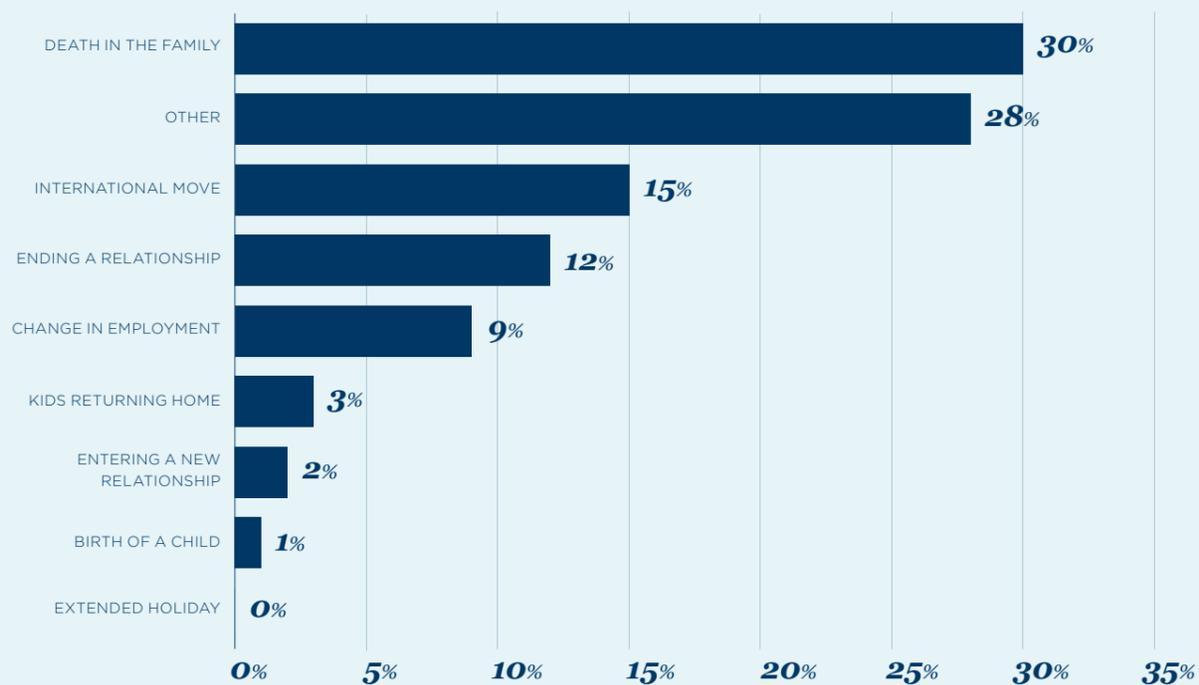
# CUSTOMER SURVEY



When considering those customers that used self storage for an important life event, a death in the family was the most common reason. Not surprisingly given the restrictions on travel during

2020, nobody selected extended holiday as their reason for using storage. This was the first year this question was asked, and it will be interesting to see how the data changes post pandemic.

## LIFE EVENTS LEADING TO SELF STORAGE USE

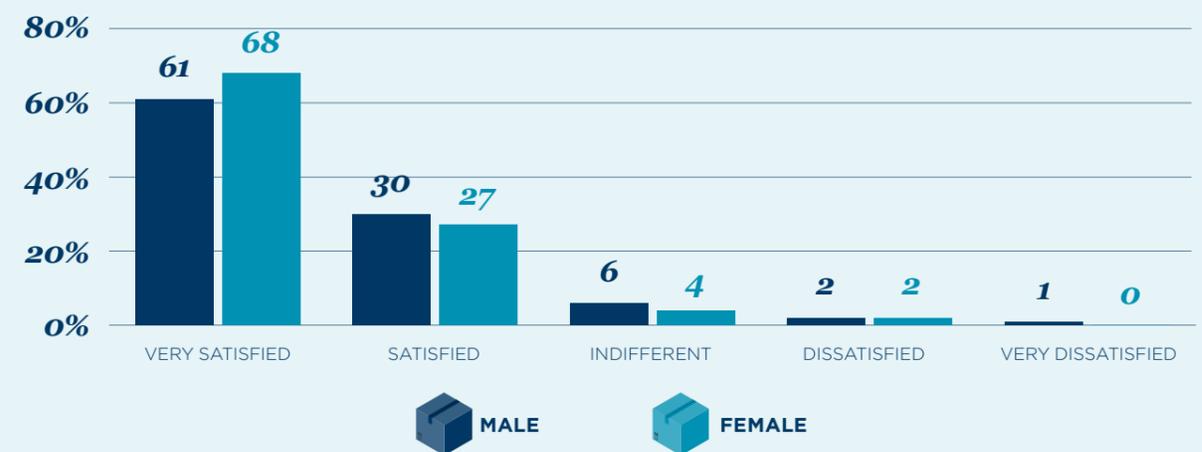


The overall level of perception of value in self storage remains high which indicates the high level of service the industry provides to customers. This is particularly relevant given data later in this report that shows most people believe self storage will be cheaper than what it is before they first use it.

## DOES YOUR STORAGE UNIT PROVIDE GOOD VALUE FOR MONEY?



## HOW WOULD YOU RATE YOUR OVERALL SATISFACTION WITH THIS SELF STORAGE FACILITY?



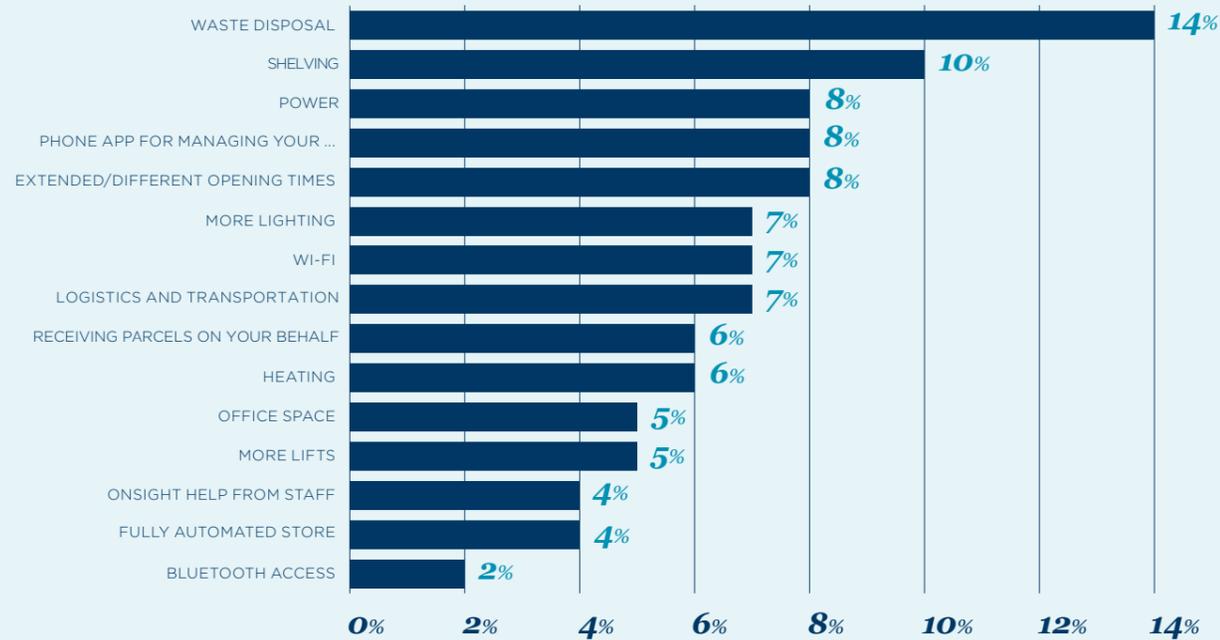
92% of customers stated they were satisfied with the service and the majority were very satisfied. The industry has consistently had over 90% of customer satisfaction which is an exceptional achievement. Females have a higher level of satisfaction continuing the trend from previous years.



# CUSTOMER SURVEY

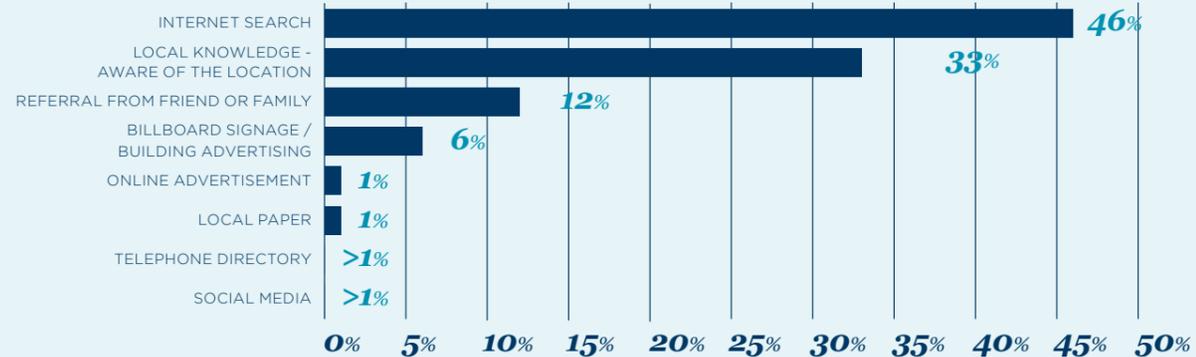


## ADDITIONAL SERVICES REQUESTED BY CUSTOMERS



When asked if they thought their store should offer additional services, 15% of customers said yes while 39% said they did not know. When given a list of potential services that could be offered, waste disposal was the most popular.

## HOW CUSTOMERS FOUND THEIR SELF STORAGE STORE



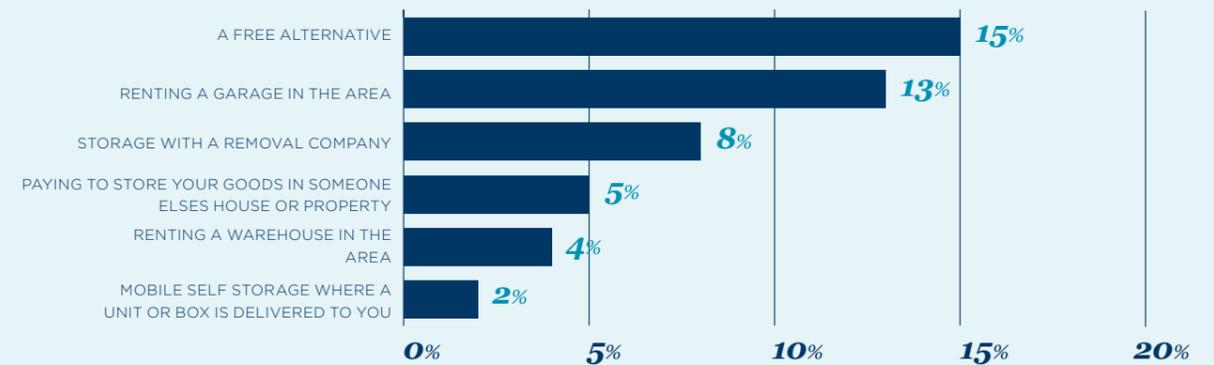
Not surprisingly more customers are using the internet to find their local self storage store and this has increased year on year. Store presence still accounts for 1/3 of responses, supporting the philosophy that operators should be looking for a good high exposure self storage site.

## IF YOU INITIALLY LEARNED ABOUT YOUR STORAGE STORE OFFLINE DID YOU THEN SEARCH ONLINE FOR MORE INFORMATION?



This has also increased, up from 52% last year and combined with the customers that said they initially learned about their store online, means that 79% of customers used the internet to assist them in their research.

## OTHER OPTIONS CONSIDERED



The so called disruptors of the self storage industry are mobile storage and peer to peer storage where you pay to store your goods in someone else's house. Yet this would indicate they are not being considered by the customers that use self storage, with only 2% of customers considering mobile storage (down from 3% last year) and 5% paying to store in someone else's house (the same as last year). Less customers are also considering free alternatives such as friend's garages, 15% down from 22% last year.



# CUSTOMER SURVEY



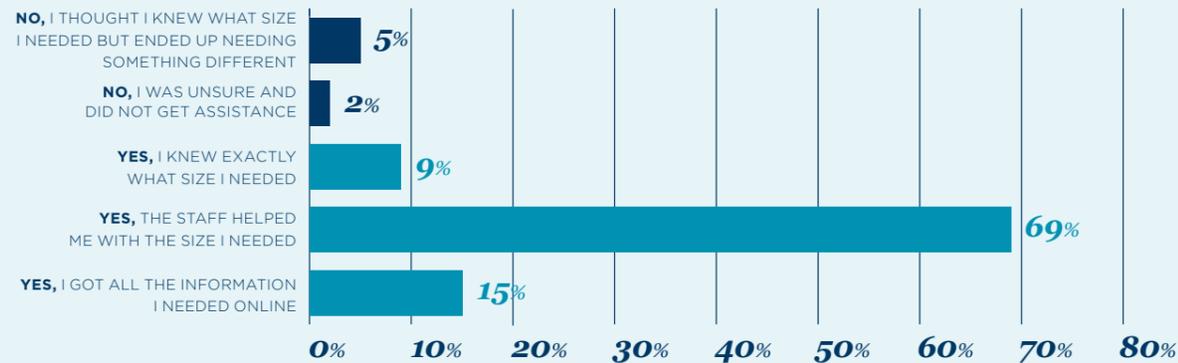
## 44%

OF CUSTOMERS LOOKED AT AN ONLINE REVIEW SITE BEFORE SELECTING THEIR SELF STORAGE UNIT



This is a big increase from last year when less than 20% of respondents said they used an online review site. Google reviews was the most popular site used followed by Trustpilot. More customers looked at Facebook than Feefo.

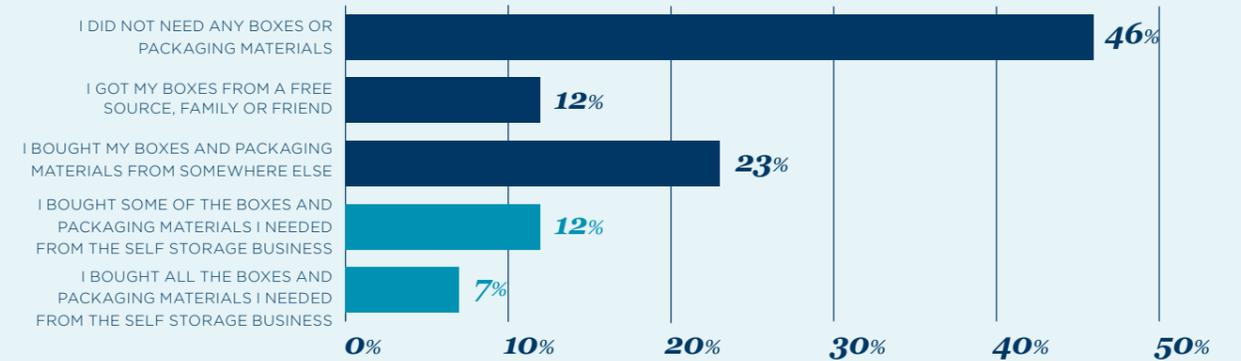
## WAS CHOOSING THE SIZE EASY?



Choosing the correct sized unit remains challenging for many customers with only 9% saying they knew exactly what size they needed. It can be difficult to visualise how much space you really need to hold all your goods when packed correctly. This is an area

that most stores focus heavily on during the sales process. It is more challenging to do this online and there are various types of space estimators on self storage websites to assist with this.

## DID YOU BUY BOXES OR PACKAGING MATERIALS?



The number of customers that bought packaging materials from the store dropped from 19% to 12% this year. This is most likely as many of the self storage stores closed down their packaging shops

during the lockdown and were working with limited contact move in processes. This reduces their ability to sell packaging materials and other products to customers.

## HAS YOUR USAGE OR NEED FOR SELF STORAGE CHANGED AS A RESULT OF THE COVID-19 PANDEMIC?

# 1%

YES, WE HAVE USED THE STORAGE UNIT MORE OFTEN



# 11%

YES, WE HAVE USED THE STORAGE UNIT LESS

# 6%

YES, WE HAVE CHANGED THE THINGS WE ARE STORING AS A RESULT OF COVID -19



# 83%

NO CHANGE



It is surprising that more customers did not indicate they used their storage unit less due to the COVID-19 pandemic, given the lockdown conditions for much of year. However, considering most

customers do not access their unit regularly anyway and that self storage did remain open to customers during both lockdowns, the impact on customers appears to have been limited.

# PUBLIC SURVEY





# PUBLIC SURVEY



The following information has been sourced from an online survey of the general public across the UK conducted by YouGov on behalf of the SSA UK. The data is taken from a statistically selected and weighted sample that represents a sample of the demographics of the adult UK population. This year 2,092 adults completed the survey between 28 and 29 January 2021.

## KEY THEMES

Self storage is still a relatively new industry in the UK and most people still have a lack of understanding of the service it provides. The data from the public survey shows that usage, awareness and understanding of the product are increasing, but at a slow rate. This growth is likely to be driven by the increasing number of people who have used the service and speak about it to others, and the increasing number of stores in high profile locations, as much as marketing efforts from operators. Customers that have used the service are more likely to re-use again. Awareness of the industry does increase in people that have a need, such as renovating or moving house, indicating that people do not consider or research self storage until they have a need. However, even amongst those with a potential need, the bulk of these have a limited understanding of the service and so are often not considering using self storage.



## INDUSTRY AWARENESS

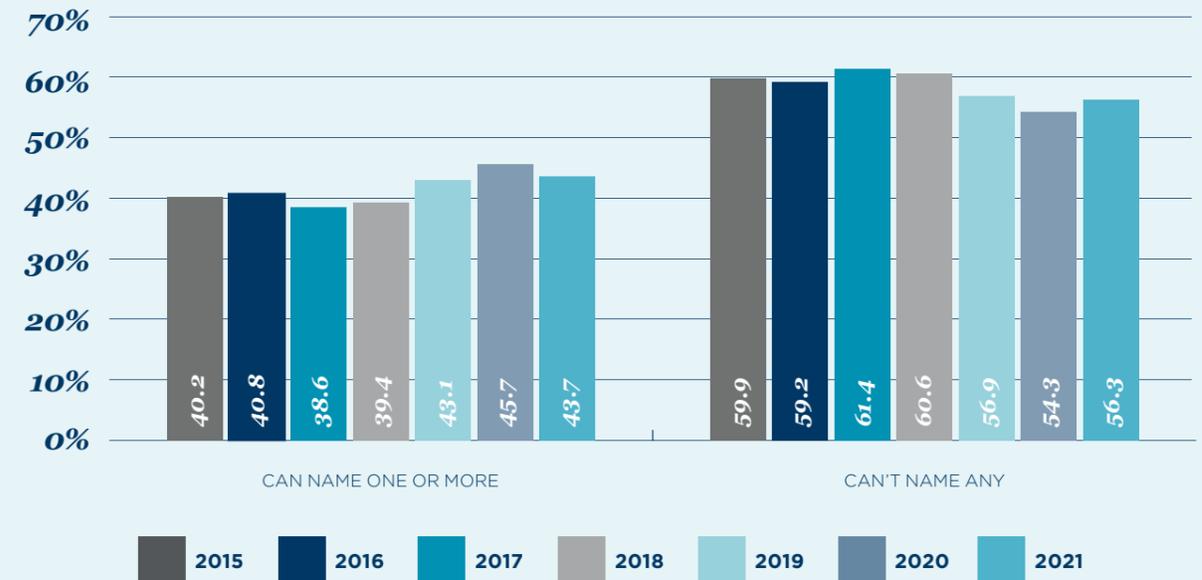
While storage related to removers has been around for a long time, and there were some individual self storage operators opening in the 90s, the industry only started acquiring prominent stores and actively marketing itself around 20 years ago. As a result, most people in the UK have still never used self storage and, as this study shows, do not have a clear understanding of what exactly the industry offers.

This issue is compounded further as most operators spend the significant bulk of their marketing budget on Google AdWords and other online marketing that generally targets people looking for self storage, rather than people who have a need for the service but are not considering it due to a lack of awareness. In more mature self storage markets such as the USA and Australia, the industry evolved during a time where mass media like TV and radio had a wide reach and was ideal to communicate the benefits of this emerging industry.

The current fragmented digital media operators tend to focus more on local and targeted marketing than broad industry awareness campaigns. The growth of the industry, more high profile stores and more people using and subsequently talking about self storage, will raise awareness and understanding over time.

One way the survey attempts to measure the awareness of the industry is by asking respondents how many self storage stores they are aware of in their local area. The vast majority of people who live in the UK would now have at least one self storage store, albeit possibly a small one, in their local area. Those living in major metropolitan areas are likely to have 3 or more nearby. Yet 57% of people do not know of a self storage store in their area. This is up from 55% in 2020. Interestingly, over the last 7 years the trend line has not moved much with an average of 41.3% of people aware of one or more stores in their area.

## SELF STORAGE AWARENESS IN LOCAL AREA



Self storage is more of a needs-based purchase than an impulse buy. People with no need for self storage are unlikely to take any notice of where the stores are, the same way people who don't have pets would be unfamiliar with the location of local vets. It is quite common for people who are new to the industry either as customers, staff or operators to comment on how they "did not realise how many self storage stores there were". People are more likely to recognise the buildings and businesses when they have a need for the product.



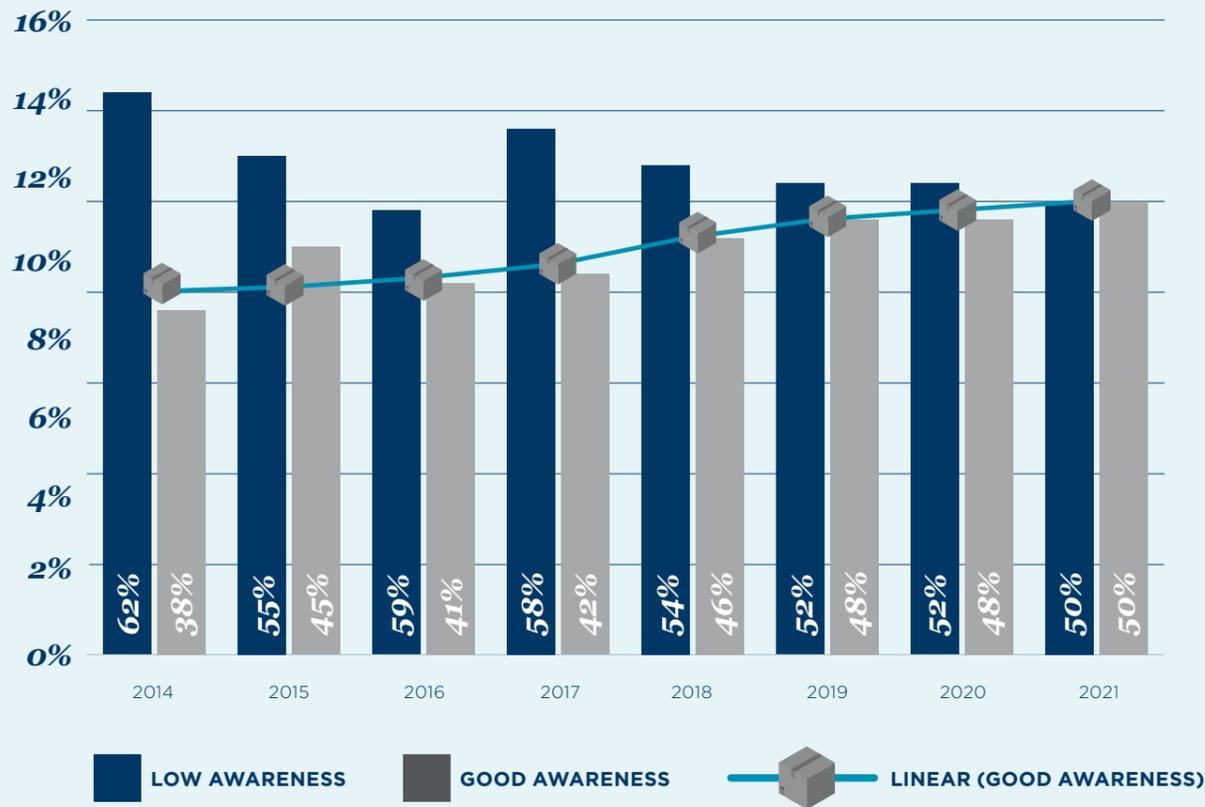
# PUBLIC SURVEY



## INDUSTRY KNOWLEDGE

The survey also gauges people's understanding of self storage by asking them firstly what they think their understanding of self storage is, and then questions on what they know about self storage to qualify this. The data shows that with the initial question there has been some improvement in the general understanding of self storage over the 8 years of the survey. However, it has been gradual. This year is the first where 50% of people believe they have a good understanding of the product.

## UNDERTSANDING OF THE INDUSTRY



12%



I HAVE NEVER HEARD OF SELF STORAGE

38%



I HAVE HEARD OF SELF STORAGE BUT KNOW NOTHING ABOUT THE SERVICE THAT IS OFFERED

42%



I HAVE HEARD OF SELF STORAGE AND KNOW A REASONABLE AMOUNT ABOUT THE SERVICE THAT IS OFFERED

8%



I HAVE HEARD OF SELF STORAGE AND KNOW THE SERVICE THAT IS OFFERED VERY WELL

This difference between awareness and understanding is demonstrated when survey respondents are asked about several potential elements of a self storage business, some of which apply and some of which don't. There has been limited improvement in this area over the past 5 years. Also worth noting is despite 50% of people thinking they have a good understanding of the product, only around 35% understood basic fundamentals of self storage, like flexible contracts and you lock it and keep the key.





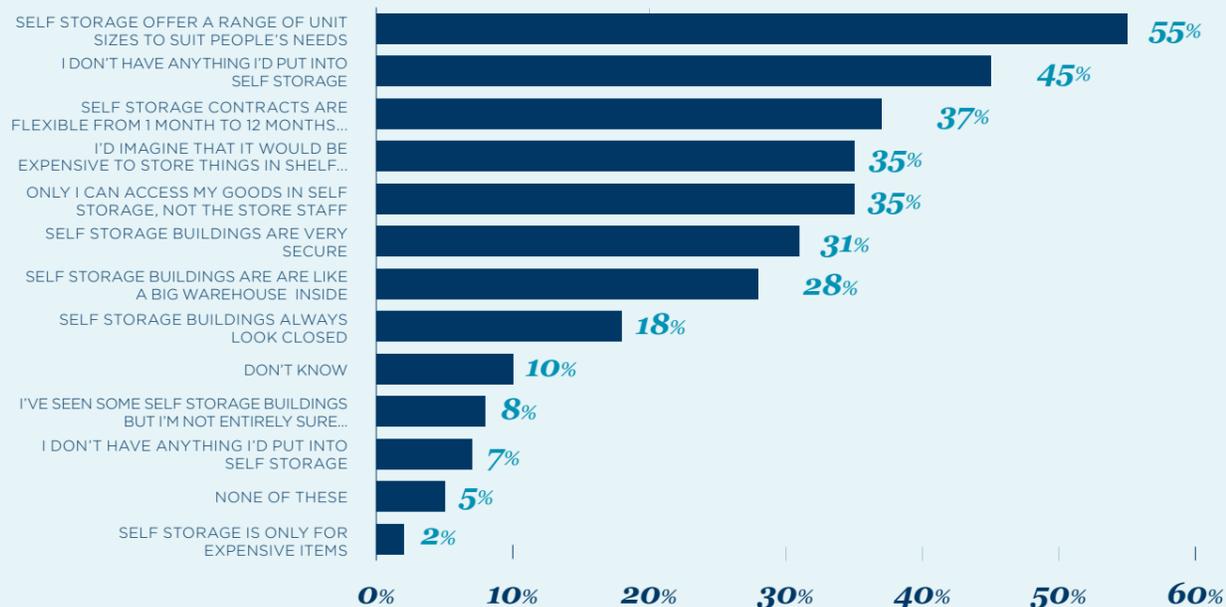
# PUBLIC SURVEY



## UNDERSTANDING

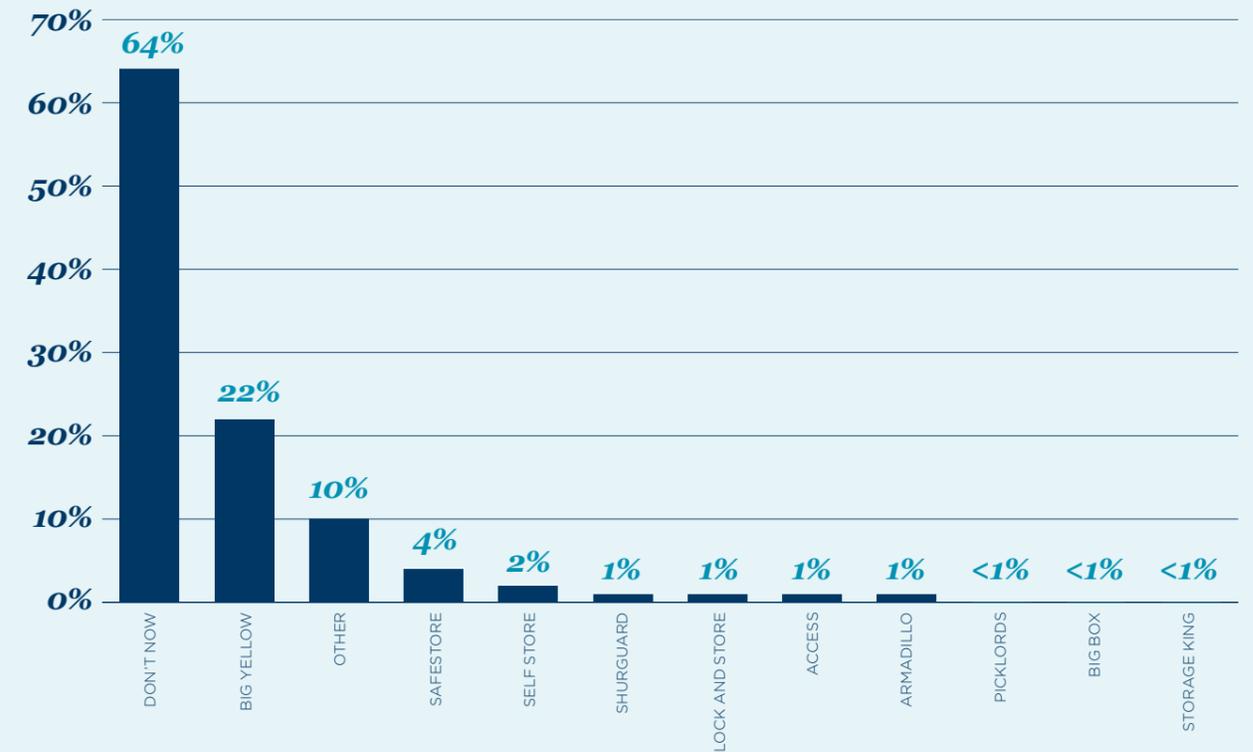


## % IN AGREEMENT



## BRAND AWARENESS

### UNPROMPTED BRAND RECOGNITION



Unprompted brand awareness shows that Big Yellow remains the most recalled brand. However, over 64% of people could not name a single brand. There has been very little movement in this data over the past few years. The "other" data refers to the total percentage of other independent brands that exist. This is the area that has increased most significantly over the last 6 years, rising from 6.3% in 2014. There are certainly more independent operators in the market now which would contribute to this growth. Self storage is a very localised industry, so if you have a strong brand in your local area, this can be of significant benefit.



# PUBLIC SURVEY



## SELF STORAGE KNOWLEDGE

The survey also gauges people's understanding of self storage by asking them firstly what they think their understanding of self storage is, and then questions on what they know about self storage to qualify this. The data shows that with the initial question there has been some improvement in the general understanding of self storage over the 8 years of the survey. However, it has been gradual. This year is the first where 50% of people believe they have a good understanding of the product.

## SELF STORAGE USE

	2018	2019	2020	2021
I am currently using self storage	1.29%	1.43%	1.75%	2.28%
I am considering using self storage in the next 12 months	5.36%	7.66%	6.53%	5.80%
I am not using/ considering using self storage in the next 12 months	86.12%	84.54%	86.02%	86.12%
Don't know	7.24%	6.37%	5.71%	5.80%

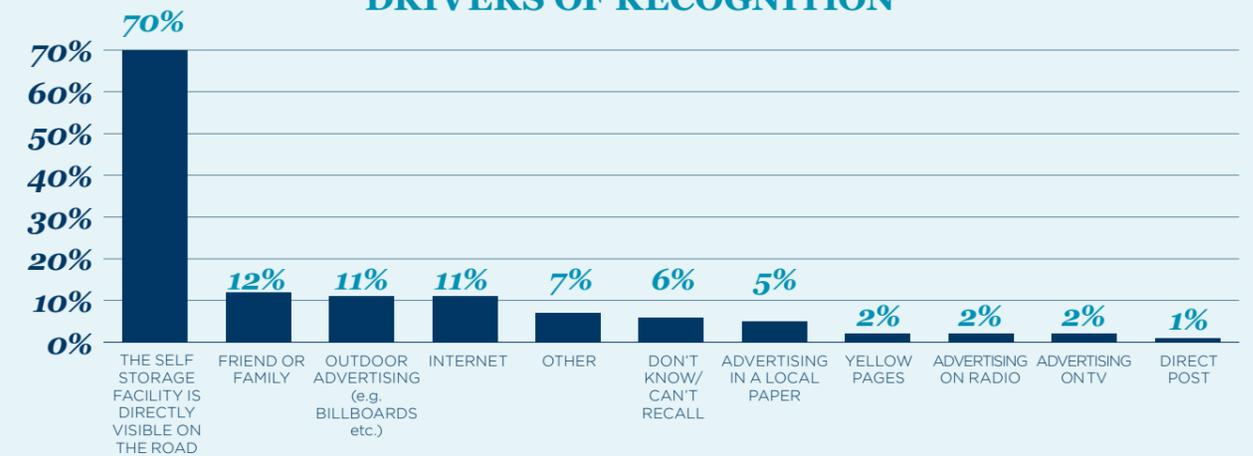
There has been a continual increase in people currently using self storage but as such a small percentage of people are using storage overall, the increase is small numerically. However, in terms of growth, there are 77% more people using self storage in the survey than 4 years ago.

Consistently, more people consider using self storage than materialises into actual users the following year. The industry would do well to understand why so many people are considering using the product but don't. Is it a pricing issue, as this study also shows people perceive the price to be lower than it is? Do people's circumstances change so they don't need the product after all? Are they finding alternatives to self storage?



## FINDING A SELF STORAGE BUSINESS

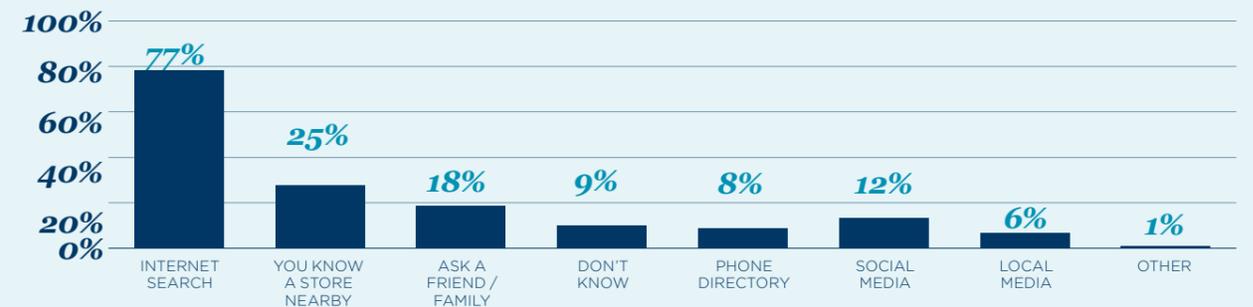
### DRIVERS OF RECOGNITION



When asked how they knew about their local self storage business, road visibility remains the clear driver of recognition. Not surprising given the effort most operators make to get prime frontage locations, and as mentioned earlier, the lack of mass media advertising by the industry.

It is worth noting the importance of referrals to the industry, with hearing about the store from friends or family being the second largest driver of business recognition. These results have been largely the same over the past 4 years.

### HOW WOULD YOU FIND A STORE TO CONTACT



Respondents were then asked how they would find information on a self storage store to contact, this being the research stage of their purchase. They were encouraged to select all the methods that they would use to research, hence the totals of this graph add up to over 100%. Each column represents the number of respondents out of 100% that chose that option.

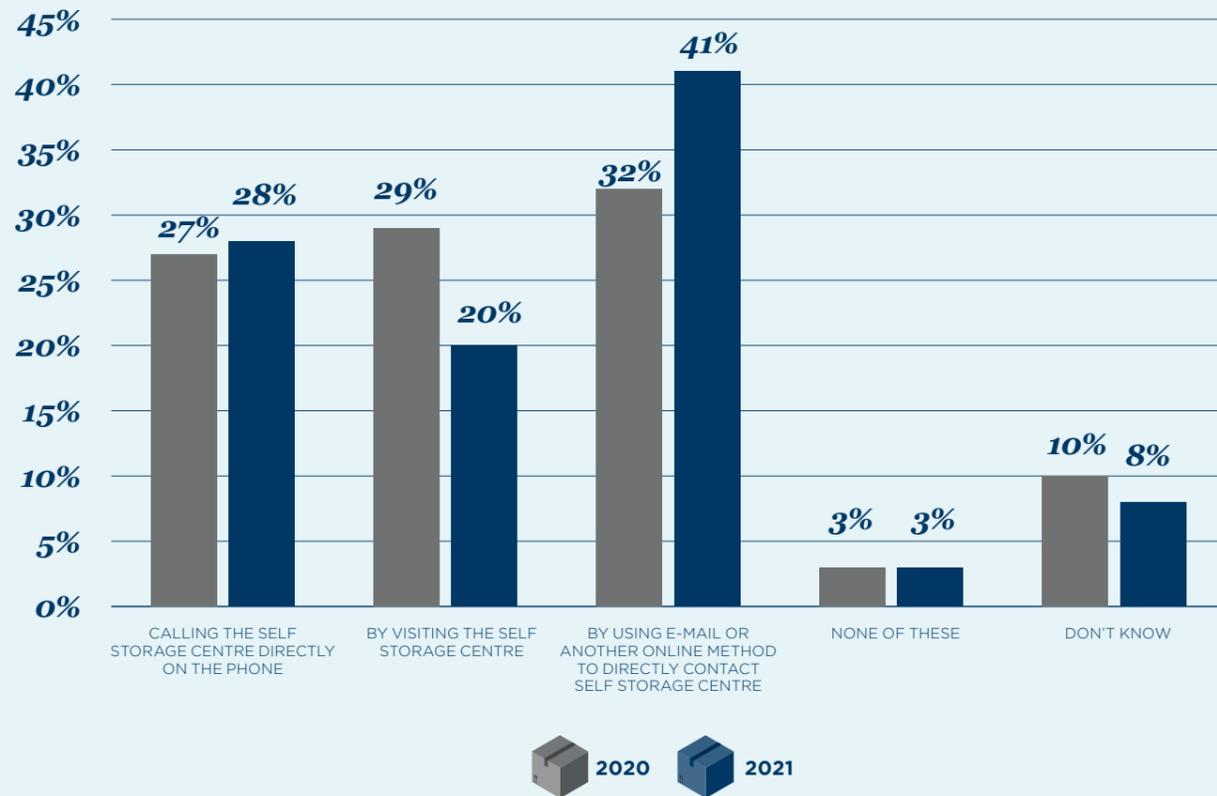
Not surprisingly the number of people using the internet to find a store has been steadily increasing, up from 67% in 2018. Social media has also been increasing, up from 8% in 2018, although it has stabilised in the last 2 years around the 12% level. Asking friends and family is again an important avenue for new business with 18% of people relying on this to find a store to contact.



# PUBLIC SURVEY



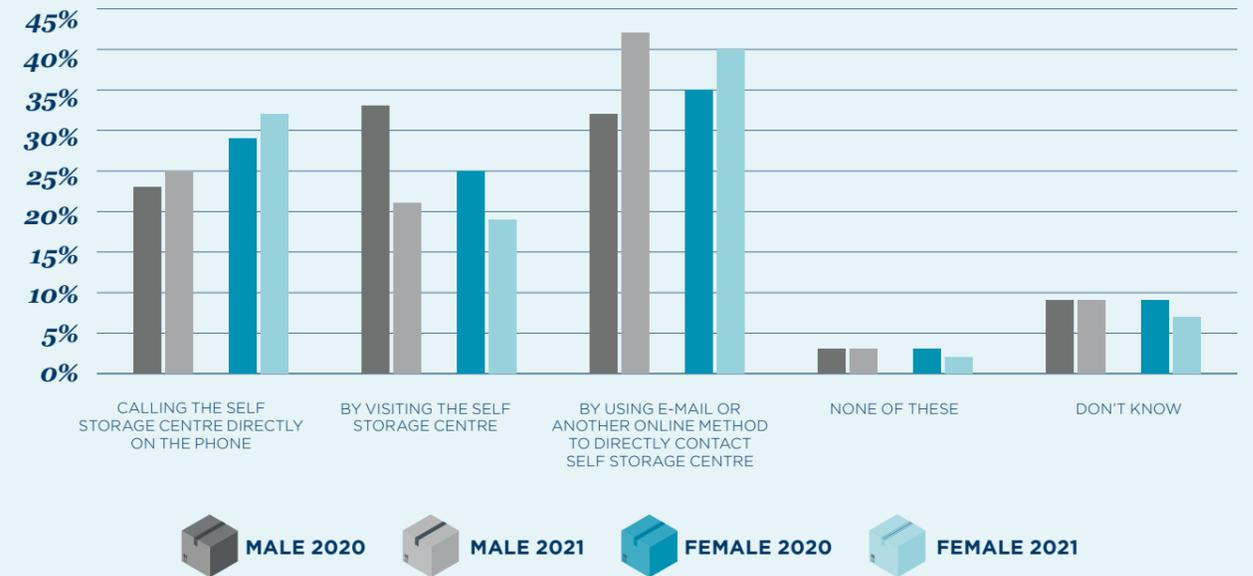
## HOW WOULD YOU PREFER TO CONTACT A SELF STORAGE STORE



Respondents were asked how they would prefer to contact a self storage business to make an enquiry. This is an area where there was a significant change from previous years. Most likely, a result of the COVID-19 pandemic. There was a big shift away from preferring to visit the store, and almost all of this moved into using email or online methods with only a small increase in

people preferring to use the telephone. This shift in approach is particularly relevant to the industry as conversion rates for in person visits at around 75%, are significantly higher than for online methods which convert at around 25%. People are much more likely to shop multiple stores online than they are for in person visits.

## GENDER PREFERENCE FOR CONTACTING A STORE



When analysing the same question on a gender basis you can see that not only are there clear differences to how males and females prefer to contact a store, but the move away from in person visits due to COVID-19, was more evident in

males than females. In 2020 there was a definite preference for males to visit stores over females. However, in 2021 this has largely been eroded. Females remain more likely to contact a store by telephone.



# PUBLIC SURVEY

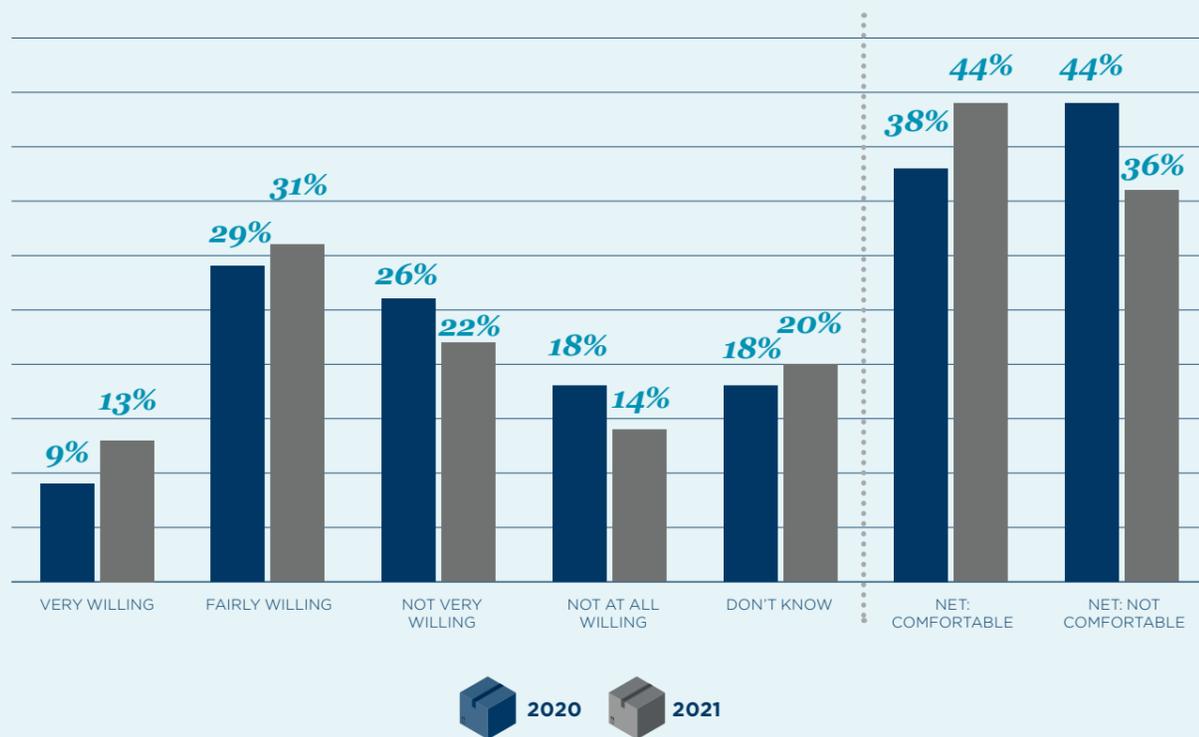


## ATTITUDE TO TECHNOLOGY

This is the second year that questions to gauge the public attitude to technology in self storage have been included. The industry is going through some significant changes with the emergence of fully automated stores, blue tooth and RFID access, video call centres and more online selling of self storage. The pandemic has in many cases increased the pace of adoption of new technology by the industry, particularly in relation to online sales and remote store management. The questions were aimed at determining how the public considered these changes to the industry.

Respondents were told that an 'unmanned/fully automated self storage facility', was a storage facility that does not have any staff on site and all interactions with staff is done online or via a video link in store. They were then asked how willing, if at all, they would be to using an unmanned/fully automated self storage facility?

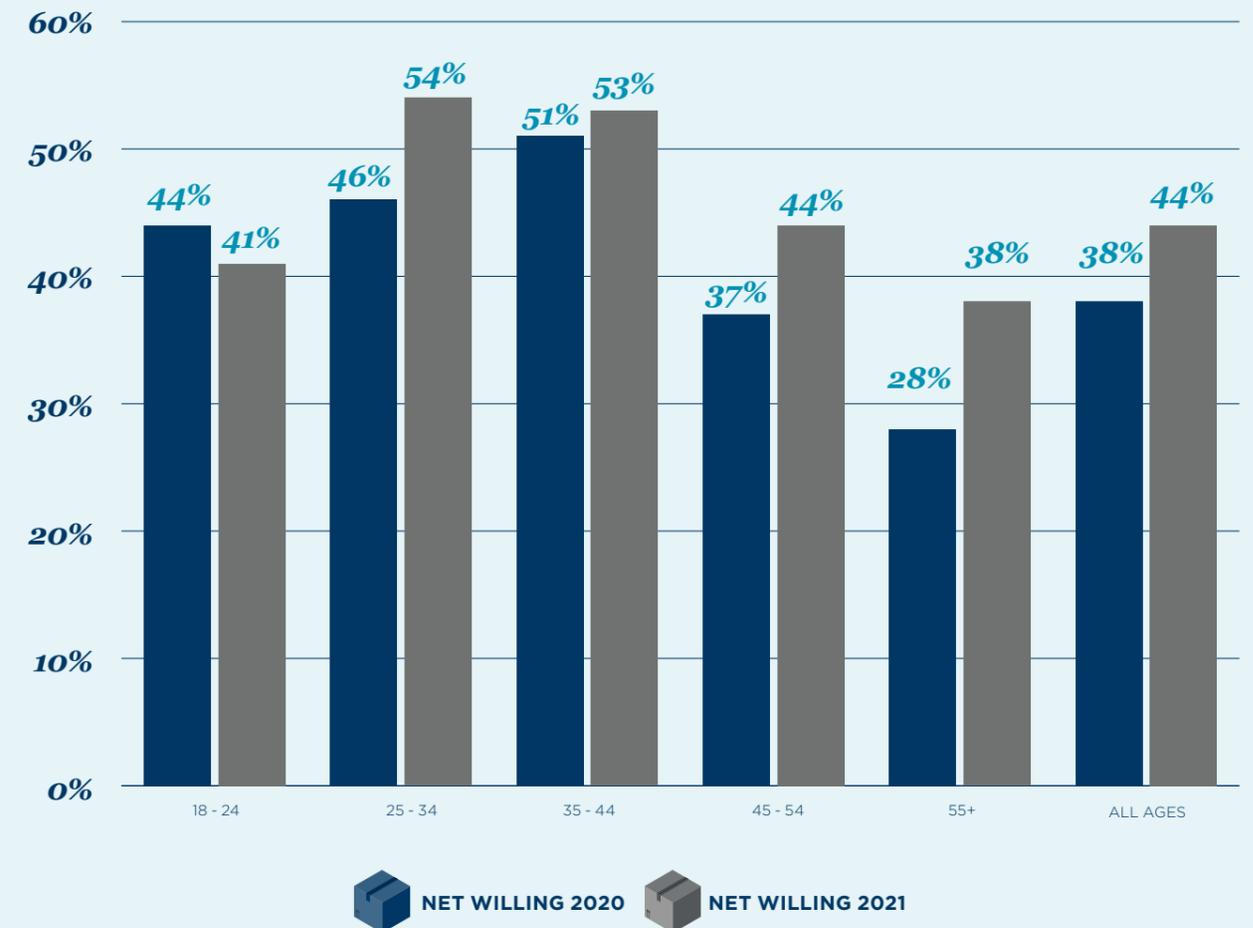
### HOW WILLING WOULD YOU BE TO USE AN AUTOMATED STORE



There has been a significant shift in attitude towards automated technology with the majority of respondents now willing to use an automated store. It is likely that the pandemic has contributed to this change as people are looking for means of doing things with less personal interaction. It will be interesting to see if these

attitudes change further in future years as society settles into more sustainable means of handling pandemics. It is also worth noting that the number of fully automated stores in the UK is very low, so the change in attitude is unlikely to have been driven by exposure to automated stores.

## WILLINGNESS TO USE AUTOMATED STORE BY AGE



When looking at this data broken down by age you can see that it was the 55+ age group that showed the largest increase in willingness to use automated stores. Given this age group are more vulnerable to COVID-19, this could be influencing their willingness to try new automated technology. It is interesting to note that 18-24-year-olds are more reluctant to use automated stores than the 25-44-year-olds. As you will see later in this report, self storage customers tend to be in the older age brackets and less people under 25 use the service.

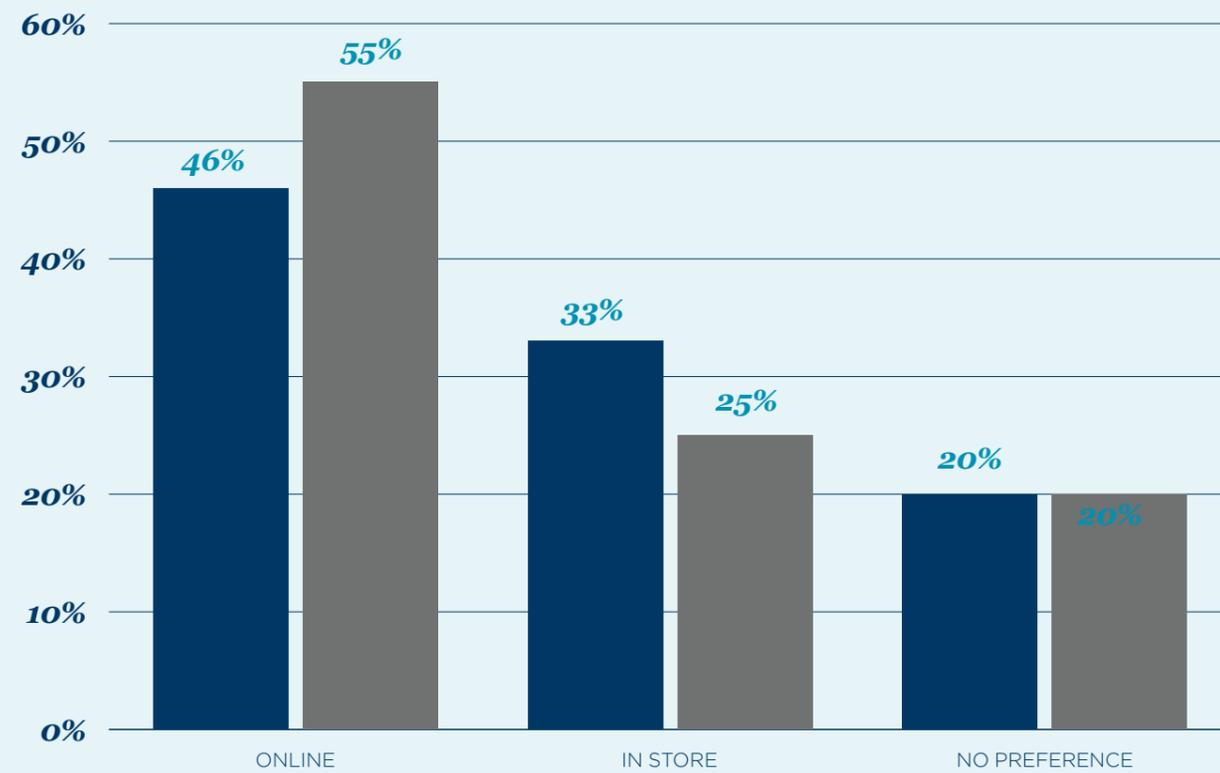


# PUBLIC SURVEY



Respondents were also asked which one, if any, of the following ways would they prefer to complete the booking process e.g., to book the unit, select the move-in date etc?

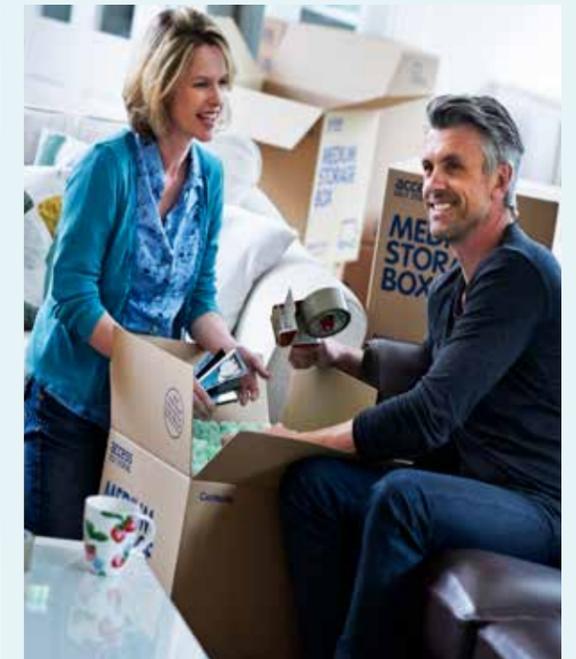
## HOW WOULD YOU PREFER TO BOOK A SELF STORAGE UNIT?



 2020
  2021

Online has grown at the expense of in store. There has been a significant increase in operators offering online booking services and increasing their online presence since the outbreak of the pandemic. Many people have also moved their personal shopping habits online due to the pandemic, some experiencing online shopping for the first time. Future studies will show if this is the start of a continuing trend away from in store bookings or whether there will be a reset back to in person once the initial impact of the pandemic has passed.

When broken down by age, the preference for online decreases by age from 74% for under 25's down to 42% for over 55's. The biggest shifts from last year in terms of in store preference are in the oldest and youngest age brackets. The under 25's dropping from 21% to 11% and the over 55s dropping from 47% to 34% while there were smaller decreases in all other age groups.





# PUBLIC SURVEY

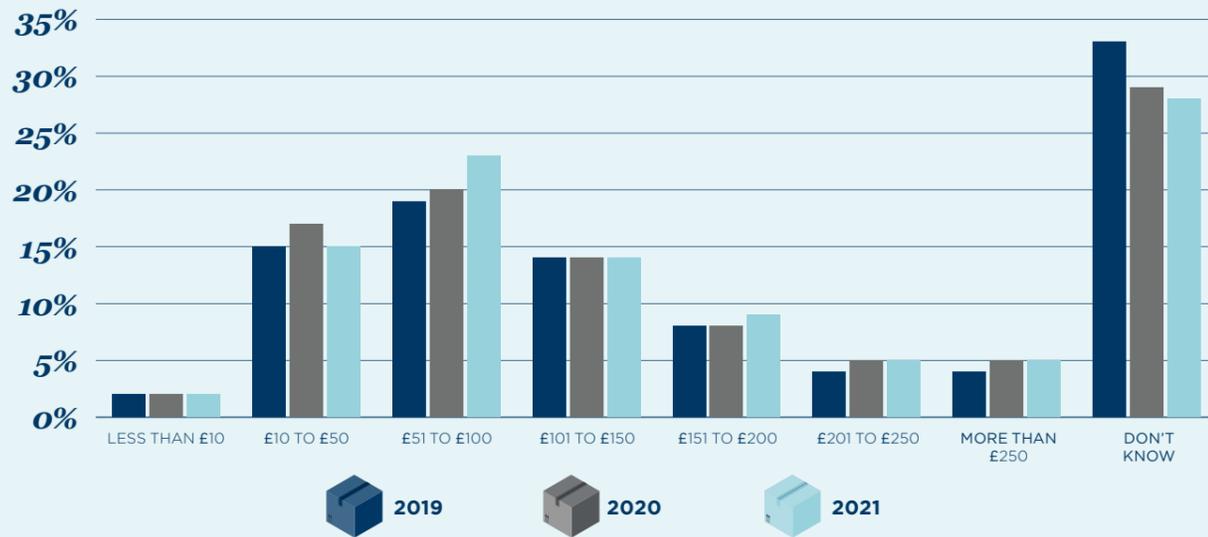


## PRICE EXPECTATIONS

The survey asks how much the person expects to pay for a 100 square foot self storage unit per month and gives an example of the amount of goods that would fit into such a unit to help them visualise the size. The results show a significant lack of understanding of the price of self storage, with 28% indicating they don't know and only 9% were within the correct price range for their region.

This is one of the reasons the industry relies so heavily on up front incentive schemes to encourage people to use self storage for the first time. Customers will initially be surprised by how much self storage costs and incentives like 50% off the first month can help overcome this barrier. Customer data shows that once people move their goods into self storage, they get a better appreciation of the service provided and commonly rate it as good value. It also shows that the majority of customers stay longer in self storage than they expect to.

## PRICE EXPECTATIONS

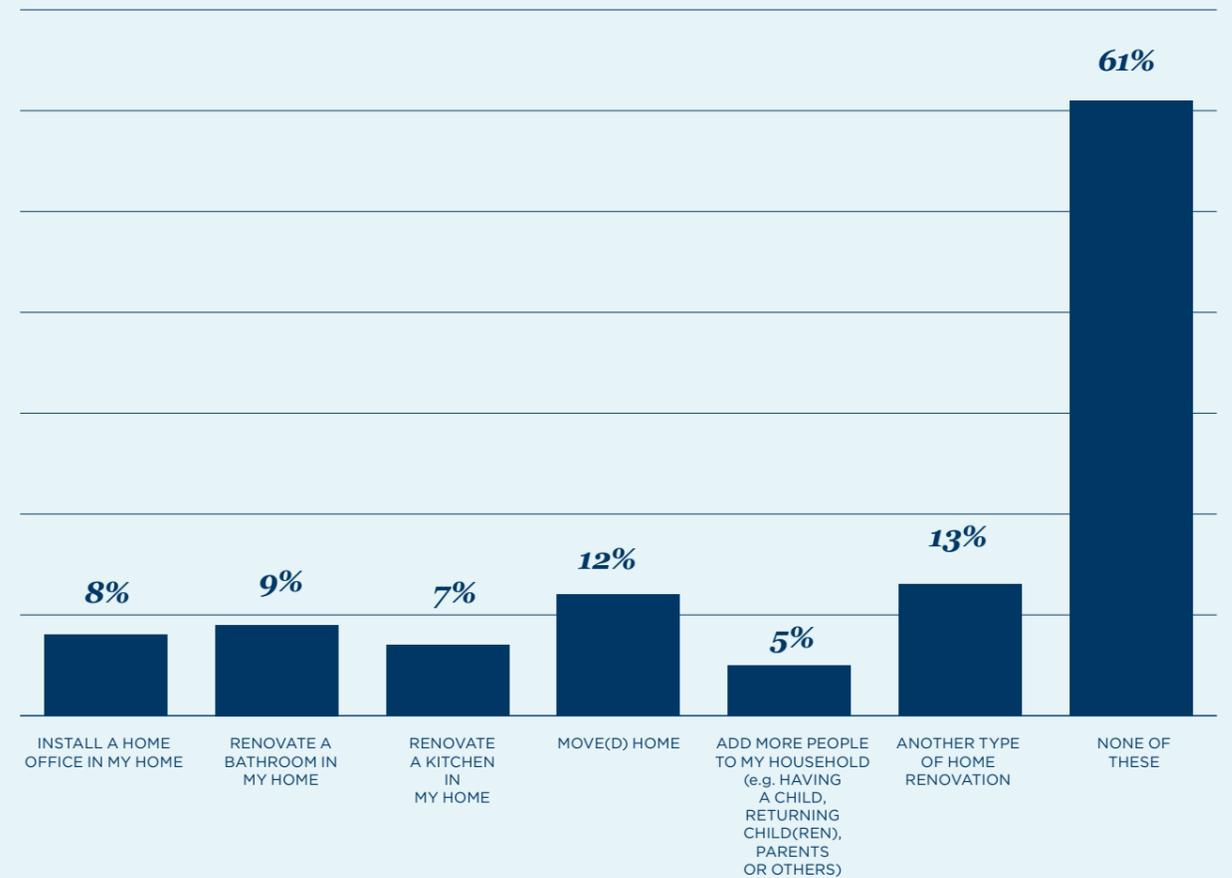


	UK	LONDON	SOUTH	NORTH	SCOTLAND
<b>Actual price range</b>	<b>£176</b>	<b>£265</b>	<b>£159</b>	<b>£126</b>	<b>£159</b>
<b>Within Range</b>	<b>9%</b>	<b>7%</b>	<b>9%</b>	<b>12%</b>	<b>11%</b>
<b>Over Range</b>	<b>10%</b>	<b>9%</b>	<b>13%</b>	<b>16%</b>	<b>11%</b>
<b>Under Range</b>	<b>53%</b>	<b>55%</b>	<b>53%</b>	<b>48%</b>	<b>49%</b>
<b>Don't know</b>	<b>28%</b>	<b>29%</b>	<b>25%</b>	<b>24%</b>	<b>29%</b>

## CHANGES IN HOUSEHOLD

For the first time this year we asked respondents if they had experienced a change in their household during the year. 39% of the sample had one of the listed changes ranging from renovating their home to adding people to their household

## CHANGE IN HOUSEHOLD



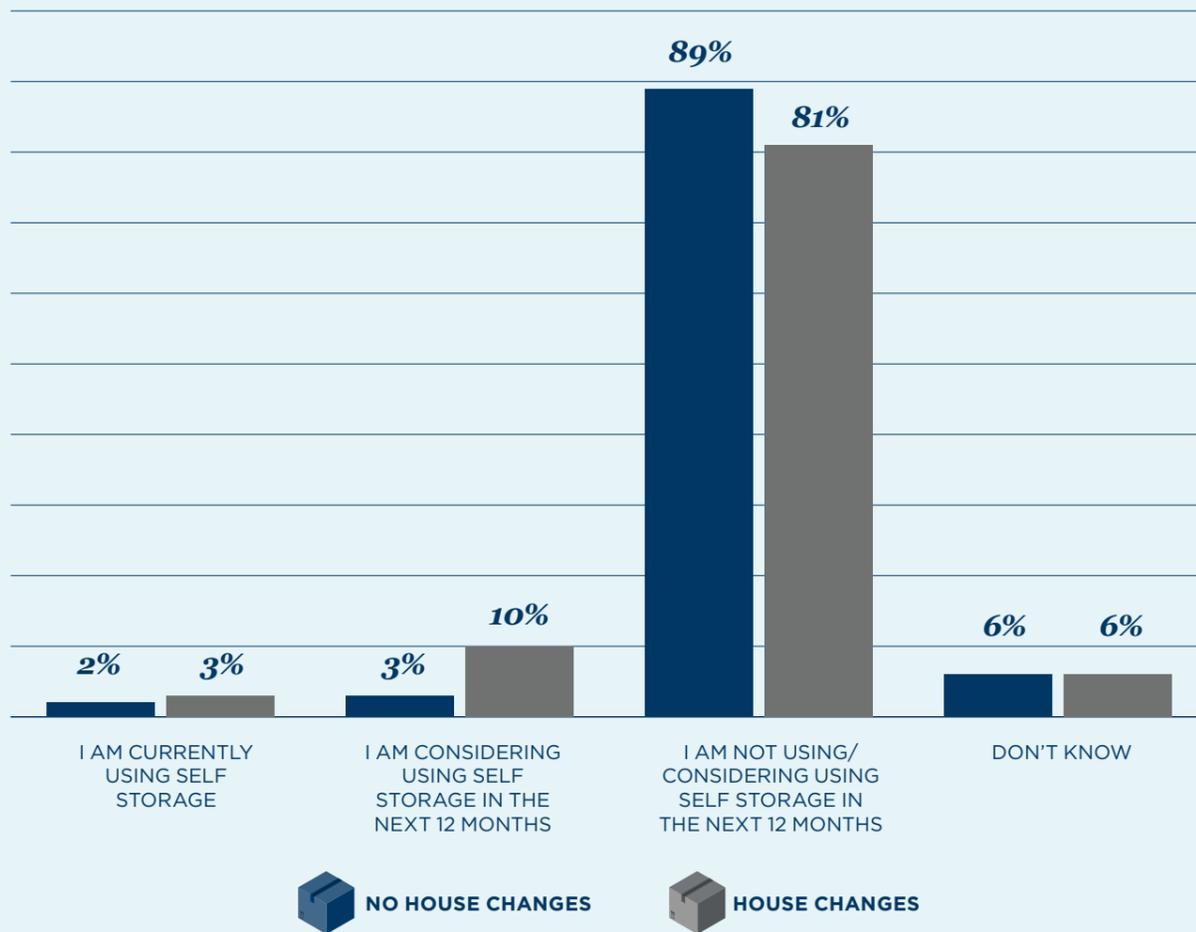


# PUBLIC SURVEY



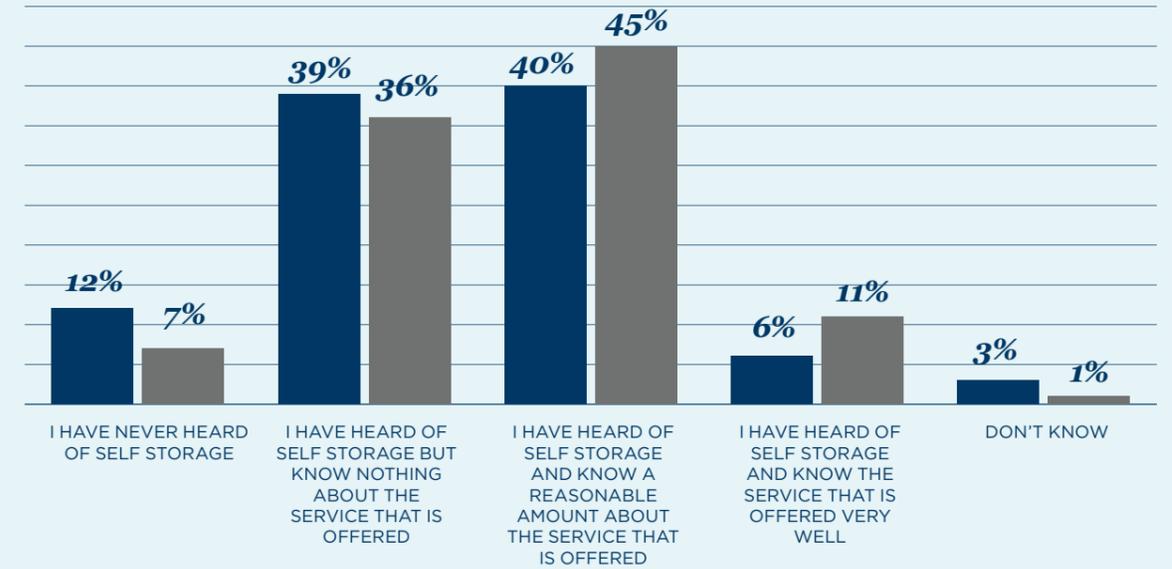
When analysing this data further the concept that self storage is used for life changing moments is further demonstrated with these people more likely to be using or considering storage.

## STORAGE USE BASED ON CHANGES IN HOME



Given that 39% of the sample were going through some sort of change that would likely put an impact on their home storage, the difference in responses while significant, is not as high as might have been expected. It suggests the bulk of people having changes in their home are still not considering self storage.

## INDUSTRY AWARENESS BASED ON CHANGES IN HOME



This is further demonstrated when we consider the industry awareness of these 2 groups. There is an improvement in awareness for people that are going through changes, but it is not commensurate with the size of the sample. While not all people going through one of these changes will need extra storage, this data still suggests a significant number of people who are

going through these life changing moments are not considering using self storage. The positive side of this result is there is more potential in the market for growth as people with a need for the service are not considering it. The negative is this also indicates the industry's marketing efforts may not effectively be reaching those people that may need the service.

## REPEAT USAGE



The data of people that have used storage but are not currently using it indicates they are significantly more likely to consider using storage again in the next 12 months. While the sample size is small, it reinforces data from the customer survey that indicates once people use the service, they are likely to come back and re-use it later. Repeat usage is a large part of the growth in

demand for self storage. However, this also shows that the challenge remains for the industry to introduce more people into self storage, as once people have experienced the service, they understand its value and benefits and are likely to become long term or repeat customers.



# INVESTOR OVERVIEW



# INVESTOR OVERVIEW



## INVESTOR OVERVIEW

### WHAT HAVE WE WITNESSED OVER THE LAST 12 MONTHS?

DESPITE THE PANDEMIC, C&W HAS REGISTERED A SIGNIFICANT INCREASE IN ENQUIRIES FROM BOTH TRADITIONAL AND NON-TRADITIONAL INVESTORS.



NEW MONEY FROM THE UK, EUROPE AND NORTH AMERICA ATTEMPTING TO ENTER THE MARKET.

AN INCREASED INTEREST FROM INSTITUTIONAL INVESTORS.



PRIVATE WEALTH AND PRIVATE EQUITY ATTEMPTING TO ENTER AND DEVELOP PLATFORMS.

STRONG OPERATIONAL PERFORMANCES ARE CONTRIBUTING TO KEEN PRICING.



We have spoken with a number of investors to understand their current perception of the market and their view on the impact of COVID-19.

### WHAT IS THE ATTRACTION OF SELF STORAGE COMPARED WITH MORE TRADITIONAL PROPERTY SECTORS?

The strong fundamentals of the sector, along with its resilience during the pandemic has made self storage very appealing to investors. Along with more traditional investors, we are seeing a greater number of high-profile institutional funds and private equity houses looking to diversify away from more traditional asset classes due to the pandemic. The resultant significant increase in demand, coupled with restricted supply, has had a positive impact on pricing.

### WHAT IMPACT HAS COVID-19 HAD ON SELF STORAGE AS AN INVESTMENT SECTOR?

As we alluded to earlier in the report, the industry has proven, not only robust, but performed strongly during the last 12 months. A large part of this has been achieved in supporting life events such as the change in working environments, increased activity in the housing market (driven by stamp duty payment holidays) and (sadly) an increase in the death rate.

*“Households and businesses want flexibility now more than ever. The environment we work and live in has changed significantly and will continue to, why would you as a business want to commit yourself to long term leases? Throughout COVID, the storage market has no doubt benefited greatly from the stamp duty holiday. House movers have represented a greater portion of the overall customer base than they normally would due to the recent volume of housing transactions.”*

**RICHARD OWEN**  
OF CINCH SELF STORAGE

This has proven attractive to investors and, in comparison with other sectors, driven a level of demand we have not witnessed in recent times.

### HAS THE PANDEMIC HAD ANY IMPACT ON INVESTORS APPROACH TO THE SECTOR?

A consistent theme in the self storage market in recent years has been lack of investment opportunities. The impact of COVID-19, and the markets subsequent strong performance, has created additional demand and this has exasperated the level of under supply and driven pricing.

Investors are having to be more creative in their search for opportunities and we are seeing investors (and operators alike) looking at sites and location that are more unorthodox. In addition, wider conversion opportunities (other than industrial) are being considered. The obvious choice is retail warehousing owing to their natural attributes in terms of location and the building itself. However, we are also seeing investors looking at the likes of underground car parks and even car showrooms on occasions. Investors also appear willing to look at short term income in order to secure their site of choice.

### PRICING

Self storage is one of the few sectors that have flourished over the last 12 months. It's core fundamentals along with both pandemic driven nuances and investors looking to diversify their portfolios have had a positive impact on pricing. With a larger and greater diversified flow of money looking to enter the market, we have seen yields come in stronger than would otherwise have been anticipated 12 months ago.

*“We feel COVID-19 has accelerated the path yields were heading by 3-5 years.”*

**JOSH NIMMO**  
OF CINCH SELF STORAGE



# 100 CONTRIBUTORS LIST 2021





# CONTRIBUTORS LIST 2021



# CONTACTS



*Thank you to all the SSA UK members who completed this year's survey and allowed us to survey their customers. The following businesses agreed to have their names listed as contributors to the survey. Some businesses who completed the survey chose not to have their names included in this list.*

A & S Self Storage Ltd  
A Space Station plc  
Adam Selfstore  
Apex Self Storage  
Armadillo Self Storage  
Attic Self Storage Limited  
Barn Store  
Big Yellow Self Storage  
Black Hole Storage Ltd  
blue self storage  
Bonny Self Storage Ltd  
Border Store It  
BWI Storage Ltd  
CityStore Self-Storage  
Clear Space Self Storage LLP  
Cookes Storage Service  
Cubic Storage  
Easistore Holding Limited  
Easy Access Self Storage  
Go Store Self Storage Ltd  
Guernsey Self Store  
Hall & Burge  
Harrison and Rowley Ltd  
Hills Self Storage  
Hogleaze Storage Ltd  
House-it  
Incredible Bulk Self Storage Ltd  
Kent Space

Kingston Business Centre Ltd  
Kiwi Movers  
Loc-Box Self Storage Ltd  
Lok'n Store Ltd  
Magenta Storage  
MegaStorage Ltd  
Merthyr Self Storage  
Metro Storage  
MS Self Storage Ltd  
MyStore Self Storage  
Parkgate Self Storage  
PD Self Storage  
Securestore 365 Limited  
Self Storage Centre Oxford  
Shurgard Self-Storage  
South Hams Self Storage  
Squab Storage  
Squarefoot Self Storage Ltd  
Stock N Lock Self Storage Ltd  
Storage King  
Storage World  
StorageMart  
Store Stuff  
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