ssa
self storage association
United Kingdom

CUSHMAN & WAKEFIELD

2022 SELF STORAGE ANNUAL REPORT

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INTRODUCTION AND METHODOLOGY

01 INTRODUCTION AND METHODOLOGY

This is the 15th 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. This year's report does have some variances over last year's data as the impact of the COVID-19 pandemic lessened during 2021, with lockdowns and other restrictions eased.

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 quarter of stores in the UK completing the survey, representing around 40% of the storage space, the sample size is exceptionally robust.

For the seventh 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.

The operators survey was completed by 56 companies with 489 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 2021 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 2020 across 32 self storage companies across the UK who have over 190 stores in total. A total of 1,435 customers responded to the survey of which 82% were domestic customers and 18% 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.

The public survey conducted online by YouGov on behalf of the SSA UK, was completed between January 24 and 25. It was an online survey with data taken from a statistically selected and weighted sample that represents a sample of the demographics of the adult UK population. This year 2,057 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 shows the industry has continued its strong performance coming out of the pandemic.

RENNIE SCHAFER

CEO – SSA UK

SELF STORAGE ANNUAL REPORT 2022

02

SUMMARY OF KEY FINDINGS

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51% OF THE PUBLIC HAVE A GOOD AWARENESS OF SELF STORAGE.

89% OF CUSTOMERS ARE SATISFIED WITH THE SERVICE FROM THEIR SELF STORAGE STORE.

OCCUPANCY ON CURRENT LETTABLE SPACE IS **83.3%**, UP FROM **82.3%** LAST YEAR.

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

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

84% OF BUSINESSES THAT USE SELF STORAGE HAVE LESS THAN 10 STAFF.

OCCUPANCY IS **86.2%**, ON MATURE STORES.

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

THE UK AVERAGE NET RENTAL RATE IS **£26.13** PER SQUARE FOOT PER ANNUM UP **9%** ON LAST YEAR.

72% OF SELF STORAGE USERS ARE 40 - 70 YEARS OLD

CHURN RATE HAS DROPPED TO **76%** DOWN FROM **118%** PRE PANDEMIC.

41.2% OF SELF STORAGE CUSTOMERS HAVE USED SELF STORAGE PREVIOUSLY.

44% OF PEOPLE WOULD BE COMFORTABLE USING AN AUTOMATED STORE.

MORE OF THE PUBLIC WOULD PREFER TO CONTACT A STORAGE STORE ONLINE THAN ANY OTHER METHOD.

86% OF BUSINESSES ALLOW CUSTOMERS TO RESERVE OR PAY FOR THEIR UNIT ONLINE.

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

56% OF OPERATORS DECREASED THEIR LEVEL OF DISCOUNTS IN 2021.

03

INDUSTRY OVERVIEW

03 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 approximately 2050 self storage stores in the UK of which 621 are predominately container based storage (typically converted shipping containers or similar). These stores are spread across 1,015 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 52 million square feet of self storage in
the UK.

The average size of a self storage store is 25,366 square feet and has been around this mark for the past 3 years. Development in rural locations and secondary cities is continuing, with more unstaffed sites opening that rely on customers signing up online or managers attending the sites from other locations.

We have seen an increase in storage space in existing container sites as they expand, however the number of new sites opening has declined. This could be a result of land availability or also impacted by the increasing costs in opening a container based storage site with escalating costs for shipping containers and business rates on container storage sites. The increasing cost of construction for purpose built self storage does not appear to have significantly impacted development as yet, however lead times for getting building materials and installation teams have delayed some projects. There remains a strong pipeline for development of new sites and expansion of existing buildings within the industry.

Consolidation in the industry has continued as existing operators expand their portfolios through acquisitions. Despite unprecedented interest in the industry by new institutional investors, most significant self storage stores sold in 2021 were purchased by existing operators or investors.

SUPPLY	52 MILLION SQ FT
STORES	2050
NUMBER OF BRANDS	1015
STORAGE SPACE PER HEAD OF POPULATION	0.76 SQ FT
ANNUAL TURNOVER	£930 M
AVERAGE SIZE OF STORE	25,366 SQ FT

ORGANISATION	NUMBER OF STORES	TOTAL SPACE
SAFESTORE	133	5.7M
BIG YELLOW (INCLUDING ARMADILLO BRAND)	105	6.1M
ACCESS SELF STORAGE	60	3.4M
SHURGARD SELF STORAGE	40	2.2M
LOK'NSTORE	39	2.0M
STORAGE KING (INCLUDING 7 MANAGED OR FRANCHISE STORES)	37	1.5M
READY STEADY STORE	27	815,000
LOCK STOCK SELF STORAGE LIMITED (CONTAINER STORAGE)	23	724,400
SENTRY SELF STORAGE (SOME CONTAINER STORAGE)	20	400,000
STORAGEMART	18	759,000

04

INDUSTRY HIGHLIGHTS

04 INDUSTRY HIGHLIGHTS

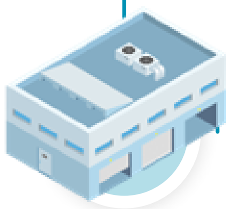
AUGUST 2021

SHURGARD ACQUIRES THE A&A PORTFOLIO OF 4 ASSETS

NOVEMBER 2021

MAYFAIR CAPITAL ACQUIRES THE STORAGE TEAM PORTFOLIO OF 2 ASSETS

JANUARY 2022

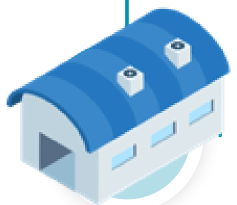


STORAGE KING ACQUIRES THE MCCARTHY PORTFOLIO OF 4 ASSETS

FEBRUARY 2022

STORAGE TRADING LLP ACQUIRES 4 LOK N' STORE ASSETS

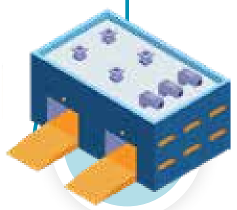
MARCH 2022



LEGAL & GENERAL ACQUIRES 4 SURE STORE ASSETS

STORAGE KING ACQUIRES THE STORAGEBASE PORTFOLIO OF 4 ASSETS

MAY 2022



UNDER OFFER – THE U STORE PORTFOLIO OF 7 ASSETS AND ONE DEVELOPMENT SITE IN IRELAND

UNDER OFFER – A 15,000 SQ FT NEW BUILD FACILITY AT ALTIRA PARK, KENT

05

PUBLIC SURVEY

05 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 2,057 ADULTS COMPLETED THE SURVEY BETWEEN 24 AND 25 JANUARY 2022.

KEY THEMES

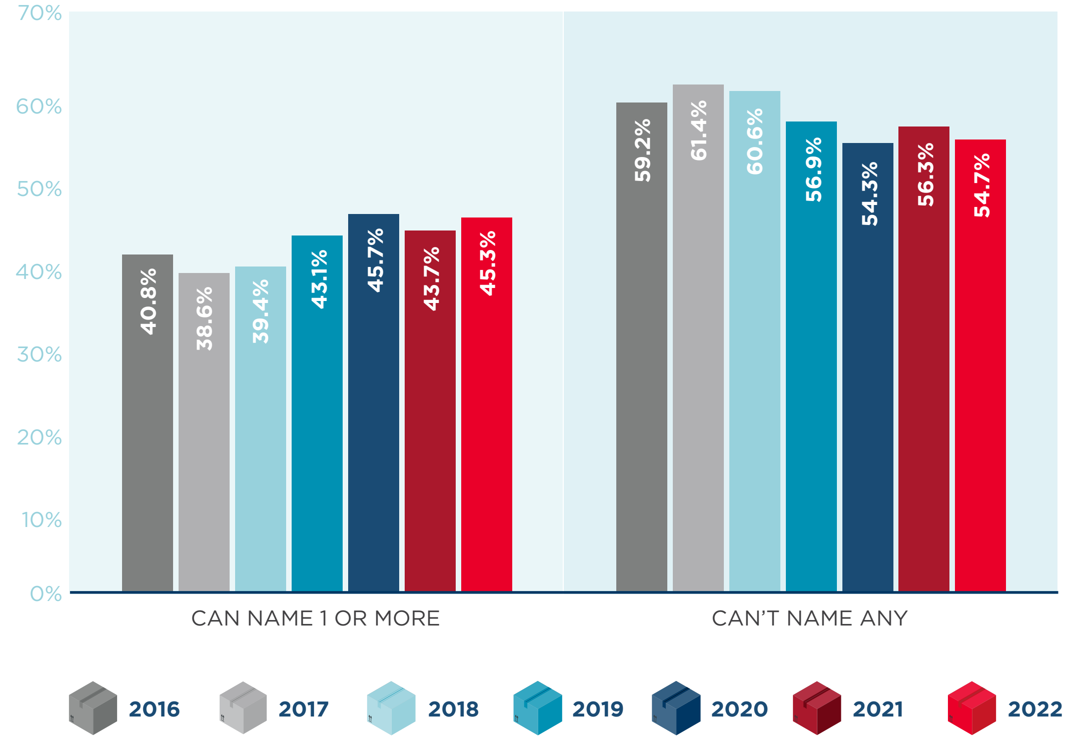
Self storage is still a relatively new industry in the UK and most people still have a lack of understanding of the service and benefits it provides. The data from the public survey shows that usage, awareness and understanding of the product are increasing, albeit still at a slow rate. Awareness of the industry does increase among 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 in favour of other short term solutions such as using garage space or relative's houses. The data also shows that there are some clear differences in preference for online communication and transactions between male and female survey respondents, with females having a higher preference for online interaction than males.

INDUSTRY AWARENESS

While storage related to 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. In more mature self storage markets such as the USA and Australia, there is a much greater knowledge and understanding of the product. 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. More general marketing from operators about ways to use the service would be beneficial. Due to highly fragmented marketing policies and a reliance on operators to focus on Google, AdWords and other online search platforms that tend to target people already searching for self storage, there is less marketing promotion of the industry as a whole to people that may not be considering self storage as a solution to their storage needs.

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 local self storage store, albeit possibly a small one. Those living in major metropolitan areas are likely to have 3 or more nearby. Yet 55% of people are unaware of a self storage facility in their area. There has been limited movement in this number in the last 4 years. One factor that should be considered is that self storage is a needs-based business. So people without a need are less likely to be looking for, and hence aware of self storage businesses in their local area. It's not uncommon for people who are new to the industry 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.

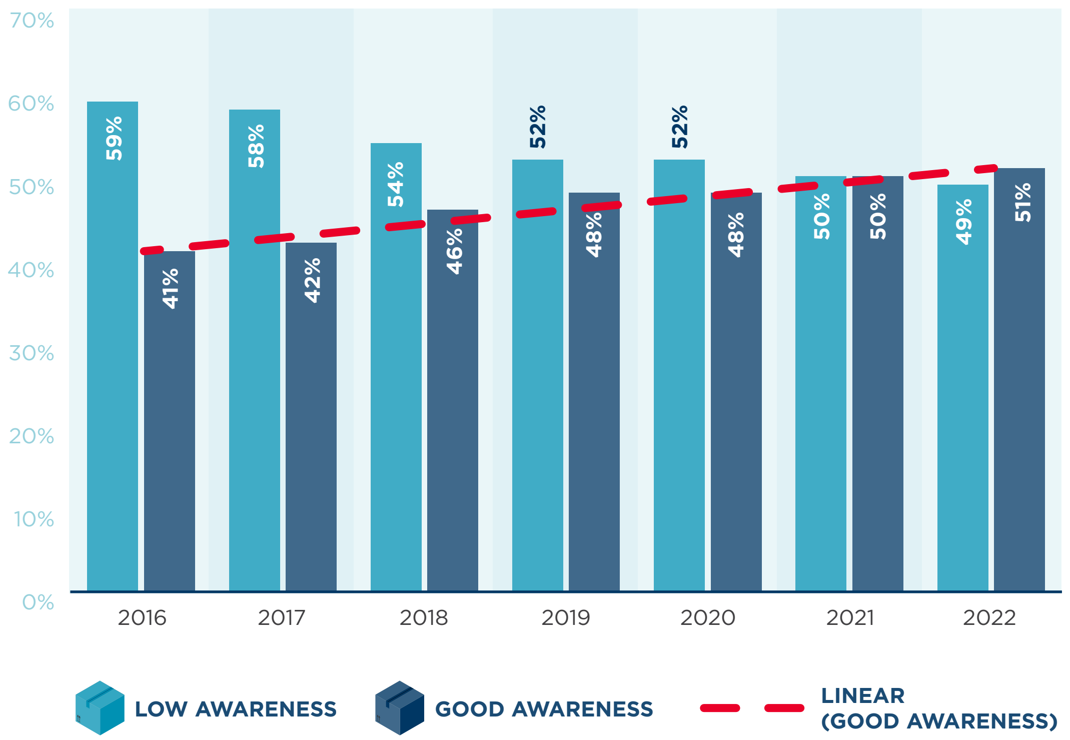
SELF STORAGE AWARENESS IN THE LOCAL AREA



INDUSTRY KNOWLEDGE

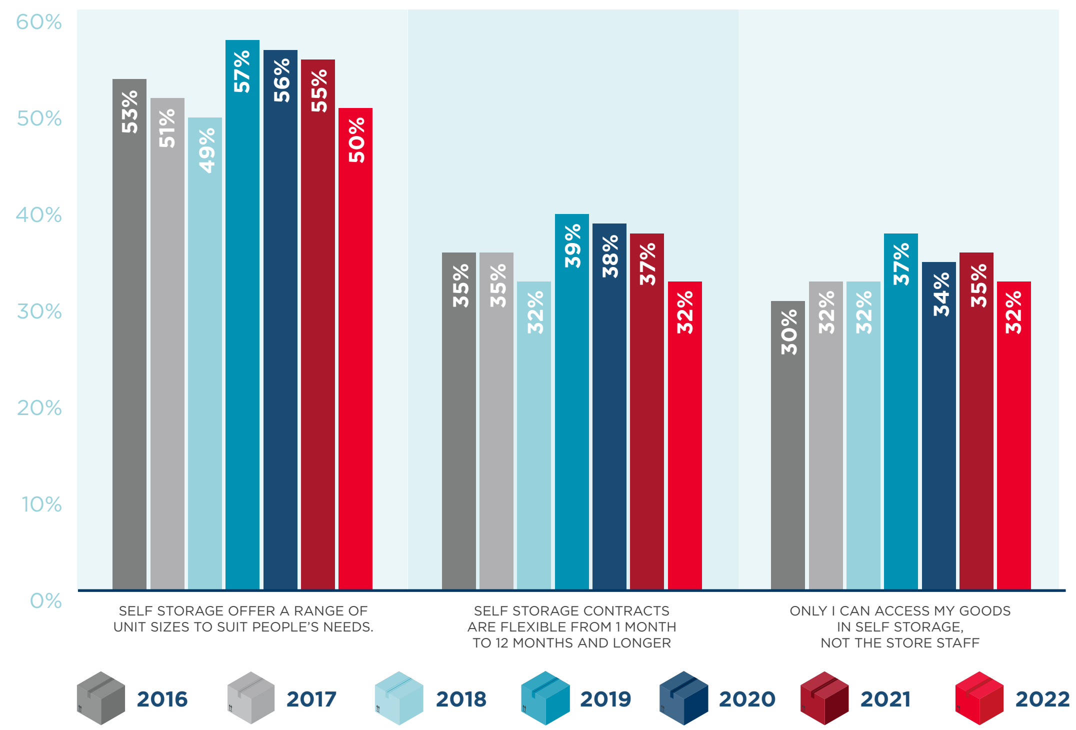
The survey also gauges people's understanding of self storage by asking them first what they think their own understanding of self storage is. Subsequently, there are questions on what they know about self storage to qualify this. The data shows that with the initial question there has been some improvement in the general understanding of self storage, however, it has been gradual.

AWARENESS

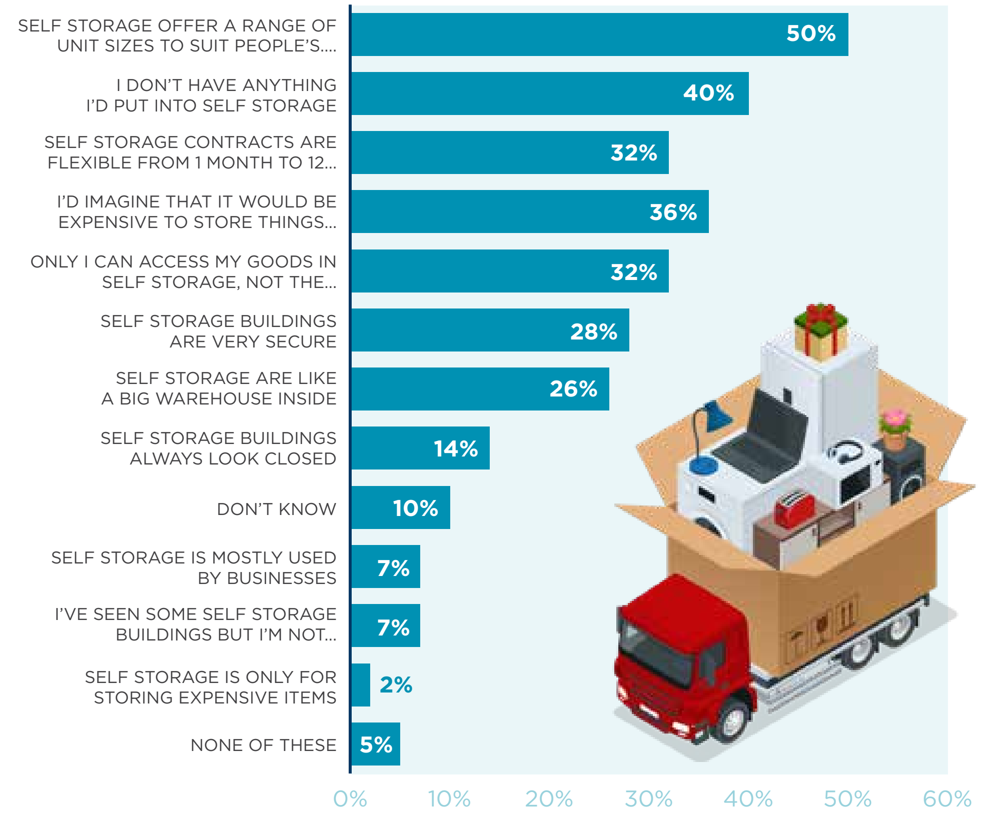


This difference between awareness and understanding is demonstrated when survey respondents are asked about several potential elements of a self storage business, some of which apply and some of which don't. There has been limited improvement in this area over the past 8 years. Also worth noting is despite 50% of people thinking they have a good understanding of the product, only around 32% understood what we would consider the basic fundamentals of self storage. Such as, flexible contracts, and that the customer locks their unit and keeps the key.

UNDERSTANDING

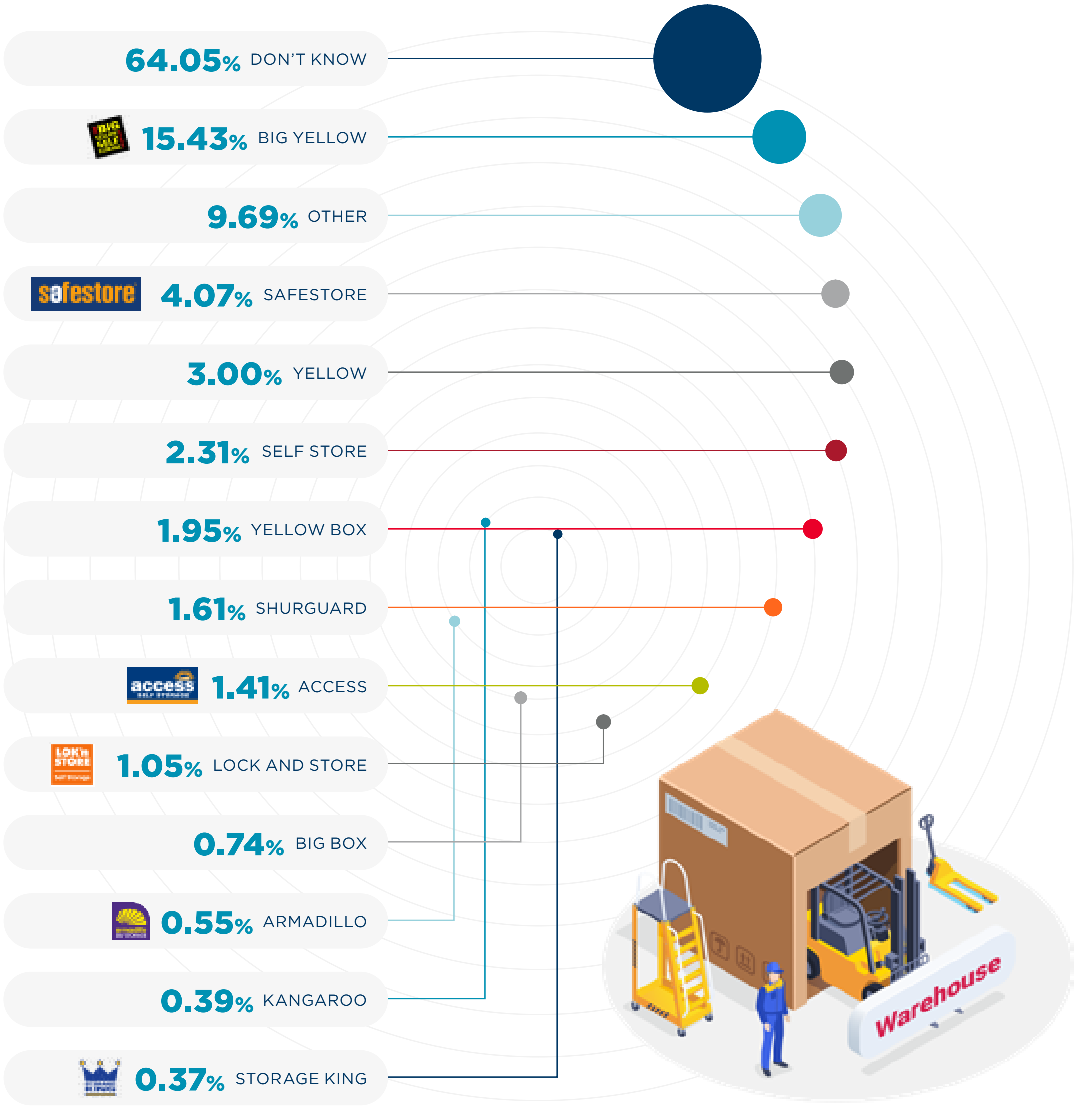


% IN AGREEMENT



BRAND AWARENESS 2022

BRAND AWARENESS



Unprompted brand awareness shows that Big Yellow remains the most recalled brand. However, 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 to the current rate of 9.69%. There are certainly more independent operators in the market now which have contributed to 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.

SSA

SELF STORAGE USE

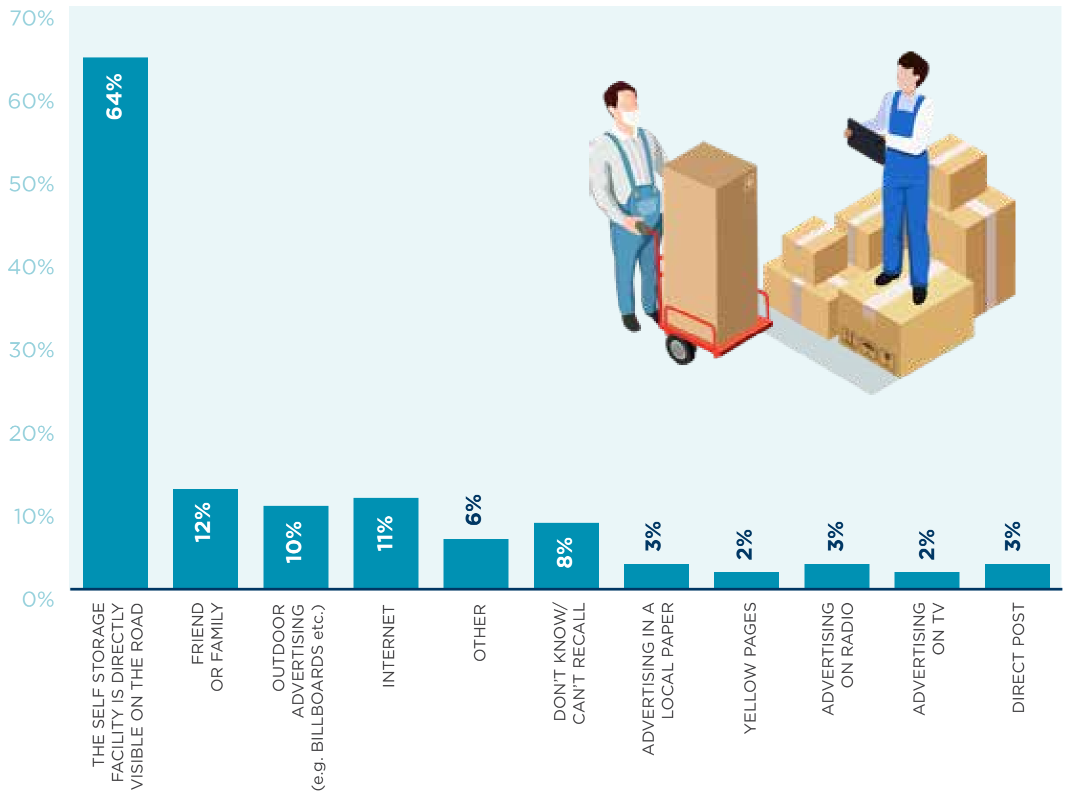
	2018	2019	2020	2021	2022
I AM CURRENTLY USING SELF STORAGE	1.29%	1.43%	1.75%	2.28%	2.28%
I AM CONSIDERING USING SELF STORAGE IN THE NEXT 12 MONTHS	5.36%	7.66%	6.53%	5.80%	6.19%
I AM NOT USING/ CONSIDERING USING SELF STORAGE IN THE NEXT 12 MONTHS	86.12%	84.54%	86.02%	86.12%	85.56%
DON'T KNOW	7.24%	6.37%	5.71%	5.80%	5.97%

It is interesting to note that this year's survey showed a stable number of people using self storage. This is based on the customer survey, not actual usage. In fact, we know there are more people using self storage in 2022 compared with 2021, as evidenced by the growth of the industry and occupancy data. That being said, it is still a small percentage of the population, which has the potential for growth moving forward.

There is a consistent theme of of more people considering using self storage than materialises into actual users. The industry would do well to understand why so many people are considering using the product, but subsequently decide not to.

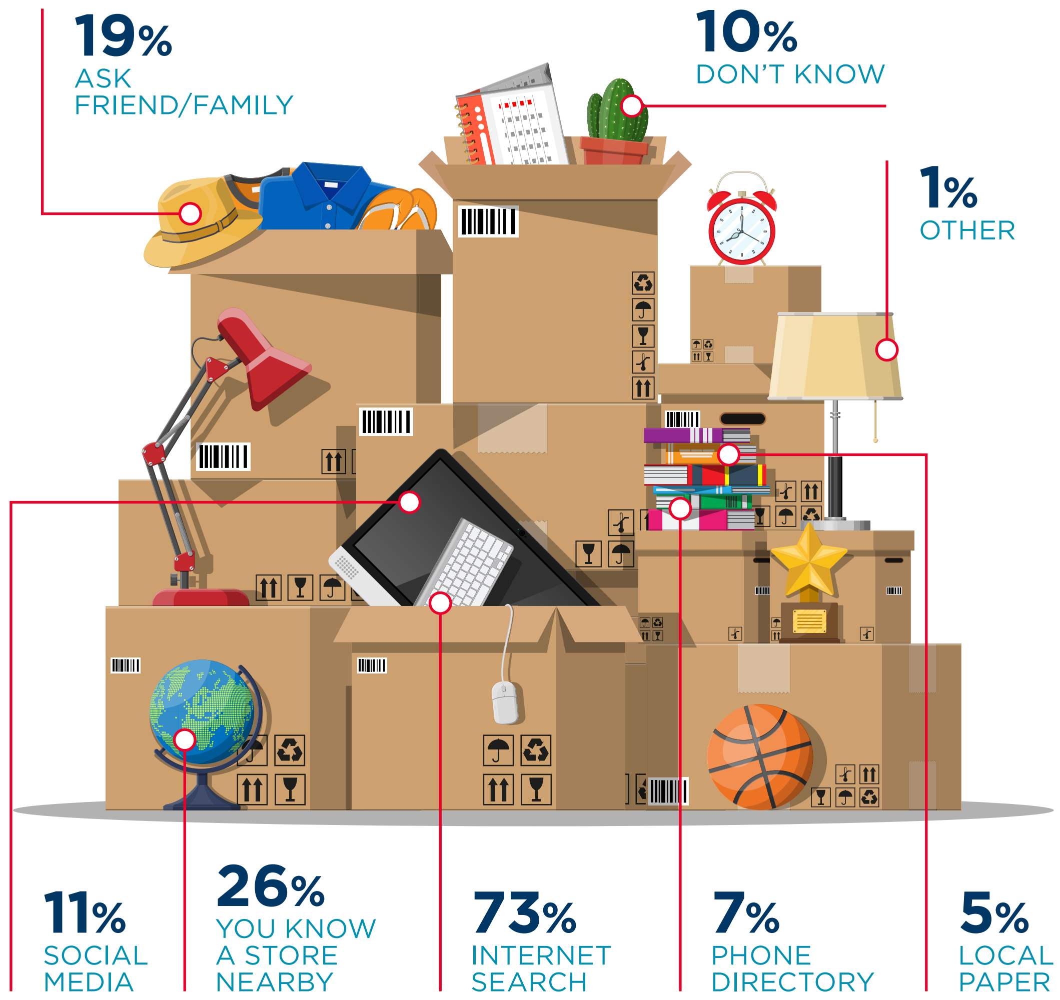
DRIVERS OF RECOGNITION 2022

FINDING A SELF STORAGE BUSINESS



When the public were asked how they became aware of their local self storage business, road visibility remains the clear driver of recognition. This is not surprising given the effort most operators make to secure prime frontage locations. This, in part, can be attributed to the industry's fragmented approach to marketing aimed at growing the market. 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. The overall results have largely remained consistent over the last 5 years.

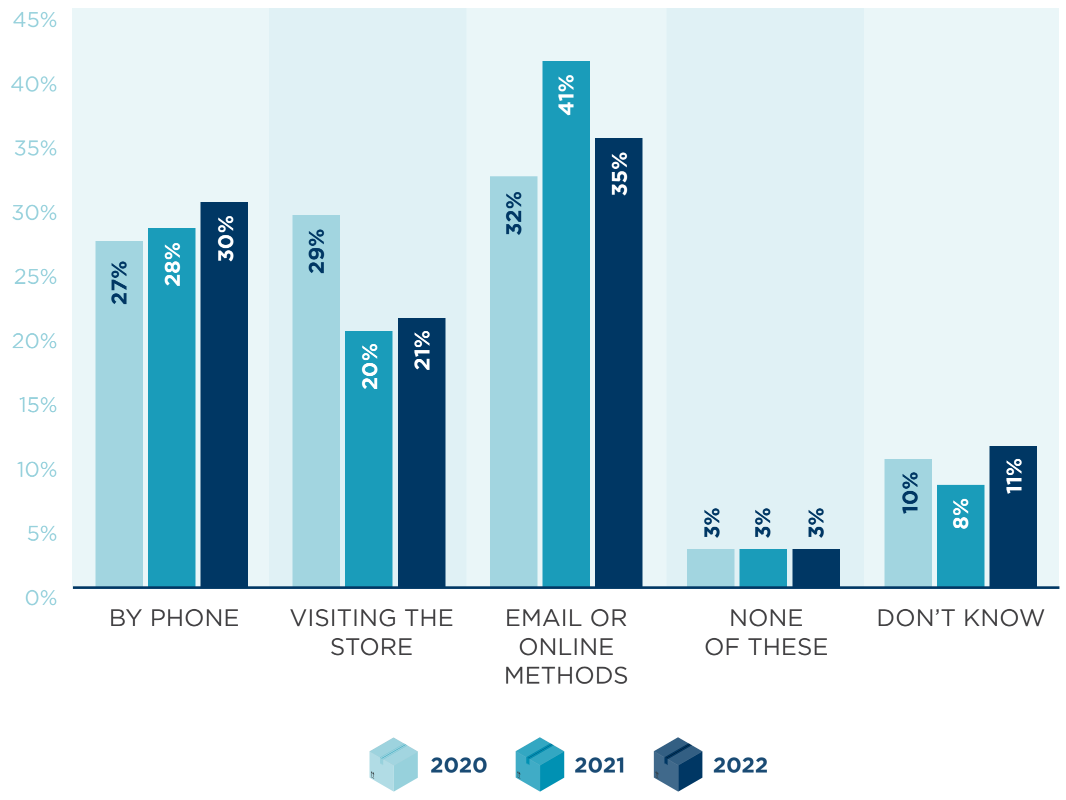
HOW WOULD YOU FIND A STORE TO CONTACT?



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

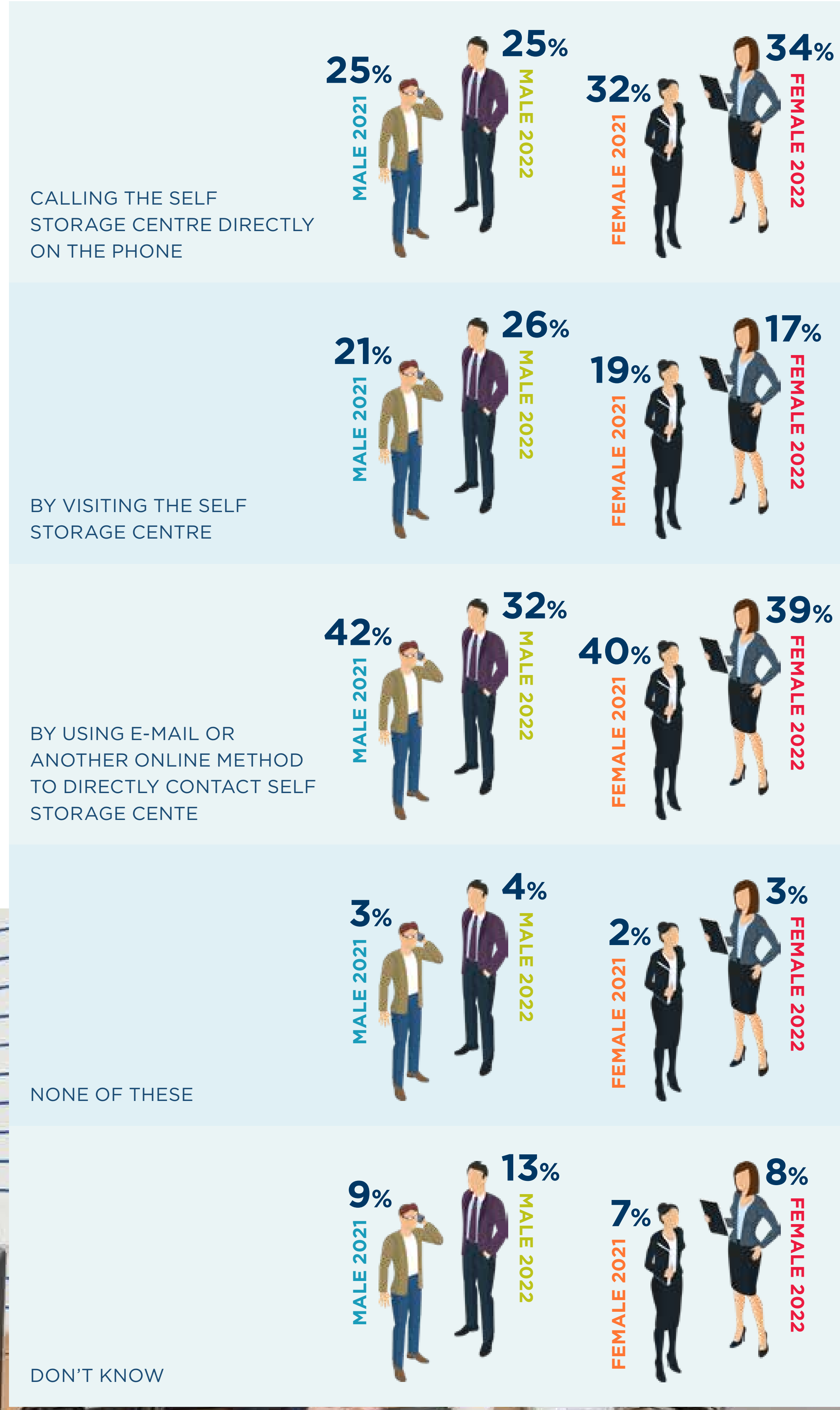
After increases in internet and social media searches between 2014 and 2020, the last 2 years has remained consistent and has mostly stabilised. Use of the phone directory continues to fall, down from its peak of 20% in 2014. The local paper is also in decline. In previous years it has been as high as 12%, but is now only 5%. This underlines the importance of referrals to the industry, with asking friends or family being consistently around the 20% mark.

HOW WOULD YOU MOST PREFER TO CONTACT A SELF STORAGE FACILITY?



Respondents were asked how they would prefer to contact a self storage business to make an enquiry. The COVID pandemic resulted in a big drop in people preferring to go into a store in the 2021 survey. While this has remained almost the same in 2022, the number of people preferring to shop online dropped and much of this moved to telephone contact. It will be interesting to see how this changes during the course of 2022 and to see the results in the 2023 report, where hopefully COVID-19 restrictions will have a more limited impact on the results.

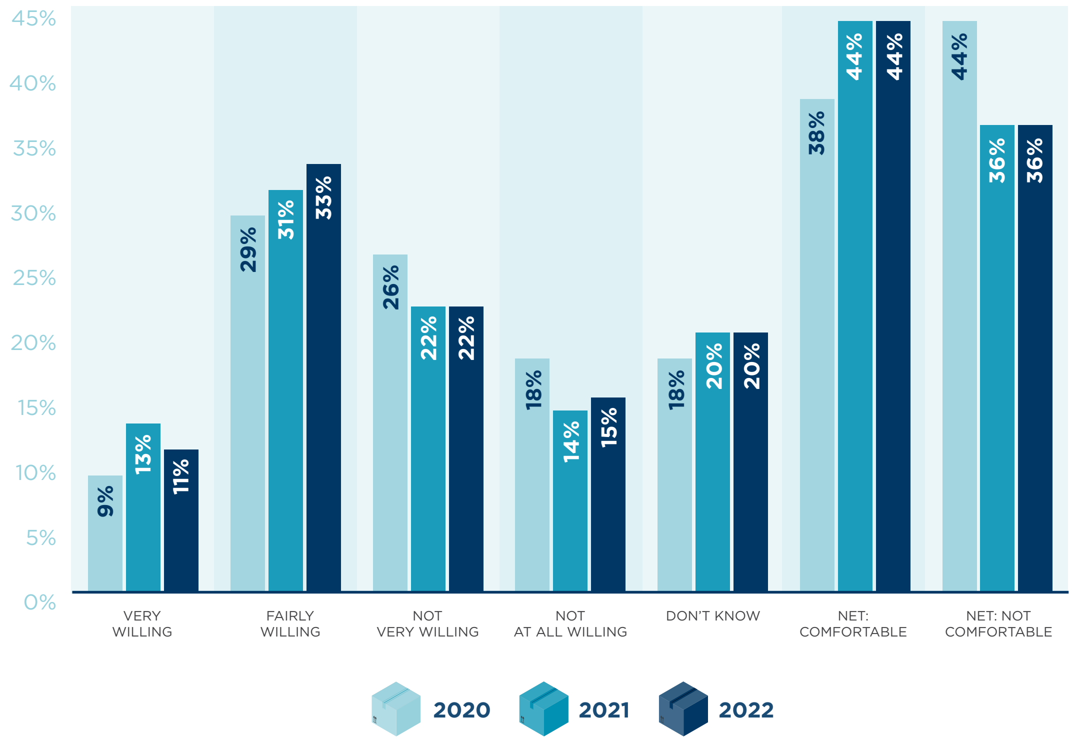
GENDER



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. Males have moved back to a preference of in-store visits from online, while females have continued to reduce their preference for in-person visits and increased preference for telephone contact.

ATTITUDE TO TECHNOLOGY

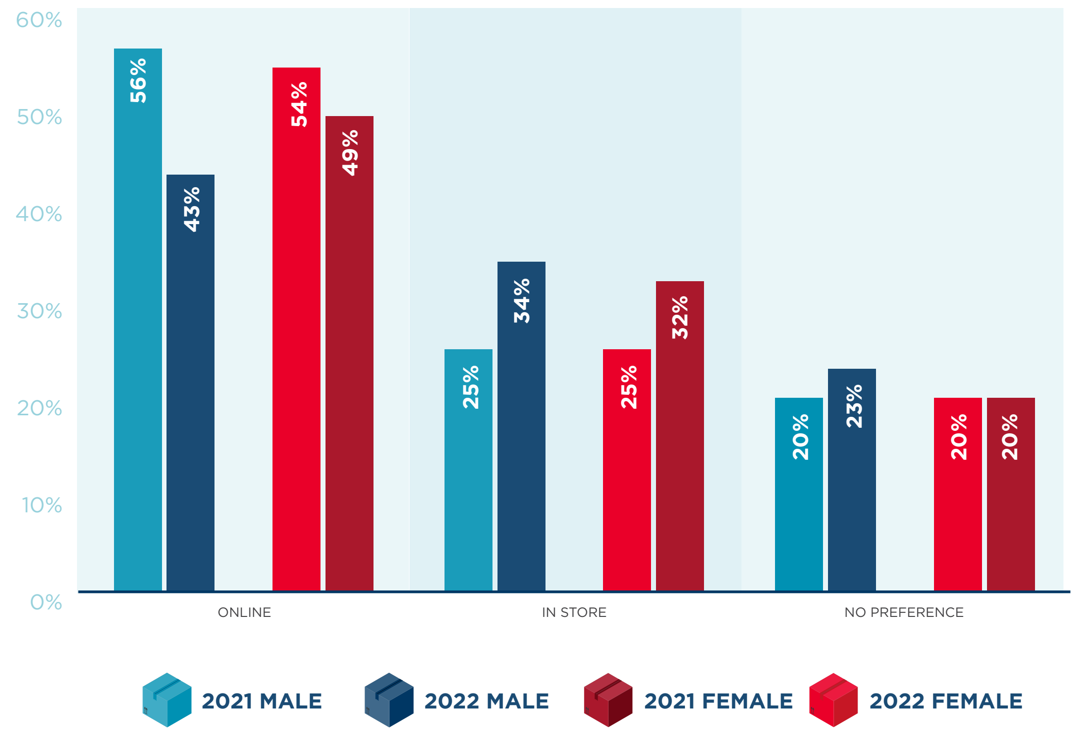
HOW WILLING WOULD YOU BE TO USE AN AUTOMATED STORE?



While there was a shift towards acceptance of technology in 2021 during the pandemic, the results for this year have not changed as significantly. A total of 20% of respondents were unsure, which is a lot compared to other questions in the survey. Given there is very little of this technology currently being used in the UK, it could be that customers need to have greater exposure to the technology available for them to understand if it is a service that appeals to them.

Respondents were also asked which one, if any, of the following ways would they prefer to complete the booking process?

HOW WOULD YOU PREFER TO BOOK A SELF STORAGE UNIT?



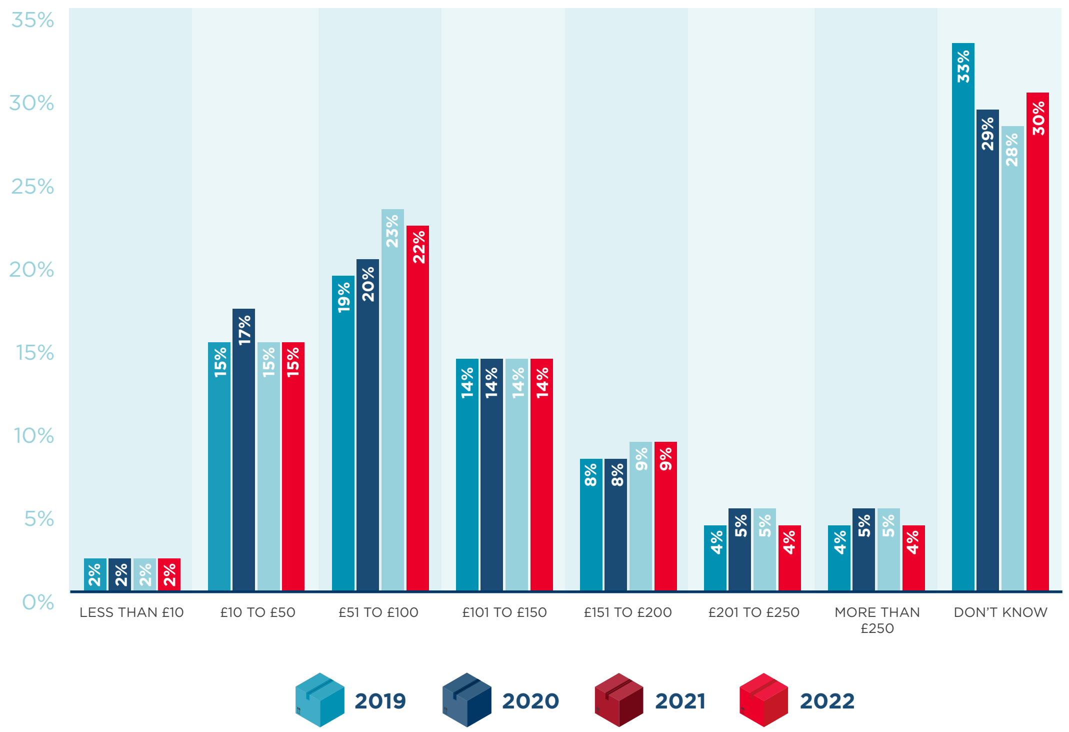
Whilst, since the pandemic, there has been a move back towards in-store completion of the booking process, this is more prominent in males compared with females. This reflects data produced from the previous question on methods of contacting a store. It seems that men are more encouraged to go back into a store since the pandemic, while more women would rather remain online.

PRICE AWARENESS

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 pricing, with 30% having no understanding and only 9% were within the correct price range for their region.

This is one of the reasons the industry relies so heavily on upfront 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 expected to. However, it could be viewed as concerning that price awareness of the industry is not improving and almost a third of people are unaware what a self storage unit would cost them.

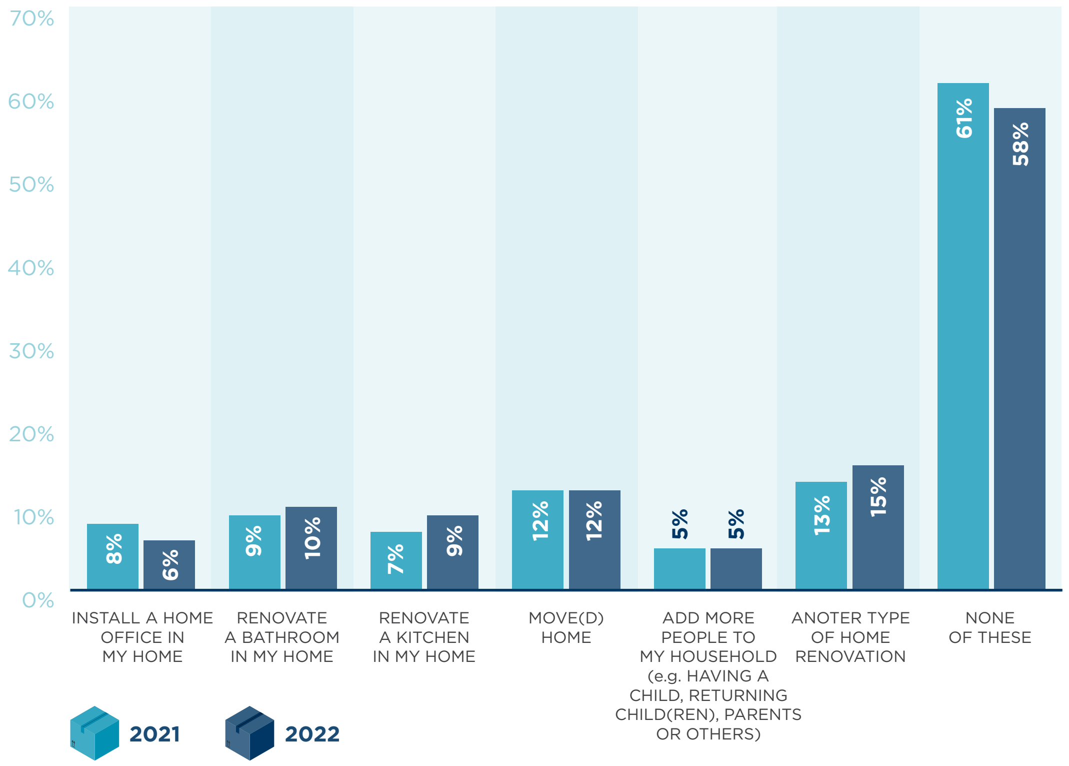
PRICE EXPECTATION



CHANGES IN LIFESTYLE

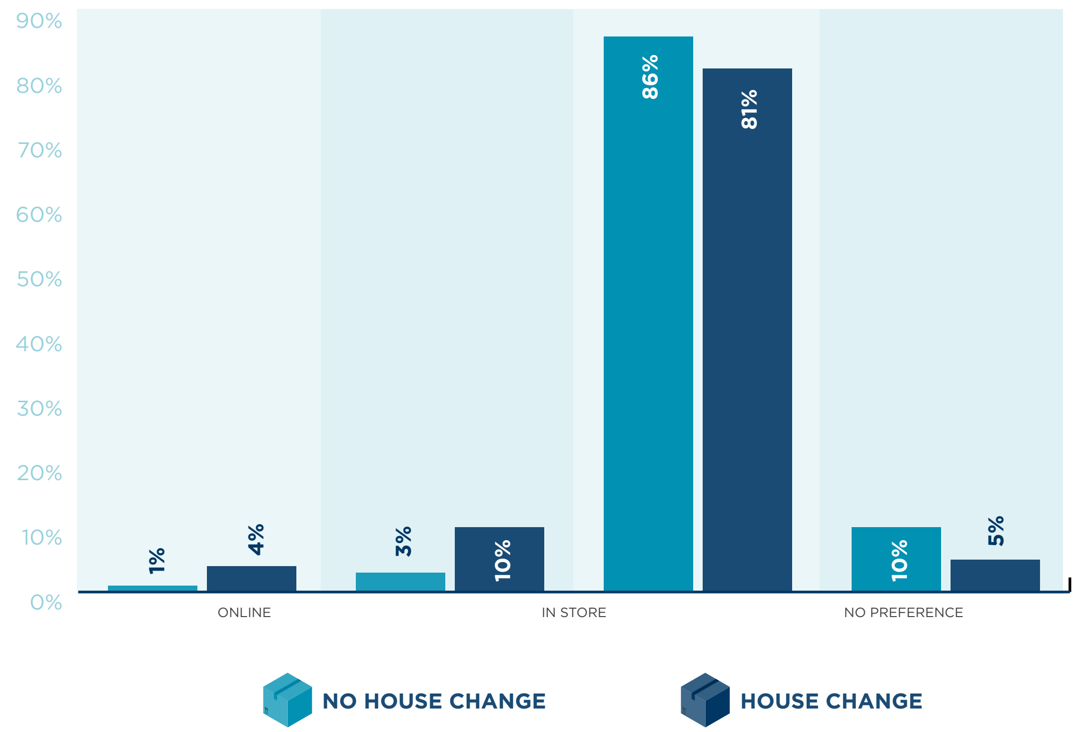
The survey shows that even more people were involved in some sort of home renovation or relocation over the last 12 months compared with 2020 at 42%. While the installation of home offices has fallen, all general home renovations has increased.

CHANGES TO YOUR HOME IN LAST 12 MONTHS



INTENTION TO USE STORAGE BASED ON HOUSE CHANGES

When linking this data with the previous question on use, we see that people going through life-changing moments are more likely to be using or considering using self storage.



While this shows that changes in the housing market impacts self storage, the results are not as dramatic as some would expect. A total of 42% of the survey has undergone some sort of change to their home, but only 14% of them were using or considering using self storage. Does this tie back to awareness of the industry and could these potential customers be considering self storage if they knew more about the service and its benefits? Consideration should also be given to supply factors. The industry is at record occupancy levels, so if a large portion of these people suddenly wanted to use self storage, there would likely not be the supply of product available to assist them.

06

CUSTOMER SURVEY

06 CUSTOMER SURVEY

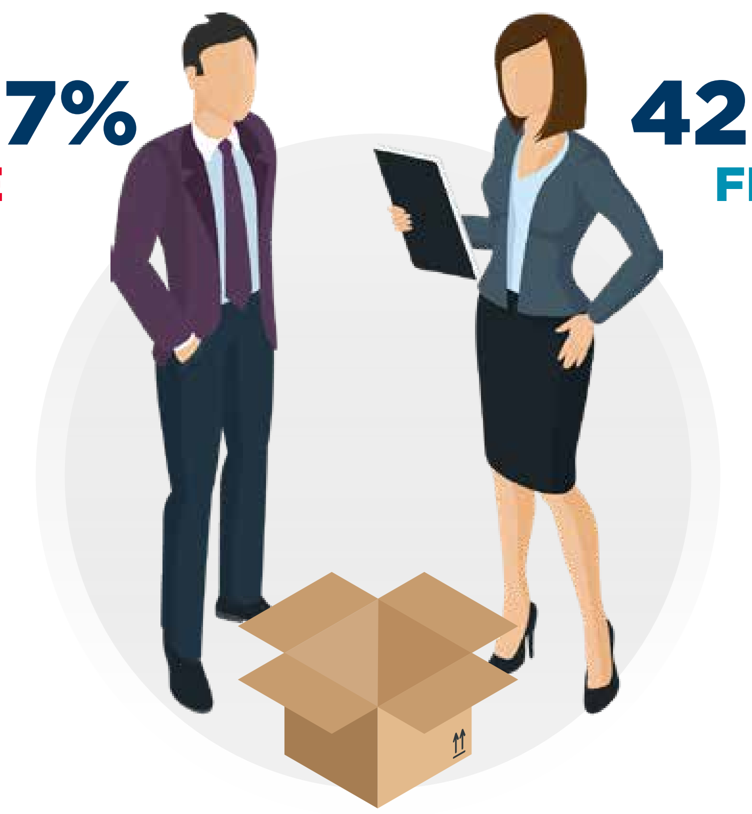
CUSTOMER PROFILE FOR DOMESTIC USERS

GENDER OF ALL CUSTOMERS THAT SIGNED UP FOR STORAGE

GENDER

56.7% MALE

42.9% FEMALE

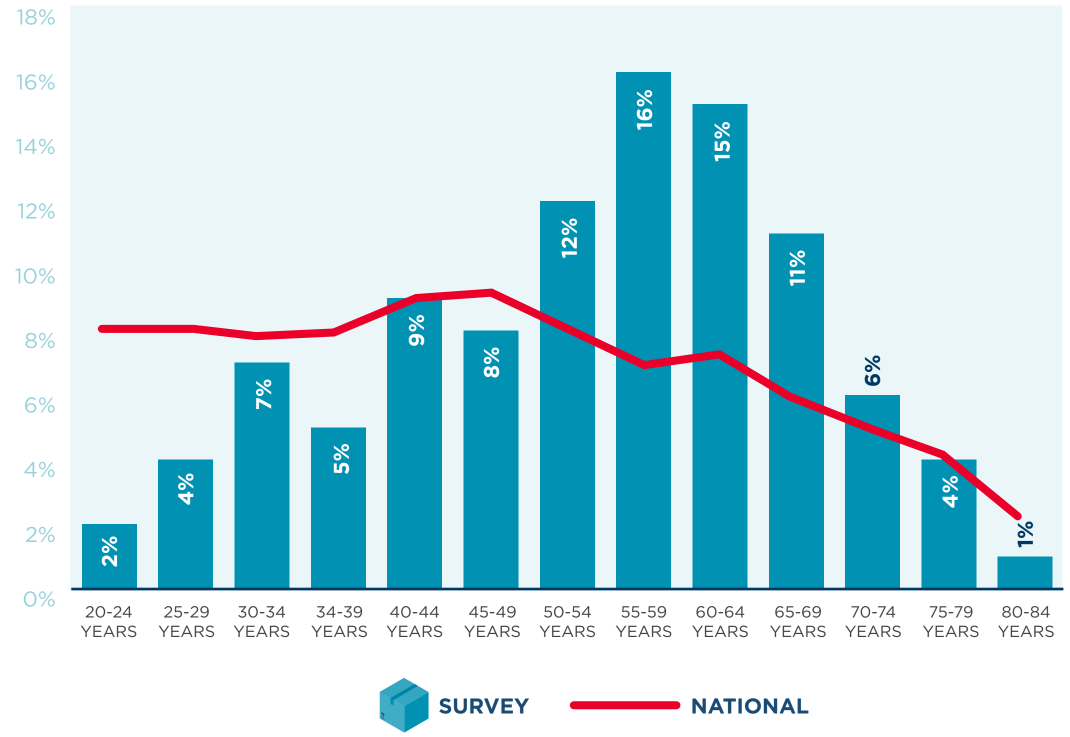


0.4% OTHERS

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 5 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 put their name on the contract.

AGE

AGE PROFILE



72% OF USERS ARE **40-70** YEARS OLD

43% ARE **50-65** YEARS OLD

Only 16% of users are currently aged under 35. 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. The timing of the survey also reduces the likelihood of student storage as this is more common in the summer months.

SSA

NEED THE DATA TO CREATE THE GRAPH

When considering these results over time it is evident that the average age of a self storage customer is increasing. The number of people using self storage aged under 40 is in decline, while those aged over 55 is increasing. This trend has only become prominent since 2019 so there is the possibility it could be pandemic related. It is of some concern to the industry that operators are not attracting as many younger people to use self storage as they would like and this could impact the long term demand for the product. One potential reason could be linked to the housing market. With ever increasing house prices, it is difficult for them to step on to the housing ladder for the first time.

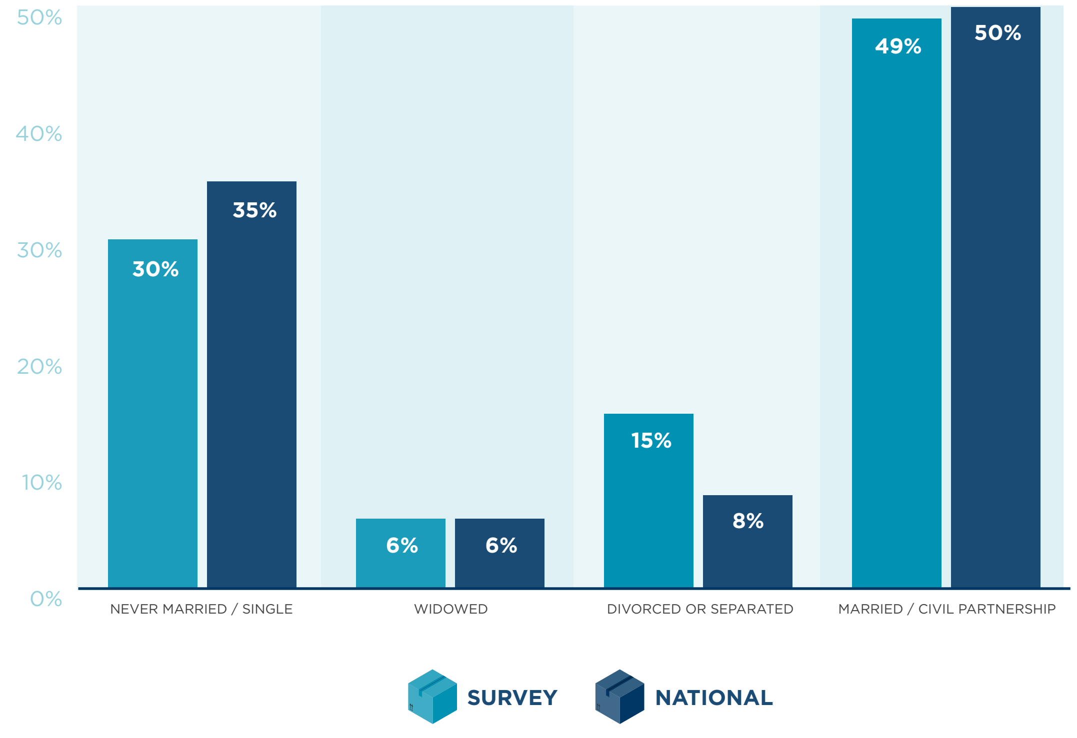
PREVIOUS USE

HAVE USED BOTH THIS AND ANOTHER STORE PREVIOUSLY	9.4%
HAVE USED THIS STORE PREVIOUSLY	9.8%
HAVE USED ANOTHER STORE PREVIOUSLY	21.9%
TOTAL THAT HAVE USED STORAGE PREVIOUSLY	**41.2 %**

Considering only around 2% of the population are using self storage, it is interesting to note that over 41% of current users have used self storage previously. This further reinforces the importance of growing the market, as repeat custom is common. This figure has been mostly stable around the 41% level over the last 5 years. This further reinforces the notion that once people experience self storage they see value in it and in this instance becoming repeat use customers.

MARITAL STATUS

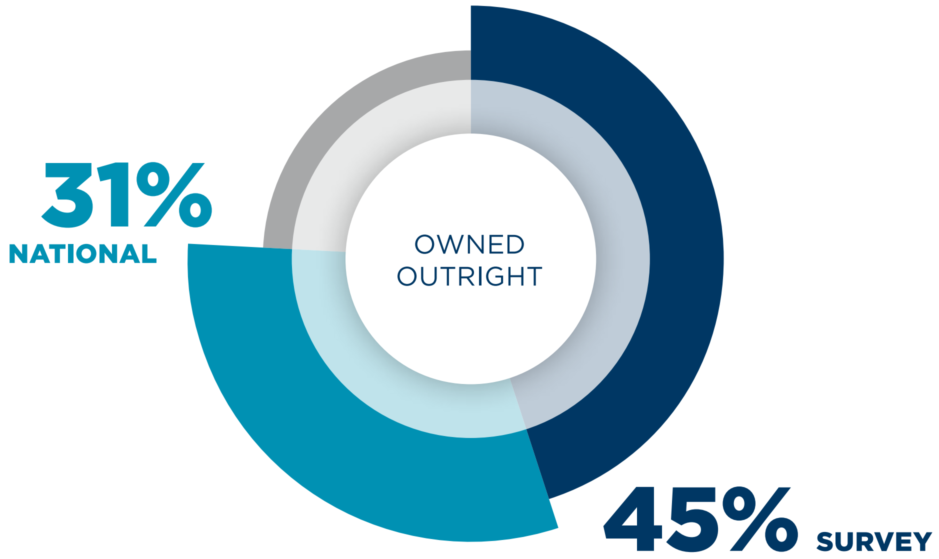
MARITAL STATUS

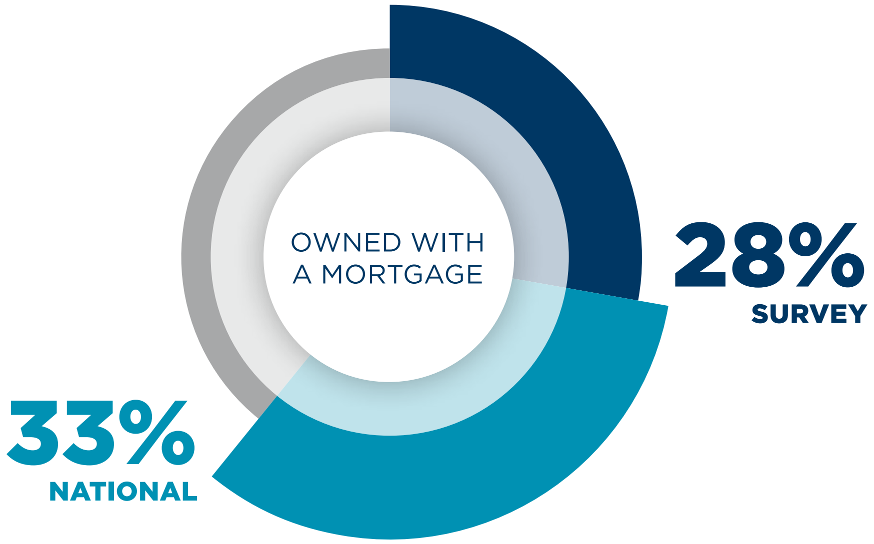


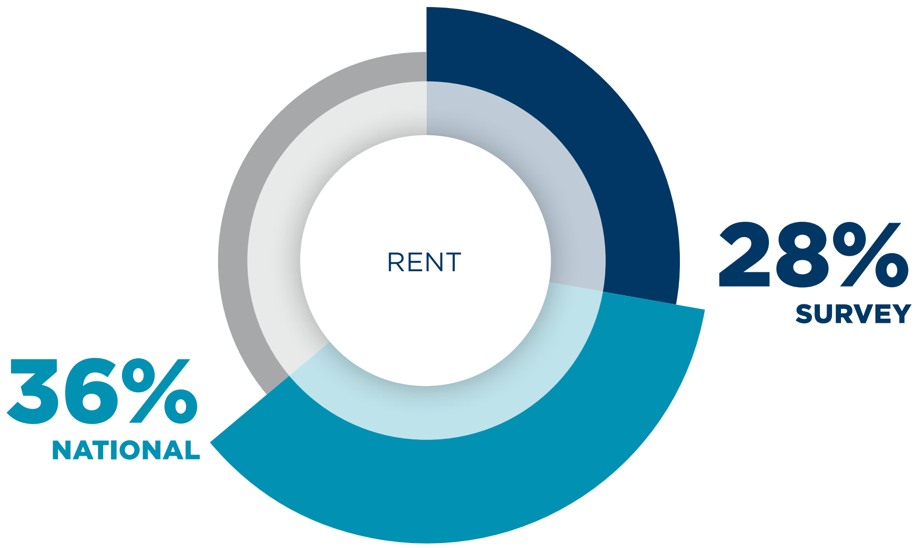
Breaking a relationship or losing a partner are one of the life changing moments that bring people to self storage. Once into self storage these customers often find it a useful resource as they begin the next chapter in their lives. Hence, the reason divorced, or separated people have a higher likelihood of using self storage. This year the number of widowed customers increased, bringing it up to the national average, largely at the expense of married people who fell back below the average. The challenge for self storage operators is to respectfully market to people that are going through a relationship breakdown as they are almost twice as likely to use self storage as those in a relationship.

TENURE OF RESIDENCY

TENURE OF RESIDENCY







There is clear indication that people owning their own home are more likely to use self storage compared with renters. This trend has been gradually increasing over the last 4 years, with owned outright up from 40% to the current figure of 45%. This ties into the other demographic data that suggests customers tend to be older and wealthier, who would also more likely own their own home.

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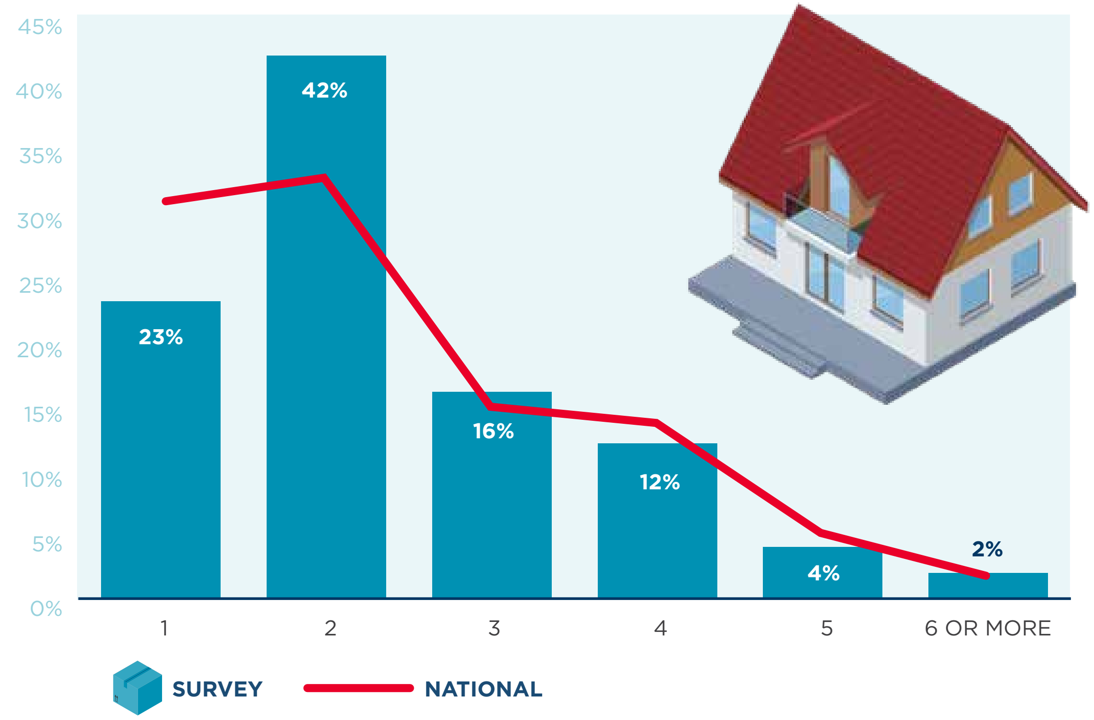
NUMBER OF PEOPLE IN THE HOUSEHOLD



This chart shows that self storage is more likely to be used by couples rather than singles or families. Previous data on the age of customers showed most were over 40, which would remove many of the young singles from the national average. The age demographic of users also supports the concept that many users may have families no longer living at home. However, the higher use by divorcee's and separated couples would lead to an increased use by singles. This data has remained relatively stable over the past 5 years.

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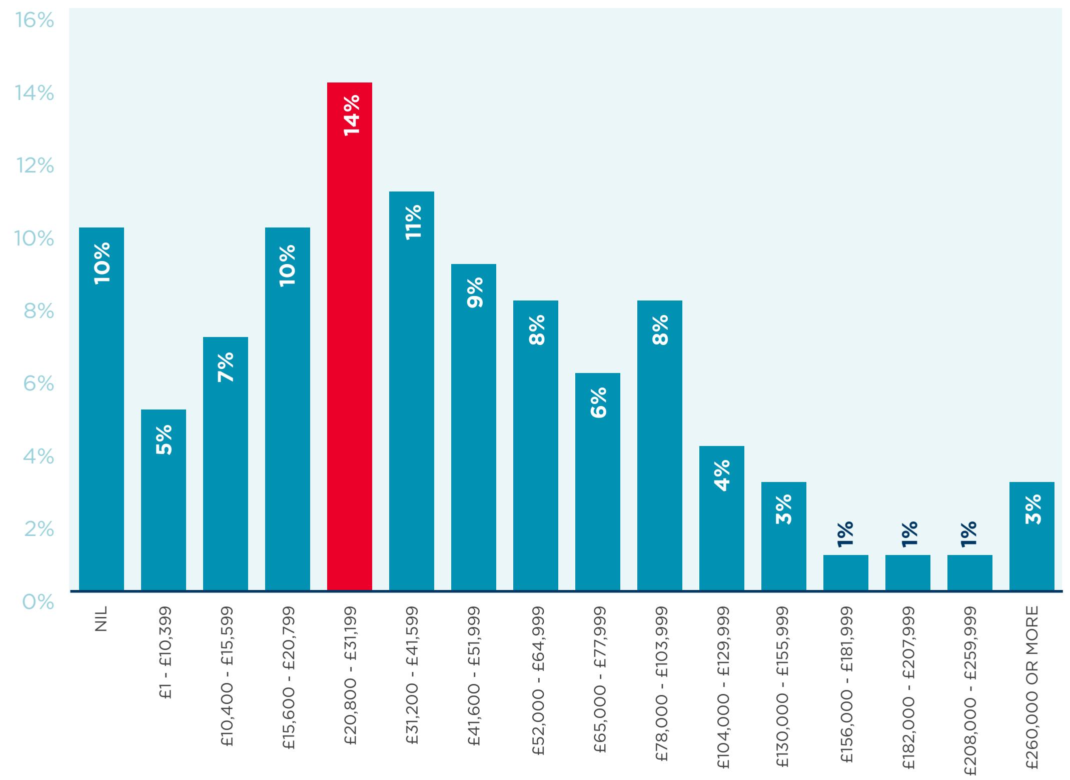

As you might expect, self storage customers tend to earn more than the national average, with 55% of customers earning above the average UK household earnings of £400-£599 per week. However, the industry is attracting more lower income customers as this figure has been decreasing and dropped significantly this year, down from 61%. More customers in the £300 - £399 a week bracket is using self storage and the number reporting nil income has remained high since the pandemic in 2020. Self storage remains a discretionary spend for most customers and it will be interesting to see if the growing levels of inflation influence this figure in the coming 12 months.

CUSTOMER PROFILE FOR BUSINESS USERS

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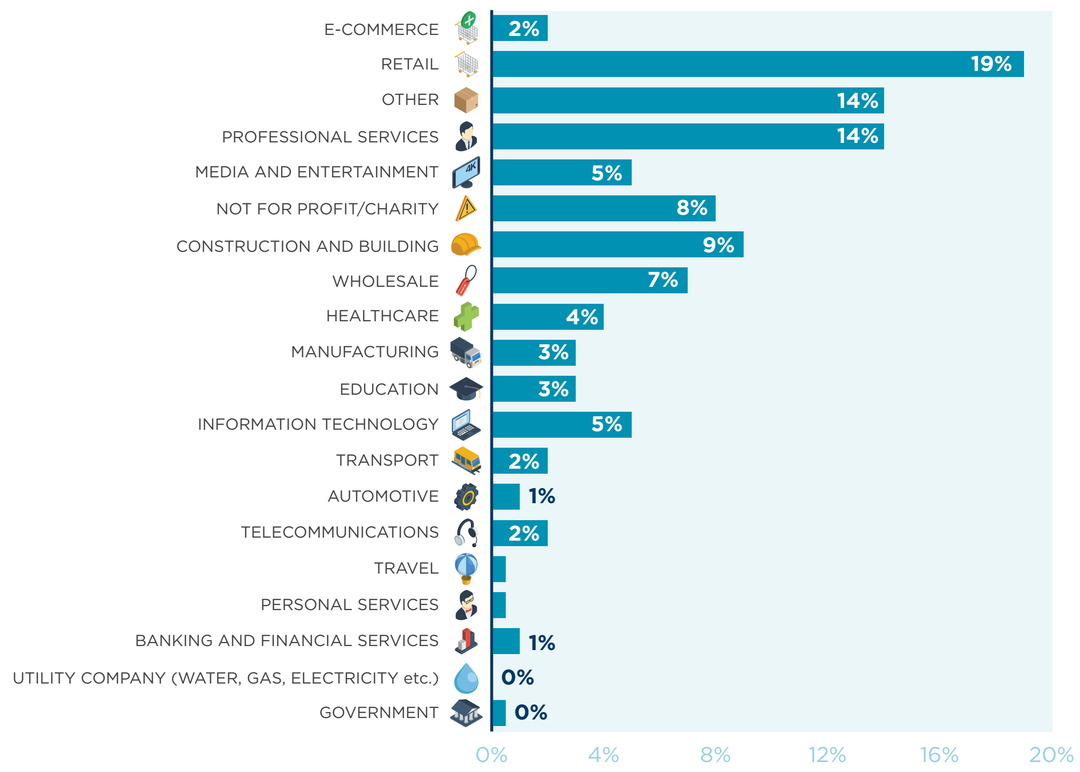
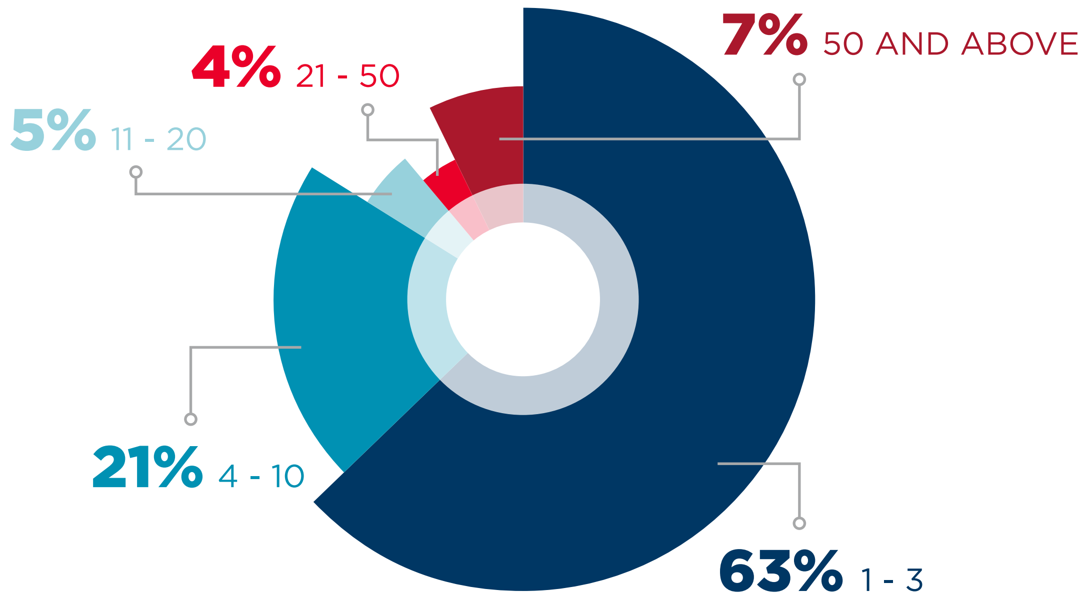


One of the benefits of self storage is that it has a diverse range of customers, as this chart shows. The industry is not reliant on any one sector or customer group. This year the number of retail customers and e-commerce customers reduced. This is likely as a result of the impact of the pandemic on retail as the government subsidies were wound up. Travel as a reason to use self storage has returned, but only to around half the level of the pre-pandemic levels. IT use increased to 5% from historic levels of 1% - 2%. Professional services remain a major driver of business customers at 14%, although their use has been in decline over the last 5 years, down from 19% in 2017 to 14% in 2022.

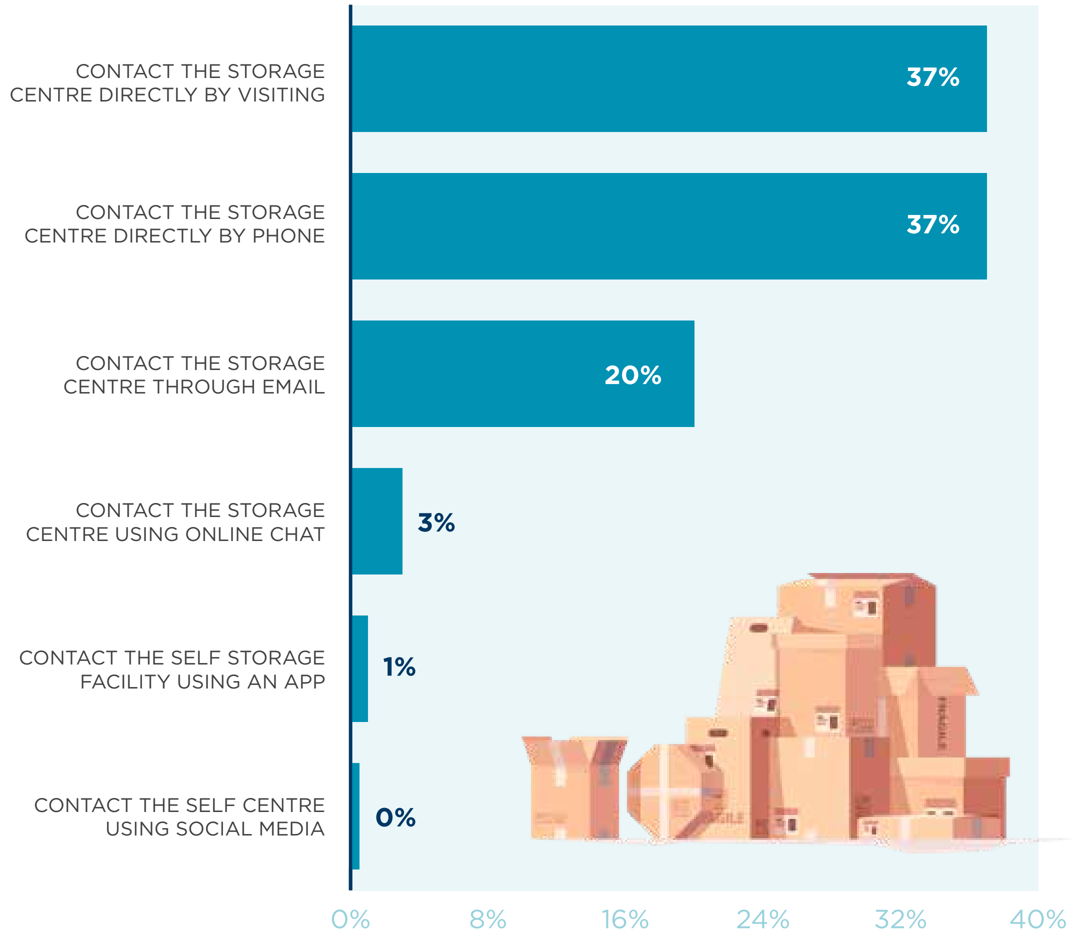
HOW MANY EMPLOYEES IN YOUR BUSINESS?



WHEN MAKING AN ENQUIRY ABOUT RENTING A SELF STORAGE UNIT WOULD YOU PREFER TO -

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. There has been a marked increase in the number of businesses with 1-3 staff using self storage, up from 59% last year and 50% in 2017. The pandemic appears to have reduced the number of larger businesses using self storage and as yet they have not returned. 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.

PREFERENCE METHOD TO CONTACT A STORE

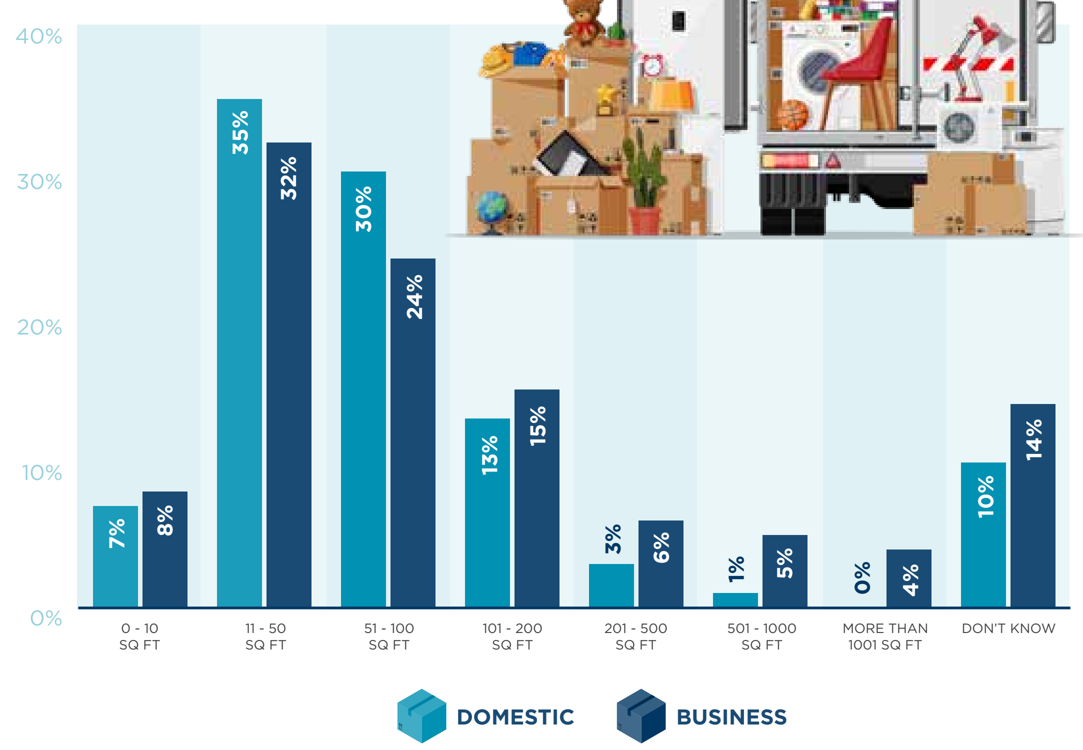


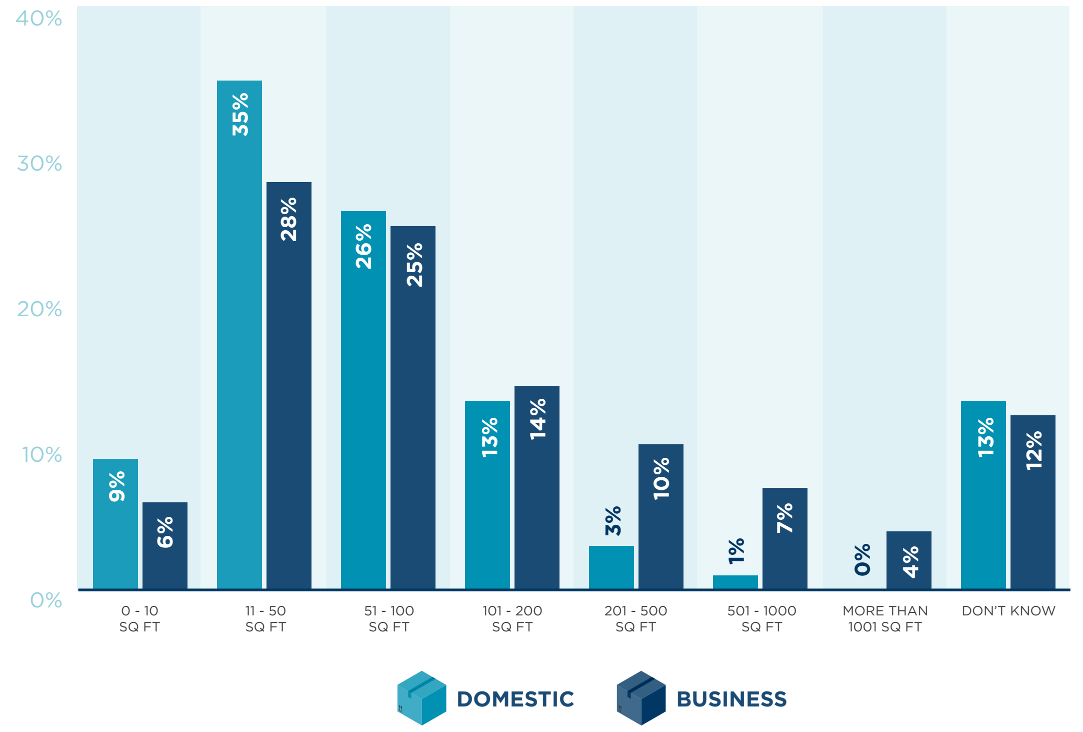
The number of customers preferring to contact the store in person has risen since the pandemic last year, however not to the same levels it was pre-pandemic (over 41%). The percentage of customers preferring email has fallen back to its pre-pandemic levels, but the preference to phone the store has remained high. Online chat has also risen, albeit from a small base. This data is from existing customers and can be compared to a similar question asked in the general public section of this report where both phone and email were preferred over visiting the store.

DOMESTIC / BUSINESS SIZE OF UNIT OCCUPIED

PATTERNS OF USE

SIZE OF UNIT OCCUPIED

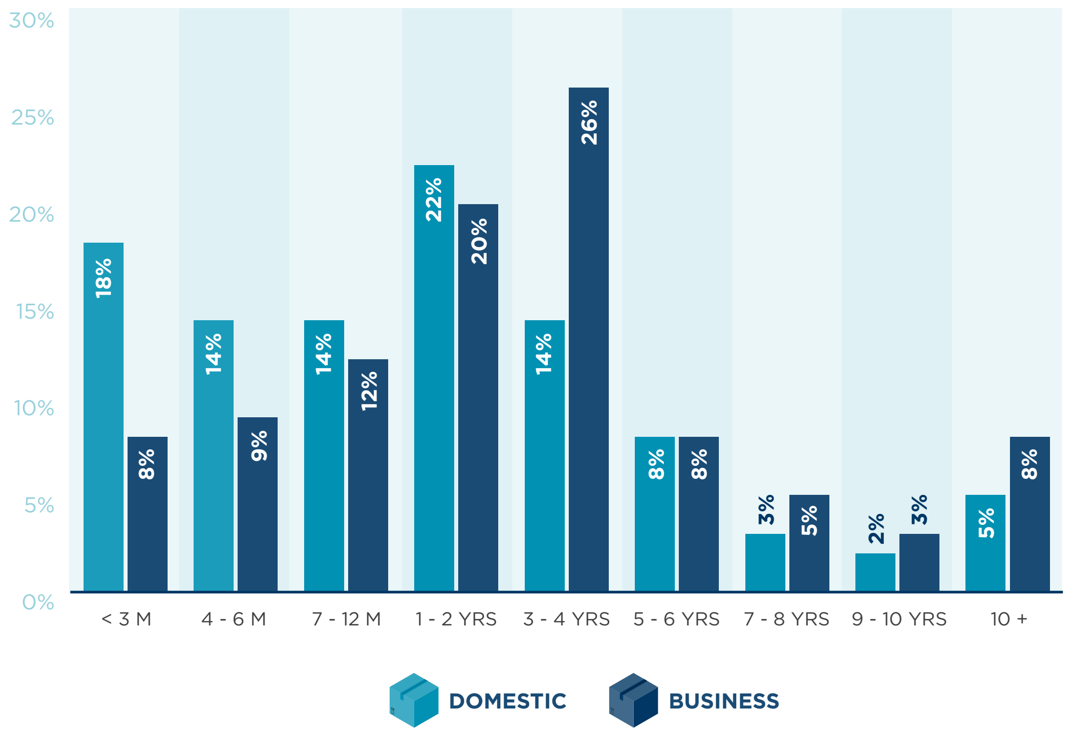




In last year's survey, there was a movement by commercial customers to take smaller sized units, possibly as a result of downsizing their storage needs during the pandemic. This has mostly been reversed this year with the data reverting to historical norms for business customers. The high level of don't know answers further demonstrates that customers struggle with unit sizes, even when they are using the unit.

It should be noted that self storage units are rarely priced on a linear scale. Smaller units are almost always priced at a higher price per square foot compared with larger units. So, a store with fewer smaller units will likely be getting a lower yield on the store as a whole. It is not uncommon for a store to open with more large units which are often broken down into smaller units when the store reaches a more stabilised level of occupancy. While operators would often prefer more smaller units at maturity, customer demand and historical build and unit configuration will ultimately dictate the unt mix.

HOW LONG HAVE YOU HAD YOUR CURRENT UNIT?

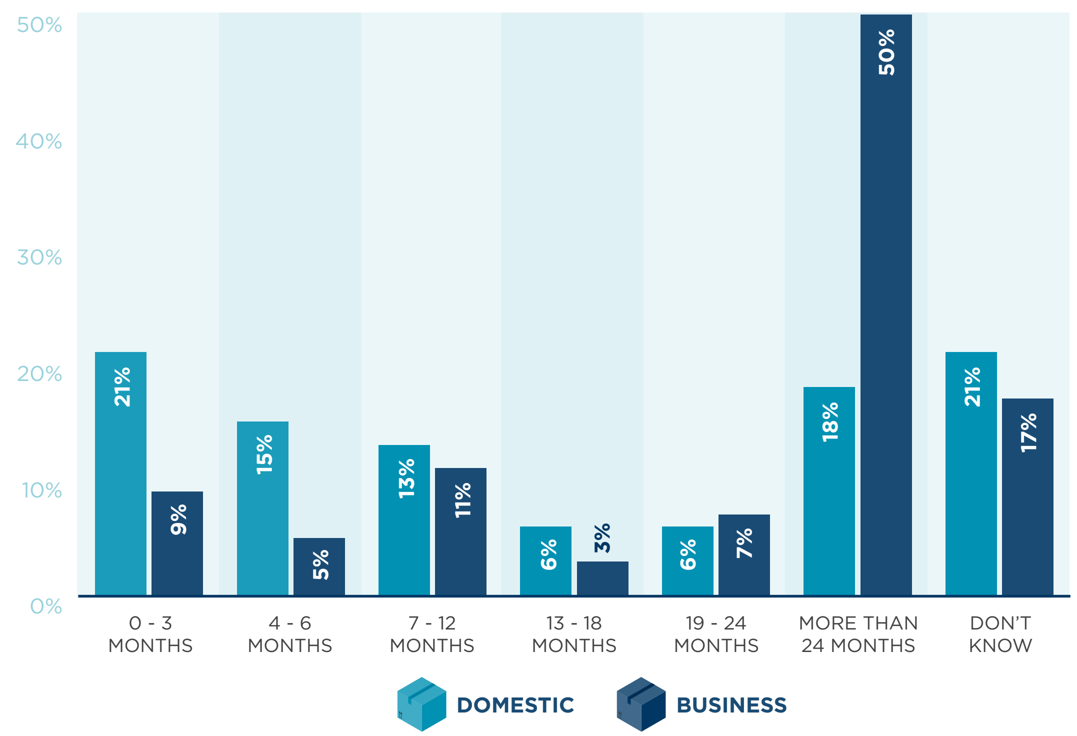


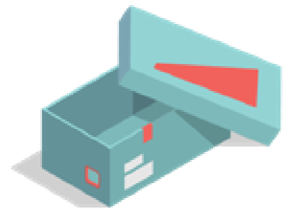
Since the pandemic there has been an increase in the time customers have been keeping their unit, particularly from domestic customers. The 2021 report showed 43% of domestic customers had their unit for less than 6 months, this year it has dropped to 32%. It seems that customers that moved in during the pandemic are less likely to leave. In 2020 this could have been attributed to lockdowns and people not being able to easily move their goods. Over the last 12 months the impact of lockdowns has lessened and customers could more readily move out if they chose to, yet the length of stay is continuing to increase. This would be contributing to the increased levels of occupancy within the industry and it will be interesting to see if the pattern is sustained in the coming 12 months.

NEED THE DATA TO CREATE THE GRAPH

This data is taken at a fixed point in time and does not factor intended length of stay. Self storage customers usually fall into 2 groups, short term, up to around 9 months, and long term which stay for 2+ years. Most domestic customers first rent their unit based on a short term need and only intend to stay less than 9 months. However, once they start using the service many customers appreciate its benefit and end up staying for a much longer period.

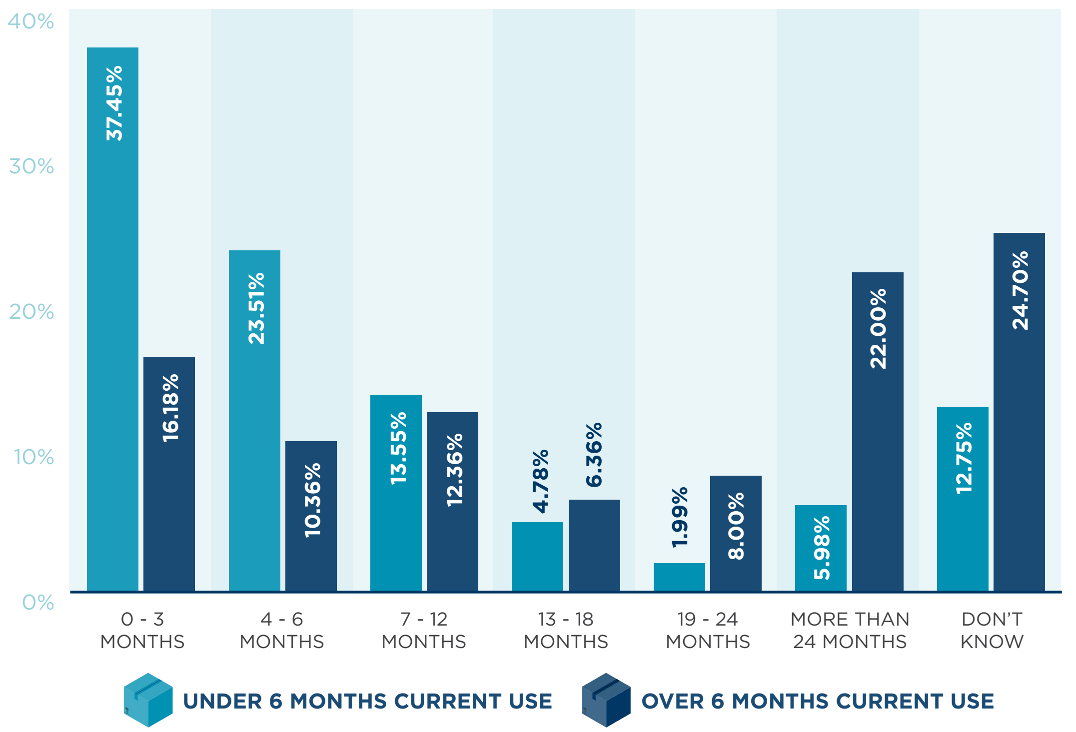
INTENDED LENGTH OF USE





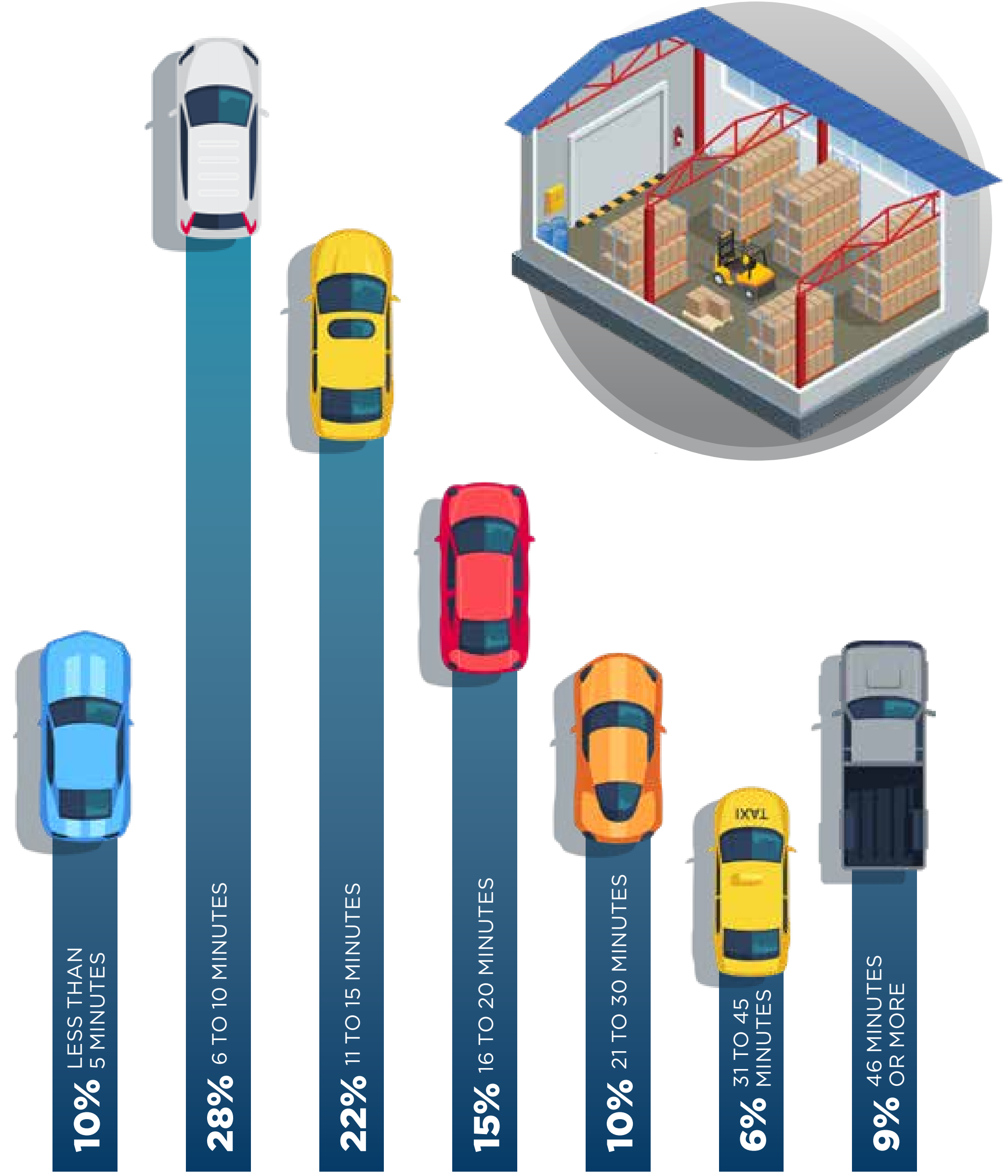
INTENDED USE BY LENGTH OF STAY FOR DOMESTIC CUSTOMERS

This chart shows clearly that business customers tend to stay longer than domestic, however it also shows 18% of domestic customers intend to stay for more than 24 months. Most domestic use 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.



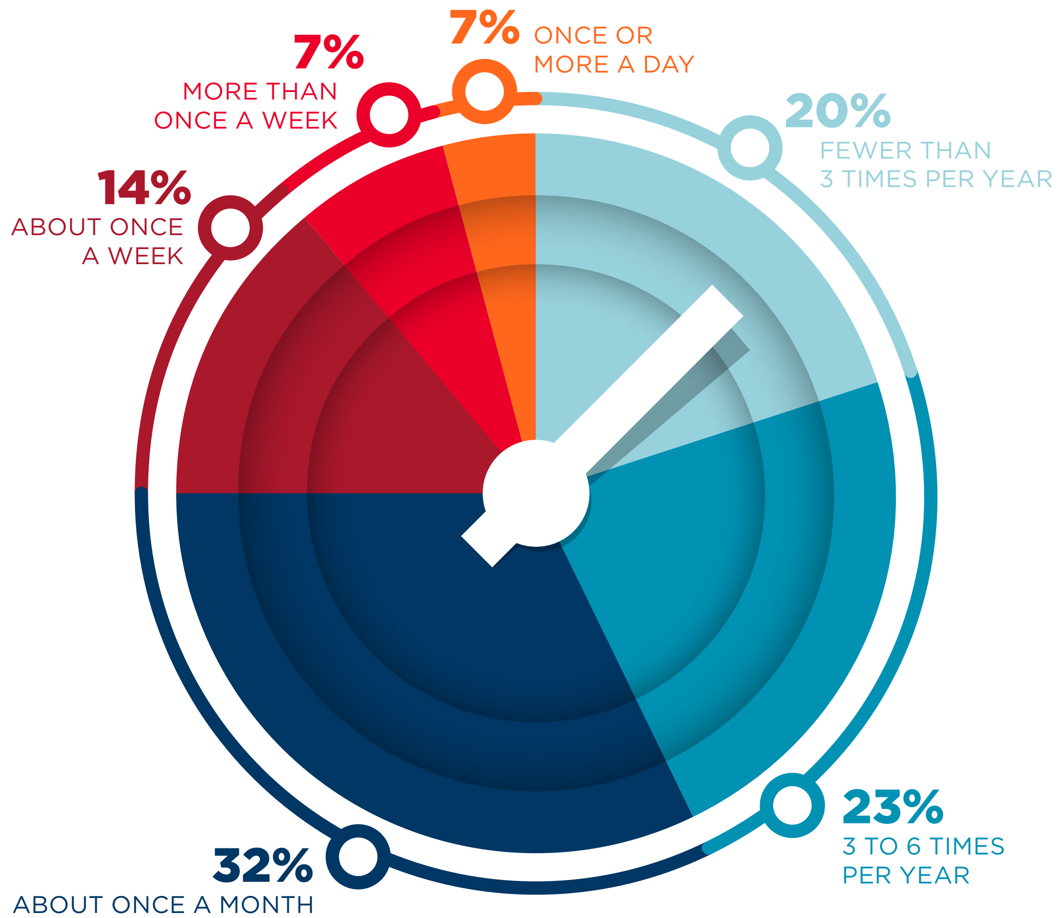
The split between long term and short term domestic customers is show clearly here where the expected length of stay is broken down between customers that have already stayed in their units for less than 6 months and those that have stayed over 6 months. Here you can see that customers that have only stayed for 6 months or less believe that they will only stay in storage a short time, but once they stay over 6 months there is a big shift to expect to stay for longer, 22% staying 2 years or more. You could probably assume the don't knows would also likely stay for a longer term, as if they intended to move out sooner, they would indicate as such. 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.

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 60% of respondents travelling 15 minutes or less and 75% 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. This year the number of respondents traveling less than 5 minutes dropped from 14% to 10% while the number traveling 46 minutes or more increased from 5% to 9%. As the cost of fuel increases in the coming 12 months, coupled with a high rate of inflation, this could further influence customers to find a store closer to their home or business.

VISITS



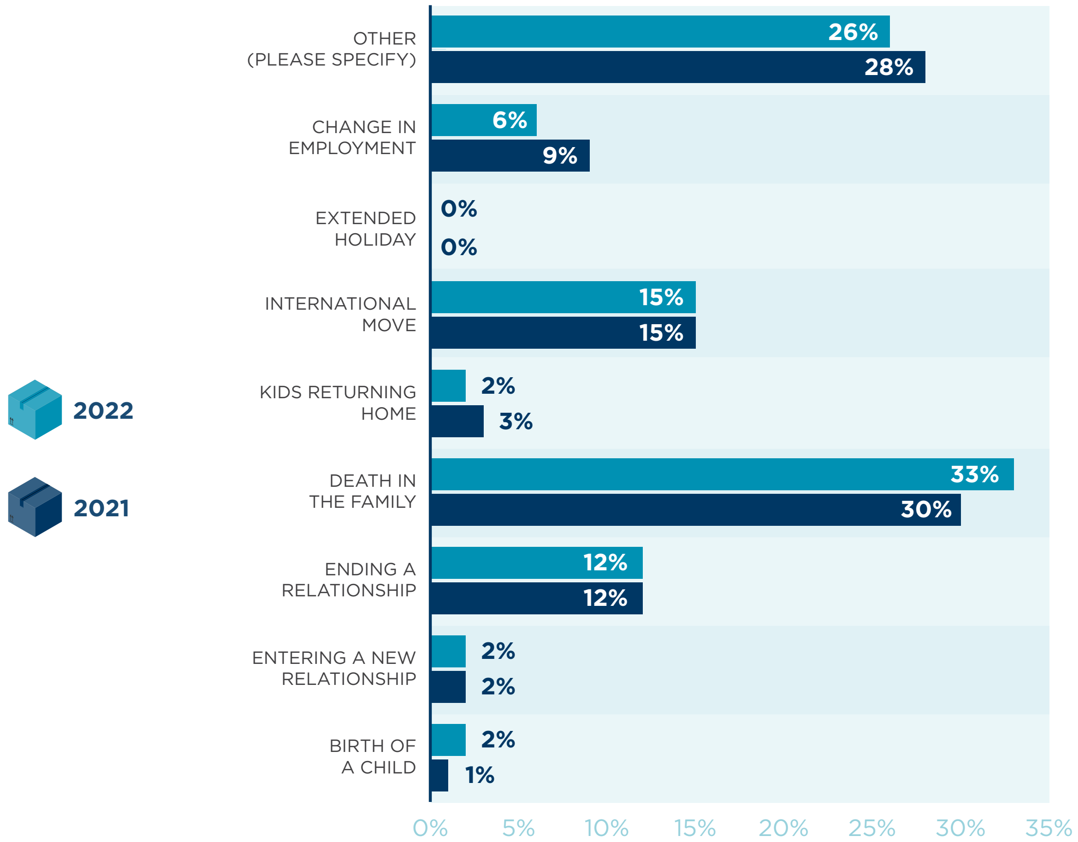
A total of 75% of customers visit their unit once a month or less. This result has not changed significantly since the pandemic, however there was a small drop in daily visitors this year and an increase in fewer than 3 times a year. Self storage is often perceived as a high traffic business. However, this data suggests the contrary with very few customers accessing their unit daily or even weekly. Of those that do the vast majority are commercial customers.

REASONS FOR USING STORAGE, PERSONAL CUSTOMERS

NEED THE DATA TO CREATE THE GRAPH

The number of customers using self storge as they were moving house declined this year. This could be a result of the stamp duty holiday expiring during 2021. General storage due to lack of space at home increased. Moving house and reasons associated with this such as decluttering to sell do make up the largest amount of domestic customers, but this is still below 40% of domestic customers and less than 30% of all customers. One of the benefits of self storage is that it is not reliant on a single group of people or industry to source customers. A diverse group of people use self storage for a range of reasons, so if the property market does stall, customers will come from other places. The industry is designed to have a constant churn of customers and they do not usually have anchor tenants or customers taking a significant portion of storage space. This means that self storage businesses rarely get significant fluctuations in occupancy in a short period of time. Once a store reaches maturity occupancy rates usually only move 1or 2% in any given month if at all

WHAT LIFE CHANGING MOMENT BROUGHT YOU TO SELF STORAGE?



This question was introduced in 2021 and is answered by those respondents that indicated they were using storage due to a life changing moment. Not surprisingly given the ongoing restrictions on international travel at the time of completing the survey no respondents were on an extended holiday. Death in the family remains the most common of the listed items to bring people into self storage. This again poses a challenge to self storage businesses in terms of marketing with respect to families that may be grieving a lost family member, but need somewhere to store their sentimental items. Some operators are using social media for this, providing advice for people as well as promoting their service.

Of the respondents that indicated other, common reasons were COVID or other medical reasons, parents moving in with other family members or death of a friend.

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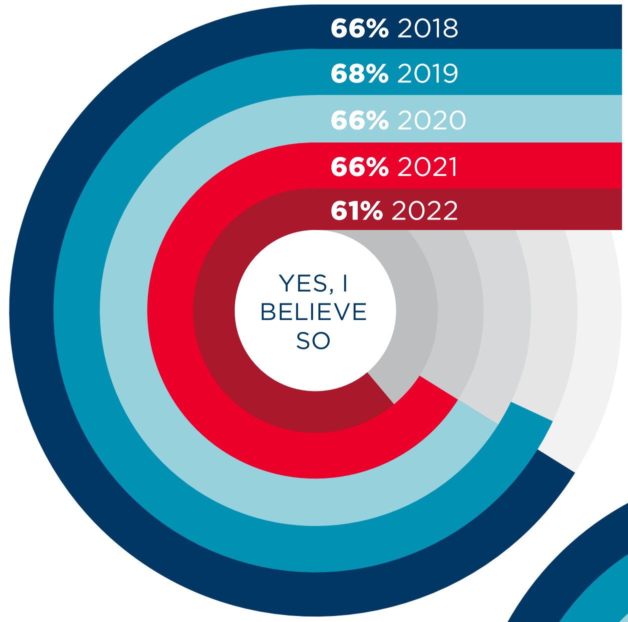
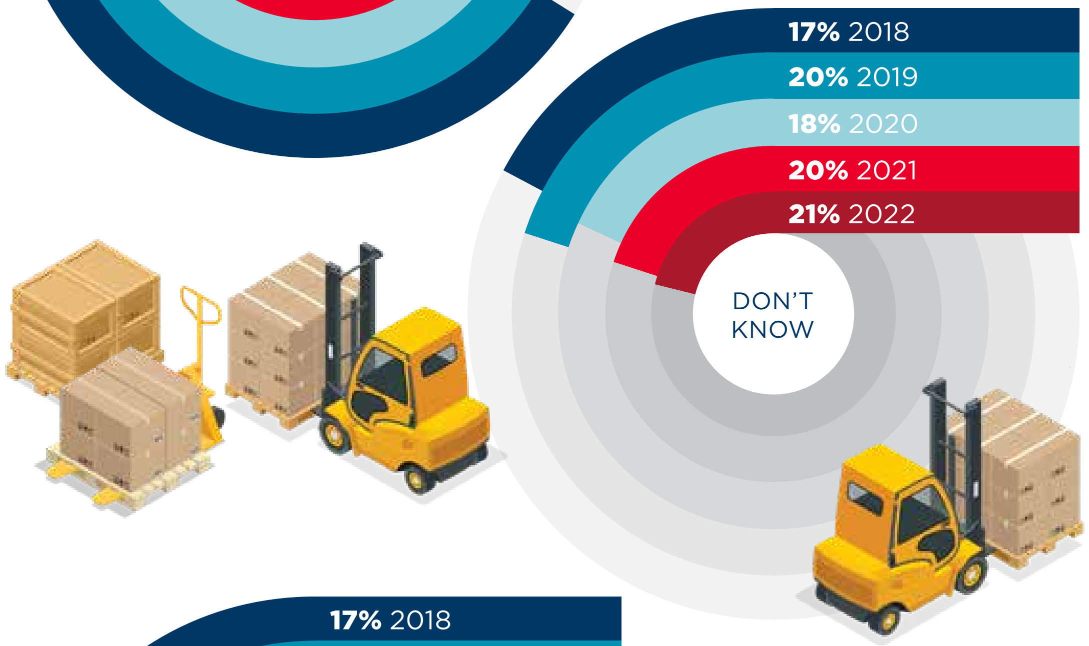
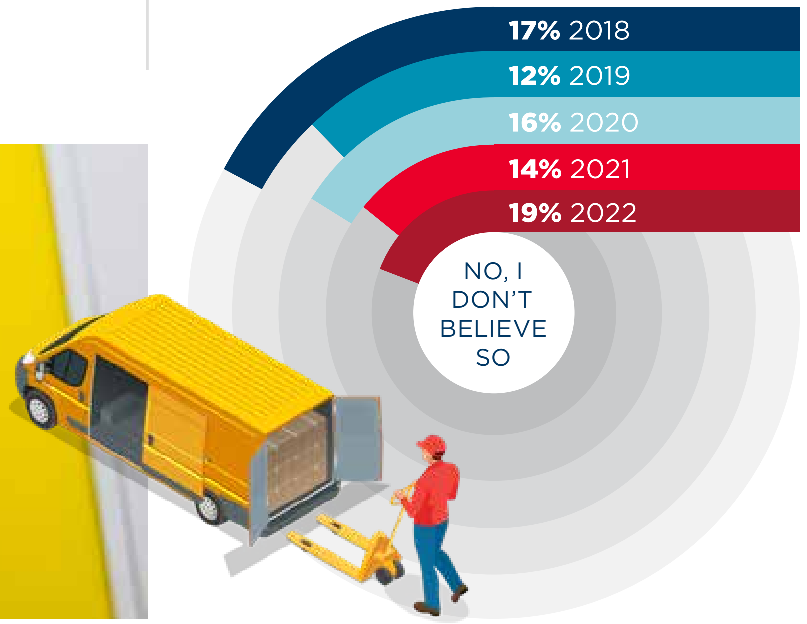
OBSERVATIONS ON THE INDUSTRY

PERCEPTION OF VALUE FOR MONEY

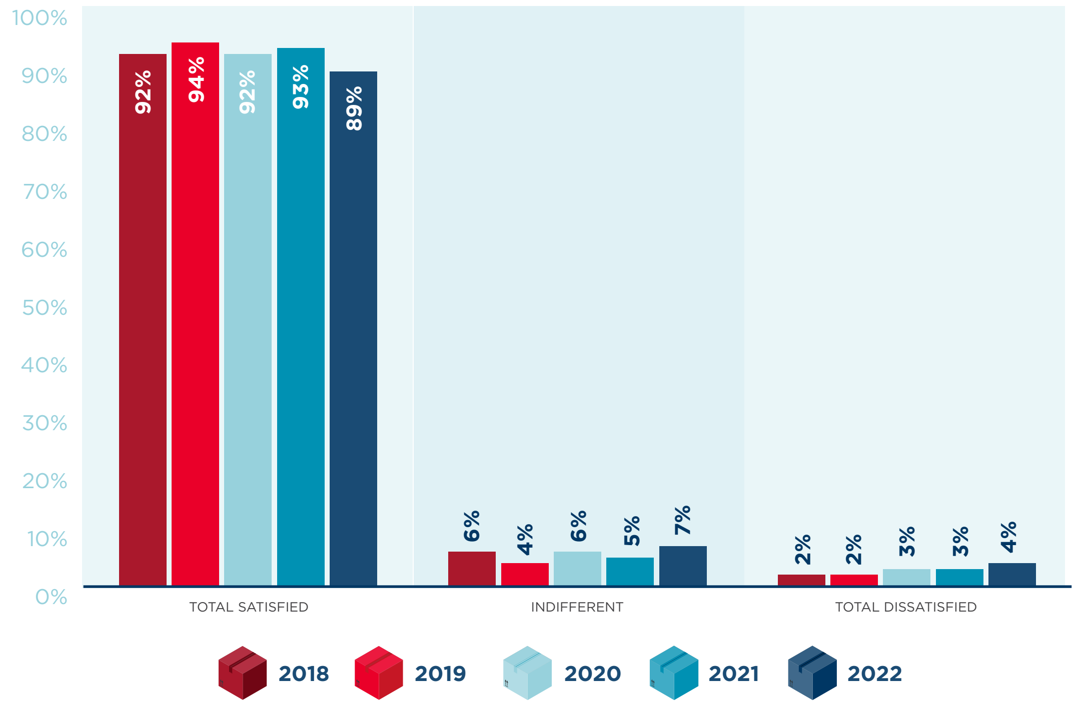






The perception of value of self storage dropped for the first time this year, although with only 19% of customers saying it is poor value the overall perception of value remains high compared to many other industries. As occupancy rates and inflationary pressures increased towards the end of 2021 many operators increased their prices, some at higher levels than previous years. This could have impacted perception of value.

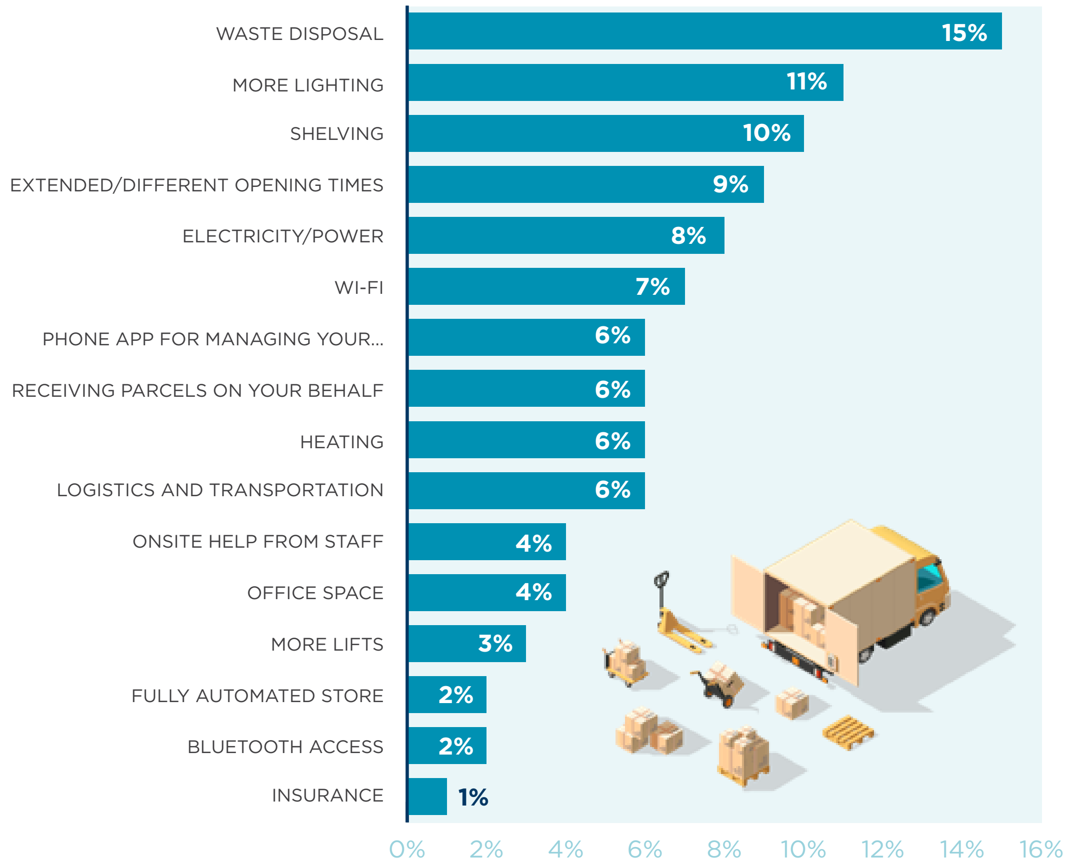
SATISFACTION WITH SERVICE



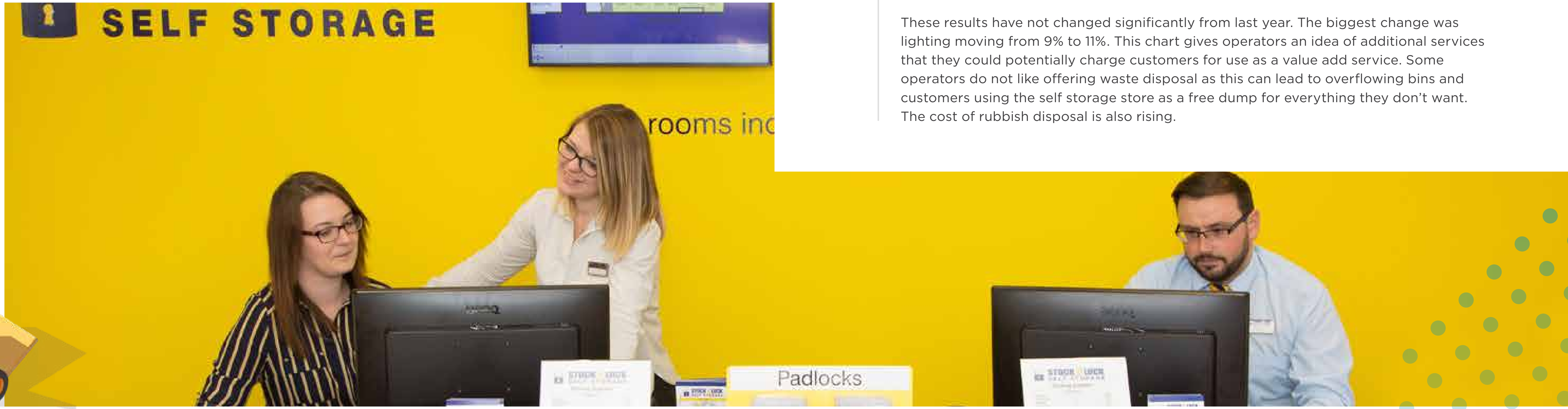
Satisfaction levels dropped below 90% for the first time this year with a similar percentage point drop to that in the question of value. The industry historically has shown exceptional customer service once the customer is in store. This is evidenced through mystery shopping results as well as this survey. Next year's results will help show if this is an anomaly or the start of a new trend. Dissatisfaction also rose slightly, but at 4% this is much lower than most other customer facing industries.

ADDITIONAL SERVICES

When asked if they thought their store should offer additional services, 17% 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.



These results have not changed significantly from last year. The biggest change was lighting moving from 9% to 11%. This chart gives operators an idea of additional services that they could potentially charge customers for use as a value add service. Some operators do not like offering waste disposal as this can lead to overflowing bins and customers using the self storage store as a free dump for everything they don't want. The cost of rubbish disposal is also rising.



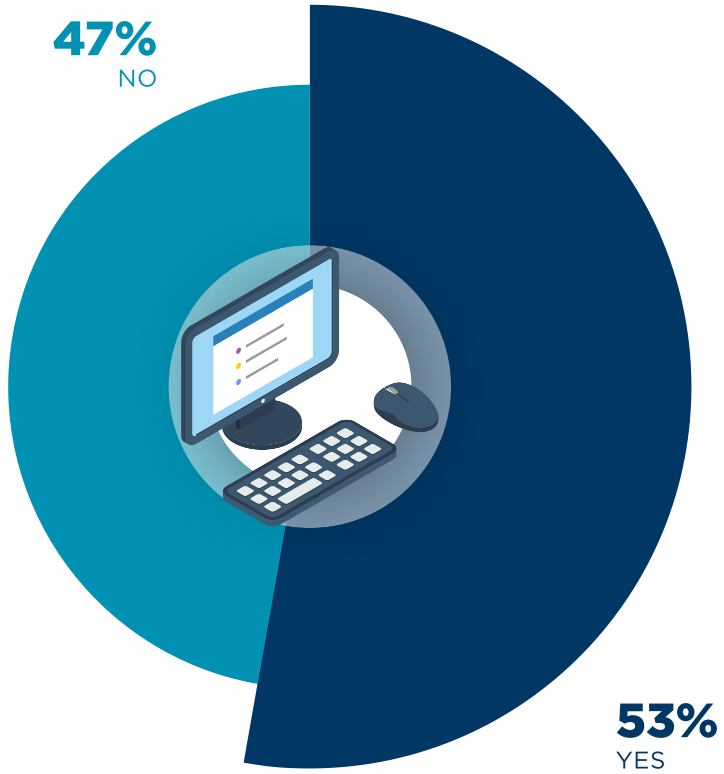
RESEARCHING SELF STORAGE

NEED THE DATA TO CREATE THE INFOGRAPH

HOW DID YOU FIRST LEARN OF YOUR SELF STORAGE STORE?

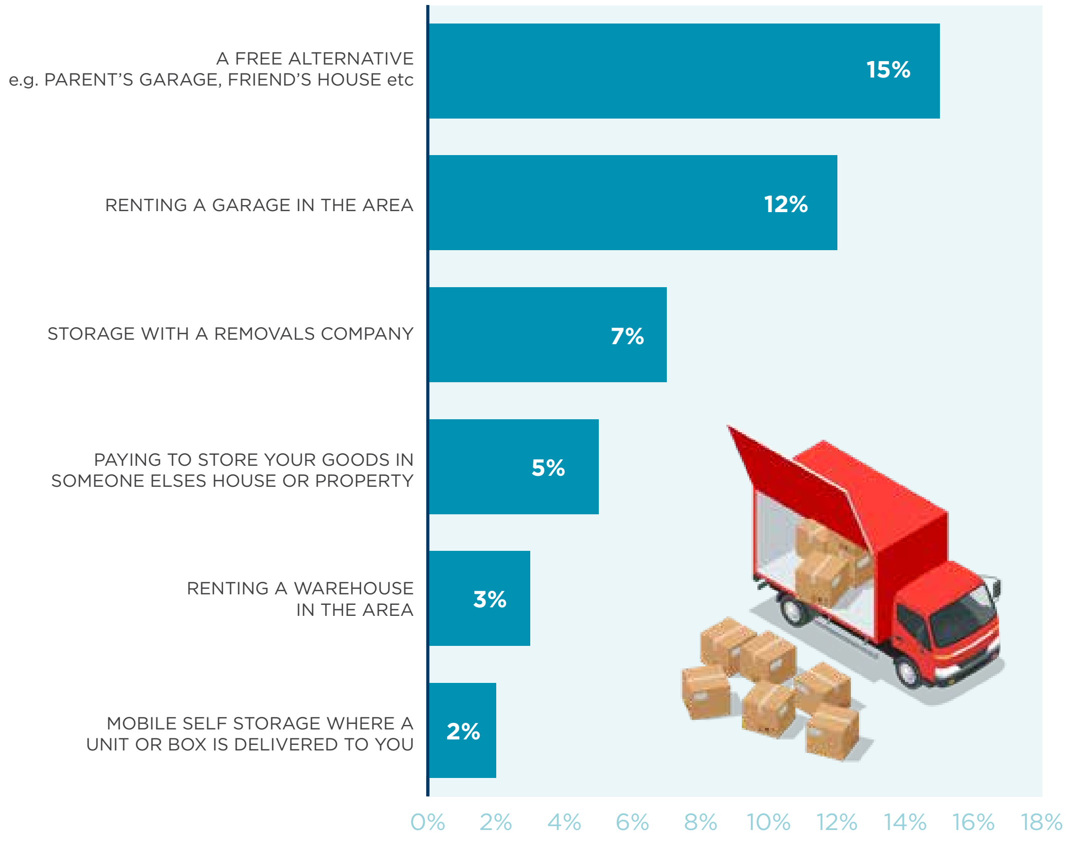
Not surprisingly, more customers are using the internet to find their local self storage store and this has increased year on year. Store presence still accounts for 1/3 of responses and this rose again this year, supporting the philosophy that operators should be looking for a good high exposure self storage site. Referrals remain the 3rd most common means of finding a store, considering that only 2% of people are using self storage this is quite high, as you presumably must have used the service or no someone that has, to recommend it. Telephone directories and local papers are dwindling to insignificance, now both below social media.

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



This decreased for the first time this year. Combined with customers that said they initially learned about their store online, means that 73% of customers used the internet to assist them in their research.

OTHER OPTIONS CONSIDERED?



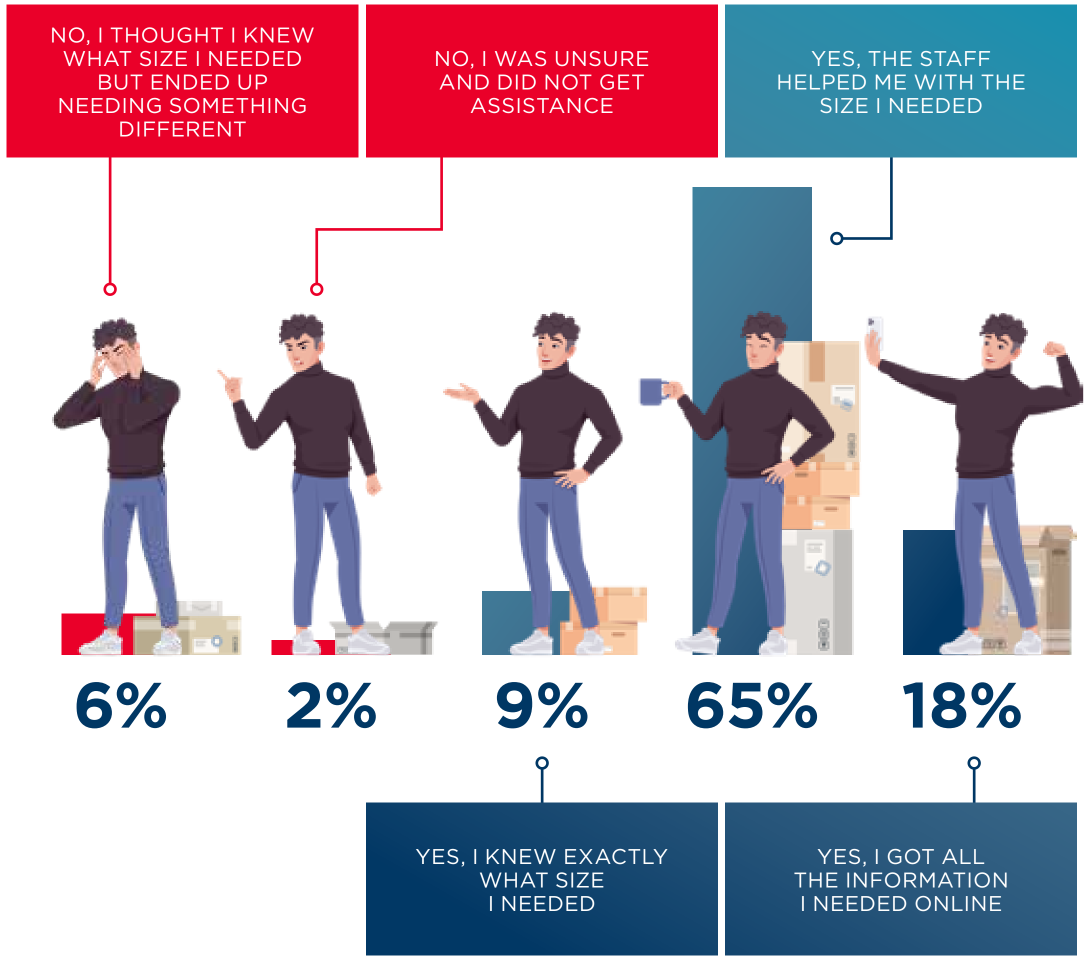
The so called disruptors of the self storage industry are mobile storage and peer to peer storage where you pay to store your goods in someone else's house. Yet this would indicate they are not being considered by the customers that use self storage, with only 2% of customers considering mobile storage and 5% paying to store in someone else's house. These numbers have not increased in the last 3 years. A self storage businesses' biggest competitor, other than other self storage stores, is a free alternative in someone else's house or garage. Maybe the risks of storing in someone else's house could be targeted in marketing programmes. There are some operators in the USA that have successfully done this.

38% OF CUSTOMERS LOOKED AT AN ONLINE REVIEW SITE BEFORE SELECTING THEIR SELF STORAGE UNIT

This has dropped slightly on last year, but is still a big increase on 2020 where only 20% used a review site. Google reviews was the most popular site, followed by Trustpilot. Facebook was the only platform to have less people use it than previous years. Interestingly 1/3 of people that said they used a review site could not recall the name of the site they used.

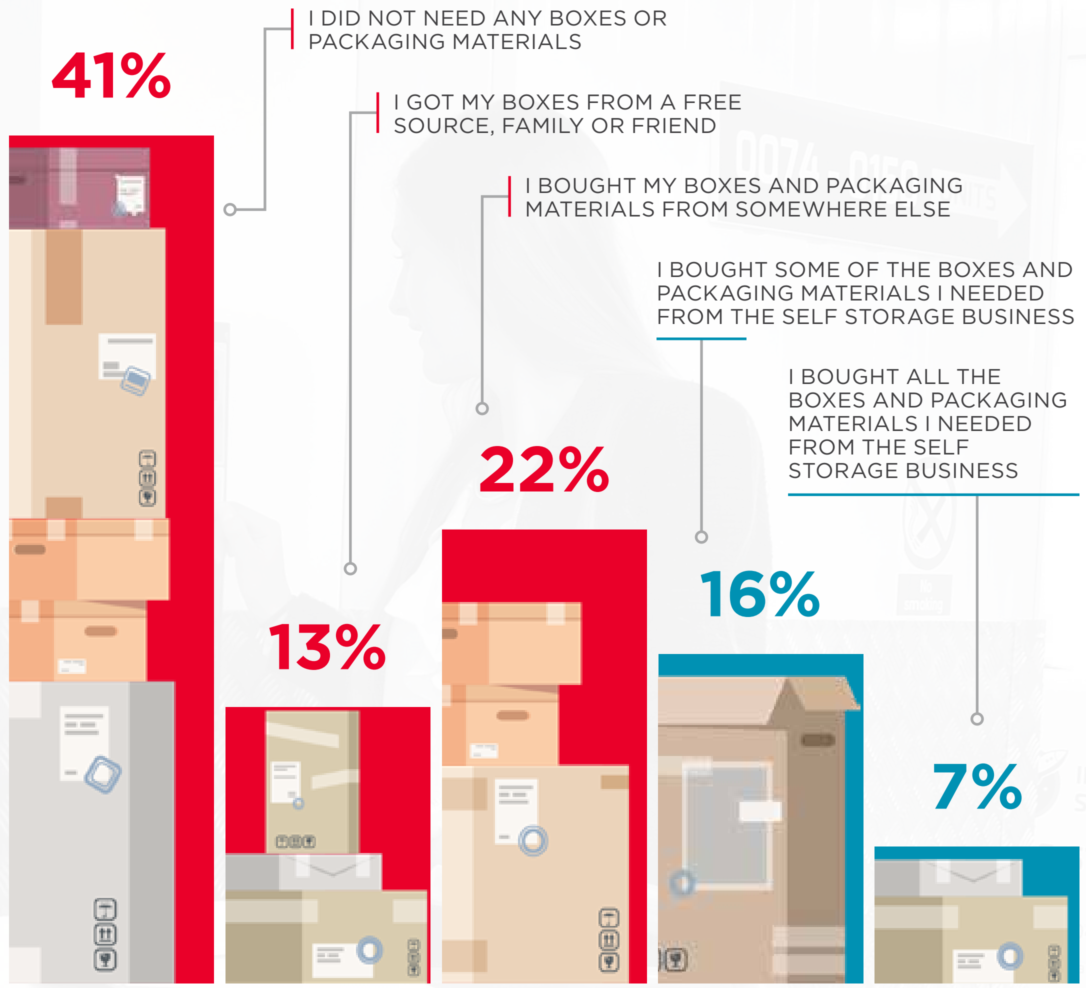
This shows that self storage businesses need to be managing their online reviews, particularly on Google. This is an area that many independent operators do not dedicate specific time or resources to. Businesses should be responding to reviews promptly with personal responses. Not only does this show people reading reviews that they are a pro-active business engaging their customers, but it will also increase their google SEO and Business ranking.

WAS CHOOSING THE SIZE EASY?



There was a slight increase in the number of customers that answered no to this question. Also, since the pandemic, there has been a shift from getting assistance from staff in store to getting the information they need online. 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 MATERIAL



After a dip during the pandemic last year to 19% the number of customers that bought packing materials in the self storage store rose to 24% which is still below previous years of 25% - 29%. When you consider 35% of customers acquire their packing materials from another source there seems to be a real opportunity for operators to increase their profitability by selling more packing materials and ancillary services. Almost as many people bought their boxes from another source as used their self storage store. When you consider the markets in the USA and Australia, the self storage industry there sell a much higher percentage of packing materials than here in the UK.

07

CONTRIBUTORS

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Thanks to all the SSA UK members that contributed to the report by completing the industry survey. Some operators who participated declined to be included in this list.

- Ashton Self Store
- attic self storage
- Adams Selfstore
- Ball Brothers
- Barn Store – Self-Store with Confidence – Keeping it Country
- Apex self storage
- The Big Yellow Self Storage Company
- Billericay Self Storage
- Space Station
- armadillo Self Storage
- blue self storage
- BWI Self Storage


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safestore
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urban locker self storage
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