

SELF STORAGE



ANNUAL REPORT

DATA COMPILED FROM
2022 CALENDAR YEAR

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INTRODUCTION & METHODOLOGY

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This is the 16th 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 last few years have seen some changes in the data, coming from the impact of the pandemic and now as we move into a period of inflationary pressure.



There have been some changes to the sample group this year as the industry becomes more consolidated and more new independent stores are opened. 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 eighty 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 57 companies with 602 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 2022 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 2023 across 29 self storage companies across the UK who have over 152 stores in total. 1,837 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 was carried out online by YouGov on behalf of the SSA UK on January 23 and 24. It was an online survey with data drawn from a statistically selected and weighted sample of the adult UK population's demographics. The survey was completed by 2,102 participants this year.

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. A special 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



SUMMARY OF KEY FINDINGS

SUMMARY OF KEY FINDINGS



RENTAL RETURNS UP
TO **04%**
TO **£27.19** PER SQ FT

OCCUPANCY STABLE AT
83.3%

CHURN AT
81%

EBITDA UP
3%

OPERATORS CAUTIOUS ABOUT FUTURE PROFIT GROWTH

78%
OF OPERATORS MAKING SUSTAINABILITY IMPROVEMENTS TO THEIR BUSINESS

OVER **2M** SQ FT
MORE OCCUPIED SPACE THAN LAST YEAR

5.7%
GROWTH IN SELF STORAGE SPACE

55%
OF SELF STORAGE CUSTOMERS EARN ABOVE THE NATIONAL AVERAGE WAGE



32%
OF CUSTOMERS HAVE USED SELF STORAGE BEFORE

17%
OF CUSTOMERS NEEDS FOR SELF STORAGE HAVE CHANGED DUE TO COST OF LIVING INCREASES

20%
OF BUSINESSES CUSTOMERS RUN THEIR ENTIRE BUSINESS FROM THEIR SELF STORAGE UNIT

20%
OF CUSTOMERS HAVE HAD THEIR UNIT FOR OVER 5 YEARS

62%
OF CUSTOMERS TRAVEL LESS THAN 15 MINUTES TO THEIR UNIT

36%
OF THE PUBLIC THINK SELF STORAGE IS TOO EXPENSIVE

LESS THAN **50%**
OF THE PUBLIC HAVE A GOOD UNDERSTANDING OF SELF STORAGE

66%
OF PEOPLE IDENTIFIED A SELF STORAGE BRAND FROM ITS ROADSIDE STORE PRESENCE

FEMALES ARE MORE LIKELY TO CONTACT A STORE USING ELECTRONIC MEANS





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, and there is little guidance from the government as to exactly what makes a self storage store. There is a European Standard for self storage, however this was drafted 15 years ago, before newer industries like mobile storage, trade counters, peer to peer storage, and valet storage emerged. The standard was primarily focused 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 secure, static space less than 500 square feet in size that is to be used by a person or business for the storage of 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, dispatching, 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 for 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 2,231 self storage stores in the UK, of which 739 are predominately external storage (typically converted shipping containers or similar). These stores are spread across 1,086 different brands, and while most of these brands are independently owned, there are a small number of operators with stores under multiple brands. There is around 55.5 million square feet of self storage in the UK.

The average size of a self storage facility is 24,877 square feet and has been declining in recent years. This is due to more new stores opening in smaller regional markets and the emergence of remotely managed stores.

We have seen a large increase in external storage stores opening, but most of these are small—less than 50 containers—with many in rural locations or as secondary businesses in industrial estates. The increasing cost of construction for purpose built self storage does not appear to have significantly impacted development. There remains a strong pipeline for the development of new sites and the expansion of existing buildings within the industry.

Consolidation in the industry has continued as existing operators expand their portfolios through acquisitions. Institutional investors were more successful in their acquisitions in 2022, picking up a number of larger portfolios.

SUPPLY	55.5 MILLION SQ FT
STORES	2231
NUMBER OF BRANDS	1086
STORAGE SPACE PER HEAD OF POPULATION	0.82 SQ FT
ANNUAL TURNOVER	£990 M
AVERAGE SIZE OF STORE	24,877 SQ FT

ORGANISATION	NO. OF STORES	TOTAL SPACE
BIG YELLOW (INCLUDING ARMADILLO BRAND)	108	6.3M
SAFESTORE	127	5.6M
BIG YELLOW (INCLUDING ARMADILLO BRAND)	108	6.3M
ACCESS SELF STORAGE	60	3.4M
SHURGARD SELF STORAGE	41	2.2M
LOK'NSTORE	40	2.0M
STORAGE KING (INCLUDING MANAGED OR FRANCHISE STORES)	34	1.4M
READY STEADY STORE	27	815,000
FLEXISS GROUP (SURESTORE AND SELF STORAGE COMPANY)	17	780,931
STORAGEMART	18	759,000
LOCK STOCK SELF STORAGE LIMITED (CONTAINER STORAGE)	23	724,400



INDUSTRY HIGHLIGHTS

INDUSTRY HIGHLIGHTS





UK ECONOMIC OVERVIEW

UK ECONOMIC OVERVIEW

ECONOMIC GROWTH

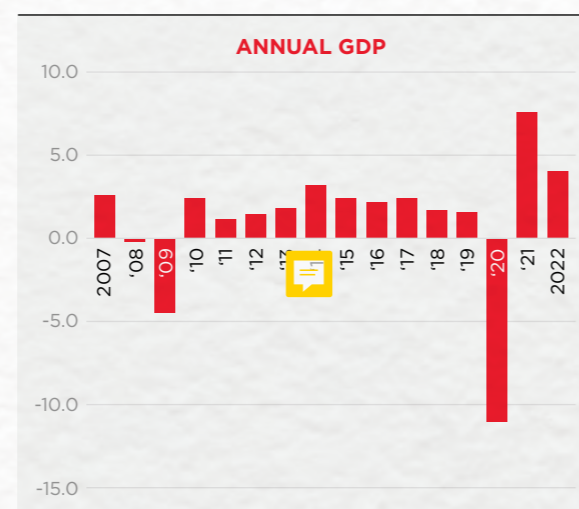
The element of economic uncertainty has increased over the course of the last 12 months, not least as a result of the mini-budget in September 2022, which had the impact of devaluing the sterling – to a low point of \$1.07; driving up ten-year gilts – to a peak of 4.5%; and increasing the cost of borrowing.

The UK economy remains hamstrung by high inflation, which is impacting consumer spending and driving down household savings to pre-pandemic levels. The Bank of England has now undertaken 11 consecutive rate hikes in its ambition to take inflation out of the system. While most economists continue to forecast inflation falling during the course of 2023, the most recent inflation data – at the time of writing – saw CPIH increase by 9.2% in the 12 months to February 2023, with CPI back up to 10.4%.

The impact of inflation has contributed to significant industrial action across the public sector. There were 220,000 working days lost as a result of disputes in January 2023, down from 822,000 in December 2022.

Overall, during the course of 2022, the economy grew by 4%, with the final quarter seeing marginal growth of 0.1% (revised upwards from 0%), after a marginal fall of 0.1% in Q3. The final quarter's slowing was driven by negative growth in education, transport and storage, and production. By the end of 2022, the level of quarterly GDP was 0.8% below its pre-pandemic level.

Positive readings of PMI in February and March suggest short term growth in the economy, although there continue to be a number of headwinds. Most recently, economic uncertainty is centered around the potential for further distress in the banking sector, after the woes of Signature, SVB, Credit Suisse and First Republic.



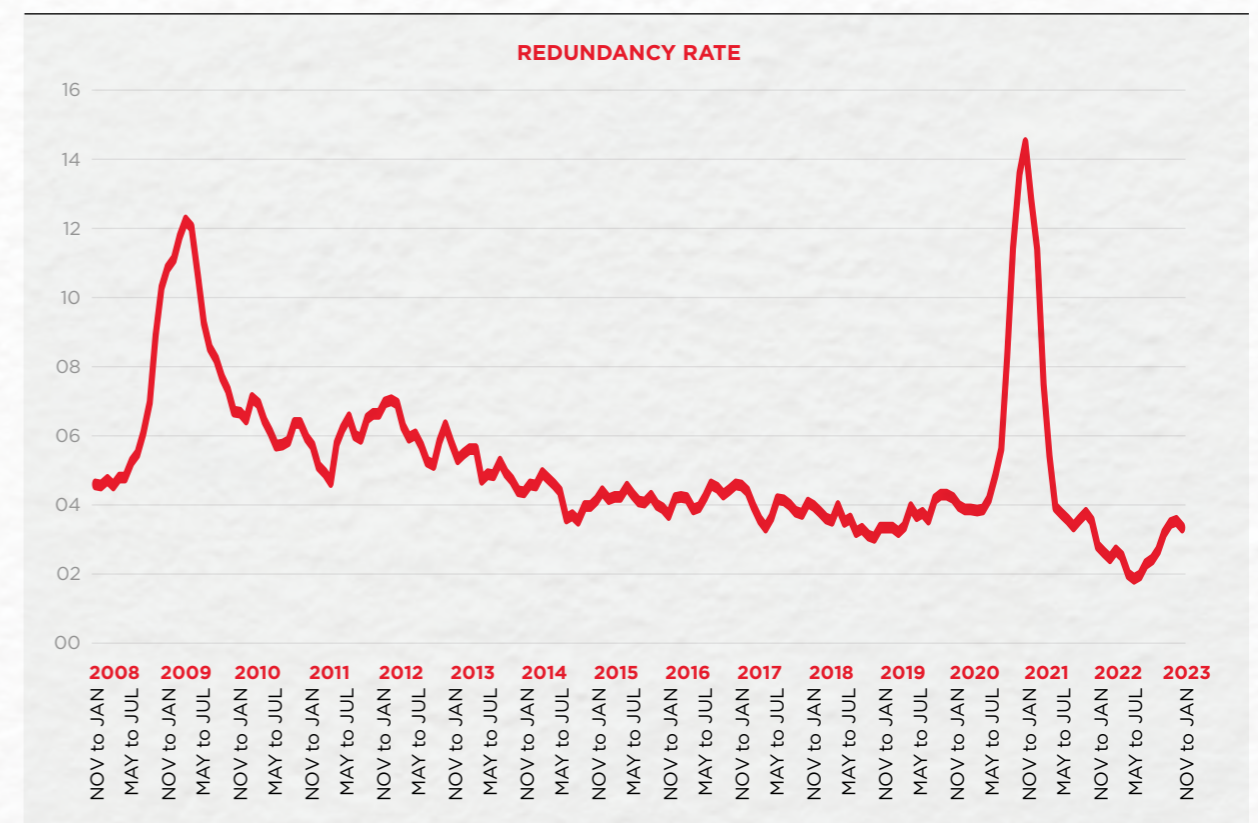
SOURCE: ONS

LABOUR MARKET

Relative business resilience has underpinned a healthy labour market. In the three months to January 2023, the UK employment rate was 75.7%, with the unemployment rate at 3.7%.

In the three months to February 2023, the estimated number of vacancies fell – for the eighth consecutive period – to 1,124,000. This is evidence that while unemployment remains historically low, economic uncertainty is weighing on recruitment.

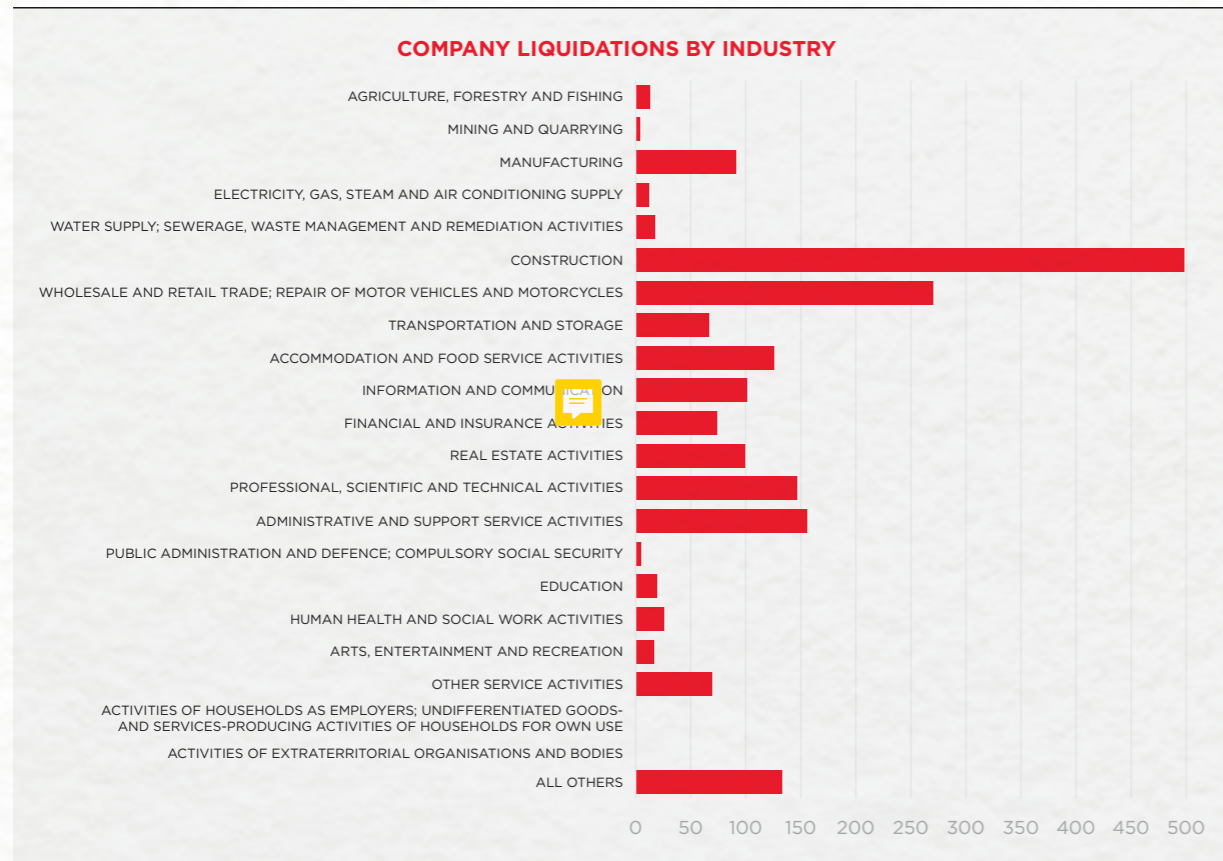
With unemployment low and vacancies still at historically high levels, economic activity is high up on the political agenda. The Spring Budget introduced a number of measures intended to increase the working population – with the expansion of free childcare hours and the changes to universal credit most notable. Whilst we have seen an increase in redundancies, the redundancy rate – the rate of redundancies as a ratio of employees – remains below the long-term norm.



SOURCE: ONS

Lagging business investment – likely to be tempered further by increased cost of borrowing – and a business environment which is creating more business failures than at any point since the GFC will continue to put upward pressure on unemployment levels.



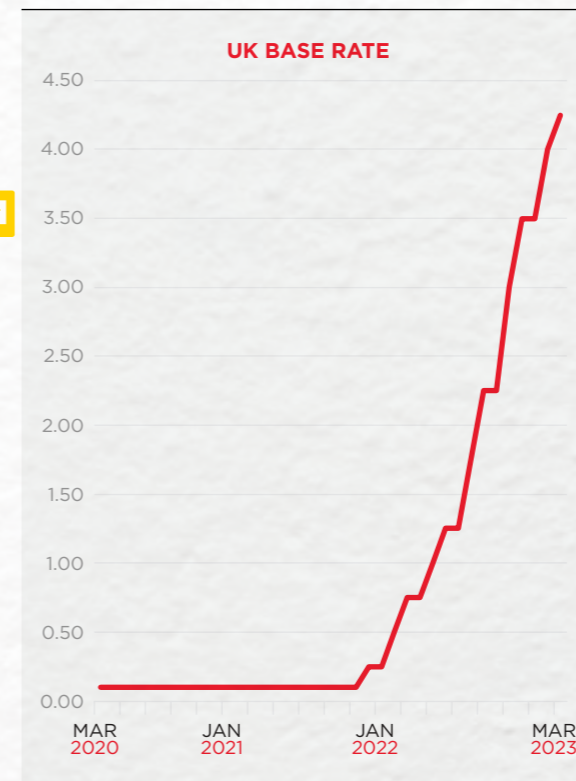
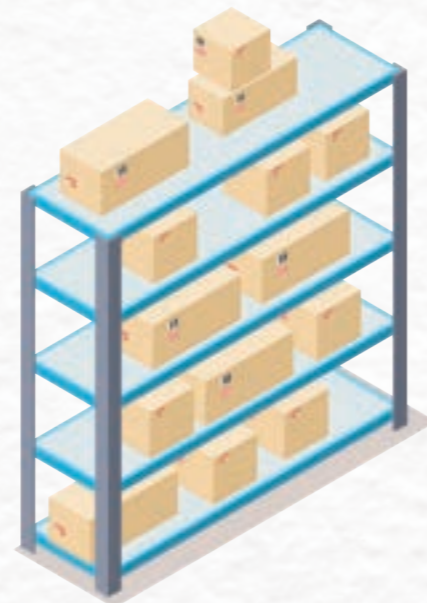


SOURCE: ONS

INFLATION AND INTEREST RATES

While most economists continue to forecast inflation falling globally during the course of 2023, the most recent inflation data in the UK – at the time of writing – highlighted its stickiness in the UK. CPIH increase by 9.2% in the 12 months to February 2023, with CPI back up to 10.4%.

However, there is optimism to be had by looking internationally, with US inflation down from a peak of 9.1% - with goods price inflation up to a record 19% - last year to 6.0% in February. OBR Forecasts produced in line with the Spring Budget suggest that inflation in the UK will be 2.9% by the end of 2023.



SOURCE: BANK OF ENGLAND

HOUSING MARKET

After a buoyant number of years, housing market activity in the UK has slowed, as rising interest rates, high inflation, and a weaker economy have impacted buyers' confidence. In February 2023, buyer demand remained 8% above pre-pandemic levels, despite being 51% lower than last year.

Mortgage approvals have slowed, with Bank of England data showing that 40% fewer were approved in January 2023 than the pre-pandemic average. Sales are starting to slow, with a monthly fall of 27% in January 2023, although sales are still only 3% lower than the pre-pandemic average. In February 2023, house prices experienced their first annual decline since June 2020, with Nationwide showing a 1.1% annual fall, although consensus expectations suggest that 2023 will see continued falls in house prices. As of February, Nationwide house prices were 6% below the August 2022 peak.





IN BRIEF

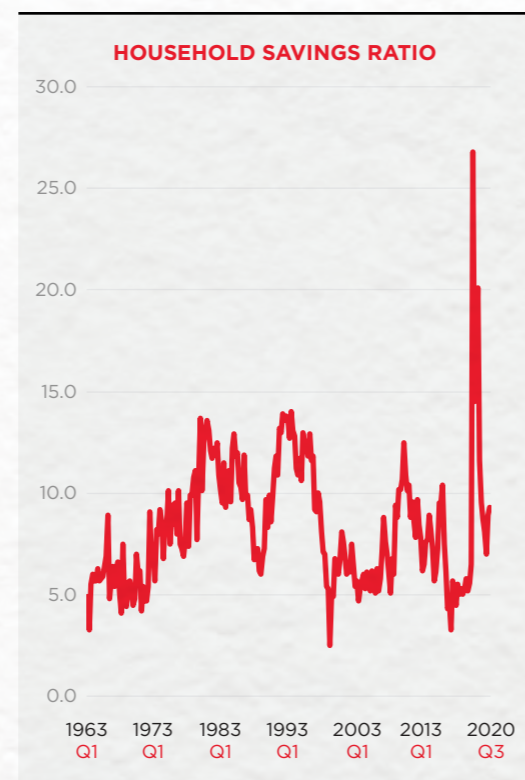
Inflationary pressures have driven up the cost of living, as a result firstly of supply chain pressures due to disruption in the global economy from the pandemic, and latterly the conflict in Ukraine. At the time of writing, CPI stands at 9.2%. Furthermore, these inflationary pressures have driven a monetary response in the form of interest rate hikes, which have driven up the cost of borrowing, most notably on mortgages.

These have all had the impact of driving down the accumulation of household savings – accumulated during the course of the pandemic – quickly, but also put pressure on consumers' discretionary spend.



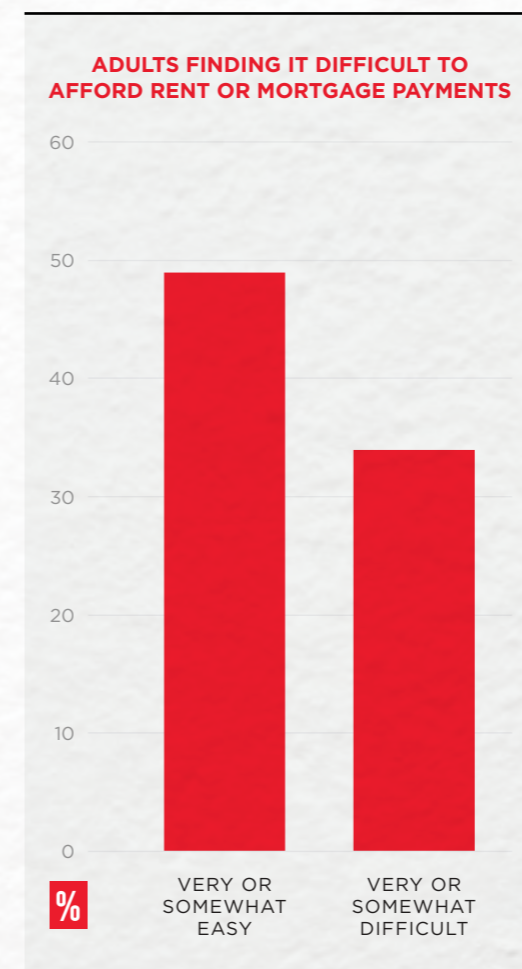
HOUSEHOLD SECURITY

The impact on lifestyles as a result of the pandemic allowed consumers to save their income, and a way never seen previously. While there has been a relative robustness compared to pre-pandemic levels, this has now been run down considerably.



SOURCE: ONS

36% of adults making mortgage payments say that these outgoings had increased in the last six months. This has resulted in 34% of adults finding it difficult to afford their rent or mortgage.



SOURCE: ONS

COST OF FOOD

Food prices in the UK are increasing at their fastest rate since 1977, with food and non-alcoholic consumer inflation at 16.8% in January 2023.

This is as a result of increased production costs, with production inflation of food, drinks and tobacco increasing to 19.8%, suggesting that there are elements where manufacturers have not 'passed on' the entire cost. This raises the potential for further increases. Imported food materials increased by 25.7% during the same period.

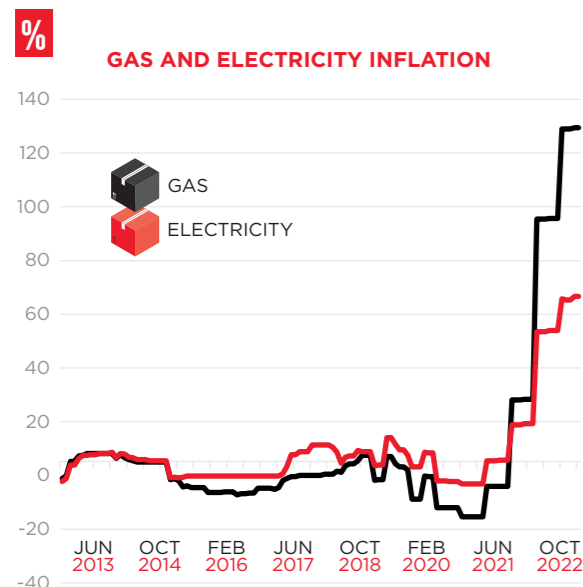
The largest contributor to the increase in food inflation was vegetables, which rose by 18% in February. Furthermore, there have been shortages of produce in supermarkets as a result of bad weather and the impact of increased electricity prices.



COST OF LIVING

UTILITIES

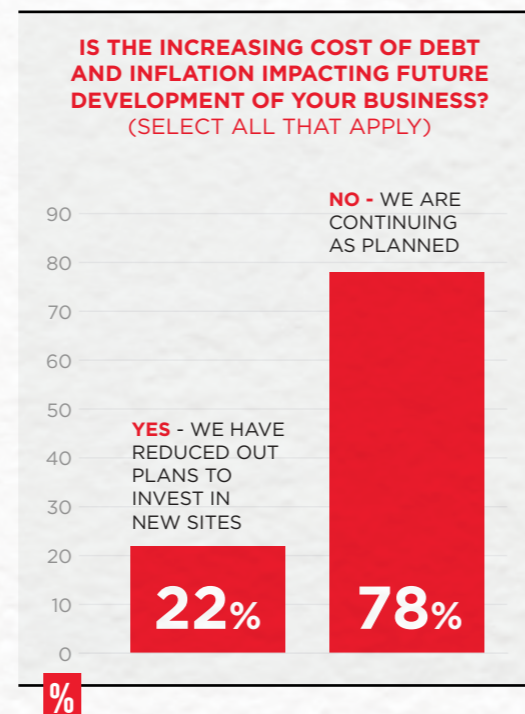
In the year to February 2023, electricity prices had increased by 66.7%, while gas prices had increased by 129.4% in the same time period. As a result, 54% of adults are using less fuel in their homes, while 49% find it difficult to afford it. 20% of people reported being occasionally, hardly ever or never able to keep comfortably warm in their home.



SOURCE: ONS

COST OF LIVING
IMPACTS ON
SELF STORAGE

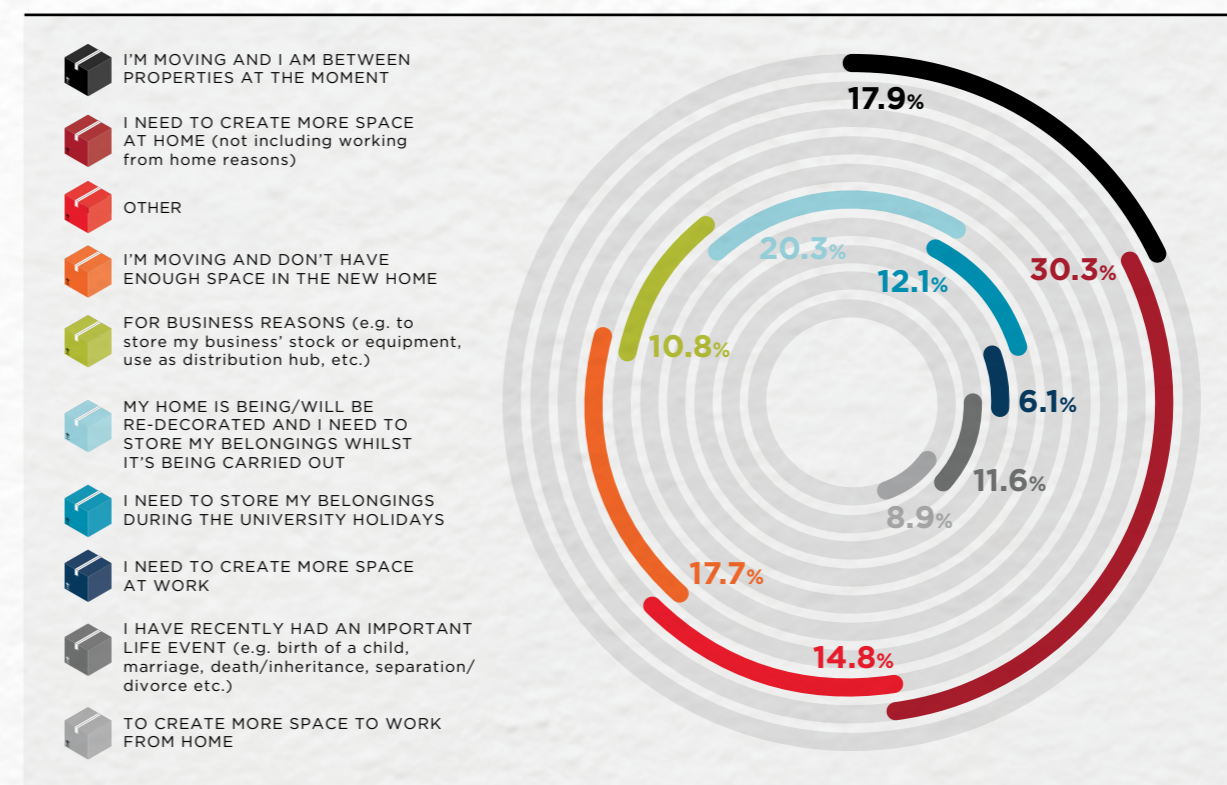
The increased cost of debt and increasing inflation are impacting real estate investment and development across all sectors. In our operator survey, it was made clear that this is likely to potentially hamper future self-storage development – with 22% citing that as a factor.



22%

OF OPERATORS SEE THE INCREASE COST OF DEBT AND RISING INFLATION IMPACTING FUTURE SELF STORAGE DEVELOPMENTS.

However, the drag on growth is likely to be a result of potentially reduced demand. The inflationary pressures on consumers are likely to tighten discretionary spend, while the increased cost of mortgages will slow the housing market, and negatively impact liquidity. These are likely to create a drag on demand in the sector as a result of fewer trigger points for entry into the self storage market – 35.7% of users cite moving house as a reason for taking self storage space, either as a result of being in between properties, or moving and not having enough space. Furthermore, economic uncertainty has negatively impacted the number of home renovations, with redecorations making up a further 20.3%.

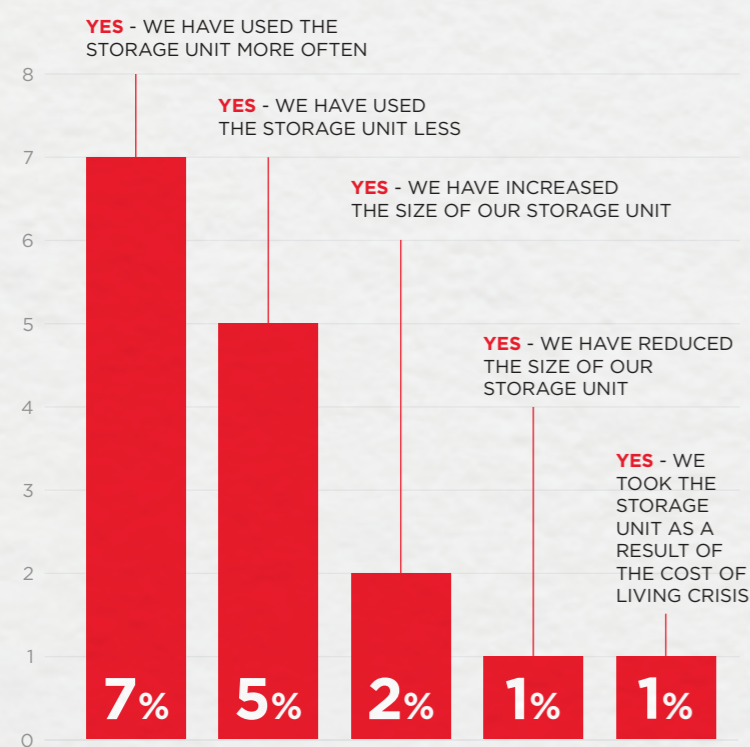


COST OF LIVING

COST OF LIVING IMPACTS ON SELF STORAGE

However, there is significant nuance. In some cases, a lower likelihood of moving house may result in a number of people looking to maximise their current spatial requirements. While a small amount, 7% cited the cost of living crisis as a driver for using self storage more often.

HAS YOUR USAGE OR NEED FOR SELF STORAGE CHANGED AS RESULT OF THE COST OF LIVING CRISIS? (SELECT ALL THAT APPLY)



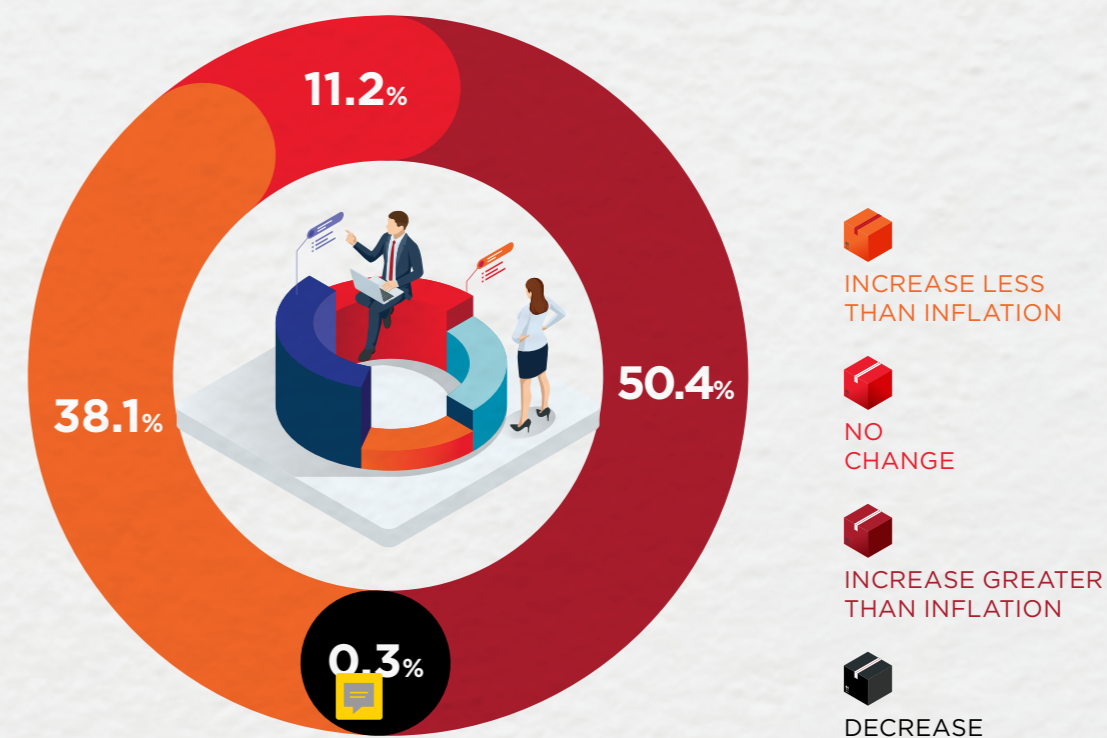
This is set against a backdrop of record rental levels in the self-storage market, with a big drop off in the number of incentives.. Another issue is that for new and prospective customers, there is very little understanding of potential rental rates. Across the UK, only 10% of respondents from the public survey accurately estimated within the rate range. By and large this is an underestimation. 52% of potential customers estimate lower than the actual cost, with just 12% over-estimating. 25% don't know.

Remaining good value for money will be essential for operators looking to retain customer demand. 60% of customers currently believe that self storage is good value for money, with 40% split between it being poor value, or not having a strong opinion.



While there is likely to be a number of headwinds for demand, operators remain optimistic on the outlook for rental growth. 88.5% of operators seeing an opportunity to increase rental rates. According to our operator survey, 50.4% are looking to increase rents in excess of inflation, with a further 38.1% looking for increases less than inflation.

OUTLOOK FOR RENTALS RATES





OPERATOR SURVEY

OPERATOR SURVEY



**PUBLIC
SURVEY**

PUBLIC SURVEY

PUBLIC SURVEY RESULTS

The results in this portion of the report are taken from a survey conducted using an online interview administered to members of the YouGov Plc UK panel of 800,000+ individuals who have agreed to take part in public surveys.

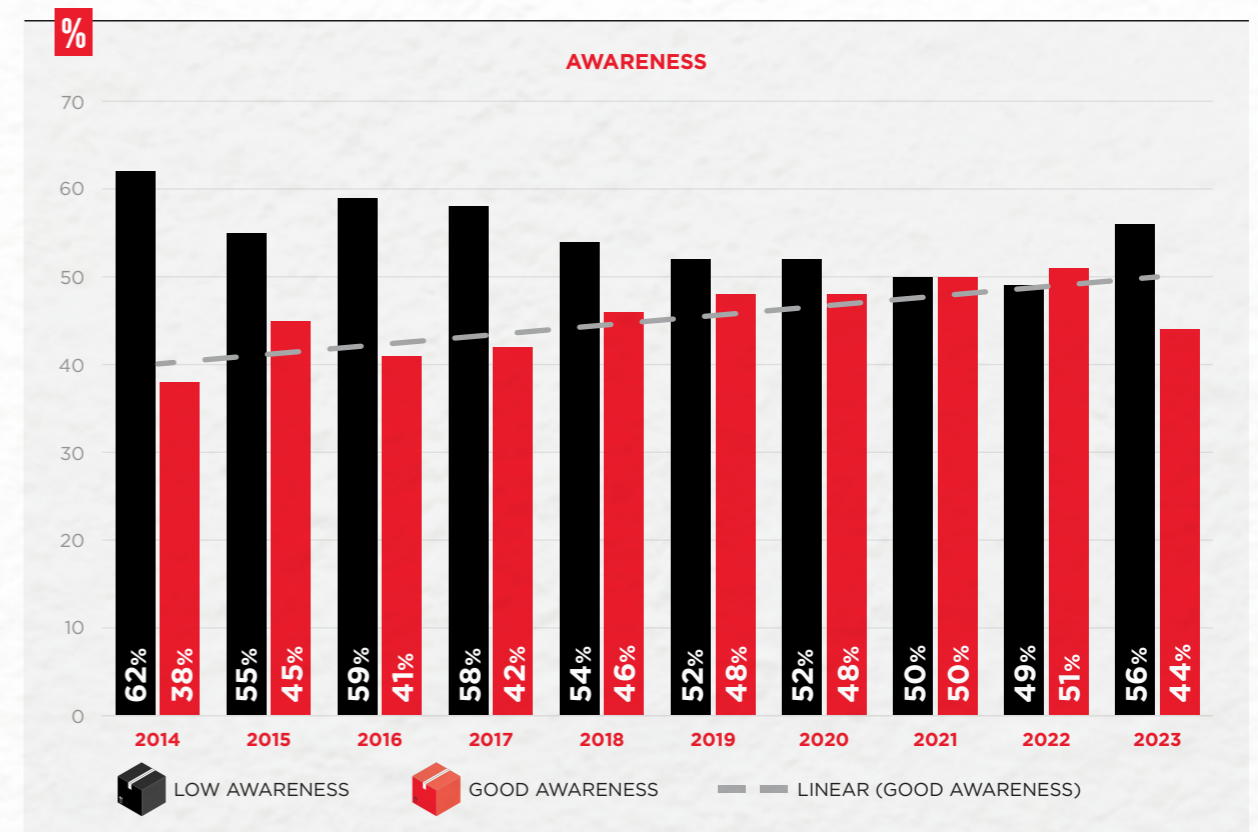
The responding sample of 2,102 UK adults aged 18 or over is weighted to the profile definition to provide a representative reporting sample. The profile is derived from census data or, if unavailable, from industry accepted data. Fieldwork was undertaken between 23rd - 24th January 2023.

This survey is completed to gauge the understanding and attitude towards self storage by members of the general public. Considering that such a small portion of the population uses self storage, it is important for the industry to understand how they can grow awareness, understanding and use of self storage. It has been completed each year since 2014 with a similar sample size based on the same demographic representation of the UK population.

INDUSTRY AWARENESS

For the first time, awareness of the self storage dropped compared to the previous year.

This was largely a result of a drop in awareness in the London area and an increase in the "don't know" responses. This is most likely as a the result of an anomaly in the data set this year. The follow up questions asked do not support this drop in awareness with understanding of the product increasing. Stripping out the respondents answering 'don't know', the results are more typical with a small increase in awareness. London has had the highest level of awareness for some time, even with the drop this year over 53 % of people showed positive awareness of the product.



To qualify awareness and understanding of self storage, survey respondents were asked if they agreed with a series of related statements. The majority relate to core services that self storage provides. Examples include:

PROVIDING A RANGE OF UNIT SIZES IS A KEY SELLING POINT FOR SELF STORAGE, YET ONLY

52% OF PEOPLE UNDERSTAND THIS.

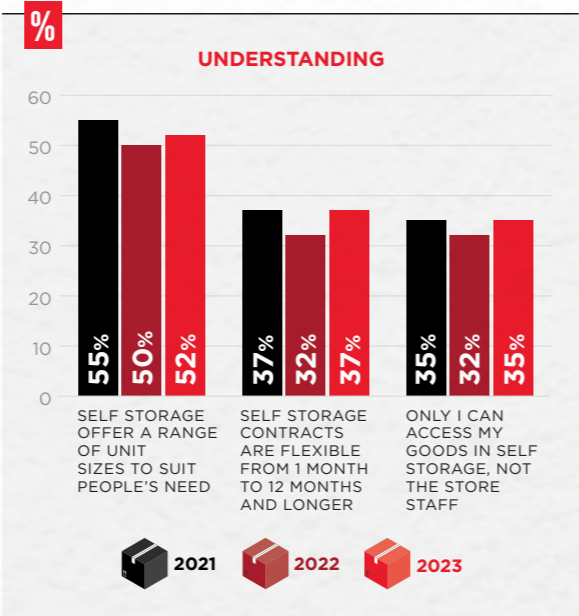
PROVIDING A RANGE OF UNIT SIZES IS A KEY SELLING POINT FOR SELF STORAGE, YET ONLY

35% OF SURVEY RESPONDENT UNDERSTOOD THIS.

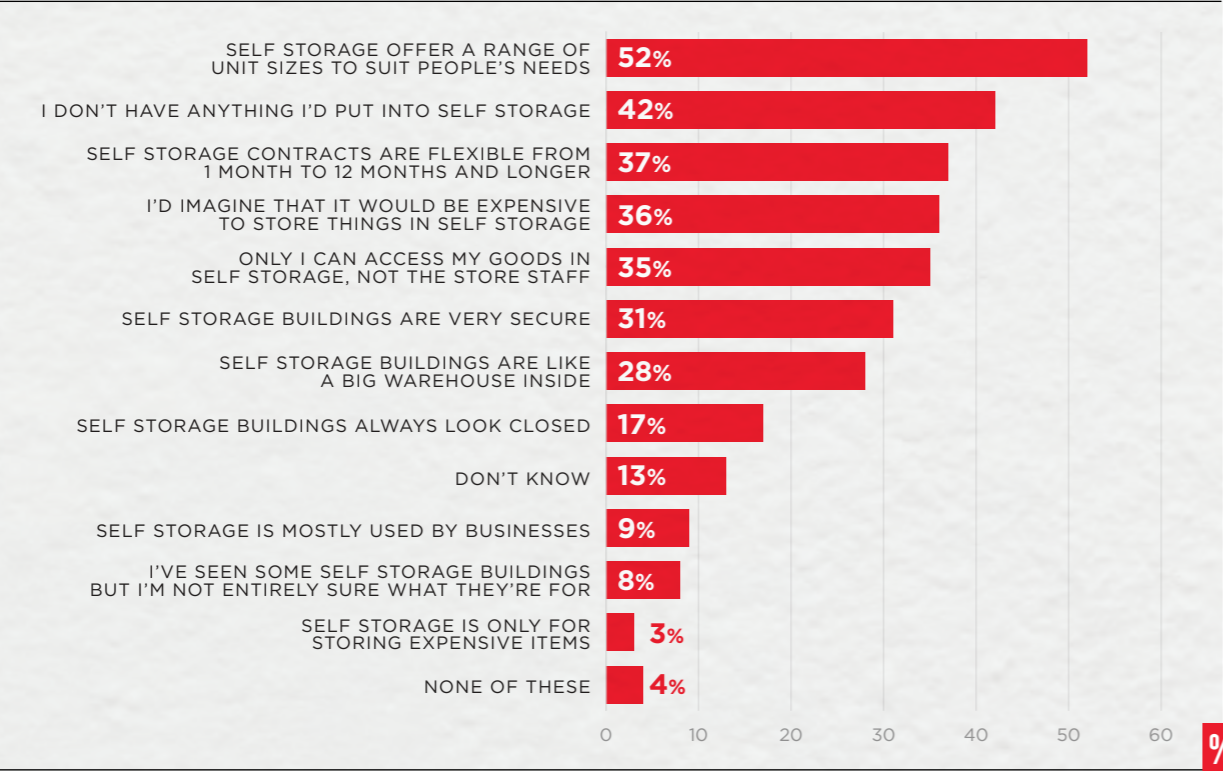
This illustrates the point that the general public continue to not fully understand the full benefits of self storage. This should be read in context with the fact that self storage is largely a needs based purchase, so if people don't need it they are less likely to understand it. However, the data suggests there are people that are going through life changing events or require more storage space that are not considering self storage as a solution as they fail to understand the product.



Of some concern to the industry is the 36% of survey respondents that think self storage is expensive, albeit in general they have never previously used self storage and are therefore unlikely to know the actual cost.



With this being one of the barriers to new customers trying self storage, the industry is trying to address this with up front discounting to encourage people to try using the product and overcome initial price resistance. A clear limit to growth will be the perception of need - with 42% not having anything to put into self storage.



POTENTIAL USE

Currently, only around 2% of the adult population use self storage. Whilst this is a small portion of the sample size and population, it has grown from just 1.3% in 2018.

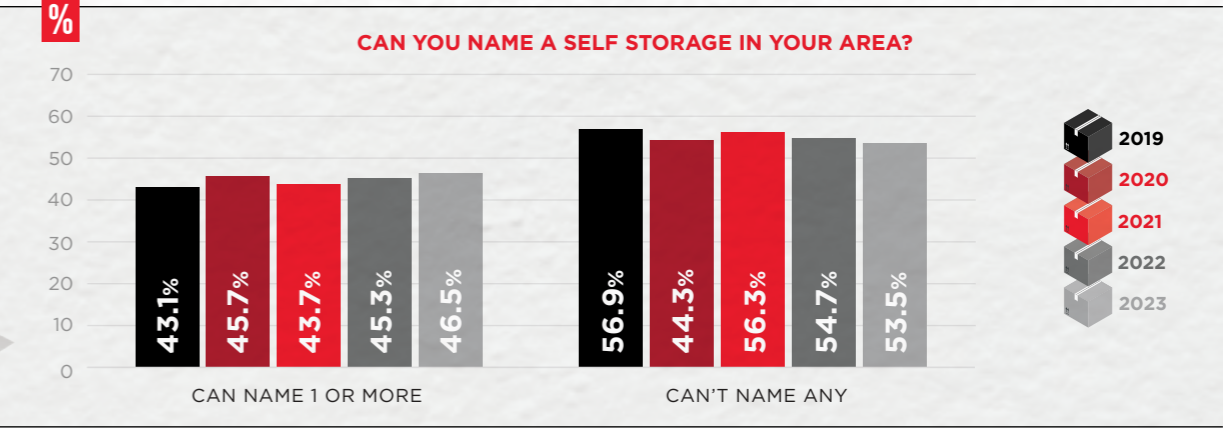
This is further supported by the increasing amount of self storage space occupied each year. Potential demand continues to accumulate, with a significantly higher number of people considering using the service than actually using it - 7% of our survey. In reality, there would not be enough space for all these people to use self storage even if they chose to.



AWARENESS BASED ON CUSTOMER KNOWLEDGE

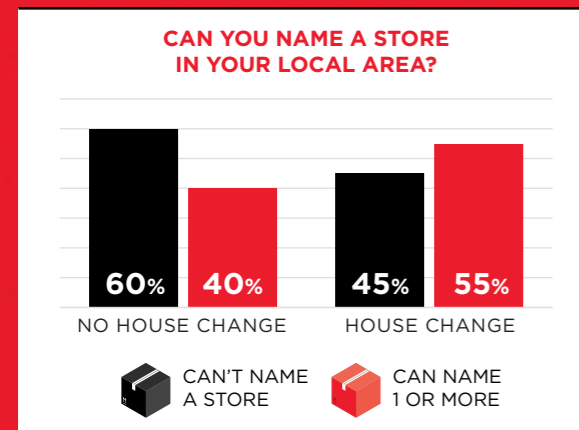
With over 2,000 self storage stores in the UK, there is a store in almost every significant town. Yet over 50% of survey respondents cannot name a single self storage store in their local area.

This is likely to be influenced by self storage being a needs based purchase, hence you don't look for it until you need it. Despite more stores being built, brand and product awareness has not improved significantly in the past 5 years. For providers, it appears as though population education needs to be escalated.

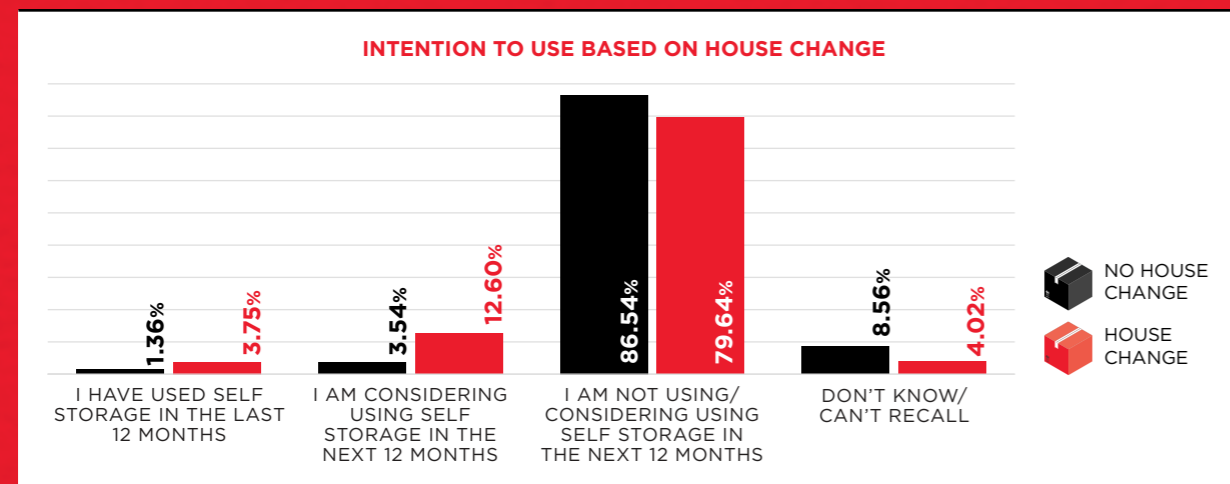


AWARENESS BASED ON NEED

Awareness of self storage is much higher in the population that have undergone renovations or moved house. This supports the needs-based awareness concept.



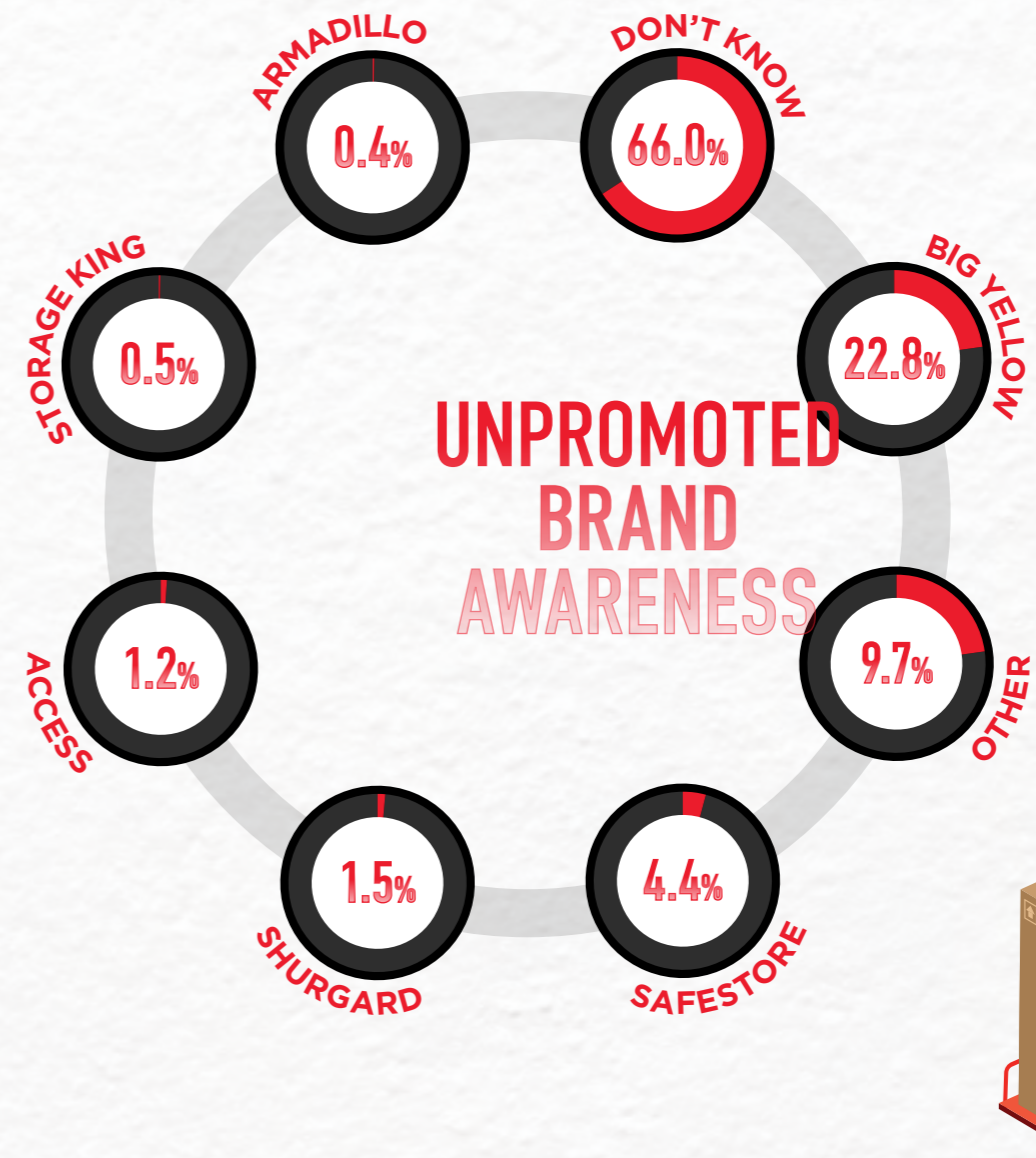
However, house moving is not the primary driver of use. 30% of those that have used self storage have done so primarily as a result of needing to create more space – not as a result of working from home. This is likely to underpin increased length of agreements, rather than self storage taken on for short term moves. Redecoration and house moves make up 20.3% and 17.9% of the market respectively, while an additional 17.7% of demand is made up of those that have moved but no longer have the space required for all their possessions – once again, another long term driver for self storage space.



UNPROMOTED BRAND AWARENESS

The following chart shows how limited brand awareness there is within the public. Around 66% of survey respondents could not name a single self storage brand and a further 5% named brands that were in fact not self storage.

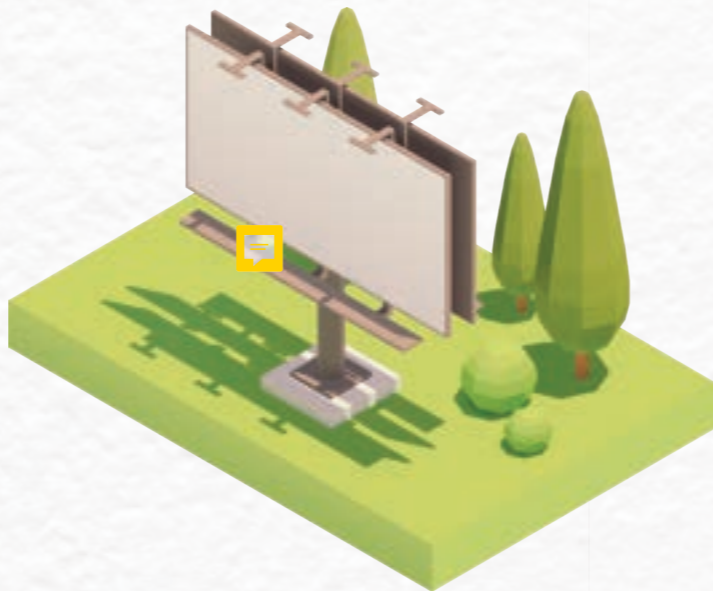
Where there is brand awareness, this relates to just 40 different operators and represents just 0.40% share of the UK market. Respondents could name more than one brand, so these figures can add up to more than 100%, however only 91 (4.3%) named more than one actual self storage brand and only 25 (1.2%) people named 3 or more.



DRIVERS OF RECOGNITION

Site recognition remains the clear leader in terms of identification of stores and brands. Both major and independent brands continue to invest in high profile sites to display their brand to as many people as possible. Referrals from friends and family is the second highest source of recognition, above all other advertising.

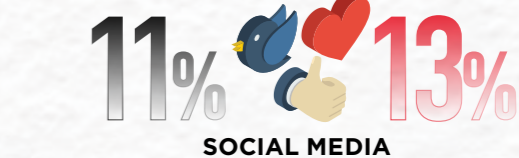
Most operators spend the vast bulk of their marketing spend on online AdWords and the like. They typically use search terms such as “self storage near me” that target people already looking for self storage. Such campaigns do not promote the product to people that may have a need for self storage, but are not currently considering self storage as an option for their needs. There is limited marketing in the UK that promotes self storage to the general public such as outdoor advertising or other mass marketing.



SEARCH PATTERNS

When survey respondents were asked how they would identify or contact a store, unsurprisingly over 75% search using the internet. This is lower than some other industries such as hotels, which are 85% or higher. Local knowledge and referrals are the next highest options and social media continues to grow. Please note that respondents can and have chosen multiple options, hence the total is in excess of 100%.

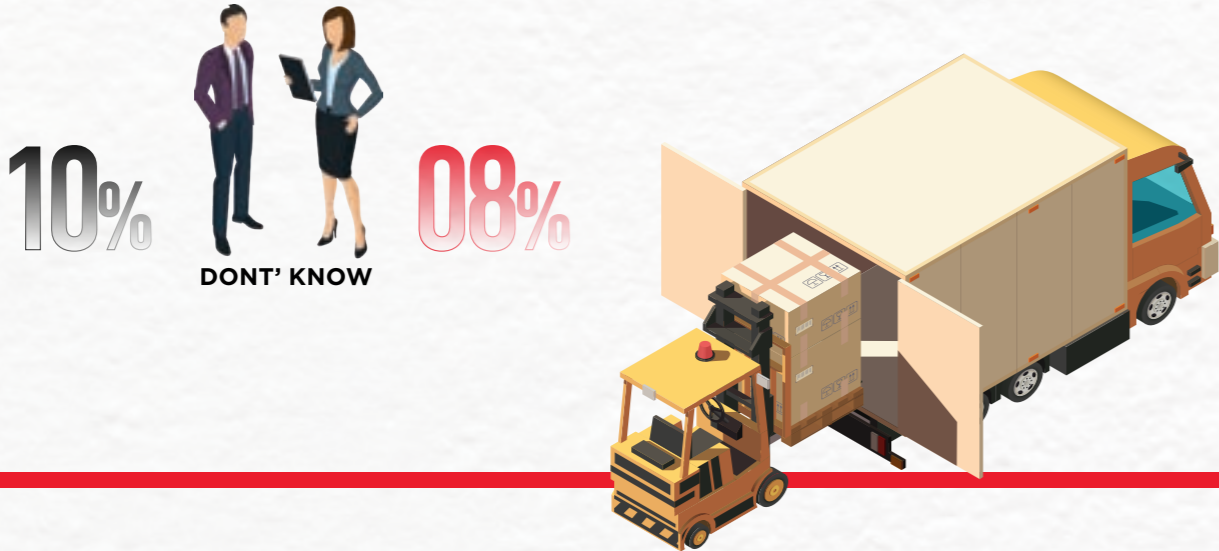
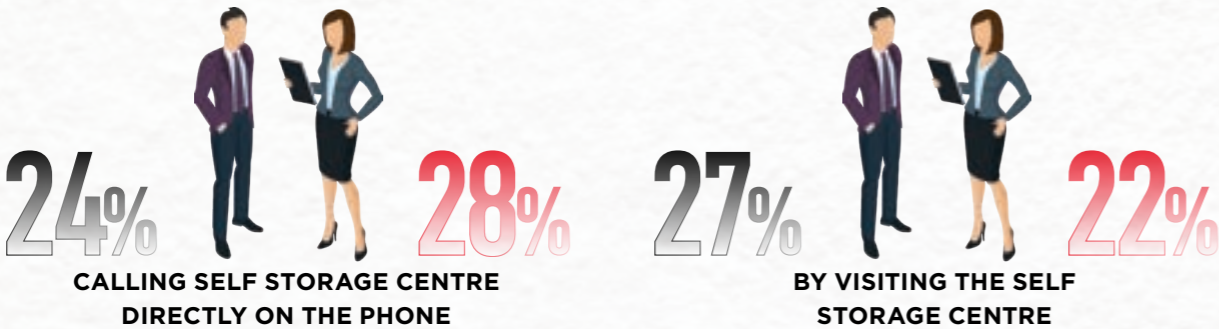
HOW WOULD YOU FIND A STORE TO CONTACT?



2022 2023

When we asked how people prefer to contact a store on a gender basis, we saw that males are more likely to visit a store, whilst females are more likely to email or call a store. This is valuable information for operators to consider when setting up their websites and online offerings. These patterns have been largely the same since the COVID pandemic, where the preference to use online jumped considerably.

GENDER PREFERENCE FOR CONTACTING A STORE?

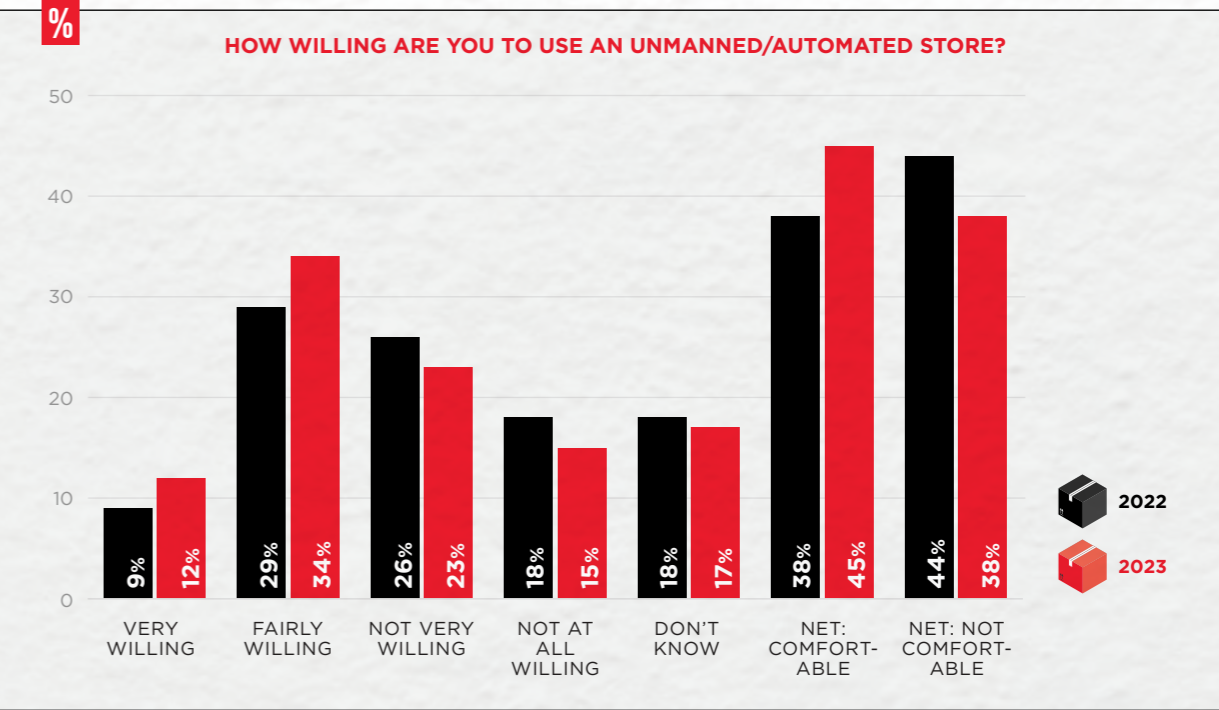


ATTITUDE TO AUTOMATON

A major change in the industry in recent years has been the industry's greater use of automation, through access control, security customer sign up, marketing, electronic locks and online move in processes.

This allows some operators to reduce or entirely remove staff from their stores without reducing the ability of the customer to access their unit. The adoption of fully unmanned sites is relatively low in the UK, compared to markets such as Sweden, but it is growing, particularly in smaller regional locations.

Since 2020, comfort with visiting unmanned stores has increased from 38% to 45% - although there is a nuance with levels of willingness.



ATTITUDE TO AUTOMATON

Survey respondents that have not previously used self storage, believe it will be cheaper than it is. This could be one of the reasons why those considering using self storage find cheaper or free alternatives such as container storage or friend and family garages. There has been an increase in the perceived price of self storage this year. With inflation sitting at 10%, this is to be expected and the perceived cost remains well below the actual cost.



When considering the typical cost of self storage, the table below shows that across the UK only 10% of survey respondents have a correct understanding of the cost of a self storage unit and 77% thought it would be cheaper or did not know. Initial price shock is an issue the industry needs to deal with and is only partly mitigated by individual discount options such as 50% off the first 2 months. That said, there has been improvement in this data in recent years. In 2019, less than 7% of people were in range and over 32% did not know.



	UK	LONDON	SOUTH	NORTH	SCOTLAND
INDICATIVE AVERAGE NET MONTHLY RENTAL RATE FOR A 90 SQ FT UNIT	£194	£273	£163	£131	£175
IN RANGE	10%	7%	11%	17%	11%
OVER	12%	9%	15%	20%	12%
UNDER WITHOUT	52%	58%	50%	38%	50%
DON'T KNOW	25%	26%	24%	26%	27%





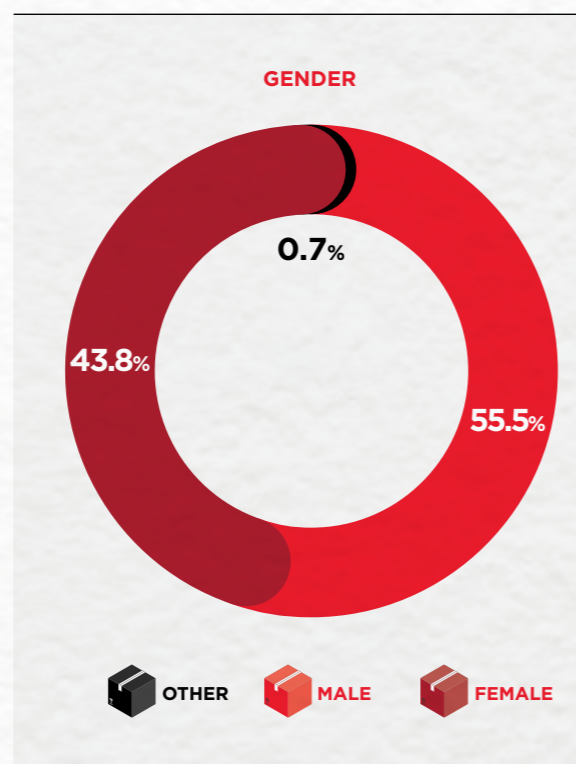
CUSTOMER SURVEY

CUSTOMER SURVEY

THE DATA IN THIS SECTION IS TAKEN FROM RESULTS OF AN ONLINE SURVEY OF CUSTOMERS FROM SSA UK MEMBERS' SELF STORAGE FACILITIES. A TOTAL OF **1,827 RESPONSES** WERE RECEIVED FROM **OVER 80 SELF STORAGE STORES** LOCATED THROUGHOUT THE UK. THERE ARE NO INCENTIVES OFFERED TO COMPLETE THE SURVEY.

CUSTOMER PROFILING

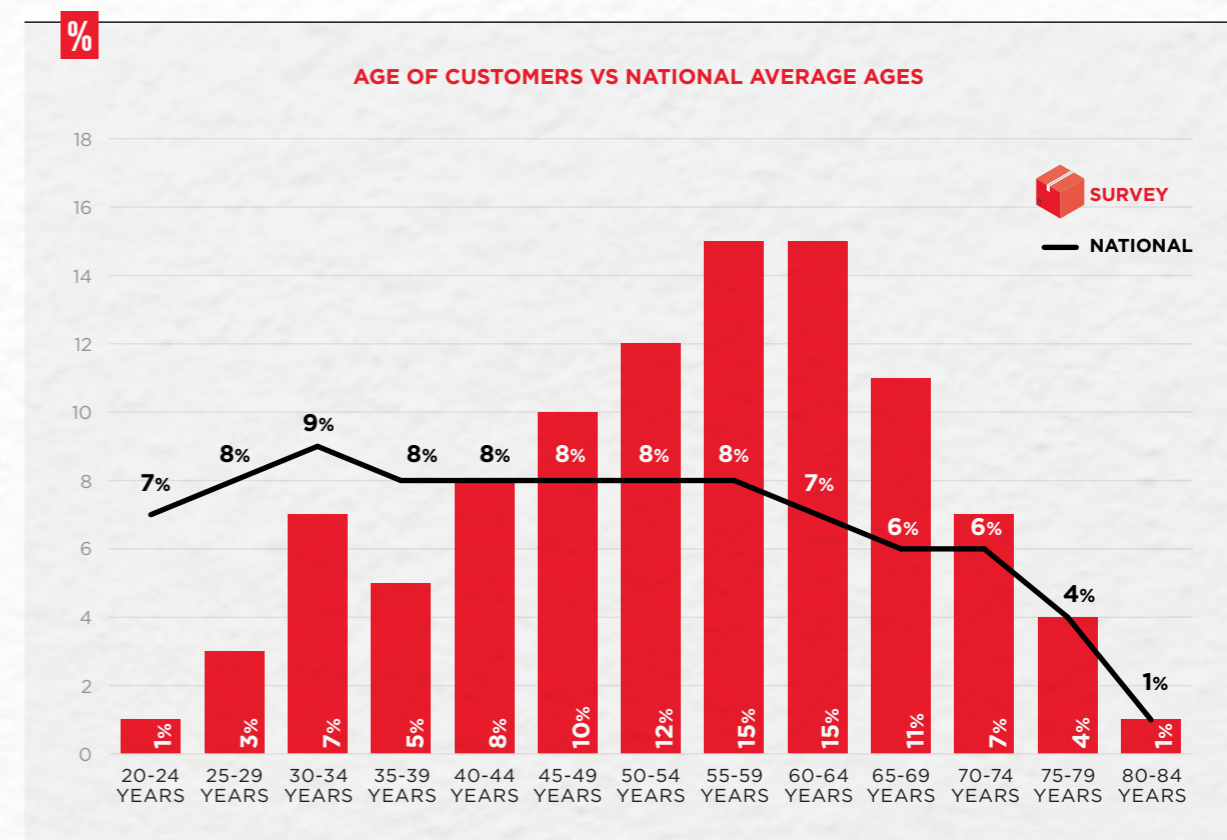
The typical self storage customer base is slightly more male orientated and, including 2022, this has been consistent for the last 7 years. The respondents are those whose name is on the contract. It is likely that this includes many relationships where both partners use the unit, however it is the male name on the contract and responded to this survey.



When comparing the age of customers, compared with the national average, it is clear that self storage customers are more likely to be aged between 45 and 70. Of these, 55 - 64 year olds are the most common age group representing around twice the national average.

This is likely the result of a combination of factors. Customers having amassed a larger amount of goods to date compared with the younger generation.

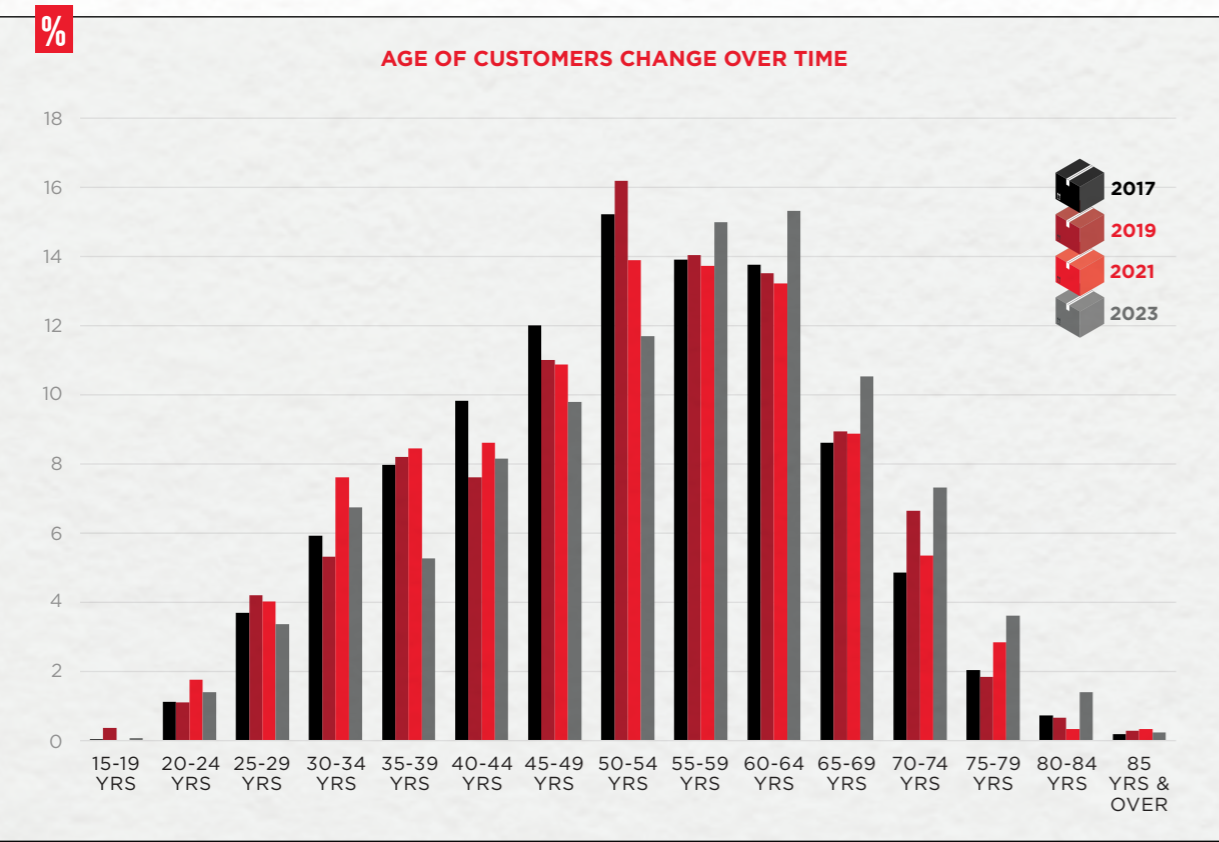
Younger people are increasingly spending more time at home where storage is largely their parents' problem. Self storage is to some extent a discretionary spend that many younger people would not consider important. Also, consider that often life changing events generate self storage customers. These can include moving house, death, divorce, entering a new relationship, having a new child and so on. These life events happen over time so middle age and older people are more likely to have experienced one or more of these reasons.



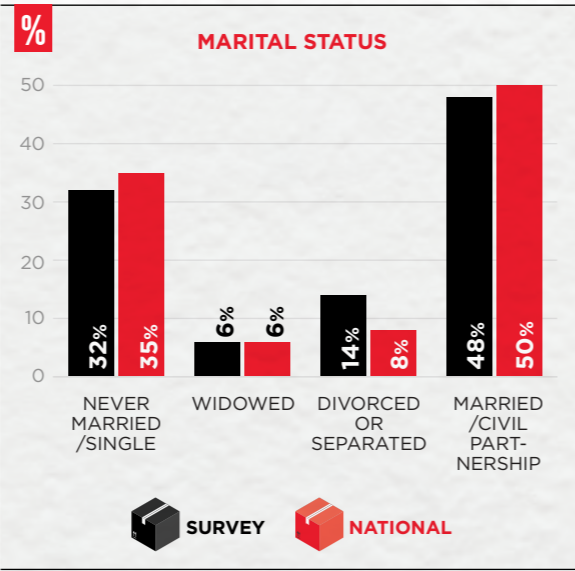
When considering this data over time, it shows that the number of people using storage over the age of 55 is increasing and less young people are using self storage. This could be a concern for the industry if millennials are less likely to use storage as they hit their 40's as the previous generation. Or it could just be that long term storage customers are getting older and staying longer, hence making up a greater portion of customers.



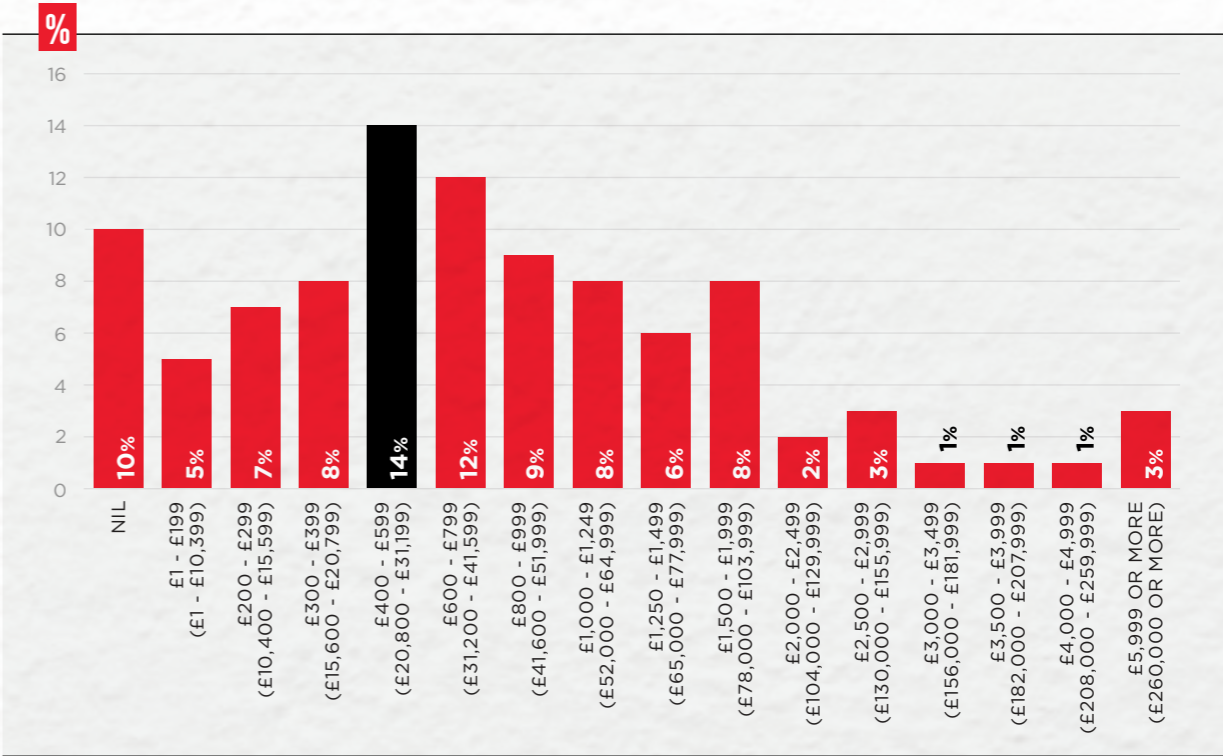
Further consideration could be that this data is taken at a fixed point in time and does not account for the possibility that younger people use their units for a shorter period of time, contributing to the churn of customers, but not as representative at a fixed point sample such as this.



Of the life changing events, divorce or couples separating are most likely to use self storage. Couples separating need to find somewhere else to live, often downsizing, with the need for somewhere to store their belongings during the transition and potentially for the long term.

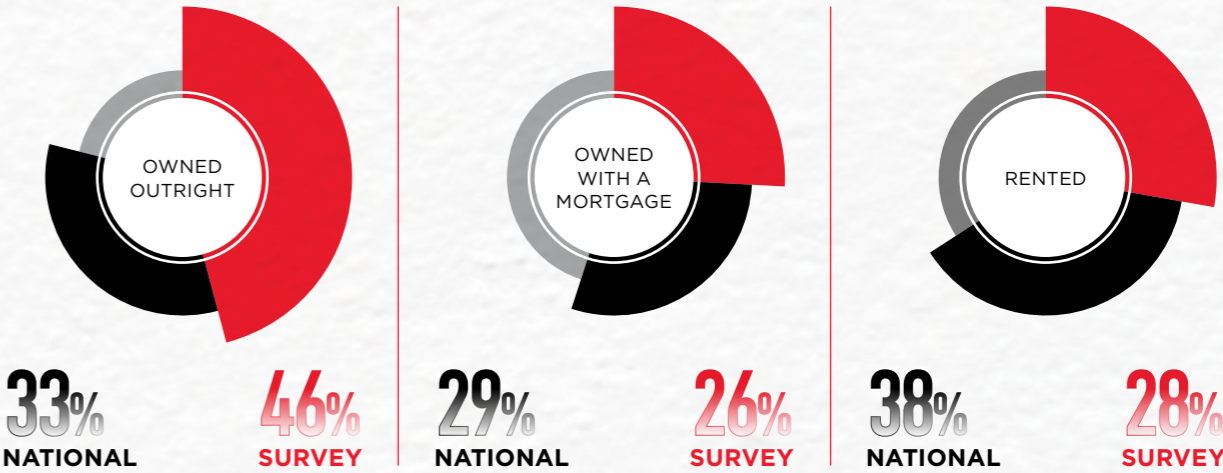


Self storage customers tend to have access to more disposable income, with 55% earning more than the national average wage. Higher wage earners tend to fall within the self storage catchment age group due to the fact they have had longer to accumulate a large number of goods. The table below shows the third largest group have nil income, but these are customers that have retired. Of the survey respondents, 25% were retired.

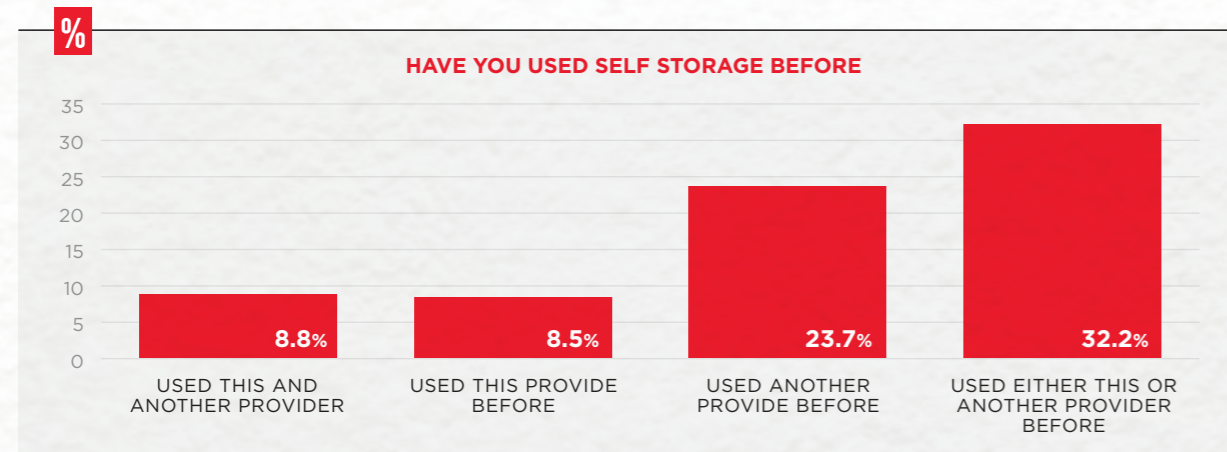


More self storage customers own their homes rather than rent and represent a larger group compared with the national average. This marries with previous data, where the 50 and over age group own their own home and therefore tend to have greater disposable income compared with the national average.

HOUSE OWNERSHIP

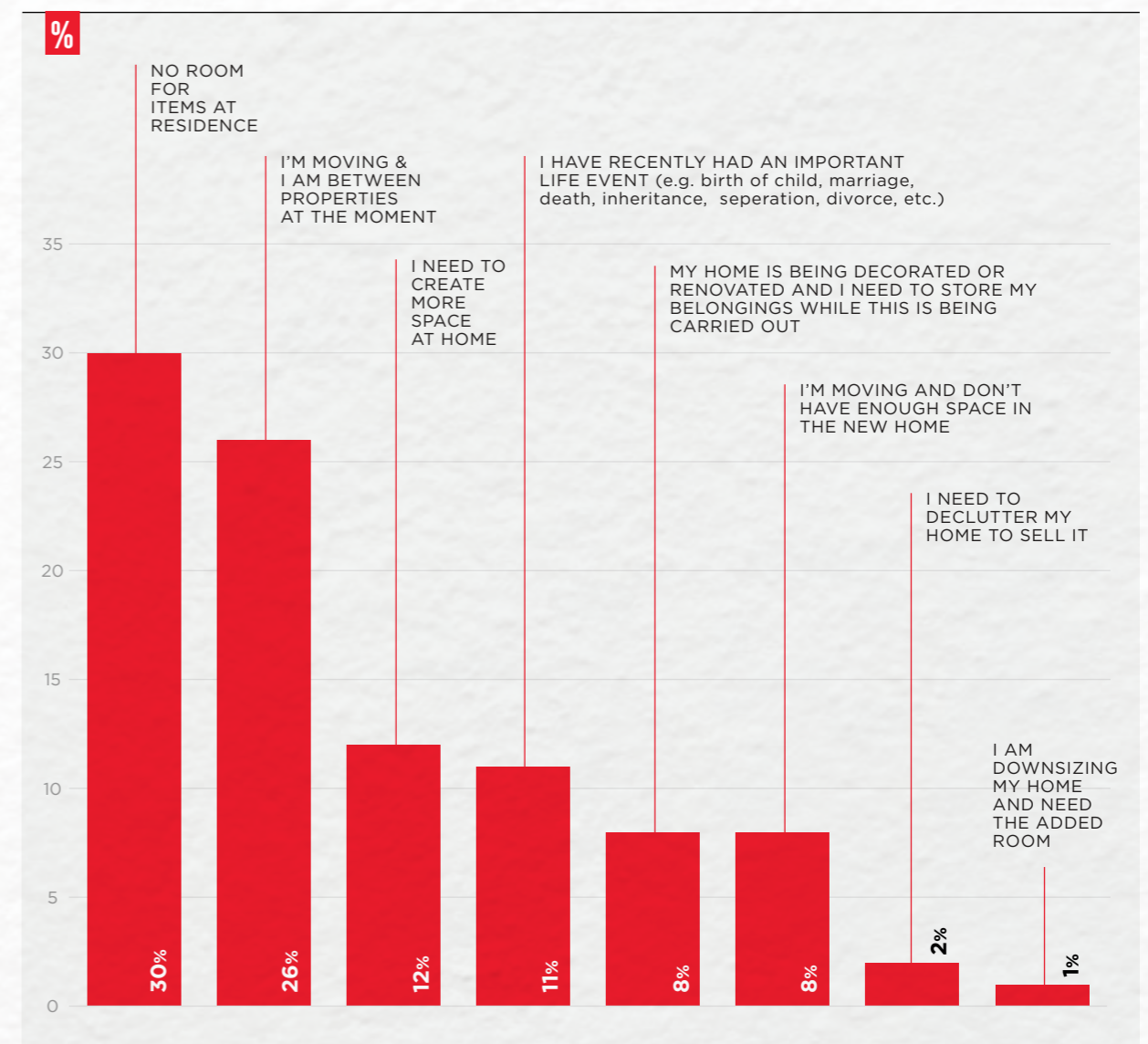


Of these, 32% of customers have previously used self storage, either their current facility or another business. Repeat business is a large part of the industry. This further reinforces the concept that once people experience self storage they better understand and see value in it and are likely to continue using it when the need arises.

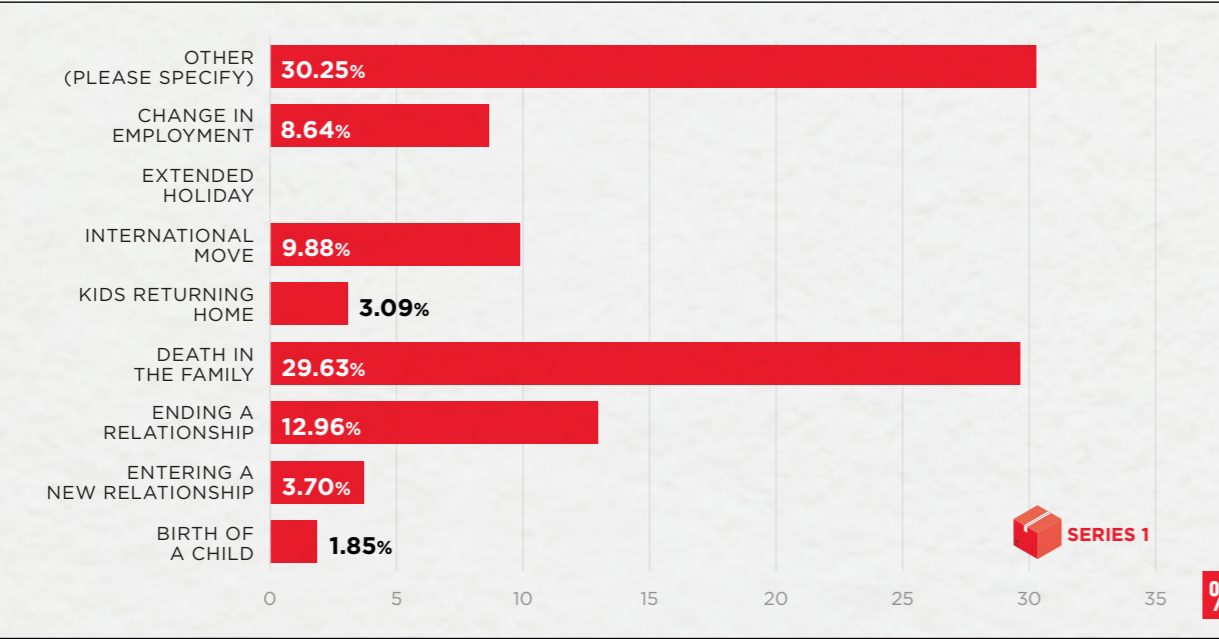


REASONS FOR USING STORAGE

People use self storage for a range of different reasons, which is one of the strengths of the industry. It is not reliant on one single industry or event. As we know, many use self storage during life changing moments such as a death in the family or divorce which continue to occur regardless of the economic or political conditions. The residential market contributes the largest numbers of customers, totaling 36%. That said, decluttering was down from 4% last year to 2% which could be indicative in the recent slowdown in the housing market owing to cost of capital and inflationary pressure on disposable income.

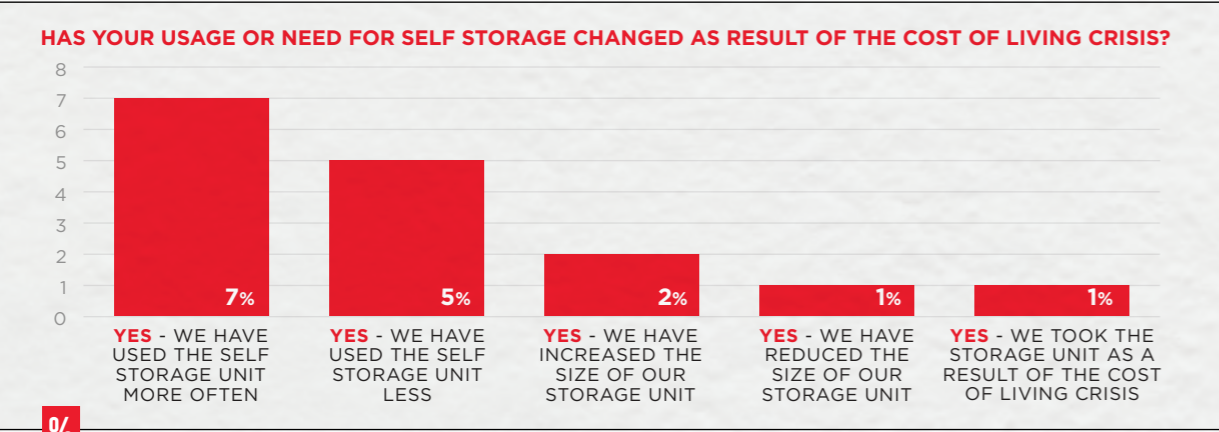


When further examining life changing moments that attract customers to self storage, a death in the family remains the single largest percentage of customers with more than twice as many people than the next highest, being ending a relationship. Marketing to this category of customers is naturally a sensitive area, but remains an opportune area for operators.



Owing to interest rate increases and inflationary pressure, customers now have a lower level of disposable income. As a result, 17% of survey respondents said their need to use self storage has changed.

That said, 58% of these people have said that for these reasons, it has been good news for business. These customers are using their unit more frequently, taking more space and also attracting new business as a direct result of the economy. This demonstrates that change can drive demand and is a product that can help people during a time of need.



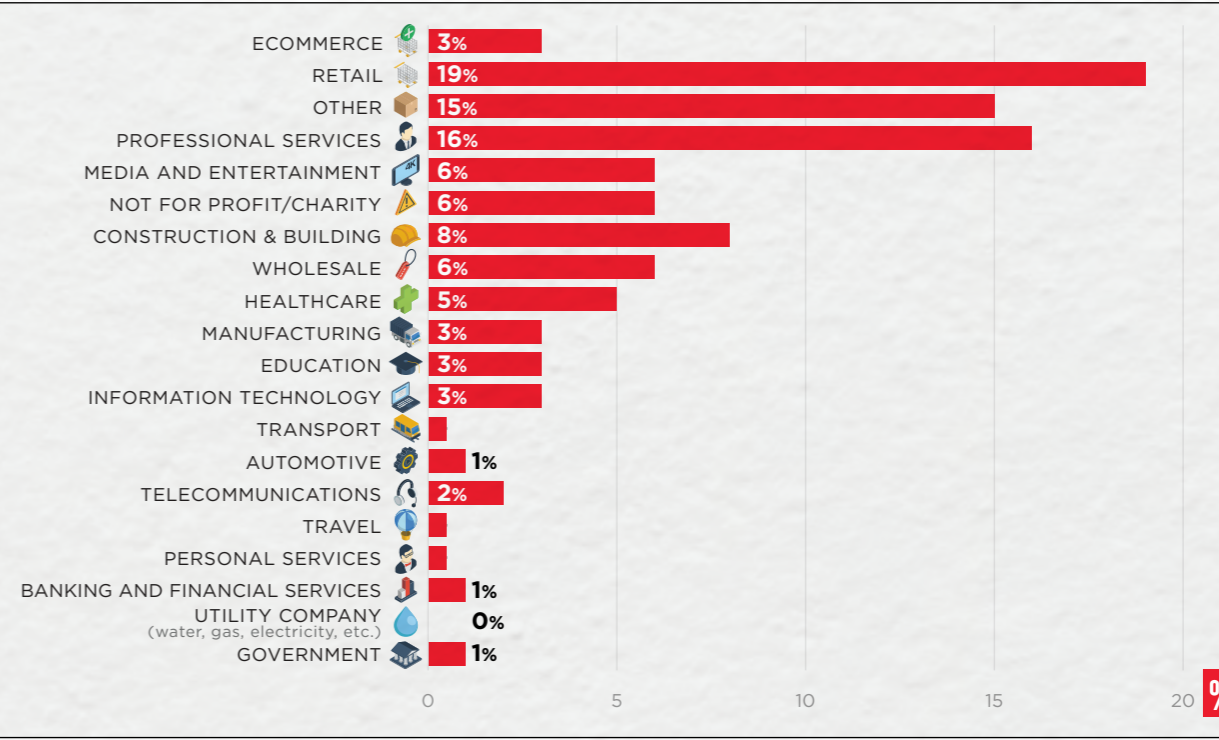
BUSINESS USE

The majority of business customers are small businesses, with 83% considered micro businesses with less than 10 employees. This compares with the UK national average of 95% that make up all businesses in the UK. In contrast, just over 1% of all businesses in the UK have over 50 employees, compared with 7% of our survey. This illustrates the industry’s ability to cater for a wide range of business custom.c



Retail custom continues to be the most common business to use self storage. However, this number has been steadily decreasing since peaking at 23% during the Pandemic.

Professional services have been steadily increasing over the past 3 years. Interestingly, not for profit and charity use has dropped from 11% in 2021 to 6% this year. Often, operators give free or heavily discounted units to charities. It could be that as stores have higher occupancy with less units available this has become less prevalent and businesses are supporting local charities in other ways.

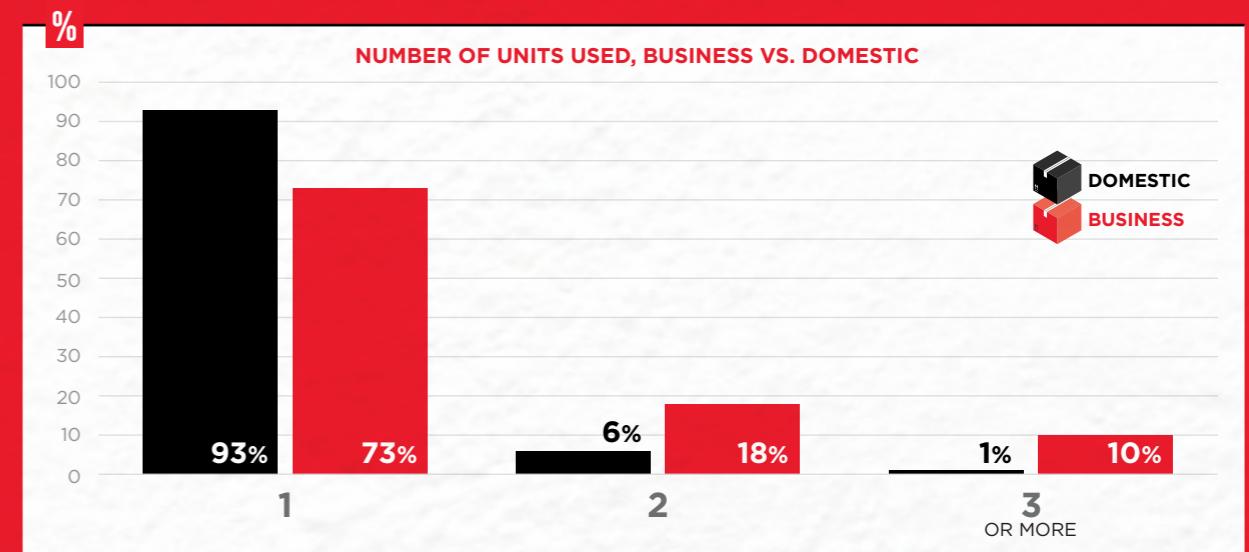


While self storage stores may not directly employ high numbers of staff, they support local businesses that could not operate without their self storage units. To this extent, they operate as a kind of local business incubator. 20% of all businesses using self storage operate completely from their unit. One of the most challenging times for small businesses is the first stage of growth from a home business; self storage offers a flexible and cost effective solution to assist with this.

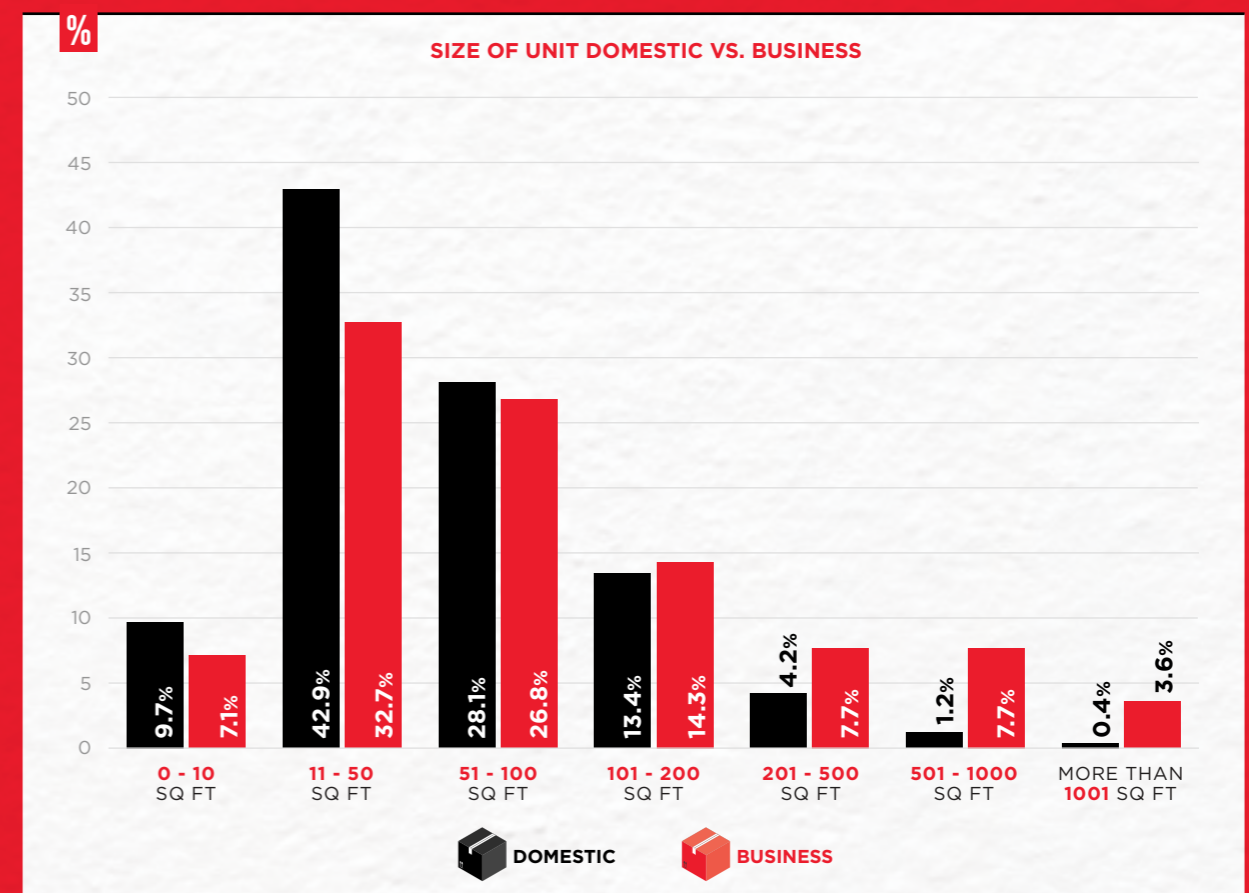


NUMBER AND SIZE OF UNITS RENTED

Most customers (89%) only rent one unit, and only 2% rent three or more. This is primarily because most self storage businesses offer a range of unit sizes to suit customers' needs, so usually only one is required. When considering business vs. domestic use, we see that business users are more likely to use multiple units. This is likely due to the fact that they generally need larger spaces, which may not be able to be accommodated in a single unit. They are also more likely to need additional space as their business grows, which could result in the addition of more units rather than relocating to a bigger space.

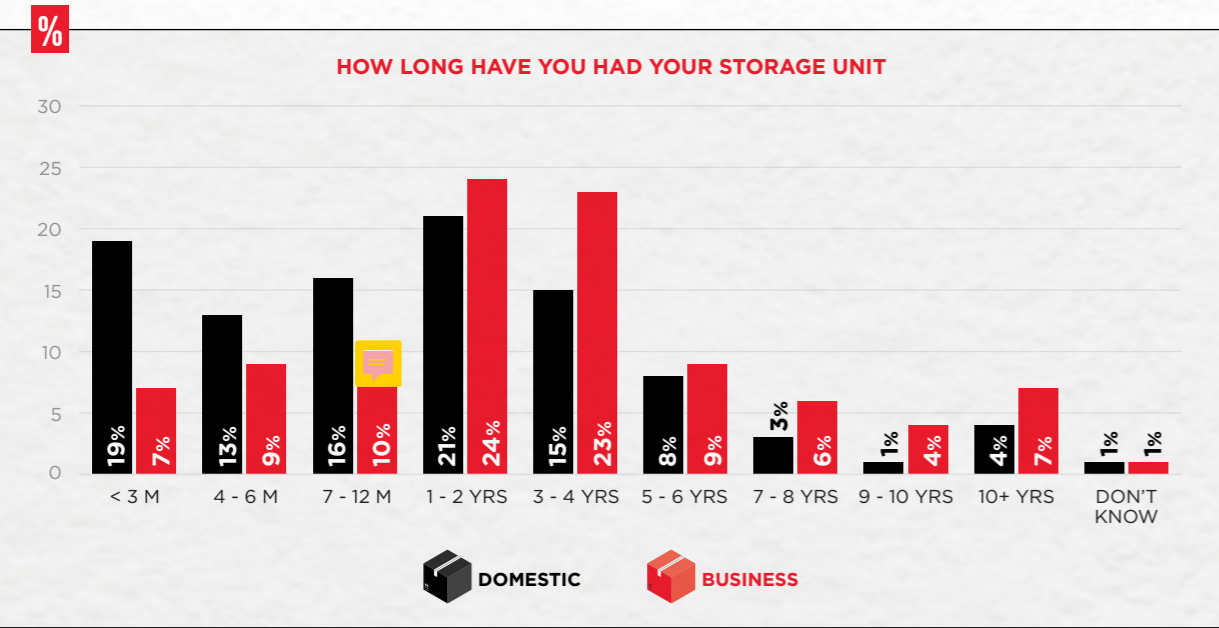


The most popular units range in size between 11-50 sq ft, making up 35% of all respondents. When considering business and domestic customers, it is clear that business customers are more likely to take larger units.

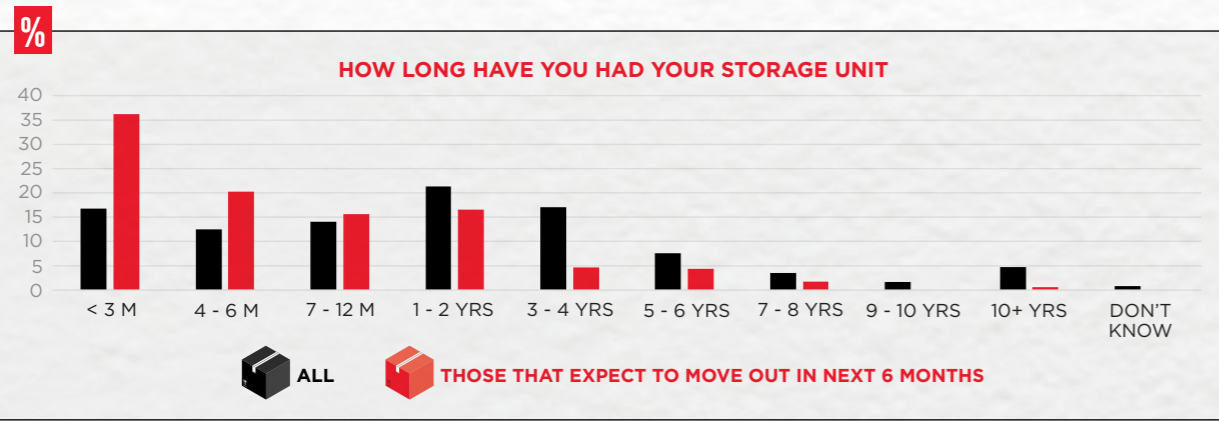


LENGTH OF STAY

A total of 65% of customers have occupied their unit for around two years, and 43% for one year or less. This chart shows that businesses are more likely to have used their unit longer than domestic customers. Business customers tend to be looking for long term solutions. The chart also indicates the length of stay at this point in time. Customers that only moved in recently will show as having a short stay, but may end up staying for a long period. Consequently, this data appears skewed towards a shorter length of use.

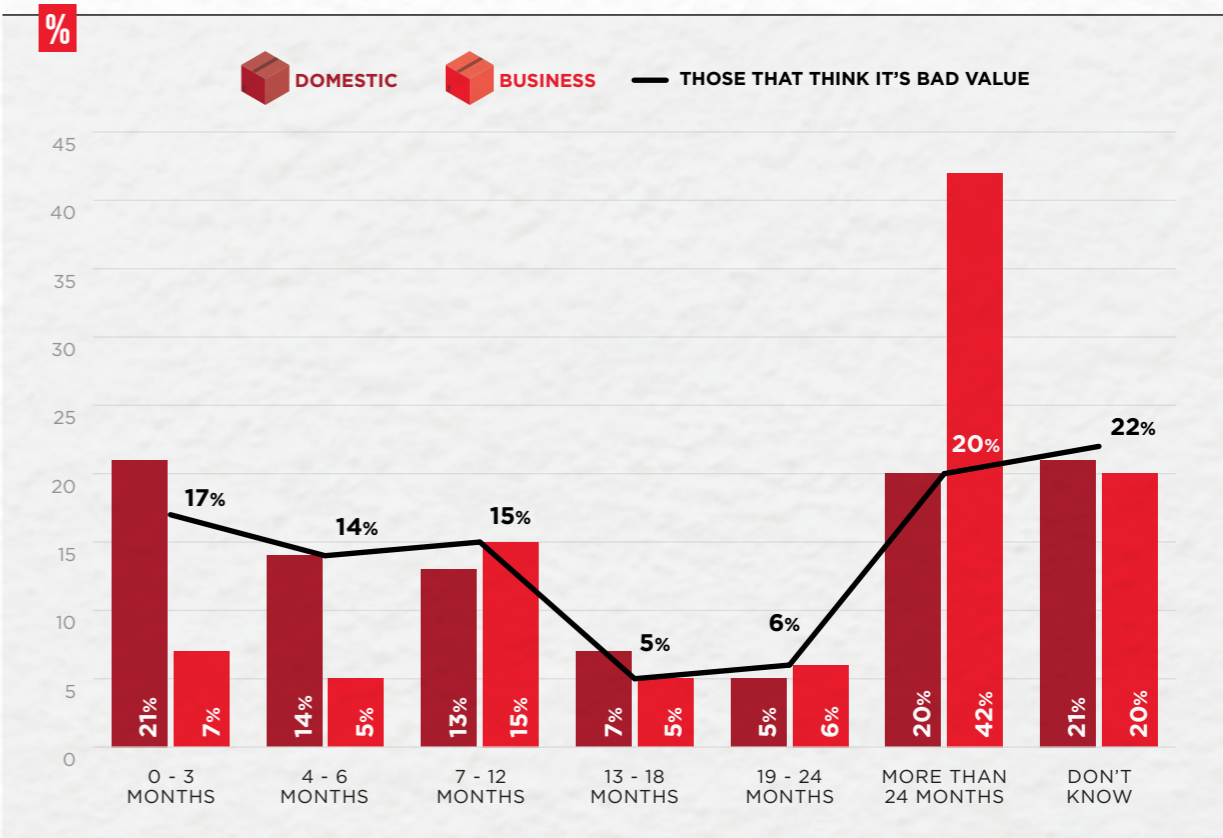


When considering our data based on people's expectation to move out, the differential between short and long term customers becomes clear. A total of 56% of the people planning to move out within 6 months of occupancy have only had their unit for six months or less. Their need for short term storage has been fulfilled. The counter balance are the longer term customers.



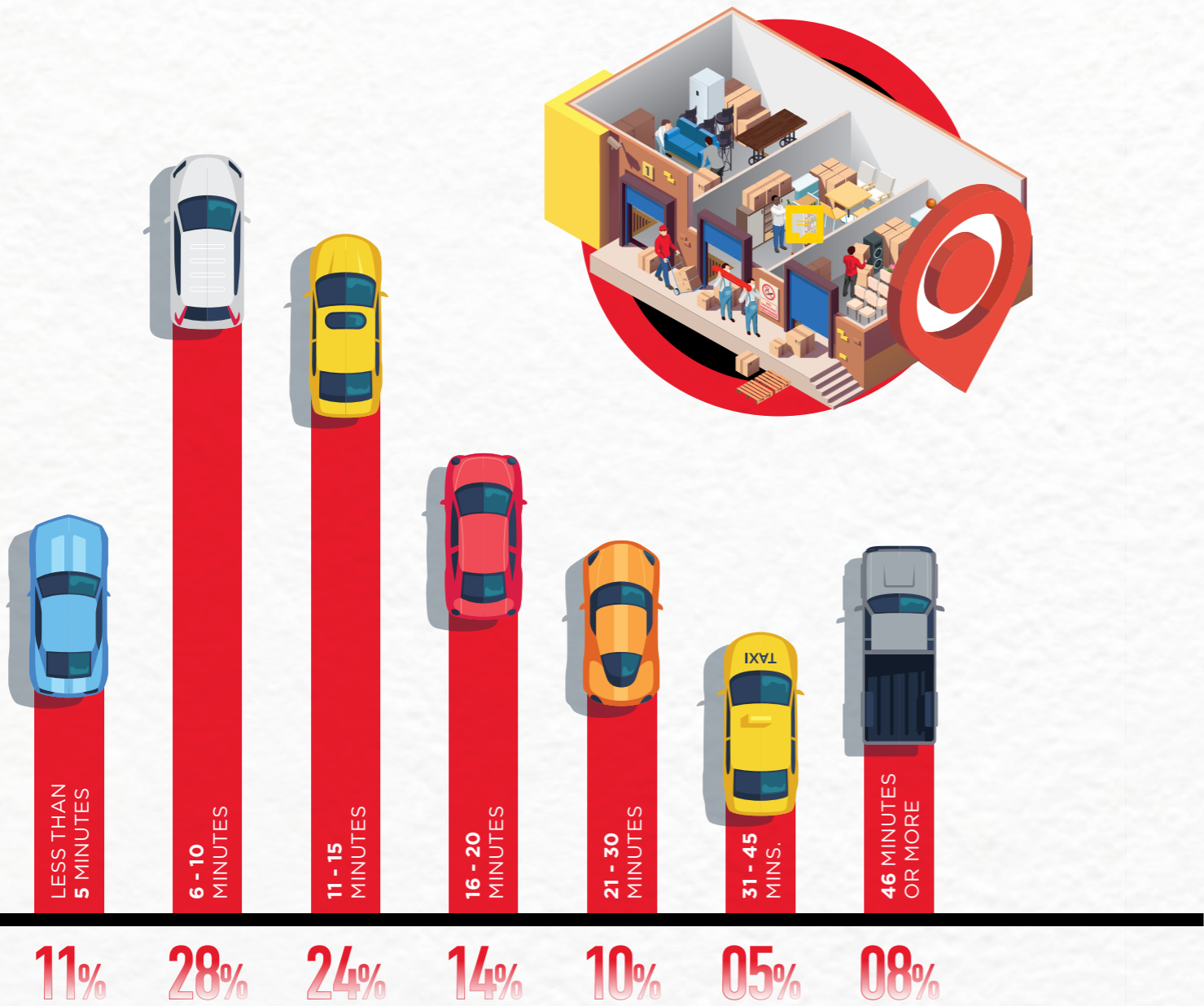
The following chart further demonstrates this split between short and long term customers. Around 11% plan on moving out in one to two years' time, 23% in two years or more and, the largest group, within 3 months. Interestingly, when this is overlaid with perception of value, there is a large number of customers that perceive self storage as poor value yet have no plans to move - raising the possibility that there becomes a tipping point in the future.

There is a mostly equal representation across all expectations to move out as this line largely follows the chart below. You would expect people who see storage as poor value, to move out sooner. This demonstrates that, for many, self storage is not simply a discretionary spend, but necessary despite their thinking on value for money.



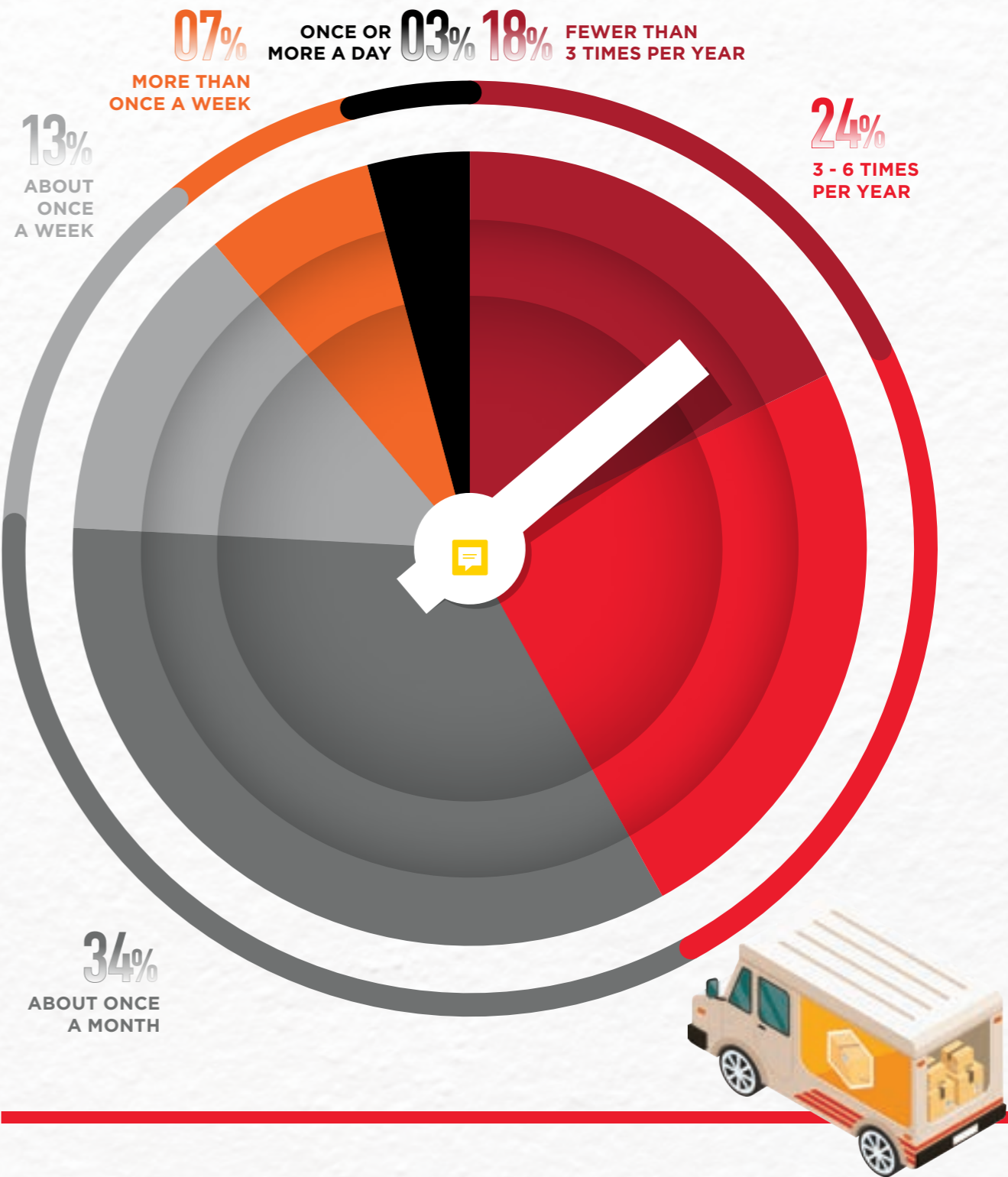
DISTANCE TO UNIT AND USE

Around 62% of customers travel less than 15 minutes to access their storage unit, with self storage largely being sold on convenience and ease of access - *“a room away from home”*. It is not surprising that customers prefer a self storage unit that is closer to where they live or work. Where customers travel further to their unit, it is likely they use their unit infrequently. Such customers could be travelling or temporarily living outside the UK.



Whilst self storage customers prefer being close to their storage unit, they also access their relative infrequently. Only 23% of customers access their unit more than once per month. When you consider purely domestic customers, this reduces to 13%.

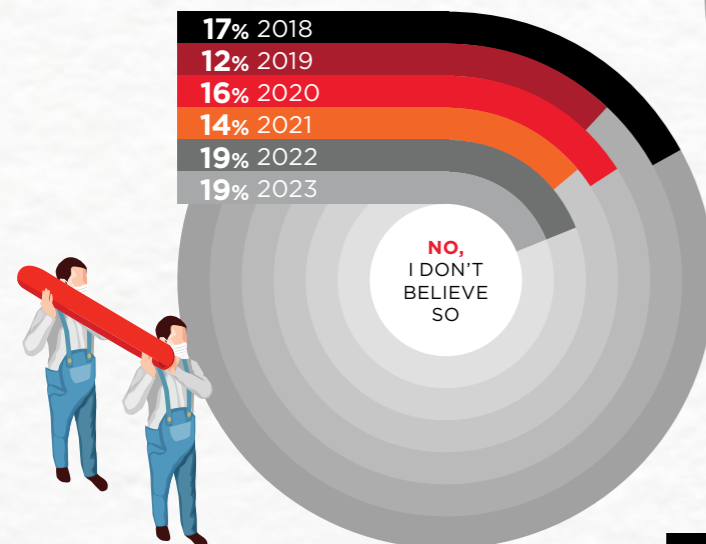
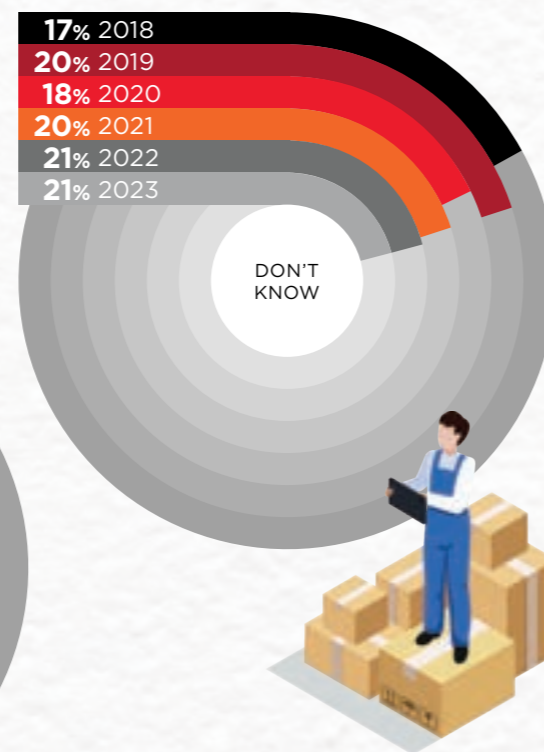
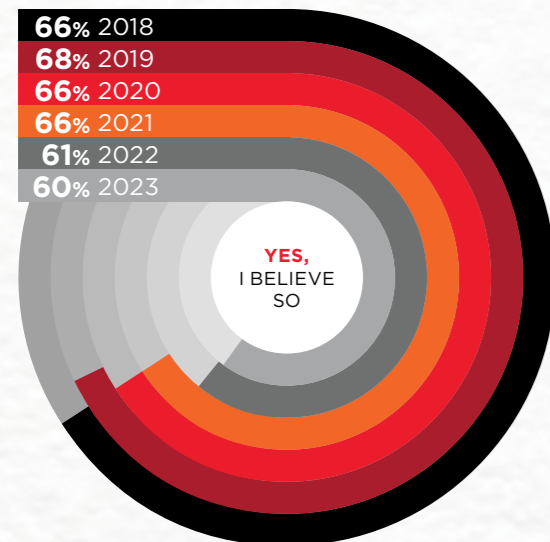
VISITS



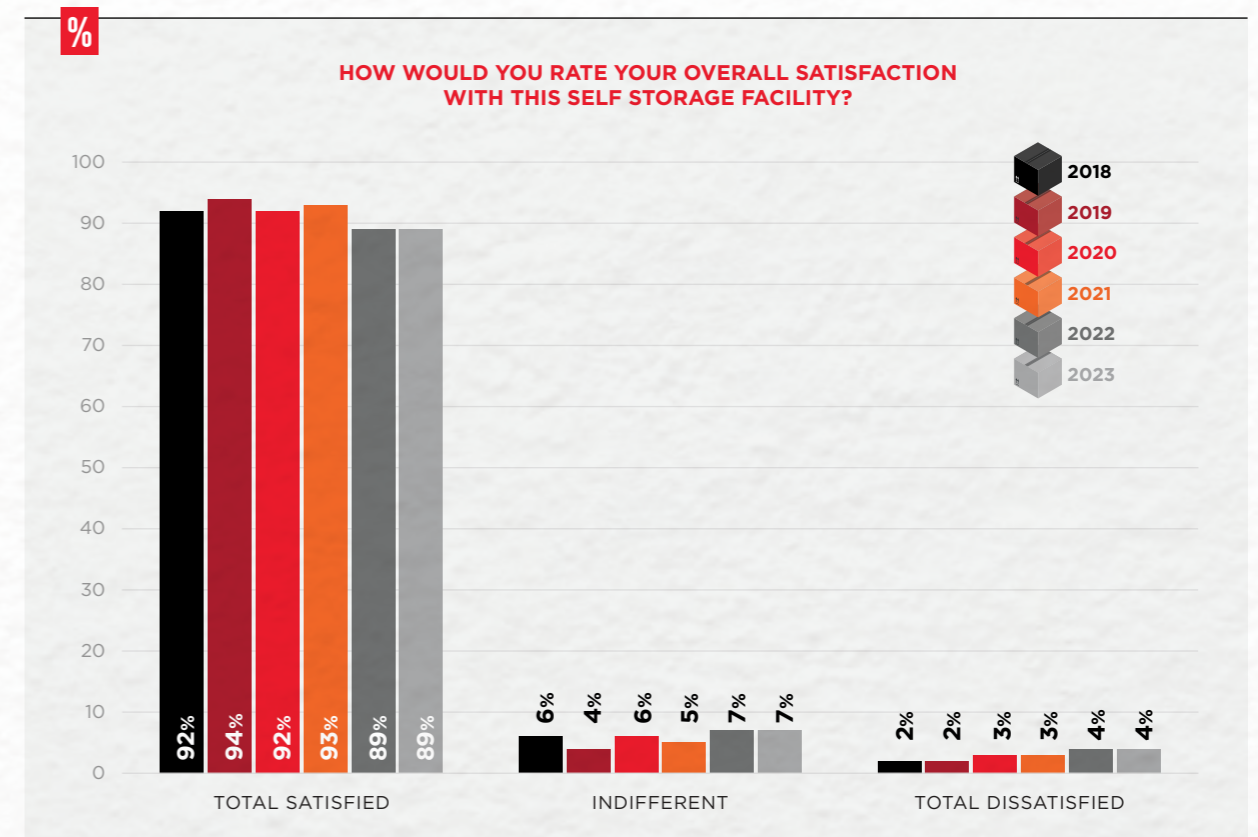
CUSTOMER SATISFACTION

The majority of survey respondents view self storage as value for money. However, the number of respondents that considered it poor value jumped during the pandemic and has remained at 19% this year. This was a period when operators were increasing prices due to low product availability and high demand. It will be interesting to see how value is perceived as the cost of living and inflationary pressures impact households and disposable income in 2023.

DO YOU CONSIDER SELF STORAGE GOOD VALUE FOR MONEY?

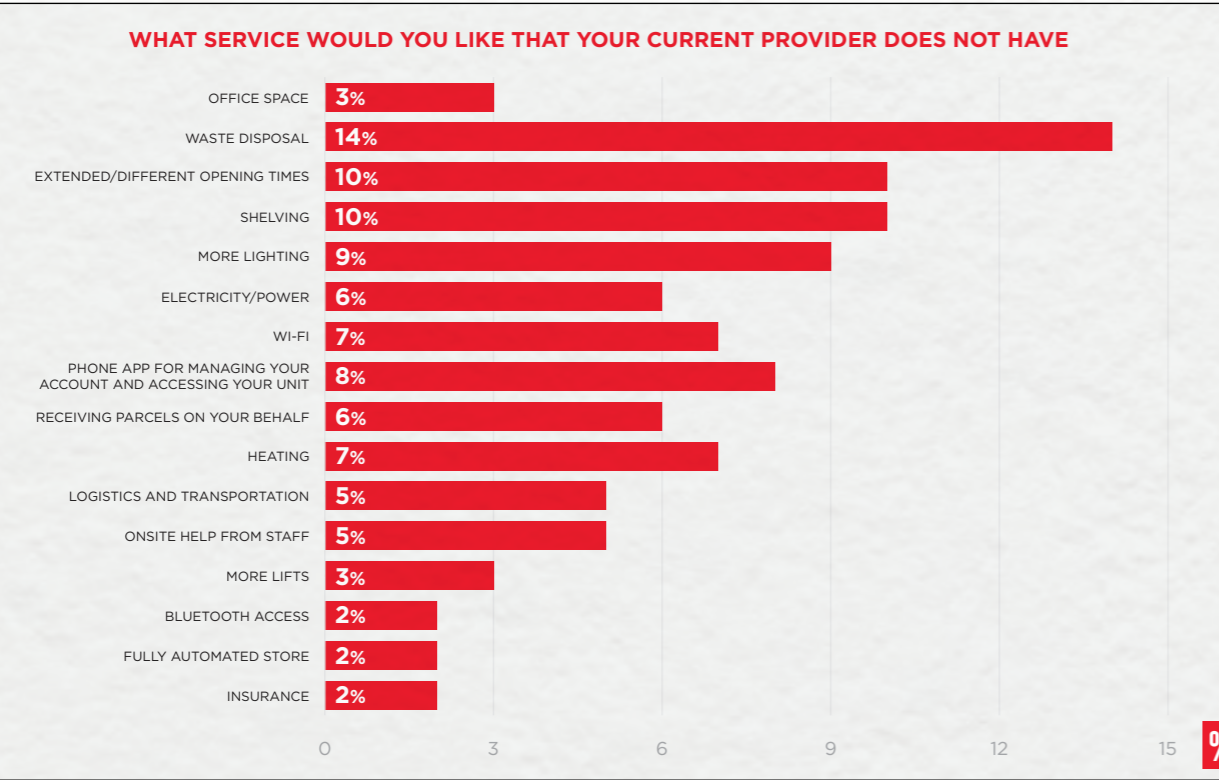


Customer satisfaction is higher than value for money, with 59% of customers very satisfied with their store. This is much higher than many other customer facing industries, especially when customers have limited options given the restriction of locations. When examining this over time, there was again a small increase in dissatisfaction last year and this did not correct itself this year.



ADDITIONAL SERVICES

Waste disposal remains the most sought-after additional service customers would like to see their store offer. Some stores do offer this service, but it does increase OPEX and can lead to untidy areas on site. When comparing this data historically, the largest increase was in phone apps for managing your account and accessing your unit, up from 6% last year to 8%. The biggest drop was better lighting, down from 11% to 9%. Many operators have been upgrading their lighting to brighter, energy efficient lighting which could account for this change. This was a prompted question with respondents choosing items from the restricted list provided.



When asked if customers used boxes or packing materials, 57% of customers stated they did. However, just over a third of these bought from their store and only 12% bought all of them from their store. There has been limited change in this statistic over the past 6 years and remains an opportunity for the industry. In markets such as the US and Australia, stores tend to be more pro-active in selling packaging materials to both customers and also non-storage customers.



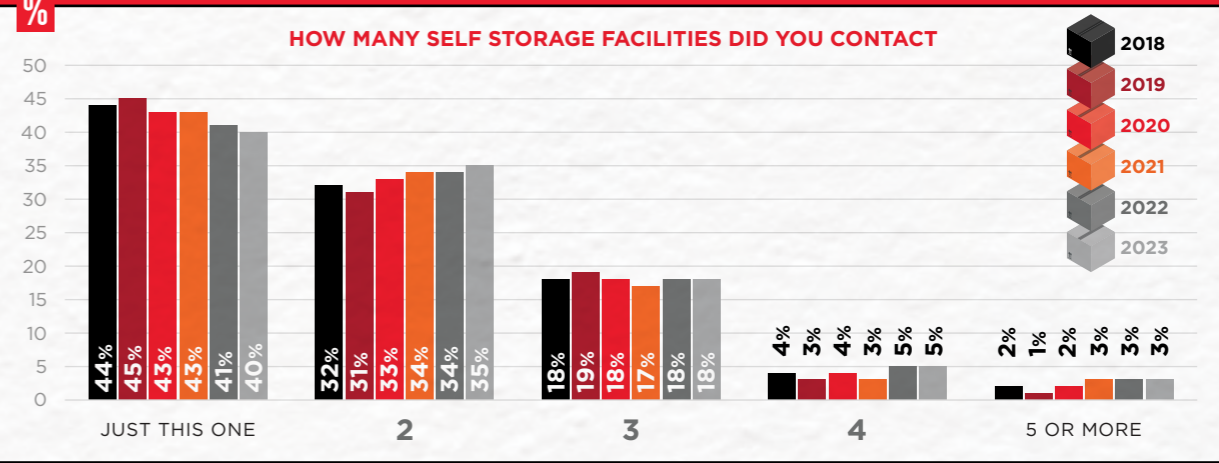
DID YOU BUY BOXES OR PACKAGING MATERIALS?



PURCHASE PATTERNS

Only 40% of customers contacted the store they finally chose and were already aware of its presence or had been referred by a third party. They could have researched multiple stores online, but then stored their items with the first one they contacted. We are now seeing customers contact more than one store, which is likely a result of online search engines and their usability.

This question included four options. These being contact either by email, phone, in person or other electronic means.



A non-cost alternative remains the largest competitor to the industry as a whole.

So called 'disruptors to the industry' of paying someone else to store your goods or having units delivered to you continue to have minimal impact on the industry with few customers considering them as a viable option compared with self storage.

OTHER OPTIONS CONSIDERED?



55% ANOTHER SELF STORAGE PROVIDER



16% A FREE ALTERNATIVE
e.g. PARENT'S GARAGE,
FRIEND'S HOUSE, etc.



12% RENTING A GARAGE
IN THE AREA



07% STORAGE WITH A
REMOVALS COMPANY



04% PAYING TO STORE YOUR
GOODS IN SOMEONE
ELSE HOUSE OR
PROPERTY



03% RENTING A WAREHOUSE
IN THE AREA



02% MOBILE SELF STORAGE
WHERE A UNIT OR BOX
IS DELIVERED TO YOU

For now, customers continue to prefer to contact a store in person when booking rather than using online means. The preference for or the ability to visit a store dropped during the pandemic and has increased in the following years but not to pre-pandemic levels. App usage remains low but continues to grow while there remains little interest in social media. The preference to contact a store through phone or an in person visit, could be linked to a poor understanding of the product. Customers would prefer to speak to someone to ensure they have the right size and understand the process. This is interesting as remotely managed sites with limited staff are beginning to emerge, encourage customers to complete the entire sign-up process online.

WHEN MAKING AN ENQUIRY ABOUT RENTING A SELF STORAGE UNIT HOW WOULD YOU PREFER TO CONTACT A STORE?



00.5%
CONTACT THE
STORAGE CENTRE
USING SOCIAL MEDIA



37.3%
CONTACT THE
STORAGE CENTRE
DIRECTLY BY PHONE



3.5%
CONTACT THE
STORAGE CENTRE
USING ONLINE CHAT



36.2%
CONTACT THE
STORAGE CENTRE
DIRECTLY BY VISITING



20.9%
CONTACT THE
STORAGE CENTRE
THROUGH EMAIL



01.6%
CONTACT THE SELF
STORAGE FACILITY
USING AN APP



CONTRIBUTORS

100 CONTRIBUTORS

THANK YOU TO ALL SSA UK MEMBERS WHO TOOK THE TIME TO COMPLETE THE MEMBER SURVEY AND SURVEY THEIR CUSTOMERS. WE COULD NOT PRODUCE THIS REPORT WITHOUT THEIR ASSISTANCE. IT SHOULD BE NOTED THAT SOME SURVEY PARTICIPANTS CHOSE NOT TO BE INCLUDED IN THIS LIST.

A&S SELF STORAGE
APEX SELF STORAGE
ADAM SELFSTORE
ATTIC SELF STORAGE LIMITED
BARN STORE
BIG YELLOW SELF STORAGE
ARMADILLO SELF STORAGE
BILLERICAY SELF STORAGE

BLUE SELF STORAGE
BWI STORAGE
CINCH SELF STORAGE
BALL BROTHERS (CLACTON SELF STORAGE)
THE SPACE PROGRAM
EASY ACCESS SELF STORAGE
FLEXISS

GO STORE SELF STORAGE
HARRISON AND ROWLEY
HILLS SELF STORAGE
HOGLEAZE STORAGE
INNER SPACE STATIONS SELF STORAGE
KANGAROO SELF STORAGE
KEEPSAFE STORAGE CENTRES
KENT SPACE
LOC-BOX SELF STORAGE
LOCK STOCK SELF STORAGE
LOK'N STORE
MAGENTA SELF STORAGE
MS SELF STORAGE
MEGASTORAGE
MYSTORE SELF STORAGE
NEWQUAY SELF STORAGE
PREMIER SELF STORE

ROBINSONS RELOCATION
SELF STORAGE CENTRE OXFORD
SHEEPLANDS SELF STORAGE
SHURGARD SELF-STORAGE
SPACE STATION SELF STORAGE
SPACEBANK DIY STORAGE
STOCK N LOCK SELF STORAGE
STORAGE KING
STORAGE WORLD
STORAGE MART
STORE & GO DERRY
SUFFOLK SELF STORAGE
THE STORAGE TEAM
URBAN LOCKER
VANGUARD SELF STORAGE
YOUR SPACE SELF STORAGE

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