

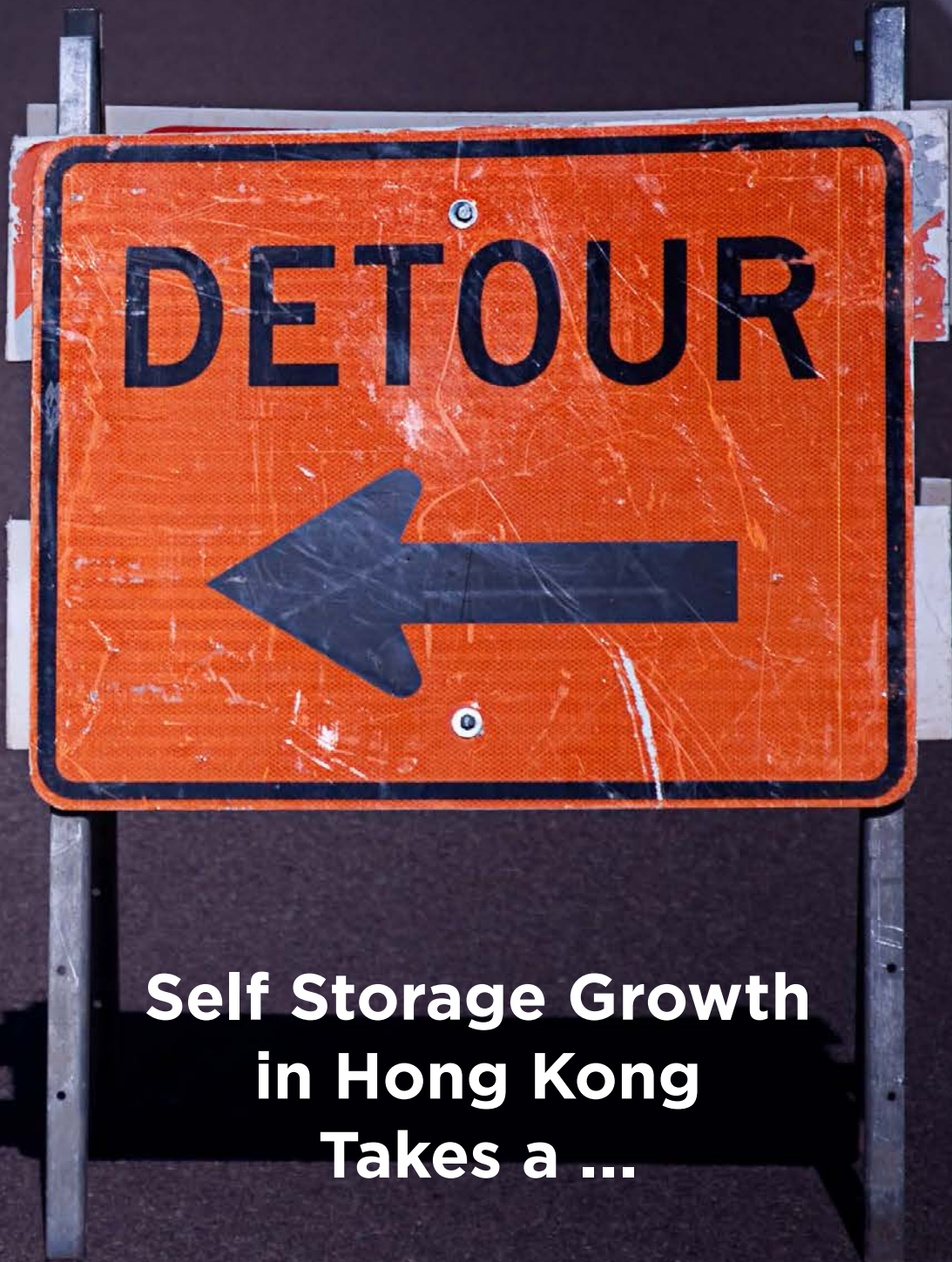
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Self Storage Growth in Hong Kong Takes a ...

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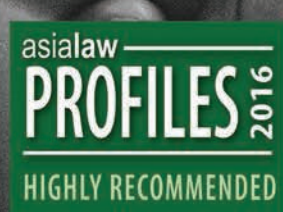
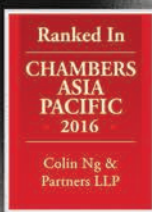
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There is a time in every industry, in every company, and even everybody's personal career where it's the 'prove yourself' moment. Since June, the SSAA (and me personally) have faced all three. In Hong Kong, a tragic accident threw the industry on its' face and has since kept us grounded in figuring out the future of the industry in this beautifully dense and populated storage-needing city. This is not an understatement by any means... the industry as we know it in Hong Kong is over.

Don't run for hills though. There is still plenty of industry to go and a very bright future ahead I might add. What will change however is how much oversight and regulations there will be on the industry, which is not a horrible thing. In truth, the Hong Kong self storage industry has lived in a gray area of gray regulations with looming rainclouds of threats, fines, and slaps on the wrist.

If regulators, the public, and other stakeholders weren't paying attention

before, they certainly are now. These groups have a microscope on us to see if we're going to make the right moves, to get to a point where everybody can gain greater piece of mind about the industry and pile in to get us to that 1 square foot of self storage per person that I envisioned in my presentation at the SSAA Expo in Singapore in May.

I don't doubt...as a matter of fact, I'm outright confident we'll get there. Take a read inside at our articles about Considerations and Perspectives from three different professionals and you'll see where opportunities can and will be carved out.

The SSAA is working diligently with all stakeholders and we're already seeing those that have no taste to improve to a suitable standard, disappear. This is not great news but good for the industry in the long run and I stand by my convictions that as we work together, we'll get up from the ground, dust ourselves off, and continue to grow.



Luigi La Tona
Executive Director
Self Storage Association Asia

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THE DIFFICULT ROAD TO INDUSTRY SUCCESS

Luigi La Tona
Executive Director
Self Storage Association Asia



The fireman continue to put out the Ngau Tau Kok fire on June 24 2016

The Fundamentals are Here

Relative to the industry growth timeline in the US, the self storage concept took a little while to take hold in Asia. The model only started in Japan in early 90s and slowly trickled to Hong Kong in late 90s and to Singapore in early 00s.

Cities grew into vertical mazes where millions of people (in some respects the population of Australia within an area codes) and a dense living culture became

the norm. Storage space was forgone for the convenience of convenience with both residential, retail, and commercial construction built around previously rural areas, particularly, as in Hong Kong's case, around industrial areas and buildings that were not being used for their intended purpose, namely manufacturing. With a rising consumer middle class, an affluent state of mind and living, increased acceptance and

awareness of an actual storage space (!) outside of one's home (Google mosquito apartments Hong Kong), and investment attracted to the shores of Asia. Aligned with the success of the industry globally, the late 00s saw the proliferation of the industry in the rest of Asia including China, Taiwan, Thailand, South Korea, and only recently in Indonesia, India, Brunei, and many parts of the Middle East & West Asia/North Africa region.

The road to regulation

While industry and investors caught on, regulators have remained relatively in the dark about the industry. To further engage these regulators when major issues needed to be addressed, the Self Storage Association Asia (SSAA), the regional body for the industry, was created to serve and further encourage industry growth. Together with a variety of member specific services benefitting members country by country, the SSAA created country specific committees in every active country to discuss fundamental issues members face and wish to address. A major part of the committee was the organization of country specific codes of conduct, a set of self regulating objectives our members were encouraged to meet in order to maintain a high standard of self storage practice.

With these in place, The SSAA is setting up the success for the growth of the industry while encouraging high standards of our members. As mentioned, government and regulators had yet to be engaged to their fullest in the industry, struggling (sometime reluctantly) to wrap their heads around the business. That was until a tragic accident in late June 2016.

The Fire and White Elephant

Due to a faulty wiring in an air conditioning unit located in one of the leading self storage providers in the country, Hong Kong experienced one of their worst blazes in half a century, burning over 108 hours and culminating in the death of two firefighters. This tragic accident shook the industry, as well as Hong Kong, to its core. (Type this URL for more - goo.gl/jf3RM4)

It put a red hot spotlight on the industry and put government on the spot to do something about it. The first thing they did, which we applaud, is try to understand the industry. Through various media reports, they came to

108

Hours the Nga Tau Kok blaze lasted, resulting to death of 2 firemen



learn about the SSAA and were quickly in touch with us. We have since built a great relationship with them and more on this later. In their drive to understand the industry, they visited all the self storage facilities and have uncovered ones that even evaded our own SSAA record, and certainly not meeting our Code of Conduct expectations of safe self storage. Minimal regulations with maximum potential for the next spark, it has given them even more to chew on about how they could tackle this very high in demand industry.

Much more so than this however, the media's own research, coupled with a fire (non storage related) in another industrial building a week later, put an increasing

spotlight on the elephant in the room – industrial building mismanagement. The self storage fire (and the other one a week later) was exacerbated by the fact the buildings had no sprinklers set up which is allowed in industrial buildings built before 1963. There are over 400 non sprinkler buildings similar to this dotted around Hong Kong and while the self storage industry does not target setting up in these buildings, in a city that is constantly fighting for more residential, retail, and commercial real estate, which all fill various 'industrial' buildings, you take what you get.

While the potential solutions of space mix, adequate availability for all classes, and the 'new' issues about industrial buildings has been given direct attention from government bodies, the fire in the self storage unit, and the awareness that regulators among others now had about the industry, put a target directly on our backs and woke the industry up to the new reality of the way this industry was going to be grow.

We took One Step Back...

The industry as a whole learned a lessons from this tragic accident and forced us to look inward about what we must to do ensure our customers' goods and their safety remain paramount. Ongoing investigations drew further revelations



Fire exit

about mismanaged storage sites and unfortunately pointed to the less than adequate ones that for all intents and purposes, was set up to be a real estate space filler for property owners until the next best industry or highest bidder came around. (ie not an industry they really cared for nor necessarily wanted to grow)

Not only did the unwanted attention bring on a dogpile of media scrutiny, but customer piece of mind dropped, and their business ground to a trickle, the industry itself was silenced from the up-beat advertising that some facilities spent millions on, the investors were left with question marks, and government bodies were all knocking on our doors demanding answers and proposing draconian regulations. At two months after the incident, the fire has had a trickle down effect on other governments around

the region which has further investigated the self storage industry in the own backyards. The ground from under the industry was rocking and it was going to take some major reflection and strategies to put the train back on tracks.

...To Take Two Steps Forward.

Governments, media, and stakeholders all demanded answers and the SSAA found the opportunity to engage. Associations will continually beat their respective community drum, identifying power in numbers – whether that be physically, or simply the shared knowledge those shared numbers can get their hands on at any given time. SSAA members were quick to harness the power of one as we like to call it. One group with One voice and One Purpose.

Through the Hong Kong Self Storage

The industry as a whole learned a lessons from this tragic accident and forced us to look inward about what we must to do ensure our customers' goods and their safety remain paramount

Committee, SSAA members formulated immediate strategies and goals about media and government engagement with the SSAA taking the lead on both. Like never before, the community came together to work on the task at hand armed with over 100 years of self storage



Hong Kong flats are small and dense

facts, figures, and opinions from those that had been there/done that. You'd be surprised (or not) about all the hidden nuggets of knowledge on how best to engage.

As you can imagine, the Hong Kong government has been active in the industry with some members (but many of our non members) receiving notices with advice on how to tweak a variety of building and fire safety issues or face penalties. With our Hong Kong committee, the SSAA has engaged the government directly in meetings and through letters. Initially there was a lot of high level talk about the heavy changes the industry might face but since then the heaviness of the proposed changes by the government has lightened up. We've worked with them in order to help them understand a bit more about the industry and what makes sense for the safety of the Hong Kong people, their goods, and the industry itself. Through the SSAA's direct engagement, with both formal and informal meetings, we're currently in the process of getting the model right...a model, with regulations and standards, that will be universally accepted in Hong Kong, something that all stakeholders welcome.

I'm actually quite serious that regulations are welcome. Hong Kong more than many places is known for its gray areas and self storage is no different. As a matter of fact, there are a few shades of gray when it comes to multiple regulations and in multiple government departments. Turning all those gray areas into bright colours is a good thing. Investors were particularly drawn aback from what transpired and they demanded answers. What's happening and when is it going to be solved.

With regulations in stone, investors and suppliers will all have their focuses... and trust me when I say there are plenty of investors waiting to pounce. Those that love the business continue to love it and smell the opportunity in the current uncertainty.

Regulations however cannot come unilaterally. In multiple occasions, to the media, to our members, and to the government, we have voiced our support for working hand in hand with the government in order to uncover these regulations which will be suitable for



Self storage units

Regulations however cannot come unilaterally

the industry, the Hong Kong people, and the government. So far in our current government collaboration, so good. As a matter of fact, our local government bodies recognize the SSAA as the leader of the industry and refer not only all their questions to us, but also non members seeking answers. How's that for collaboration!

Further than Hong Kong however and across borders, the SSAA has taken the time and spoken directly with members in each country committee to inform them about the accident and how the Hong Kong Committee is working through it. These lessons have proven invaluable for a healthy, safe, and sustainable growth of the industry for the long term future.

Having heard about the fire, and with smaller incidences in their own countries, the Taiwanese and Singapore governments have also jumped into the fray in hopes of learning more about self

storage. This has allowed us to engage directly with them.

While there are many more steps we can take forward, and though they may come with heavy feet as we work our way in this direction, it is nonetheless in a direction our members value for the long term success of their business and an industry they value.

The silver lining

When anything this tragic happens, there can hardly be a silver lining. Two firefighters lost their lives, many people lost a loved one, and a lot of people lost meaningful possessions.

Where the silver lining is, it's here and now, in the actions we're working hard on to continue this great industry. Tragedies like this don't have to happen and as in all industries all around the world since the industrial revolution, industries have worked hard to improve...or perish. The public, the government, well meaning industry peers, and the world demands it.

Between industry advocates, government, investors, and public engagement, the opportunity to spurn meaningful dialogue followed by even more meaningful action on where we can take this industry now and for the next 100 years, is being captured at this time on this, the difficult road to industry success. ■



Prohibited Activities

严禁进行以下活动

Activities 活动



Lodging
住宿



Cooking
烹饪



Pet Keeping
饲养宠物



Smoking
吸烟



Prohibited Items

严禁储存以下违禁物品

Dangerous Goods 危险物品



Aerosols
气溶胶



Gasoline
汽油



LPG
液化石油气



Paint
涂料



Thinner
稀释剂

Batteries 电池



Batteries
电池

Other Dangerous Goods 其他危险物品



Toxic
有毒



Corrosive
腐蚀性



Oxidizing Agent
氧化性

Gunpowder / Firearms 火药/枪支



Ammunition
弹药



Dynamite
炸药



Firearms
枪支

Any violations to the rules will result in immediate contract termination & forfeit of deposit.

如发现任何违规行为，本公司会即时解约及没收押金。

With the advice of experts for fire safety 已参考消防专家意见

Considerations and Perspectives

Government Policies

A crisis in any industry, especially one as new and flourishing as the self storage industry is in Asia, is a scary thing to consider. There is a lot at stake for investors, current owners, managers, as everything they stand and have worked on for can change in a flash.

On Tuesday June 19 2016, exactly this happened. Faulty wiring in an air conditioner turned the attention of every major and minor stakeholder of the industry to a position on the defense. From a wholly celebrated industry, it became an industry that now or never had to step up to the plate and show that we are here for the long term and committed to do the right thing for the right reasons.

Your SSAA, with the help of many great minds across the

industry, was a central part of this action. Our office took the lead with all government interactions, group strategy and planning, media interviews, laying the regulatory foundation for the future of the industry, and much more.

Since then, normal function is slowly resuming but the industry has yet to recover from the aftershocks. Multiple government meetings, media campaigns, closed door member strategy sessions, letter writing, and much more still continues as it will for months more.

To this end, various stakeholder have not only been affected, but have their own considerations and perspectives about the new reality of the industry, and where it is headed.



Peter Churchouse
Director
Asian Property Services

Peter Churchouse is a regional real estate investor and has dabbled in all sorts of real estate for decades. He headlined our Self Storage Expo Asia in 2016 and is sharp in his considerations about what could happen after this crisis. Aware and not afraid to get to the base of it, he went to the top office.

What has changed in the industry because of this tragic accident?

Change in industrial building activity is not an issue that has come out of nowhere. It has been going on for some time and comes down to government planning. “What has changed in recent years is really due to changes in government planning and legislation. There may well be further changes in the future driven by the terrible results of the recent fire related tragedies in industrial buildings.”

As Peter goes on, he describes the peril that industrial properties in Hong

Kong are in. “Government legislation has allowed industrial properties to be used more and more for non-industrial uses such as commercial or quasi commercial uses. Cooking studios, galleries, clothing outlet stores, schools, for example. This has been logical enough as hard core manufacturing and industrial uses have moved north of the border to a large extent. There is a growing need for more service oriented space users. These activities can and will pay more rent for this than many standard industrial uses. This has driven the rentals up and the yields down.

To buy industrial property for industrial type uses like self storage is increasingly difficult and uneconomic. The self storage users cannot pay as high a rent as many quasi commercial users who are locating in traditional industrial buildings. Rental affordable for storage users is closer to traditional industrial uses than to commercial uses.

Government has allowed buyers to renovate or repositions industrial buildings to accommodate non industrial uses. Tenants get kicked out, owners upgrade the physical condition of the buildings, and charge a much higher rental than traditional industrial users building would be likely or able to pay.”

Returns can be quite high which makes this type of property conversion attractive. This however gets rid of a lot of traditional industrial space that could have been available and “has changed the industrial market significantly, relative to where it was 10 years ago”.

How low can supply go?

This alone is a scary scenario as developers and owners may be motivated to offload industrial use sites, particularly older buildings. The recent fire however, has focused government attention the issue of old industrial buildings and according to Peter, many older buildings days may be numbered.

“The government will probably get tougher with fire regulations in industrial buildings and may make it easier for owners of old and antiquated buildings to knock them down and redevelop.”

So you think because of this fire, the whole perspective of how they run these older buildings could change?

“Very much so. Older buildings, say 50 years or so, that do not have sprinkler systems may be determined “dangerous” and subject to new rules, some of which

may be an opportunity for building owners. For example this may encourage government to allow, or even force some older buildings to be knocked down. Government could possibly place demolition orders on some buildings, maybe even pay compensation and just force them out of the market on safety grounds." This is something that Peter is very confident that the Hong Kong government can do easily.

This however, would take the already extremely hard pressed industrial market class and make it even harder pressed. "They wouldn't be able to do this overnight and could take more than 10 years to execute, but they have changed legislation for industrial buildings in the past."

Peter thinks there may in fact be enough of a pull to redevelop large industrial areas for other uses. The demand for mainstream manufacturing based activities has diminished, but demand for lighter kinds of semi industrial uses such as logistics and storage, technology to service Hong Kong's role as a globally important shipping, transport, centre and its policy to encourage the technology industry.

"I think you might find that they will introduce legislation that makes it either desirable, necessary, or easier to redevelop these buildings. Many older industrial buildings are functionally obsolete. I think there will be legislation to encourage their redevelopment, and maybe even pressure to ensure that happens."

Specifically he says, old buildings that are viewed to have safety issues may more actively encourage government to introduce such measures. "Government can invoke safety concerns as a means to get that kind of legislation passed."

Sprinklers is a huge issue and "the cost of putting in sprinklers might be so huge, how do you get that done?" He goes on to mention that if building redevelopment is encouraged along it might come along with certain sweeteners such as higher plot ratios, higher value added use, and possibly added financial incentives." The incentive can come by way of clumping multiple old industrial buildings together which might allow for a greater development, with a larger plot ration to take place of that district.

While he agrees this might be good news for exiting owners of old buildings but it might not be so good for our industry as it might reduce the amount of space available – which is already in low supply.

Where does this leave the industry?

"There is already a shortage of suitable industrial space for our industry given the growth of non conforming uses being located in industrial buildings. It poses the question of where it will leave the industry, especially if large numbers of industrial buildings are redeveloped for different uses"

"This fire may lead to a review and what can be done about non conforming uses in industrial buildings."

The first issue is removing activities that should not be in industrial buildings. "I think government will clamp down on uses that are not designated or suitable for industrial building as a result of this fire" . "Some uses have always been deemed unsuitable or illegal but this fire will likely prompt government to take action. There has perhaps been a bit of turning a blind eye in the past."

The second issue however is why? Why are people using these industrial buildings in the manner they are using them anyway?

"Why are people living in these industrial buildings? Because flat are so horrendously expensive! Why are people putting schools and churches in industrial buildings? Because prices and rents are so expensive in commercial buildings. This drives marginal users [the ones that are rent sensitive] into industrial buildings. This all comes back to a perennial problem of inadequate land supply by the government across many property uses."

For many years there have been lease conditions and other controls that limit and determine the uses that can locate in certain buildings. But these uses have crept in over the years as landlords and government have perhaps not fully enforced the uses established in planning and lease conditions. To some extent this situation may have reflected government's inherent recognition of the need and demand for suitable space to accommodate these uses. There is inadequate space in more suitable buildings - demand exceeds the supply of affordable space for such uses.

Peter, in his most frank way simply stated, "Yes, government has perhaps turned a blind eye to it due to the pressure of demand."

So, if someone built a residential unit in an industrial site, surely the FSD would have to inspect this before it was allowed to continue?

"In theory yes, but a considerable amount of industrial floor space has been quietly converted by enterprising owners and tenants to residential, or quasi residential use without the knowledge of the authorities."

"About 6 years ago or 7 years ago government launched a huge campaign to identify unauthorized building all around the territory. Government employed a veritable army of consultants, to review buildings all round Hong Kong to identify UBW's in all types of buildings and locations. This included aerial views." He continues, "But what they haven't had recently is a blitz on unsuitable or illegal uses in certain type of buildings... and I think they're going to do that now, certainly in industrial buildings. Non conforming uses for industrial buildings are going to be under the spotlight for sure"

But that's going to empty out industrial buildings!

"Well, what's illegal and not illegal is often a bit of a gray area. I suspect there will be more regulations on what these spaces are used for including specific proposals for self storage. How they will do that, I'm not sure but they may but more onerous rules. What may be the outcome of this is more onerous standards on the owners of buildings for fire safety provisions in the building itself and on the occupiers to ensure that storage is not to be used for dangerous goods storage and other potentially dangerous goods - for example certain chemicals."

"The Negative is that I believe certain older buildings are going to be forced, encouraged to disappear to the extent that if you're in those buildings, your space may be at risk. But on the other hand, on the buildings that are still remaining, the non conforming uses including schools, churches, restaurants, living – they will go through these buildings one by one and push these uses out. This could free up space for more conforming uses ... such as storage."

Indeed, Peter sees a sea of changes coming to industrial real estate in Hong Kong and it will be the investors that are currently sharp on the market and knowledgeable about building uses that will ultimately prevail. This however means that those who are caught up in these changes, and not willing/able to ride this wave, will be swept out to sea. This will usher in a new age for self storage in Hong Kong. ■

Considerations and Perspectives

Investors



Simon Tyrrell
Managing Director
Palmer Capital

Self storage needs to be in industrial buildings and needs to be next to residential and commercial hubs.

Simon has been part of the SSAA for a number of years and his company's interests run not only in self storage, but in other niche asset classes. He has never backed down from sharing his opinion about the industry and as an investor, has his own individual concerns.

A lot has changed in the industry since this tragic accident and as a self storage investor, what are some of the most important things to consider right now?

As an existing investor in the self-storage industry, transparency, regulation and market data are all fundamental drivers to protecting our equity and hedging any downside risks. The industry however is still very opaque making it hard to accurately benchmark important performance indicators such as investment returns, market pricing, occupancy levels and alike. On top of this, there is now a big question mark being raised by the various governing bodies on permitted use, facility design and compliance within the envelope of an industrial building. This is all very concerning and in truth we think it will curtail, significant ongoing institutional investment until the SSAA can lobby the powers that be to define exactly what is required for a facility to be 100% compliant with local laws.

There is ongoing money being invested, but prospective joint venture partners will be very cautious in their approach, as there is an enhanced risk of funding a massive expansion plan on perceived industry standards, only to find that the regulators could change their minds tomorrow on corridor widths or fire access points etc .

Until some of these matters are resolved I believe that there will be a general step back of the more conservative style investors to ensure that the market demand is there, and the 'grey' areas in respect to land title, fire services and alike are made clear. I know this is all being worked on by the SSAA but for long term investors in the industry, it can't happen soon enough.

Investors have told me about their growing interest in the sector, particularly with the 'carnage in the sector'. What are your thoughts?

If you are an opportunistic style investor I would say that with the right operating partner you are approaching a "perfect storm". The real estate markets are softening , the industry is in general distress, and the 'market' is heavily fragmented with multitude of smaller shops who are capital constrained.

Whilst the above is the case, I would be quick to add that one needs to be very selective on prospective investments to avoid taking on assets that are potentially non-compliant with the current or future regulations, as the associated risks will be huge.

Will investors just wait until the government sets the rules or will there be some investments here and there?

In an emerging sector that is going through 'challenges' the most difficult call is when to catch the falling knife? In this instance as the uncertainty is more political than structural, it is even more difficult to tell when might be the right

opportunity to jump in.

We are confident that investment will not stop, but instead we see a slow down. Generally the larger global capital sources that are looking at this sector are very risk adverse, thus not conducive to deploying large amounts of equity until there is some form of clarity as to what's going on. For those with a higher risk threshold however ... there might be an early mover advantage!

Where is the opportunity right now?

For the Governments there is the opportunity to gain the confidence of the population they serve by working alongside the SSAA to put in place a series of checks and balances across the sector, and promote self regulations so that our ultimate clients [the customers] can trust that something is being done to protect them.

For the self-storage Industry there is an opportunity to 'up their game' and beat that benchmark. We expect at the end of this whole ordeal there will be a two tier market of self storage providers in Hong Kong, i.e those outside the SSAA with a shorter term, marginal view on working within the recommended industry framework, and then those who are very much part of the SSAA and who want to set the 'gold standard' and lead the industry growth for the future.

For the Investors the opportunity is to select the right operator to back !

Where is the future of the industry headed because of the crisis?

"Like it or not, the self-storage industry is inextricably linked to the residential

markets. Both need to work in tandem to succeed. We know the Government have aggressive plans for the provision of residential accommodation [including a Long Term Housing Strategy from the government that wants to see more than 480,000 homes built in the coming 10 years] but as the average size of each of these units compresses, additional support will be required from the self storage industry. In time (as has been proven in Western markets), self-storage can (and will) become part of our day to day lifestyle – accessible for everybody, but we still have a way to go to achieve this.

Self storage needs to be in industrial buildings that have good access to multiple modes of transport and are close to both residential and commercial hubs. The proposal to limit the industry to a few designated buildings, will not work, as whilst it might be good for the Government, it will be horrible for the industry. We are however currently in the hands of the SSAA and its members

to come together as a united force to assist the local Government in defining how to utilise self-storage in these older industrial buildings.

So then, as an investors, where is the future?

At the end of the day investment into this sector is a real estate play, providing an alternative use to otherwise old or dislocated industrial buildings across Hong Kong. The ongoing issues are that the local real estate markets are tightly held and comparatively more expensive than other Asian economies, resulting in much of the current market operating through occupational tenancies. This reduces security of tenure for the operator and maybe has been responsible for the reduced level of investment that might otherwise be placed into a ‘self owned’ facility. We have no doubt that this has been a contributing factor to the position the industry finds its self in today.

Going forward, we still believe that success is all about being able to control

the underlying real estate, especially if one is to build a long term sustainable operating business.

If it was my money, now is 100% the right time to be [investing] but one needs to be pragmatic and play the long game to get the model right, which is not necessarily consistent with traditional direct property investment !! ■

480,000

Number of homes the government plans to build in the coming 10 years

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Considerations and Perspectives

Facility Managers



Alexander Chung
Managing Director
Hongkong Storage



Alex Chung runs Hongkong Storage together with his two brothers, the company was founded in 1997 in Hong Kong, and expanded its network to Mainland China in 2015. Hongkong Storage is one of the pioneer in Asia Pacific self storage industry, it has been focusing on premium customers with high quality standards in terms of services and facility. Alex believes this is an opportunity for Hong Kong self storage standards to fundamentally take a step up after the incident.

As a facility, what is the most important thing to consider right now?

“Facility management is very important and we always think on how to improve the user experience including [improvements on potentially dangerous areas such as] electrical equipment, fire equipment, plus we work together with the landlord.

Fire safety is one of our key concerns because we know that one incident will be disastrous for the whole facility. [The industry needs to] do as much as we can in order to [provide a safer environment]. A clear understanding of everything that is happening in and around our facilities is key. Staff awareness is included which makes up of fire training as well as extra security training classes.

Education to customers is also important to let them know about the safety of the facility, the prohibited activities, the prohibited items, and the general conditions of the facility.”

What has changed with the new reality of the industry?

“In Hong Kong, there are no rules and regulations for self storage and I know the SSAA has been working with the government. Before though, [the government was silent] on the industry, but now the departments have started to focus on the importance of the industry.

Before the fire, anyone could brand themselves as a self storage company – no licensing. But now that the SSAA is working with the government, [perhaps licensing will happen] and this is good in the long run because from now on, we have rules to follow, regulations, and industrial standards that we can appropriate to the business.

The SSAA had their code of conduct, but few small companies responded. Each had their own agenda. Cost is everything and for the big operators, there was less problems.”

Do you think it’s going to go as far as licensing?

“It’s going to take time. [Other industries have gone the same route] and while self storage is a young industry, this is a good chance for the Hong Kong government to really start a dialogue with the industry.”

Where are the opportunities?

“For the government, Self storage is a new industry in HK and it is needed in HK. This kind of self storage can help the people increase their quality of living, the industry is good for society. So after the incident, everybody knows about self storage. It doesn’t start from a good point but no matter what, they know [the industry]. Emphasis on the industry on how it should grow [should be key for all stakeholders].

For facilities, the opportunity is to give more value and explain their own story of why [they run their business to high standards]. [Further than this], good players have more opportunities to receive investment. [This tragic accident] encouraged investors to look for good companies and perhaps alienate smaller companies that don’t want to be committed to the industry. The small players may face challenges ahead including decreased customers, demand, increased costs, and thus decreased investments. They [either] won’t be able to meet the good requirements that should be done by each player, [or won’t want to bother doing so].”

So then, where is the future headed?

“The future is now. It is not a good story but it encouraged the government to work together, work with the industry body, and formally regulate the industry. Give attention to the requirement of the industry and it showed that facility management is a very important part of the industry. We need entrance barriers. We need some qualifications. [For this, and] hopefully in the future, the SSAA can do qualification [testing, which will encourage more] members to follow the code of conduct of the SSAA.

The case itself will help the good operators move forward and it gives a chance for everybody to rethink their strategy and improve themselves. Yes, Hong Kong is a good place for self storage but with over 100 companies, we need quality operators, not just a quantity of operators.” ■



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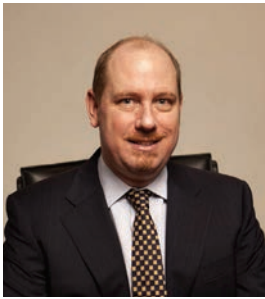


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Investing in an Evolving Market



Mike Hagbeck
CEO
Minibox Self Storage

Smart investors love certainty. The more certainty we have, the easier it is to do our risk versus reward calculation. Experienced self storage operators understand their capital and operating costs, they know their rates and generally have a good idea of what the occupancy growth rate will be.

Unfortunately, right now the Asian self storage industry is going through a period of change which has the potential to deeply impact how we think about our business.

So, where is the change happening?

One key area of evolution is in the regulatory structure that we need to work within. In Asia, there are few markets with self storage-specific regulations. However, after several recent fire and dangerous goods incidents, regulatory authorities are scrutinising our business. If we are not able to manage their response, there is a high risk that self storage will become an uneconomic undertaking.

The Asian self storage market is at another transition point, where the risk-taking entrepreneurs of the early days are being joined by big institutions such as Evergreen, Singapore Post, Capitaland and Blackstone. Should these operators decide to deploy some serious capital in a wide ranging roll-out, they will have a profound impact on existing operators. This could be negative in terms of market

share, but it could also be positive if they invest in strong marketing that grows awareness of the self storage industry amongst the wider public.

Technology can serve as another catalyst for market evolution. 3D printing for example or the as-yet unproven valet box business. Perhaps more likely, developments in operating and access control software could make operations more efficient.

Now, what is not evolving?

For a start, mathematics has not changed. Accurate return on investment calculations still use the same formulas that they always have. Knowing our own numbers and factoring in some increased external risk will still allow us to make confident investment decisions despite greater uncertainty.

Despite their increased interest in the self storage sector, banks and financiers are still risk averse creatures. To get funding from them, they still want to see conservative business plans, backed by realistic numbers and lots of comparables.

Customers are still demanding. If we focus on making them happy, we will always have a strong business.

Demographic dynamics in Asia are still in our favour. Population densities are increasing and incomes are rising. Asian consumers are buying more and more stuff which will eventually need a





Customers are still demanding. If we focus on making them happy, we will always have a strong business.

home- and house sizes are not likely to increase.

To a great degree, how we, as operators and investors respond to the evolution of the self storage market, depends on whether we have a long or a short term investment horizon. I would say that there is clearly a higher risk for a short term investor as they will have less time to work through difficulties or a downturn in the economic cycle. So, make sure that you are as clear as possible on what your exit strategy will be.

Understand what elements of your business are fixed and dependable. Then try and understand what is variable. Break this down again into what you can manage and what you can't.

The big risk is obviously what is variable and what we can't manage so we need to limit our exposure to this as best as we can. This comes back to the concept of accurate pricing of risk.

For example, purchasing insurance such as business interruption cover, can protect your cashflow from many unforeseen events.

Another way to reduce exposure to risk is by avoiding leased property. Whilst this is a challenge for operators trying to expand in a hurry, leasing exposes us to external risks caused by landlords or other tenants. For example, the owner not renewing the lease or excessively increasing rates on renewal or it could be theft, water or fire damage caused by other tenants' misuse of the property.

Owning property protects a self storage operator and our customers from this, though there is of course interest rate and regulatory risk inherent in being an owner. However, you are changing variables from ones you can't control to ones that you can. Plus you get the upside in the value of your property, rather than the owner.

In summary then, we need to acknowledge that the market is evolving and in some ways becoming more riskier. However, this risk can be managed and potentially even turned into opportunity. I wish you luck in doing so. ■

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Piece of Mind - Security

Ben Parsad has been in the self storage security for years and is no stranger to the technologies that works best. Here he adds piece of mind for current members that require smart security solutions."



Benjamin Parsad
General Manager
PTI Australasia

Self-storage facilities have evolved over the years from a drive up units style with mum and dad managing the facility and living on premises. They are the owner, cleaners, managers and security guards with minimum monitoring facilities such as access control or CCTV. Due to the type of building design there is very little regulation requirement to have fire sprinklers or emergency communication facilities.

We have witnessed over the years, as land prices get higher and demand for storage increases, the self-storage building design have changed.. With this comes different types of building design for self-storage and with it the technology requirement to manage these buildings.

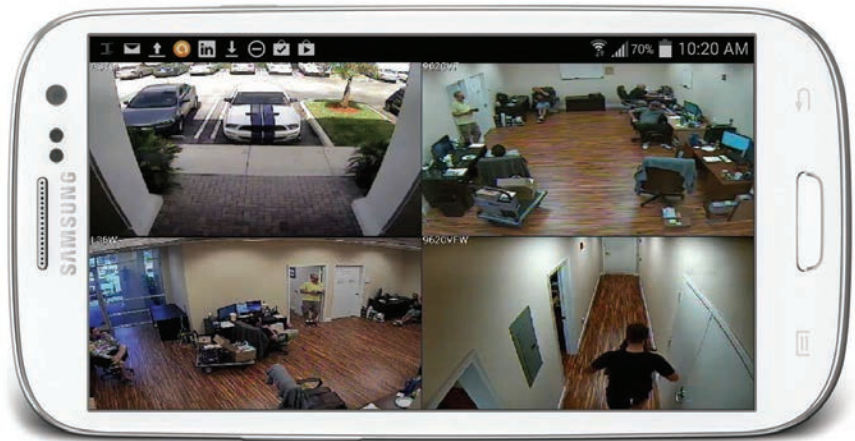
Security technology is now a vital part of self-storage operation, with utilising technology for controlled, monitored access and CCTV monitoring. Giving you a fully lodged, with camera footage, record of who has come in and out of your facility. This data can be accessed at any time form your PC, the Cloud or you even on your mobile device.

Ensure that access to site is well planned

If you are looking at starting in the self-storage business then it is great opportunity to look at your facility design and your operation requirement for the following:

- Gate access - if the facility has a gate as its first point of secure entry
- Roller door access - if the facility has roller door loading bay as its entry point
- Door access - if the facility has door access into the building or with in the building
- Lift or Elevator access - if the facility has controlled floor access

In most cases operators only think of method of entry and exit when all equipment are operational. Plan ahead



and ask the following questions:

- How will the system operate in the event that there is no power to the gate motors, roller door motors?
- How can your storage customers exit the facility in the event of a power failure?
- How can your customers exit the facility if in the case that the access system was damaged by vandal or technical issue?
- What would happen if the gates/ rollers start closing when customers are at the loading dock?

Consider all the above points to ensure you are equipped to tackle these situations

Security Technology is now a vital part of self-storage operation

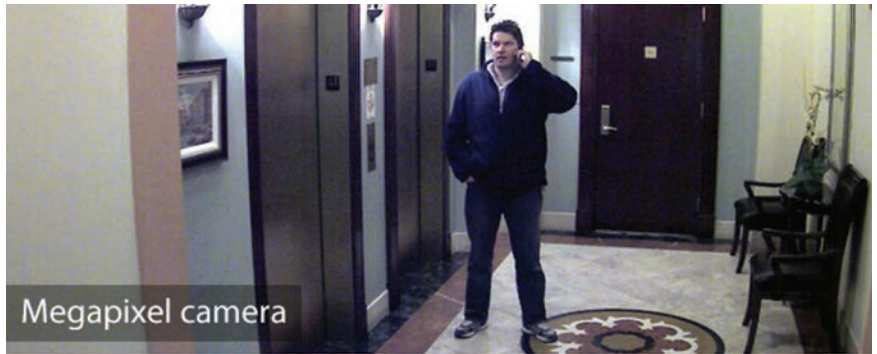
is a key strategy. In most designs the gates will have a pedestrian free to exit gate, the gate has motors that it can be manually opened, rollers door have safety beams and elevators are equipment emergency phone to contact lift service providers in an event of an emergency.

Technology standard suit for purpose

Design for purpose can be a hard concept if you are new to the industry. You may not be aware of the general self-storage practices to monitor more closely than others. An example of this will be CCTV camera solutions have become commonplace in self-storage facilities. These devices are very helpful for documenting crimes, vandalism or accidents. Most of the time the more cameras you have is better, but the questions is are you monitoring the correct area or part of the business? Do you want to have a footage looking at customers walking up and down an aisle/corridor or looking at important footage monitoring activity at the loading

dock ensuring customers don't bring in any hazardous good such as gas bottles, flammable liquid or anything you suspect dangerous to store as per the self-storage agreement? Understand your requirement and strategically put in cameras in key location so the CCTV technology assist reduce risk to your facility and customers goods.

A common issue that is seen in the many startups is cost of equipment/technology, often seen the cheapest option is accepted but is this suit for purpose? Take CCTV as an example. Your facility can be have a lot of cameras covering a lot of points of interest BUT is the quality of recording can be used when required? There is are some very cheap options such analogue system and there is medium to high priced hi resolution IP CCTV systems. When you replay footage it's not even worth looking at a cheap analogue with low resolution system. Take this picture below as an example. When the time comes to use the CCTV technology help you identify someone, the analogue just does not cut it. In other words its useless, so why invest in it when it can't do the job.



Analog vs megapixel camera

Technology integration

Is there always an owner or manager at your self-storage facility? The answer is most likely no. Incidents can occur when you are at home on the weekend or on holiday. As technology continues to move forward, so do customer expectations of services you can provide for them during office hours and after hours assistance. New mobile applications provide you with the capability to control your self-storage property from any place at any time using your smartphone or tablet. Manage your facility from remotely monitoring opening/close facilities gates

access logs, individual unit alarming and door monitoring, see who is on-site or what activity has been happening via camera footage to emergency integration access points and communication. Technology has come a long way with vendors collaborating to improve the services so you now take advantage to help customers and preventative measures.

Other potential integration would be with other main services such as fire alarm panel integration with security systems to do one of or all the following

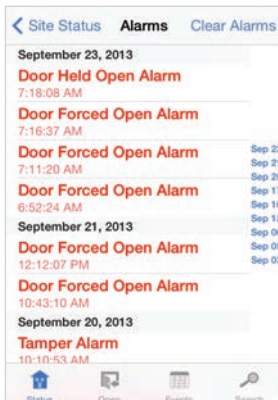
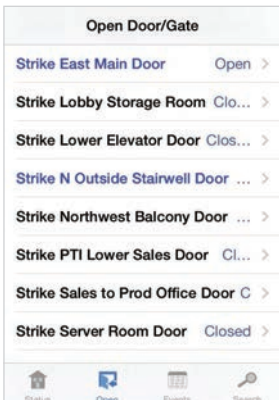
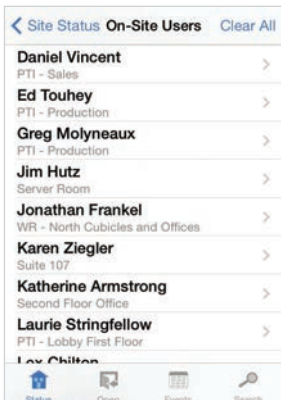
Some access systems and doors can be

setup to integrate with fire panels that in the event of a fire when the alarm goes off it triggers all doors, gates and roller doors to automatically open and stay open for quick emergency evacuation.

Some access systems can be setup to integrate with fire panels or smoke detectors that in the event of smoke alarm activated it send txt message or an alert in the event log to alert the relevant party. Note that the mandatory and default notification is through to the fires services and app integration secondary which serves as a notification ONLY, however this will help you quickly get notified identify by using your CCTV app to see what is going on at the facility with swift action

Facility and Equipment maintenance

Facility owners will agree proper facility maintenance is one of the most important ways to keep a facility safe. From ensuring clear safe work place to leaks to poor lighting to faulty gates to fans and other equipment regularly monitoring all aspects of a facility allows owners and managers to monitor safe operation on potential hazards and address them before accidents happen. ■



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Australian Self Storage

All the Signs of a Mature Market



David Blackwell
Director
Urbis



The growth of National Storage Real Estate Investment Trust (NSR) as self storage specific listed investment has heightened awareness of the self storage industry in financial and banking sectors. National now has 94 storage facilities throughout Australia and New Zealand. National's FY 2016 results showed total value of assets at approximately \$A620 million. National has successfully continued to build its portfolio through acquisitions. In June 2016 NSR completed their largest transaction with the acquisition of the

90% interest in the 26 facilities (13,000 storage units) in the Southern Cross self storage portfolio (controlled by Heitman) for the consideration of approximately \$A285 million. NSR has also completed an additional 26 acquisitions in Australia and New Zealand in FY 2016. These additional acquisitions totalled approximately \$232 million and added 16,000 square metres of storage space to their portfolio.

The two other major investors in the Australian Self Storage industry

are Kennards and the Abacus Property Group.

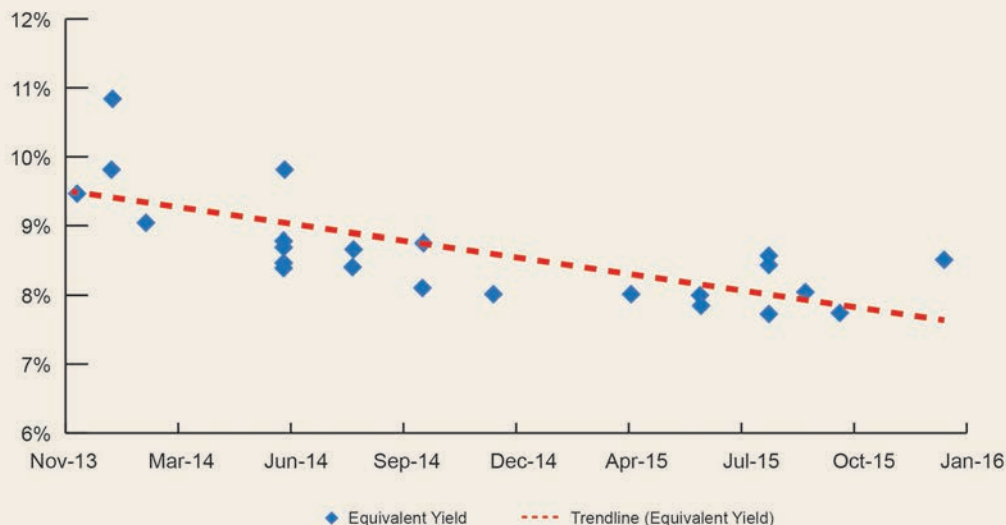
The Abacus Property Group is a listed trust with diversified real estate assets, with a value totalling \$A994 million. Self storage assets within the Abacus Fund have a value of \$574 million and represent 38% by value all assets held by Abacus. The self storage component of their fund is seen by investors as providing both excellent cash flow stability and revenue growth. Abacus facilities are managed by and carry the Storage King branding. The Fund has continued to increase their investment in the industry with an active acquisition program and now own 62 facilities throughout Australia and New Zealand. They are active buyers in the market with a focus on established facilities in the major metropolitan markets. They are in the process of acquiring an additional 3 assets that will add more than \$A30million to their portfolio of self storage assets.

Kennards Self Storage was the pioneer of the self storage industry in



Equivalent Yields for Major Aus & NZ Transactions (Freehold)

Since 1 July 2013



SOURCE: URBIS

Australia. They were the first to open a self storage centre in Australia. They currently operate 82 facilities throughout Australia and New Zealand. The value of Kennards self storage assets exceed \$A1,200 million. Their last acquisition of established facilities was in 2015, however they have utilised their substantial in-house construction management team to develop new, state-of-the-art facilities in Macquarie Park, Sydney (1,000 units); Frenchs Forest, Sydney (600 units); North Melbourne (800 units) and Mittagong outer Sydney (463 units). They have new projects under construction at Murarrie (Brisbane), Chullora (Sydney) and St Marys (Sydney). Kennards completed a major expansion of their Waterloo facility in December 2015 to increase the capacity of this facility to in excess of 3,000 units. This makes this facility the largest facility in Australia.

In addition to the large ownership groups there is a group of strong, second tier, experienced operators holding very high standard facilities. These include:

- U-Store-It (8 large scale facilities, Adelaide in South Australia);
- Rent-A-Space (14 facilities in prime Sydney locations);
- Fort Knox, Melbourne (large scale facilities in Melbourne);
- Storage Choice (9 facilities Brisbane and North Queensland) and
- Fort Knox Group Brisbane (22 facilities Brisbane and North Queensland).

Future Challenges and Opportunities

The heightened awareness of the self storage industry and potential returns has stimulated record level of investment in new facility construction. Urbis analysis suggests the self storage supply levels will increase by more than 10% in Sydney, Brisbane and Melbourne markets over the next 18 months. Urbis research also shows storage fee rates increases are constrained with average fee rates increasing by between 2% and 3% p.a. Increases in supply will put further pressure on the ability of facilities to increase storage fee rates.

In the current environment of strong investor demand and with major holders looking to further expand their portfolios these holdings are of increasing strategic value. Competition for the purchase of quality established self storage investments and record low levels of cost of debt has driven self storage investment yields to all-time lows. Industry valuers are of the opinion that equivalent investment yields (yields at mature occupancy) are within a range of 7.5% to 8.0%. Acquisition of facilities at less than mature occupancy show substantially lower initial yields often in the 5% to 6% range. David Blackwell, Director of Urbis is of the opinion that yields will compress further and the market has not yet been tested for an A+ grade self storage asset sale.

Australian Self Storage Key Players



A Self Storage COO's Pursuit of Integration

Philip Chua started just a few years ago in Lock + Store as COO with 2 stores in the portfolio. With the recent acquisition of Store Friendly in Singapore, that has shot up to 20. Yet, there is still only 1 of Philip. How is this possible apart from late nights and less sleep? Thoughtful integration techniques.



Philip Chua
Chief Operating Officer
General Storage Company

Self Storage Mergers and Acquisitions (M&A) are have not traditionally been the mainstream in Asia. Up until a short while back, organic growth was quite the norm with relatively smaller acquisitions in order to grow the business.

Well, times have changed as has the size of the pocketbooks of the organizations and investment firms that are interested in getting involved in the business. We've seen bigger and bigger M&A deals occurring with many in the pipeline we're sure. As a matter of fact, we'll bet our jobs on it.

But to get the most out of any M&A, the integration of systems is key.

Natural growth is common and merging with other companies can, in some industries, be even more common depending on strategies, targets, and resources. The General Storage Company Pte Ltd which now controls Lock + Store (Singapore/Malaysia), The Store House (Hong Kong), and Store Friendly

“People integration is the most challenging but I won't say it's difficult. There are many challenges of integration – Systems, people, finance, culture, sales.”

(Singapore) – is no stranger to this.

It all started with 2 Lock + Store locations which then quickly grew into the acquisition of the Singapore Post site (The mother company was no longer using the building as efficiently as before), the purchase of a site for storage in Malaysia in 2013, another site in Singapore, the purchase of The Store House in 2014, and then the acquisition of Store Friendly in 2015 with a recent joint venture signed in Japan with Private Box.

Let's start with the first M&A - One might think The Store House's integration could have been a challenge given not only the different nature by which the business was being run and that there were no General Storage Companies in Hong Kong at the time, but that it was in Hong Kong – a different country with different regulations. But in Philip's own words – “If it ain't broken, don't fix it and then break it. So there was no integration per se” As a matter of fact, the integration was actually relatively seamless with main points to do with financial reporting to the parent company – ultimately Singapore Post.

Philip's team had no intention of changing the rules and regulations that governed The Store House for fear of 'breaking it'. The business was working, including keeping The Store House self storage management company running, so he just let it be.

The Store House model was a wholly leased model so the purchase was for the business, the customers, and contracts.



As an aside, in order to fill the few spaces left in The Store House, General Storage Company also found another willing seller – Premier Storage – a local Hong Kong facility who's building was going to be torn down and wanted out of the business.

Philip and his team got right down to business but instead of interfering, he let them simply do their work. "There were no headaches, just challenges we overcame" in integrating the finances, moving the customers, new views, and restructuring of facility layout which is part and parcel of the COO job.

People Integration

"People integration is the most challenging but I won't say it's difficult. There are many challenges of integration – Systems, people, finance, culture, sales." In this whole process, each group will argue that they need to look at their specific section first but from the COO's perspective – "I just want to make sure everybody knows how to do their job which includes training."

The challenge comes when buying the whole system though, you're often buying another one of a person already there – be it a marketing, finance, or sales person. "But there is still only one CEO and COO." This can be a challenge which is dealt with reassigning people within the company which some may not appreciate.

The integration in Hong Kong was different than the integration in Singapore. Hong Kong still kept its own people finance team, manager – so it was easier. "In Singapore – I have 5 {facility managers} (and now I'm going to integrate) another 5 {facility

managers} here. How am I going to get them to work together? I need to change who?" In the end, it comes down to who is willing to adopt the new working procedures. At the time of writing, 3 had left, but 3 more would be hired.

People Empowerment

Through two integrations, there was still only 1 Philip. He can't be everywhere at once, especially going from 2 to 20 stores. How does he keep from going crazy and making sure the integration is working well? Empowerment. "My position is to empower the people that work for you – to follow established procedures. "Before I empower you, I have to train you and let you know that this is how I do it. You can use the same method or do your own." He continued, "We always look at ways to improve, to make things more efficient...whether technology, systems, (and more)." This includes people. The spirit of integrating, restructuring, and empowering includes keeping people motivated and, "This comes with cross training...so we know that if this person leaves, this other person is ready to go."

Philip left us with this "I want to make sure everyone is (trained). If you are young, I wouldn't want you to work at Lock + Store or the General Storage Company forever. I think you should go out there and explore. My job is to train you up, learn everything you need to learn, and if you think there is no more for you to learn, you are free to leave the company." "I'll be happy for you"

Indeed, Philip is the happy go lucky guy as long as everybody and everything

is integrated as it should it. He's been at the forefront but also in the middle of every integration that has happened at The General Storage Company since it oversaw a wee 2 stores. With 20 on hand now, Philip relishes how busy he's gotten and he admits he wants more. "I want to keep growing," He states enthusiastically. For an integration pro, that shouldn't be an issue whatsoever. ■

In Summary

We've learned a few things.

1

If it ain't broke, don't fix it... otherwise you might break it.

2

Business in Different countries is run different. Don't create more hassles by interfering with these by bringing in your own country's regulations.

3

People are your biggest asset. Keep that in mind during your hiring process.

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Country Insights: Thailand

The Thai economy is growing very quickly and as everywhere around the world, self storage generally accompanies this growth. Bangkok Self Storage has been able to capture this market and under Darrel's leadership, has a vision for growth. Here he shares his industry insight in this beautiful country.

Darrel Lintott
Facility Manager
Bangkok Self Storage



enterprises where I see the dramatic rise in requirement of self-storage space. But certainly the increased density of housing developments within central urban will also have an impact as has been witnessed across Asia.

What are some of the biggest hurdles you have faced in running the business?

One of the biggest hurdles that we found initially was just simple knowledge of what self-storage meant. We had to spend a great deal of time educating the market in the wide variety of uses that could be made of having control of your own storage space. This was further complicated by low expectations of cleanliness and security in self-storage facilities due to the existence of open warehousing. Now I can happily say there is a lot more awareness of self storage in Thailand which is not just down to the development of the market inside the country but also due to the expansion of the self storage market across Asia having a strong impact on raising the profile of self storage.

Advice for people exploring the SS industry in Thailand?

Do your research. The Thai economy is going through some rapid changes and this is being reflected across the major urban areas throughout the country. Areas are now going through periods of re-development with historical industrial areas giving way to housing and commercial developments. This raises questions around the availability of suitable locations for the siting of a self storage business and also the potential for access to a good customer base. ■

What is your current view of the self-storage industry in Thailand?

The self-storage industry in Thailand is very much in its infancy. While there have been storage options available in the country for well over 10 years these have been small ad-hoc operations which have not embraced the more dynamic aspects of a modern self-storage company. There have been quite dramatic differences in requirements based on geographic location within Thailand and historically these initial businesses catered for the niche market of foreign retirees or long-term holidaymakers. So it is only relatively recently that we have seen the market start to break away from this and start to become available in the larger population centres of Thailand such as Bangkok and Chiang Mai. However now we are starting to see more businesses coming to market with an increased professional outlook.

What does the future hold for the self-storage industry in Thailand?

The market is without doubt becoming more developed, so I can see that the self-storage sector is in for some rapid growth over the coming year. Thailand has a long history of entrepreneurial spirit so while along with the rest of Asia Thailand it is seeing rapid increase in the urbanization of its population, which is driving up property prices while concurrently reducing the average living space, it is this tradition of small-medium

I can see that the self-storage sector is in for some rapid growth over the coming year.

A Special Case for Self Storage in Malaysia

Much as Thailand, Malaysia is following in self storage growth and is ahead of the curve when it comes to these services as the awareness of self storage is gaining more and more traction. For this, investment dollars are finding their way here.



Desmond How
Co-Founder
Flexi Storage

Alex Lee
Co-Founder
Flexi Storage

In the Asian context, Malaysia presents a curious case for self-storage. While many of the developed markets for self-storage in Asia lie in congested cities where space is at a premium - such as Hong Kong, Tokyo and Singapore - space in Malaysia is relatively abundant and the growth of self-storage has been driven by a different set of factors.

When we founded Flexi Storage in 2014, we were the 2nd operator in the country. At the time, we envisioned our investment as a slow-burner that would pay off in the medium to long-term. At last count, however, there are now over 10 self-storage operators in Malaysia with the total growing fast, and we have

already started work on increasing our storage space by a further 50%.

Growth driven by small businesses

The bulk of our growth has not been driven by residential demand - as of 2014, the average price of a 3 bedroom apartment totalled just US\$784.85 (121st in the world and below other countries in the region such as Indonesia and Vietnam). Instead, it is the SMEs (small and medium enterprises) who are embracing the benefits of self storage here.

Currently, over 70% of our tenants are owners of small businesses. Or rather, they were. Rising prices and firmer implementation of taxes have led to many small businesses owners closing down and seeking a short-term solution for the storage of their inventory. We have found that offering flexible term leases and prices, while stressing our security credentials, has been key to gaining this business.

The other side of the coin is a swiftly growing e-commerce sector in Malaysia. Companies selling everything from car batteries to hijabs have sprung up and, while they were initially cottage industries run out of homes, strong demand has led to their expansion.

Flexibility the key selling point

Our customers, particularly those who run their own businesses, appreciate the flexibility that self-storage offers them, whereby they can alter their unit size according to the amount of inventory they have and secure short-term leases when required.

For years, Malaysian business owners stored excess inventory in more informal places such as a general warehouse, a rented house (shared with other business owners) or a trailer. Not only did this involve higher security risks, it also meant that their goods were not accessible 24 hours a day and were certainly not stored in an ideal condition to maintain its long-

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70%

*of tenants are owners
of small businesses*

term condition.

These clients have embraced self storage and will often treat their unit as an extension of their office, setting up a table outside to perform a stock count or setting up their unit as a showcase gallery to which they can bring their clients. They want to manage costs prudently yet add a professional air to their business, and they are the basis of our business growth as a self-storage provider.

Tapping into latent demand

If there is any one way to describe Asia as a market for self-storage, it would be that it is a market of latent demand. Statistics show that, even in Hong Kong, penetration rates remain at 23%. For Malaysia, therefore, there is still much growth to be enjoyed.

But while the potential is there, the key is in placing the right message in front of people who might have a use for self-storage. While this may be as simple as an online advertising campaign in other countries, Malaysian business owners have not embraced online advertising platforms as vigorously as other regional countries and there is still scepticism about trusting online advertisers in the country. The real growth lies in going beyond the relatively affluent and digitally savvy of the country to reach the larger market lying behind that has not heard of self-storage before.

Opportunities lie in embracing SEO as a channel to reach potential clients who might not explicitly search for storage solutions online. We believe that this approach can also be effective in engaging the demographics of students and house renovators, which are growing in Malaysia and who have still not been fully exposed to the benefits of self-storage.

The bigger pie lies in wait for the operator with the resources to start a major campaign that will live beyond digital and build awareness amongst the general population, creating a 'culture' of using self-storage as organic as it is in Western markets.

These are exciting times in Malaysian self-storage, and there is a lot more to come. ■

Self Storage Expo Asia 2016

The Self Storage Expo Asia 2016 in Singapore in May was a tremendous success. Held in the amazing Hotel Fort Canning, in the outdoor full glass marquee surrounded by greenery and accompanied by a great thunderstorm, there was nothing more we could have asked for.

Over 220 executives from around the world enthusiastic about the industry took advantage with abundant education, great networking, meeting our dedicated sponsors, and reveling in 3 days of fun.

If you missed it, make sure you won't miss the Expo 2017 in Hong Kong!





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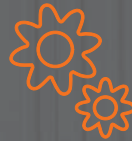
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