

# Self Storage Annual Survey 2016



**Ipsos Business Consulting**  
Build • Compete • Grow



# CONTENT

Page 2	Introduction
Page 3	Executive summary
Page 4	Economic overview
Page 6	Real estate overview
Page 8	Industry overview
Page 10	Survey results
Page 16	Outlook
Page 21	Country Snapshots
Page 27	Glossary
Page 27	Additional information
Page 28	Reference tables

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# INTRODUCTION

This is the second consecutive annual survey carried out by the Self Storage Association Asia (SSAA) among its member associations and member companies together with Ipsos Business Consulting.

The self-storage industry in Asia began to emerge in the early 1990s in Japan, and in Hong Kong and Singapore in 1997 and 2003 respectively. Since 2009, the industry has also started to establish itself in Mainland China, Malaysia, the Philippines, Thailand, South Korea, Indonesia and India, albeit at very different paces.

In comparison with last year's survey, the geographic scope of this survey has been expanded from three to now a total of six countries, namely Hong Kong, Japan, Mainland China, Malaysia, Singapore and Taiwan. This year's SSAA survey was completed by 52 companies. Further qualitative information was provided from operators in India, the Philippines and Thailand.

This report has been produced with input from operators to help quantify the size and drivers of the industry across Asia. We hope the information can serve as a useful reference point for investors, suppliers and operators as this market continues to grow and develop in Asia.

We welcome any feedback on the content of this report so that we can further improve the quality of these reports in the future.



**Luigi La Tona**  
Executive Director  
Self Storage Association Asia



**Markus Scherer**  
Director  
Ipsos Business Consulting

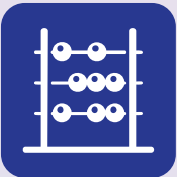
# EXECUTIVE SUMMARY



In 2015 there were 1,541 facilities totaling just under 13.8 million square feet in Hong Kong, Japan, Mainland China, Malaysia, Singapore and Taiwan



Japan and Hong Kong account for just under 85% of all facilities across all six markets



The average amount of gross floor area per capita across all six markets is 0.19 with Hong Kong and Singapore having over three and two times this level respectively



The average occupancy level in 2015 across all six markets was reported at 71%



Just over 40% of operators expect their net operating income to grow more than 10% in 2016 compared to 2015



Roughly 50% of operators plan to expand their business with the core focus being the market they operate in locally



China followed by Hong Kong and Japan are perceived to be the most attractive markets for expansion

# ECONOMIC OVERVIEW

In 2015, the Asia region has remained resilient but recorded softer growth due to heightened volatility in financial markets and weak global growth.

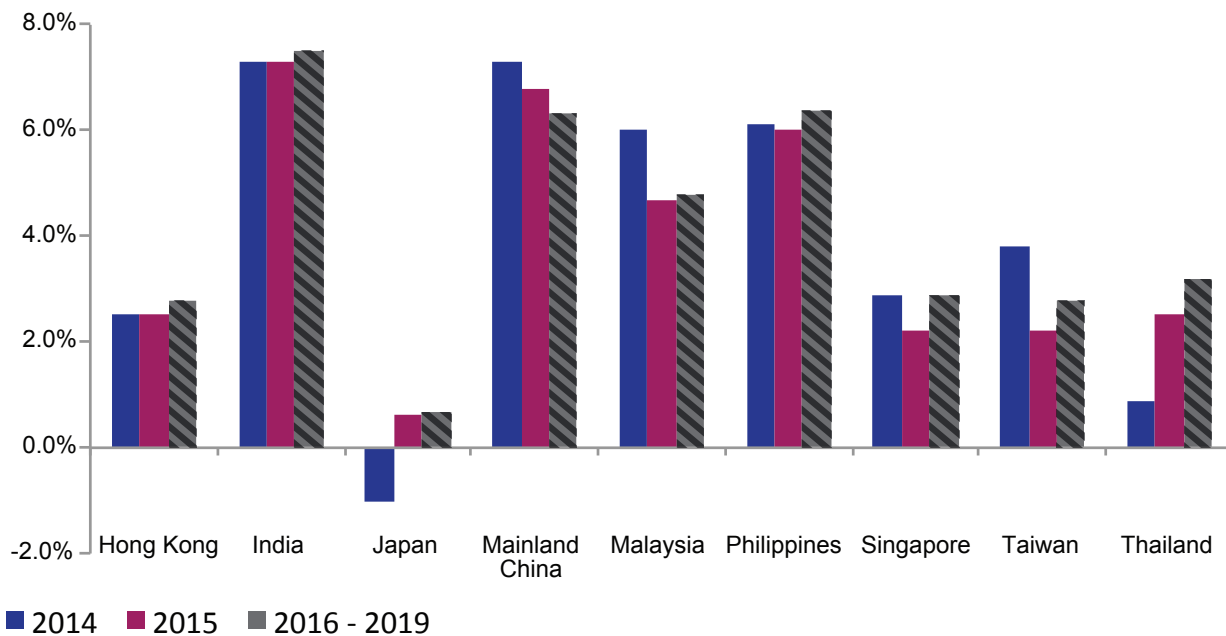
Although overall GDP growth varies greatly across the Asian countries, they can be grouped under three distinctive growth trends:

- India, Mainland China and the Philippines are expected to experience robust growth up until 2019. With continued market reforms, India is on track to becoming the region's fastest-growing economy, with a projected growth of 7.5%. China's economy is seen expanding 6.3% as it gradually shifts to a slower, more sustainable growth. The Philippines also has strong growth prospects projected at 6.4%
- Hong Kong, Taiwan and Singapore will continue to experience modest, stable growth characteristic of mature economies, with a projected GDP growth of under 3% from 2015 to 2019
- Though emerging from a recession in the final quarter of 2014, it is anticipated that Japan will continue to struggle with economic growth

Looking ahead, Hong Kong, Japan and Singapore are expected to remain buoyant markets for self-storage, while Mainland China and Taiwan will emerge as key high-growth markets. Self-storage in China is expected to expand in the larger cities along the east coast.



**Figure 1 – GDP growth, annual % change**

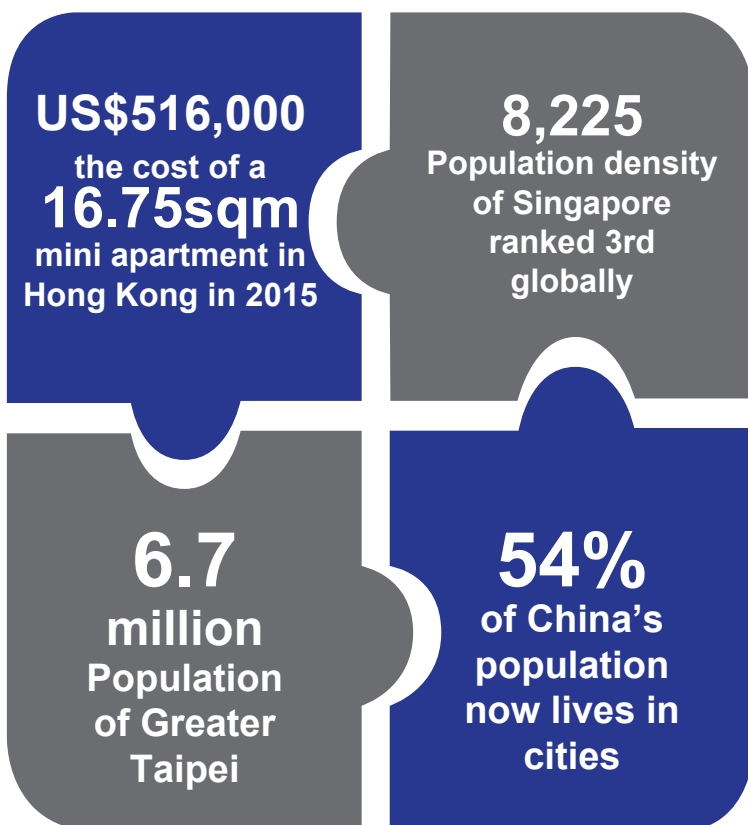


Source: World Economic Outlook Database, IMF, October 2015

## Urbanisation: A catalyst for the self-storage market

The rapid rate of urbanisation in Asia has created some of the most densely populated cities and costly living spaces in the world. Currently, more than 54% of China’s population is living in urban areas. Singapore is the third most densely populated city in the world, with an average of 8,225 people living per square kilometre. Greater Taipei boasts a population of 6.7 million.

According to a United Nations report, it is forecasted that Asia’s level of urbanisation will increase from 40% in 2014 to 64% by 2050. Accelerating urbanisation in the next few decades is expected to put a tighter squeeze on the cost and availability of space, thus increasing the demand for self-storage as the average household living area continues to shrink.





# REAL ESTATE OVERVIEW

Contributed by CBRE

## Asia Pacific Real Estate Investment Market

The Asia Pacific investment market will continue to see positive buying intentions from investors. According to CBRE's 3rd annual Asia Pacific Investment Intentions Survey<sup>1</sup> published in March 2016, buying intentions among Asia Pacific real estate investors remain largely positive, with about 80% of respondents indicating they plan to buy at a similar level or more than in 2015. Investors' appetite for cross-regional investments has also increased.

Active markets will continue to be led by Japan and Australia, given the positive yield spread between prime property yields and local 10-year government bond yields. Both countries are major destinations for cross-border investors in 2016, according to the survey. South Korean investors retained the most positive attitude towards outbound investment, followed by Singaporeans.

More capital is set to be deployed from Japan in the coming year, with institutional investors and property funds expected to be more active.

Asia Pacific markets will continue to attract Asian investors given the relatively high yields compared to other markets in the region.

Elsewhere in the region, China will remain on the radar of most international investors but the demand for individual assets will be largely confined to tier I cities. Some investors will seek portfolio deals to gain scale. New opportunistic funds are expected to focus on tier II cities for distressed opportunities, assets and owners.

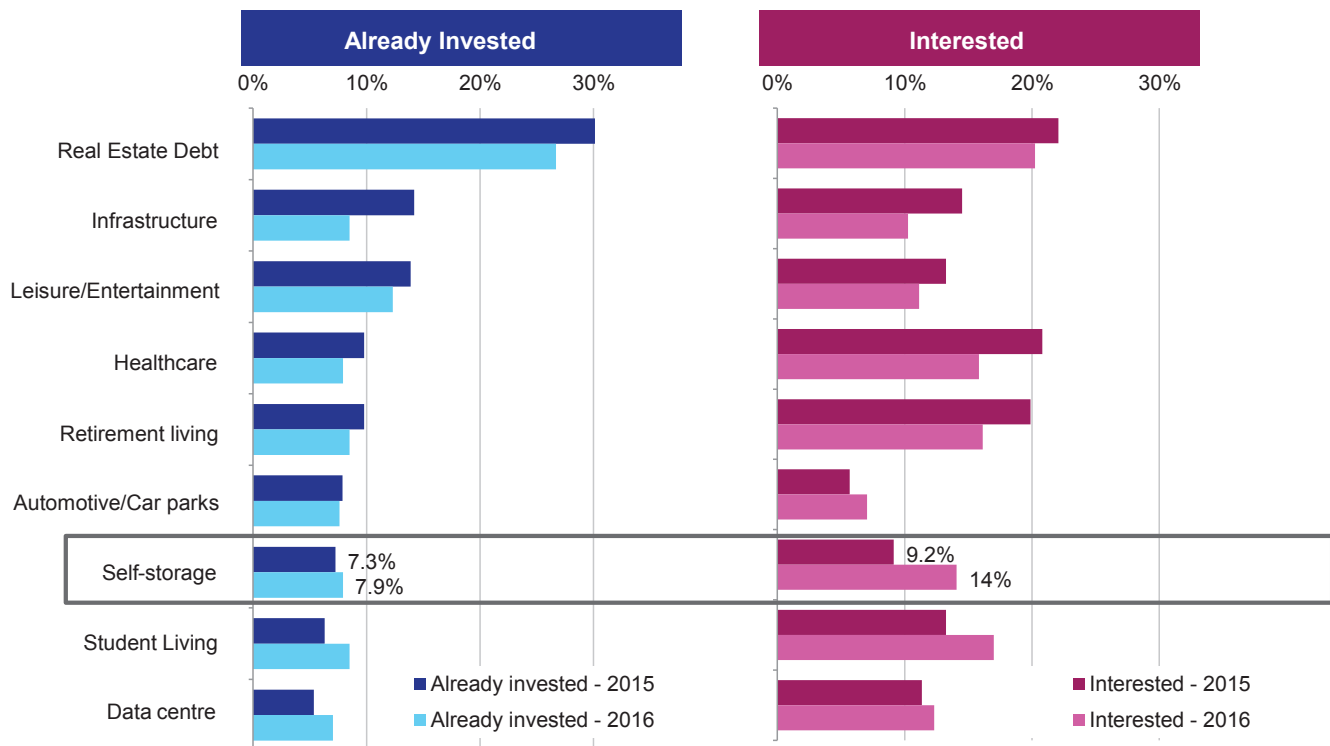
Singapore is also gaining more attention from investors, as the current rental correction is pulling down prices and making it easier for investors to enter the market with cyclical investment opportunities. Buyers from Hong Kong indicated plans to moderate their purchasing activity but also displayed less willingness to sell. The volatile stock market and weak economic outlook have prompted some investors to wait on their investment decisions.

Transactions in Taiwan and Malaysia typically account for a smaller proportion of the regional investment market, and CBRE Research expects to see activity in these two countries driven by end-users and buyers from local and neighbouring countries.



1. The third annual CBRE Investment Intentions Survey was carried out online from 8 January to 6 February 2016. It attracted 341 respondents, compared to 317 responses in 2015. The survey focuses on the forward-looking views of real estate investors in the Asia Pacific.

**Figure 2 – Most preferred alternative investment sector**



Source: CBRE Asia Pacific Investor Intentions Survey 2016

## Growing interest in self-storage

CBRE Research’s Investor Intentions Survey registered a slight increase in intentions to invest in alternative sectors this year, rising to 67% of respondents in 2016 from 62% in 2015.

Investor interest in the self-storage sector has strengthened significantly, growing from 9.2% in 2015 to 14% in 2016. Private equity funds, real estate funds and family offices are all looking into self-storage as the sector matures and becomes more institutionalised. Valet storage<sup>2</sup> has also emerged as a variation on the self-storage theme, facing forced consolidation and intense competition from traditional self-storage operators. Growing demand for extra space for storage in densely populated markets such as Hong Kong and Tokyo, where per capita living space is small, is boosting the demand for self-storage in these markets.

Asset availability and pricing will continue to be the largest obstacles for self-storage investors. The fundamental demand drivers of death, divorce, density, and dislocation are strengthening in major Asia Pacific markets, supporting the growth of the sector. While traditional real estate will remain the most sought after, alternative assets are also becoming increasingly popular.

2. Valet storage is where the operator will pick up and deliver a customer’s goods, saving the time for the customer.



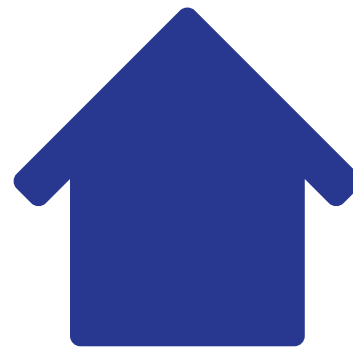
# INDUSTRY OVERVIEW

## Total number of facilities

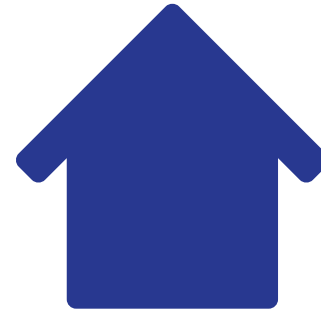
An overview of the number of self-storage facilities that have emerged around the region in 2015 indicates that the self-storage market is growing in Asia. However, as this is only the second year we have been able to gather data for some countries and data quality still remains an issue, annual growth rates are not yet available.

Japan, Hong Kong and Singapore have a fairly concentrated market with regard to the number of self-storage operators. Mainland China, on the other hand, has seen many new players entering to grab a share of the market, but they often focus on one main city.

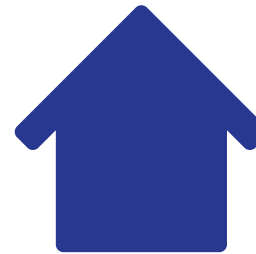
This year's survey results from Japan are less clear. The facility numbers reported were drawn from the survey only, while the actual number of facilities in the market is considered to be much higher. One important area for next year's annual survey will be to increase the quality of information collected from the Japan market.



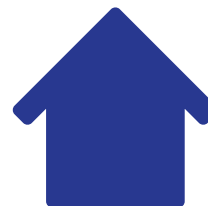
**847**  
facilities  
in Japan<sup>4</sup>



**445**  
facilities  
in Hong Kong<sup>3</sup>



**112**  
facilities  
in Mainland China<sup>3</sup>



**79**  
facilities  
in Taiwan<sup>3</sup>



**50**  
facilities  
in Singapore

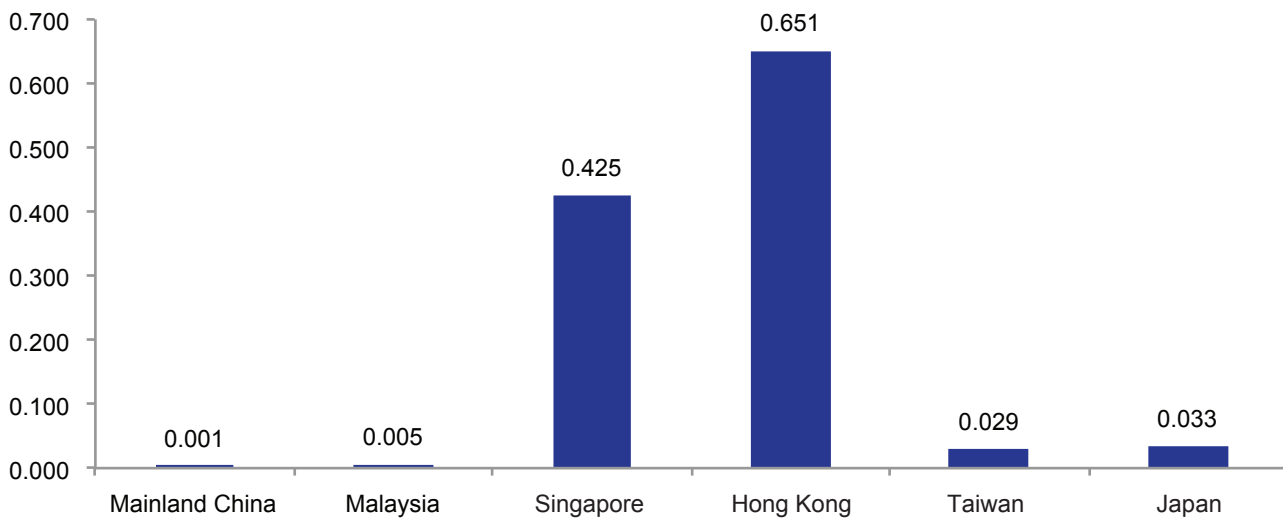


**8**  
facilities  
in Malaysia

3. For these countries, the number of facilities is cross referenced with Ipsos Business Consulting's database whereas for other countries, the number of facilities is solely based on the survey results

4. The 847 facilities in Japan was estimated based on the operator survey results. According to the RSA, the total number of indoor facilities in Japan could reach as high as 2,216 in 2015

**Figure 3 – Gross floor area per capita in square feet**



### Total available space

The gross area of self-storage space in Hong Kong is estimated at approximately 4.75 million square feet, with the largest operator, SC Storage accounting for 20.5%. In Singapore, the gross area is estimated at 2.34 million square feet; in Mainland China at 1.7 million square feet; in Taiwan at 670,000 square feet; and in Malaysia at about 147,000 square feet.

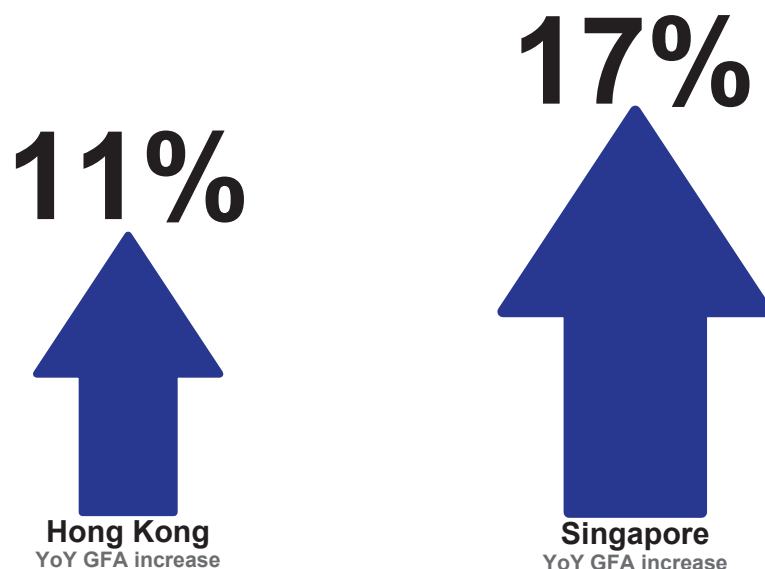
The gross floor area for Japan reported in our survey is 4.15 million square feet, which is lower than last year and is believed to be underreported.

### Floor area per capita

Among the Asian countries, self-storage facilities in Hong Kong (0.65 square feet) and Singapore (0.43 square feet) occupy the highest gross floor area per capita. Although Mainland China only has an average gross floor area per capita of 0.001 square feet, it is far more relevant to focus on major cities like Beijing, Shanghai and Shenzhen where the average gross floor area per capita is estimated to be 0.03, 0.01 and 0.04 respectively.

By comparison, the USA boasts a 7.75 and Australia a 1.83 square feet per capita.

According to our database, year-on-year growth of gross floor area is estimated at 11% for Hong Kong and 17% for Singapore.



# SURVEY RESULT

## Average monthly rent per square foot

When asked to provide their average monthly rent per square foot, the operators from each country returned with a relatively wide range of responses.

To make the results more comparable, we have asked for the rates in the country's local currency, then converted them into US dollars using the average annual conversion rate for 2015. The graph above shows the average monthly rent of self-storage space in each country.

Hong Kong and Japan clearly have the highest monthly rental rates, charging an average of USD 5.38 and USD 4.99 per square foot respectively.

Mainland China and Taiwan provide prices to consumers in cubic meters. As this is the first time we are reporting these prices, we deliberately did not convert them into a square foot price, as the height of their lockers is not standardised and a unit conversion could be misleading. A further focus of next year's report would be to provide comparable prices across all the countries.

Figure 4 – Average monthly rents per square foot 2015 in USD

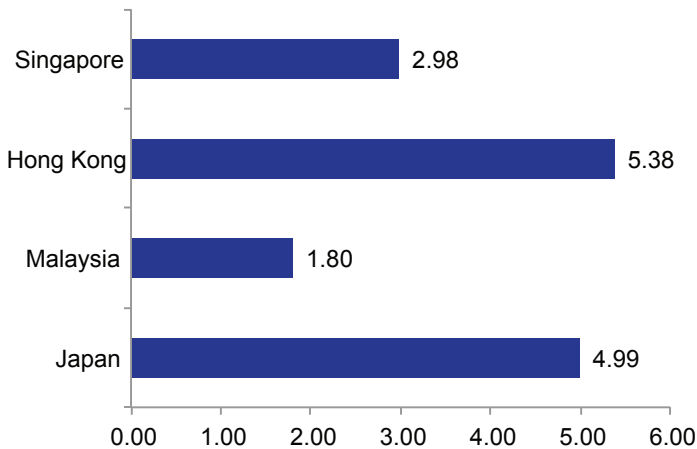
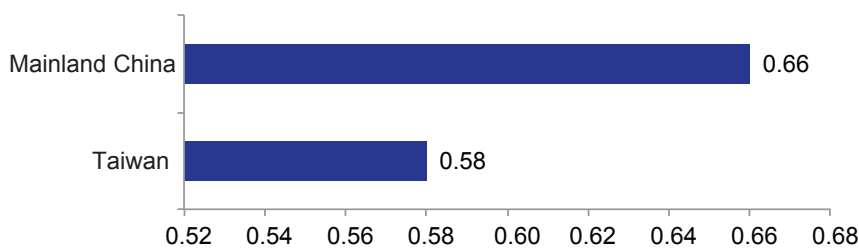


Figure 5 – Average monthly rents per cubic foot 2015 in USD



**Figure 6 – Average occupancy levels**



**81%**



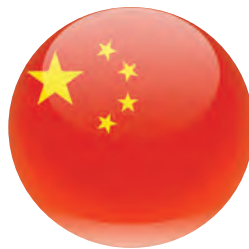
**77%**



**75%**



**74%**



**62%**



**58%**

### **Average occupancy levels**

Hong Kong and Japan's self-storage facilities have the highest occupancy at 77% and 81% respectively, followed by Singapore with a 74% average occupancy rate.

Compared with survey data from the previous year, the occupancy levels of self-storage facilities in Hong Kong and Japan have decreased from a reported 90% and 85% respectively, while the occupancy level of Singapore has increased from 70%.

On average, only 62% and 58% of self-storage units are occupied in Mainland China and Malaysia respectively in 2015, highlighting their status as relatively young markets where consumer awareness of the product is still low. Self-storage operators in these countries may need to step up their efforts to increase public awareness and penetration in the market.

Taiwan appears to be an exception, achieving an average occupancy level of 75% despite being a relatively new self-storage market. It should be noted that only two self-storage operators from Taiwan participated in our survey, so readers are urged to interpret the results from Taiwan with caution.

## Customer mix: Individual versus business users

Although individual customers are still the predominant users of self-storage, there appears to be a shift to the business-user segment in some of the more mature self-storage markets in Asia.

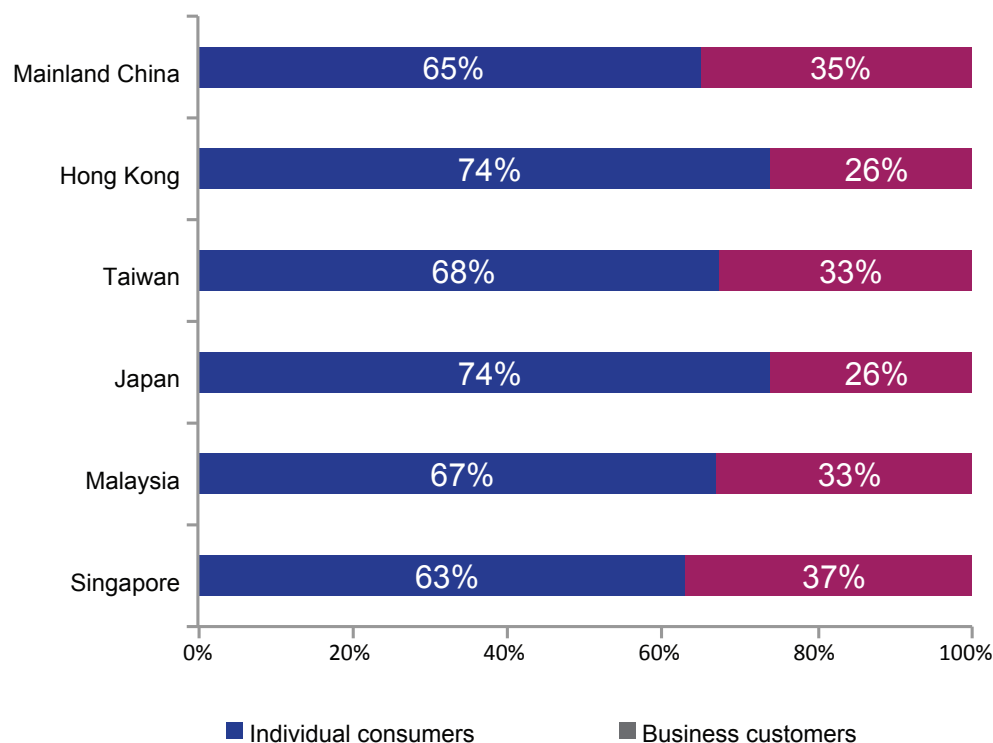
Our survey data from Singapore, for example, shows a 12% y-o-y increase in the proportion of business customers, growing from 25% in 2014 to 37% in 2015. The fact that Singapore also experienced increased occupancy levels in 2015 may implicate that corporate users were a key growth driver during the course of the year. However, it should be noted that our Singapore results show a highly varied customer distribution, with some operators reporting more than 50% business users in their customer mix.

Similarly, Japan also saw a 6% increase in the proportion of business users compared to the previous year (from 20% to 26%). This increase may signify that the business-user segment in Japan is more resilient in the face of the country's weaker economic performance.

By contrast, the customer mix in Hong Kong shows an increasing ratio of individual users, growing by 4% from 70% in 2014 to 74% in 2015.

The customer mix in Mainland China consists of 65% individual users and 35% business users, with responses varying greatly among the operators surveyed. Most likely, their varied responses also reflect the different market trends of the cities in which they operate.

Figure 7 – Split by customer type





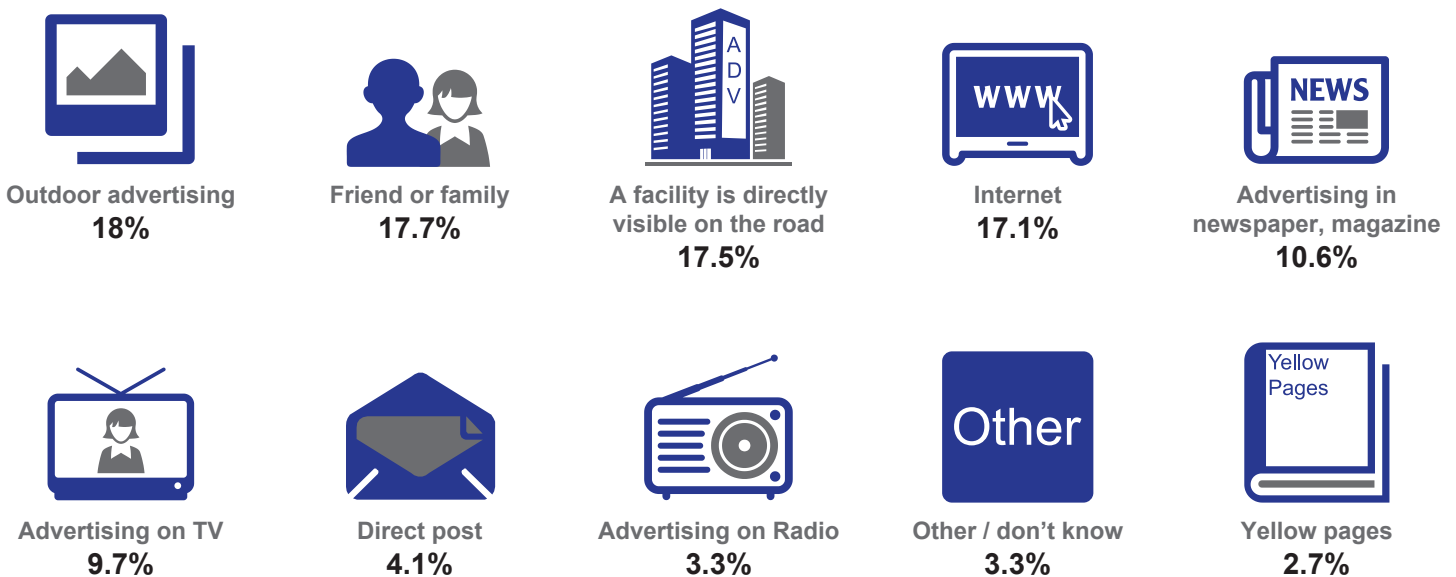
## Source of consumer awareness

Our survey data shows that consumers in Asia learn about self-storage services through an almost even spread of four main media: outdoor advertising (18%), family and friends' recommendations (17.7%), visible signage (17.5%) and the Internet (17.1%), without one primary source of awareness.

These results suggest that traditional advertising media like outdoor ads and signage are just as powerful as the Internet in arousing consumer awareness. The strong influence of word-of-mouth also highlights the importance for self-storage operators to continually enhance the customer experience in order to capture new customers.

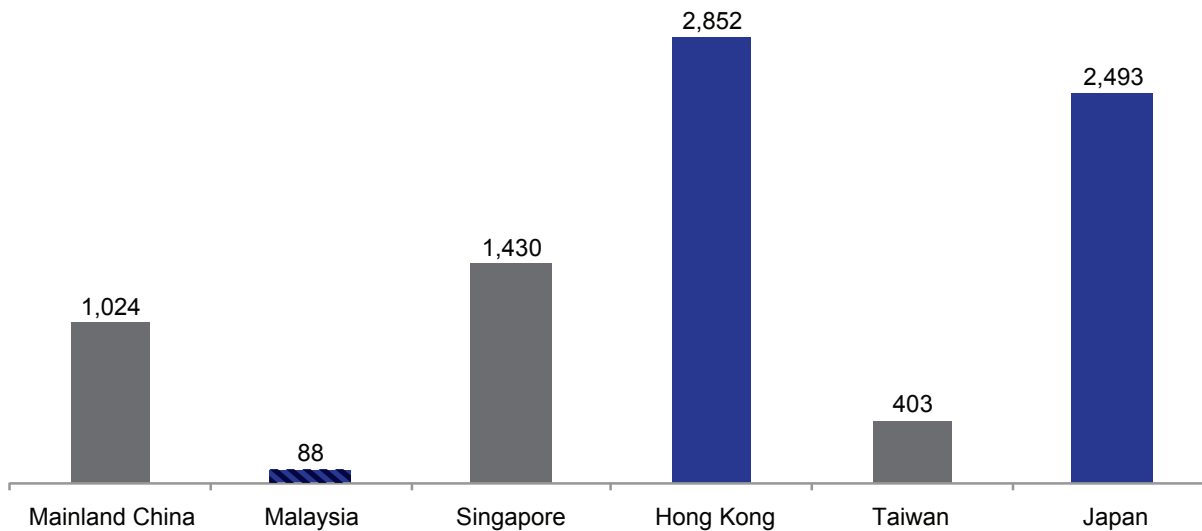
It should be noted that the significance of the Internet in driving consumer awareness varies in each Asian country. In general, the Internet appears to be more relevant for consumers in Mainland China (21.4%) and Malaysia (19%), while outdoor advertising and visible signage are more effective in Hong Kong (22.9% and 16.1%) and Taiwan (23.3% and 23.6%).

**Figure 8 – Consumer source of awareness**



Source: The results for consumer source of awareness were derived from IPSOS's consumer survey, which reached 2,450 consumers in six Asian markets in February and March 2016.

**Figure 9 – Total estimated rentable floor area in thousand square feet**



## Total estimated rentable floor area in square feet

Among the countries we surveyed, the country with the highest average rentable floor area is Hong Kong at 2,852,500 square feet. This is followed by Singapore, whose self-storage operators provide approximately 1,403,100 square feet of rentable floor area.

For Japan, kindly note our previous comments regarding the data quality.

Not surprisingly, younger self-storage markets like Taiwan and Malaysia offer less than one-third of the rentable floor area of the more developed markets: Taiwan's average rentable floor area is 403,100 square feet, while that of Malaysia is only 88,300 square feet.

The low saturation of self-storage services in these countries, as suggested by these figures, indicates great potential for future industry development.

It is interesting to remark that Mainland China has an aggregated average rentable floor area of 1,024,400 square feet, which is quite high considering there was basically no self-storage there just five years ago. Today, self-storage operators in China have already established a footprint in eight cities. This shows that the industry is expanding at a rapid pace, and self-storage players in China have strong confidence in the market opportunities that lie ahead.



## Ownership of facilities

It can be observed from the survey results that each country has its own distinctive business ownership model, with significant differences between each country.

50% of self-storage operators in Mainland China reported fully leasing their facilities, while a further 40% reported that their facilities are primarily leased.

On the other hand, Singapore operators tend to prefer owning their sites, with 60% running their business in a fully self-owned (30%) or primarily-owned (30%) facility. Only 10% of operators fully leased their properties, the lowest ratio among the six countries.

Malaysia self-storage operators appear to adopt a similar business model to Singapore, with 50% of operators reporting full ownership of their facilities.

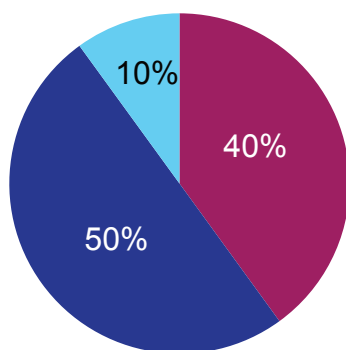
In Hong Kong, 42% of operators reported fully leasing their properties, which is not surprising when taking into account the high cost of property in Hong Kong.

In Japan, it is usual for self-storage operators to primarily lease and own some of their facilities. Again, the high cost of property best explains the high proportion of leased properties.

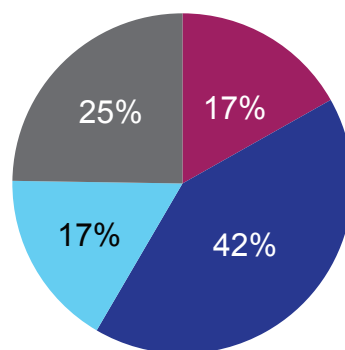
Please note that the results for Taiwan may not reflect the industry situation due to limitations in our sample size.

**Figure 10 – Ownership of facilities in 2016**

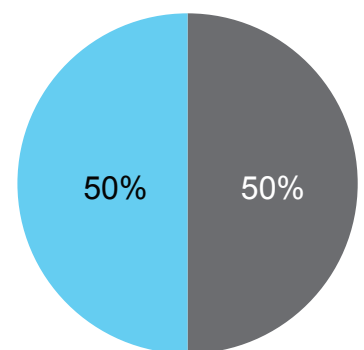
■ Fully self-owned   
 ■ Fully leased   
 ■ Primarily own, lease as well   
 ■ Primarily lease, own as well



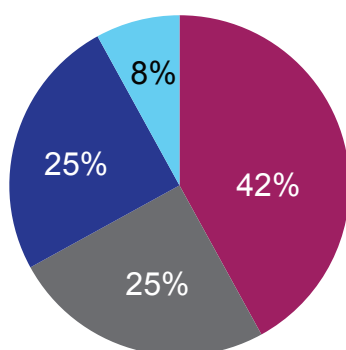
Mainland China



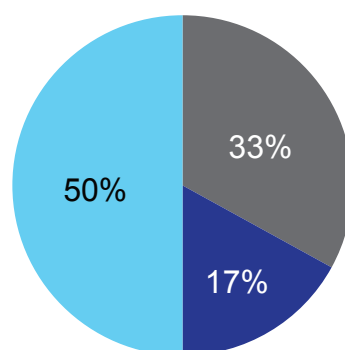
Hong Kong



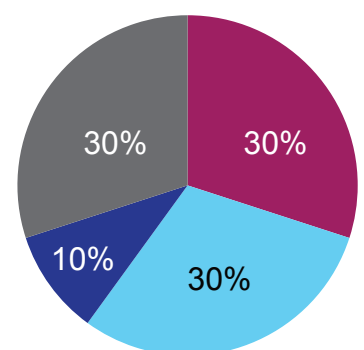
Taiwan



Japan



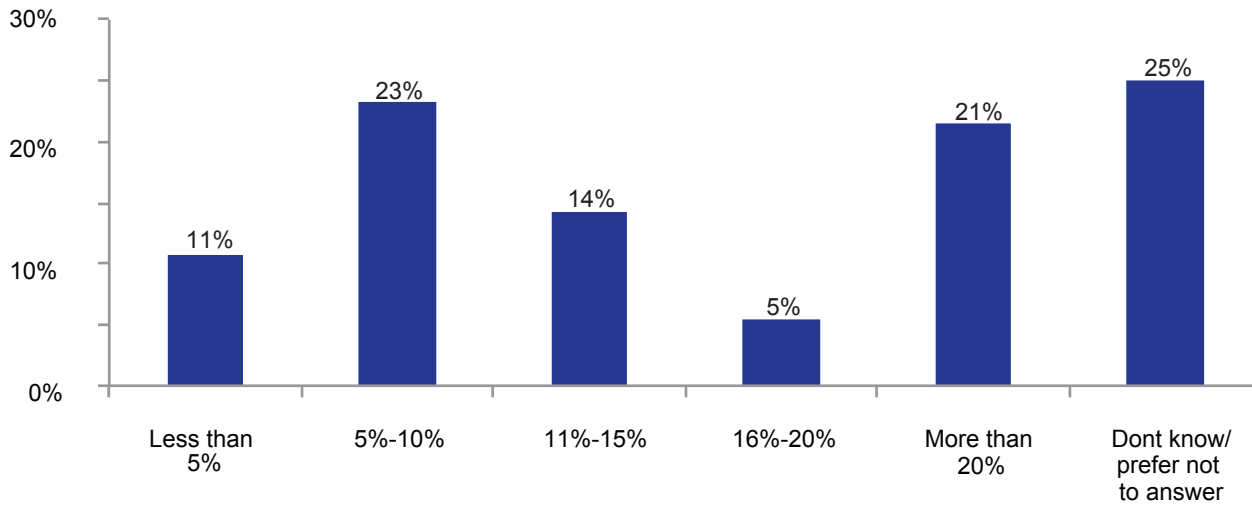
Malaysia



Singapore

# OUTLOOK

Figure 11 – Profitability expectations in 2016 compared to 2015



Starting from this year, we have asked self-storage operators to share with us their market outlook for the next 12 months. By collecting this data for the first time, we shall be able to track and compare changes in the operators' business outlook in subsequent survey reports.

## Profitability

In general, most operators have a very positive outlook, with profitability being expected to increase from anywhere between 5% and 15%.

When we review the results on a country level, operators in Mainland China and Malaysia appear to have the most confidence in the outlook of the self-storage market. In both countries, a slightly larger majority of the operators anticipate a growth of more than 20% in the next 12 months.

On the other hand, most self-storage operators in Japan expect a more conservative growth of less than 5% in the coming business year.

Although Hong Kong and Singapore operators reported mixed responses with regard to their 2016 market outlook, the majority believes that net growth will fall between 5% and 15%. This growth range should be enough to offset inflation and justify increased investments in their businesses.





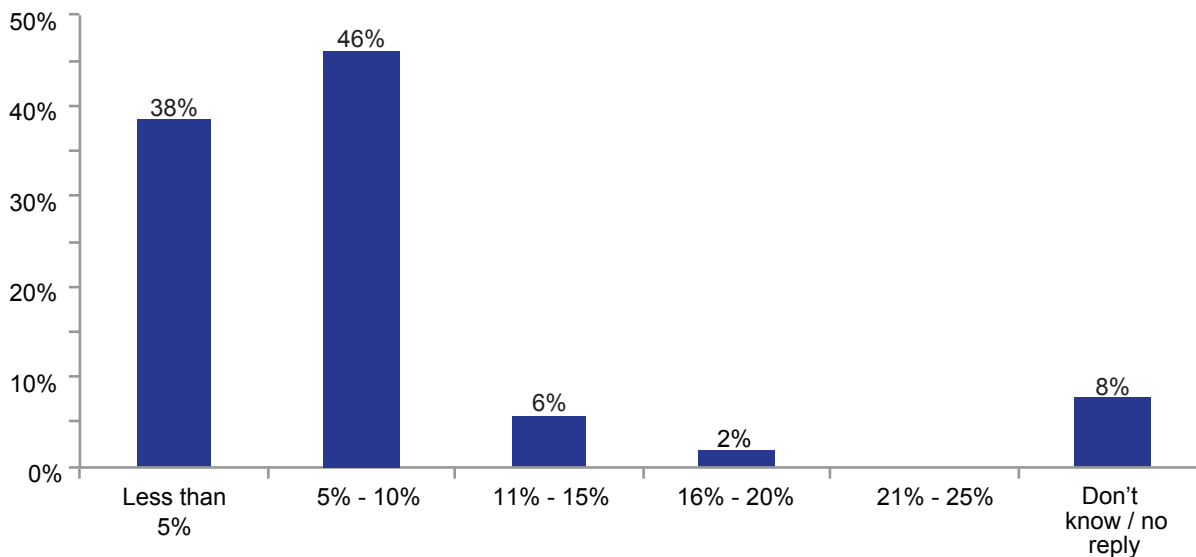
## Rental growth

The majority of self-storage operators in each of the surveyed countries, with the exception of Japan, believes that rental rates will increase by 5% to 10% in the coming year. This is especially the case for Hong Kong and Mainland China, where over half of the operators expect rental rates to grow at this percentage.

In Japan, where the self-storage market is relatively mature and the country is struggling to achieve economic growth, many operators forecast rental rates to grow by less than 5%.

With inflation rates in the last year being 3% for Hong Kong, 1% for Japan and -0.5% for Singapore, an anticipated rental growth of 5% to 10% already far exceeds the inflation rates of these countries. In other words, rental growth could be an important factor driving the profitability of many self-storage operations in Asia in 2016.

**Figure 12 – Rental growth in 2016 compared to 2015**





## Expansion plans

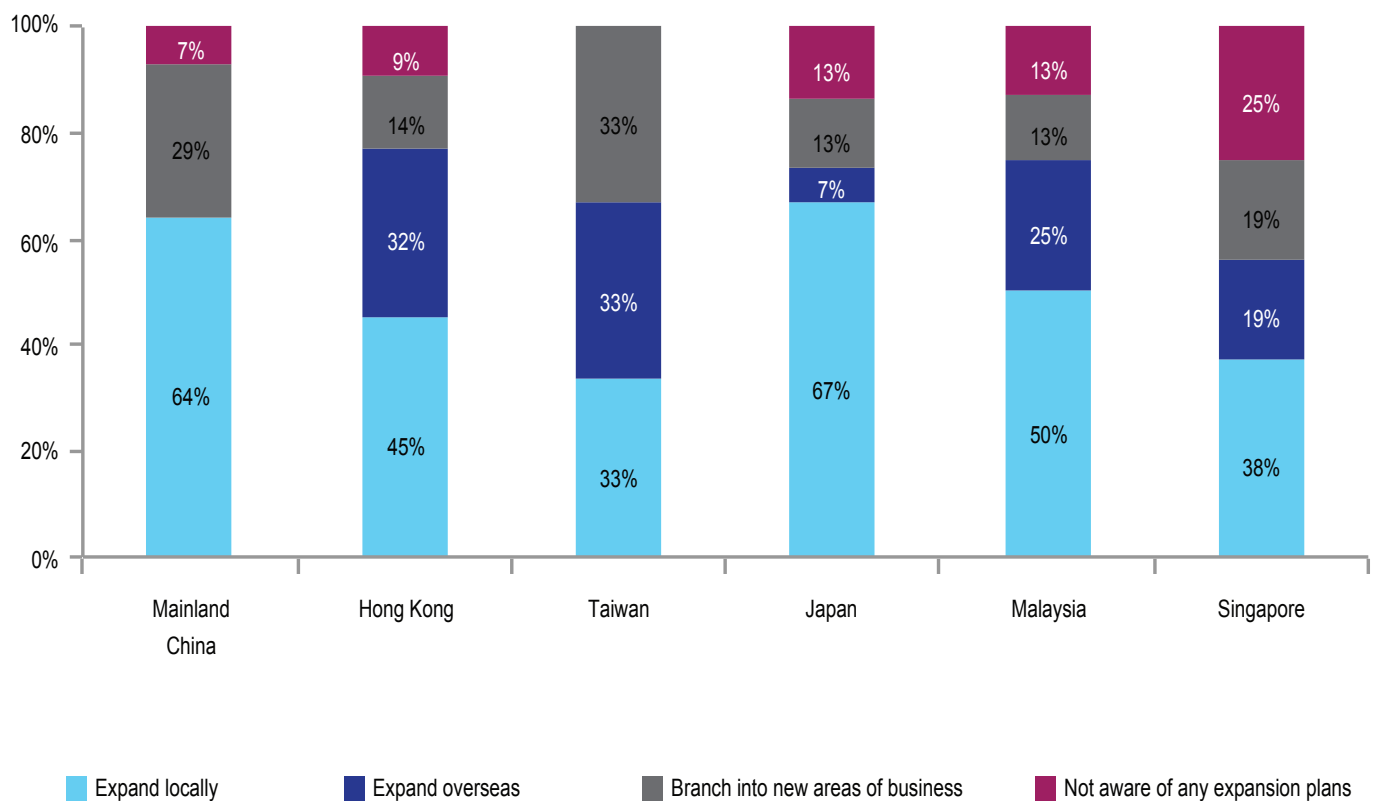
With a positive outlook on the profitability of the self-storage industry in their home countries, many operators who participated in our survey are keen to grow their business through local expansion.

For instance, over 60% of the operators from Japan and Mainland China are aware of local expansion plans for their companies, while about half of the operators from Malaysia and Hong Kong are anxious to do the same. These figures are in line with our expectations, in view of the vast growth potential of the self-storage industry in many Asian markets.

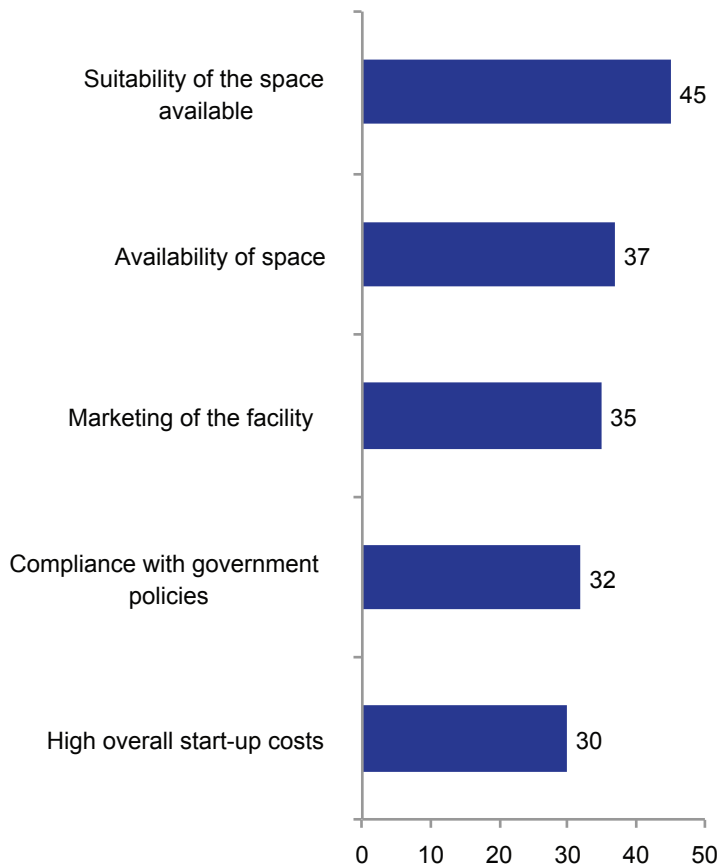
In Hong Kong, about one-third (32%) of the operators are looking for opportunities to expand their operations abroad. They are likely to find many opportunities in their hinterland Mainland China, where the self-storage market is still in its nascent stages and the playing field is still fairly level to favour new market entrants.

While in Singapore, opportunities for self-storage operators to expand into the relatively new Malaysia market just across the border also abound.

**Figure 13 – Expansion plan of self-storage operators in 2016**



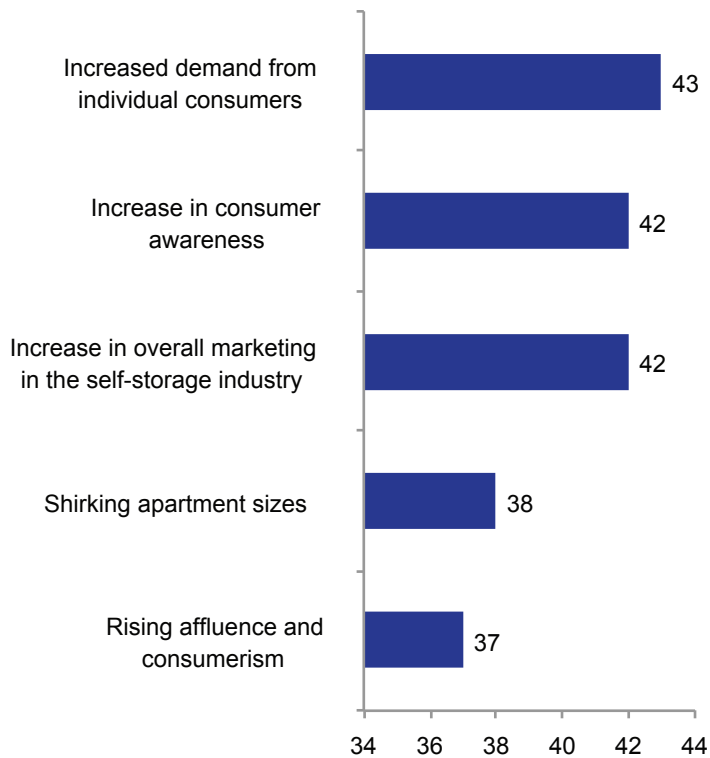
**Figure 14 – Top 5 challenges faced by operators**



With the region's densely populated cities, rapid urbanisation and high property prices, it is no surprise that space is a primary concern for self-storage operators in Asia. According to our survey results, the suitability of available space is their main concern, followed by space availability.

Apart from space, the marketing of the facility, government compliance and high start-up costs appear to be similarly challenging for operators, with the marketing of the facility being considered relatively more difficult. This could be due to the low consumer awareness in countries like China and Taiwan, the lack of a mainstream marketing medium as well as the low differentiation nature of the product itself.

**Figure 15 – Top 5 industry drivers**



The operators who participated in our survey identified Increased demand from individual consumers, increased consumer awareness and the increase in overall marketing in the self-storage industry as the top three industry drivers. These results highlight the importance of the individual users segment and the combined effects of marketing to the continual steady growth of the self-storage industry in Asia.

Shrinking apartment sizes and rising affluence and consumerism were considered to be less important, implicating that Asia's self-storage market has entered into a growth and development stage with less reliance on socio-economic factors.

## Attractive destinations for expansion

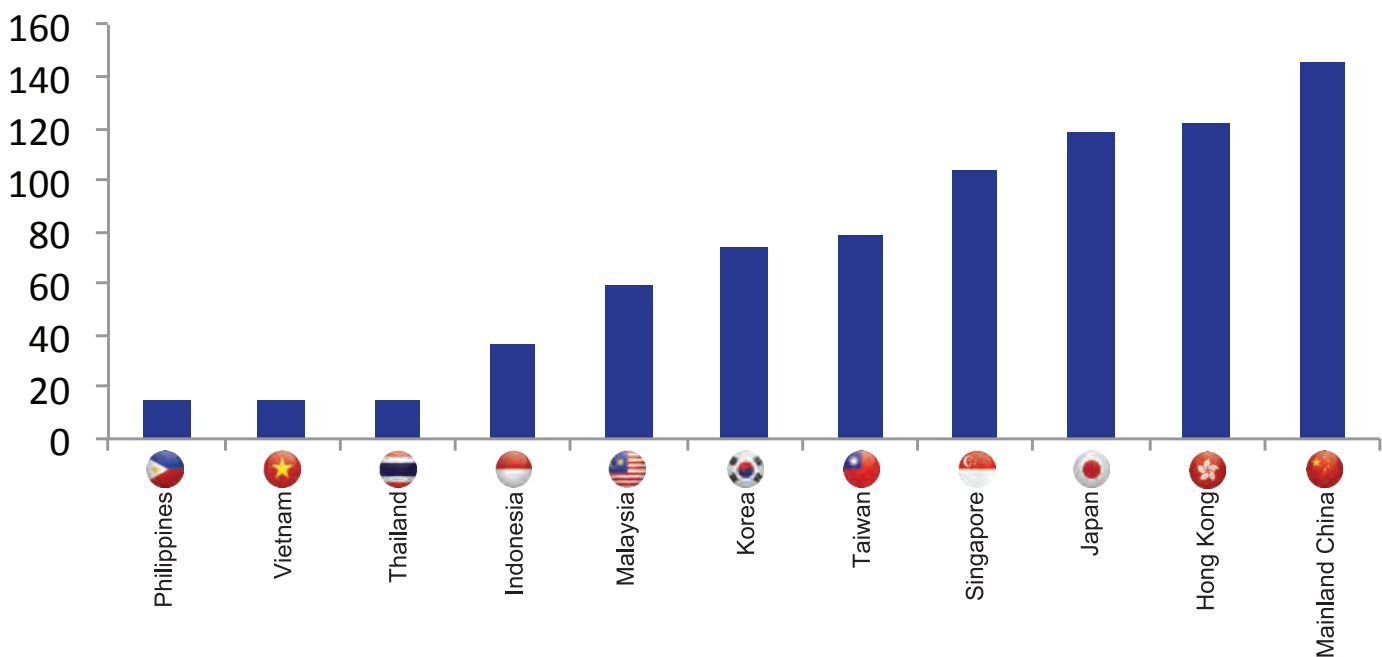
In the survey, we asked self-storage operators which Asian country they perceived as being the most attractive for expanding their business in the future. The highest rated destination is Mainland China with a score of 146, followed by Hong Kong with 122, Japan with 118 and Singapore with 103.

Currently, the self-storage industry has expanded into eight cities in Mainland China, namely Beijing, Shenzhen, Shanghai, Guangzhou, Hangzhou, Chengdu, Wuhan and Qingdao. This indicates there is still vast room for the geographical expansion and growth of China's self-storage market, making it an attractive destination for operators and investors with a higher risk appetite.

As noted from our survey results earlier, more than 60% of the operators from China are keen to expand their operations locally. This means international self-storage brands may have to compete with local innovative entrepreneurs who are also keen to tap into the growth potential of China's self-storage market.

Notably, Taiwan also received a fair number of votes. Presently in Taiwan, the self-storage market has already established presence in Greater Taipei, Taoyuan, Taichung, Tainan, Kaohsiung, Hsinchu and Keelung, and the self-storage industry is expected to experience rapid growth over the next five years.

**Figure 16 – Most attractive expansion destinations perceived in Asia**



Note: In IPSOS's operator survey, each respondent was asked to select their perceived top five most favourable destinations for expansion and give each of the destinations a score between 1 to 5, with 5 corresponding to their most attractive country.

# COUNTRY SNAPSHOT



**Key cities / regions:**  
Delhi, Mumbai, Bengaluru



**Level of competition**  
**Low**



**Average occupancy rate**  
**51% - 60%**



**Average rental rate per square foot**  
**USD<1.0**



**Expected growth rate next 3-5 years**  
**More than 20%**

The self-storage market in India is still at a nascent stage, with roughly only one player in each of the main cities including Delhi, Mumbai and Bengaluru.

Unlike in the USA or Canada where people lease individual units for their belongings, Indians use self-storage services to keep old things of sentimental value which usually fit into boxes, as well as for relocation-related purposes. Known locally as 'valet storage', the popular service model in India consists of ordering boxes to be delivered to your home or office, packing the boxes yourself and requesting the boxes to be picked up for storage. Customers are assigned a unique identifier with which to track their boxes, and they can retrieve their possessions in person or via paid delivery service.

## Selected players



The concept of self-storage in India first came about by a documents management business – Reliable Records, started by three local people in 2010 who were inspired by an article about a U.S. facility used for storing office records. Reliable Records gained its first business from storing documents for government departments, legal firms, hospitals and other corporate companies.

Before long, their business customers voiced out a need for personal storage, hence Store-More was born as a division of that business in 2013. Today, StoreMore is the largest self-storage player in India with presence in Delhi, Gurgaon, Bangalore, Mumbai and Noida. Together, its facilities provide more than 100,000 square feet of floor space, representing a tenfold increase within the first 12 months.

Another prominent local player, Box My Space, was founded in Mumbai in 2014 by a 27-year-old entrepreneur

who came up with the idea while he was studying in the USA. Box My Space is targeted at space-starved urban residents, online retailers, SMEs and the growing Indian population which is constantly traveling in and out of the city. It plans to expand into other Indian cities like Bengaluru, Delhi and Pune.

Backed by favourable market conditions such as rising urbanisation, shrinking living spaces, an increasingly mobile work force and the emergence of the entrepreneurial sector, the self-storage industry in India is poised for huge growth in the next 3 to 5 years.

As competition increases and the industry starts to take shape in India's key cities of economic growth, self-storage operators must rise to the challenge of increasing public awareness as well as building brand visibility in a market with high complexities in geographic spread and localisation.





# COUNTRY SNAPSHOT



**Key cities / regions:**  
Manila



**Level of competition**  
Low



**Average occupancy rate**  
61% - 70%



**Average rental rate per square foot**  
USD 0.60 - 1.20



**Expected growth rate next 3-5 years**  
2% - 5%

Since the first facility opened in the Philippines in 2010, the self-storage sector has been growing steadily with focus on Metro Manila, the capital city whose population has surpassed 11 million in 2015. Early self-storage facilities are modeled after the U.S., with big warehouses carved into individual storage units secured by metallic roll-up doors that people refer locally as “mini storage”.

The Philippines market has many favourable factors supporting industry growth. For instance, it is typical for many family members to live under one roof, so self-storage provides some much needed space at home. Overseas Filipino Workers, who need to find a secure storage space for their things before moving to work abroad, are another key customer segment.

## Selected players



Besides, it is estimated that 25,000 residential condominium units and 3.65 million square feet of space of new mall construction will be added to Metro Manila between 2014 and 2016, which is bound to boost self-storage demand.

New mall construction projects concentrated in the outlying provinces which is estimated to take up an area of 15 million square feet will also create new opportunities for self-storage operators, especially from the business users segment.

One main barrier faced by self-storage operators in the Philippines is the difficulty of finding a strategic location. As one of the most densely populated cities in the world with an estimated 66,140 people per square kilometer, finding a suitable location could be a major challenge.

Although the self-storage industry is undoubtedly growing, Filipinos are still largely unaware of the usage and advantages of the product. As such, the Philippines has a fragmented market where supply and demand are somewhat imbalanced.

Looking to the future, numerous new residential, retail and transport construction projects currently under way could change the industry landscape, paving the way for increased self-storage demand and a widening range of services. The ability to increase consumer awareness, differentiate themselves from the competition, and adapt to a changing market environment will all be critical factors of success for self-storage businesses in the Philippines.



# COUNTRY SNAPSHOT



**Key cities / regions:**  
Bangkok, Phuket



**Level of competition**  
Low



**Average occupancy rate**  
61% - 70%



**Average rental rate per square foot**  
USD 2.50 - 3.00



**Expected growth rate next 3-5 years**  
6% - 10%

The first self-storage facility in Thailand appeared in 2010 in Phuket. The city was chosen for its population of transient expatriates, who needed space to keep their belongings secure while they stayed for long periods of time. Today, temporary residents and tourists are still the key drivers of the self-storage industry in some areas, while local people are also starting to embrace the self-storage concept.

One of the first self-storage brands in Thailand is StoreGuard Co. Ltd., whose founders saw a commercial demand for storage space from real estate developers, suppliers, buyers and sellers. Learning from the U.S. self-storage model where location is the key to success, StoreGuard chose a prime location in the largest shopping mall of southern Thailand – the Junceylon Shopping Centre in Patong, Phuket – to build their first facility in 2010.

## Selected players



In the same year, My Storage also set up its first facility at the Junceylon Shopping Centre – after failing to find another suitable location. Based on industry research that mixed-used development storage facilities tend to have a higher success rate, My Storage converted their warehouse into a full-service facility to tap the business of the shopping mall's tenants and other residents in Phuket.

In fact, new market entrants in Thailand need to overcome quite a few entry barriers including high land prices, city zoning and building restrictions which can lead to a lack of adequate-size plots near the city centre. Besides, construction work tends to be slow and of low quality, driving up set-up costs as foreign players need to import construction materials and software to meet service standards. Both StoreGuard and My Storage, for instance, spent roughly US\$1.7 million to construct their first facility in Phuket.

Self-storage operators in Thailand still have some way to go in selling the concept and the benefits of self-storage to local consumers. Meanwhile, initiatives by the government to develop Thailand into a key logistics hub in the ASEAN region may increase opportunities for self-storage businesses, especially in the commercial sector. At present, logistics already account for about 15% of the country's GDP, and the Thai government has allocated significant budget for continual improvement in the country's transport infrastructure



# GLOSSARY

Terminology	Definition
Chg	Change
GDP	Gross domestic product
L12M	Last 12 months
sqf	Square feet

## ADDITIONAL INFORMATION

### Methodology

An online survey was sent to operators in each country via the SSAA.

Ipsos Business Consulting compiled the results, cross checked information against Ipsos Business Consulting's proprietary self-storage database and conducted interviews with individual operators.

Data was provided from the following sources:

1. Economic overview – Ipsos Business Consulting
2. Real estate overview – CBRE
3. Industry overview - Collected and consolidated by Ipsos Business Consulting
4. Survey results - Collected and consolidated by Ipsos Business Consulting from online survey responses
5. Outlook - Collected and consolidated by Ipsos Business Consulting from online survey responses
6. Reference tables - Information consolidated by Ipsos Business Consulting from online survey results and secondary resources.

### Interviewees

1. Kevin She – SC Storage
2. Pooja Kothari – StoreMore
3. Tokuo Yoshida – RSA (Japan)

# REFERENCE TABLES

Figure 17 – Supply data

	Population (million)			Estimated number of facilities			Total current rentable area square feet			Gross floor area per capita square feet			Facilities per million population	
	2014	2015	Chg	2014	2015	Chg	2014	2015	Chg	2014	2015	Chg	2014	2015
Mainland China	1367.8	1375.0	0.5%	—	112	—	—	1,024,413	—	—	0.0012	—	—	0.08
Hong Kong	7.3	7.3	0.0%	—	445	—	2,549,067	2,852,465	11.9%	0.582	0.6512	11.9%	—	60.9
Taiwan	23.4	23.5	0.4%	—	79	—	—	403,139	—	—	0.0286	—	—	3.36
Japan	127.1	126.7	-0.3%	—	847	—	2,743,800	2,492,839	—	0.036	0.0328	—	—	6.68
Malaysia	30.5	31.1	2.0%	—	8	—	—	88,308	—	—	0.0047	—	—	0.26
Singapore	5.5	5.5	0.0%	—	50	—	1,199,563	1,403,123	17.0%	0.363	0.4252	17.0%	—	9.09

Figure 18 – Number of facilities in 2015

Country	Number of facilities in 2015	Gross Floor area per capita (sqf)	Facilities per million population
Mainland China	112	0.0012	0.08
Hong Kong	445	0.6512	60.95
Taiwan	79	0.0286	3.36
Japan	847	0.0328	6.68
Malaysia	8	0.0047	0.26
Singapore	50	0.4252	9.09

Figure 19 – Total available space

Country	Rentable area 2014 (sqf)	Increase in 2015 (sqf)	2015 Area increase (%)	Rentable area 2015 9sqf)
Mainland China	—	—	—	1,024,413
Hong Kong	2,549,067	303,398	11.9%	2,852,465
Taiwan	—	—	—	403,139
Japan	2,743,800	—	—	2,492,839
Malaysia	—	—	—	88,308
Singapore	1,199,563	203,560	17.0%	1,403,123



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