

IN STORE

 **SSAA**
Self Storage Association Asia

YOUR FIRST SOURCE FOR SELF STORAGE EDUCATION AND NEWS IN ASIA

NOVEMBER 2017
WWW.SELFSTORAGEASIA.ORG



INVESTORS LIKE SELF STORAGE A LOT

China! | 投资增长行业的风险及回报 | Investor Interest | 発展市場への投資



HARVEY LAW GROUP



An International Canadian Law Firm
 Recognized as a Foreign Law Firm by the Law Society of Hong Kong
 Recognized as a Foreign Law Firm by the Justice Ministry of Vietnam
 Recognized as a Foreign Law Firm by the Lawyers' Council of Thailand

Meet our Hong Kong Legal Team

Our services are available in:
 English, French, Cantonese and Mandarin

Self Storage Law
 Commercial Law
 Immigration Law
 Family Law



Supplier Member

Please contact us at:
www.harveylawcorporation.com
contact@harveylawcorporation.com
 +852 2116 1333

You and I see each other every 6 months as I share in depth and updated information about the industry. And every 6 months I seem to repeat the same sentence, that at the SSAA we're seeing a lot of investor interest looking for a win. More and more investor interest and industry growth is popping up throughout Asia and whether it has been from Thailand, South Korea, Singapore, America, Japan, Hong Kong, China or India, we've fielded meeting after meeting of groups with assets, bags of money, or general interest to be part of the community.

This is all fine and well and as I did for the audience at our wildly successful Self Storage Expo Asia in Hong Kong this year, I explain to each of them that *the industry ain't all rainbows and sunshine*. I caution all newcomers and encourage them to understand the industry, be a part of the community, and really get a feeling for it before jumping in with two feet and becoming cost cowboys (competing on price alone with no other imagination). That just ruins it for everybody, including them.

I explain that they probably don't want to spend a lot of money building their facility but little time trying to understand the fine nuances of acquiring your customer, training your staff, learning building and fire codes, rental increases, marketing techniques, using the right suppliers for the job, until they finally get upset with the industry and leave with a bad taste in their mouth. It goes without saying, I don't want that either. It reflects bad on the industry, reflects bad on the SSAA and *it certainly doesn't bode well for future exits that most if not all of you look forward to eventually*.

Some might feel that more investors invite more competition which is true. I would never say that this will not change your business, and maybe even make it more demanding. Processes change, strategies change, budgets change, outlooks change. *This can be difficult, but also natural, and many that are looking ahead have seen the same story in Europe, USA, and Australia. In these countries, not only are there many competitors but the self storage industry thrives.* These investors see the potential of underserved cities, the need for more space, economic growth, and understand that the pie is not only big enough, but that the understanding of self storage in the general population can be so little that competition may be a good thing.

Your competition spends marketing dollars, you spend marketing dollars, everybody educates the market, and **the potential to open a blue ocean of new consumers grows**. This is the way economies and business grows, so we hope we're not reinventing the wheel. As a matter of fact, the SSAA will work with our country committees and seek opportunities to work together as a group with multiple 'competitors' in the same city to help open the blue ocean and see what fish we can find.

Responsible and long term investors will view the market with purpose and conviction. With growing cities, a growing consumer class, smaller apartments, rising property prices, more interests, hobbies, travels, and activities being engaged by more people, new and responsible investors would not have to look hard to see a landscape that will undoubtedly grow. *These investors bring support for the success of the community, new ideas, more innovation, business diversification, support techniques, better standards, and a heckuva lot of motivation to get business engines revved up.* Better businesses flourish which draws healthier investors, a better self-regulated industry, and more informed consumers. The Market Wins, Your Business Wins, The Industry Wins. Now that's one heckuva win!



Luigi La Tona
 Executive Director
 Self Storage Association Asia



This can be difficult, but also natural, and many that are looking ahead have seen the same story in Europe, USA, and Australia. In these countries, not only are there many competitors but the self storage industry thrives



CONTENTS

- 4**
Why US Investors should be interested in investing in Asia
Carl Touhey, President, Performance Self Storage Group
-
- 6**
Moment of truth: The emerging self-storage business in China
Ying Lin, Partner, Asia Self Storage Group
-
- 8**
Mainland China indoor self-storage: Ready for takeoff
Markus Scherer, Head of Consulting, Ipsos Business Consulting
-
- 10**
中国深度探索：上海
曹雨，创始人&CEO，优立仓迷你自助仓
-
- 12**
中国深度探索：广州
伍廷杰，董事，广州存管易仓储服务有限公司
-
- 16**
中国深度探索：北京
曹肇翰，创始人，雨汇国际迷你仓有限公司
-
- 18**
発展市場への投資
Mike Hagbeck, 最高経営責任者, Minibox Self Storage
-
- 20**
Fire!
Matthew Chee, CEO, Storage World
-
- 24**
投资增长行业的风险及回报
陈启豪，集团主席，储存易迷你仓集团
-
- 27**
Does your insurance add value for your business?
Daniel Reynolds, Director, Reason Global
-
- 29**
Is the European self storage market heading into a Golden Era?
Rennie Schafer, CEO, Self Storage Association UK
-
- 32**
Do it like the Iroquois
John Lindsey, President, Lindsey Self Storage Group



Publisher and Editor in Chief
Luigi La Tona
luigilatona@selfstorageasia.org

Operations Manager
June Yip
juneyip@selfstorageasia.org

Marketing and Events Executive
Crystal Cheng
crystalcheng@selfstorageasia.org

Design
Artmazing!
artmazingcompany@gmail.com

Self Storage Association Asia in the only industry body for the self storage industry in Asia © 2017 all rights reserved

www.selfstorageasia.org



Self Storage Expo Asia 2018

Bangkok, Thailand

16-18 May

SAVE THE DATE & NETWORK AS MUCH AS YOU CAN

Visit
www.selfstorageexpo.asia
for more information



Quoted:

I've been to all of the SSAA's Expo since the inaugural in 2013, and they keep getting better! I can't put a value on the relationships that I've developed and continue to call on throughout the year.

- Stephen Spofin, Japan, SSAA Expo 2017 attendee



Why US Investors should be interested in investing in Asia



Carl Touhey
President
Performance Self Storage Group



I recently returned from the Self Storage Asia conference and discovered that the opportunity there for self storage investment is tremendous! I am glad that I received the invitation to attend from John Lindsey from the Lindsey Self Storage Group as well as from Luigi La Tona who is the executive director for Self Storage Asia. This invitation led to some invaluable discoveries about the Asian market.

My family has been in the self storage business since 1977 and I personally began my career in self storage in 1990. I purchased my first self storage facility in 1990 in Dallas, Texas from the Resolution Trust Corporation (RTC) which was the entity formed by the Federal Government to sell bank foreclosed assets. Back then I was buying self storage facilities at a 24% Cap Rate and prices per square foot ranged from \$9.00 to \$25 per square

foot. In addition, the federal government was supplying the debt non-recourse with only 20% down. Why do I tell you this? Because I predict that the Asian market holds the next big opportunity to invest into Self Storage.

The Asian region has been an interest to me for a past couple of years because I just love to travel to that part of the world. In addition, it has become a focus of attention for self storage investors in recent years for the following reasons:

The Asian market has strong economic performance of the entire region.

The higher expected returns in the area compared with Europe and the USA.

The additional diversification benefits investment in the region would offer.

However, many investors have doubts about the prudence of investing in such areas. Specifically, there is belief that the expected returns offered in the countries

of the Asian region are not sufficient to compensate investors for the increased risks of investing in such markets. These risks can be categorized into four specific areas: investment risk, currency risk, political risk, and institutional risk.

The Self Storage Asia conference was held in Hong Kong and we began the conference at a cocktail party which was an opportunity to meet all of the self storage owners, operators, developers, suppliers and vendors. The first day started on a Hong Kong bus tour where we visited 4 different self storage facilities. It was at this point that investment ideas started racing around in my head. I live in the San Francisco bay area and here we have some of the highest rental rates in the United States. Self Storage facilities near me are charging as high as \$300 per month for a 10x10 unit. To compare, in Hong Kong a 10x10 unit commands up to \$600 per month!

In addition to the invaluable conversations that transpired during my visit, some of the best insight I received was from direct operators. Here are some quotes from these operators:

I met Charlotte Sun on the boat to Hong Kong Disneyland. Charlotte is the CEO of Locker Locker Self Storage and they currently own and operate 5 self storage facilities in Shenzhen, China. Charlotte states: "Asia represents an enormous Self Storage market, strong potential to grow



The Self Storage Asia conference

Asia represents an enormous Self Storage market, strong potential to grow even larger than the US market. Less crowded and with less competitive threats than the US at the current time. Asia is poised to be a genuinely massive market



\$600

A 10x10 unit rate in Hong Kong

US investors should be very interested in investing in Asia

even larger than the US market. Less crowded and with less competitive threats than the US at the current time. Asia is poised to be a genuinely massive market. Asia's property price went up dramatically over the years plus its high living expenses drives the self storage needs and demands very high. I personally think US Investors should be very interested in investing in Asia, especially now, it's no doubt the right time and the right place to take an once in a life time exciting opportunity to recreate another US extraordinary Self Storage market phenomenon, all it takes is to find the right fit and right match with different operators in Asia.

I met Andrew Work at the Hong Kong as he was the Master of Ceremonies for the show. Andrew is the CEO of New Work Media, helped create the Self Storage Association Asia and has been the MC for all of their annual conferences in Hong Kong, Singapore and Tokyo. Andrew states "Americans can bring a lot to the table in terms of operational excellence. They've had to create high standards to match their peers and fulfil

regulatory obligations. In much of Asia, the competition is just heating up and the regulatory framework is only now being formed. So US software, management and operational experience could make Americans welcome strategic investors. But that doesn't mean Asian operators aren't sophisticated or cutting edge. Their focus has been on generating new markets and capturing people who have never used Self-Storage. Their use of mobile technologies and online marketing is very advanced. Many have skipped old models to go straight into more advanced services that suit their markets. For example, the first Self-Storage operation in India started with concierge, mobile and online cataloguing and even an eBay like sales agent service."

The Last person I got to chat with was Kevin Chan who is the Chairman from Store Friendly Self Storage Group. Kevin is well known in the self storage community and throughout the region. After all, this is where Store Friendly locations dot the landscape, with over 130 locations and 1.5 million

square feet of land throughout Asia

Kevin has been growing using the Franchisee model and wants to be the next Starbucks, McDonalds & the 7-11's of Self Storage in Asia! Kevin states that as it relates to the Franchise Self Storage model: "We are doing more than self storage – we are doing investment planning. We aren't just the storage guys – we are professional investors helping other professional investors generate profit."

As you can see by my analysis as well as the input from the Self Storage Leaders in Asia that the opportunities are endless for US Investors, large operators and the publicly traded companies to invest into Self Storage in Asia.

Your next opportunity is to join me at the next conference in Bangkok, Thailand on May 16-18th 2018. See you there! ■

MOMENT OF TRUTH: THE EMERGING SELF-STORAGE BUSINESS IN CHINA



Ying Lin
Partner
Asia Self Storage Group



SOURCE: MCSS BRICKELL

Fifty years ago, when Russ Williams and his step-son Bob Munn built the first self-storage building in the world, they might never have imagined this business would surpass Hollywood grosses and become a \$32 billion business today. By 2016, there were more than 58,000 self-storage facilities across the U.S., which is more than the total number of McDonalds, Burger King's and Wendy's restaurants in America combined!

In 1964, Russ Williams' first self-storage in the Texas was mainly used for oil equipment and tool storage. To deliver a better service to its commercial customers, this first generation self-storage was designed to locate in the suburban industrial area with drive up access (customers can move in and move out big equipment faster).

The second-generation self-storage was driven by suburbanization and "the golden age of capitalism". From 1960s to 1990s, because of the increasing traffic, pollution and crime rate, huge

numbers of Americans moved from urban to suburban areas. At the same time, America's strong financial performance and financial innovation stimulated consumption. Specifically, the U.S. enjoyed 9% annually GDP growth and 11% consumer credit growth during the golden age of capitalism. Self-storage



The 1st generation self-storage

MCSS BRICKELL

became a new lifestyle for the new move-in suburban residences to store their personal belongings.

In the new century, economic crisis crushed the housing market, the U.S. home ownership dropped from 80% in 2008 to 63% at the end of 2016. With the development of convenient transportation and lower financial risk, Americans started to shift their mind from ownership to rental. More and more middle and upper middle class Americans are compromising their living space and moving to the high-end multifamily buildings closer to the city to have better access to public services. In the last 10 years, the U.S. self-storage business benefited from this trend and became one of the best investment products in the real estate market. A new type self-storage facility was developed in the urban area and provided much higher standard to attract and serve the new urban citizens.

Inspired by the 2017 SSAA Expo in Hong Kong, we realized the Chinese self-



The 1st generation self-storage

storage market is going through a very similar path as US self-storage market. According to research from McKinsey & Company, the share of Chinese Millennials consumption is going to double in the next 10 years and account for 35% of the total consumption in China. Affected by the Western trend, Chinese Millennials are more focused on pursuing life quality, experiencing new things and reasonable spending for a premium experience. As the "golden age of capitalism" did to Americans in the last century, today Chinese citizen are encouraged by the strong economic growth to pursuing a better life quality. Self-storage will be a great option for them to store their consumption and personal belongings to make their home become more organized.

The growing housing prices and urbanization process are compressing the average living space in China which make self-storage even more necessary for Chinese citizens. The average living space in major Chinese cities like Beijing, Shanghai and Shenzhen is 240 square feet per capita and still shrinking year by year as the condo prices keep going up. The average house price in 1st tier cities is around \$1,200 per square feet, to some degree the high pricing forces middle and upper middle class Chinese families to live in condos with average size around 800 to 1,300 sq. ft. Always seeing the news is

about how Chinese real estate companies try to develop the microunit condos (under 500 sq. ft with 2 bedrooms, a full-size kitchen and bathrooms) to maximize space and help the citizens to deal with the increasing house prices. In contrast with paying such a high price for the condo, self-storage becomes a much more affordable and even necessary option for Chinese people who are struggling with the rising home price but don't want to compromise their quality of life.

By comparing today's self-storage market in China to the path that U.S self-storage business have gone through, we've seen a lot of similar demand in today's Chinese market that will help self-storage business to keep expand in the future. The consumption upgrading which supported by strong economic growth will provide a solid market environment for the self-storage business. the growing housing prices and shrinking living space will make self-storage become even more necessary for today's Chinese citizen. The Chinese population is 4 times more than the U.S population, compare with more than 58,000 self-storage facilities in the U.S today, the existing 200 self-storage facilities in China are way behind enough to serve this country with the most population in the world, the fire in Hong Kong's self-storage facilities last year alerted the market that governance and standardized operations are urgently

Chinese Millennials are more focused on pursuing life quality, experiencing new things and reasonable spending for a premium experience. As the "golden age of capitalism" did to Americans in the last century, today Chinese citizen are encouraged by the strong economic growth to pursuing a better life quality.

needed in current operations but we believe self-storage will be accept by most Chinese citizens in the first tier cities as a new life style and create a great expansion opportunity to all the existing and future self-storage players in the market. ■

In contrast with paying such a high price for the condo, self-storage becomes a much more affordable and even necessary option for Chinese people who are struggling with the rising home price but don't want to compromise their quality of life.

MAINLAND CHINA INDOOR SELF STORAGE

READY FOR TAKEOFF



Markus Scherer
Head of Consulting
Ipsos Business Consulting

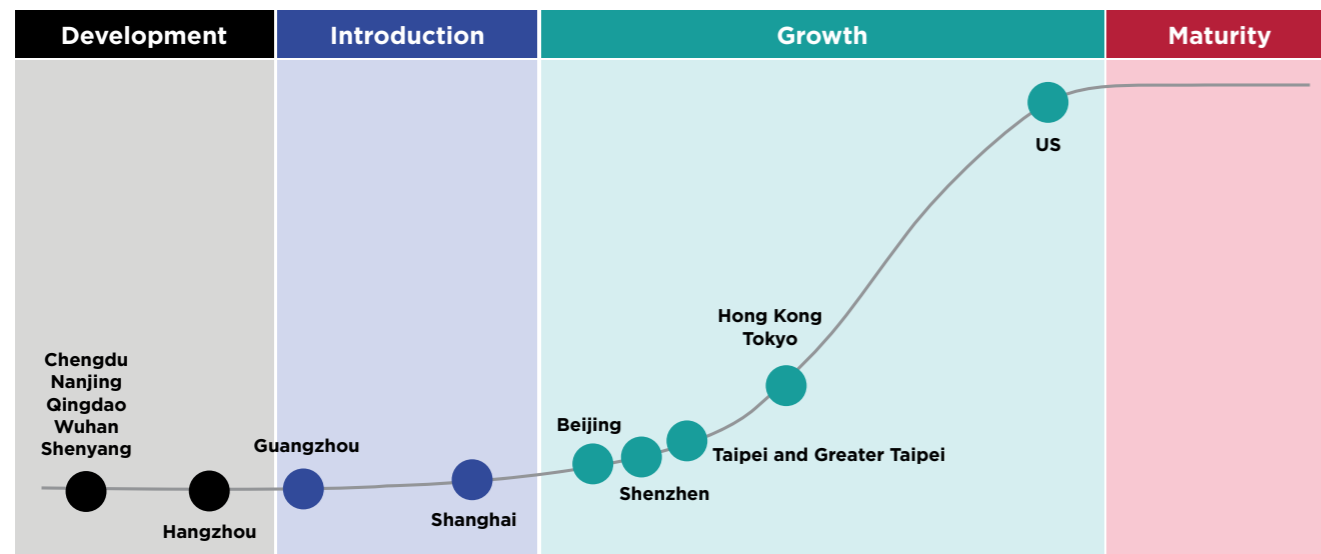


The self-storage industry in Mainland China, while relatively small compared to mature markets such as the United States, is growing rapidly. While the development of the self-storage industry in Mainland China may be 30 years behind the U.S market, it has already established itself in the major cities of Beijing, Shanghai and Shenzhen, and can also be found in eight other cities including Guangzhou, Hangzhou, Nanjing, Qingdao, Wuhan, Chengdu, Tianjin and Shenyang.

Key highlights:

- As of June 2017, there were 40 brands with 213 self-storage facilities in operation across 11 cities in Mainland China
- Since June 2016, the total number of facilities has grown by 31.5%, and the estimated GFA has increased by 28%
- As of June 2017, total GFA is estimated at 297,860 square meters (3,206,138 square feet) with total RFA estimated at 178,716 square meters (1,923,683 square feet)

- Self-storage facilities can be found in 11 cities with 88% of all facilities located in Beijing, Shanghai and Shenzhen.
- Shenzhen has the highest GFA per capita among Mainland Chinese cities, estimated at 0.006 square meters. In comparison, Hong Kong has an estimated GFA per capita of 0.06 square meters.
- In the second quarter of 2017 the average monthly retail asking price



SOURCE: IPSOS BUSINESS CONSULTING ANALYSIS

per square meter was RMB 207 (USD 31.40)

Beijing, Shanghai and Shenzhen are evidently the cities pioneering the development of the self-storage industry in Mainland China today, accounting for 88% of all facilities in operation. Within each of the remaining eight cities, only Guangzhou has more than 10 facilities, while the rest of the cities all have less than 5 self-storage facilities in operation.

Prominent self-storage operators active in the Mainland China market today include Public Self-Storage, China Self-Storage and Your Storage.

There are two other self-storage operators of note active in the Mainland China market, namely Yi Self-Storage and V Self-Storage. Leveraging on the assets of their parent companies in residential building development, they have cultivated a rather different business approach from other self-storage operators in Mainland China. Setting up

Growth in New Facilities 2014-2017 Q2

Cities	Number of facilities				Percentage change
	2014	2015	2016 Q2	2017 Q2	
Beijing	39	43	63	69	77%
Shanghai	20	23	37	44	120%
Shenzhen	24	30	43	75	212%
Others	19	16	19	25	32%
Mainland China	102	112	162	213	109%

most of their facilities in the residential neighborhoods, they have direct and low-cost access to their targeted residential customers.

V Self-Storage is a subsidiary company of Vanke Group and was founded in 2013 to provide self-storage services for residential communities in Mainland China. Today it has more than 200 self-storage facilities around the country located mostly in Shenzhen, Shanghai, Beijing, Guangzhou, Hangzhou and Nanjing.

Ipsos Business Consulting first started

mapping the self-storage industry in Mainland China in 2014. Since 2014, we have seen a growth in the overall number of facilities of just under 109%. While the growth in Beijing has been 77%, Shanghai has shown the most impressive growth of an 120% and Shenzhen has already grown at an amazing 212%.

This growth has truly been phenomenal, and we strongly believe these three cities will be catalysts for the self-storage industry to start expanding rapidly to the other eight cities which currently have facilities, and into many other new cities as consumer awareness and demand grow.

Self-Storage Industry SWOT

Strengths	Very fast adoption of self-storage in Beijing, Shanghai and Shenzhen over the past three years, providing a benchmark for operators in other cities.
	Consumer culture in metropolitan areas across China is very developed.
	Success of self-storage in Hong Kong provides a roadmap for the development of self-storage in Mainland China.
	Strong interest from overseas operators and investors in the development of the self-storage industry in Mainland China.
Weaknesses	Consumer awareness and understanding of self-storage is currently still very limited.
	Concept is still very new, so a considerable amount of effort is required to convert new users.
	Self-storage is not perceived as a very glamorous industry.
	Current regulatory framework governing self-storage facilities is limited and inconsistent across regions.
Opportunities	Overall economic rebalancing focusing on developing a consumption-driven economy.
	There are many developed cities along the east coast with large populations and relatively high disposable incomes, where no self-storage operator is currently active.
	Cost of real estate is expected to continue increasing in the mid-term, making smaller apartments with less storage space more attractive.
	Younger generation is much more mobile than previous generations.
Threats	Competition from developers of residential compounds offering self-storage services directly to residents in the compounds.
	Increase in competition between operators in larger cities such as Beijing, Shanghai and Shenzhen focusing on stealing market share rather than on converting new users, leading to unhealthy price competition.
	Increase in competition from residential real estate developers.

About Ipsos Business Consulting

Ipsos Business Consulting tracks the Greater China self-storage industry on quarterly basis. Our comprehensive database includes information on all facilities by location, GFA estimations, occupancy rate estimates, retail asking prices, number of brands and rent concessions.

We support both operators, investors and other interested parties with our comprehensive industry understanding and investment advisory services.

More information here:
www.ipsosconsulting.com

About the author:
Markus Scherer leads the consulting unit for Ipsos Business Consulting in Hong Kong. In cooperation with the SSAA he has been actively following the development of the self-storage industry across Asia Pacific. He can be reached at markus.scherer@ipsos.com.



中国深度探索： 上海

上海客户消费理念与国际接轨，因此客户对自存仓这个行业的概念接受程度高，所以对行业发展有一定的优势。



曹雨
创始人&CEO
优立仓迷你自助仓



1. 在进行“SWOT”市场分析时，你觉得甚麽是你身处的城市中所具有的强项(Strengths)、弱点(Weaknesses)、机会(Opportunities)和威胁(Threats)。

上海是一个经济实力强的城市，对储存的需求自然较多。再加上，客户消费理念与国际接轨，因此客户对自存仓这个行业的概念接受程度高，所以对行业发展有一定的优势。但可惜的是，城市物业价格较高，在利润空间方面会受到一定的影响。然而，随着人口不断流入上海，自存仓业务的发展机会也不少。不过，正因为市场有发展的潜力，所以不断增加的新的入行者会构成现有市场会造成压力。

2. 你觉得在你的城市中营运自存仓最困难的部分是甚麽？你认为这些困难在将来会继续存在吗？如果困难将会持续，有甚麽方法可以作出改变？

我觉得现时最困难的是市场渗透率太低。我们预计这情况会继续存在一段时期，但长远来讲一定会改善。因为行业历史可以告诉我们随着行业的不断发展，大众对行业的了解会逐步增多，所

以要客户尽快了解自存仓的行业才能作出改变。

3. 有甚麽因素令外国机构有兴趣投资於中国自存仓行业？有甚麽潜在问题是外国投资者需要留意？

无可置疑，中国是一个巨大的市场而且在未来发展潜力非常高，相信令很多的外国投资者对中国自存仓行业相当有兴趣。不过需要注意的，是中国尚未对该行业有明确认识，政府也还没有相应的法律法规来规范。

4. 一般而言，在你的城市中自存仓行业有甚麽地方需要进步？亚洲迷你仓商会可以怎样帮忙？

自存仓的行业软硬件标准还需要提高。所以我希望亚洲迷你仓商会可以做以下帮助：1. 提供更多其他国家同行的发展近况（尤其是亚洲），2. 提供行业发展的硬件及服务方面最新的咨询，3. 提供与资本市场相关的咨询（如与行业相关的购并、投融资等），4. 行业未来发展的趋势预测和5. 安排参观学习先进同业的机会。

中国深度探索： 广州

中国是一个拥有巨大市场潜力的地方，有研究报告认为未来中国自存仓市场是一个超2000亿人民币的市场。



伍廷杰
董事
广州存管易仓储服务有限公司



1. 在进行“SWOT”市场分析时，你觉得甚麽是你身处的城市中所具有的强项 (Strengths)、弱点 (Weaknesses)、机会 (Opportunities) 和威胁 (Threats)。

我认为在广州营运自存仓是存有优势的。因为广州作为中国最大批发商业城市之一，有估计认为广州有超过1000个批发市场，因此批发商对库存需求庞大。此外，很多电商和传统业务对仓库的需求也可分流给自存仓。由此可见，商业方面对自存仓的需要很大。相反，普通市民却对自存仓的认知相对其他一线城市比较薄弱，所以在个人自存仓



的业务时，发展进度可能比较缓慢。不过，正因为竞争处于相对发展初期的阶段，所以令自存仓的发展机会增多。比如相对北京、上海等城市有超过50甚至100家自存仓分店，广州现在只有不到20家分店，所以市场机会还是很大的。但不得不提，现在政府法规的不确定性，可以对自存仓行业的发展构成潜在威胁。

2. 你觉得在你的城市中营运自存仓最困难的部分是甚麽？你认为这些困难在将来会继续存在吗？如果困难将会持续，有甚麽方法可以作出改变？

我认为自存仓最困难的部分是没有确实的法规可以遵从。监管部门比较倾向认为自存仓是普通仓库，所以在选址方面和营运方面都存在不确定性。我相信这些困难在短期内应该会继续存在，若要得到真正的改变，可能需要等待行业到了比较有规模时才会有转机。

3. 有甚麽因素令外国机构有兴趣投资於中国自存仓行业？有甚麽潜在问题是外国投资者需要留意？

中国是一个拥有巨大市场潜力的地方，有研究报告认为未来中国自存仓市场是一个超2000亿人民币的市场。而且现时自存仓的市场竞争相对低，再加上整体房地产市场向上的趋势，相信这些因素对外国投资者都相当吸引。但外国投资者要留意不能将外国的营运手法和概念完全复制在中国市场上，投资者需要有更多的灵活性和耐心去配合中国的模式。

4. 一般而言，在你的城市中自存仓行业有甚麽地方需要进步？亚洲迷你仓商会可以怎样帮忙？

我觉得广州需要定立更多的行内标准和加强与政府沟通，我希望亚洲迷你仓商会可以这方面有所帮助。

Join Your Industry Association Now

SSAA is the only industry body that works for you in Asia

- Free pre-vetted rental agreements for storage owners
- Free introductions to investors and suppliers
- Industry standards and advocacy
- Exclusive rates to informational and networking events
- Free listings on SSAA directory
- Free trade magazine
- Exposure and Marketing

BE AN INDUSTRY INFLUENCE

Contact Luigi:
luigilatona@selfstorageasia.org
Visit www.selfstorageasia.org

SSAA為11個亞洲國家提供服務
會員分布在全球16個國家
成為SSAA的一員吧!

會員福利

交流平台

- 本地交流和培訓活動
- 亞洲迷你倉展
- 會員會務發展

促進發展

- 會員介紹服務
- 研究報告
- 推廣
- 行業資訊

保障權益

- 國家/地區委員會
- 行業標準及認證
- 信譽
- STORALERT!
- 標準協議
- 會員福利



Highlights from Self Storage Expo Asia 2017



中国深度探索：北京

自存仓在中国是一门新兴行业，同业的竞争者也相对较少，是潜在的蓝海市场，正等待营运者或投资者寻找尚未开拓的地方。

1. 在进行“SWOT”市场分析时，你觉得甚麽是你身处的城市中所具有的强项 (Strengths)、弱点 (Weaknesses)、机会 (Opportunities) 和威胁 (Threats)。

我认为每一个中国城市也有其独特优势之处。就以我身处的城市北京为例，近年来，北京的房价上涨速度很快，市民趋向购买较小的房屋面积。因此，想拥有更宽敞的家居空间，自存仓的需求亦大大提高。但自存仓在中国仍是一门新兴行业，所以普及度也相对较低。市民需要更多时间认识及接受自存仓的好处，才能发挥本行业的最大商机。此外，在我的观察中，北京有很多可以发展成为自存仓的空间，总括而言，自存仓在北京仍是商机处处。不过，虽然我们相信自

存仓在北京有很大的发展潜能，但不能不留意现时还未定立相关的自存仓法规。这可能构成本行业的威胁。

2. 你觉得在你的城市中营运自存仓最困难的部分是甚麽？你认为这些困难在将来会继续存在吗？如果困难将会持续，有甚麽方法可以作出改变？

我觉得现时在北京营运自存仓所面对的困难是普及度低及没有相关的自存仓法规。但我相信这两个问题在短期内应该会持续下去。但作为营运者，我们留意到自存仓的普及程度在不停进步，而就有关法规方面，也得到了政府的一些关注。虽然距离立法应该还有很长的时间，但我们对业界的发展仍相当正面。



曹肇榆
创始人
雨汇国际迷你仓有限公司



3. 有甚麽因素令外国机构有兴趣投资於中国自存仓行业？有甚麽潜在问题是外国投资者需要留意？

正如我之前所说，自存仓在中国是一门新兴行业，同业的竞争者也相对较少，是潜在的蓝海市场，正等待营运者或投资者寻找尚未开拓的地方。但外国投资者需要留意，现时内地并没有法规可依，故此，与成熟市场相比投资决策需要更为进取才能进入该新兴市场。

4. 一般而言，在你的城市中自存仓行业有甚麽地方需要进步？亚洲迷你仓商会可以怎样帮忙？

我认为自存仓行业要进步，首要是北京同行需要更加团结。而亚洲迷你仓商会可以发挥联络人的角色，为北京同行定期组办活动。

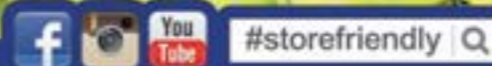


storefriendly™

The Asia No.1 Choice
over 130 Branches in Asia

儲存易代言人 - 亞洲男網球王
Brand Representative
ATP Top 100 tennis player

盧彥勳
Rendy Lu



Hong Kong | Singapore | Macau | Taiwan | Shanghai

store-friendly.com

発展市場への投資



Mike Hagbeck
最高経営責任者
Minibox Self Storage



To invest or not to invest

賢明な投資者は確実性を好みます。確実性が増すほど、リスクに対する利益率を計算しやすくなります。経験豊富なセルフ・ストレージ・オペレーターは投資コストや運営コスト、賃料をよく理解し、稼働率の今後の成長性について賢明な考えを持っていることが一般的です。

現在、残念ながら、アジアのセルフ・ストレージ産業は変革の時期を迎えており、私たちの事業の捉え方について大きな影響を与える可能性があります。

それでは、そのような変化はどこで起きているのでしょうか？

成長の鍵の一つは、私たちを取り巻く規制構造にあります。アジアでセルフ・ストレージに対する具体的規制がある市場は少ないですが、近年火災や危険物に関する事件が何度か発生したため、規制当局はセルフ・ストレージ事業を詳しく調べ始めています。もし当局の要請に対応で

きない場合、セルフ・ストレージは経済性の低い事業になる可能性が多いにあります。

アジアのセルフ・ストレージ市場はまた別の意味での変換期にあります。それは、リスクを厭わない初期の起業家が、エバーグリーン、シンガポールポスト、キャピタランド、ブラックストーンといった大手企業により、資本参加をうけつつあるということです。もしこれらのオペレーターが広範囲で本格的に展開することになると既存のオペレーターに深刻な影響を与えることとなります。これはマーケットシェアを考えるとマイナスになりますが、もし大手企業が強力なマーケティングを行い、セルフ・ストレージ業界に対する一般の注目がより集まれば、業界にとってプラスにもなり得ます。

技術もまた市場の発展を促す別の触媒となります。例えば3D印刷や、まだ開

発途中のバレットボックス事業などです。おそらく管理ソフトやアクセス管理ソフトの開発はより効率的になるでしょう。

では、何が開発されていないのでしょうか？

まずは計算です。正確な投資回収の計算はずっと同じ公式を使用しています。自社の数字と、増加した外部リスク要因を考慮に入れることで、不確実性が増している状況でも投資の決定に自信をもつことができます。

銀行や金融機関は、セルフ・ストレージ業界への関心を高めているものの、いまだリスク回避型です。資金提供をうけるには、保守的な事業計画で、現実的な数字と多くの類似物件の用意が必要です。

需要はまだ多く、私たちが顧客を満足させることに集中すれば必ず需要は生まれます。

アジアの人口統計的な動きはまだ私



Technology is another catalyst to encourage the development of the market

たちの味方となっています。人口密度も収入も増加しているため、アジアの消費者はより多くのモノを購入し、その結果、保管スペースが必要となります。しかし住居サイズは変わりそうもありません。

広くいえば、オペレーターや投資家として、セルフ・ストレージ市場の発展にどう反応するかは、私たちの長期的あるいは短期的な投資計画によって決まります。私の意見では、短期投資家にとってのリスクは明らかに高まっています。なぜなら課題や景気サイクルの下降を切り抜ける時間が少ないからです。このため、可能な限り、貴社の出口戦略について可能な限り明確にしてください。

貴社の事業要素の何が安定的で信頼できるのかを理解してください。その後何が変動するのかを確認・理解してください。管理できること、できないことを区別するのはです。

明らかにリスクが高いのは変動するものです。管理不能な為、可能な限り、これらの分量を制限します。リスクの正確な価格設定の概念に戻るので。

例えば、事業中断保険のような保険への加入は貴社のキャッシュフローを多くの予見不能な事故から守ります。

リスクを減らす他の方法として、リース物件を避ける手段があります。急いで事業を拡大するのは挑戦的ですが、リースはオペレーターに、地主や他テナントにより発生する外部リスクをもたらします。例えば、リースの非更新、更新時の過剰な料金値上げ、他の入居者による不適切な使用が原因となる盗難、水害、火災による損害などです。

物件の保有はセルフ・ストレージ・オペレーターや私たちのお客様をこれらのリスクから守りますが、もちろんそれには金利と規制リスクが伴います。しかし、管理

できない変動要因を管理可能にすることになり、更に、オーナーというよりもむしろ貴社不動産価額のアップサイドを狙うことができます。

つまり、私たちは、セルフ・ストレージ市場が発展しつつも、ある意味、よりリスクが高まっていることを認識すべきです。しかしこのリスクは管理可能で、チャンスに変える可能性も秘めています。そして私は貴社がそうすることを願っています。

銀行や金融機関は、セルフ・ストレージ業界への関心を高めているものの、いまだリスク回避型です。資金提供をうけるには、保守的な事業計画で、現実的な数字と多くの類似物件の用意が必要です。

FIRE!

Fire and Water, without a shadow of a doubt, are two of the biggest threats to any Self-Storage business. Ask any half decent storage owners, when they build their self-storage from scratch, how much consideration would have gone into planning to mitigate the risk from these 2 elemental threats.

In this article, I will like to explore the threat of FIRE in a Self-Storage Business. As defined appropriately by Wikipedia, “*Fire is the rapid oxidation of a material in the exothermic chemical process of combustion, releasing heat, light, and various reaction products*”. The word “material” is obviously the main ingredient in a Self-storage business. While 4 walls of solid steel partition and concrete are not combustible, the contents within a storage unit are another story altogether.

Storage operators spends a ton on ensuring that their properties are safe from the effects of a Fire. Sprinklers, detectors, water tank, extinguishers etc are main stays in any decent storage facility and therein lies the problem.

Storage Operators spends too much time dealing with the AFTERMATH of a fire rather than spending on preventing one from ever starting.

Think about it, sprinklers/ extinguishers/detectors etc....these are equipment to prevent the spread of fire, stopping the fire from causing more damage and more importantly, saving lives. However, shouldn't we spend more of our efforts into preventing one from even happening in the first place?

A lot of efforts were invested in educating would be and current Self Storage users on the Dos and Don'ts of items to store in storage unit. The Self-Storage Association of Asia for instance, launched a campaign in Hong Kong recently, to educate the public on the use of self- storage units. Descriptive posters with clear indication of what is not allowed to be stored in a storage unit, are distributed to all its members, pasted at highly visible traffic area within the member's storage facility. While these efforts raised awareness on the unintentional storage of forbidden contents, it does nothing to safeguard against arson. Arson is a real threat, one that is not to be taken lightly and no amount of educational, informational material in the world is going to stop someone from starting a fire intentionally



Matthew Chee
CEO
Storage World



Storage Operators spends too much time dealing with the AFTERMATH of a fire rather than spending on preventing one from ever starting





Implement an Arson Prevention Plan

Appoint a person to be the "go to person" in all fire matters

to cause harm and damage.

The occurrence of arson can be reduced and its effects controlled if consideration is given in advance to identify potential threats and ensure effective protection measures. An Arson Prevention Plan (APP) is to clearly document the fire safety management system to safeguard the storage facility against security threats arising from arson attacks.

The following steps can be considered in the implementation an Arson Prevention Plan

1. Appoint a person to be the "go to person" in all fire matters. Send them to attend courses, briefs by the local fire department to understand the local fire codes.
2. Conduct a security risk assessment of Arson by going through the following steps:-
 - a. Identifying critical locations within the storage facility that are prone to

arson. Such as a CCTV area blind spot or check if access to the Fire Command Centre is secured.

- b. Look for potential risks to the fire protection systems within the storage being sabotaged. For instance, an unsecure water valve, theft of extinguishers etc.
 - c. Look at the accessibility of breaching inlets of sprinkler and rising mains, control valves of sprinkler, landing valves of rising mains, hydrant, pump and motor room.
3. Identify points of Fire Hazards. Reduce as far as is practical, the source of ignition and combustible materials that are available to the potential arsonist. Example of these could include waste materials accumulated anywhere in the premises, improper storage of hazardous substances, indiscriminate dumping of building

materials for the renovations works, placement of discarded items on passage ways/ staircases, etc.

4. Checks on Adequacy of Existing Security Measures. Effective security measures make a positive contribution to reducing the threat of an arson attack. Example of the security measures that could be assessed include access control to prevent illegal entry to sensitive, isolated or seldom used parts of the premises, access control to the fire safety installations, monitoring of the movement of fire hazardous materials delivered by an external party, installation of security lighting, security fence, CCTV, etc. These security measures would serve as prevention and deterrence to potential attackers that the fire safety systems are under observation.
5. Conduct Scenario planning for act of sabotage to the fire safety systems that are likely to occur based on the Self-storage business and

activities conducted in the facility and recommend measures to handle such situations. Identification of the anticipated problems that may arise from the scenarios that may vary depending on the facility's event calendar. Examples of these could include possible activities of destruction or sabotage, how to better manage fire hazards in such situation, what measures to take in enhancing the protection of the facility's fire safety systems etc.

6. Establish the fire safety housekeeping program for the storage facility. Examples of these would include the inspection on fire doors to ensure that they are properly closed, duct risers are properly fire stopped, storage at common areas are removed, hazardous substances are properly kept, no obstruction to passageways /staircases from discarded items, etc
7. Reduce the opportunity to start a fire. Posters and signs help. Talking about it to would be self-storage user helps.

Making sure storage facility staffs are trained to be vigilant and look out for threats to the business will help the cause immensely.

Matthew Chee is a certified Fire Safety Manager (Singapore Defense Force). He is formerly the Operations Manager of Big Orange Self Storage Singapore and Hong Kong. Matthew was also a former Director of REDBOX Storage (HK) and has over 11 years of experience in the Self-Storage Industry.

RELIABLE, HIGH SECURITY PADLOCKS FOR YOUR CUSTOMERS

Lock Distributors have been distributing and developing security for self-storage since 1986.

Protect your business and lock into profits using our top quality products, friendly customer service and unparalleled expertise.

High security • Pick-proof • Range of styles • Thousands of key changes

SPONSORS OF SSAA EXPO HONG KONG 2017

ASIA PACIFIC
Martin Coote
Sydney Head Office

T +61 2 9890 3844
E service@lockdistributors.com.au
lockdistributors.com.au

投资增长行业的风险及回报



陈启豪
集团主席
储存易迷你仓集团



Kevin Chan于多年前已开设迷你仓，曾在过去亚洲迷你仓商会In Store杂志中，谈及创业的点滴和成功之道。现在香港及台湾的行业发展放缓，我们想要知道他怎样看待现在的情况。

问：香港去年的迷你仓大火，令不少行家受到打击，连带其他国家也受到严重影响，例如台湾。政府规管继而开始大幅收紧，你有预计到会出现这样的情况吗？你又如何处理呢？

不过，其实我们只是经营迷你仓，又不是发展商，为什么要学这些东西呢？现在这件事给予我们机会，重新学习迷你仓以外的新知识。这就是「营商」的现实。



我们从香港经验中的学习

我自己在上年六月时遇到了不少问题，最初只在香港，但后来蔓延至台湾。这次大火惊动了台北、中国，当地开始关注对大众带来的潜在问题，尤其是台湾。当地储存的危机物品已立刻受到牵连。每一行都有各自的挑战，有些关于融资，有些则在于推广。如果政府介入，而市场对行业本身需求不大，这一行就会消失。不过几个月后，我们仍在跟政府商讨改善方法，而非瓦解，就是因为政府看到香港及台湾对这一行的需求。[这次事件不是这个行业的尽头。虽然有所打击，但不全然是坏事]我们需要的是订立新方向 [及新策略]。

我们忘记了这十五年来行业的成功之道，而[要继续稳定发展]，我们现在需要作出改变。每个行业都会经过这一阶段。我真的很享受这十五年来营商生活，只是现在我们要为配合未来发展而需要转型。

编注 - 储存易迷你仓集团在香港有超过一百间分址，台湾有八间分址，上海有一间分址，澳门也有六间分址，服务全亚洲超过十五万名顾客、三万五千个迷你仓储存柜。

问：同意。你经历过顺利的时期，到现在的政府介入，你是如何处理呢？你在这一行得到回报，可以说政府介入是相关的风险吗？

作为一个老板，我们常常都会自我期许，订立五年、十年计划，但其实更重要的是做些前人未做过的事。之前我们要了解迷你仓员工、管理、会计等商业议题，而现在我们需要进一步了解政府相关议题，如土地问题、授权及防火措施。

不过，其实我们只是经营迷你仓，又不是发展商，为什么要学这些东西呢？现在这件事给予我们机会，重新学习迷你仓以外的新知识。这就是「营商」的现实。

过去十五年来我们一直都是摸着石头过河，但现在规模及市场变大，就要建立属于我们的桥梁，令我们于未来可以继续扩大市场。

问：所以我们的成功是我们承受压力的原因吗？

对。我们有这么多压力，迫切去解决问题，就是为了于未来得到更大发展。例



亚洲迷你仓展览2018
泰国 - 曼谷
5月16-18日

约定您
一起发掘
泰国文化

护法夜叉王

如欲知更多详情
请浏览

www.selfstorageexpo.asia



活动回顾：

这是我第一次参加在香港举办的亚洲迷你仓展览。我有幸能成为众多讲者之一，同时也是一名参加者。我常常会以几条问题来评估一个展览或一个会议。我有否结识到新朋友？我学到什么？展会组织是否有条理？食物好吃吗？展会场地舒服吗？所有答案全部都是一个肯定的「有」。我认为所有一切都是一流的。我会把亚洲迷你仓展览放在我的不可不做事项之列。

- Tron Jordheim, 美国, 亚洲迷你仓展览 2017 参加者



如我们这一行之前在香港只有十万个迷你仓储柜，如果没有规管，又怎样达到未来十年增长十倍这个目标呢？

现在是[香港市场]跨越难关、共建未来的时刻。很多人会选择结束营业，但就算转行，也会有同样问题。尤其是当行业发展时就会有相应问题，如潜在规管。

现在是难关的同时，也是学习的机会…增长同时是个机遇 – 我们得放眼未来。我们需要发展成一个有规格的行业，个人而言需要发展为[迷你仓企业家]。

问：之前我们只是鼓励实行最佳实践做法，而现在变成强制要求改善。这是件好事吗？

亚洲迷你仓商会当初成立时，重点在于推广、活动、研究等等，就如其他机构的成立初期。但现在商会更重要的是发展行规，探讨行业生存的议题。作为商会，代表一个行业，我们现在有很多需要学习。一旦完成目标，订立到最终做法，就没有问题。就像其他商会，本来就会受政府相关法例规管。所以重点在于如何处理这些问题，包括政治、规管等等的同时，持续发展事业。你要懂得平衡。营商就像玩平衡木一样，很多人都说金钱、胆量及机遇是必须的，重点就在于抓住机遇向前。

问：明白。就像2008年时的金融海啸，很多公司都结业。政府介入、重组、振兴行业，而现在都发展良好。

不完全正确。没有压力，这行绝对不可能像美国一样发展得这么好。跟美国比起来，我们就是高中生，而他们是博士生，因为他们已解决了所有问题，例如规管，亦更懂得如何经营。

而现在要解决问题的话压力更大，因为所有资讯都十分透明。一旦有新闻，大家都知道发生了什么事，对商会及整个行业施加更大压力，要求我们符合政府标准及市场需求。

我们现在要合作的政府部门跟发展商十分相似 – 地政总署、消防署及屋宇署。我们正学习如何改善行业基础，为将来发展铺路。

过程中我们可以预见行业能继续发展，亦看到政府并不想扼杀这一行，反而想要帮助我们发展，重拾顾客信心。希望政府之后会明白迷你仓的重要性，并让我们利用工业大厦发展。

问：在你有份投资的香港和台湾，我们被给予一次重生的机会。行业规模逐渐扩大，政府跟业界合作，正因为他们看到公众的需求，不想扼杀业界，但希望在行业规模变大前加强规管。那中国情况如何呢？政府一定看到发展趋势，亦会留意到香港这次事件。作为商会，我们如何估计他们对行业有多看重？

中国有很多商家正建立自己的迷你仓，但政府有不同的防火要求。你不可能控制及理解每个政府的做法，执法亦有不少困难。所以行业未到一定规模，政府未必有兴趣介入。[迷你仓这一行在中国尚未成熟，刚在发展初期。]现在政府未必太留意这一行，但现时商会可以做的是鼓励实行最佳实践做法，就像之前香港一样。

我们需要时间发展这一行，但政府未必完全明白这一行的市场需要。如果没有商会跟政府合作寻求解决方法，之前我们已经瓦解，而现在我们已找到解决方法。虽然很多营运商现时非常不安，但这次经验对他们而言也是一种训练，令他们更了解这一个行业。

我们需要努力为行业争取及不断自我增值，才能继续发展。根据我们的经验来看，如果在别的地方有这种事情，而我们又有投资，实际上这是一种回报。

从亚洲迷你仓商会角度而言，我们绝对已学到不少，看我的头发变白了就知道。我们会继续争取于行业发展，因为我们已在学习途中，尚留在市场的同行也明白，之后这一行将会重生，甚至变得更强。

只要一直经营，风险就会持续。不过只要一直了解最新情况、有心向上、持续学习，就会获得相应回报。尤其是政府既然想这一行继续发展，就该注意不应该只是盲目投资，而要精明投资。



台湾提供新的机会

Does your insurance add value for your business?

Insurance can sometimes be viewed by business as a cost to their operation that doesn't add value, until something goes wrong and the insurance policy is there to respond. Whether it be storm damage, theft of items or flooding, the value is often not realised until the event happens. One area that really focuses the mind for a facility operator is a major disaster such as fire. Sadly, this is something that has been in the headlines in recent times.

The first concern in any such situation is of course human safety. However, in the self-storage industry, once that is established and the initial dangers dealt with, a major fire not only affects business, revenue and ability to trade, but can also have a major influence on the reputation of that business and the industry as a whole, particularly as it often involves consumers and the loss of their possessions.

What cover is available?

Self-storage operators have both day to day and strategic issues to contemplate and it is a worthwhile investment of time to ensure comprehensive insurance that adds value for the business and its customers, dealing not only with smaller, more frequent potential losses but also major disaster scenarios. Cover that

Whether it be storm damage, theft of items or flooding, the value is often not realised until the event happens

should be considered includes but is not limited to.

- Building and Contents / Liabilities
- Business Interruption
- Customer Goods'
- Building and Contents / Liabilities

Buildings and contents sums insured need to allow for the full costs to reinstate property including removal of debris costs, architects and surveyor's fees and possibly also walls, gates and fences. You should insure for the rebuilding costs plus these expenses rather than the market value.

If the property is leased, it is wise to make sure you check the lease agreement and if necessary insure the loss of rent payable to your landlords following

a loss, assuming your landlord is not already covering this.

It is important to also make sure you have sufficient liability insurance to cover potential customer injuries or fatalities as the nature of your business means you have an increased potential of customers being on site when incidents occur.

Business Interruption Insurance

Business Interruption cover can potentially be the difference between your business surviving a disaster or not, as the insurance payments can cover the shortfall in your income and any additional costs you have to face in the period until your business is back up to the pre-loss levels. Most operators work to at least a 36 months' indemnity period or more for larger properties that are



Daniel Reynolds
Director
Reason Global



Securing an insurance



owned rather than leasehold. Arranging this cover correctly is imperative as inadequate cover could leave you with a large uninsured loss of revenue until you are up and running again at the pre-loss levels of business. This is where a good broker can help with professional advice.

Customers Goods Insurance

Customers Goods insurance for customers is used extensively around the world by self-storage operators. This cover ensures that customers are compensated appropriately and are dealt with professionally by claims handlers to settle their losses. It can also become a source of additional revenue with good take-up levels, but at the very least should cover the costs of implementation. It dovetails with the SSSA Licence Agreement and means you can offer your clients insurance cover should they not have their own.

The speed of response following a loss, the handling of your customer and the communication to them is very important if you are to recover and maintain your reputation. Without insuring this risk, you will not only potentially have to deal with the customer's losses directly,

which could involve legal proceedings, but also the reputational damage that this can cause. In this age of social media and online marketing, that reputational damage can quickly spread and be hard to repair.

Our experience as a specialist broker to the self-storage industry suggests that following a major loss, customers will want reimbursement of their losses quickly. The nature of the items in store can often have sentimental value or items that cannot be replaced and this causes further anguish and anger. Professional insurance claims handlers can remove a large amount of the stress of a major claim scenario as they are very experienced in dealing with such matters efficiently and professionally, allowing you to focus on getting your business back up and running.

Can I Sell Customer Goods' Insurance?

The SSAA and legal advisors have agreed a solution whereby you agree responsibility via an addendum to your SSAA Licence Agreement rather than selling insurance. You can then charge a fee to customers for agreeing responsibility.

So in summary, taking the time to set up the correct policies for your business can mean not only that you insure all your customers goods' effectively, but also that you take care of your reputation in the event of losses and damages, and potentially create a revenue stream for your business at the same time. ■

36 months

Indemnity period for larger properties that are owned rather than leasehold

Is the European self storage market heading into a Golden Era?

The self storage market in continental Europe was growing at a typically rapid rate before the economic crash of 2008 hit and the brakes came on. However, in the past couple of years there has been lots of activity in the market with some predicting a re-boot of the industry and record growth to follow.



Rennie Schafer
CEO
Self Storage Association UK



Europe is a relatively late comer to self storage. After the industry emerged in the USA, it moved to Australia and NZ, before making its way to the UK and finally continental Europe. The pattern of growth however has been similar. A few innovative entrepreneurs kick started the industry, followed by the entrance of some larger operators with significant capital who often ran mass media advertising campaigns to increase awareness of the product. This led to significant growth both in major operators and smaller independents. Then the economic crisis of 2008 hit. In continental Europe in particular, the growth curve for self storage businesses started to level out. In some respects, this economic turmoil came at the worst time for the industry. In most countries the industry was still very young with low awareness. So, while in a more mature market during an economic downturn people may use self storage for different



reasons, downsizing and the like; lack of awareness of the industry meant people were not considering self storage. It also meant that financiers and lenders had limited experience with the industry, so in times of risk-averse lending, it was hard for operators to obtain finance to expand their businesses. As a result, the European self storage industry bucked the trend of the rapid growth cycle and supply levels levelled off. The effects were somewhat less in the UK market, which continued to show year on year growth, but even in the UK, the level of growth dropped noticeably. For the next 6 years or so, the growth of the European self storage market was moderate at best and stable in many countries, with spasmodic

periods of growth and investment, but no real signs of a return to the increasing rates of growth pre-2008 and the typical self storage growth cycle. Until now that is.

There have been several significant changes in the market over the past few years. Firstly, the lending market has opened up more. A combination of lenders loosening their restrictions and lending more and, a better understanding of the market, particularly given the generally excellent performance of existing self storage operators during the recession, has made finance more readily available for investment in self storage. In 2010 many operators quoted lack of finance as one of the main reasons they were not

expanding their business, now, this seems to be less of a concern and it is more about the availability of suitable sites at feasible prices. There have been more new operators entering the industry, often these might only be smaller sites outside major cities, but every new site that opens adds to the total space, and also increases awareness of the industry in the local market. We have also seen some consolidation of the industry and major sales, another feature of a growing market that was lacking post-2008. Late in 2016, a major US operator, StorageMart, purchased 15 sites in south-east England, a trade worth over £100M. Shurgard have acquired large chains in Germany and the Netherlands which, combined with their organic growth, particularly in the London area, has significantly increased their portfolio. Blue Space in Spain was acquired by Freemont Capital, who then went on to purchase the Spanish portfolio of City Self Storage. While an acquisition may not directly add space into the industry, it does show an appetite for investment, further increasing the awareness of the industry, particularly in the investment sector, and provides important metrics on valuations for the industry. In both the Australian and US markets, a degree of consolidation has been a sign of a maturing and growing market. In the UK, there are operators that are building self storage businesses, taking the risk on development with a clear exit strategy of selling the established business to a major operator.

European markets that have been relatively stable for years are now showing solid growth results and real commitment for growth by local operators. In Germany for instance, which still has a relatively low level of storage per capita of under 0.006 square metres per person, 27 new stores opened last year, growing from 143 to 170, and there are lots more in the pipeline. These are not all small stores in regional locations either, many are large purpose built sites in major cities. The Spanish market now has over 320 self storage stores, mostly in Madrid and Barcelona, but with more stores opening outside the cities where 5 provinces have more than one self storage store. Considering Spain was one of the European countries most effected by the 2008 economic crisis, increasing growth in this market is a very promising sign. The French market is also showing strong growth, more so outside of Paris, particularly in the south of France and more regional markets. There is a rapidly growing number of small independent

COUNTRY	2016 Est no of facilities	2016 Total current rentable sqm	2016sqm per person	2016 Storage facilities per million pop
Austria	30	78,000	0.009	3.5
Belgium	30	130,000	0.012	2.7
Czech Republic	3	11,000	0.001	0.3
Denmark	71	176,000	0.031	12.5
Estonia	2	2,000	0.002	1.5
Finland	59	130,000	0.023	10.7
France	340	930,000	0.014	5.3
Germany	170	463,000	0.006	2.1
Hungary	13	35,000	0.004	1.3
Iceland	6	15,000	0.045	18.1
Ireland	25	80,000	0.017	5.3
Italy	46	163,000	0.003	0.8
Latvia	2	5,000	0.003	1.0
Lithuania	1	1,500	0.001	0.4
Norway	72	84,000	0.016	13.6
Poland	10	10,500	0.000	0.3
Portugal	16	49,500	0.005	1.6
Romania	1	12,500	0.001	0.1
Spain	305	800,000	0.017	6.6
Sweden	128	370,000	0.037	13.0
Switzerland	47	48,000	0.006	5.6
The Netherlands	284	849,000	0.050	16.7
UK (incl containers)	1,077	3,493,000	0.054	16.5
Europe in Total	2,738	7,936,000	0.016	5.6

self storage sites opening up across France, both in more urban locations like Toulouse to less populated locations like Chamonix.

Even emerging European markets are growing, including some of the Eastern European countries with stores opening in Turkey, Poland, Ukraine, Latvia, Estonia, Portugal, and Romania just to name a few. The Russian industry is also growing, having just established a new Russian Self Storage Association. All across the continent, self storage markets are showing growth with indications that there is more to come.

Comparing the size of the European market to the USA, or even Australia, is fraught with danger; particularly the USA market. The industry was started in America when land was cheap and there is also an abundance of land for development compared to Europe. As a result, self storage is considerably cheaper in the USA by every measure, so Europe is

very unlikely to reach the levels of storage per person that the USA has. However, what is relevant is the way the industry has grown in these markets. As awareness increases in a market, the industry has shown strong growth until it hits a level of maturity where the growth slows somewhat. This growth curve in Europe was interrupted by the financial crisis, but all indications are that it is resuming again and, we could very well be heading into a prolonged period of growth for the industry and an increase in awareness of the product within the market.

If you are interested in the European self storage market, then why not come and experience it first hand at the European Self Storage Conference in Berlin, October 17-18. Join over 450 owners and operators of self storage businesses across Europe and experience the biggest self storage trade show outside the USA. More details can be found at www.ssauk.com. ■

Interested in buying self storage in the US?

Give us a call! | +1 919 797 1281



想购买美国自存仓？
联系我们！



JOHN LINDSEY



ALAN LINDSEY



WWW.LINDSEYSELFSTORAGEGROUP.COM

JOHN@LINDSEYSELFSTORAGEGROUP.COM

ALAN@LINDSEYSELFSTORAGEGROUP.COM

Do It Like the Iroquois



John Lindsey
President
Lindsey Self Storage Group



Self storage is currently one of the hottest real estate sectors throughout the world. From Hong Kong, to North Carolina, single owner-operators, to large private equity funds, everyone wants in on the newest trend. While the sudden attention to self storage is overall a wonderful validation of the industry at large, it also brings numerous challenges and growing pains. These headaches, if not properly navigated and monitored, can and will lead to the eventual downfall of many facility owners, as we have seen time and time again here in the US throughout various recessions. So the question is, how do you prepare yourself to face the struggles in your own market as a facility owner? Simple – just do it like the Iroquois!

Now, you may be wondering, who are the Iroquois and what do they have to do with self storage?! The Iroquois are a historically powerful northeast Native American confederacy, comprised of a handful of tribes throughout the US and Canada. They are most well recognized

Self storage is not a "get rich quick" scheme



for their Seven Generation Sustainability concept, which required them to think seven generations ahead and decide whether the decisions they make today would benefit their children seven generations into the future. While we may not need to be thinking 150 years into the future when making business decisions, there is a lot that can be taken from this thought process and applied to your approach in valuating investments, acquisitions, and new developments in your own markets.

The first of which is that self storage is not a “get rich quick” scheme. Mark my words – there will be a lot of losers in the next economic downturn. As I stated above, the flood of capital to storage is great as a validation piece to our industry, however, in the investment wave people are making an unfathomable amount of hasty decisions and poor investments, thinking that they can “flip a site” or a small portfolio in a few years’ time and make a nice return on their investment. While experienced operators have been able to make some amazing purchases and sales in our current economy, this is not the norm, and those that are new to the industry and are looking to do this will not be able to replicate. Instead, one should be thinking about investing an asset with a long-term mentality.

As if poor investments were not enough, our industry is also regularly plagued with a plethora of other issues ranging anywhere from over-saturation to regulatory crackdowns. In the US, over-saturation is rampant in the major markets. This will eventually lead to the failure of many owners trying to operate at uber thin margins, as occupancies across the market will plateau (if not decline) and those who have not underwritten their acquisitions properly or prepared for tough times such as this will fail. Although the majority of markets in Asia have not and will not experience saturation levels

like this for quite some time, the industry has clearly faced regulatory issues over the past year (i.e. the Hong Kong fire). In the US, our regulatory issues usually range from fighting sales tax in certain states, to defining new lien laws in order to properly auction non-paying tenants’ goods. However, we are currently facing our own version of the Hong Kong fire incident that could be a major problem for new development in the US. In 2007, nine courageous firefighters lost their lives battling a fire at a sofa store in Charleston, South Carolina. Fast forward to 2012, and the self storage industry has been lumped in with new warehousing development regulations through the IBC (International Building Code) in order to prevent future fires and catastrophes such as the one that happened in Charleston. Before 2012, we could build 12,000 SF of storage without a firewall or sprinklers. That has now been reduced to 2,500 SF. Meaning, if we want to build over 2,500 SF, we have to install firewalls for each 2,500 SF section or add sprinklers – both of which are very costly additions that could make or break certain development projects and expected returns.

Although we could never plan for development blunders like this in the US, let alone any other major challenge that faces our industry, conservative investment strategies would help us navigate and succeed long-term through these exact situations and many others. As Warren Buffet once stated, “Only buy something that you’d be perfectly happy to hold if the market shut down for 10 years.” The man worth \$77 Billion has taken the Iroquois mentality to heart, and has clearly done quite well for himself over the years. If you intend on succeeding in this industry, budget for the unexpected, buy conservatively, and take your time on making sound investments that will build wealth for generations to come, not just your wallet for the next year. ■



award winning management software



PCI and SSAE 16 (SOC I)
Type II Certified

11,000+

Used by more than 11,000
Self Storage facilities worldwide



works throughout asia

Over 10 different languages



request a demo today

+65 3158 1377

+852 5801 4508

w: sitelinksoftware.asia



STEEL STORAGE

THE LEADER IN SELF STORAGE DESIGN & CONSTRUCTION



CONSULTING

Early consultation will ensure that the very best Self Storage facility is built to suit your budget and deliver optimised income.



INNOVATION

Our commitment to research and development ensures that our products continually provide clients innovative Self Storage solutions.



DESIGN

Our in-house design team can design your Self Storage facility with the best unit mix to appropriately satisfy market demand.



INSTALLATION

Our installation teams have many years' experience in the installation of all components of a Self Storage facility including units, services and access control.



MANUFACTURE

By manufacturing core products internally we are able to provide unique product solutions, control quality and offer market leading warranties.



SUPPORT

Our work doesn't stop when a project is complete, we have dedicated support staff to assist you with your Self Storage facility.

**YOUR TRUSTED
STORAGE PARTNER**

PLEASE CONTACT
STEEL STORAGE TODAY
WITH ANY ENQUIRIES

E sales@steelstorage.com.sg
T +65 6862 9365
www.steelstorage.com.sg