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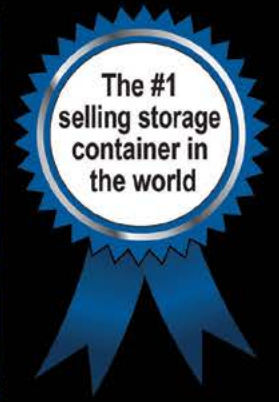


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**Leadership** is many things to many people and it is all in the eye of the beholder. Leadership can be loud and proud or soft and humble. Leadership can be from the front or can be from the back. Leadership can speak our language or not even speak at all.

Leadership is in the purpose of doing what we do and how we do it. What do we want to achieve?

In a community as small but defiant as the one in Asia self storage, leadership is about taking initiative to lift not only your company to the next level, but also the community no matter size, location, or worth. Imagine 50 years from now – heck, even 10. Who were those leaders that stepped up to the plate and defined the purpose for which they put time, effort, and energy into lifting the industry up from its beginnings as one whole? Who challenged ideas, who wanted to make a change perhaps not even for the best of their company but for the community, who supported other members, who shows up, who stands up.

Recently an institutional investor mentioned to me that they want to be first movers in Asia. I thought to myself – but there are many movers already here. What he meant was the industry is reaching a level that is starting to attract even bigger investors. The industry is so young still, that we continue to experience new beginnings and will do so for many years more to come.

So how are you leading the community to the next level? I guarantee your story will be told for years as the mythical legends in industries of yore.

Leadership can be selfless, thankless, and boundless. None of this matters however. What matters is purpose. Now more than ever, is the time to be a leader in the Asia self storage industry.



*Luigi La Tona  
Executive Director  
Self Storage Association Asia*

**In a community as small but defiant as the one in Asia self storage, leadership is about taking initiative to lift not only your company to the next level, but also the community no matter size, location, or worth**



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Publisher and Editor in Chief

**Luigi La Tona**

luigilatona@selfstorageasia.org

Accounting and Administrative Manager

**Phoebe Lo**

phobel@selfstorageasia.org

Marketing and Events Executive

**Crystal Cheng**

crystalcheng@selfstorageasia.org

Program Director

**Edeus Cheung**

edeuscheung@selfstorageasia.org

Design

**Artmazing!**

artmazingcompany@gmail.com

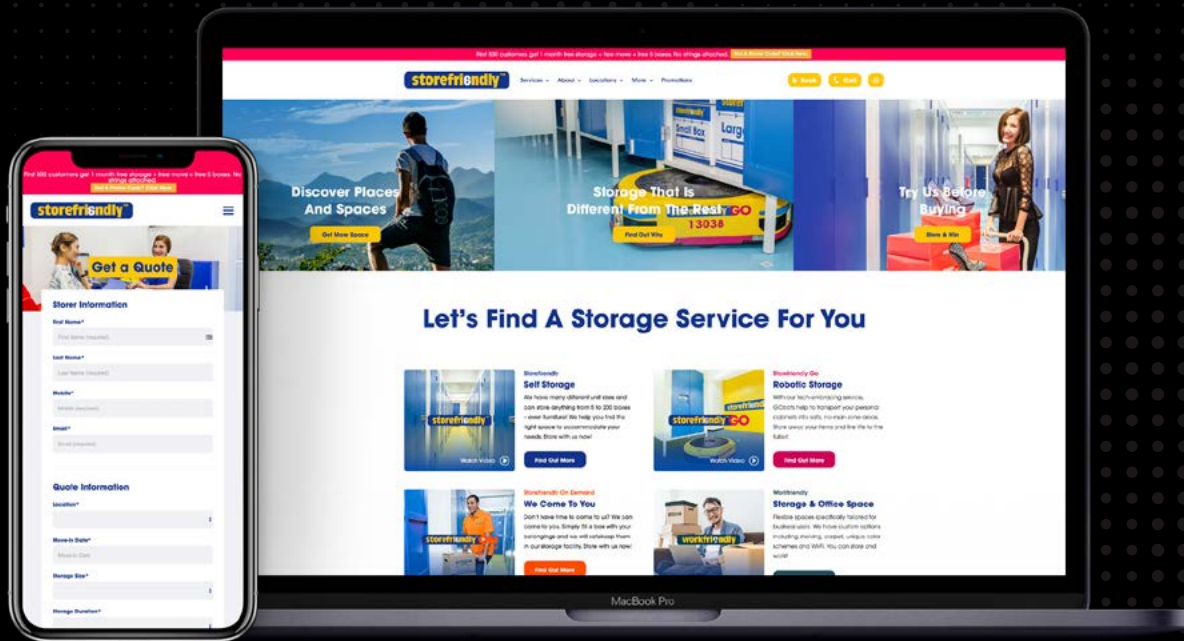
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## Leadership Highlight:

# CEO SPOTLIGHT

*There is a Roman saying that goes - Better one day as a lion, than 100 days as a sheep. In that regard, these leading self storage CEOs are lions. Like many leaders in our Asia self storage community, they are leaders in the right place, at the right time. They are carving a path in their company, our industry, and in your country...a path that will continue to be discussed among our peers for years.*

*Whether a current CEO or an aspiring one, be a lion. Roar into the growing leadership group in our industry in Asia and let's lead that path together.*

---



# Helen Ng

CEO | General Storage Company



## Tell us a bit about your background and how you got into self storage.

I was in the restaurant business before entering the real estate industry. When I was in the process of selling the business, I realized that there was a shortage of commercial storage space for bulky furniture in land-scarce Singapore: Years later that sparked the idea to venture into the self-storage business.

## What is the hardest part of your job?

Managing staff and their expectations. It is difficult to hire good, reliable staff for the self-storage industry as people still associate it with the grind of traditional warehousing.

We don't need to hire high-performing graduates, just customer-oriented

individuals who understand and appreciate the average person's need for space and can propose solutions that meet customers' needs. The self-storage industry is a people-oriented industry.

New entrants to the industry who aim for short-term gains are also becoming increasingly problematic. Their slash-and-burn tactics destabilize the market and create unrealistic expectations among customers.

We need to work together as an industry under the umbrella of the SSAA to ensure consistent pricing and standards. Only then can we take the industry forward confidently in the digital age.

## What are the key requirements for a self storage CEO?

Self-storage CEOs need to be people-oriented, dynamic and visionary.

**New entrants to the industry who aim for short-term gains are also becoming increasingly problematic. Their slash-and-burn tactics destabilize the market and create unrealistic expectations among customers**

## Any words for aspiring self storage CEO candidates?

Understand the industry from the bottom up. Put yourselves in the shoes of the customers, the front-office staff, the sales and marketing staff, the operations team and the administration team. Be open to new ideas and keep abreast of ever-evolving consumer trends. Above all, prioritize the needs of your customers. Public safety, especially fire safety, should never be compromised.





# Stephen Spohn

President | Quraz



## Tell us a bit about your background and how you got into self storage

My background from college until I took on the role at Quraz was accounting, finance and operations. I've spent time in public accounting, corporate accounting and corporate finance. I lived in Boston for most of that time. Immediately prior to Quraz, I was the CFO of a private equity backed travel business in the US. That business was entirely unrelated to self-storage and even real estate; in fact prior to Quraz I had no exposure to self-storage or real estate. However, the equity sponsor of that travel business also coincidentally happened to be the founding equity sponsor of Quraz in 2001. When I left the previous business in 2007, the private equity firm offered me the opportunity to spend time with Quraz in an advisory capacity. I then spent the next 18 months as an advisor to Quraz, travelling between the US and Japan, and eventually was offered the leadership role when Quraz's founding CEO retired from the business in 2009. By the time I assumed Quraz's leadership role, I actually knew the company and team quite well.

## What is the hardest part of your job?

To be honest I don't find any parts of my job so difficult, certainly not because I'm more talented in any way than anyone else but because I sincerely enjoy my job and the people I work with. When you really enjoy what you do and with whom you do it, even the hard things don't feel so hard because you actually enjoy it. If I had to pick something, I'd suggest recruiting is the hardest part of my job. I don't think I'm necessarily gifted with the ability to quickly read and evaluate candidates' capabilities and character, so



I generally spend more time than others might in the interview process; including being especially thoughtful about clearly defining the role for which I'm recruiting, as well as requiring candidates to go through several rounds of interviews with me and others on our team prior to making a decision.

## What are the key requirements for a self-storage CEO?

I don't think the requirements for a self-storage CEO are so much different than the requirements for a CEO in any other industry. Self-storage is a business, and a business is comprised of people, process and technology to ultimately serve a customer – which simply means a CEO needs to have a basic understanding and appreciation of those three pillars and how they interact. I think most CEOs, or any business person in general, has a range of talents or capabilities but has one talent or capability that they most rely on to achieve success. For me, I think I “hang my hat” on my analytical capabilities (likely resulting from the early part of my career in accounting and finance). Analytical capabilities happen to pair well with real estate due

to the need to continuously analyze the economics of new or existing properties and accurately predict the financial impact of various operating decision – all of which impacts value creation which is a primary objective of any real estate investor.

## Any words for aspiring self-storage CEO candidates?

On the assumption a self-storage business model is to own real estate, a self-storage CEO will most likely need financial partners to build a portfolio of self-storage properties. Over my 12 years in self-storage I've learned that the nature of your financial partners, especially your equity partners, is critical. The nature of self-storage is that it takes significant time to assemble, lease-up and stabilize a portfolio of properties – more time than to which many, if not most, equity investors can commit. Many equity investors have a 5-6 year investment horizon. If your equity sponsor doesn't have the ability to commit to a reasonably longer investment horizon, say 8-10 years or more, then a self-storage CEO may find themselves in a position of having to sell the platform to fulfill an equity investor's requirement before the full value potential of the platform is realized.

**Self-storage is a business, and a business is comprised of people, process and technology to ultimately serve a customer**

# Kevin Chan

Founder and Chairman | Storefriendly Self Storage Group



## Tell us a bit about your background and how you got into self storage

After I completed my Computer Science and Information Technology degree in HKU, I set up an IT services company with my partner. It was not difficult to earn the first bucket of gold during IT flourishing market.

However, IT market would be saturated in someday not as sustainable as financial and property. As a result, I ruminated on which industry or market could be sustainable? The first thing came was SELF STORAGE. I knew this business when the time I was a high school in Toronto. Self-storage is a business in North America for decent years.

Hong Kong is one of the crowded cities and self storage must be a good business

to start.

Therefore, I sold my IT business to get into “Self Storage”

## What is the hardest part of your job?

Recently, self-storage regulations could be the hardest part of my job. Hong Kong, Taiwan, Singapore have different regulations. For instance, the regulations are still modifying by HK government even self-storage industry has already existed in Hong Kong over 17 years. As a result, we need to understand the regulations before we enter into a new market.

## What are the key requirements for a self-storage CEO?

Keep your eyes on consumers to

**Although Self-storage is a relatively passive industry, we need to be active to realize that what service is consumers expecting from us. In other words, we need to think ahead of them**

recognize and to understand their need. As consumers' need and expectation are evolving. You have to fulfill their expectation and even do it better to attract those consumers to be your customers.

## Any words for aspiring self-storage CEO candidates?

Although Self-storage is a relatively passive industry, we need to be active to realize that what service is consumers expecting from us. In other words, we need to think ahead of them. We should provide a service to them in advance before they require it.

We need to fulfill their need before they recognize their need.

Think more and do it in advance.



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# Mike Hagbeck

Group CEO | Asia Self Storage Platform



## Tell us a bit about your background and how you got into self storage

After studying politics, I joined the Australian government to work in corporate law enforcement, focusing on stock and futures traders. Following this, I did some more business study and then joined a management consulting firm, focused on delivering operational high performance. Once I had my first child, though, I decided that I wanted to be in the same country and preferably the same city as my family. Looking through the Sydney Morning Herald one day, I responded to a job advertisement placed by what used to be Millers Self Storage. I got the job and it was a great place to learn about the business. I have stayed in self storage ever since.

## What is the hardest part of your job?

Because self storage is a relatively new industry in Asia, there are not many comparables to refer to. Hence a lot of business-critical decisions need to be made without much in the way of guideposts. One example is when I was Extra Space and we decided to spend big on TV advertising during the GFC. No one else had done it in Singapore, so we didn't really know how to do it. It paid off, but if it hadn't, we would have lost a lot of money, both to the TV company and from missed sales with the marketing budget diverted to TV from elsewhere.

## What are the key requirements for a self-storage CEO?

I think that this is not a job for an

accountant, as a self storage CEO needs to be very much forward looking and willing to try things without a guaranteed payback. Stay in touch with your customers, so that you understand what their needs are and what it is about your business that attracted them- and maybe also things that they don't like.

## Any words for aspiring self-storage CEO candidates?

Get yourself educated on all the details of self storage, so that you can give good advice to your team. Read up on annual reports and prospectuses from listed self storage companies. Watch DVD's or webcasts from people who have smart things to say about self storage. Attend trade shows and listen- both to the presentations and the conversations over coffee. Finally, take advantage of the resources, research and data provided by the SSAA. It will be very worthwhile.



Self storage is a relatively new industry in Asia, there are not many comparables to refer to.



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# Kevin She

Co Founder | SC Storage



## Tell us a bit about your background and how you got into self storage

I am cofounder of SC storage, one of the biggest self storage in Hong Kong and Macau. I started the business 19 years ago when I turned my family's failing factory into a self storage. It was vacant so I just made 10 small units to collect some income for my family on the side and it grew into a full time career and worthy business.

## What is the hardest part of your job?

We have been thru many up and downs of the business - from the beginning stage of scaling up when the awareness of the product was low, to our IPO process in 2012 and failure to achieve this, and to our fire in 2016 which caused a big seismic shift for the entire industry. We are happy to still be working strong in the industry by conquering each challenge and coming back healthier and stronger than before. The hardest part is motivating my staff through these problems and to lead them out of different challenges which, sometimes, if I can be honest, I don't even know what the right path may be. As the property prices have increased as lot in the last few years, it is also getting tougher and tougher to find attractive properties for attractive yields.

## What are the key requirements for a self storage CEO?

The CEO has to represent the company well so they have to maintain a good public image. This means being not only involved in the community which you represent but highlighting your professionalism as well. CEOs also need

to be versatile as not only to strategies change, but problems arise that need quick and decisive path changes. You're going to need to wrap your head around a lot of business matters simultaneously including marketing, operations, HR, revenue management, mentor, and more which are both left brain, right brain subjects, so being able to deal with one thing at a time in a collected manner and not get overwhelmed is one of the top requirements.

## Any words for aspiring self storage CEO candidates?

Storage is a simple product yet it can be as complicated as you may want it to be. It creates strong cash flow which allows you to incrementally grow your business and operations, which also then makes the business more complicated. It is a business of scale and data so the bigger you are, the more scale and data you have which is important to be a

Storage is a simple product yet it can be as complicated as you may want it to be. It creates strong cash flow which allows you to incrementally grow your business and operations, which also then makes the business more complicated

dominant player in any market. If you like to work on detailed matters, love real estate, enjoy building a business, and are product and customer oriented, this is the business for you.



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# Bobby Chung

Chairman | Hongkong Storage



## Tell us a bit about your background and how you got into self storage

I was in real estate industry before 1997. I felt deeply about how tight living space was and wanted to do something. Back then, the industry property market was sluggish. Many properties were vacant as manufacturing companies moved their operations northward into the mainland for cheaper costs in labour and land. I started self storage, trying to make use of idle industrial properties to offer storage as an ease to space problems that general public faced, naively believing that I was the first on the planet to do so.

## What is the hardest part of your job?

The hardest part of my job is to manage people. Like most organizations, we

grow talents internally and hire talents externally at the same time. Conflicts exist forever. Sometimes we put too much resources but could not yield adequate results. At times, we discover the talents within ourselves and create a new set of roles and responsibilities. Yet as time passes, talents might reach their ceilings and when we hire new talents as new leaders, it would need careful handling.

## What are the key requirements for a self storage CEO?

The key requirements as we believe would be the ways to strike a good balance between growth and risk management, at good and bad times. Self storage CEO needs to take risk in order to grow, like hiring more people and building more facilities. Taking too much risk does

**The key requirements as we believe would be the ways to strike a good balance between growth and risk management, at good and bad times.**

not necessarily mean promising growth. Being too risk-averse is also killing the enterprise as it is like a chronic poison in that it would lose competitive edge because of lack of momentum. That requires a CEO to have a life-long learning attitude in leading a balanced growth.

## Any words for aspiring self storage CEO candidates?

Gauging customer needs and developing facilities are the major functions of self storage industries. Be vigilant in the trends of both the market of storage customers and properties. Marketing of self storage and selecting appropriate properties are more like an art. Investing and reviewing return are more financial matters. It takes CEOs to understand that there are two sets of expertise that require a good match.





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# Sam Peterson

*Managing Director | Loc&Stor 24/7*



## Tell us a bit about your background and how you got into self storage

I have an engineering background (Clarkson University) which proves helpful in the mechanical and electrical aspects of construction, and my MBA (Kellogg Graduate School of Management) which of course provides a fantastic foundation in business, marketing, and strategy. I think my unique work background has helped a great deal. Very early on (before uni) I was an toolmaker/machinist, and after university, I was in high-tech sector designing advanced weapon defence systems for the US Air Force and early wifi technology development... yes a super techie! After graduate business school, I shifted to the chemicals sector where I developed my ability in finance, sales, and management. After almost 20 years in this business, I ended up trying something entirely new when I took on the Head of Asia role for Steel Storage Asia (SSA - a leading supplier of self storage solutions in Asia, Australia, and Europe). Here I was fortunate to work with and meet some of the best self storage operators and suppliers in the business. I absorbed as much as I could while running the business. When I left SSA, it was clear to me that I should transition to the realm of Owner/Operator. So I canvassed a number of Southeast Asian markets where the Philippines came out on top for me. As my wife comes from a business family in the Philippines, this was a critical factor which helped clear a lot of hurdles one experiences when entering a new market. We are in our 6th year of operations and on our 6th and 7th facility. At every turn I have sought to combine the best of what I learned at SSA,

supplemented with continued sage advice from a few key contacts developed while at SSA (thanks guys, you know who you are) to create what we believe is a World-Class customer experience here in the Philippines.

## What is the hardest part of your job?

One of the hardest parts of my job is to remain disciplined. This means staying focused on my key geography and ignore temptation to expand away from our strategic area. Stay focused on the self-storage product and avoid temptation to branch out into tangential offerings that will dilute our attention. Believe in the future; that is, plow business proceeds into business growth vs premature rewarding us shareholders. And lastly, maintain attention to detail while not losing sight of the big picture. This last one is key to continuous improvement of our customer experience, while also ensuring we have a path to further strengthen our market leadership position.

## What are the key requirements for a self storage CEO?

Knowing how to be an entrepreneur for the times of growth and shifting to seasoned business leader when setting strategy and developing an organization for the path forward. One aspect is very hands-on and the other is about seeing the future and big-picture. I also believe a good self storage CEO must be a risk-taker. Setting up a new building in a new geography is a daunting endeavor. So much capital and time devoted, and in the beginning you are close to empty. One must really believe in and not overthink these moves. Lastly, I think a good

**Stay focused on the self-storage product and avoid temptation to branch out into tangential offerings that will dilute our attention**

CEO, must set the tone and vision for the organization, so the team can make good decisions without the direct intervention of the CEO.

## Any words for aspiring self storage CEO candidates?

Be ready for lots of work, comfortably wearing many hats, learning a lot, firefighting, and delayed financial gratification. And remember to smile and maintain a good sense of humor.

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# Charlotte Sun

CEO | Locker Locker SelfStorage

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## Tell us a bit about your background and how you got into self storage

I am an owner of a hardware products manufactory for over 17 years, we export our hardware products worldwide, especially to Europe and North America. We often attend trade fairs in Europe to showcase our products. After the trade fairs, rather than take all the heavy duty product samples back to China, we realized that it is more cost effective and less time consuming to store our metal product samples somewhere in Europe, so we choose store all our samples in a selfstorage facility in Southeast of London.

We were going to store our product samples for a short time, but before we even realize, we have already stored our samples for almost 9 years now, I was thinking if we can benefit so much by using a selfstorage facility, there must be another customer who is also like us would like to use or look for a selfstorage facility in China, Before I opened our first selfstorage facility in Shenzhen, China, I have also travelled around England, Sweden, Finland, USA and Canada to learn more about this new DIY storage business concept and finally made up our mind that if it is the right time to check out the China market, on top of everything, we also realized that we have a very strong advantages compare to all the other selfstorage business operators, we could manufacture selfstorage steel doors and partitions in our own factory, we can design, make and install all our storage units by ourselves, by doing so, which cuts a substantial start-up expenses and fix costs to open and expand our own facilities.

Upon doing our thorough research in China before we set up our first facility, I found out that there were only five selfstorage facilities existed in China at the time. Shenzhen as a first-tier city

in China, there were only one operator within a population of over 18 million people in 2013. No doubt, the business opportunity and growth potential in the future are phenomenal, based on all the information that we gathered through research, we decided to bring the selfstorage business and this new storage concept to China market.

## What is the hardest part of your job?

I would say the most difficult part of my job is to build selfstorage concept awareness to the people who has no idea of what selfstorage is all about in China. Most of individuals in China has very little understanding of this new storage business concept. It is also very hard to educate and explain to a huge population what selfstorage is and how it can benefit their needs, You need to have strong belief in this new storage business concept to begin with, be able to anticipate and understand its huge potential growth in this high population density country. This is a process that will need a long time and tremendous patience and confidence.

## What are the key requirements for a self-storage CEO?

A very important requirement for a self storage CEO is to have a long term vision to understand this property based business, along with learning from the selfstorage business professionals from the countries have years of experiences whose selfstorage business are already very mature and successful at its upturn trend, such as USA, UK, Australia and Canada. It is also very important to absorb Western self storage operators experience and implement management and operation software and technics.

## Any words for aspiring self-storage CEO candidates?

I would strongly suggest the new self

storage CEO's need to be more diligent with a strong belief and long term vision in this business, since our market is still at its very infant stage, in order to ultimately achieve the great potential growth result, they need to give 100% of themselves to learn as much as they can from the experienced selfstorage professionals in the West. It is very aspiring and important to attend different Selfstorage Association conferences such as the SSAA expo in Asia, the ISS and SSA conference in the US, the FEDDSA in Europe. Mountains of knowledge, tips and tactics can be learnt by attending the conference seminars and meeting the professional experience individuals in the industry.

In addition to an international perspective, but also to understand the local culture and market, according to local business conditions. In view of the real estate characteristics of self-storage business, if you have real estate and financing experience, it is very helpful to be competent for a selfstorage CEO, if not, it is also recommended to master the relevant knowledge.

**I would say the most difficult part of my job is to build selfstorage concept awareness to the people who has no idea of what selfstorage is all about in China.**



# HIGHLIGHTS FROM SELF STORAGE EXPO ASIA 2019





# Hope and Patience: Investing in Self-Storage in Japan and Beyond

**Dan Morisaku**  
*Senior Manager | Ichigo Inc.*



**As our efforts to grow have started to take off at home, we have been keen to study markets internationally as well**

For institutional investors, self-storage as an asset class can seem like a bit of tease, offering the promise of becoming the next big thing. But while self-storage offers hope, it also requires much patience. We are two years deep (or shallow, depending on your perspective) into investing in self-storage, starting in Japan and now expanding beyond. I want to share our experiences so far.

Ichigo is a Japanese sustainable infrastructure company investing chiefly in real estate and renewable energy. We entered the self-storage market in July 2017 via our acquisition of Centro Corp. and its subsidiary, Storage PLUS. This subsidiary was originally started by a Japanese trading house, Mitsui & Co., which wanted to introduce the U.S. self-storage model into the Japanese market.

The calculation behind Ichigo's decision to enter self-storage was twofold. First, the demographic changes taking place in Japan seemed very favorable to self-storage's growth. While Japan's population has been in a modest decline for a decade, major metropolitan areas like Tokyo have continued to grow. The result has been smaller living spaces, and budding demand for someplace outside the home for storing things. At the same time, a side effect of Japan's aging demographics has been that as the postwar baby-boom generation passes from the scene, many of their children are finding themselves inheriting family fortunes and belongings. This has also resulted in increased storage needs

among working-age groups with relative purchasing power. The second calculation behind our move into self-storage was the fact that the industry itself is still in an early growth stage, with few rivals and less supply than potential demand. In a nascent industry like this, we saw a chance to seize a dominant position in the market by scaling up quickly through rapid investment.

Fast-forward to today, we feel upbeat - though not complacent - about the growth we have achieved at Storage PLUS. Despite a robust domestic real estate market, which has made it challenging to find good properties at a reasonable price, Storage PLUS has doubled its number of storage facilities, from 17 to 34. Our portfolio consists of both owned and leased locations, with both approaches having advantages depending on our strategy at each store location. The strong property market has also forced us to get creative in finding new locations to open storage facilities. Storage PLUS was inventive even before we bought it, but under Ichigo, it has gotten even more innovative.

One way we have done this is by working with new types of real estate partners. We have been able to open new facilities in very attractive, high-demand areas in a relatively short time, and low cost, by sharing buildings with other users: condos, post offices, convenience stores, retail complexes, to name a few. This has saved us the time and effort of trying to source a dedicated, single-

use storage facility. The success of this approach has led us to take the idea a step further, and start experimenting with new, lifestyle-oriented facilities that involve innovative combinations, for example combining self-storage with laundromats and cafés. So far in distinct residential areas (in Tokyo, Kanagawa, and Hokkaido) we have opened four facilities which have laundromats and café right next to our self-storage spaces. The idea is that you can do your laundry, enjoy a coffee while you do so, and then put out-of-season clothing and bedding into storage after washing them. The heavier traffic generated by such multi-use spaces, we hope will further raise consumer awareness of self-storage, and eventually help us fill our units even faster.

As our efforts to grow have started to take off at home, we have been keen

to study markets internationally as well. While we have done well in Japan, a longer-term perspective compels us to look for new opportunities to expand abroad. We are aware that there are successful, growing self-storage businesses in the Asia-Pacific and beyond. We have visited facilities in places like Singapore, Hong Kong, Taipei, New York, and Florida to learn from and network with major operators there. We also have become an active SSAA member and ILS sponsor to make ourselves better known outside Japan.

The consumer market in Japan is large and maturing, but the self-storage penetration ratio is still low compared to other developed markets. This convinces us that there is still significant growth potential to tap at home. Our trips abroad have also shown us that other markets have innovated and grown in

ways that are different from Japan. Why not draw some lessons and adopt business ideas from these markets, by paying closer attentions to developments outside Japan? Tangentially, one of the great perks of belonging to an association like the SSAA is that I can visit self-storage operators and investors virtually anywhere in the world, thanks to the collegial industry atmosphere shared worldwide and the great stewardship of Luigi La Tona, the founding Executive Director of the SSAA.

Also as an institutional investor, and a listed company serving our shareholders, the concept of scalability is very important to Ichigo. Ichigo has also set a profitability target of achieving an ROE of 15% or more. As a result, we have focused on investing in small to mid-sized facilities, with an average size of 100 or more units. While we continue to work to grow into a dominant player in



Signing ceremony



Hokkaido

the domestic market, we see opportunities to scale up even further via international expansion.

We took our first step in expanding outside Japan by investing in a Taiwanese brand, Easy Storage Taiwan (EST). Taiwan's proximity to Japan, and the similarity of its markets and consumer preferences, has helped us understand the real estate opportunities in Taiwan. This is particularly true in Taipei, where we also see a growing population density bringing greater awareness and demand for self-storage services, just as has happened in Tokyo. We like our new partner, EST. We admire the founder's entrepreneurial passion and vigor in pursuing business growth, as well as her talent in building a very capable team around her. We were also fortunate that EST's founding shareholders wanted to exit their investment just as EST was just entering a new stage of growth. The timing was a perfect match for Ichigo, which had an appetite to invest outside Japan. SSAA's matching program between investors and operators was also

instrumental in bringing our two sides together. We closed the deal to become a principal shareholder in June 2019. With the addition of EST, our total portfolio in Japan and Taiwan now totals 41 facilities with approximately 5,000 units occupying 10,600 square meters. We are delighted to grow in partnership with EST and will work to contribute to each other's success in ever greater endeavors going forward.

As I stated at the beginning, investing in self-storage offers hope but also requires patience. With our two year of experience in this industry, this observation seems truer than ever. As we continue to pursue our investment mandate both at home and abroad, we persevere each opportunity with prudence, but are ready to move dynamically when the chance arises. With growing uncertainty about the macro-economy amid trade wars and political turmoil, it is important for Ichigo to place itself in a vantage point to seize the most strategic deals and collaborative opportunities. We also support the stable growth of

the industry and the creation of a more transparent regulatory environment. We are excited about where we have come with our investment portfolio, and about the prospects of working with the SSAA to grow further together in Asia, and perhaps beyond.





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# Ichigo

Tokyo Stock Exchange First Section (2337) [www.ichigo.gr.jp](http://www.ichigo.gr.jp)

# 日本と海外におけるいちごのセルフストレージ投資

いちご株式会社  
事業開発部 担当部長 森作ダン



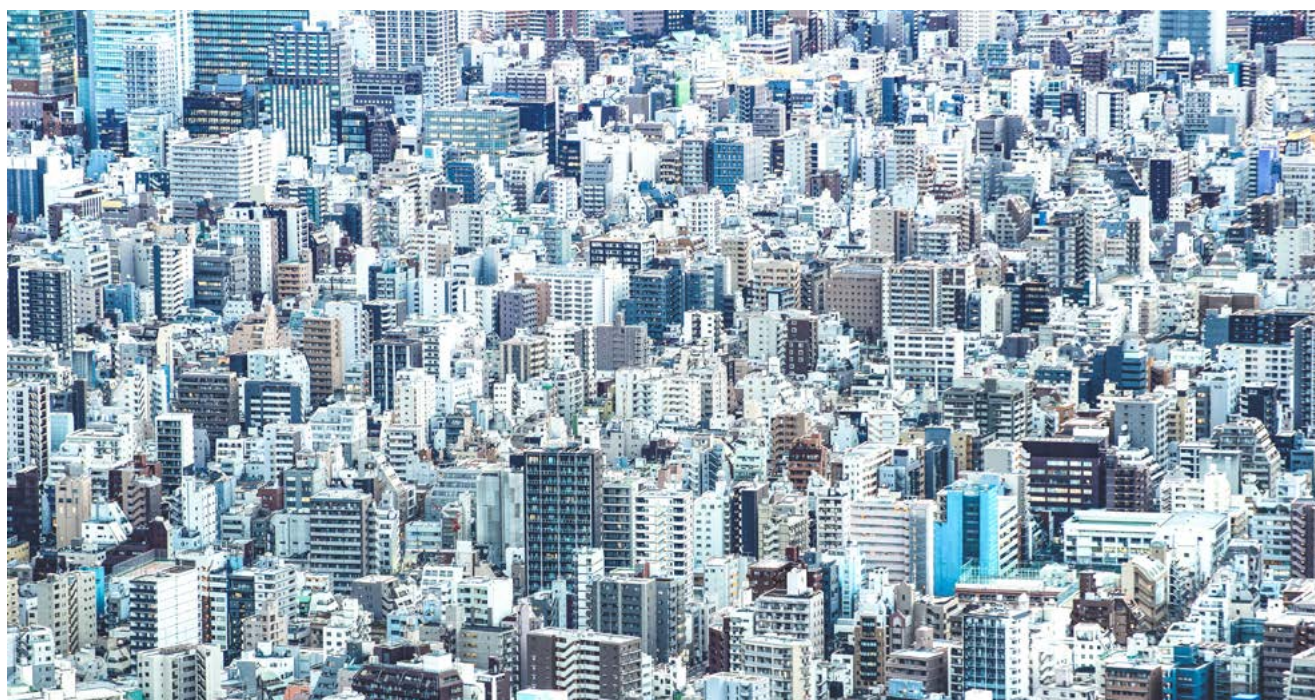
当社ポートフォリオの今後の成長、またSSAAと共にアジア全体(もしかしたらアジアを超えて)にて成長していくことを考え、実に痛切な心持ちである。

セルフストレージというものは、機関投資家を「じらす」アセットクラスかもしれない。いつか次のオルタナティブ投資先として大きく羽ばたくかもしれないという期待は大きいですが、投資してみるとそれなりの忍耐を求められる。当社は、セルフストレージ市場に参入し2年になるが、国内および海外で投資を実行した現時点の所感を簡単に記してみたい。

いちごは、日本にて不動産や再生可能エネルギーに投資する「サステナブルインフラ」企業である。当社は、2017年7月に、

「ストレージプラス」を子会社として持つ株式会社セントロをM&Aし、セルフストレージ市場に進出した。ストレージプラスは、もともと三井物産が、米国のセルフストレージモデルを日本の消費者市場に導入して始めたブランドである。

当社がセルフストレージ投資を始めた要因は大きく2つある。まず、日本の人口動態に起きている変化がセルフストレージ市場の成長に有利に働くと考えた。2008年以降、日本の人口は緩やかに減少しているものの、主要大都市圏では



Tokyo



人口増加が維持されており、都市部への集中が、居住スペースの縮小とも相まって、収納スペースの需要を引き起こすと考えられる。同時に、大規模な世代交代が進行中であり、団塊ジュニア世代が相続で家財を引き継ぐことによって、比較的購買力のある消費者層が、追加的な収納スペース需要を抱えると思われる。また第二の要因は、日本におけるセルフストレージ市場がまだまだ成長の初期段階にあると考えられることだ。資本力を活用した規模の拡大により、当社グループが、主要プレーヤーとなるには絶好の機会と捉えた。

今日では、ストレージプラスの取得時に17あった店舗数を34まで倍増しており、高止まりが続く不動産市況における物件取得の難しさはあるものの、満足はしていないが、事業拡大に関しそれなりの手ごたえを感じている。当社のポートフォリオには、出店戦略に応じ所有物件と賃貸物件が併存しているが、物件取得の難しさに直面したことにも起因して、様々なパートナーと協働し、出店する創意工夫の姿勢が強化されたのではないと思う。マンション、

郵便局、コンビニエンスストア、商業施設等との併設により、そうでなければ困難で時間を要したであろうエリアにも出店が可能となった。直近では、ライフスタイル系の施設との協働を試行しており、東京、神奈川、北海道の住宅地エリアにてコインランドリーとカフェと併設したセルフストレージ店舗を4店舗出店している。併設により生まれた「賑わい」により、セルフストレージの認知度が向上し、セルフストレージ稼働に貢献するのではないかというのが狙いである。

このように国内市場に注力するかたわら、並行して当社は海外のセルフストレージ市場についても積極的に研究してきた。日本国外にはアジア太平洋地域を初めとして、大きく成長を続ける市場がある。各地の主要オペレーターや投資家から知見を学び、ネットワーキングを広げ強化する目的で、これまでにシンガポール、香港、台北、ニューヨーク、フロリダ等を訪問した。また、SSAAに加盟、活動にアクティブに参加し、ILSスポンサーとなることで、いちごの知名度向上を図っている。

日本の消費者市場は、成熟しており、アジアにおいても一定のボリュームを誇るが、セルフストレージの浸透度にはまだ伸びしろがある。当社は、日本でのセルフストレージの成長ポテンシャルを確信しているが、より長期的な視野に立ったときに、拡大を続ける海外マーケットに注目しない手はないと考える。セルフストレージ自体が日本特有のビジネスではないからだ。海外の事例から、学ぶべき教訓やビジネスアイデアが豊富にあり、注視を続けたいと考えている。余談となるが、SSAAのような業界団体に所属するメリットの一つとして、筆者は世界のほぼどの国・地域に行っても、セルフストレージ投資家やオペレーターと会うことができるようになった。もちろんそれは、業界全体の友好的な雰囲気だけでなく、SSAAエグゼクティブディレクターのルイーザ・ラトナー氏のネットワーキング力と手腕によるものである。

また、上場企業であるいちごにとって、スケラビリティ（拡張・拡大可能性）の概念は非常に重要である。当社の収益性KPI（ROE 15%以上）を達成すべく、日本では中・小規模の物件（平均で100室以



Taipei

上)での展開が中心となっていたが、当社が主要プレーヤーとして拡大・成長するためには、海外における外部成長の取込みが効率的という考え方もある。

当社の海外セルフストレージ投資第1号案件は、台湾のオペレーターであるEasy Storage Taiwan (EST) への出資であった。日台間の地理的距離の近さ、親近感の高さが、台北市エリアの市場、不動産投資環境、顧客基盤等の理解の一助となった。同エリアについては、人口密度の高さ、成長するセルフストレージ市場および認知度の向上等が認められる。当社としては、EST創業者の起業家精神と成長への情熱、彼女をサポートする有能なチームを評価したものの、ESTが新しい成長ステージに入るタイミングにて、EST創業株主から株式を譲り受けるかたち

で、2019年6月に当社がESTの筆頭株主となった。ESTと合わせると、41店、約5,000室、約10,600平方メートルのポートフォリオとなった。当社は、今後のESTとのパートナーシップによる成長、アジアにおけるお互いの成功への寄与を非常に喜ばしく思っている。本件については、SSAAマッチングプログラムがきっかけであったことも付言しておきたい。

冒頭で言及したように、セルフストレージ投資は、大いなる将来性を見せつつも、それなりの忍耐を要求するものだ。2年経った今もその見方に変化はない。当社は今後も国内及び海外において、投資マニフェストを追求していくが、個々のディールを精査し、慎重且つときには大胆な投資決断をしていきたい。全世界のマクロ経済指標は、一層の不透明性を

示しているが、当社はその中であっても戦略的な取組みや、協業の機会を捕捉できる視点を維持し続けたい。同時に、いちごはセルフストレージ業界の安定成長と、規制を含む投資環境の透明性強化に賛同する。当社ポートフォリオの今後の成長、またSSAAと共にアジア全体(もしかしたらアジアを超えて)にて成長していくことを考え、実に痛快な心持ちである。

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## PTI CORE PLATFORM



# Part Art, Part Science: A Guide to Self-Storage Pricing

**Matthew Chee**  
*Consultant | StorageWorld*



**After the laborious tasks of visiting all the competition and trading area around the base camp, next up would be to crunch the numbers**

A few years back, I was conducting a class to induct new folks into the self-storage business. I was sharing on the importance of a self-storage business getting its pricing policies right from the start. Prices of a self-storage unit affect everything on how you would run your self-storage business, from marketing strategies to the business's bottom line. I struggled for an example to give to the trainees and then I decided that the best example to give is.....

“Sir, we do not have any more seats near the back rows. Would you mind considering seats near the front row? It is, however, a premium economy seat (more leg space, wider seats etc.), and costs about \$30 more, is that ok?” The airport staff earnestly looked at me.

So it is the same flight, on the same plane, so why do I need to pay for more just because I could not get the seat that I wanted? Faced with a line of impatient travellers behind me, basically, I had no choice but to pay for it.

And “No”, I am not a frequent traveller that automatically gets me an upgrade (there is a story on this subject related to Self-Storage but this is a story for another day).

Differential Pricing, segmentation pricing, multiple pricing, they all mean the same thing, selling the same product/service to different people at different prices. Airlines, cinemas, taxis, McDonald's – it's all the same. In the world of self-storage, we call it revenue management. The same 2 by 2s that would be priced differently, at a different location, at different period of time in the

same storage facility!

So how should you actually price your storage units? The most common thing folks do before they start, is to look around the trading area and competition around the area where they intend to set up base camp. Check out the competition and ask how much are they charging and where most of the customers are going to be coming from.

After the laborious tasks of visiting all the competition and trading area around the base camp, next up would be to crunch the numbers. Obviously, multiple simulations would be needed and depending on what the intentions are (exit strategy, hold period or ROI targets etc.), setting a price to work with would be detrimental to the outcome of the analysis. At this stage, it is important to have the space mix all drawn up and ready to start your pricing exercise

With the space mix in hand and dimensions intended for the build, it is now time to get onto the principals of revenue management, and how you should start pricing your storage units. There are a lot of considerations when you are pricing your storage units. But I am going to describe them like you would when you are considering your seats on an airplane. Economy, Premium economy, Business class /First Class etc.

Economy seats / Storage units – We generally price ALL the units in the space mix as economy first before working upwards. These economy units would form the bulk of most of your storage units in the facility after adjustments. So assuming if we are pricing all of the



economy units at \$100 psqft (that is after you have done your homework). This is at 100% of the Standard rate

Premium economy seats / Storage units- We generally look at all the “Economy” storage units and look for anomalies. Good anomalies that is and tag them as “Premium Economy

- Ground floor storage unit
- Near the loading docks
- Near the lifts
- Double doors
- Roller doors

Again, just a like a premium economy seat, these units are priced higher because of better convenience, accessibility or better product attributes. We generally price them at a premium of 10%-15% more than the economy ones. At 115% of the standard rate or at \$115 psqft.

Business/ First Class storage units- These units are typically the best storage units in the facility. We do not negotiate

down the prices for these units and these are reserved for our best paying customers.

- Air Conditioned
- Climate controlled
- Drive way storage units
- In front of lifts, loading docks
- Dedicated power/lightings
- Concierge services

These units are priced much higher because of services that are unique to the storage units. We generally price them at a premium of 15% - 30% more than the economy ones. At 130% of the standard rate or at \$130 psqft.

While not uncommon, some of the smarter operators out there would also tag the “lesser undesirable units” This enables the sales person to negotiate down the price should interest arise. While the operators generally don’t mark down the prices of these storage units, a tag would identify those units to the staffs,

that a discount to the standard pricing is possible.

The main advantage of revenue management is that it enables an operator to optimize its revenue. In general, most operators want to rent out its storage units to a given customer for as much as he is willing to pay. Practically, one customer may have a higher desire for a storage unit than another.

Though sometimes difficult to implement, storage operators that can take advantage of the ability to sell at higher price points to customers with stronger interest can earn more revenue than a flat price. The airline industry, for instance, often sells tickets at higher prices early and reduces rates as flights draw nearer to fill empty seats. Likewise, when a certain size within the storage facility starts to decrease due to higher take up, operators should take advantage of the scarcity of supply to mark up the price.

# 艺术并科学: 自存仓定价指南

**Matthew Chee**  
顾问 | StorageWorld



自存仓单位的价格完全影响经营自存仓业务的方式,从营销策略到企业的底线。我努力寻找一个实例提供学员,然后我决定最好的例子是.....

几年前,我教授新人加入自存仓业务。我分享了自存仓业务从一开始必须正确制定价格策略的重要性。自存仓单位的价格完全影响经营自存仓业务的方式,从营销策略到企业的底线。我努力寻找一个实例提供学员,然后我决定最好的例子是.....

“先生,我们在后排已经没有座位了。您会考虑坐在前排吗?但是,这是一个高级经济舱座位(更多的腿部空间,更宽的座位,等等...),费用约30美元,这可以吗?”机场工作人员诚恳地看着我。

这是在同一航班,同一架飞机上,我为什么无法获得想要的座位而需要支付更多费用?基本上,看着我身后一群急躁的旅客,我别无选择,只能为此付费。

而且,“不”,我不是飞行常客,不可以自动为我升级(这故事与自存仓有关的,但这是另一回事)。

差异定价,分段定价,多项定价,它们都意味着同一件事,以不同的价格向不同的人出售相同的产品/服务。航空公司,电影院,出租车,麦当劳 --- 都是一样的。在自存仓的世界中,我们称之为收益管理。在不同的位置,在不同的时间段,同一自存仓设备,一样2尺乘2尺却以不同的价格出租!

那么,实际上应该如何为自存仓单位定价?人们最常做的事情是开始之前,环顾四周交易和竞争区域,才打算在哪里建立大本营。查看竞争对手收费及大多数客户来自何方。

经过艰苦的工作,参观了大本营周围的所有竞争和交易区,接下来将是处理数字。

显然,将需要进行多次模拟,并且要根据其意向进行设置(退出策略,持有期限或ROI投资回报目标等),现在设定价格却不利于分析结果。在此阶段,最重要的是草拟空间混合才开始定价活动

掌握好空间混合和适合建筑尺寸后,现在是时候了解收入管理的原理,以及如何开始为自存仓单位定价。在对自存仓单位定价时,有很多注意事项,但我会形容为当你正在考虑飞机上的座位,经济舱,特级经济舱,商务舱/头等舱等等

经济舱座位/自存单位- 我们通常调整价格向上之前,先将空间组合中的所有单位定价为经济型。经过调整后,这些经济型单位将构成设施中大多数的自存仓单位。因此,假设我们将所有经济型单位的价格定为每平方英尺100 美元(那是在您完成分析之后)。这是在100%的标准价格

高级经济舱座位/自存单位-我们通常查看所有“经济”自存单位并查找异常情况。良好的异常情况将其标记为“高级经济舱”

- 地面自存单位
- 在装卸码头附近
- 靠近电梯
- 双开门
- 滚筒门

同样,就像高级经济舱座位一样,这些自存单位的价格较高,因为它们具有更好的便利性,可及性或更好的产品属性。我们通常将其价格定为比经济价格高10%-15%。按标准价格的115%或每平方英尺\$ 115收取。

商务舱/头等舱的自存单位-这些自存单







位通常是设施中最好的自存单位。我们不会就这些产品的价格进行协商，而这些保留给我们最赚钱的客户。

- 有空调
- 气候控制
- 车道自存单位
- 在升降机前·装卸码头
- 专用电源/照明
- 礼宾服务

这些自存单位的价格要高得多，因持有独特的服务。我们通常将它们的价格溢价比经济型价格高15%-30%。以标准价格的130%或每平方英尺\$ 130的价格收取。

尽管并不罕见，但一些更聪明的运营商也会标出“较不受欢迎的单位”，这使销售人员可以在客户产生兴趣时降低价格。尽管运营商通常不会降低这些自存单位的价格，但是标签会向员工标识这些自存单位，

从而可以对标准价格进行折扣。

收入管理的主要优势在于，它使运营商能够优化其收入。通常，大多数运营商都希望将其自存单位出租给客户愿意支付的价格一样多。实际上，一个客户可能比另一个客户对自存单位的需求更高。

尽管有时难以实施，但可利用高价格卖给兴趣更强的客户，可获得的收益要比固定价格高。

例如，航空业经常以较高的价格出售机票，并随着航班越来越近而降低票价以填补空位。同样，当由于使用量增加而导致存储设施中的某个大小开始减少时，运营商应利用供应短缺的优势来涨价。

掌握好空间混合和适合建筑尺寸后，现在是时候了解收入管理的原理，以及如何开始为自存仓单位定价

# Country Insights: Philippines

**Edison Yap**  
*Director | In Storage*



## How is the current state of the self storage industry in the Philippines?

The self-storage industry in the Philippines is growing because of demographic trends and the reality that residential units are shrinking in size to improve affordability. As such, existing players have been expanding their facilities and adding more locations, while new players enter or contemplate entering the market.

## What are some of the difficulties of setting up a self storage site there?

There are several challenges in setting up a self-storage site, including:

- Finding affordable and accessible locations;
- Building regulations - none explicitly for the industry;
- Market is not familiar with the product, so there is a need to provide more education to the potential market;
- Contraband - threat that the storage units will be used to store contraband such as drugs.

## Are there future opportunities for the industry and if so, what are they?

Yes, there is definite demand for self-storage in the Philippines. As mentioned above, together with smaller apartments, real estate is becoming more expensive. A square foot of residential or commercial space leases for much more than a square foot of self storage. To that effect, why clutter an unnecessarily large, expensive space? Further, cities are growing across our country through an urbanization boom. This will only grow this industry further.

## Any advice for operators that want to set up and be successful in the industry in the Philippines?

Many seem to think that it is easy to setup and run a self-storage business and/or retrofit an existing building for the self-storage business, but that is not necessarily the case. Each city in each country has their own nuances, and that is aside from that each storer is also different in how they derive value from storing their goods. To that effect, I

**Retrofitting an existing residential structure may be viable in the short-term, but it will do long-term harm to the structure itself, because these buildings are not designed for the load especially in an active earthquake zone**

suggest to study how to setup and run one carefully and extensively before jumping in with two feet.

Also, one has to be conscious that the business has specific real estate requirements. Retrofitting an existing residential structure may be viable in the short-term, but it will do long-term harm to the structure itself, because these buildings are not designed for the load especially in an active earthquake zone.

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# Store With Peace of Mind

**Kavi Khiytani**

*Business Development | CoverGo*



Storage has become a prominent obstacle and a factor for the erosion of piece of mind for many living in small apartments in densely populated areas as they are often forced to find alternative solutions for storing their possessions. These difficulties sparked the birth of a new market - mini-storage, namely companies that will store your possessions in an area away from the city's center. This is a convenient solution, however the complication of insurance is often overlooked and is, naturally, imperative to guarantee that when crises such as, for example, flooding occurs, they do not severely damage the company. Ultimately, for mini-storage companies who are not insured, when it rains, it pours.



## Time for Change

As the mini storage industry grows, so does the risk for all those involved and thus the demand for insurance shoots up. This is true as housing costs, globally, intensify since the consumer continues to demand alternatives for their storage solutions - stimulating rapid growth in the storage industry. Hong Kong is a perfect example and has a problem that can only inflate further due to its geography, it therefore comes as no surprise that the mini-storage sector has grown markedly since it was introduced in Hong Kong in 1997.

As we may expect with rapidly

growing, rather untouched industries, not everything initially goes to plan, and the Amoycan Industrial Centre fire in 2016 in Hong Kong was an example what can go wrong. This caused financial damages for the company and customers. In any general case, without insurance, any company involved in such an incident is forced to bear the consequences of events with its own solutions. Those with insurance can face a much smoother path and customers should demand this piece of mind.

Companies have become more aware of the industry problems, learning from past mistakes, and recognize insurance as fundamental in covering any financial damages should problems arise again. The sector has witnessed the innovation of more quality storage facilities. Additionally, regulations have been

pushed to ensure better industry structure and safety. These solutions address the past issues; however, the issue of risk is omnipresent - you can never guarantee the absolute safety of the stored items.

As the industry develops and matures, it must be protected from potential failures. The random damage a mini-storage company inevitably receives can be severe if they are not insured. Not only may they go bankrupt, but their reputation as a safe storage place is gone. This is especially true if the customer's belongings are damaged and they cannot be compensated. This fundamentally highlights the necessity of proper insurance in the market.

## An Insured Future

Ultimately, the purchasing of insurance to mitigate risk for both parties is of

**As the industry develops and matures, it must be protected from potential failures**

paramount importance for any mini-storage company. By transferring this risk to the insurance company, both the mini-storage operator and their customers alike would have peace of mind when storing their contents.

### Mini-Storage Insurance - The Product

Both standard and customized storage plans exist in the market that protect against these catastrophes. Of which the three most common risks to storage; fire, theft, and water damage. In many cases, goods in transit cover is also applicable. For storage companies allowing customer access to the site, personal accident coverage (AD&D) is covered as well. For storage companies that don't allow customer access to the site, transportation cover is available. The basic coverage includes a lump sum Reimbursement Benefit and a per item Cash benefit, giving storage users confidence that their

valuable possessions are protected.

Storage operators are privy to implementing a basic coverage with which the plan allows and a voluntary "top-up" that provides the customer with added cover for his contents at his discretion at his or her own cost, typically only costing a few Hong Kong dollars per month.

This is a unique solution that not only allows storage companies to offer better protection to their customers, but it also generates additional revenue for their business. Additionally, as insurance processes become more streamlined, more is purchased and, as a result, more customers have piece of mind in trusting mini-storage solutions for their storage needs. Overall, the culmination of all these factors lead to more business for the operator.

### The bottom line

The combination of high population

growth with finite habitable areas has stimulated the growth of the mini-storage sector. The rapid growth of any industry presents fresh problems, and, in mini-storage, one of those is insurance. People expect the safety of their belongings, however, companies operating have often been known to overlook those issues. Perhaps they are happy to take the risk for what is not theirs, or perhaps they are deterred by the process but either way, they neglect the safety of their clients' belongings and for their own mini-storage company. If disaster does strike, the consequences can be dire without the necessary insurance protection. Ensuring customers have the protection they require, and companies are able to increase revenue by providing this protection, ultimately provides sound piece of mind for everyone involved.

*For further information, please e-mail [kavi@CoverGo.com](mailto:kavi@CoverGo.com)*



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# A VIEW FROM THE USA

**David Blum**

*President | Better Management Systems*



**BETTER  
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There is always a lot of talk about the self-storage market in the USofA. It's up, it's down, record profits, over building, shrinking rates. And that's in just the past week. The truth is it's almost impossible to generalize about the state of this industry in America. Sure, in the past 8-10 years we certainly have been on a tear. It started out slow, a typical timeline to get one built could run anywhere from 3 -8 years. Developers who found land early in the cycle may find a lot of competition open nearby at the same time. This scenario, however, was mostly concentrated in the 50 top MSA urban markets. Denver, Houston, Miami. That's where most of the generalizations are clustered.

As a mature industry, self-storage awareness here is over 90%. 50% of the population has used self-storage and at any one moment in time 10% are renters. In a country of over 327 Million people and a 5-year projected growth rate of 3% equates to an additional 6M+ additional square feet needed to keep up with demand from growth alone. Not to mention that for every 1% increase over the 10% in the number of customers in a storage unit equates to 3+ million people needing an additional 21-Million square feet of additional storage. It's a long way till we reach saturation. A local TV news channel recently report that 300,000 people a year move into Florida. That's a



city the size of Orlando.

What's happening now. There is a big shift to secondary and tertiary markets. There are over 35,000 cities and town recognized in the US. That's a lot of people and places. What we are seeing is a trend to follow migrating corporations, sprawling suburban markets, and near the location of the new more successful big box retailers. Developers look for new development in both residential and commercial projects. Nashville, as an example, has been a hot market and has 177 hotel projects under construction, awaiting permit, or in planning, 159 multifamily, and 58 office buildings, (some part of mixed-use developments). Nashville is not alone. Markets all over still show signs of opportunity. Smart investor / developers and finding these locations.

Conversions are very popular these days. As some large retailers' close stores, many make great storage projects in good retail locations. Zoning is can be complicated and take time.

Let's also not forget that our industry enjoys a robust transactional segment as well. Just this July there was a 50 facility, 21,787-unit transaction by an institutional investor in an operating partnership with Storage Rentals of America. And there are plenty of individual unit trades as well. Not a day goes by when there isn't an announcement of a sale anywhere from \$1 M to \$20 M. Many companies have people dedicated to beating the bushes for off market deals, yet, there doesn't seem to be any shortage of these as well.

From my ground level view, I would say the self-storage business in the US of A is still very active and robust.

**As a mature industry, self-storage awareness here is over 90%**



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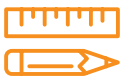
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