

# THE SELF STORAGE ASSOCIATION UK ANNUAL SURVEY

2016





# TABLE OF CONTENTS

INTRODUCTION .....	4
SUMMARY OF KEY FINDINGS.....	5
INDUSTRY OVERVIEW .....	6
A YEAR IN HIGHLIGHTS .....	14
MACRO ECONOMIC OVERVIEW.....	16
DEMAND SURVEY .....	20
OUTLOOK & BUSINESS CONFIDENCE.....	32
RENTAL RATES .....	34
OCCUPANCY .....	38
OTHER OPERATING METRICS.....	40
EXPANSION ACTIVITY .....	42
ADDITIONAL SURVEY RESULTS.....	44
SURVEY DATA.....	48
ABOUT CUSHMAN & WAKEFIELD .....	49
CONTRIBUTORS .....	50

# INTRODUCTION

This is the tenth consecutive annual survey carried out by the Self Storage Association UK among its members. Following the success of last year's report, Cushman & Wakefield LLP have assisted again, utilising their extensive experience of valuing self storage properties across the world. Survey responses this year rose again and were returned by 80 separate companies covering 435 self storage facilities. This sample represents over 41% of the self storage sites in the country, and over 60% of total storage space. Responses to questions in the survey related to company and facility positions at 31 December 2015.

To maintain consistency the survey questions have remained the same as last year with only minor modifications to some wording to better explain the answers required. For the third year in a row the report includes the results of a YouGov survey carried out among the public. This data compliments the operators' survey, and enriches the report providing a more rounded view of the industry. With 3 years' data, we can for the first time begin analysing trends in this section of the survey and investigate correlations with changes in the industry or operating environment.

We would like to thank the members of the SSA UK who responded so promptly to the survey this year and the team at Cushman & Wakefield for collating the data, providing commentary and interpretation of the data and producing the final report. Finally, thanks to Big Yellow and Safestore for assisting with the YouGov element of the survey.



**Rennie Schafer**  
CEO - SSA UK



**Oliver Close**  
Partner - Cushman & Wakefield LLP

# SUMMARY OF KEY FINDINGS

MORE THAN **5%** INCREASE IN SUPPLY TO **37.6 MILLION** SQUARE FEET

OCCUPANCY INCREASES TO **73.1%** ON CURRENT LETTABLE SPACE

 **£22.15**

NET RENTAL RATES INCREASE TO £22.15 PER SQUARE FOOT PER ANNUM, THE HIGHEST LEVEL SINCE THE STUDY BEGAN IN 2006

NET RENTAL RATES IN LONDON ARE **MORE THAN TWICE** THAT IN EAST MIDLANDS AND THE NORTH



**90%**



**90%** OF PEOPLE SURVEYED HAVE NOW HEARD OF SELF STORAGE, UP FROM **77%** IN **2014**

UNDERSTANDING OF THE PRODUCT REMAINS LOW; ONLY **30%** OF PEOPLE UNDERSTOOD THAT **ONLY** THEY HAVE ACCESS TO THEIR UNIT



**48% OF PEOPLE** DO NOT BELIEVE THEY HAVE ANYTHING TO PUT INTO SELF STORAGE



**66%** OF PEOPLE COULD NOT NAME A STORAGE BRAND



**VISIBILITY** REMAINS THE MAIN DRIVER FOR STORE AWARENESS

**33%** OF PEOPLE DO NOT KNOW HOW MUCH A STORAGE UNIT WOULD COST AND A FURTHER **55%** BELIEVED IT TO BE CHEAPER THAN THE ACTUAL PRICE



**71%**

OF BUSINESSES INTEND TO INCREASE PRICES NEXT YEAR

OCCUPANCY GROWTH INDICATES THAT DEMAND IS GROWING FASTER THAN SUPPLY OF NEW FACILITIES



# INDUSTRY OVERVIEW

The industry enjoyed a year of healthy growth in 2015 adding around 1.9 million square feet of space, on top of the 1.3 million added in 2014. This new space was made up of a combination of new openings by existing operators, expansion of existing sites and new entrants to the industry. Most of the new entrants opened smaller sites, often in regional areas, and the majority consisted of at least part container based storage. Conversely, most of the new sites opened by existing operators were from larger companies, with multiple sites, who were expanding their portfolio. These tended to be large purpose built buildings (or retro-fits of existing buildings or warehouses), multi storey establishments offering a range of internal storage units. It is always hard to accurately measure the exact number of self storage sites as they are not officially registered anywhere, but the Association estimates that there are now around 1,077 in the UK, of which 195 supply predominantly container storage.

The industry now has around 37.6 million square feet of storage space, an increase of more than 5% on 2014. This equates to around 0.59 sq ft of storage per head of population in the UK. We estimate that the total turnover of the industry in 2015 was circa £440 million among approximately 490 operators. In all, these firms employed around 2,250 staff (full time equivalents).

## UK INDUSTRY OVERVIEW

Supply in sq ft	37,600,000
Annual turnover for self storage	£440,000,000
Number of self storage sites (including container based self storage sites)	1,077
Number of self storage businesses	490
Supply per head of population	0.59 sq ft
Average size of facility	34,900 sq ft

Figure 1

Note these figures are approximate based on the most accurate information currently available from a range of sources. The average size of facility from this data is lower than the average size provided below for the survey respondents. It is understood that the survey sample is slightly biased towards mid-size to large operators who are more likely to complete the survey than smaller businesses in tertiary locations.

A third of UK self storage facilities are held by large operators (operators managing 10 or more sites), however, since these operators tend to have larger sites, and many are located in higher rent locations, in terms of total space available and revenue, their share of the market is likely to be close to half.

There are also significant regional variances in the level of supply per head of population with London, for example, demonstrating supply at about twice the UK average.

## THE LARGE UK OPERATORS - BY BRAND

		MLA (sq ft)
Safestore	95	3.92m
Big Yellow	70	4.40m
Access Self Storage	58	Unavailable
Lok'nStore	26	1.31m
Shurgard	25	1.34m
Storage King	24	0.94m
Big Box	15	Unavailable
Armadillo	14	0.67m
Alligator	13	Unavailable
Space Maker	12	0.50m
TOTAL	352	-

Figure 2

## THE LARGE UK OPERATORS - BY MANAGEMENT

Safestore	107
Big Yellow	84
Access Self Storage	58
Lok'nStore	26
Shurgard	25
Storage King	24
Ready Steady Store	23
Big Box	15
TOTAL	362

Figure 3

CURRENT OCCUPIED, CURRENT NET LETTABLE AND MAXIMUM / POTENTIAL NET LETTABLE AREAS OF SITES SURVEYED

	CLA	MLA	
	Current amount occupied (sq ft)	Current net lettable (sq ft)	Max. net lettable area of stores (sq ft) once fully developed.
Total	13,101,177	17,919,784	19,248,598
Average	31,954	43,707	46,948

Figure 4

The occupancy calculations based on the above data are as follows:

Average unit size on CLA (sq ft)	67.5
All sites - occupancy on CLA	73.1 %
All sites - occupancy on MLA	68.1%

Figure 5

Despite an increase in supply for the industry occupancy on both CLA and MLA increased last year by approx. 3%, indicating that demand is growing slightly faster than supply.

With significantly more people using self storage than last year and increased returns per square foot (provided later in this report) 2015 was a very positive year for the industry.

When looking at the occupancy rates above, it should be noted that a successful self storage business would generally operate at around 85%-90% occupancy to provide the best yield. When considering the industry average, occupancy levels will be suppressed by new businesses and extensions that are in fill up stages and below their optimal or maximum achievable levels.

The survey results show the average facility size is circa 43,700 sq ft with 647 rooms and an average unit size of 67.5 sq ft. In addition there is on average a further 3,241 sq ft (7.4 %) of potential self storage space yet to be fitted out within the existing supply of facilities.

For mature stores (open for more than 6 years) the average facility size is circa 46,400 sq ft with 689 rooms and an average unit size of 67.3 sq ft.

STORES BY SIZE (MLA)

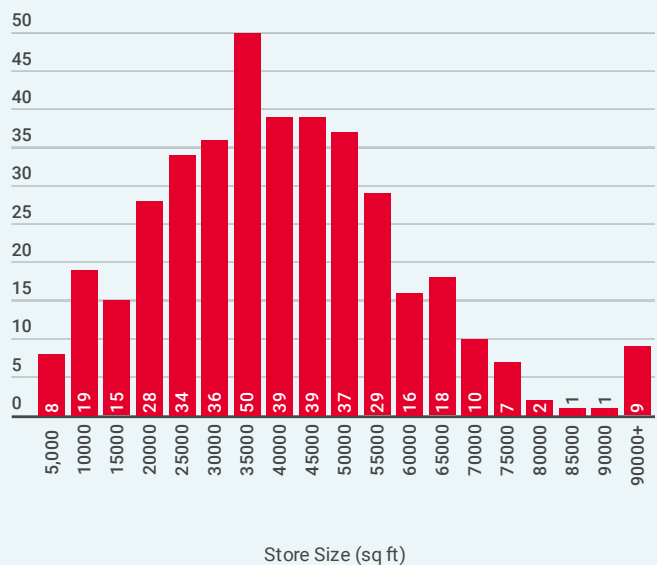


Figure 6

Store sizes vary across the UK from less than 5,000 sq ft to larger than 90,000 sq ft. The greatest number of stores are in the 30,000 - 55,000 sq ft range, averaging at circa 43,700 sq ft on CLA. Big Yellow's average store size is 62,800 sq ft, Lok'nStore's is 50,300 sq ft and Safestore's is 41,200 sq ft. There are a number of small regional businesses with an average size of less than 10,000 sq ft. These smaller sites are traditionally not accurately represented in the survey sample.

## PROPERTY OWNERSHIP

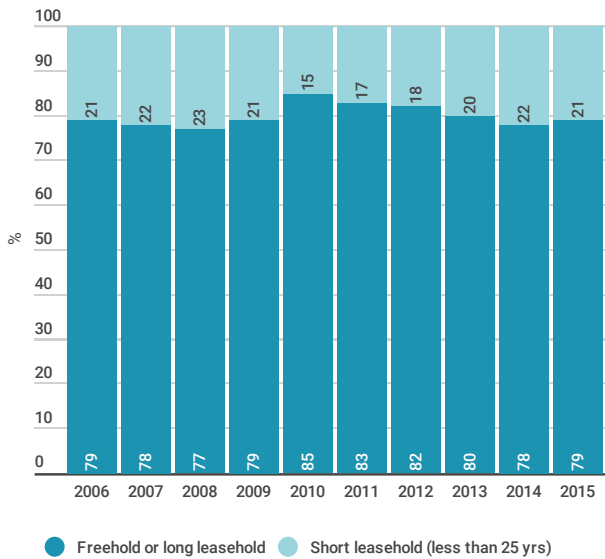


Figure 7

The balance between freehold/long leasehold and short leasehold (generally under 25 years) has remained relatively constant in the last 10 years. Freehold or long leasehold is by far the most popular choice with operators usually only considering short leaseholds where a freehold cannot be secured, or where there is a constraint in funding.

## % WITH CONTAINER STORAGE

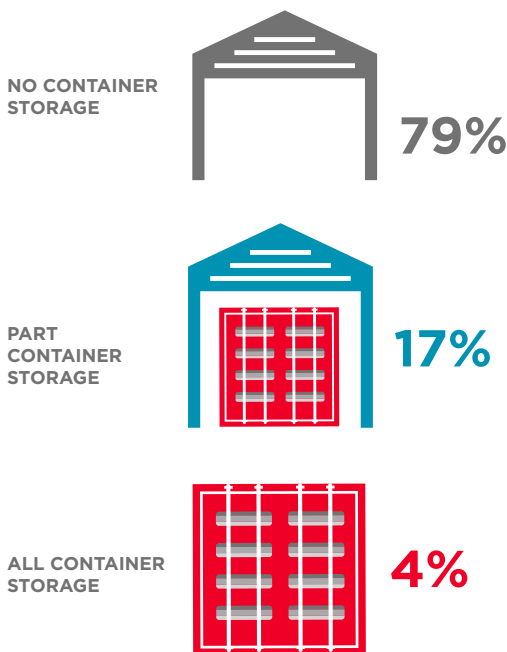


Figure 8

It is only the second year that operators have been asked if they offer container storage, and there is little change from last year with 79% of respondents offering no container storage. A small percentage of the survey offered only container storage, although the broader industry data indicates that around 10% of operators have mostly container based storage on their site. As stated earlier, small container storage businesses typically do not participate in the survey and the bulk of container only operators are small sites, often run as secondary businesses on farm land or unused industrial land.

## FACILITY TYPE

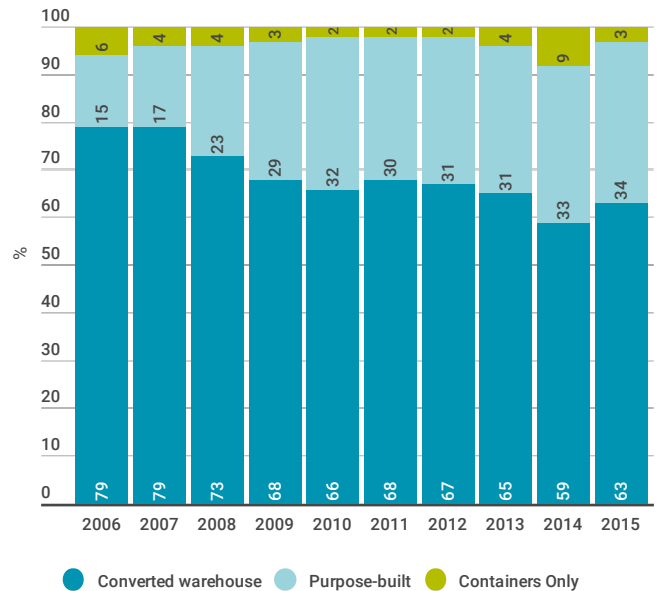


Figure 9

There is little change in the mix of facility types across the years and the apparent drop in container facilities is most likely a slight shift in the make-up of the survey base, rather than indicative of an underlying trend or shift in the market. When comparing like-for-like data from the survey it is interesting to note that some of the sites that were container only last year have since added some purpose built units. With the growth of smaller container based sites in the past few years it will be interesting to see how many of these over time grow to the point that they expand using more traditional or purpose built storage units rather than just containers.



## BUSINESS VS DOMESTIC USE BY FLOOR SPACE

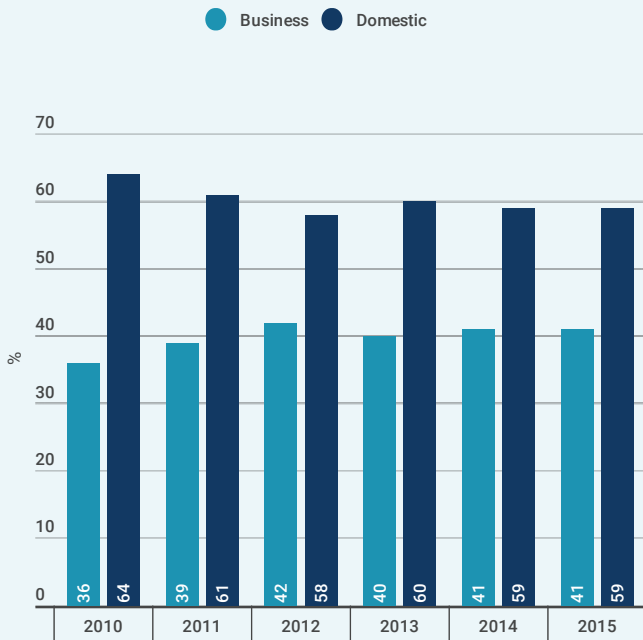


Figure 10

As the chart shows, there has been little change in the balance between domestic and business use in the last 5 years. What the chart doesn't show is that there is significant variance on these figures between operators depending on their location and marketing pursuits. Some sites have over 70% of space occupied by businesses, they are often located in more commercial districts and focus their marketing accordingly. Conversely other sites may have less than 25% of space used by businesses which are more likely to be in residential locations and possibly near universities.

Commercial customers tend to take larger spaces for longer periods and there are generally fewer issues with non-payment. However, they often receive discounts and combined with their larger units contribute less per square foot than residential customers for operators. Some are tied into longer term contracts which provide less flexibility for price increases. There are also complications when businesses go bankrupt or into liquidation which can lead to prolonged periods of unpaid rent. The self storage business also tends to become part of the general creditors group rather than having the ability to sell the goods to re-coup their losses as they normally would.

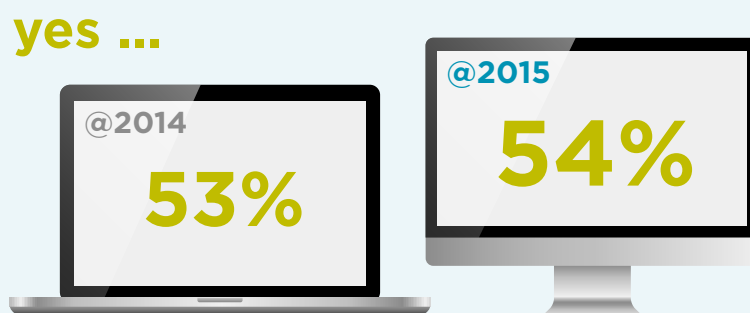
## DISPLAYING PRICES ON WEBSITE

This question, introduced last year, asked operators whether they displayed the prices of their self storage units on their website and little has changed over the last 12 months.

Whether to display prices on websites remains a widely debated topic at self storage forums. Some say that businesses must display prices to enable online shoppers' choice, convenience and the ability to book a unit online. Others will say that the lack of understanding of the product means that by displaying prices consumers will end up selecting on price alone and not the relevant features of the store, essentially commoditising the product.

While the majority of businesses surveyed are advertising their prices online, the ability to book a unit online is less prevalent and, compared to many other industries, the figure of 46% of businesses who do not place their prices online is high. It should also be noted that this question represents the percentage of companies which list their prices online and not the number of stores. As many of the larger companies are listing their prices online this means that 73% of sites represented in the survey have online pricing and these are generally the larger sites.

Figure 11





## EUROPE

In March 2015 there were approximately 2,650 facilities in Europe totalling just over 82 million sq ft of space. This is an increase of 9.4% on the number in 2014, equating to an additional 230 facilities.

Measuring the exact number of self storage facilities is difficult because of conflicts in the definition of self storage. For example some countries include container storage while others do not. There is also no official registration required to operate a self storage business in most European countries, so small businesses in tertiary locations can open without being noticed.

Despite this growth in the number of self storage facilities, over 80% are located in just six countries. The UK is the largest market with 40% of the total, followed by France, the Netherlands, Spain, Germany and Sweden. In terms of total storage space, the UK has around 46% of the total space in Europe. The UK also saw the greatest number of new stores in 2015, with around a third of all new European stores opening in the UK. However, in terms of percentage of industry growth, the UK grew at around 5% while many other European countries grew at 8% or higher.

- 1 EUROPEAN TOTAL/AVERAGE**  
Population: **487,026,630**  
Est. no. of facilities: **2,652**  
Size sq.ft: **82,248,657**  
Sq.ft. per person: **0.169**  
Storage facilities per mn pop: **5.45**
- 2 UK (INC. CONTAINERS)**  
Population: **64,100,000**  
Est. no. of facilities: **1,077**  
Size sq.ft: **37,600,000**  
Sq.ft. per person: **0.587**  
Storage facilities per mn pop: **16.8**
- 3 AUSTRIA**  
Population: **8,440,000**  
Est. no. of facilities: **26**  
Size sq.ft: **818,056**  
Sq.ft. per person: **0.097**  
Storage facilities per mn pop: **3.1**

- 4 BELGIUM**  
Population: **11,156,000**  
Est. no. of facilities: **30**  
Size sq.ft: **1,399,307**  
Sq.ft. per person: **0.129**  
Storage facilities per mn pop: **2.7**

- 5 CZECH REPUBLIC**  
Population: **10,466,000**  
Est. no. of facilities: **3**  
Size sq.ft: **118,403**  
Sq.ft. per person: **0.011**  
Storage facilities per mn pop: **0.3**

- 6 DENMARK**  
Population: **5,642,000**  
Est. no. of facilities: **67**  
Size sq.ft: **1,883,683**  
Sq.ft. per person: **0.334**  
Storage facilities per mn pop: **11.9**

- 7 ESTONIA**  
Population: **1,306,000**  
Est. no. of facilities: **2**  
Size sq.ft: **21,528**  
Sq.ft. per person: **0.022**  
Storage facilities per mn pop: **1.5**

- 8 FINLAND**  
Population: **5,428,000**  
Est. no. of facilities: **79**  
Size sq.ft: **1,399,307**  
Sq.ft. per person: **0.258**  
Storage facilities per mn pop: **14.6**

- 9 FRANCE**  
Population: **66,874,000**  
Est. no. of facilities: **336**  
Size sq.ft: **9,902,788**  
Sq.ft. per person: **0.151**  
Storage facilities per mn pop: **5.0**

- 10 GERMANY**  
Population: **79,829,000**  
Est. no. of facilities: **143**  
Size sq.ft: **4,434,727**  
Sq.ft. per person: **0.054**  
Storage facilities per mn pop: **1.8**

- 11 HUNGARY**  
Population: **9,860,000**  
Est. no. of facilities: **1**  
Size sq.ft: **64,583**  
Sq.ft. per person: **0.011**  
Storage facilities per mn pop: **0.1**

- 12 ICELAND**  
Population: **328,630**  
Est. no. of facilities: **5**  
Size sq.ft: **118,403**  
Sq.ft. per person: **0.355**  
Storage facilities per mn pop: **15.2**

- 13 IRELAND**  
Population: **4,812,000**  
Est. no. of facilities: **25**  
Size sq.ft: **861,112**  
Sq.ft. per person: **0.183**  
Storage facilities per mn pop: **5.2**

- 14 ITALY**  
Population: **60,437,000**  
Est. no. of facilities: **46**  
Size sq.ft: **1,754,516**  
Sq.ft. per person: **0.032**  
Storage facilities per mn pop: **0.8**

- 15 LATVIA**  
Population: **1,991,000**  
Est. no. of facilities: **2**  
Size sq.ft: **53,820**  
Sq.ft. per person: **0.032**  
Storage facilities per mn pop: **1.0**

- 16 NORWAY**  
Population: **5,077,000**  
Est. no. of facilities: **71**  
Size sq.ft: **1,248,612**  
Sq.ft. per person: **0.248**  
Storage facilities per mn pop: **14.0**

- 17 POLAND**  
Population: **38,449,000**  
Est. no. of facilities: **8**  
Size sq.ft: **188,368**  
Sq.ft. per person: **0.001**  
Storage facilities per mn pop: **0.2**

- 18 PORTUGAL**  
Population: **10,594,000**  
Est. no. of facilities: **16**  
Size sq.ft: **532,813**  
Sq.ft. per person: **0.054**  
Storage facilities per mn pop: **1.5**

- 19 ROMANIA**  
Population: **19,896,000**  
Est. no. of facilities: **3**  
Size sq.ft: **118,403**  
Sq.ft. per person: **0.011**  
Storage facilities per mn pop: **0.2**

- 20 SPAIN**  
Population: **47,727,000**  
Est. no. of facilities: **263**  
Size sq.ft: **5,597,228**  
Sq.ft. per person: **0.118**  
Storage facilities per mn pop: **5.5**

- 21 SWEDEN**  
Population: **9,575,000**  
Est. no. of facilities: **122**  
Size sq.ft: **4,305,560**  
Sq.ft. per person: **0.452**  
Storage facilities per mn pop: **12.7**

- 22 SWITZERLAND**  
Population: **8,057,000**  
Est. no. of facilities: **45**  
Size sq.ft: **796,529**  
Sq.ft. per person: **0.097**  
Storage facilities per mn pop: **5.6**

- 23 THE NETHERLANDS**  
Population: **16,982,000**  
Est. no. of facilities: **282**  
Size sq.ft: **9,030,912**  
Sq.ft. per person: **0.527**  
Storage facilities per mn pop: **16.6**

Size sq.ft: **532,813**  
Sq.ft. per person: **0.054**

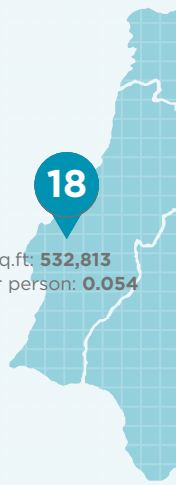




Figure 12 - Source: FEDESSA / JLL annual report 2015

The ownership of self storage facilities is slightly less concentrated in Europe than in the UK, with 27% of the total number of facilities owned by the 10 largest operators, compared to a corresponding figure of 33% in the UK.

The amount of self storage space available per person in Europe has remained broadly the same in the last 12 months and at 0.169 sq ft falls far short of the 7.75 sq ft and 1.8 sq ft per capita of space in the USA and Australia respectively which represent two of the most mature markets globally for self storage. However, it should be noted that there are fundamental differences between the European self storage markets and these more developed markets. The most significant being the cost and availability of land that allows operators in the USA and Australia to open larger sites at lower cost, and in turn offer self storage at a lower cost relative to the cost of living. It is widely acknowledged that in terms of storage space per capita the European industry will not reach the levels of the USA, certainly not in the foreseeable future, however there is potential for significant growth and levels per capita close to the current Australian levels could be achievable over time in many European countries.



MARKET SHARE BY SPACE

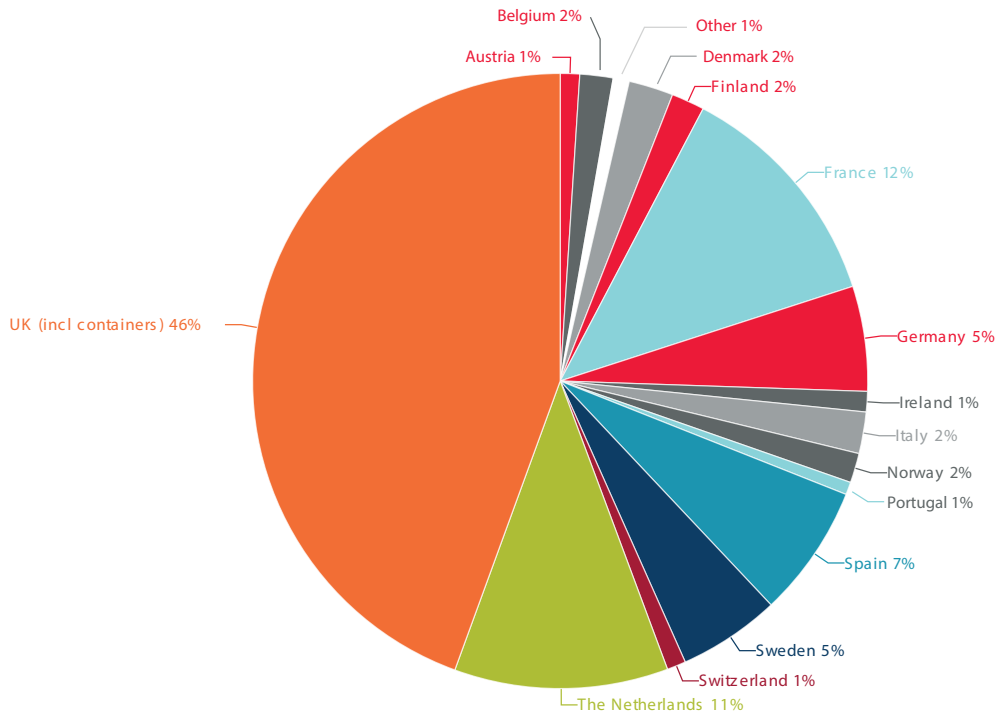


Figure 13



# A YEAR IN HIGHLIGHTS

2015



**JANUARY 2015**  
Big Storage (5 UK stores) acquired by Big Yellow



**JANUARY 2015**  
Big Box acquired Storage Box in West Molesey



**APRIL 2015**  
Big Yellow opened a new store in Enfield, London



**MAY 2015**  
Storage Corporation, Kings Heath, South Birmingham acquired by Space Station



**AUGUST 2015**  
Shurgard opened in Chingford, London



**OCTOBER 2015**  
Shurgard opened in Park Royal, London



**OCTOBER 2015**  
Lok'nStore sells Swindon East to an investment fund for £3.5 million



**OCTOBER 2015**  
Safestore were promoted from the reserve list into the full FTSE 250 index

2016



**2016**  
Safestore will be opening 3 new storage facilities in Chiswick, Wandsworth and Birmingham



**2016**  
Lok'nStore will be opening 3 new storage facilities in Chichester, Southampton and Bristol



**JANUARY 2016**  
Big Yellow opened a new store in Cambridge

Figure 14



**JUNE 2015**

Storage Solutions in Clapton, London acquired by Make Space Self Storage



**JUNE 2015**

City Box in The Netherlands acquired by Shurgard



**JULY 2015**

Storage King acquires a facility in Oxford from a franchisee



**Q4 2015**

ONS statistics showed that the UK economy expanded by 0.5% in the final quarter of 2015



**NOVEMBER 2015**

Paul Fahey takes an equity stake in Easybox, Italy



**DECEMBER 2015**

Shurgard opened in Woolwich, London



**DECEMBER 2015**

Less Mess Storage Inc. in Warsaw and Prague acquired by Metric Capital Partners



**MARCH 2016**

Safestore agreed an option to purchase Space Maker in the UK



**MARCH 2016**

Stamp duty bands changed, increasing stamp duty payable on properties over £250,000 to 5%

# MACRO ECONOMIC OVERVIEW

## ECONOMIC GROWTH

In 2015 UK economic growth was 2.3%, well above the 1.5% recorded for the Eurozone. Other core economies like France and Germany grew by 1.2% and 1.5% respectively. ONS Q1 2016 data is not available yet, however market surveys suggest a slowdown in economic activity. Oxford Economics expects GDP to grow by 2.1% this year and 2.3% in 2017, mainly driven by domestic demand. This would be a good result given the domestic and international economic headwinds that the UK is currently facing.

Risks to growth are weighted to the downside in the short term due to worries around the sustainability of global growth, the possibility of 'Brexit', austerity and volatility in financial markets. Oxford Economics expects the level of risk to decline over the next three years. Moreover, there are also upside possibilities if the global environment improves and UK productivity recovers.

## EMPLOYMENT, WAGES AND CONSUMPTION

Since the peak in 2008, the UK unemployment rate decreased to 5.4% at the end of 2015. In recent quarters however it appears stable. In the three months to January the rate was steady at 5.1% and the pace of jobs growth has slowed considerably. In February the claimant count decreased for the sixth consecutive month. Since the 1st of April 2016 the National Minimum Wage has increased for those over 25 years of age. Oxford Economics forecasts that nominal wages will increase by 3.8% this year, up from 2.2% per annum over 2010-2015 period.

Low CPI inflation and solid wage growth should support consumer spending this year, albeit at a slower pace than in 2015. Going forward the government's plans to reduce welfare spending will impact on household income, limiting consumer spending growth.

## ECONOMIC SUMMARY

ECONOMIC INDICATORS*	2014	2015 E	2016 F	2017 F	2018 F
GDP growth	2.9	2.3	2.1	2.3	2.2
Consumer spending	2.6	2.8	2.5	2.1	1.9
Industrial production	1.3	1.0	-0.1	1.2	1.0
Fixed Investment	7.3	4.1	3.4	5.6	4.2
Unemployment rate ILO (%)	6.2	5.4	5.1	5.0	5.0
CPI Inflation	1.5	0.1	0.5	1.4	1.8
Exchange Rate (US\$ per £)	1.65	1.53	1.39	1.44	1.48
Exchange Rate (Euro per £)	1.24	1.38	1.30	1.35	1.36
Short-Term Interest Rates (%)	0.5	0.6	0.6	0.8	1.3
Long-Term Interest Rates (%)	2.6	1.9	1.7	2.3	2.8

**Figure 15**

Annual percentage changes unless specified  
Source: Oxford Economics



## INFLATION AND INTEREST RATES

UK annual CPI inflation decreased over 2015 to just 0.1%, dragged down by falling prices of oil, food and energy. Latest data however is showing some positive signs of inflationary pressures building. Oxford Economics expects CPI inflation at 0.5% by the end of this year and 1.4% in 2017.

It's still uncertain as to when the Bank base rate will start to rise; economists have pushed back their forecasts for the timing of the first interest rate rise for a while now. Given the low inflationary environment it's likely that the Bank of England Monetary Policy Committee will keep interest rates on hold in the short term. Oxford Economics expects to see the first rate hike in early 2017; the Bank rate should then reach around 1.5% by 2018.

## UK ECONOMIC AND POLITICAL BREAKDOWN

Population	65.2 million (2015)
USD	US\$ 2,850.2 billion (2015)
Public sector balance	-4.4% of GDP (2015)
Public sector debt	89.2% of GDP (2015)
Current account balance	-5.2% of GDP (2015)
Parliament	Conservative
Head of State	Queen Elizabeth II
Prime Minister	David Cameron
Election dates	May 2020

Figure 16

Source: Oxford Economics

## ECONOMIC ACTIVITY

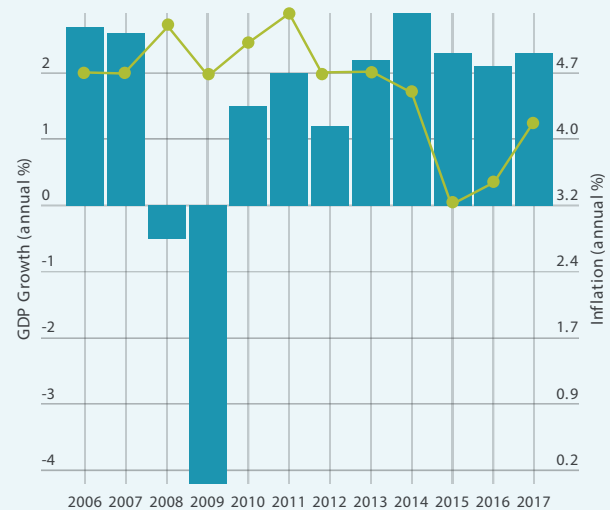


Figure 17

Source: Oxford Economics

## BREXIT RISKS

A referendum on the UK's continued EU membership is scheduled for 23rd June 2016. At the time of writing there is still much uncertainty on the results, as shown by recent polls. Brexit may impact on the location, liquidity and cost of financial services and the consequences would vary depending on the terms of the departure. In recent months the pound has trended down compared with the Euro and US dollar. Should the UK vote to leave, there will also be implications on the property sector. In particular, a slowing economy would impact on occupier demand and rental growth prospects, while a longer period of uncertainty would reduce liquidity so impacting on capital values. It should be noted that Oxford Economics, in their baseline forecast of April 2016, assume that the UK will vote to remain in the EU.

## UK REGIONAL OUTLOOK

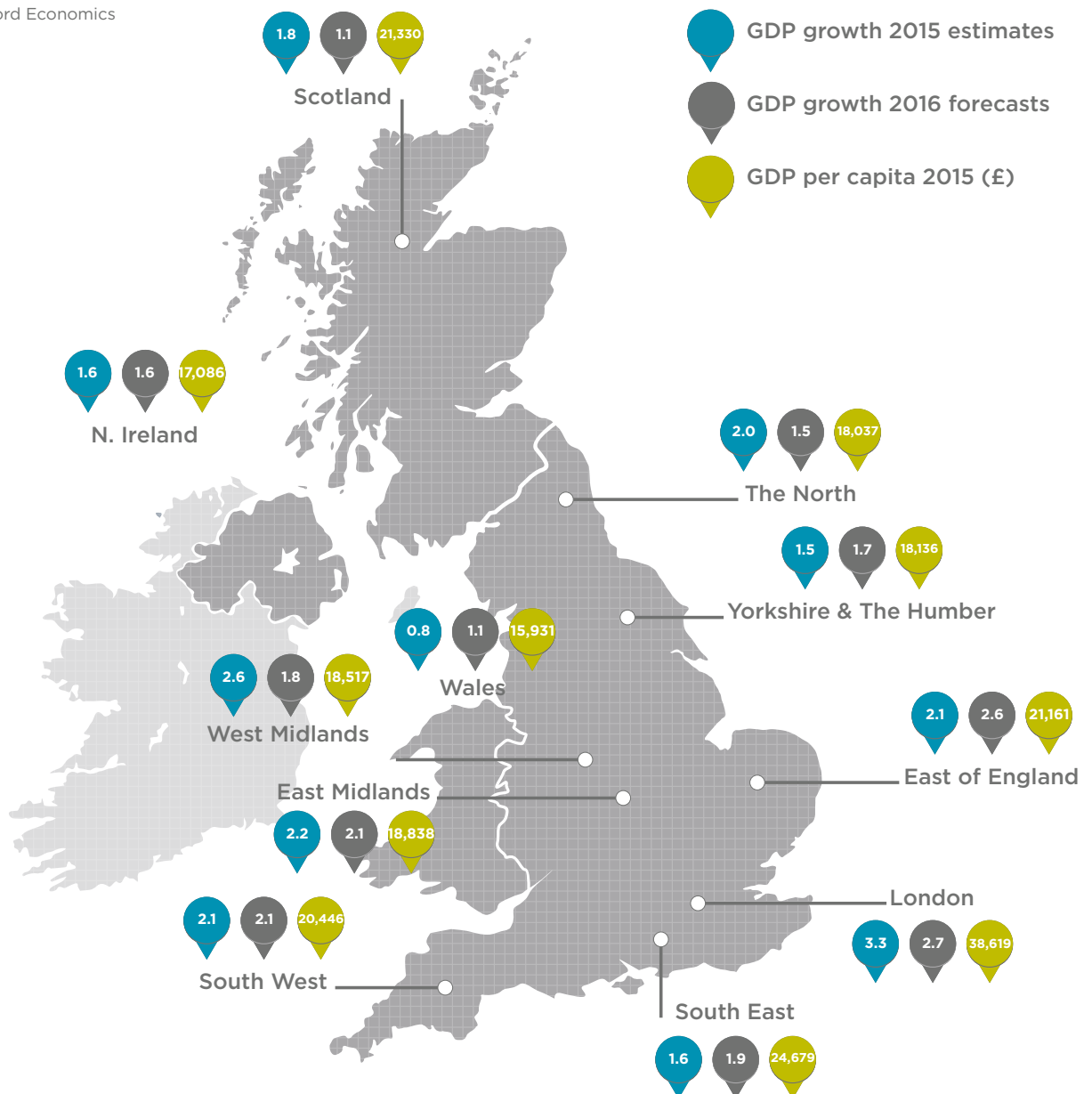
London remains the driver of the UK economy and is a leading market both in a European and global context; its GDP per capita was over £38,600 in 2015. All the UK regions showed positive GDP growth in 2015, with rates ranging from 0.8% to London with the highest rate of 3.3%. The West Midlands and North East were the next strongest, with growth of 2.6% and 2.5% respectively.

Wales had the weakest growth rate of 0.8%. Southern regions benefit from a higher concentration of professional services and faster growing populations. The northern and devolved regions are typically more heavily concentrated in public sector services and manufacturing, which are expected to decline. Oxford Economics' regional forecasts for 2016 suggest that London, the West Midlands and North East will have more moderate growth rates.

## ECONOMIC GROWTH ACROSS THE UK REGIONS

Figure 18

Source: Oxford Economics



## POLITICAL CLIMATE

2015 was the year of the UK general election in which the Conservative party, led by David Cameron, won a slim majority. The next election date is in 2020. A large set of elections were held on the 5th of May. These elections were: Scottish Parliament, Welsh Assembly, Northern Ireland Assembly, local council elections in England, Police and crime commissioner elections and finally Mayor of London and London Assembly. Sadiq Khan (Labour Party) has been elected as Mayor of London. He has taken over from conservative Boris Johnson who had held the position of Mayor of London since May 2008. In council elections in England, Labour has lost control of some councils, so this may impact their potential success in the next general election. These elections are quite separate from the EU referendum described before.

## MARKET OUTLOOK

GDP	Growth this year slightly softened compared with 2014
Inflation	Expected to gradually pick up during the year
Interest rate	On hold until early 2017
Employment	Unemployment rate seems to have stabilised

Figure 19

## UK RESIDENTIAL PROPERTY TRANSACTIONS

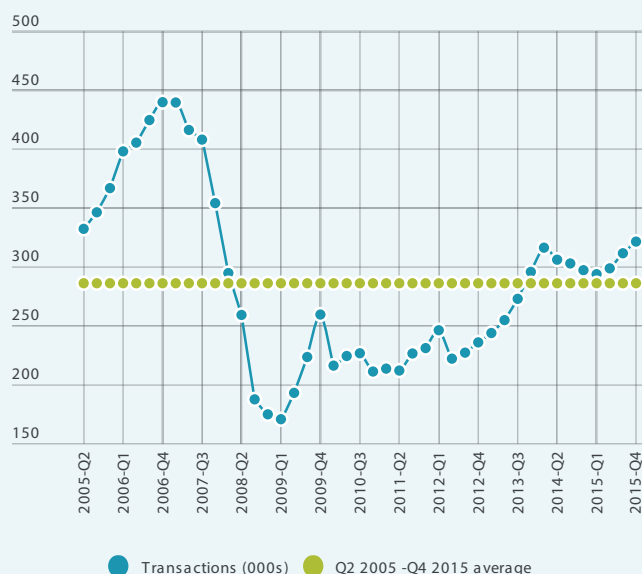


Figure 20

Source: ONS - HM Revenue & Customs

## UK HOUSING MARKET

There is a climate of uncertainty across the UK housing market as investors are worried about potential Brexit, tax changes and a weaker pound. The impact on London seems higher than in the rest of the country. UK residential transactions are currently above the 2005-2015 average and improved over 2015. In Q1 2016 buy-to-let investors and second home purchasers boosted activity, as they were trying to complete transactions before the introduction of the Stamp Duty surcharge on second homes. The March 2016 RICS Residential Market Survey showed a decrease in near term sales expectations as the Stamp Duty deadline passed. Tight market conditions (lack of supply) is sustaining price growth at the national level. However, in London prices are currently falling in some areas, particularly at the luxury end of the market, following lower demand from wealthy foreign investors. Nevertheless, expectations are still positive for the next twelve months (RICS survey).



# DEMAND SURVEY

In February 2016 the SSA UK commissioned a Demand Survey by YouGov. The survey was conducted as an online interview with a sample of 2,075 adults taken at random from YouGov's total panel of 350,000+ individuals. The sample was weighted to provide a reporting sample representative of all UK adults aged 18+. The questions were designed to measure the level of awareness and perceptions of the UK self storage industry and with three years' of consecutive data, trends in the results can now begin to be analysed.

The positive take away from the question illustrated below is that year on year, those who have a general awareness of self storage have increased; from 77% in 2014 to 90% in 2016. However, as awareness of the industry has grown, understanding of the product hasn't and this remains detrimental to the sector.

Most industry participants share the view that demand would be improved if the product were more widely understood. This issue has been a recurring theme in previous survey results and continues to be an ongoing challenge for the industry.

## AWARENESS OF SELF STORAGE

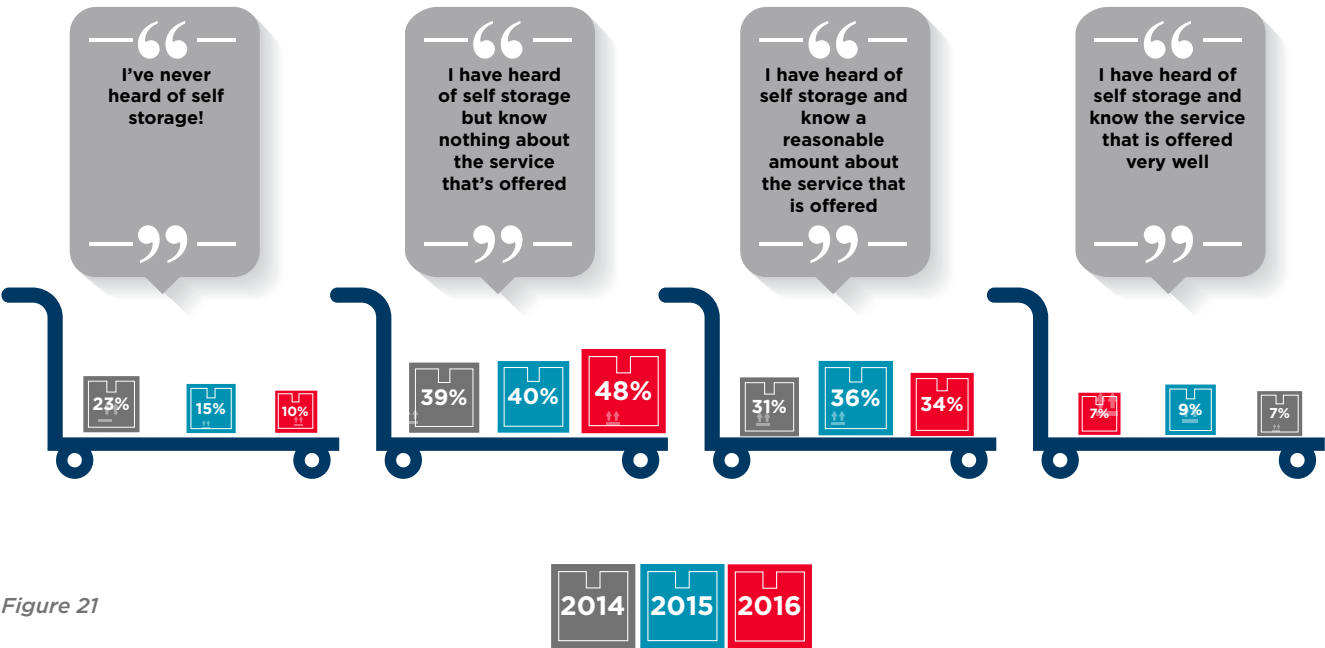


Figure 21

It is clear from the survey that awareness is better in markets with greater supply such as London and the South of England. This may be due to a larger number of high profile stores on busy arterial routes in these markets, combined with greater demand from a more mobile population base. It could also be that larger operators in these areas are able to, or have in the past, run mass media campaigns to raise the profile of the product. With the changes in the media landscape, more reliance on online communication and the fact that self storage is a very localised business, mass marketing campaigns are

often no longer an efficient means of marketing self storage. However, in the past and in other developing self storage markets, they have proven an effective way to increase public understanding of the product and subsequent demand for its use.

There is a slightly higher knowledge of the product within the ABC1 social grades rather than the C2DE's, and knowledge of the product is slightly poorer in the 55+ age group. These results are perhaps to be expected when one thinks about the typical users of self storage.

PERCENTAGE OF RESPONDENTS WHO KNOW A REASONABLE AMOUNT ABOUT SELF STORAGE, OR KNOW THE SERVICE OFFERED VERY WELL

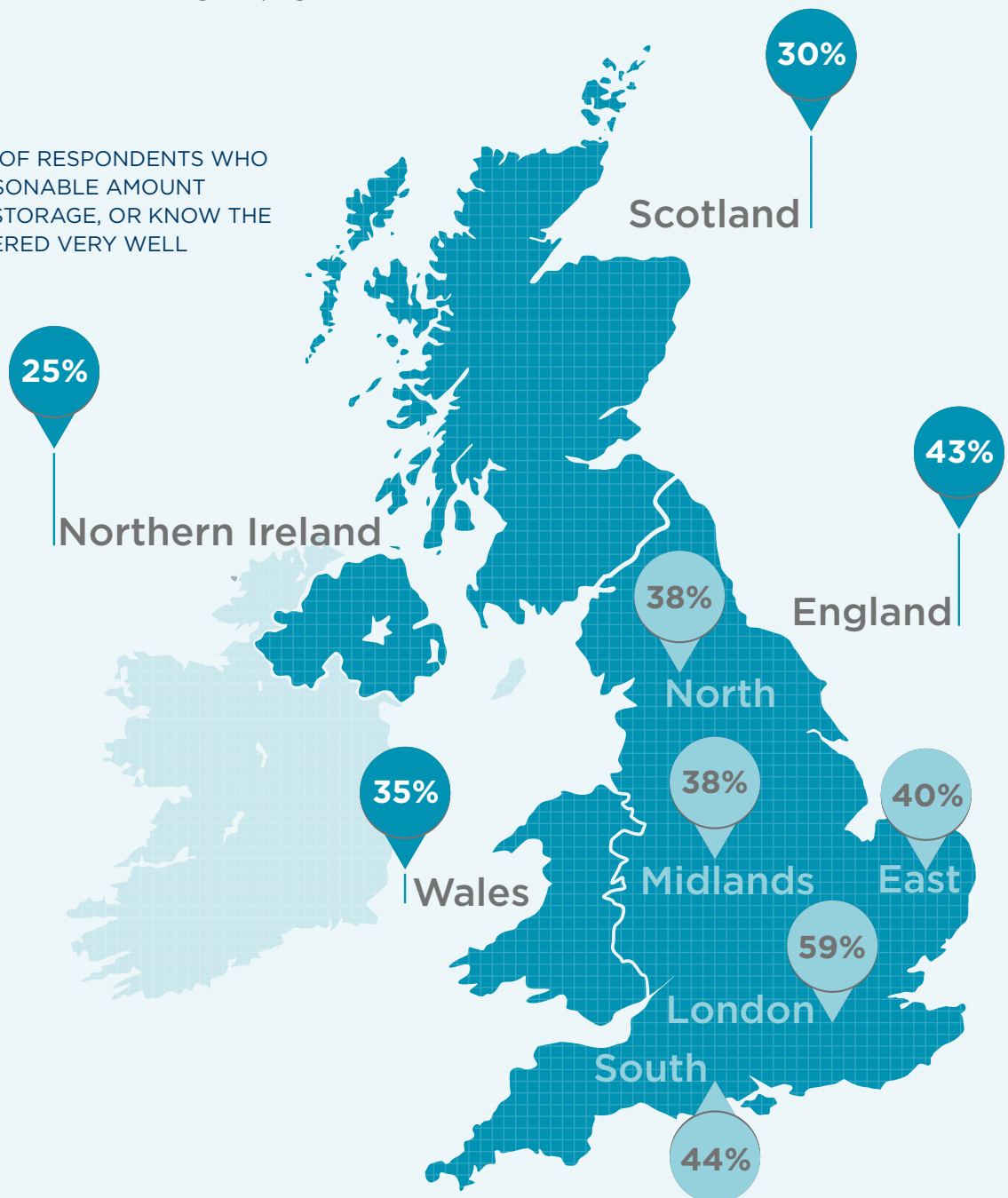


Figure 22

## UNDERSTANDING OF SELF STORAGE

In order to establish in more detail the true level of understanding of the self storage business, the survey asked a series of questions about common elements and features of self storage. The results demonstrate in detail how little the public's understanding of the product has improved over the last three years:

- Only 53% of respondents agreed that self storage offers a range of unit sizes to suit people's needs (no material change in the results from the 2015 and 2014 survey).
- Only 35% of consumers agreed that self storage contracts are flexible from 1 month to 12 months or longer (37% in both 2015 and 2014).
- Only 30% of consumers agreed that only they could access their goods in self storage, not the store staff - a decrease from 32% in 2015 and 35% in 2014.

Self storage tends to be used by people during life changing events (such as moving house, entering or leaving a relationship, a birth or death in the family and so on). Thus when asking people if they have a need for self storage in the next 12 months many may respond in the negative when completing the survey, but then experience one of these life changing events unexpectedly and potentially become a user or at least interested in self storage.

The data somewhat supports the notion that people only receive a proper understanding of the product once they use self storage or at least consider using it for their storage needs. Whilst the increase of new facilities (especially those in prominent locations) will inevitably stimulate awareness of the industry, understanding of the industry is a more challenging proposition. One that is further complicated by the presence of TV shows such as Storage Wars, which are US based and reflect US market practices which don't apply in the UK.



Figure 23

## USE OF SELF STORAGE

Similar to previous years' reports, only 11% of those surveyed had used or considered using self storage in the last 12 months and only 5% were considering using it in the next year. This supports the view that self storage is often used for life changing events which tend to be unplanned.

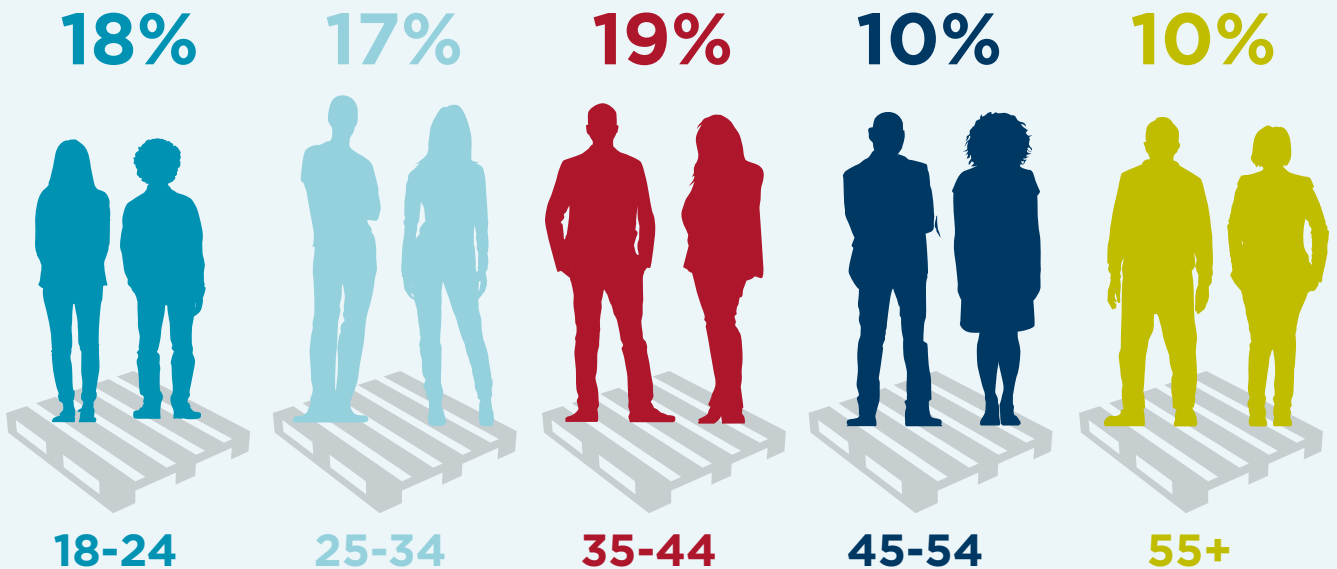
Of those surveyed, 2% were currently using self storage, which is broadly consistent with the previous two years' results.

Significantly increasing the number of people using self storage in the UK would require a similarly significant increase in supply. However, with an average occupancy of 73% on CLA there is enough available space within existing facilities for more customers to use the product if the demand were there (at current price levels). As previously mentioned, optimal occupancy for a self storage business is around 85%-90%, meaning there is still at least 12 percentage points of unused supply in the current market.

Pricing is also an issue, with a generally low level of awareness of the cost of self storage in the general public. Low price expectation could account for some of the difference between those that have considered using self storage in the last 12 months and those that actually have.

The drivers for growth of the industry are complicated, as even if there were a significant increase in demand for self storage in the short term, it is unlikely that operators would be able to find and develop the real estate to meet this demand. Of course, if people were willing to pay more for self storage then some properties that are not economically viable development opportunities could become so. This is particularly the case in London and the South of England, where self storage use often has to compete with a range of other land uses, including residential development. Thus growth of the industry is limited through a combination of lack of awareness/demand, the availability of suitable property for development and the economic operating conditions.

## I AM CONSIDERING USING SELF STORAGE IN THE NEXT 12 MONTHS



The survey data revealed that older age groups are less likely to be considering the use of self storage in the next 12 months. By breaking the data up by location it shows that more people in London are currently using the service or are considering doing so in the next 12 months, which ties in with the awareness data provided above.

Figure 24

### SATISFACTION WITH THE SERVICE

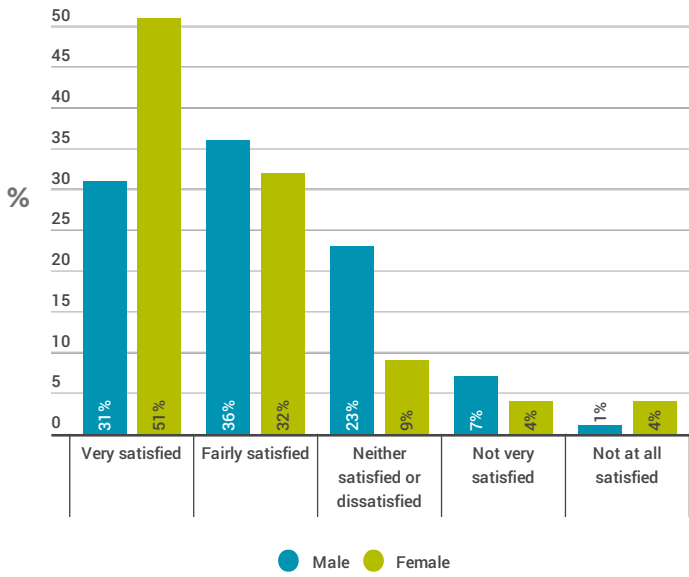


Figure 25

Only 15.5% of the survey group had previously used self storage, but of that group, customers were generally satisfied with the service provided by self storage operators, with only 8% expressing any dissatisfaction. This is a reduction from 11% in 2015 and 13% in 2014.

### UNPROMPTED BRAND AWARENESS

Awareness of self storage brands continues to remain low, rising by 3% since 2014 to 34% , this illustrates the continued low awareness of the product. Of those who could name a brand, Big Yellow was considerably more recognised than other operators.

Note that respondents could name multiple brands when answering this question, hence these totals add up to more than 100%. There were also small numbers of respondents (less than 1% per brand) that named other self storage brands that do not exist, these are not included in this table.

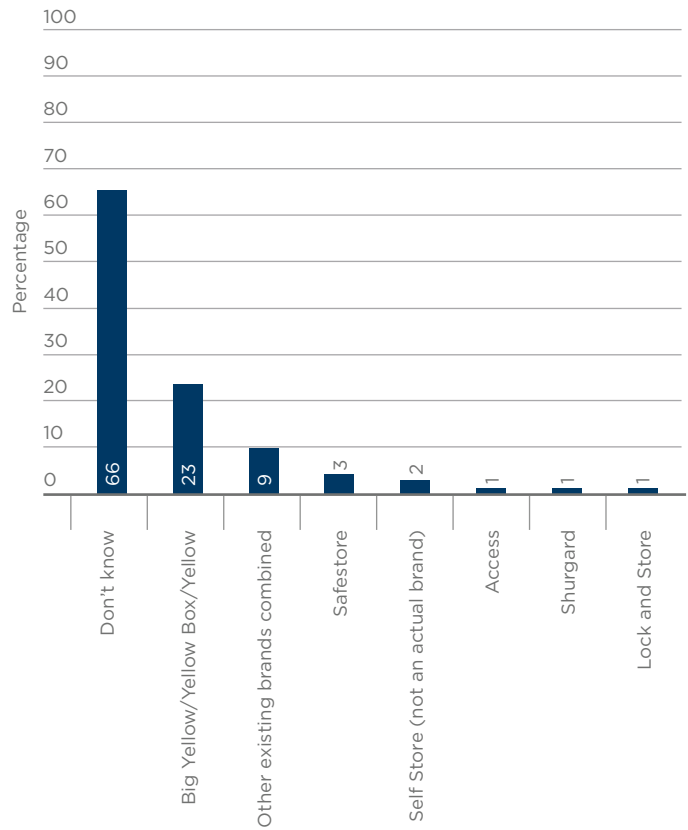


Figure 26





## BRAND NAME VALUE

In a new question asked this year, only 12% of people responded positively that a brand would influence their purchase decision. This question was posed to respondents before they were asked to name a self storage brand and could be indicative of a relatively immature industry where customers are unsure of what the industry offers let alone the difference between brands. It could also be that customers are unsure exactly what the various self storage brands represent, or perhaps that they see elements such as security and access as more important decision points than brand.

## SELF STORAGE AWARENESS IN THE LOCAL AREA

Local awareness has remained consistently low with 59% of respondents unable to name a self storage business in their local area.

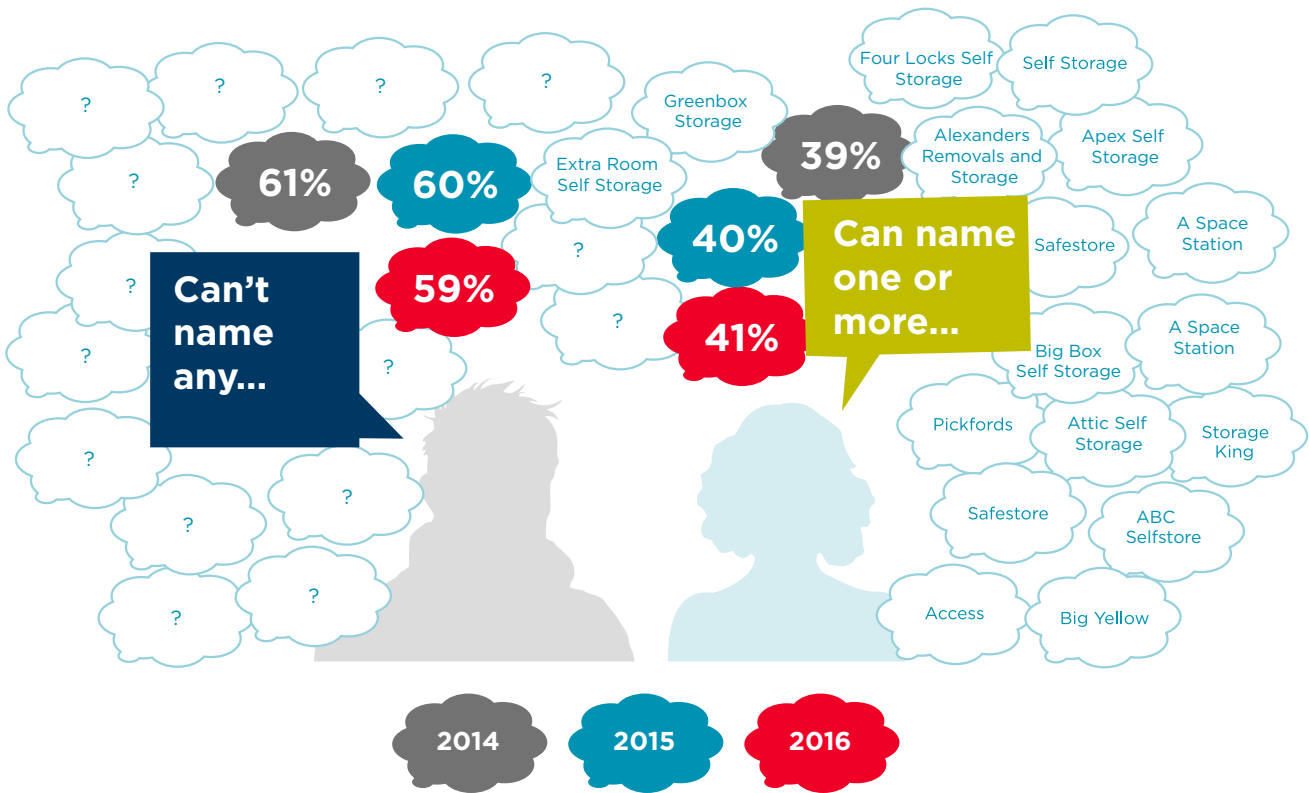


Figure 27

As in previous years, London shows a higher level of awareness, with only 43% of the survey base unable to name local self storage businesses. This is still a considerable amount of people given the prevalence of self storage businesses in London and the fact that every survey respondent from London would most likely have multiple units locally. Northern Ireland, Scotland and the North had the lowest awareness levels, but these areas have less storage. Additionally, storage space is generally located in the larger metropolitan locations. It is possible that some survey respondents in these areas actually do not have a local self storage business.

**PERSONS UNABLE TO NAME A LOCAL SELF STORAGE BUSINESS**

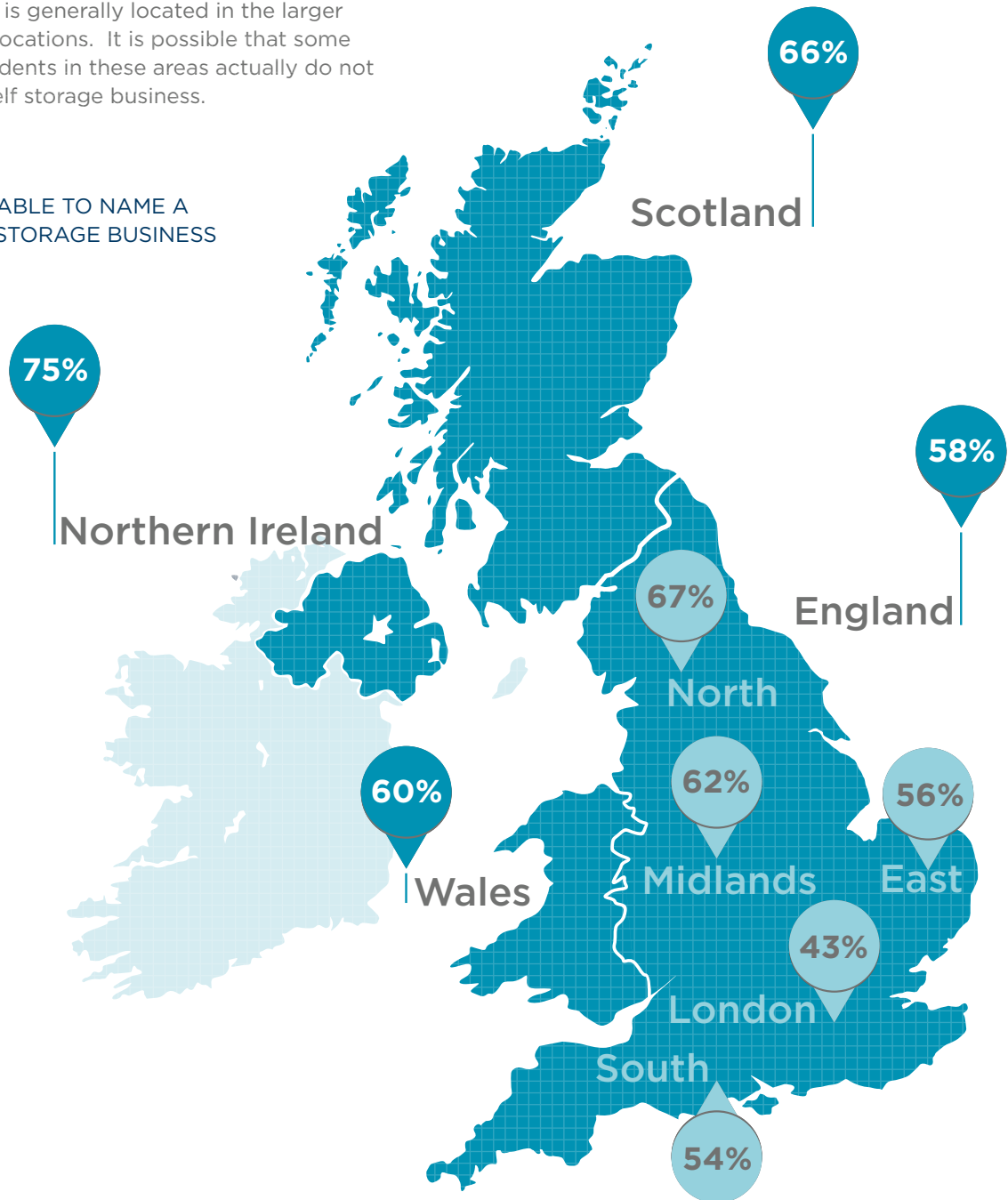


Figure 28

## DRIVERS OF RECOGNITION

Unsurprisingly, the internet has seen the greatest increase since 2014 for driving recognition of self storage, rising to 11% from 7%. However, store visibility remains the clear leader with 69% of respondents indicating this as their driver of recognition of the industry. Note that in this question people could answer more than one response, hence the totals add up to more than 100%.












		2014	2015	2016
Outdoor advertising		12%	13%	10%
Visible on the road		66%	68%	69%
Advertising on TV		3%	4%	3%
Advertising on radio		1%	2%	3%
Advertising in a local paper		8%	6%	5%
Friend or family		11%	11%	10%
Internet		7%	9%	11%
Direct post		1%	1%	1%
Yellow Pages		7%	6%	5%
Other		6%	5%	6%
Don't know/ can't recall		8%	5%	7%

Figure 29

In contrast to last year's survey, the East has overtaken London as the region which has the highest awareness of self storage facilities from roadside visibility (81% for the East compared to 72% for London).

The survey analysis shows some clear age-related trends as illustrated below:







	<i>age</i>	<b>18-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55+</b>
Internet		<b>20%</b>	<b>12%</b>	<b>10%</b>	<b>11%</b>	<b>6%</b>
Visible on the road		<b>71%</b>	<b>66%</b>	<b>68%</b>	<b>66%</b>	<b>74%</b>
Advertising on TV		<b>12%</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
Advertising on radio		<b>3%</b>	<b>5%</b>	<b>7%</b>	<b>2%</b>	<b>2%</b>
Advertising in a local paper		<b>6%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>8%</b>
Friend or family		<b>18%</b>	<b>12%</b>	<b>9%</b>	<b>6%</b>	<b>10%</b>

Figure 30

## SOURCE OF ENQUIRIES - FINDING A SELF STORAGE FACILITY

When survey respondents were asked how they would consider finding a self storage facility to contact, internet searches were the most preferred method across all age groups, showing the importance of the internet as the first point of contact for potential customers.

However, these results could be skewed in favour of respondents preferring internet searches as respondents completed the survey online and so are clearly internet users.

There has been an increase since 2015 in the percentage of respondents who would find a self storage facility to contact by looking at stores located nearby or by asking a friend or family member, and a gradual decrease since 2014 in those who would find a store via the local paper or a phone directory.

Again, the responses do not add up to 100% as respondents could select more than one answer.

Location (i.e. respondents were aware of a store nearby) was a more important factor for those in London and the South than in other regions.

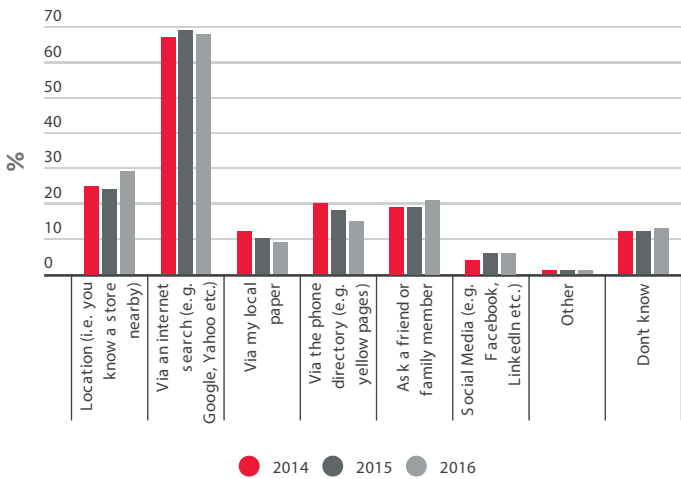


Figure 31

## PREFERENCE ON HOW TO CONTACT A SELF STORAGE FACILITY

The survey results for the last three years show a varied response to this question. It needs to be considered that this question refers to preferences rather than actual behaviour and so caution should be taken in extrapolating these results to infer the actual behaviour of potential customers.

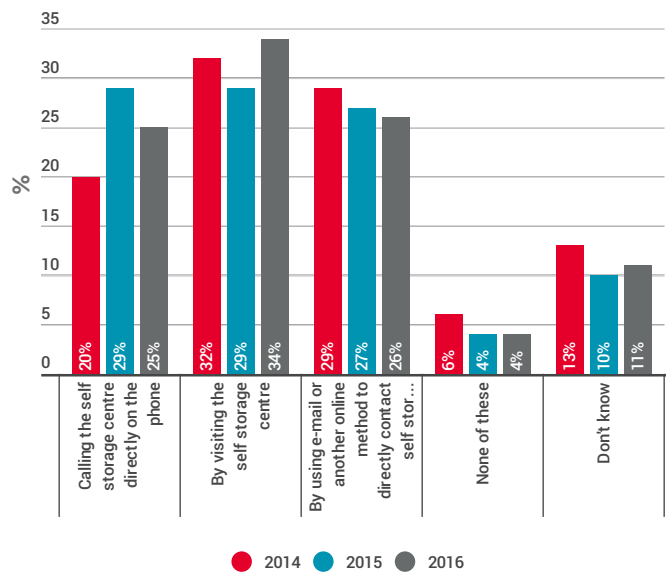


Figure 32

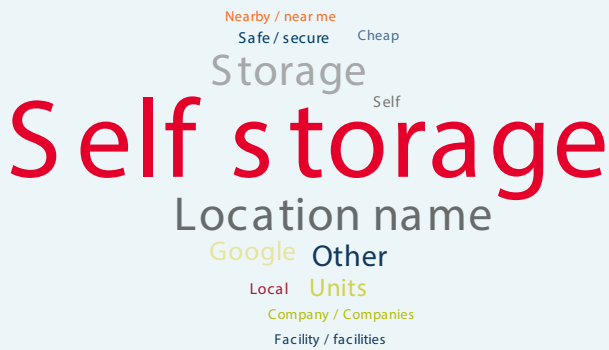
The 2016 survey shows an increase in the percentage of respondents preferring to contact a facility by visiting the store in person, and a decrease in the number of respondents preferring to contact by phone and online.

When analysing responses by gender, you can see that females are more inclined to contact a self storage centre by phone rather than visit a store.

There is also a clear trend for older age groups to prefer to contact a self storage centre by visiting it in person rather than via email or online, while younger age groups were more likely to prefer to use email or other online methods.

In contrast to 2015, the survey showed that respondents in London have a greater preference to contact a store by email or visit, rather than over the phone.

## ONLINE WORD SEARCH USED TO FIND SELF STORAGE



	2016
Self storage	55.00%
Location name	20.40%
Storage	19.40%
Other	12.30%
google	10.50%
Units	8.70%
Self	4.80%
Safe / secure	4.70%
Local	4.10%
Company / companies	3.10%
Nearby / near me	3.00%
Facility / facilities	2.30%
Cheap	2.20%
Rental / rent	1.90%
Business	1.50%
Don't know	14.90%

Figure 33

## PRICE EXPECTATIONS OF SELF STORAGE

Based on the average rental rates revealed in the survey of operators, the weekly rent for a 90 sq ft unit would be circa £45, equating to a monthly figure of £190. It should be noted however that this figure varies significantly between regions and locations.

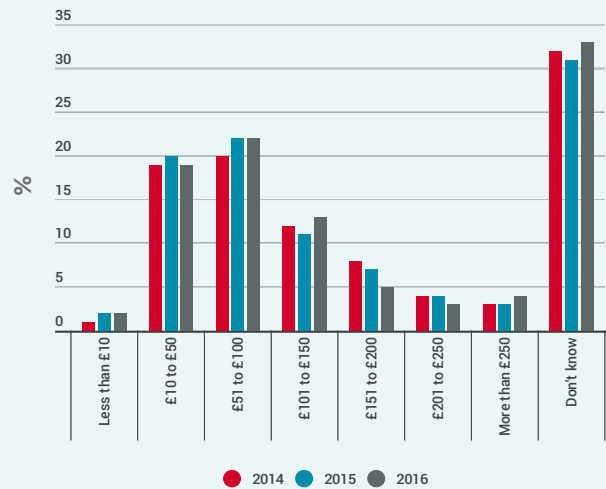


Figure 34

Over a third of respondents did not know what the average monthly cost might be and a further 55% thought it would cost less than £150.

Whilst this may have the advantage that new customers will have no fixed view on what the service should cost, it does also suggest they will have lower cost expectations and will need some persuasion on pricing.

	UK	LONDON	SOUTH	NORTH
Indicative average net monthly rental rate for a 90 sq ft unit	168.00	222.26	163.74	117.82
	UK	London	South	North
Don't know	33%	24%	33%	38%
Less than £10	2%	3%	0%	3%
£10 to £50	19%	22%	19%	20%
£51 to £100	22%	24%	20%	22%
£101 to £150	13%	12%	15%	10%
£151 to £200	5%	7%	4%	3%
£201 to £250	3%	2%	5%	4%
More than £250	4%	6%	4%	2%
Actual Rate Range	£151 to £200	£201 to £250	£151 to £200	£101 to £150
Don't know + below or at the actual rate range	88%	92%	87%	82%
Within actual rate range	5%	2%	4%	10%
Above the actual rate range	7%	6%	9%	9%

Figure 35

When analysing the survey responses by region, it is clear that Londoners have the lowest percentage of 'don't knows' and the lowest proportion of consumers estimating the cost below £150 per month. However, when you consider the actual price of storage in London is in the £200 - £250 bracket around the same proportion of customers are underestimating the cost of storage in London.

# OUTLOOK AND BUSINESS CONFIDENCE

OPTIMISM REGARDING PROFITS

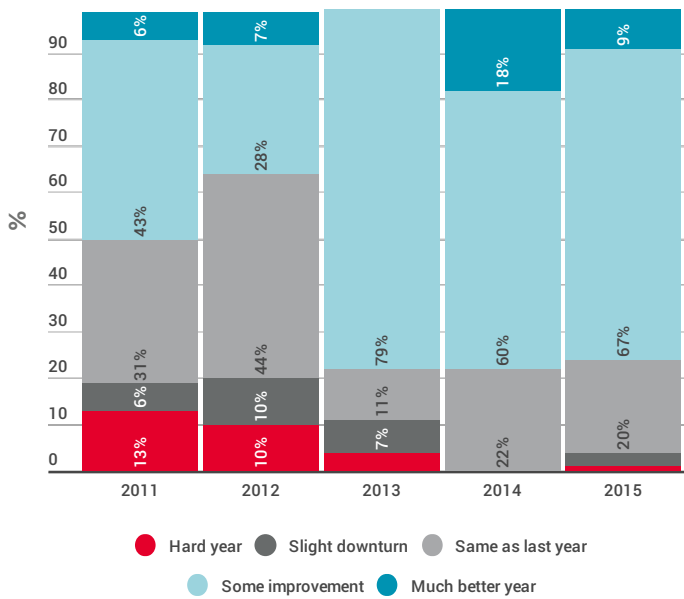


Figure 36

While the 2013 and 2014 surveys demonstrated an improvement in business confidence, 2015 has seen operators moderate their profit expectations for the next 12 months. Fewer operators are expecting a 'much better' year than last year and there has also been a small increase in the number of operators who foresee a slight downturn, or even a hard year ahead.

The outlook for rental rates also paints a less positive picture than the 2014 survey results, with a greater number of operators expecting no change in rental rates this year (29%, up from 15% in 2014). 70% of those surveyed did expect rents to increase by more than inflation, although with inflation at levels close to 0% any increase in rates is likely to be greater than inflation.

While these results are slightly less optimistic than last year they still portray a very positive outlook with the vast majority of operators expecting a good year or better and expecting to increase their rents.

OUTLOOK FOR RENTS

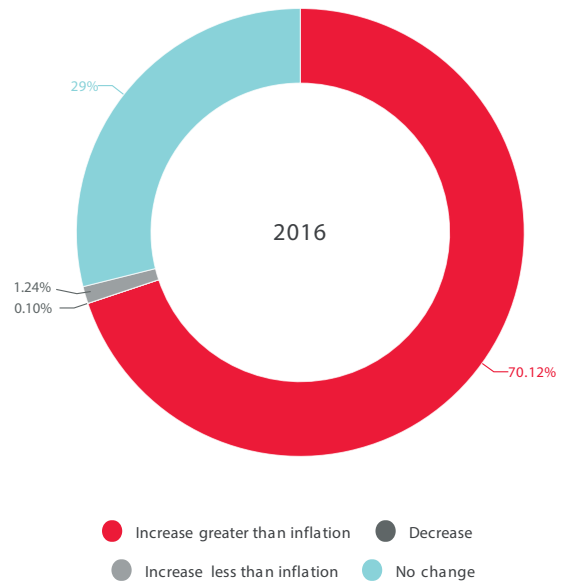


Figure 37

OUTLOOK FOR EMPTY ROOM RATES

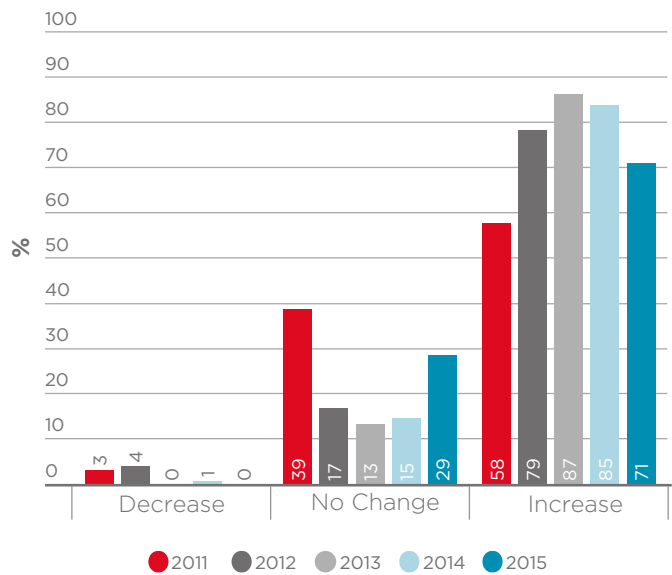


Figure 38



When considering the outlook for empty room rates, again operators are less optimistic than 12 months ago with a higher proportion expecting no change than in 2014 and fewer (but still 71%) anticipating an increase in asking rents.

### EXPECTATIONS FOR EMPTY ROOMS RATES OVER THE YEAR SPLIT BY REGION (%)

The outlook is however quite varied by region:

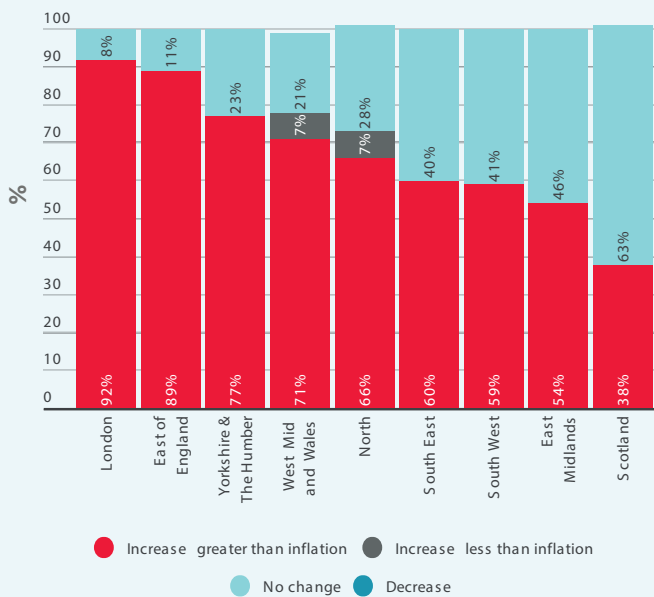


Figure 39

### INCENTIVES - OUTLOOK FOR THE YEAR AHEAD

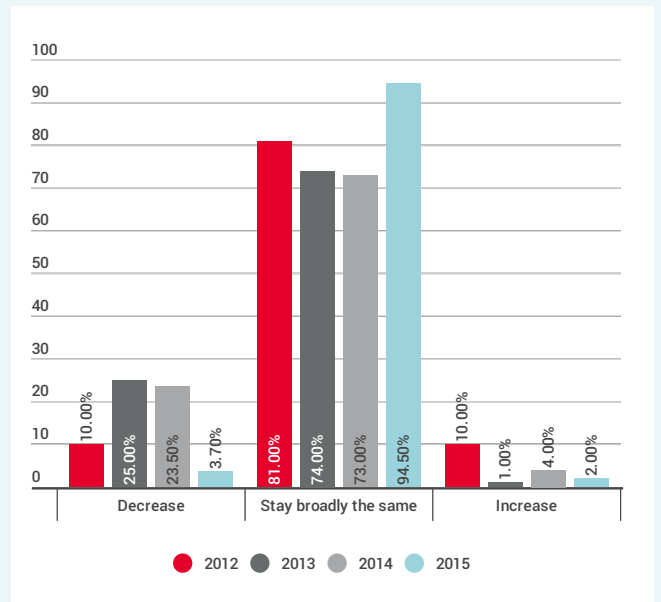


Figure 40

Operators are also more cautious about the outlook for incentives with far fewer anticipating a decrease and the vast majority expecting no change in incentive levels.

# RENTAL RATES

Average net rental rates have now reached the highest level seen over the last 10 years, increasing beyond the previous peak experienced in 2010. The average net billed room rental rate has been steadily increasing since 2013, with average rental rates increasing to £22.15 per sq ft per annum in 2015, from £21.00 in 2014.

The average net billed room rental rate can be apportioned as shown in the table to the right bearing in mind that container operators only make up a small percentage of the survey group and many of the combined operators only have a small amount of containers.

Containers only	£11.04
Excluding containers	£22.27
Combined	£22.15

Figure 41

The regional picture, as shown below, is that increasing rental rates have been experienced across every part of the UK. There are significant regional variations in the average net rents being achieved, with higher rental rates evident in London, the East and South East of England.

## NET RENTAL RATE £ PER SQ FT PA

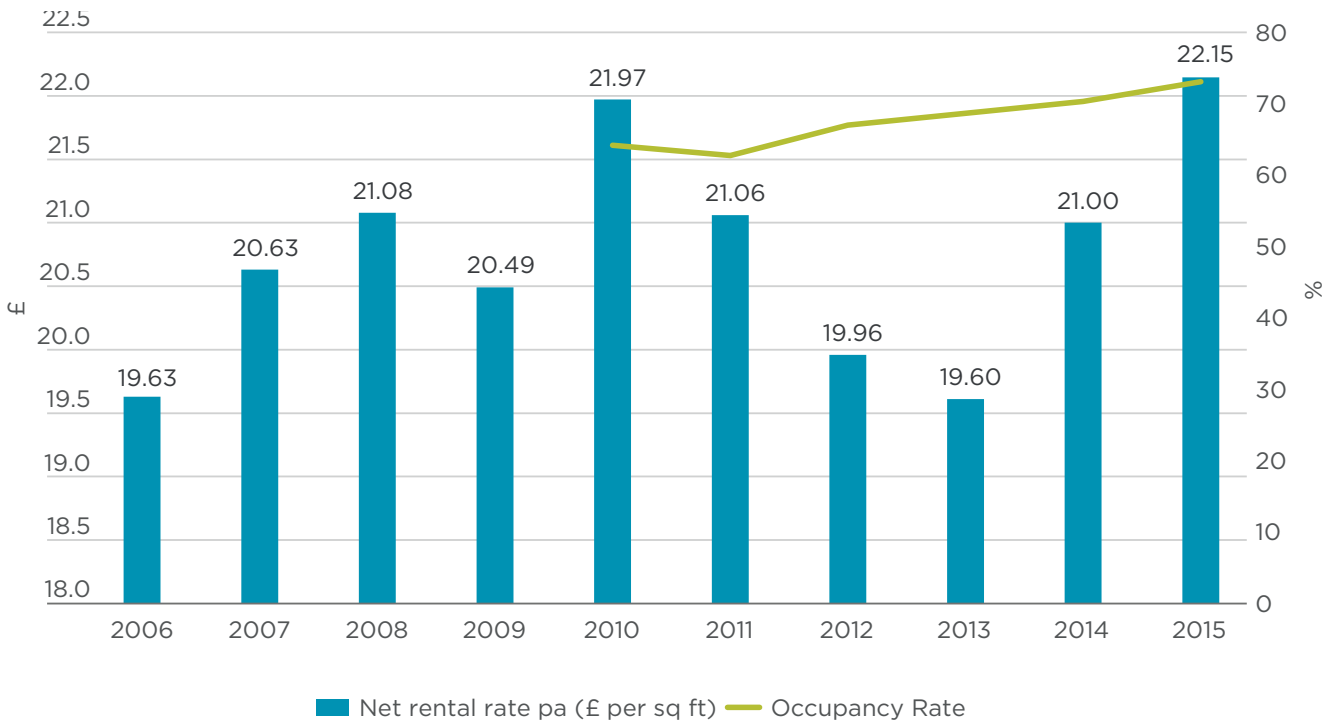
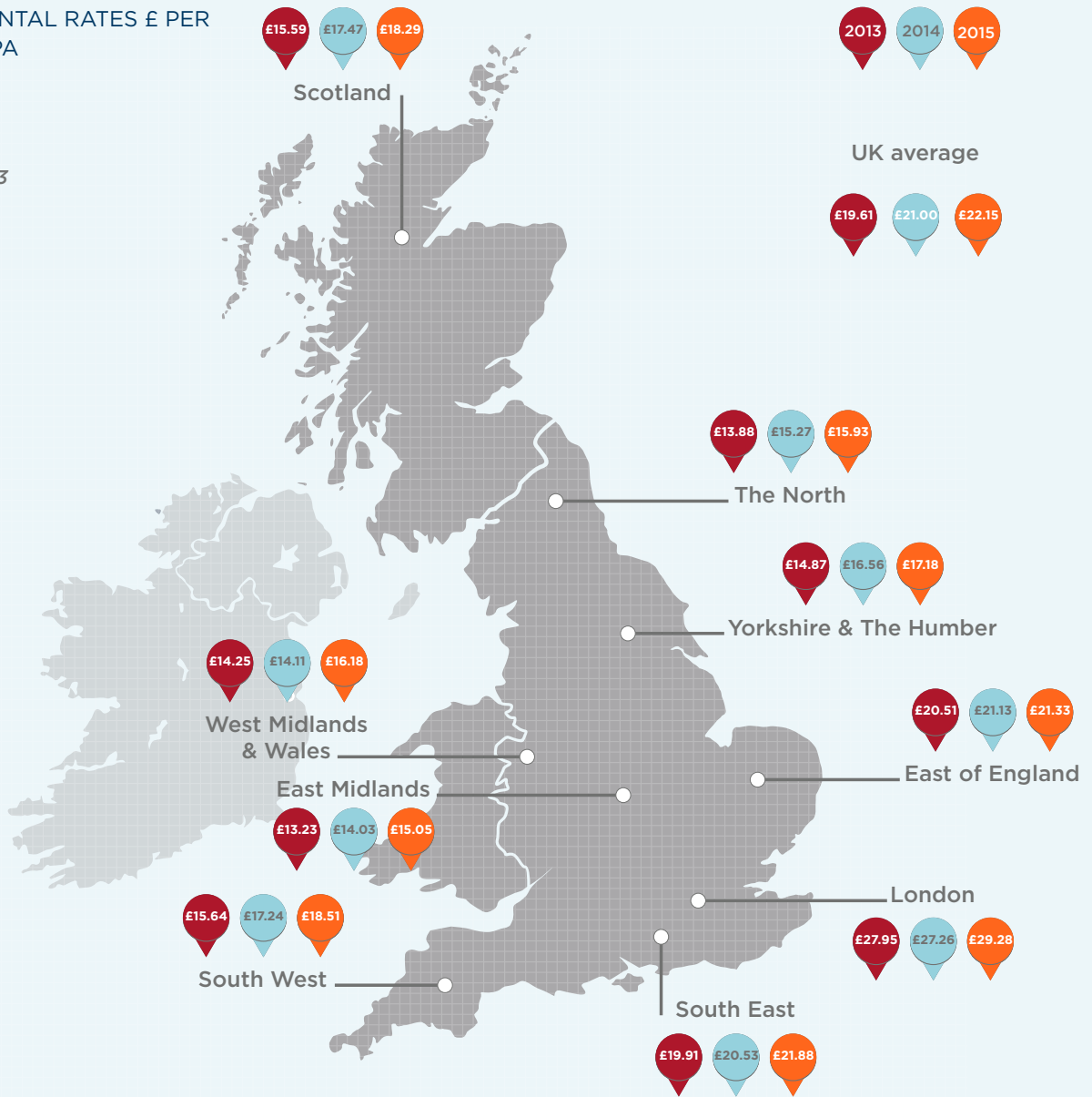


Figure 42

NET RENTAL RATES £ PER SQ FT PA

Figure 43



ASKING RENTS (£ PER WEEK)

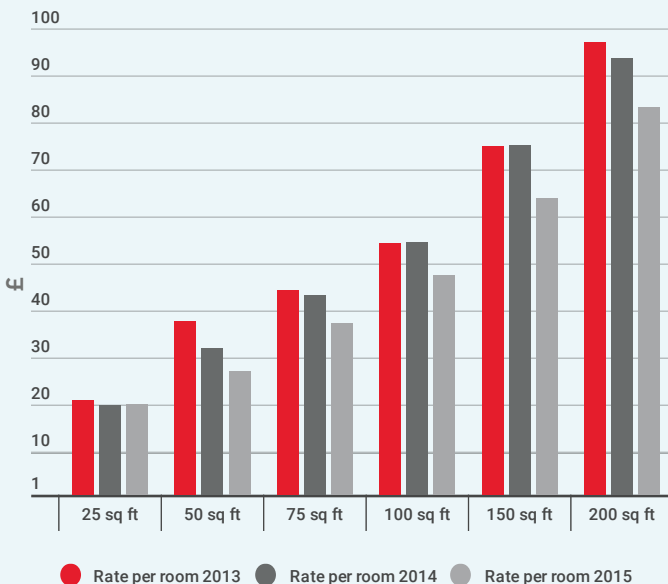


Figure 44

The increase in average rental rates achieved over the last year has occurred despite a decrease in asking rents. There is often a discrepancy between asking rates and actual rental returns. This is indicative of the various discounts in the industry. It is common for operators to offer discounts for new customers and long term customers in particular. The fact that asking rents have decreased over the last 3 years while actual returns have increased would indicate that the industry is decreasing its levels of discounting and moving to a position where asking rents are more closely aligned to actual returns received.

Combined Regions	Regions	GDP per capita £ (2015)	Household disposable income per capita £ (2015)	Average Rental Rate £ (mature stores)
London	London	38,619	18,441	29.63
East Of England	East Of England	21,161	15,342	22.02
South East	South East	24,679	16,282	21.83
Scotland	Scotland	21,330	14,048	18.95
South West	South West	20,446	14,876	19.30
Yorkshire & The Humber	Yorkshire & The Humber	18,136	12,653	16.36
North	North East	16,850	12,363	15.71
	North West	19,224	12,896	
East Midlands	East Midlands	18,838	13,143	15.71
West Midlands & Wales	West Midlands	18,517	12,785	17.61
	Wales	15,931	12,804	

Figure 45

DISPOSABLE INCOME PER CAPITA V AVERAGE RENTAL RATE

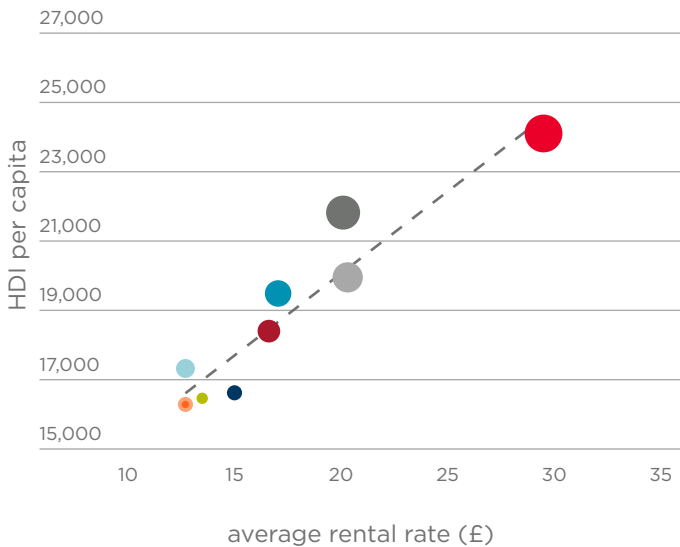


Figure 46

The graph reveals a correlation between household disposable income per capita and rental rates for mature stores (those open more than 6 years). Naturally, the conclusion is that operators should focus on new developments in those regions with the highest disposable income, but of course these areas also often have the highest cost of real estate and higher operational costs.

### INCENTIVES OVER THE PAST YEAR

There has been an increase of 21% of operators reporting that incentive levels have remained the same. Only 4% have seen a decrease compared to 23% last year, however, this does not correlate with the operating data which suggests actual levels of discounts have decreased. As this is a subjective question it could be that operators see that the incentive types being offered are remaining basically the same, however managers may be applying their discretion to offer discounts more prudently.

There was a mixed performance between regions, as illustrated in this graphic and it is interesting to note that the South West and Yorkshire & The Humber showed the highest reported decrease in incentive levels with the North and East Midlands seeing the highest levels of increase in incentive levels.

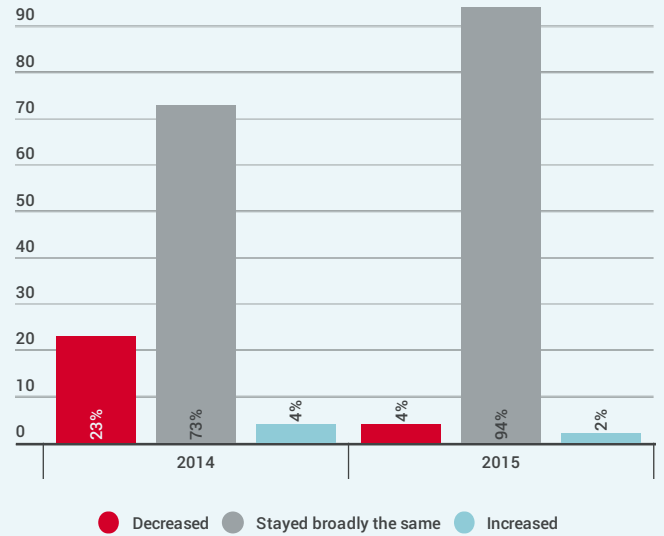


Figure 47

### INCENTIVE CHANGES SPLIT BY REGION

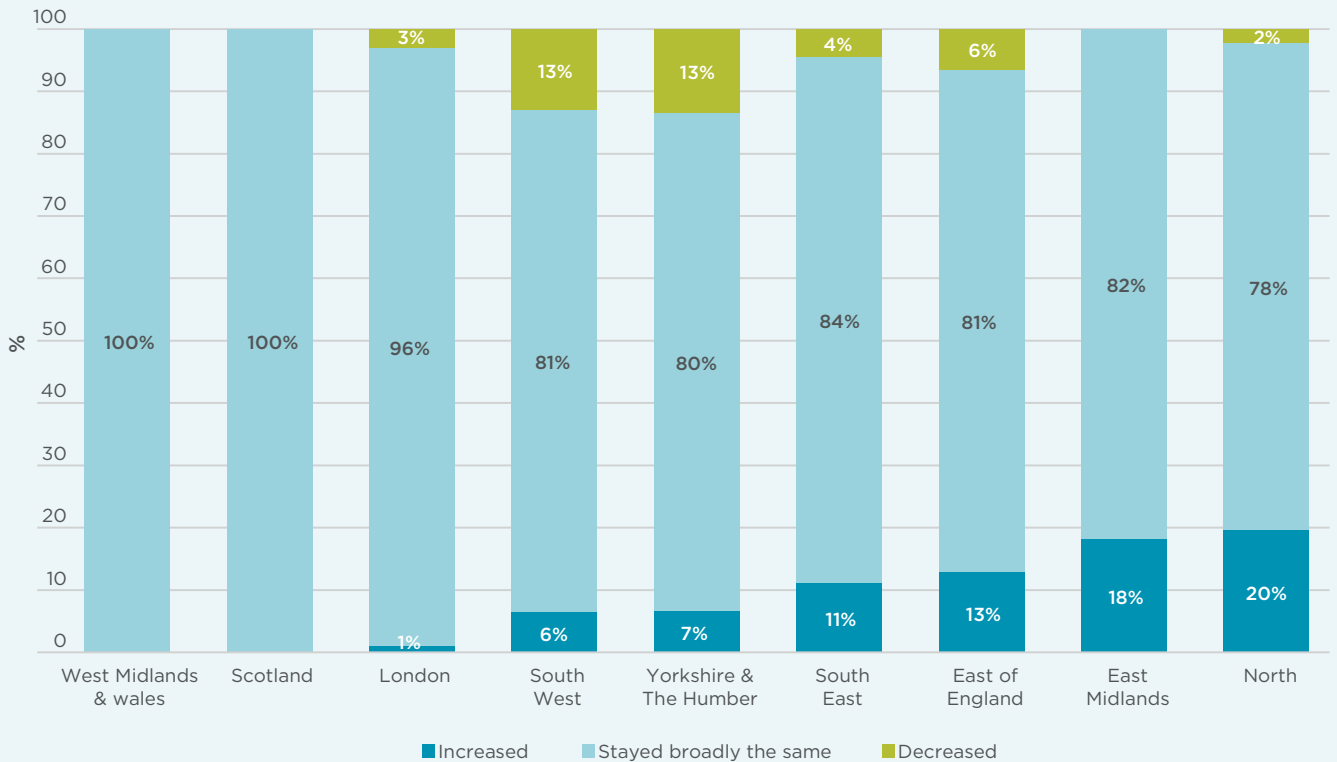


Figure 48

# OCCUPANCY

This graph measures occupancy of converted space based on when the store first opened. The occupancy level for stores opened in 2015 is relatively low in comparison to the rest of the years. One would expect occupancy rates to trend up as the store ages. However, as this is converted space, not maximum space, the continual expansion of stores and adding of new space can “reset” the occupancy of the store, which can explain the varying historic data indicated on the graph. Particularly with the decreased level of growth in the industry post 2008 many so called mature stores built after 2010 are still adding new space, hence their occupancy will be lowered as this space comes on line.

Over the past 4 years, there have also been an increasing number of container operators entering the industry which impacts this graph further; container storage sites will often add small groups of containers regularly to their site as they fill their existing units, so it is possible to maintain a healthy occupancy level during expansion.

OCCUPANCY BY YEAR OPENED (ON MLA)

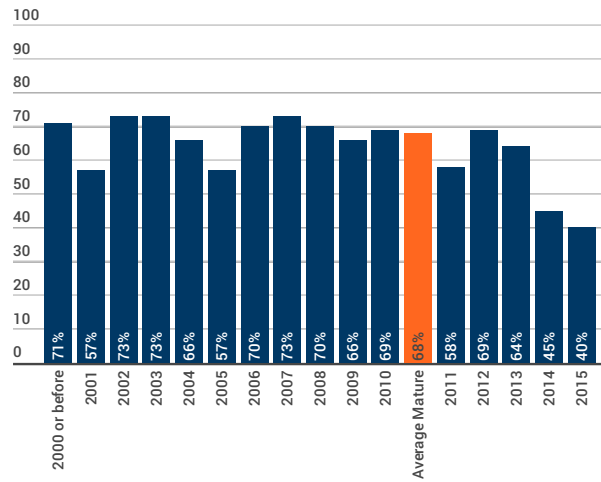


Figure 49

OCCUPANCY RATE ON CLA FROM THE SURVEY DATA

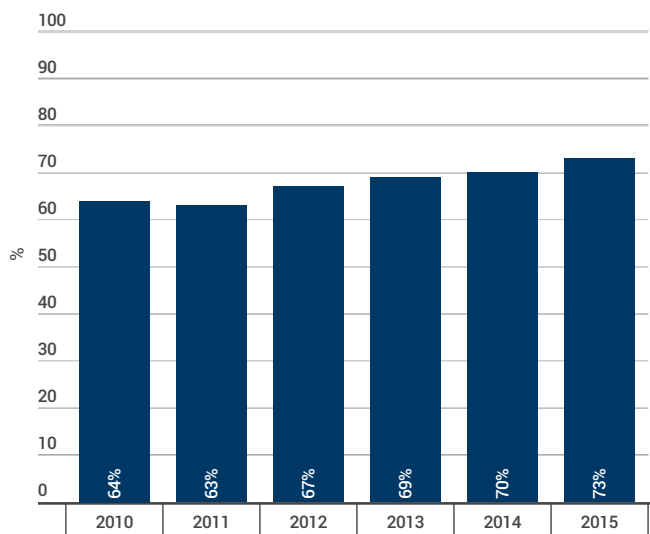


Figure 50



OCCUPANCY BY REGION FOR MATURE FACILITIES BASED ON CLA

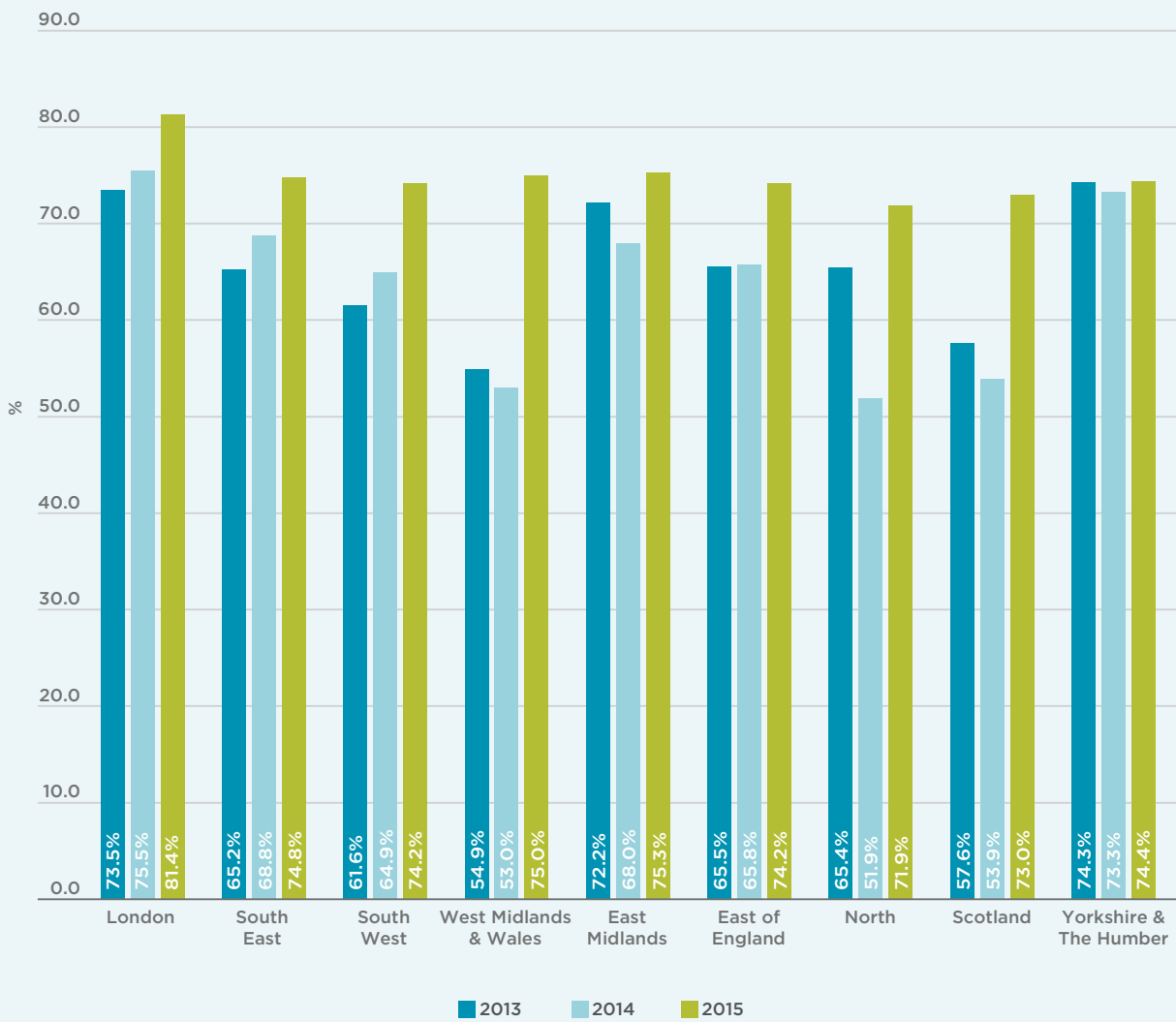


Figure 51

# OTHER OPERATING METRICS

## WEIGHTED AVERAGE OPERATING COSTS

Staff costs	24.1%
Rates and taxes	23.6%
Management costs	20.0%
Other expenses	6.4%
Online marketing	9.3%
Repairs and maintenance	4.8%
Utilities	8.2%
Insurance	2.3%
Other Marketing	1.6%
Merchandise	3.9%

Figure 52

Data can vary greatly in this area, as a certain amount of judgement is required. However, staff and management costs still represent the bulk of the total cost of operations, at 44% combined.

As per the 2014 survey, there are again significant differences between companies in the proportions allocated to staffing, management and marketing which are more variable than some of the more fixed cost lines such as rates & taxes plus utilities.

The following table shows the average number of staff at site level, part time and full time.

## AVERAGE FULL / PART TIME STAFF

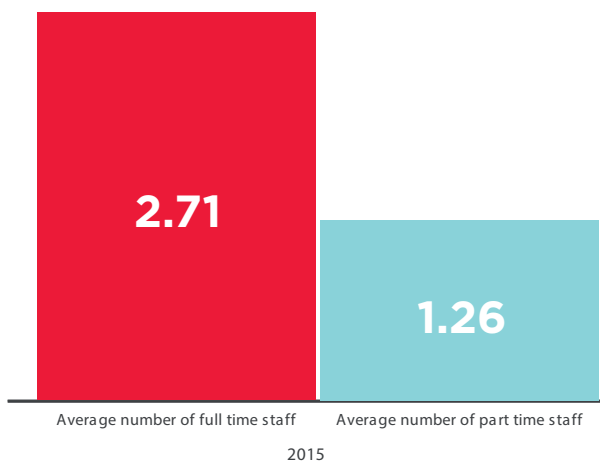


Figure 53

## BREAKDOWN OF ENQUIRIES

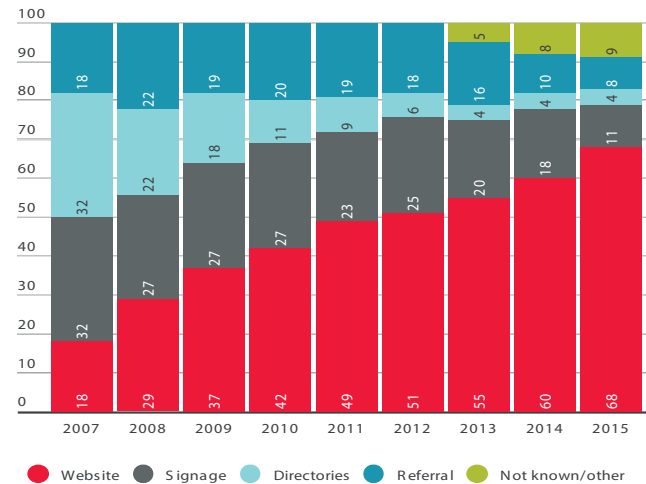


Figure 54

The chart shows a consistent growth in the internet as a source of enquires, with almost 70% of leads now coming from this source. Signage has fallen significantly although it could be speculated that some of the “other” category could in fact be signage related. Over the years the industry spend on marketing has largely reflected the change in enquiry source. There is very little, if any, spend on phone directories and the vast bulk of the industries’ marketing spend is being directed online. Google captures the majority of this online marketing spend in the UK with much of it on pay per click advertising.

A reason for the allocation of more enquiries to the “other” category could be due to improved monitoring by operators, some of whom may be allocating social media enquiries separately to online. They may also be allocating more accurately to other marketing categories not defined in the survey, such as letterbox drops and mass media campaigns. Some operators are also running very customised local marketing campaigns that do not meet a traditional category for this kind of survey.



### ESTIMATED CONVERSION RATE

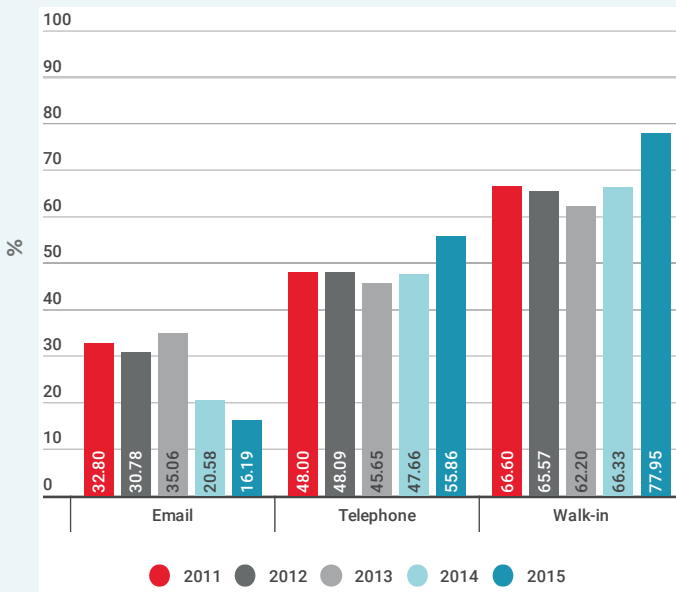


Figure 55

The average conversion rate for all enquiries is 28.5% which compares to 31% in 2014. This is in line with our experience in analysing operational data across the industry.

The graph above shows an increase in walk-in conversions from previous years and for telephone enquiries, but a decrease in the email conversion rate. Customers that enquire online are more likely to contact multiple self storage businesses at once, particularly if they are using an aggregator or other online directory and this naturally lowers the conversion rate. This trend is not uncommon in many other retail industries where the high volume of online enquiries results in lower conversion rates.

The request for move-in and move-out data was introduced to the survey in 2014. It is too early to predict trends, but there is a slight increase in the churn rate this year from 117.4% in 2014 to 131.5%. The churn rate is calculated based on move-outs for the year expressed as a percentage of occupied rooms at the year end. This result is based solely on the survey respondents who returned this data and the numbers are relatively small compared with the whole sample size. In our experience there can be a wide variance in churn rate between different stores reflecting factors such as maturity, customer profile, pricing strategies and location.

# EXPANSION ACTIVITY

NUMBER OPENED IN PAST YEAR

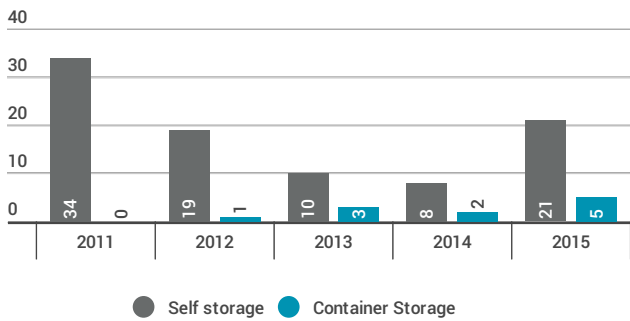


Figure 56

2015 saw a significant increase in the number of new stores for the survey group compared with the previous two years, reflecting perhaps a stronger economic outlook, more fluid real estate markets and more available capital, both debt and equity. However, the number of new sites again fell short of the number (34) that operators aspired to open in 2015 according to last year's survey. This may be due to planning, financing and construction delays or just that operators are overly optimistic about their ability to source new sites. For the last four years operators have consistently over-estimated the number of new sites that they would be able to open.

SITE OPENING BY DATE

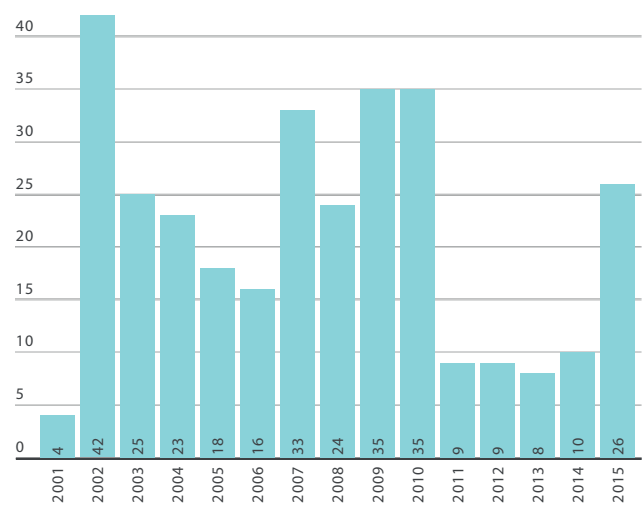
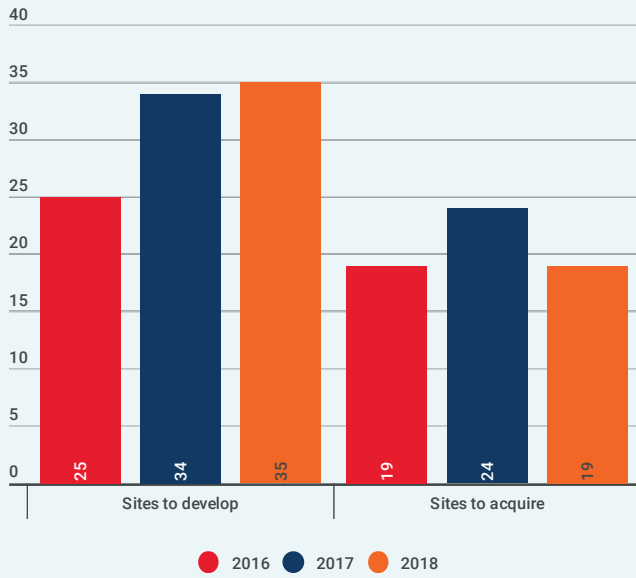


Figure 57

This graph is based on the site information provided for this year's survey, and is broadly consistent with last year's data. Post 2010 expansion activity dramatically reduced on previous years. This was no doubt a result of the economic conditions at the time. Those sites that were already in planning or construction phase when the recession hit were completed, but new projects after this time were limited. 2015 shows the first indication of strong growth in the industry, with twice as many new sites opened than in 2014. This is based on data from the survey group only, when you consider the wider industry many more sites were opened as reported previously.

## NUMBER OF STORES TO BE DEVELOPED OR ACQUIRED IN THE NEXT THREE YEARS



*Figure 58*

This data shows that there is an expectation to acquire and develop more sites in the next three years, and the gap between development and acquisition widens by almost double by 2018, presumably because operators have already secured or hold a number of the future or potential sites. However, the numbers on both acquisitions and development are noticeably lower than in last year's survey.



# ADDITIONAL SURVEY RESULTS

AVERAGE LENGTH OF STAY OF ALL CUSTOMERS (WEEKS)

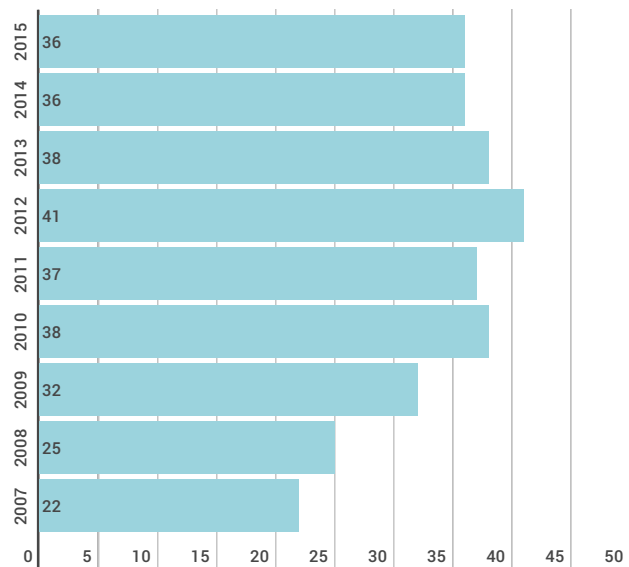


Figure 59

TURNOVER BELOW £1M

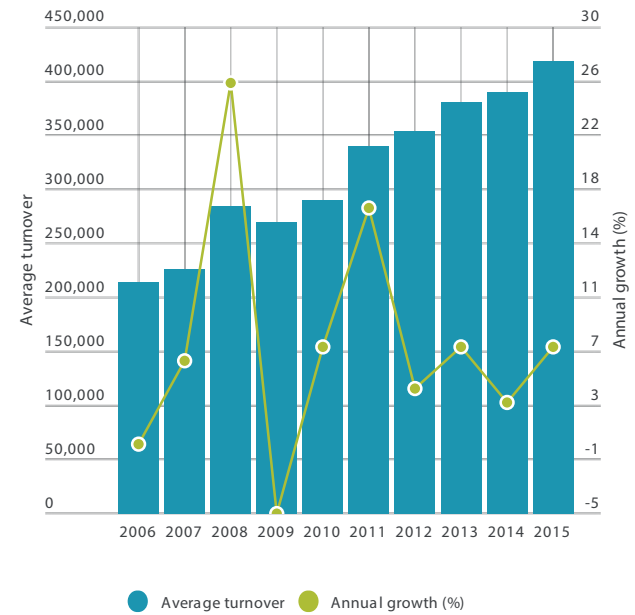


Figure 61

TURNOVER BY SOURCE 2015 (%)

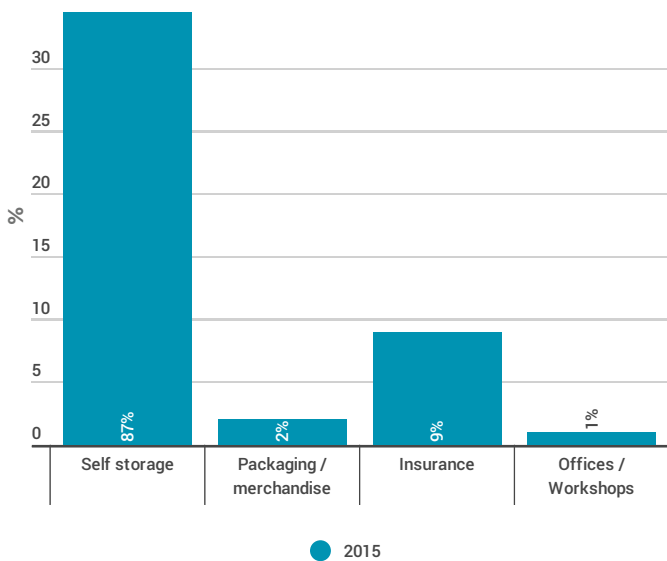


Figure 60

SECURITY FEATURES (%)

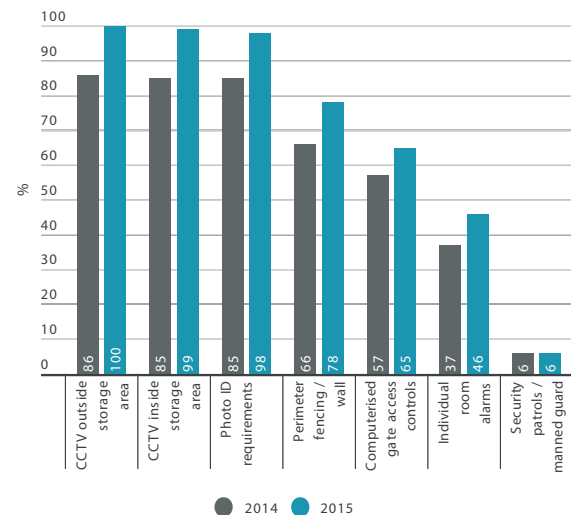


Figure 62

SITES WITH 24 HOUR ACCESS (%)

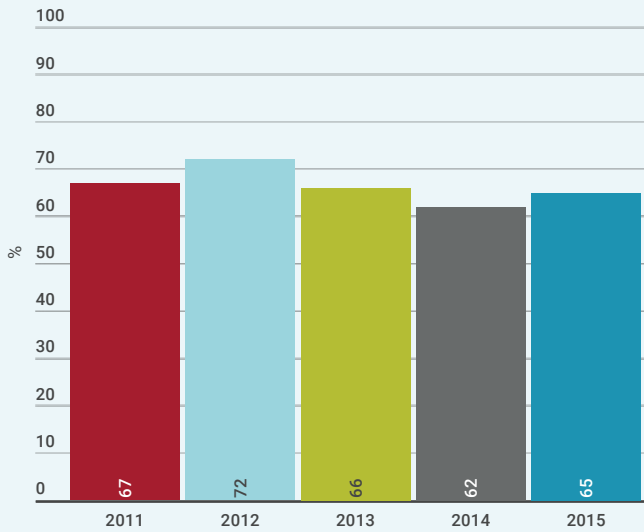


Figure 63

THIRD PARTY MANAGEMENT (%)

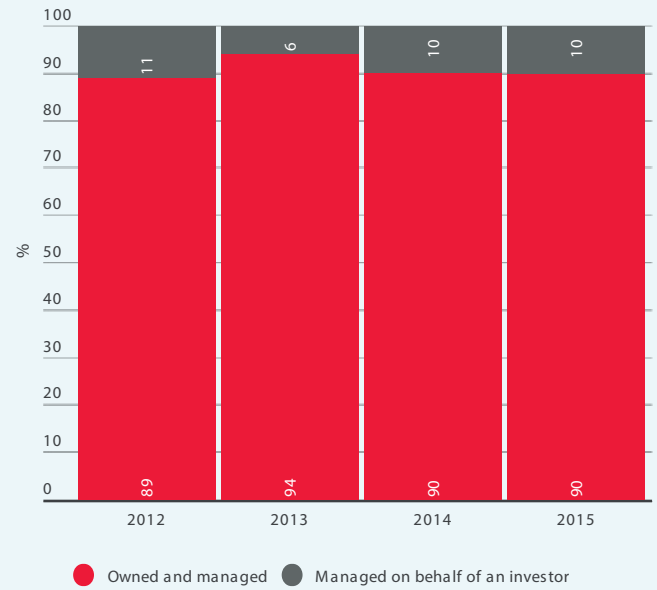
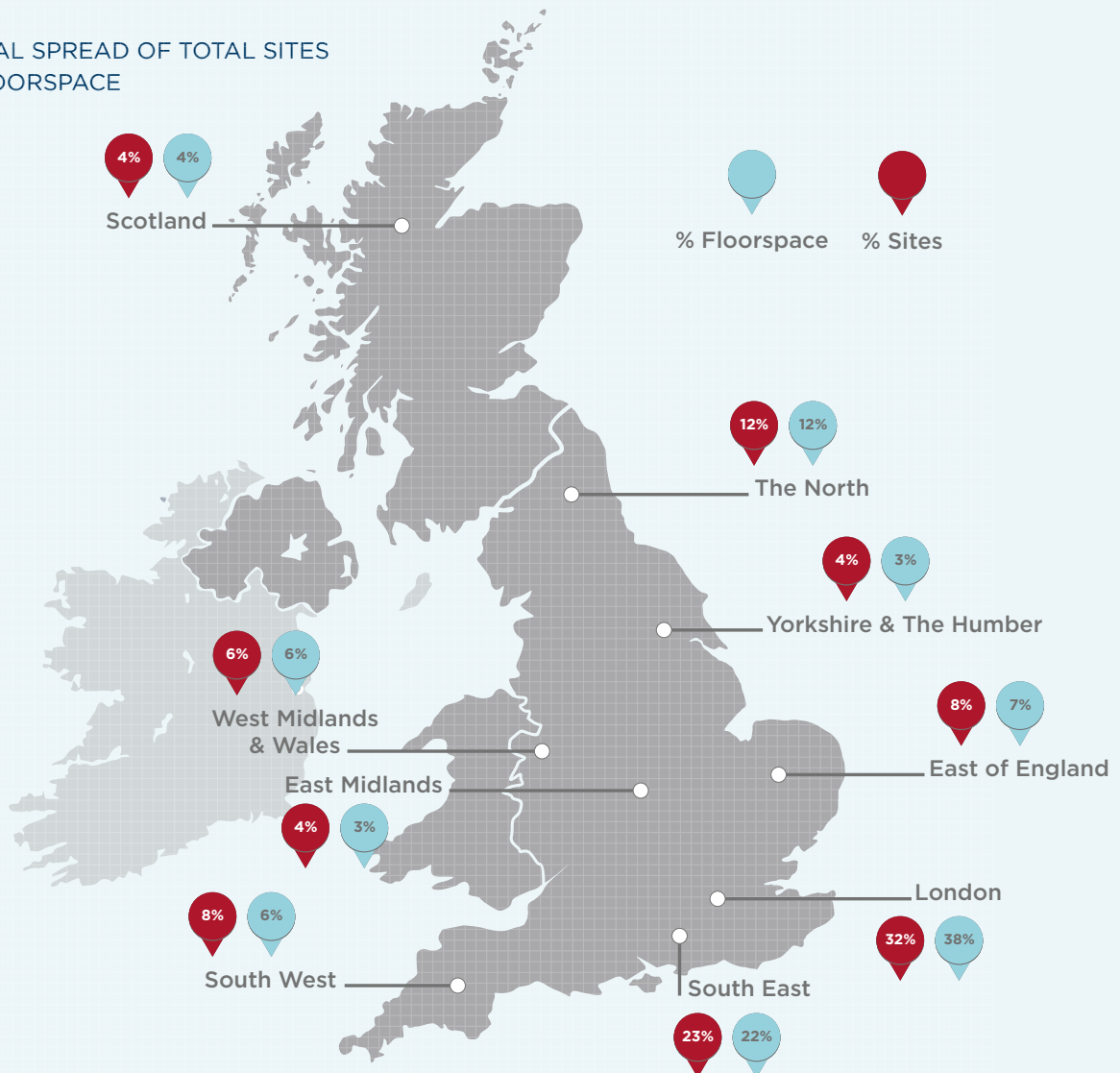


Figure 64

REGIONAL SPREAD OF TOTAL SITES AND FLOORSPACE

Figure 65



OTHER SERVICES PROVIDED (%)

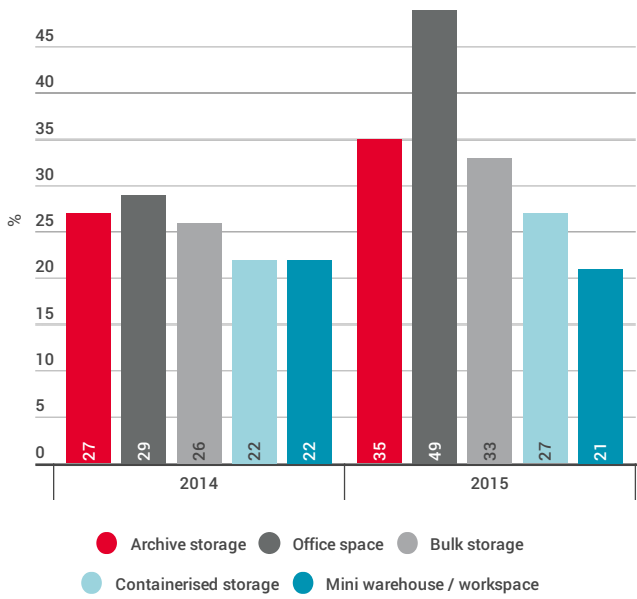


Figure 66

EXPECTATIONS FOR EMPTY ROOM RATES OVER THE YEAR AHEAD (% OF RESPONDENTS)

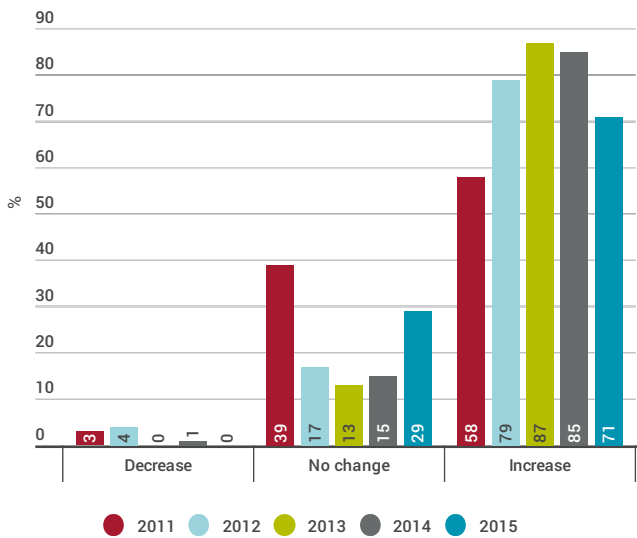


Figure 67

UNPROMPTED BRAND AWARENESS - LONDON

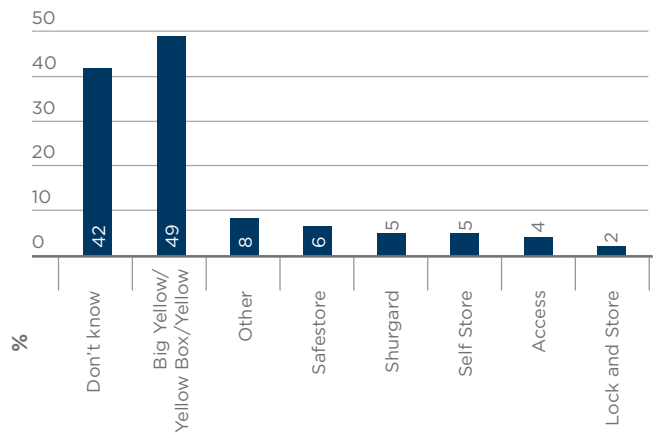


Figure 68

BRAND AWARENESS OF THOSE CONSIDERING USING SELF STORAGE

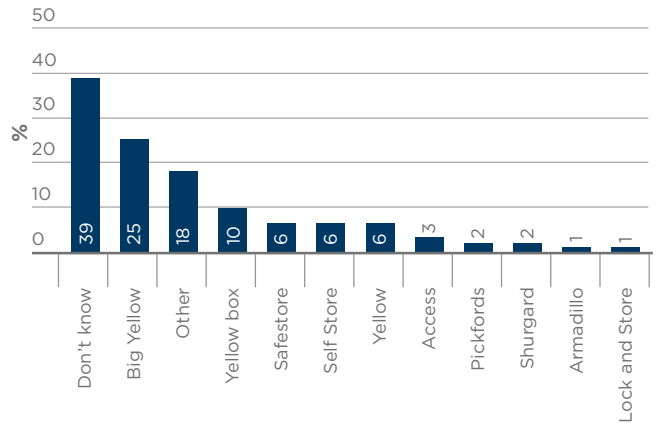


Figure 69

EXPECTATIONS FOR INCENTIVES OVER THE YEAR AHEAD, SPLIT BY REGION (%)

Figure 70



# SURVEY DATA

## SSA UK MEMBERS' SURVEY:

The survey of operators was carried out as at 31 December 2015 with the survey responses being collected during January and February 2016.

80 operators contributed to the survey this year, providing data on 435 self storage facilities and a total of circa 37.6 million sq ft of storage space (MLA).

The regional groups used for this year's survey have been based on the Nomenclature of Territorial Units for Statistics (NUTS) codes of the United Kingdom. The geographical regions are as follows:

[North East](#)  
[North West](#)  
[Yorkshire and the Humber](#)  
[East Midlands](#)  
[West Midlands](#)  
[Wales](#)  
[East of England](#)  
[London](#)  
[South East](#)  
[South West](#)  
[Scotland](#)

For the purposes of our analyses, we have combined the regions of the North East and North West into one 'North' category and the regions of the West Midlands and Wales into one 'West Midlands & Wales' category.

These regions are the same as the regions adopted in the last survey report.

Further, the regions may differ slightly from those adopted for the demand survey prepared by YouGov Plc.

Mature stores are defined as those having been opened for longer than 6 years.

Where we refer to MLA in this report, we mean "Maximum Lettable Area".

Where we refer to CLA in this report, we mean "Current Lettable Area".

The Members' survey refers to the current year as 2015 and the previous year as 2014. However, the Demand Survey (carried out in January 2016) by YouGov Plc refers to the current year as 2016 and previous year as 2015.

## YOUGOV PLC METHODOLOGY STATEMENT:

This survey has been conducted using an online interview administered to members of the YouGov Plc UK panel of 350,000+ individuals who have agreed to take part in surveys. Emails are sent to panellists selected at random from the base sample. The e-mail invites them to take part in a survey and provides a generic survey link. Once a panel member clicks on the link they are sent to the survey that they are most required for, according to the sample definition and quotas. (The sample definition could be "UK adult population" or a subset such as "UK adult females"). Invitations to surveys don't expire and respondents can be sent to any available survey. The responding sample is weighted to the profile of the sample definition to provide a representative reporting sample. The profile is normally derived from census data or, if not available from the census, from industry accepted data.

YouGov Plc make every effort to provide representative information. All results are based on a sample and are therefore subject to statistical errors normally associated with sample-based information.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,075 adults. Fieldwork was undertaken between 8th - 9th February 2016. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).



# ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

This report has been produced by Cushman & Wakefield LLP (C&W) for use by those with an interest in commercial property solely for information purposes and should not be relied upon as a basis for entering into transactions without seeking specific, qualified professional advice. It is not intended to be a complete description of the markets or developments to which it refers. This report uses

information obtained from public sources which C&W has rigorously checked and believes to be reliable, but C&W has not verified such information and cannot guarantee that it is accurate or complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained in this report and C&W shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. The prior written consent of C&W is required before this report or any information contained in it can be reproduced in whole or in part, and any such reproduction should be credited to C&W.

©2016 Self Storage Association UK and Cushman & Wakefield LLP. All rights reserved.

# CONTRIBUTORS

The following businesses agreed to have their names listed as contributors to the survey. Some businesses who completed the survey chose not to have their names included in this list.

1st Storage Centres Ltd  
A Space Station plc  
ABC Selfstore  
Adams Self Store  
Admiral's Yard Self Storage  
Alexanders Removals and Storage Ltd  
Alligator Self Storage  
Apex Self Storage  
Armadillo Self Storage  
Attic Self Storage Ltd  
Big Box Self Storage  
Big Yellow  
Black Hole Storage  
Bonny's Self Storage Ltd  
Dartmouth Self Storage  
Derbyshire Self Storage  
Easistore Limited  
East Coast Storage  
Easy Access Self Storage  
Extra Room Self Storage  
FLEXiSPACE  
Fort Locks Self Storage  
Greenbox Storage Ltd  
Harrogate Self Storage Ltd  
Hogleaze Storage Ltd  
Hoults Yard trading as Lock N Store  
House-it Limited  
Keepsafe Storage Centres  
Kent Space  
Kingston Business Centre Ltd T/A Ashton Self Store  
Leander Ltd T/A Pink Hippo Self Storage  
Lok'nStore Group Plc  
Macaravans Ltd t/a Newton Self Storage  
PD Self Storage  
Premier Self Store  
Quickstore Storage Limited  
Ready Steady Store  
Safestore  
Self Storage Centre Oxford  
Self Storage Tameside  
Shurgard UK Ltd  
Smart Storage  
Space Maker  
Squab Ltd  
Squarefoot Self Storage Ltd  
Stock N Lock Self Storage  
Storage King  
Storedge Ltd  
The Space Place Self Storage (Telford) Ltd  
The Space Place Self Storage Ltd Leicester  
The Storage Pod Ltd  
Thornbury Self Storage  
Urban Locker (Paterson Court) Ltd  
Your Space Self Storage



We hope that you find this year's report interesting. We invite feedback both from SSA UK members and other readers on how the report can be improved for future years via any one of the contacts below:

## CONTACT LIST

**Oliver Close**  
**Partner, Valuation & Advisory**  
+44 (0) 20 7152 5156  
oliver.close@cushwake.com

**Jagruti Joshi**  
**Associate, Valuation & Advisory**  
+44 (0) 20 7152 5769  
jagruti.joshi@cushwake.com

**Paula Viner**  
**Head of UK Marketing**  
+44 (0) 20 7152 5799  
paula.viner@cushwake.com

**Sam Gadar**  
**Assistant Surveyor**  
+44 (0) 20 7152 5936  
sam.gadar@cushwake.com

**Rennie Schafer**  
**Chief Executive Officer**  
+44 (0) 12 7062 3150  
rschafer@ssauk.com

**Tracey Prigmore**  
**Administration Officer**  
+44 (0) 12 7062 3150  
admin@ssauk.com

**Bryony Caswell**  
**Membership Services Officer**  
+44 (0) 12 7062 3150  
bcaswell@ssauk.com