

*Survey of member companies 2006/7*



Prepared by Mintel Custom Solutions with and for

# **The Self Storage Association UK**

**10 October 2007**

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## Introduction

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This report is based on information supplied by the members of the Self Storage Association of the United Kingdom (“SSA UK”) in late 2006/early 2007. Comparisons are made in the document with the results of the previous year’s survey (dated 1 June 2006). Exact comparison is not always possible as there is variation, particularly amongst the independent operators, in the participants between the two surveys – see Figure A in the methodology. The report, however, also confirms many of the baseline statistics of the industry mentioned in last year’s report.

From these statistics, and other publicly available material, it is possible to interpret what is happening in the whole of the self storage industry in the UK as the members of the SSA UK constitute the majority of the operators. However, as with the US market, it is difficult to determine exact numbers for the self storage industry because there are a number of smaller operators and a number of newer companies who are not necessarily members of the SSA UK. These include other businesses diversifying in a limited way into the market; others that are “dipping their toes in the water” for the first time; also a number of container self storage providers. This introduction also makes some comparisons with the much more mature US and Australasian market whilst outlining the growth to date across Europe.

The self storage industry in the UK continues to grow apace (in terms of space available for rental and the generation of revenues) at around 15% per annum. The market is still immature when compared with the US (now over 51,000 primary facilities and more than 2.2 billion rentable square feet) and Australasia (now around 1,250 facilities and 22 million rentable square feet).

We estimate from this survey that, in the UK, there are about 680 primary facilities (not including container self storage facilities) and around 25 million rentable square feet. These statistics indicate that the average rentable square footage per person is 0.42 in the UK as compared with over 6.8 in the US and over 1.1 square feet in Australasia (and up to 2.4 square feet on the Gold Coast in Australia).

The industry in the UK now generates revenues of about £360M, has over 230,000 customers using the service; and employs over 2,400 people directly in the business, either in the self storage facilities or in central support. A typical self storage facility has an average size of approximately 37,500 rentable square feet; and in confirmation of last year’s figures, has 510 rooms and an average room size of 74 square feet.

There has been a slight increase (600 square feet) from last year in the average size in rentable square foot of an average facility but interestingly the average net lettable space of a new facility continues to decrease year-on-year. This may be the result of more Independent companies joining the industry or just a confirmation that it takes time for any facility to mature and use its full capacity. Meanwhile the report indicates that there is a move towards equalisation of the average size of facilities taking place across the country with the rest of the country catching up with London and the South/South West.

### UK Self Storage Operators

There are now about 250 separate companies operating self storage facilities. However, almost 45% of the available rentable space is in the hands of larger companies (the Multiples), which, in general, also provide bigger storage facilities (with an average facility size of 45,316 square feet) compared to the smaller independent companies (the Independents) (with an average facility size of 25,562 square feet). The 9 largest operating companies are:

- Safestore Self Storage - entered the market in 1998, listed on main market in 2007 and currently operates 100 facilities (UK 81; France 19).

- Big Yellow Self Storage - entered the market in 1999 and currently operates 44 facilities. (Big Yellow became the first UK self storage REIT in 2007).
- Lok'nStore Self Storage - entered the market in 1995 and currently operates 21 facilities. (Lok'nStore is listed on AIM in London).
- Access Self Storage - currently operates 45 facilities.
- Shurgard Self Storage - entered the UK market in 1999 and currently operates 18 facilities (Shurgard Europe has a further 149 facilities on the Continent of Europe).
- Personal Storage – entered the market in 2001 and currently operates 14 facilities.
- Storage King (a franchise and management organisation) – entered the market in 2004 and currently operates 19 branded facilities.
- Space Maker Self Storage – entered the market in 2000 and currently operates 10 facilities. (Space Maker has recently been acquired by Babcock & Brown of Australia).
- Keepsafe Self Storage – entered the market in 1997 and currently operates 9 facilities.

The remainder of the operating companies (65% of the number of facilities but by far the majority of companies) typically operate 5 or less facilities per company and often only operate one self storage facility. On a year by year basis this independent element of the market is increasing significantly - see Figure 14 in the main report – as new operators, some of which appear to have significant financial backing, enter the arena. Meanwhile the Multiples have a number of facilities in the development pipeline too.

The difference between the Multiple and Independent self storage sectors is becoming clearer. Not only are facilities operated by Multiples much larger with double the number of available rooms, but their customers would also appear to stay with them longer. The average room size sold by the Multiples is also smaller than the average size sold by the Independents (73.2 square feet versus 81 square feet). The report also shows that the Multiples are obtaining 33% higher billed room rates than the Independents – the average across the whole sector is £20.63 per square foot (£1.00 per square foot higher than last year). It must, however, be remembered that the majority of facilities operated by the Multiples are in the more expensive London and Southern areas. Nevertheless Independents do not appear to be being as aggressive as Multiples when it comes to increasing customers' charges.

### **UK Self Storage Facilities**

There are three basic types of storage facility, with most of the industry focused on the first two categories:

- Purpose built self storage buildings
- Converted buildings (often converted from previous warehouses or modern industrial and farm buildings)
- External steel container storage

Whilst the main concentration of the industry is still in London and the South East, there are now self storage facilities in all the significant conurbations throughout UK. This year alone has seen a major increase to the number of self storage facilities opening in the Northern region of England – see Figure 13 of the main report. The coverage is now national and includes, as has been the case over the past 4 years, businesses diversifying into self storage – such as farmers and removals companies, along with traditional manufacturers and property/retail companies. It is worth pointing out that expansion in the London area is clearly being held back by the increasing price of property/land and it is only the larger (Multiples) companies which are achieving expansion in this area.

This report confirms that between 75% and 80% of facilities are owned on either a freehold or on long leasehold basis. 45% of companies have opened one or more facilities in the last year and a similar proportion have indicated that they intend to open another facility in the next 12 months. The trend towards more purpose built facilities continues. Looking at the

2007 survey data, over twice as many London and Southern facilities were purpose built than was the case in the North. This is mainly because the Multiples are doing most of the new store opening in this area and the majority of their facilities are in the South. Also there is a distinct lack of supply of suitable “conversion” sites available in London and the South East.

The majority of the newer facilities are equipped with state-of-the-art security controls and customer access systems, with some offering climate control and/or heating. Most are now providing a comprehensive customer, sales and after sales service. Operators in the UK now tend to target highly visible sites on major routes with easy customer access. However, self storage still essentially remains a local business with most customers living/working within 5 miles of the relevant facility.

### **Who Uses The Service?**

Despite the growth of the industry in the UK, awareness and general understanding of the product remains underdeveloped in most regions. Awareness is growing (possibly faster than has been realised) and there is now some evidence that awareness lies between 50 and 75% with the higher figure based on London and the South East. However, a thorough understanding of the service remains low, with only 28% of people saying they had a reasonable understanding of the service, up from 25% in 2006. Some of this growth is simply because of the increasing number of facilities and the resultant increase in general advertising and local marketing. However, many operators are now also using local newspapers and radio stations for advertising – and Big Yellow Self Storage has launched its second TV advertising campaign this year. There are also some new magazines dedicated to business and house movers in which the product is advertised.

There are 2 main categories of self storage customer identified - business and domestic.

- Business customers typically make up approximately 30% of the customer base in a facility. They range from new business start-ups to home workers and travelling sales people, retailers, large corporations, solicitors and local authorities. They like the convenient access and the overall flexibility of the product. They can store their stock, stationery, office furniture, files, display equipment, etc in their own unit and release expensive commercial space for more efficient, cost effective use. Do-it-yourself archiving is also becoming increasingly popular.
- Approximately 70% of the overall customers in a facility are private individuals. The typical age profile is between 28 and 50. An increase in household disposable income and a demand outpacing GDP's growth has led to an increasing accumulation of personal goods – particularly in the field of sports and leisure activities – over the last few years. The cost of housing and an increase in the number of adults living alone, means that more people want a place to put their spare household furniture, effects and inherited items, and one to which they can have easy access. These can be categorised as “lifestyle users” of self storage. Many individuals and families are therefore renting an extra room locally as a “spare room” or “garage”.

There are also many other traditional reasons for using self storage on a temporary basis – people getting married, separated, divorced, travelling or working abroad, or refurbishing their home – many require easy-access, flexible storage space for a variable time. These customers can be categorised as “event movers” – their need for storage is for a specific period of time, while an event in their life is being concluded. The population is also becoming increasingly mobile. Many like to have access to their stored goods whilst moving house. Large numbers of students, both British and from overseas, also use self storage on a number of occasions during their academic year.

## Continental Europe

The industry is also spreading throughout Europe. There is one large company, Shurgard Europe, with 149 facilities in 6 different countries on the Continent (as well as 18 facilities in UK). The estimated number of self storage facilities of all sizes, including Shurgard, by country as at mid-2007 is:

Austria	14	Belgium	24	Czech Republic	4
Denmark	22	Estonia	1	Finland	20
France	167	Germany	33	Ireland	20
Italy	30	Latvia	2	Norway	25
Poland	1	Portugal	5	Spain	79
Sweden	40	Switzerland	6	The Netherlands	98

It is also known that entrepreneurs are setting up facilities in Moscow, Romania and Hungary. If the same average size of a facility in UK is assumed for facilities on the Continent, the available rentable storage on the Continent has grown to 22.6 million square feet, only 2.4 million square feet less than the UK industry.

## Main drivers and a forecast

The key drivers for growth are:

- Increasing number of house moves.
- Increasing public awareness of the product and not only in cities and main towns.
- Growing population and increasing number of people living alone.
- Rising disposable incomes with GDP growth, particularly in larger cities/towns.
- Escalating house prices leading to downsizing.
- Lack of housing. More small homes/flats/apartments being built.
- The average size of all new homes being built is reducing year-on-year.
- Increasing mobility.
- Demand as customers use storage for reasons other than house moving.
- Event driven situations (divorce, single parent families, marriage, re-marriage, death).
- Escalating commercial property prices leading to smaller business premises with a lack of storage and increasing difficulty for start-ups which will require flexible, economic space.
- Internet business storage (i.e operating from a web site and requiring flexible and accessible storage solutions).
- Growth of borrowing against housing and resultant extension works – requiring temporary storage of household possessions.

The main barriers to growth are:

- in London and the South East, the limited availability of first class locations;
- obtaining finance for the business; and
- the time and effort required to obtain the necessary planning and environmental consents.

Small adjustments to interest rates in the UK are unlikely to dampen demand for self storage. Indeed there is evidence to suggest that it is increasingly common for people to 'de-clutter' their houses by putting their possessions into storage to make their property seem more attractive, if they perceive the sales market to be getting tougher, and to focus their attention on renovation and extension rather than moving house. All of which drives demand for self storage.

Furthermore the industry in the US has seen sustained strong growth over the past 4 decades through a number of economic cycles. The same pattern has been evident to a lesser extent in the UK and Europe.

Whilst it seems unlikely that the UK market will ever reach the levels of penetration achieved by the US operators, there is clearly significant growth potential still apparent. Even penetration as achieved already in a much less densely populated Australasia or a quarter of the penetration in the US would see between 1,700 and 2,600 facilities across the UK (based on an average store size of 40 – 50,000 square feet) in the next decade. The equivalent figure for continental Europe would be in excess of 10,000 facilities.

The SSA UK will continue to represent its members and seek to help the industry achieve its goals through this exciting period.

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## Methodology

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For the second year in a row, Mintel Custom Solutions has been commissioned by the SSAUK to analyse a survey sent out to members of the Association. In total, surveys relating to 342 facilities, owned by 78 separate companies have been analysed by Mintel in this, the 2nd edition of the SSA annual report.

When examining the results of the survey, a number of classifications have been used to gain a more detailed understanding of the self storage industry.

As with any survey of this size, some care must be taken in interpreting the results given the possibility that a handful of abnormal responses can significantly skew results. The smaller the sub-sample, the higher is the risk of abnormal responses leading to unrepresentative findings.

Given the need to maintain workable sub-samples, therefore, the level of cross-analysis possible is limited. However, the groups used are large enough to provide some relatively robust sub-samples, while also offering considerable insight into how different sectors of the market are faring.

The groups used in the main body of the report and their definitions are explained below:

**Opening date:** Throughout the analysis, facilities have been broken down into four groups – those opening in 1999 or before (*pre-2000*), those opening in 2000, 2001 or 2002 (*2000-2002*), those opening in 2003, 2004 or 2005 (*2003-2005*) and those opening in 2006 or 2007 (*2006-2007*).

**Location:** Facilities were divided into three groups, South (excluding London), London (inside M25), and North (including facilities based in Northern England, Scotland, the Midlands & Wales).

**Additional Location:** Facilities were further divided into several groups, South/South West, Midlands/Wales, London, Remainder of South East, Northern England/Scotland.

**Size of company:** Facilities have been split into Independents (including companies with five or less facilities) and Multiples.

The report is in two parts:

**Part One** – the analysis of the company survey

**Part Two** – analysis of the individual facility survey



The following table compares the 2007 sample (collected in late 2006/early 2007) to the 2006 sample (collected in late 2005) by key segmentation.

Forty-eight of the 87 companies that participated in the 2006 survey participated again this year. The remaining 30 companies that participated in the 2007 survey did not take part in 2006.

**Figure A: Comparison of the survey sample in 2007 and 2006**

	Count	
	2007	2006
Number of companies	78	87
Companies in both 2006 and 2007 survey	48	48
Companies in only one survey	30	39
Number of facilities	342	315
Pre 2000 facilities	112	125
2001-2002 facilities	96	111
2003-2005 facilities	83	79
2006-2007 facilities	51	-
North facilities	122	98
London facilities	124	118
South facilities	96	99
London facilities	124	118
Midlands/Wales facilities	48	46
South/South West facilities	45	42
N. England/Scotland facilities	74	52
South East facilities	51	57
Independent facilities	108	112
Multiple facilities	234	203

Source: SSA/Mintel

## Part One: Company Survey

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This section of the report covers the aspects of the questionnaire relating to the companies active in the self storage market, giving an overall picture of size, turnover and strategy.

The chart below details the number of facilities owned by each company.

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**Figure 1: Proportion of companies by number of facilities open**

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	2007	2006
<b>Number of facilities</b>	<b>% of companies</b>	
1	60	65
2	13	15
3	10	6
4	4	3
5	3	1
6	0	2
7	1	0
8	0	1
9	1	0
10	0	1
Over 10	8	6
<b>Average Number of Facilities</b>	<b>4.4</b>	<b>3.6</b>

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Source: SSA/Mintel

- The increase in the average number of facilities is likely to be the result of both larger and smaller companies increasing the size of their portfolios.
- Nearly two thirds of companies run a single storage facility, while 13% own only two.
- At the other end of the scale, Multiples account for 10% of all firms responding to the survey. There are a significant number of operators with ten or more outlets, with these large chains accounting for 8%.

## More than a third of companies have expanded in the past year

- 45% of companies have opened one or more facilities (as compared with 36% in the 2006 report).

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**Figure 2: Proportion of companies that have opened new facilities in the past 12 months**

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	2007	2006
<b>Number of new facilities in the past 12 months:</b>	<b>% of companies</b>	
0	55	64
1	35	29
2	6	3
3	0	4
Over 3	4	0

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Source: SSA/Mintel

## Future Growth Intentions

### Short-term growth

- 44% of companies say they intend to open a new facility in the next 12 months (55% in 2006) but a further 21% claim that they will 'possibly' open new facilities.

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**Figure 3: Proportion of companies intending to open new facilities in the next 12 months**

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	2007	2006
<b>Likelihood of opening new facilities in the next 12 months:</b>	<b>% of companies</b>	
Yes	44	55
No	35	45
Possibly	21	0

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Source: SSA/Mintel

## Long-term

- Over a third of companies, all Independents, are planning to open between 1 and 3 new facilities over the next five years, while 17% of companies, all Independents, are not planning to open new facilities in the next five years.
- The Multiples are all planning big expansion over the next five years, accounting for the one in ten companies reporting plans to open 10 or more new facilities.
- The average number of facilities planned for the next five years among the Multiples is 23 compared to 3 among the independents.

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**Figure 4: Number of new facilities expected to open in the next 5 years**

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Number of new facilities	All companies
	%
Possibly / Unsure	<b>18</b>
0	<b>17</b>
1 - 3	<b>35</b>
4 - 9	<b>21</b>
10 +	<b>9</b>
<b>Average number of new facilities:</b>	<b>5</b>

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Source: SSA/Mintel

## Head Office Employment

- When asked how many people the company employs at head office, two thirds of companies revealed that they employed three or less staff members with a fifth of these having a single full-time staff member or only employing a part-time member of staff to administer the business.
- One in ten companies employ six or more staff members at head office.
- The average number of head office staff members is around 4.

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**Figure 5: Head office staffing levels**

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	2007	2006
<b>Number of staff in head office:</b>	<b>% of companies</b>	
0 - 1	20	20
1 - 3	46	36
3 - 6	24	26
6+	10	18
<b>Average number of staff in head office</b>	<b>4.2</b>	<b>5.0</b>

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Source: SSA/Mintel

## Insurance sales

- The chart below highlights how respondents have chosen to provide customer goods insurance for their customers since January 2005.
- 21% of companies had chosen to obtain direct FSA authorisation for insurance sales with the remainder offering a non-regulated option for insurance provision.

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**Figure 6: Means of offering contents insurance, post January 2005**

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	2007	2006
<b>Type of insurance:</b>	<b>% of companies</b>	
Non-regulated	79	83
FSA Authorisation	21	17

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Source: SSA/Mintel

## Nearly 1 in 5 companies reported turnover over £1 million

- The chart below illustrates the level of turnover generated from core self storage business.
- 21% of companies generate £100,000 or less from their self storage operations, with 34% earning between £100,001 and £200,000.
- 19% of companies surveyed earned at least £1 million from self storage business. This is slightly higher than last year.
- Among the companies turning over less than £1 million, the average figure was £226,000. (£214,000 in the previous year)

**Figure 7: Turnover (£) from self storage**

	2007	2006
<b>Turnover bands:</b>	<b>% of companies</b>	
£0 to £100k	21	31
£101k to 200k	34	23
£201k to £1,000k	26	29
Over £1,000k	19	17
<b>Average self storage turnover less than £1million (£)</b>	<b>£226,000</b>	<b>£214,000</b>

Source: SSA/Mintel

## Non-storage activity is still a valuable income generator

- The chart below illustrates the turnover generated from non-storage business, such as merchandise, insurance and other self storage related services. It makes a comparison with the core self storage turnover.
- Non-storage activities are clearly a valuable way of supplementing core earnings.

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**Figure 8: Turnover from other business**

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% of other turnover to self storage turnover	2007	2006
Independents	8.8	14.0
Multiples	17.0	17.0
Total	15.9	16.5

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Source: SSA/Mintel

- The decrease for Independents could be caused by the significant variation in the participants in the survey year on year. It may also be as a result of an increased understanding of the detail required to answer the question.

## The split between business and domestic customers

- For the first time, in the 2007 survey, companies were asked to provide the percentage of total business that is accounted for by business customers and that which is accounted for by domestic customers.
- The most common ratio was 30% business and 70% domestic. However, a relatively significant number of companies reported a ratio of 20% business and 80% domestic and others 60% business, 40% domestic.



## Average length of stay by customers

- Nearly two fifths of companies reported that customers stay between 11 and 20 weeks.
- On average customers stay for 22 weeks.

**Figure 9: Average customer length of stay**

Average customer length of stay	2007
	% of companies
0 to 10 weeks	13
11 to 20 weeks	44
21 to 30 weeks	21
31 to 40 weeks	9
41 to 50 weeks	6
50+ weeks	7
<b>Average length of stay:</b>	<b>22 weeks</b>

Source: SSA/Mintel

- The average length of stay for Multiples was 36 weeks and for Independents 21 weeks.
- This confirms that companies with a more mature portfolio of facilities and Multiples tend to have longer average lengths of stay.

## Evaluation of marketing strategies used to communicate with customers

- This is the first time the question has been asked in this survey. Interestingly there is a significant variety in the answers given.
- Once averaged out, signage and directories were equally the most effective, each responsible for around a third of all customer enquiries.
- The website and referrals combined were responsible for the remaining third of all customer enquiries.
- If the question had been asked previously it is likely that the number of enquiries through directories would be seen to be diminishing and enquiries through the website should be increasing.

**Figure 10: Key drivers of customer enquiries**

Key Driver:	Average enquiries %
Signage	32
Directories	32
Website	18
Referrals	18

Source: SSA/Mintel

## Part Two: Facility Survey

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This section of the report presents a detailed analysis of the section of the questionnaire concerned with individual facilities, covering such areas as opening date, ownership, average charges, and location.

### Facility Opening Date

The table below illustrates the date of opening of each facility, illustrating that the sector is still achieving significant growth.

- The emergence of new facilities has meant that facilities that opened before 2000 are accounting for a smaller share of the total market, than in the previous report. However facilities from pre-2000 still account for a third of all facilities.
- The 2007 survey reveals relatively significant growth between 2005 and 2006, growth not seen since 2001 to 2002.
- In total, nearly half of the facilities covered by the 2007 survey had opened since 2002.

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**Figure 11: Self Storage Sector, by year of opening**

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	<b>2007</b>
<b>Year facility opened</b>	<b>% of facilities</b>
Pre 2000	33
2000	8
2001	12
2002	8
2003	8
2004	7
2005	10
2006/7	14

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Source: SSA/Mintel

- The sample of facilities surveyed provides even regional coverage. Over a third of facilities surveyed are located in the North, the same number is located in London, and just under a third is located in the South.

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**Figure 12: Proportion of centres by geographical location**

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	Percentage of centres
	%
North	36
London	36
South	28

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Source: SSA/Mintel

### Number of facilities growing more rapidly outside London

- The trend for expansion outside of London continues.
- Pre 2000, the sector was most developed in London; however, since 2003 there has been some catching up in both the North and South. For the first time the figures for expansion in the North are higher than the combined figures for the South and London.
- However, expansion in the London area is being held back by the prohibitive London prices and it is really only the Multiples who are achieving expansion here.

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**Figure 13: Facility opening date, by geographical location**

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	All	North	London	South
	%	%	%	%
Pre-2000	33	19	50	28
2000-2002	28	28	25	33
2003-2005	25	29	19	24
2006-2007	14	24	6	15

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Source: SSA/Mintel

## A new wave of independent operators?

- As can be seen from the chart below, multiple-operated facilities tend to be longer-established, with 38% having been opened before 2000, and a further 33% between 2000 and 2002, than the Independents.
- Independently-run facilities and the smaller chains appear to have been more aggressive in terms of new openings between 2003–2007. Nearly two thirds (62%) of independent facilities have been opened since 2003 according to the 2007 survey results.
- Of the facilities opened in 2006-2007, 58% were Independents and 42% were Multiples. The breakdown of facilities opened pre 2000 and 2000–2002 was 20% Independents and 80% Multiples which further illustrates the increase in the number of Independents entering the market.

**Figure 14: Facility opening date, by size of company**

	All	Independent	Multiple
	%	%	%
Pre-2000	33	20	38
2000-2002	28	18	33
2003-2005	25	36	19
2006-2007	14	26	10

Source: SSA/Mintel

## Type of Facility

- For each facility, respondents were asked to state whether it was a converted warehouse, purpose built, or based around containers. The chart below illustrates the proportion of the market accounted for by each of these types of facility.
- The vast majority, almost 80% of facilities, were originally warehouses that have since been converted into a self storage facility.
- Some 17% were purpose built – a small increase when compared with the last report.

**Figure 15: Type of facility**

	2007	2006
Type of Facility	% of facilities	
Converted warehouse	79	79
Purpose built	17	15
Container	4	6

Source: SSA/Mintel

## Growth in purpose-built facilities

- It is clear that as self storage becomes more popular, more operators are building facilities specifically for the task, rather than using converted warehouses.
- Of those facilities opened since 2003, almost 30% were purpose built – almost twice the proportion seen across the sample as a whole.

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**Figure 16: Type of facility, by opening date**

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	All	Pre 2000	2000-2002	2003-2005	2006-2007
	%	%	%	%	%
Converted warehouse	79	93	78	66	69
Purpose built	17	2	19	30	27
Container	4	5	3	4	4

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Source: SSA/Mintel

## Statistics suggest regional differences

- Perhaps reflecting greater availability of former warehouses in the North and the Midlands, facilities opened in these areas were more likely to be converted than was the case in the South.
- Looking at 2007 survey data, over twice as many London and Southern facilities were purpose built than was the case in the North. This is mainly because the Multiples are more active in purpose building and the majority of their facilities are in the South.

---

**Figure 17: Type of facility, by location**

---

	All	North	London	South
	%	%	%	%
Converted warehouse	79	86	76	73
Purpose built	17	10	22	20
Container	4	4	2	7

---

Source: SSA/Mintel

## Independents more likely to rely on containers

- Independent operators and smaller chains were considerably more likely to use containers than their Multiple counterparts.

---

**Figure 18: Type of facility, by size of company**

---

	All	Independents	Multiple
	%	%	%
Converted warehouse	79	72	82
Purpose built	17	15	18
Container	4	13	0

---

Source: SSA/Mintel

## Ownership

---

- Respondents were asked on what basis their facilities were owned, with the results being illustrated below.
- Freehold/long leasehold facilities are the most common type of ownership arrangement, with 78% of all facilities reported to be freehold/long leasehold in 2007.
- Nearly a quarter of all facilities were described as 'short lease'.
- These statistics confirm last year's findings.

---

**Figure 19: Ownership of self storage facilities**

---

	2007	2006
	% of facilities	
Freehold/Long Lease	78	79
Short Lease	22	21

---

Source: SSA/Mintel

## Newer facilities likely to be freeholds or long lease

- When viewed by the year in which the facility opened, it can be seen that more recent openings were more likely to be held on a freehold/long lease.
- These statistics confirm last year's findings.

---

**Figure 20: Ownership, by date opened**

---

	All	Pre 2000	2000-2002	2003-2005	2006-2007
	%	%	%	%	%
Freehold/long lease	78	78	64	79	96
Short lease	22	22	36	21	4

---

Source: SSA/Mintel

## The majority of facilities are freehold/long leasehold

- Across all regions, the majority of facilities are freehold/long leasehold.
- Facilities in the South were most likely to have a property on a short lease compared to facilities in the North, followed by London. This is mainly because freehold/long leasehold properties are more expensive in the South.
- These statistics confirm last year's findings.

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**Figure 21: Ownership, by location**

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	All	North	London	South
	%	%	%	%
Freehold/long lease	78	83	77	69
Short lease	22	17	23	31

---

Source: SSA/Mintel



## Both Independents & Multiples take the freehold/long leasehold option

- Overall facilities owned by both Independents and Multiples are mostly owned on a freehold/long leasehold basis.

**Figure 22: Ownership, by size of company**

	All	Independent	Multiple
	%	%	%
Freehold/long lease	78	79	76
Short lease	22	21	24

Source: SSA/Mintel

## Current Net Lettable Area

- In order to assess the trends in the size of individual facilities, respondents were asked to give the current net lettable area of each facility operated, measured in square feet. The current net lettable area has been grouped into four groups and is shown below.
- The overall pattern is consistent with last year's findings.

**Figure 23: Net lettable area**

	2007	2006
	% of facilities	
20,000 sq ft or less	24	28
20,001-40,000 sq ft	34	34
40,001-60,000 sq ft	28	25
60,001 + sq ft	14	13
<b>Average (sq ft)</b>	<b>37,481</b>	<b>36,887</b>

Source: SSA/Mintel

- The average net lettable area is 37,481 sq ft. This indicates that there has been an increase of around 600 sq ft since last year.
- The average may well be skewed, however, by a small proportion of fairly large new facilities. Just 14% of facilities are larger than 60,000 sq ft.

## A trend for smaller facilities?

- When examined by the date of opening, it would seem that overall there is a trend for newer facilities to be smaller. This would reinforce the indication that more independent and small chain operators have been entering the industry lately, including some who are experimenting with self storage for the first time; the latter may well be operating the business alongside their other businesses.
- Facilities opened in 2006/2007 averaged just over 28,000 sq ft, as compared to more than 43,000 sq ft among the longest-established facilities.

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**Figure 24: Average net lettable area, by date of opening**

---

	2007
	Average Sq ft
Pre-2000	43,143
2000-2002	43,659
2003-2005	34,370
2006-2007	28,384
<b>All</b>	<b>37,481</b>

Source: SSA/Mintel

## Average net lettable area by location

- On average, facilities in London have the largest lettable area (sq ft) followed by the South/South West and the South East.
- Facilities in the Midlands/Wales and N. England/Scotland had the smallest lettable area (sq ft). This is possibly partly due to the fact that 55% of facilities opened in 2006-2007 were located in the North and new facilities are generally smaller, as discussed in the previous item (Figure 24). However the average size in N. England/Scotland and in the South East has grown by about 5,000 sq ft since last year's report. If anything this may show that an equalisation is slowly appearing across the country.

---

**Figure 25: Average net lettable area, by location**

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	2007	2006
	Average Sq ft	
London	44,505	43,131
South East	37,447	32,762
South/South West	38,662	40,258
Midlands/Wales	33,834	32,169
N. England/Scotland	32,878	27,922
<b>All</b>	<b>37,481</b>	<b>36,887</b>

Source: SSA/Mintel

## Segmentation of net lettable area by location

- N. England/Scotland and Midlands/Wales have the highest percent of facilities 20,000 sq ft or less (33% and 30% respectively) whereas London has the highest percent of facilities over 60,000 sq ft. However, as mentioned above, the average sizes in N. England/Scotland, Midlands/Wales and the South East are increasing.

**Figure 26: Segmentation of net lettable area by location**

	All	London	S East (less London)	South / S West	Midlands / Wales	N. Eng / Scotland
	%	%	%	%	%	%
20,000 sq ft or less	24	15	23	27	30	33
20,001-40,000 sq ft	34	32	31	32	38	39
40,001-60,000 sq ft	28	32	40	24	23	17
60,000 + sq ft	14	21	6	16	9	11

Source: SSA/Mintel

## Multiples are running considerably larger facilities

- There is a large disparity in net lettable area when the size of the operating company is concerned. Facilities that belong to a Multiple are almost double the size of Independent's facilities. This confirms last year's findings.

**Figure 27: Average net lettable area, by size of company**

	2007	2006
	Average Sq ft	
Independent	25,562	22,745
Multiple	45,316	44,575
<b>All</b>	<b>37,481</b>	<b>36,887</b>

Source: SSA/Mintel

## Number of Rooms

- Closely connected to the overall lettable area of the facility, respondents were also asked how many rooms they had in each facility.
- The most common number of rooms is between 201 and 600.
- 16% of companies have 800 or more rooms

**Figure 28: Proportion of facilities by the number of rooms per facility**



Source: SSA/Mintel

## A trend for fewer rooms

- As was seen when looking at net lettable area, facilities opened before 2002 tend to be larger. This trend has continued with facilities opened between 2006-2007 having 384 rooms compared to 445 rooms in facilities opened one year earlier.

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**Figure 29: Average number of rooms, by date of opening**

---

	2007	2006
	<b>Average number of rooms</b>	
Pre-2000	525	573
2000-2002	626	528
2003-2005	445	399
2006-2007	384	N/A
<b>All</b>	<b>510</b>	<b>513</b>

---

Source: SSA/Mintel

## London and Southern facilities have greater number of rooms

- Facilities in the North have an average of 394 rooms each, while those in the south are larger, with an average of 514 rooms. London facilities are the largest with an average of 623 rooms.
- Overall the average number of rooms is 510 in 2007, which confirms last year's statistics.

---

**Figure 30: Average number of rooms, by location**

---

	2007	2006
	<b>Average number of rooms</b>	
North	394	390
London	623	654
South	514	449
<b>All</b>	<b>510</b>	<b>513</b>

---

Source: SSA/Mintel

## Multiples have more than twice as many rooms as smaller companies

- The difference in the number of rooms when the size of the company was considered was striking.
- Multiple's facilities provide more than double the number of rooms provided by Independents. This confirms last year's findings.

---

**Figure 31: Average number of rooms, by size of company**

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	2007	2006
	Average number of rooms	
Independent	288	266
Multiple	616	640
<b>All</b>	<b>510</b>	<b>513</b>

Source: SSA/Mintel

---

**Figure 32: Average room sizes**

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	2007	2006
Average store size (sq ft)	37,481	36,887
Average number of rooms	510	513
Average room size (sq ft)	73.5	71.9

Source: SSA/Mintel

- The average room size for Multiples is 73.2 sq ft; (69.7 sq ft in 2006) the average for Independents is 81 sq ft in 2007. (86 sq ft in 2006)

## Staffing Levels

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- In terms of the number of staff based in each facility, most had between 2 and 3 staff.
- Only 7% had just one full-time staff member (or the equivalent when the hours worked by part-time staff are combined.), while only 7% employed more than 4 full-time staff members.
- The average facility had three full-time staff (or part-time equivalent).
- On average each member of staff equates to 12,087 sq ft of rentable space.
- These figures support last year’s findings.

---

**Figure 33: Overall staffing levels**

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	2007	2006
<b>Staffing levels</b>	<b>% of facilities</b>	
0 – 1	7	9
1 – 2	24	17
2 – 3	39	51
3 – 4	23	16
4 +	7	7

---

Source: SSA/Mintel

- London is more likely than other regions to have facilities with 3 or more members of staff. Levels are slightly higher in the South; this is not surprising as facilities are larger in the South.



## Longest-established facilities have higher staffing levels

- On average, older facilities tended to employ more staff, with pre-2000 facilities having an average of 3.3 full-time (or equivalent) employees.
- Those opened more recently had fewer people manning the facility, with post-2003 facilities having between 2.6 and 2.4 staff members. This makes sense as more recent facilities are generally smaller both in terms of number of rooms and net lettable area and thus do not warrant as many staff members per facility.

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**Figure 34: Staffing levels, by opening date**

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	Average number of staff
Pre-2000	3.3
2000-2002	3.1
2003-2005	2.6
2006-2007	2.4
<b>All</b>	<b>3.2</b>

---

Source: SSA/Mintel

## Multiples tend to be more heavily staffed

- When viewed in terms of ownership, there is little difference in the average number of staff. The gap was not nearly as wide as might be expected from the disparity in net lettable area or the number of rooms in each facility.

---

**Figure 35: Staffing levels, by size of company**

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	2007	2006
	<b>Average number of staff</b>	
Independent	3.3	2.6
Multiple	3.1	3.1
<b>All</b>	<b>3.2</b>	<b>2.9</b>

---

Source: SSA/Mintel

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**Figure 36: Staff/serviced area ratio**


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	<b>2007</b>	<b>2006</b>
Average store size	37,481	36,887
Average staffing level	3.2	2.9
Staff/sq ft	11,712	12,720

---

Source: SSA/Mintel

- The drop in square foot per staff average is probably the result of the increased number of new companies with smaller facilities in this year's survey.

## Average Billed Room Rate

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- The average billed room rate across the sample as a whole is £20.63 per sq ft, £1 higher than last year. This indicates a 5% rise overall.
- Nearly half of facilities charge over £20 per sq ft.

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**Figure 37: Average billed room rate**


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	<b>2007</b>	<b>2006</b>
	<b>% Average billed room rate</b>	
Less than £15.00	16	20
£15.00-£17.49	19	18
£17.50-£20.00	18	22
£20.01-£25.00	26	19
Over £25.01	22	21
<b>All</b>	<b>£20.63</b>	<b>£19.63</b>

---

Source: SSA/Mintel

## Trend for lower prices among new openings

- More recently opened facilities are charging lower average room rates, with those opened since 2006 levying just over £18 per sq ft. This confirms the trend shown last year and is to be expected as recently opened facilities are more likely to offer introductory discounts.
- Plus, more facilities are opening outside London and the South. These facilities are achieving a lower rental per sq ft, bringing the average down.
- Those opening before 2000, however, billed an average of £22.46 per sq ft which is an increase of about £1.50 since last year.

**Figure 38: Average billed room rate, by year of opening**

	<b>2007</b>
	<b>£ Average billed room rate</b>
Pre-2000	22.46
2000-2002	20.77
2003-2005	19.09
2006-2007	18.80
<b>All</b>	<b>20.63</b>

Source: SSA/Mintel

## Billed room rates show regional differences

- Since living and other costs in London remain among the highest in the country, the average billed room rate was higher than that seen across the sample as a whole, followed by the South East rates.
- These statistics confirm last year's picture with average rises between 90p and £1.70 by region.

**Figure 39: Average billed room rate, by location**

	<b>2007</b>	<b>2006</b>
	<b>Average billed room rate £</b>	
London	25.36	24.08
South East	20.00	18.29
South/South West	17.66	15.72
Midlands/Wales	17.31	15.98
N. England/Scotland	16.34	15.20
<b>All</b>	<b>20.63</b>	<b>19.63</b>

Source: SSA/Mintel

## Multiples are charging higher rents

- Multiples have higher average room rates per sq ft. This may well be encouraging Independents to enter the market by providing cheaper alternatives.
- Multiples are more expensive as they tend to be more highly specified and with a large proportion of their facilities in London and the South.
- Independents now report an average billed room rate of £16.71 per sq ft (£1.80 more than last year), compared to £22.21 per sq ft among the Multiples (73p more than last year). However care must be taken with this result as it does not necessarily tally with the findings at Figure 44 which show far less Independents raising their charges than Multiples. Any difference may well be caused by the change in Independent respondees year-on-year.

**Figure 40: Average billed room rate, by size of company**

	2007	2006
Average billed room rate £		
Independent	16.71	14.91
Multiple	22.21	21.48
<b>All</b>	<b>20.63</b>	<b>19.63</b>

Source: SSA/Mintel

## Changes in Empty Room Rates

- Again in 2007, the market would appear to have prospered in the 12 months prior to the survey, with over three quarters having increased their empty room rates by more than the rate of inflation.
- Just 2% of facilities had seen their rates actually decrease, although a total of 24% will have seen real room rates fall slightly once inflation is taken into account, with 19% having not changed empty room rates, and 3% having increased them, but by less than the rate of inflation. The pattern is very similar to that reported last year.

**Figure 41: Change in empty room rates**

	2007	2006
% of facilities		
Decreased	2	0
No change	19	18
Increased - less than inflation	3	8
Increased - more than inflation	76	74

Source: SSA/Mintel

## Older facilities still billing well

- Those facilities opened before 2003 were the most likely to say that their empty room rates had increased by more than the rate of inflation.
- These facilities will normally have a higher occupancy percentage than some newer facilities and therefore will be in a stronger position to put through above inflation room rate increases.
- By contrast, more than a quarter of those opened between 2003-2005 and half of those opened between 2006-2007 reported no change in their empty room rates.
- This is a similar pattern to last year.

**Figure 42: Change in empty room rates, by opening date**

	All	Pre-2000	2000-2002	2003-2005	2006-2007
	%	%	%	%	%
Decreased	2	1	1	1	2
No change	19	7	11	22	51
Increased - less than inflation	3	2	1	7	2
Increased - more than inflation	76	90	87	70	45

Source: SSA/Mintel

## Southern companies increase rates most rapidly

- Facilities in the London and the South (with 94% and 77% of companies, respectively, seeing increases above the rate of inflation) increased their empty room rates more rapidly than their Northern counterparts.
- The pattern is similar to last year's findings. It is not surprising as there are on average more newly-opened facilities in the north than in the south.

**Figure 43: Change in empty room rates, by location**

	All	North	London	South
	%	%	%	%
Decreased	2	2	0	4
No change	19	33	6	19
Increased - less than inflation	3	7	0	1
Increased - more than inflation	76	58	94	76

Source: SSA/Mintel

## Multiples see largest increases in empty room rates

- The fortunes of the Independents and the Multiples are sharply contrasted, as detailed in the table below. The pattern, however, is the same as last year.
- More than half of Independents saw no change in their empty room rate, although a third of these facilities saw rates grow more rapidly than inflation.
- This was nothing compared to the growth seen among the larger Multiples, of whom the great majority saw above-inflation increases in the past year.

**Figure 44: Change in empty room rates, by size of company**

	All	Independent	Multiple
	%	%	%
Decreased	2	5	0
No change	19	57	3
Increased - less than inflation	3	9	0
Increased - more than inflation	76	29	97

Source: SSA/Mintel

## Changes in Customer Room Rates

- None of the facilities surveyed had seen a decrease in their customer room rates. In 2007, 20% of facilities reported they did not change their room rates.
- Among those who did see an increase in rates, just 7% did not match the rate of inflation, with around two thirds increasing more than inflation each year.

**Figure 45: Change in customer room rates**

	2007	2006
	%	%
No change	20	16
Increase less than inflation	7	9
Increase greater than inflation	73	75

Source: SSA/Mintel

## Older facilities again seen biggest rises in rates

- As can be seen from the table below, when examined by the year in which the facility opened, changes in customer room rates closely matched those seen when empty room rates were considered.
- The older the facility, the more likely the respondent was to say that rates had increased above inflation.
- Three quarters of those facilities opened before 2002 had seen their customer room rates grow more rapidly than inflation, as compared to around half of those which opened since 2003.

**Figure 46: Change in customer room rates, by opening date**

	All	Pre 2000	2000-2002	2003-2005	2006-2007
	%	%	%	%	%
No change	20	6	11	25	53
Increased - less than inflation	7	10	7	7	4
Increased - more than inflation	73	84	83	67	41

Source: SSA/Mintel

## Regional variation in customer room rates

- Again in 2007, the data shows that facilities based in London and the South East were significantly more likely to have increased their customer room rates more rapidly than the rate of inflation.
- However, only half of facilities in the North saw above-inflation increases in their customer room rates.

**Figure 47: Change in customer room rates, by location**

	Total	North	London	South
	%	%	%	%
No Change	20	37	7	17
Increased less than inflation	7	9	7	4
Increased more than inflation	73	54	86	79

Source: SSA/Mintel



## Multiples again see sharp increase in customer room rates

- In 2007, nearly all of the larger chains increased their customer room rates above inflation. This is a similar pattern to last year's findings.
- Independents saw their customer room rates stagnating further, with over half reporting no change in customer room rates.
- This indicates that Multiples are much more commercially aware than Independents as annual costs are surely rising.

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**Figure 48: Change in customer room rates, by size of company**

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	All	Independent	Multiple
	%	%	%
No change	20	60	3
Increased - less than inflation	7	16	3
Increased - more than inflation	73	24	94

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Source: SSA/Mintel

## Additional Information

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In the 2007 survey respondents were asked to answer three additional questions for the first time in regard to their facilities.

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**Figure 49: Number of days open per week**

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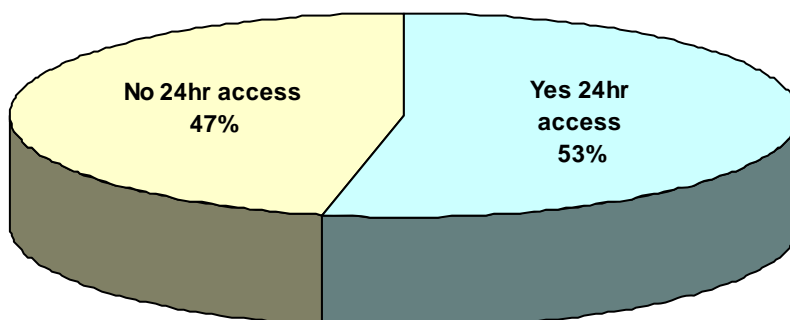
	% of facilities
5 days per week	1
6 days per week	20
7 days per week	79

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Source: SSA/Mintel

- The majority of facilities are open 7 days per week.

**Figure 50: Proportion of facilities with 24 hour access**



Source: SSA/Mintel

- Across all facilities, over half (53%) reported they offer rooms with 24 hour access

**Figure 51: Proportion of a company's individual facilities that have rooms with 24hr access**

% of company's facilities	% of facilities
10% or less	8
11 to 50%	24
51 to 99%	2
100%	66

Source: SSA/Mintel

- Two thirds of companies offer rooms with 24 hour access in 100% of their individual facilities. 16% of companies offer rooms with 24 hour access in less than a third of their facilities.