



MEDIA RELEASE

10 February 2010

UK'S SELF STORAGE INDUSTRY SHOWS RESILIENCE IN CREDIT CRUNCH

- **Diverse customer base provides resilience**
 - **2010 outlook cautiously optimistic**
- **Facility Numbers grow by 4% (an extra 1 million sq ft)**

The UK's Self Storage Association's annual report, prepared by Mintel, reveals that the UK's self storage industry has remained resilient during the recent economic slowdown and continues to grow.

The report's findings show that the number of self storage facilities in the UK has grown by more than 4% in the past year to some 800 primary facilities*, generating revenues of approximately £345 million and employment for 2,800 people.

Although the rate of growth in 2009 (in terms of rental space available) has slowed, compared to growth rates of between 8-15% over the previous five years, more than one million additional square feet of space has been made available for rent – bringing the total area to 28 million square feet of self storage space in the UK. Despite the slight slowing of the rate of growth, penetration levels in the UK remain only a fraction of those in more mature self storage markets such as the USA and Australasia - suggesting there are still further significant opportunities for growth in the industry over the next ten years.

The growth potential of the UK self storage market is illustrated by some of the recent consolidation and investment activities in the sector. These include;

- Alligator Self Storage's recent acquisition of 12 facilities from Storage King (Jan '10)
- Shurgard's acquisition of Red Devil Self Storage in Kennington (Dec'09);
- Big Yellow Self Storage taking over the management of 10 Armadillo facilities from Personal Storage (Mar '09); and
- Nationwide Building Society taking control of 12 Space Maker facilities following Australian investment bank Babcock & Brown going into administration (Jan'09)

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This activity has shown that both new operators are coming into the market and that consolidation and re-organisation has started to happen within the sector - a sure sign that business confidence is returning to the industry.

Self Storage operators remain cautiously optimistic with a fifth of companies surveyed having opened new facilities in the last year, and a quarter expected to open further new sites in 2010. Looking further ahead the outlook is more positive with nearly half (49%) of operators stating that they plan to open one or more sites in the next five years.

The report also highlights that the key opportunities for growth in the UK market remain driven by socio-economic factors, such as improving the awareness of self storage, a growth in internet businesses and the lack of available housing as a result of the UK's recent recession.

The internet is proving to be the most important form of marketing for self storage operators – now accounting for more than 35% of new business (an increase of more than 20% on last year), while directories as a source of new business dropped by 27%.

The diverse range of customers using self storage has helped to protect the industry during the recession. As the housing market slowed, the demand for storage amongst domestic consumers dropped slightly. However available space was taken by business customers looking to store items and control costs rather than pay for additional and more expensive warehouse or trade space. Currently 66% of available space is taken up by consumers and 34% by businesses – an increase of 10% in business use.

Other emerging areas of growth highlighted in the report include the opportunity for businesses to improve sales by offering additional services such as insurance or packaging solutions. On average, nearly 15% of operator sales are now achieved from non storage income streams.

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Rodney Walker, chief executive officer of the SSA UK, comments:

“The industry has shown itself to be reasonably resilient over the last year and remains cautiously optimistic for the year ahead. The last few months have seen some consolidation and investment in the market which, along with improved access to finance and a stronger housing market, will provide the industry with an opportunity for further growth.

“The UK market continues to lead the rest of continental Europe in terms of scale and revenues; however as the market continues to grow there is likely to be an increased pressure on margins and the need for operators to further explore additional and innovative revenue streams.”

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Copies of the report can be obtained from SSA UK, Priestley House, The Gullet, Nantwich, Cheshire CW5 5SZ. Tel: +44 (0)1270 623 150 or via the website www.ssauk.com.

* Figures exclude container storage facilities

The next UK & European Self Storage Conference will be held at the Estrel Hotel in Berlin on 16 & 17 June 2010.

Notes to editors:

- The Mintel Report was commissioned by the Self Storage Association of the United Kingdom (SSA UK) and is based on information supplied by 92 of its members thus covering 72% of the facilities operated by the membership in the UK. The SSA UK has added its own view of the market place.
- The report estimates that there are about 800 primary facilities (not including container self storage facilities) with around 28 million rentable square feet. This compares with more than 52,700 primary facilities and 2.2 billion rentable square feet in the USA and around 1,300 facilities and 26 million rentable square feet in Australia and New Zealand.
- The industry in the UK now generates revenues of around £350 million, serves more than 240,000 customers and employs more than 2,800 people directly in the business - either in facilities or in central support.
- There are about 350 separate companies operating self storage facilities. However, almost 55% of the available rentable space is in the hands of the UK's largest self storage companies including:

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Company	Facilities in UK	Facilities in continental Europe
Safestore	92	22
Big Yellow Self Storage	60	
Access	49	
Lok'n'Store	21	
Shurgard	21	167
Alligator	12	
Space Maker	12	
Armadillo Self Storage(Managed by Big Yellow Self Storage)	10	