DOMESTIC USES FOR SELF STORAGE

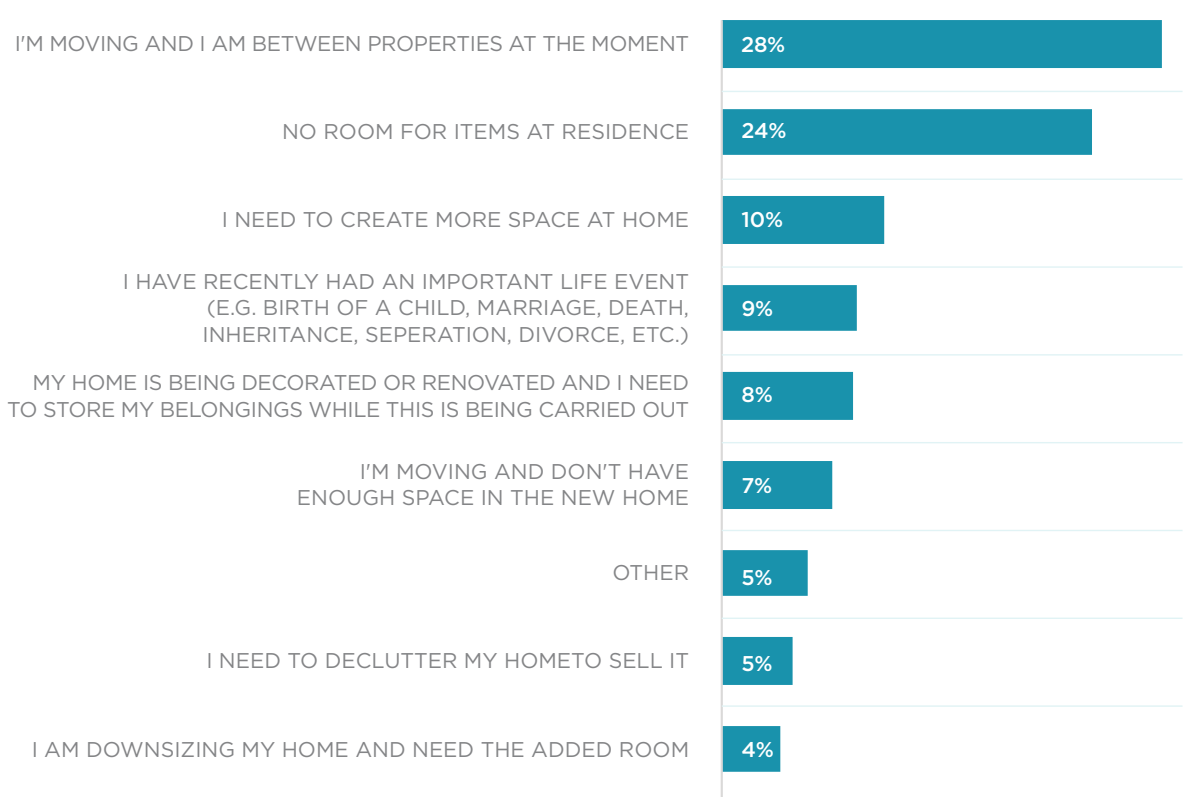
One of the advantages of the self storage industry is the diversity of its customer base. It attracts customers at different points in their life with different needs. Clearly, house moves make up the bulk of the customer base, 40% of domestic customers across all the house moving related categories.

Remembering that domestic customers make up about 75% of all customers, that is only 30% of the total customer base. Generally, lack of space and other life changing moments make up the remainder of the customers which gives the industry a degree of protection when the property market slows, as it has in the past 12 months.

Of the life changing moments that led people to self storage, death in the family was the most common (27%), followed by ending a relationship (14%). Giving birth to a child and having family members return home were also common. All activities that tend to occur regardless of the economic climate.



DOMESTIC REASONS FOR USING SELF STORAGE



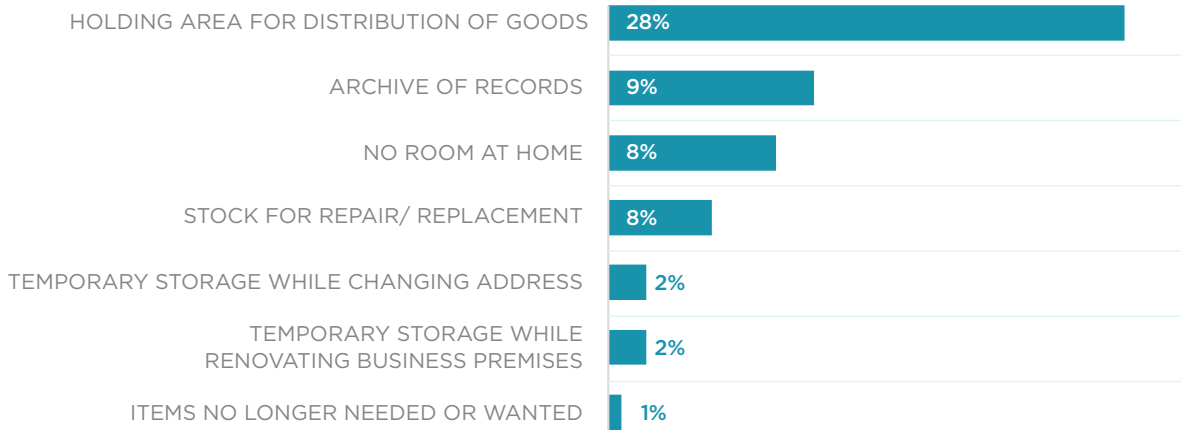

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COMMERCIAL USES OF SELF STORAGE

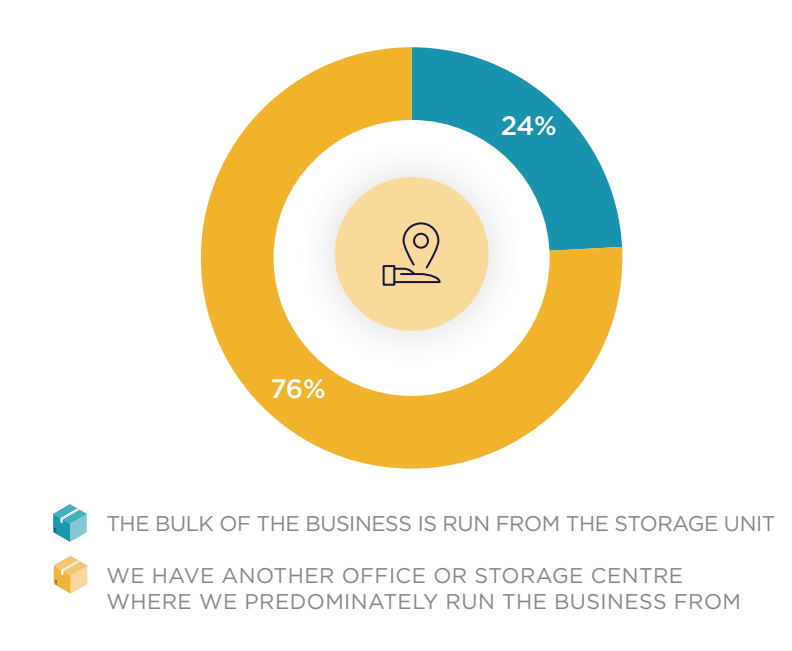
Business users are clearly looking for storage for goods and records. Self storage provides a flexible solution for business storage that does not require a long term lease and can be adapted based on the needs of the business. Hence it is commonly used by small businesses as they expand and move from being home businesses to something larger.

It is also being used by a growing number of online retailers. Only 4% of users are considered temporary, further supporting the concept that business customers stay long term and create less churn.

BUSINESS USES FOR SELF STORAGE



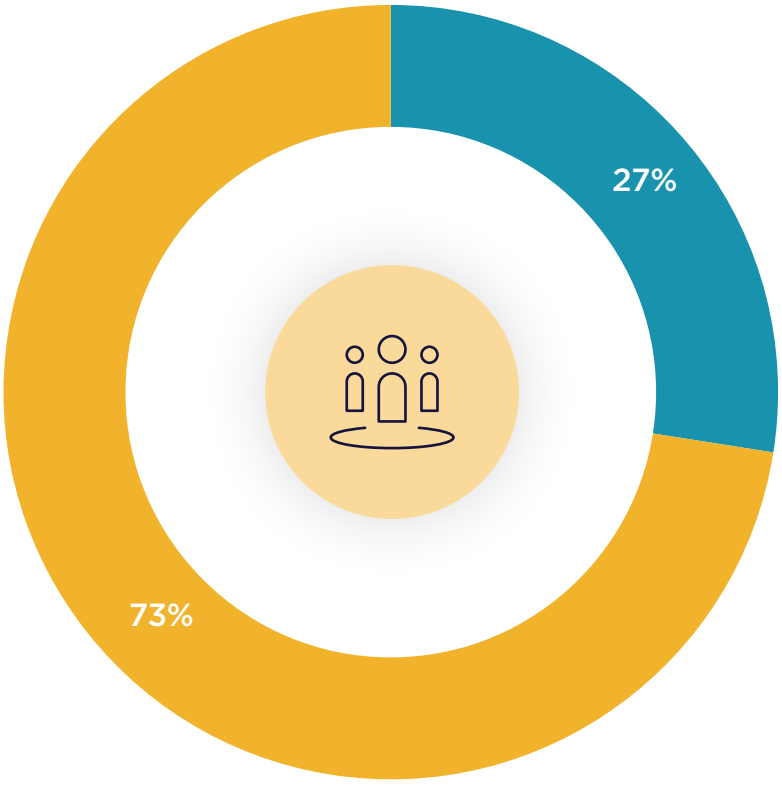
Further supporting the concept that self storage is a local business incubator and supports the local economy, around a quarter of the businesses that use self storage operate solely from their self storage unit. In an average sized store this would be upwards of 25 businesses that could not operate without their self storage unit.



Customer Demographics

Businesses account for around a quarter of self storage customers but they take up over a third of the storage space as they tend to take larger units.

This has remained relatively stable for the past 10 years. External storage sites with drive up units have a higher percentage of commercial customers with many over 50%. The larger drive up style units can be more accommodating to people with stock or equipment that they need to access regularly.



A BUSINESS CUSTOMER - YOU USE A SELF STORAGE UNIT PRIMARILY FOR YOUR BUSINESS OR YOUR EMPLOYER'S BUSINESS

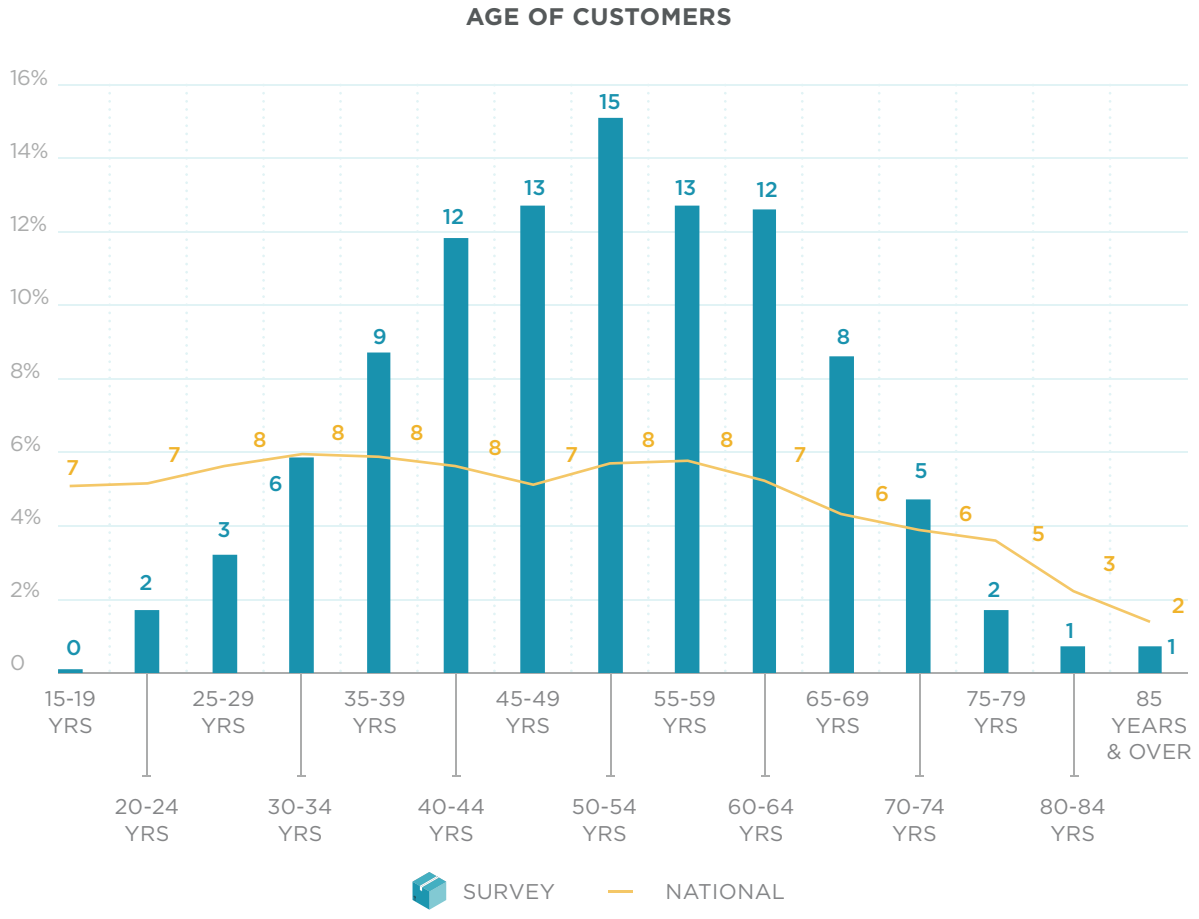
A PRIVATE CUSTOMER - YOU USE A SELF STORAGE UNIT PRIMARILY FOR YOUR OWN PERSONAL OR DOMESTIC PURPOSE

AGE OF CUSTOMERS

Older people are more likely to use self storage which is understandable given they will have been through more life changing moments, acquired more items that need storage and are likely to have more disposable income. It is worth noting that the average age of the customer is coming down, not due to more people under 30 storing, but growth in the 35 – 50 brackets and less people over 60 storing.

So it is not that the age mix is moving with the aging population but that more people under 60 are using self storage and are using it earlier in their lives. The challenge remains to get more people aged below 35 to start using self storage.





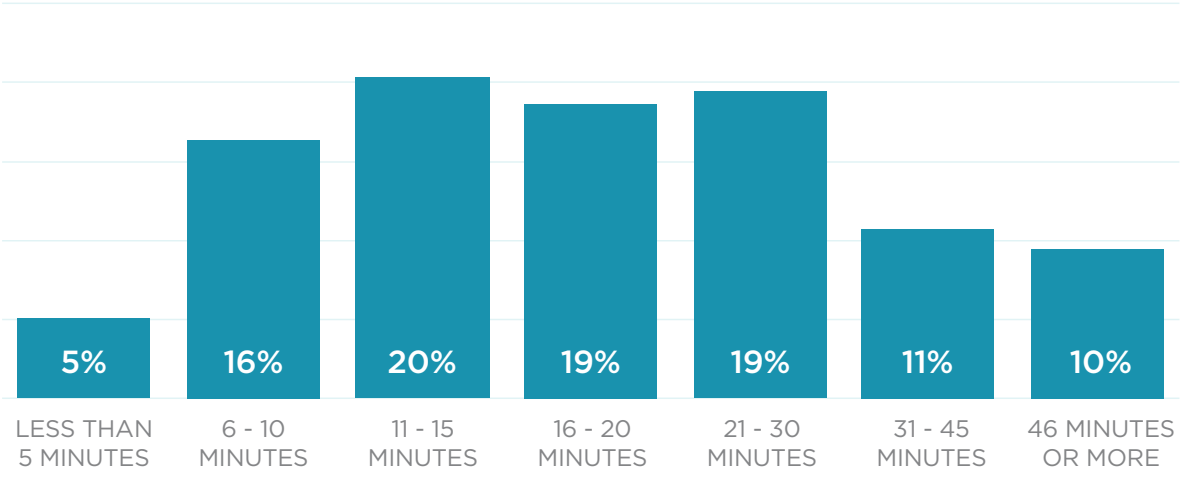


DISTANCE TO TRAVEL

Few customers travel more than 30 minutes to their chosen self storage business. Although in recent years, people have been traveling further, with the number of people travelling 5 minutes or less, half what it was 5 years ago and almost twice as many people travelling 21 – 30 minutes.

This could be due to increasing traffic taking people longer to travel, but it is more likely that people are travelling further to their units. This could be as people are looking for stores with higher levels of security or technology or as a result of increasing up front discounts persuading people to travel further to save on storage fees.

TRAVEL DISTANCE TO SELF STORAGE STORE



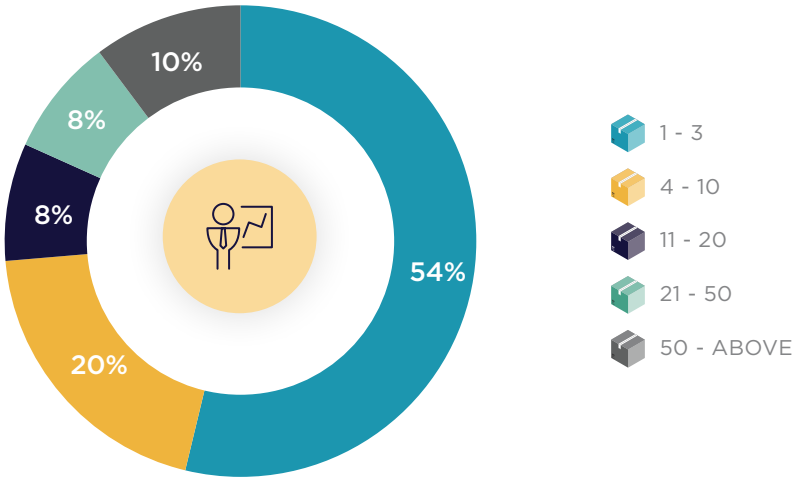


SIZE OF BUSINESSES

Small businesses are more likely to use self storage, however, when you consider that 95% of all businesses in the UK have less than 10 employees and businesses with over 50 employees make up less than 1% of businesses, it is actually larger businesses that are over represented in self storage.

This supports the concept that self storage helps transition small, home based businesses into something more substantial, that employs more people in the local community.

HOW MANY EMPLOYEES IN YOUR BUSINESS?



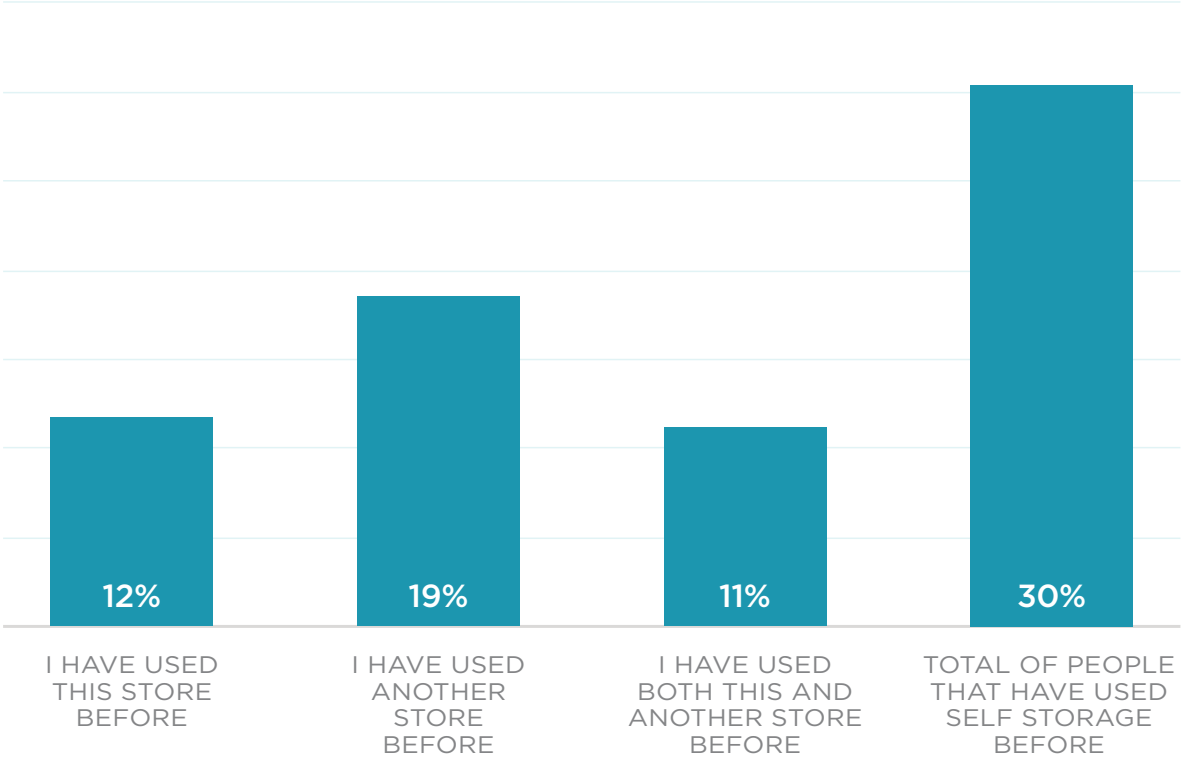


PREVIOUS USE

Repeat users are a big part of the self storage customer base and have consistently accounted for around a third of all customers. There is opportunity for stores to remarket to past customers for when they may have a future need for self storage. This also gives larger brands with multiple stores the opportunity to potentially pick up customers that are looking for repeat use in a different location and had a positive experience with the brand previously.



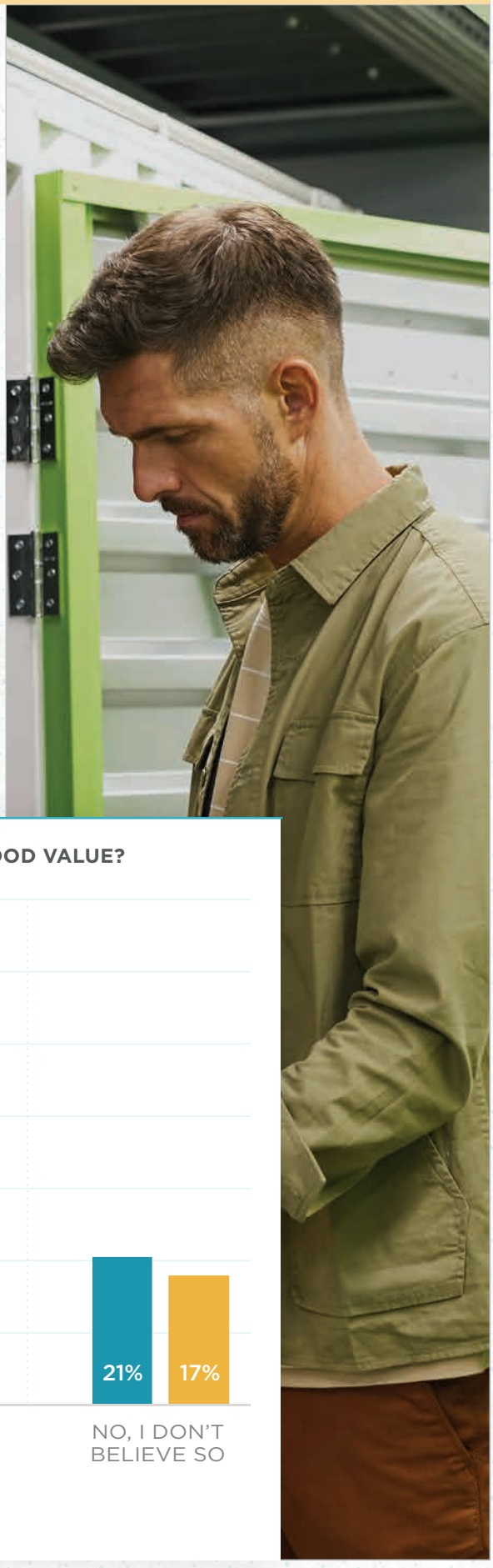
HAVE YOU USED SELF STORAGE BEFORE?

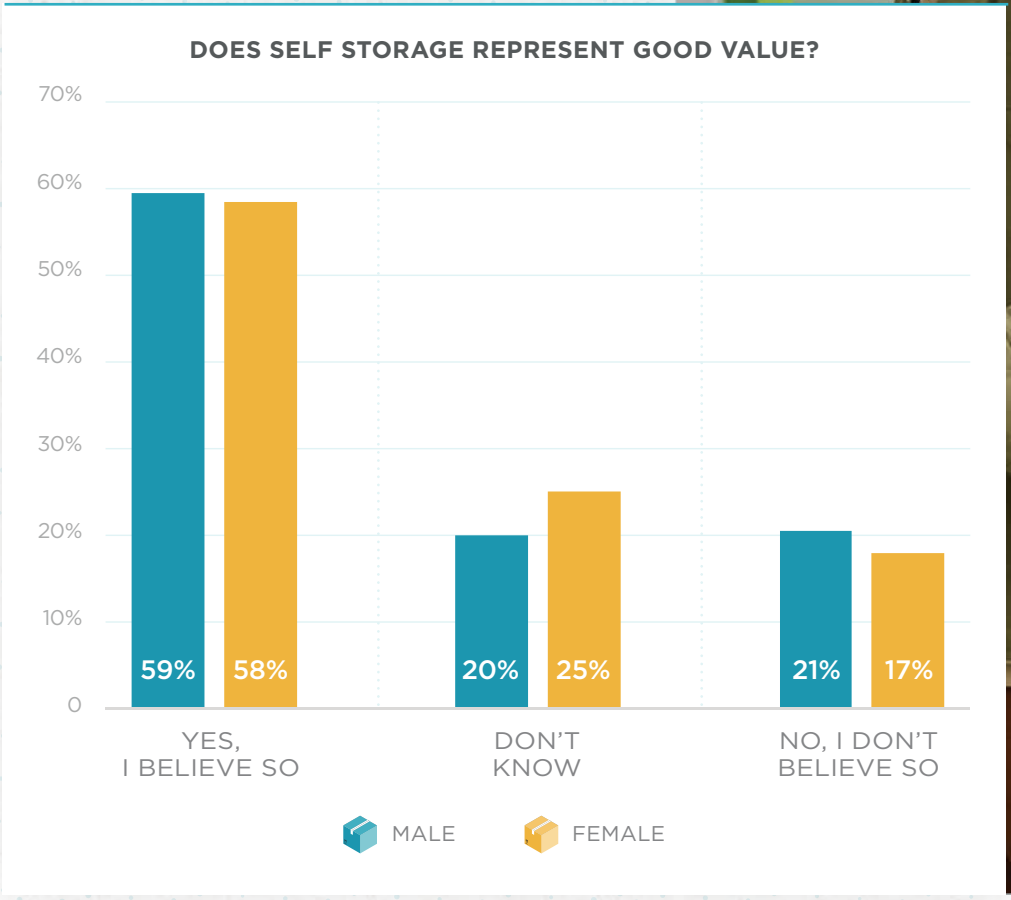


CUSTOMER SENTIMENT

While most customers see self storage as providing good value, this value is steadily decreasing and fell below 60% for the first time since 2019. The higher cost of living is likely to have influenced these results but it could be that the increasing cost of storage is beginning to have an impact on customers.

However, over a quarter of customers that said storage was poor value, do not plan on moving out for 2 years or more and only 18% plan on moving out in the next 3 months. So while customers question the value, they still need the storage and possibly have limited alternatives to store their possessions.

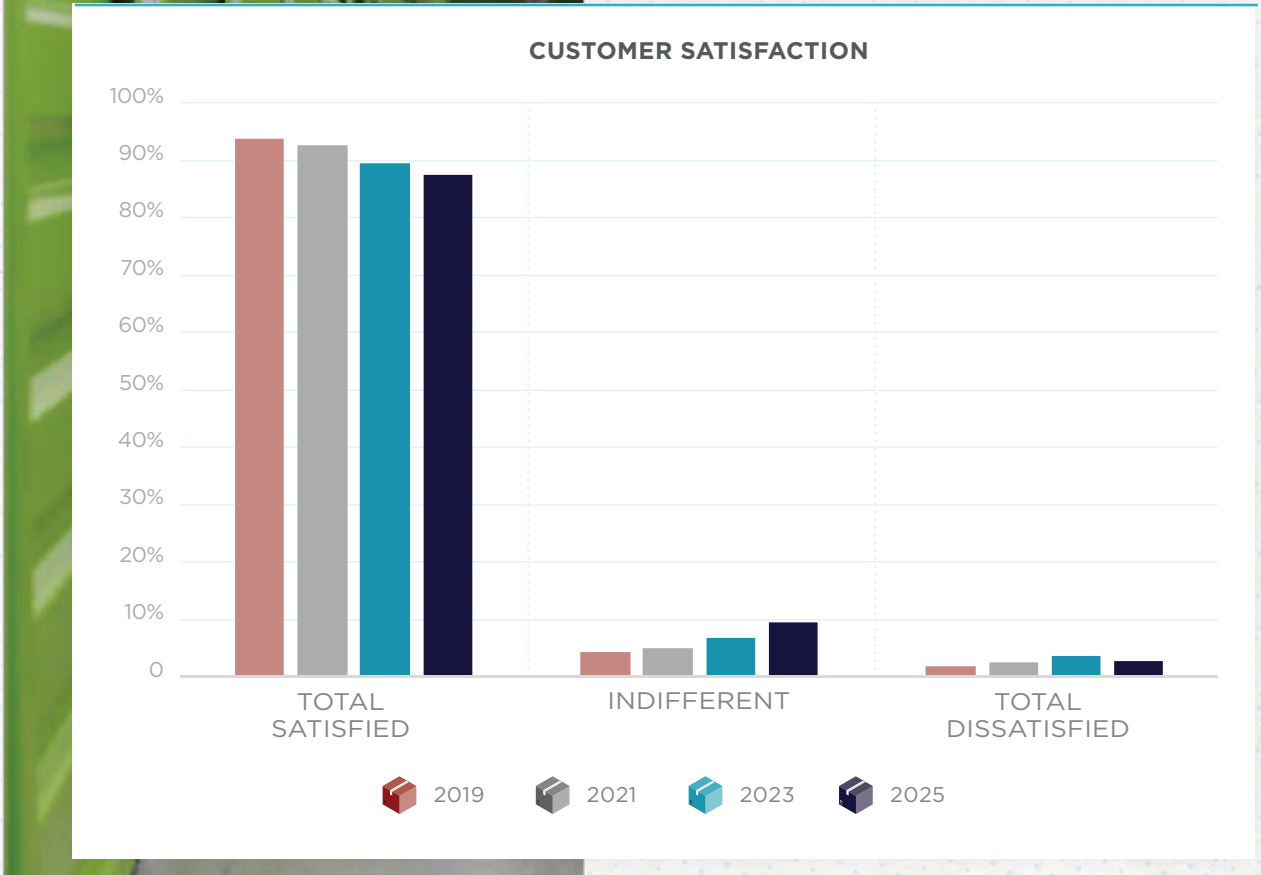






Customer satisfaction in self storage remains very high but it is declining. Customers were asked to rate their satisfaction from 0-10 with totally satisfied being a score of 8 and above, similar to the net promoter score. Indifferent is 7-4 and dissatisfied 3 and lower. The number of people that are unsatisfied has been relatively stable as people move into the indifferent categories.

Often self storage customers are led to the industry during life changing moments which can be stressful, combined with the stress of moving their goods into storage it is a testament to the industry that they turn this difficult period for customers into a positive experience.

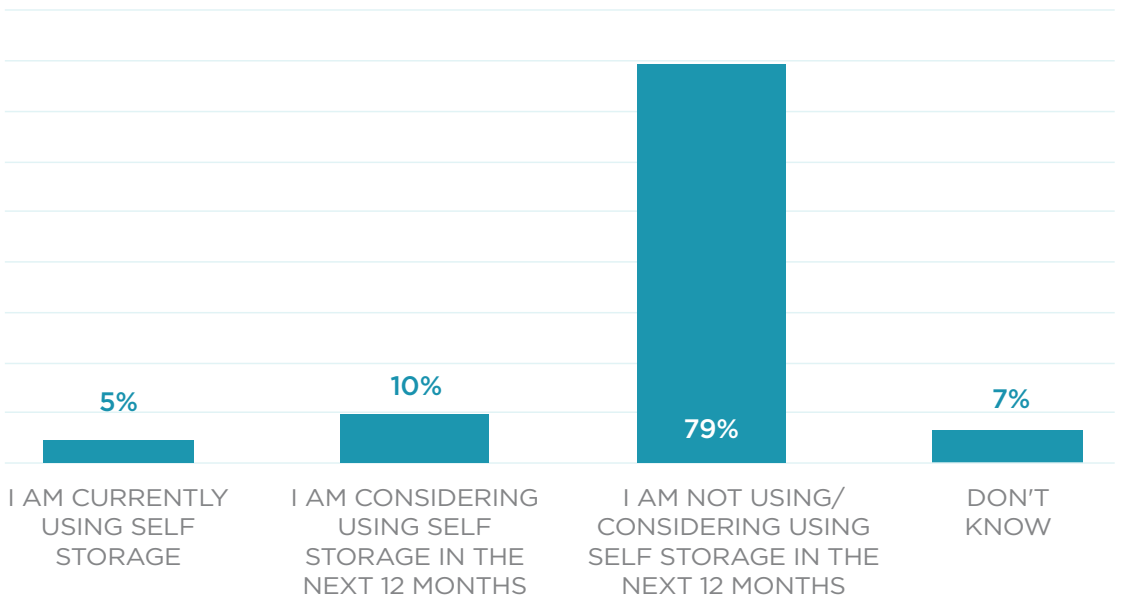


POTENTIAL USAGE

The percentage currently using self storage has increased considerably in this year's data.. This is likely to be a combination of increased usage but could also be an anomaly in this year's sample. With such a small percentage of the population using self storage, they make up a small portion of this sample so increases can be easily magnified. This is why a separate customer survey is completed to gather data from this segment.

People considering self storage in the next 12 months have also increased which suggests growing awareness, potential demand, and interest. This year 10% of people stated they are considering using it over the next 12 months. This has consistently been around twice the number of people actually using it. The industry needs to understand why around half the people considering self storage never take out a unit.

USAGE OVER THE NEXT 12 MONTHS

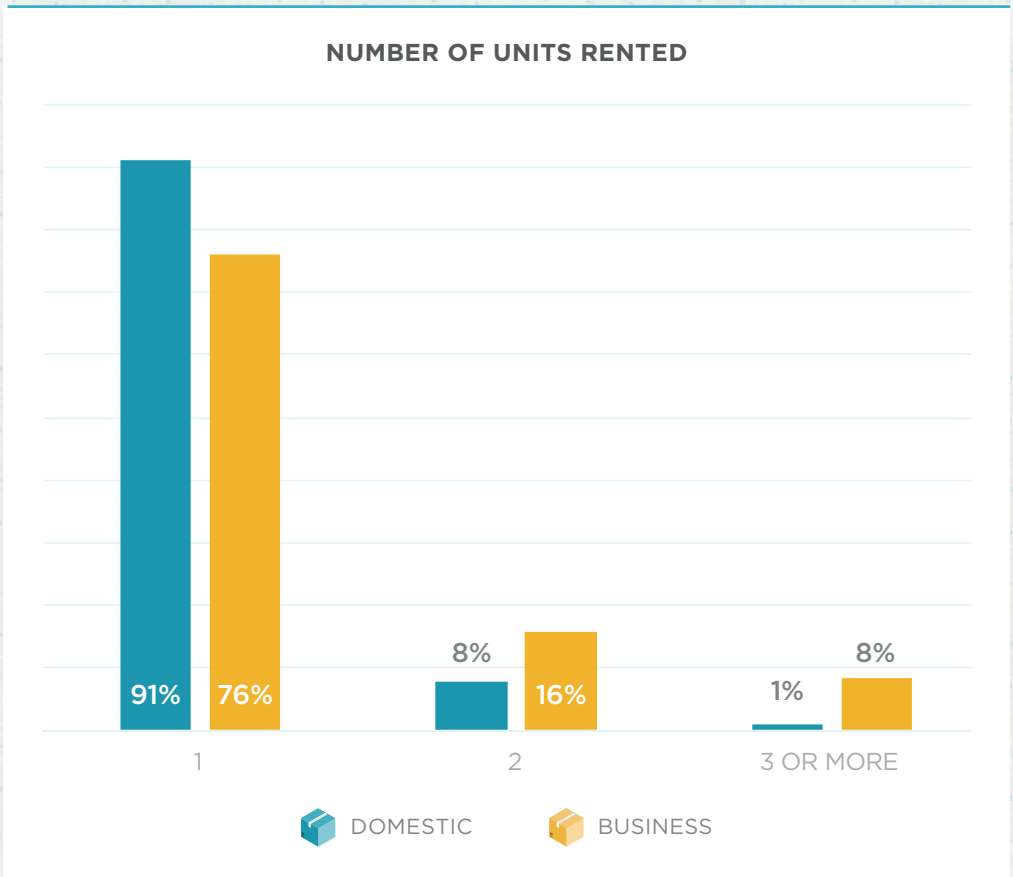




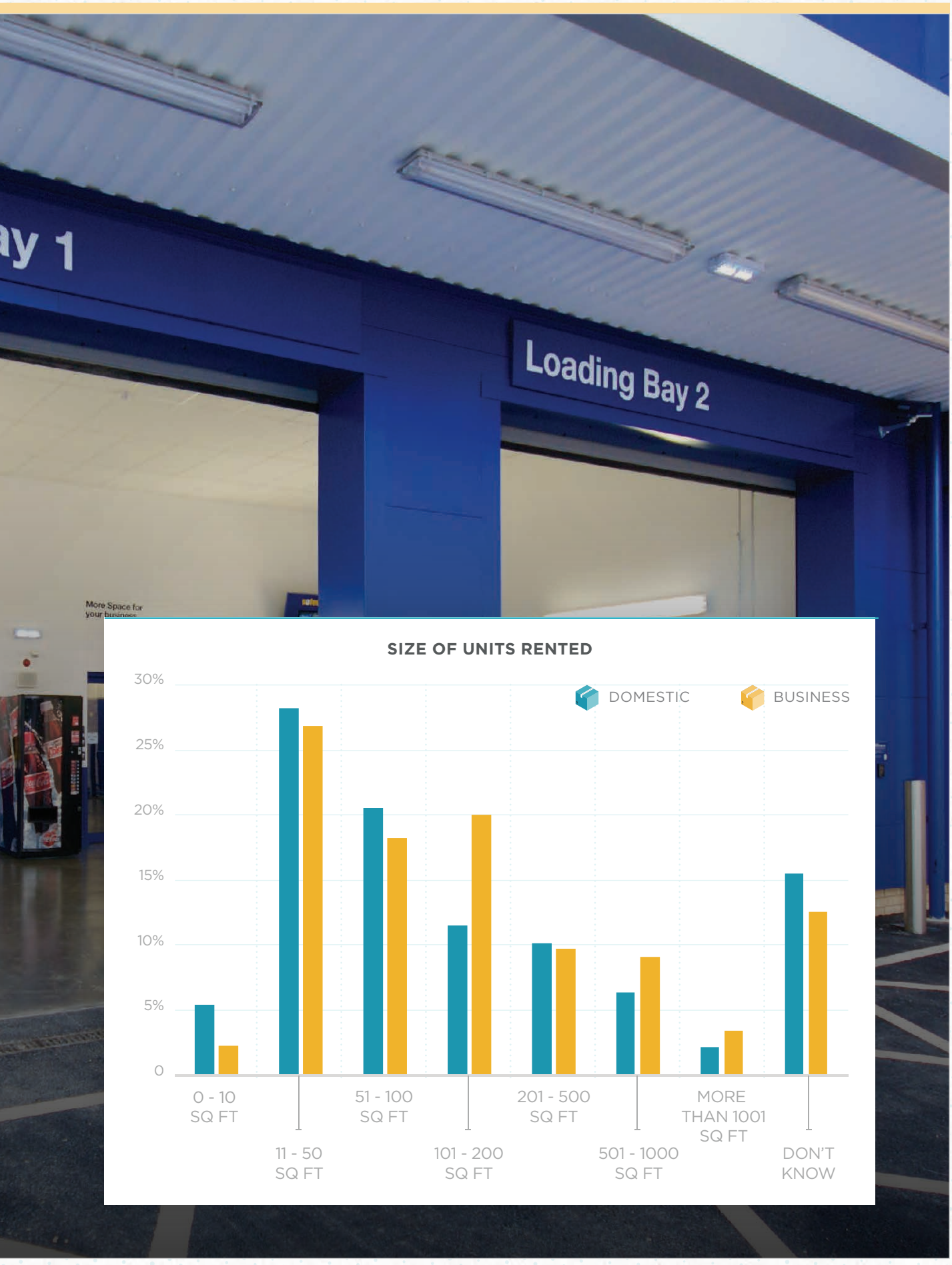
Usage Patterns

NUMBER OF UNITS PER CUSTOMER

Business users tend to take larger units or take out multiple units, they also access their units more often than domestic customers. As mentioned elsewhere in this report, customers struggle to visualise the correct sized unit for their needs. Even a large number of existing customers could not state what the size of their self storage unit was.





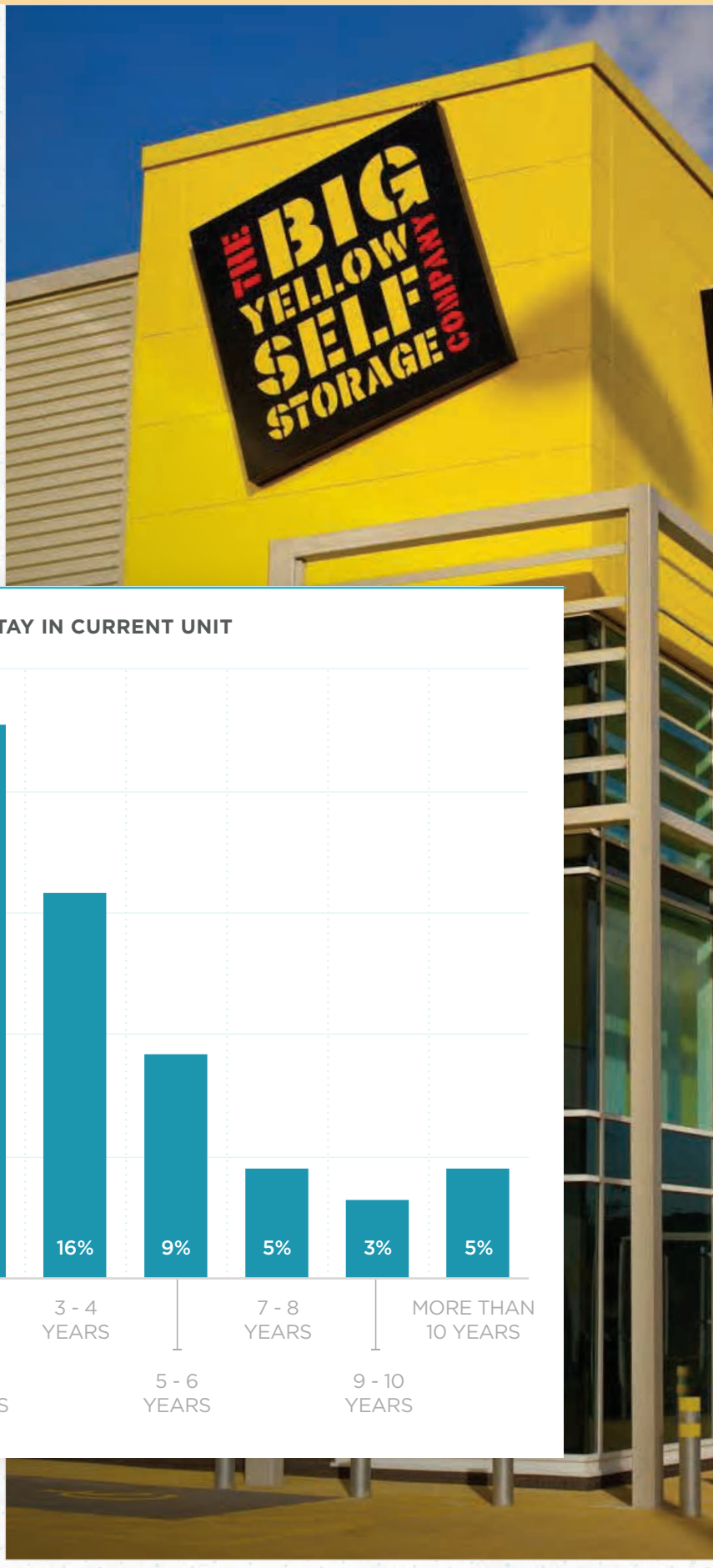


SIZE OF UNITS RENTED

LENGTH OF STAY

The vast majority of domestic customers initially use self storage for a short term need and expect to stay 9 months or less.

However many then find the convenience of their self storage unit provides value beyond their short term needs and they continue to use it for a more permanent solution. Hence customers tend to stay for either less than 9 months or for several years.

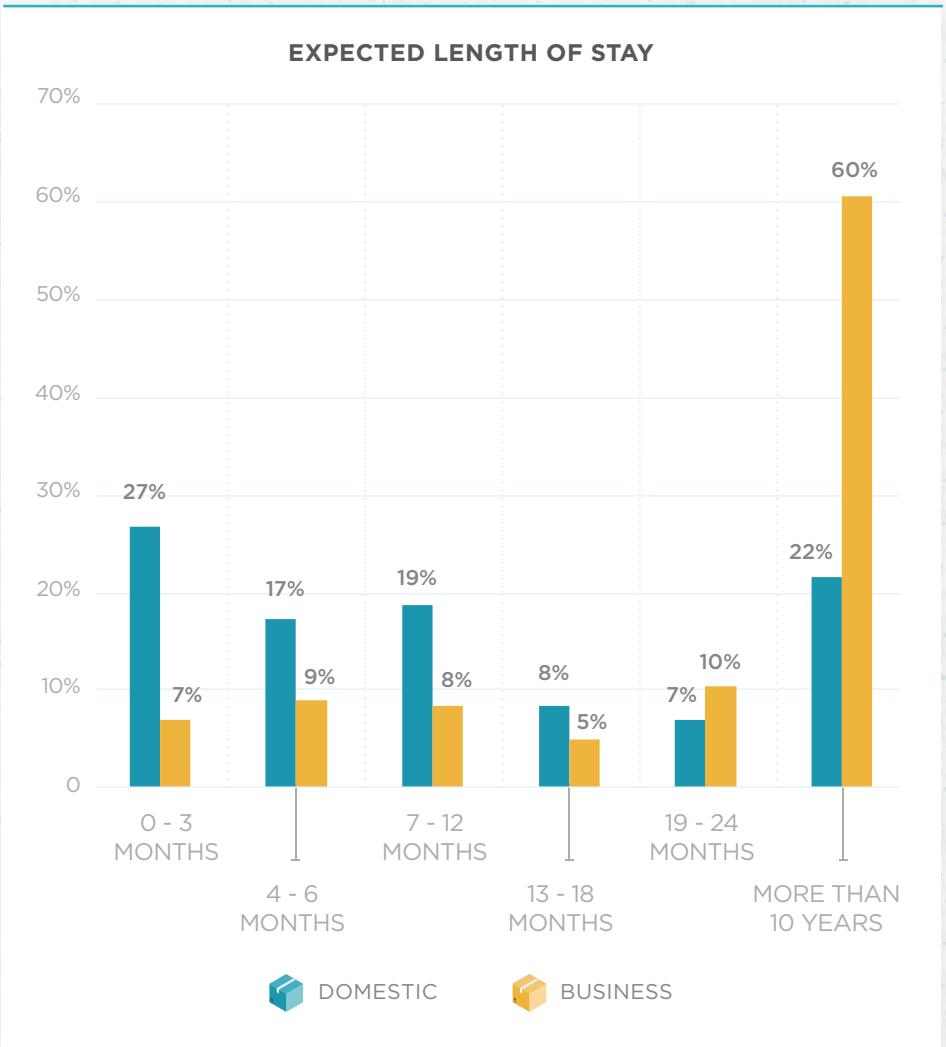




EXPECTED LENGTH OF STAY

As expected, business customers use self storage for longer periods of time, however around 40% of domestic customers have stated they expect to use self storage for more than 12 months and 22% for 2 years or more. Consider also, that some of the customers completing the survey that have just moved into self storage, may expect to stay for only a few months but may still be converted into long term customers.

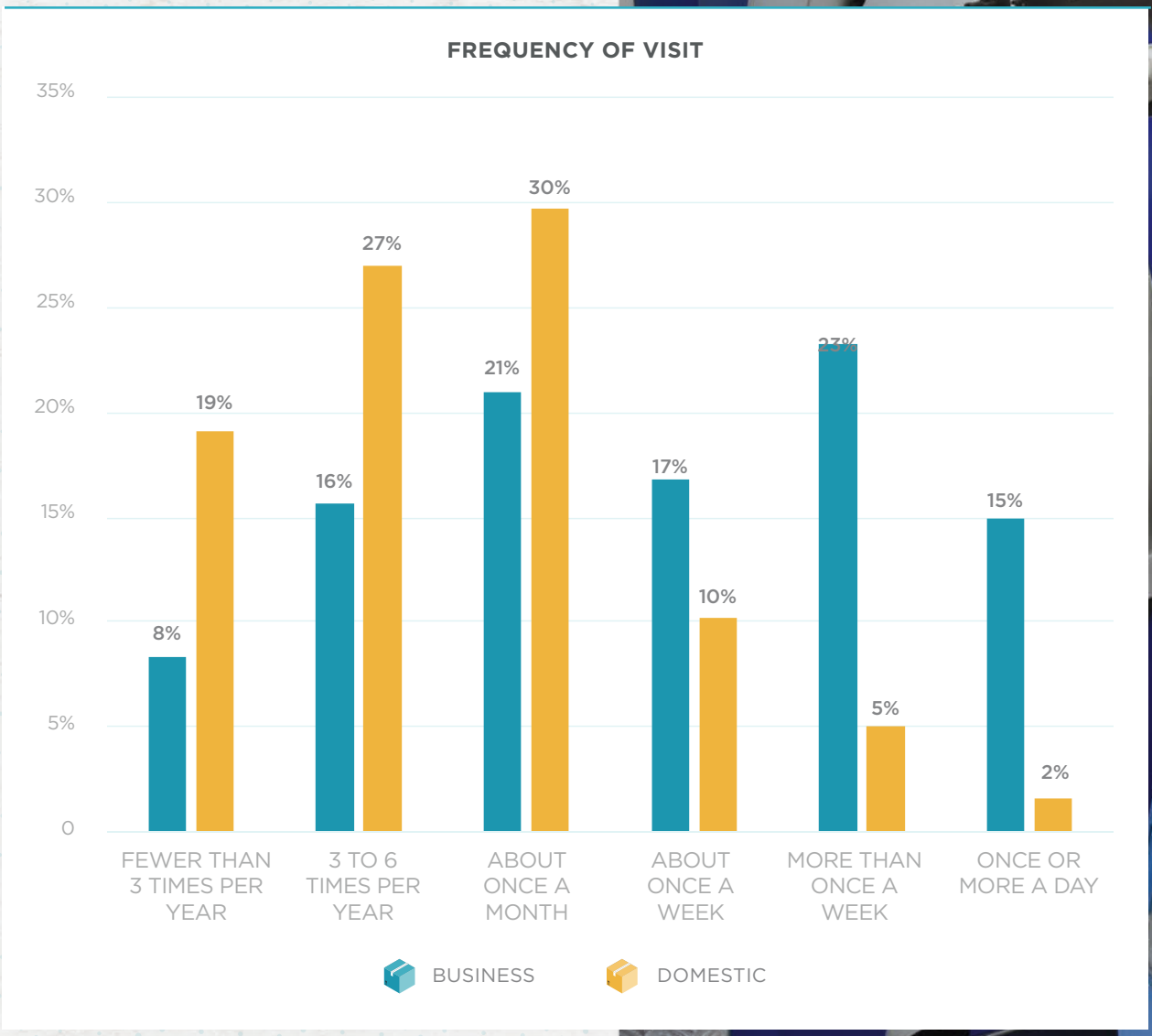
Churn is a natural part of self storage with customers moving in and out each week. Long term customers provide benefits for the self storage business, reducing churn which means the unit is not vacant between uses, and providing more value for the cost of acquisition for the customer. There is also more option for operators to increase rents once the customer stays past the up front discounts often offered.



FREQUENCY OF VISIT

Despite convenience being one of the major reasons people choose a self storage business, in reality they do not access their goods frequently. 76% of personal use customers access their unit monthly or less and only 15% of business customers access their unit daily. This means that self storage business generates less traffic than many people expect.






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