The operator survey was completed by 70 companies with 760 stores in total; each one a member of the SSA UK. The survey was completed in the months of January and February based on data from the 2024 calendar year, unless otherwise stated. Compared to the industry as a whole, the data set is slightly weighted to larger operators, as a lesser proportion of the small independent operators complete the survey.

The sample represents over 60% of the total self storage space in the country. The public survey, conducted online by YouGov on behalf of the SSA UK, was completed between January 15th and 16th 2025. It was an online survey with data taken from a statistically selected and weighted sample that represents a sample of the demographics of the adult UK population. This year, 2,055 people completed the survey.

Also included in the report is data from the customer survey completed in January and February 2025, from 19 self storage companies who have over 192 stores in total. 1,253 customers responded to the survey of which 73% were domestic customers and 27% business customers. This survey was sent to the main contact on the self storage contract. The survey was entirely voluntary and without reward.

I would like to thank all the SSA UK members who responded to the survey this year and the team at Cushman & Wakefield for collating the data, providing commentary and analysis and also producing the final report. I'm sure you will gain valuable insight from the report during another challenging year for the industry.

RENNIE SCHAFER

CEO – SELF STORAGE ASSOCIATION UK



02

Summary of Key Findings

REVENUE PER SQ FT IS UP

6% to £29.13

OCCUPANCY IS DOWN

1% to 75.1%

OCCUPANCY AT MATURE STORES IS

79%

TURNOVER IS UP TO

£1.2B

CHURN IS AT

97%

CONVERSION RATE HAS FALLEN IN ALL MEDIUMS

AVERAGE NUMBER OF STAFF IN EACH STORE IS DOWN TO

2.6

90%

OF STORES OFFER ONLINE BOOKINGS

82%

OF STORES NOW USE MONITORED CCTV

50%
OF PEOPLE WERE AWARE OF A SELF STORAGE BUSINESS IN THEIR LOCAL AREA

10%
OF PEOPLE ARE CONSIDERING USING SELF STORAGE

68%
OF BUSINESSES ARE ACTIVELY USING AI

35%
OF CUSTOMERS CONSIDERED ONLINE REVIEWS BEFORE BOOKING

41%
OF CUSTOMERS WOULD BE COMFORTABLE USING AN UNMANNED STORE

FEMALES ARE
13%
MORE LIKELY TO CONTACT A STORE ONLINE

24%
OF BUSINESS USERS RUN THEIR ENTIRE BUSINESS FROM THEIR STORAGE UNIT

88%
OF CUSTOMERS ARE SATISFIED WITH THE SERVICE

30%
OF CUSTOMERS ARE REPEAT USERS

Industry Overview

Defining the size of the self storage industry in the UK is challenging.

There is no official register of self storage stores and in most cases the government does not categorise them separately for reporting. Furthermore as the industry matures, different variations of the core product are emerging that call themselves self storage, such as solutions where goods are collected from a person's house and stored in a communal warehouse, or mobile units that are delivered to people's houses.

Some removers state they have self storage, when the storage they offer is more removers storage as customers cannot readily access their goods at their convenience. There are also small operations often bolted onto other businesses that offer limited security or access for customers that claim to be self storage businesses.

In this report a self storage unit is defined as a securable static space, less than 500 sq ft in size, that is to be used by a person or business for the storage of their goods.

The customer will have exclusive and ready access to the space. Ready access means the ability to access the unit at will during normal office hours without intervention. It is not intended that the unit be used as a workspace, trade counter or place where business activities other than storage or storage related activities take place.

Storage related activities would include goods receiving, dispatch and packing that involve the goods in storage. This unit would be rented under a self storage contract that was not part of, or tied to, an additional agreement such as a residential tenancy, office space, workspace or similar. Stores that do not have these kinds of units as the bulk of their storage, are not considered to be self storage for the purpose of this report.

This definition would not include mobile storage where portable units are delivered to customers and then returned on request as this does not meet the criteria of static space or ready access. Similarly, it would not cover peer-to-peer storage in most cases as this also would not meet the criteria of ready access without intervention.

ORGANISATION	TOTAL	INTERNAL	CONTAINERS
SPACE (SQ FT)	64,300,000	54,130,000	10,170,000
STORES	2915	1,780	1,135
TURNOVER	£1.2B		
STORAGE SPACE PER HEAD OF POPULATION	0.94		

Based on this definition, the SSA UK found there were 2,915 self storage stores in the UK, of which 1,135 were predominately container based storage; that is using shipping containers or similar external units, with 1,480 being self storage buildings, purpose built or conversions. There were around 1,480 individual self storage operators, and 64 million sq ft of storage space.

The industry turned over just under £1.2 billion in 2024. Of the 1,780 internal storage stores, 1,127 were deemed to be significant, that being over 100 units in size and being compliant with the British Standard for self storage which defines minimum levels of security and access. The number of small container based storage sites continues to grow, particularly in rural areas.

The average store size continues to fall, down 1% from last year to 22,058 sq ft, although the average size for internal storage stores increased slightly to 30,400 sq ft. The number of unmanned stores continues to increase. From the survey sample, 15% of stores did not have a staff member permanently on site.

This is mostly smaller stores in regional locations however there are also significant stores in prime locations that are now remotely managed. Consolidation of the industry has continued as operators continue to grow their portfolios through a combination of acquisition, organic growth and new developments. There is a very limited number of operators with 10 – 20 significant self storage sites left in the market, particularly in the major cities.

TOTAL SPACE UNDER OWNERSHIP OR MANAGEMENT AS OF MARCH 2025

ORGANISATION	NO. OF STORES	TOTAL SPACE
BIG YELLOW	109	6.4M
SAFESTORE	139	6M
SHURGARD	89	4.5M
ACCESS	58	3.6M
STORAGE KING	44	2M
FLEXISS	24	1.1M
UK STORAGE COMPANY	29	950,000
LOCK STOCK SELF STORAGE	29	857,520
READY STEADY STORE	23	715,000
CINCH SELF STORAGE	21	660,000

TOTAL STORES UNDER ONE BRAND AS OF MARCH 2025

ORGANISATION	NO. OF STORES	TOTAL SPACE
SAFESTORE	139	6M
SHURGARD	89	4.5M
BIG YELLOW	85	5.4M
ACCESS	58	3.6M
STORAGE KING	44	2M
UK STORAGE COMPANY	29	950,000
LOCK STOCK SELF STORAGE	29	857,520
STOREBOX SELF STORAGE	27	503,000
ARMADILLO	24	1M
READY STEADY STORE	23	715,000

04 Economic Overview

Over the last 12 months, since the last release of this publication, there has been a significant improvement in the inflationary environment, and as a result the Bank of England has cut three times to where the base rate currently sits, at 4.5% - with the most recent MPC meeting in March seeing a hold in the cutting cycle.



While the inflationary environment is still in flux, the major economic question at the time of writing is as to the impacts of the shifts in global trade as a result of a wave of increased tariffs.

On 2nd April, the US government announced what were termed 'reciprocal' tariffs against more than 180 countries, along with a baseline tariff. This was a much bigger intervention than expected. Since then, there has been a 'tit for tat' trade war between the US and China, with incremental counter-retaliation tariffs. On April 9th, after stock market volatility and a bond sell-off, the US government announced a 90 day pause on 'reciprocal' tariffs – with the exception of China.

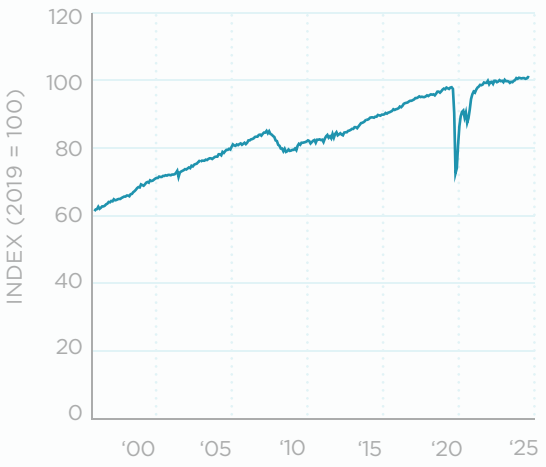
The UK saw the baseline 10% applied on UK exports to the US. This was compared to the EU tariffs of 20%. In addition, 25% applies to aluminium, steel and automobiles. At the time of writing, there was a 90 day pause on countries other than China.

The final estimate for Q4 2024 GDP came in at an unrevised 0.1%, with GDP for the year coming in at 1.1%. Growth in the final quarter was mainly driven by the services sector at 0.1% and construction which increased.

Weakness in Q4 can be partly attributed to some of the measures announced in the Autumn Budget impacting business investment. Since then, January saw the economy stable. However, February came in at a well-above-expectations 0.5%. This was driven by consumer spending, with a 1% m-o-m increase in wholesale and retail activity, while services activity also rose strongly at 0.7%.

The OBR forecasts were downbeat, with the economic forecast downgraded to 1%; rebounding to 1.9% in 2026. The volatility that has been created in the markets as a result of Liberation Day, and the disruption to global trade will likely weigh further on economic growth.

MONTHLY GDP



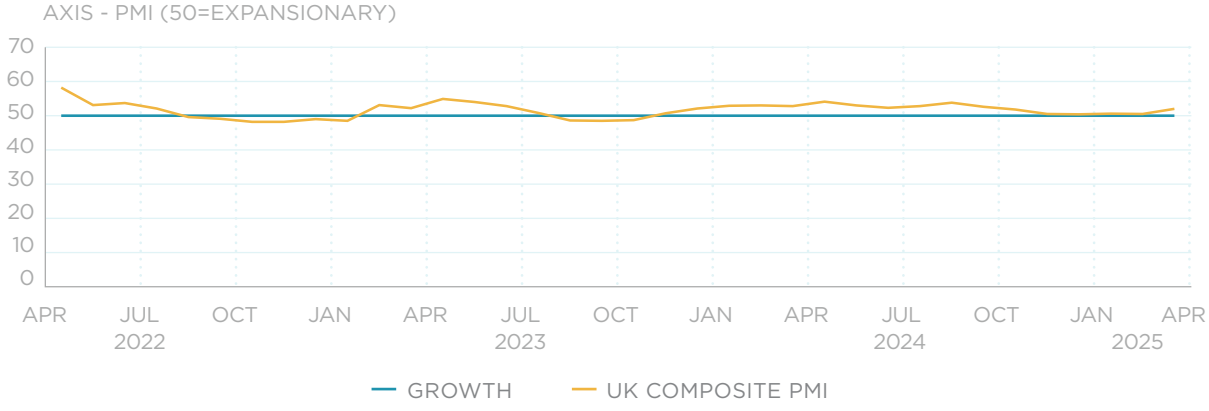
BUSINESS DEMAND

Somewhat counterintuitively, business confidence has improved – albeit this is very much a tale of two sectors. PMI for March, saw the composite PMI tick up to 52.5 up from 51 in February, indicating business expansion.

Improvement in confidence was mainly driven by services sector growth, with manufacturers reporting the steepest downturn in production volumes for almost 18 months – with the Manufacturing PMI down to 44.9, from 46.9 a month previous. This can be attributed partly to a negative outlook on incoming tariffs, (albeit it is worth noting that this would have been recorded prior to the so-called Liberation Day announcements), as well as higher labour costs due to the rise in the national living wage and NIC contributions.

In 2024, there were 23,872 company insolvencies, down from the record 25,128 in 2023, but still high in historical context. The change was mainly driven by CVLs which were 8% lower than those record highs. The number of compulsory liquidations was up 14% on levels seen in 2023, and their highest since 2014. Essentially one in 191 companies entered insolvency during 2024. The first two months of 2025 have seen a total of 4,013 insolvencies. February's 2,035 was 3% higher than January but 7% lower than February 2024.

UK COMPOSITE PMI



CONSUMER DEMAND

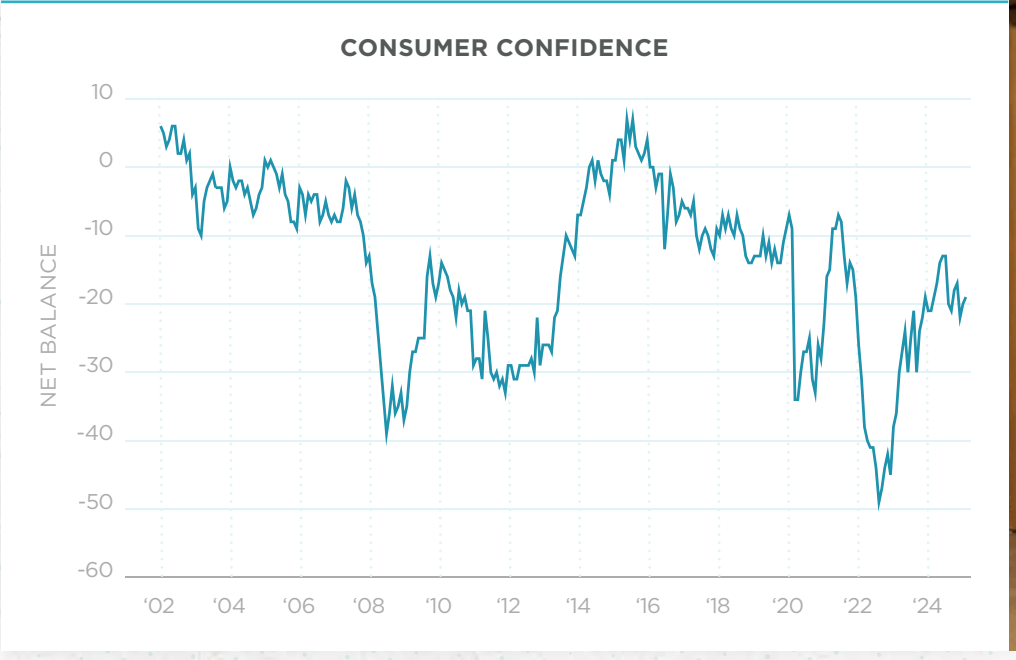
Real household incomes have seen strong growth over the last year, albeit consumer spending continues to be relatively constrained as a result of persistent inflationary pressures and weak confidence on the outlook for the economy. The lagged impact of past rate hikes will continue to weigh on household spending.

Consumer confidence continues to run low. The most recent reading for March saw Consumer confidence increase one point to -19. This was caused by a more negative view on personal financial situations, whilst the outlook for general economic situation ticked up – albeit from historically low levels. The Savings Index, which does not make up the overall score, was down five points in March to 25.

Retail sales volumes for February 2025 rose for the second consecutive month driven by strong growth in household goods stores and non-store retailing.

Volumes for 2024 had been up 0.7% after falling by 2.9% in 2023 and by 4.1% in 2022. Across 2024, all main sectors except food stores rose year-on-year despite a 0.8% quarterly fall. January 2025 saw retail sales volumes increase by 1.7%.





LABOUR MARKET

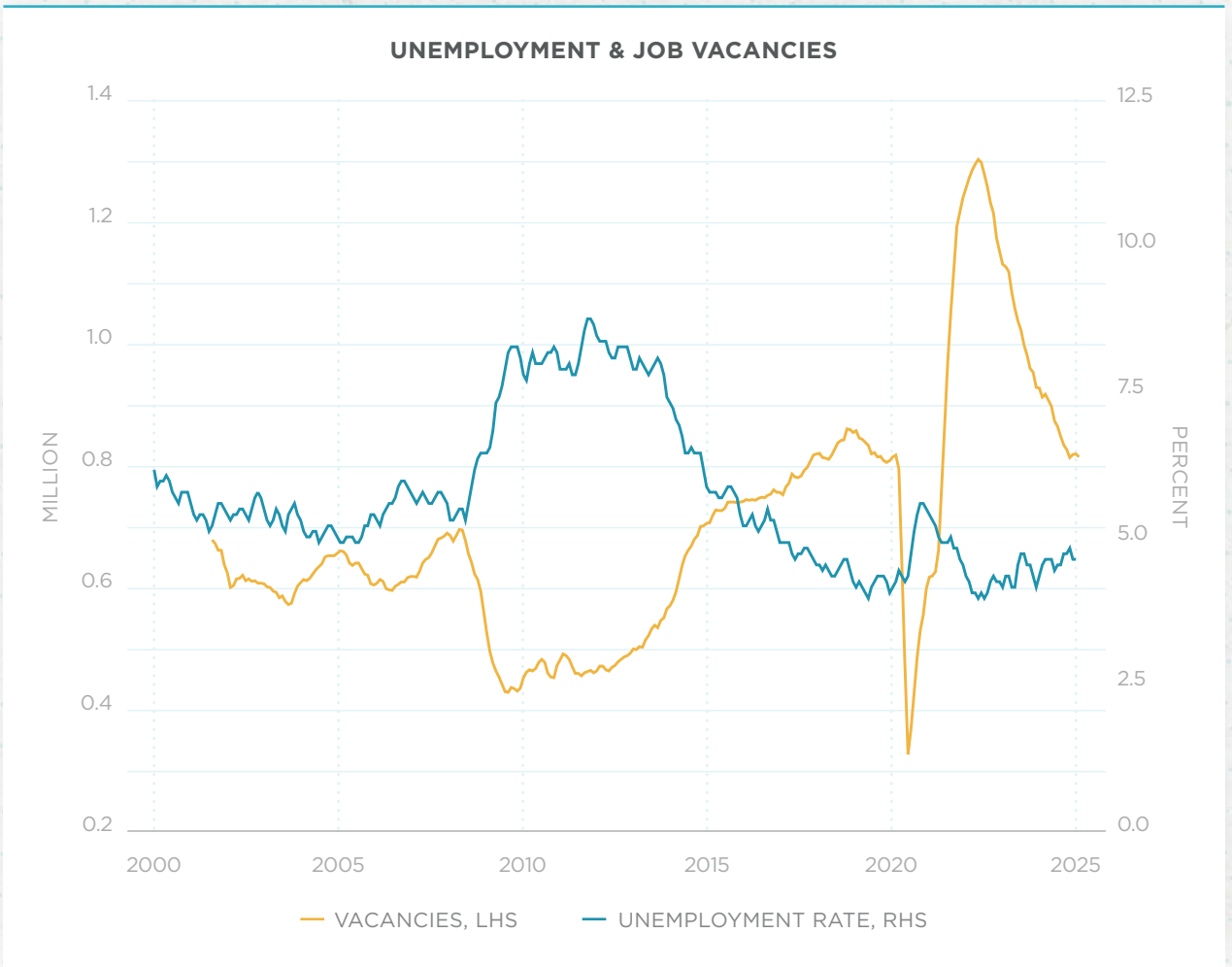
The labour market data provided by the Government remains unreliable due to the small sample sizes. The requisite improvements have not yet been made. Piecing together the narrative amongst different data points is more challenging than usual. In essence, the key story is that pay has increased despite the labour market weakening slightly towards the end of the year.

The number of estimated payrolled employees increased by 9,000 (less than 0.1%) between December and January. This means that there were still 44,000 more people in work in December 2024 than there were a year previous. The UK unemployment rate is now at 4.4%, and was stable for February.

The economic inactivity rate has come down slightly to 21.5%, below estimate of a year previous.

After 31 consecutive periods, job vacancies ticked slightly upwards (by just 1,000) in February 2024. There are currently 816,000 vacancies, down by 98,000 (10.7%) on a year previous.

Due to the lagging nature of the data, information on redundancies is unlikely to give a true indication of the current health of the economy. Nevertheless, the data that runs from Oct-Dec saw the number of redundancies increase slightly to 3.9 per 1,000 employees. Since then, it has increased further to 4.2 in January.



INFLATION & MONETARY POLICY

In the short term, there continues to be renewed upward pressure on inflation incoming, including the introduction of VAT on private school fees, a rise in utility prices and a 50% increase in the bus price cap. On a monthly basis, CPIH rose by 0.4% in February and was running at 3.7% annually. CPI was up 2.8% annually and similarly up by 0.4% for the month.

Core CPIH increased by 4.4% in the 12 months to February, slightly down from the 4.6% a month previous. The largest downward contributions to inflation came from clothing and housing and household services, while the largest upward contribution came from transport.

In March 2025, the MPC voted 8-1 to hold the base rate at 4.5%, citing global uncertainty on trade policy. The minutes suggested a "gradual and careful approach to the further withdrawal of monetary policy".

The temporary nature of inflationary rises, plus a more negative outlook for growth – even before the liberation day announcements - means that the market was continuing to price in further cuts to the base rate before and after the Liberation Day announcements.

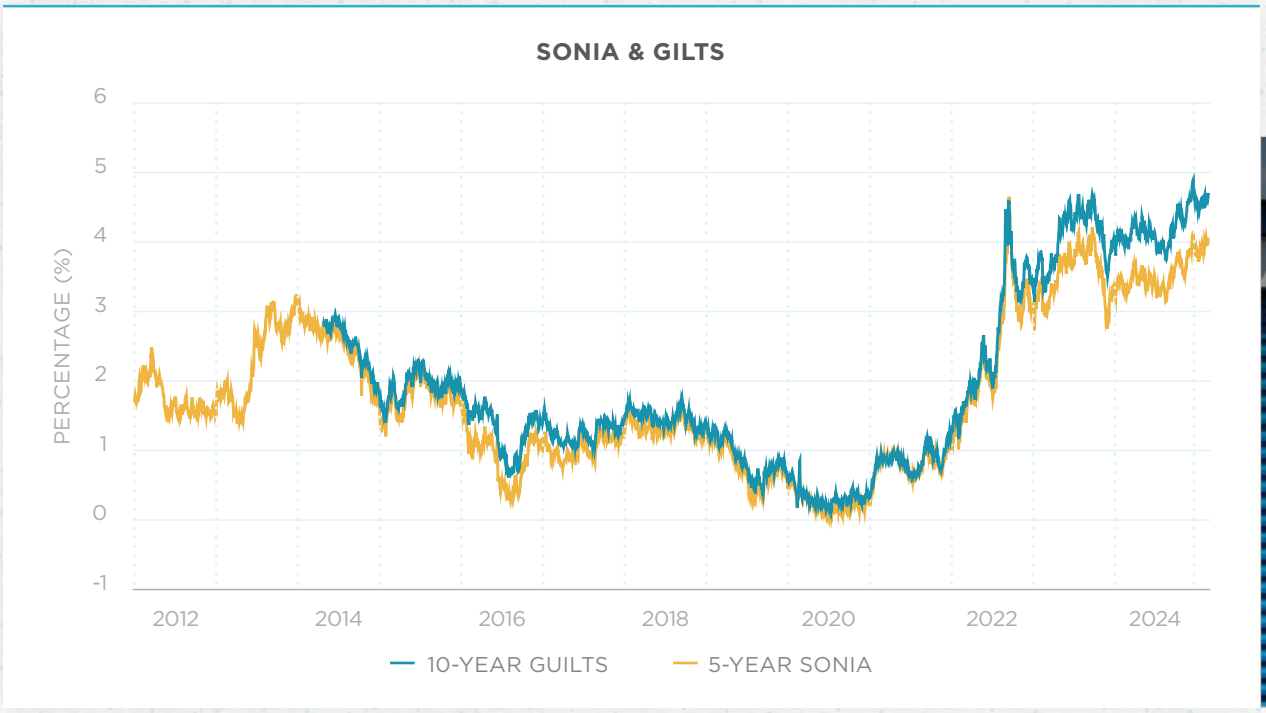
However, the severe volatility and variety of announcements creates significant uncertainty on decision making.

The announcement of the Budget and a hot US economy at the start of 2025 had seen significant upward pressure on bonds. 10 year UK gilts were as high as ~4.9% before coming down to ~4.4% at the beginning of February.

Since the tariff announcements, there has been volatility in pricing. On 8th April, US 30-year Treasury yields had spiked to above 5%, before settling to ~4.9%, having been at ~4.45% pre-tariff announcement.

UK 10 year bonds were oscillating between ~4.6% pre-announcements to as low as ~4.4% immediately after and was up to ~4.8% at the time of writing, in the aftermath of the escalation of the tariff announcements between China and the US, and with the 90 day tariff pause.

The 5-year SONIA at the time of writing was running at ~3.7%.





HOUSING SALES MARKET

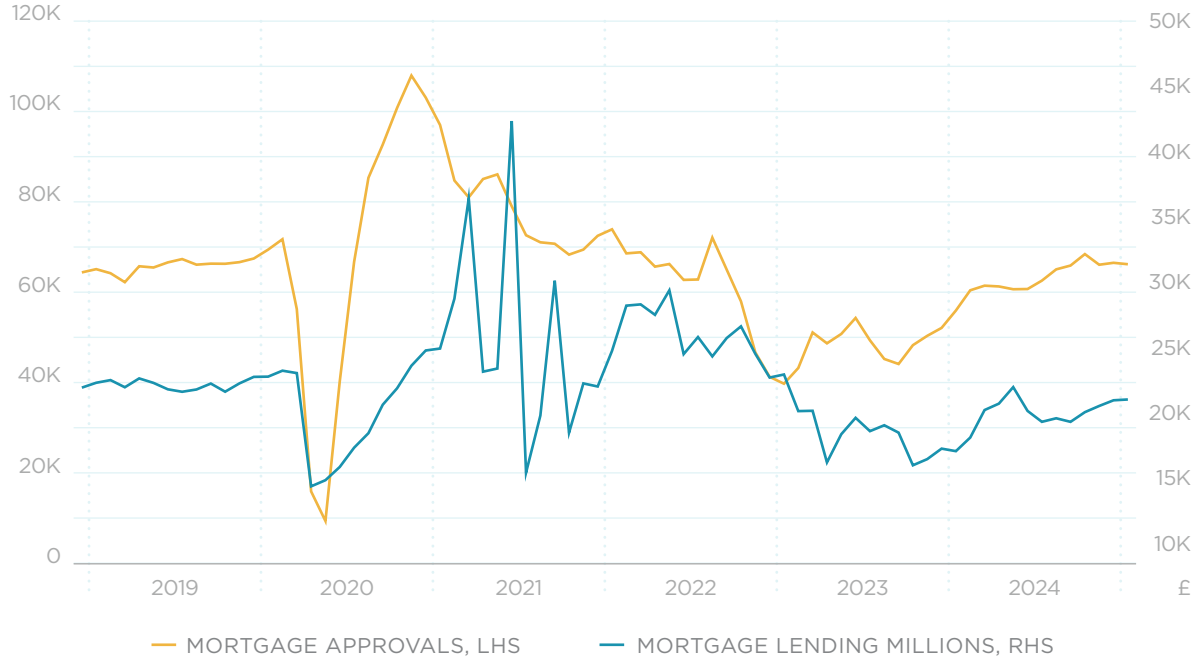
Housing sales activity surged to its highest level in nearly two years, as buyers rushed to complete transactions before the stamp duty holiday ended. In the coming months, house price growth is expected to moderate as supply rises and higher stamp duty costs in England start to weigh on pricing.

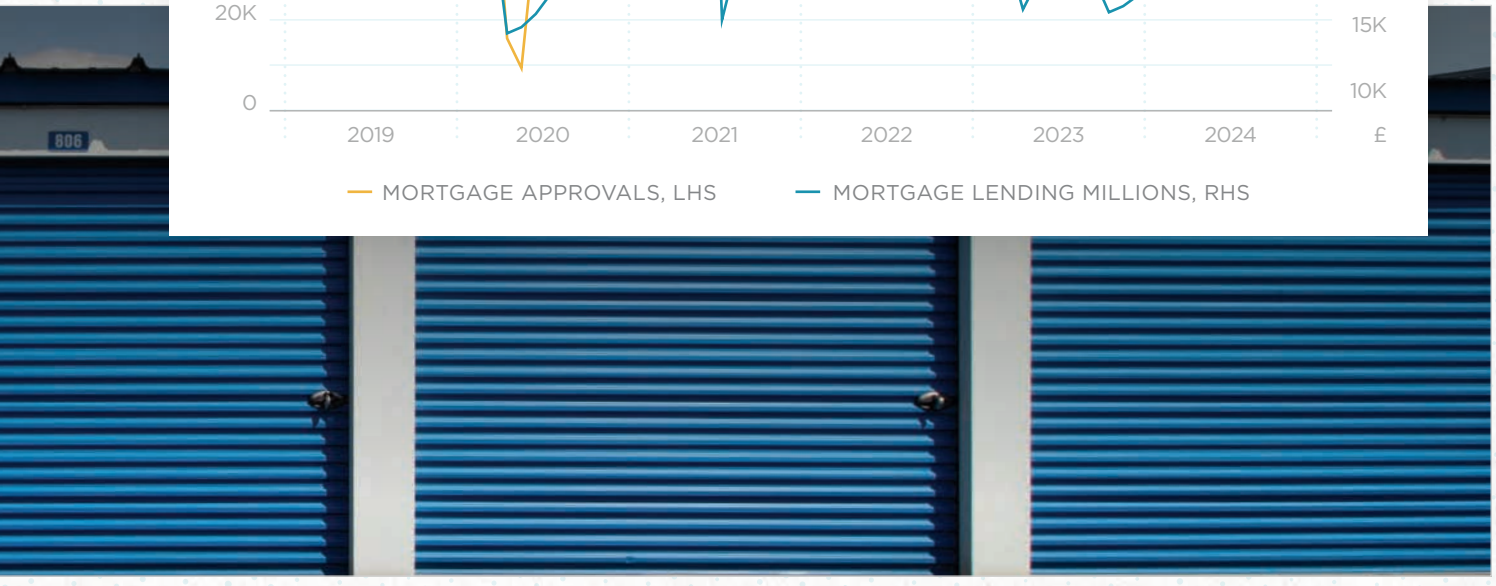
Mortgage approvals are a leading indicator of housing demand. In February, there was a marginal fall in demand with 65,481 mortgages approved – 0.8% below the previous month but still 8.2% higher than a year ago.

An estimated 108,250 transactions were completed in February—13% higher than in January and 28.1% above the same period last year, driven by the stamp duty relief. This surge pushed sales volumes above pre-pandemic levels, up 10.9% compared to historical averages.

House prices remained flat in March 2025, according to Nationwide, with year-on-year growth holding steady at 3.9%. Meanwhile, Zoopla reported that the number of homes for sale is increasing faster than the number of sales agreed, with supply up 11% compared to last year. This growing inventory is also expected to temper house price inflation over coming months.

MONTHLY MORTGAGE APPROVALS AND LENDING






CINCH
SELF STORAGE

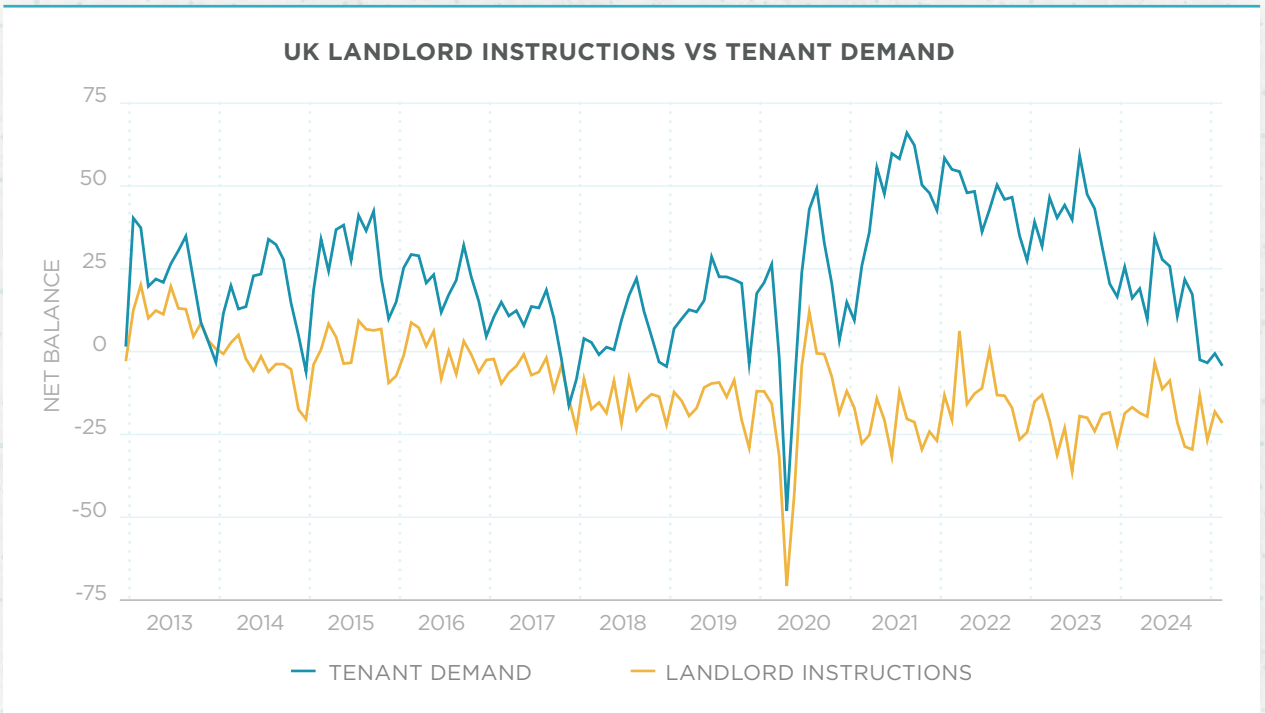
HOUSING RENTAL MARKET

The gap between supply and demand in the rental market has narrowed but is expected to remain a defining characteristic throughout 2025. Though rental growth has slowed, supply is unlikely to improve, and this is expected to place steady upward pressure on rental costs. Affordability constraints in high-rent areas, however, are likely to temper the pace of rental inflation.

From a regulatory standpoint, the anticipated Renters' Rights Bill introduces some uncertainty for 2025, with its impact expected to unfold gradually. Meanwhile, stricter energy performance standards and higher purchase taxes for private landlords are likely to constrain supply, reinforcing the critical role of BTR in meeting housing demand.

Additionally, the UK government's plan to ban new leasehold flats in England and Wales in favour of a commonhold system aims to give homeowners greater control, though the transition for existing leaseholds remains unclear.

The RICS residential survey for February 2025 showed a net balance of -4.2% of respondents reporting an increase in tenant demand, harder than the -0.6% recorded in January 2025. As for supply, new landlord instructions remained in negative territory with the net balance falling to -22% from -18% the previous month.



Transaction Highlights



MARCH 2024

TITAN, SIDCUP

Cinch Self Storage and Padlock Capital Partners UK Fund acquire a single asset in Sidcup, totaling 38,000 sq ft.

MAY 2024

KENT SPACE

Hines acquired the Kent Space portfolio for an undisclosed sum. The sites total over 78,000 sq ft of self storage space, and 30,000 sq ft of office space.

OCTOBER 2024

PINK HIPPO SELF STORAGE

Paloma Capital – Acquired Pink Hippo Self Storage for an undisclosed amount. The facilities are located in Reading, Leatherhead and Dorking.

SEPTEMBER 2024

CINCH SELF STORAGE

Clear Sky Capital has secured £103m loan to refinance its padlock self-storage portfolio provided by an affiliate of Cerberus Capital Management.

NOVEMBER 2024

WIGAN SELF STORE

Quick Self Storage acquire a single facility in Wigan.

MYSTORE, WITNEY

Pithos Capital and the UK Self Storage Company – Acquired MyStore's 54,772 sq ft (MLA) store in Witney for an undisclosed amount. The store has consent for a 19,550 sq ft extension.



JULY 2024

SCOTT STORAGE

Flexiss Group (on behalf of The Self Storage Company) – Acquired Scott Self Storage's facility in Lincoln. The deal represents the investor's first acquisition outside of Greater London.

MY LOCK UP

Spectrum Self Storage (StoreBox) - Acquired the My Lock Up portfolio in the north east of England for £30,000,000. The portfolio comprises ten stores, equating to 186,730 sq ft.

AUGUST 2024

PREMIER SELF STORAGE, BURTON

Paloma Capital – Acquired a Premier Self Storage facility in Burton, alongside their operating partner, Wigwam Self Storage. The price is undisclosed.

LOK 'N STORE

Shurgard - Acquired Lok'nStore at a price of £11.10 per share, representing £408,000,000. The acquisition doubled the size of Shurgard in the UK from 48 stores to 100 stores (including pipeline).

DECEMBER 2024

BWI SELF STORAGE

Spectrum Self Storage Group - Acquired a single BWI Self Storage facility of 27,000 sq ft (MLA) in London for an undisclosed price.

Investor Interest



Over the last number of years, real estate investment has continued to evolve against a backdrop of high inflation, high interest rates and reduced liquidity.

During this time, the longstanding trend of the investment universe becoming increasingly geared towards operational real estate has increased.

While self storage is a relatively small part of that sector, as the sector has proliferated – in percentage terms, the sector has seen the largest growth in terms of size over the last 20 years – the sector has increased its attractiveness as an asset class.

What further change is in store for the industry and what do we expect to see as the asset class evolves? We look at some of the changes likely to impact the sector.



A DIVERSE RANGE OF INVESTORS WILL CONTINUE TO TARGET SELF STORAGE

The investor interest in the self storage sector is already diverse, evidenced most clearly by the ongoing sale of Access Self Storage (at time of writing), which had received non-binding offers from a range of investors including private-equity, self storage operators and REITS.

During the course of 2024, global real estate developer and fund manager Hines entered the European self storage market for the first time, purchasing Kent Space through the HEREP III fund – a three-asset portfolio containing 1,449 units – with Storage King taking on the portfolio management and branding. Hines have stated that they aim to build their portfolio in the sector to £200 million across Europe.

This is also evidenced by increased lending within the sector, and activity outside of the UK, across growing European markets with Nuveen acquiring Easybox in Italy and The Self Storage group in Scandinavia; while Lokabox was purchased by Carlyle at the end of of 2023. PGIM and Pithos Capital have formed a partnership for acquiring and repositioning assets across France under the brand Zebrabox.



INSTITUTIONAL INVESTORS WILL BECOME INCREASINGLY ACTIVE

The sector is witnessing a surge in institutional interest, with mature portfolios attracting increasingly Core and Core+ capital. This is being driven by both historic and projected growth in the sector, as well as strong underlying fundamentals and is evidenced most notably by Schroders, Swiss Life and L&G's presence in the sector.

By and large, this is likely to be facilitated by Management companies such as Flexiss and Storage King who are able to act as development and operating partners in order to mitigate risk and manage absorption.

CONSUMER DATA WILL DRIVE INVESTMENT DECISION-MAKING

An improvement in consumer data led in part by this publication, has driven a greater focus on product location quality and type. This is driving a bifurcation in the market as purpose built assets in good micro locations continue to attract significant interest, especially against a backdrop of limited supply.

A deeper understanding of the consumer will continue to allow for rate and occupancy management.

THE QUALITY OF STOCK WILL BECOME MORE INSTITUTIONAL GRADE

We have already seen significant investment into enhancing asset quality, while newer assets, compliant with ESG standards and designed specifically for self storage usage are more likely to appeal to institutional investors.

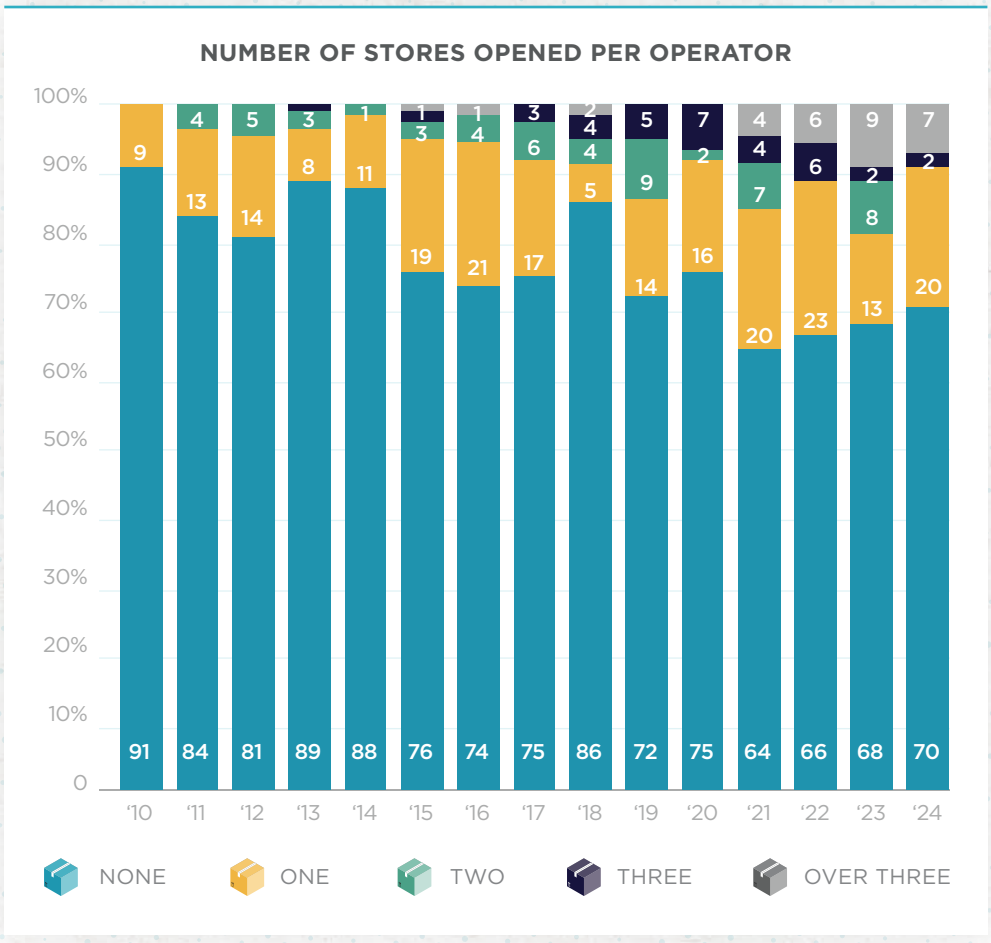
OPERATIONAL EFFICIENCY WILL DRIVE RETURNS

With limited scope for yield compression in the short term, returns are being driven by an increase in operational efficiencies and repurposing opportunities (from another asset to self storage). Larger portfolios are likely to benefit from centralised operations, marketing efficiencies, and regional management, thereby improving margins.



THERE WILL BE CONSOLIDATION DRIVEN BY INCREASED INSTITUTIONAL CAPITAL

Many operators still manage fewer than three stores, often with repurposed assets, presenting opportunities for institutionalisation. With the disparity between prime and secondary assets continuing to grow, investors will seek elevated portfolio quality through new development, driven in part by a cohort of larger operators.





NEW TYPOLOGIES WILL EVOLVE AND EMERGE

This is something that we mentioned last year but stands true. New types of self storage stores will evolve, particularly at the smaller end of the market. This will be driven by supply-side opportunities as we see increased obsolescence of the built environment in a number of locations for certain sectors. This will likely become a route of greater exposure to the sector for institutional investors.

There will also be increased overlap with larger scale warehousing and logistics sector, particularly through the advent of flexible storage solutions, with greater provision of full or part life cycle logistics services at levels that do not justify the establishment of dedicated real estate facilities.

External, drive-up or drop-down style self storage will continue to develop offering more than just shipping containers as a storage solution.

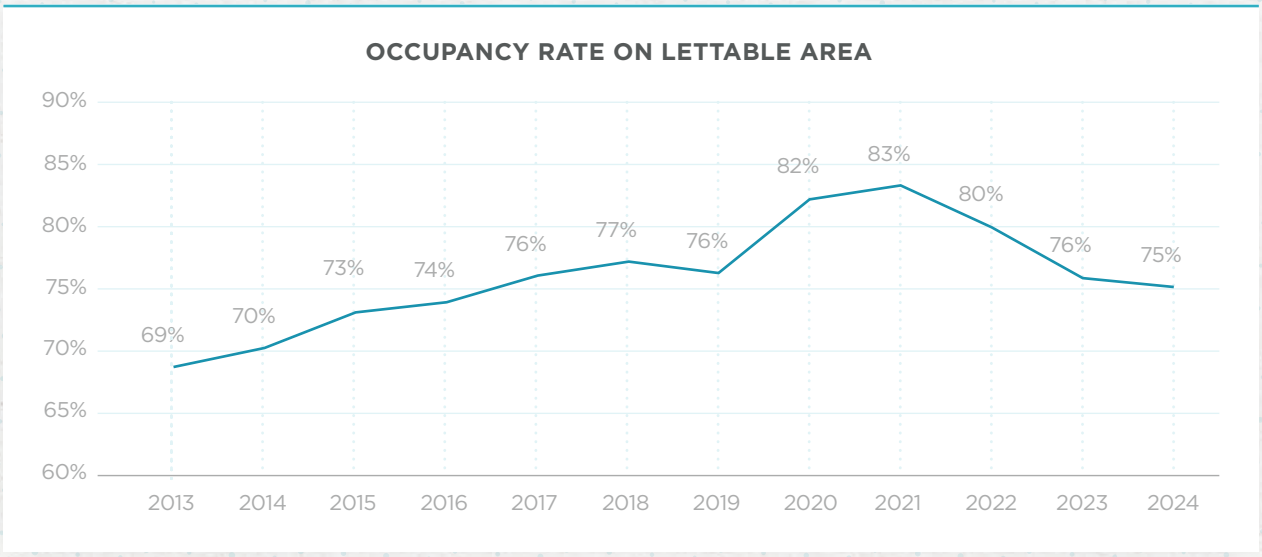
THE SECTOR WILL CONTINUE TO GROW

Between 2005 and 2023, self storage floorspace more than tripled to 60 million sq ft. According to Cushman & Wakefield's The Shape of Real Estate 2040, the sector will continue to grow as one of the fastest growing sectors within the UK driven by demographic drivers, an evolving housing market and a continued evolution of consumer behaviour.

07 Industry Performance

OCCUPANCY

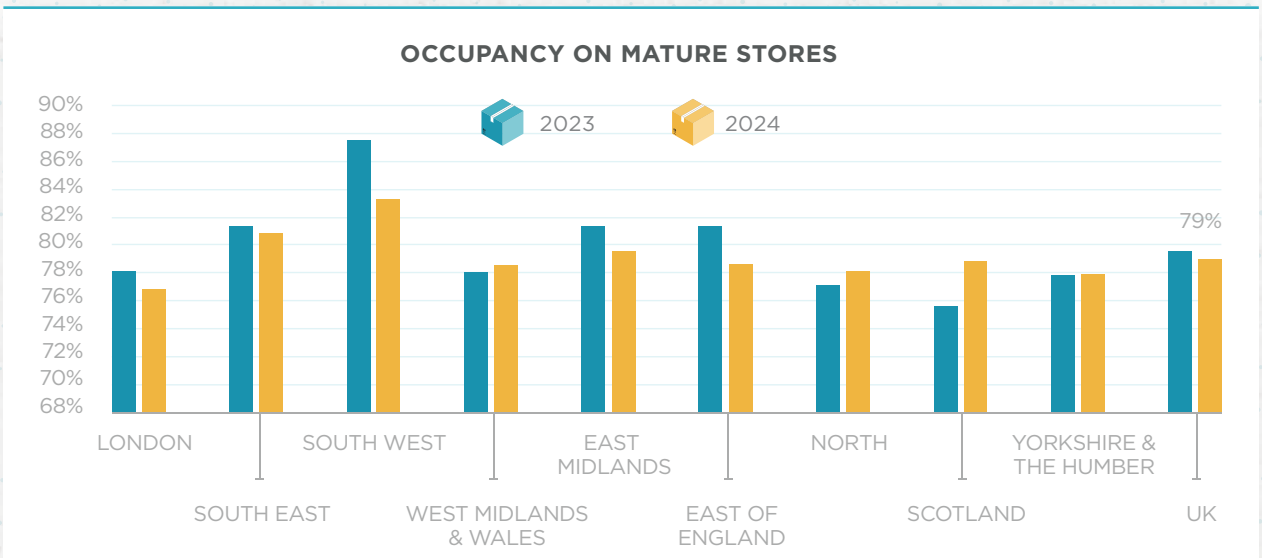
Occupancy rates fell marginally to 75.1% across the UK, a drop of 1% or 0.8 percentage points. This is less than the growth in revenue of 6%. In self storage, occupancy and revenue growth must be considered in tandem, it can be easy to increase occupancy at the expense of rates with heavy discounting, but this does not necessarily result in an increase in profits. This chart also represents all stores, including those recently opened or expanded, which will naturally have lower occupancy as they are in fill up stage.



When considering occupancy on mature stores that have not added new space or opened in the last 4 years, the rate is higher (79%). The drop from last year is also less at 0.5 percentage points.

Scotland increased occupancy by 3.3 percentage points. Given Scotland's drop in revenue per square foot, it seems like operators in the market are chasing increases in occupancy with heavier discounting.

London, which had the highest growth in revenue per square foot, lost 1.3 percentage points of occupancy, indicating that operators in the market remain more revenue focussed and are less willing to discount to gain occupancy. In terms of overall profitability, the London market showed the strongest growth with 14% growth in rates and only a 1.7 % drop in occupancy. The South West, while showing a 10% increase in rates, had this eroded more significantly with a 4.3% drop in occupancy, albeit still maintaining the highest occupancy of any of the regions at 83.3%.



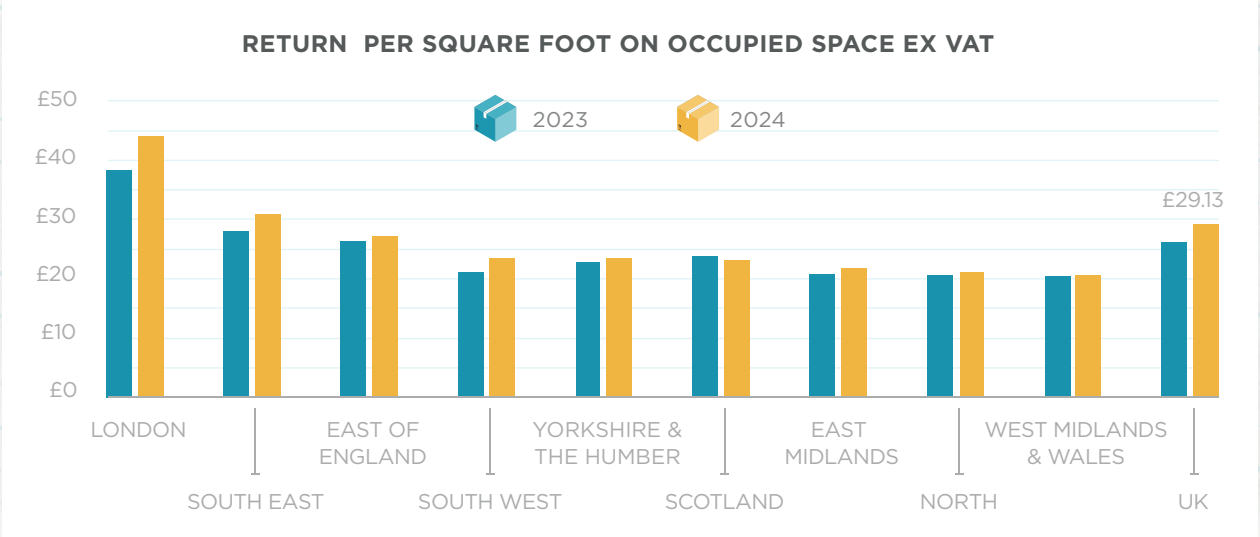
RETURN ON SPACE

All markets other than Scotland showed an increase in income from storage fees on a square foot basis. There was an average of 6% increase in returns across the UK, this is against inflation of 2.5% for the period.

Therefore, most operators were able to grow rates significantly more than inflation, which is an improvement over 2023 where rate growth was less than inflation.

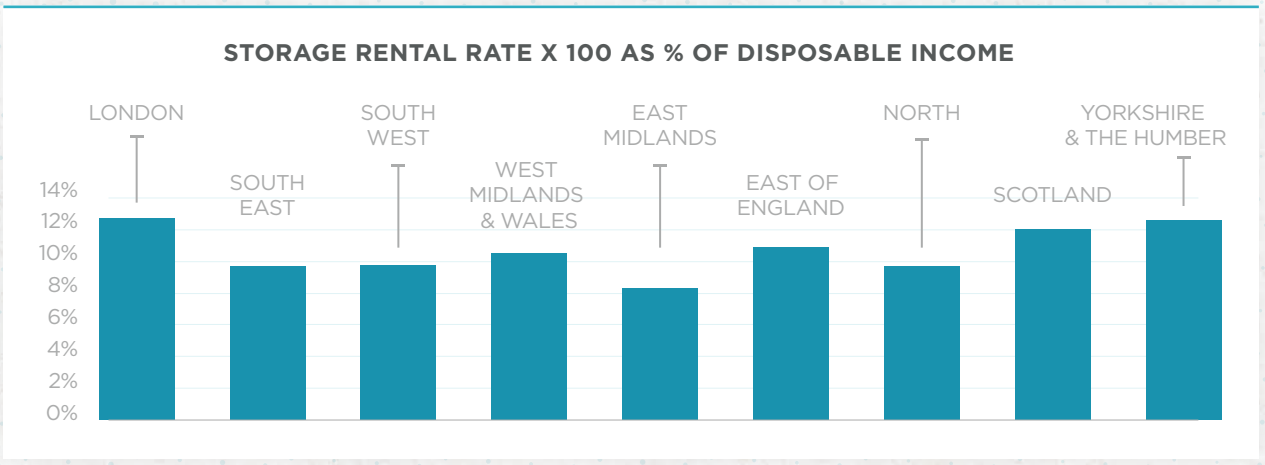
Scotland had a larger increase in rental rates during the COVID period than other regions, however since then it has not seen the levels of growth of other regions. This is the first year that returns have decreased in Scotland, it has also fallen below the long term average as a percentage of the UK rate.

London had the largest increase in rates, up 14% with the South East and the South West also showing double digit growth in rates. The Northern regions had less significant growth in rates.



AFFORDABILITY

To gauge the affordability of self storage in the regions, the below chart compares self storage rental rates against disposable income per capita. This shows that in real terms, self storage is most expensive in London, Scotland and Yorkshire and most affordable in the East Midlands.

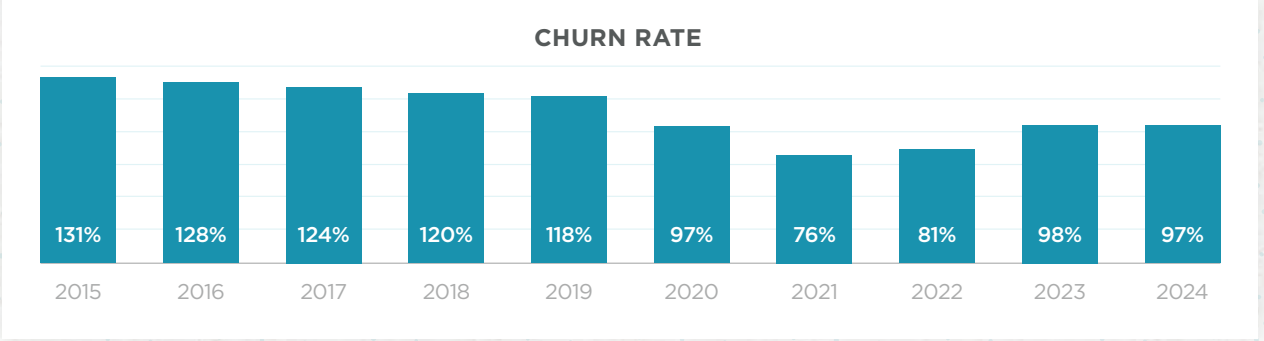


CHURN RATE

Following a massive drop in churn during the COVID period, it has stabilised to just under 100%, which remains below the pre COVID average. Churn is an important factor in self storage as it shows how many new customers are required to hold occupancy. A churn of 100% means that during the year, one customer leaves for every unit, or if you have 400 occupied units, you need 400 new customers to maintain occupancy.

Churn is a natural part of self storage and allows operators to change pricing. In a growing market with increasing rates and good enquiry levels, high churn could be seen as a positive as it gives opportunity to raise prices on new customers potentially more quickly than existing customers. However, in a market where enquiries are down and rates are not being increased as aggressively, it is usually better to try and retain existing customers and lower churn.

It should also be noted that as a store ages it usually lowers its churn. This is due to the mix of short term and long term customers that use self storage. Each year a store is opened it will usually pick up more long term customers that do not move out for many years, lowering overall move outs and churn rates.

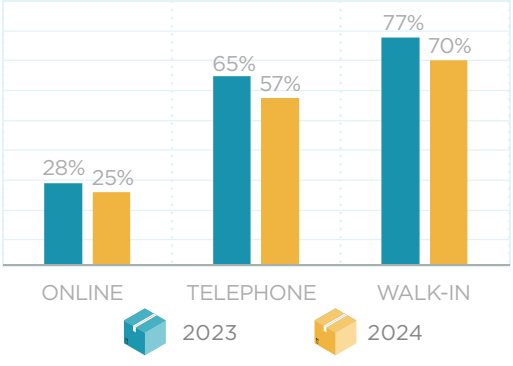




CONVERSIONS

Enquiry conversions dropped from all sources in 2024 reflecting the increasingly competitive nature of the industry. Self storage is a very localised purchase, so options for customers are limited, however as the industry grows, customers get more local options to choose from. As other data suggests, new customers expect self storage to be cheaper than it is. In a time of rising costs and lower disposable income, this may lead some customers to look for free or low cost alternatives to self storage.

CONVERSION OF ENQUIRIES

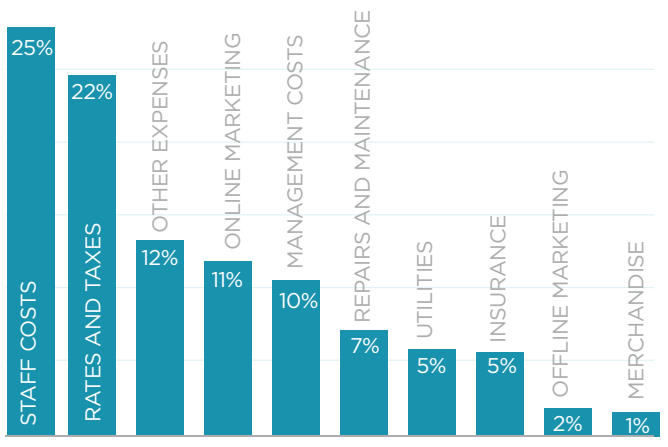


EXPENSES

Rates and taxes increased by 5 percentage points from 2023, likely due to the increase in business rates and revaluation of properties that year. Staff costs remained relatively stable, as mentioned elsewhere in the report, the number of staff per store is being reduced which would offset increasing staff costs.

Online marketing made up a smaller proportion of expenditure and some of this was moved to offline marketing as operators look at alternatives for AdWords and to explore more local marketing campaigns.

PRECENTAGE OF OPERATING EXPENSES





STAFF LEVELS

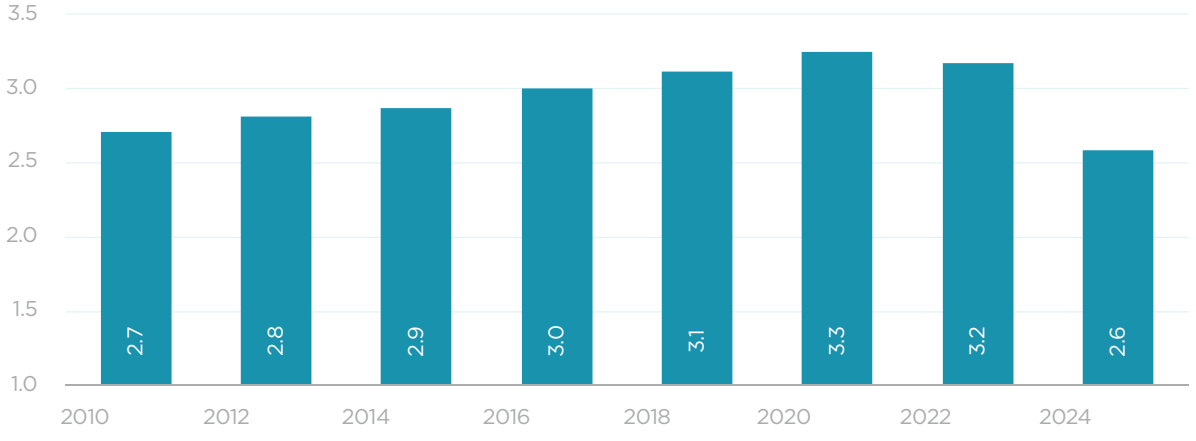
The number of staff employed in self storage stores continues to decrease. This is likely to be a combination of the increasing cost of employment combined with improvements in technology that allows more automation in stores.

In an industry with relatively low operating costs, staff are a major expense and one of the few areas where operators can reduce costs. Other high cost items such as taxes and rates are less within their control. Particularly during the recent inflationary period, operators are looking at ways to reduce their expenditure.

There are now the lowest levels of staff per store then ever recorded and indications are that this will fall further as operators invest in technology, more sites become automated and more customers complete the entire booking process online with minimal interaction with staff.

The challenge for the industry is to find the balance, as many customers praise the service they get from self storage staff. They are often going through a difficult time in their lives when they first use self storage and having someone to talk to and help them through the process can be valuable.

AVERAGE NUMBER OF STAFF AT SITE LEVEL

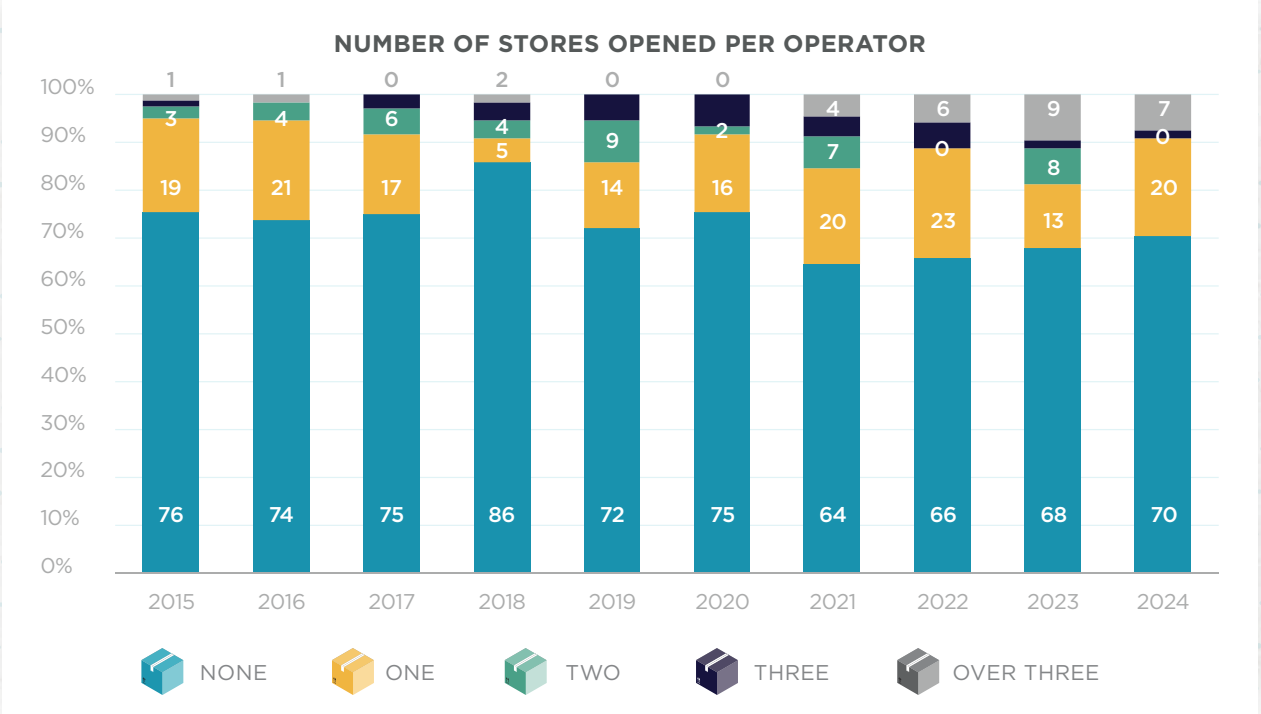




NEW OPENINGS

The industry continues to consolidate with the larger operators expanding their portfolio's through acquisitions, the most notable being the purchase of Lok'nStore by Shurgard in 2024. However there remains a strong pipeline for new stores. There were around 210 new self storage stores opened in 2024 with 89 of them being predominantly internal storage. As this chart shows, most businesses only opened one store during the year. Planning remains the main delay to construction of new stores.

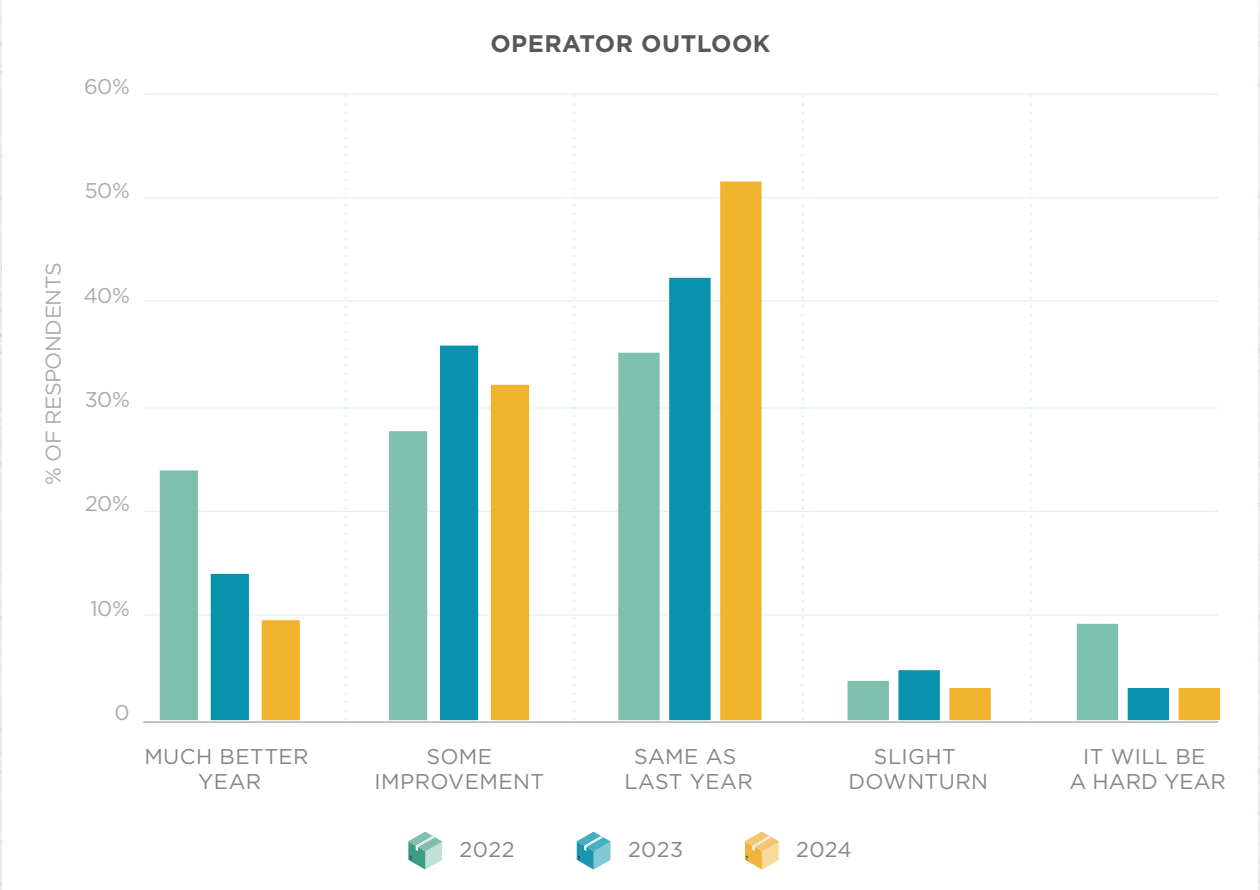
Interestingly it is not the largest operators that are opening the most new stores, there are a number of mid sized operators that are actively expanding through construction projects. External container based storage operators can open stores quicker with less construction time and account for over half the operators that added 3 stores or more in 2024.



Outlook

General feeling from operators is that 2025 will be similar or better than 2024, although they are not as positive as when they were predicting 2024.

This year's result is likely influenced by the challenges of the past 12 months. The ongoing economic uncertainty with a new labour government combined with international pressures such as US led trade wars and the ongoing conflict in the middle east and Ukraine are also concerning operators. While most expect a reduction in interest rates and a more buoyant property market, how soon this occurs could also be concerning operators.



OUTLOOK ON RATES

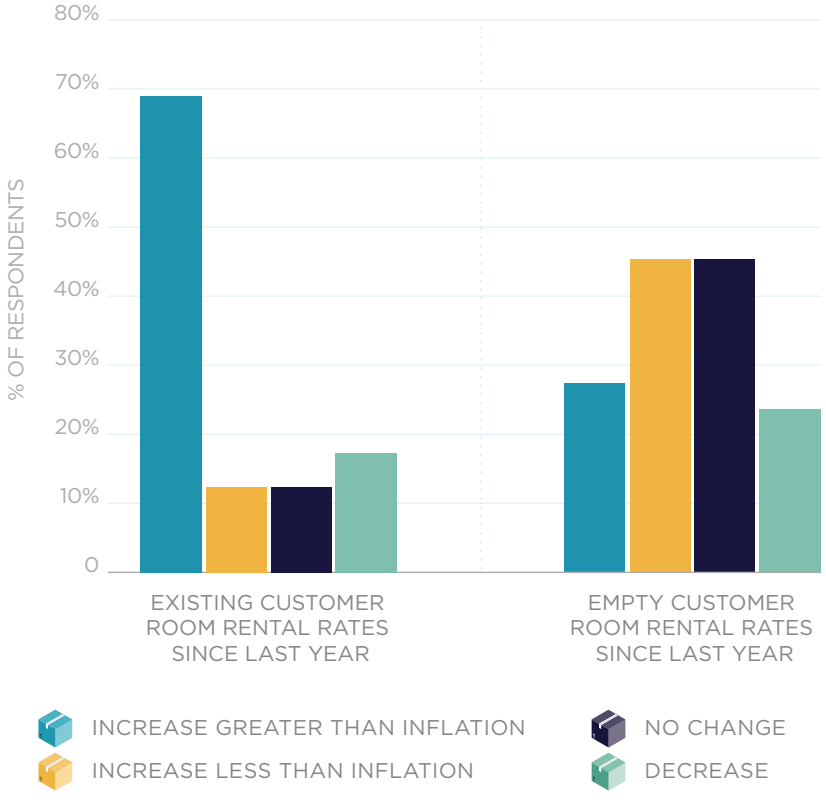
While operators are bullish about raising rates on existing customers, they are less confident with new customers. Enquiry levels did drop in 2024 and it appears that operators are concerned that finding new customers will remain difficult and hence are less optimistic about raising rents for new customers.

It is becoming more common for operators to implement dynamic pricing models which can result in existing customers paying rates above the entry price for new customers, based on demand and other factors.

When looking at this data on a regional level, Scotland and East Midlands were most optimistic about increasing rents, while the South East and South West were the most cautious.



EXPECTATIONS FOR RENTAL GROWTH





PREDICTED GROWTH OF STORES

Unusually, operators have downgraded their expectations for growth of new stores from last year. Normally operators are quite bullish about their plans to open new stores, but this year expectations for growth have been revised down.

While the decline in growth for demand for the product is likely to be a factor, opening new stores is also taking longer. There continues to be extended delays in getting planning and demand for construction workers and installers remains high. This could be another factor in the lack of optimism for opening new stores.

Interestingly, the projections for acquiring sites have increased. Operators may be looking for more acquisitions as a means of quickly growing their portfolio, without the delays of planning and construction. There is an increasing number of self storage businesses coming on the market, and cap rates for sales remain sharp.

Note that this number of stores only reflects the responses from the survey and not the whole market. It should be used for indication of sentiment only.