

Opportunity is plentiful for Operators and Investors in buoyant Self-Storage market

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Investment volumes into the European self-storage sector are set to reach record levels in 2023, according to a new report from global real estate advisor, [CBRE](#), and Federation of European Self Storage Associations (FEDESSA).

A large pool of investors are competing for a limited number of opportunities and as a result, investment volumes are expected to reach €1.12bn in 2023, surpassing the record level achieved in 2022 of €740m.

“We’re seeing investors allocating capital to sectors which offer attractive cashflows through strong revenue growth and cost-efficient operating models,” noted Callum Paddock, Director in CBRE’s Operational Real Estate team. “Whilst the sector is not immune to the ongoing wider market challenges, self-storage assets offer appealing, long-term fundamentals and as a result, investor appetite is robust.”

According to the research, operator sentiment also remains positive, largely supported by the sector’s structural demand drivers, healthy rental levels and high occupancy levels. Of those surveyed, 96% of operators expect net rental rates to either increase or remain the same, and 90% expect to retain or increase occupancy demonstrating that confidence for further revenue growth remains high.

Average occupancy across all stores in Europe is 78.5%, however occupancy rates vary at a country level, ranging from 90% in Denmark to below 60% in developing markets such as Poland and Portugal.

Supply of storage space is expected to reach 14m square metres across Europe by the end of 2023 and from the survey sample, there are 221 new developments in the pipeline, with 59% either under construction or having planning approved. With recent consolidation in the market, store acquisitions are unlikely to come through at scale in the next 12-24 months, leading investors to consider converting

existing buildings into self-storage or explore new developments to satisfy demand.

Rennie Schafer, CEO of FEDESSA added: “The findings of our survey show that consumer awareness of the self-storage offering remains low, particularly in Continental Europe, this further evidences the potential growth in the industry as more people become aware of how self-storage can help them through their life changing moments or in establishing their businesses.”