

**URBIS**

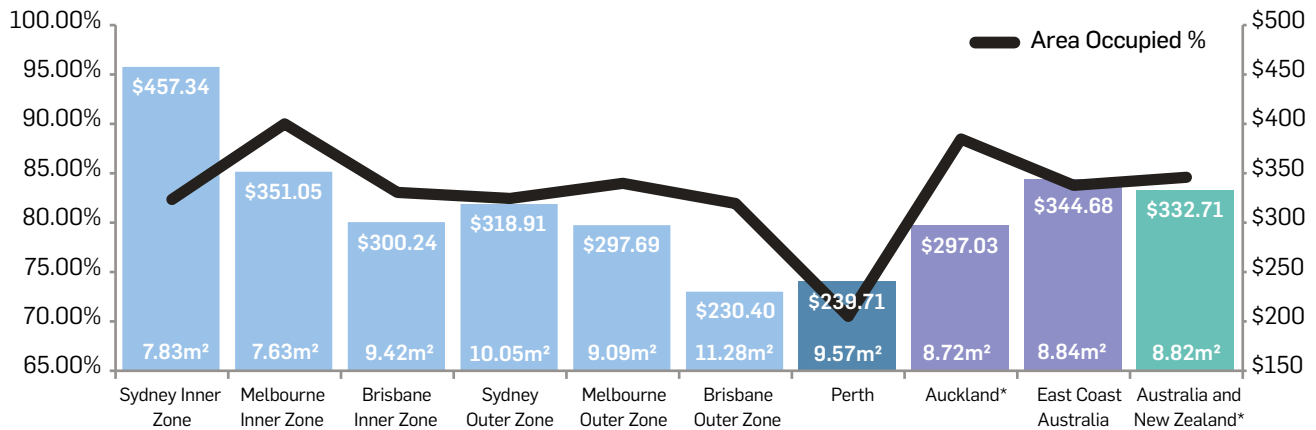
# **URBIS STORAGE INDEX**

**AS AT 31 DECEMBER 2018  
RELEASED FEBRUARY 2019**



# THE RESULTS

## Weighted average \$ rate/sq.m., weighted average unit size and area occupied (%) as at 31 December 2018



\* NZDS adjusted for currency exchange rates as at 31 December 2018, where: AUS\$1 = NZ1.0519  
Source: RBA

## AREA OCCUPIED

- This edition of the Urbis Storage Index recorded a decline in occupied area in all zones except for the Sydney Inner Zone. The Sydney Inner Zone experienced marginal growth in occupancy of 1.46% (by area).
- The Sydney Outer and Brisbane Outer Zones recorded the largest decline in occupancy over the past six (6) months. Results demonstrate a decline in the area occupied of 5.33% and 5.03% respectively.

## AVERAGE STORAGE FEE RATES

- The Index recorded minimal average storage fee rate growth by comparison with data analysed in the first half of 2018. Brisbane Inner was the only zone to record growth greater than 2.00%. The Sydney Inner, Brisbane Outer and Perth Zones all recorded a decline in growth in average storage fee rates.
- Over the past six (6) months, the Auckland Zone recorded average storage fee rate growth of 1.31%. The result reflects continued strength in the Auckland market with growth of 2.52% in average storage fee rates over the past 12 months.
- Combined results for Australia and New Zealand (excluding Perth) recorded overall growth in average storage fee rates of 1.89% over the past six (6) months.

## PERTH ZONE

- Results recorded in the Perth Zone show a continued softening in storage fee rates and occupancy over the past six (6) months. The aggregated results from the sample facilities reflect a decline in occupancy of 1.77% and a decline in average storage fee rates of 1.12%.

## CONCESSIONS

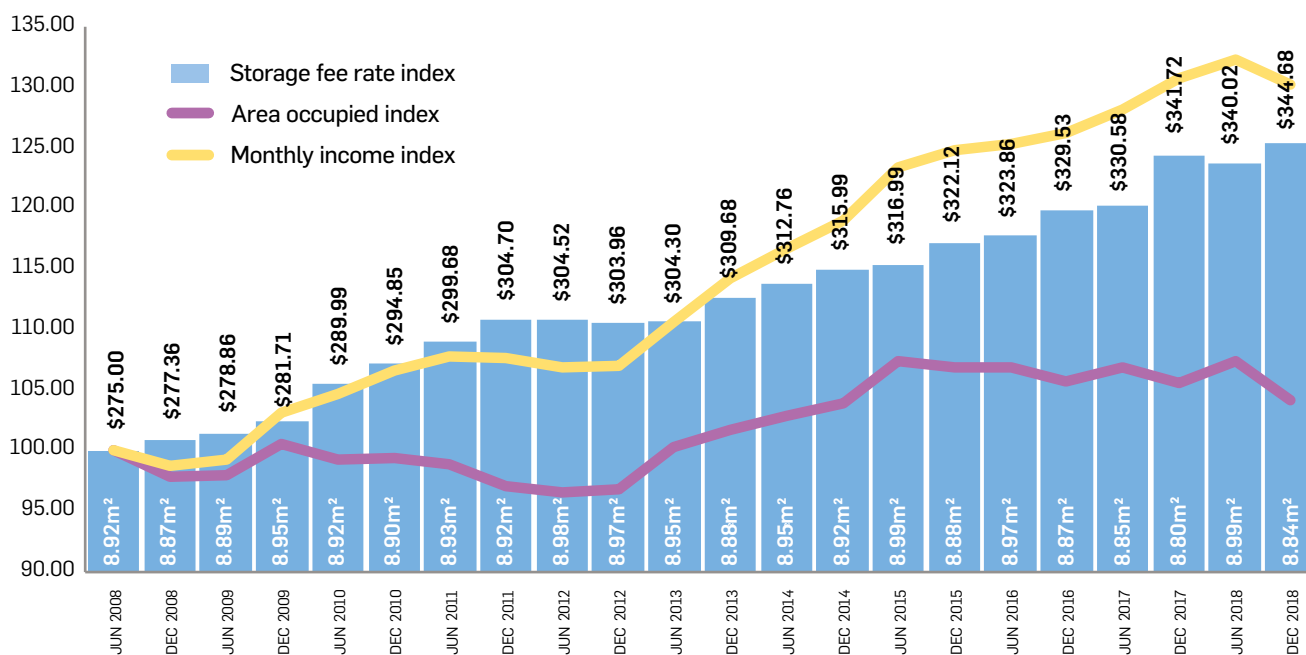
- Results in the USI are extracted directly from occupancy reports provided by participating facilities. As such, the results do not bring into account concessions being offered in the market.
- Concessions are credits issued to a customer and are generally designed to provide an incentive for customers to sign up to a new storage agreement such as 'first month free' or '50% off your second month'.
- Urbis has observed that concessions are now common place in the market and can represent a discount of between 1.5% – 3.0% of storage fee revenue.

## CONCLUSIONS

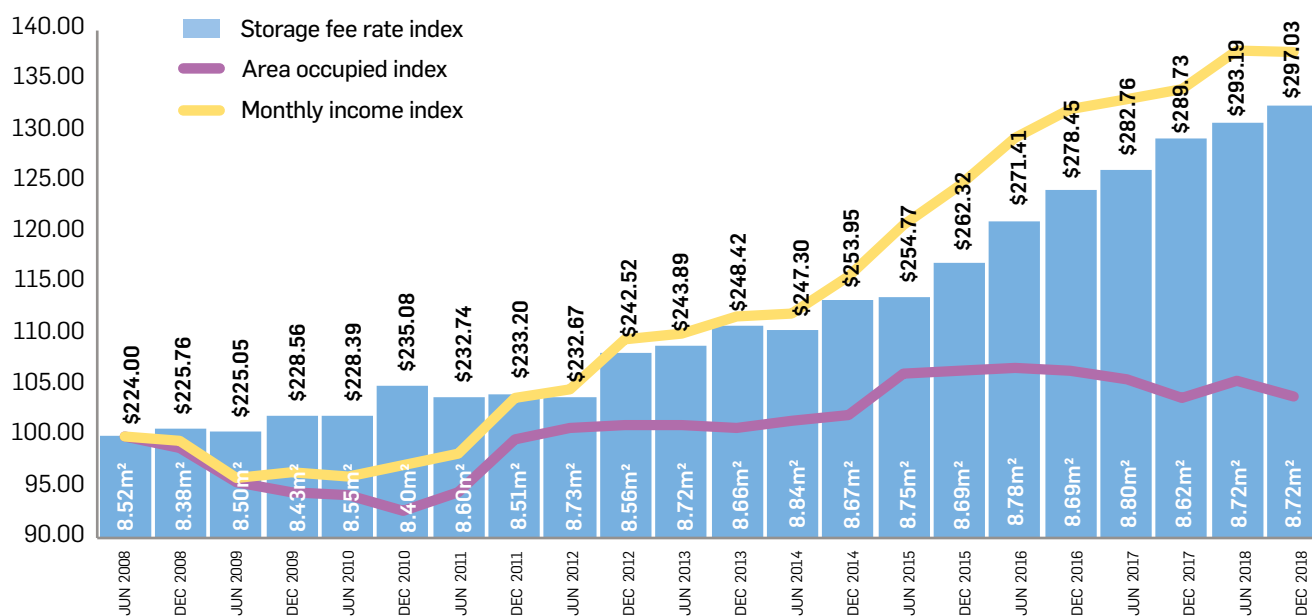
- The market is experiencing constrained fee rate growth. We attribute this to continuing high levels of competition and the emergence of new facilities in established markets. The increasing use of concession arrangements to attract new customers is also adversely impacting on overall storage fee revenue.

Zone	Occupancy by Area
Sydney Inner	82.31%
Sydney Outer	82.40%
Sydney	82.35%
Melbourne Inner	89.95%
Melbourne Outer	84.02%
Melbourne	86.51%
Brisbane Inner	83.09%
Brisbane Outer	81.94%
Brisbane	82.58%
Perth	70.44%
Auckland	88.48%

### East Coast Australia Zone: SFR index, AO index, MR index and average unit size occupied



### Auckland Zone: SFR index, AO index, MR index and average unit size occupied



# PERFORMANCE INDICES

## Storage fee rate index area

Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland Zone	Perth Zone
30-Jun-08	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-
31-Dec-08	100.81	103.03	99.61	99.73	103.93	100.05	100.79	-
30-Jun-09	100.90	101.64	101.00	102.99	103.85	100.73	100.47	-
31-Dec-09	102.29	103.78	101.22	103.21	106.66	101.27	102.04	-
30-Jun-10	103.93	106.66	109.20	106.34	108.10	102.03	101.96	-
31-Dec-10	105.77	108.23	110.24	111.21	108.72	101.74	104.94	-
30-Jun-11	107.94	109.37	113.19	112.09	109.67	102.74	103.90	-
31-Dec-11	110.44	110.02	113.86	115.65	111.33	104.12	104.11	-
30-Jun-12	111.69	111.02	113.92	113.58	110.71	102.76	103.87	-
31-Dec-12	111.65	110.53	115.05	113.55	110.68	103.95	108.27	-
30-Jun-13	111.86	109.86	113.75	113.04	112.33	105.62	108.88	-
31-Dec-13	115.82	111.04	113.75	116.33	113.86	104.56	110.90	-
30-Jun-14	116.83	113.09	113.40	119.80	113.29	105.90	110.40	-
31-Dec-14	117.64	115.32	114.19	120.61	114.07	106.96	113.37	-
30-Jun-15	117.95	118.00	113.62	120.08	112.72	107.68	113.74	-
30-Dec-15	120.10	119.80	114.56	123.07	114.70	107.67	117.11	-
30-Jun-16	121.11	120.32	115.19	124.82	116.27	106.11	121.16	-
31-Dec-16	123.86	123.89	116.31	127.62	116.14	105.62	124.31	-
30-Jun-17	124.74	123.45	118.21	128.65	113.88	105.41	126.23	-
31-Dec-17	129.85	127.22	122.48	132.55	115.24	110.13	129.35	100.00
30-Jun-18	129.83	126.91	120.84	133.89	112.61	113.88	130.89	97.59
<b>31-Dec-18</b>	<b>129.54</b>	<b>128.55</b>	<b>122.95</b>	<b>136.41</b>	<b>115.18</b>	<b>113.19</b>	<b>132.60</b>	<b>96.50</b>

Urbis began monitoring the Perth Zone from 31 December 2017. This period formed the indexation basis (i.e. 100)

## Area occupied index

Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland Zone	Perth Zone
30-Jun-08	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-
31-Dec-08	95.12	95.77	99.71	100.43	101.80	98.63	98.77	-
30-Jun-09	95.38	98.93	100.15	97.42	99.69	99.32	95.47	-
31-Dec-09	96.39	100.21	103.60	103.70	101.57	103.01	94.49	-
30-Jun-10	96.53	98.02	99.10	102.46	102.06	100.33	94.18	-
31-Dec-10	95.50	98.85	100.07	103.56	104.35	98.01	92.59	-
30-Jun-11	95.61	97.13	99.58	103.03	103.51	97.43	94.54	-
31-Dec-11	93.56	98.42	97.51	98.66	100.06	97.77	99.67	-
30-Jun-12	91.81	97.77	95.96	98.37	101.07	99.93	100.74	-
31-Dec-12	90.44	97.49	94.01	99.92	104.66	103.10	101.14	-
30-Jun-13	94.07	99.75	98.01	103.58	106.85	105.54	101.12	-
31-Dec-13	93.67	101.99	102.37	105.58	107.09	107.51	100.78	-
30-Jun-14	94.20	103.10	104.39	105.95	108.09	110.93	101.46	-
31-Dec-14	95.19	102.96	106.75	107.67	110.65	108.71	102.14	-
30-Jun-15	98.72	105.25	110.49	114.30	113.08	109.89	106.19	-
31-Dec-15	97.75	104.58	112.60	114.08	111.97	107.48	106.41	-
30-Jun-16	96.27	107.87	112.82	114.76	107.06	108.74	106.76	-
31-Dec-16	94.93	105.33	113.25	113.45	106.84	108.12	106.38	-
30-Jun-17	96.02	107.92	111.75	114.28	110.87	108.19	105.54	-
31-Dec-17	94.36	105.52	113.52	111.89	109.68	107.12	103.76	100.00
30-Jun-18	93.56	109.18	113.96	114.13	112.10	113.34	105.45	99.30
<b>31-Dec-18</b>	<b>93.91</b>	<b>101.95</b>	<b>113.32</b>	<b>109.06</b>	<b>109.68</b>	<b>107.51</b>	<b>103.97</b>	<b>97.54</b>

## Monthly revenue index

Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland Zone	Perth Zone
30-Jun-08	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-
31-Dec-08	95.89	98.67	99.32	100.16	105.81	98.68	99.54	-
30-Jun-09	96.23	100.56	101.15	100.34	103.52	100.05	95.92	-
31-Dec-09	98.60	104.00	104.87	107.03	108.33	104.31	96.41	-
30-Jun-10	100.33	104.54	108.22	108.96	110.33	102.36	96.03	-
31-Dec-10	101.02	106.99	110.32	115.17	113.45	99.72	97.17	-
30-Jun-11	103.20	106.23	112.72	115.49	113.52	100.09	98.22	-
31-Dec-11	103.34	108.28	111.03	114.10	111.40	101.79	103.76	-
30-Jun-12	102.54	108.54	109.32	111.72	111.90	102.68	104.64	-
31-Dec-12	100.97	107.76	108.16	113.46	115.84	107.18	109.50	-
30-Jun-13	105.22	109.59	111.48	117.08	120.03	111.47	110.10	-
31-Dec-13	108.48	113.25	116.45	122.82	121.93	112.41	111.77	-
30-Jun-14	110.06	116.60	118.38	126.93	122.46	117.48	112.01	-
31-Dec-14	111.98	118.74	121.91	129.85	126.22	116.27	115.80	-
30-Jun-15	116.44	124.20	125.54	137.26	127.46	118.33	120.77	-
30-Dec-15	117.39	125.29	128.99	140.41	128.43	115.72	124.61	-
30-Jun-16	116.60	129.78	129.96	143.25	124.48	115.38	129.35	-
31-Dec-16	117.57	130.49	131.72	144.78	124.08	114.21	132.24	-
30-Jun-17	119.78	133.23	132.10	147.02	126.27	114.04	133.23	-
31-Dec-17	122.53	134.24	139.04	148.31	126.40	117.97	134.20	100.00
30-Jun-18	121.46	139.61	137.71	152.82	126.23	129.07	138.02	96.91
<b>31-Dec-18</b>	<b>121.66</b>	<b>132.05</b>	<b>139.33</b>	<b>148.77</b>	<b>126.33</b>	<b>121.69</b>	<b>137.86</b>	<b>94.13</b>





# THE URBIS STORAGE INDEX

Urbis has been monitoring the self storage industry in Australia and New Zealand since 2008.

The USI has monitored the movement of the self storage industry through three (3) primary performance measurement indices. These indices include:

- **Storage fee rate (SFR) index** – The total accrued monthly revenue (ex GST) as at the respective index date for all facilities included in the zone, divided by the total area of occupied storage space measured in square metres for all facilities included in that zone. The monthly SFR is then annualised to produce a weighted average annual SFR as at the index date.
- **Area occupied (AO) index** – The total storage area occupied in square metres for all facilities within each zone.
- **Monthly revenue (MR) index** – The total accrued monthly revenue (ex GST) as at the index date. The MR Index is effectively a function of the above two (2) indices, as it represents the total amount of storage area occupied and the achieved SFR's. The results of the above primary performance measurements are converted to an index, where the base point of 100 is set as at 31 December 2008.

# GEOGRAPHICAL STRUCTURE

Recognising that there are significant variations in average storage fee rates, occupancy and monthly revenue in different geographic locations, the indices have been prepared for a series of geographic zones. These are:

- Sydney Inner Zone
- Sydney Outer Zone
- Melbourne Inner Zone
- Melbourne Outer Zone
- Brisbane Inner Zone
- Brisbane Outer Zone
- Perth Zone
- Auckland, New Zealand Zone
- Total East Coast Australia Zone (combined Sydney, Melbourne and Brisbane).
- Total Australia and New Zealand

As at 31 December 2017, the Urbis Storage Index now monitors the Perth Zone.

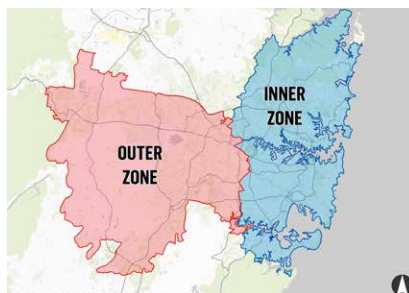
# AUSTRALIAN ZONE BOUNDARIES

The Urbis Storage Index monitors over 85 mature self storage facilities over eight (8) core zones, representing a sample size in excess of 10% of the overall self storage market in each zone.

The geographical structure of the Sydney, Melbourne, Brisbane and Perth Zones can be seen in the map extracts below.



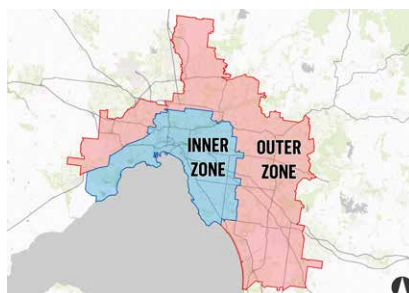
## SYDNEY ZONE BOUNDARIES



## BRISBANE ZONE BOUNDARIES



## MELBOURNE ZONE BOUNDARIES



## PERTH ZONE BOUNDARY



---

# ABOUT URBIS

In today's dynamic and complex markets, putting a value on property involves much more than local knowledge and simple sums.

Our valuations take account of everything likely to impact the value of a property, now and in the future. Drawing on extensive experience across every sector, we look at property from more angles to give institutional and private investors, corporate clients and government more insightful analysis, more nuanced advice plus a clearer sense of value – and how to maximise it.

With consultants specialising in the industrial, residential, retail, commercial and self storage sectors, we provide insightful analysis and accurate reporting to help minimise risk and maximise opportunities.

Our national business model ensures our clients get access to the right people to deliver timely and reliable advice. Work is shared amongst consultants in our Sydney, Melbourne and Brisbane offices to make sure we deliver optimum results within the required timeframes.

**“Urbis research provides important insights into the self storage industry. It benefits investors, operators and analysts alike.”**

**David Blackwell**  
Director

---

The Urbis Storage Index has been monitoring the self storage industry in Australia and New Zealand since 2008. This substantial data series is the first of its kind in the Australasian self storage industry. Urbis has established itself as the industry leader, providing our clients with a measured approach and proven expertise in: Valuation, Feasibility Analysis, Transaction Management and Specialised Research.

## CONTACTS



**David Blackwell**  
Director

T +61 2 8233 7627  
M +61 409 771 310  
E dblackwell@urbis.com.au



**Linda Sharkey**  
Associate Director

T +61 3 8663 4828  
M +61 410 902 116  
E lsharkey@urbis.com.au



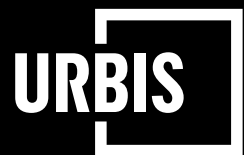
**Hugh Davies**  
Senior Valuer

T +61 2 8233 7691  
M +61 401 445 483  
E hdavies@urbis.com.au



**Patrick Mulcahy**  
Assistant Valuer

T +61 2 8233 7684  
M +61 433 139 006  
E pmulcahy@urbis.com.au



**Urbis Valuations Pty Ltd**

Australian Business Number (ABN): 28 105 273 523

Australian Company Number (ACN): 105 273 523

Registration Date: 26 June 2003

Registered Address: Level 12, 120 Collins Street, Melbourne VIC 3000