



Urbis Storage Index

Released October 2015
June 2015





Self storage indices

June 2015 Results

Urbis has been monitoring the self storage industry in Australia and New Zealand for seven years. This means we now have a substantial set of time series data, the first of its kind for the Australasian self storage industry.

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DIRECTOR



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{INSIDE}
this issue:

Contents

- Background of the USI..... 1
- Geographical Structure 1
- Spotlight on the June 2015 Results 2
- Storage Fee Rates 3
- Area Occupied 4
- Monthly Revenue..... 5



Background of the USI

Urbis has been monitoring the self storage industry in Australia and New Zealand for over seven years. This means we now have a substantial set of time series data, the first of its kind for the Australasian self storage industry.

The USI has monitored the movement of the self storage industry through three 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 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 30 June 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
- Auckland, New Zealand Zone
- Total East Coast Australia Zone (Combined Sydney, Melbourne and Brisbane).

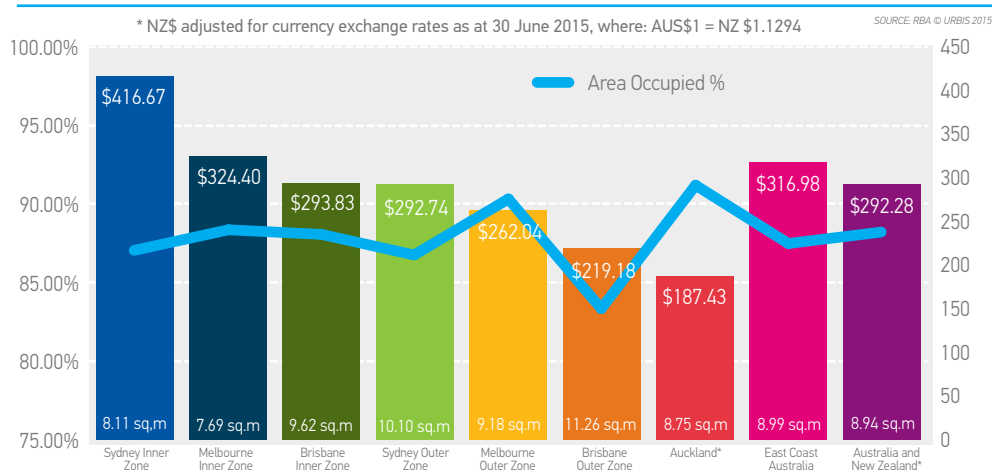
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Three zones have experienced **nine** consecutive quarters of Monthly Revenue growth.

Spotlight on the June 2015 Results

- All seven (7) zones experienced increases in Monthly Revenue. Three (3) of the seven (7) zones (Sydney Inner, Melbourne Outer and Auckland) have experienced at least nine (9) consecutive quarters of Monthly Revenue growth.
- Five (5) of the seven (7) zones experienced growth in the average achieved Storage Fee Rate. Brisbane Outer was the 'standout' performer showing a growth of 1.32% for the quarter followed by Sydney Outer which achieved 1.25%.
- Six (6) of the seven (7) zones experienced increases in Area Occupied. Average occupancy for all facilities (combined Australia and New Zealand) within the index now stands at 88.19%.
- Looking at longer term performance, all seven (7) of the zones experienced increases in Monthly Revenue over the twelve month period to June 2015.
- The Melbourne Outer self storage market has achieved the strongest Monthly Revenue growth over the twelve month period to June 2015, with 8.13% growth.

The following graph shows the weighted average achieved Storage Fee Rate per square metre, average unit size and Area Occupied for the seven (7) zones, as well as the East Coast of Australia and combined Australia and New Zealand averages as at June 2015.

Weighted Average \$ Rate/sq.m., Weighted Average Unit Size and Area Occupied (%) as at 30 June 2015



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Five zones
achieved
increases

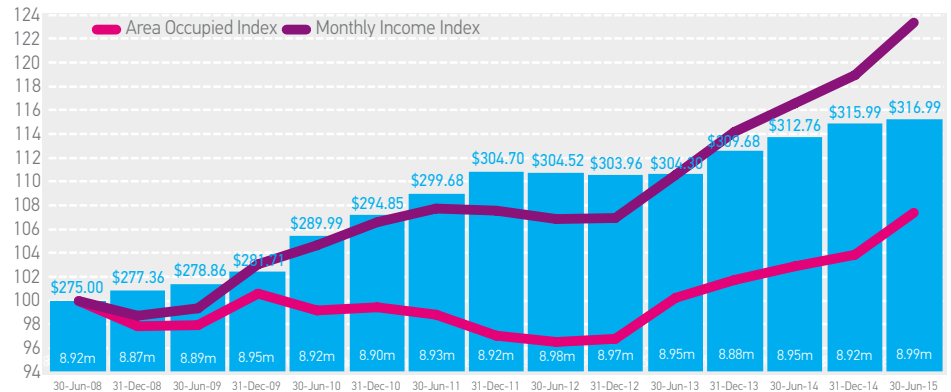
IN THE AVERAGE ACHIEVED
STORAGE FEE RATE.

Storage Fee Rates (SFR)

A spotlight on the combined results from June 2008 to June 2015 for the six (6) East Coast Australian zones is shown in the following graph:

East Coast Australia Zone: SFR Index, AO Index, MR Index and Average Unit Size

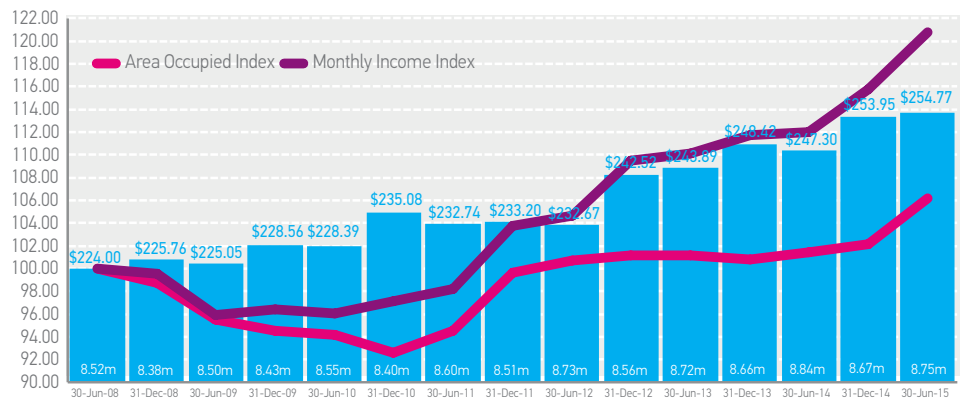
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A spotlight on the results from June 2008 to June 2015 for the Auckland Zone is shown in the following graph:

Auckland Zone: SFR Index, AO Index, MR Index and Average Unit Size

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- Five (5) of the seven (7) zones achieved increases in the average achieved Storage Fee Rate over the June 2015 quarter. However Sydney Outer and Brisbane Outer were the only zones to experience increases in excess of 1.00%, being 1.25% and 1.32% respectively.
- The Sydney Outer Zone has now experienced four (4) consecutive quarters of positive increases in the average achieved Storage Fee Rate.
- Over the twelve month period to June 2015 six (6) of the seven (7) zones experienced an increase in the average achieved Storage Fee Rate. Three (3) zones (Sydney Outer, Brisbane Outer and Auckland) experienced annual growth in excess of 1.68%.

- The average achieved Storage Fee Rate for the combined East Coast Australia Zone has increased by a compounding average of 0.53% per quarter over the seven years from June 2008 to June 2015. Over this time, the Consumer Price Index (All Groups) has increased by a compounding average of 0.59% per quarter.
- Over the duration of the Urbis Storage Index (since June 2008), the Sydney Inner Zone, Sydney Outer Zone and Melbourne Outer Zone have seen the greatest increases in the average achieved Storage Fee Rate to June 2015, being 17.95%, 18% and 20.08% respectively.

Storage Fee Rate Index

Zone	% Quarter Change (Mar 15 to June 15)	% Annual Change (June 14 to June 15)	% USI Period Change (June 08 to June 15)
Sydney Inner Zone	-0.06%	0.95%	17.95%
Sydney Outer Zone	1.25%	4.34%	18.00%
Melbourne Inner Zone	0.05%	0.20%	13.62%
Melbourne Outer Zone	0.33%	0.23%	20.08%
Brisbane Inner Zone	-0.38%	-0.50%	12.72%
Brisbane Outer Zone	1.32%	1.68%	7.68%
Auckland Zone	0.73%	3.02%	13.74%

Area Occupied

- Six (6) of the seven (7) zones experienced increases in Area Occupied over the quarter with Melbourne Outer being the best performer with an increase of 4.74%. The next best performer was Sydney Inner which experienced growth in Area Occupied of 2.71%.
- Six (6) of the seven (7) zones have experienced positive net absorption in Area Occupied over the twelve month period to June 2015. Melbourne Outer (7.88%) and Melbourne Inner (5.84%) were the only two (2) zones to experience annual growth in excess of 5.00%. However this growth has been offset by modest annual average achieved Storage Fee Rate growth of less than 0.25%.
- Brisbane Outer Zone was the only zone to experience a negative net absorption, being -0.15% for the quarter.
- Over the duration of the Urbis Storage Index (since June 2008), the Melbourne metropolitan market has seen the greatest increases in Area Occupied to June 2015, being 10.49% (Melbourne Inner Zone) and 14.30% (Melbourne Outer Zone).
- The Sydney Inner Zone as at June 2015 had an Area Occupied level equivalent to a 1.28% decline from its June 2008 level. This can primarily attributed to growth of 17.95% in the average achieved Storage Fee Rate over the same period.

Area Occupied Index

Zone	% Quarter Change (Mar 15 to June 15)	% Annual Change (June 14 to June 15)	% USI Period Change (June 08 to June 15)
Sydney Inner Zone	2.71%	4.80%	-1.28%
Sydney Outer Zone	1.00%	2.08%	5.25%
Melbourne Inner Zone	1.14%	5.84%	10.49%
Melbourne Outer Zone	4.74%	7.88%	14.30%
Brisbane Inner Zone	0.69%	4.61%	13.08%
Brisbane Outer Zone	-0.15%	-0.94%	9.89%
Auckland Zone	0.13%	4.66%	6.19%

”

Six of the seven zones experienced increases in the Area Occupied.

Monthly Revenue

- All seven (7) zones experienced increases in Monthly Revenue over the quarter. Three (3) zones (Sydney Inner, Melbourne Outer and Auckland) have experienced nine (9) consecutive quarters of Monthly Revenue growth.
- Of the seven (7) zones, three (3) zones experienced growth in excess of 2.00% for the June 2015 quarter. These zones were Sydney Inner (2.64%), Sydney Outer (2.26%) and Melbourne Outer (5.09%) showing the strong correlation between occupancy levels and monthly revenue.
- Over the twelve months to June 2015, six (6) of the seven (7) zones have experienced increases in Monthly Revenue over 4.00%. The only zone not to reach this level was the Brisbane Outer Zone which grew by 0.72%.
- Four (4) zones have achieved annual Monthly Revenue growth to June 2015 in excess of 6.00%, being Melbourne Inner (6.05%), Melbourne Outer (8.13%), Sydney Outer (6.52%) and Auckland (7.82%).

Monthly Revenue Index

Zone	% Quarter Change (Mar 15 to June 15)	% Annual Change (June 14 to June 15)	% USI Period Change (June 08 to June 15)
Sydney Inner Zone	2.64%	5.80%	16.44%
Sydney Outer Zone	2.26%	6.52%	24.20%
Melbourne Inner Zone	1.19%	6.05%	25.54%
Melbourne Outer Zone	5.09%	8.13%	37.26%
Brisbane Inner Zone	0.31%	4.09%	27.46%
Brisbane Outer Zone	1.16%	0.72%	18.33%
Auckland Zone	0.87%	7.82%	20.77%

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- All seven (7) zones have experienced increases in Monthly Revenue in excess of 16.00% since the commencement of the Urbis Storage Index in June 2008. The Melbourne Outer Zone (37.26%) and Brisbane Inner Zone (27.46%) have experienced the greatest increases in Monthly Revenue, equivalent to a compounding increase of 1.14% and 0.90% per quarter respectively.

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OVER THE TWELVE MONTHS

six zones
experienced
increases
in Monthly
Revenue
over 4.0%.

Storage Fee Rate Index

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Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland 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

Area Occupied Index

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Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland 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

Monthly Revenue Index

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Date	Sydney Inner Zone	Sydney Outer Zone	Melbourne Inner Zone	Melbourne Outer Zone	Brisbane Inner Zone	Brisbane Outer Zone	Auckland 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

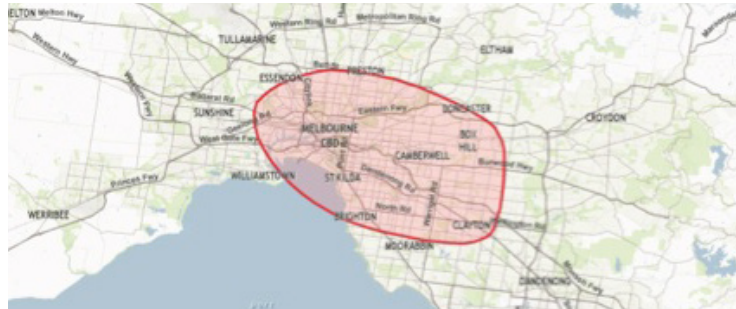
Zone Boundaries

The Index monitors over 70 mature self storage facilities over the seven core zones, representing a sample size of in excess of 25% of the overall self storage market in each zone.

The geographical structure of the Sydney, Melbourne and Brisbane Inner and Outer Zones can be seen in the below map extracts. The areas within the red shading are defined as the “Inner” Zones for each capital city.



SYDNEY
INNER ZONE
BOUNDARIES



MELBOURNE
INNER ZONE
BOUNDARIES



BRISBANE
INNER ZONE
BOUNDARIES

Want to know more?

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If you would like to refer a colleague, employee or friend to receive the USI quarterly newsletter, or change your contact details please contact Hugh using the details above.

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