

Here's Why We're Watching the Self Storage Space



The self-storage sector has immense promise for commercial real estate.

These spaces are resilient, in high demand, and fit seamlessly into the needs of contemporary society. As people become more transient and hold off on purchasing a home, storage space becomes a necessity - and the proof is in the numbers. In 2019, the vacancy rate for self-storage was only 9.9% and was projected to only climb to 10.0% in 2020.

Evidently, self-storage units are attending to today's pain points while pushing forward in the commercial scene. The expansion and success of domestic self-storage spaces have been attracting the attention of commercial real estate professionals and investors all over the globe.

Our eyes are on self-storage, and yours should be, too. Here's what to look out for in the self-storage space right now:

Helping Homes Navigate COVID

As the coronavirus pandemic ushered in unanticipated changes to life as we know it, self-storage is playing a surprising role in supporting households and families during these turbulent times.

The economy shook, unemployment rates crept higher and higher, and people were fleeing from high-risk areas to stay with family members in less-affected regions. Not everyone lives in a mansion, and many households around the country needed to suddenly adjust to new rates of occupancy.

In order to make room for these last-minute move-ins, self-storage units were a savior for households struggling to make accommodations work. Unnecessary furniture, clutter, and non-essential items taking up too much space could be temporarily moved into self-storage units.

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Impacts from WFH Trend

Stay-at-home orders moved everything into the household. School, work, and everything in between are now operating from home-base... but how does all that fit?

Flexibility and creativity were needed to turn spaces in the home into offices or classrooms. These disruptions won't last forever, and self-storage provided the option of making a smooth transition between closings and reopening. That extra furniture could be moved out of the house and moved back in - all without missing a beat.

Tech Integrations and Remote Organization

Although self-storage has been in a comfortable place, this industry hasn't been idle. These spaces have been adopting a robust tech-powered infrastructure to facilitate a streamlined, modern, and digitally-driven operational flow.

This web of tech enabled the self-storage industry to quickly pivot according to the pandemic's social-distancing protocols with remote integration. Self-storage provides a safe and contactless option for tenants looking to rent a space during the COVID-era and beyond.

Ready to Ride Out the Storm

The coronavirus proved that self-storage offers an indispensable value for communities.

In both good times and bad, self-storage spaces provide key value for local commercial real estate markets. These investments are resilient. Economic downturns make self-storage even more vital as people are forced to relocate. On the other hand, bustling economies take advantage of the extra space.

In every situation, self-storage supports people in times of change - whether it's a planned move or a sudden disaster, self-storage spaces are a must. CRE professionals, keep an eye on self-storage. It's an industry ripe for expansion and success.

