



Secure, Clean & Cost Effective Self Storage

STOREGUARD Co., Ltd PRESS CONFERENCE AT MY STORAGE

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What is self storage?

Self Storage is a relatively recent service industry in Asia. A Self Storage facility lease space to individuals, usually storing personal goods or to small businesses storing excess inventory or archived records.

The Storage spaces, known as "units" or "lockers" are available in a number of sizes and are secured by your own lock and key. No one has access to the unit except for you.

At MY STORAGE we offers secure, convenient, flexible and cost effective Self Storage Solutions both for personal and business users.

MY STORAGE is an innovative Self Storage facility that has safe, clean and dry individual storage units for rent with a range of sizes from a locker style 1m3 units up to a large 25 m2 units available for short or long term rental.

You can come and go as often as you please during our extended opening hours 7 days a week and you are also the only key holder to your storage unit.

Store almost anything with a few exceptions that can be found under the heading "Items not to store".

What is a Self Storage facility?

While many types of structures have been converted from warehouses, car dealerships, and other prior-use buildings, the most common types of facilities were designed specifically for the purpose of storing a customer's goods.

Facilities vary in size, quality, construction, materials, and surveillance measures, and added services may include:

- 1,000 m2 to an excess of 10,000 m2.
- Wide range of standard sizes, 1 to 18 m2 or larger with the average unit size being about 6-7 m2.
- Outside parking for RV's, boats, etc.
- Single and/or multi level facilities.
- Resident Manager apartment onsite (usually for 24hrs access facilities)
- Converted buildings (old supermarkets, big box retail warehouses, etc.).
- Units divided by corrugated steel panels (most widely used), chain link fencing, plywood upon stud and drywall or stud and particle board.
- Movable module units (storage containers).
- Automatic gates with keypad computerized access.
- Surveillance cameras and monitoring stations.
- Well lighted.
- Completely fenced.
- Paved or concrete driveways.
- Retail merchandise available.
- Ancillary income sources (e.g. cell towers, US Postal service, private mailboxes, EBay, overnight shipping, business centre, utility payments, etc.).

Real Estate Characteristics

The following is a list of the distinctiveness you will find in the self storage business which includes:

1. Simplified building structures.
2. A short construction period enabling rapid initial rentals.
3. Low operating expenses and non-energy intensive.
4. Month to month leases, highly responsive.
5. Adjustable unit mix due to movable partitions.
6. Not labor or maintenance intensive.
7. High building rent ability (near 100% for single story, 75% for multi story).
8. Many tenancies, spreading vacancy risk factor.



- 9. Basic function resistant to economic shifts.
- 10. Cash flow oriented real estate investment.

Self storage history

The Self Storage Association of America believe that personal storage first began in England when British banking institutions were asked to safeguard valuables for clients embarking on extended voyages. Overcrowded vaults quickly forced bankers to seek storage in lofts from drayage (moving) companies. In the 1850's, the first warehouse specifically constructed for household and personal items was built. This two story structure was built with packing on the lower floor and private storage rooms on the second. For the next sixty years, the storage industry stayed relatively unchanged.

Warehouses began increasing in size to as much as ten stories utilizing freight elevators to reach the storage rooms. During the 1950's, the storage industry was faced with rising cost of warehouses and land. As a result, palletized warehousing was developed. Tenants' goods were crated and stacked three high in wooden boxes moved around with a forklift. While the concept worked well, it was inconvenient and costly to the customer.

In the mid 1960's, Texas saw the first generation "self storage" facilities as we know them today. Becoming immediately successful, development of facilities spread quickly to the west coast and then throughout the United States and Canada. Then, the concept of "self storage" was being constructed in Australia, Europe and around the world. The majority of facilities operating today may be classified as "second generation" self storage. These include: typical row buildings, some multi story facilities and conversion of older buildings.

The "third generation" of self storage is characterized by the following: retail locations, light commercial or even multifamily residential neighborhoods (rather than the traditional industrial corridor or location in heavier commercial areas). These newer facilities emphasize aesthetics in construction, designed to blend in with the "retail" nature of the neighborhoods they serve.

Landscaping has also become a prime consideration, as well as development of storage in conjunction with a planned tract of offices, retail stores, or business park development, combining "incubator" office space with storage or "super centers" (retail strip mall with storage complex). All this with the goal of creating a stable, secure, upscale image that develops a perception of trust among local consumers.

Rental rates

Investors were attracted to storage early on because of the return on investments and the perceived ability to increase that return with a "small dollar" rent increase which yields a considerably larger percentage of return.

The past few years have witnessed the first signs of strong competition in specific local markets. In some areas the supply of storage units has begun to outstrip the demand.

Significant market share is going to the more sophisticated and aesthetically pleasing facilities that meet the market's demand for upscale, high tech product. These newer facilities will be considerably more expensive to construct than the facility of the past. The value of the land in a favored location can now be as much as 50 percent of the project, with debt service a significant factor in the cost. All these factors must be considered by the prospective investor or lender prior to entering the self storage market as it exists today.

Self storage has matured as a viable real estate form and is now prevalent throughout the United States and several foreign countries. Self storage has proven its value as a basic real estate product with many unique, high



performance characteristics. Self storage has spread, survived good and bad economic conditions, and developed as an industry with its own association and specialized suppliers.

It has also demonstrated great popularity as an investment, and begun to attract substantial new interest in the real estate community with the evolution of "third generation" properties which maximize both the business and real estate aspects of the industry. The upheavals in the real estate industry the past few years have left self storage in a much more favorable position in comparison with other real estate types.

As self storage has spread, the market has become familiar with it, in some places to a greater extent than in others. This familiarity has brought higher tenant awareness, affording them the ability to compare and choose among today's available storage facilities. Some older facilities, while faced with heavy competition from modern facilities, if well managed, maintained and marketed, still achieve a high financial performance.

Growth patterns

Initial development of self storage facilities occurred primarily in the western United States and the Sunbelt states. Contributing factors were: a transient population moving to new jobs and better climate, retirement condominiums, apartment and townhouse residences, slab construction, etc.

Many facilities were developed prior to 1979, with 1978 generally acknowledged as one of the greatest growth years in the industry. As the decade of the 1980's began, increased self storage construction activity occurred along the eastern coast of the United States, with increased interest in Canada, Europe, Australia and other countries of the free world.

The early 90's recession saw many foreclosed facilities purchased at "fire sale" prices by savvy local or national operators, now enjoying substantial cash flow.

Estimates of the overall number of self storage facilities operating in the United States vary greatly. Most industry veterans estimate that there are over 50,000 self storage properties currently in operation. Validity of these figures depends upon what types of operations are included in the facility count. Including boat storage, records storage, security vault operations, resort and outdoor storage, postal boxes and very small storage facilities located in rural areas will yield figures on the higher side.

As the population became more familiar with self storage, the demand for offsite storage expanded to accommodate the growing needs of the business community (e.g., storing files, medical records, excess inventory, equipment, etc). In some areas business storage accounts for 30 percent or more of the total tenancy of the facility.

Easy access, convenient office hours, short term rental agreements and no long term commitment to pay for space which may not be needed in the future, make the self storage facility extremely attractive to the retail customer, contractor, home based businesses, manufacturers and pharmaceutical representatives, etc.

Cost and operating expenses

As with all types of real estate, building and operating costs vary widely with self storage. The following cost are based upon results from many self storage facilities and are obtained by Self Storage Association from operators in the industry, articles from various real estate and financial publications, and from numerous offering proposals on public record.

Averaged nationally, operating costs range from a low of 25% to a high of 40% (plus or minus) of actual stabilized income.



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Expenses include:

- Maintenance

This includes supplies, pest control, contract services, equipment, building, doors, gates, elevator, and landscaping.

- Taxes

Property taxes.

- Utilities

Includes electric, gas, water, sewer, and garbage fees.

- Insurance

Includes fire, property, liability, sales and disposal, customer goods, employee dishonesty, legal liability and general business insurance.

- Administrative

Includes legal and accounting fees, office supplies, printing, computer supplies, and postage.

- Advertising

Includes Yellow Page advertising, promotional items, marketing and direct mail.

- Operational

Includes tenant auctioning, telephone, security services, computer software, mileage, truck operations, equipment rental.

- Capital improvements

Improvements such as new roof, asphalt repairs, major expense items.

Land price and generated income

The "proper" price for land has long been debated in the self storage industry as it is in any real estate scenario.

The current general rule of thumb for land cost is 25-30 percent of total development cost.

It should be mentioned that two-story, or higher, self storage facilities are no longer uncommon and numerous three and four-story facilities do exist. Ultimately, the rental rates in the market drive the cost that a developer can pay for land.

The most common cost/operating description of self storage is the comparison with apartments. As a general rule, self storage projects will generate the same per square meter income as medium priced apartment properties in a market area. They can achieve this performance at roughly one half the construction cost and at one-half the operating expenses.

A well designed and located facility will successfully operate in the 83-93 percent occupancy range, with many projects having been successful at occupancies as low as 70 percent, depending upon cost, rental rates and the method of financing applied and age of project.

As a general rule, the investor should open his facility in the spring of the year (northern hemisphere) and allow at least 18-24 months for it to realize its potential in a competitive market, 36+ months for "Jumbo" 10,000 m² size facilities to reach stabilization.

Site selection consideration

Location of a self storage facility is measured by several factors: visibility, ease of access, proximity and density of customers, expected growth, current storage saturation level (competition), availability of land, appropriate zoning and commuter traffic patterns.

A growth area, for example, generally will produce a much faster rent up, and high ratios of multi-family residences will create a demand for smaller units, and smaller units generally pay a higher return on the money invested. A location near the center of a dense urban area, preferably on a major artery, is ideal.



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A freeway location is somewhat less desirable than a major artery that passes through the neighborhood the facility is intended to serve.

Market survey

How does one conduct a realistic market survey? Begin with a demographic study which uses census material to obtain information about a five and eight kilometer radius surrounding the proposed facility site.

This information should include current population, anticipated growth, the population mix (renter/owner, multi/single family) and average income. Several industry vendors provide these types of demographic packages called feasibility studies. Competitors (both existing and planned) should be plotted on the map of the area. An on-site visit should be made to all existing competitors. This visit should include conversation with managers to determine unit mix, rental rate, occupancy level to calculate average rent rates and income of area facilities. Most of the aforementioned information can be found in the local planning department.

Following on-site visits, total number of square footage of storage in the market area should be tabulated, as well as the number of individual units. Previously, saturation was thought to occur somewhere between 0.2- 0.4 m² of rentable space per person and depending upon the population, housing and commercial mix in the neighborhood.

There is no real definition of market saturation as some sub markets now have 1 m² per capita or the point at which over building occurs; it definitely varies from one market area to another.

In particular, communities which absorb larger amounts of storage space are found in the Sunbelt area, where people have more opportunity to be outdoors and to own more recreational equipment. The type of housing (e.g. basement, enclosed garages, large homes with closets or no frills housing, military bases, condominiums and apartments, and the density of older housing which may not have adequate storage space) also has an impact on how much storage space the market will accommodate.

Age of population, mobility rate, employment status and income are other important measures.

Section below from MY STORAGE web site, www.mystorageasia.com

Who need Self Storage?

Personal storage

MY STORAGE offers flexible storage solutions to home space problems arising from a variety of situations such as:

- You are moving house and your new home is not completed.
- You are renovating your home and need to transfer household goods to storage.
- You are relocating and need to store your valuables during the move.
- You are going travelling and need personal storage for your belongings.
- Your hobby or sports equipment is taking over your home.
- You simply lack storage space at home.

Our generous seven days a week access of your self storage unit will make it feel like an extension of your home.

Business storage

Security and flexibility is the key for modern day businesses. MY STORAGE provides secure, convenient and cost effective storage solutions to suit your business needs. Small or large companies and retail businesses all benefit with MY STORAGE facility.



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The workplace has become more competitive than ever with a great need for a reliable high quality self storage company like MY STORAGE. If you are looking for space to store your stock, promotion material, archive documents or simply free up valuable space in your existing office MY STORAGE offers flexible storage solutions that will meet all your business requirements.

Our self storage facility has business friendly 7 days a week access with wide loading bay and external business storage units with 24 hours access that can be reached directly from your vehicle. We provide comprehensive insurance coverage and a wide range of professional packaging materials such as archive storage boxes and specialist racking systems. In addition our facility is monitored by security cameras placed in and out doors at strategic locations. Only you or your named representative (with your private code and key) has access to your storage unit.

MY STORAGE offers flexible month to month rental periods and discounts for long term prepaid rental, payments are made through monthly invoicing with an all inclusive business storage fee.

Companies use MY STORAGE business storage units for a number of reasons such as:

Moving offices or downsizing.

Whether your company is growing or slowing, MY STORAGE business storage is a cost-effective answer to changing requirements. With the increasingly unpredictable property market, many firms are seeing business storage as a way to avoid long-term commitments.

Archiving files in order to free up precious office space.

Expensive office space is often used for non productive storage wasting money for the company since offsite storage space costs less than the prime space that is being taken up with non productive material.

Retail businesses storing equipment or fluctuating seasonal and excessive stock.

Many retail stores in shopping centers and plazas don't have the luxury of extra storage space or available on site storage space. Our self storage facility is an excellent way to reduce storage costs of seasonal items or for storing large purchases planned for future sales.

Trade supplies and equipment from companies with Mobile Sales Forces.

Many companies in construction, home decoration, tourism, health, perfumeries and other organizations that work with mobile sales forces of service representatives use MY STORAGE self storage services for storing and distribution of products, marketing and print literature, point of purchase displays and more. We provide secured space for this group of mobile representatives and can supply light and power for companies that require these types of services for their representatives and sales staff.

Exhibition and event equipment.

Storing exhibition materials in a clean, risk-free environment and to ensuring that all material has arrived in time for the exhibition or event is a fundamental part of the arrangements. MY STORAGE offers an ideal environment for this type of equipment.

Businesses looking for larger bespoke storage spaces.

From stock distribution to seasonal items, MY STORAGE solves your business storage problems by providing fully flexible business storage units in sizes up to a 100 m².



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Benefit of Self Storage, more than just storage

Security

It's our job to make sure your things are safe around the clock so you don't have to worry. MY STORAGE is fitted with State-Of-The-Art security systems including advanced access system, 24hr CCTV cameras, intruder alarm system and fire protection. ONLY you have the key to your storage unit. For double protection MY STORAGE can recommend comprehensive insurance policy to suit your storage needs.

Flexibility

Everybody is unique and that's why MY STORAGE offers different storage unit sizes to suit everyone's need ranging from locker style 1m3 units to 25m2 units. No advance booking is required. You can move in whenever you want, stay a month or a year or for as long as you require and you can even increase or decrease the unit size in accordance to your needs during the rental period (subject to availability). We only ask for a 1 month notice when you want to leave. You can access your belongings free of charge whenever suits you during our extended opening time 7 days a week.

Convenient

You can visit our easy to use informative web site from the comfort of your home to request for a quotation, reserve a unit and even pay online or visit our office at MY STORAGE to receive advice from one of our professional and friendly staff. No need to look further for excellent quality Boxes & Packaging material as they are readily available at MY STORAGE. Our moving partners can also assist with moving your belongings to MY STORAGE where there is a large loading bay and trolleys to make moving easy. MY STORAGE is equipped with an elevator serving all floors so you don't have to stress your knees and back moving goods up and down any stairs.

Cost Effective

Pay for space you need and only when you need it. MY STORAGE has a wide range of storage unit sizes to suit your needs. We give you the flexibility of increasing and decreasing your unit size (subject to availability) so you don't need to pay for any unused space. Our Self Storage solution allows you to pay for storage space when you really need it with one month minimum rental period, apart from that you can be our guest for as long or as short as you like.

Items Not to Store

- Toxic, polluted or contaminated goods
- Firearms, ammunitions or explosives
- Radioactive materials
- Flammable or hazardous goods
- Living plants or animals
- Food or perishable goods **
- Cash and securities
- Illegal goods
- Waste

** Unless approved by us in advance

Promotions

MY STORAGE will during operation present current and future clients with numerous special promotions and discounts.



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Additional services that MY STORAGE may offer.

- DHL drop off point
- Removal services
- Van rental

FAQs

MY STORAGE would like to inform you of how our self storage works so you can have a great self-storage experience. Here are answers to some of the more common questions. As Storage Experts we can assist with all your storage needs.

What is Self Storage?

Self Storage is a relatively recent service industry in Asia. A Self Storage facility lease space to individuals, usually storing personal goods or to small businesses storing excess inventory or archived records. The rented spaces, known as "units" or "lockers" are available in a number of sizes and are secured by the tenant's own lock and key. Facility operators do not have casual access to the contents of the space.

Who is MY STORAGE?

MY STORAGE is the first State-Of-The-Art Self Storage facility to open at a mixed-use development in Thailand. Our Self Storage facility is conveniently located with premium road side visibility at renowned Jungceylon Shopping Center, Patong, Phuket.

We offer clean and dry private self-contained fully enclosed individual storage units on a month-to-month rental basis for all your local home and business storage needs. Our trained, professional and helpful staff will ensure that you receive the best service and value in the industry.

MY STORAGE is an active member of the Storage Association of AustralAsia (SSAA) and is striving to meet the highest industry quality standards.

What sort of security does MY STORAGE have?

MY STORAGE takes the security of your goods and possessions extremely seriously. To protect them we have staffed reception, sophisticated alarm systems and 24 hour Digital CCTV surveillance cameras placed in strategic locations both inside and outside the building monitoring all entrances and exits. Local security patrols are able to react to any alarm activations. Access to our storage facility is strictly controlled, you need a location specific access code to get into the building and your key is the only access to your storage unit.

How much does it cost to store with MY STORAGE?

The cost is determined by the size of unit you require. Your rental charge is calculated according to the floor area of the storage room, the smaller the floor area the less you end up paying. Space required depends on goods needed to be stored, how stackable it is and the sort of access you will need since you may want to leave a walkway through the storage room to get to your possessions. Members of our staff can advise you on how to stack your goods and inventory to make maximum use of the unit space. Please note that you also can purchase shelving systems at our office. At MY STORAGE we have rental spaces ranging from small 1 m3 locker style units to large 25 m2 units.

What is included in the price and are there additional costs?

There is a one-off registration fee at the time of the move in.

You will also be asked to pay a security deposit equal to one month rental; it will be refunded when you vacate your storage unit if applicable. Please note that for your benefit we recommend all rentals the purchase of a Self Storage insurance policy. You will also be asked to purchase a highly secure padlock designed to provide the highest security for your belongings.



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What kind of payment methods is available?

We offer a range of payment options including credit card, company cheque, direct debit and wire transfer. Cash will only be accepted for payments after your initial payment when you moved in.

What is the minimum rental period?

The minimum rental period is one month payable in advance. You are welcome to store for as long as you want, there is no maximum rental period. You can increase or decrease unit storage size according to your needs during the rental period.

Do I have to give you notice to leave?

We require one month notice of your intention to vacate your storage unit and we refund any unused storage charge. Notice must be given in writing either in person, by fax, post or email.

What is MY STORAGE opening hours?

You can access your storage unit seven days a week during our generous opening hours Monday – Saturday 9 AM – 7 PM, Sunday 10 AM – 4 PM. Please note that customers of our external units have 24 hours access.

What do I need to sign a self storage agreement?

When signing our easy to understand self storage agreement two forms of ID are required. A valid proof photo ID (passport or driving license), credit or debit card, house registration or utility bill less than 3 months old is required together with a photo taken at our office. Our staff will talk you through the contents of the agreement to make sure you understand the key points of what you're committing to.

When can I move in?

Once the self storage agreement is signed and we have received your payment the unit is available for move in unless your choice have been to pre-book a unit.

How do I get my goods to MY STORAGE?

If your own vehicle isn't suitable for transporting your goods we can assist in arranging the move with professional Moving company. When arriving to MY STORAGE Self Storage facility we provide ample free parking spaces readily available and a large loading bay area from where you can unload your belongings onto our complimentary trolleys and carts for ease of transportation to selected storage unit.

Where can I buy moving and packing material?

You can purchase a wide range of excellent quality moving & packaging material such as boxes, bubble wrap, packing tapes and highly secure padlocks at our MY STORAGE office.

If I do not rent storage, can I still purchase storage and moving material?

Yes, you don't need to be one of our Self Storage customers to buy our excellent quality moving & packaging material.

What is the difference between indoor and outdoor storage units?

Indoor units are located inside of our multi-story storage buildings with elevator access and wide hallways. Our outdoor units are on ground level and have direct drive-up access. These units are ideal for businesses requiring 24 hours access and for storing large, heavy items or equipment as you have the ability to load your belongings directly from a vehicle or truck.



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How to behave as a perfect customer.

How you can help us by behaving as a perfect customer.

- Observe the rules.
- Pay your rent on time.
- Be courteous.
- Drive slow and be careful at our facility.
- Don't block the driveway or other hallways for other tenants.
- No illegal activities.
- Notify the facility management if you see anything that seems suspicious.
- Watch your children at all times.
- Smoking, drinking, eating or pets are not allowed inside our facility.

Sources

- The Self Storage Associations of America
- MY STORAGE Self Storage.