

Learn about the self-storage industry and find information on how to open a self-storage business. Don't forget you can receive free or low-cost training and free professional business advice, from [your local Small Business Development Center!](#)

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Self-Storage COVID-19 Resources

In response to the global COVID-19 pandemic, shelter-in-place orders and physical distancing measures affected many businesses; here is a look at the impact to the self-storage industry.

[Inside-Self Storage](#) reports that demand for self-storage properties has been relatively strong during the pandemic; however, newer facilities may face a challenge in meeting their leasing goals as new leases began declining as early as February. Due to decreased cash flow and government licensing office closures, new self-storage facility construction has been delayed or stopped altogether. According to [SpareFoot](#), as college campuses closed in response to the pandemic, students displaced from their dorms represented a large surge of demand in the month of March.

- [SBDCNet's COVID-19 Small Business Resources](#)
- [SBDCNet's COVID-19 Industry Resources](#)
- [Self-Storage Association News & Coronavirus Updates](#)
- [Inside Self-Storage Coronavirus Resources](#)

Self-Storage Industry Overview & Trends

NAICS Code: 531130; SIC Code: 4225

This self-storage services summary is from [First Research](#), which also sells a full version of

this report.

- “Companies in this industry rent or lease locations for self-storage, providing secure space (such as rooms, compartments, lockers, containers, or outdoor space) where clients can store and retrieve their goods. Major US companies include REITs such as CubeSmart, Extra Space Storage, Life Storage, and Public Storage (all based in the US), along with Dymon Storage (Canada), Safestore (UK), and Shurgard (Belgium).
- The US, where the self-storage industry originated, remains the top global market. Other well-established markets include Canada and Australia. Growth opportunities are strong in Asian markets such as Hong Kong, Japan, and Singapore, where the self-storage industry is just beginning to gain traction. The US self-storage services industry consists of about 17,000 establishments (single-location companies and units of multi-location companies) with about \$12 billion in annual revenue.
- Competitive Landscape: Demand for self-storage services is driven by population growth and consumer spending. The profitability of individual companies depends on marketing and pricing. Large companies enjoy economies of scale in administration, marketing, and purchasing and are often better able to finance acquisitions. Small companies can compete by specializing in local markets or by offering niche services. The US industry is concentrated: the 50 largest companies generate about 50% of revenue. About 95% of self-storage companies operate just one facility.”

Self-Storage Customer Demographics

Major market segments for self-storage facilities are reported by IBISWorld, which offers full version of the report available for purchase [here](#).

The market for the self-storage businesses is broken up into four major segments:

- Households comprise the largest segment of the market (69.9%) representing the largest revenue segment for the industry. The segment is broken down into long-term rentals, greater than six months (48.9%) and short-term rentals, less than six months (21.0%).
- Businesses, from retailers to wholesalers and other small businesses make up the next

largest customer segment (18.4%).

- Members of the military represent a smaller market segment (5.9%) of the industry; they may, however, represent a large percent of a storage facility's occupants in cities with a military presence.
- College students (5.8%) make up the remainder of the market. It is worth noting that this segment is seasonal due to their storage facility use during breaks when classes are not in session.

[SpareFoot](#) reports that 9.4% of U.S. households rent a self-storage unit with an estimate of 5.4 square foot per person.

Self-Storage Startup Costs

According to [SpareFoot.com](https://www.sparefoot.com), construction on a new self-storage facility are as follows:

“As a rule of thumb, you can expect to spend anywhere from \$25 to \$75 per square foot on new construction.”

Additional self-storage startup costs information can be found through the following resources:

- [Ministorage Center Startup Costs from Entrepreneur Magazine](#)
- [Cost to Build a Storage Unit Business](#)

Self-Storage Business Plans

- [Self-Storage Business Plan](#)
- [Self-Storage Facility Business Plan](#)
- [Writing a Self-Storage Unit Business Plan](#)
- [Boat Storage Facility](#)

Self-Storage Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- [Self Storage Association](#)
- [SSA Chartered, Managed and Affiliated National and International Associations](#)

Self-Storage Business Regulations

While there seems to be no one federal agency regulating the industry, self-storage facilities must operate in compliance with the [Americans with Disabilities Act](#). At the state-level, the Self Storage Association provides a regularly updated post on [legislative activity](#). Zoning regulations, building codes, right-of-way, and other ordinances are considerations for your business at the local level.

Self-Storage Publications

- [Inside Self-Storage](#)
- [SSA Magazine](#)
- [SSA: Self-Storage Events](#)
- [SpareFoot: Storage Beat](#)
- [SpareFoot: U.S. Self-Storage Industry Statistics](#)
- [Mini-Storage Messenger](#)
- [Marketing Ideas for a Self-Storage](#)

Self-Storage Business Employment Trends

- ZipRecruiter identifies the national average salary for a [self-storage manager](#) at \$14 per hour. The primary function of this role is to oversee tasks essential to running the operation of a self-storage facility. Responsibilities include administrative duties, ensuring storage units are clean, and maintaining operational security cameras throughout the property.
- [Essential skills and traits](#) needed for this role include customer service skills to manage existing tenants as well as sales experience to attract new tenants and upsell ancillary products. People with self-storage work experience or retail make good candidates to work in this industry. While not typically required, a [post-secondary degree in business](#)

[administration](#) is a plus.

- Inside Self-Storage (ISS) provides insights from a staffing expert on [how to hire a manager](#) to lead your business to success. Attracting the right candidate to manage your facility requires consideration of proper compensation. ISS provides information on the various components to [developing a compensation package](#) to attract and retain facility staff.
- Among the benefits to self-storage management is the ability to have an onsite residence with paid utilities. Where local zoning ordinances do not allow for on-site residence, the owner may provide local housing. While [onsite housing](#) has been an industry-wide practice since the start of the industry in the 1960s, newer automated facilities have decreased the need for an onsite manager.

Additional Small Business Resources

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- View industry-specific research here: [Market Research Links](#)
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