

Who's Moving Up in Self-Storage?

Notable Numbers From the 2014 Top-Operators List



The ISS Top-Operators List

The [Top-Operators List](#) is an annual compilation including 100 of the industry's leading players. In the list, real estate investment trusts, multi-facility operators and management companies are ranked by total square footage. Additional information includes company leadership, contact information, number of facilities, number of units, operating names, operating locations and expansion plans.

This slideshow provides analytical insight to the 2014 list, which was recently released on the ISS website and published in the October 2014 edition of ISS magazine. To view the list, select it from the “Directories” drop-down menu in the top navigation bar at www.insideselfstorage.com.

The Big Picture

Although the industry's largest operators produced big property gains in 2014, a spate of activity is reflected throughout the rankings. Many on the list continue to grow by purchasing competitors, redeveloping existing buildings or adding third-party management contracts.

Similarly, some operators have shown contraction via portfolio sales or the termination of management agreements.



2014 Top-Operators List: Top 100

Total Square Footage	612 million
Total Number of Facilities	9,966

Big 5 Dominance



While self-storage has been a top-performing sector among all industry real estate investment trusts (REITs) during the last three years, the four publicly traded U.S. self-storage REITs also continue to dominate the Top-Operators List.



CubeSmart, Extra Space Storage, Public Storage and Sovran Self Storage (Uncle Bob's) are again joined by U-Haul International to form the "Big 5," who are driving industry consolidation through aggressive acquisitions while peppering strategic markets with new developments.



Taken together, the Big 5 account for 56 percent of the total square footage represented on the 2014 Top-Operators List and 61.4 percent of the total number of facilities.



Big 5 Spotlight – Public Storage

At No. 1, Public Storage casts a long shadow across the self-storage landscape, with nearly twice the square footage and 798 more facilities than its nearest competitor.

By itself, the industry's largest operator accounts for nearly one-quarter of the square footage (24.7 percent) and number of facilities (24 percent) represented in the entire Top 100 rankings. The REIT reported a portfolio of 151 million net rentable square feet, a 5.6 percent increase compared to last year, and its facility count of 2,390 reflects a 5.4 percent increase over 2013.



Big 5 Comparison

U-Haul posted the smallest gain in net rentable square feet among the Big 5, despite adding the most facilities during the last year. The company added 386 locations (a 32 percent gain) but expanded its footprint by just 4.1 percent.

In contrast, Extra Space outpaced the rest of the Big 5 by growing its portfolio from 70 million to 79 million square feet, a 12.9 percent increase. Its facility count grew 11 percent, joining Public Storage and U-Haul with more than 1,000 locations.

Sovran, which operates the Uncle Bob's Self Storage brand, also hit a milestone by joining the rest of the Big 5 in the 500-facility club, gaining 30 locations since last year, a 6.4 percent increase.

A Closer Look at the Big 5

Tracking the Big 5 by Net Rentable Square Feet (in Millions)

	2012	2013	% Change	2014	% Change
Public Storage Inc.	131M	143M	9.2	151M	5.6
Extra Space Storage Inc.	64.5M	70M	8.5	79M	12.9
U-Haul International Inc.	38.2M	41M	7.3	42.7M	4.1
CubeSmart	31.5M	33.8M	7.3	36.9M	9.2
Sovran Self Storage Inc.	30M	31.9M	6.3	34M	6.6

Tracking the Big 5 by Number of Facilities

	2012	2013	% Change	2014	% Change
Public Storage Inc.	2,064	2,268	9.9	2,390	5.4
U-Haul International Inc.	1,144	1,206	5.4	1,592	32
Extra Space Storage Inc.	882	965	9.4	1,071	11
CubeSmart	477	519	8.8	561	8.1
Sovran Self Storage Inc.	451	471	4.4	501	6.4

Movement in the Top 10

After the Big 5, net rentable square feet per operator drops off dramatically, but at No. 6, SmartStop Self Storage, the operating brand of publicly registered, non-traded REIT Strategic Storage Trust Inc., posted the largest percentage gain among those in the Top 10, jumping from 9.8 million to 13 million square feet, a 32.7 percent increase.



No. 9, Simply Self Storage, posted a 17.8 percent gain and crossed the 10 million-square-foot threshold.

Movement in the Top 10



Debuting on the list at No. 7 is National Storage Affiliates (NSA), a private REIT formed last year by Northwest Self Storage, Optivest Properties and SecurCare Self Storage. The REIT has since added Guardian Storage Centers LLC as a fourth affiliate and checks in with 221 facilities comprising 12.2 million square feet. NSA is owned and operated by its affiliates, which will continue to manage and self-brand their portfolios under the REIT umbrella.



Moving on Up

Other notable increases in square footage:

- ❖ No. 73 - Argus Professional Storage Management (104 percent)
- ❖ No. 22 - Devon Self Storage (67.7 percent)
- ❖ No. 53 - Advantage Storage (61.5 percent)
- ❖ No. 52 - Storage Asset Management (36.9 percent)
- ❖ No. 54 - StoragePRO Management Co. (33.3 percent)
- ❖ No. 34 - Move It Management LLC (24.6 percent)

As one might expect, numerous ranking changes have occurred in the bottom half of the list this year, as the addition of one or two facilities can significantly add to footprint size and boost a company's ranking one or several spots.

Million-Marker Milestones

Several operators reached square-footage milestones in 2014.

2014 Million Marker Milestones in Net Rentable Square Feet								
Square Footage Club	Company	2013 Rank	2013 Square Feet	2013 Facilities	2014 Rank	2014 Square Feet	2014 Facilities	Square Feet % Change
13M	SmartStop Self Storage	7	9.8M	122	6	13M	165	32.7
10M	Simply Self Storage	9	9M	118	9	10.6M	140	17.8
9M	W. P. Carey	10	8.97M	167	10	9.54M	157	6.35
5M	The William Warren Group	15	4.89M	80	14	5.7M	93	16.6
4M	Absolute Storage Management Inc.	19	3.93M	74	19	4.31M	81	9.7
4M	Platinum Storage Group	24	3.5M	45	21	4.1M	51	17.1
3M	Devon Self Storage	45	2.35M	32	22	3.94M	56	67.7
3M	Move It Management LLC	41	2.68M	39	34	3.34M	42	24.6
3M	Urban Self Storage Inc.	36	2.99M	55	37	3.18M	60	6.4
2M	Storage Asset Management Inc.	54	1.6M	33	52	2.19M	41	36.9
2M	Advantage Storage	67	1.3M	18	53	2.1M	30	61.5
1M	Argus Professional Storage Management	95	593K	11	73	1.2M	32	104

Note: This table excludes companies making their debut in the Top-Operators List for which ISS has no 2013 data.

Notable Downsizing



morningstar
mini-storage

There may not be another self-storage company that plays the real estate selling game more aggressively than Morningstar Properties LLC. The company posted the largest freefall in the 2014 list, tumbling from No. 17 to No. 48 by selling 65 percent of its portfolio (43 facilities in concert with investment-management firm Harrison Street Real Estate Capital LLC) to Public Storage for \$315 million.

The move was similar to 2006 when Morningstar sold 60 of its 63 properties to Public Storage. This time, the company kept 23 facilities in its stable, and through development and acquisitions since the sale, Morningstar now boasts 36 facilities comprising 2.34 million square feet.

Shrinking Footprints

Operators that have sold sizable portions of their self-storage portfolios or terminated management agreements in the last year have fallen significantly in the Top-Operator rankings. A few are noted below:

2014 Notable Downsizing							
Company	2013 Rank	2013 Square Feet	2013 Facilities	2014 Rank	2014 Square Feet	2014 Facilities	Square Feet % Change
Morningstar Properties	17	4.1M	66	48	2.34M	36	-42.9
Herman & Kittle Properties	71	1.12M	18	93	787K	12	-30.8
Cutting Edge Self Storage Management	52	1.72M	26	69	1.25M	22	-27.3
Donald Jones Consulting & Service	81	909K	23	98	683K	19	-24.9
Sentry Self Storage	39	2.78M	33	51	2.24M	32	-19.42

Who's Eligible?

The Top-Operators List, published annually, is open to all multi-facility self-storage operators and third-party management firms. To be considered for inclusion in the 2015 list, simply complete [an online form](#).

1. Visit www.insideselfstorage.com.
2. Hover over “Directories” in the top navigation bar.
3. Choose “Top-Operators List.”
4. Click the “ADD/EDIT LISTING” link in the upper right corner.

Thank you!

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The complete [2014 Top-Operators List](#) is viewable on the ISS website. Simply click on the company name to access the individual listing info. To get all of the operator information contained in a convenient Excel spreadsheet, please visit the [Inside Self-Storage Store](#).