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Self-storage industry has a strong grip on consumers

People's need for room keeps business alive

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Sharon Cantillon/Buffalo News
Karen Fenner, associate manager at the Uncle Bob's self-storage facilities in Williamsville, says her customers include all types of people "who have a need for extra room."



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On top of gasoline expenses and grocery bills, Maryann Rizzo of Clarence pays \$900 a month to keep her possessions in storage.

She is far from alone in her desire for extra rooms to hold her things. The mobile, consumer-driven American lifestyle, coupled with the growth of small business, has created fertile ground for the self-storage industry.

Nearly one in 10 U. S. households currently rents a self-storage unit, according to the Self Storage Association.

There are 6.86 square feet of storage space for every man, woman, and child in the United States, the association found. There are 59,934 self storage and mini-storage facilities in the U. S. and the total market capitalization value of the self storage industry tops \$220 billion.

But the pace of development slowed down in 2006 and 2007, according to an association study. Among association members, 48.7 percent said their local market of storage was "overbuilt."

The construction of self-storage facilities roughly mirrors the job growth of an area, said Tom Frye, managing director of CB Richard Ellis Self Storage Advisory Group. "It goes in cycles and it's regional," he said. "It's not a national phenomenon."

For that reason, he listed Las Vegas, Phoenix, Michigan and Florida as places with slowing storage construction. Development is speeding up in Texas, Tennessee, Georgia, Louisiana and Washington, D. C., he said.

Aside from financial implications, storage has gained a stronghold of customers.

"Mainly, it's a matter of convenience," explained David Rogers, chief financial officer of Buffalobased Sovran Self-Storage, which owns Uncle Bob's Storage. When there is a sudden death, divorce or move, often an individual temporarily rents storage or unclutters the house before selling it, he said.

Customers include all types of people with a common need, said Karen Fenner, associate manager at the Uncle Bob's in Williamsville.

"We have carpenters, we have plumbers, we have landscapers," she said. "It just depends. But there are a lot of professional people out there who have a need for extra room."

Rizzo has been renting storage for 15 years. She rents two units locally and one in Florida. The two units at Main Street and Transit Road, for \$500 a month, hold seasonal and decorating items for her day care business. A bigger unit in Florida holds her deceased father's household items and costs \$400 a month.

At Uncle Bob's, the minimum for storage length is 30 days, but the average length is a little over 13 months, Rogers said. Renters often use them, especially if they do not have basements or attics.

At Uncle Bob's, prices vary based on unit size, climate control and availability. A 5-foot-by-5-foot unit, about the size of a closet, would cost about \$30 or \$40 per month. A storage unit big enough for a car would cost about \$150 to \$200 per month. There is a 25 percent premium on the rates if a customer wants a climate-controlled, humidity-free or air-conditioned unit, Rogers said.

Companies like PODS and Pack-n-Go offer a different approach from Uncle Bob's, dropping off the units or "vaults" themselves and then picking them up whenever the customer is done packing them.

Mark Voss, operations manager for Pack-n-Go, said the method makes it easier for people who are busy and don't want to spend all day packing and unpacking. The vaults, measuring 8-by-5-by-7-feet, cost \$65 per month and are cheaper when rented in bulk.

When a renter stops paying on a storage unit, the contents are auctioned.

Fenner explained that auctions occur about 3 months after the last payment, and the winning bidder gets the entire contents of the unit. People make their bids based on a general description of the contents and what they see from a distance when the unit is unlocked, she said.

A number of customers leave their possessions in a unit for years at a time. One teacher went to Korea and left her stuff in storage for two years, Voss said.

A customer at Uncle Bob's, an elderly man, fills up his unit with odds and ends ranging from old refrigerators to mismatched furniture, Fenner said. He's been renting a unit since 1996. Another left her mother's belongings in storage for 12 years after moving to Florida, she said.

These renters tie the industry to a nation of consumerism where "making it no longer means a set of furniture and a small closet full of clothing," said Helen Shuemaker, assistant professor American

Studies of Miami University and author of “Material Culture in America: Understanding Everyday Life.”

Consumers buy into the idea that newer is better, Shuemaker said. This leads to the accumulation of outdated technology like old TV’s, VHS players, and computers, much of which finds a home in self-storage units, she said.

Rizzo, though, said she mostly sees businesspeople storing records or merchandise. She uses the storage to keep her business-related items out of her home.

“Are there packrats there? I’m sure that there are,” she said. “I know that there are people who keep shoving things into a unit until they abandon their things. I would say that for the most part, I see a lot of businesses.”

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