

PROFITS BY DIVERSIFICATION



The **UTILITY** of **PORTABLE STORAGE CONTAINERS** in the **SELF-STORAGE INDUSTRY**

by Rod Bolls

The self-storage industry continues to be one of the fastest growing segments of the commercial real estate industry in North America. The industry flourished in the 1990s with demand outpacing supply. From 2000 to 2005, there were over 3,000 self-storage facilities built each year. Today, the industry is faced with one of the worst economic downturns the U.S. and Canada have ever seen. Self-storage operators are looking for alternatives to new construction and ways to expand their business without large financial investments. One solution for self-storage operators is to utilize the portable storage container.

Container Specifications

There are two main types of portable storage containers in the industry. The first type

is the ISO shipping container, which is widely available as either new or used in the marketplace. The most common sizes are 20- or 40 feet long, and 8 feet wide and 8 feet high. The ISO shipping container is primarily used in the shipping industry. The empty weight of a 20-foot long ISO shipping container is 4,850 pounds and a 40-foot ISO shipping container is 8,380 pounds.

The second type of portable storage container is the mobile self-storage container, which is primarily available as new in the marketplace. The most common sizes are 12-, 16-, 19-, or 20-foot lengths, with an 8-foot width and height. The mobile self-storage container is primarily used in the portable storage and moving industry. The empty weight of mobile self-storage contain-

ers vary depending on materials used in its construction, type of wall panels, and other features. The average weight of the 16-foot long is 2,500 pounds and the 20-foot long is 3,000 pounds.

For the purposes of this article, both ISO shipping containers and mobile self-storage containers will be referred to as portable storage containers. Both types of containers are currently being utilized in the self-storage industry in similar ways. There does not seem to be one particular need in the self-storage industry that both types of storage containers do not fulfill. Both types of container are easily modified and configured in various ways to meet the self-storage operator's requirements.

The portable storage container can be used outside or inside, within temperature controlled or open-air storage environments. If the container is going to be used outdoors it is important to ensure the containers are waterproof, possess a pitched roof for water runoff and snow loads, and have some type of ventilation system. The use of vents in the container will further prevent the possibility of damage to items stored inside due to extreme weather conditions. All portable storage containers are safe and secure with various types of locking systems for both the operator and customer.

Available Adaptations

One of the most common ways a portable storage container is currently being utilized in the self-storage industry is by adding it to the existing facility. The facility either has vacant space or parking space where a portable storage container can be easily positioned. Once the container is on the facility it can begin to generate revenue on a previously non-revenue generating area. In Cana-

da this may be a more attractive option with newcomers entering the self-storage industry, mainly due to the low capital investment, ready to rent units in days versus months, and containers that are easily repositioned

on the property or elsewhere. A new operator may even consider temporarily using portable storage containers to generate revenue before or while they build the permanent self-storage facility.

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The self-storage operator may have areas at their facility where they were unable to build due to various restrictions or code requirements. The portable storage container offers the operator flexibility in solving space constraints due to its various sizes and configurations. The self-storage operator can add one unit at a time or several portable storage containers at once to the facility based on their own needs. In Canada, each province has its own codes, which are subject to the interpretation of local inspectors. The operator may use a portable storage container in previously restricted space to begin generating revenue, but should definitely contact local or provincial authorities to determine if there are any special code requirements on the use of portable storage containers.

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R E A L E S T A T E A P P R A I S E R S & C O N S U L T A N T S

The self-storage operator may have access to adjacent property or undeveloped land where the use of portable storage containers exists. The portable storage container is easily positioned and used on grass, dirt, gravel, concrete, asphalt or other surfaces. Whether outside or inside the portable storage container is built to withstand the elements even in Canada. The self-storage operator will need to ensure there is a fence or other security feature for the creation of a new, low maintenance storage facility.

**COLORS
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Making Modifications


Portable storage containers can be modified in various ways for the self-storage operator. Colors on the containers can be designated to match that of the self-storage facility. Doors are normally located on one end, but can easily be placed on both ends and sides with partitions inside the portable storage container to create multiple storage units. Floors are usually constructed of wood with or without waterproof coating or metal floors that are also extremely durable. The portable storage containers can be stacked three high giving the operator the option to maximize space at the facility. There are some container manufacturers who can modify the portable storage container with heating, ventilation, and air conditioning (HVAC) units, windows, electrical outlets, ceiling lighting, and more to create a portable office or disaster relief unit.

There is considerably less construction cost and capital investment in portable stor-

age containers in contrast to traditional methods of building self-storage facilities. In addition, construction or assembly time can be as little as a single day. Depending on the number of storage containers and the storage container company, assembly times vary from hours to a couple days, which is substantially less time than traditional self-storage construction. The equipment required to assemble the storage containers is easily purchased or rented. Normally, the assembly of storage containers only requires two or three people; there is no need for a general contractor, varying levels of government bureaucracy, or armies of laborers.

The financial investment in portable storage containers can be easily researched and potential lenders located in Canada. Due to the poor economic environment the self-storage operator may need a bit more due diligence in finding a suitable lender. However, once they are located along with the appropriate container manufacturer, all the self-storage operator need to consider is

the lead time to delivery, exact location of the units, and assembly of the containers to attract customers.

In summary, the portable storage container can be easily configured and modified to meet the self-storage operator's needs. The self-storage operator is able to generate revenue on previously non-revenue generating or restricted space. Because of the reduced investment, potential for immediate rental income, and flexibility offered to the self-storage operator, the portable storage container is becoming an attractive alternative to traditional methods of self-storage in Canada. 

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