

# CSTA 2022 Conference and Networking Meeting

## *Conference Report*

### **Promoting Industry Professionalism**

*New business opportunities, best-practice solutions and innovative industry technology – these were the main takeaways of the recent CSTA Meeting*

Over 90 delegates from the container self-storage, container trading and sales industries attended the CSTA Conference and Networking Meeting in London on 7 & 8 June 2022. In addition to providing an opportunity for CSTA Members to catch up after – in many cases – several years, the Conference Sessions explored a wide range of topical issues that the industry is facing

#### **Tuesday 7 June: Welcome Reception**

The Meeting commenced with an informal Networking Reception at the top floor of the Doubletree, a chance to catch up with industry contacts in an informal – and thirsty – environment.



*The Welcome Reception on the top floor of the DoubleTree Hotel was an opportunity to meet industry colleagues old and new – and provided welcome refreshments*

## ***Meeting Sponsors: Monteed and Stora Software***

*Two CSTA Members – Monteed and Stora Software – were sponsors of the CSTA London Meeting. Their participation and support of the Event were very much appreciated*

### ***Monteed: Innovative Padlocks on Display***

**Monteed Ltd**, a subsidiary of Leeds Storage Operator Twenty4 Secure Storage, offers a wide range of padlocks for container self-storage – and other applications.

Of particular interest to participants was the Magmaus padlock. With a monoblock design of high-grade stainless steel, and patented anti-theft cylinder, this padlock is designed to offer high security for any situation and environment.

All padlocks in the Magmaus range come with 3 complex keys, unique to each lock. Further information on [www.monteed.com](http://www.monteed.com)

### ***Stora Software: Efficiency through Automation***

**Stora Software** offers all-in-one software for self-storage web sales and site management. The company provides the software that is required to run and grow a self-storage business, including tools to sell online, with or without an existing website.

Whether you're a self-storage start up or mature facility, Stora aims to reduce the complications and administration of traditional systems.

Stora notes that clients get the power of 5+ tools - all for the price of one, including a search engine optimised (SEO) website and much more. The company's features, automations and integrations make it easy to manage a self storage facility - manned or unmanned. Further information on: [www.stora.co](http://www.stora.co)

## **Wednesday 8 June: Conference Sessions**

The Conference on the following day comprised a morning plenary session followed by two break-out sessions in the afternoon. Mark Bennett, President of Sun Intermodal, moderated the opening session.

The Meeting was opened by Patrick Hicks, CSTA Secretariat, who welcomed participants, saying that, while Zoom meetings have enabled us to stay in touch, it was very exciting to meet each other again in person. He gave an update on the CSTA's activities, confirming that the Association had now passed the "100-Member" target and was continuing to expand its membership both in the UK and internationally.

Future plans include the publication of the 2022 Container Self-Storage Census at the end of the year, the launch of an industry newspaper in 2023.

In addition, the CSTA will be organizing a stand at the Intermodal Europe 2022 Exhibition in Amsterdam in November. Further Conferences and Webinars will be arranged, subject to Members requirements and interest



***Patrick Hicks welcomed delegates to the Meeting – and updated them on the progress of the CSTA over the past two years***

## **Container Shipping Outlook**

The first keynote presentation was given by John Fossey, Head of Container Equipment & Leasing Research, Drewry Maritime Research. In a wide-ranging presentation, he outlined the impact in geo-political developments on the container shipping industry – and confirmed that there continues to be demand for new container ships.



***John Fossey gave an overview of the container shipping industry and forecast future container supply/demand***

Container production will range between 2.4 and 5.8 million TEU annually over the next five years, with Drewry forecasting that only 2.4 million TEU will be produced in 2023 and the global pool will contract by about 0.4% (approx. 200,000 teu). In 2026 the pool of container equipment will total 57.2m teu

Newbuild prices increased strongly in 2021 with a 20ft standard dry freight container costing over 35% more at the end of the year. The increase reflected rising input costs, strong demand and a determination by manufacturers to earn sustainable profits. Prices will soften in 2022 and will also be lower than for much of 2021 in the period up to 2026, but they will not slide to the lows experienced in 2019. The number of ageing containers sold into the secondary market in 2021 was much smaller than expected

## **Trader Containers: What is happening? What can we expect?**

A perspective of the Container Trading market was given by Tim Britton, Chief Executive Officer. Spinnaker Equipment. He confirmed that the rest of this year is still heavily impacted by Shanghai situation. There is a backlog of one way bookings for containers built at the end of 2021, a reduction in one-way fees - as supply moves ahead of demand, with the possibility that, in the short term fees, will need to be paid to move containers.

He noted that congestion and blanked vessels are still slowing down the speed at which containers can be delivered, with one way moves taking longer. Other issues include the severe problems of moving special containers and the dominance of 40ft high-cube new builds, which are mostly "leasing company specification" (with no fork pockets).

Looking ahead to next year, he forecast that the biggest drivers would be a slower demand for cargo - and a reduction in shipping lines' older fleets.

Depot space would become an even greater premium globally – at the moment, this is due to congestion. But as shipping lines speed up off-hires of older containers from their fleets the over-supply of used boxes (particularly 40ft high-cubes) will keep up the pressure on space.

Shipping lines are currently not buying large volumes of 20fts, so the longer-term demand for 20fts for new one trip boxes for one way lease should remain reasonable. "The container price will follow the downward price of steel," he stated, "unless China tries to stimulate its way out of slowing economy through infrastructure surge."

## **Self-Storage Containers: Sourcing 20fts and Specials**

The specific challenges of sourcing 20ft containers and special containers were reviewed by Jonathan Bulmer, Managing Director, Cleveland Containers. He confirmed that Chinese factories were continuing to supply 20ft containers into the UK, with between 1200 and 1500 units arriving in the UK every month since January.

However, there are still obstacles to overcome in getting containers into the UK at the moment.

These include the shortage of cargo exported from China, driver shortages (to move containers from the factories to the ports), lower production numbers (COVID and Chinese New Year), the preference by lines to ship 40fts, the change in port fee charges, and the shortage of steel.

As for smaller, special containers, Jonathan noted that while factories are willing to build these, and mini-sets, the problem was to get shipping lines to ship them – with their preference for larger units with higher cargo capacity. This might change in the second half of the year, as the freight price comes down.

The increased cost of fuel has had a significant impact on container delivery rates in the UK, with one example being the cost of moving 2 x 20fts from Felixstowe to Cambridge rising from £280 in June 2021 to £380 in June 2022.

Interested in supplying 20ft containers? What has been the impact of containership delays on UK customers? Will this continue? Challenges of procuring special containers & small

containers i.e. tunnels and mini-sets etc. Impact on haulage due to fuel price increases & driver shortages



*The refreshment breaks offered plenty of time for delegates to meet and network*

## **Container Self-Storage: “Choices and Challenges”**

While the first part of the morning had focused on container shipping, trading and sourcing, attention after the coffee break turned to the business of container self-storage.

Ean Parsons, Chief Executive Officer, U-Hold-The-Key and Parsons Containers, gave delegates an insight into the management of a successful container self-storage business, covering some of the key challenges for operators.

He noted that the container self-storage had been evolving rapidly in recent years, reflecting in the growth of the COSTA Membership and a greater maturity about the understanding of the issues and opportunities involved with container self-storage.



*Ean Parsons: key ingredients to run a successful container self-storage operation*

He outlined a number of choices which, he felt - consciously or unconsciously - are made when starting and operating a container self-storage business. This begins with the most important question about what an operator’s aim is when being in the business. This in turn

leads to a number of “macro” challenges: whether to purchase or lease containers; whether to purchase or lease the property; whether the business is based on a balance sheet or on earnings; whether the business should be “service” led, or “price” led; and whether to have a “succession” plan or an “exit” plan, involving selling the business when the time comes.

While these bigger picture issues had to be resolved, a successful operation would then have to consider a whole range of operational matters, including: Staff-less sites; Central customer office or site-based; Store size mix; Opening hours/response hours; Lead generation; Staff training; Receiving payment; Offers, introductory offers, deposits; USPs; Packaging; Locks; Recycling; Credit control; Insurance offer

He concluded with a review of the choices available to an operator to determine the value – essentially whether this would be based on earnings or asset value. The self-storage business is often seen as a real estate business, he concluded, so owning the property increases the business’s value.

## **The Future of Container Self Storage**

The morning’s presentations concluded with a “think-piece” from Tim Slesinger, Chief Executive Officer, easyStorage, who presented ideas about how the industry might develop and some of the challenges that it could face. He began by confirming that while the UK has experienced a large growth in demand for storage, it is still behind the US – and there is still the opportunity for huge business growth in the Container Storage sector.



***Tim Slesinger: Is the industry ready to embrace the benefits of consolidation?***

He asked delegates to consider two statements:

- “Public Perception Has Changed Over The Past Decade - Leading To Industry Growth”;
- “Industry Growth and all that goes with that has changed Public Perception”.

While many participants agreed with the first statement, Tim suggested that it was probably a case of “a bit of both, one fuelling the other”.

Examples were given of how small, fragmented industries have grown into multinational brands, suggesting that it is reasonable to assume it will happen to the container self-storage industry.

He noted that “Market Consolidation” is part of the natural evolution of all industries, as it facilitates scale, investment and ultimately a better offer for us, the customer. Consolidation

promotes the reputation of trusted brand, creates stronger commercial terms, provides commercial strength, access to capital, scalability and resilience. Consolidation generates increased efficiencies, improved margins, the opportunity for investment and innovation, increased profits, greater brand strength and access to capital.

“We talk about this as though it’s a conscious decision but in reality, it’s more survival of the fittest that makes this happen,” he noted. “I’m not saying that smaller business can’t survive. They very much do - and should - but this has to be on the basis of a “service proposition” rather than a “value proposition”.

He concluded with a perspective of what might lie ahead for the industry, raising a number of questions What will be the effect of changes to planning permission? And will this mean that containers are the right solution in the future? What will be the role of technology? And, if consolidation is going to happen, what will be the brands of the future?

### **Scam Websites: What can the industry do?**

Scam websites continue to create significant problems for the industry – and throughout the world. Participants gave examples of frauds that they had experience.

The discussion considered possible solutions – including the requirement for accreditation credentials, but it was recognised that there is a difficulty in stopping criminals scamming individuals, without greater control of websites.

The CSTA undertook to keep this as a high priority in its future work programme. Cooperating with various authorities and regulators would be the first option

## **Afternoon Break-out Sessions**

After lunch, the Conference divided into two break-out sessions, with workshops and presentations focusing on a range of specific topics:

### **The Business of Container Self-Storage**

The Container Self-Storage Group was moderated by Sarah Manning, Managing Director of Secure Stores Nationwide, who introduced four speakers and handled a wide range of questions

#### **Branding, Websites, Google**

Lewis Pennicott, Marketing Director, Cleveland Containers discussed ways of maximising a marketing budget. He reviewed the power of logos and branding - how a strong brand can influence a bottom line and why brand awareness is essential for long term growth. A powerful brand would have a strong logo and identity, a core “proposition” and a key message”, a strong and identifiable colour, unique photography and clean and clear typography.



***Top tips to increase website conversions were provide by Lewis Pennicott***

To become a market leader, he said, you need to differentiate through “brand”. Having a new log will not improve your bottom line; redefining your brand – that will.”

He concluded by providing his “top tips” for a website and recommended maximising ad spend to increase conversions and save money.

### **Container Self-Storage: Towards Greater Automation**

Simplifying the management of a Container Self-Storage Operation – and reducing the complications and administration of the business - can be achieved through the use of appropriate IT systems.

Gavin Shields, CEO of Stora Software and MD of StoreStuff Self Storage, explained the options available to both start-ups and mature facilities, whether manned or unmanned, for site automation - and reviewed the opportunities for building a “passive” income with container self storage.



***The benefits of an automated self-storage facility: Gavin Shields***

### **Security Systems and Remote Management**

Hugh Murray, Director, BearBox International Ltd will provide background information for Self-Storage operators on what to check out - in terms of security systems and remote management for container sites.

BearBox has considerable experience in this field - and Hugh shared his experiences on the remote management of such sites and the security aspects to cover.

He also covered some of the basic provisions of broadband, power, ducting and positioning of such equipment - both internal to, and around the perimeter.

### **Container Financing Options**

Rory Dunn, Co-Founder and Director, Approved Finance, reviewed the role of the broker in obtaining finance for container self-storage projects. He will explain how, by working with a wide range of specialist lenders, the appropriate finance product is made available. There will be a case study for a recently concluded container finance project

### **Container Trader Session**

This Session focused on issues relevant to Container Traders Moderated by Mark Bennett, President, Sun Intermodal, it will cover technical, operational and financial matters.



Topics included Container Quality and the fact that specification evaluation and factory quality inspection are essential to containers achieving their projected serviceable life and asset value. The Group also discussed what financing options are available for traders.

There was an update in changes to container specifications, including the status on waterborne coatings and alternative flooring materials.

### **Conclusions and End-of-Conference Networking Refreshments**

The Meeting concluded with end-of-conference networking refreshments, a chance for final discussions and planning for the future.

The Conference had covered a wide range of issues relating to container manufacturing, shipping, trading, supply, self-storage, marketing, security, financing, automation and innovation. It also raised the question of what the CSTA can do to assist in fighting the ongoing scourge of the trader industry – scam websites and criminal traders.

Over the coming months, the Associations will be following up on a number of these items – with further Webinars, Industry Reports and Guidelines.

Thank you to all participants for attending and contributing to a successful – and enjoyable – CSTA Meeting.

**Patrick Hicks**  
**CSTA Secretariat**  
**June 2022**