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C S T A 2 0 2 3 C O N F E R E N C E

STATE OF THE CONTAINER AND SELF-STORAGE INDUSTRY IN 2023

Agenda

- Boom in container and self-storage businesses nationwide
- Opportunities for growth and sustainability using Asset Finance, Development Finance and Commercial Mortgages

Rory Dunn
Founder and Managing Director, Approved Finance Group

CURRENT OUTLOOK

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246%

**INCREASE IN
THE NUMBER
OF BUSINESSES
WHO SOUGHT
EXTERNAL
FINANCIAL
SUPPORT
IN 2020
COMPARED TO
2019**

According to Small Business
Finance Markets Report
2020/21 produced by the
British Business Bank.



INDUSTRY: The current uncertain economic landscape could be a cause for concern but can also be **seen as an opportunity** – commercial property prices are typically the first to be hit in an economic downturn and this creates opportunity for operators to **pick up sites for a lot less** than they have been used to.

KEY STATISTICS

- Industry annual turnover reached **£990 million** and is predicted to hit **£1 billion in 2023**
- In 2022 the **economy grew by 4%**
- Occupancy rates remain stable at **83.3%**
- Rental returns are **up 4% to £27.19** per sq ft (internal)
- Bank of England **base rate now at 5%**
- **78%** of operators are making **sustainability improvements to their businesses**

RORY DUNN
Director



UNDERSTANDING THE INDUSTRY

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INDUSTRY: With the relentless **increase in interest rates mortgages** are becoming unaffordable for many and people will be looking to downsize and **with downsizing comes a requirement for storage space** – all playing to the strengths of the self-storage industry.

Businesses are also downsizing on office, yard and commercial premises to reduce costs but still have many items that need to be stored.

APPROVED: Approved Business Finance have been working closely with our select panel of funding partners over the past two years to **educate them on the self-storage industry and create bespoke finance packages** to fit our borrower profiles – whether that is funding of containers or the fit out of an internal self-storage facility.

WHY USE APPROVED?



125+ LENDERS



LOW RATES



FAST DECISIONS



5 STAR RATED

PAULA SCOBIN
Administration Manager

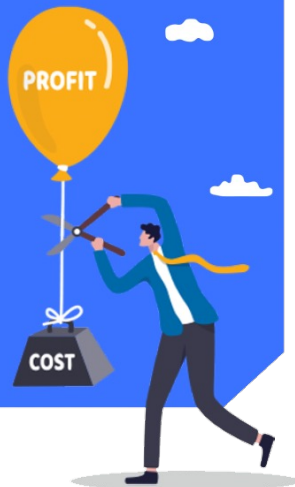


YOUR FINANCE OPTIONS

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REPORTS
SHOW THAT
OFFERING
FINANCE AT
POINT OF
SALE, CAN
INCREASE
SALES BY UP
TO 17% AND
SALES VALUE
BY UP TO 15%.

According to report carried out by
the Harvard Business Review



INDUSTRY: The self-storage industry has seen a significant shift in the quality of sites over the past few years (particularly container storage facilities) and if you want your site to perform and stand out from the competition it requires significant investment and this is where Approved Business Finance can assist.

A few lonely containers in a farmer's yard is no longer appealing to clients, so **investment in infrastructure, access control systems, CCTV, new containers, roadways**, etc are all vital.

APPROVED: At Approved we can provide funding for everything from the purchase of the site (commercial mortgage), infrastructure works (development finance) and containers (HP or Finance Lease).

We can also put credit lines in place for the purchase of new containers which can be drawn when you are nearing capacity across your existing units – this way **your growth is not limited** by your own working capital or investment, you can **grow sustainably** and at pace by utilising fixed rate 3, 4 or 5-year financing products.

If you are an industry supplier, we can help facilitate finance for your clients.

EMILY SKELLHAM
Head of Credit



BESPOKE REQUIREMENTS

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BENEFITS OF FINANCE



IMMEDIATE ACCESS TO THE EQUIPMENT YOUR BUSINESS NEEDS



PRESERVE AND MANAGE YOUR CASH FLOW EFFECTIVELY



LENDERS FOR EVERY REQUIREMENT



TAKE ADVANTAGE OF TAX BENEFITS INCLUDING THE SUPER-DEDUCTION



REFINANCE EXISTING EQUIPMENT



AVAILABLE TO NEW STARTS, GROWING OR ESTABLISHED BUSINESSES

APPROVED: In addition to funding for container self-storage facilities we also provide funding for internal self-storage projects. These projects are typically pretty capital intensive and sites therefore take time to reach maturity.

We have bespoke development finance products that can **fund the building purchase, development and fit out of the site** and then offer low start repayments whilst the site is reaching maturity at which point we will term the finance out onto a commercial mortgage product or term loan facility.

We have recently agreed a facility for a client that covers 100% of the development and fit out costs of their new site (the client owned the property and is contributing this as their equity slice in the transaction).



ANDY HUBBARD
Senior Finance Broker

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