

# Stor-Age stacks up space for future growth

By [Alistair Anderson](#)

4 Feb 2016

Stor-Age Property Reit is set to grow to between R4bn and R5bn by 2020 despite competition in the specialised property market, says executive director Steven Horton.



In November, Stor-Age became the first storage facility provider to list on the JSE with a R1.3bn portfolio as it looked to attract investors who were seeking specialised property funds. The company has started to expand into more of SA's six major cities.

The firm announced on Monday, 1 February, that it would add two Gauteng properties, in Sunninghill and Randburg, to its portfolio, and a third in Berea, Durban. These, together, were valued at R240m and were part of a R700m pipeline.

The company is focused on the country's six major cities of Johannesburg, Cape Town, Pretoria, Durban, Port Elizabeth and Bloemfontein. Its market capitalisation is about R1.28bn.

"We believe that we provide the highest-quality and best-positioned storage units in the country. We are planning to grow through developments," said Horton.

Critics say there is too little demand for storage facilities in SA to support big listed companies. But CEO Gavin Lucas said

on Monday that Stor-Age's customer demand was growing healthily.

"We have followed the November 2015 listing with strong growth momentum, despite the current turbulence in the local economy," he said.

Lucas said the company experienced strong demand in the last quarter of last year, shown by an 8% growth in customer enquiry numbers year on year for the final quarter.

Stanlib's head of listed property funds, Keillen Ndlovu, said self-storage was an attractive asset class globally and Stor-Age understood this.

"Stor-Age are an interesting investment option with limited competition in the sector although they are relatively small in size at a R 1.3bn market cap," he said, adding they would perform well in economic downturns and upturns.

Provided the location was right and the facility functional, you could have people downgrading from bigger homes or relocating and needing space for excess belongings, he said. When the economy was strong, people buy more than they would store at their houses and self-storage tended to be "an essential as opposed to discretionary spend, typically in densely populated cities".

*Source: Business Day*

For more, visit: <https://www.bizcommunity.com>