

AZCOM Storage insights

by AZCOM Commercial Real Estate Brokerage Inc.



The Rise of Self Storage REITs:

A Smart Investment Without the Hassle

In today's fast-paced world, the need for storage solutions is booming. With urban living spaces shrinking and the rise of e-commerce, self-storage facilities have become essential for many. This trend has given birth to a lucrative investment avenue: **Self Storage Real Estate Investment Trusts (REITs)**. But what exactly are they, and how can you invest in them without owning a facility?

Market Trends: A Growing Demand

The self-storage industry has shown remarkable resilience, even during economic downturns. As of 2023, the sector has experienced a steady growth rate of approximately 7% annually. Factors such as increased mobility, downsizing, and the rise of online shopping contribute to this demand. Investors are increasingly recognizing the potential of self-storage as a stable investment, especially during uncertain times.

Top-Performing Self Storage REITs

When considering investments, it's essential to look at the leaders in the market. Here are **three top-performing Self Storage REITs** that have consistently outperformed their peers:

1. **Public Storage (PSA):** With a market cap exceeding \$50 billion, Public Storage is a giant in the industry. Their properties are strategically located, ensuring high occupancy rates and consistent revenue streams.
2. **Extra Space Storage (EXR):** Known for its innovative technology and customer service, Extra Space has become a favorite among investors, boasting a 5-year annual return of over 20%.
3. **CubeSmart (CUBE):** With a focus on urban markets, CubeSmart has successfully captured the growing demand for storage solutions in densely populated areas.

These REITs not only provide solid returns but also offer diversification to your investment portfolio.

Investment Benefits: Why Choose Self Storage REITs?

Investing in Self Storage REITs comes with several advantages:

- **Passive Income:** REITs are required to distribute at least 90% of their taxable income as dividends, providing investors with a steady income stream.
- **Liquidity:** Unlike traditional real estate investments, Self Storage REITs are traded on stock exchanges, allowing for easier buying and selling.
- **Diversification:** Investing in REITs allows you to gain exposure to the real estate market without the need for large capital investments.

Comparing Self Storage REITs with Traditional REITs

While both Self Storage and traditional REITs offer unique benefits, they also come with different risk profiles. Traditional REITs, which invest in office buildings, shopping malls, and residential properties, can be more susceptible to economic downturns. In contrast, self-storage facilities tend to maintain stable occupancy rates even in challenging economic climates, making them a more resilient investment choice.

Understanding the Risks

No investment is without risks. Here are a few factors to consider before diving into Self Storage REITs:

- **Market Saturation:** In some regions, an oversupply of storage facilities could lead to decreased rental rates and occupancy.
- **Economic Sensitivity:** While generally resilient, the self-storage market can still be impacted by significant economic downturns.

How to Invest in Self Storage REITs: A Step-by-Step Guide

1. **Research:** Start by researching various Self Storage REITs. Look for performance data, management quality, and market trends.
2. **Open a Brokerage Account:** Choose a reputable brokerage platform that allows you to buy and sell REITs.
3. **Analyze Your Risk Tolerance:** Determine how much risk you are willing to take and how much capital you want to invest.
4. **Invest:** Purchase shares of your chosen Self Storage REITs and monitor your investments regularly.
5. **Review and Adjust:** Stay informed about market trends and adjust your portfolio as needed.

Consider the success of **Public Storage**; their strategic acquisitions and management practices have led to impressive returns for investors. Similarly, **Extra Space Storage** has leveraged technology to enhance customer experience, resulting in increased occupancy rates and profitability.

Conclusion: A Smart Investment Choice

Self Storage REITs offer a unique opportunity for investors looking to diversify their portfolios without the hassle of managing physical properties. With their strong performance, passive income potential, and resilience in fluctuating markets, these investments can be a valuable addition to any financial strategy. Ready to explore the world of Self Storage REITs? **Start your investment journey today!** Discover how you can benefit from this growing market and secure your financial future.

The information provided in this article is for general informational purposes only and does not constitute professional advice. While we strive to ensure accuracy, we recommend consulting with a qualified specialist in the respective field before making any investment, business, or legal decisions related to storage facilities. AZCOM Commercial Real Estate Brokerage Inc. and its representatives do not assume liability for any actions taken based on the content of this article.

YOUR SUCCESS MATTERS TO US!

If you are interested in buying or selling a storage facility business or exploring the possibility of developing one email the undersigned directly today without any obligations to discuss further:

With kind regards
Jennifer Azzopardi
Dip.M., AC.I.I.
BROKER OF RECORD
Managing Director

AZCOM Commercial Real Estate Brokerage Inc.
Commercial Real Estate Brokers
Specializing in Commercial Real Estate, Industrial, Office, Retail, Storage, and More

AZCOM Commercial Real Estate Brokerage Inc.
Tel: (905) 847 1271
Fax: (905) 847 7693
Website: www.azcomcommercial.com
Email: jennifer@azcomcommercial.com

AZCOM Commercial Real Estate Brokerage Inc | 1432 Mayors Manor | Oakville, ON L6M 3A6 CA

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)