

# Business Research: Location Analysis

## UK Self Storage Industry

### The Client

A UK-based private equity firm that invests in niche and emerging real estate asset classes such as care homes, student housing, boutique hotels and self storage.

### The Background

The client was interested in investing in the self storage sector in the UK, given that the sector is at a growth phase with considerable potential for attractive returns. The mandate was to develop an evaluation framework to gauge the relative attractiveness of non-London locations.

### Alchemy Approach and Solution

Alchemy mapped out the existing supplier landscape in the UK to highlight that the market is skewed in the Greater London region, leading to intense competition and pricing pressure. This was followed by listing out the macro factors, such as house prices, rental levels, demographics, SME density, employment levels and population migration statistics to zero which had an impact on demand for self storage. This was used to develop a quantitative model that used a weighted ranking system to gauge the relative attractiveness of locations outside London.

### Benefits

The benchmarking tool was flexible to accommodate changes in weightages as per client requirements. It enabled the client to zero in on the most attractive locations and subsequently helped the client to close a deal for a portfolio of self storage units in some of the suggested locations.

### Illustrations

