



Self Storage Misconceptions

By Tim Dietz – SSA VP, Communications & Government Relations

Here's a common example of a misconception I hear regularly that drives me absolutely crazy: *Self storage facilities are a haven for crime*. That's right. Drive through a self storage facility and all you'll find is people cooking methamphetamine and stuffing bodies into old refrigerators.

This week, I counted nine examples of stolen goods and such on Google News. The real story is: according to SSA's National Facilities Database, this week 52,241 self storage locations did *not* report a crime.

Here are other common misconceptions you probably see.

You sell self storage. It has become convenient for revenue officers in state capitals to think this way, and then apply a sales tax. But you don't sell anything, except locks and boxes. You rent real property, just like an apartment owner or commercial landlord. Because your operation looks retail, it's an easy leap for governments. But it's wrong. Kudos to Arkansas for repealing its tax on self storage this year.

Auctions make you rich. This is a classic misconception that has only gained traction with the economic woes of the day. Oregon felt compelled to introduce an "unclaimed properties" bill to realize this supposed windfall. The state treasurer even tried to add a stipulation that insisted oper-

ators do everything to realize "market value" of belongings in abandoned units. After we explained that often the only winners in the lien process are the auctioneers, and the sheer lack of feasibility of administering such a law, they pulled the language.

You are a bailee, responsible for the goods stored in your facility. If you've had any part of your facility that's incurred significant damage, you know the look on the tenant's eye—the one that says, "My stuff was here...now it's destroyed and you owe me." This is where educating your tenants about your responsibility and their responsibility—i.e., insurance—comes in.

You sell tenant insurance. Actually, you don't. You may offer insurance, most often through a third-party licensed insurer, but only licensed agents actually sell insurance policies.

Business is booming because of foreclosures. Sure, in some cases when people lose their homes, former owners must store their goods someplace. But these are also people in financial distress who will more likely store it at grandpa's then somewhere with a monthly fee. It's really a small fraction of our market.

Self storage is recession proof. Right. And my credit line just went up. ❖