

Small in Size, Japan Is Large in Self Storage Opportunities

By John Dunlap

It is no secret that Japan is one of the most ambitious and technologically advanced countries in the world. It is also no secret that Japan is a small country (about the size of California) with 127 million people packed into a relatively restricted space. All of which lends itself well to a big need—more and better self storage.

As far as Tatsuya Saji is concerned, the time is right for self storage entrepreneurs to step forward and lead Japan to a place not unlike that found in the United States. In fact, he is so sure of it, that he helped spearhead the official formation of the Japan Self Storage Association this year. And he recently visited the Washington, D.C. area to sign an affiliation agreement between the Self Storage Association of the USA and his Japan SSA.

Saji's enthusiasm for the growth potential of self storage in Japan is tempered by the fact that Japanese people are used to dealing with tight spaces and, thus, may not have as much to store as their American counterparts. But he feels that by simply offering the Japanese people more and better self storage space, they will be encouraged to take advantage of the opportunity to expand their horizons (and lifestyles).

"The Japanese are used to utilizing very small spaces; privacy means nothing to them," said Saji. "They may ask 'why do I need self storage when I am utilizing every inch of space that I have?' That is why the time has come to let them know they can change their lifestyles with self storage."

At the current time it is estimated that there are approximately 100,000 self storage units available for rent in Japan, less than 0.2 percent of the total households. Saji takes those numbers and realizes that the country has a great need for more, but he also realizes that Japan's situation is not unlike the early days of self storage in America.

"It is the same way as things were in the United States in the early 1970s," Saji adds. "Nobody seriously thought about putting money into self storage because it was a business just defining itself. With the help of people like the Self Storage Association in the USA we hope to educate people in Japan about how better to present and market themselves and also bring in businesses from countries around the world who could stand to do very well here."

Space is tight for everything in Japan, but self storage is starting to make its mark. Reise Box has 350 locations in Tokyo and Osaka.

Moving Forward

Just the simple fact that Saji feels the time has come to start emulating self storage in America is a jump in light years from the original approach the country took to self storage. The concept of self storage has been in Japan for less than two decades and the first facilities made use of cargo containers converted from ships that were stacked on unused land. If this sounds suspiciously like the early days of self storage in the United States when virtually all the storage facilities were located on the edge of town, Saji sees the resemblance.

"We want to start telling people in Japan that we can offer them a nice place to store versus the cargo containers," he says. "We can do much better than those kinds of places. A few companies in this country have started doing that."

"Since I have started getting involved in self storage in Japan four or five years ago, I've noticed some changes. In fact, last month somebody from China called me to inquire about self storage. And the companies like Quraz (36 facilities with 500,000 square feet of space) and Reise Box (350 locations in Tokyo and Osaka) are already getting attention in Japan. Reise Box offers 'Reise Garage' which has become popular among those with higher incomes and expensive automobiles because it allows them to have private garages, which are generally hard to obtain."

That said, Saji also points out that most of Japan's self storage facilities only have 50 to 80 units in each space.

"Some spaces may have 100 to 150 units, but to find those with over 200 units is very rare," Saji adds. "We are talking about some very small buildings and that is a major reason why we want to get some help to build up the awareness of self storage in Japan and use the United States as a model. Americans have a large influence on the Japanese."

But to get into the hearts and minds of the Japanese people, Saji acknowledges that self storage will have to find a way to convince them of the value of owning more things.

"Japanese people are very big on recycling things and people don't own as many items as those in countries like the United States," he says. "They may have a small collection of items and memorials, but not much more. That is a major reason why we need some help from places like America. We need to start delivering a message about having a certain lifestyle that allows for people to have more things because they can turn to self storage."

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With that in mind, the agreement between the Japan SSA and USA SSA will involve use of the SSA's communication tools (which will be translated into Japanese), as well as promoting Japanese self storage owner/operators coming to SSA conference and trade shows to network and learn more about the industry.

“With the help of the SSA we should be able to educate our self storage people on how to build their businesses. And we also can learn better marketing skills to reach the public. Finally, we also should be able to bring in outside interest from self storage professionals in the USA, Australia and Europe.”

“There is a lot of growth waiting to happen with self storage in Japan,” Saji concludes.

The ability to make self storage more of a success will ultimately depend upon Saji and other professionals finding a way to sell the concept of freedom of space to an entire culture that is used to living in a small and frugal manner. But the opportunity for growth and success is large, indeed. ❖

Below: Mike Scanlon, SSA president & CEO, and Tatsuya Saji, managing director of SSA Japan, sign affiliation agreement earlier in the year.

