

Shelter-in-Place Orders Boost Demand for Storage Space

The self-storage sector, which has been faring quite well over the last decade, is getting a boost from a source no one could have foreseen: the coronavirus.

May 1, 2020

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Many Americans now forced to shelter in place have found that they don't have the room for a proper home office. To make way for an impromptu workspace, those new to telecommuting are moving nonessentials off-site. Newcomers are also realizing that their space needs have ballooned far beyond desk space.



The multi-level, San Diego-area SmartStop facility at 852 Metcalf St. in Escondido, Calif., was delivered in early 2020 with 1,150 units on a 1-acre site. *Photo courtesy of SmartStop*

“Our college kids need to come home earlier, but we don’t have as much room (with the new home office). Where are we going to put the extra furniture? We’re going to put it in a self storage facility,” said Steven Weinstock, head of Marcus & Millichap’s self storage division.

The self storage sector has been quite robust, buoyed by steady job creation and wage growth that fueled household formation and spending, according to Marcus & Millichap’s 2020 U.S. Self-Storage Forecast. Very few facilities operate at 100 percent occupancy; in most markets, self storage operators are well positioned to accommodate the unanticipated coronavirus-related demand, and they can do so remotely.

“Storage continues to evolve in its use of technology and our digitally-driven traffic continues to be strong. The volume of calls in our call center and visits to our website continue to build our lead flow,” H. Michael Schwartz, CEO of SmartStop Self Storage Inc., said.

Demand for self storage is likely to grow stronger with any economic downturn. This was seen following the Great Recession of 2008, when households consolidated and self storage became an essential commodity.

Designed for convenience and efficiency, the self storage sector is inherently suitable for life during social distancing, particularly in urban settings where self storage has become a model in high-tech automation. *“You can sign up, you can enter, you can drive in and you can access your unit, all without any human interaction. It’s all keycode, pass card, iPhone. It’s technology driven,”* Weinstock noted.