Self-Storage Rating System

Colliers International Australia

Accelerating success.
Consequently, we have developed the Colliers International Rating System (CIRS) specifically for the self-storage industry, with this in use by our global self-storage valuation group. Using the CIRS, we break down self-storage facilities into four specific categories as follows:

**Class A:** Excellent
**Class B:** Good
**Class C:** Average
**Class D:** Fair

The rating of facilities is subjective, particularly where the facility features elements from a number of categories. Our overall rating is based on our knowledge of the property in question and our analysis of competing facilities. Using the CIRS creates a simple, but comprehensive view of a facility and allows a proper understanding of how it should perform in the market compared with its competition.

Utilising the CIRS ensures a consistent approach to our analysis and provides the nexus by which we ensure consistency between our analysis of market based transactional evidence and the application of appropriate methods to derive our valuations resulting:

“Our CIRS creates a simple, but comprehensive view of a facility and allows a proper understanding of how it should perform in the market compared with its competition.”

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**Our approach**

The application of asset grading is a common practice throughout the real estate industry globally, notably for office buildings and hotels.

Traditionally, the self-storage sector has not sufficiently differentiated between facilities. However, with the sector evolving considerably over the last 10 years following changing demographics and the lifestyle habits of the broader population, grouping facilities together now misrepresents the true picture.

For example, a high quality building in a saturated market may have the right physical building characteristics but lack sound market fundamentals to be truly classified as a top tier facility.

**Our exclusive Colliers International Rating System elevates industry understanding by:**

- Ranking facilities on both physical characteristics and performance.
- Providing potential financiers a more accurate analysis of likely performance.
- Allowing investors to easily compare the market and identify top tier opportunities.
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<tbody>
<tr>
<td>AVERAGE</td>
<td><strong>EXCELLENT</strong></td>
<td><strong>GOOD</strong></td>
<td><strong>AVERAGE</strong></td>
<td><strong>FAIR</strong></td>
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<tr>
<td>LOCATION</td>
<td>Major Metropolitan Area</td>
<td>Secondary Metropolitan Area/Major Regional Centre</td>
<td>Smaller Regional Area</td>
<td>Remote Regional</td>
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<tr>
<td>SIZE</td>
<td>5,000m² +</td>
<td>2,500m²-5,000m²</td>
<td>1,000m²-2,500m²</td>
<td>1,000m² and below</td>
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<tr>
<td>ACCESS/EXPOSURE</td>
<td>Highway/Motorway Exposure with Excellent Access</td>
<td>Major Thoroughfare Exposure with Above Average Access</td>
<td>Secondary Thoroughfare with Restricted Exposure and Average Access</td>
<td>Limited Passing Traffic Obtaining Poor Exposure and Difficult Access</td>
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<td>QUALITY</td>
<td>Multi-Level, Brick, Block, or Tilt-Up, with Concrete Hardstand, Aesthetically Appealing, Adaptable Layout</td>
<td>Multi-Level, Brick, Block, Tilt-Up, Steel or Wood Frame with Paved Asphalt (Can include portable units)</td>
<td>Single Level, Steel or Wood Frame and Paved Asphalt</td>
<td>Single Level, Steel or Wood Frame with and Gravel, No Aesthetic Appeal</td>
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<td>CONDITION</td>
<td>Recent Construction, Well Maintained, No Capex Required, Clean</td>
<td>Ageing Improvements, Well Maintained, Recurring Maintenance, Clean</td>
<td>Older Construction, Fair Maintenance, Potential for Costly Repairs</td>
<td>Old or Outdated Construction, Minimal Maintenance, High Risk Repair, Neglected</td>
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<td>OCCUPANCY</td>
<td>Proven Over 90% Occupancy, Strong Fundamentals</td>
<td>Occupancy Ranging from 80%-90%, Average Fundamentals</td>
<td>Occupancy Ranging from 70%-80%, Weak Fundamentals</td>
<td>Operations Below 70% Occupancy, Poor Fundamentals</td>
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<td>COMPETITION</td>
<td>Little to No Competition within Catchment Area</td>
<td>Small levels of Competition within Catchment Area</td>
<td>Saturated Market with a Number of Facilities within Catchment Area</td>
<td>Highly Saturated Market with a Large Number of Facilities within Close Proximity</td>
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<tr>
<td>AMENITIES</td>
<td>On-Site Manager with Office and Display Area, Merchandise &amp; Equipment Available, CCTV, Electronic Gate, Exterior Lighting, Toilet Facilities</td>
<td>On-Site Manager with Office, CCTV, Electronic Gate, Exterior Lighting, Toilet Facilities</td>
<td>On-Site Manager, Boundary Fencing, Exterior Lighting</td>
<td>No On-Site Manager, Minimal Exterior Lightings and Limited or No Security Features</td>
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Global team of self-storage sector experts

Our global team of experts across the self-storage sector are focused on creating memorable service experiences for our clients. By embracing best practice, teamwork and quality assured systems and processes, we ensure our clients receive the most accurate, informed, results focused service possible.

For investors, owners and lenders, a valuation report can be a strategic resource and make the difference in achieving a critical goal, whether it is securing a loan, settling a sale, reviewing assets or reporting to investors.

Supported by Colliers International’s unparalleled market intelligence and resources, our valuations are designed to deliver insight into a property’s fundamentals, its competition and the overall market dynamics.

Our Australian team is led by industry expert Dylan Adams. Contact Dylan today to learn how Colliers International’s Valuation & Advisory Services can accelerate your self-storage success.

“When it comes to understanding self-storage. We are here for you every step of the way.”

Visit colliers.com.au or contact Dylan directly

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