

# Caisson Investment Management

## Property Week

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### Caisson makes case for self-storage investment

Caisson Investment Management is hoping to cash in the UK self-storage market and is raising equity for a new fund.

Caisson has a target to raise between £50m and £100m of equity for its self-storage fund, for which it plans a first closing at £20m in the second quarter of this year.

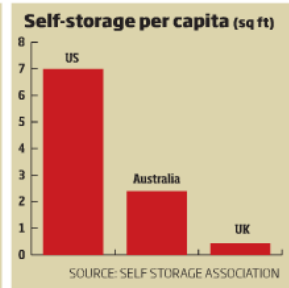
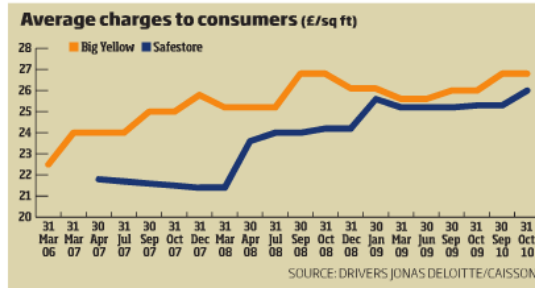
Caisson will introduce a new brand to the UK and aims to develop up to 40 stores within six years.

It is targeting institutional investors, which can invest a minimum of £1m. The fund will have a six-year life and has a target internal rate of return of around 20%.

As well as UK institutions, it is also seeking to attract US investors that have experience of their own mature domestic market.

David Carter, managing partner at Caisson, intends to establish a brand of considerable scale quickly.

"We want to get above 30 stores, as we feel at that level you achieve an economy of scale," says



Carter. "Three of four operators in the UK are already achieving that.

"Values are still quite low and we are looking to develop rather than lease stores, as leasing doesn't provide such an attractive return profile as doing it yourself."

Carter predicts demand for self-storage from British consumers will grow to levels comparable with the US and Australia and that rents will continue to rise (graphs, above).

"The market is now mature enough so that institutional investors can understand its characteristics. Five years ago, that wasn't the case. We are targeting institutions looking to invest in core rather than value-add properties," he says.

The UK has 800 stores, most of which are owned by the operators. Carter believes this will change.

"Once the UK market has around 1,800 stores, which it will, we will see a proper investment market for self-storage emerge." ■