



Staying Strong During COVID-19: Self-Storage Operators Share Their Strategies and Advice

The self-storage industry is a strong community, and its professionals have shared information and advice through many historical crises, such as 9/11 and the Great Recession. Now, we're facing the coronavirus pandemic. Read strategies and words of wisdom from your fellow facility operators and see if they can help you in your own business.

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Self-storage operators know they must always be prepared to address a crisis in the form of fire, flood, hurricane, roof leak, unit break-in, etc. These things can happen.

But the coronavirus pandemic? The industry has never faced anything like it. COVID-19 has raised lots of operational questions and challenges, and many changes to facility policies and procedures.

On the bright side, we're all in this together and can learn from each other. Following are some strategies and words of wisdom from fellow self-storage operators on how to keep staff and customers safe during this crisis as well as how to help the community. Read how they're handling events as they unfold. Perhaps it can help you with your own business. You are not alone!

Note: These responses were gathered in late March and early April. Some circumstances may have changed since.

What is your company doing to protect and assist self-storage tenants in this time of national crisis spurred by the coronavirus pandemic?

From the beginning, we made the decision to protect our team members and our customers as much as possible. It made sense to take advantage of technology and limit interactions. This quickly evolved to fully conducting business virtually. We do the entire reservation process online or over the phone, and we are also performing daily checks on our store and customer units, cleaning and refilling sanitizer stations and preparing for move-ins. Customers can pre-purchase packing and moving supplies, and we will put them in the unit for the customer. We also provide Beyond Bundles, which are pre-portioned moving kits. We have technology-based solutions for access to the building, so this eliminates touching keypads and doors, and we also offer online rent payments.

Many storage companies are holding off on implementing rent increases. This is really where we see the biggest financial impact occurring. We retracted April increases and will be evaluating monthly, but I don't anticipate rent increases for a couple of months. This will impact this year's financial performance.

—Lara Anderson, Director of Marketing, Beyond Self Storage, which operates 18 facilities in eight states

Owners must be clear—even put it in writing—that extreme cleaning is required multiple times a day. They also need to provide the cleaning supplies and specifics. It's OK to point out the obvious, such as clean the phone but better yet, clean and then use the speaker phone.

The same goes for social distancing. It isn't enough to simply say “maintain six feet of separating distance.” You must provide a way to rent where the manager and renter aren't just separated by the counter. Barriers should be provided to ensure customers are at least six feet from the manager when he's entering information into the computer. If your office is open, remove the candy dish and suspend free coffee and soda. Provide physical barriers so clients can't roam the office and touch products.

If the office is manned but locked to customer traffic, add signage on how to rent and make payments, and send an e-mail to tenants that outline the best payment options. You can add free locks in a show unit for customer pickup or put them in the clients' unit prior to arrival.

—Marc Goodin, President, Storage Authority LLC, which operates self-storage facilities and offers franchise opportunities

While we're certainly going to continue doing our best to protect and assist our tenants, as employers and leaders in our businesses, we have just as much if not more of a duty to protect our team members during these unprecedented times. Thankfully, much of what we've implemented is to protect and assist both employees and customers. We have been and will continue to monitor daily the changes and recommendations from local, state and national officials.

At this time, we haven't been forced or elected to close or alter our office or access hours; however, this could certainly change with circumstances. We also have plans for our team members and offices in the event we need to close the doors that involve the ability to work more remotely. We're strongly encouraging customers to limit their in-person contact with our staff for everyone's protection.

Our team members are doing extensive cleaning/disinfecting after customers come into the office—wiping down counters, door handles, etc. If the customer uses one of our pens to sign paperwork, we make sure they keep that pen. Most of our offices are set up with counter tops that serve as a barrier between the customer and our team members, which has been beneficial to assist in social distancing.

On March 16, we sent an e-mail to all tenants that we'll no longer accept in-person payments. We're encouraging customers to pay their monthly rent online, use a drop box or mail payments vs. coming to the office. We informed customers to refer to our Facebook page for the most current updates on office hours and possible closures. We're also encouraging them to call our managers vs. coming into the office if they need other assistance.

Additionally, tenants at our facilities with hands-free controlled-access systems are being encouraged to take advantage of the technology on their smartphones to avoid direct contact with our keypads. If managers are speaking with a prospective new customer, we're encouraging the leasing and payment to take place via e-mail and telephone.

On our office entrance doors, we've posted fliers to alert customers on many important items. We ask that only customers who are 100 percent healthy enter the office, and those who are there to only make a payment to please use online payment options or the drop box. We also have a second flier posted from the CDC that displays the key symptoms of COVID-19. We're committed to doing whatever we can assist our tenants and team members while keeping our operations going in an effective and safe manner. However, we're ready to act swiftly upon any changes with new information we receive from health officials.

—Ben Hendricks, Chief Operating Officer, Five Star Storage, which operates 17 locations in Minnesota and North Dakota

We've instituted immediate operational changes to protect both our customers and team members. Notices were sent out to all customers to let them know we've taken additional steps to disinfect our leasing offices while reinforcing healthy habits for our team. Our offices are equipped with hand sanitizers and antibacterial soap for handwashing. All locations are "handshake-free zones," and we're closing our restrooms to public use.

Following social distancing guidelines, we request that if customers need to visit the office, they help us maintain a six-foot minimum distance. We've asked them to help us by reducing physical contact and to not visit the facility or leasing office if they're ill, have been exposed to the virus or recently traveled outside of the country. Additionally, our offices have ceased to accept cash/in-person payments for the time being. Payments can be made online at the facility website, or by phone or mail. Tenants can also enroll in our auto-debit program.

Other changes we've asked managers to implement include:

- Continue to disinfect all surfaces daily and immediately after each customer interaction including doorknobs, counters, pens, tablets, etc.
- If possible, change your HVAC air filters.
- If you have a fever (100.4° F or higher) with cough or have been exposed to anyone who has been diagnosed with COVID-19, contact your area manager right away!
- Suspend all physical marketing activities including visits, networking, awareness and other activities in which you would come in contact with the public. To compensate, increase your Facebook posts and e-mail marketing.

—Stacie Maxwell, Vice President of Marketing and Training, Universal Storage Group, which manages 60 sites in 14 states

As far as protection, we are following CDC protocols for constantly disinfecting common customer/staff touchpoints such as keypads, office and facility access doors, common area restrooms, elevators, and drinking fountains. Communication with our customers is critical, so we're sending updated information and reminders via e-mail as well as posting these communications on our office doors and common areas.

In terms of assistance, we've suspended all lien sales and rent increases until further notice. Our plan is to work with our customers on a case-by-case basis when it comes to rent collections. We're also reiterating online and autopay options to give our customers a way to pay their rent without having to come into our offices to do so.

—Scott McLaughlin, Executive Vice President, Sentry Self Storage Management, which operates 23 properties in four states

We've been closely monitoring all CDC guidelines to determine the best course of action for our tenants and customers. Not having a plan is the worst response to this crisis. We're rapidly making and refining our plans as new information is available.

As this virus spread across the nation, we began by limiting contact to six feet but rapidly moved to zero personal contact between our managers and customers. All managers have been isolated in their office and business is conducted via phone or through glass systems. Customers are taking self-guided tours, and the rental process is handled online or using e-sign capabilities. All payments are made online or placed in the payment drop box outside the office. We're disinfecting all payments, mail and other items the managers touch. Using zero contact, we're able to help customers while keeping our team and tenants protected.

Our cleaning efforts have been increased as well. We're sanitizing keypads, cart handles, doorknobs and restrooms. We've reviewed each property and identified the most touched areas that need special attention during this time.

—Magen Smith, Co-Founder, Atomic Storage Group, an industry consultancy and management firm

Did your company already have an emergency-response plan in place? If not, what are you doing to rectify the situation? If yes, how successfully have you been able to follow it?

Most organizations have a crisis-management plan. With COVID-19, it's been proven that you can't 100 percent prepare for everything; but what we can do is have some processes in place to be ready for action.

Where I think we have come out of this in such a positive light is turning to our core values as a beacon to help direct us on what our decisions should be. Are we "putting people first"? Having our teams work from home when applicable and finding ways to limit interactions was the answer. Were we "doing the right thing"? Setting up processes to protect our customers and communicate with them was the answer. Did we "take ownership"? Acting quickly and implementing these procedures at the very beginning was the answer. So, I would say, for the long term, we are set up with a team that is ready to approach any crisis with these same values in mind.

—Lara Anderson, Director of Marketing, Beyond Self Storage, which operates 18 facilities in eight states

The emergency-response plans that we do have in place helped us to react to this because our technology and communication capabilities are allowing us to stay mobile and react to the rapidly developing changes. This has been very helpful as it relates to social distancing and having one customer in the office at a time, and the increased sanitation of high-touch points in our office.

—Edward Hainrihar, Vice President of Operations, Amsdell Cos., which operates nearly 100 Compass Self Storage locations nationwide

We have emergency-response plans in place to deal with fires, natural disasters, burglaries, robberies, etc., but we didn't have a plan for an event such as this—a pandemic. It's safe to say virtually every business across this country is navigating these uncharted waters together. It's been interesting to hear how other businesses are handling this situation and not just within the self-storage industry.

We're essentially creating our response plan as this situation continues to unfold. Thankfully, our team has done a great job in handling this situation. I'm confident the year 2020 will see "Pandemic Emergency Response Plans" become popular across the business world and even in our personal lives.

—Ben Hendricks, Chief Operating Officer, Five Star Storage, which operates 17 locations in Minnesota and North Dakota

We've adhered to the emergency-preparedness plans set forth by the Self Storage Association since the introduction of those manuals years ago. However, this COVID-19 situation is different than most other emergencies. Therefore, we've created a special "Store Closing Action Plan" that'll be enacted for any of our facilities that are forced to close due to illness or by mandate.

Before leaving, the facility or area manager or our corporate staff will send out a pre-drafted e-mail to all customers stating:

- The store is closing (with the estimated duration of adjusted hours and emergency numbers for the store).
- For any late-paying customers with red locks, those overlocks won't be removed until the store reopens.
- Customers can pay online at the website and enroll in auto-debit.
- All truck-rental operations are suspended until the store reopens.
- A manager or corporate staff member will post a notice of closure on Facebook and place signage on the office door to inform any walk-ups of the closure and what number to call for assistance.

—Stacie Maxwell, Vice President of Marketing and Training, Universal Storage Group, which manages 60 sites in 14 states

We don't have a response plan in place specifically for a pandemic at this time. However, because the regions of the country where we operate are susceptible to severe storms and hurricanes, we have comprehensive plans to deal with those natural disasters. We've found some good correlations within those plans that are helping us navigate the current situation.

—Scott McLaughlin, Executive Vice President, Sentry Self Storage Management, which operates 23 properties in four states

We have various emergency plans in place for fires, earthquakes, floods, etc., but nothing that would address the magnitude of the coronavirus. We're adapting almost hourly to the flood of new information and requirements in an effort to keep our employees safe, our facilities as open as possible, and take care of our customers.

—Ken Nitzberg, Chairman and CEO, Devon Self Storage, which operates 41 facilities in 13 states

We had many emergency-response plans in place for natural disasters but not for a pandemic. However, we've always used the latest technologies and deployed many systems and redundancies to keep our operations running should the unforeseen happen. We constantly review our core systems and discuss the best- and worst-case scenarios so we can develop comprehensive plans should a manager get sick, a hurricane or earthquake occurs, a riot breaks out, and other scenarios for which we should be prepared. We're making strides in building a system to ensure we're prepared for the next pandemic or to run the stores remotely should one of our staff members get sick.

—Magen Smith, Co-Founder, Atomic Storage Group, an industry consultant and management firm

We had an emergency-preparedness plan, but it needed to be modified as we haven't experienced anything like this. To try to combat this fluid situation, the executive team has had a daily call to be able to react to any changes and make changes daily.

—Melissa Stiles, Director of Marketing, Storage Asset Management, which manages 227 facilities in 28 states

How do you anticipate the coronavirus crisis impacting your business in the near and long term?

No one can predict what is to come, but if we can maintain solid leasing month-over-month, we don't anticipate any catastrophic losses. We always have ebbs and flows in our economy. Anytime the bottom falls out, you are hopeful for a quick rebound. We have been able to retain and pay full salaries for all employees and have no intentions to cut staffing.

—Lara Anderson, Director of Marketing, Beyond Self Storage, which operates 18 facilities in eight states

Many experts suggest we need to be compassionate and, as such, late fees shouldn't be charged and rental deferments are OK. They even suggest rescinding recent rent increases. While I agree we must be compassionate, I don't believe we can afford these blanket policies. If all our renters knew late fees were eliminated, many wouldn't pay the rent—including those in cases in which COVID-19 hasn't impacted their finances. And as we know, once a renter gets two to three months behind, they never catch up or don't care because the amount due is more than their stuff is worth. This could lead to the bills not being paid.

There are fewer people moving, people losing their income and more people staying at home, so there'll be fewer rentals. Everyone should consider how to handle a 15 percent to 20 percent reduction in income if things don't turn around soon. The more we provide over-the-top customer service and use high-end service, sales and marketing best practices, the less the impact there will be. Now's the time to do more of everything: more marketing, cleaning, facility improvements, renting on the phone, renting online, cold calls and compassion.

—Marc Goodin, President, Storage Authority LLC, which operates self-storage facilities and offers franchise opportunities

We anticipate that in the short term (and we have seen this already), we're able to quickly help customers who need to move in fast, such as college students who had to leave their dorms with little notice. For the long term, we're making every effort to keep our facilities open while trying to help customers manage their accounts.

—Edward Hainrihar, Vice President of Operations, Amsdell Cos., which operates nearly 100 Compass Self Storage locations nationwide.

Thus far, COVID-19 hasn't affected our business on any drastic level. Has it caused some headache in our operations? Without a doubt, as I type this from home. One silver lining is the fact that self-storage isn't a business that needs to create daily transactions to keep revenue coming in. Selling "widgets" day in and day out isn't our main source of revenue as it is with a retailer or restaurant.

Residual income through monthly rentals is a big reason why self-storage has been such a great investment for many owners. Even if we need to ultimately close our doors, our business and the industry as a whole will weather this storm better than many others. If this pandemic becomes more long-term than expected, we have the technology in place to continue adapting, which in turn will keep our team in place and allow us to continue serving our customers.

—Ben Hendricks, Chief Operating Officer, Five Star Storage, which operates 17 locations in Minnesota and North Dakota

For existing customers, we'll be able to accommodate their payments and access to their units as usual, unless by federal/state mandate we're prohibited from doing so. Also, it's a safe bet to assume that we'll see a decline in rental activity, but that will be balanced by a decline in move-out activity.

That being said, I foresee our industry being relatively unchanged and flat through the coming months; and then I expect that traffic and sales will pick up once the immediate threat is over and people get back to their already planned moves. There may even be a surge as the backlog of postponed activity is brought back online with the release of quarantine and social-distancing restrictions.

—Stacie Maxwell, Vice President of Marketing and Training, Universal Storage Group, which manages 60 sites in 14 states

Ultimately, none of us know the real short- or long-term impacts we're facing. In the near term, I'm starting to see a slowdown in traffic to our sites and some folks moving out to proactively manage their finances.

In the longer term, I suspect we'll see a growing number of our customers struggle to pay their rent and end up in situations where they're facing an eventual sale of their goods. We'll have to work with those customers on a case-by-case basis. We'll likely see additional move-outs as people determine what their priorities are for their financial resources. We'll see rate compression and increased discounting as operators vie for a potentially smaller consumer group, at least until some consumer confidence is restored in what our job market might look like in the recovery stages of this crisis.

—Scott McLaughlin, Executive Vice President, Sentry Self Storage Management, which operates 23 properties in four states

That's very difficult to answer as at this point we have no idea how large this will grow, how many people will eventually be affected including our employees and tenants, what will happen to our revenue if our tenants lose their jobs and can't pay their rent, and what our lenders do with respect to loan payment requirements. There are simply too many unknowns at this point to make an intelligent prediction. Instead we have to stay fluid and adjust as quickly as new information becomes available.

—Ken Nitzberg, Chairman and CEO, Devon Self Storage, which operates 41 facilities in 13 states

While the impacts of the virus are still unknown, we expect rentals and terms to remain flat for a few months. Delinquencies will spike and we'll be tasked with many decisions such as: Will we waive or delay late fees? When do we begin auctions again? How do we best work with tenants to pay their bill while balancing the needs of the property to keep it financially sound? How will we handle the potential of extended time off for managers if they become ill? Additionally, as we're facing state-emergency protocols, we've suspended all street and tenant rate increases. This is an unprecedented time, but we'll all get through it together.

—Magen Smith, Co-Founder, Atomic Storage Group, an industry consultant and management firm

This is tough to say as we're still in the midst of it. We do think accounts receivable will be higher as tenants may not be able to pay and we'll delay our auction process.

–Melissa Stiles, Director of Marketing, Storage Asset Management, which manages 227 facilities in 28 states

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