

Project Safe



Project Safe involves a value-add strategy to purchase under-utilised properties in Tier One cities and convert them at minimal cost into high-yielding self-storage facilities.

January 2017

Acquisition date

Beijing, Shanghai

Location

Self-storage

Sector

c.17,500 sqm

GFA

Transaction background

- Value-add strategy: Acquisition of under-utilised properties in Tier One cities and conversion into self-storage facilities with projected 10%+ NOI yield.

Investment rationale

- Market attractiveness: China has been ranked as the most attractive location for expansion by Self-Storage Association Asia (SSAA).
- Growth potential: Self-storage in China has significant growth potential due to rising residential prices and shrinking unit sizes. The top three cities in China have demonstrated over 40% compounded annual growth per annum in the number of self-storage facilities.

Value-addition

- Experienced partner: Fund II has invested in the second largest self-storage operator in Beijing.
- Technology: The operator offers a proprietary digital user interface to enhance user experience and minimise labour costs.
- Portfolio aggregation: InfraRed NF is seeking to add value and achieve economies of scale through a portfolio aggregation strategy.