



## Long-Term Investors: This Storage Company Is the Number 1 Stock to Buy in October

### Description

Self-storage is one of the top industries to invest in; in fact, storage is the top-performing real estate asset for the last five, 10, and 20 years in the U.S.

The United States is much further ahead in the storage industry than Canada is, so it's easy to look at the past trends from the States and draw comparisons to where the Canadian market is headed.

The U.S market for storage is currently almost 30 times the size of the Canadian market, and on a per-capita basis, it's more than three times larger.

From 2000 to 2015, the demand for storage doubled in the America, and it looks as though that trend is set to follow in Canada, especially as the population continues to grow.

In the U.S., there are a number of stocks you can buy to gain exposure to the industry; however, in Canada there is only one, the largest storage company in the country, **StorageVault Canada** (TSXV:SVI).

StorageVault, to date, owns 148 locations, which gives it nearly eight million square feet of rentable space and totals more than 72,000 storage units. Its portfolio is well diversified across Canada, with stores in seven provinces.

In addition to what is already up and running, it also has additional expansion space already built into its portfolio. It has another roughly one million square feet of development space, or an estimated 13% of its portfolio.

The company plans to add the additional capacity when the demand for it exists. This is a prudent move and puts StorageVault in a prime position to capture new market share as soon as it becomes available.

The industry is one of the best [real estate](#) industries and will continue to grow because demand is driven by a number of circumstance changes, such as downsizing, renovations, disaster, divorce, etc.

Demand is also driven by growing populations, so having locations in key markets can be a huge difference in the success of companies.

StorageVault continues to be an attractive investment, because it's a top-notch executer in such a great industry.

It has more than twice as many stores as its nearest competitor and its metrics against the industry are very strong. In the storage industry, the average length of stay is roughly 13 months, where StorageVault's is more than 17.

In addition to the nearly 150 stores that StorageVault owns, it also operates another 50 stores for a management fee.

The storage business is such a great business because it requires such low maintenance and capital expenditures. StorageVault estimates its capital expenditures account for just 4-5% of revenue.

This allows the company to search out strategic acquisitions, which it's done successfully in the past, increasing the number of stores it has by more than 200% since 2016.

StorageVault is a fast-growing company that will continue to make strategic acquisitions to grow the company and its scale. The fast-growing pace of the company will allow it to continue to be the industry leader in one of the fastest-growing real estate segments.

With average house sizes decreasing and consumers continuing to purchase more things, the demand for storage units will continue to grow, putting StorageVault in a prime position and making it one of the top investments in the country.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:SVI (StorageVault Canada Inc.)

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