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METRO MONEY

Thrifty Business Owners Give Self-Storage Spaces New Lease on Life

Entrepreneurs cut costs by locating in bare-bones warehouses



Sandra Long, owner of Anglo-Raj Antiques, brings clients to her showroom space in a Manhattan Mini Storage warehouse in Chelsea. PHOTO: STEVE REMICH FOR THE WALL STREET JOURNAL



By

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Sandra Long, owner of Anglo-Raj Antiques, deals in fine colonial furniture from South Asia. Her clients are rich. She's known for her elegant taste.

All of which makes her choice of showroom venue a little startling: It's a Manhattan Mini Storage warehouse in Chelsea—the kind most New Yorkers use to store their extra books and skis.

Before designers and architects stop by her self-storage spaces, Ms. Long arrives in advance with two workers who haul the 19th-century teak day beds and carved tea tables out into the drab concrete corridor for display.

It's an unusual arrangement. But Ms. Long says her high-profile clients like the plebeian location. "No one's trying to take a picture or interact with them," she says. "It's all private."

She has plenty of company. At a sister facility in Hell's Kitchen, production agency Mindfile Multimedia rents a 7-by-13-foot storage space for \$525 a month that serves as a gear room for its video crews. With its 24-hour access and free parking, the facility is a smarter choice than the pricey office space the agency was renting in Soho, says Production Manager Valeria Angel.

Ursula Avelino, founder of eco-friendly home cleaning service Green Duster, rents self-storage units in Chelsea, Soho and the Lower East Side to stow supplies. Her clients all live within a few blocks of a facility, she says, so her staff can restock between cleanings, eliminating the need for a truck.

In a city where space costs a fortune, it's no surprise that some hustling entrepreneurs cut costs by locating in the most bare-bones facility imaginable: a self-storage warehouse.

Self-storage providers, including CubeSmart and Manhattan Mini Storage, are eager to accommodate businesses, which tend to rent larger units than residential customers.

Business amenities range from air conditioning and package acceptance to Wi-Fi, print and copy service. The recently renovated West 44th Street Manhattan Mini Storage offers a coffee station and two conference rooms overlooking the USS Intrepid.

Manhattan Mini Storage President Jon Dario says businesses rent up to 15,000 of the 50,000 storage units in his company's 17 locations, and many use their space as an auxiliary operations hub. He accommodates outfits ranging from an appliance repair service to a construction firm and a valet delivery service.

Self-storage isn't cheap. A 5-by-10-foot room—the median size rented by a business—costs \$268 a month at the Manhattan Mini Storage in Chelsea. On a square-foot basis, that is three times the cost of a warehouse in Queens.

But businesses are paying for the location. And while traditional commercial spaces require multiyear leases, self-storage units rent by the month, says Peter Ferraro, chief executive officer of the New York Self Storage Association. Customers can upsize or downsize depending on seasonal needs.

You can't use a self-storage space for any activity you please, of course. It's illegal to take up residence, and most providers don't allow materials such as food, plants or flammables that could create problems, says Mr. Dario. Tenants who violate the user agreements are liable for any resulting damage.

The City's Department of Buildings, meanwhile, says that if "storage" is the sole use listed on a building's certificate of occupancy, an owner who wanted to open his building to manufacturing, for instance, would need to get the certificate amended. What constitutes storage activity, of course, is a bit of a gray area.

Gregg Zuman didn't want to move Revolution Rickshaws, his pedicab-based promotions service, into a storage unit. "I thought it was the most degrading concept," he says.

But after losing the lease on his Hell's Kitchen storefront, renting at a west side storage space was the only way to stay in the area.

'If you're just storing stuff, it's a little expensive. But for a full-blown operation, that is cheap.'

—Gregg Zuman, owner of Revolution Rickshaws

It isn't a perfect solution. Working in a storage unit can be depressing. The space has no window, and the confines are tight. "Over time, it drains you," he says.

But he's sold on the advantages. After customizing the space with lighting, shelving and work stations, he has a secure, air-conditioned base of operations for repairs and customer service. And when he needs space for a big campaign, he just rents an extra room.

The best feature? The rent: \$1,215 a month for a 10-by-20-foot stall.

"If you're just storing stuff, it's a little expensive," he says. "But for a full-blown operation, that is cheap."

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