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Korkunov Builds Up Warehouse Firm

By Maria Dranishnikova

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Andrei Korkunov, president of Ankor Savings Bank and the Odintsovskaya Confectionery Factory, has decided to expand his network of temporary storage facilities.

The company, Mobius, provides temporary storage services for people and businesses relocating or renovating, as well as space for Internet companies to store their goods. Korkunov and his partners started the company last year, and it currently has four warehouses in Moscow with combined space of about 25,000 square meters.

Additionally, Korkunov said, the company has acquired a plot of land near Kaluzhskoye Shosse, southwest of Moscow, where it plans to build a warehouse facility with 10,000 square meters of space. By 2012, Mobius expects to increase its overall warehouse space to 50,000 square meters, including through expansion in the regions, Korkunov said.

The United States has about 270 million square meters of self-storage space, while the combined market value of U.S. companies involved in individual storage services is about $2 billion, Korkunov said.

The company's first facilities in the regions could be in Yekaterinburg and St. Petersburg, he said. Korkunov and his partners in Mobius have already invested about $6 million into the business, some of which was borrowed. He said they were planning to invest $10 million more.

Individual storage facilities are in great demand, with more and more potential customers appearing by the month, said an official at Vash Storozh, or Your Watchman.

The company provides personal storage services and has 1,200 square meters of space, about 75 percent of which is now rented. The company's biggest customers are individuals who need someplace to keep their property while moving between apartments or doing a renovation.

On average, customers rent space for about three months, the Vash Storozh official said.

In the next few years, Moscow will need about 10 million square meters of self-storage space, according to an estimate by Penny Lane Realty.

"Over the past year we've had five or six requests to purchase self-storage facilities, primarily from individuals looking for between 5,000 and 10,000 square meters of space," said Igor Kazimov, director of Penny Lane Realty's warehouse and industrial real estate department. "They're interested in purchasing the property so that they can rebuild the facility," he said.

Warehouse facilities of about that size are of considerable interest to investors, since the startup costs for a self-storage business aren't high and double-digit profit margins aren't uncommon, said Yegor Dorofeyev, director of warehouse and industrial real estate at Cushman & Wakefield.

Success, however, requires economies of scale. The project is focused on serving individuals and small businesses, which means the storage space should be readily accessible, said Dorofeyev, adding that the company may need as many as 10 facilities in Moscow alone.

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