

US funds giant buys into self-storage boom

Nick Lenaghan *Property editor*



Jul 7, 2025 – 5.00am



Listen to this article
4 min

Global investment giant Barings has forged into Australia's booming self-storage market with a \$200 million investment in Swift Storage, giving it a majority stake in the high-tech, contactless self-storage operator.

The deal is the latest addition to Barings' rapid expansion into Australia's commercial property sector, buying up around \$2 billion in real estate of various forms over the past 18 months.



Swift's contactless model is "a proven concept that has been well received by customers", says Jonathan Perrins, co-founder of its developer USS Funds Management.

It also brings Barings into a market where major institutional players are jostling for exposure to the sector's estimated \$2 billion in annual turnover.

Founded in 2022 by USS Funds Management, Swift has invested heavily in an automated operation. It is fully online, with contactless drive-up storage unit estates and no on-site staff.

Swift's property portfolio comprises 15 purpose-built facilities and a pipeline of development across Queensland. Barings' acquisition includes majority ownership in both the real estate and the operating business. The US fund manager hopes to drive Swift's growth nationally.

"Self-storage has proven to be a resilient asset class in Australia, and Barings believes there are significant tailwinds and untapped potential in the future," said Tamara Williams, senior director for private equity real estate at Barings.

Swift's founder, USSFM, is an investment fund manager specialising in the global self-storage industry. Co-founder Jonathan Perrins said the Swift model was unique in the Australian market.

"Swift is now a proven concept that has been well received by customers," he said.

"It is ready to be scaled into larger centres in major urban and regional markets. Swift's future with Barings is a great fit alongside their extensive real estate

investment and development expertise.”

The self-storage sector is experiencing a flurry of M&A moves. Two months ago, one the world’s biggest investment houses, BlackRock, bought a controlling interest [<https://www.afr.com/property/commercial/blackrock-takes-control-at-400m-storelocal-as-storage-sector-heats-up-20250506-p5lx2a>] in \$400 million self-storage operator StoreLocal, the country’s fourth-largest operator with more than 40 facilities across the country.

Earlier this year, a consortium between South African billionaire Nathan Kirsh and New York-listed Public Storage, one of the world’s biggest operators, put up a \$1.9 billion takeover offer [<https://www.afr.com/link/follow-20180101-p5lpot>] for the listed Abacus Storage King.

While that initial offer has been rejected, the sector’s biggest listed player, the \$3.2 billion National Storage REIT, seized a small but critical stake in its rival, the Abacus-run platform, giving it scope to potentially block a takeover [<https://www.afr.com/link/follow-20180101-p5lunz>]. Since then, NSR increased its stake.

This month another of the sector’s major players, the family-owned Kennards Self Storage, acquired Auckland storage operator National Mini Storage and its portfolio of 13 facilities. That deal will give Kennards a portfolio of 126 operating locations and market value of over \$4 billion.

Underpinning the investment appeal of the self-storage sector [<https://www.afr.com/link/follow-20180101-p5d9qn>] are big demographic drivers of rapid urbanisation, population growth, and changing consumer and business storage needs. Demand is outpacing supply and the sector remains relatively fragmented.

“This investment delivers resilient, industrial-like cash flows in a scalable sector underpinned by strong supply-demand fundamentals and long-term growth potential,” said Luke Bryant, director for private equity real estate at Barings.

“Our entry into self-storage complements Barings Real Estate Australia’s existing and growing industrial and logistics portfolios across Australia’s major markets.”

North Carolina-based Barings, a subsidiary of Massachusetts Mutual Life Insurance Company, or MassMutual, made its move into Australia commercial property in 2022, when it acquired local real estate investment platform Altis [<https://www.afr.com/link/follow-20180101-p5b8ok>].

Soon after, Barings secured \$600 million of equity [<https://www.afr.com/link/follow-20180101-p5byr3>] commitments from global institutions, providing it with enough capital to acquire a \$1.2 billion-plus portfolio of commercial property.

Last year it teamed up with industry super fund Rest to snap up a \$780 million industrial portfolio [<https://www.afr.com/link/follow-20180101-p5fpju>] sold by Goodman and subsequently bought into a large industrial estate near the Western Sydney airport [<https://www.afr.com/link/follow-20180101-p5jy3x>].

Its private equity real estate platform also has investments in seniors living and operating airports.

RELATED



[Street Talk](#) [/street-talk]

Barings lands seed investor for Australia-focused private credit fund

<https://www.afr.com/street-talk/barings-lands-seed-investor-for-australia-focused-private-credit-fund-20241030-p5kmjw>



[Chanticleer](#) [/chanticleer]

The billionaire, his \$80b gorilla mate and Storage King's clean-up job

<https://www.afr.com/chanticleer/the-billionaire-his-80b-gorilla-mate-and-storage-king-s-clean-up-job-20250503-p5lwb5>

Nick Lenaghan edits the property section, which covers all aspects, from residential real estate and housing and construction to commercial property – office, retail, industrial – and major ASX-listed developers and real estate investment trusts. *Connect with Nick on [Twitter](#). Email Nick at nlenaghan@afr.com*