



Yardi[®] Matrix

National Self Storage Report

June 2020



Monthly Supply and Rent Recap

Self storage sector continues to feel impact from the COVID-19 pandemic

- In spite of being deemed more resilient to economic uncertainty than other real estate asset types, the self storage industry continues to be impacted by the widespread economic fallout caused by the novel coronavirus. In April, the self storage sector started feeling the subsequent effects of the COVID-19 pandemic. In May, these negative effects intensified, with street rates across the nation declining at an even faster rate. Despite this decline, though, storage demand appears to be remaining stable, with move-ins and move-outs recovering slightly over the past few weeks, according to discussions with industry leaders.

Downward trend of self storage street rates intensifies

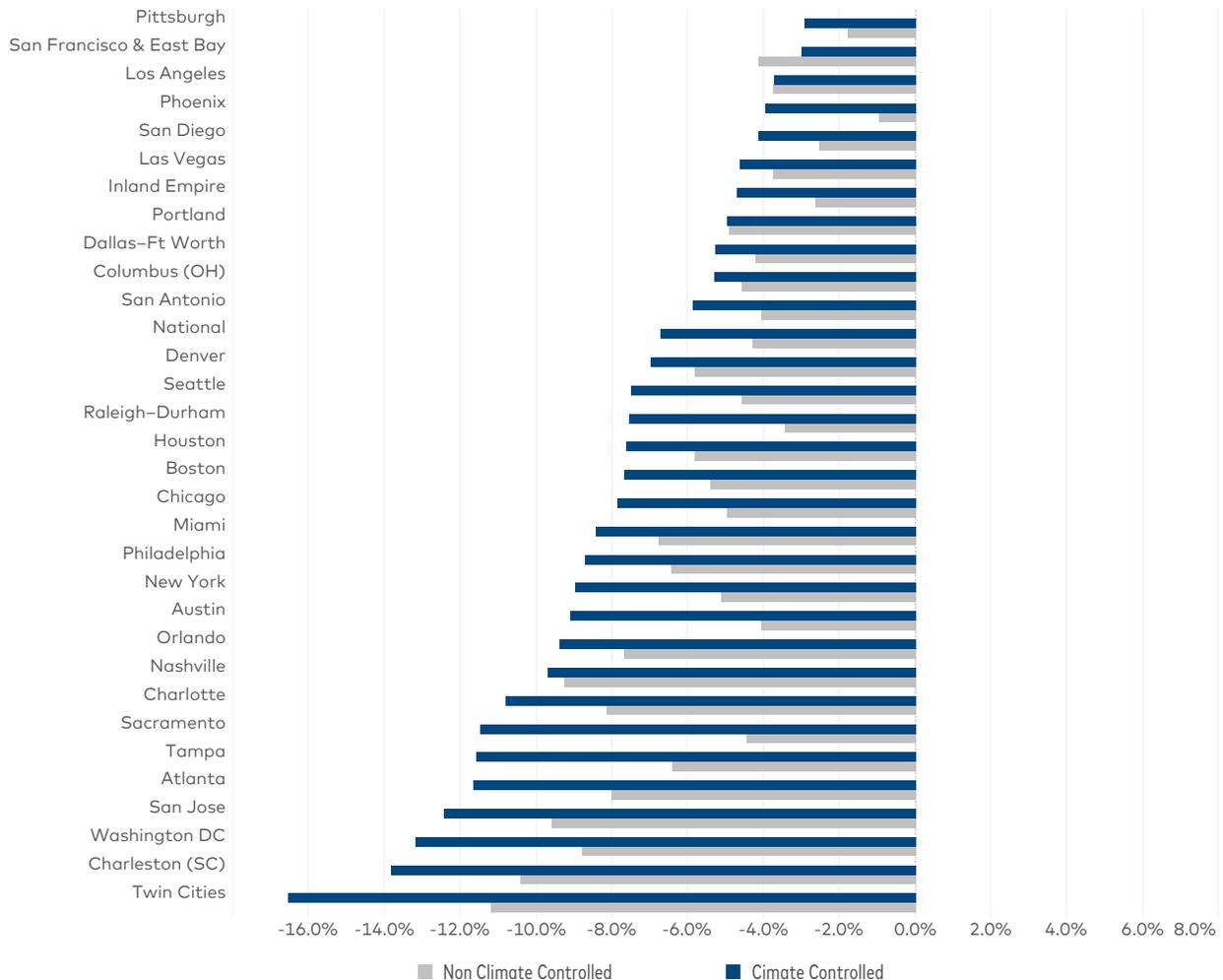
- The impact of the novel coronavirus crisis and its resultant economic fallout continued to affect the self storage industry in May, as the decline in street rate performance accelerated. On a year-over-year basis, national street rates contracted by 4.3% for 10x10 non-climate-controlled (NON CC) units, while nationwide street rates for 10x10 climate-controlled (CC) units dropped 6.7% on an annual basis.
- Compared to May 2019, street rates decreased in all of the top markets tracked by Yardi Matrix for both standard 10x10 NON CC units and CC units of the same size.
- Despite the significant decline in street rates, the national new-supply pipeline as a percent of existing inventory increased by 0.2% month-over-month in May to 9.0%. On a month-over-month basis, the new-supply pipeline as a percent of existing stock increased or remained flat in roughly 94% of the top markets tracked.
- On a national level, Yardi Matrix tracks a total of 2,214 self storage properties in various stages of development—consisting of 596 under construction, 1,171 planned and 447 prospective properties. Yardi Matrix also maintains operational profiles for 25,969 completed self storage facilities across the United States, bringing the total data set to 28,183.

Monthly Rate Growth Update

Street rates across the nation continue to feel the effects of pandemic fallout

- Street rate performance in May continued to reflect the negative impact of the novel coronavirus pandemic on the self storage industry. Street rates nationwide decreased 4.3% year-over-year for 10x10 NON CC units. Rates for 10x10 CC units fared even worse, declining 6.7% year-over-year in May. On a month-over-month basis in May, national street rates dropped by 0.9% for 10x10 NON CC units and by 0.8% for 10x10 CC units.
- Even though all the top markets saw negative street rate performance on an annual basis in May, the Chicago metro did see a 1.1% increase in street rates month-over-month for 10x10 NON CC units. Street rates for 10x10 CC units remained unchanged in May compared to the month of April.
- In May, Minneapolis and Charleston saw street rates for 10x10 CC units fall the furthest year-over-year. Rates in Charleston fell 13.8% on an annual basis for 10x10 CC units, while the drop was considerably more dramatic for Minneapolis at 16.6% annually for 10x10 CC units.

May 2020 Year-over-Year Rent Change for 10'x10' Units



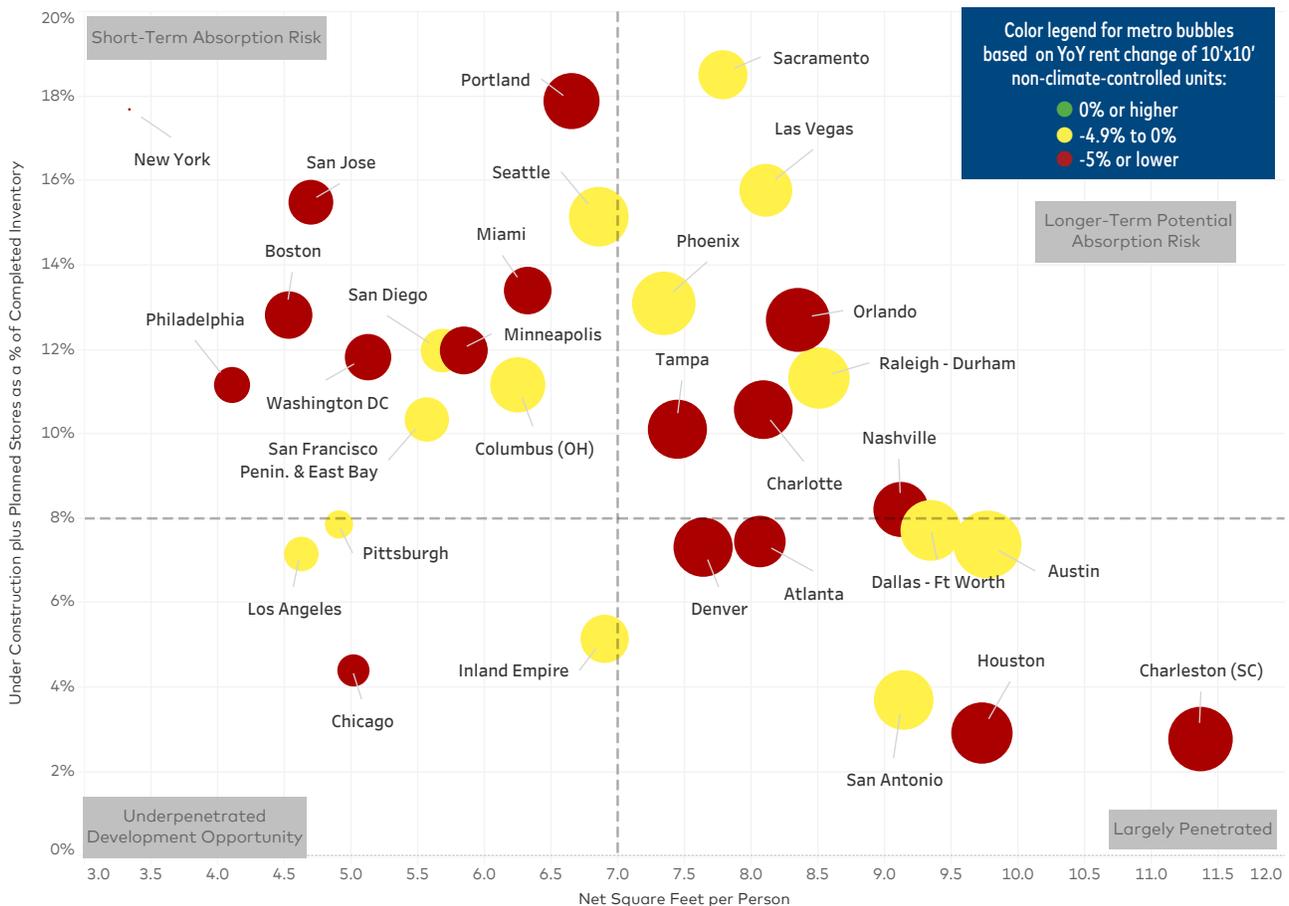
Source: Yardi Matrix. Street rate data as of June 10, 2020

Monthly Rate Growth Update

Despite economic concerns, developers keep on building

- The new-supply pipeline in New York increased by 70 basis points in May to 17.7% of existing stock, the highest level of new development activity seen in the metro in 24 months (since May 2018). With 3.3 net rentable square feet (NRSF) per capita, New York has historically been one of the most undersupplied top markets. Even with its low amount of completed inventory per capita, new developments in the metro may be in for a tough slog, as New York has seen street rates steadily decline over the last two months as it deals with the COVID-19 crisis. Year-over-year in May, rates in New York fell 5.1% for 10x10 NON CC units and 9.0% for CC units of the same size.
- Sacramento remained the top market for development, with storage properties under construction or in the planning stages accounting for 18.5% of total stock. As the state capital of California, Sacramento (34.5%) has a high concentration of jobs in employment sectors considered durable: government, finance, and professional and technical services. This economic stability could position Sacramento for a strong rebound and help lessen the extent of negative street rate performance.

Self Storage Major Metro Summary
 New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2018 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of June 10, 2020

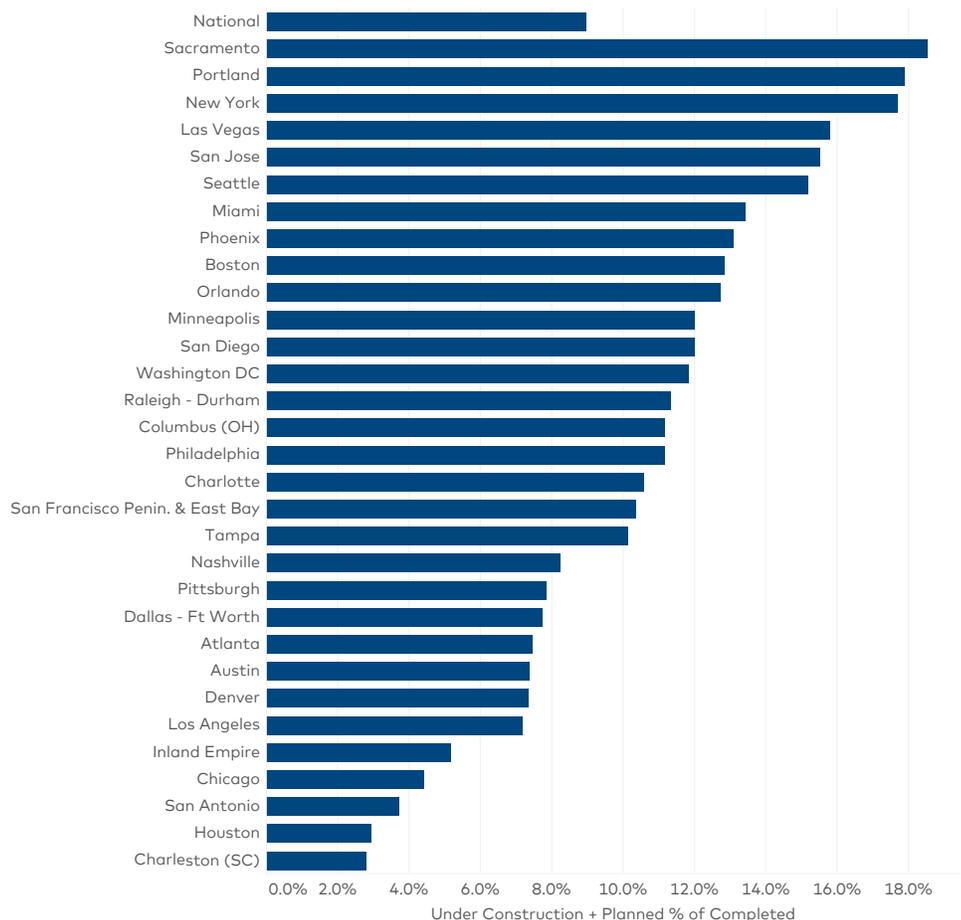
Monthly New Supply Update

New self storage development appears relatively unaffected by COVID-19

- The new-supply pipeline seems to be proving less susceptible to the COVID-19 crash than street rate performance in the self storage sector. Self storage properties under construction or in the planning stages across the nation account for 9.0% of existing inventory, a 20-basis-point uptick month-over-month. However, new storage developments are still expected to slow somewhat in the wake of the coronavirus pandemic. From interruptions in the planning and approval stage to pauses in construction, all stages of the new-supply pipeline have been impacted in the wake of COVID-19, which will likely delay and slow the delivery of new developments in 2020.
- Boston and Washington, D.C., were the only two top markets to experience a decrease in new storage development activity month-over-month in May. In Boston, storage properties under construction or in the planning stages accounted for 12.8% of existing inventory, a 20-basis-point decrease compared to April, while Washington, D.C., saw only a slight 10-basis-point reduction in development activity month-over-month, with properties under construction or in the planning stages accounting for 11.8% of existing storage stock in May.

Under Construction & Planned Percent of Existing Inventory

Metro	Apr-20	May-20	Change
NATIONAL	8.8%	9.0%	↑
Sacramento	18.5%	18.5%	▬
Portland	17.2%	17.9%	↑
New York	17.0%	17.7%	↑
Las Vegas	15.6%	15.8%	↑
San Jose	15.5%	15.5%	▬
Seattle	15.0%	15.2%	↑
Miami	13.0%	13.4%	↑
Phoenix	12.8%	13.1%	↑
Boston	13.0%	12.8%	↓
Orlando	12.4%	12.7%	↑
Minneapolis	11.2%	12.0%	↑
San Diego	12.0%	12.0%	▬
Washington DC	11.9%	11.8%	↓
Raleigh-Durham	11.3%	11.3%	▬
Columbus (OH)	11.2%	11.2%	▬
Philadelphia	10.7%	11.2%	↑
Charlotte	10.0%	10.6%	↑
San Francisco Penin. & East Bay	10.4%	10.4%	▬
Tampa	10.1%	10.1%	▬
Nashville	8.2%	8.2%	▬
Pittsburgh	7.9%	7.9%	▬
Dallas-Ft Worth	7.3%	7.7%	↑
Atlanta	7.5%	7.5%	▬
Austin	7.4%	7.4%	▬
Denver	7.3%	7.3%	▬
Los Angeles	7.2%	7.2%	▬
Inland Empire	5.2%	5.2%	▬
Chicago	4.4%	4.4%	▬
San Antonio	3.7%	3.7%	▬
Houston	2.7%	2.9%	↑
Charleston (SC)	2.8%	2.8%	▬



* Drawn from our national database of more than 28,100 stores, including some 2,200 projects in the new-supply pipeline as well as more than 25,900 completed stores.
Source: Yardi Matrix. Supply data as of June 10, 2020

Monthly Rate Recap

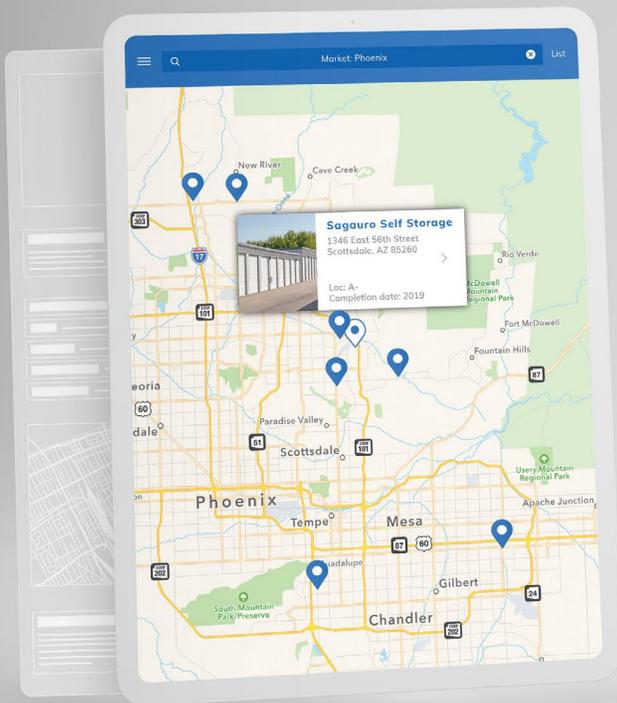
Market	Avg Metro Rate 10'x10' (non cc)	May 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	112	-4%	-5%	-4%	-7%	-2%
Pittsburgh	109	-2%	-7%	-2%	-3%	1%
San Francisco Penin. & East Bay	186	-6%	-5%	-4%	-3%	-2%
Los Angeles	179	-5%	-4%	-4%	-4%	-1%
Phoenix	103	3%	-2%	-1%	-4%	-2%
San Diego	153	-4%	-3%	-3%	-4%	-4%
Las Vegas	103	-2%	-4%	-4%	-5%	-3%
Inland Empire	111	-2%	-3%	-3%	-5%	-2%
Portland	135	-5%	-5%	-5%	-5%	-3%
Dallas-Ft Worth	91	-5%	-7%	-4%	-5%	-3%
Columbus (OH)	84	-3%	-5%	-5%	-5%	-2%
San Antonio	94	-5%	-2%	-4%	-6%	-3%
Denver	114	-8%	-8%	-6%	-7%	-5%
Seattle	147	-3%	-5%	-5%	-8%	-2%
Raleigh-Durham	85	-2%	-7%	-3%	-8%	-3%
Houston	81	-6%	-8%	-6%	-8%	-3%
Boston	140	-10%	-10%	-5%	-8%	0%
Chicago	96	-5%	-3%	-5%	-8%	0%
Miami	124	-4%	-7%	-7%	-8%	-5%
Philadelphia	116	-6%	-5%	-6%	-9%	-2%
New York	167	-6%	-5%	-5%	-9%	-1%
Austin	94	-5%	-5%	-4%	-9%	-3%
Orlando	96	-7%	-8%	-8%	-9%	-4%
Nashville	98	-9%	-7%	-9%	-10%	-4%
Charlotte	79	-5%	-7%	-8%	-11%	-4%
Sacramento	129	-7%	-6%	-4%	-11%	-4%
Tampa	102	-9%	-8%	-6%	-12%	-7%
Atlanta	92	-9%	-8%	-8%	-12%	-7%
San Jose	160	-11%	-10%	-10%	-12%	-3%
Washington DC	135	-10%	-9%	-9%	-13%	-4%
Charleston (SC)	86	-10%	-13%	-10%	-14%	-7%
Minneapolis	103	-14%	-12%	-11%	-17%	-7%

Source: Yardi Matrix. Sorted according to 10x10 CC rent performance.



Yardi Matrix

Power your business with the self storage industry's leading source for originating, pre-underwriting and managing assets for profitable loans and investments.



Yardi Matrix Self Storage is active in 133 markets and 4,000+ sub-markets across the U.S., providing accurate data on storage facilities at least 25,000 square feet in size.

Key features

- Gain new supply pipeline information at the asset, competitive set and market level
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as portfolios of owners, managers, buyers and sellers

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