



Yardi Matrix

National Self Storage Report

September 2020



Monthly Supply and Rent Recap

Self storage continues to demonstrate its resilient nature

- The real estate industry has had a tough year as COVID-19 continues to weigh on the economy. However, the self storage sector has demonstrated its resiliency to overcome economic disruptions. Street rate performance across the nation continued to improve in August, with more markets seeing positive growth on both an annual and monthly basis. While there does appear to be a slowdown in new storage development activity, this may be a welcome relief for many in the storage sector, especially in markets that have been hit heavily with new supply in recent years.

National street rate performance shows further improvement

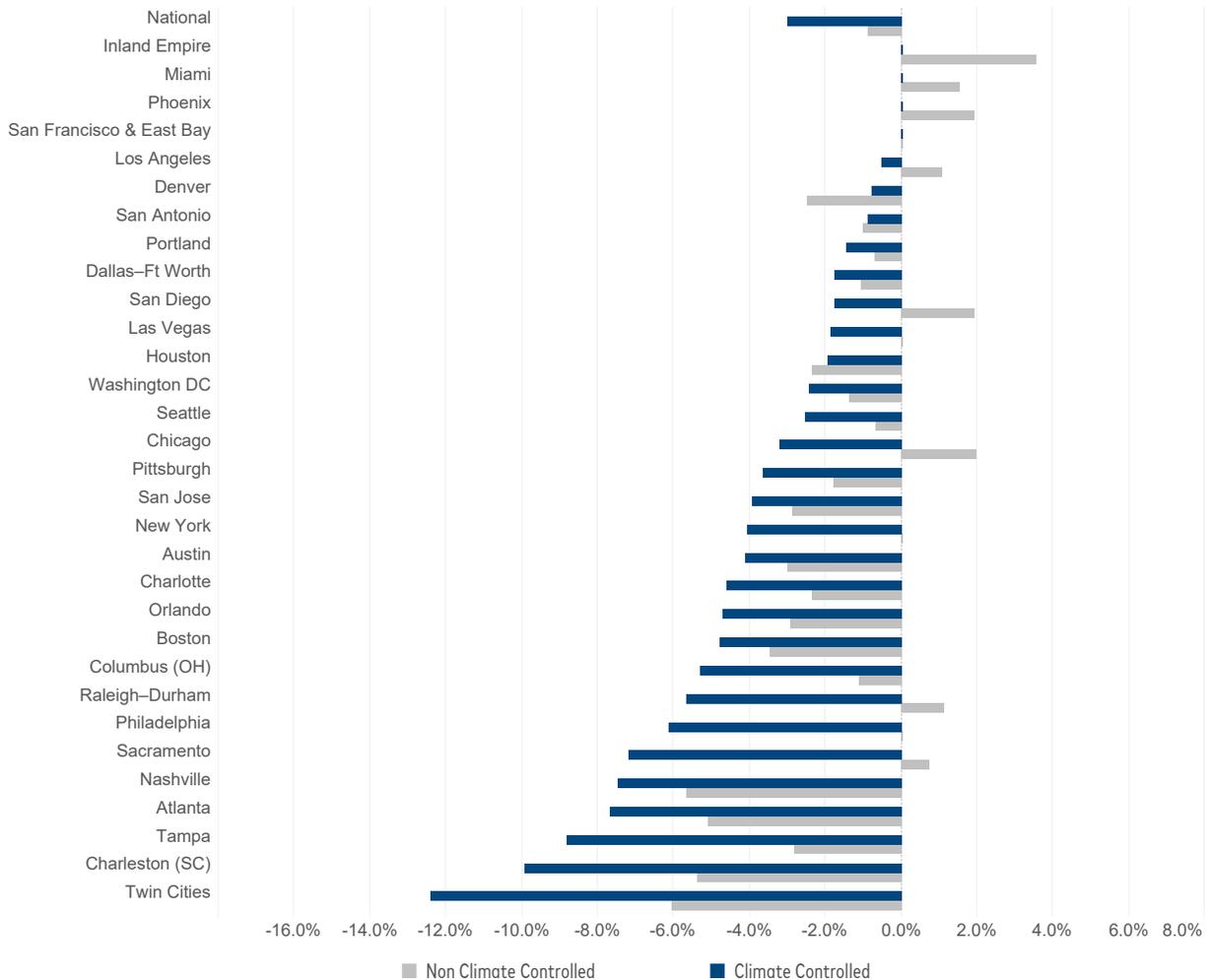
- Despite the current COVID-19 crisis and the subsequent economic downturn, the self storage industry continues to hold its own, and street rate performance improved in August. While national street rates did contract compared to August 2019, the downward trend in annual rates slowed, and national rates saw positive growth on a month-over-month basis. Year-over-year, national street rates for 10x10 non-climate-controlled (NON CC) units decreased 0.9%, while rates for 10x10 climate-controlled (CC) units fell 3.0% compared to last year.
- Annual street rate performance was negative in roughly 61% of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Year-over-year, eight markets saw positive rate growth for 10x10 NON CC units, while rates for this same unit type stayed level in four markets.
- On a national level, Yardi Matrix tracks a total of 2,163 self storage properties in various stages of development—comprising 594 under construction, 1,167 planned and 402 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by 0.2% month-over-month in August, and the share of existing projects in planning and construction stages accounts for 8.8% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,167 completed self storage facilities across the United States, bringing the total data set to 28,330.

Monthly Rate Growth Update

Street rate performance shows improvement

- The self storage industry continued to demonstrate its ability to surmount economic downturns in August, with strong monthly and improving annual street rate performance. Despite a decline in national rates compared to August 2019, street rate growth was positive for both 10x10 NON CC and 10x10 CC units in August compared to July. Month-over-month, national rates increased 0.9% for 10x10 NON CC units and by 0.8% for CC units of the same size. In addition, all of the top markets saw positive or level rate growth performance month-over-month for 10x10 NON CC units, while all markets except for Portland and Pittsburgh experienced an increase in street rates for 10x10 CC units compared to the previous month.
- Among all storage markets, San Jose saw the largest month-over-month rate growth for 10x10 CC units in August, with street rates increasing a considerable 4.9%. Rates for 10x10 CC units increased by \$8 to \$171, an amount San Jose last experienced in January 2020.

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



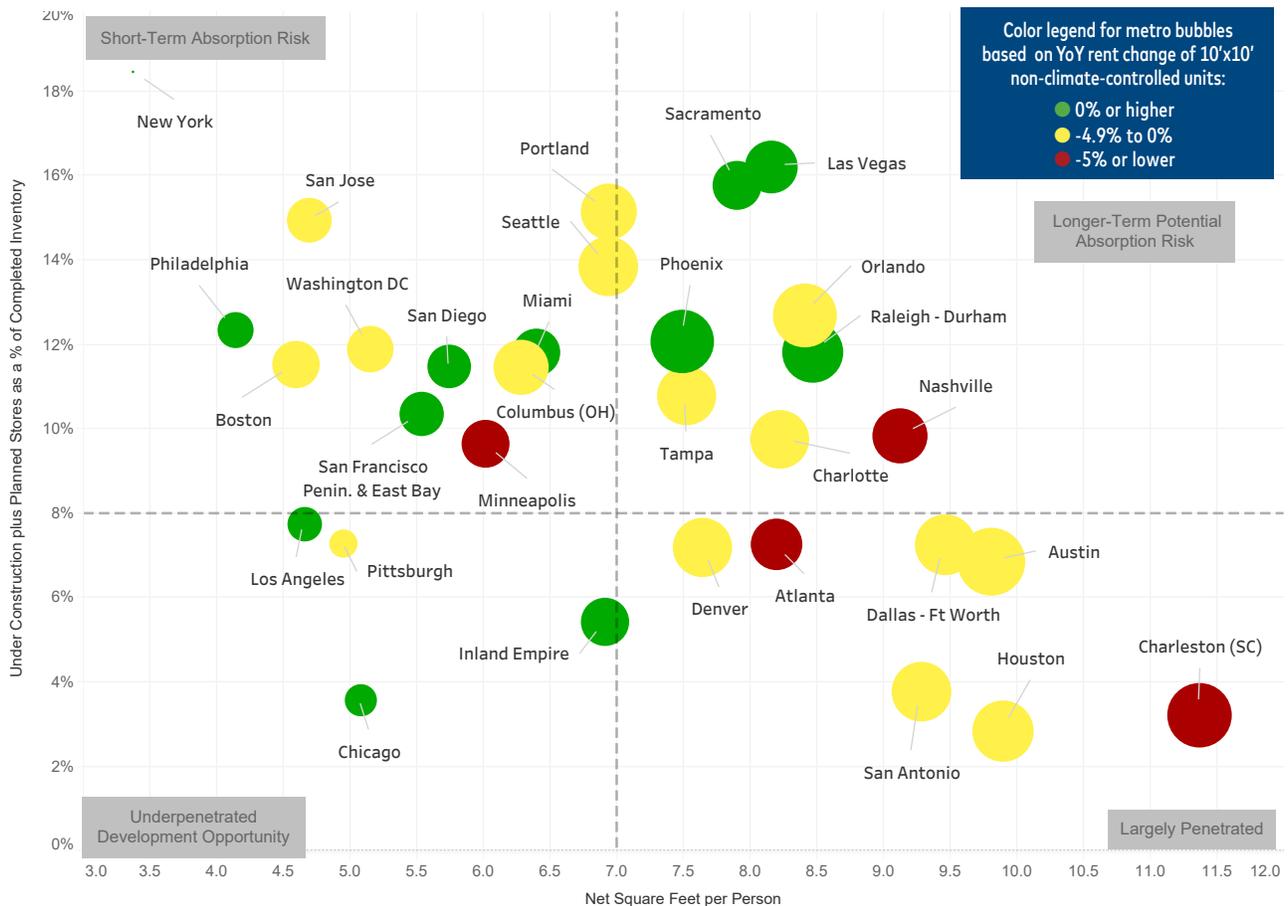
Source: Yardi Matrix. Street rate data as of September 4, 2020

Monthly Rate Growth Update

Notable monthly street rate performance in Miami

- August was Miami's best-performing month thus far in 2020 in terms of street rate growth. Month-over-month, rates for 10x10 NON CC units increased an impressive 3.9% in Miami, the largest rate growth for this unit type among all storage markets nationwide. Rates for 10x10 CC units also saw notable growth in August compared to July, rising 3.4%. Relative to supply, Miami has maintained balance, as existing inventory has stayed just below the national average at 6.4 net rentable square feet (NRSF) per capita, and the new supply pipeline remained level at 11.8% in August.
- In the Los Angeles metro, annual street rate performance for August exhibited an interesting trend with regard to specific storage unit sizes. Street rates for small units, including 5x5 and 5x10, declined or stayed level year-over-year for both NON CC and CC unit types, while rates for large NON CC and CC units, including 10x20 and 10x30, increased compared to July 2019. Based on the year-over-year street rate growth for the various unit sizes, larger-size units (10x20 and 10x30) seem to perform better in Los Angeles than smaller-size units (5x5 and 5x10).

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 September 4, 2020

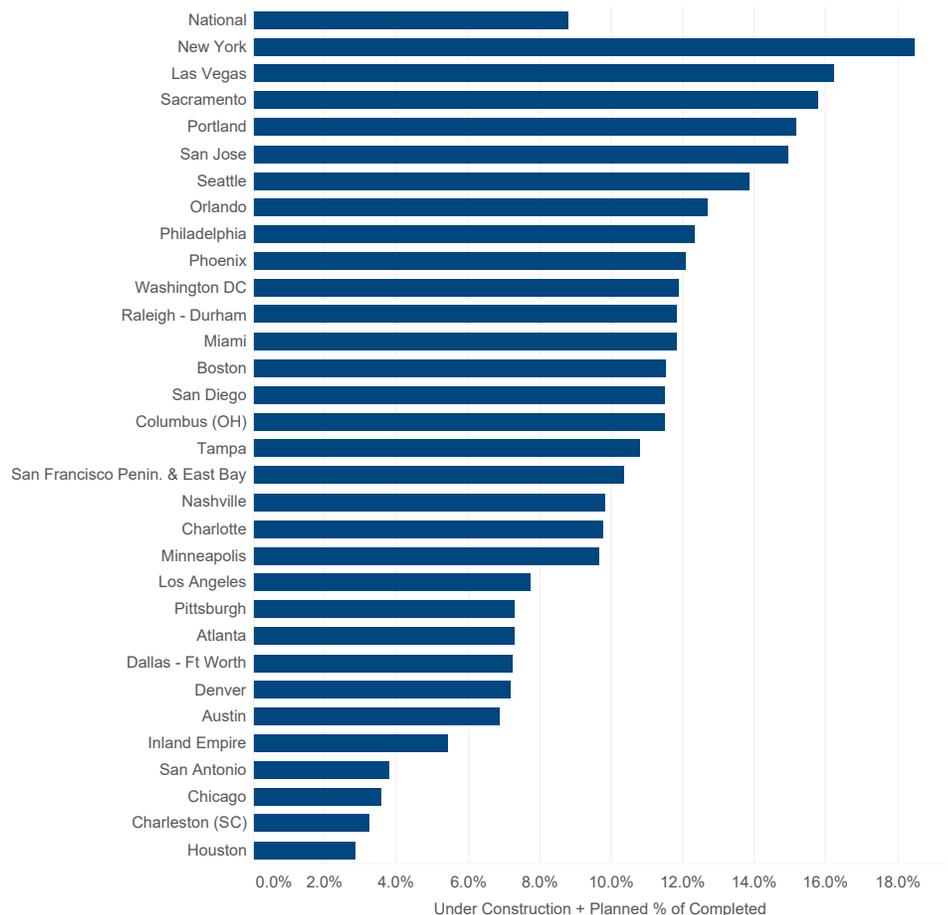
Monthly New Supply Update

New self storage development shows slight signs of slowing

- Self storage properties under construction or in the planning stages nationwide account for 8.8% of existing inventory, marking a slight 20-basis-point uptick month-over-month. However, storage development activity seems to be showing more signs of an impact from the economic fallout caused by the coronavirus pandemic. The number of abandoned pipeline projects increased to 33 in August, likely due to developers backing away from projects because of economic uncertainty.
- Despite having an existing inventory of 9.1 NRSF per capita, Nashville saw storage development activity increase by a substantial 1.1% in August from the month prior. Storage properties under construction or in the planning stages account for 9.8% of existing stock, which may be relatively small compared to the size of other top markets' pipelines. Regardless, Nashville's elevated level of existing inventory has continually put downward pressure on street rates, and developers should remain cautious in the heavily penetrated metro.

Under Construction & Planned Percent of Existing Inventory

Metro	Jul-20	Aug-20	Change
NATIONAL	8.6%	8.8%	↑
New York	18.0%	18.5%	↑
Las Vegas	16.2%	16.2%	▬
Sacramento	15.3%	15.8%	↑
Portland	15.3%	15.2%	↓
San Jose	15.0%	15.0%	▬
Seattle	13.5%	13.9%	↑
Orlando	12.8%	12.7%	↓
Philadelphia	11.8%	12.4%	↑
Phoenix	12.1%	12.1%	▬
Washington DC	11.9%	11.9%	▬
Miami	11.8%	11.8%	▬
Raleigh-Durham	11.8%	11.8%	▬
Boston	11.6%	11.5%	↓
San Diego	11.5%	11.5%	▬
Columbus (OH)	11.5%	11.5%	▬
Tampa	10.3%	10.8%	↑
San Francisco Penin. & East Bay	10.4%	10.4%	▬
Nashville	8.7%	9.8%	↑
Charlotte	9.1%	9.8%	↑
Minneapolis	9.2%	9.7%	↑
Los Angeles	7.5%	7.8%	↑
Pittsburgh	5.9%	7.3%	↑
Atlanta	7.2%	7.3%	↑
Dallas-Ft Worth	6.8%	7.3%	↑
Denver	7.2%	7.2%	▬
Austin	6.9%	6.9%	▬
Inland Empire	5.4%	5.4%	▬
San Antonio	3.8%	3.8%	▬
Chicago	3.4%	3.6%	↑
Charleston (SC)	3.2%	3.2%	▬
Houston	2.5%	2.9%	↑



* Drawn from our national database of more than 28,300 stores, including some 2,200 projects in the new-supply pipeline as well as more than 26,100 completed stores.

Source: Yardi Matrix. Supply data as of September 4, 2020

Monthly Rate Recap

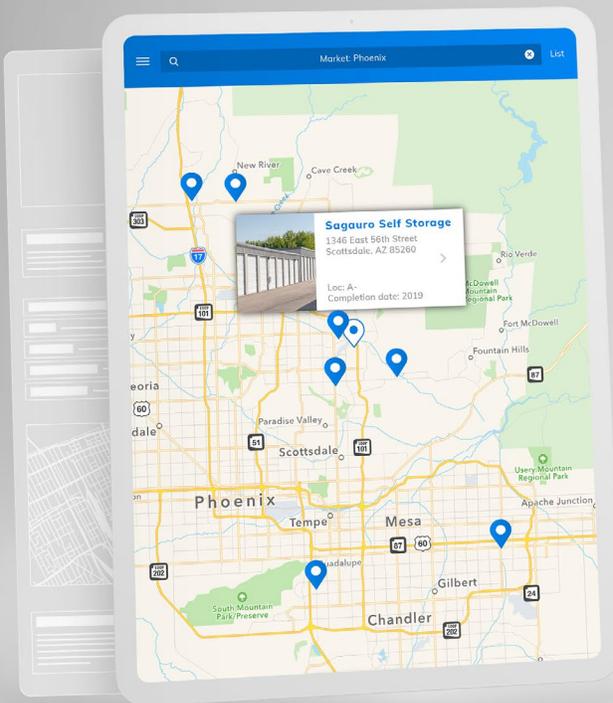
Market	Avg Metro Rate 10'x10' (non cc)	August 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	115	-2%	-1%	-1%	-3%	1%
San Francisco Penin. & East Bay	194	0%	0%	0%	0%	1%
Miami	132	0%	0%	2%	0%	2%
Phoenix	106	3%	0%	2%	0%	1%
Inland Empire	116	2%	1%	4%	0%	3%
Los Angeles	186	-1%	0%	1%	-1%	2%
Denver	118	-2%	-3%	-2%	-1%	-1%
San Antonio	96	-2%	-2%	-1%	-1%	1%
Portland	140	2%	0%	-1%	-1%	0%
Dallas-Ft Worth	93	-2%	-2%	-1%	-2%	1%
San Diego	159	3%	1%	2%	-2%	0%
Las Vegas	106	0%	-1%	0%	-2%	1%
Houston	83	-3%	-4%	-2%	-2%	-1%
Washington DC	144	-5%	-1%	-1%	-2%	1%
Seattle	153	-3%	-1%	-1%	-3%	0%
Chicago	102	0%	2%	2%	-3%	4%
Pittsburgh	109	-2%	-4%	-2%	-4%	1%
San Jose	169	-1%	-3%	-3%	-4%	-2%
New York	172	3%	1%	0%	-4%	0%
Austin	97	-2%	-3%	-3%	-4%	0%
Charlotte	83	0%	-2%	-2%	-5%	2%
Orlando	100	-5%	-2%	-3%	-5%	1%
Boston	139	-7%	-5%	-3%	-5%	-1%
Columbus (OH)	87	-3%	-4%	-1%	-5%	-1%
Raleigh-Durham	89	2%	-3%	1%	-6%	1%
Philadelphia	121	0%	0%	0%	-6%	2%
Sacramento	133	-3%	-2%	1%	-7%	-2%
Nashville	100	-4%	-4%	-6%	-7%	1%
Atlanta	93	-5%	-6%	-5%	-8%	-3%
Tampa	103	-5%	-3%	-3%	-9%	-2%
Charleston (SC)	88	-8%	-7%	-5%	-10%	-3%
Minneapolis	109	-8%	-7%	-6%	-12%	-1%

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



Yardi Matrix

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Yardi Matrix Self Storage provides accurate data on storage facilities in 133 markets and 4,000+ sub-markets across the U.S.

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- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info
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