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Resilient Nature Positions Self Storage for Recovery In Transaction Activity



The pandemic-driven economic disruptions have been felt across all industries and created uncertainty for commercial real estate. Despite these unprecedented headwinds, the self storage industry continues to demonstrate resiliency in the face of economic and financial volatility, especially compared to other asset classes. Self storage fundamentals remain healthy, as street rates continue to rebound after the initial shock in the second quarter, and development remains steady nationwide.

Similar to other commercial property types, uncertainty caused self storage investment activity to stall in the second quarter. The disruption to sales activity appears to have been short-lived, as storage transactions began picking up again in the second half of the year. In addition, as the self storage industry continued to show its resilience in the second half, investors such as the Blackstone Group started to take notice of and show greater interest in the industry. Specifically, Blackstone Group's Blackstone Real Estate Income Trust entered into an agreement to acquire Simply Storage Management LLC, d/b/a Simply Self Storage, from Brookfield Asset Management Inc. for roughly \$1.2 billion in the final quarter of 2020. Simply Self Storage is a private owner and operator with an 8 million-square-foot a portfolio across the United States.