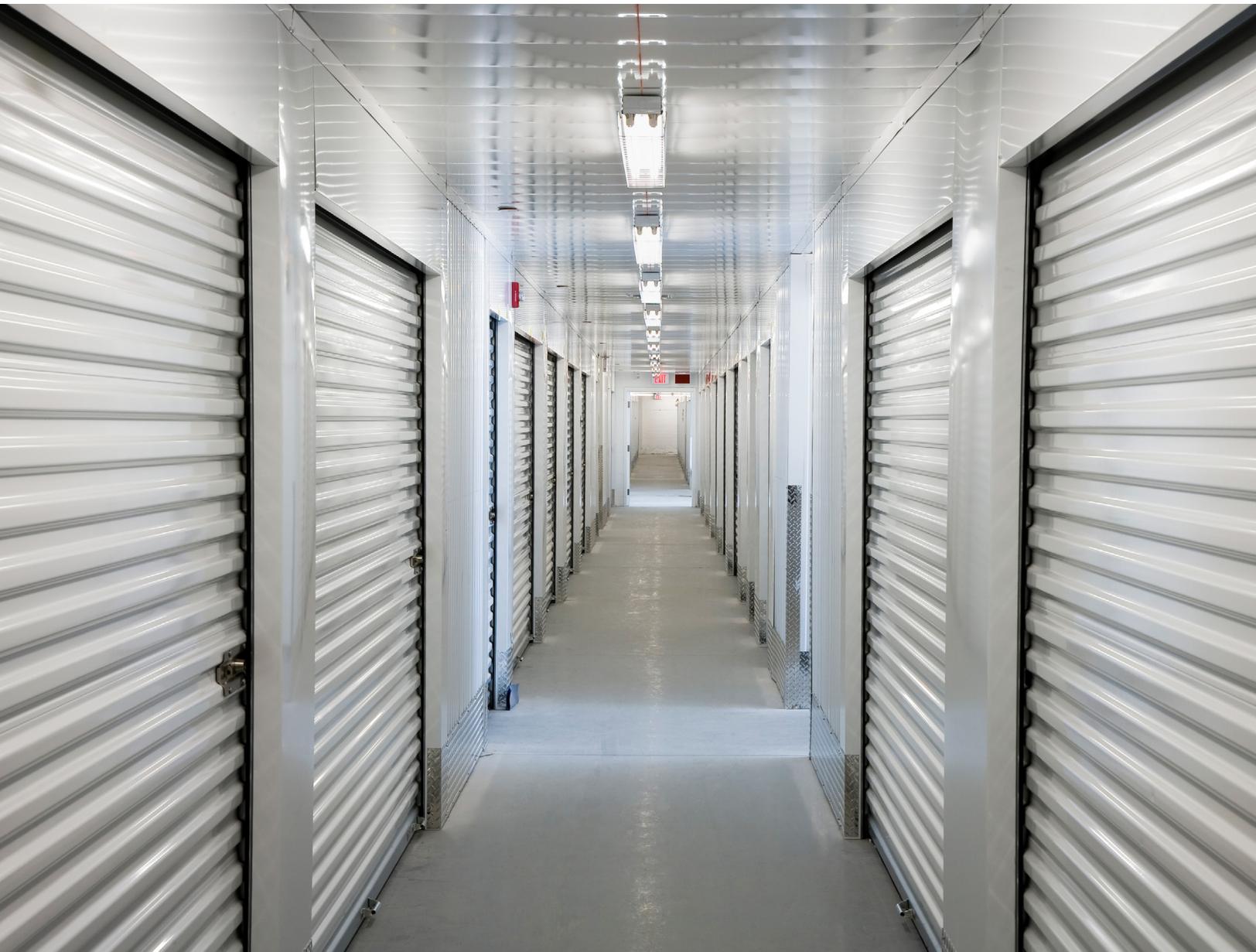




Yardi Matrix

National Self Storage Report

November 2020



Monthly Supply and Rent Recap

Self storage continues to outperform during economic downturn

- The self storage industry's status as a recession-resistant business has been put to the test during the COVID-19 health crisis and the pandemic-driven economic disruption. Nevertheless, the self storage industry continued to prove its resiliency in October, with ongoing significant improvements in street rate performance across the nation and development activity maintaining a steady pace in many markets. In addition, several storage REITs reported healthy demand and strong occupancy across their facilities in their third quarter earnings calls. However, with a third surge of the COVID-19 pandemic hitting the country and likely to strain the U.S. economy again, the strength and resiliency of the self storage industry will be put to further tests in the coming months.

Positive growth in national street rates

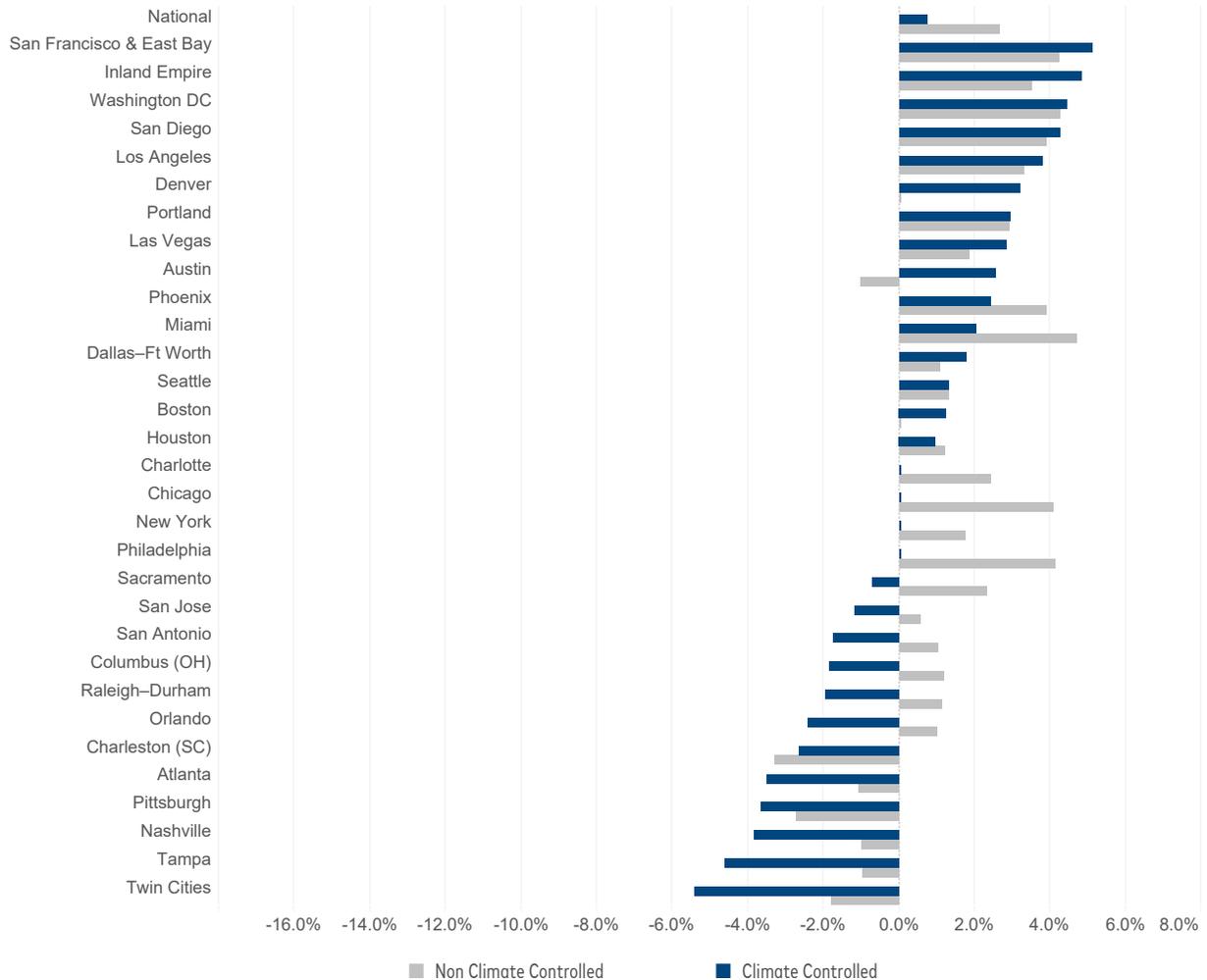
- Street rates continued to rebound remarkably in October, providing additional strength to the already positive outlook for storage operators. National street rates for standard 10x10 non-climate-controlled (NON CC) units increased by 2.7% compared to October 2019. While year-over-year rates for 10x10 climate-controlled (CC) units did not rise as substantially, they did still experience an increase of 0.8%, marking the first positive growth in annual rates for this unit type since the end of 2017.
- Annual street rate performance was negative in only about 23% of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Year-over-year, 22 markets saw positive rate growth for the unit type, while rates remained flat in two markets.
- On a national level, Yardi Matrix tracks a total of 2,153 self storage properties in various stages of development—comprising 585 under construction, 1,148 planned and 420 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by 0.3% month-over-month in October, and the share of existing projects in planning and construction stages accounts for 8.5% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,301 completed self storage facilities across the United States, bringing the total data set to 28,454.

Monthly Rate Growth Update

National street rate performance continues to rebound

- In October, street rate performance once again demonstrated the ability of the self storage industry to remain resilient to economic disruptions, especially compared to other real estate asset types. While nationwide street rates for 10x10 CC units saw a 0.8% uptick year-over-year, national rates for 10x10 NON CC units continued to bounce back tremendously, increasing 2.7% since October 2019. The last time the self storage sector experienced positive year-over-year growth for both 10x10 NON CC and 10x10 CC unit types was November 2017.
- Since the beginning of the COVID-19 pandemic in March 2020, national rates for 10x10 NON CC units have increased 0.9% and rates for similar-size CC units have increased by roughly 0.8%. The growth is even stronger when looking at rate performance since the summer months. From July to October 2020, street rates for 10x10 NON CC units grew 1.8%, while rates for 10x10 CC units have improved even more, increasing 2.3% over the last four months.

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



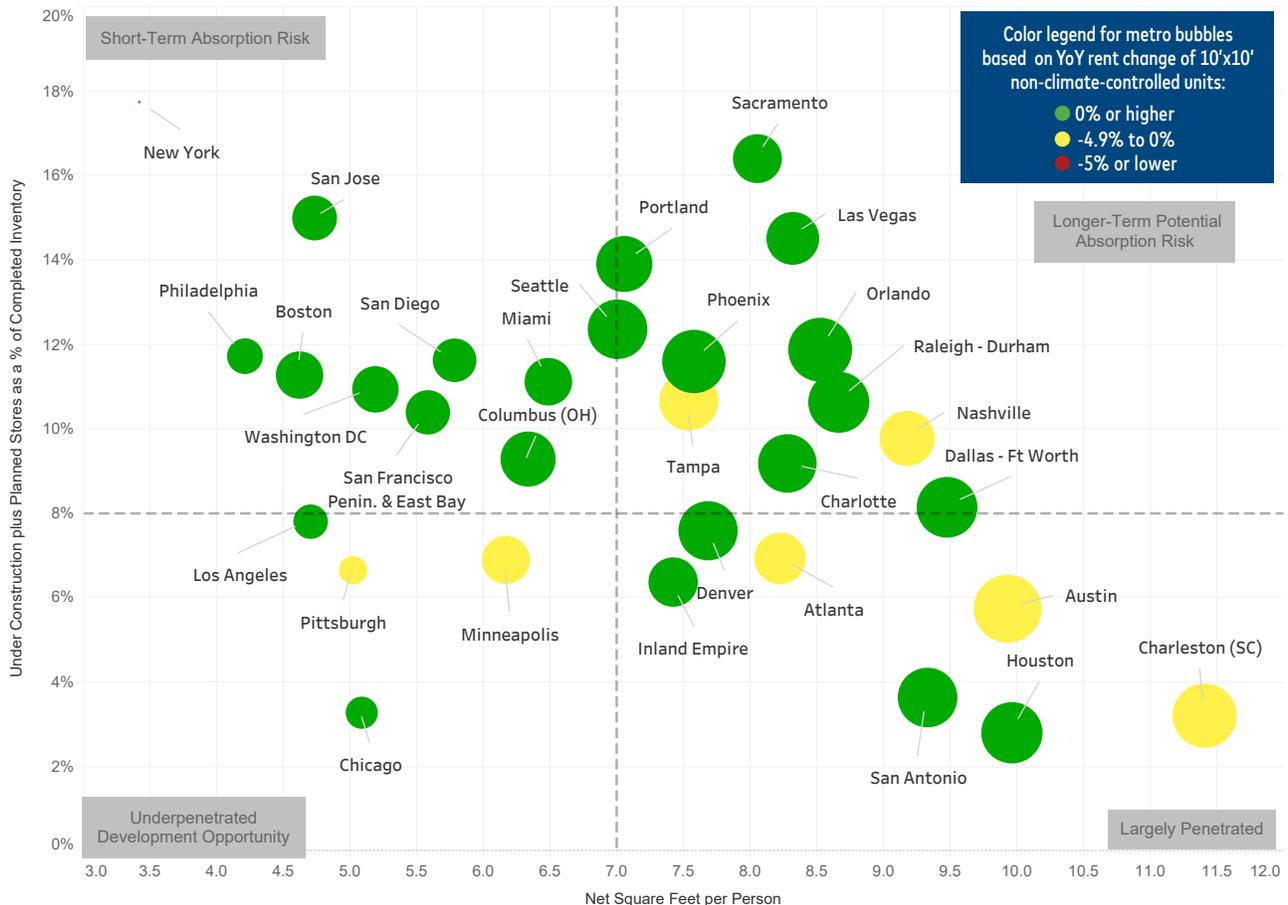
Source: Yardi Matrix. Street rate data as of October, 2020

Monthly Rate Growth Update

Several metros experience notable street rate performance

- October was Washington, D.C.'s best month for street rate growth in recent history. Year-over-year, street rates for 10x10 NON CC units increased 4.3%, while rates for 10x10 CC units fared even better, increasing 4.5% on an annual basis—in both cases the greatest growth since June 2017. With existing inventory equal to 5.2 net rentable square feet (NRSF) per capita, the D.C. area continues to maintain a solid storage supply balance, which helps protect the metro from the downward pressure felt on rates in more heavily supplied markets.
- Although California's unemployment rate increased 7.1% year-over-year to 11.0% in September 2020, its self storage industry appears to be faring well. Several of the state's metros even saw significant street rate growth in October. San Diego, the Inland Empire, Los Angeles and the San Francisco-East Bay area all experienced year-over-year street rate increases greater than 3.0% for both 10x10 NON CC units and 10x10 CC units.

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 November 13, 2020

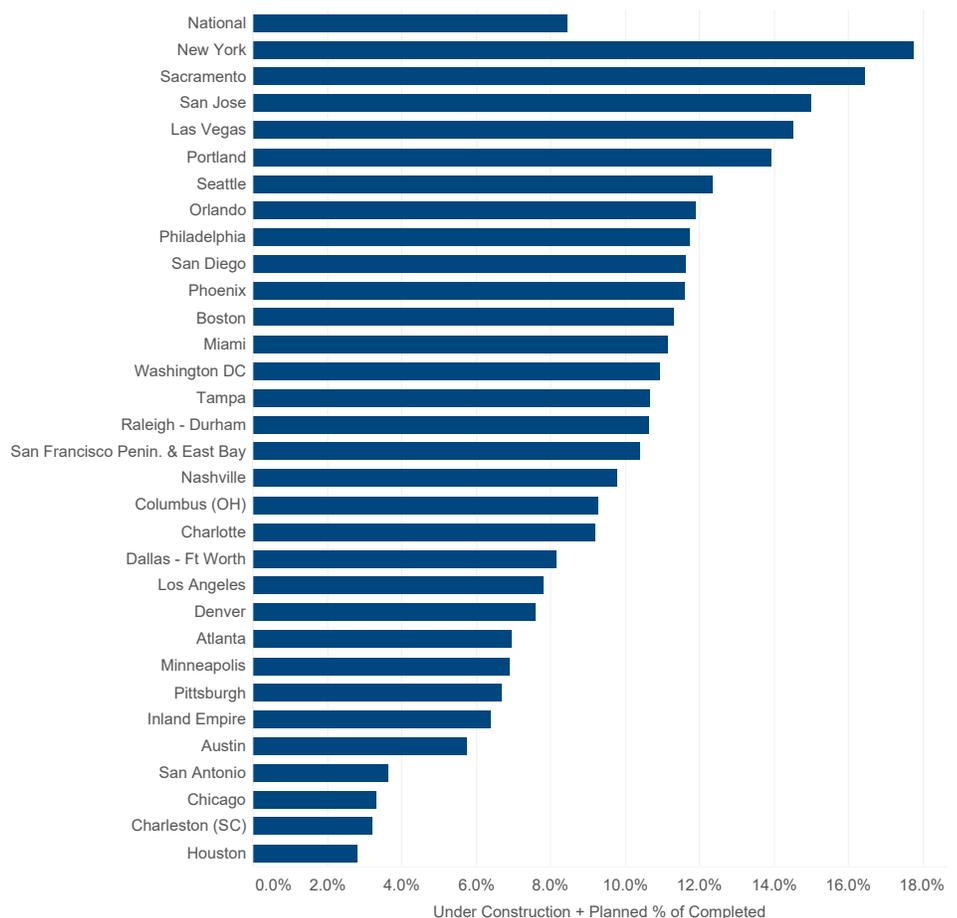
Monthly New Supply Update

Despite rise in abandoned projects, self storage development remains stable

- Self storage properties under construction or in the planning stages nationwide accounted for 8.5% of existing inventory in October, marking a 30-basis-point increase month-over-month. However, the number of abandoned storage projects in the pipeline continues to rise, increasing by 3.3%, or 31 projects, in October. Despite this uptick, self storage development activity has remained relatively steady in most markets.
- Las Vegas was the only top metro to experience a decrease in development activity in October, dropping a slight 0.1% month-over-month. However, even with the decrease, storage properties under construction or in the planning stages in Las Vegas account for 14.5% of existing stock. The metro has benefited from strong in-migration, which has helped it absorb a lot of new storage supply, although it has also been hit hard by job losses—specifically in the leisure and hospitality segment, which accounts for 24.1% of employment in the metro area. As of September 2020, Las Vegas had lost 73,900 leisure and hospitality jobs over 12 months.

Under Construction & Planned Percent of Existing Inventory

Metro	Sep-20	Oct-20	Change
NATIONAL	8.2%	8.5%	↑
New York	17.4%	17.8%	↑
Sacramento	15.8%	16.4%	↑
San Jose	14.6%	15.0%	↑
Las Vegas	14.6%	14.5%	↓
Portland	13.3%	13.9%	↑
Seattle	12.0%	12.4%	↑
Orlando	11.5%	11.9%	↑
Philadelphia	11.3%	11.7%	↑
San Diego	11.6%	11.6%	▬
Phoenix	11.6%	11.6%	▬
Boston	10.8%	11.3%	↑
Miami	11.0%	11.1%	↑
Washington DC	11.0%	11.0%	▬
Tampa	10.3%	10.7%	↑
Raleigh-Durham	10.6%	10.6%	▬
San Francisco Penin. & East Bay	10.4%	10.4%	▬
Nashville	8.5%	9.8%	↑
Columbus (OH)	9.3%	9.3%	▬
Charlotte	8.8%	9.2%	↑
Dallas-Ft Worth	7.6%	8.2%	↑
Los Angeles	7.7%	7.8%	↑
Denver	7.6%	7.6%	▬
Atlanta	6.3%	6.9%	↑
Minneapolis	6.9%	6.9%	▬
Pittsburgh	6.4%	6.7%	↑
Inland Empire	6.1%	6.4%	↑
Austin	5.8%	5.8%	▬
San Antonio	3.7%	3.7%	▬
Chicago	3.3%	3.3%	▬
Charleston (SC)	3.2%	3.2%	▬
Houston	2.8%	2.8%	▬



* Drawn from our national database of more than 28,400 stores, including some 2,100 projects in the new-supply pipeline as well as more than 26,300 completed stores.

Source: Yardi Matrix. Supply data as of November 13, 2020

Monthly Rate Recap

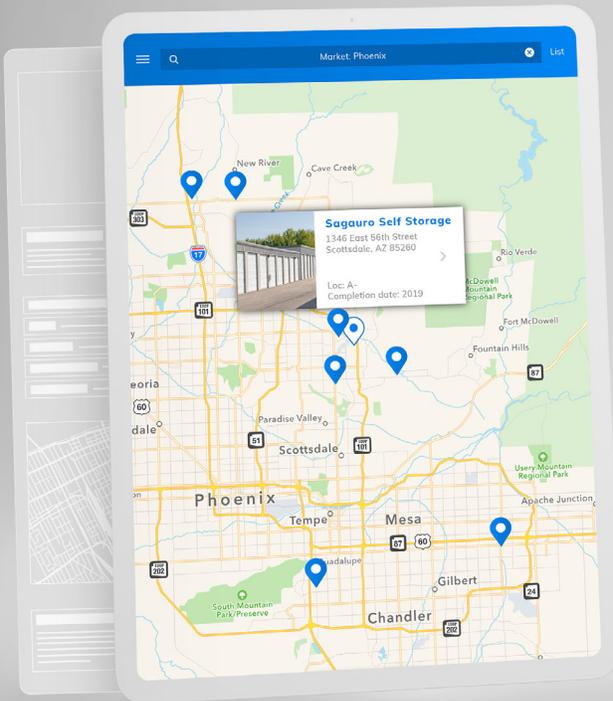
Market	Avg Metro Rate 10'x10' (non cc)	October 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	116	2%	3%	3%	1%	3%
San Francisco Penin. & East Bay	197	5%	3%	4%	5%	3%
Inland Empire	117	2%	3%	4%	5%	3%
Washington DC	147	0%	2%	4%	4%	4%
San Diego	160	6%	4%	4%	4%	2%
Los Angeles	187	3%	3%	3%	4%	4%
Denver	118	0%	0%	0%	3%	3%
Portland	141	4%	4%	3%	3%	2%
Las Vegas	109	0%	3%	2%	3%	2%
Austin	96	3%	0%	-1%	3%	1%
Phoenix	106	3%	3%	4%	2%	4%
Miami	134	4%	4%	5%	2%	6%
Dallas-Ft Worth	93	0%	2%	1%	2%	1%
Seattle	153	2%	1%	1%	1%	2%
Boston	140	0%	-1%	0%	1%	1%
Houston	84	0%	0%	1%	1%	1%
Chicago	102	5%	5%	4%	0%	6%
Charlotte	84	5%	2%	2%	0%	5%
New York	174	3%	3%	2%	0%	3%
Philadelphia	126	4%	4%	4%	0%	4%
Sacramento	133	2%	1%	2%	-1%	1%
San Jose	170	1%	2%	1%	-1%	2%
San Antonio	96	0%	0%	1%	-2%	3%
Columbus (OH)	86	0%	0%	1%	-2%	3%
Raleigh-Durham	88	3%	0%	1%	-2%	1%
Orlando	101	0%	-2%	1%	-2%	4%
Charleston (SC)	88	-3%	-3%	-3%	-3%	2%
Atlanta	95	0%	-2%	-1%	-4%	0%
Pittsburgh	107	0%	-3%	-3%	-4%	-1%
Nashville	100	-2%	-1%	-1%	-4%	3%
Tampa	103	0%	-2%	-1%	-5%	1%
Minneapolis	109	-2%	-1%	-2%	-5%	1%

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



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