Yardi® Matrix

National Self Storage Report

April 2020

Monthly Supply and Rent Recap

Full extent of COVID-19 crisis still unknown for self storage

- The COVID-19 pandemic has caused unprecedented social and economic impacts to the nation. The real estate industry is taking a major hit, and no asset type seems to be completely spared from increased challenges and risks. Fortunately, the self storage sector is usually less vulnerable than other asset types to economic disruptions. Storage seems to be counter-cyclical, and storage REITs have been outperforming other asset classes. On the surface, March appears to have been a positive month for the storage industry, with continued demand and improving national street rate performance. However, major impacts from the spread of COVID-19 may not begin to appear in storage fundamentals for another month. April, May and June will be telling for all aspects of the self storage industry—from the operations side to development to consumer demand.

- On a national level, Yardi Matrix tracks a total of 2,197 self storage properties in various stages of development—comprising 592 under construction, 1,144 planned and 461 prospective properties. The share of existing projects in various stages of development accounted for 8.9% of existing inventory in March.

- Yardi Matrix also maintains operational profiles for 25,869 completed self storage facilities across the United States, bringing the total data set to 28,066.

Non-climate-controlled rates see improvement

- After a long tenure of negative performance, national street rates for 10x10 non-climate-controlled (NON CC) units remained unchanged year-over-year in March. Street rates for 10x10 climate-controlled (CC) units did not perform as well, decreasing 1.4% on an annual basis.

- Annual street rate performance was negative in roughly 50% of the top metros (for 10x10 NON CC units), while Las Vegas continues to be a leading metro for street rate performance. In March, the Nevada metro saw street rates for 10x10 CC units increase 2.9% year-over-year and rates for NON CC units of the same size increase 1.0% on an annual basis.

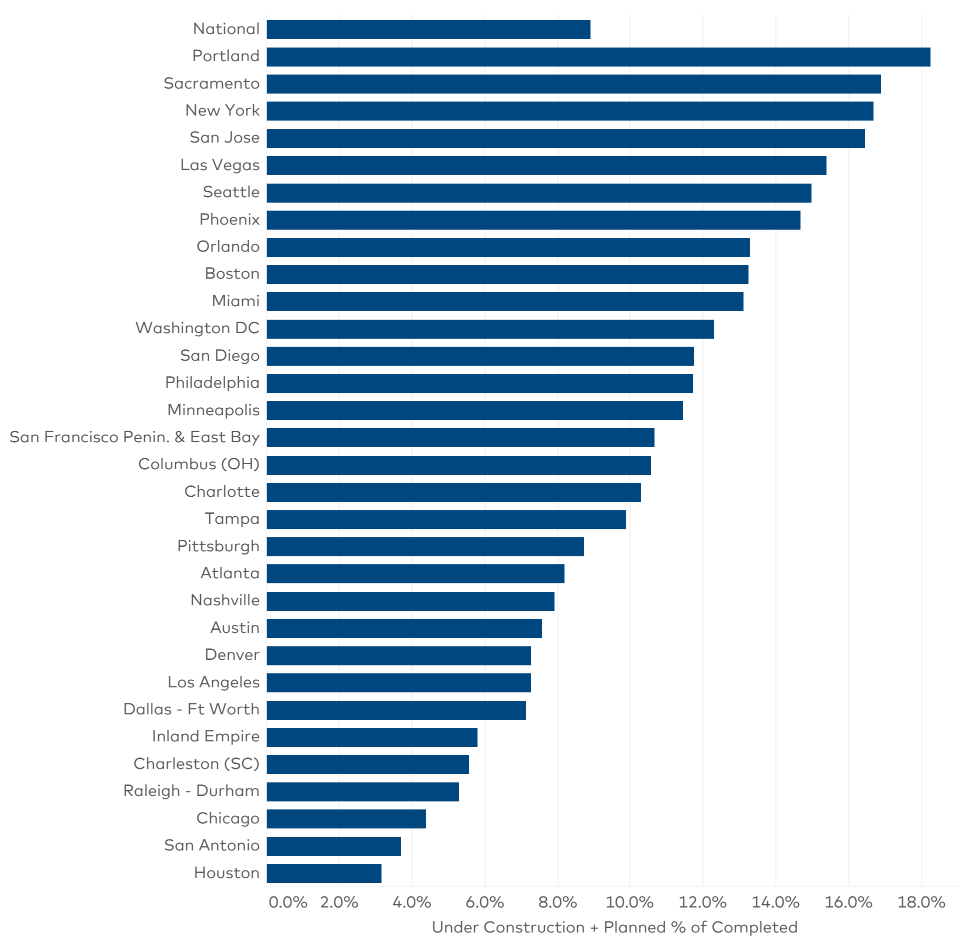
Monthly New Supply Update

COVID-19 likely to slow self storage new supply

- Self storage properties under construction or in the planning stages across the nation account for 8.9% of existing inventory, marking a 30-basis-point increase month-over-month. However, the pipeline increase does not reflect the full extent of disruptions due to the COVID-19 crisis. The fallout due to coronavirus is likely to cause the pipelines in many markets to taper, as well as delay the delivery of projects currently under construction and in the planning stages. Yardi Matrix's latest storage forecasts show deliveries dropping by roughly 40% over the next five years.
- Sacramento and Tampa saw the largest increase in development activity month-over-month in March, with new-supply pipelines growing by 1.6% of existing stock in both metros. Due to the acceleration in construction, Sacramento (16.9% of existing inventory) now has the second-largest pipeline among the top markets. Regardless of elevated levels of new supply and a completed inventory of 8.7 net rentable square feet (NRSF) per capita, Sacramento's continued growth in population (1.0% year-over-year in 2018) seems to be helping fuel storage development.

Under Construction & Planned Percent of Existing Inventory

Metro	Feb-20	Mar-20	Change
NATIONAL	8.6%	8.9%	↑
Portland	18.4%	18.3%	↓
Sacramento	15.3%	16.9%	↑
New York	16.3%	16.7%	↑
San Jose	16.4%	16.4%	—
Las Vegas	14.8%	15.4%	↑
Seattle	15.0%	15.0%	—
Phoenix	14.1%	14.7%	↑
Orlando	12.7%	13.3%	↑
Boston	13.0%	13.3%	↑
Miami	13.2%	13.1%	↓
Washington DC	11.5%	12.3%	↑
San Diego	10.3%	11.8%	↑
Philadelphia	11.6%	11.7%	—
Minneapolis	10.6%	11.5%	—
San Francisco Penin. & East Bay	10.7%	10.7%	—
Columbus (OH)	10.7%	10.6%	↓
Charlotte	10.3%	10.3%	—
Tampa	8.3%	9.9%	↑
Pittsburgh	8.7%	8.7%	—
Atlanta	8.2%	8.2%	—
Nashville	8.0%	7.9%	↓
Austin	7.6%	7.6%	—
Denver	7.3%	7.3%	—
Los Angeles	7.0%	7.3%	↑
Dallas–Ft Worth	7.0%	7.1%	↑
Inland Empire	5.8%	5.8%	—
Charleston (SC)	5.6%	5.6%	—
Raleigh–Durham	4.9%	5.3%	↑
Chicago	4.4%	4.4%	—
San Antonio	2.7%	3.7%	↑
Houston	2.9%	3.2%	↑



* Drawn from our national database of more than 28,000 stores, including some 2,190 projects in the new-supply pipeline as well as more than 25,869 completed stores.

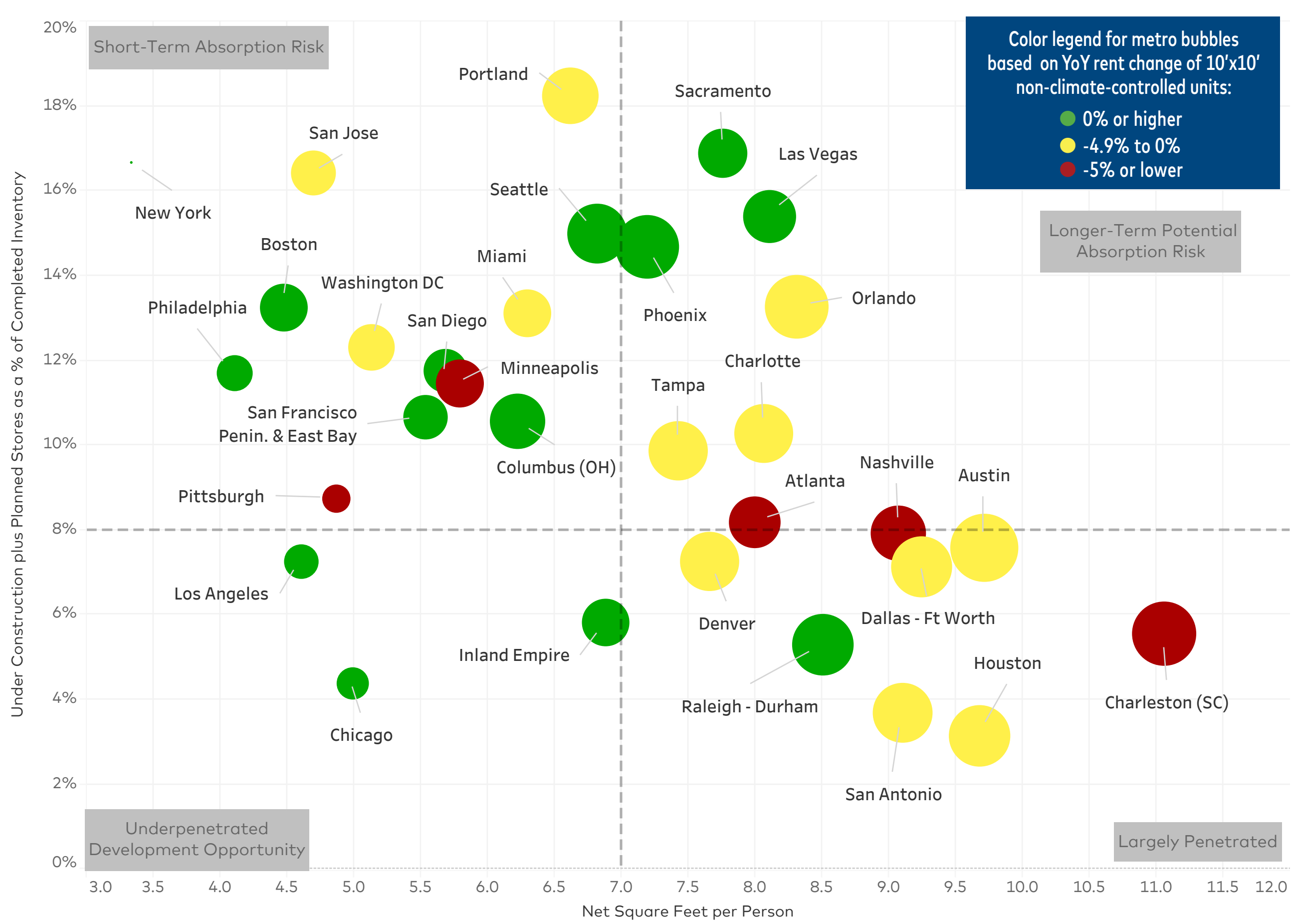
Source: Yardi Matrix. Supply data as of March 2020.

Monthly New Supply Update

Demand slowly catching up with supply in San Antonio

- The San Antonio metro saw a 1.0% jump in its new-supply pipeline to 3.7% of existing stock. Historically oversupplied, San Antonio seems to be benefiting from its significant growth in employment (up 3.2% year-over-year in December) and population (up 2.0% in 2018), which are creating enough storage demand to help lessen the downward pressure generally felt on the metro's rate performance due to years of elevated new supply. In March, San Antonio's street rates for 10x10 NON-CC units experienced the smallest decline in 12 months, falling a minor 1.0%.
- Despite employment growth 0.8% above the national average (up 2.4% annually in December), Atlanta saw some of the worst street performance in March. Street rates for 10x10 NON CC units fell 5.0% year-over-year, while street rates for 10x10 CC units dropped 5.8%. Due to poor rent performance and a completed stock of 8.0 NRSF per person, developers seem to be cautious not to overbuild in Atlanta: Development activity remained unchanged at 8.2% of existing inventory.

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)

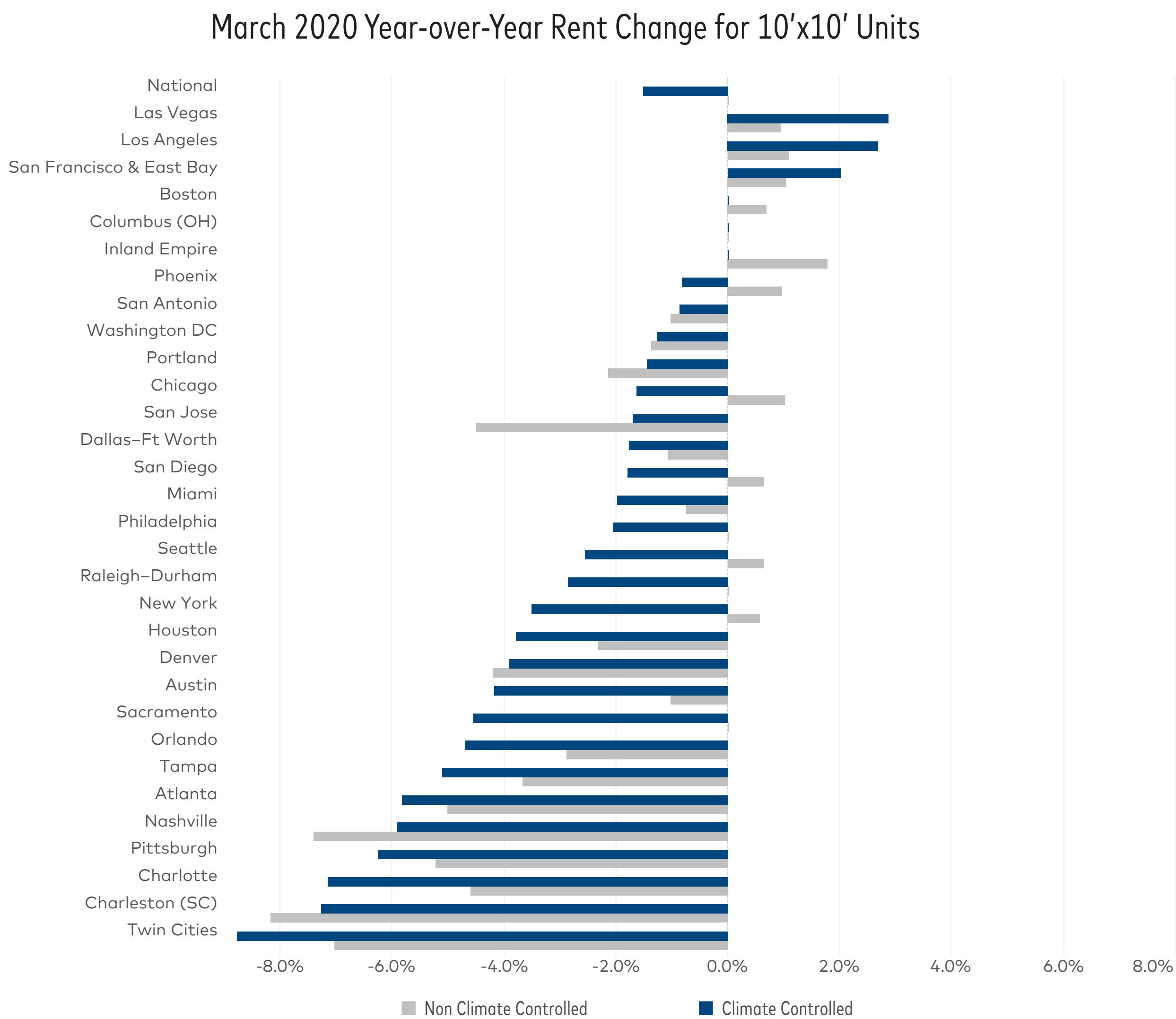


Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of March 2020.

Monthly Rate Growth Update

National non-climate-controlled street rates remain level

- Street rates nationwide remained flat year-over-year for 10x10 NON CC units in March at $116, as demand appears not to have slowed down completely in the current pandemic landscape. RENTCafé data shows the amount of weekly storage listing views for the week of March 15 actually increased 81% compared to the first week of 2020, signifying potential interest in self storage.
- Minneapolis saw some of the worst rent performance in March, with street rates for 10x10 NON CC units falling 7.0% annually. The metro also experienced the most severe drop in street rates for 10x10 CC units, declining 8.8% in March compared to the same month last year.
- Street rates remained highest in major California markets such as San Francisco ($194 for 10x10 NON CC units) and Los Angeles ($186 for 10x10 NON CC units), where completed stock is below 6 NRSF per capita.



Source: Yardi Matrix. Street rate data as of March 2020.

Monthly Rate Recap

Market	Avg Metro Rate 10'x10' (non cc)	March 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%	-1%	**0%**	**-2%**	1%
Las Vegas	106	2%	2%	**1%**	**3%**	1%
Los Angeles	186	5%	1%	**1%**	**3%**	2%
San Francisco Penin. & East Bay	194	2%	0%	**1%**	**2%**	3%
Inland Empire	114	4%	0%	**2%**	**0%**	2%
Columbus (OH)	85	9%	0%	**0%**	**0%**	2%
Boston	146	2%	-2%	**1%**	**0%**	4%
Phoenix	104	0%	0%	**1%**	**-1%**	0%
San Antonio	96	0%	-2%	**-1%**	**-1%**	0%
Washington DC	143	2%	-4%	**-1%**	**-1%**	0%
Portland	138	-2%	-1%	**-2%**	**-1%**	0%
Chicago	100	3%	0%	**1%**	**-2%**	4%
San Jose	170	-4%	-4%	**-4%**	**-2%**	-1%
Dallas–Ft Worth	93	-5%	-3%	**-1%**	**-2%**	0%
San Diego	156	0%	0%	**1%**	**-2%**	-1%
Miami	132	4%	1%	**-1%**	**-2%**	0%
Philadelphia	122	4%	0%	**0%**	**-2%**	2%
Seattle	153	2%	0%	**1%**	**-3%**	1%
Raleigh–Durham	87	-2%	-2%	**0%**	**-3%**	-1%
New York	175	4%	1%	**1%**	**-4%**	1%
Houston	84	-3%	-4%	**-2%**	**-4%**	-1%
Denver	114	-6%	-5%	**-4%**	**-4%**	-3%
Austin	97	-2%	-2%	**-1%**	**-4%**	-2%
Sacramento	133	2%	-2%	**0%**	**-5%**	0%
Orlando	101	-2%	-3%	**-3%**	**-5%**	1%
Tampa	105	-2%	-3%	**-4%**	**-5%**	-2%
Atlanta	95	-4%	-3%	**-5%**	**-6%**	-1%
Nashville	100	-4%	-4%	**-7%**	**-6%**	-1%
Pittsburgh	109	-5%	-4%	**-5%**	**-6%**	-4%
Charlotte	83	-5%	-5%	**-5%**	**-7%**	-1%
Charleston (SC)	90	-3%	-6%	**-8%**	**-7%**	-4%
Minneapolis	106	-8%	-7%	**-7%**	**-9%**	-4%

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

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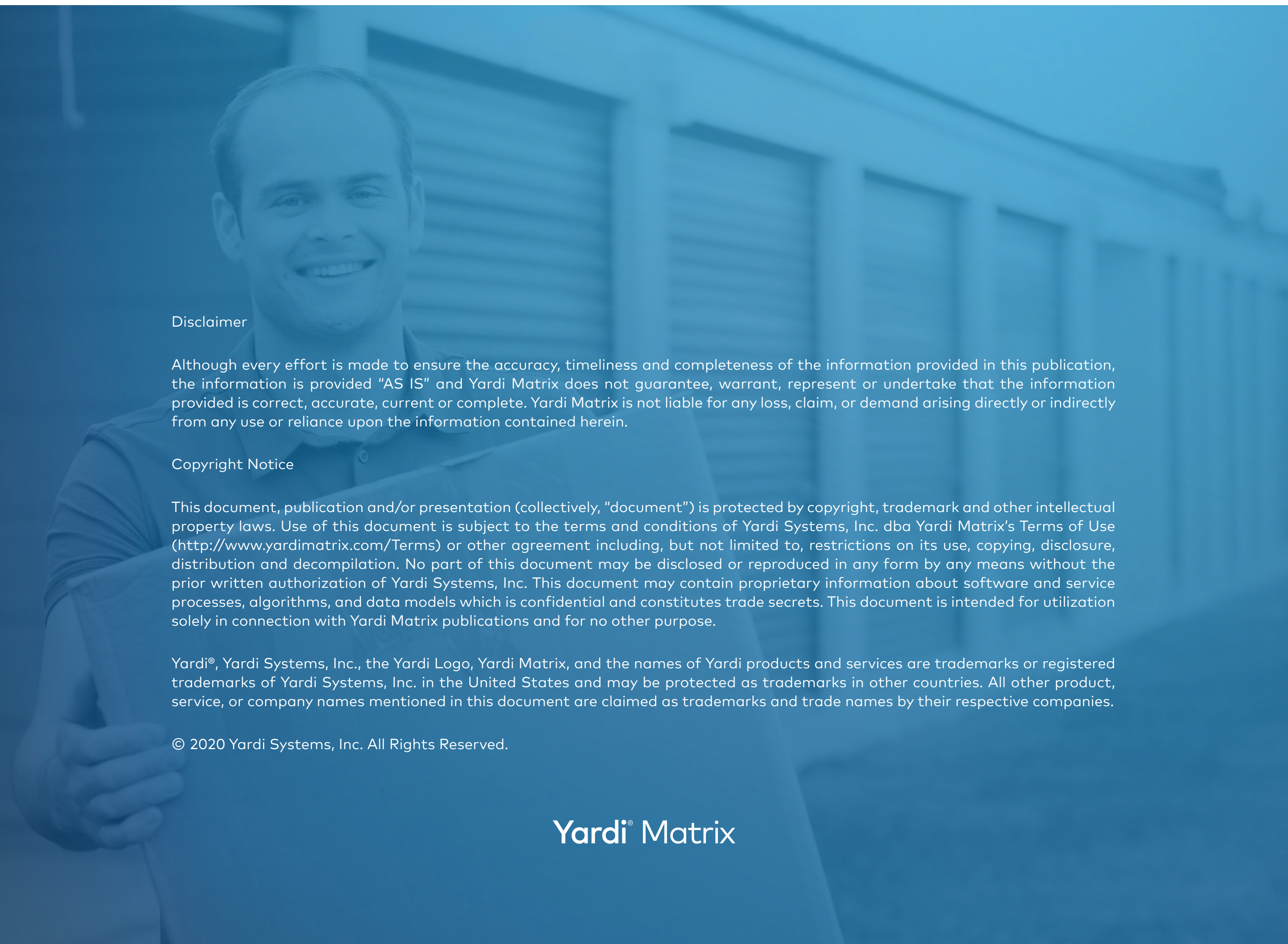

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