



Yardi[®] Matrix

National Self Storage Report

July 2020



Monthly Supply and Rent Recap

COVID-19 impact on self storage showing signs of slight improvement

- Even as reopening is underway and many states relax restrictions, the overall economic disruption caused by the novel coronavirus pandemic is still having an impact on the self storage industry. While new storage development activity remained strong, annual street rates continued a negative trend in June. However, month-over-month data shows slightly more positive performance for street rates, offering some glimmers of hope that the storage industry is through the worst of the pandemic fallout. The next few months will be telling for the resiliency of self storage fundamentals, especially as the COVID-19 crisis continues and even intensifies in some markets.

Downward trend of self storage street rates slowing

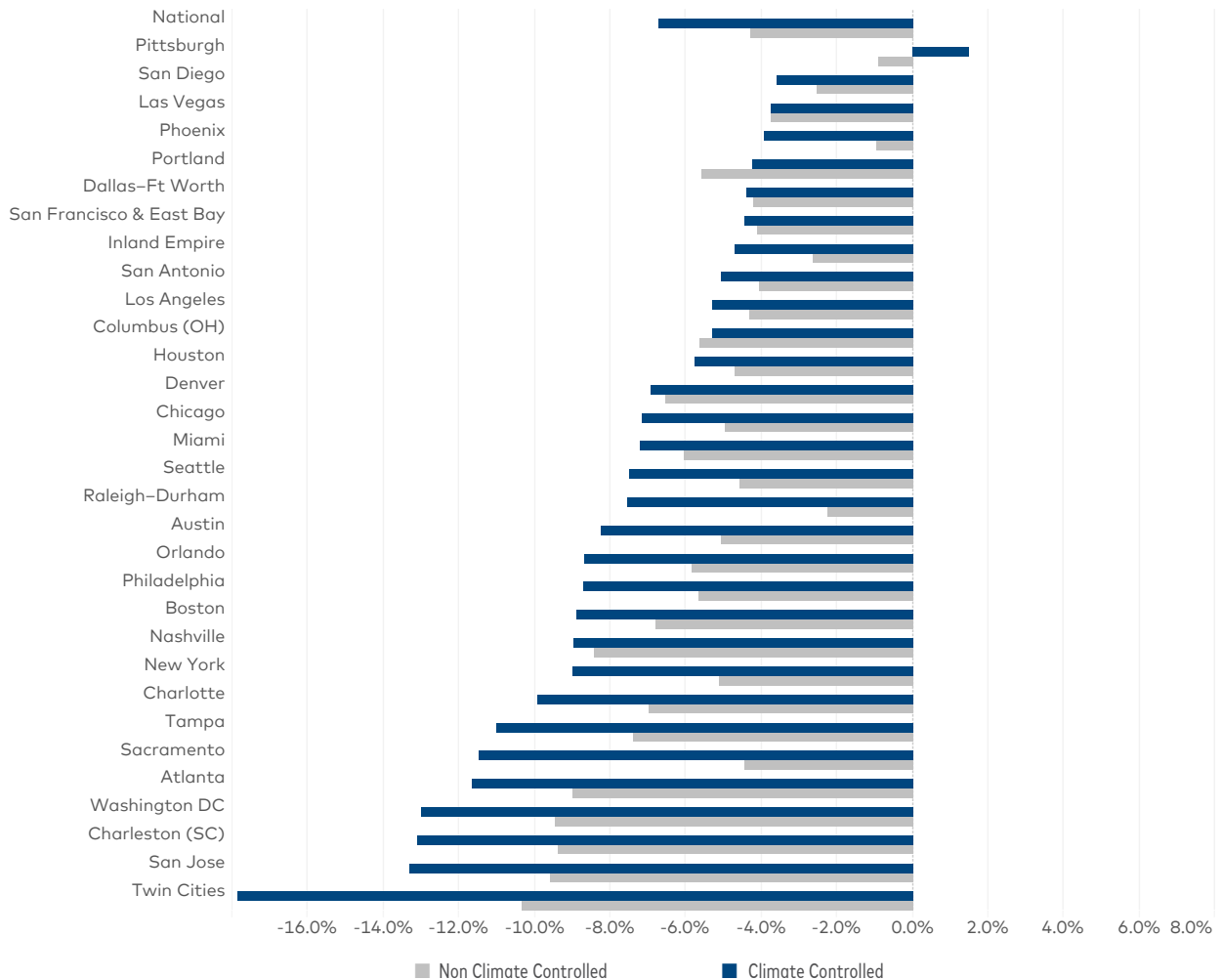
- Despite the continued impact of COVID-19 on the self storage industry, the downward trend in annual street rate performance did not accelerate over the previous month's pace. On a year-over-year basis, national street rates contracted by 4.3% for 10x10 non-climate-controlled (NON CC) units in June, while rates for 10x10 climate-controlled (CC) units decreased by 6.7% compared to June 2019.
- Annual street rate performance was negative in all of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Minneapolis continues to lead the way in annual street rate reductions. Rates fell in the metro by 10.3% for 10x10 NON CC units and by a substantial 17.9% for 10x10 CC units, year-over-year.
- Nationwide, Yardi Matrix tracks a total of 2,181 self storage properties in various stages of development—comprising 601 under construction, 1,158 planned and 422 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a slight 0.1% month-over-month in June, and the share of existing properties in various stages of development accounts for 8.9% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,034 completed self storage facilities across the United States, bringing the total data set to 28,215.

Monthly Rate Growth Update

Negative effects of pandemic on street rate performance decelerating

- While on a national level street rates decreased for both 10x10 NON CC units and 10x10 CC units, on a month-over-month basis street rates for both 10x10 NON CC units and 10x10 CC units remained flat. Many markets with negative annual rate performance showed signs of rate improvement on a monthly basis, potentially signaling that while street rate performance remains volatile due to the ongoing COVID-19 pandemic, the downward trend in street rate performance is starting to slow and rates have potentially hit their pandemic-induced bottom.
- While year-over-year street rates for 10x10 NON CC units decreased in all of the top markets in June, on a month-over-month basis only 19% of the top markets saw a drop in rates for similar units. Standard 10x10 CC units saw a similar trend—roughly 97% of the top markets saw a decrease in rates on an annual basis, while on a monthly basis only about 16% of the top markets saw declining street rates for 10x10 CC units.

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



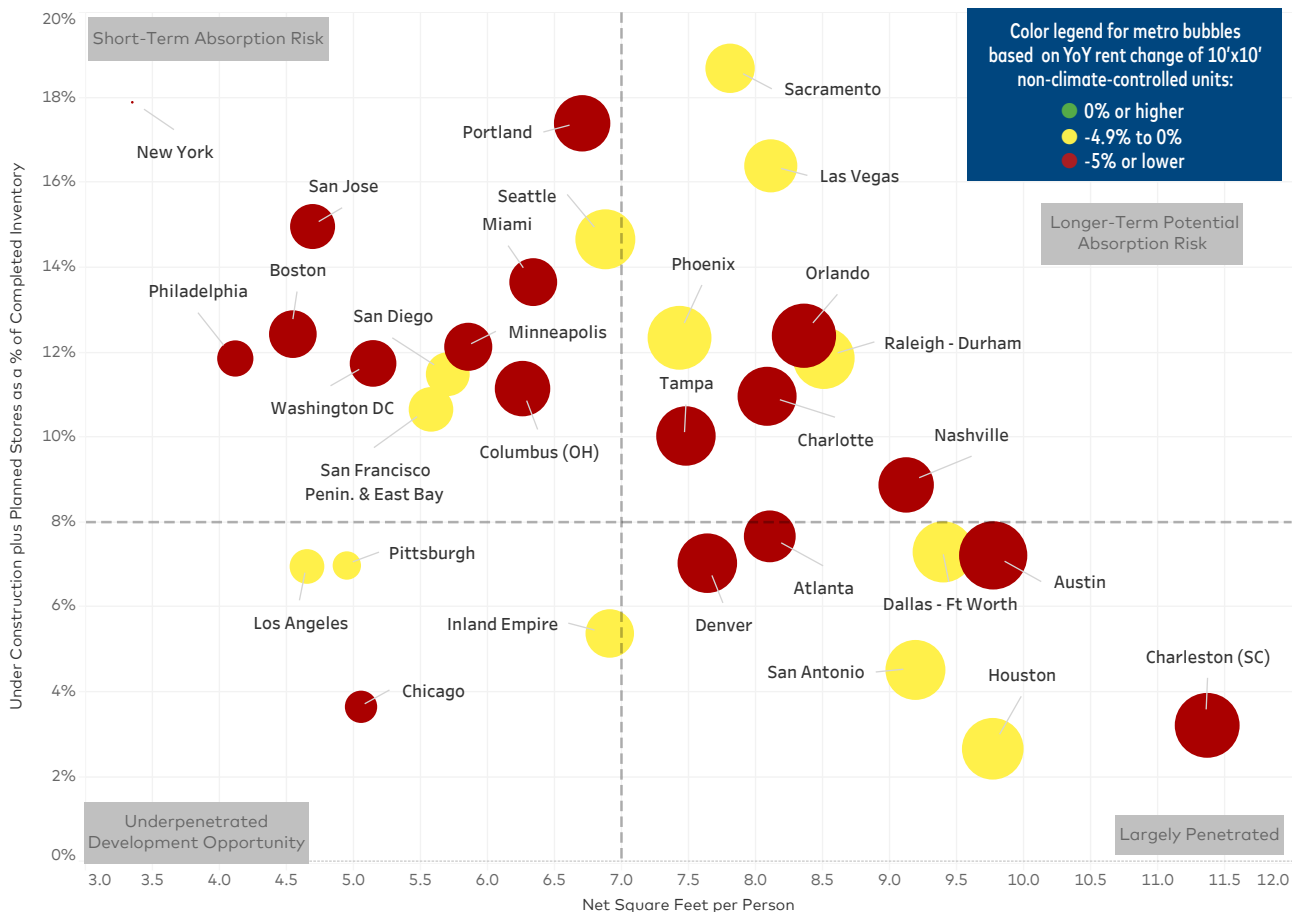
Source: Yardi Matrix. Street rate data as of July 9, 2020

Monthly Rate Growth Update

Oversupplied Charleston slowly seeing street rate improvement

- With a completed inventory of 11.4 net rentable square feet (NRSF) per capita, nearly twice the national average, Charleston has historically been an oversupplied market. However, the South Carolina metro experienced surprisingly positive month-over-month street rate performance in June. Street rates for 10x10 NON CC units increased 1.2% compared to the previous month, marking the first time Charleston has seen positive street rate growth month-over-month for these unit types since June 2018. Rates for 10x10 CC units remained level month-over-month in the metro. Storage developers still seem drawn to Charleston, and the new-supply pipeline grew by a sizeable 60 basis points in June, potentially hampering the slow improvements seen in area rates.
- Recently one of the worst-performing markets, Pittsburgh saw the best annual street rate performance in June. Pittsburgh was the only top market to see a positive increase in street rates year-over-year, with rates for standard 10x10 CC units increasing 1.5%. Street rates for 10x10 NON CC units in Pittsburgh also experienced the smallest decline—down 0.9% on an annual basis.

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 July 9, 2020

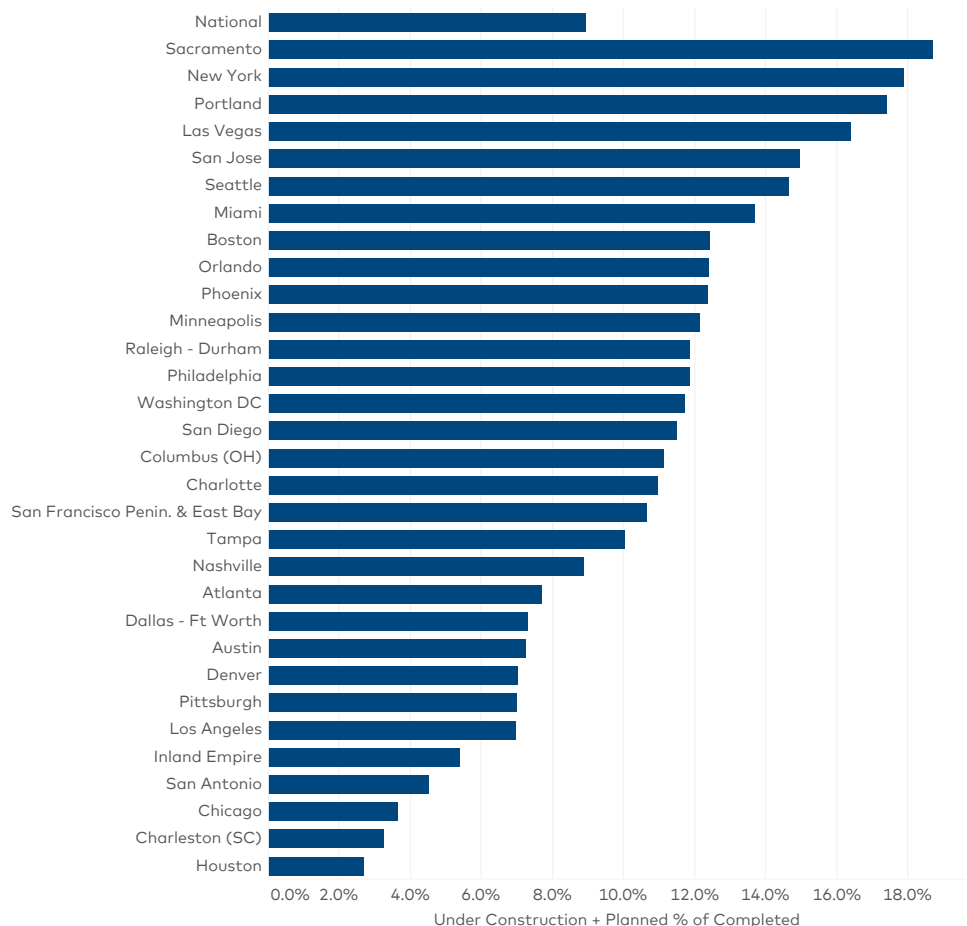
Monthly New Supply Update

COVID-19 has yet to majorly impact new self storage development

- Self storage properties under construction or in the planning stages across the nation account for 8.9% of existing inventory, marking a minor 10-basis-point uptick month-over-month. The COVID-19 pandemic has not completely halted the new-supply pipeline in the self storage sector. However, new storage development is still expected to slow at some point in 2020, with the number of abandoned projects in the pipeline increasing by 2.0%, or 17 storage properties, nationally in June. This increase in abandoned storage projects could be a potential indication of things to come, especially as more projects encounter issues in obtaining permits or are abandoned due to challenges with obtaining construction financing.
- Columbus, Ohio, saw the largest increase in development activity month-over-month in June, with the metro's new-supply pipeline growing by 1.0% to 11.2% of existing stock. Boosted by both domestic and international migration, Columbus was the fastest-growing major metro in Ohio last year, helping to fuel new storage development in the Midwest metro.

Under Construction & Planned Percent of Existing Inventory

Metro	May-20	Jun-20	Change
NATIONAL	8.8%	8.9%	↑
Sacramento	18.2%	18.7%	↑
New York	17.6%	17.9%	↑
Portland	17.5%	17.4%	↓
Las Vegas	15.8%	16.4%	↑
San Jose	15.0%	15.0%	▬
Seattle	14.7%	14.7%	▬
Miami	13.5%	13.7%	↑
Boston	12.5%	12.4%	↓
Orlando	12.0%	12.4%	↑
Phoenix	11.9%	12.4%	↑
Minneapolis	12.2%	12.1%	↓
Raleigh-Durham	11.9%	11.9%	▬
Philadelphia	11.2%	11.9%	↑
Washington DC	11.3%	11.8%	↑
San Diego	11.5%	11.5%	▬
Columbus (OH)	10.2%	11.2%	↑
Charlotte	11.0%	11.0%	▬
San Francisco Penin. & East Bay	10.3%	10.7%	↑
Tampa	9.8%	10.0%	↑
Nashville	8.9%	8.9%	▬
Atlanta	7.7%	7.7%	▬
Dallas-Ft Worth	7.3%	7.3%	▬
Austin	7.2%	7.2%	▬
Denver	6.8%	7.0%	↑
Pittsburgh	7.1%	7.0%	↓
Los Angeles	6.8%	7.0%	↑
Inland Empire	5.4%	5.4%	▬
San Antonio	4.5%	4.5%	▬
Chicago	3.7%	3.7%	▬
Charleston (SC)	2.6%	3.2%	↑
Houston	2.6%	2.7%	↑



* Drawn from our national database of more than 28,200 stores, including some 2,200 projects in the new-supply pipeline as well as more than 26,000 completed stores.

Source: Yardi Matrix. Supply data as of July 9, 2020

Monthly Rate Recap

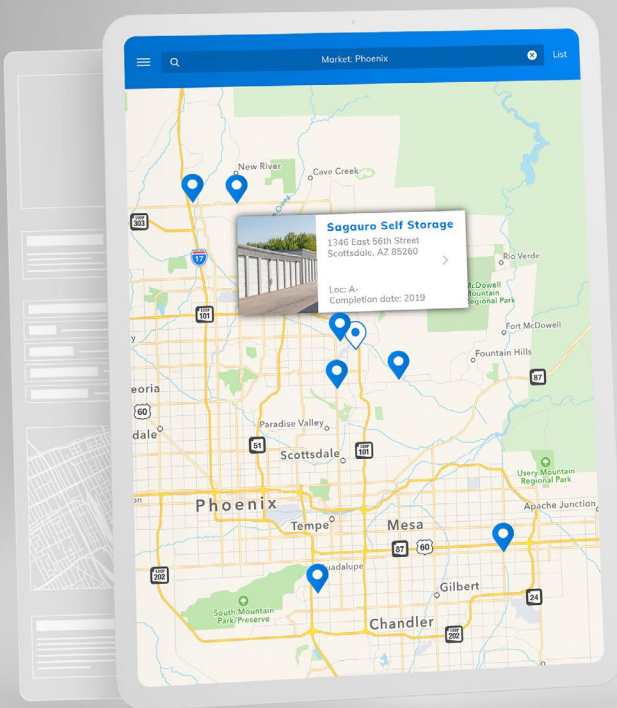
Market	Avg Metro Rate 10'x10' (non cc)	June 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	112	-4%	-5%	-4%	-7%	-3%
Pittsburgh	109	0%	-1%	-1%	2%	-1%
San Diego	154	-4%	-1%	-3%	-4%	-5%
Las Vegas	103	-2%	-4%	-4%	-4%	-4%
Phoenix	104	0%	-2%	-1%	-4%	-1%
Portland	135	-3%	-3%	-6%	-4%	-2%
Dallas-Ft Worth	91	-5%	-5%	-4%	-4%	-3%
San Francisco Penin. & East Bay	187	-6%	-6%	-4%	-4%	-3%
Inland Empire	111	-2%	-3%	-3%	-5%	-2%
San Antonio	94	-5%	-2%	-4%	-5%	-1%
Los Angeles	177	-5%	-4%	-4%	-5%	-2%
Columbus (OH)	84	-3%	-5%	-6%	-5%	-2%
Houston	81	-3%	-6%	-5%	-6%	-3%
Denver	114	-8%	-7%	-7%	-7%	-5%
Chicago	96	-5%	-3%	-5%	-7%	-1%
Miami	124	-7%	-7%	-6%	-7%	-5%
Seattle	147	-3%	-4%	-5%	-8%	-3%
Raleigh-Durham	86	-2%	-5%	-2%	-8%	-2%
Austin	94	-5%	-5%	-5%	-8%	-3%
Orlando	97	-7%	-6%	-6%	-9%	-3%
Philadelphia	117	-6%	-5%	-6%	-9%	-2%
Boston	137	-9%	-9%	-7%	-9%	-4%
Nashville	98	-7%	-7%	-8%	-9%	-3%
New York	167	-3%	-5%	-5%	-9%	-2%
Charlotte	80	-3%	-5%	-7%	-10%	-3%
Tampa	100	-9%	-8%	-7%	-11%	-6%
Sacramento	129	-5%	-6%	-4%	-11%	-6%
Atlanta	91	-7%	-8%	-9%	-12%	-7%
Washington DC	134	-10%	-9%	-9%	-13%	-7%
Charleston (SC)	87	-8%	-13%	-9%	-13%	-7%
San Jose	160	-12%	-11%	-10%	-13%	-6%
Minneapolis	104	-14%	-12%	-10%	-18%	-7%

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



Yardi Matrix

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