Yardi® Matrix

SELF STORAGE NATIONAL OUTLOOK

SPRING 2021

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PRESENTERS

JEFF ADLER

-

Vice President
Yardi Matrix

JACK KERN

-

Director, Research
& Publications
Yardi Matrix

CHRIS NEBENZAHL

-

Editorial Director
Yardi Matrix

(On Parental Leave)

AGENDA

- Macroeconomic Outlook
- Public Market Perspectives: Storage vs. Other Asset Types
- Migration Trends Fueling Investor Acquisition Interest in Self Storage
- Self Storage Supply Analysis

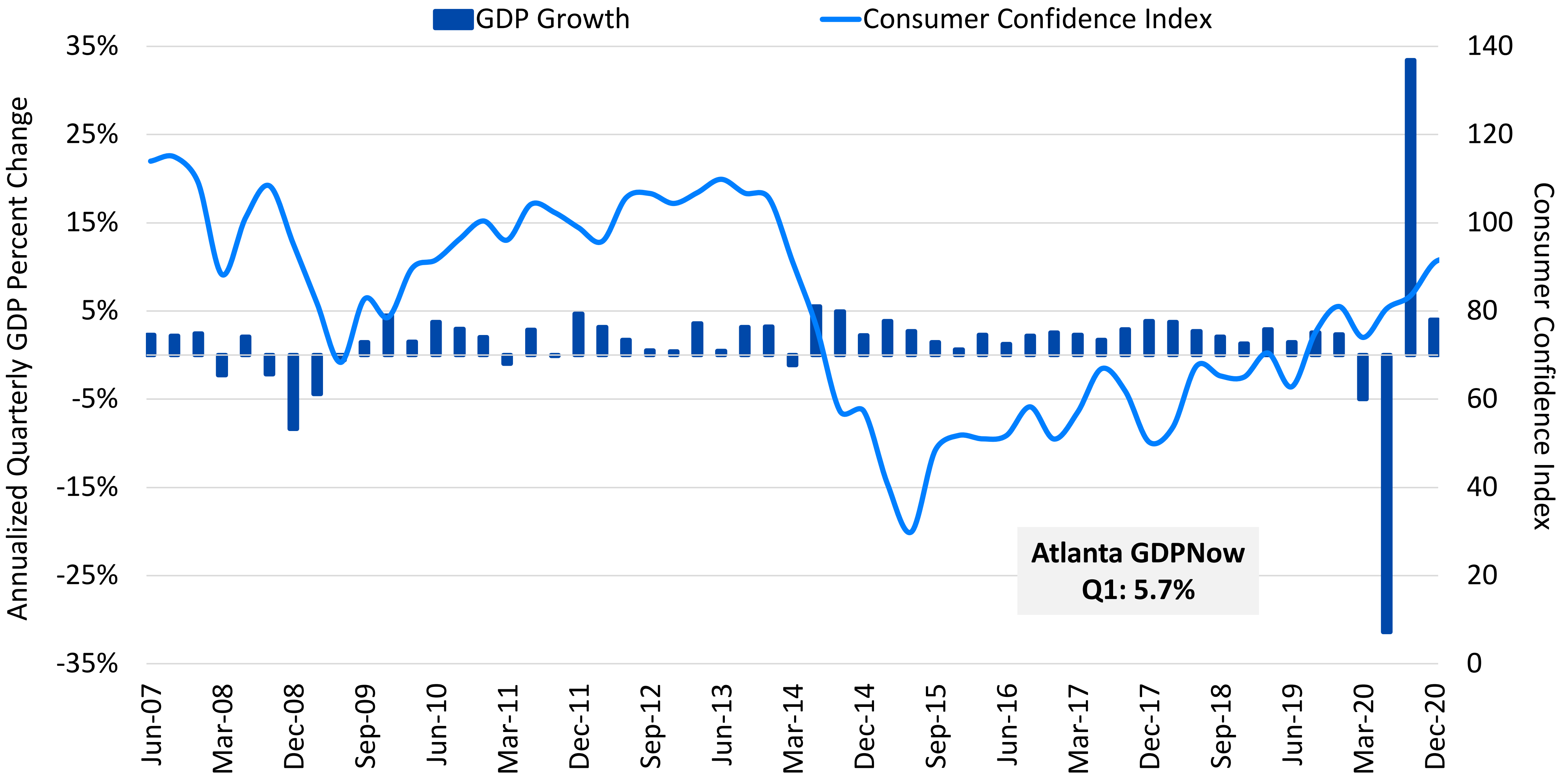
Yardi Matrix Self Storage House View — March 2021

- U.S. economy is poised for strong growth in 2021, but there are concerns of rising inflation
- Demand trends that arose in 2020 boosted self storage fundamentals and increased investor interest in self storage
- Street rates have been rising nationwide and there has not been a major slowdown in supply
- Acquisitions are the quickest way for investors to deploy capital into the asset type and, as more buyers enter the market, sale prices are growing
- 2020 saw a slowdown in transactions, but momentum started increasing at the end of the year and 2021 will likely see significant deal activity
- Storage continues to ride demand tailwinds into 2021, but they will likely dissipate in 18 to 24 months
- In the long-term, storage will likely face more supply headwinds, especially as more developers recognize the strength of the asset type
- The outlook for self storage is cautiously optimistic

Source: Yardi Matrix

MACROECONOMIC OUTLOOK

GDP Growth Recovering After Plummeting in First Half of 2020



Source: Yardi Matrix; Moody's Analytics; Bureau of Labor Statistics (BLS); S&P Dow Jones Indices LLC; CoreLogic, Inc; Federal Housing Agency (FHFA); Freddie Mac; Fannie Mae; U.S. Bureau of Economic Analysis (BEA); U.S. Board of Governors of the Federal Reserve System (FRB); Investing.com; Federal Reserve Bank of Atlanta

U.S. GDP Forecast: a V/U-Shaped Recovery

We share Evercore ISI's view, that the recovery in GDP looks like a V/U-shaped rebound

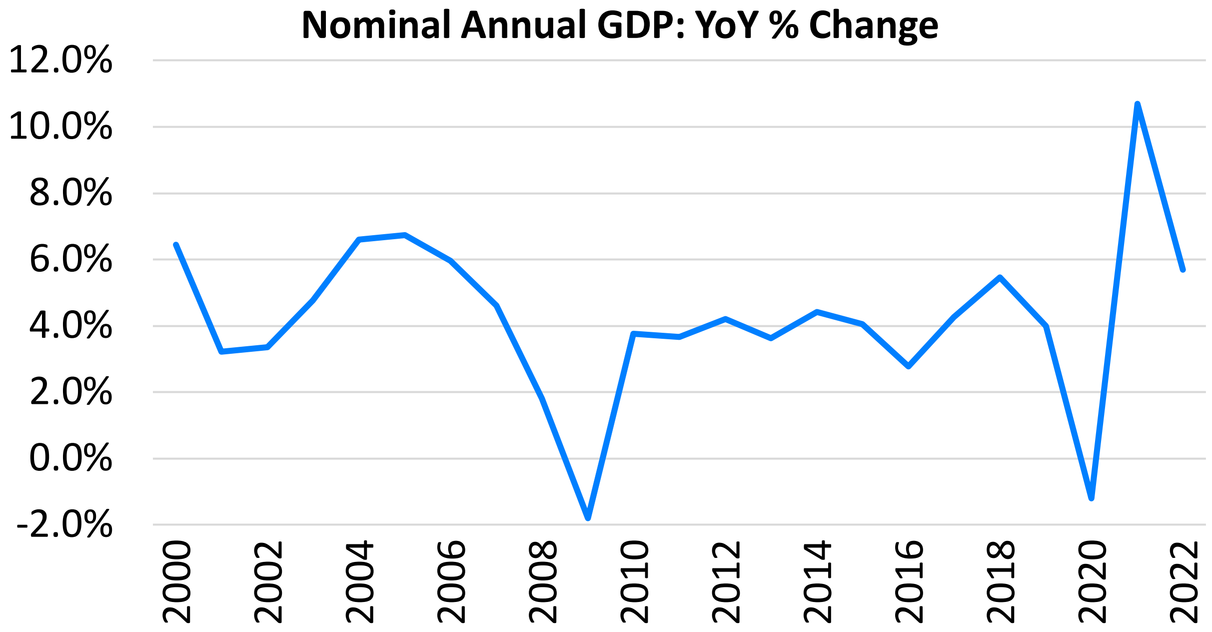
In March 2021, Evercore raised their year-over-year nominal GDP forecasts to **10.7% for 2021 and 5.7% for 2022**

The GDP forecast was raised due to 5 key factors:

- Fiscal and monetary stimulus
- Reopening around the globe
- Economic momentum, such as homebuilding
- Increased U.S. saving rate and inventory rebuilding
- Rising consumer net worth, **which is on track to grow by 20% year-over-year**

If this forecast is accurate, the recovery will be V/U-shaped

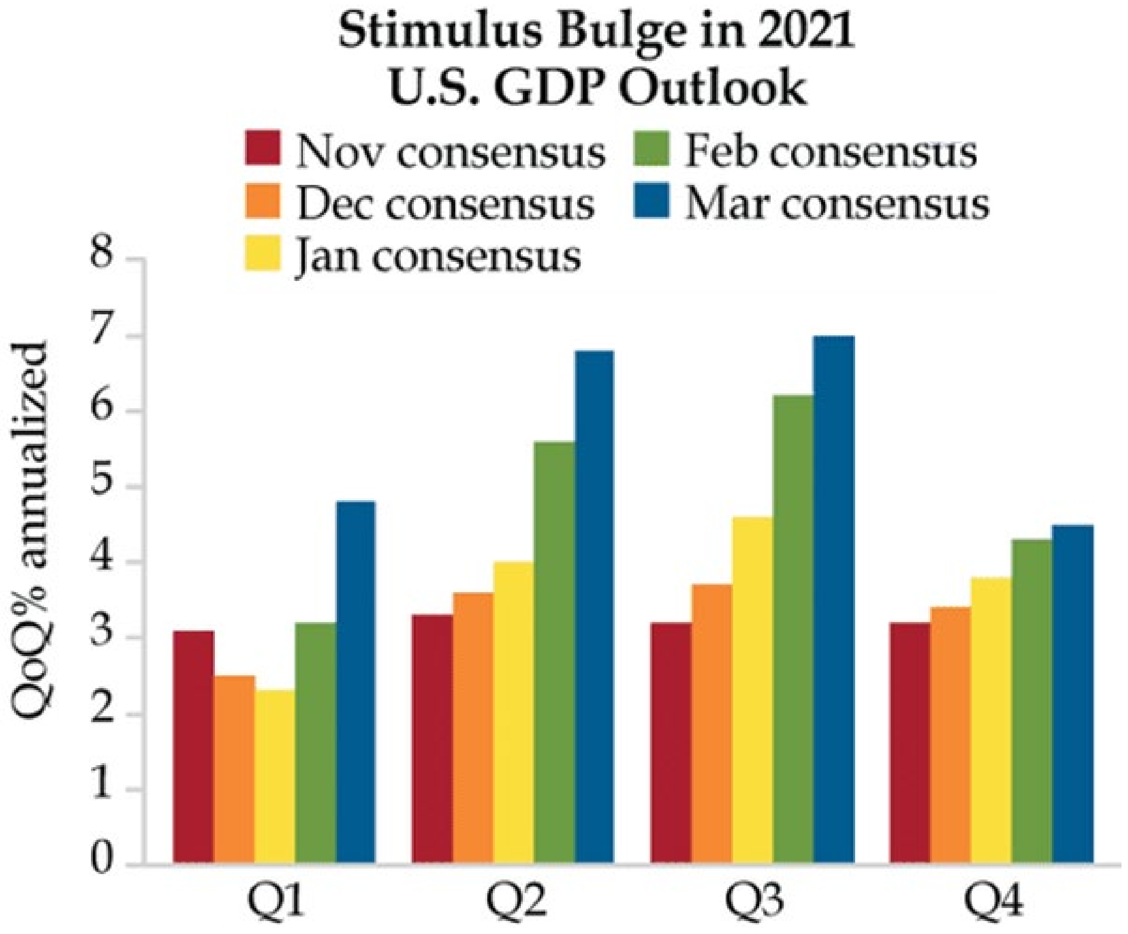
	2020	2021 Forecast	2022 Forecast
Real GDP: YoY % Change	-2.5%	8.2%	3.0%
Nominal GDP: YoY % Change	-1.2%	10.7%	5.7%
10-Year Bond Yield: Year-end	0.93%	2.00%	2.50%
Unemployment Rate: Year-end	6.7%	4.8%	3.8%

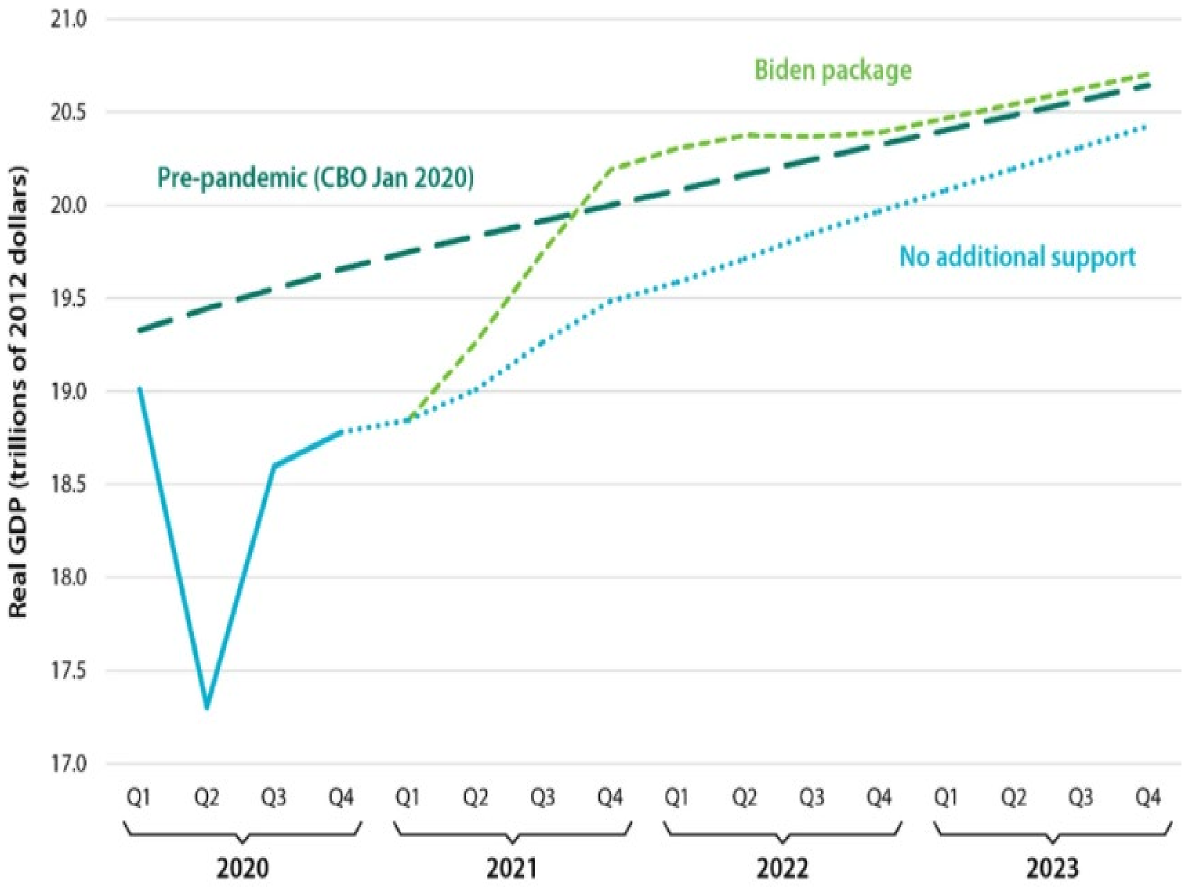


Source: Yardi Matrix; Evercore ISI U.S. Outlook, March 2, 2021

Economists Are Updating GDP Forecasts Amid New COVID Relief Package

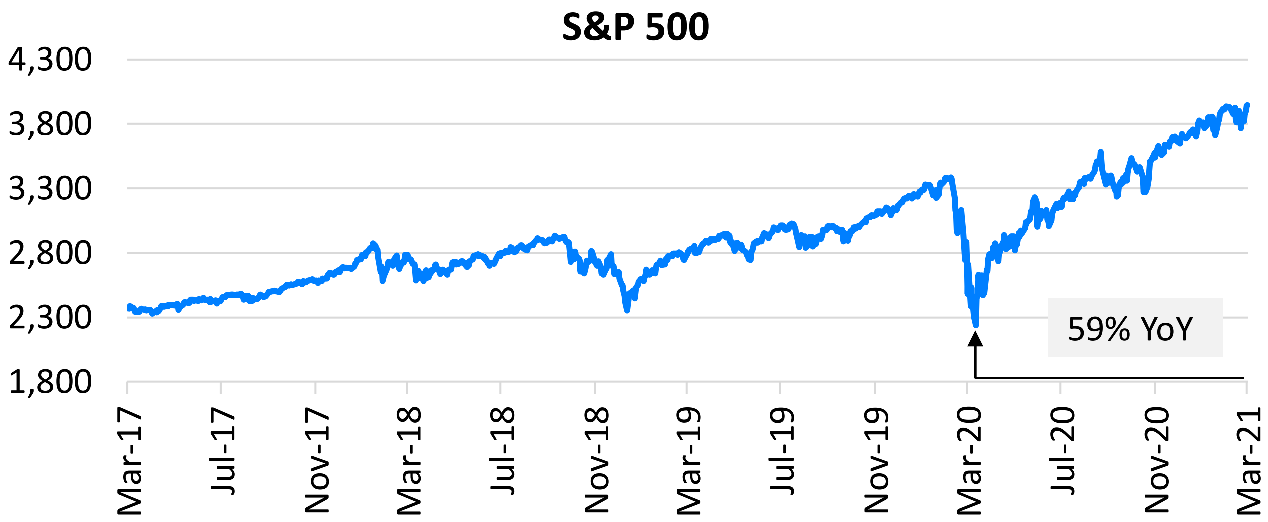
We Will Have a Couple Years of Very Strong Growth

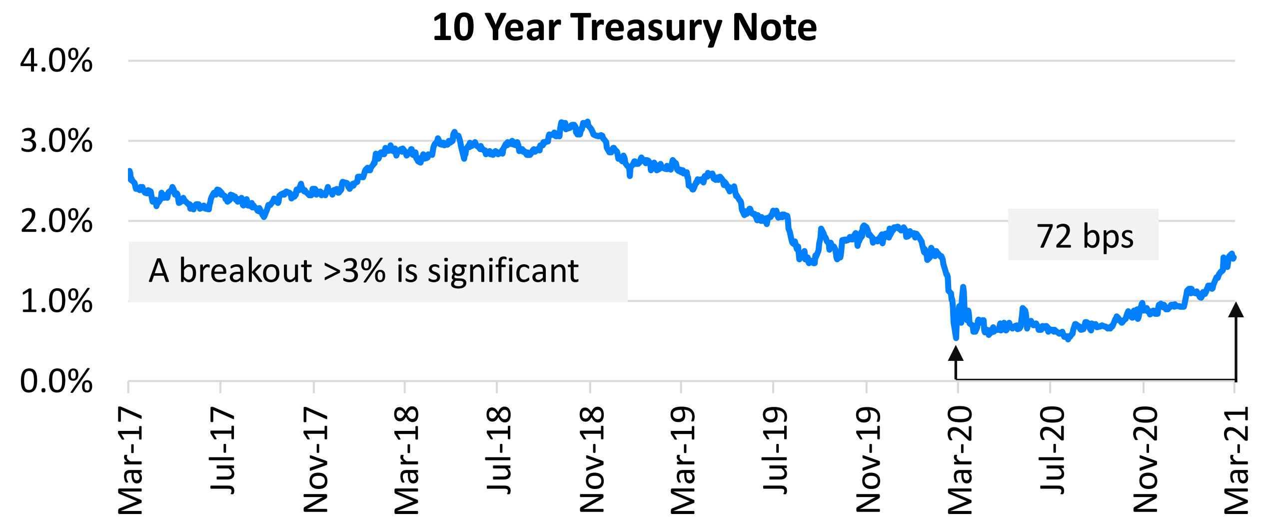


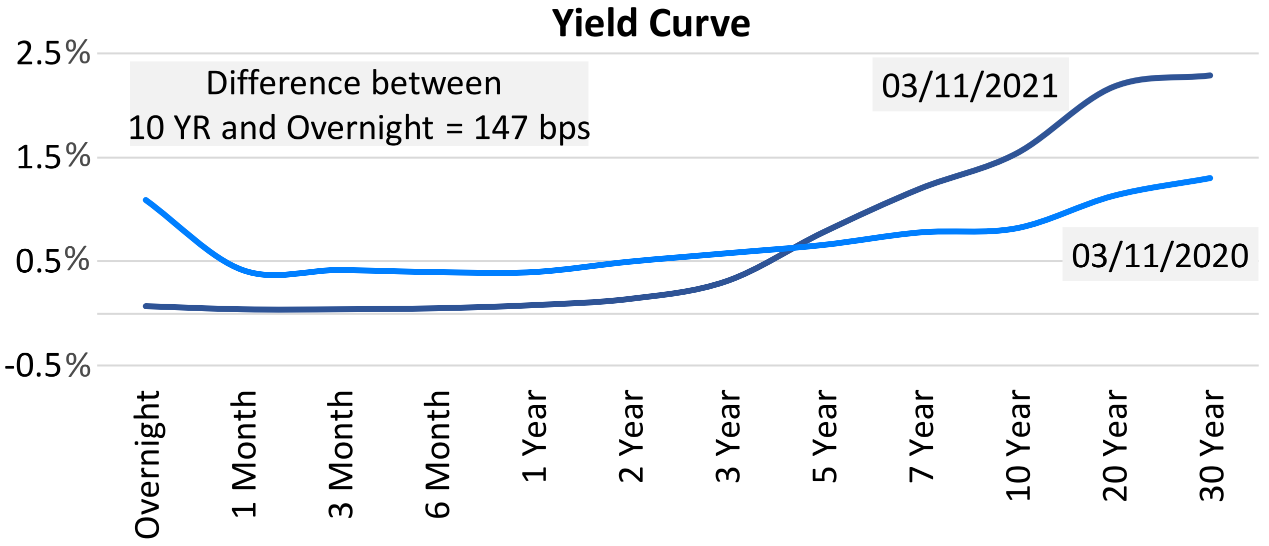


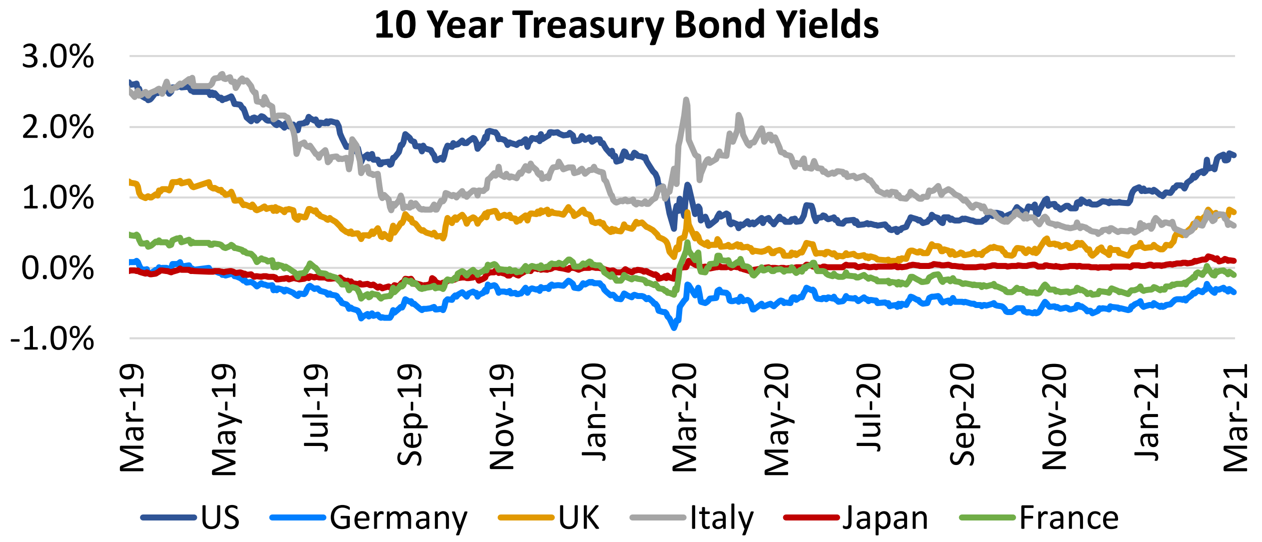
Source: Yardi Matrix; Bloomberg; The Daily Feather

U.S. and International Financial Markets



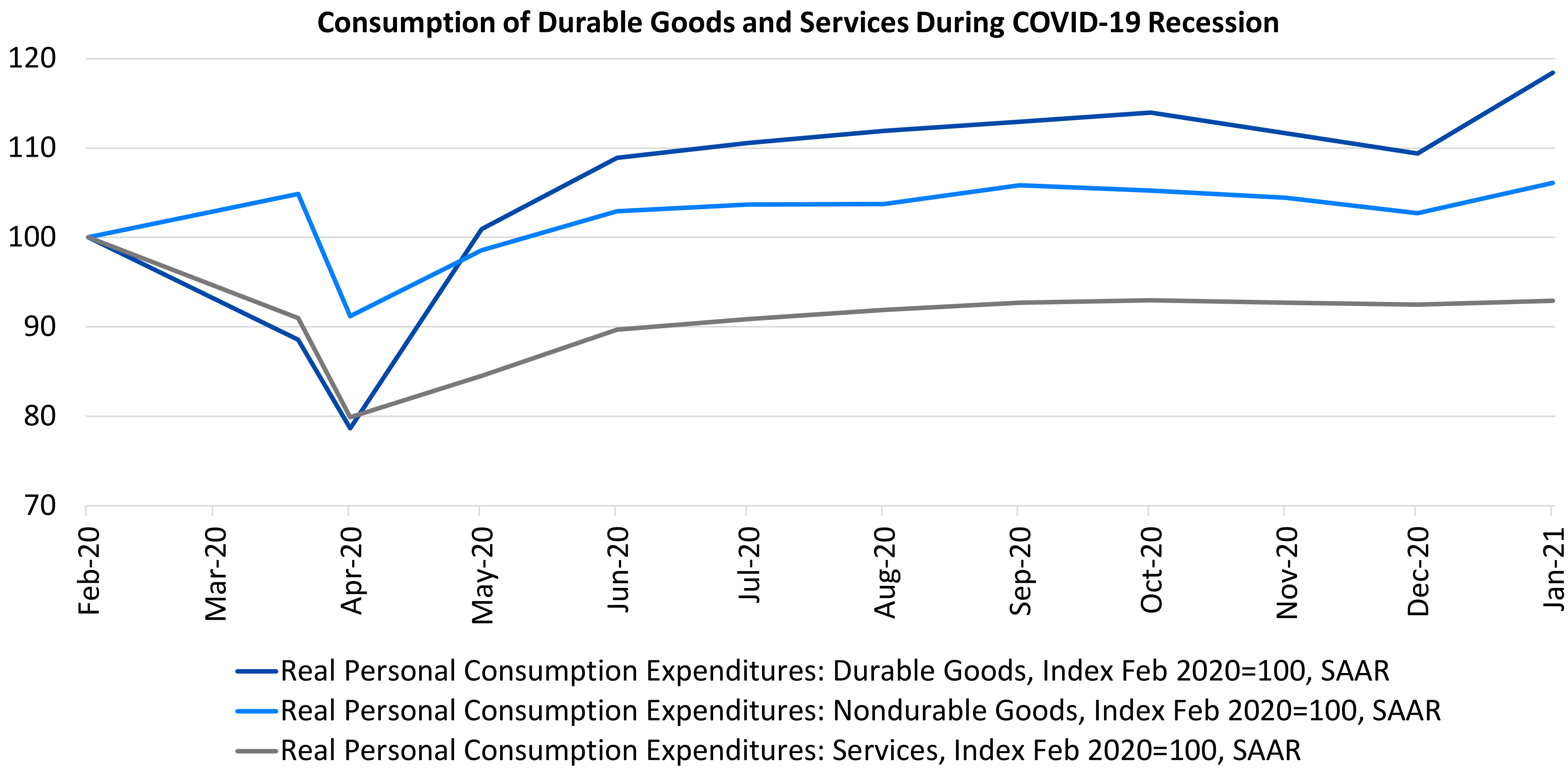






Source: Yardi Matrix; Moody's Analytics; Investing.com

From Services to Goods: Consumers Spending More on Durable Goods



Source: Yardi Matrix; Federal Reserve Bank of St. Louis (FRED); U.S. Bureau of Economic Analysis

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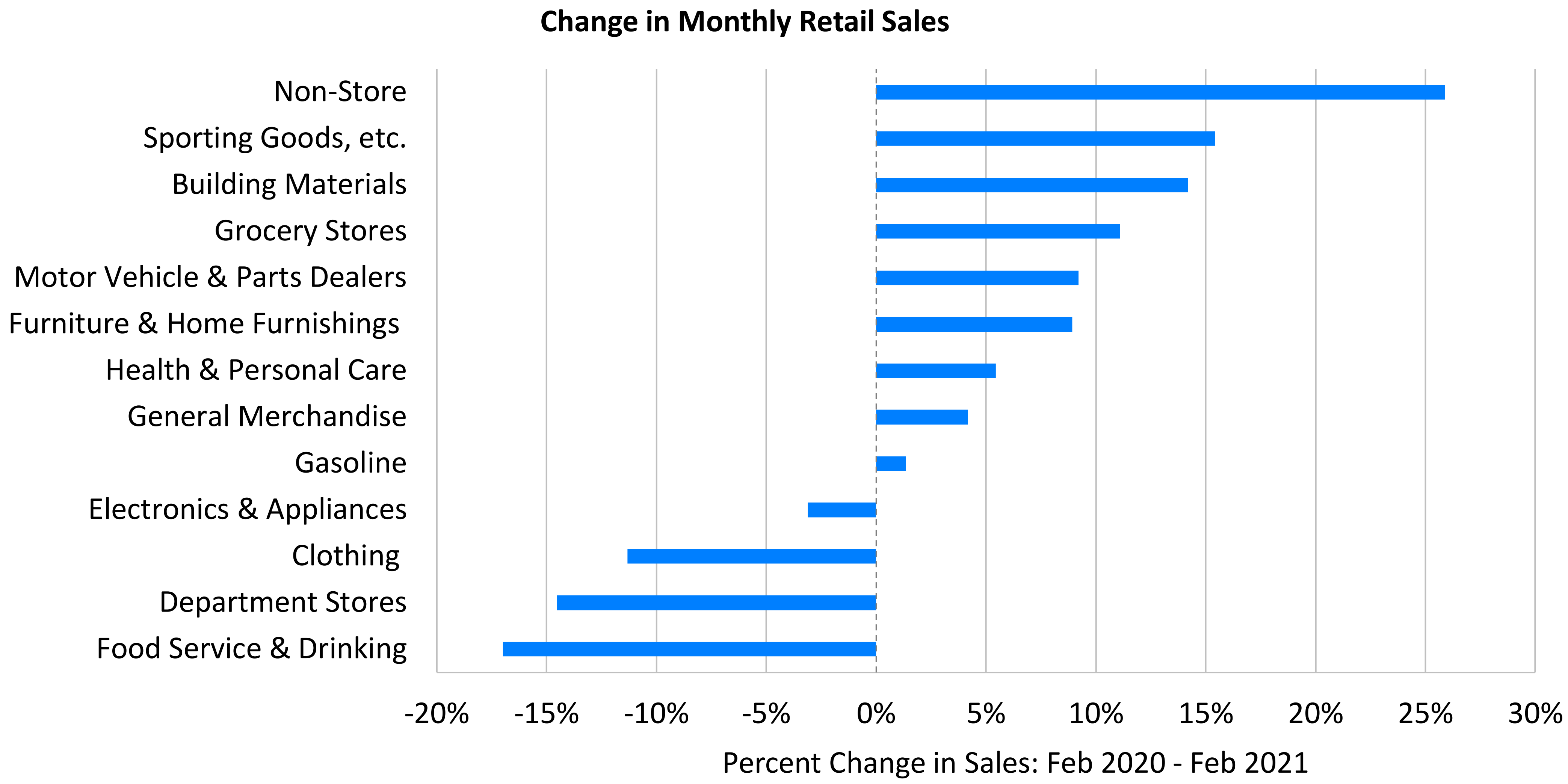
Spending Increased on Non-store, Sporting Goods and Building Materials



Source: Yardi Matrix; U.S. Census Bureau

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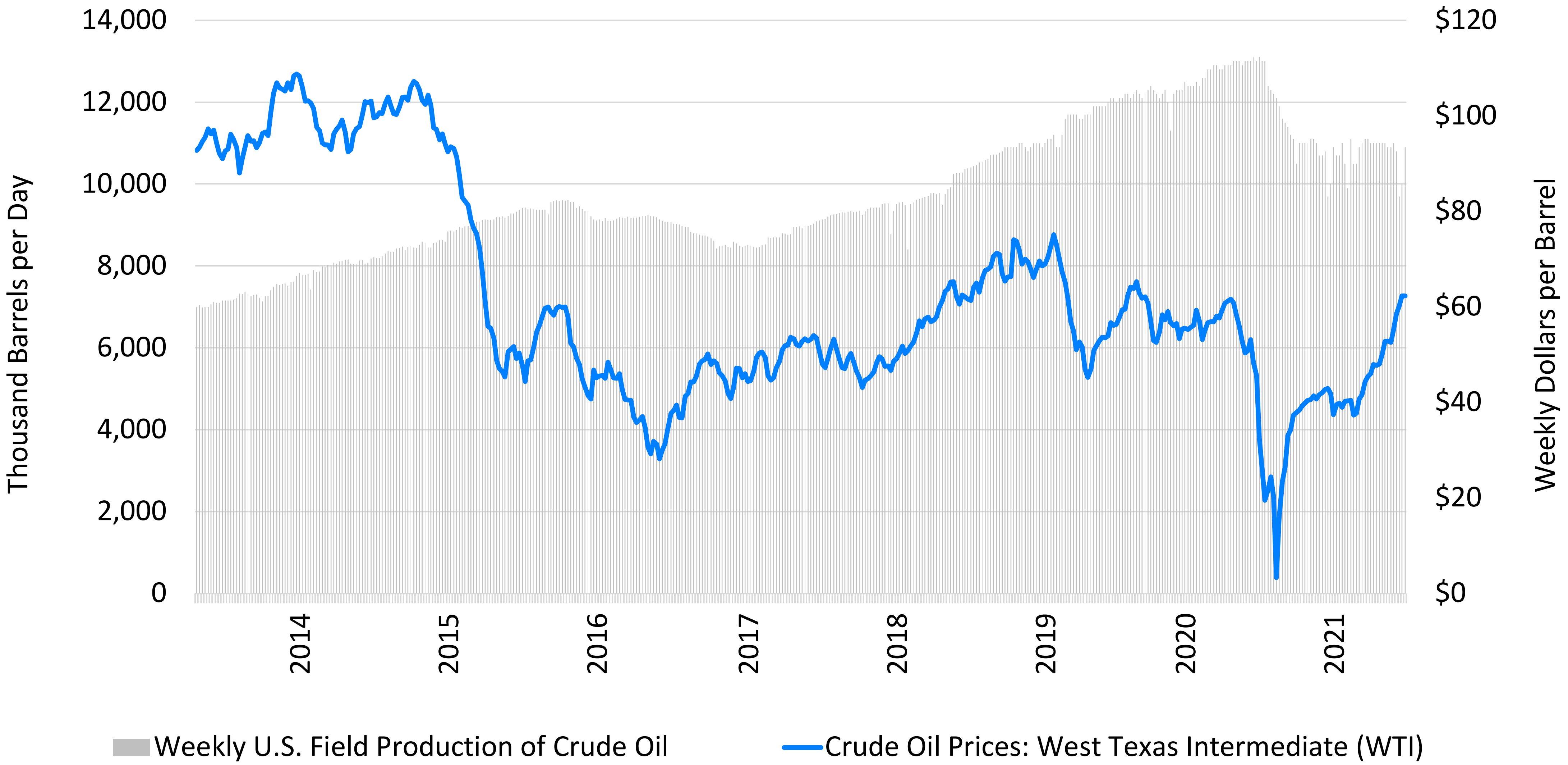
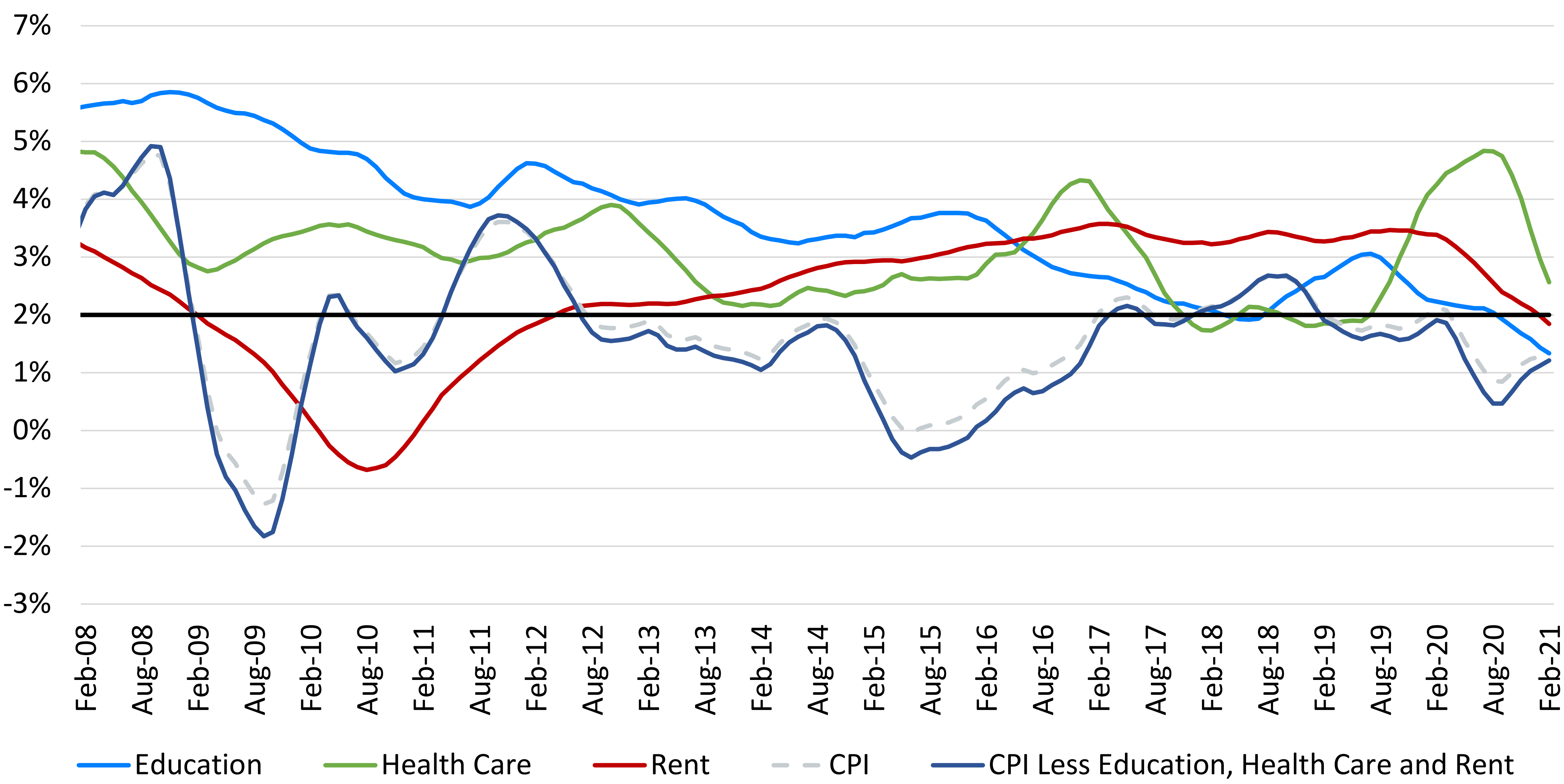
U.S. Oil Prices Indicate Strong Potential for Inflation



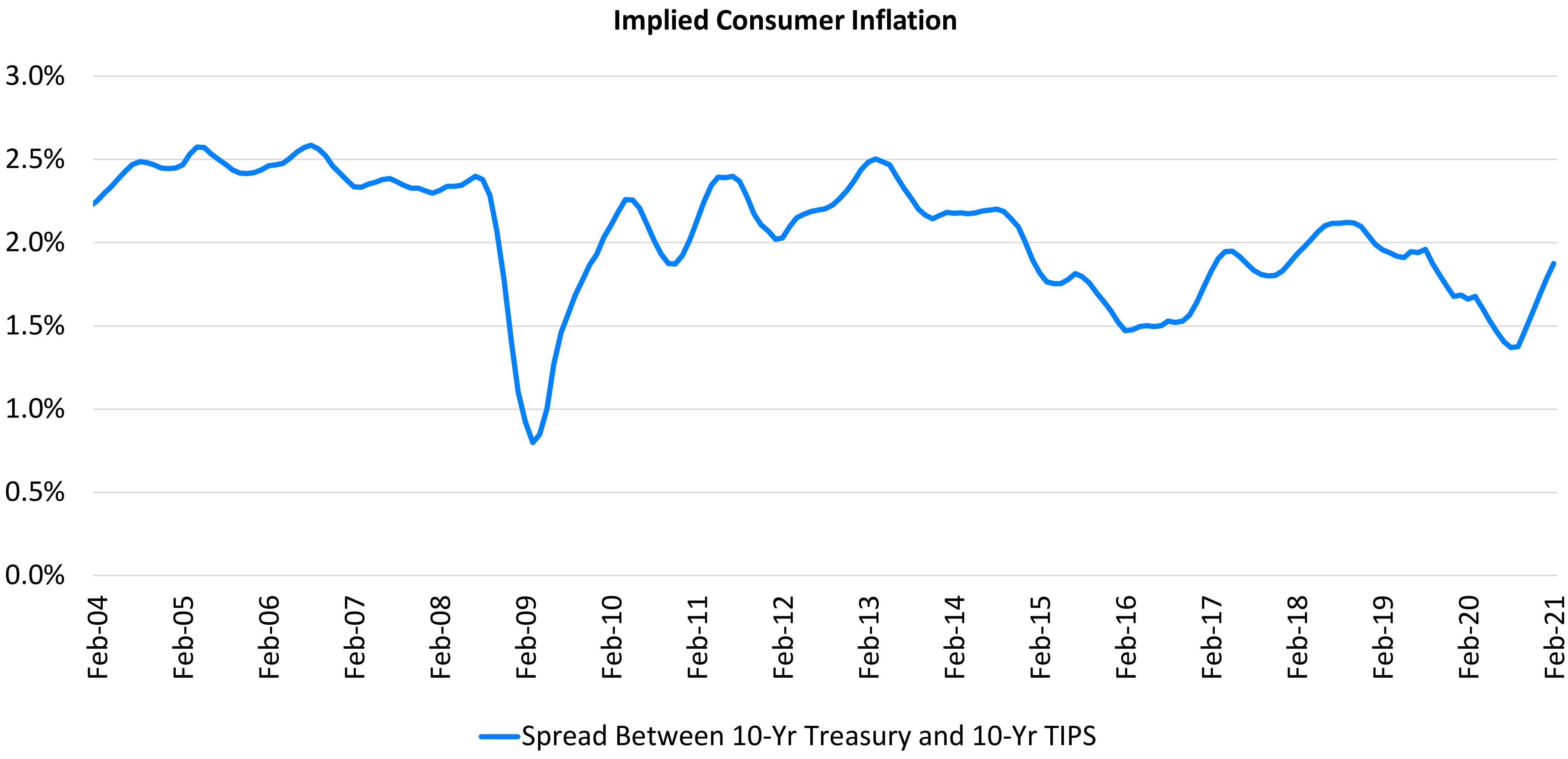
Source: Yardi Matrix; Energy Information Administration, Federal Reserve Bank of St. Louis, Economic Research Division

Everything You Used to Know on Inflation Has Been Upended



*YoY 6 month moving averages. CPI Less Health Care, Education and Rent is an estimate using BLS document "Math calculations to better utilize CPI data"
Source: Moody's Analytics; Bureau of Labor Statistics (BLS)

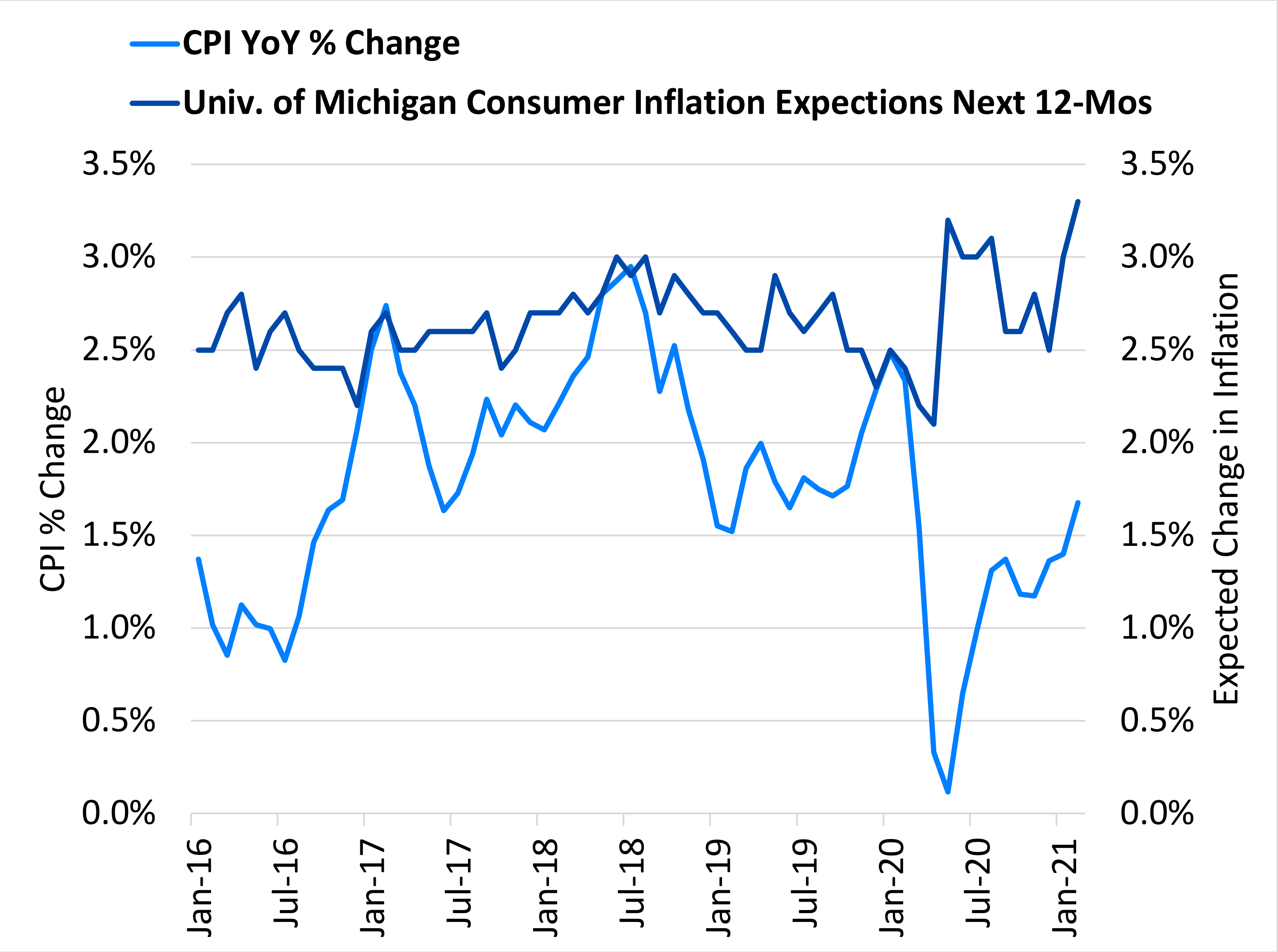
Inflation Concerns Are Longer-term



Source: Yardi Matrix; Federal Reserve Bank of St. Louis; Moody's Analytics; U.S. Bureau of Labor Statistics (BLS)

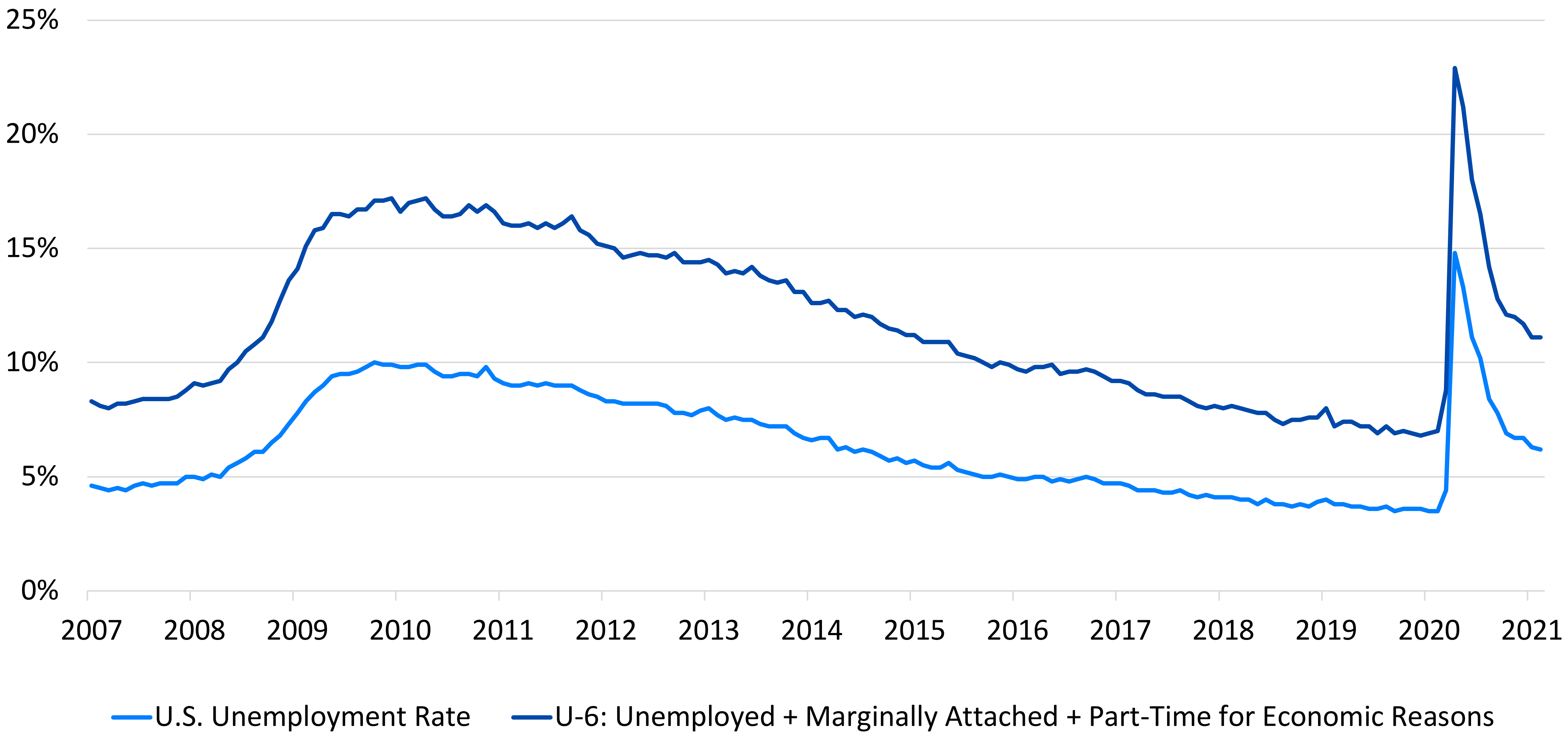
Rising Inflation Expectations

- As the economy continues to grow—boosted by fiscal stimulus, the vaccine rollout and pent-up demand for consumption—inflation will likely climb.
- With the Federal Reserve's plan to keep interest rates low until they reach their target of inflation averaging 2.0% over time, some are concerned inflation will be pushed above this target over time.
- In March, the University of Michigan's Surveys of Consumers found consumers anticipate the one-year inflation rate to be elevated at 3.1%, a drop from 3.3% in February, but up from 3.0% in January and 2.5% in December.



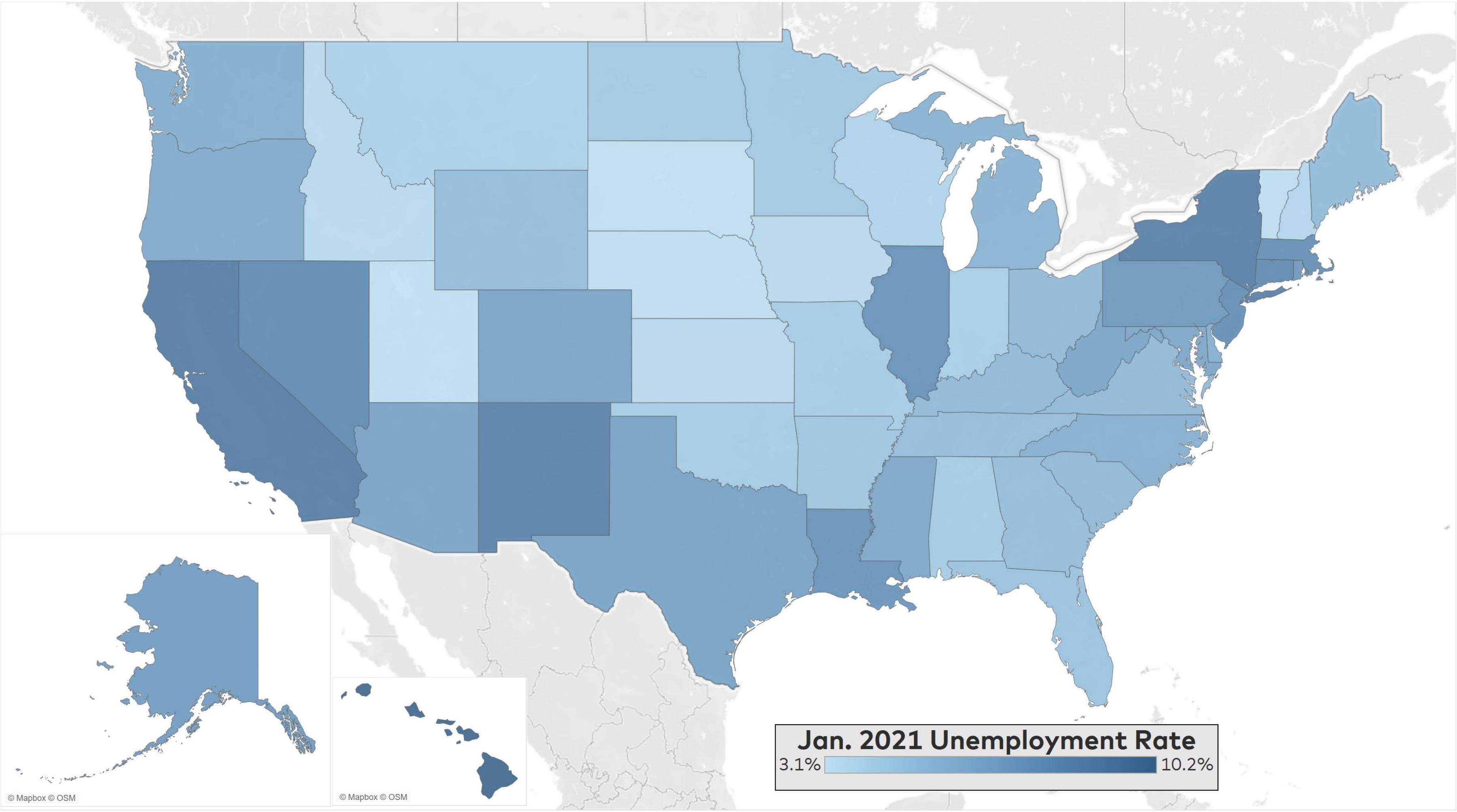
*All items in U.S. city average, all urban consumers, not seasonally adjusted.
Source: Yardi Matrix; Wall Street Journal; U.S. Bureau of Labor Statistics; University of Michigan, Surveys of Consumers

Unemployment and Underemployment Falling, but Still Elevated



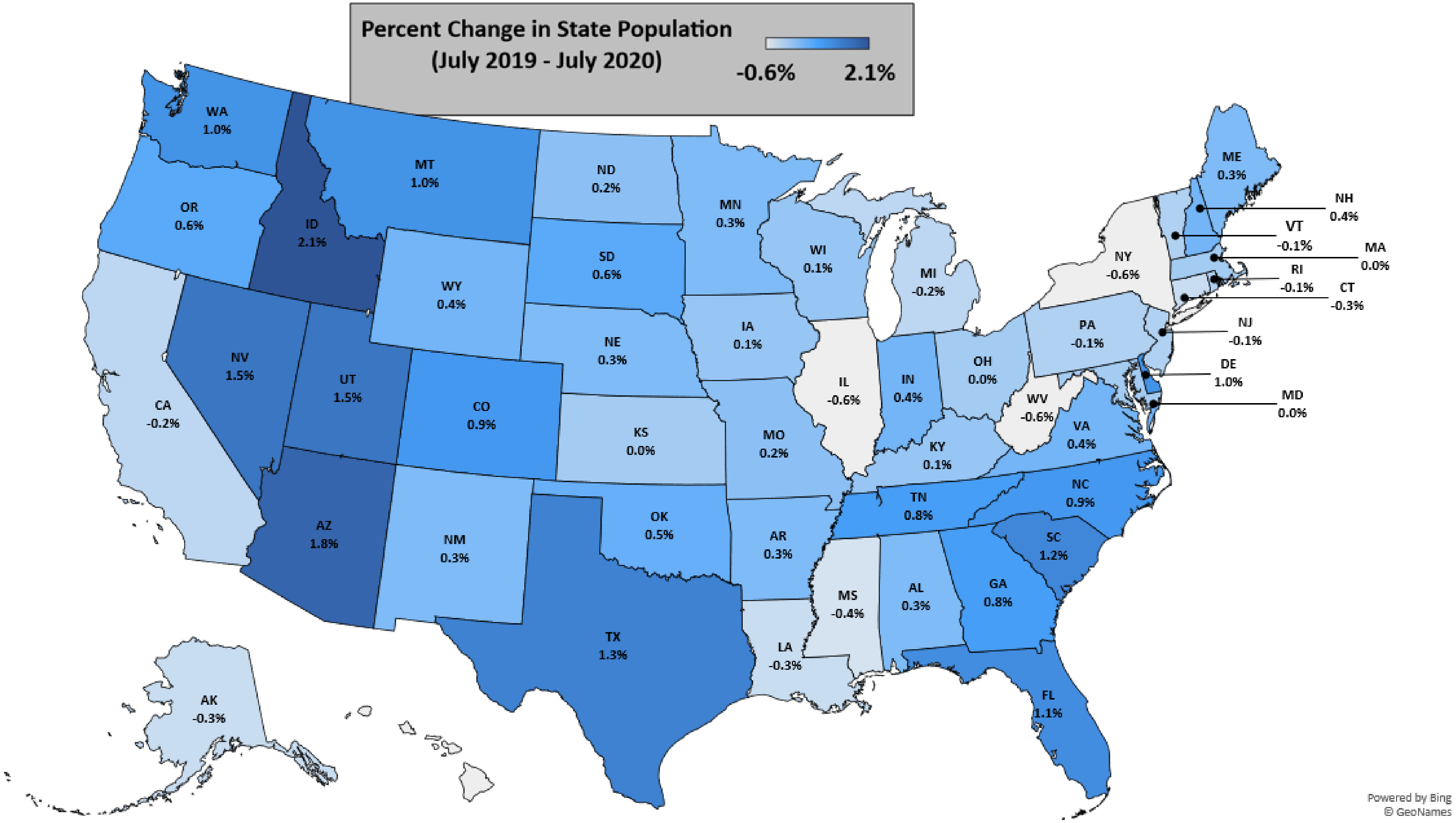
*Data as of March 5, 2021.
Source: Yardi Matrix; Bureau of Labor Statistics (BLS)

Storage Is Highly Impacted by Population Dislocations



Source: Yardi Matrix; U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis (FRED)

12-Month Population Growth Greatest in SE, SW and NW States



*Annual estimates of the state resident population from July 1, 2019 to July 1, 2020

Source: Yardi Matrix; U.S. Census Bureau, “Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia”

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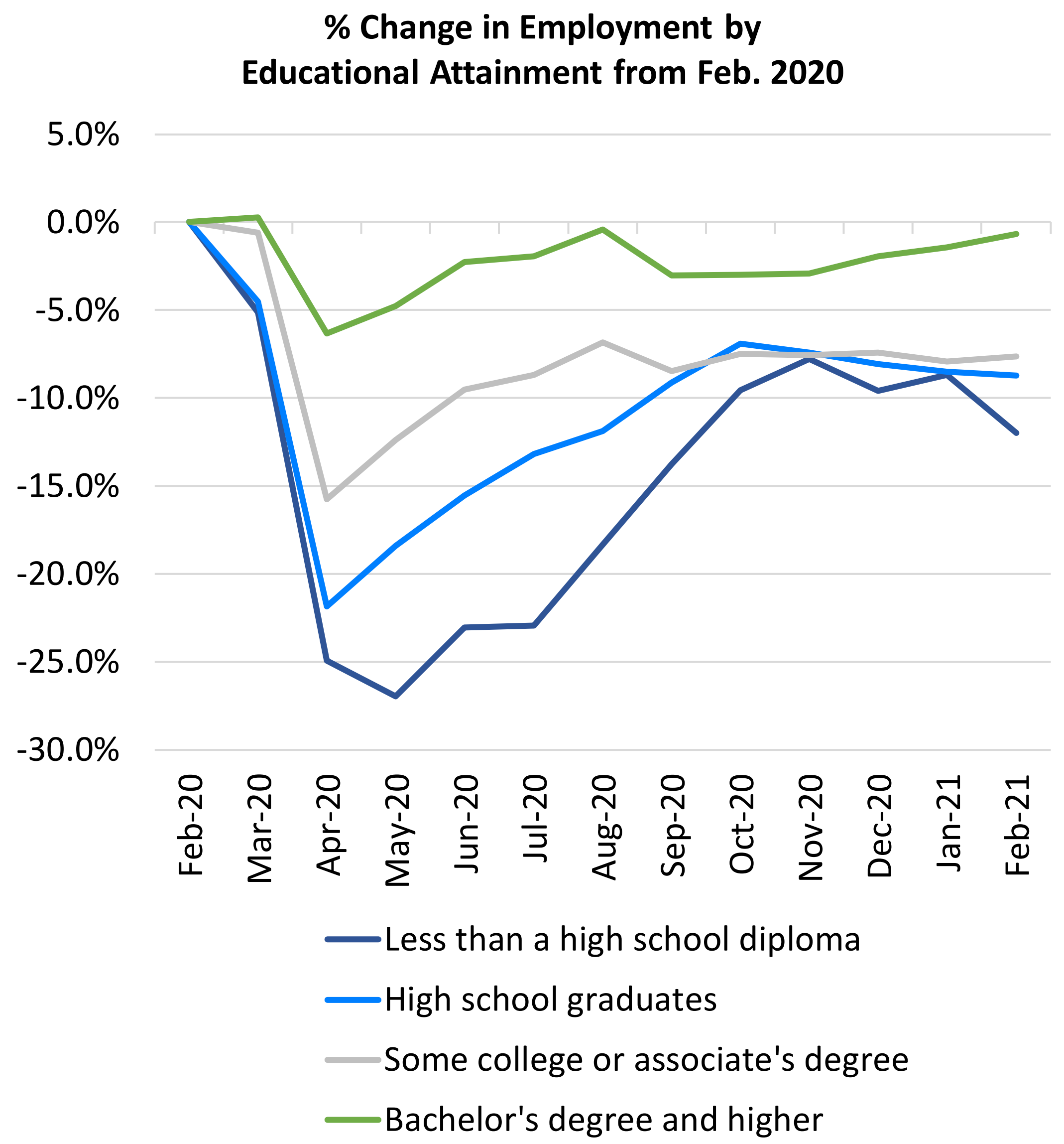
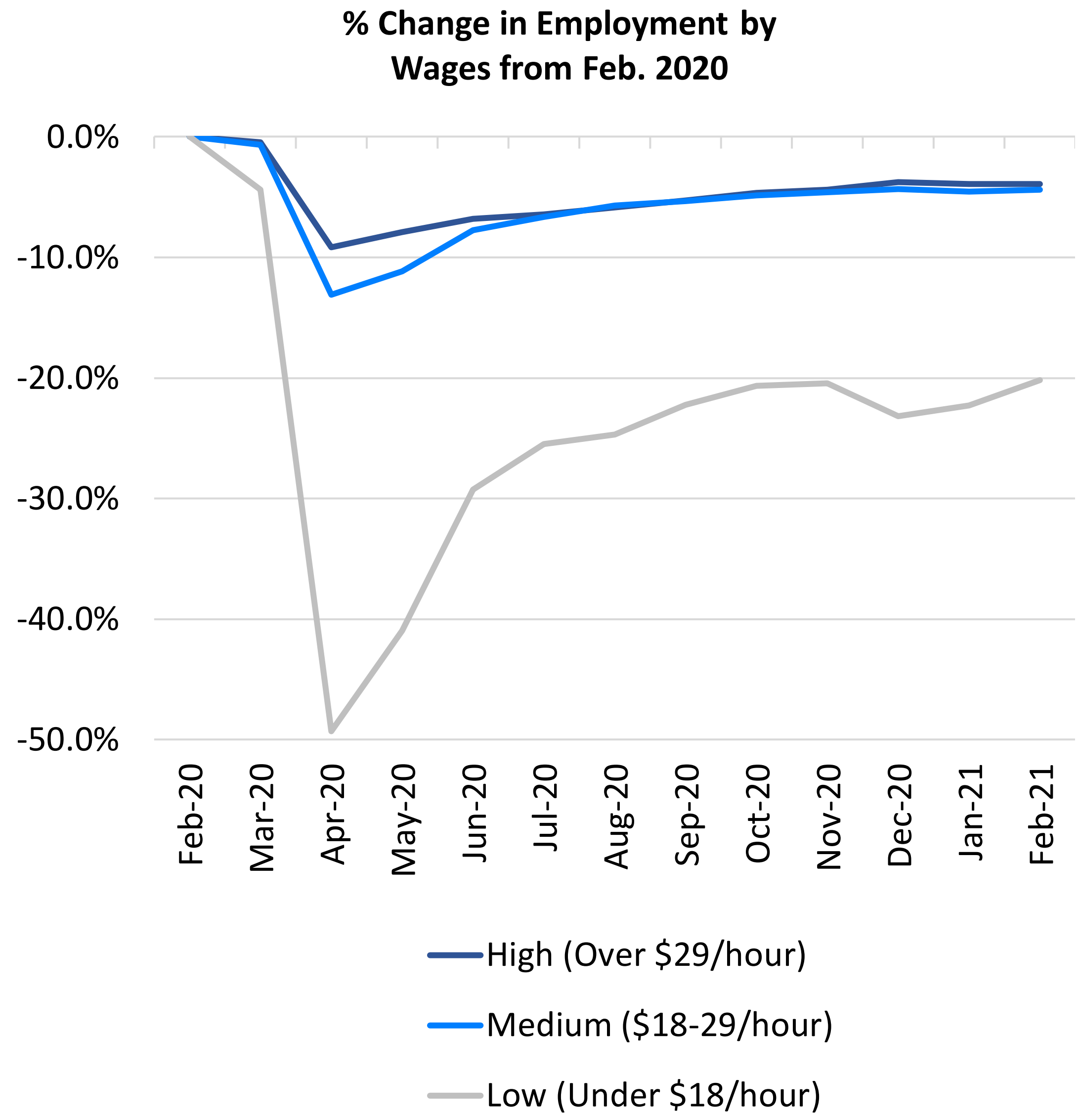
The Labor Market Recovery Has Been K-shaped





*For change in employment by education level: 25 years and older, seasonally adjusted. For change in employment by wages: seasonally adjusted

Source: Yardi Matrix; Evercore ISI; Business Insider; Wall Street Journal; U.S. Department of Labor

Current U.S. Federal Policies Return to Favoring Urban/Suburban Consumers

PRO-GROWTH

- Low interest rates for longer
- Fiscal policy
  - Maybe too much?
- Vaccination ramp-up

Potential for inflation – Offset by aging population and deflationary technology

AMBIGUOUS/UNCLEAR

- Blue state/city bailouts
- Federal minimum wage proposal
- Immigration
- Trade policy with China
- Tax policy
- Alternative energy policies
- Racial "equity" policies
- Emerging inflation

ANTI-GROWTH

- Executive orders/regulatory policy
  - Energy: oil and gas
  - Finance?
  - Tech?
- Inability to open schools
  - Public sector unions

Anti-growth in tone more than reality, so far

Source: Yardi Matrix

$1.9T Stimulus Bill: Where is the Money Going?

MAJOR PROVISIONS

- **Unemployment Benefits:**
  - Extends the $300 weekly unemployment benefit through Sept. 6, 2021
  - Provides a tax break on $10,000 in unemployment benefits
- **Stimulus Checks ($400 billion):**
  - $1,400 stimulus checks to individuals earning $75,000 per year and couples earning $150,000 per year – benefit disappears for individuals earning more than $80,000 per year and couples earning more than $160,000 per year
- **Child Tax Credit:**
  - Most Americans would receive $3,000 a year for each child ages 6 to 17, and $3,600 for each child under 6
  - The provision in the bill will last one year and will be sent via direct deposit on a "periodic" basis
- **State and Local Government Aid ($350 billion)**
- **Multi-employer Pension Plans ($86 billion):**
  - Provides struggling pension plans enough money to pay retirees their full pensions for the next few decades
- **School Support ($171 billion):**
  - K-12 schools ($130 billion) – Improving ventilation systems, reducing class sizes, buying PPE, and implementing social distancing
  - Colleges and other higher-education ($40 billion) – support financial aid grants to prevent hunger, homelessness
  - Head Start Program ($1 billion) – provide early-childhood education, health and nutrition services to low-income children and families
- **Housing Assistance ($30 billion):**
  - $20 billion – emergency rental assistance and other relief for the homeless
  - $10 billion – mortgage and homeownership assistance
- **Pandemic Response:**
  - Coronavirus testing and contact tracing, increasing the size of the public health workforce, funding vaccine distribution

OTHER PROVISIONS

- **FEMA Emergency Food and Shelter Program ($510 million):**
  - Support homeless service providers for overnight shelter, meals, one month's rent and mortgage assistance, and one month's utility payments
- **Expands the Employee Retention Tax Credit**
- **Makes all Coronavirus-Related Student Loans Tax Free**
- **Amtrak Funding ($200 million)**
- **Provider Relief Program ($8.5 billion):**
  - Provides funds to assist rural health care providers
- **Education Funding ($5.5 billion):**
  - $1.25 billion – summer enrichment
  - $1.25 billion – after-school programs
  - $3 billion – education technology
- **Agriculture – Food Supply Chain ($4 billion)**
- **Increases Federal COBRA health insurance program from 85% to 100%**
- **Infrastructure ($10 billion):**
  - Help local governments continue crucial capital projects

Source: Yardi Matrix; washingtonpost.com

Prognosis 2021

- The recovery is not universal. It will vary based on metro and level of income (K-shaped recovery)

- Just because GDP comes back does not mean that employment will. Pandemics of this nature have a long-term impact

- Key indicators Yardi Matrix will be following closely
    - Rising inflation rates
    - Migration flows out of gateway markets

- With all the noise, multifamily seems to be holding up fairly well. Rent collections have been in line with previous years; rents have not declined as much as initially feared, except for select gateway markets

Source: Yardi Matrix

PUBLIC MARKET PERSPECTIVES: STORAGE VS. OTHER ASSET TYPES

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Self Storage REITs Outperformed Other Property Sectors in 2020 After Lagging in Prior Years

Total Annual Returns by Property Sector

2016	2017	2018	2019	2020
Industrial 30.7%	Infrastructure 35.4%	Health Care 7.6%	Industrial 48.7%	Data Centers 21.0%
Data Centers 26.4%	Data Centers 28.4%	Infrastructure 7.0%	Data Centers 44.2%	**Self Storage 12.9%**
Lodging/Resorts 24.3%	Timber 21.9%	Residential 3.1%	Timber 42.0%	Industrial 12.2%
Mortgage 22.8%	Industrial 20.6%	**Self Storage 2.9%**	Infrastructure 42.0%	Timber 10.3%
Specialty 20.0%	Mortgage 19.8%	Industrial -2.5%	Office 31.4%	Infrastructure 7.3%
Office 13.2%	Specialty 13.2%	Mortgage -2.5%	Residential 30.9%	Specialty -8.2%
Diversified 10.3%	Lodging/Resorts 7.2%	Retail -5.0%	Specialty 27.4%	Health Care -9.9%
Infrastructure 10.0%	Residential 6.6%	Specialty -6.7%	Diversified 24.1%	Residential -10.7%
Timber 8.3%	Office 5.2%	Diversified -12.5%	Mortgage 21.3%	Office -18.4%
Health Care 6.4%	**Self Storage 3.7%**	Lodging/Resorts -12.8%	Health Care 21.2%	Mortgage -18.8%
Residential 4.5%	Health Care 0.9%	Data Centers -14.1%	Lodging/Resorts 15.7%	Diversified -21.8%
Retail 0.9%	Diversified -0.1%	Office -14.5%	**Self Storage 13.7%**	Lodging/Resorts -23.6%
Self Storage -8.1%	Retail -4.8%	Timber -32.0%	Retail 10.7%	Retail -25.2%

Source: Yardi Matrix; Nareit

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Self Storage Is Only Trailing Industrial Based on 1-Year Returns of MSCI/PREA U.S. Property Index Funds

MSCI/PREA US Property Fund Index - ACOE

Property Type	4Q 2020	1 Yr	3 Yr	5 Yr	10 Yr
Industrial	4.02%	11.23%	12.88%	12.71%	13.03%
Self Storage	**3.04%**	**7.52%**	**7.34%**	**8.94%**	**14.40%**
Other	3.90%	3.65%	7.92%	7.04%	8.39%
Apartments	0.74%	1.42%	4.16%	5.04%	8.30%
Office	0.62%	1.16%	4.82%	5.56%	8.54%
Retail	-0.93%	-8.19%	-2.08%	1.30%	6.58%
Total Return	**1.24%**	**1.80%**	**4.92%**	**5.92%**	**8.93%**

MSCI/PREA US Property Fund Index - AFOE

Property Type	4Q 2020	1 Yr	3 Yr	5 Yr	10 Yr
Industrial	3.90%	11.44%	13.04%	12.77%	12.91%
Self Storage	**2.99%**	**7.69%**	**7.52%**	**9.33%**	**14.82%**
Apartments	0.94%	1.85%	4.50%	5.34%	8.53%
Office	0.62%	1.46%	5.02%	5.76%	8.72%
Other	3.53%	1.26%	5.67%	5.82%	7.38%
Retail	-0.82%	-8.10%	-1.90%	1.42%	6.51%
Total Return	**1.38%**	**2.38%**	**5.37%**	**6.30%**	**9.13%**

*Sorted by 1 Yr column. ACOE = Core, Diversified Open-End Funds, AFOE = All Open-End Funds
Source: Yardi Matrix; MSCI/PREA Property Fund Index Reports 4Q 2020

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Forward-Looking Comments from 4Q 2020 Earning Calls

- Storage REITs reported record high occupancies in stores nationwide. Average store occupancies were between 92-95% for all which reported on occupancy

- New supply continues to be a major concern in markets which have seen fundamentals suffer due to elevated new supply pressures. Many expect deliveries to continue at a solid rate from themselves and other competitors

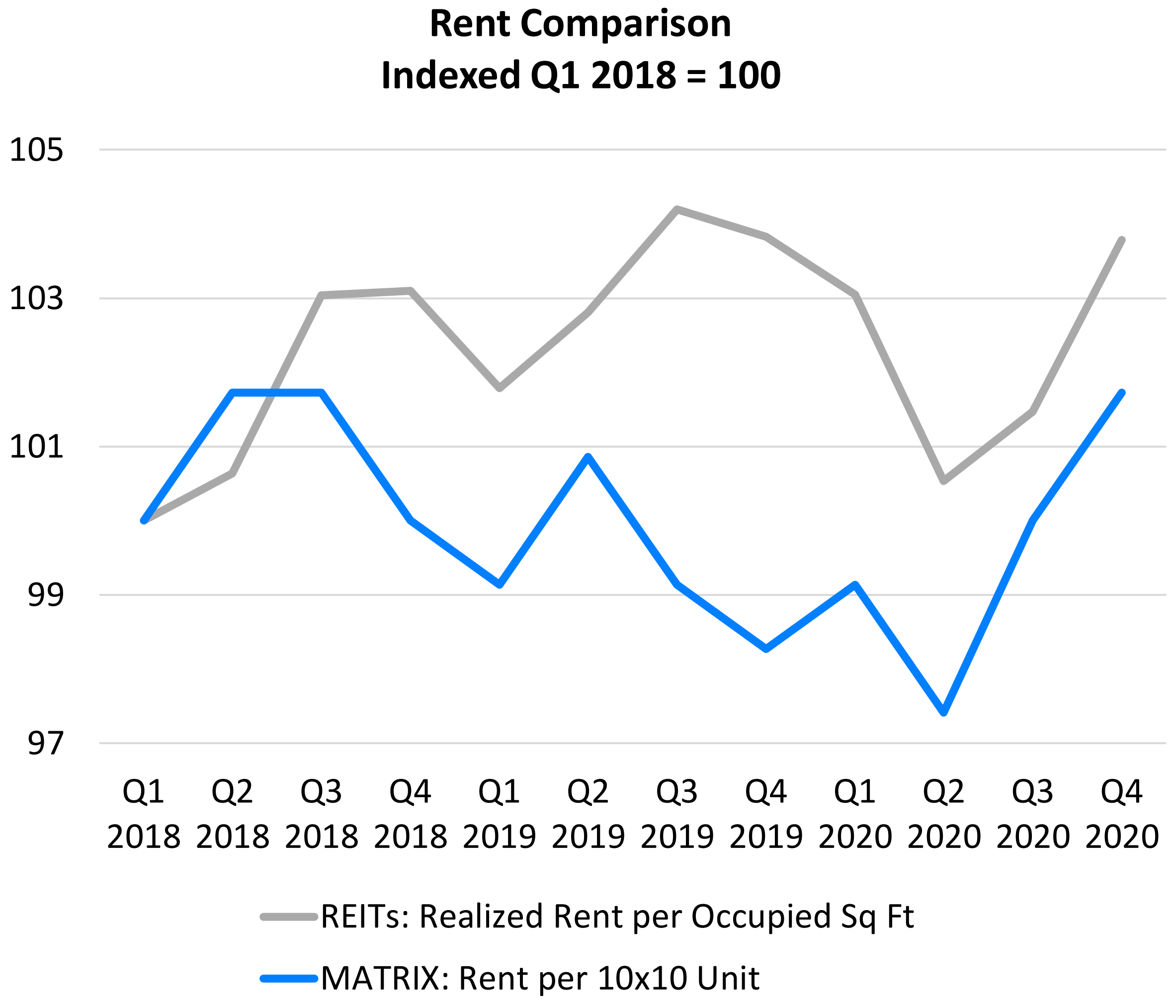
- Street rates have seen growth in nearly all active markets. This rate growth is expected to continue for the first half of 2021, but could see a slight drop off in the second half of the year

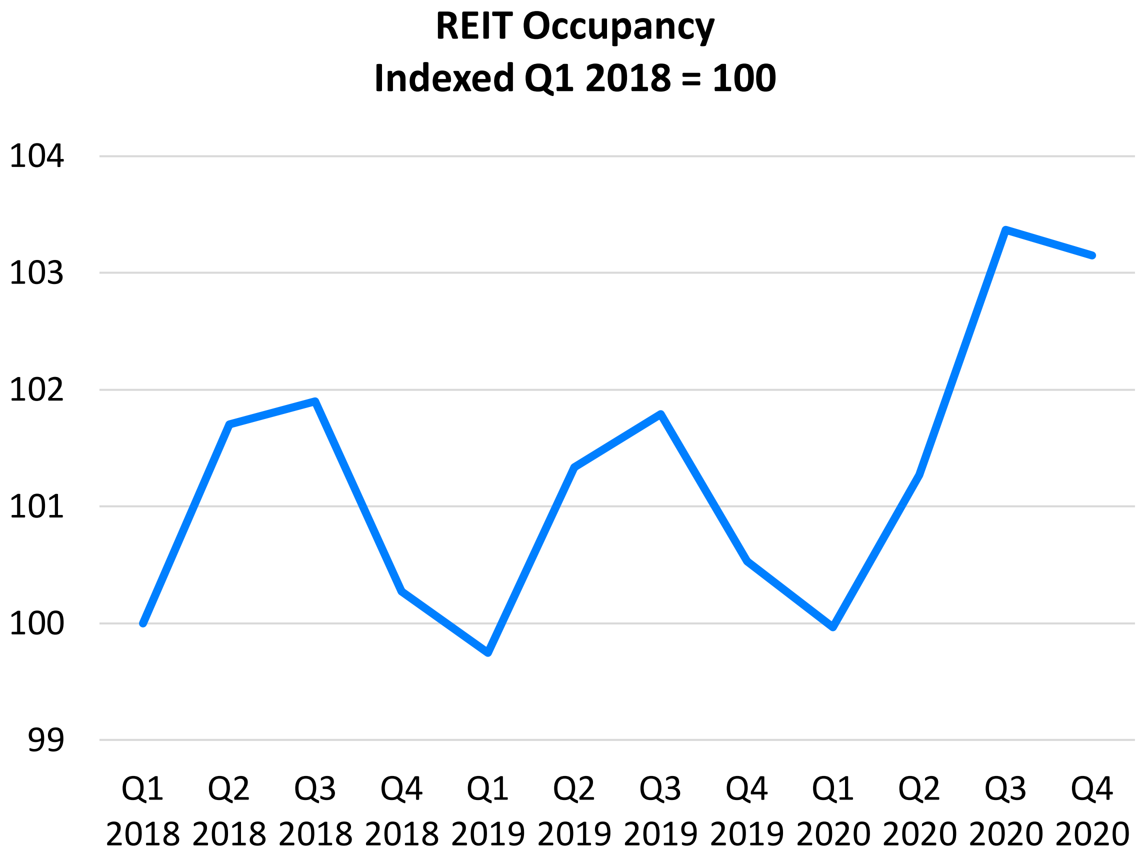
- All storage REITs reported expansions of their third-party management platforms in 2020, and are all gearing up for a strong number of acquisitions in the coming year

- Overall, industry has excelled despite the economic fallout caused by COVID-19

Source: Yardi Matrix

In-Place REIT Rents Outperforming Matrix Transacted Rents, Though Both Increased During the Pandemic





*REIT same-store composite includes Cubesmart, Extra Space Storage, Life Storage, National Storage Affiliates and Public Storage

Source: Yardi Matrix

In Summary

- According to MSCI/PREA U.S. property indices, self storage has performed extremely well over extended time periods, surpassed only by industrial

- Storage REITS saw record high occupancies nationwide in 2020

- More stability and faster growth seen in in-place REIT rents compared to Matrix transacted rates since the start of 2018

- Storage REITs anticipate robust acquisition activity in 2021 and in preparation have expanded their third-party management platforms

Source: Yardi Matrix

MIGRATION TRENDS FUELING INVESTOR ACQUISITION INTEREST

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Our Storage Market Classifications

Major (Primary and Secondary) Markets

Atlanta	New York
Austin	Orlando
Boston	Philadelphia
Charleston (SC)	Phoenix
Charlotte	Pittsburgh
Chicago	Portland
Columbus (OH)	Raleigh-Durham
Dallas-Fort Worth	Sacramento
Denver	San Antonio
Houston	San Diego
Inland Empire	San Francisco Penin. & East Bay
Las Vegas	San Jose
Los Angeles	Seattle
Miami	Tampa
Minneapolis	Washington, D.C.
Nashville	

Tertiary Markets

Albuquerque	Kansas City
Baltimore	Lansing-Ann Arbor
Baton Rouge	Little Rock
Birmingham	Louisville
Boise	Memphis
Bridgeport	Milwaukee
Central East Texas	New Orleans
Cincinnati	Oklahoma City
Cleveland-Akron	Omaha
Colorado Springs	Pensacola
Dayton	Reno
Detroit	Richmond
El Paso	Salt Lake City
Eugene	Spokane
Grand Rapids	St. Louis
Greenville	Tucson
Indianapolis	Tulsa
Jacksonville	

Source: Yardi Matrix

Certain Demographic and Lifestyle Trends Have Seen a Reversal or Acceleration Due to Impacts of COVID-19

Trend	Outcome Post-COVID
People moving from gateway to tech hub markets	Accelerated
Declining birth rates and people getting married later in life	Accelerated
More young people living at home longer	Accelerated
Virtualization	Accelerated
E-commerce	Accelerated
Local political risk/higher taxes	Accelerated
Aging population creating new renters	No change
Experience over things	Reversal
Densification	Reversal
Globalization	Reversal

Source: Yardi Matrix

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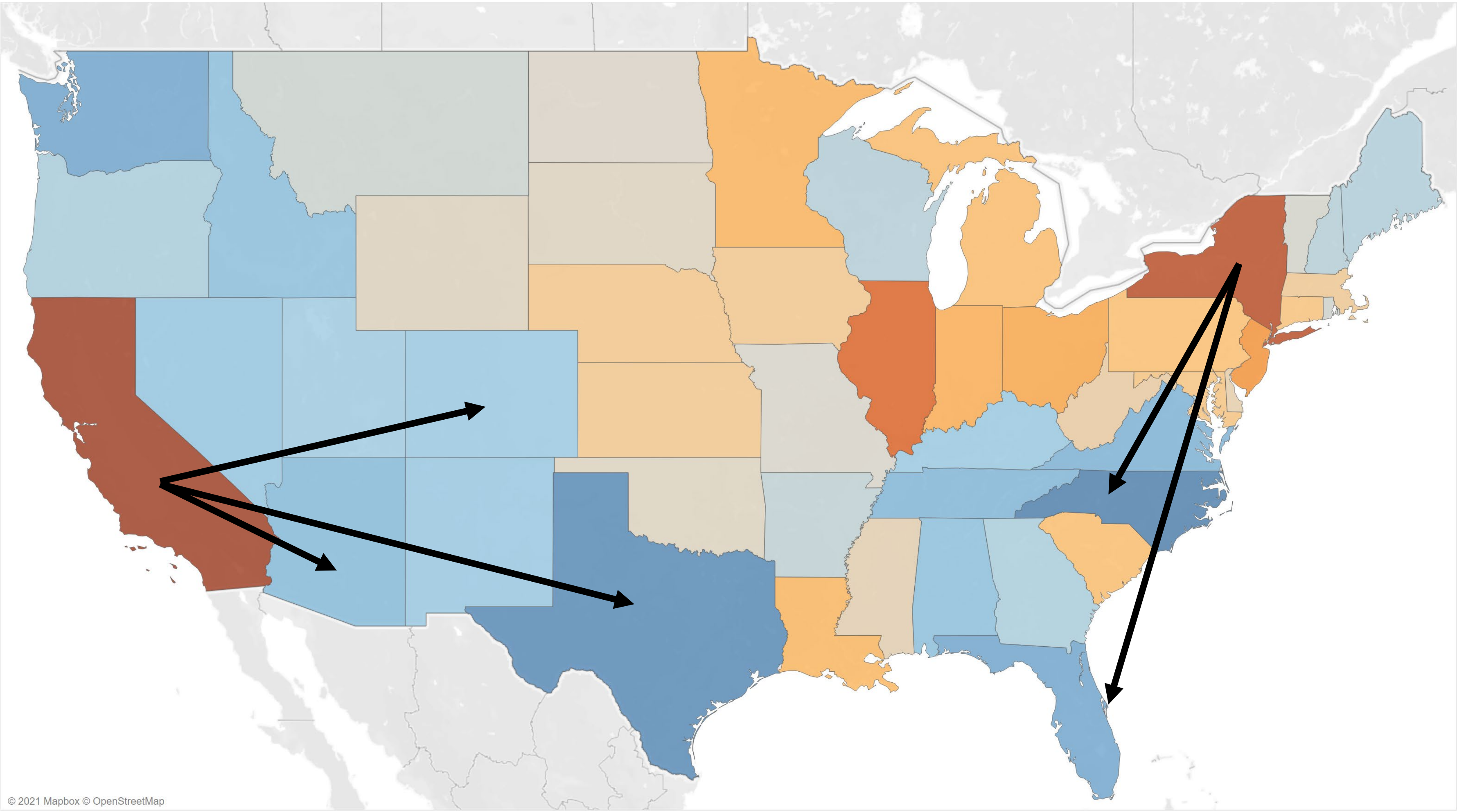
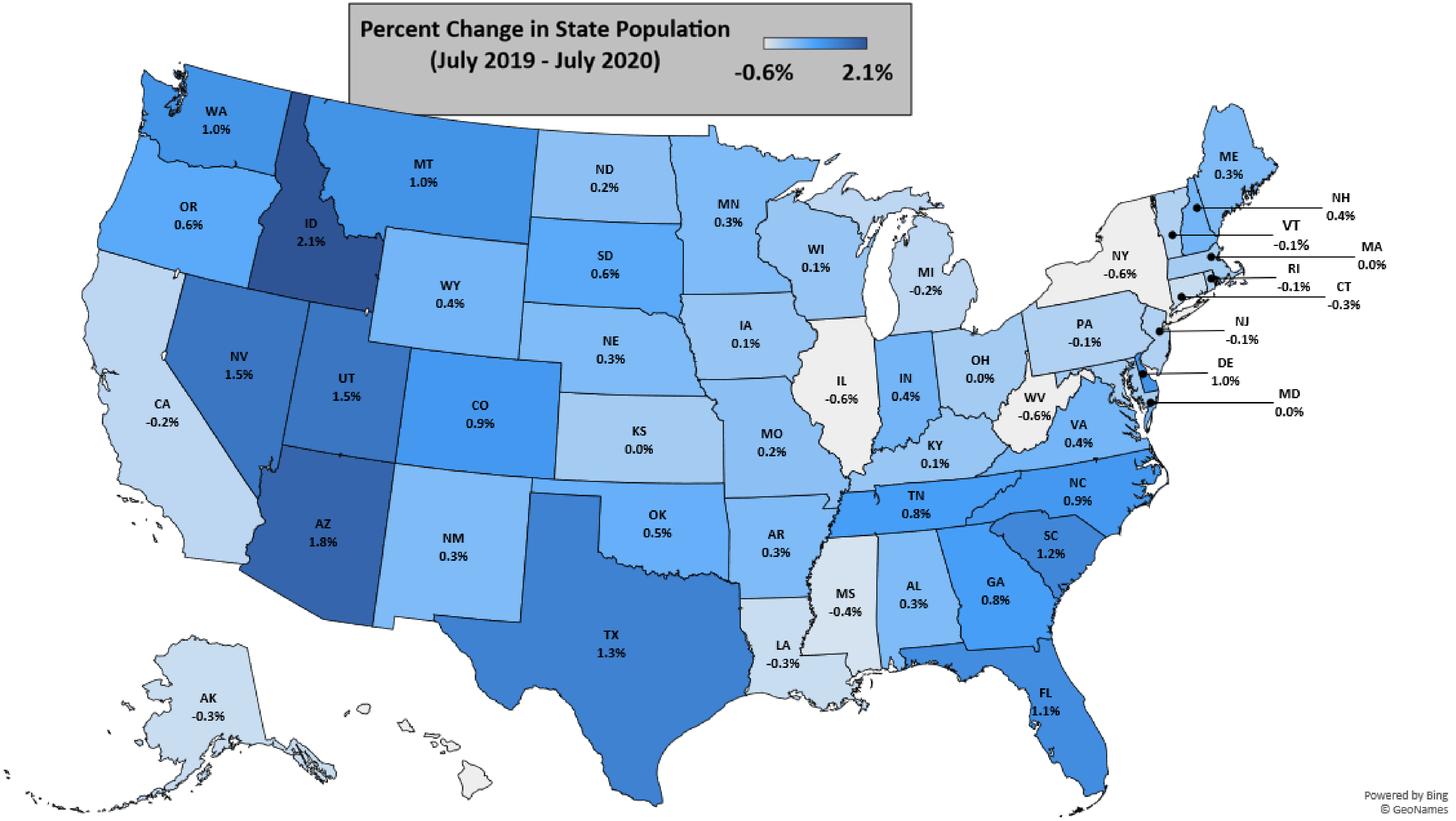
Migration Amid COVID-19:
Gateway Markets Experiencing Mass Exodus, Southwest Gains



*Full year 2020

Source: Yardi Matrix; Atlas Van Lines; Moody's Analytics

12-Month Population Growth Greatest in SE, SW and NW States



*Annual estimates of the state resident population from July 1, 2019 to July 1, 2020

Source: Yardi Matrix; U.S. Census Bureau, "Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia"

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The Movement Is Not Just From Gateway to Tech Hub Markets, Residents Are Moving From Densely Populated Cities to Suburbs

San Francisco, CA

New York & Brooklyn, NY

Los Angeles, CA

Chicago, IL

*Data pulled from total USPS change-of-address requests filed between Feb. 1 2020 and Jul. 31 2020. Data represents net move ins/outs

Source: Yardi Matrix; MYMOVE, https://www.mymove.com/moving/covid-19/coronavirus-moving-trends/

Local Moves Give Hope for Gateway Market Recovery: Residents Are More Likely to Return Post Pandemic

Top 5 places where people moving out of Manhattan went:

Moving To	Distance from Downtown	Number of Movers
Brooklyn, NY	10 miles	2,910
East Hampton, NY	106 miles	1,642
Southampton, NY	95 miles	670
Jersey City, NJ	8 miles	334
Sag Harbor, NY	104 miles	313

Top 5 places where people moving out of San Francisco went:

Moving To	Distance from Downtown	Number of Movers
Alameda, CA	14 miles	8,131
San Mateo, CA	30 miles	6,637
Marin County, CA	58 miles	4,155
Contra Costa, CA	44 miles	3,814
Santa Clara, CA	45 miles	2,592

- In all, **3.6 million** requests for mail forwarding were to addresses in the same county, compared with just **420,970** who moved beyond their original county
- About **41%** of change-of-address requests in San Francisco between March and November were within the city
- The fact that many people are not going very far could represent a silver lining

So, from where are people moving to **Texas**?

- Early indicators suggest Texas moves are local, as well, people are moving around the cities and suburbs of Houston, Dallas and Austin

Source: Yardi Matrix; USPS; sfchronicle.com

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Increased Demand Has Benefitted Storage Fundamentals and Spurred Investment Interest

- Bank of America reported card spending for storage was up 19.4% year-over-year in December, signaling a return to pre-pandemic levels
- **COVID-related disruptions, such as people moving and people needing more space in their current home, have boosted storage demand**
- As a result of the disruption-driven boost in demand growth, the storage industry has been doing great, remaining resilient to the difficult economic conditions, which have hindered other asset types
- **Growth in street rates**
  - **Stable development activity**
  - **Increase in investment interest,** including:
    - Rise in stock prices
    - Return of institutional investors
    - Return of REITs
    - Increased acquisition interest of private owners
    - Continued interest in development investment
- **As the core markets begin to recover, will some of the demand for storage in those markets recede?**

Source: Yardi Matrix; Bank of America Merrill Lynch

Markets Across the Nation Ended 2020 Seeing an Increase in Self Storage REIT Occupancy YoY

MSA	2019 Q4	2020 Q4	YoY Change in Occupancy	REITs
Riverside-San Bernardino-Ontario, CA	91.3%	96.5%	5.2%	CUBE, NSA
Denver-Aurora-Lakewood, CO	91.7%	96.1%	4.4%	CUBE, PSA
Boston-Cambridge-Newton, MA	90.2%	93.9%	3.7%	CUBE, EXR, LSI
Oakland-Hayward-Berkeley, CA	93.7%	97.2%	3.5%	EXR, PSA
Los Angeles-Long Beach-Glendale, CA	91.8%	95.2%	3.5%	CUBE, EXR, LSI, NSA, PSA
New York-Jersey City-White Plains, NY-NJ	91.8%	95.1%	3.3%	CUBE, EXR, LSI, PSA
Tampa-St. Petersburg-Clearwater, FL	91.6%	94.6%	3.0%	CUBE, EXR, LSI, PSA
Washington-Arlington-Alexandria, DC-VA-MD-WV	92.0%	94.6%	2.6%	CUBE, EXR, PSA
Houston-The Woodlands-Sugar Land, TX	90.7%	93.1%	2.5%	CUBE, EXR, LSI, PSA
Atlanta-Sandy Springs-Roswell, GA	91.3%	93.7%	2.4%	CUBE, EXR, LSI, NSA, PSA
Chicago-Naperville-Elgin, IL-IN-WI	92.4%	94.7%	2.3%	CUBE, EXR, LSI, PSA
Orlando-Kissimmee-Sanford, FL	91.3%	93.5%	2.2%	CUBE, EXR, LSI, PSA
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	92.9%	94.9%	2.0%	CUBE, EXR, PSA
Richmond, VA	91.3%	93.2%	1.9%	EXR, LSI
Phoenix-Mesa-Scottsdale, AZ	91.9%	93.1%	1.2%	CUBE, EXR, LSI, NSA
Dallas-Plano-Irving, TX	91.8%	92.9%	1.1%	CUBE, EXR, LSI, NSA, PSA

Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2020, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage

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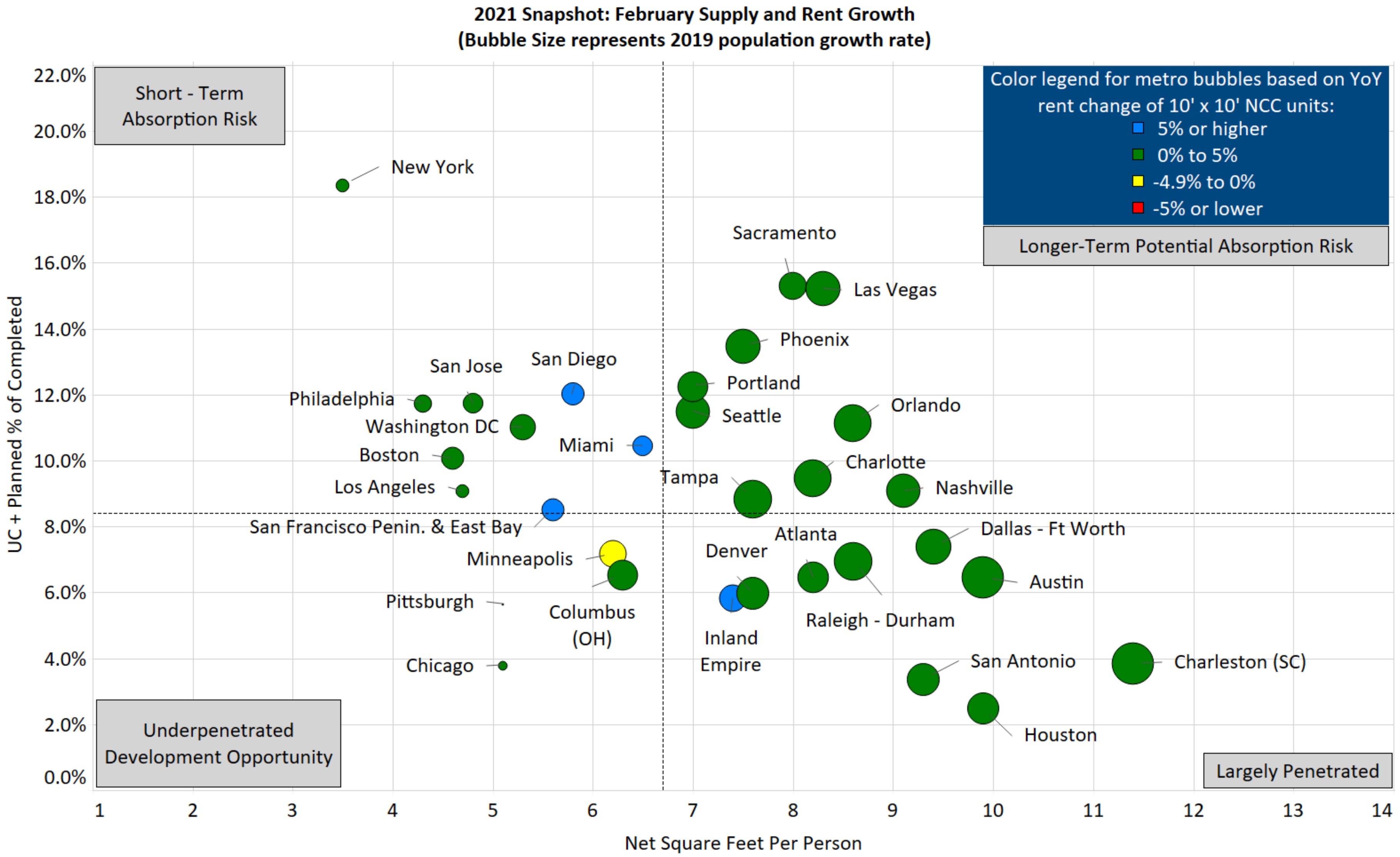
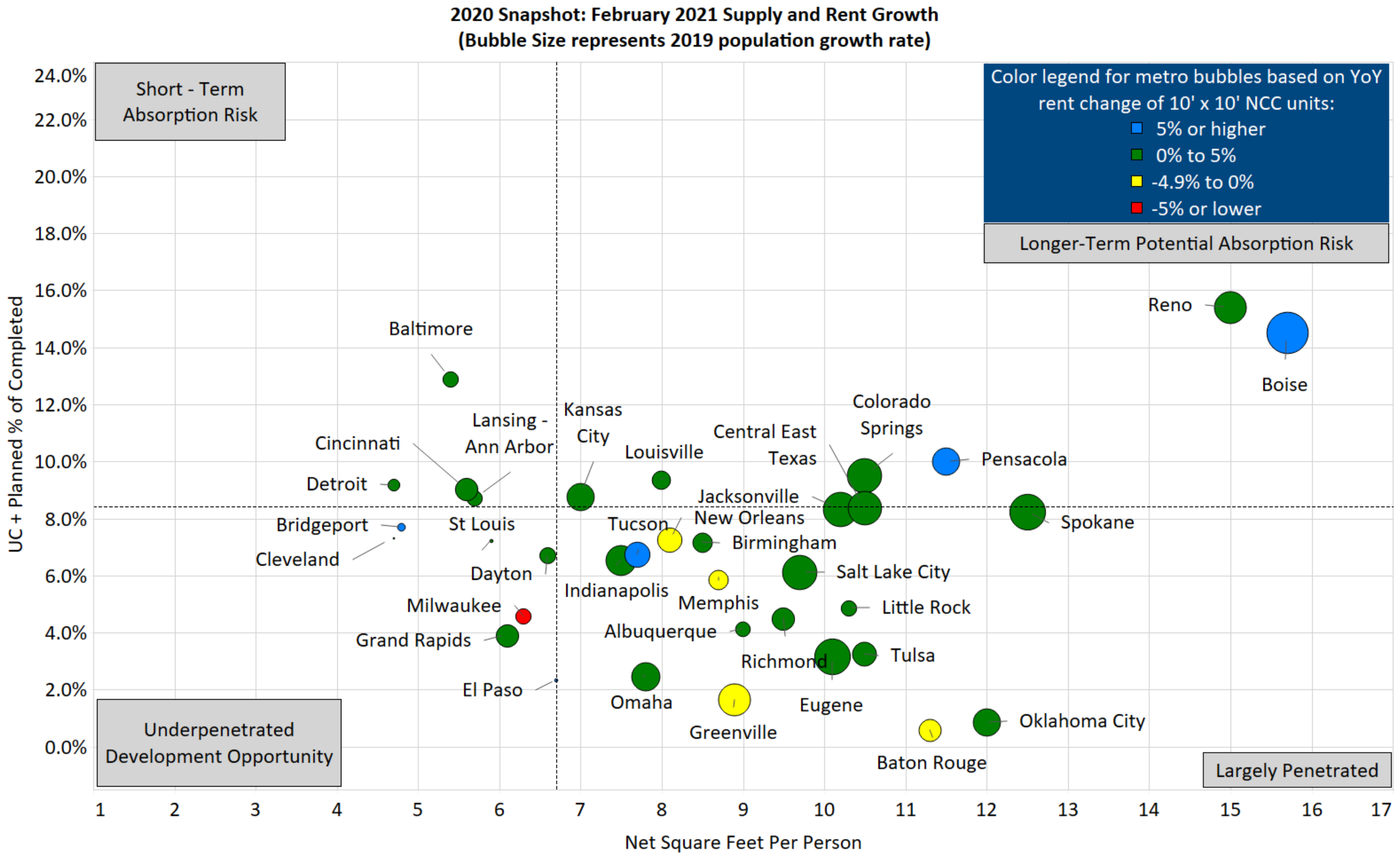
Almost All Major Markets Saw Positive Rate Growth Year-Over-Year in February



*February 2021 supply and rent data | Source: Yardi Matrix

Majority of Next Tier Markets Saw an Increase in Street Rates Compared to February 2020



*February 2021 supply and rent data | Source: Yardi Matrix

YARDI

Gateway Markets, Which Have Struggled with Outmigration, Saw the Greatest Difference in Multifamily and Storage Rent Performance

Market	Storage Street Rate Change (Mar '20 – Feb '21)	Multifamily New Rent Change (Mar '20 – Feb '21)	Difference
San Francisco Penin.	3.6%	-21.0%	24.6%
Manhattan	2.2%	-18.8%	21.0%
Urban Chicago	1.8%	-15.1%	16.8%
Metro Los Angeles	3.4%	-7.0%	10.4%
Seattle	1.3%	-5.7%	7.0%
Northern NJ	2.5%	-4.2%	6.7%
Northern VA	2.1%	-2.5%	4.7%
DC/Suburban MD	2.1%	-2.1%	4.2%
Denver	2.6%	-0.8%	3.4%
West Houston	2.4%	-0.7%	3.1%
Nashville	0.0%	-2.1%	2.1%
Orange County	2.9%	1.8%	1.1%
Austin	3.1%	2.1%	1.0%
Portland	2.2%	1.5%	0.7%
San Fernando Valley	2.7%	2.4%	0.3%

Market	Storage Street Rate Change (Mar '20 – Feb '21)	Multifamily New Rent Change (Mar '20 – Feb '21)	Difference
Boston	-1.4%	-1.6%	0.2%
San Diego	4.5%	4.8%	-0.3%
Raleigh-Durham	2.3%	2.9%	-0.6%
Suburban Chicago	4.3%	5.0%	-0.7%
Bridgeport-New Haven	6.1%	6.8%	-0.8%
Charlotte	4.9%	5.8%	-0.9%
Orlando	2.0%	3.1%	-1.1%
White Plains	4.3%	5.4%	-1.1%
Phoenix	4.8%	7.8%	-3.0%
North Dallas	2.2%	5.6%	-3.4%
Miami	4.3%	8.6%	-4.3%
Las Vegas	5.7%	10.3%	-4.6%
Tampa	1.9%	6.9%	-5.0%
Urban Atlanta	1.8%	8.7%	-6.9%
Long Island	0.5%	17.9%	-17.3%

*Multifamily: Improvement Ranking Class A & B. Storage: Average rent for 10x10 Non-climate-controlled units.
Source: Yardi Matrix Expert Data

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Investing in Storage: Acquisitions vs. Development

- Development, either ground-up or adaptive reuse, is a very popular way to invest in storage
- While developing a facility can be very lucrative, it can be a much more time-consuming and labor-intensive method of investing compared to acquiring an existing facility
- The quickest way for institutional investors to deploy capital is through large portfolio or company acquisitions
- Given concerns of oversupply in some markets and the overall economic landscape, lenders are becoming more cautious and stringent towards expanding their self storage loan book, impacting investors' ability to finance storage development

Source: Yardi Matrix; Marcus & Millichap; fool.com

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Institutional Investors' Quickest Way to Deploy Capital is Through Large Transactions

- NexPoint Advisors acquired Jernigan Capital in an all-cash transaction valued at approximately $900 million

- Blackstone Real Estate Income Trust, Inc. acquired Simply Self Storage for $1.2 billion from Brookfield Asset Management
  - Simply Self Storage operates a 120-store portfolio, totaling 8 million square feet, across the U.S.
  - With this acquisition, Blackstone became the third largest non-listed owner of storage in the U.S.

- CubeSmart made a deal to buy 8 properties for $540 million from Storage Deluxe
  - The transaction totals 780,425 NRSF and include 5 facilities in Queens, 2 in Brooklyn and 1 in the Bronx

- Buchanan Street Partners launched a self storage investment platform
  - Plans to deploy $350 - $500 million over the next five years in both acquisition and development
  - Targeting major markets in Western U.S., initially focusing on Texas, Colorado, Arizona, Nevada, Utah and California

- Public Storage announced its $528 million purchase of the 36-property, 3.6 million square feet, Beyond Self Storage portfolio
  - Public Storage has closed the first phase of the transaction for 24 existing properties, totaling 2.3 million square feet, and the second acquisition phase for the remaining 12 properties, all in various development stages, will be closed upon completion in 2021

- **There are several large portfolios that are on the market right now!**

Source: Yardi Matrix; Blackstone, "Blackstone Real Estate Income Trust to Acquire Simply Self Storage for Approximately $1.2 Billion"; Business Wire, "Public Storage Accelerates Growth with High-Quality Portfolio Acquisition"; Commercial Property Executive, "CubeSmart Strikes $540M NYC Self Storage Deal"; Bloomberg, "EzStorage Exploring Sale Valuing Company at More Than $2 Billion"; SSA Magazine, January 2021 Issue

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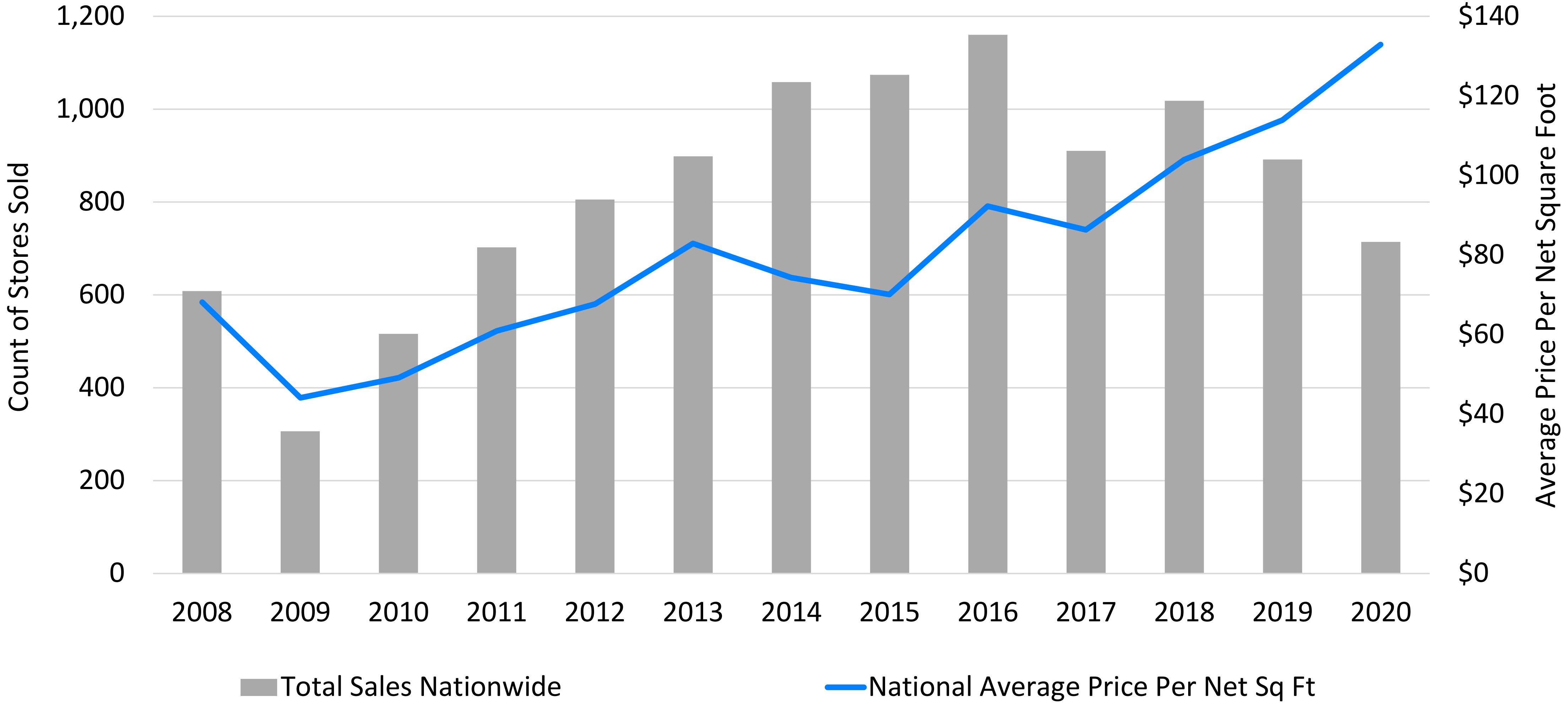
Despite a Sluggish 2020, Prices Hit a Record High as Investor Demand Grew and Buyers Became Willing to Pay Premium



Source: Yardi Matrix

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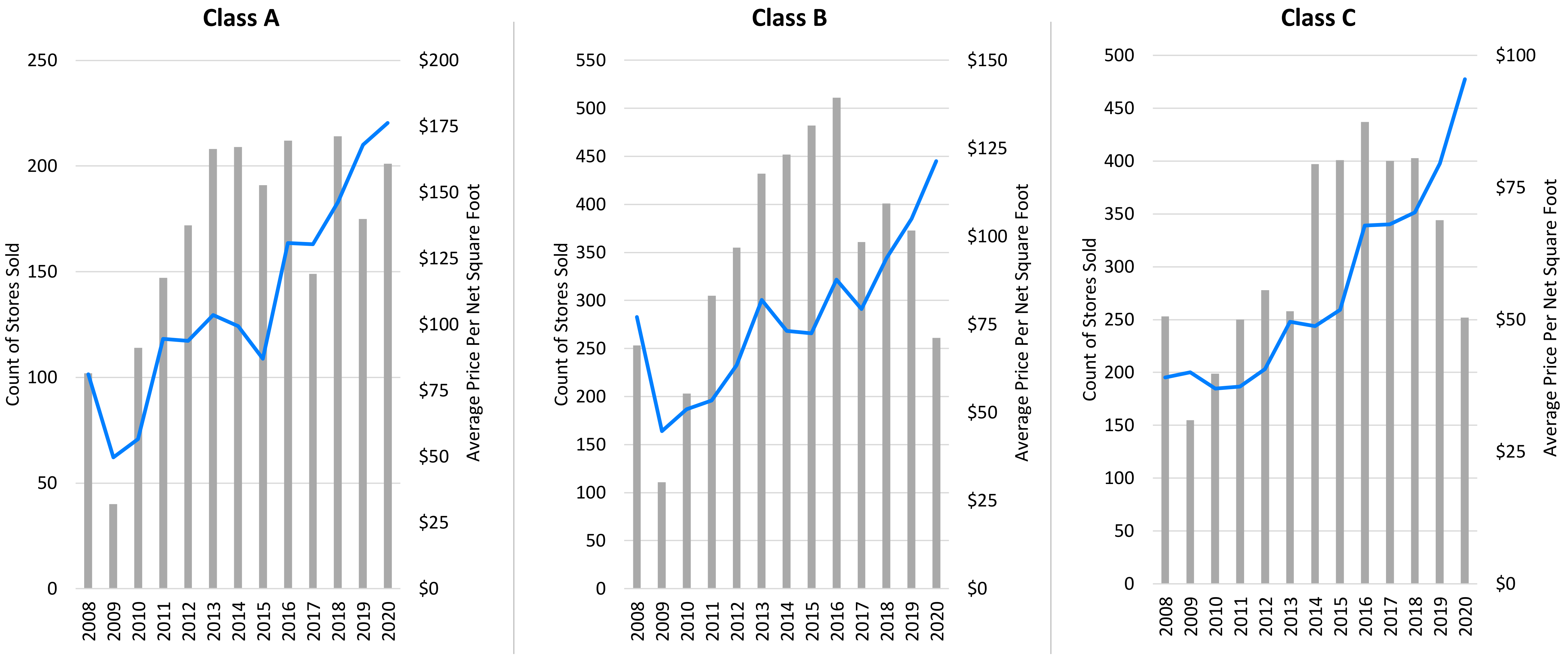
Class A Transactions Increased in 2020, While Class B and C Dropped Compared to 2019



Source: Yardi Matrix

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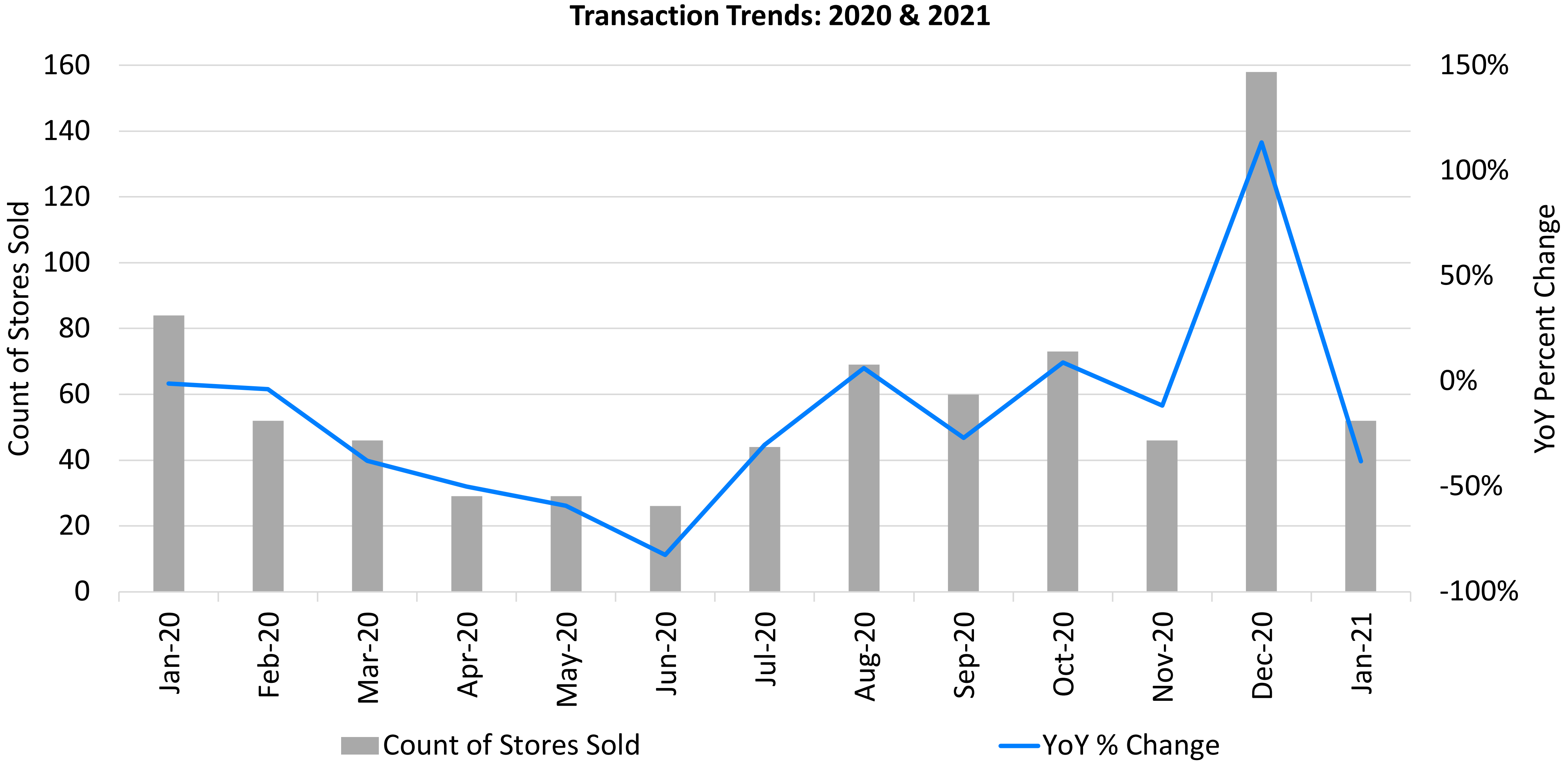
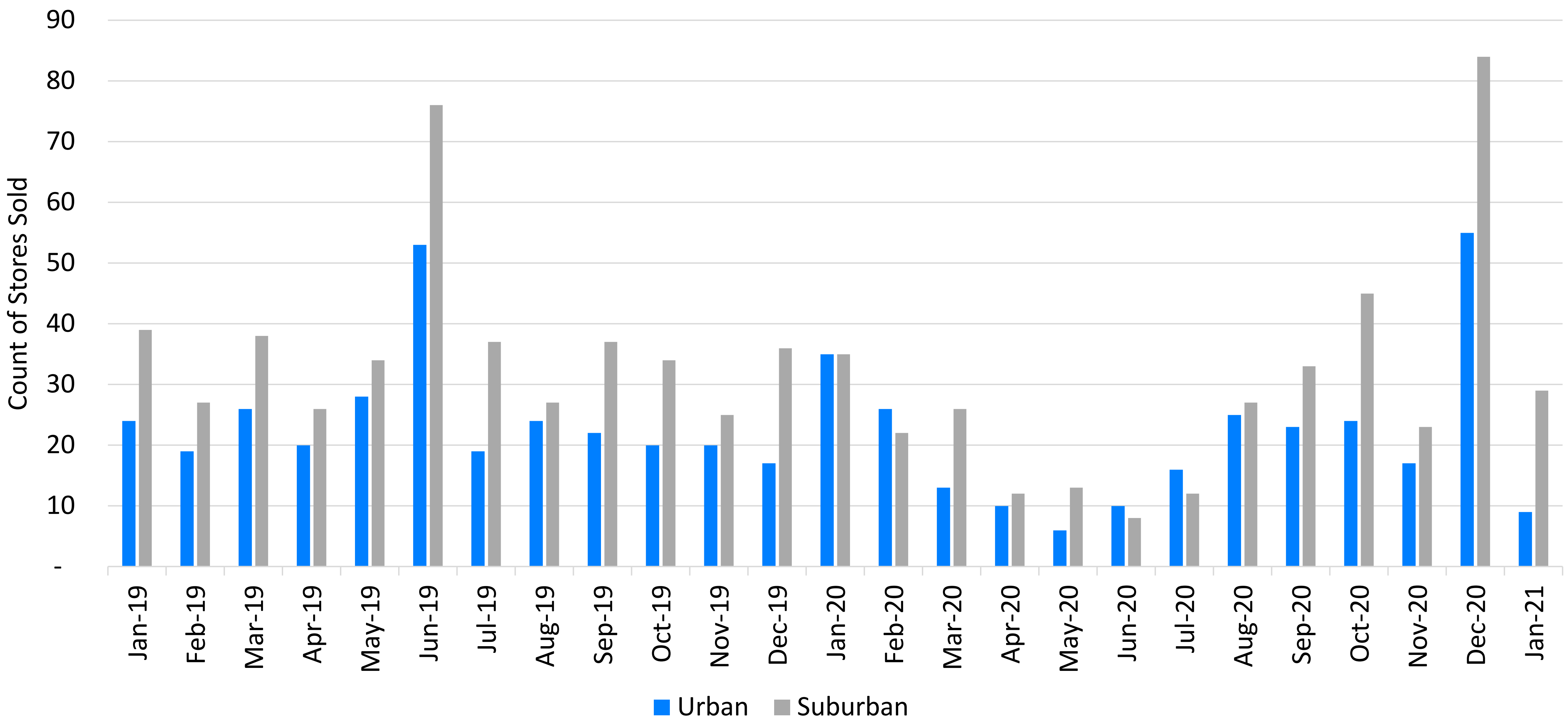
Transactions Rebounded Substantially in December



Source: Yardi Matrix

Suburban Transactions Continue to Outpace Urban Transactions



Source: Yardi Matrix

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Southeastern and Southwestern Markets Saw the Greatest Amount of Transaction Activity in 2020

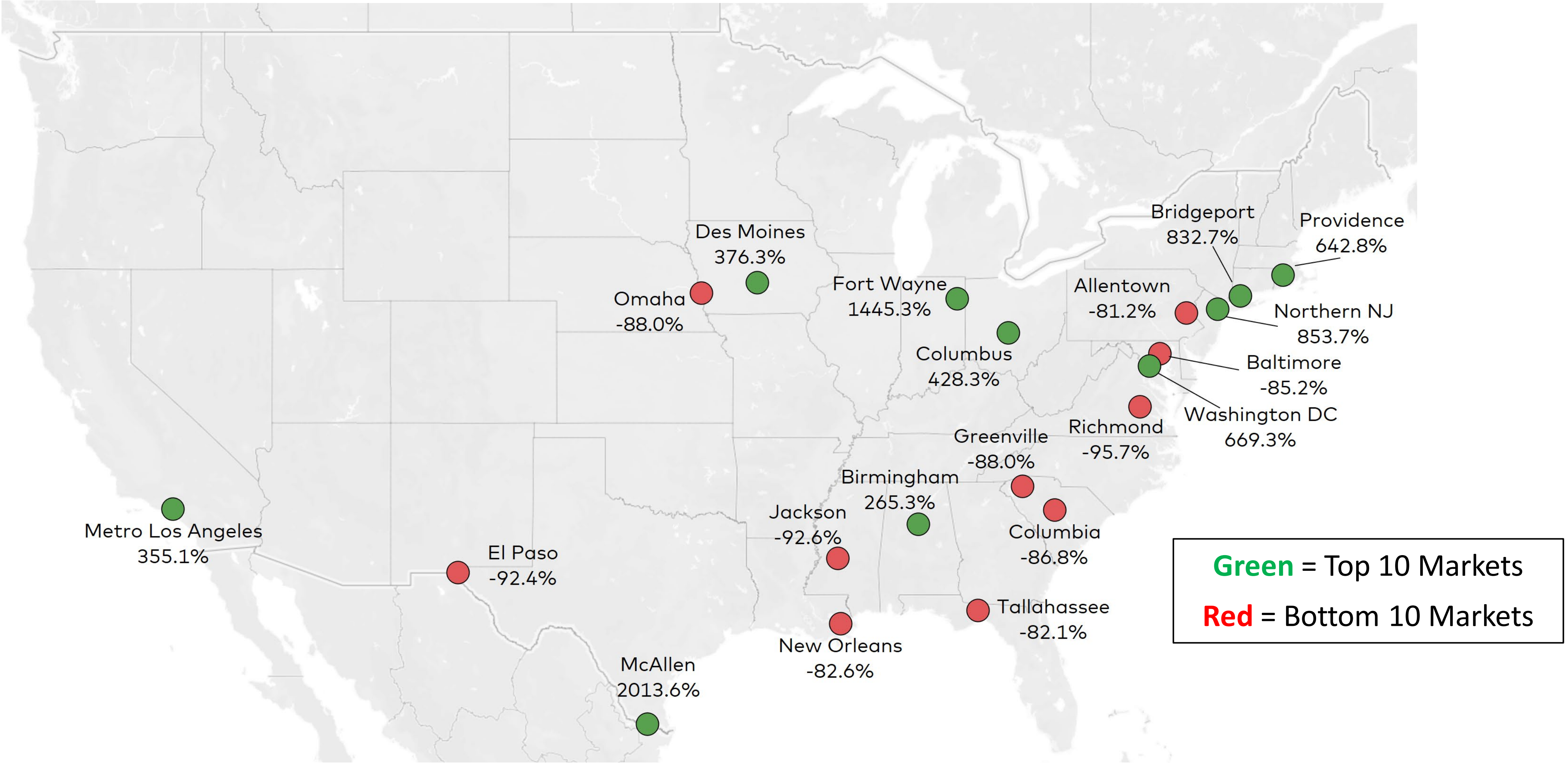
Market	# Storage Sales	Total Sq Ft Sold	Total Sales Volume
Tampa-St Petersburg-Clearwater	19	1,554,574	139,963,620
West Houston	20	1,497,438	14,033,803
Austin	16	1,280,427	28,472,552
Suburban Atlanta	15	1,199,837	99,621,694
Phoenix	14	1,171,029	126,439,534
McAllen	23	1,132,025	-
Nashville	13	925,185	101,238,900
Memphis	13	905,752	51,536,822
Kansas City	10	883,841	3,187,500
Charleston	13	851,417	74,938,750
East Houston	12	831,995	5,632,333
San Antonio	12	819,357	2,000,000
Central Valley	15	815,989	68,282,500
North Dallas	11	805,862	11,701,332
Fort Worth	12	797,079	12,375,000

*Undisclosed sale prices not included in total sales volume. Top markets based on total square feet

Source: Yardi Matrix

Transaction Activity Accelerated in Smaller Northeast Markets Last Year

Markets with Highest & Lowest % Change in Total Sq. Ft. Sold 2019 to 2020



*Based on 2020 year-over-year percent change in total square feet sold.
Source: Yardi Matrix

Institutional Investors Were a Driving Force in Transactions in 2020

Top 10 Buyers in 2020	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
Blackstone Group	Real Estate Investment Trust	144	10,564,796	$1,274.0
Public Storage	Real Estate Investment Trust	50	5,183,531	$460.0
National Storage Affiliates	Real Estate Investment Trust	54	3,578,324	$450.4
Merit Hill Capital	Private Owner	49	2,751,451	$198.5
CubeSmart	Real Estate Investment Trust	27	2,430,091	$611.8
NexPoint Group	Real Estate Investment Trust	14	1,588,228	$17.6
SROA Capital	Private Owner	28	1,554,586	$122.1
Extra Space Storage	Real Estate Investment Trust	16	1,523,011	$143.6
Inland Real Estate Group	Real Estate Investment Trust	17	1,240,974	$107.3
SpareBox Storage	Private Owner	15	905,597	$2.5

*Undisclosed sale prices not included in total sales volume. Top buyers based on total square feet
Source: Yardi Matrix; Self Storage Association Magazine; breit.com; nationalstorageaffiliates.com

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Leading Sellers in 2020 Were Private Owners

Top 10 Sellers in 2020	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
Simply Self Storage	Private Owner	133	9,894,917	$1,306.4
NorthPoint Development	Private Owner	21	2,492,807	$211.1
Merit Hill Capital	Private Owner	30	1,945,419	$104.5
The Jenkins Organization	Private Owner	15	1,481,816	$2.8
Oakcrest Management	Private Owner	26	1,306,604	$0.0
Reliant Real Estate Management	Private Owner	12	1,023,067	$116.3
Prime Group Holdings	Private Owner	19	1,006,869	$80.9
Storage Pros Management	Private Owner	17	823,996	$65.2
Leon Capital Group	Private Owner	6	768,262	$40.5
All Storage	Private Owner	9	717,999	$0.0

*Undisclosed sale prices not included in total sales volume. Top sellers based on total square feet
Source: Yardi Matrix; Self Storage Association Magazine; breit.com; nationalstorageaffiliates.com

Most Active Buyers and Sellers: **Class A**

Class A Top Buyers in 2020	Class A Top Sellers in 2020
Public Storage	NorthPoint Development
NexPoint Group	Leon Capital Group
Extra Space Storage	The Jenkins Organization
CubeSmart	Oakcrest Management
National Storage Affiliates	Pamlico Investments
LifeStorage	Storage Deluxe
Merit Hill Capital	Prime Group Holdings
SROA Capital	Reliant Real Estate Management
SmartStop Asset Management	The Davis Group
The William Warren Group	Banner Real Estate Group

*Top buyers and sellers based on total square feet
Source: Yardi Matrix

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Most Active Buyers and Sellers: **Class B**

Class B Top Buyers in 2020	Class B Top Sellers in 2020
National Storage Affiliates	Oakcrest Management
CubeSmart	Merit Hill Capital
Merit Hill Capital	The Jenkins Organization
Inland Real Estate Group	Reliant Real Estate Management
Public Storage	Simply Self Storage
Blackstone Group	Prime Group Holdings
Madison Capital Group	LifeStorage
SROA Capital	Sunset Investors
Prime Group Holdings	Red Dot Storage
Invesco	All Storage

*Top buyers and sellers based on total square feet
Source: Yardi Matrix

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Most Active Buyers and Sellers: **Class C**

Class C Top Buyers in 2020	Class C Top Sellers in 2020
Merit Hill Capital	Merit Hill Capital
Blackstone Group	Storage Pros Management
National Storage Affiliates	Simply Self Storage
SROA Capital	All Storage
SpareBox Storage	Red Dot Storage
Inland Real Estate Group	Private Individual
Flatirons Asset Management	Private Individual
Private Individual	Prime Group Holdings
Private Individual	The Jenkins Organization
Gelt	Private Individual

*Top buyers and sellers based on total square feet
Source: Yardi Matrix

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Most Active Buyers of New Builds

Top 10 Buyers of New Builds in 2020	Type	Count of Stores Acquired	Total Sq Ft Acquired
Public Storage	Real Estate Investment Trust	32	3,652,126
NexPoint Group	Real Estate Investment Trust	14	1,588,228
Extra Space Storage	Real Estate Investment Trust	8	832,047
InSite	Private Owner	2	305,236
SmartStop Asset Management	Real Estate Investment Trust	3	292,217
LifeStorage	Real Estate Investment Trust	2	252,491
Blue Vista Capital Management	Private Owner	2	249,552
The William Warren Group	Institutional - Investor	3	238,759
Columbia Management Group	Private Owner	2	228,000
HPI Real Estate Services & Investments	Private Owner	2	198,634

*New builds include properties completed in 2018, 2019 & 2020. Top buyers based on total square feet
Source: Yardi Matrix

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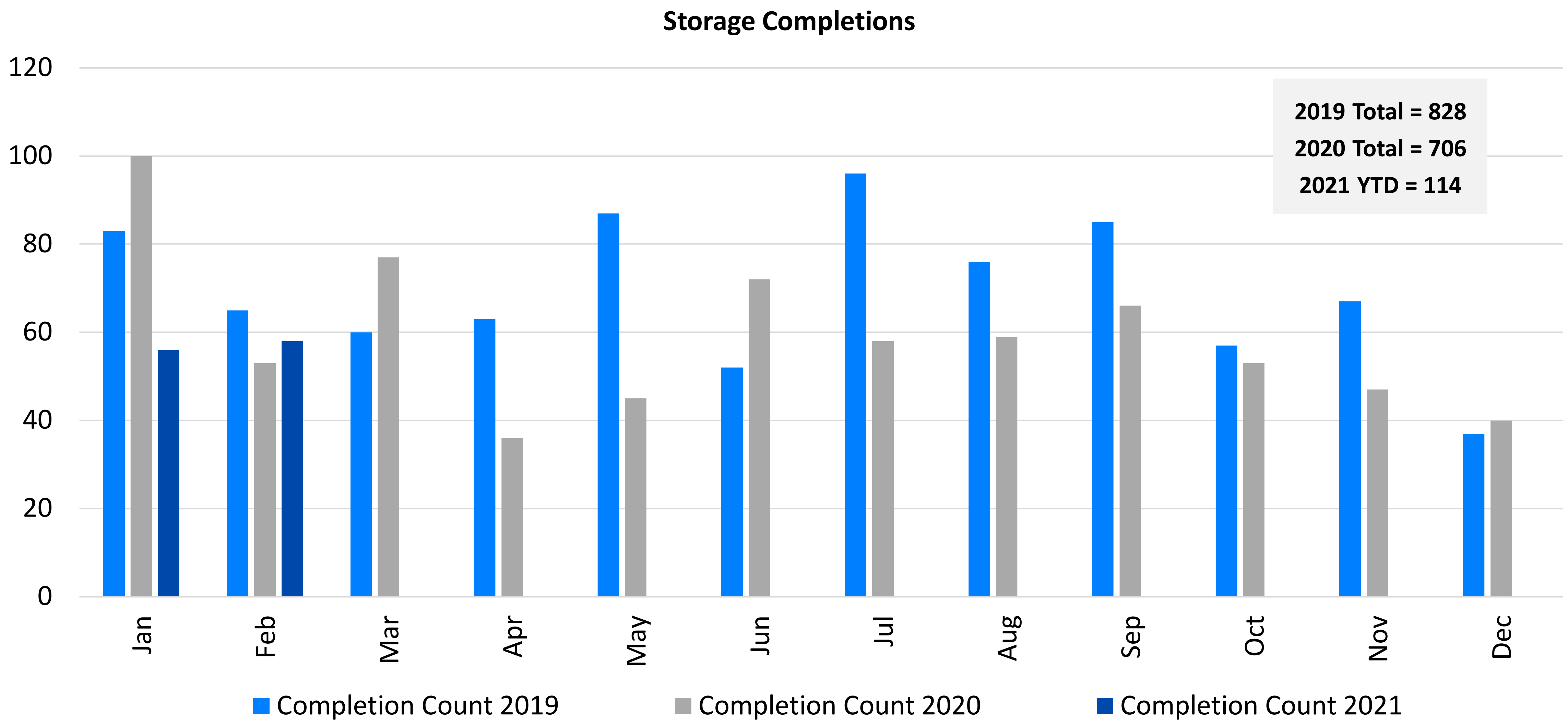
In Summary

- Demand was boosted in 2020 and self storage proved its resiliency, experiencing street rate growth and stable development activity
- Demand trends have spurred investor interest in self storage and more buyers are entering the market
- The quickest way for institutional investors to deploy capital is through large portfolio or company acquisitions
- Despite being a slower year for transaction activity, deal velocity has picked up since the end of 2020 and the industry anticipates 2021 to be a record year for self storage transactions
- Demand for storage assets is high and transactions are being done across markets of all sizes, pushing prices to record highs
- Suburban transaction activity has substantially outpaced urban sales
- However, as core markets continue to recover, uncertainties on the long-term outlook for storage demand arise

Source: Yardi Matrix

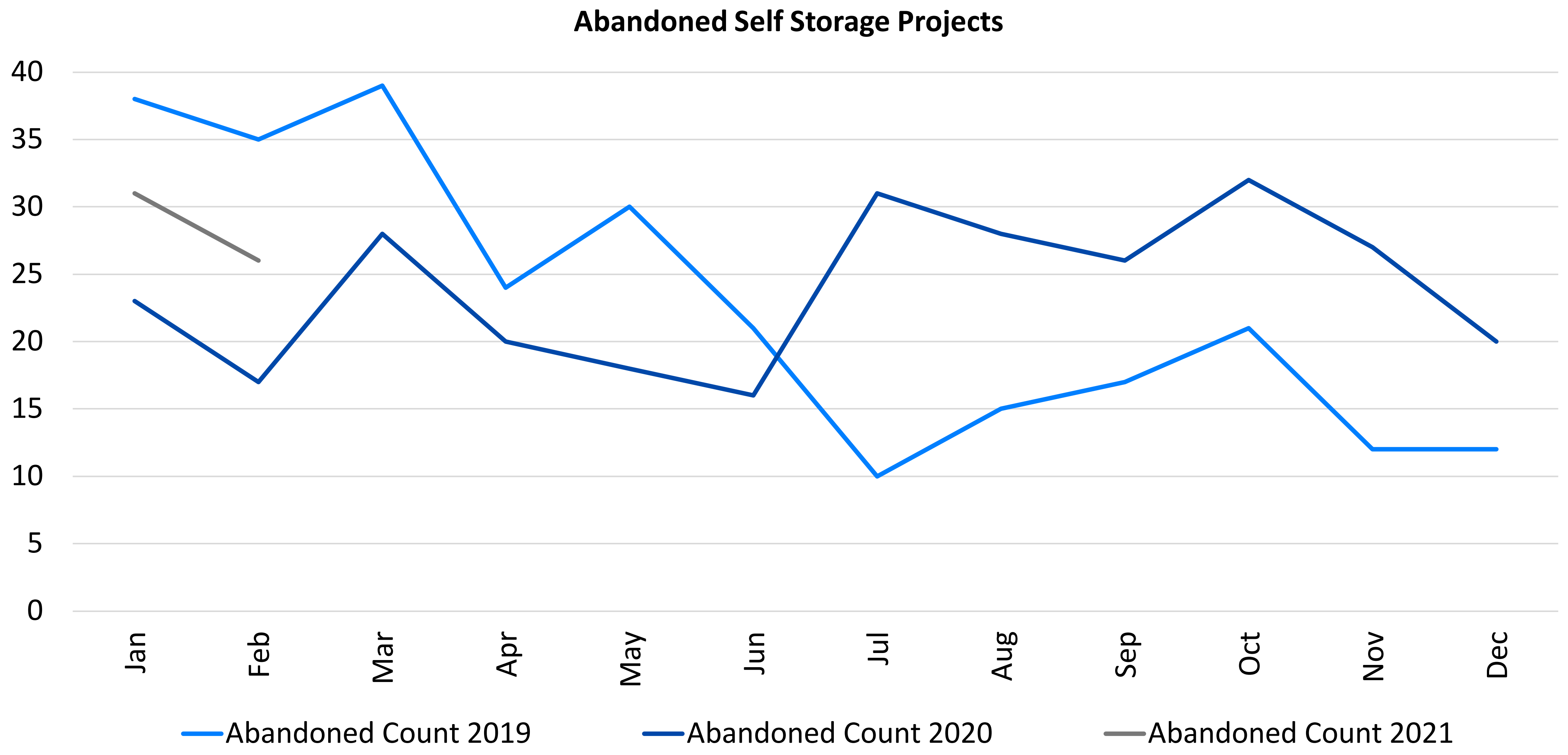
SELF STORAGE SUPPLY ANALYSIS

Total Storage Completions Dropped 15% YoY in 2020



*Nationwide total. 2021 YTD as of March 1st.
Source: Yardi Matrix

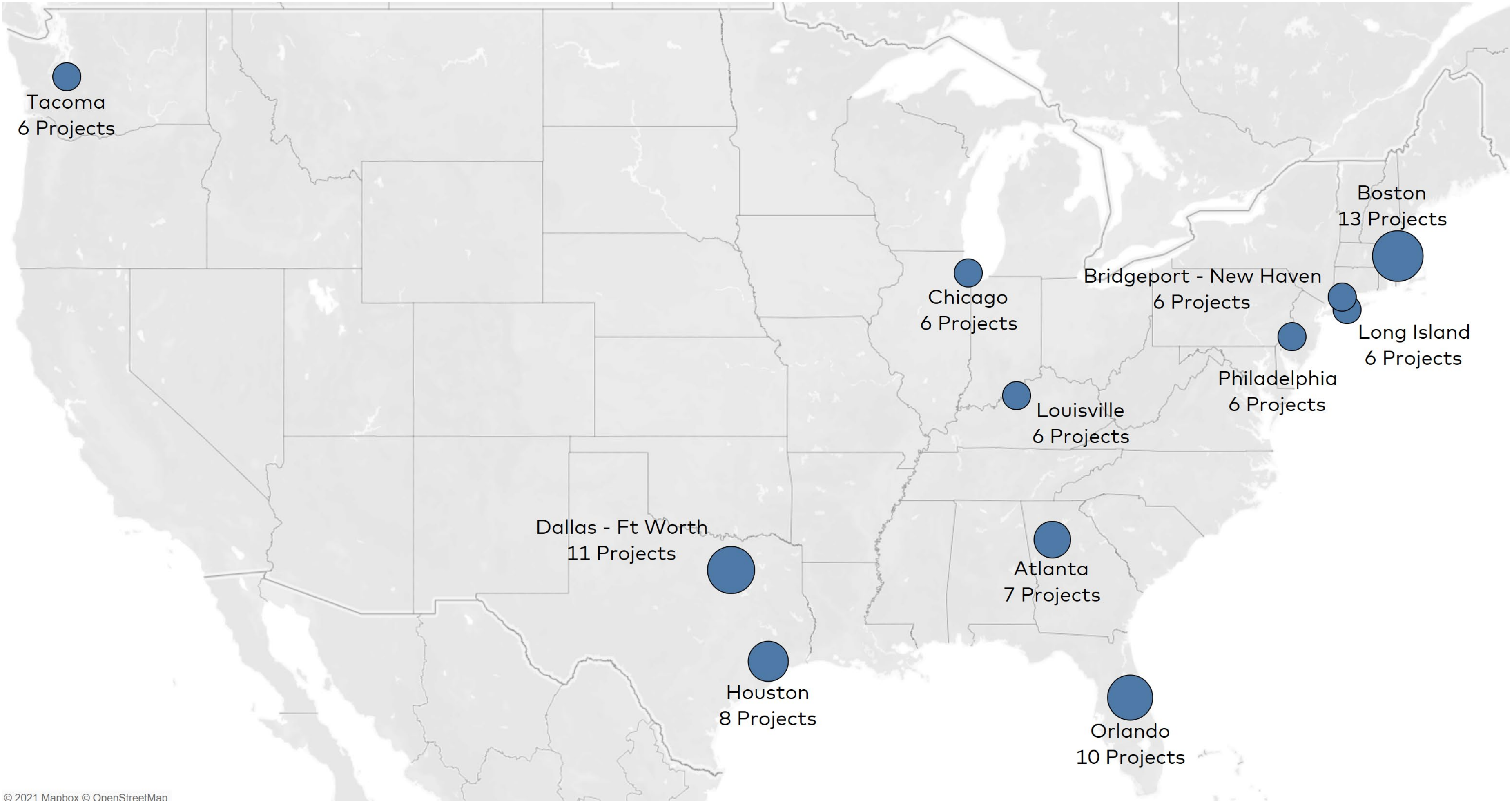
Number of Projects Abandoned per Month Has Remained Elevated Since July 2020



*Nationwide total. 2021 data through March 1st.
Source: Yardi Matrix

Markets with Heavy New Supply Pipelines Saw a Higher Number of Projects Abandoned in 2020

Metros with the Highest Number of Abandoned Storage Projects in 2020



*Metros with the highest number of abandoned storage properties in 2020 amongst of all storage markets nationwide.
Source: Yardi Matrix

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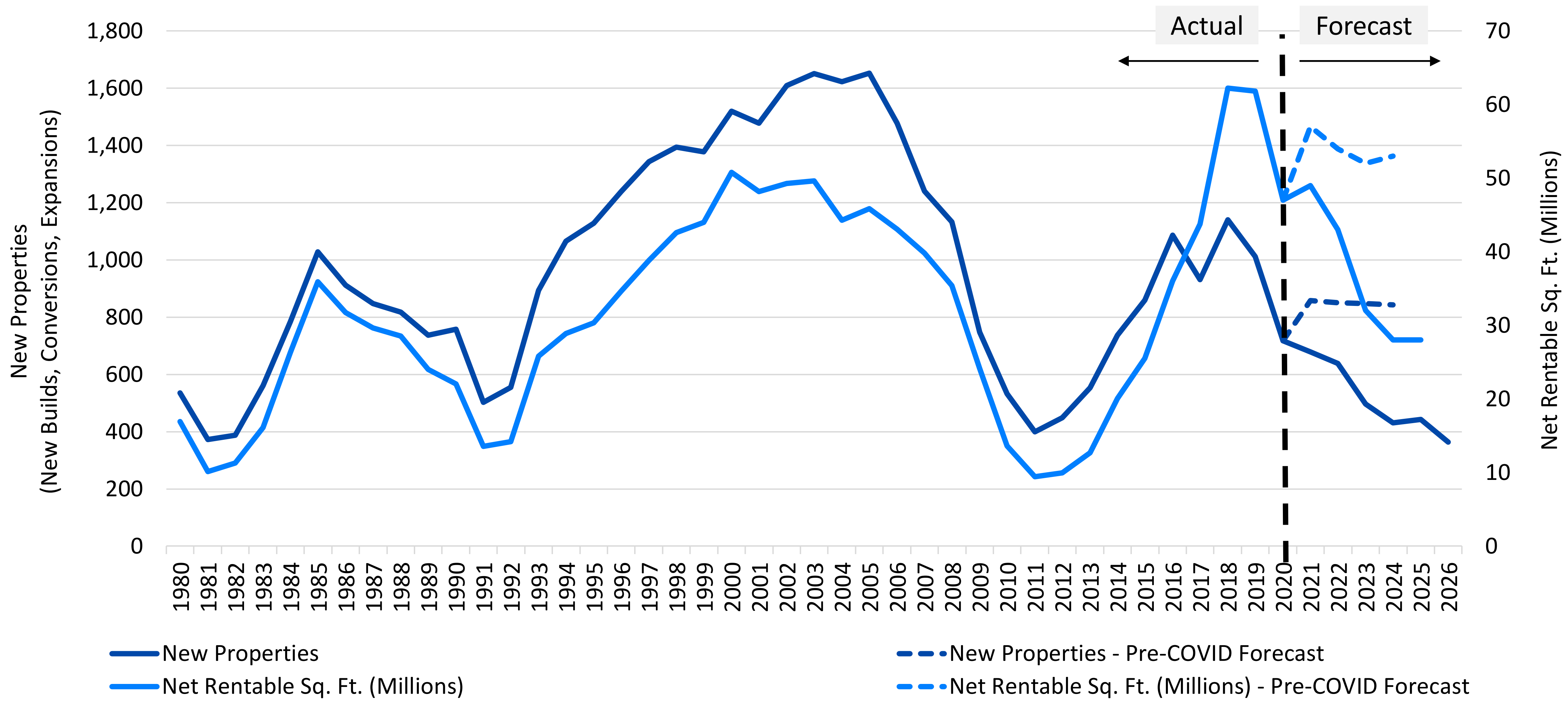
Takeaways From Our Q1 2021 Self Storage Supply Forecast

- The January (Q1) 2021 forecast represented a less-pessimistic view of new supply than our July (Q3) 2020 release, however, we are still expecting declines through 2025 compared to pre-COVID forecasts
- Compared to our pre-COVID January 2020 forecast, deliveries will drop by roughly 45% in 2024
- Project abandonments reached a 12-month high in October 2020 as prospective and planned deals fell through
- The mix of completion build types is forecasted to shift marginally towards conversions and expansions

Source: Yardi Matrix

Our Current Forecasts Show New Deliveries Dropping in the Next Few Years, Especially Compared to Our Pre-COVID Forecasts

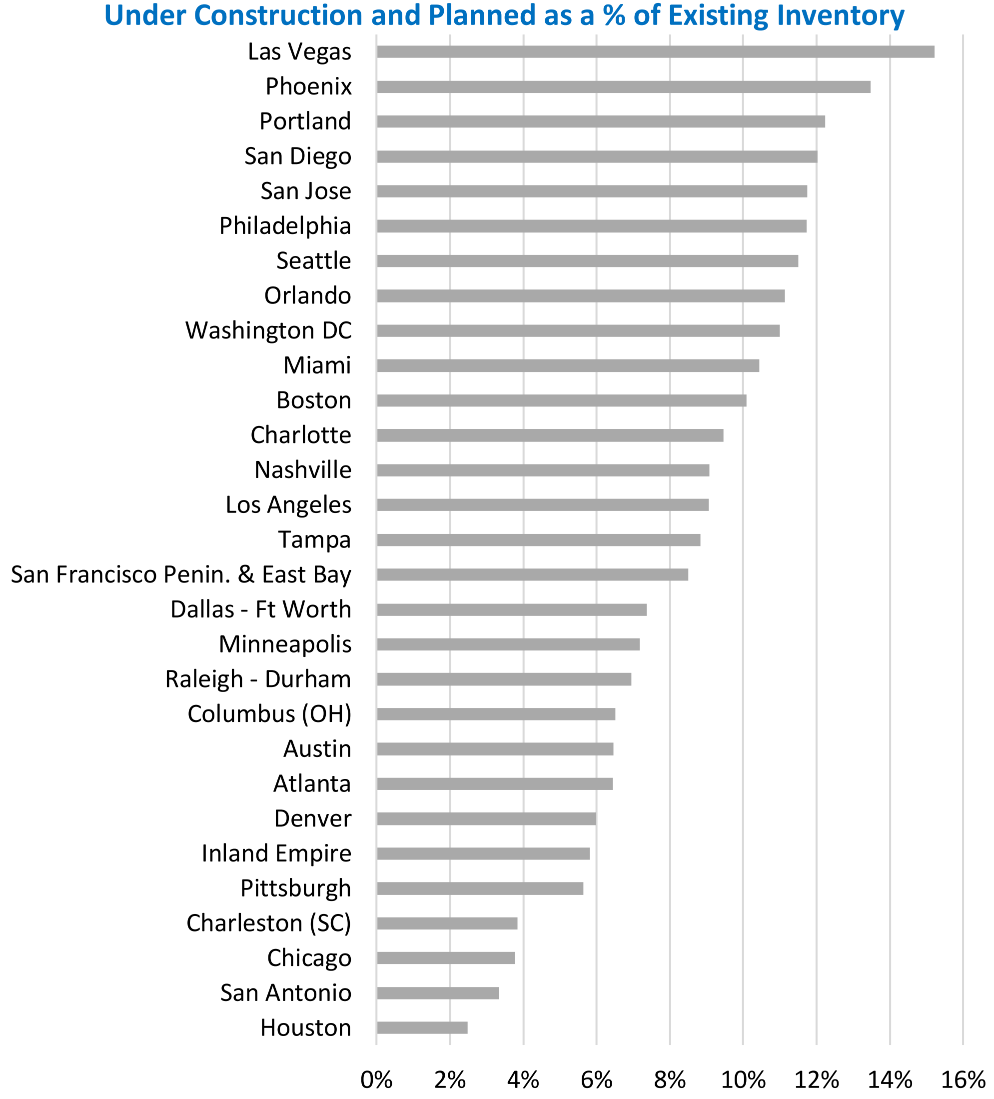


Source: Yardi Matrix

New-Supply Pipelines as a Percent of Existing Stock Higher in Many Major Markets Compared to Tertiary

Market	UC + Planned % of Completed Feb 2021
New York	18.3%
Sacramento	15.3%
Las Vegas	15.2%
Phoenix	13.5%
Portland	12.2%
San Diego	12.0%
San Jose	11.8%
Philadelphia	11.7%
Seattle	11.5%
Orlando	11.1%
Washington DC	11.0%
Miami	10.4%
Boston	10.1%
Charlotte	9.5%
Nashville	9.1%

Market	UC + Planned % of Completed Feb 2021
Los Angeles	9.1%
Tampa	8.8%
SF Penin. & East Bay	8.5%
Dallas-Ft Worth	7.4%
Minneapolis	7.2%
Raleigh-Durham	7.0%
Columbus (OH)	6.5%
Austin	6.5%
Atlanta	6.4%
Denver	6.0%
Inland Empire	5.8%
Pittsburgh	5.6%
Charleston (SC)	3.9%
Chicago	3.8%
San Antonio	3.3%
Houston	2.5%



*Drawn from our national database of 28,337 stores, including 1,801 projects in the new supply pipeline as well as 26,536 completed stores. Data as of February 2021

Source: Yardi Matrix

There Is Robust Expansion Activity in Major Markets

Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	50	2.8	2.4
Planned	175	9.1	7.6
Under Construction	53	2.8	2.3
TOTAL EXPANSIONS:	**278**	**14.7**	**12.3**

*Major markets
Source: Yardi Matrix

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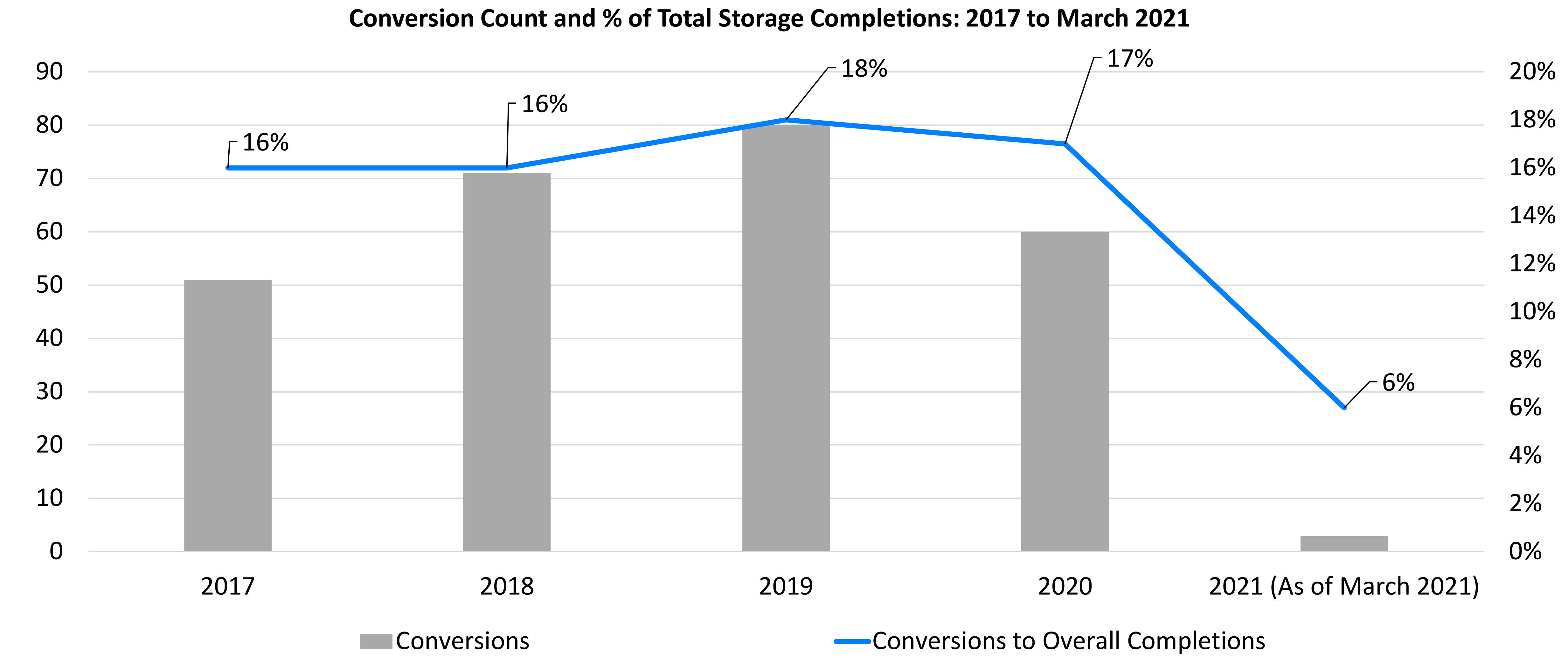
Conversion Deliveries in Major Markets Peaked in 2019



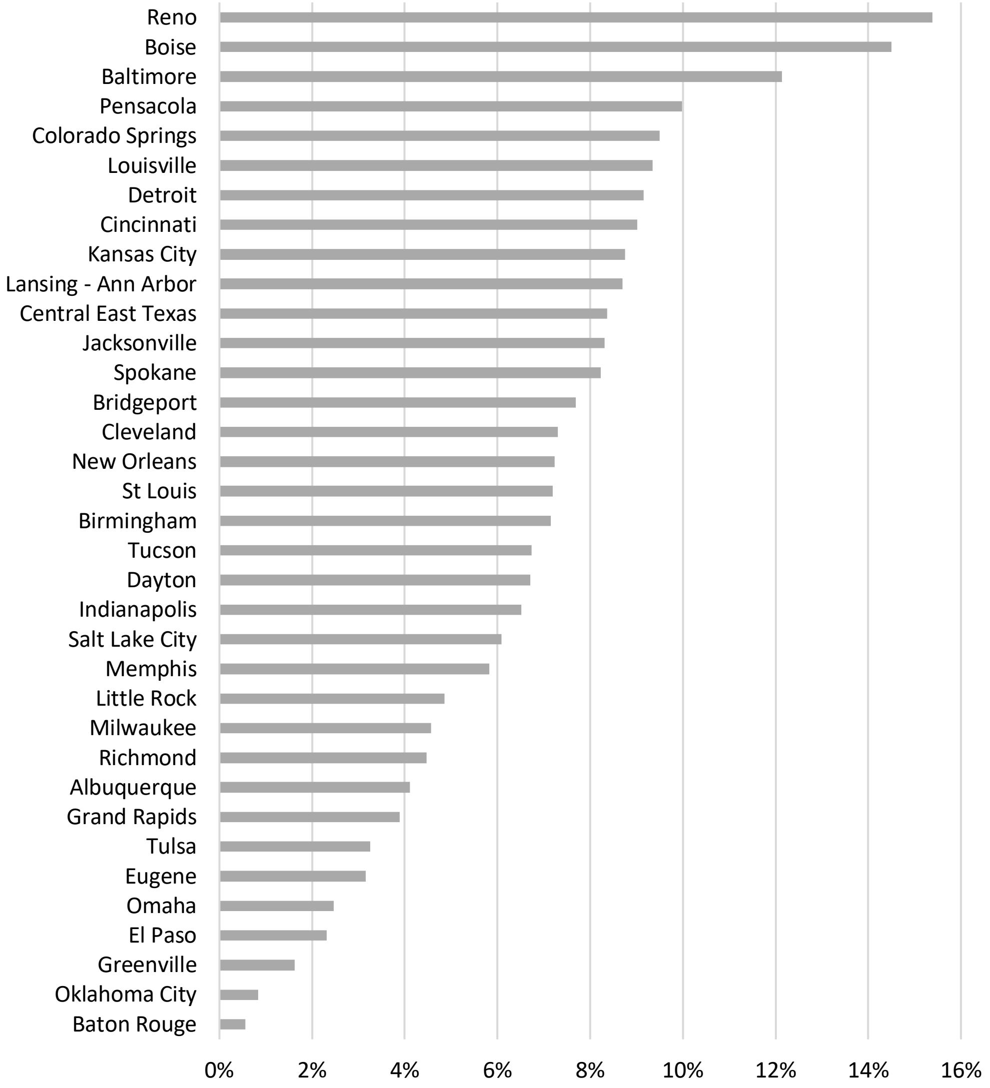
*Major markets only
Source: Yardi Matrix

New Supply Pipelines in Several Tertiary Markets Have Grown Since Fall

Market	UC + Planned % of Completed Feb 2021
Reno	15.4%
Boise	14.5%
Baltimore	12.1%
Pensacola	10.0%
Colorado Springs	9.5%
Louisville	9.3%
Detroit	9.2%
Cincinnati	9.0%
Kansas City	8.7%
Lansing-Ann Arbor	8.7%
Central East Texas	8.4%
Jacksonville	8.3%
Spokane	8.2%
Bridgeport	7.7%
Cleveland	7.3%
New Orleans	7.2%
St. Louis	7.2%
Birmingham	7.1%

Market	UC + Planned % of Completed Feb 2021
Tucson	6.7%
Dayton	6.7%
Indianapolis	6.5%
Salt Lake City	6.1%
Memphis	5.8%
Little Rock	4.9%
Milwaukee	4.6%
Richmond	4.5%
Albuquerque	4.1%
Grand Rapids	3.9%
Tulsa	3.3%
Eugene	3.2%
Omaha	2.5%
El Paso	2.3%
Greenville	1.6%
Oklahoma City	0.8%
Baton Rouge	0.6%

Under Construction and Planned as a % of Existing Inventory



*Drawn from our national database of 28,337 stores, including 1,801 projects in the new supply pipeline as well as 26,536 completed stores. Data as of February 2021

Source: Yardi Matrix

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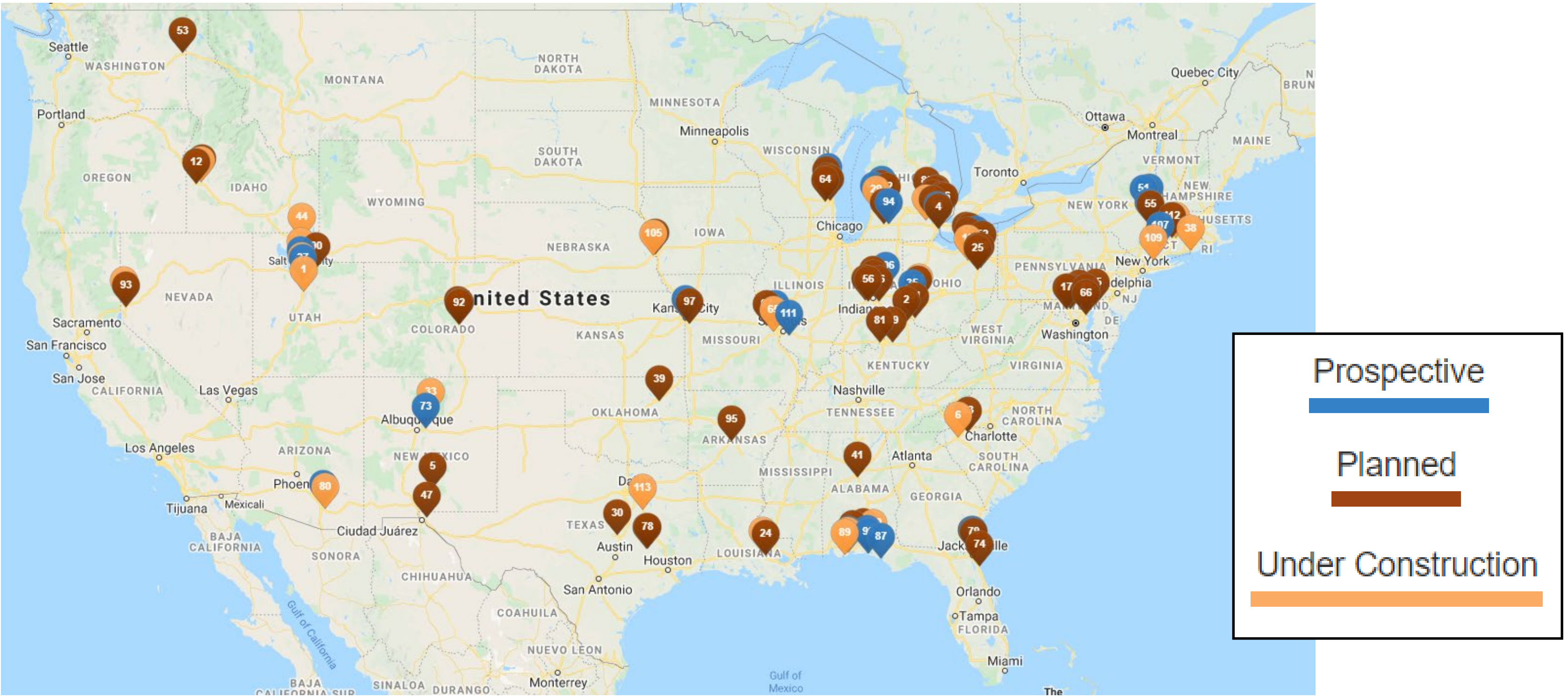
There Has Been a Slight Uptick in Expansion Activity in Tertiary Markets Over the Last Six Months



Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	24	0.5	0.4
Planned	66	2.0	1.8
Under Construction	23	0.9	0.8
TOTAL EXPANSIONS:	**113**	**3.4**	**3.0**

*Tertiary markets only
Source: Yardi Matrix

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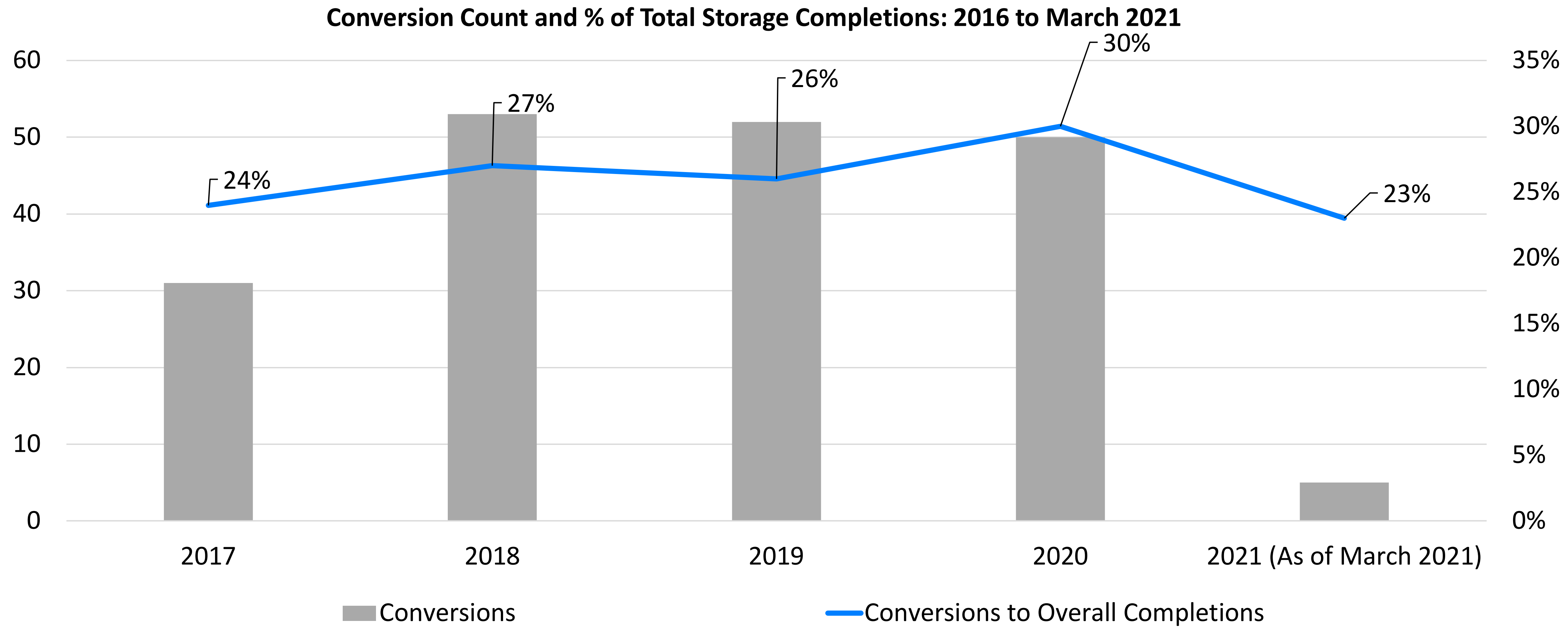
Tertiary Markets Have Seen a Higher Percentage of Conversions to Overall Completions Than Major Markets



*Tertiary markets only
Source: Yardi Matrix

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Yardi Matrix Self Storage House View — March 2021

- U.S. economy is poised for strong growth in 2021, but there are concerns of rising inflation
- Demand trends that arose in 2020 boosted self storage fundamentals and increased investor interest in self storage
- Street rates have been rising nationwide and there has not been a major slowdown in supply
- Acquisitions are the quickest way for investors to deploy capital into the asset type and, as more buyers enter the market, sale prices are growing
- 2020 saw a slowdown in transactions, but momentum started increasing at the end of the year and 2021 will likely see significant deal activity
- Storage continues to ride demand tailwinds into 2021, but they will likely dissipate in 18 to 24 months
- In the long-term, storage will likely face more supply headwinds, especially as more developers recognize the strength of the asset type
- The outlook for self storage is cautiously optimistic

Source: Yardi Matrix

MULTIFAMILY NATIONAL OUTLOOK

THURSDAY, APRIL 15 | YARDIMATRIX.COM/WEBINARS

Join industry experts Jeff Adler and Jack Kern as they offer insight into the current state of the multifamily market.

Key topics will include:

- The current state of the economy and a review of the stimulus bill and its impact on the economic recovery
- Migration trends affecting multifamily assets and their longer-term impacts
- The future of work and how it helps and hurts certain markets
- An outlook for what’s to come, including Yardi Matrix rent, occupancy and supply forecasts

THANK YOU

Feel free to contact me with any questions.

Jeff Adler | (800) 866-1144 x 2403 | Jeff.Adler@Yardi.com

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D I S C L A I M E R

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APPENDIX

Major Markets 10x10 Non-Climate-Controlled Rates
February 2020 – February 2021

Market	Growth in Street Rates Feb 2020 – Feb 2021
Inland Empire	6.1%
Miami	5.3%
SF Penin. & East Bay	5.2%
San Diego	5.2%
Philadelphia	4.8%
Phoenix	4.8%
Las Vegas	4.7%
New York	4.0%
Chicago	4.0%
Charlotte	3.6%
San Jose	3.6%
Denver	3.5%
Los Angeles	3.2%
Austin	3.1%
Sacramento	3.0%
Houston	2.4%

Market	Growth in Street Rates Feb 2020 – Feb 2021
Columbus (OH)	2.4%
Raleigh - Durham	2.3%
Portland	2.2%
Dallas-Ft Worth	2.2%
Washington DC	2.1%
Atlanta	2.1%
Orlando	2.0%
Pittsburgh	1.8%
Seattle	1.3%
Charleston (SC)	1.1%
San Antonio	1.0%
Tampa	0.9%
Boston	0.0%
Nashville	0.0%
Minneapolis	-0.9%

*10x10 Non-climate-controlled; Year-over-year rate growth | Source: Yardi Matrix

Major Markets 10x10 Climate-Controlled Rates
February 2020 – February 2021

Market	Growth in Street Rates Feb 2020 – Feb 2021
Inland Empire	10.5%
Charlotte	6.8%
Miami	6.0%
San Jose	5.9%
Denver	5.7%
Phoenix	5.7%
Pittsburgh	5.2%
SF Penin. & East Bay	5.0%
San Diego	4.9%
Washington DC	4.5%
New York	4.2%
Houston	4.0%
Austin	3.4%
Los Angeles	3.2%
Raleigh-Durham	3.0%
Philadelphia	2.8%

Market	Growth in Street Rates Feb 2020 – Feb 2021
Dallas-Fort Worth	2.7%
Chicago	2.5%
Sacramento	2.1%
Seattle	2.0%
Atlanta	1.8%
San Antonio	1.8%
Orlando	1.6%
Las Vegas	0.9%
Nashville	0.8%
Portland	0.7%
Boston	0.6%
Columbus (OH)	0.0%
Tampa	-0.8%
Charleston (SC)	-0.9%
Minneapolis	-3.3%

*10x10 Climate-controlled; Year-over-year rate growth | Source: Yardi Matrix

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Tertiary Markets 10x10 Non-Climate-Controlled Rates
February 2020 – February 2021

Market	Growth in Street Rates Feb 2020 – Feb 2021
Boise	10.1%
Tucson	7.4%
Bridgeport	7.0%
Pensacola	5.4%
El Paso	5.3%
Oklahoma City	4.7%
Richmond	4.2%
Little Rock	4.2%
Grand Rapids	3.6%
Cincinnati	3.4%
Albuquerque	3.2%
Cleveland	3.2%
Detroit	2.8%
Central East Texas	2.6%
St Louis	2.3%
Birmingham	2.2%
Salt Lake City	2.1%
Spokane	2.1%

Market	Growth in Street Rates Feb 2020 – Feb 2021
Jacksonville	2.1%
Tulsa	1.4%
Omaha	1.3%
Dayton	1.2%
Lansing-Ann Arbor	1.1%
Kansas City	1.1%
Reno	0.9%
Eugene	0.9%
Indianapolis	0.0%
Colorado Springs	0.0%
Baltimore	0.0%
Louisville	0.0%
Memphis	-1.2%
Greenville	-1.3%
Baton Rouge	-2.0%
New Orleans	-3.4%
Milwaukee	-7.4%

*10x10 Non-climate-controlled; Year-over-year rate growth | Source: Yardi Matrix

Tertiary Markets 10x10 Climate-Controlled Rates
February 2020 – February 2021

Market	Growth in Street Rates Feb 2020 – Feb 2021
Bridgeport	9.4%
Colorado Springs	7.1%
Greenville	6.7%
Pensacola	5.8%
Tucson	5.3%
Birmingham	5.3%
Salt Lake City	4.5%
Detroit	3.8%
Central East Texas	3.8%
Grand Rapids	3.7%
Cincinnati	3.6%
Reno	3.4%
Richmond	3.3%
Boise	3.1%
El Paso	3.1%
Baltimore	3.0%
Jacksonville	2.6%
Oklahoma City	2.4%

Market	Growth in Street Rates Feb 2020 – Feb 2021
Omaha	2.1%
Dayton	1.7%
Eugene	1.6%
Lansing-Ann Arbor	0.8%
Little Rock	0.0%
Kansas City	0.0%
Spokane	0.0%
St. Louis	0.0%
Indianapolis	0.0%
Cleveland	0.0%
Baton Rouge	-0.9%
Milwaukee	-1.0%
Louisville	-1.8%
Tulsa	-1.8%
New Orleans	-3.5%
Memphis	-5.1%
Albuquerque	-5.4%

*10x10 Climate-controlled; Year-over-year rate growth | Source: Yardi Matrix

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