



SELF STORAGE NATIONAL OUTLOOK

FALL 2021

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AGENDA

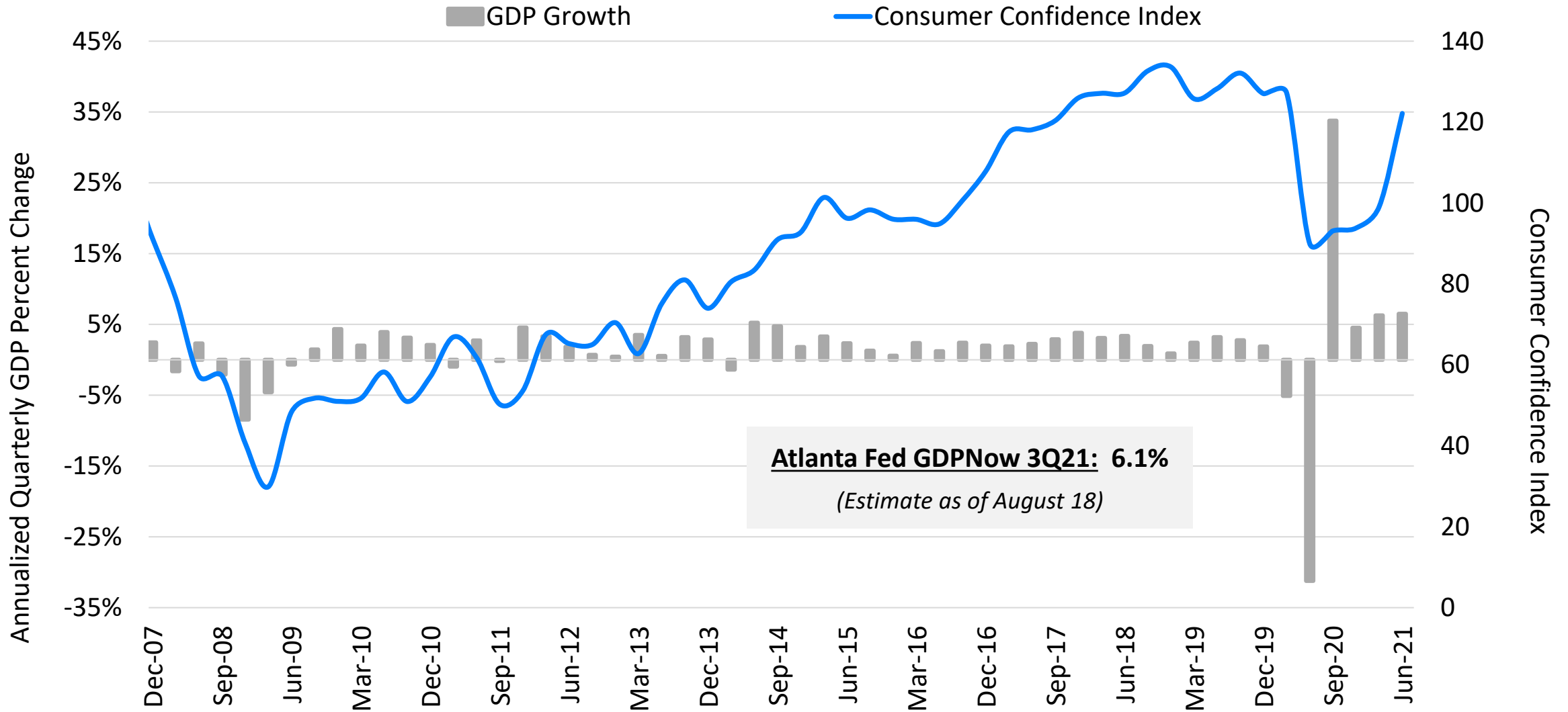
- Macroeconomic Outlook
- Deep Dive Into Street Rates
- Storage Fundamental Performance

Yardi Matrix Self Storage House View — September 2021

- The U.S. economy is strong, but rising inflation remains a looming concern
- Self storage demand and utilization remains at elevated levels as new storage users have held on to their units
- Street rate growth is at historic levels in most markets, with almost all markets showing some level of growth
- The new supply pipeline has neither expanded nor contracted, but remains robust at 8% of stock
- Investor interest in self storage has increased with new entrants in the industry
- The outlook for self storage remains optimistic but the relationship between new supply and storage utilization will be key to the industry continuing outperformance

MACROECONOMIC OUTLOOK

GDP Growth Recovering After Plummeting in First Half of 2020



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

Looking ahead, these 5 factors are likely to continue to propel unit growth, inflation and asset prices:

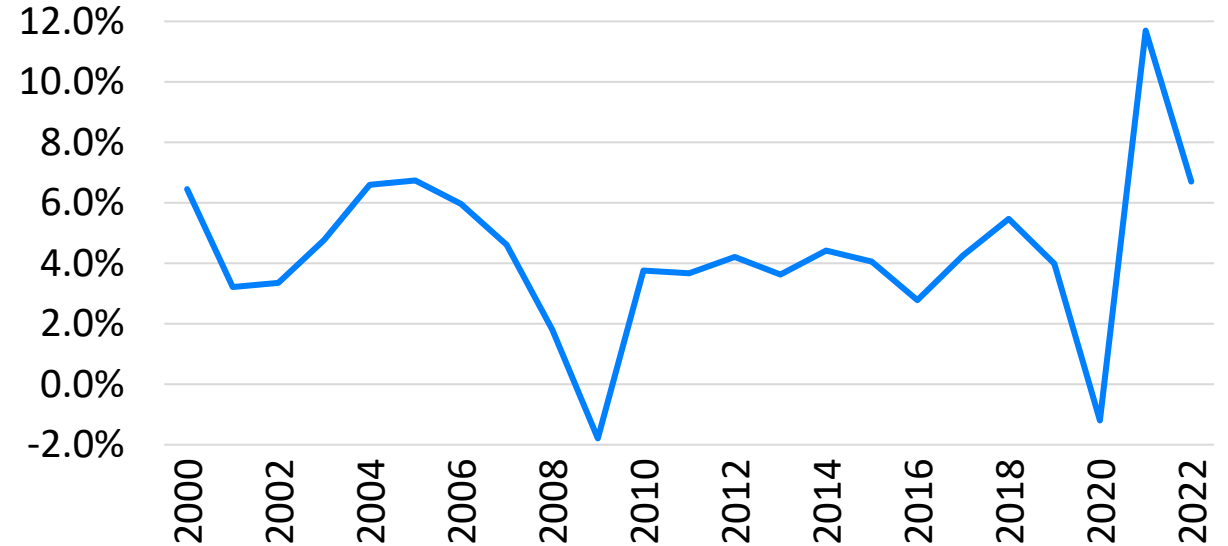
1. Massive monetary stimulus
2. Continued reopening
3. Record surge in consumer net worth
4. Excess saving
5. Inventory rebuilding

The Delta variant may have more impact than anticipated, so Evercore trimmed their Q3 GDP estimate from +10% to +8% for Q3 and from +6% to +5% for Q4

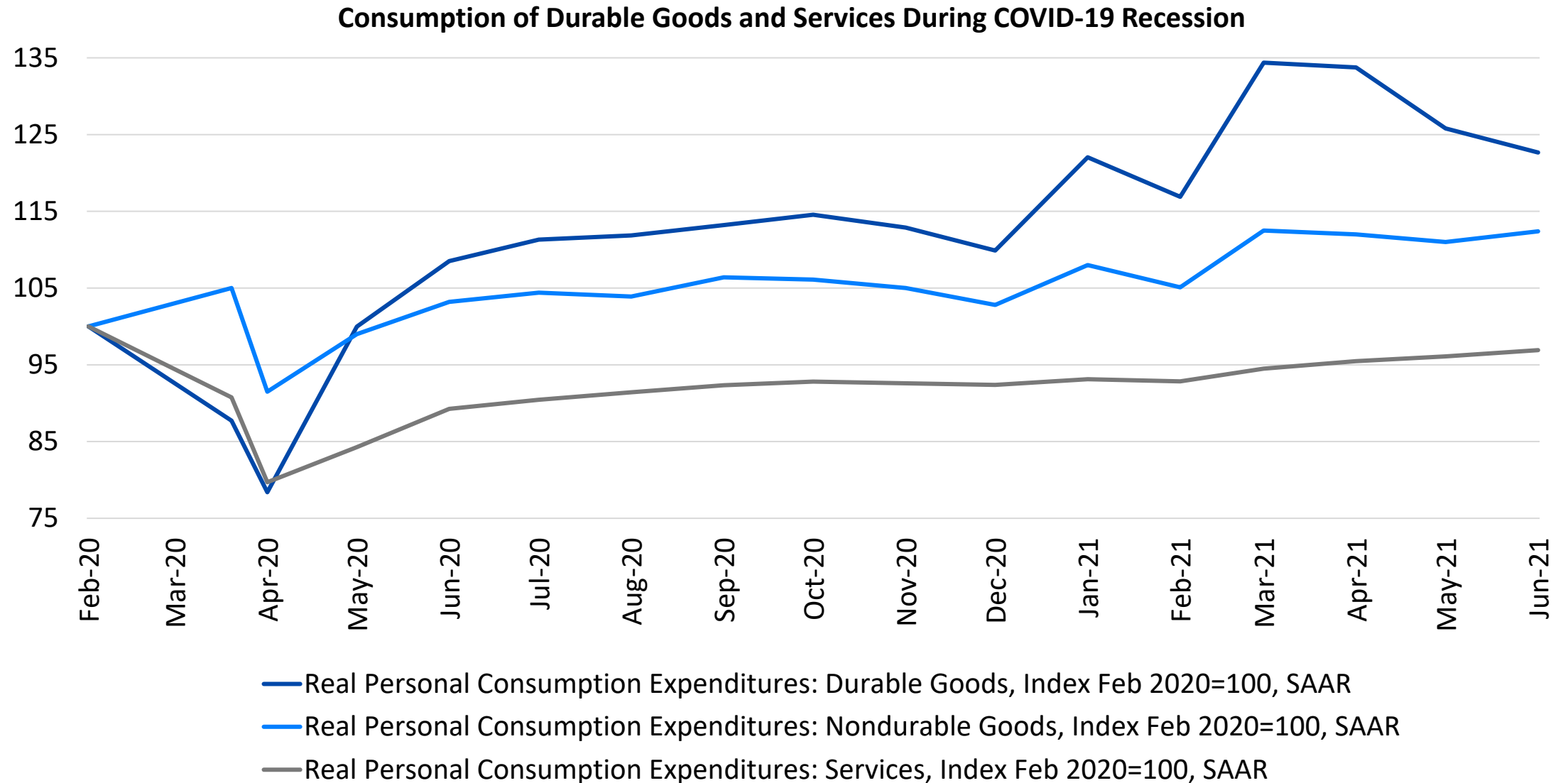
If this forecast is accurate, the recovery will be V/U-shaped

	2020	2021 Forecast	2022 Forecast
Real GDP: YoY % Change	-2.3%	7.2%	4.0%
Core PCE Deflator: YoY % Change	1.4%	4.0%	3.0%
Fed Funds: Year-end	0.25%	0.25%	0.25%
Bond Yields: Year-end	0.93%	1.60%	2.30%

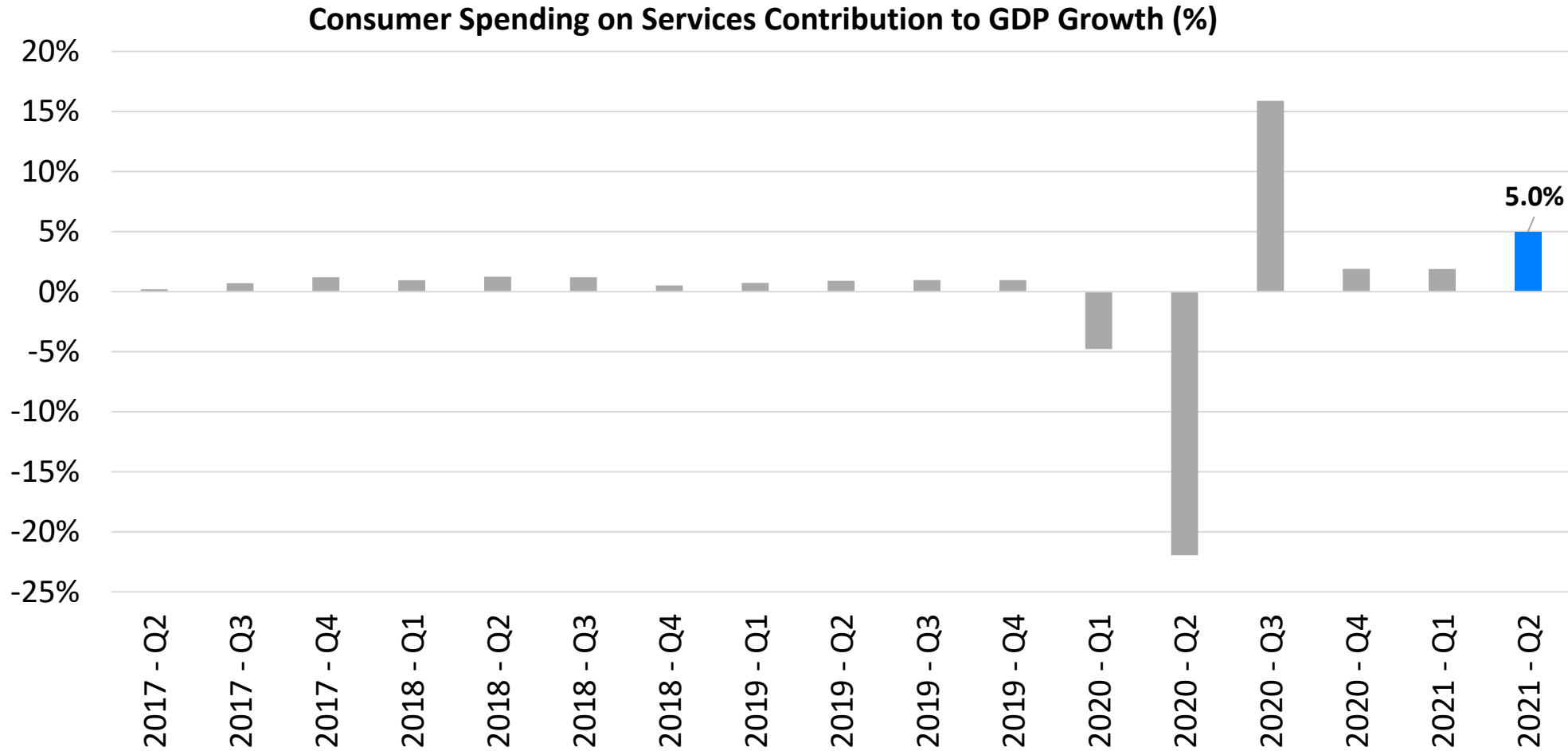
Nominal Annual GDP: YoY % Change



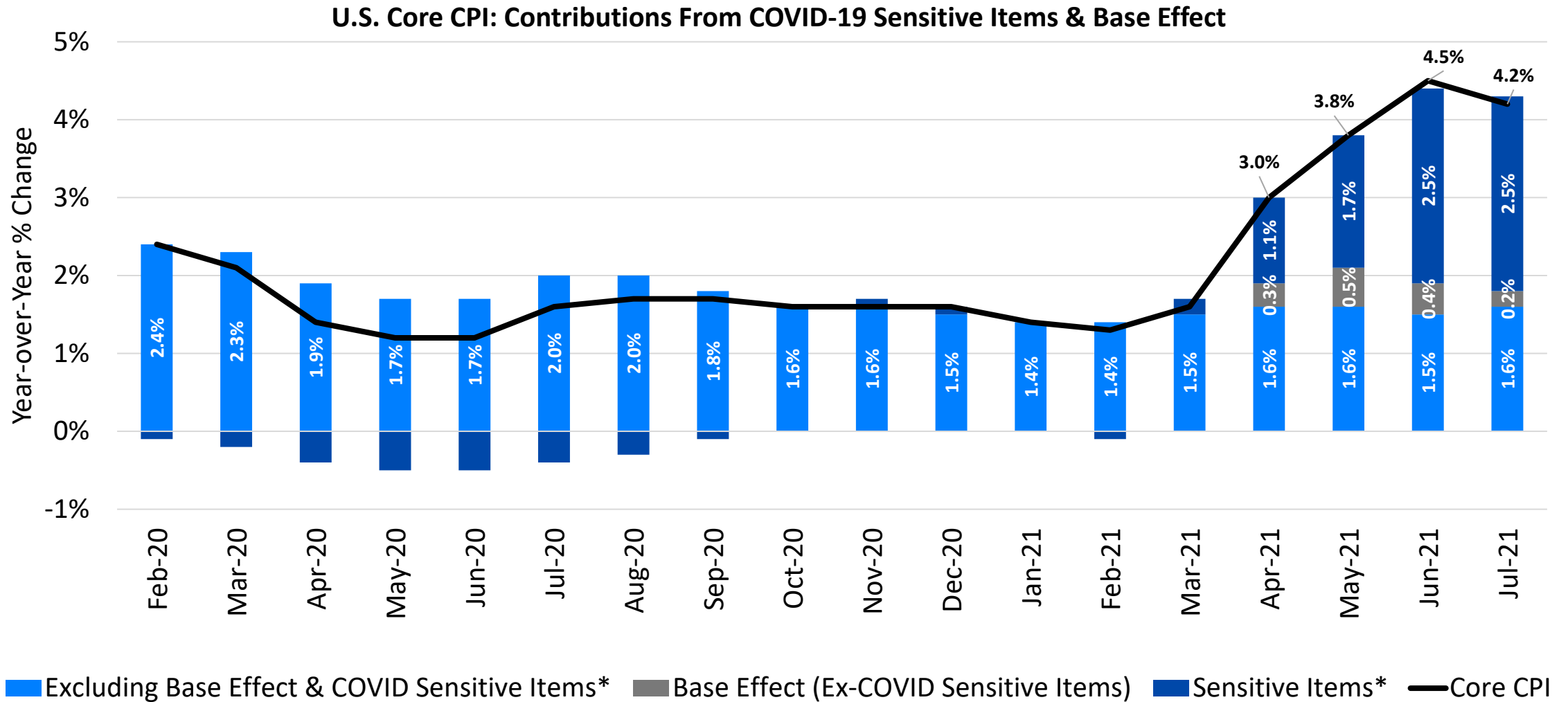
From Services to Goods: Consumers Spending More on Durable Goods



Spending on Services Is Beginning to Pick Up



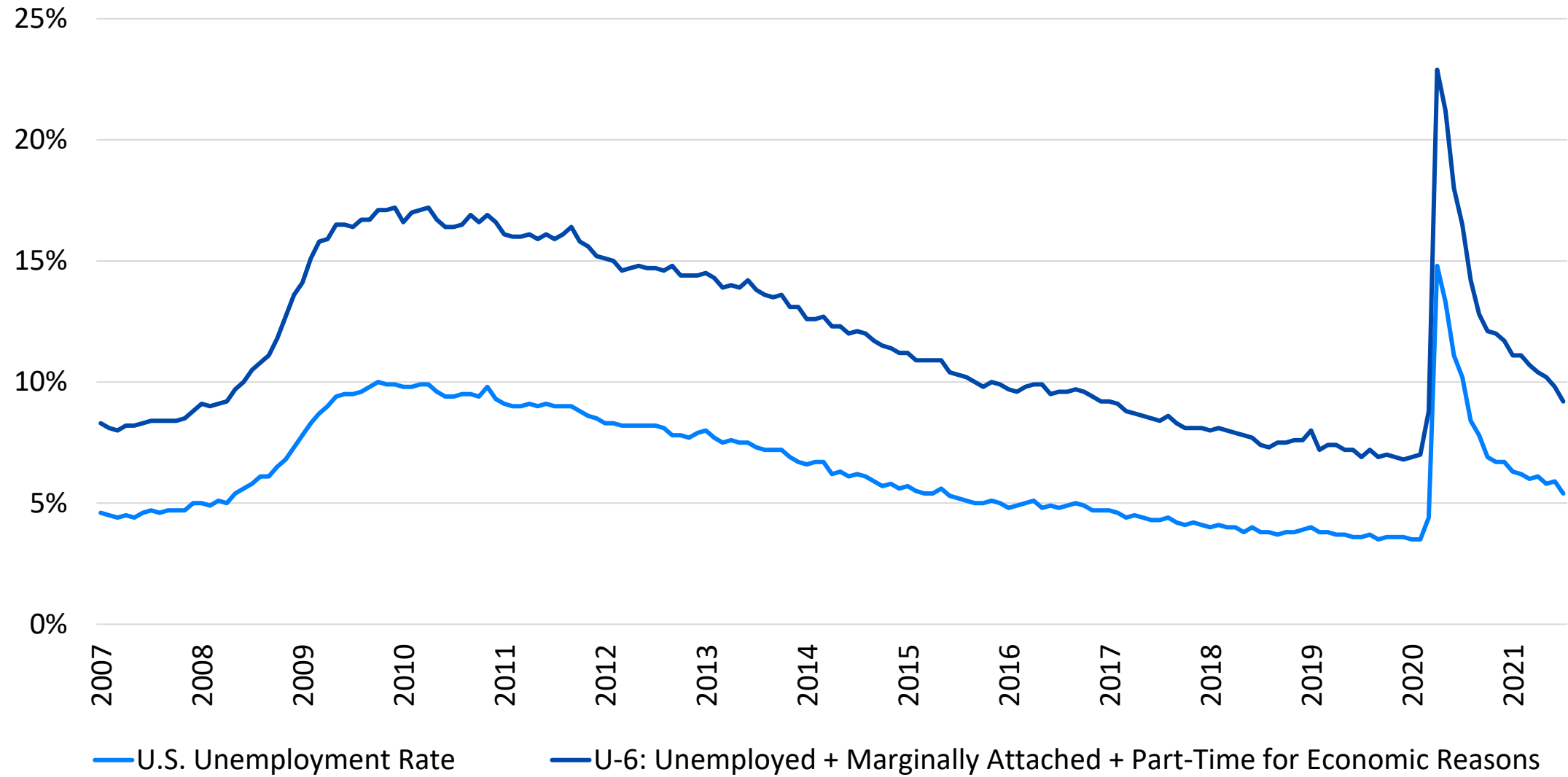
COVID-19 Sensitive Items Are Currently Contributing to the Rise in Inflation



*Sensitive items: lodging away from home, used cars, car rentals, airline fares, televisions, toys, personal computers

Source: Yardi Matrix; Bureau of Labor Statistics (BLS); Bureau of Economic Analysis (BEA)

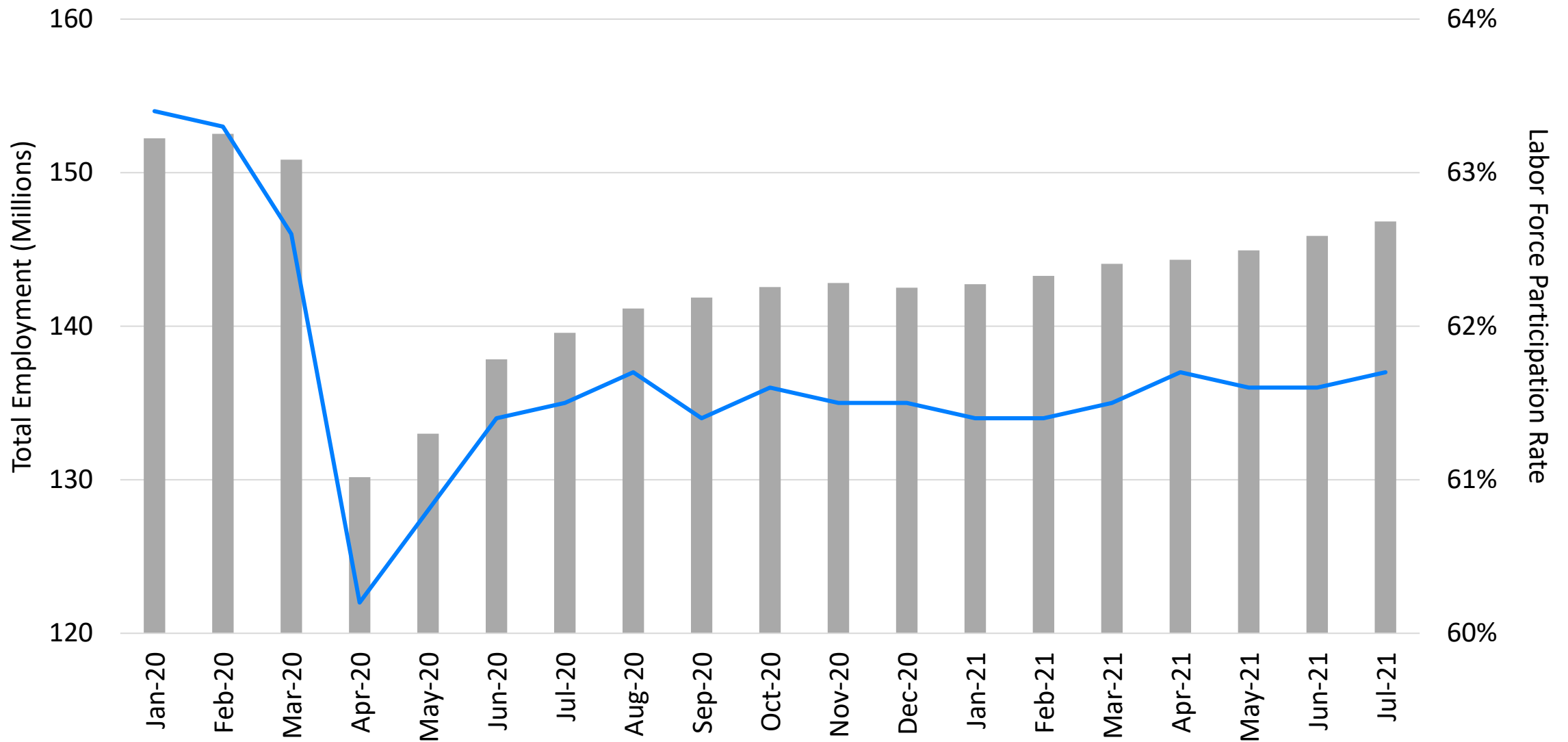
Unemployment and Underemployment Falling, but Still Elevated



*Data through July 2021
Source: Yardi Matrix; U.S. Bureau of Labor Statistics (BLS)



Labor Participation Recovering, but There Is Room for Improvement



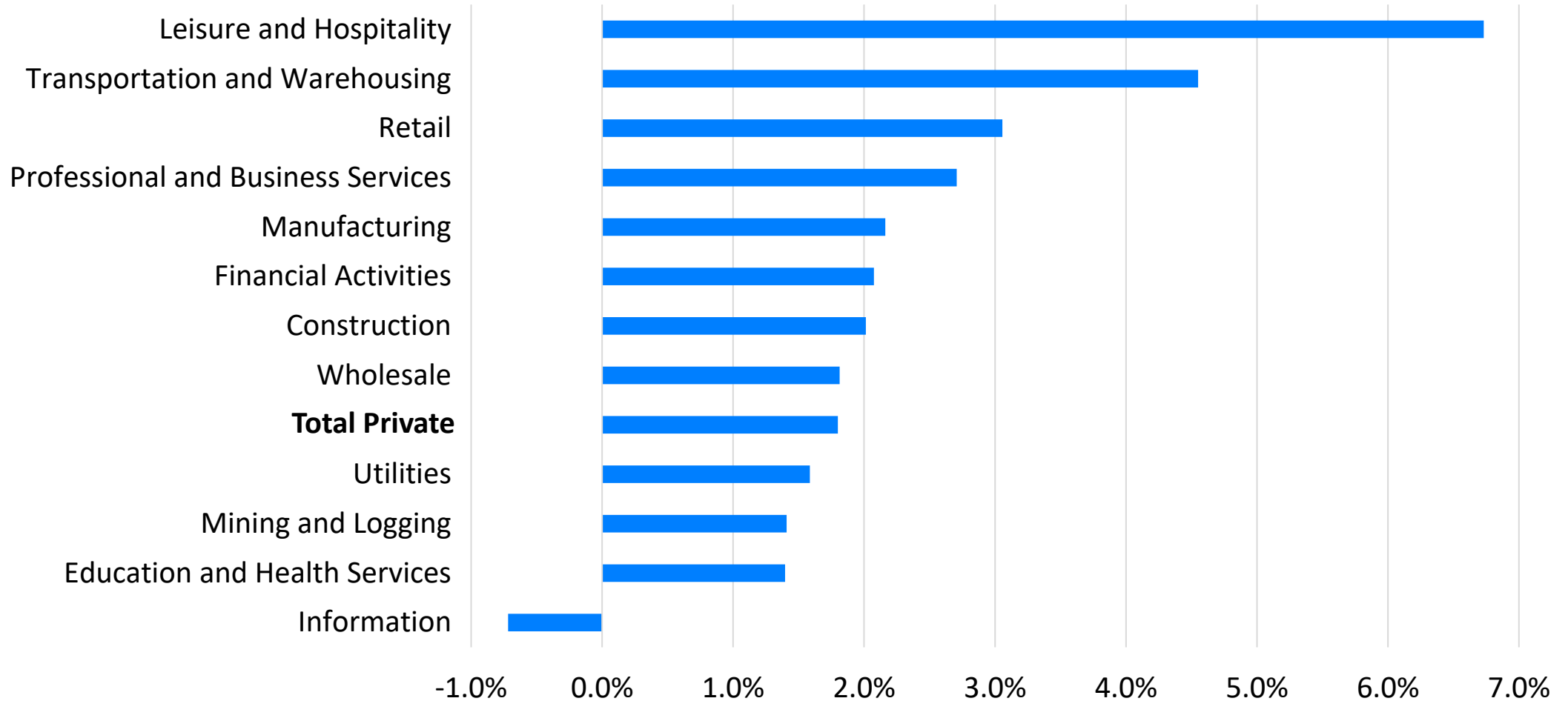
*Seasonally adjusted

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



Wage Growth Has Been Strongest at the Lower End

6-Month Change in Average Hourly Earnings (Feb. 2020 - July 2021)

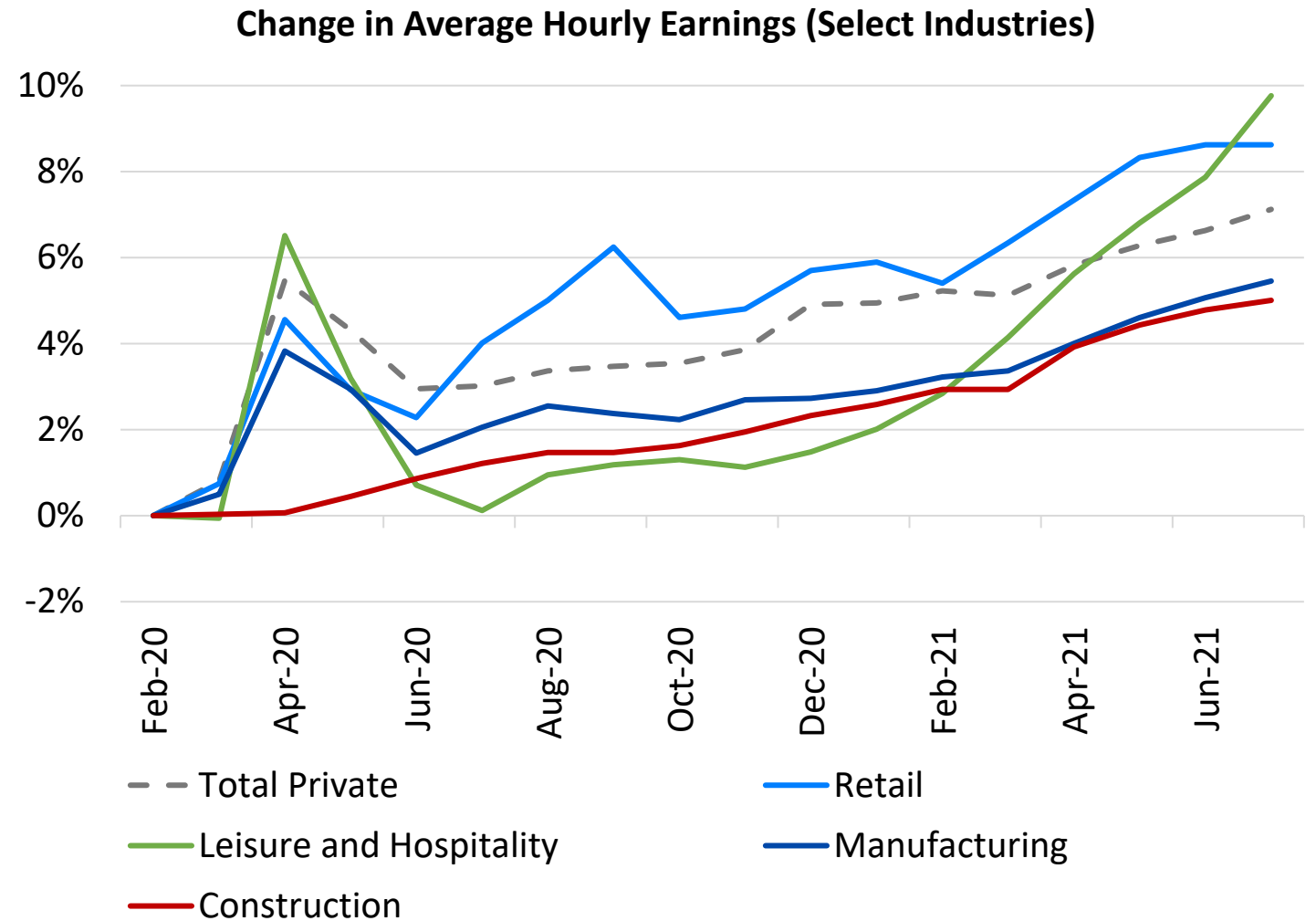


*Average hourly earnings of all employees, seasonally adjusted

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

Booming Economy Is Paying Off for Lower-Wage Workers

- Lower-wage workers have seen some of the fastest wage growth since the early 1980s
- New jobs in restaurants, hotels, stores, salons and other in-person jobs accounted for roughly half of all payroll gains in June
- Demand for workers is outpacing the supply of people ready to go back to work
- Businesses are competing hard for a smaller labor pool, offering perks such as more time off, signing bonuses and higher pay
- Economists expect hiring to further improve over the summer into the fall



*Average Hourly Earnings of All Employees, Seasonally Adjusted

Source: Yardi Matrix ; U.S. Bureau of Labor Statistics (BLS); Federal Reserve Bank of St. Louis (FRED); Wall Street Journal; Washington Post

Prognosis 2021

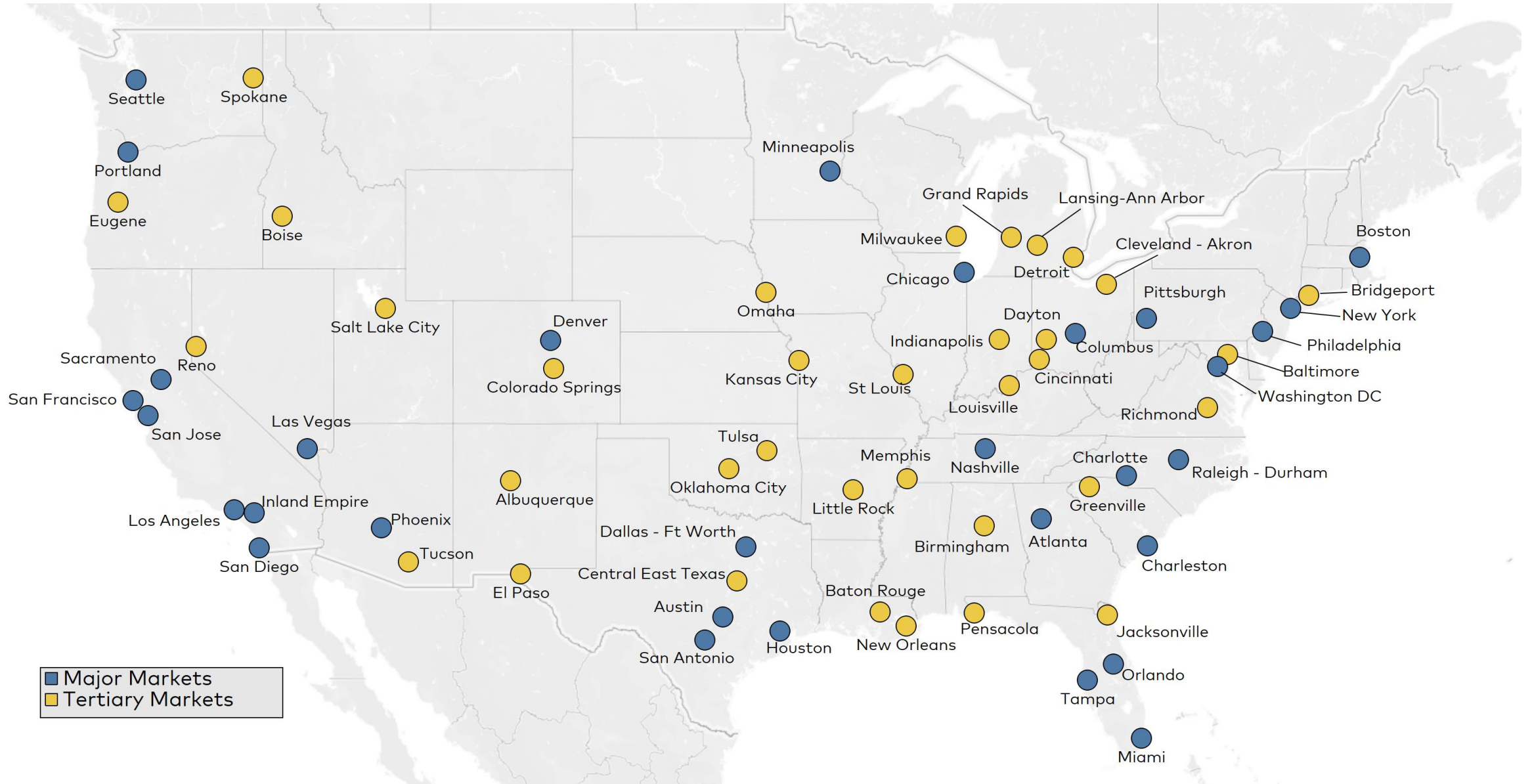
- Nationally, the economy is recovering quickly. However, the rate of recovery varies across states due to their different policies, with states ending supplemental benefits seeing a faster decline in unemployment claims
- Both GDP and employment are coming back
- Key indicators Yardi Matrix will be following closely:
 - Rising inflation rates
 - Migration flows out of gateway markets
- Despite the noise, self storage is holding up remarkably well. Markets across the nation have seen positive momentum in street rates, with some areas seeing rates surpass pre-pandemic levels

DEEP DIVE INTO STREET RATES

POLL QUESTION #1

STREET RATES

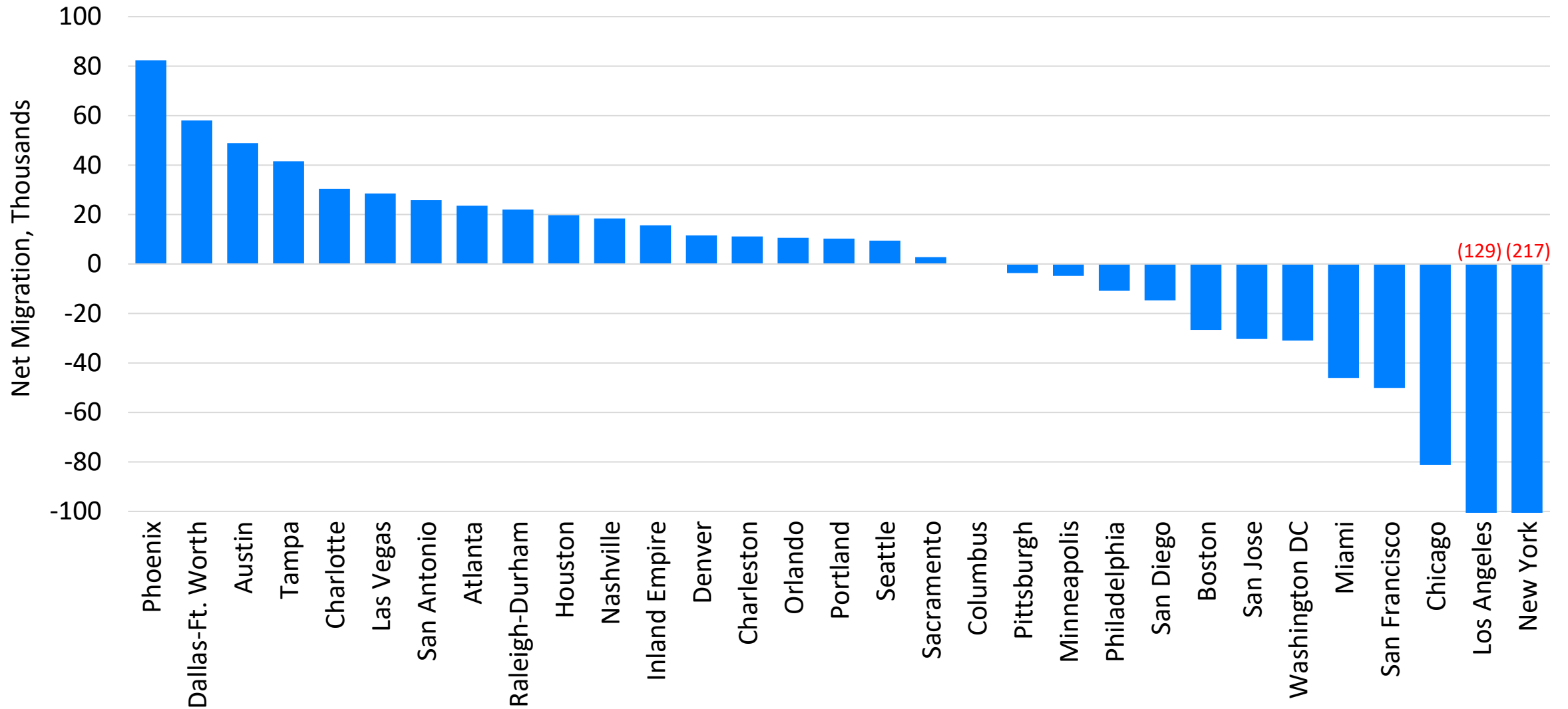
Our Storage Market Classifications



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

Prior to the Pandemic, Gateway Markets Were Already Seeing Outmigration

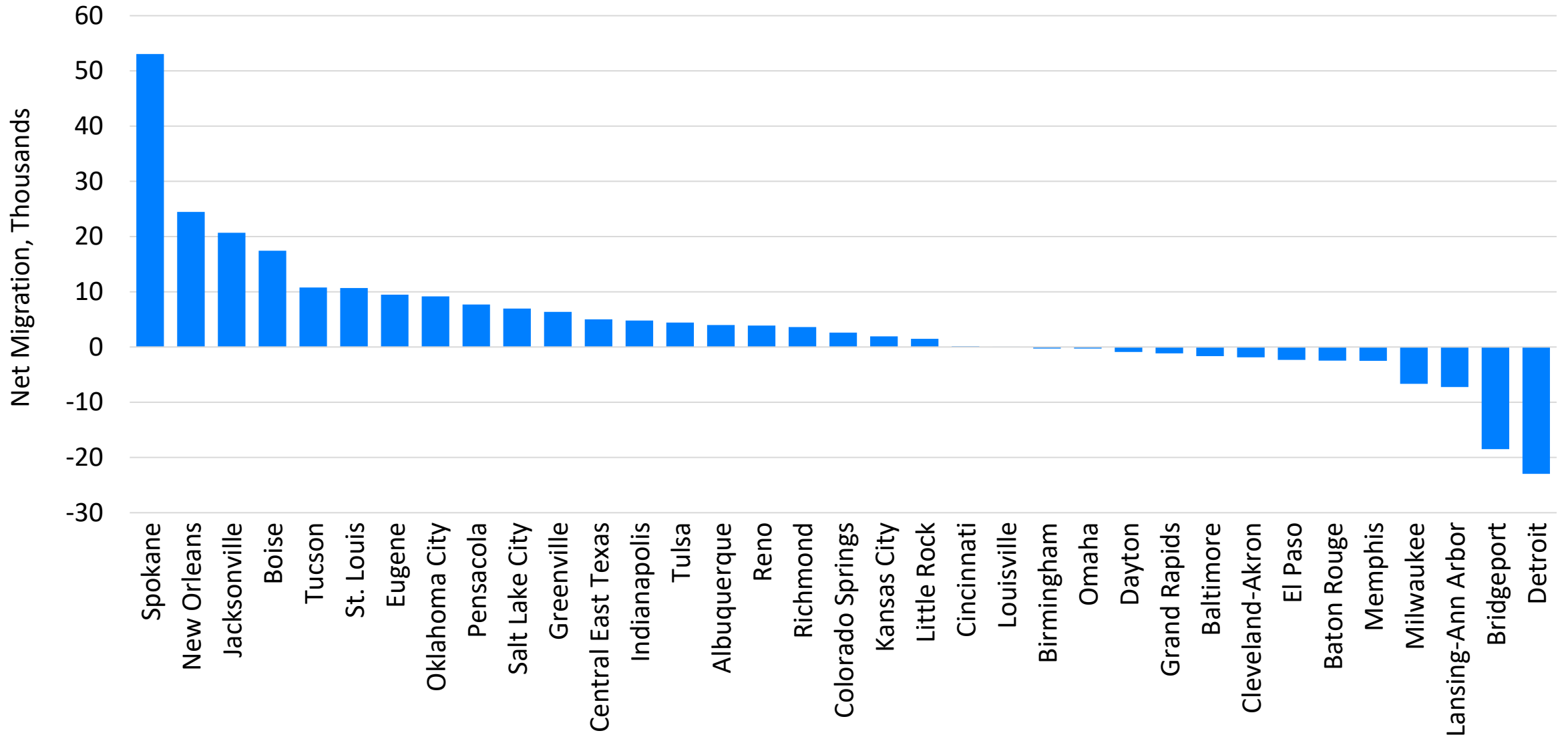


*Major markets

Source: Yardi Matrix; U.S. Census Bureau, "Annual Estimates of the Components of Population Change - July 1, 2019 to July 1, 2020 - Domestic Net Migration"



While Tertiary Markets In the West and South Were Seeing Migration Gains



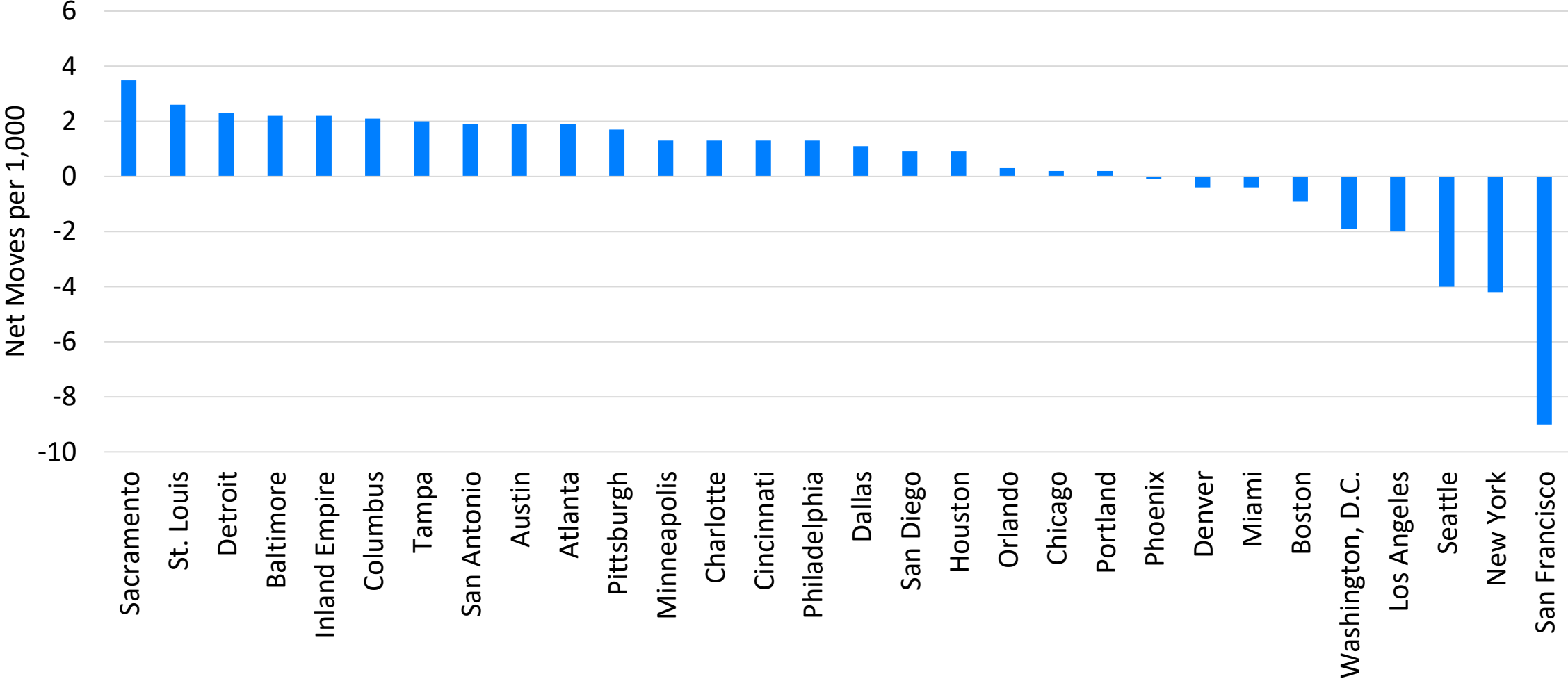
*Tertiary markets

Source: Yardi Matrix; U.S. Census Bureau, Annual Estimates of the Components of Population Change - July 1, 2019 to July 1, 2020 - Domestic Net Migration"



The Pandemic Has Only Accelerated That Trend and the Movement Is Not Over Yet

Change in Net Moves Per 1,000 Population, 2020 vs. 2019: COVID-19 Impact

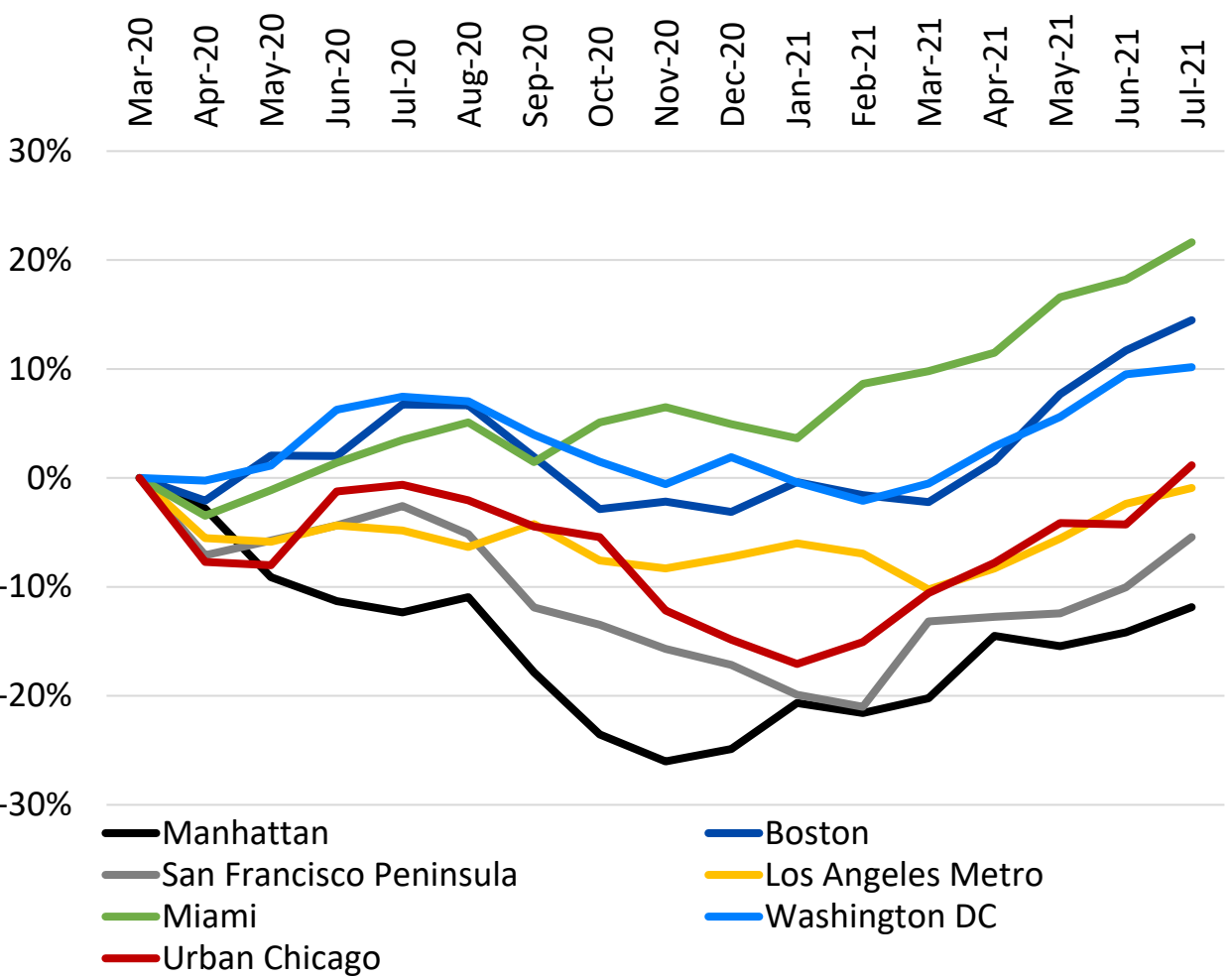


*COVID-19 Impact = (2020 Net Move-Ins – 2019 Net Move-Ins)/Population
Source: Yardi Matrix; USPS; CBRE Research

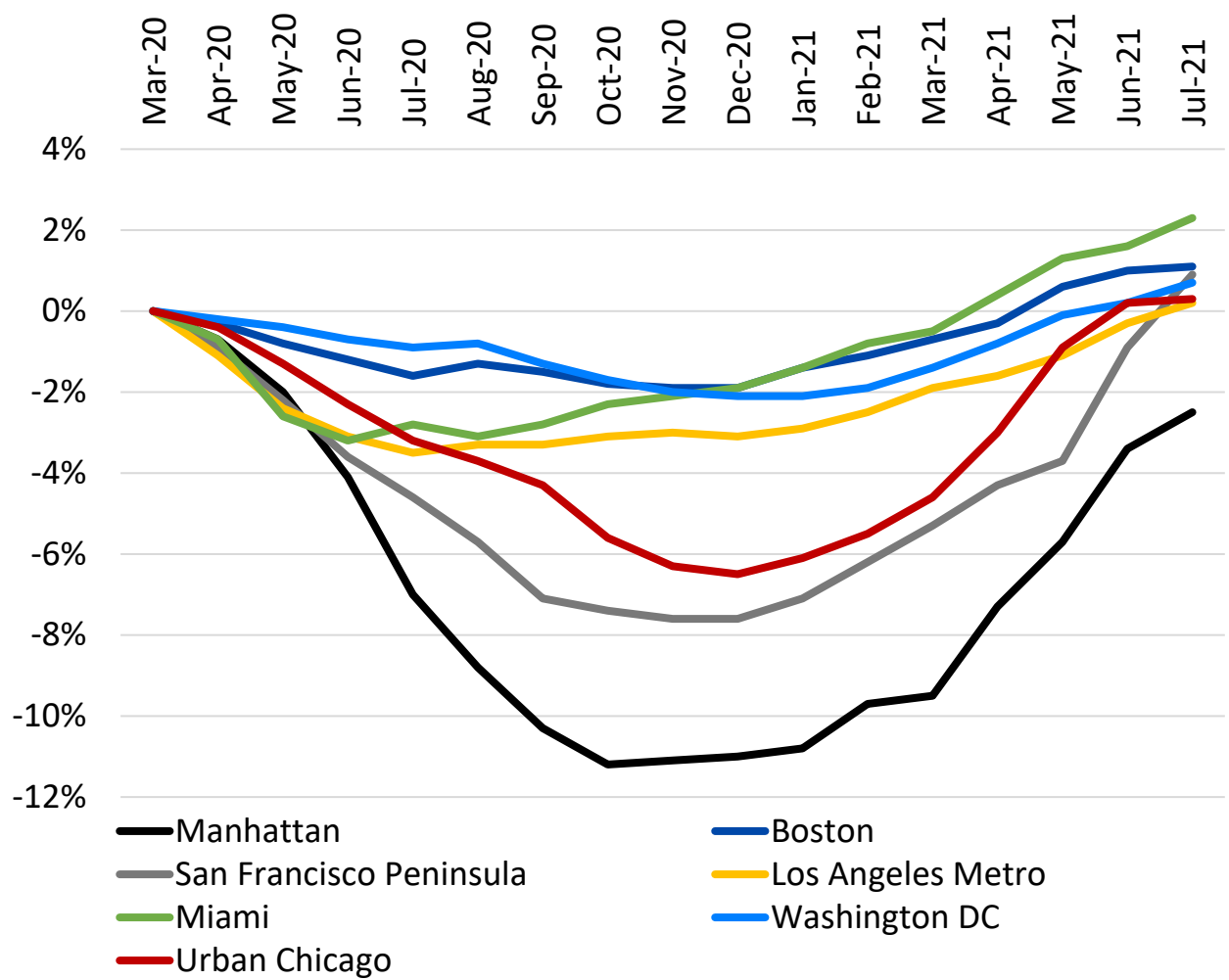


Most Gateway Markets Have Recovered, Based on Multifamily Rents and Occupancy

Change in Rents Since March 2020



Change in Occupancy Since March 2020



Source: Yardi Matrix Expert
 Matrix Expert data is based on aggregated and anonymized Yardi transaction activity



But the Work From Home Situation and Where People Will Ultimately Settle Has Not Played Out Yet – A Positive for the Self Storage Sector

According to the 2020/2021 American Migration Report, over **20%** more people are **planning to move in 2021 than moved in 2020**

Top driving factors for moving:

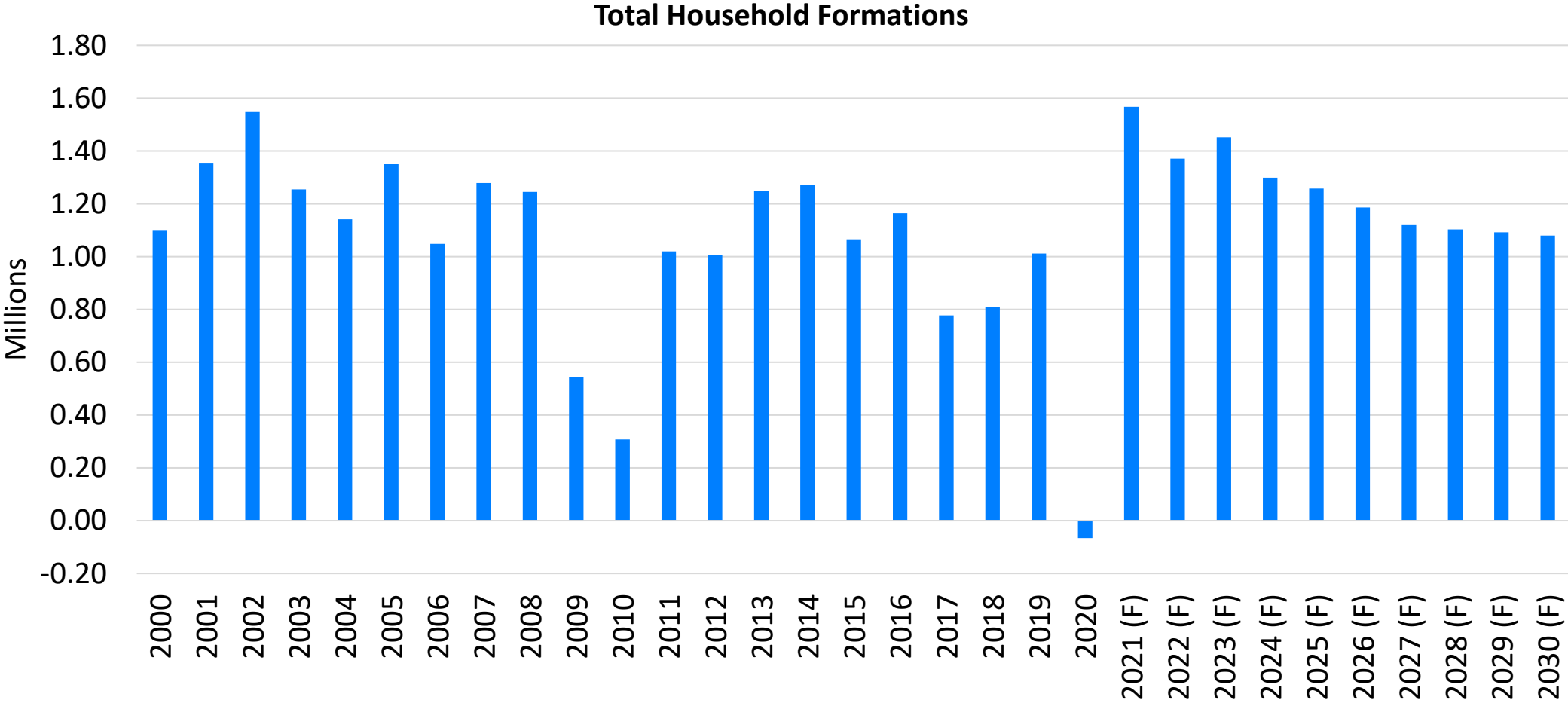
- Lower cost of living
- Moving closer to family
- Increased work flexibility
- Looking for new job opportunities

Companies delaying return to office:

- **Airbnb:** employees do not have to return to the office until Sep. 2022
- **Amazon:** does not plan to bring back employees until Jan. 3, 2022
- **American Express:** not planning a full office return until at least Oct. 11, 2021
- **Apple:** employees are not expected back in the office until Jan. 2022
- **Capital One:** employees are expected to return to the office on Nov. 2, 2021
- **Facebook:** does not plan to require employees to come to the office until Jan. 2022
- **Google LLC:** employees are expected to return Oct. 18, 2021
- **Lyft:** employees will not return to the office until Feb. 2, 2022
- **Salesforce.com:** allowing employees to voluntarily continue to work remotely through Dec. 31, 2021

And more...

Recovery of New Household Formations Will Also Help Foster Storage Needs



Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau (BOC)

The Need for Self Storage Increased in 2020, There Seemed to be Slightly More Demand for Medium and Large Unit Sizes

- To facilitate remote learning or working from home, households needed larger sized units to empty entire rooms of space
- A greater emphasis on outdoor activities created need for medium and large units with enough space to accommodate new recreational vehicle, such as motorcycles and ATVs
- Migration trends to less dense areas fostered the need for units with enough storage for relocations
- The pandemic created a shift in retail shopping and dining patterns. As a result, businesses had to adjust their inventory management practices to accommodate

Street Rate Growth for Large Units Outpaced Rates for Small Units in Most Major Markets Year-Over-Year in July

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Nashville	2.0%	9.7%	7.7%
Pittsburgh	5.8%	11.6%	5.9%
Minneapolis	2.3%	6.9%	4.7%
Tampa	7.3%	11.7%	4.4%
Orlando	10.0%	13.5%	3.5%
Washington DC	7.3%	10.7%	3.4%
Seattle	4.9%	8.0%	3.1%
Phoenix	9.8%	12.7%	3.0%
Columbus (OH)	5.6%	8.3%	2.7%
Denver	6.1%	8.8%	2.7%
Dallas–Ft Worth	7.5%	9.8%	2.3%
Sacramento	10.7%	12.8%	2.1%
New York	11.8%	13.6%	1.9%
Los Angeles	7.5%	9.3%	1.8%
Raleigh–Durham	5.0%	6.5%	1.5%
Atlanta	12.2%	13.5%	1.3%

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Houston	9.1%	10.2%	1.1%
San Antonio	9.3%	10.2%	0.9%
Boston	11.3%	12.1%	0.7%
Charlotte	12.8%	13.3%	0.5%
San Jose	9.9%	10.1%	0.3%
San Fran & East Bay	7.1%	7.3%	0.2%
San Diego	10.4%	10.3%	-0.1%
Inland Empire	14.6%	14.3%	-0.3%
Las Vegas	16.7%	16.3%	-0.3%
Portland	7.0%	5.9%	-1.1%
Charleston (SC)	19.4%	16.9%	-2.5%
Philadelphia	17.3%	14.7%	-2.6%
Austin	12.5%	9.2%	-3.3%
Chicago	23.1%	17.9%	-5.2%
Miami	26.7%	20.1%	-6.6%

*Year-over-year change in average street rate per square foot of non-climate-controlled units for July 2021

Source: Yardi Matrix



Markets with the Fastest Street Rate Growth for Small Unit Sizes

Market	Small Unit Average Rate per Sq Ft July 2020	Small Unit Average Rate per Sq Ft July 2021	Growth in Small Unit Average Rate (Jul '20 – Jul '21)
Miami	\$1.84	\$2.21	20.1%
Chicago	\$1.46	\$1.73	18.5%
Sarasota–Cape Coral	\$1.47	\$1.74	18.4%
Bridgeport–New Haven	\$1.84	\$2.15	16.8%
Charleston (SC)	\$1.45	\$1.69	16.6%
Philadelphia	\$1.89	\$2.20	16.4%
Inland Empire	\$1.73	\$2.01	16.2%
Memphis	\$1.18	\$1.37	16.1%
Tucson	\$1.52	\$1.76	15.8%
Providence	\$1.99	\$2.29	15.1%
Harrisburg	\$1.48	\$1.70	14.9%
Atlanta	\$1.50	\$1.72	14.7%
Charlotte	\$1.37	\$1.57	14.6%
Austin	\$1.51	\$1.73	14.6%
El Paso	\$1.32	\$1.51	14.4%

*Small unit average rates include: 5x5 NON-CC, 5x5 CC, 5x10 NON-CC, 5x10 CC

Source: Yardi Matrix



Markets with the Fastest Street Rate Growth for Medium Unit Sizes

Market	Medium Unit Average Rate per Sq Ft July 2020	Medium Unit Average Rate per Sq Ft July 2021	Growth in Medium Unit Average Rate (Jul '20 – Jul '21)
Miami	\$1.42	\$1.72	21.1%
Sarasota–Cape Coral	\$1.16	\$1.39	19.8%
Bridgeport–New Haven	\$1.29	\$1.53	18.6%
Atlanta	\$1.02	\$1.20	17.6%
Inland Empire	\$1.21	\$1.42	17.4%
Chicago	\$1.11	\$1.30	17.1%
Charleston (SC)	\$1.02	\$1.19	16.7%
Harrisburg	\$1.03	\$1.20	16.5%
Pensacola	\$1.10	\$1.28	16.4%
Tucson	\$1.05	\$1.22	16.2%
Charlotte	\$0.93	\$1.08	16.1%
Philadelphia	\$1.34	\$1.55	15.7%
Memphis	\$0.93	\$1.07	15.1%
Providence	\$1.41	\$1.62	14.9%
Austin	\$1.08	\$1.24	14.8%

*Medium unit average rates include: 5x15 NON-CC, 5x15 CC, 10x10 NON-CC, 10x10 CC

Source: Yardi Matrix



Markets with the Fastest Street Rate Growth for Large Unit Sizes

Market	Large Unit Average Rate per Sq Ft July 2020	Large Unit Average Rate per Sq Ft July 2021	Growth in Large Unit Average Rate (Jul '20 – Jul '21)
Sarasota-Cape Coral	\$0.93	\$1.14	22.6%
Miami	\$1.20	\$1.45	20.8%
Providence	\$0.99	\$1.19	20.2%
Bridgeport–New Haven	\$0.98	\$1.17	19.4%
Albuquerque	\$0.76	\$0.90	18.4%
Tampa	\$0.88	\$1.03	17.0%
Worcester–Springfield	\$0.88	\$1.03	17.0%
Atlanta	\$0.83	\$0.97	16.9%
Philadelphia	\$1.02	\$1.19	16.7%
Charleston (SC)	\$0.85	\$0.99	16.5%
Chicago	\$0.92	\$1.07	16.3%
Phoenix	\$0.88	\$1.02	15.9%
El Paso	\$0.63	\$0.73	15.9%
Harrisburg	\$0.73	\$0.84	15.1%
North Central Florida	\$0.73	\$0.84	15.1%

*Large unit average rates include: 10x20 NON-CC, 10x20 CC, 10x30 NON-CC, 10x30 CC

Source: Yardi Matrix



Markets That Saw the Largest Increases in Industrial Rent on an Annual Basis Also Saw Substantial Growth in Street Rates for Large Storage Units

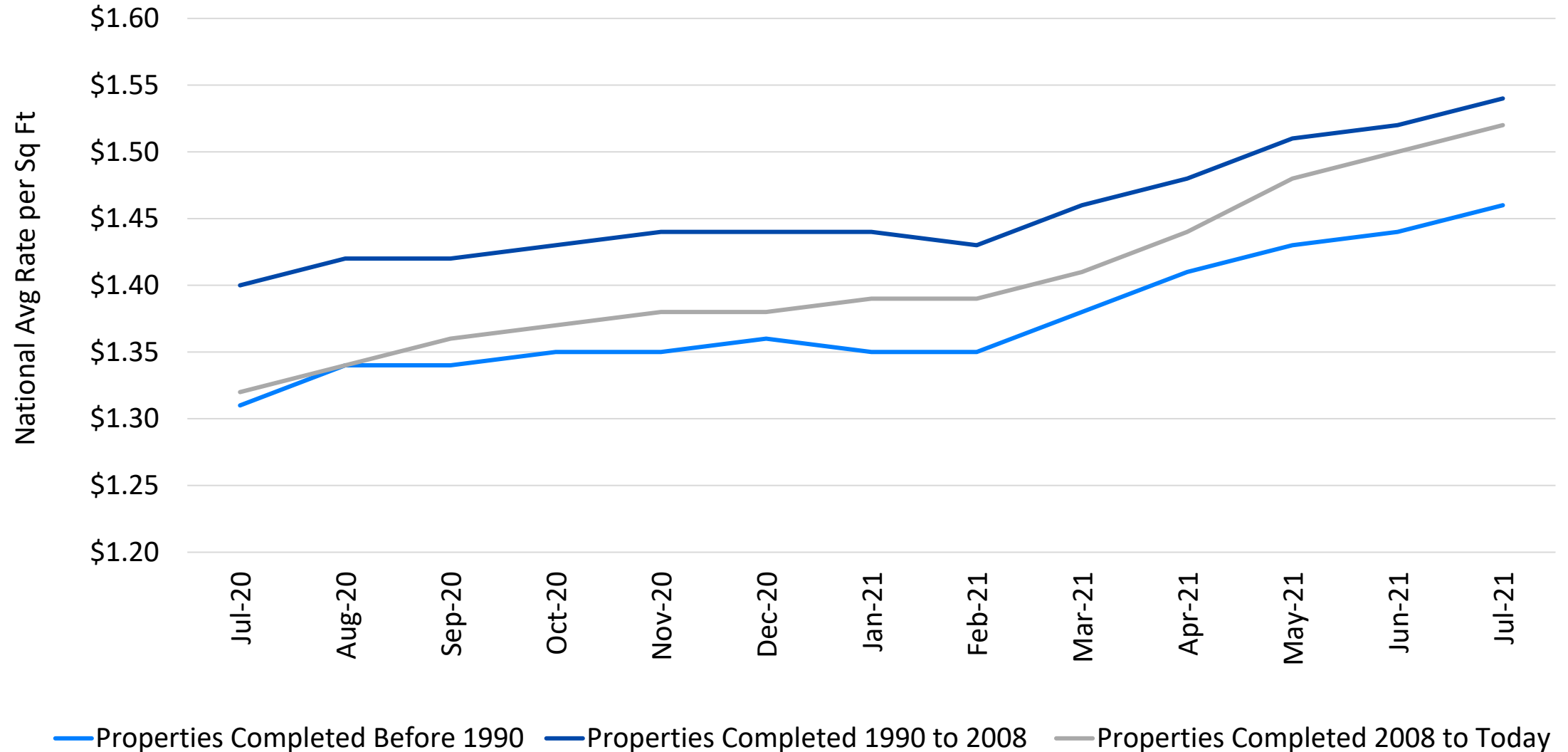
Market	YoY Change in Industrial Average Rent per Sq Ft	YoY Change in Large Storage Unit Average Rate per Sq Ft
Sacramento	7.6%	13.4%
Inland Empire	6.8%	14.3%
Nashville	6.4%	8.1%
Los Angeles	6.0%	8.9%
Seattle	5.6%	7.4%
San Jose (Bay Area)	5.4%	12.6%
Las Vegas	5.3%	13.6%
Savannah–Hilton Head	4.9%	13.4%
Jacksonville	4.5%	14.6%
Miami	4.5%	20.8%
Austin	4.5%	14.1%
Atlanta	4.3%	16.9%
Orlando	4.1%	12.5%
Central Valley	4.0%	5.2%
Memphis	3.8%	11.6%
St Louis	3.7%	7.8%

*Large storage unit average rates include: 10x20 NON CC, 10x20 CC, 10x30 NON CC, 10x30 CC. July 2020 – July 2021

Source: Yardi Matrix



Street Rates for Newer Construction Rose 15.2% on Annual Basis, Outpacing Other Construction Vintages

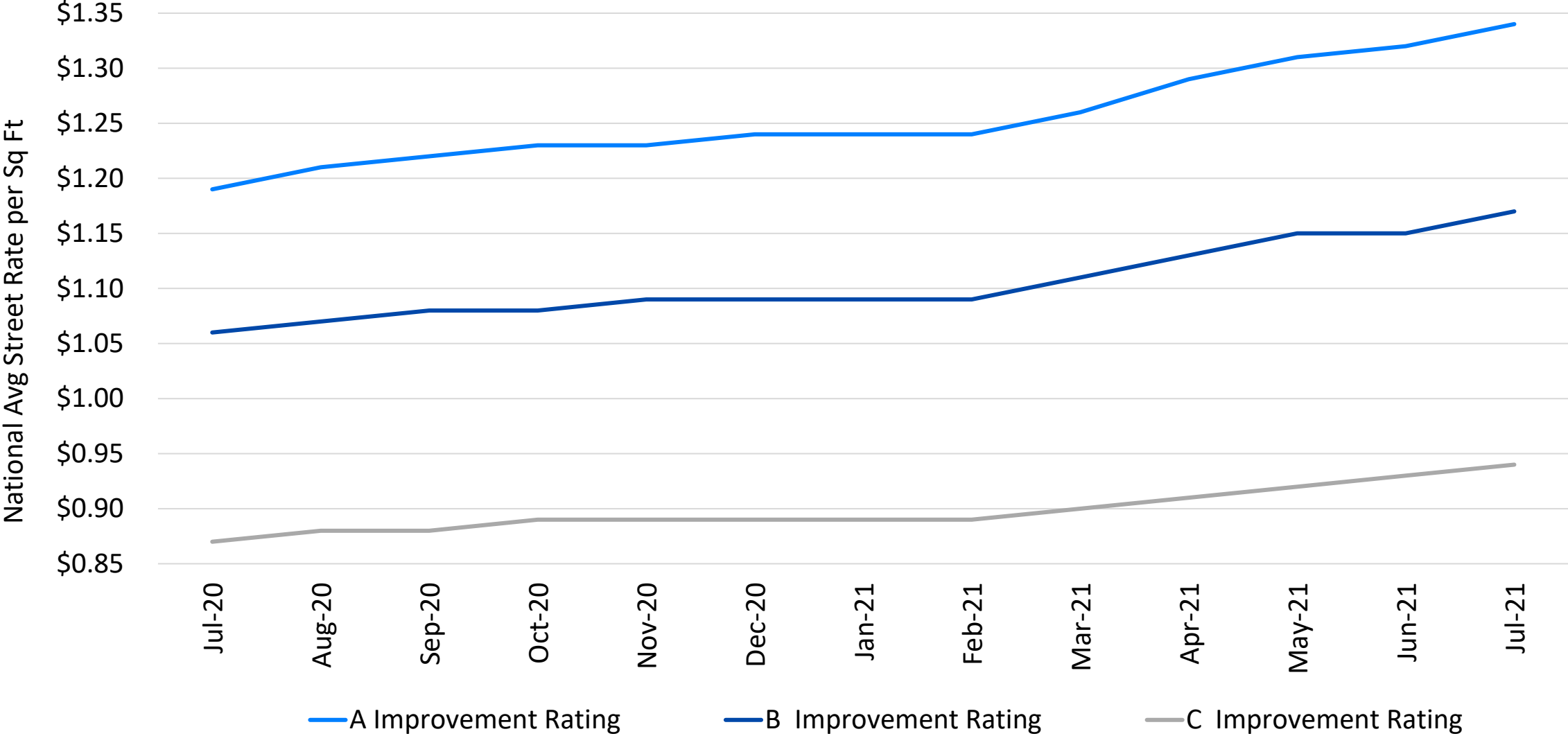


*National average rates include all unit types

Source: Yardi Matrix



Facilities with “A” Improvement Ratings Have Seen Street Rates Increase Nearly 13% on a National Level Over the Past 12 Months

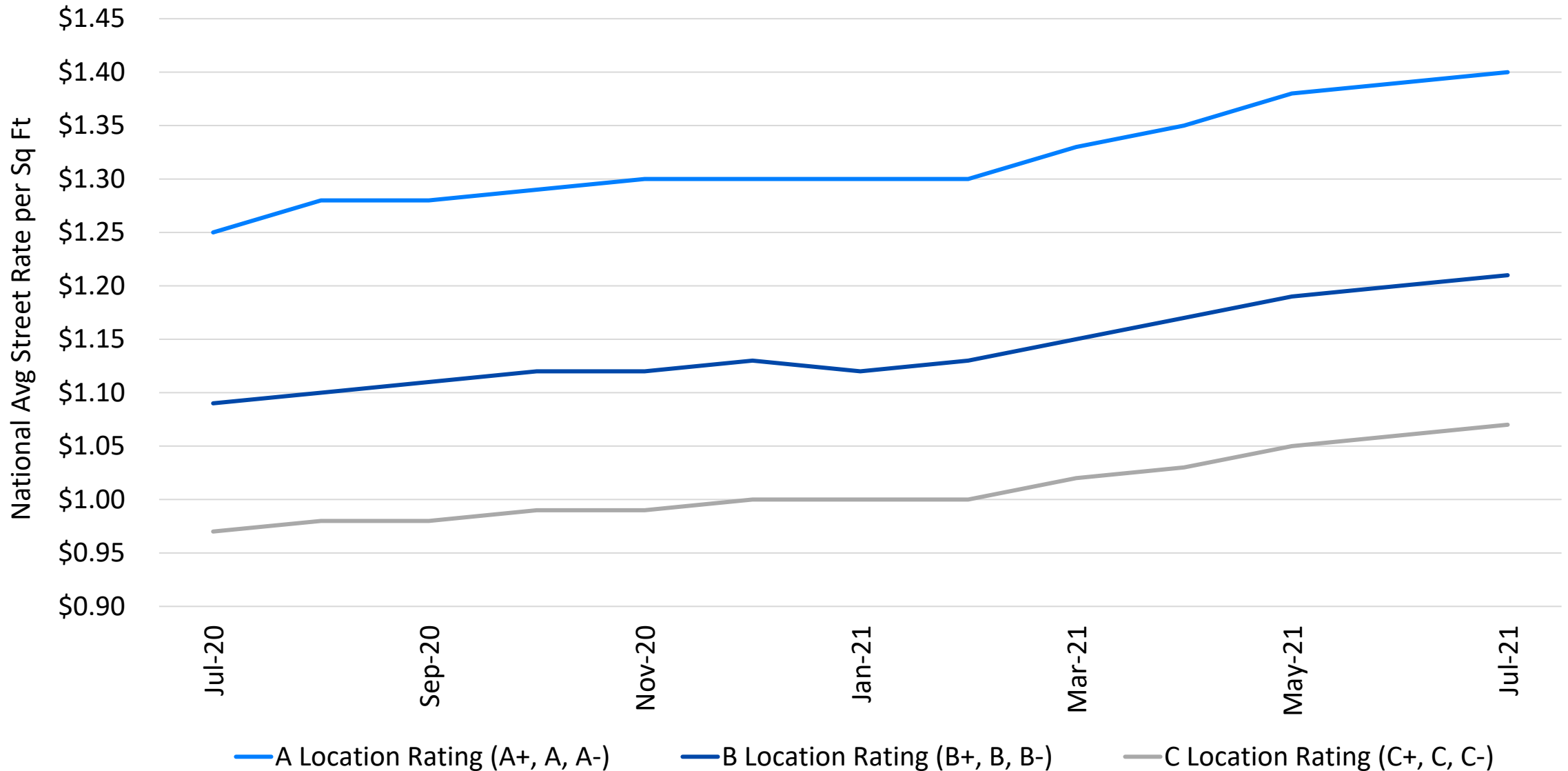


*National average rates include all unit types

Source: Yardi Matrix



Street Rates Accelerating the Fastest for Facilities with “A” Location Ratings

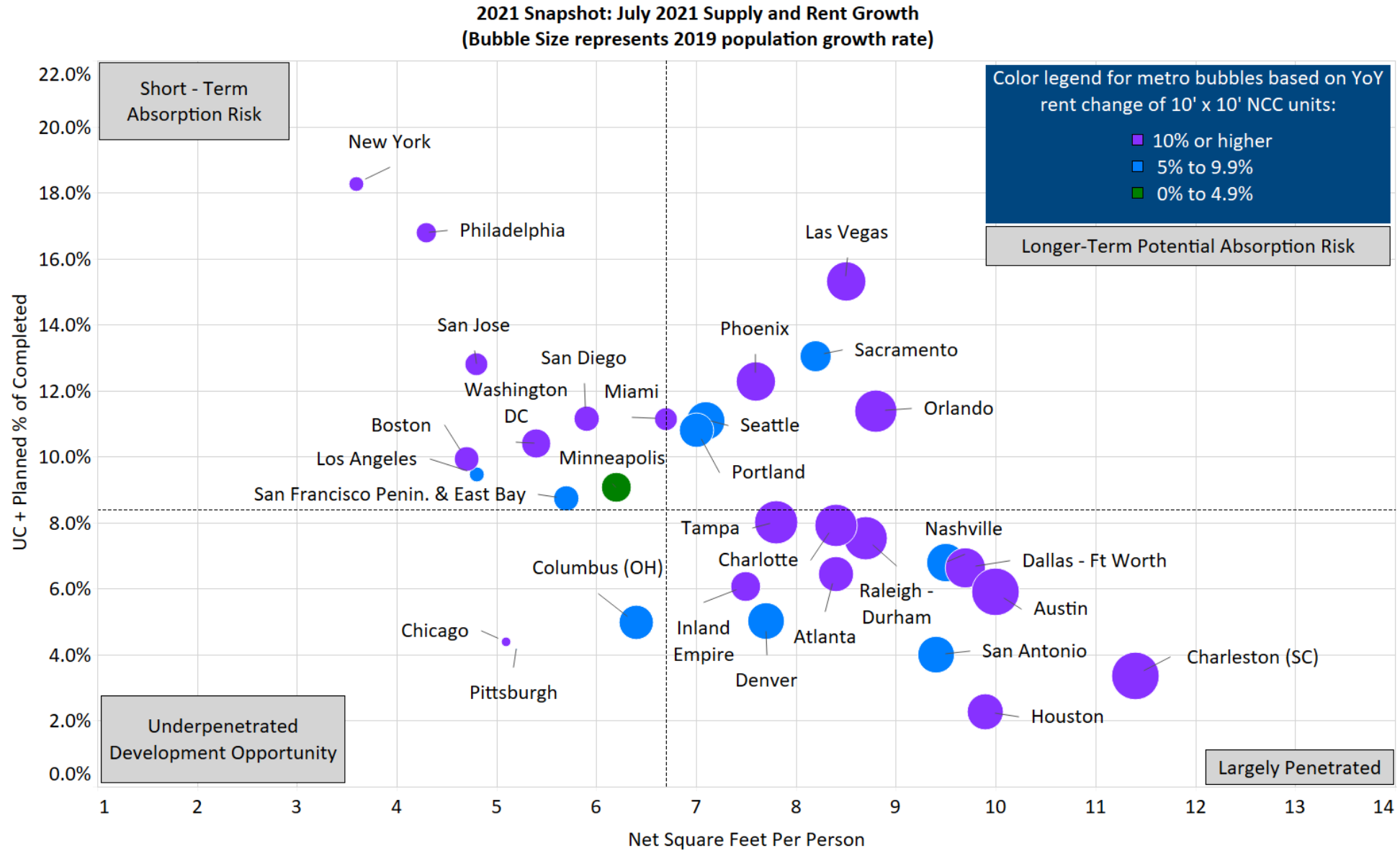


*National average rates include all unit types

Source: Yardi Matrix

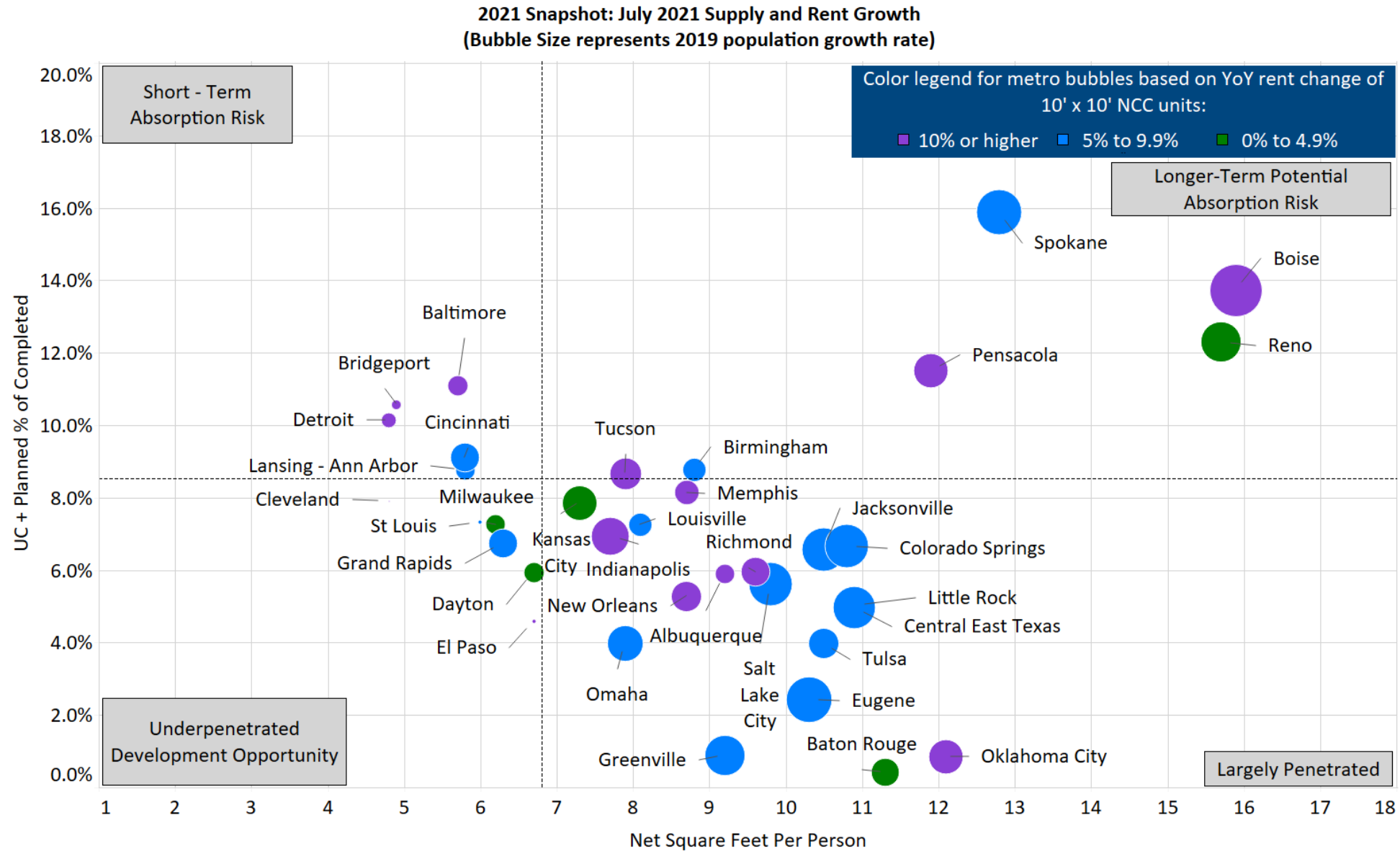


Major Markets Saw Strong Rate Growth Year-Over-Year in July



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

All Tertiary Markets Have Seen Street Rates Increase Compared to July 2020



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

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

Market	Storage Street Rate Change (Mar '20 – Jul '21)	Multifamily New Rent Change (Mar '20 – Jul '21)	Difference	Market	Storage Street Rate Change (Mar '20 – Jul '21)	Multifamily New Rent Change (Mar '20 – Jul '21)	Difference
Chicago (Urban)	24.1%	1.2%	22.9%	Denver	11.3%	13.2%	-1.9%
Manhattan	8.0%	-8.7%	16.7%	Orange County	9.1%	13.1%	-3.9%
San Francisco Penin.	7.3%	-5.4%	12.7%	Long Island	10.8%	15.0%	-4.2%
Los Angeles (Metro)	10.2%	-0.9%	11.1%	San Diego	12.2%	18.3%	-6.1%
New Jersey (North)	9.3%	-1.2%	10.5%	Boston	8.2%	14.5%	-6.3%
Bridgeport–New Haven	20.0%	13.0%	7.0%	Austin	12.5%	19.1%	-6.6%
Miami	25.4%	21.6%	3.7%	Nashville	7.1%	14.3%	-7.3%
San Fernando Valley	10.9%	7.8%	3.2%	Charlotte	13.4%	21.4%	-8.0%
Suburban MD/DC	13.3%	10.2%	3.1%	Raleigh–Durham	11.5%	19.5%	-8.0%
Virginia (North)	9.2%	6.5%	2.7%	Portland	6.5%	15.0%	-8.5%
Chicago (Suburban)	18.3%	15.9%	2.4%	Las Vegas	15.1%	27.0%	-11.9%
Houston (West)	10.7%	8.8%	1.9%	Orlando	7.9%	20.1%	-12.2%
White Plains	12.3%	12.3%	-0.1%	Atlanta (Urban)	13.8%	26.5%	-12.8%
Dallas (North)	15.1%	16.1%	-1.0%	Phoenix	13.5%	26.6%	-13.1%
Seattle	6.3%	7.5%	-1.3%	Tampa	9.5%	33.4%	-23.9%

*Multifamily: Improvement Rating Class A & B. Storage: Average rent for 10x10 Non-climate-controlled units.

Source: Yardi Matrix Expert Data



In Summary

- Street rates are up across the board, with all unit sizes, vintages and property ratings experiencing strong increases
- Rents for larger units have been growing faster than smaller units, as demand for entire room storage, boat and RV, and long-distance relocations have driven demand
- Newer facilities and higher-rated facilities have had faster rent acceleration
- Most markets are setting street rate growth records!

STORAGE FUNDAMENTAL PERFORMANCE

POLL QUESTION #2

STRATEGIC FOCUS

Compared to Last Year, Reported Q2 Weighted Average Occupancies for Self Storage REITs Increased Nationwide

MSA	Q2 2020	Q2 2021	YoY Change in Occupancy
Portland, OR	82.7%	91.6%	8.9%
Tampa–St Petersburg, FL	91.0%	96.5%	5.5%
Atlanta, GA	91.6%	97.0%	5.4%
Charleston, SC	90.5%	95.9%	5.4%
Raleigh–Durham, NC	90.7%	95.2%	4.5%
Miami, FL	92.7%	97.1%	4.4%
Austin, TX	92.2%	96.5%	4.3%
Dallas–Ft Worth, TX	92.5%	96.8%	4.3%
Charlotte, NC	92.0%	96.0%	4.0%
San Diego, CA	94.2%	97.9%	3.7%
Houston, TX	91.6%	95.2%	3.6%
Sacramento, CA	93.4%	97.0%	3.6%
Chicago, IL	93.1%	96.6%	3.5%
Orlando, FL	92.8%	96.1%	3.3%

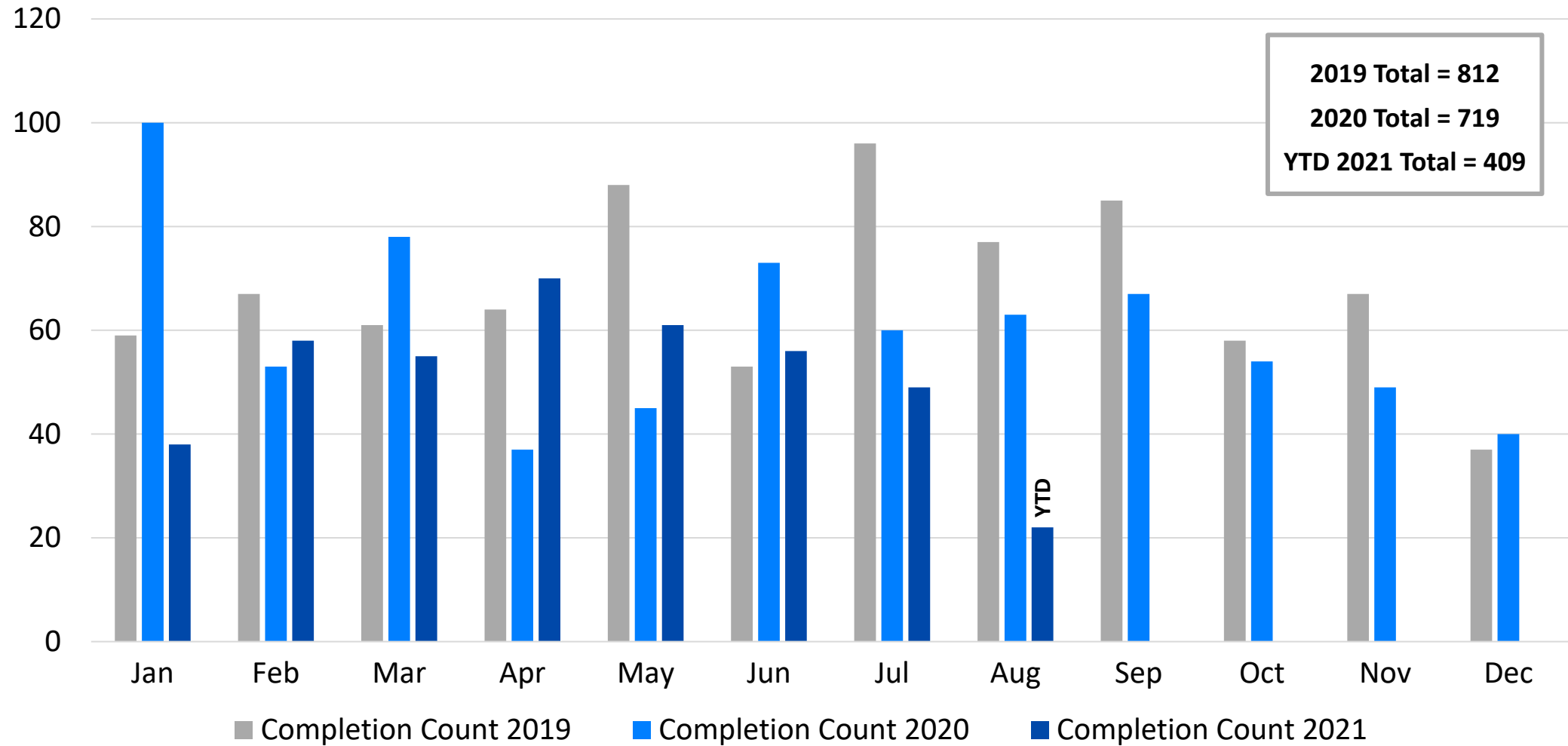
MSA	Q2 2020	Q2 2021	YoY Change in Occupancy
Las Vegas, NV	92.8%	96.1%	3.3%
New York–Northern NJ	92.9%	96.0%	3.1%
Phoenix, AZ	92.4%	95.5%	3.0%
Denver, CO	93.5%	96.4%	2.9%
Washington DC Metro	93.4%	96.3%	2.9%
Boston, MA	91.6%	94.4%	2.8%
Los Angeles, CA	95.0%	97.7%	2.7%
Philadelphia, PA	94.1%	96.8%	2.7%
San Antonio , TX	92.5%	95.2%	2.6%
San Fran–Bay Area, CA	94.9%	97.3%	2.4%
Seattle–Tacoma, WA	94.1%	96.3%	2.2%
Columbus, OH	94.1%	95.4%	1.3%
Nashville, TN	93.0%	92.3%	-0.7%

Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2021, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage



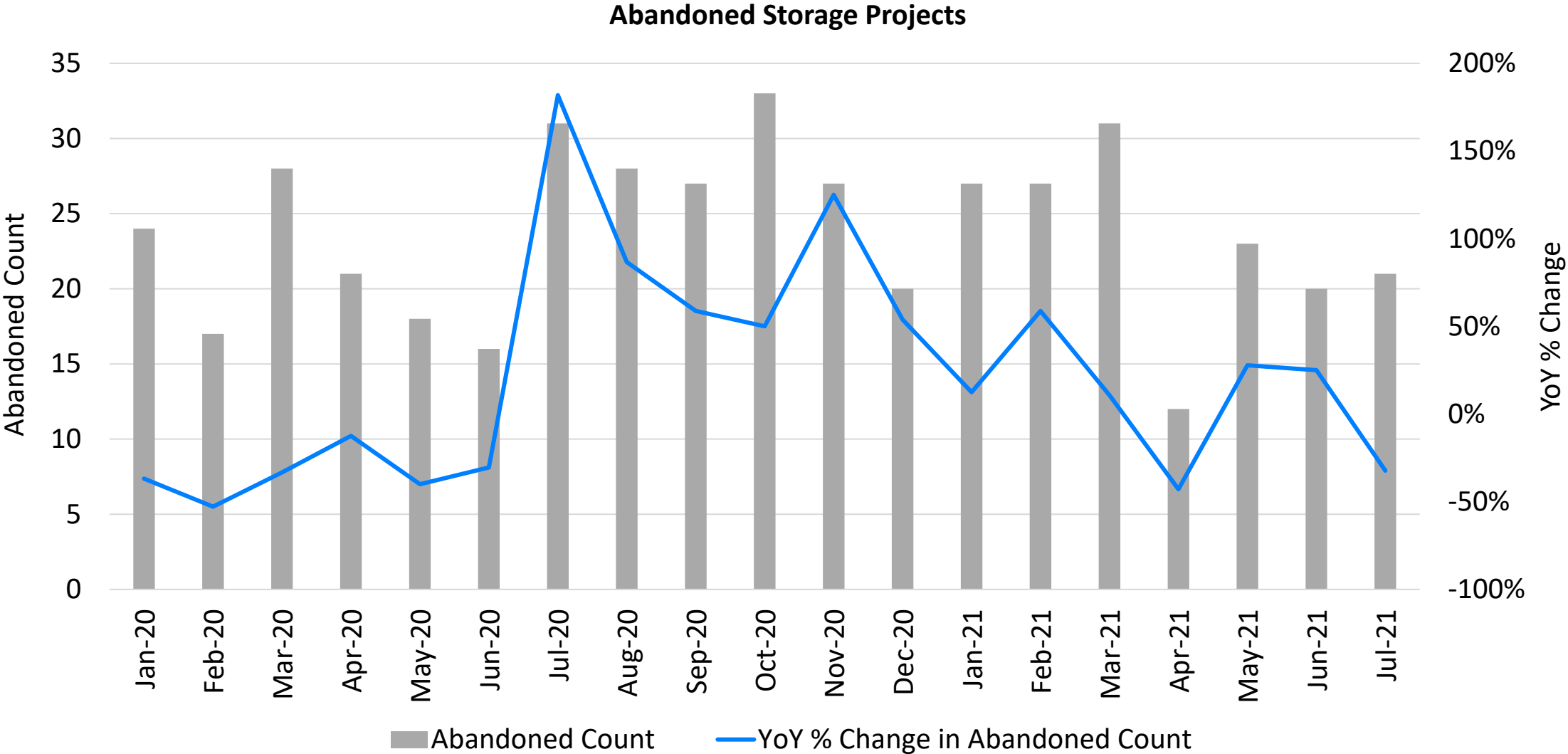
Year-To-Date Completions in Line With 2020

Storage Completions



*YTD 2021 as of August 13
Source: Yardi Matrix

Projects Abandoned in July Dropped 32% Compared to the Same Month Last Year

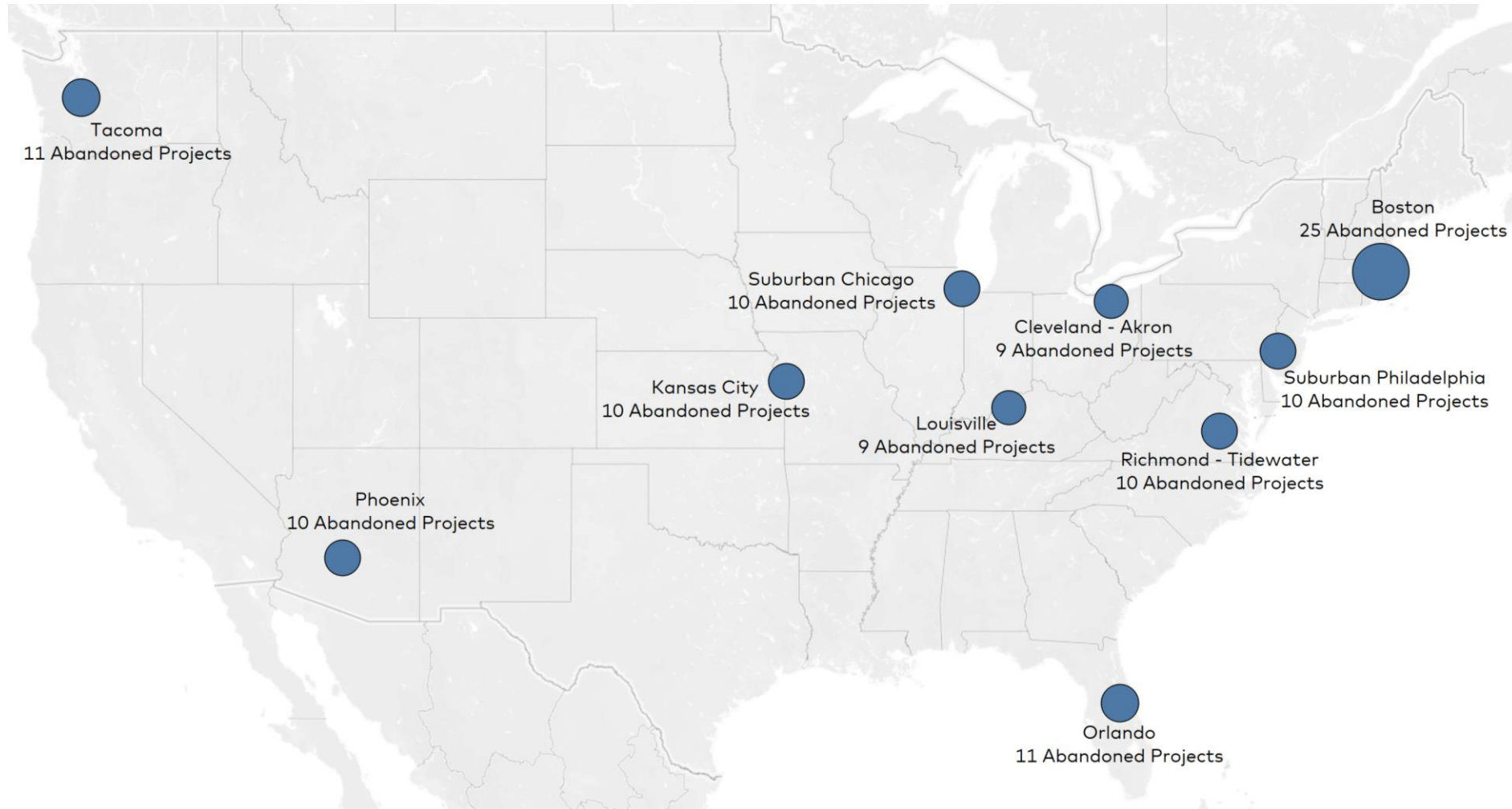


Source: Yardi Matrix



East Coast and Midwest Markets Have Seen a Higher Number of Projects Abandoned Since the Start of Last Year

Markets with the Highest Number of Total Abandoned Storage Projects in 2020 and 2021 (YTD)

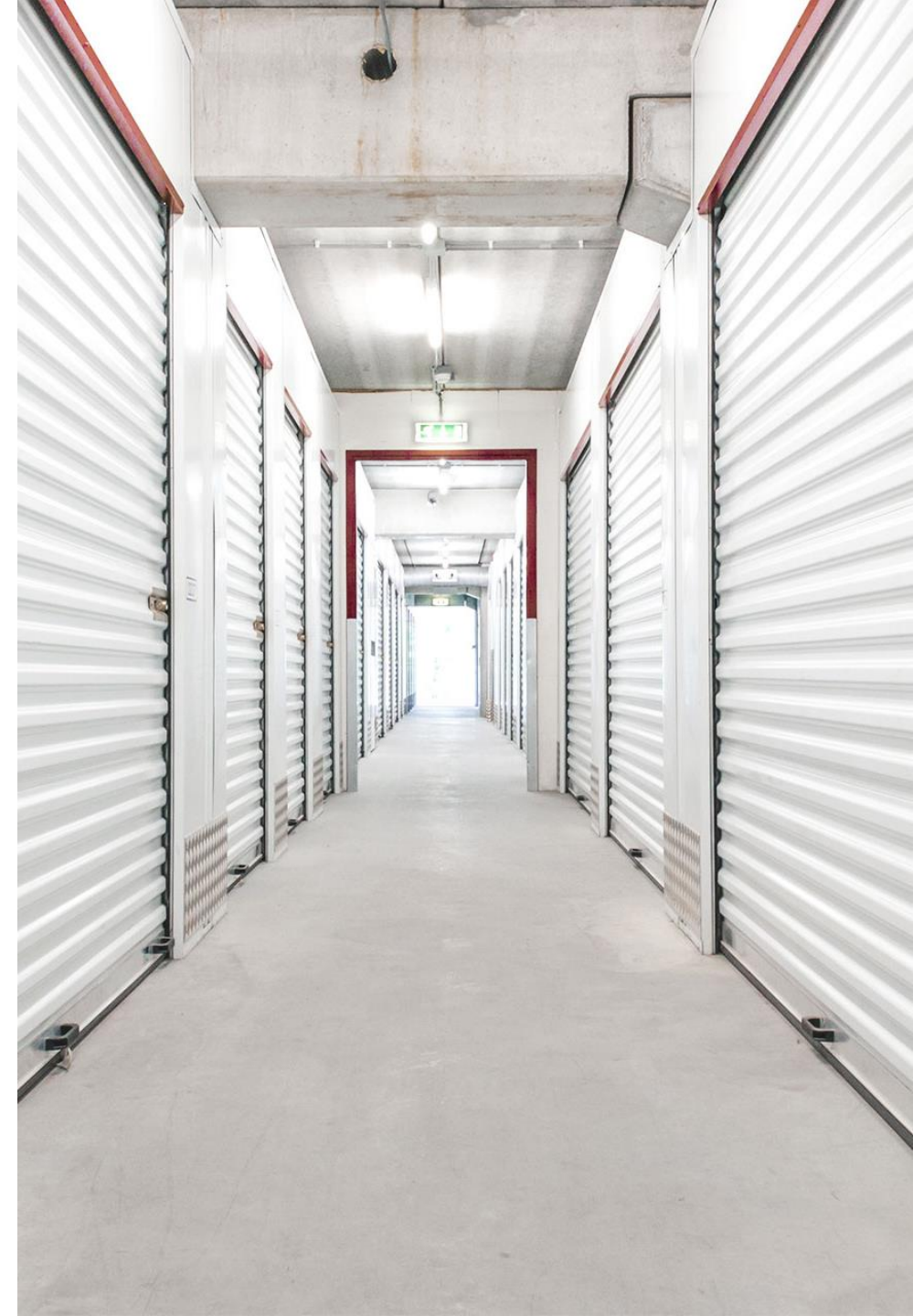


*Metros with the highest number of abandoned storage properties between January 1, 2020, thru August 13, 2021

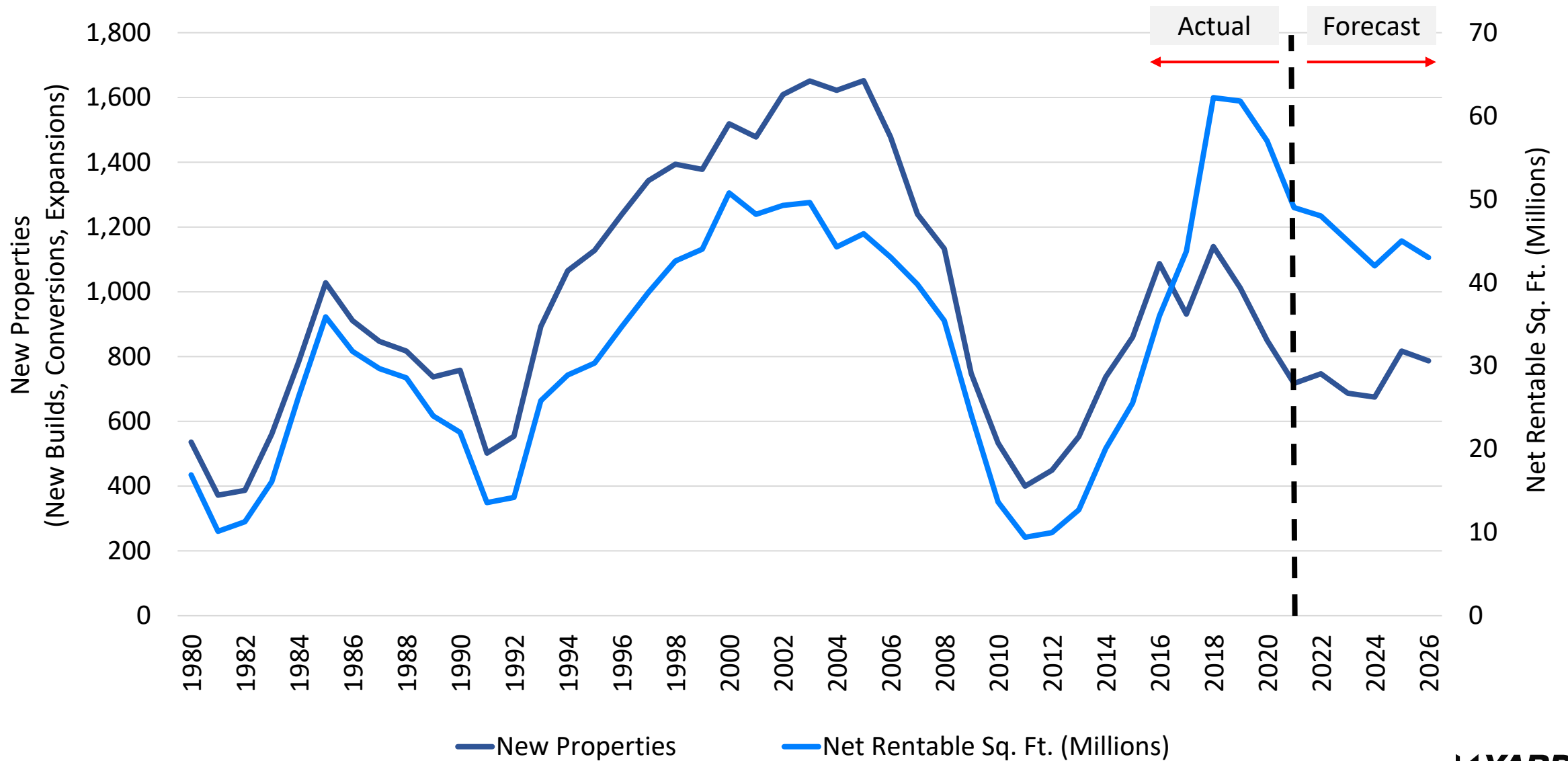
Source: Yardi Matrix

Takeaways From Our Q3 2021 Self Storage Supply Forecast

- The July (Q3) 2021 forecast shows a continued modest slowdown from the peak delivery year in 2018
- Property completions in 2021 are anticipated to drop roughly 13% compared to 2020
- The mix of build types is forecasted to shift away from new builds and towards conversions and expansions
 - Compared to 2020, conversion (+60%) and expansion (+33%) deliveries are projected to increase significantly
- However, continued strength in occupancy and storage utilization will likely lead to an expanding development pipeline, especially given the institutional interest in the sector



Our Current Forecasts Show New Deliveries Moderating Through 2026



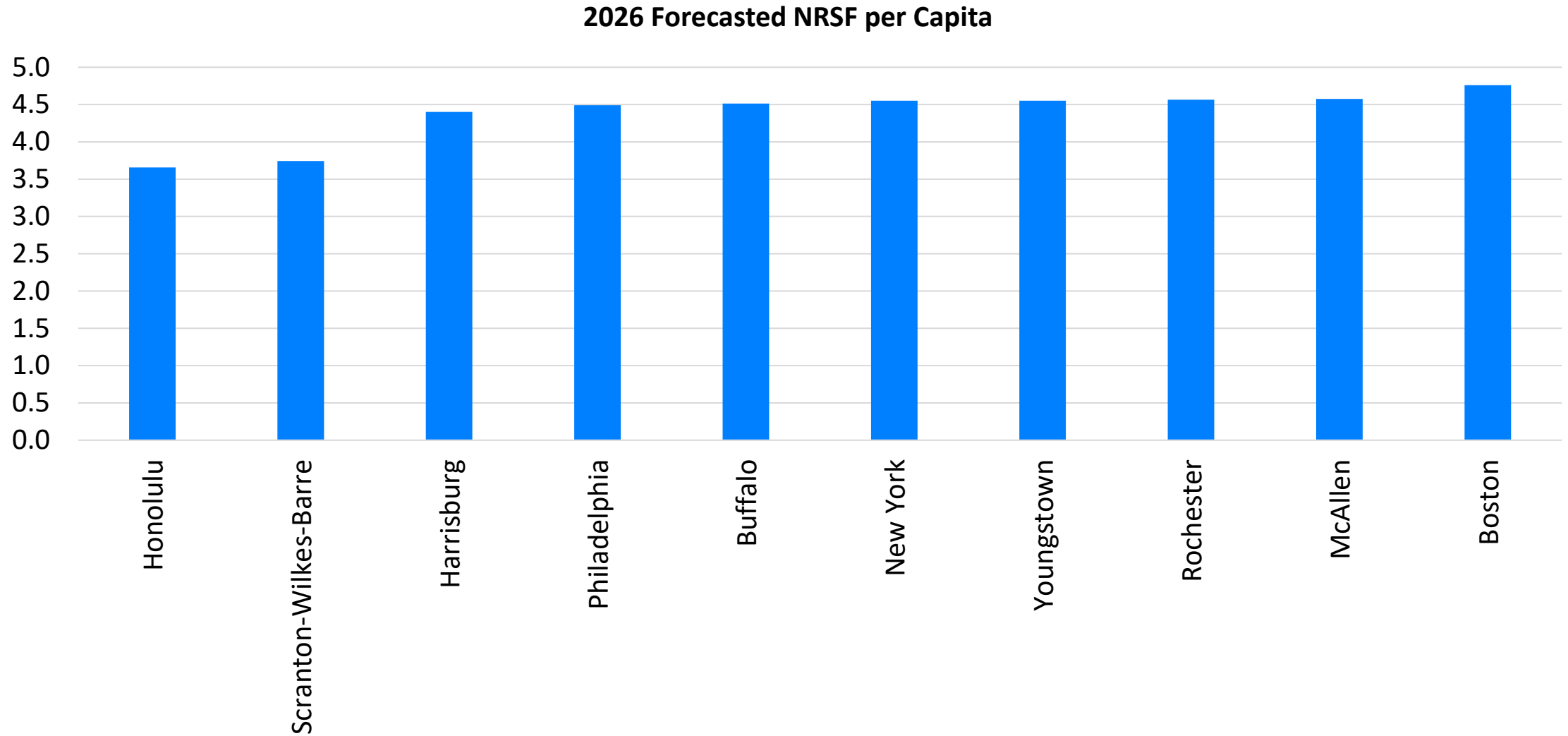
New National Storage Supply Forecast — Q3 2021

Property Forecasts	Actual 2020 Completions	2021	2022	2023	2024	2025	2026
New Build	543	505	513	500	435	329	341
Conversion	144	77	73	48	91	248	230
Expansion	163	135	161	139	149	240	216
Total	850	717	747	687	675	817	787

NRSF Forecasts (MM)	Actual 2020 Completions	2021	2022	2023	2024	2025	2026
New Build	40.0	38.8	36.0	36.7	30.2	19.4	20.1
Conversion	11.5	5.9	5.6	3.4	6.9	21.1	19.5
Expansion	5.2	4.4	6.0	4.7	4.7	4.2	3.9
Total	56.6	49.1	47.6	44.8	41.9	44.8	43.5
NRSF as a % of Stock	3.9%	3.3%	3.1%	2.8%	2.6%	2.7%	2.5%

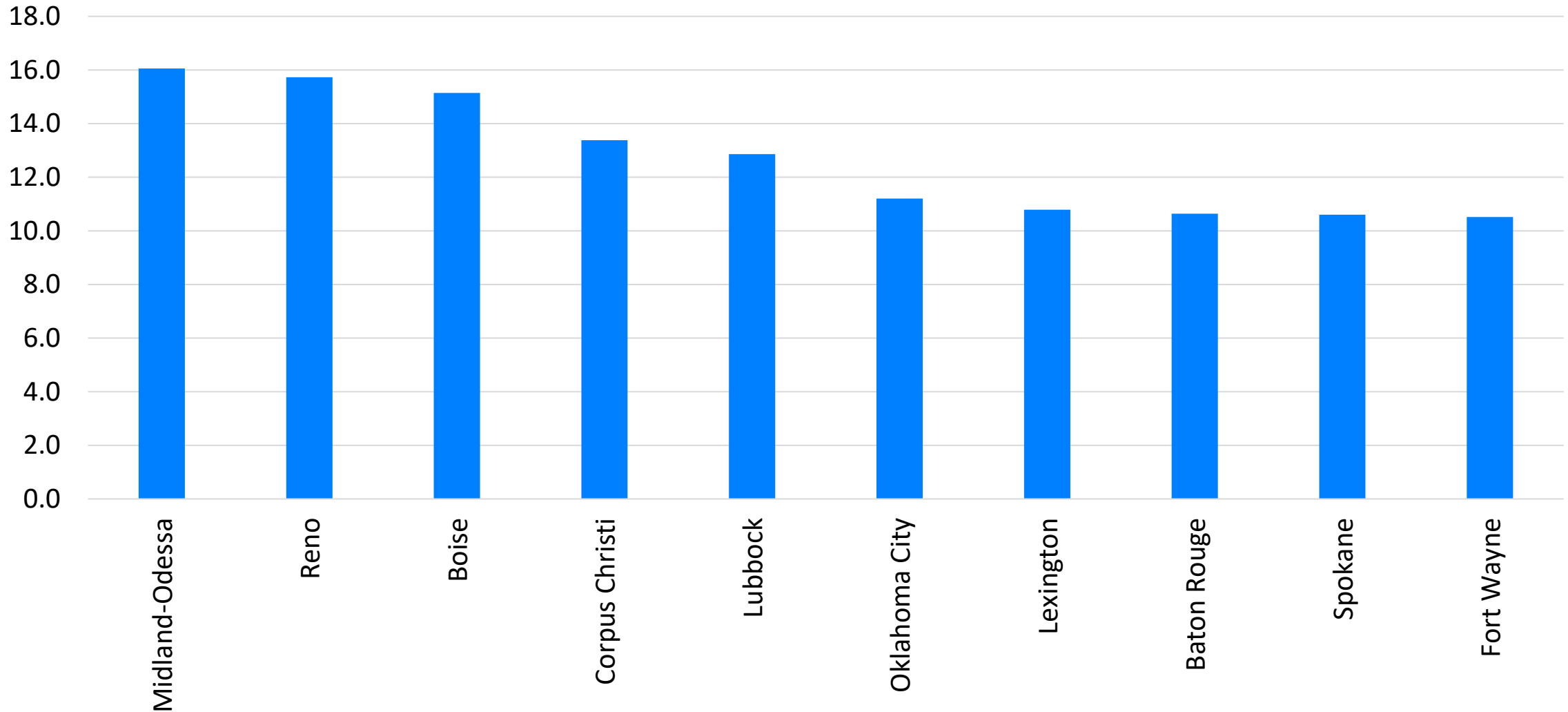


Top 10 Markets Forecasted to be Likely Undersupplied in 2026



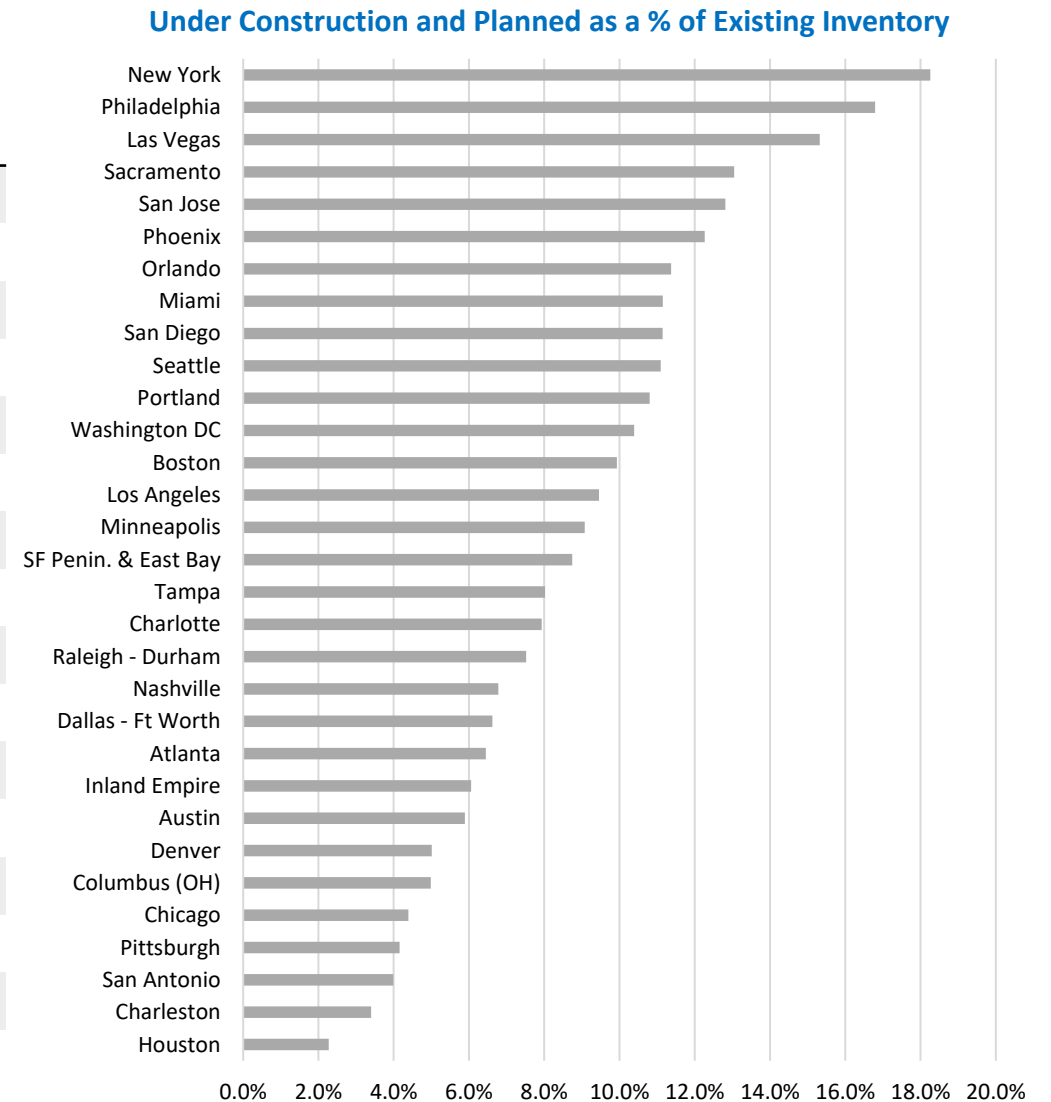
Top 10 Markets Forecasted to be Likely Oversupplied in 2026

2026 Forecasted NRSF per Capita



Among the Major Markets, New York Continues to Have the Largest New Supply Pipeline as a Percent of Existing Stock

Market	UC + Planned % of Completed July 2021	Market	UC + Planned % of Completed July 2021
New York	18.3%	Tampa	8.0%
Philadelphia	16.8%	Charlotte	7.9%
Las Vegas	15.3%	Raleigh–Durham	7.5%
Sacramento	13.0%	Nashville	6.8%
San Jose	12.8%	Dallas–Ft Worth	6.6%
Phoenix	12.3%	Atlanta	6.5%
Orlando	11.4%	Inland Empire	6.1%
Miami	11.2%	Austin	5.9%
San Diego	11.1%	Denver	5.0%
Seattle	11.1%	Columbus (OH)	5.0%
Portland	10.8%	Chicago	4.4%
Washington DC	10.4%	Pittsburgh	4.2%
Boston	9.9%	San Antonio	4.0%
Los Angeles	9.5%	Charleston	3.4%
Minneapolis	9.1%	Houston	2.3%
SF Penin. & East Bay	8.7%		



*Drawn from our national database of 29,354 stores, including 2,370 projects in the new supply pipeline as well as 26,984 completed stores. Data as of August 2021

There Is Robust Expansion Activity in Major Markets

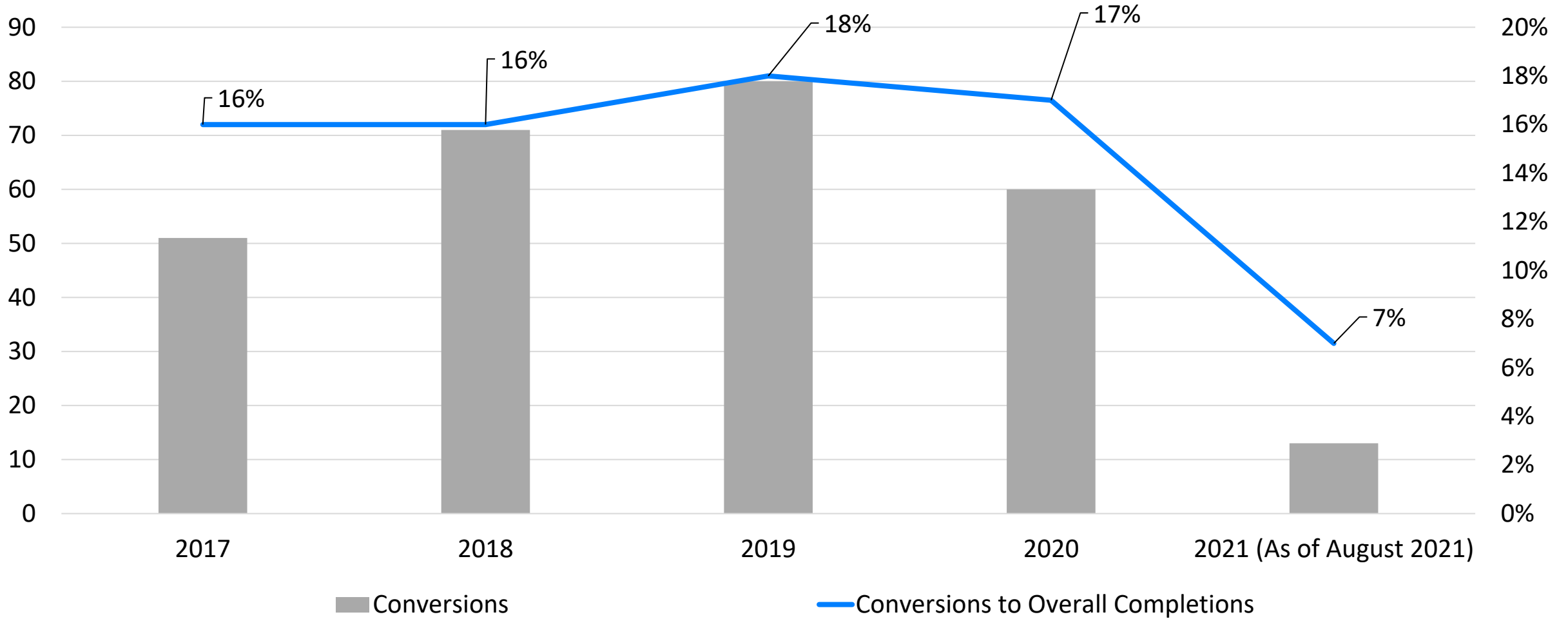


Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	63	2.3	2.0
Planned	172	9.2	7.6
Under Construction	57	3.5	2.8
TOTAL EXPANSIONS:	292	15.0	12.4

*Major markets
Source: Yardi Matrix

Conversion Deliveries in Major Markets Peaked in 2019

Conversion Count and % of Total Storage Completions: 2017 to August 2021

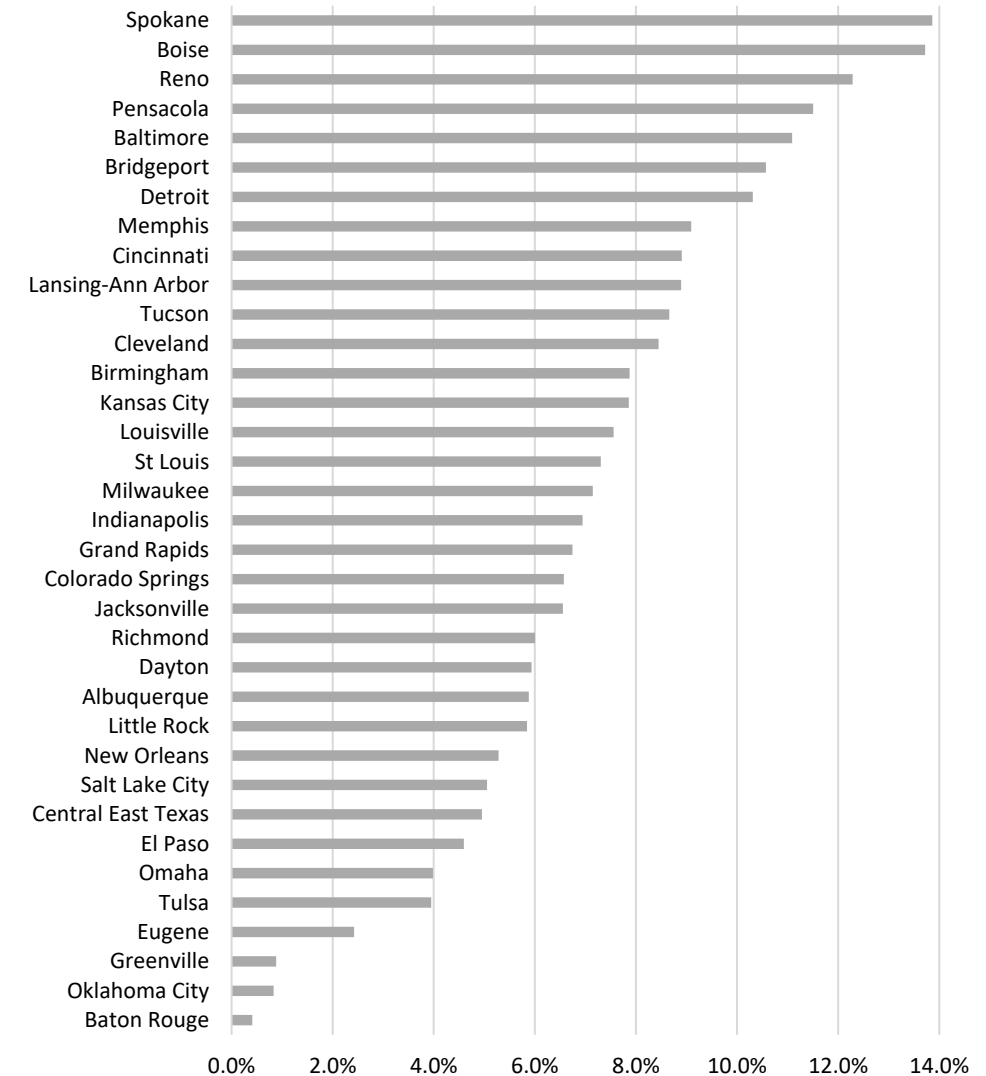


*Major markets only
Source: Yardi Matrix

Development Activity Continues to Increase in Several Tertiary Markets

Market	UC + Planned % of Completed July 2021	Market	UC + Planned % of Completed July 2021
Spokane	13.9%	Grand Rapids	6.7%
Boise	13.7%	Colorado Springs	6.6%
Reno	12.3%	Jacksonville	6.6%
Pensacola	11.5%	Richmond	6.0%
Baltimore	11.1%	Dayton	5.9%
Bridgeport	10.6%	Albuquerque	5.9%
Detroit	10.3%	Little Rock	5.8%
Memphis	9.1%	New Orleans	5.3%
Cincinnati	8.9%	Salt Lake City	5.1%
Lansing–Ann Arbor	8.9%	Central East Texas	5.0%
Tucson	8.7%	El Paso	4.6%
Cleveland	8.4%	Omaha	4.0%
Birmingham	7.9%	Tulsa	4.0%
Kansas City	7.9%	Eugene	2.4%
Louisville	7.6%	Greenville	0.9%
St Louis	7.3%	Oklahoma City	0.8%
Milwaukee	7.1%	Baton Rouge	0.4%
Indianapolis	6.9%		

Under Construction and Planned as a % of Existing Inventory



*Drawn from our national database of 29,354 stores, including 2,370 projects in the new supply pipeline as well as 26,984 completed stores. Data as of August 2021

Source: Yardi Matrix

Expansion Activity in Tertiary Markets Has Stayed Level Since Spring

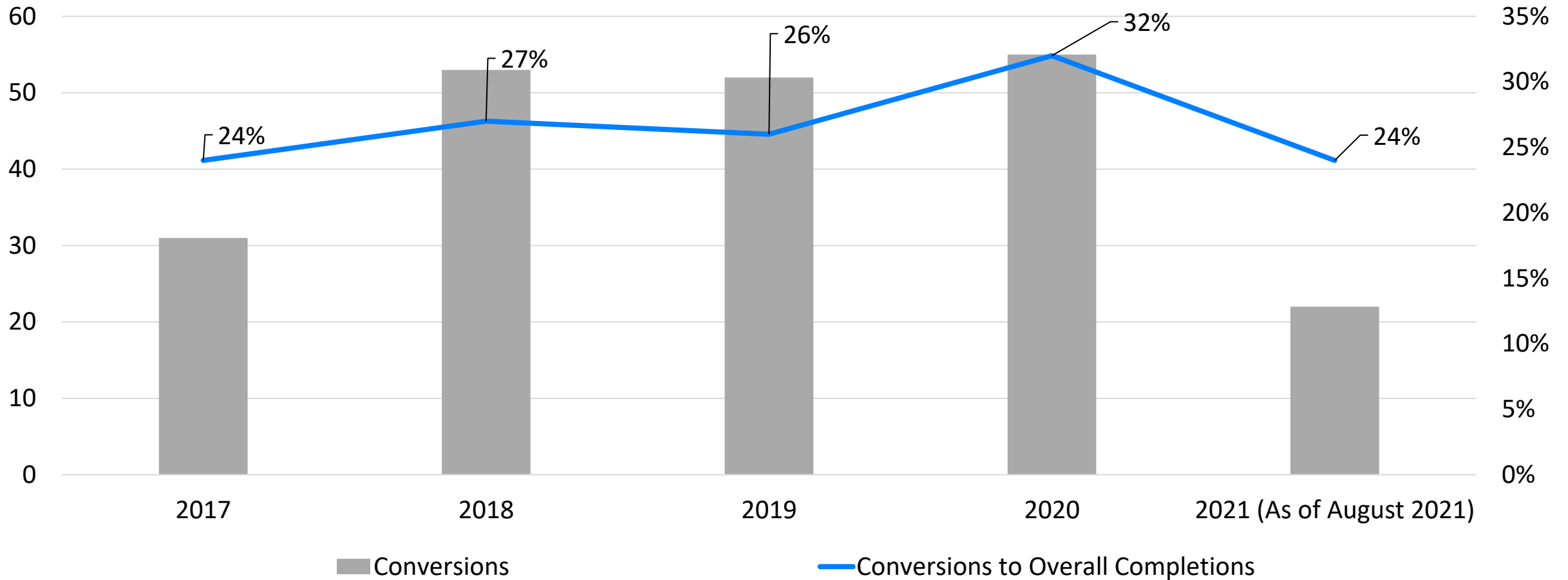


Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	20	0.6	0.5
Planned	61	1.8	1.7
Under Construction	31	1.2	1.1
TOTAL EXPANSIONS:	112	3.6	3.3

*Tertiary markets only
Source: Yardi Matrix

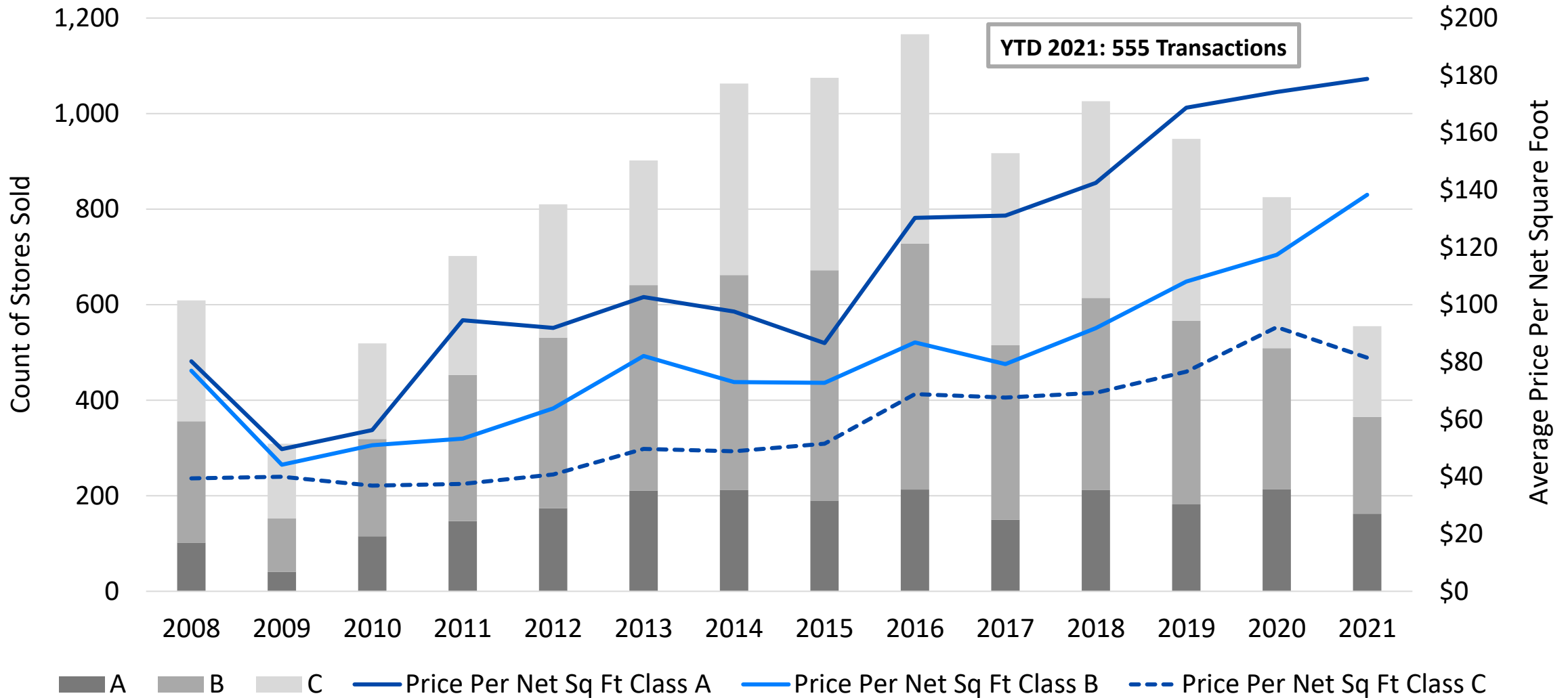
Tertiary Markets Continue to See a Higher Percentage of Conversions to Overall Completions Than Major Markets

Conversion Count and % of Total Storage Completions: 2017 to August 2021



*Tertiary markets only
Source: Yardi Matrix

Total Number of Transactions Nationwide Declined in 2020, But Prices Continue to Rise



*YTD 2021 as of August 18

Source: Yardi Matrix



Institutional Investors Continue to be a Driving Force in Transactions in 2021

Top 10 Buyers YTD 2021	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
LifeStorage	Real Estate Investment Trust	45	4,173,592	\$420.3
Public Storage	Real Estate Investment Trust	40	3,891,590	\$490.4
National Storage Affiliates	Real Estate Investment Trust	37	2,318,285	\$131.3
Merit Hill Capital	Private Owner	37	2,156,303	\$143.8
SpareBox Storage	Private Owner	20	1,478,237	\$26.5
Extra Space Storage	Real Estate Investment Trust	14	1,358,186	\$101.4
Andover Properties	Private Owner	17	1,266,377	\$44.5
Prime Group Holdings	Private Owner	13	966,246	\$52.8
CubeSmart	Real Estate Investment Trust	8	962,840	\$192.6
City Line Capital	Private Owner	10	701,801	\$45.7

*YTD as of August 16 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

Similar to Last Year, Private Owners Continue to be the Leading Sellers in 2021

Top 10 Sellers YTD 2021	Type	Count of Stores Sold	Total Sq Ft Sold	Total Sales Volume (MM)
Kayne Anderson Capital Advisors	Private Owner	17	1,781,385	\$101.6
Prime Group Holdings	Private Owner	18	1,134,261	\$91.7
Ziff Properties	Private Owner	9	741,418	\$32.0
Private Individual	Private Owner	7	741,023	-
NexPoint Group	Real Estate Investment Trust	5	563,889	\$77.9
Private Individual	Private Owner	8	531,333	\$35.1
Midtown National Group	Private Owner	5	520,711	-
ROC	Private Owner	4	495,141	\$49.6
Cross Development	Private Owner	6	475,369	\$6.2
Private Individual	Private Owner	5	451,094	\$54.4

*YTD as of August 16. 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

Institutional Investors' Quickest Way to Deploy Capital Is Through Large Acquisitions

- **Public Storage** acquired ezStorage for \$1.8 billion in 2021. The portfolio comprised 48 properties (4.2 million NRSF) located across Washington, DC, Virginia and Maryland
 - After the end of Q1 2021, Public Storage acquired or was under contract to purchase 87 storage facilities across 18 states with 7.6 million NRSF for \$203.1 million, including their ezStorage acquisition
- **Madison Capital Group LLC**, which owns more than 60 facilities under their “Go Store It” self storage brand, has received a \$75 million capital investment from FrontRange Capital Partners to accelerate growth and expand its footprint
 - Madison recently acquired four vacant retail buildings, which they plan to convert to storage facilities in Baton Rouge, Boise, Savannah and Melbourne, FL
- **Prime Group Holdings LLC**, a New York-based real estate group, is launching a private-equity fund to raise \$1.5 billion for self storage acquisitions nationwide
- **Heitman LLC** has raised \$3.2 billion to launch three new funds that will seek investments focused on apartments, medical offices, senior and student housing, self storage and warehouses
- A joint venture between **Centerbridge Partners, GIC Private Ltd., and Merit Hill Capital** recently purchased 57 self storage facilities from Prime Storage Holdings LLC for \$636 million
- **KKR** entered the self storage market with the acquisition of three facilities in Austin and Nashville totaling \$36 million
- **CBRE Global Investors** has completed the acquisition of a self storage portfolio totaling 3,746 units across Colorado, California and Washington
 - The William Warren Group sold the assets for \$118 million

In Summary

- REITs continue to report strong fundamentals in street rates, in-place rent growth and occupancy
- Following COVID-19, the industry may be facing a higher level of break-even penetration
- Development activity continues at a steady pace, declining from its 2018 peak. However, continued strong occupancy and utilization will likely lead to an increase in new storage development
- Migration will likely continue to serve as a tailwind for storage operators in the Southeast and Mountain West, a headwind in the Northeast and California

Yardi Matrix Self Storage House View — September 2021

- The U.S. economy is strong, but rising inflation remains a looming concern
- Self storage demand and utilization remains at elevated levels as new storage users have held on to their units
- Street rate growth is at historic levels in most markets, with almost all markets showing some level of growth
- The new supply pipeline has neither expanded nor contracted, but remains robust at 8% of stock
- Investor interest in self storage has increased with new entrants in the industry
- The outlook for self storage remains optimistic but the relationship between new supply and storage utilization will be key to the industry continuing outperformance



Upcoming Events

SSA Fall Conference

Las Vegas, NV

SEPTEMBER 7-10

Fall National Outlook Webinar Series

STUDENT HOUSING – September 29, 10am

MULTIFAMILY – October 20, 10am

OFFICE & INDUSTRIAL – November 17, 10am



THANK YOU

Feel free to contact me with any questions.

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