



SELF STORAGE NATIONAL OUTLOOK

FALL 2022

PRESENTERS



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AGENDA

- Macroeconomic Outlook
- Deep Dive Into Street Rates
- Historical & Forecasted Supply Trends
- Self Storage Transactions
- RV & Boat Storage

Yardi Matrix House View – August 2022

SELF STORAGE FUNDAMENTALS AND OUTLOOK

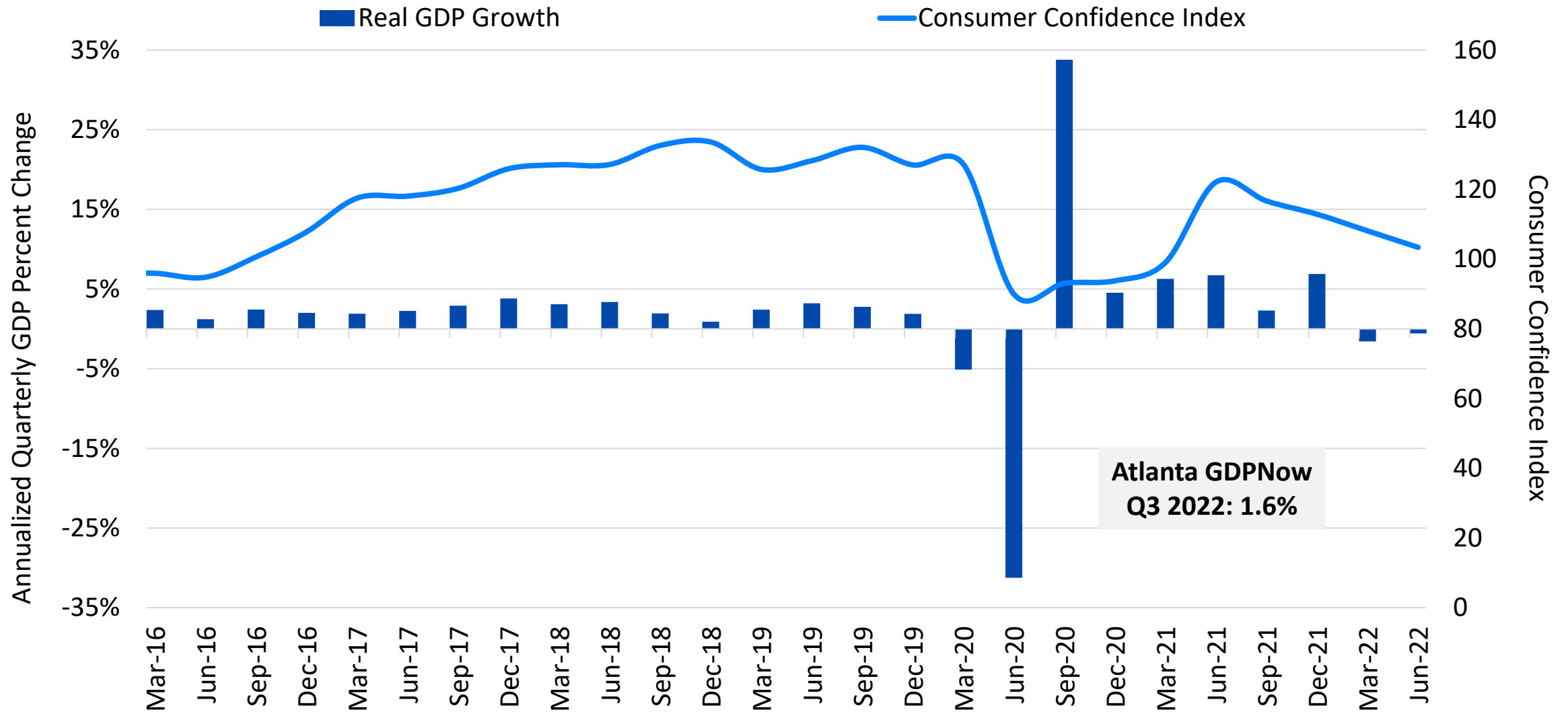
- Self-Storage continues to outperform due to additional demand fueled by the pandemic
- Growth is moderating and we expect to see further moderation with the potential to return to negative street rent growth
- Street rate performance in markets will be largely driven by population growth, strongest in the Sunbelt
- REITs will continue to find more upside potential in existing customer rents than street rates
- The new-supply pipeline has been steadily increasing and is approaching pre-pandemic levels, renewing some fears of oversupply in markets
- Rising costs and extended construction timelines will moderate the pace of deliveries and prevent any major surges in new supply over the coming years

RV AND BOAT STORAGE FUNDAMENTALS AND OUTLOOK (A niche equal to 3-5% of total Self-Storage)

- Demand is surging due to the increasing use of RVs and boats and growing efforts to prohibit storing in residential areas
- Special considerations and constraints in the development of RV and boat storage facilities hinders new supply
- The niche sector registered record-high capital flow in 2021, a sign that investors are increasingly taking notice
 - Gary Wojtaszek's new business, RecNation, is a good example of this (Wall Street Journal, "Real-Estate Entrepreneur Bets RV Storage Is the Next Big Thing")
- Growing demand combined with the limited supply means industry fundamentals should remain healthy, even in volatile economic times

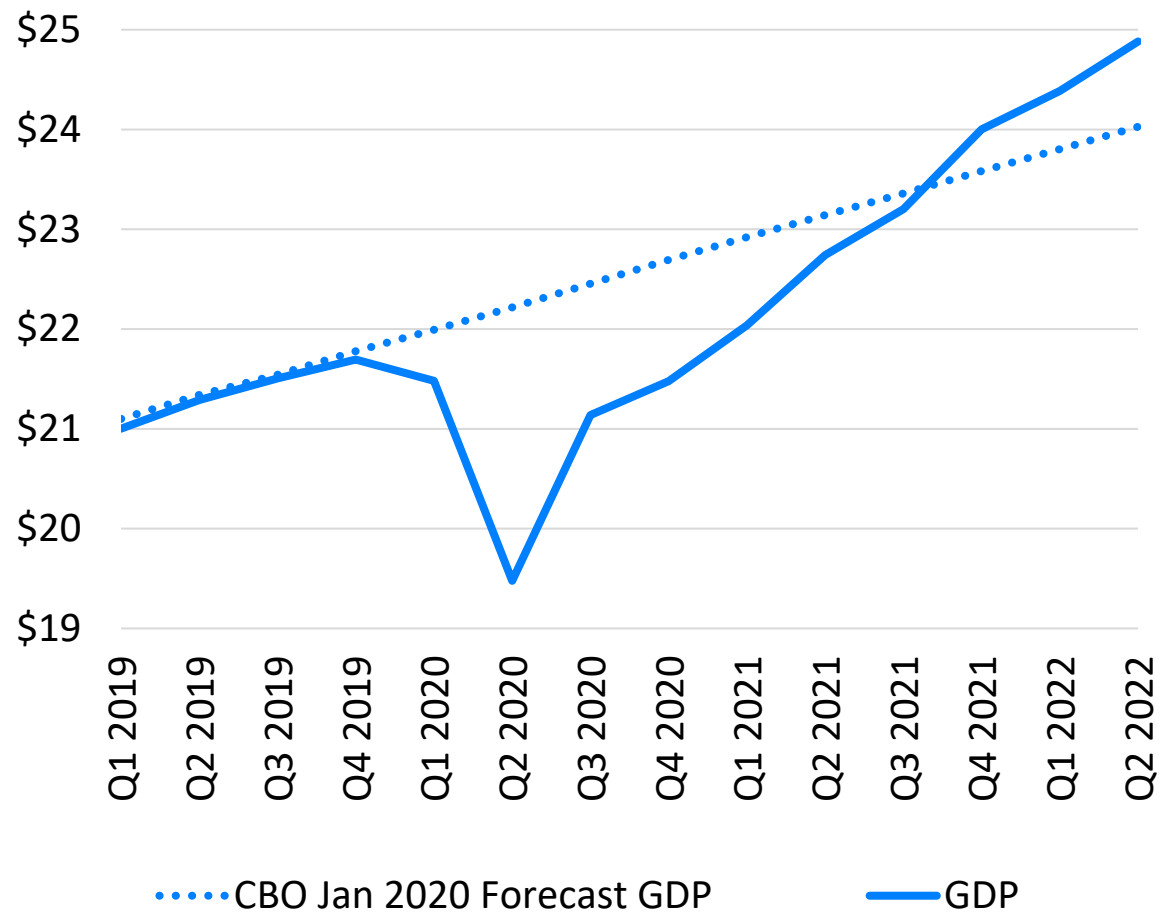
MACROECONOMIC OUTLOOK

The Fed is Tightening, Inflation Has Been High and Growth is Cooling

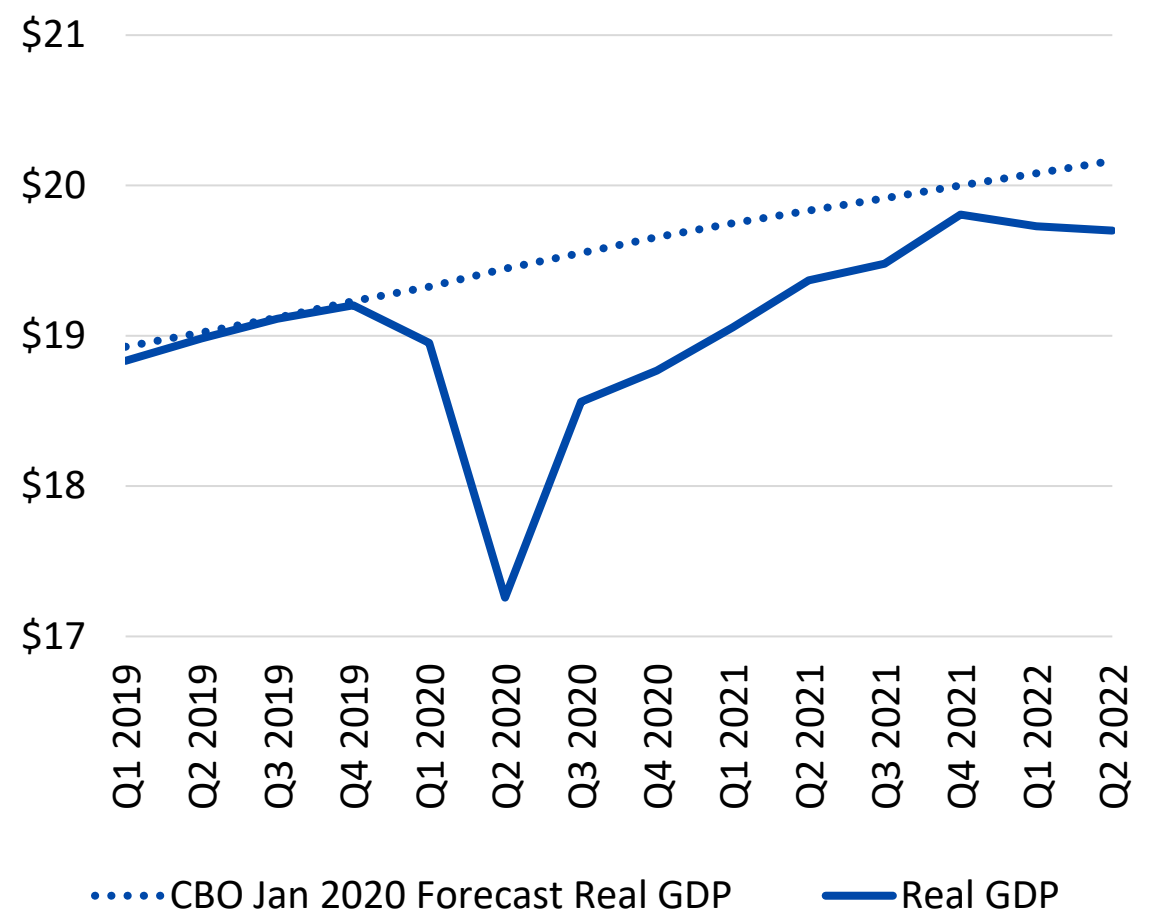


GDP Has Surpassed Its Pre-Pandemic Trend While Real GDP Has Not

GDP vs Pre-pandemic Trend, Trillions



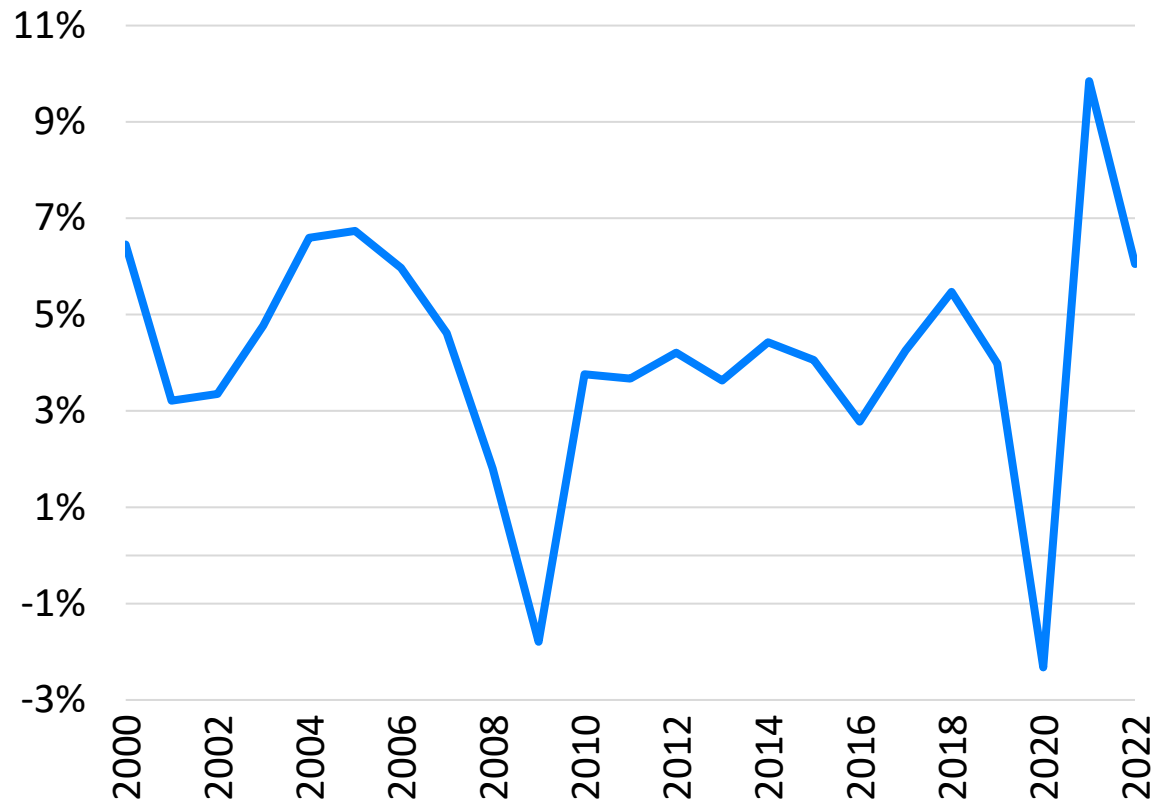
Real GDP vs Pre-pandemic Trend, Trillions



Source: Yardi Matrix; Federal Reserve Bank of St. Louis; Congressional Budget Office

The Recovery Out of COVID Has Been Rapid, but Now Comes the Inflationary Hangover, With a Late 2023/Q1 2024 Recession

Nominal Annual GDP: YoY % Change



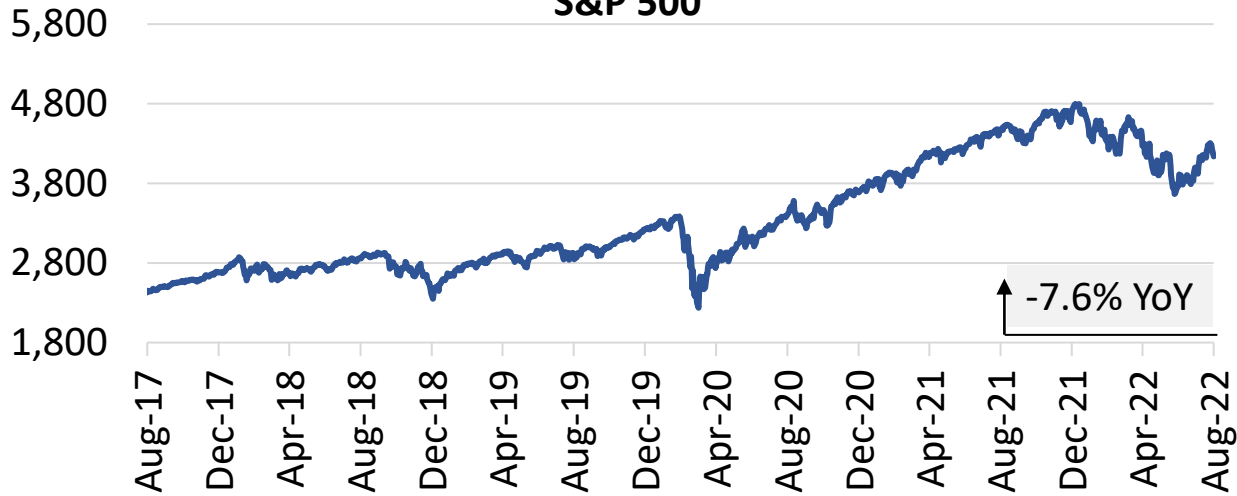
Evercore ISI / Yardi Matrix Economic Forecasts

	2021	2022 Forecast	2023 Forecast
Real GDP: YoY % Change	5.5%	0.4%	1.0%
Nominal GDP: YoY % Change	11.8%	5.8%	5.0%
GDP Price Deflator: YoY % Change	5.9%	5.4%	4.0%
Fed Funds: End of Year	0.25%	3.50%	3.50%
10 Yr Bond Yields: End of Year	1.50%	3.00%	3.00%



U.S. and International Financial Markets

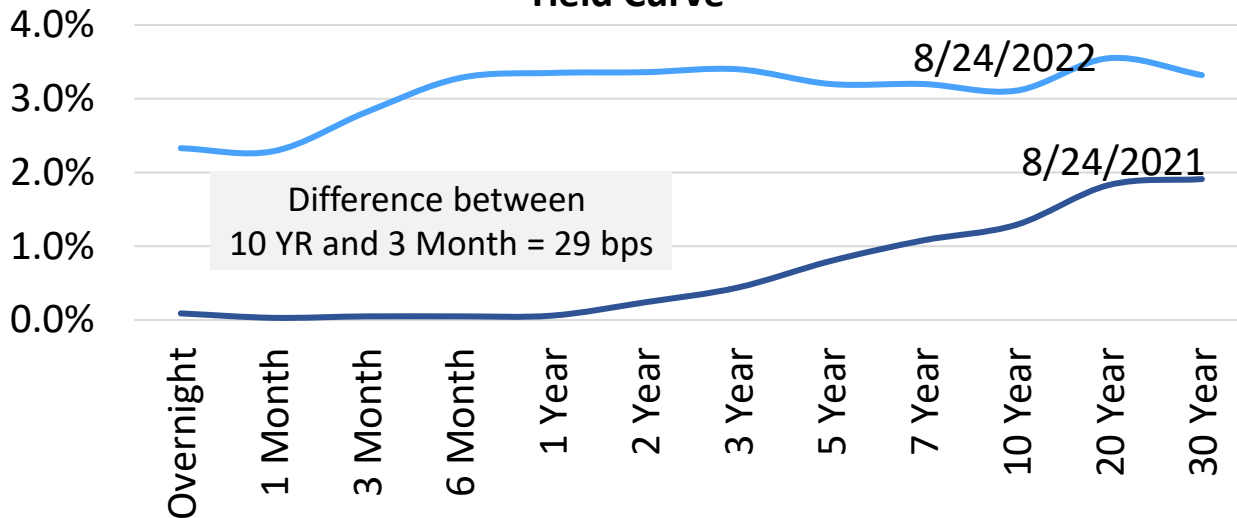
S&P 500



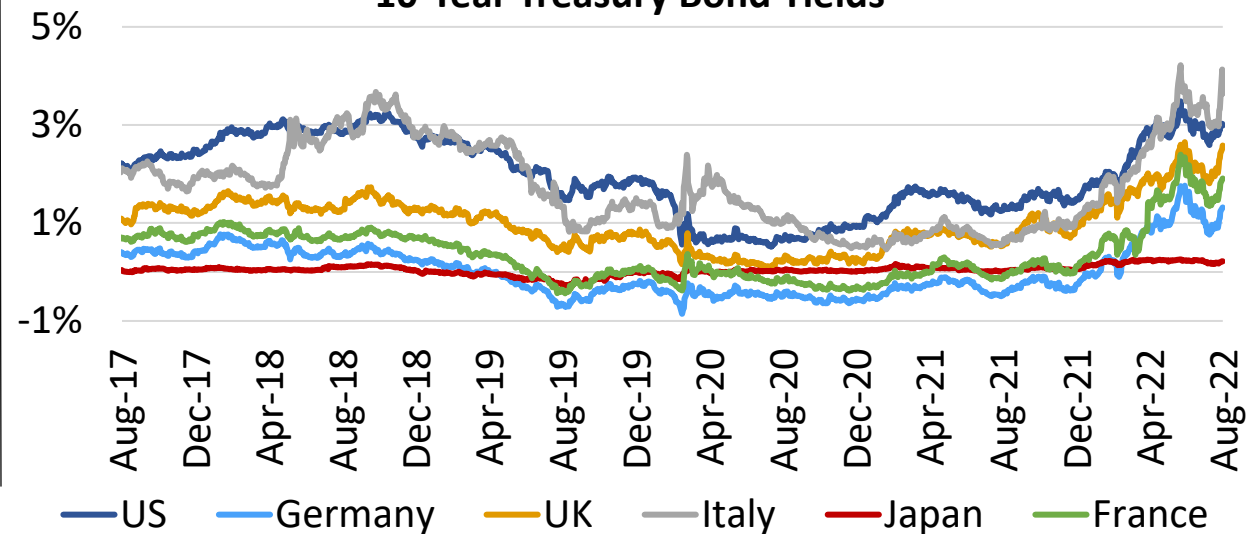
10-Year Treasury Note



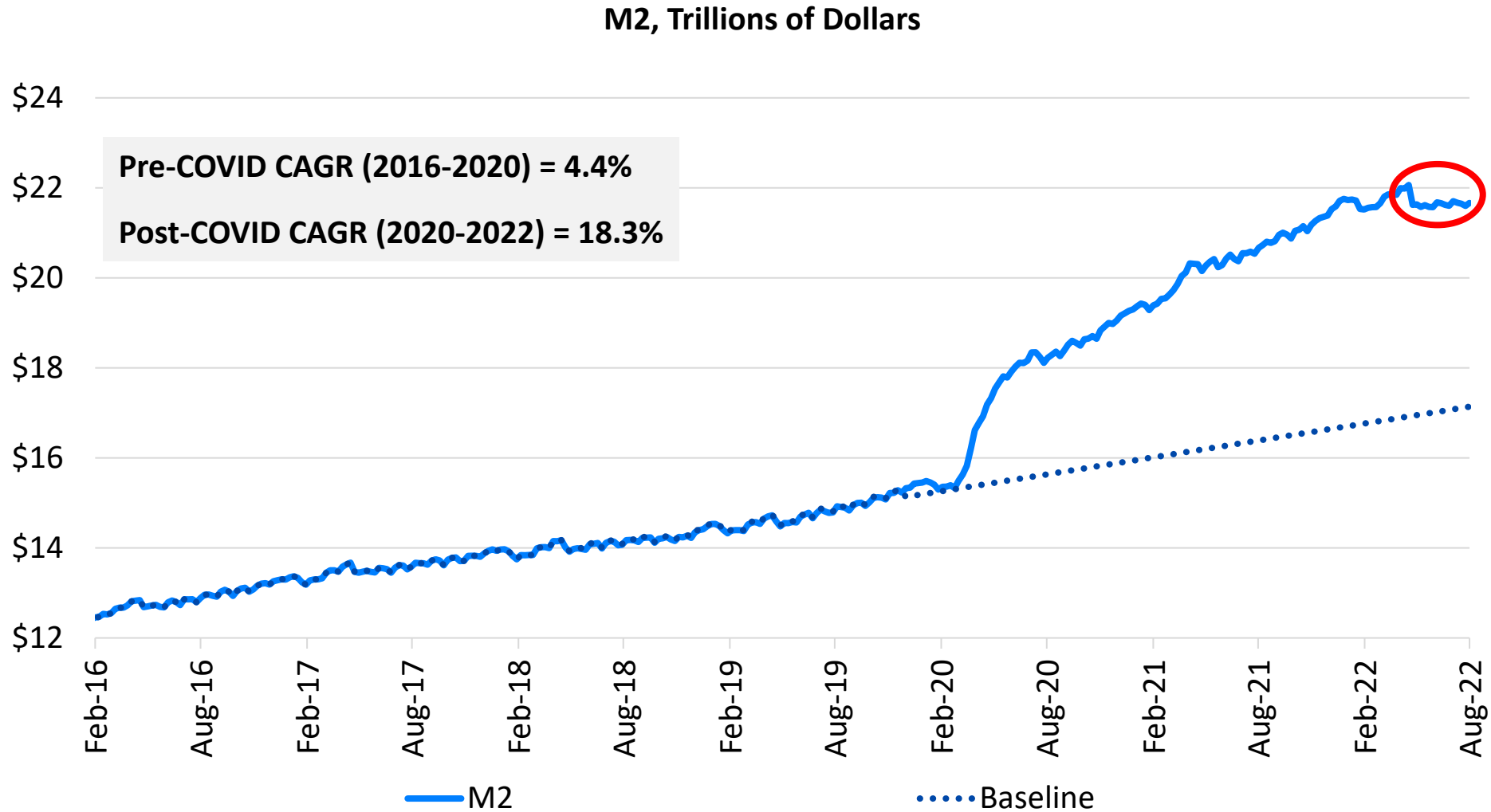
Yield Curve



10-Year Treasury Bond Yields

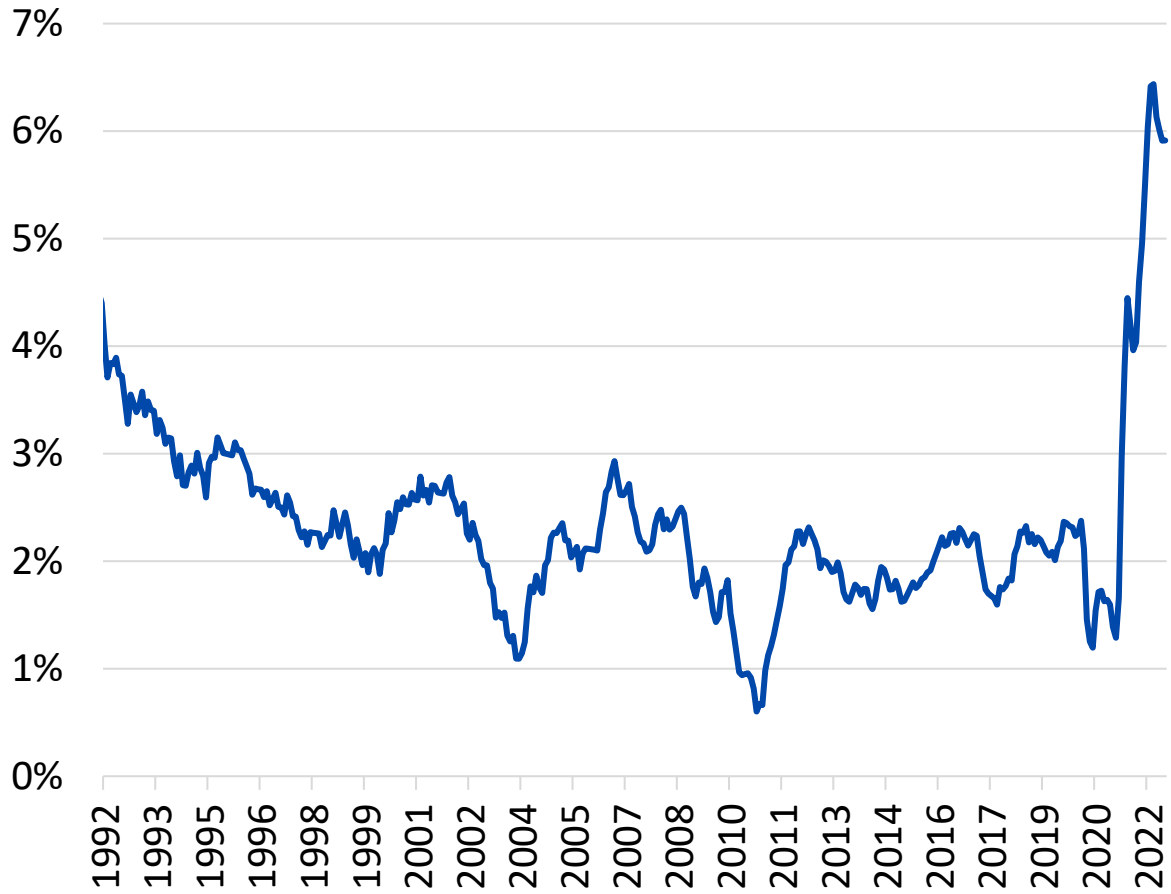


Money Supply Rapidly Decelerating After Two Years of Significant Expansion

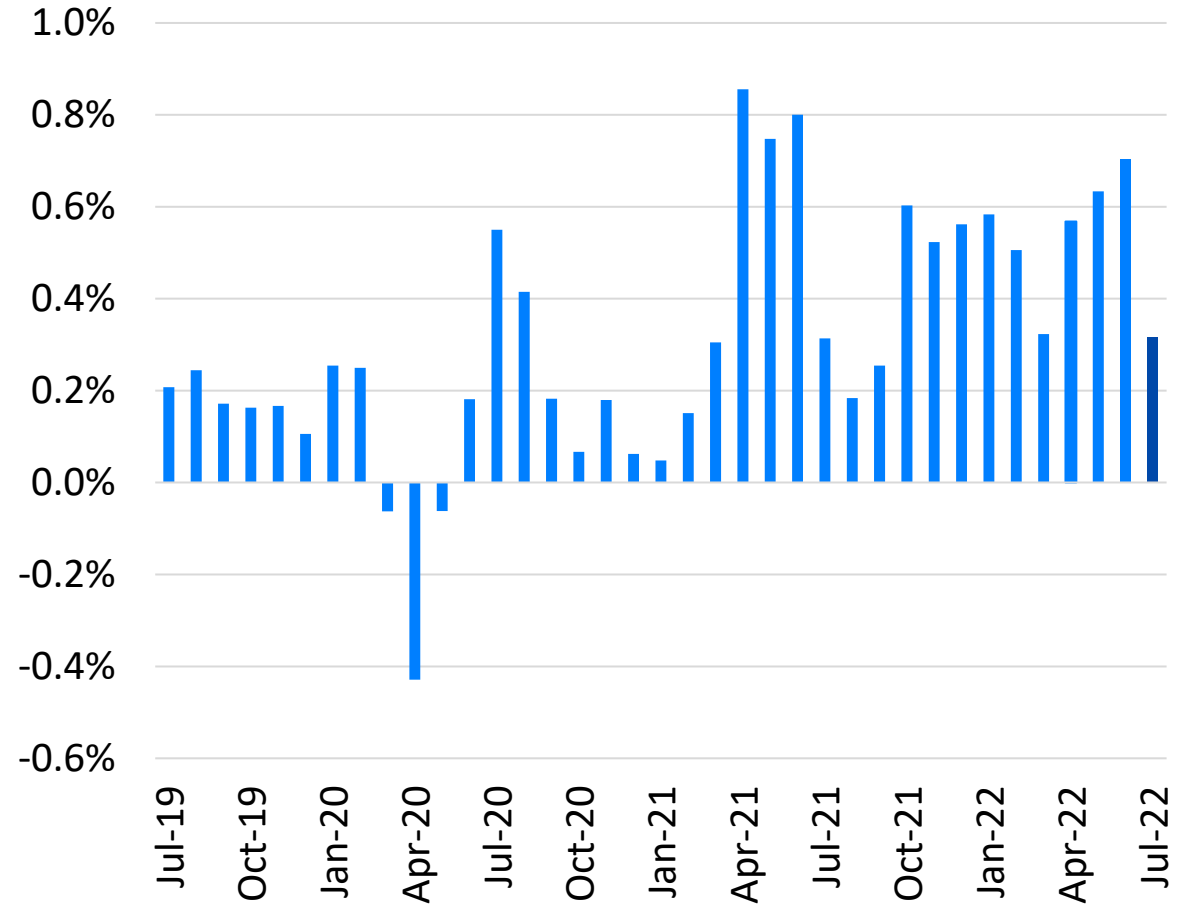


Inflation Slowing, Mostly Due to Oil Prices

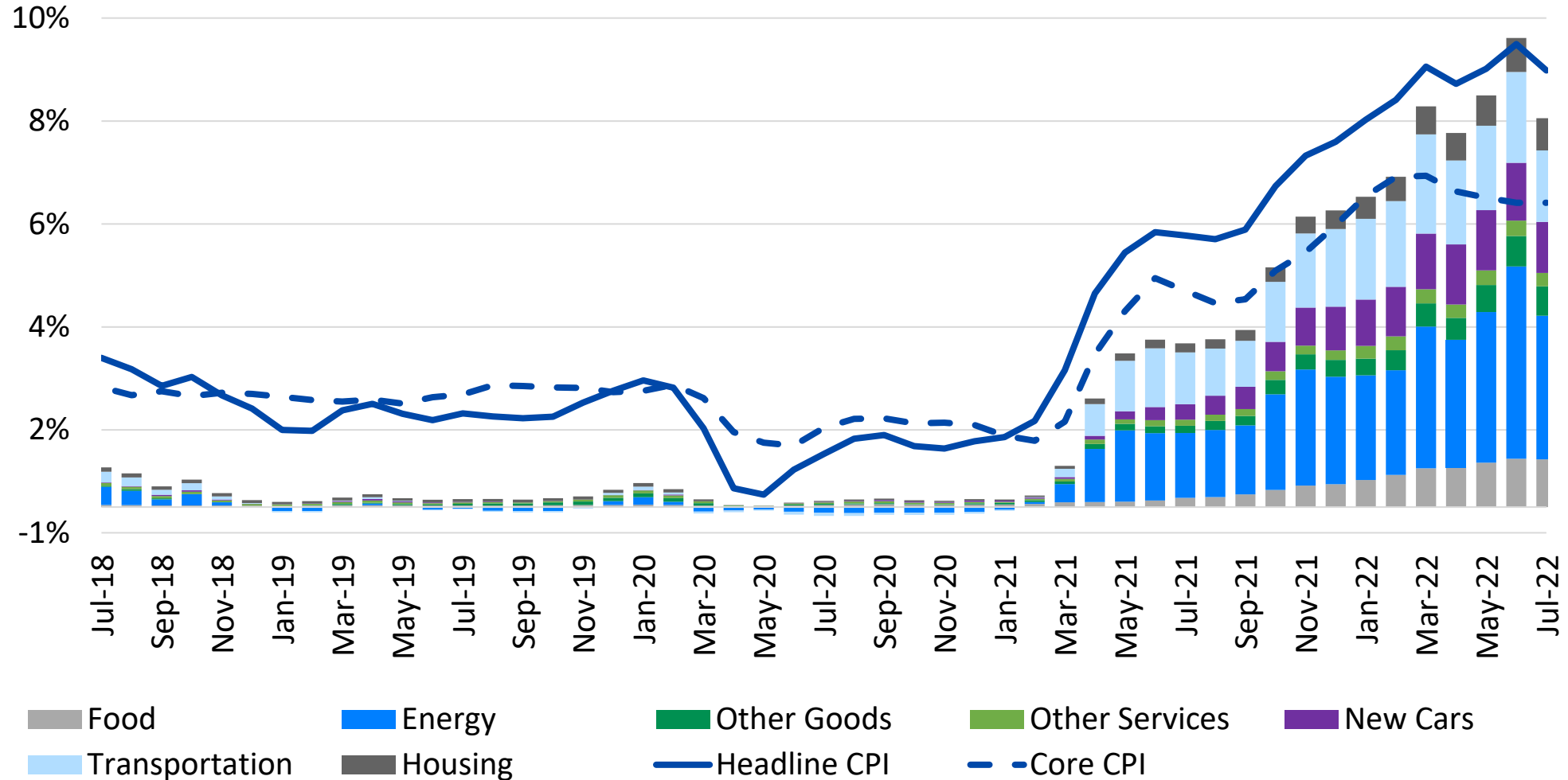
U.S. Core CPI Year-over-Year Change



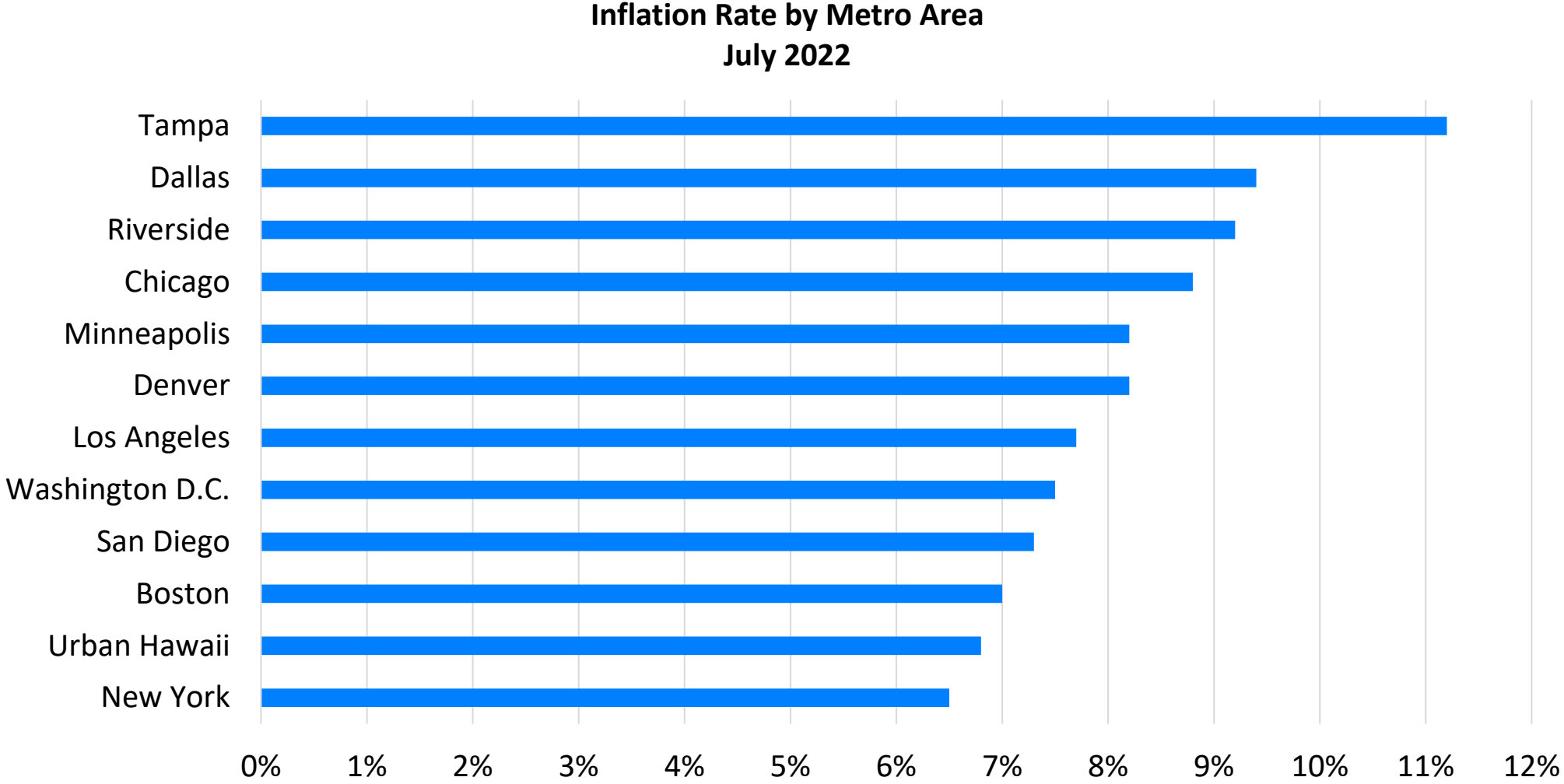
U.S. Core CPI Month-over-Month Change



Energy and Transportation Fueled Inflation, Housing is Now Catching Up

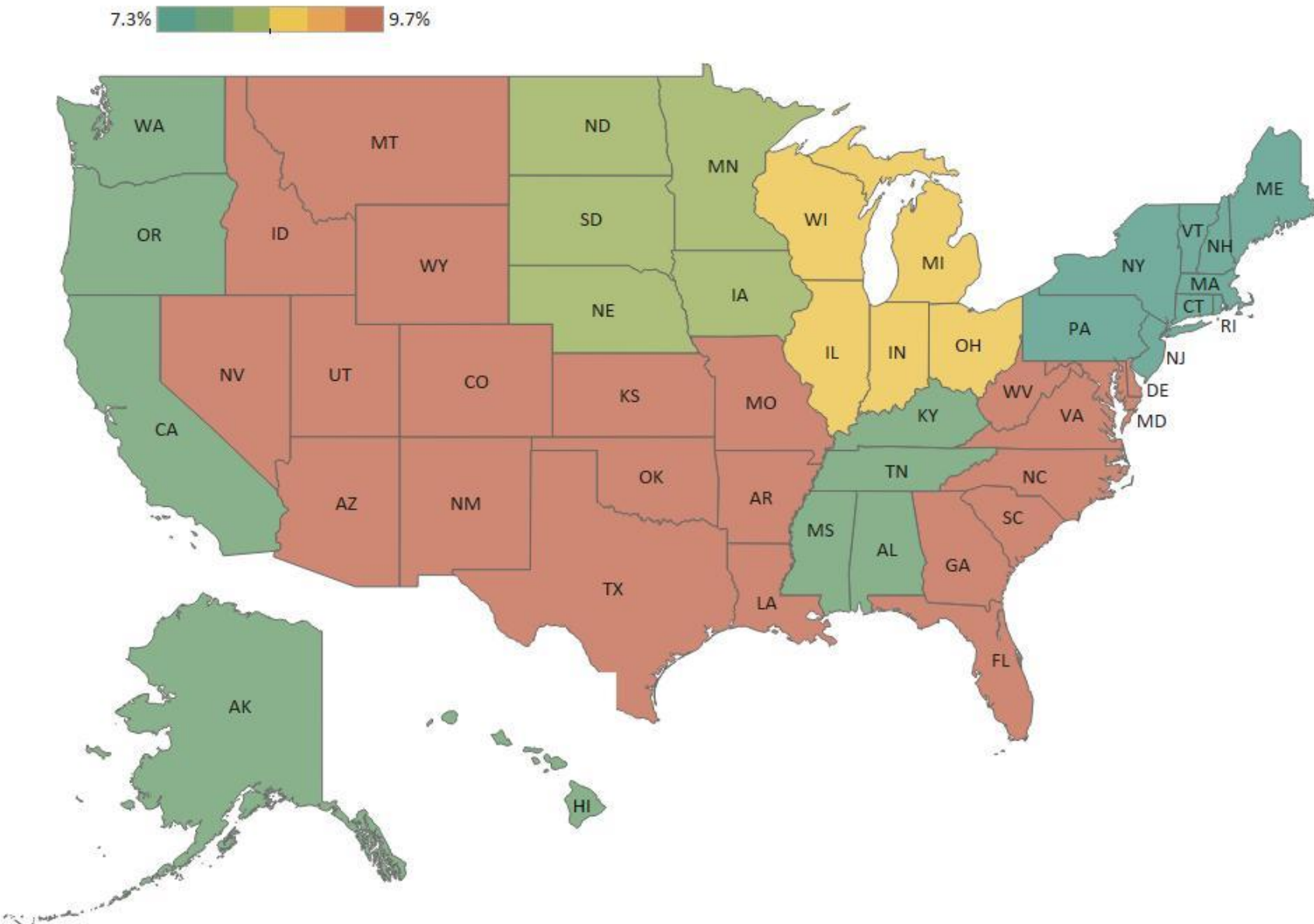


Inflation Cooling, But Still High, Particularly in Sunbelt and Mountain Markets



Source: Yardi Matrix; U.S. Bureau of Labor Statistics (BLS)

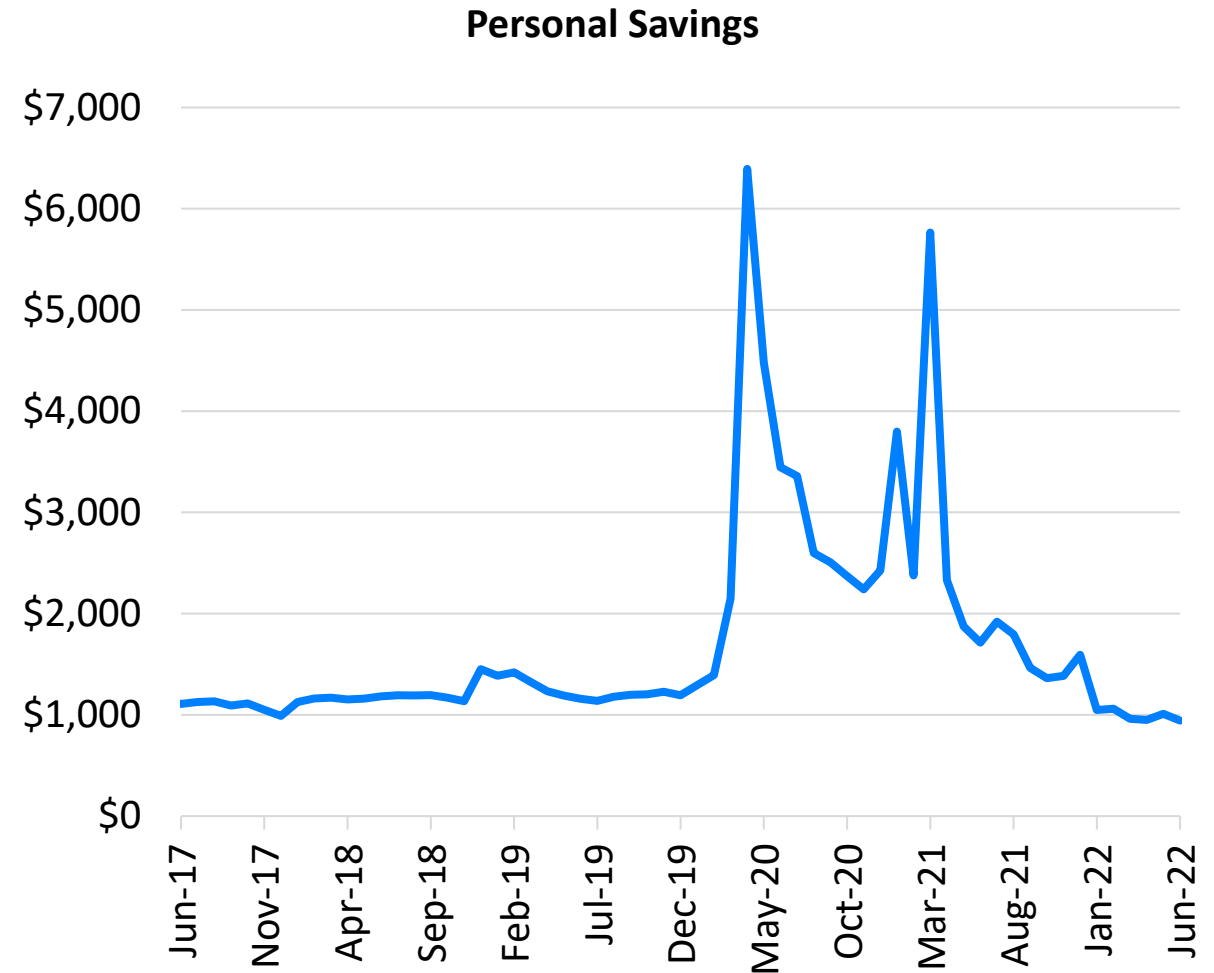
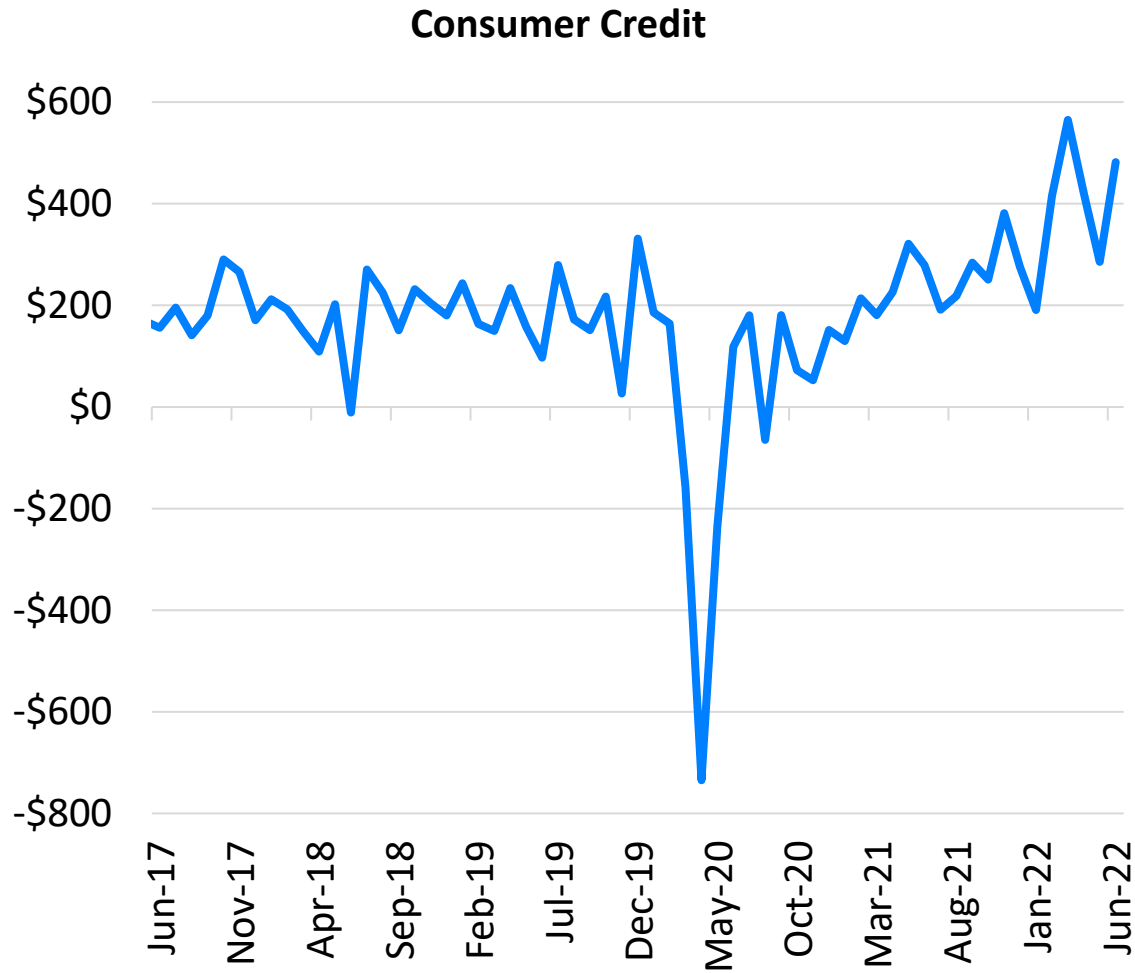
Inflation Geography: Highest in Domestic Migration Favorites



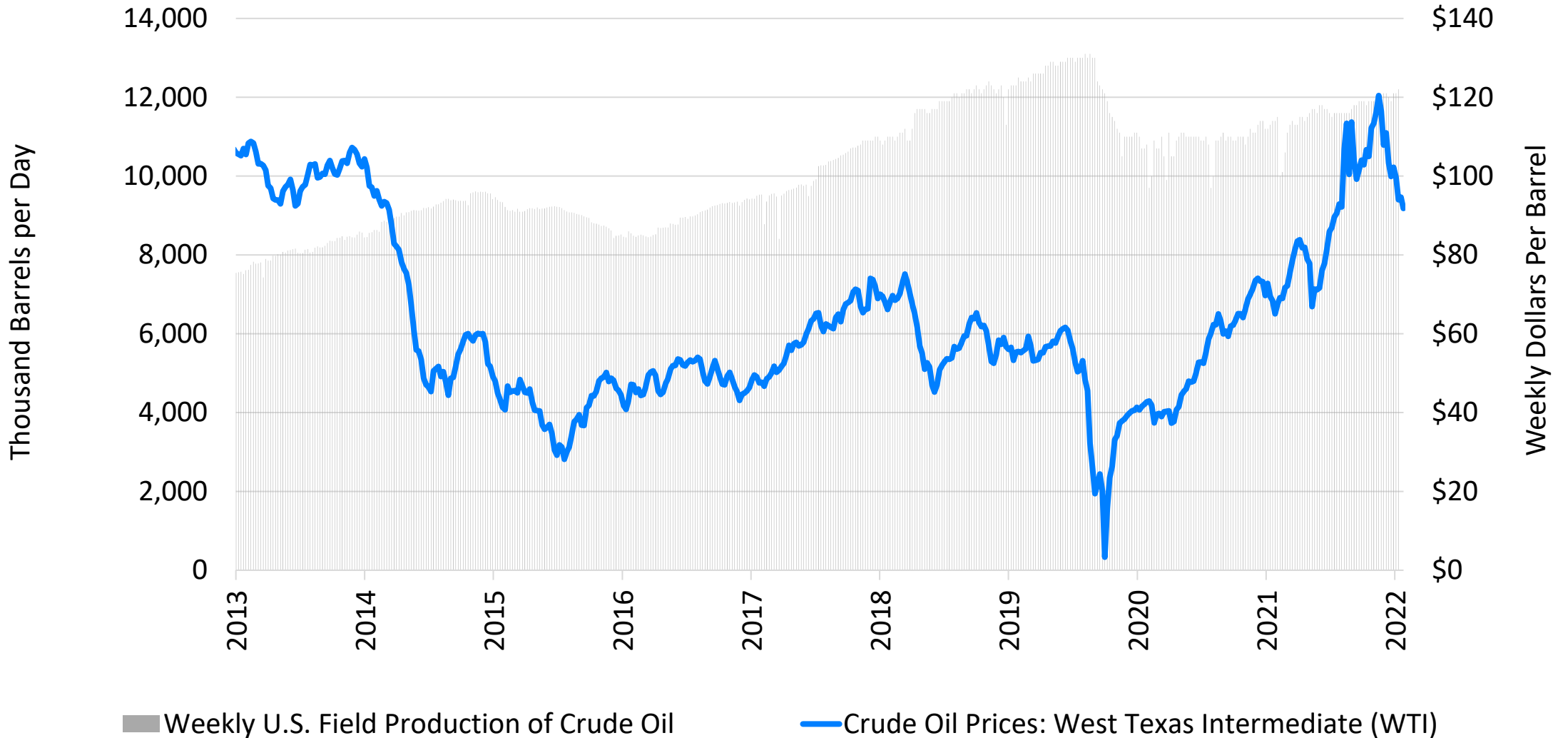
Source: Yardi Matrix; U.S. Bureau of Labor Statistics (BLS)



The Cushion from COVID Liquidity has Been Dissipated

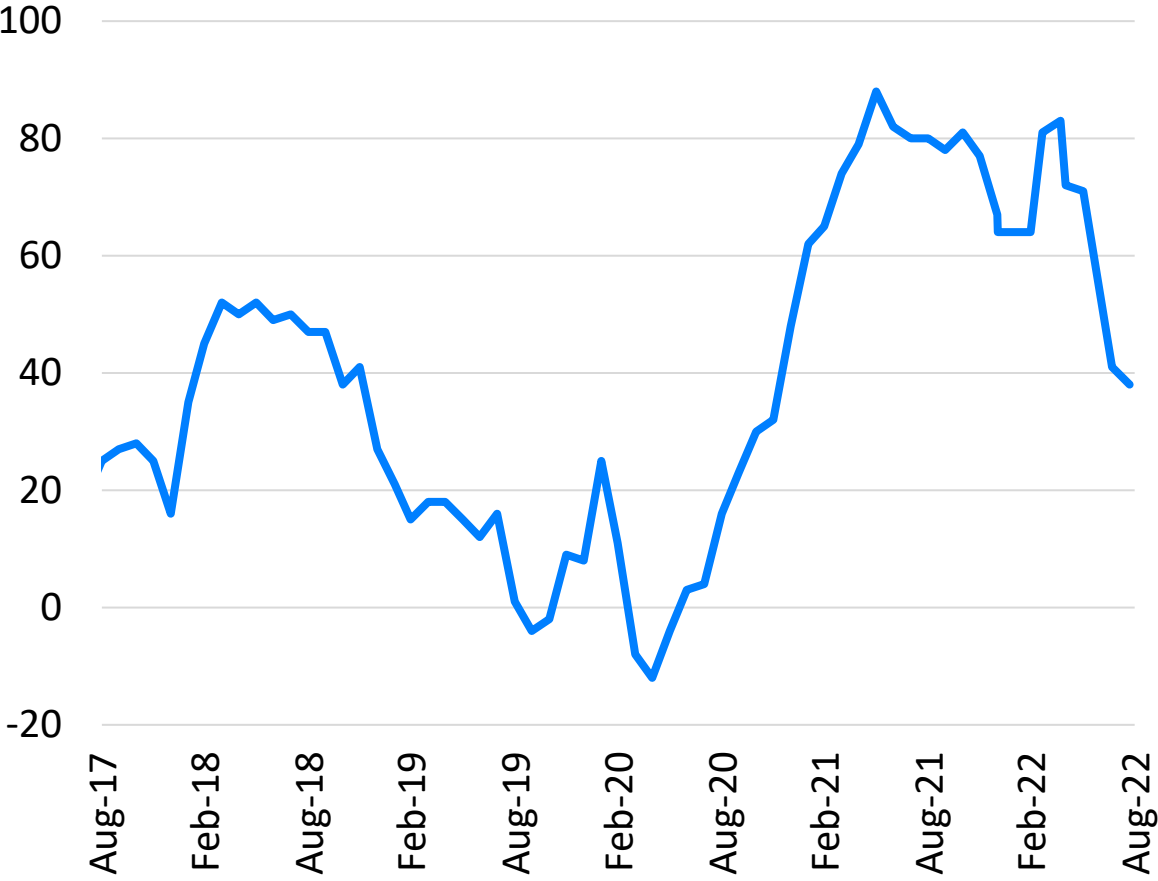


Oil Prices Are Going Down, Still Around \$90/Barrel, as U.S. Producers Respond Slowly to Price Increases

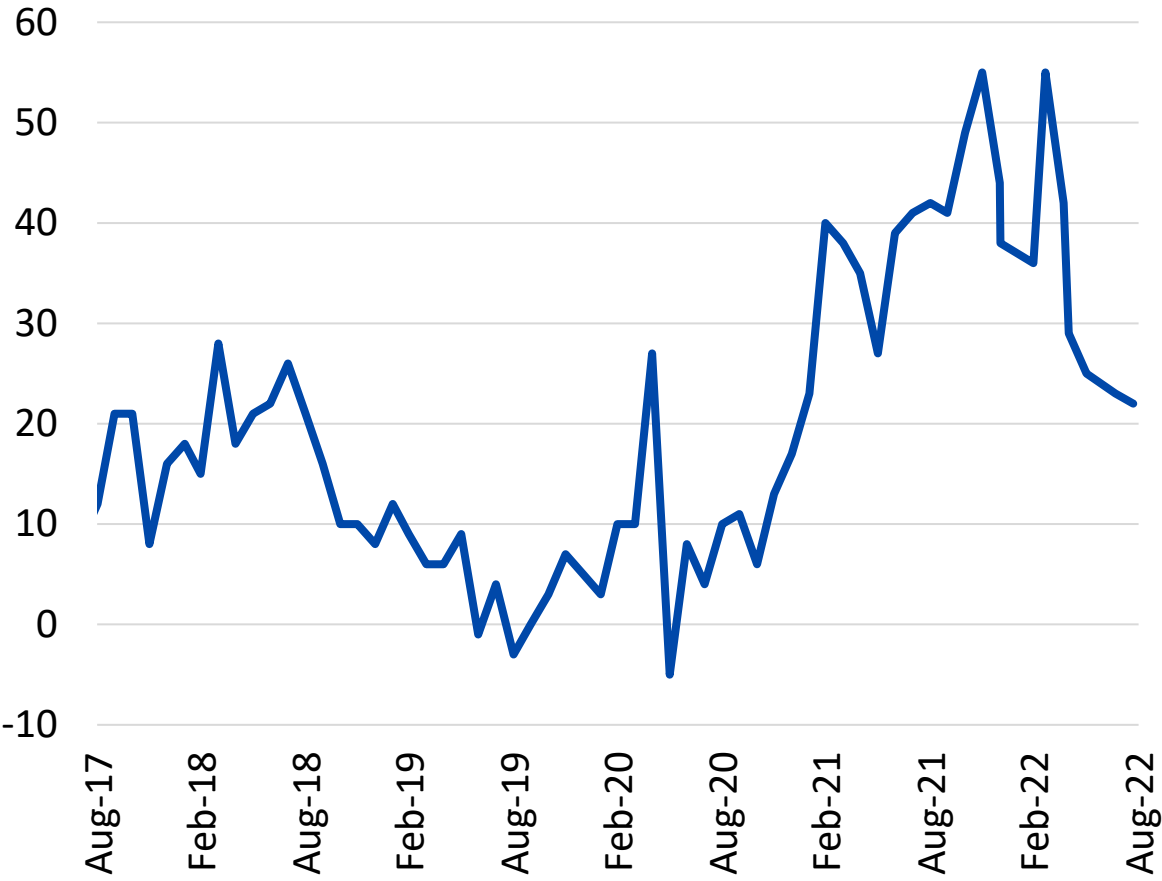


Supply Chain Disruption Easing, But Still Impacting Raw Materials Prices

Prices Paid for Raw Materials Versus a Month Ago

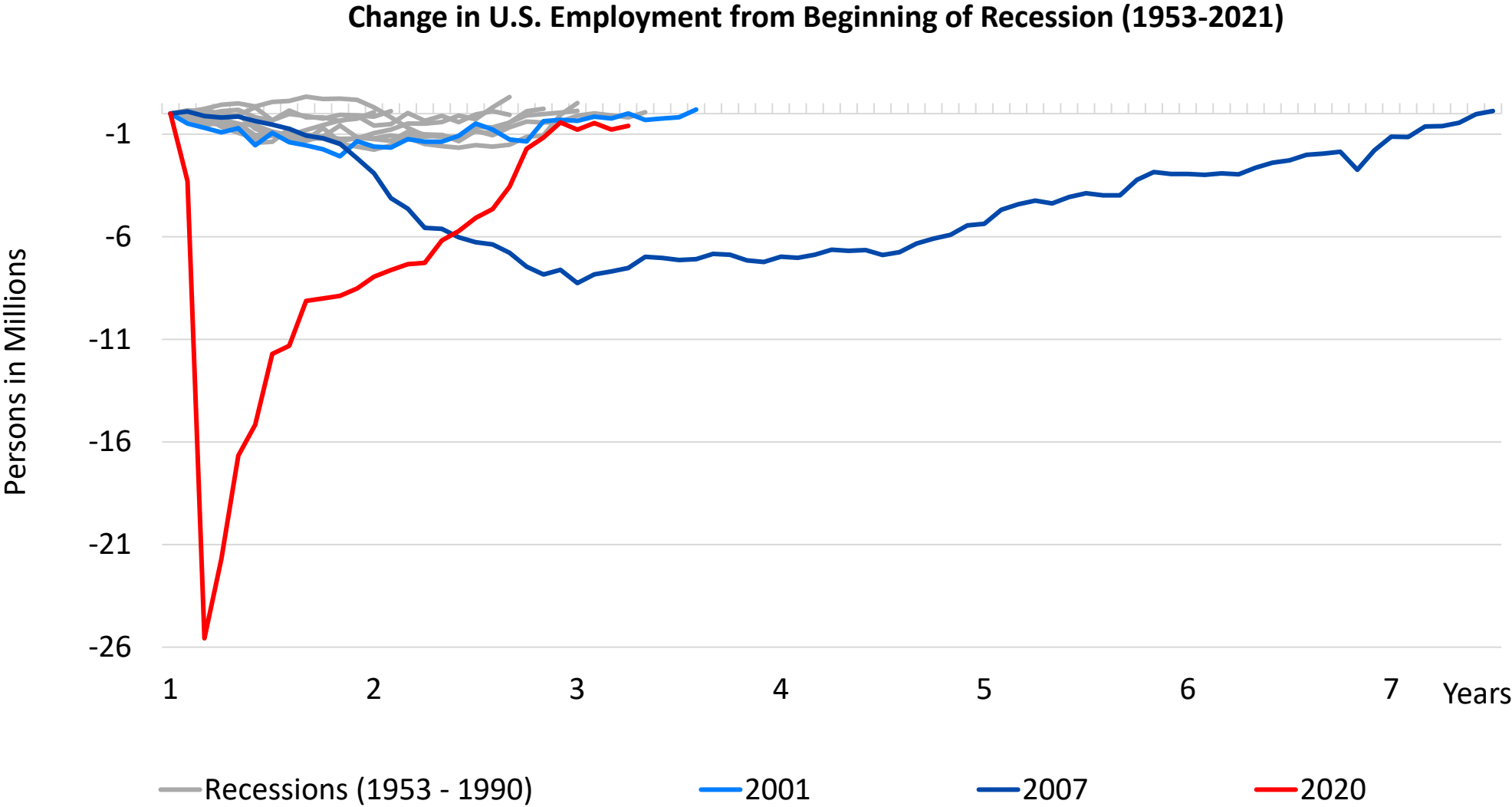


Supplier Delivery Time Versus a Month Ago



Source: Yardi Matrix; Kansas City Fed Manufacturing Survey

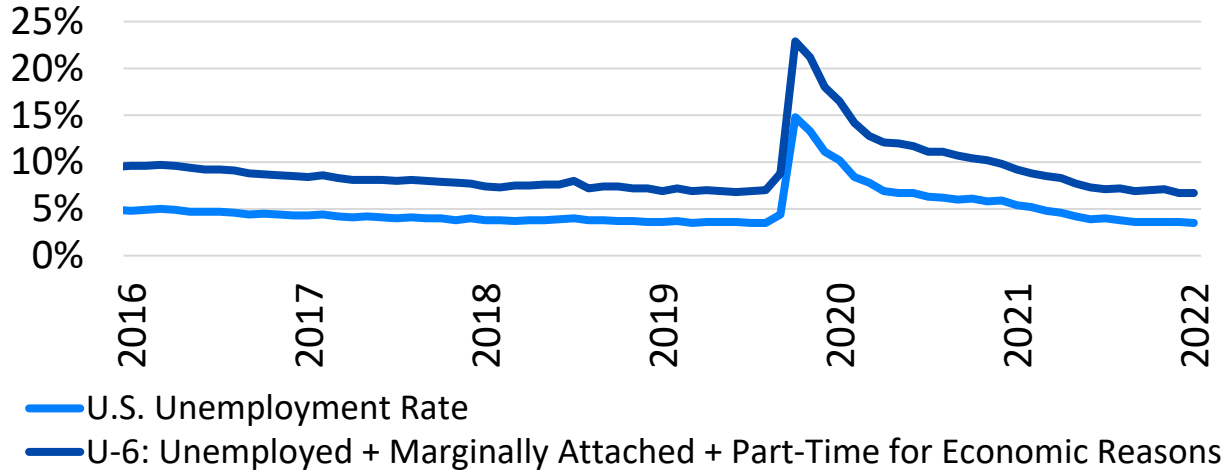
U.S. Employment Back to Pre-COVID Levels; It Was a "V"



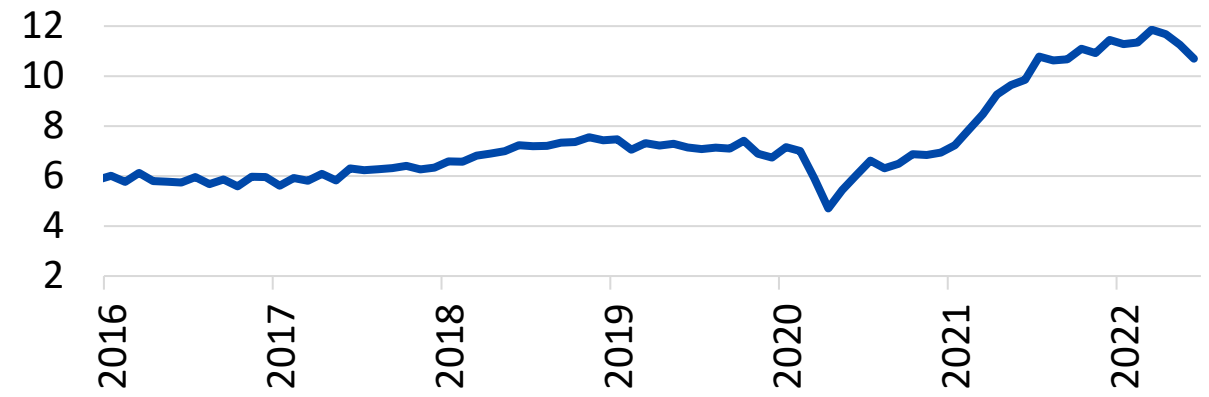
*Data through July 2022 | Source: Yardi Matrix; National Bureau of Economic Research; U.S. Bureau of Labor Statistics

Unemployment at Record Lows; Demand for Workers Remains High

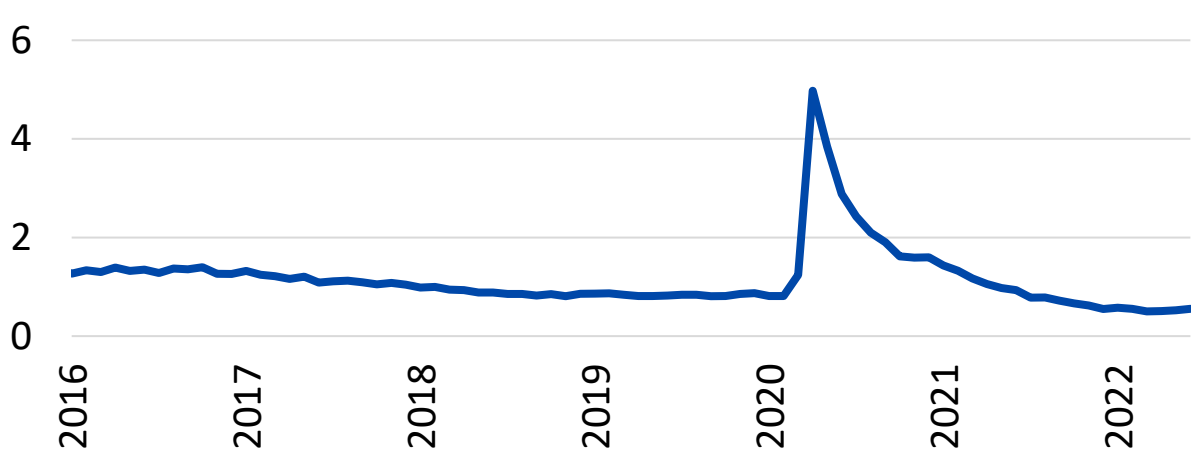
Unemployment and Underemployment



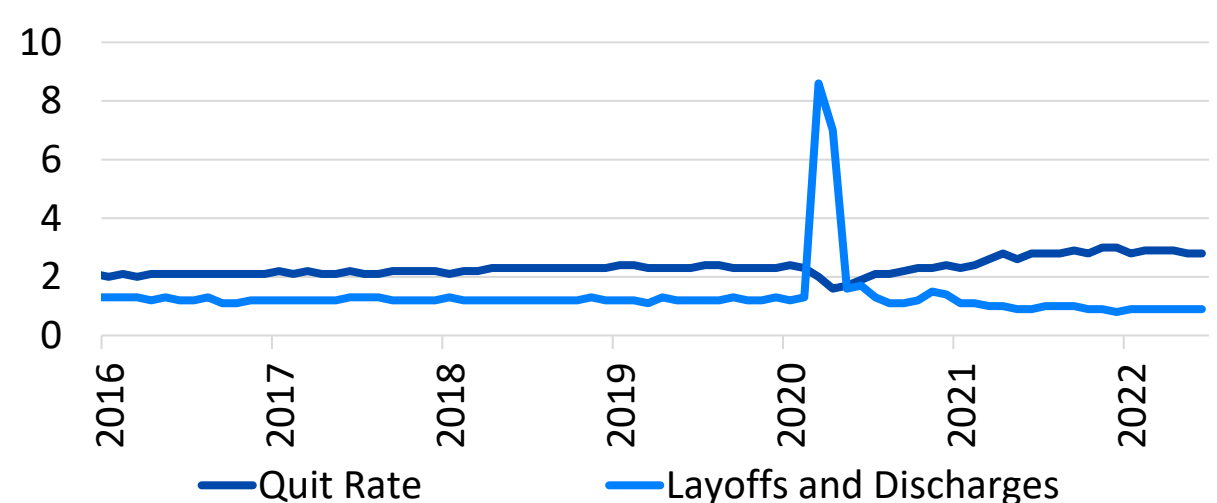
U.S. Job Vacancies, Millions



Unemployed Persons/Job Openings

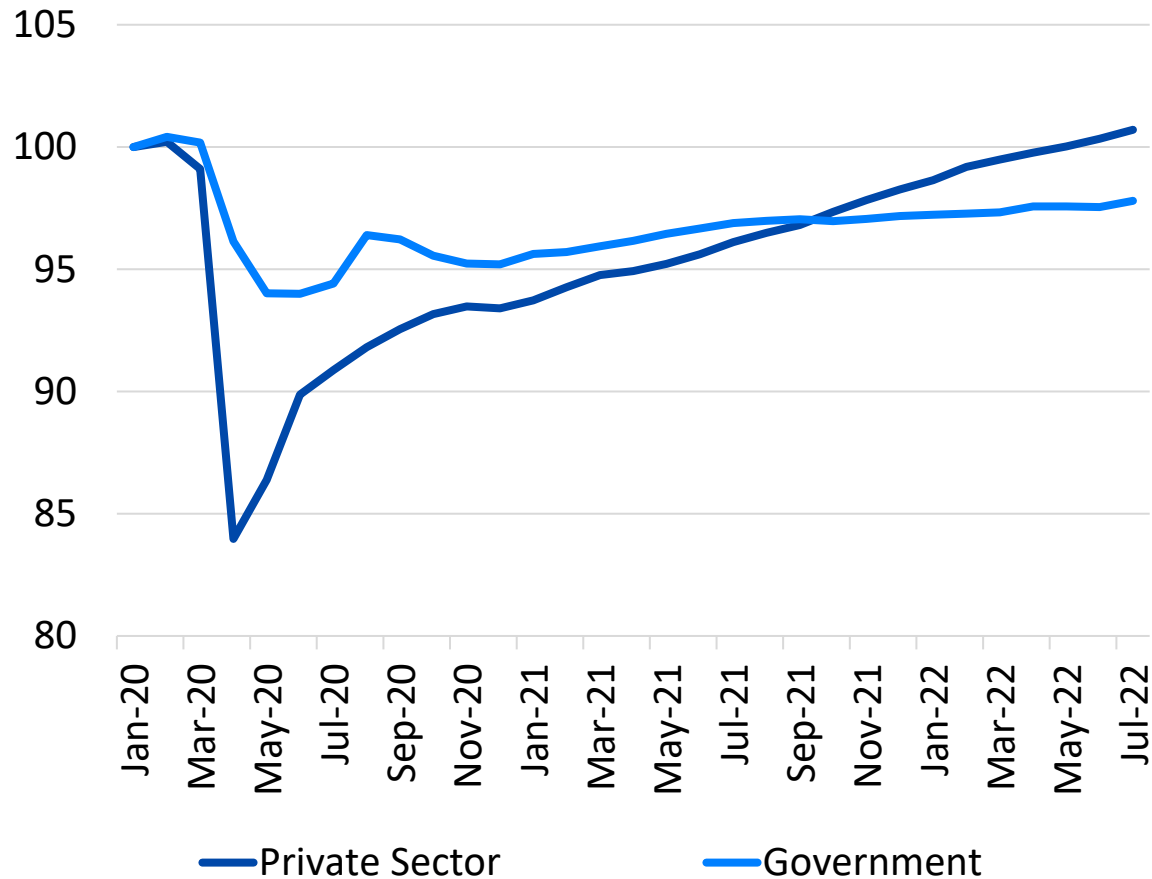


Quits vs. Layoffs

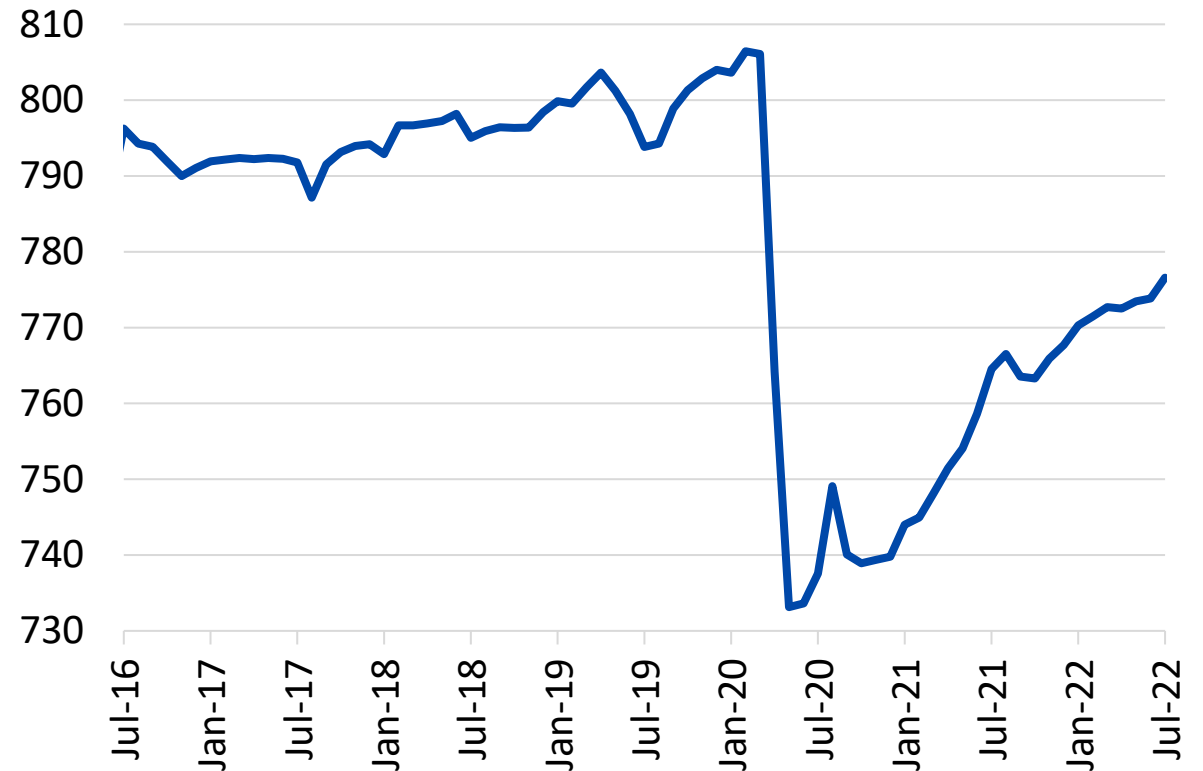


Public Sector Job Gains Lagging Private Sector, Largely Due to Public School Teachers Not Returning to the Workforce

**Change in Employment
Indexed Jan 2020 = 100**

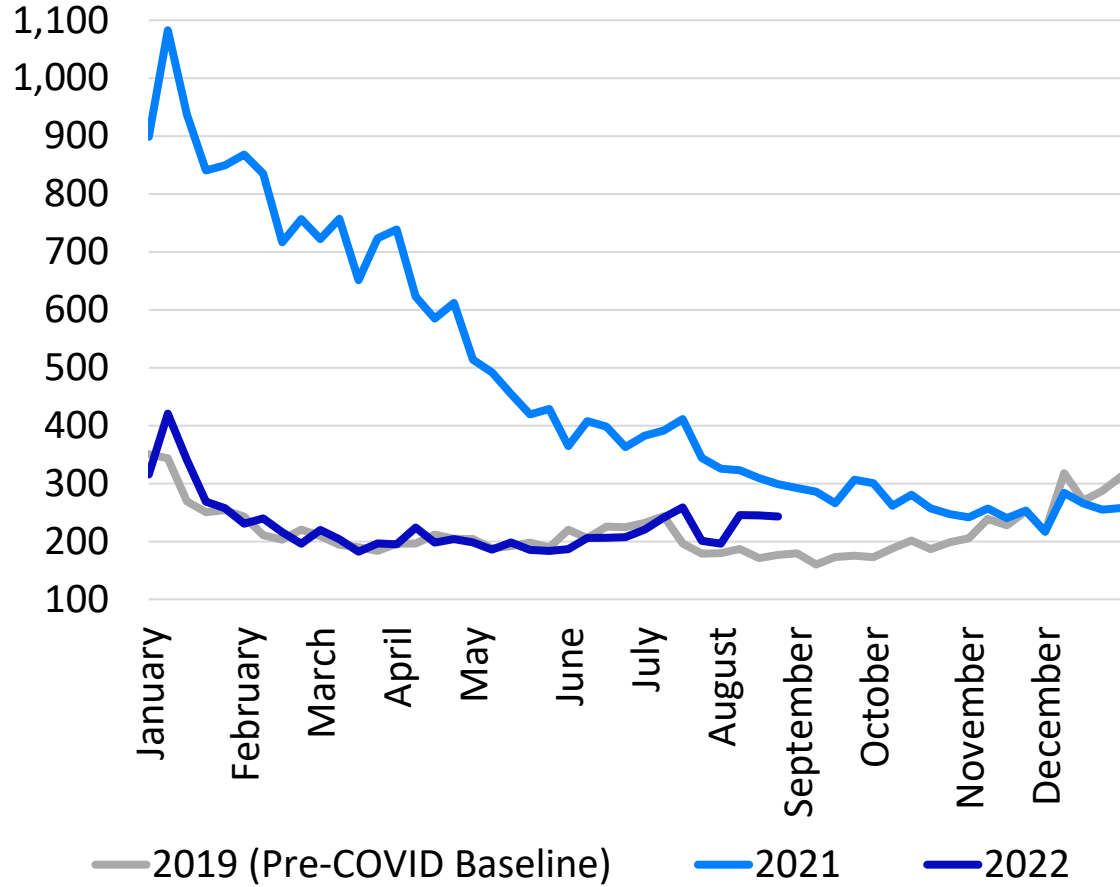


**Local Government Education Employees
Thousands**

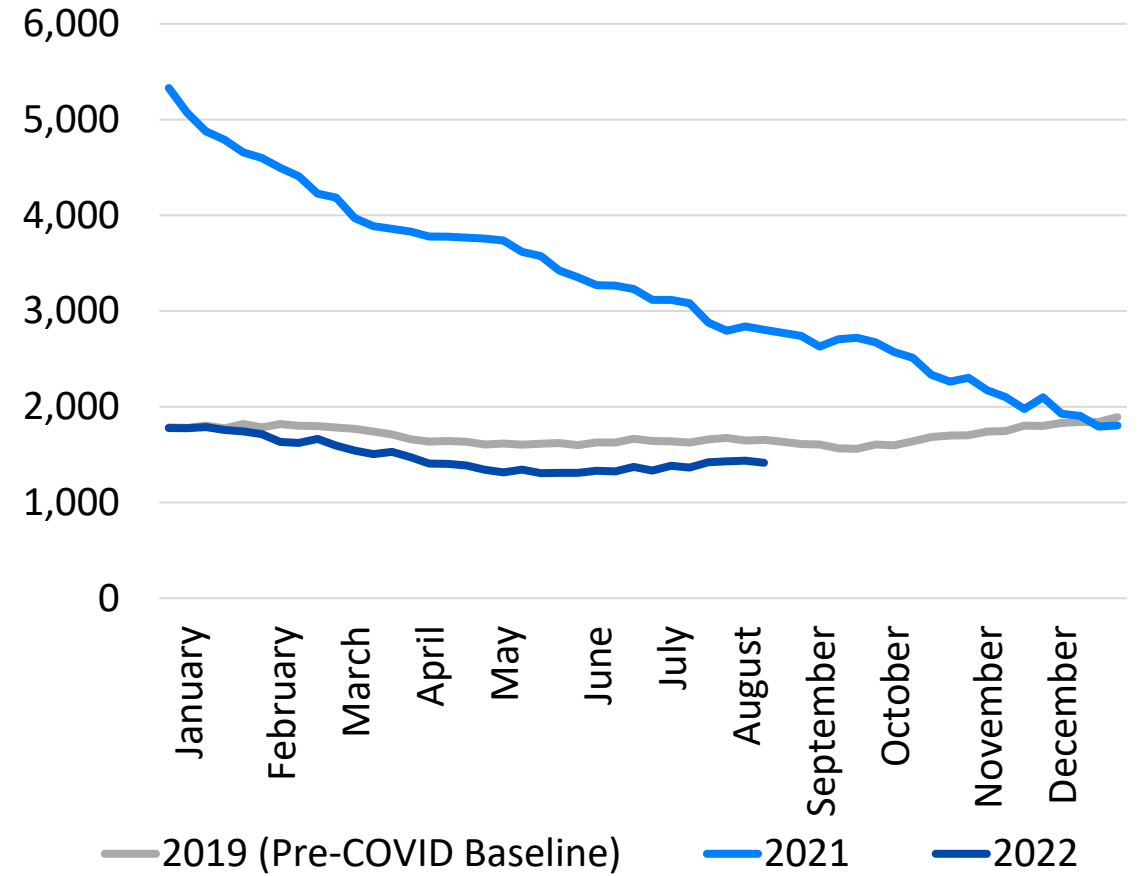


The Job Market is Holding Up Well, But...

Weekly Initial Jobless Claims, Thousands



Weekly Continuing Jobless Claims, Thousands



Hiring Freezes and Layoffs Have Begun in Industries Sensitive to Interest Rates

Tech – Job listings down 4.9% MoM in June

- Alphabet Inc. – 9% of staff; cutting Google Fiber
- Amazon – 100,000 workers
- Apple – slowing hiring plans
- Carvana - 12% of workforce (2,500 employees)
- DocuSign – scaling back hiring plans
- Google Cloud – dozens of support staff
- Meta – slowdown in hiring
- Microsoft – cut <1% of workforce; slowed hiring in Windows, Office and Teams groups
- Netflix – 3% of workforce (300 workers)
- Oracle – plan for thousands
- Paypal - \$100M in restructuring, saving \$260M/year
- Pinterest – slowed hiring significantly
- Shopify – 10% of jobs (1,000 workers)
- Spotify – slowing hiring by 25%
- Stitch Fix – 330 jobs due to widening losses
- Twitter – 30% of talent acquisition team
- Uber – 17% of workforce (3,700 employees); bookings down 80%
- Vimeo – 6% of workforce

CRE Tech

- Latch – 28% of full-time employees since April
- LoanDepot - >50% of employees (4,800 workers total)
- Rhino – 20% of staff since February
- Reef – 5% (750 people) in May
- Side – 10% of employees

Auto Makers

- Ford – plans for 8,000 employees
- General Motors – curtailing some hiring
- Tesla – 10% of salaried workers, 229 in Autopilot division , shut down San Mateo, CA office

Banks

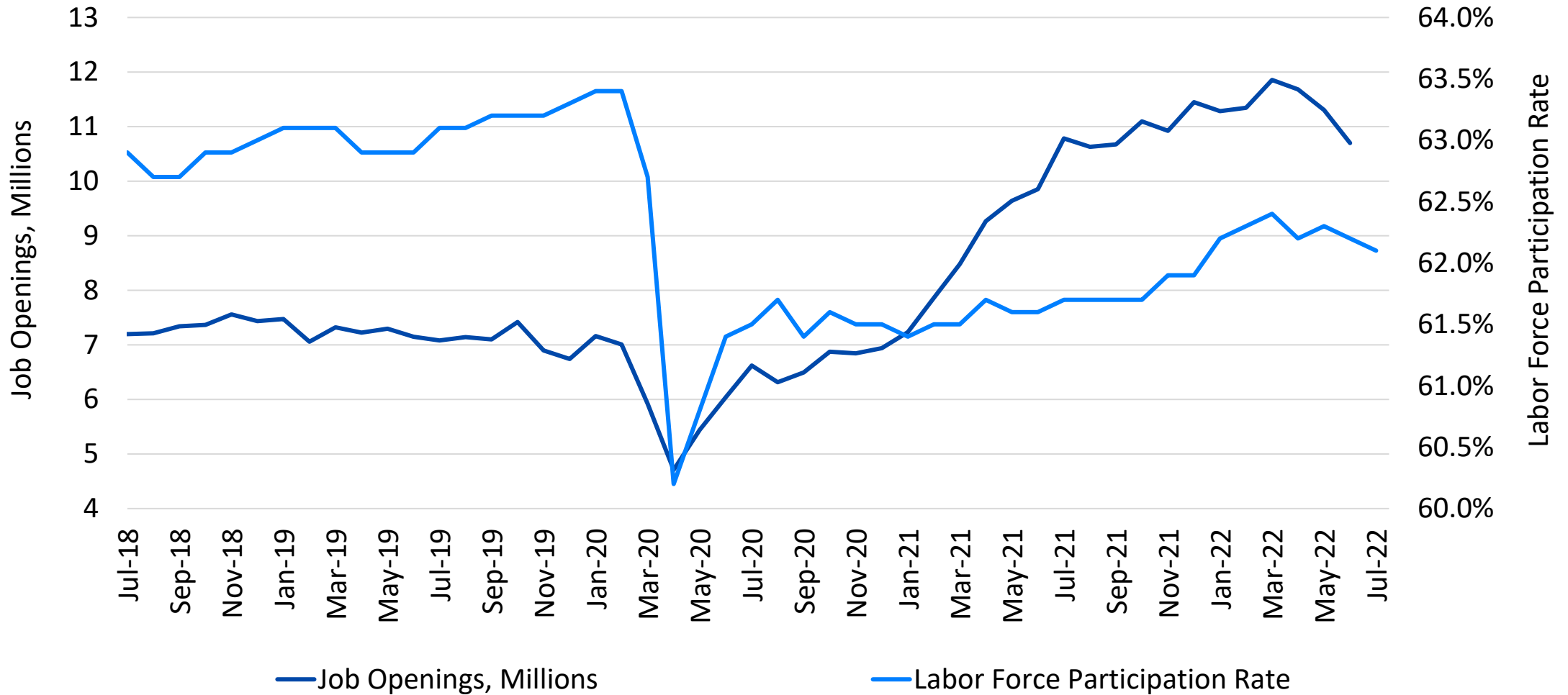
- JPMorgan Chase – laid off and reassigned >1,000 workers
- Wells Fargo – laid off people in home lending department

Crypto

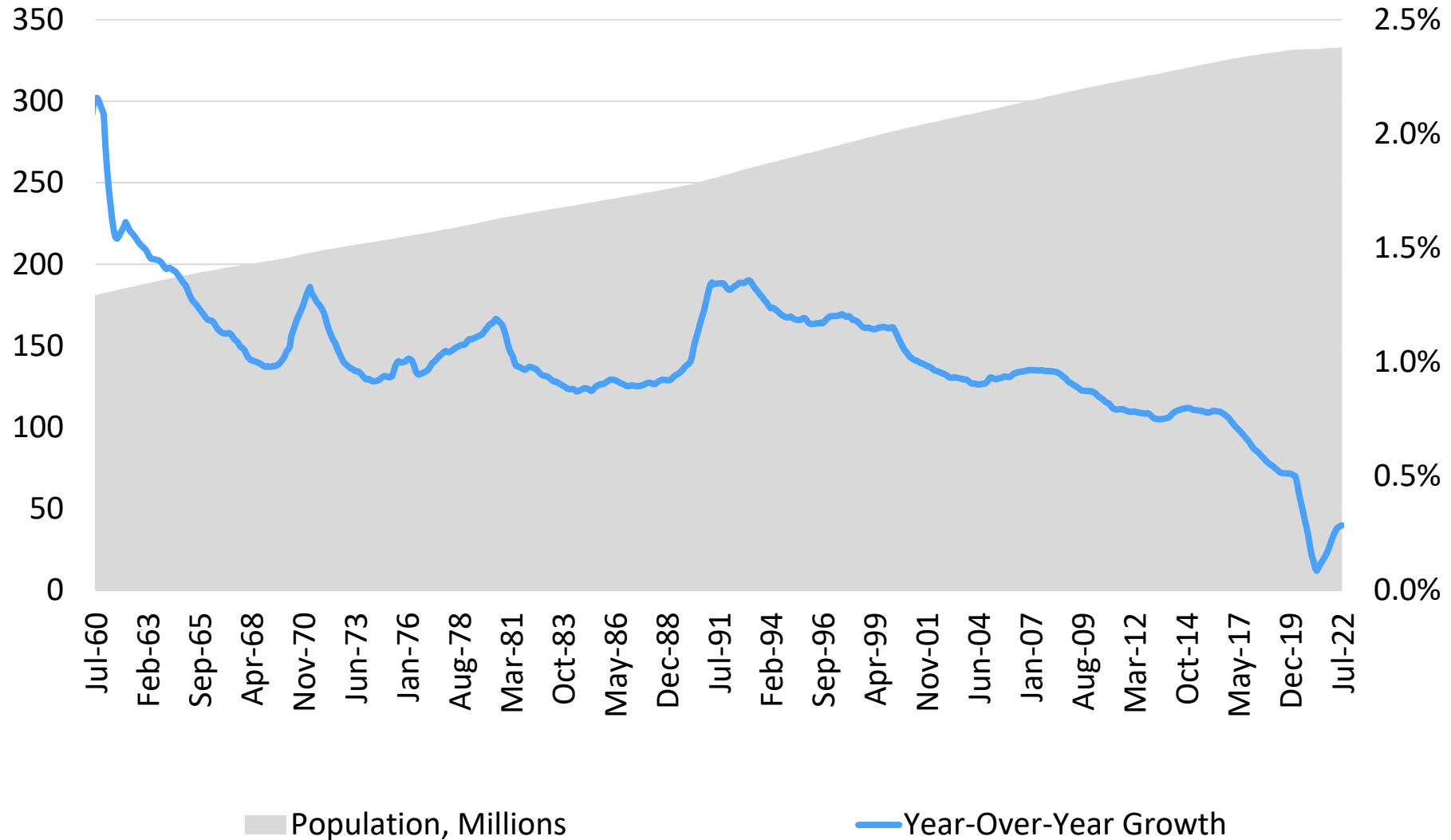
- BlockFi – 20% of workforce
- Coinbase Global – 18% staff (1,100 workers), rescinded offers
- Gemini Trust – 10% of staff + 68 employees (7% of staff)
- OpenSea – 20% of employees
- Robinhood – 10% plus another 23% of staff

Still a Significant Gap Between Labor Supply and Demand, But the Gap is Decreasing

Labor Supply and Demand

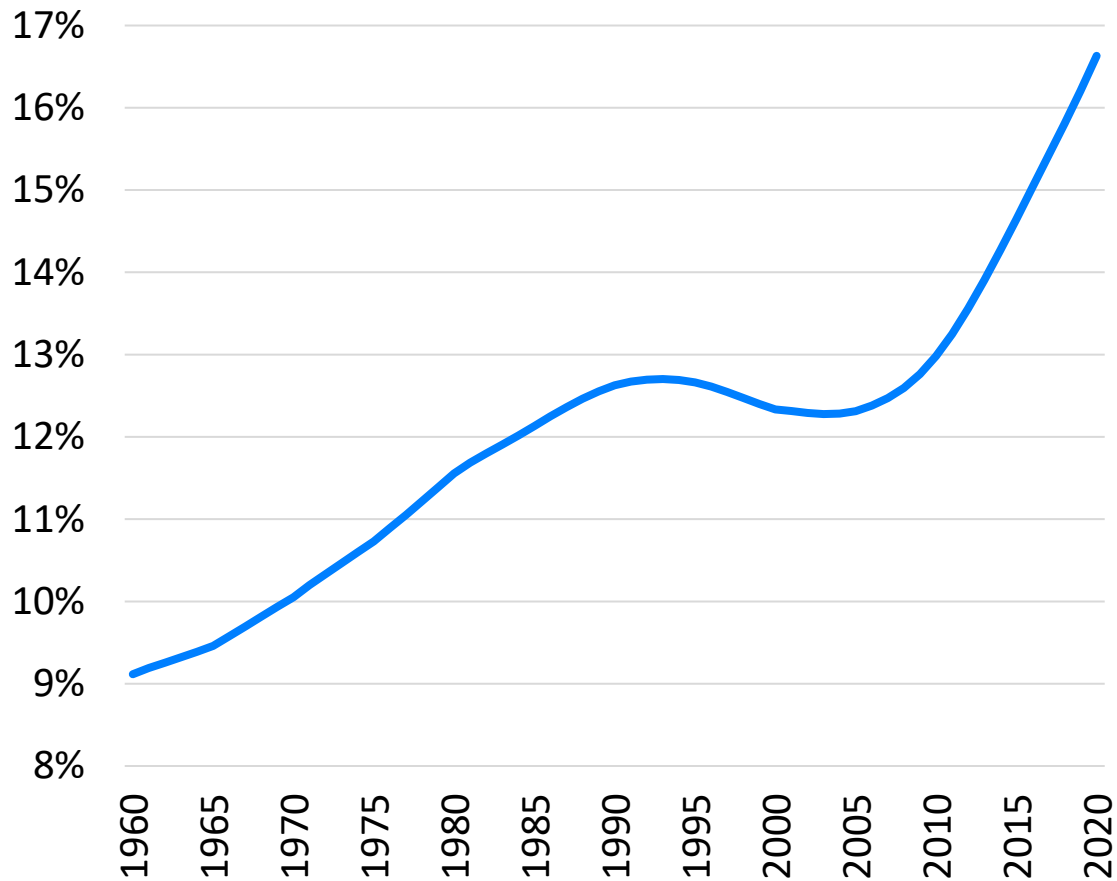


Overall U.S. Population Growth is Declining

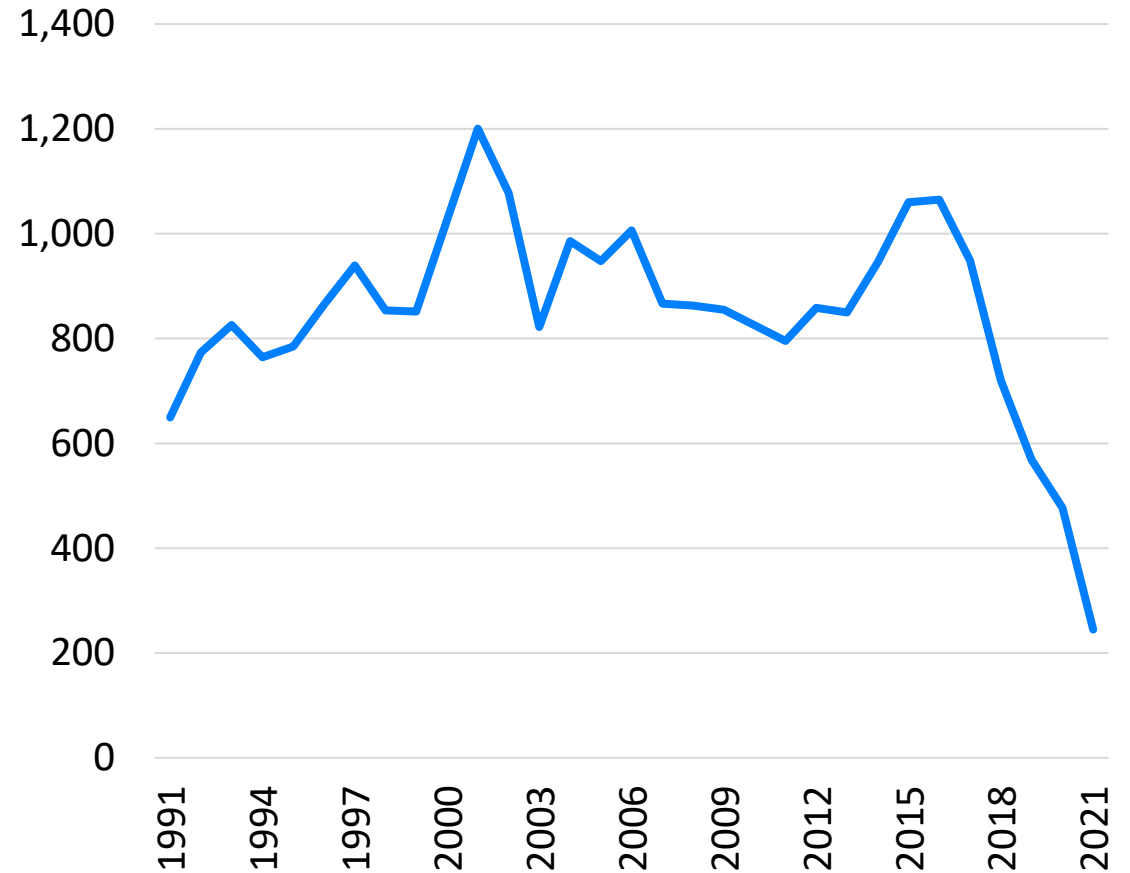


The U.S. Population is Aging and International Immigration is Falling; Further Impacting the Labor Shortage

Percent of Population 65 or Older



International Net Migration (Thousands)

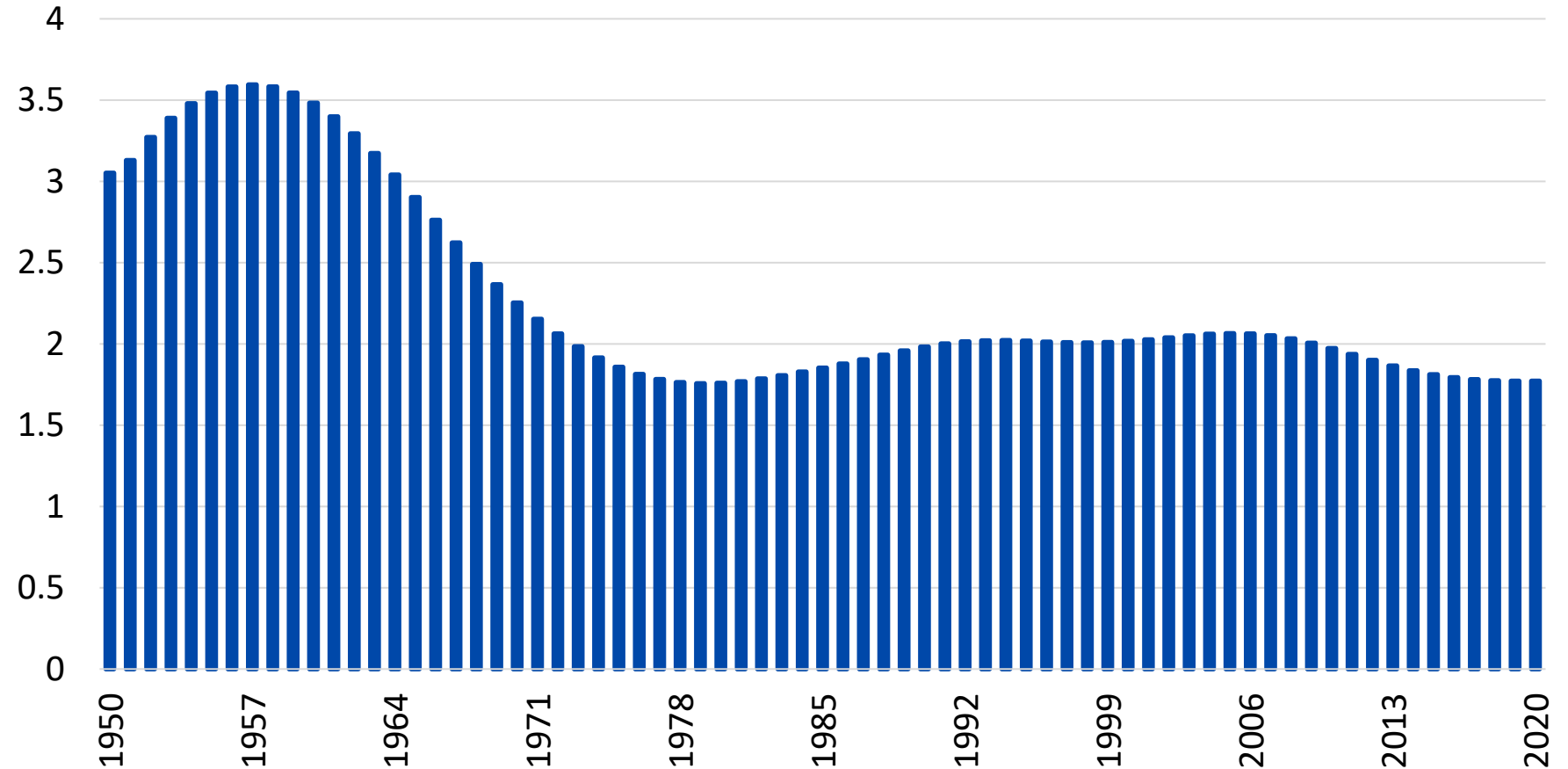


Fertility in the U.S. Has Been Declining For Years

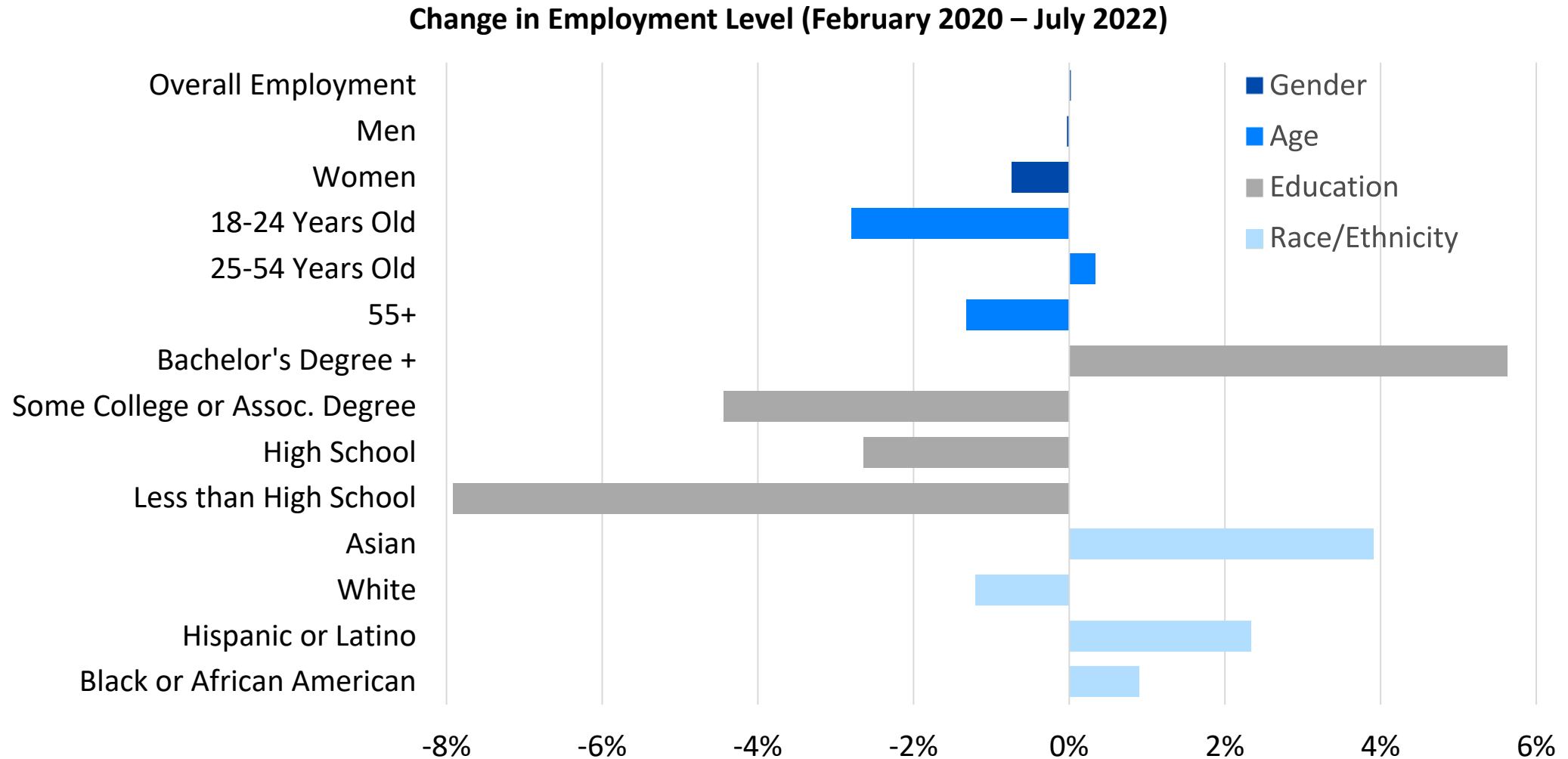
Total Fertility Rate
United States

WHY?

- Record student debt; childcare is too expensive
- Teen birth rate has declined to around a third of what it was in 1990
- Changing marital patterns, delaying marriage
- Changed social and cultural expectations of parents and parenting

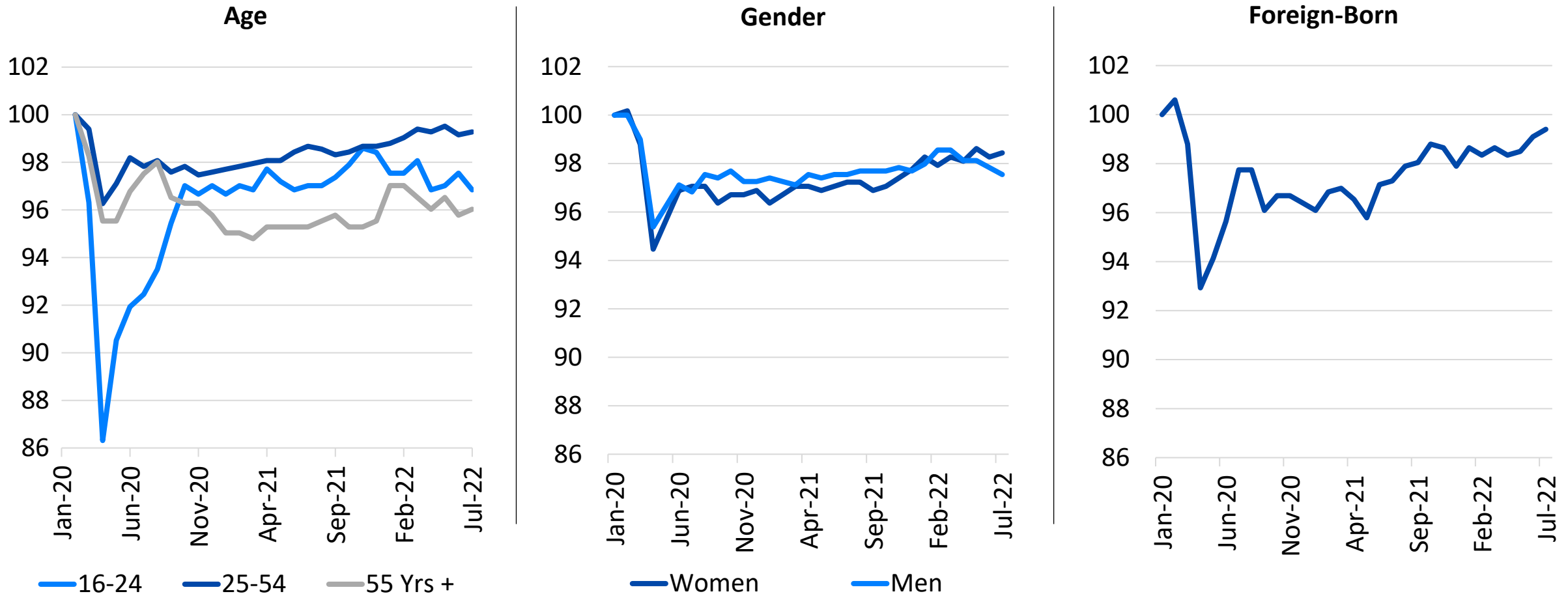


Many Demographic Classes Have Left the Workforce



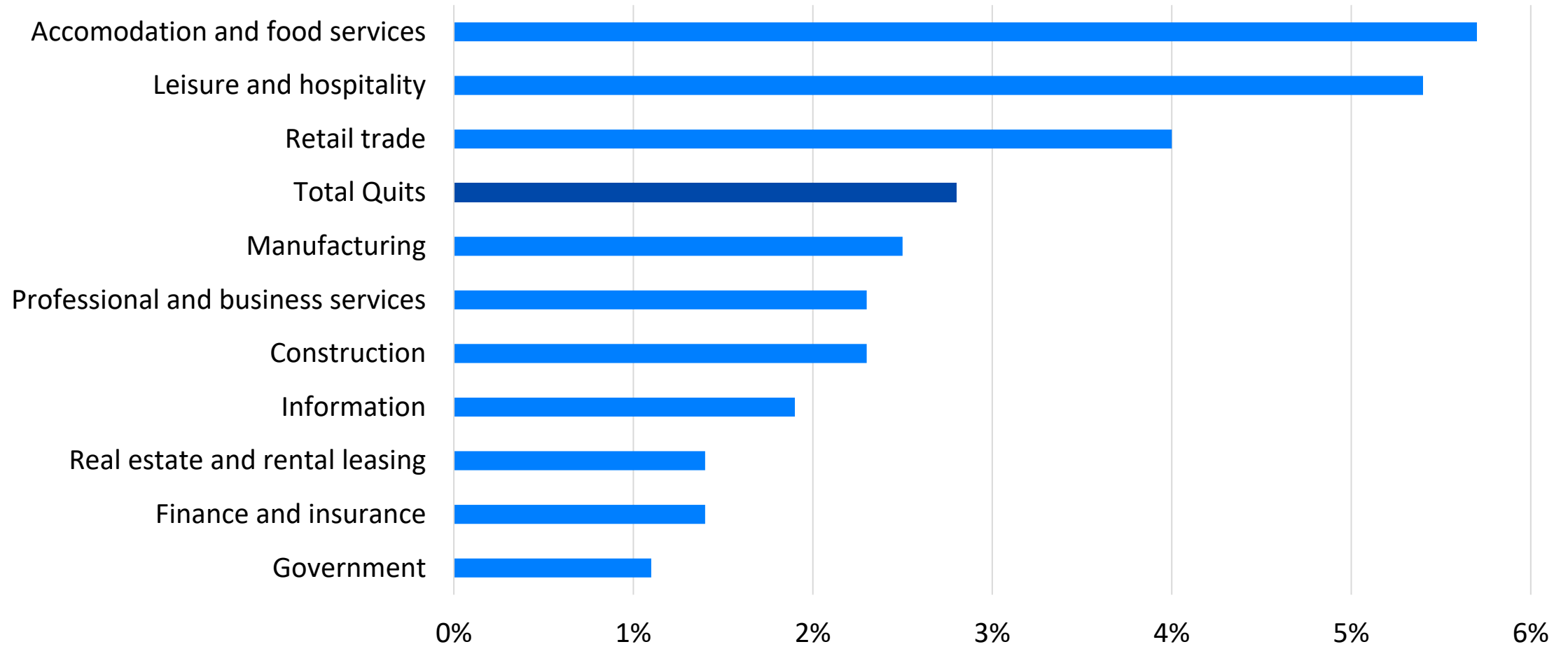
Women, Men and Foreign-Born Workers Returning to Workforce at Similar Rate; Workers Ages 16-24 and 55+ Are Taking Time to Return

LABOR FORCE PARTICIPATION RATE, INDEXED JAN 2020 = 100



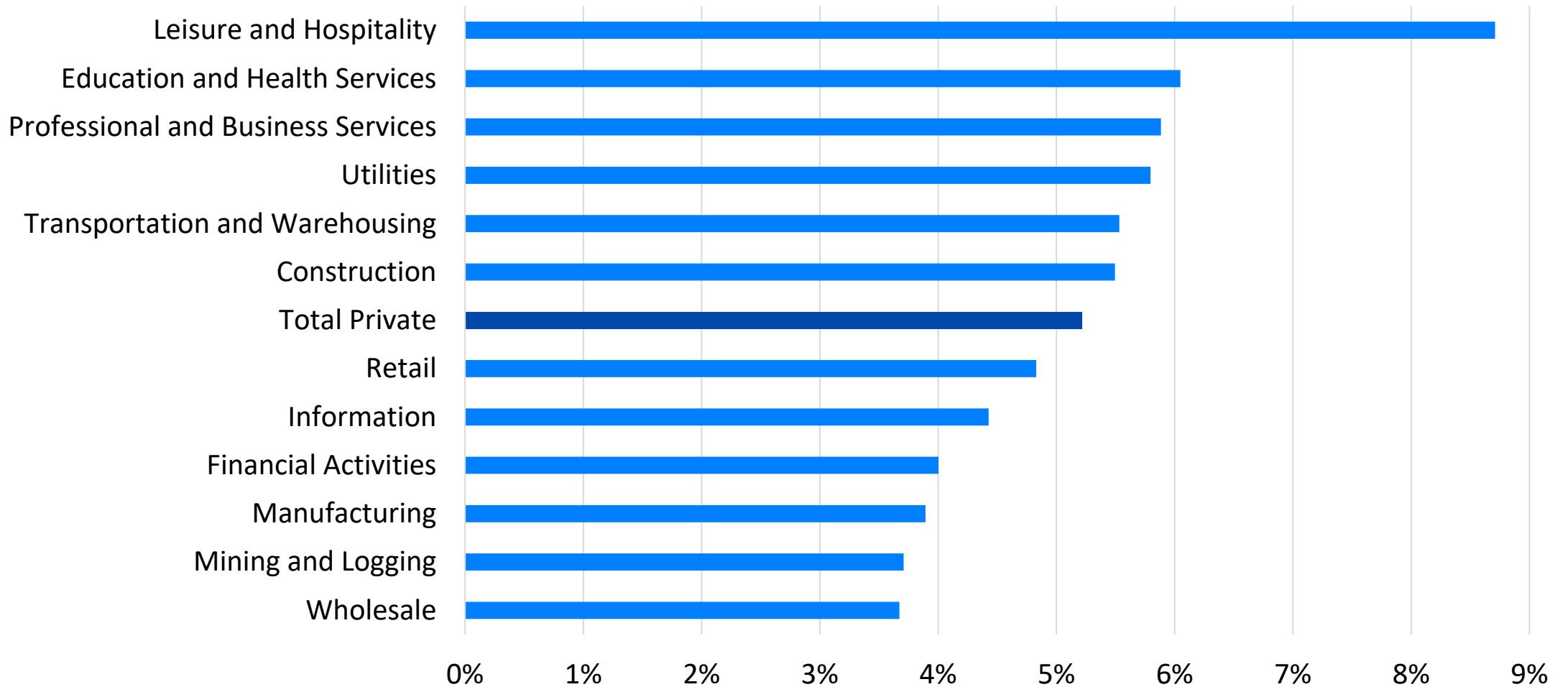
Quit Rates Higher in Lower Wage Industries

Quit Rate by Industry
June 2022



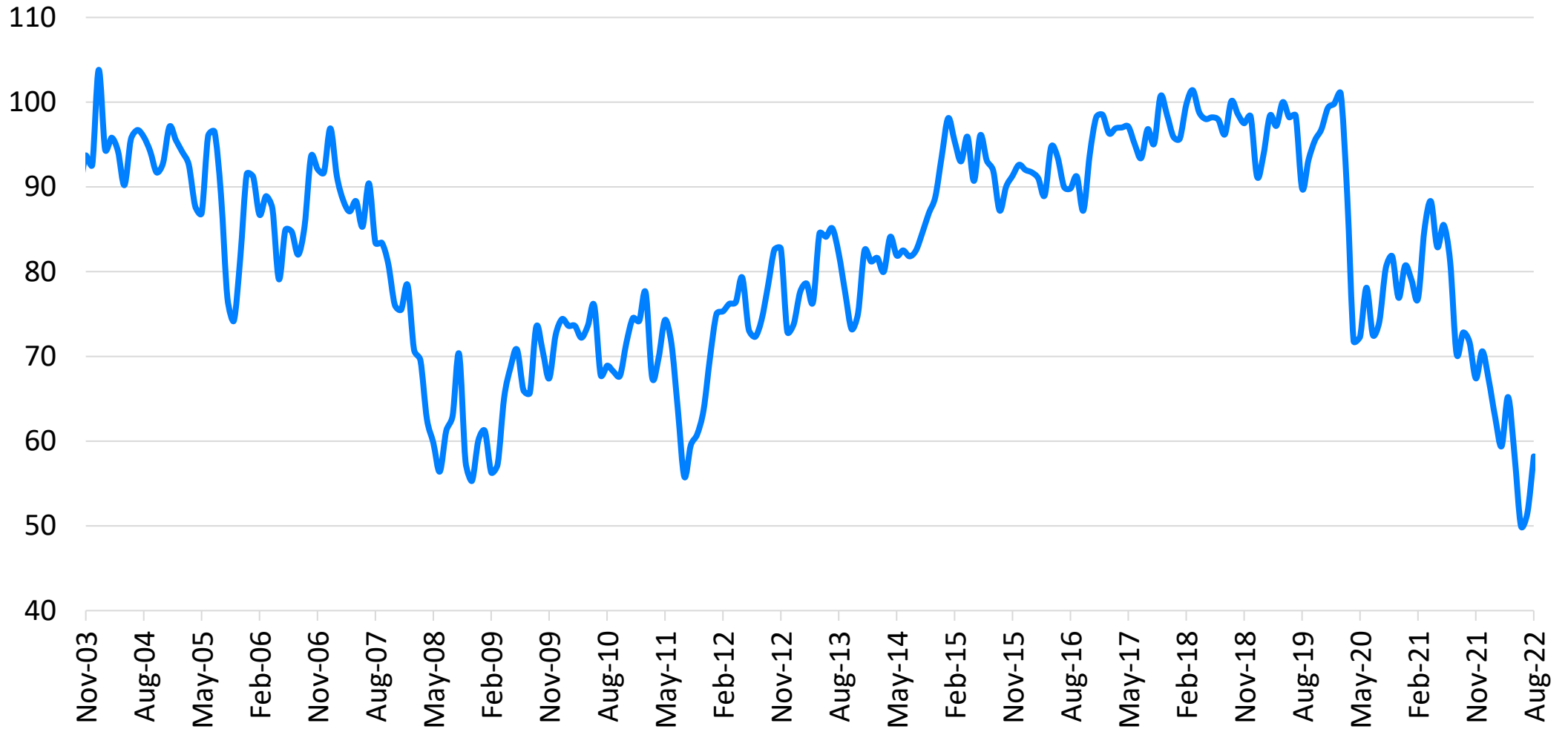
Wage Growth Strongest at the Lower End Since 2021

Annualized Change in Average Hourly Earnings (July 2021 - July 2022)



Consumer Sentiment Slightly Improving as Oil Prices Decline

University of Michigan: Consumer Sentiment

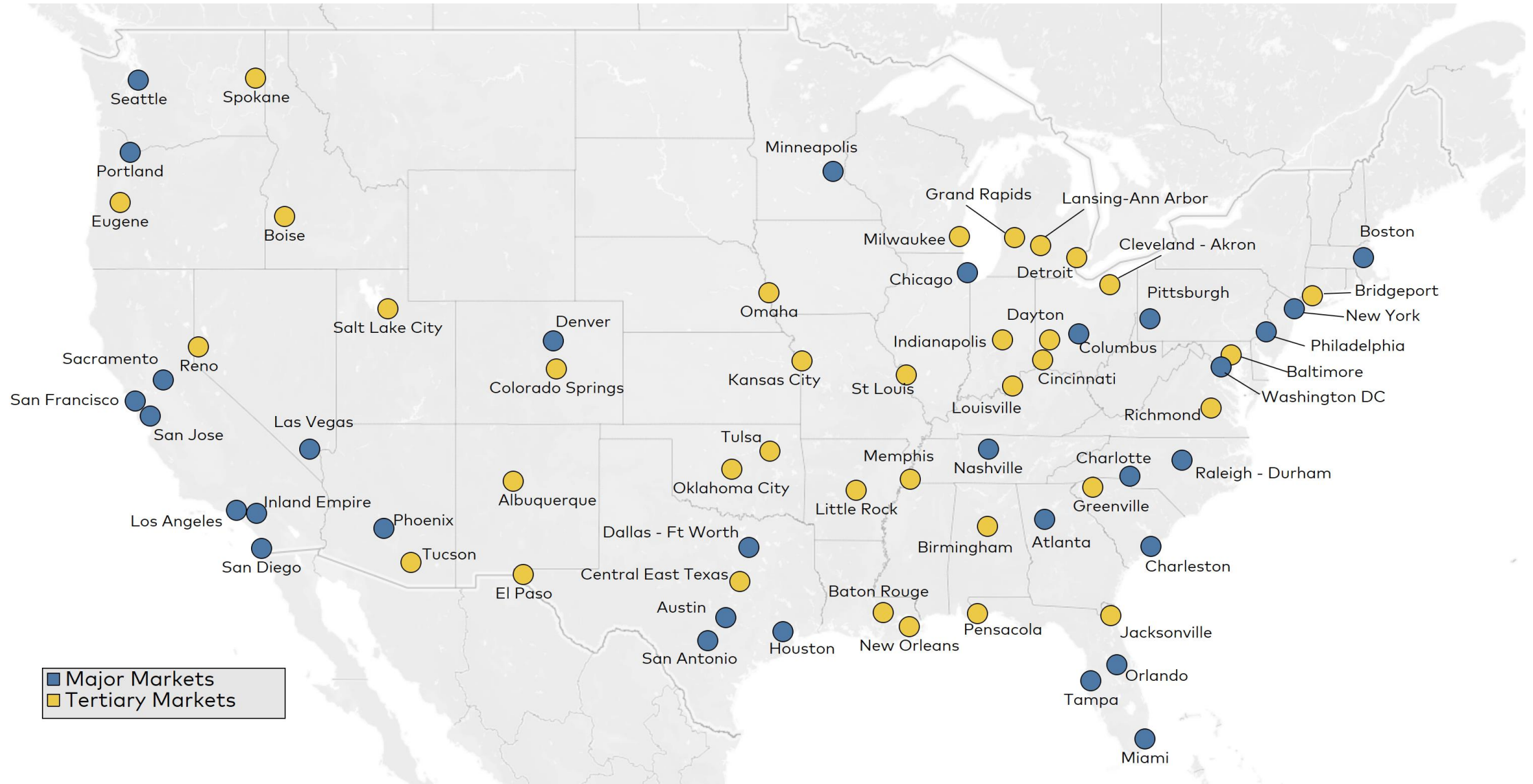


Macroeconomic Summary & Outlook

- Fed is in a tightening cycle – will continue to increase rates until there is clear and convincing evidence of decreasing inflation
- Supply chain disruptions, a tighter-than-ever labor market and other factors have led to growing inflation, and it's not transitory (as we expected)
- The Fed's actions to slow inflation will take a year or two to cool things down
- GDP growth is cooling
- The cushion from COVID liquidity has been dissipated
- Job market is still holding up but hiring freezes and layoffs have begun
- Fed increasing interest rates in 2022 will start the clock ticking to the next recession...which we think is likely sometime Q4 2023/Q1 2024

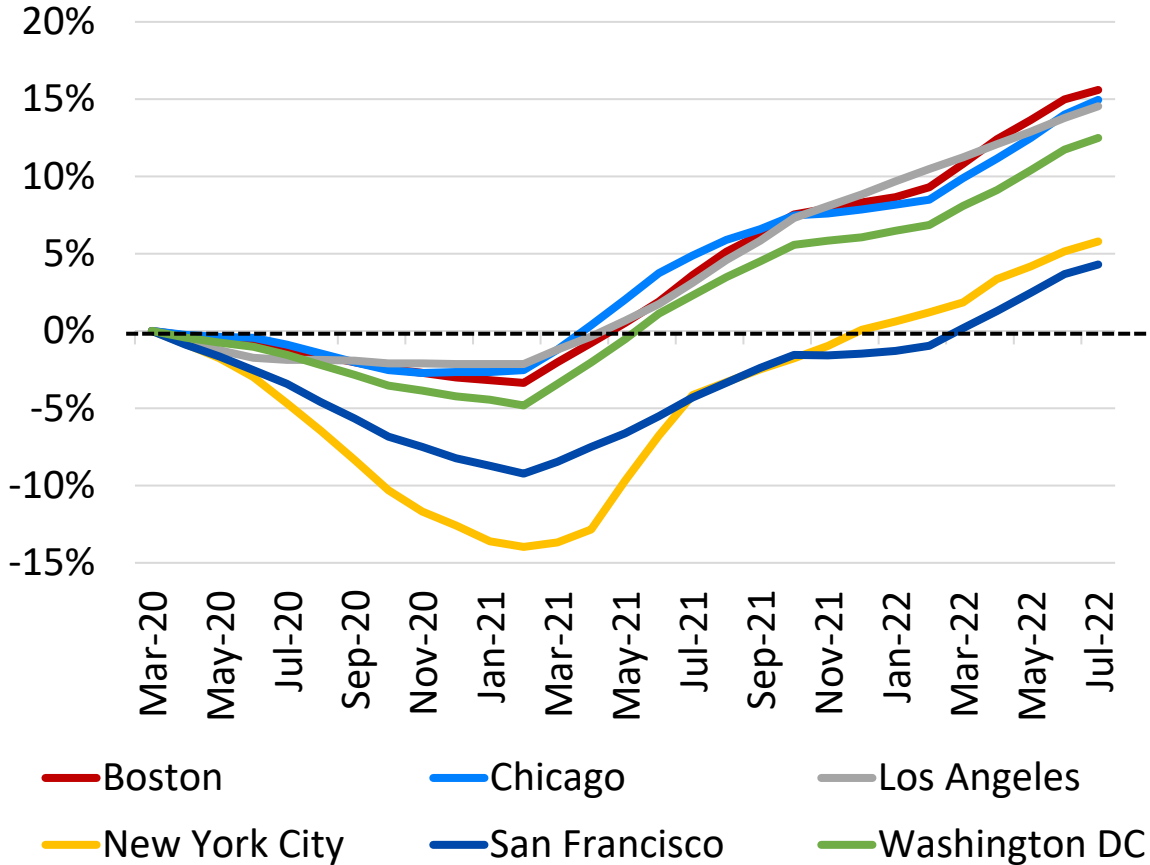
DEEP DIVE INTO STORAGE STREET RATES

Our Storage Market Classifications

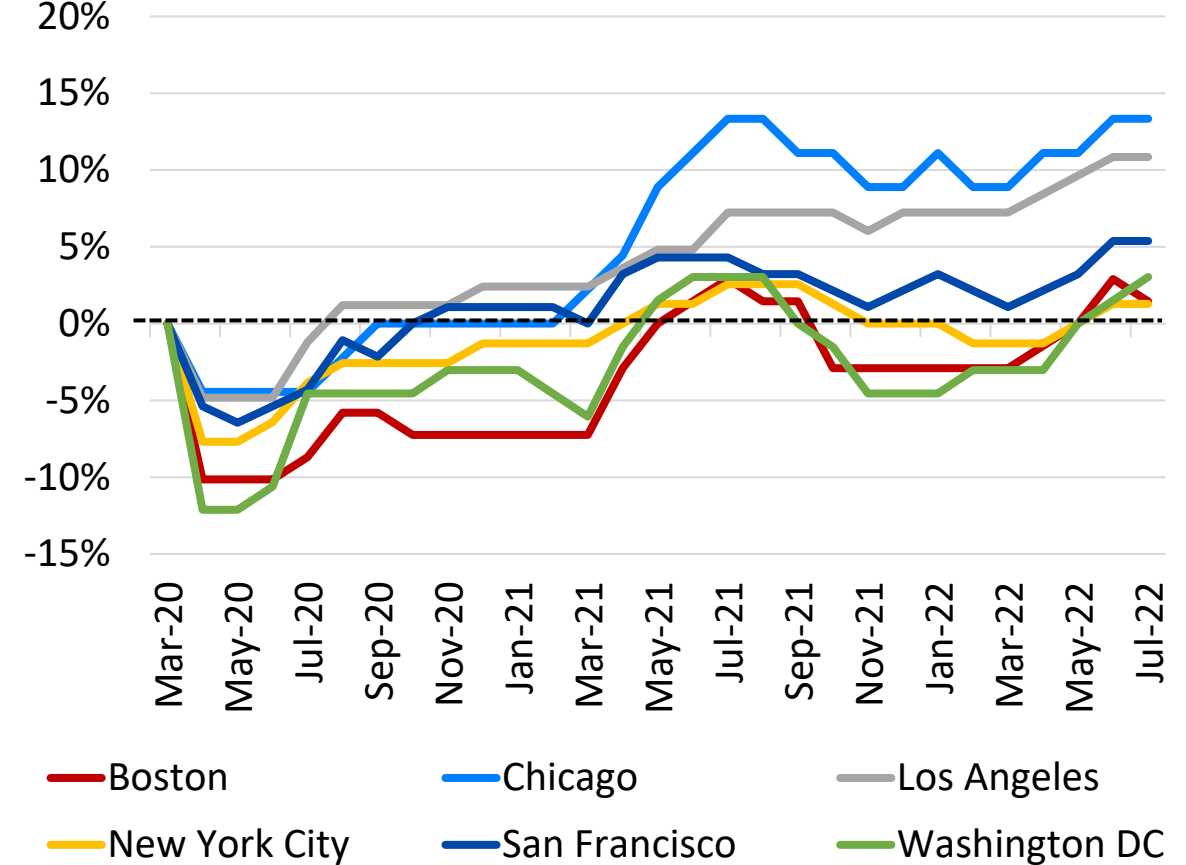


Most Core Cities Have Recovered in Multifamily, but There is Greater Disparity in Self Storage as Street Rate Growth Starts to Level Out

MULTIFAMILY
Change in Rents Since March 2020



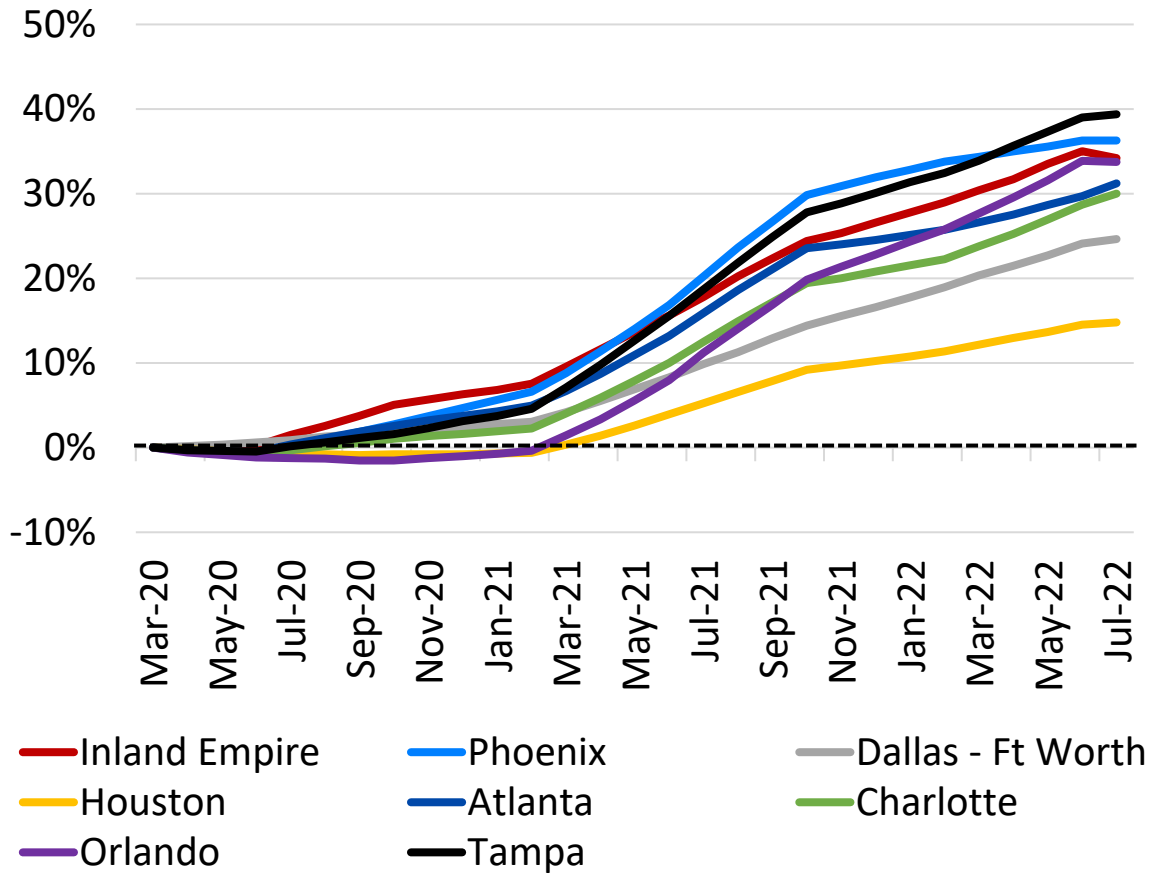
SELF STORAGE
Change in Rents Since March 2020



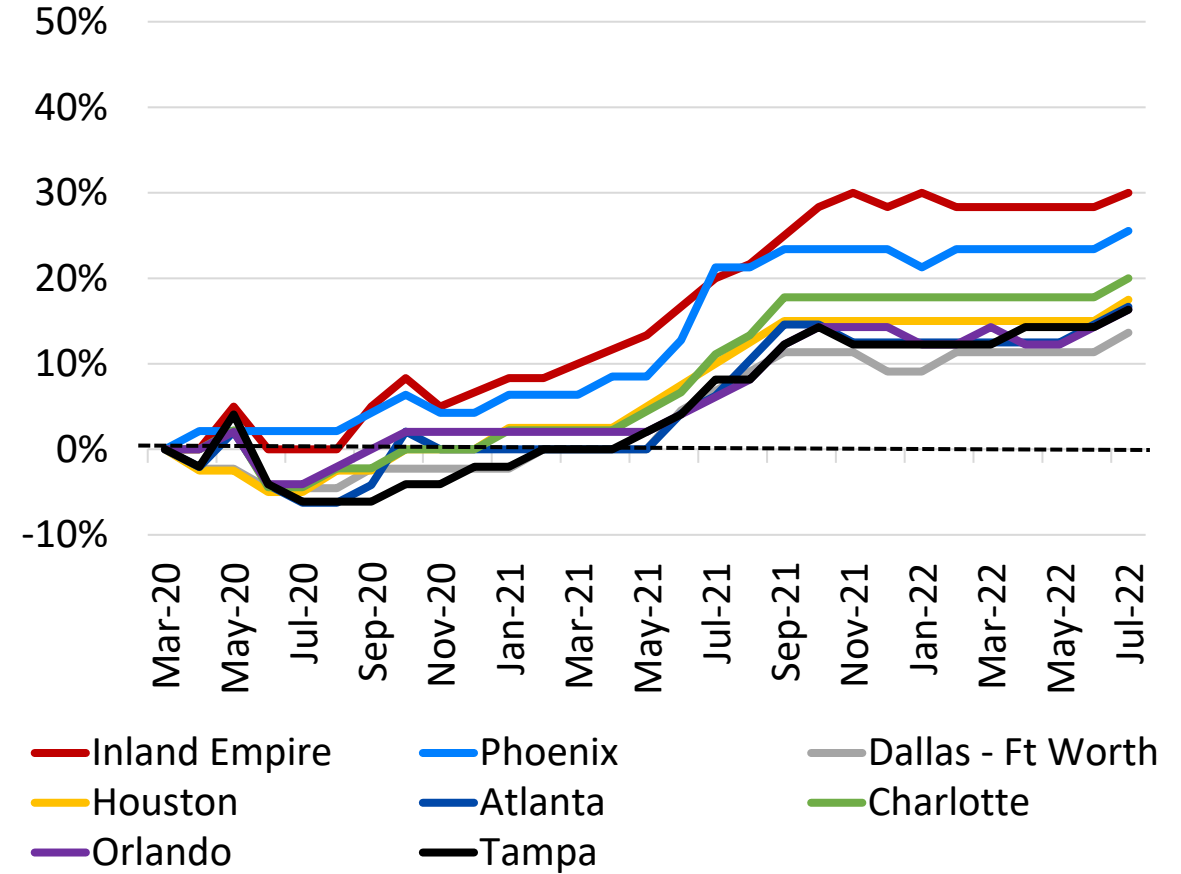
*Self Storage rents are for 5x5 CC units | Source: Yardi Matrix

Meanwhile, Rent Growth in Key Sunbelt Markets is Way Up, Though Moderating Over the Last Couple Months

MULTIFAMILY
Change in Rents Since March 2020



SELF STORAGE
Change in Rents Since March 2020



*Self Storage rents are for 5x5 CC units | Source: Yardi Matrix

Self Storage REITs Significantly Outperformed in 2021, But Performance Has Fallen YTD 2022

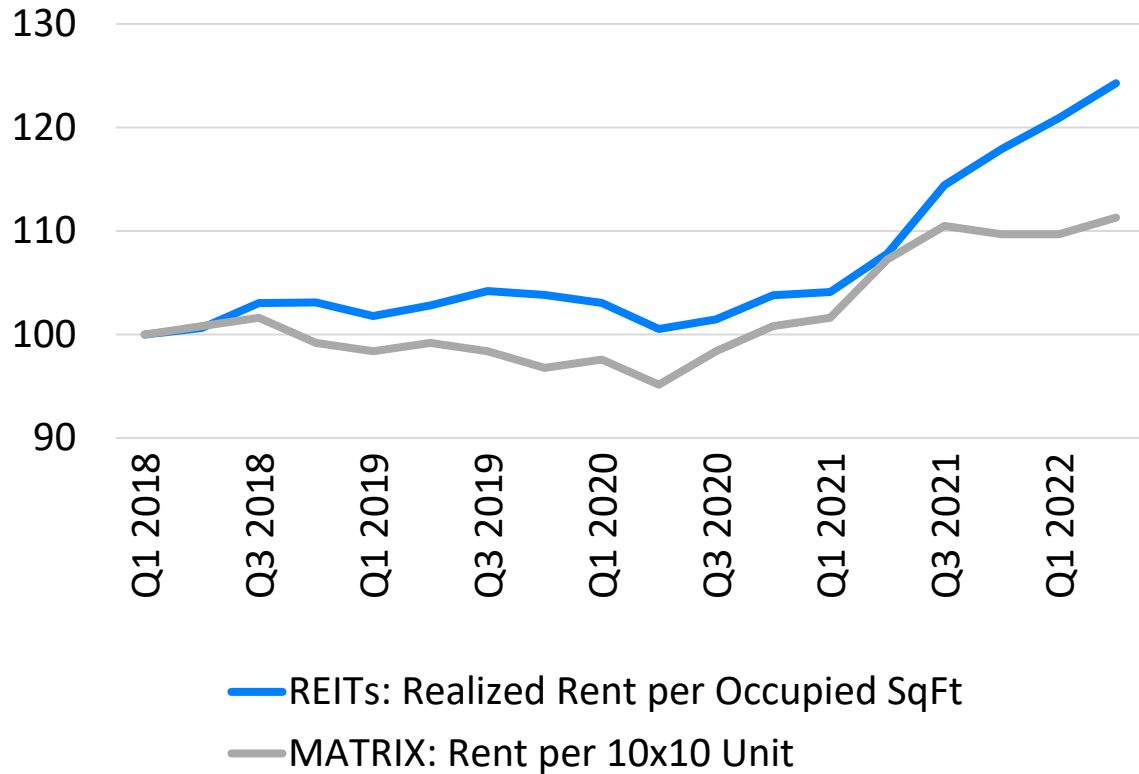
Total Annual Returns by Property Sector

2016	2017	2018	2019	2020	2021	2022: YTD
Industrial 30.7%	Infrastructure 35.4%	Health Care 7.6%	Industrial 48.7%	Data Centers 21.0%	Self Storage 79.4%	Specialty 2.0%
Data Centers 26.4%	Data Centers 28.4%	Infrastructure 7.0%	Data Centers 44.2%	Self Storage 12.9%	Industrial 62.0%	Diversified -2.5%
Lodging/Resorts 24.3%	Timber 21.9%	Residential 3.1%	Timber 42.0%	Industrial 12.2%	Residential 58.3%	Lodging/Resorts -4.0%
Mortgage 22.8%	Industrial 20.6%	Self Storage 2.9%	Infrastructure 42.0%	Timber 10.3%	Retail 51.9%	Healthcare -4.6%
Specialty 20.0%	Mortgage 19.8%	Industrial -2.5%	Office 31.4%	Infrastructure 7.3%	Specialty 41.7%	Timber -7.9%
Office 13.2%	Specialty 13.2%	Mortgage -2.5%	Residential 30.9%	Specialty -8.2%	Infrastructure 34.4%	Mortgage -8.3%
Diversified 10.3%	Lodging/Resorts 7.2%	Retail -5.0%	Specialty 27.4%	Health Care -9.9%	Diversified 29.3%	Infrastructure -9.5%
Infrastructure 10.0%	Residential 6.6%	Specialty -6.7%	Diversified 24.1%	Residential -10.7%	Timber 28.2%	Retail -11.4%
Timber 8.3%	Office 5.2%	Diversified -12.5%	Mortgage 21.3%	Office -18.4%	Data Centers 25.4%	Self Storage -12.3%
Health Care 6.4%	Self Storage 3.7%	Lodging/Resorts -12.8%	Health Care 21.2%	Mortgage -18.8%	Office 22.0%	Residential -14.6%
Residential 4.5%	Health Care 0.9%	Data Centers -14.1%	Lodging/Resorts 15.7%	Diversified -21.8%	Lodging/Resorts 18.2%	Data Centers -18.0%
Retail 0.9%	Diversified -0.1%	Office -14.5%	Self Storage 13.7%	Lodging/Resorts -23.6%	Health Care 16.3%	Industrial -18.0%
Self Storage -8.1%	Retail -4.8%	Timber -32.0%	Retail 10.7%	Retail -25.2%	Mortgage 15.6%	Office -21.9%

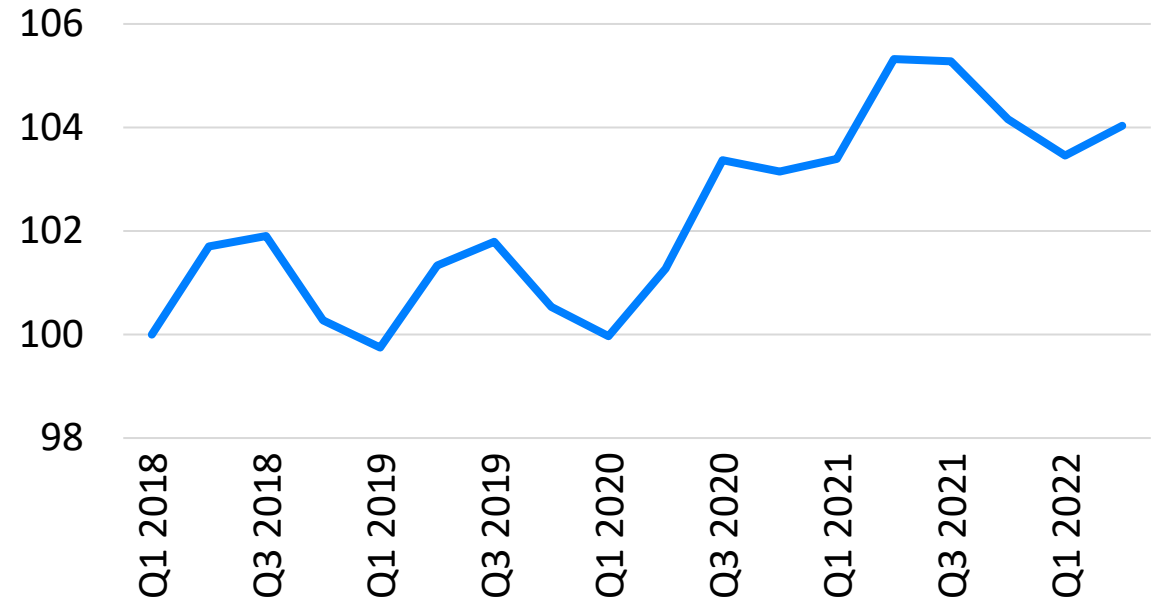


Matrix Street Rates are Trailing In-Place REIT Rents, While REIT Occupancy Started to Rebound in the Second Quarter

Indexed Rent Comparison
Q1 2018 = 100



Indexed REIT Occupancy
Q1 2018 = 100



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

Source: Yardi Matrix

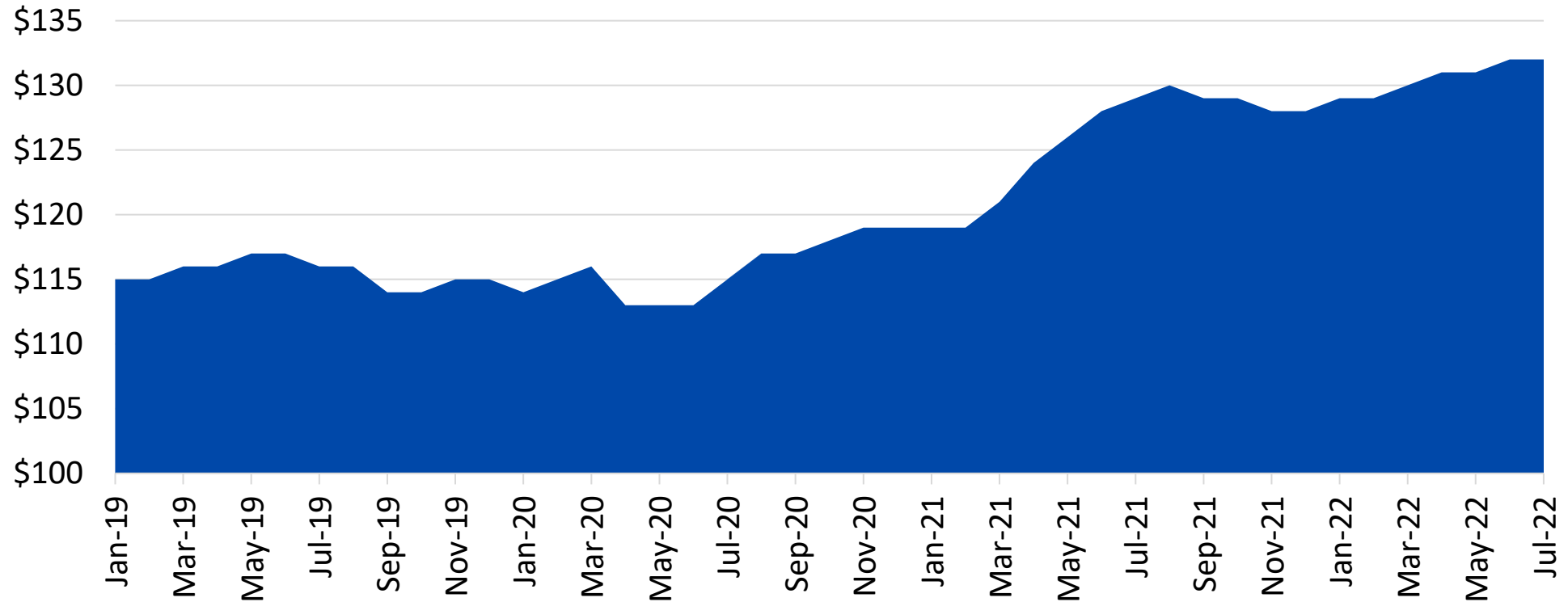
Weighted Average Occupancies for Self Storage REITs Fell in Most Markets Year-Over-Year in Q2 2022

MSA	Q2 2021	Q2 2022	YoY Change in Occupancy
Nashville, TN	92.3%	97.0%	4.7%
Raleigh-Durham, NC	95.2%	96.7%	1.5%
San Antonio , TX	95.2%	96.7%	1.5%
Portland, OR	91.6%	92.4%	0.8%
Sacramento, CA	91.6%	92.4%	0.8%
Orlando, FL	96.1%	96.5%	0.4%
Charleston, SC	95.9%	96.2%	0.3%
Kansas City, KS	95.5%	95.6%	0.1%
Columbus, OH	95.4%	95.0%	-0.4%
Boston, MA	94.4%	93.9%	-0.5%
Miami, FL	97.1%	96.6%	-0.5%
Charlotte, NC	96.0%	95.4%	-0.6%
Denver, CO	96.4%	95.6%	-0.8%
New York/New Jersey	96.0%	95.2%	-0.8%

MSA	Q2 2021	Q2 2022	YoY Change in Occupancy
Houston, TX	95.2%	94.3%	-0.8%
Dallas-Ft. Worth, TX	96.8%	95.8%	-1.0%
Seattle-Tacoma, WA	96.3%	95.3%	-1.0%
Phoenix, AZ	95.5%	94.4%	-1.0%
Chicago, IL	96.6%	95.4%	-1.2%
Tampa, FL	96.5%	95.2%	-1.3%
Austin, TX	96.5%	95.2%	-1.4%
Los Angeles, CA	97.7%	96.3%	-1.4%
Washington DC	96.3%	94.8%	-1.5%
Las Vegas, NV	96.1%	94.5%	-1.6%
Atlanta, GA	97.0%	95.2%	-1.8%
Philadelphia, PA	96.8%	94.9%	-1.9%
San Francisco, CA	97.3%	95.4%	-1.9%
San Diego, CA	97.9%	95.9%	-2.0%

Street Rate Growth For 10x10 Non-CC Units is Moderating, And Continues to Remain Healthy in the Second Half of 2022

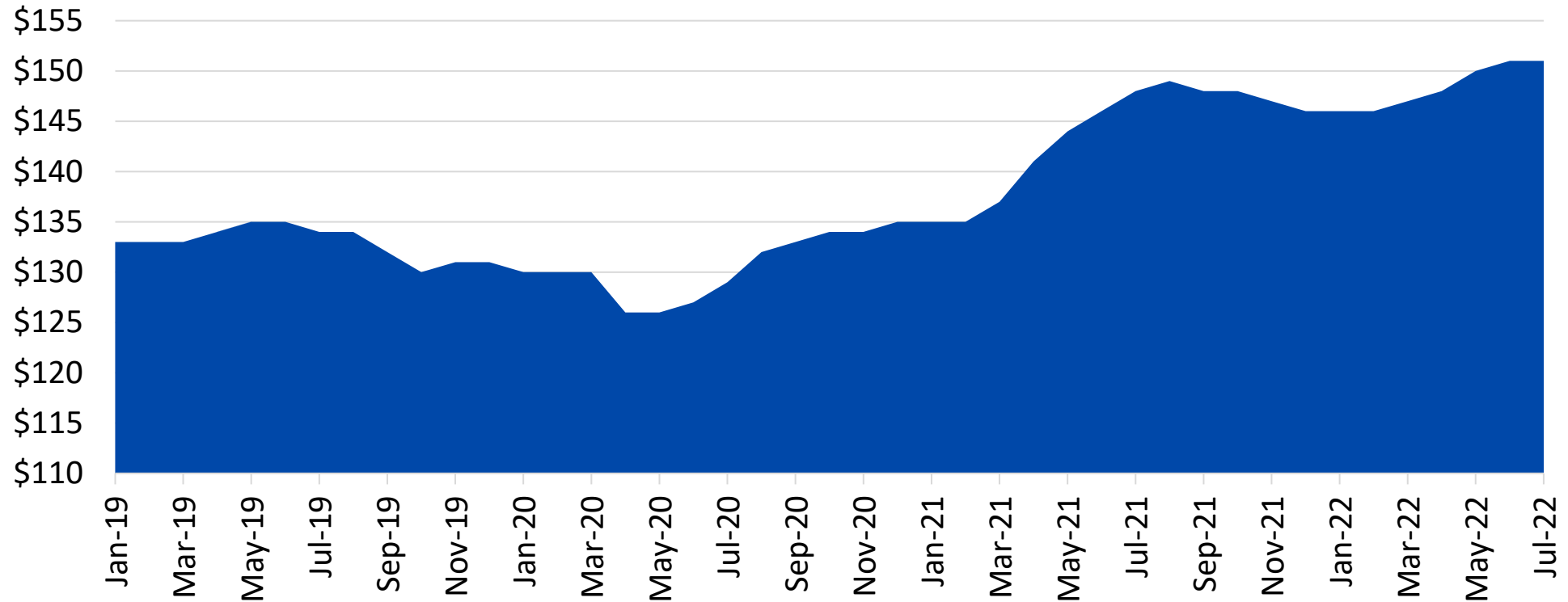
National Street Rates - 10x10 NON-CC



	% Change	\$ Change
Year-over-Year: Jul '21 – Jul '22	2.3%	\$3
Month-over-Month: Jun '22 – Jul '22	0.0%	\$0
Pre-Pandemic to Current: Mar '20 – Jul '22	13.8%	\$16

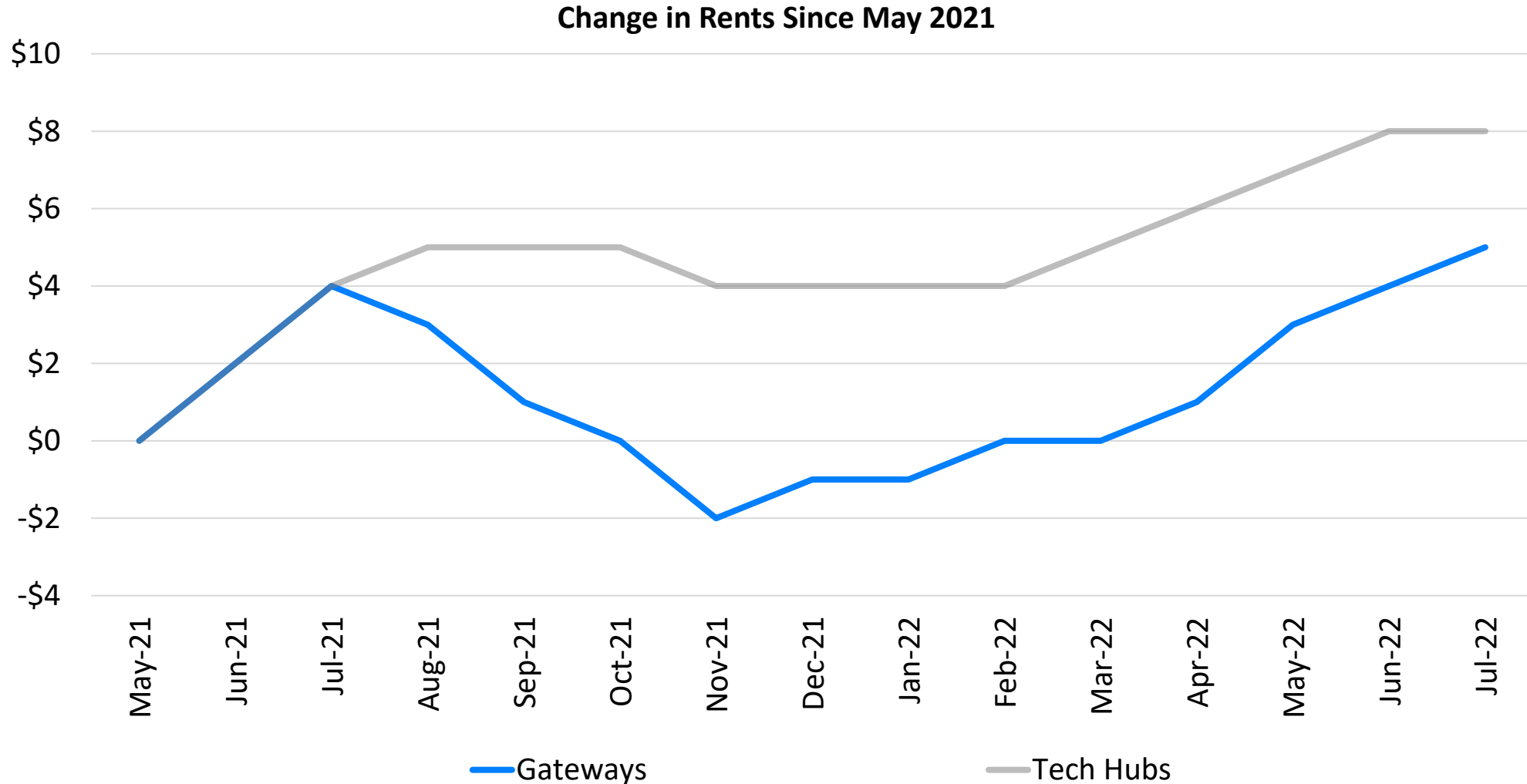
Street Rate Growth for 10x10 CC Units Stayed The Same from June to July, And is Also Expected to Remain Strong This Year

National Street Rates - 10x10 CC

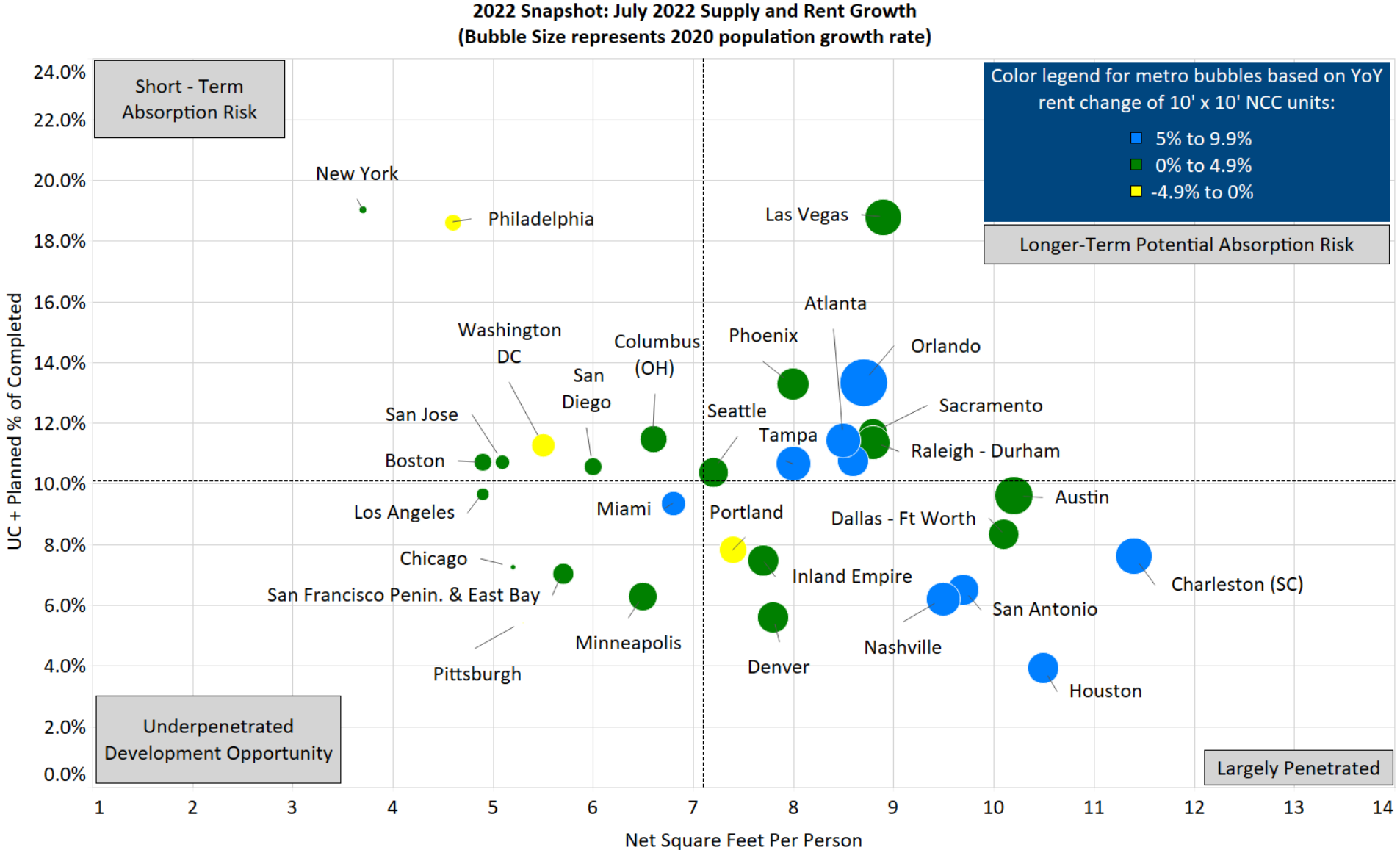


	% Change	\$ Change
Year-over-Year: Jul '21 – Jul '22	2.0%	\$3
Month-over-Month: Jun '22 – Jul '22	0.0%	\$0
Pre-Pandemic to Current: Mar '20 – Jul '22	16.2%	\$21

While Tech Hub Market Rents Have Grown Higher Their Growth is Slowing Compared to Gateway Markets

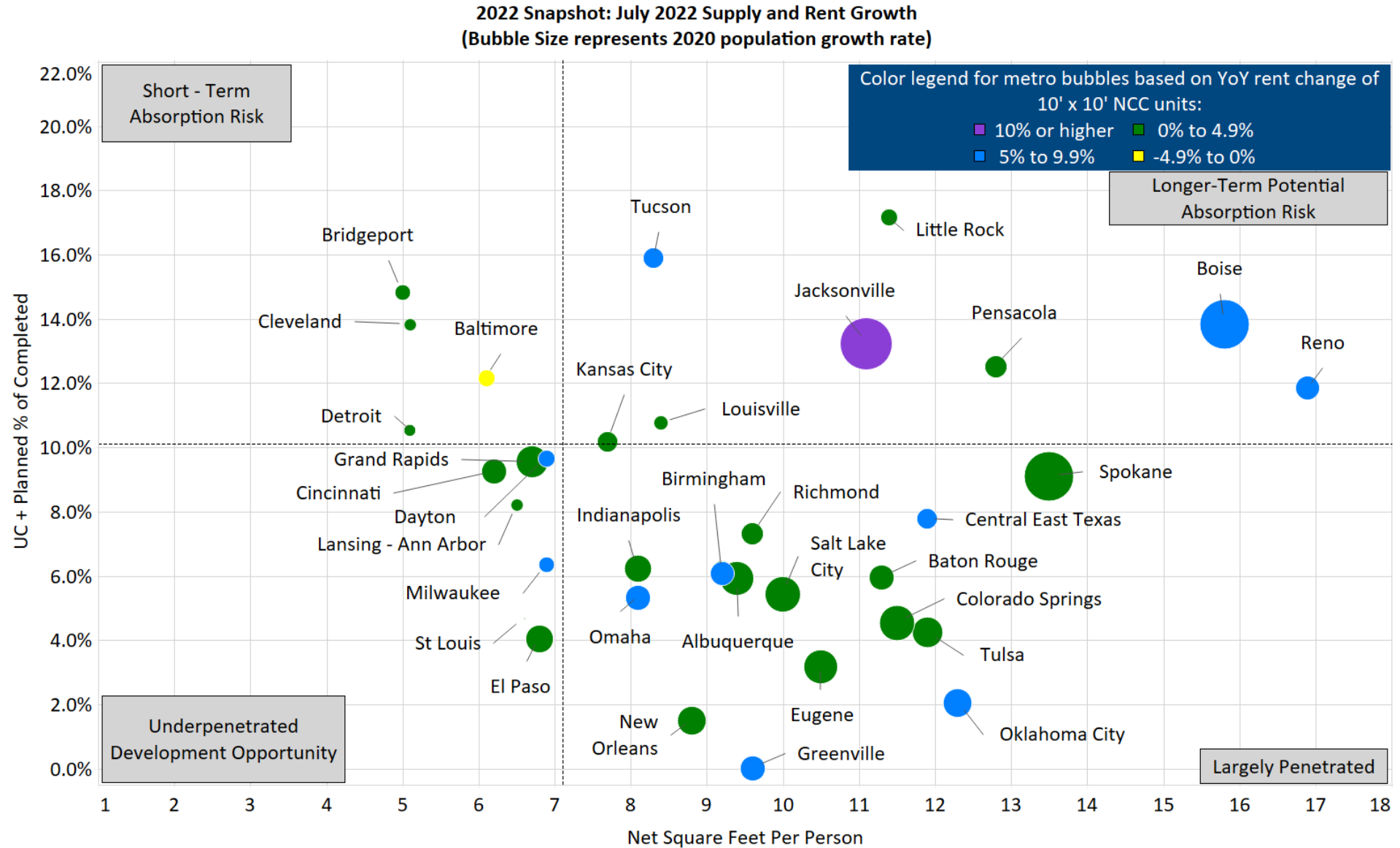


Strong Rate Growth Slowing Down on an Annual Basis in Most Major Markets



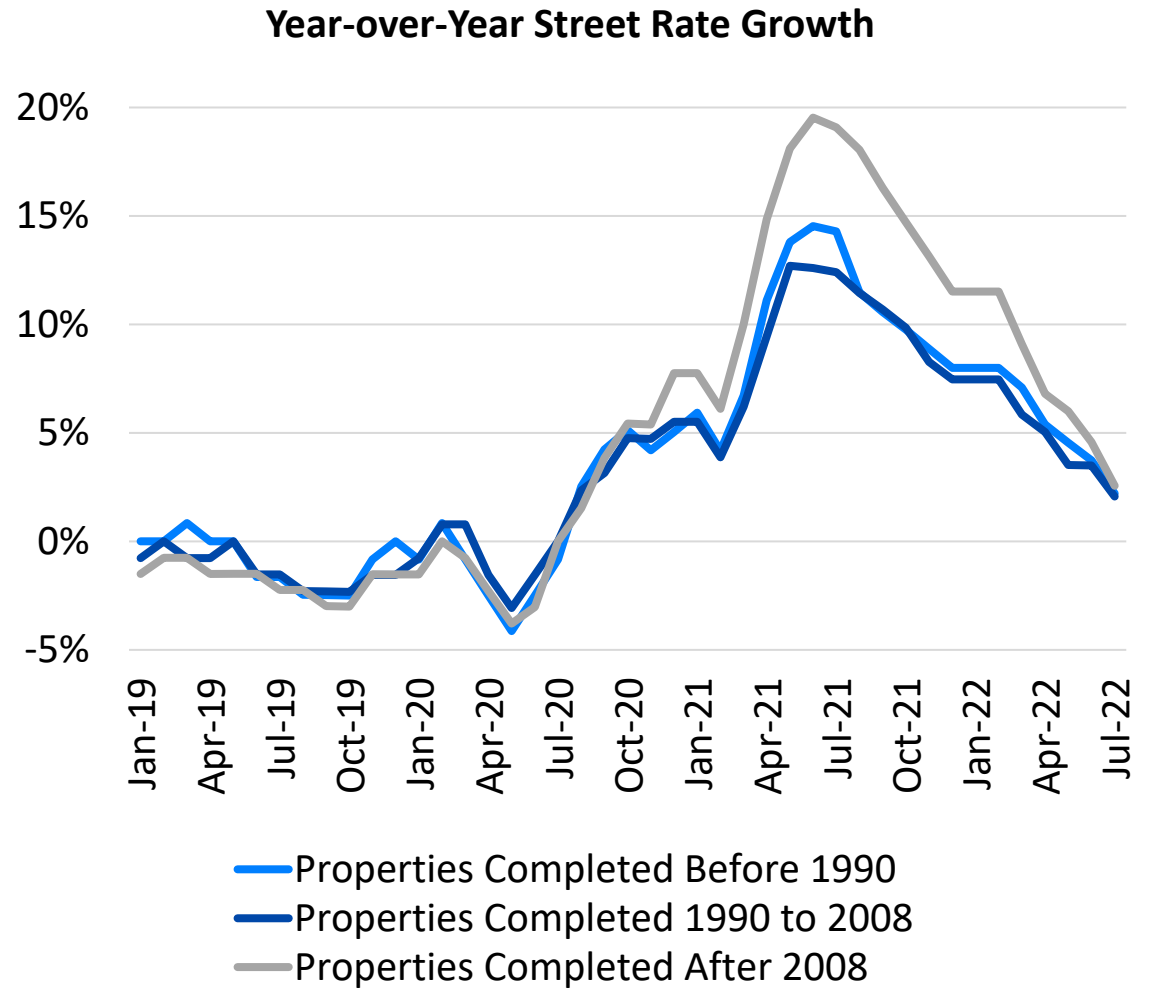
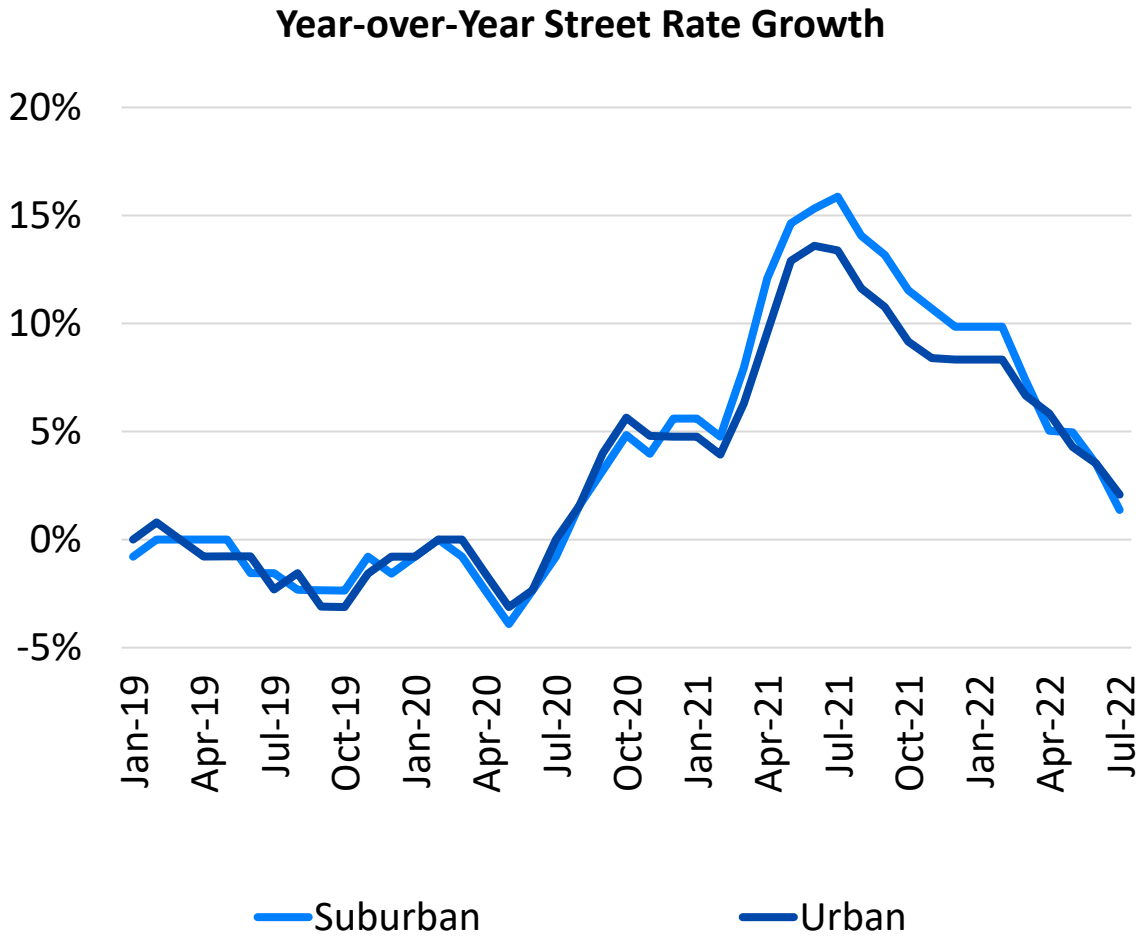
*July 2022 supply and rent data | Source: Yardi Matrix

Annual Rate Growth is Also Moderating in Many Tertiary Markets



*July 2022 supply and rent data | Source: Yardi Matrix

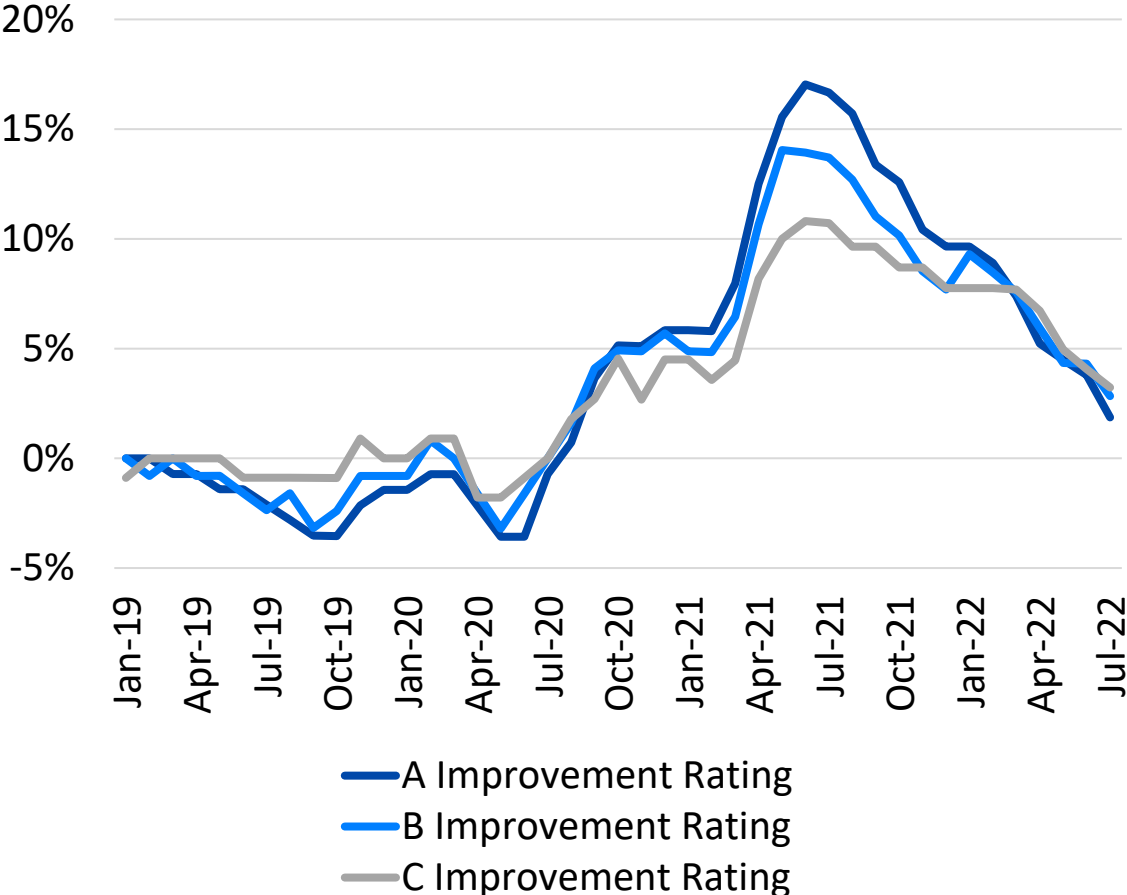
There Has Been a Reversion to the Mean in Self Storage Street Rates by Property Location and Age



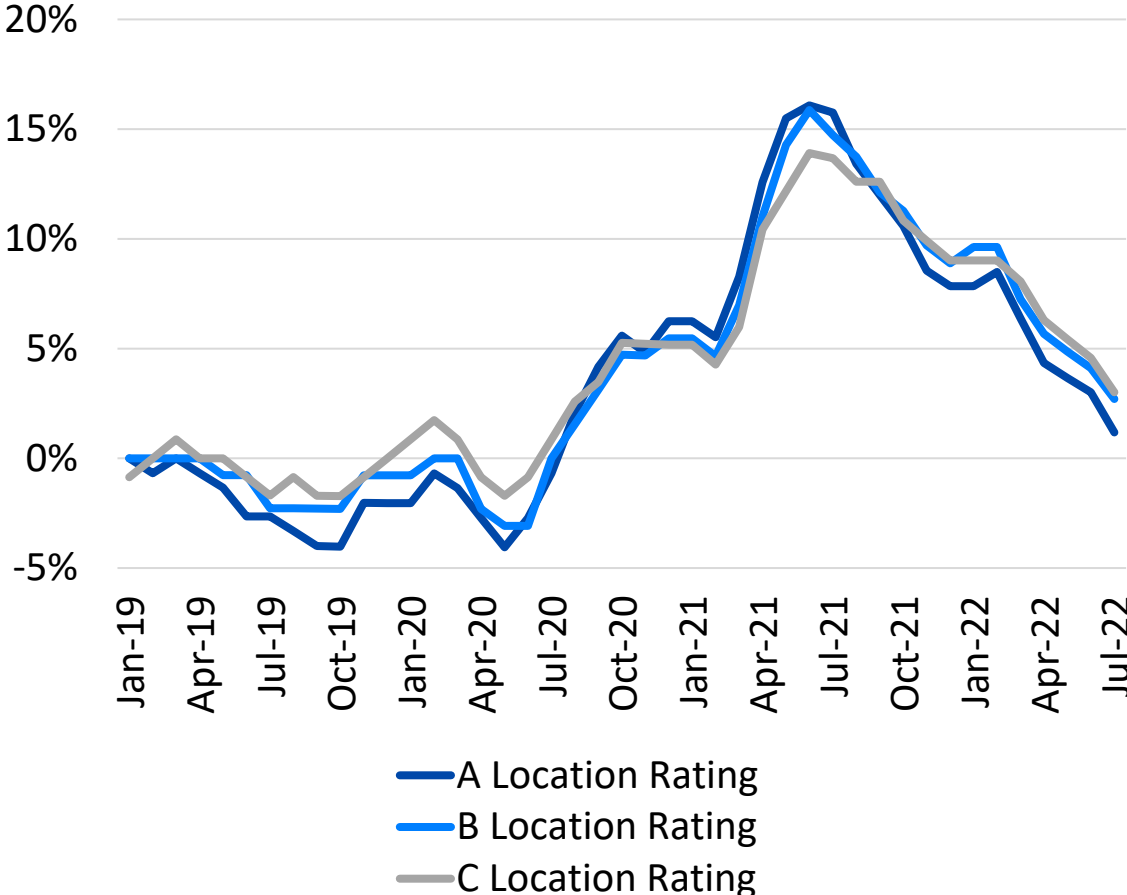
*National average rates include all unit types and sizes | Source: Yardi Matrix

There Has Also Been a Reversion to the Mean When Looking at Improvement and Location Ratings

Year-over-Year Street Rate Growth

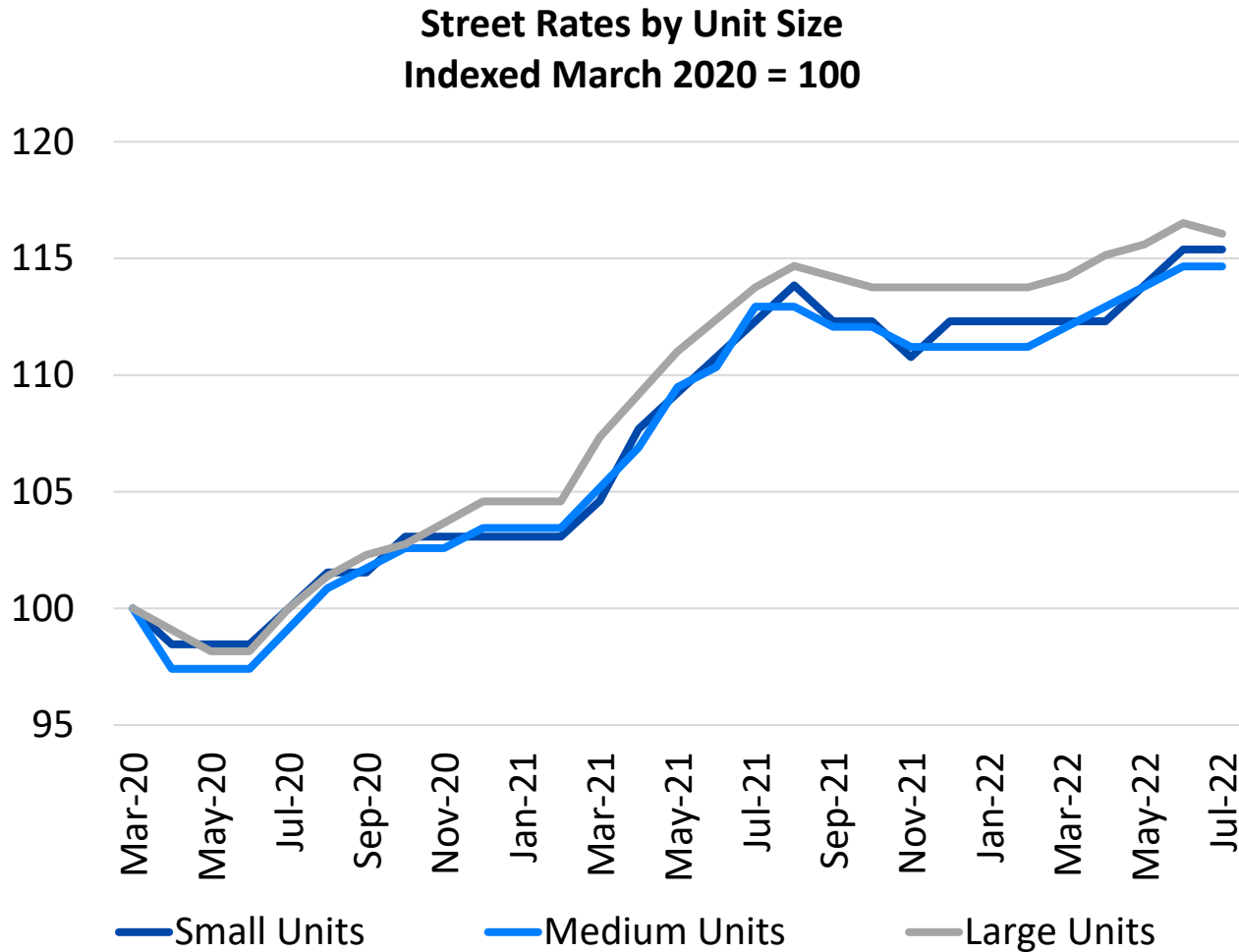


Year-over-Year Street Rate Growth



*National average rates include all unit types and sizes | Source: Yardi Matrix

The Need for Self Storage Increased Across Unit Sizes Since the Pandemic



- To facilitate remote learning or working from home, households needed larger sized units to empty entire rooms
- A greater emphasis on outdoor activities created need for medium and large units with enough space to accommodate new recreational vehicles, 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

*Small=5x5 NON-CC, 5x5 CC, 5x10 NON-CC, 5x10 CC; Medium=5x15 NON-CC, 5x15 CC, 10x10 NON-CC, 10x10 CC; Large=10x20 NON-CC, 10x20 CC, 10x30 NON-CC, 10x30 CC

Source: Yardi Matrix

Street Rate Growth for Large Units Outpaced Rates for Small Units in Most Markets

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Madison	-21.3%	15.3%	36.6%
Wilmington	4.3%	18.9%	14.6%
Staten Island	-13.8%	0.4%	14.2%
Lafayette	2.4%	9.9%	7.5%
Youngstown	0.0%	7.2%	7.2%
New Orleans	1.5%	8.3%	6.8%
Urban Philadelphia	-5.3%	1.4%	6.7%
Jacksonville	6.3%	12.8%	6.5%
Lubbock	-3.1%	3.4%	6.5%
Pensacola	2.0%	8.3%	6.3%
Des Moines	-2.6%	3.4%	6.0%
Fayetteville, NC	6.9%	12.9%	6.0%
East Bay Area	-2.4%	3.4%	5.8%
South Bend	0.0%	5.6%	5.6%
Columbia	-2.4%	3.0%	5.4%

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Honolulu	-1.2%	4.0%	5.2%
Kansas City	0.0%	5.2%	5.2%
Rochester	-1.8%	3.3%	5.1%
Cleveland - Akron	-2.0%	3.0%	5.0%
Long Island	-2.3%	2.3%	4.6%
Amarillo	0.0%	4.2%	4.2%
Little Rock	-2.3%	1.9%	4.2%
Corpus Christi	2.2%	6.3%	4.1%
Suburban Twin Cities	0.0%	4.1%	4.1%
Winston-Salem	2.6%	6.6%	4.0%
Washington DC	-3.1%	0.8%	3.9%
Syracuse	0.0%	3.8%	3.8%
South Bay Area	-1.3%	2.2%	3.5%
Jackson	2.4%	5.8%	3.4%
Cincinnati	0.0%	2.9%	2.9%



*Year-over-year change in average street rate per square foot of non-climate-controlled units for July 2022 | Source: Yardi Matrix

Markets with the Fastest Street Rate Growth for Small Unit Sizes

Market	Small Unit Average Rate per Sq Ft July 2021	Small Unit Average Rate per Sq Ft July 2022	Growth in Small Unit Average Rate (Jul '21 – Jul '22)
Anchorage	\$2.17	\$2.53	15.4%
Fort Wayne	\$1.26	\$1.43	14.2%
Manhattan	\$4.52	\$5.09	13.9%
Fayetteville NC	\$1.80	\$1.95	10.3%
Savannah - Hilton Head	\$1.88	\$2.06	9.0%
Boise	\$1.47	\$1.59	8.6%
Jacksonville	\$1.79	\$1.92	8.3%
Ft. Lauderdale	\$2.22	\$2.41	8.0%
Madison	\$2.01	\$2.16	7.3%
SW Florida Coast	\$1.79	\$1.92	7.3%
Reno	\$1.89	\$2.03	7.3%
Central East Texas	\$1.54	\$1.64	6.9%
Wilmington	\$1.75	\$1.84	6.7%
Omaha	\$1.34	\$1.45	6.7%
Eugene	\$1.97	\$2.11	6.5%

Markets with the Fastest Street Rate Growth for Medium Unit Sizes

Market	Medium Unit Average Rate per Sq Ft July 2021	Medium Unit Average Rate per Sq Ft July 2022	Growth in Medium Unit Average Rate (Jul '21 – Jul '22)
Anchorage	\$1.57	\$1.76	12.9%
Lafayette	\$0.92	\$1.03	11.5%
Fort Wayne	\$0.93	\$1.05	11.2%
Fayetteville, NC	\$1.17	\$1.28	10.1%
Jacksonville	\$1.25	\$1.37	9.6%
Harrisburg	\$1.24	\$1.34	8.4%
Savannah	\$1.28	\$1.38	8.2%
Ft. Lauderdale	\$1.75	\$1.88	7.6%
Boise	\$1.03	\$1.10	7.5%
Reno	\$1.22	\$1.31	7.5%
Wilmington	\$1.10	\$1.18	7.2%
Macon	\$0.99	\$1.06	6.9%
Albany	\$1.18	\$1.25	6.8%
Dayton	\$0.96	\$1.02	6.7%
Orlando	\$1.25	\$1.33	6.6%



Markets with the Fastest Street Rate Growth for Large Unit Sizes

Market	Large Unit Average Rate per Sq Ft July 2021	Large Unit Average Rate per Sq Ft July 2022	Growth in Large Unit Average Rate (Jul '21 – Jul '22)
Lafayette	\$0.64	\$0.73	14.1%
Madison	\$0.69	\$0.78	14.0%
Fort Wayne	\$0.64	\$0.73	13.6%
Omaha	\$0.62	\$0.68	9.4%
Jacksonville	\$1.01	\$1.09	9.1%
Savannah	\$0.95	\$1.04	9.0%
Wilmington	\$0.86	\$0.93	8.7%
North Central Florida	\$0.87	\$0.93	7.5%
Augusta	\$0.71	\$0.76	7.3%
Central East Texas	\$0.70	\$0.75	7.1%
Ft. Lauderdale	\$1.45	\$1.54	6.7%
Miami	\$1.53	\$1.64	6.7%
South Bend	\$0.58	\$0.61	6.6%
Carolina Triangle	\$0.87	\$0.92	6.5%
Reno	\$0.78	\$0.83	6.0%



Where Do We See Street Rates Going?

- We expect to see further moderation with the potential to return to negative street rate growth even though revenues continue to grow
- Street rate performance in markets will be largely driven by population growth
- Rate growth will remain the strongest in high-growth markets of the South, Southeast and Southwest, despite being largely penetrated with storage supply
- REITs will continue to find more upside potential in existing customer rents than street rates
- Self storage street rates appear to be leading multifamily rent trends

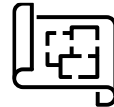
HISTORICAL & FORECASTED SUPPLY TRENDS

NEW STORAGE SUPPLY PIPELINE



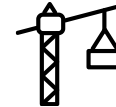
PROSPECTIVE

514 Properties
32MM Total Sq. Ft.
27MM Rentable Sq. Ft.



PLANNED

1,555 Properties
113MM Total Sq. Ft.
110MM Rentable Sq. Ft.

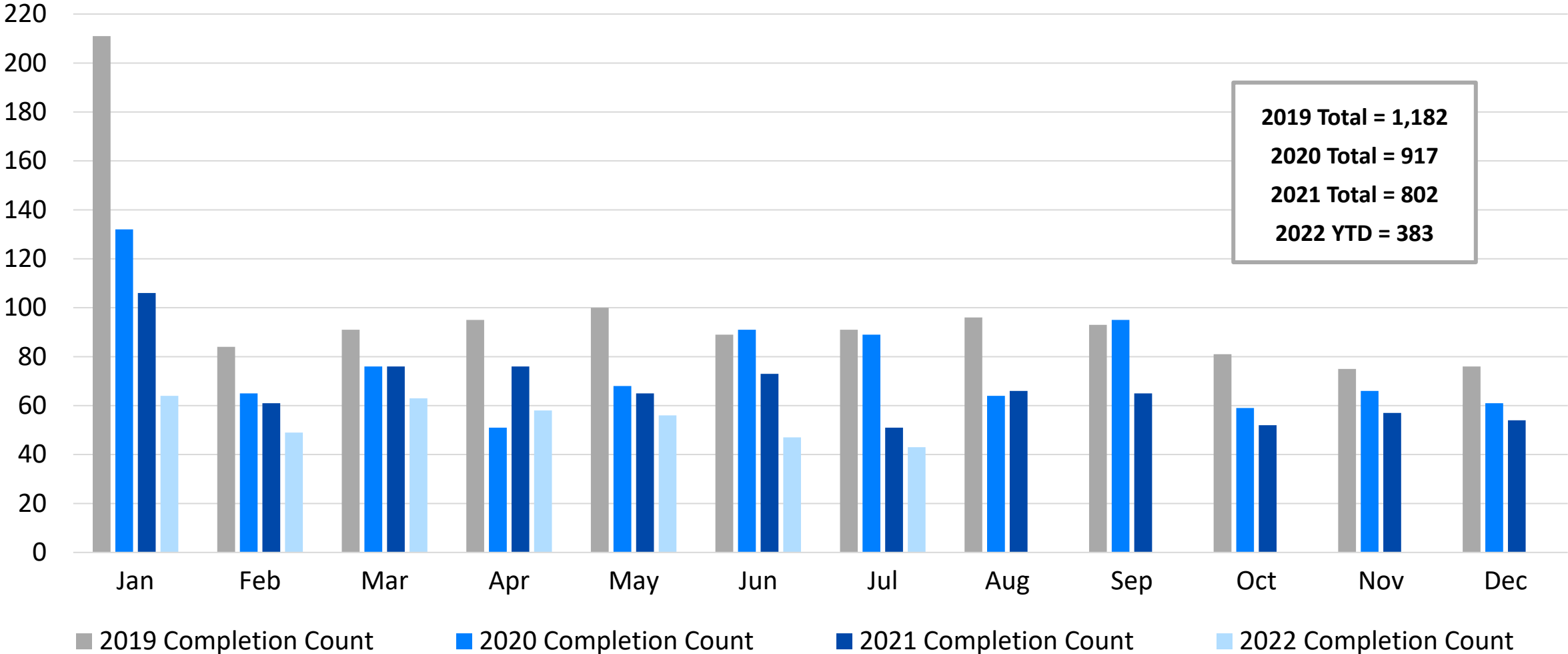


UNDER CONSTRUCTION

762 Properties
61MM Total Sq. Ft.
53MM Rentable Sq. Ft.

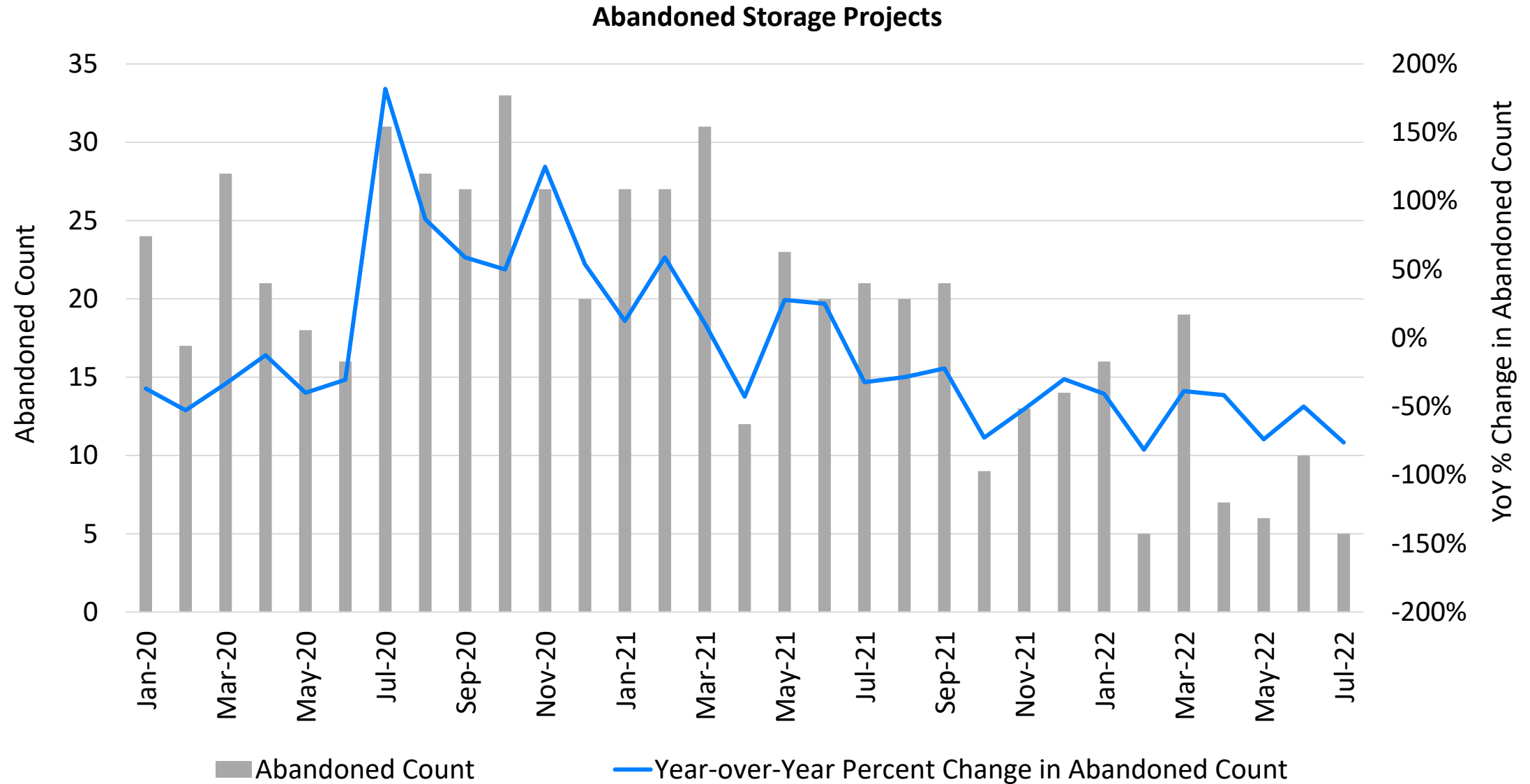
Storage Completions Continue to Drop Off

Storage Completions
Including New Builds, Conversions and Expansions



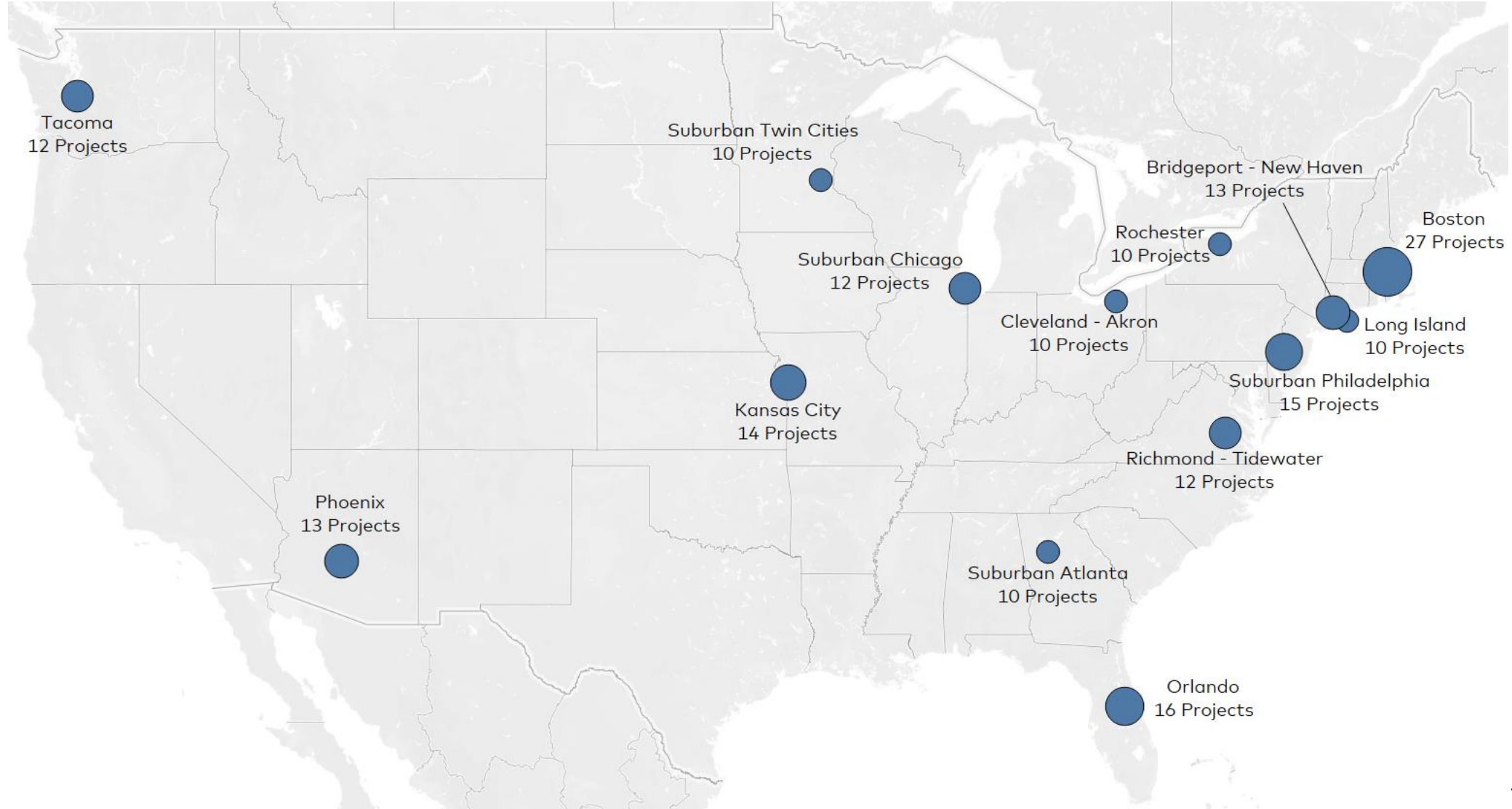
Source: Yardi Matrix

Number of Projects Abandoned Per Month is Moderating



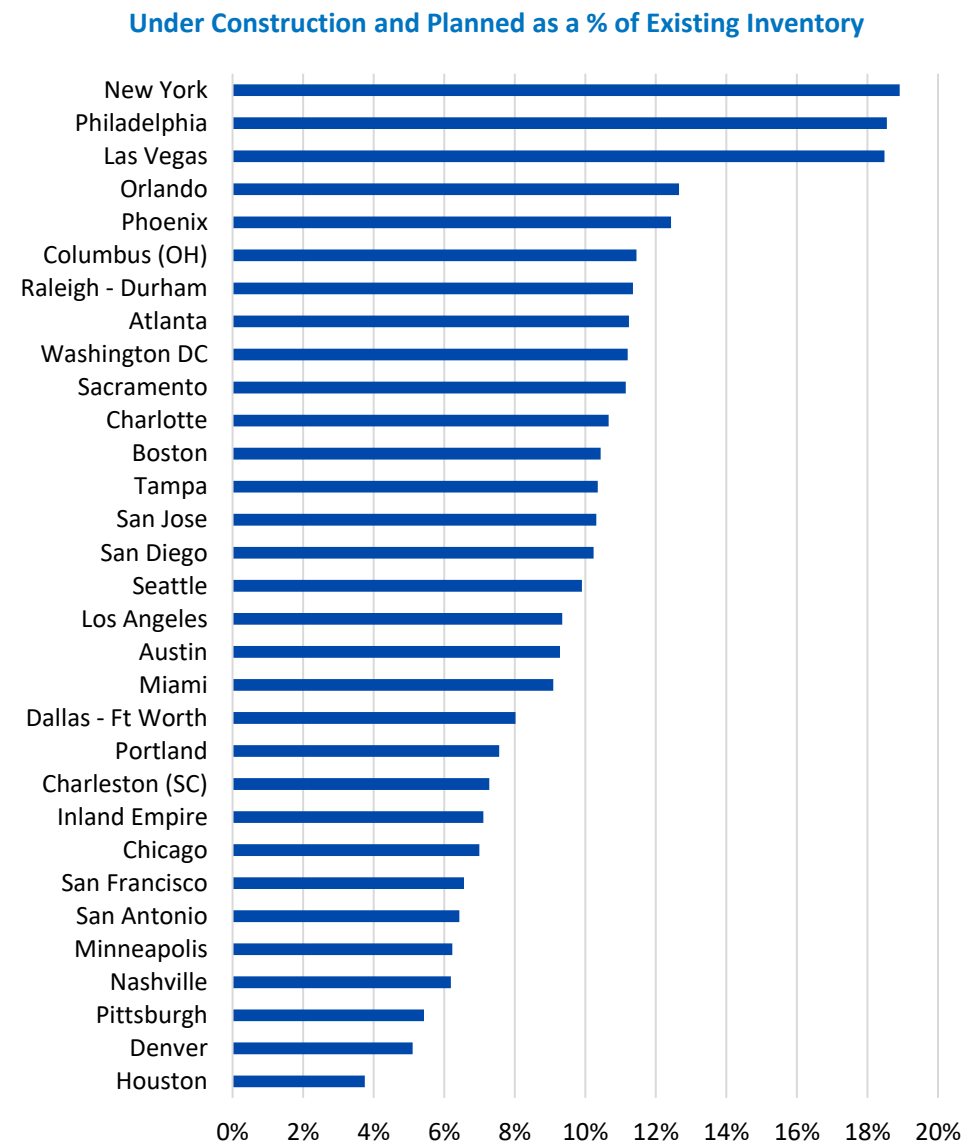
*As of August 2022 | Source: Yardi Matrix

Markets Experiencing the Most Abandoned Storage Projects Since 2020 Are Heavily Concentrated on the East Coast



New York Continues to Have the Largest New Supply Pipeline of the Major Markets

Market	UC + Planned % of Completed Aug 2022	Market	UC + Planned % of Completed Aug 2022
New York	18.9%	Los Angeles	9.3%
Philadelphia	18.6%	Austin	9.3%
Las Vegas	18.5%	Miami	9.1%
Orlando	12.7%	Dallas - Ft Worth	8.0%
Phoenix	12.4%	Portland	7.6%
Columbus, OH	11.5%	Charleston (SC)	7.3%
Raleigh – Durham	11.4%	Inland Empire	7.1%
Atlanta	11.2%	Chicago	7.0%
Washington DC	11.2%	San Francisco	6.6%
Sacramento	11.1%	San Antonio	6.4%
Charlotte	10.7%	Minneapolis	6.2%
Boston	10.4%	Nashville	6.2%
Tampa	10.4%	Pittsburgh	5.4%
San Jose	10.3%	Denver	5.1%
San Diego	10.2%	Houston	3.7%
Seattle	9.9%		



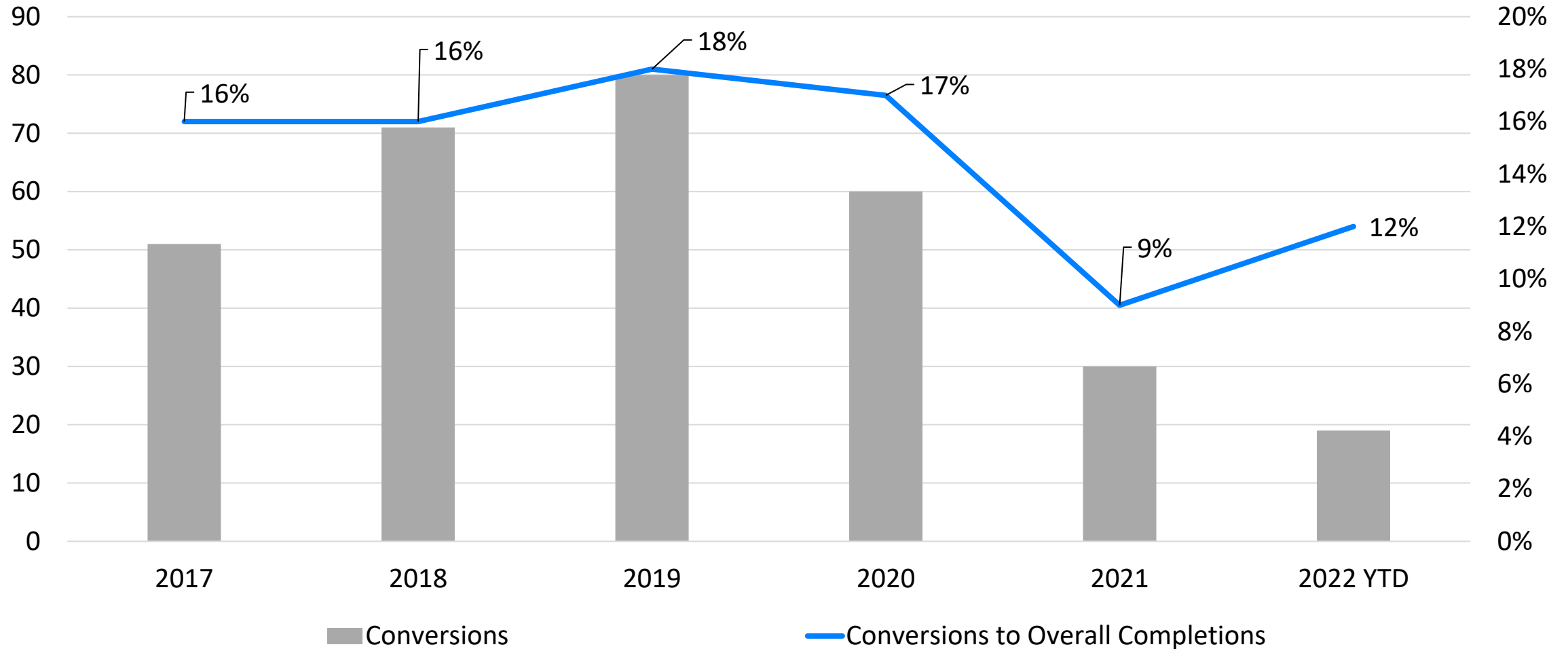
*Drawn from our national database of more than 32,687 properties, including 4,156 in the various stages of development and 28,531 completed properties

Source: Yardi Matrix | Data as of August 2022



In Major Markets, Conversions Deliveries Dropped Significantly in 2021

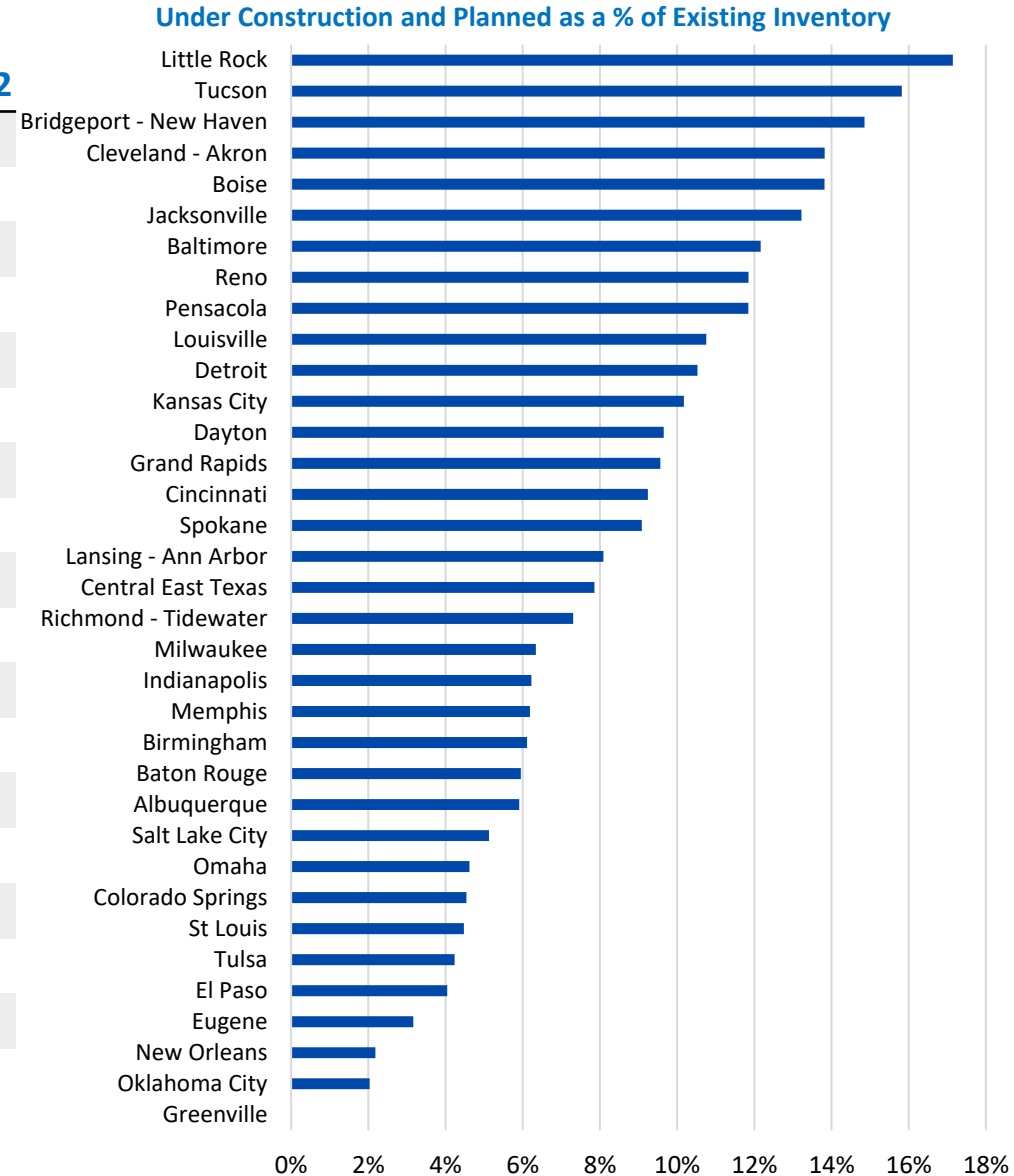
Conversion Count and % of Total Storage Completions: 2017-2022 YTD



*Major markets only
Source: Yardi Matrix

Development Activity Continues to Increase in Several Tertiary Markets

Market	UC + Planned % of Completed Aug 2022	Market	UC + Planned % of Completed Aug 2022
Little Rock	17.1%	Richmond - Tidewater	7.3%
Tucson	15.8%	Milwaukee	6.3%
Bridgeport	14.9%	Indianapolis	6.2%
Cleveland - Akron	13.8%	Memphis	6.2%
Boise	13.8%	Birmingham	6.1%
Jacksonville	13.2%	Baton Rouge	6.0%
Baltimore	12.2%	Albuquerque	5.9%
Reno	11.8%	Salt Lake City	5.1%
Pensacola	11.8%	Omaha	4.6%
Louisville	10.8%	Colorado Springs	4.5%
Detroit	10.5%	St Louis	4.5%
Kansas City	10.2%	Tulsa	4.2%
Dayton	9.7%	El Paso	4.0%
Grand Rapids	9.6%	Eugene	3.2%
Cincinnati	9.2%	New Orleans	2.2%
Spokane	9.1%	Oklahoma City	2.0%
Lansing - Ann Arbor	8.1%	Greenville	0.0%
Central East Texas	7.9%		



*Drawn from our national database of more than 32,687 properties, including 4,156 in the various stages of development and 28,531 completed properties

Source: Yardi Matrix | Data as of August 2022



About 10% of the Development Activity in Tertiary Markets is Also Expansions

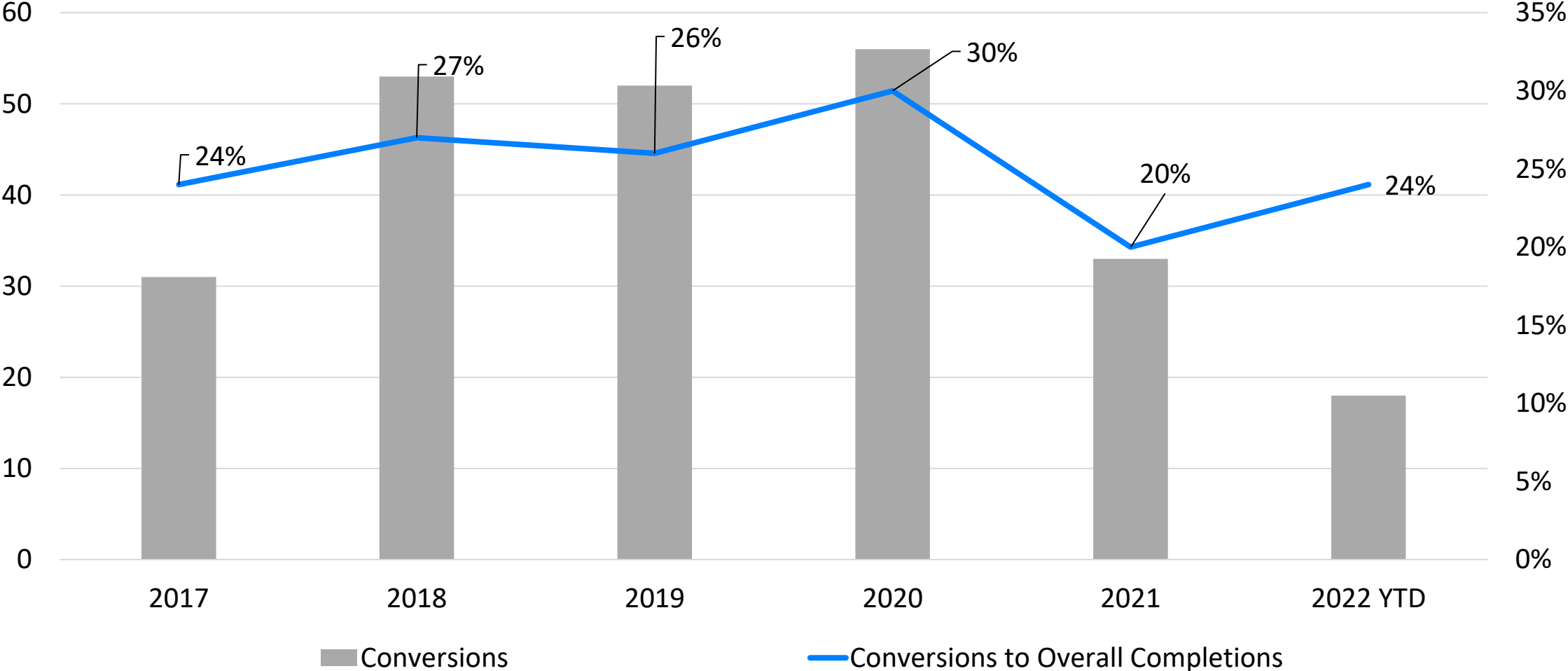


Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	21	0.7	0.6
Planned	67	2.2	1.9
Under Construction	57	2.1	1.9
TOTAL EXPANSIONS:	145	5.0	4.4



Conversions Have Accounted for Nearly a Fourth of Completions in Tertiary Markets so far in 2022

Conversion Count and % of Total Storage Completions: 2017-2022 YTD



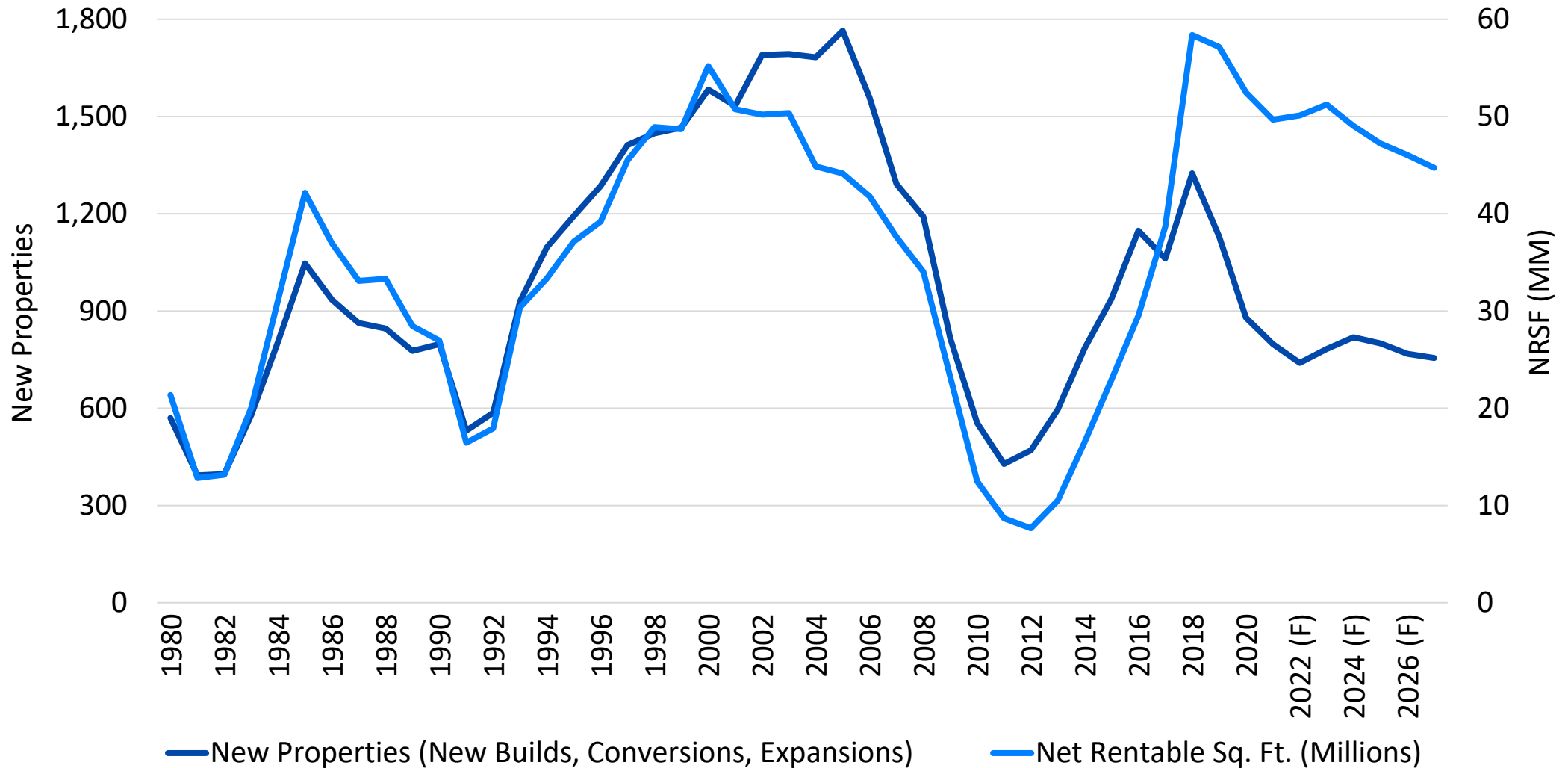
*Tertiary markets only
Source: Yardi Matrix

Takeaways From Our Q3 2022 Self Storage Supply Forecast

- The Q3 2022 self storage completions forecast is relatively unchanged compared to the previous quarter's forecast
- Yardi Matrix is **forecasting 50.1M net rentable square feet (NRSF) will be delivered in 2022**, unchanged from our Q2 2022 forecast
- Elevated rent levels and above average occupancy continue to support robust new construction starts
- The number of self storage properties currently under construction has marginally increased over Q2 2022; however, construction completion times are moderating the pace of new supply deliveries
- Nationally, the average number of days in the construction phase for storage properties completing in Q2 2022 held steady at an elevated level compared to historic average days in construction



Our Current Forecasts Show New Deliveries Moderating Through 2027, Similar to the Projections of Our Previous Quarter Forecast



Forecast of New Storage Supply Summary

National Q3 2022 Update

Property Forecasts	Actual 2021 Completions	2022	2023	2024	2025	2026	2027
New Build	524	487	559	640	652	686	669
Conversion	79	82	58	49	40	33	39
Expansion	195	171	166	130	108	49	47
Total	798	740	783	819	800	768	755

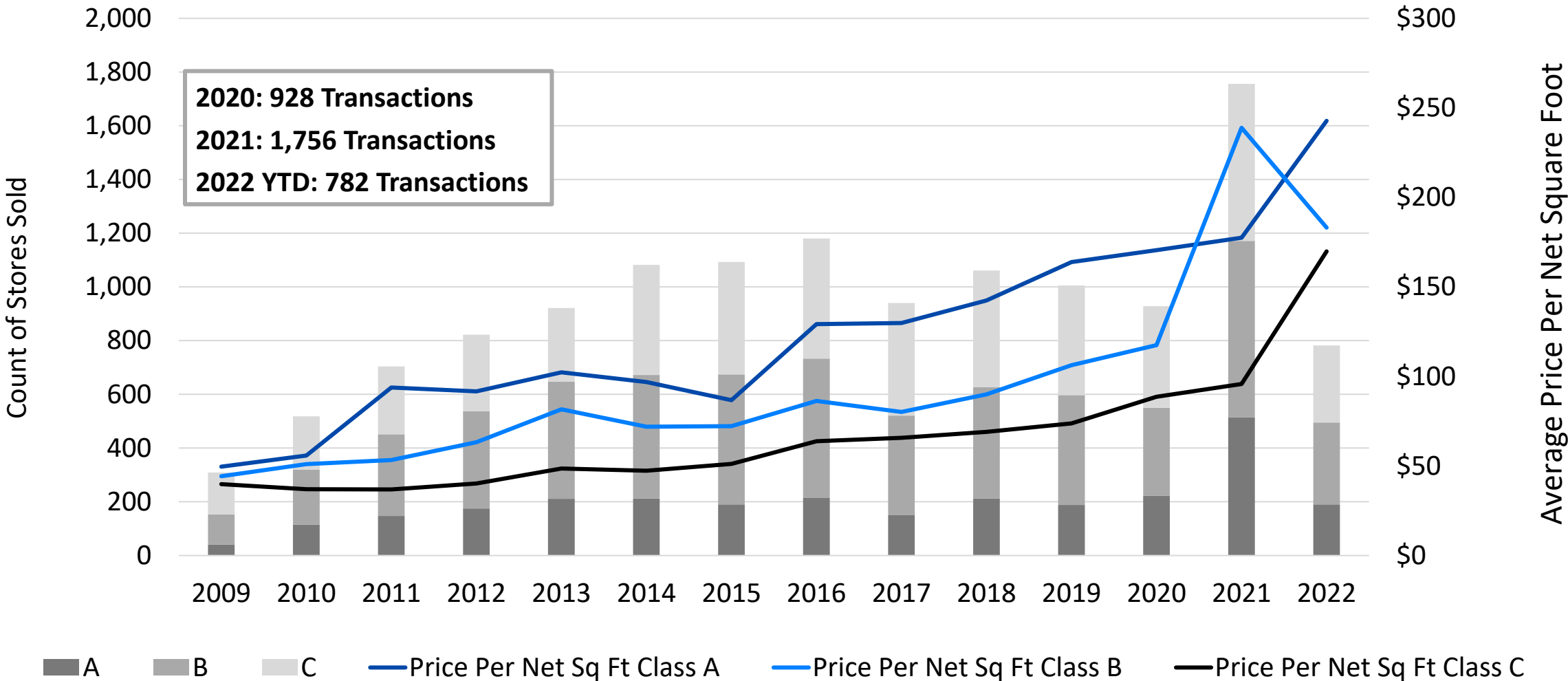
NRSF Forecasts (MM)	Actual 2021 Completions	2022	2023	2024	2025	2026	2027
New Build	38.87	37.68	41.24	40.49	40.76	41.94	39.88
Conversion	5.80	6.34	4.04	3.57	2.80	2.57	3.23
Expansion	5.01	6.09	5.96	4.97	3.67	1.53	1.61
Total	49.68	50.11	51.24	49.03	47.23	46.04	44.73
NRSF as a % of Stock	3.2%	3.2%	3.1%	2.9%	2.7%	2.6%	2.4%

How Has Supply Responded to the Surge in Demand and Pricing?

- Solid rate growth and healthy demand has supported robust new construction starts
- The new-supply pipeline has been steadily increasing month-over-month since the start of the second quarter, rebounding back up towards pre-pandemic levels
- The uptick in development activity is renewing some fears of oversupply in markets
- However, rising costs and extended construction timelines will moderate the pace of deliveries and prevent any major surges in new supply over the coming years

SELF STORAGE TRANSACTIONS

Storage Transaction Volume Will Likely Surpass 2020 Levels This Year, But Fall Short of 2021's Record Sales Volume



Source: Yardi Matrix

REITs and Institutional Investors Have Acquired the Most Self Storage in 2022 YTD

Top 10 Buyers YTD 2022	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
Extra Space Storage	Real Estate Investment Trust	58	5,403,209	\$930.69
William Warren Group, The	Institutional - Investor	69	4,771,924	\$87.45
LifeStorage	Real Estate Investment Trust	30	2,672,919	\$338.37
Andover Properties	Private Owner	25	2,142,332	\$106.70
SROA Capital	Private Owner	38	1,788,286	\$100.61
National Storage Affiliates	Real Estate Investment Trust	22	1,747,652	\$84.90
Merit Hill Capital	Private Owner	29	1,527,712	\$132.76
Public Storage	Real Estate Investment Trust	14	1,252,887	\$101.03
SmartStop Asset Management	Real Estate Investment Trust	12	1,156,272	\$177.41
Harrison St. Real Estate Capital	Private Owner	10	1,114,091	\$240.26



*Undisclosed sale prices not included in total sales volume. Top buyers based on total square feet | Source: Yardi Matrix

Private Owners Continue to Be the Top Sellers of Self Storage

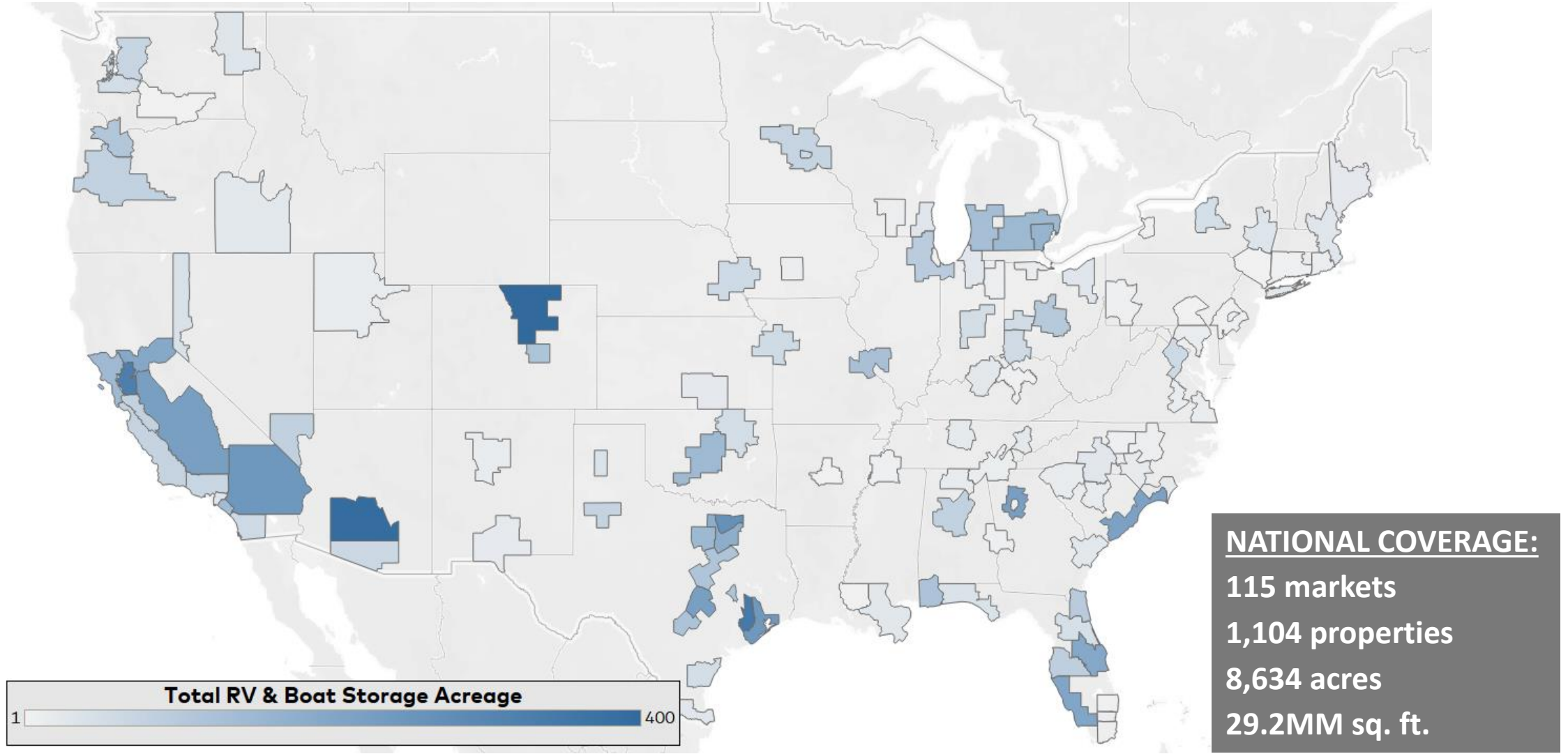
Top 10 Sellers YTD 2022	Type	Count of Stores Sold	Total Sq Ft Sold	Total Sales Volume (MM)
World Class Capital Group	Private Owner	61	4,084,620	\$0.00
Columbia Pacific Advisors	Private Owner	10	1,114,091	\$240.26
Amber, Samuel	Private Owner	7	933,517	-
Five Star Store It	Private Owner	23	923,729	\$0.00
Baron Properties	Private Owner	8	685,353	\$110.30
Barker Pacific Group	Private Owner	6	605,531	\$108.04
True Storage	Private Owner	4	542,316	\$72.10
Muhich, John S.	Private Owner	6	522,037	\$36.88
Self Storage Management Co	Private Owner	9	506,745	\$220.03
Nicol Investment Company	Private Owner	5	490,099	\$21.25



*Undisclosed sale prices not included in total sales volume. Top sellers based on total square feet | Source: Yardi Matrix

RV AND BOAT STORAGE

Yardi Matrix RV & Boat Storage Coverage



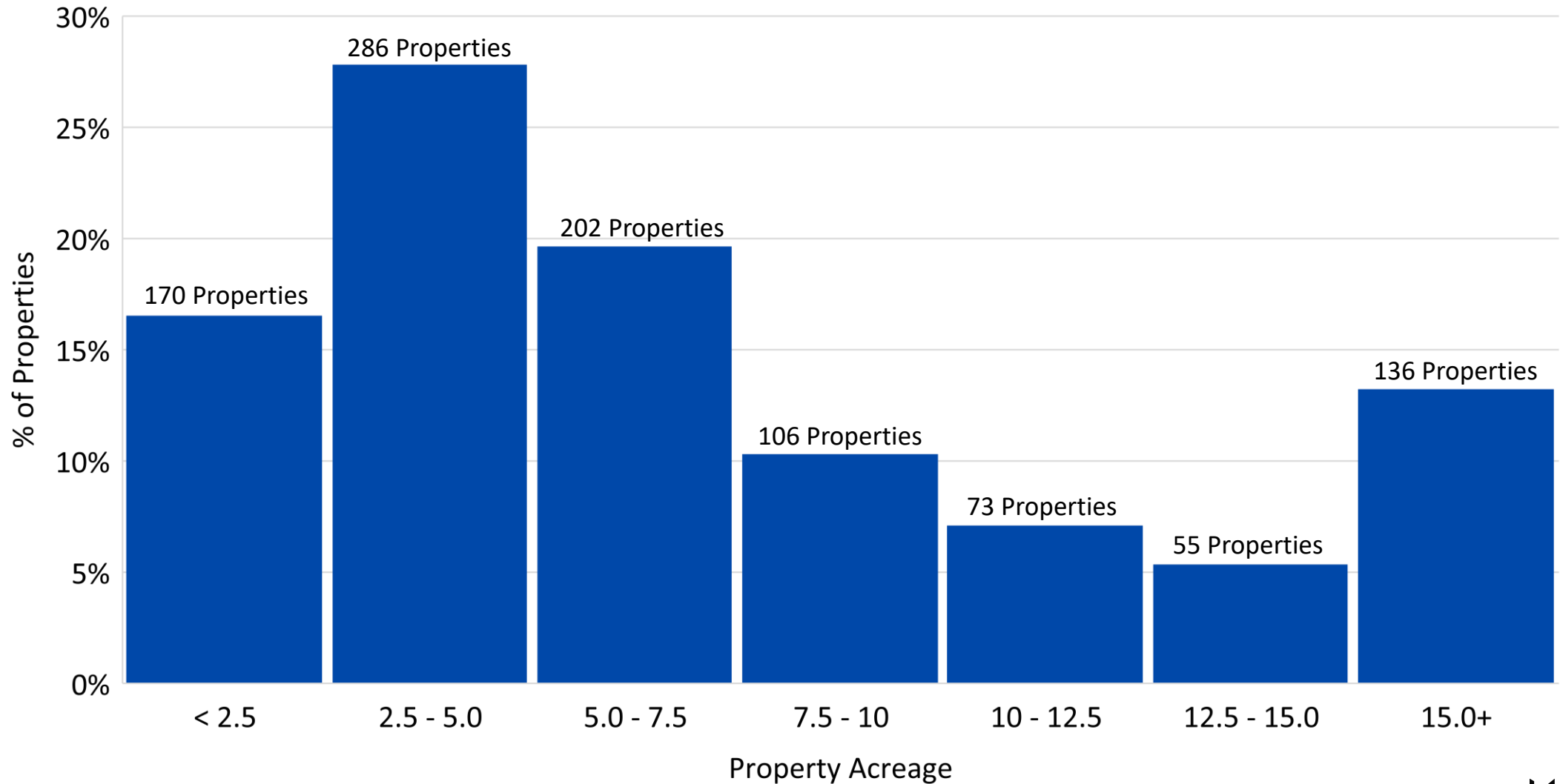
*Not pictured: Anchorage 14.3 acres | Source: Yardi Matrix

Fundamentals in the RV and Boat Storage Niche Are Strong, Only Slightly Trailing Traditional Self Storage Assets

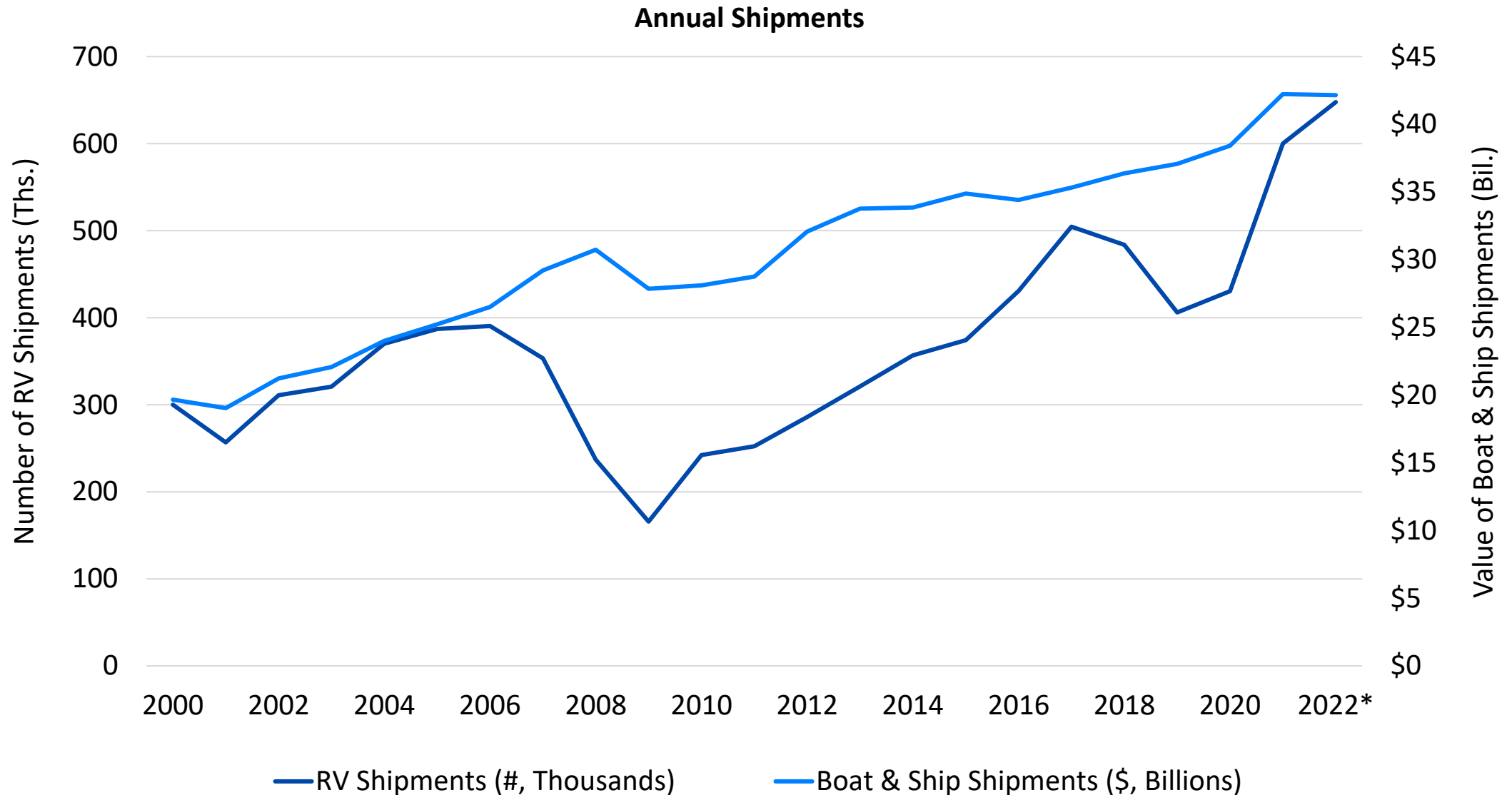
	RV & BOAT STORAGE	OVERALL SELF STORAGE
INVENTORY: Total Existing Sq. Ft.	26,266,916	1,828,117,921
STREET RATES: Avg Price per Sq. Ft.	\$0.70	\$1.53
DEVELOPMENT: UC & Planned as a % of Existing Stock	8.1%	9.5%
NEW SUPPLY: 2022 Deliveries as a % of Stock (YTD)	2.6%	1.4%
TRANSACTIONS: 2021 YoY Change in Total # of Sales	76.9%	89.9%
TRANSACTIONS: 2021 YoY Change in Sales Price Per Sq. Ft.	55.3%	43.1%



About 75% of all RV and Boat Storage Properties Are Under 10 Acres



Shipments of RVs and Boats Have Skyrocketed Since 2020



*2022 shipments annualized based on data as of June 2022. Data not seasonally adjusted. | Source: Yardi Matrix; Moody's Analytics

The Top States for RV Registrations are States Near Water and/or National Parks

State	New RV Registrations Full Year 2021	New RV Registrations Partial Year 2022*	Total New RV Registrations 2017-2022	Total Existing RV Registrations
National	571,423	252,424	2,784,469	6,005,184
California	45,238	17,916	219,896	493,175
Michigan	20,169	9,490	103,025	377,158
Texas	53,819	21,381	256,323	372,688
Florida	30,525	15,558	150,196	323,852
Washington	19,600	8,857	100,601	256,840
Arizona	14,498	6,438	66,994	233,762
Minnesota	14,658	6,392	73,769	198,506
Ohio	16,571	7,174	84,175	197,172
Oregon	15,814	6,268	74,042	192,649
Pennsylvania	16,160	7,161	76,823	191,790
Colorado	16,401	7,592	78,921	181,099
New York	13,674	5,411	67,505	159,194
North Carolina	14,873	7,033	71,446	149,161
Georgia	13,141	5,701	62,489	147,581
Wisconsin	13,098	5,604	62,331	143,407



*2022 data through June | Source: Yardi Matrix; S&P Global; Statistical Surveys

Similarly, the Top States for Motorboat Registrations are Coastal States and States Bordering the Great Lakes

State	New Motorboat Registrations Full Year 2021	New Motorboat Registrations Partial Year 2022*	Total New Motorboat Registrations 2017-2022
National	313,243	52,896	1,565,422
Florida	43,469	10,897	215,490
Texas	23,332	4,552	126,775
Michigan	17,379	2,665	87,585
Minnesota	15,310	1,733	71,004
Wisconsin	14,420	1,955	67,935
California	13,511	1,943	64,959
North Carolina	12,722	2,751	64,950
New York	11,291	1,174	54,622
Georgia	9,864	1,822	50,470
South Carolina	9,446	1,005	47,506
Alabama	9,009	1,909	46,749
Tennessee	8,665	1,575	42,084
Ohio	8,244	1,117	41,325
Missouri	8,117	1,326	37,057
Louisiana	5,874	728	34,228



Increased Use of RVs and Boats Coming Out of the Pandemic is Fueling New Demand For RV/Boat Storage Facilities

- ***Sales of RVs and boats hit new highs in 2021 as people looked for ways to travel and recreate while keeping their distance from others***
- According to the Recreational Vehicle Industry Association (RVIA), RV shipments reached a record 600,240 in 2021, up 39.5% from 2020, and 2022 is forecasted to be the second-best year for RV shipments
- According to S&P Global, there are 6.0 million RVs registered in the US
- According to the National Marine Manufacturers Association (NMMA), new powerboat sales reached 300,000± in 2021, which is the second time the industry reached that number in nearly 15 years (2020 & 2021)
- The number of recreational boats in use increased by 18,022 units—or 0.1 percent—in 2020 to a total of 15.6M
- The top five states for boat registrations in 2020 were Florida, Minnesota, Michigan, California and Wisconsin. The Great Lakes region accounted for 33.6% of all state boat registrations in 2020
- 95% of boats on the water in the U.S. are less than 26 feet long and can be trailered by a vehicle to local waterways, preventing them from having to be kept in a marina
- Ordinances that restrict RV and boat storage on city streets and on residential parcels further boost the need and demand for RV and boat storage facilities

Rents Are Highest in Markets Near Water and/or National Parks, While Total Acreage by Market Varies

Metro	Avg Rent per Sq. Ft.	Total Market Acreage
Denver	\$0.32	661.7
Dallas - Ft Worth	\$0.43	594.4
Houston	\$0.58	587.7
San Francisco	\$1.51	469.9
Phoenix	\$0.26	392.0
Inland Empire	\$0.45	246.5
Austin	\$0.41	224.0
Atlanta	\$0.37	223.8
Central Valley, CA	\$0.68	222.8
Sarasota-Cape Coral	\$0.58	202.9
Sacramento	\$0.48	194.6
Orlando	\$0.66	194.2

Metro	Avg Rent per Sq. Ft.	Total Market Acreage
Detroit	\$1.03	160.2
Oklahoma City	\$0.71	145.3
San Antonio	\$0.61	119.4
Colorado Springs	\$1.33	117.9
Central East Texas	\$0.55	115.0
Portland	\$1.16	109.0
Los Angeles	\$1.43	106.2
Chicago	\$1.42	98.9
Tampa	\$0.54	87.2
Las Vegas	\$0.37	82.6
Birmingham	\$0.44	80.5
Eugene	\$0.47	80.1

Rents Are Highest in Markets Near Water and/or National Parks, While Total Acreage by Market Varies

Metro	Avg Rent per Sq. Ft.	Total Market Acreage
Lubbock	\$0.35	74.2
Central Coast (CA)	\$0.70	73.6
Seattle	\$0.48	71.3
Tucson	\$0.45	63.1
San Diego	\$1.33	60.4
Kansas City	\$0.41	57.5
Dayton	\$0.56	54.0
Tulsa	\$1.08	50.6
Corpus Christi	\$0.79	50.6
North Central Florida	\$0.37	45.8
Amarillo	\$0.41	37.9
Spokane	\$0.47	30.8

Metro	Avg Rent per Sq. Ft.	Total Market Acreage
Albany	\$1.68	29.8
Cleveland - Akron	\$0.71	29.6
McAllen	\$1.15	26.8
Savannah - Hilton Head	\$0.44	24.5
Albuquerque	\$0.63	15.8
Greenville (SC)	\$0.18	15.7
Des Moines	\$0.13	11.2
Chattanooga	\$0.55	10.7
Lexington	\$0.75	5.4
Buffalo	\$1.00	3.2
Richland	\$0.45	1.0

RV and Boat Storage Development Has Significant Differences from Traditional Self Storage and Requires Special Considerations

- **RV and boat storage are land-intensive facilities, needing large sites to be profitable**
 - Small-sized unit: 13' x 25' x 15'
 - Medium-sized unit: 13' x 32' x 15'
 - Large-sized unit: 13' x 40' x 15'
 - Extra large-sized unit: 13' x 50' x 15'
- **Growing cost of land and construction makes it difficult to find the right parcel at the right price, especially due to RV and Boat storage offering a substantially lower rentable yield**
 - RV and boat storage facilities have a substantially lower rentable yield than standard storage due to the need for wide drive aisles to accommodate the best and easiest unit access
- However, unlike traditional facilities, the visibility of RV and boat storage facilities is not as important, they can be tucked away on less-visible, rural parcels and still attract customers
- RV and boat storage started out as raw land, but just like standard self storage, the next wave of development is evolving as people want storage that offers more protection and amenities for their valuable RVs and boats

The RV & Boat Storage Industry is Evolving

Completion Year: 2003



Completion Year: 2015



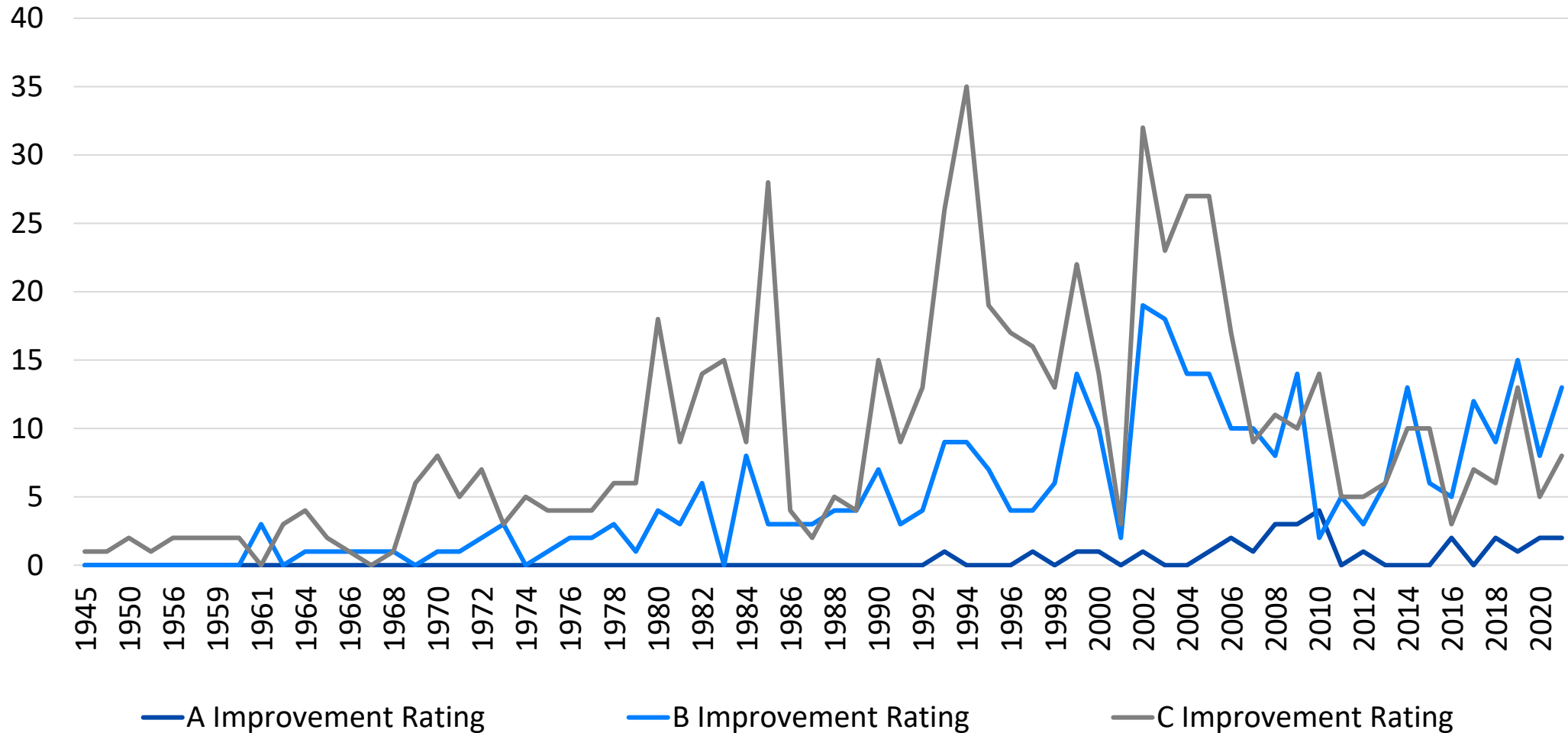
How We Define the Improvement Rating of RV and Boat Storage

Improvement Rating	Property Characteristics
Class A	Enclosed RV/Boat units, Canopies, security, gate, dump station, valet service, air station, paved, and a build year of at least 1995 or more recent
Class B	Enclosed RV/Boat units, Canopies, security, gate, dump station, air station, paved, and a build year of 1994 or older
Class C	Parking on bare ground (unpaved), no basic amenities on site

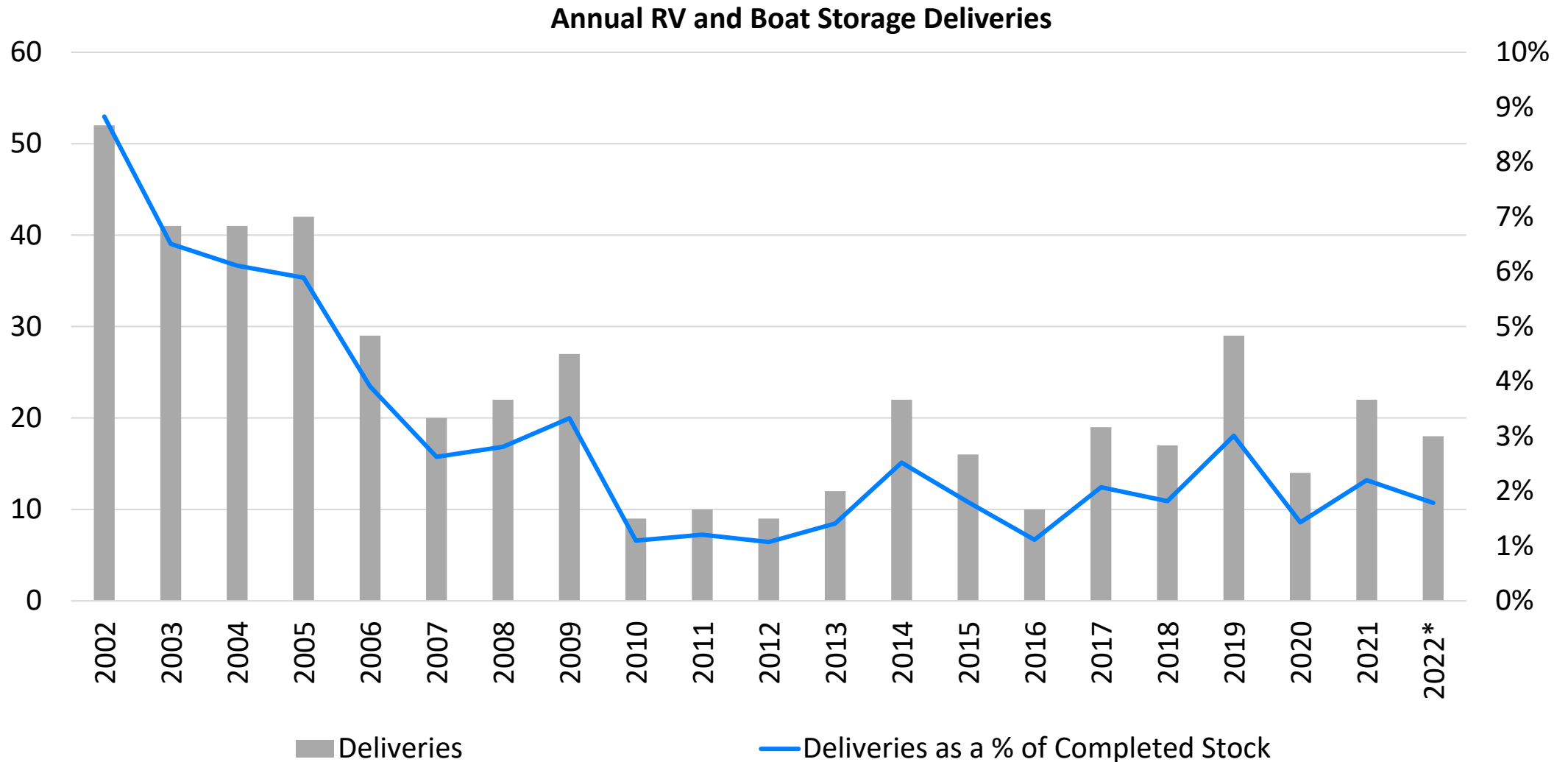


Development Has Shifted From Primarily Class C to Class B Facilities as RV & Boat Owners Are Willing To Pay Higher Rates for More Amenities

RV & Boat Storage Completions

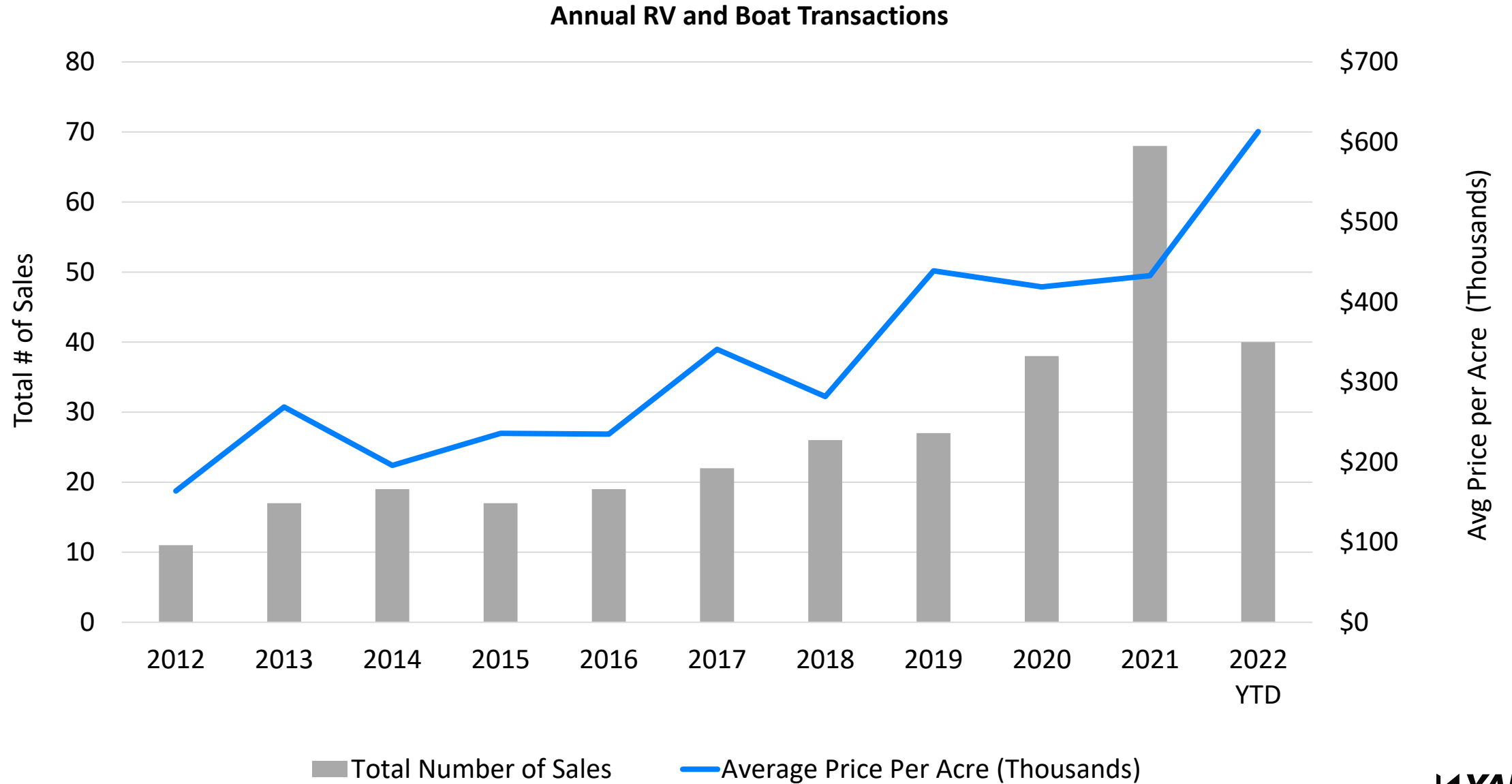


RV and Boat Storage Deliveries Have Been Fairly Subdued Since 2007



*2022 deliveries annualized based on data as of August 2022 | Source: Yardi Matrix

RV and Boat Storage Transactions Surged in 2021



Summary & Outlook for RV & Boat Storage

- Demand for the niche property sector is surging due to the increasing use of RVs and boats, especially as efforts grow to prohibit them to be stored in residential communities and on city streets
- Special considerations and constraints in the development of RV and boat storage facilities hinders the amount of supply that can be delivered
- The niche sector registered record-high capital flow in 2021, a sign that investors are increasingly taking notice
- Growing demand combined with the limited supply means industry fundamentals should remain healthy, even in volatile economic times



Upcoming Events

SSA Fall Conference

Las Vegas

SEPTEMBER 6TH – 9TH

Texas SSA

Austin

OCTOBER 23RD – 25TH

Fall National Outlook Webinar Series

Student Housing

OCTOBER 20TH

Multifamily

NOVEMBER 16TH

Yardi Matrix House View – August 2022

SELF STORAGE FUNDAMENTALS AND OUTLOOK

- Self storage continues to outperform due to additional demand fueled by the pandemic
- Growth is moderating and we expect to see further moderation with the potential to return to negative street rent growth
- Street rate performance in markets will be largely driven by population growth, strongest in the Sunbelt
- REITs will continue to find more upside potential in existing customer rents than street rates
- The new-supply pipeline has been steadily increasing and is approaching pre-pandemic levels, renewing some fears of oversupply in markets
- Rising costs and extended construction timelines will moderate the pace of deliveries and prevent any major surges in new supply over the coming years

RV AND BOAT STORAGE FUNDAMENTALS AND OUTLOOK (A niche equal to 3-5% of total self storage)

- Demand is surging due to the increasing use of RVs and boats and growing efforts to prohibit storing in residential areas
- Special considerations and constraints in the development of RV and boat storage facilities hinders new supply
- The niche sector registered record-high capital flow in 2021, a sign that investors are increasingly taking notice
 - Gary Wojtaszek's new business, RecNation, is a good example of this (Wall Street Journal, "Real-Estate Entrepreneur Bets RV Storage Is the Next Big Thing")
- Growing demand combined with the limited supply means industry fundamentals should remain healthy, even in volatile economic times



THANK YOU

Feel free to contact me with any questions

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