



SELF STORAGE NATIONAL OUTLOOK

SPRING 2023

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 – March 2023

MACROECONOMIC UPDATE

- U.S. economic growth is still healthy, with 2.7% GDP growth in Q4
- The Fed is still in a tightening cycle, but will slow the pace of rate increases, as there is a >1 yr lag to actions
- Inflationary pressures have started to cool, but January data ran "hot"
- The labor market is tight, and job growth accelerated at the start of the year, even amid rising interest rates and slowing economic conditions
- De-globalization will have long-term, largely inflationary, effects
- U.S. economy is slowing, yield curve (10 YR- 3 MTH) is inverted, mild recession very likely in second half of 2023

SELF STORAGE FUNDAMENTALS & OUTLOOK

- Self storage operating performance remains healthy, but returning to pre-pandemic “normalcy”
- Street rates are expected to continue to moderate to more normal levels
- Operators will continue to find more upside potential in existing customer rents than street rates
- The amount of new supply under construction has increased, however, elevated construction timelines seem to be moderating the pace of new deliveries
- Transaction activity is down and expected to continue due to a large bid-ask spread
- A mild recession in the second half of 2023 will dampen construction starts, causing a slowdown in new deliveries in 2024 and 2025

Finding Self Storage Opportunities

The current investment environment requires increased creativity to find potential investable opportunities, which Yardi Matrix Self Storage has been designed to do:

Assumable debt = loans with 5-7 years duration left =	~1,000 properties
Acquisitions since 2020 with 2-3 year durations =	~430 properties
Floating/variable rate loans =	~1,000 properties
Construction loans maturing until 7/24 =	~115 properties
Permanent loans maturing until 7/24 =	~1,000 properties

MACROECONOMIC OUTLOOK

Key Macroeconomic Indicators

CONSUMER CONFIDENCE INDEX

104.2 (Q4 2022)
-7.7% YoY
↑ Increasing

REAL GDP GROWTH

2.7% (Q4 2022)
-4.3% YoY
↓ Decreasing

SHORT TERM INTEREST RATES

4.4% (Q1 2023)
+4.3% YoY
↑ Increasing

ISM PURCHASING MANAGERS INDEX

47.4 (Jan 2023)
-17.7% YoY
↓ Decreasing

UNEMPLOYMENT RATE

3.4% (Jan 2023)
-0.6% YoY
↓ Decreasing

CONSUMER PRICE INDEX (CPI)

300.54 (Jan 2023)
+6.35% YoY
↑ Increasing

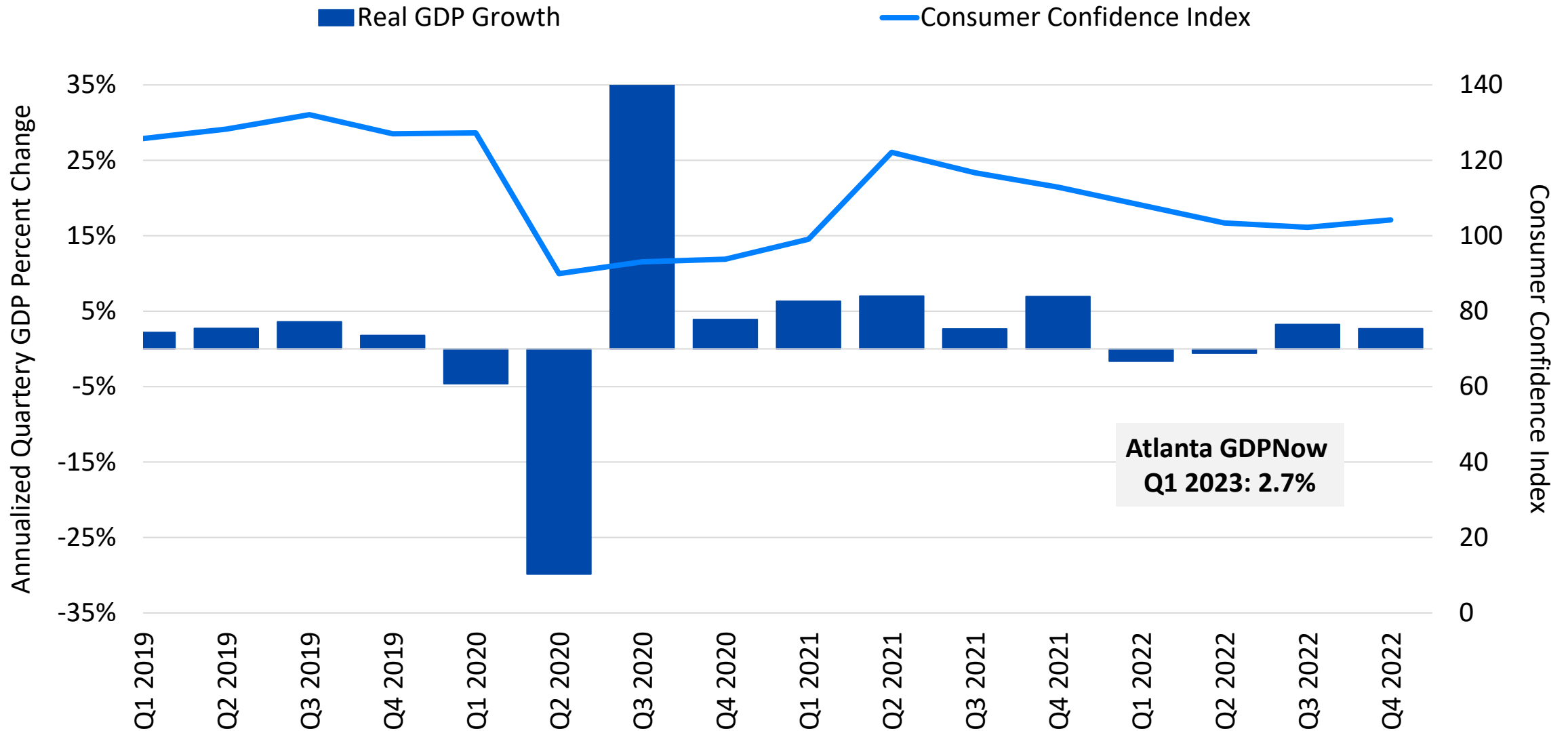
OIL PRICES

\$78.51/Barrel (Feb 2023)
-14.8% YoY
↓ Decreasing

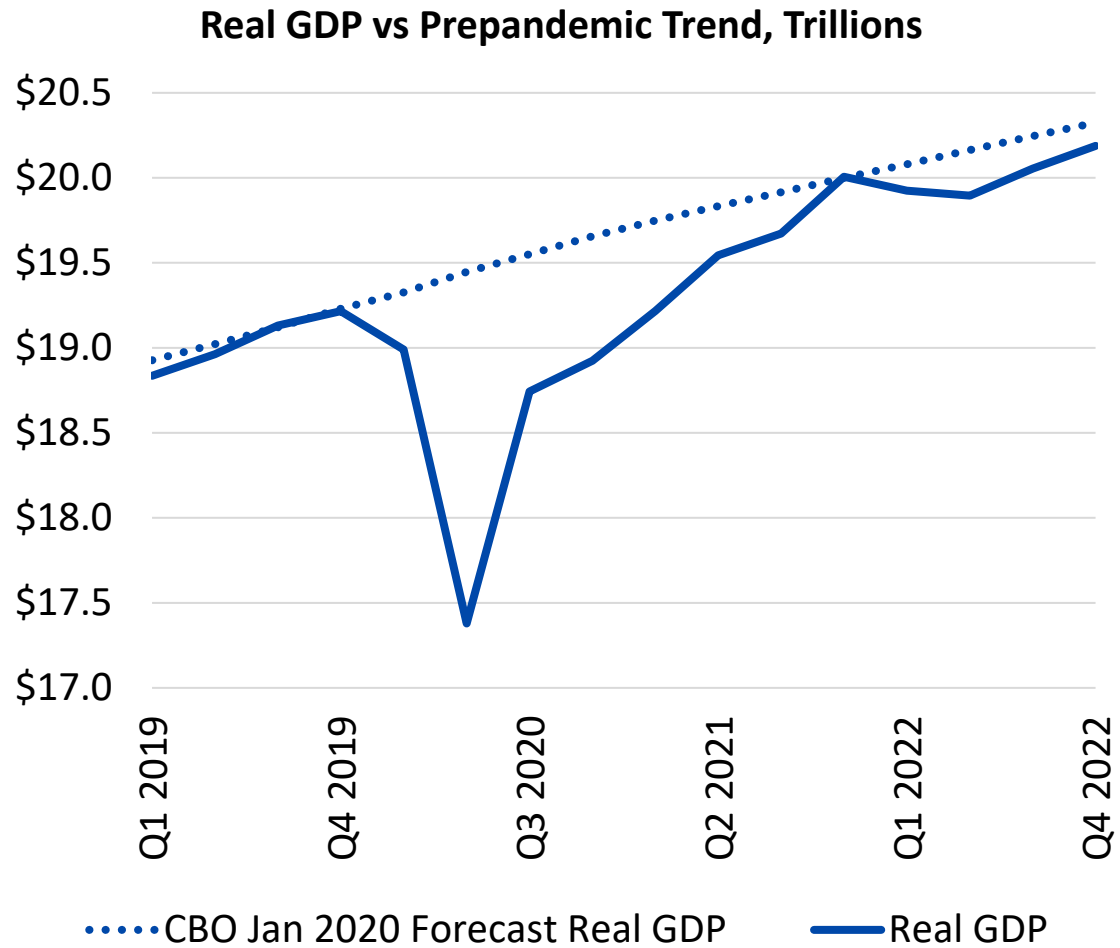
EMPLOYMENT COST INDEX

155.5 (Q4 2022)
+5.1% YoY
↑ Increasing

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



Forecasts for Real GDP Project a Mild Recession in the Second Half of 2023



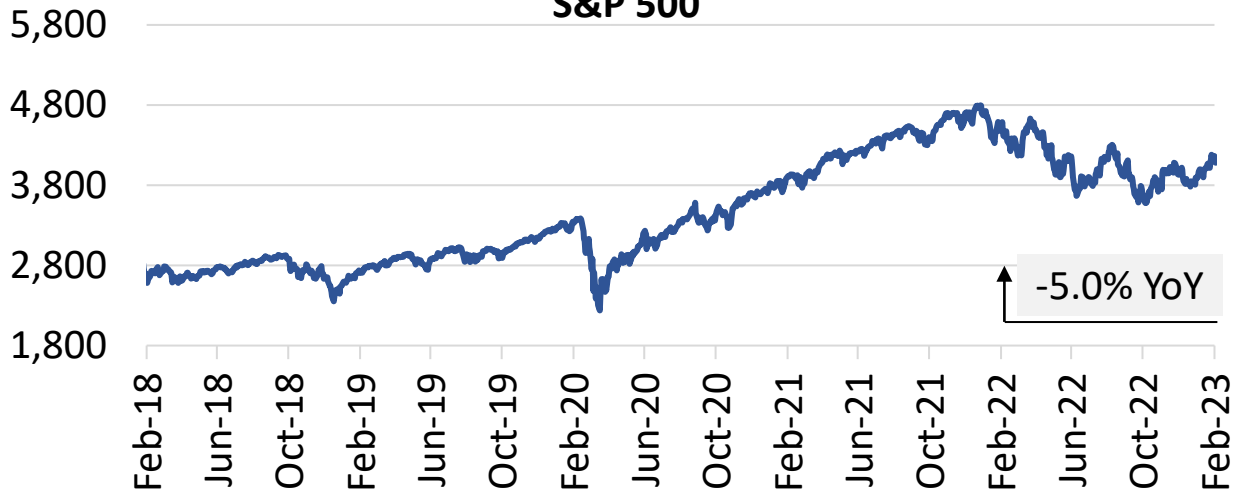
Evercore ISI / Yardi Matrix Economic Forecasts

	2021	2022	2023 Forecast
Real GDP: YoY % Change	5.5%	2.9%	Q1: 1.0% Q2: 0.0% Q3: -0.5%
Nominal GDP: YoY % Change	10.7%	9.2%	3.0%
GDP Price Deflator: YoY % Change	5.9%	6.3%	3.0%
Fed Funds: End of Year	0.25%	4.33%	5.25%
10 Yr Bond Yields: End of Year	1.50%	3.88%	~4.00%



U.S. and International Financial Markets

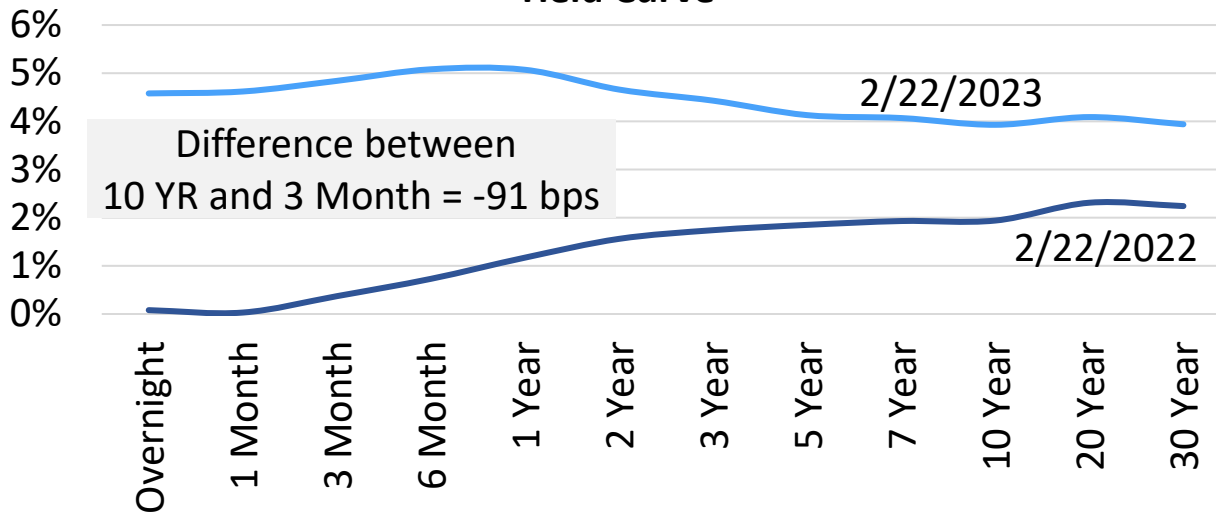
S&P 500



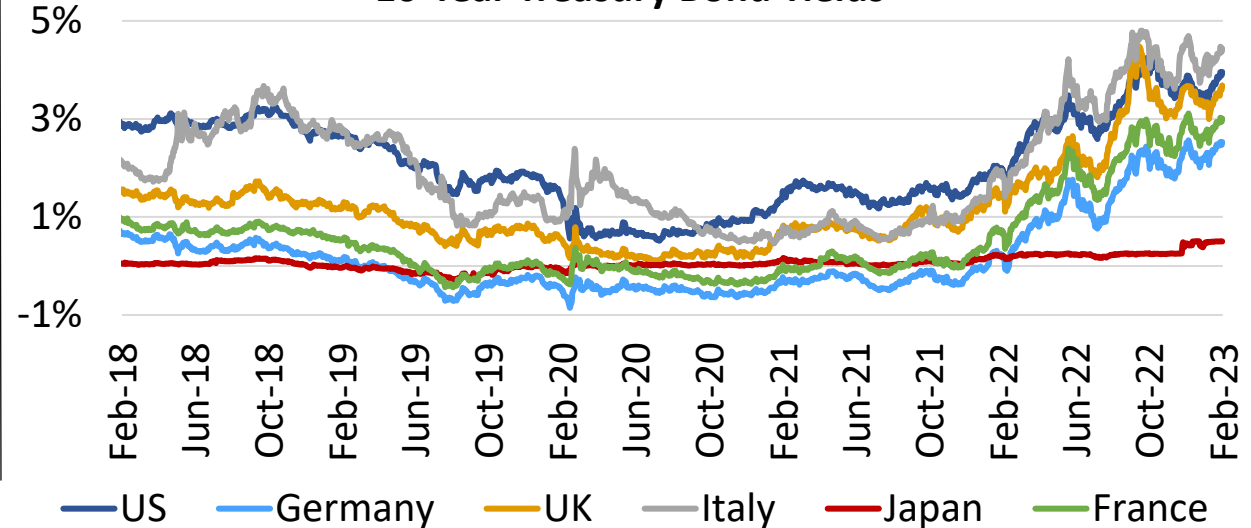
10 -Year Treasury Note



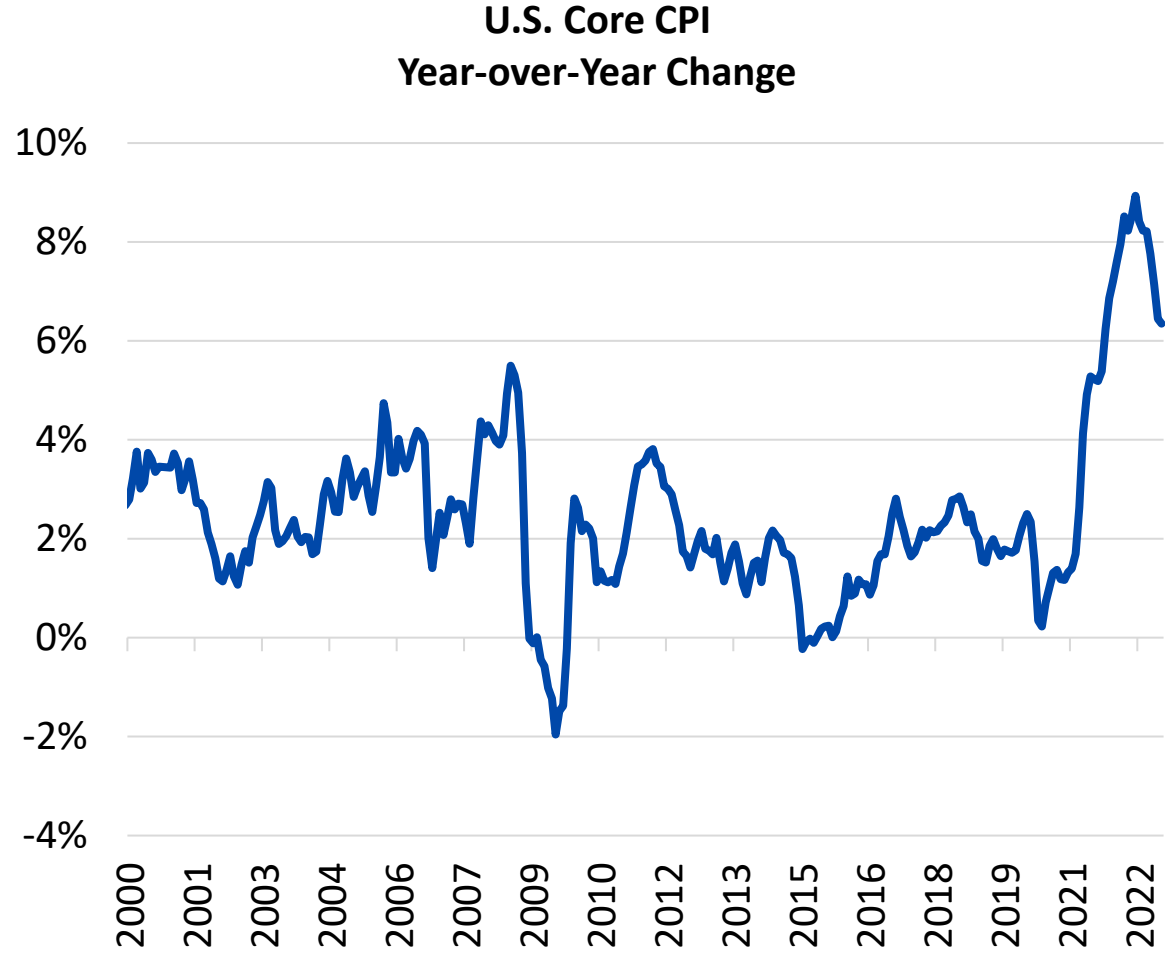
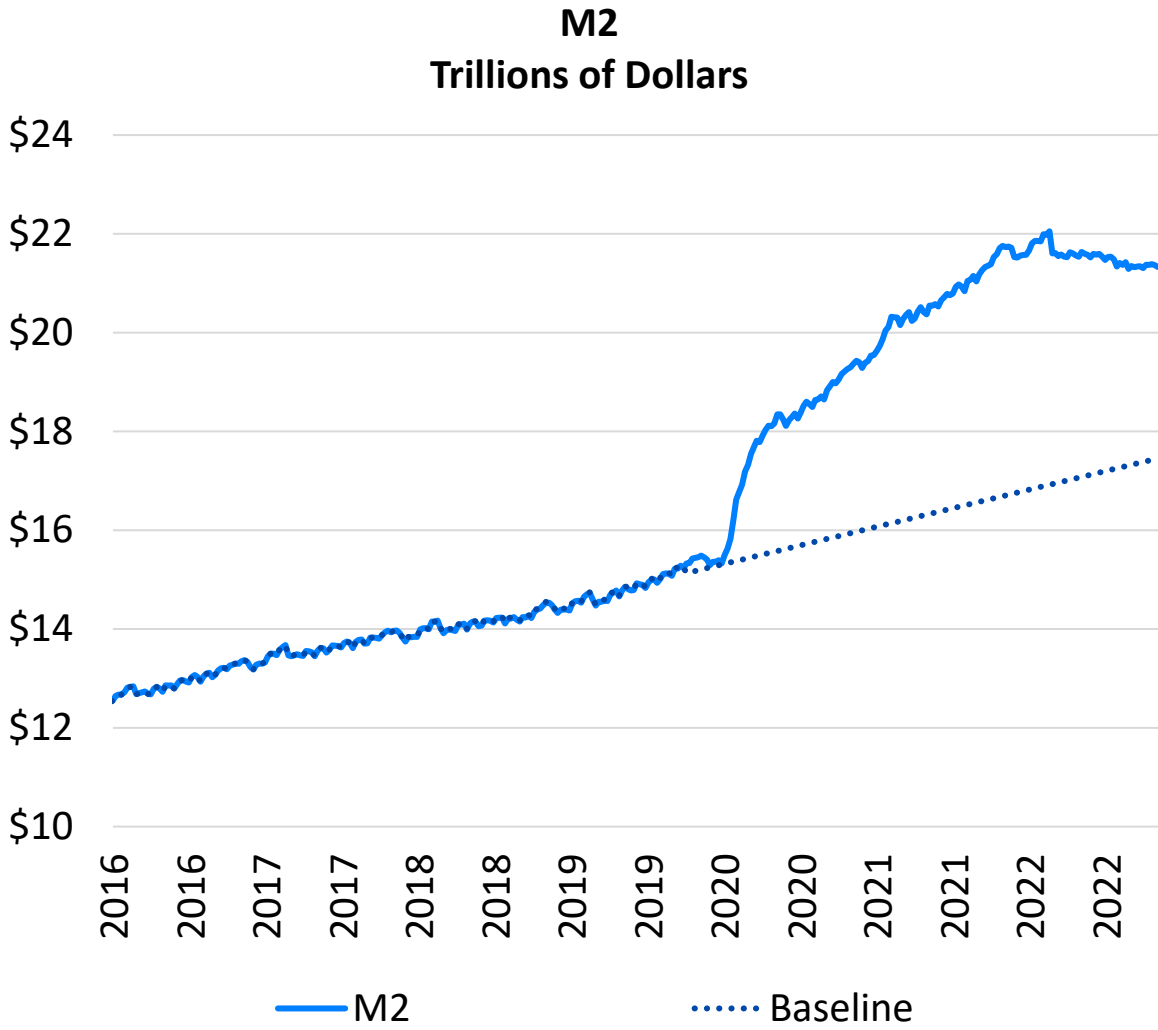
Yield Curve



10-Year Treasury Bond Yields



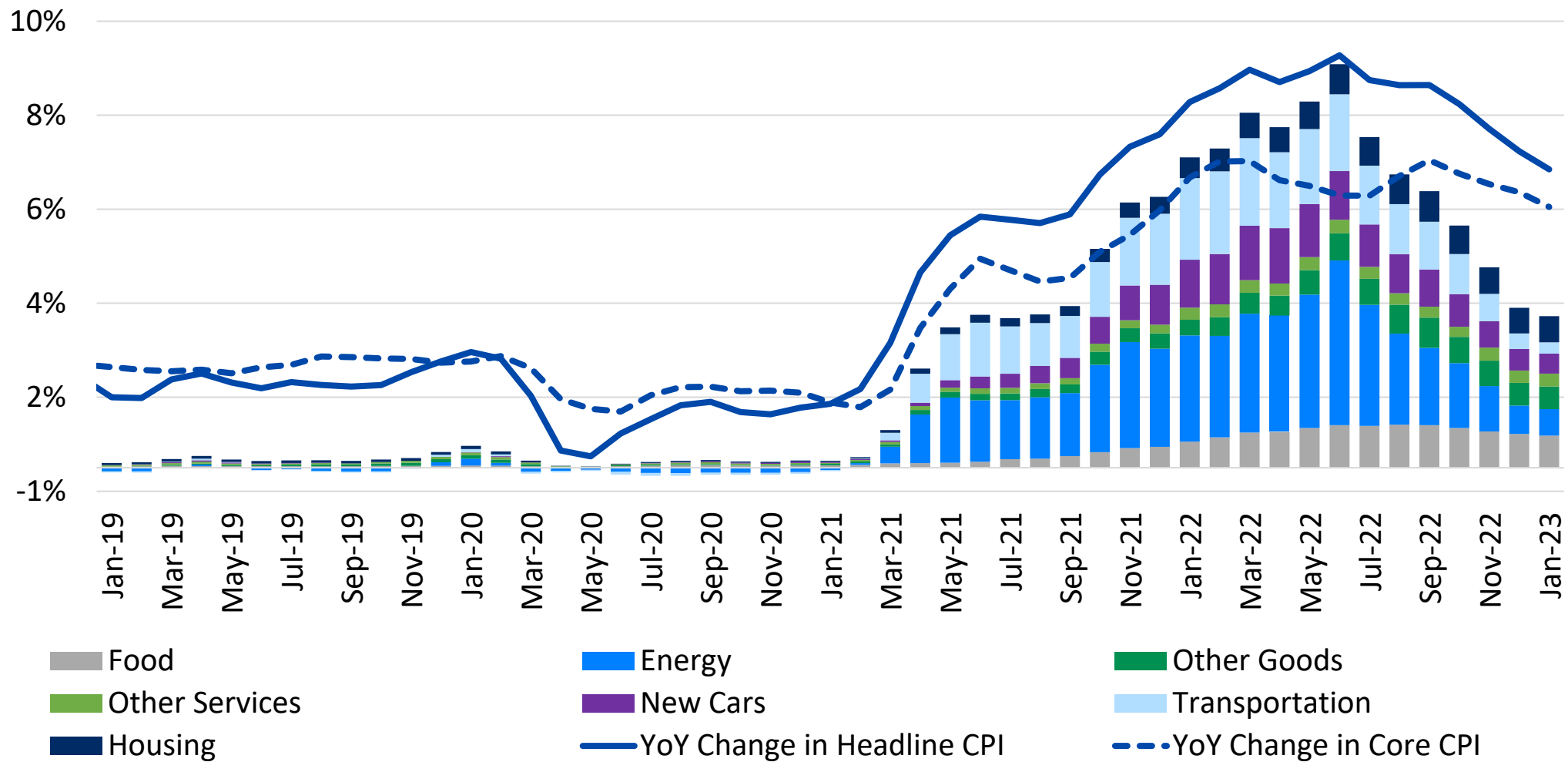
The Money Supply Has Downshifted, But Inflation's Cooling Trend is Moderating



*Data through January 2023 | Source: Yardi Matrix; Moody's Analytics; Federal Reserve Bank of St. Louis

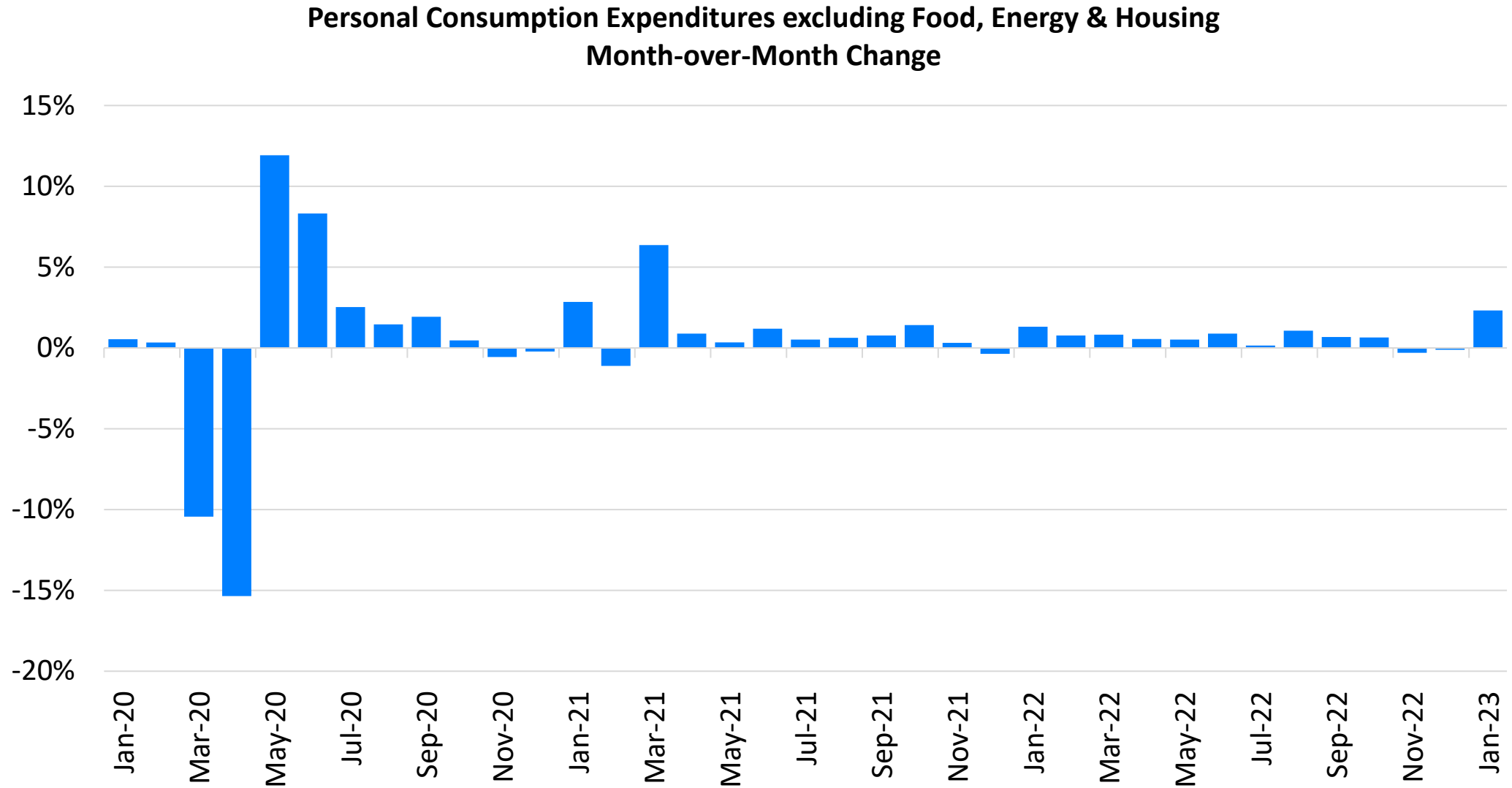
Rising Prices of Housing and Services Are Keeping a Floor on Inflation

Bars Represent Key Categories Percent of Headline CPI
(Does not include all categories)



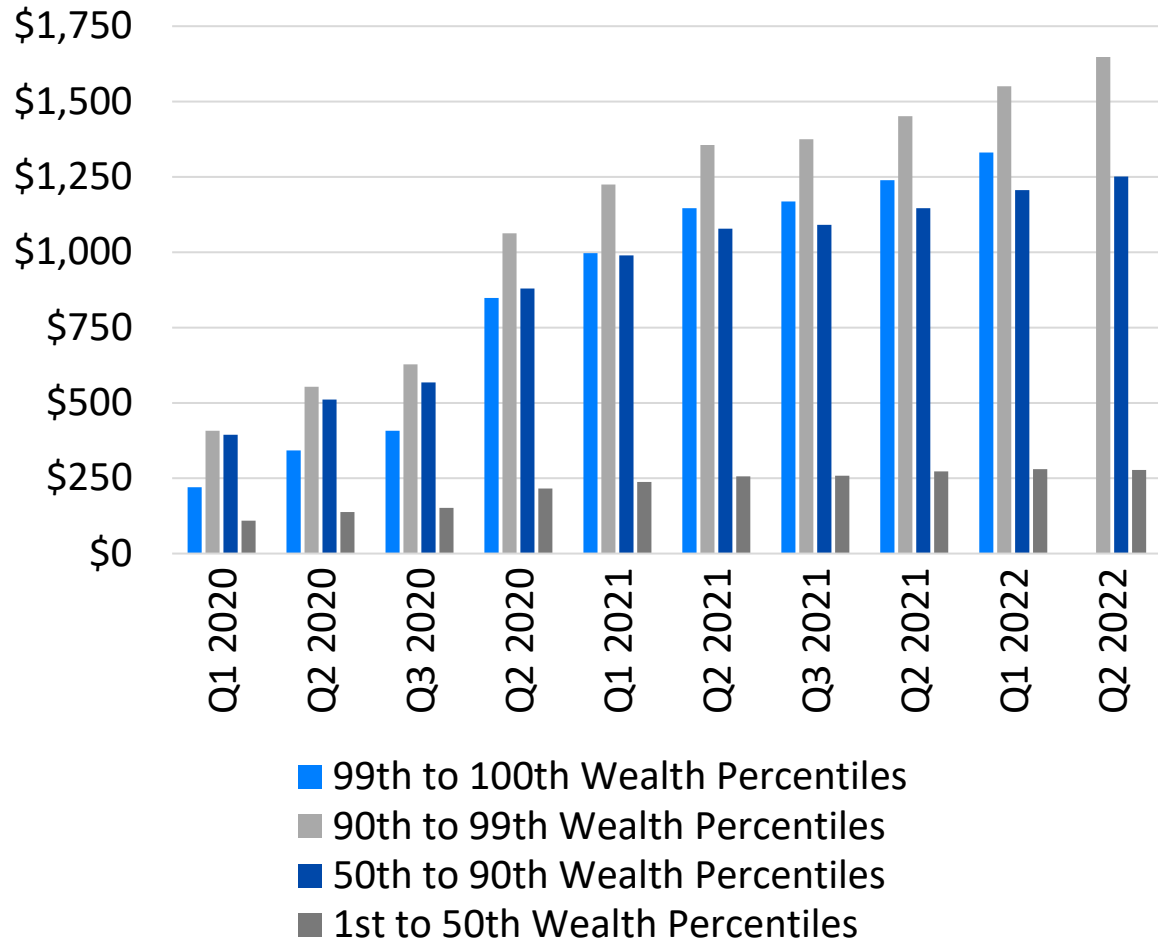
Source: Yardi Matrix; Bureau of Labor Statistics (BLS)

'Supercore' Inflation, the Fed's Preferred Inflation Gauge, Had an Uptick in January

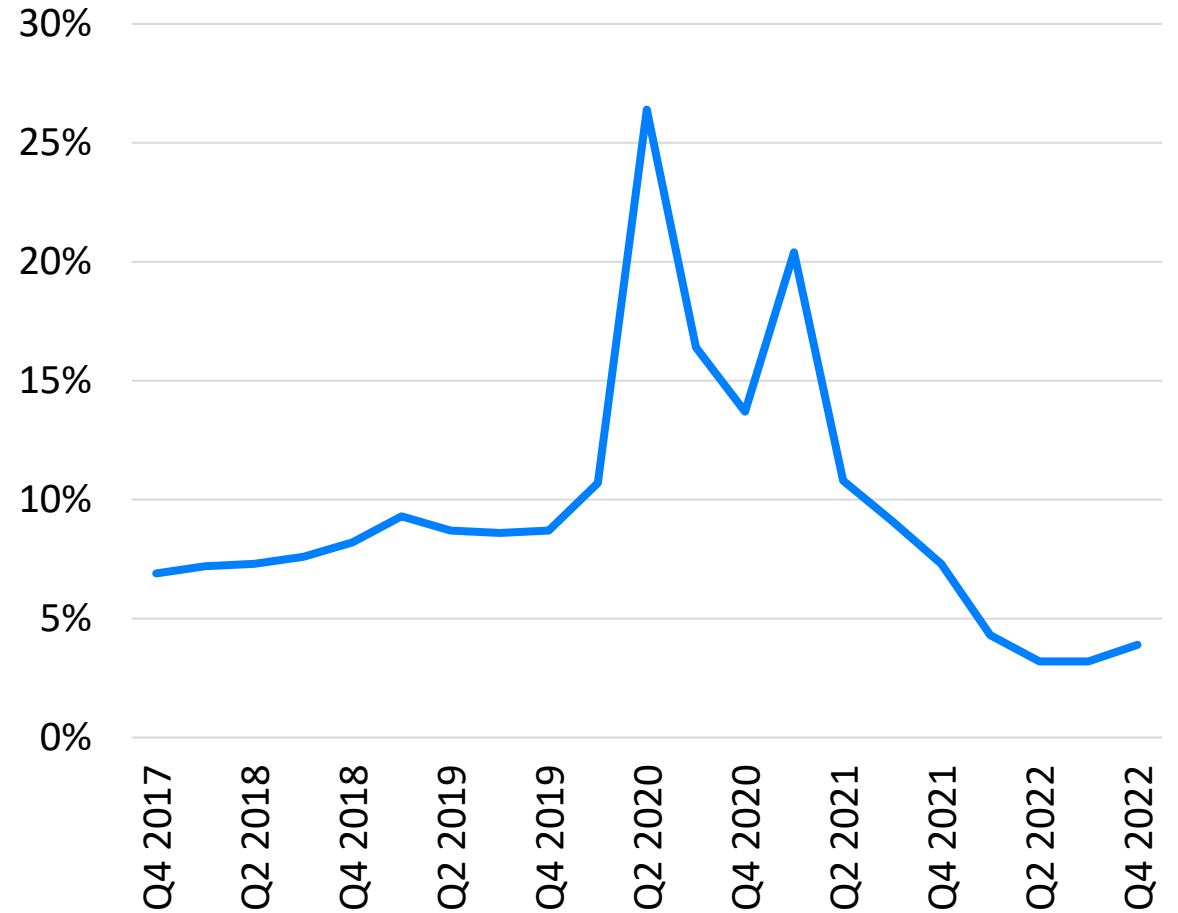


Excess Savings Are Being Used to Cover Inflationary Pressures

Checkable Deposits and Currency Held, Billions

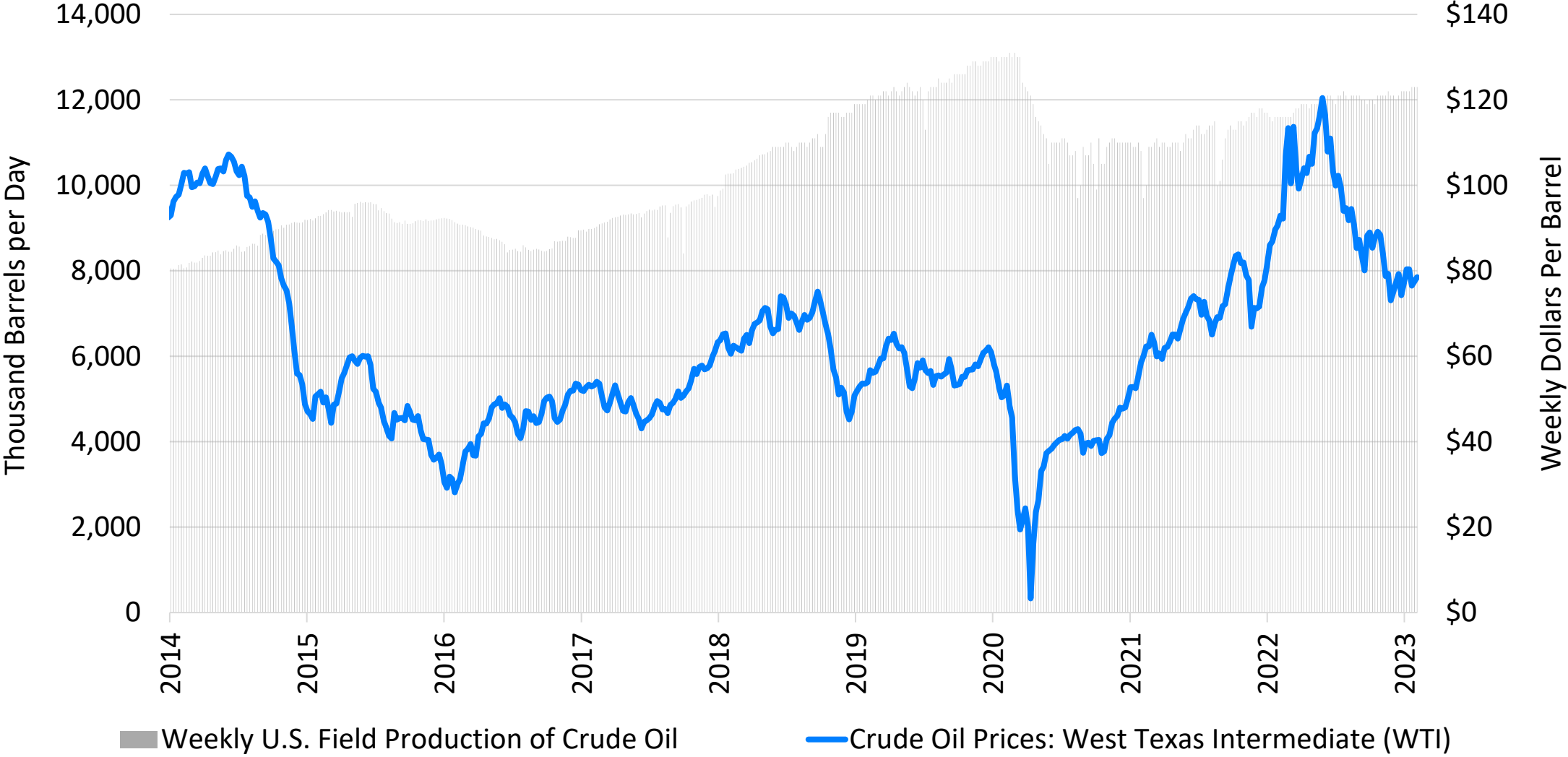


Personal Savings as a Percent of Personal Income



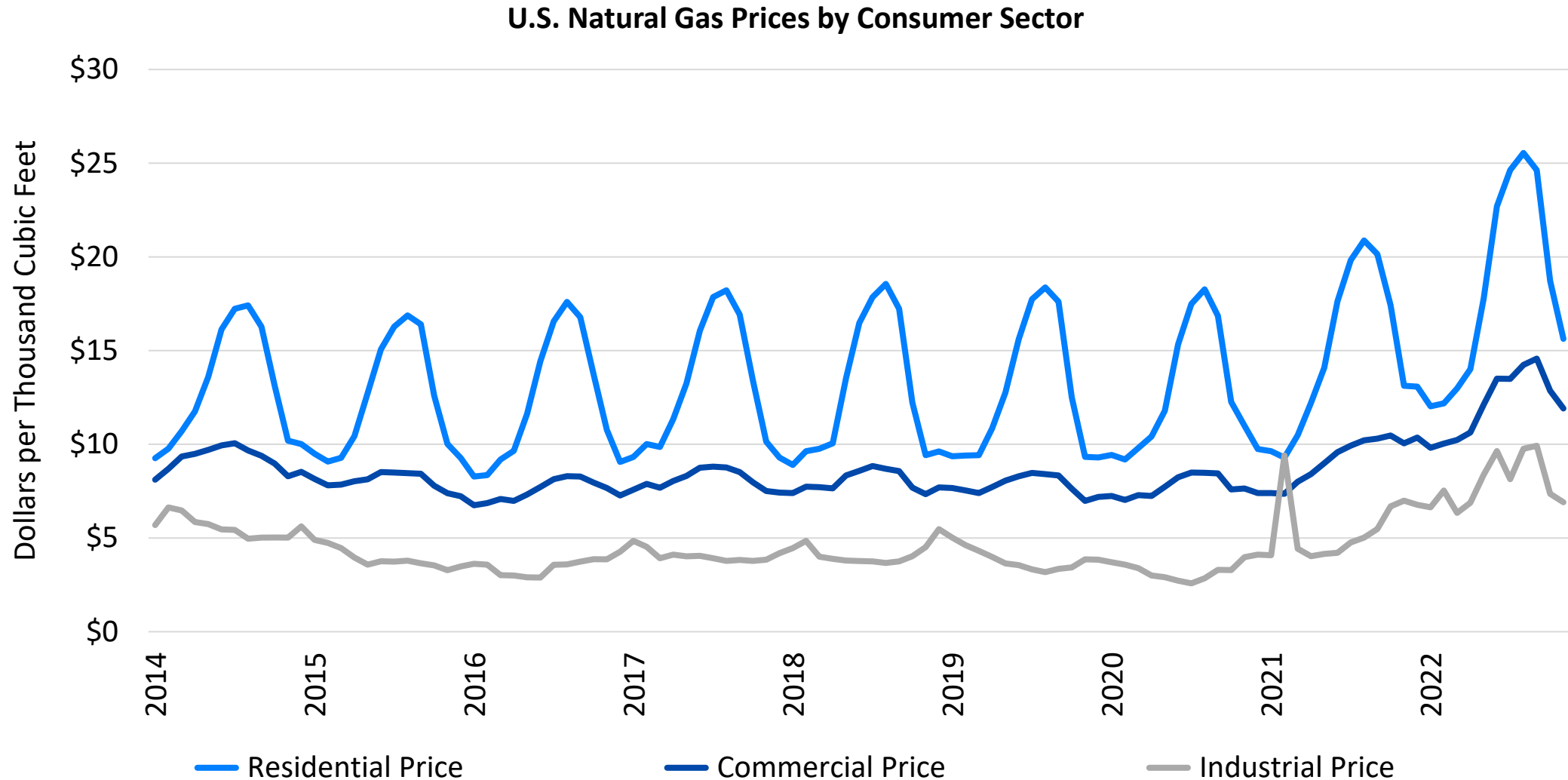
*No data for Q2 2022 99th to 100th Wealth Percentiles | Source: Yardi Matrix; Moody's Analytics; Federal Reserve Bank of St. Louis

Oil Prices Continue to Hold Between \$75-\$80 in February 2023



*Data through February 17th, 2023 | Source: Yardi Matrix; Federal Reserve Bank of St. Louis; U.S. Energy Information Administration

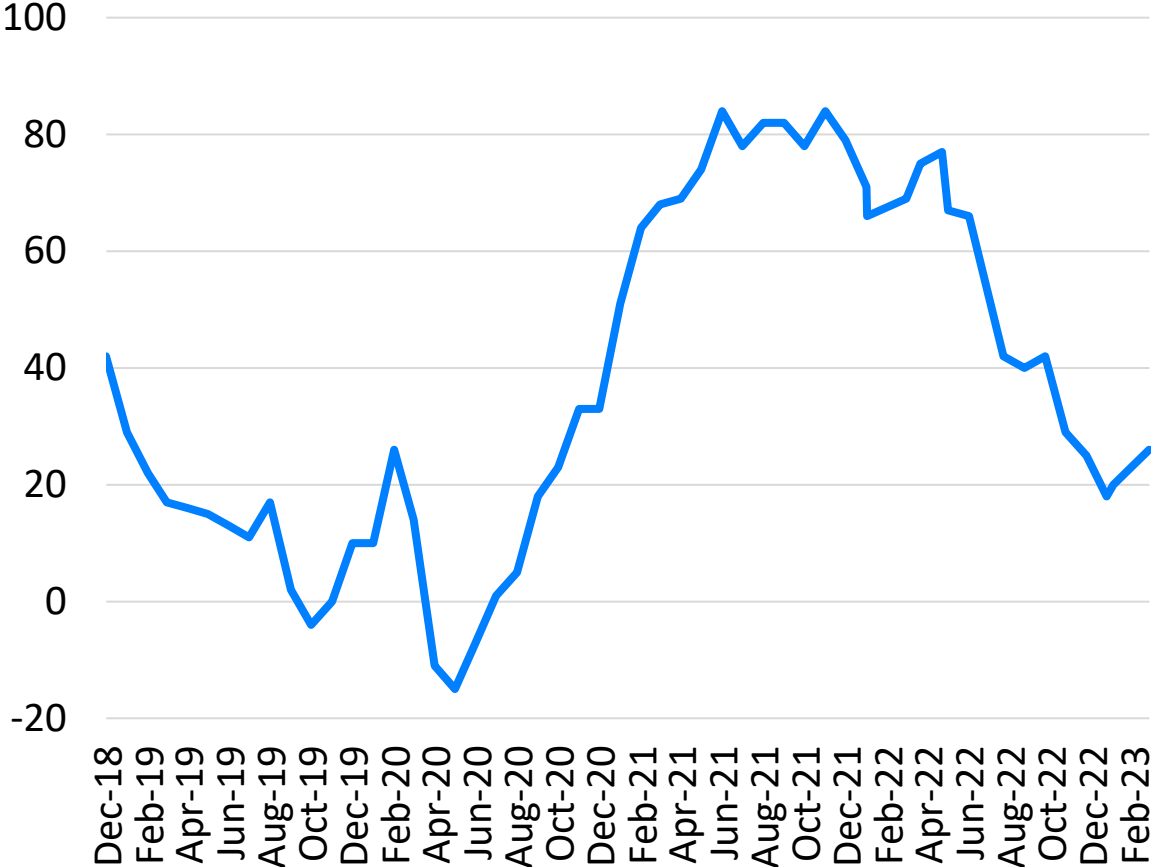
Natural Gas Prices Surged Beyond Seasonal Patterns in 2022



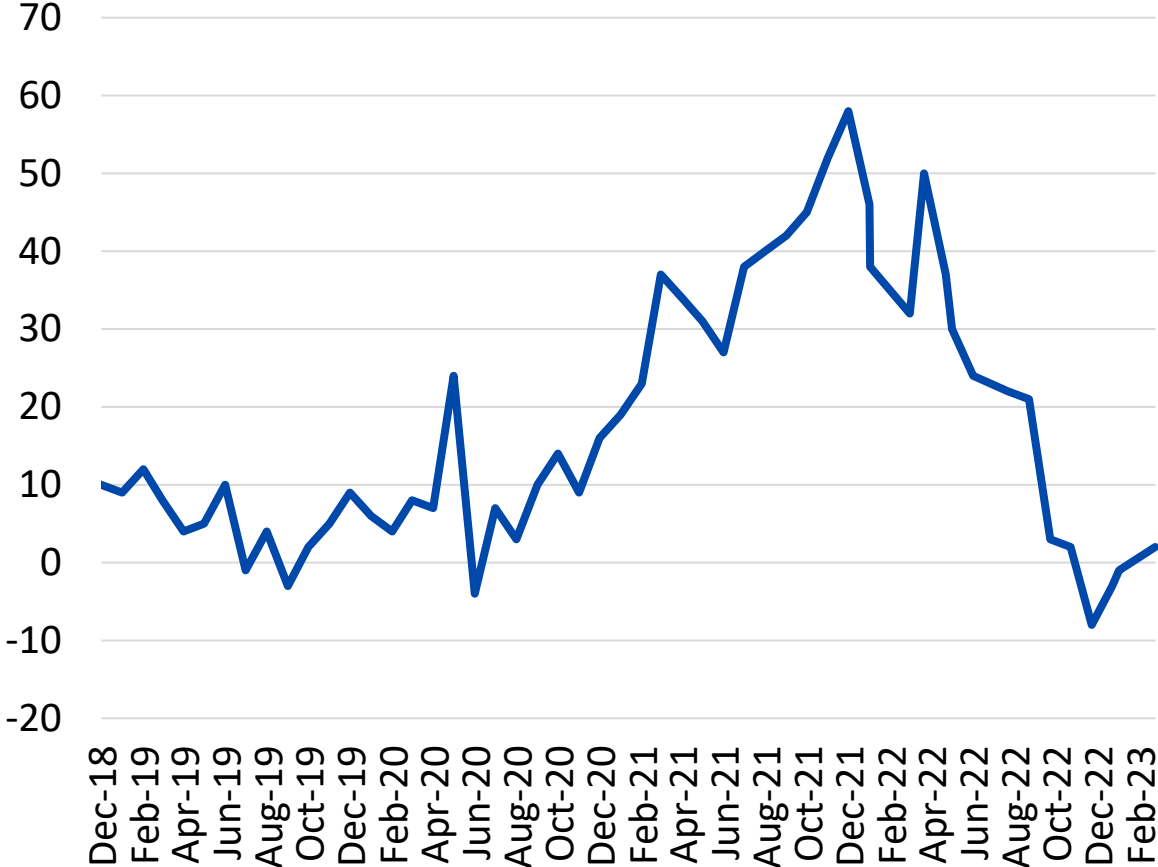
*Total prices paid by end-user, including all tax, delivery, commodity, demand and other charges | Source: Yardi Matrix; U.S. Energy Information Administration

Supply Chain Disruption Easing, But Still Impacting Raw Materials Prices

**Prices Paid for Raw Materials
Versus a Month Ago**



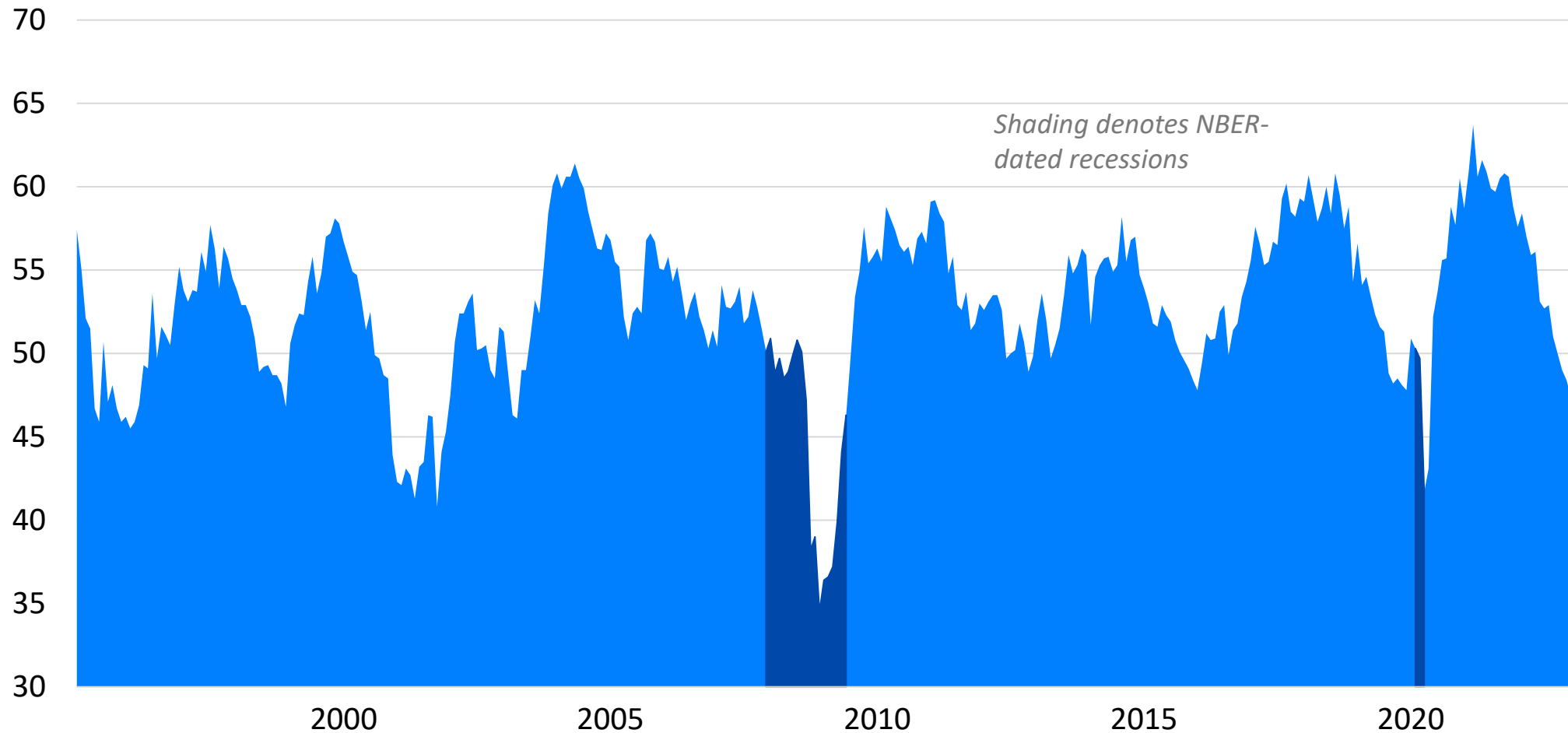
**Supplier Delivery Time
Versus a Month Ago**



Source: Yardi Matrix; Kansas City Fed Manufacturing Survey

The Manufacturing Sector, a Strong Indicator to the Future of the Economy, Has Been Steadily Contracting

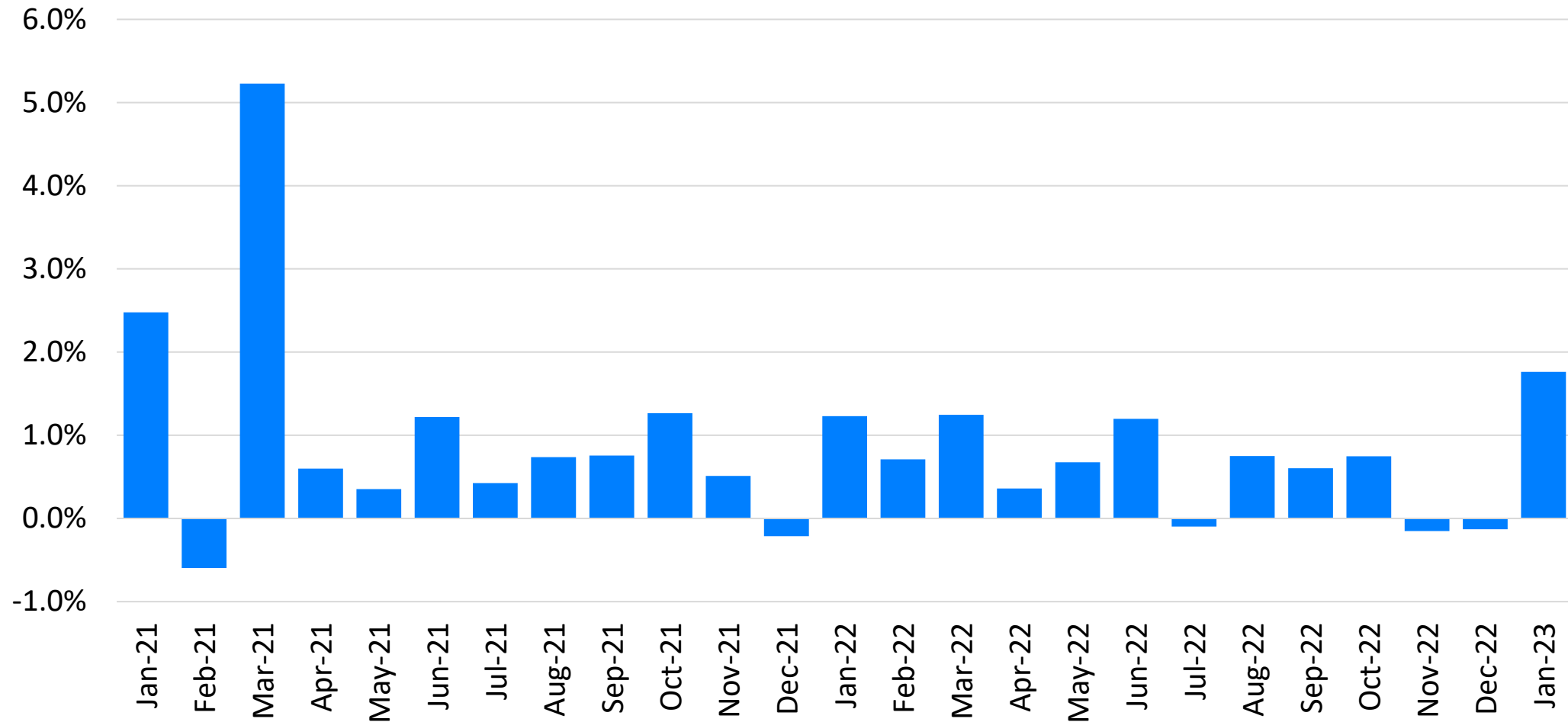
ISM: Purchasing Managers' Index



*The ISM Purchasing Managers' Index indicates expectations of new orders, costs, employment, and U.S. economic activity in the manufacturing sector
Source: Yardi Matrix; Moody's Analytics; Institute for Supply Management (ISM); National Bureau of Economic Research (NBER)

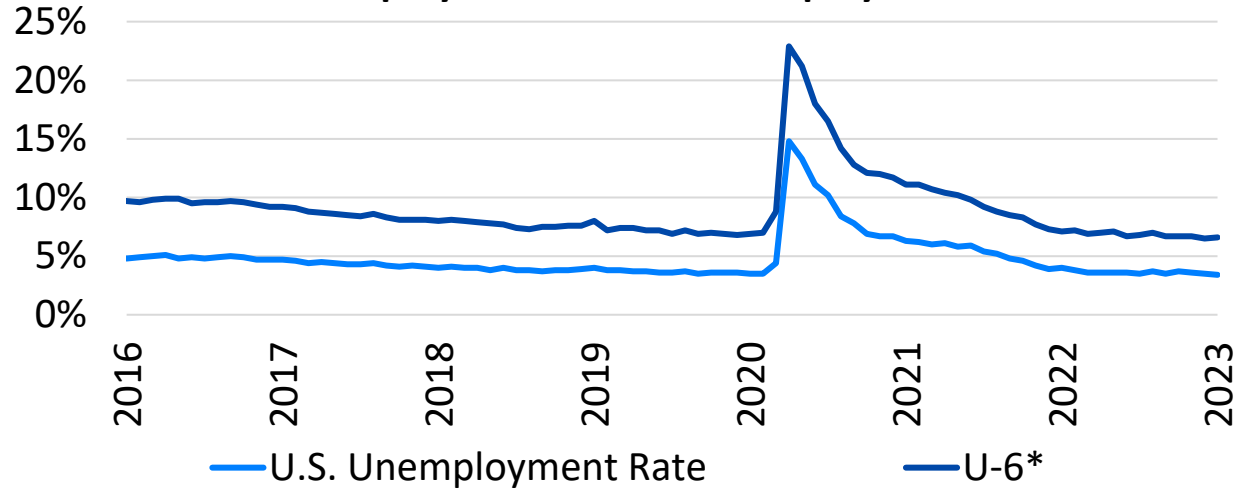
Uptick in Consumer Spending in January

U.S. Real Personal Consumption Expenditures Month-over-Month

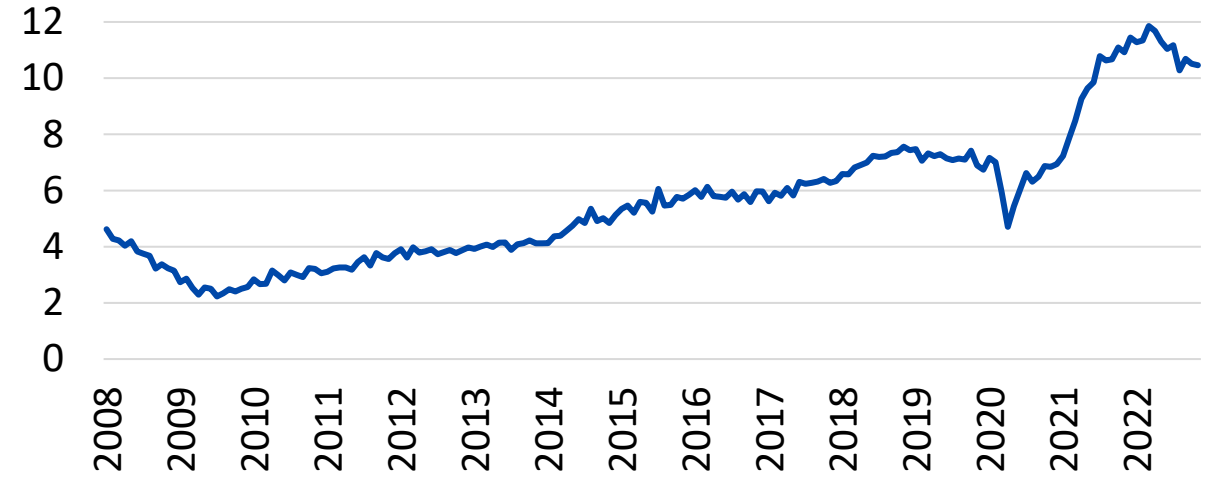


Demand for Workers Remains Elevated, But Potential for Rising Unemployment

Unemployment and Underemployment



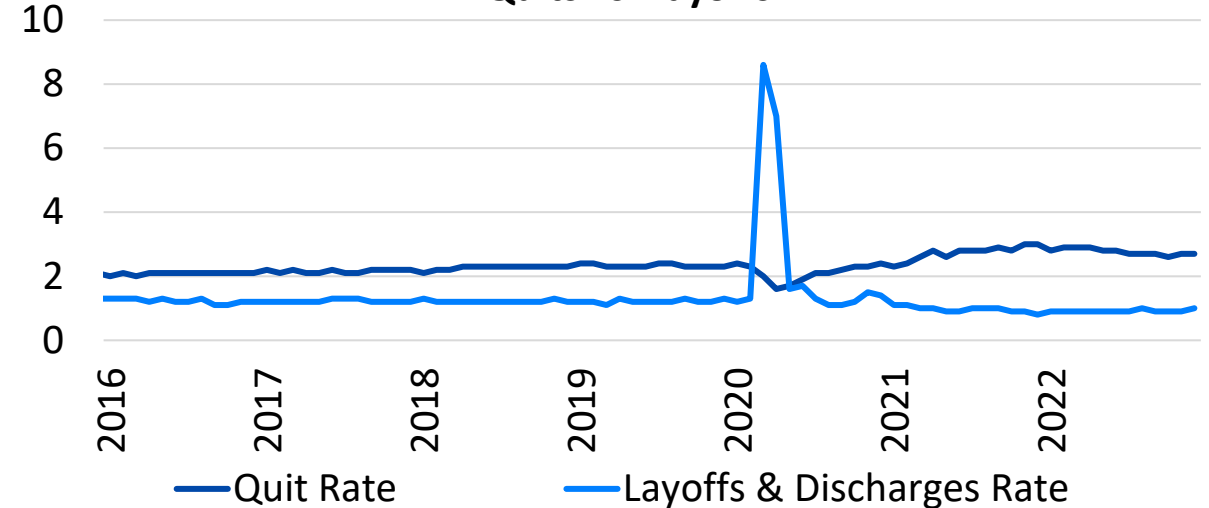
U.S. Job Vacancies, Millions



Unemployed Persons/Job Openings

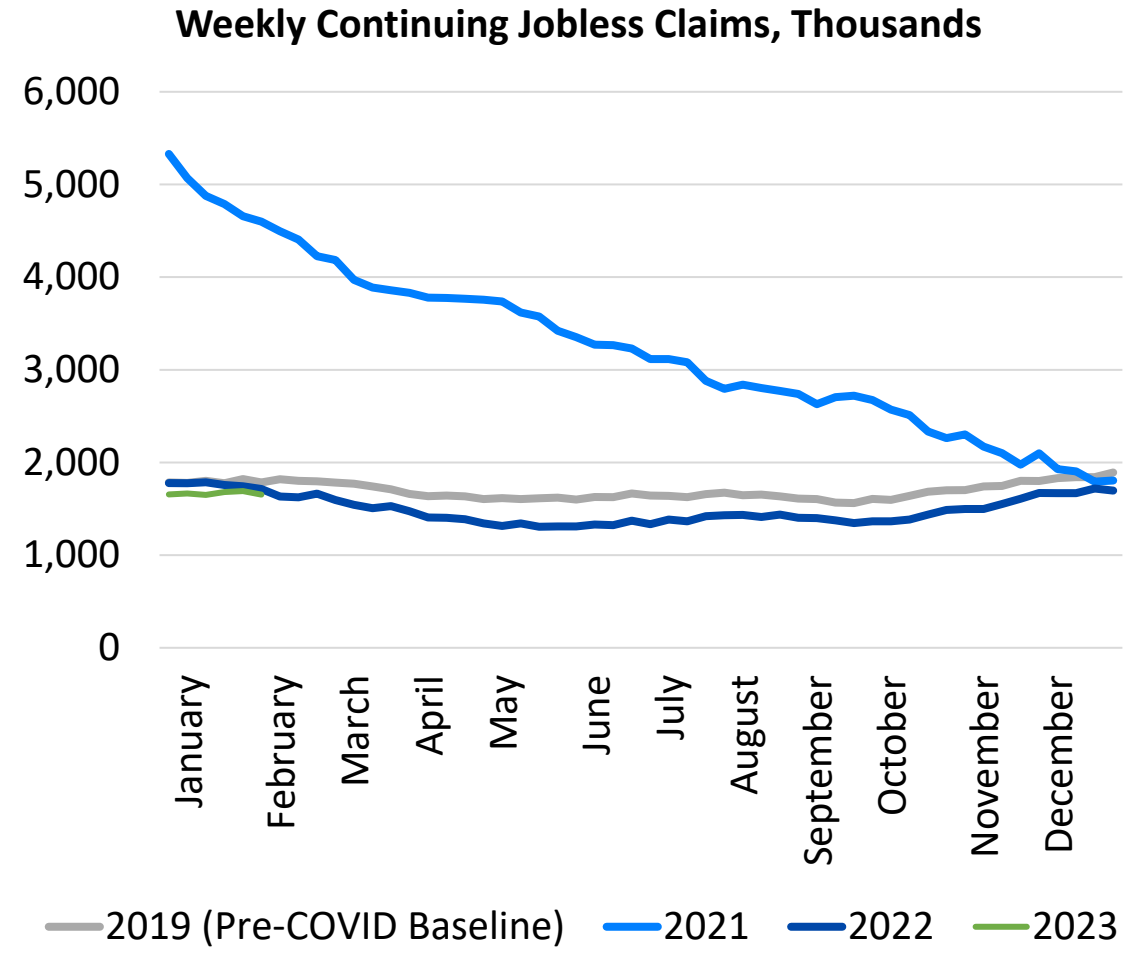
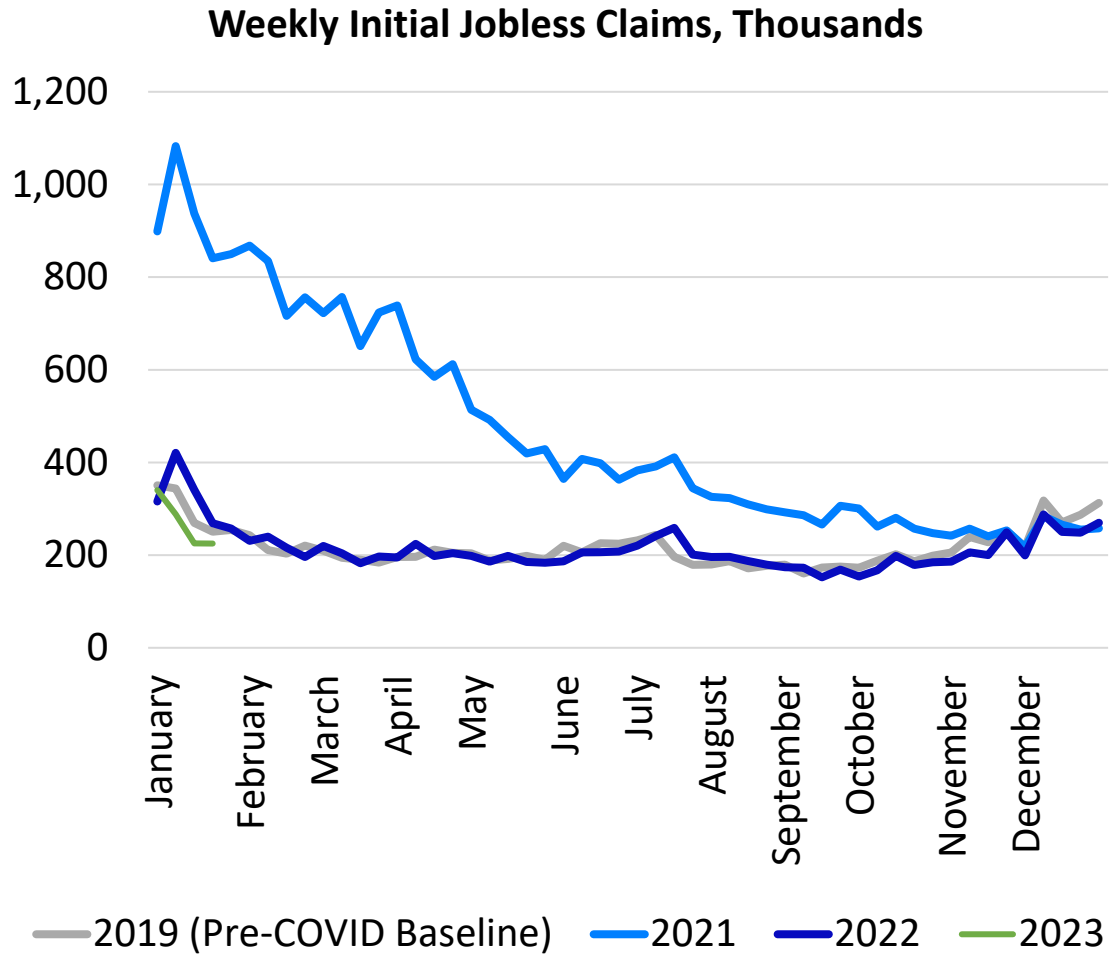


Quits vs. Layoffs

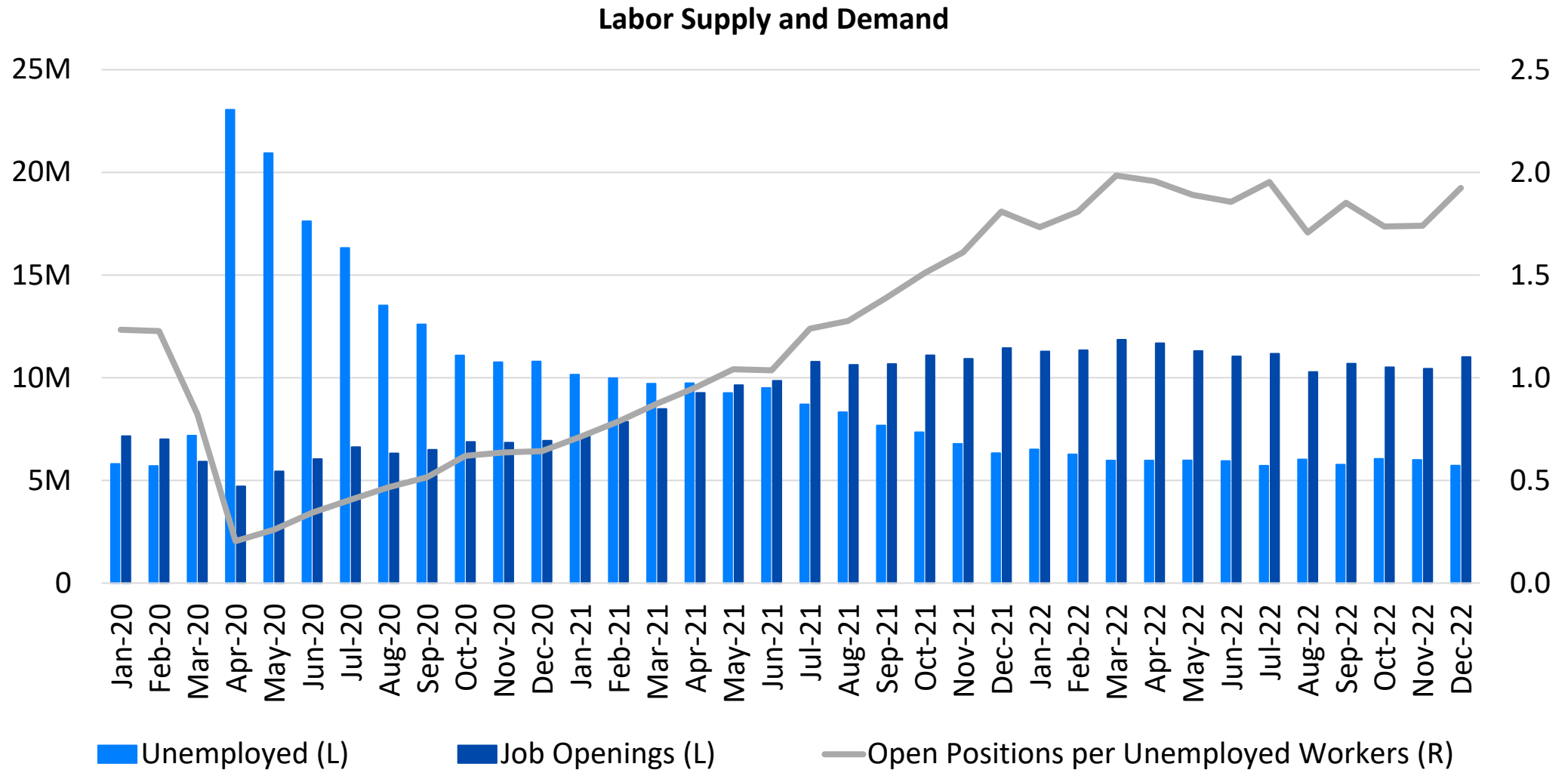


*U-6: Unemployed + Marginally Attached + Part-Time for Economic Reasons | Source: Yardi Matrix; Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

The Job Market is Still Holding Up Well

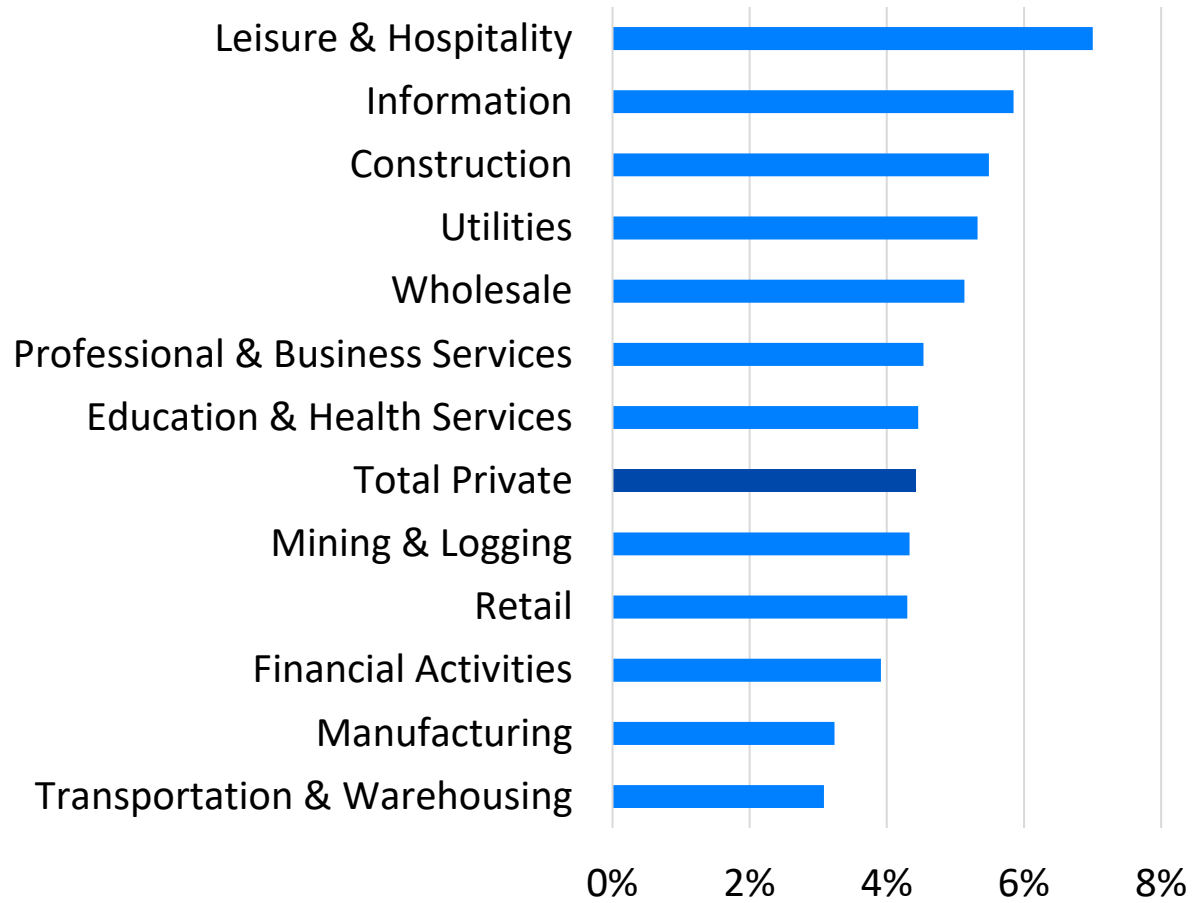


Labor Market Remains Tight as Supply is Not Meeting Demand

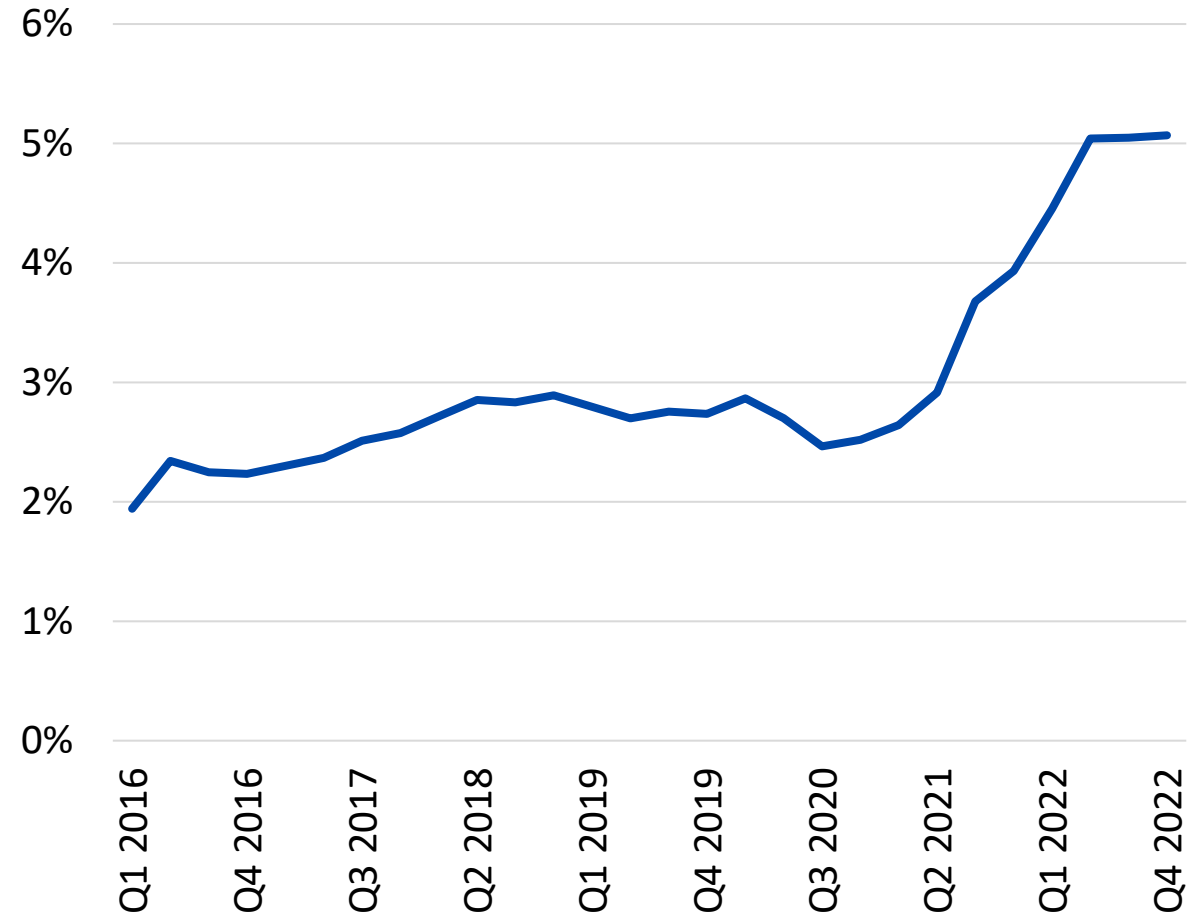


Wage Inflation is Starting to Show Signs of Cooling

Annualized Change in Average Hourly Earnings (January 2022 - January 2023)



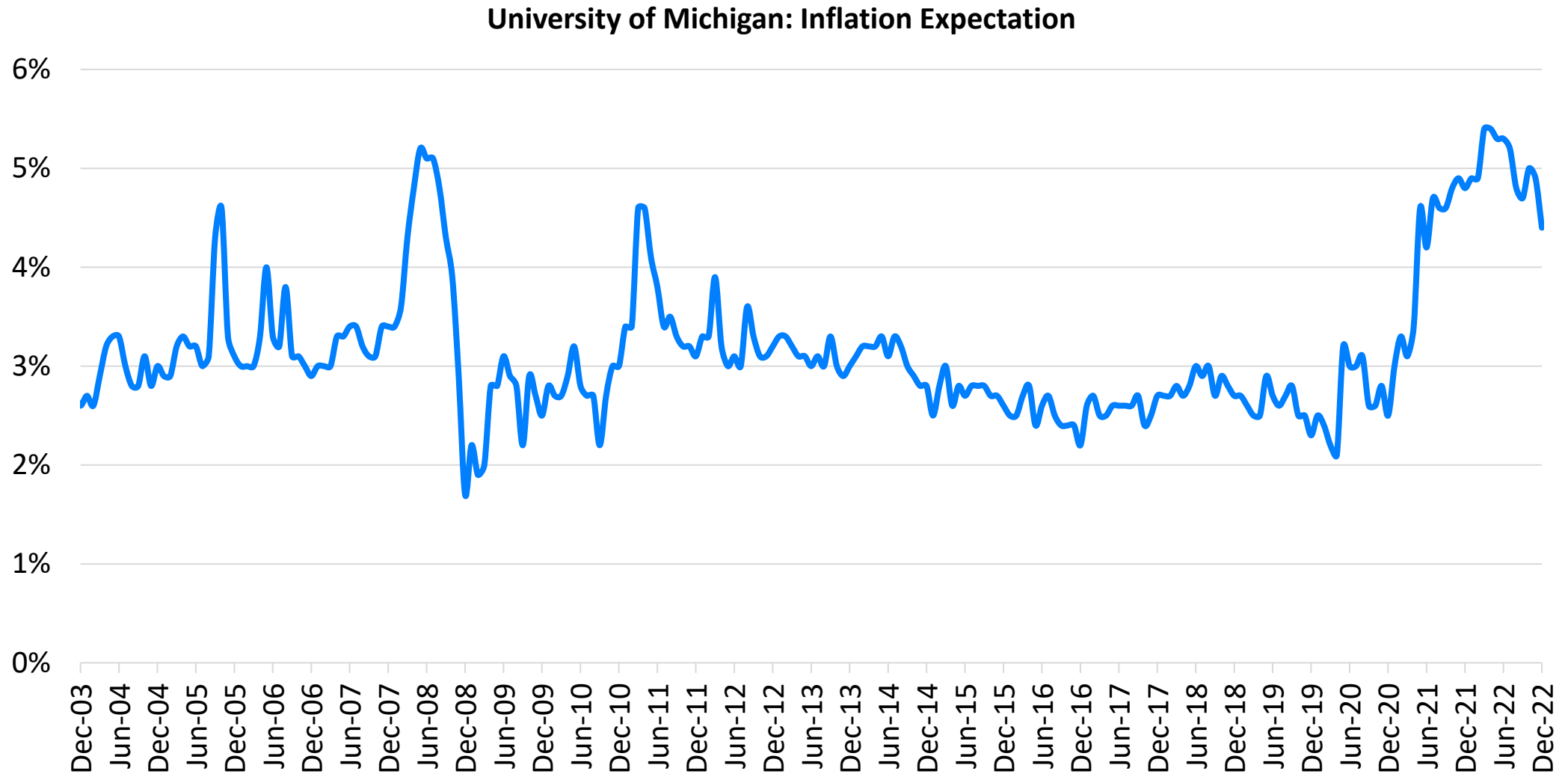
Employment Cost Index Year-over-Year Change



*Average hourly earnings of all employees, seasonally adjusted. Employment cost index measures the total cost of employees to employers

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

Short-run Inflation Expectations Continue to be Elevated, But Improving



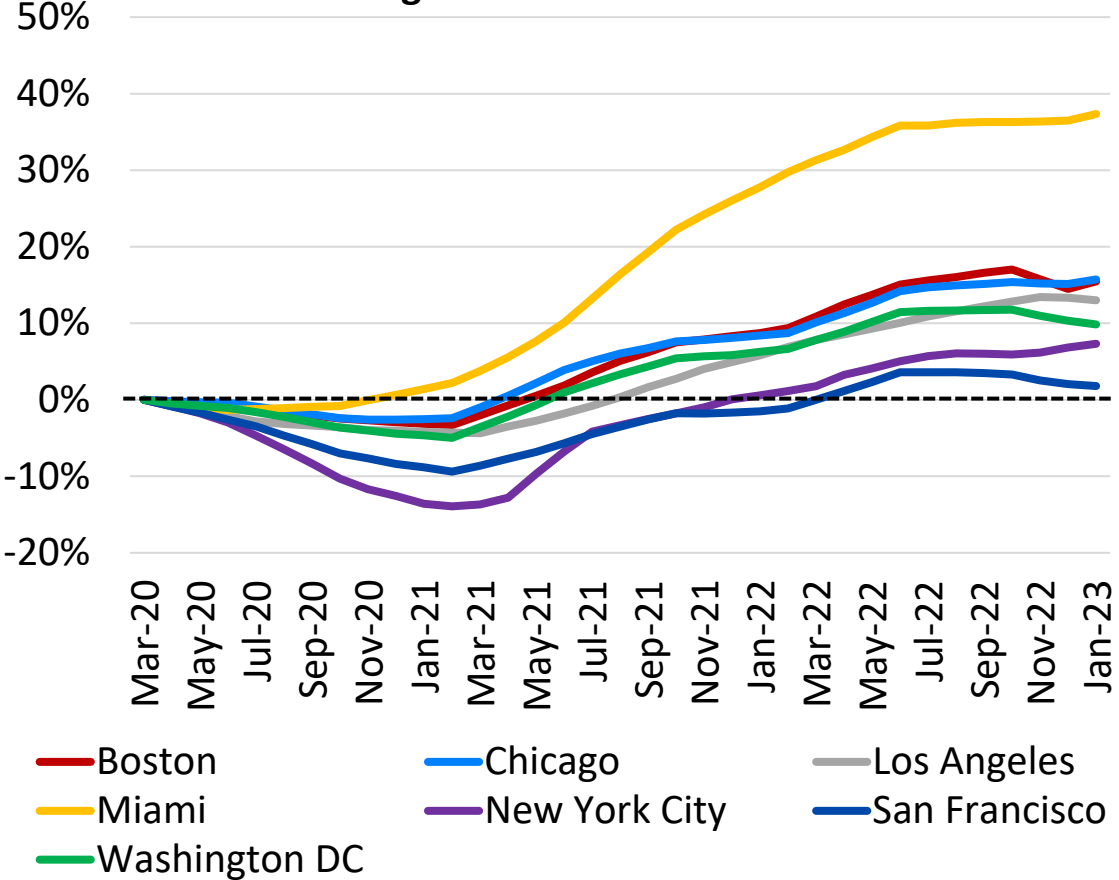
Macroeconomic Summary & Outlook

- U.S. economy grew 2.7% annually in Q4 2022, reflecting the resilience of consumers and businesses
- Fed will continue to increase rates, but will slow the pace of rate increases as they assess the impact of their increases
- GDP growth will feel the impact of higher interest rates
- Inflationary pressures easing, but turned higher to start the year
- Consumers are cutting into savings and using credit to cover inflationary pressures; Low-end consumer exposed to higher inflation
- Labor market is still tight, but hiring freezes and layoffs are on the rise, particularly in tech
- U.S. economy is slowing, yield curve (10 YR – 2 MTH) is inverted, mild recession likely in second half of 2023

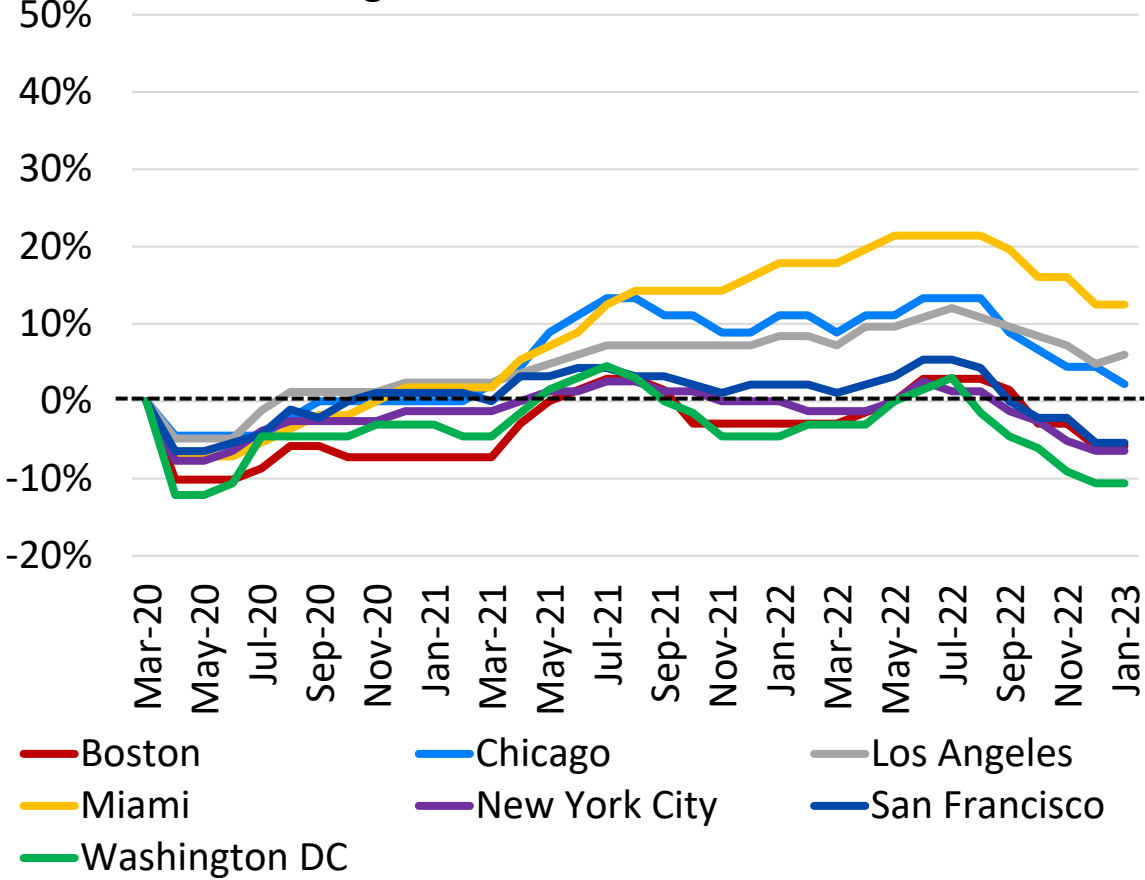
DEEP DIVE INTO STORAGE STREET RATES

Multifamily Rents in Core Cities Stabilize While Self Storage Trends Downwards

MULTIFAMILY
Change in Rents Since March 2020



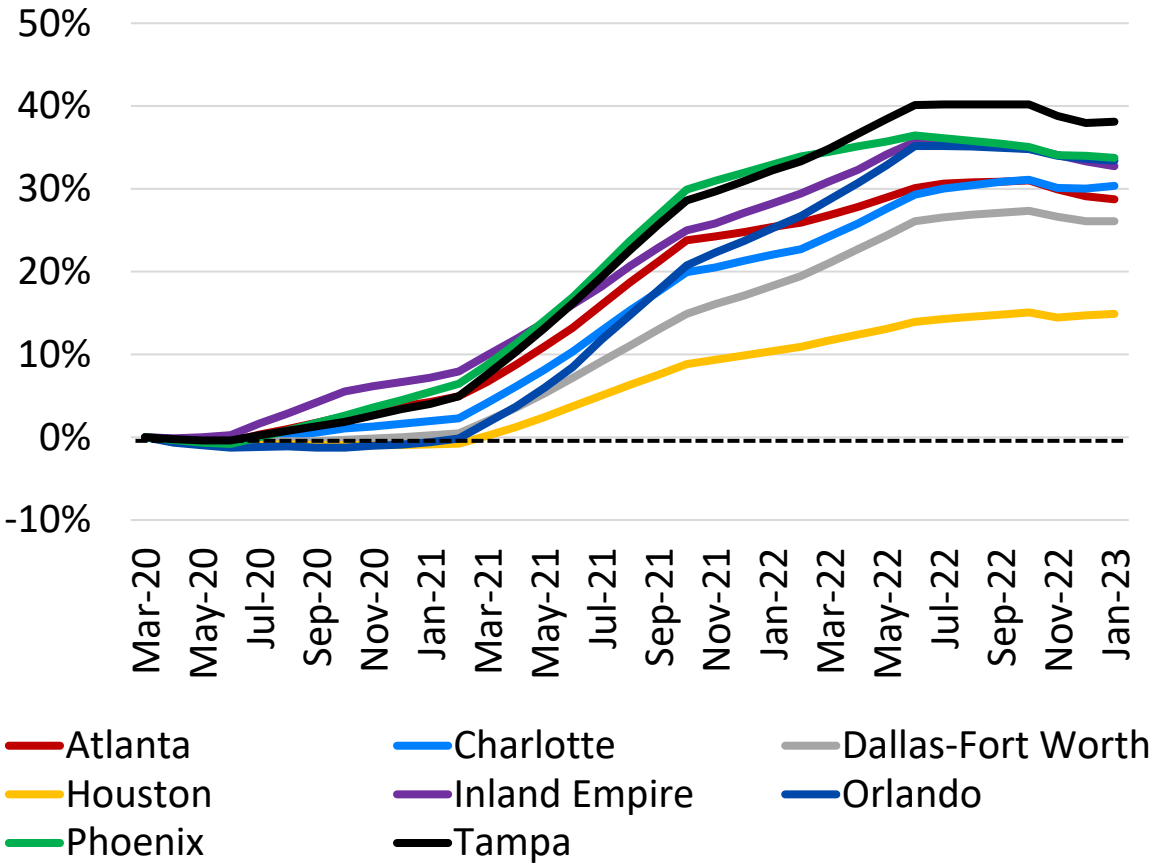
SELF STORAGE
Change in Rents Since March 2020



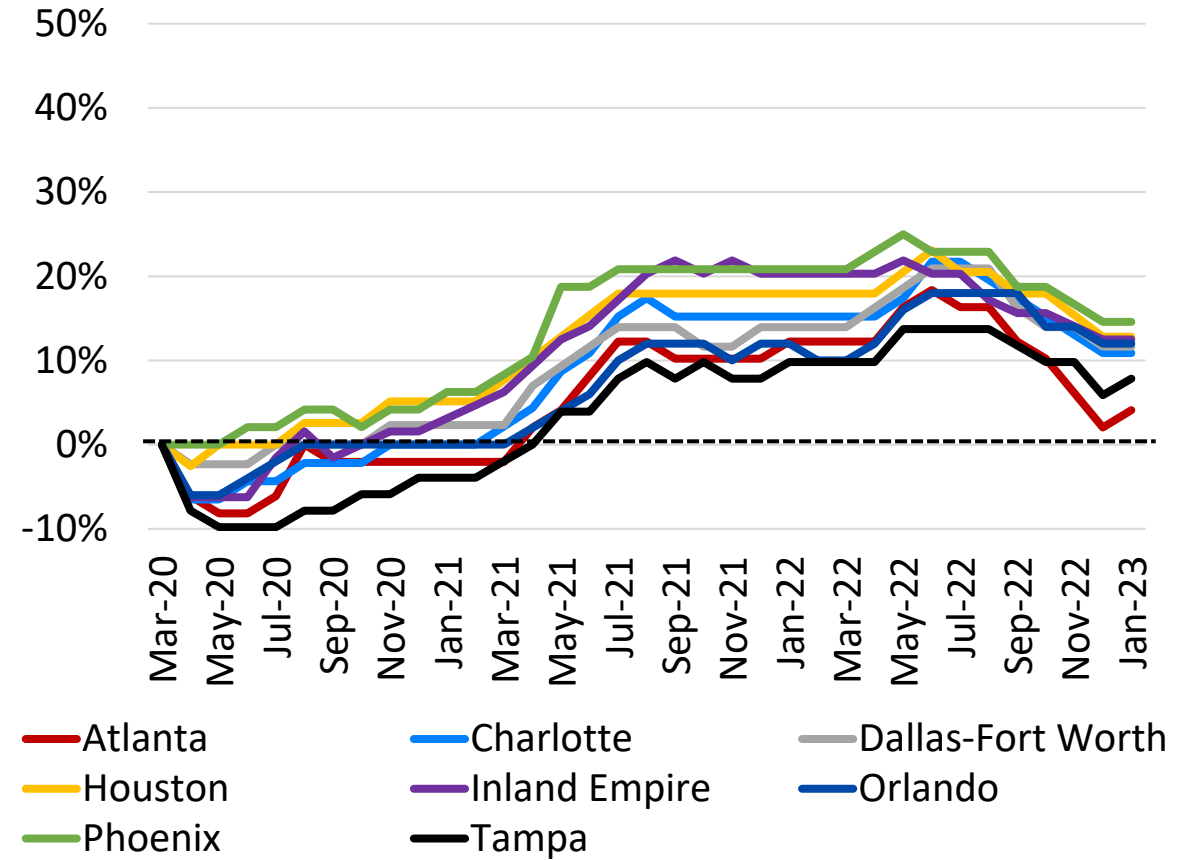
*Self Storage rents are for 5x5 CC units | Source: Yardi Matrix

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 Other Property Sectors in 2021, But Performance Has Since Slipped

Total Annual Returns by Property Sector

2017	2018	2019	2020	2021	2022	2023: YTD
Infrastructure 35.4%	Health Care 7.6%	Industrial 48.7%	Data Centers 21.0%	Self Storage 79.4%	Specialty -0.8%	Lodging/Resorts 17.1%
Data Centers 28.4%	Infrastructure 7.0%	Data Centers 44.2%	Self Storage 12.9%	Industrial 62.0%	Retail -13.3%	Mortgage 15.7%
Industrial 20.6%	Residential 3.1%	Infrastructure 42.0%	Industrial 12.2%	Residential 58.3%	Lodging/Resorts -15.3%	Industrial 13.7%
Mortgage 19.8%	Self Storage 2.9%	Office 31.4%	Infrastructure 7.3%	Retail 51.9%	Diversified -15.7%	Data Centers 13.2%
Specialty 13.2%	Industrial -2.5%	Residential 30.9%	All Equity REITs -5.1%	Specialty 41.7%	Health Care -22.2%	Health Care 12.8%
All Equity REITs 8.7%	Mortgage -2.5%	All Equity REITs 28.7%	Specialty -8.2%	All Equity REITs 41.3%	All Equity REITs -24.9%	Office 11.3%
Lodging/Resorts 7.2%	All Equity REITs -4.0%	Specialty 27.4%	Health Care -9.9%	Infrastructure 34.4%	Mortgage -26.6%	Diversified 10.4%
Residential 6.6%	Retail -5.0%	Diversified 24.1%	Residential -10.7%	Diversified 29.3%	Self Storage -26.7%	All Equity REITs 10.1%
Office 5.2%	Specialty -6.7%	Mortgage 21.3%	Office -18.4%	Data Centers 25.4%	Data Centers -28.0%	Residential 9.5%
Self Storage 3.7%	Diversified -12.5%	Health Care 21.2%	Mortgage -18.8%	Office 22.0%	Industrial -28.6%	Self Storage 9.2%
Health Care 0.9%	Lodging/Resorts -12.8%	Lodging/Resorts 15.7%	Diversified -21.8%	Lodging/Resorts 18.2%	Infrastructure -28.6%	Specialty 7.6%
Diversified -0.1%	Data Centers -14.1%	Self Storage 13.7%	Lodging/Resorts -23.6%	Health Care 16.3%	Residential -31.3%	Retail 7.4%
Retail -4.8%	Office -14.5%	Retail 10.7%	Retail -25.2%	Mortgage 15.6%	Office -37.6%	Infrastructure 6.8%



*2023 YTD performance as of January 31, 2023 | Source: Yardi Matrix; Nareit; FTSE

Self Storage Total Returns Held Up Well in a Rough Q4 2022

MSCI/PREA US Property Fund Index - ACOE

Property Type	Q4 2022	1 Yr	3 Yr	5 Yr	10 Yr
Retail	-0.93%	3.36%	0.02%	0.48%	5.12%
Other	-1.83%	1.25%	0.25%	2.24%	4.84%
Self Storage	-2.42%	13.31%	16.74%	12.85%	14.65%
Apartments	-3.76%	6.08%	8.36%	7.23%	8.03%
Industrial	-3.84%	14.80%	22.21%	18.72%	15.91%
Office	-5.36%	-3.76%	1.12%	3.38%	6.56%
Total Return	-3.82%	5.73%	8.40%	7.65%	8.88%

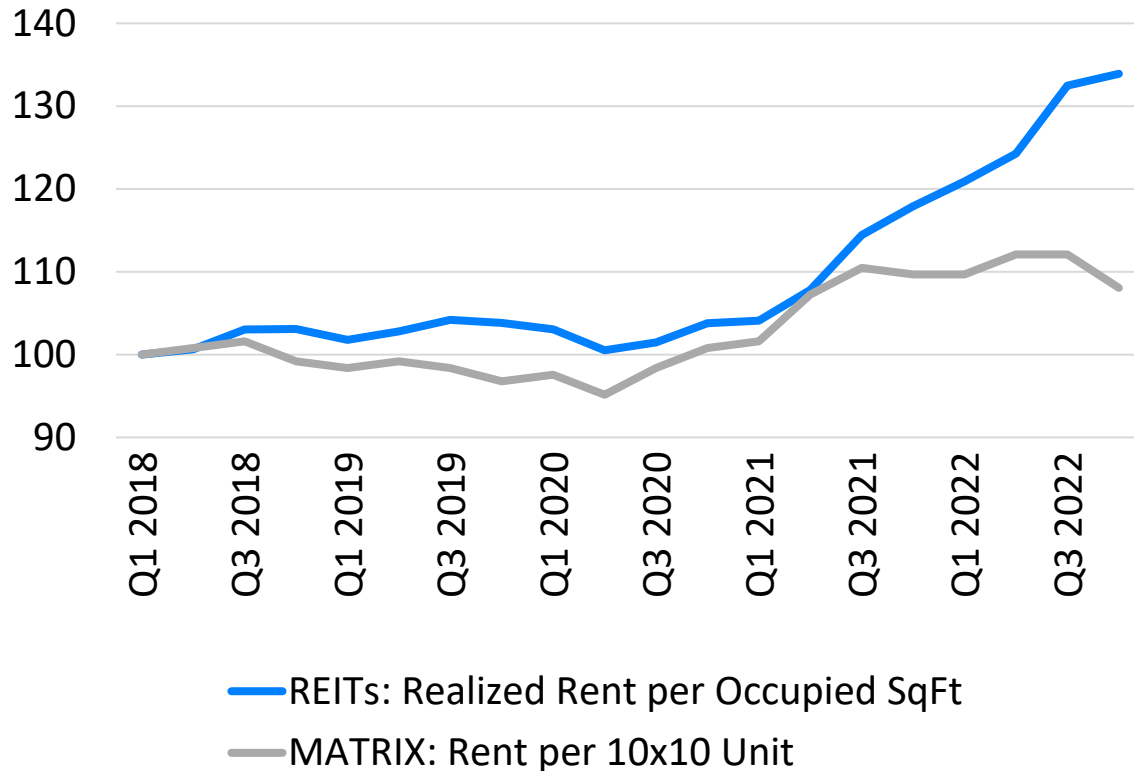
MSCI/PREA US Property Fund Index - AFOE

Property Type	Q4 2022	1 Yr	3 Yr	5 Yr	10 Yr
Retail	-1.03%	3.40%	0.06%	0.59%	5.10%
Other	-1.82%	5.54%	4.41%	4.42%	5.90%
Self Storage	-2.25%	13.61%	16.90%	13.02%	14.86%
Industrial	-3.17%	15.86%	22.47%	18.93%	15.92%
Apartments	-3.58%	6.87%	9.00%	7.73%	8.41%
Office	-5.42%	-3.91%	1.13%	3.43%	6.64%
Total Return	-3.55%	6.79%	9.28%	8.32%	9.28%

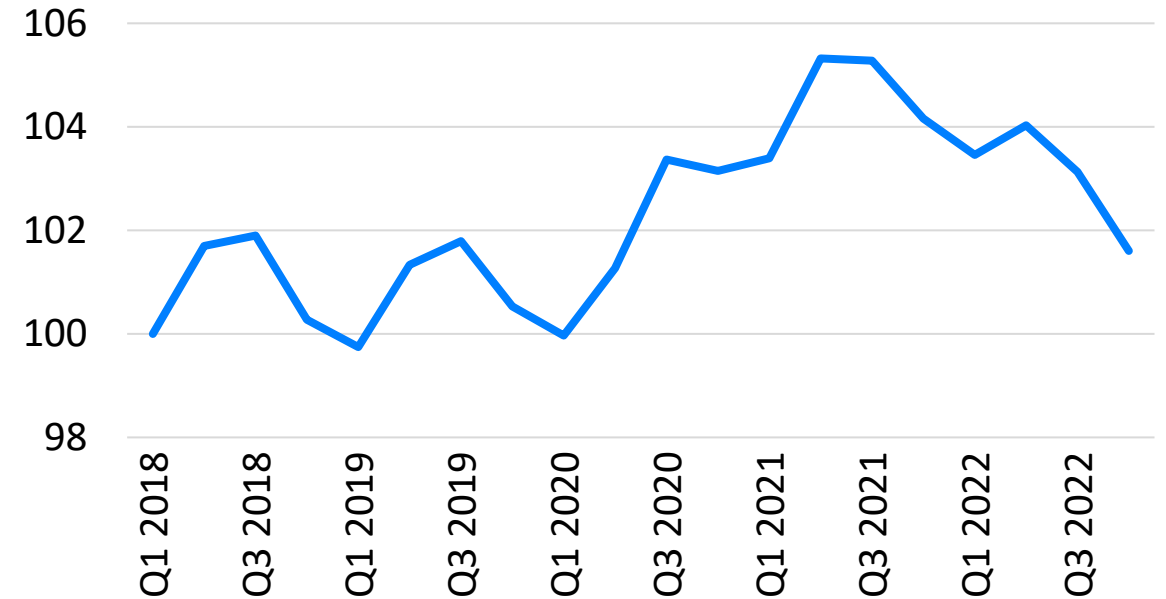


Matrix Street Rates Are Trailing In-Place REIT Rents, While REIT Occupancy Saw a Seasonal Drop in Q3 and Q4

Indexed Rent Comparison
Q1 2018 = 100



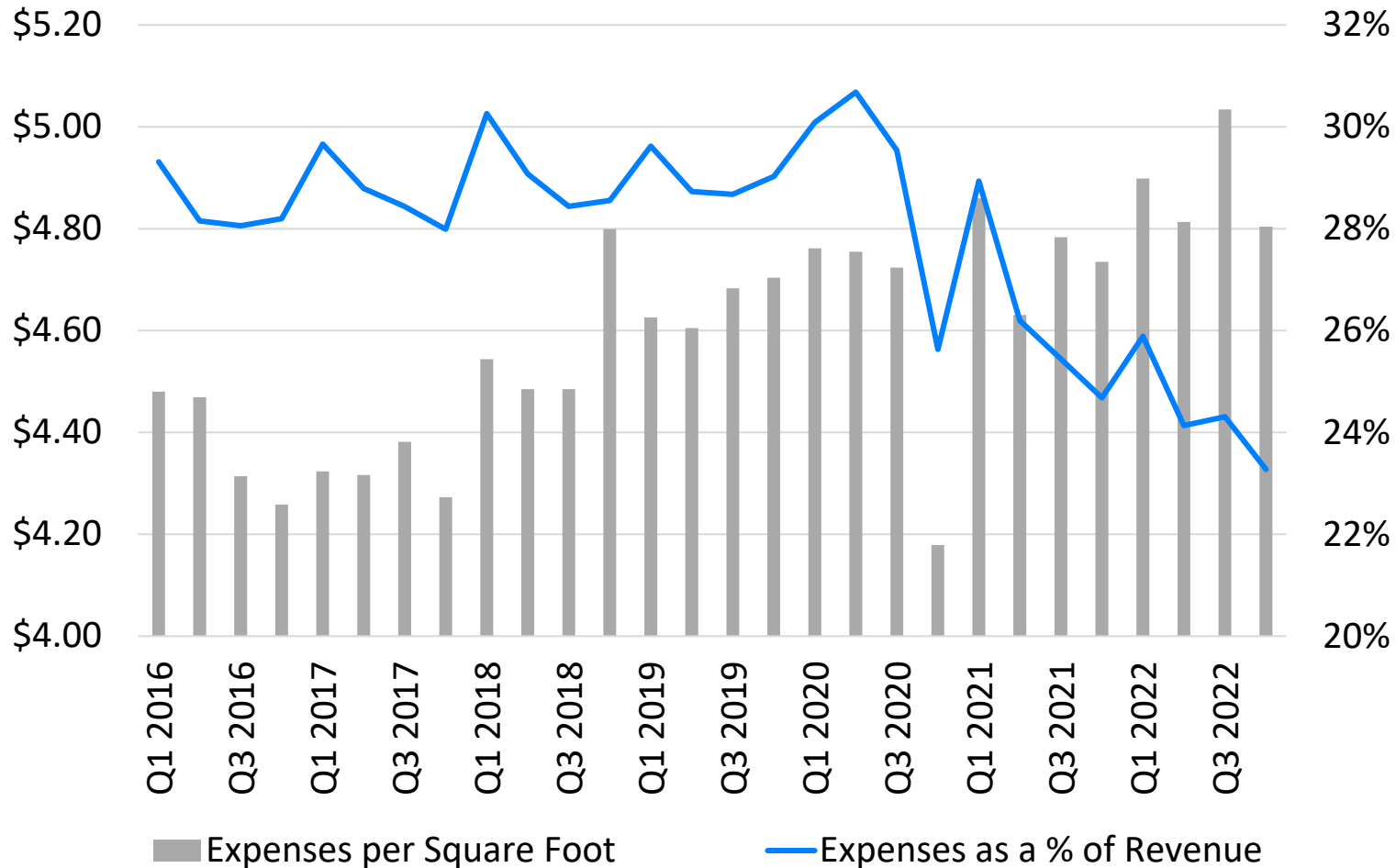
Indexed REIT Occupancy
Q1 2018 = 100



Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2022, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage

Expenses Continue to Increase, But Are Still Outpaced by Revenue

Self Storage REIT Expense Trends

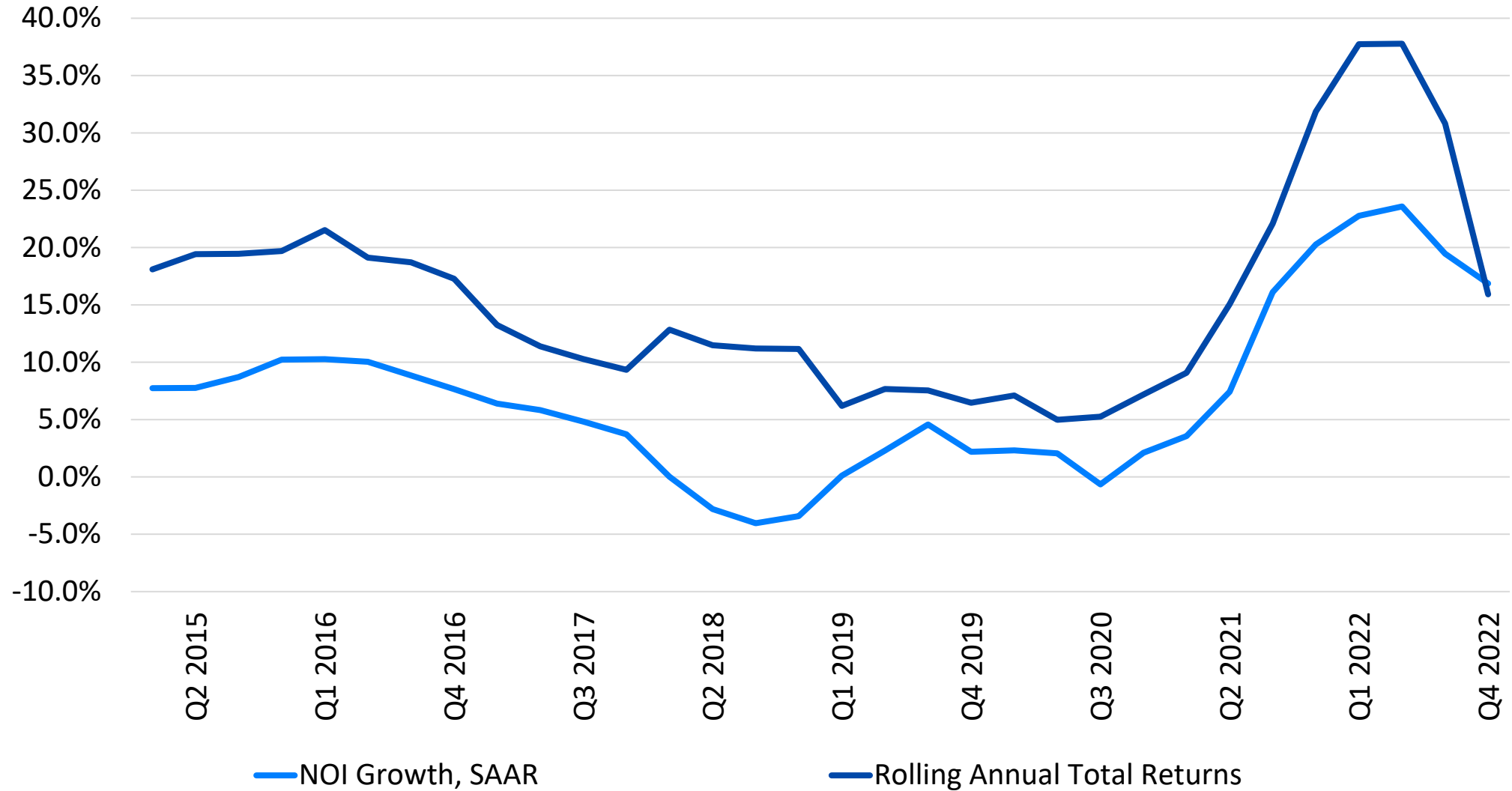


- Expenses are rising, pressured by insurance and taxes
- Revenue growth has been outpacing expense growth
- Operators will rely on technology even more to reduce costs and maximize income

*Expenses and revenue data annualized based on same store portfolio quarterly performance | Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2022, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage



According to NCREIF, Total Return and NOI Growth Momentum Is Starting to Slow, But Remains Strong

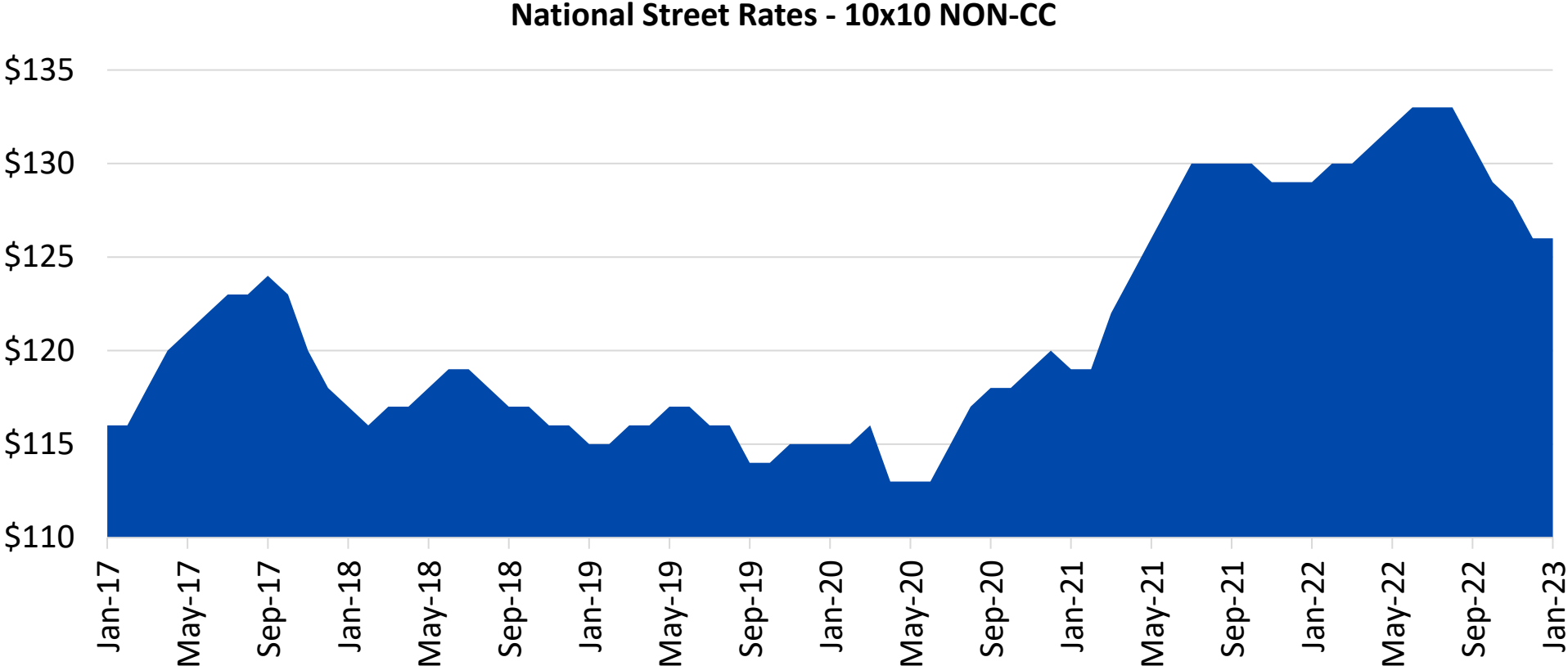


Weighted Average Occupancies for Self Storage REITs Fell in Most Metros Year-Over-Year in Q4 2022

MSA	Q4 2021	Q4 2022	YoY Change in Occupancy
Columbus, OH	91.6%	92.6%	1.0%
Nashville, TN	91.7%	92.2%	0.5%
Orlando, FL	94.7%	94.8%	0.1%
San Diego, CA	96.4%	95.7%	-0.7%
Boston, MA	94.1%	92.9%	-1.3%
Dallas-Ft. Worth, TX	95.2%	93.9%	-1.3%
Denver, CO	94.7%	93.3%	-1.4%
Houston, TX	94.2%	92.7%	-1.5%
New York/New Jersey	95.2%	93.6%	-1.5%
Washington DC	94.3%	92.7%	-1.6%
Seattle-Tacoma, WA	94.3%	92.6%	-1.7%
Raleigh-Durham, NC	96.2%	94.5%	-1.7%
San Francisco, CA	95.8%	94.0%	-1.8%
Los Angeles, CA	97.5%	95.6%	-1.9%

MSA	Q4 2021	Q4 2022	YoY Change in Occupancy
Sacramento, CA	93.4%	91.4%	-2.0%
Charlotte, NC	95.4%	93.3%	-2.1%
Charleston, SC	96.4%	94.2%	-2.2%
Chicago, IL	94.9%	92.6%	-2.3%
Tampa, FL	96.1%	93.7%	-2.4%
Miami, FL	97.1%	94.5%	-2.6%
Austin, TX	94.6%	92.0%	-2.6%
Phoenix, AZ	95.2%	92.3%	-2.9%
Philadelphia, PA	95.6%	92.3%	-3.3%
San Antonio, TX	93.6%	90.3%	-3.4%
Kansas City, KS	94.4%	91.0%	-3.4%
Portland, OR	92.0%	88.5%	-3.5%
Las Vegas, NV	95.8%	92.2%	-3.6%
Atlanta, GA	96.2%	92.0%	-4.3%

Street Rate Growth for 10x10 Non-CC Units Moderated Further in Q4 2022

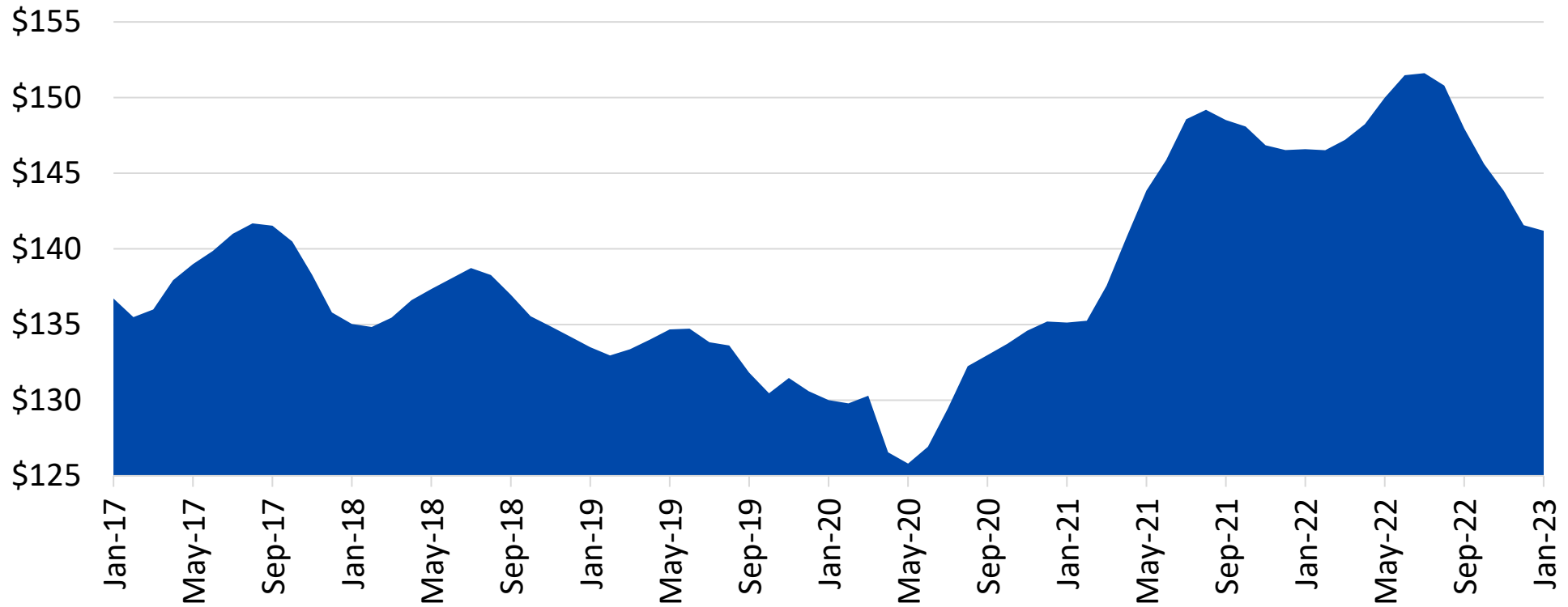


	% Change	\$ Change
Year-over-Year: Jan '22 – Jan '23	(2.3%)	(\$3)
Month-over-Month: Dec '22 – Jan '23	0.0%	\$0
Pre-Pandemic to Current: Feb '20 – Jan '23	9.6%	\$11



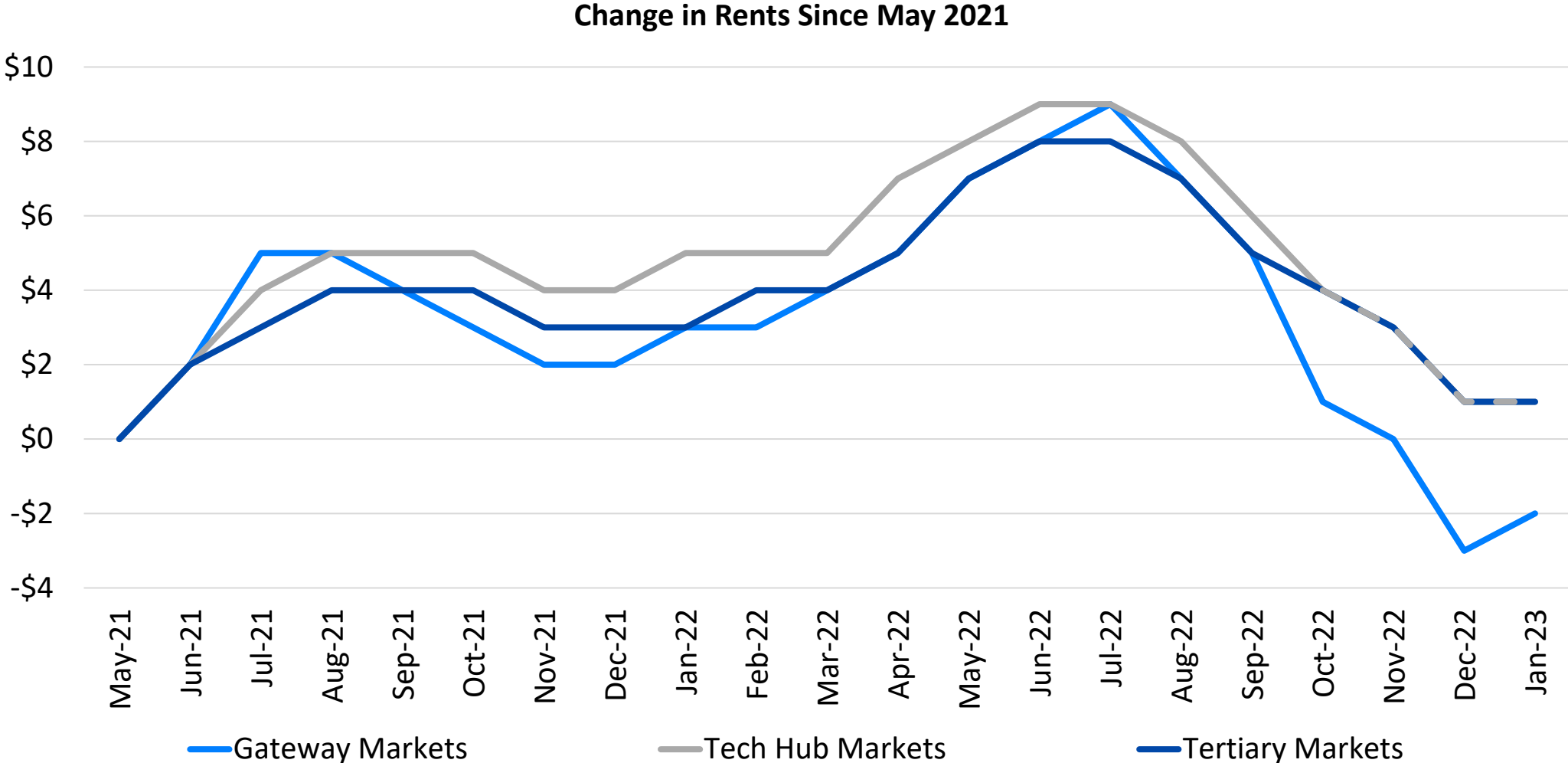
Street Rates for 10x10 CC Units Have Moderated Slightly Faster Than Similar-Sized Non-CC Units Over the Past Six Months

National Street Rates - 10x10 CC



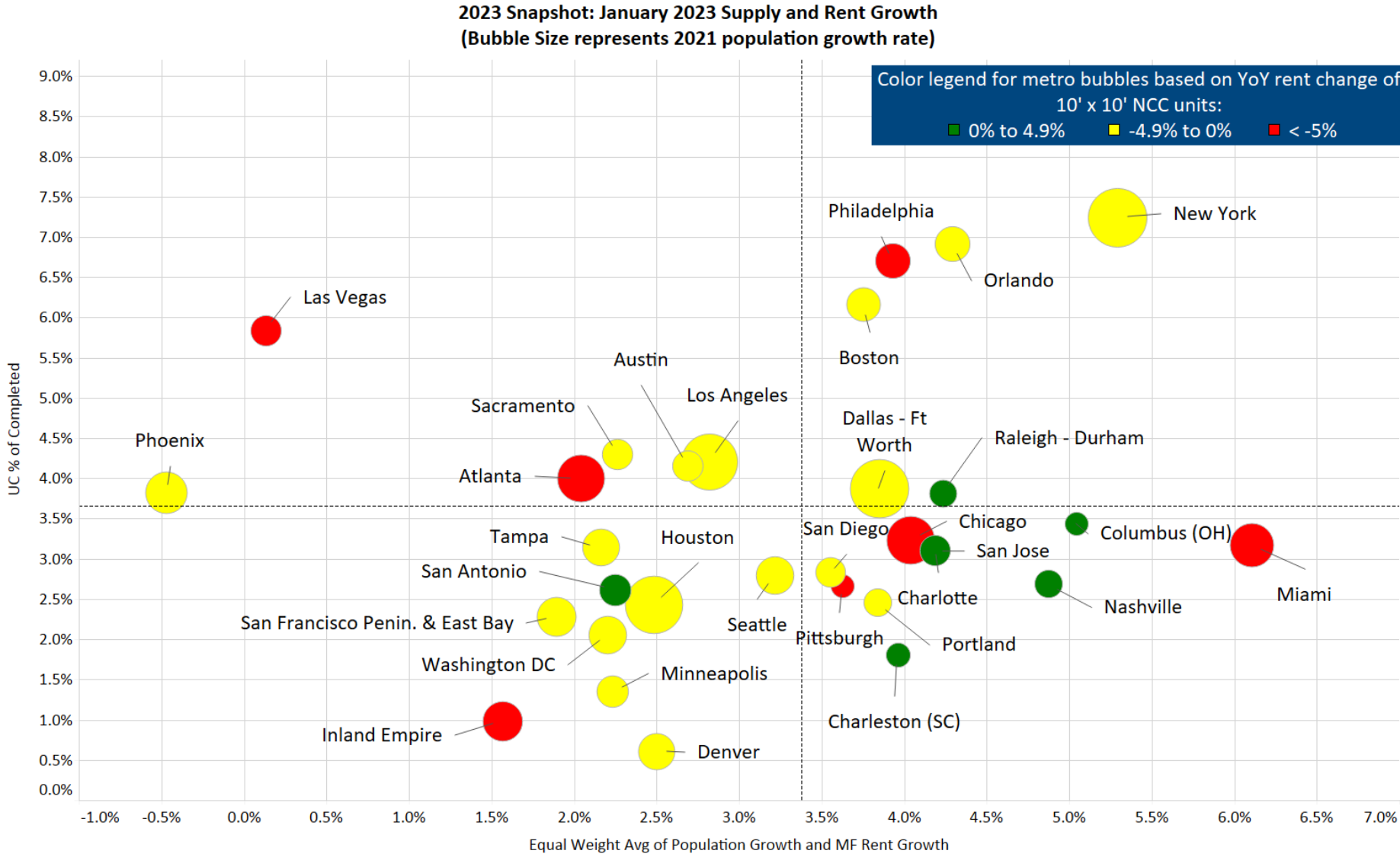
	% Change	\$ Change
Year-over-Year: Jan '22 – Jan '23	(4.1%)	(\$6)
Month-over-Month: Dec '22 – Jan '23	(0.7%)	(\$1)
Pre-Pandemic to Current: Feb '20 – Jan '23	8.5%	\$11

Tech Hub and Tertiary Markets Have Seen Similar Rate Performance The Past Few Months, While Gateway Markets Saw an Uptick in Rates in January



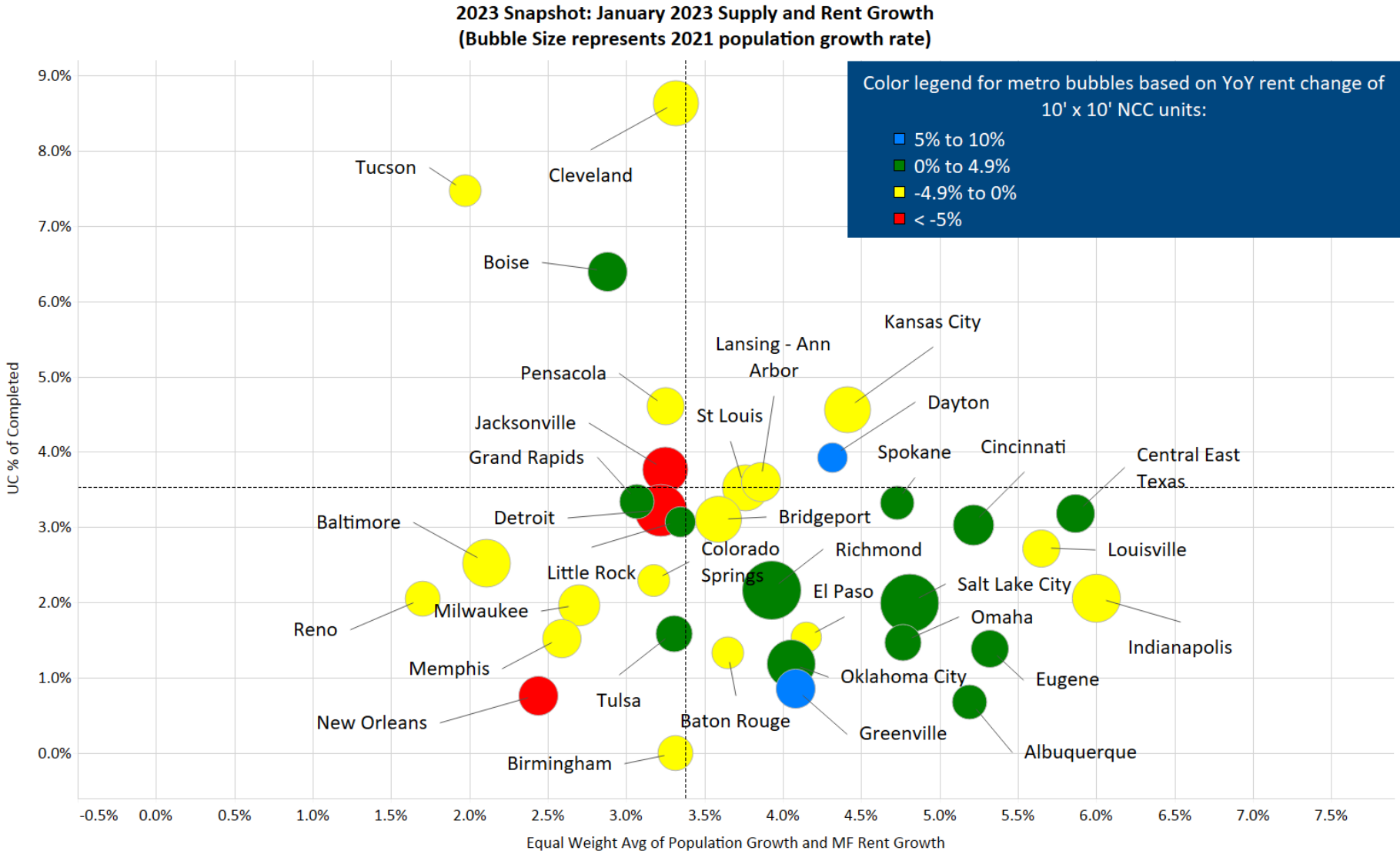
*Average rates include: 5x5 NON-CC, 5x5 CC, 10x10 NON-CC, 10x10 CC | Source: Yardi Matrix

Street Rates More Resilient in Major Markets with Strong Multifamily Fundamentals



*January 2023 supply and rent data | Source: Yardi Matrix

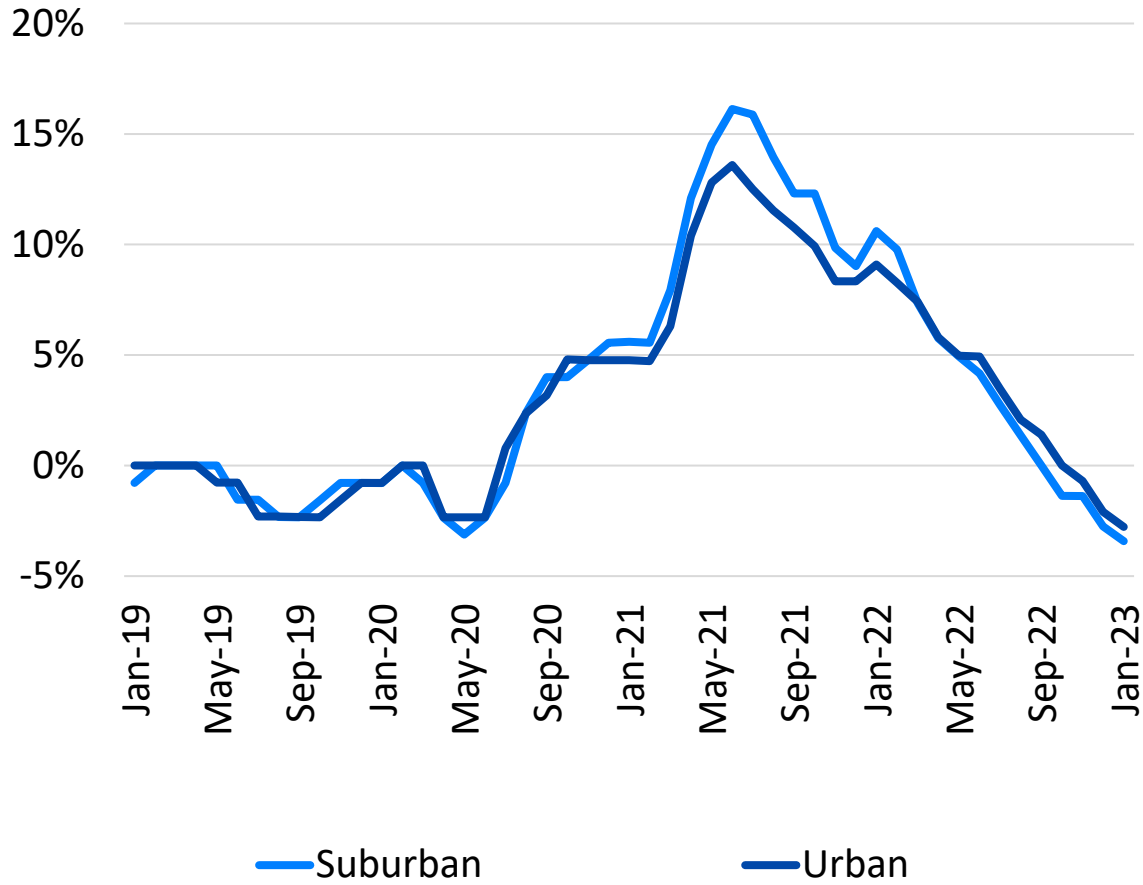
Street Rate Performance in Tertiary Markets Also Tied to Multifamily Fundamentals



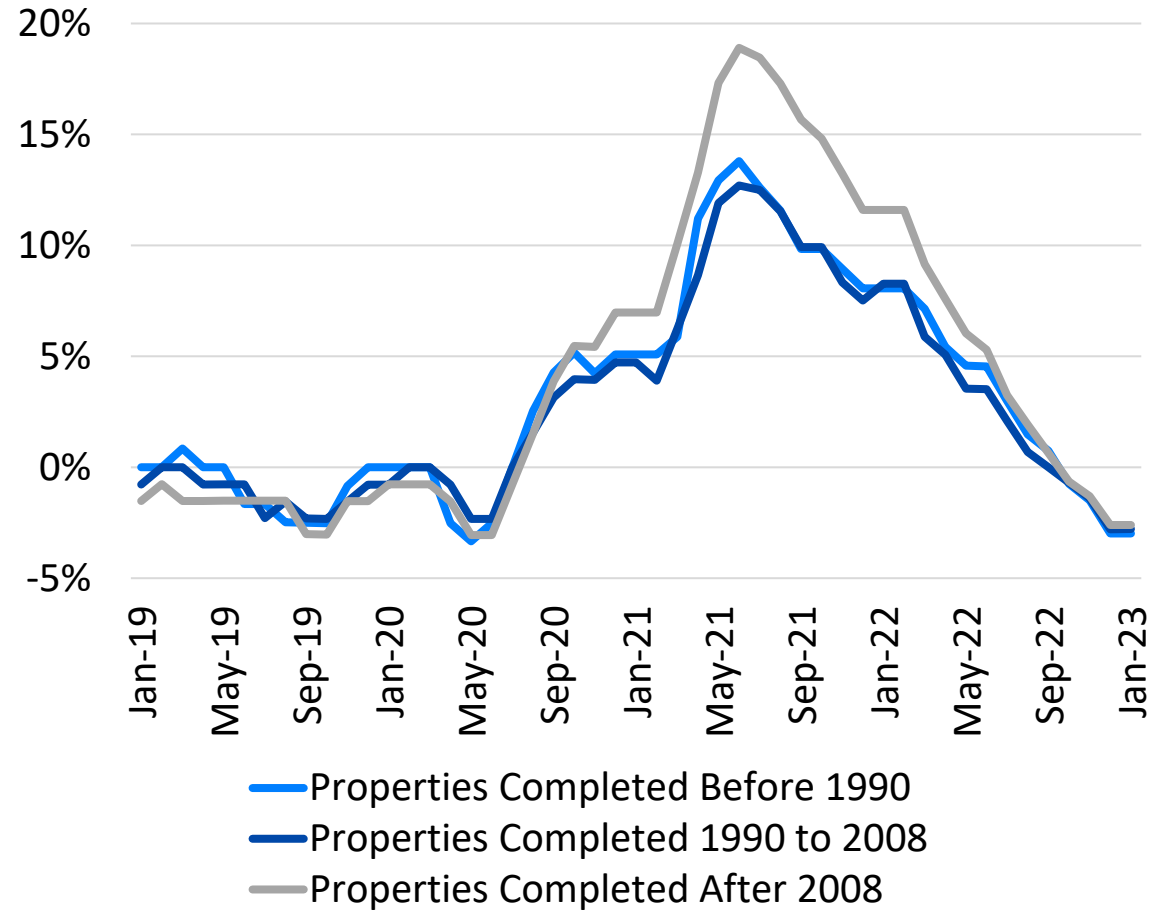
*January 2023 supply and rent data | Source: Yardi Matrix

There Has Been a Reversion to the Mean in Street Rates for All Property Locations and Ages

Year-over-Year Street Rate Growth



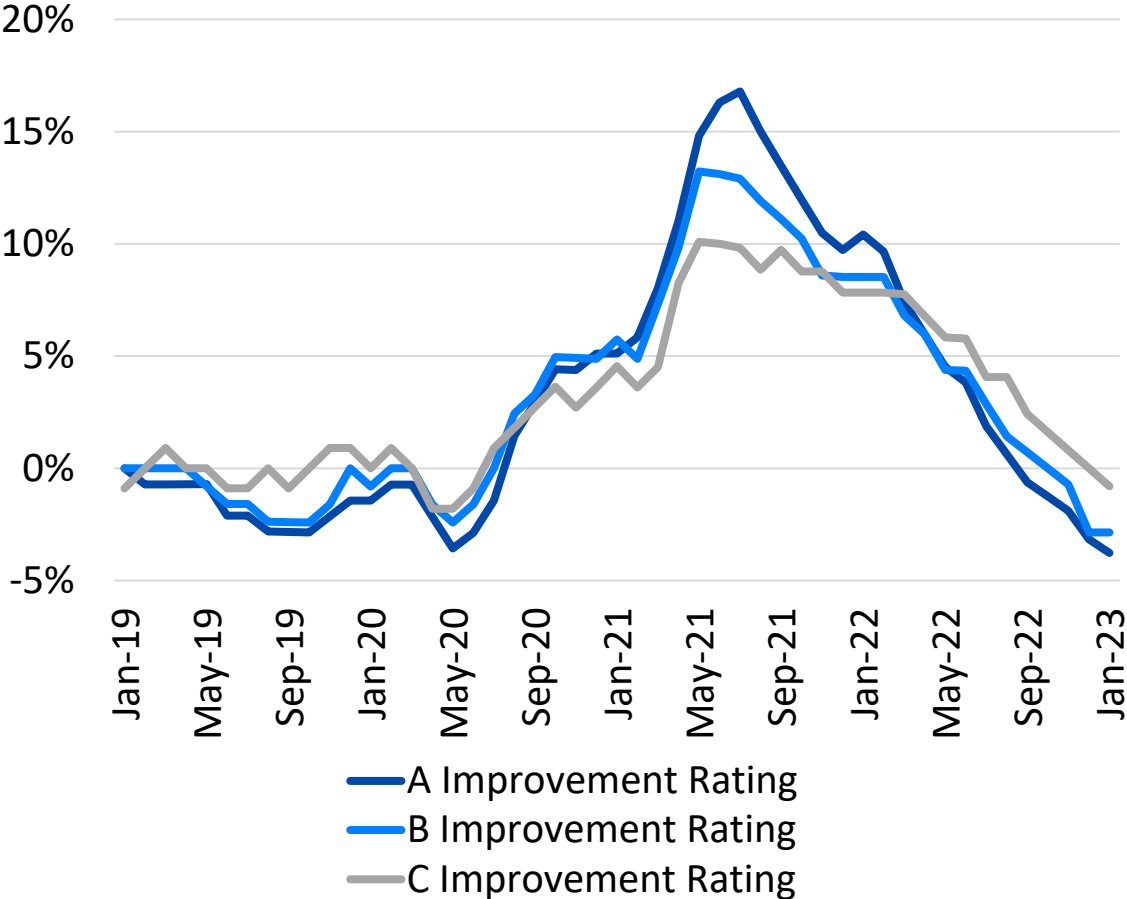
Year-over-Year Street Rate Growth



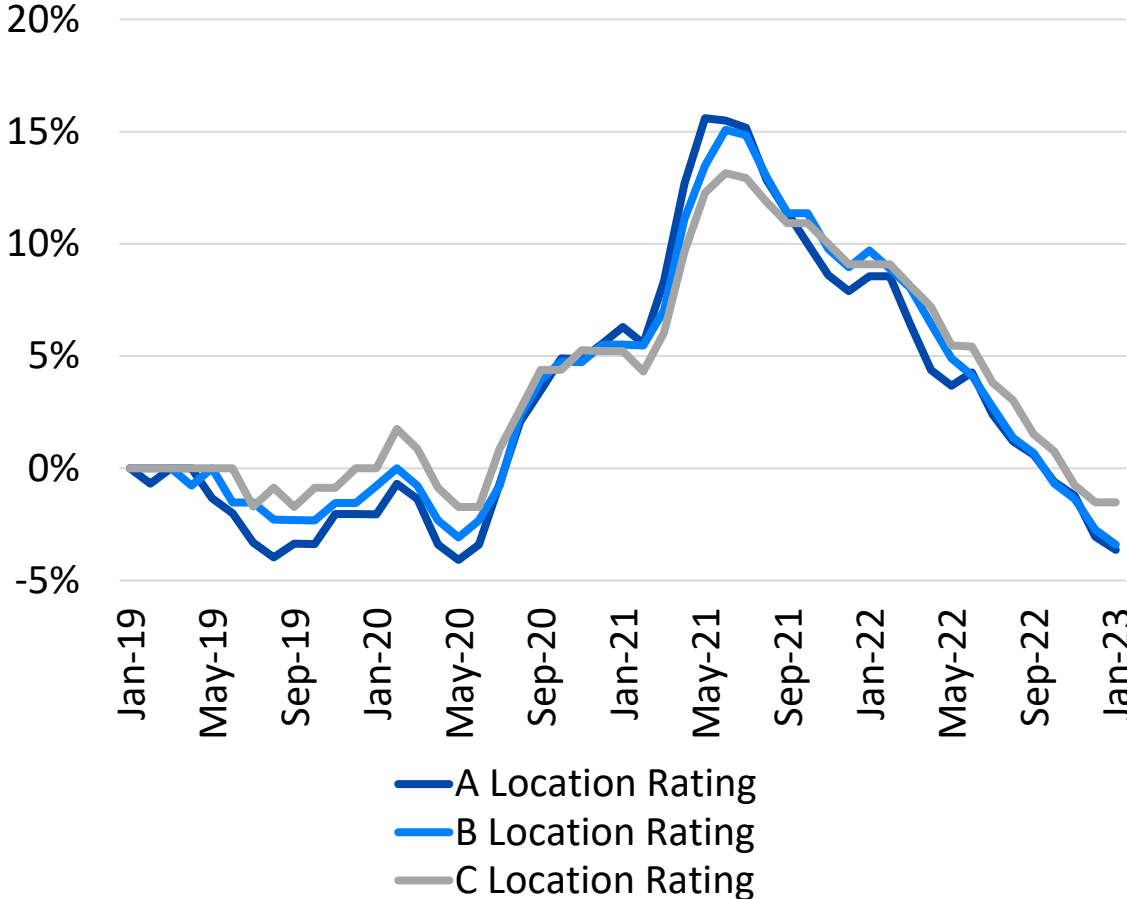
*National average rates include all unit types and sizes | Source: Yardi Matrix

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

Year-over-Year Street Rate Growth

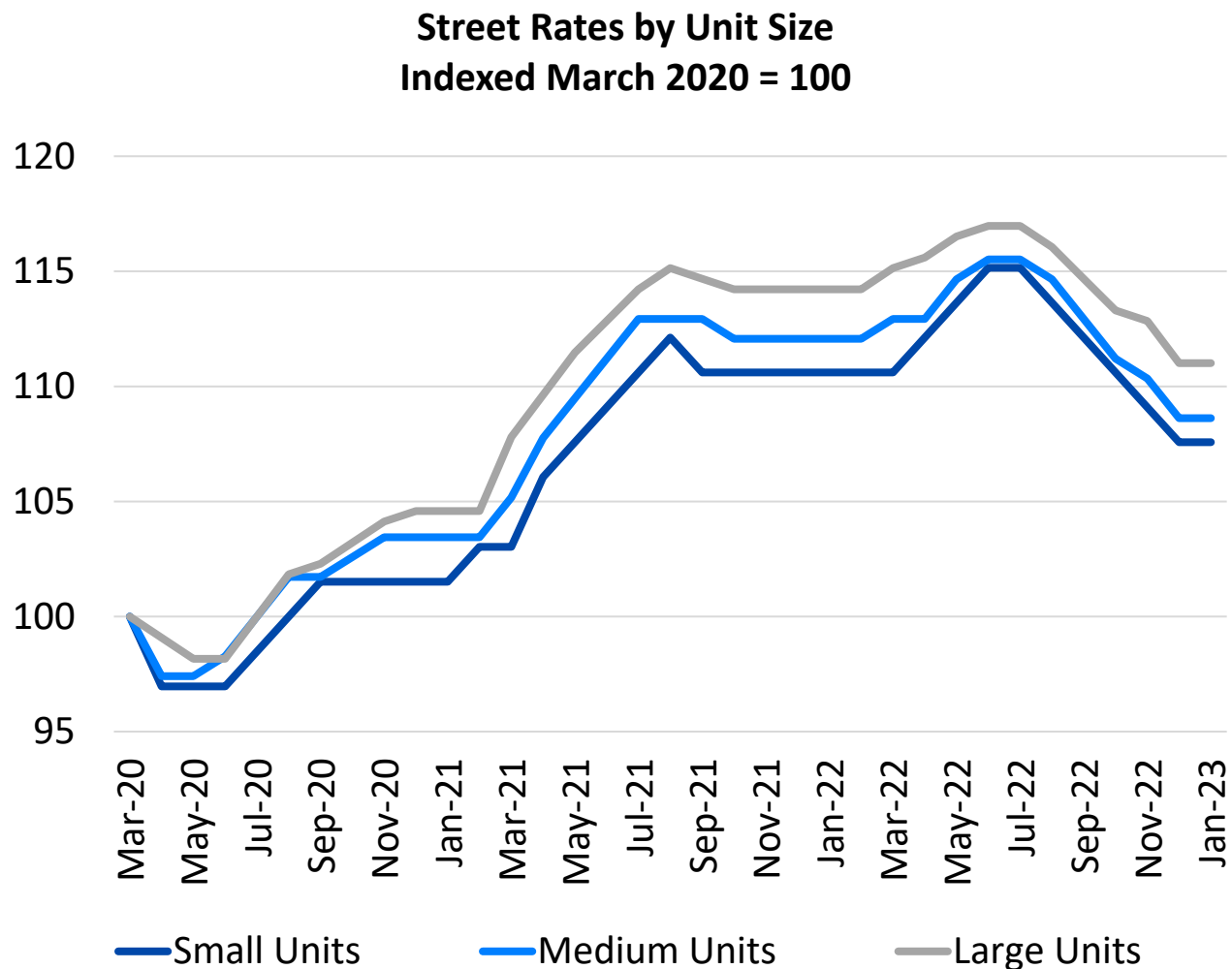


Year-over-Year Street Rate Growth



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

Street Rates for Large Units Seem to be Performing Better on a Relative Basis



- 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

Street Rate Growth For Large Units Outpaced Growth For Small Units in More Than Half of Yardi Matrix Markets

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Fayetteville NC	-9.5%	2.8%	12.3%
Staten Island	-12.0%	-1.8%	10.2%
New Orleans	-15.2%	-5.5%	9.7%
Amarillo	-9.4%	-1.2%	8.2%
Tulsa	0.0%	8.0%	8.0%
Augusta	-2.5%	5.4%	7.9%
Des Moines	-8.3%	-0.6%	7.7%
Chicago - Urban	-13.5%	-5.9%	7.6%
Syracuse	-3.2%	3.3%	6.5%
Scranton	-2.0%	4.4%	6.4%
Wilmington	0.0%	6.2%	6.2%
Lubbock	-7.7%	-1.6%	6.1%
Pensacola	-3.9%	2.1%	6.0%
Lansing - Ann Arbor	-4.3%	1.6%	5.9%
Midland - Odessa	-3.8%	2.0%	5.8%

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
South Bend	0.0%	5.4%	5.4%
Knoxville	-2.1%	2.8%	4.9%
Milwaukee	-4.9%	0.0%	4.9%
Honolulu	0.0%	4.7%	4.7%
Ft. Lauderdale	-6.5%	-1.9%	4.6%
Madison	3.4%	8.0%	4.6%
Queens	-3.5%	1.1%	4.6%
Atlanta - Urban	-7.0%	-2.5%	4.5%
Brooklyn	-3.4%	1.0%	4.4%
Worcester/Springfield	-3.3%	0.8%	4.1%
Columbus GA	-4.3%	-0.5%	3.8%
Corpus Christi	-4.3%	-0.5%	3.8%
Rochester	0.0%	3.8%	3.8%
Las Vegas	-9.4%	-5.7%	3.7%
Philadelphia - Urban	-10.0%	-6.3%	3.7%

*Top 30 markets with the greatest difference between year-over-year change in average street rate per square foot of non-climate-controlled units for January 2023 in large units vs small units | Source: Yardi Matrix



Markets with the Fastest Street Rate Growth for Small Unit Sizes

Market	Total Small Unit Inventory (NRSF)	Small Unit Average Rate per Sq Ft January 2022	Small Unit Average Rate per Sq Ft January 2023	Growth in Small Unit Average Rate (Jan '22 – Jan '23)
Anchorage	5,900	\$2.27	\$2.67	17.6%
Richland-Kennewick-Pasco	4,625	\$1.82	\$1.89	3.8%
Albany	14,075	\$1.87	\$1.94	3.7%
Syracuse	12,200	\$1.89	\$1.96	3.7%
Boise	7,800	\$1.53	\$1.58	3.3%
Dayton	16,775	\$1.34	\$1.38	3.0%
Eugene	24,325	\$2.02	\$2.08	3.0%
South Bend	9,675	\$1.43	\$1.47	2.8%
Winston-Salem-Greensboro	31,825	\$1.52	\$1.56	2.6%
Savannah - Hilton Head	23,587	\$1.96	\$2.01	2.6%
Central East Texas	32,925	\$1.58	\$1.62	2.5%
Greenville	36,850	\$1.20	\$1.23	2.5%
Macon	12,425	\$1.61	\$1.65	2.5%
Omaha	19,375	\$1.37	\$1.40	2.2%
Nashville	53,000	\$1.83	\$1.87	2.2%



Markets with the Fastest Street Rate Growth for Medium Unit Sizes

Market	Total Medium Unit Inventory (NRSF)	Medium Unit Average Rate per Sq Ft January 2022	Medium Unit Average Rate per Sq Ft January 2023	Growth in Medium Unit Average Rate (Jan' 22 – Jan '23)
Anchorage	10,775	\$1.62	\$1.86	14.8%
Syracuse	31,325	\$1.27	\$1.36	7.1%
Dayton	40,175	\$0.97	\$1.03	6.2%
McAllen	54,925	\$1.01	\$1.06	5.0%
Greenville	81,875	\$0.88	\$0.92	4.5%
Richland-Kennewick-Pasco	10,600	\$1.16	\$1.21	4.3%
Madison	13,625	\$1.16	\$1.20	3.4%
Albany	30,825	\$1.19	\$1.23	3.4%
Macon	26,525	\$1.03	\$1.06	2.9%
Lexington	23,975	\$1.08	\$1.11	2.8%
Nashville	107,150	\$1.21	\$1.24	2.5%
Eugene	44,275	\$1.30	\$1.33	2.3%
Toledo	26,750	\$0.96	\$0.98	2.1%
Fort Wayne	17,775	\$0.99	\$1.01	2.0%
Central East Texas	65,700	\$1.01	\$1.03	2.0%



*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	Total Large Unit Inventory (NRSF)	Large Unit Average Rate per Sq Ft January 2022	Large Unit Average Rate per Sq Ft January 2023	Growth in Large Unit Average Rate (Jan '22 – Jan '23)
Anchorage	29,100	\$1.21	\$1.33	9.9%
South Bend	54,800	\$0.59	\$0.63	6.8%
Madison	50,200	\$0.74	\$0.79	6.8%
Richland-Kennewick-Pasco	23,900	\$0.72	\$0.76	5.6%
Syracuse	80,000	\$0.83	\$0.87	4.8%
Tulsa	142,800	\$0.66	\$0.69	4.5%
Macon	72,700	\$0.73	\$0.76	4.1%
Tallahassee	17,400	\$0.86	\$0.89	3.5%
Eugene	122,900	\$0.89	\$0.92	3.4%
Wilmington	53,700	\$0.90	\$0.93	3.3%
Omaha	119,200	\$0.64	\$0.66	3.1%
Toledo	55,400	\$0.65	\$0.67	3.1%
Dayton	103,200	\$0.66	\$0.68	3.0%
McAllen	150,800	\$0.69	\$0.71	2.9%
Greenville	211,400	\$0.73	\$0.75	2.7%



Street Rate Summary & Outlook

- While street rates are declining in most markets, they remain historically strong
- The industry remained optimistic with the strong demand in 2022 despite the impact of the slowing housing market
- Self storage gained many new customers over the last two years, which operators are confident will stay on board
- Street rates will continue to normalize
- Operators will continue to find more upside potential in increasing existing customer rents to maximize rental income

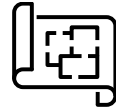
HISTORICAL & FORECASTED SUPPLY TRENDS

NEW STORAGE SUPPLY PIPELINE



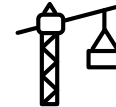
PROSPECTIVE

646 Properties
40MM Total Sq. Ft.
34MM Rentable Sq. Ft.



PLANNED

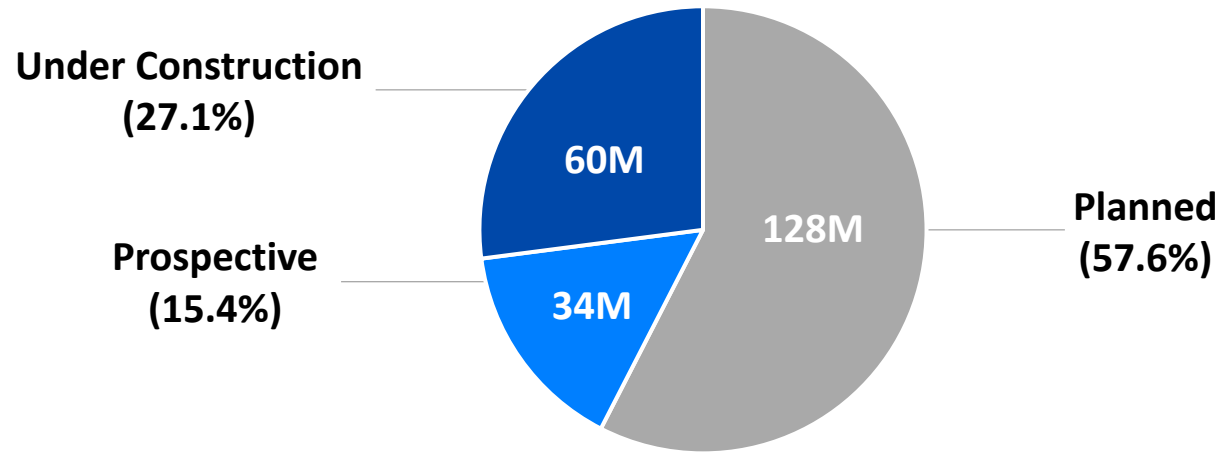
1,783 Properties
130MM Total Sq. Ft.
128MM Rentable Sq. Ft.



UNDER CONSTRUCTION

827 Properties
68MM Total Sq. Ft.
60MM Rentable Sq. Ft.

New Supply Pipeline: Where is New Supply Concentrated?

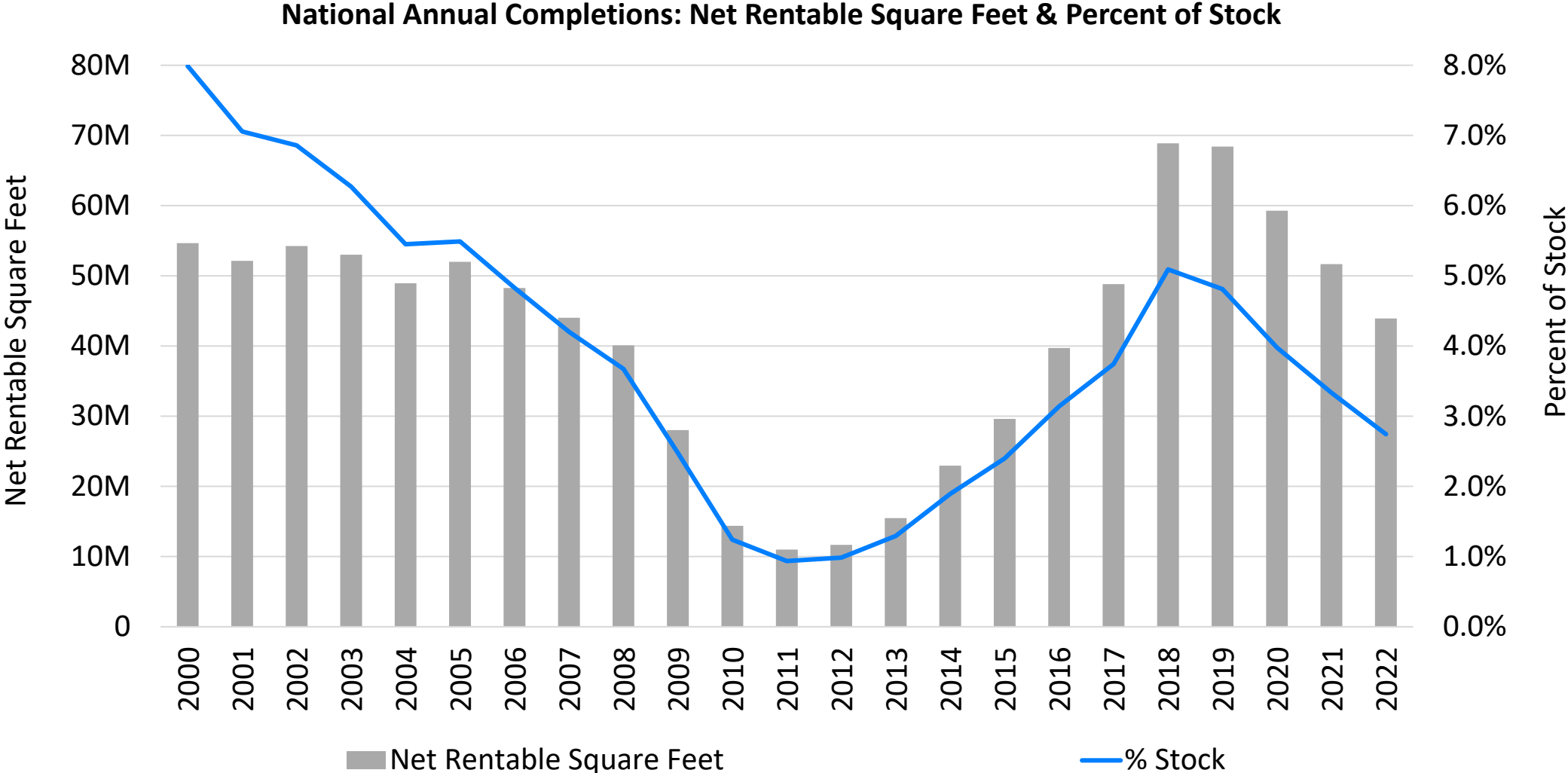


Top 10 Markets	NRSF	UC as a % of Existing Stock
Allentown-Bethlehem	555.5K	15.2%
Tallahassee	380.6K	13.8%
Providence	831.6K	12.7%
Portland ME	495.2K	12.6%
Buffalo	502.9K	12.1%
Cleveland-Akron	1,374.7K	9.3%
Boise	794.3K	9.0%
Albany	490.0K	8.5%
Knoxville	468.5K	8.2%
Madison	318.7K	8.0%

Top 10 Markets	NRSF	Planned as a % of Existing Stock
Tallahassee	687.6K	24.9%
Worcester-Springfield	1,469.8K	22.7%
Portland ME	869.7K	22.0%
Providence	1,412.1K	21.6%
Sarasota-Cape Coral	3,995.1K	20.0%
North Central Florida	1,875.7K	18.2%
Allentown-Bethlehem	647.5K	17.7%
Buffalo	703.5K	16.9%
Philadelphia	4,213.5K	16.0%
Tucson	1,091.9K	15.4%

Top 10 Markets	NRSF	Prospective as a % of Existing Stock
Tallahassee	242.9K	8.8%
North Central Florida	787.1K	7.7%
Sarasota-Cape Coral	1,495.2K	7.5%
Albany	365.8K	6.3%
Wilmington	174.0K	5.6%
Savannah-Hilton Head	312.6K	5.5%
Philadelphia	1,418.6K	5.4%
Miami	2,159.4K	5.3%
Phoenix	1,930.9K	5.2%
Pensacola	516.6K	5.1%

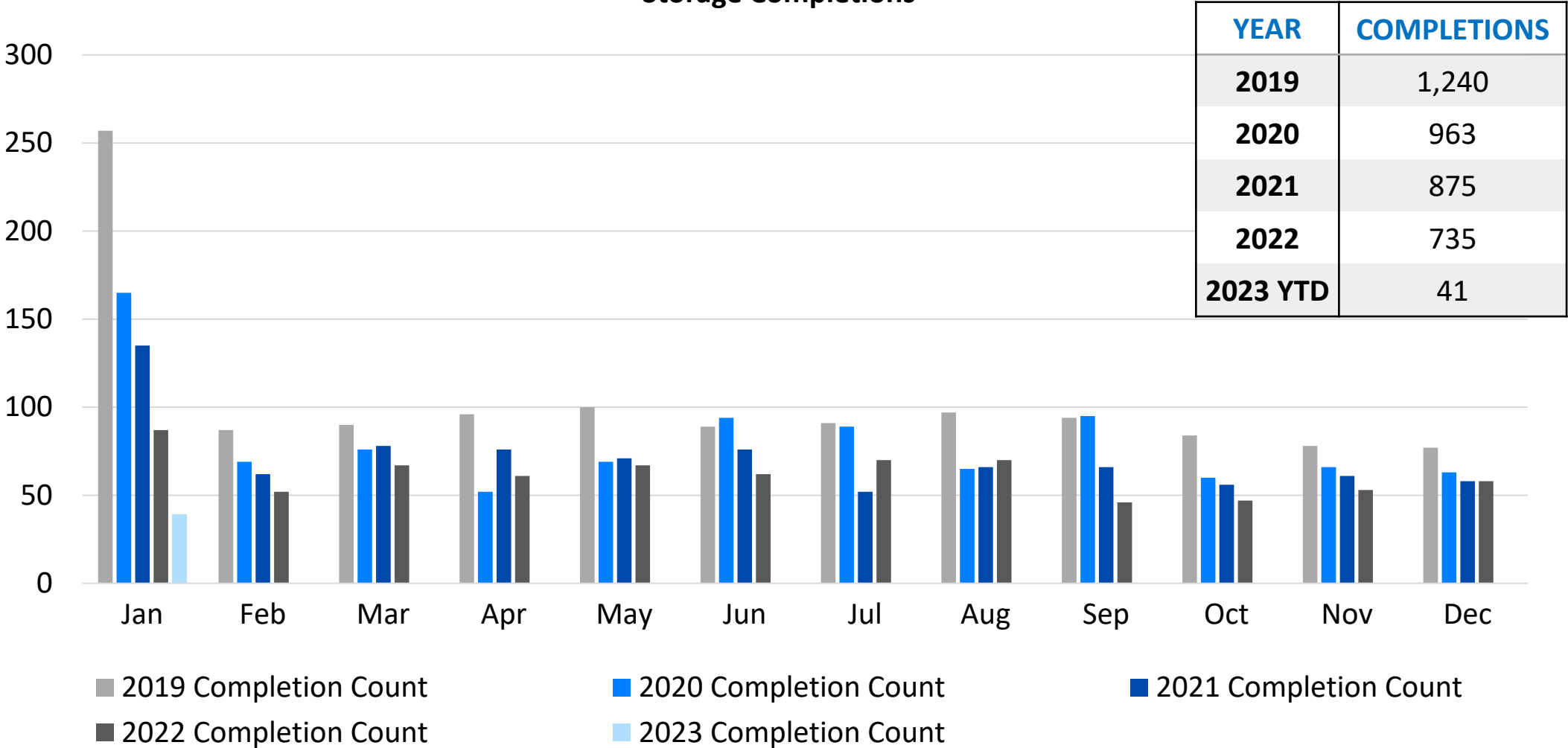
While 2022 Completions Will Likely Increase as More Data is Collected, Longer Construction Times May Also Be Pushing Some Completions Into 2023



Source: Yardi Matrix

2022 Completions Appear Low Compared to Previous Years, But These Numbers Will Increase as We Continue to Document Additional Completions

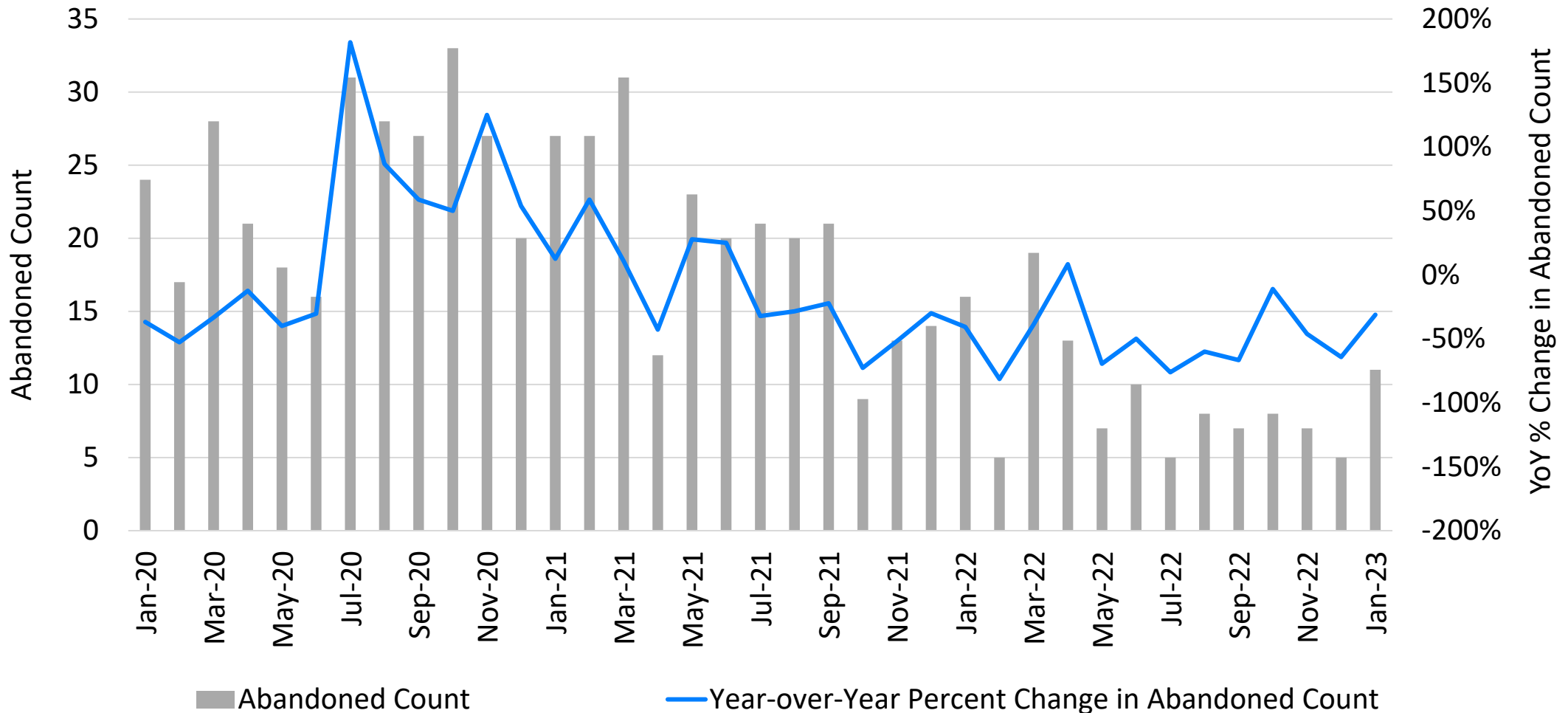
Storage Completions



Source: Yardi Matrix

The Number of Storage Projects Abandoned per Month Slowed in 2022 Compared to 2021, But Saw a Slight Uptick in January 2023

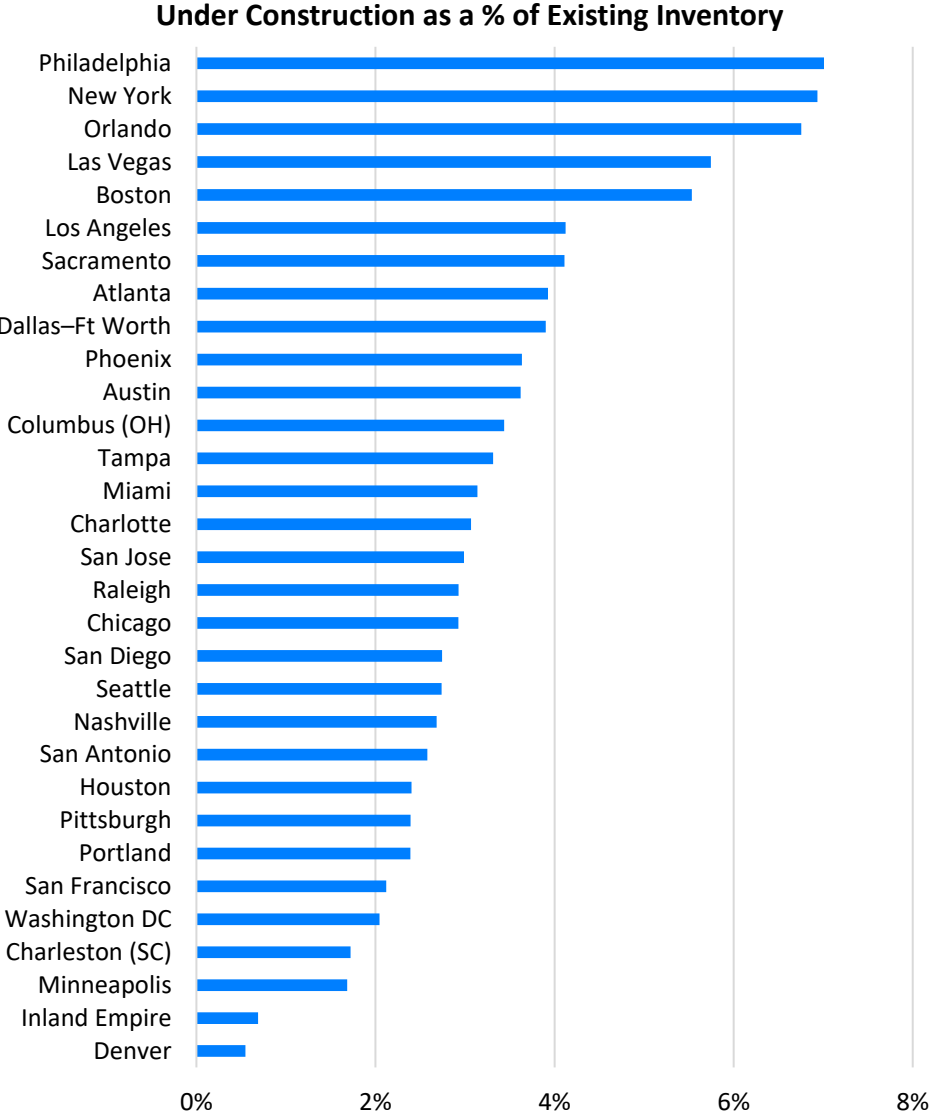
Abandoned Storage Projects Nationwide



*Data as of February 2023 | Source: Yardi Matrix

Heavy Supply in Major Markets with Low Existing Stock & Strong Population Growth

Market	UC % of Completed Feb 2023	Market	UC % of Completed Feb 2023
Philadelphia	7.0%	Raleigh - Durham	2.9%
New York	6.9%	Chicago	2.9%
Orlando	6.8%	San Diego	2.7%
Las Vegas	5.7%	Seattle	2.7%
Boston	5.5%	Nashville	2.7%
Los Angeles	4.1%	San Antonio	2.6%
Sacramento	4.1%	Houston	2.4%
Atlanta	3.9%	Pittsburgh	2.4%
Dallas - Ft Worth	3.9%	Portland	2.4%
Phoenix	3.6%	San Francisco	2.1%
Austin	3.6%	Washington DC	2.0%
Columbus (OH)	3.4%	Charleston (SC)	1.7%
Tampa	3.3%	Minneapolis	1.7%
Miami	3.1%	Inland Empire	0.7%
Charlotte	3.1%	Denver	0.5%
San Jose	3.0%		

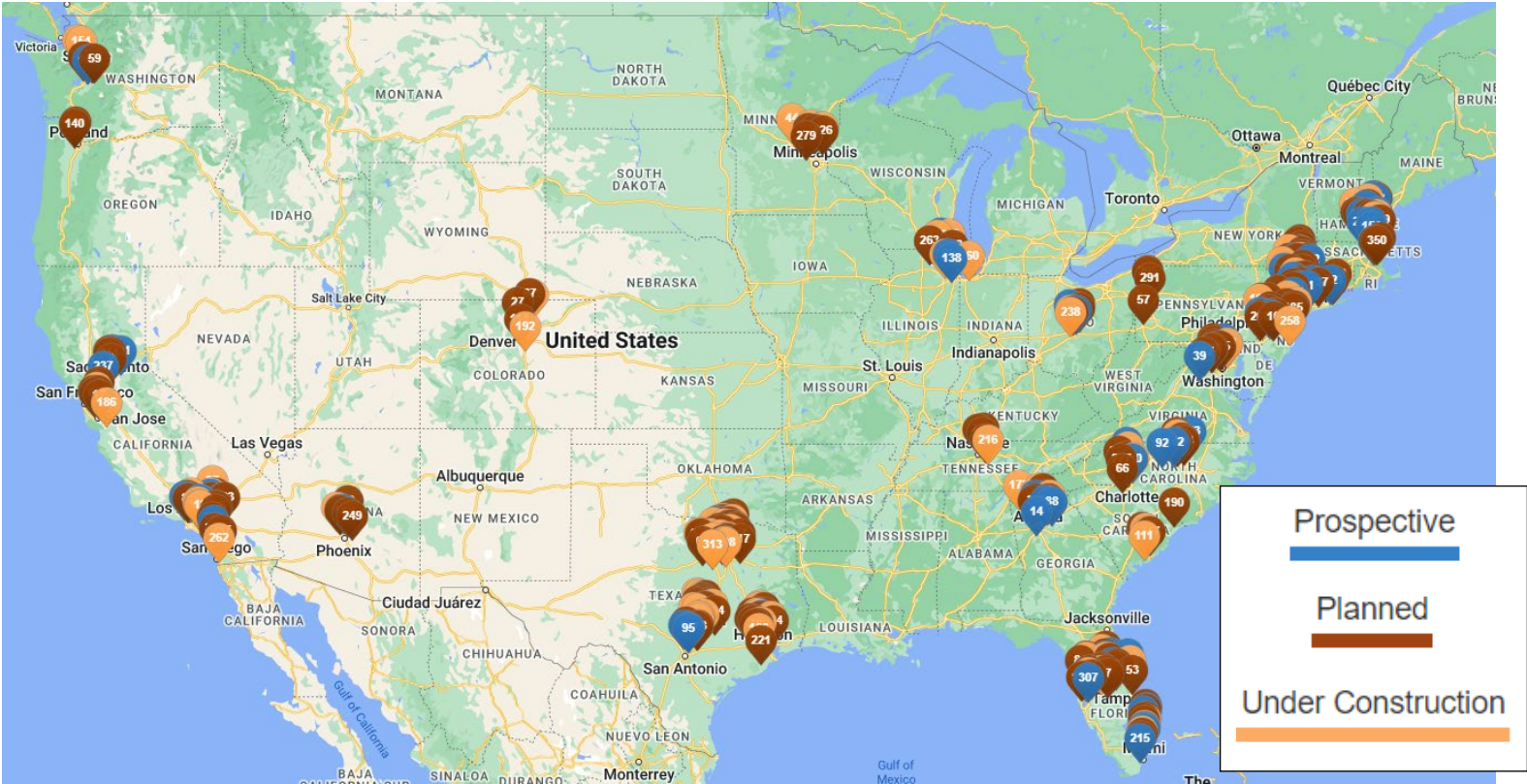


*Drawn from our national database of more than 33,698 properties, including 4,626 in the various stages of development and 29,072 completed properties

Source: Yardi Matrix | Data as of February 2023



Expansions Account for Roughly 20% of Development Activity in Major Markets



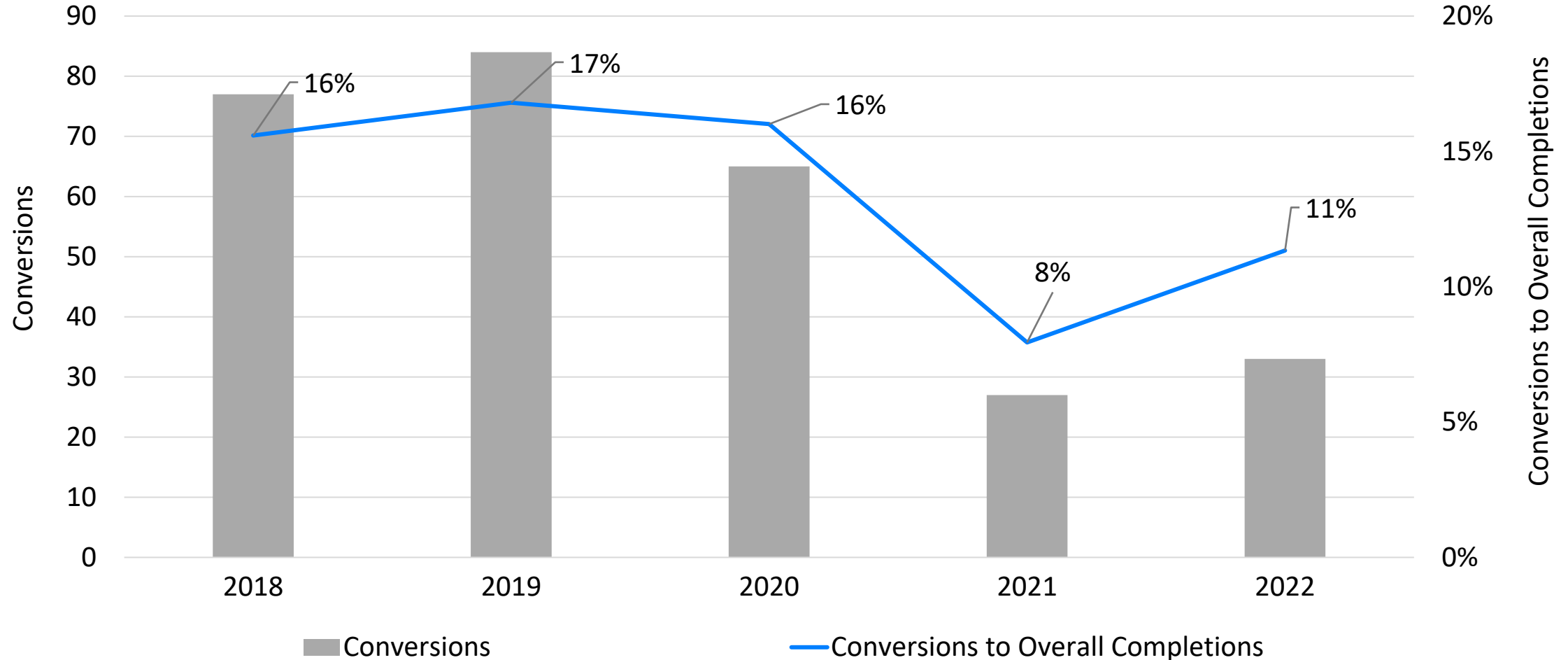
Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	72	2.7	2.2
Planned	198	8.6	7.2
Under Construction	91	4.2	3.6
TOTAL EXPANSIONS:	361	15.5	13.0



*Major markets only | Source: Yardi Matrix

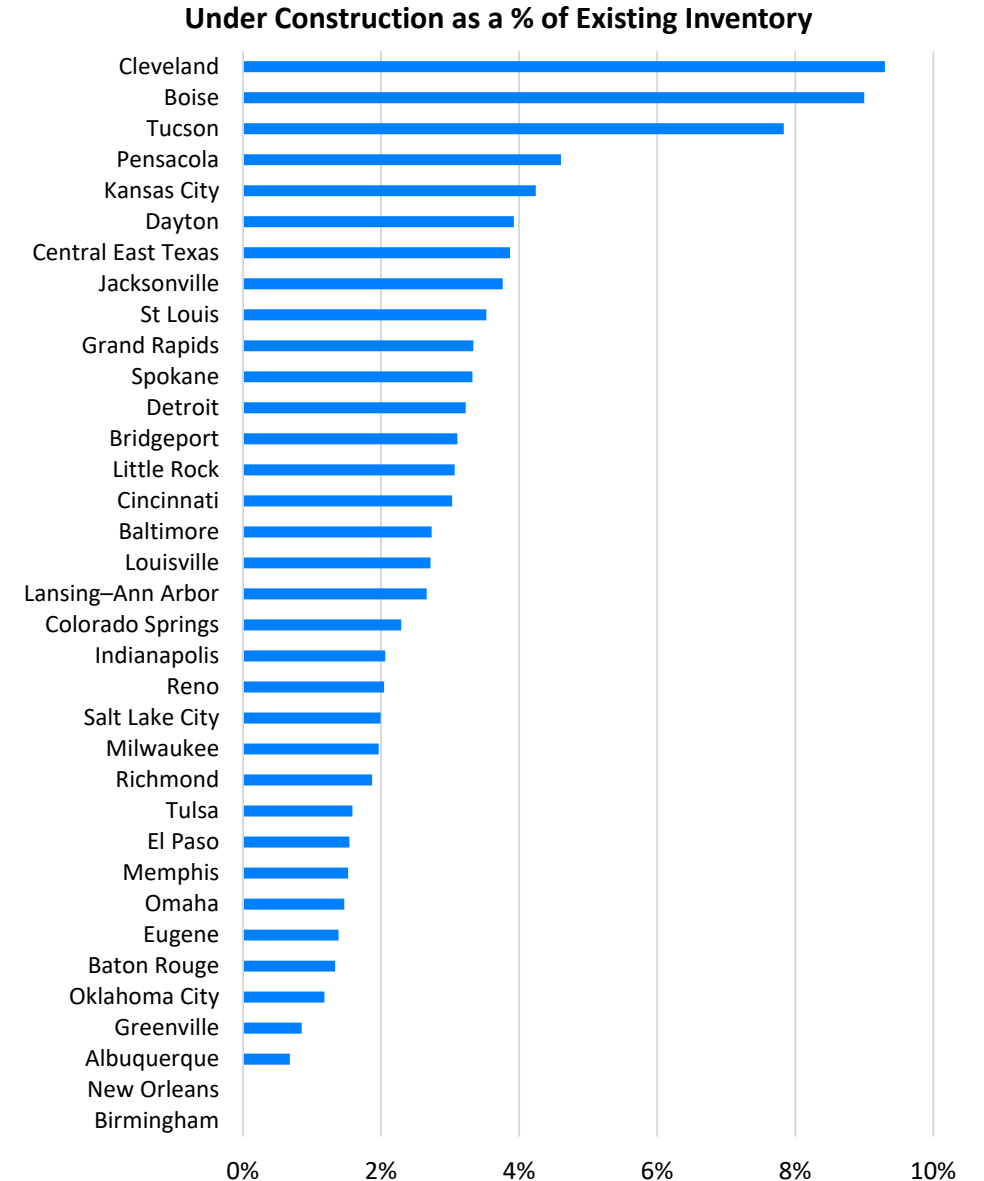
There Has Been a Sharp Drop in Conversion Activity for Major Markets Over the Past Two Years

Conversion Count and % of Total Storage Completions: 2018-2022



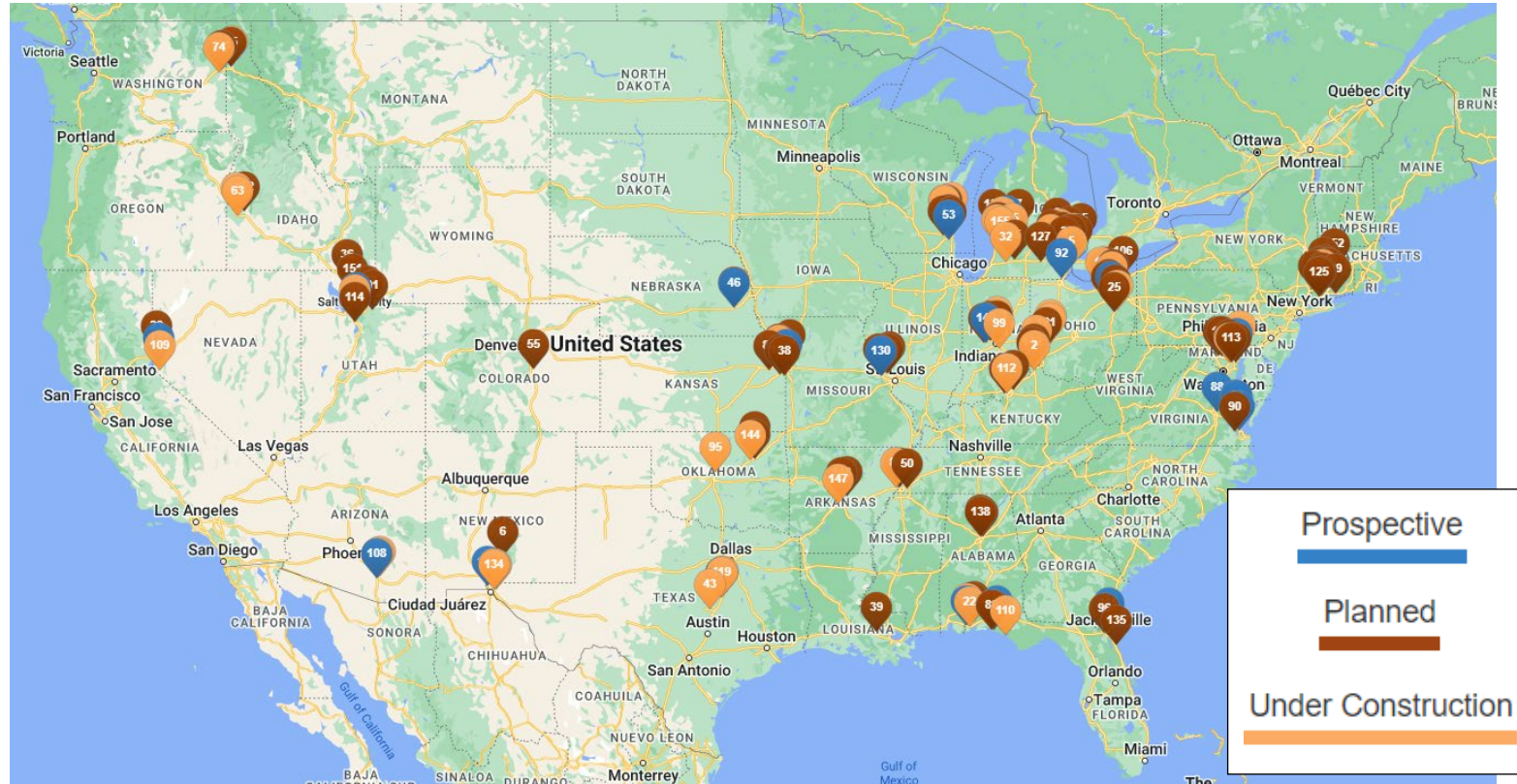
Development Activity Continues to Increase in Several Tertiary Markets

Market	UC % of Completed Feb 2023	Market	UC % of Completed Feb 2023
Cleveland	9.3%	Colorado Springs	2.3%
Boise	9.0%	Indianapolis	2.1%
Tucson	7.8%	Reno	2.0%
Pensacola	4.6%	Salt Lake City	2.0%
Kansas City	4.2%	Milwaukee	2.0%
Dayton	3.9%	Richmond	1.9%
Central East Texas	3.9%	Tulsa	1.6%
Jacksonville	3.8%	El Paso	1.5%
St Louis	3.5%	Memphis	1.5%
Grand Rapids	3.3%	Omaha	1.5%
Spokane	3.3%	Eugene	1.4%
Detroit	3.2%	Baton Rouge	1.3%
Bridgeport	3.1%	Oklahoma City	1.2%
Little Rock	3.1%	Greenville	0.9%
Cincinnati	3.0%	Albuquerque	0.7%
Baltimore	2.7%	Birmingham	0.0%
Louisville	2.7%	New Orleans	0.0%
Lansing-Ann Arbor	2.7%		



*Drawn from our national database of more than 33,698 properties, including 4,626 in the various stages of development and 29,072 completed properties

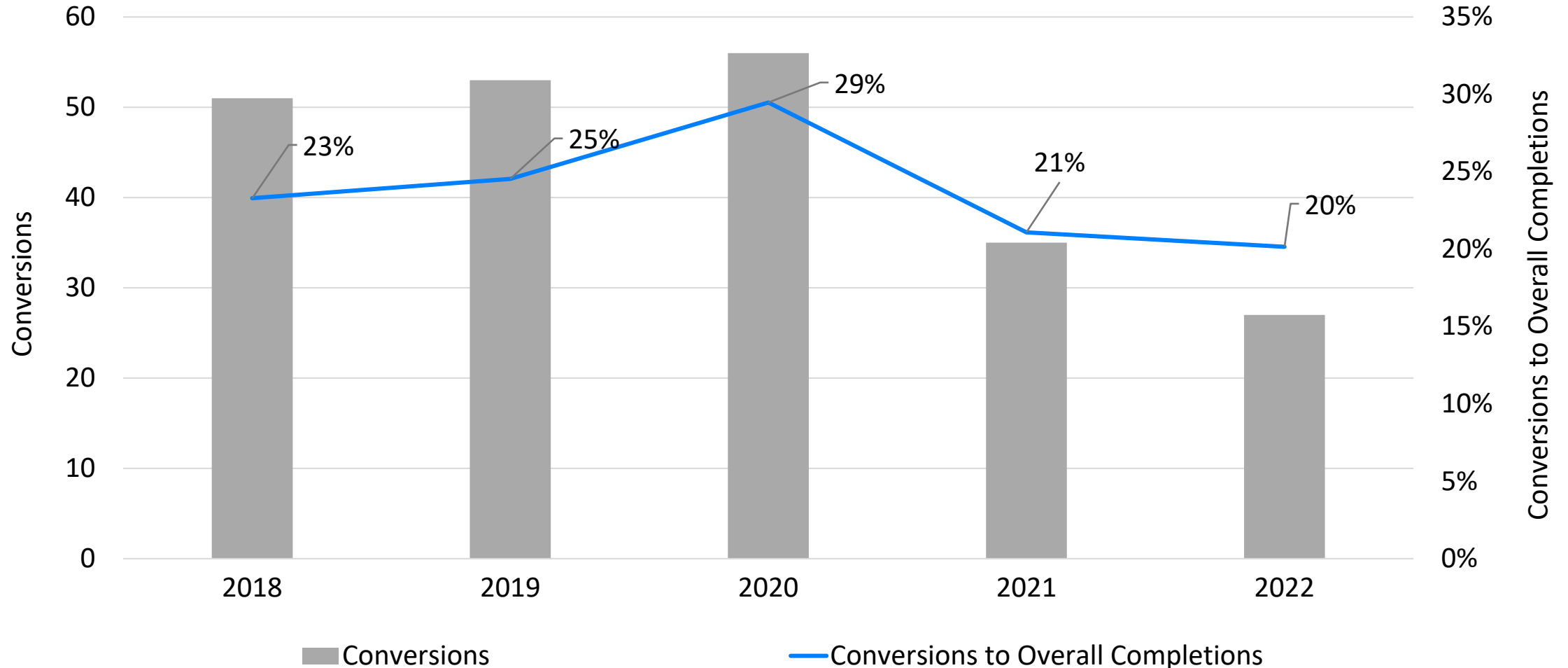
About 22% of the Development Activity in Tertiary Markets is Expansions



Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	22	1.0	0.9
Planned	87	3.0	2.7
Under Construction	49	2.0	1.8
TOTAL EXPANSIONS:	158	6.0	5.4

Over the Past Five Years, Conversions Have Accounted for Much More of the New Deliveries in Tertiary Market Than Major Markets

Conversion Count and % of Total Storage Completions: 2018-2022



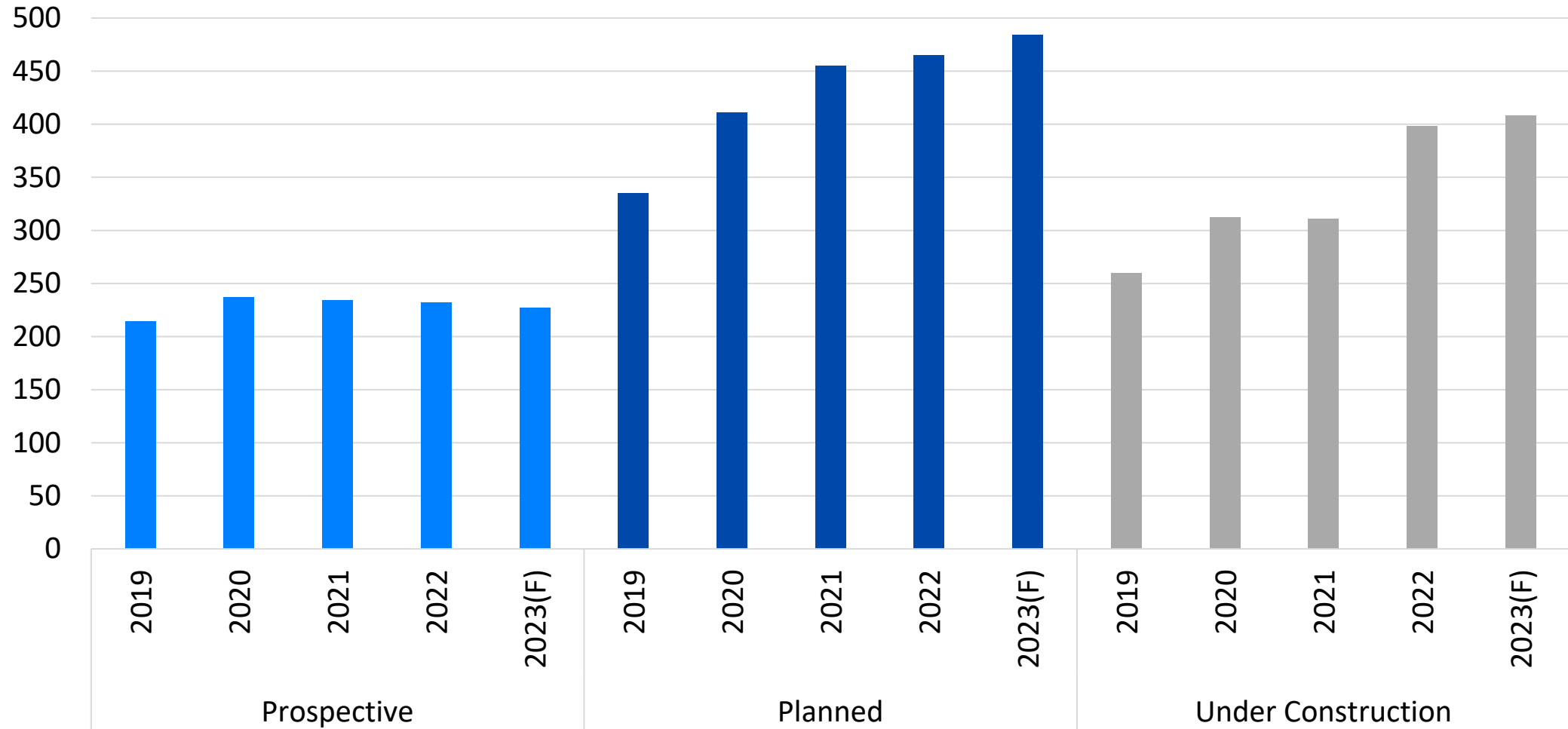
Takeaways From Our Q1 2023 Self Storage Supply Forecast

- Yardi Matrix is forecasting 52.58MM net rentable square feet will be delivered in 2023, relatively unchanged compared to our Q4 2022 forecast of 52.56MM net rentable square feet
- We anticipate a mild recession in mid- to late-2023 will depress construction starts. Consequently, the Q1 2023 Self Storage Completions Forecast has reduced forecasted completions for 2024 and 2025 compared to the previous quarter's forecasts
- Nationally, 57.0 mm net rentable square feet of self storage properties are currently under construction, an increase over levels seen in Q4 2022. However, longer construction completion times will moderate the pace of new supply deliveries
- The construction timeline for the full year 2022 is longer than in the past, but in the last quarter it started to quicken slightly— in Q4 2022 it was 404 days, a slight decrease over the 425 days recorded in Q3 2022

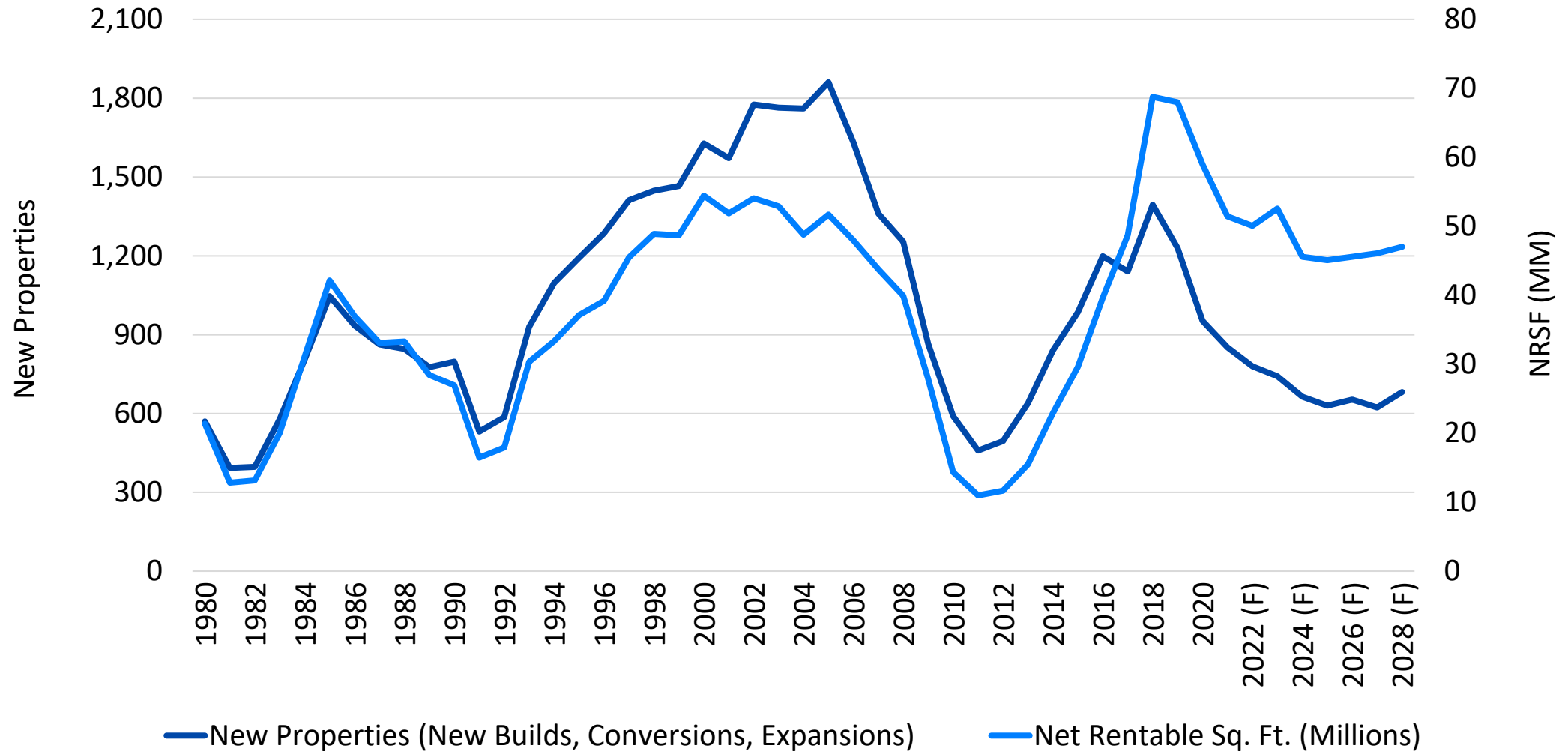


The Average Number of Days Under Construction is Steadily Increasing

National Average Days in Development Stage per Year



Our Current Forecast Shows a Significant Moderation in Deliveries in 2024-2025



*National totals | Source: Yardi Matrix

Forecast of New Storage Supply Summary

National Q1 2023 Update

Property Forecasts	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	425	496	458	466	475	448	549
Conversion	85	74	39	44	37	54	53
Expansion	231	172	166	120	141	121	80
Total	741	742	664*	630	653	623	682

NRSF Forecasts (MM)	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	30.80	40.75	36.81	36.43	37.07	37.70	40.71
Conversion	6.44	5.72	2.72	3.53	3.12	3.83	3.96
Expansion	6.67	6.11	6.04	5.13	5.40	4.57	2.37
Total	43.91	52.58	45.59*	45.10	45.59	46.10	47.04
NRSF as a % of Stock	2.7%	3.2%	2.7%	2.6%	2.6%	2.5%	2.5%



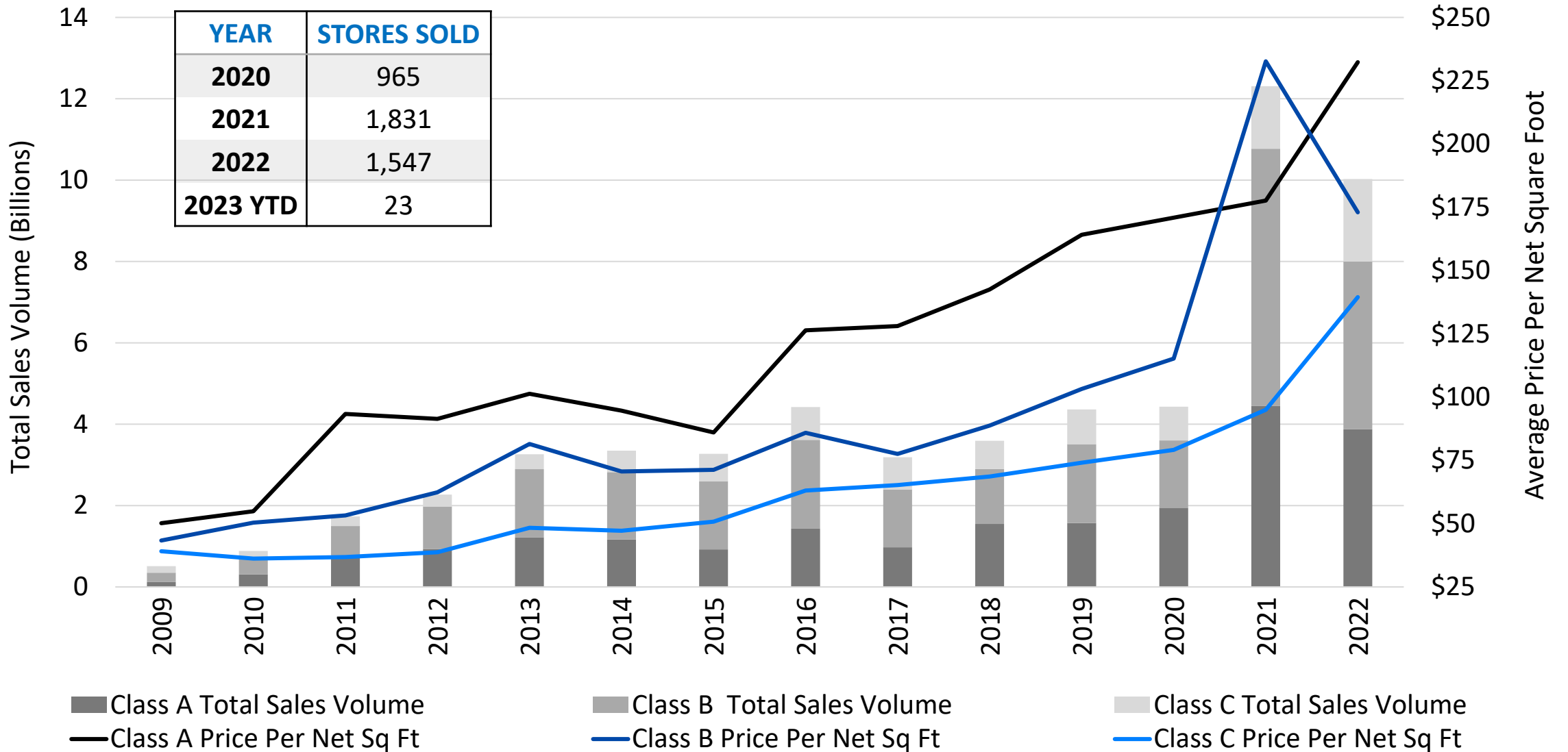
*2024 total also includes completed stock for one "renovation" property. NRSF as a % of stock based on previous year's inventory | Source: Yardi Matrix

New Supply Summary & Outlook

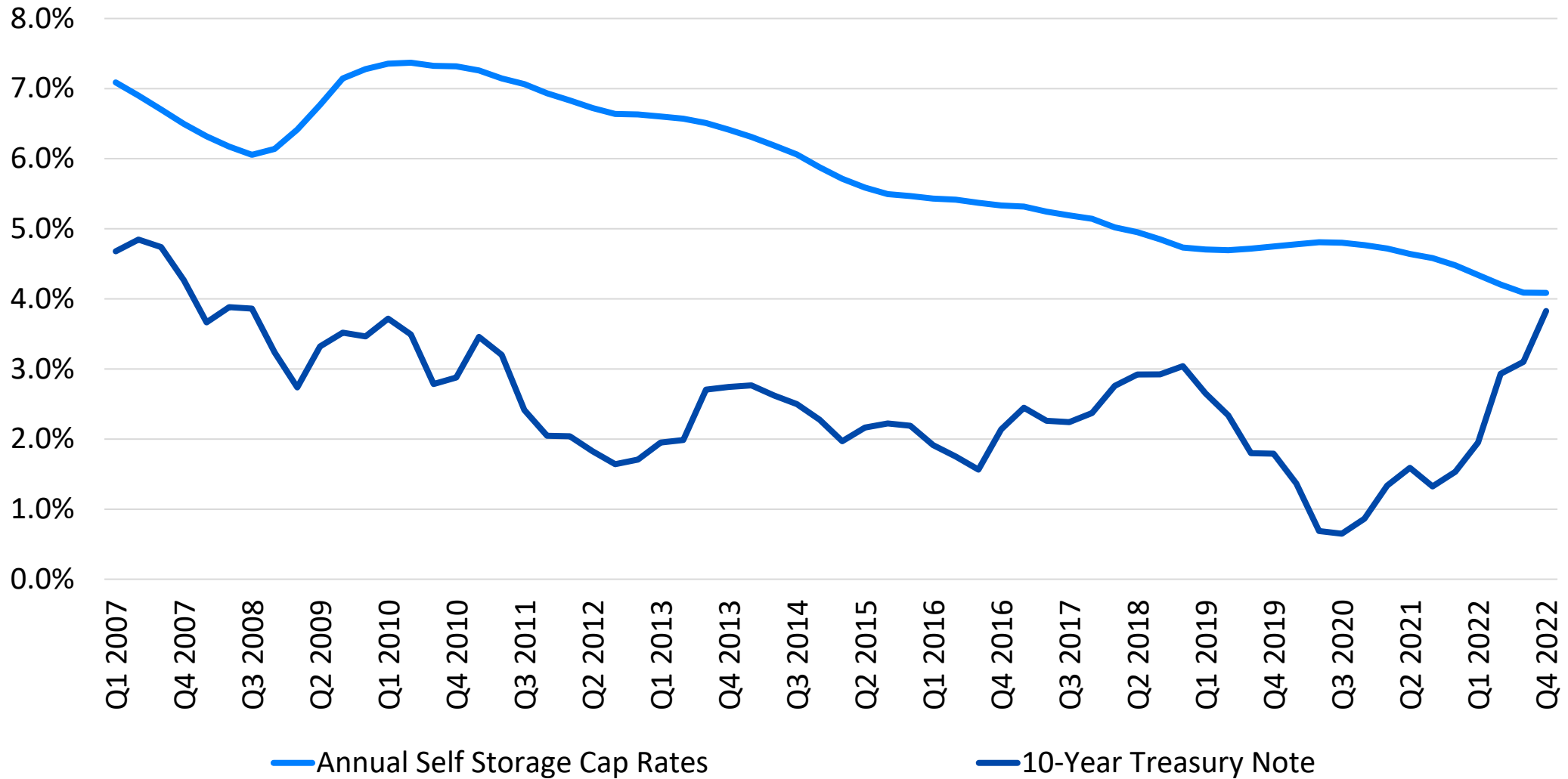
- The amount of new supply under construction has increased, however, elevated construction timelines seem to be moderating the pace of new deliveries
- Projects that do not already have financing will be difficult to make come to fruition. As a result, the large number of projects in the planning stages are likely to be delayed or completely canceled
- We anticipate new starts to slow due to sharp rise in development costs
- Future reduction in under construction pipeline expected as currently under construction projects are completed and there is less of a pipeline to backfill
- Slowdown in development will be a welcomed trend for owners and operators

SELF STORAGE TRANSACTIONS

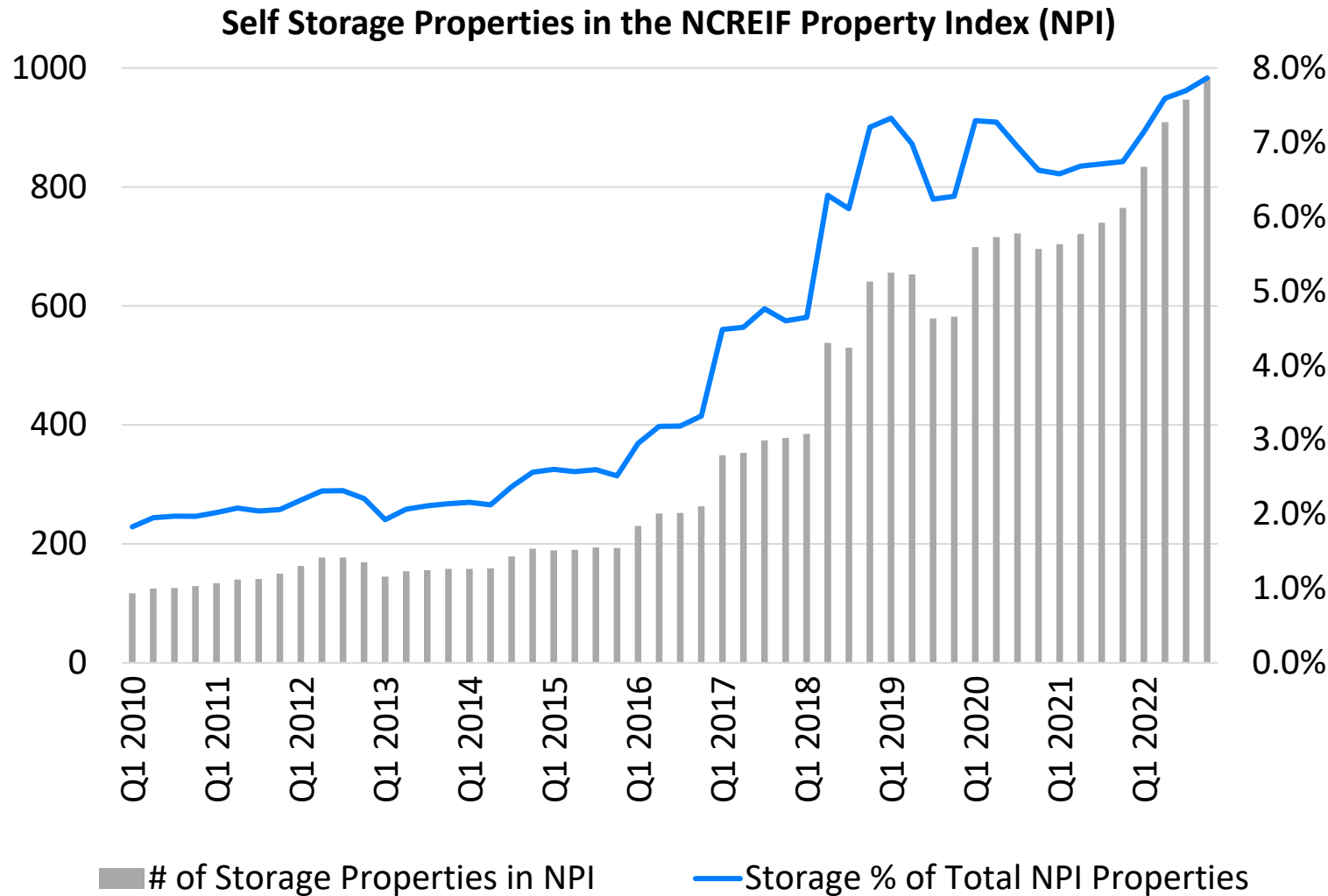
After a Record Year, Transaction Volume Moderated Slightly in 2022



NCREIF Self Storage Cap Rates Measured Via Appraisals Have Trended Down Over the Last Two Decades



The Institutionalization of Self Storage Continues



- Institutional investors interest in self storage continues to increase
- Life Storage rejected Public Storage’s recent \$11B acquisition proposal. Despite a 19% premium, Life Storage concluded the offer undervalued its future growth and value creation
- Historically, a fragmented market of “mom-and-pop” owners, institutional investors are seeing the opportunity to control and consolidate self storage

*All properties in the NPI have been acquired, at least in part, by institutional investors and are held in a fiduciary environment

Source: Yardi Matrix; National Council of Real Estate Investment Fiduciaries (NCREIF); GlobeSt.com

REITs Dominated the List for Storage Acquisitions in 2022

Top 10 Buyers 2022	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
Extra Space Storage	Real Estate Investment Trust	80	7,355,345	\$1,195.10
LifeStorage	Real Estate Investment Trust	68	6,113,752	\$757.10
The William Warren Group	Institutional Investor	69	4,808,567	\$87.45
Public Storage	Real Estate Investment Trust	66	4,669,731	\$466.18
National Storage Affiliates	Real Estate Investment Trust	47	3,355,693	\$300.82
Merit Hill Capital	Private Owner	57	2,849,851	\$227.54
SROA Capital	Private Owner	60	2,806,211	\$154.69
Andover Properties	Private Owner	31	2,550,455	\$139.68
Prime Group Holdings	Private Owner	30	2,391,485	\$231.47
InSite	Private Owner	25	1,709,768	\$373.35



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

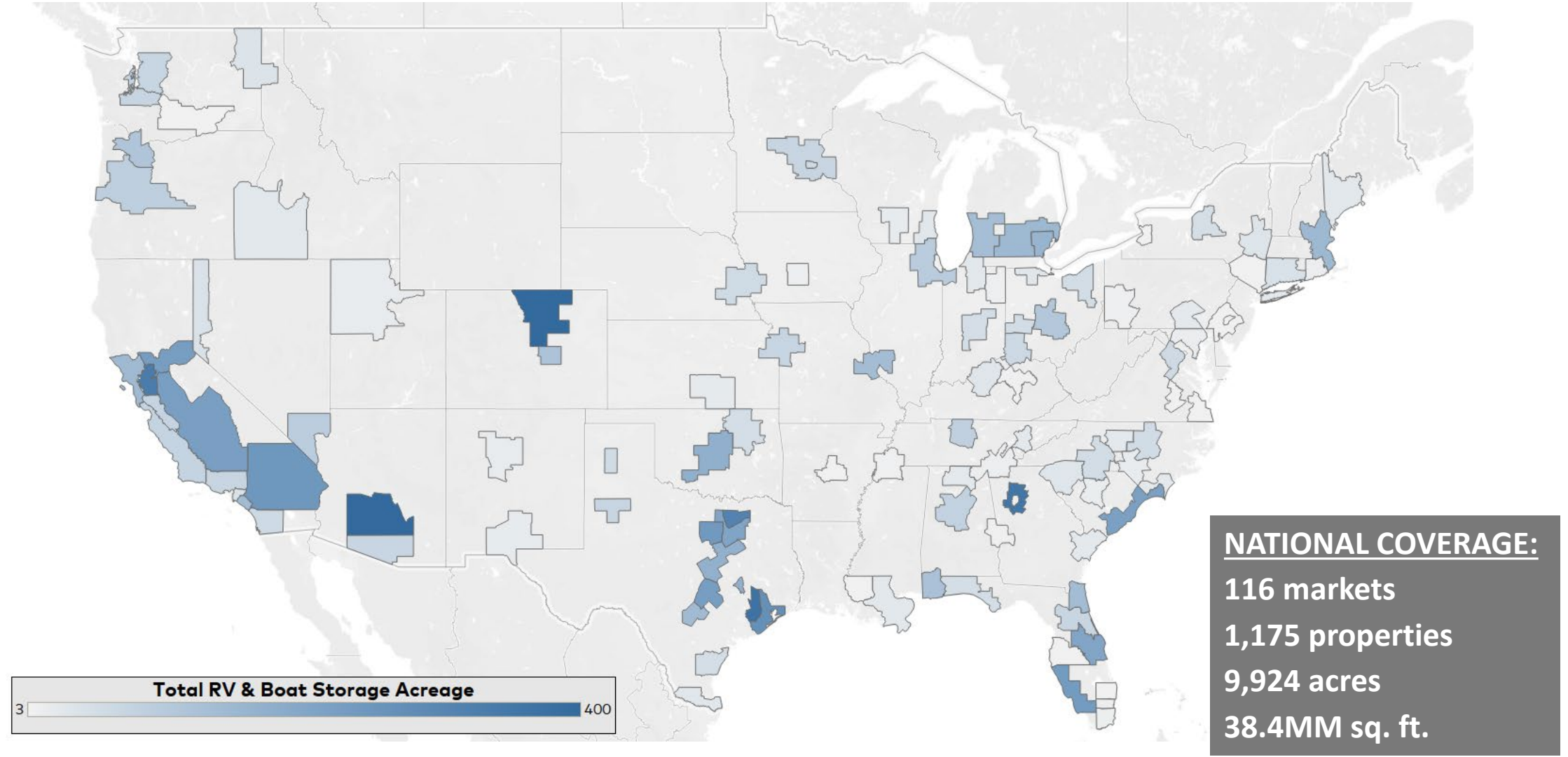
Almost All of the Top Sellers of Storage Assets Were Private Owners in 2022

Top 10 Sellers 2022	Type	Count of Stores Sold	Total Sq Ft Sold	Total Sales Volume (MM)
World Class Capital Group	Private Owner	61	4,121,263	\$0.00
Wentworth Property Company	Private Owner	19	1,486,055	\$39.00
Wasatch Storage Partners	Private Owner	14	1,196,156	\$142.92
Neighborhood Storage Center	Private Owner	26	1,158,064	\$185.70
Five Star Store It	Private Owner	28	1,119,664	\$10.99
Columbia Pacific Advisors	Private Owner	10	1,114,091	\$240.26
Amber, Samuel	Private Owner	7	933,517	NULL
CubeSmart	Real Estate Investment Trust	11	837,715	\$143.88
10 Federal	Private Owner	25	807,406	\$31.43
Red Dot Storage	Private Owner	17	773,226	\$45.92



RV AND BOAT STORAGE

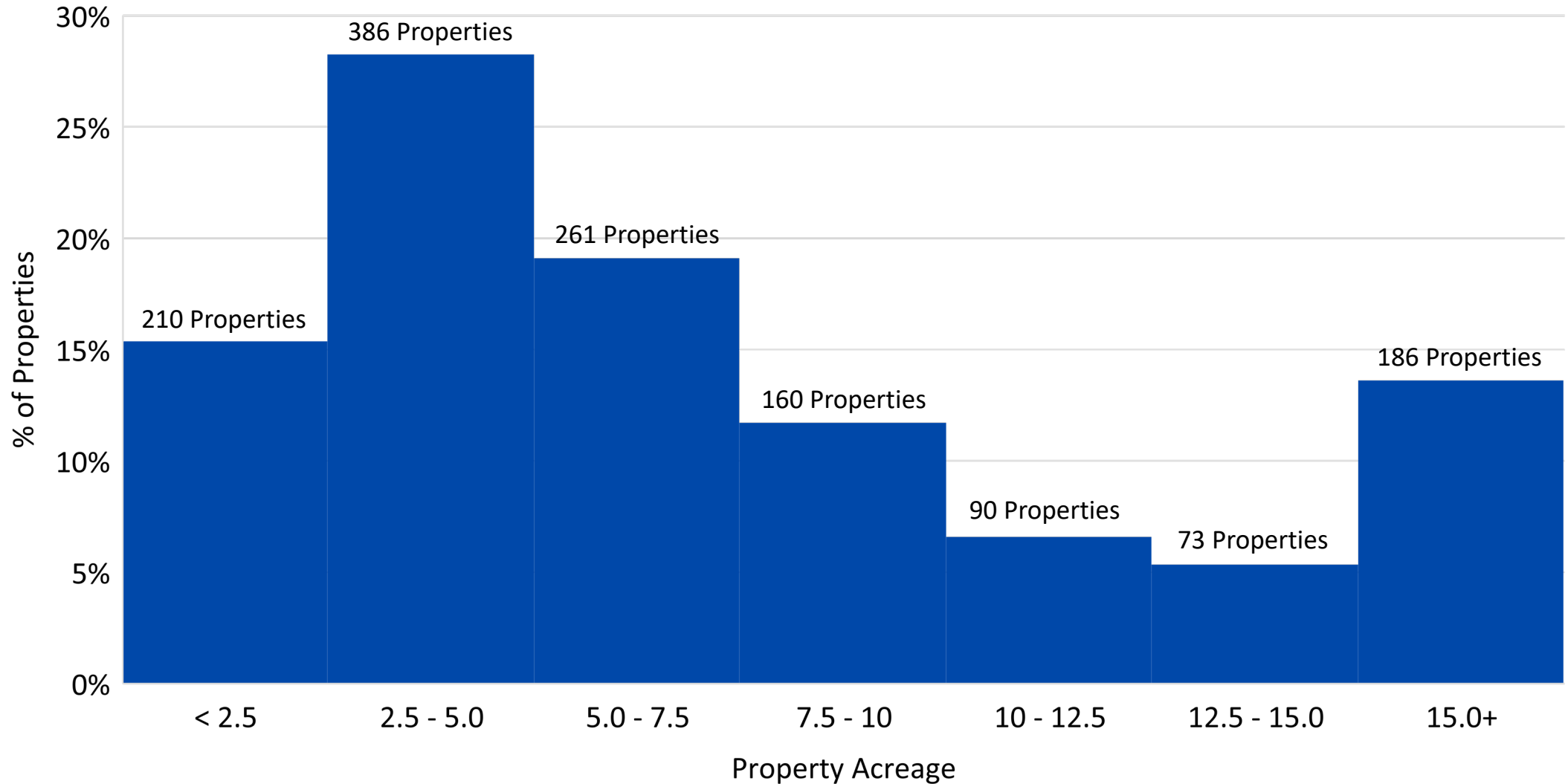
Yardi Matrix RV & Boat Storage Coverage



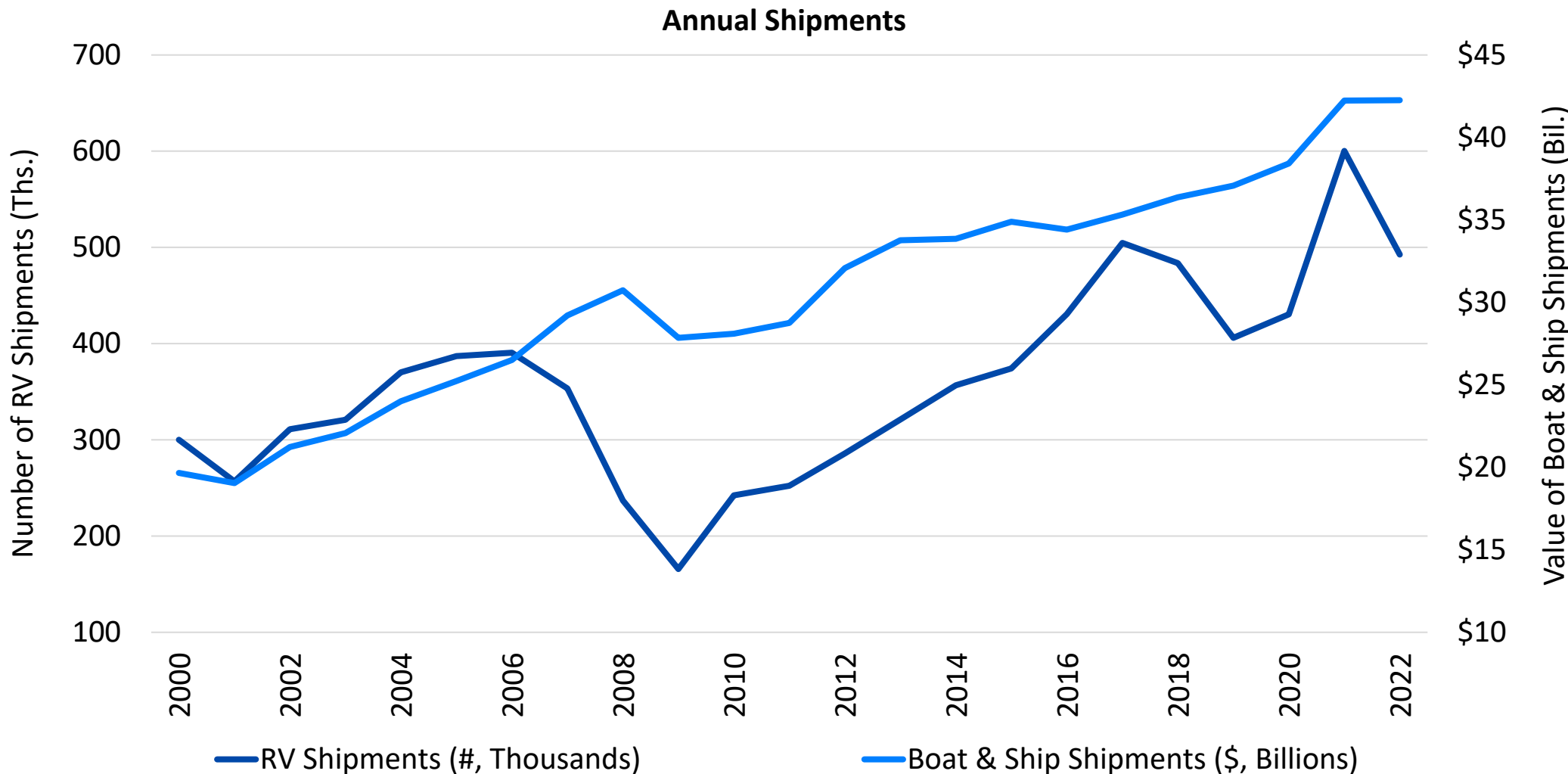
Fundamentals in the RV and Boat Storage Niche Outpaced Traditional Self Storage Assets in 2022

	RV & BOAT STORAGE	OVERALL SELF STORAGE
INVENTORY: Total Existing Sq. Ft.	38,431,849	1,873,967,403
DEVELOPMENT: UC as a % of Existing Stock	5.1%	3.6%
NEW SUPPLY: 2022 Deliveries as a % of Stock	2.8%	2.5%
TRANSACTIONS: 2022 YoY Change in Total # of Sales	-3.0%	-15.5%
TRANSACTIONS: 2022 YoY Change in Sales Price Per Sq. Ft.	57.4%	1.0%

Roughly 75% of all RV and Boat Storage Facilities are 10 Acres or Smaller

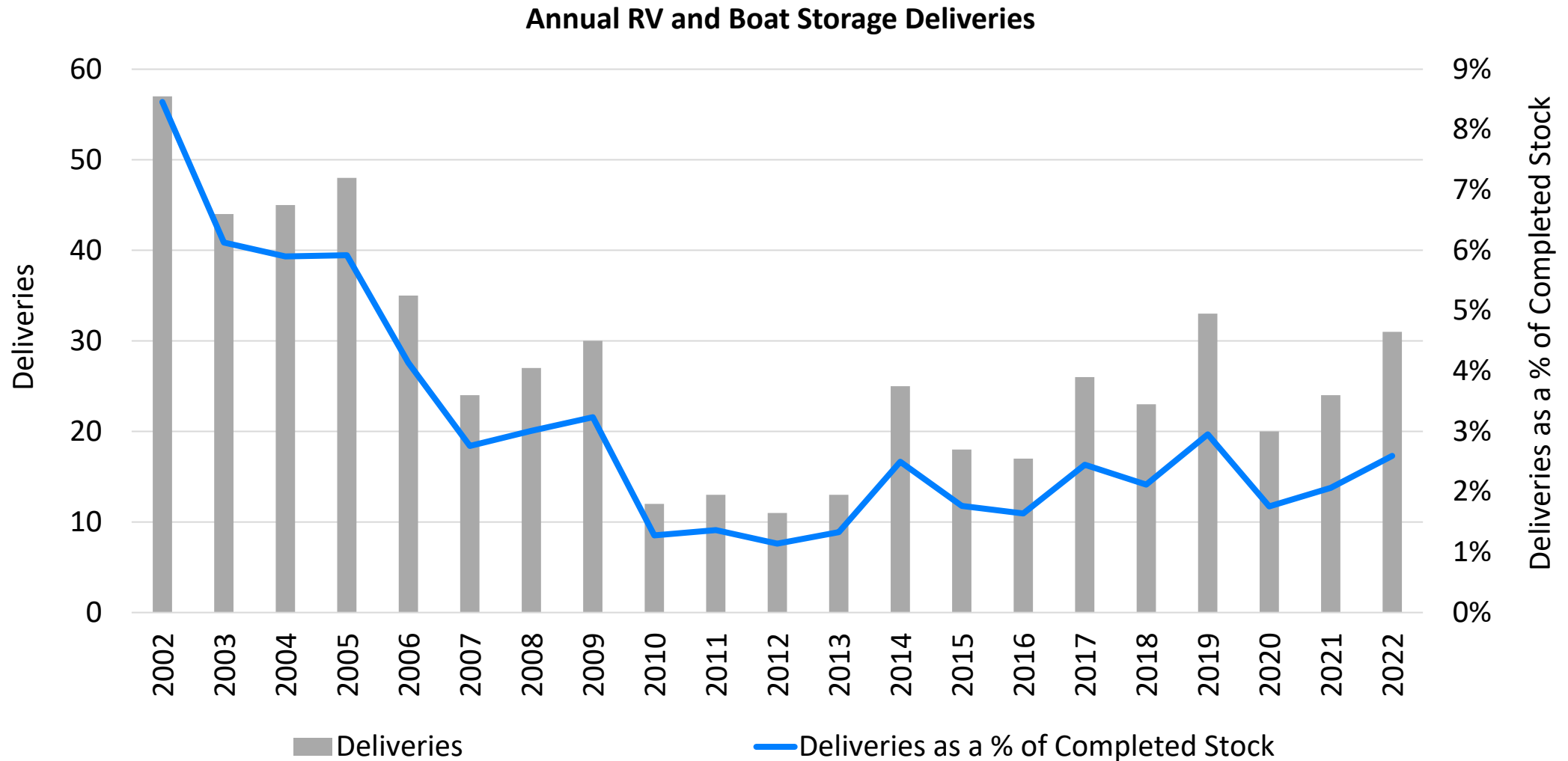


Shipments of RVs Dipped in 2022, While Boat Shipments Remained at a Record High

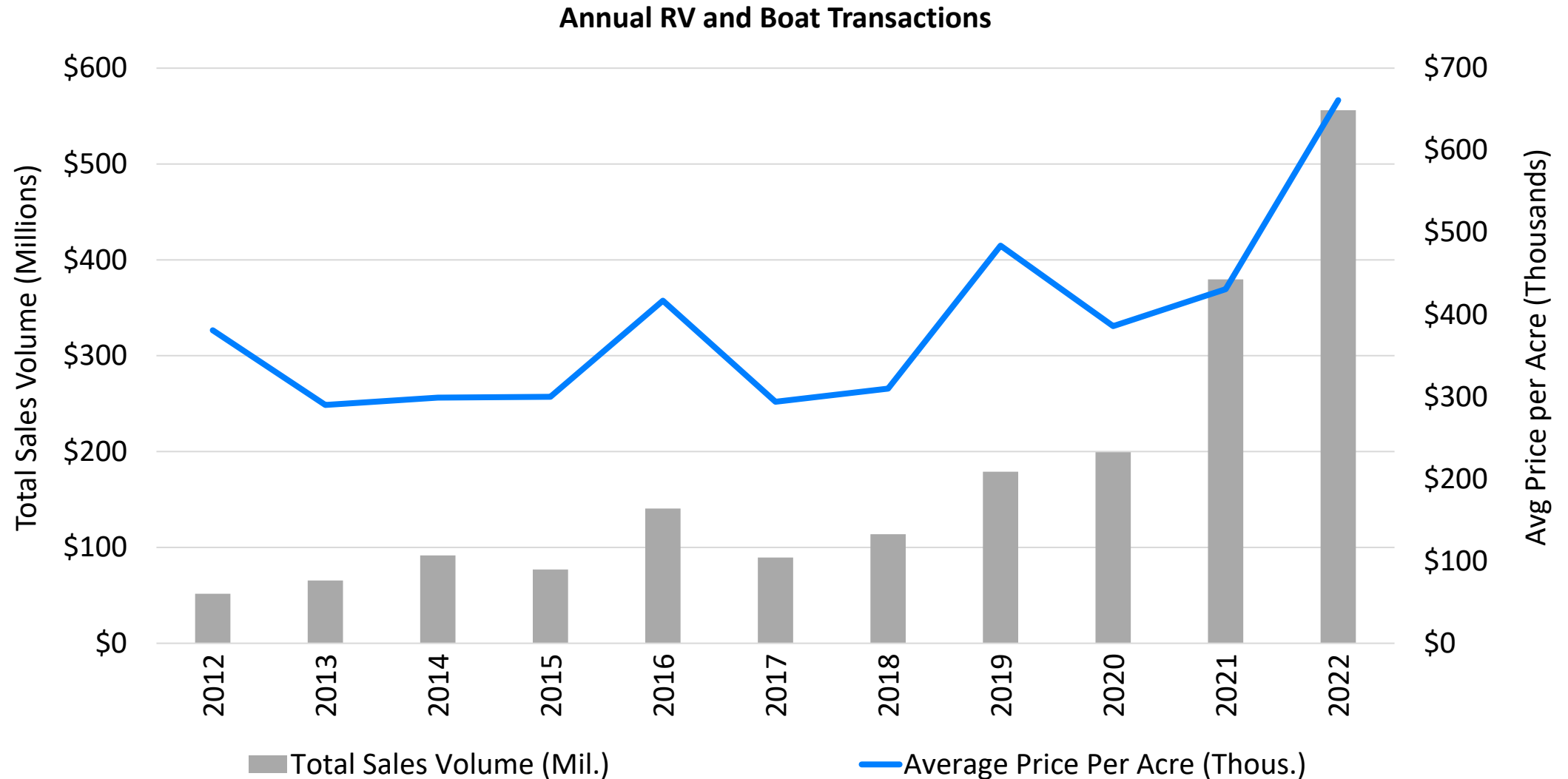


*Data not seasonally adjusted | Source: Yardi Matrix; Moody's Analytics

RV and Boat Storage Deliveries Have Been Fairly Subdued Since 2007



Transaction Volume and Value of RV and Boat Storage Surged in 2022



RV & Boat Storage Summary & Outlook

- 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, However, new supply appears to be picking up
- The niche sector registered record-high capital flow in 2021 and 2022, a sign that investors are increasingly taking notice
- Growing demand combined with the limited supply means industry fundamentals should remain healthy, even amongst volatile economic times



Upcoming Events

SSA Spring Conference

New Orleans

MARCH 8TH – 10TH

Inside Self Storage World Expo

Las Vegas

APRIL 11TH – 14TH

Spring National Outlook Webinar Series

Student Housing

APRIL 26TH

Multifamily

MAY 11TH

Yardi Matrix House View – March 2023

MACROECONOMIC UPDATE

- U.S. economic growth is still healthy, with 2.7% GDP growth in Q4
- The Fed is still in a tightening cycle, but will slow the pace of rate increases, as there is a >1 yr lag to actions
- Inflationary pressures have started to cool, but January data ran "hot"
- The labor market is tight, and job growth accelerated at the start of the year, even amid rising interest rates and slowing economic conditions
- De-globalization will have long-term, largely inflationary, effects
- U.S. economy is slowing, yield curve (10 YR- 3 MTH) is inverted, mild recession very likely in second half of 2023

SELF STORAGE FUNDAMENTALS & OUTLOOK

- Self storage operating performance remains healthy, but returning to pre-pandemic “normalcy”
- Street rates are expected to continue to moderate to more normal levels
- Operators will continue to find more upside potential in existing customer rents than street rates
- The amount of new supply under construction has increased, however, elevated construction timelines seem to be moderating the pace of new deliveries
- Transaction activity is down and expected to continue due to a large bid-ask spread
- A mild recession in the second half of 2023 will dampen construction starts, causing a slowdown in new deliveries in 2024 and 2025

Finding Self Storage Opportunities

The current investment environment requires increased creativity to find potential investable opportunities, which Yardi Matrix Self Storage has been designed to do:

Assumable debt = loans with 5-7 years duration left =	~1,000 properties
Acquisitions since 2020 with 2-3 year durations =	~430 properties
Floating/variable rate loans =	~1,000 properties
Construction loans maturing until 7/24 =	~115 properties
Permanent loans maturing until 7/24 =	~1,000 properties



THANK YOU

Feel free to contact me with any questions

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