



# SELF STORAGE NATIONAL OUTLOOK

---

SPRING 2022

# PRESENTERS

---



**JEFF ADLER**

-

Vice President, Yardi  
Matrix & Self Storage  
Industry Principal



**PAUL FIORILLA**

-

Editorial Director,  
Yardi Matrix



# AGENDA

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

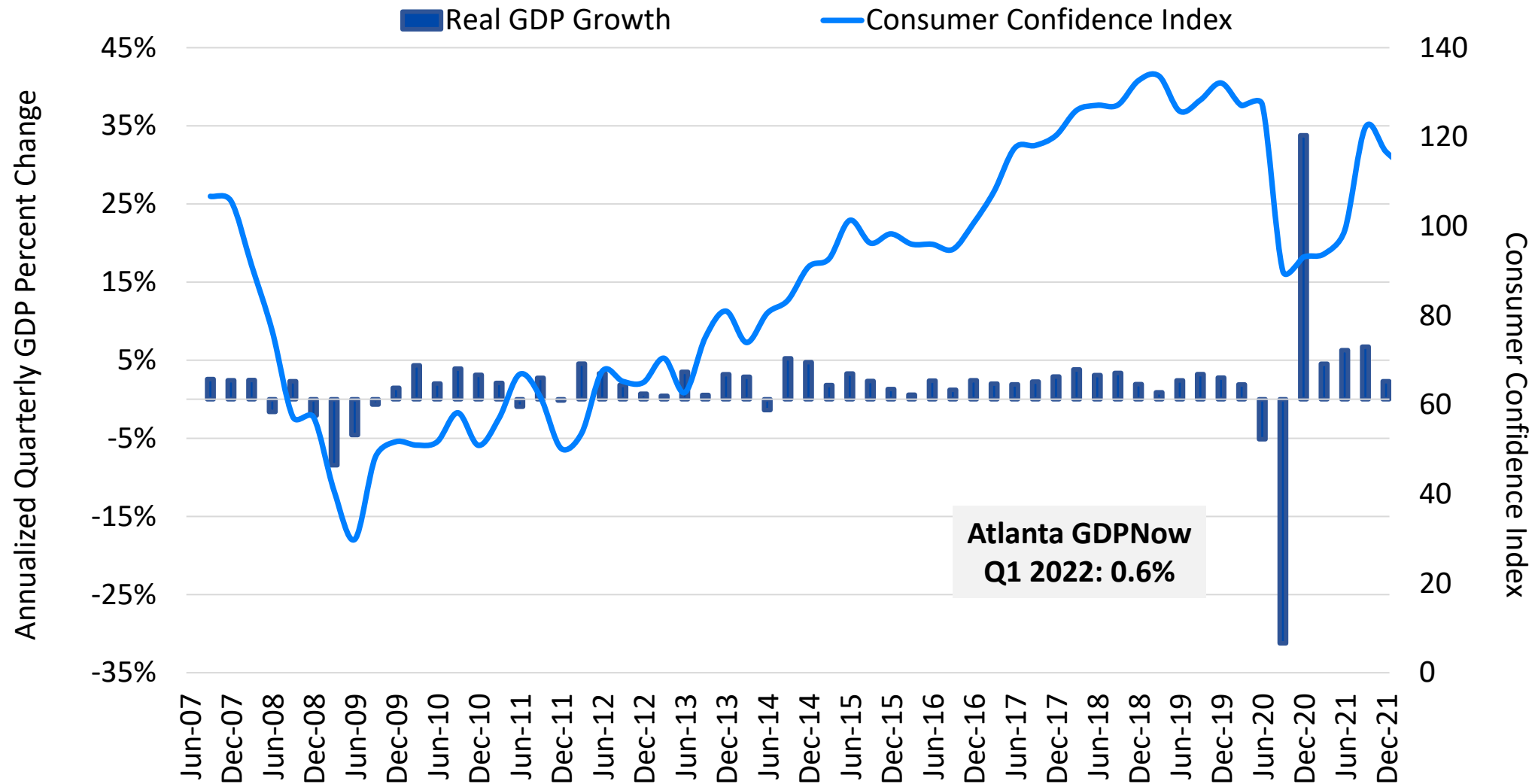
# Yardi Matrix Self Storage House View — March 2022

- The economy continues to expand, but headwinds persist:
  - Supply chain disruptions, a tighter-than-ever labor market and several other factors led to growing inflation
  - Inflation is not transitory, as we predicted, and the Fed is beginning a tightening cycle; **geopolitical tensions will only add more inflationary pressures**
- Self storage continues to outperform due to additional demand fueled by the pandemic
- Street rates continue to rise, with almost all markets showing growth; however, there are signs that the upward momentum may be starting to slow on a sequential basis
- The new supply pipeline remains robust around 9% of stock, but we'd expect more deliveries given strong and persistent demand
- Investor interest in self storage has increased with new entrants into the industry and transaction activity surged to record levels in 2021 with over 1,300 transactions
- The outlook for self storage remains optimistic given persistent demand and a slow supply response. We anticipate growth will continue, but moderate

# MACROECONOMIC OUTLOOK

---

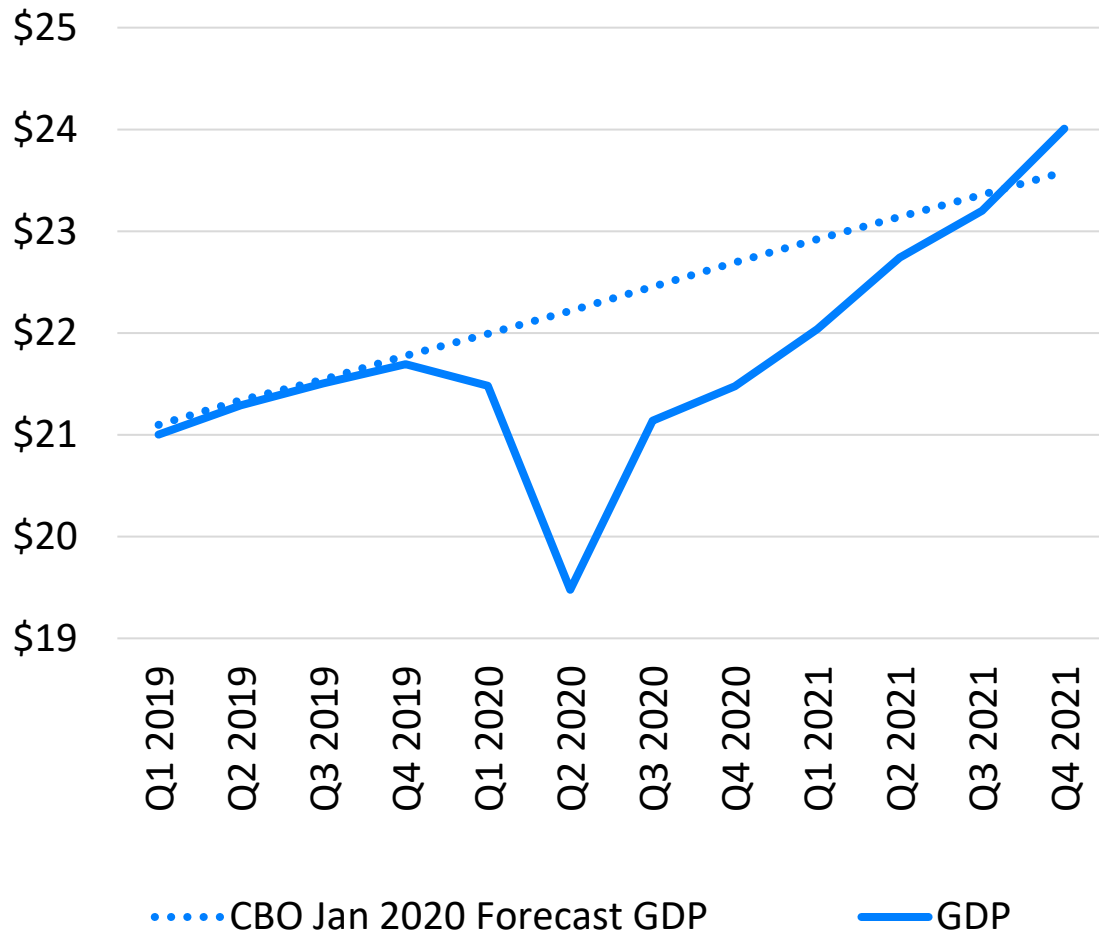
# As of Q4 2021, GDP Growth Still Recovering From Spring 2020



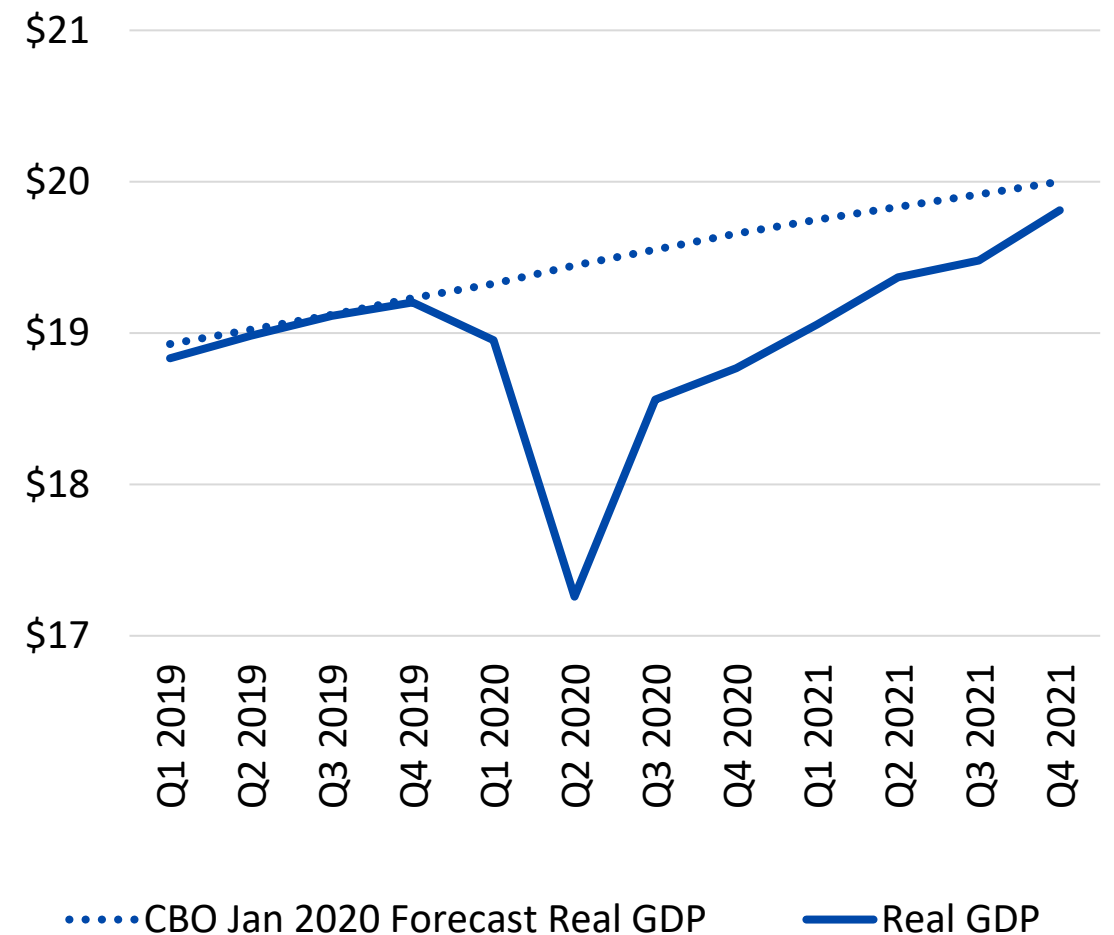
Source: Yardi Matrix; Moody's Analytics; U.S. Bureau of Economic Analysis

# GDP Has Surpassed Its Pre-pandemic Trend While Real GDP Has Not

## GDP vs Pre-pandemic Trend, Trillions

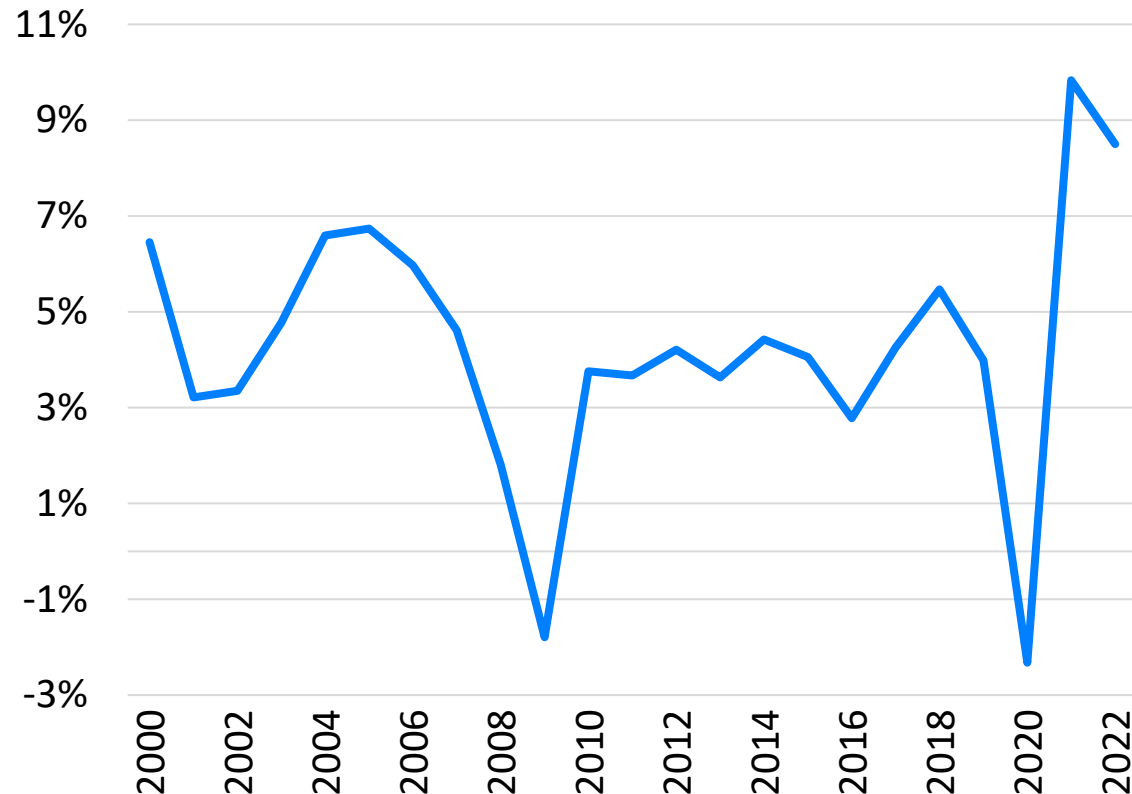


## Real GDP vs Pre-pandemic Trend, Trillions



# U.S. GDP is in a V-Shaped Recovery, with Persistent Inflation, Rising Interest Rates, Potential Yield Curve Inversion and a '24-'25 Recession

Nominal Annual GDP: YoY % Change



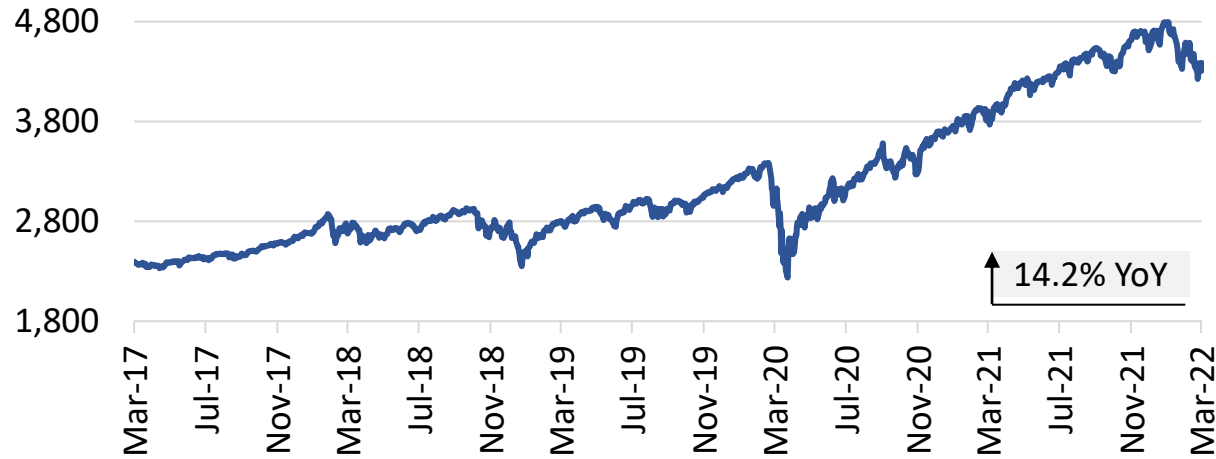
Evercore ISI Economic Forecasts

	Q4 2021 Forecast	Q1 2022 Forecast	Q2 2022 Forecast	Q3 2022 Forecast	Q4 2022 Forecast
<b>Real GDP:</b> QoQ % Change	6.0%	2.0%	4.0%	4.0%	4.0%
<b>Nominal GDP:</b> QoQ % Change	13.0%	9.0%	9.0%	8.0%	8.0%
<b>GDP Price Deflator:</b> QoQ % Change	7.0%	7.0%	5.0%	4.0%	4.0%
<b>Fed Funds:</b> End of quarter	0.25%	0.50%	1.00%	1.25%	1.50%
<b>Bond Yields:</b> End of Quarter	1.50%	2.00%	2.50%	2.75%	3.00%



# U.S. and International Financial Markets

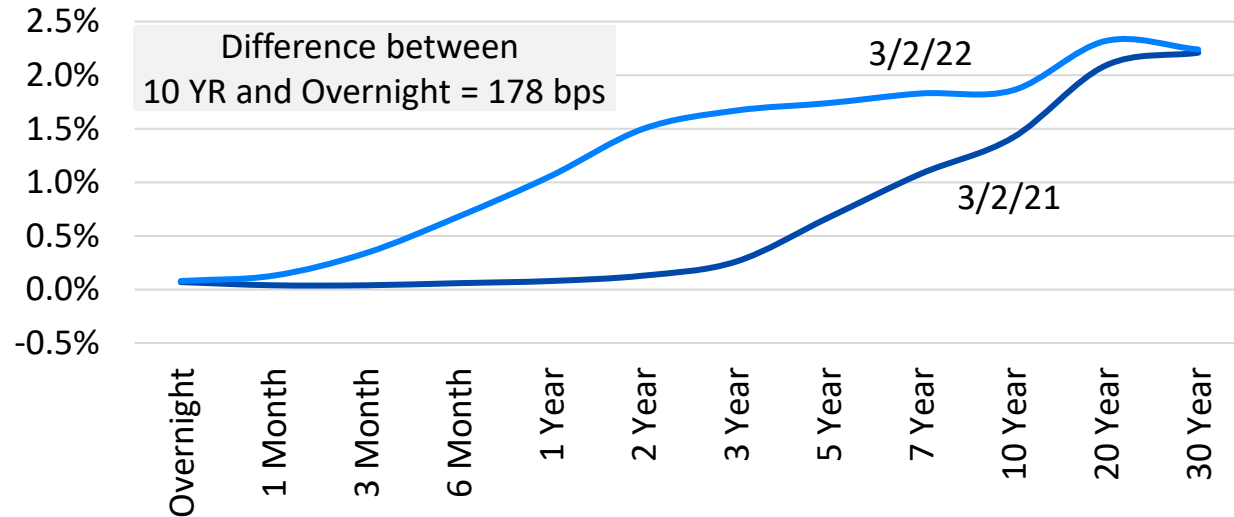
## S&P 500



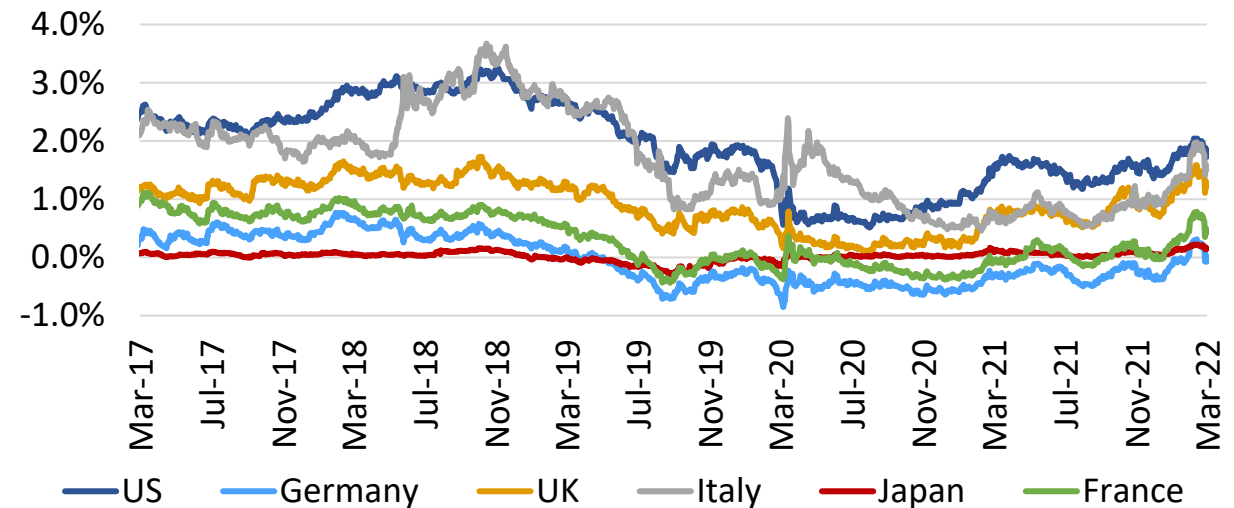
## 10 -Year Treasury Note



## Yield Curve



## 10 Year Treasury Bond Yields

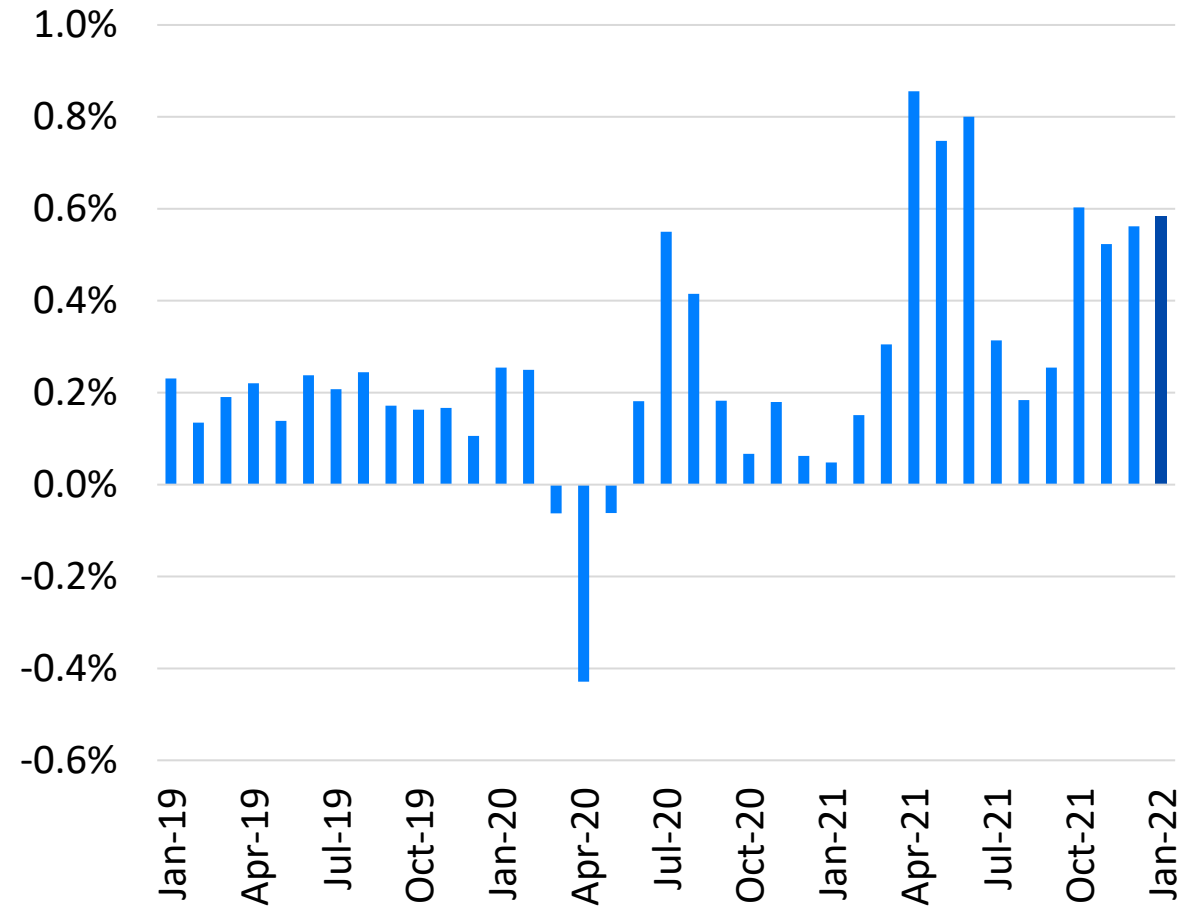


# CPI Gains on a Year-over-Year Basis Have Reached Multi-Decade Highs

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



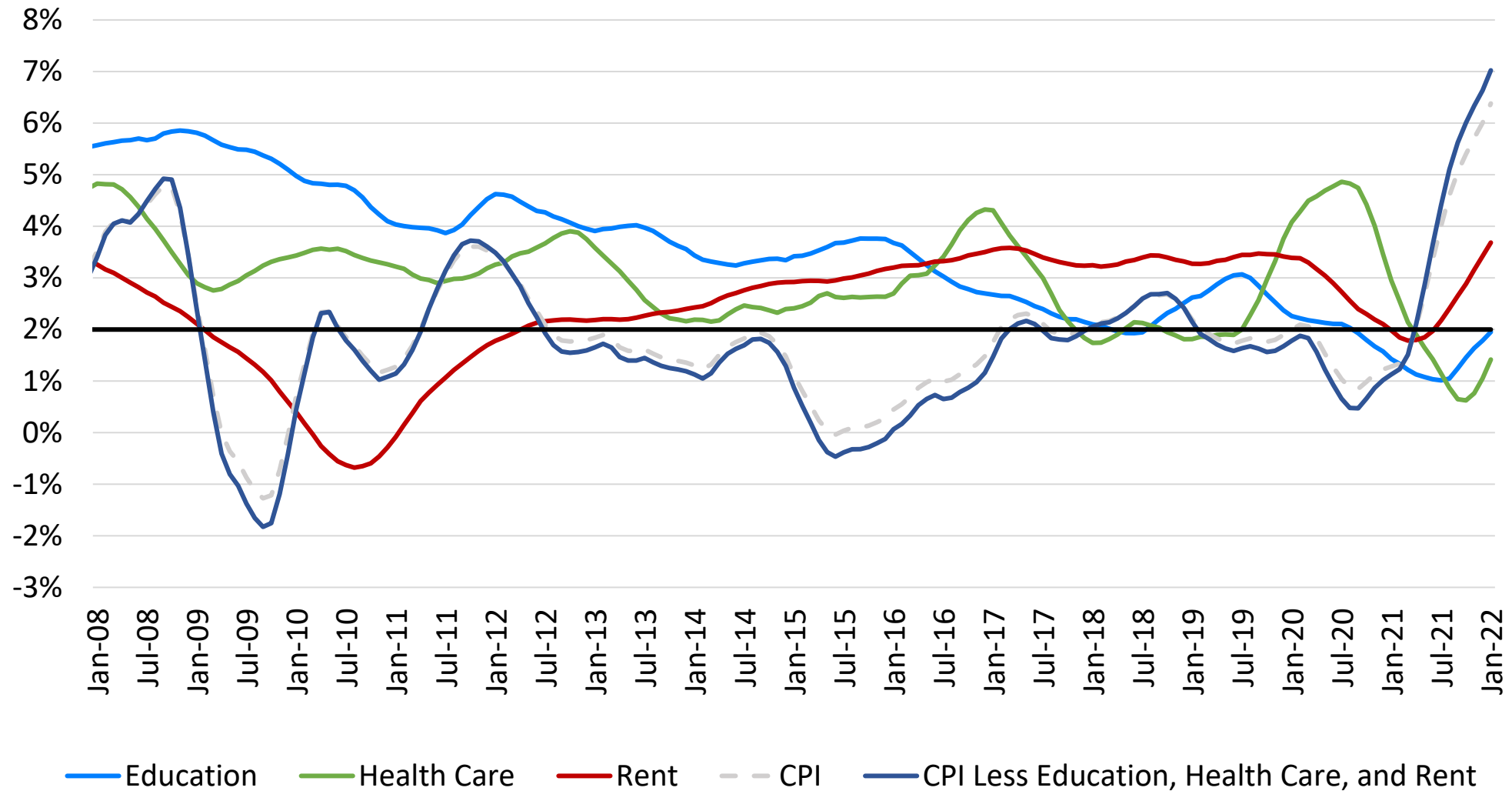
**U.S. Core CPI  
Month-over-Month Change**



\*Data through January 2022

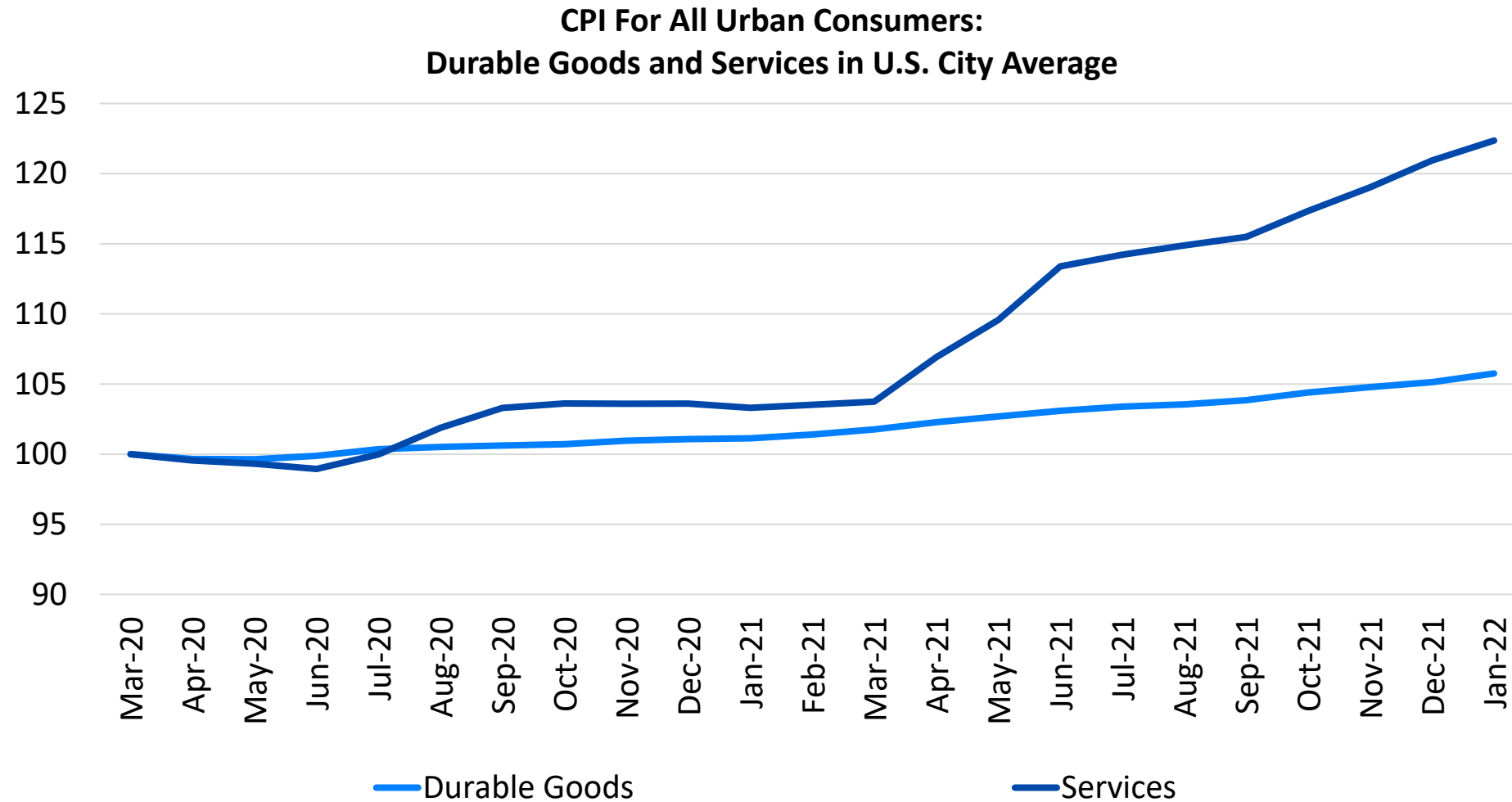
Source: Yardi Matrix; Moody's Analytics; U.S. Bureau of Labor Statistics

# Goods Inflation Has Taken Off, With Rent Soon to Follow

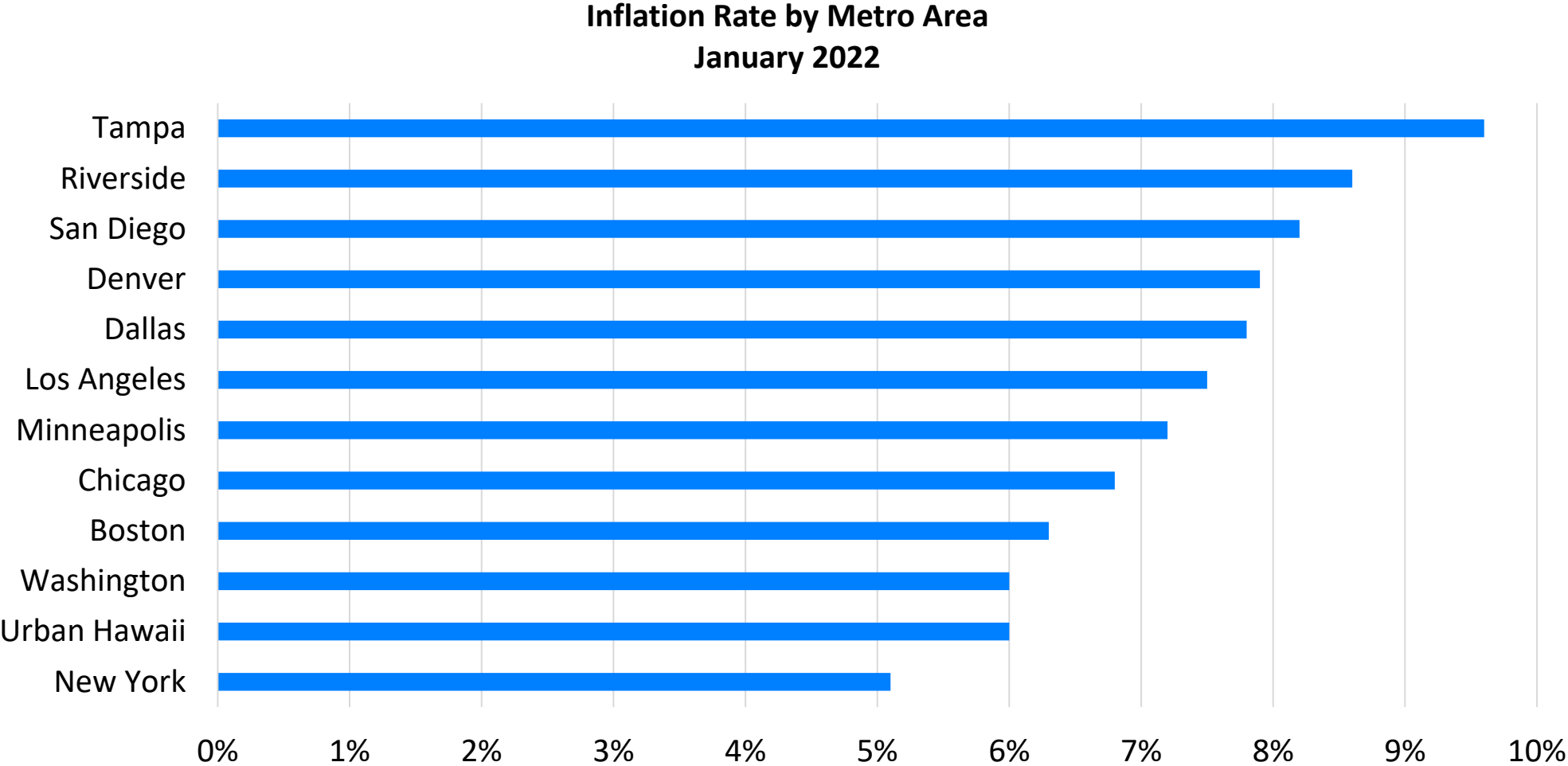


\*YoY 6 month moving averages. CPI Less Health Care, Education and Rent is an estimate using BLS document "Math calculations to better utilize CPI data"  
Source: Moody's Analytics; Bureau of Labor Statistics (BLS)

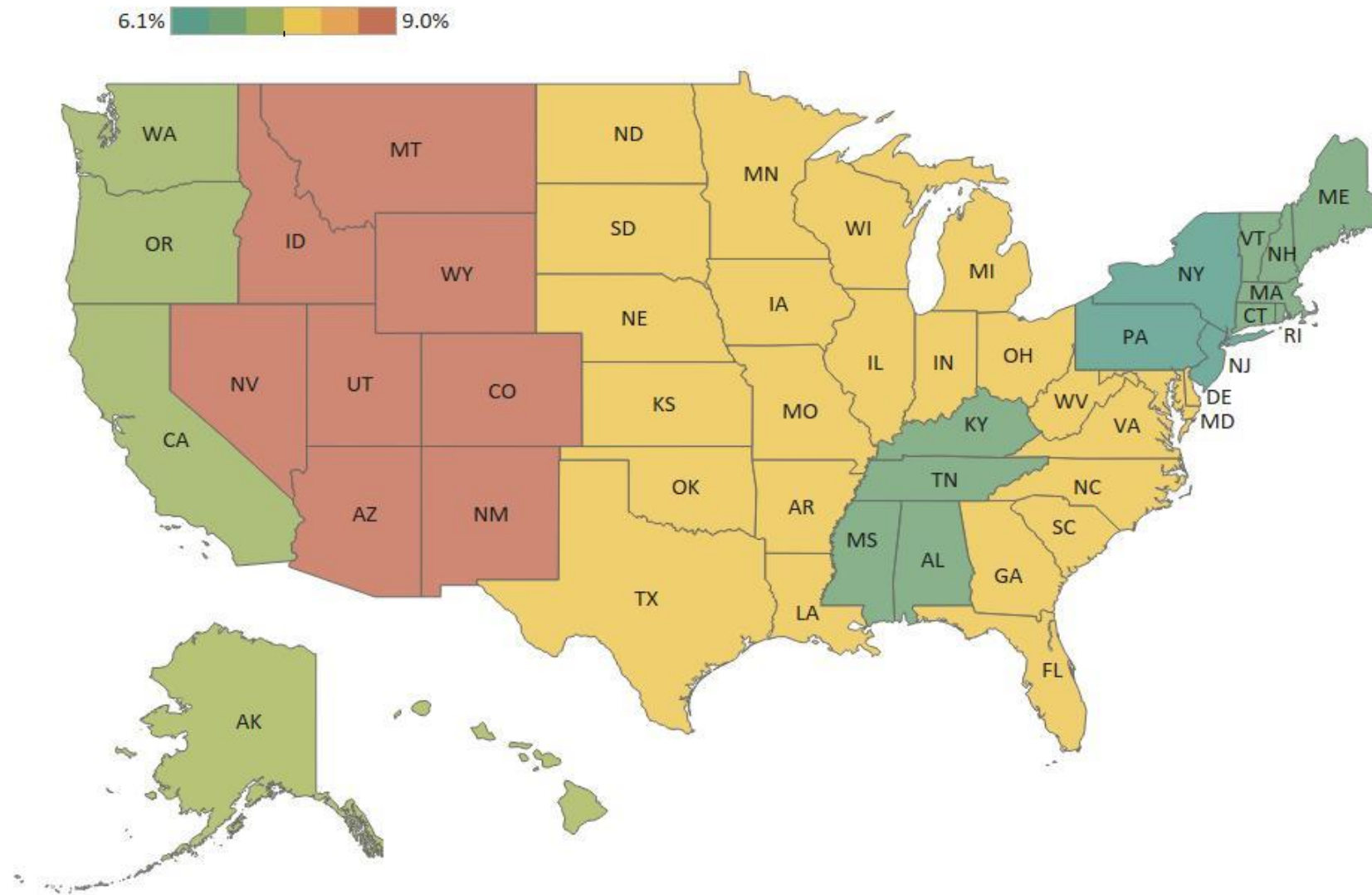
# Services Inflation Has Also Surged Since the Start of the Pandemic



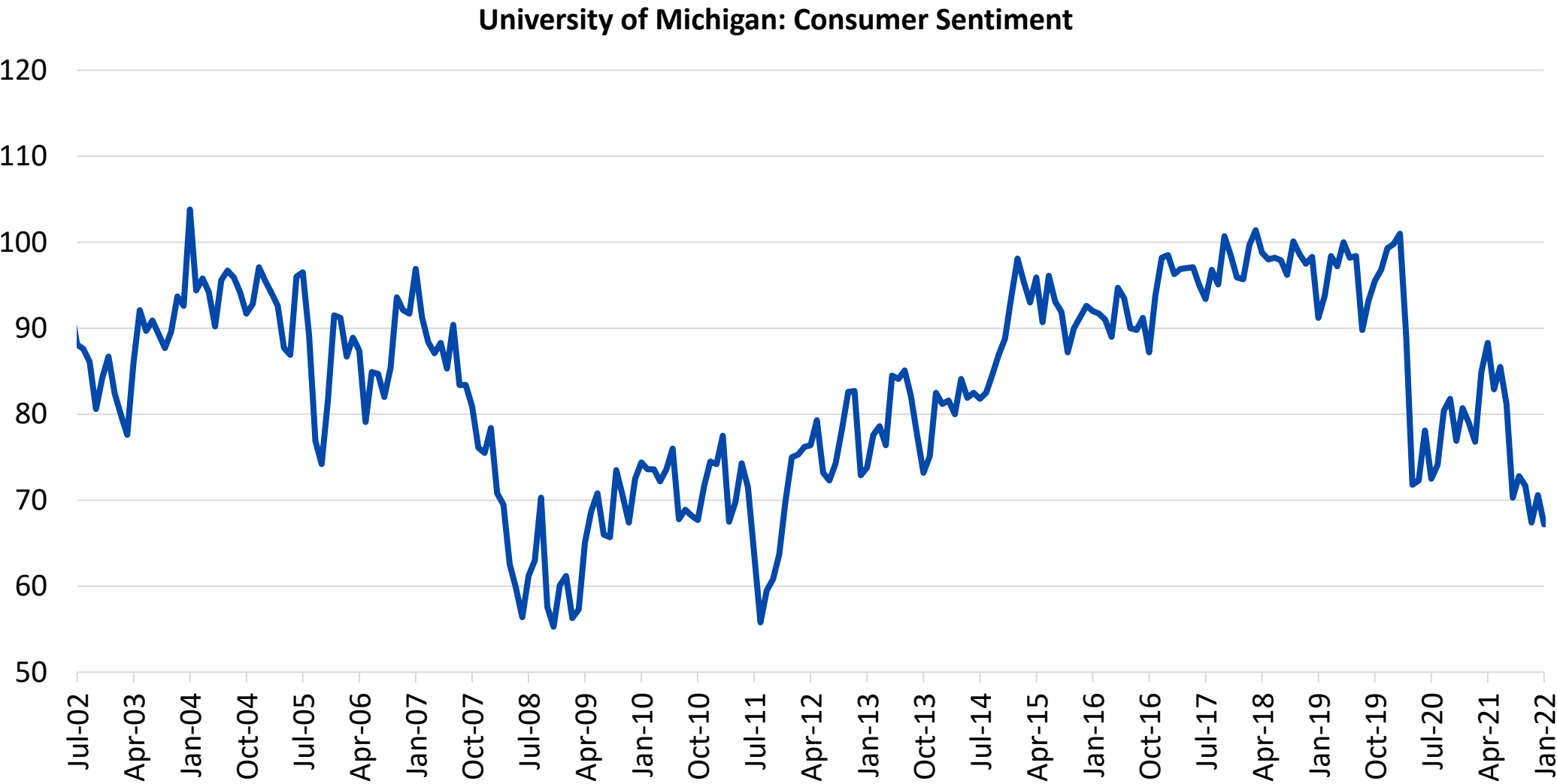
# Prices are Rising Everywhere, Particularly in Sunbelt and Mountain Markets



## Inflation Overlay of Geography: Inflation is Highest in Domestic Migration Favorites



# Prices Are Rising, and Wages Aren't Keeping Up...Causing Sentiment to Fall

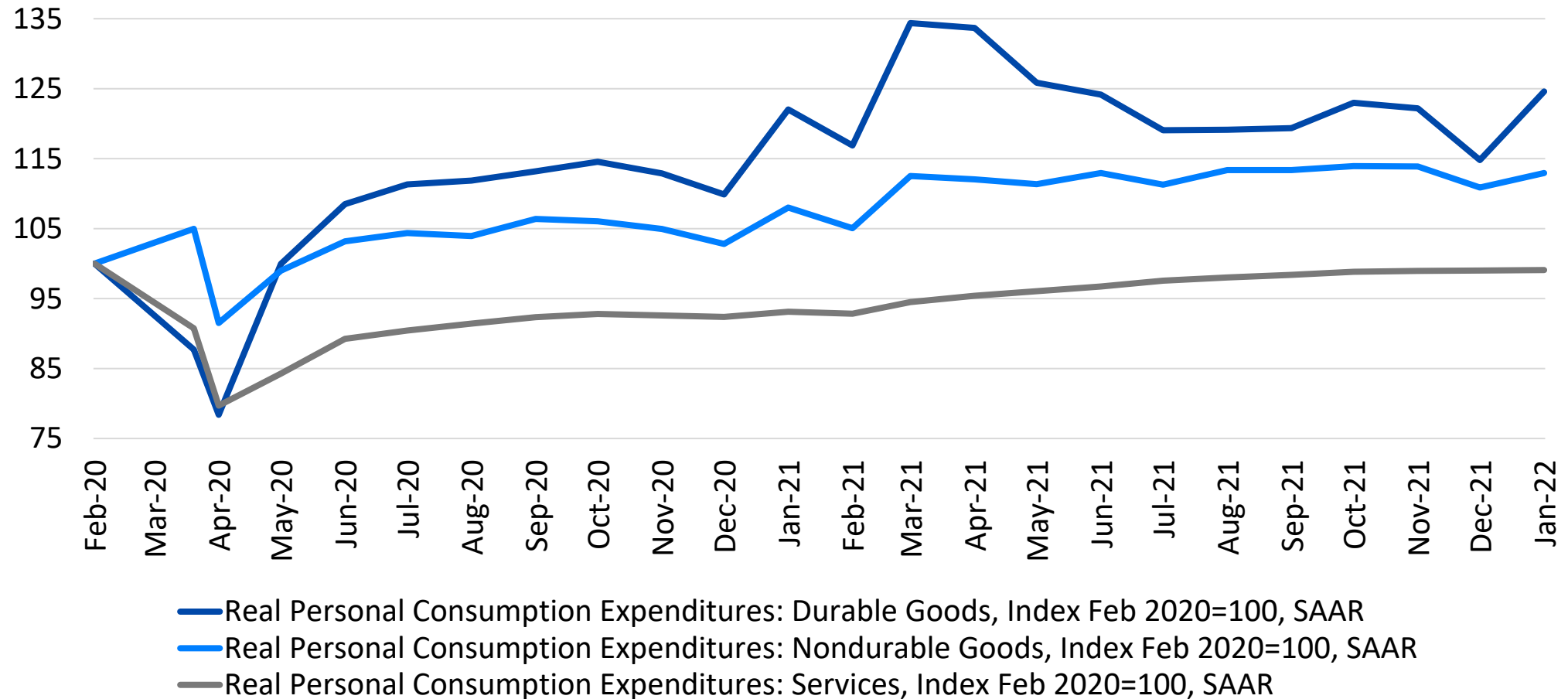


Source: Yardi Matrix; Federal Reserve Bank of St. Louis; University of Michigan



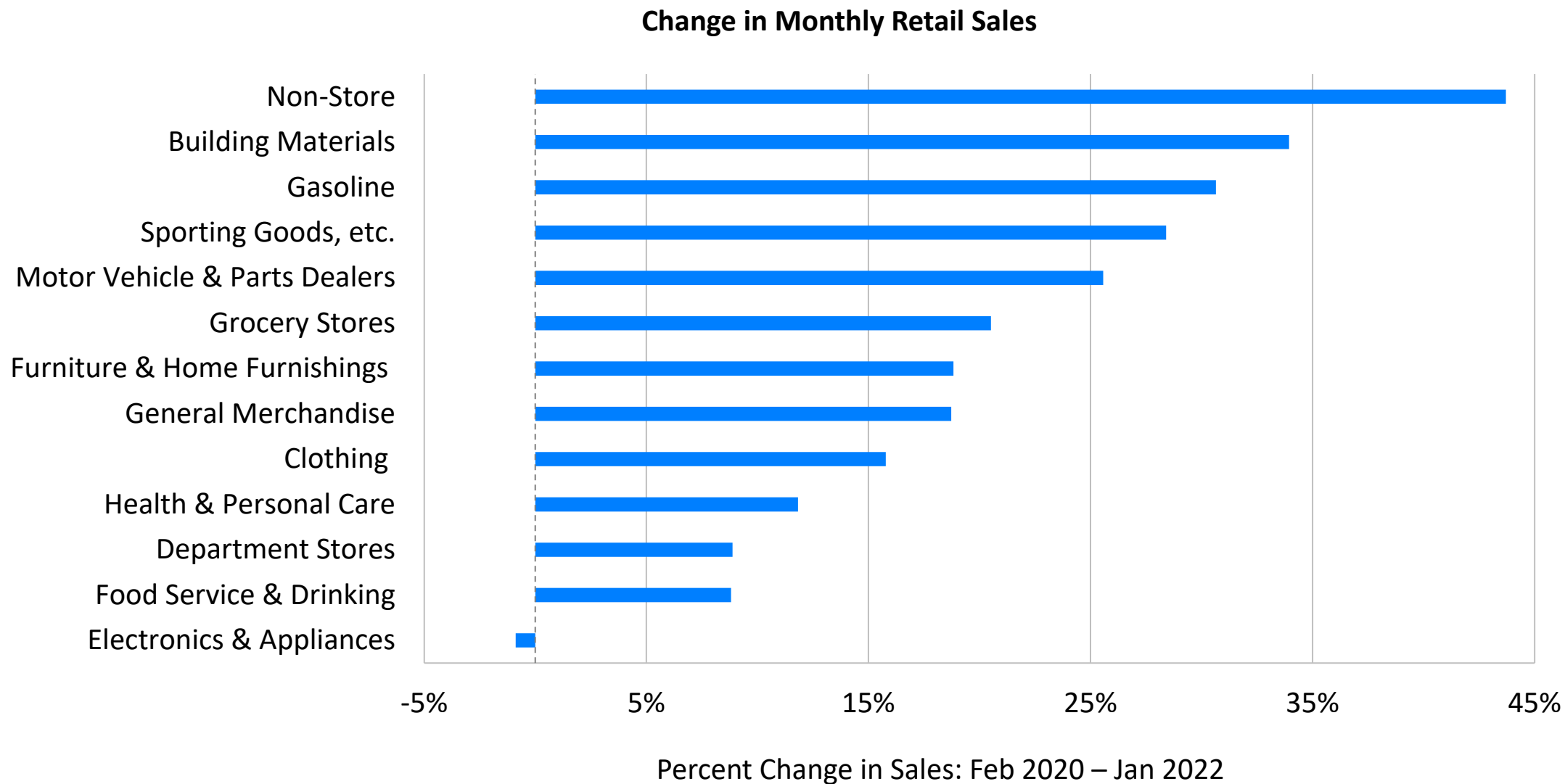
# Consumers are Spending More on Durable Goods, While Spending on Services is Approaching Pre-Pandemic Levels

Consumption of Durable Goods and Services During COVID-19 Recession

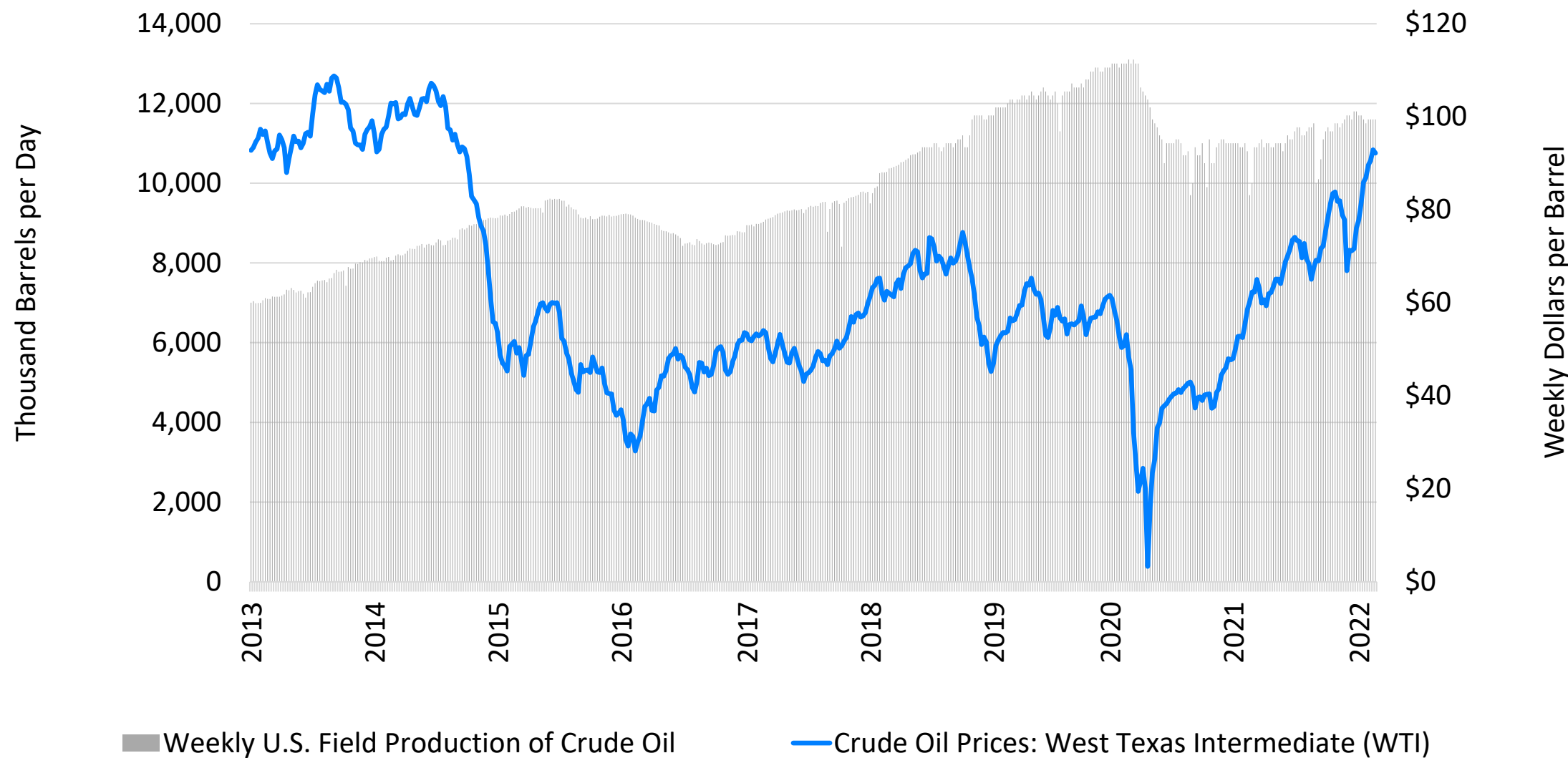




# Spending on Non-Store Goods and Building Materials Have Increased Substantially



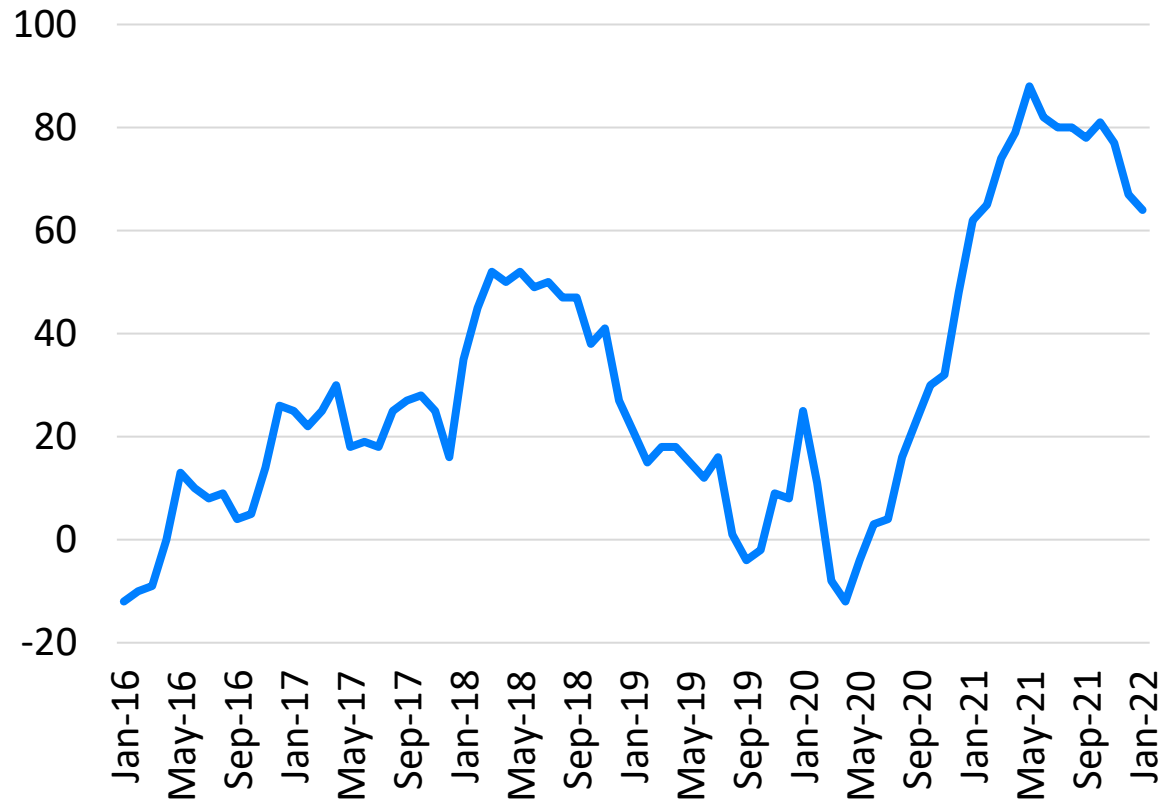
# Oil Prices Are Rising, Now Over \$90/Barrel



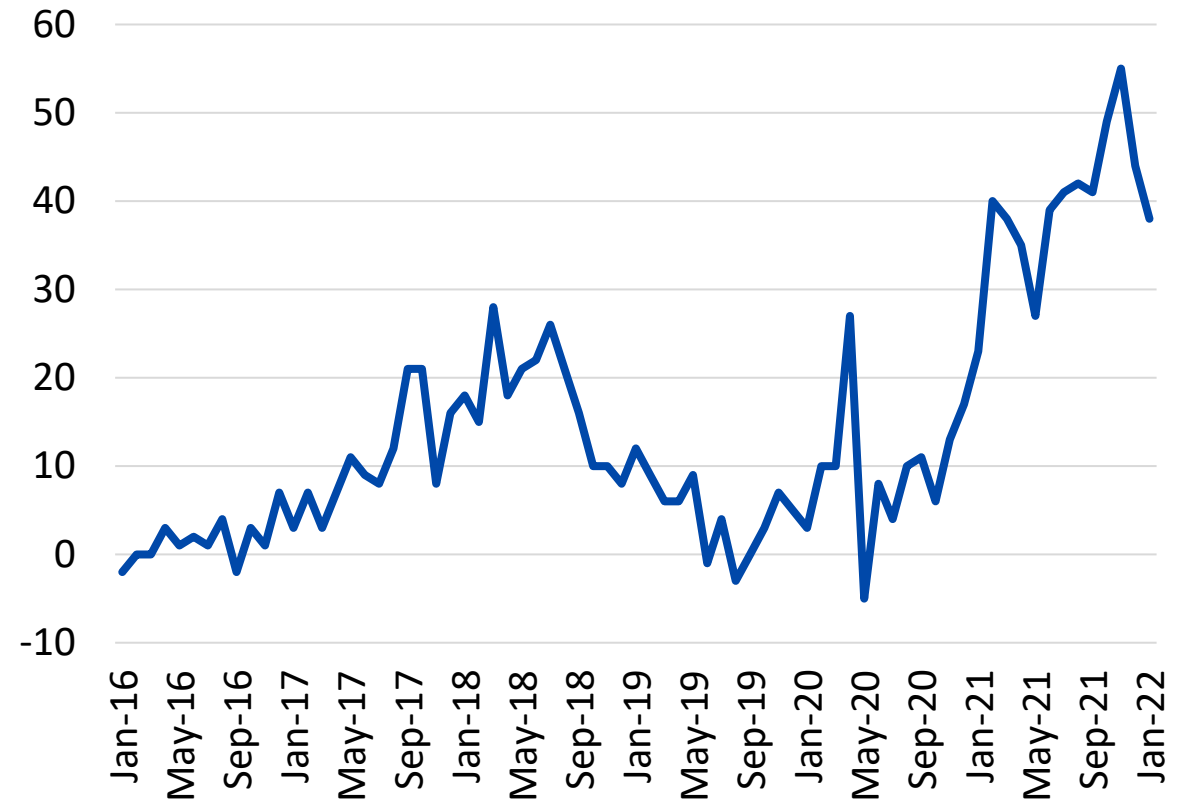
Source: Yardi Matrix; Federal Reserve Bank of St. Louis; U.S. Energy Information Administration

# Supply Chain Disruption is Impacting Prices for Raw Materials

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

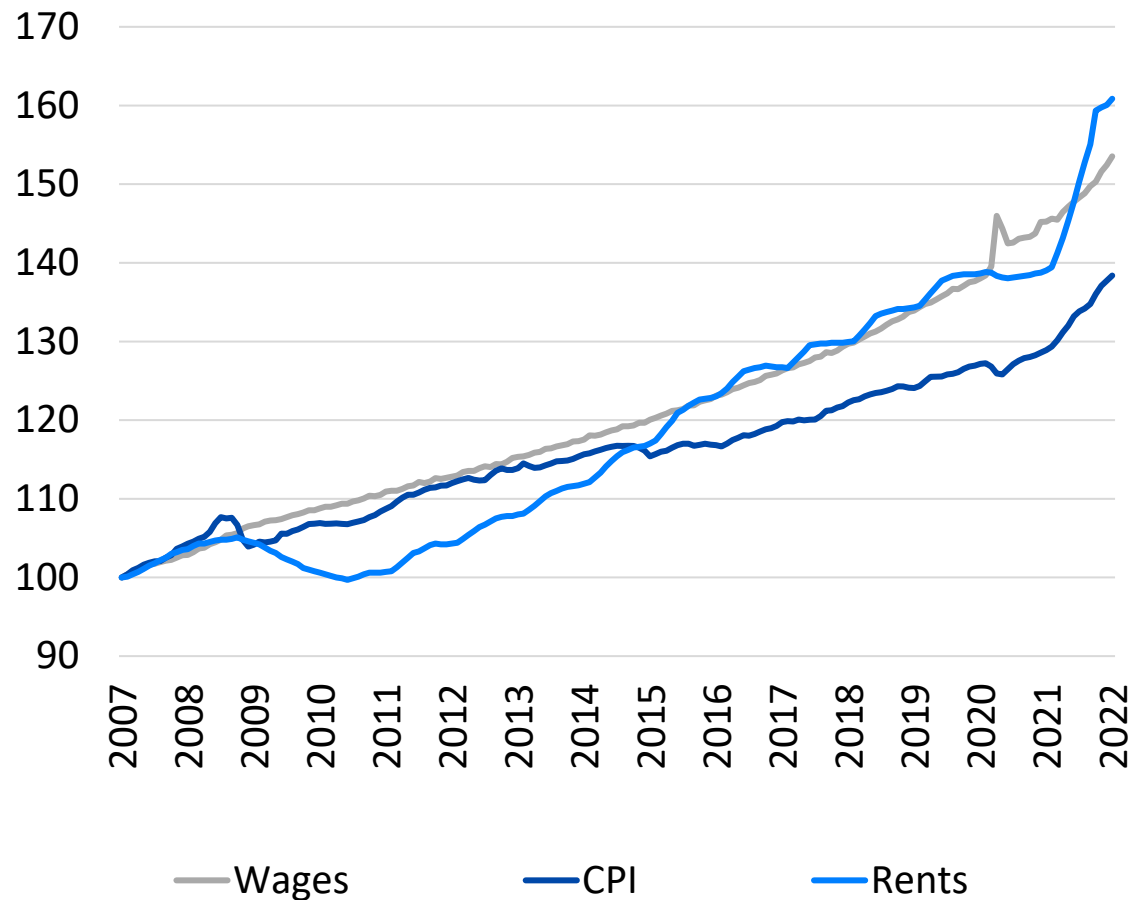


**Supplier Delivery Time  
Versus a Month Ago**

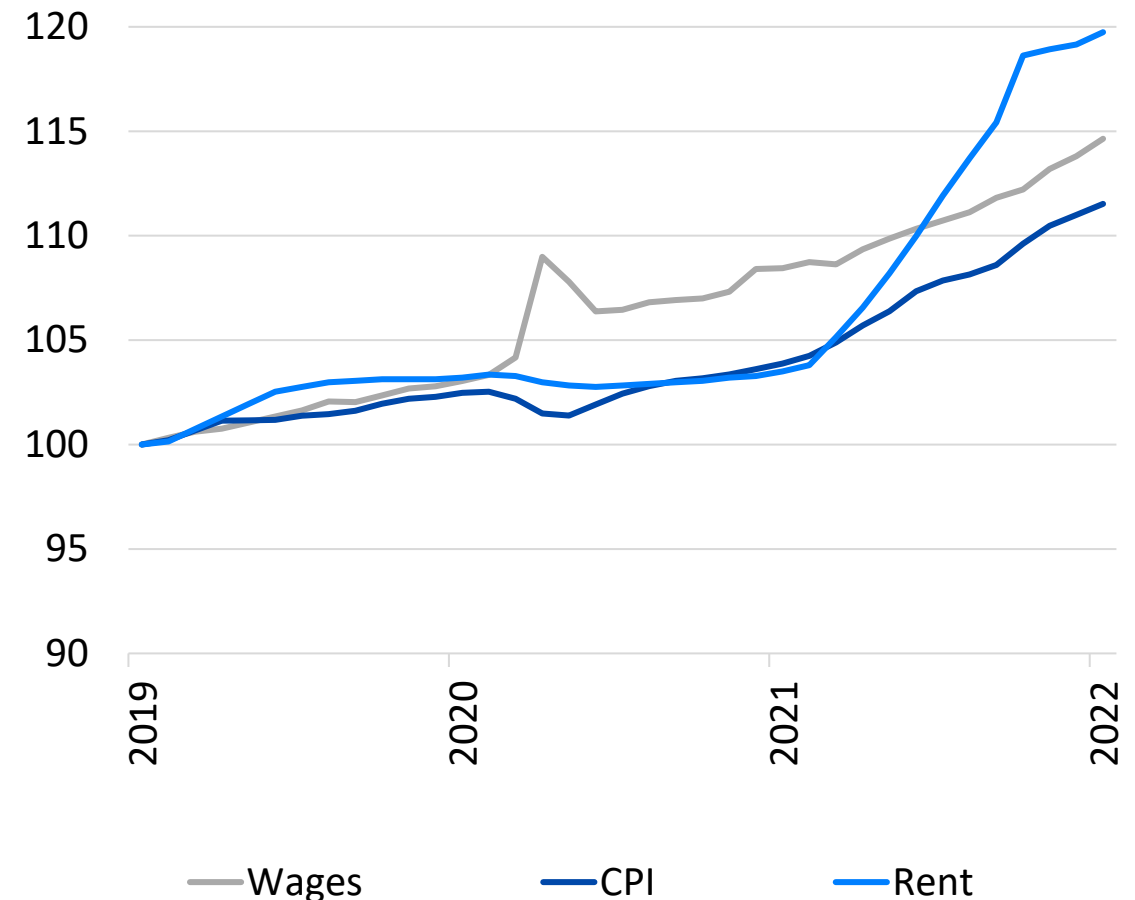


# Average Rents Rising Faster Than Inflation, But Wages Lagging in the Last Few Months

**Average Asking Rent vs. CPI vs. Wages  
2007 to Present**

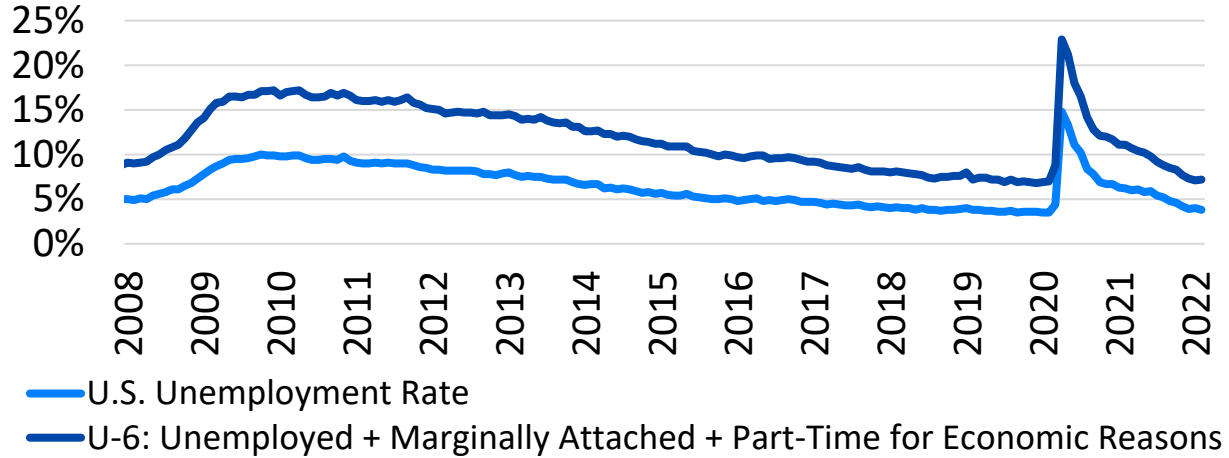


**Average Asking Rent vs. CPI vs. Wages  
2019 to Present**

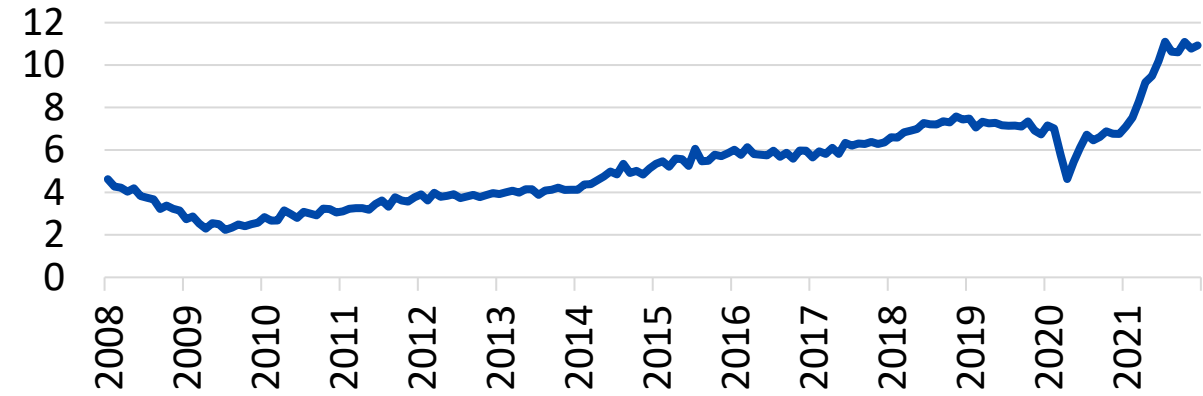


# Unemployment is at Record Lows as Demand for Workers Remains High

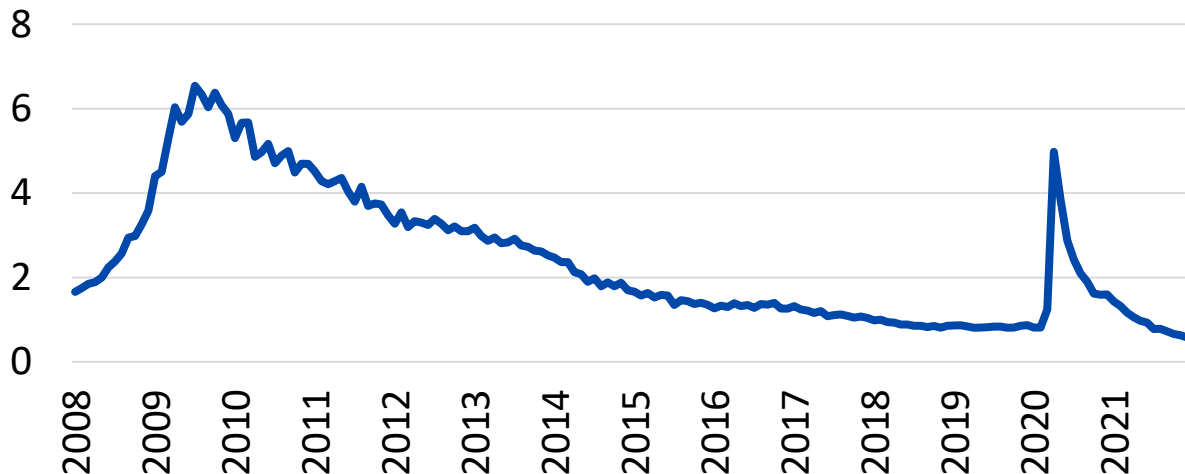
## Unemployment and Underemployment



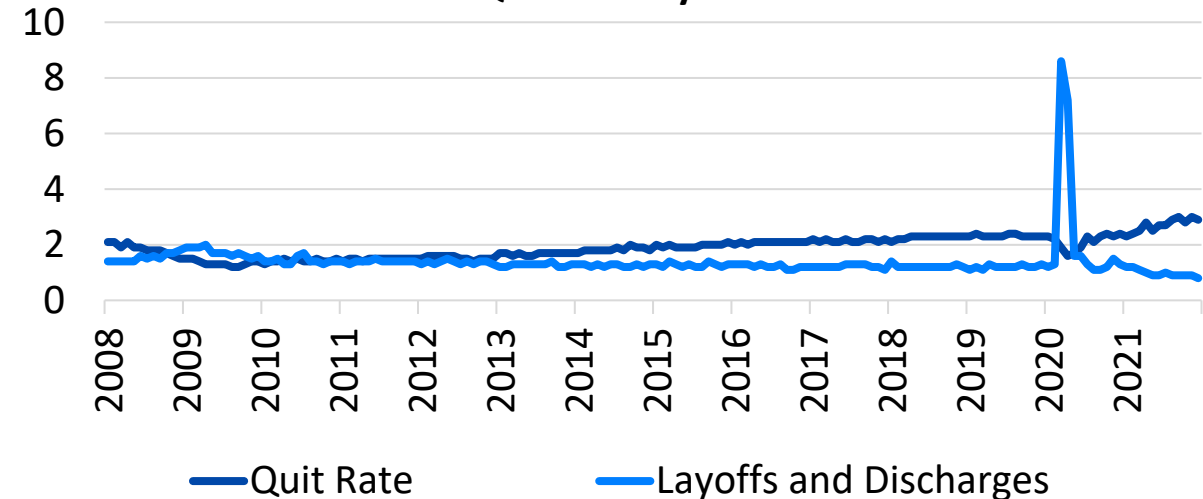
## U.S. Job Vacancies, Millions



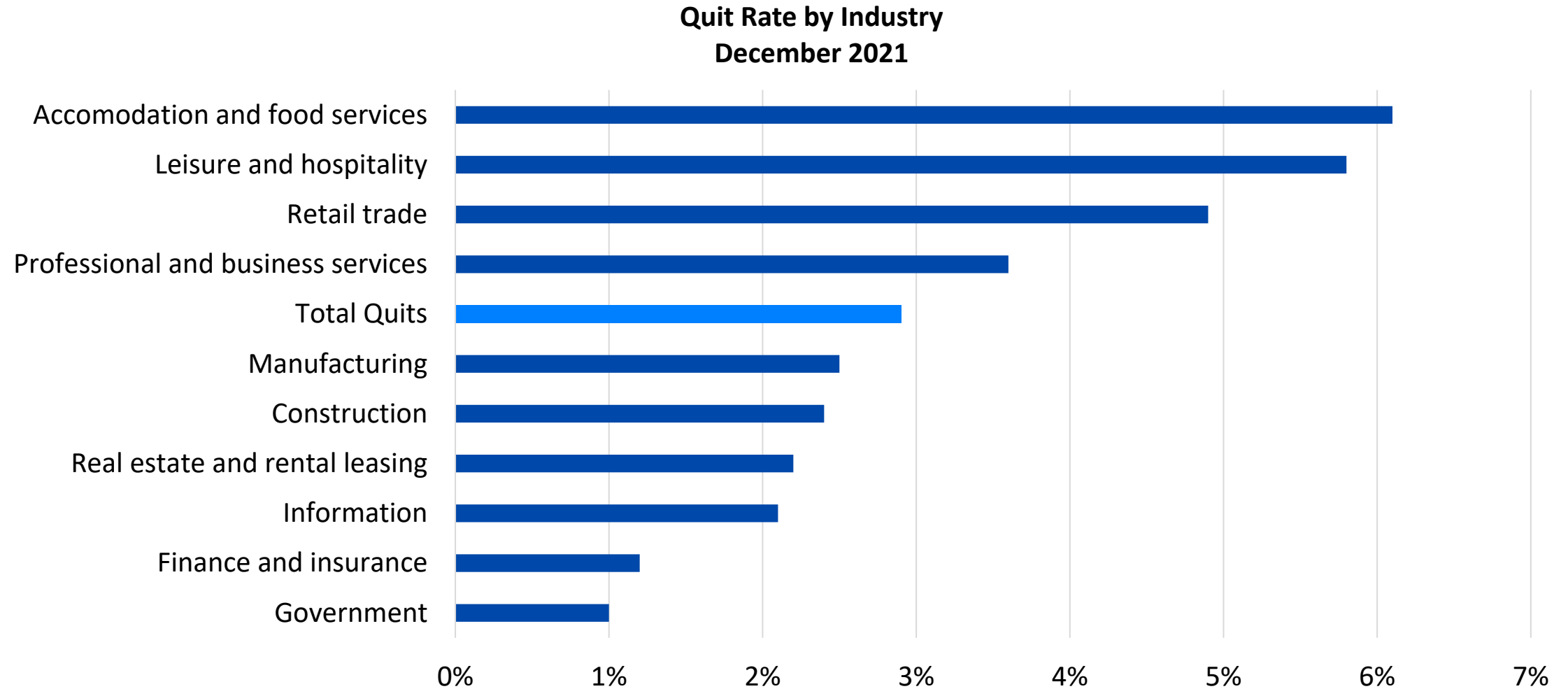
## Unemployed Persons/Job Openings



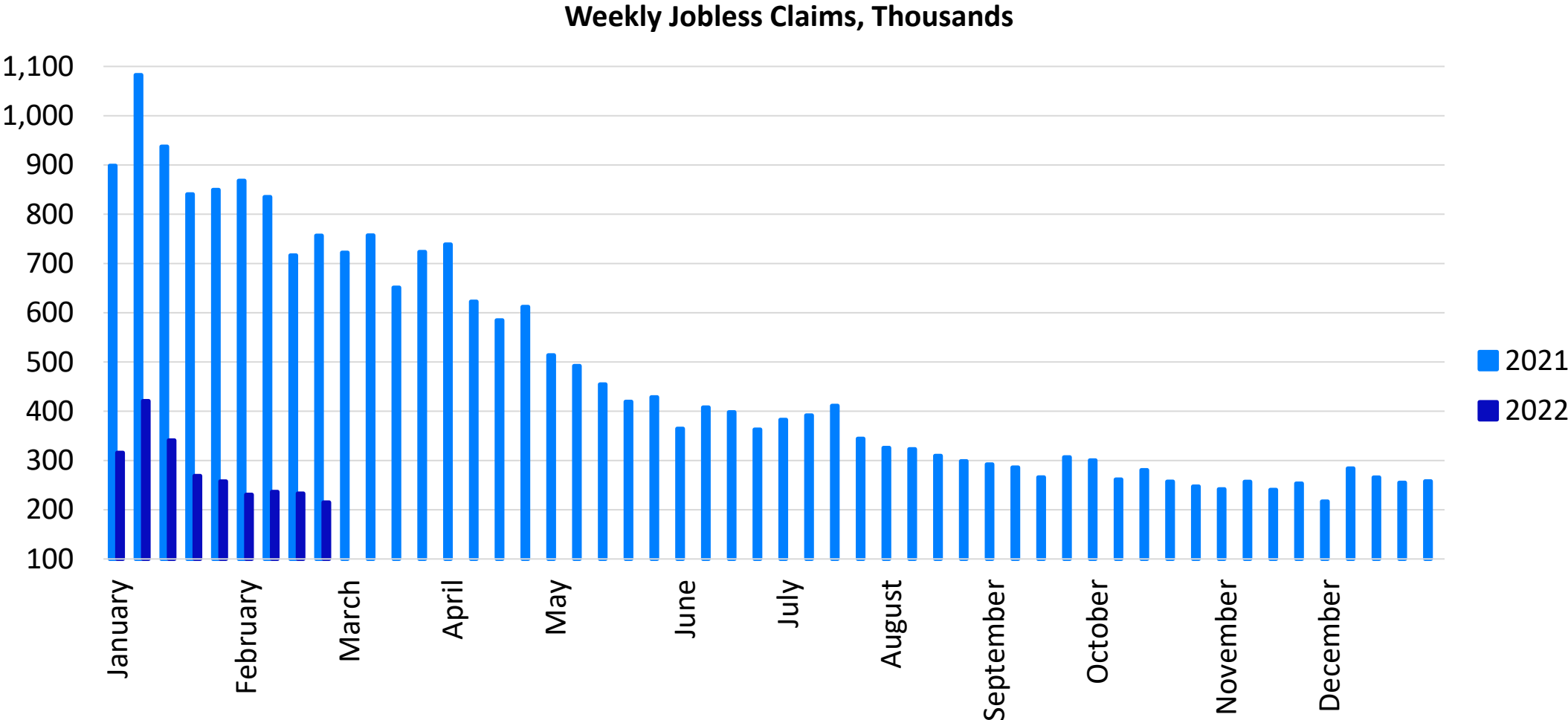
## Quits vs. Layoffs



# Quit Rates Have Been Higher in the Lower Wage Industries



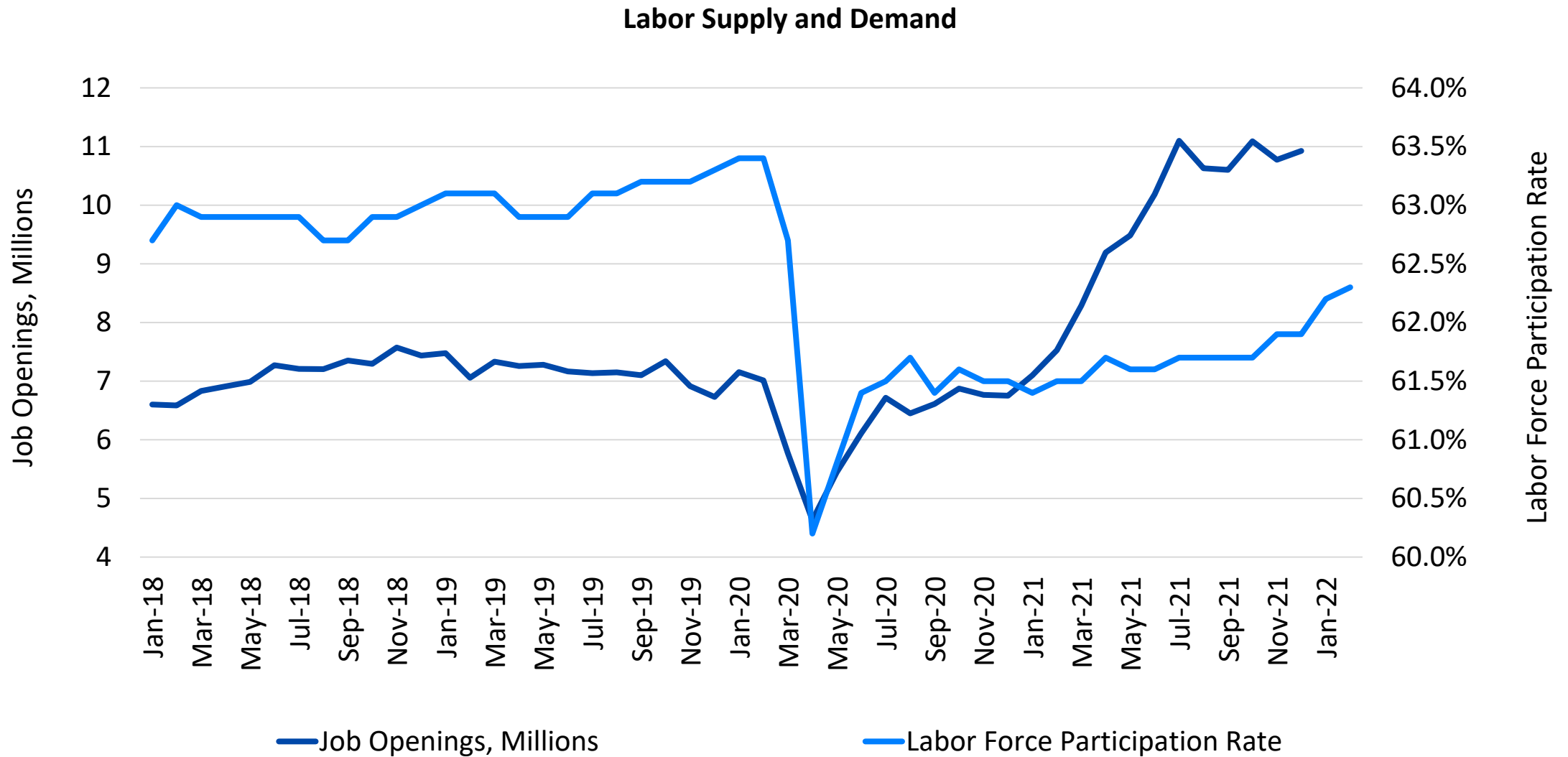
# Initial Jobless Claims Dipped Below Last Year's Levels (Very Low For This Time of Year)



\*2022 data through February 28  
Source: Yardi Matrix; U.S. Department of Labor; U.S. Bureau of Labor Statistics

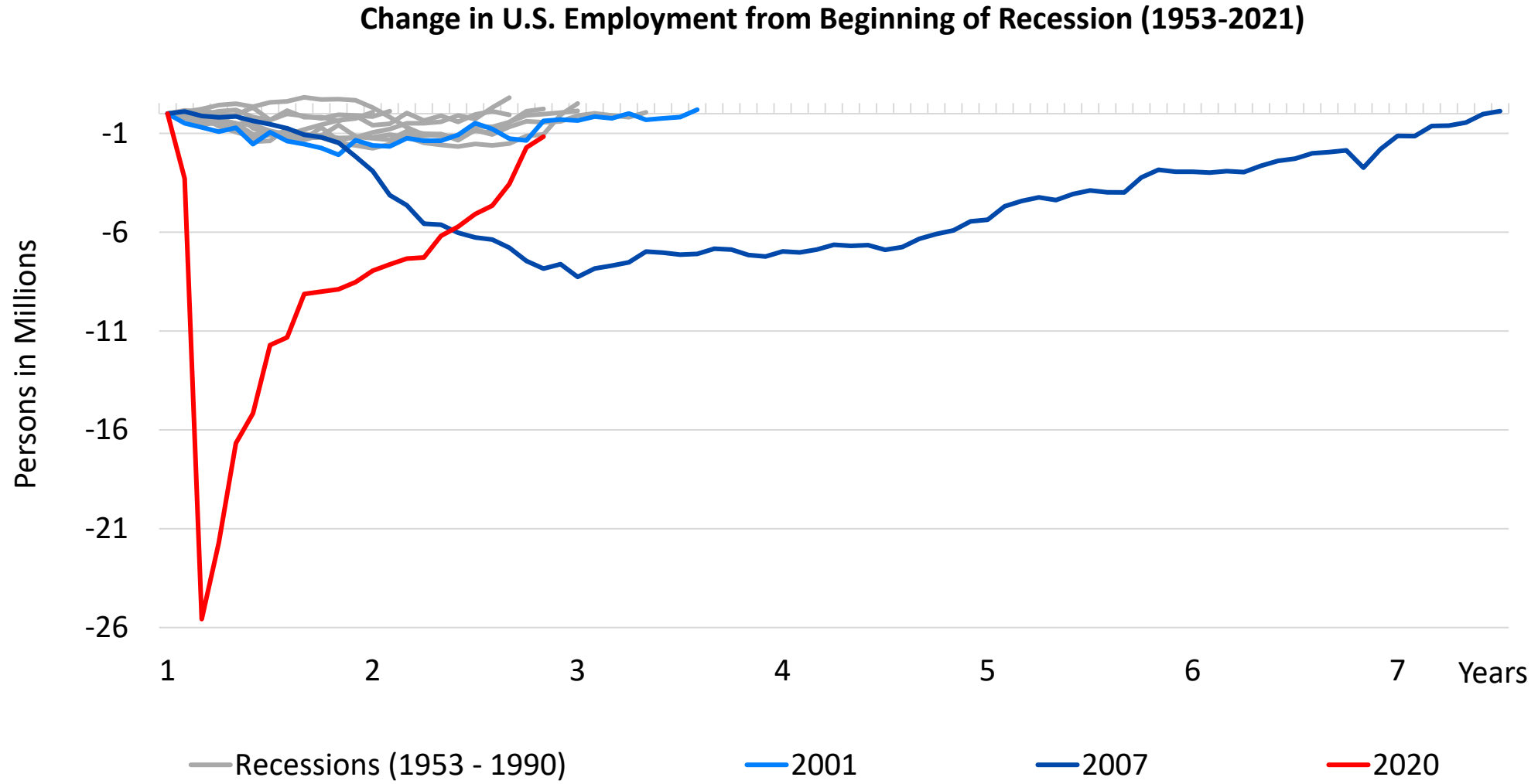


# There is Still a Significant Gap Between Labor Supply and Demand





# US Employment is Slowly Returning to Pre-COVID Levels

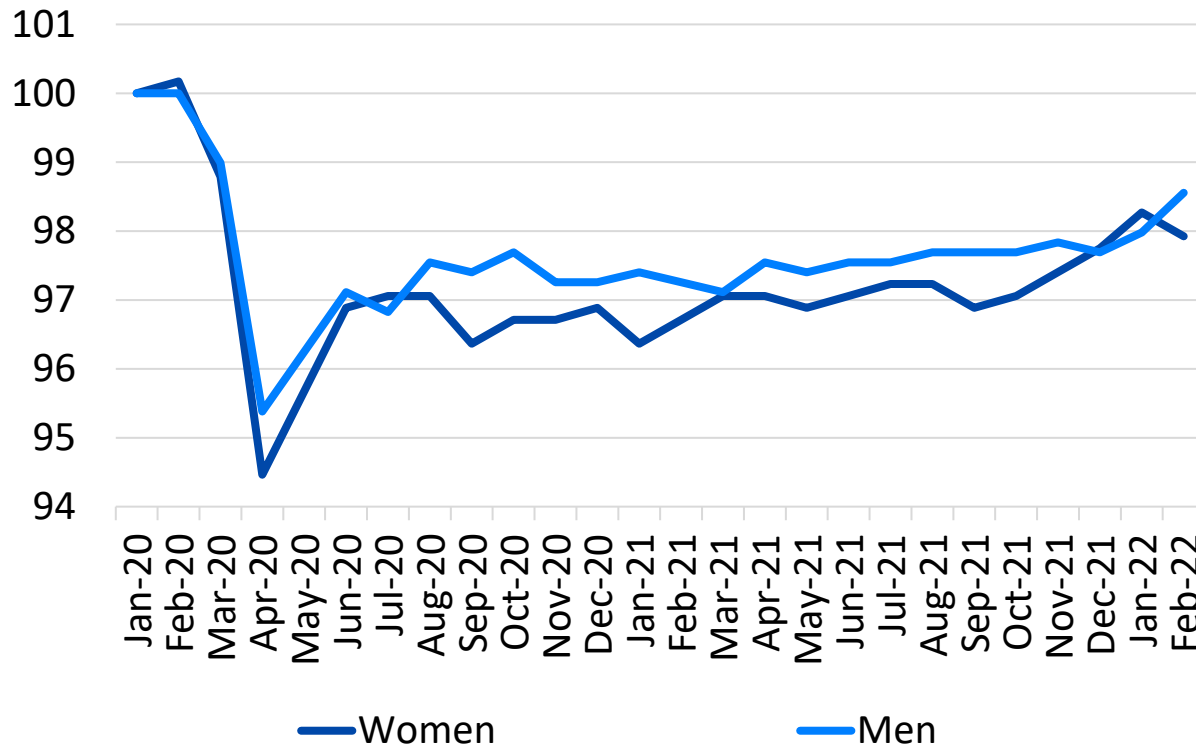


\*Data through January 2022

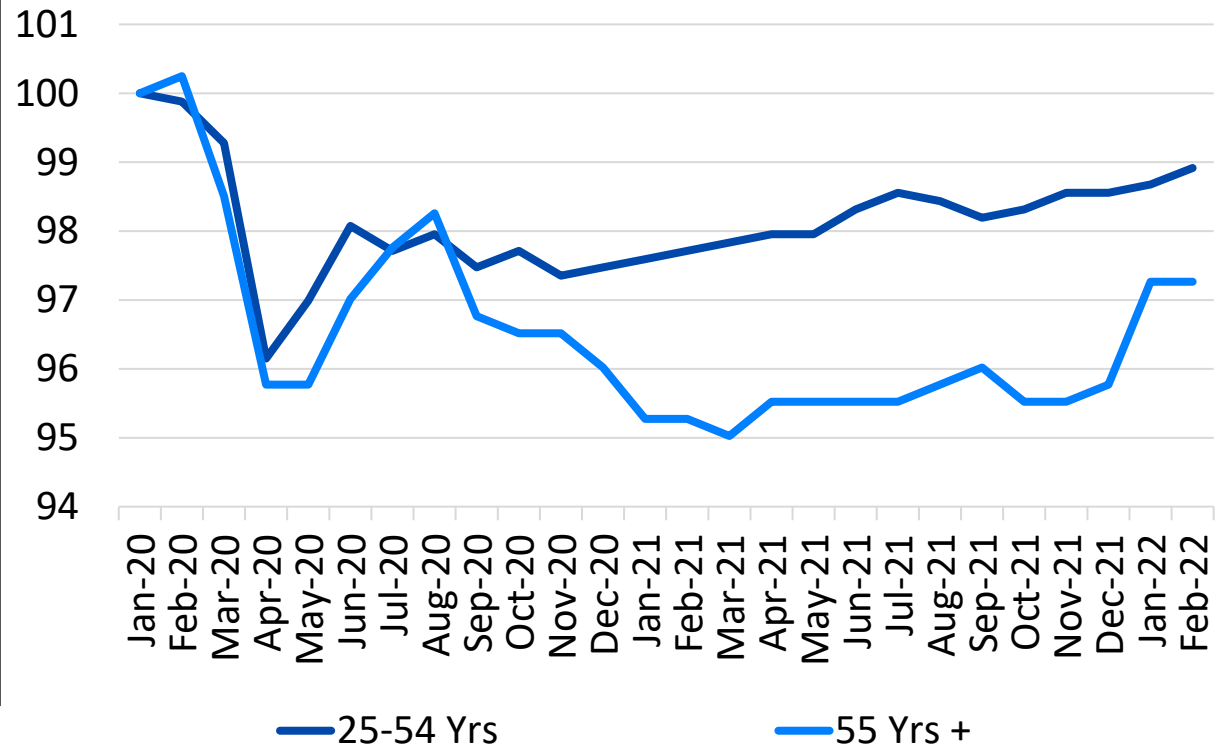
Source: Yardi Matrix; National Bureau of Economic Research; U.S. Bureau of Labor Statistics

# Women and Men are Returning to the Workforce at a Similar Rate, While People Age 55+ Are Taking Their Time to Return

**Labor Force Participation Rate - Gender**  
Indexed Jan 2020 = 100

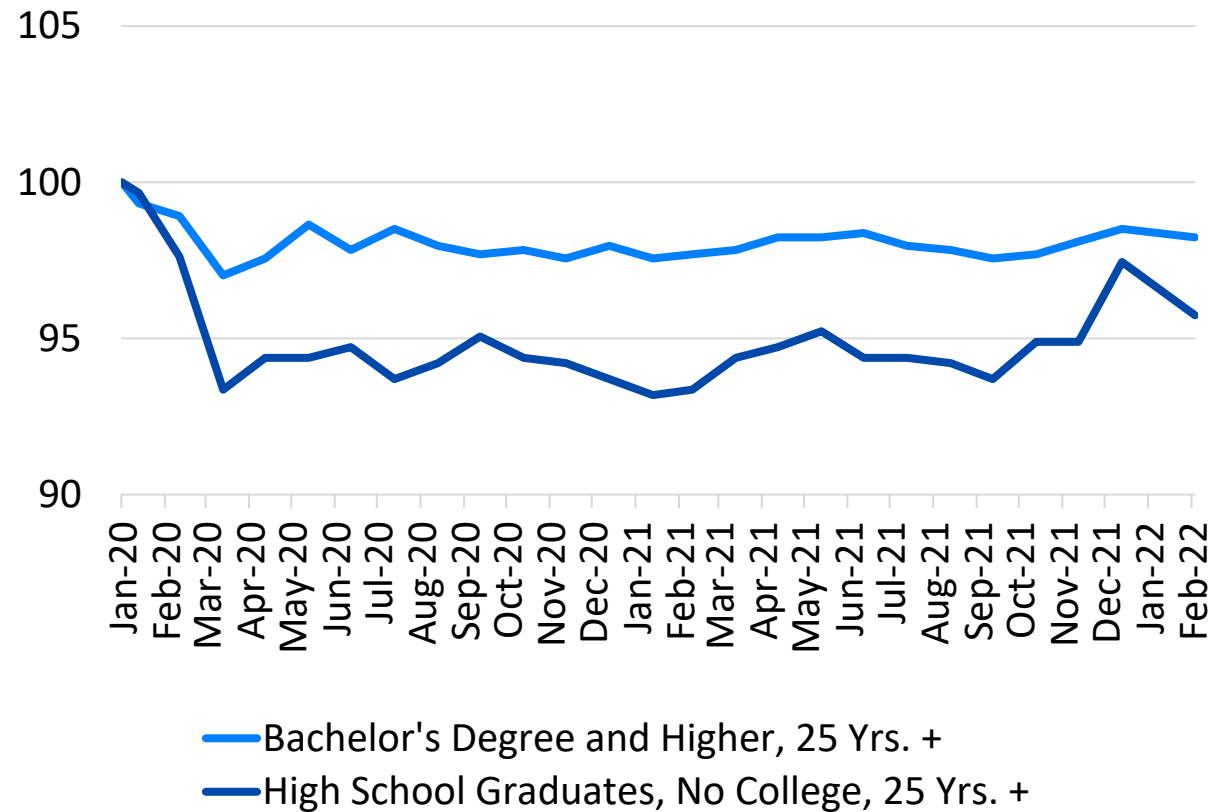


**Labor Force Participation Rate - Age**  
Indexed Jan 2020 = 100

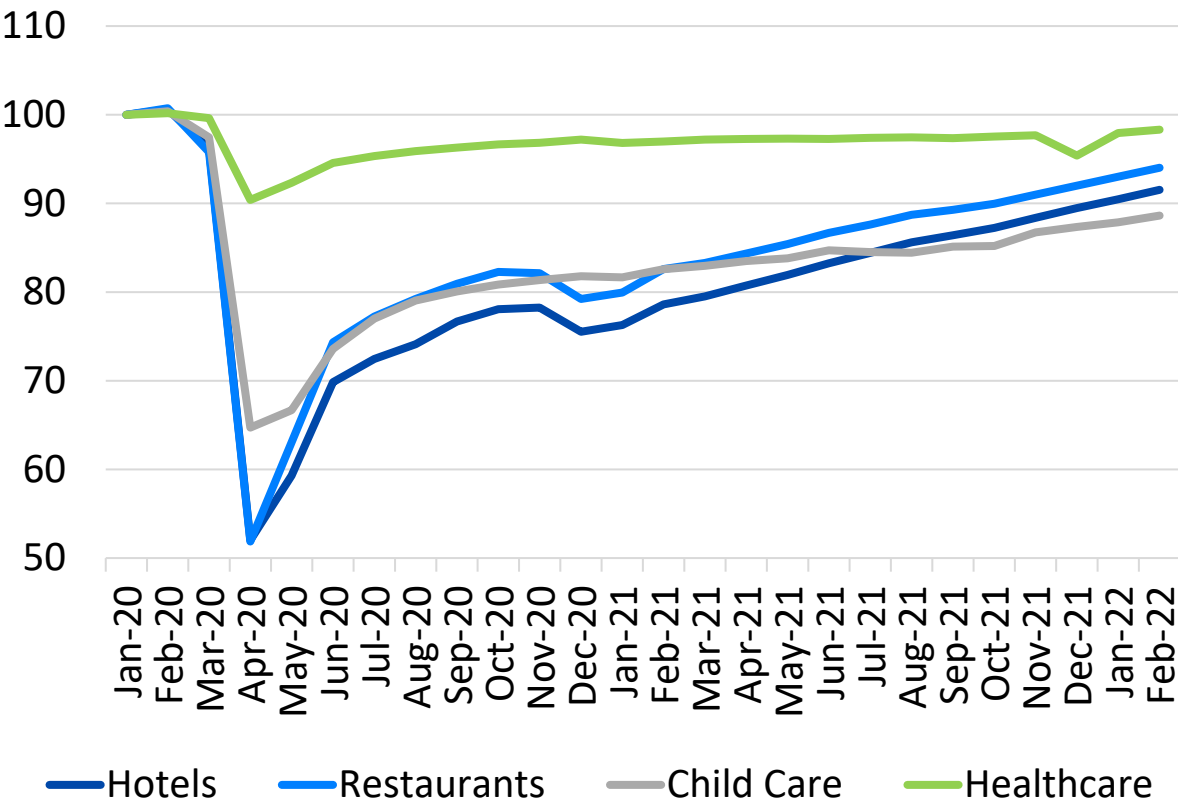


# Labor Force Participation Has Been Down Among Those With No College Degree, Which has Translated to Certain Industries Struggling to Find Workers

Labor Force Participation Rate - Education  
Indexed Jan 2020 = 100



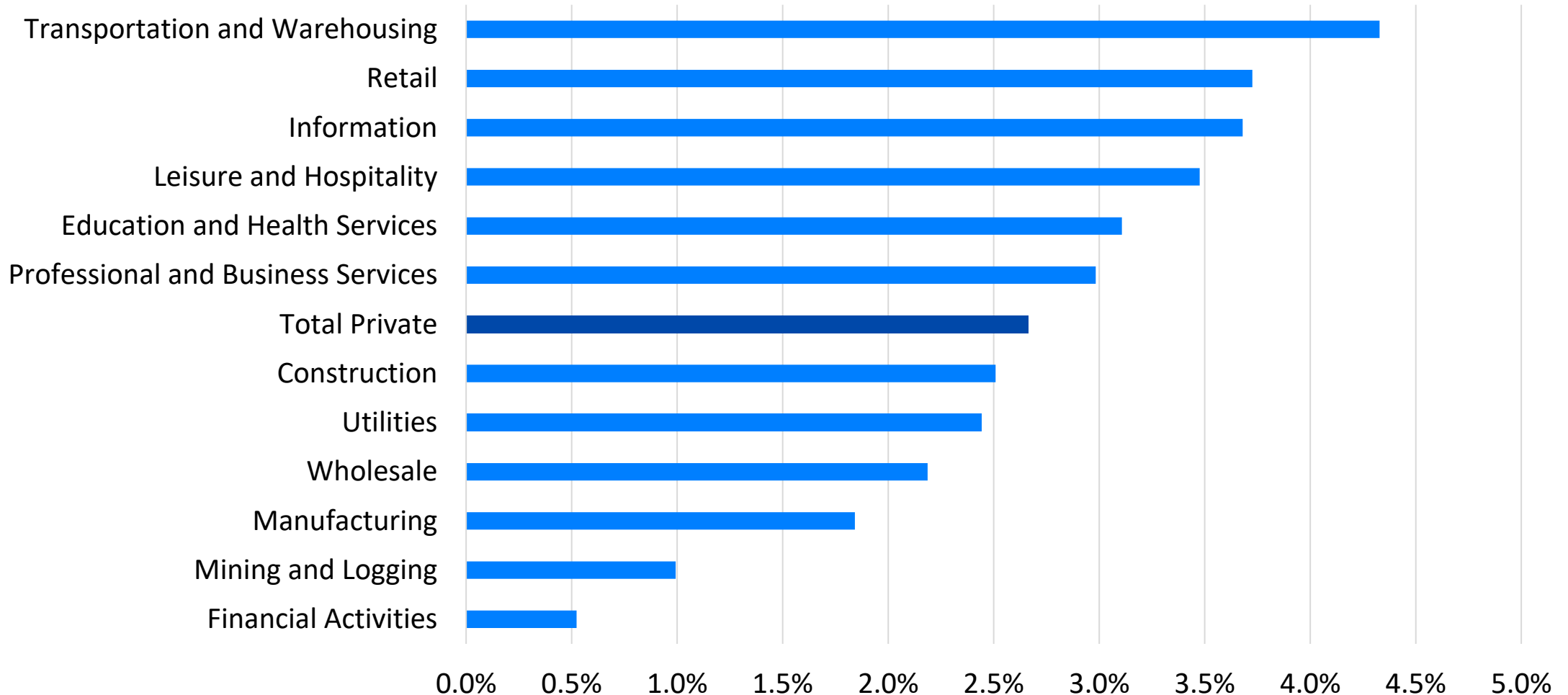
Number of Employees by Industry  
Indexed Jan 2020 = 100



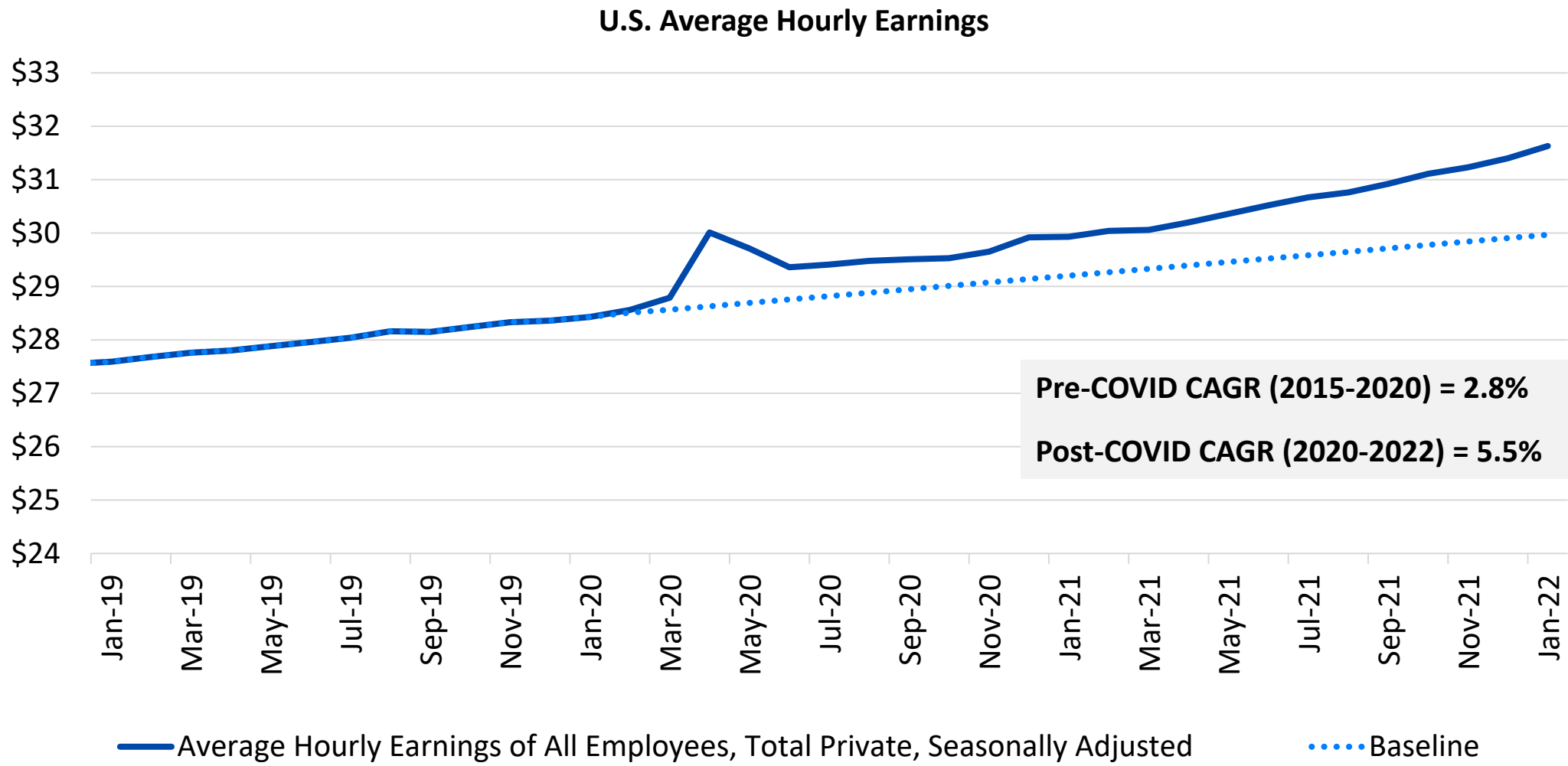
Source: Yardi Matrix; Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics

# Wage Growth Was Strongest at the Lower End Throughout 2021

## 6- Month Change in Average Hourly Earnings (Aug 2021 - Feb 2022)



# The Significant Loss of Low-Wage Workers Has Caused a Distortion to Average Hourly Earnings



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

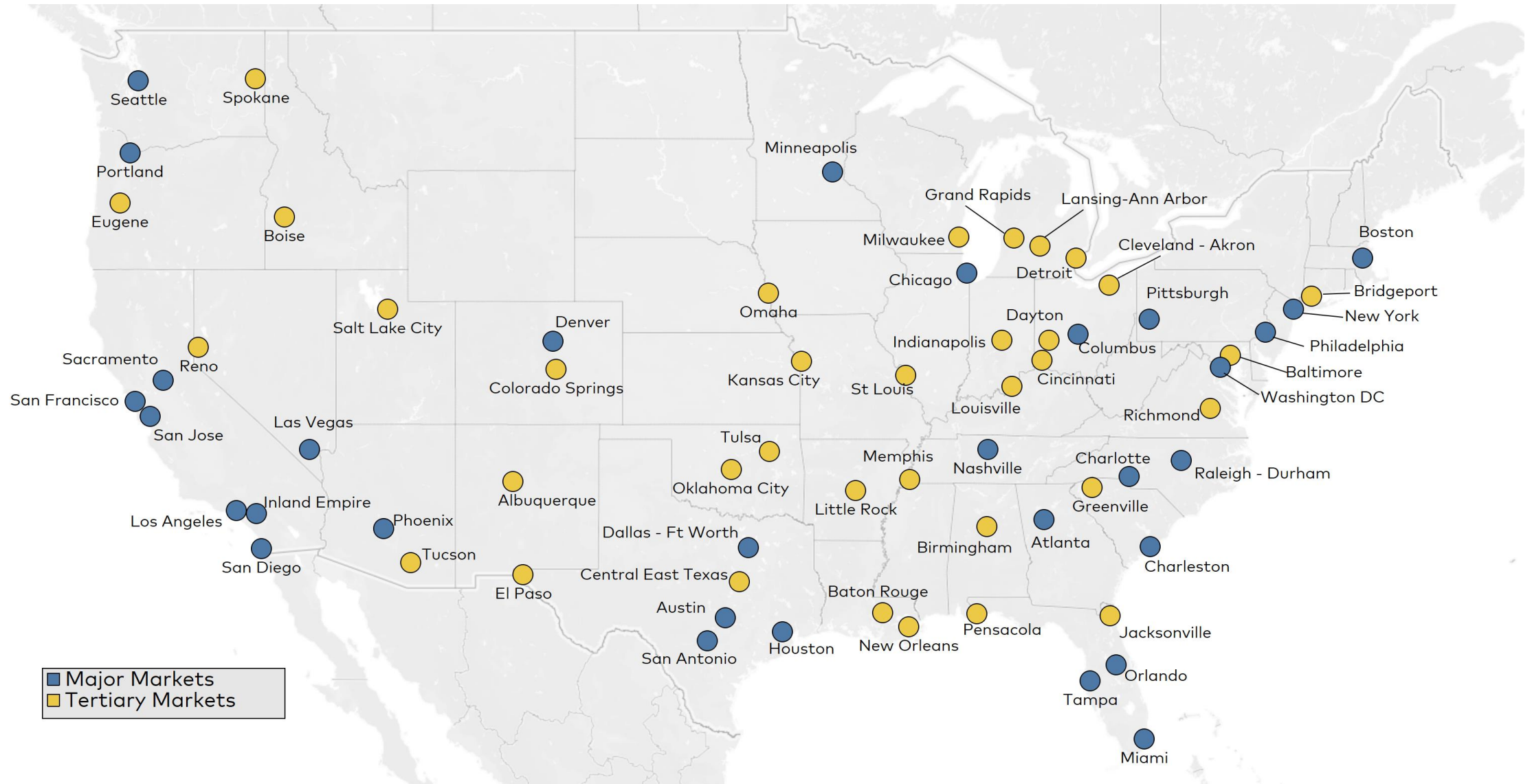
# Macroeconomic Summary & Outlook

- The economy is recovering, or already recovered, depending how you look at it
- With the recovery, there are a number of bottlenecks still occurring
- Demand is strong, but there is disruption on the supply side
- Supply chain disruptions, a tighter-than-ever labor market and several other factors have led to growing inflation; and it's proven to not be transitory (as we expected)
- There is lots of demand chasing little supply in labor markets, driving up wages
- GDP is slowly coming back, labor force participation is beginning to come back, but slow, and supply chain disruptions persist
- Many disruptions are creating massive pressures and the Fed has caught on and is beginning a tightening cycle
- Fed increasing interest rates in 2022 will start the clock ticking to the next recession...which we predict will be late 2024/early 2025

# DEEP DIVE INTO STORAGE STREET RATES

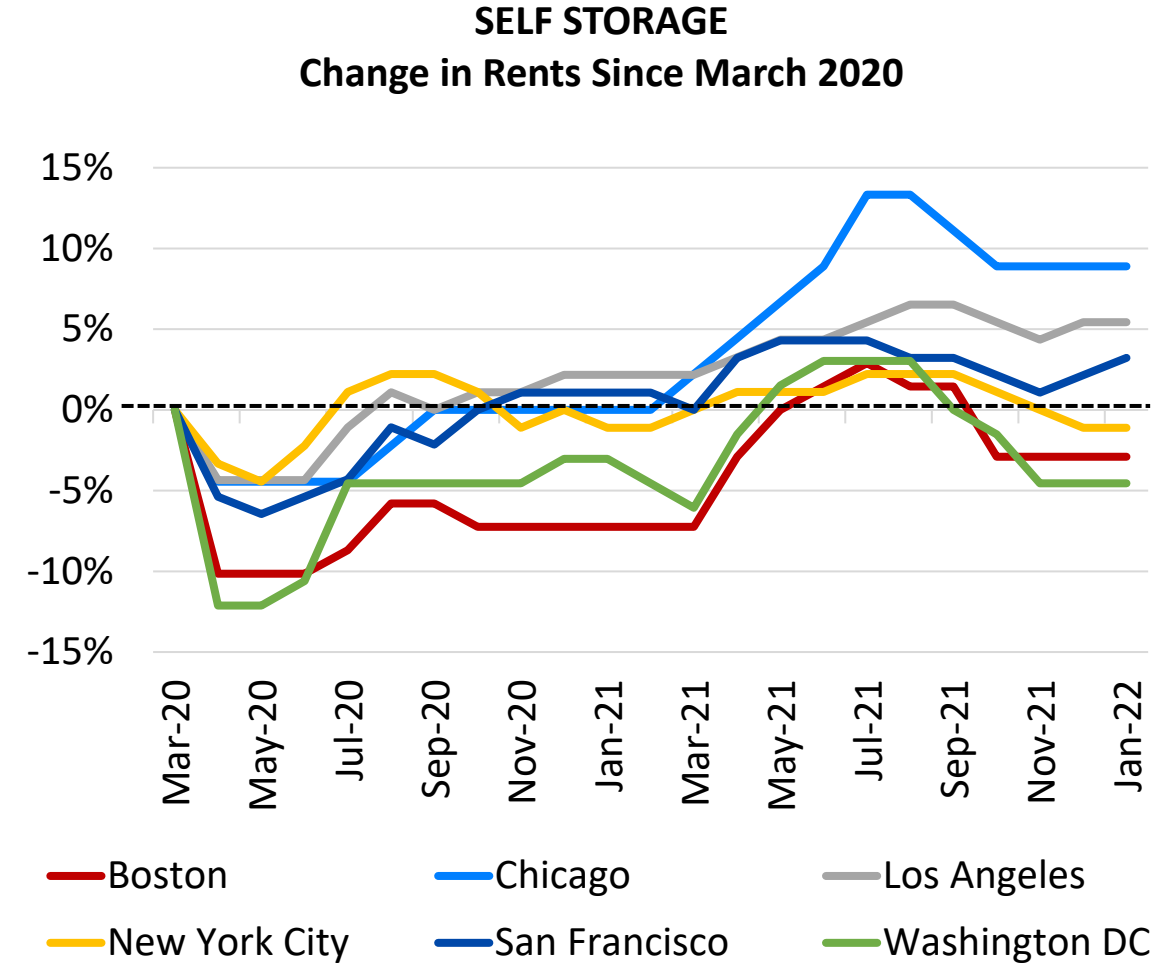
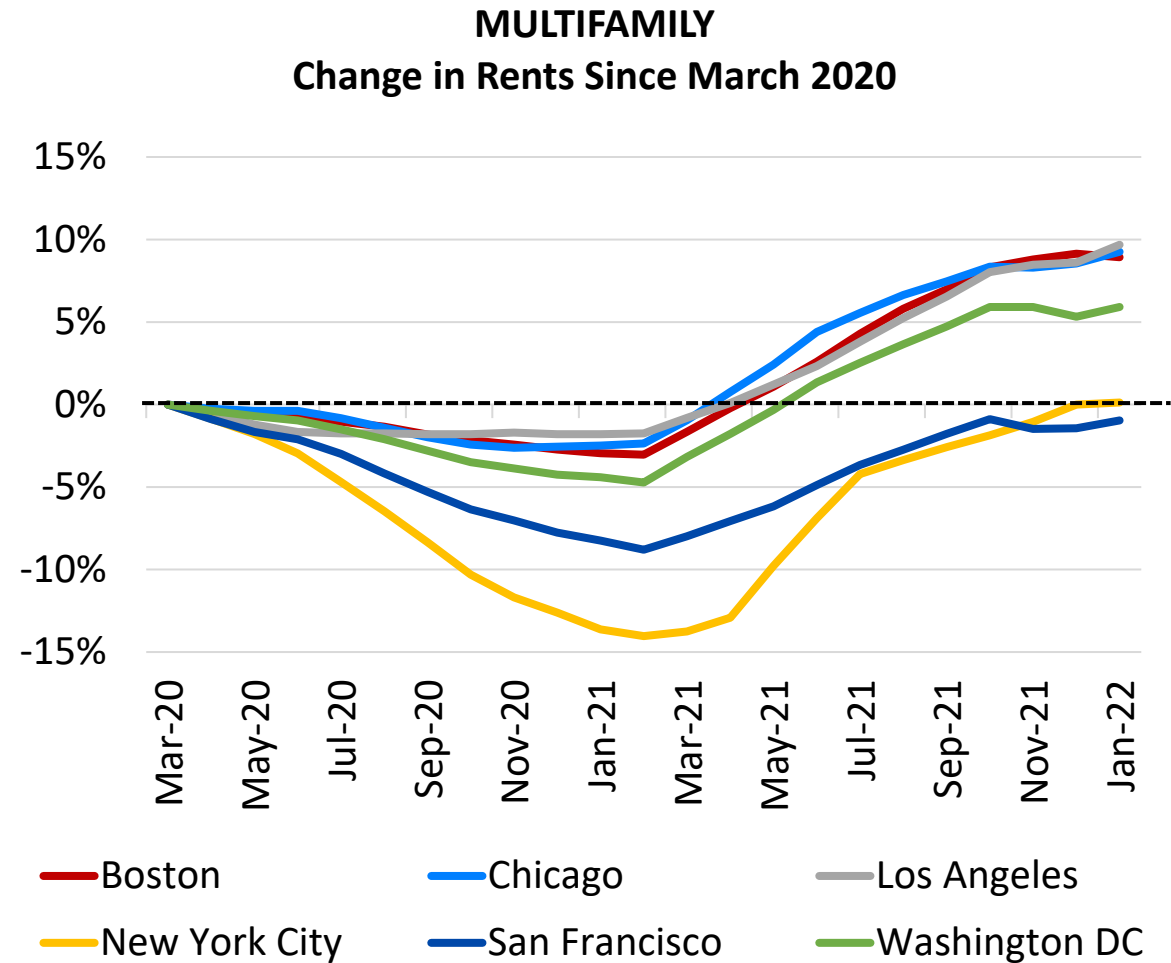
---

# Our Storage Market Classifications



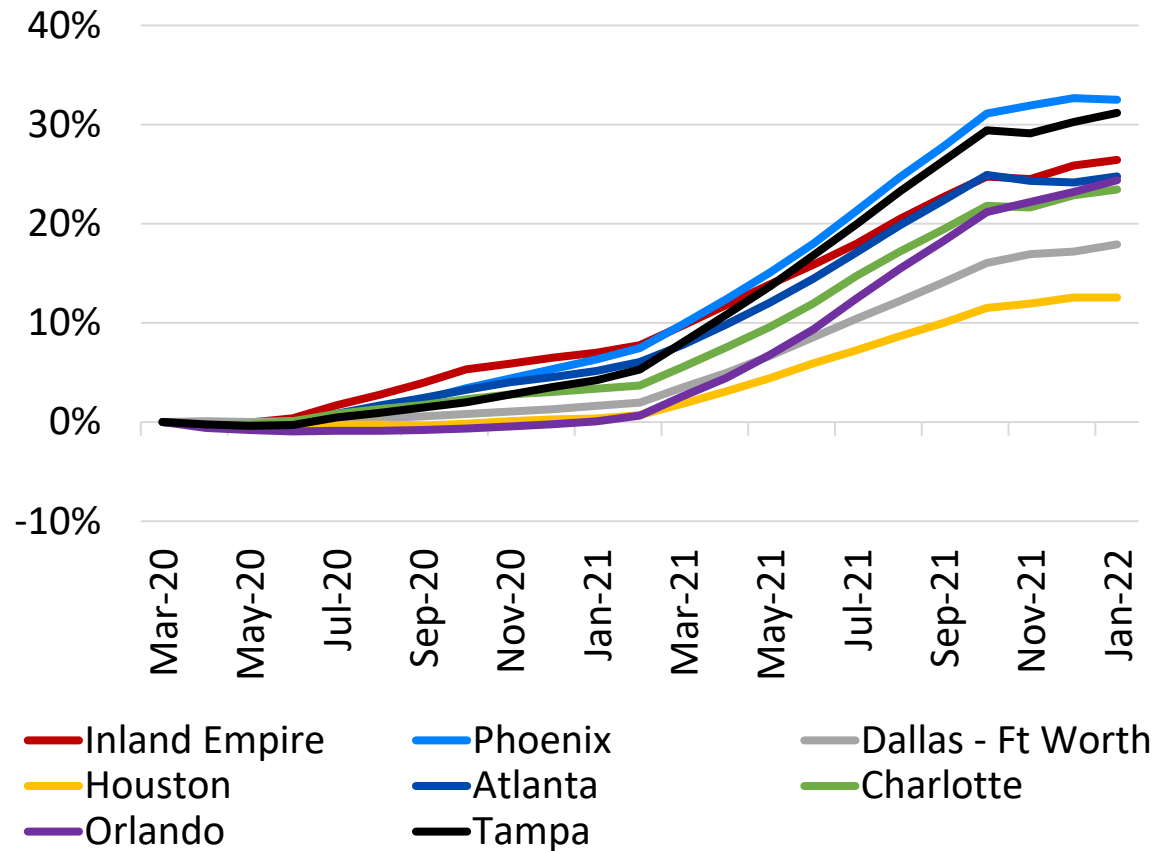


# Most Core Cities Have Recovered in Multifamily, but There is Greater Disparity in Self Storage as Street Rate Growth Starts to Level Out

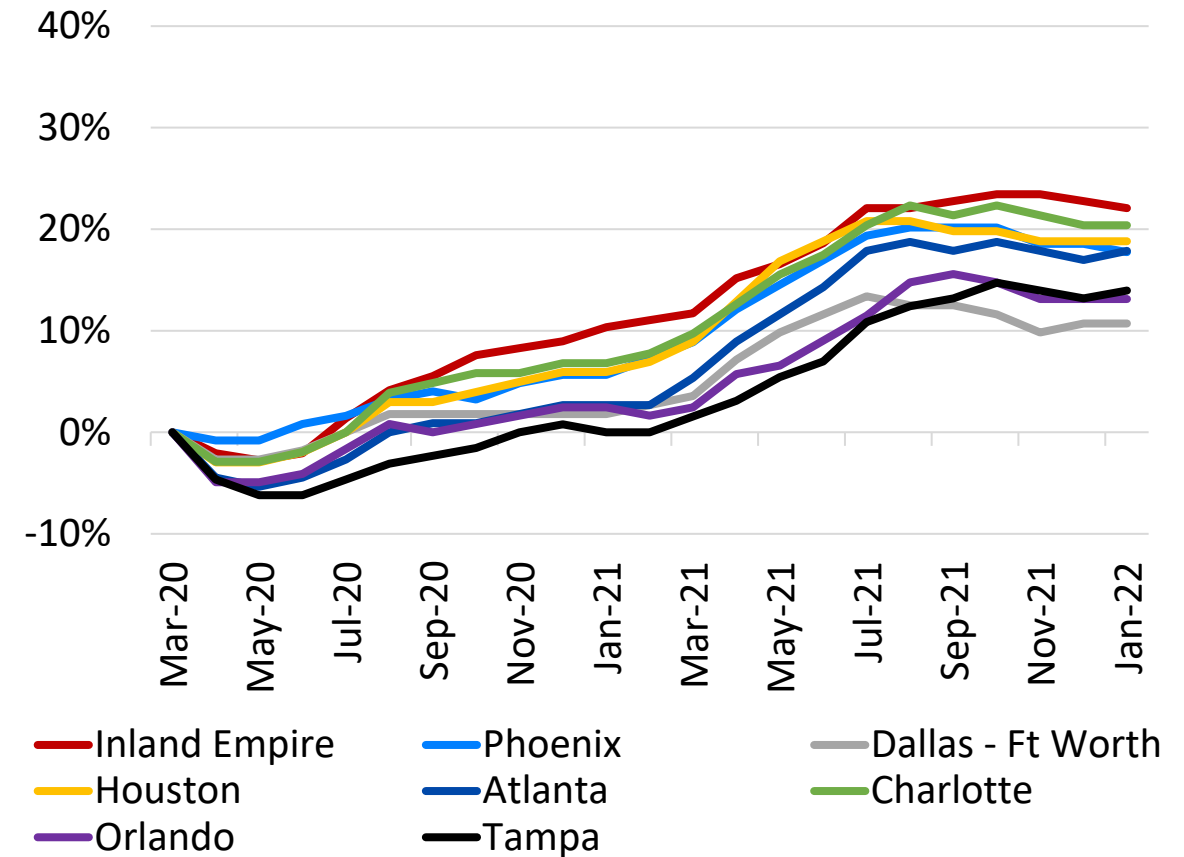


# Meanwhile, Rent Growth in Key Sunbelt Markets is Way Up, Though Moderating Over the Last Couple Months

**MULTIFAMILY**  
Change in Rents Since March 2020



**SELF STORAGE**  
Change in Rents Since March 2020



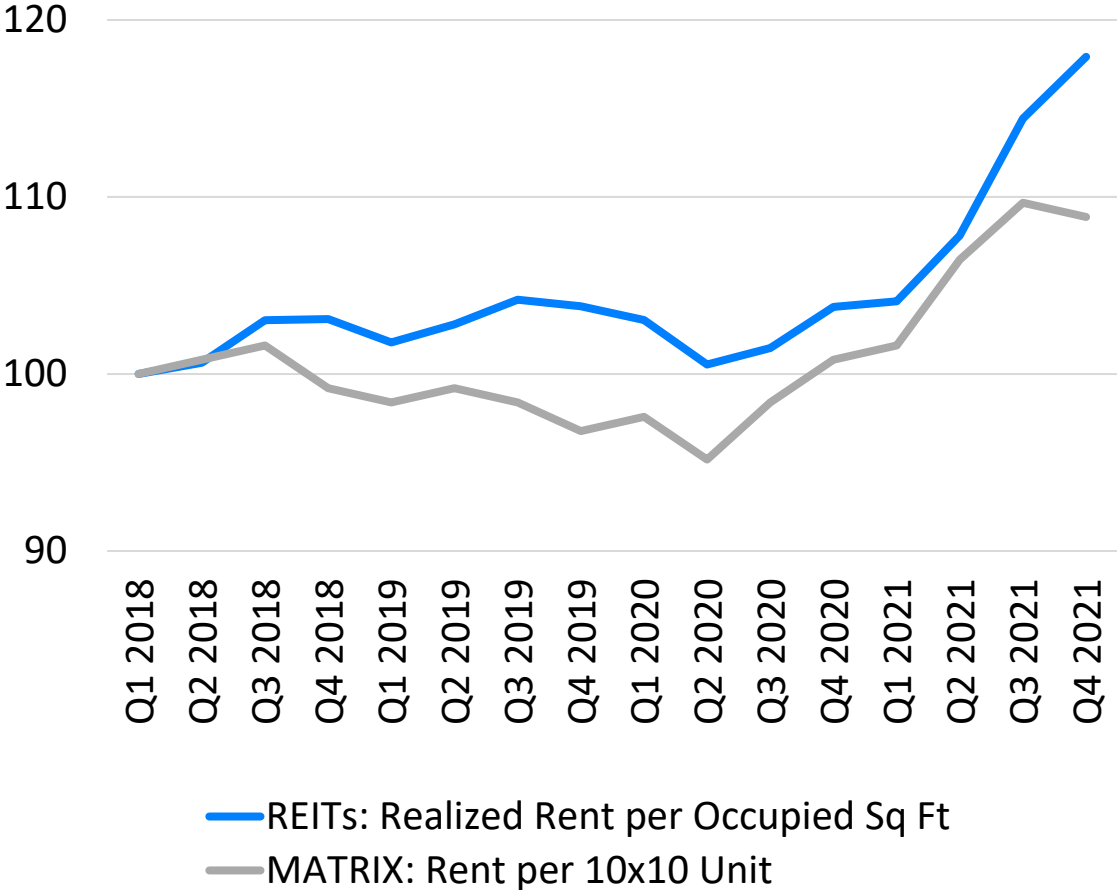
# Self Storage REITs Significantly Outperformed in 2021

Total Annual Returns by Property Sector

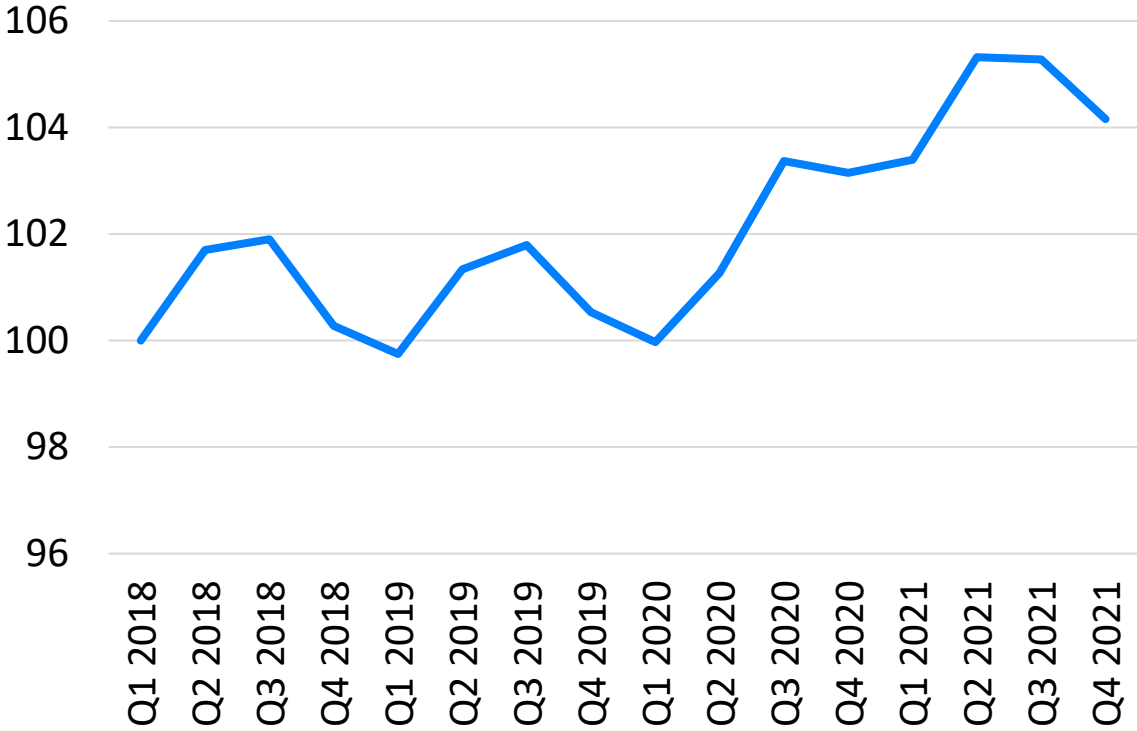
2016	2017	2018	2019	2020	2021
Industrial 30.7%	Infrastructure 35.4%	Health Care 7.6%	Industrial 48.7%	Data Centers 21.0%	<b>Self Storage 79.4%</b>
Data Centers 26.4%	Data Centers 28.4%	Infrastructure 7.0%	Data Centers 44.2%	<b>Self Storage 12.9%</b>	Industrial 62.0%
Lodging/Resorts 24.3%	Timber 21.9%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

# Matrix Street Rates are Trailing In-Place REIT Rents, While REIT Occupancy Takes a Seasonal Dip

**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 Increased in Most Markets Nationwide From Pre-Pandemic to Q4 2021

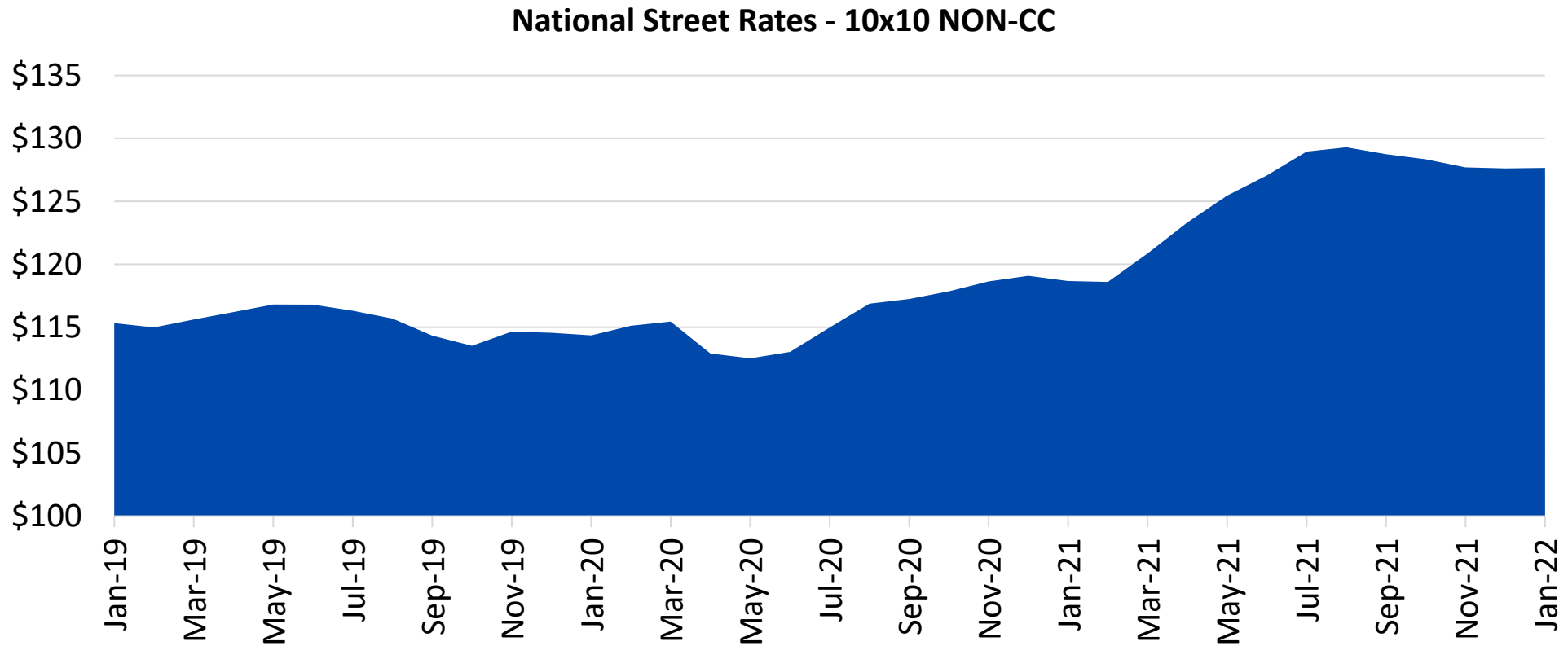
MSA	Q2 2020	Q4 2021	YoY Change in Occupancy
Portland, OR	82.7%	92.0%	9.3%
Charleston, SC	90.5%	96.4%	5.9%
Raleigh-Durham, NC	90.7%	96.2%	5.5%
Tampa-St.Petersburg, FL	91.0%	96.1%	5.1%
Atlanta, GA	91.6%	96.2%	4.6%
Kansas City, KS	90.0%	94.4%	4.4%
Miami, FL	92.7%	97.1%	4.3%
Charlotte, NC	92.0%	95.4%	3.4%
Las Vegas, NV	92.8%	95.8%	3.0%
Phoenix, AZ	92.4%	95.2%	2.8%
Dallas-Ft. Worth, TX	92.5%	95.2%	2.7%
Houston, TX	91.6%	94.2%	2.6%
Los Angeles, CA	95.0%	97.5%	2.5%
Boston, MA	91.6%	94.1%	2.5%

MSA	Q2 2020	Q4 2021	YoY Change in Occupancy
Austin, TX	92.2%	94.6%	2.4%
New York/New Jersey	92.9%	95.2%	2.3%
San Diego, CA	94.2%	96.4%	2.2%
Orlando, FL	92.8%	94.7%	1.9%
Chicago, IL	93.1%	94.9%	1.8%
Philadelphia, PA	94.1%	95.6%	1.5%
Denver, CO	93.5%	94.7%	1.2%
San Antonio , TX	92.5%	93.6%	1.1%
San Francisco, CA	94.9%	95.8%	0.9%
Washington DC Metro	93.4%	94.3%	0.9%
Seattle-Tacoma, WA	94.1%	94.3%	0.2%
Sacramento, CA	93.4%	93.4%	0.0%
Nashville, TN	93.0%	91.7%	-1.3%
Columbus, OH	94.1%	91.6%	-2.5%

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

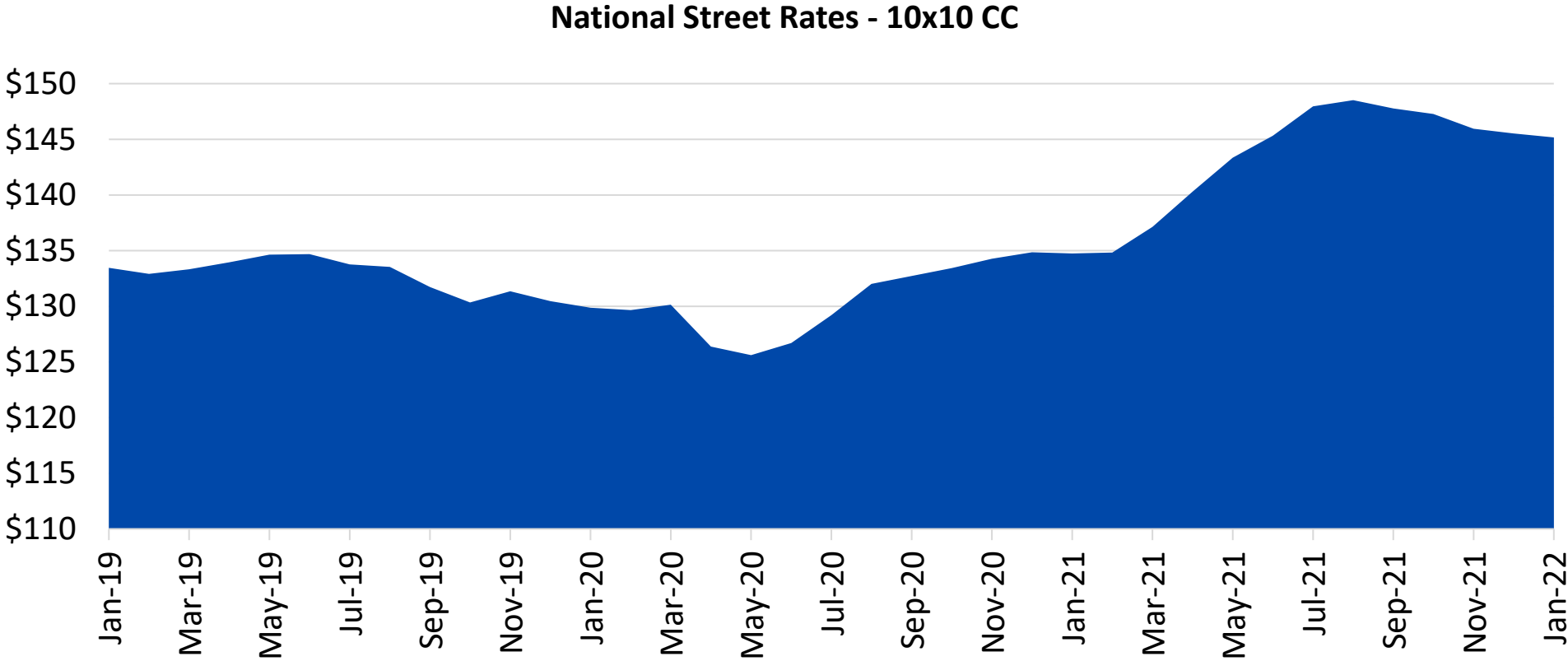


# Street Rate Growth For 10x10 Non-CC Units is Tempering, But Will Remain Strong in 2022



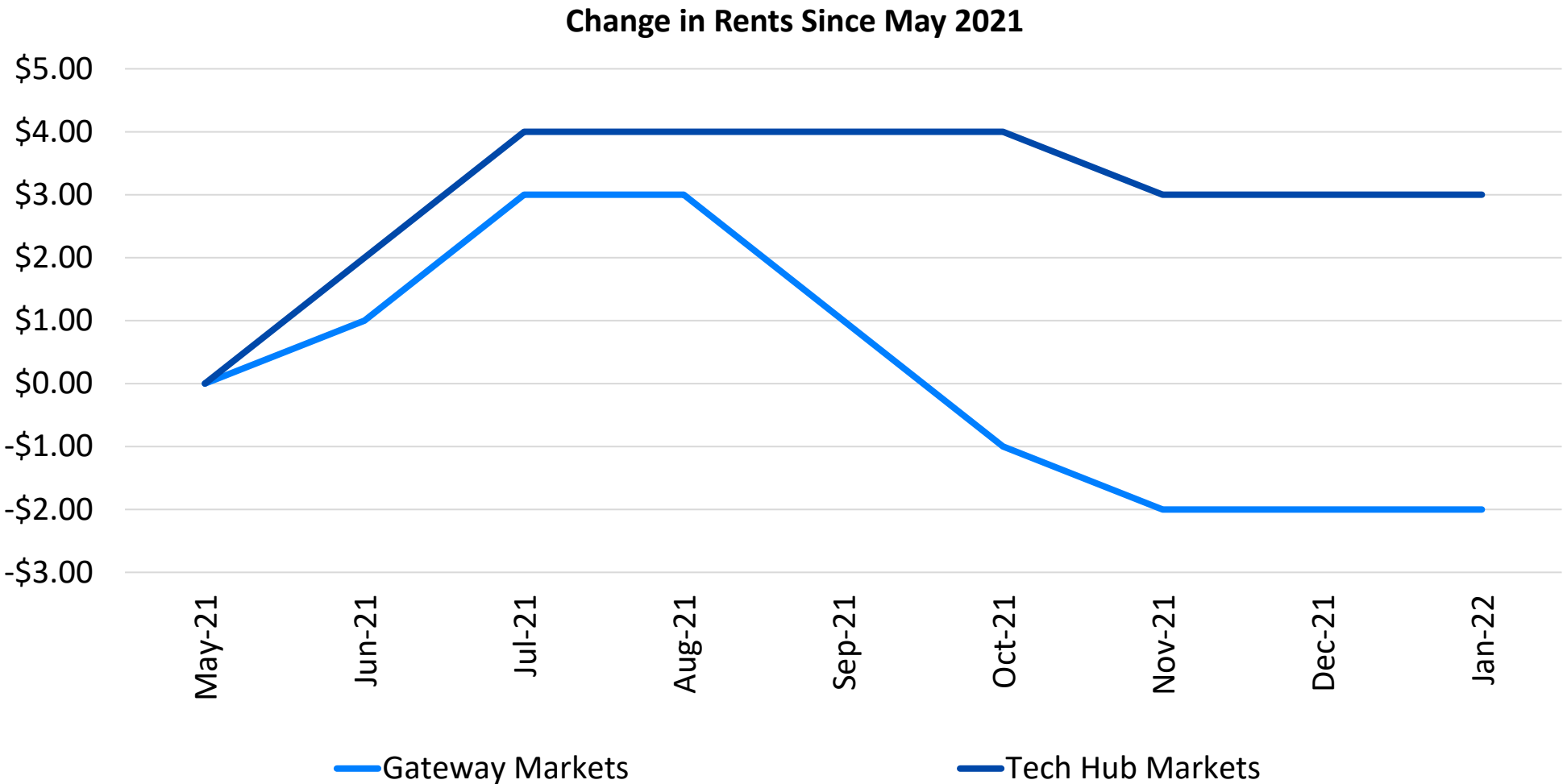
	% Change	\$ Change
Year-over-Year: Jan '21 – Jan '22	7.6%	\$9.00
Month-over-Month: Dec '21 – Jan '22	0.0%	\$0.00
Pre-pandemic to Current: Mar '20 – Jan '22	11.3%	\$13.00

# Street Rate Growth for 10x10 CC Units Decreased from December to January, But is Also Expected to Remain Strong This Year



	% Change	\$ Change
Year-over-Year: Jan '21 – Jan '22	7.4%	\$10
Month-over-Month: Dec '21 – Jan '22	-0.7%	-\$1
Pre-pandemic to Current: Mar '20 – Jan '22	11.5%	\$15

# Tech Hub Market Rents Have Grown Higher Than Gateway Markets, Though Both Have Started to Flatten



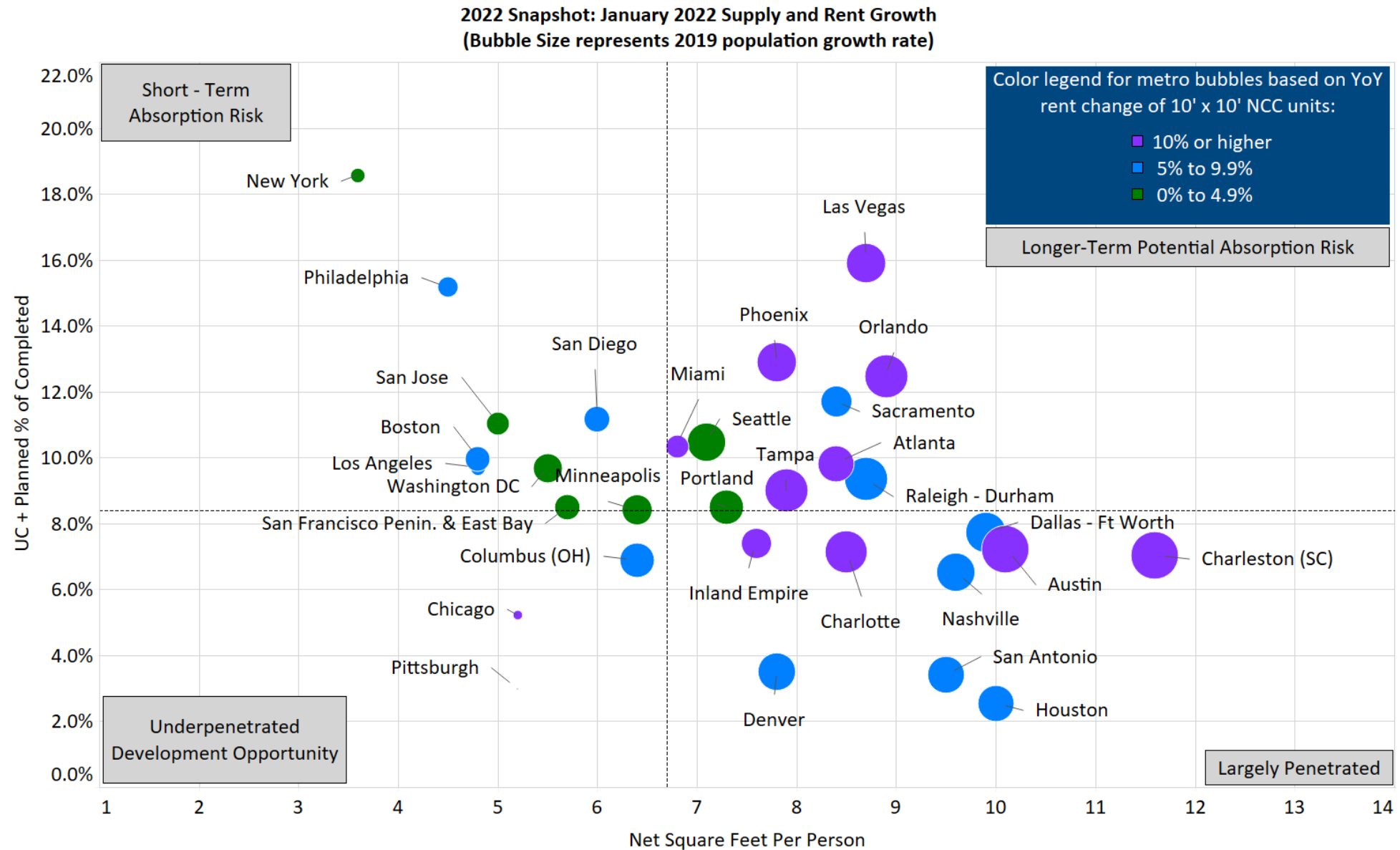
\*Average rates include: 5x5 NON-CC, 5x5 CC, 10x10 NON-CC, 10x10 CC

Source: Yardi Matrix

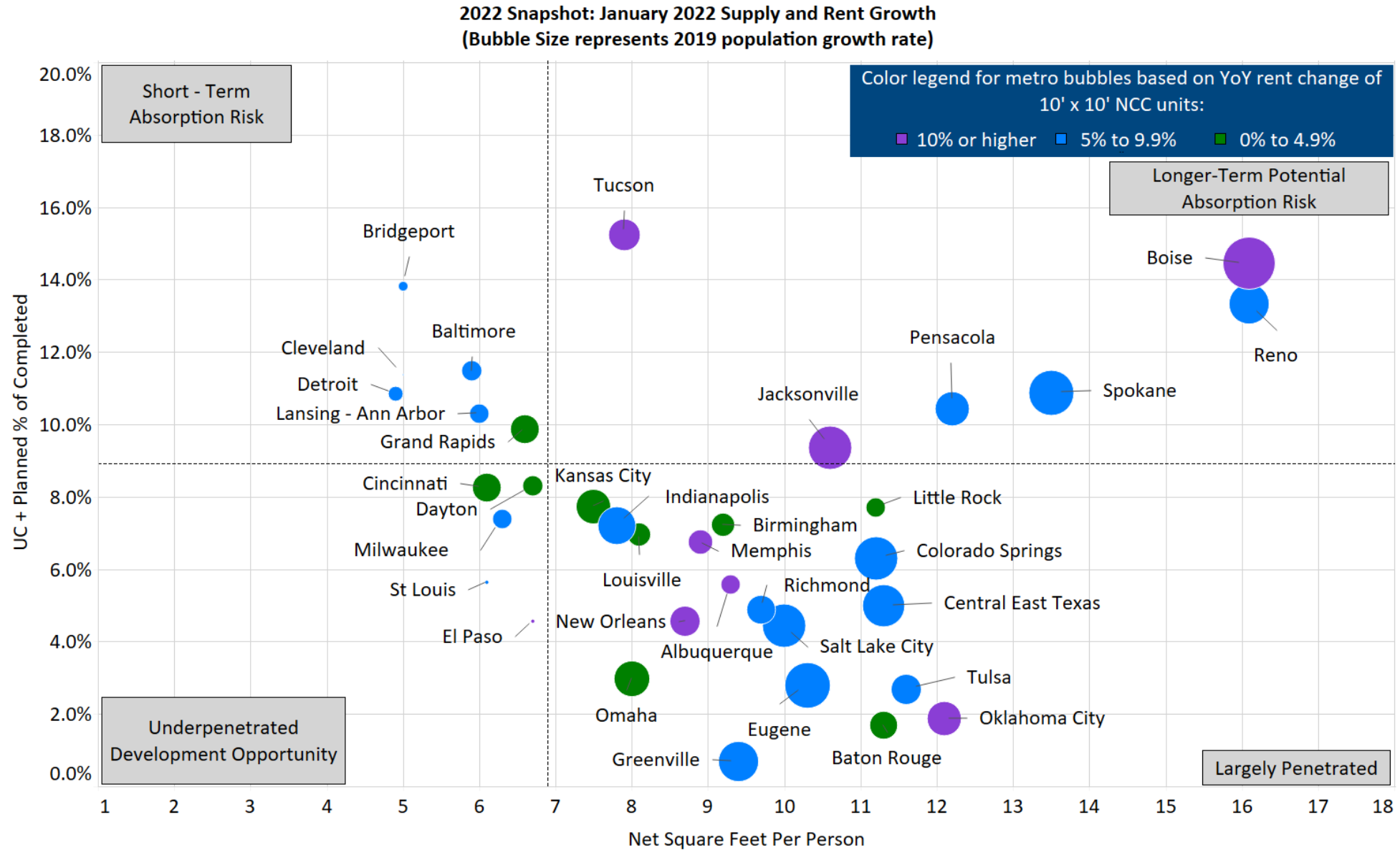




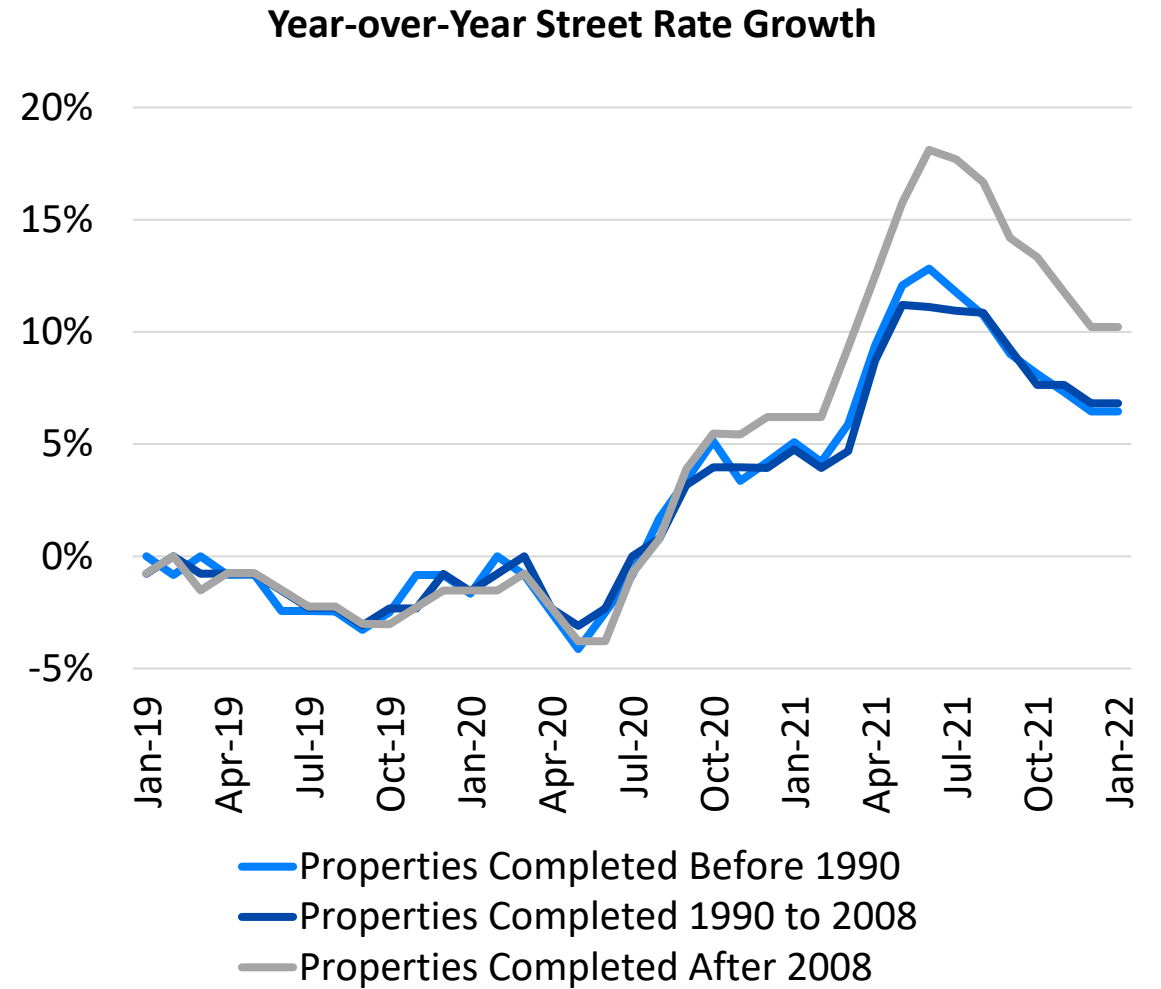
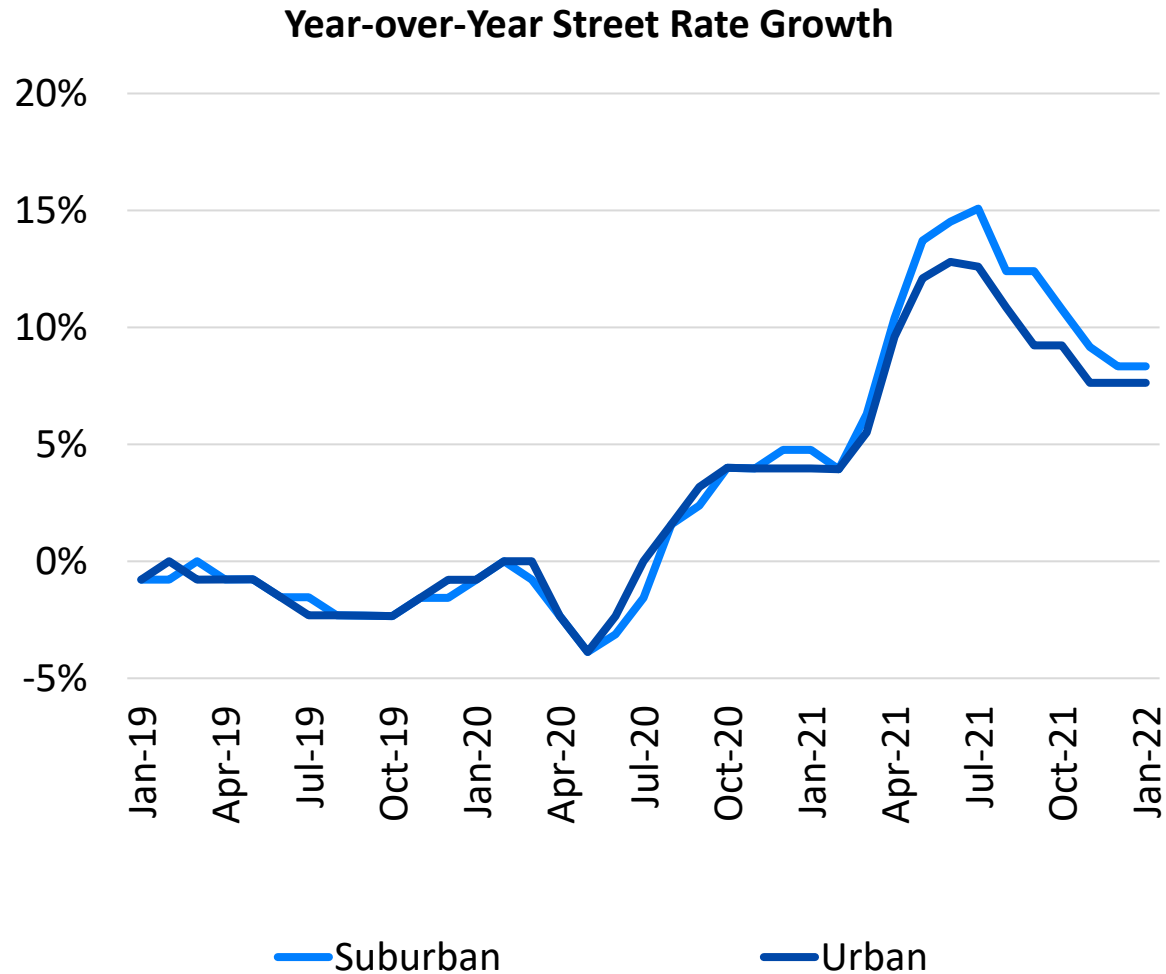
# Major Markets Saw Strong Rate Growth Year-Over-Year in January



# All Tertiary Markets Have Seen Street Rates Increase Compared to Last January



# Street Rate Growth is Strong in Both Urban and Suburban Settings, Particularly for Newer Construction

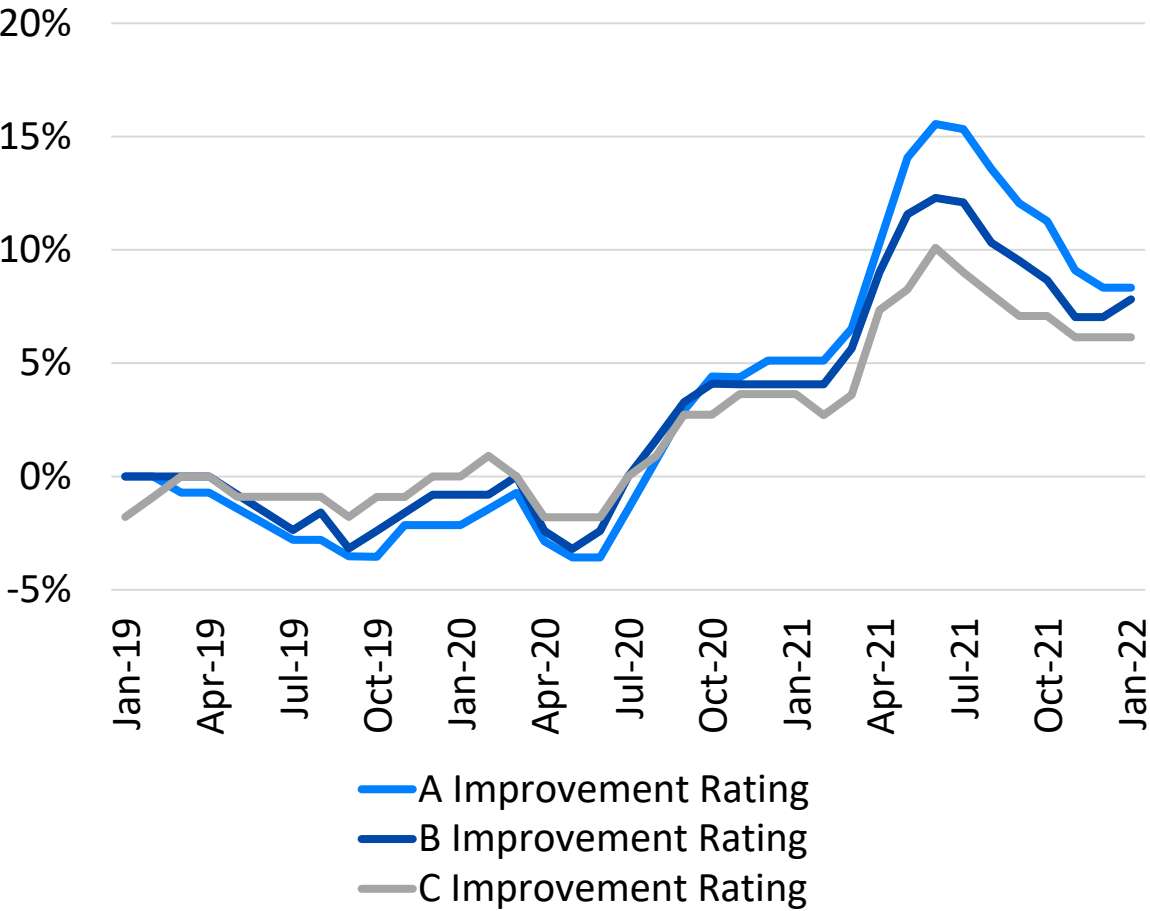


\*National average rates include all unit types and sizes

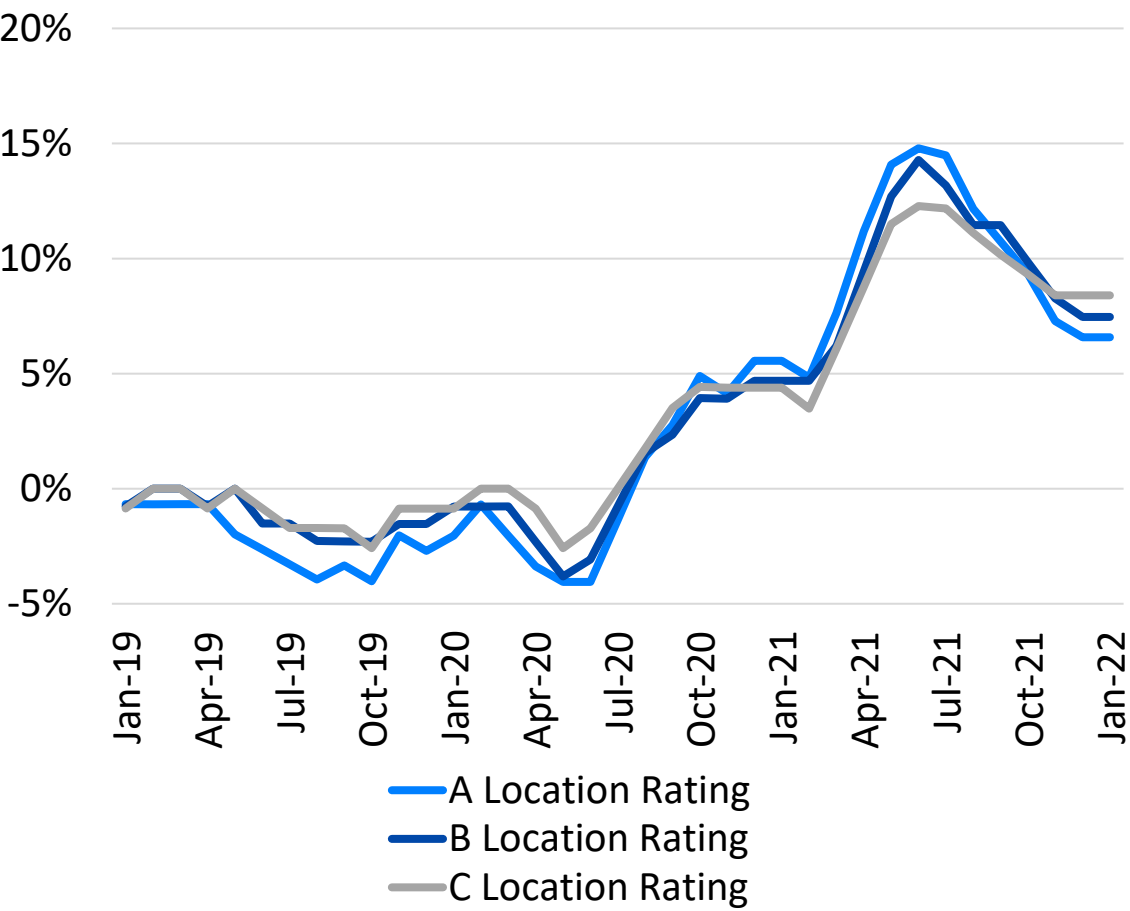
Source: Yardi Matrix

# Nicer Properties in Less Desirable Locations Have Been Performing the Best

Year-over-Year Street Rate Growth



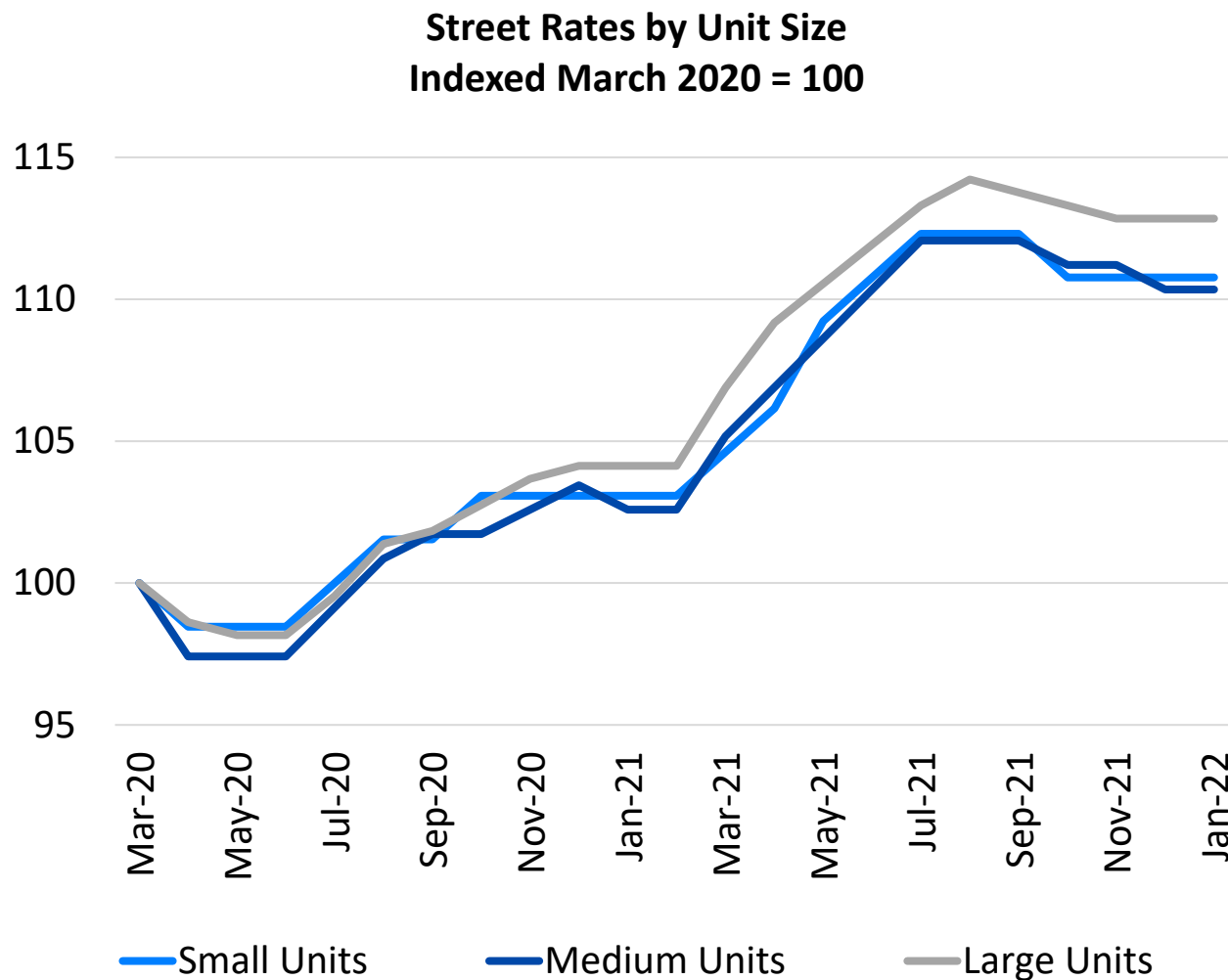
Year-over-Year Street Rate Growth



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



# The Need for Self Storage Increased Across the Board Since the Pandemic, Particularly for Larger Units



- 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 Year-Over-Year in January

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Cleveland - Akron	2.1%	8.0%	5.9%
Greenville (SC)	0.0%	5.3%	5.3%
Jacksonville	14.0%	19.0%	5.0%
Omaha	0.0%	4.9%	4.9%
Cincinnati	2.8%	7.3%	4.5%
SF & East Bay	1.1%	5.6%	4.5%
Washington DC	0.0%	4.0%	4.0%
Portland	0.0%	3.9%	3.9%
Columbus (OH)	2.8%	6.4%	3.6%
Eugene	5.4%	8.8%	3.4%
Pensacola	6.4%	9.4%	3.0%
Dallas - Ft Worth	4.9%	7.7%	2.8%
Los Angeles	4.8%	7.3%	2.5%
Louisville (KY)	2.4%	4.9%	2.5%
Sacramento	5.1%	7.5%	2.4%

Market	YoY Change in 5x5 NON-CC Street Rates	YoY Change in 10x30 NON-CC Street Rates	Difference
Baltimore	2.0%	4.4%	2.4%
Raleigh - Durham	4.9%	7.2%	2.3%
Minneapolis	2.3%	4.6%	2.3%
Detroit	4.2%	6.4%	2.2%
Little Rock	2.4%	4.5%	2.1%
New York	5.6%	7.7%	2.1%
Tulsa	2.9%	4.8%	1.8%
Seattle	1.6%	3.4%	1.8%
Salt Lake City	4.6%	6.2%	1.7%
Oklahoma City	6.9%	8.5%	1.6%
Richmond	6.5%	8.0%	1.5%
Tampa	9.5%	11.0%	1.5%
San Jose	4.0%	5.4%	1.4%
Nashville	4.0%	5.2%	1.2%
Denver	6.1%	7.1%	0.9%

\*Year-over-year change in average street rate per square foot of non-climate-controlled units for January 2022

Source: Yardi Matrix

# Markets with the Fastest Street Rate Growth for Small Unit Sizes

Market	Small Unit Average Rate per Sq Ft January 2021	Small Unit Average Rate per Sq Ft January 2022	Growth in Small Unit Average Rate (Jan '21 – Jan '22)
Memphis	\$1.21	\$1.40	15.7%
Boise	\$1.31	\$1.51	15.3%
El Paso	\$1.38	\$1.59	15.2%
Tucson	\$1.58	\$1.82	15.2%
Jacksonville	\$1.60	\$1.84	15.0%
Miami	\$2.01	\$2.31	14.9%
Atlanta	\$1.55	\$1.78	14.8%
Charlotte	\$1.43	\$1.62	13.3%
Inland Empire	\$1.85	\$2.09	13.0%
Austin	\$1.57	\$1.77	12.7%
Tampa	\$1.61	\$1.81	12.4%
Phoenix	\$1.62	\$1.82	12.4%
Chicago	\$1.52	\$1.70	11.8%
Charleston (SC)	\$1.54	\$1.72	11.7%
Las Vegas	\$1.59	\$1.77	11.3%

\*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 January 2021	Medium Unit Average Rate per Sq Ft January 2022	Growth in Medium Unit Average Rate (Jan '21 – Jan '22)
Tucson	\$1.10	\$1.28	16.4%
Jacksonville	\$1.13	\$1.31	15.9%
Atlanta	\$1.07	\$1.24	15.9%
Memphis	\$0.94	\$1.08	14.9%
Miami	\$1.57	\$1.79	14.0%
El Paso	\$0.88	\$1.00	13.6%
Inland Empire	\$1.29	\$1.46	13.2%
Boise	\$0.92	\$1.04	13.0%
Tampa	\$1.19	\$1.34	12.6%
Phoenix	\$1.20	\$1.35	12.5%
Charlotte	\$0.99	\$1.11	12.1%
Charleston (SC)	\$1.08	\$1.21	12.0%
Austin	\$1.12	\$1.25	11.6%
Las Vegas	\$1.12	\$1.25	11.6%
Albuquerque	\$1.04	\$1.15	10.6%

\*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 January 2021	Large Unit Average Rate per Sq Ft January 2022	Growth in Large Unit Average Rate (Jan '21 – Jan '22)
Jacksonville	\$0.89	\$1.04	16.9%
Memphis	\$0.69	\$0.80	15.9%
Atlanta	\$0.88	\$1.01	14.8%
Charleston (SC)	\$0.90	\$1.03	14.4%
Tucson	\$0.89	\$1.01	13.5%
El Paso	\$0.62	\$0.70	12.9%
Miami	\$1.33	\$1.50	12.8%
Phoenix	\$0.94	\$1.06	12.8%
Tampa	\$0.95	\$1.07	12.6%
Boise	\$0.61	\$0.68	11.5%
Charlotte	\$0.79	\$0.88	11.4%
Inland Empire	\$0.97	\$1.08	11.3%
Bridgeport - New Haven	\$1.06	\$1.18	11.3%
Pensacola	\$0.89	\$0.99	11.2%
Orlando	\$0.93	\$1.03	10.8%

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

Source: Yardi Matrix

## Where Do We See Street Rates Going?

- We expect street rates to continue to see growth, just at a slower rate
- Street rate growth will continue to be highest in migration favorites, largely sunbelt and mountain regions
- Driving forces of demand will continue
  - Populations are still being dislocated, just slower
  - People have acquired “stuff” during the pandemic that still needs to be stored
  - Self storage is still the cheapest way to store your things

# HISTORICAL & FORECASTED SUPPLY TRENDS

---

# NEW STORAGE SUPPLY PIPELINE



## PROSPECTIVE

526 Properties  
33MM Total Sq. Ft.  
27MM Rentable Sq. Ft.



## PLANNED

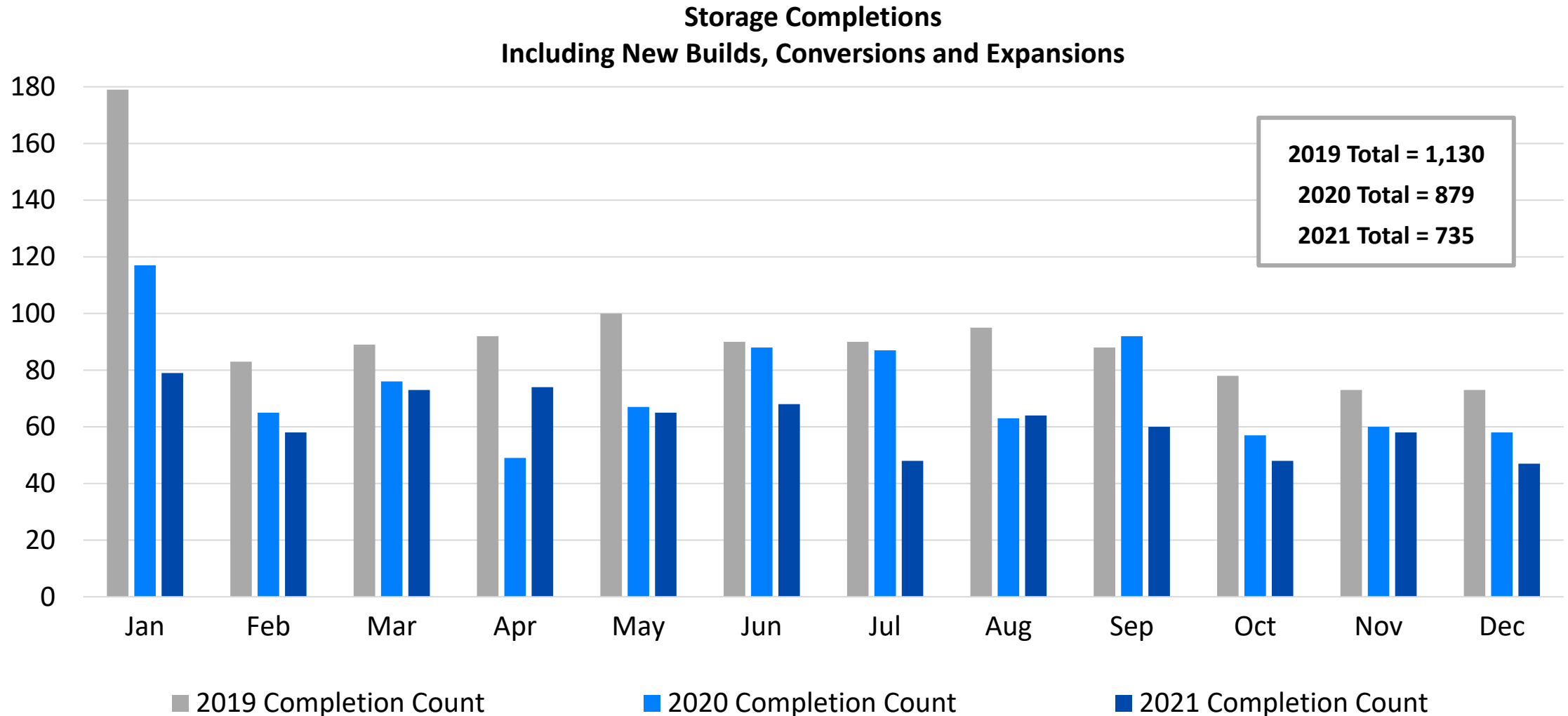
1,315 Properties  
94MM Total Sq. Ft.  
78MM Rentable Sq. Ft.



## UNDER CONSTRUCTION

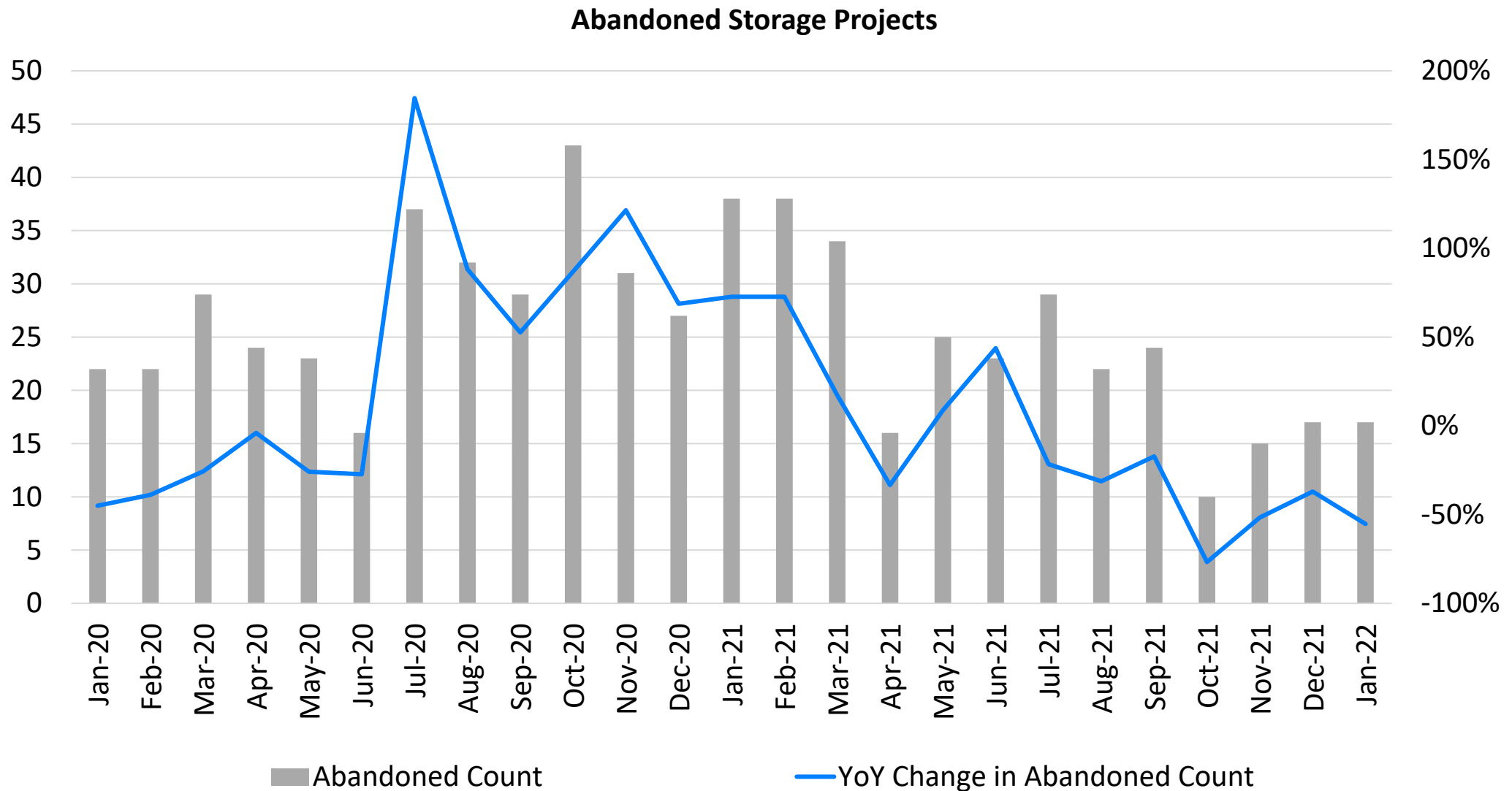
739 Properties  
61MM Total Sq. Ft.  
50MM Rentable Sq. Ft.

# Storage Completions Are Dipping Each Year



\*YTD 2022 as of February 18  
Source: Yardi Matrix

# Number of Projects Abandoned Per Month Remains Steady



\*As of January 2022

Source: Yardi Matrix

# Markets in the Eastern Half of the Nation Have Seen a Higher Number of Projects Abandoned Since Last Year

## Markets with the Highest Number of Total Abandoned Storage Projects in 2020, 2021 and 2022 (YTD)

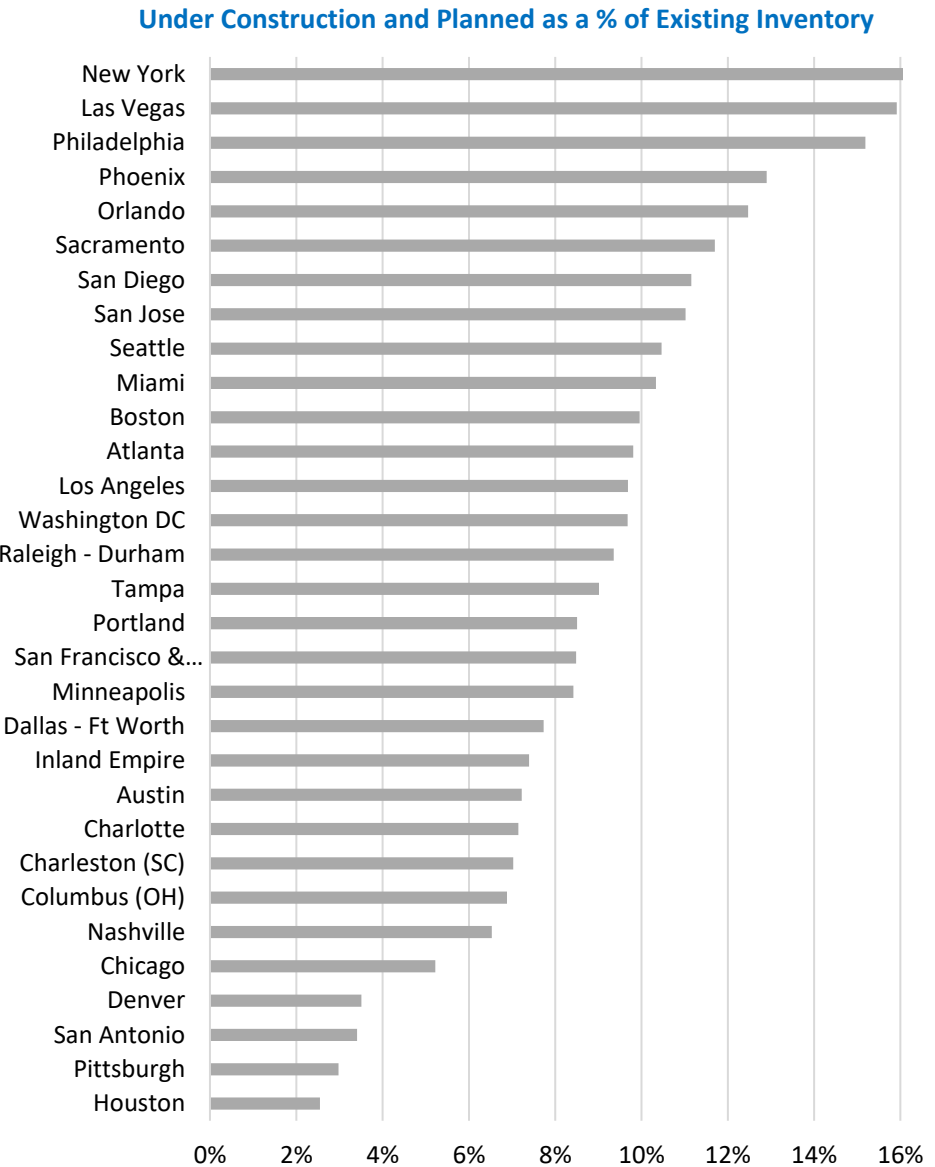


\*Markets with the highest number of abandoned storage properties January 1, 2020 thru January 2022

Source: Yardi Matrix

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

Market	UC + Planned % of Completed Jan 2022	Market	UC + Planned % of Completed Jan 2022
New York	18.6%	Portland	8.5%
Las Vegas	15.9%	SF & East Bay	8.5%
Philadelphia	15.2%	Minneapolis	8.4%
Phoenix	12.9%	Dallas - Ft Worth	7.7%
Orlando	12.5%	Inland Empire	7.4%
Sacramento	11.7%	Austin	7.2%
San Diego	11.2%	Charlotte	7.1%
San Jose	11.0%	Charleston (SC)	7.0%
Seattle	10.5%	Columbus (OH)	6.9%
Miami	10.3%	Nashville	6.5%
Boston	10.0%	Chicago	5.2%
Atlanta	9.8%	Denver	3.5%
Los Angeles	9.7%	San Antonio	3.4%
Washington DC	9.7%	Pittsburgh	3.0%
Raleigh - Durham	9.4%	Houston	2.5%
Tampa	9.0%		

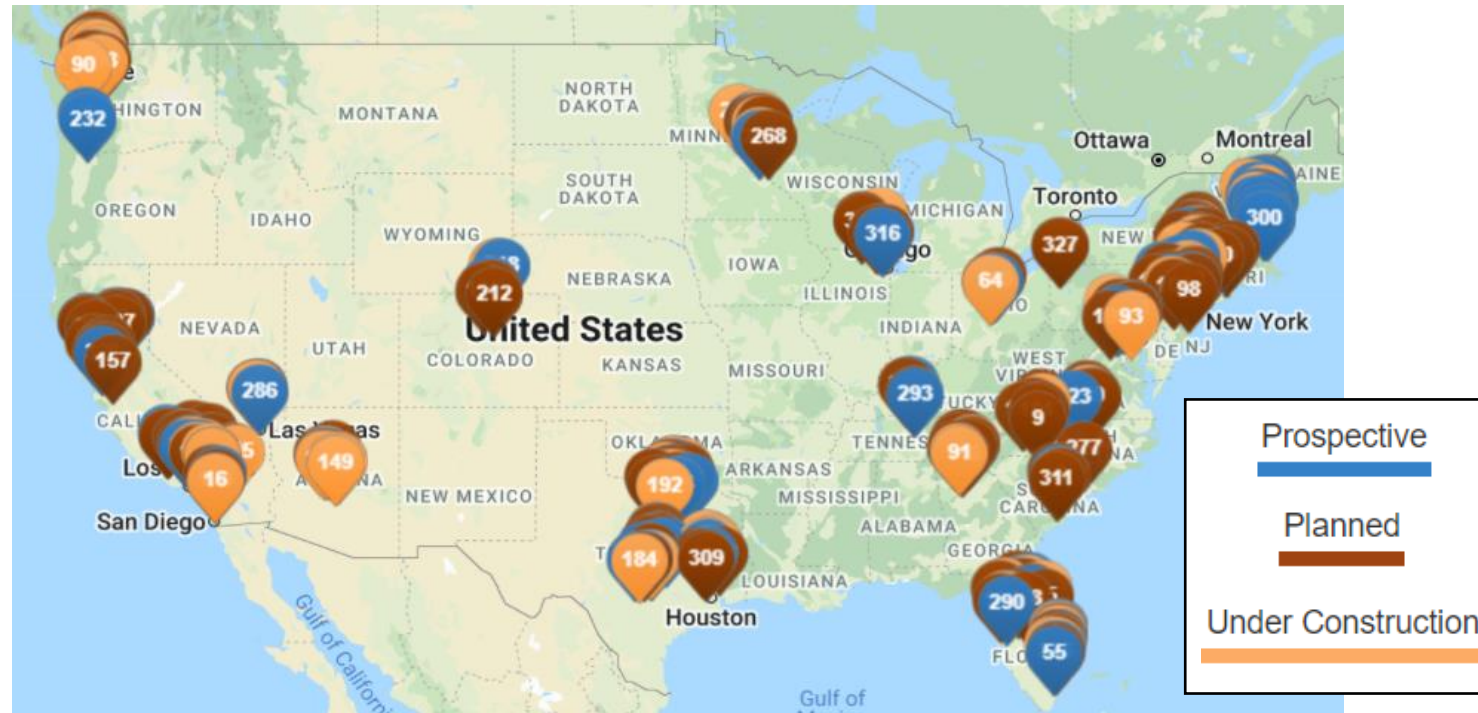


\*Drawn from our national database of 29,610 stores, including 2,439 projects in the new supply pipeline as well as 27,171 completed stores  
Source: Yardi Matrix, Data as of Jan 2022





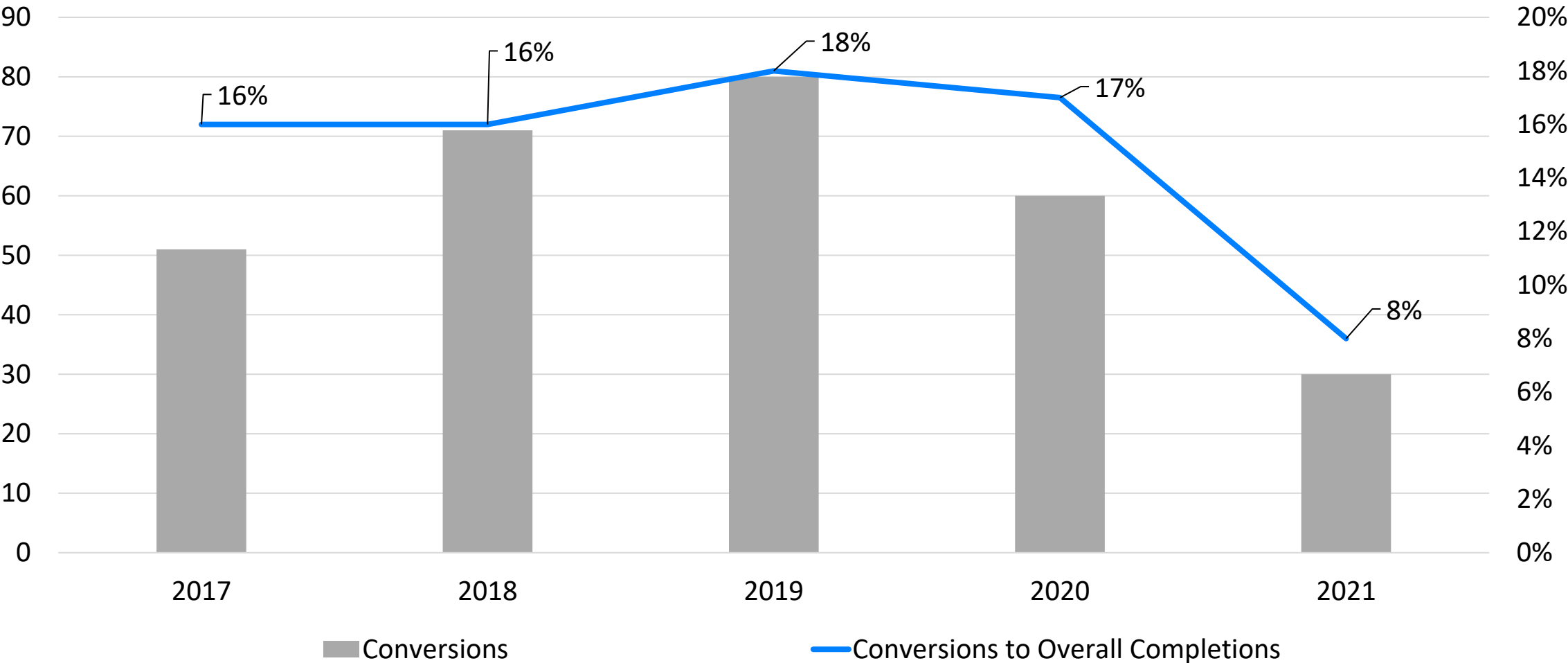
# There Is Robust Expansion Activity in Major Markets



Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	74	2.2	1.9
Planned	173	8.6	7.1
Under Construction	83	4.9	4.1
<b>TOTAL EXPANSIONS:</b>	<b>330</b>	<b>15.7</b>	<b>13.1</b>

# Conversion Deliveries in Major Markets Peaked in 2019

Conversion Count and % of Total Storage Completions: 2017-2021

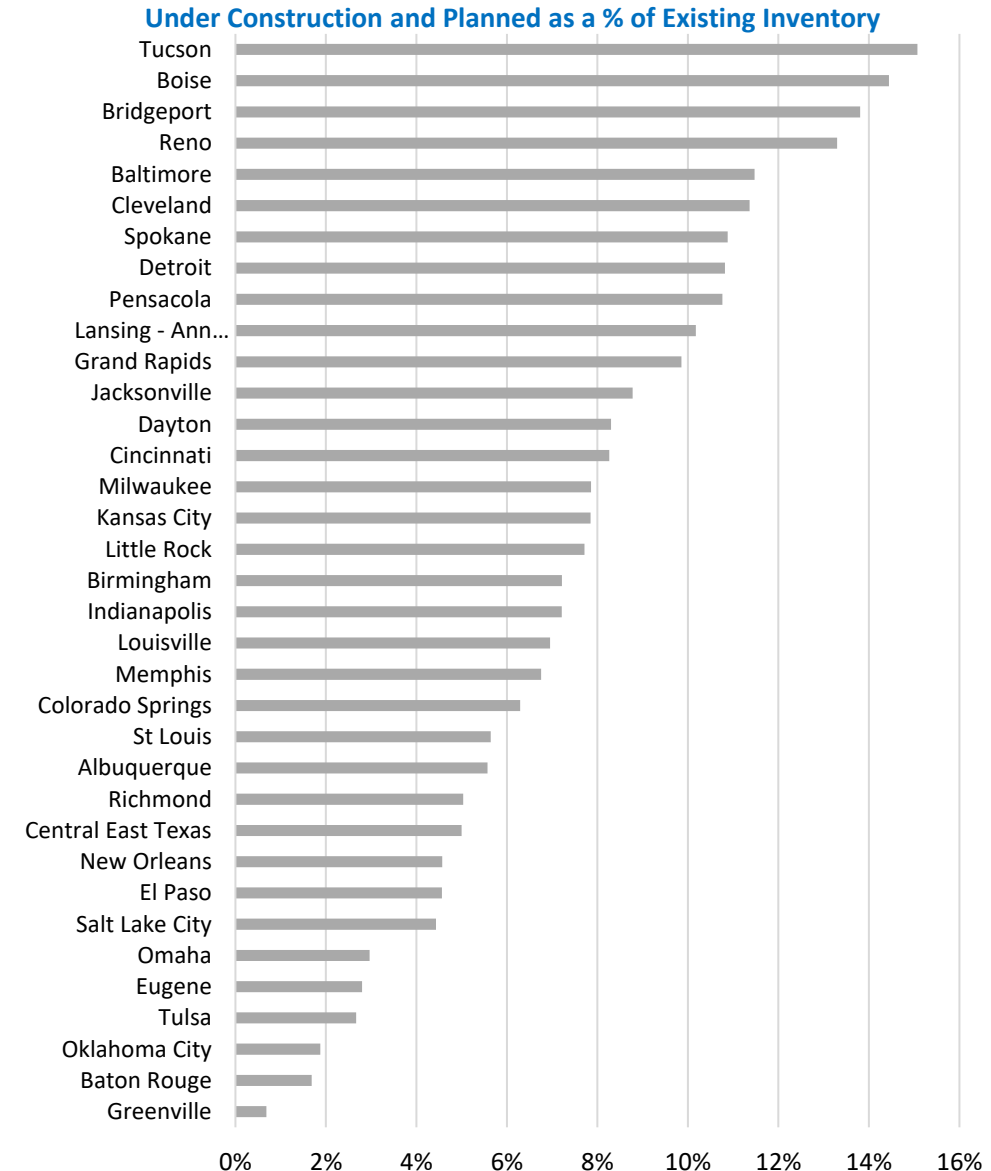


\*Major markets only  
Source: Yardi Matrix



# Development Activity Continues to Increase in Several Tertiary Markets

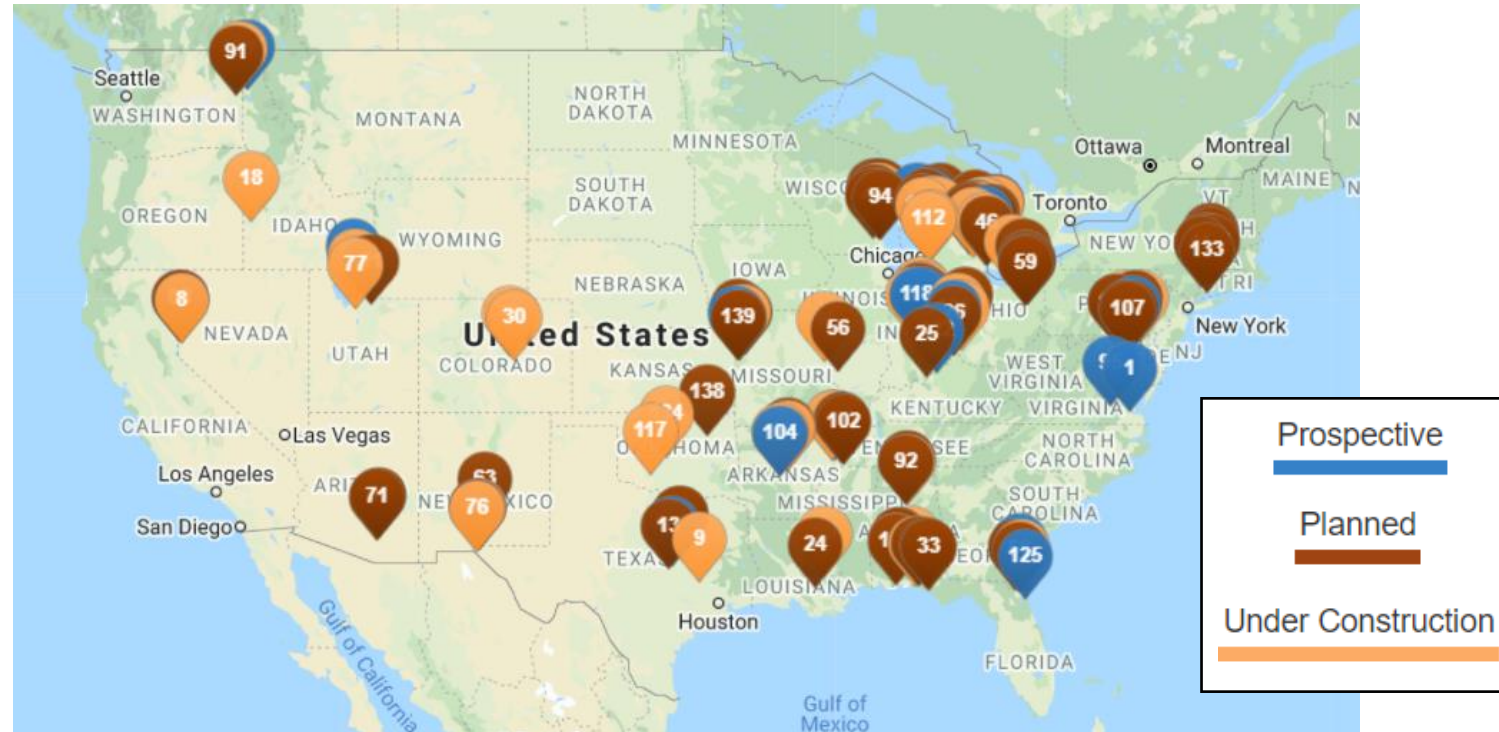
Market	UC + Planned % of Completed Jan 2022	Market	UC + Planned % of Completed Jan 2022
Tucson	15.1%	Indianapolis	7.2%
Boise	14.4%	Louisville	7.0%
Bridgeport	13.8%	Memphis	6.8%
Reno	13.3%	Colorado Springs	6.3%
Baltimore	11.5%	St Louis	5.6%
Cleveland	11.4%	Albuquerque	5.6%
Spokane	10.9%	Richmond	5.0%
Detroit	10.8%	Central East Texas	5.0%
Pensacola	10.8%	New Orleans	4.6%
Lansing - Ann Arbor	10.2%	El Paso	4.6%
Grand Rapids	9.9%	Salt Lake City	4.4%
Jacksonville	8.8%	Omaha	3.0%
Dayton	8.3%	Eugene	2.8%
Cincinnati	8.3%	Tulsa	2.7%
Milwaukee	7.9%	Oklahoma City	1.9%
Kansas City	7.8%	Baton Rouge	1.7%
Little Rock	7.7%	Greenville	0.7%
Birmingham	7.2%		



\*Drawn from our national database of 29,610 stores, including 2,439 projects in the new supply pipeline as well as 27,171 completed stores

Source: Yardi Matrix, Data as of Jan 2022

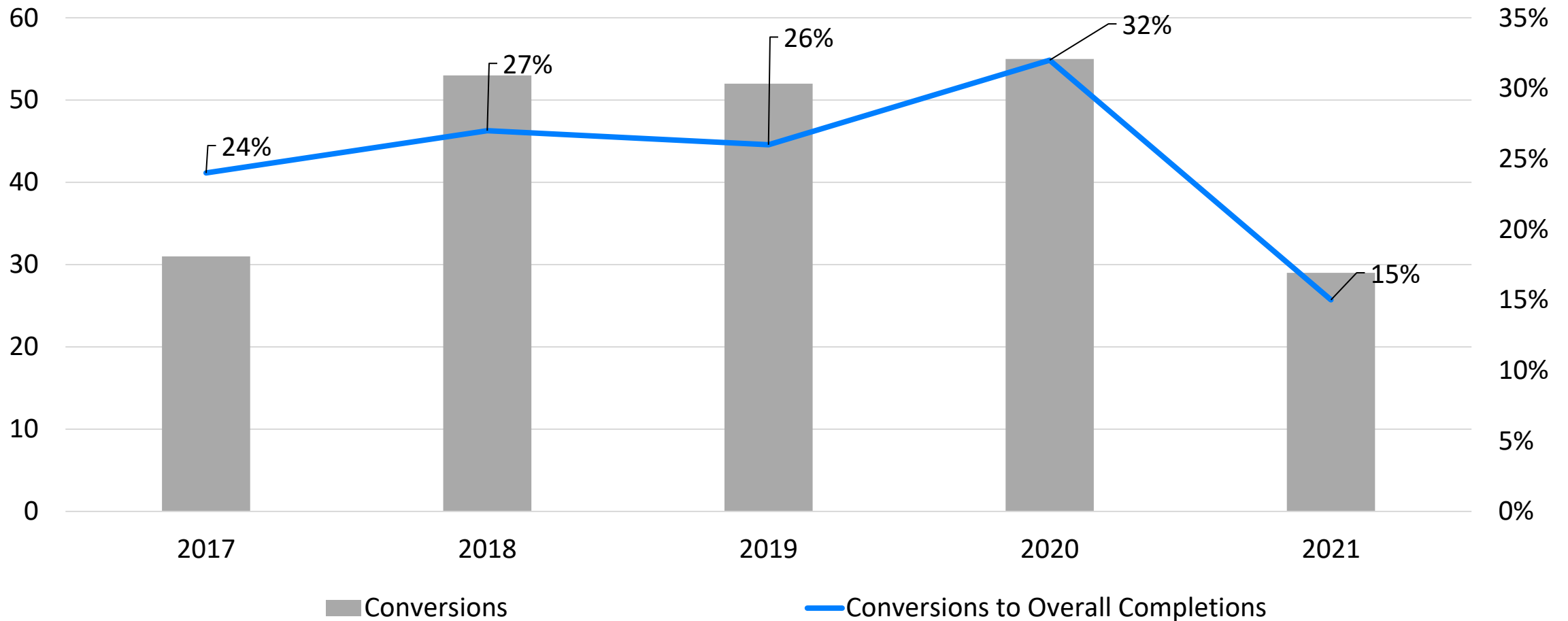
# Expansion Activity in Tertiary Markets Has Stayed Level Since Spring



Property Status	# Properties	Total Sq Ft (MM)	Rentable Sq Ft (MM)
Prospective	18	0.3	0.3
Planned	75	2.5	2.2
Under Construction	46	1.7	1.5
TOTAL EXPANSIONS:	139	4.5	4.0

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

Conversion Count and % of Total Storage Completions: 2017-2021

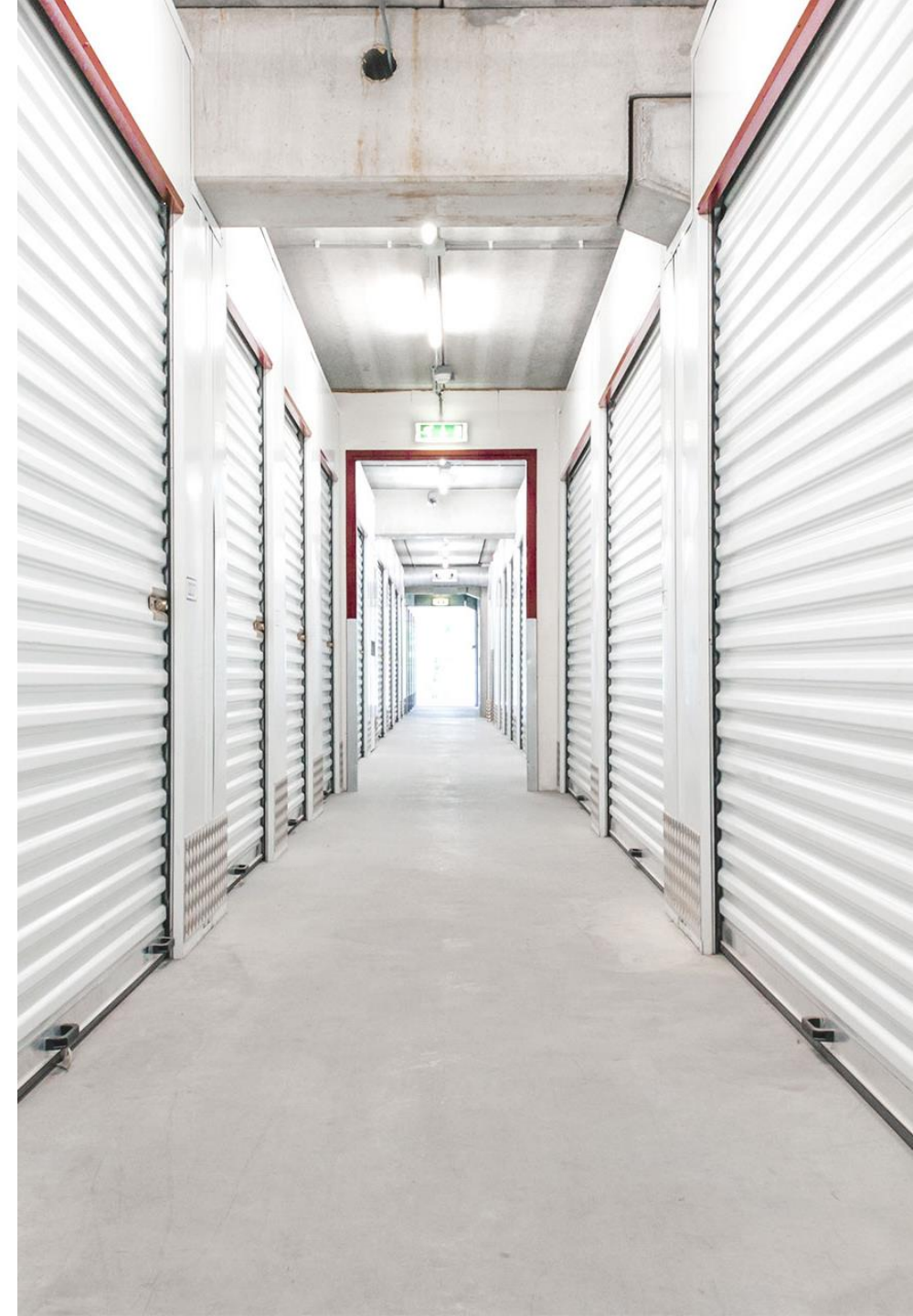


\*Tertiary markets only  
Source: Yardi Matrix

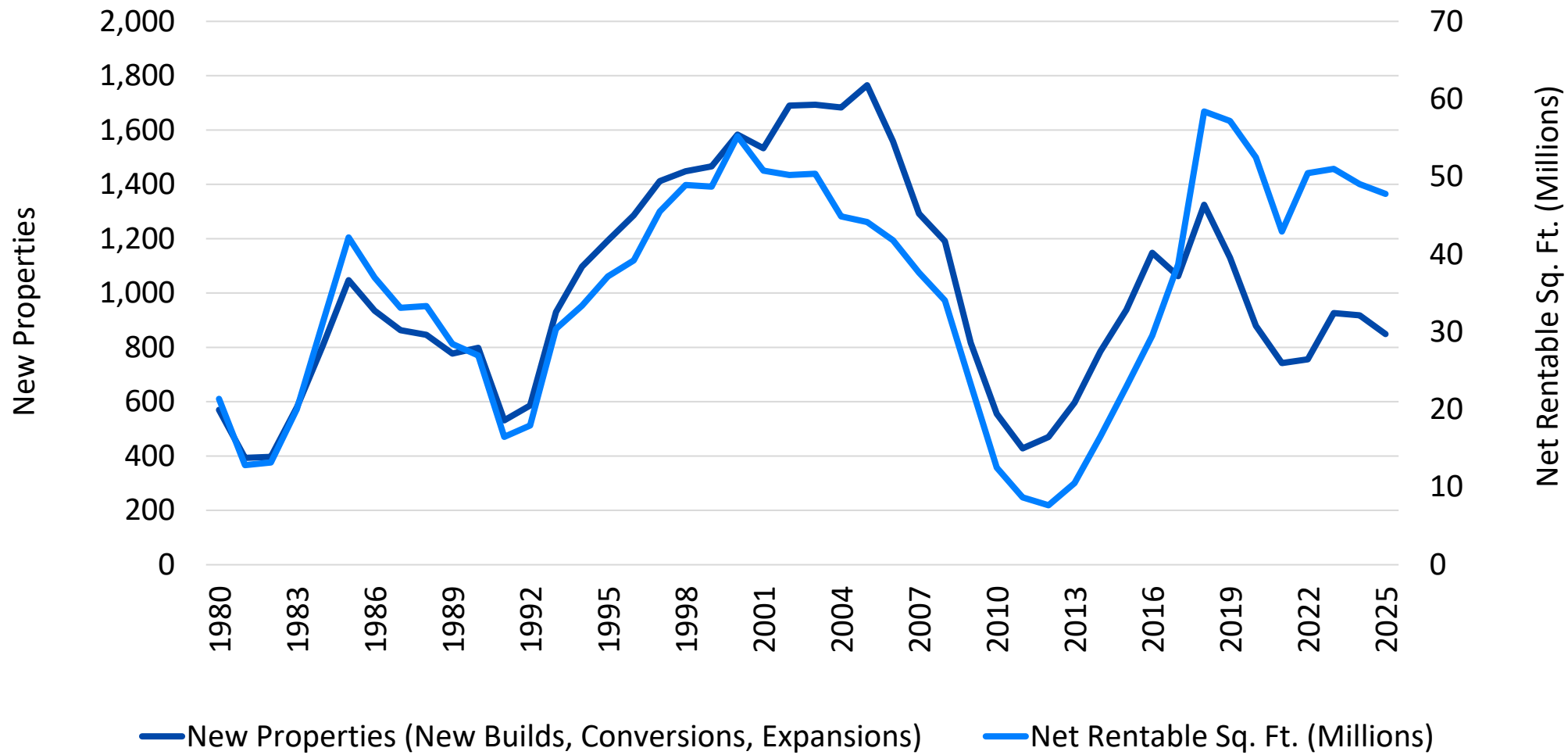


# Takeaways From Our Q1 2022 Self Storage Delivery Forecast

- The Q1 2022 self storage completions forecast has marginally expanded over the previous quarter's forecast
- Yardi Matrix is forecasting 50.44MM net rentable square feet will be delivered in 2022, a modest increase over our Q4 2021 forecast of 50.25MM net rentable square feet
- Solid rent growth and above average occupancy continue to support robust new construction starts
- The number of self storage properties currently under construction has increased over Q4 2021; however, construction completion times are moderating the pace of new supply deliveries
- The average days in construction for self storage properties completing in Q4 2021 are now above recent and historic averages



# Our Current Forecasts Show Total Square Feet of New Deliveries Moderating Through 2025



# Forecast of New Storage Supply Summary

## National Q1 2022 Update

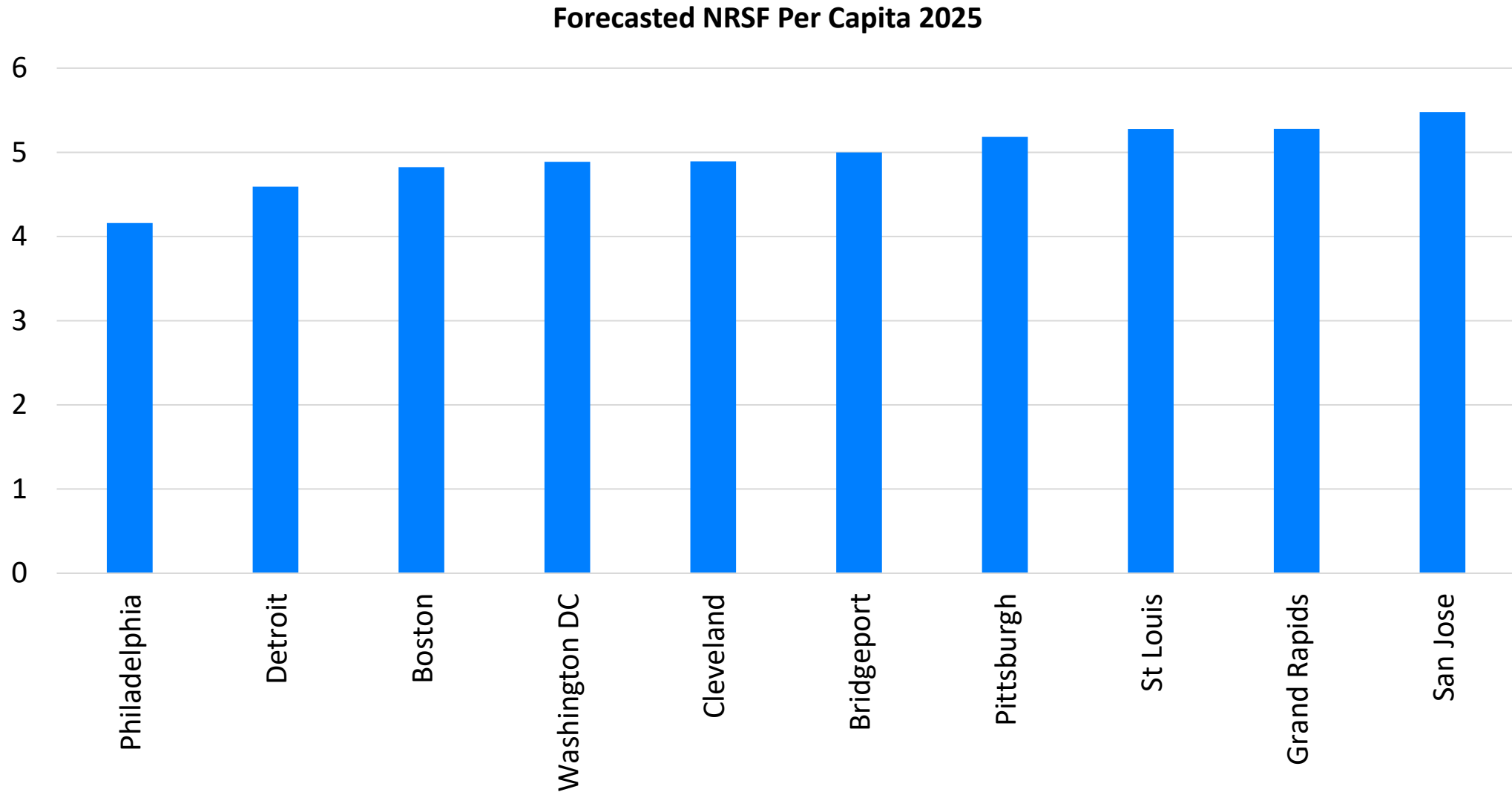
Property Forecasts	Actual 2021 Completions	2022	2023	2024	2025
New Build	495	504	681	692	711
Conversion	76	71	66	45	53
Expansion	164	163	159	164	73
Total	735	738	906	901	837

---

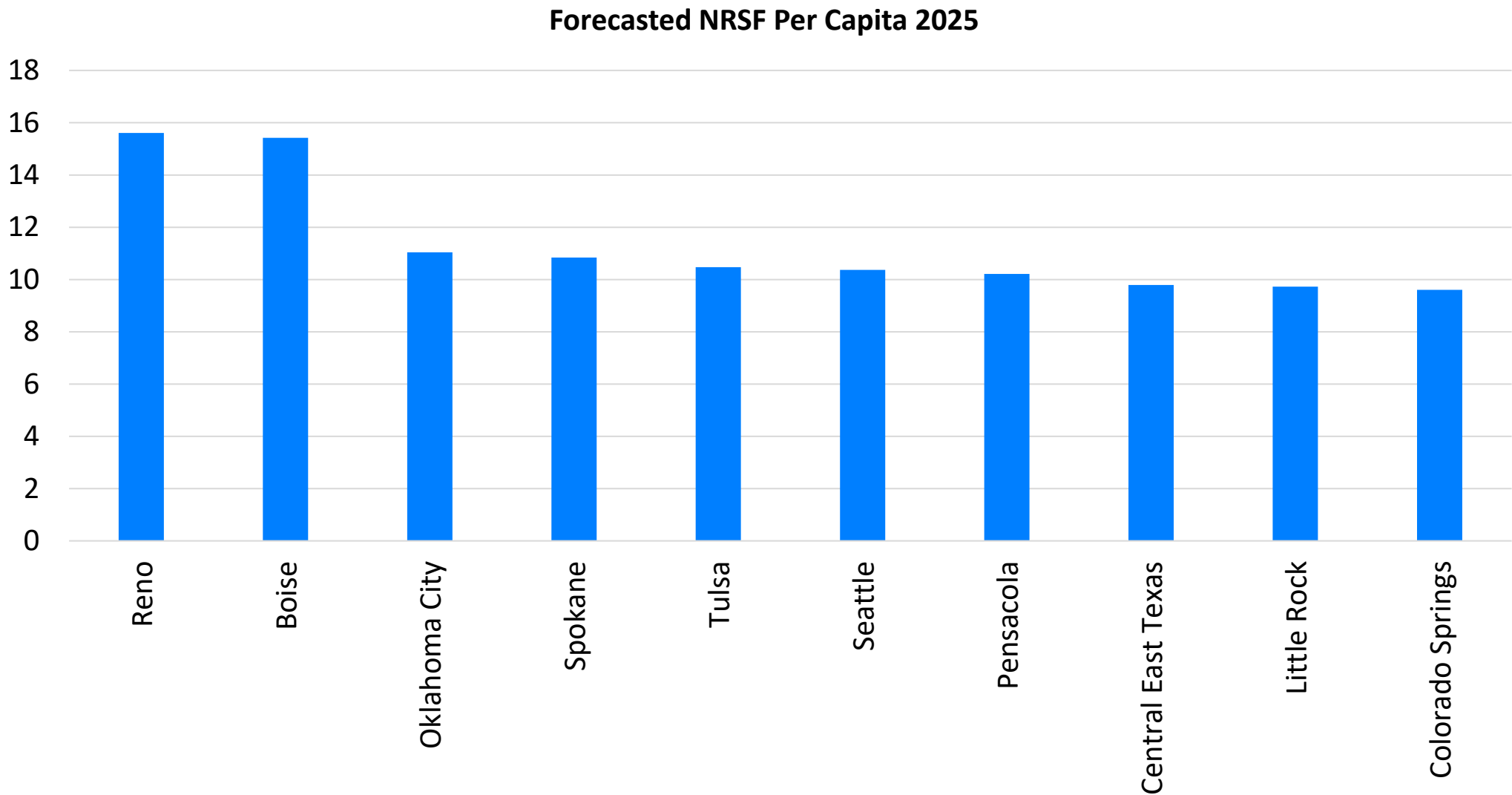
NRSF Forecasts (MM)	Actual 2021 Completions	2022	2023	2024	2025
New Build	37.1	38.5	40.7	40.2	41.6
Conversion	5.6	5.7	4.4	2.7	3.6
Expansion	4.5	6.2	5.9	6.2	2.6
Total	47.2	50.4	51.0	49.0	47.8
<b>NRSF as a % of Stock</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>2.8%</b>



# Top 10 Markets For Low Levels of Supply Forecasted in 2025



# Top 10 Markets For High Levels of Supply Forecasted in 2025



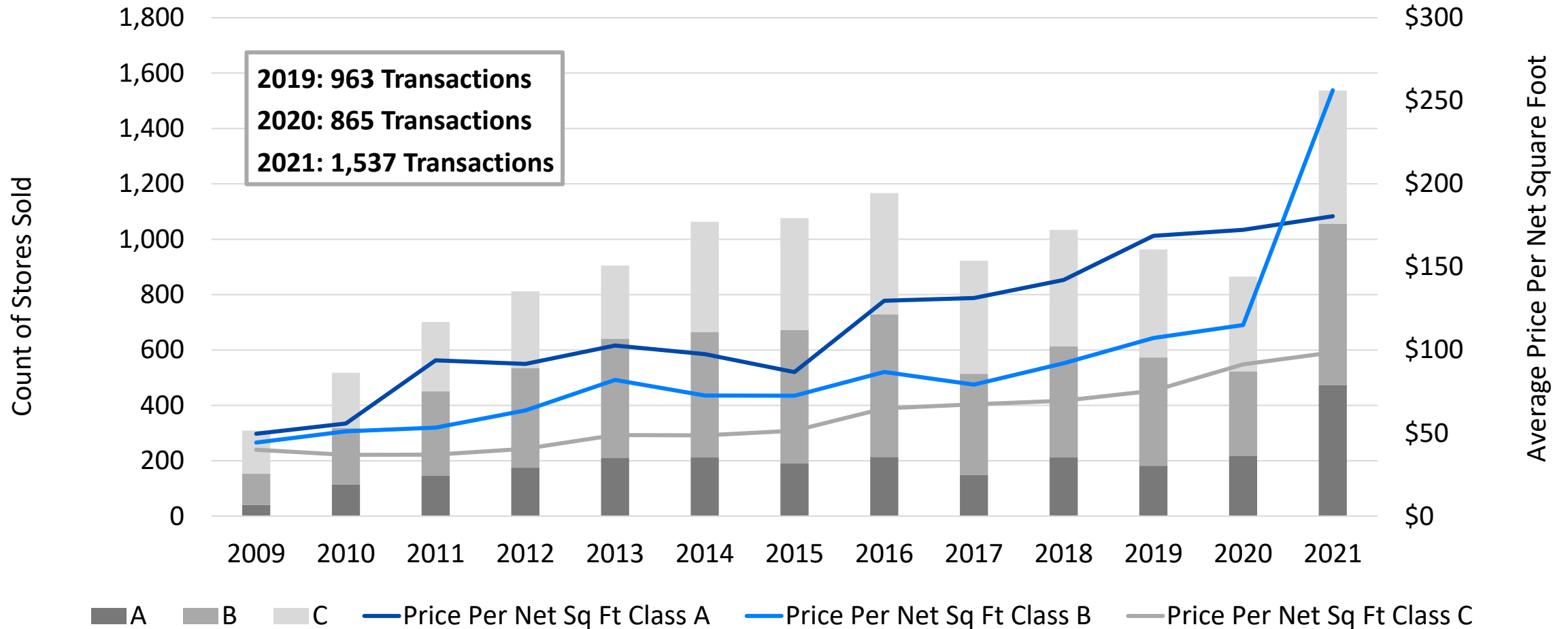
## Why Isn't Supply Responding to The Surge in Demand and Pricing?

- Disruption in the supply and labor markets — raw materials and labor are hard to come by with prices surging
- Delays getting land titled and through the planning stage
- Cloud of uncertainty in the industry and economy — labor, materials, sustainability of demand, construction timelines, etc.
- Greater transparency with data — there wasn't as much data transparency in previous recessions

# SELF STORAGE TRANSACTIONS

---

# Transaction Activity Surged in 2021



# Institutional Investors Were a Driving Force in Acquisitions in 2021

Top 10 Buyers 2021	Type	Count of Stores Acquired	Total Sq Ft Acquired	Total Sales Volume (MM)
LifeStorage	Real Estate Investment Trust	125	11,284,339	\$928.36
Public Storage	Real Estate Investment Trust	105	10,812,409	\$862.66
National Storage Affiliates	Real Estate Investment Trust	157	10,575,286	\$438.52
Merit Hill Capital	Private Owner	91	5,734,341	\$425.95
Extra Space Storage	Real Estate Investment Trust	61	5,711,400	\$621.50
StorageMart	Private Owner	37	4,425,515	\$3,070.97
SpareBox Storage	Private Owner	50	3,262,235	\$56.71
Andover Properties	Private Owner	39	2,815,446	\$93.47
Prime Group Holdings	Private Owner	29	2,404,632	\$140.57
Simply Self Storage	Private Owner	26	2,212,954	-

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

# Similar to 2020, Private Owners Continued to be the Leading Sellers in 2021

Top 10 Sellers 2021	Type	Count of Stores Sold	Total Sq Ft Sold	Total Sales Volume (MM)
Prime Group Holdings	Private Owner	55	3,955,440	\$340.08
Edison Properties	Private Owner	18	2,998,402	\$2,945.60
Metro Storage	Private Owner	30	2,198,071	\$134.58
Kayne Anderson Capital Advisors	Private Owner	17	1,781,385	\$125.05
Inland Real Estate Group	Real Estate Investment Trust	22	1,614,287	\$3.54
Extra Space Storage	Real Estate Investment Trust	15	1,516,334	\$3.12
Berger Realty Group	Private Owner	25	1,393,107	\$17.72
Storage Choice	Private Owner	16	1,355,349	-
Merit Hill Capital	Private Owner	21	1,338,267	\$889.34
Iron Guard Storage	Private Owner	20	1,271,564	\$43.74

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

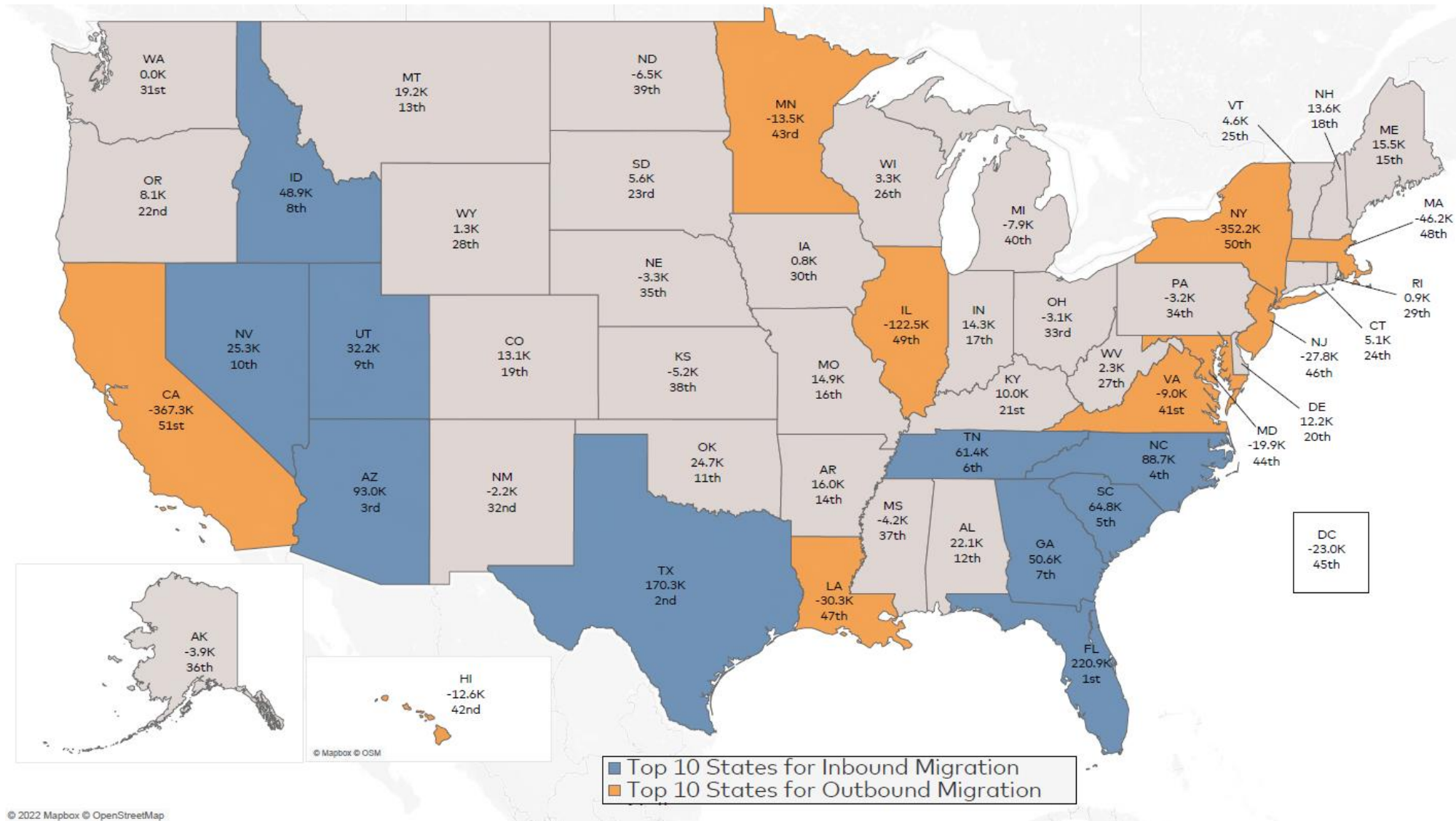
Source: Yardi Matrix

# DEMOGRAPHIC TRENDS & STORAGE DEMAND

---



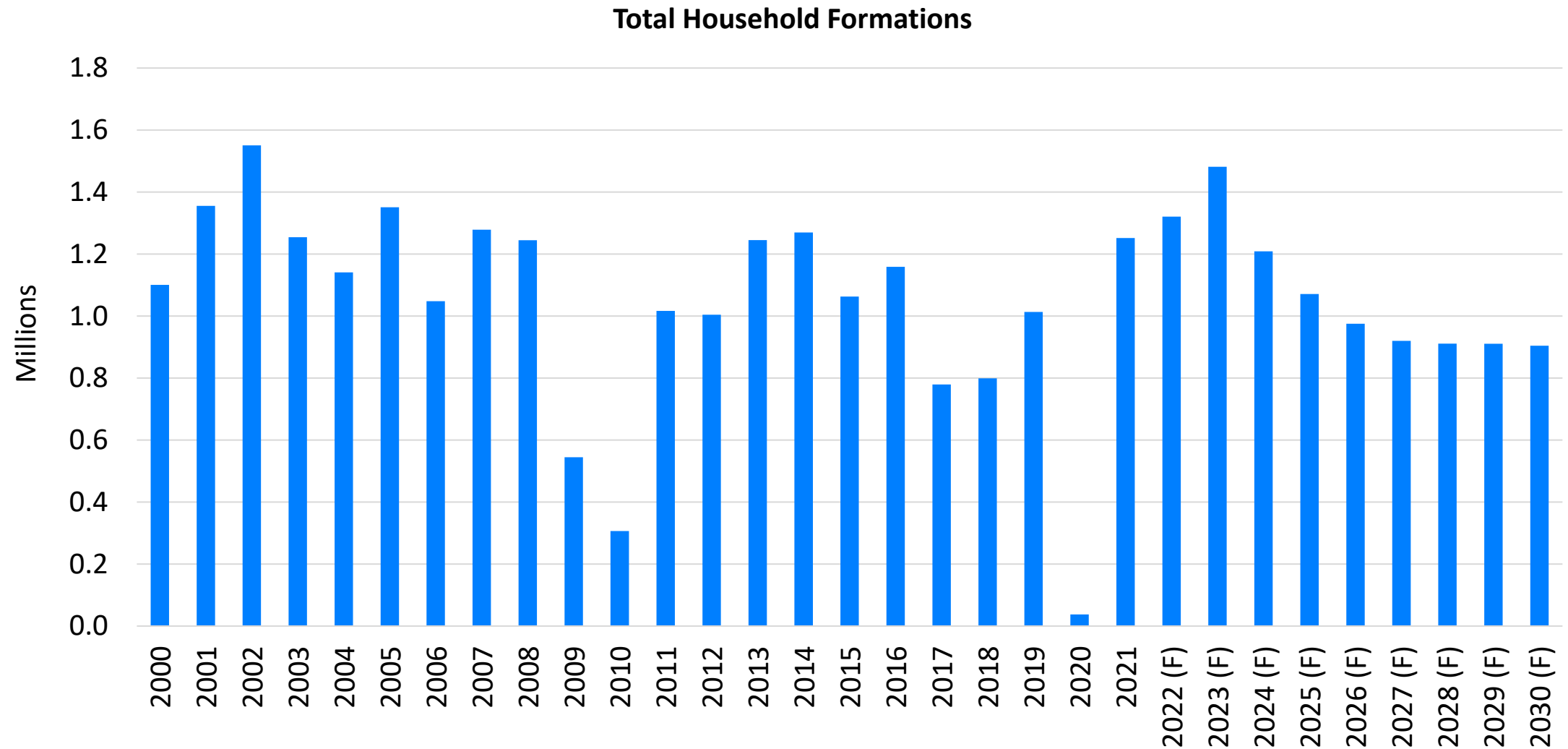
# Past Migration Trends Continued in 2021: People are Leaving Major Gateway Markets for Lower-Cost Sunbelt Markets



© 2022 Mapbox © OpenStreetMap

\*Migration data through July 2021  
Source: Yardi Matrix; U.S. Census Bureau (BOC)

# Recovery of New Household Formations Continues to Foster Storage Needs



# THE “4DS” OF SELF STORAGE DEMAND

## TRADITIONAL “4DS” OF SELF STORAGE:

1. DEATH
2. DIVORCE
3. DISLOCATION
4. DISASTER

## TWO NEW DRIVERS HAVE EMERGED FROM THE PANDEMIC:

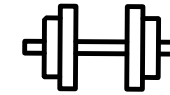
1. DECLUTTERING
2. DISTRIBUTION/  
BUSINESS DEMAND

# Additional Demand Driven by the Pandemic

## CONSUMER DEMAND IS THE DRIVING FORCE FOR SELF STORAGE



Migration due to vibrant housing market  
and work from home flexibility



Additional space needed in the home  
for home offices and gyms

## BUSINESS DEMAND HAS A SMALLER IMPACT, BUT HAS PICKED UP SINCE THE PANDEMIC



Businesses using larger storage units  
near population centers for distribution  
and logistics facilities



“We are working on providing the tools  
that allow retailers and e-commerce  
sellers to use self storage to support  
their logistics needs.” - Joseph Saffire,  
chief executive of Life Storage



Yardi® Matrix



## New Release: RV & Boat Storage

- 109 Matrix Markets
- 820 Exclusive RV/Boat Properties
- Over 6,800 Acres
- New supply pipeline, verified sales, loan and ownership data also available





# Upcoming Events

## **SSA Spring Conference**

Orlando, FL

**MARCH 9 – 11**

## **ISS World Expo**

Las Vegas

**APRIL 19 – 22**

## **Spring National Outlook Webinar Series**

Student Housing

**APRIL 13**

Multifamily

**MAY 12**

# Yardi Matrix Self Storage House View — March 2022

- The economy continues to expand, but headwinds persist:
  - Supply chain disruptions, a tighter-than-ever labor market and several other factors led to growing inflation
  - Inflation is not transitory, as we predicted, and the Fed is beginning a tightening cycle; **geopolitical tensions will only add more inflationary pressures**
- Self storage continues to outperform due to additional demand fueled by the pandemic
- Street rates continue to rise, with almost all markets showing growth; however, there are signs that the upward momentum may be starting to slow on a sequential basis
- The new supply pipeline remains robust around 9% of stock, but we'd expect more deliveries given strong and persistent demand
- Investor interest in self storage has increased with new entrants into the industry and transaction activity surged to record levels in 2021 with over 1,300 transactions
- The outlook for self storage remains optimistic given persistent demand and a slow supply response. We anticipate growth will continue, but moderate



THANK YOU

Feel free to contact me with any questions

Jeff Adler | (800) 866-1144 x 2403 | [Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)



## COPYRIGHT NOTICE

This presentation is protected by copyright, trademark and other intellectual property laws. Use of this presentation is subject to the terms and conditions of an authorized Yardi Systems, Inc. software license or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this presentation may be disclosed or reproduced in any form, by any means without the prior written authorization of Yardi Systems, Inc. This presentation contains proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This presentation is intended for utilization solely in connection with Yardi software licensees' use of Yardi software and for no other purpose.

**NOTICE:** Information is subject to change without notice and does not represent a commitment on the part of Yardi Systems, Inc.

©2022 Yardi Systems, Inc. All Rights Reserved. Yardi, the Yardi logo, and all Yardi product names are trademarks of Yardi Systems, Inc. All other products mentioned herein may be trademarks of their respective companies.



## **D I S C L A I M E R**

ALTHOUGH EVERY EFFORT IS MADE TO ENSURE THE ACCURACY, TIMELINESS AND COMPLETENESS OF THE INFORMATION PROVIDED IN THIS PUBLICATION, THE INFORMATION IS PROVIDED “AS IS” AND YARDI MATRIX DOES NOT GUARANTEE, WARRANT, REPRESENT, OR UNDERTAKE THAT THE INFORMATION PROVIDED IS CORRECT, ACCURATE, CURRENT OR COMPLETE. THE CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS LEGAL, TAX, INVESTMENT, FINANCIAL, OR OTHER ADVICE. YARDI MATRIX IS NOT LIABLE FOR ANY LOSS, CLAIM, OR DEMAND ARISING DIRECTLY OR INDIRECTLY FROM ANY USE OR RELIANCE UPON THE INFORMATION CONTAINED HEREIN.

