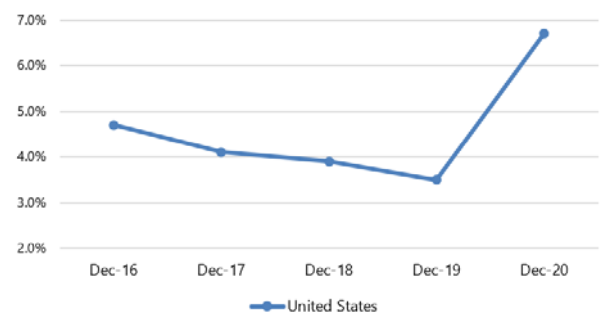


US Self-Storage Sales Volume & Buying Trends – January 2021

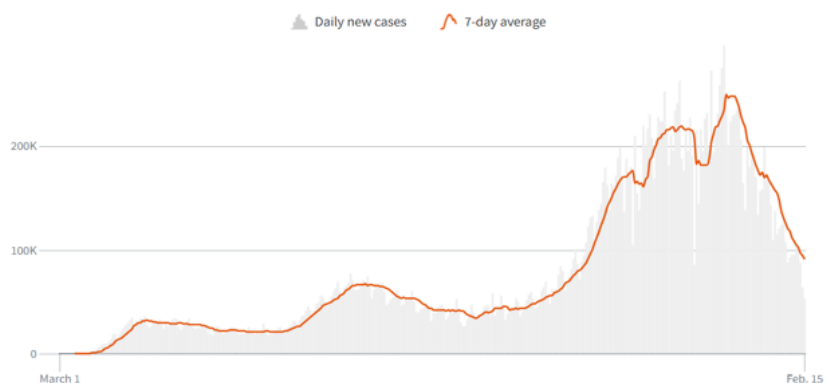
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather coupled with the holidays in late fall and winter sent case counts surging again, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching a high of 14.8 percent in the US in April. The unemployment rate has decreased in the consecutive months since, which is an encouraging sign. Attention now turns to the rollout of the COVID vaccine and its effects on consumer sentiment and underlying market performance.

With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for self-storage properties across the United States national market.

Unemployment Rate - Five Year Trend



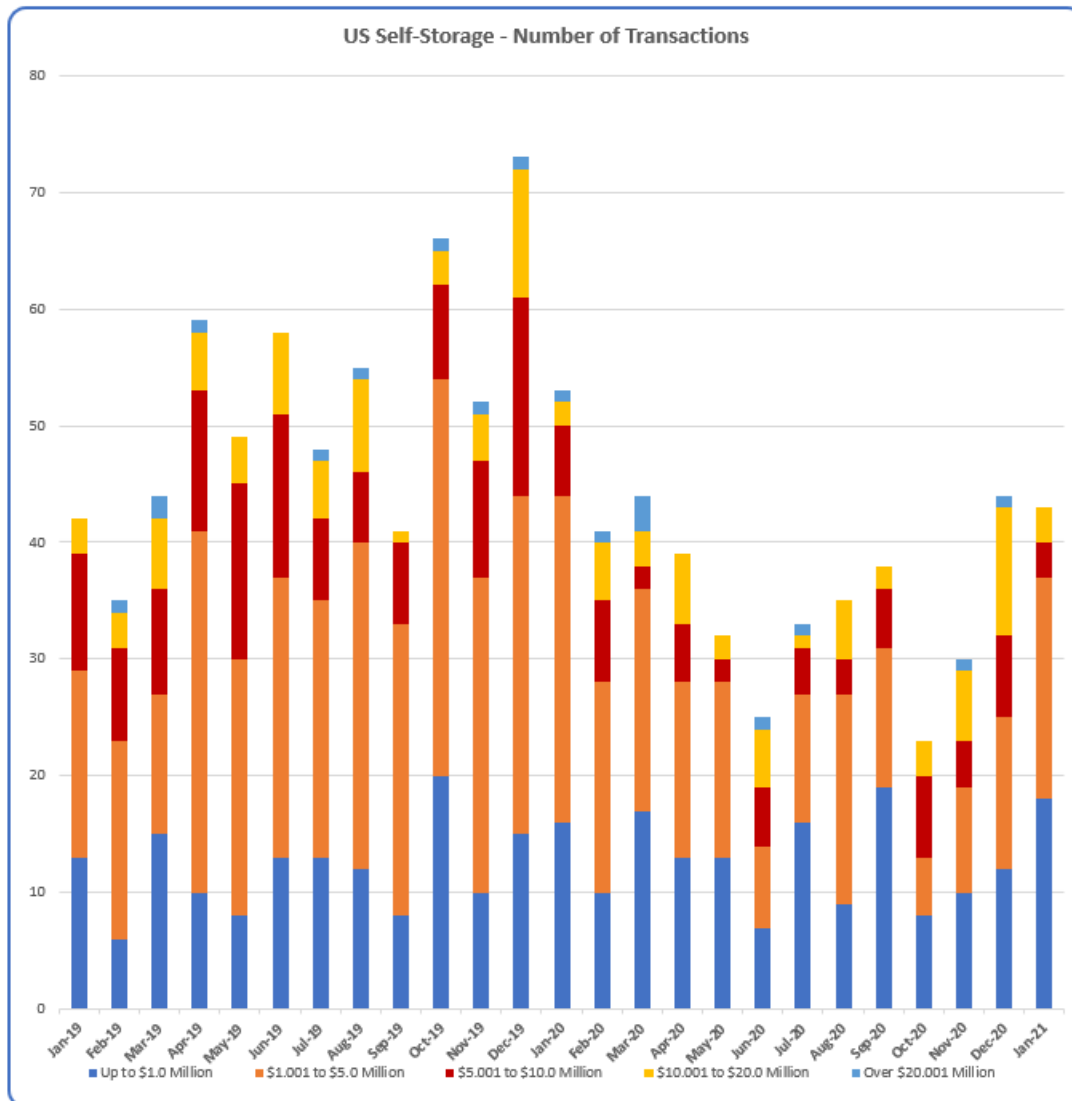
United States - Daily New Cases



Source: Reuters

Number of Sales Transactions

- Parameters: All self-storage sales in the United States, segmented by price tranche.
- Consistent transaction volume from January 2019 to March 2020.
- April 2020- initial COVID shockwaves grip market, number of transactions slowly declined.
- Uptick in transaction volume from May 2020 to August 2020 coincides with the demand for storage.
- September 2020 – November 2020- experienced a fluctuating, upward trend in number of transactions.
- December 2020- 44 total transactions- the highest number of transactions since March.
- January 2021- 43 total transactions, 2.3% decrease from the prior month.



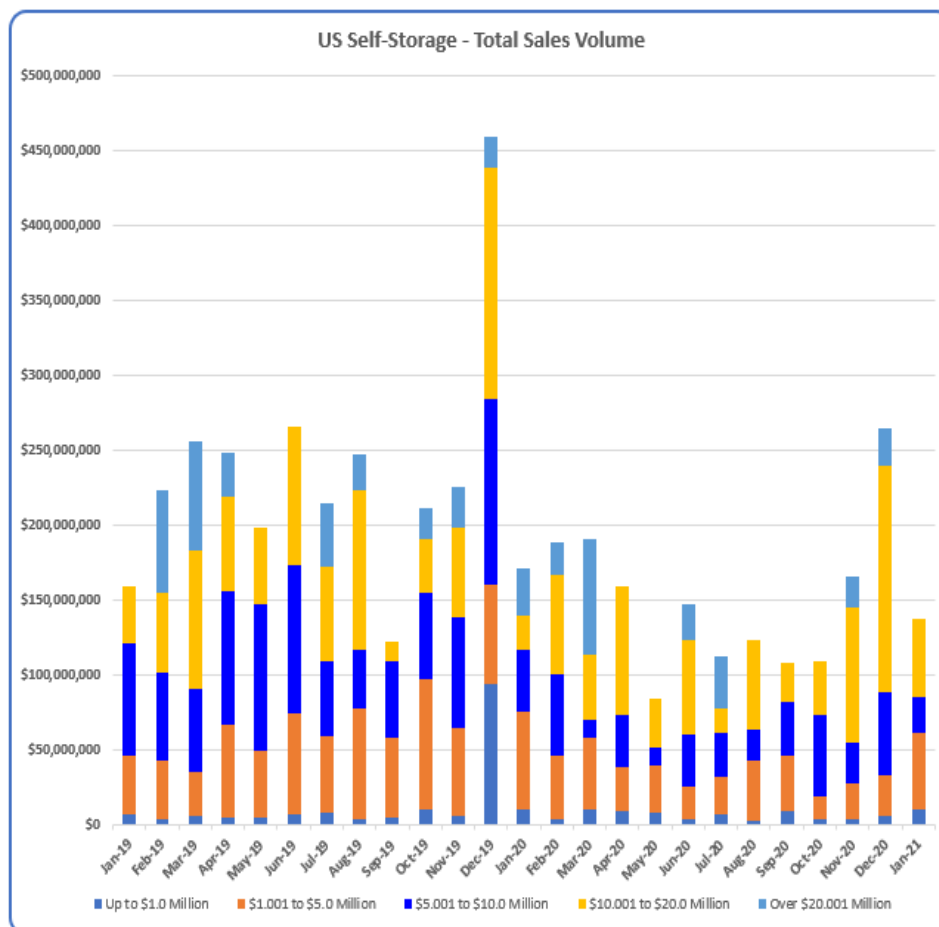
The self-storage sales market has been one of the asset types least affected by COVID-19, however, data reflects fluctuating trends with slightly lower levels of activity than normal. Transaction volume has continued to fluctuate, with the past two months experiencing normal activity levels, as seen in the chart above.

Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$236 million. Comparatively, the average monthly sales volume in 2020 was roughly \$152 million, reflecting a decrease of approximately 35.4%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - US Self-Storage			
YEAR	2019	2020	2021 (Jan)
Min	\$123,000,000	\$84,600,000	\$138,000,000
Max	\$459,000,000	\$265,000,000	\$138,000,000
Average	\$236,083,333	\$152,475,000	\$138,000,000
% Difference	-	-35.4%	-9.5%

- Average sales volume from January 2019 to March 2020 was \$225,613,333.
- Average sales volume from April 2020 to January 2021 was \$141,650,000.
- The largest increase in dollar volume for 2020 was 239.3% from August to September.
- The largest decrease in dollar volume for 2020 was 62.6% from December 2019 to January 2020.
- May 2020 had the lowest dollar volume over the 25-month period, reflecting \$84,600,000.
- Sales in "\$10.0 million to \$20.0 million" tranche is the largest contributor to US self-storage's total dollar volume, representing a 33.2% stake in the market.
- December 2020 dollar volume significantly increased from the prior month, reflecting a 59.5% increase in total dollar volume.
- January 2021 reflected a decline of 47.9% in total dollar volume, as shown in the figure below.



AVERAGE \$/SF - US SELF-STORAGE



Average \$/SF on Monthly Transaction

The average price per square foot has fluctuated from \$72 to \$125 per square foot from January 2019 through January 2021. Post COVID-19, pricing has fluctuated, showing its peak in December 2020 at \$125/SF. In January, the average price was \$99 per square foot. Big picture, the self-storage market has been somewhat immune to price volatility, when compared to some of the other property types.

Average Cap Rate of Monthly Transaction

The average capitalization rate for US self-storage transactions has experienced fluctuations over the given period, with the most recent month showing a slight increase from the prior month. Similar to pricing, the cap rates for self-storage properties have remained fairly consistent, although slightly higher post COVID-19. This asset class is not reliant on social gathering, and therefore is not subject to the volatility seen in other property types.

AVERAGE CAP RATE - US SELF-STORAGE



Average \$/SF & Cap Rate: Quarterly Trend

Q4 2020 experienced the highest \$/SF and lowest cap rate over the quarterly study period. This is indicative of investor sentiment, that self-storage is an asset class that is not as prone to market uncertainty caused by COVID-19 as some of the other asset classes in the commercial real estate sector. Overall, the trends in the Self-Storage market indicate that this has been a favored asset class during 2020, and that trend is likely to persist into 2021. The market will be watching this asset class closely, as it appears to be an asset class that is performing well despite the ongoing Coronavirus Pandemic.

AVERAGE \$/SF & CAP RATE - US SELF-STORAGE



SOURCE: CoStar and Marshall & Stevens



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