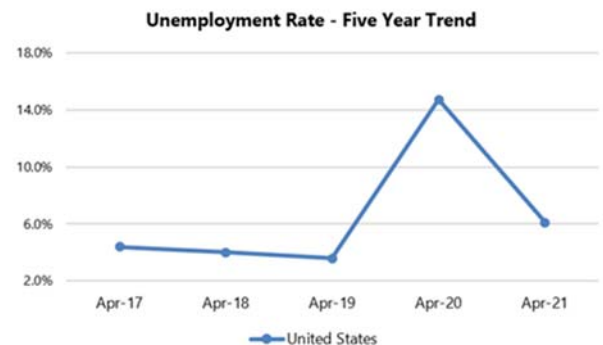


# US Self-Storage Sales Volume & Buying Trends – April 2021

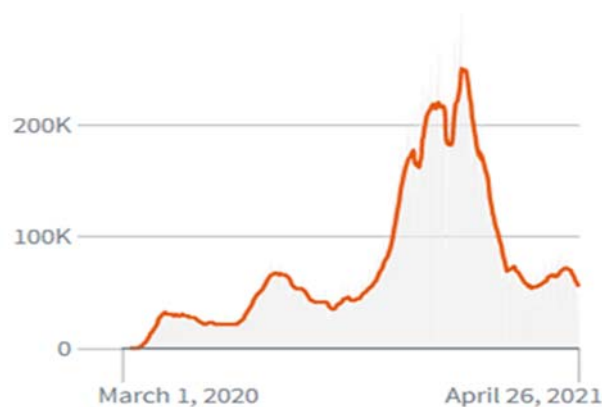
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in investment sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 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. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older in across the United States and hospitalizations and number of new cases continue to decrease. In addition, many states have ended all their preventative mandates and rules for businesses and individuals, while other states have opted to only loosen their regulations. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward summer and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

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 throughout the United States.



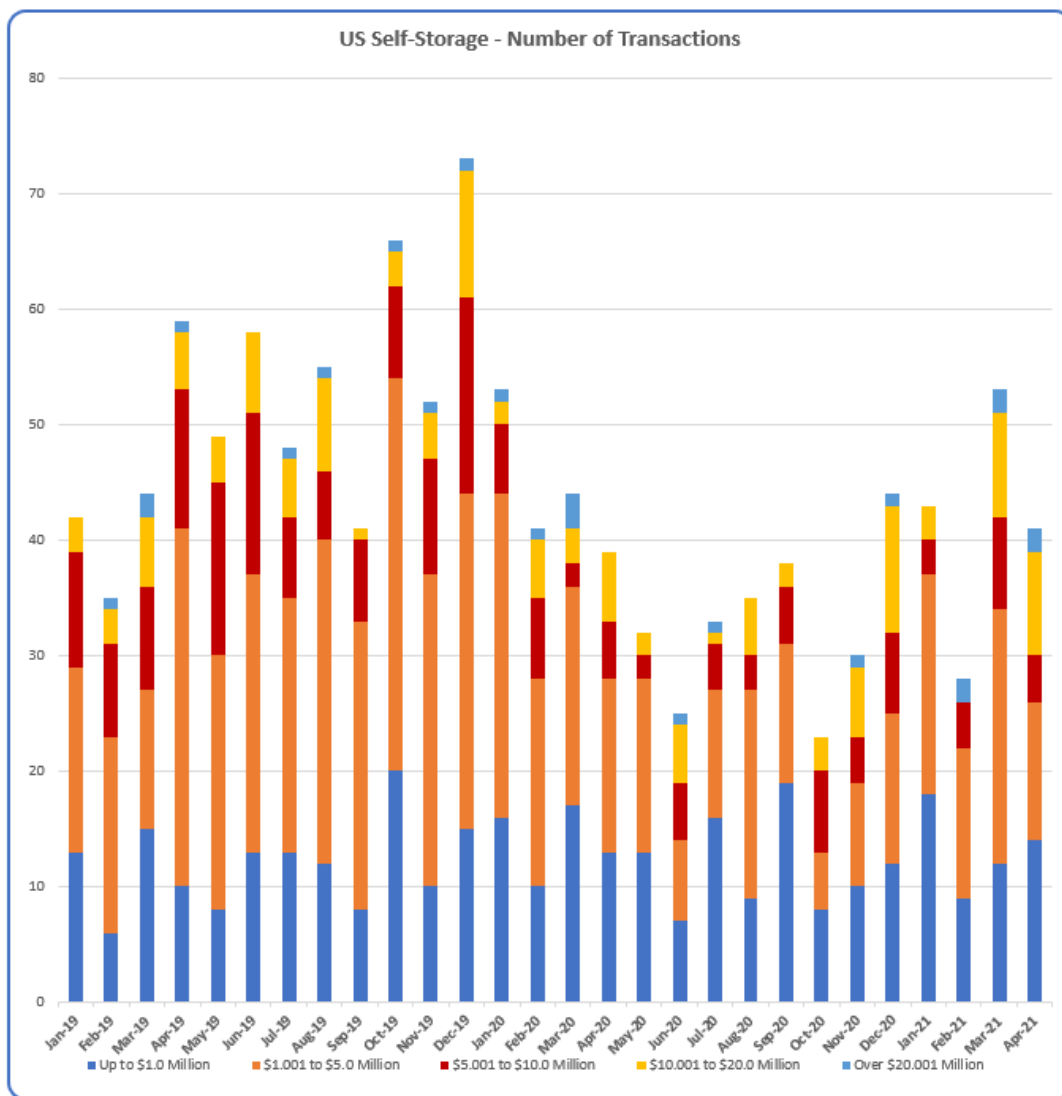
## New cases

7-day avg: **55,460**



## 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 – December 2020- experienced a fluctuating, upward trend in number of transactions.
- January 2021- 43 total transactions, 2.3% decrease from the prior month.
- February 2021 – continues the downward trend with 28 total transactions, reflecting a 34.9% decrease.
- March 2021 – 53 transactions, 89.3% increase from the prior month and the highest number of transactions since January 2020.
- April 2021- 41 transactions, 22.6% decrease from the prior month.



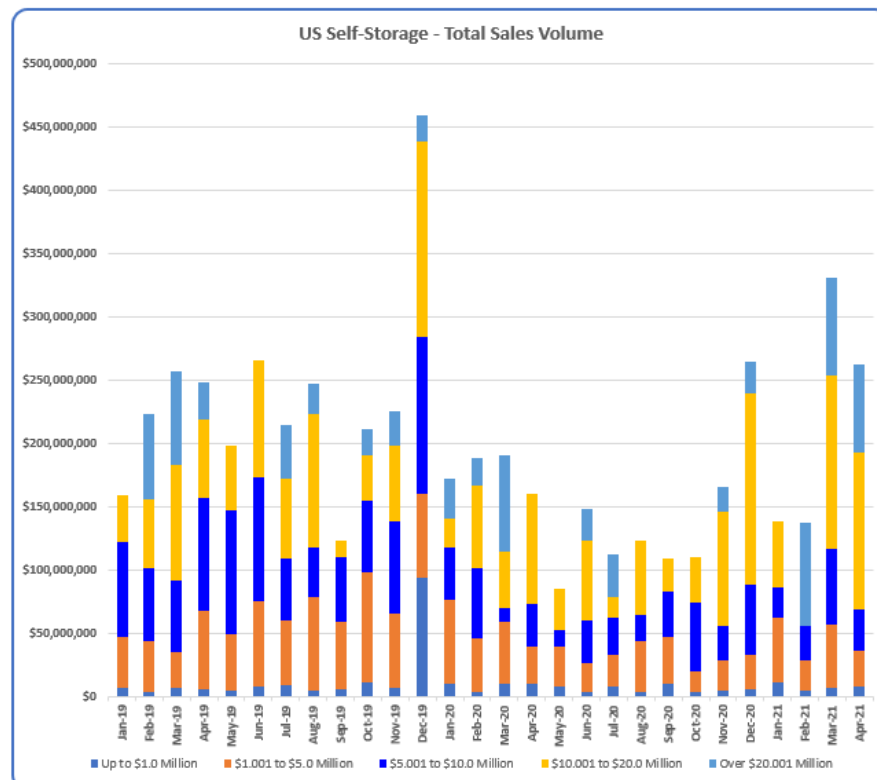
The self-storage sales market has been one of the asset types least affected by the post-COVID era, however, data reflects fluctuating trends in 2021. Aside of February 2021, each month has seen relatively strong number of transactions when compared to the study period. Although the number of transactions fell in April, it was still a solid performance with over 40 transactions.

## Dollar Volume of Sales Transactions

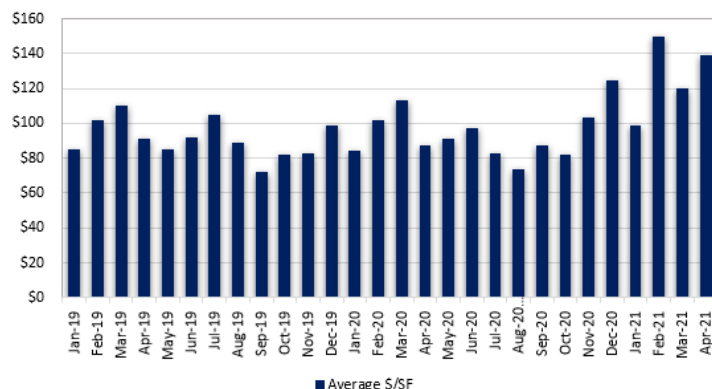
In 2019, the average monthly sales volume was approximately \$236 million. Comparatively, the average monthly sales volume in 2020 was roughly \$152 million, reflecting a decrease of approximately 35.4%. In 2021 through April, the monthly average increased 42.4% from the 2020 average. This is a very positive sign for this segment. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - US Self-Storage			
YEAR	2019	2020	2021 (Apr)
Min	\$123,000,000	\$84,600,000	\$137,500,000
Max	\$459,000,000	\$265,000,000	\$330,800,000
Average	\$236,083,333	\$152,475,000	\$217,200,000
% Difference	-	-35.4%	42.4%

- Average sales volume from January 2019 to March 2020 was \$225,613,333.
- Average sales volume from April 2020 to March 2021 was \$165,176,923
- 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 study 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 31.7% stake in the market.
- December 2020 dollar volume significantly increased from the prior month, reflecting a 59.5% increase in total dollar volume.
- March 2021 reflected a major increase jumping 140.6% from the prior month and marking its highest level in total dollar volume since December 2019.
- April 2021 experienced a slight decrease from the prior month, reflecting a 20.6% decline, but very strong performance relative to the study period.



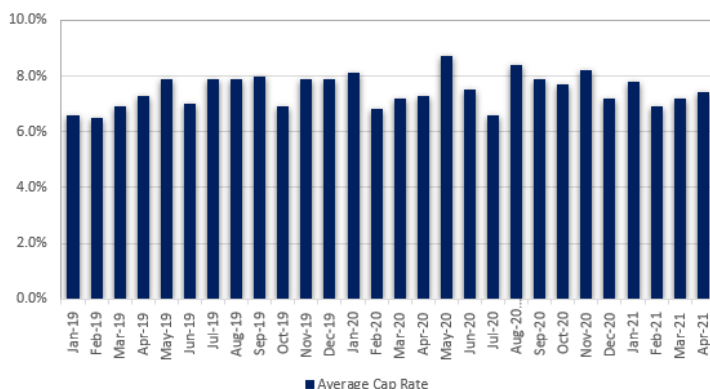
AVERAGE \$/SF - US SELF-STORAGE



### Average \$/SF on Monthly Transaction

The average price per square foot for self-storage transactions has been trending upwards since January 2019. The highest price per square foot was registered in February 2021 at \$150 per square foot. The average dropped in March 2021 but rose again in April 2021 to \$139 per square foot. Notably, the lowest average price occurred in August 2020, which reflected an average price of \$74 per square foot. The pricing metrics continue to show that the self-storage segment continues to perform very well during the pandemic.

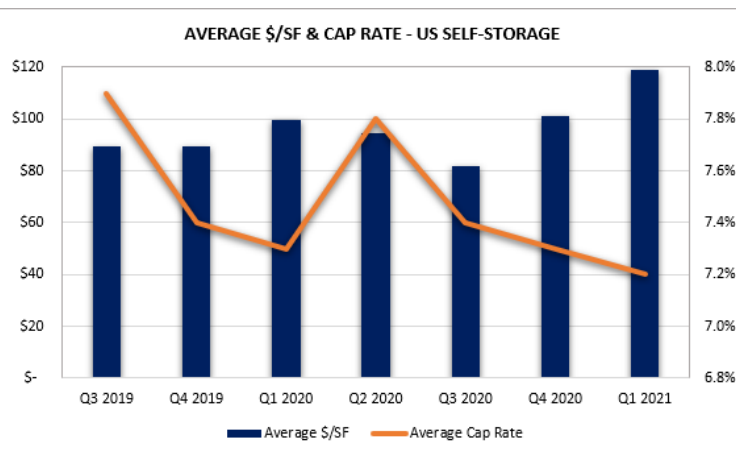
AVERAGE CAP RATE - US SELF-STORAGE



### Average Cap Rate of Monthly Transaction

The average capitalization rate for US self-storage transactions has experienced minor fluctuations over the study period, with the most recent month showing an average cap rate of 7.4%, which is 1 basis point below the average of the study period, which was 7.5%. We also note that the lowest average cap rate of 6.5% was achieved in February 2019. Despite the ongoing COVID-19 Pandemic, which has ravaged other property segments, the self-storage segment continues to perform very well.

### Average \$/SF & Cap Rate: Quarterly Trend



Q1 2021 experienced the highest \$/SF (\$121/SF) and lowest cap rate (7.2%) over the quarterly study period. This reflects the positive investor sentiment for this asset class. While COVID-19 has negatively impacted many property segments, it is clear from this data that Self-Storage remains buffered from the pandemic related problems that continue to impact many other property types. Overall, the trends in the Self-Storage market indicate that this has been a favored asset class during 2020 and 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 COVID-19 pandemic.

SOURCE: CoStar and Marshall & Stevens



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