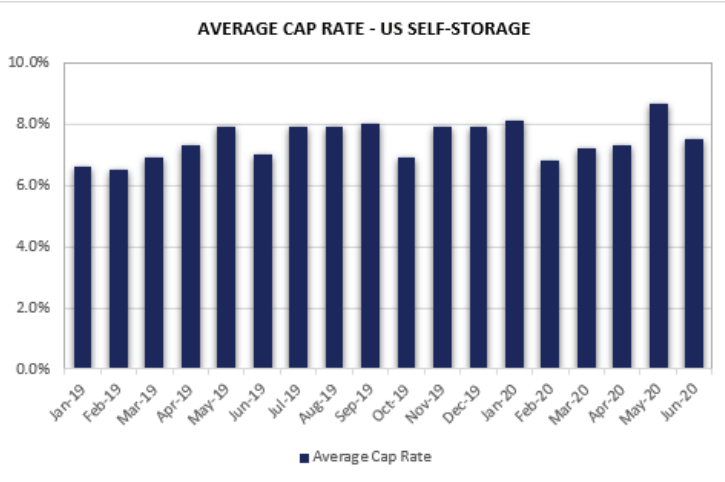


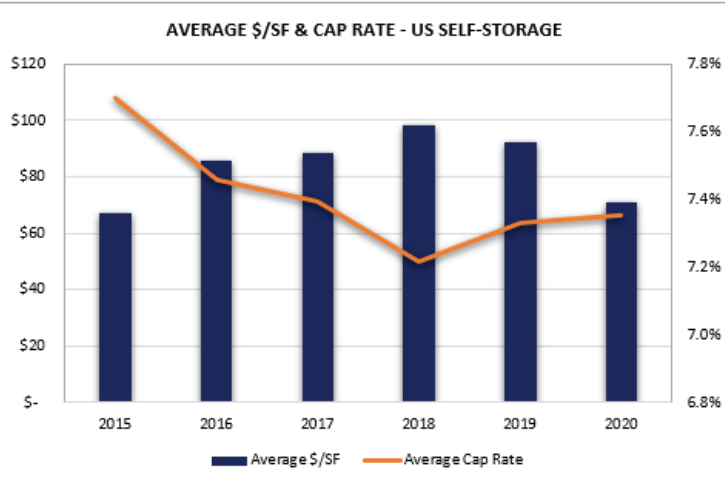
Average \$/SF on Monthly Transaction

According to the graphic on the left, the average price per square foot on monthly transactions for self-storage properties has fluctuated from \$72 to \$113 per square foot from January 2019 through June 2020. This figure shows that the self-storage sector has experienced fluctuations over the given study period, although the three most recent months show growth in pricing. In June 2020, the average dollar per square foot was \$97, compared to June 2019 at \$92 dollar per square foot. Under current market conditions, most market participants are hesitant to engage in their normal investment activity, but the self-storage sector holds and looks to increase in pricing.



Average Cap Rate of Monthly Transaction

The average capitalization rate for US self-storage transactions has experienced fluctuations over the given period, although the most recent month shows a decline. Month over month, the June average cap rate decreased 120 basis points from the prior month. May 2020 reflected a cap rate of 8.7%, which is the highest rate over the 18-month period. The decrease in cap rates from May 2020 to June 2020 shows signs of higher demand for self-storage investment, particularly as both individuals and businesses have a greater need for storage due to COVID-19.



Average \$/SF & Cap Rate: 5 Year Trend

Over a five-year period, the graphic to the left shows an inverse relationship between the average dollar per square foot and average cap rate. Beginning in 2018, the average dollar per square foot has been declining, while cap rates have been increasing. According to the graphic on the left, the month of June 2020 indicates that participants in the market are hesitant to invest in self-storage properties due to uncertainty in the market caused by the COVID-19 pandemic.

SOURCE: CoStar and Marshall & Stevens



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