

SELF STORAGE ADVISORS

2020 Self-Storage Investment Market Survey Results

Presented by:

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Executive Summary

Over the last several months we have all experienced the impact of COVID-19 and its effects on the self-storage investment market. It is clear that the investment market has changed, but we are constantly reminded that the self-storage industry is resilient and continues to outperform most other real estate sectors during good times and bad. In an effort to provide our clients with real-time market information we have surveyed our database of more than 20,000 self-storage owners, investors and operators to best understand how our industry is performing and what our clients feel the future holds. Over the last 90 days Argus brokers have completed more than 20 self-storage transactions with an aggregate value of more than \$50 million. Below are key takeaways from the survey results.

The key takeaways from the survey results are:

- Demand for self-storage is remaining strong with more than 47% of the responses indicating that their occupancy is up year over year and move outs have remained flat or decreased for more than 78% of those surveyed.
- Most properties managed by non-platform based operators (74%) are struggling to start rental rate increases back up on existing tenants post-COVID reopening.
- Real estate taxes are changing quickly and are the fastest growing operating expenses, with 41% of respondents reporting real estate taxes as their fastest growing operating expense.
- Cap rates are remaining flat or actually compressing slightly. With 78% reporting flat or compressing cap rates in 2020.
- There are still definitely more buyers than sellers in the market.

This real-time transactional data along with the survey results outlined in this report provide Argus brokers with the most comprehensive market insight available in the industry today. Please take the time to review the market survey results and follow up with your local Argus broker, Dominus Commercial, to understand the nuance of recent sales transactions and the effects on your local storage market.

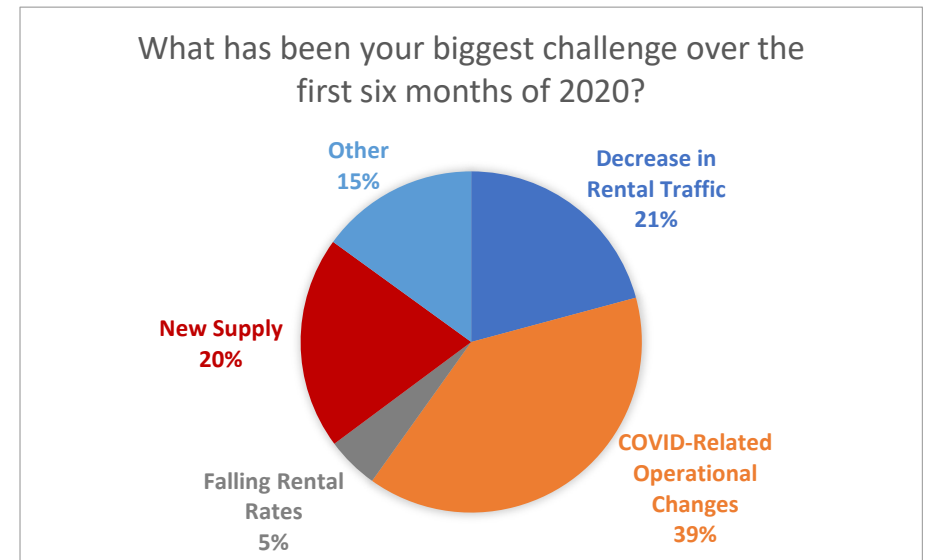
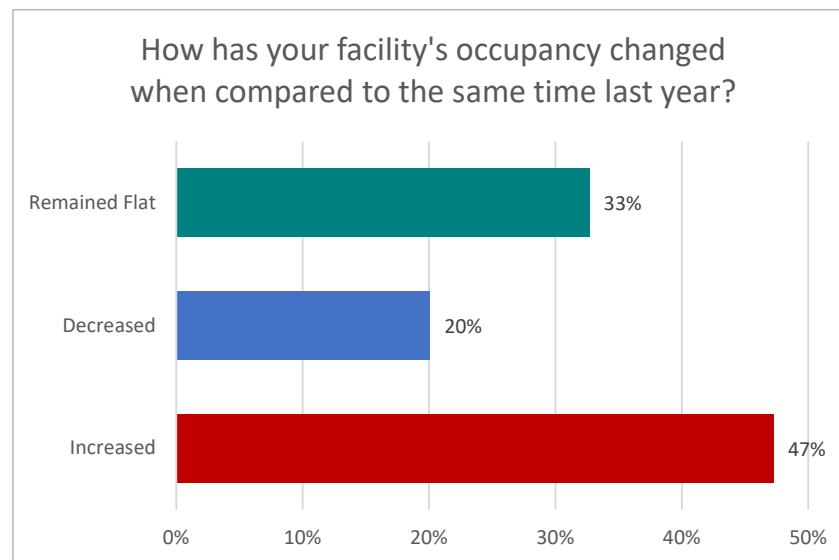
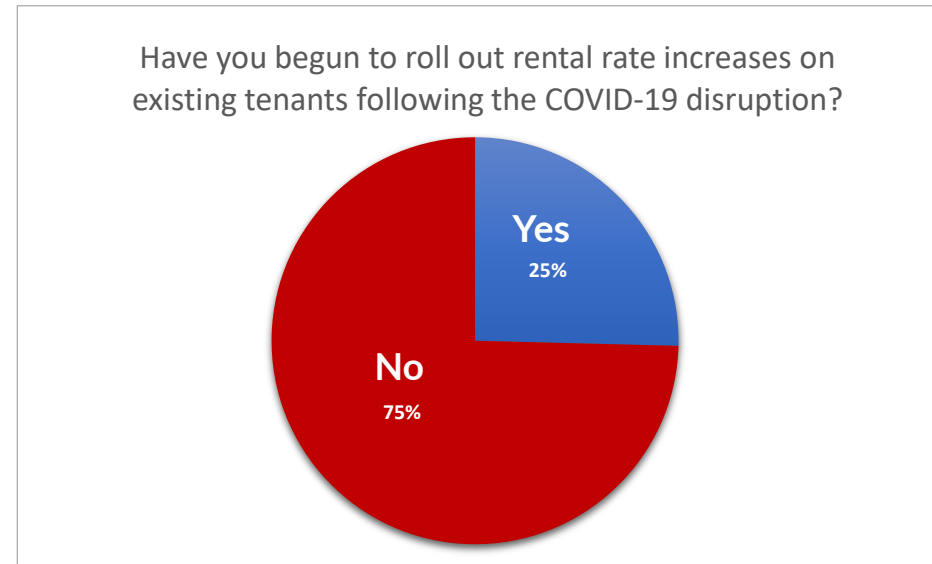
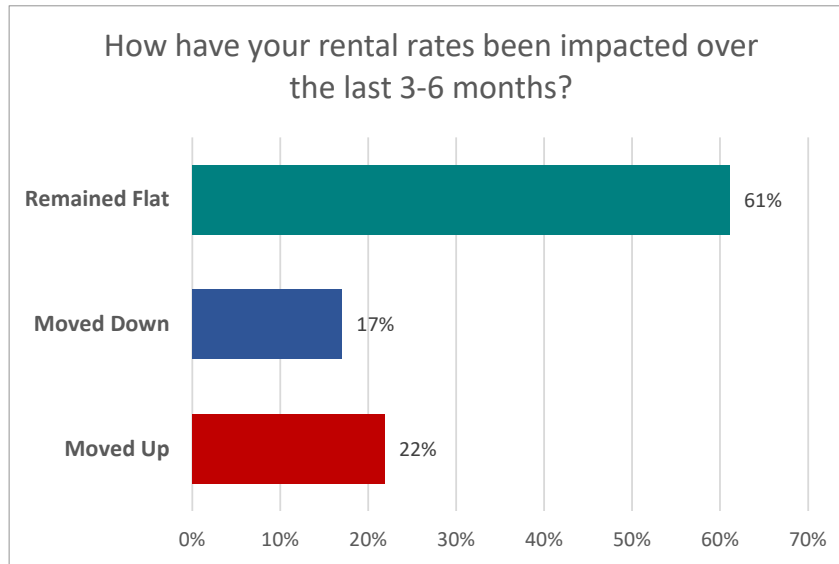


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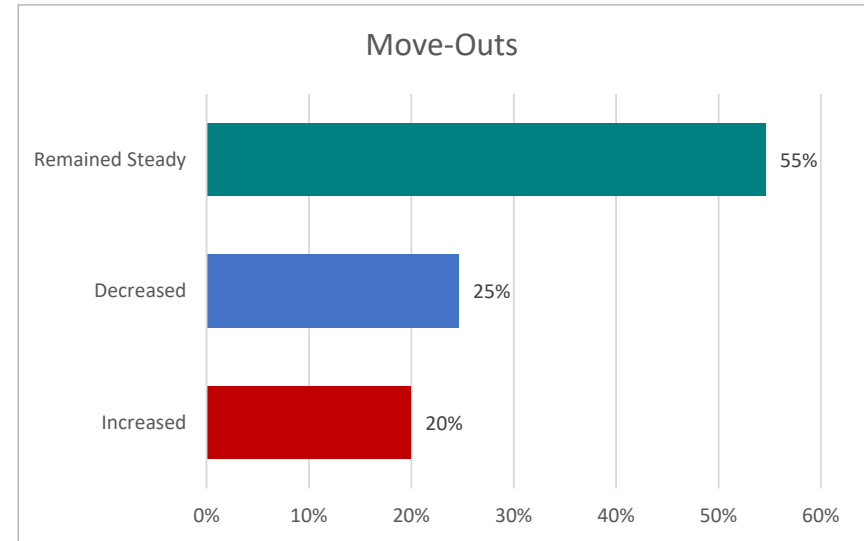
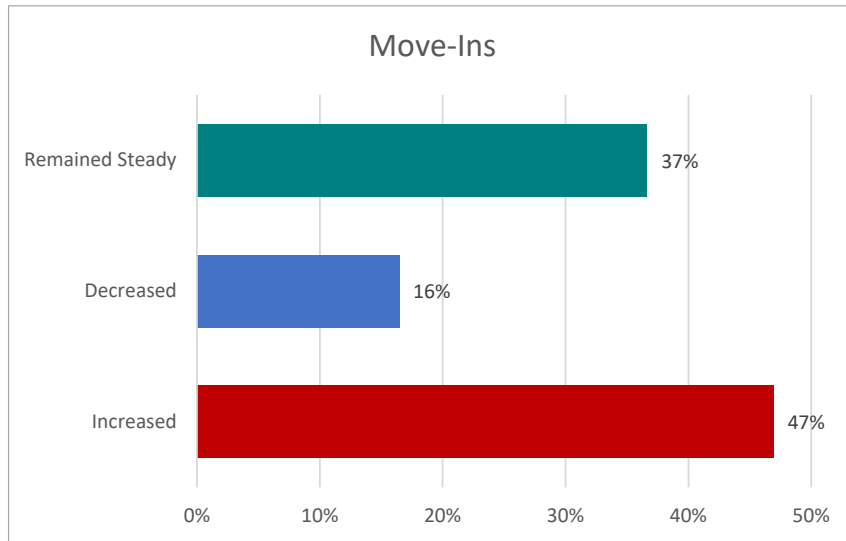
Survey Results



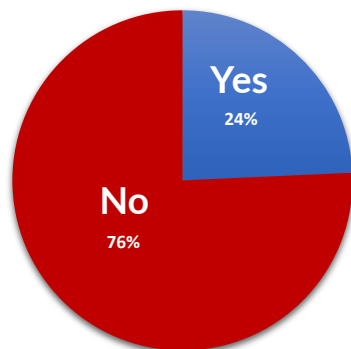
Survey Results



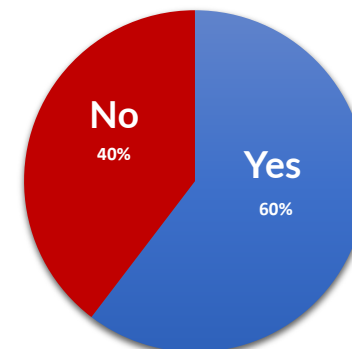
Has move-in and move-out activity increased or decreased over the last 30-60 days?



Are you seeing signs of distress in construction of development deals that started or opened in 2017-2018?



Do you feel that secondary and rural market deals are less volatile than major market properties today?



Survey Results

