



25th Annual Year End Review 2023

FEBRUARY 13, 2024

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Yardi National Self Storage Report

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National Self Storage Report

January 2024



Self storage owners and operators optimistic about 2024

- Yardi attended the recent NYSSA Conference and KeyBanc Investor Forum in New York City on January 9 and 10. The mood at the events was one of cautious optimism, as occupancy and asking rates are bottoming after a year and a half of rapidly decelerating growth. Urban markets like Chicago, New York and Southern California are remaining steady and outperforming, while Sun Belt markets like Las Vegas, Phoenix and Florida are underperforming. This year could see growth return to historic averages, but new demand will hinge on a rebound in the housing market. New supply is a concern in certain markets, but overall new supply in the top markets is expected to drop in 2024, as construction lending has dried up in the face of declining street rates, slower lease-up pace and higher interest rates. Street rates in December are down over 9% from their peak in the summer of 2022, but year-over-year declines have improved in recent months. Meanwhile, the transaction market remains sluggish, but is expected to pick up in the second half of 2024.



Yardi Matrix

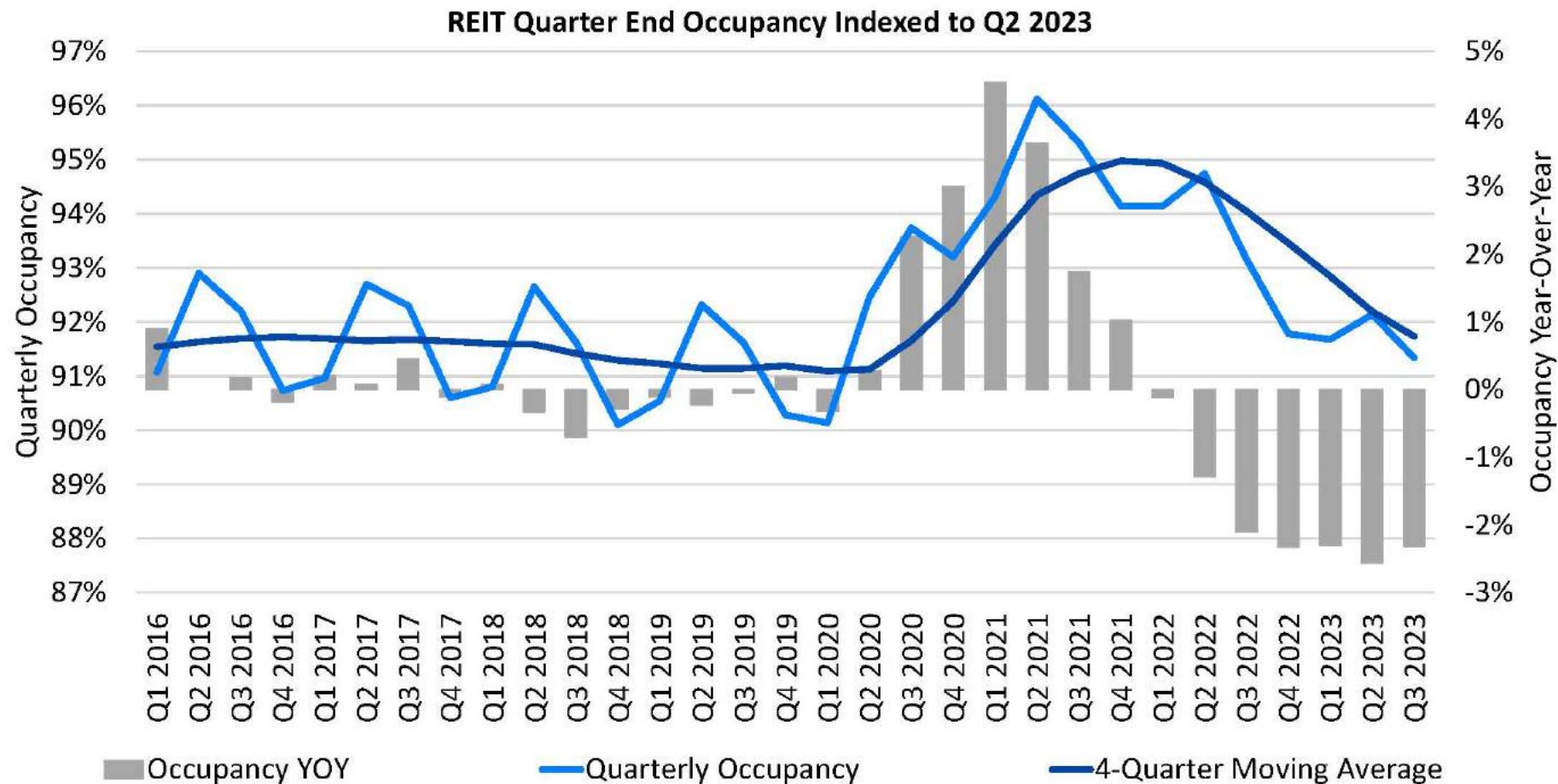
National Self Storage Report

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- Nationally, Yardi Matrix tracks a total of 5,073 self storage properties in various stages of development, including 871 under construction, 1,980 planned, 621 prospective, 1,510 abandoned and 91 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock in January.



REIT Occupancy in Q3 Fell Back to Historic Pre-COVID Average Down 2.3% Year-Over-Year and Over 4% Since Peaking in 2021



Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2022, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage





Weighted Average Occupancies for Self Storage REITs Fell in Nearly all Metros Year-Over-Year in Q3 2023

MSA	Q3 2022	Q3 2023	YoY Change in Occupancy
Denver, CO	94.0%	94.2%	0.2%
San Francisco, CA	94.7%	94.6%	-0.1%
Sacramento, CA	92.2%	92.1%	-0.1%
Washington DC	94.2%	93.5%	-0.7%
Chicago, IL	94.2%	93.1%	-1.1%
Philadelphia, PA	93.7%	92.5%	-1.2%
Seattle-Tacoma, WA	94.2%	93.0%	-1.2%
Raleigh-Durham, NC	95.1%	93.7%	-1.4%
Charleston, SC	95.2%	93.6%	-1.5%
New York/New Jersey	94.8%	93.3%	-1.6%
Houston, TX	93.6%	91.8%	-1.8%
Boston, MA	94.3%	92.5%	-1.8%
Charlotte, NC	94.7%	92.5%	-2.2%
Miami, FL	95.2%	93.0%	-2.2%

MSA	Q3 2022	Q3 2023	YoY Change in Occupancy
Los Angeles, CA	95.9%	93.6%	-2.3%
Portland, OR	91.5%	88.9%	-2.6%
Atlanta, GA	94.2%	91.4%	-2.7%
Dallas-Ft. Worth, TX	95.1%	92.2%	-2.9%
Las Vegas, NV	93.9%	90.7%	-3.2%
Columbus, OH	94.9%	91.4%	-3.6%
Orlando, FL	95.7%	92.0%	-3.7%
Kansas City, KS	95.1%	91.0%	-4.1%
San Diego, CA	96.5%	92.4%	-4.1%
Phoenix, AZ	93.4%	89.3%	-4.1%
Tampa, FL	94.5%	90.3%	-4.2%
Nashville, TN	95.2%	90.5%	-4.7%
San Antonio, TX	93.1%	88.0%	-5.1%
Austin, TX	94.7%	89.5%	-5.3%



Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2023, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage



Yardi Matrix

National Self Storage Report

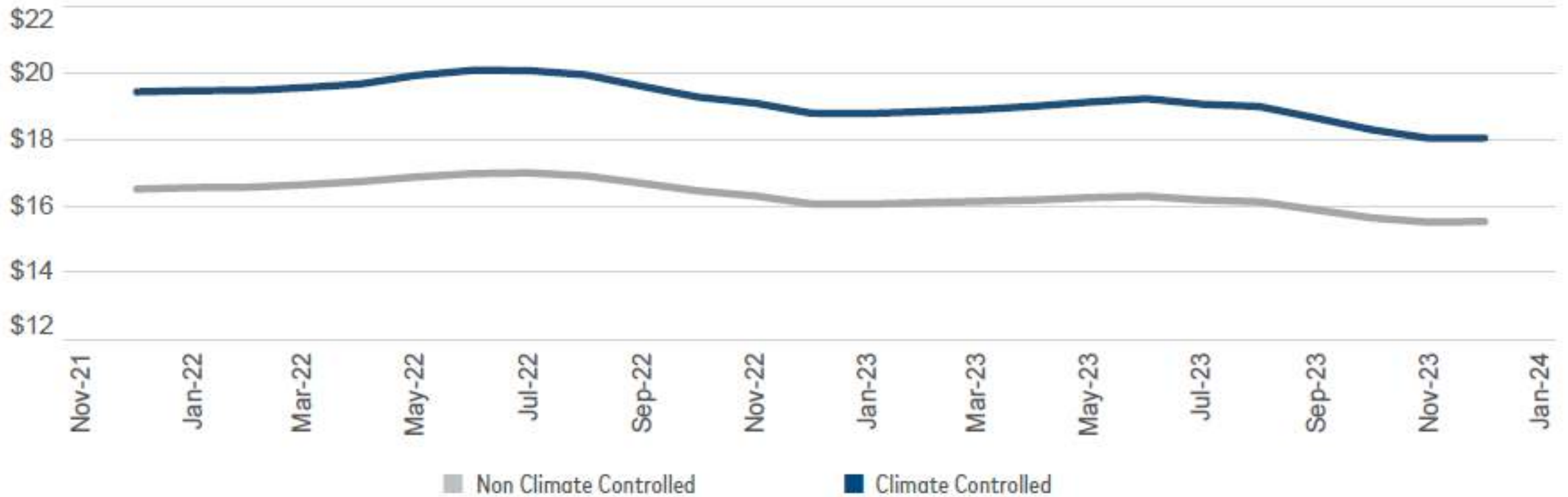
January 2024

December 2023 Year-Over-Year Rent Change for Main Unit Sizes



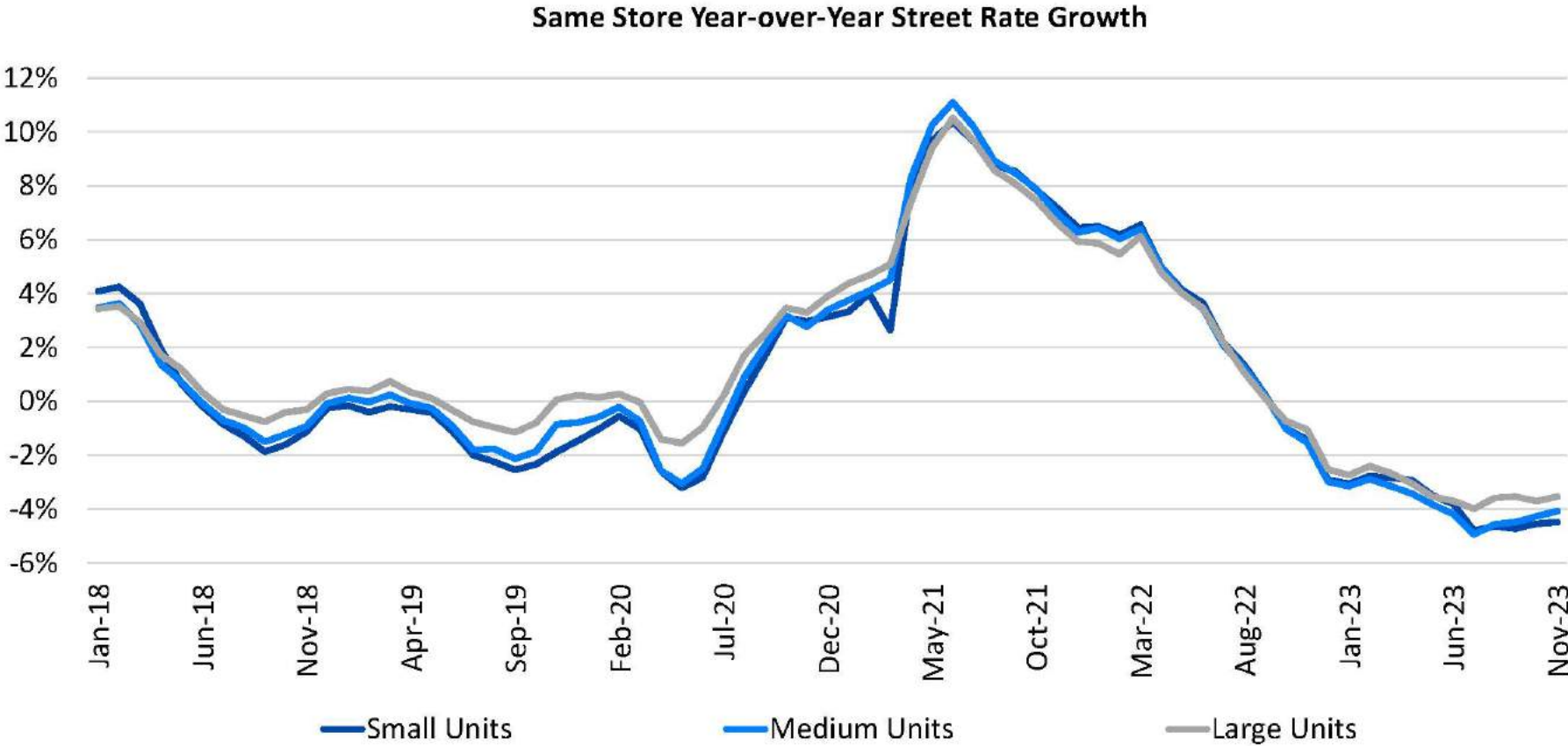


National Average Street Rates PSF for Main Unit Types





There is Little Variation in Street Rate Performance by Unit Size



Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes:
Small = 5x5, 5x10, 10x5, Medium = 10x15, 15x10, 10x10, Large = 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Yardi Matrix

National Self Storage Report

January 2024

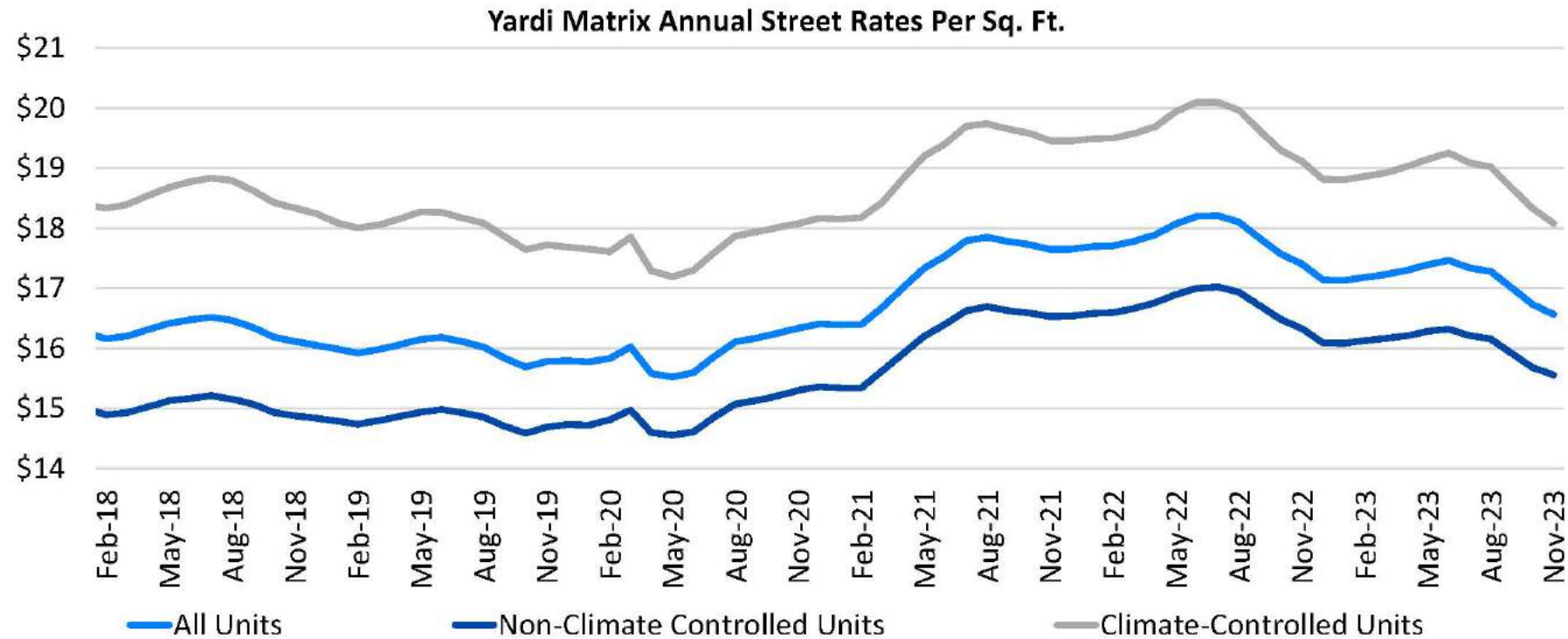
Metro	Nov-23 Average Street Rate PSF (\$)	Dec-23 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.55	\$16.57	0.1%	↑
Phoenix	\$15.72	\$15.85	0.8%	↑
Sacramento	\$17.72	\$17.85	0.7%	↑
Washington DC	\$19.29	\$19.38	0.5%	↑
Chicago	\$14.71	\$14.78	0.5%	↑
Nashville	\$15.74	\$15.82	0.5%	↑
Seattle	\$21.52	\$21.59	0.4%	↑
Minneapolis	\$13.38	\$13.44	0.4%	↑
Charlotte	\$13.61	\$13.67	0.4%	↑
Los Angeles	\$27.93	\$28.02	0.3%	↑
Charleston (SC)	\$15.00	\$15.07	0.3%	↑
Dallas-Ft Worth	\$13.65	\$13.69	0.3%	↑
Portland	\$17.72	\$17.76	0.2%	↑
Boston	\$19.84	\$19.87	0.2%	↑
San Francisco	\$26.36	\$26.41	0.2%	↑
San Jose	\$22.98	\$23.02	0.2%	↑
Houston	\$13.01	\$13.03	0.2%	↑
Tampa	\$15.99	\$16.04	0.2%	↑
Orlando	\$15.77	\$15.79	0.1%	↑
Columbus (OH)	\$12.43	\$12.44	0.1%	↑
Miami	\$21.11	\$21.10	0.0%	↓
New York	\$34.05	\$34.03	-0.1%	↓
San Antonio	\$14.63	\$14.62	-0.1%	↓
Atlanta	\$14.36	\$14.35	-0.1%	↓
San Diego	\$24.39	\$24.34	-0.2%	↓
Austin	\$14.45	\$14.44	-0.2%	↓
Las Vegas	\$15.65	\$15.62	-0.3%	↓
Inland Empire	\$17.51	\$17.46	-0.3%	↓
Raleigh-Durham	\$13.39	\$13.35	-0.3%	↓
Denver	\$16.64	\$16.59	-0.3%	↓
Philadelphia	\$17.14	\$17.08	-0.4%	↓

*Pittsburgh was omitted. | Source: Yardi Matrix. Data as of January 10, 2024

Rose
Declined



Annualized Street Rates Peaked in 2022, But Are Now Declining



	All Units	Non-Climate Controlled	Climate-Controlled
Annualized Street Rate Per Sq. Ft.: Nov '23	\$16.57	\$15.56	\$18.09
Same-Store year-over-year: Nov '22 - Nov '23	-4.2%	-4.1%	-4.4%
Non-same-store Pre-Pandemic to Current: Feb '20 - Nov '23	4.6%	5.1%	2.7%

Street rate growth = annualized average street rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes:
5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix





Street Rate Growth is Decelerating in Top Storage Markets

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
New York	-0.7%	0.0%
Denver	-1.3%	-2.4%
Portland	-0.6%	-2.8%
Sacramento	-0.7%	-3.0%
Columbus (OH)	-1.2%	-3.1%
Houston	-1.1%	-3.2%
Washington DC	-1.2%	-3.2%
Nashville	-1.6%	-3.4%
San Antonio	-1.0%	-3.6%
Boston	-1.5%	-3.6%
Minneapolis	-1.4%	-3.8%
Charleston (SC)	-1.8%	-4.0%
San Diego	-0.7%	-4.1%
Charlotte	-1.2%	-4.4%
Raleigh – Durham	-1.3%	-4.4%

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
San Francisco	-0.8%	-4.5%
Dallas - Ft Worth	-1.3%	-4.6%
Chicago	-2.0%	-4.7%
Las Vegas	-0.9%	-4.7%
Los Angeles	-0.8%	-4.8%
San Jose	-1.1%	-5.0%
Seattle	-0.8%	-5.4%
Inland Empire	-0.6%	-5.6%
Austin	-0.8%	-6.1%
Tampa	-1.7%	-6.4%
Philadelphia	-1.1%	-6.5%
Atlanta	-1.6%	-6.7%
Orlando	-2.0%	-7.3%
Phoenix	-0.9%	-8.0%
Miami	-1.7%	-8.0%



*Pittsburgh rents have been omitted as they are being revised.

Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes:

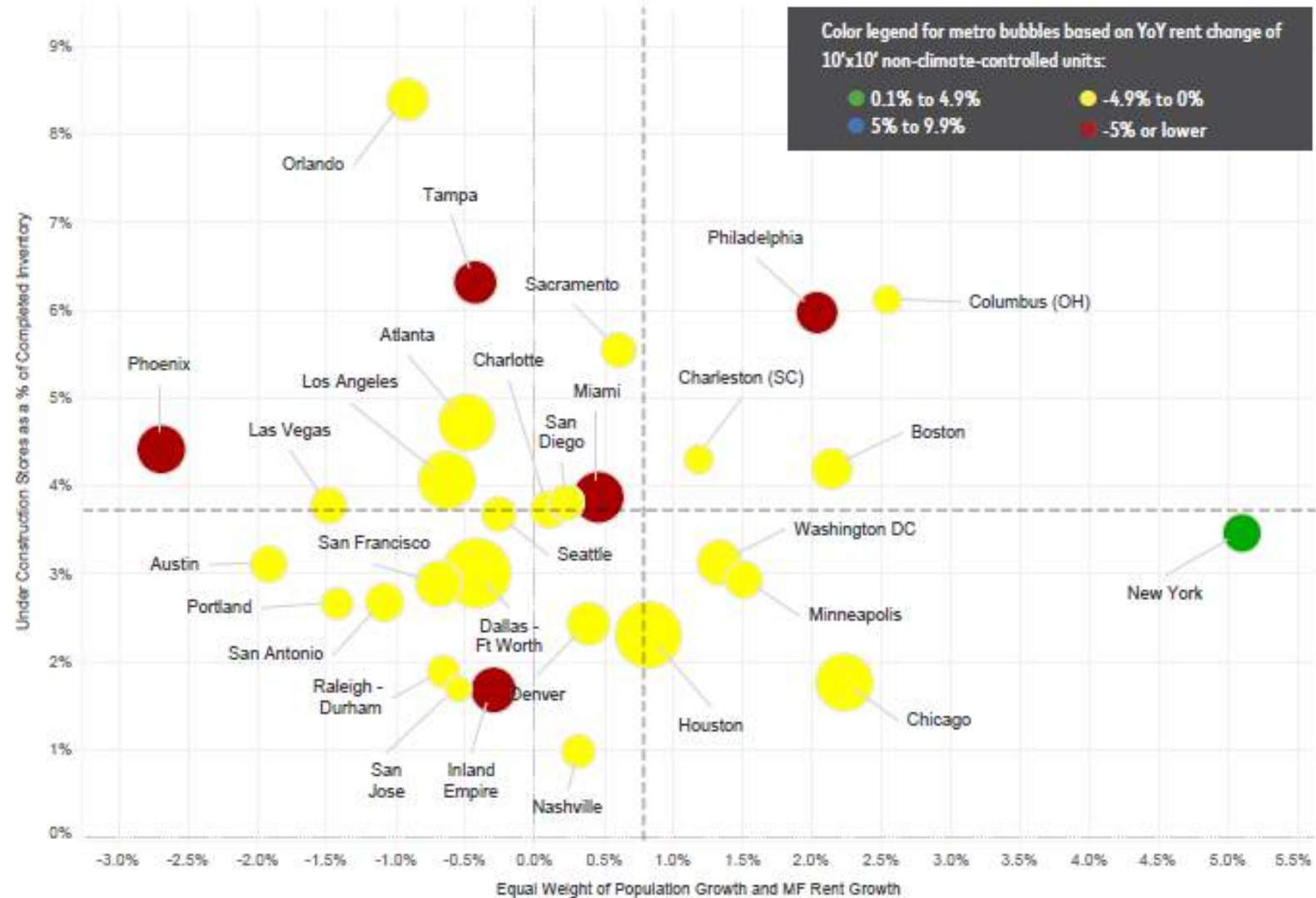
5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix





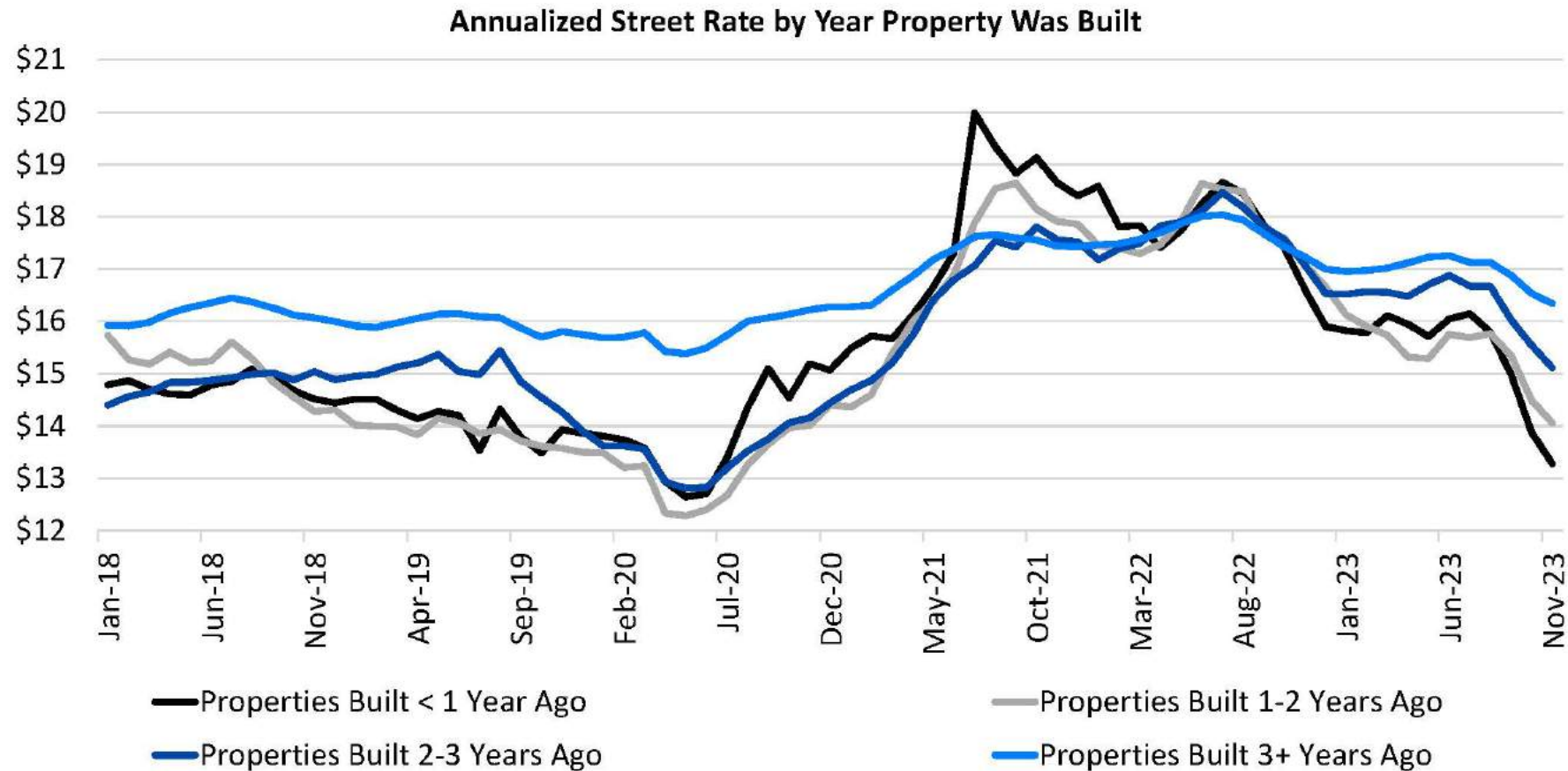
Self Storage Major Metro Summary

New-Supply Pipeline (y-axis) & Equal Weighting of Population Growth and Multifamily Rent Growth (x-axis)
(bubble size represents completed NRSF)





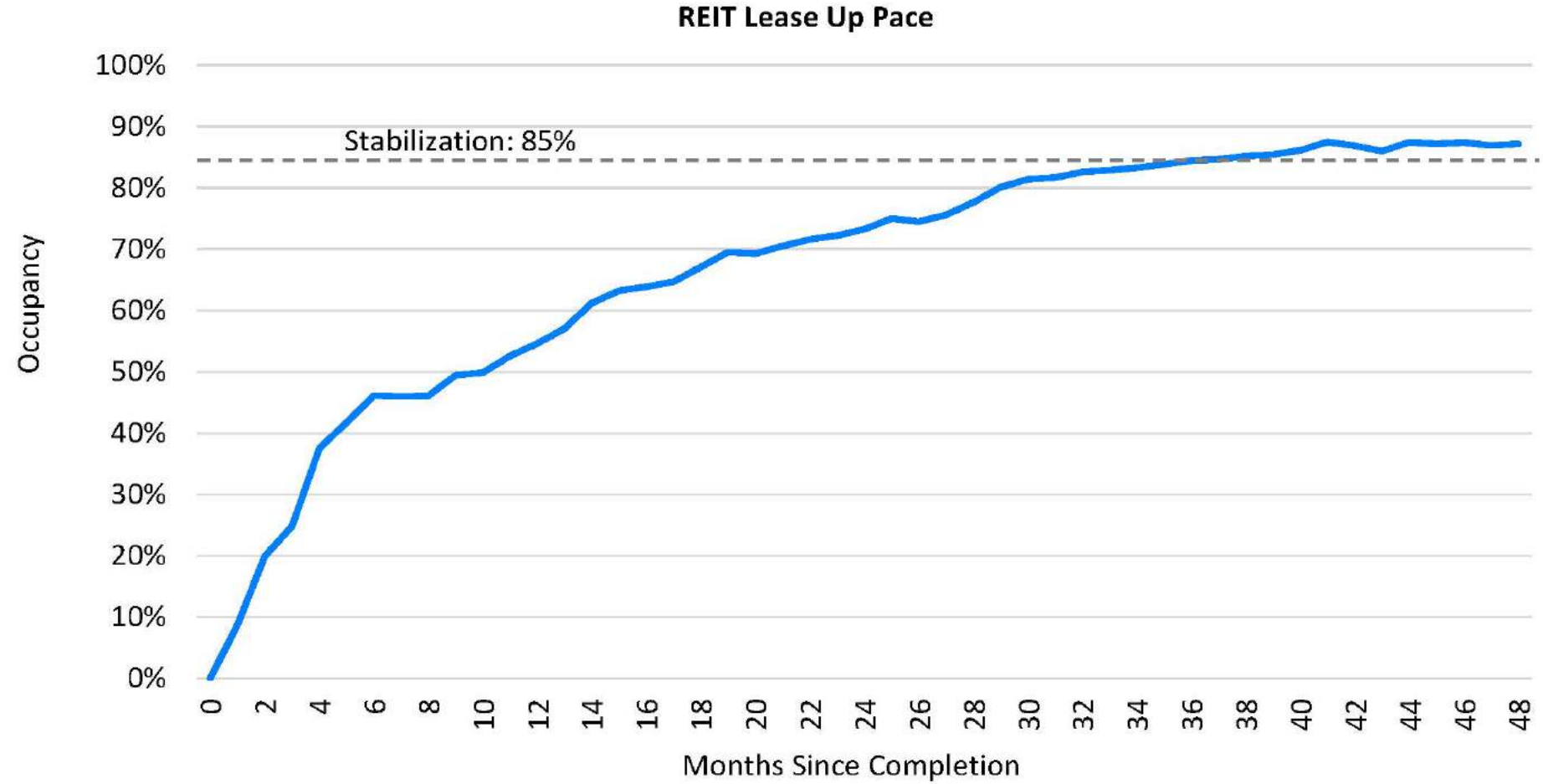
Stabilized Properties Built 3+ Years Ago Have Been Charging Higher Rates For Over a Year



Street rates = annualized average street rate per sq. ft. for 10x10 CC units | Source: Yardi Matrix



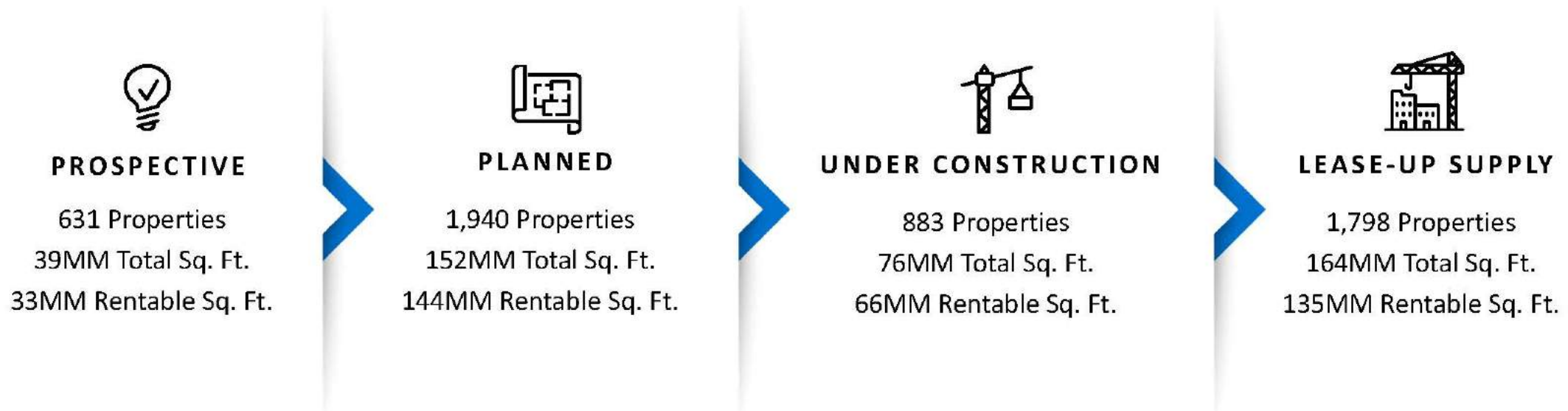
New Properties Typically Reach Stabilization in 3 Years



Data through Q3 2023 | Source: Yardi Matrix; REIT Financial Supplemental Materials 2016 - Current



NEW STORAGE SUPPLY PIPELINE



Lease-up supply delivered in the trailing 36 months. Data as of December 2023 | Source: Yardi Matrix

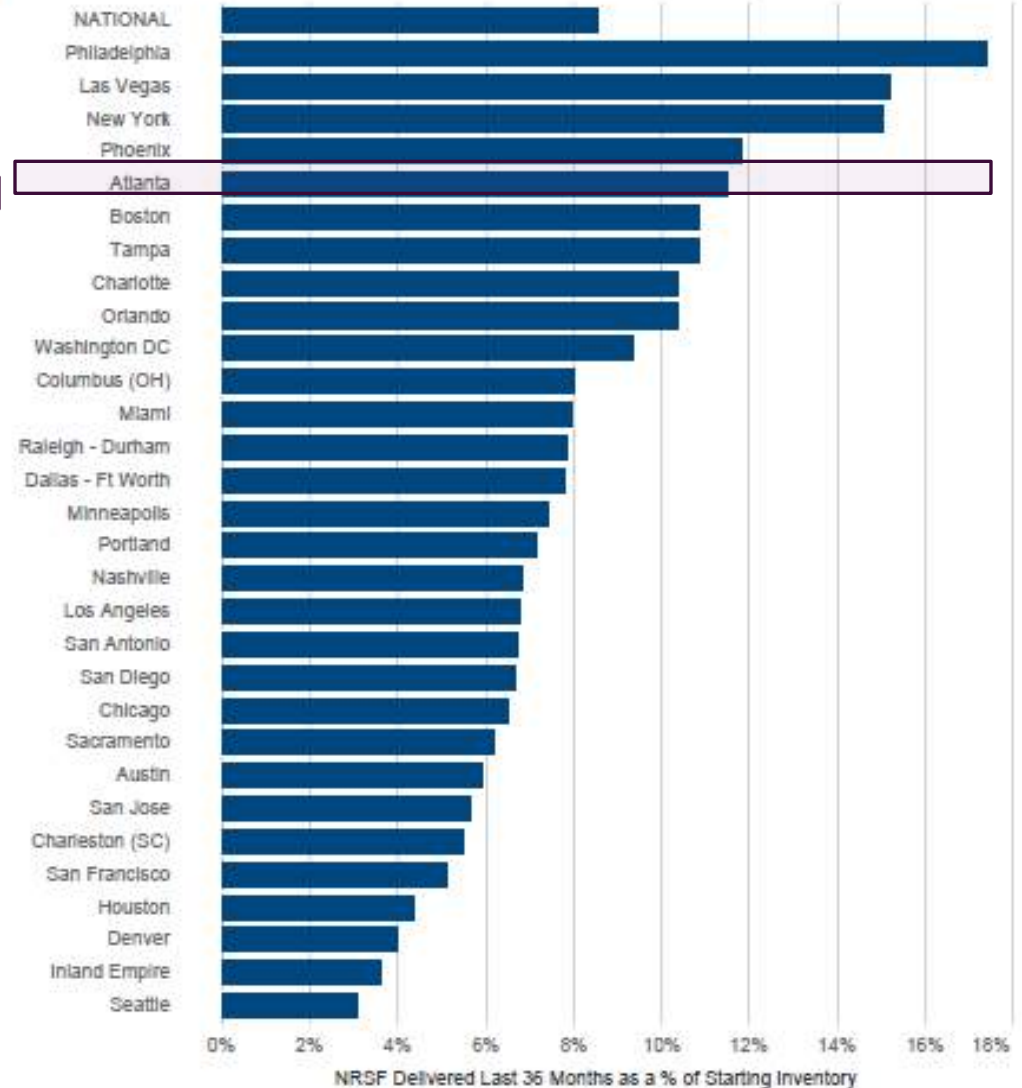


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NRSF Delivered Over the Last 36 and 12 Trailing Months

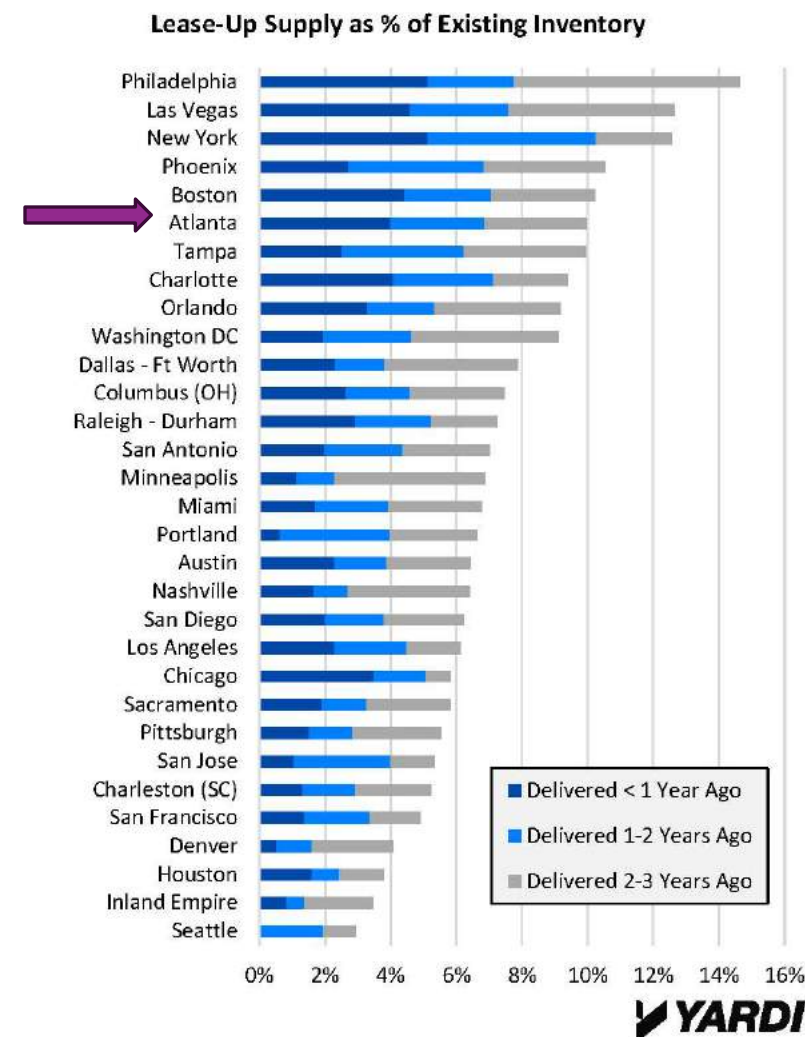
Metro	NRSF Delivered Last 36 Months as a % of Starting Inventory	NRSF Delivered Last 12 Months as a % of Starting Inventory	YoY Growth in Annualized Rent - Main Unit Types NCC + CC
NATIONAL	8.6%	2.8%	-2.7%
Philadelphia	17.4%	6.3%	-5.3%
Las Vegas	15.2%	5.6%	-2.5%
New York	15.0%	5.2%	1.1%
Phoenix	11.8%	2.4%	-6.4%
Atlanta	11.5%	4.6%	-4.0%
Boston	10.9%	4.6%	-2.1%
Tampa	10.8%	2.6%	-4.7%
Charlotte	10.4%	3.8%	-2.8%
Orlando	10.4%	3.7%	-4.9%
Washington DC	9.4%	2.0%	-0.9%
Columbus (OH)	8.0%	2.3%	-1.3%
Miami	8.0%	2.4%	-5.9%
Raleigh-Durham	7.8%	3.0%	-3.4%
Dallas-Ft Worth	7.8%	2.1%	-2.9%
Minneapolis	7.4%	1.2%	-1.0%
Portland	7.1%	0.6%	-1.6%
Nashville	6.8%	1.7%	-1.6%
Los Angeles	6.8%	2.5%	-3.8%
San Antonio	6.7%	2.0%	-2.5%
San Diego	6.6%	1.5%	-3.3%
Chicago	6.5%	3.4%	-2.3%
Sacramento	6.2%	1.5%	-1.5%
Austin	5.9%	2.3%	-3.9%
San Jose	5.6%	1.1%	-3.0%
Charleston (SC)	5.5%	1.9%	-1.9%
San Francisco	5.1%	1.4%	-2.6%
Houston	4.3%	2.0%	-1.5%
Denver	4.0%	0.5%	-0.6%
Inland Empire	3.6%	0.8%	-5.2%
Seattle	3.1%	0.5%	-3.4%



Majority of Lease-Up Supply in Major Markets Was Delivered 2-3 Years Ago



Market	Lease-Up % of Existing Inventory	Market	Lease-Up % of Existing Inventory
Philadelphia	14.6%	Portland	6.6%
Las Vegas	12.7%	Austin	6.4%
New York	12.6%	Nashville	6.4%
Phoenix	10.5%	San Diego	6.2%
Boston	10.2%	Los Angeles	6.1%
Atlanta	10.0%	Chicago	5.8%
Tampa	9.9%	Sacramento	5.8%
Charlotte	9.4%	Pittsburgh	5.6%
Orlando	9.2%	San Jose	5.3%
Washington DC	9.1%	Charleston (SC)	5.2%
Dallas - Ft Worth	7.9%	San Francisco	4.9%
Columbus (OH)	7.5%	Denver	4.1%
Raleigh - Durham	7.3%	Houston	3.8%
San Antonio	7.0%	Inland Empire	3.5%
Minneapolis	6.9%	Seattle	2.9%
Miami	6.8%		



Data as of December 2023. Lease-up supply delivered in the trailing 36 months | Source: Yardi Matrix



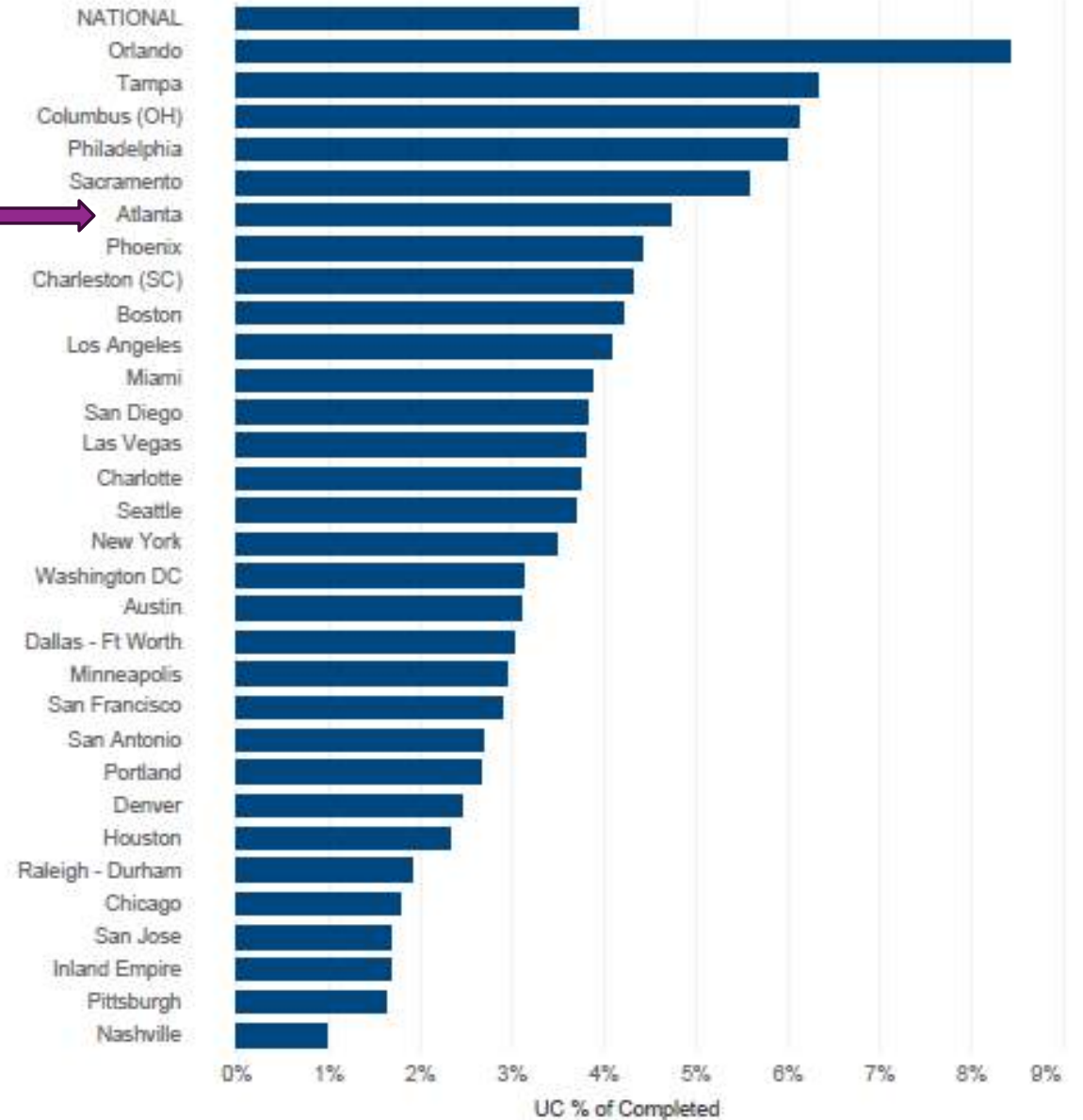
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Under-Construction Supply by Percentage of Existing Inventory

Metro	Dec-23	Jan-24	Change
NATIONAL	3.8%	3.7%	↓
Orlando	8.7%	8.4%	↓
Tampa	6.6%	6.3%	↓
Columbus (OH)	6.1%	6.1%	—
Philadelphia	6.8%	6.0%	↓
Sacramento	5.6%	5.6%	—
Atlanta	5.0%	4.7%	↓
Phoenix	4.4%	4.4%	—
Charleston (SC)	4.9%	4.3%	↓
Boston	4.2%	4.2%	—
Los Angeles	4.4%	4.1%	↓
Miami	3.7%	3.9%	↑
San Diego	3.8%	3.8%	—
Las Vegas	5.1%	3.8%	↓
Charlotte	3.7%	3.7%	—
Seattle	3.7%	3.7%	—
New York	3.5%	3.5%	—
Washington DC	3.1%	3.1%	—
Austin	3.1%	3.1%	—
Dallas-Ft Worth	3.0%	3.0%	—
Minneapolis	2.9%	2.9%	—
San Francisco	2.9%	2.9%	—
San Antonio	2.7%	2.7%	—
Portland	2.7%	2.7%	—
Denver	2.2%	2.4%	↑
Houston	2.4%	2.3%	↓
Raleigh-Durham	1.9%	1.9%	—
Chicago	1.9%	1.8%	↓
San Jose	1.7%	1.7%	—
Inland Empire	1.3%	1.7%	↑
Pittsburgh	1.6%	1.6%	—
Nashville	1.0%	1.0%	—





Forecast of New Storage Supply Summary National Q4 2023 Update

Property Forecasts	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	483	511	510	465	457	493	548
Conversion	102	107	57	46	25	31	31
Expansion	339	224	123	126	164	153	166
Total	924	842	690	637	646	677	745

NRSF Forecasts (MM)	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	33.49	37.72	39.48	34.9	35.17	37.26	39.33
Conversion	7.28	8.06	3.94	3.53	1.62	2.44	2.46
Expansion	9.12	6.77	5.67	4.13	5.76	5.42	5.73
Total	49.89	52.55	49.09	42.57	42.55	45.11	47.52
NRSF as a % of Stock	3.0%	3.1%	2.8%	2.4%	2.3%	2.4%	2.5%



NRSF as a % of stock based on previous year's inventory. Forecast totals include all markets nationwide | Source: Yardi Matrix



SELF STORAGE FUNDAMENTALS & OUTLOOK

- Self storage performance weakened in 2023 due to a slump in demand driven by declining home sales and a decrease in mobility, leading to occupancy levels near pre-COVID levels
- Street rate growth continues to decelerate with same store asking rents down -4.2% year-over-year in November
- While month-over-month street rate declines have been lower than the historic average, year-over-year street rate growth has remained consistent for the last six months
- Revenue growth has slipped below the long-term average for the sector, but remained positive in Q4 as operators were able to increase existing customer rents (ECRIs) which can counteract lower move in rates
- The amount of new supply under construction is moderating and new deliveries are expected to fall below the long-term average in the next few years
- Recent development activity has shifted to smaller markets and less experienced developers, many of which are new to the space
- 2023 transaction activity has been fueled by one large merger (Extra Space – Life Storage) and one large portfolio (Simply acquired by Public Storage), but otherwise volume is significantly below recent years
- 2024 sales activity will be driven by loan maturities, nearly 1/3rd of which are CMBS loans

Marcus & Millichap Industry Updates

JOHN CHANG, SR. VICE PRESIDENT

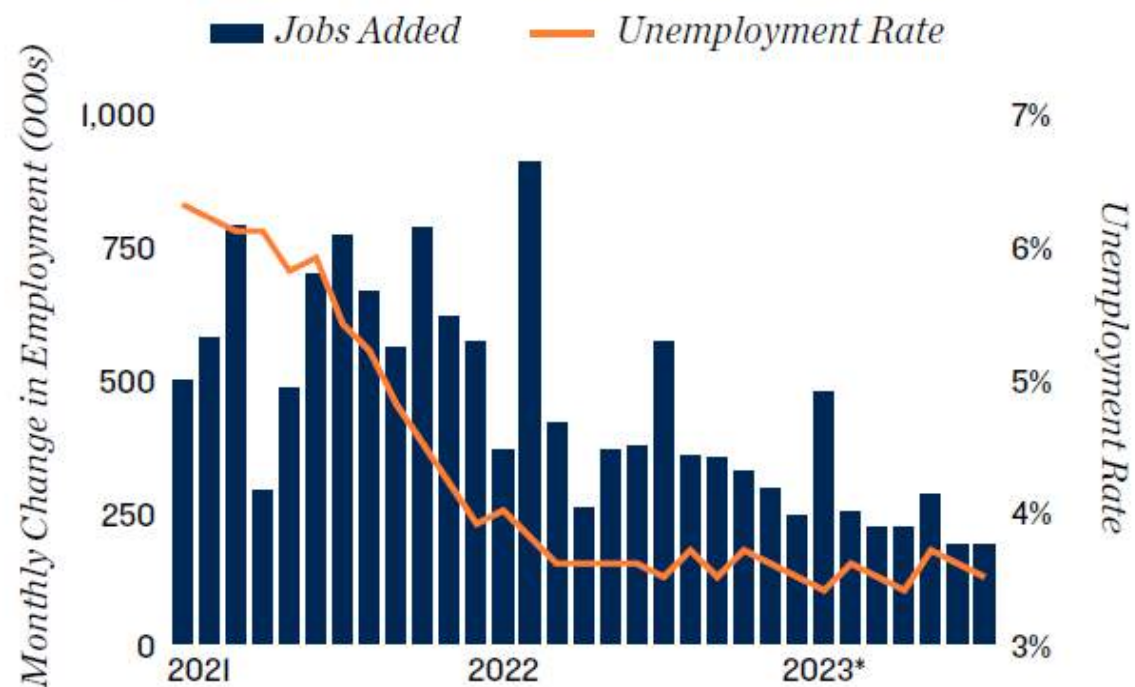
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Labor Markets Tight as Hiring Decelerates

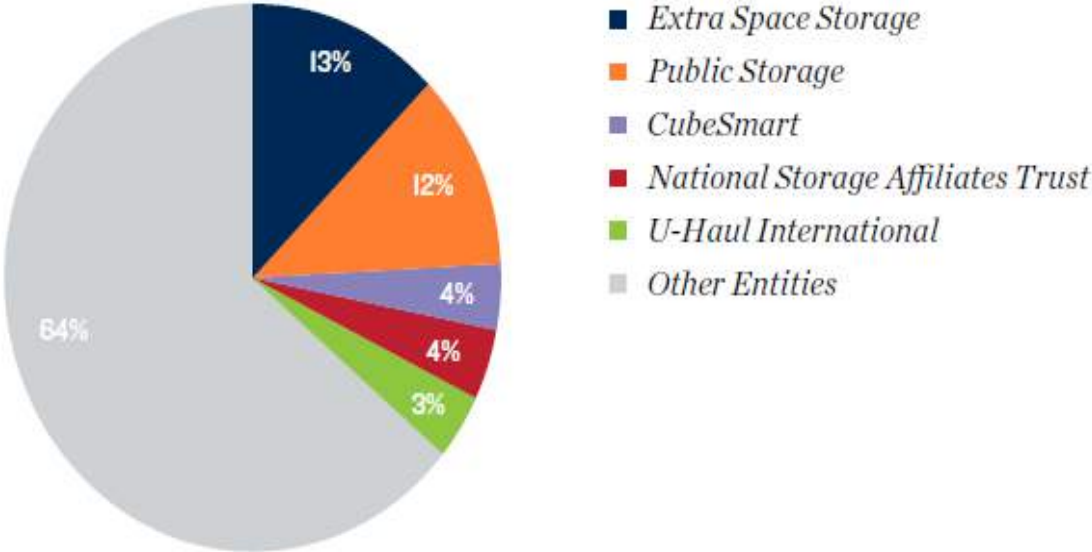


Self-Storage Supply and Demand Trends



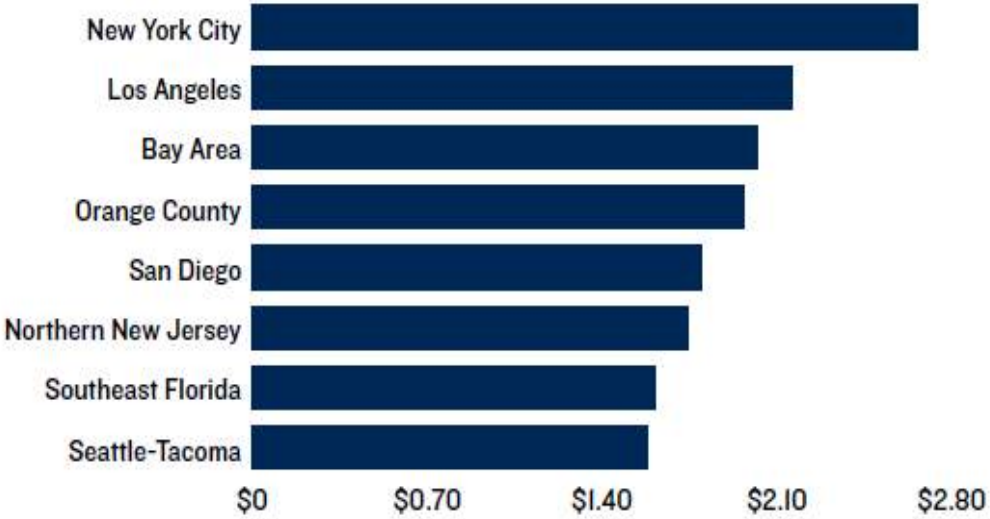


Mergers Expand Influence of Top REITs



Percent of Net Rentable Square Feet Owned Nationwide*

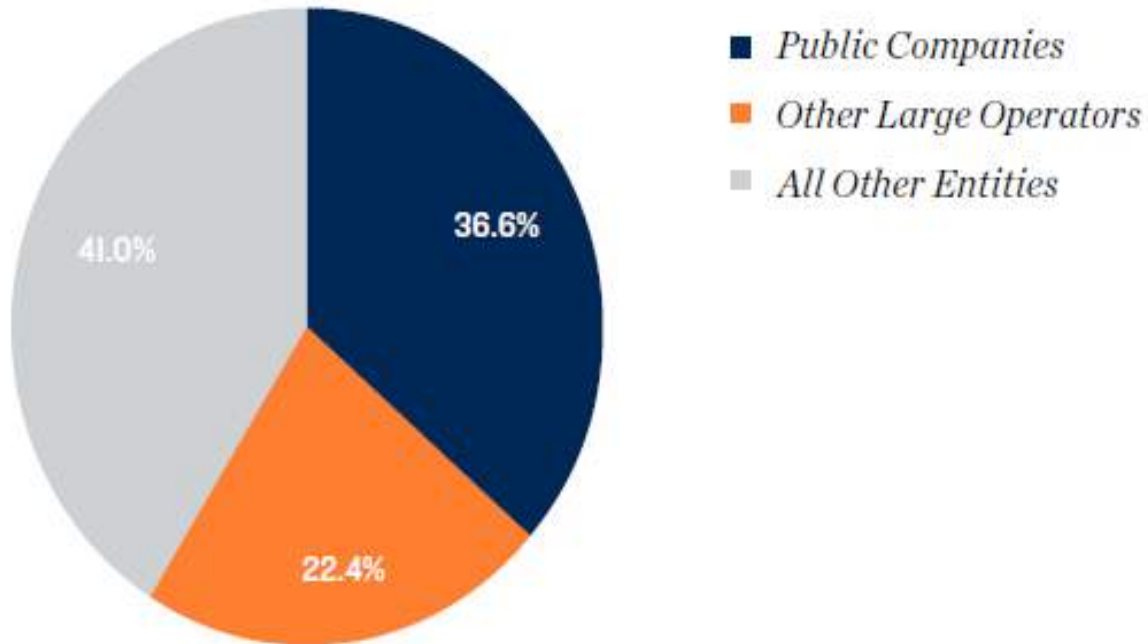
Top Markets by Asking Rent in 2023



Average Year-End Asking Rent Forecast (Per Sq. Ft.)

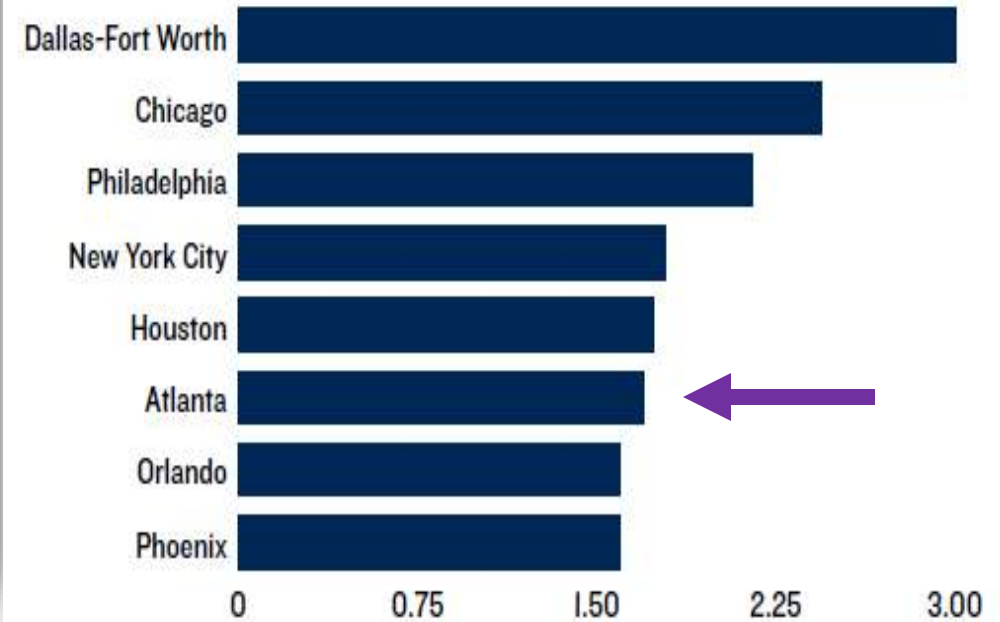


Largest Operators Command Notable Marketshare



*Percent of Net Rentable Square Feet Pertaining to Each Category**

Top Markets by Space Additions in 2023



Total Completions Slated for 2023 (Millions of Sq. Ft.)



EMPLOYMENT

1.6% increase Y-O-Y



- Hiring velocity continues at a solid clip overall, despite certain segments seeing some attrition at the start of the second half. Recruitment during the first seven months of 2023 was bolstered by both the education and health services and leisure and hospitality sectors.

CONSTRUCTION

48 million square feet completed



- Developers are on track to finalize the lowest amount of square feet since 2016, though supply additions remain above the long-term average of 44 million square feet per annum. National inventory will expand by roughly 2.5 percent this year.

VACANCY

90 basis point increase Y-O-Y



- New supply arriving amid realigned demand is prompting an overall normalization of vacancy to pre-health crisis levels. The nationwide vacancy rate will close out this year at 9.6 percent, exceeding the level observed four years prior by just 10 basis points.

ASKING RENT

2.3% decrease Y-O-Y



- Vacancy approaching the 2019 level in most markets has translated to declining street rates in nearly all major metropolitan areas. Still, the mean asking rent of \$1.25 per square foot will place the metric roughly 8.7 percent above the immediate pre-pandemic measure.



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Self Storage operators responding to challenging tenant demand with cautious optimism heading into the new year due to increasing rental activity at the end of 2023. Potential for a more active housing market, due to lower mortgage rates, could lead to pent up demand for self storage and stabilization in street rates during peak rental season.

Private companies target unleveraged IRR from 7% to 10%. Exit cap rates have increased 200 basis points in underwriting.

Early lease-up properties developed by merchant builders represent the biggest area of stress. Projections are not meeting expectations with lower rental rates and projected lease-up time frames. Developers are hopeful an improved spring/summer leasing season boosts operating performance. If not, developers are faced with decisions to sell or recapitalize within a difficult capital markets environment, often requiring additional infusion of equity.



Private Operators 2024 Forecast

Private operators featured forecasts with more optimistic views than the REITs. Revenue growth of same-store forecasts ranged from 3.5% to -1%. Operating expense concerns are high with rabidly rising property insurance costs especially in coastal cities.

Operating Projections

	Same-Store Revenue Growth	Same-Store NOI
StorageMart	3.5%	N/A
StorQuest	2.0%+	0% to 2.5%
U.S. Storage Centers	0% to 3.0%	0% to 3.0%
Safeguard Self Storage	-1.0%	-3.0%

Year-End Occupancy Trends

	Occupancy 12/31/23	YoY Decrease	Occupancy 9/30/23	Quarterly Decrease
Public Storage	92.4%	240 bps	93.3%	90 bps
Extra Space Storage	94.2%	110 bps	95.2%	100 bps
CubeSmart	92.1%	120 bps	93.8%	170 bps

Extra Space Storage has enacted reduced street rates throughout various markets to help maintain physical occupancies. Aggressive double-digit existing customer rate increases (ECRIs) have proven successful after initiating reduced street rates. Same-store portfolio occupancy at December 31, 2023, stood at 93%, a 120 basis point reduction year-over-year.

SELF STORAGE UPDATE

THIS MONTH IN THE SELF STORAGE INDUSTRY | JANUARY 2024



New Supply Expected to Moderate

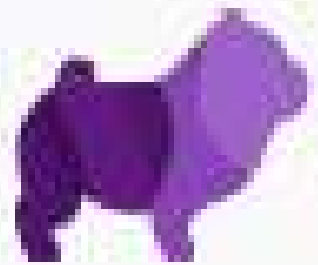
Expectations for new self storage deliveries to drop off significantly in 2024 and 2025. Private developers target approximately 8% yields, with top-of-market targets about 6.5% in New York. Many of the most active private developers nationwide have little to no new projects currently in their pipelines. Elevated construction loan interest rates along with lower percentage loan-to-cost proceeds, combined with lower or flat street rates causing development slowdown nationwide.

Forecast of New Supply - National Q4 2023 Update

Property	Actual 2022 Completions	2023	2024	2025
New Build	483	511	510	465
Conversion	102	107	57	46
Expansion	339	224	123	126
Total	924	842	690	637

NRSF (MM)	Actual 2022 Completions	2023	2024	2025
New Build	33.49	37.72	39.48	34.9
Conversion	7.28	8.06	3.94	3.53
Expansion	9.12	6.77	5.67	4.13
Total	49.98	52.55	49.09	42.57
NRSF as % of Stock	3.0%	3.1%	2.8%	2.4%

Source: Yardi Matrix



storagepug



SELF STORAGE

6 SEO Trends for 2024

storagepug

1. Keywords Aren't Key Anymore

- In the early days of SEO, keywords were vital.
- Instead, Google wants you to communicate as clearly and naturally as you can with searchers that end up on your website. Tell them about the features they're interested in, show them that you're a part of your community, and drive conversions with action-oriented language.

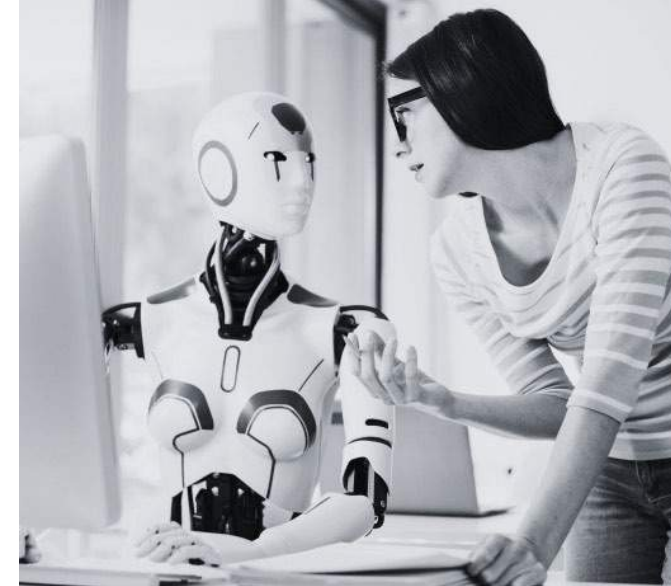


Verdict: Exact keyword matching isn't necessary anymore - improved algorithms understand what your website is offering.

2.

AI Isn't a Magic SEO Fix

- When ChatGPT became the coolest thing on the internet for a little while, marketers all over the world started using it to write tons of medium-quality content.
- Google ended up refining the algorithms to deprioritize low-quality, unhelpful content.
- Those AI-built sites quickly fell to the bottom.



Verdict: AI-generated content has its uses, but for a self storage website, you don't need it.

3.

Local Beats Organic



- Local search results = show up next to the map when someone searches for a local business.
- Organic results = the website links (and descriptions) that show up for any search, local or not.
- For the self-storage industry, local results are much better than organic search results!
- Google prioritizes local results when it thinks the searcher is trying to make a purchase.
- Google is putting more and more resources into local searches because those results are what **people want**.



Verdict: Local ranking is easier to achieve and more valuable than organic results. Bolster your reviews, fill out your GBP, and add some pictures if you're not ranking where you want to be.

4.

Rank Higher with Reviews

- Adding new, positive reviews is one of the best ways to boost your local SEO
- If your facility only has a few dozen reviews (less than 50 is a good benchmark), prioritize adding new ones.
- Reviews are one of many ranking factors - having more than your competition won't immediately bump you up a spot. But without good reviews, your site won't rank well.



Verdict: Good reviews are growing in importance. If you don't have a process in place for getting new reviews for your business, you need one!

5. Conversion > Clicks

- Google monitors how many of the searchers it sends to your website actually find what they're looking for.
- One factor in this is the organization and quality of your websites. You can control this by having good website design, taking good photos, and taking care of your property.
- Imagine there are five tenants out there this month that will rent from you. Your SEO efforts should focus on finding those five - sometimes, that means casting a wide net! But if your website only gets five clicks, and those five all rent from you? That's **better for your business than getting 2000 clicks and five rentals.**



Verdict: Focus on local search results for your area. Don't try to rank for areas that you don't get rentals from.

6. AI Optimization

- AI is definitely going to impact search going forward! Google is implementing new search functions powered by Bard (Google's LLM) that can give answer summaries in place of sending people to specific websites for the answer.
- People searching for self-storage are looking to purchase something. No AI can generate a storage unit for them, so Google will have to send them to a website for a business near them - local search.
- Google has been perfecting its search algorithm for decades. If your site does well with Google, it will do well with AI.
- The vast majority of searches are done on Google.



Verdict: Your customers aren't using AI to find a local business. Your Google Business Profile, paired with a website that converts, is the way to get rentals online.



**34% OF ALL RENTALS
COME AFTER
BUSINESS HOURS**

**MONDAY AND
FRIDAY ARE THE
BUSIEST RENTAL
DAYS**

**SUNDAYS ARE THE
SLOWEST**

**10AM IS BUSIEST
TIME OF DAY**

**MOST RENTALS
HAPPEN IN THE
MORNING**

**79% OF RENTALS
SIGNED UP FOR
AUTOPAY**

**58% OF RENTALS
CAME FROM
MOBILE- IPHONE
LEADS THE WAY**

**40% OF RENTAL
CAME FROM
COMPUTERS-
LAPTOPS LEAD THE
WAY**

**2% OF RENTALS
CAME FROM
TABLETS OR OTHER**



SCAN THE QR CODE TO GET A COPY
OF THE FULL REPORT.



Tommy Nguyen Co-Founder and COO
865-240-0295
Tommy@StoragePug.com
StoragePug.com



+



2023 End of Year Review

Paid Media 2023 Total Spend - \$371,077

411

Rentals

643

Reservations

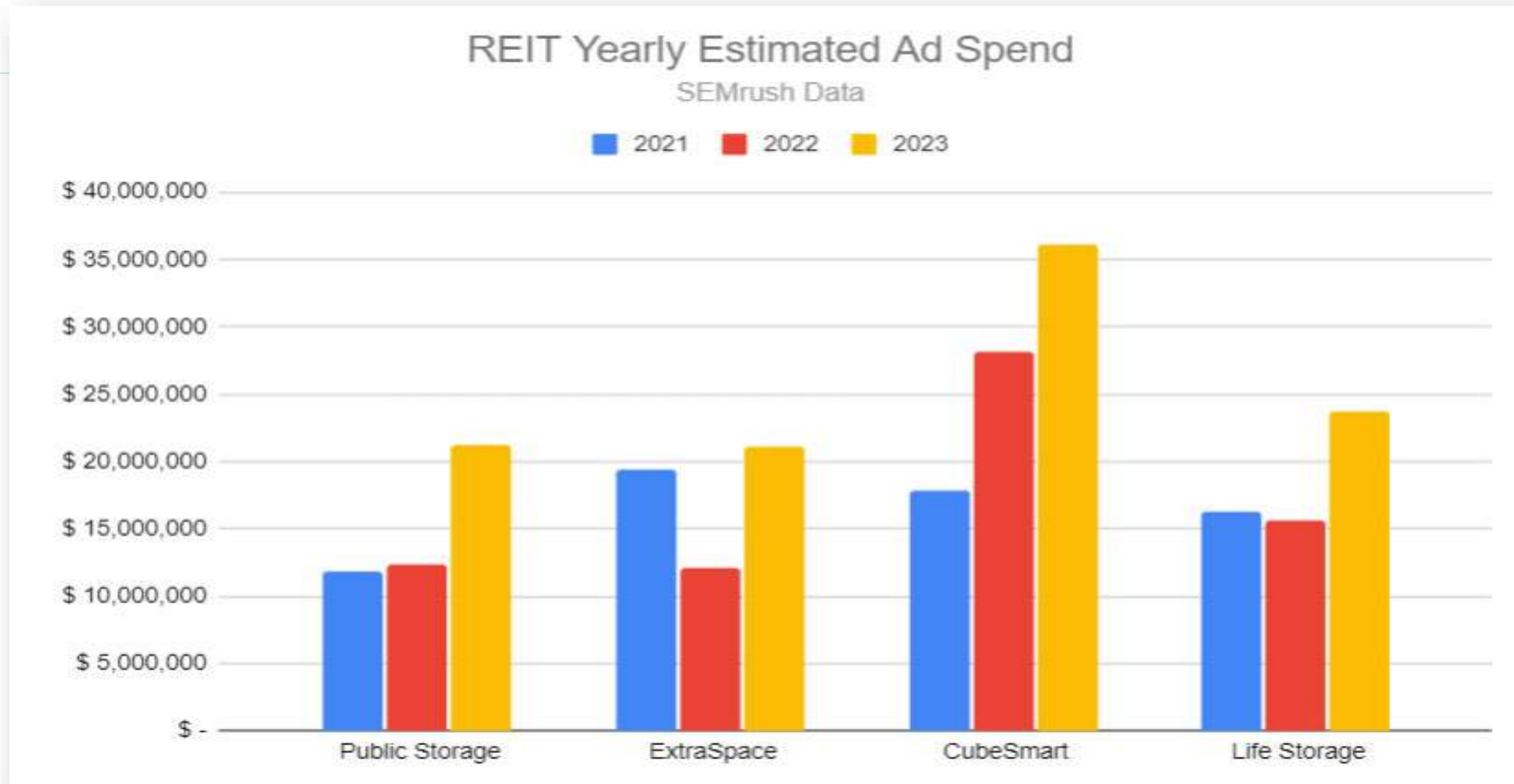
5,227

Calls*

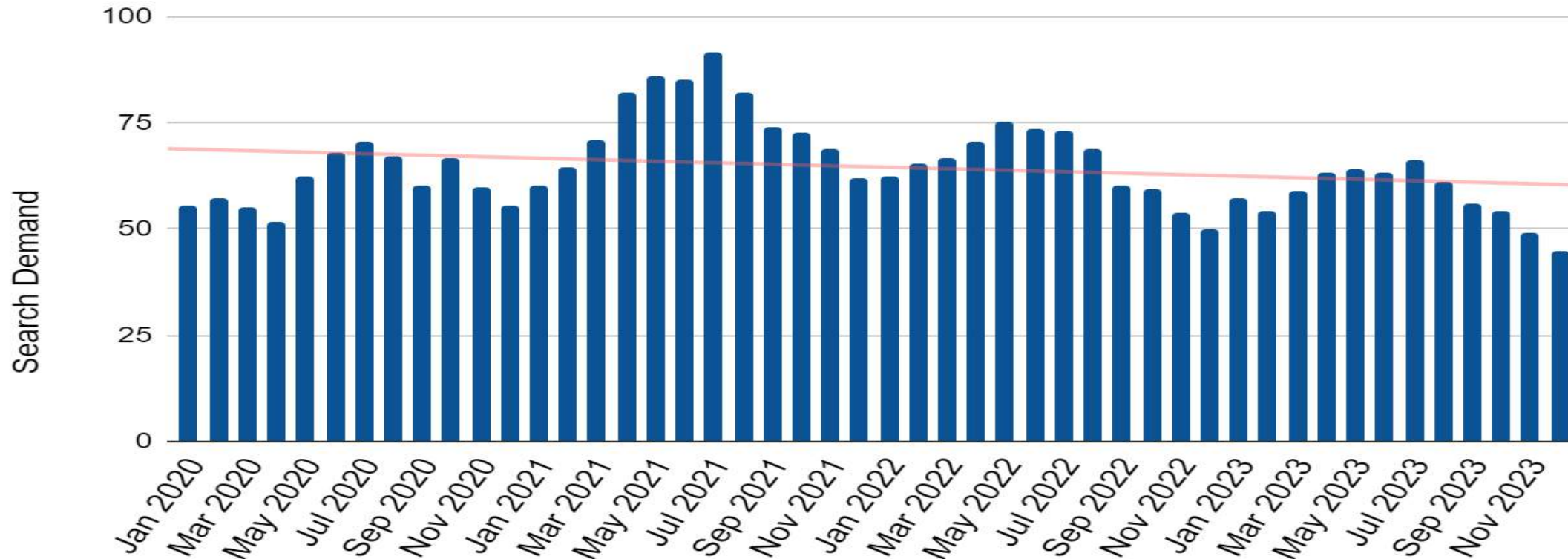
Cost/Lead

\$59

*Data is pulled from 1/1/23-12/1/23
Rentals & Reservations are website only
*Calls > 60 sec
Paid Media Spend Only



Storage Search Demand (2020 - 2023)
Data Source: Google Trends, Storage Units Search Term, US Volume



Storage related searches continue to see a downward trend throughout all of 2023.
The peak of storage related searches happened in August 2021.

Paid Media

Overall spend - \$371,077**

Clicks - 94,746

Impressions - 1,453,901

Click Through Rate - 6.52%

Conversions* - 8,438

Cost/Conversion - \$43.97

Conversion Rate - 7.68%

Go Local Website Launch - Nov. 1, 2021

**Conversions are calls over 60 sec., SE reservations, SE rentals*

***Includes only Paid Media Spend*



Data

Storable.com



Current Trending (Jan'24)

Inventory

- Live facility count is up ~33% YoY
- REITS have been stable in live facility count; continued growth from all other client segments.

Demand

- Occupancy decreasing across the industry
- Visitors: Up ~3% YoY
- Reservations: Down 8% YoY

Avg Unit Prices

- Average unit price of ~\$84
- Currently down ~15% YoY

Bidding

- Currently up ~37% YoY
- Slight bidding increases from Public.
- Recent bidding decreases from ExtraSpace, CubeSmart and a larger cohort of non-REIT accounts.



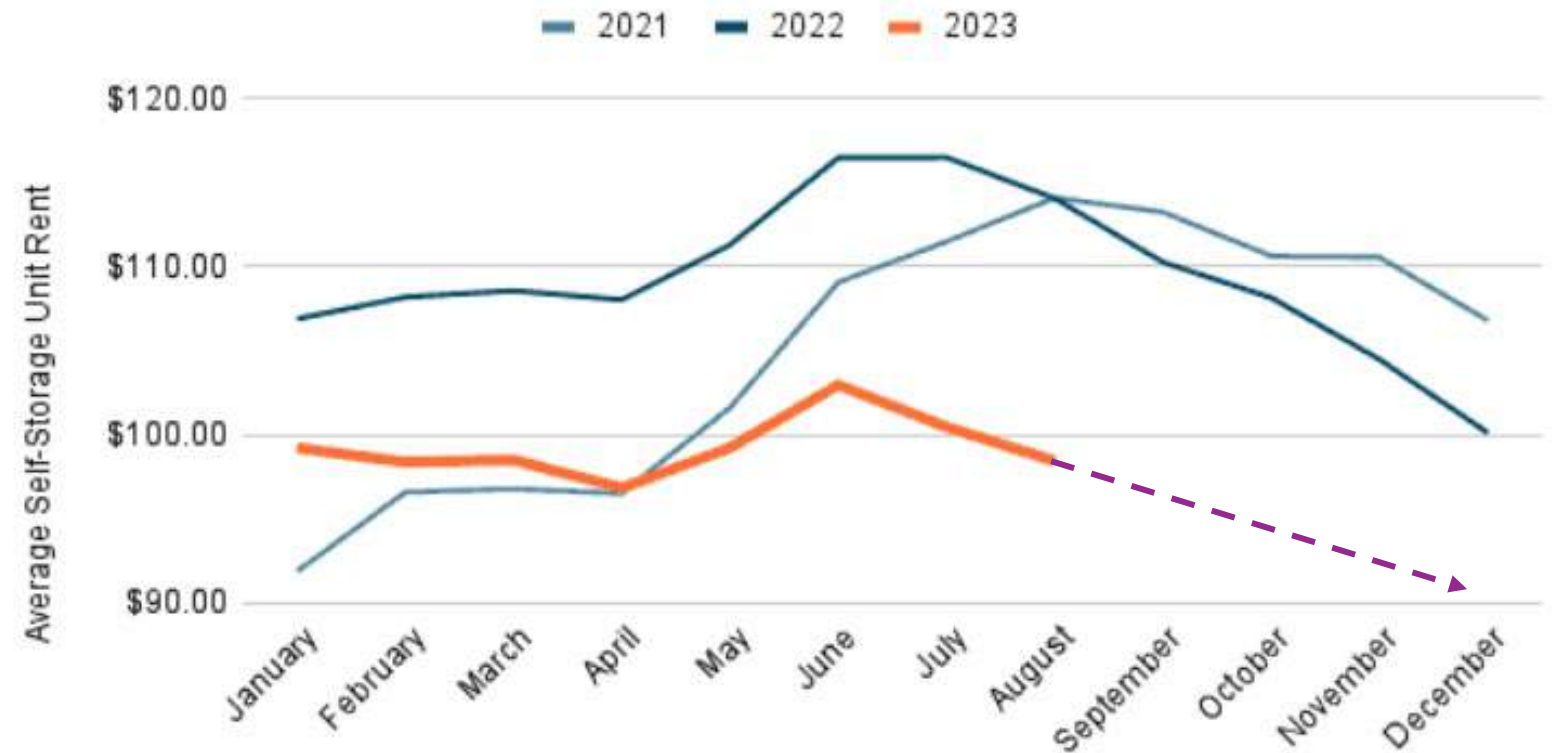
Storable Pricing and Occupancy

This year marks a return to seasonality for self-storage operators.

The industry overall has held onto much of the pricing gains it enjoyed over the last few years, but inflation remains a drag.

Average Self-Storage Rent (Monthly)

Source: SpareFoot reservation data



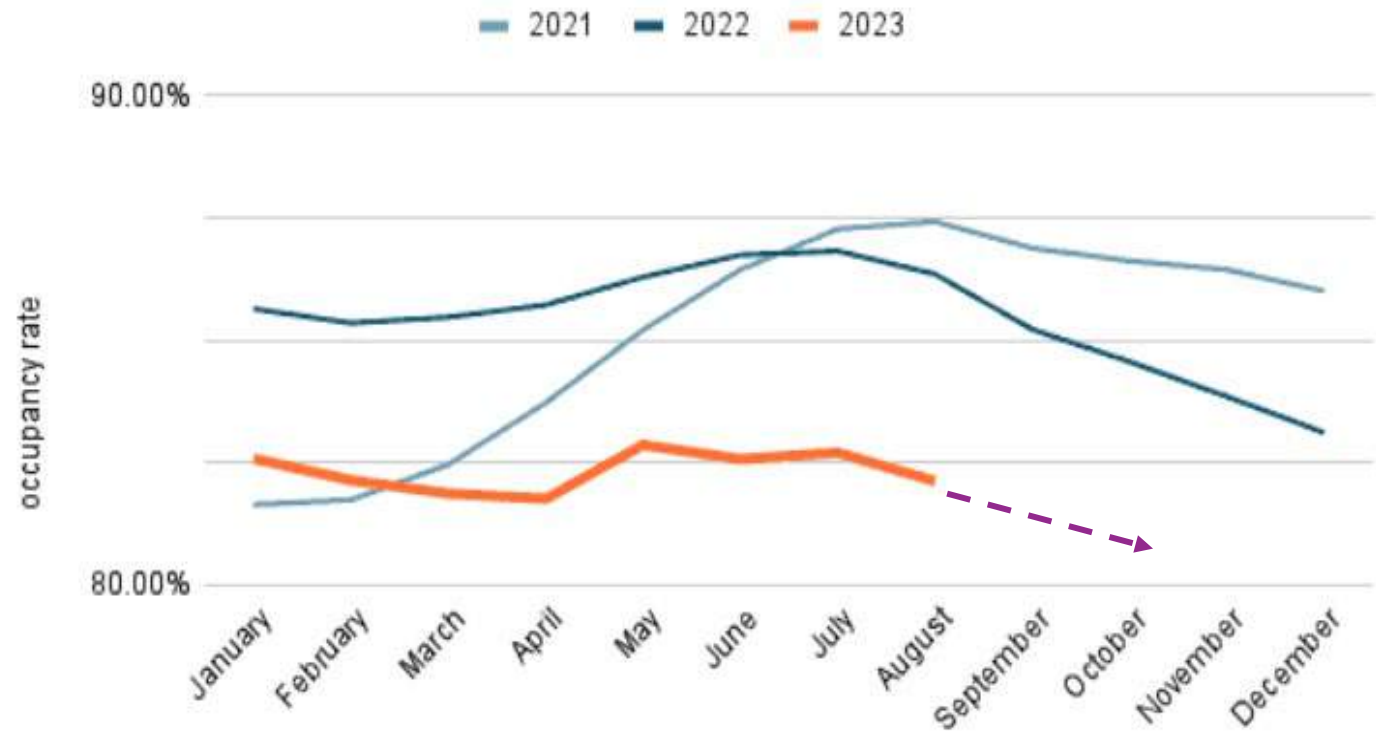


Storable Pricing and Occupancy

As with pricing, self-storage **occupancy** and **move in rates** are also coming **back down to earth**. **Despite continued headwinds** such as high interest rates and declining home sales, storage **demand remains healthy overall** and move-in and move-out activity is **slightly improved over last year**. A healthy job market and growing GDP provide a boost, while a tighter lending environment and tougher scrutiny from local planners is keeping **new supply of self-storage units in check**.

Self-Storage Unit Average Occupancy

Source: Storable.com





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DOWNLOAD THE UNDERSTANDING
YOUR CONSUMER 2023 SELF STORAGE
DATA WHITE PAPER



USG 2023 Call Center Data



Universal Storage Group



Call Source Report
Facility: Multiple Selected
January 1, 2023 - December 31, 2023

Call Source/Facility	Call System Results											Contact Note Results			
	Total Calls = (Other Abandoned + Answered + Voicemail + Pay By Phone Successful Payment + Transferred)											Contact Type		Conversions	
	Total Calls	Abandoned	Presented Abandoned			Presented	Calls Handed / Serviced					Services	Sales	Move-Ins	Move-In%
		* All Other Abandoned (Presented Abandon Included)	Total Presented Abandon in a Counselors Queue	Presented Abandon in a Counselors Queue > 20 Seconds	Presented Abandon in a Counselors Queue < 20 Seconds	Total Presented Calls in a Counselor Queue	Answered	% of Calls Answered from a Counselor Queue	Voicemail	Pay By Phone Successful Payment	Transferred to Facility thru IVR Option				
TOTALS	62580	33554	1677	1121	556	13169	11492	87%	11343	5612	579	13354	2294	580	25.3%
Main Facility Phone Number		33159	1669	1117	552	13110	11441	87%	11339	5607	579	6898	2292	580	25.3%
No Call Source		14	0	0	0	0	0	0%	0	0	0	6415	0	0	0.0%
XpressCollect		30	2	0	2	41	39	95%	1	5	0	34	0	0	0.0%
CitySearch		33	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
Emove		19	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
Sparefoot		51	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
US Storage Search		57	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
Website		116	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
DexKnows.com Dex Net		69	0	0	0	0	0	0%	0	0	0	0	0	0	0.0%
Live! Megan		6	6	4	2	18	12	67%	2	0	0	7	2	0	0.0%
Live! Voicemail		0	0	0	0	0	0	0%	1	0	0	0	0	0	0.0%
TOTALS	62580	33554	1677	1121	556	13169	11492	87%	11343	5612	579				

* All Other Abandoned includes callers who hung up in the IVR, failed payments, failed account look ups and Robo calls

Total Calls 62580 - Answered 11492 - 89% - Payments 5612 - Move Ins 580

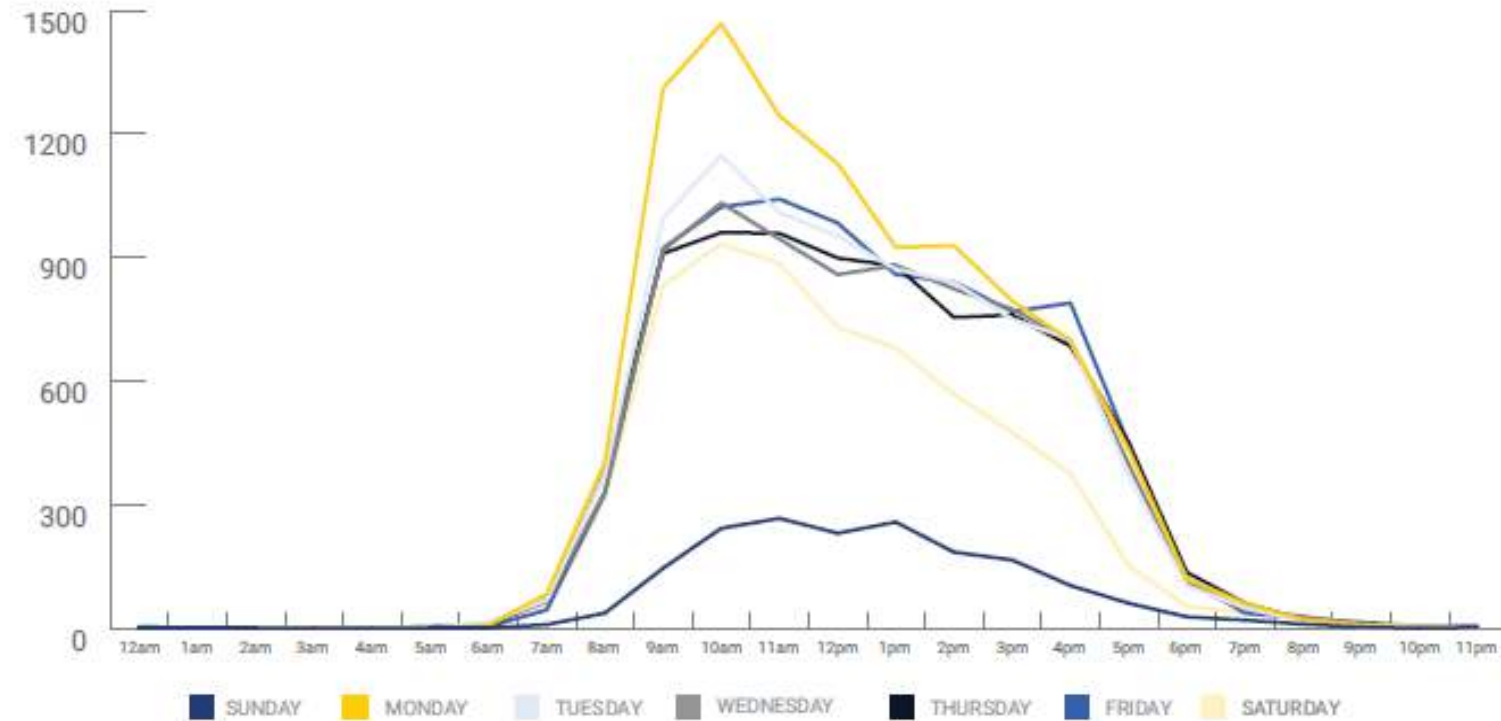
OpenTech Alliance 2023 White Paper Data



2022 CALL CENTER SALES PERFORMANCE SUMMARY



MISSED CALLS = MISSED PROFITS



This data shows that additional customers — and added profits — would have been forgone without the availability of the call center to handle these customer inquiries.

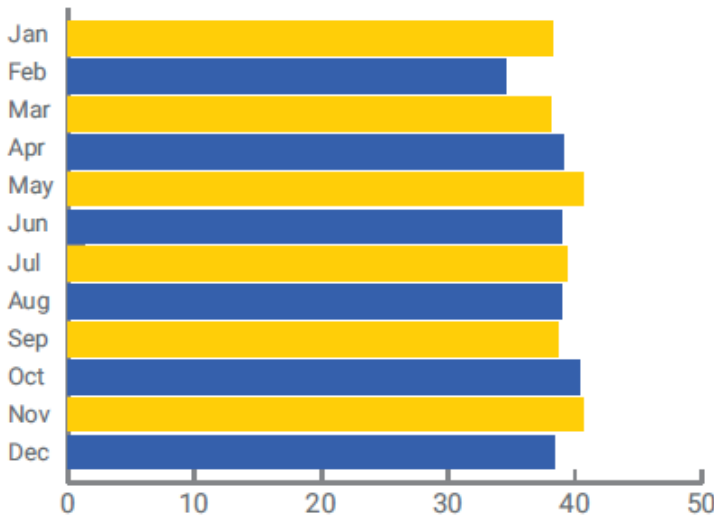
OpenTech Alliance 2023 White Paper Data



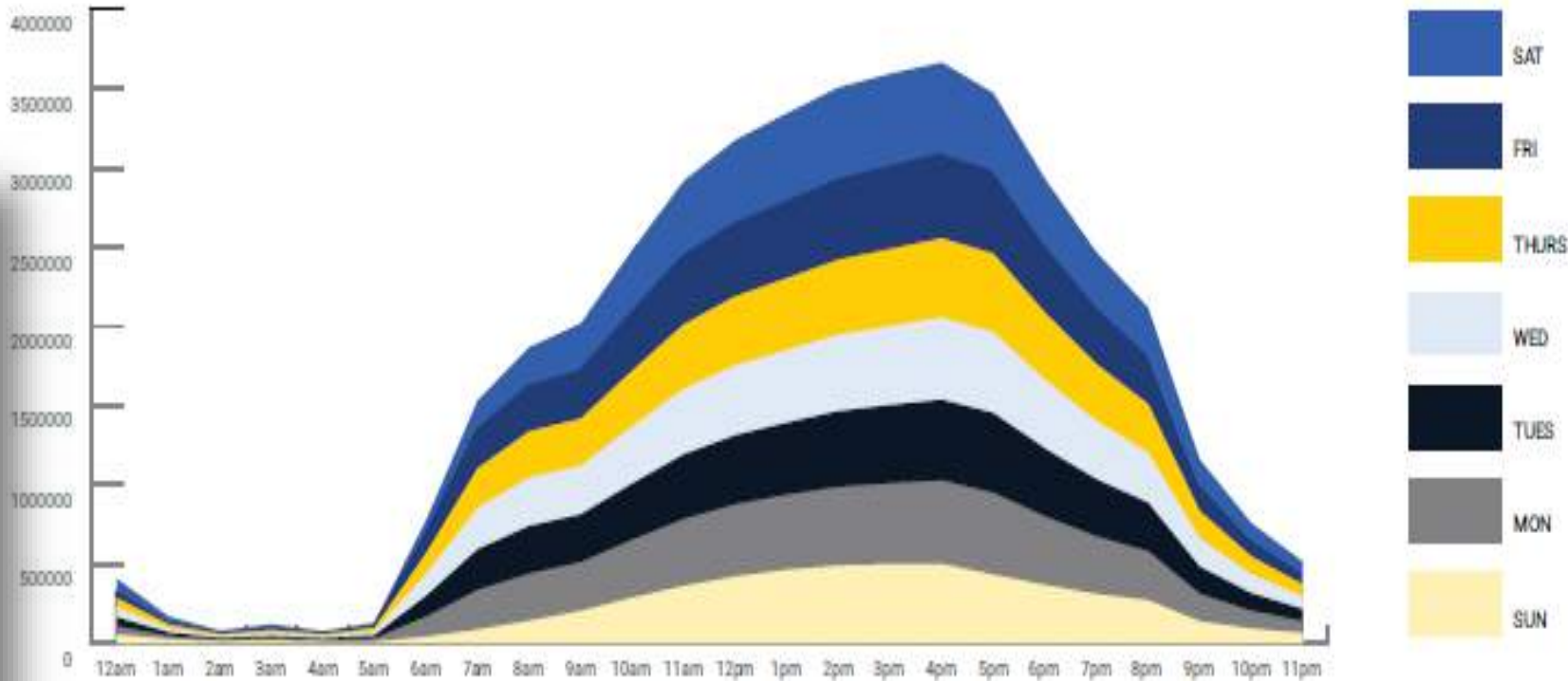
39%

OF ALL TENANTS ON AVERAGE VISIT
THE FACILITY ON A MONTHLY BASIS

% TENANTS VISIT BY MONTH, 2022



Busiest Days In Order



OpenTech Alliance 2023 White Paper Data



- In 2022, delinquent attempts were highest in October
- In 2021, delinquent attempts spiked in November and were significantly lower

626,573
Total XpressPay
Payments in
2021

=

\$92.6M+
Collected with
XpressPay
in 2021

573,180
Total XpressPay
Payments in
2022

=

\$94.5M+
Collected with
XpressPay
in 2022





Storage
Gives



DONNA MORGAN- ESQUIBEL

STORAGEAUCTIONS.COM

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STORAGEAUCTIONS.COM

Storage Auctions: What USG Saw in 2023



- USG had **1,367** units sell for **\$176,700.00**
-
- **Educating Your Manager** on Best Practices for Collecting Monies Owed
 - USG collected **31%** of the **rent** and **fees** of units that went to auction.
 - That's **686 tenants** saved by best practices.
 - Only **5%** of units **that went to auction** were **unsold**.
Happening across the board within StorageAuctions.com clients.
Customers taking “**the good stuff**” out of unit and **leaving trash**.

“I think we are seeing more of these kinds of units because either the **managers aren't being proactive** with their tenants and I believe because there are **more unmanned facilities**.”



Storage Gives



“Now also what I thought was great was that if you take what USG gave to **Storage Gives** with their 5% donation (which isn't included in your units sold price) on each auction, USG was able to impact and change lives by giving **\$ 7,899.50** – WOW and thank you very much because of all your proceeds we were able to **feed over 71,813 kids.**”

- *Donna Morgan Esquibel*



Property Insurance Updates

KYLE KIRKMAN

GRANITE RISK ADVISORS

678-343-1946

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GRANITERISKADVISORS.COM



2023 Insurance Review and 2024 Updates



- **2023** saw on average **15-22% increase** across all policy lines.
-
- **2024** will see **15-20%** on all lines and **Umbrella** markets are hardening and could see rate **increase 30-40%**
 - Persisting inflation and rising insurance rates.
 - Insurance pricing is a product of supply and demand — an **increase of demand** competing for the same capacity means **premium prices go up**. But in the case of self-storage insurance, there are other **outside factors driving insurance premiums** even higher. One of those factors is the **rising cost of building materials** and the **labor costs associated with producing and transporting them**.

2023 Insurance Review and 2024 Updates



- **A looming recession?**
 - Safeguards that can serve to defend businesses from shifting economic cycles. “Self-storage demand can be influenced by the ‘4 D’s’ — divorce, death, dislocation, and downsizing. **Recessions often equate to life changes for lots of people, which can actually fuel short-term demand for self-storage rentals.**”
- **Natural catastrophes** have been tallying up damages.
 - Insurers are **forced** to go to the **excess and surplus market**, which comes at a **higher premium and potentially lower limits**.
- **Climate change** and the self-storage industry.
 - Not only are **premiums increasing**, but some operators **may be at risk of losing coverage unless they make certain upgrades**. Others **may find it difficult to even secure a policy**, depending on their location and other factors.

2023 Insurance Review and 2024 Updates



- **Cost-cutting can put insurers in the position of being under-insured.**
- People will have to **think** about that **critically** in 2023 and 2024. It's important they **don't** get into a situation where they **under-insure their assets**. They will need to **accurately assess the replacement costs** and **not just the market cost** of what they're insuring with increases in building valuations and elevated construction costs.
- **Mobile storage may be the dark horse of the industry.**
 - We've seen a **stronger reliance** on **mobile storage** than in years past, because people realize they can pull up stakes and move more easily.

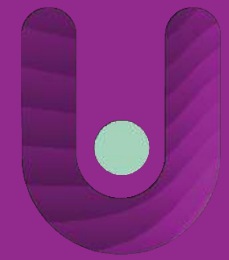
2023 USG Store Averages



- Average Store size in 2023 was 64,565 Net Rentable SF
- 2023 average unit size was 130 s.f. and average units per site was 495.
- 2023 Average Gross Possible Income of \$15.39 psf/yr or \$1.283 psf/month
- Box Sales Per Lease 2023 was \$14.97 down 24.8% YoY
- USG Portfolio Same Store Sales Increases, YoY 55
 - Actual Occupied Unit Rates up 1.48% - Economic Occupancy
 - Unit Occupancy -4.5% to 84.2%; Area Occ – 2.5% to 87.1%
 - Total Insurance Sales +10.2%
 - Total Payments 11.71%+3.39%
 - Gross Potential Rates -1.39%
 - Gross Occupied Rates -4.78%
 - Admin Fees +32.7%; Late Fee Collected +11.71%
 - Move In Vol -12% and Move out Vol – 8.5%



USG MANAGERS PERSONAL MARKETING GOALS ACHIEVED 2023



universal
STORAGE GROUP

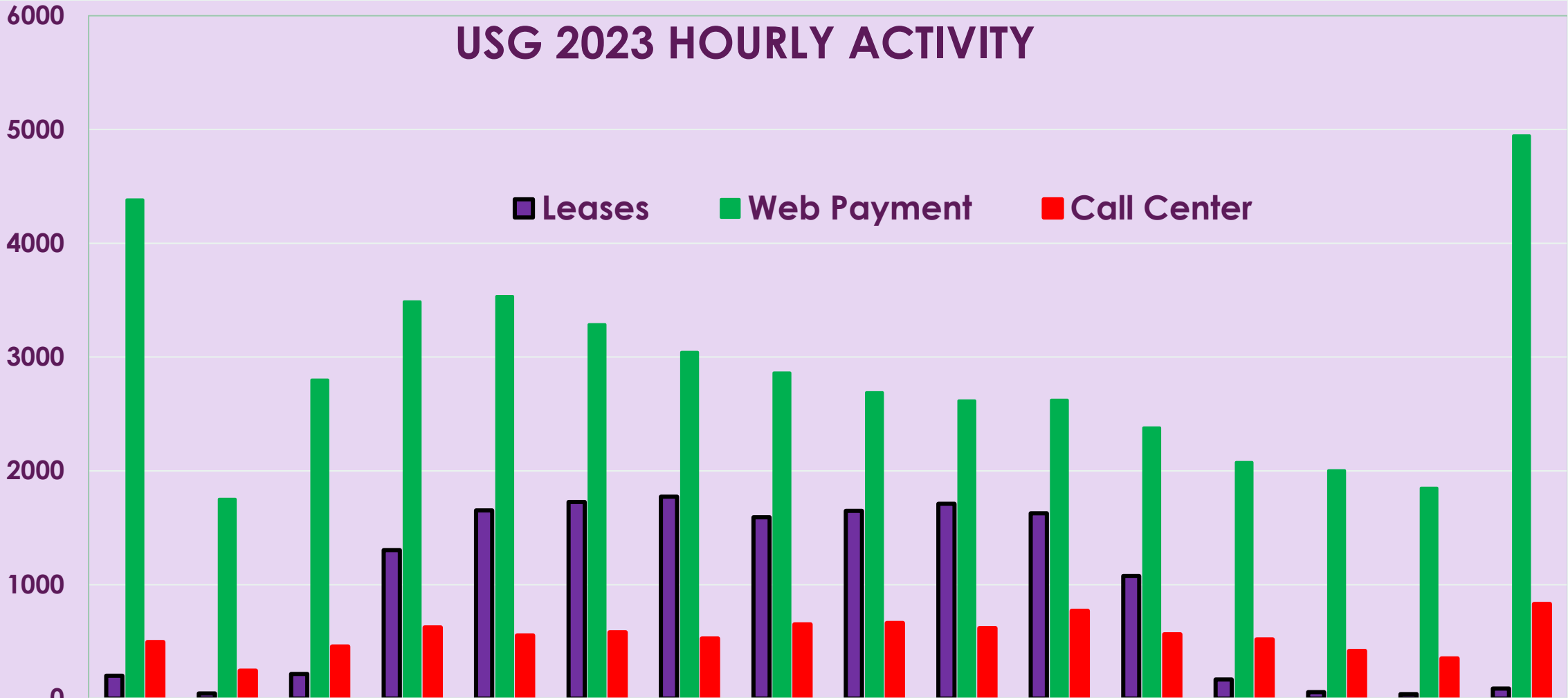
68	Total STORES	Avg Per Sto./YR	Avg Per Sto/Mo.
13,166.00	VISITS	194	16
8,606.00	EVENT VISITORS	127	11
107,868.00	AWARENESS/OFFSITE EVENTS	1586	132
17,528.00	CALLS/LETTERS/POSTCARDS	258	21
2,812,077.00	EMAILS	41354	3,446
12,463.00	FACEBOOK POSTS	183	15
13,314.00	NEW LEASES	196	16
1,033.00	REFERRALS	15	1
377,358.00	FACEBOOK REACH	5549	462
3,363,413.00	TOTAL ACTIVITY	49462	4,122

**Cost per
Lease \$88.56**

**CPL = ALL
MARKETING
AND
ADVERTISING
COSTS ÷ ALL
LEASES**



USG 2023 HOURLY ACTIVITY

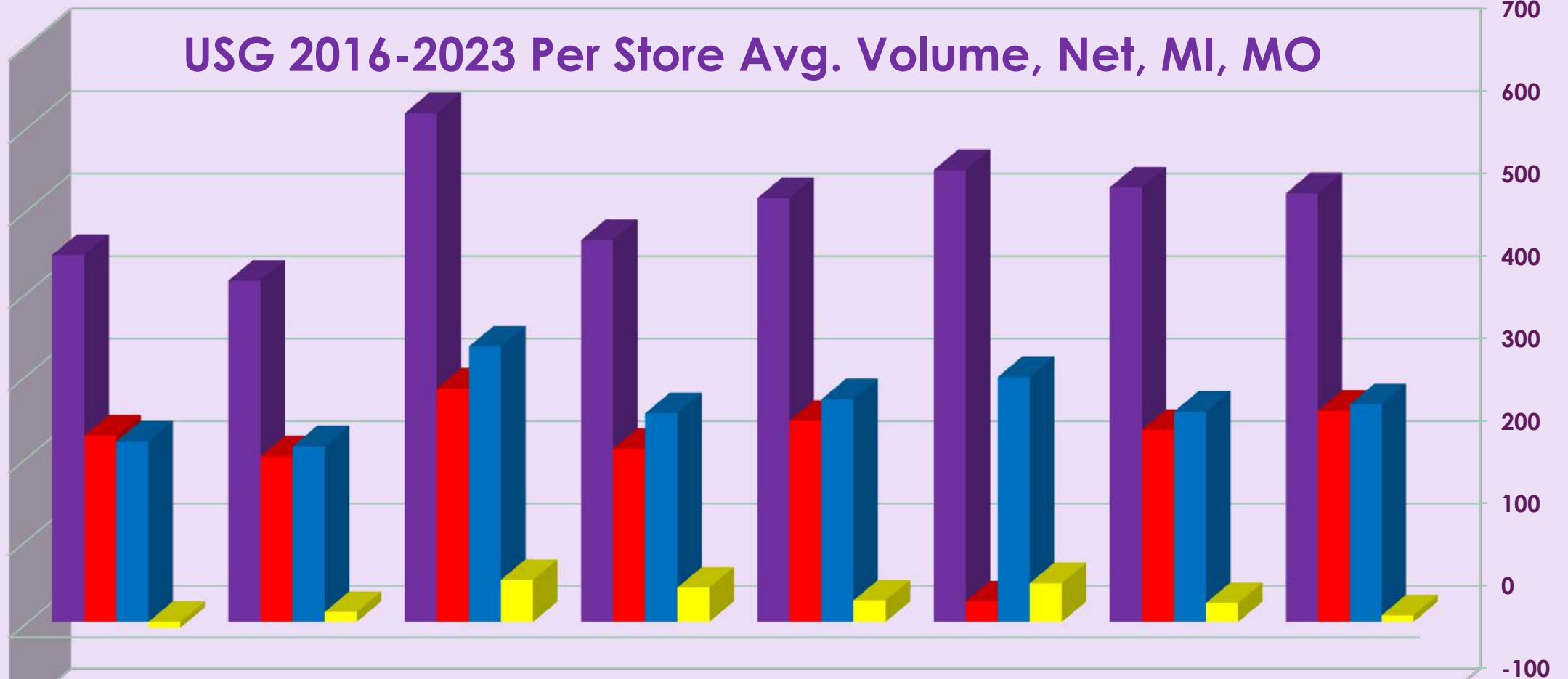


	1 AM-6 AM	7	8	9	10	11	12	1:00 PM	2	3	4	5	6	7	8	9 - Midnight
Leases	200	45	215	1304	1653	1727	1774	1592	1649	1710	1628	1077	167	56	39	87
Web Payment	4383	1752	2799	3486	3533	3286	3042	2861	2688	2617	2623	2378	2074	2002	1850	4946
Call Center	496	245	457	624	555	581	526	651	663	618	771	564	519	418	351	830



USG 2016-2023 Per Store Avg. Volume, Net, MI, MO

■ Volume
■ Move Outs
■ Move Ins
■ Net



	2023	2022	2021	2020	2019	2018	2017	2016
■ Volume	445	414	617	463	514	548	527	520
■ Move Outs	226	201	283	210	244	25	233	256
■ Move Ins	219	213	334	253	270	297	255	264
■ Net	-7	12	51	41.5	26	47	23	8



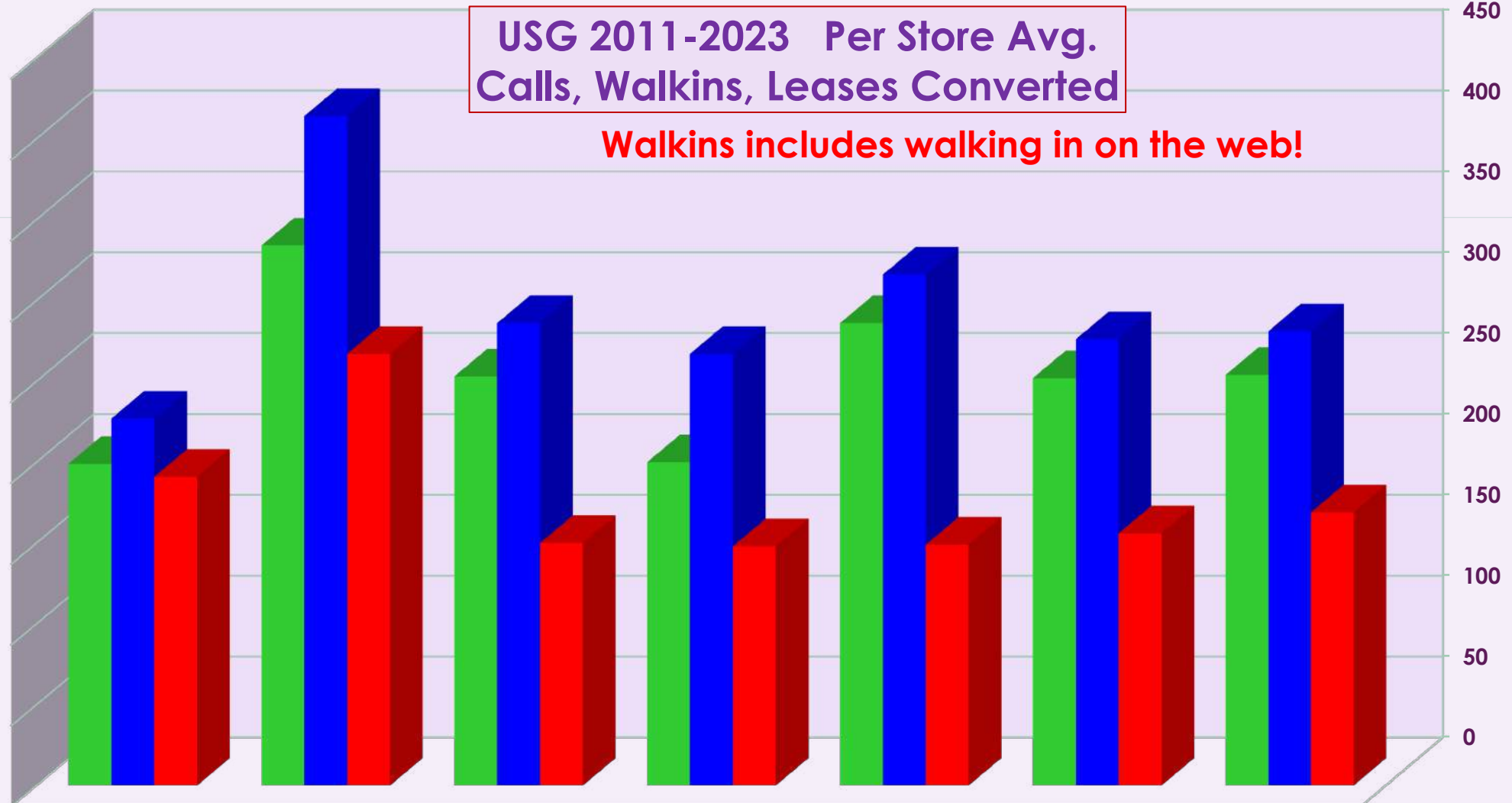
**USG 2011-2023 Per Store Avg.
Calls, Walkins, Leases Converted**

Walkins includes walking in on the web!

Leases

**Walk
Ins**

Calls

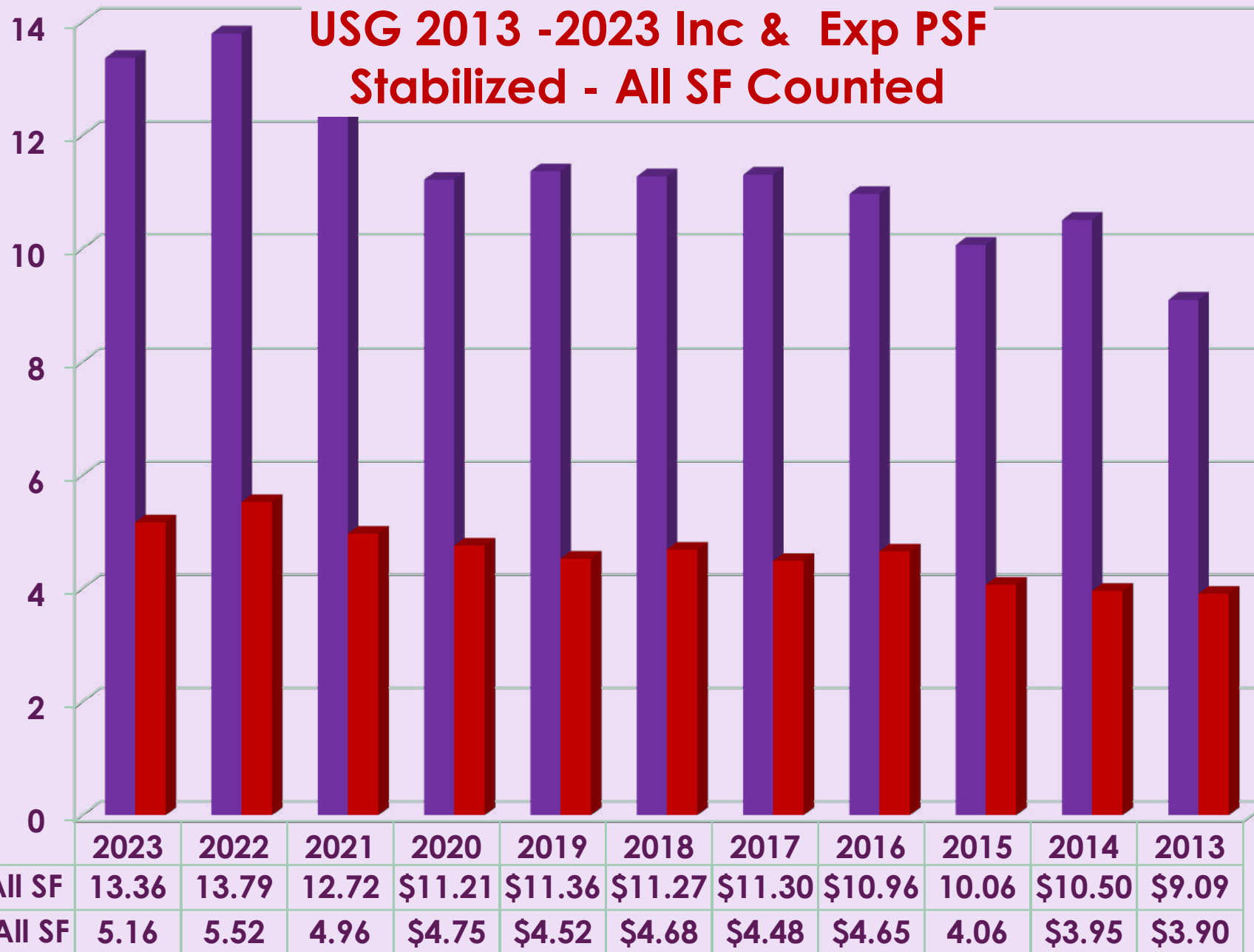


	2023	2022	2021	2020	2019	2018	2017
Leases	199	334	253	200	286	252	254
Walk Ins	227	414	286	267	316	276	281
Calls	191	267	150	148	149	156	169



\$ Per Square Foot

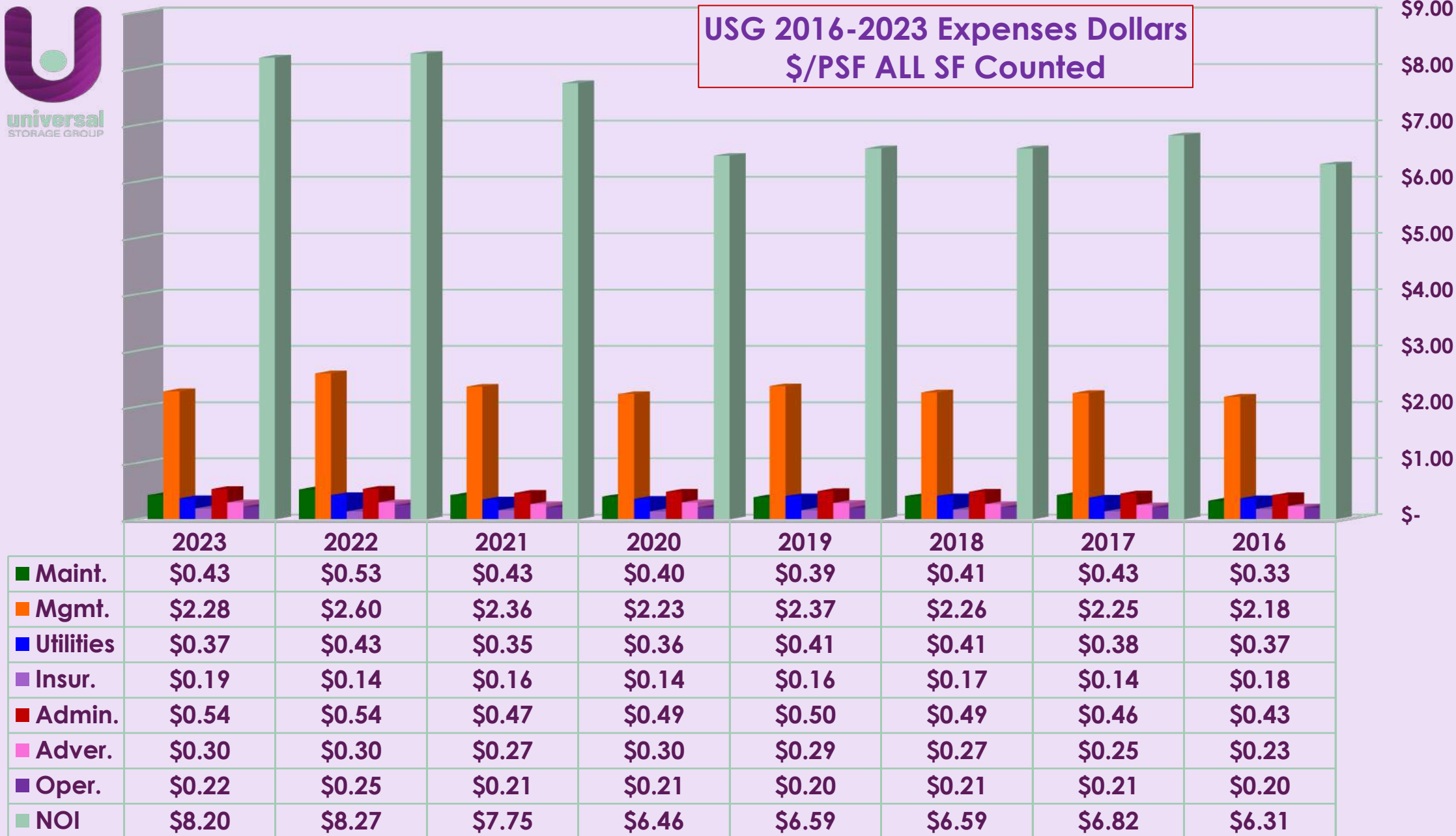
USG 2013 -2023 Inc & Exp PSF Stabilized - All SF Counted



Counting ALL
SF, Income
PSF
Decreased
2.4%

Expenses PSF
Decreased
As Well By
6.6%

USG 2016-2023 Expenses Dollars \$/PSF ALL SF Counted





USG 2016-2023 Expenses as % of Actual Income Stabilized Stores



Without Taxes

2023 Expenses
were 32.78%

2022 Expenses
were 32%

2021 Expenses
were 33.3%

2020 Expenses
were 36.8%

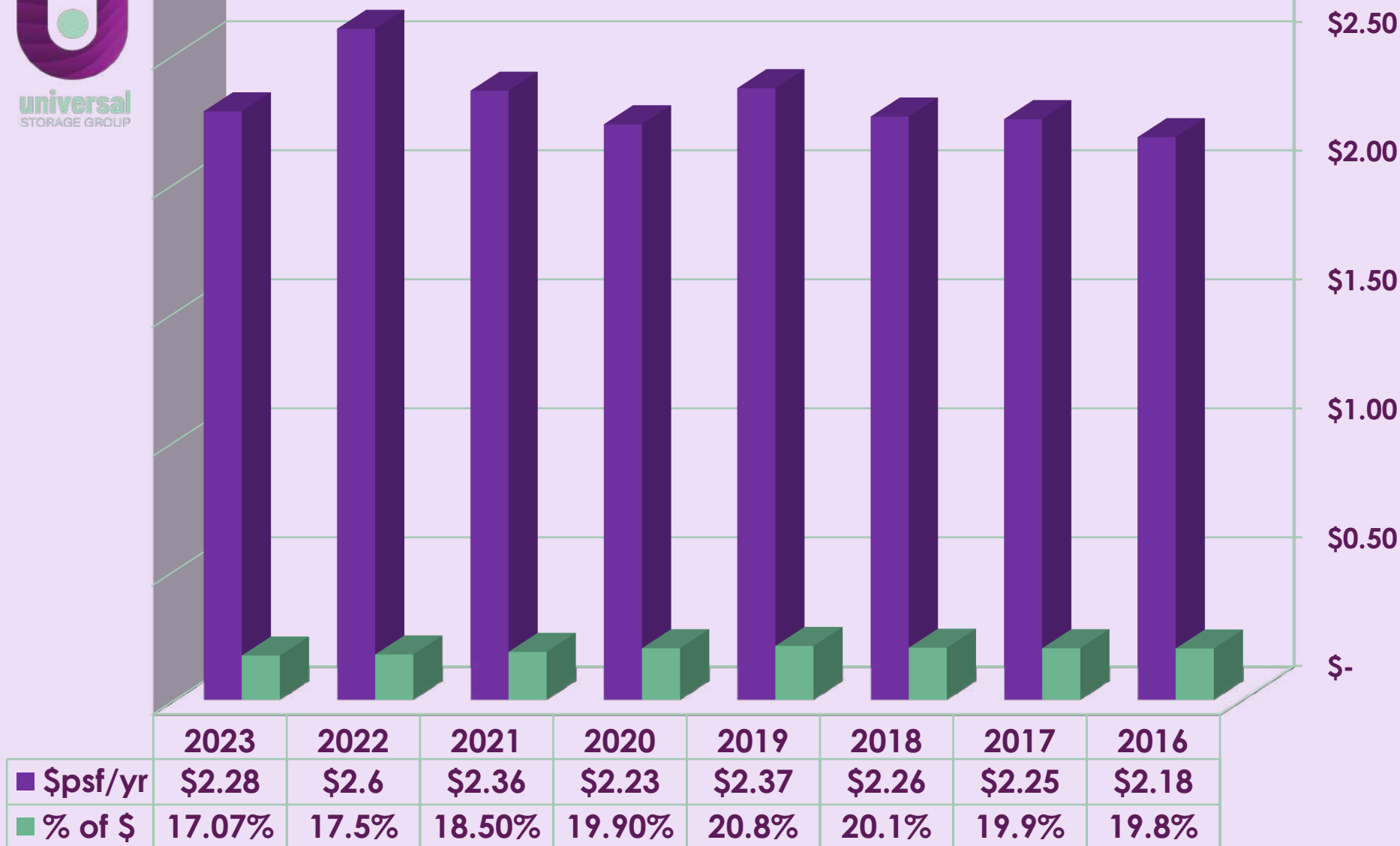
2019 Expenses
were 38.36%

2018 Expenses
were 38.55%

	2023	2022	2021	2020	2019	2018	2017	2016
Maint.	3.5%	3.6%	3.30%	3.50%	3.4%	3.6%	3.8%	3.2%
Mgmt.	17.1%	17.5%	18.50%	19.19%	20.8%	20.1%	19.9%	19.8%
Utilities	2.8%	2.8%	2.70%	3.20%	3.6%	3.7%	3.3%	3.4%
Insur.	1.4%	1.1%	1.20%	1.30%	1.4%	1.5%	1.2%	1.6%
Admin.	4.0%	3.6%	3.70%	4.40%	4.4%	4.4%	4.1%	3.9%
Adver.	2.2%	1.8%	2.10%	2.70%	2.6%	2.4%	2.2%	2.0%
Oper.	1.6%	1.6%	1.70%	1.90%	1.8%	1.8%	1.8%	1.8%
NOI	61.4%	63.0%	60.97%	57.63%	58.00%	58.44%	60.3%	57.6%



USG 2016-2023 Costs for Mgmt. PSF & % of Income

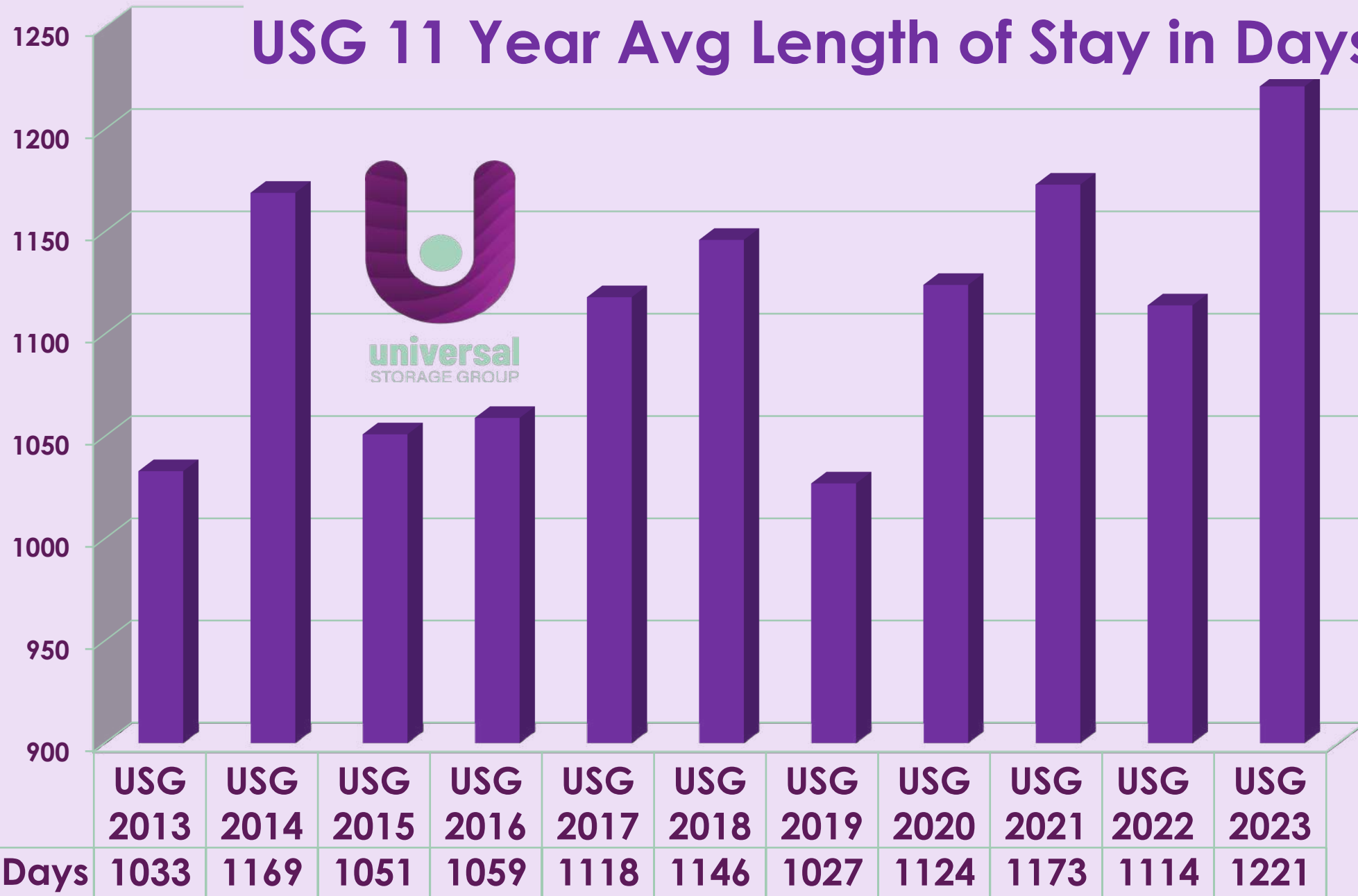


The dollar costs for mgmt. lowered 12.4% last year.

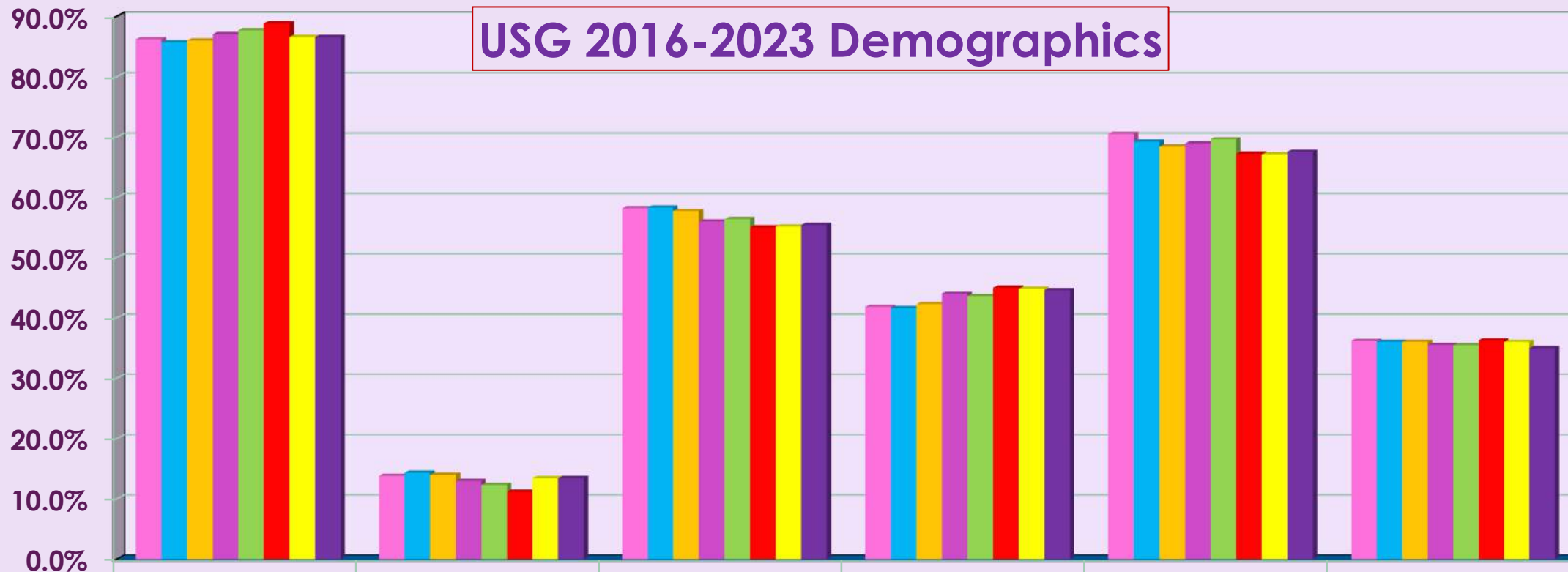
The percentage of income for management is down to 17.0%, lowest ever measured.



USG 11 Year Avg Length of Stay in Days

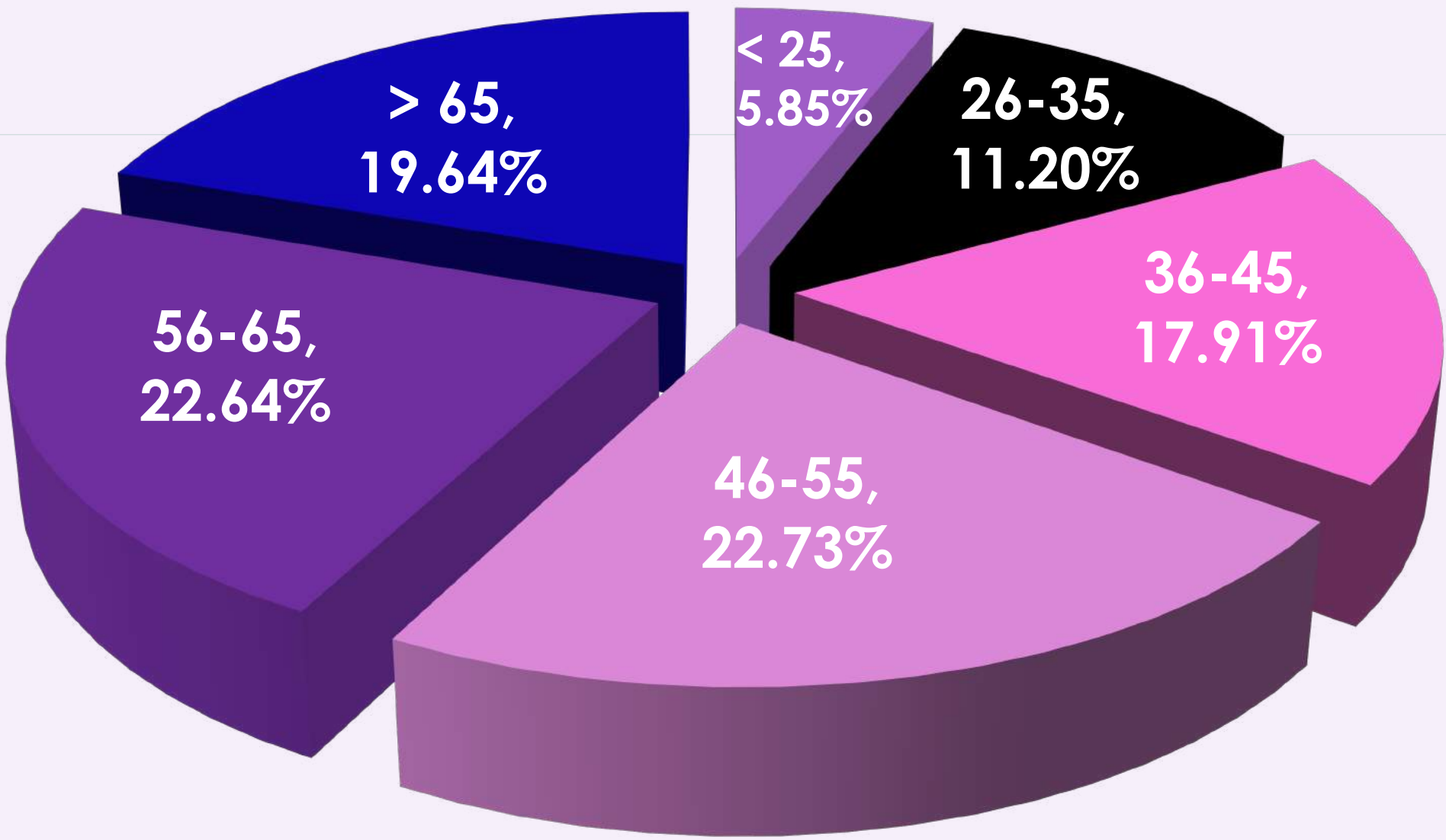


USG 2016-2023 Demographics

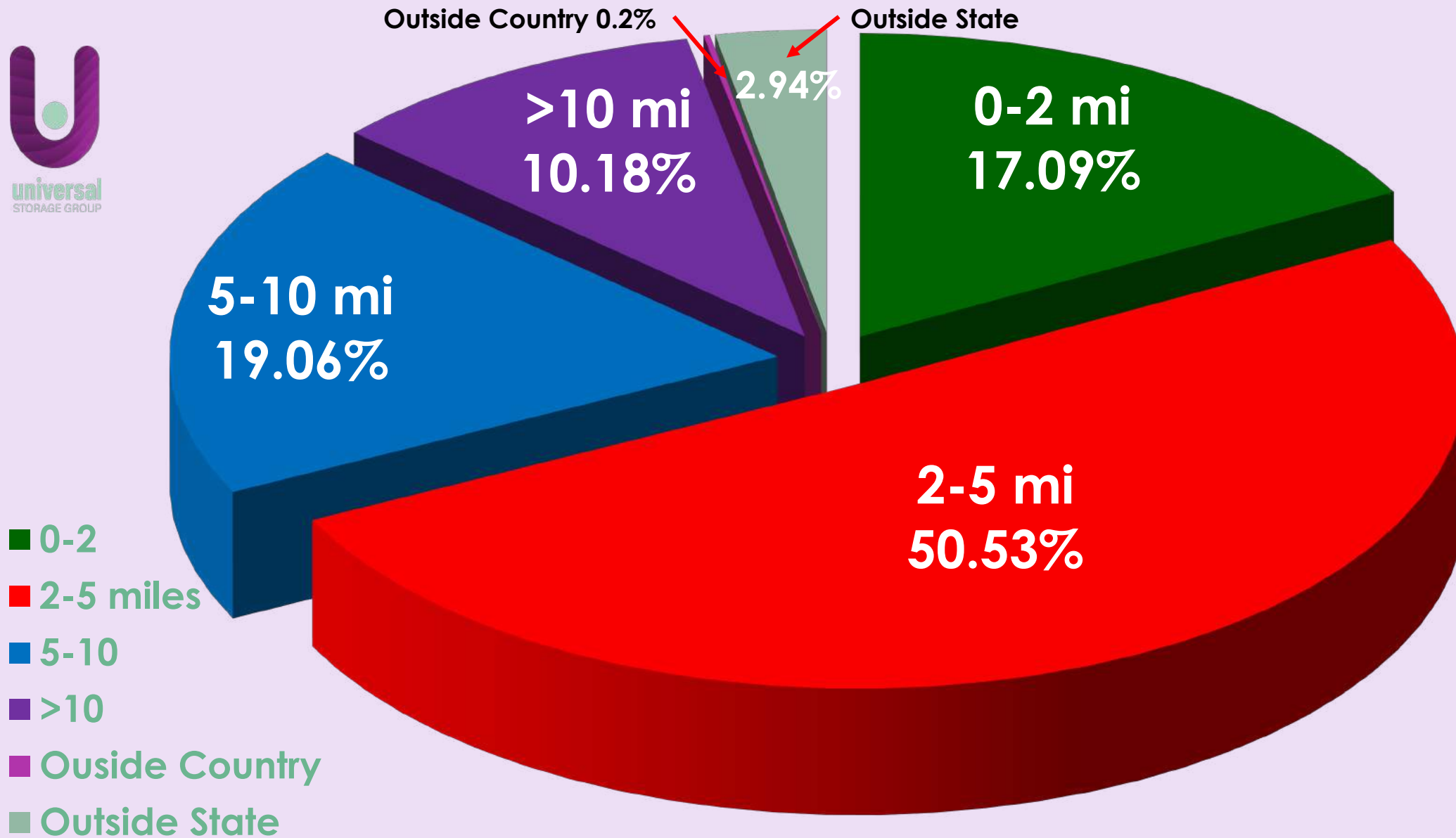


	Residential	Commercial	Avg % Male	Avg % Fem	Avg < 5 mi	Avg < 45 yr
USG 2016	86.2%	13.8%	58.2%	41.8%	70.5%	36.2%
USG 2017	85.7%	14.3%	58.3%	41.6%	69.2%	36.0%
USG 2018	86.0%	14.0%	57.7%	42.3%	68.4%	36.0%
USG 2019	87.0%	13.0%	56.0%	44.0%	68.9%	35.5%
USG 2020	87.7%	12.3%	56.4%	43.6%	69.6%	35.5%
USG 2021	88.8%	11.2%	55%	45%	67.19%	36.30%
USG 2022	86.6%	13.5%	55.1%	44.9%	67.1%	36.0%
USG 2023	86.5%	13.5%	55.4%	44.6%	67.5%	35.0%

USG 2023 Customer Age Groups

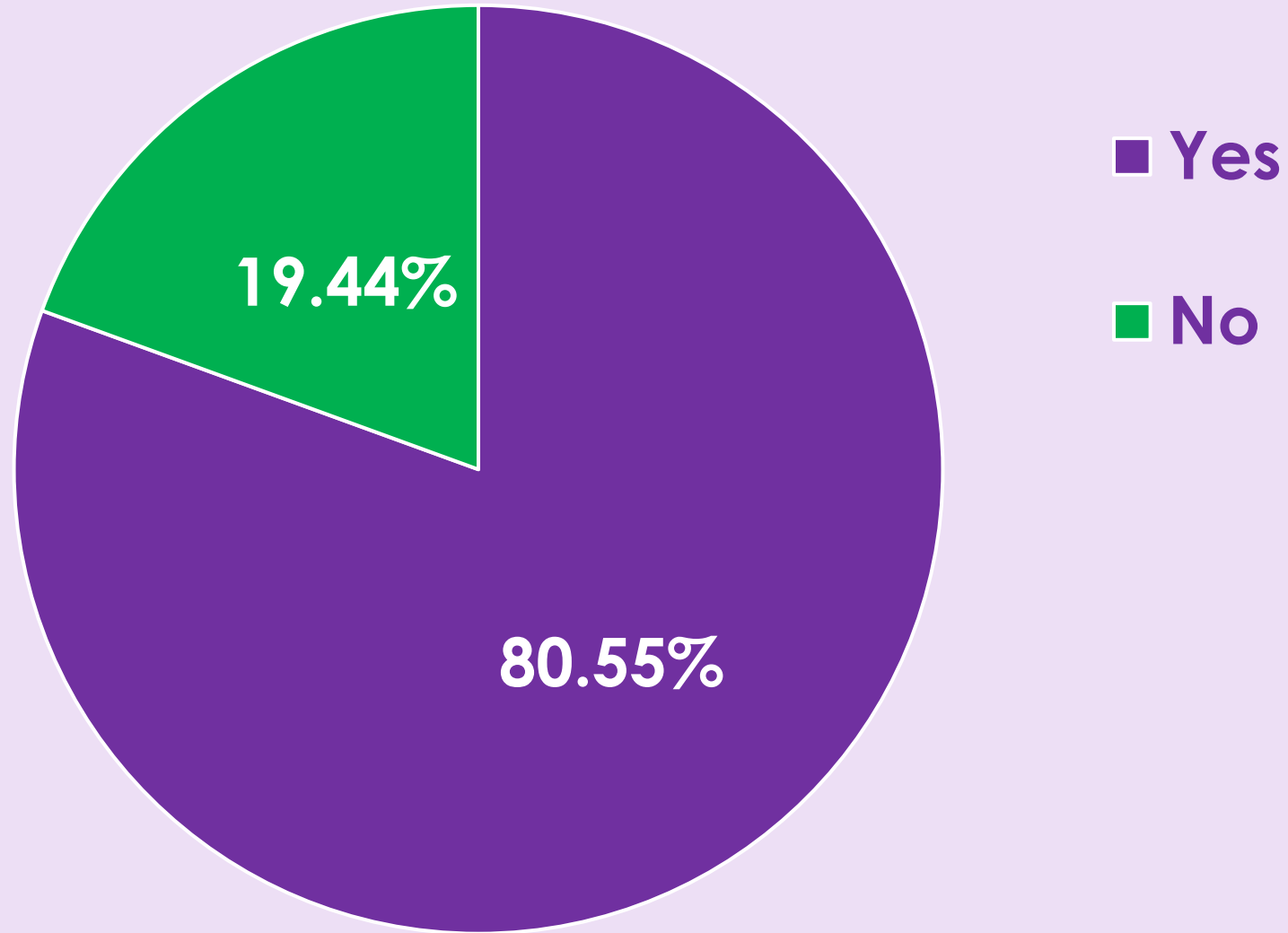


USG 2023 Customer Distance In Miles From Store

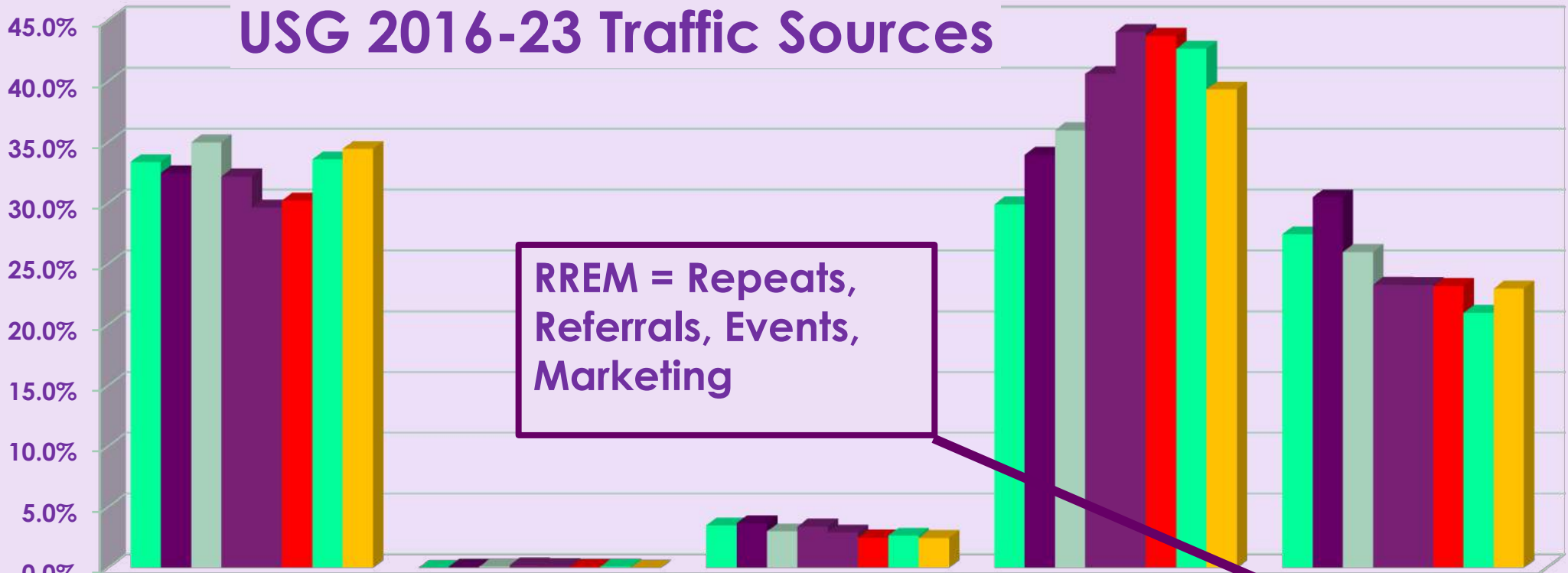




USG 2023 EVER USED BEFORE



USG 2016-23 Traffic Sources



	Drive-By	Yellow Pages	Other	Internet	RREM
■ USG 2016	33.4%	0.003%	3.5%	29.9%	27.5%
■ USG 2017	32.5%	0.1%	3.7%	34.0%	30.5%
■ USG 2018	35.0%	0.1%	3.00%	36.00%	26.00%
■ USG 2019	32.20%	0.2%	3.40%	40.62%	23.30%
■ USG 2020	29.7%	0.1%	2.9%	44.1%	23.3%
■ USG 2021	30.2%	0.1%	2.5%	43.8%	23.2%
■ USG 2022	33.60%	0.1%	2.66%	42.7%	21.00%
■ USG 2023	34.5%	0.02%	2.46%	39.4%	22.99%



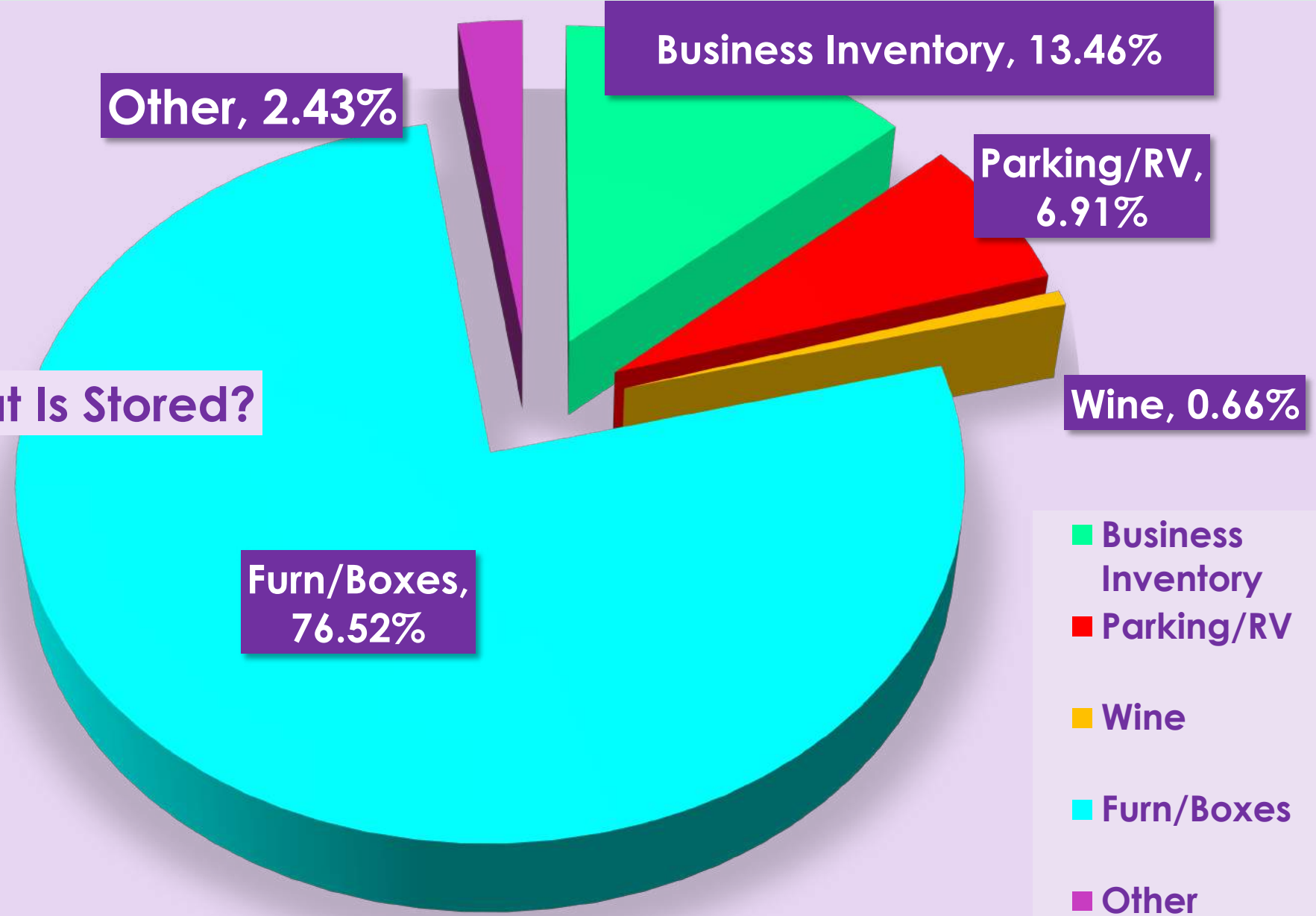
universal
STORAGE GROUP

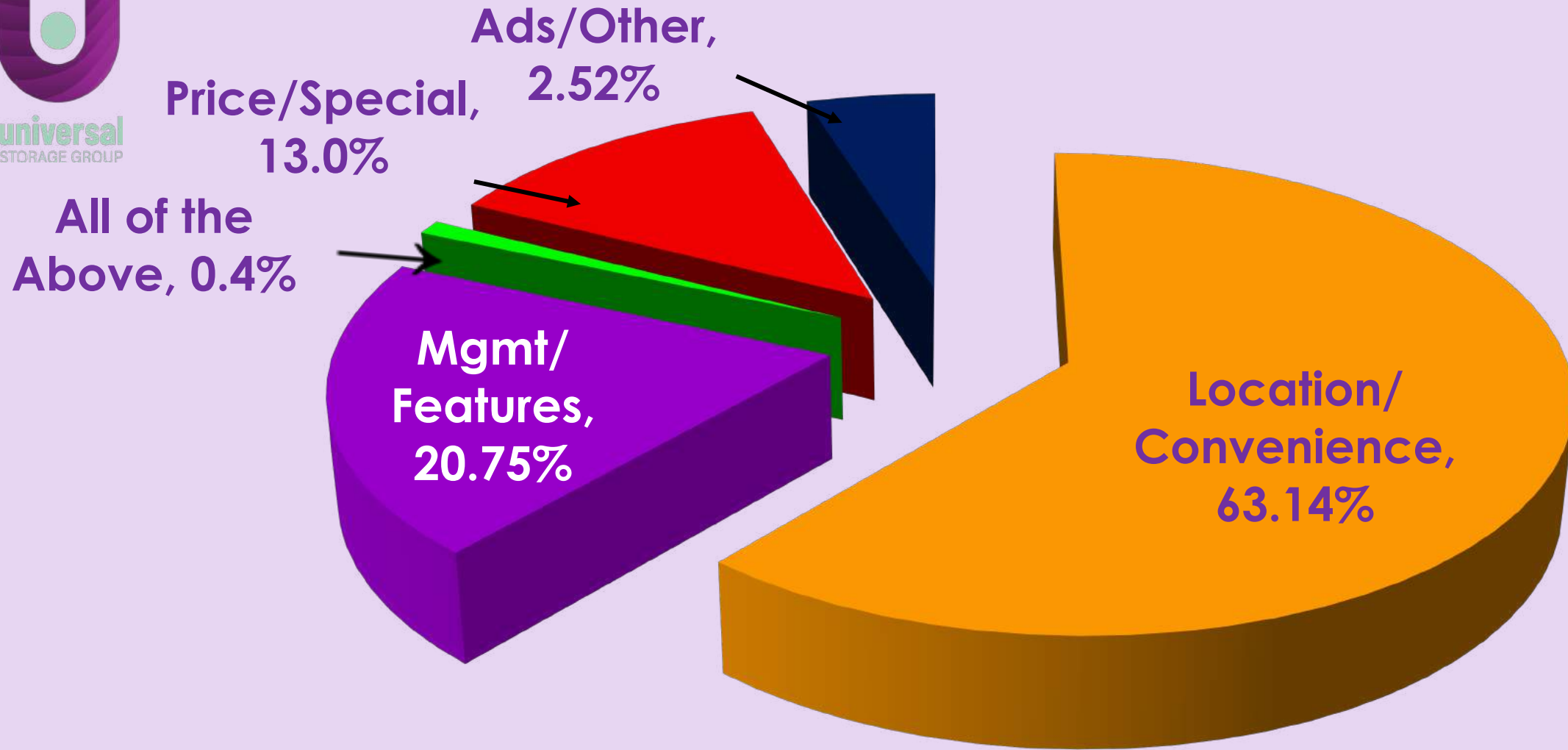
*For Each Call
We Had 1.59
Walk-ins
For Each
Walk-in
We Closed
85.9% Of
Them.
Online Rentals
Count In Walk
Ins.*

USG 2016 - 2023 Traffic Conversion Ratios



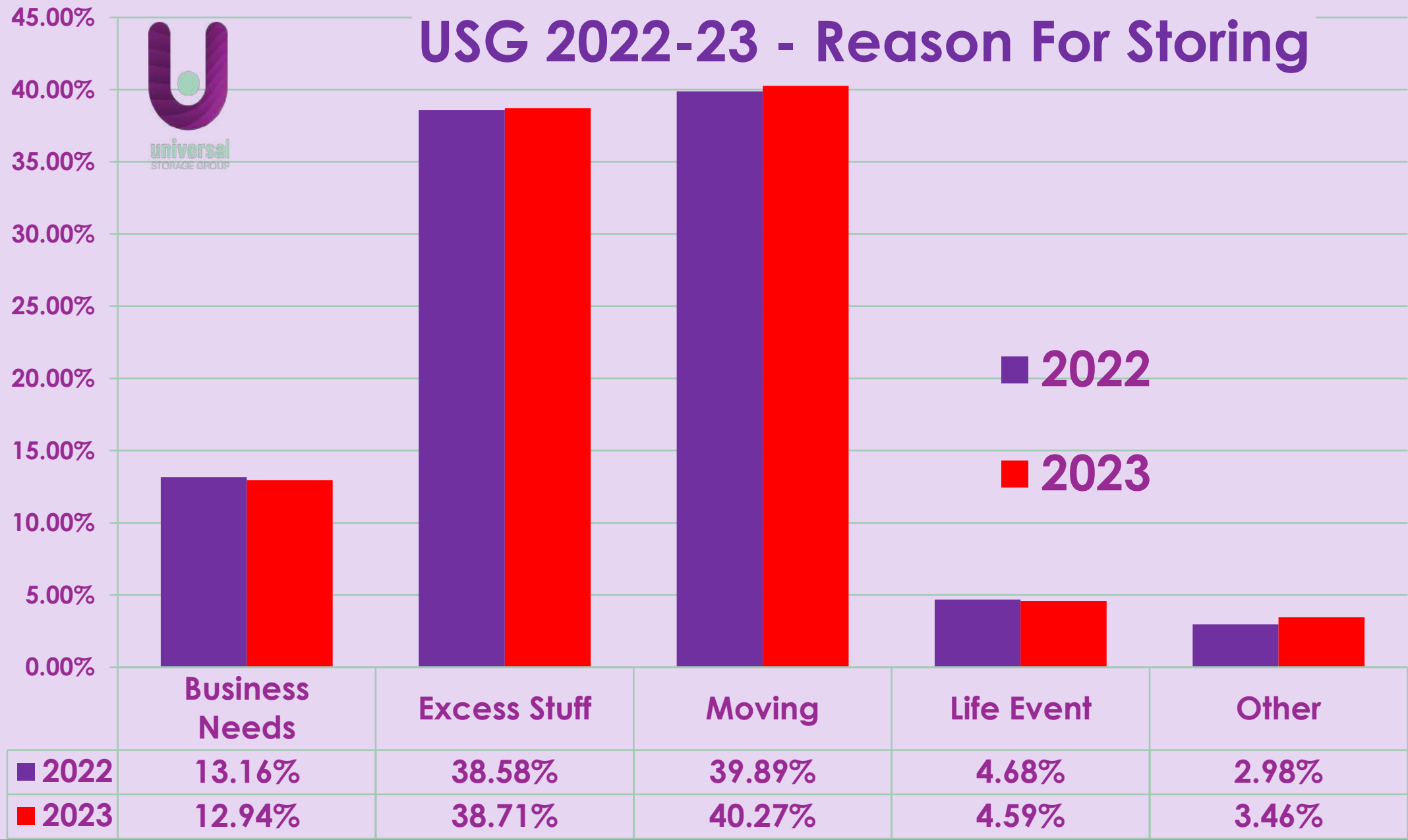
USG 2023 - What Is Stored?



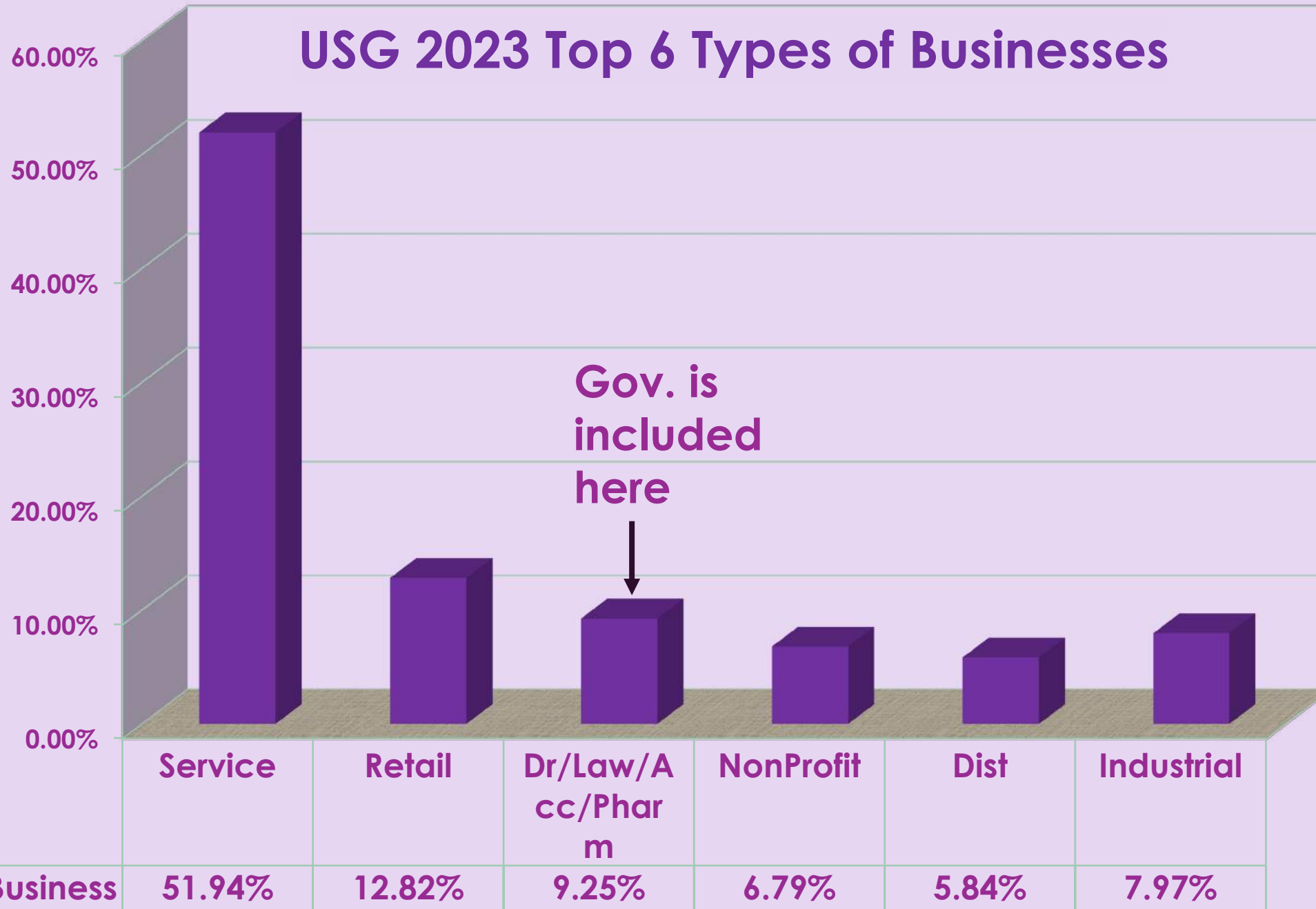




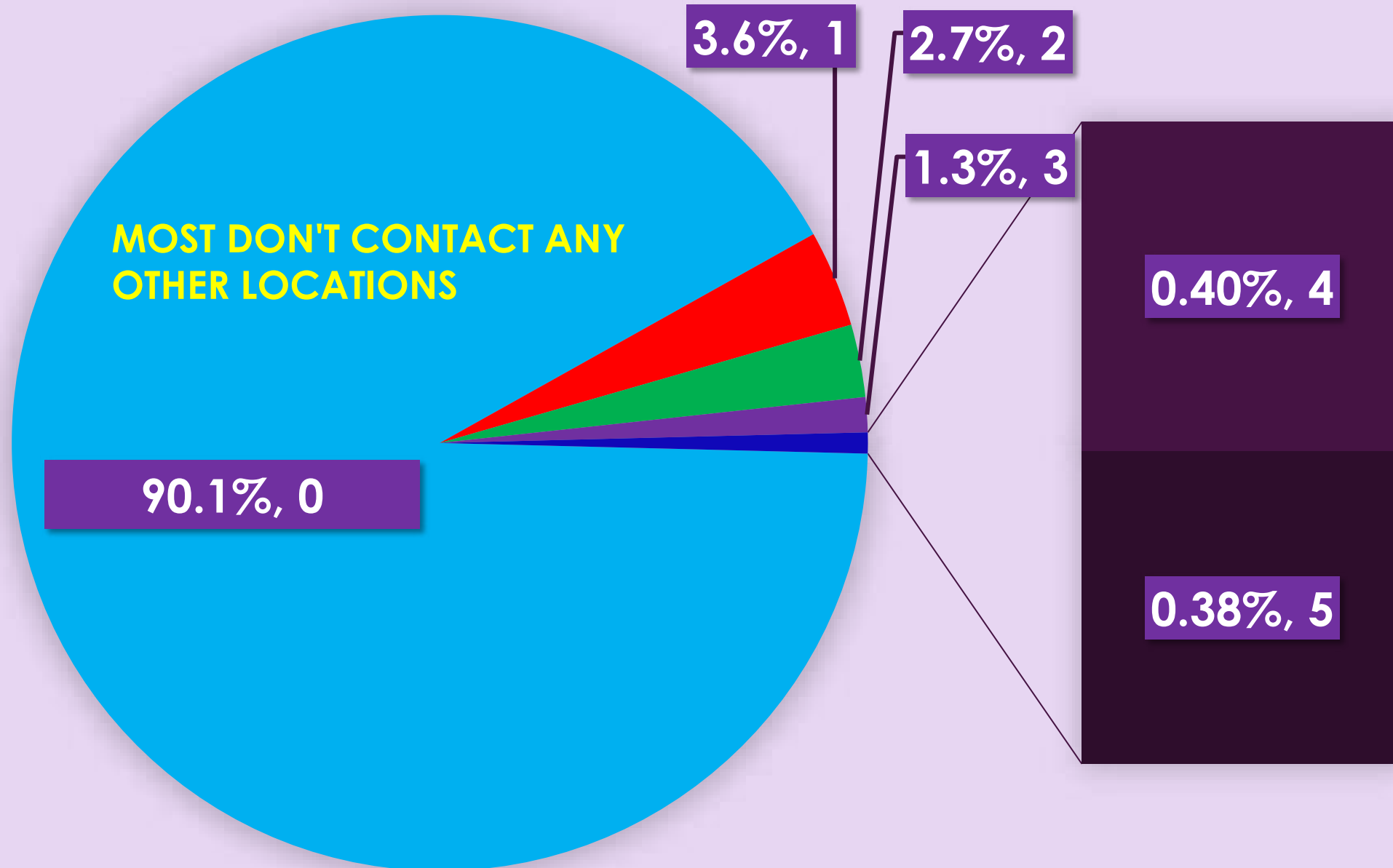
USG 2022-23 - Reason For Storing



USG 2023 Top 6 Types of Businesses

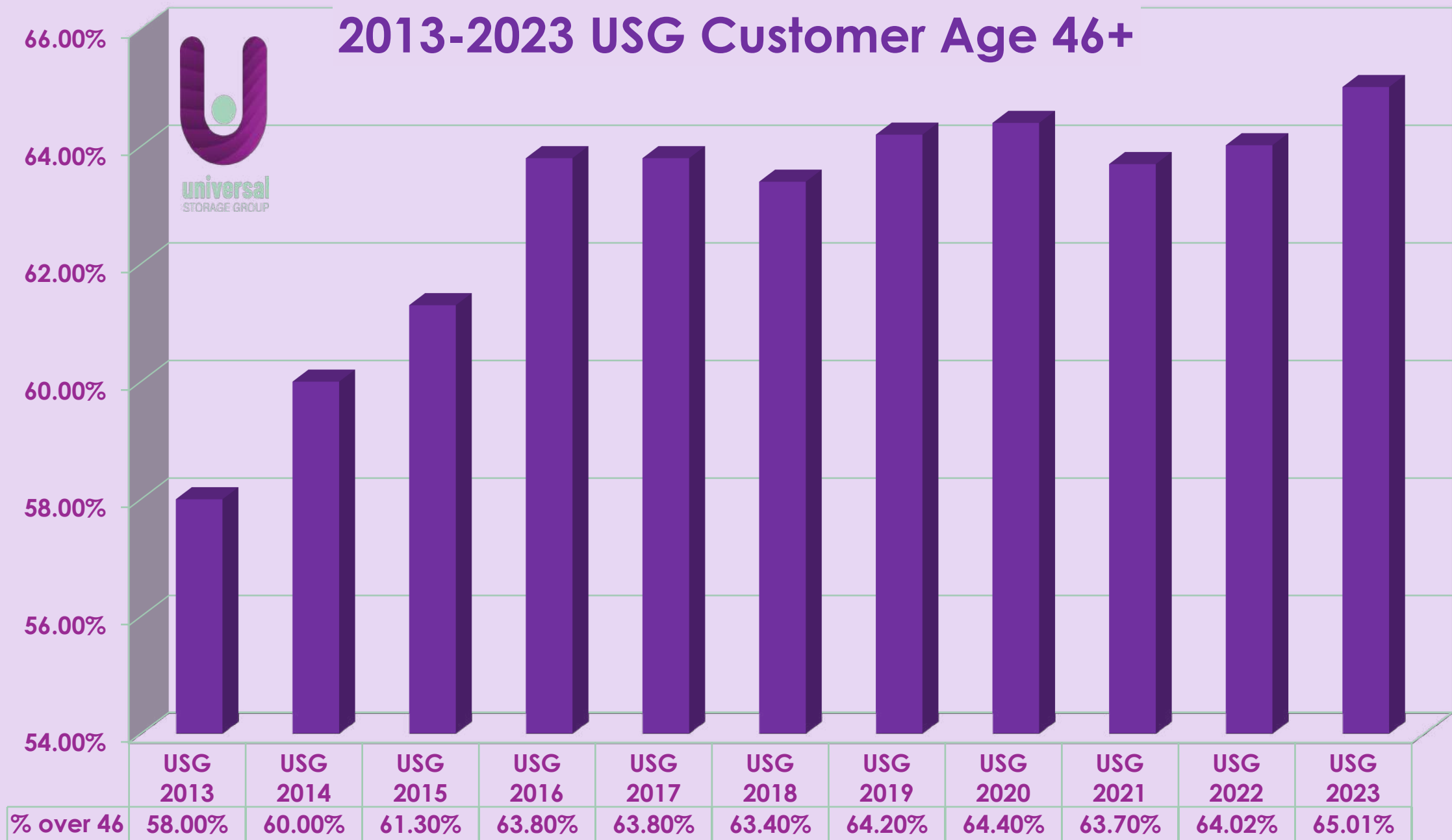


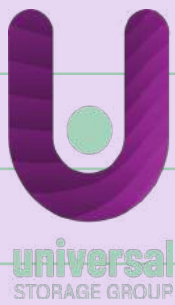
USG 2023 How Many Stores Customers Contacted





2013-2023 USG Customer Age 46+

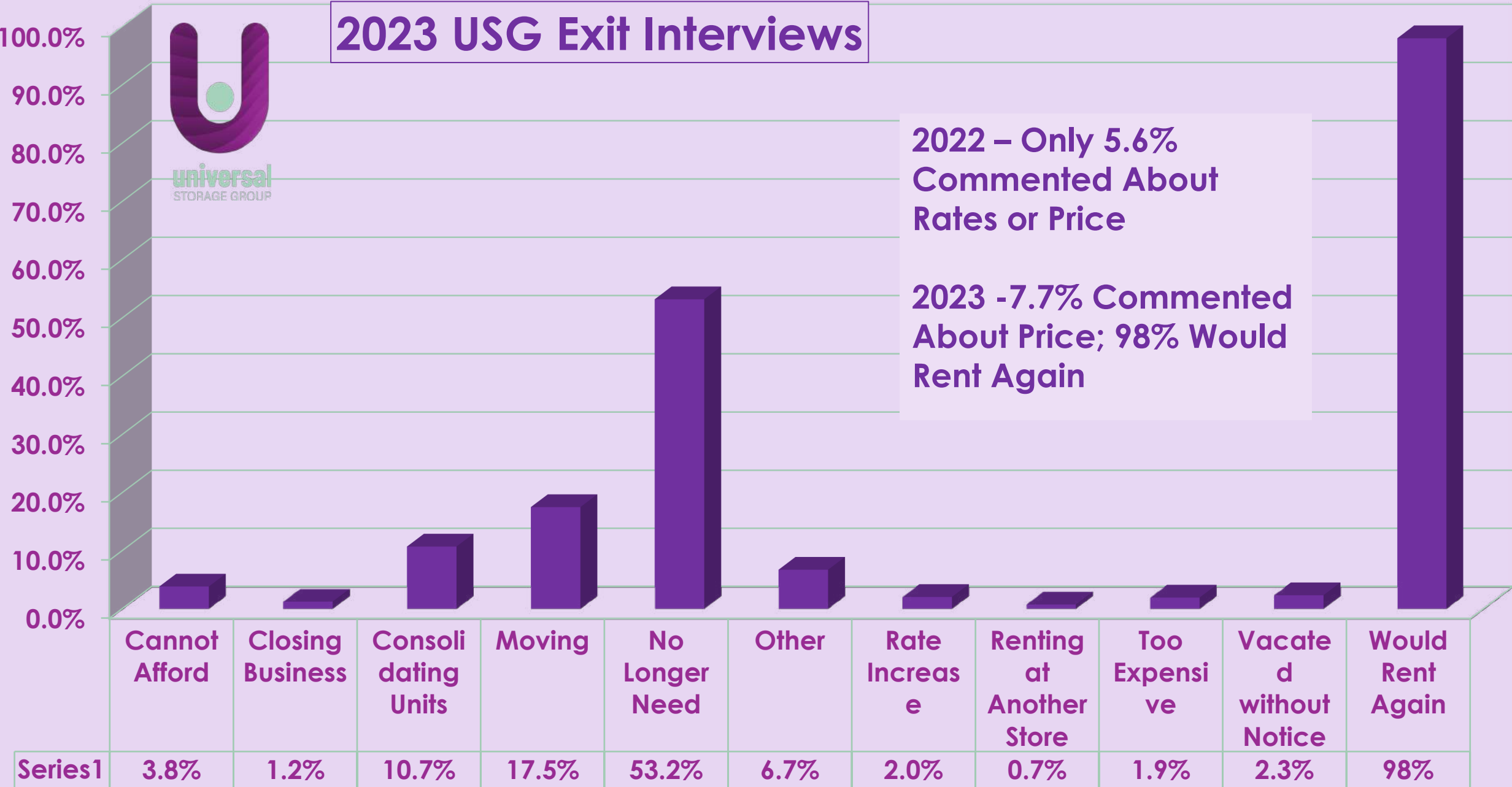




2023 USG Exit Interviews

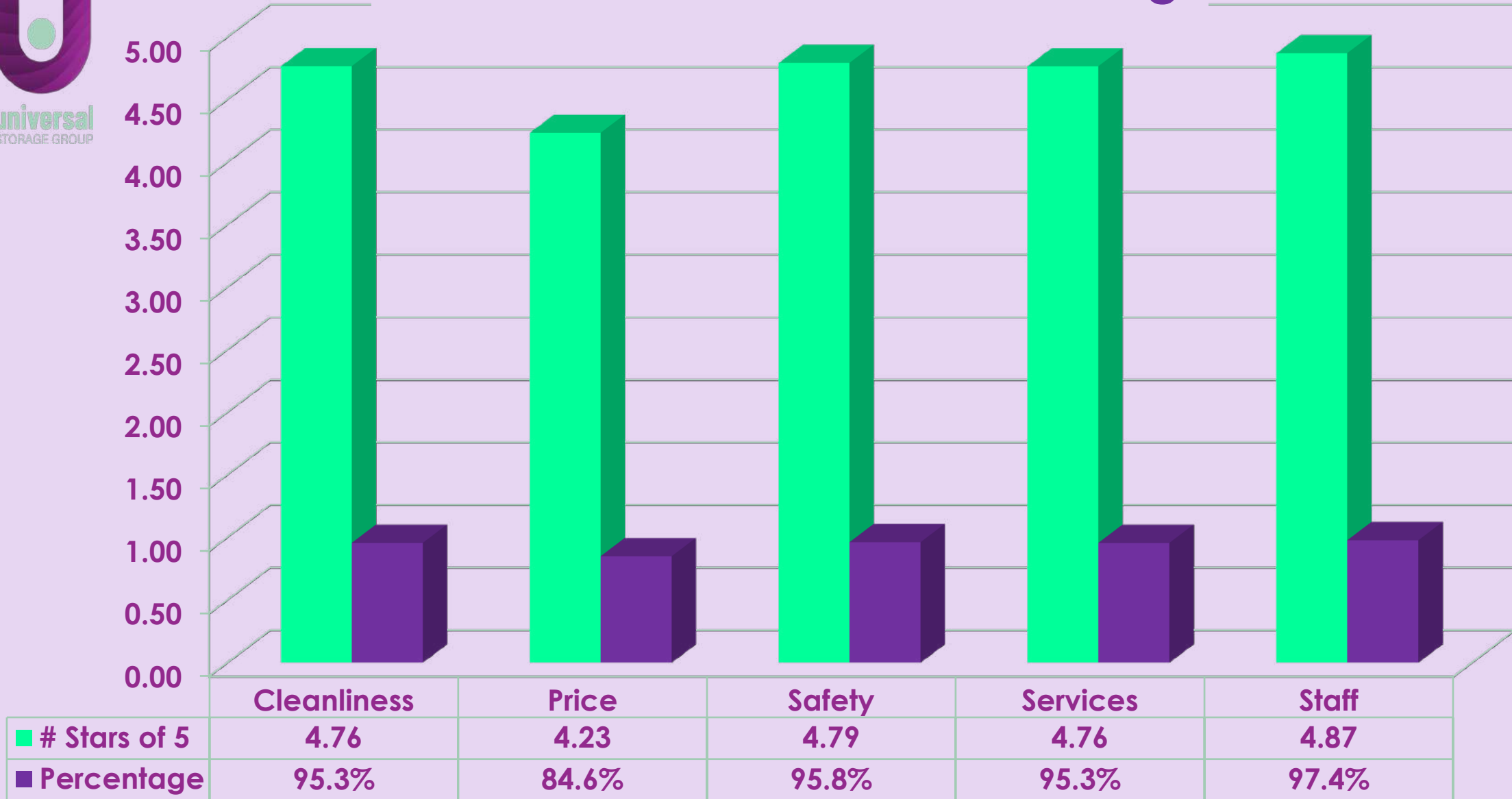
2022 – Only 5.6%
Commented About
Rates or Price

2023 -7.7% Commented
About Price; 98% Would
Rent Again



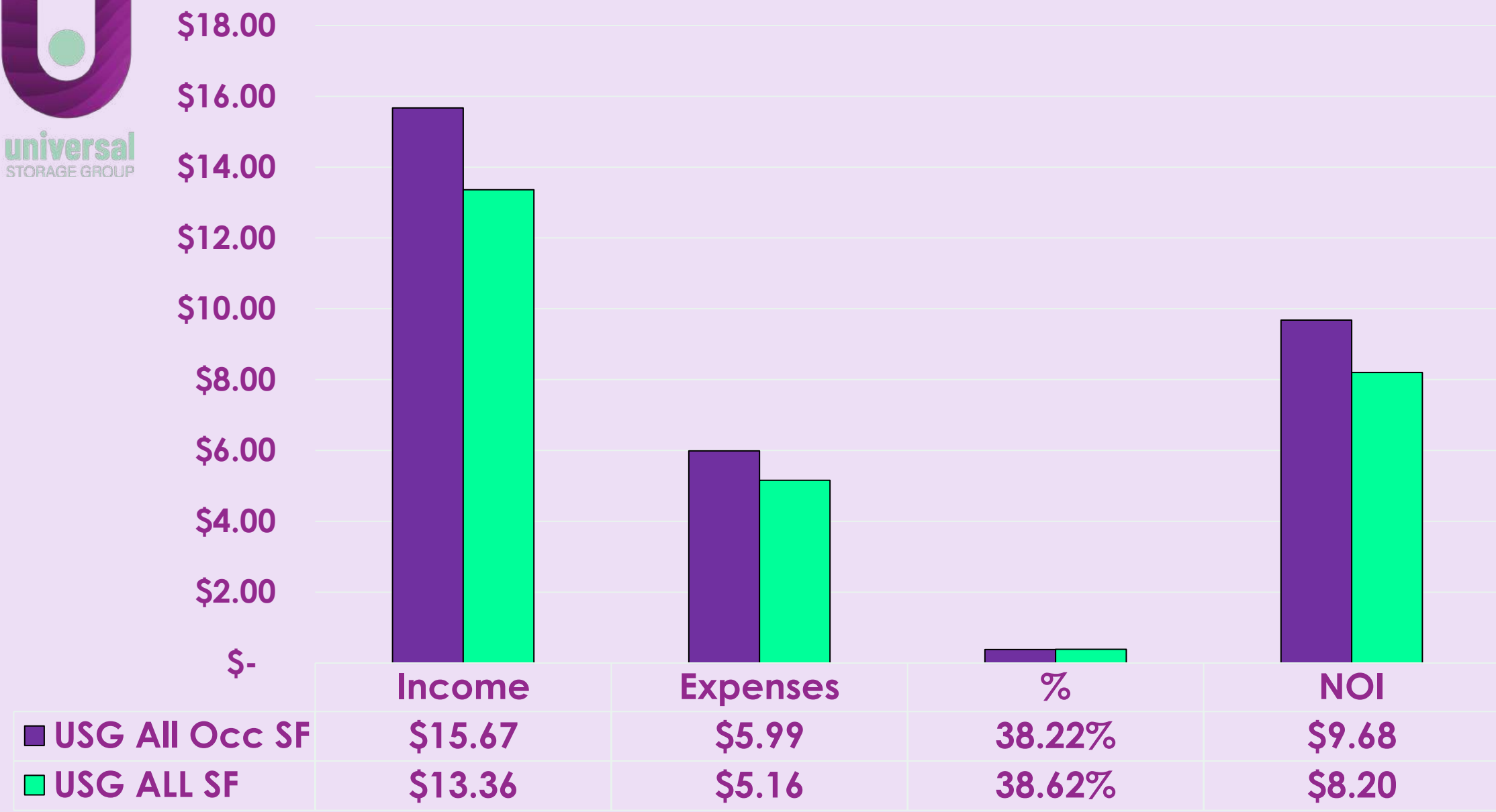


2023 USG 5 Star Customer Ratings



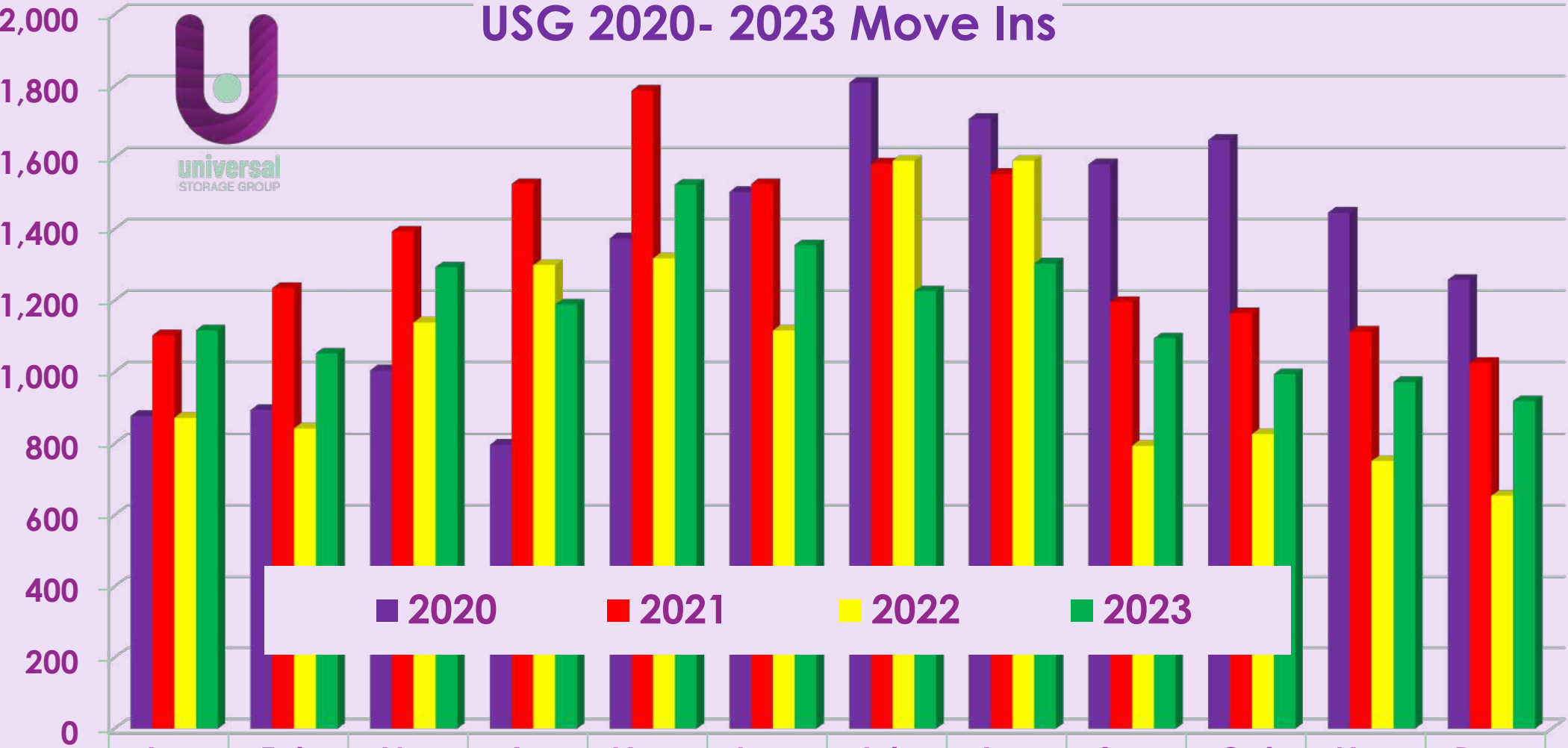


USG 2023 OCCUPIED SF AND ALL SF INCOME AND EXPENSE





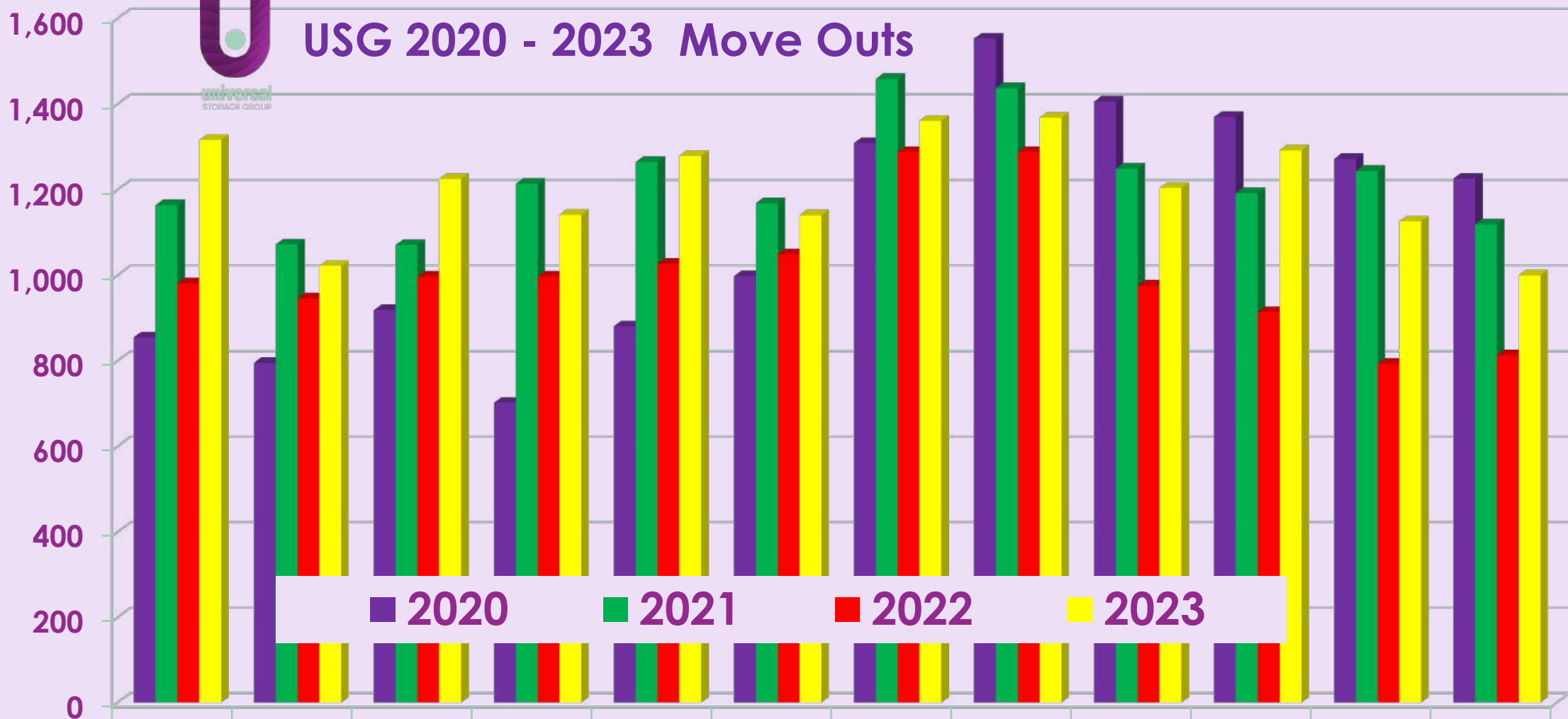
USG 2020- 2023 Move Ins



	Jan	Feb	Mar	Ap	May	June	July	Aug	Sep	Oct	Nov	Dec
2020	877	894	1,005	797	1,374	1,504	1,809	1,708	1,581	1,649	1,446	1,258
2021	1,103	1,235	1,393	1,526	1,787	1,526	1,583	1,554	1,196	1,165	1,113	1,026
2022	872	842	1,139	1,299	1,318	1,116	1,591	1,591	794	826	751	654
2023	1,117	1,052	1,293	1,189	1,524	1,355	1,226	1,304	1,094	994	972	919



USG 2020 - 2023 Move Outs

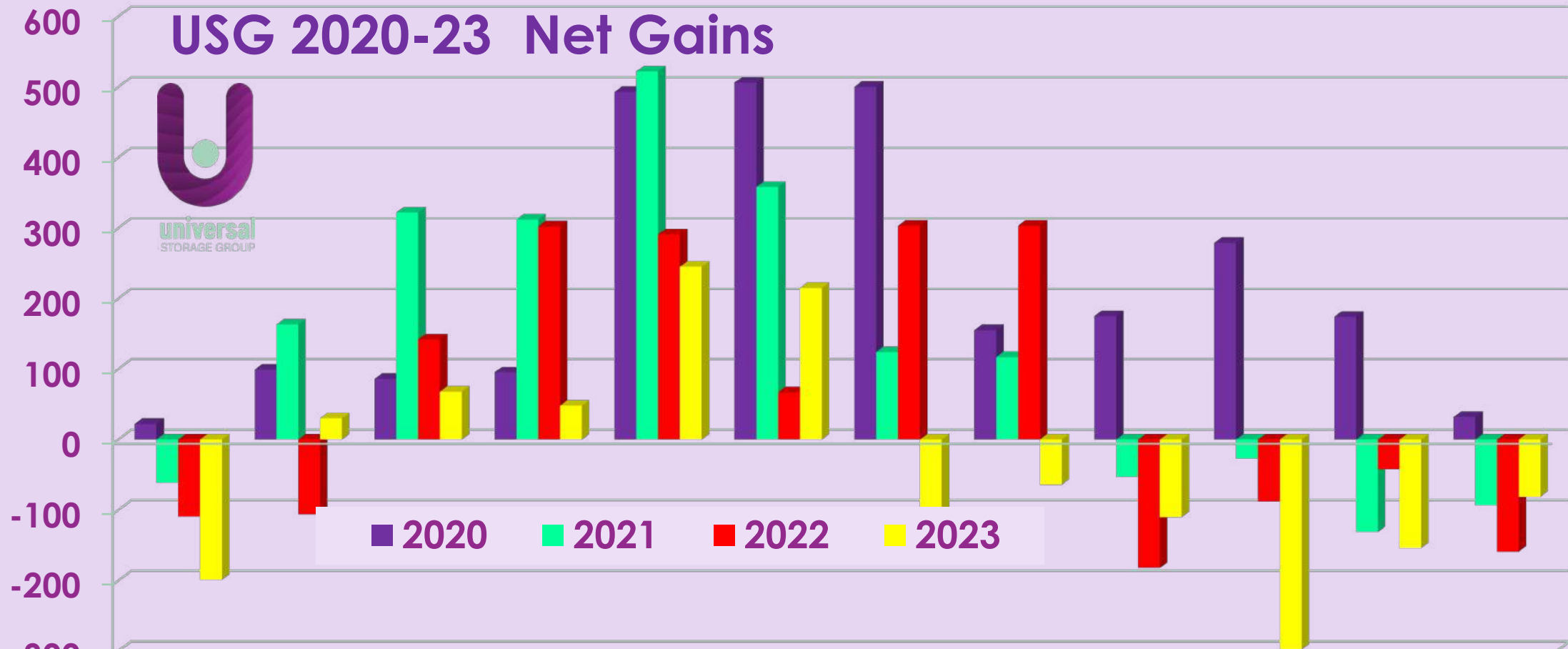


■ 2020 ■ 2021 ■ 2022 ■ 2023

	Jan	Feb	Mar	Ap	May	June	July	Aug	Sep	Oct	Nov	Dec
2020	855	795	919	702	881	998	1,309	1,553	1,406	1,370	1,272	1,226
2021	1,164	1,072	1,071	1,214	1,265	1,168	1,459	1,437	1,249	1,192	1,244	1,119
2022	981	946	997	997	1,027	1,049	1,288	1,288	976	914	793	813
2023	1,316	1,022	1,225	1,141	1,279	1,140	1,361	1,368	1,204	1,292	1,126	1,000



USG 2020-23 Net Gains



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2020	22	99	86	95	493	506	500	155	175	279	174	32
2021	-61	163	322	312	522	358	124	117	-53	-27	-131	-93
2022	-109	-106	142	302	291	67	303	303	-182	-88	-42	-159
2023	-199	30	68	48	245	215	-135	-64	-110	-298	-154	-81



Key Takeaways

Lower Overall Search Volume

Move In Activity -12%

Move Outs – 8.5%

Best Possible Increases From Existing Customers, Use District Manager

Learn How To Compete On Street Rates While In “The Race To The Bottom”

Seasonality Is Back

Higher Vacancy Is Now Normal

Technology Improvements Mandated

Large Unit Current Demand

RV/Boat Current Demand

Diversified Unit Mix

Longer Lease Ups

Higher Costs Of Money, Construction Materials Keeps Many Out

Thank You GASSA Members and Guests



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