Total of All National Self Storage REITs

Points of Interest

- A small number of acquisitions were completed by the national self storage REITs during Q2; however, in general, acquisition activity was limited during the quarter.
- Although rates and collections were negatively impacted during Q2 due to COVID-19, these metrics are showing positive trends as of the end of July 2020.
- The amount of new self storage construction appears to be declining as of Q2 2020.

Extra Space (EXR) - Same Store Statistics on 863 Stores Compared to 2nd Qtr 2019

Points of Interest

- In conjunction with JV partners, acquired one store at Cofo and completed one development for $25.4M, of which the EXR invested $14.4M.
- Added 31 stores (gross) to the third-party management platform. As of June 30, 2020, EXR managed 700 stores for third parties and 251 stores in joint ventures, for a total of 951 managed stores.
- Same-store occupancy was 95.7% as of July 31, 2020, compared to 94.2% as of July 31, 2019. Same-store occupancy as of July 31, 2020, includes approximately 200 basis points of inflated occupancy due to delayed auctions of delinquent units as a result of COVID-19.
- As of July 31, 2020, accounts receivable less than 60 days have returned to historical levels, while accounts receivable greater than 60 days as a percentage of rental income are approximately 325 basis points higher than historical levels.

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LifeStorage (LSI) - Same Store Statistics on 517 Stores Compared to 2nd Qtr 2019

Points of Interest

• During Q2, street rates were down 18% on avg. They started the quarter down 19.5%, ended the quarter down 16.5%. July was down 13%.
• Rent roll down was 8.1% during Q2, meaning move-ins were paying 8.1% less than move-outs. That improved to 5.5% in July.
• Move-ins during April, the height of the stay-at-home orders across the country, were only down 15% YOY, which compares favorably across the sector. Same-store move-ins were only lower by 3.4% for the quarter.
• From June 2019 to June 2020, about 65 stores opened within a three-mile radius of LSI stores. That compares about 144 from 2018 to 2019. For the first part of 2020, only have a dozen or so new competing stores in top 10 markets.

CubeSmart (CUBE) - Same Store Statistics on 477 Stores Compared to 2nd Qtr 2019

Points of Interest

• From a high level perspective, rentals hit bottom in April and began to recover in June. July was the 1st month of more normal pre-Covid operations. Accounts receivable balances look healthy, in fact, slightly better than last year. For the month of April, they collected 97.6% of rents vs 98% in April 2019.
• Anticipate that rent rolls will be fully caught up with rate increases by the end of Q3.
• SmartRental (online contact free leasing) accounted for approximately 25% of rental volume in Q2.
• Closed on two purchases during Q2 totaling $65.7M and added 27 stores to 3rd party management.
• Delinquencies rose from 2% to 2.5-3% during the quarter.
United States Q2 2020
Self Storage REITs

Public Storage (PSA) - Same Store Statistics on 2,224 Stores Compared to 2nd Qtr 2019

Points of Interest

• In Q2, PSA acquired six properties (four in Ohio and one in California and Florida) for approximately $67M. Additionally, PSA opened two new facilities and various expansion projects (400K NRA – 200K in Florida and 100K in California and Minnesota) costing over $44M.
• During the pandemic and over the past four months, PSA moved in over 400,000 new customers in their 2,500 property portfolio.
• Fees were down 32% for Q2 primarily due to customers requesting fee relief and customers paying sooner (avoiding late fees).
• The magnitude of rate increases compared to prior years is lower.
• In Q2, PSA added nine properties to their third party management platform bringing the total number to 106.

National Storage Affiliates (NSA) - Same Store Statistics on 500 Stores Compared to 2nd Qtr 2019

Points of Interest

• Same-store move-in volume in July was 8% higher than July 2019 and move-outs were down 20% compared to the prior year.
• Cash collections in July were about 99% of normal levels, street rates were down about 5% year-over-year in both Q2 and July.
• During Q2, personnel costs declined 2.5% due to less activity in store offices and optimized staffing hours, repairs and maintenance decreased 13% and utilities decreased 1%, partially attributable to benefits from an LED lighting initiative. However, these expense controls were partially offset by property taxes that grew 5.5% from the prior year.
• In Q2, acquired four properties for a total investment of $36M.
• Average cap rate for deals closed in Q2 were +/- 6.5%.

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