



21ST ANNUAL YEAR END REVIEW 2019

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Latest News from *2020 Self Storage Almanac*

- Georgia is shown having 1,605 facilities with 66,249,45 SF OR 6.22 SF/Person (Data is +103 facilities)
- Atlanta is #9 in the Market Top 100 CBSA's with 781 Facilities/6.87 SF/Person and 42 New Projects and is shown as over supplied.
- The national average is 5.7 SF/person
- The national average occupancy rate for 2019 was 91.0% and the Southeast region posted 90.7% all ending Q2 2019.



2020 Almanac updates continued



2019

47,863

Total Facilities (+2316)

39,668

Average SF per store

1.898

Billion total net s.f.

5.7

Avg. S. F. per person

\$107.11 +

National Avg. 10 x 10 Rental Rate

\$106.00 ~

South Atlantic Avg. 10 x 10 Rate

\$132.66 +

National Avg. Climate 10 x 10

\$130.88 +

South Atlantic Avg. Climate 10x10

<u>National Rates PSF</u>	<u>5x5</u>	<u>5x10</u>	<u>10x10</u>	<u>10x15</u>	<u>10x20</u>
Climate	\$2.27	\$1.71	\$1.34	\$1.17	\$1.11
Non Climate	\$1.90	\$1.38	\$1.08	\$0.89	\$0.78

2020 Almanac updates continued

Table 1.1 – Industry Profile

National Data	2019	2018	2017
Total Number of Facilities	47,863	45,547	44,149
Average Facility Net Square Footage	39,668	37,523	52,352
Total Rentable Square Footage	1,898,604,872	1,709,095,816	1,672,505,621
Average Rentable Square Footage per Person	5.7	5.4	7.06

Table 1.3a – Market Conditions by CBSA (Core Based Statistical Area)

Source: Radius+ and NKF

	Number Of Facilities	Total Area (SF)	Total Population	% Renters	Household Size (Avg.)	Average HH Income	Total Supply	Estimated Demand	Supply / Demand	Conclusion
New York-Newark-Jersey City, NY-NJ-PA	1005	57,660,300	20,438,199	49.54%	2.68	\$114,227	2.82	3.61	0.79	Under-Supplied
Los Angeles-Long Beach-Anaheim, CA	866	60,562,412	13,507,681	51.56%	3.00	\$103,493	4.48	4.68	0.20	Near Equilibrium
Chicago-Naperville-Elgin, IL-IN-WI	862	43,195,862	9,601,766	36.01%	2.68	\$97,963	4.50	4.76	0.26	Near Equilibrium
Dallas-FortWorth-Arlington, TX	1250	66,421,222	7,715,602	40.80%	2.79	\$107,511	8.61	5.31	(3.30)	Over-Supplied
Houston-The Woodlands-Sugar Land, TX	1071	61,545,948	7,154,526	39.07%	2.83	\$95,264	8.60	5.88	(2.73)	Over-Supplied
Washington-Arlington-Alexandria, DC-VA-MD-WV	447	26,357,854	6,249,043	36.82%	2.66	\$137,124	4.22	4.32	0.10	Near Equilibrium
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	441	23,655,587	6,203,916	34.71%	2.58	\$99,907	3.81	5.39	1.57	Under-Supplied
Miami-Fort Lauderdale-West Palm Beach, FL	512	34,529,860	6,114,563	41.80%	2.64	\$83,818	5.65	6.35	0.70	Under-Supplied
Atlanta-Sandy Springs-Roswell, GA	781	41,127,139	5,986,262	35.79%	2.69	\$93,820	6.87	5.88	(0.99)	Over-Supplied
Boston-Cambridge-Newton, MA-NH	401	18,308,806	4,892,994	39.72%	2.52	\$122,651	3.74	5.07	1.32	Under-Supplied

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Table 1.2 – Facility Data by State

State	Facility Count*	Square Footage	Population	SF per Capita
Alaska	116	3,853,465	755,517	5.10
Alabama	1,093	33,918,921	5,002,985	6.78
Arkansas	723	23,042,484	3,086,841	7.46
Arizona	961	46,781,004	7,234,773	6.47
California	3,681	226,574,306	39,813,541	5.69
Colorado	959	41,260,376	5,793,770	7.12
Connecticut	344	13,413,575	3,632,883	3.69
District of Columbia	22	1,362,501	702,321	1.94
Delaware	114	4,653,993	999,941	4.65
Florida	2,747	139,910,968	21,239,528	6.59
Georgia	1,605	66,249,445	10,655,025	6.22
Hawaii	89	4,348,915	1,449,919	3.00
Iowa	569	14,969,610	3,236,212	4.63
Idaho	451	19,269,921	1,806,180	10.67
Illinois	1,634	60,760,862	12,915,181	4.70
Indiana	1,203	39,451,210	6,788,130	5.81
Kansas	583	16,437,962	2,966,501	5.54
Kentucky	678	21,094,537	4,582,010	4.60

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Table 2.1 – Self-Storage Public Companies (REITs and U-Haul*)

Company Name	Number of Facilities	Net Rentable Square Footage	Number of Units
Public Storage	2,687	179,000,000	1,723,000
Extra Space Storage	1,752	134,099,707	1,237,739
CubeSmart	1,159	78,022,068	764,971
*U-Haul International Inc.	1,698	64,207,220	733,653
Life Storage	818	58,985,373	534,377
National Storage Affiliates Trust	885	56,900,000	455,900
TOTAL	8,999	571,214,368	5,449,640

* U-Haul is a publically traded company but is not a REIT

Source: Mini-Storage Messenger 2019 Top Operators

According to the NKF 3Q19 Self Storage REIT Report, same-store operating performance for the self-storage sector remained positive in the third quarter of 2019, as non-weighted average NOI growth was 1.62 percent, while non-weighted same-store revenue grew at 2.28 percent.

Table 2.4 – Historical Quarterly Occupancy

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Public Storage	94.5%	94.5%	93.1%	92.3%	93.8%	94.0%	92.6%	92.1%	94.0%	94.2%
Life Storage Inc	92.8%	92.7%	91.6%	91.1%	91.9%	91.3%	90.4%	90.1%	91.5%	90.3%
CubeSmart	94.6%	93.7%	91.7%	92.5%	94.4%	92.7%	91.2%	92.1%	93.7%	93.1%
Extra Space	94.4%	93.9%	91.9%	92.1%	94.2%	93.9%	91.8%	91.6%	93.6%	93.8%
National Storage Affiliates	90.5%	90.4%	88.2%	87.2%	89.8%	90.3%	88.4%	87.7%	89.6%	90.2%

Note: PSA, LSI, Cube & NSA are based on period average occupancy, while EXR is based on period end occupancy.

Source: NKF

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Chart 2.9 – Industry Market Share
(By Rentable Square Footage)

Source:
MiniCo Publishing



Chart 2.10 – Industry Market Share
(By Number of Facilities)

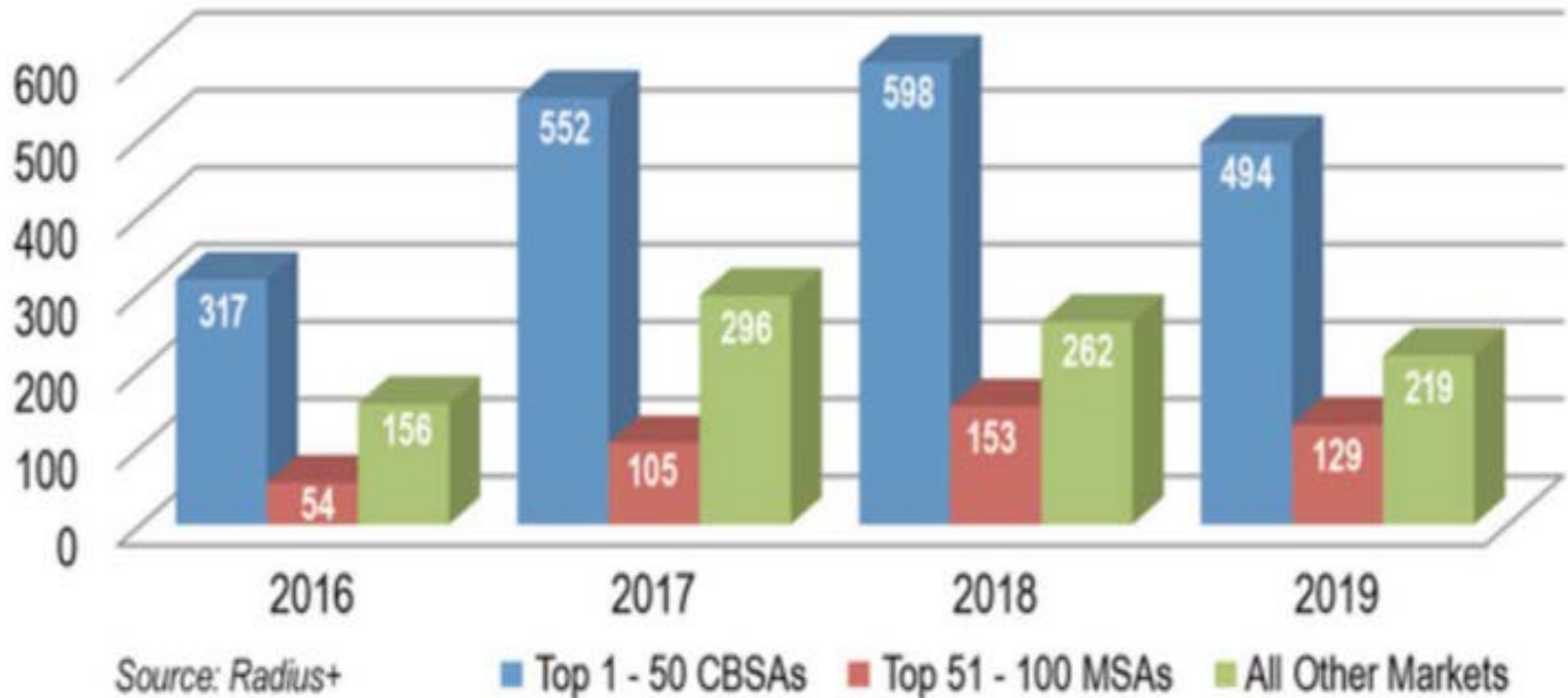
Source:
MiniCo Publishing



Spending on advertising, especially in the context of digital marketing and paid search, was a consistent heightened burden on operating expense. Elevated levels of ad spending are projected for the foreseeable future, especially in the markets with elevated new supply.

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Chart 3.1 – Self-Storage Deliveries



842 New Stores 2019

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Radius+ has identified several areas that have suffered rate declines, including Denver, Houston, Austin, Dallas, Chicago, Atlanta, and Charlotte and Raleigh, N.C.

During the early years of this development cycle, it was not unusual for new facilities to take between 12 and 24 months from opening the doors to stabilization. As the cycle has matured, the time to stabilization is extending from 36 months to 48 months or longer. In this part of the cycle, supply is being absorbed at a much slower clip because of all the existing supply that is already leased up.

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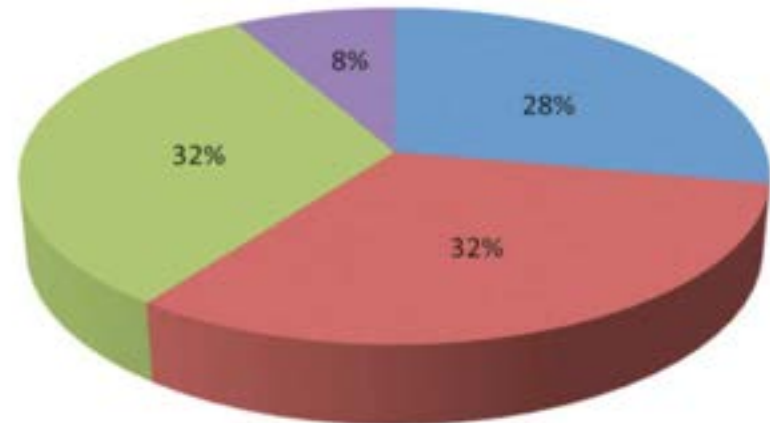
**Table 4.4 –
U-Haul Destination Cities for 2018**

2018 Ranking	Destination City	Previous Year Ranking
1	Houston, TX	1
2	Chicago, IL	2
3	Las Vegas, NV	6
4	San Antonio, TX	5
5	Orlando, FL	3
6	Brooklyn, NY	4
7	Austin, TX	7
8	Philadelphia, PA	8
9	Phoenix, AZ	13
10	Charlotte, NC	9
11	Tampa, FL	11
12	Columbus, OH	10
13	Jacksonville, FL	14
14	San Diego, CA	12
15	Los Angeles, CA	18
16	Dallas, TX	16
17	Indianapolis, IN	17
18	Sacramento, CA	15
19	Tucson, AZ	19
20	Atlanta, GA	20
21	Miami, FL	21
22	Nashville, TN	27
23	Bronx, NY	23
24	San Francisco, CA	22
25	Ft. Worth, TX	25

Source: U-Haul International

The baby boom generation (born between 1946 and 1964) is largely credited with the genesis of the modern self-storage industry with a propensity for mass consumption and a need to store possessions that fell out of favor or grew too large for their available space.

Chart 4.2 – Self-Storage Customers by Generation



Source:
2017 Self Storage
Demand Study (SSA)

■ Millennials

■ Baby Boomers

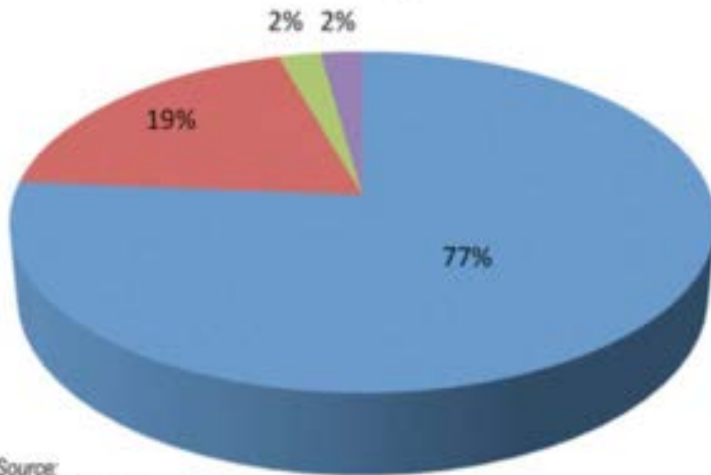
■ Gen-X

■ Greatest Generation *

* 74 Years of
age or older

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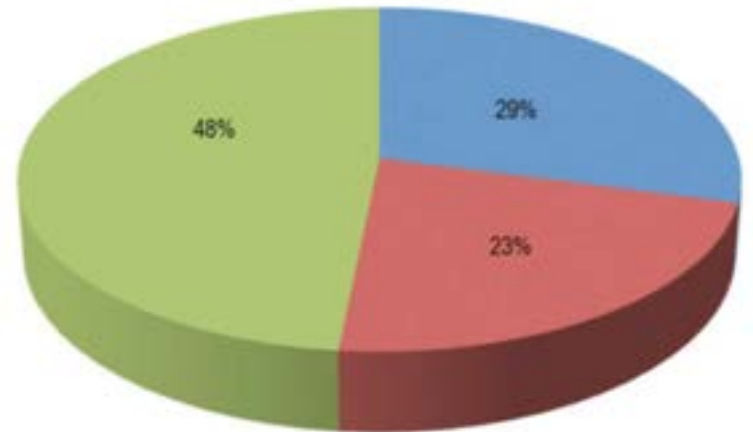
Chart 5.1 – Average Tenant Mix



Source: 2017 Self Storage Demand Study (SSA)

■ Residential ■ Business ■ Student ■ Military

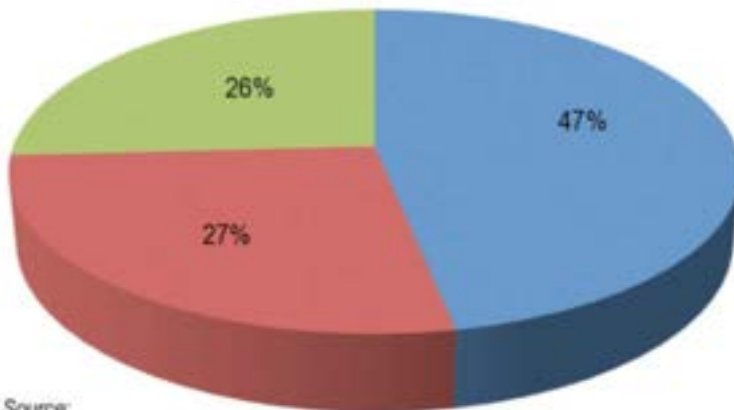
Chart 5.2 – Length of Rental



■ Less than 1 year ■ Between 1 and 2 years ■ Longer than 2 years

Source: 2017 Self Storage Demand Study (SSA)

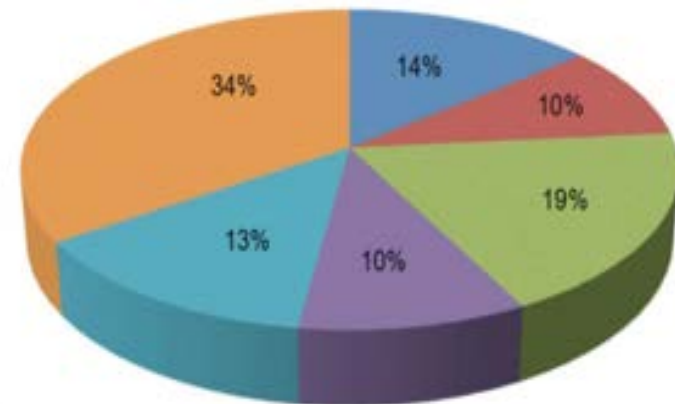
Chart 5.7 – Number of Units Rented



Source: 2017 Self Storage Demand Study (SSA)

■ 1 ■ 2 ■ More than 2

Chart 5.8 – Unit Size Rented



Source: 2017 Self Storage Demand Study (SSA)

■ 5 x 5 feet or smaller ■ 5 x 10 ■ 10 x 10 ■ 10 x 15 ■ 10 x 20 ■ 10 x 30 or larger

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Table 6.4 – Household Income by Generation

	Total	Millennials	Gen-X	Boomers	Greatest
Less than \$20,000	13.1%	14.2%	9.0%	16.9%	10.3%
\$20,000 to < \$30,000	13.2%	16.4%	14.0%	8.8%	15.8%
\$30,000 to < \$40,000	8.0%	9.3%	7.3%	6.6%	11.2%
\$40,000 to < \$50,000	9.8%	13.3%	7.6%	9.5%	7.7%
\$50,000 to < \$60,000	7.2%	5.3%	9.2%	5.9%	10.5%
\$60,000 to < \$75,000	9.4%	11.6%	9.2%	7.9%	7.9%
\$75,000 to < \$100,000	12.8%	12.7%	14.5%	11.8%	10.5%
\$100,000 to < \$125,000	9.6%	8.7%	10.3%	10.4%	6.6%
\$125,000 or more	16.9%	8.4%	18.8%	22.1%	19.3%

Source: 2017 Self Storage Demand Study (SSA)

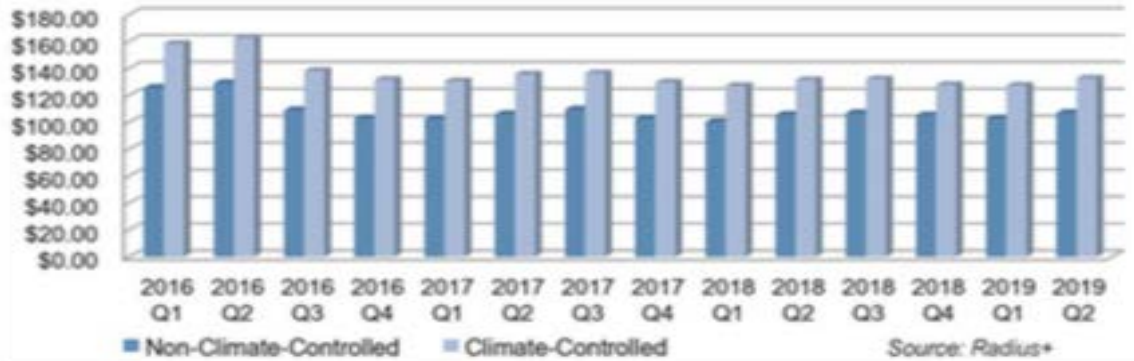
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**Table 7.8 –
South Occupancy
(South Atlantic)**

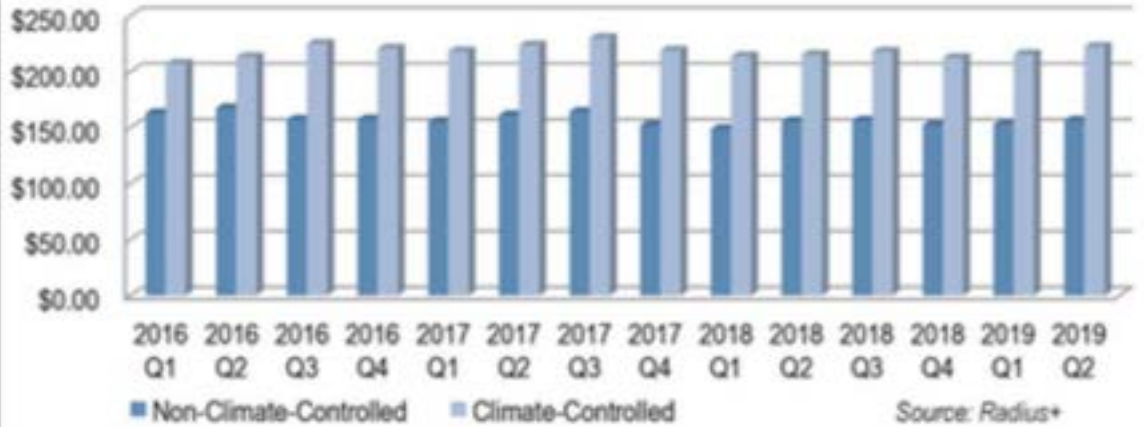
Q3 2016	92.4%
Q4 2016	90.1%
Q1 2017	90.0%
Q2 2017	91.4%
Q3 2017	89.7%
Q4 2017	88.0%
Q1 2018	87.7%
Q2 2018	89.3%
2018 Q3	91.6%
2018 Q4	89.6%
2019 Q1	89.3%
2019 Q2	90.7%

Source: Radius+

**Chart 8.3 – Rent For 10x10
Non-Climate-Controlled vs. Climate-Controlled**



**Chart 8.5 – Rent For 10x20
Non-Climate-Controlled vs. Climate-Controlled**



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**Table 8.18 – South Atlantic Rent Per Square Foot
(Non-Climate-Controlled)**

	5x5	5x10	10x10	10x15	10x20
2016 Q3	\$1.93	\$1.37	\$1.08	\$0.91	\$0.80
2016 Q4	\$1.78	\$1.31	\$1.04	\$0.88	\$0.79
2017 Q1	\$1.81	\$1.30	\$1.03	\$0.87	\$0.78
2017 Q2	\$1.96	\$1.36	\$1.07	\$0.90	\$0.81
2017 Q3	\$2.01	\$1.41	\$1.09	\$1.06	\$0.84
2017 Q4	\$1.85	\$1.32	\$1.04	\$0.88	\$0.77
2018 Q1	\$1.80	\$1.28	\$1.01	\$0.86	\$0.75
2018 Q2	\$1.89	\$1.33	\$1.06	\$0.90	\$0.79
2018 Q3	\$1.86	\$1.34	\$1.07	\$0.90	\$0.80
2018 Q4	\$1.79	\$1.30	\$1.16	\$0.88	\$0.78
2019 Q1	\$1.77	\$1.29	\$1.03	\$0.87	\$0.77
2019 Q2	\$1.86	\$1.35	\$1.06	\$0.91	\$0.80

Source: Radius+

**Table 8.19 – South Atlantic Rent Per Square Foot
(Climate-Controlled)**

	5x5	5x10	10x10	10x15	10x20
2016 Q3	\$2.36	\$1.76	\$1.37	\$1.18	\$1.09
2016 Q4	\$2.18	\$1.67	\$1.31	\$1.15	\$1.06
2017 Q1	\$2.24	\$1.67	\$1.28	\$1.12	\$1.05
2017 Q2	\$2.38	\$1.72	\$1.32	\$1.16	\$1.10
2017 Q3	\$2.35	\$1.75	\$1.34	\$1.19	\$1.15
2017 Q4	\$2.19	\$1.65	\$1.29	\$1.12	\$1.08
2018 Q1	\$2.13	\$1.58	\$1.25	\$1.08	\$1.05
2018 Q2	\$2.18	\$1.61	\$1.29	\$1.11	\$1.08
2018 Q3	\$2.18	\$1.63	\$1.31	\$1.14	\$1.09
2018 Q4	\$2.10	\$1.59	\$1.25	\$1.09	\$1.05
2019 Q1	\$2.12	\$1.58	\$1.24	\$1.08	\$1.05
2019 Q2	\$2.20	\$1.65	\$1.29	\$1.12	\$1.08

Source: Radius+

In the South, the majority of self-storage renters, 24.6 percent, visit their unit about one time per month. Slightly fewer (22.9 percent) only visit three to six times a year. It is interesting to note that only 9.7 percent of renters in the South access their unit fewer than three times per year.

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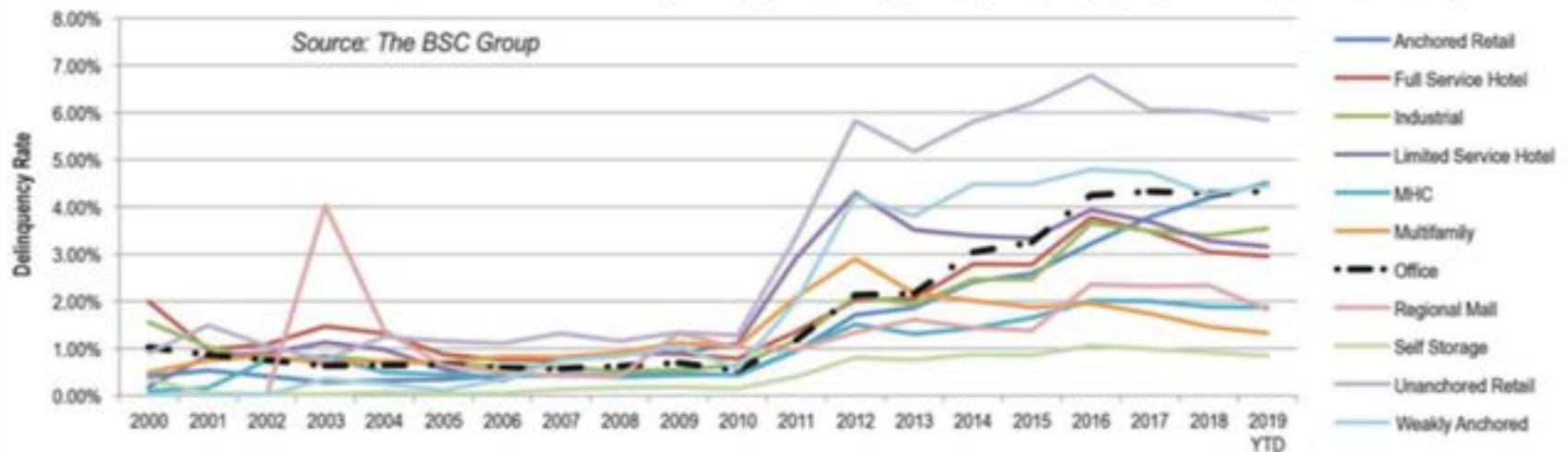
Table 9.2 – Length of Rental by Region

	Northeast	Midwest	South	West
Less than 3 months	14.0%	19.4%	16.9%	17.1%
3 to 6 months	15.8%	21.0%	20.8%	19.3%
7 months to 12 months	21.8%	17.5%	17.6%	12.6%
1 to 2 years	22.6%	22.0%	19.9%	21.9%
Longer than 2 years	25.7%	20.2%	24.8%	29.1%

Source: 2017 Self Storage Demand Study (SSA)

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Chart 10.5 – U.S. Historical Delinquency Rate By Property Type (as of September 2019)



Self-storage reports extremely favorable delinquency trends among its peers, outperforming all other property types. Per data from rating agency DBRS, the delinquency rate for self-storage in the CMBS market peaked at 3.04 percent in 2011. As of September 2019, this figure was reported as 0.1 percent, well below other property types (the closest being multifamily at 0.3 percent). While no asset is recession-proof, industry experts have long speculated that self-storage is as close as it gets. Time will tell if this holds true, but storage enjoys demand drivers that work well in both good times and bad times.

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Customer Visits to Facility Average Number Of Unit Unlocks Per Day/Site:

- Q1 - Averaged - 57 locks accessed per day/per site
- Q2 - Averaged - 82 locks accessed per day/per site
- Q3 - Averaged - 84 locks accessed per day/per site

*includes active customers accessing units and site managers opening units (for inspection and touring customers)

Total Number Of Accesses During Residency Per User That Have Moved Out:

- 86 times averaged with outliers maintained
- 62 times averaged with top and bottom five percent taken out
- 5.1 times per month average
- AVL: 12.15 months

Table 12.1 – Overlock Status (by Percentage)

	East	Central	Mountain	West	Total
% of units that are occupied and in overlock (non-smart units)	4.89%	12.61%	3.86%	9.29%	7.43%
% of units that are occupied and in overlock (smart units)	3.90%	7.83%	1.43%	3.14%	3.91%

Source: Janus International

**Table 12.2 –
Regional Tenant Access by Hour**

Time	PST	MDT	CST	EST
12 a.m.	0.01%	0.11%	0.05%	0.04%
1 a.m.	0.02%	0.25%	0.04%	0.01%
2 a.m.	0.00%	0.15%	0.01%	0.02%
3 a.m.	0.00%	0.29%	0.01%	0.11%
4 a.m.	0.02%	0.24%	0.03%	1.32%
5 a.m.	0.00%	0.34%	1.21%	1.92%
6 a.m.	0.09%	2.35%	1.93%	2.62%
7 a.m.	0.93%	4.23%	2.73%	6.70%
8 a.m.	2.32%	6.52%	5.59%	7.59%
9 a.m.	4.46%	8.06%	8.82%	8.77%
10 a.m.	5.72%	9.52%	10.05%	8.91%
11 a.m.	7.36%	8.68%	9.03%	9.38%
12 p.m.	8.39%	10.17%	9.78%	8.88%
1 p.m.	8.98%	8.84%	8.90%	9.05%
2 p.m.	8.39%	9.23%	8.59%	8.62%
3 p.m.	9.35%	7.91%	7.49%	8.22%
4 p.m.	9.19%	6.40%	7.02%	7.54%
5 p.m.	8.70%	5.09%	6.67%	4.18%
6 p.m.	7.86%	3.83%	4.75%	3.15%
7 p.m.	5.85%	3.23%	3.70%	2.42%
8 p.m.	4.76%	2.36%	2.74%	0.22%
9 p.m.	4.00%	1.20%	0.48%	0.20%
10 p.m.	3.21%	0.68%	0.25%	0.08%
11 p.m.	0.38%	0.32%	0.14%	0.05%

*Totals represent random sample of 20 facilities per region and 1.3M tenant access data points; randomly selected approximately 333,000 unit/gate activities per region from Q1-Q3 2019

Source: Janus International

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Table 13.3 – Cap Rates by Investment Class

	Class A	Class B	Class C
Cap Rate Range	4.50% – 5.50%	5.50% – 6.25%	6.25% – 8.50%
Cap Rate Average	5.00%	5.50%	6.50%

Source: NKF Self-Storage Investor Survey: 2nd Qtr. 2019

Table 13.5 – Mortgage Equity Analysis

Loan-to-Value Ratio	70%
Interest Rate	4.25%
Amortization Term	30 Years
Mortgage Constant	5.90%
Equity Yield Rate (Y _E)	14.25%
Projection Period (n)	10 Years
Compound Annual Appreciation / Depreciation	3.5% per Year
Total Appreciation/Depreciation	41.06%

Source: Compiled by NKF

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Table 14.1 – Demand Forecast

	Total Population	% of Renters	Household Size (Avg.)	Average Household Income	Existing Supply (SF)	Existing Supply (SF) / Capita	Calculated Demand (SF) / Capita	Demand - Supply (SF) / Capita	Total Unsatisfied Demand (SF)
3-Mile Radius	117,762	31.9	3.41	\$99,437	649,734	5.52	7.66	2.14	252,267

Source: Compiled by NKF

2020 Self Storage Expense Guidebook



Table 2 – Self-Storage Operating Expense Summary

Expense Category	National	East			Midwest			South			West		
		East Region	Midwest Division	Northeast Division	Midwest Region	East North	West North	South Region	Southeast Division	Southwest Division	West Region	Mountain Division	Pacific Division
						Central Division	Central Division						
Real Estate Taxes	\$1.54	\$2.17	\$1.39	\$2.43	\$1.55	\$1.40	\$2.40	\$1.28	\$1.17	\$1.53	\$1.15	\$0.69	\$1.26
Property Insurance	\$0.18	\$0.13	\$0.10	\$0.14	\$0.11	\$0.10	\$0.14	\$0.20	\$0.24	\$0.11	\$0.25	\$0.11	\$0.28
Utilities	\$0.31	\$0.38	\$0.29	\$0.41	\$0.28	\$0.26	\$0.42	\$0.31	\$0.33	\$0.25	\$0.26	\$0.21	\$0.28
Repairs & Maintenance	\$0.42	\$0.51	\$0.34	\$0.57	\$0.36	\$0.35	\$0.41	\$0.33	\$0.36	\$0.26	\$0.43	\$0.30	\$0.46
Administration	\$0.64	\$0.71	\$0.59	\$0.74	\$0.56	\$0.51	\$0.84	\$0.61	\$0.60	\$0.63	\$0.63	\$0.45	\$0.67
Off-Site Management	\$0.85	\$0.95	\$0.94	\$0.95	\$0.70	\$0.69	\$0.72	\$0.74	\$0.75	\$0.72	\$0.90	\$0.59	\$0.98
On-Site Management	\$1.22	\$1.34	\$1.16	\$1.41	\$1.12	\$1.09	\$1.34	\$1.10	\$1.11	\$1.09	\$1.22	\$0.95	\$1.29
Advertising	\$0.31	\$0.32	\$0.35	\$0.31	\$0.34	\$0.35	\$0.31	\$0.34	\$0.35	\$0.31	\$0.28	\$0.24	\$0.29
Miscellaneous	\$0.01	\$0.01	\$0.00	\$0.01	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses (\$F):	\$5.49	\$6.53	\$5.19	\$6.98	\$5.04	\$4.76	\$6.59	\$4.90	\$4.90	\$4.90	\$5.13	\$3.52	\$5.51
Effective Gross Income (\$F):	\$16.01	\$18.58	\$16.18	\$19.39	\$12.30	\$12.05	\$13.70	\$13.43	\$13.81	\$12.47	\$17.11	\$10.71	\$18.63
Operating Expense Ratio:	34.26%	35.16%	32.09%	36.01%	40.99%	39.54%	48.11%	36.51%	35.51%	39.29%	29.96%	32.91%	29.56%
Sample Size	861	254	65	189	104	85	19	238	160	78	265	48	217

2020 Self Storage Expense Guidebook



Table 3 – Facility Information

Region/Division	Average Rentable SF Per Property	Average Units Per Property	Average Unit Size	Average Expense Ratio
East Region	70,013	723	96.9	35.2%
Mideast Division	68,552	648	105.8	32.1%
Northeast Division	70,515	749	94.2	36.0%
Midwest Region	64,097	539	119.0	41.0%
East North Central Division	66,526	564	118.0	39.5%
West North Central Division	53,231	426	125.0	48.1%
South Region	66,159	569	116.3	36.5%
Southeast Division	70,251	620	113.3	35.5%
Southwest Division	57,766	465	124.3	39.3%
West Region	67,820	661	102.6	30.0%
Mountain Division	71,624	592	120.9	32.9%
Pacific Division	66,979	676	99.1	29.6%
National	67,558	639	105.7	34.3%



- Nationwide, Yardi Matrix tracks a total of 2,101 self storage properties in various stages of development, comprising 575 under construction, 1,112 planned and 414 prospective projects. The national new-supply pipeline as a percent of existing inventory increased by 0.1% month-over-month in December, and the share of projects in various stages of development account for 8.6% of existing inventory.

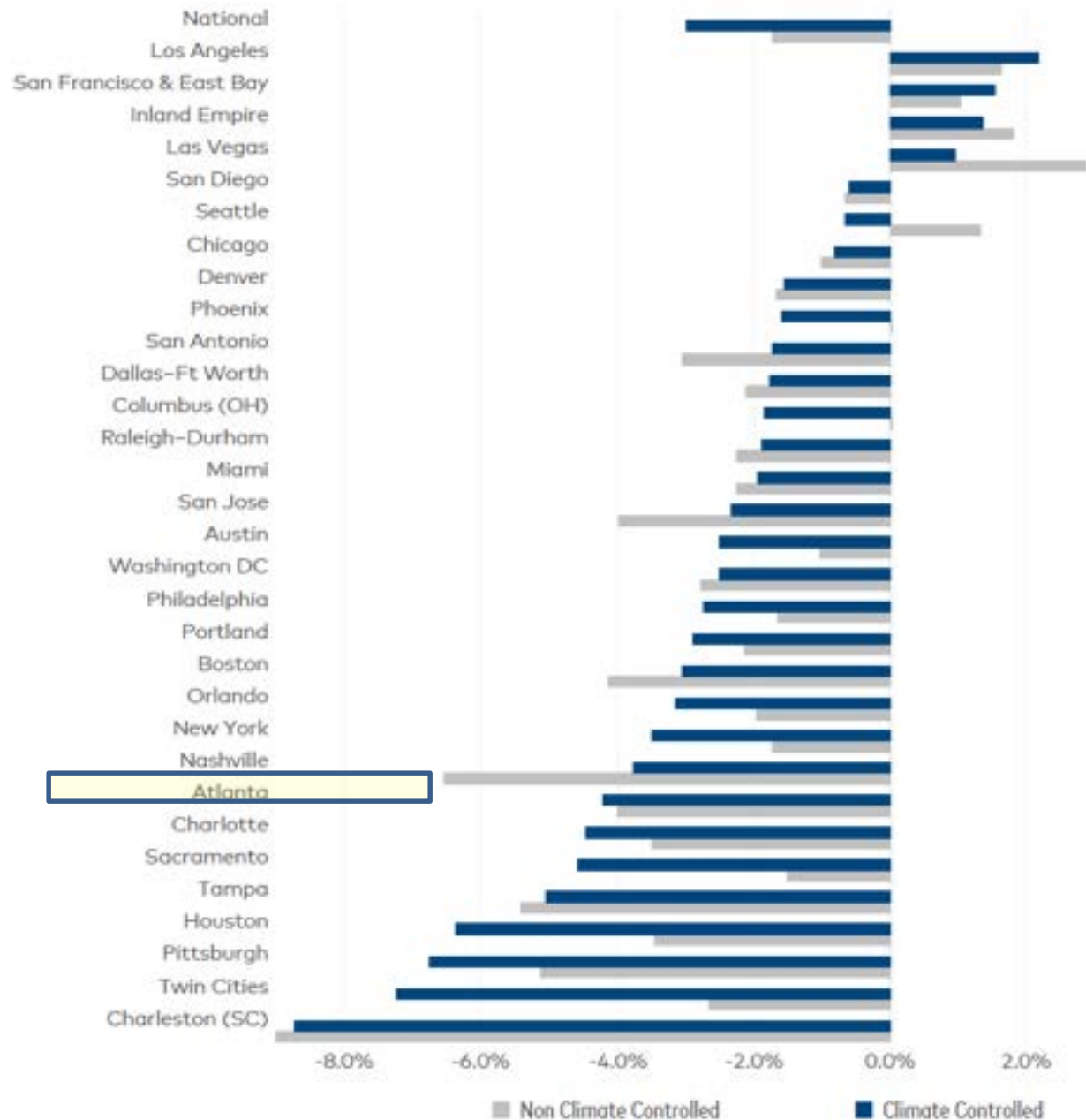
NATIONAL SELF STORAGE REPORT

JANUARY 2020

MONTHLY SUPPLY AND RATE RECAP

Metro	Nov-19	Dec-19	Change
NATIONAL	8.5%	8.7%	↑
Portland	17.2%	18.8%	↑
New York	16.7%	16.9%	↑
San Jose	17.0%	16.9%	↓
Seattle	15.9%	16.8%	↑
Boston	13.9%	13.9%	—
Las Vegas	13.6%	13.6%	—
Sacramento	13.1%	13.6%	↑
Miami	13.4%	13.5%	↑
Phoenix	12.8%	13.3%	↑
Orlando	12.7%	12.6%	↓
Washington DC	12.0%	12.4%	↑
Nashville	11.0%	10.9%	↓
San Diego	9.8%	9.8%	—
San Francisco Penin. & East Bay	9.8%	9.8%	—
Minneapolis	9.9%	9.8%	↓
Columbus (OH)	9.6%	9.6%	—
Charlotte	9.5%	9.5%	—
Tampa	9.3%	9.3%	—
Philadelphia	9.2%	9.2%	—
Atlanta	7.6%	7.8%	↑
Austin	7.7%	7.7%	—
Dallas-Ft Worth	7.5%	7.5%	—
Denver	7.1%	7.1%	—
Los Angeles	7.0%	7.0%	—
Inland Empire	6.5%	6.5%	—
Pittsburgh	5.9%	5.9%	—
Charleston (SC)	5.7%	5.6%	↓
Raleigh-Durham	4.5%	5.6%	↑
San Antonio	4.7%	4.7%	—
Chicago	3.7%	3.7%	—
Houston	2.7%	2.7%	—

December 2019 Year-over-Year Rent Change for 10'x10' U



NATIONAL SELF STORAGE REPORT

JANUARY 2020

MONTHLY SUPPLY AND RATE RECAP

Market	Avg Metro Rate 10'x10' (non cc)	December 2019 YoY Rate Performance			
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)
National	114	-2%	-3%	-2%	-3%
Los Angeles	184	1%	2%	2%	2%
San Francisco Penin. & East Bay	192	0%	-1%	1%	2%
Inland Empire	113	2%	1%	2%	1%
Las Vegas	107	5%	3%	3%	1%
San Diego	154	-2%	-1%	-1%	-1%
Seattle	152	0%	-1%	1%	-1%
Chicago	99	0%	0%	-1%	-1%
Denver	117	-6%	-4%	-2%	-2%
Phoenix	103	-3%	0%	0%	-2%
San Antonio	96	0%	-2%	-3%	-2%
Dallas-Ft Worth	93	-5%	-5%	-2%	-2%
Columbus (OH)	85	3%	2%	0%	-2%
Raleigh-Durham	87	-2%	-3%	-2%	-2%
Miami	131	-2%	-3%	-2%	-2%
San Jose	170	-4%	-5%	-4%	-2%
Washington DC	141	-3%	-5%	-3%	-3%
Austin	98	-7%	-2%	-1%	-3%
Philadelphia	119	-2%	-3%	-2%	-3%
Portland	138	-7%	-5%	-2%	-3%
Boston	139	-5%	-5%	-4%	-3%
Orlando	101	-2%	-5%	-2%	-3%
New York	171	-3%	-3%	-2%	-3%
Nashville	100	-6%	-3%	-7%	-4%
Atlanta	96	-2%	-5%	-4%	-4%
Charlotte	83	-3%	-4%	-3%	-4%



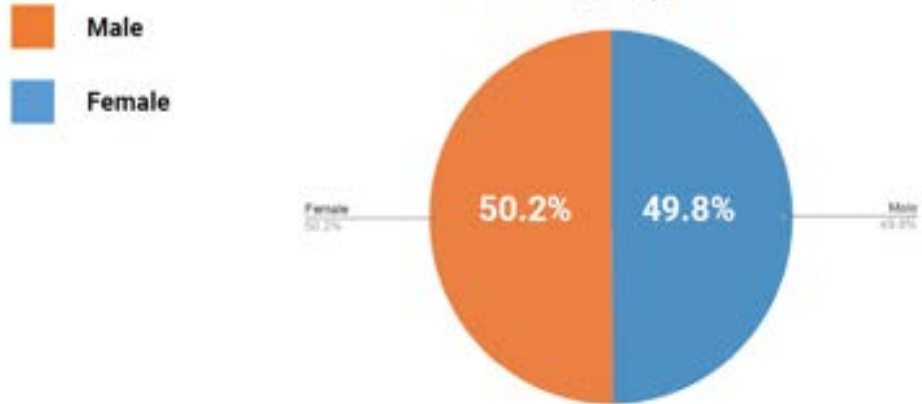
Automatit

2019 Same Store Website Performance

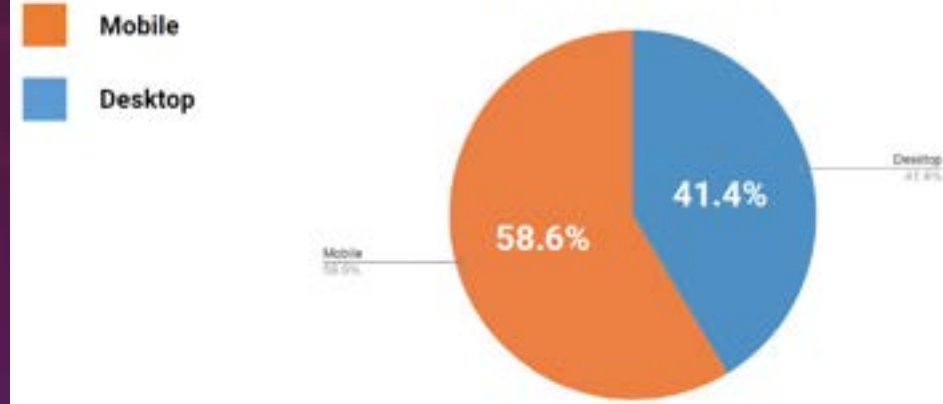
These stats are for the 40 stores that were marketed for the entire period.

- Reservation Year over Year increase store average = 31.37%
- Total Reservations = 9,058 (4,931 Web / 4,127 Phone) – (753 PPC)
- Total Spend = \$325,623 (\$183,152 on PPC)
- Cost Per Reservation Total = \$35.94
 - PPC = \$ 250.54
 - Non PPC = \$17.16
- Cost Per Rental Estimated = \$71.89

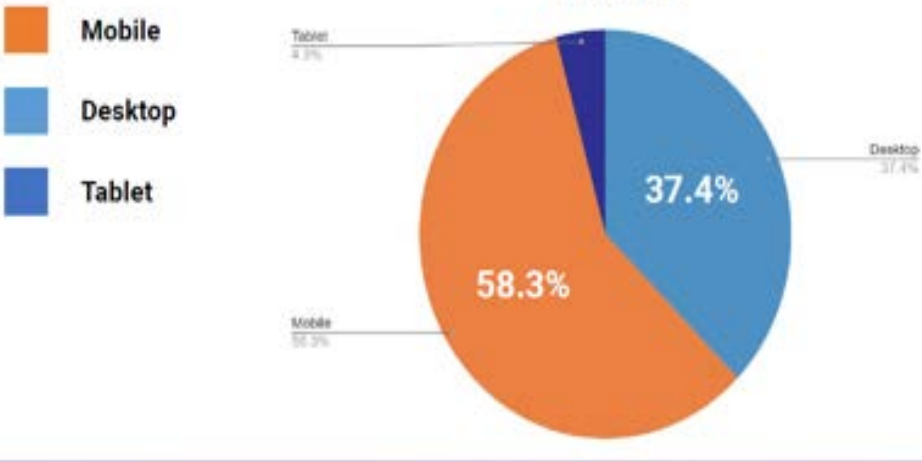
Demographics



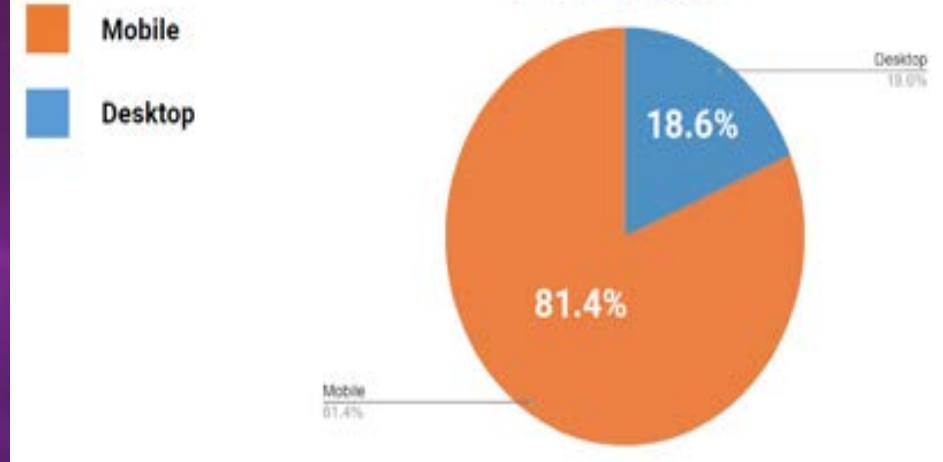
Reservations



Traffic



PPC Traffic

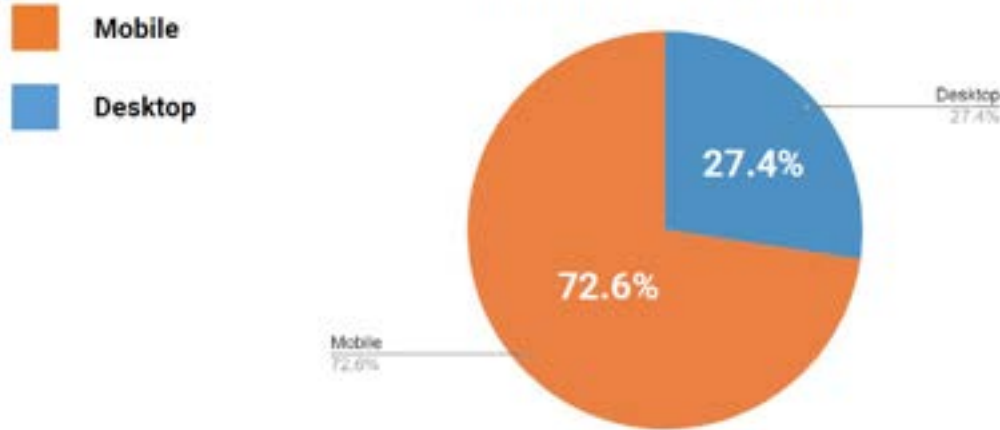




Website Must:

- Take Payments, Reservations/Rentals
- Show Prices
- Compete Online With Promotions/Pricing
- Show Amenities/Photos
- Keep Text & Clicks To A Minimum
- Now Daily Price Scraping

PPC Reservations



2019 Overall Performance

These stats are for the 40 stores that were marketed for the entire period.

*53% conversion Rate from Reservation to Rental

Reservations / Rentals

• Total	9,058	/	4,900
• Phone	4,931	/	2,613
• Website	4,127	/	2,187

- Cost Per Reservation = \$35.94
- Cost Per Rental Estimated = \$71.89

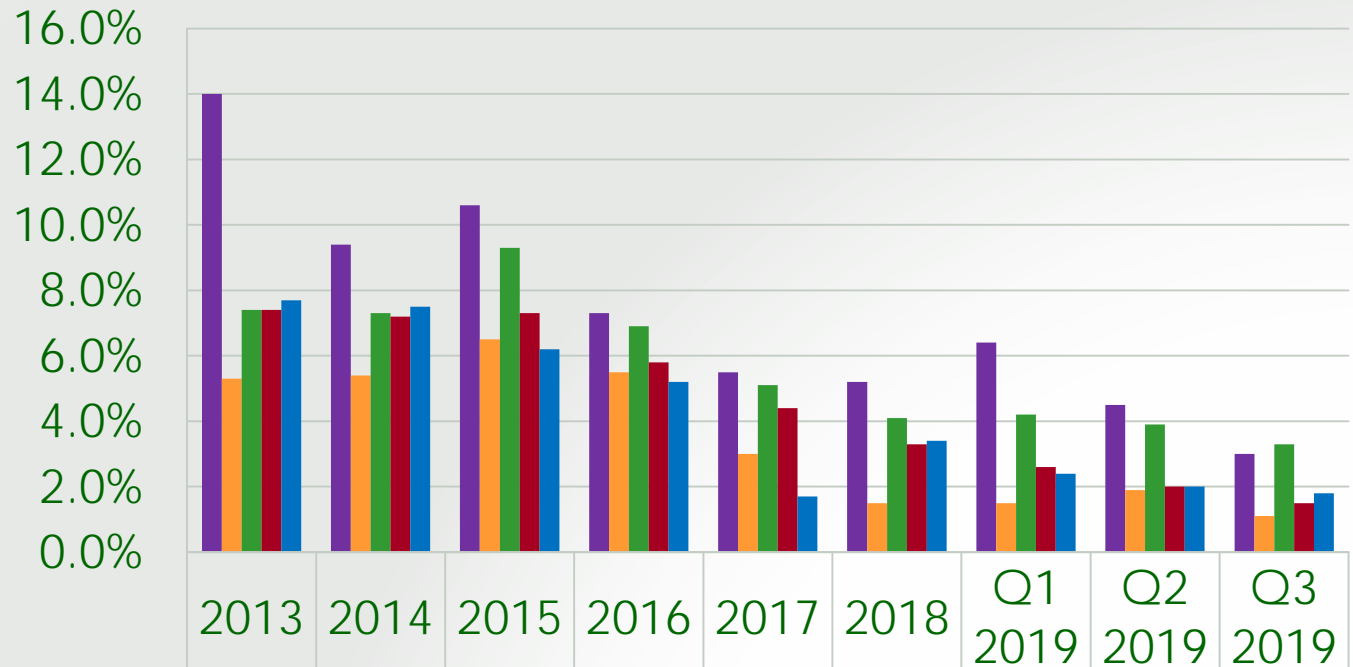
2019 USG Store Averages

- Average Store size in 2019 was 60,297 Net Rentable SF
- 2019 average unit size was 117 s.f. and average units per site was 514.
- 2019 Average Gross Possible Income of \$14.58 psf/yr or \$1.215 psf/month
- Box Sales Per Lease 2017 was \$25.60
- USG Portfolio **Same Store Sales Increases, YoY**
 - Actual Occupied Unit Rates up 6.25% - Economic Occupancy
 - Unit Occupancy +2.0%
 - Total Insurance Sales +12.18%
 - Total Payments + 9.28%
 - Gross Potential Rates + 1.38%
 - Gross Occupied Rates + 5.84%



USG vs. the REITs

Same Store % Sales Increase vs. Prior Year

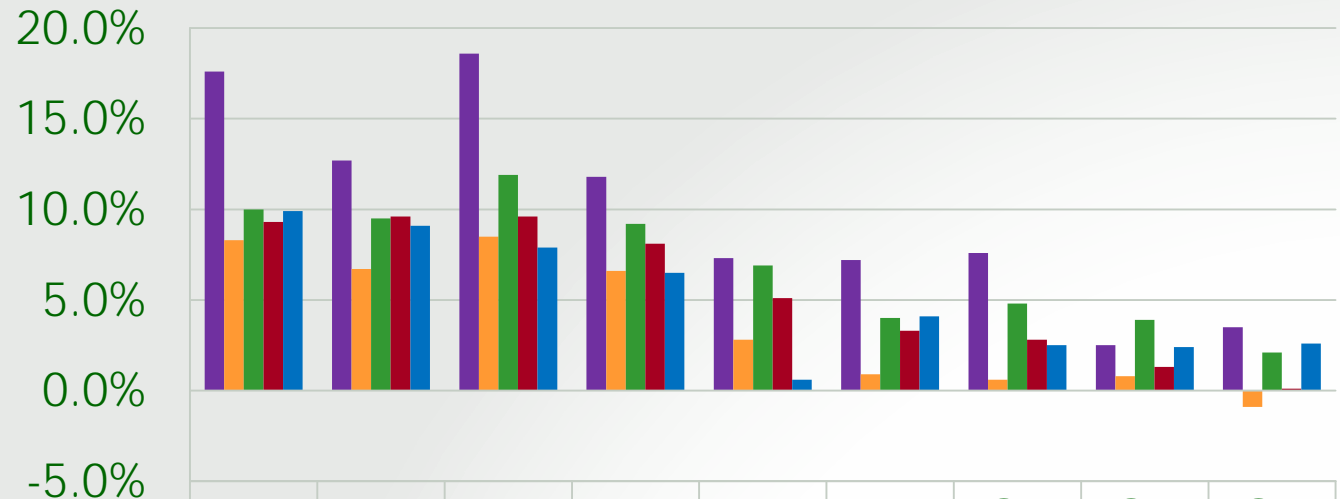


■ USG	14.0%	9.4%	10.6%	7.3%	5.5%	5.2%	6.4%	4.5%	3.0%
■ Public Storage	5.3%	5.4%	6.5%	5.5%	3.0%	1.5%	1.5%	1.9%	1.1%
■ Extra Space	7.4%	7.3%	9.3%	6.9%	5.1%	4.1%	4.2%	3.9%	3.3%
■ Cube Smart	7.4%	7.2%	7.3%	5.8%	4.4%	3.3%	2.6%	2.0%	1.5%
■ Life Storage	7.7%	7.5%	6.2%	5.2%	1.7%	3.4%	2.4%	2.0%	1.8%

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USG vs. the REITs

Net Operating Income % Increase vs. Prior Year



	2013	2014	2015	2016	2017	2018	Q1 2019	Q2 2019	Q3 2019
USG	17.6%	12.7%	18.6%	11.8%	7.3%	7.2%	7.6%	2.5%	3.5%
Public Storage	8.3%	6.7%	8.5%	6.6%	2.8%	0.9%	0.6%	0.8%	-0.9%
Extra Space	10.0%	9.5%	11.9%	9.2%	6.9%	4.0%	4.8%	3.9%	2.1%
Cube Smart	9.3%	9.6%	9.6%	8.1%	5.1%	3.3%	2.8%	1.3%	0.1%
Life Storage	9.9%	9.1%	7.9%	6.5%	0.6%	4.1%	2.5%	2.4%	2.6%

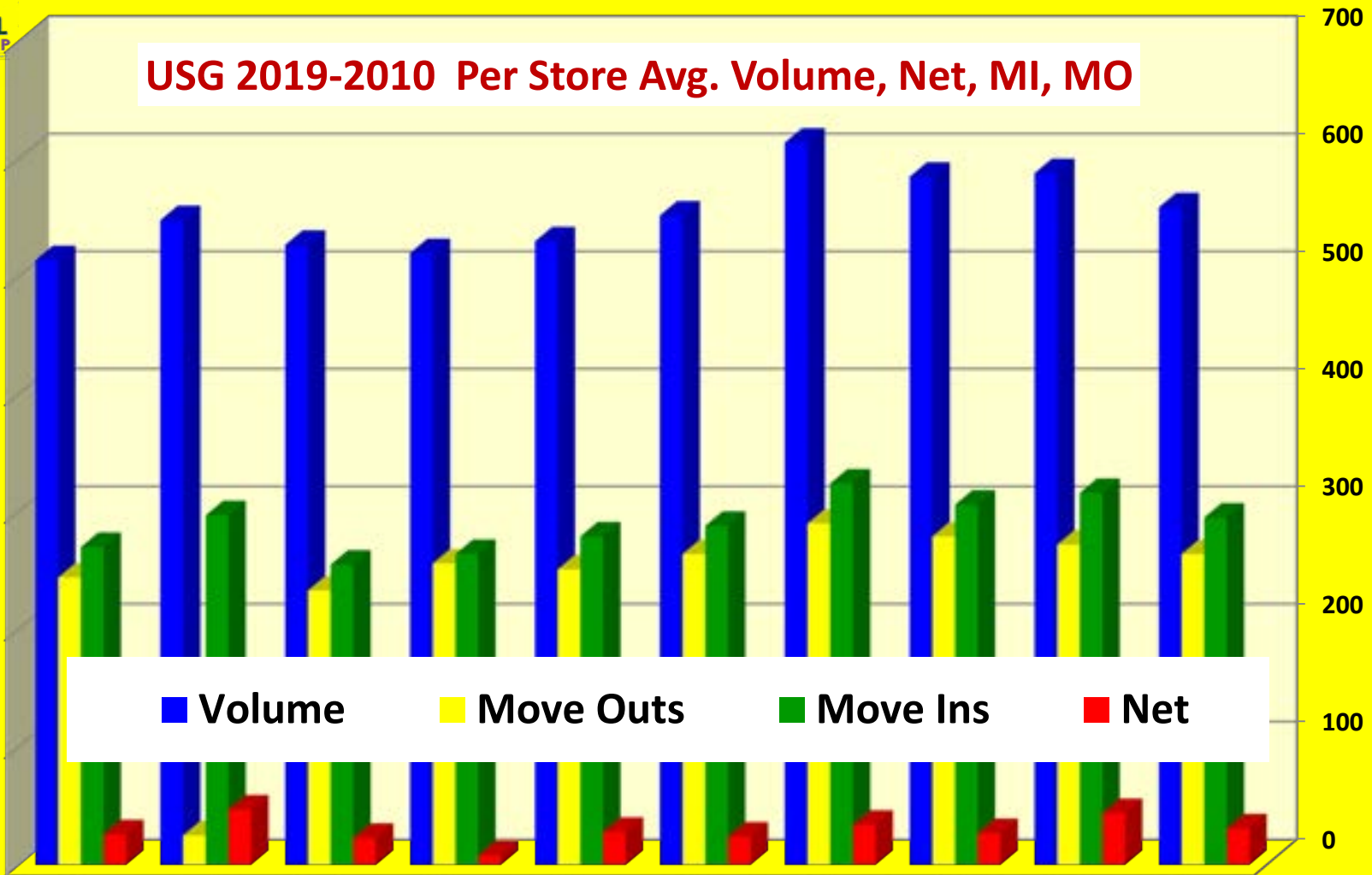
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Managers Personal Marketing Goals Achieved 2019

59	Total STORES	Avg Per Sto./YR	Avg Per Sto/Mo.
29,103.00	VISITS	493	41
40,557.00	EVENT VISITORS	687	57
62,252.00	NETWORKING/AWARENESS	1,055	88
7,774.00	OUTBOUND CALLS	132	11
26,793.00	LETTERS/POSTCARDS	454	38
2,429,630.00	EMAILS	41,180	3,432
15,525.00	FACEBOOK POSTS	263	22
15,760.00	NEW LEASES	267	22
1,428.00	REFERRALS	24	2
804,379.00	FACEBOOK REACH	13,634	1,136
3,433,201.00	TOTAL ACTIVITY	58,190	4,849

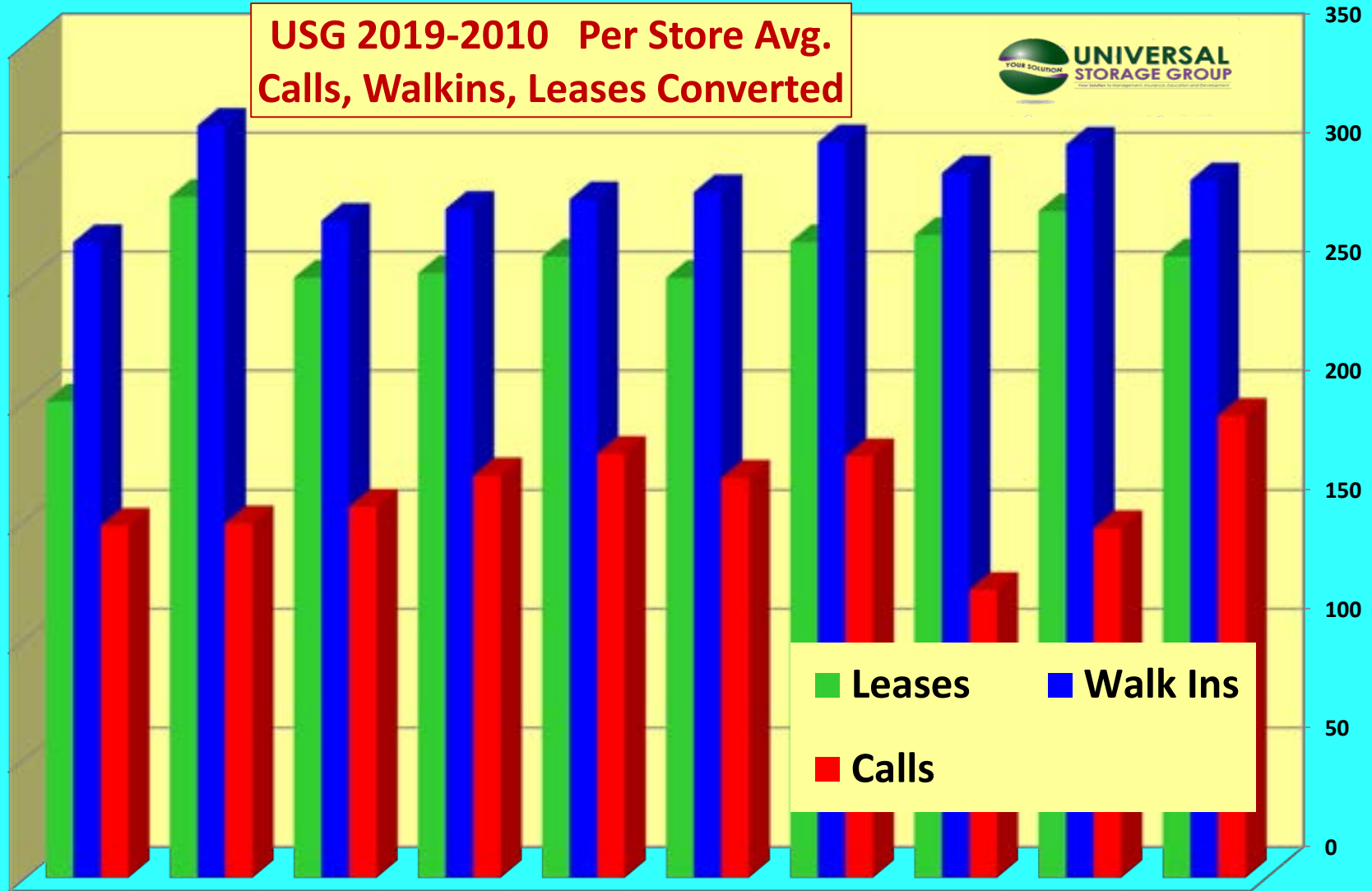
Cost per Lease \$51.09

USG 2019-2010 Per Store Avg. Volume, Net, MI, MO

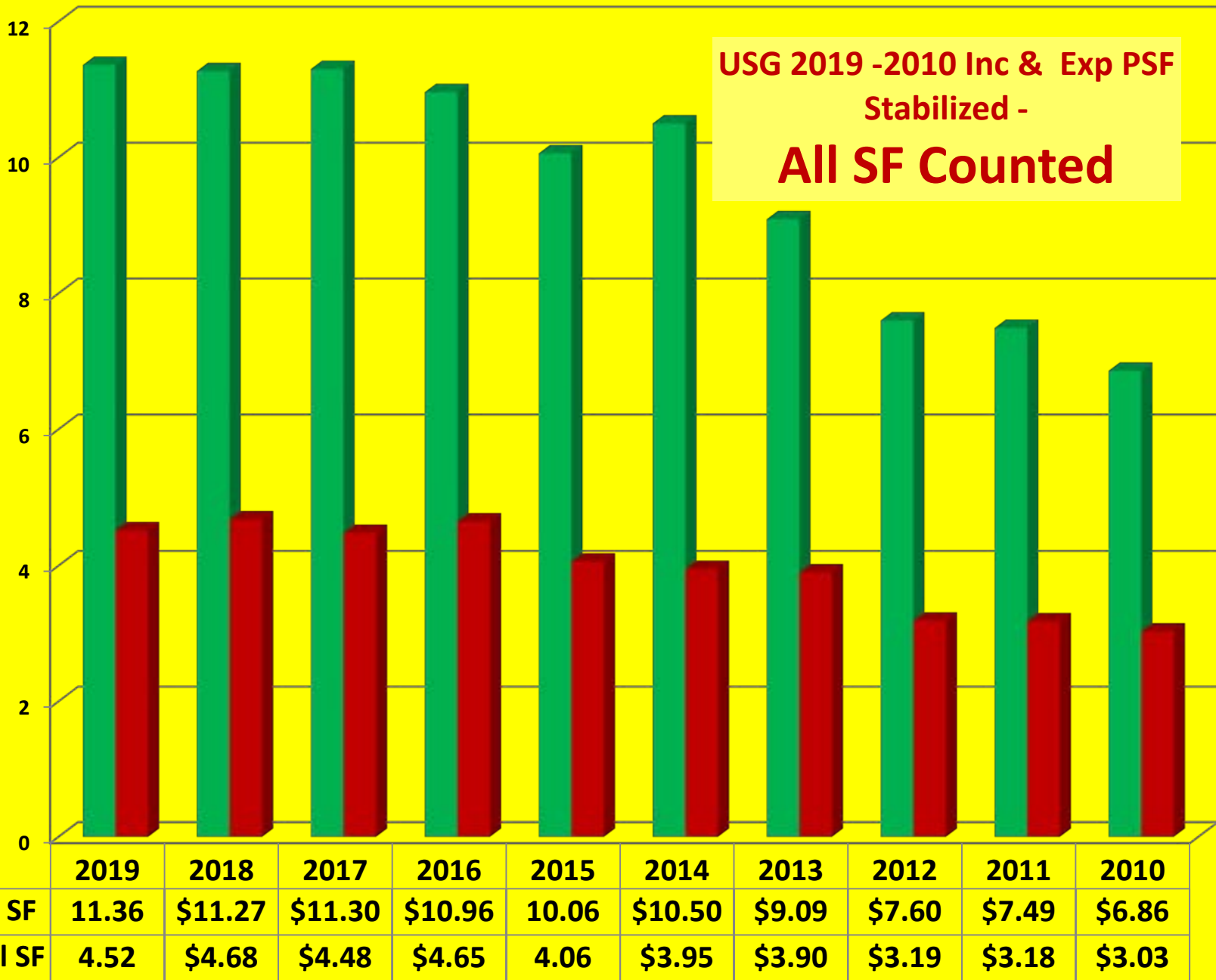


	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Volume	514	548	527	520	530	552	614	585	588	559
Move Outs	244	25	233	256	251	264	290	279	272	264
Move Ins	270	297	255	264	279	288	324	306	316	295
Net	26	47	23	8	28	24	34	27	44	31

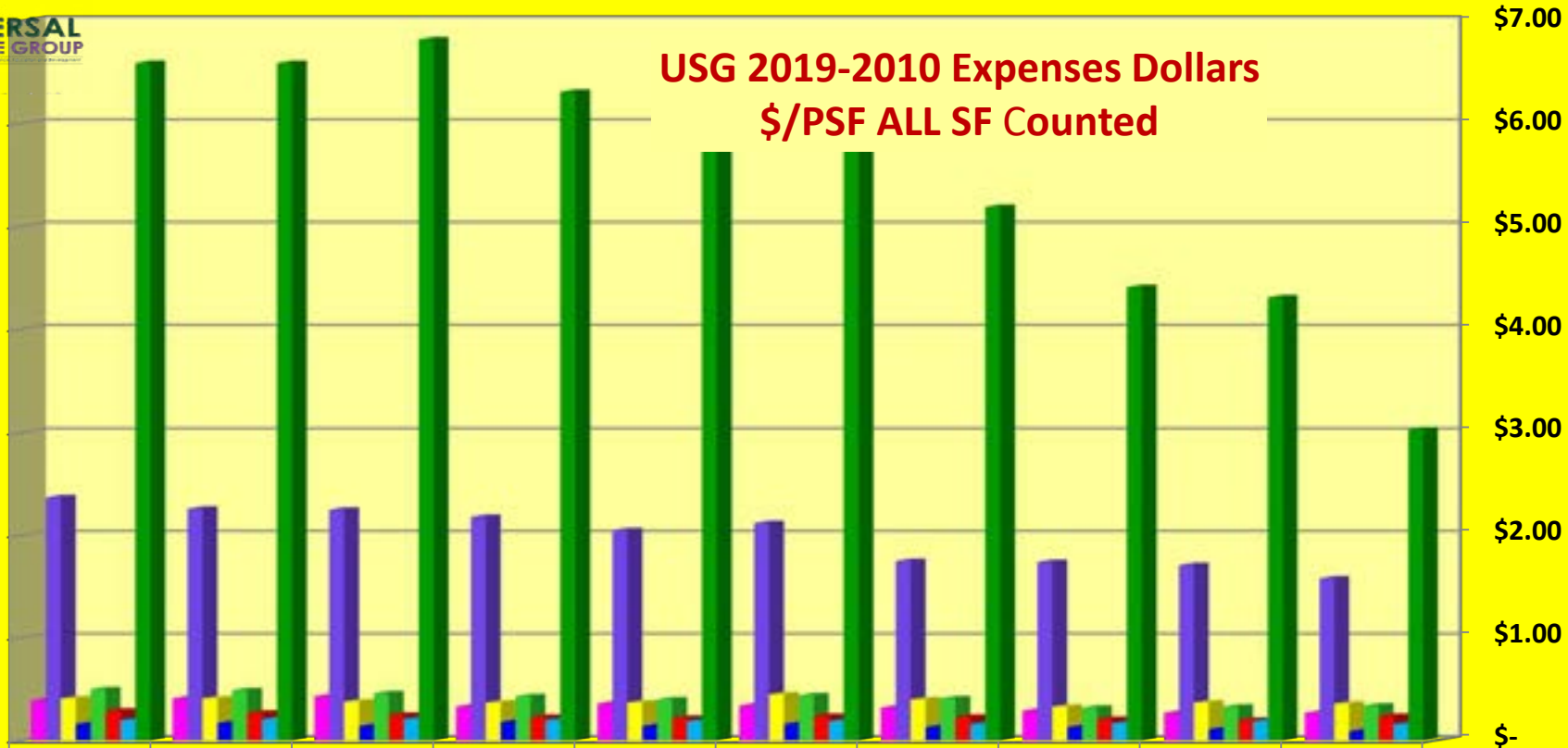
USG 2019-2010 Per Store Avg. Calls, Walkins, Leases Converted



	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Leases	200	286	252	254	261	252	267	270	280	261
Walk Ins	267	316	276	281	285	288	309	296	308	293
Calls	148	149	156	169	178	168	177	121	147	194



USG 2019-2010 Expenses Dollars \$/PSF ALL SF Counted



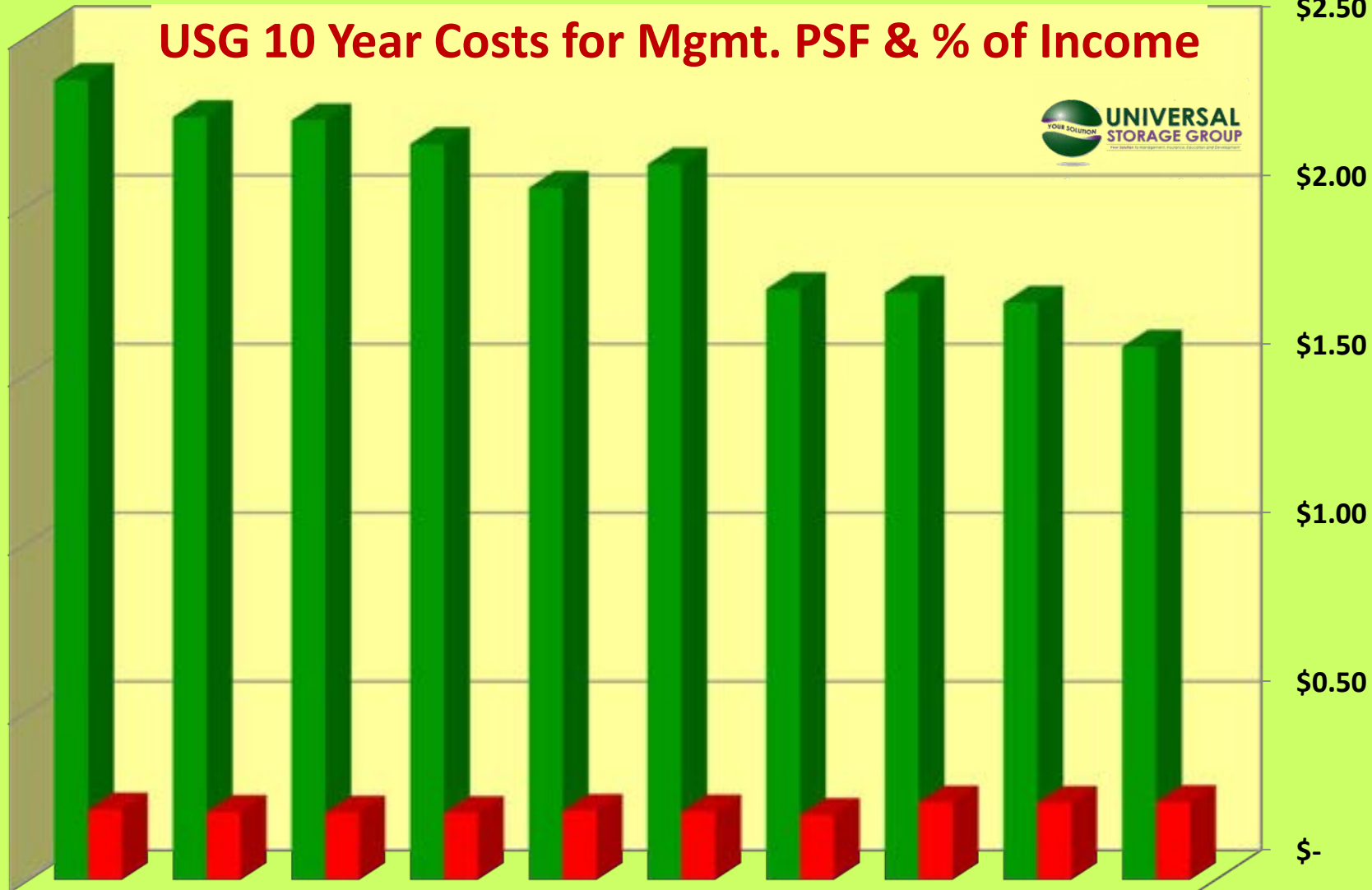
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
■ Maint.	\$0.39	\$0.41	\$0.43	\$0.33	\$0.36	\$0.34	\$0.32	\$0.29	\$0.27	\$0.27
■ Mgmt.	\$2.37	\$2.26	\$2.25	\$2.18	\$2.05	\$2.12	\$1.75	\$1.74	\$1.71	\$1.58
■ Utilities	\$0.41	\$0.41	\$0.38	\$0.37	\$0.37	\$0.45	\$0.40	\$0.33	\$0.37	\$0.36
■ Insur.	\$0.16	\$0.17	\$0.14	\$0.18	\$0.14	\$0.16	\$0.13	\$0.13	\$0.11	\$0.09
■ Admin.	\$0.50	\$0.49	\$0.46	\$0.43	\$0.40	\$0.44	\$0.41	\$0.32	\$0.33	\$0.34
■ Adver.	\$0.29	\$0.27	\$0.25	\$0.23	\$0.22	\$0.24	\$0.23	\$0.21	\$0.20	\$0.24
■ Oper.	\$0.20	\$0.21	\$0.21	\$0.20	\$0.19	\$0.19	\$0.16	\$0.17	\$0.19	\$0.16
■ NOI	\$6.59	\$6.59	\$6.82	\$6.31	\$6.00	\$6.55	\$5.19	\$4.41	\$4.31	\$3.03

USG 2019-2010 Expenses as % of Actual Income Stabilized Stores



	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
■ Maint.	3.4%	3.6%	3.8%	3.2%	3.6%	3.3%	3.5%	3.90%	3.62%	3.91%
■ Mgmt.	20.8%	20.1%	19.9%	19.8%	20.4%	20.2%	19.2%	22.90%	22.78%	23.03%
■ Utilities	3.6%	3.7%	3.3%	3.4%	3.7%	4.3%	4.4%	4.30%	4.95%	5.26%
■ Insur.	1.4%	1.5%	1.2%	1.6%	1.4%	1.5%	1.5%	1.80%	1.43%	1.30%
■ Admin.	4.4%	4.4%	4.1%	3.9%	4.0%	4.2%	4.5%	4.20%	4.41%	4.90%
■ Adver.	2.6%	2.4%	2.2%	2.0%	2.2%	2.3%	2.5%	2.80%	2.71%	3.53%
■ Oper.	1.8%	1.8%	1.8%	1.8%	1.9%	1.8%	1.8%	2.30%	2.55%	2.30%
■ NOI	58.00%	58.44%	60.3%	57.6%	59.64%	62.40%	57.05%	57.95%	57.54%	55.73%

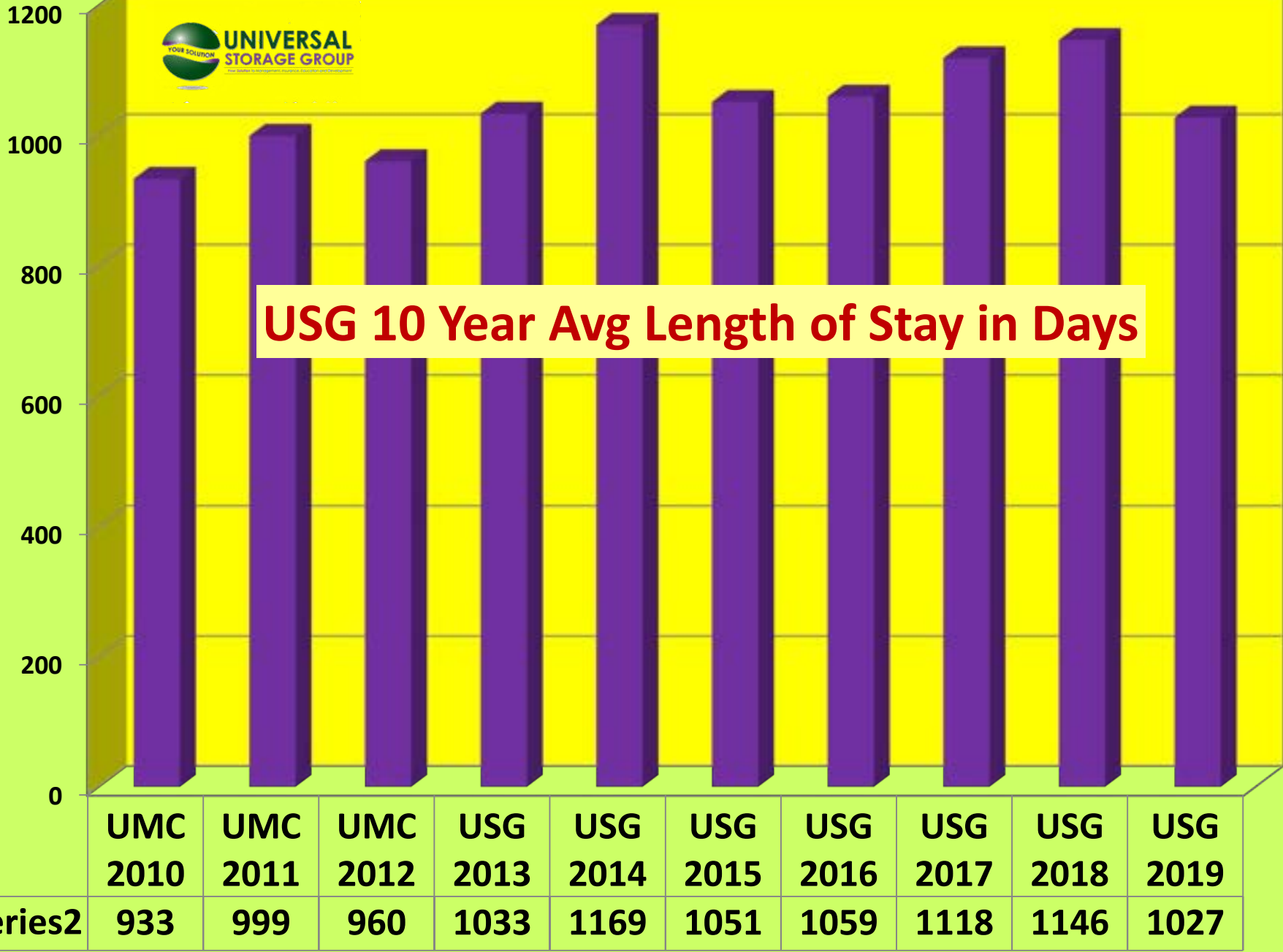
USG 10 Year Costs for Mgmt. PSF & % of Income



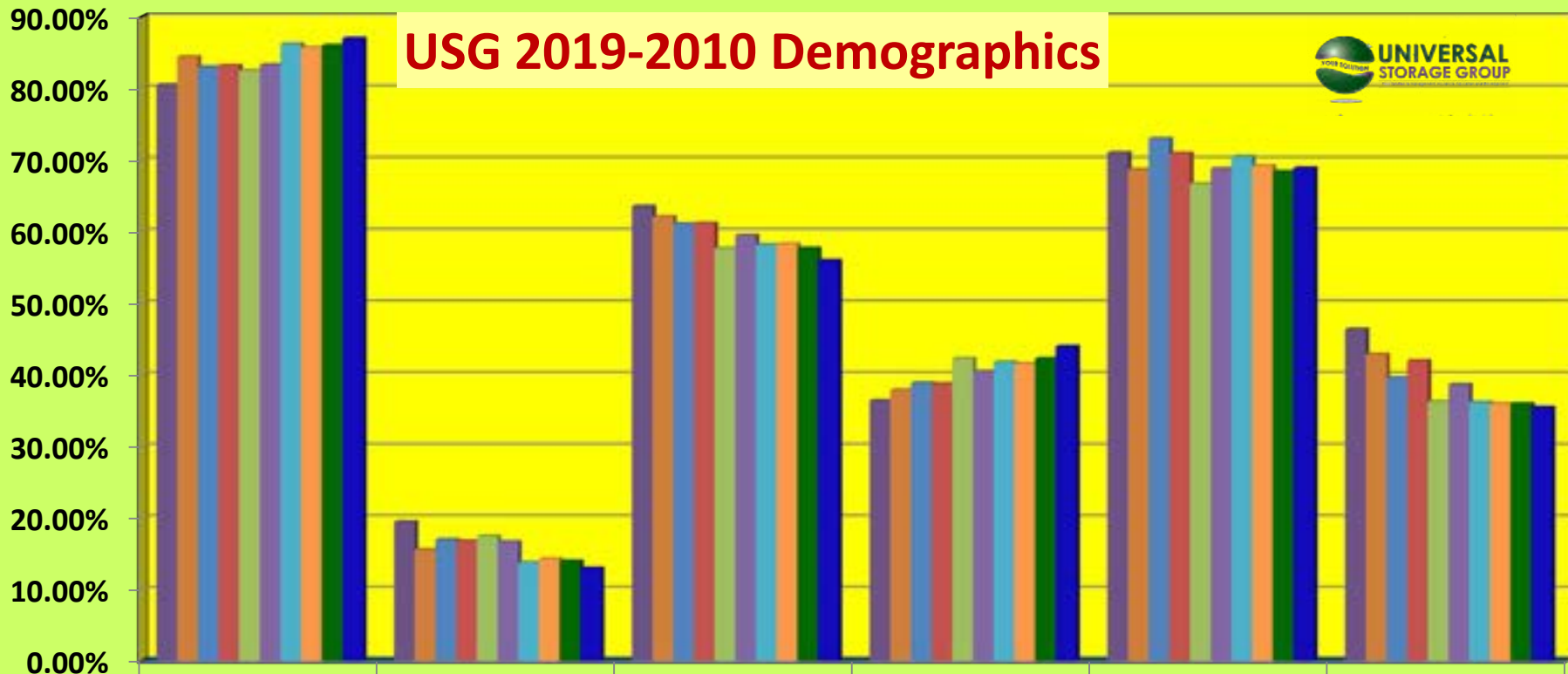
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
■ \$psf/yr	\$2.37	\$2.26	\$2.25	\$2.18	2.05	\$2.12	\$1.75	\$1.74	\$1.71	\$1.58
■ % of \$	20.8%	20.1%	19.9%	19.8%	20.4%	20.2%	19.20%	22.90%	22.78%	23.03%



USG 10 Year Avg Length of Stay in Days

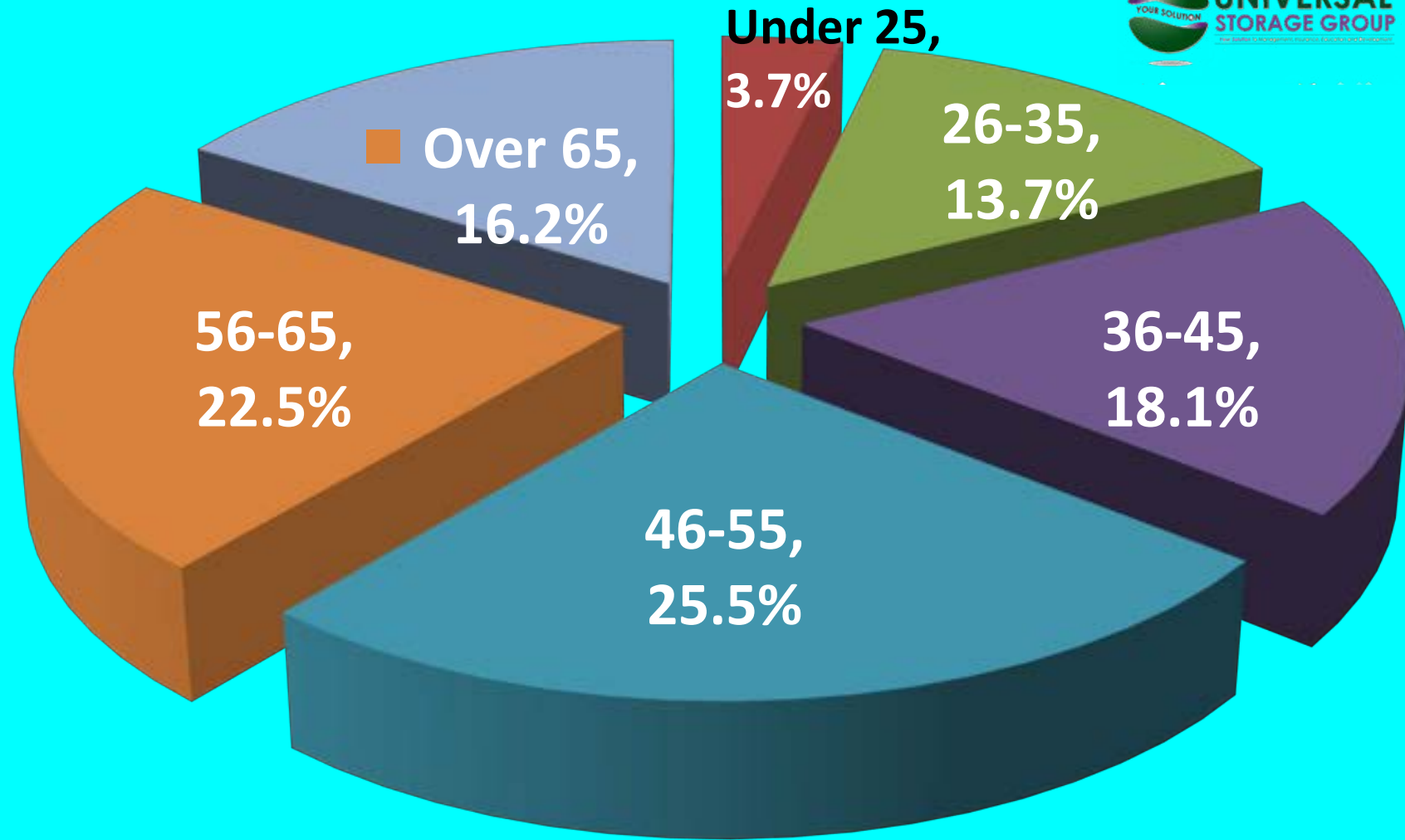


USG 2019-2010 Demographics

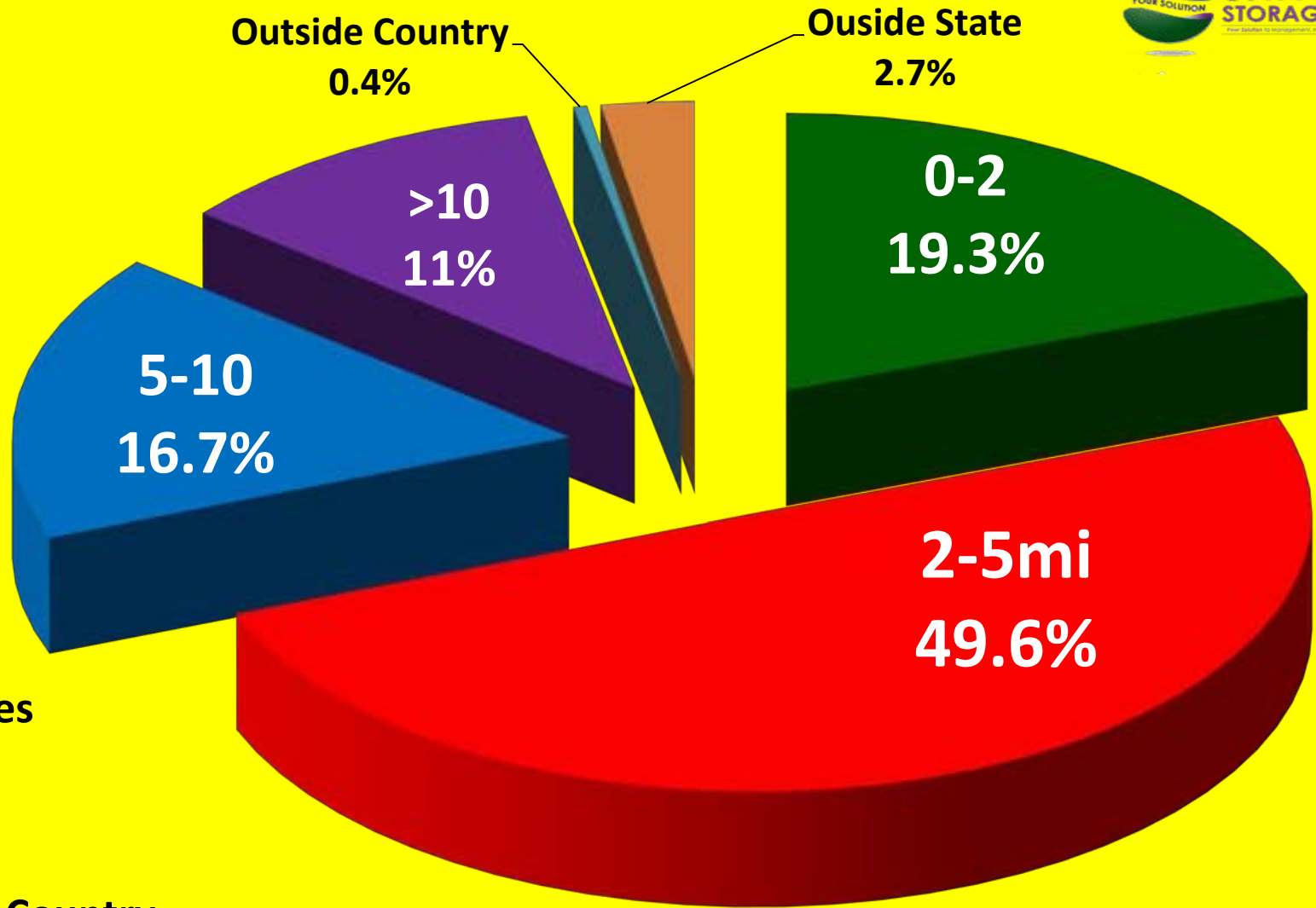


	Residential	Commercial	Avg % Male	Avg % Fem	Avg < 5 mi	Avg < 45 yr
■ UMC 2010	80.51%	19.49%	63.56%	36.44%	71.03%	46.41%
■ UMC 2011	84.4%	15.6%	62.1%	37.9%	68.7%	42.9%
■ UMC 2012	83.00%	17.00%	61.10%	38.90%	73.00%	39.60%
■ USG 2013	83.2%	16.8%	61.2%	38.8%	71.0%	42.0%
■ USG 2014	82.5%	17.5%	57.7%	42.3%	66.7%	36.3%
■ USG 2015	83.3%	16.7%	59.5%	40.5%	68.8%	38.7%
■ 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 2019 Customer Age Groups

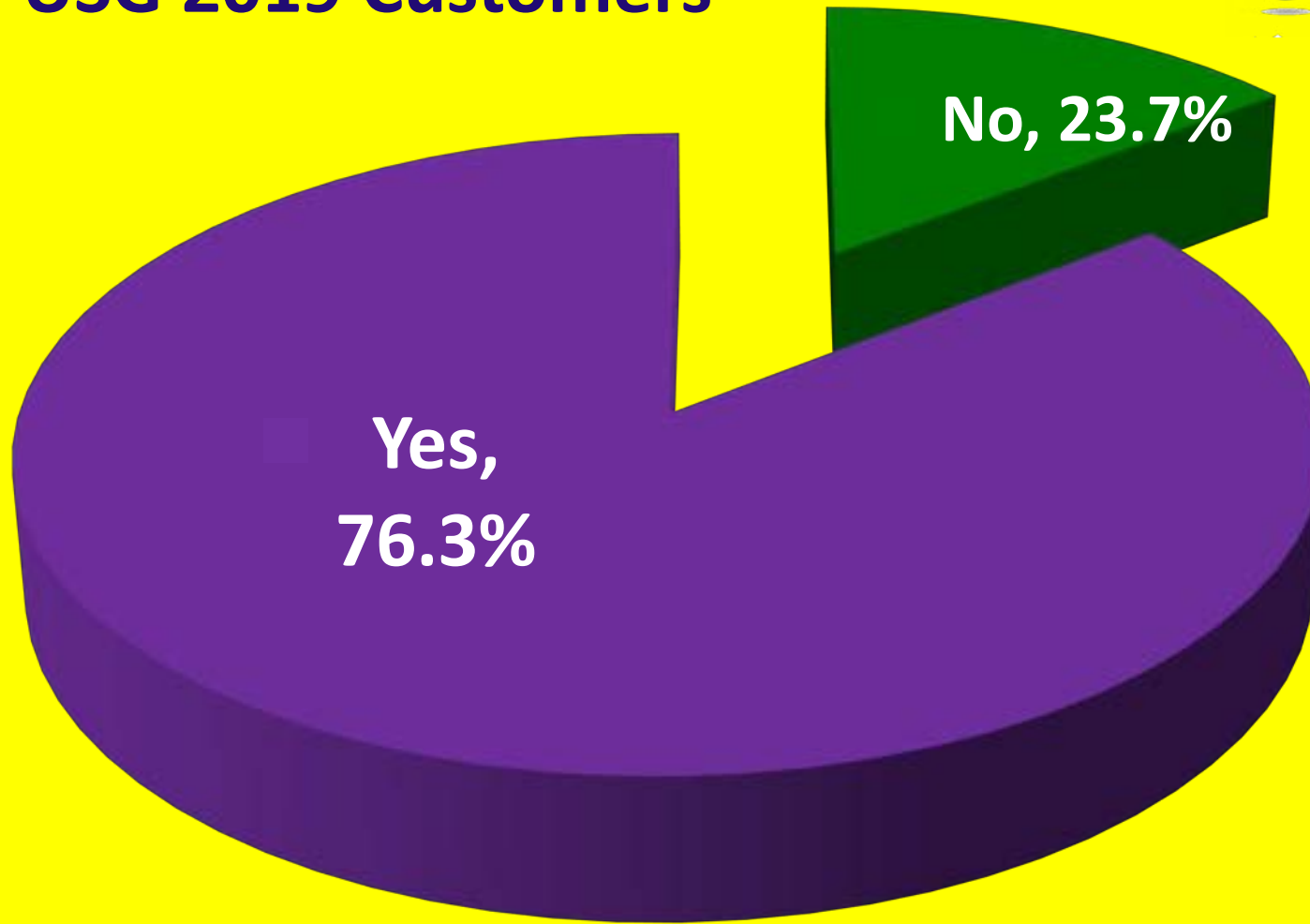


USG 2019 Customer Distance In Miles From Store



- 0-2
- 2-5 miles
- 5-10
- >10
- Outside Country
- Outside State

Ever Used Storage Before? USG 2019 Customers



USG 2019 10 Year Traffic Sources



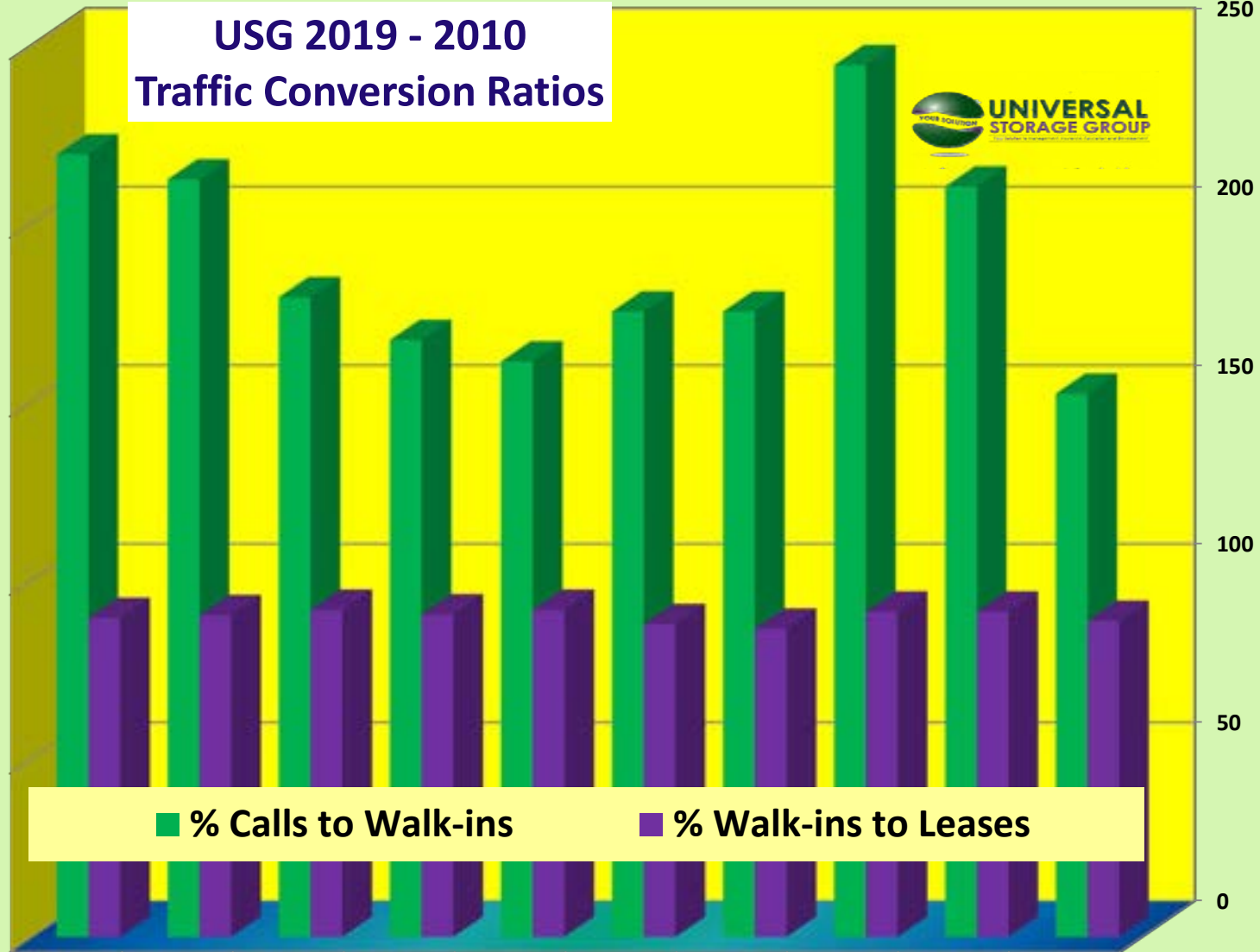
**RREM = Repeats,
Referrals, Events,
Marketing**



	Drive-By	Yellow Pages	Other	Internet	RREM
■ UMC 2010	45%	2%	7%	13%	35%
■ UMC 2011	42%	1%	2%	18%	37%
■ UMC 2012	40.4%	0.80%	4.00%	19.4%	37%
■ USG 2013	28.8%	0.80%	3%	21%	45%
■ USG 2014	38.8%	0.7%	4.8%	23.1%	30.1%
■ USG 2015	38.7%	0.4%	3.0%	24.2%	33.3%
■ 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%

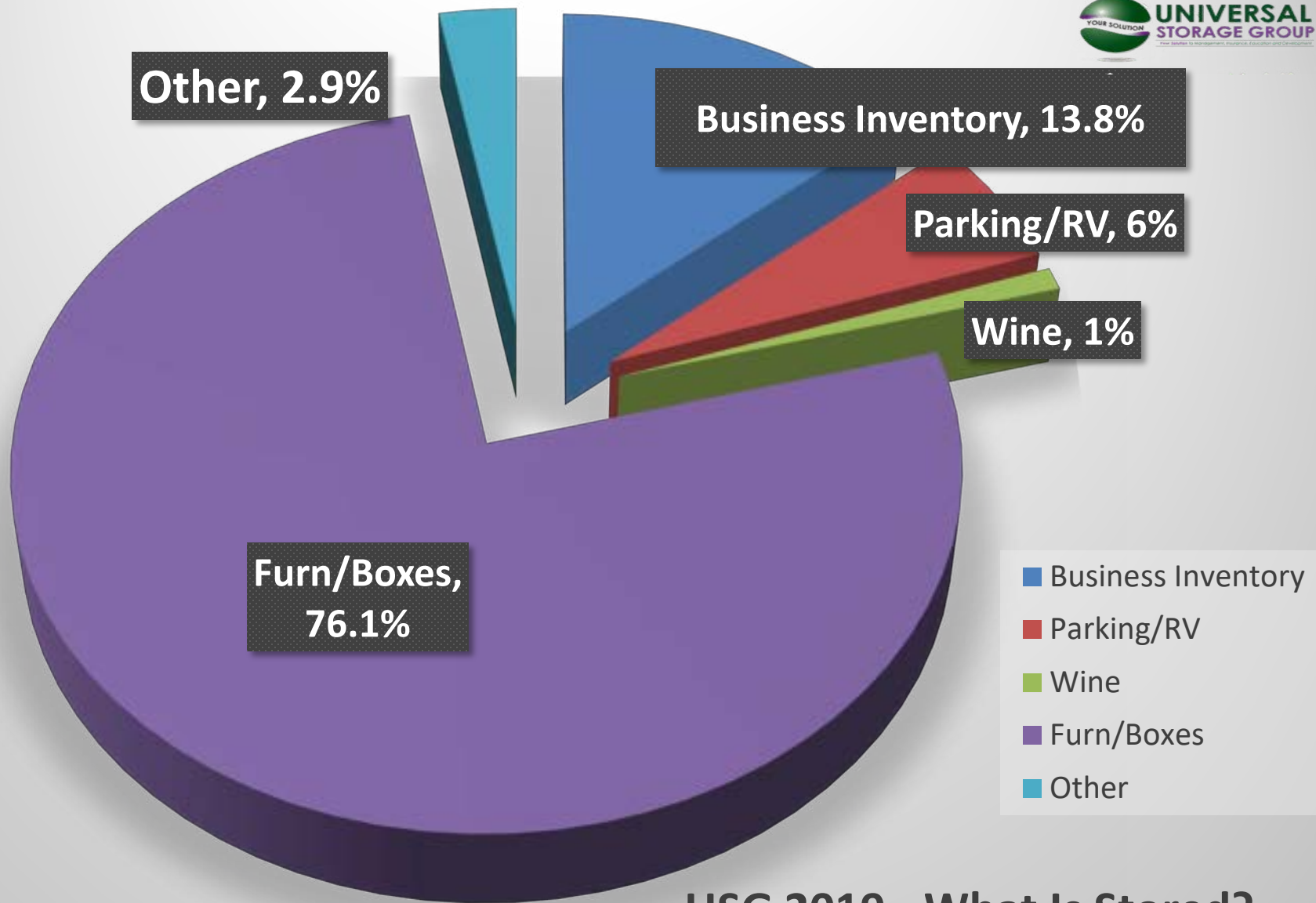
For Each Call We Had 2.19 Walk-ins For Each Walk-in We closed 89.2% Of Them.

**USG 2019 - 2010
Traffic Conversion Ratios**

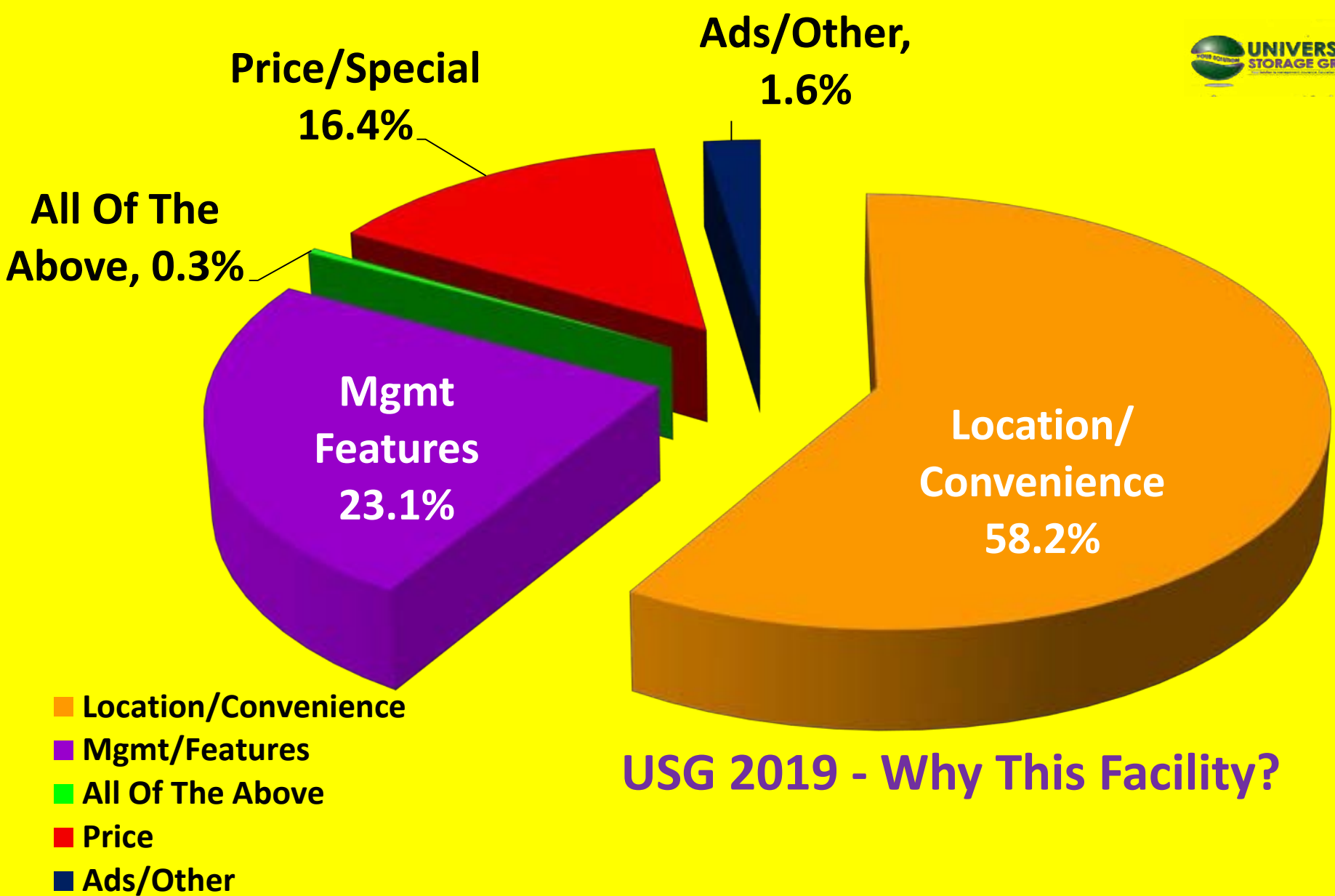


■ % Calls to Walk-ins ■ % Walk-ins to Leases

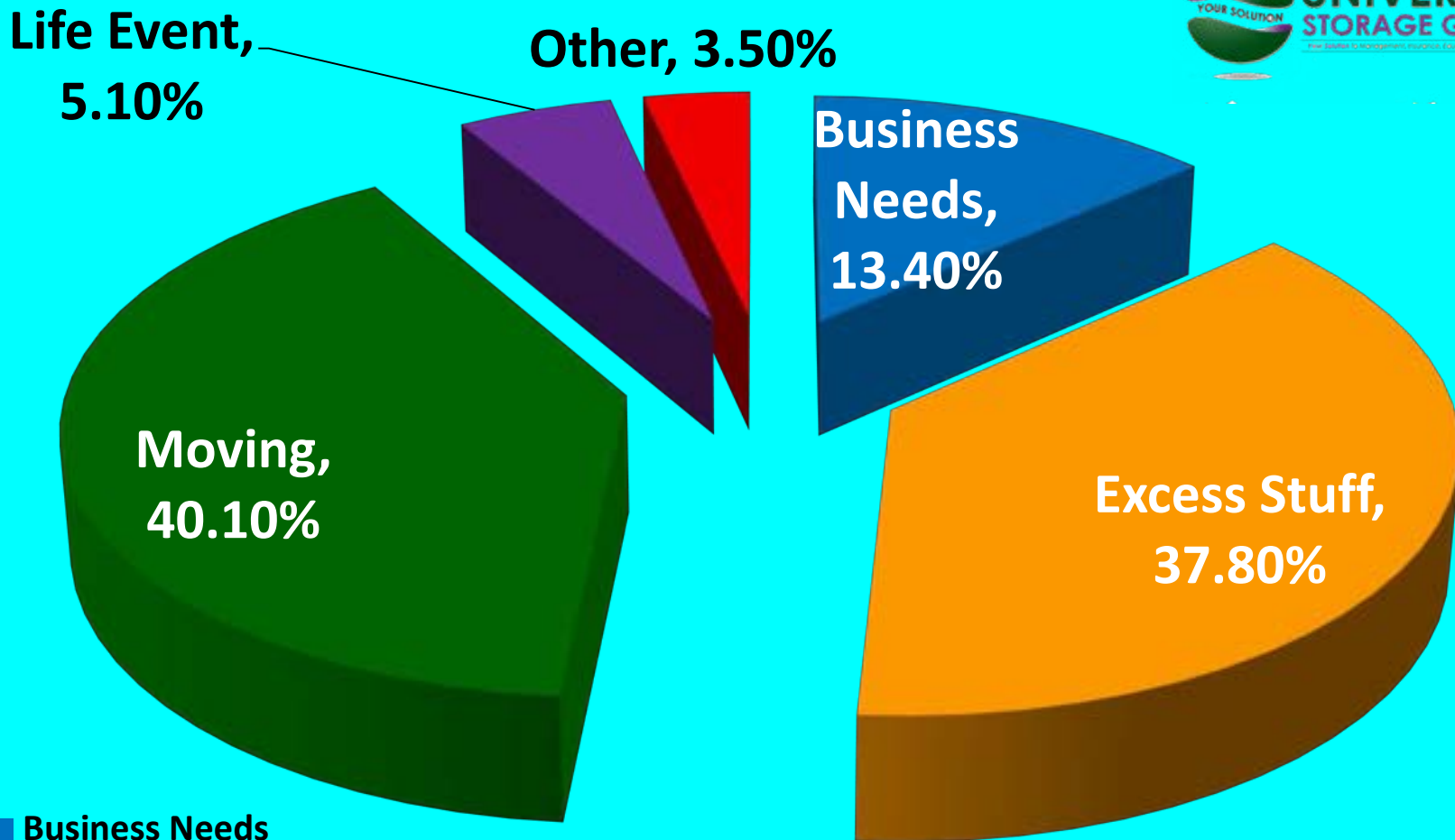
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
■ % Calls to Walk-ins	219	212	179.0	167.0	161.0	175.0	175.0	244.0	210.0	152.0
■ % Walk-ins to Leases	89.2	90	91.50	90.20	91.50	87.50	86.20	91.00	91.00	88.40



USG 2019 - What Is Stored?



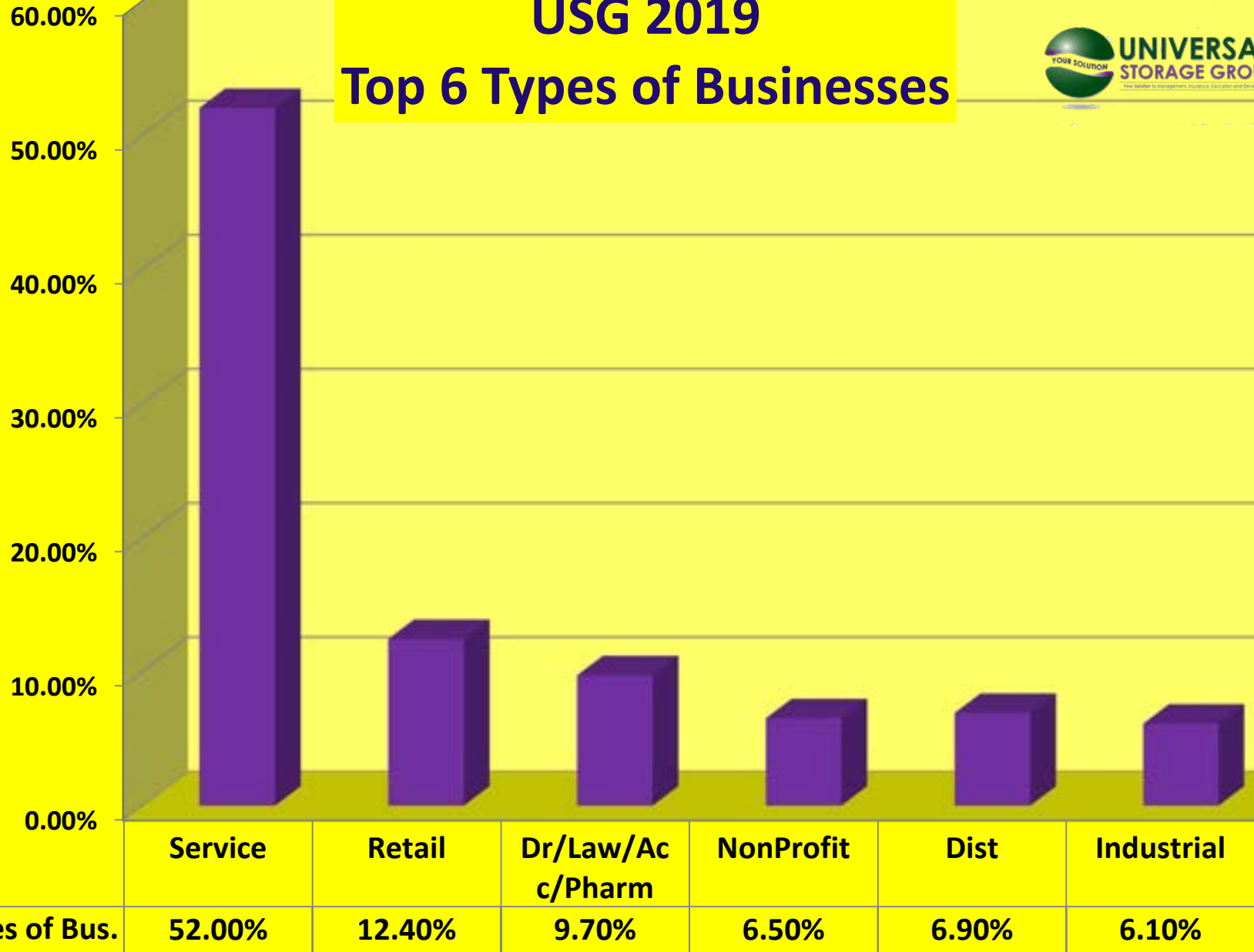
USG 2019 - Reason For Storing

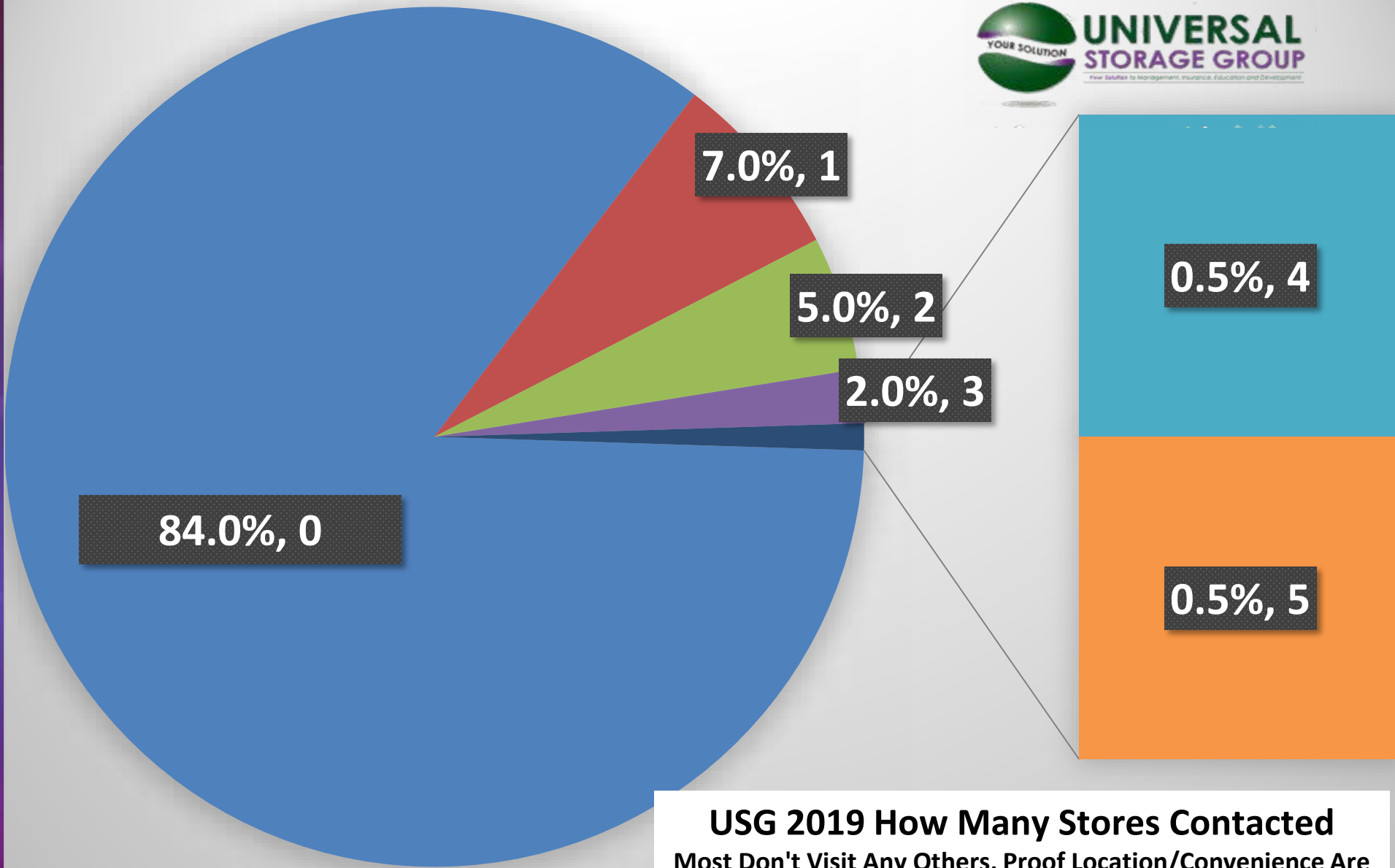


- Business Needs
- Excess Stuff
- Moving
- Life Event
- Other

USG 2019

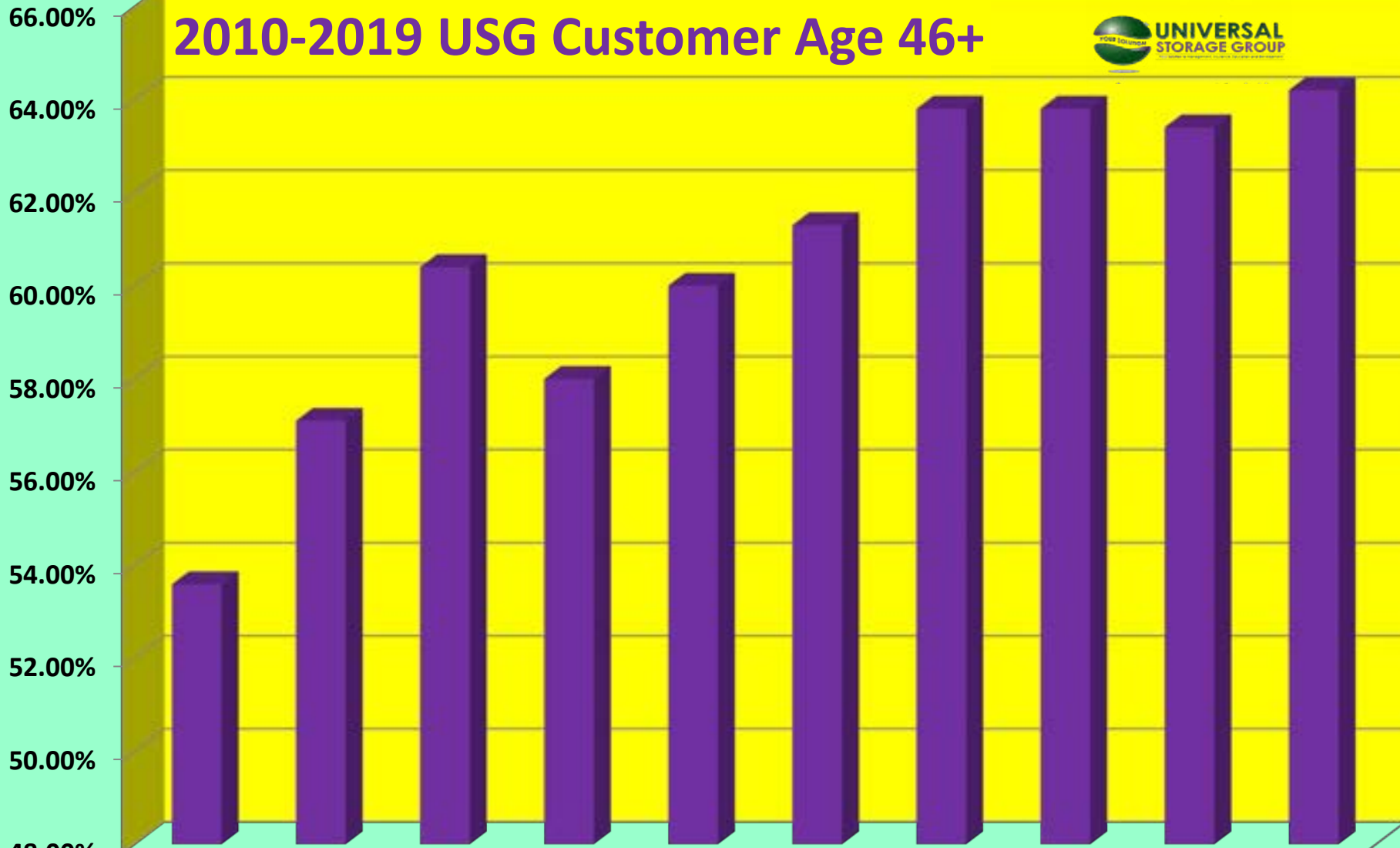
Top 6 Types of Businesses





USG 2019 How Many Stores Contacted
 Most Don't Visit Any Others, Proof Location/Convenience Are
 The Critical Factors, Not Price

2010-2019 USG Customer Age 46+

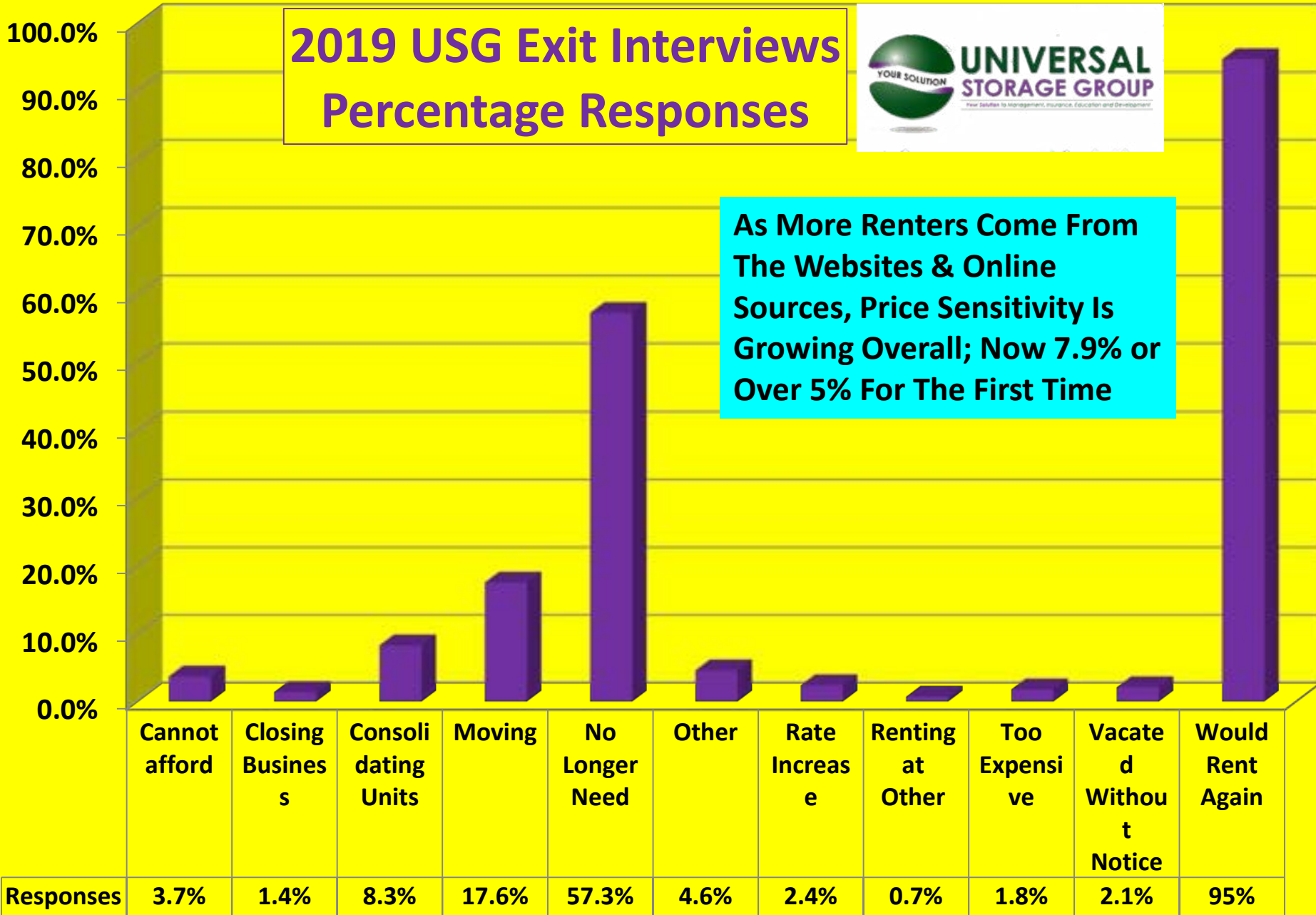


	UMC 2010	UMC 2011	UMC 2012	USG 2013	USG 2014	USG 2015	USG 2016	USG 2017	USG 2018	USG 2019
Age over 45	53.59%	57.10%	60.40%	58.00%	60.00%	61.30%	63.80%	63.80%	63.40%	64.20%

2019 USG Exit Interviews Percentage Responses



As More Renters Come From The Websites & Online Sources, Price Sensitivity Is Growing Overall; Now 7.9% or Over 5% For The First Time



Responses	3.7%	1.4%	8.3%	17.6%	57.3%	4.6%	2.4%	0.7%	1.8%	2.1%	95%
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2019 USG 5 Star Customer Ratings Move Out

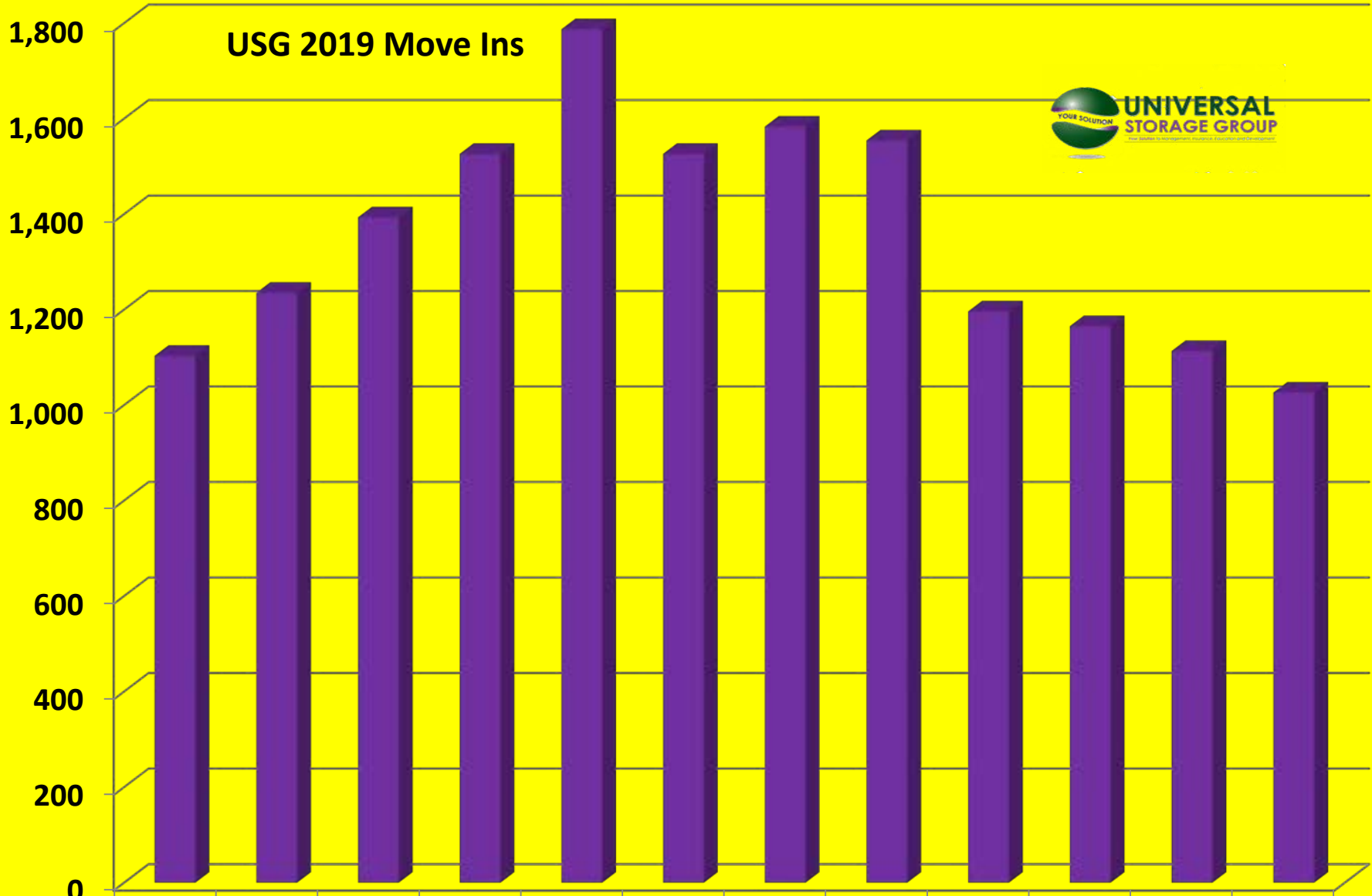


Google Reviews Are Super Critical To Website Performance Now, 2019 Totals 1242 Reviews, 4.58 Stars Average Rating; Exactly The Same As Move Outs



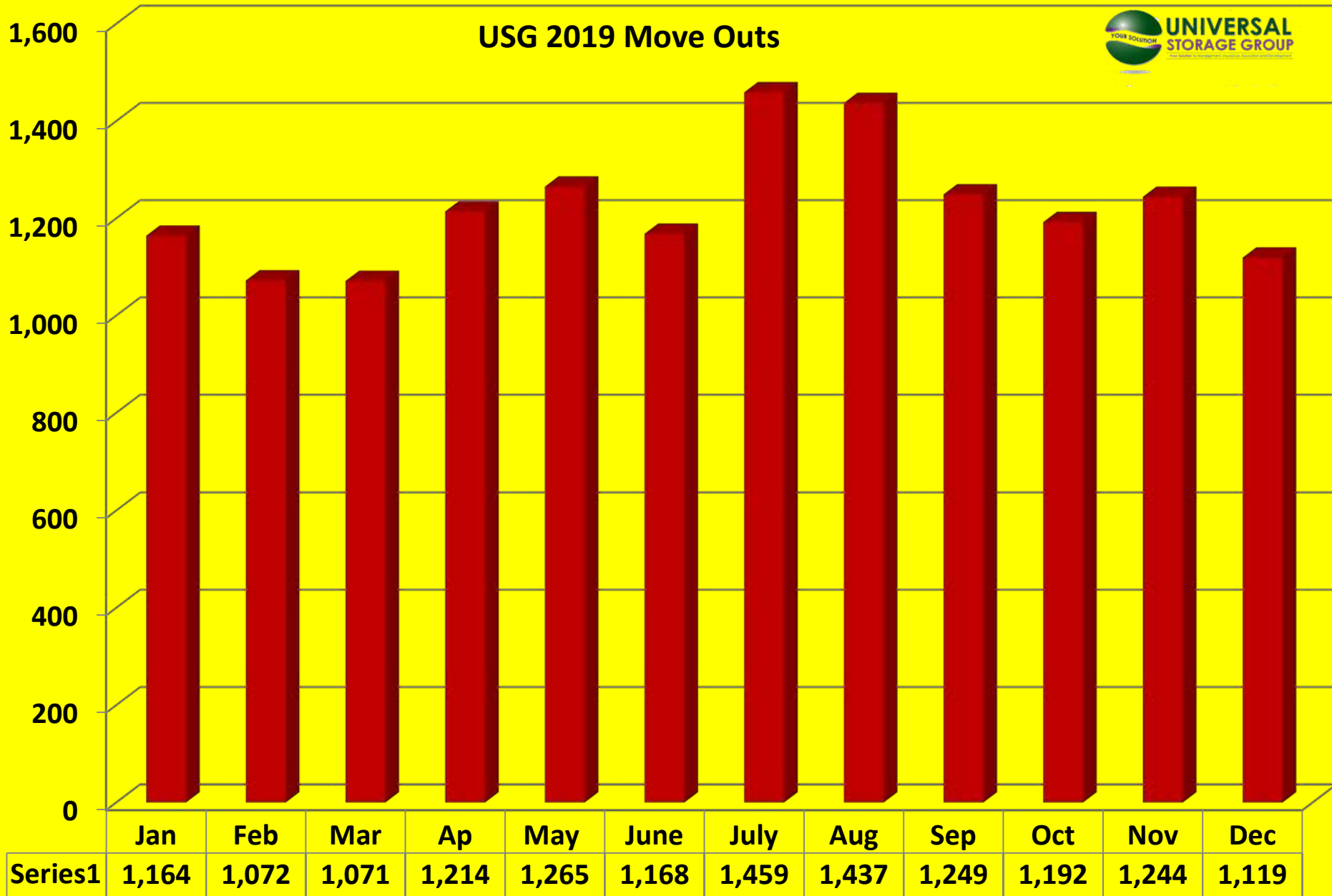
■ 5 star rating	4.58	4.66	4.16	4.69	4.66	4.74
■ Percentage	91.7%	91.6%	83.3%	93.8%	93.2%	94.9%

USG 2019 Move Ins

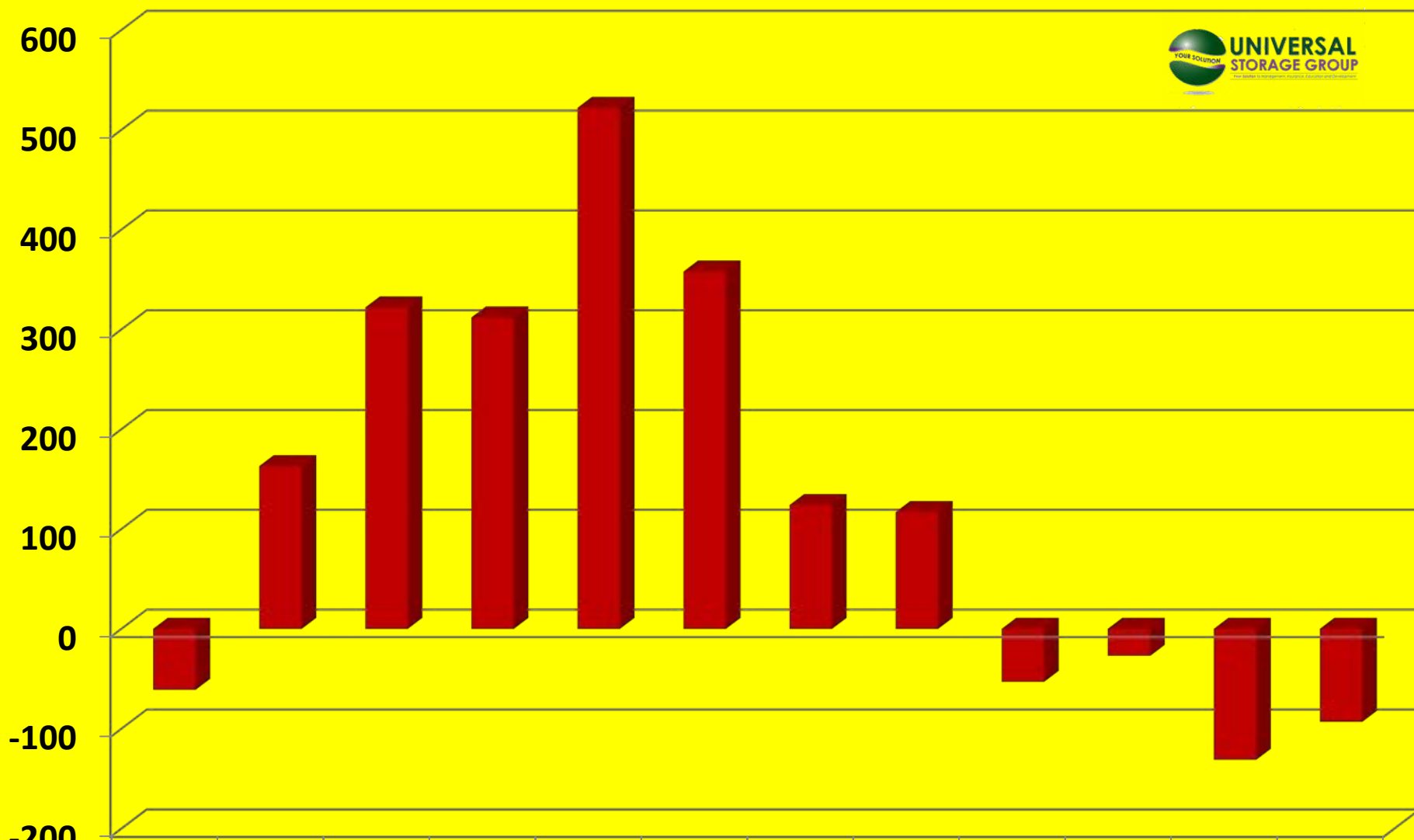


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Move Ins	1,103	1,235	1,393	1,526	1,787	1,526	1,583	1,554	1,196	1,165	1,113	1,026

USG 2019 Move Outs

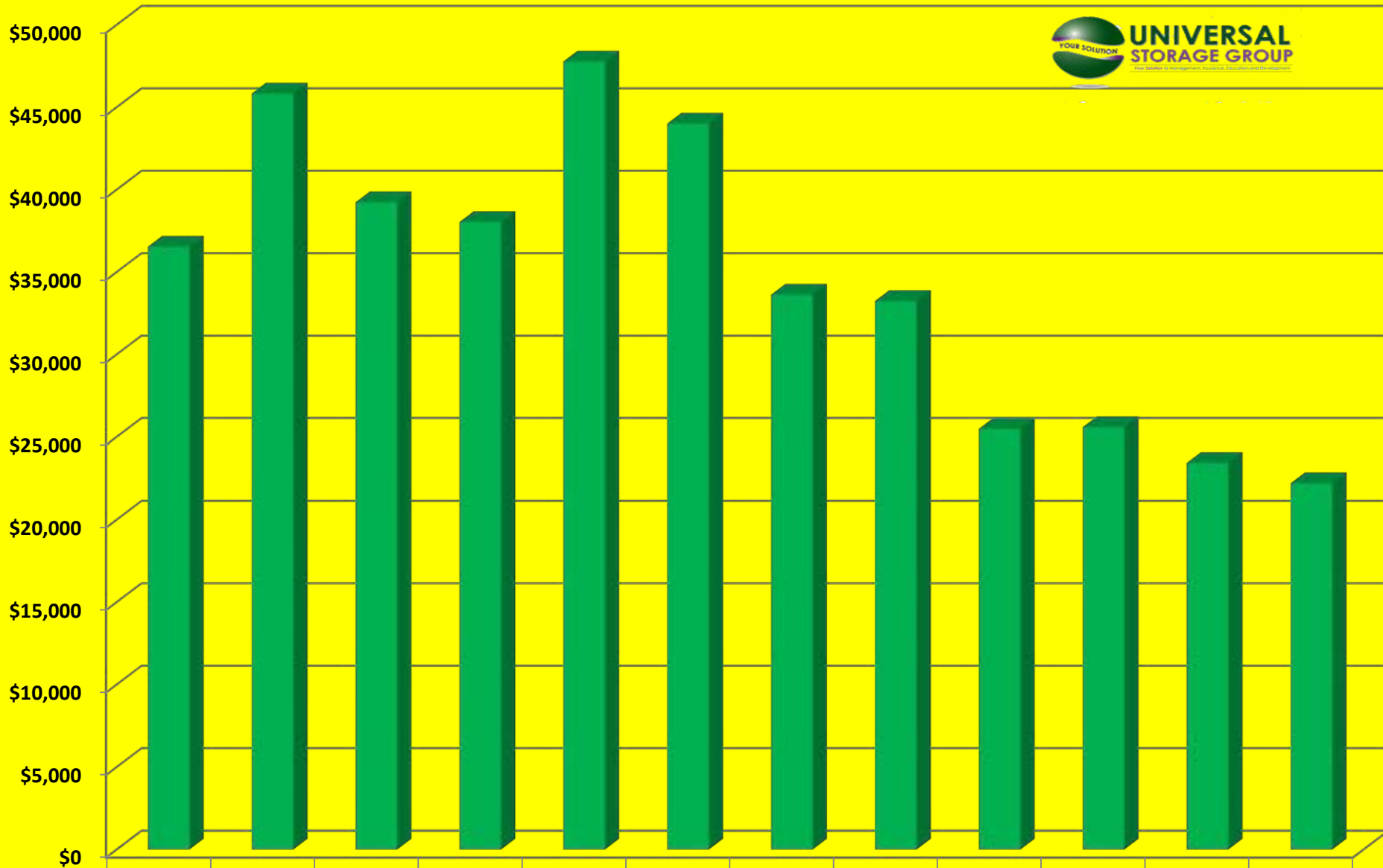


USG 2019 Net Gains



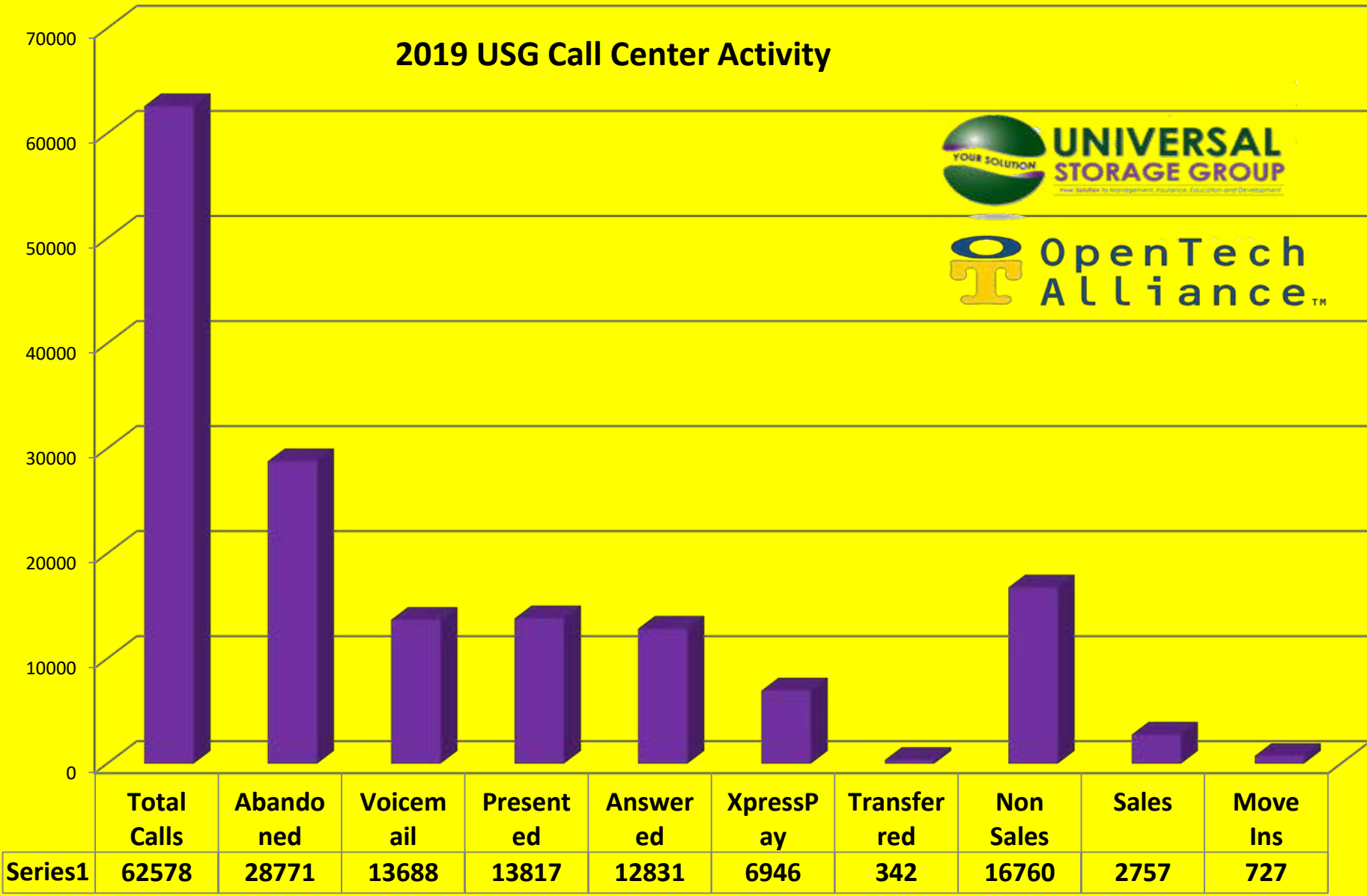
	Jan	Feb	Mar	Ap	May	June	July	Aug	Sep	Oct	Nov	Dec
Series1	-61	163	322	312	522	358	124	117	-53	-27	-131	-93

2019 USG Box Sales



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
POS Sales	\$36,529	\$45,827	\$39,228	\$38,027	\$47,768	\$44,001	\$33,619	\$33,235	\$25,482	\$25,582	\$23,434	\$22,202

2019 USG Call Center Activity



Questions or Comments?

Thank You GASSA Members & Guests

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USG continually outperforms the REITs, and we can help you do the same.



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*NOI = Net Operating Income.
SSSI = Same Store Sales Increase

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