



"What a Year in Real Estate for the Self Storage Industry."

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I've accumulated a number of Press Releases on real estate matters this past 12 months and it's amazing to see the positive activity that is happening within our industry.

Four notable trends are continuing from the previous 5-6 years or since the end of the last recession in 2012/2013. Those trends are that institutional capital continues to note the steady returns on investment that the public REITs have enjoyed these past several years and capital continues to enter our sector in the form of debt and equity. Secondly, the consolidation of smaller owner/operators being sold to large operators who improve their economies of scale. The third continuing trend is the growing number of property owners who are engaging 3rd party professional self storage management companies to run the day-to-day operations of their self storage business. And fourth, the number of new companies that are forming equity funds to acquire self-storage continues to grow with each passing month.

Besides these four trends, there were several investment opportunities that were created in 2020. Simply Self Storage portfolio of properties and company is being acquired by the Blackstone Group for \$1.2 Billion. Storage-Mart, the largest independent self-storage company is partnering with Cascade Investment, a Bill Gates owned company, in a \$2.7 Billion transaction to continue growing the company and create a private REIT. Nextpoint Storage has purchased the mortgage REIT, Jernigan Capital, and they're taking the company private.

Finally, I have just received a report from CoStar and they are reporting that through November 30th, 2020 they have recorded \$3.2 Billion in self storage sales. This equates to 1,477 sales transactions at an average sale price of \$3.5 Million or \$89 per net rentable square foot.

Yes, this has been a most productive year for the self storage real estate sector with continued low interest rates combined with low Cap Rates to entice owners to either sell or refinance their properties.

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