
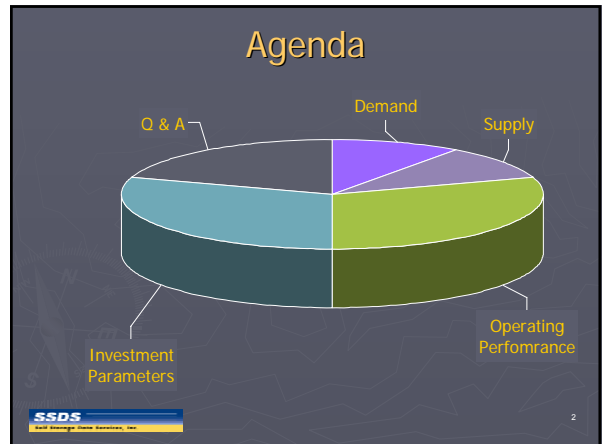


Track One: Construction and Development

Self-Storage Valuation Operating Performance Trends

Ray Wilson, MAI, CRE
Self Storage Data Services, Inc. (SSDS)

8:00am - 8:50am
Location: Casanova 602

Executive Summary

- ▶ Asking Rent Rates Are Up
- ▶ Median Physical Occupancy Remains High
- ▶ The Number of Facilities Offering Concessions & the Cost of Concessions Increased Slightly
- ▶ Still, Seasonally Adjusted Rent Collected per Occupied Square Foot Increased
- ▶ Tenant Demand is Strong and Investor Demand Has Weakened for Some Facility Types

SSDS
Self Storage Data Services, Inc.

Supply & Demand

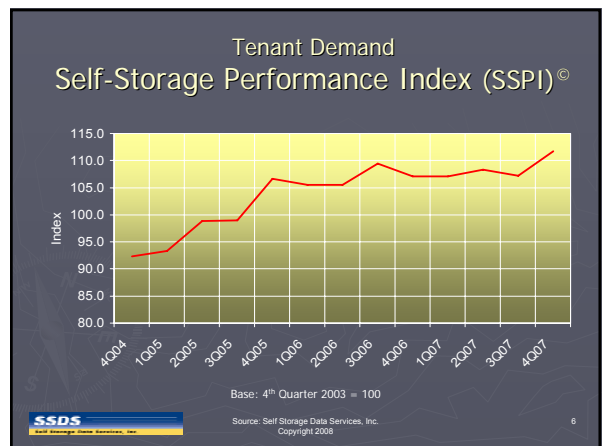
SSDS
Self Storage Data Services, Inc.

Three Major Issues That Impact Demand

- ▶ The Economy
 - What Can We Expect to Happen If We Slip Into a Recession?
- ▶ The Housing Market
 - How Is the Housing Crisis Impacting Performance?
- ▶ Overbuilding
 - Are the Markets Overbuilt?

SSDS
Self Storage Data Services, Inc.

Source: Self Storage Data Services, Inc. Copyright 2008



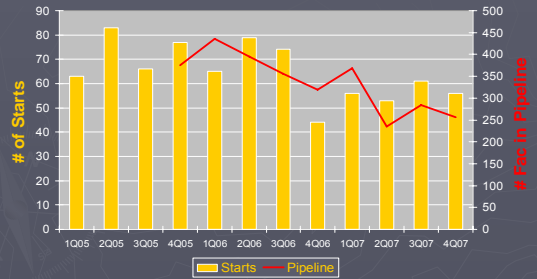
Supply

SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008

7

Nationwide Construction Trends



SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008

8

Nationwide Project Pipeline

Phase	# of Projects 4Q06	# of Projects 4Q07	% Chg
▶ Bidding	13	15	
▶ Construction	22	29	
▶ Deferred	22	0	
▶ Pre-Planning	13	2	
▶ Planning	164	128	-25%
▶ Final Planning	17	15	
▶ Occupancy	11	10	
▶ Permits	14	1	
▶ Starts	44	56	+27%
Totals	320	256	-20%

SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008. Pipeline data compiled by SSDS

9

Operating Performance

SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008

10

Nationwide Performance-At-a-Glance

	4Q07	Change Seasonal	Change Annual
Asking Rent Ground Non-Climate	\$0.9500	8.0%	1.9%
Asking Rent Upper Level Climate-Control	\$1.2800	0.7%	0.2%
Median Occupancy	90.0%	-2.0%	-0.5%
Rent per Occupied Sq Ft	\$0.7734	4.0%	1.0%

SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008

11

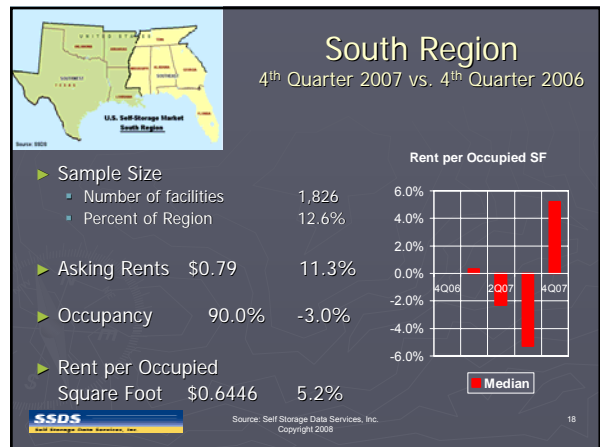
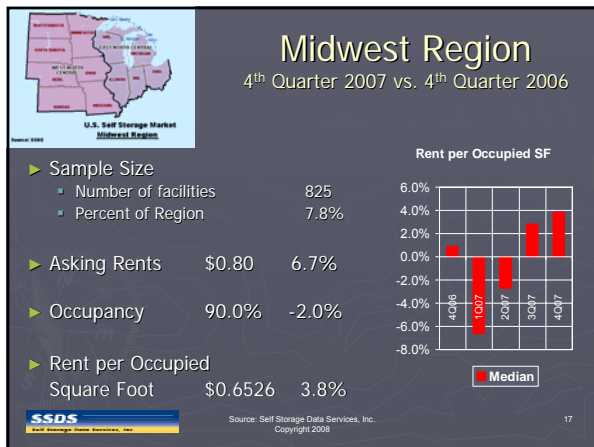
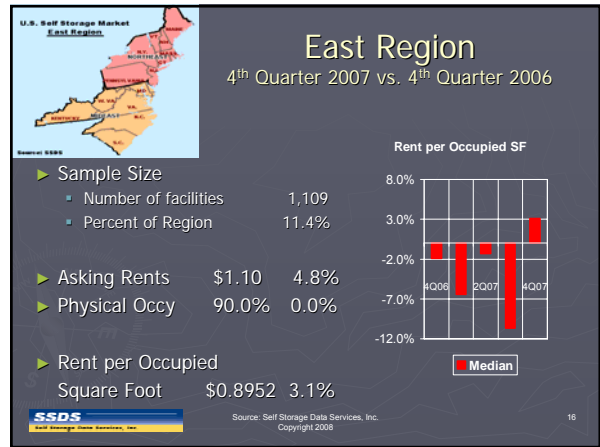
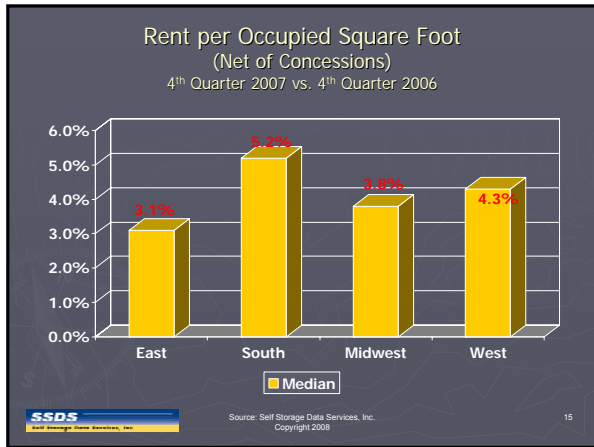
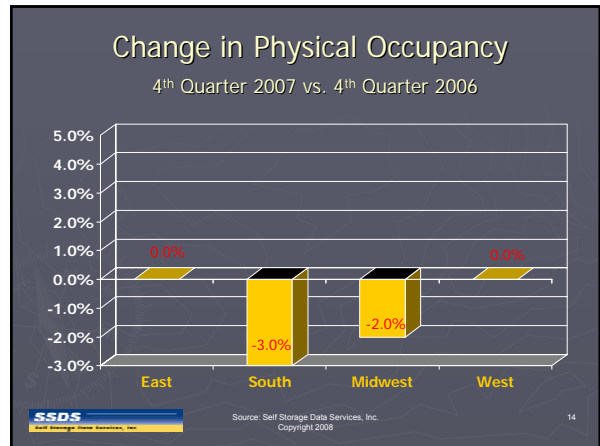
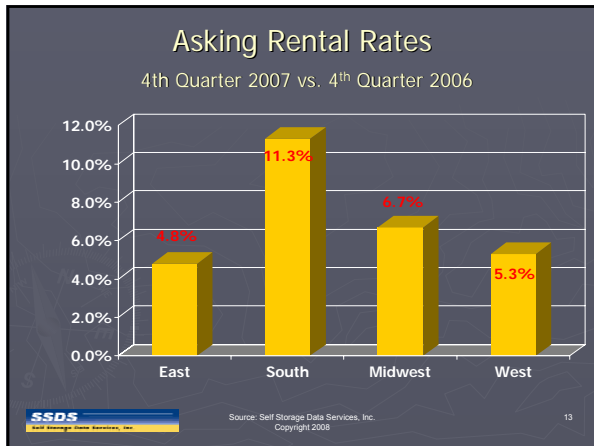
Rent per Occupied SF Vs. Economic Occupancy

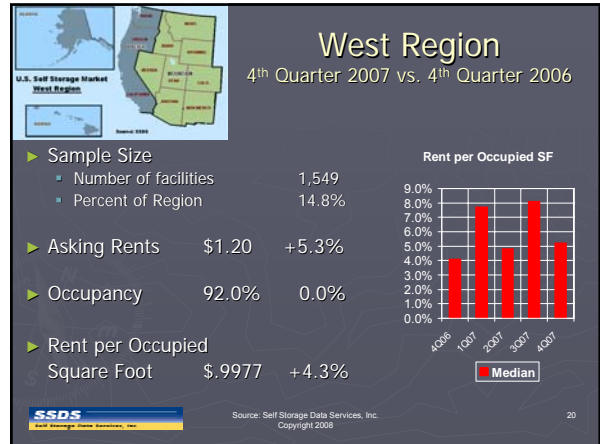
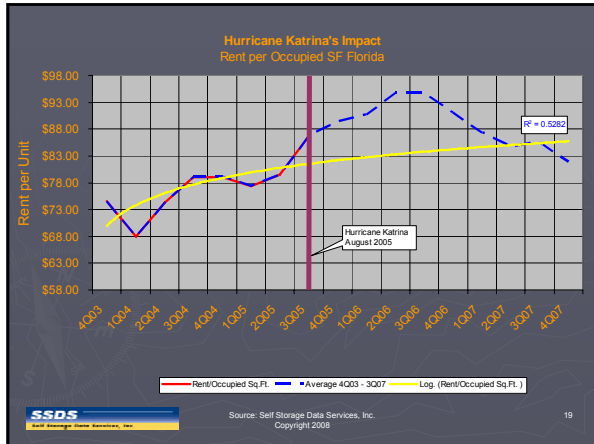


SSDS

Source: Self Storage Data Services, Inc.
Copyright 2008

12





Investment Market

Source: Self Storage Data Services, Inc. Copyright 2008

Capitalization Rates by Classification Second Half 2007

Class 'A'		
Minimum	Maximum	Average
6.50%	7.35%	7.10%
Class 'B'		
Minimum	Maximum	Average
7.75%	>9.00%	8.50%

Source: Self Storage Data Services, Inc. Copyright 2008

- ## Conclusions
1. Fundamentals Remain Strong (Particularly for Class A Facilities) and the Housing Crisis Is Not Expected to Severely Impact Performance
 2. Investment Markets:
 1. Cap Rates - Class 'A' to Remain Stable While Class 'B' and 'C' Expected to Increase
 2. More Investor Awareness of Facility Classification (i.e., Risk) to Impact Purchase Decision
 3. New Supply Remains in Check
- Source: Self Storage Data Services, Inc. Copyright 2008

Thank You

Charles Ray Wilson, MAI, CRE

Self Storage Data Services, Inc.
ssdata.net

Source: Self Storage Data Services, Inc. Copyright 2008