



SELF STORAGE SALES NETWORK

Arizona Sales and Development Update

America's Premier Self Storage Brokers

2Q2019

Quarterly Insights

by Jeff Gorden, CCIM

- Thirteen storage properties sold in the second quarter of 2019, representing 32% of the Arizona total for over the last 4 quarters. Of the thirteen properties sold in Q2, eight were in the Phoenix metro, one was in Tucson and four were located in other areas of the state.
- A 2Q19 vs 2Q18 comparison across the state shows transaction velocity on par for the same period, but still down for the year. Sale prices as measured by Average \$/SF are increasing in the secondary markets but decreased in Metro Phoenix (most likely due to the specific properties sold). Call our team for more details.
- Notably, the reported sale in Tucson is a "Full Service" RV storage property (with some traditional self storage).

SUNSHINE, AZ

- 34,486 SF
- 1.95 Acres
- Expansion Opportunity
- Repeat Client

Jeff Gorden, CCIM

480.331.8880

jeff@gorden-group.com



GLENDAL, AZ

- 2.1 Acres
- Development Site
- New 100,000 SF Facility
- Repeat Client

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Arizona Self Storage Sales Trends

Properties Average SF Average \$/SF

Phoenix MSA

| | | | |
|--------|---|--------|----------|
| 2Q2019 | 8 | 63,381 | \$87.17 |
| 1Q2019 | 2 | 87,965 | \$120.34 |
| 4Q2018 | 9 | 98,146 | \$98.28 |
| 3Q2018 | 3 | 62,222 | \$93.38 |

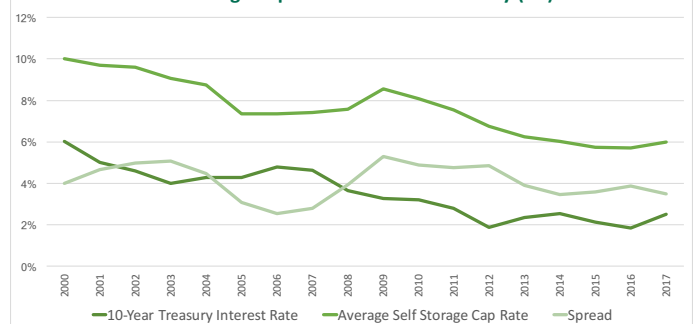
Tucson MSA

| | | | |
|--------|---|---------|---------|
| 2Q2019 | 1 | 132,434 | \$50.89 |
| 1Q2019 | 3 | 81,119 | \$33.96 |
| 4Q2018 | - | - | - |
| 3Q2018 | 2 | 51,517 | \$58.39 |

Balance of Arizona

| | | | |
|--------|---|--------|---------|
| 2Q2019 | 4 | 38,074 | \$46.85 |
| 1Q2019 | 6 | 40,730 | \$35.48 |
| 4Q2018 | 3 | 17,392 | \$39.83 |
| 3Q2018 | - | - | - |

Self Storage Cap Rates vs 10 Year Treasury (US)



For more information, contact:

Jeff Gorden, CCIM

480.331.8880

jeff@gorden-group.com

Kyle Topper

480.331.8880

kyle@gorden-group.com

Eagle Commercial Realty Services an
Argus Self Storage Sales Network
Broker Affiliate

Eagle Commercial Realty Services
2929 N 44th Street, Suite 345
Phoenix, AZ 85018

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Development Trends

- A total of thirty facilities have opened in the last four quarters, including fifteen in the second quarter of this year.
- Looking forward to the remainder of 2019, there are now thirty four facilities under construction and one hundred fourteen more proposed across the state. These pipeline projects comprise just over 8.6 million square feet.
- A majority of the development pipeline outside of the Phoenix and Tucson markets, by both properties and square feet, is composed of RV and Boat Storage.

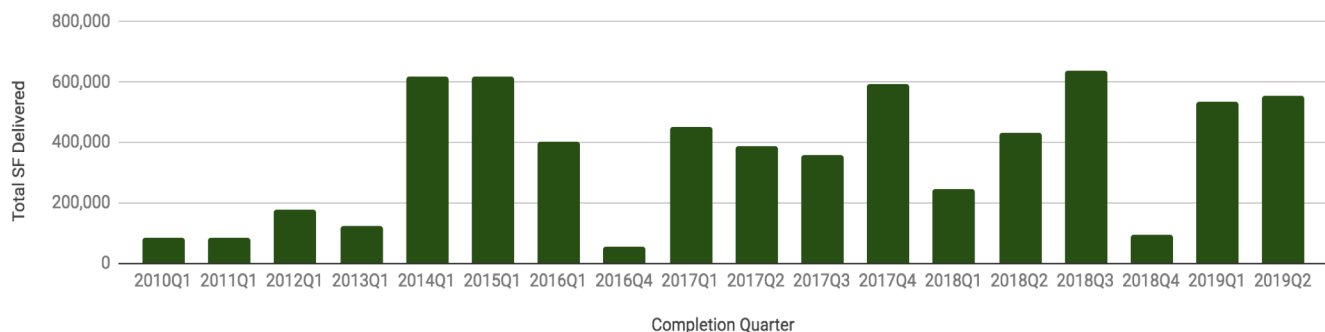
Further Information

Development and sales data contained herein is summary data. For more detailed information on projects near your facility or planned project, contact Jeff Gorden at jeff@gorden-group.com

Arizona Self Storage Development Pipeline

| | # | Total SF | Total Units |
|--------------------|----|-----------|-------------|
| Phoenix MSA | | | |
| Proposed | 84 | 6,847,765 | 54,535 |
| Under Construction | 27 | 2,366,613 | 21,099 |
| Recently Opened | 21 | 1,920,752 | 17,461 |
| Tucson MSA | | | |
| Proposed | 7 | 418,928 | 4,101 |
| Under Construction | 1 | 14,000 | 114 |
| Recently Opened | 4 | 483,296 | 3,383 |
| Balance of Arizona | | | |
| Proposed | 23 | 1,353,290 | 29,157 |
| Under Construction | 6 | 143,914 | 1,238 |
| Recently Opened | 5 | 336,150 | 1,669 |

Arizona Self Storage Deliveries by SF and Completion Quarter



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About The Argus Self Storage Sales Network

The Argus Self Storage Sales Network is the only national network of commercial real estate brokers who specialize in self storage properties. The network assists buyers and sellers of self storage real estate by combining the knowledge and expertise of a local broker with the exposure of our national sales and marketing program.

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