



Canada Self Storage Market Trends 2021

1-800-969-7424 | www.StorTrack.com | info@stortrack.com

Canadian Self Storage Overview – Trends and Stats Paint the Big Picture

If you wanted to characterize the current state of the Canadian Self-Storage Industry in two words they would be, “change” and “stability.” Contradictory? Not necessarily. Here’s what we mean.

Canada has been in a robust state of growth as immigrants from around the world flock to its provinces with the promise of democratic institutions and a thriving lifestyle. The population has grown to 38,005,238 as of July 2020. That number is the highest it has ever been, and grew by 411,854 from the previous year. Higher population eventually translates into industry growth and mobility becomes a factor. The housing boom often triggers a self-storage boom.

Still, as demand increases, so eventually does saturation resulting in fierce competition among owners and investors. The steep drop in oil prices and other economic doldrums in recent years has resulted in changing demand across Canada. Yet, the industry is holding up firmly through all the twists and turns. One important factor is that self-storage draws customers from a diverse base, representing tenants with a variety of needs and assets, both consumer and business.



Figure 1: Average Unit Price in Self-Storage across All Canadian Provinces - Jan 2018–Feb 2021

This graph shows the average unit price including all self storage unit types over the time frame of January 2018 through February 2021.

- All provinces had an increase in average unit price over the time period with the exceptions of Alberta (1.25% decrease), Newfoundland and Labrador (3.47% decrease), and Northwest Territories (no change)

- British Columbia maintained the highest average unit price
- Northwest Territories maintained a flat rate \$125.00
- Quebec had a 25% increase in average unit price from January 2018 to February 2021

A look at **Figure 1** shows self-storage owners among most provinces have done well over the past few years with average unit prices rising between 2018 and 2021. That's not to say that every type of unit from 5x5 reg to 10x30 CC increased. But most either showed some growth or jumped in price indicating that demand is still positive.

Impact of Pandemic

And there's the pandemic. There is no doubt that the COVID-19 health crisis precipitated a wave of relocation and movements. In fact, one would have expected the recent recession worldwide to cause a sharp decline in all of real estate sweeping with it a downturn in self-storage. But that didn't happen in the United States or Canada.

Figure 2 examines the average unit price by province during 2020, the height of the COVID 19-Pandemic. All provinces with the exception of Saskatchewan (down 0.4 percent) experienced at least some increase in the average unit price. Quebec and British Columbia led the pack.

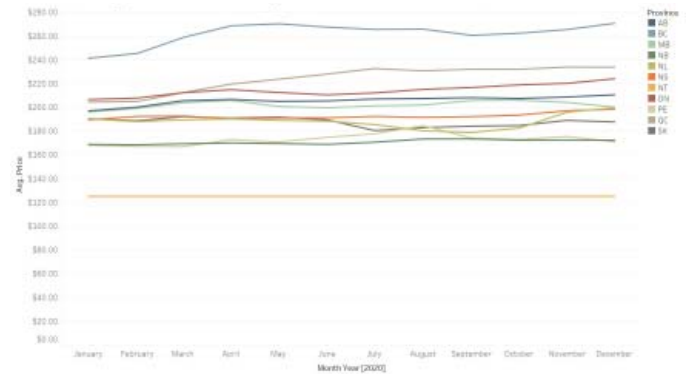


Figure 2: Average Unit Price in Self-Storage across All Canadian Provinces - Jan 2020–Dec 2020

This graph shows average unit price including all self storage unit types for the year 2020.

- All provinces had an increase in average unit price with the exceptions of Saskatchewan (0.4% decrease) and Northwest Territories (constant average unit price)
- Quebec had the highest average price increase, 15%, over the year
- British Columbia had an average price increase of 13% over the year

Much the same holds true for the top Metro market places around Canada. Eight of the 10 experienced price increases between March 2020 and February 2021, some increases were substantial. See **Figure 3**. Among the price gainers were: Halifax, Montreal, Ottawa, Quebec, Toronto, Vancouver, Victoria, and Winnipeg. Among the cities to have declines in average unit price were Calgary and Edmonton.

Many of the changes brought about by the Pandemic had a positive impact on self-storage. Offices and mass transportation virtually shut down for months. Employees were largely given the green light to work from home, wherever that might be. If anything, Canada's self-storage market was not hard hit as people who downsized needed to store their possessions until the hope for recovery.

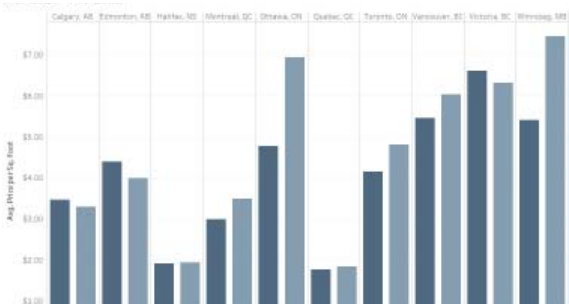


Figure 3: Average Price per Unit Sq Foot in Self-Storage across Top Canadian Metros Mar 2020–Feb 2021

- Eight of the ten metro areas saw an increase in the average price per sq. foot from March 2020 – February 2021
- The three largest increases from March 2020 to February 2021 were Vancouver (62%), Ottawa (51%), and Winnipeg (33%)
- The two decreases from March 2020 to February 2021 were Calgary (18%) and Edmonton (13%)
- We can see four metro areas with a large month to month increase in the average price per sq. foot
 - Edmonton: An increase of 23% from August to September and 73% from September to October
 - Calgary: An increase of 49% from September to October
 - Winnipeg: A 29% increase from October to November and a 44% increase from November to December
 - Vancouver: A 39% increase from May to June
- Three of the same metro areas also saw huge decreases in month to month average price per sq foot
 - Edmonton: A 32% decrease from March to April and a 49% decrease from November to December
 - Calgary: A 24% decrease from March to April and 31% decrease from November to December
 - Winnipeg: 18% decrease from January to February

Flight to the Suburbs?

Another trend the industry may be experiencing is a spread in demand as the pandemic has spawned movement mostly from the larger metro areas to surrounding suburbs and even some rural areas. This development mimics recent trends in the United States where self-storage has thrived in the secondary and tertiary markets.

According to a report from Statistics Canada, more than 50,000 left Toronto between July 2019 and July 2020 and Montreal felt a decline of 24,880. Most left for rural areas in Quebec. One town, Oshawa, Ont. is outside of Toronto. Its population jumped by 2.1 percent, the quickest growth in all of Canada.

It is insightful and informative to compare pricing growth of provinces with the larger metro areas like BC, Ontario, and Quebec to the more under-populated provinces. Check out **Figure 4**.

The high-population provinces do not seem to have suffered much due to the Pandemic, at least according to these numbers.

It will be interesting to track price movements, promotions and discounts and of course population migration trends from the big metro areas as that data become available. A key question: will the movement from cities become permanent or will those who moved out, return?

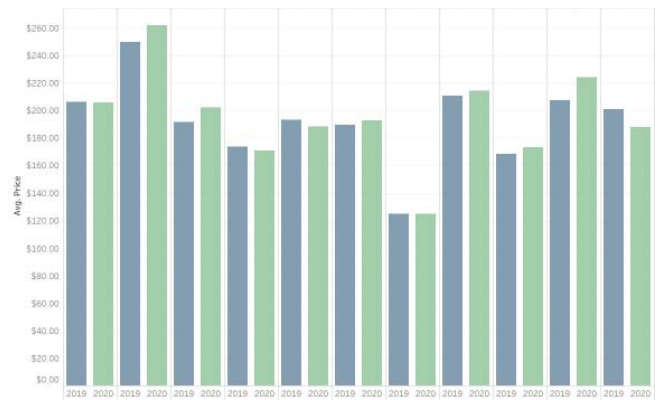


Figure 4: Average Price per Unit in Self-Storage across All Canadian Provinces - Jan 2019–Dec 2020

Figure 4 compares the average unit price for each province from 2019 and 2020.

- *British Columbia has the highest average unit price for 2019 and 2020. The average unit price increased from \$249.60 in 2019 to 261.90 in 2020.*
- *Quebec has the biggest increase from \$207.40 in 2019 to \$224.00 in 2020*
- *Saskatchewan had the biggest decrease from \$200.90 in 2019 to \$187.70 in 2020*

That's not to say that the big cities have reached their peaks. The six D's still have an impact – Divorce, Downsizing, Displacement, Death, Density, and Disaster. Also, Canada is a prime destination for immigrants who tend to target the cities where there seems to be more opportunity. While immigration all but ceased to exist during the Pandemic as the government shut its doors, it is likely to resume as the recovery gathers momentum.

In addition, as in the U.S market, the larger players are acquiring the smaller operations. While the Canadian self-storage industry is still dominated by the small independent owners, companies find it more cost efficient to expand via purchasing existing facilities than by new construction and development. High land costs and zoning requirements will most likely cause this trend to accelerate.

Another trend to watch is the growing interest in the Canadian self-storage market from U.S. real estate firms, pension funds, and other investors whose objective is expansion into friendly markets.

The Numbers Point to Stability

A look at some numbers help shed light on the narrative. In **Figure 1**, unit price by province, we see reasonable price stability in most provinces between January 2018 and January 2021. The average price of all types of units showed some but not dramatic fluctuations in most provinces. Most, but not all deviations came at various stages of the Pandemic.

And in, fact, if you zero in on the periods of the pandemic January 2020–December 2020 (see **Figure 2**), you still see only slight variations month to month.

Another indicator of price stability in the Canadian self-storage industry in the last four years is the average maximum price by type of unit. (See **Figure 3**). Most unit types show only slight changes across the four years. Some exceptions:

....10x 15 cc-323.1 in 2018 up to 335.3 in 2021

....10 x 15 reg-275.5 in 2018 down to 259.5 in 2021

.....10x 20 reg-309.2 in 2018 up to 321.1 in 2021

.....10 x 20cc-418.1 in 2018 down to 210.6 in 2021

Despite the fact that there is a general positive scenario for both provinces and metro area in Canada, there are occasional wide swings in demand, reflected in pricing (as well as other factors). In

Unit Type	2018	2019	2020	2021
5x5 CC	\$ 113.52	\$ 112.07	\$ 115.42	\$ 111.13
5x5 Reg	\$ 94.10	\$ 96.70	\$ 98.52	\$ 99.17
5x10 CC	\$ 156.90	\$ 160.89	\$ 159.65	\$ 161.78
5x10 Reg	\$ 131.80	\$ 129.94	\$ 133.69	\$ 133.57
10x10 CC	\$ 246.07	\$ 243.19	\$ 248.90	\$ 253.83
10x10 Reg	\$ 203.39	\$ 202.82	\$ 210.40	\$ 210.51
10x15 CC	\$ 323.12	\$ 326.71	\$ 327.94	\$ 335.30
10x15 Reg	\$ 275.50	\$ 269.42	\$ 269.38	\$ 259.52
10x20 CC	\$ 418.11	\$ 412.92	\$ 407.21	\$ 410.58
10x20 Reg	\$ 309.20	\$ 310.14	\$ 321.30	\$ 321.08
10x30 CC	\$ 556.25	\$ 662.99	\$ 548.43	\$ 561.87
10x30 Reg	\$ 445.09	\$ 450.56	\$ 467.82	\$ 446.69

Table 1: Max Price by Unit Type across All Canadian Provinces Jan 2018–Feb 2021

Table 1 shows the max price of each unit type across all provinces.

- 10x30 CC has the highest unit type price for each year
- 5x5 Reg has the lowest unit type price for each year
- 5x5 Reg had a 5.39% max price increase from 2018 to 2021, the highest percentage of increase
- 10x15 Reg had a 5.8% max price decrease from 2018 to 2021

*Data for 2021 only include January and February prices.

fact, **Figure 5** indicates some major changes in pricing month to month in some of the larger metro areas during the course of the Pandemic.

We've made the point that despite changes in demographics and economic and social conditions affecting self-storage, the industry has exhibited unusual stability.

This is indicated not just for growing fledgling markets like Canada but also for mature markets like the United States. Between 2018 and 2021, 26 states showed upward movement in average unit price, 12 states stayed roughly the same, and 12 states decreased.

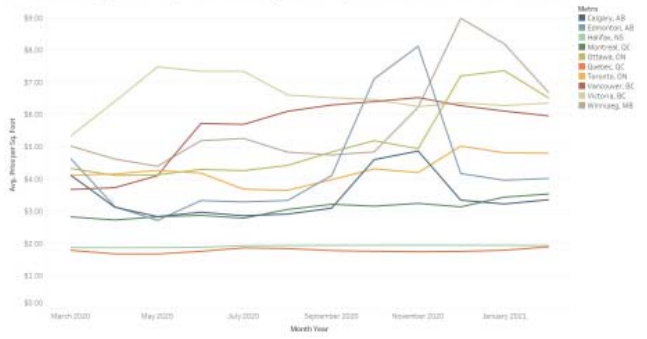


Figure 5: Average Price per Sq Foot in Self-Storage across Top Canadian Metros - Mar 2020–Feb 2021

The numbers were even better during the Pandemic with 37 states showing price increases, 5 staying the same, and 9 declining in price. It is important to underscore that self-storage performance in widely uneven in the United States. Many metro areas are saturated and mostly left for the large players. But many small and midsize owners are flourishing in the second and third tier markets and that trend bodes well for the Canadian self-storage industry.

Still, what makes self-storage attractive to many owners and investors is its ability to generate positive numbers, and, of course revenue, during times of both boom and bust and across various markets. Stability is the watchword. Have a look at **Figure 6** comparing average unit prices across all Canadian provinces and U.S. states. What emerges is clear line of price stability.

If there is one major takeaway from recent events and trends in Canadian Self Storage it's that the road to success is paved with numbers of all kinds. All participants in this thriving but changing industry must keep up with the latest data. Certainly, they need to monitor local markets whether they be in larger metro towns and cities or in the outlying less dense areas. The data include population demographics, demand, pricing, promotion and discounts, cost factors, and of course, the movements of current and prospective competitors.

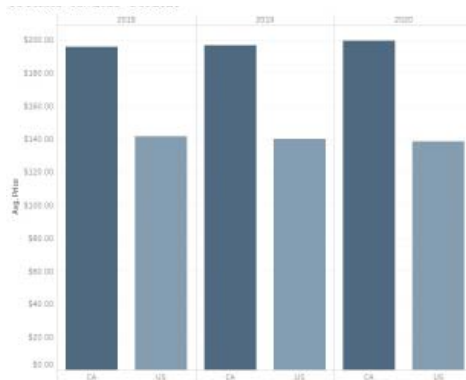


Figure 6: Average Unit Price in Self-Storage across All Canadian Provinces and US States - Jan 2018–Dec 2020

About StorTrack

Since 2014, StorTrack has been providing Owners, Operators, Developers and Investors, with crucial data needed to make important, everyday decisions in self-storage. Top operators worldwide trust StorTrack to deliver the most up-to-date and accurate data for their pricing and revenue management decisions. Investment firms use StorTrack's market data solutions for due diligence in development and acquisitions decisions.

Global Headquarters

615 Griswold St., Suite 520
Detroit, MI 48226
United States