



Yardi Matrix

# National Self Storage Report

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December 2020



# Monthly Supply and Rent Recap

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## Resiliency of self storage underscored by continued street rate improvements

- The self storage industry continues to demonstrate resiliency in the face of economic and financial volatility, especially compared to other real estate asset classes. After an initial shock to street rates and transactions, the self storage sector has continued to bounce back. Street rate performance in November continued to improve in many markets, and development activity remained unaffected across the United States. While self storage has established itself as a strong performer in difficult market conditions, it could face a tough slog ahead as another round of COVID-related lockdowns and restrictions emerges this winter.

## National street rates remain strong

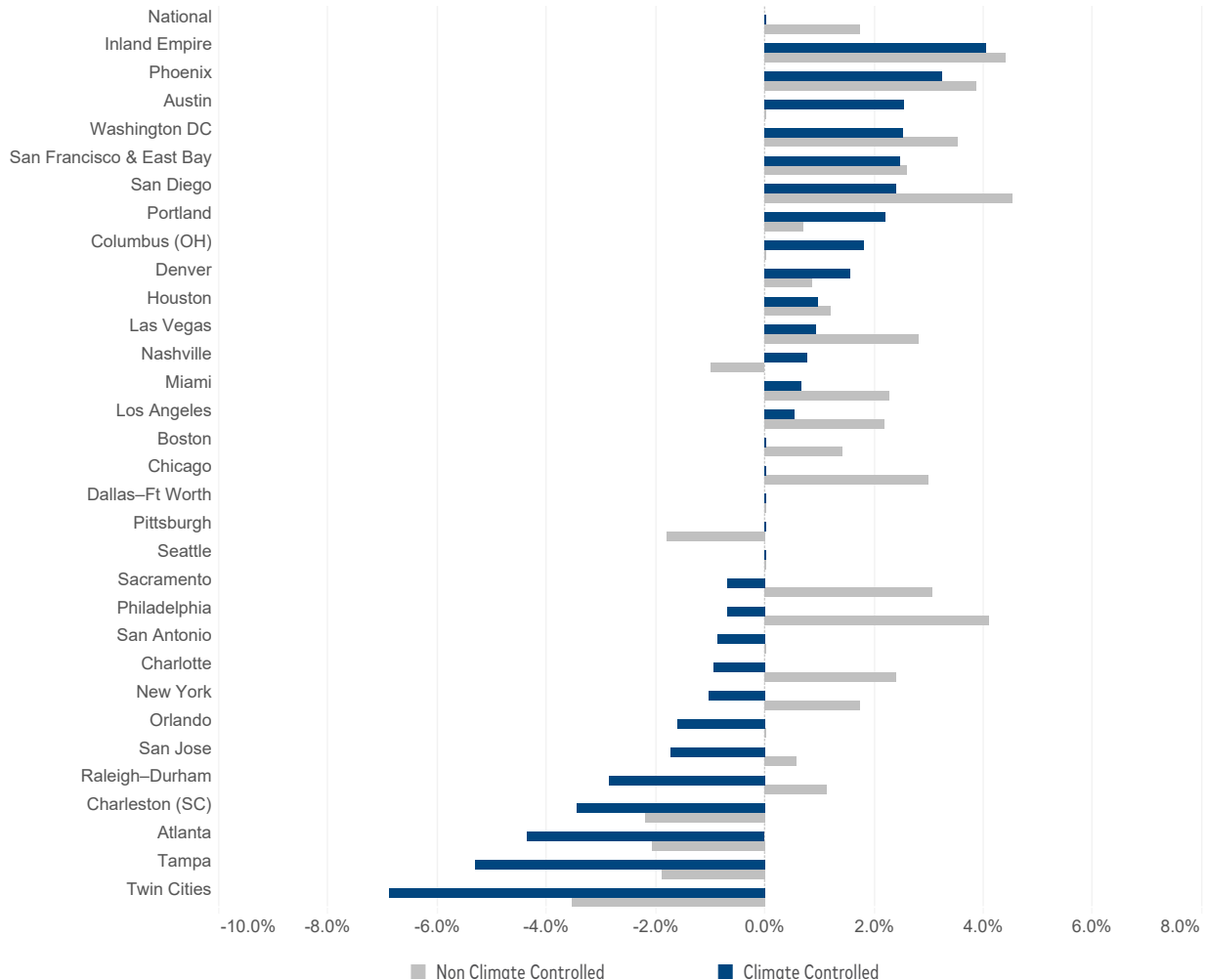
- Confidence in self storage remains high as the sector continues to demonstrate strong street rate performance. National street rates for standard 10x10 non-climate-controlled (NON CC) units increased 1.7% compared to November 2019. While year-over-year street rates nationwide for 10x10 climate-controlled (CC) units did not increase, the flat performance reflects an improvement over the first nine months of 2020. From October to November, national street rates for 10x10 NON CC units also saw an increase of 0.9%, while nationwide rates for similar-size CC units remained unchanged.
- Annual street rate performance was negative in only about 19% of the top markets tracked by Yardi Matrix for 10x10 NON CC units in November. Rates for this unit type were hit the hardest in Minneapolis, which saw a 3.5% decrease year-over-year.
- Nationwide, Yardi Matrix tracks a total of 2,136 self storage properties in various stages of development—comprising 590 under construction, 1,134 planned and 412 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a minor 0.1% month-over-month in November, and the share of existing properties in various stages of development accounts for 8.3% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,351 completed self storage facilities across the United States, bringing the total data set to 28,487.

# Monthly Rate Growth Update

## National street rates continue to show a positive outlook

- On a national level, street rates for NON CC units grew 1.7% year-over-year, while CC units of the same size remained unchanged compared to November 2019. While annual street rates at the national level did not grow as substantially as in October 2020, the overall increases continued to reaffirm the general resiliency of the self storage sector even in a difficult market, especially considering street rate performance in November for both unit types was an improvement compared to the annual rate growth seen in 2018 and 2019. The fall is typically a slow season, but continued demand has led to strong fundamentals in recent months.
- November marked the first instance in more than three years in which none of the top four Texas metros—Austin, Dallas-Fort Worth, Houston and San Antonio—experienced negative street rate growth for 10x10 NON CC units year-over-year. This is a noteworthy feat, as all four markets have experienced record growth in delivery of new storage facilities in recent years, resulting in existing inventories per capita well above the national average of 6.7 net rentable square feet (NRSF) per capita.

### November 2020 Year-over-Year Rent Change for 10'x10' Units



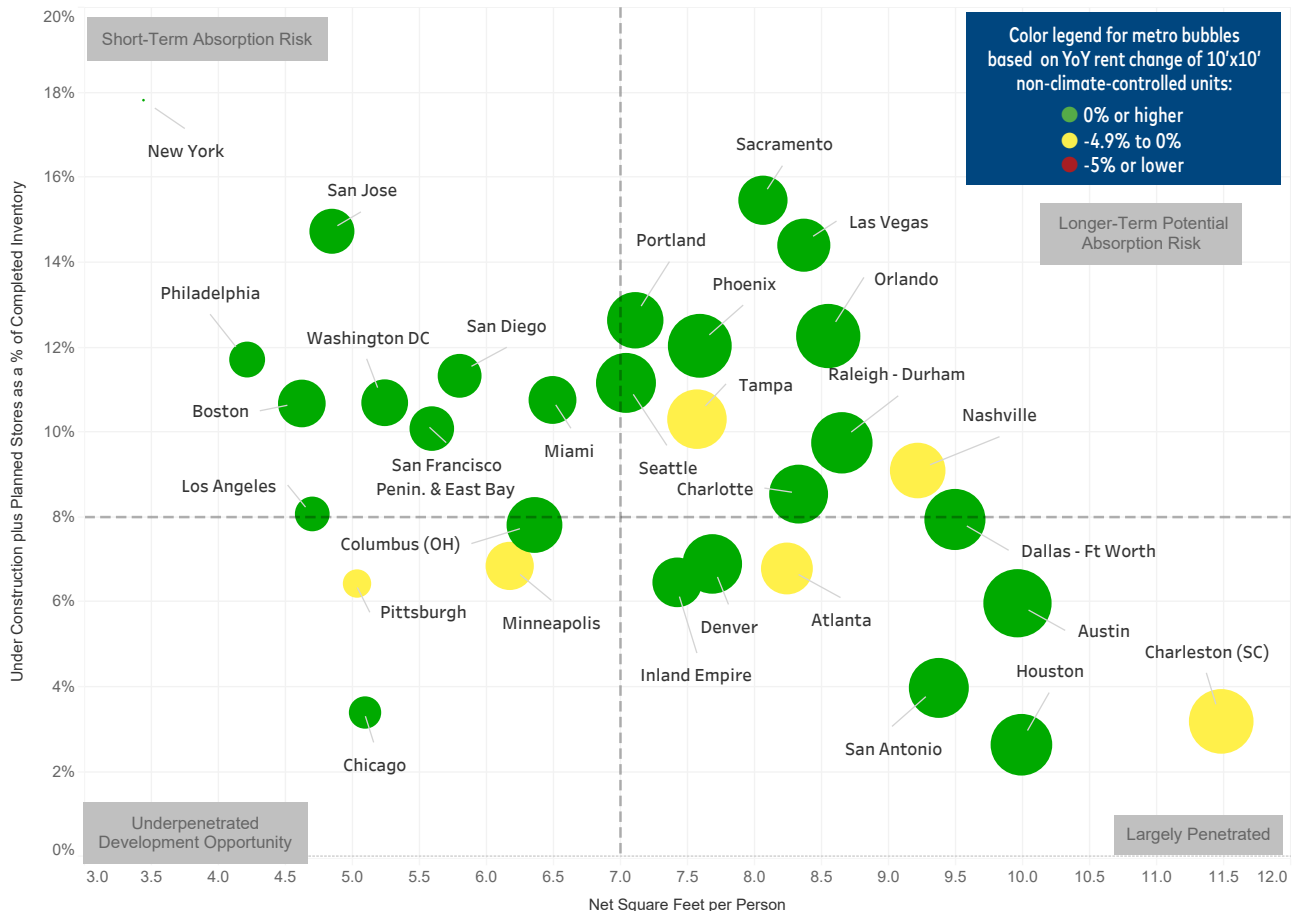
Source: Yardi Matrix. Street rate data as of December 9, 2020

# Monthly Rate Growth Update

## Columbus and Tampa see opposite trends in climate-control street rates

- Columbus, Ohio, recorded impressive performance in November for climate-controlled storage units. While year-over-year street rates for 10x10 CC units in Columbus fared well, with a 1.8% uptick, month-over-month street rates for this same unit type fared even better, increasing 3.7%. The Midwestern market rarely gets the spotlight, but with the metro's unemployment rate dropping steadily from 13.7% in April to 4.9% in October, the economic outlook in the metro is more optimistic than in the rest of the country.
- The new-supply pipeline in Tampa increased 0.5% month-over-month in November, with storage projects under construction or in the planning stages accounting for 10.3% of existing inventory. Tampa also saw year-over-year street rates for 10x10 NON CC units decrease 1.9% and rates for 10x10 CC units drop 5.3%. Despite Tampa's continued negative annual street rate growth, developers have been drawn to the metro, likely motivated by the area's projected population increase—Hillsborough County's population is projected to grow 8.3% by 2025, according to the Tampa Bay Economic Development Council.

**Self Storage Major Metro Summary**  
**New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)**  
 (bubble size represents 2018 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of December 9, 2020

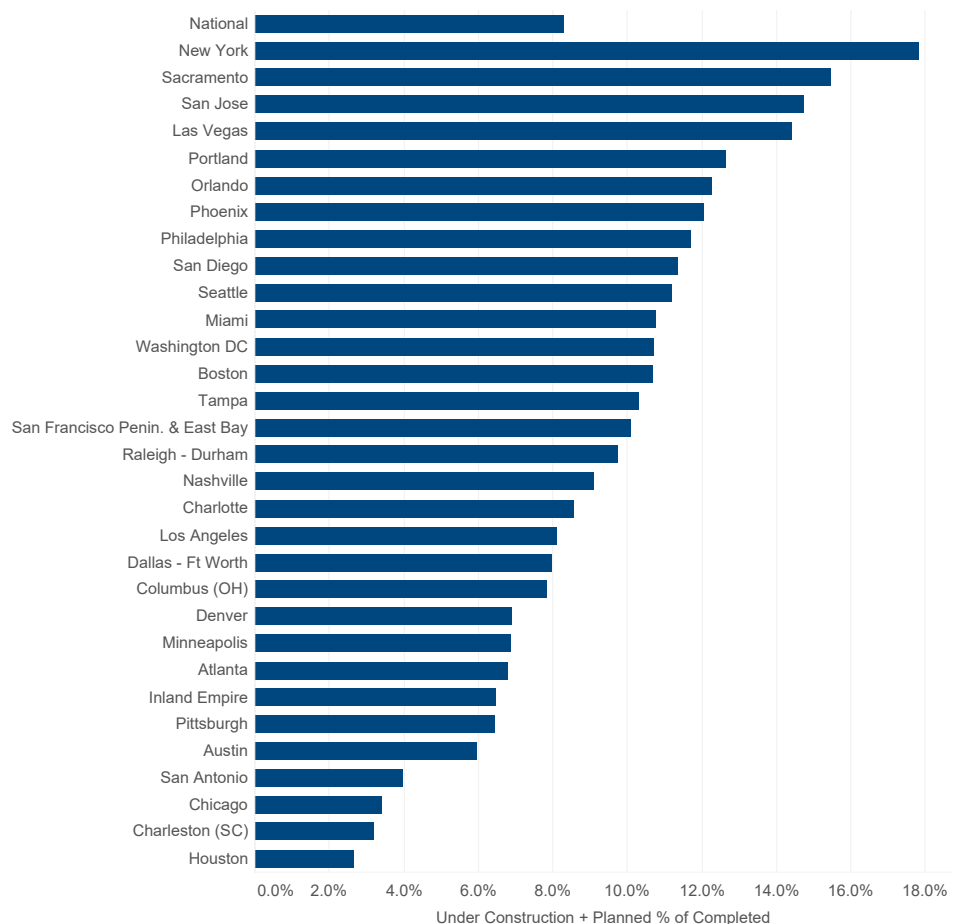
# Monthly New Supply Update

## Self storage new-supply pipeline remains steady

- In November, self storage properties under construction or in the planning stages nationwide accounted for 8.3% of existing inventory, marking a marginal 10-basis-point increase month-over-month. The new-supply pipeline seems to be remaining stable, despite 53 self storage projects being abandoned by developers over the last three months. Furthermore, a moderation of development activity is a favorable trend in markets that have experienced an elevated level of new storage supply in recent years.
- Despite a drop of 0.1% month-over-month in November, storage development activity in New York remains far above its historical average, with storage properties under construction or in the planning stages accounting for 17.8% of completed inventory. In November, the New York metro area had a total of 213 storage properties in various stages of development—comprising 61 under construction, 99 planned and 53 prospective properties. This is more than double the 98 properties in various stages of development in New York a year ago.

## Under Construction & Planned Percent of Existing Inventory

Metro	Oct-20	Nov-20	Change
NATIONAL	8.2%	8.3%	↑
New York	17.9%	17.8%	↓
Sacramento	15.5%	15.5%	▬
San Jose	14.7%	14.7%	▬
Las Vegas	14.5%	14.4%	↓
Portland	12.7%	12.7%	▬
Orlando	12.3%	12.3%	▬
Phoenix	11.7%	12.0%	↑
Philadelphia	11.7%	11.7%	▬
San Diego	11.4%	11.3%	↓
Seattle	11.2%	11.2%	▬
Miami	10.8%	10.8%	▬
Washington DC	10.5%	10.7%	↑
Boston	10.7%	10.7%	▬
Tampa	9.8%	10.3%	↑
San Francisco Penin. & East Bay	10.1%	10.1%	▬
Raleigh-Durham	9.8%	9.8%	▬
Nashville	8.8%	9.1%	↑
Charlotte	8.6%	8.6%	▬
Los Angeles	8.1%	8.1%	▬
Dallas-Ft Worth	7.6%	8.0%	↑
Columbus (OH)	7.8%	7.8%	▬
Denver	6.9%	6.9%	▬
Minneapolis	6.8%	6.9%	↑
Atlanta	6.8%	6.8%	▬
Inland Empire	6.5%	6.5%	▬
Pittsburgh	6.5%	6.5%	▬
Austin	5.9%	6.0%	↑
San Antonio	4.0%	4.0%	▬
Chicago	3.3%	3.4%	↑
Charleston (SC)	3.2%	3.2%	▬
Houston	2.2%	2.7%	↑



\* Drawn from our national database of more than 28,450 stores, including some 2,100 projects in the new-supply pipeline as well as more than 26,350 completed stores.

Source: Yardi Matrix. Supply data as of December 9, 2020

# Monthly Rate Recap

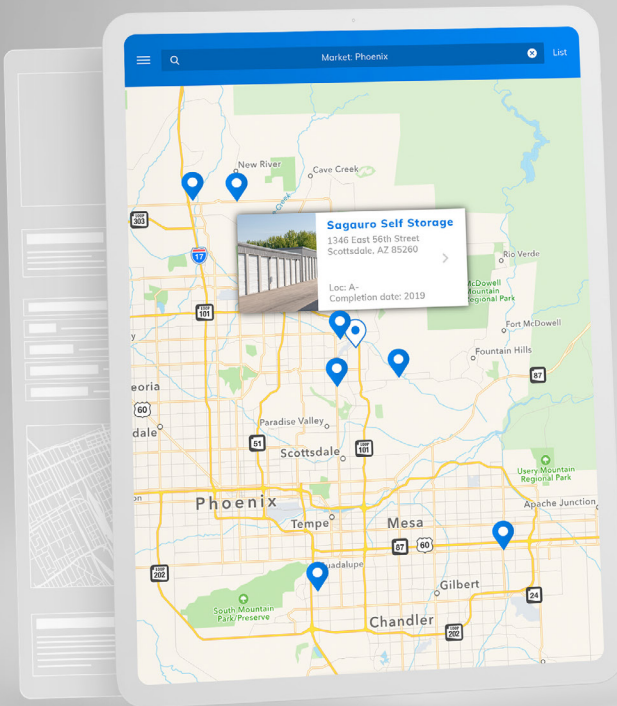
Market	Avg Metro Rate 10'x10' (non cc)	November 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	117	2%	3%	2%	0%	3%
Inland Empire	118	4%	4%	4%	4%	3%
Phoenix	107	5%	3%	4%	3%	3%
Austin	97	0%	0%	0%	3%	1%
Washington DC	147	0%	2%	4%	3%	3%
San Francisco Penin. & East Bay	198	4%	3%	3%	2%	2%
San Diego	161	5%	6%	5%	2%	2%
Portland	140	4%	5%	1%	2%	2%
Columbus (OH)	86	-3%	-2%	0%	2%	2%
Denver	119	-2%	0%	1%	2%	2%
Houston	85	0%	0%	1%	1%	1%
Las Vegas	109	2%	3%	3%	1%	2%
Nashville	100	-2%	-1%	-1%	1%	1%
Miami	135	2%	4%	2%	1%	5%
Los Angeles	188	1%	2%	2%	1%	3%
Boston	142	0%	0%	1%	0%	0%
Chicago	103	5%	7%	3%	0%	5%
Seattle	153	2%	0%	0%	0%	2%
Dallas-Ft Worth	93	0%	0%	0%	0%	1%
Pittsburgh	110	-2%	-4%	-2%	0%	-1%
Sacramento	135	2%	3%	3%	-1%	2%
Philadelphia	127	4%	4%	4%	-1%	4%
San Antonio	96	0%	2%	0%	-1%	3%
Charlotte	85	3%	2%	2%	-1%	4%
New York	175	3%	3%	2%	-1%	4%
Orlando	102	3%	0%	0%	-2%	3%
San Jose	173	1%	2%	1%	-2%	0%
Raleigh-Durham	89	3%	0%	1%	-3%	1%
Charleston (SC)	89	-3%	-2%	-2%	-3%	3%
Atlanta	95	-2%	-2%	-2%	-4%	-1%
Tampa	104	0%	-2%	-2%	-5%	0%
Minneapolis	109	0%	-1%	-4%	-7%	1%

Source: Yardi Matrix. Sorted according to 10x10 CC rent performance.



# Yardi Matrix

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