



Yardi Matrix

National Self Storage Report

April 2021



Monthly Supply and Rent Recap

Self storage continues to flourish through the first quarter

- Unlike many other commercial real estate asset types, self storage experienced a boost in demand due to the pandemic-related disruptions in 2020. The storage industry was still riding these demand tailwinds through the first quarter of 2021, with fundamentals performing very well. In March, street rates across the nation continued to trend upwards, and development has yet to experience a major slowdown, despite increasing construction material costs. While the outlook for storage appears to be bright, with the sector performing at or above pre-pandemic levels, some remain cautious in their optimism. As the economy continues to recover, it is uncertain if demand will be sustained, potentially intensifying the supply headwinds storage will likely face in the long term.

Street rate performance maintains momentum

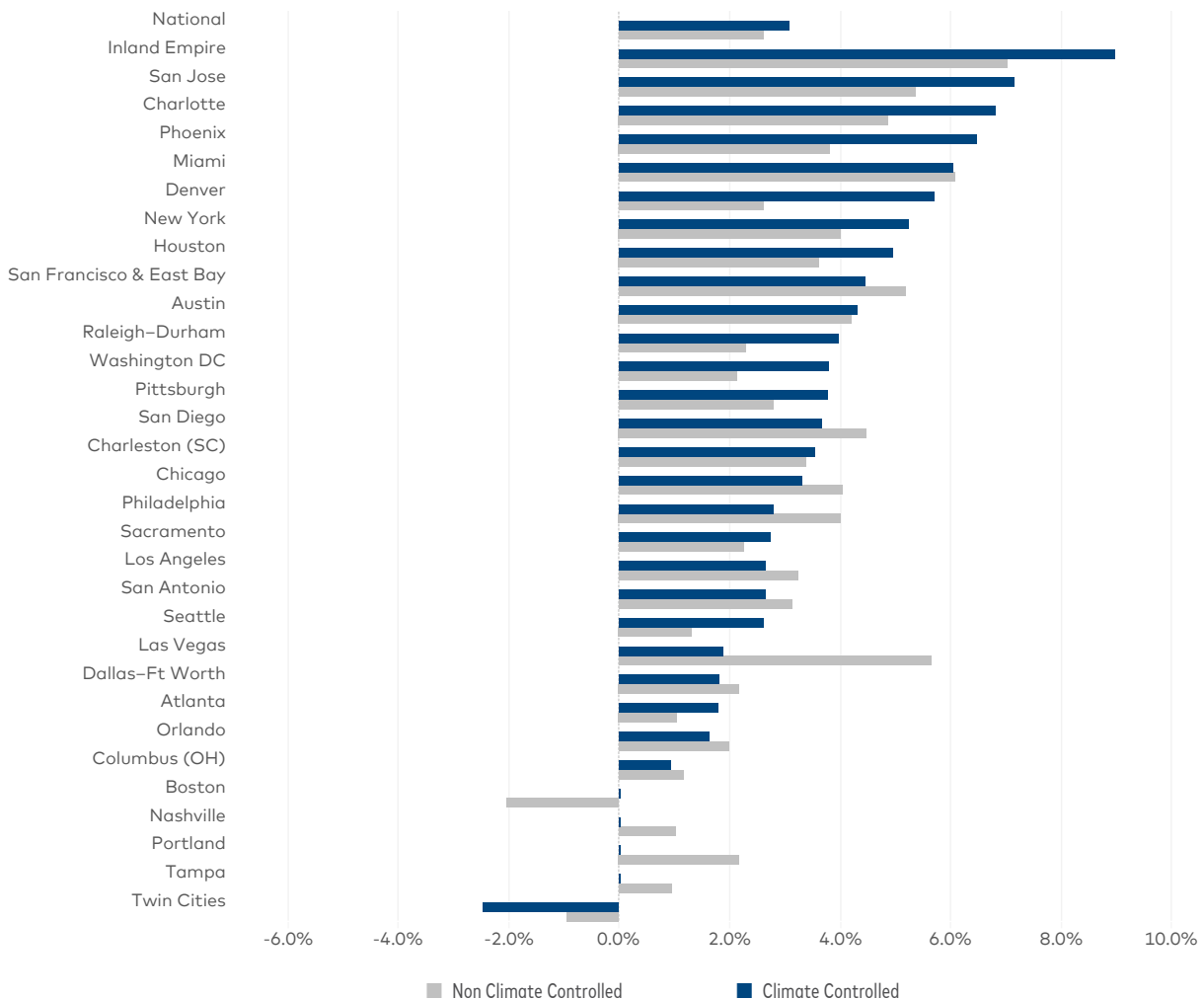
- Street rates continued to rise nationwide in March as demand maintained momentum. National street rates for 10x10 non-climate-controlled (NON CC) units increased by 2.6% compared to March 2020, and rates nationwide for 10x10 climate-controlled (CC) units grew by 3.1% year-over-year. On a monthly basis, national street rates for 10x10 NON CC units remained flat, while rates for 10x10 CC units saw a slight 0.8% uptick.
- Annual street rate performance was positive in all but two of the top markets tracked by Yardi Matrix for 10x10 NON CC units in March, as street rates in Boston and Minneapolis decreased for this unit type.
- Nationally, Yardi Matrix tracks a total of 2,222 self storage properties in various stages of development—comprising 593 under construction, 1,199 planned and 430 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by 0.2% month-over-month in March, and the share of existing projects in planning or construction stages was equal to 8.4% of existing inventory. This is a minor uptick compared to the 0.1% increase seen in the first two months of the year.
- Yardi Matrix also maintains operational profiles for 26,604 completed self storage facilities across the United States, bringing the total data set to 28,826.

Monthly Rate Growth Update

Street rates continue to rise across the nation for a majority of unit sizes

- Street rates maintained strong momentum in March, and a majority of markets continued to see positive growth. Across the nation, street rates for standard-size 10x10 NON CC units increased 2.6% and rates for 10x10 CC units grew 3.1% year-over-year in March.
- While street rate performance for the majority of unit sizes was positive in March, rates for smaller-size units did fall slightly. Year-over-year, street rates nationwide decreased for both 5x5 NON CC units (down 1.9%) and 5x5 CC units (down 1.8%). Nonetheless, national rates for CC and NON CC units in all other sizes tracked by Yardi Matrix—including 10x10, 10x20 and 10x30—increased in March compared to last year.
- Among all U.S. storage markets, San Francisco recorded the second-highest average street rate for 10x10 NON CC units, trailing only Honolulu. In March, the average rate for 10x10 NON CC units on the San Francisco Peninsula and in the East Bay rose 5.2% year-over-year to \$203.

March 2021 Year-over-Year Rent Change for 10'x10' Units



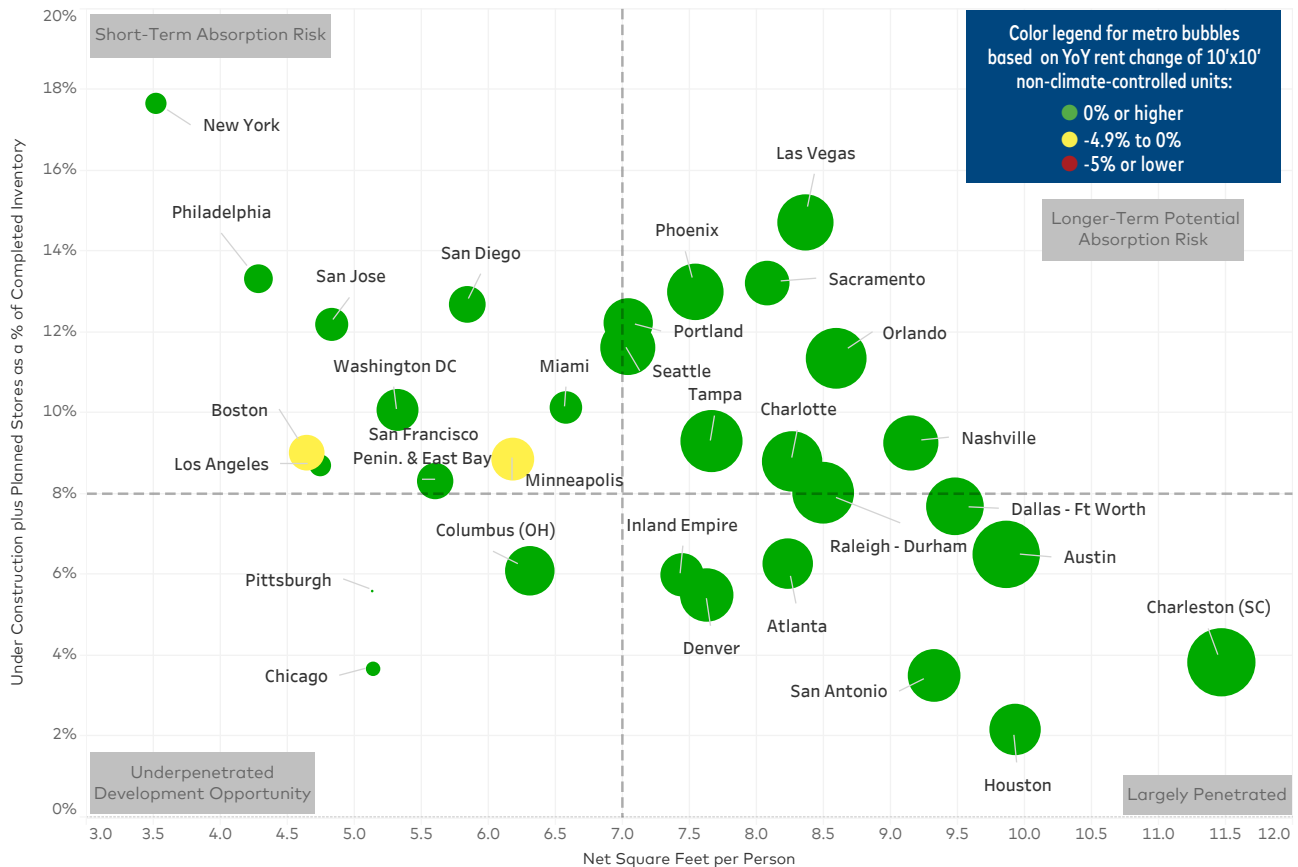
Source: Yardi Matrix. Street rate data as of April 7, 2021

Monthly Rate Growth Update

Oversupplied Houston and Charleston markets see street rate improvements

- Houston saw record street rate performance in March for both 10x10 NON CC and CC units. Year-over-year, street rates for 10x10 NON CC units increased 3.6% and rates for similar-size CC units grew 5.0%—for both unit types, the greatest growth seen in the Texas market since June 2017. Due to a lack of zoning laws, Houston was early to the last storage development cycle, and street rates have been hit hard over the past few years due to heavy new supply. While the pandemic continues to strain its economy, strong growth in population and job migration in recent years has helped the local storage industry slowly reach more of a supply-demand balance.
- With existing inventory equal to 11.5 net rentable square feet (NRSF), nearly double the national average, Charleston has notoriously struggled with downward pressure on street rates. In March, it showed signs that demand has finally started to catch up to excess supply, and street rates had their best-performing month in over three years. Street rates for 10x10 NON CC units grew 3.4% year-over-year, while rates for 10x10 CC units increased 3.5% annually.

Self Storage Major Metro Summary
New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2019 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of April 7, 2021

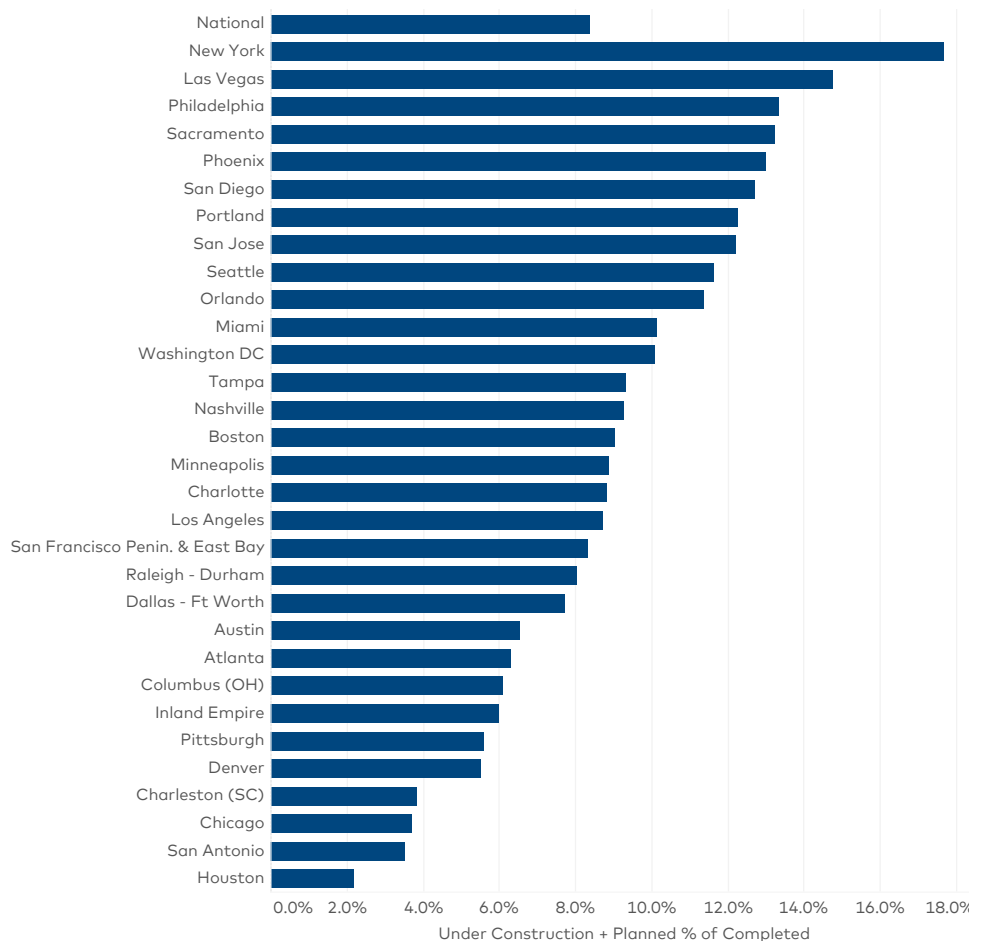
Monthly New Supply Update

New-supply pipeline remains strong across the nation

- Self storage properties under construction or in the planning stages nationwide accounted for 8.4% of existing inventory in March, marking a 20-basis-point uptick from the month prior. Despite the rising cost of construction materials, storage development appears to be undeterred. According to the Self Storage Association, the price of steel surged nearly 50% from September 2020 to February 2021. While steel framing is already one of the most expensive components of a new storage building—typically accounting for 20% to 25% of a new facility’s construction costs—developers do not seem to be discouraged, and the national new-supply pipeline remains strong.
- Despite adding more than 3.3 million rentable square feet of new storage construction over the past 12 months, New York continued to see development activity increase across the metro in March. Self storage properties under construction or in the planning stages was equal to 17.7% of existing stock in March, up 0.6% month-over-month. Although New York leads the top markets for storage development, when it comes to the square footage available per person, New York is the most undersupplied market, offering 3.5 net rentable square feet per capita.

Under Construction & Planned Percent of Existing Inventory

Metro	Feb-21	Mar-21	Change
NATIONAL	8.2%	8.4%	↑
New York	17.1%	17.7%	↑
Las Vegas	14.7%	14.7%	▬
Philadelphia	13.3%	13.3%	▬
Sacramento	13.3%	13.2%	↓
Phoenix	12.6%	13.0%	↑
San Diego	12.7%	12.7%	▬
Portland	11.9%	12.2%	↑
San Jose	12.2%	12.2%	▬
Seattle	11.7%	11.6%	↓
Orlando	11.1%	11.4%	↑
Miami	9.8%	10.1%	↑
Washington DC	10.2%	10.1%	↓
Tampa	9.2%	9.3%	↑
Nashville	9.3%	9.3%	▬
Boston	9.1%	9.0%	↓
Minneapolis	8.5%	8.9%	↑
Charlotte	8.8%	8.8%	▬
Los Angeles	8.6%	8.7%	↑
San Francisco Penin. & East Bay	8.3%	8.3%	▬
Raleigh-Durham	8.0%	8.0%	▬
Dallas-Ft Worth	7.7%	7.7%	▬
Austin	6.5%	6.5%	▬
Atlanta	6.2%	6.3%	↑
Columbus (OH)	5.5%	6.1%	↑
Inland Empire	6.0%	6.0%	▬
Pittsburgh	5.6%	5.6%	▬
Denver	5.5%	5.5%	▬
Charleston (SC)	3.8%	3.8%	▬
Chicago	3.7%	3.7%	▬
San Antonio	3.1%	3.5%	↑
Houston	2.1%	2.2%	↑



* Drawn from our national database of more than 28,831 stores, including some 2,225 projects in the new-supply pipeline as well as more than 26,606 completed stores.

Source: Yardi Matrix. Supply data as of April 7, 2021

Monthly Rate Recap

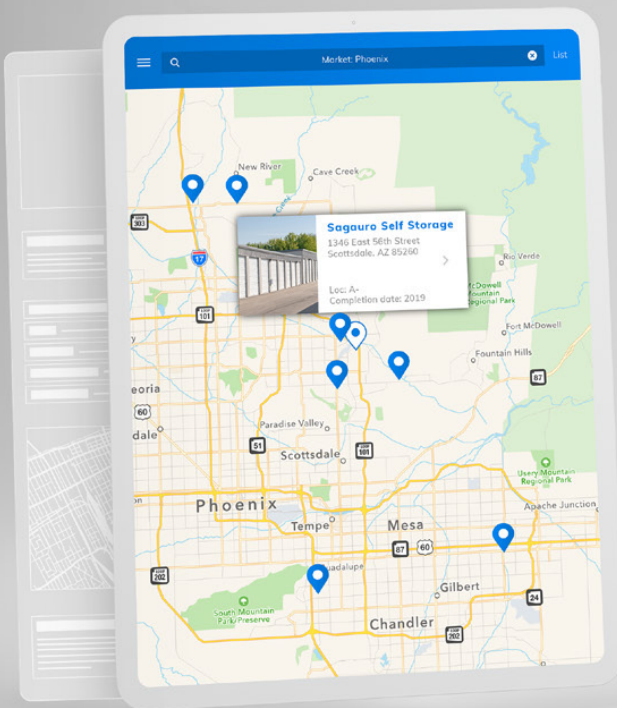
Market	Avg Metro Rate 10'x10' (non cc)	March 2021 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	118	-2%	3%	3%	3%	3%
Inland Empire	122	2%	9%	7%	9%	4%
San Jose	177	1%	6%	5%	7%	2%
Charlotte	86	3%	6%	5%	7%	4%
Phoenix	109	5%	5%	4%	6%	6%
Miami	140	2%	7%	6%	6%	8%
Denver	118	0%	3%	3%	6%	4%
New York	181	0%	6%	4%	5%	5%
Houston	86	0%	2%	4%	5%	4%
San Francisco Penin. & East Bay	203	2%	5%	5%	4%	3%
Austin	99	3%	2%	4%	4%	5%
Raleigh-Durham	89	0%	-2%	2%	4%	3%
Washington DC	145	-3%	5%	2%	4%	5%
Pittsburgh	111	2%	3%	3%	4%	7%
San Diego	163	4%	5%	4%	4%	4%
Charleston (SC)	92	5%	4%	3%	4%	4%
Chicago	103	3%	5%	4%	3%	4%
Philadelphia	130	-2%	3%	4%	3%	5%
Sacramento	136	0%	8%	2%	3%	2%
San Antonio	99	2%	2%	3%	3%	4%
Los Angeles	192	-1%	4%	3%	3%	3%
Seattle	154	-2%	2%	1%	3%	2%
Las Vegas	112	5%	8%	6%	2%	6%
Dallas-Ft Worth	94	0%	0%	2%	2%	2%
Atlanta	97	-2%	2%	1%	2%	3%
Orlando	103	0%	3%	2%	2%	4%
Columbus (OH)	87	-3%	2%	1%	1%	4%
Boston	144	-8%	1%	-2%	0%	-1%
Nashville	100	0%	0%	1%	0%	5%
Tampa	107	2%	3%	1%	0%	3%
Portland	141	4%	4%	2%	0%	2%
Minneapolis	105	-2%	0%	-1%	-2%	3%

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



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