



Yardi Matrix

# National Self Storage Report

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December 2021



# Monthly Supply and Rent Recap

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## Seasonality hits self storage rents, but demand remains healthy

- Self storage street rates declined slightly for the third straight month, but the near-term outlook for the sector remains positive as demand continues to be strong. Many REITs and other major operators report that occupancy levels are at or near long-term highs, as demand is robust for short- and long-term rentals. Sources of long-term demand include households downsizing and moving, those that are storing large items, and people that are working or operating businesses from home and need to declutter to create space to work. These and other factors have converged to produce demand for self storage facilities that isn't likely to reverse anytime soon.

## Street rate gains solid year-over-year, as construction pipeline grows

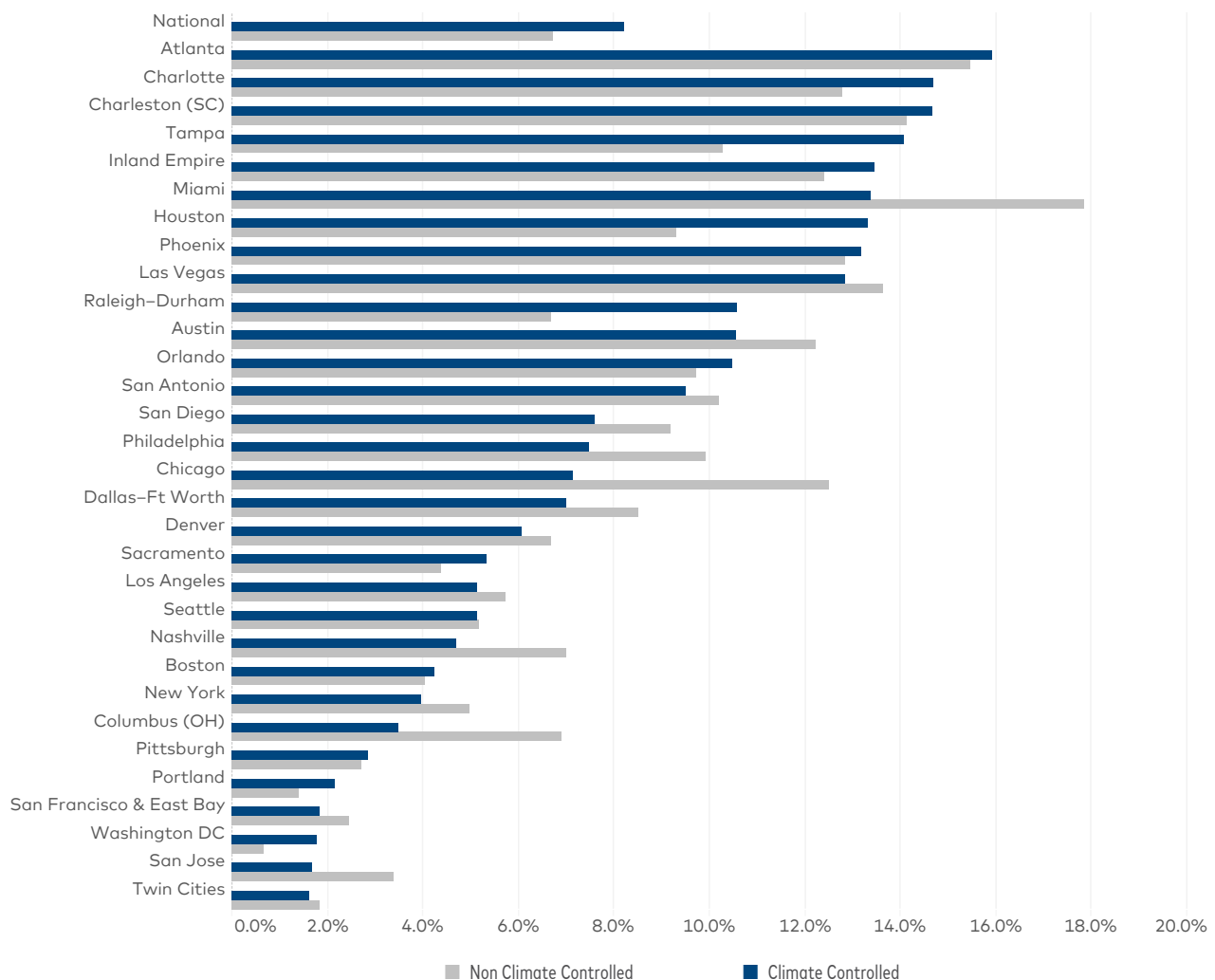
- Even though demand is healthy, street rates for self storage properties are coming off record-high gains. National street rates for 10x10 non-climate-controlled (NON CC) units declined to 6.7% growth in November, a drop of almost two percentage points from the previous month, while rates for similar-size climate-controlled (CC) units fell to 8.2% growth over the same time period. The decleration is not surprising, and street rates remain solid by historical standards.
- Although rent growth is moderating, no metros in the top markets tracked by Yardi Matrix are seeing negative street rate growth for standard-size 10x10 NON CC and 10x10 CC units. Indeed, rent growth was 5.0% or more in 24 of the top 30 markets for NON CC units and 22 of the top 30 metros in the CC unit category. Rent growth has fallen to 2% or less in a handful of metros, including Minneapolis, San Francisco, Portland and Washington, D.C.
- Nationally, Yardi Matrix tracks a total of 2,943 self storage properties in various stages of development—comprising 719 under construction, 1,252 planned and 476 prospective properties. The new-supply pipeline as a percent of existing inventory increased by 10 basis points month-over-month, putting the share of existing projects in the planning or under-construction stages at 8.8% of existing stock.
- Yardi Matrix also maintains operational profiles for 27,206 completed self storage facilities across the United States, bringing the total data set to 30,926.

# Monthly Rate Growth Update

## Street rates dip slightly in November

- Street rates for 10x10 NON CC units declined nationally by \$1 to \$127 in November from the prior month. National street rates for 10x10 CC units declined by \$1 for the third straight month to \$145 in November. Rents in both categories are at the same level they were in June. That's only slightly disappointing, given that rents traditionally have a seasonal slowdown in the winter, and that even with the small declines from the peak, rents are still not far from all-time highs.
- Year-over-year, national rates for 10x10 NON CC units increased 6.7% in November, a 180-basis-point drop from the gain recorded in October. Meanwhile, rates for 10x10 CC units increased 8.2%, or 230 basis points below the gain registered a month prior. While performance is slipping from the extraordinary gains made during the summer, the growth rates are well ahead of where they were in November 2020, when national year-over-year increases were 2.3% for 10x10 NON CC and 3.5% for CC units.

### November 2021 Year-over-Year Rent Change for 10'x10' Units



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

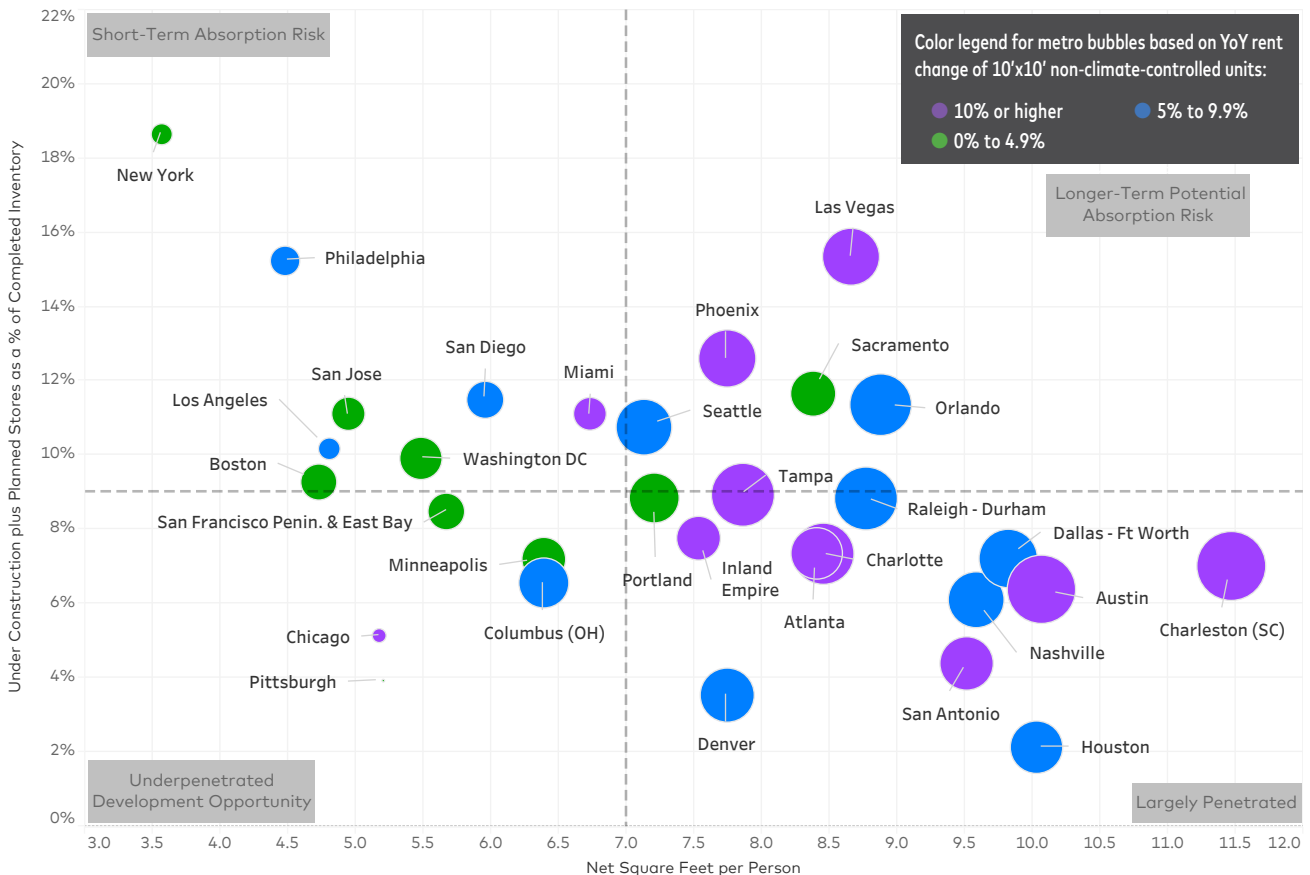


# Monthly Rate Growth Update

## Gateway markets are among leaders in new supply

- Self storage facilities are not evenly distributed across the country, a fact that developers are trying to rectify. Self storage is under-represented in the seven U.S. gateway markets—New York, Boston, Washington, D.C., Miami, Chicago, Los Angeles and San Francisco—all of which are below the national average when it comes to inventory per capita. All seven of these gateway markets are among the top 16 metros in self-storage square feet under construction, and all but San Francisco and Chicago are above the national average in self storage development as a percentage of stock.
- Yet developing self storage in gateway markets has its difficulties. The high cost of land and labor, construction and municipal fees, and high property taxes mean that other property types with higher rents per foot pencil out for property owners. Plus, as demand for other types of commercial real estate such as industrial and multifamily increases, city planners may decide that they prefer a different use of their scarce land resource. With demand high and inventory low, more product is needed.

**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 Dec. 7, 2021

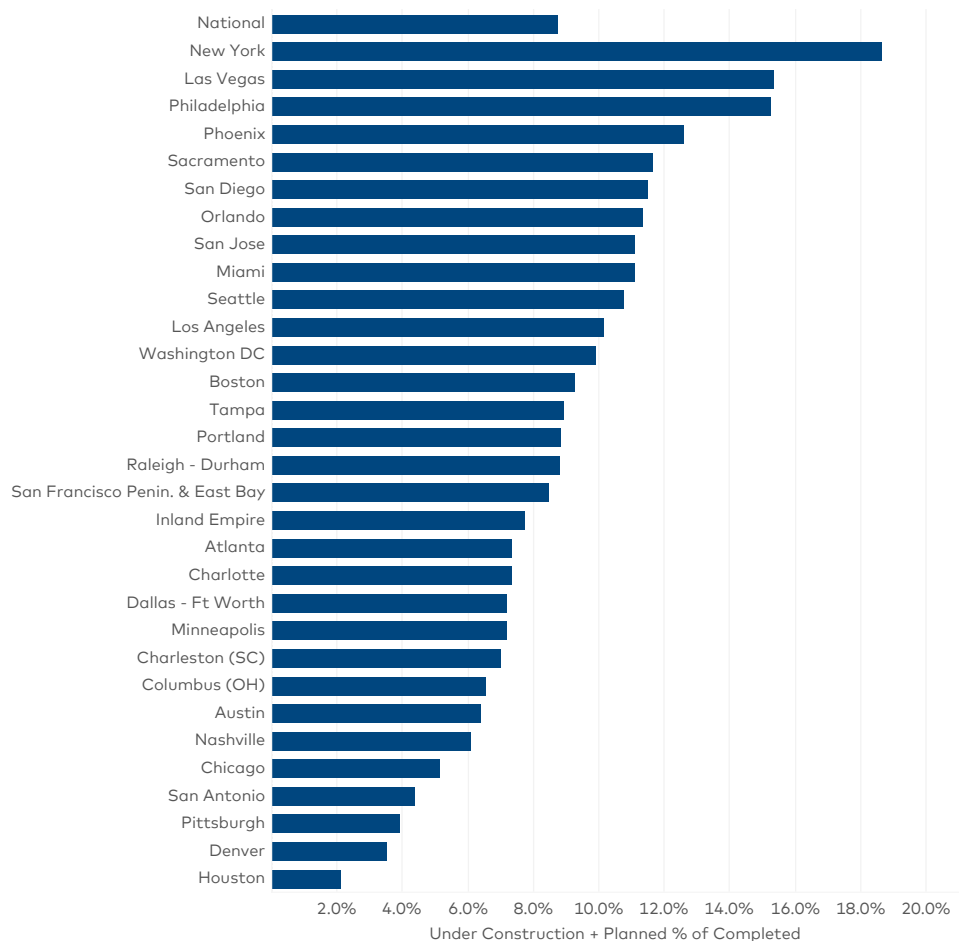
# Monthly New Supply Update

## New-supply pipeline keeps growing

- The national new-supply pipeline inched up in November, with properties under construction or in the planning stages of development equal to 8.8% of existing inventory, marking a 10-basis-point uptick from October. The number of storage projects being built reached a new high. The number of properties under construction nationwide increased by 24 to 719, and the number of projects in the planning stages dropped by four to 1,252. Developers are trying to take advantage of the demand for storage throughout the country.
- On a percentage of stock basis, New York continues to lead in projects in the pipeline, with storage properties under construction or in the planning stages equal to 18.4% of existing inventory. Philadelphia (15.4%) and Las Vegas (15.1%) round out the top 3.
- Eighteen metros have at least 2 million square feet of self storage under construction. New York has a wide lead in properties under construction on a square-foot basis, at 13.2 million square feet. Los Angeles (6.5 million square feet) and Dallas (5.0 million square feet) round out the top 3.

## Under Construction & Planned Percent of Existing Inventory

Metro	Oct-21	Nov-21	Change
NATIONAL	8.6%	8.8%	↑
New York	18.4%	18.7%	↑
Las Vegas	15.1%	15.4%	↑
Philadelphia	15.4%	15.2%	↓
Phoenix	12.1%	12.6%	↑
Sacramento	11.7%	11.7%	▬
San Diego	11.5%	11.5%	▬
Orlando	11.1%	11.4%	↑
San Jose	11.1%	11.1%	▬
Miami	10.8%	11.1%	↑
Seattle	10.8%	10.8%	▬
Los Angeles	9.9%	10.2%	↑
Washington DC	9.6%	9.9%	↑
Boston	9.0%	9.3%	↑
Tampa	8.7%	8.9%	↑
Portland	8.8%	8.8%	▬
Raleigh-Durham	8.8%	8.8%	▬
San Francisco Penin. & East Bay	8.5%	8.5%	▬
Inland Empire	7.8%	7.8%	▬
Atlanta	7.4%	7.4%	▬
Charlotte	7.0%	7.3%	↑
Dallas-Ft Worth	7.0%	7.2%	↑
Minneapolis	7.2%	7.2%	▬
Charleston (SC)	7.0%	7.0%	▬
Columbus (OH)	6.6%	6.6%	▬
Austin	6.1%	6.4%	↑
Nashville	6.1%	6.1%	▬
Chicago	5.0%	5.1%	↑
San Antonio	4.1%	4.4%	↑
Pittsburgh	3.9%	3.9%	▬
Denver	3.5%	3.5%	▬
Houston	2.1%	2.1%	▬



\* Drawn from our national database of more than 29,653 stores, including some 2,447 projects in the new-supply pipeline as well as 27,206 completed stores.

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

# Monthly Rate Recap

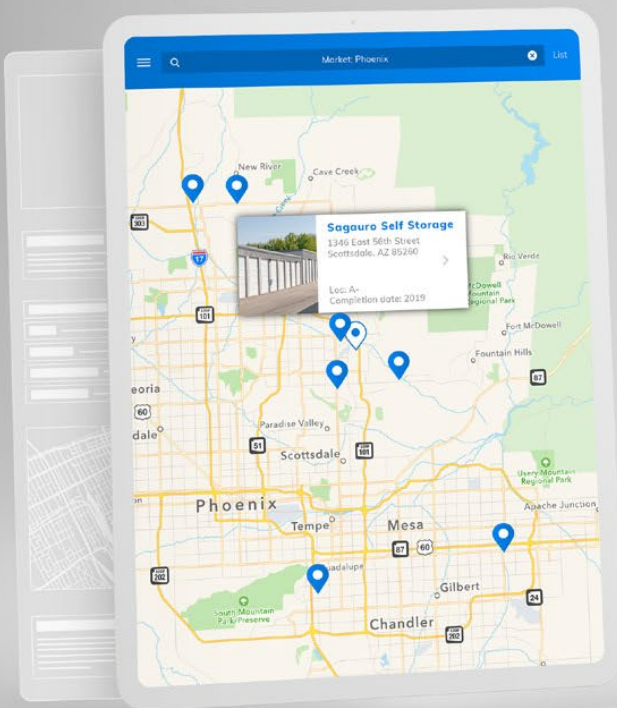
Market	Avg Metro Rate 10'x10' (non cc)	November 2021 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	127	6%	8%	7%	8%	8%
Atlanta	112	12%	17%	15%	16%	14%
Charlotte	97	18%	15%	13%	15%	11%
Charleston (SC)	105	16%	10%	14%	15%	12%
Tampa	118	10%	13%	10%	14%	13%
Inland Empire	136	14%	15%	12%	13%	12%
Miami	165	20%	23%	18%	13%	18%
Houston	94	9%	10%	9%	13%	10%
Phoenix	123	9%	13%	13%	13%	15%
Las Vegas	125	14%	15%	14%	13%	13%
Raleigh-Durham	96	8%	7%	7%	11%	7%
Austin	110	12%	15%	12%	11%	10%
Orlando	113	7%	10%	10%	10%	11%
San Antonio	108	11%	10%	10%	9%	9%
San Diego	178	12%	9%	9%	8%	6%
Philadelphia	144	11%	10%	10%	7%	9%
Chicago	117	18%	11%	13%	7%	10%
Dallas-Ft Worth	102	5%	7%	9%	7%	7%
Denver	128	6%	7%	7%	6%	8%
Sacramento	143	7%	6%	4%	5%	4%
Seattle	163	3%	5%	5%	5%	6%
Los Angeles	203	4%	6%	6%	5%	6%
Nashville	107	4%	3%	7%	5%	8%
Boston	154	4%	3%	4%	4%	4%
New York	190	4%	5%	5%	4%	6%
Columbus (OH)	93	9%	7%	7%	3%	7%
Pittsburgh	114	4%	3%	3%	3%	5%
Portland	144	3%	2%	1%	2%	3%
San Francisco Penin. & East Bay	208	1%	3%	2%	2%	5%
Washington DC	150	2%	1%	1%	2%	2%
San Jose	183	4%	2%	3%	2%	5%
Minneapolis	111	2%	3%	2%	2%	4%

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



# Yardi<sup>®</sup> Matrix

Power your business with the industry's leading source for originating, pre-underwriting and managing assets for profitable loans and investments.



Yardi Matrix Self Storage provides accurate data on storage facilities in 133 markets covering more than 29,000 properties nationwide.

## Key features

- Gain new supply pipeline information at the asset, competitive set and market level
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as portfolios of owners, managers, buyers and sellers

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## Contacts

### **Jeff Adler**

Vice President & General Manager,  
Yardi Matrix  
Jeff.Adler@Yardi.com  
(303) 615-3676

### **Isaac Hiatt**

Product Specialist  
Isaac.Hiatt@Yardi.com  
(800) 866-1124 x3912

### **Claire Spadoni**

Senior Research Analyst  
Claire.Spadoni@Yardi.com  
(800) 866-1124 x2151

### **Doug Ressler**

Media Contact  
Doug.Ressler@Yardi.com  
(480) 695-3365

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