



Yardi[®] Matrix

National Self Storage Report

March 2022



Self Storage Supply and Rent Recap

Bullish outlook at the start of high-demand season

- The self storage industry heads into the spring season with strong fundamentals. Rates flattened during the winter as demand waned in normal seasonal patterns. However, coming off the banner year in 2021 means the industry is well ahead of where it normally is at this point in the calendar, a position of strength from which rates can remain high. Also, self storage continues to benefit from pandemic-fueled demand, which includes the growing RV/boat exclusive storage category. "Things look great coming into the spring season," one REIT executive said during a recent earnings call. We expect that rent growth will moderate in 2022 from the above-trend 2021 levels, but it should remain comfortably above the long-term average. Said another REIT executive: "We anticipate another strong year, comparable to the second half of 2021."

Street rates maintain strong year-over-year gains

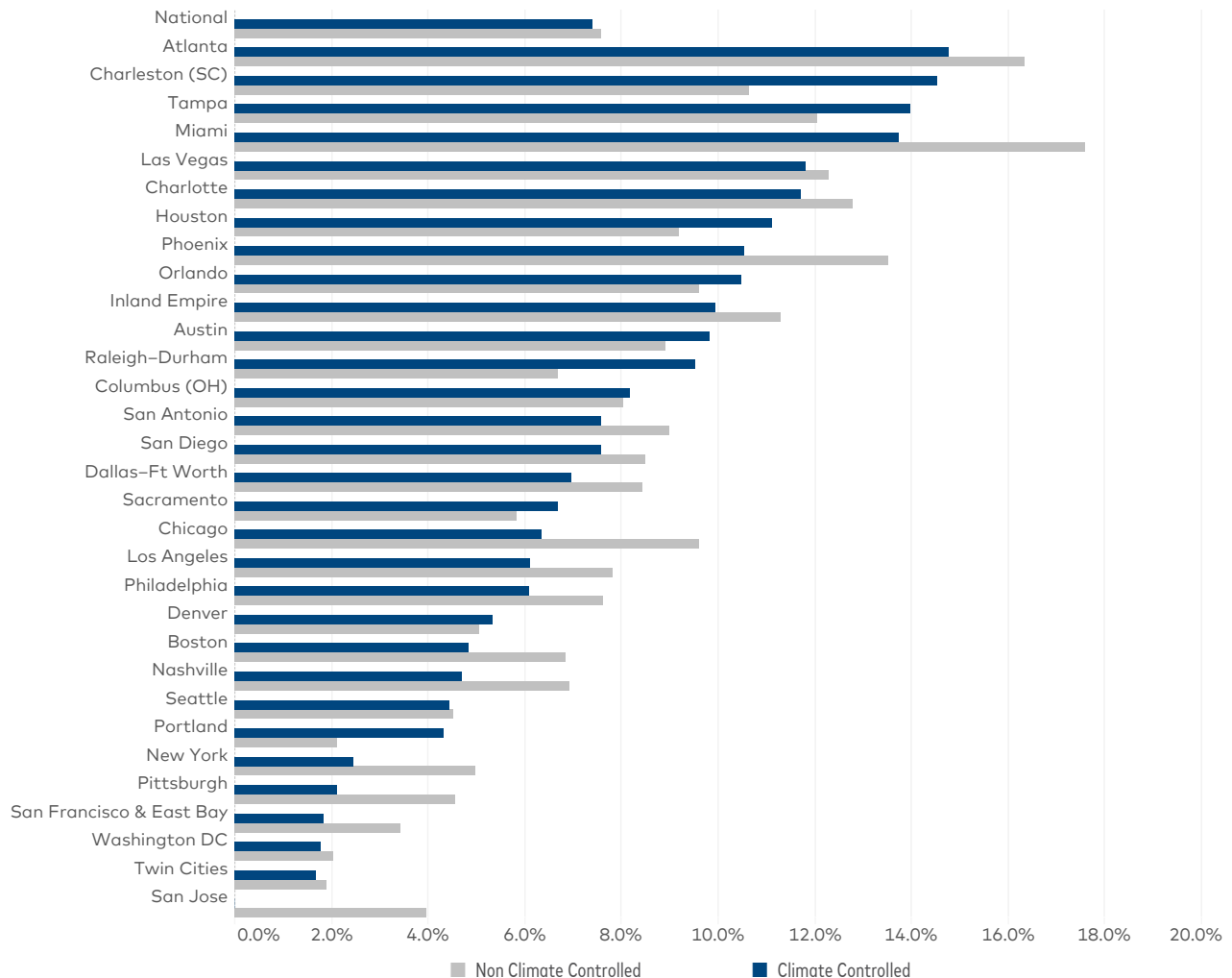
- Year-over-year street rate growth for all unit types was unchanged in February, which on balance is a good sign given the industry's position. Nationally, 10x10 non-climate-controlled (NON CC) units were up 7.6% year-over-year, while rates for similar-size climate-controlled (CC) units grew 7.4% over the same period.
- Rent growth continues to be healthy across major metros, led by markets with strong in-migration in the Southeast and Southwest. For NON CC units, nine of the top 31 metros had rent growth of 10.0% or more year-over-year in February and 23 of the top 31 had 5.0% or more growth. For CC units, the story was much the same, with nine of the top 31 metros at 10.0% and 21 at 5.0% year-over-year growth. San Jose was the only metro with a negative growth rate, at -0.6% for CC units.
- Nationally, Yardi Matrix tracks a total of 3,864 self storage properties in various stages of development—comprising 730 under construction, 1,359 planned and 532 prospective properties. The new-supply pipeline as a percent of existing inventory rose 20 basis points to 9.2% in February.
- Yardi Matrix also maintains operational profiles for 28,139 completed self storage facilities across the United States, bringing the total data set to 32,058.

Street Rate Growth Update

Street rates are being held steady by consistent demand

- Nationally, street rate growth for all unit types was unchanged in February. Street rates for 10x10 NON CC units grew 7.6% year-over-year during the month, while rates for 10x10 CC units grew 7.4% year-over-year. Markets in the Southeast and Southwest led the way in street rate growth, but storage executives are optimistic about increasing rates across the country. Sun Belt demand is likely to remain durable, while street rents continue to rise and stabilize at new higher rates. Seasonality returned more quickly to the Acela Corridor in the Northeast as demand peaked in the second half of 2021, but fundamentals are expected to remain healthy there, as well.
- Nationally, street rates for 10x10 NON CC units were unchanged at \$128 in February, while street rates for 10x10 CC units decreased by \$1 to \$145. Demand is healthy from all of the traditional "four Ds." Also, the recovering economy and extremely low vacancy rates in industrial properties are producing increased demand from small businesses for logistics and deliveries, although this remains a small part of the overall picture.

February 2022 Year-over-Year Rent Change for 10'x10' Units



Source: Yardi Matrix. Street rate data as of March 10, 2022

Monthly Sequential Rents

Three metros led by Seattle register street rate increases in February

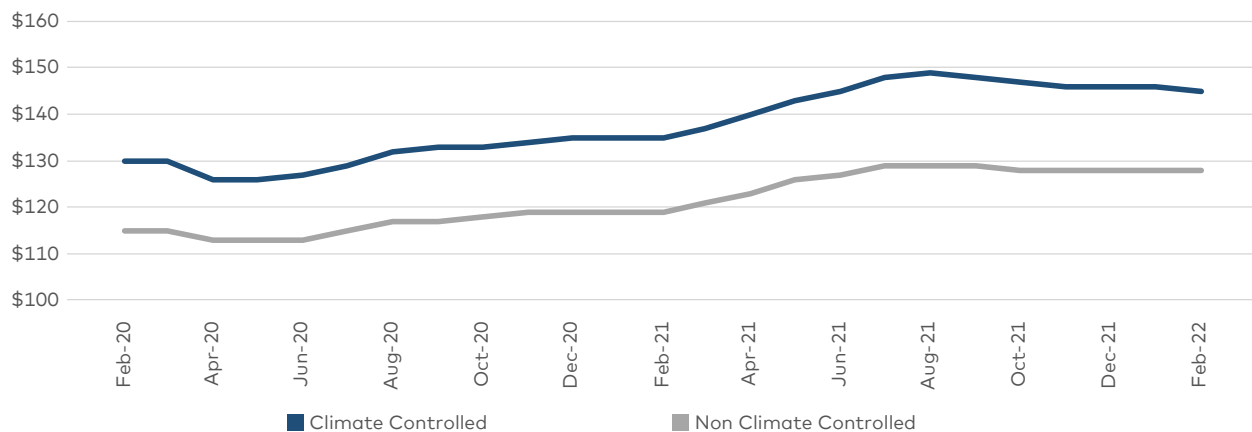
■ On a month-to-month basis, street rates have changed little in recent months, but that obscures the fact that there are changes on a metro level. Combined, NON CC and CC 10X10 street rates rose \$2 last month in Seattle, for example, increasing the year-over-year growth rate by 120 basis points. Small increases were also recorded in Pittsburgh (producing 0.8% year-over-year growth) and Los Angeles (0.5%). Ten metros saw combined street rates decline by \$1 month-over-month in February, while the other 18 metros in our top 31 experienced no changes.

■ Some customers have balked as self storage operators try to impose renewal rates to match newer and higher street rates. But with overall occupancy high, the number of defections is not enough to elicit a change in strategy. Said one REIT executive during a recent earnings call: "We're still easily able to backfill those tenants at higher rates."

Metro	Jan-22 Average 10' x 10' Street Rate (\$)	Feb-22 Average 10' x 10' Street Rate (\$)	Month-over- Month Change (%)	Change
NATIONAL	\$135	\$135	0.0%	-
Seattle	\$161	\$163	1.2%	↑
Pittsburgh	\$127	\$128	0.8%	↑
Los Angeles	\$206	\$207	0.5%	↑
Las Vegas	\$126	\$126	0.0%	-
Minneapolis	\$114	\$114	0.0%	-
Nashville	\$118	\$118	0.0%	-
Atlanta	\$123	\$123	0.0%	-
Austin	\$122	\$122	0.0%	-
Boston	\$164	\$164	0.0%	-
Charleston (SC)	\$120	\$120	0.0%	-
Columbus (OH)	\$101	\$101	0.0%	-
Dallas	\$112	\$112	0.0%	-
Houston	\$106	\$106	0.0%	-
Portland	\$145	\$145	0.0%	-
Phoenix	\$135	\$135	0.0%	-
Sacramento	\$148	\$148	0.0%	-
San Antonio	\$117	\$117	0.0%	-
San Diego	\$180	\$180	0.0%	-
Tampa	\$134	\$134	0.0%	-
Washington DC	\$159	\$159	0.0%	-
San Jose	\$184	\$184	0.0%	-
San Francisco	\$213	\$212	-0.5%	↓
New York	\$200	\$199	-0.5%	↓
Miami	\$178	\$177	-0.6%	↓
Philadelphia	\$149	\$148	-0.7%	↓
Inland Empire	\$146	\$145	-0.7%	↓
Denver	\$131	\$130	-0.8%	↓
Orlando	\$127	\$126	-0.8%	↓
Chicago	\$124	\$123	-0.8%	↓
Charlotte	\$110	\$109	-0.9%	↓
Raleigh-Durham	\$106	\$105	-0.9%	↓

Source: Yardi Matrix. Data as of March 10, 2022

National Average Street Rates for 10' x 10' Units



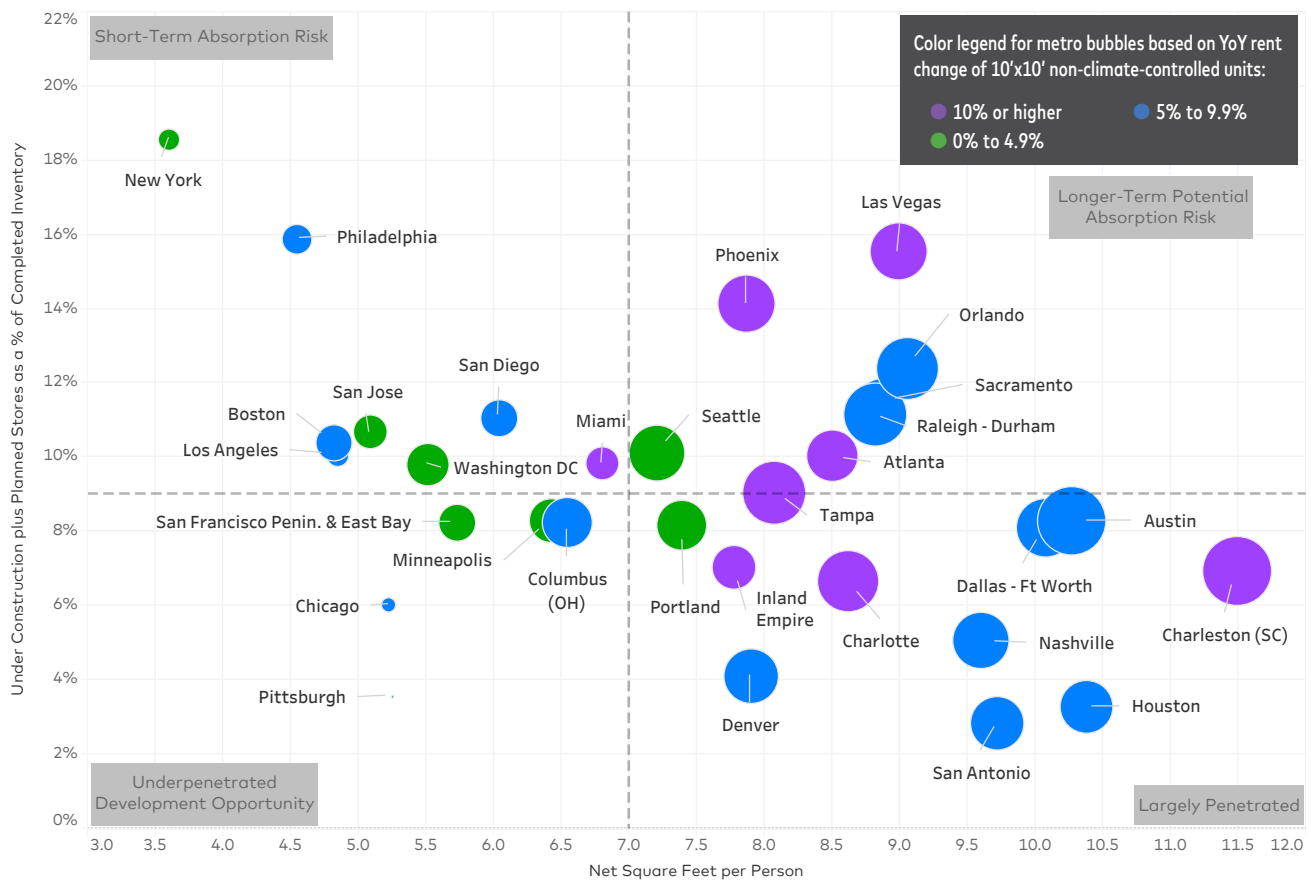
* Drawn from our national database of more than 29,836 stores, including some 2,538 projects in the new-supply pipeline as well as 27,298 completed stores.
Source: Yardi Matrix. Data as of March 10, 2022

Street Rates and New Supply

Growth remains strong in high-penetration markets

- The correlation among the new-supply pipeline, penetration of net square feet per person, and growth in street rates continues to be weak. Of the eight metros in our top 31 with rent growth exceeding 10.0%, only one—Miami—has self storage stock below 7 square feet per person. Miami (17.6%) and Atlanta (16.3%) lead metros in year-over-year growth of NON CC 10X10 units. Atlanta's growth is led by suburban submarkets, where street rates are up 16.1% year-over-year for NON CC and 17.0% for CC units. Street rates in the Atlanta suburbs shot up in the first half of 2021, and have maintained the higher rates since then due to the strong demand.
- Street rate growth has been weak in New York City, where penetration is low and the pipeline is high. A spate of new deliveries is expected this year, raising questions about rate direction. Several new facilities are opening in Brooklyn and Queens, although the penetration of self storage in some Queens submarkets is low, so new properties are expected to generate strong demand.

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 March 10, 2022

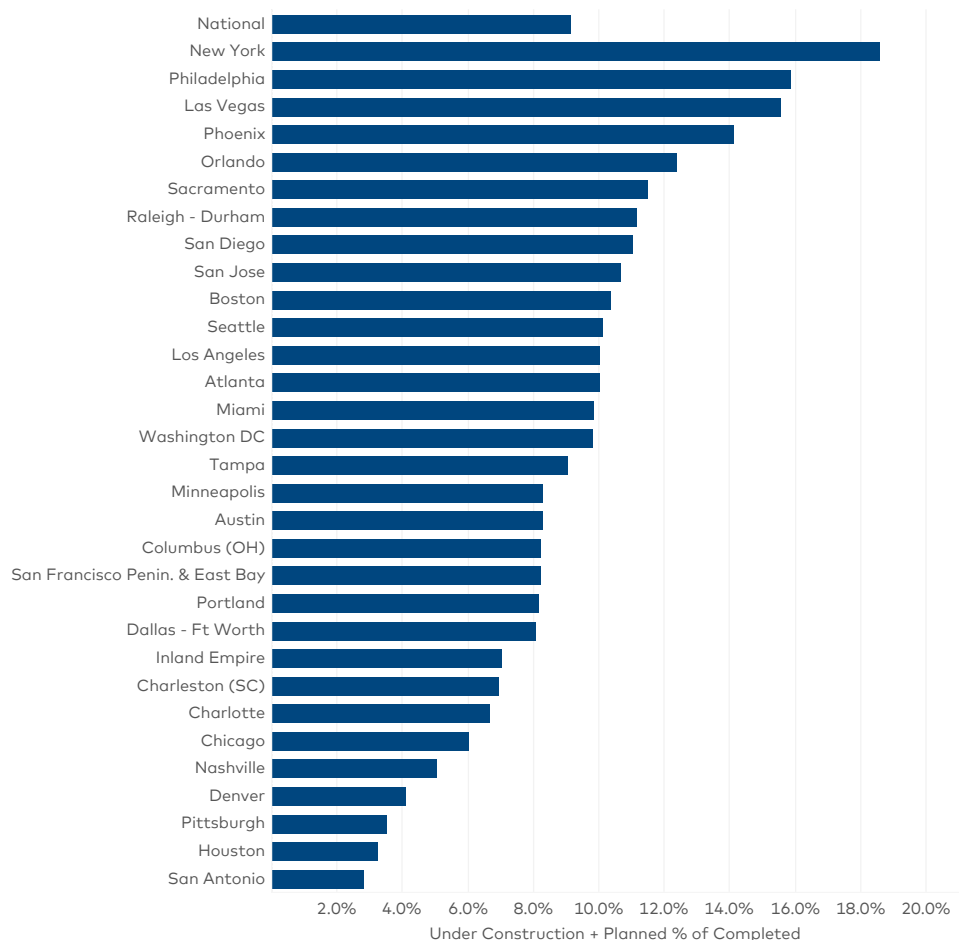
New Supply Update

Supply pipeline grows; Orlando welcomes four new projects

- The national new-supply pipeline once again grew in February, with properties under construction or in the planning stages of development equal to 9.2% of existing inventory, up from 9.0% in January. The number of properties under construction nationwide decreased by one to 730, and the number of projects in the planning stages increased by 72 to 1,359.
- Some of the top markets are seeing pressure on rents due to the amount of new deliveries, but the impact of supply is expected to be muted due to strong in-migration and consumer demand. New projects are being delayed in some instances because of increasing construction costs and the difficulty of getting materials delivered and/or labor.
- Orlando's development pipeline grew by 120 basis points in February, as nearly 310,000 square feet of new projects were added to its pipeline. The increase encompasses two properties under construction and two that are planned. Given the strong demand in Orlando and the time it takes for new supply to be delivered, there is unlikely to be any immediate impact on rent growth.

Under Construction & Planned Percent of Existing Inventory

Metro	Jan-22	Feb-22	Change
NATIONAL	9.0%	9.2%	↑
New York	18.3%	18.6%	↑
Philadelphia	15.8%	15.9%	↑
Las Vegas	15.0%	15.6%	↑
Phoenix	14.2%	14.1%	↓
Orlando	11.2%	12.4%	↑
Sacramento	11.3%	11.5%	↑
Raleigh-Durham	10.7%	11.2%	↑
San Diego	11.1%	11.1%	—
San Jose	10.7%	10.7%	—
Boston	10.1%	10.4%	↑
Seattle	10.1%	10.1%	—
Los Angeles	10.1%	10.1%	—
Atlanta	9.7%	10.0%	↑
Miami	9.9%	9.8%	↓
Washington DC	9.6%	9.8%	↑
Tampa	8.9%	9.0%	↑
Austin	8.0%	8.3%	↑
Minneapolis	8.3%	8.3%	—
Columbus (OH)	7.5%	8.2%	↑
San Francisco Penin. & East Bay	8.3%	8.2%	↓
Portland	8.2%	8.2%	—
Dallas-Ft Worth	8.0%	8.1%	↑
Inland Empire	7.1%	7.0%	↓
Charleston (SC)	6.3%	6.9%	↑
Charlotte	6.7%	6.7%	—
Chicago	5.9%	6.0%	↑
Nashville	5.1%	5.1%	—
Denver	3.5%	4.1%	↑
Pittsburgh	3.2%	3.5%	↑
Houston	3.3%	3.3%	—
San Antonio	2.4%	2.8%	↑



* Drawn from our national database of more than 29,836 stores, including some 2,538 projects in the new-supply pipeline as well as 27,298 completed stores.

Source: Yardi Matrix. Supply data as of March 10, 2022

Monthly Rate Recap

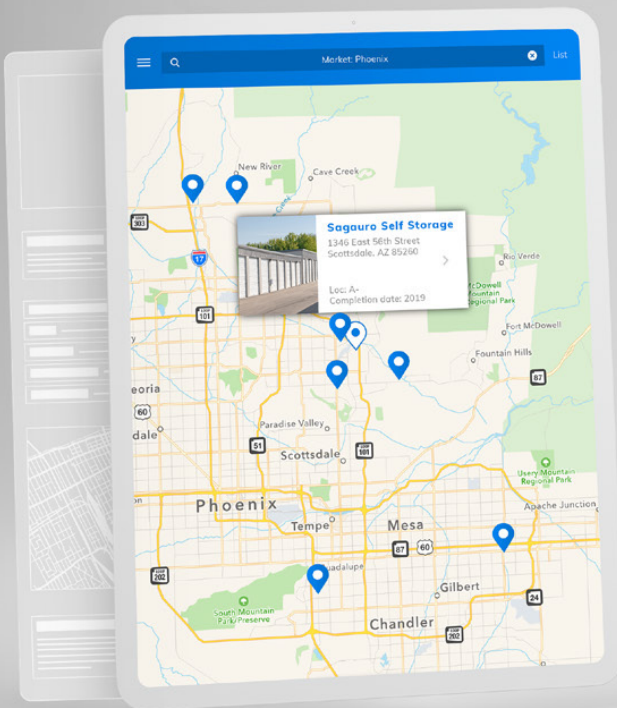
Market	Avg Metro Rate 10'x10' (non cc)	February 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	\$128	6%	8%	8%	7%	7%
Atlanta	\$114	14%	16%	16%	15%	14%
Charleston (SC)	\$104	13%	10%	11%	15%	15%
Tampa	\$121	9%	11%	12%	14%	13%
Miami	\$167	20%	21%	18%	14%	18%
Las Vegas	\$128	13%	10%	12%	12%	11%
Charlotte	\$97	15%	13%	13%	12%	8%
Houston	\$95	9%	8%	9%	11%	8%
Phoenix	\$126	12%	12%	14%	11%	12%
Orlando	\$114	5%	8%	10%	10%	10%
Inland Empire	\$138	10%	12%	11%	10%	10%
Austin	\$110	10%	11%	9%	10%	8%
Raleigh-Durham	\$96	10%	7%	7%	10%	8%
Columbus (OH)	\$94	6%	5%	8%	8%	6%
San Antonio	\$109	9%	8%	9%	8%	8%
San Diego	\$179	8%	9%	8%	8%	6%
Dallas-Ft Worth	\$103	7%	8%	8%	7%	8%
Sacramento	\$145	5%	6%	6%	7%	6%
Chicago	\$114	12%	11%	10%	6%	8%
Los Angeles	\$207	6%	8%	8%	6%	7%
Philadelphia	\$141	9%	7%	8%	6%	9%
Denver	\$125	6%	4%	5%	5%	6%
Boston	\$156	7%	7%	7%	5%	7%
Nashville	\$108	4%	3%	7%	5%	7%
Seattle	\$162	3%	4%	5%	4%	5%
Portland	\$145	2%	2%	2%	4%	4%
New York	\$190	4%	6%	5%	2%	5%
Pittsburgh	\$115	4%	1%	5%	2%	5%
San Francisco Penin. & East Bay	\$211	2%	3%	3%	2%	5%
Washington DC	\$150	4%	2%	2%	2%	3%
Minneapolis	\$107	5%	0%	2%	2%	3%
San Jose	\$184	5%	4%	4%	-1%	6%

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



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