



Yardi<sup>®</sup> Matrix

# National Self Storage Report

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April 2022



# Self Storage Supply and Rent Recap

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## Street rates inch up amid expectations of moderate growth

- Self storage rents rose slightly in March, thanks to a small uptick in 10x10 climate-controlled units, but the big story is that the industry was able to maintain high rents through the winter months headed into the high-growth season. The overall national street rate, which includes all unit types and sizes, has had little monthly fluctuation and remains unchanged from July 2021 at \$145. The stability, however, comes after a year of rapid growth, and self storage operators are in a good position, as relatively few customers opted against renewing leases during the winter. That served to keep rents high and emboldened operators to increase rents on renewals. The expectation for the coming quarters is a return to more “normal” seasonal growth, with strong demand yet more moderate rent gains than a year ago.

## Year-over-year growth rate shrinks while demand remains high

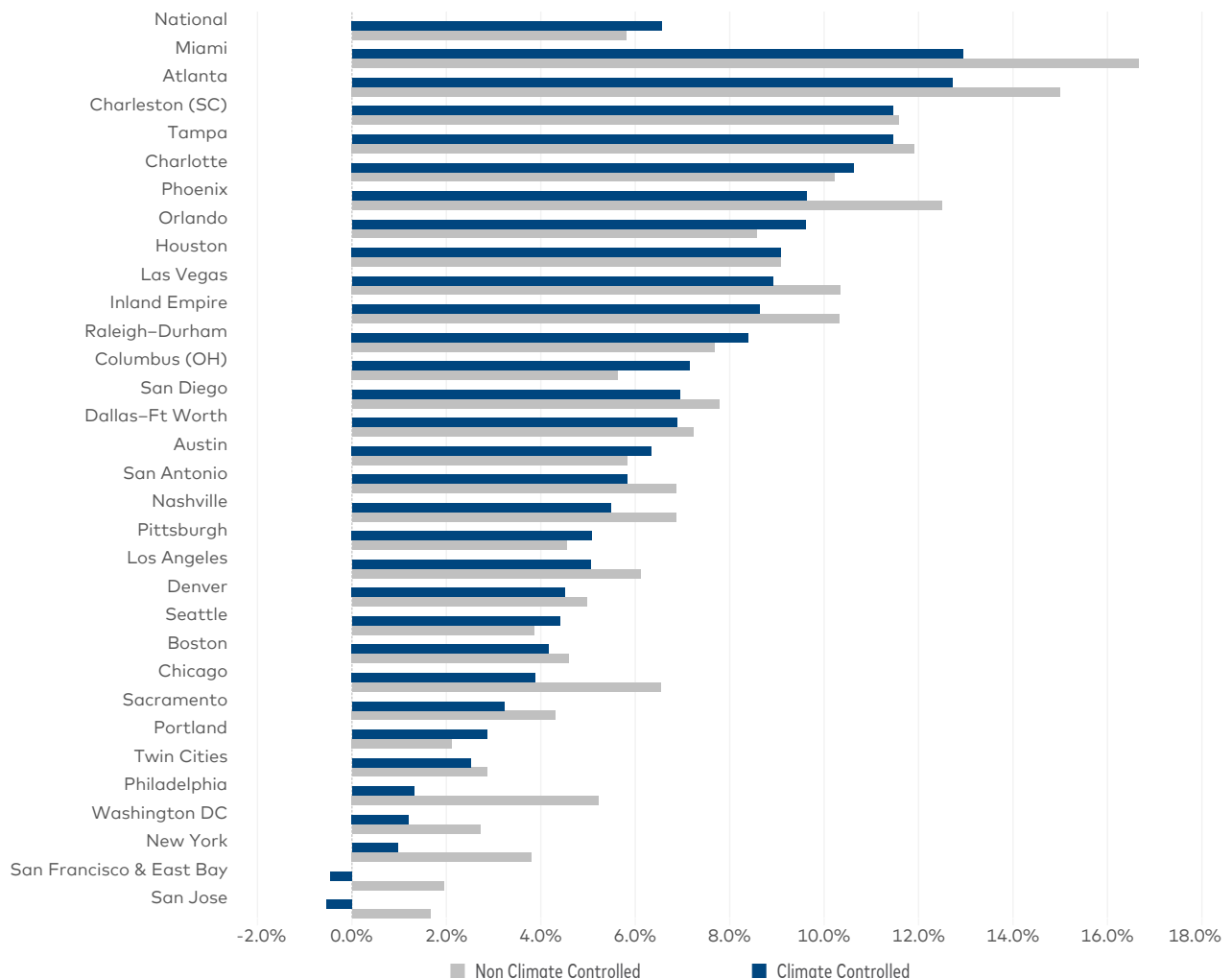
- As street rates have leveled, year-over-year growth has slowed. If street rates rise in a normal seasonal pattern as expected in 2022, year-over-year growth will continue to decelerate, since gains are unlikely to match the above-trend 2021 increases. Average street rate growth fell by 170 basis points to 6.6% in March, the lowest level since February 2021, just before rents started to take off. Nationally, rates for 10x10 non-climate-controlled (NON CC) units increased 5.8% year-over-year through March, while rates for similar-size climate-controlled (CC) units rose 6.6% over the same period.
- Rent growth is decelerating in some parts of the country, particularly coastal gateway metros, while remaining strong in high-growth markets of the South, Southeast and Southwest. For NON CC units, 25% of the top 31 metros had rent increases of 10.0% or more year-over-year in March and 22 of the top 31 had 5.0% or more growth. For CC units, only five of the top 31 metros had 10.0% growth year-over-year and 12 were below 5.0%.
- Nationally, Yardi Matrix tracks a total of 3,992 self storage properties in various stages of development—including 1,410 planned, 726 under construction and 554 prospective properties. The new-supply pipeline as a percent of existing inventory rose 20 basis points to 9.3% in March.
- Yardi Matrix also maintains operational profiles for 28,220 completed self storage facilities across the United States, bringing the total data set to 32,212.

# Street Rate Growth Update

## National street rate growth is decelerating

- Nationally, street rate growth slowed in March on an annual basis. Street rates for 10x10 NON CC units grew 5.8% year-over-year, down 180 basis points from February. Street rates nationwide for 10x10 CC units recorded a smaller deceleration in growth, dropping only 80 basis points to 6.6% year-over-year in March from 7.4% in February.
- National street rates for 10x10 NON CC units were unchanged in March at \$128, while rates for 10x10 CC units increased \$1 to \$146. There is some expectation that rates will return to their normal seasonality and post gains during the spring leasing season.
- Markets in the Southeast and Southwest once again led the way in street rate growth in March, but storage executives are optimistic about rate increases across the country, especially as spring leasing picks up steam.

March 2022 Year-Over-Year Rent Change for 10'x10' Units



Source: Yardi Matrix. Street rate data as of April 11, 2022

# Monthly Sequential Rents

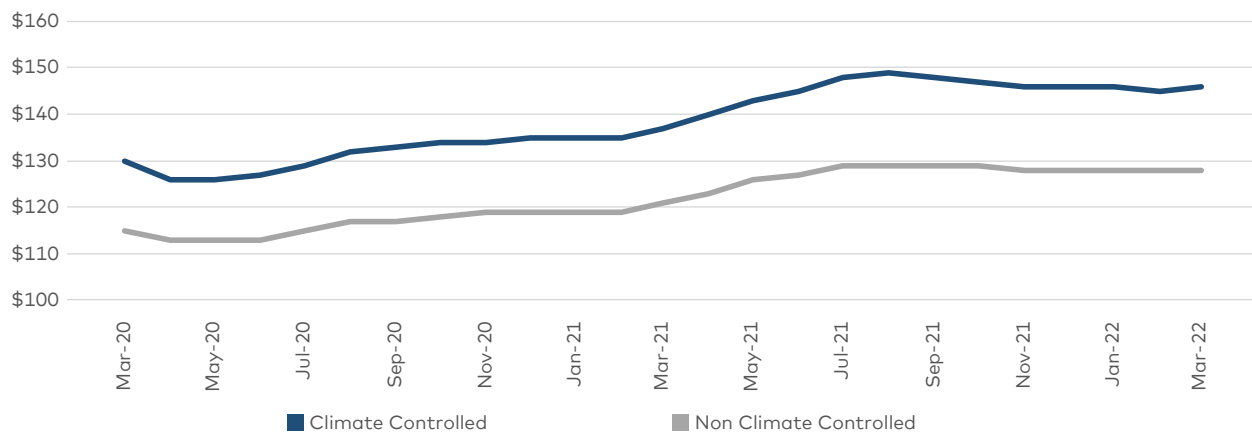
## Eleven metros led by Denver register street rate increases in March

- Although street rates changed little nationally from February to March, there was some movement on the local level. For example, street rates for 10x10 NON CC and CC units rose a combined \$2 in three markets—Denver, Washington, D.C., and Boston. Street rates in all three had decelerated recently after peaking last summer, and this recent uptick could be a sign of seasonal patterns.
- Combined street rates rose by \$1 in eight of the top 31 metros, while there was no change in 17 metros.
- Three of the top 31 metros—Austin, Philadelphia and Las Vegas—saw combined street rates fall \$1 month-over-month in March. One-month changes represent a small sample size and do not necessarily indicate a significant trend in a market.

Metro	Feb-22 Average 10' x 10' Street Rate (\$)	Mar-22 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$135	\$135	0.0%	-
Denver	\$130	\$132	1.5%	↑
Washington DC	\$159	\$161	1.3%	↑
Boston	\$164	\$166	1.2%	↑
Raleigh-Durham	\$106	\$107	0.9%	↑
Dallas-Ft Worth	\$112	\$113	0.9%	↑
Minneapolis	\$114	\$115	0.9%	↑
Charleston (SC)	\$121	\$122	0.8%	↑
Atlanta	\$123	\$124	0.8%	↑
Portland	\$145	\$146	0.7%	↑
Miami	\$177	\$178	0.6%	↑
New York	\$199	\$200	0.5%	↑
Orlando	\$126	\$126	0.0%	-
Nashville	\$119	\$119	0.0%	-
Los Angeles	\$208	\$208	0.0%	-
Charlotte	\$109	\$109	0.0%	-
Chicago	\$123	\$123	0.0%	-
Columbus (OH)	\$102	\$102	0.0%	-
Houston	\$106	\$106	0.0%	-
Inland Empire	\$145	\$145	0.0%	-
Phoenix	\$135	\$135	0.0%	-
Pittsburgh	\$128	\$128	0.0%	-
Sacramento	\$148	\$148	0.0%	-
San Antonio	\$117	\$117	0.0%	-
San Diego	\$180	\$180	0.0%	-
San Francisco	\$212	\$212	0.0%	-
San Jose	\$185	\$185	0.0%	-
Seattle	\$163	\$163	0.0%	-
Tampa	\$134	\$134	0.0%	-
Philadelphia	\$148	\$147	-0.7%	↓
Las Vegas	\$126	\$125	-0.8%	↓
Austin	\$122	\$121	-0.8%	↓

Source: Yardi Matrix. Data as of April 11, 2022

## National Average Street Rates for 10' x 10' Units



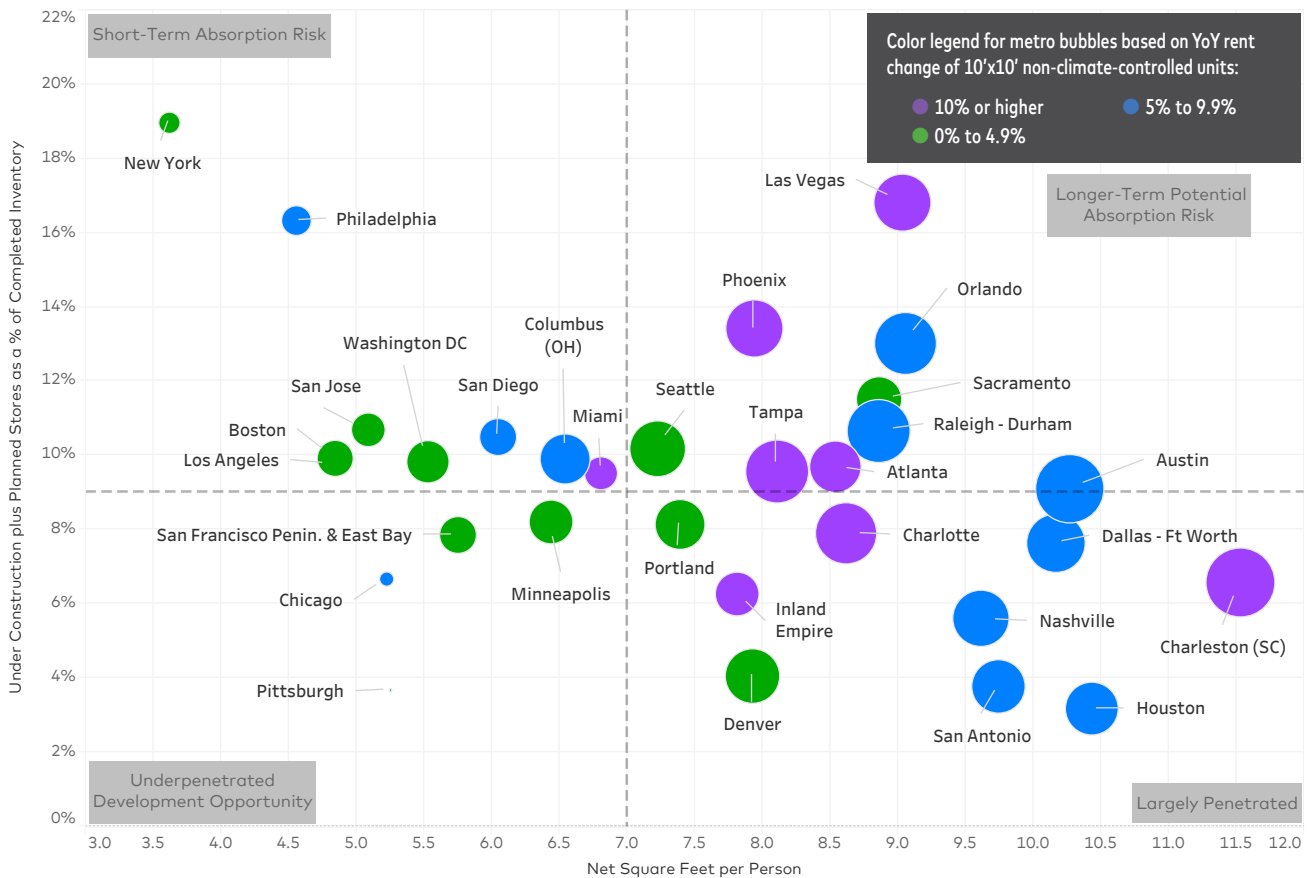
\* Drawn from our national database of more than 30,910 stores, including some 2,690 projects in the new-supply pipeline as well as 28,220 completed stores  
Source: Yardi Matrix. Data as of April 11, 2022

# Street Rates and New Supply

## High-growth metros see the greatest acceleration in street rates

- The correlation between the new-supply pipeline, current net square feet per capita and growth in street rates remains weak. Seven of the eight top metros with year-over-year street rate growth for 10x10 CC units exceeding 10% have existing inventory greater than the national average of 7.1 net rentable square feet per person. High-growth secondary markets in the South and West led the top markets for year-over-year growth for 10x10 NON CC units in March, including Miami (16.7%), Atlanta (15.0%), Phoenix (12.5%) and Tampa (11.9%). Despite high penetration by self storage properties, these metros benefit from strong population growth.
- In many gateway markets, street rate growth remains weaker, despite lower rates of penetration. Even with storage stock equal to less than 5 net rentable square feet per person, San Francisco (1.9%), Washington, D.C. (2.7%), New York (3.8%) and Boston (4.6%) saw rates for 10x10 NON CC units increase less than 5% on an annual basis in March.

**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 11, 2022

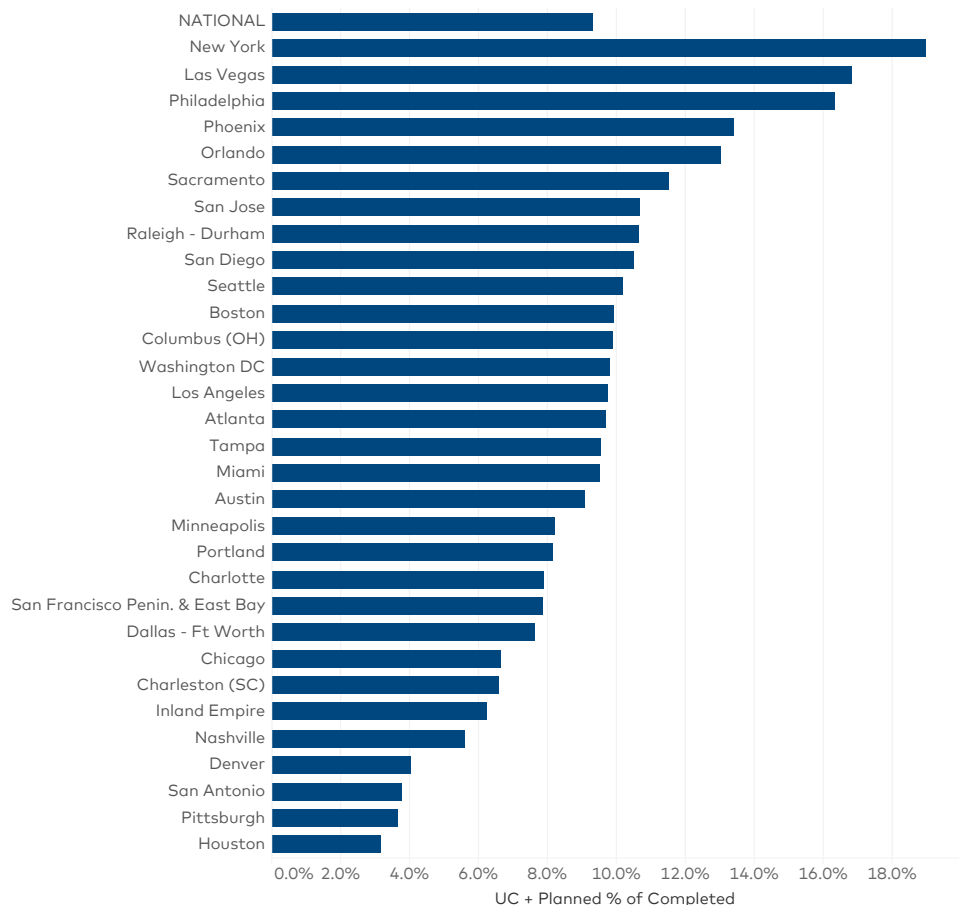
# New Supply Update

## Development pipeline continues to increase

- The national new-supply pipeline grew in March, with properties under construction or in the planning stages accounting for 9.3% of existing stock, a 20-basis point uptick from February. Across the nation, the number of properties under construction increased by 19 to 726, while the properties in the planning stage increased by 38 to 1,410.
- Among top metros, Columbus saw the largest increase in development activity month-over-month in March. Columbus' new-supply pipeline, which consists of properties under construction or in planning, grew 160 basis points during the month to 9.9% of completed stock.
- Only one of the top 31 metros saw a reduction in its new-supply pipeline. Development activity in Boston decreased by a slight 10 basis points month-over-month in March, with projects under construction or in the planning stages equal to 9.9% of existing inventory. Development can be difficult in gateway markets because of the more stringent entitlement process, the lack of available land, the cost of new construction and difficulty in obtaining materials and labor.

## Under Construction & Planned Percent of Existing Inventory

Metro	Feb-22	Mar-22	Change
NATIONAL	9.1%	9.3%	↑
New York	18.5%	19.0%	↑
Las Vegas	16.6%	16.8%	↑
Philadelphia	16.4%	16.3%	↓
Phoenix	13.0%	13.4%	↑
Orlando	12.3%	13.0%	↑
Sacramento	11.5%	11.5%	—
San Jose	10.7%	10.7%	—
Raleigh-Durham	10.7%	10.7%	—
San Diego	10.5%	10.5%	—
Seattle	9.9%	10.2%	↑
Boston	10.0%	9.9%	↓
Columbus (OH)	8.3%	9.9%	↑
Washington DC	9.9%	9.8%	↓
Los Angeles	9.6%	9.8%	↓
Atlanta	9.7%	9.7%	—
Tampa	9.2%	9.6%	↑
Miami	9.5%	9.5%	—
Austin	8.1%	9.1%	↑
Minneapolis	7.8%	8.2%	↑
Portland	7.4%	8.1%	↑
Charlotte	7.5%	7.9%	↑
San Francisco Penin. & East Bay	7.9%	7.9%	—
Dallas-Ft Worth	7.5%	7.6%	↑
Chicago	6.5%	6.7%	↑
Charleston (SC)	6.6%	6.6%	—
Inland Empire	6.1%	6.3%	↑
Nashville	5.1%	5.6%	↑
Denver	3.9%	4.1%	↑
San Antonio	3.4%	3.8%	↑
Pittsburgh	3.7%	3.7%	—
Houston	3.0%	3.2%	↑



\* Drawn from our national database of more than 30,910 stores, including some 2,690 projects in the new-supply pipeline as well as 28,220 completed stores.

Source: Yardi Matrix. Supply data as of April 11, 2022

# Monthly Rate Recap

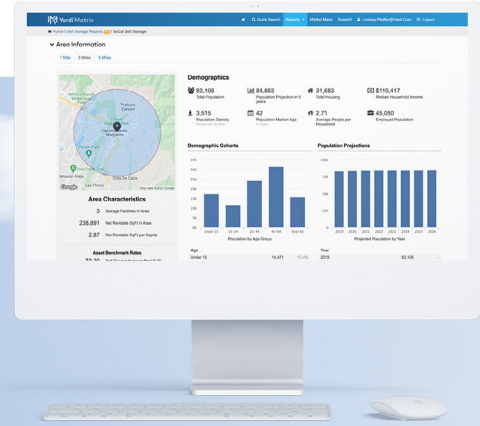
Market	Avg Metro Rate 10'x10' (non cc)	March 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	128	8%	5%	6%	7%	6%
Miami	168	20%	19%	17%	13%	14%
Atlanta	115	14%	16%	15%	13%	13%
Charleston (SC)	106	10%	12%	12%	11%	14%
Tampa	122	9%	9%	12%	11%	11%
Charlotte	97	12%	11%	10%	11%	8%
Phoenix	126	9%	11%	13%	10%	11%
Orlando	114	7%	8%	9%	10%	7%
Houston	96	6%	8%	9%	9%	7%
Las Vegas	128	11%	8%	10%	9%	8%
Inland Empire	139	12%	10%	10%	9%	10%
Raleigh-Durham	98	7%	8%	8%	8%	8%
Columbus (OH)	94	8%	5%	6%	7%	6%
San Diego	180	8%	8%	8%	7%	6%
Dallas-Ft Worth	104	7%	7%	7%	7%	6%
Austin	109	10%	9%	6%	6%	6%
San Antonio	109	11%	6%	7%	6%	7%
Nashville	109	4%	4%	7%	5%	5%
Pittsburgh	115	2%	0%	5%	5%	3%
Los Angeles	208	6%	7%	6%	5%	5%
Denver	127	6%	6%	5%	5%	6%
Seattle	162	3%	4%	4%	4%	7%
Boston	159	4%	3%	5%	4%	4%
Chicago	114	10%	8%	7%	4%	5%
Sacramento	145	3%	5%	4%	3%	4%
Portland	146	2%	1%	2%	3%	3%
Minneapolis	108	5%	2%	3%	3%	4%
Philadelphia	141	7%	6%	5%	1%	7%
Washington DC	152	2%	1%	3%	1%	2%
New York	191	6%	6%	4%	1%	4%
San Francisco Penin. & East Bay	211	1%	2%	2%	0%	4%
San Jose	185	3%	2%	2%	-1%	5%

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



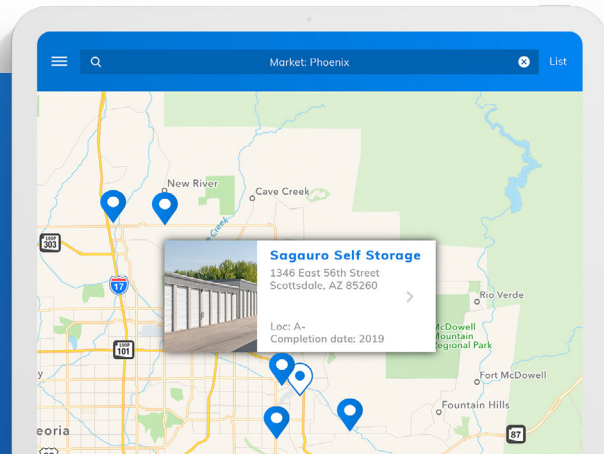
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