



Yardi Matrix

National Self Storage Report

August 2022



Self Storage Supply and Rent Recap

Self storage operators pushing rates as demand remains high

- Self storage street rates maintained their record highs in July, unchanged from June. Although street rate growth is moderating and operators expect an increase in move-outs in the second half of this year compared to 2021, demand remains strong, and net income is growing at a healthy clip as operators push rates of existing customers. During recent second-quarter earnings calls, several REIT executives said they expect seasonality to return in the second half after several quarters of unusually low move-outs. The number of customers moving out is likely to normalize later this year as operators focus on bringing existing customers up to current street rates. REIT executives also noted that many customers are staying longer and the average length of stay has increased. The net result is positive, as total revenues are increasing by double-digit percentages. The slowing home sale market has a mixed impact on demand. While fewer houses are selling, some families remaining in smaller homes are using storage as an alternative.

Street rates remain at all-time highs, while rate growth is moderating

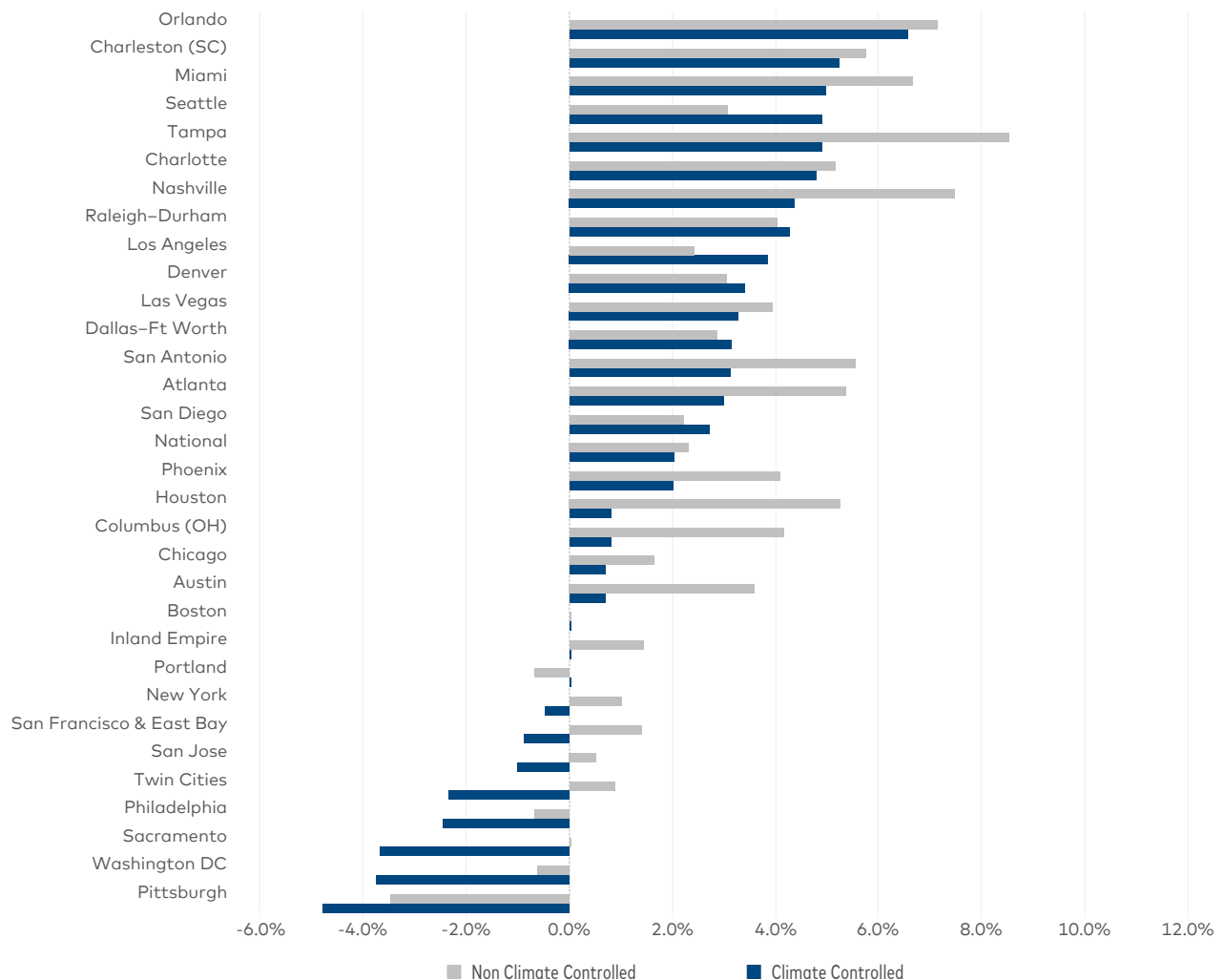
- As street rates have leveled at record highs, year-over-year growth has decelerated. The slowdown in growth was to be expected, as much of the industry anticipated gains in 2022 were unlikely to match the above-trend increases posted last year. Nationwide, the overall average street rate, which includes all unit sizes and types, grew 2.1% year-over-year in July, a 210-basis-point drop compared to June's annual rate growth.
- While street rates are shrinking in some areas of the country, growth remains the healthiest in the Southeast. For 10x10 non-climate-controlled (NON CC) units, nine of the top 31 metros had street rate increases greater than 5.0% in July, while rates decreased in four. For 10x10 climate-controlled (CC) units, only two of the top 31 had 5.0% or more growth, while eight experienced negative growth.
- Nationally, Yardi Matrix tracks a total of 4,156 self storage properties in various stages of development—including 1,555 planned, 762 under construction and 514 prospective properties. The share of projects in the planning or under-construction stages as a percent of existing inventory increased by 10 basis points month-over-month to 10.1% in July.
- Yardi Matrix also maintains operational profiles for 28,531 completed self storage facilities across the United States, bringing the total data set to 32,687.

Street Rate Growth Update

National street rate performance still healthy; Pittsburgh struggles

- While national street rates for 10x10 NON CC units increased 2.3% year-over-year in July and rates for 10x10 CC units saw slightly less growth at 2.0%, demand remains healthy. The national average street rate for both 10x10 NON CC (\$132) and CC (\$151) units remained unchanged from the record highs reached in June. With strong demand and street rates at all-time highs, storage operators have more opportunity to increase rents for existing customers and replace rate-sensitive existing customers with new customers at the elevated street rates.
- Pittsburgh saw a sharp drop in street rates to pre-pandemic levels. Not only did the metro trail the top 31 markets in annual rate performance for both 10x10 NON CC and 10x10 CC units in July but rates in Pittsburgh for all the different unit types and sizes tracked by Yardi Matrix actually saw a decrease compared to the same month last year. Year-over-year, street rates for 10x10 NON CC units decreased 3.4%, the worst performance of any top market. Rates for similar-size CC units fared slightly worse, falling \$7, or 4.8%, from July 2021 to \$139.

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



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

Monthly Sequential Rents

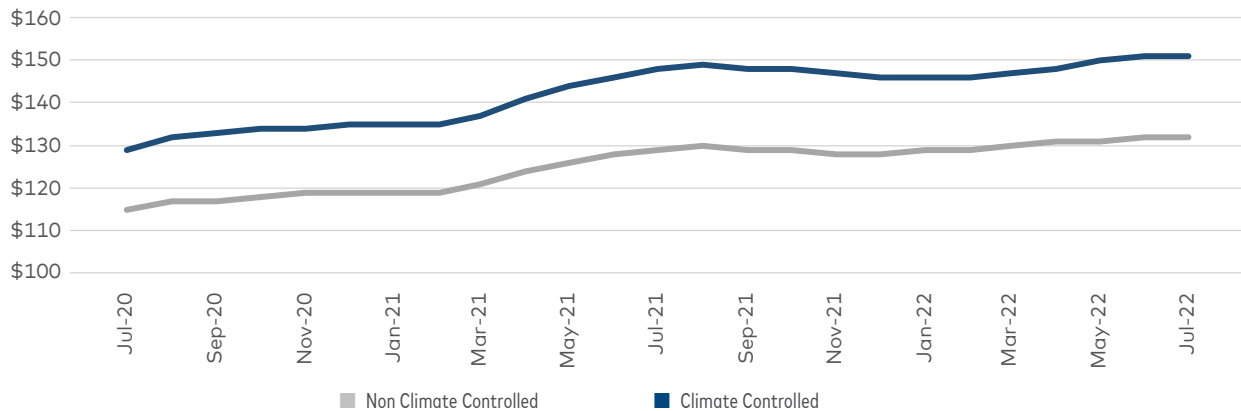
Nine metros, led by Charleston, register street rate increases in July

- On the heels of a strong second quarter for growth in street rates, the start of the third quarter reflected moderating rate growth at the national level and in most metros.
- Although a majority (16) of Yardi Matrix's 31 top metros recorded no change month-over-month in combined street rates for 10x10 units in July, there was movement in some metros. Street rates for 10x10 NON CC and CC units combined rose \$2 in three markets (Charleston, S.C., San Jose, and the San Francisco Peninsula/East Bay) and \$1 in six other markets on a monthly basis.
- Street rates for 10x10 NON CC and CC units decreased in six markets. While five of these markets recorded combined rates falling a minor \$1 or \$2, the average rate in Pittsburgh dropped a sizable \$8, or 6.1%, on a month-over-month basis.

Metro	Jun-22 Average 10' x 10' Street Rate (\$)	Jul-22 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$140	\$140	0.0%	-
Charleston (SC)	\$124	\$126	1.6%	↑
San Jose	\$189	\$191	1.1%	↑
San Francisco Penin. & East Bay	\$216	\$218	0.9%	↑
Charlotte	\$114	\$115	0.9%	↑
Nashville	\$125	\$126	0.8%	↑
Austin	\$128	\$129	0.8%	↑
Washington DC	\$167	\$168	0.6%	↑
Seattle	\$168	\$169	0.6%	↑
New York	\$205	\$206	0.5%	↑
Orlando	\$133	\$133	0.0%	-
Portland	\$147	\$147	0.0%	-
Raleigh-Durham	\$112	\$112	0.0%	-
Sacramento	\$150	\$150	0.0%	-
San Antonio	\$121	\$121	0.0%	-
San Diego	\$185	\$185	0.0%	-
Tampa	\$138	\$138	0.0%	-
Minneapolis	\$119	\$119	0.0%	-
Boston	\$170	\$170	0.0%	-
Atlanta	\$127	\$127	0.0%	-
Los Angeles	\$212	\$212	0.0%	-
Chicago	\$132	\$132	0.0%	-
Columbus (OH)	\$108	\$108	0.0%	-
Dallas-Ft Worth	\$118	\$118	0.0%	-
Denver	\$141	\$141	0.0%	-
Houston	\$110	\$110	0.0%	-
Miami	\$186	\$185	-0.5%	↓
Philadelphia	\$153	\$152	-0.7%	↓
Phoenix	\$139	\$138	-0.7%	↓
Las Vegas	\$130	\$129	-0.8%	↓
Inland Empire	\$148	\$146	-1.4%	↓
Pittsburgh	\$131	\$123	-6.1%	↓

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

National Average Street Rates for 10' x 10' Units



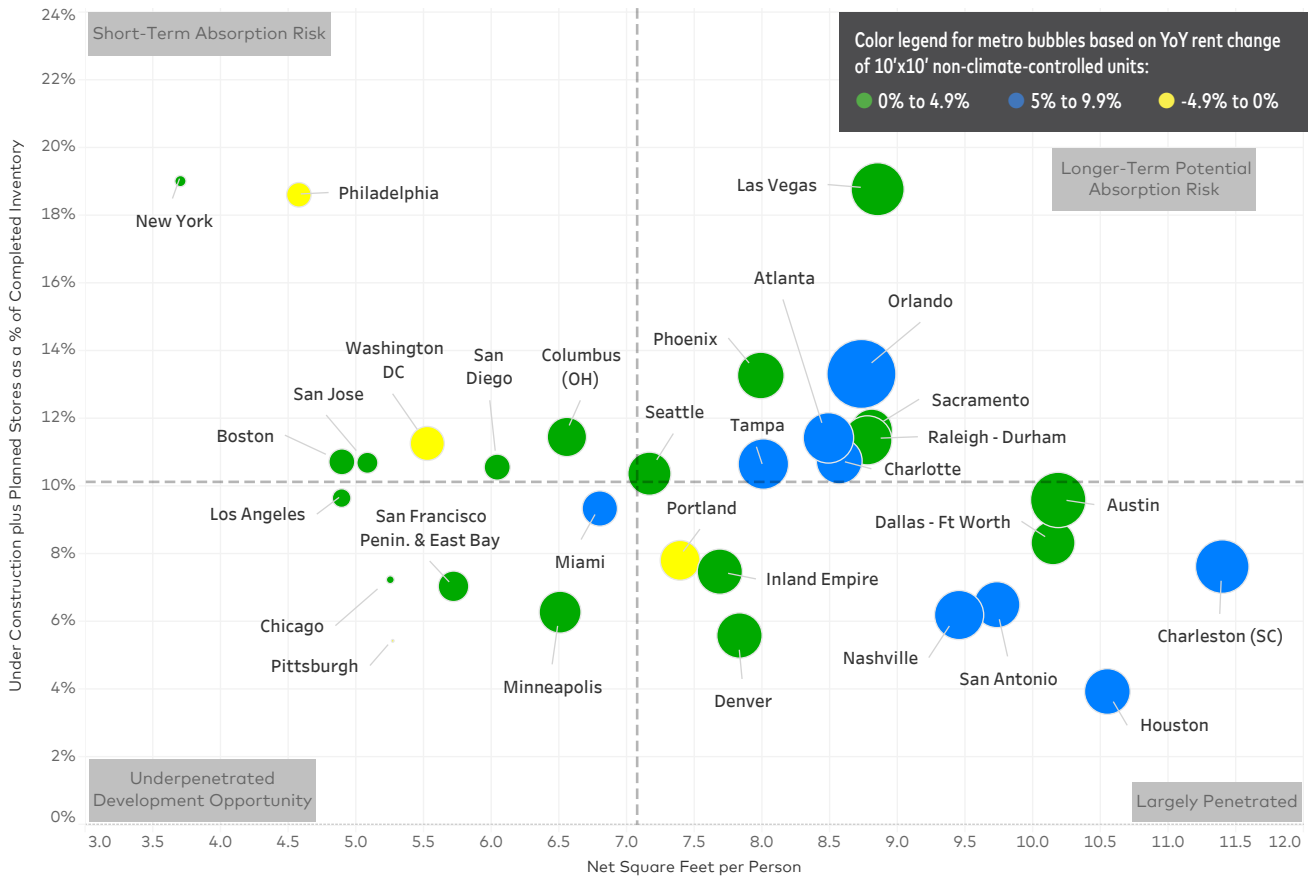
* Drawn from our national database of more than 32,687 properties, including 4,156 in the various stages of development and 28,531 completed properties. Source: Yardi Matrix. Data as of August 10, 2022

Street Rates and New Supply

Largely penetrated markets with elevated population growth lead street rate growth

- With the exception of Miami, all of the top metros with 5.0% or higher annual rate growth for 10x10 NON CC units have existing supply greater than the national average of 7.1 net rentable square feet (NRSF) per capita. That reinforces a longstanding trend in which the penetration of storage supply is only weakly correlated with street rate growth. In recent years, population growth appears to have a stronger correlation with street rate performance.
- Despite storage supply equal to 8.9 NRSF per person, Las Vegas has one of the largest new-supply pipelines, with projects in the under-construction or planned stages equal to 18.8% of existing stock. However, demand for storage appears to be keeping up with the elevated level of supply. Street rates have continued to trend upward on an annual basis, and the average rate for storage overall has maintained a record high of \$139 over the last three months. Future demand in Las Vegas also looks promising due the metro's forecasted population growth: The Center for Business and Economic Research at the University of Nevada projects Las Vegas' population could surpass 4 million by 2055.

Self Storage Major Metro Summary
New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2020 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of August 10, 2022

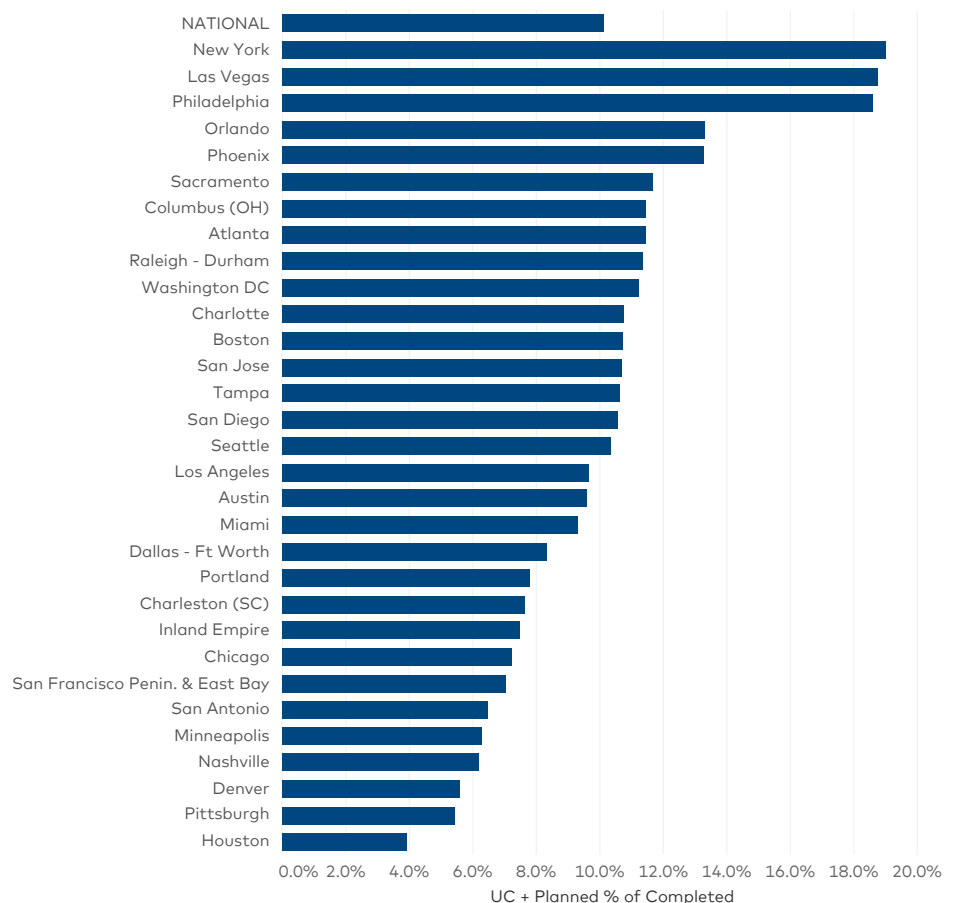
New Supply Update

Development pipeline continues to grow

- The national new-supply pipeline continued to grow in July, with properties under construction or in the planning stages of development equal to 10.1% of existing inventory, up a slight 10 basis points month-over-month. The number of properties under construction across the U.S. increased by 10 to 762 in July, while 19 projects in the planning stages were added to the pipeline for a total of 1,555.
- Despite increasing development activity, rising costs will likely prevent any major surges in new supply over the coming years. According to the latest Yardi Matrix forecast, the amount of new supply delivered across the nation in 2022 will be equal to 3.2% of stock and annual deliveries will moderate to 2.5% of total stock by 2027.
- Charlotte had the largest increase in development activity among the top 31 metros in July. The new-supply pipeline in Charlotte grew a considerable 180 basis points month-over-month, with the share of existing projects in the planning or under-construction stages equal to 10.7% of existing inventory. As a percentage of stock, the market's annual storage completions will peak in 2023 at 4.2%.

Under Construction & Planned Percent of Existing Inventory

Metro	Jun-22	Jul-22	Change
NATIONAL	10.0%	10.1%	↑
New York	19.0%	19.0%	—
Las Vegas	18.8%	18.8%	—
Philadelphia	18.2%	18.6%	↑
Orlando	13.3%	13.3%	—
Phoenix	12.5%	13.3%	↑
Sacramento	11.7%	11.7%	—
Columbus (OH)	11.5%	11.5%	—
Atlanta	11.4%	11.4%	—
Raleigh - Durham	11.4%	11.4%	—
Washington DC	10.8%	11.3%	↑
Charlotte	8.9%	10.7%	↑
Boston	10.7%	10.7%	—
San Jose	10.7%	10.7%	—
Tampa	10.7%	10.7%	—
San Diego	10.6%	10.6%	—
Seattle	10.2%	10.4%	↑
Los Angeles	9.7%	9.6%	↓
Austin	9.2%	9.6%	↑
Miami	9.2%	9.3%	↑
Dallas - Ft Worth	8.2%	8.3%	↑
Portland	7.9%	7.8%	↓
Charleston (SC)	7.6%	7.6%	—
Inland Empire	7.5%	7.5%	—
Chicago	7.0%	7.2%	↑
San Francisco Penin. & East Bay	7.0%	7.0%	—
San Antonio	6.5%	6.5%	—
Minneapolis	6.3%	6.3%	—
Nashville	6.2%	6.2%	—
Denver	5.6%	5.6%	—
Pittsburgh	5.4%	5.4%	—
Houston	3.9%	3.9%	—



* Drawn from our national database of more than 32,687 properties, including 4,156 in the various stages of development and 28,531 completed properties. Source: Yardi Matrix. Data as of August 10, 2022

Monthly Rate Recap

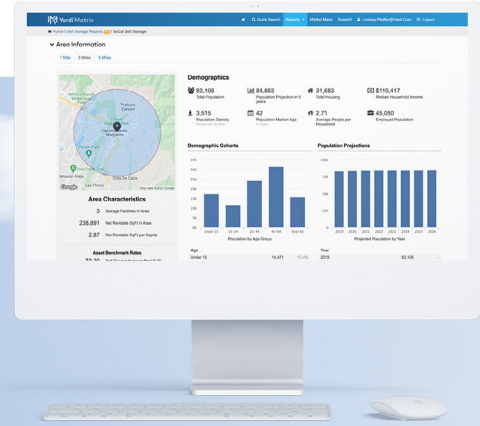
Market	Avg Metro Rate 10'x10' (non cc)	July 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	\$132	2%	2%	2%	2%	2%
Orlando	\$120	4%	6%	7%	7%	4%
Charleston (SC)	\$110	5%	6%	6%	5%	7%
Miami	\$176	7%	5%	7%	5%	5%
Seattle	\$168	2%	3%	3%	5%	3%
Tampa	\$127	9%	9%	9%	5%	8%
Charlotte	\$102	7%	5%	5%	5%	6%
Nashville	\$115	4%	7%	7%	4%	5%
Raleigh-Durham	\$103	9%	8%	4%	4%	9%
Los Angeles	\$211	2%	2%	2%	4%	3%
Denver	\$135	2%	3%	3%	3%	3%
Las Vegas	\$132	8%	1%	4%	3%	4%
Dallas-Ft Worth	\$108	5%	3%	3%	3%	3%
San Antonio	\$114	4%	4%	6%	3%	4%
Atlanta	\$118	9%	7%	5%	3%	5%
San Diego	\$184	5%	5%	2%	3%	3%
Phoenix	\$127	4%	4%	4%	2%	4%
Houston	\$100	5%	5%	5%	1%	4%
Columbus (OH)	\$100	5%	5%	4%	1%	5%
Chicago	\$124	2%	1%	2%	1%	1%
Austin	\$115	4%	6%	4%	1%	2%
Boston	\$161	0%	0%	0%	0%	0%
Inland Empire	\$140	2%	2%	1%	0%	2%
Portland	\$148	0%	-1%	-1%	0%	1%
San Francisco Penin. & East Bay	\$217	-1%	1%	1%	0%	2%
New York	\$198	3%	2%	1%	0%	2%
San Jose	\$190	-1%	-1%	1%	-1%	1%
Minneapolis	\$113	0%	1%	1%	-2%	2%
Philadelphia	\$146	-2%	-1%	-1%	-2%	2%
Sacramento	\$148	-2%	1%	0%	-4%	0%
Washington DC	\$158	0%	-1%	-1%	-4%	-1%
Pittsburgh	\$112	-7%	-5%	-3%	-5%	-6%

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



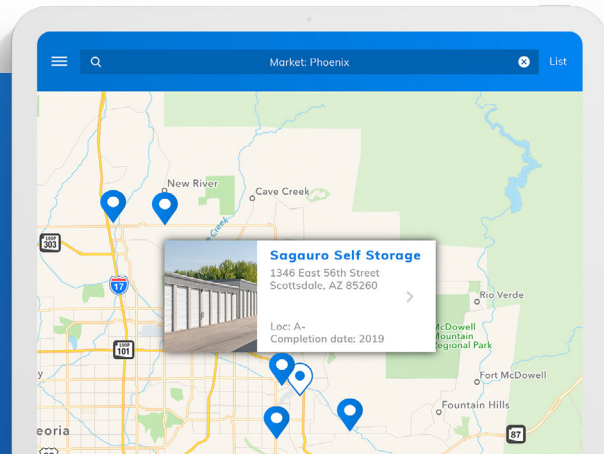
Yardi Matrix

Power your business with the industry's leading data provider



SELF STORAGE 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 at the asset and portfolio level
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as whole portfolios



Yardi Matrix Self Storage provides accurate data on storage facilities in 134 markets covering more than 30,000+ properties nationwide.



(800) 866-1144

Learn more at yardimatrix.com/storage

Contact us



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

Paul Fiorilla

Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Doug Ressler

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

Disclaimer

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

Copyright Notice

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2022 Yardi Systems, Inc. All Rights Reserved.