



Yardi Matrix

National Self Storage Report

September 2022



Self Storage Supply and Rent Recap

Demand remains healthy, especially from Gen X

- Self storage street rates fell slightly from their record highs in August, recording a national average overall street rate of \$149. Despite moderating street rate performance, demand continues to be strong. One source is apartment users. A recent Rent-Cafe survey of 4,200 apartment renters revealed that about 21% use self storage and another 12% intend to use it in the future. Another source of demand is Gen X households (those in their late 30s to 50s). Gen Xers are among the biggest users of storage, with 44% reporting use of storage units and 21% planning to use it in the near future. But even as an increasing number of households use self storage, we expect to see further moderation of street rates the rest of this year, especially following a banner year in 2021. Storage owners remain focused on growing rents of existing customers.

Street rate performance moderates

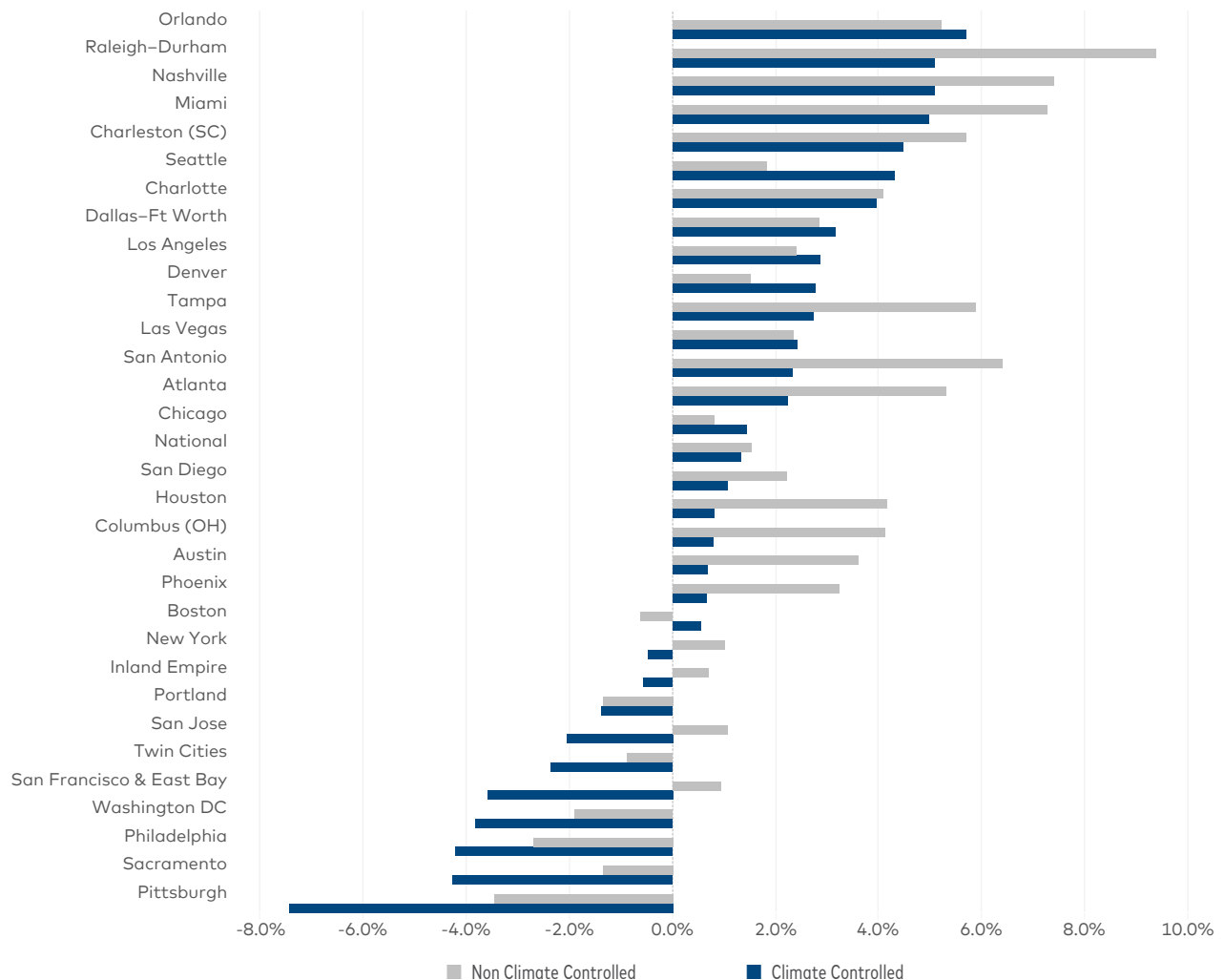
- Year-over-year street rate growth continues to decelerate. Nationwide, the overall average street rate, which includes all unit sizes and types, grew 1.4% year-over-year in August, a 130-basis-point drop from July's annual growth rate and a 280-basis-point drop from the rate in June.
- Secondary markets experiencing rapid population growth continue to lead in street rate gains. For 10x10 non-climate-controlled (NON CC) units, eight of the top 31 metros had street rate increases greater than 5.0% in August, while rates decreased in seven. For 10x10 climate-controlled (CC) units, three of the top 31 had 5.0% or more growth, while 10 experienced negative rate growth.
- Nationally, Yardi Matrix tracks a total of 4,203 self storage properties in various stages of development—including 1,594 planned, 760 under construction and 515 prospective properties. The new-supply pipeline as a percent of existing inventory increased 20 basis points month-over-month in August. The share of existing projects in the planning or under-construction stages is equal to 10.3% of existing stock.
- Yardi Matrix also maintains operational profiles for 28,719 completed self storage facilities across the United States, bringing the total data set to 32,922.

Street Rate Growth Update

National street rate performance wavers; Pittsburgh and Philadelphia struggle

- National street rates for 10x10 NON CC units increased 1.5% year-over-year in August, while rates for similar-size CC units experienced slightly less growth at 1.3%. The national average street rate for 10x10 CC units (\$151) remained unchanged from the record high reached in June, while the national average rate for 10x10 NON CC units dropped \$1 to \$132 in August compared to July. While demand appears to be remaining healthy, street rates continue to temper and we expect further moderation, with the potential to return to negative street rate growth.
- Of the top 31 markets, two Pennsylvania metros, Pittsburgh and Philadelphia, saw some of the largest drops in street rate growth in August. In Pittsburgh, street rates fell 3.4% year-over-year for 10x10 NON CC units and 7.4% for CC units. In Philadelphia, street rates fell 2.7% year-over-year for NON CC units and 4.2% for CC units. Both metros have seen little to no population growth in recent years, likely impacting their street rate performance.

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



Source: Yardi Matrix. Street rate data as of September 9, 2022

Monthly Sequential Rents

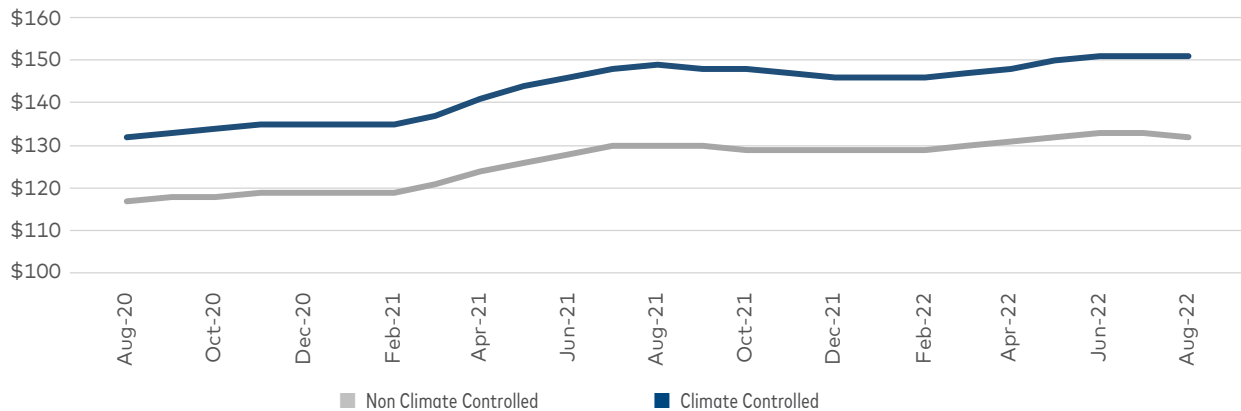
Eighteen metros register street rate decreases in August

- After a strong two-year run, rate growth has moderated at the national level and in most metros.
- A majority of Yard Matrix's 31 top metros recorded a month-over-month decrease in street rates for standard-size 10x10 units in August. Street rates for 10x10 NON CC and CC units combined fell \$1 in 10 markets and \$2 in seven other markets on a monthly basis. Washington, D.C., saw the largest drop at \$4 month-over-month.
- Nine of the top 31 markets saw no change in combined rates, while only four saw rates increase on a monthly basis in August. Raleigh-Durham, San Antonio, Orlando and San Diego all saw combined rates for 10x10 NON CC and CC units increase by \$1.

Metro	Jul-22 Average 10' x 10' Street Rate (\$)	Aug-22 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$140	\$139	-0.7%	↓
Raleigh-Durham	\$112	\$113	0.9%	↑
San Antonio	\$122	\$123	0.8%	↑
Orlando	\$134	\$135	0.7%	↑
San Diego	\$185	\$186	0.5%	↑
New York	\$206	\$206	0.0%	-
Phoenix	\$138	\$138	0.0%	-
Nashville	\$127	\$127	0.0%	-
Los Angeles	\$212	\$212	0.0%	-
Miami	\$186	\$186	0.0%	-
Atlanta	\$127	\$127	0.0%	-
Austin	\$130	\$130	0.0%	-
Columbus (OH)	\$109	\$109	0.0%	-
Dallas-Ft Worth	\$118	\$118	0.0%	-
San Jose	\$191	\$190	-0.5%	↓
Seattle	\$169	\$168	-0.6%	↓
Tampa	\$139	\$138	-0.7%	↓
Chicago	\$133	\$132	-0.8%	↓
Las Vegas	\$130	\$129	-0.8%	↓
Charleston (SC)	\$127	\$126	-0.8%	↓
Pittsburgh	\$123	\$122	-0.8%	↓
Minneapolis	\$119	\$118	-0.8%	↓
Charlotte	\$116	\$115	-0.9%	↓
Houston	\$111	\$110	-0.9%	↓
San Francisco Penin. & East Bay	\$218	\$216	-0.9%	↓
Boston	\$171	\$169	-1.2%	↓
Philadelphia	\$153	\$151	-1.3%	↓
Sacramento	\$150	\$148	-1.3%	↓
Portland	\$148	\$146	-1.4%	↓
Inland Empire	\$147	\$145	-1.4%	↓
Denver	\$141	\$139	-1.4%	↓
Washington DC	\$169	\$165	-2.4%	↓

Source: Yardi Matrix. Data as of September 9, 2022

National Average Street Rates for 10' x 10' Units



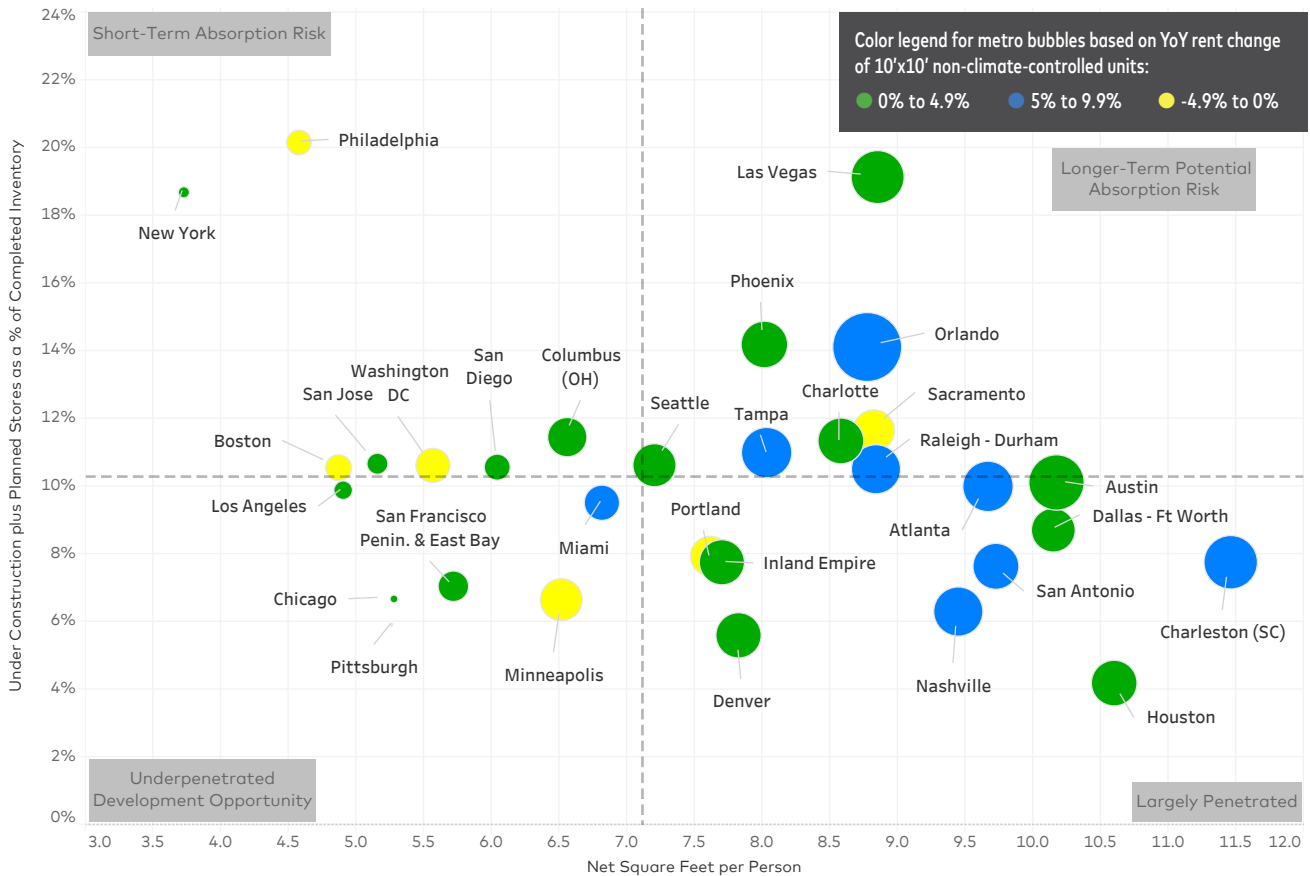
* Drawn from our national database of more than 32,922 properties, including 4,203 in the various stages of development and 28,719 completed properties. Source: Yardi Matrix. Data as of September 9, 2022

Street Rates and New Supply

Strong rate performance in markets with high penetration levels

- Penetration of storage supply continues to be weakly correlated with street rate growth. Of the top 31 metros with 10x10 NON CC street rate growth of 3.0% or higher, 11 have existing storage supply greater than the national average of 7.1 net rentable square feet (NRSF) per capita. Charleston, for example, had the highest NRSF per capita at 11.5, and still recorded a 5.7% increase in rates year-over-year for 10x10 NON CC units.
- Raleigh-Durham also continues to perform well despite its elevated level of total supply. Raleigh led the nation with 9.4% growth year-over-year for 10x10 NON CC units. The average street rate for this unit type in Raleigh increased to \$105 in August, the highest level since September 2017. In 2021, the Triangle's population grew by 2.0%, well above the U.S. population's growth of 0.1%, helping the storage market continue to thrive. Raleigh's performance also benefits from a slowdown in new deliveries. A wave of supply growth contributed to negative street rates in 2018-19.

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 September 9, 2022

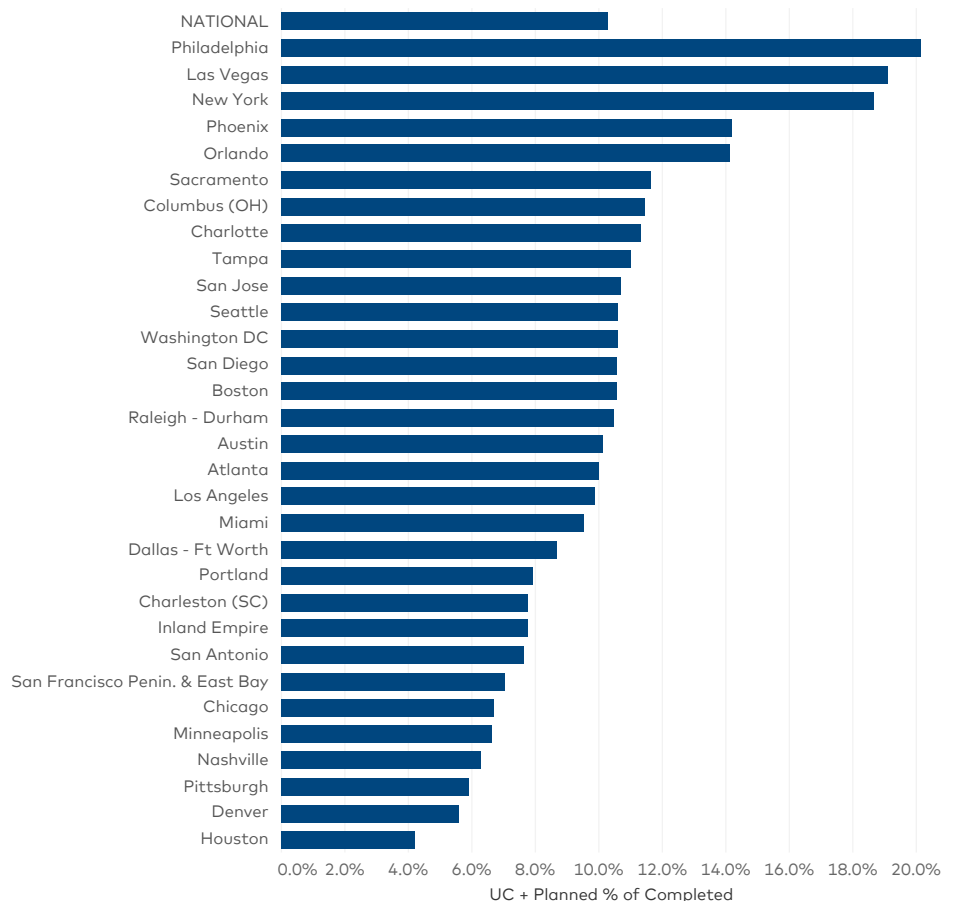
New Supply Update

Development activity continues to increase

- The national new-supply pipeline continued to grow in August, with properties under construction or in the planning stages of development equal to 10.3% of existing inventory, a 20-basis-point uptick month-over-month. Despite increasing development activity, we anticipate that rising costs and extended construction timelines will moderate the pace of deliveries and prevent any major surges in new supply over the coming years.
- While only one of the top 31 metros saw a decrease in development activity month-over-month in August, 12 metros did see projects under construction or in the planning stages as a percent of existing stock remain unchanged.
- Phoenix saw the greatest increase in development activity in August compared to July. The new-supply pipeline grew 60 basis points month-over-month, with the share of existing projects in the planning or under-construction phases equal to 14.2% of existing inventory. According to Yardi Matrix's latest forecast, new-supply completions are projected to peak this year in Phoenix at 5.4% of stock.

Under Construction & Planned Percent of Existing Inventory

Metro	Jun-22	Jul-22	Change
NATIONAL	10.1%	10.3%	↑
Philadelphia	20.2%	20.2%	—
Las Vegas	18.9%	19.1%	↑
New York	18.6%	18.7%	↑
Phoenix	13.6%	14.2%	↑
Orlando	13.6%	14.1%	↑
Sacramento	11.6%	11.6%	—
Columbus (OH)	11.4%	11.4%	—
Charlotte	10.8%	11.3%	↑
Tampa	10.5%	11.0%	↑
San Jose	10.7%	10.7%	—
Seattle	10.4%	10.6%	↑
Washington DC	10.3%	10.6%	↑
San Diego	10.6%	10.6%	—
Boston	10.5%	10.5%	—
Raleigh-Durham	10.0%	10.5%	↑
Austin	9.6%	10.1%	↑
Atlanta	9.8%	10.0%	↑
Los Angeles	9.7%	9.9%	↑
Miami	9.3%	9.5%	↑
Dallas-Ft Worth	8.5%	8.7%	↑
Portland	7.8%	7.9%	↑
Charleston (SC)	7.8%	7.8%	—
Inland Empire	7.5%	7.7%	↑
San Antonio	7.2%	7.6%	↑
San Francisco Penin. & East Bay	7.0%	7.0%	—
Chicago	6.7%	6.7%	—
Minneapolis	6.7%	6.6%	↓
Nashville	6.3%	6.3%	—
Pittsburgh	5.9%	5.9%	—
Denver	5.6%	5.6%	—
Houston	4.0%	4.2%	↑



* Drawn from our national database of more than 32,922 properties, including 4,203 in the various stages of development and 28,719 completed properties. Source: Yardi Matrix. Data as of September 9, 2022

Monthly Rate Recap

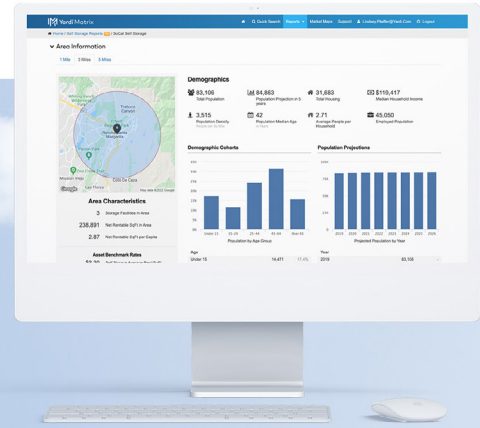
Market	Avg Metro Rate 10'x10' (non cc)	August 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	\$132	2%	1%	2%	1%	1%
Orlando	\$121	4%	6%	5%	6%	3%
Raleigh–Durham	\$105	9%	10%	9%	5%	9%
Nashville	\$116	4%	6%	7%	5%	5%
Miami	\$177	5%	7%	7%	5%	3%
Charleston (SC)	\$111	5%	6%	6%	4%	6%
Seattle	\$166	2%	3%	2%	4%	1%
Charlotte	\$102	4%	5%	4%	4%	5%
Dallas–Ft Worth	\$108	5%	3%	3%	3%	2%
Los Angeles	\$212	3%	2%	2%	3%	2%
Denver	\$133	0%	1%	2%	3%	2%
Tampa	\$126	9%	7%	6%	3%	7%
Las Vegas	\$131	4%	3%	2%	2%	2%
San Antonio	\$116	4%	4%	6%	2%	4%
Atlanta	\$119	6%	6%	5%	2%	3%
Chicago	\$123	2%	3%	1%	1%	1%
San Diego	\$185	3%	4%	2%	1%	2%
Houston	\$100	5%	4%	4%	1%	2%
Columbus (OH)	\$101	5%	3%	4%	1%	4%
Austin	\$115	4%	6%	4%	1%	2%
Phoenix	\$128	4%	3%	3%	1%	3%
Boston	\$159	0%	0%	-1%	1%	0%
New York	\$198	1%	2%	1%	0%	1%
Inland Empire	\$139	2%	2%	1%	-1%	1%
Portland	\$147	-3%	-2%	-1%	-1%	-1%
San Francisco Penin. & East Bay	\$215	-1%	0%	1%	-2%	1%
San Jose	\$190	-1%	1%	1%	-2%	-2%
Minneapolis	\$112	0%	-1%	-1%	-2%	0%
Washington DC	\$155	-2%	-1%	-2%	-4%	-2%
Philadelphia	\$145	-3%	-1%	-3%	-4%	0%
Sacramento	\$146	-2%	0%	-1%	-4%	-1%
Pittsburgh	\$112	-7%	-5%	-3%	-7%	-7%

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



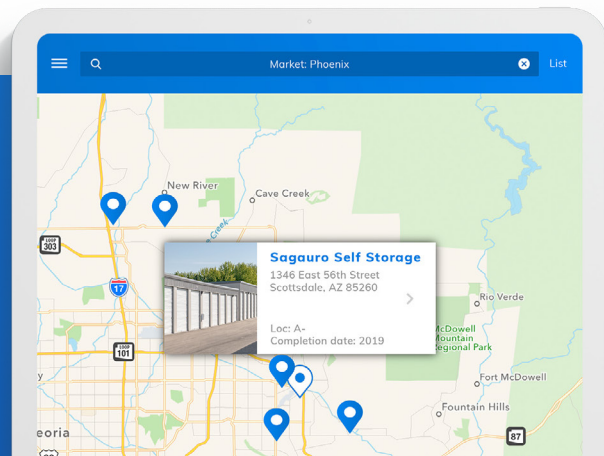
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Contact us



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

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