



Yardi Matrix

# National Self Storage Report

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October 2022



# Self Storage Supply and Rent Recap

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## Storage street rate performance moderates

- Self storage street rates continued to decelerate in September, although revenue growth remains strong as operators focus on boosting renewal rates. The gap between street rates and in-place rents is narrowing, and some markets remain tight, according to Evercore's 2022 Storage Symposium Takeaways and Q3 Storage Preview. Evercore noted that occupancy is moderating, though the shift was expected and in line with historic seasonal trends. In addition, the average length of stay remains high compared to pre-Covid levels. Strong fundamentals have contributed to growing development activity across the nation, renewing fears of overpenetration in some markets. Despite the overall softening, and concerns about the potential impact of rising interest rates and a slowing economy, demand and revenue growth are strong.

## Street rates continue to decelerate

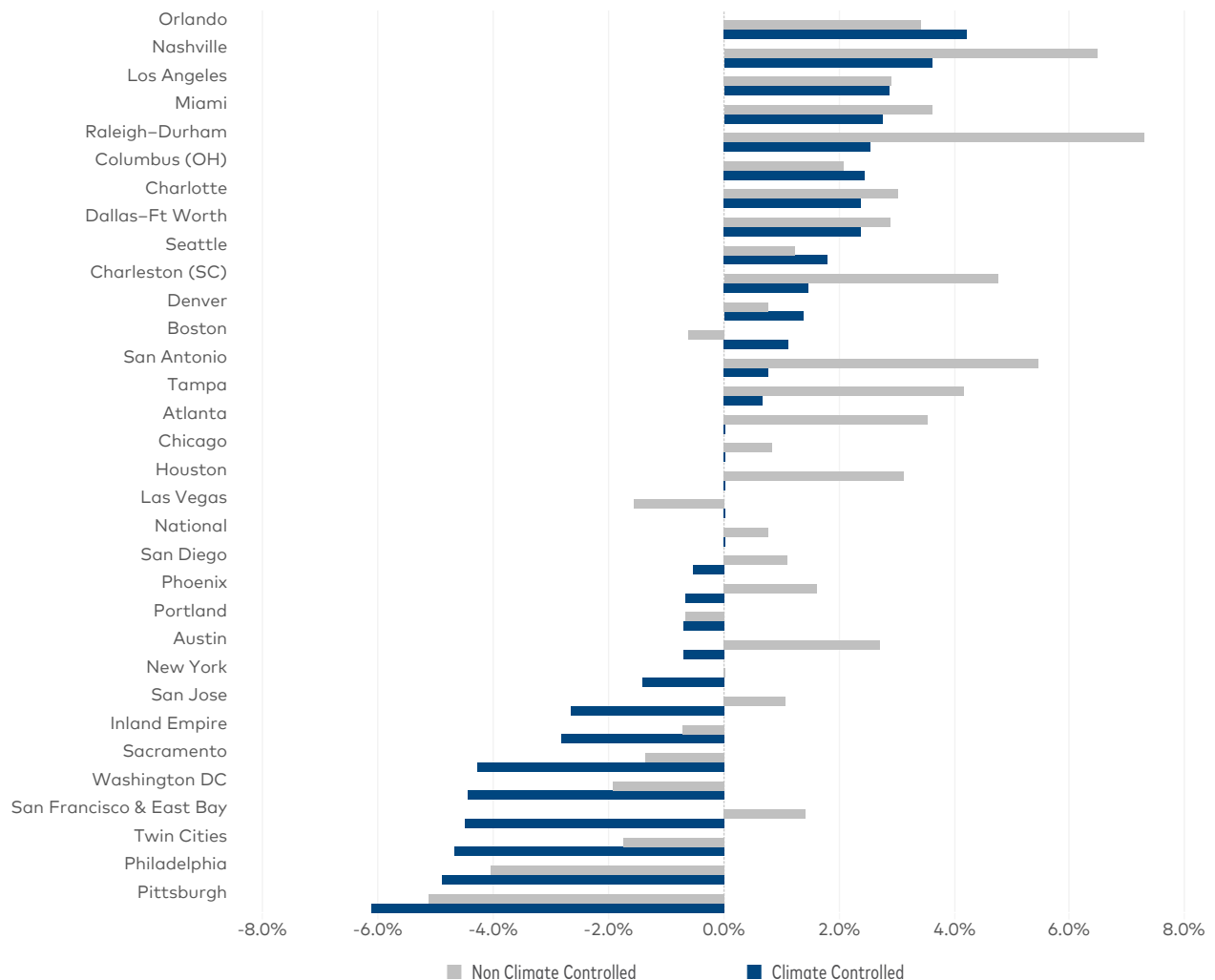
- Annual street rate growth continued to moderate in September. On a national level, the overall average street rate, which includes all unit types and sizes, increased 0.7% year-over-year. This is the slowest rate of annual growth for this category since July 2020.
- While many areas of the country are experiencing a slowdown in street rate growth, metros in the Southeast and Southwest continue to fare the best. For 10x10 non-climate-controlled (NON CC) units, only three of the top 31 Matrix self storage metros had street rate increases greater than 5.0% in September, while rates decreased in nine. For 10x10 climate-controlled (CC) units, none of the top 31 had 5.0% or more growth, while 13 metros experienced negative rate growth year-over-year.
- Nationally, Yardi Matrix tracks a total of 4,306 self storage properties in various stages of development, including 1,649 planned, 769 under construction and 548 prospective properties. The new-supply pipeline as a percentage of existing inventory increased 20 basis points month-over-month in September. The share of projects in the planning stage or under construction is equivalent to 10.6% of existing stock.
- Yardi Matrix also maintains operational profiles for 28,798 completed self storage facilities across the U.S., bringing the total data set to 33,104.

# Street Rate Growth Update

## National average street rates remain high despite slowing growth

- National street rates for 10x10 NON CC units increased 0.8% year-over-year in September, while rates for similar-sized CC units remained flat. While the rate of growth is slowing for both unit types, national average rates remain high relative to historical standards. The national average rate for 10x10 NON CC units fell to \$148 in September, which is slightly below the all-time high of \$152 reached in July. While the national average rate for similar-sized CC units dropped to \$131, that figure was only \$2 short of the record set during the summer.
- Of the top 31 markets, Orlando saw the largest increase in street rates for 10x10 CC units. Year-over-year rates increased 4.2% for this unit type in September. While rates for 10x10 NON CC units in Orlando increased slightly less, 3.4% on an annual basis, the average rate for this unit type remained at an all-time high of \$121.

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



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

# Monthly Sequential Rents

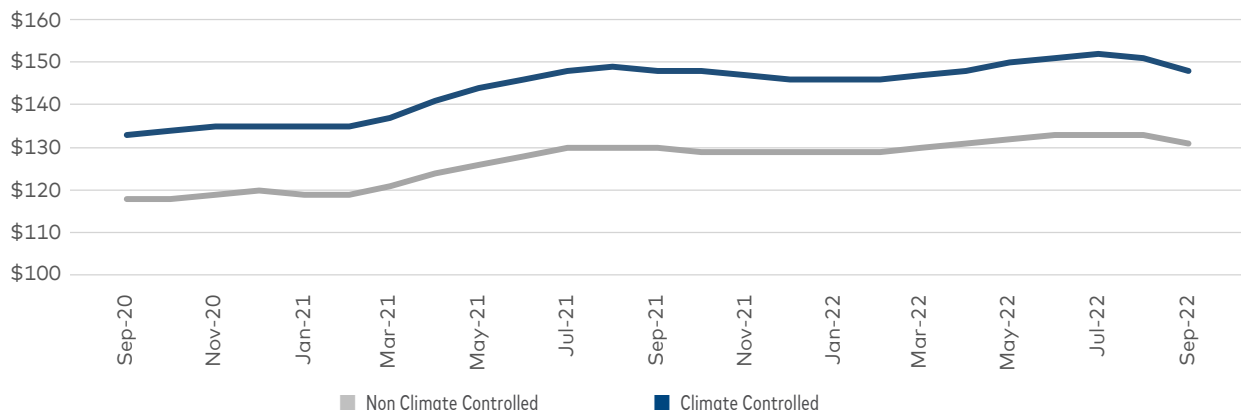
## Majority of top metros register street rate decreases in September

- The third quarter ended with rate growth decelerating both nationally and in all top metros. The slowdown in home sales is reducing migration, one of the main drivers of self storage demand.
- Nearly all of Yardi Matrix's top 31 metros recorded a month-over-month decrease in street rates for standard-sized 10x10 units in September. Street rates for 10x10 NON CC and CC units combined dropped \$2 in 10 markets and \$3 in another nine markets on a monthly basis. Miami experienced the largest drop, \$5 month-over-month.
- Three of the top markets saw no change in combined rates: Los Angeles, Pittsburgh and Portland.
- After a two-year run of stellar street rate growth, some moderation in rates was to be expected as the typical seasonal slowdown approached.

| Metro                              | Aug-22 Average<br>10' x 10' Street<br>Rate (\$) | Sep-22 Average<br>10' x 10' Street<br>Rate (\$) | Month-over-<br>Month Change<br>(%) | Change |
|------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------|--------|
| NATIONAL                           | \$140                                           | \$138                                           | -1.4%                              | ↓      |
| Los Angeles                        | \$213                                           | \$213                                           | 0.0%                               | -      |
| Pittsburgh                         | \$122                                           | \$122                                           | 0.0%                               | -      |
| Portland                           | \$146                                           | \$146                                           | 0.0%                               | -      |
| Boston                             | \$170                                           | \$169                                           | -0.6%                              | ↓      |
| Sacramento                         | \$148                                           | \$147                                           | -0.7%                              | ↓      |
| Orlando                            | \$136                                           | \$135                                           | -0.7%                              | ↓      |
| San Antonio                        | \$123                                           | \$122                                           | -0.8%                              | ↓      |
| Minneapolis                        | \$118                                           | \$117                                           | -0.8%                              | ↓      |
| Charlotte                          | \$115                                           | \$114                                           | -0.9%                              | ↓      |
| Houston                            | \$110                                           | \$109                                           | -0.9%                              | ↓      |
| San Francisco Penin.<br>& East Bay | \$216                                           | \$214                                           | -0.9%                              | ↓      |
| San Jose                           | \$190                                           | \$188                                           | -1.1%                              | ↓      |
| San Diego                          | \$187                                           | \$185                                           | -1.1%                              | ↓      |
| Seattle                            | \$168                                           | \$166                                           | -1.2%                              | ↓      |
| Tampa                              | \$138                                           | \$136                                           | -1.4%                              | ↓      |
| Phoenix                            | \$138                                           | \$136                                           | -1.4%                              | ↓      |
| New York                           | \$206                                           | \$203                                           | -1.5%                              | ↓      |
| Nashville                          | \$128                                           | \$126                                           | -1.6%                              | ↓      |
| Dallas-Ft Worth                    | \$118                                           | \$116                                           | -1.7%                              | ↓      |
| Raleigh-Durham                     | \$114                                           | \$112                                           | -1.8%                              | ↓      |
| Columbus (OH)                      | \$109                                           | \$107                                           | -1.8%                              | ↓      |
| Philadelphia                       | \$151                                           | \$148                                           | -2.0%                              | ↓      |
| Inland Empire                      | \$146                                           | \$143                                           | -2.1%                              | ↓      |
| Denver                             | \$140                                           | \$137                                           | -2.1%                              | ↓      |
| Chicago                            | \$132                                           | \$129                                           | -2.3%                              | ↓      |
| Austin                             | \$131                                           | \$128                                           | -2.3%                              | ↓      |
| Las Vegas                          | \$129                                           | \$126                                           | -2.3%                              | ↓      |
| Atlanta                            | \$128                                           | \$125                                           | -2.3%                              | ↓      |
| Charleston (SC)                    | \$127                                           | \$124                                           | -2.4%                              | ↓      |
| Washington DC                      | \$165                                           | \$161                                           | -2.4%                              | ↓      |
| Miami                              | \$186                                           | \$181                                           | -2.7%                              | ↓      |

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

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



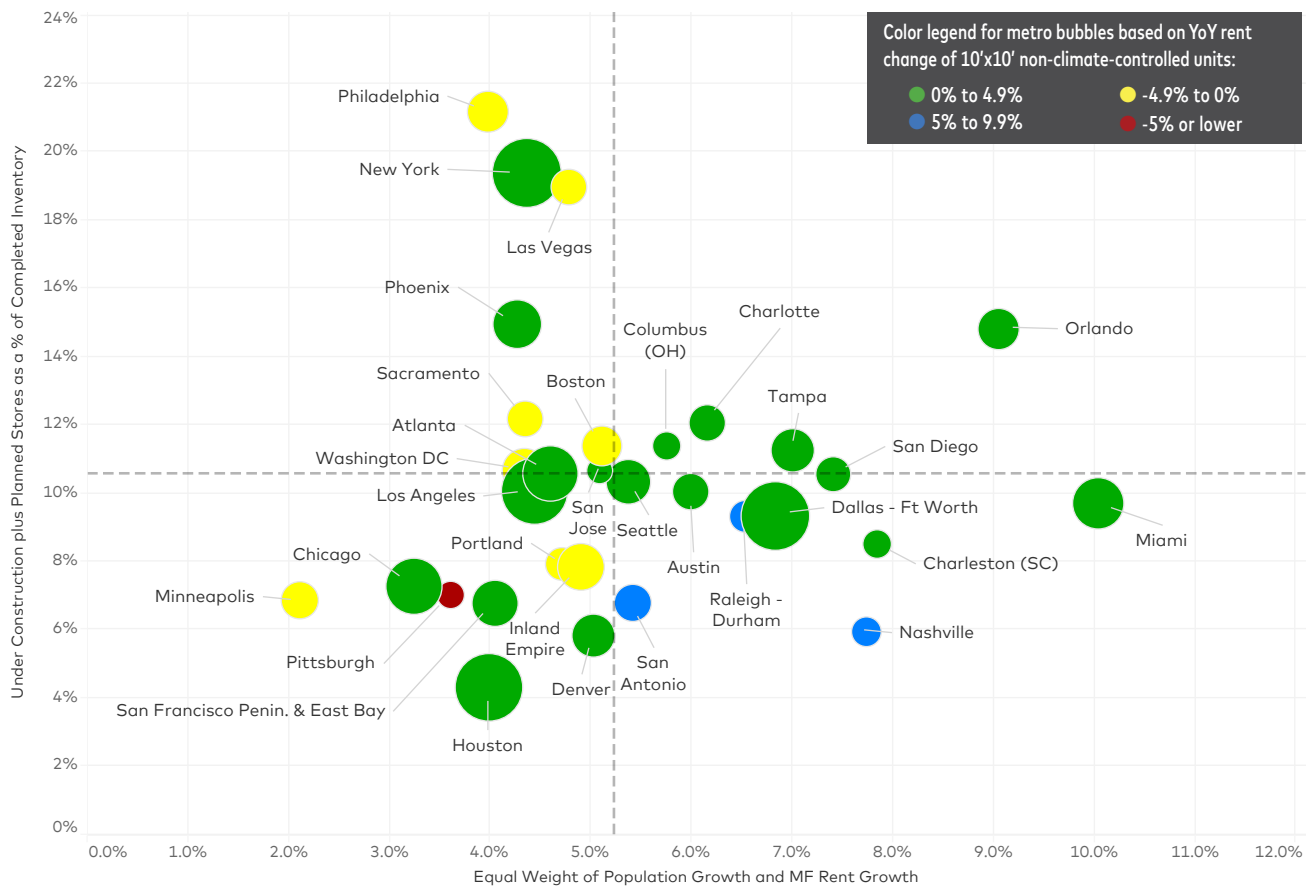
\* Drawn from our national database of more than 33,104 properties, including 4,306 in the various stages of development and 28,798 completed properties. Source: Yardi Matrix. Data as of October 11, 2022

# Street Rates and New Supply

## Introducing our improved Self Storage Metro Summary bubble chart

- Our previous version of the Self Storage Metro Summary bubble chart used Net Rentable Square Feet (NRSF) per Capita as a predictive variable for year-over-year street rate growth of 10x10 NON CC units. To find a better predictive variable, we conducted a regression analysis on numerous metrics to find which best correlated to a metro's annual street rate growth. We found that equally weighting year-over-year population growth and year-over-year multifamily rent growth has recently shown a higher correlation to annual street rate growth than our original version's NRSF per capita. Our new bubble chart offers a better predictive variable for a metro's year-over-year street rate growth for 10x10 NON CC units.
- When population growth and multifamily rent growth were weighted equally, all top metros scoring above the national average saw positive annual rate growth for 10x10 NON CC units in September.

**Self Storage Major Metro Summary**  
 New-Supply Pipeline (y-axis) & Equal Weighting of Population Growth and Multifamily Rent Growth (x-axis)  
 (bubble size represents completed NRSF)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of October 11, 2022

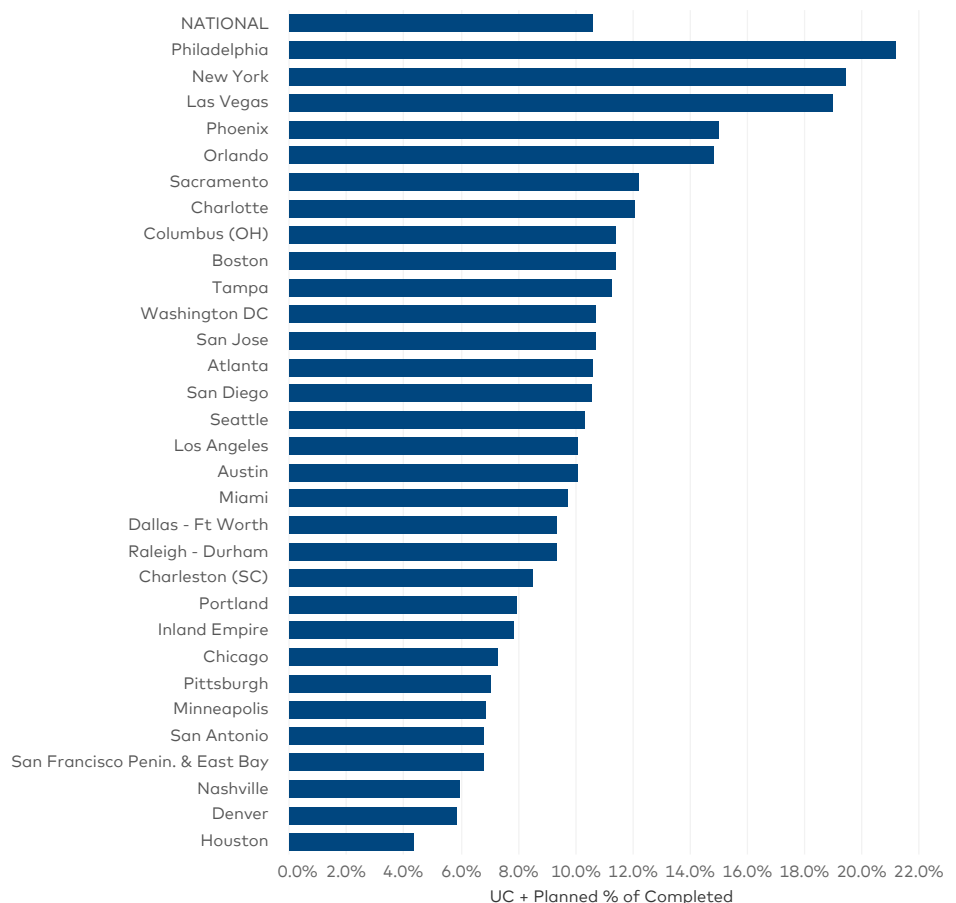
# New Supply Update

## National new-supply pipeline grows

- The national new-supply pipeline continued to grow in September, with properties under construction or in the planning stages of development accounting for 10.6% of existing inventory, a 20-basis point uptick month-over-month. With the exception of Las Vegas, all top 31 metros saw their new-supply pipeline increase or remain unchanged from August to September. With the increase in development activity across the nation, oversupply appears to be reemerging as a concern for the industry.
- Boston had the largest increase in development activity in September. The market's new-supply pipeline grew 70 basis points month-over-month, with projects in planning or under construction equal to 11.4% of existing stock. Boston has historically had low inventory per capita due to its population size and barriers to entry. Therefore, the market can likely absorb new product relatively easily.
- With a slight drop of 10 basis points, Las Vegas was the only top market to record a decrease in its new-supply pipeline last month.

## Under Construction & Planned Supply by Percentage of Existing Inventory

| Metro             | Aug-22 | Sept-22 | Change |
|-------------------|--------|---------|--------|
| NATIONAL          | 10.4%  | 10.6%   | ↑      |
| Philadelphia      | 20.9%  | 21.2%   | ↑      |
| New York          | 18.9%  | 19.4%   | ↑      |
| Las Vegas         | 19.1%  | 19.0%   | ↓      |
| Phoenix           | 15.0%  | 15.0%   | —      |
| Orlando           | 14.8%  | 14.8%   | —      |
| Sacramento        | 12.2%  | 12.2%   | —      |
| Charlotte         | 11.7%  | 12.1%   | ↑      |
| Columbus (OH)     | 11.4%  | 11.4%   | —      |
| Boston            | 10.7%  | 11.4%   | ↑      |
| Tampa             | 11.2%  | 11.3%   | ↑      |
| Washington DC     | 10.7%  | 10.7%   | —      |
| San Jose          | 10.7%  | 10.7%   | —      |
| Atlanta           | 10.1%  | 10.6%   | ↑      |
| San Diego         | 10.2%  | 10.6%   | ↑      |
| Seattle           | 10.3%  | 10.3%   | —      |
| Los Angeles       | 9.9%   | 10.1%   | ↑      |
| Austin            | 10.0%  | 10.0%   | —      |
| Miami             | 9.2%   | 9.7%    | ↑      |
| Dallas-Ft Worth   | 8.8%   | 9.3%    | ↑      |
| Raleigh-Durham    | 9.3%   | 9.3%    | —      |
| Charleston (SC)   | 8.5%   | 8.5%    | —      |
| Portland          | 7.9%   | 7.9%    | —      |
| Inland Empire     | 7.8%   | 7.8%    | —      |
| Chicago           | 7.3%   | 7.3%    | —      |
| Pittsburgh        | 7.0%   | 7.0%    | —      |
| Minneapolis       | 6.7%   | 6.9%    | ↑      |
| San Antonio       | 6.8%   | 6.8%    | —      |
| San Francisco     | 6.8%   | 6.8%    | —      |
| Penin. & East Bay | 6.8%   | 6.8%    | —      |
| Nashville         | 5.9%   | 5.9%    | —      |
| Denver            | 5.5%   | 5.8%    | ↑      |
| Houston           | 4.3%   | 4.3%    | —      |



\* Drawn from our national database of more than 33,104 properties, including 4,306 in the various stages of development and 28,798 completed properties. Source: Yardi Matrix. Data as of October 11, 2022

# Monthly Rate Recap

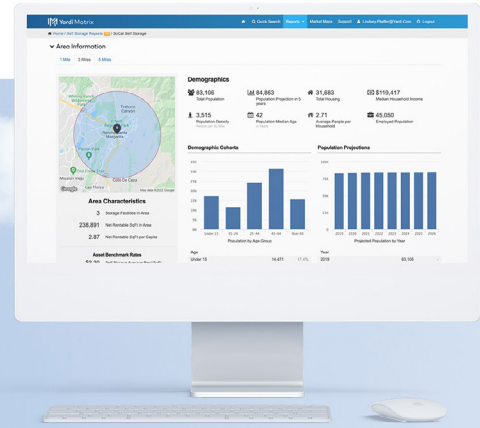
| Market                             | Avg Metro Rate<br>10'x10'<br>(non cc) | September 2022 YoY Rate Performance |                    |                     |                 |                     |
|------------------------------------|---------------------------------------|-------------------------------------|--------------------|---------------------|-----------------|---------------------|
|                                    |                                       | 5'x5'<br>(non cc)                   | 5'x10'<br>(non cc) | 10'x10'<br>(non cc) | 10'x10'<br>(cc) | 10'x20'<br>(non cc) |
| National                           | \$131                                 | 2%                                  | 1%                 | 1%                  | 0%              | 0%                  |
| Orlando                            | \$121                                 | 4%                                  | 6%                 | 3%                  | 4%              | 3%                  |
| Nashville                          | \$115                                 | 4%                                  | 6%                 | 6%                  | 4%              | 3%                  |
| Los Angeles                        | \$212                                 | 2%                                  | 2%                 | 3%                  | 3%              | 2%                  |
| Miami                              | \$172                                 | 2%                                  | 2%                 | 4%                  | 3%              | 0%                  |
| Raleigh-Durham                     | \$103                                 | 9%                                  | 8%                 | 7%                  | 3%              | 7%                  |
| Columbus (OH)                      | \$98                                  | 3%                                  | 3%                 | 2%                  | 2%              | 1%                  |
| Dallas-Ft Worth                    | \$107                                 | 5%                                  | 3%                 | 3%                  | 2%              | 1%                  |
| Charlotte                          | \$102                                 | 2%                                  | 3%                 | 3%                  | 2%              | 2%                  |
| Seattle                            | \$165                                 | 2%                                  | 2%                 | 1%                  | 2%              | 0%                  |
| Charleston (SC)                    | \$110                                 | 2%                                  | 6%                 | 5%                  | 1%              | 5%                  |
| Denver                             | \$131                                 | 2%                                  | 1%                 | 1%                  | 1%              | 0%                  |
| Boston                             | \$159                                 | 0%                                  | 1%                 | -1%                 | 1%              | 0%                  |
| San Antonio                        | \$116                                 | 4%                                  | 3%                 | 5%                  | 1%              | 3%                  |
| Tampa                              | \$125                                 | 6%                                  | 4%                 | 4%                  | 1%              | 5%                  |
| Las Vegas                          | \$127                                 | 0%                                  | 0%                 | -2%                 | 0%              | -1%                 |
| Atlanta                            | \$117                                 | 6%                                  | 4%                 | 4%                  | 0%              | 3%                  |
| Houston                            | \$99                                  | 5%                                  | 2%                 | 3%                  | 0%              | 1%                  |
| Chicago                            | \$120                                 | 0%                                  | 0%                 | 1%                  | 0%              | -1%                 |
| San Diego                          | \$184                                 | 1%                                  | 2%                 | 1%                  | -1%             | 1%                  |
| Phoenix                            | \$127                                 | 0%                                  | 1%                 | 2%                  | -1%             | 1%                  |
| Portland                           | \$146                                 | -3%                                 | -1%                | -1%                 | -1%             | 0%                  |
| Austin                             | \$114                                 | 4%                                  | 6%                 | 3%                  | -1%             | 2%                  |
| New York                           | \$195                                 | 0%                                  | 1%                 | 0%                  | -1%             | 0%                  |
| San Francisco<br>Penin. & East Bay | \$214                                 | 0%                                  | 2%                 | 1%                  | -2%             | 1%                  |
| San Jose                           | \$189                                 | -1%                                 | -1%                | 1%                  | -3%             | -3%                 |
| Inland Empire                      | \$137                                 | 0%                                  | 0%                 | -1%                 | -3%             | -1%                 |
| Sacramento                         | \$145                                 | -3%                                 | 0%                 | -1%                 | -4%             | -1%                 |
| Washington DC                      | \$152                                 | -2%                                 | -1%                | -2%                 | -4%             | -2%                 |
| Minneapolis                        | \$112                                 | -2%                                 | -3%                | -2%                 | -5%             | -2%                 |
| Philadelphia                       | \$142                                 | -5%                                 | -3%                | -4%                 | -5%             | -3%                 |
| Pittsburgh                         | \$111                                 | -7%                                 | -5%                | -5%                 | -6%             | -8%                 |

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



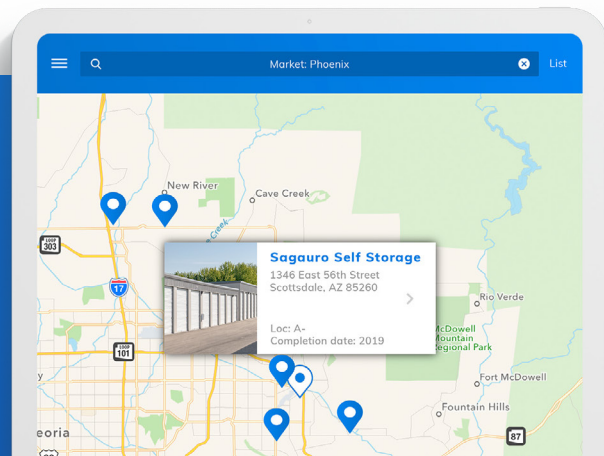
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