



Yardi Matrix

National Self Storage Report

January 2023



Self Storage Supply and Rent Recap

Despite headwinds, self storage industry well-positioned for 2023

- In the face of flattening street rates, a slight weakening of demand and economic headwinds, self storage had a strong year and is well-positioned heading into 2023. Street rates have declined, but operators have focused on increasing existing customer rents to achieve strong revenue growth, outweighing the rise in operating costs. Seasonality and the slowdown in the housing market has caused demand to slightly wane. However, operators remain confident in the resilient demand created over the past two years and the ability to backfill occupancy in the spring with higher-paying new customers. A rapid rise in development costs, including the cost of debt, will also likely cause a deceleration in new supply in coming years, another positive for owners.

Declining street rates remain above pre-pandemic levels

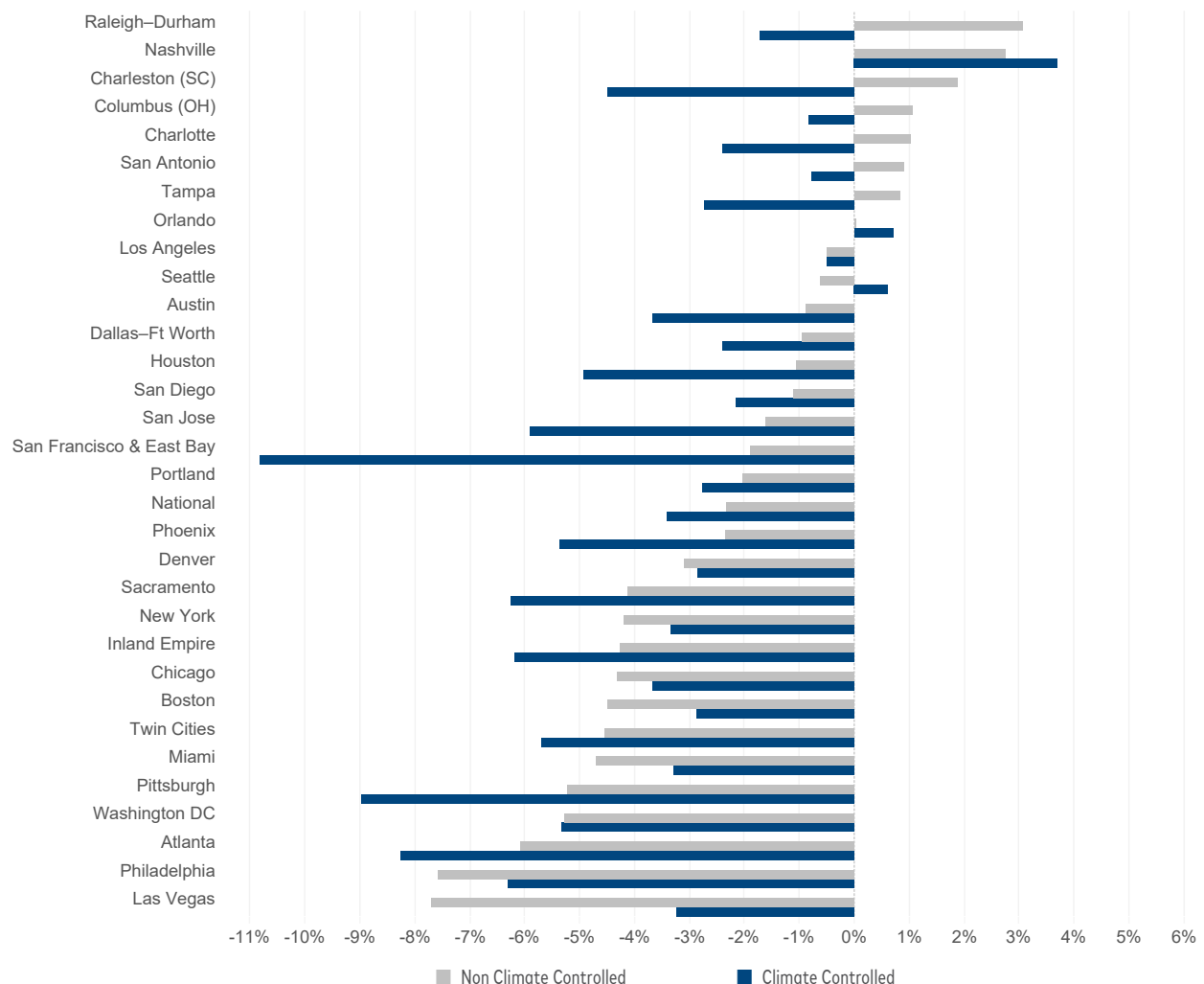
- The average national street rate for all unit sizes dropped again on a year-over-year basis, down 2.8% in December. However, average rates remain above pre-pandemic levels. Rates for standard-size 10x10 units decreased 2.3% for non-climate-controlled (NON CC) units and 3.4% for climate-controlled (CC) units. Meanwhile, rates for larger units outperformed those for smaller units on an annual basis, with rates for 10x30 units down 2.4% over the year and rates for 5x5 units down 3.4% over the same period.
- Most markets across the nation ended 2022 with a decline in street rates. However, rates remained resilient in several of the top metros, mainly in the Southeast. For 10x10 NON CC units, seven of the top 31 Yardi Matrix self storage metros had an increase in street rates year-over-year in December, while rates remained flat in one. For 10x10 CC units, only three of the top 31 markets had positive growth, while rates dropped year-over-year in the remaining 28 metros.
- Nationally, Yardi Matrix tracks a total of 4,627 self storage properties in various stages of development, including 812 under construction, 1,789 planned and 669 prospective properties. The share of projects under construction was equivalent to 3.6% of existing stock in December, unchanged from the previous month.
- Yardi Matrix also maintains operational profiles for 29,032 completed self storage facilities across the U.S., bringing the total data set to 33,659.

Street Rate Growth Update

National street rates continue to moderate

- National street rates for 10x10 NON CC units decreased 2.3% year-over-year in December to \$126, a \$7 drop from their peak this summer. Meanwhile, rates for similar-size CC units fared slightly worse, dropping 3.4% year-over-year to \$142, a \$10 drop from their summer peak. However, storage operators are not too concerned, as the decline in street rates in the last half of the year was expected due to normal seasonal slowdowns in demand, and overall rates remain healthy compared to historical levels.
- Nashville was the only top Yardi Matrix metro with positive street rate growth for both 10x10 NON CC and CC units year-over-year in December. Rates increased by 2.8% for 10x10 NON CC units and by 3.7% for CC units of the same size.

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



Source: Yardi Matrix. Street rate data as of Jan. 10, 2023

Monthly Sequential Rents

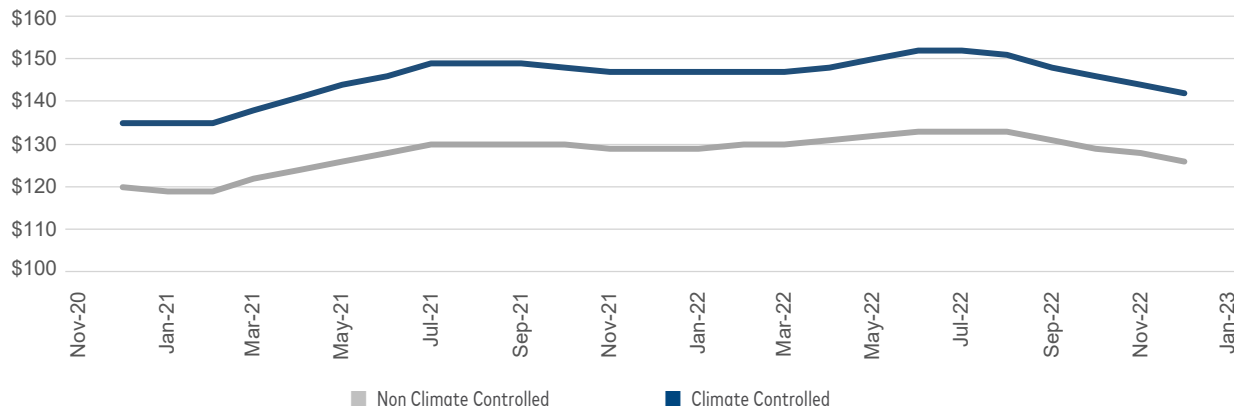
Nearly all top metros register monthly street rate decreases in December

- Average street rates continued to contract through the end of the year on a national level, falling \$2 to \$132 from November to December. The decline was broad-based, recorded in 30 of the top 31 metros.
- Pittsburgh, where rates remained level, was the only metro that did not see a drop in street rates for 10x10 units over the month.
- Orlando, Miami and the San Francisco metro area experienced the largest drops in street rates for 10x10 NON CC and CC units combined at \$4 month-over-month.
- As street rates trend downwards, operators continue to focus on raising rents for existing customers to maximize revenue. Although increasing existing customer rents may prompt some customers to move out, it opens units for new customers at higher rates heading into the spring 2023 leasing season.

Metro	Nov-22 Average 10' x 10' Street Rate (\$)	Dec-22 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$134	\$132	-1.5%	↓
Pittsburgh	\$119	\$119	0.0%	–
Portland	\$144	\$143	-0.7%	↓
Sacramento	\$143	\$142	-0.7%	↓
Inland Empire	\$141	\$140	-0.7%	↓
Nashville	\$124	\$123	-0.8%	↓
San Antonio	\$119	\$118	-0.8%	↓
Los Angeles	\$208	\$206	-1.0%	↓
San Diego	\$183	\$181	-1.1%	↓
Philadelphia	\$142	\$140	-1.4%	↓
Phoenix	\$133	\$131	-1.5%	↓
Denver	\$132	\$130	-1.5%	↓
New York	\$196	\$193	-1.5%	↓
San Jose	\$184	\$181	-1.6%	↓
Las Vegas	\$122	\$120	-1.6%	↓
Chicago	\$122	\$120	-1.6%	↓
Dallas-Ft Worth	\$113	\$111	-1.8%	↓
Charlotte	\$111	\$109	-1.8%	↓
Seattle	\$165	\$162	-1.8%	↓
Raleigh-Durham	\$109	\$107	-1.8%	↓
Boston	\$161	\$158	-1.9%	↓
Houston	\$106	\$104	-1.9%	↓
San Francisco Penin. & East Bay	\$211	\$207	-1.9%	↓
Columbus (OH)	\$104	\$102	-1.9%	↓
Washington DC	\$154	\$151	-1.9%	↓
Tampa	\$135	\$132	-2.2%	↓
Miami	\$176	\$172	-2.3%	↓
Austin	\$124	\$121	-2.4%	↓
Charleston (SC)	\$121	\$118	-2.5%	↓
Atlanta	\$118	\$115	-2.5%	↓
Minneapolis	\$113	\$110	-2.7%	↓
Orlando	\$132	\$128	-3.0%	↓

Source: Yardi Matrix. Data as of Jan. 10, 2023

National Average Street Rates for 10' x 10' Units



*Drawn from our national database of 32,302 stores, including 3,270 projects in the new-supply pipeline as well as 29,032 completed stores. Source: Yardi Matrix. Data as of Jan. 10, 2023

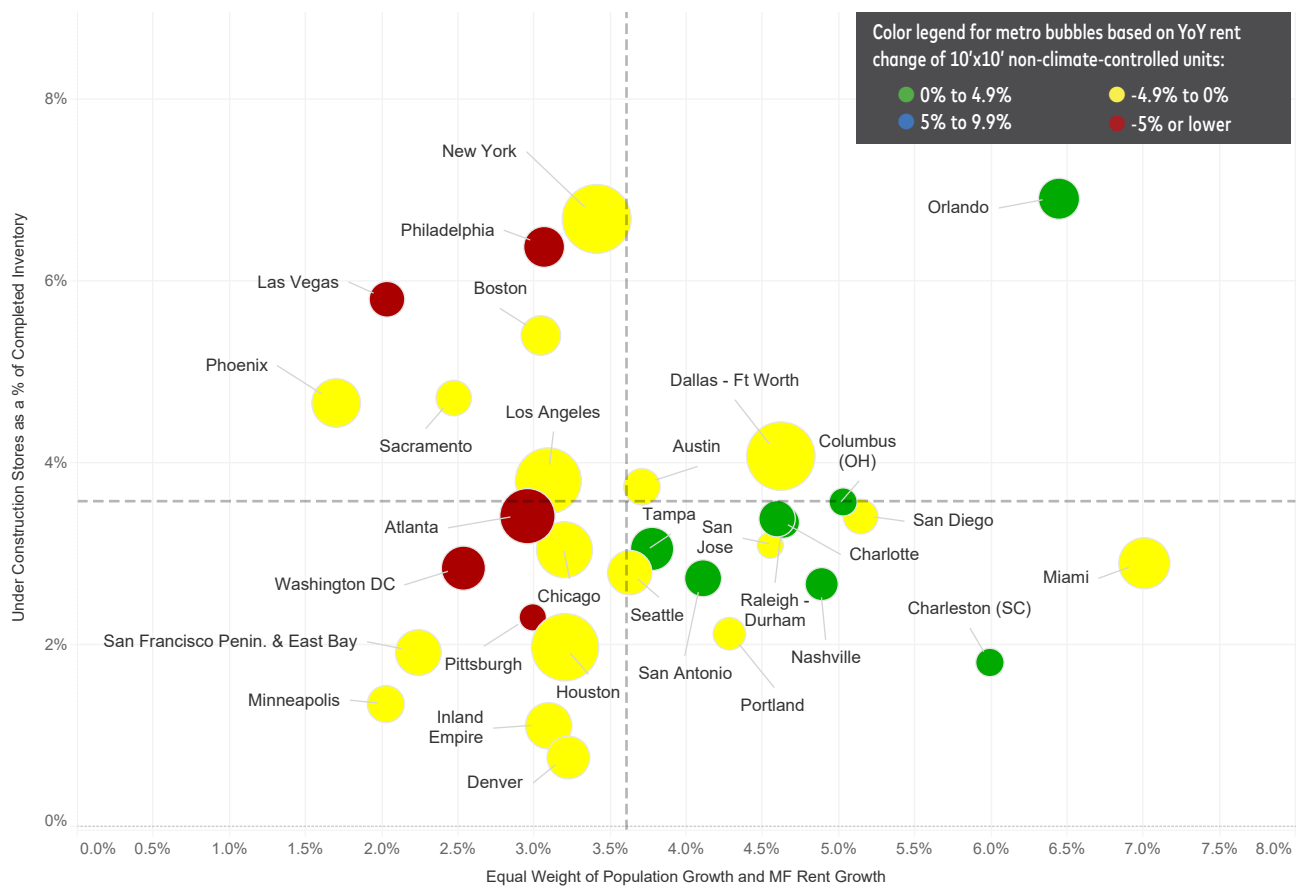
Street Rates and New Supply

Street rate performance tied to supply levels and multifamily fundamentals

- We have updated our “Self Storage Major Metro Summary” chart below to better reflect market conditions going into 2023. In the new chart, we have removed projects in the planning stages from the y-axis, limiting each metro’s new-supply pipeline to properties under construction as a percent of existing stock. Due to current financial market pressures, many projects in the planning stages of development are being delayed or even canceled completely. Consequently, we believe it is more relevant to focus on projects under construction to provide a better picture of potential supply growth.
- The new chart with December data reflects a stronger relationship between street rate growth and supply. Seven markets had positive annual street rate growth for 10x10 non-CC units, and all seven markets had below-average supply pipelines and above-average population and multifamily rent growth (see bottom right quadrant of graph). Orlando, which had flat rate growth, has more supply under construction, but is supported by population growth and multifamily fundamentals.

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 Jan. 10, 2023

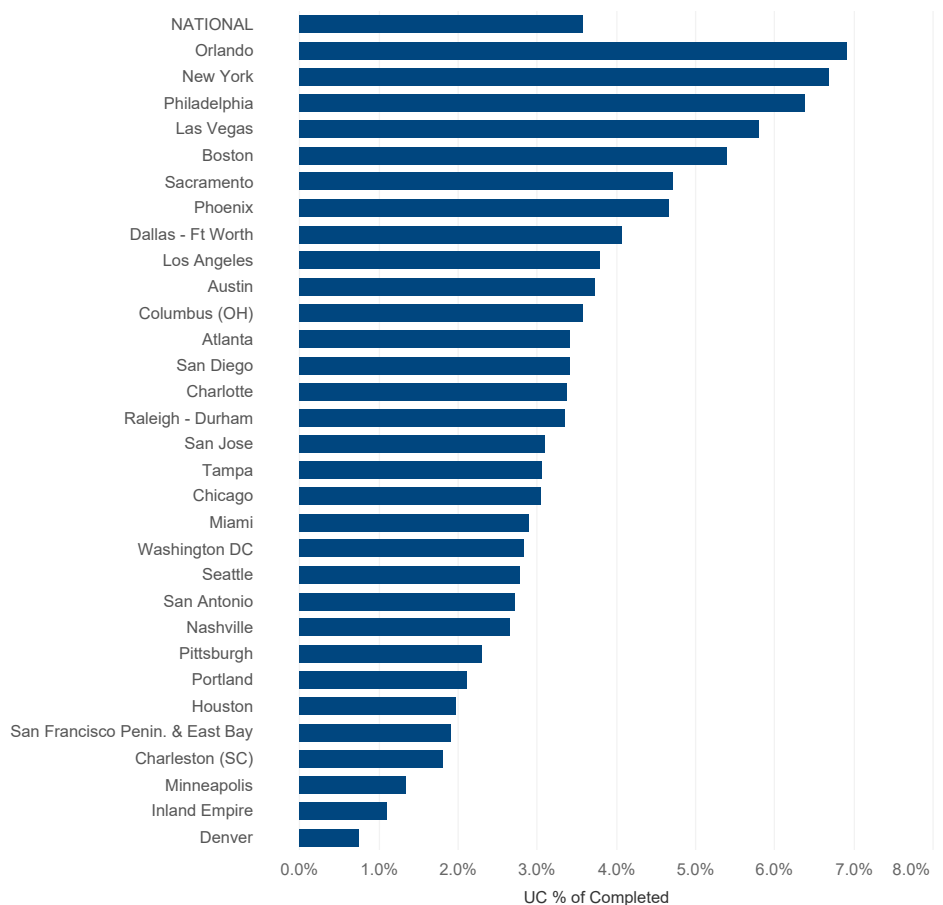
New Supply Update

Amount of new supply under construction remains steady

- The national new-supply pipeline remained unchanged month-over-month in December, with properties under construction accounting for 3.6% of completed inventory. Rising development costs, including the cost of debt, will continue to impact the new supply, especially as projects not already financed become increasingly more difficult to develop. Projects in the planning stages—equal to 7.8% of completed stock nationwide—will take longer to come to fruition. As a result, the number of properties under construction will eventually taper as current projects are delivered and there are fewer starts to backfill development activity.
- Across the top 31 metros, Orlando has the largest pipeline of new supply currently under construction, accounting for 6.9% of completed inventory, a 30-basis-point uptick month-over-month. Despite having a robust supply of existing storage equal to 8.8 net rentable square feet per capita, rates have remained resilient in the metro.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Nov-22	Dec-22	Change
NATIONAL	3.6%	3.6%	—
Orlando	6.6%	6.9%	↑
New York	6.7%	6.7%	—
Philadelphia	6.0%	6.4%	↑
Las Vegas	5.8%	5.8%	—
Boston	5.4%	5.4%	—
Sacramento	4.7%	4.7%	—
Phoenix	4.7%	4.7%	—
Dallas-Ft Worth	4.1%	4.1%	—
Los Angeles	3.8%	3.8%	—
Austin	3.7%	3.7%	—
Columbus (OH)	3.6%	3.6%	—
Atlanta	3.2%	3.4%	↑
San Diego	3.4%	3.4%	—
Charlotte	3.4%	3.4%	—
Raleigh-Durham	3.3%	3.3%	—
San Jose	3.1%	3.1%	—
Tampa	3.1%	3.1%	—
Chicago	3.0%	3.0%	—
Miami	2.9%	2.9%	—
Washington DC	2.8%	2.8%	—
Seattle	2.8%	2.8%	—
San Antonio	2.7%	2.7%	—
Nashville	2.7%	2.7%	—
Pittsburgh	2.3%	2.3%	—
Portland	2.1%	2.1%	—
Houston	2.0%	2.0%	—
San Francisco Penin. & East Bay	1.9%	1.9%	—
Charleston (SC)	1.8%	1.8%	—
Minneapolis	1.3%	1.3%	—
Inland Empire	1.1%	1.1%	—
Denver	0.8%	0.8%	—



*Drawn from our national database of 32,302 stores, including 3,270 projects in the new-supply pipeline as well as 29,032 completed stores.
Source: Yardi Matrix. Data as of Jan. 10, 2023

Monthly Rate Recap

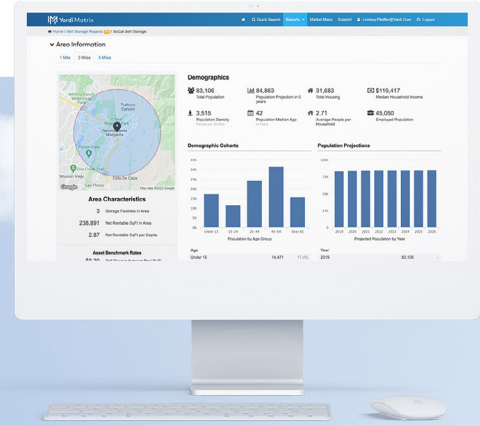
Market	Avg Metro Rate 10'x10' (non cc)	December 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	\$126	-2%	-2%	-2%	-3%	-2%
Raleigh–Durham	\$101	5%	3%	3%	-2%	4%
Nashville	\$112	0%	3%	3%	4%	2%
Charleston (SC)	\$108	2%	1%	2%	-4%	-1%
Columbus (OH)	\$95	-3%	-2%	1%	-1%	0%
Charlotte	\$99	0%	2%	1%	-2%	0%
San Antonio	\$112	0%	-1%	1%	-1%	1%
Tampa	\$122	2%	1%	1%	-3%	1%
Orlando	\$116	2%	3%	0%	1%	-1%
Los Angeles	\$206	-1%	-1%	0%	0%	-1%
Seattle	\$161	2%	1%	-1%	1%	-1%
Austin	\$111	0%	0%	-1%	-4%	-1%
Dallas–Ft Worth	\$103	0%	2%	-1%	-2%	-1%
Houston	\$95	-3%	0%	-1%	-5%	-2%
San Diego	\$180	1%	0%	-1%	-2%	-2%
San Jose	\$182	-5%	-2%	-2%	-6%	-4%
San Francisco Penin. & East Bay	\$207	-4%	-2%	-2%	-5%	-3%
Portland	\$144	-3%	-2%	-2%	-3%	-1%
Phoenix	\$124	-2%	-1%	-2%	-5%	-2%
Denver	\$125	-4%	-1%	-3%	-3%	-2%
Sacramento	\$140	-6%	-4%	-4%	-6%	-3%
New York	\$183	-4%	-4%	-4%	-3%	-4%
Inland Empire	\$135	-3%	-3%	-4%	-6%	-4%
Chicago	\$111	-9%	-6%	-4%	-4%	-5%
Boston	\$149	-2%	-3%	-4%	-3%	-2%
Minneapolis	\$105	-7%	-4%	-5%	-6%	-3%
Miami	\$162	-3%	-6%	-5%	-3%	-3%
Pittsburgh	\$109	-5%	-5%	-5%	-9%	-7%
Washington DC	\$144	-3%	-3%	-5%	-5%	-5%
Atlanta	\$108	-4%	-6%	-6%	-8%	-5%
Philadelphia	\$134	-8%	-8%	-8%	-6%	-6%
Las Vegas	\$120	-8%	-8%	-8%	-3%	-5%

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



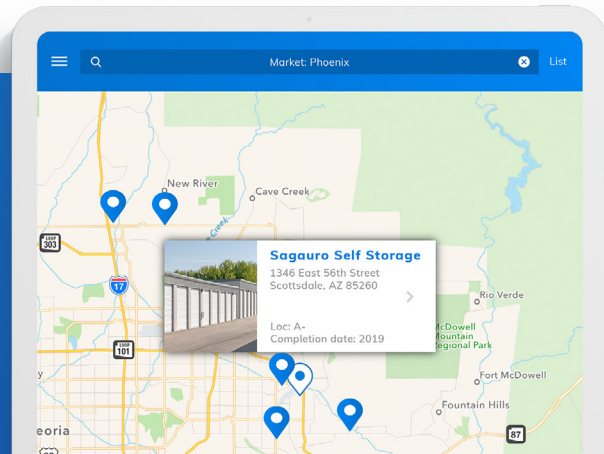
Yardi Matrix

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

Claire Spadoni

Senior Research Analyst
Claire.Spadoni@Yardi.com
(800) 866-1124 x2151

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.

© 2023 Yardi Systems, Inc. All Rights Reserved.