



Yardi Matrix

# National Self Storage Report

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February 2023



# Self Storage Supply and Rent Recap

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## Despite seasonal slowdown, self storage demand remains steady

- Street rates continued to normalize at the start of the year, moderating from the record highs experienced over the summer months of 2022. The typical seasonal slowdown in street rates doesn't seem to be a major cause for concern in the sector, as demand is remaining resilient after several strong years of increased customer interest. In fact, the number of households that use self storage increased to 14.5 million in 2022, up by roughly 970,000 since 2020, according to the latest demand study conducted by the Self Storage Association, an industry trade group based in Alexandria, Va. The study found that the percentage of households that use self storage increased to 11.1% in 2022, up from 10.6% in 2020 and 8.95% in 2005. As a result of the record demand, the self storage sector appears to be well-positioned to withstand potential economic headwinds in 2023.

## Street rates continue to moderate nationwide

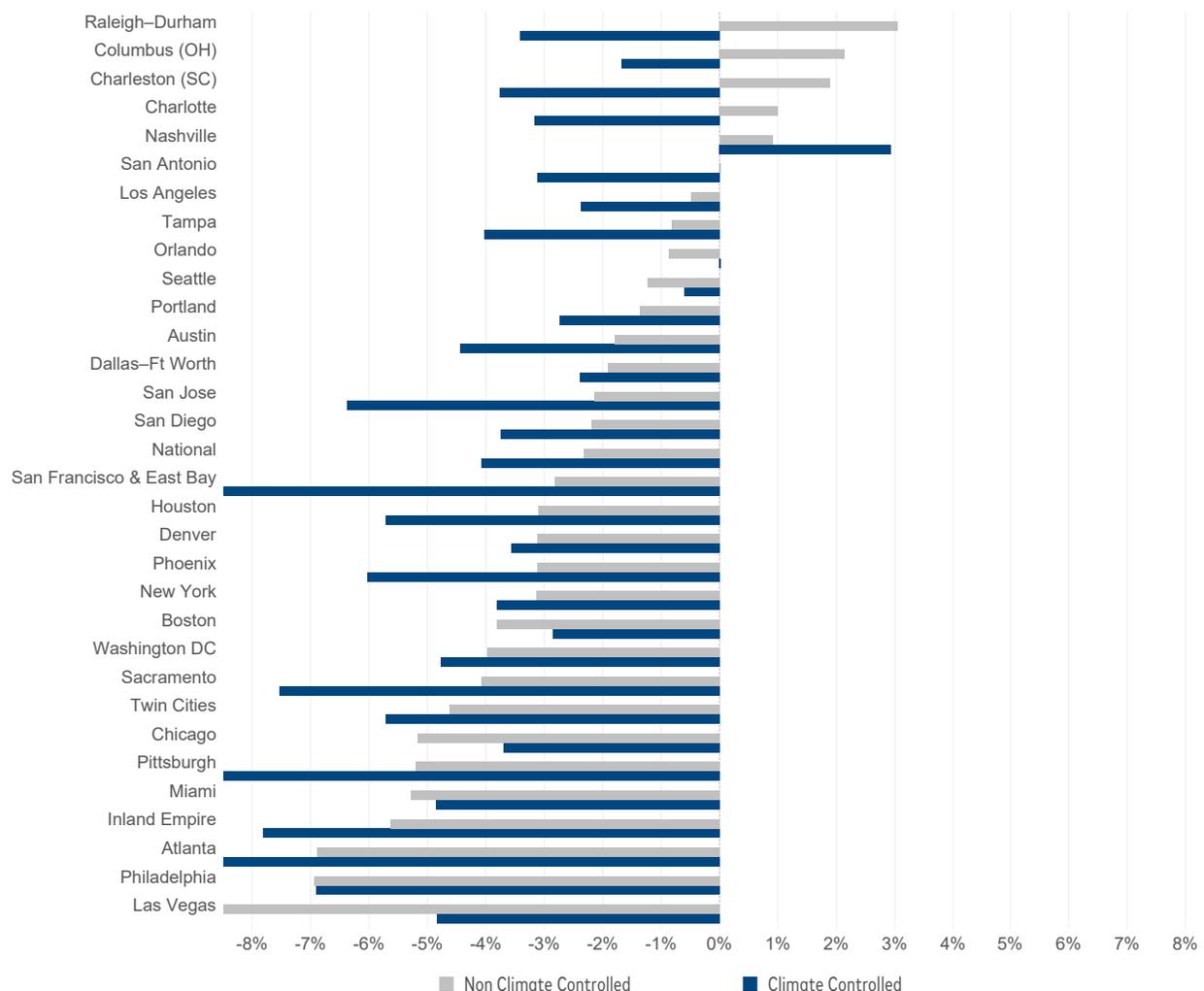
- While street rates remain above pre-pandemic levels, growth has continued to slow through the winter months. The average national street rate for all unit sizes continued to drop on an annual basis, with growth now at -2.8% year-over-year. Rates for standard-size 10x10 units fell by 2.3% for non-climate-controlled (NON CC) units and 4.1% for climate-controlled (CC) units.
- For 10x10 NON CC units, five of the top 31 Matrix self storage metros had an increase in street rates year-over-year in January, while rates remained flat in one of the top metros. For 10x10 CC units, only one of the top 31 had positive year-over-year growth, while one metro registered no change in street rates. Annual street rate growth continues to be negative in most metros.
- Yardi Matrix tracks a total of 4,626 self storage properties in various stages of development, including 827 under construction, 1,783 planned and 646 prospective properties. The national share of projects under construction was equivalent to 3.7% of existing stock in January, up a slight 10 basis points from December.
- Yardi Matrix also maintains operational profiles for 29,072 completed self storage facilities across the U.S., bringing the total data set to 33,698.

# Street Rate Growth Update

## National street rate growth continued to temper in January

- National street rates for 10x10 NON CC units decreased 2.3% year-over-year to \$126, a \$7 drop from their peak of \$133 recorded in the summer of 2022. Meanwhile, rates for similar-size CC units fared slightly worse, dropping 4.1% year-over-year to \$141, an \$11 drop from their summer 2022 peak. While growth continues to moderate for both unit types, average street rates remain healthy compared to historical levels. In addition, the slowdown in rates was to be expected over the winter months due to the normal seasonal slowdown in leasing demand.
- Raleigh-Durham led the top 31 metros in annual street rate growth for 10x10 NON CC units in January. Rates for 10x10 NON CC units in the metro increased \$3 to \$101, a 3.1% increase year-over-year.

## January 2023 Year-Over-Year Rent Change for 10'x10' Units



Source: Yardi Matrix. Street rate data as of Feb. 9, 2023

# Monthly Sequential Rents

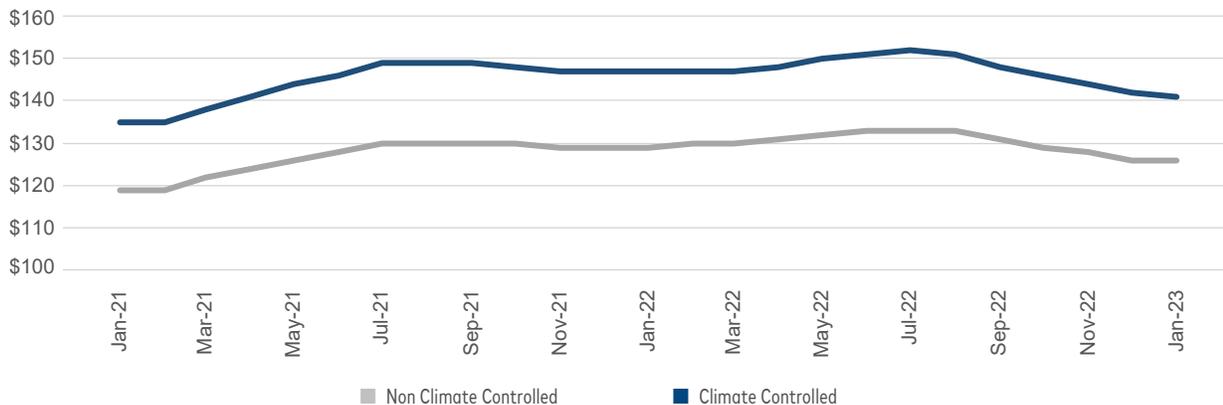
## Four metros register street rate increases in January

- Washington, D.C., Boston, San Jose and New York saw a slight \$1 uptick in street rates for 10x10 NON CC and CC units combined from December to January.
- Nationally, average street rates for 10x10 units remained unchanged at \$132 in January compared to December. Rates also remained level month-over-month in 13 of the top 31 metros.
- Of the 14 metros recording decreases in average rates for 10x10 combined units month-over-month, Seattle experienced the largest decline at \$2.
- As street rates trend downwards, operators continue to find more upside in raising existing customer rents to maximize rental income. Many self storage customers are considered sticky, so raising existing customer rates often does not have a major impact on overall occupancy.

Metro	Dec-22 Average 10' x 10' Street Rate (\$)	Jan-23 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$132	\$132	0.0%	-
Washington DC	\$151	\$152	0.7%	↑
Boston	\$158	\$159	0.6%	↑
San Jose	\$181	\$182	0.6%	↑
New York	\$193	\$194	0.5%	↑
Philadelphia	\$140	\$140	0.0%	-
Phoenix	\$131	\$131	0.0%	-
Portland	\$144	\$144	0.0%	-
Sacramento	\$142	\$142	0.0%	-
San Francisco Penin. & East Bay	\$207	\$207	0.0%	-
Tampa	\$132	\$132	0.0%	-
Charleston (SC)	\$118	\$118	0.0%	-
Charlotte	\$109	\$109	0.0%	-
Columbus (OH)	\$102	\$102	0.0%	-
Dallas-Ft Worth	\$111	\$111	0.0%	-
Atlanta	\$115	\$115	0.0%	-
Los Angeles	\$206	\$206	0.0%	-
Miami	\$171	\$171	0.0%	-
San Diego	\$181	\$180	-0.6%	↓
Inland Empire	\$140	\$139	-0.7%	↓
Denver	\$129	\$128	-0.8%	↓
Orlando	\$128	\$127	-0.8%	↓
Nashville	\$123	\$122	-0.8%	↓
Las Vegas	\$120	\$119	-0.8%	↓
Austin	\$120	\$119	-0.8%	↓
Chicago	\$120	\$119	-0.8%	↓
Pittsburgh	\$119	\$118	-0.8%	↓
San Antonio	\$118	\$117	-0.8%	↓
Minneapolis	\$110	\$109	-0.9%	↓
Raleigh-Durham	\$107	\$106	-0.9%	↓
Houston	\$104	\$103	-1.0%	↓
Seattle	\$163	\$161	-1.2%	↓

Source: Yardi Matrix. Data as of Feb. 9, 2023

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



\*Drawn from our national database of 32,328 stores, including 3,256 projects in the new-supply pipeline as well as 29,072 completed stores. Source: Yardi Matrix. Data as of Feb. 9, 2023



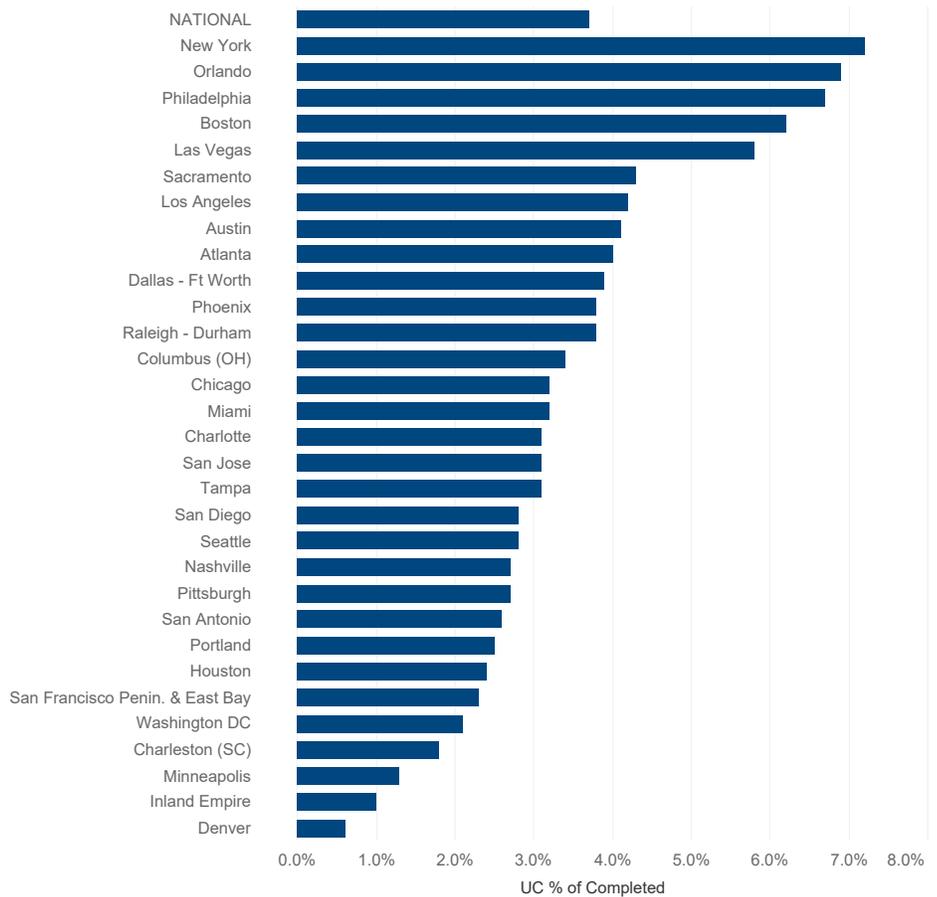
# New Supply Update

## Under-construction pipeline up slightly in January

- The national new-supply pipeline grew month-over-month in January, with properties under construction accounting for 3.7% of completed inventory, a 10-basis-point uptick. While the amount of new supply under construction has increased, elevated construction timelines are moderating the pace of new deliveries. Construction starts are anticipated to slow down in the second half of 2023, which will reduce new deliveries in coming years, a welcome trend for many operators.
- Of the top metros, New York has the largest pipeline of new supply under construction, equal to 7.2% of completed stock. Due to its large population and low existing storage inventory equal to 3.6 net rentable square feet (NRSF) per capita, New York has ample opportunities for storage developers.
- Denver has the smallest pipeline of under-construction supply among the top metros, accounting for 0.6% of existing inventory. The smaller new-supply pipeline comes on the heels of elevated development activity in recent years. More than 70 storage properties were delivered in the metro between 2017 and 2020.

## Under-Construction Supply by Percentage of Existing Inventory

Metro	Dec-22	Jan-23	Change
NATIONAL	3.6%	3.7%	↑
New York	7.2%	7.2%	—
Orlando	6.9%	6.9%	—
Philadelphia	6.4%	6.7%	↑
Boston	5.9%	6.2%	↑
Las Vegas	5.9%	5.8%	↓
Sacramento	4.3%	4.3%	—
Los Angeles	4.0%	4.2%	↑
Austin	3.9%	4.1%	↑
Atlanta	4.0%	4.0%	—
Dallas-Ft Worth	3.8%	3.9%	↑
Phoenix	3.8%	3.8%	—
Raleigh-Durham	3.8%	3.8%	—
Columbus (OH)	3.4%	3.4%	—
Chicago	3.2%	3.2%	—
Miami	3.0%	3.2%	↑
Tampa	2.8%	3.1%	↑
Charlotte	3.1%	3.1%	—
San Jose	3.1%	3.1%	—
San Diego	2.8%	2.8%	—
Seattle	2.8%	2.8%	—
Nashville	2.7%	2.7%	—
Pittsburgh	2.7%	2.7%	—
San Antonio	2.6%	2.6%	—
Portland	2.5%	2.5%	—
Houston	2.4%	2.4%	—
San Francisco Penin. & East Bay	2.3%	2.3%	—
Washington DC	2.1%	2.1%	—
Charleston (SC)	1.8%	1.8%	—
Minneapolis	1.3%	1.3%	—
Inland Empire	1.0%	1.0%	—
Denver	0.6%	0.6%	—



\*Drawn from our national database of 32,328 stores, including 3,256 projects in the new-supply pipeline as well as 29,072 completed stores.  
Source: Yardi Matrix. Data as of Feb. 9, 2023

# Monthly Rate Recap

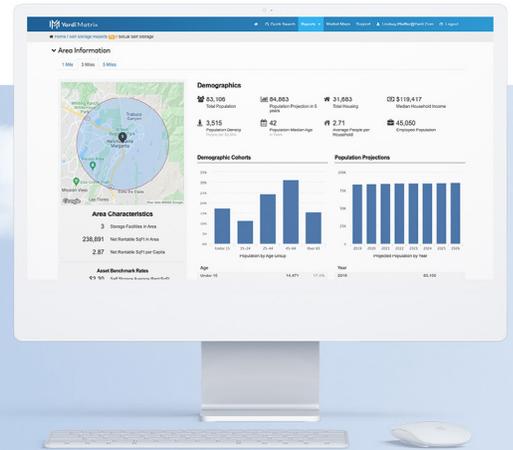
Market	Avg Metro Rate 10'x10' (non cc)	January 2023 YoY Rate Performance						
		5'x5' (non cc)	5'x10' (non cc)	5'x15' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)	10'x30' (non cc)
National	\$126	-2%	-2%	-3%	-2%	-4%	-3%	-3%
Raleigh-Durham	\$101	2%	2%	-1%	3%	-3%	3%	0%
Columbus (OH)	\$95	-3%	-2%	1%	2%	-2%	-1%	0%
Charleston (SC)	\$108	2%	1%	0%	2%	-4%	-2%	-3%
Charlotte	\$100	0%	0%	0%	1%	-3%	1%	2%
Nashville	\$111	0%	1%	1%	1%	3%	0%	0%
San Antonio	\$111	-2%	-1%	1%	0%	-3%	0%	0%
Los Angeles	\$207	-1%	-1%	-2%	0%	-2%	-1%	-1%
Tampa	\$122	0%	0%	2%	-1%	-4%	0%	-1%
Orlando	\$115	2%	3%	3%	-1%	0%	-2%	-2%
Seattle	\$160	0%	-1%	-3%	-1%	-1%	-1%	-1%
Portland	\$145	-3%	-2%	-3%	-1%	-3%	-2%	-3%
Austin	\$110	-2%	-3%	0%	-2%	-4%	-1%	0%
Dallas-Ft Worth	\$103	0%	0%	0%	-2%	-2%	-2%	-2%
San Jose	\$183	-6%	-3%	-4%	-2%	-6%	-3%	-3%
San Diego	\$179	-1%	-1%	-1%	-2%	-4%	-3%	-2%
San Francisco Penin. & East Bay	\$207	-4%	-3%	-4%	-3%	-6%	-3%	-2%
Houston	\$94	0%	-3%	-3%	-3%	-6%	-3%	-3%
Denver	\$124	-2%	0%	-3%	-3%	-4%	-3%	-6%
Phoenix	\$124	-2%	-3%	-2%	-3%	-6%	-3%	-1%
New York	\$185	-4%	-4%	-3%	-3%	-4%	-3%	-3%
Boston	\$151	0%	-1%	-2%	-4%	-3%	-2%	-3%
Washington DC	\$145	-3%	-3%	-4%	-4%	-5%	-5%	-5%
Sacramento	\$141	-6%	-3%	-5%	-4%	-8%	-4%	-3%
Minneapolis	\$103	-7%	-4%	-8%	-5%	-6%	-5%	-4%
Chicago	\$110	-9%	-7%	-5%	-5%	-4%	-6%	-5%
Pittsburgh	\$109	-7%	-4%	-3%	-5%	-10%	-9%	-9%
Miami	\$161	-5%	-6%	-5%	-5%	-5%	-4%	-3%
Inland Empire	\$134	-3%	-3%	-5%	-6%	-8%	-5%	-4%
Atlanta	\$108	-6%	-6%	-1%	-7%	-9%	-5%	-2%
Philadelphia	\$134	-8%	-7%	-8%	-7%	-7%	-7%	-6%
Las Vegas	\$119	-9%	-9%	-6%	-10%	-5%	-7%	-6%

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



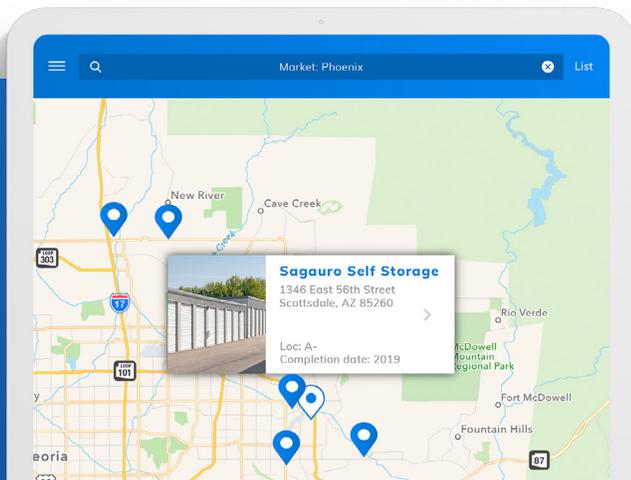
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