



Yardi Matrix

National Self Storage Report

March 2023



Self Storage Supply and Rent Recap

Storage fundamentals normalize ahead of spring season

- Street rates were flat in February as growth patterns are returning to normal. Despite the tempering of rate growth, the industry is in a comfortable position as the spring leasing season approaches. Although fundamentals softened slightly in the fourth quarter owing to normal seasonal patterns and some customers balking at increasing rates, demand is strong and occupancy remains ahead of where it normally is this time of year. "We're seeing good demand from new customers coming into the system," Public Storage's chief financial officer, Tom Boyle, said during a recent earnings call. "Move-in volumes through the (winter) are up double digits." REITs are forecasting mid-single digit net operating income growth in 2023. The caveat is how demand will react to the economy, especially as it is likely to slow in the second half of the year as the Federal Reserve raises rates to slow inflation. However, storage operators remain cautiously optimistic as demand and rates remain firm.

Further moderation in street rate performance nationwide

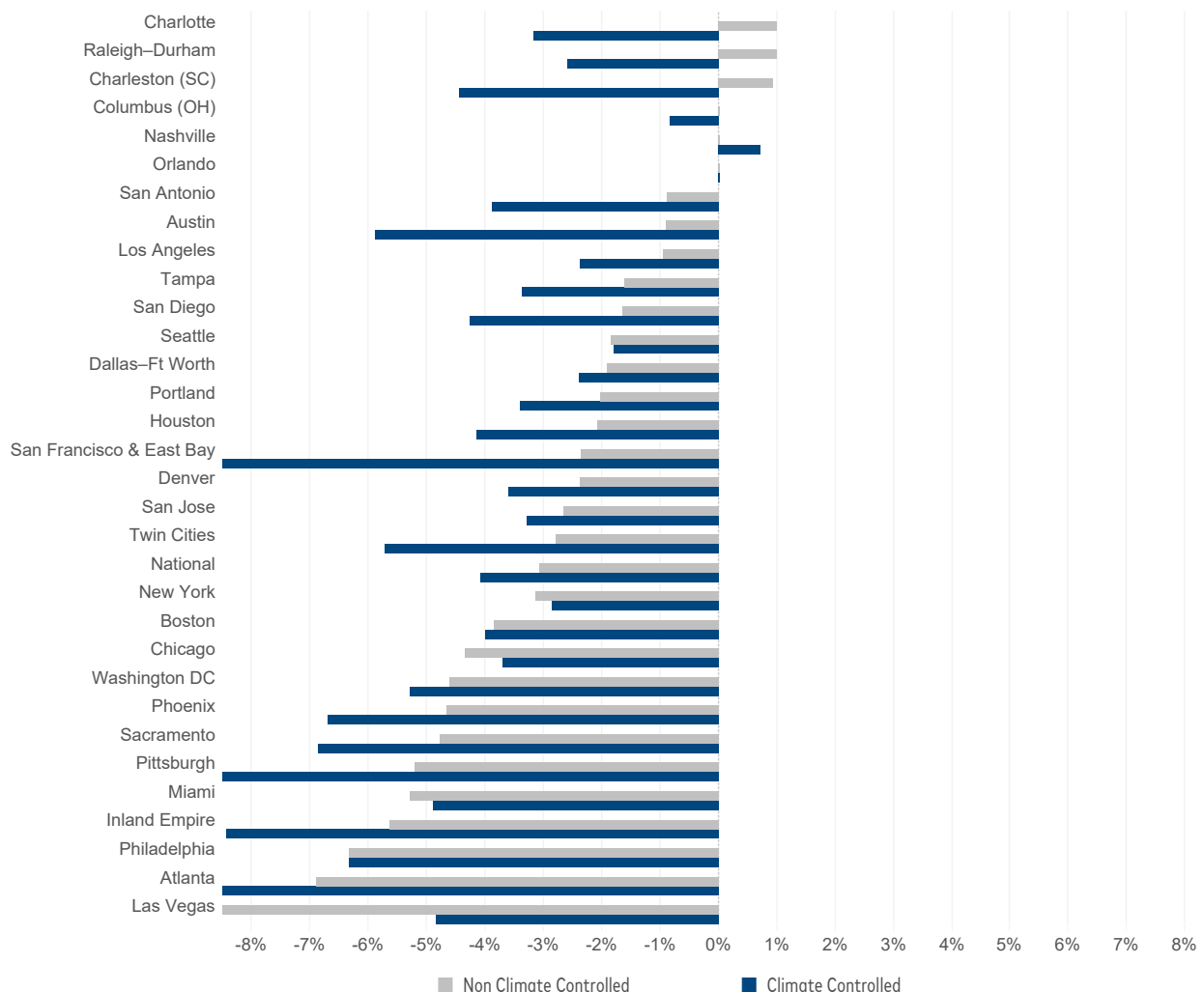
- Street rate growth continued to moderate in February. Growth of the average national street rate for all unit sizes was -2.8% year-over-year, unchanged from January. Rates for standard-size 10x10 units fell by 3.1% year-over-year for non-climate-controlled (NON CC) units and 4.1% for climate-controlled (CC) units.
- Annual street rate growth continued to be negative for most of the top 31 metros in February. Only three of the top 31 Matrix self storage metros had a year-over-year increase in street rates for 10x10 NON CC units, while rates were negative in 25 of the top metros. Twenty-nine of the top 31 metros recorded negative year-over-year growth for 10x10 CC units, with only one seeing positive year-over-year growth.
- Nationally, Yardi Matrix tracks a total of 4,730 self storage properties in various stages of development, including 823 under construction, 1,885 planned and 662 prospective properties. The share of projects under construction was equivalent to 3.6% of existing stock in February, unchanged from the previous month.
- Yardi Matrix also maintains operational profiles for 29,221 completed self storage facilities across the U.S., bringing the total data set to 33,951.

Street Rate Growth Update

National street rates frozen but remain above pre-pandemic norms

- National street rates have been almost entirely unchanged for three straight months. Average 10x10 NON CC units have remained at \$126 since December, with the year-over-year rate dropping to -3.1% in February. Meanwhile, rates for similar-size CC units remained at \$141, with year-over-year growth falling to -4.1%. While there has been a deceleration of street rates across the nation, the average rates continue to outperform pre-pandemic norms.
- The largest increases in street rates in the Matrix top 31 metros for 10x10 NON CC units were in Charlotte and Raleigh-Durham. Rates grew 1.0% year-over-year in both North Carolina markets. However, rates for 10x10 CC units did not fare as well in either metro, falling year-over-year in Raleigh-Durham (-2.6%) and Charlotte (-3.2%).

Febuary 2023 Year-Over-Year Rent Change for 10'x10' Units



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

Monthly Sequential Rents

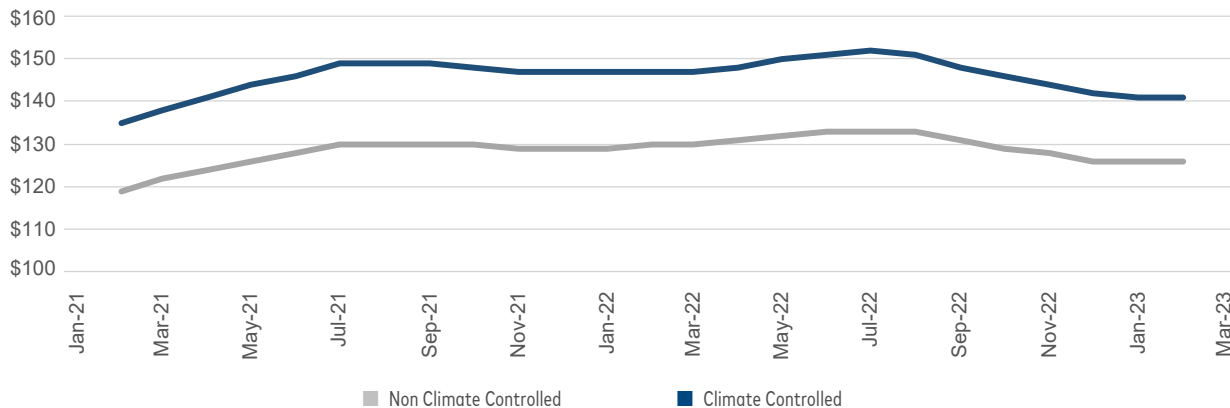
Majority of top metros register no change in 10x10 street rates in February

- Average street rates for 10x10 units in February were unchanged nationally at \$132 month-over-month, and rates also remained level in 19 of the top 31 metros. Rate growth continues to be negative year-over-year, but on a monthly basis the drop in national rates appears to be leveling, a positive sign for operators as they move towards the traditionally busy spring leasing season.
- Five of the top 31 metros recorded a \$1 month-over-month increase in combined street rates for 10x10 NON CC and CC units. Four of the five gainers are located on the West Coast.
- Seven metros saw a \$1 monthly decrease in average rates for 10x10 combined units.
- The sharp growth in street rates that helped operators push existing customer rate increases over the last two years is slowing. Operators will be balancing rate growth and occupancy in coming months.

Metro	Jan-23 Average 10' x 10' Street Rate (\$)	Feb-23 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$132	\$132	0.0%	-
Houston	\$103	\$104	1.0%	↑
Seattle	\$161	\$162	0.6%	↑
San Diego	\$179	\$180	0.6%	↑
San Jose	\$182	\$183	0.5%	↑
San Francisco Penin. & East Bay	\$208	\$209	0.5%	↑
Portland	\$144	\$144	0.0%	-
Raleigh-Durham	\$106	\$106	0.0%	-
Sacramento	\$142	\$142	0.0%	-
Tampa	\$132	\$132	0.0%	-
Washington DC	\$152	\$152	0.0%	-
Inland Empire	\$139	\$139	0.0%	-
Las Vegas	\$119	\$119	0.0%	-
Los Angeles	\$207	\$207	0.0%	-
Miami	\$170	\$170	0.0%	-
Minneapolis	\$109	\$109	0.0%	-
Nashville	\$122	\$122	0.0%	-
New York	\$194	\$194	0.0%	-
Atlanta	\$115	\$115	0.0%	-
Austin	\$119	\$119	0.0%	-
Charleston (SC)	\$118	\$118	0.0%	-
Chicago	\$119	\$119	0.0%	-
Columbus (OH)	\$102	\$102	0.0%	-
Dallas-Ft Worth	\$111	\$111	0.0%	-
Denver	\$128	\$128	0.0%	-
Boston	\$159	\$158	-0.6%	↓
Philadelphia	\$140	\$139	-0.7%	↓
Phoenix	\$131	\$130	-0.8%	↓
Orlando	\$127	\$126	-0.8%	↓
Pittsburgh	\$119	\$118	-0.8%	↓
San Antonio	\$117	\$116	-0.9%	↓
Charlotte	\$110	\$109	-0.9%	↓

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

National Average Street Rates for 10' x 10' Units



*Drawn from our national database of 32,591 stores, including 3,370 projects in the new-supply pipeline as well as 29,221 completed stores. Source: Yardi Matrix. Data as of March 9, 2023

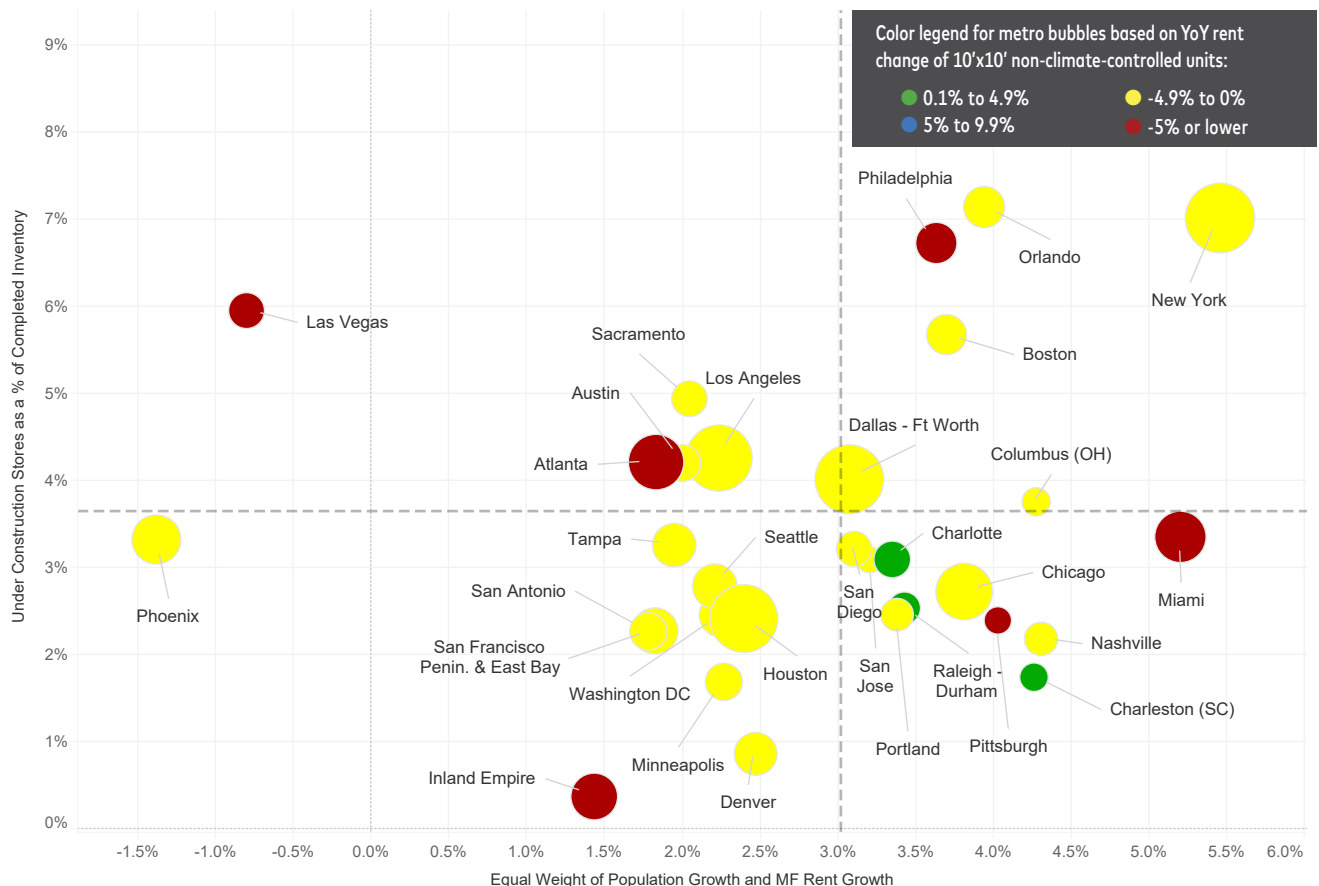
Street Rates and New Supply

The Carolinas lead in street rate performance

- Three metros that had positive 10x10 NON CC unit rate growth year-over-year—Raleigh-Durham, Charlotte and Charleston—also had an equal weighting of population growth and multifamily rent growth greater than the 3.0% national average. All three of these metros also had a supply pipeline smaller than the national level of under construction equal to 3.6% of existing stock. Atlanta, on the other hand, recorded a drop of 6.9% year-over-year in 10x10 NON CC units. The metro has a strong delivery pipeline (4.2% of stock), while population and multifamily rent growth are slowing.
- Las Vegas, at -9.8%, had the largest annual decrease in street rates for 10x10 NON CC units among the top 31 metros. Las Vegas has a full under-construction pipeline amounting to 6.0% of stock, while its equal weighting of population growth and multifamily rent growth was one of the lowest among top metros at -0.8%. Las Vegas' population was unchanged in the U.S. Census Bureau's latest release, while multifamily rent growth has turned negative (-1.6% year-over-year as of February).

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 March 9, 2023

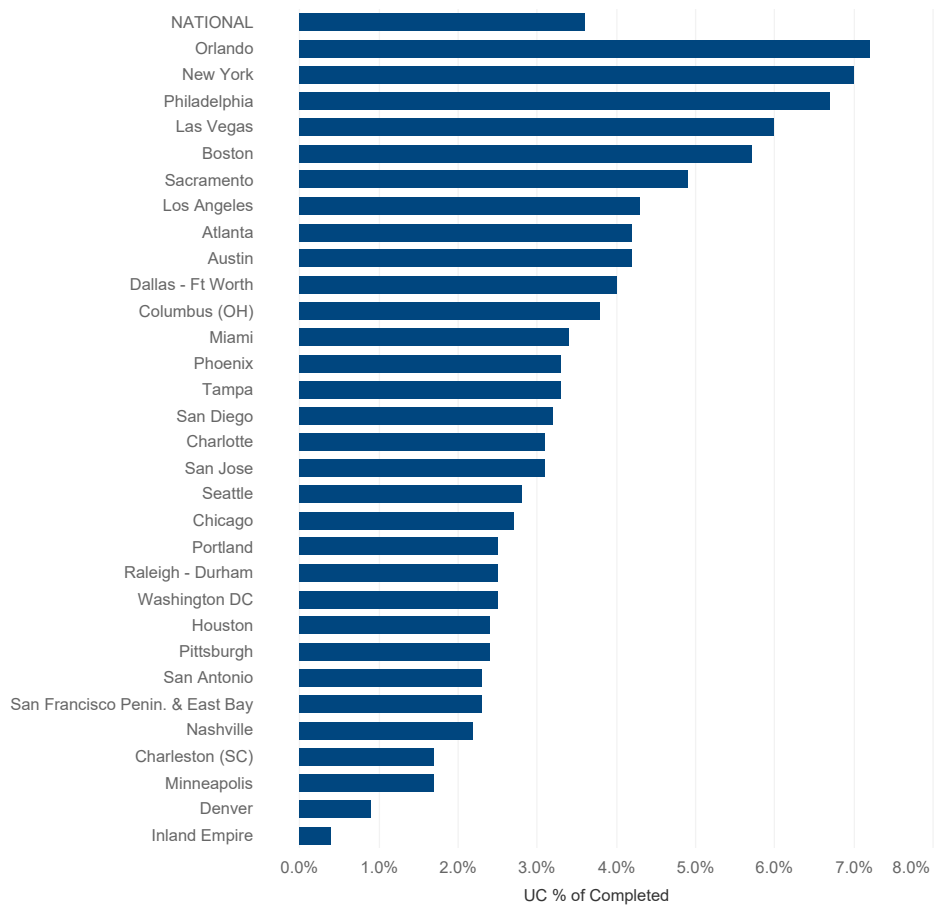
New Supply Update

New supply under construction remains steady

- The national new-supply pipeline remained unchanged month-over-month in February, with properties under construction accounting for 3.6% of completed inventory. While the amount of new supply under construction remains resilient, elevated construction timelines appear to be moderating the pace of new storage deliveries. In addition, an increasingly difficult economic landscape will likely begin to dampen construction starts, especially towards the end of the year, resulting in a slowdown in new deliveries in 2024 and 2025.
- Washington, D.C., and San Diego experienced the largest increases in under-construction activity month-over-month, both seeing an increase of 40 basis points. Under construction as a percent of existing stock is now equal to 2.5% in Washington, D.C., and 3.2% in San Diego, both of which still fall below the national level.
- None of the top 31 metros tracked by Yardi Matrix saw the amount of new supply under construction decrease on a monthly basis, although this will likely change during the year.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Jan-23	Feb-23	Change
NATIONAL	3.6%	3.6%	—
Orlando	6.8%	7.2%	↑
New York	6.7%	7.0%	↑
Philadelphia	6.4%	6.7%	↑
Las Vegas	6.0%	6.0%	—
Boston	5.7%	5.7%	—
Sacramento	4.9%	4.9%	—
Los Angeles	4.3%	4.3%	—
Atlanta	4.2%	4.2%	—
Austin	4.2%	4.2%	—
Dallas-Ft Worth	3.9%	4.0%	↑
Columbus (OH)	3.8%	3.8%	—
Miami	3.4%	3.4%	—
Phoenix	3.3%	3.3%	—
Tampa	3.3%	3.3%	—
San Diego	2.8%	3.2%	↑
Charlotte	3.1%	3.1%	—
San Jose	3.1%	3.1%	—
Seattle	2.8%	2.8%	—
Chicago	2.7%	2.7%	—
Portland	2.5%	2.5%	—
Raleigh-Durham	2.5%	2.5%	—
Washington DC	2.1%	2.5%	↑
Houston	2.4%	2.4%	—
Pittsburgh	2.4%	2.4%	—
San Antonio	2.3%	2.3%	—
San Francisco Penin. & East Bay	2.3%	2.3%	—
Nashville	2.2%	2.2%	—
Charleston (SC)	1.7%	1.7%	—
Minneapolis	1.7%	1.7%	—
Denver	0.9%	0.9%	—
Inland Empire	0.4%	0.4%	—



*Drawn from our national database of 32,591 stores, including 3,370 projects in the new-supply pipeline as well as 29,221 completed stores.
Source: Yardi Matrix. Data as of March 9, 2023

Monthly Rate Recap

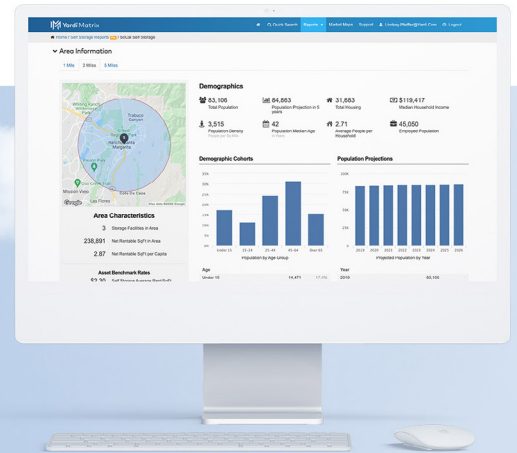
Market	Avg Metro Rate 10'x10' (non cc)	February 2023 YoY Rate Performance						
		5'x5' (non cc)	5'x10' (non cc)	5'x15' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)	10'x30' (non cc)
National	\$126	-2%	-2%	-3%	-3%	-4%	-3%	-3%
Charlotte	\$100	0%	0%	0%	1%	-3%	1%	1%
Raleigh–Durham	\$100	0%	2%	-3%	1%	-3%	2%	0%
Charleston (SC)	\$108	2%	3%	0%	1%	-4%	-3%	-1%
Columbus (OH)	\$95	-5%	-3%	-1%	0%	-1%	-1%	0%
Nashville	\$111	0%	0%	-1%	0%	1%	-1%	0%
Orlando	\$115	4%	3%	3%	0%	0%	-1%	-3%
San Antonio	\$111	-4%	-1%	0%	-1%	-4%	-1%	-2%
Austin	\$110	-2%	-3%	0%	-1%	-6%	-2%	0%
Los Angeles	\$208	-1%	-2%	-2%	-1%	-2%	-1%	-1%
Tampa	\$122	0%	0%	1%	-2%	-3%	-2%	-2%
San Diego	\$180	-1%	-1%	-2%	-2%	-4%	-3%	-2%
Seattle	\$161	-3%	-1%	-3%	-2%	-2%	-2%	-3%
Dallas–Ft Worth	\$103	0%	0%	1%	-2%	-2%	-2%	-2%
Portland	\$145	-3%	-3%	-3%	-2%	-3%	-4%	-4%
Houston	\$95	0%	-2%	-1%	-2%	-4%	-3%	-3%
San Francisco Penin. & East Bay	\$208	-3%	-2%	-4%	-2%	-5%	-2%	-2%
Denver	\$124	-2%	0%	-3%	-2%	-4%	-3%	-6%
San Jose	\$184	-5%	-1%	-5%	-3%	-3%	-4%	-4%
Minneapolis	\$104	-7%	-3%	-6%	-3%	-6%	-5%	-3%
New York	\$185	-4%	-3%	-3%	-3%	-3%	-2%	-3%
Boston	\$150	-2%	-2%	-3%	-4%	-4%	-3%	-4%
Chicago	\$110	-9%	-6%	-6%	-4%	-4%	-4%	-4%
Washington DC	\$145	-5%	-3%	-6%	-5%	-5%	-5%	-5%
Phoenix	\$123	-2%	-3%	-3%	-5%	-7%	-4%	-3%
Sacramento	\$140	-6%	-5%	-6%	-5%	-7%	-4%	-5%
Pittsburgh	\$109	-6%	-4%	-2%	-5%	-11%	-8%	-9%
Miami	\$161	-3%	-6%	-6%	-5%	-5%	-4%	-3%
Inland Empire	\$134	-3%	-3%	-6%	-6%	-8%	-5%	-4%
Philadelphia	\$133	-7%	-7%	-8%	-6%	-6%	-7%	-7%
Atlanta	\$108	-6%	-6%	-1%	-7%	-10%	-5%	-2%
Las Vegas	\$119	-9%	-8%	-7%	-10%	-5%	-7%	-6%

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



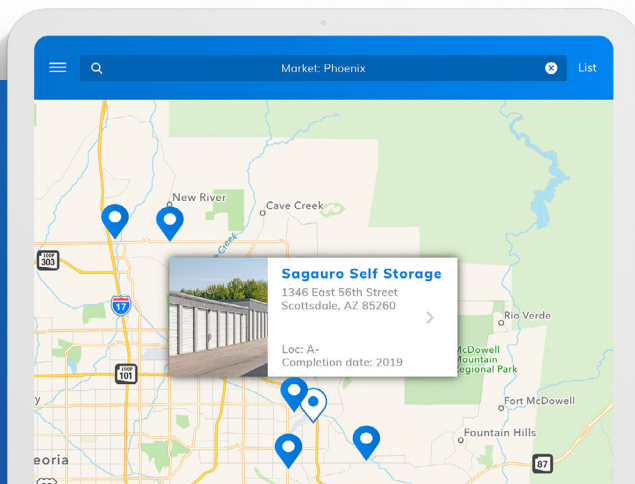
Yardi Matrix

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- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
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Yardi Matrix Self Storage provides accurate data on storage facilities in 134 markets covering more than 30,000+ properties nationwide.



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