



Yardi Matrix

National Self Storage Report

April 2023



Self Storage Supply and Rent Recap

Demand remains steady as self storage enters spring leasing season

- Self storage street rates continued to normalize during the first quarter as demand held steady. Street rates have come down from last year's record highs, but rates are staying firm and even increased in some markets in March. This demonstrates that the self storage industry continues to follow normal seasonal patterns and that rates will likely undergo modest gains as the typically busier leasing season gets further underway. Operators largely remain optimistic about demand despite the volatility in the financial markets because storage performance has repeatedly proven to be stable during times of economic volatility.

Street rates continue to normalize

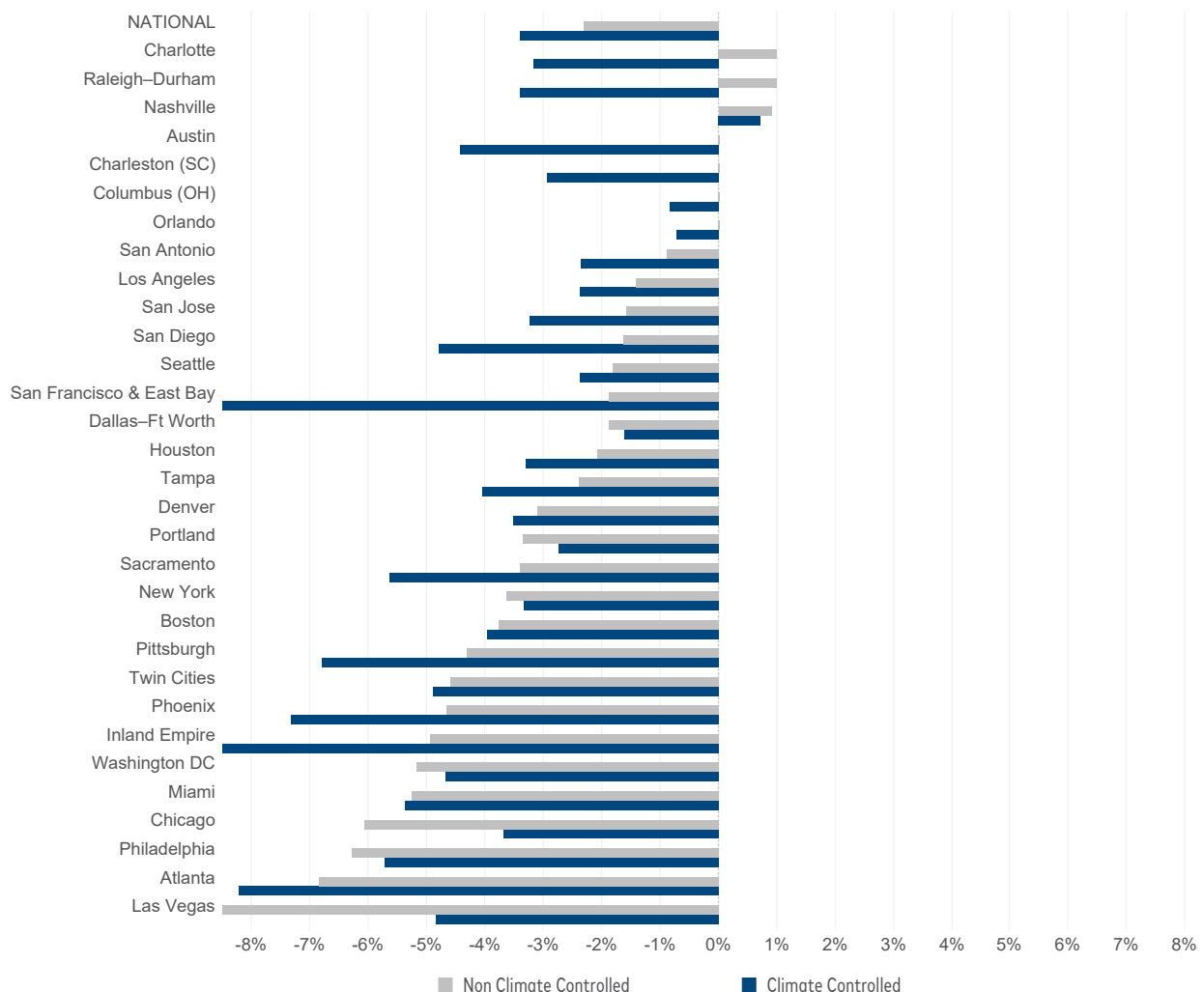
- Year-over-year street rate growth was negative again in March, with national average rates for standard-size 10x10 units down 2.3% year-over-year for non-climate-controlled (NON CC) units and 3.4% for climate-controlled (CC) units. Although street rates are negative on an annual basis, rates remain relatively steady sequentially, with some unit types and sizes registering increases on a month-over-month basis. While the sequential rate increases for both 10x10 NON CC and CC units were small at less than 1%, it is a positive sign that rates are not experiencing a hard landing.
- Most of Yardi Matrix's top 31 metros recorded negative street rate growth this month compared to March 2022, trending down to longer-term averages from last year's standout performance. Year-over-year, rates for 10x10 NON CC units were again negative in the majority of the top metros, with 25 experiencing decreases. In addition, all but one of the 31 top metros had a drop in rates for 10x10 CC units.
- Nationally, Yardi Matrix tracks a total of 4,735 self storage properties in various stages of development, including 817 under construction, 1,896 planned and 656 prospective properties. The share of projects under construction was equivalent to 3.7% of existing stock in March, up a slight 10 basis points from February.
- Yardi Matrix also maintains operational profiles for 29,299 completed self storage facilities across the U.S., bringing the total data set to 34,034.

Street Rate Growth Update

National street rates remain strong, despite decelerating annual growth

- National street rates for 10x10 NON CC units decreased 2.3% year-over-year, while rates for 10x10 CC units fell by 3.4%. Despite a deceleration in growth after a stellar 2022, street rates remain high by historic standards, evidence that storage demand is still strong. In March, the national average rate for 10x10 NON CC units was \$127, exceeding the average of \$116 recorded in March 2019 by 9.4%. The national rate for 10x10 CC units was \$142 in March, up 6.8% over the same time period.
- Nashville was the only top metro with positive rate growth in March for both 10x10 NON CC and CC units year-over-year. Rates increased 0.9% for for 10x10 NON CC units and 0.7% for CC units. While the increases are minor, it's a notable feat, as nearly all of the remaining 31 top metros experienced negative rate growth for at least one of the unit types.

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



Source: Yardi Matrix. Street rate data as of April 7, 2023

Monthly Sequential Rents

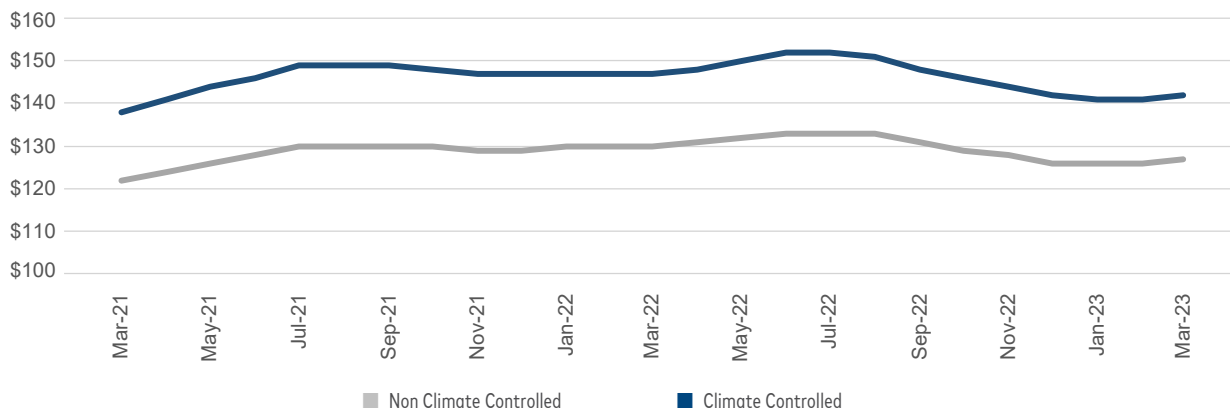
Fourteen top metros register positive monthly 10x10 street rates in March

- Demand appears to be firming, as rates are starting to increase again on a sequential basis. Average street rates for 10x10 units combined increased in 14 of the 31 top metros in March from February, following normal seasonal patterns and potentially signaling the start of modest rate increases in the coming months.
- Pittsburgh, which has tended to trail the top metros in rate performance, experienced the largest increase in street rates for 10x10 NON CC and CC units combined, rising 3.4% to \$4 month-over-month. After rates for 10x10 units peaked in May 2022, rates in Pittsburgh dropped much faster than those in other metros, even falling below prepandemic levels.
- While average street rates for 10x10 units combined remained firm on a national level and in 14 of the top metros month-over-month, three metros—Portland, Las Vegas and Charlotte—saw the average rate drop from the previous month.

Metro	Feb-23 Average 10' x 10' Street Rate (\$)	Mar-23 Average 10' x 10' Street Rate (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$132	\$132	0.0%	-
Pittsburgh	\$118	\$122	3.4%	↑
Charleston (SC)	\$119	\$121	1.7%	↑
Columbus (OH)	\$102	\$103	1.0%	↑
Houston	\$104	\$105	1.0%	↑
Minneapolis	\$109	\$110	0.9%	↑
Dallas-Ft Worth	\$111	\$112	0.9%	↑
Atlanta	\$115	\$116	0.9%	↑
Austin	\$119	\$120	0.8%	↑
Denver	\$128	\$129	0.8%	↑
Philadelphia	\$139	\$140	0.7%	↑
Sacramento	\$143	\$144	0.7%	↑
Washington DC	\$153	\$154	0.7%	↑
Boston	\$159	\$160	0.6%	↑
San Diego	\$180	\$181	0.6%	↑
San Francisco Penin. & East Bay	\$209	\$209	0.0%	-
San Jose	\$185	\$185	0.0%	-
Seattle	\$162	\$162	0.0%	-
Tampa	\$132	\$132	0.0%	-
Chicago	\$119	\$119	0.0%	-
Raleigh-Durham	\$106	\$106	0.0%	-
San Antonio	\$117	\$117	0.0%	-
Inland Empire	\$139	\$139	0.0%	-
Phoenix	\$130	\$130	0.0%	-
Los Angeles	\$208	\$208	0.0%	-
Miami	\$171	\$171	0.0%	-
Nashville	\$123	\$123	0.0%	-
New York	\$195	\$195	0.0%	-
Orlando	\$127	\$127	0.0%	-
Portland	\$144	\$143	-0.7%	↓
Las Vegas	\$119	\$118	-0.8%	↓
Charlotte	\$110	\$109	-0.9%	↓

Source: Yardi Matrix. Data as of April 7, 2023

National Average Street Rates for 10' x 10' Units



*Drawn from our national database of 32,668 stores, including 3,369 projects in the new-supply pipeline as well as 29,299 completed stores. Source: Yardi Matrix. Data as of April 7, 2023

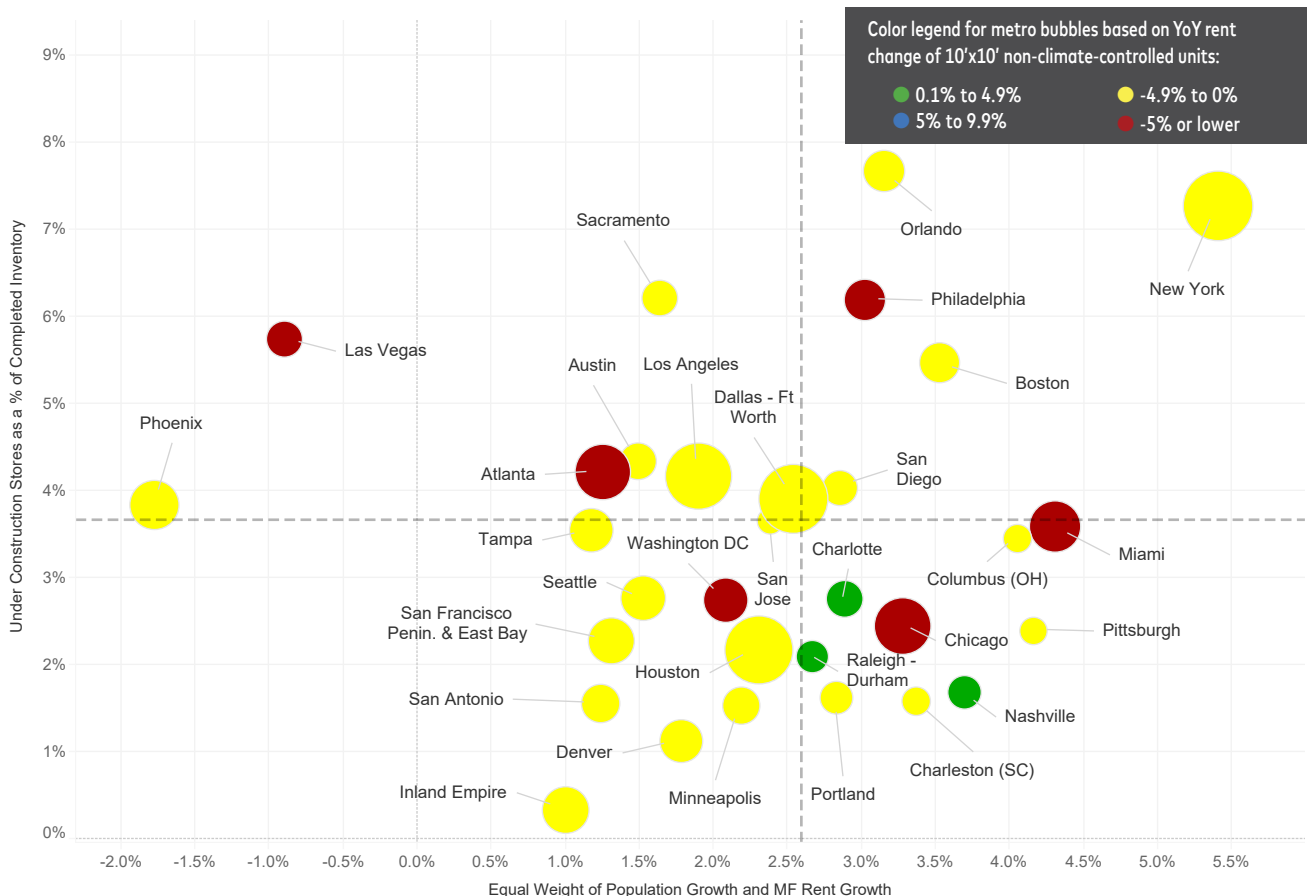
Street Rates and New Supply

Street rates strong in several Sun Belt tech hubs

- Annual rate performance in March was strongest in metros with solid growth in population and multifamily rents but modest new storage supply pipelines. The three metros that had positive 10x10 NON CC unit rate growth year-over-year—Nashville, Raleigh-Durham and Charlotte—had relatively strong population and multifamily rent growth relative to the national average. All three of these metros also had supply pipelines comfortably below the national average of 3.7% of under-construction properties as a percentage of existing stock.
- Despite solid population growth and strong multifamily rent gains, street rates remained stagnant year-over-year in Orlando for 10x10 NON CC units. Robust in-migration over the past few years has spurred storage development activity in Orlando, and the metro has the largest pipeline, with new supply under construction equal to 7.7% of existing stock. An influx of new deliveries has increased the net rentable square feet (NRSF) of storage per capita to 8.7 in the metro. The momentum of population growth in Orlando will likely bode well for storage demand and rates in the longer term.

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 April 7, 2023

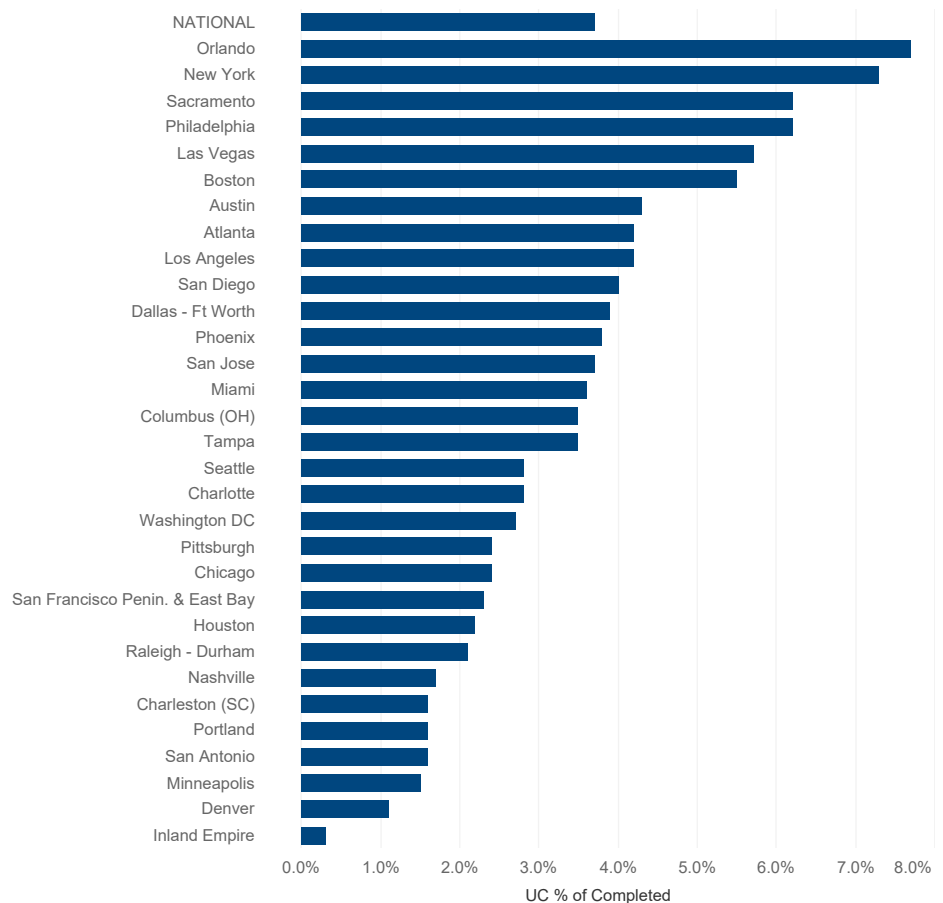
New Supply Update

Construction activity starts to slow in some markets

- The national new-supply pipeline grew 10 basis points month-over-month in March, with properties under construction accounting for 3.7% of completed inventory. While development activity remains steady, new supply is expected to taper into 2024 and beyond given the high cost of construction financing and small- and medium-size banks' pullback on lending.
- The pipeline in some of Yardi Matrix's top 31 markets is starting to moderate as expected after several months of unchanged or increasing levels of construction activity. Las Vegas, Austin and Chicago all had a 10-basis-point drop in new supply under construction as a percent of completed supply.
- San Antonio saw the largest increase in development activity over the past month, and the market is already heavily penetrated with 10.2 NRSF of storage per capita. However, construction activity as a percentage of existing stock in the metro remains low at 1.6%.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Feb-23	Mar-23	Change
NATIONAL	3.6%	3.7%	↑
Orlando	7.7%	7.7%	—
New York	7.3%	7.3%	—
Sacramento	6.2%	6.2%	—
Philadelphia	6.2%	6.2%	—
Las Vegas	5.8%	5.7%	↓
Boston	5.4%	5.5%	↑
Austin	4.4%	4.3%	↓
Atlanta	4.2%	4.2%	—
Los Angeles	4.2%	4.2%	—
San Diego	4.0%	4.0%	—
Dallas-Ft Worth	3.9%	3.9%	—
Phoenix	3.6%	3.8%	↑
San Jose	3.7%	3.7%	—
Miami	3.4%	3.6%	↑
Columbus (OH)	3.5%	3.5%	—
Tampa	3.5%	3.5%	—
Seattle	2.8%	2.8%	—
Charlotte	2.8%	2.8%	—
Washington DC	2.7%	2.7%	—
Pittsburgh	2.4%	2.4%	—
Chicago	2.5%	2.4%	↓
San Francisco Penin. & East Bay	2.3%	2.3%	—
Houston	2.2%	2.2%	—
Raleigh-Durham	2.1%	2.1%	—
Nashville	1.7%	1.7%	—
Portland	1.6%	1.6%	—
San Antonio	1.3%	1.6%	↑
Charleston (SC)	1.6%	1.6%	—
Minneapolis	1.5%	1.5%	—
Denver	1.1%	1.1%	—
Inland Empire	0.3%	0.3%	—



*Drawn from our national database of 32,668 stores, including 3,369 projects in the new-supply pipeline as well as 29,299 completed stores.
Source: Yardi Matrix. Data as of April 7, 2023

Monthly Rate Recap

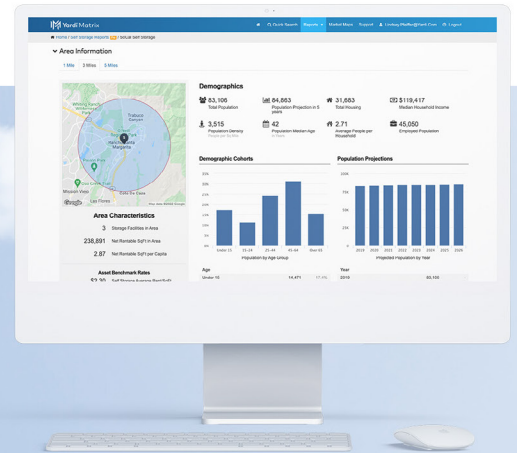
Market	Avg Metro Rate 10'x10' (non cc)	March 2023 YoY Rate Performance						
		5'x5' (non cc)	5'x10' (non cc)	5'x15' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)	10'x30' (non cc)
National	\$127	-2%	-2%	-4%	-2%	-3%	-3%	-3%
Charlotte	\$100	0%	0%	-1%	1%	-3%	1%	1%
Raleigh–Durham	\$100	-2%	0%	-4%	1%	-3%	1%	-1%
Nashville	\$112	0%	0%	-2%	1%	1%	1%	0%
Orlando	\$115	4%	1%	1%	0%	-1%	0%	-1%
Columbus (OH)	\$96	-3%	-3%	-3%	0%	-1%	-1%	-2%
Austin	\$111	-2%	-3%	0%	0%	-4%	-1%	0%
Charleston (SC)	\$109	0%	1%	0%	0%	-3%	-1%	0%
San Antonio	\$111	-2%	-3%	-2%	-1%	-2%	-1%	-1%
Los Angeles	\$208	-1%	-2%	-1%	-1%	-2%	-1%	-1%
San Jose	\$186	-3%	-1%	-3%	-2%	-3%	-2%	-3%
San Diego	\$181	0%	-2%	0%	-2%	-5%	-2%	-1%
Seattle	\$162	-3%	-2%	-4%	-2%	-2%	-4%	-4%
San Francisco Penin. & East Bay	\$209	-3%	-2%	-2%	-2%	-5%	-3%	-3%
Dallas–Ft Worth	\$104	-2%	-2%	0%	-2%	-2%	-2%	-2%
Houston	\$95	0%	-2%	0%	-2%	-3%	-3%	-3%
Tampa	\$122	0%	-1%	0%	-2%	-4%	-1%	-1%
Denver	\$125	-2%	-1%	-2%	-3%	-4%	-3%	-5%
Portland	\$144	-3%	-3%	-3%	-3%	-3%	-4%	-4%
Sacramento	\$142	-6%	-5%	-5%	-3%	-6%	-4%	-4%
New York	\$186	-1%	-3%	-3%	-4%	-3%	-3%	-4%
Boston	\$153	-2%	-2%	-2%	-4%	-4%	-3%	-3%
Pittsburgh	\$111	-2%	-3%	-2%	-4%	-7%	-7%	-7%
Minneapolis	\$104	-7%	-4%	-6%	-5%	-5%	-6%	-3%
Phoenix	\$123	-2%	-4%	-2%	-5%	-7%	-4%	-3%
Inland Empire	\$135	-3%	-3%	-6%	-5%	-9%	-5%	-4%
Washington DC	\$147	-3%	-5%	-3%	-5%	-5%	-5%	-5%
Miami	\$162	-3%	-6%	-5%	-5%	-5%	-3%	-3%
Chicago	\$108	-4%	-6%	-5%	-6%	-4%	-5%	-5%
Philadelphia	\$134	-7%	-7%	-7%	-6%	-6%	-6%	-5%
Atlanta	\$109	-6%	-7%	-3%	-7%	-8%	-5%	-3%
Las Vegas	\$119	-8%	-9%	-4%	-9%	-5%	-6%	-6%

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



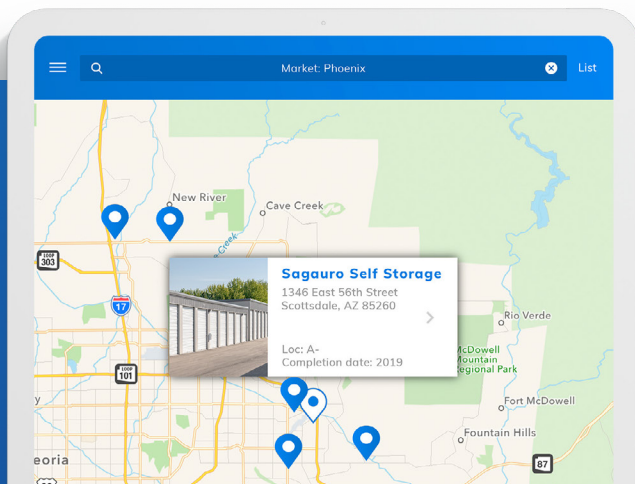
Yardi Matrix

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- 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.



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