Yardi® Matrix

National Self Storage Report

June 2023

Self Storage Supply and Rent Recap

Storage fundamentals persist

- The self storage market continues to be resilient, despite headwinds to demand caused by the slowing housing market. Street rates overall remained level in May, and rates for 10X10 units increased slightly. Although year-over-year street rate growth has turned negative, net operating income continues to increase as operators push rates for existing customers. That has come at the cost of a slight hit to occupancy rates, but demand is still above pre-pandemic levels. The outlook for the sector remains optimistic, although concerns persist about how the slowdown in home sales and potential weakening job market caused by higher interest rates will impact storage demand, street rates and occupancy levels in the second half of 2023.

National street rates improve

- Street rates overall were unchanged in May, with several unit types and sizes improving on a monthly basis and sequential growth remaining in line with historical busy season trends. National street rates for standard-size 10x10 non-climate-controlled (NON CC) units and 10x10 climate-controlled (CC) units both increased $1 month-over-month in May. Across all rate types tracked by Yardi Matrix, smaller-size units performed the strongest in May, as national rates for 5x5 units increased 1.8% for NON CC units and 1.7% for CC units on a monthly basis.

- Year-over-year growth continued to be negative in nearly all of Yardi Matrix's top 31 metros in May. Street rates for 10x10 NON CC units are down in 28 of the top 31 metros, while rate growth was flat in the remaining three top metros. Street rates for similar-size CC units have decreased year-over-year in all but one of the top metros.

- Nationally, Yardi Matrix tracks a total of 4,799 self storage properties in various stages of development, including 807 under construction, 1,959 planned, 646 prospective, 1,341 abandoned and 50 deferred properties. The share of projects under construction was equivalent to 3.6% of existing stock in May, a minor increase of 0.1% from April.

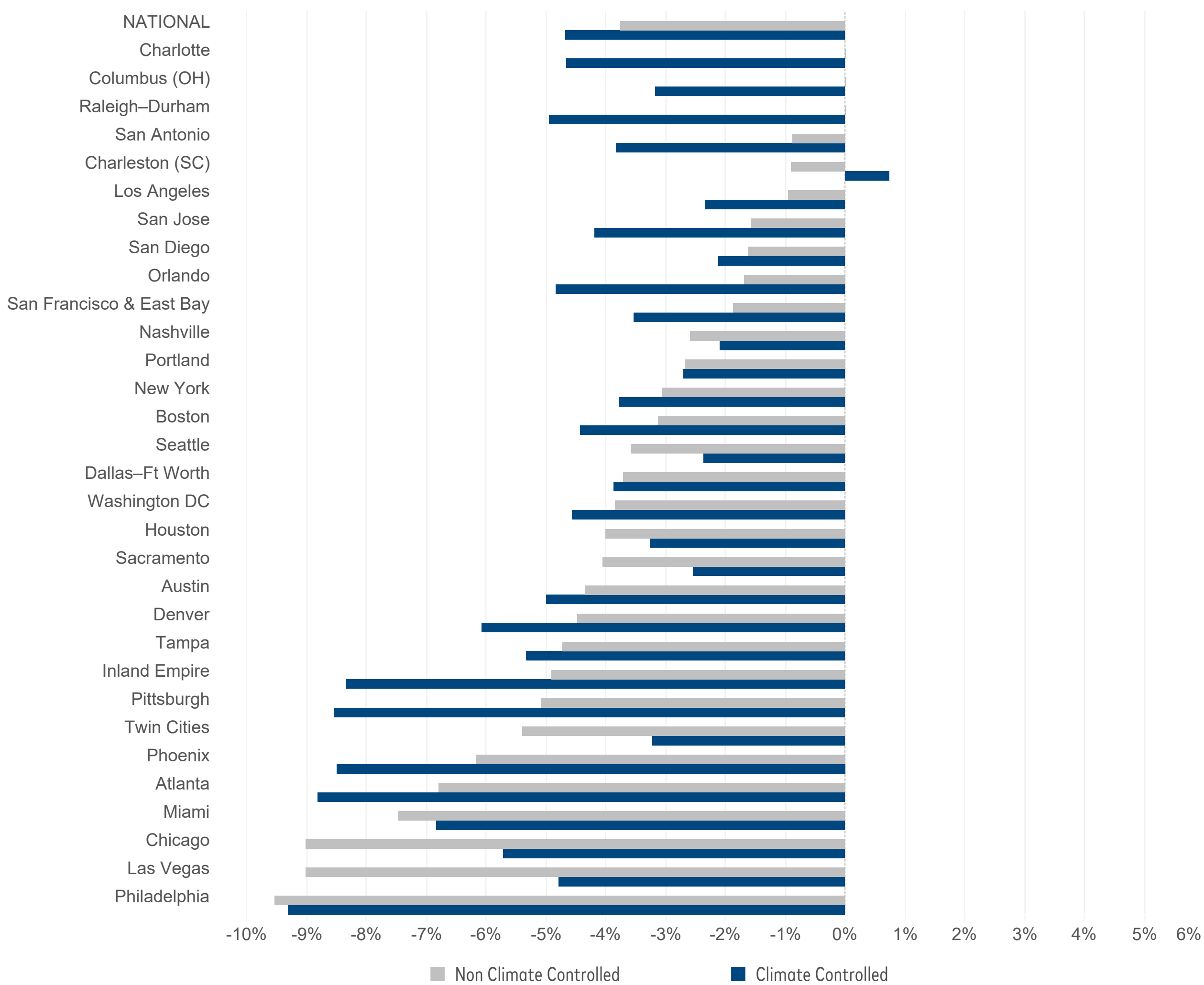
- Yardi Matrix also maintains operational profiles for 29,744 completed self storage facilities across the U.S., bringing the total data set to 34,543.

Street Rate Growth Update

Street rates are holding up

- National street rates for 10x10 NON CC units decreased 3.8% year-over-year, while rates for 10x10 CC units fell by 4.7%. Despite the deceleration in growth, street rates remain elevated relative to historical standards. In May, the national average rate for 10x10 NON CC units was $128, exceeding its average over the previous 36 months by 1.8%. The national rate for 10x10 CC units was $143, 0.5% higher than its average price over the past three years.
- Charleston was the only top metro in May that had positive growth in 10x10 street rates over last year. Street rates for 10x10 CC units increased $1, or 0.7%, year-over-year to an average of $138. The average rate in Charleston for 10x10 CC units has trended upwards after bottoming at $106 in May 2020. Strong population growth in the metro seems to be stabilizing the supply-and-demand imbalance caused by storage stock equal to 11.5 net rentable square feet per capita.

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



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

Monthly Sequential Rents

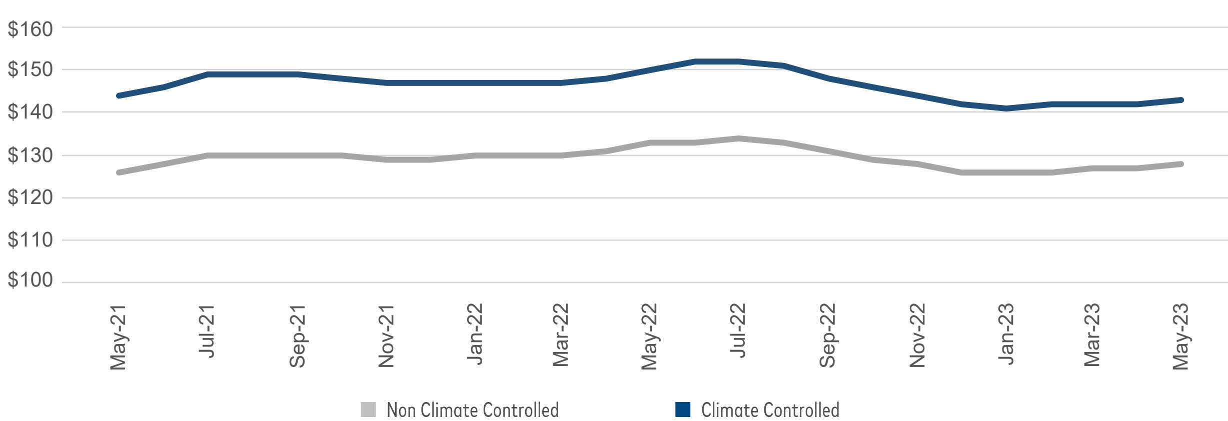
Most top metros had positive monthly 10x10 rate growth in May

- Demand appears to be steady in the second quarter, as rates continue to increase on a sequential basis. Average street rates for 10x10 units combined increased in two-thirds of the top 31 metros month-over-month in May. Street rates for 10x10 units increased $2 in eight markets and $1 in another 13 markets.
- Average street rates for 10x10 units remained unchanged in nine of the top metros month-over-month.
- Sacramento was the only top metro to see a decrease in street rates for 10x10 NON CC and CC units combined from April to May.
- Despite street rates remaining steady, the headwinds to demand are increasing. Home sales—a major driver of storage demand—have dropped in 2023, as fewer homeowners are putting houses on the market. With mortgage rates expected to remain high, the sales market is likely to remain weak.

Metro	Apr-23 Average 10' x 10' Street Rate ($)	May-23 Average 10' x 10' Street Rate ($)	Month-over-Month Change (%)	Change
NATIONAL	$133	$134	0.8%	↑
Columbus (OH)	$104	$106	1.9%	↑
Minneapolis	$110	$112	1.8%	↑
Charleston (SC)	$122	$124	1.6%	↑
Denver	$130	$132	1.5%	↑
Washington DC	$156	$158	1.3%	↑
San Jose	$185	$187	1.1%	↑
New York	$195	$197	1.0%	↑
Los Angeles	$208	$210	1.0%	↑
Raleigh-Durham	$107	$108	0.9%	↑
Atlanta	$116	$117	0.9%	↑
Chicago	$119	$120	0.8%	↑
Las Vegas	$119	$120	0.8%	↑
Austin	$120	$121	0.8%	↑
Nashville	$123	$124	0.8%	↑
Inland Empire	$140	$141	0.7%	↑
Portland	$144	$145	0.7%	↑
Seattle	$162	$163	0.6%	↑
Boston	$162	$163	0.6%	↑
Miami	$171	$172	0.6%	↑
San Diego	$182	$183	0.5%	↑
San Francisco Penin. & East Bay	$211	$212	0.5%	↑
Tampa	$131	$131	0.0%	–
San Antonio	$118	$118	0.0%	–
Orlando	$128	$128	0.0%	–
Philadelphia	$139	$139	0.0%	–
Phoenix	$129	$129	0.0%	–
Pittsburgh	$123	$123	0.0%	–
Charlotte	$110	$110	0.0%	–
Houston	$106	$106	0.0%	–
Dallas-Ft Worth	$112	$112	0.0%	–
Sacramento	$145	$144	-0.7%	↓

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

National Average Street Rates for 10' x 10' Units



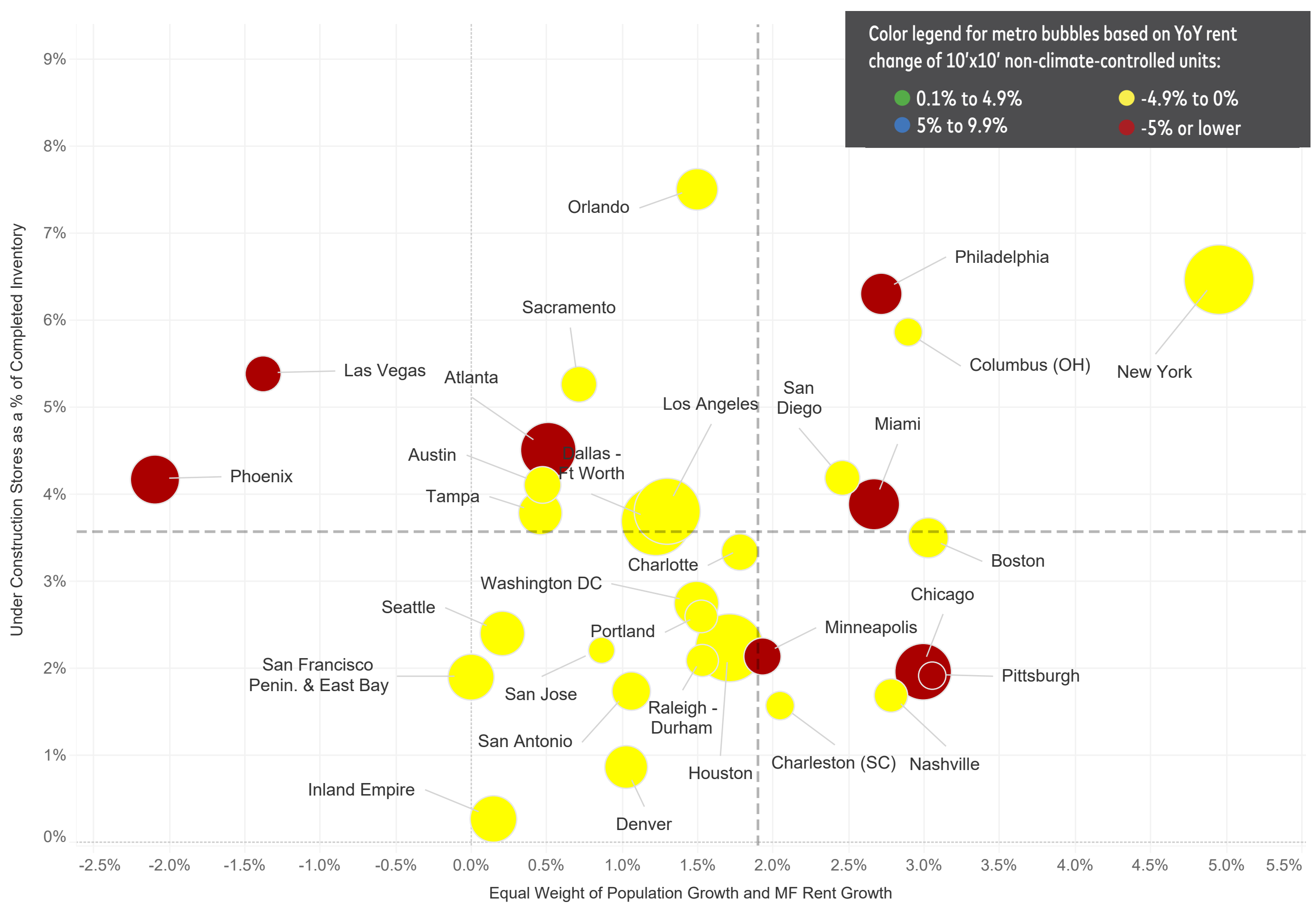
*Drawn from our national database of 33,156 stores, including 3,412 projects in the new-supply pipeline as well as 29,744 completed stores.
Source: Yardi Matrix. Data as of June 7, 2023

Street Rates and New Supply

Orlando storage market growing

- Street rates for 10x10 NON CC units continue to be negative year-over-year in nearly all metros, regardless of the level of population and multifamily rent growth in the market. Philadelphia, Chicago and Miami have all had relatively strong population and multifamily growth; however, they still recorded the largest decreases in street rates for 10x10 NON CC units year-over-year in May. Phoenix and Las Vegas, which were among the weakest metros in population and multifamily growth due to negative apartment rent movement, were among the metros with the biggest year-over-year drops in street rates.
- Orlando has a robust new-supply pipeline of projects under construction, which encompasses 7.5% of existing inventory. The growth is supported by strong demographics, as Orlando's population increased 2.0% between July 2021 and July 2022, according to the U.S. Census Bureau. The metro's large supply pipeline could have an impact on rates in coming years.

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 June 7, 2023

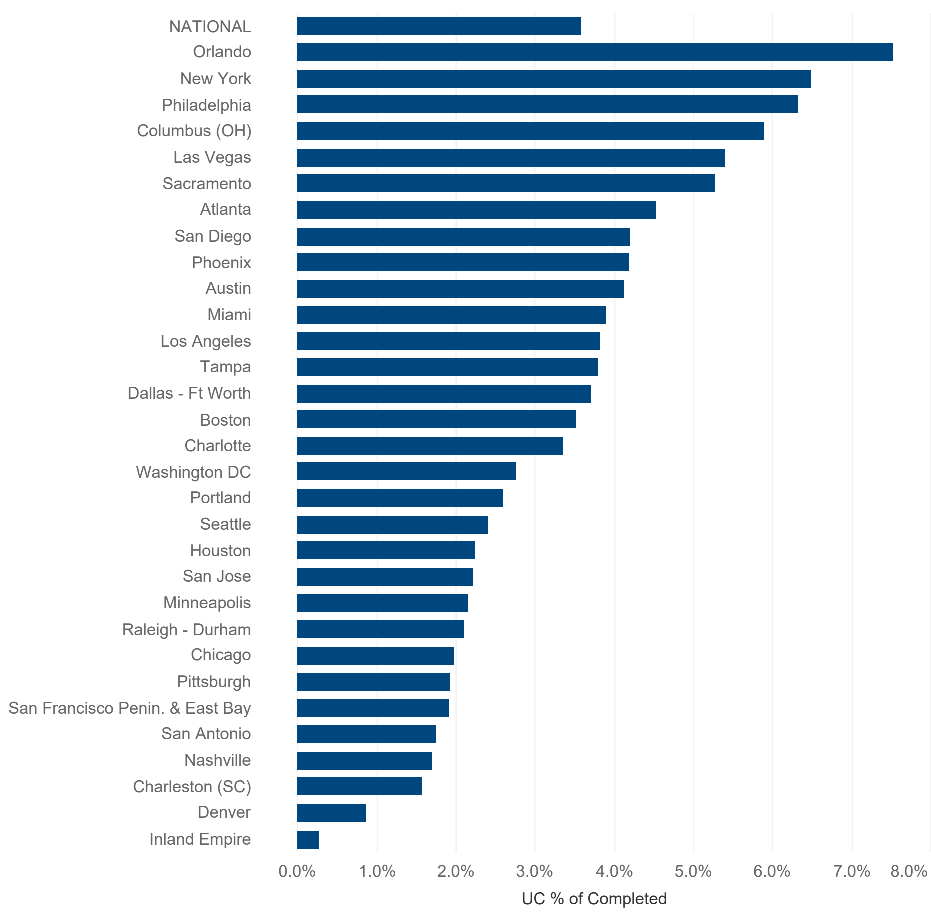
New Supply Update

Construction activity remains firm

- The national new-supply pipeline grew 10 basis points month-over-month in May, with properties under construction accounting for 3.6% of completed inventory. While development activity remains steady, new supply in coming years is still expected to be muted due to rising development costs, particularly the escalating cost of debt.
- Development pipelines remain flat in most of the top 31 metros in May. Construction activity increased in two metros: Columbus and Austin. Columbus had a sizable 60-basis-point increase in supply under construction. Roughly 116,000 net rentable square feet (NRSF) of new supply broke ground in Austin, bringing the pipeline to 4.1% of existing stock.
- New York continues to be a top metro for storage development. In May, there were 63 properties under construction, totaling over 4.9 million NRSF. The amount of new supply under construction in the New York metro area is equal to 6.5% of the existing storage stock.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Apr-23	May-23	Change
NATIONAL	3.5%	3.6%	↑
Orlando	7.5%	7.5%	—
New York	6.4%	6.5%	↑
Philadelphia	6.3%	6.3%	—
Columbus (OH)	5.3%	5.9%	↑
Las Vegas	5.4%	5.4%	—
Sacramento	5.3%	5.3%	—
Atlanta	4.5%	4.5%	—
San Diego	4.2%	4.2%	—
Phoenix	4.2%	4.2%	—
Austin	3.6%	4.1%	↑
Miami	3.9%	3.9%	—
Los Angeles	3.8%	3.8%	—
Tampa	3.8%	3.8%	—
Dallas–Ft Worth	3.6%	3.7%	↑
Boston	3.5%	3.5%	—
Charlotte	3.4%	3.3%	↓
Washington DC	2.8%	2.8%	—
Portland	2.6%	2.6%	—
Seattle	2.4%	2.4%	—
Houston	2.1%	2.2%	↑
San Jose	2.2%	2.2%	—
Minneapolis	2.1%	2.1%	—
Raleigh–Durham	2.1%	2.1%	—
Chicago	2.0%	2.0%	—
Pittsburgh	1.9%	1.9%	—
San Francisco Penin. & East Bay	1.9%	1.9%	—
San Antonio	1.7%	1.7%	—
Nashville	1.7%	1.7%	—
Charleston (SC)	1.6%	1.6%	—
Denver	0.9%	0.9%	—
Inland Empire	0.3%	0.3%	—



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

Monthly Rate Recap

Market	Avg Metro Rate 10'x10' (non cc)	May 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	$128	-3%	-4%	-4%	**-4%**	**-5%**	-4%	-4%
Charlotte	$101	-2%	-2%	-1%	**0%**	**-5%**	0%	0%
Columbus (OH)	$99	-2%	-3%	-3%	**0%**	**-3%**	-3%	-2%
Raleigh–Durham	$102	-4%	-1%	-5%	**0%**	**-5%**	-2%	-1%
San Antonio	$112	0%	-1%	-1%	**-1%**	**-4%**	-2%	0%
Charleston (SC)	$110	0%	-1%	0%	**-1%**	**1%**	-3%	-4%
Los Angeles	$210	0%	-2%	-1%	**-1%**	**-2%**	-1%	-1%
San Jose	$187	-3%	0%	-3%	**-2%**	**-4%**	-3%	-3%
San Diego	$183	-1%	-1%	-3%	**-2%**	**-2%**	-2%	-2%
Orlando	$116	0%	0%	-2%	**-2%**	**-5%**	-2%	-5%
San Francisco Penin. & East Bay	$211	-3%	-2%	-2%	**-2%**	**-4%**	-3%	-3%
Nashville	$113	-2%	-3%	-3%	**-3%**	**-2%**	-1%	-2%
Portland	$145	-2%	-3%	-4%	**-3%**	**-3%**	-4%	-4%
New York	$190	-4%	-3%	-4%	**-3%**	**-4%**	-3%	-5%
Boston	$155	-2%	-1%	-3%	**-3%**	**-4%**	-3%	-5%
Seattle	$162	-3%	-2%	-4%	**-4%**	**-2%**	-4%	-5%
Dallas–Ft Worth	$104	-4%	-3%	-2%	**-4%**	**-4%**	-4%	-3%
Washington DC	$150	-7%	-4%	-5%	**-4%**	**-5%**	-5%	-5%
Houston	$96	-3%	-3%	-3%	**-4%**	**-3%**	-3%	-4%
Sacramento	$142	-5%	-5%	-5%	**-4%**	**-3%**	-4%	-4%
Austin	$110	-4%	-5%	-4%	**-4%**	**-5%**	-4%	-3%
Denver	$128	-4%	-3%	-5%	**-4%**	**-6%**	-6%	-6%
Tampa	$121	-2%	-4%	-2%	**-5%**	**-5%**	-4%	-4%
Inland Empire	$136	-3%	-4%	-6%	**-5%**	**-8%**	-6%	-6%
Pittsburgh	$112	-4%	-5%	-6%	**-5%**	**-9%**	-8%	-9%
Minneapolis	$105	-7%	-6%	-8%	**-5%**	**-3%**	-7%	-5%
Phoenix	$122	-4%	-5%	-4%	**-6%**	**-8%**	-7%	-5%
Atlanta	$110	-8%	-7%	-3%	**-7%**	**-9%**	-8%	-4%
Miami	$161	-6%	-8%	-5%	**-7%**	**-7%**	-5%	-5%
Chicago	$111	-8%	-9%	-8%	**-9%**	**-6%**	-7%	-7%
Las Vegas	$121	-7%	-9%	-6%	**-9%**	**-5%**	-9%	-9%
Philadelphia	$133	-10%	-10%	-9%	**-10%**	**-9%**	-10%	-10%

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

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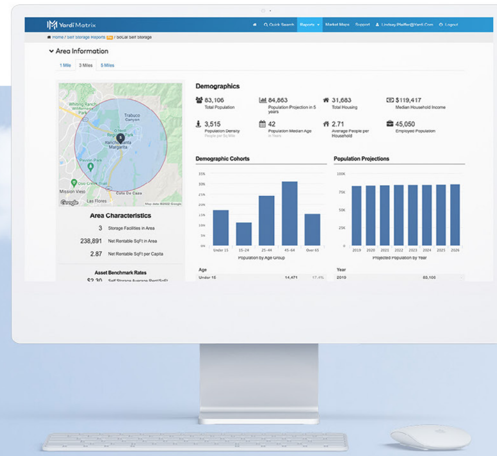
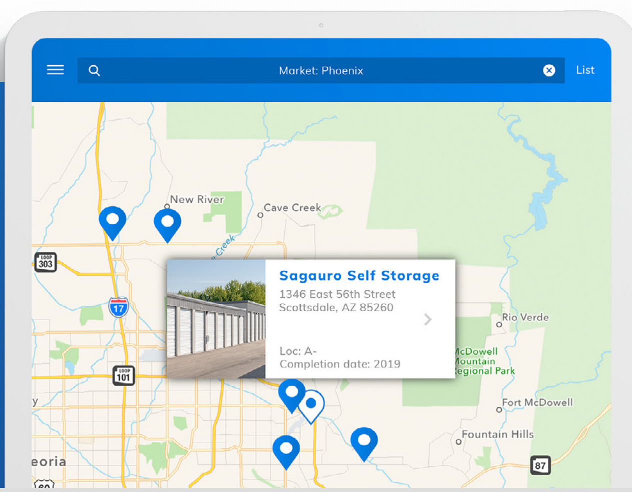


SELF STORAGE KEY FEATURES

- 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.

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