



Yardi Matrix

National Self Storage Report

July 2023



Self Storage Supply and Rent Recap

Storage faces slower street rate growth as demand cools

■ Amid moderating growth, street rates remained healthy through the second quarter of 2023. Rate growth in June may not have been as strong as hoped the middle of the leasing season, but demand is stable overall. Move-in activity has slowed this year as home sales have cooled, especially compared to the robust home sales in early 2022. While street rates have declined over the past year, net operating income is supported by rent increases for existing customers. However, demand is facing macro headwinds, such as a muted housing market, a slowing job market and softer retail sales. Questions are arising as to whether the expected second-half economic slowdown will impact the ability of operators to push rates. Luckily, self storage benefits from being a need-based business. People need storage when they experience major life changes, which tend to happen more frequently during difficult economic times. Self storage has proven that it is less sensitive to economic shifts than other sectors, so the industry is remaining cautiously optimistic.

National street rate growth was muted from May to June

- Street rate growth was sluggish in June. On a national level, the average rate for units overall remained unchanged month-over-month. Historically, rates tend to increase in the summer months. With the exception of 2019, every year from 2017 to 2022 experienced a May-to-June rent increase of at least 0.7%. Muted monthly rate growth this year may signal that move-ins are slowing this leasing season as demand cools.
- Annual street rate growth continued to be negative for almost all of Yardi Matrix's top 31 metros in June. Street rates for 10x10 non-climate-controlled (NON CC) units were down year-over-year in 97% of the top 31 metros, and rates for similar-sized climate-controlled (CC) units decreased in every top metro except Charleston.
- Nationally, Yardi Matrix tracks a total of 4,751 self storage properties in various stages of development, including 810 under construction, 1,913 planned, 622 prospective, 1,353 abandoned and 53 deferred properties. The share of projects under construction in June was equivalent to 3.6% of existing stock, unchanged from the previous month.
- Yardi Matrix also maintains operational profiles for 29,824 completed self storage facilities across the U.S., bringing the total data set to 34,575.