



Yardi Matrix

National Self Storage Report

September 2023



Self Storage Data Changes

To improve our analysis and reporting on the self storage industry, we have made several changes to the data points we focus on starting in this month's report.

Average street rates will be reported on an annualized, net rentable square foot basis that includes a combination of main unit sizes and features, including 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 and 30x10 climate-controlled (CC) and non-climate-controlled (NCC) units. Street rates will also only include stabilized properties at 36 months after completion.

Street rate growth will be reported for same-store properties to prevent new leaseup and properties added to the data set from distorting trends.

While our national database still tracks and maintains operational profiles for RV and boat storage properties, they have been removed from the reported self-storage data set.

The top 31 Yardi Matrix storage metros have been updated. Specifically, the following changes have been made:

■ New York City

- Removed New Jersey–Central, New Jersey–Northern, White Plains and Long Island
- New York City metro now consists of Brooklyn, the Bronx, Manhattan, Queens and Staten Island

■ Los Angeles

- Removed Orange County
- Los Angeles metro now consists of Los Angeles–Eastern County, Los Angeles–Metro and San Fernando Valley–Ventura County

■ Seattle

- Removed Tacoma
- Seattle metro is now separate

A new page has been added focusing on leaseup supply data, including inventory delivered over the last 36 and 12 months, to analyze new supply's impact on street rate performance on a national and metro level.

Self Storage Supply and Rent Recap

Self storage performance faces headwinds

- Self storage is feeling the headwinds of the broader economy, as street rates continue to be negative on an annual basis. Street rates have been negative year-over-year for almost a full year. Demand is weak, as home sales remain tepid and migration slows. Leaseup supply again caused a drag on street rate growth in many metros, as markets with the most supply in leaseup are also recording some of the worst rate performance. However, the industry has cause to remain optimistic. Operators have been able to grow revenue by increasing existing customer rents (ECRIs), and the average length of stay has been extended during the past few years, which counteracts the effect of lower move-in rates. In addition, the amount of new supply under construction is moderating and new deliveries are expected to fall below the long-term average over the next few years, helping to reduce competition among operators.

Street rate growth remains negative year-over-year

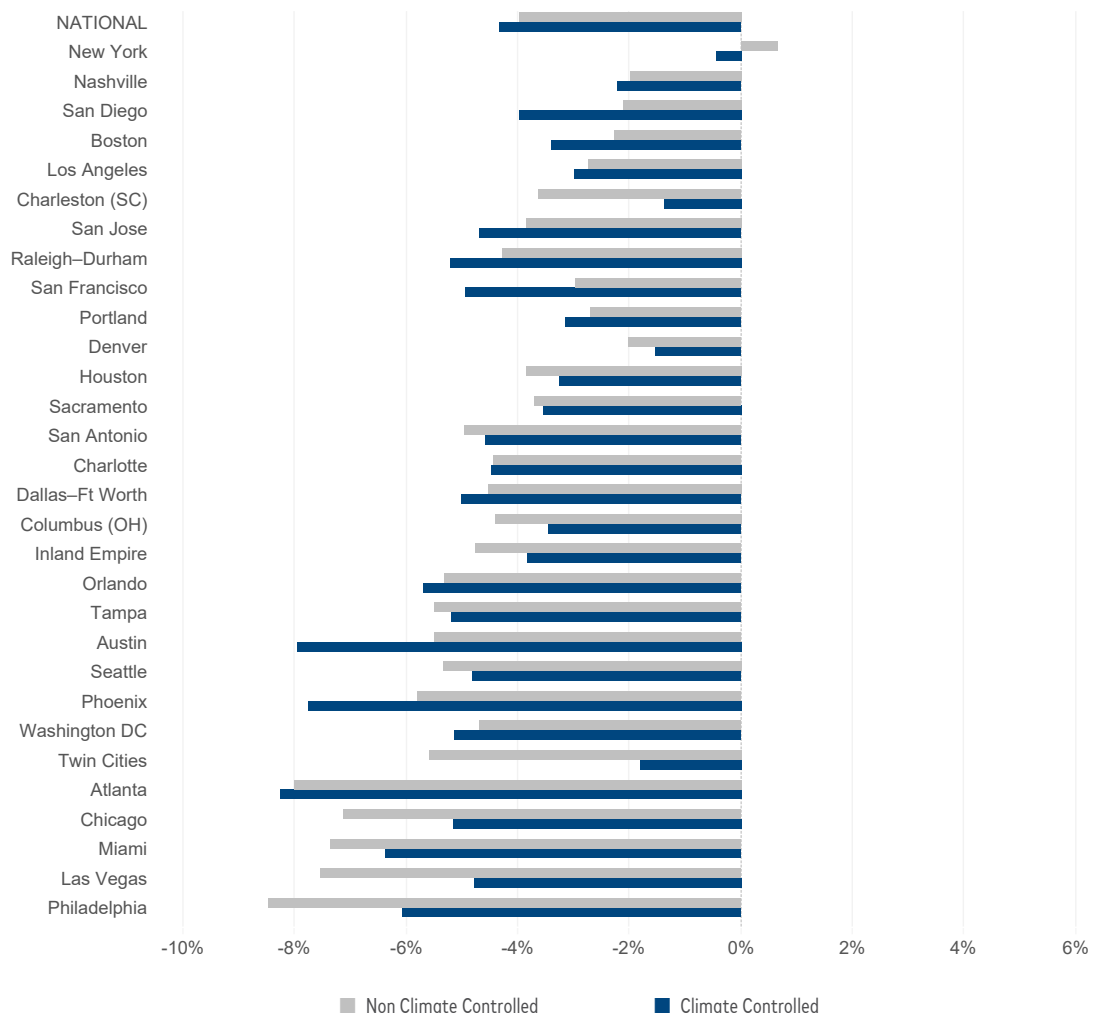
- Street rate growth remained negative in August, with annualized same-store asking rents per square foot down 4.1% nationwide for the combined mix of unit sizes and types. However, this is a slight improvement from the negative national annual growth of -4.5% recorded in July.
- Street rates remained negative on an annual basis in August in nearly all of the top metros. Combined same-store rates for non-climate-controlled (NCC) units decreased in all of the top 29 metros year-over-year. Street rates for same-store climate-controlled (CC) units dropped in all but one of the top metros annually. New York City was the only metro to see street rates increase compared to August 2022.
- Nationally, Yardi Matrix tracks a total of 4,789 self storage properties in various stages of development, including 816 under construction, 1,890 planned, 625 prospective, 1,393 abandoned and 65 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.6% of existing stock in August, a small decrease of 0.1% from July.
- Yardi Matrix also maintains operational profiles for 28,939 completed self storage facilities across the U.S., bringing the total data set to 33,728.

Street Rate Growth Update

Housing market creates demand headwinds, but operators benefit from ECRIs

- Same-store national street rates for combined NCC units decreased 4.0% year-over-year in August, while same-store asking rates for CC units in the same sizes fared slightly worse, falling 4.3% over the past year. Annual street rates per square foot for both rate types peaked in 2022 but have since steadily decelerated. Street rate growth will likely remain weak, as the housing market will create a drag on demand in coming months. However, the sector will face easier year-over-year comparisons in the second half of the year.
- In many markets, Yardi Matrix street rates are below in-place rents reported by REITs. However, this is not cause for alarm, as major operators rely on existing customer rate increases (ECRIs) to maintain strong revenue. Some operators have even been able to quickly garner double-digit rate increases on new customers shortly after move-in.

August 2023 Year-Over-Year Rent Change for Main Unit Sizes



*Pittsburgh was omitted as rents are being reviewed
 *Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 NCC and CC units
 Source: Yardi Matrix. Data as of September 15, 2023

Monthly Sequential Rents

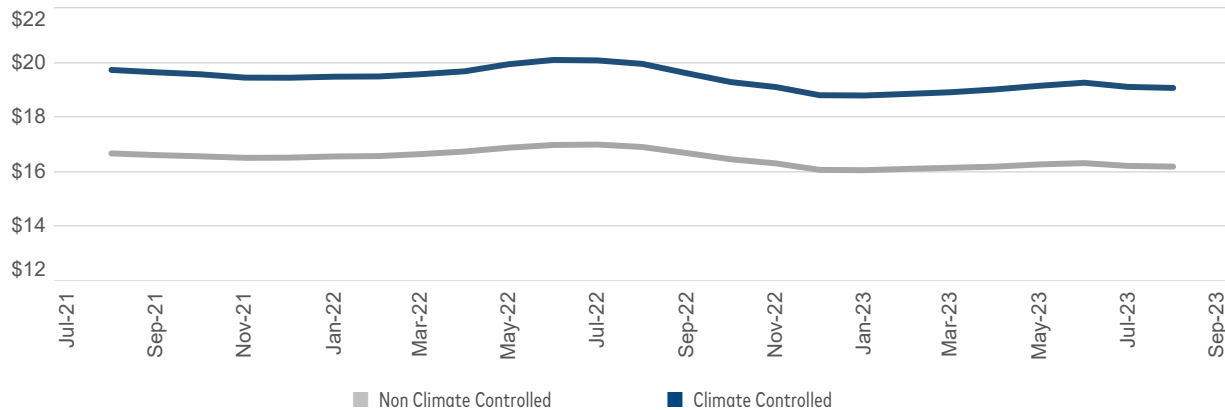
23 top metros show negative monthly rate growth in August

- Average U.S. combined street rates per square foot fell 2 cents to \$17.34, or 0.2%, in August from July. A major reason behind lower rate growth has been weaker demand over the past year.
- The 0.2% month-over-month decline was slightly better than the -0.3% average between 2017 and 2019.
- Street rates per square foot declined in 23 of the top 31 metros in August, while eight metros recorded an increase.
- Denver (0.6%) and Portland (0.2%), two of the metros with increases, are recovering after street rates were weighed down by large amounts of new deliveries. Both metros experienced a large influx of new supply four to five years ago. Street rates are improving as that stock gets digested.

Metro	Jul-23 Average Street Rate PSF (\$)	Aug-23 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$17.36	\$17.34	-0.2%	↓
Denver	\$17.46	\$17.57	0.6%	↑
Las Vegas	\$15.92	\$16.02	0.6%	↑
Portland	\$18.33	\$18.32	0.2%	↑
Seattle	\$22.27	\$22.32	0.2%	↑
New York	\$35.70	\$35.75	0.2%	↑
San Francisco	\$27.71	\$27.73	0.1%	↑
Phoenix	\$16.50	\$16.51	0.0%	↑
Miami	\$22.53	\$22.54	0.0%	↑
Columbus (OH)	\$13.09	\$13.10	0.0%	↓
Austin	\$15.46	\$15.45	-0.1%	↓
Pittsburgh	\$17.32	\$17.31	-0.1%	↓
Boston	\$21.18	\$21.20	-0.1%	↓
Atlanta	\$15.24	\$15.23	-0.1%	↓
Los Angeles	\$29.59	\$29.55	-0.2%	↓
Houston	\$13.60	\$13.57	-0.2%	↓
San Diego	\$25.47	\$25.42	-0.2%	↓
Washington DC	\$20.35	\$20.29	-0.2%	↓
Sacramento	\$18.50	\$18.46	-0.2%	↓
Minneapolis	\$14.01	\$13.98	-0.2%	↓
Philadelphia	\$18.22	\$18.17	-0.3%	↓
Inland Empire	\$18.28	\$18.22	-0.3%	↓
Tampa	\$16.80	\$16.74	-0.3%	↓
Raleigh-Durham	\$14.22	\$14.17	-0.3%	↓
Nashville	\$16.49	\$16.43	-0.4%	↓
Charlotte	\$14.28	\$14.23	-0.4%	↓
Orlando	\$16.66	\$16.59	-0.4%	↓
San Antonio	\$15.27	\$15.20	-0.4%	↓
Chicago	\$15.74	\$15.67	-0.4%	↓
Charleston (SC)	\$16.09	\$16.04	-0.5%	↓
Dallas-Ft Worth	\$14.37	\$14.29	-0.6%	↓
San Jose	\$24.39	\$24.23	-0.6%	↓

Source: Yardi Matrix. Data as of August 15, 2023

National Average Street Rates per Sq. Ft. for Main Unit Types



*Annualized average street rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 NCC and CC units

*Drawn from our national database of 32,270 stores, including 3,331 projects in the New Supply Pipeline as well as 28,939 Completed stores

Source: Yardi Matrix. Data as of September 15, 2023

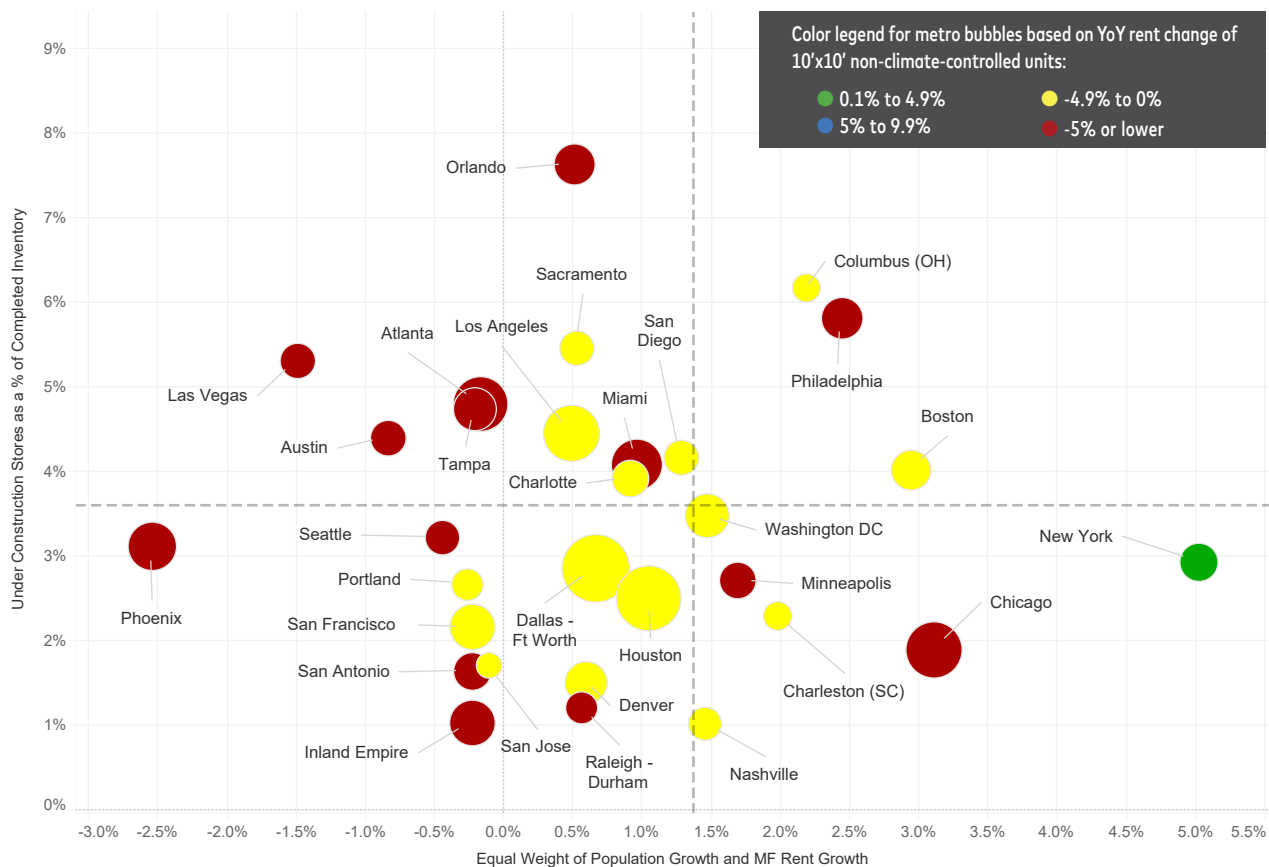
Street Rates and New Supply

Street rate performance varies in gateway vs. secondary metros

- Gateway metros including New York, Boston, San Francisco and Los Angeles are outperforming the national average street rate growth for 10x10 NCC units. While rates are down from their peak levels, they show signs of stabilizing in core markets. For one thing, much like multifamily, storage street rates did not have as much of a run-up in gateways as in secondary markets. Also, gateway markets do not have as much storage space per capita compared to secondary markets.
- Street rate performance for 10x10 NCC units year-over-year in some secondary metros trailed the top metros in August. However, despite a slowdown in rate growth within some secondary metros, development activity remains robust. For example, Orlando, despite being below average on street rate growth for 10x10 NCC units, has a higher percentage of self storage space under construction than any other U.S. metro. Orlando could face some hurdles to street rate growth as this new supply is delivered in the 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)



*Pittsburgh was omitted as rents are being reviewed
 Sources: Yardi Matrix; US Census Bureau. Data as of September 15, 2023

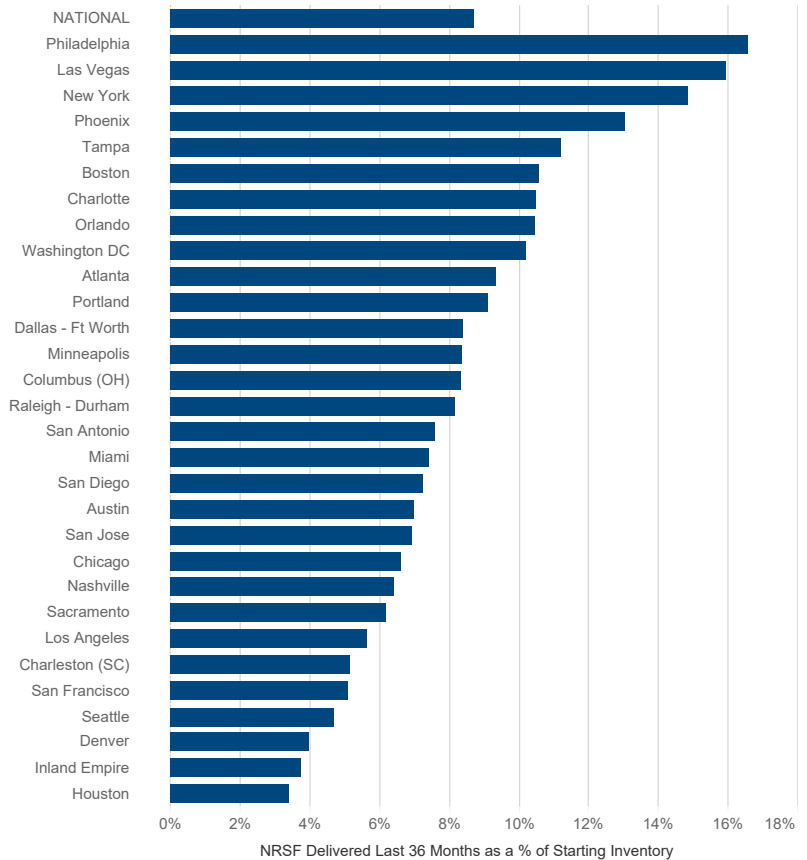
Lease-Up Supply

Street rate performance varies in metros with robust lease-up supply

- Nationally, the amount of new supply delivered over the past three years equals 8.7% of inventory at the start of the period, and deliveries over the past 12 months equal 2.5% of that amount.
- Philadelphia, among the metros with the most supply delivered as a percentage of existing stock, also saw the largest year-over-year drop in street rates in August (-7.5% for combined unit sizes). Over the past 36 months through August, Philadelphia has had a hefty amount of new supply come online, equal to 16.6% of starting inventory.
- Although New York City has also had a substantial amount of deliveries over the past three years (14.8% of stock), street rate performance has remained strong. Street rates for all unit sizes and types have actually increased 0.1% year-over-year. Strong rate performance is likely due to the metro's perpetual undersupply relative to population, in addition to increased demand.

NRSF Delivered Over the Last 36 and 12 Trailing Months

Metro	NRSF Delivered Last 36 Months as a % of Starting Inventory	NRSF Delivered Last 12 Months as a % of Starting Inventory	YoY Growth in Annualized Rent - Main Unit Types NCC + CC
NATIONAL	8.7%	2.5%	-4.1%
Philadelphia	16.6%	5.0%	-7.5%
Las Vegas	15.9%	5.8%	-6.4%
New York	14.8%	4.7%	0.1%
Phoenix	13.1%	3.7%	-6.8%
Tampa	11.2%	2.6%	-5.4%
Boston	10.6%	3.3%	-2.8%
Charlotte	10.5%	3.8%	-4.5%
Orlando	10.4%	3.5%	-5.5%
Washington DC	10.2%	0.9%	-5.0%
Atlanta	9.3%	2.4%	-8.2%
Portland	9.1%	1.0%	-2.8%
Dallas-Ft Worth	8.4%	2.1%	-4.8%
Minneapolis	8.3%	0.5%	-3.6%
Columbus (OH)	8.3%	2.9%	-4.1%
Raleigh-Durham	8.1%	3.0%	-4.6%
San Antonio	7.6%	2.3%	-4.7%
Miami	7.4%	1.5%	-6.7%
San Diego	7.2%	2.1%	-2.4%
Austin	7.0%	1.3%	-6.9%
San Jose	6.9%	3.0%	-4.0%
Chicago	6.6%	3.7%	-6.1%
Nashville	6.4%	2.2%	-2.1%
Sacramento	6.2%	0.9%	-3.7%
Los Angeles	5.6%	1.8%	-2.8%
Charleston (SC)	5.2%	1.4%	-2.2%
San Francisco	5.1%	1.3%	-3.2%
Seattle	4.7%	0.6%	-5.2%
Denver	4.0%	0.3%	-1.8%
Inland Empire	3.7%	0.8%	-4.6%
Houston	3.4%	0.9%	-3.6%



*Pittsburgh was omitted as rents are being reviewed

*Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 NCC and CC units

*Drawn from our national database of 32,270 stores, including 3,331 projects in the New Supply Pipeline as well as 28,939 Completed stores

Source: Yardi Matrix. Data as of September 15, 2023

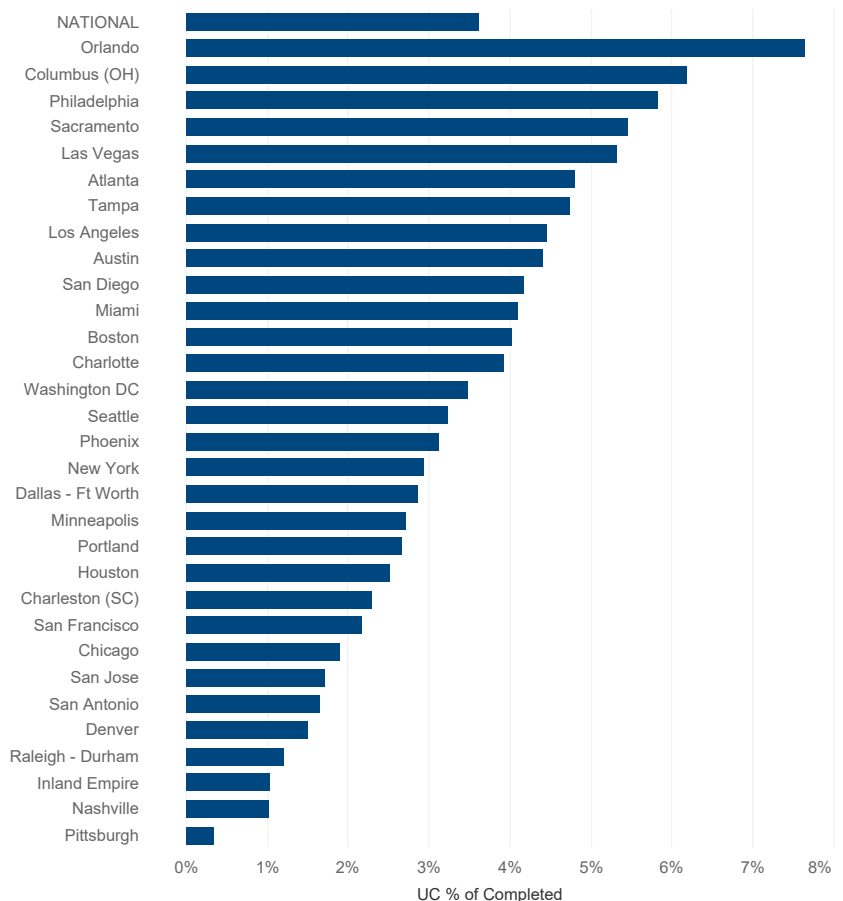
New Supply Update

Under-construction activity moderates on national level

- The national new-supply pipeline contracted 10 basis points month-over-month in August, with inventory under construction accounting for 3.6% of completed net rentable square feet (NRSF). The amount of new supply under construction has begun to moderate as interest rates have reduced availability of debt. As a result, new deliveries as a percent of stock are expected to fall below the long-term average (4%) in the next few years. According to Yardi Matrix's latest new-supply forecast, deliveries are projected to decrease through 2025, then stabilize in 2026 through 2028.
- Roughly 40% of the top metros saw a decline in their new-supply pipelines on a monthly basis. The San Diego metro saw the largest decrease in construction activity month-over-month. Supply under construction as a percent of completed inventory dropped roughly 110 basis points to 4.2%.
- Columbus saw the largest increase in development activity, up 60 basis points month-over-month, with construction supply equal to 6.2% of existing NRSF in August.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Jul-23	Aug-23	Change
NATIONAL	3.7%	3.6%	↓
Orlando	7.6%	7.6%	—
Columbus (OH)	5.6%	6.2%	↑
Philadelphia	6.2%	5.8%	↓
Sacramento	5.5%	5.5%	—
Las Vegas	5.8%	5.3%	↓
Atlanta	4.5%	4.8%	↑
Tampa	5.2%	4.7%	↓
Los Angeles	4.4%	4.5%	↑
Austin	4.2%	4.4%	↑
San Diego	5.3%	4.2%	↓
Miami	4.1%	4.1%	—
Boston	3.6%	4.0%	↑
Charlotte	4.0%	3.9%	↓
Washington DC	3.5%	3.5%	—
Seattle	3.2%	3.2%	—
Phoenix	3.2%	3.1%	↓
New York	3.9%	2.9%	↓
Dallas-Ft Worth	3.0%	2.9%	↓
Minneapolis	2.6%	2.7%	↑
Portland	2.4%	2.7%	↑
Houston	2.4%	2.5%	↑
Charleston (SC)	2.3%	2.3%	—
San Francisco	2.5%	2.2%	↓
Chicago	1.9%	1.9%	—
San Jose	1.7%	1.7%	—
San Antonio	1.6%	1.6%	—
Denver	1.3%	1.5%	↑
Raleigh-Durham	1.3%	1.2%	↓
Inland Empire	1.0%	1.0%	—
Nashville	1.0%	1.0%	—
Pittsburgh	1.2%	0.4%	↓



*Drawn from our national database of 32,270 stores, including 3,331 projects in the New Supply Pipeline as well as 28,939 Completed stores
Source: Yardi Matrix. Data as of September 15, 2023

Monthly Rate Recap

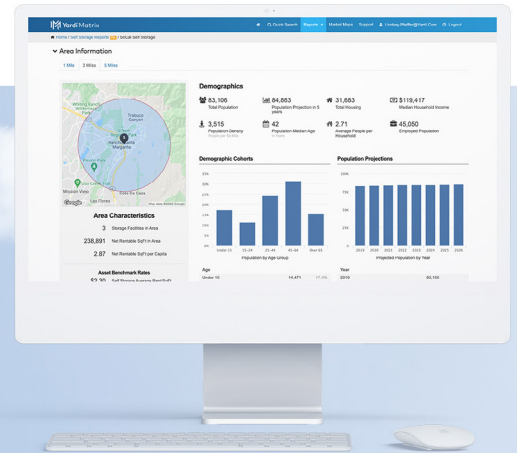
Market	August 2023 YoY Rate Performance							
	Annualized Rate PSF - Main Unit Types (NCC+CC)	Main Unit Types (NCC+CC)	Small Units (5x5 & 5x10) NCC	Small Units (5x5 & 5x10) CC	Medium Units (10x10 & 10x15) NCC	Medium Units (10x10 & 10x15) CC	Large Units (10x20 & 10x30) NCC	Large Units (10x20 & 10x30) CC
National	\$17.34	-4.1%	-4.1%	-4.4%	-4.1%	-4.5%	-3.5%	-3.3%
New York	\$35.75	0.1%	1.1%	-0.9%	-0.4%	0.3%	1.0%	1.4%
Denver	\$17.57	-1.8%	-1.4%	-0.5%	-2.3%	-3.2%	-2.6%	-1.6%
Nashville	\$16.43	-2.1%	-2.0%	-2.4%	-2.3%	-2.2%	-1.4%	-1.3%
Charleston (SC)	\$16.04	-2.2%	-4.0%	-0.3%	-3.6%	-2.7%	-2.9%	-2.0%
San Diego	\$25.42	-2.4%	-2.4%	-4.0%	-2.9%	-5.0%	-0.7%	-1.9%
Los Angeles	\$29.55	-2.8%	-3.0%	-3.2%	-2.8%	-2.8%	-1.9%	-1.2%
Boston	\$21.20	-2.8%	-2.3%	-3.6%	-2.2%	-4.0%	-1.4%	-1.5%
Portland	\$18.32	-2.8%	-2.7%	-4.2%	-3.0%	-1.7%	-2.5%	-2.2%
San Francisco	\$27.73	-3.2%	-3.4%	-6.2%	-2.9%	-3.0%	-2.3%	-2.7%
Minneapolis	\$13.98	-3.6%	-6.0%	-0.5%	-5.2%	-3.0%	-5.9%	-3.3%
Houston	\$13.57	-3.6%	-3.8%	-3.2%	-3.9%	-3.3%	-3.7%	-3.1%
Sacramento	\$18.46	-3.7%	-3.8%	-2.6%	-3.7%	-4.1%	-3.7%	-5.0%
San Jose	\$24.23	-4.0%	-4.8%	-6.2%	-3.9%	-3.9%	-1.6%	-2.2%
Columbus (OH)	\$13.10	-4.1%	-4.1%	-2.3%	-4.5%	-4.6%	-4.2%	-4.1%
Charlotte	\$14.23	-4.5%	-4.3%	-4.0%	-4.4%	-5.1%	-4.1%	-3.8%
Inland Empire	\$18.22	-4.6%	-4.7%	-2.9%	-5.1%	-4.7%	-4.6%	-4.1%
Raleigh-Durham	\$14.17	-4.6%	-4.4%	-5.3%	-4.7%	-4.9%	-3.4%	-4.9%
San Antonio	\$15.20	-4.7%	-5.4%	-4.4%	-5.2%	-5.1%	-4.0%	-4.3%
Dallas-Ft Worth	\$14.29	-4.8%	-4.7%	-5.2%	-4.8%	-5.2%	-3.7%	-3.9%
Washington DC	\$20.29	-5.0%	-4.9%	-4.8%	-4.8%	-5.2%	-4.1%	-5.1%
Seattle	\$22.32	-5.2%	-5.3%	-4.6%	-5.9%	-5.6%	-4.4%	-4.1%
Tampa	\$16.74	-5.4%	-5.8%	-5.6%	-5.5%	-5.2%	-4.9%	-3.6%
Orlando	\$16.59	-5.5%	-5.2%	-5.2%	-5.5%	-7.0%	-5.1%	-4.3%
Chicago	\$15.67	-6.1%	-7.9%	-5.0%	-7.0%	-5.5%	-6.1%	-5.0%
Las Vegas	\$16.02	-6.4%	-7.7%	-4.6%	-7.9%	-5.0%	-6.3%	-4.8%
Miami	\$22.54	-6.7%	-9.1%	-7.0%	-7.4%	-6.7%	-3.6%	-3.1%
Phoenix	\$16.51	-6.8%	-5.6%	-7.7%	-6.1%	-8.5%	-5.9%	-6.3%
Austin	\$15.45	-6.9%	-5.9%	-8.4%	-5.9%	-7.8%	-5.2%	-6.8%
Philadelphia	\$18.17	-7.5%	-8.3%	-6.1%	-8.7%	-5.9%	-8.8%	-5.7%
Atlanta	\$15.23	-8.2%	-8.7%	-9.1%	-8.4%	-8.6%	-5.9%	-5.3%

*Annualized average street rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 NCC and CC units
 *Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 NCC and CC units
 Source: Yardi Matrix. Data as of September 15, 2023



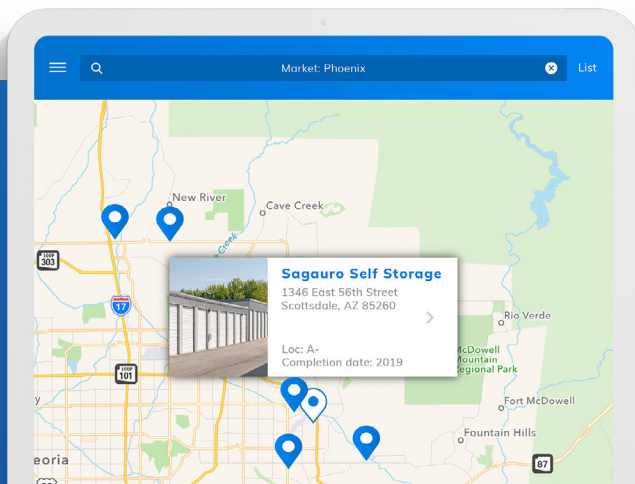
Yardi Matrix

Power your business with the industry's leading data provider



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.



(800) 866-1144

Learn more at yardimatrix.com/storage

Contact us



Contacts

Jeff Adler

Vice President & General Manager,
Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Tyson Huebner

Director of Research
Tyson.Huebner@Yardi.com
(773) 415-4672

Paul Fiorilla

Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Claire Spadoni

Senior Research Analyst
Claire.Spadoni@Yardi.com
(800) 866-1124 x2151

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Disclaimer

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

Copyright Notice

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2023 Yardi Systems, Inc. All Rights Reserved.