



Yardi Matrix

National Self Storage Report

October 2023



Self Storage Supply and Rent Recap

Challenging leasing environment impacts street rates

- Self storage continues to face a more challenging leasing environment created by the broader effects of the economy, causing a further weakening of street rates. Street rates fell month-over-month in September and year-over-year growth remained negative, as demand trends softened through the end of the third quarter. National home sales hit their lowest level since January, weighed down by the current high home prices and mortgage rates, as well as limited inventory. As one of the biggest demand drivers, the slowdown in the housing market is putting pressure on leasing. However, rental movement and the need for more space could potentially help offset the lack of home sales. Operators have also been able to rely on existing customer rent increases (ECRIs) to maintain revenue growth. While there is uncertainty over how fundamentals will perform in the last few months of the year, many operators remain cautiously optimistic, as the sector has historically stayed resilient during economic shifts.

Street rates down year-over-year in most metros

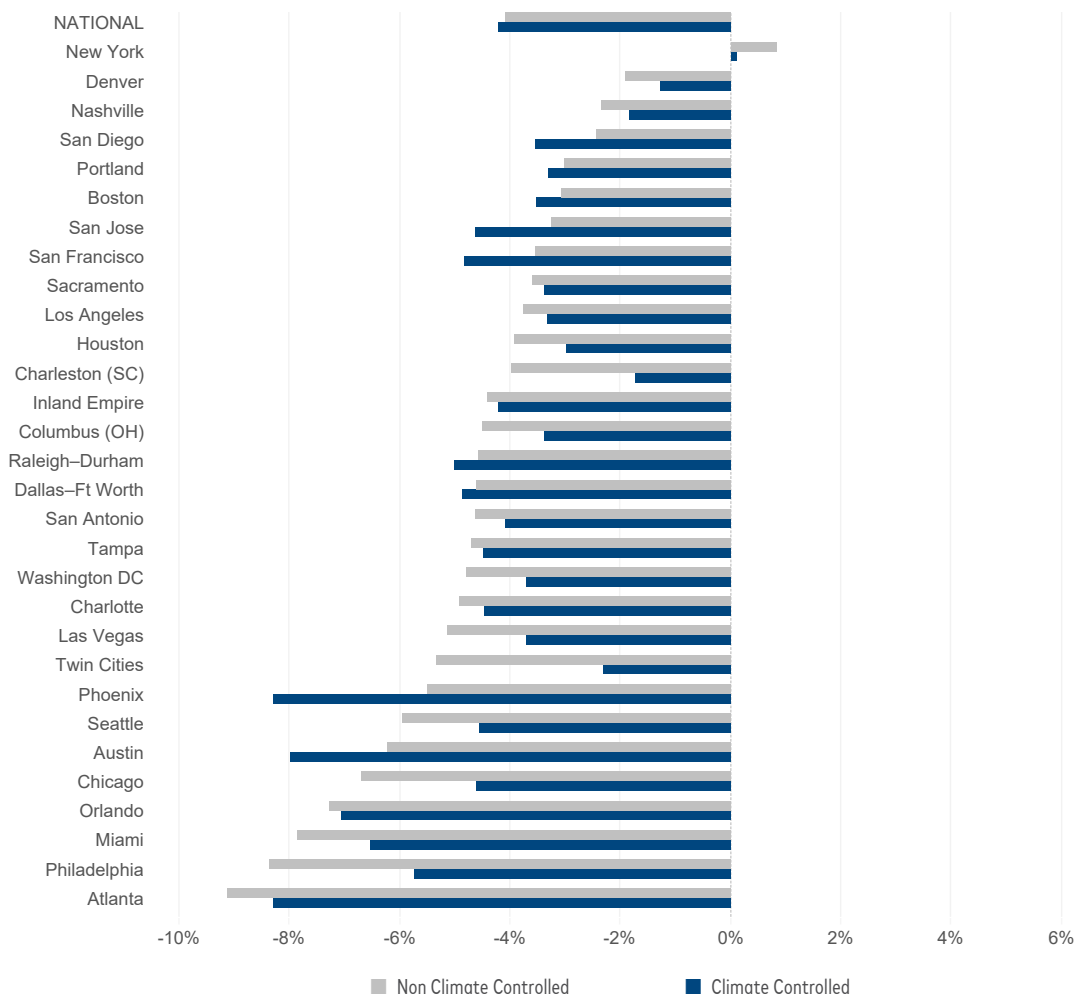
- Annual street rate growth continues to be negative. In September, the average annualized same-store asking rent per square foot was \$17.07 nationwide for the combined mix of unit sizes and types. This is a 4.2% decrease compared to the national average of \$17.83 recorded in September 2022.
- Street rate growth continued to be negative year-over-year in the majority of Yardi Matrix's top 31 metros in September. Combined same-store rates for non-climate-controlled (NCC) units fell in all but one of the top metros on an annual basis. Street rates for same-store climate-controlled (CC) units decreased in all but one of the metros annually.
- Nationally, Yardi Matrix tracks a total of 4,909 self storage properties in various stages of development, including 836 under construction, 1,942 planned, 650 prospective, 1,415 abandoned and 66 deferred properties. The level of development (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock in September.
- Yardi Matrix also maintains operational profiles for 29,082 completed self storage facilities across the U.S., bringing the total data set to 33,991. We are happy to announce the release of our new Appalachian storage market, which is now available to Yardi Matrix customers on the subscriber portal, and our market coverage continues to expand.

Street Rate Growth Update

Annual street rate growth remains negative nationwide

- Same-store national street rates for combined NCC units decreased 4.1% year-over-year in September, a notable deceleration from its average of -2.9% over the past 12 months. Same-store asking rates for CC units in the same sizes fell 4.2% annually in September, which is also worse than its average of -3.4% in the trailing 12 months. Street rate growth remained weak through the third quarter, feeling the impact of the slowing housing market on demand.
- Annual street rate growth in Nashville held up well relative to the other top 31 metros in September. Same-store street rates for combined NCC units in the market decreased 2.3% year-over-year, while same-store asking rates for CC units dropped 1.8% over the past year. Nashville, which has a small construction pipeline equal to 0.6% of current stock, has seen new supply in lease-up slow over the past few years, which has supported stronger performance for its storage market.

September 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 October 10, 2023

Monthly Sequential Rents

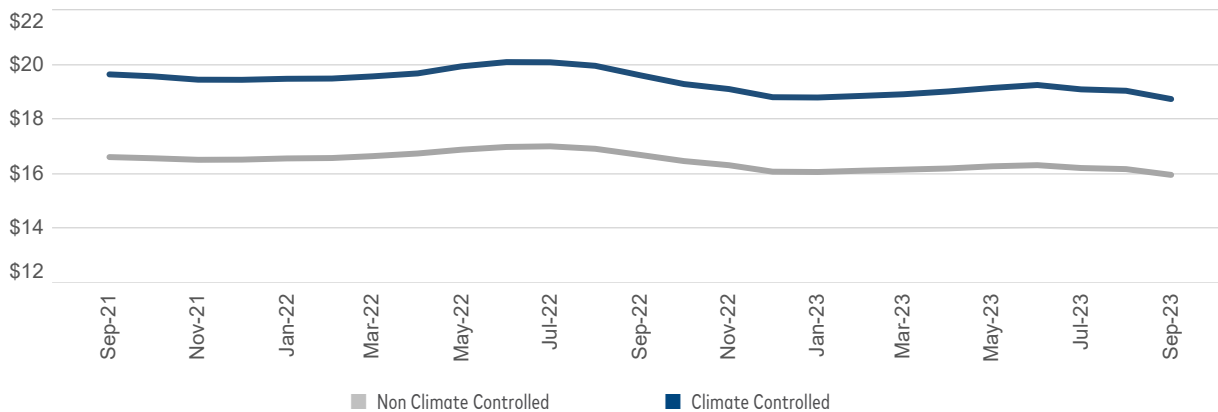
23 top metros show negative monthly rate growth in August

- Average U.S. combined street rates per square foot fell 1.4%, or 24 cents, to \$17.31 in September from August. However, this seems to be in line with typical seasonal patterns as well as with the 1.5% month-over-month decrease experienced in the same month last year.
- The decline in monthly asking rates was also broad-based across the nation, with same-store street rates per square foot falling month-over-month in all of the top 31 metros.
- Minneapolis was among the best-performing top metros on a monthly basis, seeing a decline of 0.7% month-over-month in same-store combined street rates in September. Street rate performance on a monthly basis in the metro has improved compared to previous years, as the 0.7% month-over-month decline was notably better than the -1.5% average between 2016 and 2022. Lease-up supply in Minneapolis has dropped considerably in recent years, a driving factor behind the above-average growth.

Metro	Aug-23 Average Street Rate PSF (\$)	Sep-23 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$17.31	\$17.07	-1.4%	↓
San Antonio	\$15.21	\$15.11	-0.6%	↓
Minneapolis	\$13.96	\$13.86	-0.7%	↓
Tampa	\$16.76	\$16.64	-0.8%	↓
Sacramento	\$18.44	\$18.30	-0.9%	↓
San Diego	\$25.42	\$25.25	-0.9%	↓
Portland	\$18.30	\$18.13	-0.9%	↓
San Jose	\$24.24	\$24.02	-0.9%	↓
Las Vegas	\$16.02	\$15.87	-1.0%	↓
Nashville	\$16.39	\$16.22	-1.0%	↓
Seattle	\$22.27	\$22.04	-1.1%	↓
New York	\$35.76	\$35.35	-1.2%	↓
Boston	\$21.22	\$20.98	-1.2%	↓
Charlotte	\$14.20	\$14.04	-1.3%	↓
Los Angeles	\$29.54	\$29.15	-1.3%	↓
Houston	\$13.56	\$13.38	-1.3%	↓
Pittsburgh	\$17.28	\$17.04	-1.4%	↓
Inland Empire	\$18.23	\$17.98	-1.4%	↓
San Francisco	\$27.69	\$27.27	-1.4%	↓
Raleigh-Durham	\$14.15	\$13.93	-1.5%	↓
Dallas-Ft Worth	\$14.27	\$14.04	-1.6%	↓
Charleston (SC)	\$16.02	\$15.75	-1.7%	↓
Washington DC	\$20.32	\$19.95	-1.8%	↓
Orlando	\$16.55	\$16.25	-1.8%	↓
Columbus (OH)	\$13.09	\$12.85	-1.9%	↓
Phoenix	\$16.50	\$16.19	-1.9%	↓
Denver	\$17.60	\$17.28	-1.9%	↓
Chicago	\$15.65	\$15.33	-2.1%	↓
Philadelphia	\$18.12	\$17.74	-2.1%	↓
Miami	\$22.50	\$21.97	-2.4%	↓
Austin	\$15.38	\$15.00	-2.5%	↓
Atlanta	\$15.16	\$14.80	-2.5%	↓

Source: Yardi Matrix. Data as of October 10, 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 32,510 stores, including 3,428 projects in the New Supply Pipeline as well as 29,082 Completed stores

Source: Yardi Matrix. Data as of October 10, 2023

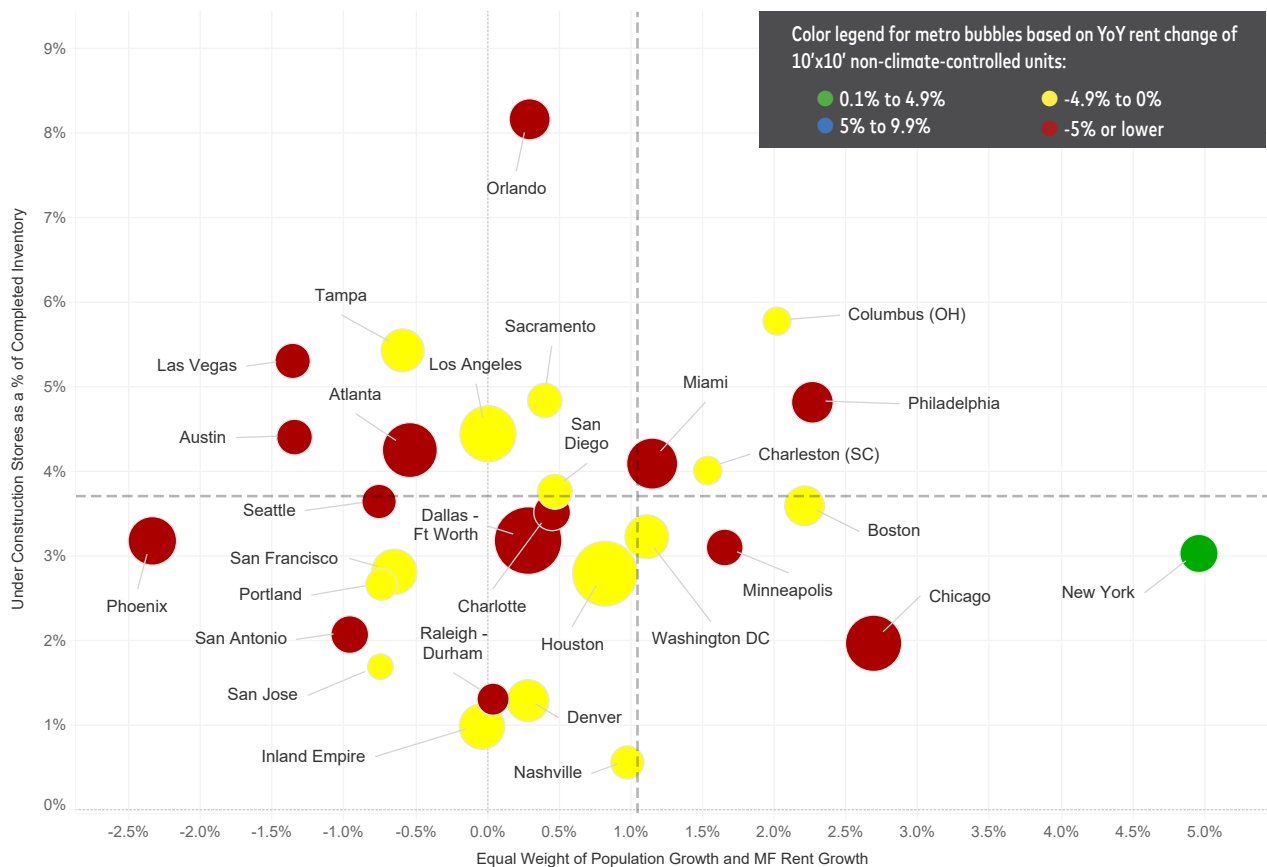
Street Rates and New Supply

Street rate and multifamily rent performance align in some markets

- Annual street rates in the New York metro outperformed the other top markets in September, as same-store street rates for 10x10 NCC units increased 0.7% year-over-year. New York also had the strongest apartment market performance, with multifamily rents growing 5.6% annually. The metro has had heavy storage development activity in recent years, with net rentable square feet (NRSF) delivered over the last 36 months equal to 14.4% of starting inventory. However, overall storage saturation has remained low at 2.3 NRSF per capita. Demand in the storage and multifamily markets appears to continue to outpace supply, boosting performance in New York.
- With same-store street rates for 10x10 NCC units dropping 6.8% year-over-year in September, Phoenix trailed most of the other top markets in street rate performance. Phoenix also saw the second-worst-performing annual multifamily rent growth among top metros, with rents decreasing 3.1% year-over-year in September. Poor performance in Phoenix is due to a combination of supply and demand factors.

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 October 10, 2023

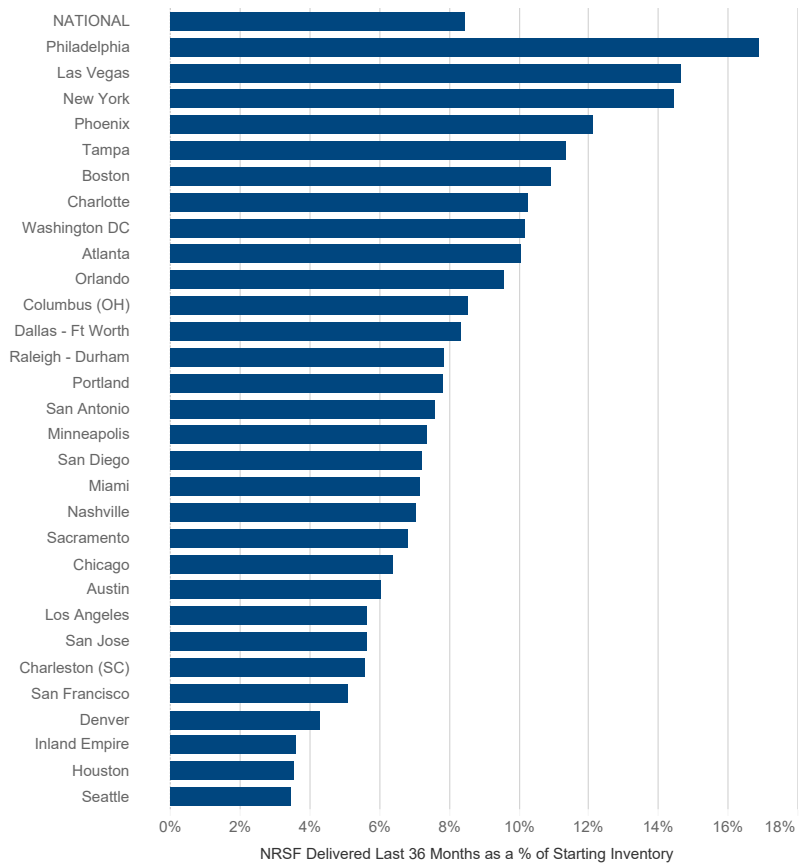
Lease-Up Supply

Lease-up supply impacts metro street rate performance

- Nationally, the amount of new supply delivered over the past three years equals 8.5% of inventory at the start of the period, and deliveries over the past 12 months equal 2.5% of existing supply.
- Denver, among the metros with the lowest amount of new supply in lease-up, also had some of the strongest annual street rate performance in September (-1.6% for combined unit sizes). Over the past 12 months through September, the amount of new supply coming online in Denver was equal to 0.5% of starting inventory, limiting competition from new supply and helping stabilize street rate performance. Denver also saw one of the biggest drops in lease-up supply compared to three years ago, dropping from 18.4% of stock in September 2020 to 4.7% of stock in September 2023.
- Philadelphia has had the largest amount of new-supply deliveries over the past three years, equal to a substantial 16.9% of starting stock. As a result, Philadelphia's street rate performance has been among the weakest of the top 31 metros.

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	8.5%	2.5%	-4.2%
Philadelphia	16.9%	5.7%	-7.3%
Las Vegas	14.6%	4.5%	-4.6%
New York	14.4%	4.7%	0.4%
Phoenix	12.1%	3.8%	-6.8%
Tampa	11.3%	2.4%	-4.6%
Boston	10.9%	3.8%	-3.3%
Charlotte	10.2%	4.3%	-4.7%
Washington DC	10.2%	1.1%	-4.3%
Atlanta	10.1%	3.3%	-8.7%
Orlando	9.6%	3.5%	-7.1%
Columbus (OH)	8.5%	3.1%	-4.1%
Dallas-Ft Worth	8.3%	2.1%	-4.8%
Raleigh-Durham	7.8%	3.0%	-4.7%
Portland	7.8%	0.6%	-3.1%
San Antonio	7.6%	2.3%	-4.3%
Minneapolis	7.4%	1.0%	-3.7%
San Diego	7.2%	2.5%	-2.6%
Miami	7.2%	1.3%	-6.9%
Nashville	7.0%	2.5%	-2.1%
Sacramento	6.8%	1.5%	-3.5%
Chicago	6.4%	3.7%	-5.6%
Austin	6.0%	1.3%	-7.2%
Los Angeles	5.6%	1.8%	-3.7%
San Jose	5.6%	3.0%	-3.5%
Charleston (SC)	5.5%	1.4%	-2.6%
San Francisco	5.1%	1.0%	-3.7%
Denver	4.3%	0.5%	-1.6%
Inland Empire	3.6%	0.8%	-4.4%
Houston	3.5%	1.0%	-3.5%
Seattle	3.5%	0.0%	-5.5%



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*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

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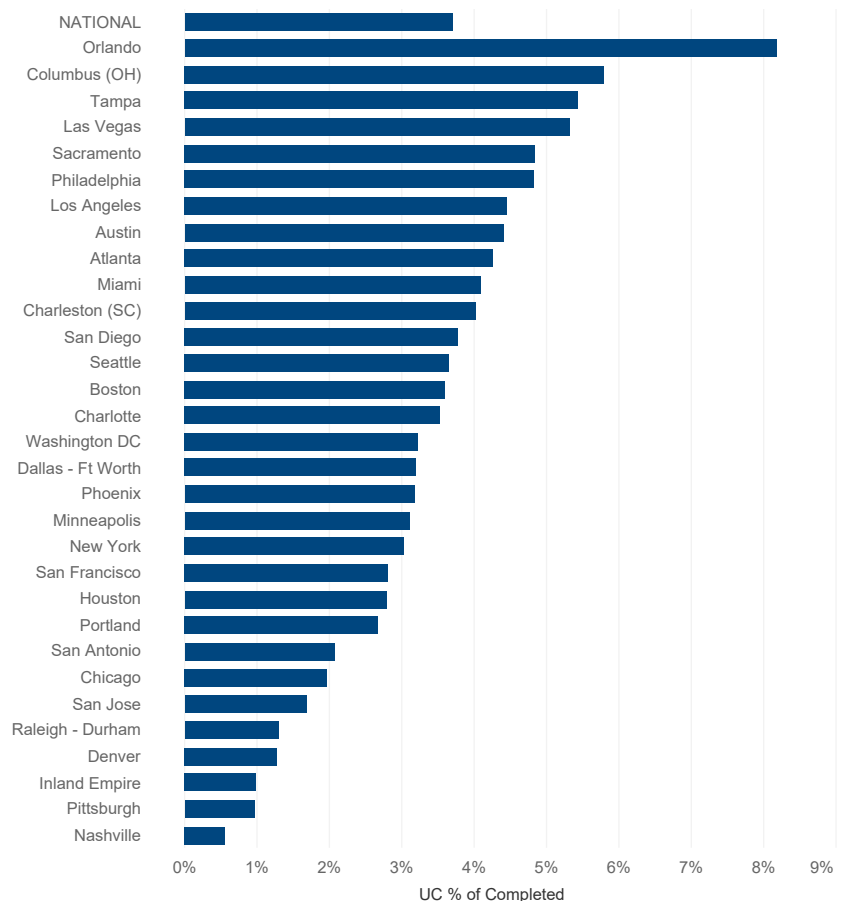
New Supply Update

Construction activity remains stable, but development faces headwinds

- The national new-supply pipeline was unchanged month-over-month in September, with inventory under construction accounting for 3.7% of completed net rentable square feet (NRSF). The storage under-construction pipeline has remained relatively stable. However, the planned pipeline continues to expand nationwide, suggesting that developers are still facing headwinds in starting new projects; as a result, there will be a slowdown in completions.
- Only about a quarter of the top 31 metros saw a decrease in their construction pipelines month-over-month, while roughly half saw their pipelines remain unchanged on a monthly basis.
- Construction activity increased the most in Orlando and Charleston, both up 60 basis points month-over-month in September. The new-supply pipeline in Orlando remains significantly larger than those in all the other top metros, with inventory under construction accounting for 8.2% of completed NRSF. Over the past 12 months through September, new-supply deliveries in Orlando have been 3.5% of starting inventory, and the amount of storage space available in the metro is now equal to 8.7 NRSF per person.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Aug-23	Sep-23	Change
NATIONAL	3.7%	3.7%	—
Orlando	7.6%	8.2%	↑
Columbus (OH)	5.8%	5.8%	—
Tampa	5.5%	5.4%	↓
Las Vegas	5.3%	5.3%	—
Sacramento	5.5%	4.8%	↓
Philadelphia	5.2%	4.8%	↓
Los Angeles	4.5%	4.5%	—
Austin	4.4%	4.4%	—
Atlanta	4.9%	4.3%	↓
Miami	4.1%	4.1%	—
Charleston (SC)	3.4%	4.0%	—
San Diego	3.8%	3.8%	—
Seattle	3.2%	3.7%	↑
Boston	4.0%	3.6%	↓
Charlotte	4.1%	3.5%	↓
Washington DC	3.5%	3.2%	↓
Dallas-Ft Worth	2.9%	3.2%	↑
Phoenix	3.1%	3.2%	↑
Minneapolis	3.0%	3.1%	↑
New York	3.0%	3.0%	—
San Francisco	2.8%	2.8%	—
Houston	2.9%	2.8%	↓
Portland	2.7%	2.7%	—
San Antonio	2.1%	2.1%	—
Chicago	2.0%	2.0%	—
San Jose	1.7%	1.7%	—
Raleigh-Durham	1.3%	1.3%	—
Denver	1.3%	1.3%	—
Inland Empire	1.0%	1.0%	—
Pittsburgh	1.0%	1.0%	—
Nashville	0.9%	0.6%	↓



*Drawn from our national database of 32,510 stores, including 3,428 projects in the New Supply Pipeline as well as 29,082 Completed stores
Source: Yardi Matrix. Data as of October 10, 2023

Monthly Rate Recap

Market	September 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	\$17.07	-4.2%	-4.3%	-4.4%	-4.2%	-4.2%	-3.4%	-3.4%
New York	\$35.35	0.4%	1.2%	-0.2%	0.3%	1.1%	-0.3%	1.2%
Denver	\$17.28	-1.6%	-1.4%	-0.4%	-1.9%	-2.1%	-2.8%	-2.3%
Nashville	\$16.22	-2.1%	-2.6%	-1.7%	-2.5%	-2.0%	-1.1%	-1.4%
Charleston (SC)	\$15.75	-2.6%	-4.0%	-1.4%	-3.5%	-1.6%	-4.4%	-2.6%
San Diego	\$25.25	-2.6%	-3.0%	-3.5%	-2.7%	-4.3%	-0.8%	-2.4%
Portland	\$18.13	-3.1%	-2.9%	-4.3%	-3.5%	-2.3%	-2.8%	-2.2%
Boston	\$20.98	-3.3%	-3.3%	-3.8%	-3.0%	-3.9%	-1.9%	-1.5%
San Jose	\$24.02	-3.5%	-3.5%	-5.8%	-4.4%	-4.8%	-1.2%	-1.6%
Houston	\$13.38	-3.5%	-3.9%	-3.4%	-4.2%	-2.4%	-3.5%	-2.6%
Sacramento	\$18.30	-3.5%	-3.9%	-3.2%	-3.3%	-2.9%	-3.8%	-4.5%
Los Angeles	\$29.15	-3.7%	-4.2%	-3.7%	-3.8%	-3.1%	-2.3%	-1.2%
San Francisco	\$27.27	-3.7%	-4.0%	-6.1%	-3.6%	-2.9%	-2.3%	-2.2%
Minneapolis	\$13.86	-3.7%	-5.8%	-1.4%	-5.4%	-2.9%	-5.0%	-3.3%
Columbus (OH)	\$12.85	-4.1%	-4.6%	-2.0%	-4.4%	-4.5%	-3.7%	-4.6%
Washington DC	\$19.95	-4.3%	-5.1%	-3.4%	-4.7%	-3.6%	-4.2%	-3.6%
San Antonio	\$15.11	-4.3%	-4.8%	-3.9%	-5.0%	-4.8%	-3.7%	-3.3%
Inland Empire	\$17.98	-4.4%	-4.2%	-3.7%	-4.8%	-4.8%	-4.7%	-2.8%
Las Vegas	\$15.87	-4.6%	-5.0%	-3.5%	-5.4%	-4.2%	-5.0%	-2.5%
Tampa	\$16.64	-4.6%	-5.2%	-4.7%	-4.7%	-4.4%	-3.6%	-3.8%
Raleigh-Durham	\$13.93	-4.7%	-4.6%	-5.4%	-5.0%	-4.6%	-4.0%	-3.9%
Charlotte	\$14.04	-4.7%	-5.3%	-4.0%	-5.0%	-5.3%	-3.4%	-3.8%
Dallas-Ft Worth	\$14.04	-4.8%	-4.8%	-5.0%	-4.8%	-4.9%	-3.6%	-4.1%
Seattle	\$22.04	-5.5%	-6.2%	-4.8%	-5.9%	-4.4%	-4.9%	-3.9%
Chicago	\$15.33	-5.6%	-8.5%	-4.9%	-5.5%	-4.5%	-5.0%	-4.1%
Phoenix	\$16.19	-6.8%	-4.7%	-8.6%	-6.4%	-8.7%	-5.9%	-6.2%
Miami	\$21.97	-6.9%	-10.1%	-7.5%	-7.1%	-6.1%	-4.3%	-3.6%
Orlando	\$16.25	-7.1%	-8.1%	-6.7%	-6.9%	-8.1%	-5.8%	-5.8%
Austin	\$15.00	-7.2%	-6.8%	-8.7%	-6.1%	-7.9%	-5.7%	-6.2%
Philadelphia	\$17.74	-7.3%	-9.0%	-5.3%	-8.2%	-5.8%	-7.4%	-6.3%
Atlanta	\$14.80	-8.7%	-10.8%	-8.9%	-8.5%	-8.4%	-6.4%	-6.1%

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*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

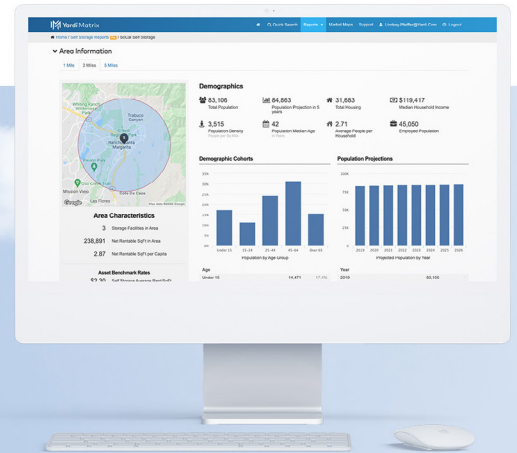
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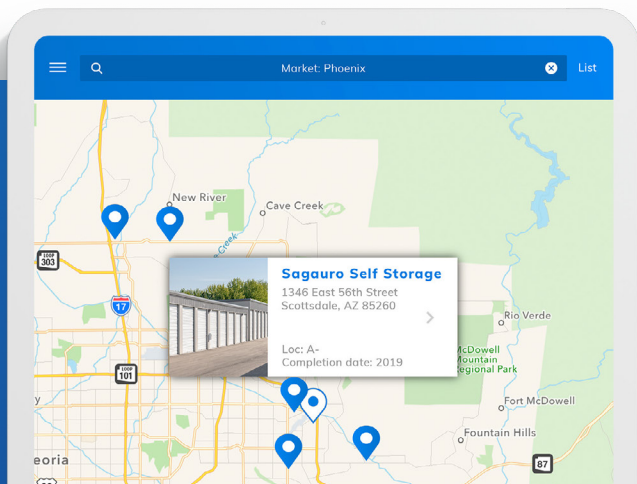
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- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
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