



Yardi Matrix

National Self Storage Report

January 2024



Self Storage Supply and Rent Recap

Self storage owners and operators optimistic about 2024

- Yardi attended the recent NYSSA Conference and KeyBanc Investor Forum in New York City on January 9 and 10. The mood at the events was one of cautious optimism, as occupancy and asking rates are bottoming after a year and a half of rapidly decelerating growth. Urban markets like Chicago, New York and Southern California are remaining steady and outperforming, while Sun Belt markets like Las Vegas, Phoenix and Florida are underperforming. This year could see growth return to historic averages, but new demand will hinge on a rebound in the housing market. New supply is a concern in certain markets, but overall new supply in the top markets is expected to drop in 2024, as construction lending has dried up in the face of declining street rates, slower lease-up pace and higher interest rates. Street rates in December are down over 9% from their peak in the summer of 2022, but year-over-year declines have improved in recent months. Meanwhile, the transaction market remains sluggish, but is expected to pick up in the second half of 2024.

National street rates remain negative year-over-year

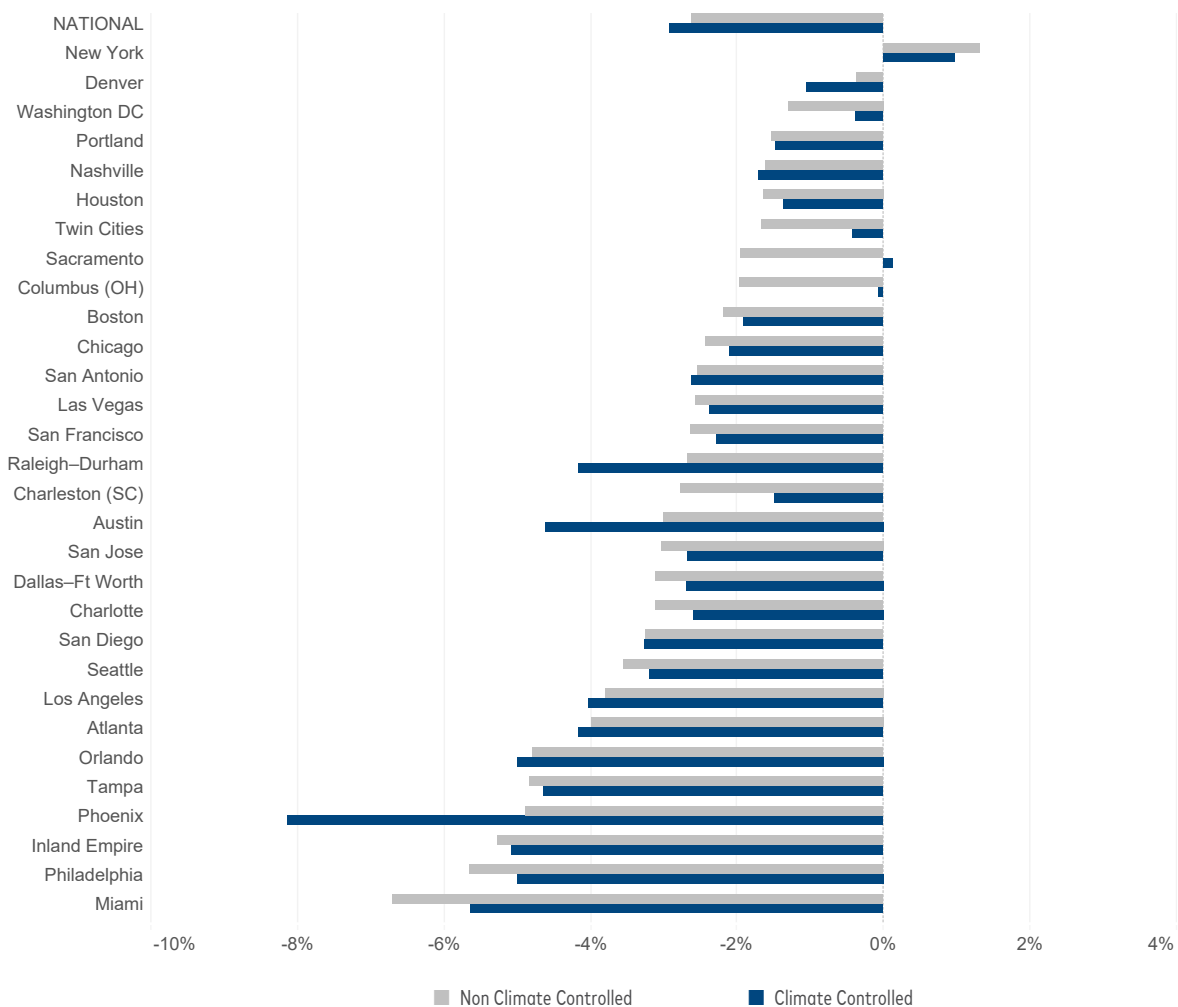
- Annual street rate growth remained negative in December. The average annualized same-store asking rent per square foot was \$16.57 nationwide for the combined mix of unit sizes and types. This is a 2.7% decrease compared to the national average of \$17.14 recorded in December 2022.
- Street rate growth also continued to be negative year-over-year in nearly all of Yardi Matrix's top metros in December. Combined same-store rates for non-climate-controlled (NCC) units fell in all but one of the top metros on an annual basis, while asking rates for same-store climate-controlled (CC) units also decreased in all but one of the top metros.
- Nationally, Yardi Matrix tracks a total of 5,073 self storage properties in various stages of development, including 871 under construction, 1,980 planned, 621 prospective, 1,510 abandoned and 91 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock in January.
- Yardi Matrix also maintains operational profiles for 29,745 completed self storage facilities across the U.S., bringing the total data set to 34,818. We are happy to announce the release of our new Montana, Rochester, Minn., and Hickory, N.C., storage markets, which are now available to Yardi Matrix customers on the subscriber portal.

Street Rate Growth Update

Annual street rate growth remains negative, but improving

- Same-store national street rates for combined NCC units decreased 2.6% year-over-year in December, an improvement from its average of -3.9% over the trailing 12 months. Same-store asking rates for same-size CC units fell 2.9% annually in December, which is also a notable improvement from an average of -4.2% in the 12 months prior. The improving rate growth year-over-year is likely due to easier comps at the end of 2022. However, it may also signal rent growth has bottomed out.
- Street rates underperformed in several Florida markets in December. Miami, Tampa and Orlando all saw some of the worst performance among the top metros for year-over-year same-store street rates of NCC and CC units. Poor performance in Florida is likely due to heavy new supply and weaker demand. These three markets have also seen some of the biggest drops in housing affordability, which also has an impact on storage demand.

December 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 square foot 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 January 10, 2024

Monthly Sequential Rents

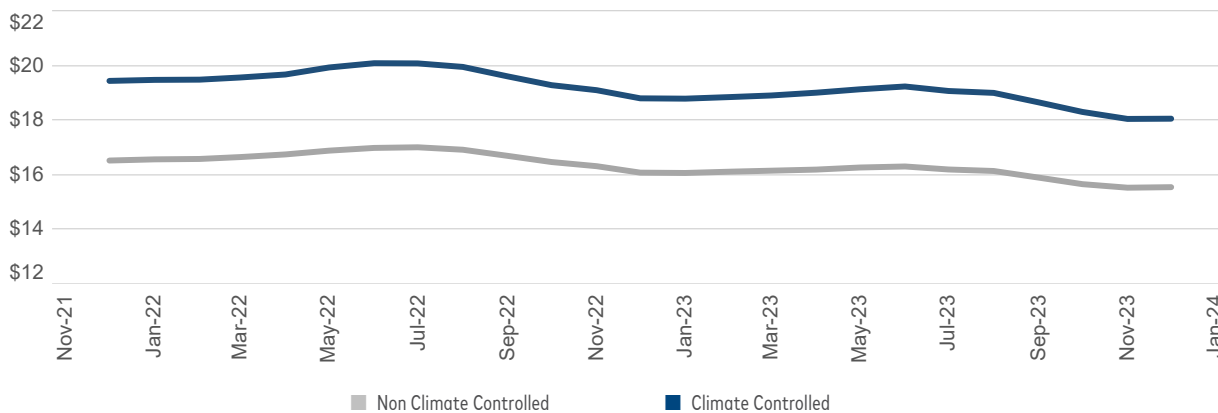
Nineteen top metros register positive monthly rate growth in December

- National average combined street rates per square foot increased a minor 0.1%, or 2 cents, to \$16.57 in December from November. The improvement in monthly asking rates was also broader-based, with same-store street rates per square foot increasing month-over-month in 19 of the top 31 metros. The improved performance of street rates on a monthly basis is a welcome trend for much of the industry, likely indicating stabilizing occupancy in the fourth quarter.
- Phoenix had the strongest monthly rate performance among the top metros, with an increase of 0.8% month-over-month in same-store combined street rates in December. Street rates in Phoenix have continued to underperform in recent months, and the metro also saw the largest drop year-over-year in same-store combined street rates in December, at 6.4%. The sudden uptick in rates month-over-month could potentially signify that rates have bottomed out in the metro.

Metro	Nov-23 Average Street Rate PSF (\$)	Dec-23 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.55	\$16.57	0.1%	↑
Phoenix	\$15.72	\$15.85	0.8%	↑
Sacramento	\$17.72	\$17.85	0.7%	↑
Washington DC	\$19.29	\$19.38	0.5%	↑
Chicago	\$14.71	\$14.78	0.5%	↑
Nashville	\$15.74	\$15.82	0.5%	↑
Seattle	\$21.52	\$21.59	0.4%	↑
Minneapolis	\$13.38	\$13.44	0.4%	↑
Charlotte	\$13.61	\$13.67	0.4%	↑
Los Angeles	\$27.93	\$28.02	0.3%	↑
Charleston (SC)	\$15.00	\$15.07	0.3%	↑
Dallas-Ft Worth	\$13.65	\$13.69	0.3%	↑
Portland	\$17.72	\$17.76	0.2%	↑
Boston	\$19.84	\$19.87	0.2%	↑
San Francisco	\$26.36	\$26.41	0.2%	↑
San Jose	\$22.98	\$23.02	0.2%	↑
Houston	\$13.01	\$13.03	0.2%	↑
Tampa	\$15.99	\$16.04	0.2%	↑
Orlando	\$15.77	\$15.79	0.1%	↑
Columbus (OH)	\$12.43	\$12.44	0.1%	↑
Miami	\$21.11	\$21.10	0.0%	↓
New York	\$34.05	\$34.03	-0.1%	↓
San Antonio	\$14.63	\$14.62	-0.1%	↓
Atlanta	\$14.36	\$14.35	-0.1%	↓
San Diego	\$24.39	\$24.34	-0.2%	↓
Austin	\$14.45	\$14.44	-0.2%	↓
Las Vegas	\$15.65	\$15.62	-0.3%	↓
Inland Empire	\$17.51	\$17.46	-0.3%	↓
Raleigh-Durham	\$13.39	\$13.35	-0.3%	↓
Denver	\$16.64	\$16.59	-0.3%	↓
Philadelphia	\$17.14	\$17.08	-0.4%	↓

*Pittsburgh was omitted. | Source: Yardi Matrix. Data as of January 10, 2024

National Average Street Rates PSF for Main Unit Types



*Annualized average street rate per square foot 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 33,217 stores, including 3,472 projects in the new-supply pipeline as well as 29,745 completed stores
Source: Yardi Matrix. Data as of January 10, 2024

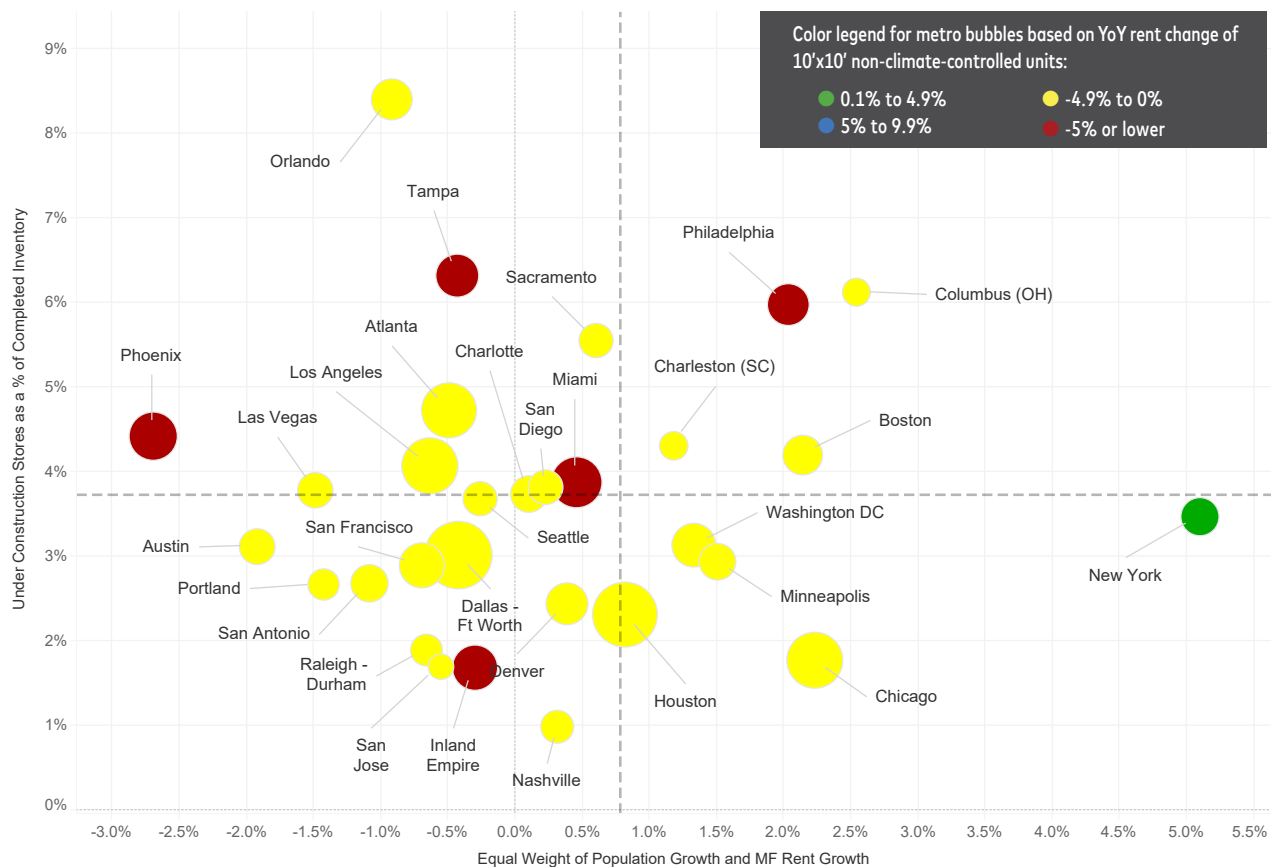
Street Rates and New Supply

Strong street rate performance in some Gateway metros

- Annual street rates for 10x10 NCC units in New York outperformed the other top metros in December, as same-store asking rates increased 1.8% year-over-year. Despite an elevated amount of supply in lease-up, with deliveries over the last 36 months equal to 15.2% of starting inventory, the metro has continued to enjoy strong asking rate performance. Solid recent apartment rent growth in New York is an indicator of the metro's stronger demand trends. However, within the New York metro performance has reportedly varied across the boroughs, with Manhattan underperforming the other four boroughs due to higher development activity.
- Washington, D.C., is another Gateway market that saw strong street rate performance in December, with same-store asking rates for 10x10 NCC units only falling 1.0% year-over-year. Similar to New York, Washington's low amount of existing inventory relative to other metros—equal to 5.7 NRSF per capita—has helped street rates remain resilient despite an elevated amount of new supply in lease-up.

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; U.S. Census Bureau. Data as of January 10, 2024

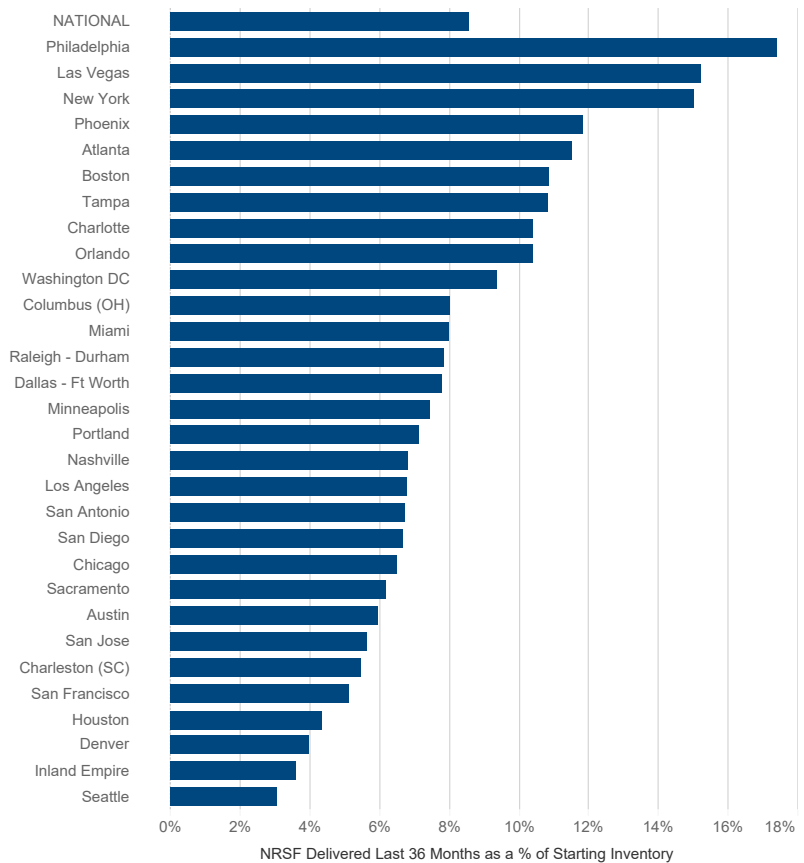
Lease-Up Supply

Heavy lease-up supply impacting street rates in some metros

- Nationally, the amount of new supply delivered over the past three years equals 8.6% of inventory at the start of the period, and deliveries over the past 12 months equal 2.8% of that amount.
- Philadelphia, the metro with the most supply delivered as a percentage of existing stock over the past 36 and 12 months, also saw among the largest year-over-year drops in street rates in December (-5.3% for combined unit sizes). However, with under-construction inventory equal to 6.0% of existing inventory, it appears new supply will continue to hamper street rate performance in Philadelphia for the foreseeable future.
- December street rates also underperformed in Las Vegas, the metro with the second-greatest supply delivered as a percentage of existing stock over the past 36 and 12 months. Over the past 36 months through December, Las Vegas had new supply coming online equal to 15.2% of starting stock, and deliveries over the past year alone were equal to 5.6% of December 2022 inventory.

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	8.6%	2.8%	-2.7%
Philadelphia	17.4%	6.3%	-5.3%
Las Vegas	15.2%	5.6%	-2.5%
New York	15.0%	5.2%	1.1%
Phoenix	11.8%	2.4%	-6.4%
Atlanta	11.5%	4.6%	-4.0%
Boston	10.9%	4.6%	-2.1%
Tampa	10.8%	2.6%	-4.7%
Charlotte	10.4%	3.8%	-2.8%
Orlando	10.4%	3.7%	-4.9%
Washington DC	9.4%	2.0%	-0.9%
Columbus (OH)	8.0%	2.3%	-1.3%
Miami	8.0%	2.4%	-5.9%
Raleigh-Durham	7.8%	3.0%	-3.4%
Dallas-Ft Worth	7.8%	2.1%	-2.9%
Minneapolis	7.4%	1.2%	-1.0%
Portland	7.1%	0.6%	-1.6%
Nashville	6.8%	1.7%	-1.6%
Los Angeles	6.8%	2.5%	-3.8%
San Antonio	6.7%	2.0%	-2.5%
San Diego	6.6%	1.5%	-3.3%
Chicago	6.5%	3.4%	-2.3%
Sacramento	6.2%	1.5%	-1.5%
Austin	5.9%	2.3%	-3.9%
San Jose	5.6%	1.1%	-3.0%
Charleston (SC)	5.5%	1.9%	-1.9%
San Francisco	5.1%	1.4%	-2.6%
Houston	4.3%	2.0%	-1.5%
Denver	4.0%	0.5%	-0.6%
Inland Empire	3.6%	0.8%	-5.2%
Seattle	3.1%	0.5%	-3.4%



*Pittsburgh was omitted, as rents are being reviewed

*Street rate growth = annualized average street rate per square foot 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 33,21 stores, including 3,47 projects in the new-supply pipeline as well as 29,745 completed stores

Source: Yardi Matrix. Data as of January 10, 2024

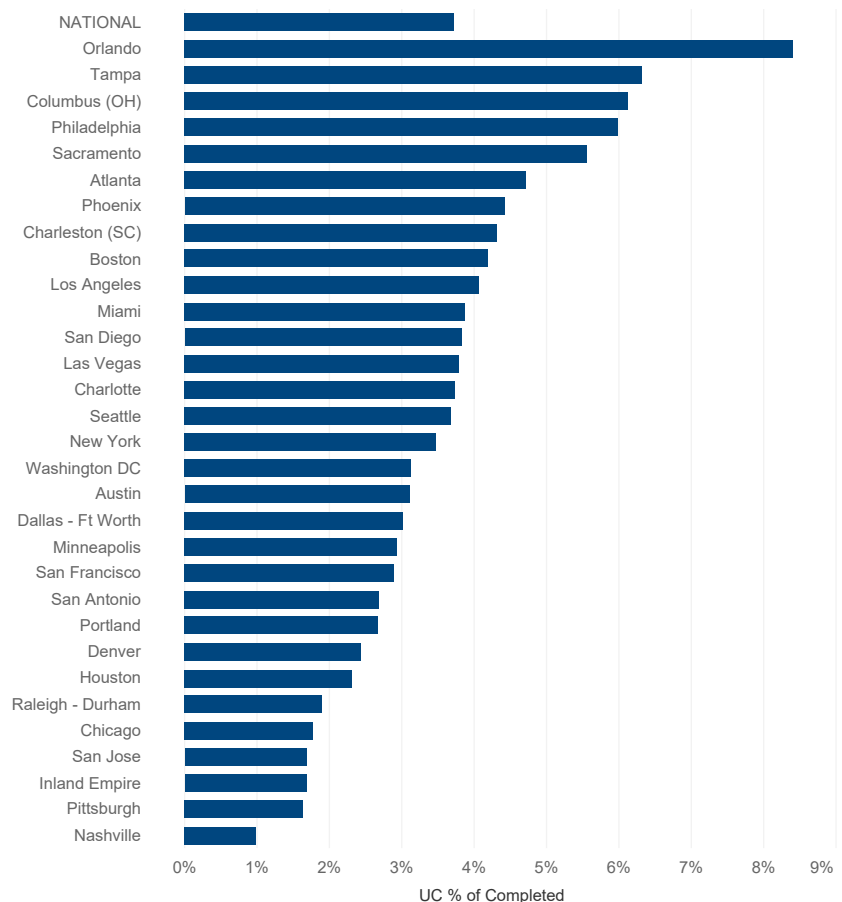
New Supply Update

Development activity faces challenges, but construction pipeline remains steady

- The national new-supply pipeline contracted 10 basis points month-over-month in January, with inventory under construction accounting for 3.7% of completed net rentable square feet (NRSF). The national under-construction pipeline has remained relatively stable over the past few months, partly due to projects taking longer to complete. In addition, storage development faces challenges that will likely impact activity in 2024. Declining street rates, a slower lease-up pace and the challenging lending environment are all factors expected to have an impact on the amount of new supply in coming years.
- Roughly one-third of the top metros saw a decrease in their construction pipelines month-over-month, while 19 saw their pipelines unchanged on a monthly basis.
- The Inland Empire was one of the only three top metros to see an increase in their under-construction pipelines month-over-month. However, despite an increase, the under-construction pipeline in the Inland Empire remains among the smallest, with inventory under construction equal to 1.7% of existing NRSF.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Dec-23	Jan-24	Change
NATIONAL	3.8%	3.7%	↓
Orlando	8.7%	8.4%	↓
Tampa	6.6%	6.3%	↓
Columbus (OH)	6.1%	6.1%	—
Philadelphia	6.8%	6.0%	↓
Sacramento	5.6%	5.6%	—
Atlanta	5.0%	4.7%	↓
Phoenix	4.4%	4.4%	—
Charleston (SC)	4.9%	4.3%	↓
Boston	4.2%	4.2%	—
Los Angeles	4.4%	4.1%	↓
Miami	3.7%	3.9%	↑
San Diego	3.8%	3.8%	—
Las Vegas	5.1%	3.8%	↓
Charlotte	3.7%	3.7%	—
Seattle	3.7%	3.7%	—
New York	3.5%	3.5%	—
Washington DC	3.1%	3.1%	—
Austin	3.1%	3.1%	—
Dallas-Ft Worth	3.0%	3.0%	—
Minneapolis	2.9%	2.9%	—
San Francisco	2.9%	2.9%	—
San Antonio	2.7%	2.7%	—
Portland	2.7%	2.7%	—
Denver	2.2%	2.4%	↑
Houston	2.4%	2.3%	↓
Raleigh-Durham	1.9%	1.9%	—
Chicago	1.9%	1.8%	↓
San Jose	1.7%	1.7%	—
Inland Empire	1.3%	1.7%	↑
Pittsburgh	1.6%	1.6%	—
Nashville	1.0%	1.0%	—



*Drawn from our national database of 33,21 stores, including 3,47 projects in the new-supply pipeline as well as 29,745 completed stores. Source: Yardi Matrix. Data as of January 10, 2024.

Monthly Rate Recap

Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	December 2023 YoY Rate Performance						
		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	\$16.57	-2.7%	-3.0%	-3.2%	-2.4%	-2.6%	-2.0%	-2.1%
New York	\$34.03	1.1%	1.5%	1.6%	0.8%	0.2%	1.1%	1.2%
Denver	\$16.59	-0.6%	0.0%	-0.8%	-0.5%	-1.6%	-0.9%	-0.9%
Washington DC	\$19.38	-0.9%	-1.7%	-0.7%	-0.9%	-0.1%	-0.7%	0.8%
Minneapolis	\$13.44	-1.0%	-2.4%	-0.3%	-1.1%	-0.6%	-1.9%	-0.7%
Columbus (OH)	\$12.44	-1.3%	-1.5%	1.6%	-2.5%	-1.2%	-1.8%	-2.6%
Houston	\$13.03	-1.5%	-1.6%	-1.8%	-1.3%	-0.6%	-1.8%	-1.4%
Sacramento	\$17.85	-1.5%	-2.2%	-0.4%	-2.0%	1.3%	-1.4%	-0.2%
Nashville	\$15.82	-1.6%	-1.7%	-1.3%	-1.8%	-1.9%	-0.9%	-2.1%
Portland	\$17.76	-1.6%	-1.8%	-1.4%	-1.6%	-2.0%	-1.2%	-0.5%
Charleston (SC)	\$15.07	-1.9%	-3.2%	-1.3%	-2.5%	-1.7%	-2.1%	-1.8%
Boston	\$19.87	-2.1%	-2.8%	-2.3%	-1.9%	-2.0%	-0.8%	0.0%
Chicago	\$14.78	-2.3%	-3.4%	-1.9%	-2.1%	-2.2%	-1.1%	-2.3%
Las Vegas	\$15.62	-2.5%	-2.7%	-2.7%	-2.8%	-2.0%	-2.0%	-1.3%
San Antonio	\$14.62	-2.5%	-2.8%	-2.4%	-2.4%	-3.1%	-2.4%	-2.1%
San Francisco	\$26.41	-2.6%	-3.0%	-3.1%	-2.6%	-0.5%	-1.5%	-1.4%
Charlotte	\$13.67	-2.8%	-3.4%	-2.7%	-2.7%	-2.4%	-3.0%	-2.5%
Dallas-Ft Worth	\$13.69	-2.9%	-3.9%	-3.4%	-2.7%	-2.0%	-2.0%	-1.7%
San Jose	\$23.02	-3.0%	-3.8%	-4.0%	-2.6%	-1.9%	-1.5%	-0.5%
San Diego	\$24.34	-3.3%	-4.1%	-3.7%	-2.7%	-3.5%	-1.5%	-1.2%
Raleigh-Durham	\$13.35	-3.4%	-2.7%	-3.8%	-2.7%	-4.4%	-2.7%	-4.1%
Seattle	\$21.59	-3.4%	-3.7%	-3.2%	-3.4%	-3.4%	-3.7%	-2.6%
Los Angeles	\$28.02	-3.8%	-4.4%	-4.2%	-3.4%	-3.5%	-2.2%	-2.6%
Austin	\$14.44	-3.9%	-4.4%	-5.7%	-2.8%	-3.9%	-1.9%	-2.9%
Atlanta	\$14.35	-4.0%	-5.2%	-4.9%	-2.8%	-3.2%	-3.1%	-3.0%
Tampa	\$16.04	-4.7%	-5.1%	-4.9%	-4.9%	-4.8%	-3.9%	-3.3%
Orlando	\$15.79	-4.9%	-5.9%	-5.5%	-4.3%	-4.3%	-3.1%	-4.0%
Inland Empire	\$17.46	-5.2%	-6.0%	-5.5%	-5.2%	-4.6%	-4.0%	-2.5%
Philadelphia	\$17.08	-5.3%	-6.1%	-5.2%	-5.1%	-4.7%	-5.3%	-4.2%
Miami	\$21.10	-5.9%	-7.9%	-6.8%	-6.1%	-4.5%	-4.7%	-3.3%
Phoenix	\$15.85	-6.4%	-4.6%	-9.0%	-5.3%	-8.0%	-5.2%	-5.8%

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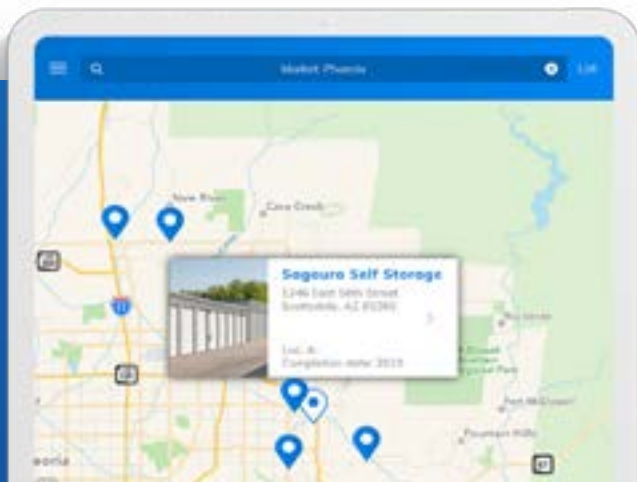
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