



Yardi Matrix

National Self Storage Report

April 2024



Self Storage Supply and Rent Recap

Street rates drop further as self storage enters busy season

- A team from Yardi Matrix attended the ISS World Expo and Toy Storage Nation Workshop in Las Vegas during the first week of April. The conference offered educational sessions and vendors catering to professionals looking to start or grow a self-storage operation through acquisitions and/or development. Presenters emphasized the challenges the market faces today, including unclear pricing, difficulty obtaining financing and a "race to the bottom" on street rates, particularly among the public companies. This leasing strategy has made street rate growth as tracked by Yardi increasingly negative in recent months, as the REITs have pushed rates down twice as much as their non-REIT competitors. A lack of transparency into in-place rates has made the acquisition-and-development climate less certain. Yet developers are moving forward with projects, according to Yardi's supply data on both recent deliveries and projects under construction.

Year-over-year street rates fall across all top metros

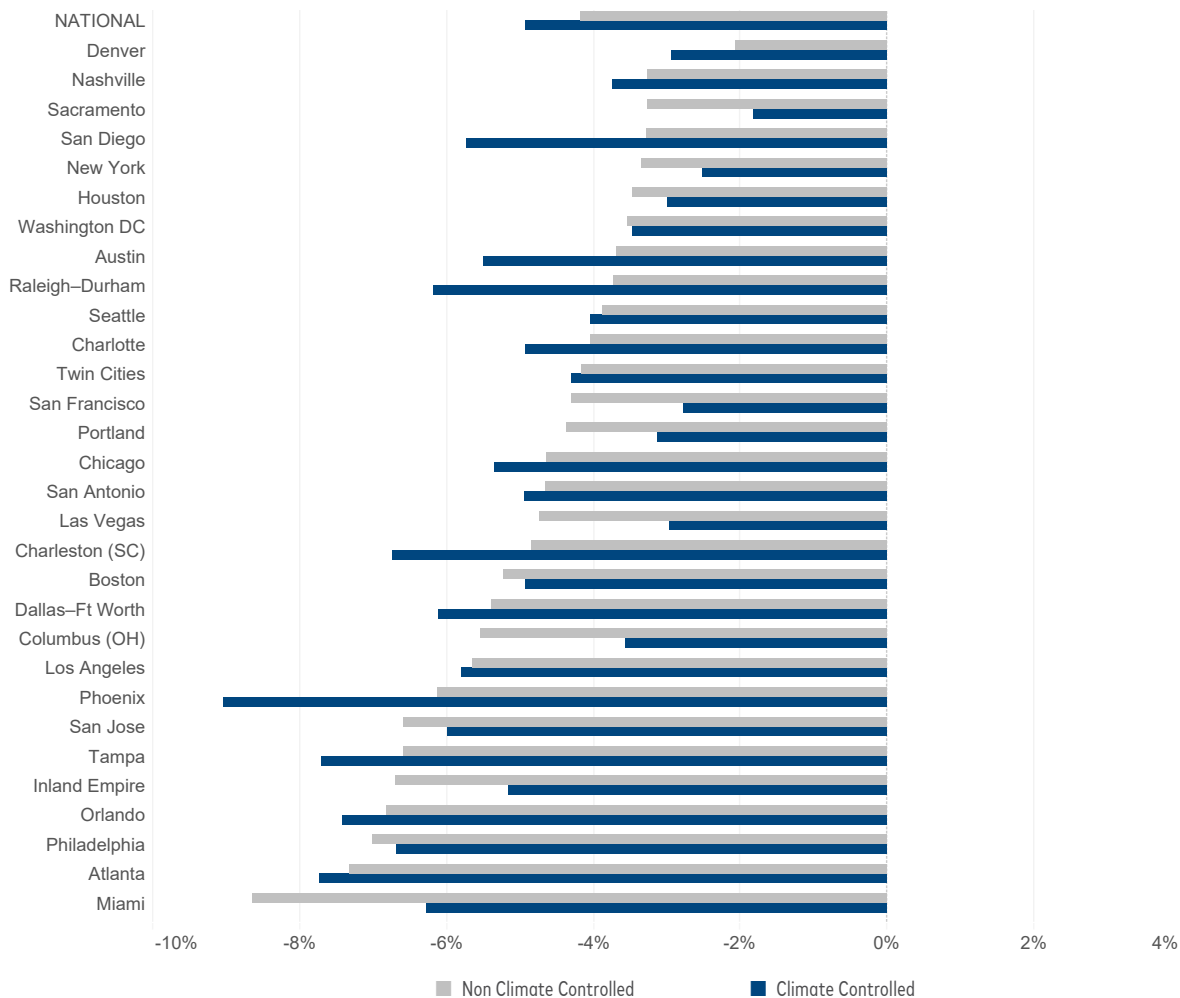
- Annual street rate growth on a national level decelerated further in March. The average annualized same-store asking rent per square foot was \$16.25 nationwide for the combined mix of unit sizes and types. This is a 4.5% same-store decrease compared to the national average of \$17.21 recorded in March 2023 and a deterioration from -3.8% last month.
- Street rate growth also continued to be negative year-over-year in all of Yardi Matrix's top metros. Same-store rates for non-climate-controlled (NON CC) and climate-controlled (CC) units combined decreased in all of the top metros in March compared to 12 months prior, ranging from -2.4% in Denver to -7.5% in Atlanta.
- Nationally, Yardi Matrix tracks a total of 3,521 self storage properties in various stages of development, including 877 under construction, 2,055 planned and 589 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock as of March, unchanged from the previous month, while trailing 12-month deliveries increased in the past year.
- Yardi Matrix also maintains operational profiles for 30,677 completed self storage facilities in the U.S., bringing the total data set to 34,198. We are happy to announce the release of our new Springfield, Mo., Greenville and Harrisburg storage markets, all of which are now available to Yardi Matrix customers on the subscriber portal.

Street Rate Growth Update

Leasing strategy of REITs impacting street rate performance

- Street rate performance worsened in March, despite hope that the busier spring leasing season would bring improvements. Same-store national street rates for combined NCC units decreased 4.2% year-over-year in March, a rapid deceleration from its average of -3.3% over the past three months. Same-store asking rates for CC units of the same sizes declined 4.9% on an annual basis, which is also notably worse than its average of -3.9% December through February.
- REITs are dropping their street rates to attract new customers. Smaller operators are also being forced to lower their rates to avoid occupancy declines, but are later to the game. Same-store street rate growth for all REITs was -6.6% year-over-year, nearly double the decrease of 3.6% for all non-REIT-owned properties in the same markets. Through Q4, REITs have been able to keep achieved rates flat by pushing existing customer rates more frequently and more aggressively.

March 2024 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 April 9, 2024

Monthly Sequential Rents

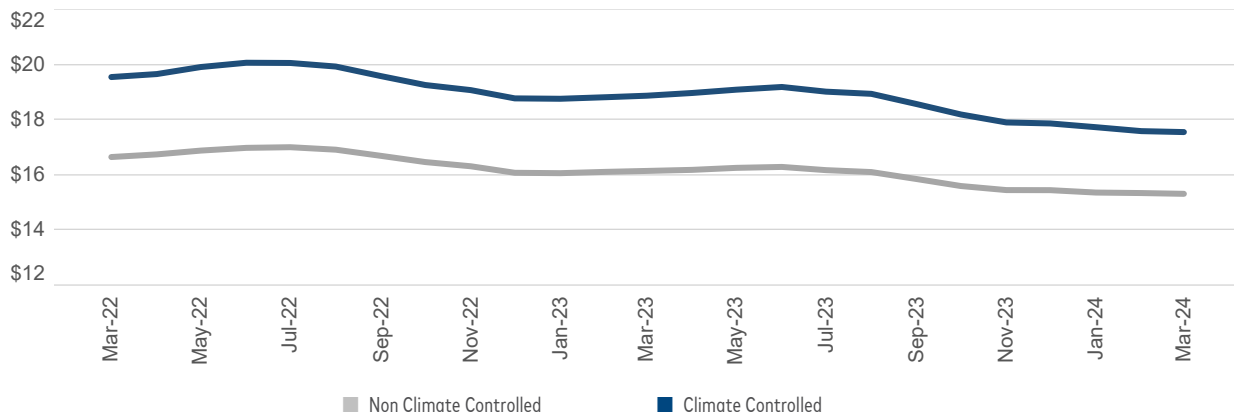
Twenty-one top metros recorded negative rate growth month-over-month in March

- National average combined street rates per square foot fell by 0.2%, or 3 cents, to \$16.25 in March compared to February. The decline in monthly asking rates was also broader based, with same-store rates per square foot falling month-over-month in 21 of the top metros.
- Historically, streets rates rise at this time of the year amid the busier leasing season. Since 2017, same-store combined rates nationwide have always had at least some positive growth between February and March. March's rate performance dampens the hope of previous months that street rates were nearing a bottom.
- Eight of the top metros had an increase in same-store street rates per square foot on a monthly basis, while one saw little to no change in these rates month-over-month. Boston outperformed the top metros, with combined rates increasing 0.6% month-over-month.

Metro	Feb-24 Average Street Rate PSF (\$)	Mar-24 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.28	\$16.25	-0.2%	↓
Boston	\$19.14	\$19.25	0.6%	↑
San Jose	\$22.70	\$22.82	0.5%	↑
Las Vegas	\$15.11	\$15.18	0.5%	↑
Austin	\$14.06	\$14.11	0.3%	↑
New York	\$33.26	\$33.36	0.3%	↑
Inland Empire	\$17.04	\$17.08	0.2%	↑
Charleston (SC)	\$14.67	\$14.70	0.2%	↑
Sacramento	\$17.45	\$17.46	0.1%	↑
Nashville	\$15.53	\$15.54	0.0%	–
Philadelphia	\$16.49	\$16.48	-0.1%	↓
San Francisco	\$26.30	\$26.28	-0.1%	↓
Phoenix	\$15.44	\$15.42	-0.2%	↓
San Diego	\$24.22	\$24.18	-0.2%	↓
Los Angeles	\$28.03	\$27.97	-0.2%	↓
Raleigh-Durham	\$13.08	\$13.05	-0.2%	↓
Denver	\$16.44	\$16.41	-0.2%	↓
Tampa	\$15.58	\$15.54	-0.3%	↓
Houston	\$12.78	\$12.74	-0.3%	↓
Dallas-Ft Worth	\$13.45	\$13.39	-0.4%	↓
Miami	\$21.20	\$21.10	-0.5%	↓
Chicago	\$14.46	\$14.37	-0.6%	↓
Charlotte	\$13.49	\$13.41	-0.6%	↓
Orlando	\$15.42	\$15.31	-0.7%	↓
Atlanta	\$13.81	\$13.70	-0.8%	↓
Seattle	\$21.45	\$21.26	-0.8%	↓
Portland	\$17.47	\$17.32	-0.9%	↓
San Antonio	\$14.13	\$14.00	-0.9%	↓
Washington DC	\$19.33	\$19.13	-1.0%	↓
Columbus (OH)	\$12.09	\$11.96	-1.1%	↓
Minneapolis	\$13.20	\$12.99	-1.6%	↓

*Pittsburgh was omitted | Source: Yardi Matrix. Data as of April 9, 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 30,677 completed stores
Source: Yardi Matrix. Data as of April 9, 2024

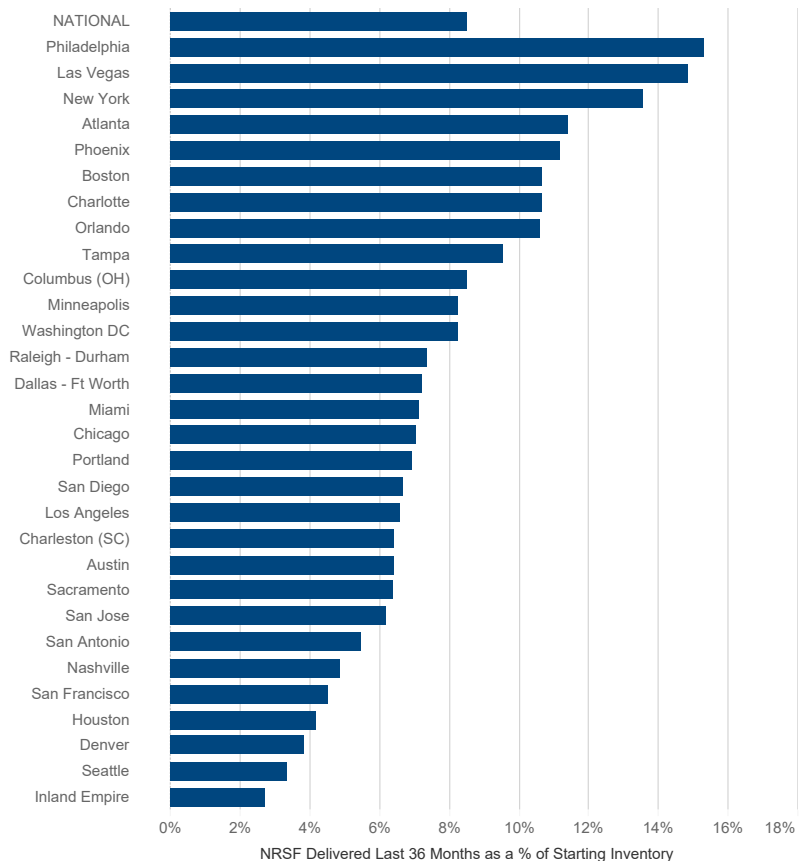
Lease-Up Supply

Impact of lease-up supply on street rates varies across top metros

- 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 2.9% of that amount. Three-year supply, a proxy for supply in lease-up, has been declining since late 2020, but the rate of decline has slowed over the past year, and trailing one-year supply is higher than in March 2023.
- Philadelphia has delivered the largest amount of new supply over the past three years, equal to a substantial 15.3% of starting stock. As a result, street-rate performance remained weak in the metro in March, with same-store street rates for main unit sizes and types decreasing 6.8% year-over-year.
- The Inland Empire has the smallest amount of supply in lease-up, having had a minimal amount of deliveries over the past three years. However, street rate performance in the Inland Empire has not been as strong as one might expect, likely due to weak demand, with same-store street rates for main unit sizes and types decreasing 6.5% year-over-year in March.

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%	2.9%	-4.5%
Philadelphia	15.3%	5.2%	-6.8%
Las Vegas	14.9%	6.6%	-4.0%
New York	13.5%	4.7%	-2.9%
Atlanta	11.4%	5.6%	-7.5%
Phoenix	11.2%	1.6%	-7.4%
Boston	10.7%	2.9%	-5.1%
Charlotte	10.7%	4.2%	-4.4%
Orlando	10.6%	3.9%	-7.1%
Tampa	9.5%	2.9%	-7.2%
Columbus (OH)	8.5%	3.5%	-4.9%
Minneapolis	8.2%	2.8%	-4.2%
Washington DC	8.2%	2.7%	-3.5%
Raleigh-Durham	7.4%	1.7%	-4.9%
Dallas-Ft Worth	7.2%	2.1%	-5.7%
Miami	7.1%	2.5%	-6.9%
Chicago	7.0%	2.5%	-5.0%
Portland	6.9%	0.4%	-4.1%
San Diego	6.7%	1.8%	-3.6%
Los Angeles	6.6%	2.6%	-5.7%
Charleston (SC)	6.4%	3.1%	-5.9%
Austin	6.4%	3.3%	-4.6%
Sacramento	6.4%	2.3%	-3.0%
San Jose	6.2%	2.0%	-6.5%
San Antonio	5.5%	0.9%	-4.7%
Nashville	4.9%	1.0%	-3.4%
San Francisco	4.5%	0.9%	-4.1%
Houston	4.2%	1.9%	-3.2%
Denver	3.8%	1.1%	-2.4%
Seattle	3.3%	1.3%	-4.0%
Inland Empire	2.7%	0.3%	-6.5%



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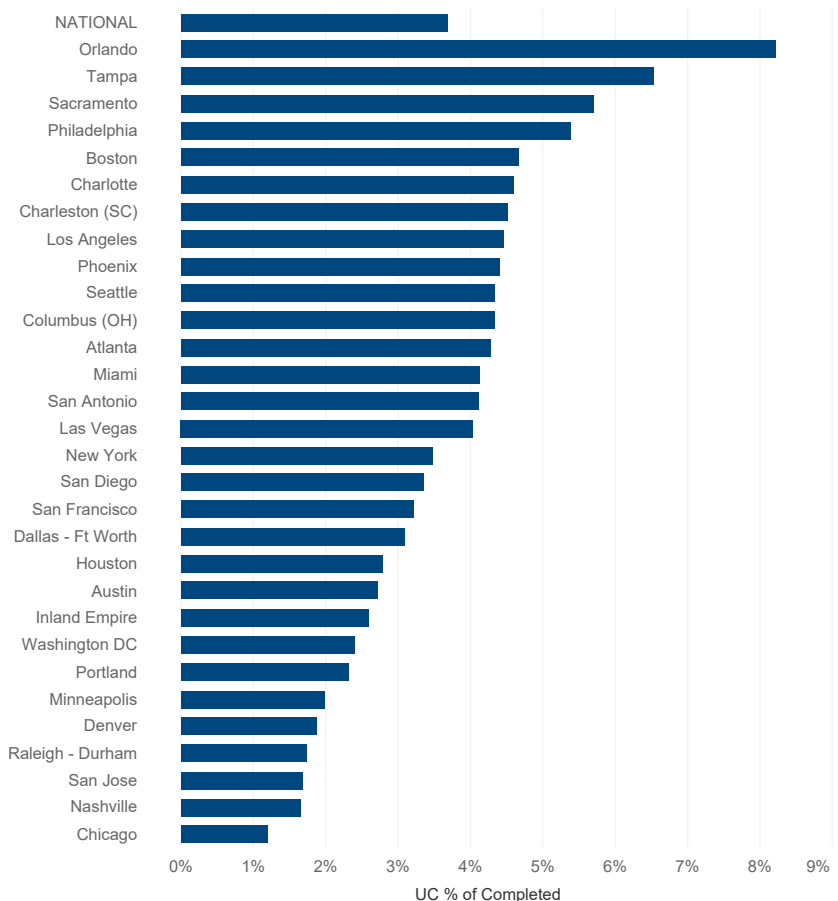
New Supply Update

Construction activity surprisingly steady, despite declining street rates

- The national new-supply pipeline continues to hold steady, as space under construction as a percent of existing inventory remained unchanged through the end of March at 3.7%. Despite weak street rate performance and a tight capital market, it appears there is still quite a bit of developer interest in self storage, as evidenced by the number of ISS conference attendees interested in or actively pursuing a new project.
- Roughly two-thirds of the top metros saw their construction pipelines increase or remain unchanged month-over-month in March, another sign developer interest is still relatively steady. There continues to be a fair amount of construction in the Sun Belt, particularly Orlando, where supply as a percent of inventory is 2% higher than the next highest metro, as well as Tampa.
- Construction activity increased the most in Portland, up 50 basis points month-over-month. However, the new-supply pipeline remains relatively small, with inventory under construction equal to 2.8% of existing stock. Over the past 12 months, new-supply deliveries in Portland have been low, equal to 0.4% of starting inventory.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Mar-24	Apr-24	Change
NATIONAL	3.7%	3.7%	—
Orlando	8.7%	8.7%	—
Tampa	6.7%	6.4%	↓
Sacramento	6.2%	5.7%	↓
Philadelphia	5.5%	5.1%	↓
Charlotte	5.5%	5.0%	↑
Phoenix	4.3%	4.6%	↑
Miami	4.5%	4.6%	↑
Boston	4.9%	4.5%	↓
Atlanta	4.8%	4.5%	↓
San Antonio	4.3%	4.3%	—
Charleston (SC)	4.0%	4.3%	↑
Los Angeles	4.3%	4.3%	—
Las Vegas	4.4%	3.9%	↓
Columbus (OH)	3.6%	3.6%	—
New York	3.4%	3.6%	↑
Seattle	3.8%	3.5%	↓
San Francisco	3.2%	3.2%	—
San Diego	3.0%	3.0%	—
Portland	2.3%	2.8%	↑
Dallas-Ft Worth	2.9%	2.7%	↓
Houston	2.7%	2.7%	—
Inland Empire	2.5%	2.5%	—
Washington DC	2.7%	2.4%	↓
Austin	2.3%	2.3%	—
Nashville	1.9%	1.9%	—
Denver	1.9%	1.9%	—
San Jose	1.7%	1.7%	—
Raleigh-Durham	1.6%	1.6%	—
Chicago	1.3%	1.3%	—
Minneapolis	1.1%	1.1%	—



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Source: Yardi Matrix. Data as of April 9, 2024

Monthly Rate Recap

Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	March 2024 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	\$16.25	-4.5%	-4.9%	-5.7%	-3.8%	-4.4%	-3.2%	-3.9%
Denver	\$16.41	-2.4%	-2.4%	-3.6%	-1.9%	-2.7%	-1.7%	-1.3%
New York	\$33.36	-2.9%	-4.3%	-2.2%	-2.0%	-3.0%	-2.2%	-3.7%
Sacramento	\$17.46	-3.0%	-3.8%	-2.4%	-3.1%	-1.1%	-2.2%	-1.2%
Houston	\$12.74	-3.2%	-3.9%	-3.6%	-3.2%	-2.7%	-3.2%	-2.0%
Nashville	\$15.54	-3.4%	-2.9%	-3.4%	-3.8%	-4.0%	-3.3%	-4.3%
Washington DC	\$19.13	-3.5%	-3.6%	-4.5%	-3.8%	-2.8%	-2.7%	-2.1%
San Diego	\$24.18	-3.6%	-4.4%	-6.1%	-2.6%	-5.7%	-1.4%	-3.3%
Seattle	\$21.26	-4.0%	-4.4%	-5.0%	-3.8%	-3.2%	-2.9%	-2.0%
Las Vegas	\$15.18	-4.0%	-7.4%	-3.6%	-3.3%	-2.6%	-1.9%	-1.2%
Portland	\$17.32	-4.1%	-5.6%	-3.4%	-3.7%	-2.6%	-3.1%	-2.9%
San Francisco	\$26.28	-4.1%	-5.1%	-3.1%	-3.8%	-1.6%	-2.9%	-3.6%
Minneapolis	\$13.00	-4.2%	-5.2%	-4.3%	-3.9%	-5.0%	-3.3%	-3.5%
Charlotte	\$13.41	-4.4%	-4.7%	-5.7%	-3.8%	-4.5%	-3.3%	-3.6%
Austin	\$14.11	-4.6%	-4.7%	-6.6%	-3.4%	-4.9%	-2.5%	-3.7%
San Antonio	\$14.00	-4.7%	-4.6%	-5.2%	-4.7%	-4.9%	-4.4%	-4.1%
Raleigh–Durham	\$13.05	-4.9%	-4.3%	-6.5%	-3.4%	-5.5%	-3.1%	-5.9%
Columbus (OH)	\$11.96	-4.9%	-5.9%	-3.5%	-5.9%	-3.4%	-4.1%	-3.0%
Chicago	\$14.37	-5.0%	-6.4%	-6.5%	-3.3%	-4.9%	-3.3%	-3.7%
Boston	\$19.25	-5.1%	-6.6%	-5.5%	-5.0%	-5.0%	-3.1%	-3.1%
Los Angeles	\$27.97	-5.7%	-6.7%	-6.8%	-4.9%	-4.1%	-4.0%	-4.8%
Dallas–Ft Worth	\$13.39	-5.7%	-6.3%	-7.1%	-5.0%	-5.4%	-4.1%	-4.8%
Charleston (SC)	\$14.70	-5.9%	-5.7%	-8.1%	-4.9%	-6.4%	-3.0%	-4.0%
Inland Empire	\$17.08	-6.5%	-7.5%	-5.3%	-6.1%	-4.5%	-4.5%	-5.6%
San Jose	\$22.82	-6.5%	-7.4%	-6.8%	-5.2%	-5.6%	-6.1%	-4.2%
Philadelphia	\$16.48	-6.8%	-7.7%	-7.5%	-6.8%	-5.9%	-5.9%	-6.2%
Miami	\$21.10	-6.9%	-10.4%	-7.8%	-7.6%	-4.8%	-6.5%	-4.5%
Orlando	\$15.31	-7.1%	-7.7%	-8.1%	-6.0%	-6.6%	-5.8%	-6.6%
Tampa	\$15.54	-7.2%	-7.5%	-8.8%	-6.4%	-7.0%	-5.1%	-5.8%
Phoenix	\$15.42	-7.4%	-6.7%	-9.9%	-6.1%	-8.4%	-5.0%	-7.4%
Atlanta	\$13.70	-7.5%	-8.4%	-8.9%	-7.0%	-7.2%	-5.6%	-6.1%

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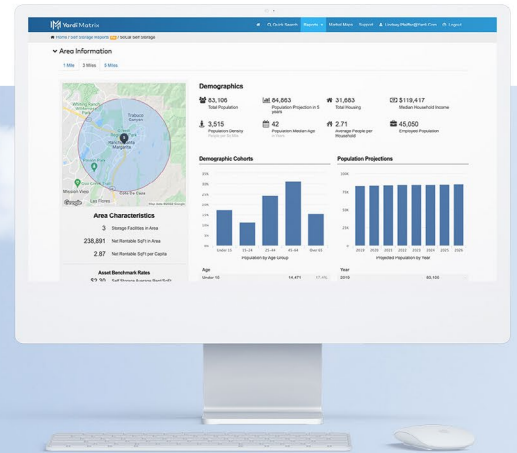
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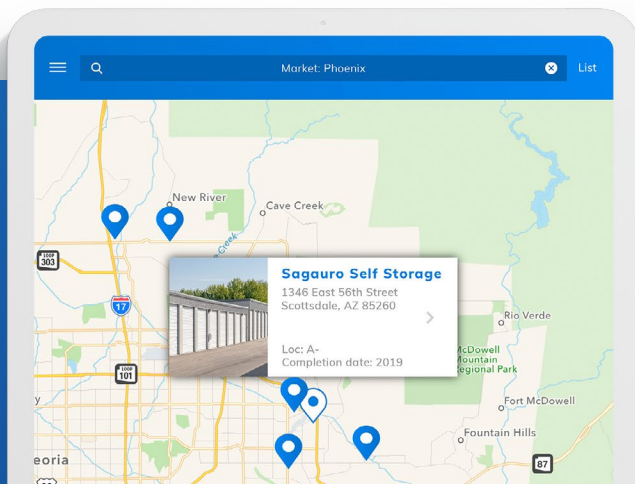
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