



Yardi Matrix

National Self Storage Report

May 2024



Self Storage Supply and Rent Recap

Storage operators optimistic leasing season will boost slowing performance

- The self storage REITs' Q1 2024 results are in, and performance in the sector continues to slow. But at 0.8%, the average decrease in the REITs' quarterly occupancy was an improvement over previous quarters. Revenue growth slipped to 0.2% and NOI growth fell to -1.6%, as operators reported much higher marketing and property insurance expenses in the first quarter. Negative revenue and NOI growth was in line with expectations, and guidance on same-store expectations remained unchanged in Q1, as demand continues to be weak due to a slow-moving housing market. Lower street rates have pushed realized rent growth down to 1.2% and the REITs' reported street rates are well below in-place rates, with differences of 35% or more. However, operators remain optimistic that existing customer rate increases will help hoist new customers to in-place rates quickly, in addition to increasing street rates going into the busy summer leasing season.

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

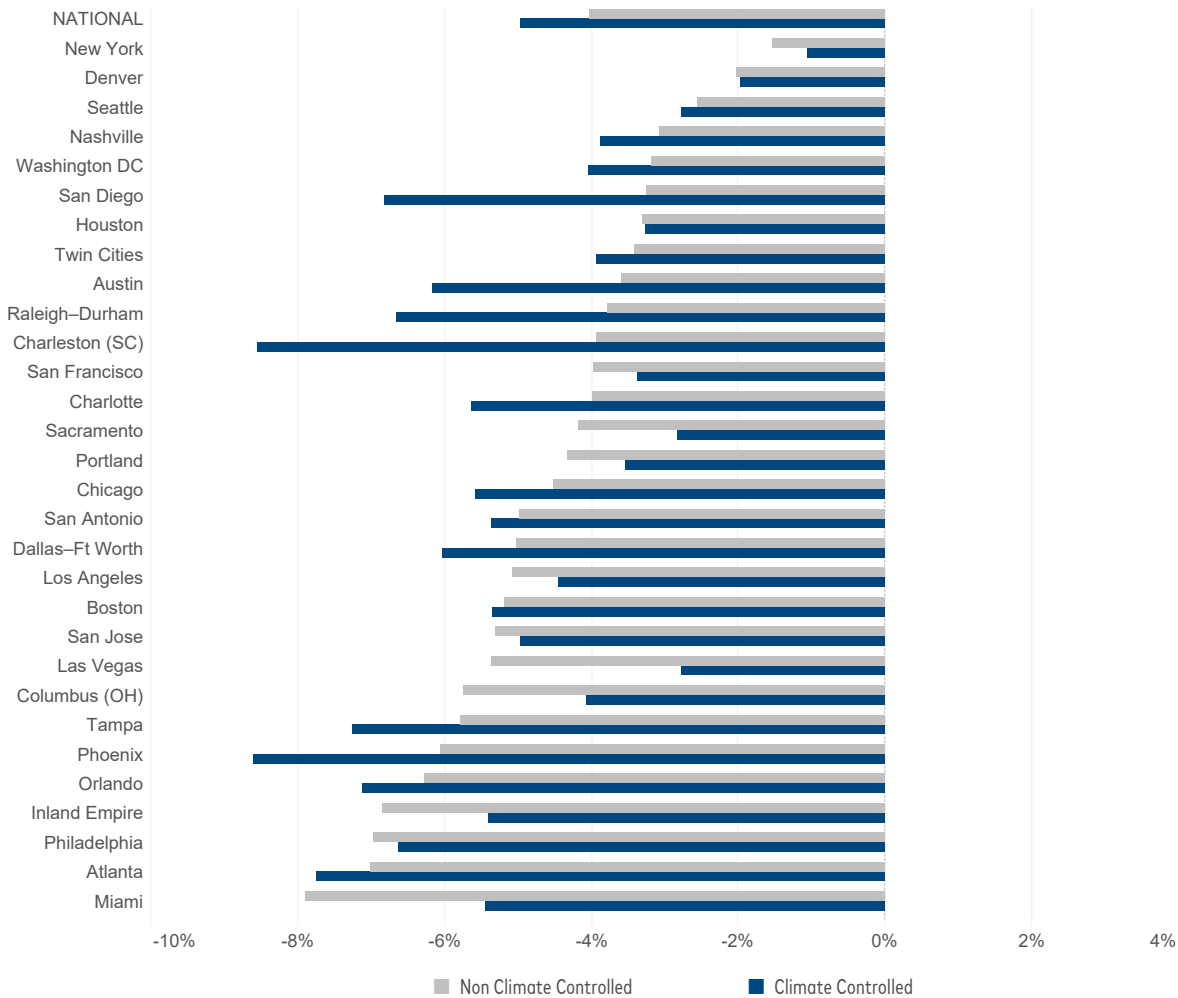
- Street rates continued to decline on an annual basis in April. The national average annualized same-store asking rent per square foot was \$16.35 for the combined mix of unit sizes and types. This is a 4.5% same-store decrease compared to April 2023. However, it is a 70-basis-point improvement month-over-month as the busy season progresses.
- Street rate growth remained 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 30 of the top metros in April compared to a year ago, ranging from -1.3% in New York to -7.4% in Atlanta.
- Nationally, Yardi Matrix tracks a total of 3,542 self storage properties in various stages of development, including 868 under construction, 2,062 planned and 612 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.6% of existing stock as of April, a slight 10-basis-point drop month-over-month.
- Yardi Matrix also maintains operational profiles for 30,864 completed U.S. self storage facilities, bringing the total data set to 34,406. We are happy to announce the expansion of eight of our storage markets, including the Triad, Richmond-Tidewater, North Dallas, Suburban Dallas, Fort Worth, East Houston, Phoenix and Seattle.

Street Rate Growth Update

REIT annual rates continue to decline twice as fast as competitors

- Same-store national street rates for combined NCC units decreased 4.0% year-over-year in April, while rates performed worse for CC units of the same sizes at -5.0%. New supply is impacting CC rates worse than NCC rates, as recent deliveries tend to be primarily made up of CC units.
- Asking rates for the REITs are still well below their non-REIT competitors in the same markets, putting a strain on rate performance. Same-store street rate growth for all REITs was -6.6% year-over-year in April, notably larger than the 3.6% drop in rates for their non-REIT competitors. However, the difference came in a bit last month, and overall REIT asking rates increased 1.3% month-over-month, versus 0.4% for their competitors. In addition, a key strategy mentioned in all the recent REIT calls was to continue increasing street rates over the next few months, into the busy summer season.

April 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 and 30x10 NCC and CC units
 Source: Yardi Matrix. Data as of May 8, 2024

Monthly Sequential Rents

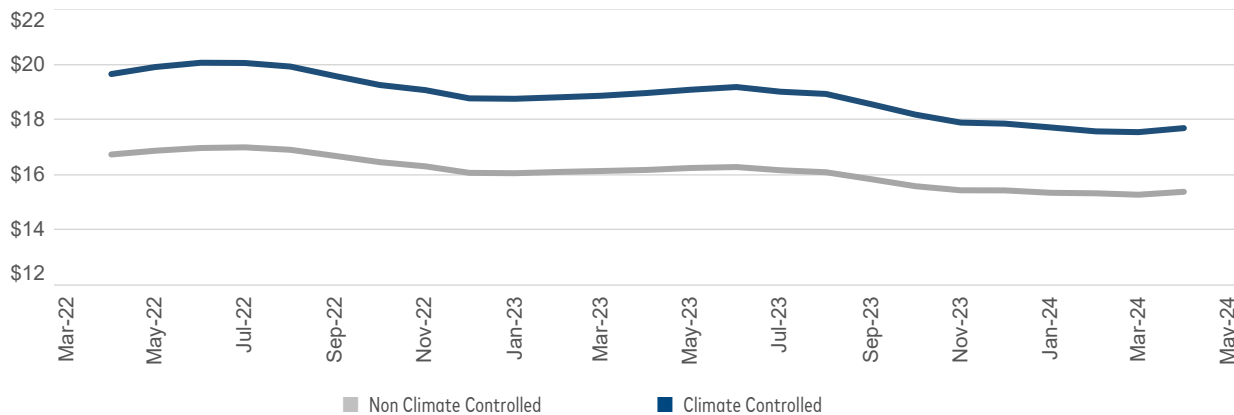
Nearly all top metros recorded positive rate growth month-over-month in April

- National average combined street rates per square foot increased 0.7%, or 12 cents, to \$16.35 in April compared to March. This is the first time since June 2023 there has been an uptick in national rates on a sequential basis, a welcome trend for the industry, as it has struggled with weak rate performance.
- The positive growth in monthly asking rates was also broader based, with same-store street rates per square foot rising month-over-month in 28 of the top Yardi Matrix metros. Two of the top metros saw average combined rates remain unchanged sequentially.
- Metros with diminishing new-supply pipelines and recent deliveries saw the most improvement in rate growth month-over-month, including Denver, Minneapolis and Washington, D.C. Several urban metros also performed well on a monthly basis, including San Francisco and San Jose.

Metro	Mar-24 Average Street Rate PSF (\$)	Apr-24 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.23	\$16.35	0.7%	↑
Denver	\$16.40	\$16.72	1.9%	↑
Minneapolis	\$13.00	\$13.24	1.8%	↑
Washington DC	\$19.12	\$19.45	1.7%	↑
San Francisco	\$26.30	\$26.67	1.4%	↑
San Jose	\$22.82	\$23.14	1.4%	↑
Columbus (OH)	\$11.90	\$12.04	1.1%	↑
Boston	\$19.27	\$19.49	1.1%	↑
Chicago	\$14.37	\$14.52	1.1%	↑
Los Angeles	\$27.95	\$28.24	1.0%	↑
Seattle	\$21.23	\$21.45	1.0%	↑
Orlando	\$15.32	\$15.47	1.0%	↑
New York	\$33.39	\$33.69	0.9%	↑
Raleigh-Durham	\$13.02	\$13.13	0.8%	↑
Philadelphia	\$16.51	\$16.64	0.8%	↑
Charleston (SC)	\$14.67	\$14.78	0.8%	↑
Portland	\$17.28	\$17.41	0.8%	↑
Miami	\$21.11	\$21.27	0.7%	↑
Tampa	\$15.54	\$15.64	0.7%	↑
Inland Empire	\$17.10	\$17.21	0.7%	↑
San Diego	\$24.20	\$24.36	0.7%	↑
Atlanta	\$13.69	\$13.77	0.6%	↑
Dallas-Ft Worth	\$13.38	\$13.46	0.6%	↑
Charlotte	\$13.38	\$13.43	0.4%	↑
Las Vegas	\$15.16	\$15.21	0.4%	↑
Phoenix	\$15.43	\$15.48	0.3%	↑
Nashville	\$15.48	\$15.53	0.3%	↑
Houston	\$12.73	\$12.77	0.3%	↑
San Antonio	\$13.97	\$14.00	0.2%	↑
Sacramento	\$17.44	\$17.45	0.0%	-
Austin	\$14.12	\$14.12	0.0%	-

*Pittsburgh was omitted | Source: Yardi Matrix. Data as of May 8, 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 and 30x10 NCC and CC units

*Drawn from our national database of 30,864 completed stores

Source: Yardi Matrix. Data as of May 8, 2024

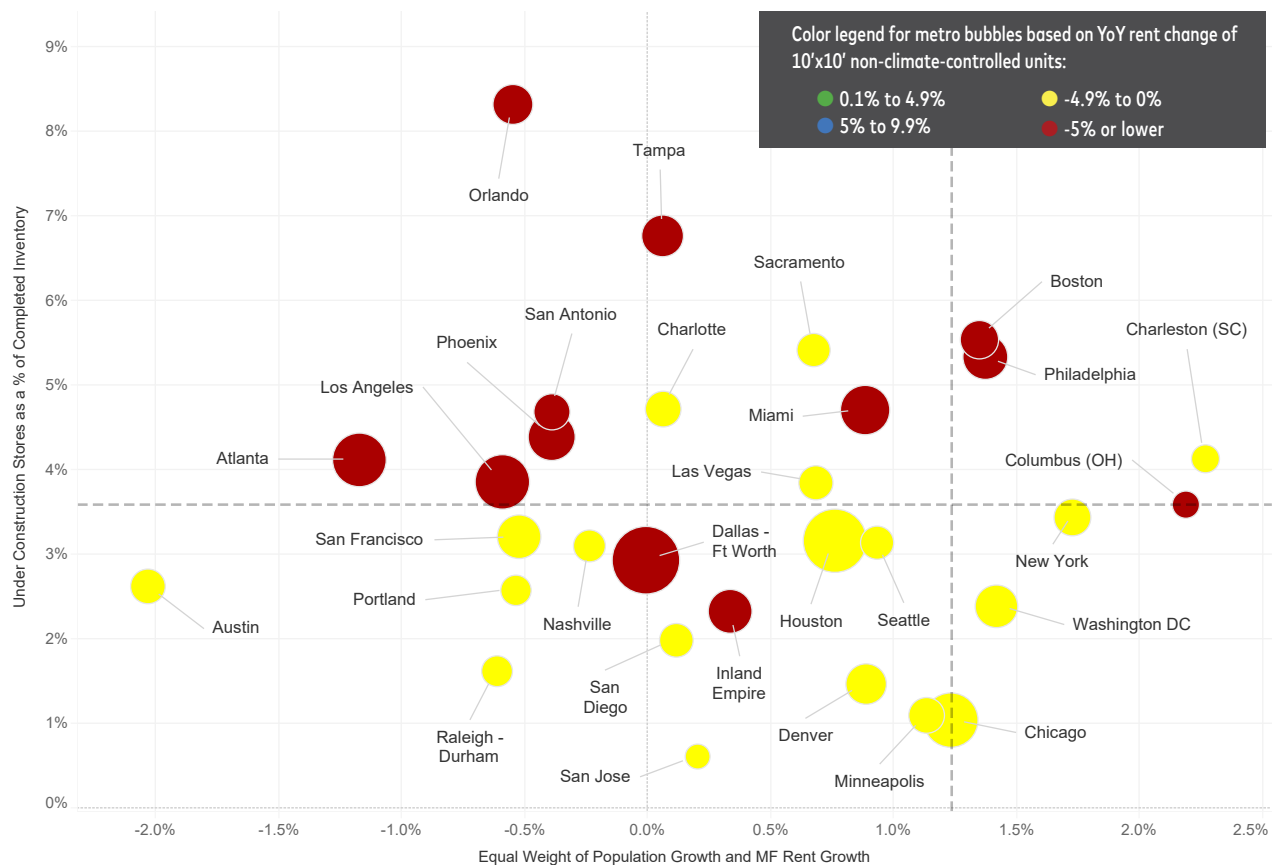
Street Rates and New Supply

Two Florida metros face weak street rate performance

- Orlando continues to face a heavy new-supply storage pipeline, especially compared to the other top markets, with inventory under construction equal to 8.9% of existing net rentable square feet (NRSF). This will continue to create headwinds for a market already challenged by weak performance. The metro's same-store asking rates for 10x10 NCC units decreased 6.1% year-over-year in April, underperforming nearly all of the top metros. In addition, Orlando was spotlighted by several of the self storage REITs during their Q1 2024 earnings calls as one of the worst-performing markets, with the lowest revenue growth.
- Another Florida market, Tampa, also continues to see elevated development activity compared to the other top metros. There are more than 2 million NRSF under construction in Tampa, accounting for 6.8% of completed inventory. The metro also saw weak street rate performance in April, with same-store asking rates for 10x10 NCC units falling 5.5% year-over-year.

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)



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Sources: Yardi Matrix; U.S. Census Bureau. Data as of May 8, 2024

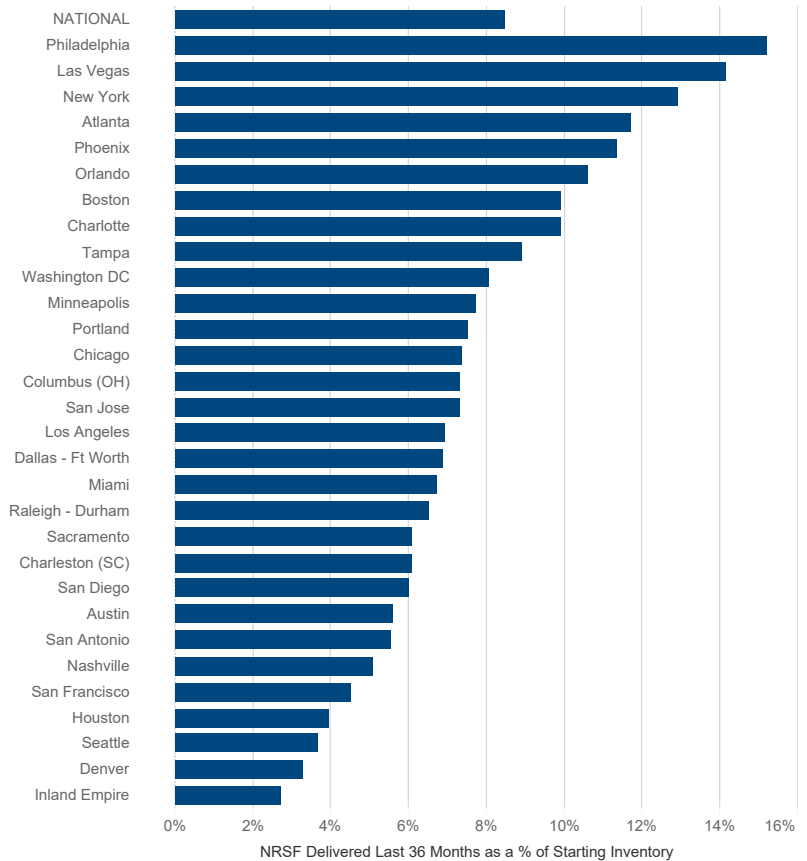
Lease-Up Supply

Slowdown in lease-up supply benefits Denver street rates

- Nationally, the amount of new supply delivered over the past three years is equal to 8.4% of starting inventory, while deliveries over the trailing 12 months account for 2.8% of the inventory that existed in April 2023. Three-year supply, a proxy for supply in lease-up, has come down nationally from 9.3% in April 2023 and 12.3% in April 2021.
- Denver has among the smallest amounts of storage supply in lease-up, with deliveries over the last 36 months equal to 0.5% of starting inventory. The metro has seen new supply activity greatly decline in recent years, with lease-up supply dropping nearly 800 basis points compared to three years ago, when deliveries over a 36-month period accounted for 10.5% of starting inventory. Denver's rate performance is benefiting from the slowdown, and same-store street rates for main unit sizes and types only declined 2.0% year-over-year in April. Month-over-month, street rates also performed the best among the top metros, with the average rate per square foot increasing 1.9% from March to April.

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	8.4%	2.8%	-4.4%
Philadelphia	15.2%	4.6%	-6.8%
Las Vegas	14.2%	5.6%	-4.3%
New York	12.9%	3.4%	-1.3%
Atlanta	11.7%	5.6%	-7.4%
Phoenix	11.3%	2.0%	-7.2%
Orlando	10.6%	4.3%	-6.7%
Boston	9.9%	2.9%	-5.2%
Charlotte	9.9%	4.6%	-4.7%
Tampa	8.9%	2.8%	-6.6%
Washington DC	8.1%	2.4%	-3.6%
Minneapolis	7.7%	2.8%	-3.6%
Portland	7.5%	1.0%	-4.2%
Chicago	7.4%	2.8%	-5.1%
Columbus (OH)	7.3%	3.5%	-5.2%
San Jose	7.3%	2.0%	-5.3%
Los Angeles	6.9%	2.7%	-5.0%
Dallas-Ft Worth	6.9%	1.9%	-5.5%
Miami	6.7%	2.3%	-6.1%
Raleigh-Durham	6.5%	1.7%	-5.2%
Sacramento	6.1%	2.1%	-3.9%
Charleston (SC)	6.1%	3.1%	-6.5%
San Diego	6.0%	1.8%	-3.7%
Austin	5.6%	2.8%	-5.0%
San Antonio	5.5%	0.4%	-5.1%
Nashville	5.1%	1.3%	-3.4%
San Francisco	4.5%	0.9%	-3.9%
Houston	4.0%	1.7%	-3.2%
Seattle	3.6%	1.6%	-2.7%
Denver	3.3%	0.5%	-2.0%
Inland Empire	2.7%	0.3%	-6.6%



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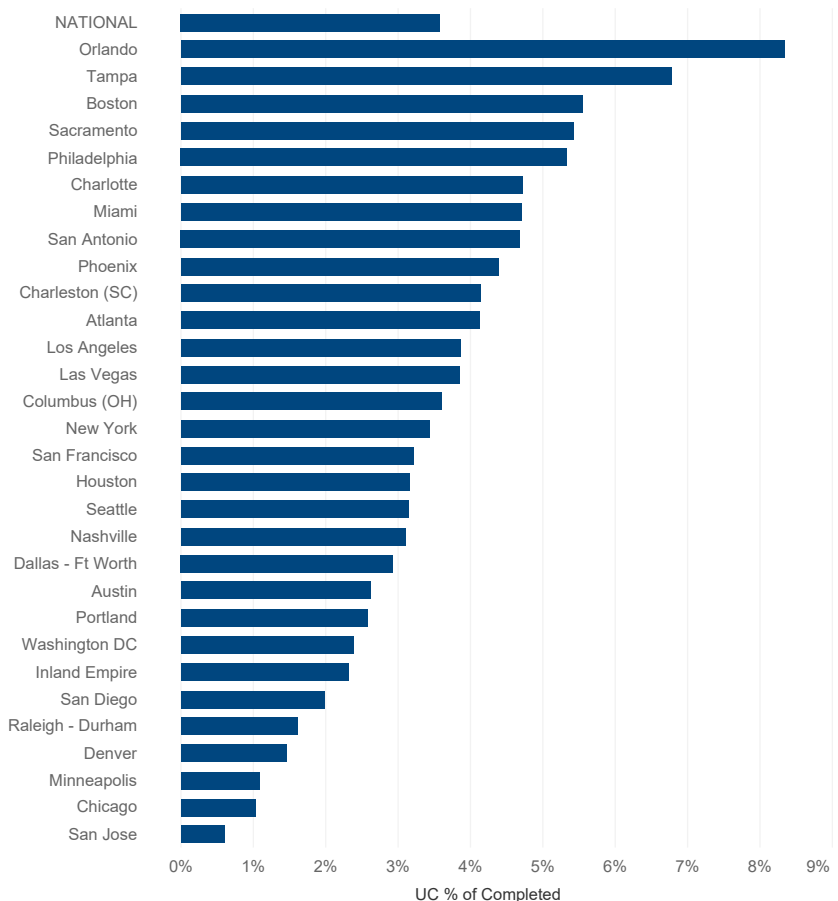
New Supply Update

Under-construction pipeline remains flat

- The national new-supply pipeline shrank a minor 10 basis points month-over-month. With a total of 64.6 million net rentable square feet under construction, the national pipeline was equal to 3.6% of existing inventory through the end of April. Despite a decline in construction starts at the end of 2023, the under-construction pipeline has remained essentially flat through the first quarter and the start of the second quarter. Elevated construction times are most likely driving the current plateau.
- Storage development activity in Q1 2024 was consistent with previous forecast expectations for a deceleration in new self storage supply. As a result, Yardi Matrix's Q2 2024 forecast update is relatively unchanged compared to the previous version. The forecast continues to anticipate approximately 54.5 million NRSF will be delivered in 2024, while 47.6 million NRSF will be delivered in 2025.
- San Jose saw the largest month-over-month decrease in its supply pipeline, with inventory under construction as a percent of existing stock shrinking 110 basis points to 0.6%.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Apr-24	May-24	Change
NATIONAL	3.7%	3.6%	↓
Orlando	8.9%	8.3%	↓
Tampa	6.8%	6.8%	—
Boston	5.2%	5.5%	↑
Sacramento	5.4%	5.4%	—
Philadelphia	5.3%	5.3%	—
Charlotte	5.2%	4.7%	↓
Miami	4.5%	4.7%	↑
San Antonio	4.7%	4.7%	—
Phoenix	4.5%	4.4%	↓
Charleston (SC)	4.1%	4.1%	—
Atlanta	4.3%	4.1%	↓
Los Angeles	3.9%	3.9%	—
Las Vegas	3.9%	3.9%	—
Columbus (OH)	3.6%	3.6%	—
New York	3.4%	3.4%	—
San Francisco	3.2%	3.2%	—
Houston	3.1%	3.2%	↑
Seattle	3.5%	3.1%	↓
Nashville	2.3%	3.1%	↑
Dallas-Ft Worth	2.9%	2.9%	—
Austin	2.6%	2.6%	—
Portland	3.2%	2.6%	↓
Washington DC	2.4%	2.4%	—
Inland Empire	2.3%	2.3%	—
San Diego	2.0%	2.0%	—
Raleigh-Durham	1.6%	1.6%	—
Denver	1.5%	1.5%	—
Minneapolis	1.1%	1.1%	—
Chicago	1.0%	1.0%	—
San Jose	1.7%	0.6%	↓



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Source: Yardi Matrix. Data as of May 8, 2024

Monthly Rate Recap

Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	April 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	\$16.35	-4.4%	-5.0%	-5.7%	-3.7%	-4.2%	-3.2%	-3.9%
New York	\$33.69	-1.3%	-1.3%	0.2%	-1.3%	-1.9%	-1.7%	-1.3%
Denver	\$16.72	-2.0%	-2.7%	-2.6%	-1.9%	-1.2%	-2.2%	-3.7%
Seattle	\$21.45	-2.7%	-3.5%	-3.5%	-2.6%	-1.9%	-2.2%	-1.2%
Houston	\$12.77	-3.2%	-4.0%	-4.1%	-3.1%	-2.6%	-3.2%	-2.0%
Nashville	\$15.53	-3.4%	-3.5%	-4.0%	-3.8%	-3.4%	-3.3%	-4.3%
Minneapolis	\$13.24	-3.6%	-4.6%	-4.1%	-2.9%	-4.4%	-2.7%	-2.1%
Washington DC	\$19.45	-3.6%	-3.3%	-4.9%	-3.3%	-3.1%	-1.4%	-3.3%
San Diego	\$24.36	-3.7%	-4.8%	-7.1%	-2.3%	-7.3%	-2.9%	-2.0%
Sacramento	\$17.45	-3.9%	-5.0%	-4.1%	-4.2%	-1.8%	-1.9%	-1.2%
San Francisco	\$26.67	-3.9%	-4.8%	-3.9%	-3.4%	-2.6%	-3.1%	-2.9%
Portland	\$17.41	-4.2%	-5.5%	-3.9%	-3.5%	-3.2%	-2.9%	-3.6%
Las Vegas	\$15.21	-4.3%	-8.8%	-3.7%	-4.2%	-1.9%	-3.3%	-3.5%
Charlotte	\$13.43	-4.7%	-4.9%	-6.4%	-4.3%	-5.3%	-3.3%	-3.6%
Los Angeles	\$28.24	-5.0%	-6.1%	-5.5%	-4.3%	-2.2%	-2.5%	-3.7%
Austin	\$14.12	-5.0%	-4.7%	-7.5%	-3.7%	-5.4%	-4.4%	-4.1%
Chicago	\$14.52	-5.1%	-6.2%	-6.7%	-3.2%	-4.7%	-3.1%	-5.9%
San Antonio	\$14.00	-5.1%	-5.4%	-5.9%	-4.9%	-5.2%	-4.1%	-3.0%
Raleigh–Durham	\$13.13	-5.2%	-5.0%	-7.4%	-3.6%	-5.1%	-3.3%	-3.7%
Columbus (OH)	\$12.04	-5.2%	-6.2%	-4.5%	-5.7%	-3.9%	-3.1%	-3.1%
Boston	\$19.49	-5.2%	-6.7%	-6.3%	-5.0%	-4.8%	-4.0%	-4.8%
San Jose	\$23.14	-5.3%	-7.0%	-6.4%	-3.9%	-4.2%	-4.1%	-4.8%
Dallas–Ft. Worth	\$13.46	-5.5%	-6.2%	-6.9%	-4.8%	-5.1%	-3.0%	-4.0%
Miami	\$21.27	-6.1%	-9.9%	-6.7%	-6.9%	-4.0%	-4.5%	-5.6%
Charleston (SC)	\$14.78	-6.5%	-4.7%	-10.2%	-4.5%	-8.0%	-6.1%	-4.2%
Tampa	\$15.64	-6.6%	-7.3%	-8.6%	-5.4%	-6.3%	-5.9%	-6.2%
Inland Empire	\$17.21	-6.6%	-8.3%	-5.9%	-6.4%	-4.6%	-6.5%	-4.5%
Orlando	\$15.47	-6.7%	-7.7%	-7.9%	-5.6%	-6.2%	-5.8%	-6.6%
Philadelphia	\$16.64	-6.8%	-8.6%	-7.8%	-6.4%	-5.7%	-5.1%	-5.8%
Phoenix	\$15.48	-7.2%	-7.2%	-10.0%	-5.6%	-7.4%	-5.0%	-7.4%
Atlanta	\$13.77	-7.4%	-8.4%	-9.1%	-6.6%	-6.8%	-5.6%	-6.1%

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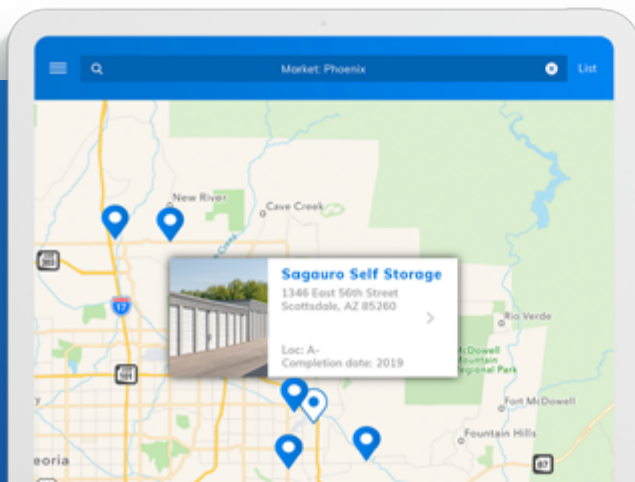
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