Yardi Matrix

National Self Storage Report

July 2024

Self Storage Supply and Rent Recap

2024 seasonal storage demand returns, but muted

- Yardi Matrix attended the Illinois SSA Great Lakes Summit in Chicago on June 25. It saw record attendance this year, with most of the region's major owners and operators in attendance. Although rent trends and occupancy are returning to more normal, seasonal patterns, progress has been slow, as storage demand is well below prior years and new deliveries have leveled off instead of dropping noticeably. As interest rates remain stubbornly high, transaction volume continues to be muted, with cap rates in the 5.5% to 7%+ range due to persistently high interest rates, discouraging would-be sellers. There are a handful of markets doing better than the rest, including more urban locations such as New York, Chicago and Washington, D.C., as well as those with very little recently delivered supply like Denver and Nashville. However, all markets are experiencing year-over-year declines in advertised rates.

Annual performance of advertised rates decelerates further nationwide

- Year-over-year advertised rate growth on a national level decelerated in June. The annualized average for advertised rates, formerly referred to as street rates, per square foot was $16.45 for the combined mix of unit sizes and types. This is a 4.9% same-store decrease compared to the national average of $17.41 recorded in June 2023 and a deterioration from the prior six months.

- Advertised 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 -1.5% in New York down to -10.5% in Atlanta.

- Nationally, Yardi Matrix tracks a total of 3,370 self storage properties in various stages of development, including 858 under construction, 2,011 planned and 501 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.6% of existing stock through the end of June, unchanged from May.

- Yardi Matrix also maintains operational profiles for 31,451 completed self storage facilities in the U.S., bringing the total data set to 34,821. We are happy to announce the release of our new Charleston-Huntington storage market, as well as the expansion of two of our existing storage markets—Albany and Tulsa—all of which are now available to Yardi Matrix customers on the subscriber portal.

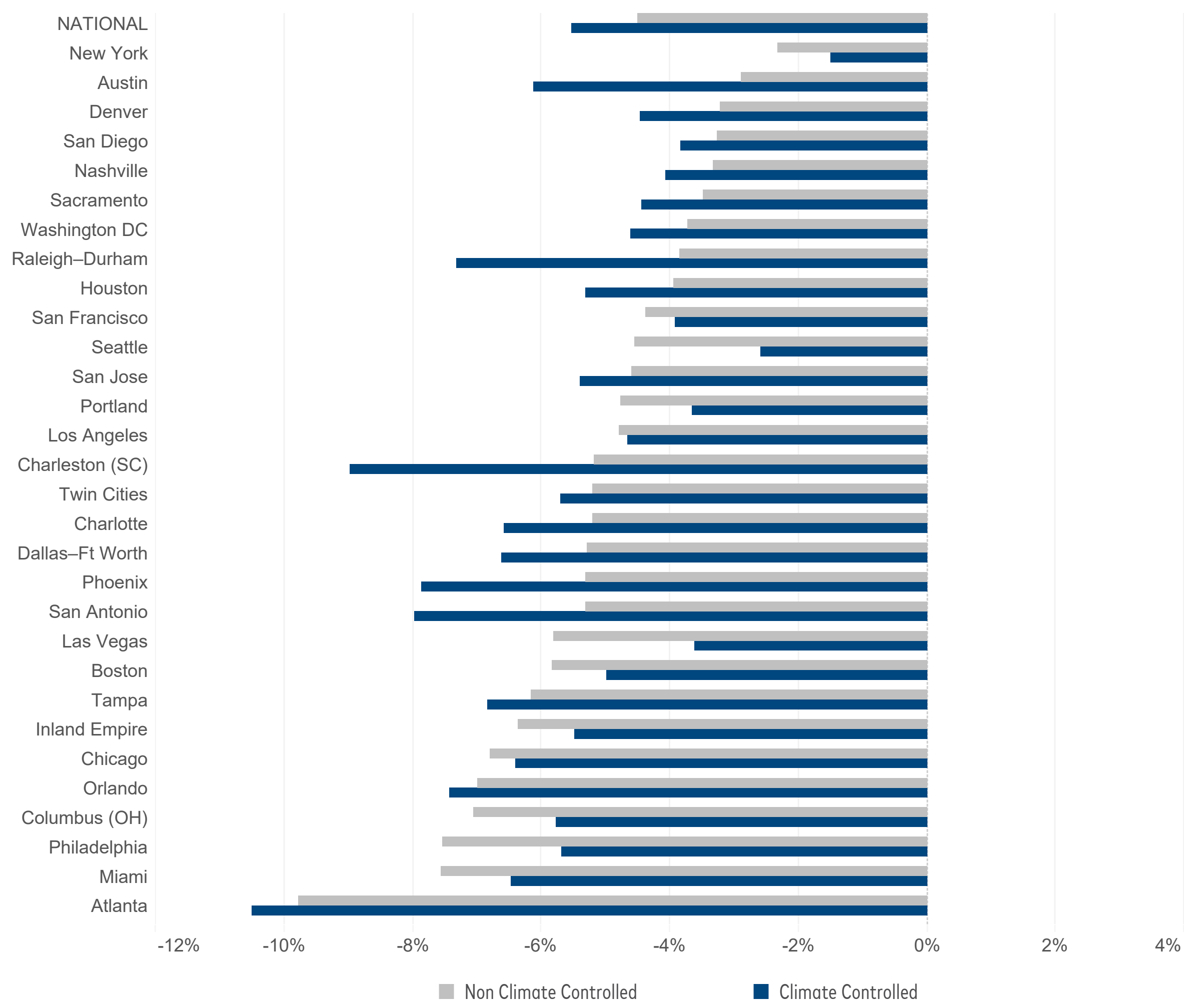
Street Rate Growth Update

Pressure on year-over-year advertised street rates varies across unit type and size

- Advertised rate declines year-over-year worsened through the first half of the year. Same-store advertised rates for main-size NCC units nationwide decreased 4.5% year-over-year in June, down from -4.0% in April. Rates for CC units are facing more pressure on an annual basis, and growth in same-store declined 5.5% in June compared to 2023, 80 basis points lower than the -4.7% averaged thus far in 2024. Smaller-size unit rates (5x5 and 5x10) were weaker than large units (10x20 and 10x30) in nearly every market. Year-over-year, national rates for small units were down 5.7% (NCC) and 6.3% (CC) vs. large units down 3.1% (NCC) and 4.3% (CC). Developers tend to prefer to build smaller and CC units but saturated the market, pushing down advertised rates for these unit types.

- The self storage REITs continue to lead rate declines, with advertised rents at stabilized properties down 7.4% annually vs. 3.7% for their non-REIT competitors in the same markets nationwide.

June 2024 Year-Over-Year Rent Change for Main Unit Sizes



*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 July 9, 2024

Monthly Sequential Rents

Advertised rates rise month-over-month, but typical seasonality is muted

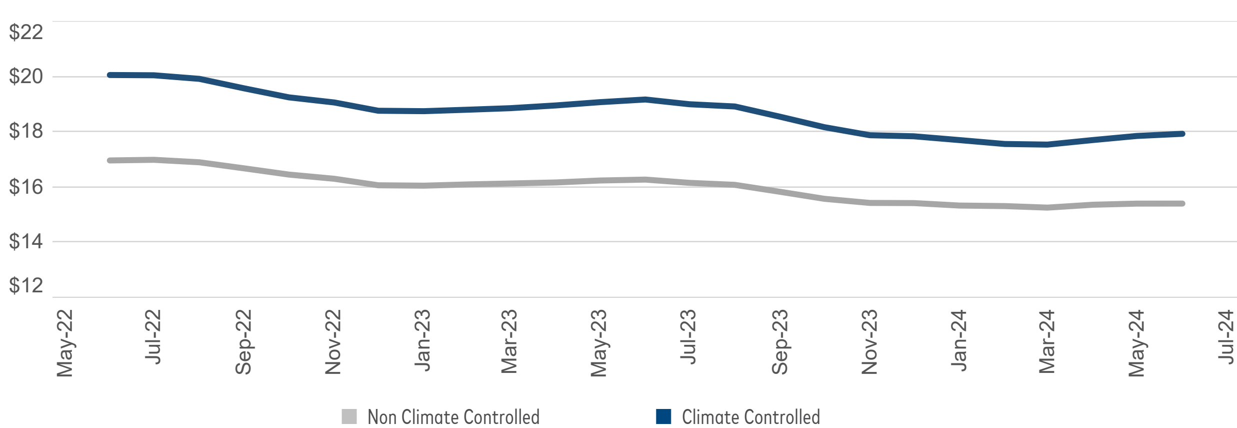
- From May to June, national advertised street rates per square foot increased 0.2% to $16.45 for the combined mix of unit types and sizes. Despite sequential increases in advertised rates over the last three months, following typical seasonality, the growth is muted and below previous years. The 0.2% increase in advertised rates is a bit disappointing compared to 0.4% in June last year and the 0.8% average in pre-pandemic years (2017 to 2019). As a result, year-to-date advertised rates for main unit types are not up as much as in 2023, rising only 0.3% from December to June, compared to 1.9% over the same period last year.

- In June, storage REITs only pushed rates slightly more than their non-REIT competitors, increasing advertised rates 0.4% month-over-month. This year's seasonality in advertised rates for REITs is also not as strong as it typically is, falling below the 0.6% uptick recorded from May to June in 2023.

Metro	May-24 Average Street Rate PSF ($)	Jun-24 Average Street Rate PSF ($)	Month-over-Month Change (%)	Change
NATIONAL	$16.42	$16.45	0.2%	↑
Boston	$19.70	$20.01	1.5%	↑
New York	$34.06	$34.49	1.3%	↑
Austin	$14.39	$14.51	0.8%	↑
Washington DC	$19.78	$19.93	0.7%	↑
Chicago	$14.69	$14.79	0.7%	↑
San Jose	$23.30	$23.46	0.6%	↑
Raleigh-Durham	$13.24	$13.31	0.5%	↑
Tampa	$15.72	$15.79	0.5%	↑
Denver	$16.91	$16.98	0.4%	↑
Philadelphia	$16.88	$16.94	0.4%	↑
Dallas-Ft Worth	$13.52	$13.56	0.3%	↑
Los Angeles	$28.45	$28.54	0.3%	↑
Charleston (SC)	$14.83	$14.88	0.3%	↑
Houston	$12.87	$12.90	0.2%	↑
Phoenix	$15.65	$15.69	0.2%	↑
Charlotte	$13.52	$13.54	0.2%	↑
Inland Empire	$17.30	$17.33	0.1%	↑
San Diego	$24.62	$24.65	0.1%	↑
Nashville	$15.84	$15.85	0.1%	↑
Columbus (OH)	$12.29	$12.29	0.0%	–
San Antonio	$13.97	$13.97	0.0%	–
Miami	$21.35	$21.35	0.0%	–
Minneapolis	$13.23	$13.21	-0.1%	↓
Las Vegas	$15.28	$15.27	-0.1%	↓
San Francisco	$26.79	$26.75	-0.1%	↓
Sacramento	$17.56	$17.50	-0.3%	↓
Orlando	$15.47	$15.41	-0.4%	↓
Portland	$17.33	$17.27	-0.4%	↓
Atlanta	$13.67	$13.60	-0.5%	↓
Seattle	$21.58	$21.29	-1.3%	↓

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

National Average Street Rates PSF for Main Unit Types



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*Drawn from our national database of 31,451 completed stores

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

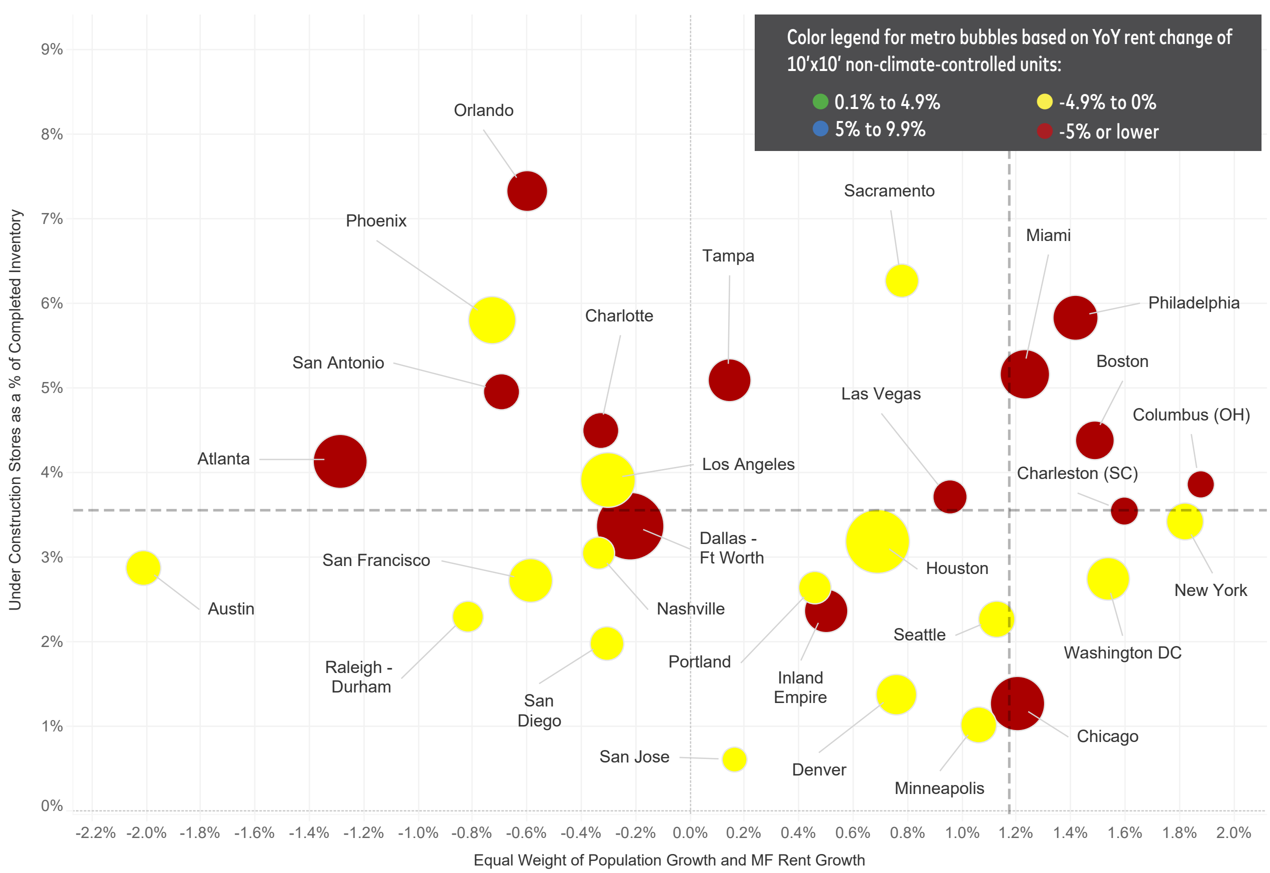
Street Rates and New Supply

Urban metros see healthy storage and multifamily rent performance

- A number of the urban top metros are seeing healthy advertised rent performance across their storage and multifamily markets. Specifically, urban markets with more apartment dwellers, who are more likely to follow seasonal trends, benefiting demand for both property sectors. Urban metros including Boston, New York, Washington, D.C., Chicago and San Jose saw the highest month-over-month increases in advertised street rates for main unit types and sizes combined in June. These five markets also saw some of the strongest growth in multifamily advertised asking rents year-over-year.

- Despite Boston being faced with a lot of new supply, storage rates seem to be doing relatively well, aided by the metro's low inventory of 5.1 NRSF per capita. The metro led monthly storage rate gains in June, with an increase of 1.5% for same-store combined advertised street rates. Boston is also seeing strong seasonal patterns in apartment rents, with multifamily advertised asking rates increasing 2.9% year-over-year in June, outpacing nearly all the other top metros.

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)



Sources: Yardi Matrix; U.S. Census Bureau. Data as of July 09, 2024

Lease-Up Supply

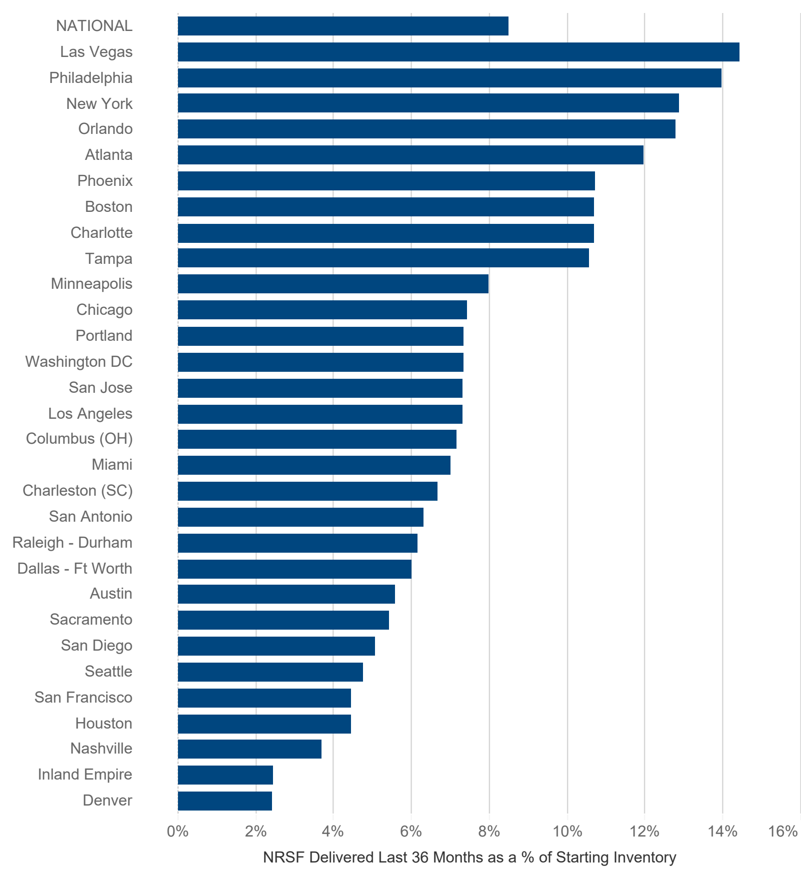
Healthier home sales help Las Vegas' advertised street rate performance

- Nationally, the amount of new supply delivered over the past three years is equal to 8.5% of starting inventory, while deliveries over the trailing 12 months account for 2.8% of the inventory that existed in June 2023. Three-year supply, a proxy for inventory in lease-up, has been gradually declining nationwide over the past few years, from 9.3% in June 2023 and 12.1% in June 2021.

- Las Vegas surpassed Philadelphia as the metro with the most supply in lease-up, with deliveries over the last three years equal to 14.4% of starting inventory. However, the metro's advertised rates have held up relatively well, and same-store rates for main unit sizes and types performed better than half of the other top metros year-over-year at -4.9%. In addition to slowing deliveries and lease-up supply dropping 120 basis points over the past year, demand from Las Vegas' rebounding housing market seems to be helping digest the supply growth. Home sales as a percent of households are up 1.3% year-over-year in Las Vegas, among the largest increases in activity across the top 100 MSAs.

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%	2.8%	-4.9%
Las Vegas	14.4%	6.1%	-4.9%
Philadelphia	14.0%	4.1%	-6.7%
New York	12.9%	3.2%	-1.9%
Orlando	12.8%	4.7%	-7.2%
Atlanta	12.0%	4.8%	-10.2%
Phoenix	10.7%	2.4%	-6.5%
Boston	10.7%	4.1%	-5.4%
Charlotte	10.7%	4.8%	-5.8%
Tampa	10.6%	4.3%	-6.4%
Minneapolis	8.0%	2.7%	-5.4%
Chicago	7.4%	2.0%	-6.6%
Portland	7.3%	1.2%	-4.5%
Washington DC	7.3%	2.2%	-4.2%
San Jose	7.3%	1.1%	-4.7%
Los Angeles	7.3%	3.3%	-4.8%
Columbus (OH)	7.1%	1.8%	-6.6%
Miami	7.0%	1.9%	-6.7%
Charleston (SC)	6.7%	3.0%	-7.4%
San Antonio	6.3%	1.1%	-6.6%
Raleigh-Durham	6.1%	0.7%	-5.6%
Dallas-Ft Worth	6.0%	1.7%	-5.9%
Austin	5.6%	2.3%	-4.7%
Sacramento	5.4%	2.5%	-3.6%
San Diego	5.1%	1.8%	-3.4%
Seattle	4.7%	2.1%	-3.8%
San Francisco	4.4%	1.1%	-4.3%
Houston	4.4%	2.0%	-4.6%
Nashville	3.7%	1.0%	-3.6%
Inland Empire	2.4%	0.2%	-6.2%
Denver	2.4%	0.5%	-3.7%



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*Drawn from our national database of 34,821 stores, including 3,370 projects in the new supply pipeline as well as 31,451 completed stores

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

New Supply Update

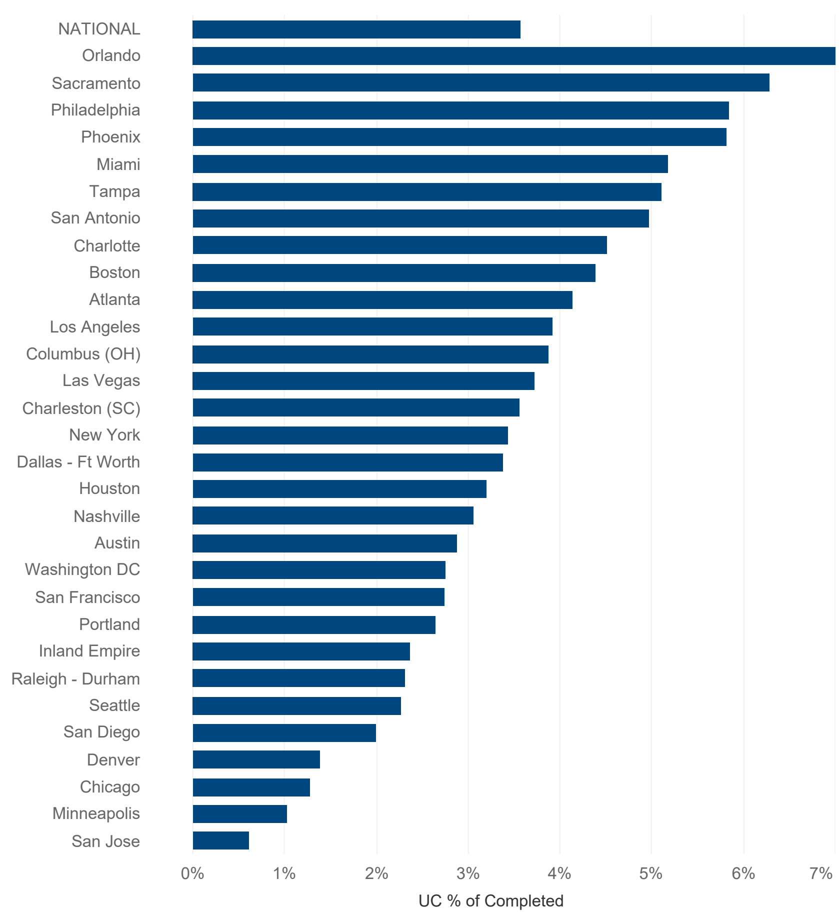
Under construction activity steady, despite increase in abandoned projects

- The pipeline of new supply currently under construction across the U.S. remained firm month-over-month. With slightly more than 76.8 million net rentable square feet under construction, the national pipeline accounted for 3.6% of existing inventory through the end of June. Despite a substantial 88 storage projects being abandoned in various stages of the development process over the month, the amount of supply under construction remains steady, as abandonments tend to be in the earlier pre-construction phases—planning and prospective.

- While New York's construction pipeline has remained steady at 3.4% of existing stock over the past four months, it has continued to shrink after growing to a record 11.3% of available inventory at the end of 2021. The metro's supply pipeline has been tapering after legislative changes in 2020 that removed self storage's eligibility for the ICAP tax incentive program. This has caused new developments to be much less economically feasible, especially in the Outer Boroughs, where advertised rates are lower. The majority of new supply delivered in the metro area over the past two years has been in Manhattan, where rates are highest and development is more feasible, without the tax abatement.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Jun-24	Jul-24	Change
NATIONAL	3.6%	3.6%	—
Orlando	7.3%	7.3%	—
Sacramento	6.3%	6.3%	—
Philadelphia	5.8%	5.8%	—
Phoenix	5.2%	5.8%	↑
Miami	5.2%	5.2%	—
Tampa	5.4%	5.1%	↓
San Antonio	5.4%	5.0%	↓
Charlotte	4.5%	4.5%	—
Boston	5.1%	4.4%	↓
Atlanta	4.2%	4.1%	↓
Los Angeles	4.2%	3.9%	↓
Columbus (OH)	3.4%	3.9%	↑
Las Vegas	4.2%	3.7%	↓
Charleston (SC)	3.6%	3.6%	—
New York	3.4%	3.4%	—
Dallas-Ft Worth	3.3%	3.4%	↑
Houston	3.2%	3.2%	—
Nashville	3.1%	3.1%	—
Austin	2.9%	2.9%	—
Washington DC	2.7%	2.8%	↑
San Francisco	3.0%	2.7%	↓
Portland	3.0%	2.6%	↓
Inland Empire	2.4%	2.4%	—
Raleigh-Durham	2.1%	2.3%	↑
Seattle	3.0%	2.3%	↓
San Diego	2.0%	2.0%	—
Denver	1.4%	1.4%	—
Chicago	1.2%	1.3%	↑
Minneapolis	1.0%	1.0%	↑
San Jose	0.6%	0.6%	—



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

Monthly Rate Recap

Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	Jun 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	$16.45	-4.9%	-5.7%	-6.3%	**-4.0%**	**-4.8%**	-3.1%	-4.3%
New York	$34.49	-1.9%	-2.3%	-0.7%	**-1.8%**	**-1.6%**	-2.6%	-5.2%
San Diego	$24.65	-3.4%	-5.1%	-3.8%	**-1.7%**	**-4.1%**	-0.8%	-3.7%
Sacramento	$17.50	-3.6%	-4.5%	-5.9%	**-2.9%**	**-3.0%**	-1.7%	-2.5%
Nashville	$15.85	-3.6%	-4.1%	-4.9%	**-3.3%**	**-3.4%**	-2.5%	-3.1%
Denver	$16.98	-3.7%	-3.6%	-5.0%	**-3.5%**	**-3.8%**	-2.4%	-3.9%
Seattle	$21.30	-3.8%	-5.4%	-3.0%	**-4.0%**	**-2.4%**	-3.5%	-1.6%
Washington DC	$19.93	-4.2%	-4.0%	-5.3%	**-3.8%**	**-3.9%**	-3.2%	-3.6%
San Francisco	$26.75	-4.3%	-5.9%	-4.8%	**-3.4%**	**-2.7%**	-2.4%	-2.5%
Portland	$17.27	-4.5%	-5.9%	-3.9%	**-4.0%**	**-3.8%**	-3.4%	-2.7%
Houston	$12.90	-4.6%	-4.8%	-6.4%	**-3.6%**	**-4.8%**	-3.3%	-3.8%
San Jose	$23.46	-4.7%	-5.6%	-5.4%	**-3.8%**	**-4.7%**	-4.0%	-6.4%
Austin	$14.51	-4.7%	-4.9%	-8.4%	**-2.6%**	**-4.9%**	-0.5%	-2.2%
Los Angeles	$28.54	-4.8%	-6.0%	-5.5%	**-3.9%**	**-3.2%**	-3.0%	-3.5%
Las Vegas	$15.27	-4.9%	-8.7%	-4.7%	**-4.6%**	**-2.5%**	-2.4%	-1.2%
Minneapolis	$13.21	-5.4%	-6.8%	-6.5%	**-4.0%**	**-6.1%**	-4.0%	-3.8%
Boston	$20.01	-5.4%	-7.4%	-6.2%	**-5.2%**	**-3.8%**	-3.7%	-3.4%
Raleigh–Durham	$13.31	-5.6%	-5.2%	-8.3%	**-3.0%**	**-6.4%**	-3.2%	-5.3%
Charlotte	$13.54	-5.8%	-6.5%	-7.9%	**-4.9%**	**-5.6%**	-3.8%	-4.9%
Dallas–Ft Worth	$13.56	-5.9%	-6.6%	-7.7%	**-5.0%**	**-5.8%**	-3.5%	-5.1%
Inland Empire	$17.33	-6.2%	-8.3%	-5.7%	**-5.5%**	**-4.7%**	-3.1%	-6.4%
Tampa	$15.79	-6.4%	-8.1%	-8.0%	**-5.5%**	**-6.1%**	-3.9%	-4.6%
Phoenix	$15.69	-6.5%	-6.9%	-8.9%	**-4.5%**	**-6.9%**	-3.1%	-6.3%
San Antonio	$13.97	-6.6%	-5.6%	-9.2%	**-5.6%**	**-7.1%**	-4.7%	-5.9%
Chicago	$14.79	-6.6%	-8.9%	-7.8%	**-5.5%**	**-5.2%**	-4.9%	-5.1%
Columbus (OH)	$12.29	-6.6%	-8.6%	-6.4%	**-6.0%**	**-5.6%**	-5.3%	-3.3%
Philadelphia	$16.94	-6.7%	-10.0%	-6.4%	**-6.4%**	**-5.1%**	-3.7%	-5.2%
Miami	$21.35	-6.7%	-9.7%	-7.7%	**-6.2%**	**-5.5%**	-5.2%	-4.0%
Orlando	$15.41	-7.2%	-8.6%	-8.4%	**-6.4%**	**-6.5%**	-4.9%	-5.8%
Charleston (SC)	$14.88	-7.4%	-6.2%	-11.1%	**-5.4%**	**-8.2%**	-3.7%	-5.4%
Atlanta	$13.60	-10.2%	-11.6%	-12.1%	**-9.3%**	**-9.5%**	-7.5%	-7.9%

*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
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Source: Yardi Matrix. Data as of July 9, 2024

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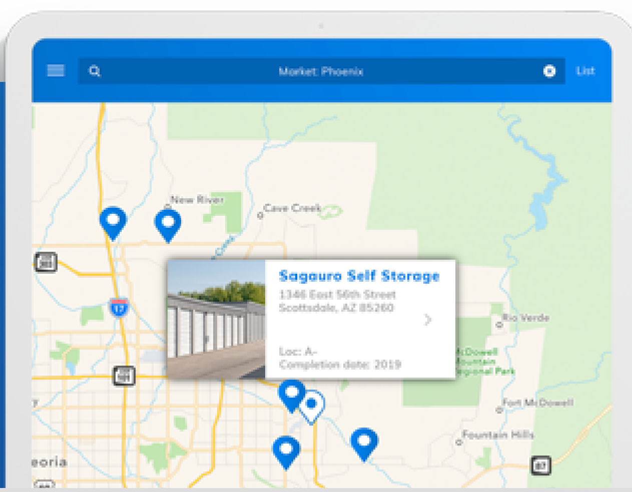
SELF STORAGE KEY FEATURES

- 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.

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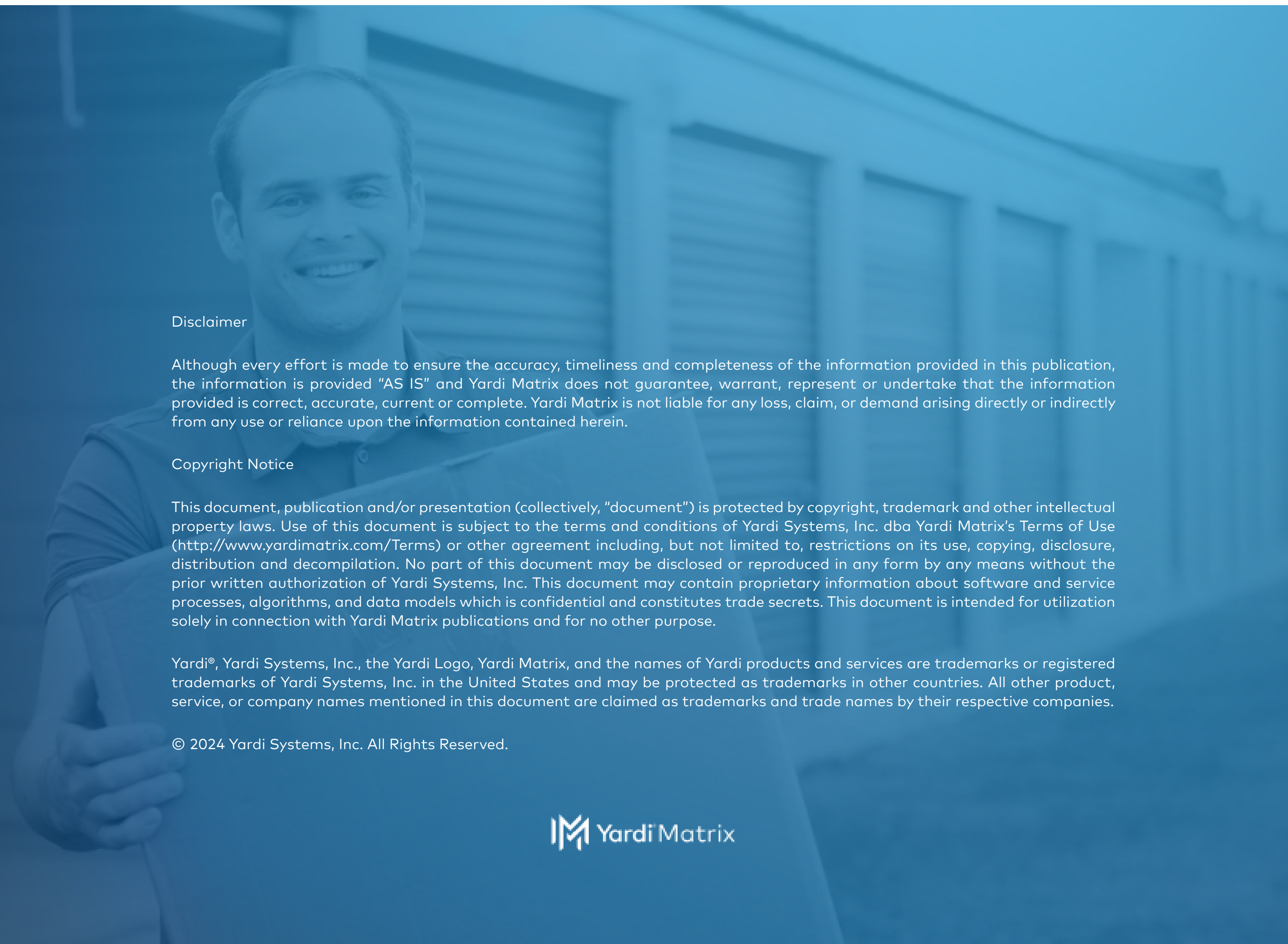

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