



Yardi Matrix

# National Self Storage Report

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August 2024



# Self Storage Supply and Rent Recap

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## Self storage growth decelerates in second quarter

- Second quarter 2024 REIT results show growth in the self storage sector continued to decelerate, driven by lower occupancy and persistently lower street rates. Average same-store revenue growth, including Life Storage's same-store pool, was -0.2%, the first time revenue growth was negative since the beginning of the pandemic in Q3 2020. Performance varies by company and market, and many of the markets with the best revenue growth were underperforming just a few years ago—like New York, Denver and Washington, D.C.—while the Sun Belt continues to be a drag on growth, especially in markets with heavy new supply like Cape Coral, Orlando and Atlanta. Lower street rates are impacting realized rents, while occupancy is starting to show signs of bottoming, as average quarter-end occupancy was up year-over-year and four-quarter moving average occupancy flattened in the last two quarters. Advertised rates for the REITs as tracked by Yardi Matrix started their seasonal decline in July, one month earlier than usual, but year-over-year showed improvement from June to July, as there were much lower comparative rates in the second half of 2023.

## Advertised rates continue to decrease year-over-year in all top metros

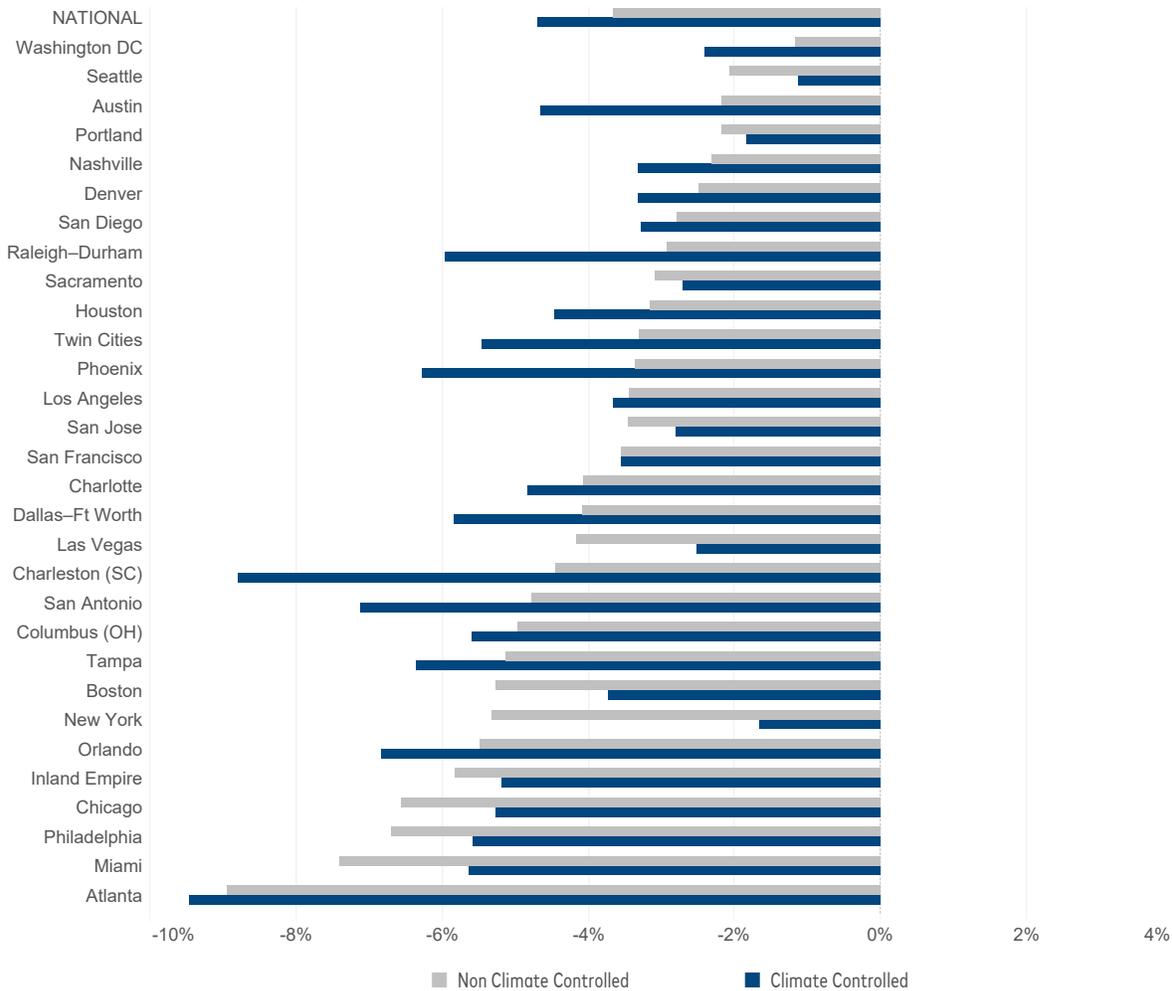
- Advertised rates continued to decline on an annual basis in July nationwide. The annualized average for advertised rates per square foot was \$16.40 for the combined mix of unit sizes and types. This is a 4.1% same-store decrease compared to the national average of \$17.28 recorded in July 2023. However, it marks an improvement from the prior four months.
- Rate growth also continued to be negative year-over-year across Yardi Matrix's top metros, as same-store advertised rates for non-climate-controlled (NCC) and climate-controlled (CC) units decreased year-over-year in all 30 metros.
- Nationally, Yardi Matrix tracks a total of 3,404 self storage properties in various stages of development, including 854 under construction, 2,033 planned and 517 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.5% of existing stock through the end of July.
- Yardi Matrix also maintains operational profiles for 31,722 completed U.S. self storage facilities, bringing the total data set to 35,126. We are happy to announce the release of our new Johnson City, Beaumont-Port Arthur, Appleton-Oshkosh and Davenport storage markets, all of which are now available to Yardi Matrix customers on the subscriber portal.

# Street Rate Growth Update

## Year-over-year declines in advertised rates improve nationwide in July

- Advertised rate declines year-over-year started to improve in July, after worsening through much of the first half of the year. Same-store advertised rates for main-size NCC units nationwide decreased 3.7% year-over-year in July, up from -4.4% in June and -4.1% in May. While same-store advertised rates performed slightly worse for CC units of the same size, falling 4.7% in July compared to 2023, this is an improvement from its second quarter average of -5.1%.
- The self storage REITs continue to be more aggressive on rates, with same-store advertised rents at stabilized properties down 5.3% year-over-year in July versus -3.7% for their non-REIT competitors. However, this is a substantial improvement from June, when advertised rate growth for all REITs was -7.2% year-over-year. After being very aggressive in dropping advertised rates last fall, REITs will likely face easier year-over-year comparative rates throughout the second half of the year.

July 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 August 8, 2024

# Monthly Sequential Rents

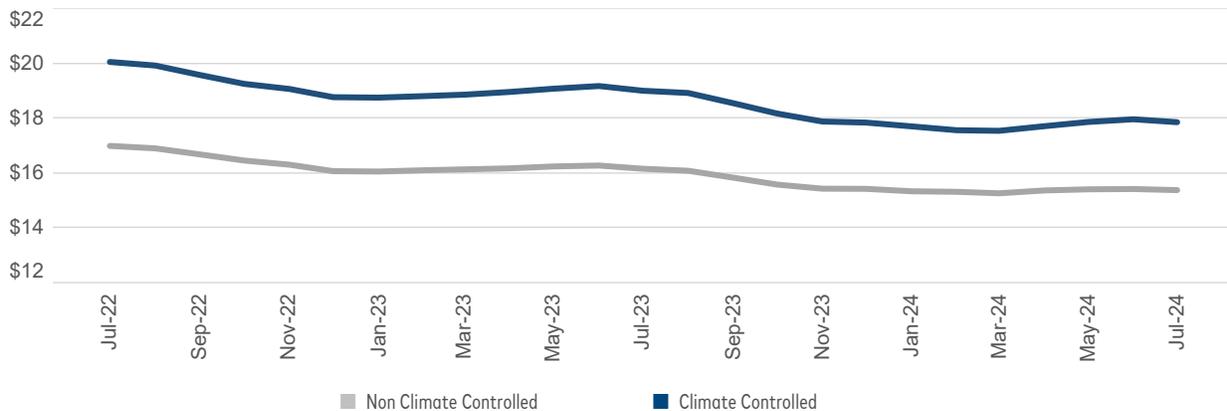
## Twenty-three top metros record negative growth month-over-month in July

- National average combined advertised rates per square foot decreased by 0.4%, or six cents, to \$16.40 in July compared to June. After three consecutive months of increases, following normal seasonal patterns, it appears the busy summer leasing months have come to an end. However, compared to July 2023 (-0.8%), the decrease in sequential advertised rates this year is much more muted.
- Self storage REITs dropped their advertised rates from June to July at only a slightly faster pace than their non-REIT competitors, with same-store growth of -0.5% for combined units. However, this is also less severe than their -1.7% month-over-month decrease recorded last year.
- Two Pacific Northwest metros that have seen a slowdown in lease-up supply led monthly rent gains in July: Seattle (+0.8%) and Portland (+0.7%).

Metro	Jun-24 Average Street Rate PSF (\$)	Jul-24 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.47	\$16.40	-0.4%	↓
Seattle	\$21.33	\$21.50	0.8%	↑
Portland	\$17.29	\$17.41	0.7%	↑
Raleigh-Durham	\$13.35	\$13.43	0.6%	↑
Washington DC	\$19.89	\$19.93	0.2%	↑
San Jose	\$23.49	\$23.52	0.2%	↑
Denver	\$17.02	\$17.04	0.1%	↑
Las Vegas	\$15.36	\$15.37	0.0%	-
Houston	\$12.92	\$12.91	0.0%	-
Columbus (OH)	\$12.30	\$12.29	-0.1%	↓
San Antonio	\$13.90	\$13.89	-0.1%	↓
Sacramento	\$17.51	\$17.49	-0.1%	↓
Nashville	\$15.92	\$15.90	-0.1%	↓
Los Angeles	\$28.57	\$28.53	-0.1%	↓
San Diego	\$24.68	\$24.65	-0.1%	↓
Orlando	\$15.43	\$15.40	-0.2%	↓
Minneapolis	\$13.25	\$13.23	-0.2%	↓
Charlotte	\$13.58	\$13.55	-0.2%	↓
Atlanta	\$13.57	\$13.54	-0.2%	↓
Inland Empire	\$17.36	\$17.31	-0.3%	↓
Chicago	\$14.82	\$14.78	-0.3%	↓
San Francisco	\$26.78	\$26.70	-0.3%	↓
Miami	\$21.37	\$21.26	-0.5%	↓
Boston	\$20.12	\$20.02	-0.5%	↓
Dallas-Ft Worth	\$13.56	\$13.49	-0.5%	↓
Austin	\$14.53	\$14.44	-0.6%	↓
Phoenix	\$15.70	\$15.59	-0.7%	↓
Charleston (SC)	\$14.91	\$14.80	-0.8%	↓
New York	\$34.57	\$34.21	-1.1%	↓
Tampa	\$15.79	\$15.60	-1.2%	↓
Philadelphia	\$16.95	\$16.73	-1.3%	↓

Source: Yardi Matrix. Data as of August 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 31,722 completed stores

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

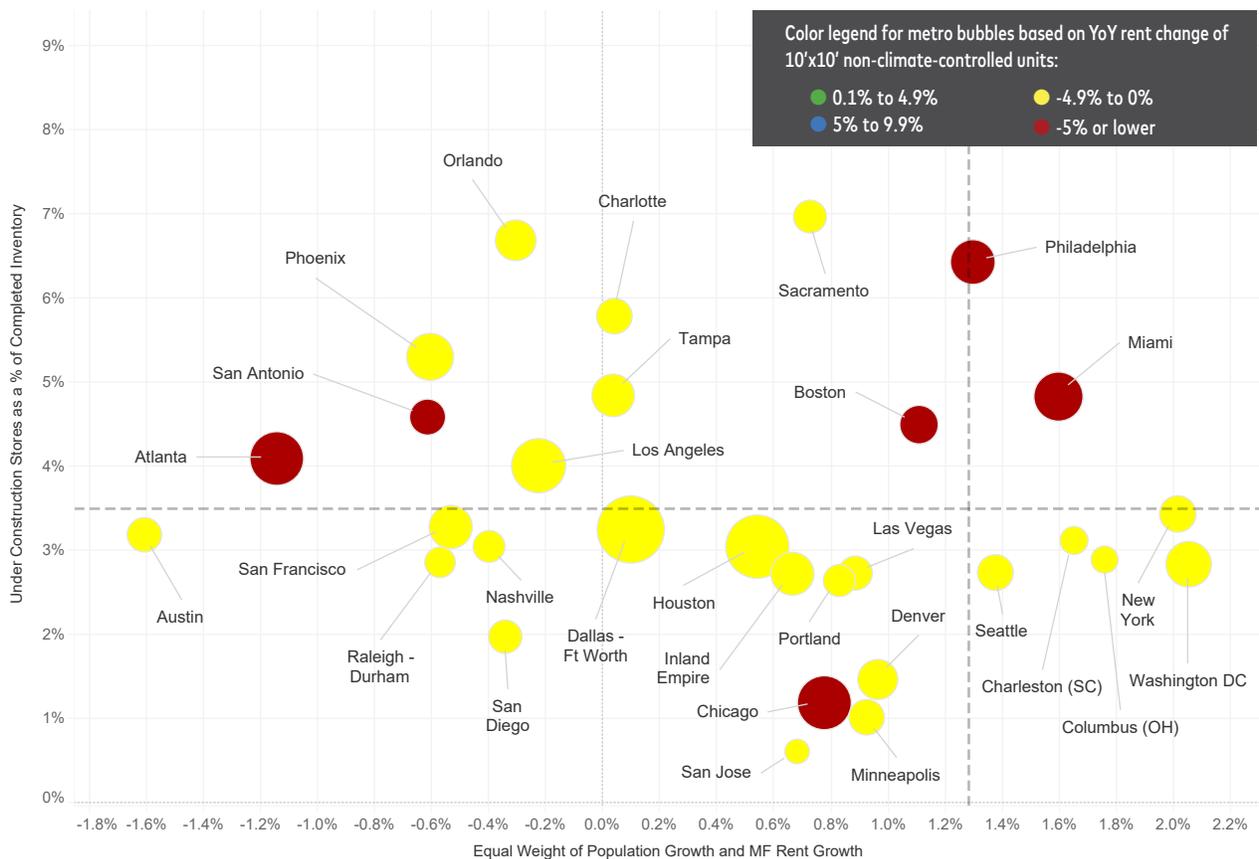
# Street Rates and New Supply

## Several metros see storage and multifamily performance aligning

- A handful of the top metros are seeing strong rent performance across their self storage and multifamily sectors. With a year-over-year increase of 4.0% for multifamily advertised rates, Washington, D.C.'s apartment market outperformed nearly all of the top metros in July. Benefiting from these healthy demand trends, Washington, D.C., storage performance was also among the strongest, and same-store advertised rates only decreased 1.3% year-over-year for popular 10x10 NCC units.
- Conversely, some top metros where advertised rates are performing the worst are also seeing the weakest apartment rent performance. Advertised rates for storage in Atlanta have continued to underperform the other top metros, with same-store asking rates for 10x10 NCC units falling 9.2% between July 2023 and July 2024. Apartment rents in Atlanta were also among the weakest in July, underperforming all 30 metros except Austin, as multifamily advertised asking rates decreased 3.3% year-over-year. Despite increasing population, elevated levels of new supply continue to impact both its storage and multifamily markets.

### 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 August 8, 2024

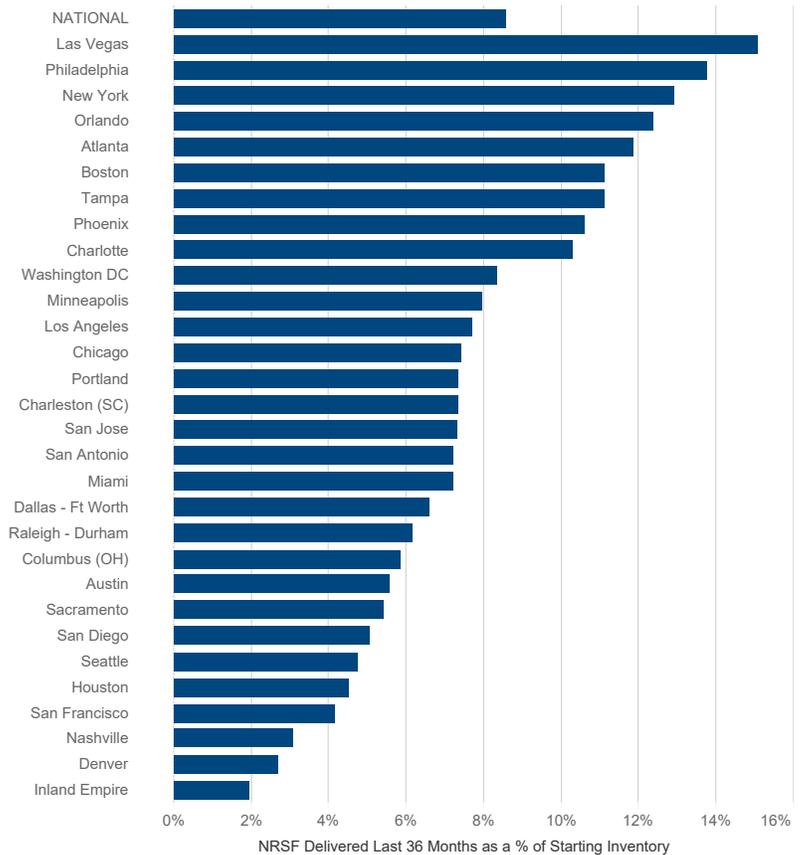
# Lease-Up Supply

## National lease-up supply moderates

- Nationally, the amount of new supply delivered over the past three years is equal to 8.6% of starting inventory, while deliveries over the trailing 12 months account for 2.8% of the inventory that existed in July 2023. Three-year supply, a proxy for inventory in lease-up, has been gradually declining nationwide over the past few years, from 9.2% in July 2023 and 12.0% in July 2021.
- Both Las Vegas and Phoenix are facing large amounts of supply in lease-up, with deliveries over the past three years equal to 15.1% of starting inventory in Las Vegas and 10.6% in Phoenix. However, despite having more supply in lease-up, Las Vegas continues to outperform Phoenix. In Las Vegas, same-store street rates for main unit sizes and types decreased 3.5% year-over-year, while Phoenix saw rates drop 4.8% over this same time period. With one of the greatest increases in home sales as a percent of households in Q2 2024, Las Vegas seems to be benefiting from stronger demand, reducing the downward pressure of lease-up supply on advertised rates.

## 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%	-4.1%
Las Vegas	15.1%	6.2%	-3.5%
Philadelphia	13.7%	3.9%	-6.2%
New York	12.9%	2.4%	-3.3%
Orlando	12.4%	5.2%	-6.2%
Atlanta	11.9%	5.1%	-9.2%
Boston	11.1%	3.8%	-4.6%
Tampa	11.1%	4.8%	-5.8%
Phoenix	10.6%	2.3%	-4.8%
Charlotte	10.3%	4.1%	-4.4%
Washington DC	8.3%	2.7%	-1.8%
Minneapolis	7.9%	2.7%	-4.4%
Los Angeles	7.7%	3.3%	-3.5%
Chicago	7.4%	1.8%	-5.9%
Portland	7.3%	1.2%	-2.1%
Charleston (SC)	7.3%	3.6%	-7.0%
San Jose	7.3%	1.1%	-3.3%
San Antonio	7.2%	1.5%	-5.9%
Miami	7.2%	2.3%	-6.2%
Dallas-Ft Worth	6.6%	2.1%	-4.9%
Raleigh-Durham	6.1%	0.7%	-4.5%
Columbus (OH)	5.8%	1.6%	-5.2%
Austin	5.6%	2.3%	-3.6%
Sacramento	5.4%	2.1%	-3.0%
San Diego	5.1%	1.8%	-2.9%
Seattle	4.7%	2.1%	-1.7%
Houston	4.5%	1.8%	-3.9%
San Francisco	4.1%	1.1%	-3.5%
Nashville	3.1%	0.6%	-2.8%
Denver	2.7%	0.8%	-2.9%
Inland Empire	2.0%	0.3%	-5.7%



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\*Drawn from our national database of 35,126 stores, including 3,404 projects in the new supply pipeline as well as 31,722 completed stores

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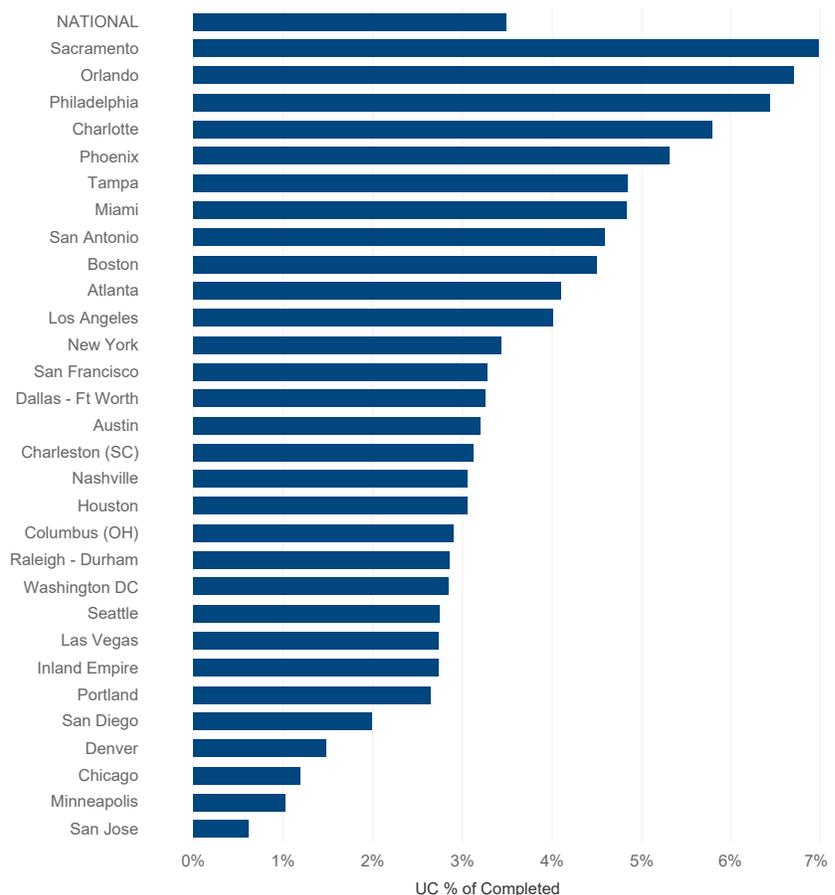
# New Supply Update

## Storage development decelerates

- With 64.6M net rentable square feet (NRSF) under construction, the national pipeline was equal to 3.5% of existing stock through the end of July, shrinking a slight 10 basis points month-over-month.
- In the Q3 2024 update, the Yardi Matrix self storage supply forecast continues to model a contraction in future new supply as our pipeline data continues to indicate a slowdown in new-development interest. Construction starts declined in Q4 2023 and Q1 2024, leading to a relatively flat under-construction pipeline in the first half of 2024. Therefore, new supply is forecast to come in around 3.2% of stock, or 59.6M NRSF, this year. For 2025, new supply moderates to 2.6% of stock, or roughly 50.1M NRSF. As both the planned and prospective pipelines contract due to an increasing number of monthly abandoned projects, new supply is forecast to slow further in 2026–2029 and NRSF delivered will be notably lower than in recent years.
- After seeing an increase in construction activity in July, Sacramento has become the top metro with the largest under-construction pipeline, replacing Orlando, which saw its pipeline contract due to deliveries. Consequently, both metros will likely underperform in the near term.

## Under-Construction Supply by Percentage of Existing Inventory

Metro	Jul-24	Aug-24	Change
NATIONAL	3.6%	3.5%	↓
Sacramento	6.8%	7.0%	↑
Orlando	7.5%	6.7%	↓
Philadelphia	6.2%	6.4%	↑
Charlotte	5.7%	5.8%	↑
Phoenix	5.8%	5.3%	↓
Tampa	5.4%	4.9%	↓
Miami	5.1%	4.8%	↓
San Antonio	4.8%	4.6%	↓
Boston	4.7%	4.5%	↓
Atlanta	4.1%	4.1%	—
Los Angeles	4.2%	4.0%	↓
New York	3.4%	3.4%	—
San Francisco	3.3%	3.3%	—
Dallas-Ft Worth	3.4%	3.3%	↓
Austin	2.8%	3.2%	↑
Charleston (SC)	3.8%	3.1%	↓
Nashville	3.1%	3.1%	—
Houston	3.2%	3.0%	↓
Columbus (OH)	2.9%	2.9%	—
Raleigh-Durham	2.3%	2.9%	↑
Washington DC	2.8%	2.8%	—
Seattle	2.7%	2.7%	—
Las Vegas	3.2%	2.7%	↓
Inland Empire	2.7%	2.7%	—
Portland	2.6%	2.6%	—
San Diego	2.0%	2.0%	—
Denver	1.7%	1.5%	↓
Chicago	1.2%	1.2%	—
Minneapolis	1.0%	1.0%	—
San Jose	0.6%	0.6%	—



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# Monthly Rate Recap

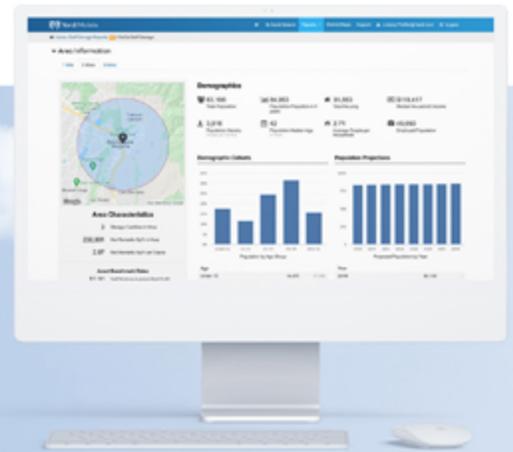
Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	Jul 2024 YoY Rate Performance						
		Main Unit Types (NCC+CC)	Small Units (5x5 & 5x10) NCC	Small Units (5x5 & 5x10) CC	Medium Units (10x10 & 10x15) NCC	Medium Units (10x10 & 10x15) CC	Large Units (10x20 & 10x30) NCC	Large Units (10x20 & 10x30) CC
National	\$16.40	-4.1%	-4.6%	-5.4%	-3.2%	-4.0%	-3.1%	-4.3%
Seattle	\$21.50	-1.7%	-3.1%	-1.3%	-1.4%	-0.8%	-2.6%	-5.2%
Washington DC	\$19.93	-1.8%	-1.7%	-3.0%	-0.8%	-1.8%	-0.8%	-3.7%
Portland	\$17.41	-2.1%	-2.1%	-1.8%	-2.3%	-2.1%	-1.7%	-2.5%
Nashville	\$15.90	-2.8%	-3.2%	-4.1%	-1.6%	-3.0%	-2.5%	-3.1%
Denver	\$17.04	-2.9%	-3.2%	-4.2%	-2.2%	-2.4%	-2.4%	-3.9%
San Diego	\$24.65	-2.9%	-4.3%	-3.8%	-1.4%	-2.0%	-3.5%	-1.6%
Sacramento	\$17.49	-3.0%	-4.6%	-4.1%	-1.8%	-1.3%	-3.2%	-3.6%
New York	\$34.21	-3.3%	-6.0%	-1.4%	-3.9%	-1.2%	-2.4%	-2.5%
San Jose	\$23.52	-3.3%	-4.2%	-2.3%	-2.6%	-0.8%	-3.4%	-2.7%
Los Angeles	\$28.53	-3.5%	-4.6%	-4.3%	-2.7%	-2.1%	-3.3%	-3.8%
Las Vegas	\$15.37	-3.5%	-6.8%	-3.5%	-2.9%	-1.5%	-4.0%	-6.4%
San Francisco	\$26.70	-3.5%	-4.4%	-4.4%	-2.9%	-2.6%	-0.5%	-2.2%
Austin	\$14.44	-3.6%	-3.8%	-6.4%	-1.8%	-3.9%	-3.0%	-3.5%
Houston	\$12.91	-3.9%	-4.1%	-5.4%	-2.9%	-4.0%	-2.4%	-1.2%
Charlotte	\$13.55	-4.4%	-5.4%	-5.4%	-3.9%	-4.4%	-4.0%	-3.8%
Minneapolis	\$13.23	-4.4%	-4.2%	-6.8%	-3.0%	-5.1%	-3.7%	-3.4%
Raleigh-Durham	\$13.43	-4.5%	-4.5%	-6.9%	-2.2%	-4.8%	-3.2%	-5.3%
Boston	\$20.02	-4.6%	-6.3%	-5.2%	-5.4%	-2.6%	-3.8%	-4.9%
Phoenix	\$15.59	-4.8%	-4.6%	-7.5%	-2.7%	-5.0%	-3.5%	-5.1%
Dallas-Ft Worth	\$13.49	-4.9%	-5.4%	-6.8%	-3.6%	-5.3%	-3.1%	-6.4%
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Tampa	\$15.60	-5.8%	-6.6%	-7.3%	-4.5%	-5.5%	-4.7%	-5.9%
Chicago	\$14.78	-5.9%	-9.1%	-6.3%	-5.0%	-4.3%	-4.9%	-5.1%
San Antonio	\$13.89	-5.9%	-4.9%	-8.1%	-5.0%	-6.4%	-5.3%	-3.3%
Miami	\$21.26	-6.2%	-8.7%	-6.4%	-6.7%	-4.9%	-3.7%	-5.2%
Orlando	\$15.40	-6.2%	-6.8%	-7.5%	-4.5%	-6.1%	-5.2%	-4.0%
Philadelphia	\$16.73	-6.2%	-8.5%	-6.3%	-5.7%	-5.1%	-4.9%	-5.8%
Charleston (SC)	\$14.80	-7.0%	-4.9%	-10.6%	-4.2%	-8.1%	-3.7%	-5.4%
Atlanta	\$13.54	-9.2%	-10.2%	-10.9%	-8.4%	-8.6%	-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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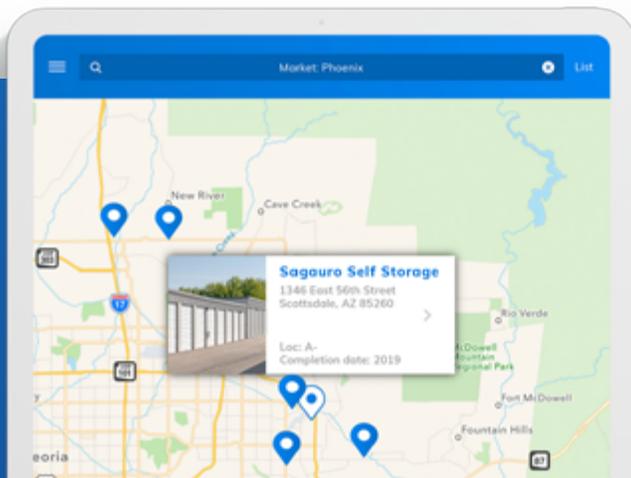
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