



Yardi Matrix

National Self Storage Report

September 2024



Self Storage Supply and Rent Recap

Outlook for storage uncertain in second half of year

- A team from Yardi Matrix attended the SSA Fall 2024 Conference in Las Vegas on September 3-6, and found the atmosphere mixed. Operators are pessimistic about 2024 results, given that the typically busy summer leasing season has been shorter and weaker, while brokers and investors feel confident that deal flow will pick up as performance finds a bottom and interest rates come down. Advertised rental rate declines are fueling uncertainty in underwriting for acquisitions and development, but investor interest remains high and there is an abundance of capital waiting to start or expand self storage portfolios. The bid-ask spread that has kept many on the sidelines has shown little sign of budging, but impending interest rate cuts could help bring cap rates back down from 5.5-6%+. Rental rate declines could moderate over the next few months, after rates dropped aggressively in fall and winter 2022 and 2023, as supply pressures start to ease and existing customer rate increases become less accretive to in-place rent growth, providing motivation to hold the line on street rates.

Advertised rates continue to decline year-over-year

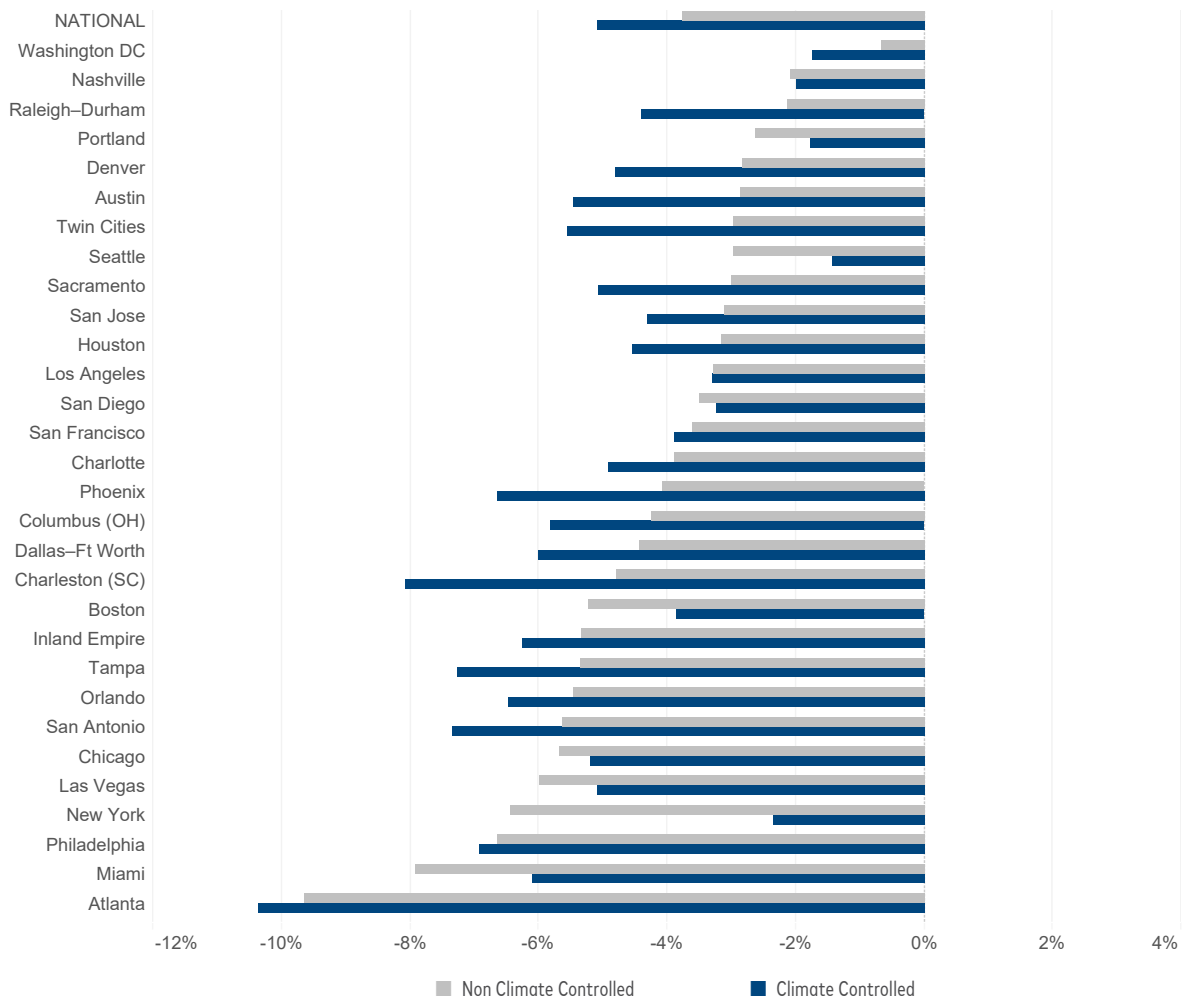
- Following weakened demand and declining occupancy, advertised rate growth continues to be negative. Nationwide, advertised rates were down 4.3% year-over-year in August, with an annualized average per square foot of \$16.31 for the combined mix of unit sizes and types—the 23rd consecutive month of annual declines.
- Advertised rate growth also remains negative year-over-year across Yardi Matrix's top metros. Same-store rates for non-climate-controlled (NCC) and climate-controlled (CC) units decreased in all 30 top metros in August compared to last year, while rates for large units (10x20, 10x30) are doing much better than those for small units (5x5, 5x10) in nearly all metros.
- Nationally, Yardi Matrix tracks a total of 3,408 self storage properties in various stages of development, including 837 under construction, 2,063 planned and 508 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.4% of existing stock through the end of August.
- Yardi Matrix also maintains operational profiles for 32,142 completed self storage facilities in the U.S., bringing the total dataset to 35,550. We are happy to announce our new Evansville, Iowa City, Longview and Peoria storage markets, now available on the subscriber portal.

Street Rate Growth Update

Non-climate-controlled units perform better than climate-controlled

- Same-store advertised rates for combined NCC units nationwide decreased 3.8% year-over-year in August, a slight improvement over the -3.9% average over the first seven months of the year, while same-store advertised rates performed worse for comparable CC units, declining 5.1% year-over-year, a deceleration from an average of -4.7% from January to July. Customers are more likely to rent NCC units when the weather is nicer, likely contributing to the difference in performance between NCC and CC units. In addition, new supply tends to primarily be CC units, which impacts rates.
- The self storage REITs continue to lead rate declines, with advertised rents at stabilized properties down 5.4% annually versus 4.0% for their non-REIT competitors in the same markets nationwide. However, the difference has come in quite a bit compared to August 2023, when REITs' advertised rates decreased 7.4% year-over-year versus their non-REIT competitors at 3.5%.

August 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 September 5, 2024

Monthly Sequential Rents

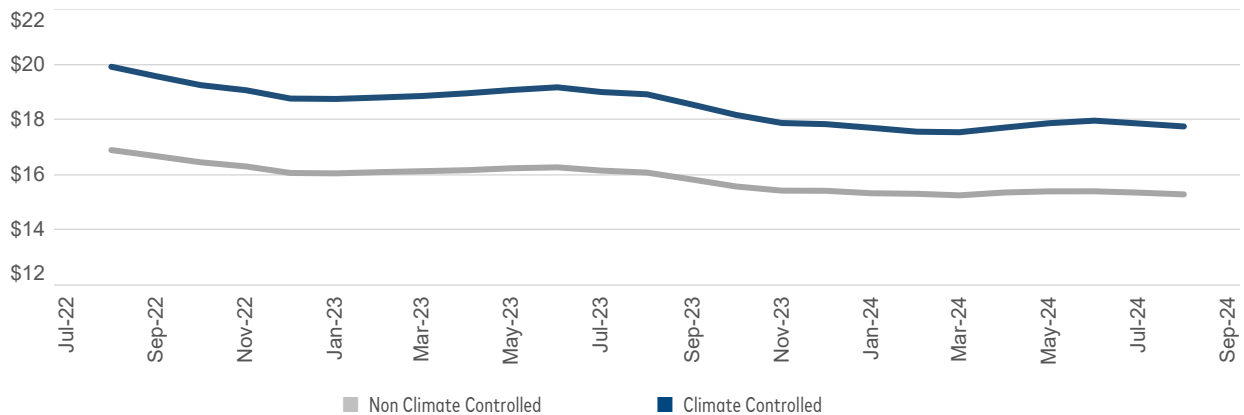
Majority of top 30 metros see negative growth month-over-month in August

- The national average for combined advertised rates per square foot fell 50 basis points, or eight cents, to \$16.31 in August from July. This is the second consecutive month of decreases after the busier summer leasing season came to an earlier-than-anticipated end, and slightly worse than the average 0.3% month-over-month decline in August of 2017-2019.
- The decline in sequential asking rates was also broader-based across markets, with same-store advertised rates dropping month-over-month in 24 of the top 30 Yardi Matrix metros. The remaining six metros saw positive movement in monthly asking rates.
- One of the metros experiencing positive growth in sequential rates was Nashville, which had the second-strongest performance in advertised rates year-over-year. Nashville has seen a rapid reduction in new supply in lease-up over the past three years, which has led to a turnaround in rate growth in the metro.

Metro	Jul-24 Average Street Rate PSF (\$)	Aug-24 Average Street Rate PSF (\$)	Month-over-Month Change (%)	Change
NATIONAL	\$16.39	\$16.31	-0.5%	↓
Columbus (OH)	\$12.34	\$12.39	0.4%	↑
Orlando	\$15.40	\$15.44	0.3%	↑
Houston	\$12.94	\$12.96	0.2%	↑
Raleigh-Durham	\$13.47	\$13.49	0.2%	↑
Nashville	\$16.00	\$16.02	0.1%	↑
Charleston (SC)	\$14.77	\$14.78	0.1%	↑
Boston	\$20.02	\$19.99	-0.1%	↓
Chicago	\$14.82	\$14.80	-0.1%	↓
Austin	\$14.47	\$14.45	-0.2%	↓
Inland Empire	\$17.30	\$17.26	-0.2%	↓
Phoenix	\$15.61	\$15.57	-0.3%	↓
Seattle	\$21.52	\$21.43	-0.4%	↓
Tampa	\$15.60	\$15.53	-0.4%	↓
Los Angeles	\$28.55	\$28.41	-0.5%	↓
Denver	\$17.08	\$16.99	-0.6%	↓
San Francisco	\$26.73	\$26.58	-0.6%	↓
Minneapolis	\$13.24	\$13.16	-0.6%	↓
Portland	\$17.40	\$17.29	-0.7%	↓
Washington DC	\$19.97	\$19.82	-0.7%	↓
Sacramento	\$17.47	\$17.34	-0.8%	↓
San Antonio	\$13.86	\$13.75	-0.8%	↓
New York	\$34.21	\$33.93	-0.8%	↓
Atlanta	\$13.52	\$13.40	-0.9%	↓
Miami	\$21.27	\$21.07	-1.0%	↓
Dallas-Ft Worth	\$13.50	\$13.37	-1.0%	↓
Las Vegas	\$15.39	\$15.24	-1.0%	↓
Charlotte	\$13.55	\$13.41	-1.0%	↓
San Diego	\$24.68	\$24.38	-1.2%	↓
Philadelphia	\$16.70	\$16.48	-1.3%	↓
San Jose	\$23.59	\$23.17	-1.8%	↓

Source: Yardi Matrix. Data as of September 5 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 32,142 completed stores.

Source: Yardi Matrix. Data as of September 5, 2024

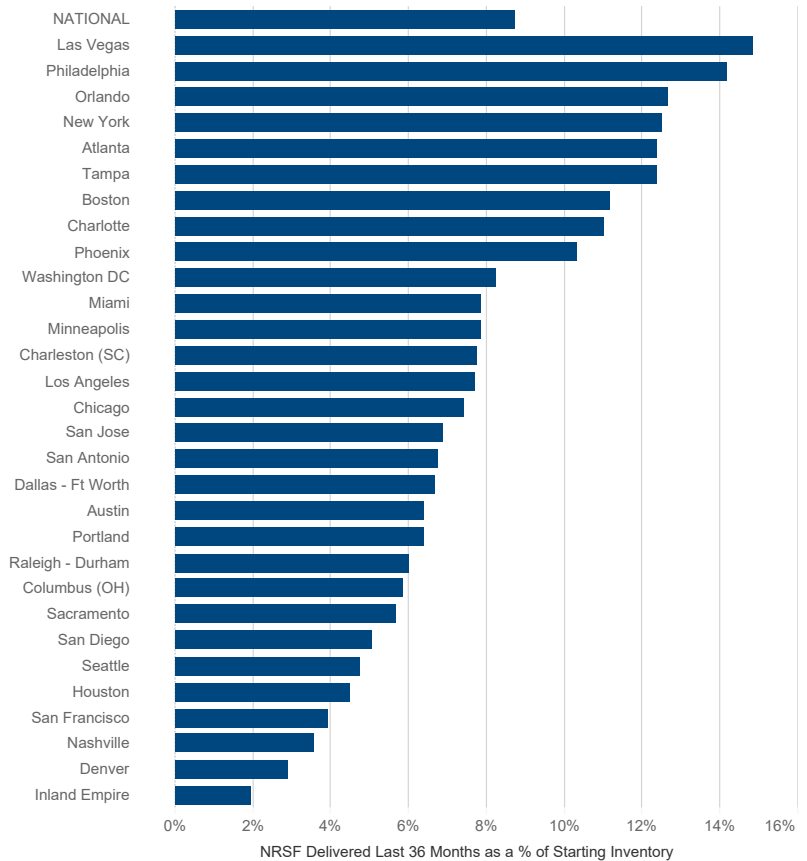
Lease-Up Supply

Lease-up supply drags down street rate growth in Atlanta

- Nationally, the amount of new supply delivered over the past three years is equal to 8.7% of starting inventory, while deliveries over the trailing 12 months account for 2.8% of the inventory that existed in August 2023. Three-year supply, a proxy for inventory in lease-up, has been gradually decreasing over the past few years across the nation, from 9.2% in August 2023 and 10.2% in August 2022.
- Atlanta has been impacted by a large amount of supply in lease-up, with deliveries over the last three years equal to 12.4% of starting inventory. As a result, storage performance in Atlanta has been weak and advertised rates for main unit types and sizes dropped 10.0% year-over-year. The metro has been attracting developer interest following strong performance during the pandemic, and suburban Atlanta has seen over 1.1 million square feet of construction starts thus far in 2024, which will create even more challenges in the future.

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	8.7%	2.8%	-4.3%
Las Vegas	14.8%	5.7%	-5.6%
Philadelphia	14.2%	4.0%	-6.8%
Orlando	12.7%	5.1%	-6.0%
New York	12.5%	1.4%	-4.2%
Atlanta	12.4%	5.1%	-10.0%
Tampa	12.4%	5.8%	-6.4%
Boston	11.2%	3.6%	-4.6%
Charlotte	11.0%	3.7%	-4.4%
Phoenix	10.3%	2.3%	-5.3%
Washington DC	8.2%	2.7%	-1.2%
Miami	7.9%	3.0%	-6.6%
Minneapolis	7.8%	2.4%	-4.3%
Charleston (SC)	7.8%	3.6%	-6.8%
Los Angeles	7.7%	3.3%	-3.3%
Chicago	7.4%	1.3%	-5.4%
San Jose	6.9%	1.7%	-3.3%
San Antonio	6.8%	1.5%	-6.4%
Dallas-Ft Worth	6.7%	2.4%	-5.1%
Austin	6.4%	3.1%	-4.3%
Portland	6.4%	0.8%	-2.4%
Raleigh-Durham	6.0%	0.2%	-3.3%
Columbus (OH)	5.8%	1.6%	-4.8%
Sacramento	5.7%	2.8%	-3.4%
San Diego	5.1%	0.3%	-3.5%
Seattle	4.7%	2.1%	-2.4%
Houston	4.5%	1.9%	-3.9%
San Francisco	3.9%	0.8%	-3.6%
Nashville	3.6%	0.6%	-2.0%
Denver	2.9%	0.8%	-3.6%
Inland Empire	2.0%	0.3%	-5.5%



*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.

*Drawn from our national database of 35,550 stores, including 3,408 projects in the new-supply pipeline as well as 32,142 completed stores.

Source: Yardi Matrix. Data as of September 5, 2024

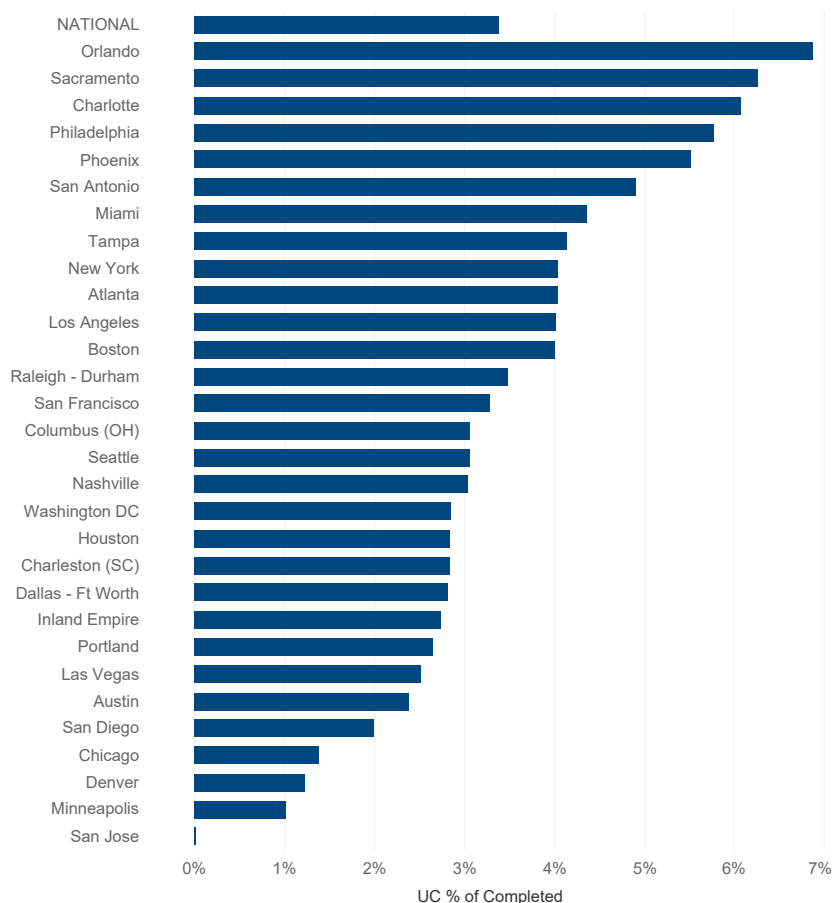
New Supply Update

Construction activity slows

- With 63.3 million net rentable square feet (NRSF) under construction, the national pipeline was equal to 3.4% of existing stock through the end of August, shrinking a small 0.1% month-over-month. Construction starts have slowed only modestly from a recent peak in summer 2023, which means we will continue to see new projects come online in 2024 and 2025. However, despite new supply continuing to move forward, the pace has slowed given the interest rate and rental rate environment, and our recent forecast shows deliveries declining 9.4% in 2024 from 2023.
- Without any construction starts in 2023 or 2024 to backfill recent deliveries, San Jose saw its pipeline of new supply under construction dwindle to 0% of existing stock in August. However, this is a welcome reprieve for the metro and should help the market in the near term. San Jose has dealt with weak demand from out-migration, losing 0.7% of its population in 2022. Consequently, rental rates have struggled across the metro, with advertised rates falling a considerable 180 basis points from July to August for combined unit types and sizes.

Under-Construction Supply by Percentage of Existing Inventory

Metro	Aug-24	Sep-24	Change
NATIONAL	3.5%	3.4%	↓
Orlando	6.9%	6.9%	—
Sacramento	7.0%	6.3%	↓
Charlotte	6.0%	6.1%	↑
Philadelphia	6.2%	5.8%	↓
Phoenix	5.5%	5.5%	—
San Antonio	4.9%	4.9%	—
Miami	4.8%	4.3%	↓
Tampa	4.9%	4.1%	↓
New York	4.0%	4.0%	—
Atlanta	4.2%	4.0%	↓
Los Angeles	4.0%	4.0%	—
Boston	4.3%	4.0%	↓
Raleigh-Durham	2.9%	3.5%	↑
San Francisco	3.3%	3.3%	—
Columbus (OH)	3.1%	3.1%	—
Seattle	3.1%	3.1%	↑
Nashville	2.7%	3.0%	↑
Washington DC	2.8%	2.8%	—
Houston	2.9%	2.8%	↓
Charleston (SC)	2.8%	2.8%	—
Dallas-Ft Worth	3.3%	2.8%	↓
Inland Empire	2.7%	2.7%	—
Portland	2.6%	2.6%	—
Las Vegas	2.5%	2.5%	—
Austin	2.8%	2.4%	↓
San Diego	2.0%	2.0%	—
Chicago	1.4%	1.4%	—
Denver	1.5%	1.2%	↓
Minneapolis	1.0%	1.0%	—
San Jose	0.6%	0.0%	↓



*Drawn from our national database of 35,550 stores, including 3,408 projects in the new supply pipeline as well as 32,142 completed stores.
Source: Yardi Matrix. Data as of September 5, 2024

Monthly Rate Recap

Market	Annualized Rate PSF - Main Unit Types (NCC+CC)	Aug 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	\$16.31	-4.3%	-4.8%	-5.9%	-3.4%	-4.5%	-2.4%	-4.3%
Washington DC	\$19.82	-1.2%	-1.3%	-2.3%	-0.3%	-1.1%	-0.2%	-1.7%
Nashville	\$16.02	-2.0%	-2.0%	-1.1%	-2.4%	-3.5%	-1.5%	-1.9%
Seattle	\$21.43	-2.4%	-4.1%	-1.8%	-2.5%	-1.3%	-1.5%	-1.4%
Portland	\$17.29	-2.4%	-2.9%	-2.3%	-2.6%	-1.4%	-2.2%	-0.7%
Los Angeles	\$28.41	-3.3%	-4.1%	-4.1%	-2.8%	-2.8%	-2.2%	-3.2%
San Jose	\$23.17	-3.3%	-4.4%	-5.0%	-1.6%	-1.9%	-2.6%	-7.4%
Raleigh–Durham	\$13.49	-3.3%	-3.7%	-5.4%	-1.4%	-3.2%	-0.6%	-3.2%
Sacramento	\$17.34	-3.4%	-4.0%	-6.5%	-2.5%	-4.1%	-1.5%	-2.7%
San Diego	\$24.38	-3.5%	-5.0%	-3.4%	-2.3%	-2.8%	-1.1%	-1.2%
Denver	\$16.99	-3.6%	-3.6%	-6.2%	-2.5%	-3.6%	-1.8%	-3.8%
San Francisco	\$26.58	-3.6%	-4.3%	-5.1%	-3.5%	-3.1%	-2.1%	-2.5%
Houston	\$12.96	-3.9%	-4.2%	-5.7%	-2.9%	-4.2%	-2.0%	-3.2%
New York	\$33.93	-4.2%	-7.4%	-2.2%	-5.2%	-1.7%	-4.5%	-5.8%
Austin	\$14.45	-4.3%	-4.4%	-7.1%	-2.5%	-4.9%	-1.0%	-2.7%
Minneapolis	\$13.16	-4.3%	-4.4%	-7.5%	-2.1%	-4.5%	-1.9%	-3.8%
Charlotte	\$13.41	-4.4%	-5.2%	-5.5%	-3.9%	-4.6%	-1.9%	-4.3%
Boston	\$19.99	-4.6%	-6.2%	-4.9%	-5.2%	-3.1%	-3.6%	-2.1%
Columbus (OH)	\$12.39	-4.8%	-6.1%	-7.9%	-3.0%	-3.7%	-2.5%	-3.8%
Dallas–Ft Worth	\$13.37	-5.1%	-6.2%	-7.5%	-4.1%	-5.3%	-2.2%	-4.0%
Phoenix	\$15.57	-5.3%	-5.6%	-7.4%	-3.6%	-5.5%	-1.2%	-6.4%
Chicago	\$14.80	-5.4%	-7.2%	-6.0%	-4.9%	-4.7%	-4.0%	-4.3%
Inland Empire	\$17.26	-5.5%	-7.0%	-6.6%	-4.5%	-5.8%	-2.7%	-5.6%
Las Vegas	\$15.24	-5.6%	-8.1%	-6.2%	-5.2%	-4.0%	-3.3%	-1.9%
Orlando	\$15.44	-6.0%	-7.0%	-7.3%	-4.5%	-5.1%	-3.6%	-6.3%
Tampa	\$15.53	-6.4%	-6.4%	-8.2%	-5.2%	-6.3%	-3.7%	-6.1%
San Antonio	\$13.75	-6.4%	-6.3%	-8.5%	-5.6%	-6.5%	-4.7%	-5.5%
Miami	\$21.07	-6.6%	-9.6%	-7.1%	-7.6%	-5.2%	-5.0%	-4.8%
Philadelphia	\$16.48	-6.8%	-9.0%	-8.2%	-5.2%	-5.7%	-3.9%	-6.2%
Charleston (SC)	\$14.78	-6.8%	-5.1%	-9.7%	-5.0%	-7.1%	-4.0%	-5.5%
Atlanta	\$13.40	-10.0%	-11.3%	-12.1%	-9.2%	-9.4%	-7.4%	-8.4%

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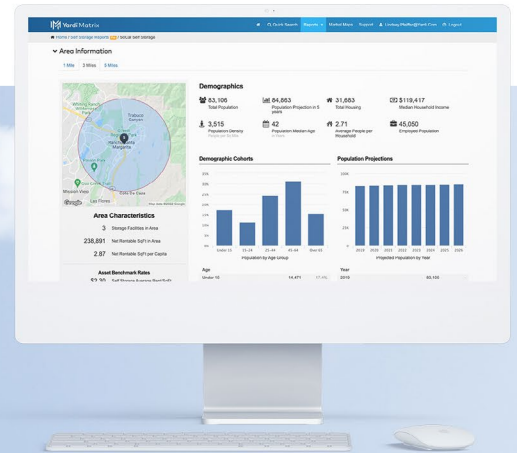
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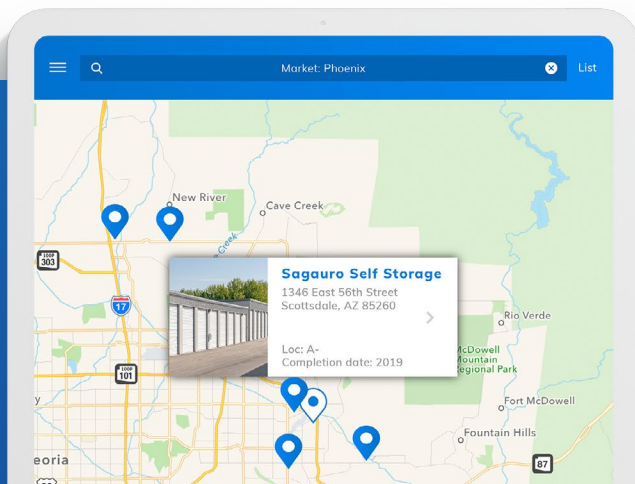
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- Gain new supply pipeline information at the asset, competitive set and market level
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info at the asset and portfolio level
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as whole portfolios



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