



Yardi Matrix

National Self Storage Report

February 2021



Monthly Supply and Rent Recap

Self storage begins 2021 on a high note

- As a new year begins, the self storage industry once again proved itself to be a strong performer in a difficult market. Street rates saw significant improvements across the nation in January, with only 12 markets experiencing negative rate performance year-over-year for 10x10 non-climate-controlled units. Development activity also remains stable nationally, with completions still forecast to slow down. These strong fundamentals are helping maintain a positive outlook for the self storage industry as we move into a new year. However, it could face a tough slog in the near term, as we are on shaky economic ground until widespread vaccine adoption helps the nation begin the road to full economic recovery. Furthermore, with such strong street rate performance, interest in self storage may increase quickly, sparking a sudden uptick in storage development, causing the industry to face further elevated new supply levels.

Strong rebound in street rate performance continues

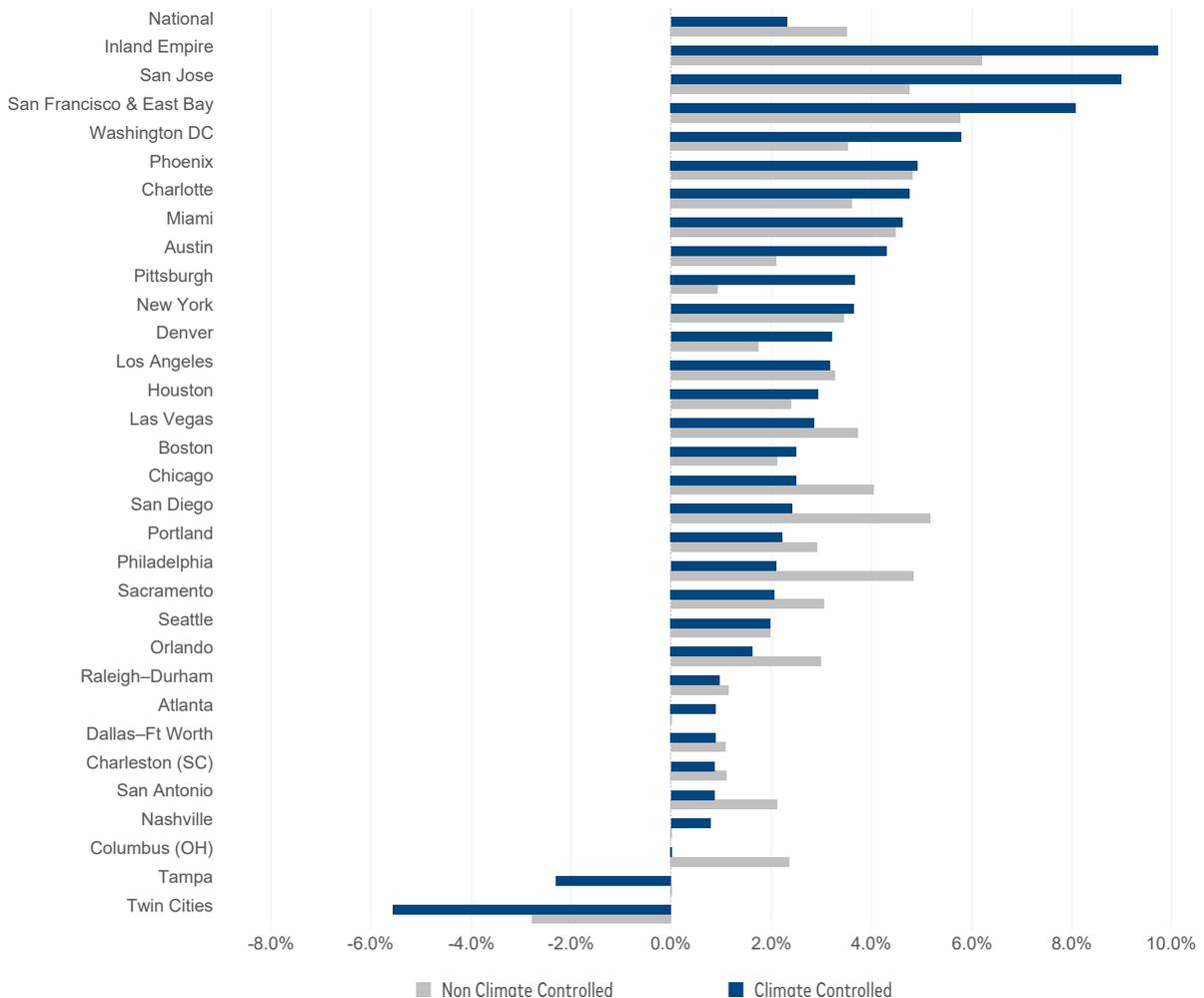
- National street rates for 10x10 non-climate-controlled (NON CC) units increased by 3.5% compared to January 2020, and rates nationwide for 10x10 climate-controlled (CC) units grew by 2.3% year-over-year. While rates did see significant growth on an annual basis, rates for 10x10 NON CC and CC units remained unchanged on a monthly basis.
- Annual street rate performance was positive in roughly 87% of the top markets tracked by Yardi Matrix for 10x10 NON CC units in January. Year-over-year, only one top market saw negative rate performance for this unit type, while rates remained flat in three of the top markets.
- Nationwide, Yardi Matrix tracks a total of 2,154 self storage properties in various stages of development—comprising 591 under construction, 1,157 planned and 406 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a minor 0.1% month-over-month in January, and the share of existing properties in various stages of development accounts for 8.3% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,465 completed self storage facilities across the United States, bringing the total data set to 28,619.

Monthly Rate Growth Update

National street rate performance continues to rebound

- Street rate performance in January again proved the strength of the self storage industry, even amid difficult economic conditions. Year-over-year, street rates nationwide for 10x10 NON CC units increased by a significant 3.5 percent, while national rates for CC units of the same size saw a 2.3% uptick on an annual basis. Furthermore, only one of the top markets saw negative street rate performance year-over-year for 10x10 NON CC units and only two top markets saw negative annual street rate performance for 10x10 CC units. This is a notable feat considering the industry's recent struggle with downward pressure on street rates amid historically high new supply.
- Several California markets recorded significant improvements in street rates in January, with some experiencing almost double-digit year-over-year growth for CC units. Year-over-year, street rates for 10x10 CC units increased by 9.7% in the Inland Empire, 9.0% in San Jose and 8.1% on the San Francisco Peninsula, including the East Bay.

January 2021 Year-over-Year Rent Change for 10'x10' Units



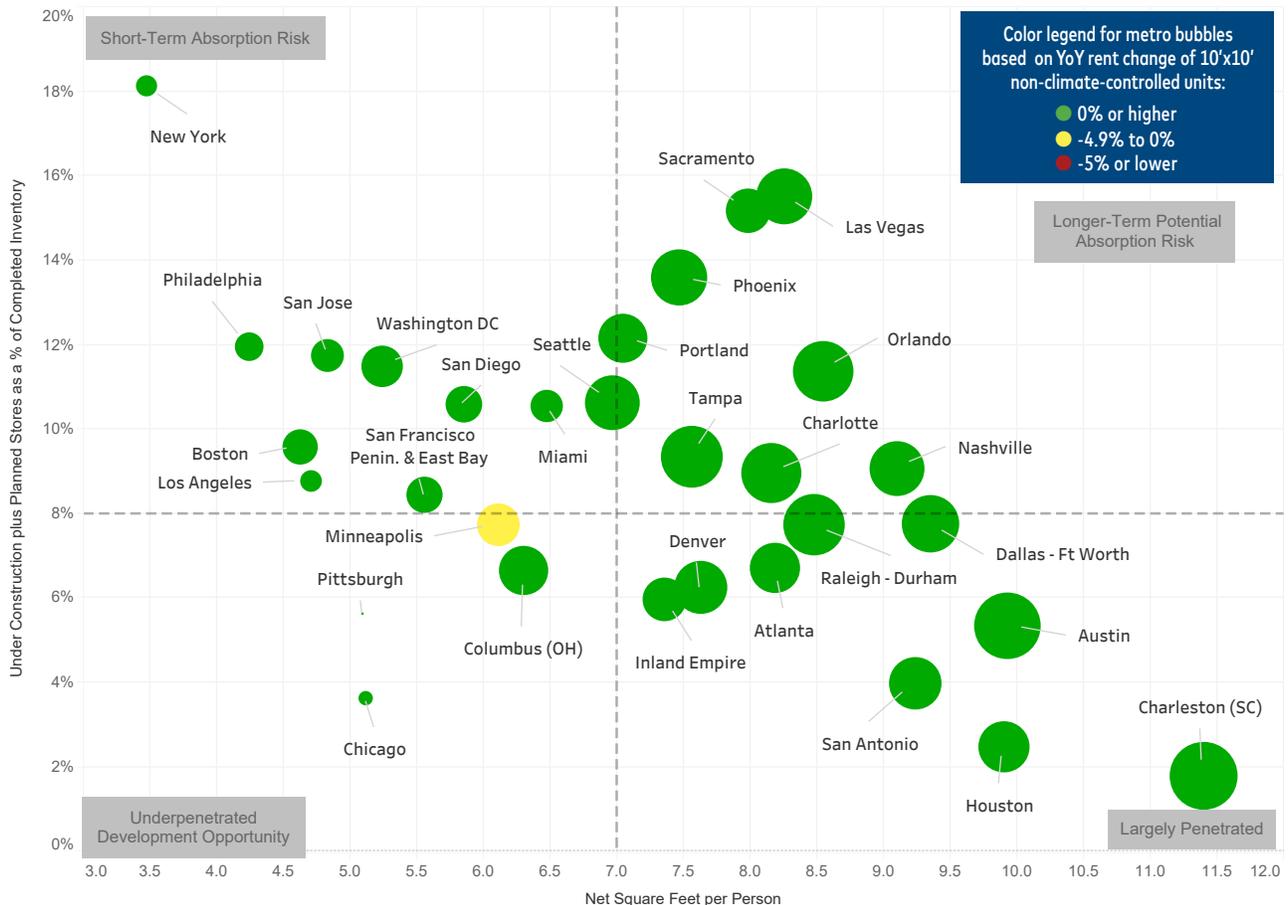
Source: Yardi Matrix. Street rate data as of Feb. 5, 2021

Monthly Rate Growth Update

Boston and Tampa show signs of slowing storage momentum

- While Boston saw a year-over-year rate increase of 2.1% for 10x10 NON CC units, month-over-month rates decreased 2.0% for this unit type. Throughout 2020, 15 storage projects were abandoned from Boston's new-supply pipeline, more than any other market. While Boston does have relatively low existing inventory at 4.6 net rentable square feet (NRSF) per capita, the drop in rates month-over-month and pullback of some developers in the metro may signal that Boston is slightly overbuilt and may experience further negative fundamental performance moving forward.
- Tampa's self storage has had strong forward momentum recently. However, surprisingly, its rate performance slowed down in January, especially as compared to other top markets. Month-over-month, its street rates for 10x10 CC units fell 1.5% and for NON CC units decreased by nearly 1.0%. That marked the worst month-over-month rate performance Tampa has experienced in the last eight months.

Self Storage Major Metro Summary
 New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2018 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of Feb. 5, 2021

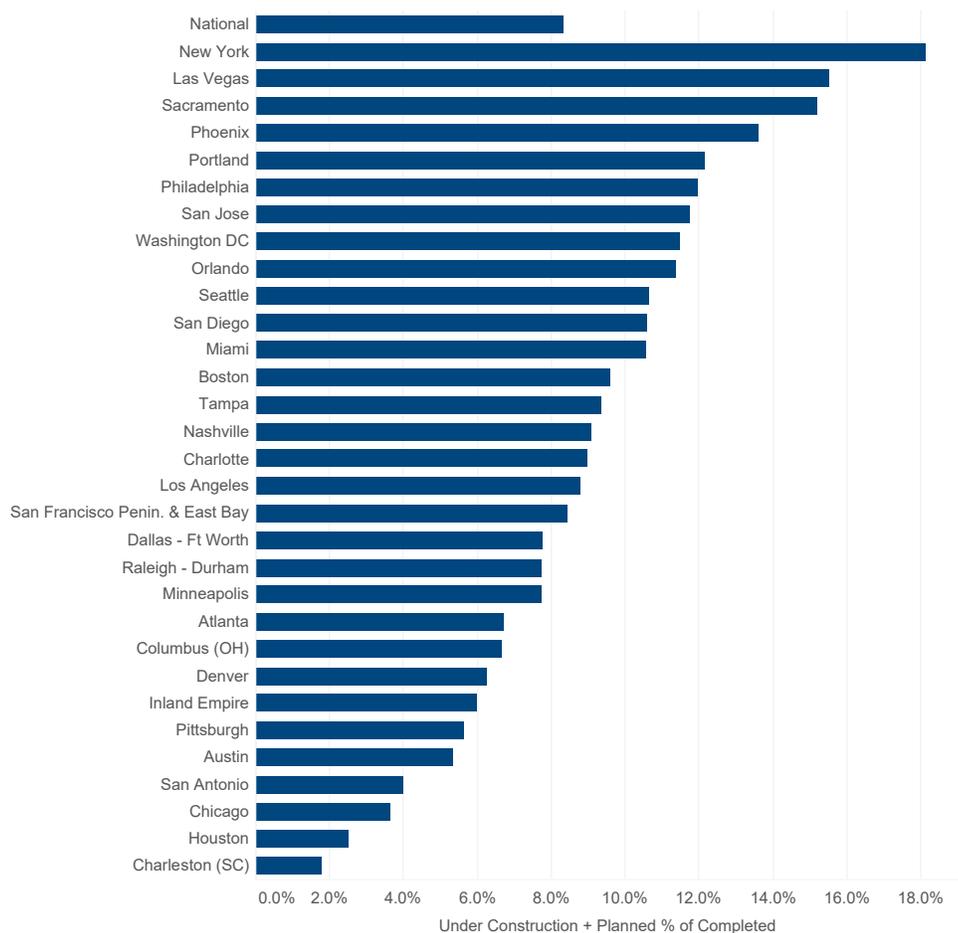
Monthly New Supply Update

Storage development activity has yet to see a major slowdown

- In January, self storage properties under construction or in the planning stages nationwide accounted for 8.3% of existing inventory, marking a minor 10-basis-point uptick month-over-month. The latest forecast still shows a slowdown in new-supply completions in coming years compared to pre-COVID projections. However, if the self storage industry continues to see such strength in street rate performance, the development community may respond quickly, driving activity upward.
- Despite having a large amount of storage development activity underway, the New York metro had a new-supply pipeline increase of 0.4% month-over-month, the second-highest increase among all top markets. As of January, properties under construction or in the planning stage in New York accounted for 18.1% of existing inventory. The increase in development in New York is surprising because recent changes to the city's Industrial and Commercial Abatement program, which resulted in many storage facilities being ineligible for tax abatement, were expected to shrink the metro's new-supply pipeline. So far, the new program does not seem to have curtailed many projects.

Under Construction & Planned Percent of Existing Inventory

Metro	Dec-20	Jan-21	Change
NATIONAL	8.2%	8.3%	↑
New York	17.7%	18.1%	↑
Las Vegas	15.5%	15.5%	▬
Sacramento	14.7%	15.2%	↑
Phoenix	13.3%	13.6%	↑
Portland	12.3%	12.2%	↓
Philadelphia	11.7%	12.0%	↑
San Jose	11.8%	11.8%	▬
Washington DC	11.3%	11.5%	↑
Orlando	11.1%	11.4%	↑
Seattle	10.6%	10.6%	▬
San Diego	10.6%	10.6%	▬
Miami	10.6%	10.6%	▬
Boston	9.6%	9.6%	▬
Tampa	9.4%	9.4%	▬
Nashville	9.1%	9.1%	▬
Charlotte	9.0%	9.0%	▬
Los Angeles	8.4%	8.8%	↑
San Francisco Penin. & East Bay	8.5%	8.5%	▬
Dallas - Ft Worth	7.7%	7.8%	↑
Minneapolis	7.5%	7.7%	↑
Raleigh - Durham	7.7%	7.7%	▬
Atlanta	6.6%	6.7%	↑
Columbus (OH)	6.7%	6.7%	▬
Denver	6.3%	6.3%	▬
Inland Empire	6.0%	6.0%	▬
Pittsburgh	5.6%	5.6%	▬
Austin	5.4%	5.4%	▬
San Antonio	4.0%	4.0%	▬
Chicago	3.6%	3.6%	▬
Houston	2.3%	2.5%	↑
Charleston (SC)	1.8%	1.8%	▬



* Drawn from our national database of more than 28,450 stores, including some 2,100 projects in the new-supply pipeline as well as more than 26,350 completed stores.

Source: Yardi Matrix. Supply data as of Feb. 5, 2021

Monthly Rate Recap

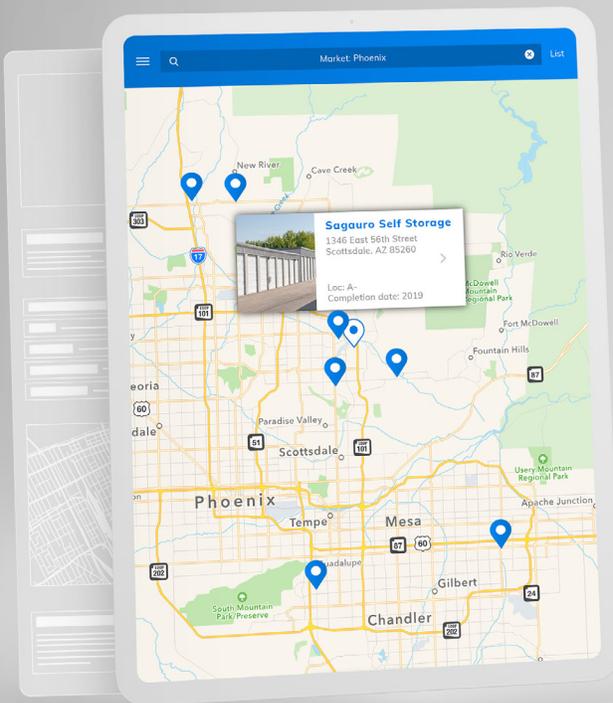
Market	Avg Metro Rate 10'x10' (non cc)	January 2021 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	118	2%	3%	4%	2%	4%
Inland Empire	120	6%	6%	6%	10%	5%
San Jose	176	3%	4%	5%	9%	5%
San Francisco Penin. & East Bay	202	5%	5%	6%	8%	5%
Washington DC	146	2%	4%	4%	6%	5%
Phoenix	109	5%	3%	5%	5%	4%
Charlotte	86	5%	4%	4%	5%	6%
Miami	140	2%	4%	4%	5%	7%
Austin	98	3%	2%	2%	4%	4%
Pittsburgh	111	0%	-1%	1%	4%	4%
New York	180	3%	3%	3%	4%	6%
Denver	118	-2%	1%	2%	3%	3%
Los Angeles	190	1%	3%	3%	3%	4%
Houston	86	0%	0%	2%	3%	3%
Las Vegas	111	5%	6%	4%	3%	6%
Chicago	103	0%	5%	4%	3%	5%
Boston	145	0%	1%	2%	3%	4%
San Diego	163	5%	4%	5%	2%	3%
Portland	141	4%	4%	3%	2%	2%
Philadelphia	130	6%	4%	5%	2%	6%
Sacramento	136	2%	5%	3%	2%	3%
Seattle	154	0%	1%	2%	2%	4%
Orlando	103	3%	2%	3%	2%	4%
Raleigh - Durham	88	3%	0%	1%	1%	2%
Atlanta	96	-2%	-2%	0%	1%	4%
Dallas - Ft Worth	94	0%	0%	1%	1%	2%
Charleston (SC)	91	0%	0%	1%	1%	3%
San Antonio	97	0%	2%	2%	1%	4%
Nashville	99	-4%	-1%	0%	1%	5%
Columbus (OH)	87	3%	2%	2%	0%	4%
Tampa	106	0%	0%	0%	-2%	4%
Minneapolis	105	0%	-3%	-3%	-6%	1%

Source: Yardi Matrix. Sorted according to 10x10 CC rent performance.



Yardi Matrix

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