



Yardi Matrix

# National Self Storage Report

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March 2021



# Monthly Supply and Rent Recap

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## Self storage maintains positive performance in 2021

- As select commercial real estate property sectors continue to face challenges in 2021, the self storage industry remains a bright spot. Aided by a COVID-driven boost in demand, self storage has proven resilient and fundamentals continue to perform well. For the fifth month in a row, national street rate performance was positive on an annual basis for both 10x10 non-climate-controlled and climate-controlled units. Furthermore, development activity remained stable across the nation in February, despite 17 projects being abandoned from the new-supply pipeline. The strong performance of the storage sector offers promise as we move further into 2021. However, there is some uncertainty as to whether storage demand can maintain current levels as the core markets begin to recover, which may be a headwind for the industry in the future.

## National street rates continue to demonstrate a positive outlook

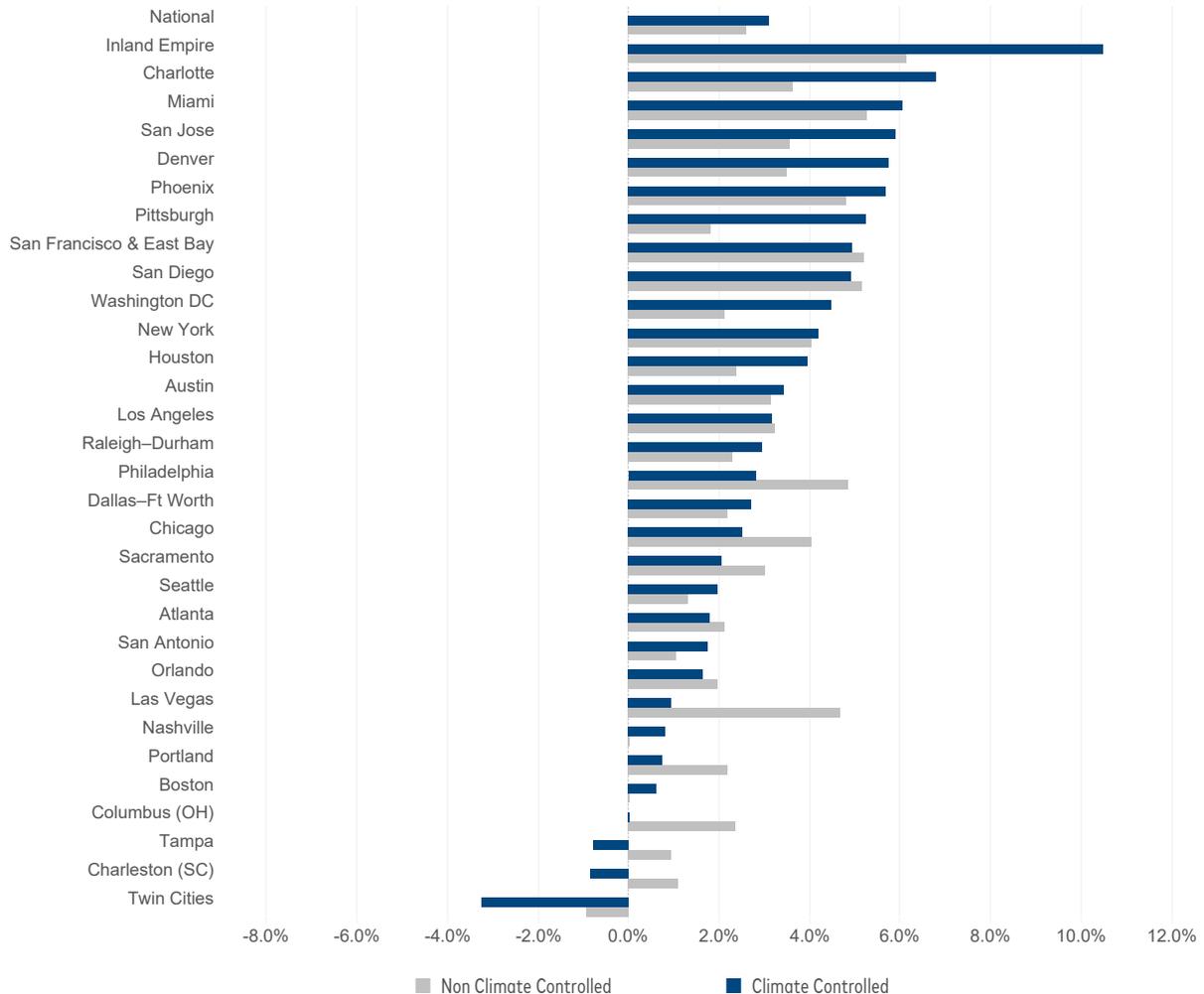
- The outlook for self storage remains positive in light of strong street rate performance. National street rates for 10x10 non-climate-controlled (NON CC) units increased by 2.6% compared to February 2020, and rates for 10x10 climate-controlled (CC) units grew by 3.1% year-over-year. While street rates nationwide did see substantial growth on an annual basis, rates for both 10x10 NON CC and CC units remained flat month-over-month in February.
- Annual street rate performance was positive in approximately 90% of the top markets tracked by Yardi Matrix for 10x10 NON CC units in February. Year-over-year, only one top market saw negative rate performance for this unit type, while rates remained flat in two of the top markets.
- Nationwide, Yardi Matrix tracks a total of 2,237 self storage properties in various stages of development—comprising 597 under construction, 1,201 planned and 439 prospective properties. Similar to January, the national new-supply pipeline as a percent of existing stock increased 0.1% month-over-month in February, and the share of existing projects in planning or under construction stages accounted for 8.4% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,534 completed self storage facilities across the United States, bringing the total data set to 28,771.

# Monthly Rate Growth Update

## Continued positive growth for national street rates

- In February, street rate performance once again showed the strength and resiliency of the self storage industry, even amid economic headwinds. Nationwide, both 10x10 NON CC and CC units saw street rates continue to rebound considerably, with rates for 10x10 NON CC units increasing 2.6% year-over-year and rates for CC units of the same size growing 3.1% on an annual basis. The 3.1% uptick in rates for 10x10 CC units marks the highest year-over-year increase this unit type has experienced since 2017.
- The Inland Empire led the top markets for annual street rate performance in February. Year-over-year, rates for 10x10 NON CC units increased 6.1%, while rates for 10x10 CC units fared even better, seeing a substantial 10.5% uptick on an annual basis. In February, street rates in the California metro remained at historic highs, with an average street rate for 10x10 NON CC units of \$121 and an average rate for 10x10 CC units of \$158.

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



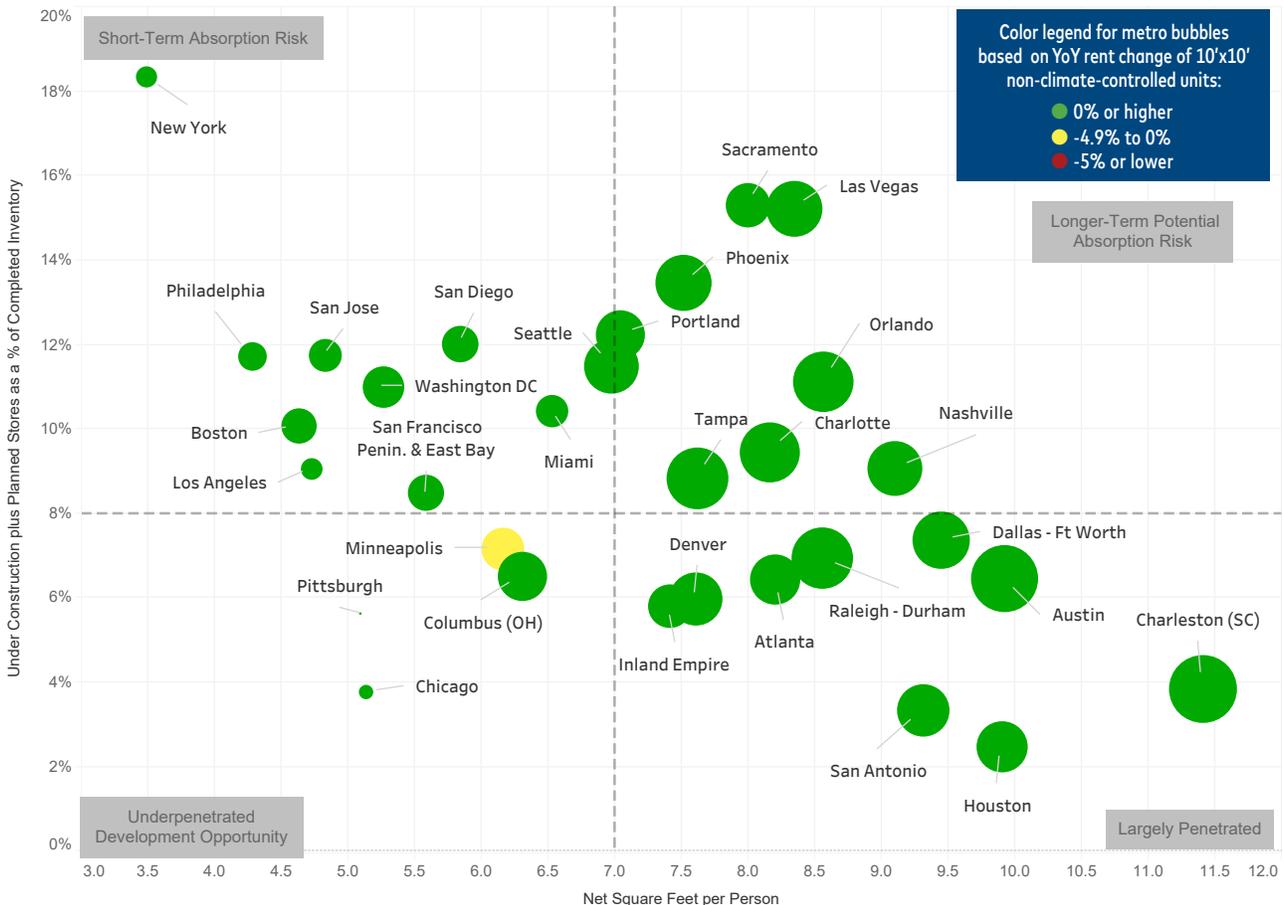
Source: Yardi Matrix. Street rate data as of March 8, 2021

# Monthly Rate Growth Update

## Phoenix remains resilient, while storage in Minneapolis continues to underperform

- Despite existing inventory of 7.5 net rentable square feet (NRSF) per capita and a robust new-supply pipeline of under-construction and planned properties accounting for 13.5% of existing stock, storage continues to perform well in the Phoenix metro. Year-over-year, street rates for 10x10 NON CC units there increased 4.8% and rates for 10x10 CC units grew 5.7% annually in February. Strong population growth has helped Phoenix remain resilient to potential downward pressure on rates due to its elevated levels of storage supply—between 2016 and 2019, the metro’s population grew by 5.8%, or 272,237 residents.
- Minneapolis was the only top market to experience negative annual rate growth for both 10x10 NON CC and 10x10 CC units in February. Year-over-year street rates for 10x10 NON CC units decreased by 0.9%, while rates for 10x10 CC units fared even worse, falling 3.3% on an annual basis. However, street rates in Minneapolis for both 10x10 NON CC and CC units remained unchanged in February compared to the prior month, signaling that the downward trend in rates may be slowing.

**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 March 8, 2021

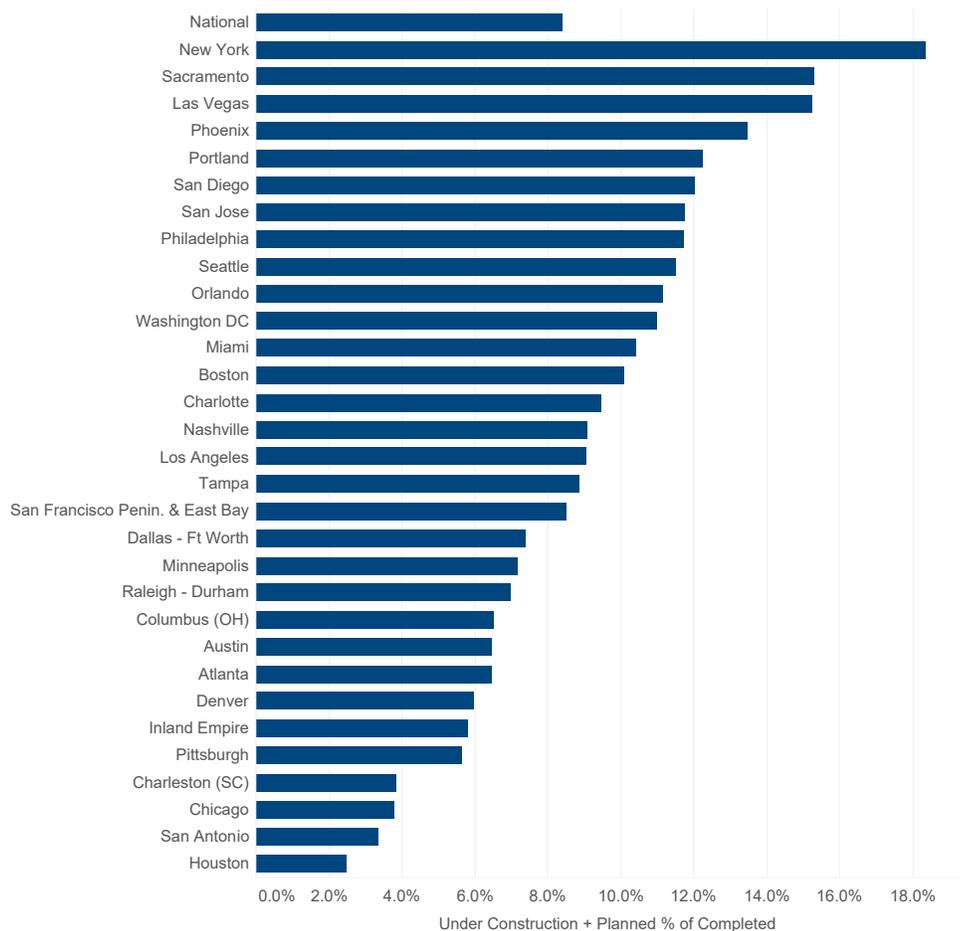
# Monthly New Supply Update

## Storage development activity continues at a stable pace

- Self storage properties under construction or in the planning stages of development nationally accounted for 8.4% of existing inventory in February, marking a slight 10-basis-point uptick from January. While there were 17 storage projects abandoned from the new-supply pipeline in February, development activity appears to be remaining stable nationwide, and most markets have yet to see a major decrease in their new-supply pipelines.
- Charleston saw the largest increase in development activity in February, up 1.7% month-over-month. While its new-supply pipeline remains relatively small, with properties under construction or in the planning stages accounting for 3.9% of existing stock, Charleston has the highest existing inventory of all of the top markets, equal to 11.4 net rentable square feet (NRSF) per capita. Despite its elevated level of supply year-over-year, street rates for 10x10 NON CC units increased 1.1%, while rates for 10x10 CC units dropped 0.9% on an annual basis. However, if development activity continues to pick up, Charleston's street rates for all unit types may once again face strong downward pressure.

## Under Construction & Planned Percent of Existing Inventory

Metro	Jan-21	Feb-21	Change
NATIONAL	8.3%	8.4%	↑
New York	18.2%	18.4%	↑
Sacramento	15.3%	15.3%	▬
Las Vegas	15.3%	15.2%	↓
Phoenix	13.2%	13.5%	↑
Portland	12.2%	12.2%	▬
San Diego	11.4%	12.0%	↑
San Jose	11.8%	11.8%	▬
Philadelphia	11.8%	11.7%	↓
Seattle	11.5%	11.5%	▬
Orlando	11.1%	11.1%	▬
Washington DC	11.1%	11.0%	↓
Miami	10.4%	10.4%	▬
Boston	9.7%	10.1%	↑
Charlotte	9.0%	9.5%	↑
Nashville	9.1%	9.1%	▬
Los Angeles	9.0%	9.1%	↑
Tampa	8.9%	8.8%	↓
San Francisco Penin. & East Bay	7.6%	8.5%	↑
Dallas - Ft Worth	7.4%	7.4%	▬
Minneapolis	6.7%	7.2%	↑
Raleigh - Durham	7.0%	7.0%	▬
Columbus (OH)	6.6%	6.5%	↓
Austin	6.5%	6.5%	▬
Atlanta	6.5%	6.4%	↓
Denver	6.0%	6.0%	▬
Inland Empire	5.8%	5.8%	▬
Pittsburgh	5.6%	5.6%	▬
Charleston (SC)	2.2%	3.9%	↑
Chicago	3.8%	3.8%	▬
San Antonio	3.2%	3.3%	↑
Houston	2.5%	2.5%	▬



\* 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 March 8, 2021

# Monthly Rate Recap

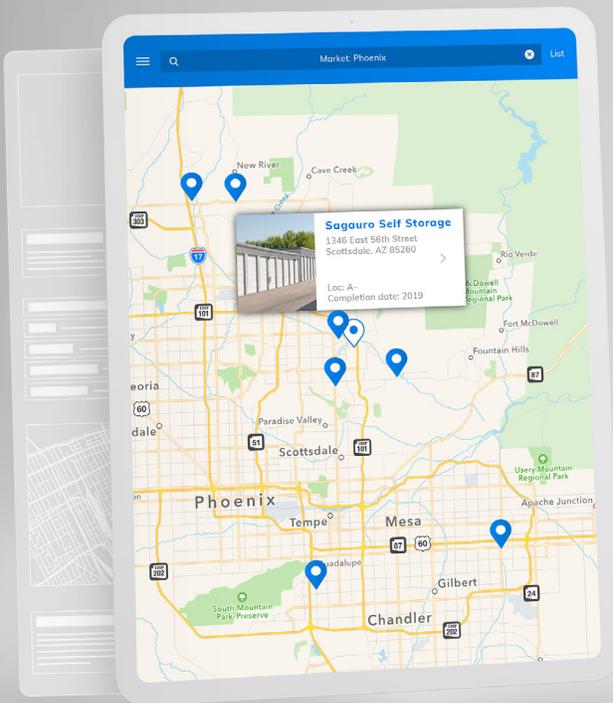
Market	Avg Metro Rate 10'x10' (non cc)	February 2021 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	118	2%	3%	3%	3%	3%
Inland Empire	121	6%	7%	6%	10%	5%
Charlotte	86	5%	4%	4%	7%	7%
Miami	140	4%	4%	5%	6%	7%
San Jose	175	4%	3%	4%	6%	3%
Denver	118	4%	3%	4%	6%	4%
Phoenix	109	5%	3%	5%	6%	5%
Pittsburgh	111	2%	0%	2%	5%	4%
San Francisco Penin. & East Bay	202	6%	5%	5%	5%	4%
San Diego	163	8%	5%	5%	5%	3%
Washington DC	145	2%	4%	2%	4%	5%
New York	180	4%	4%	4%	4%	5%
Houston	86	0%	0%	2%	4%	3%
Austin	99	3%	2%	3%	3%	4%
Los Angeles	191	3%	3%	3%	3%	3%
Raleigh-Durham	89	3%	0%	2%	3%	3%
Philadelphia	130	8%	5%	5%	3%	6%
Dallas-Ft Worth	94	3%	2%	2%	3%	2%
Chicago	103	5%	5%	4%	3%	5%
Sacramento	136	5%	6%	3%	2%	2%
Seattle	153	0%	1%	1%	2%	2%
Atlanta	97	0%	0%	2%	2%	3%
San Antonio	97	0%	2%	1%	2%	4%
Orlando	103	3%	3%	2%	2%	4%
Las Vegas	112	5%	6%	5%	1%	5%
Nashville	99	-2%	-1%	0%	1%	4%
Portland	141	5%	4%	2%	1%	3%
Boston	145	-2%	0%	0%	1%	0%
Columbus (OH)	87	3%	2%	2%	0%	4%
Tampa	107	2%	0%	1%	-1%	3%
Charleston (SC)	91	6%	2%	1%	-1%	3%
Minneapolis	105	0%	0%	-1%	-3%	1%

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



# Yardi Matrix

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## Contacts

### **Jeff Adler**

Vice President & General Manager,  
Yardi Matrix  
Jeff.Adler@Yardi.com  
(303) 615-3676

### **Isaac Hiatt**

Product Specialist  
Isaac.Hiatt@Yardi.com  
(800) 866-1124 x3912

### **Claire Anhalt**

Senior Research Analyst  
Claire.Anhalt@Yardi.com  
(800) 866-1124 x2151

### **Chris Nebenzahl**

Editorial Director  
Chris.Nebenzahl@Yardi.com  
(800) 866-1124 x2200

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