



Yardi[®] Matrix

National Self Storage Report

December 2021



Monthly Supply and Rent Recap

Seasonality hits self storage rents, but demand remains healthy

- Self storage street rates declined slightly for the third straight month, but the near-term outlook for the sector remains positive as demand continues to be strong. Many REITs and other major operators report that occupancy levels are at or near long-term highs, as demand is robust for short- and long-term rentals. Sources of long-term demand include households downsizing and moving, those that are storing large items, and people that are working or operating businesses from home and need to declutter to create space to work. These and other factors have converged to produce demand for self storage facilities that isn't likely to reverse anytime soon.

Street rate gains solid year-over-year, as construction pipeline grows

- Even though demand is healthy, street rates for self storage properties are coming off record-high gains. National street rates for 10x10 non-climate-controlled (NON CC) units declined to 6.7% growth in November, a drop of almost two percentage points from the previous month, while rates for similar-size climate-controlled (CC) units fell to 8.2% growth over the same time period. The decleration is not surprising, and street rates remain solid by historical standards.
- Although rent growth is moderating, no metros in the top markets tracked by Yardi Matrix are seeing negative street rate growth for standard-size 10x10 NON CC and 10x10 CC units. Indeed, rent growth was 5.0% or more in 24 of the top 30 markets for NON CC units and 22 of the top 30 metros in the CC unit category. Rent growth has fallen to 2% or less in a handful of metros, including Minneapolis, San Francisco, Portland and Washington, D.C.
- Nationally, Yardi Matrix tracks a total of 2,943 self storage properties in various stages of development—comprising 719 under construction, 1,252 planned and 476 prospective properties. The new-supply pipeline as a percent of existing inventory increased by 10 basis points month-over-month, putting the share of existing projects in the planning or under-construction stages at 8.8% of existing stock.
- Yardi Matrix also maintains operational profiles for 27,206 completed self storage facilities across the United States, bringing the total data set to 30,926.