



Yardi[®] Matrix

National Self Storage Report

February 2022



Self Storage Supply and Rent Recap

Rental rates steady, with strong demand

- Self storage street rates changed little sequentially in January, reflective of positive trends in the industry, and rents remain well above trend on a year-over-year basis. Operators report that occupancy rates have dipped slightly as move-outs have increased in recent months, but that is not worrisome because properties were unusually full going into the traditional winter seasonal lull. Many operators are choosing to maintain street rates at the risk of losing some customers rather than cut rates. “Rates are holding firmer than historically is the case” in the winter months, John Good, CEO of NexPoint Storage Partners, said during a recent webinar. Good noted that most properties remain above projected performance levels.

Year-over-year street rate growth remains healthy

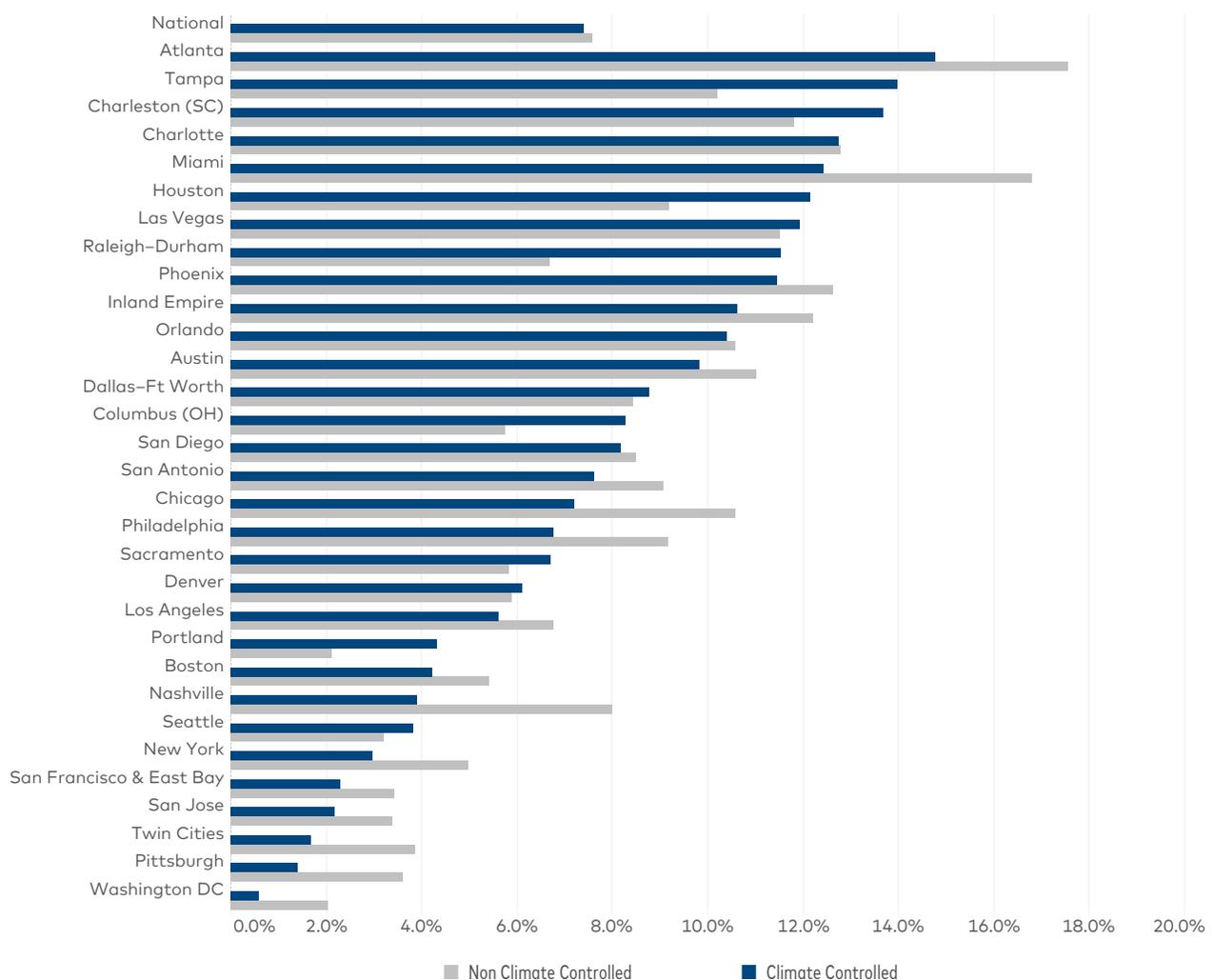
- Year-over-year increases in self storage street rates remain healthy. National street rates for 10x10 non-climate-controlled (NON CC) units increased by 7.6% year-over-year in January, while rates for similar-size climate-controlled (CC) units grew less at 7.4% over the same period.
- Rent growth remains positive in all major metros, with 11 of the top 32 metros at 10.0% or more growth and 25 of the top 32 at 5.0% or more growth for NON CC units. For CC units, the story was much the same, with 11 of the top metros at 10.0% and 22 at 5.0% year-over-year growth. Rent increases continue to be highest in the Sun Belt and the Southwest, especially Texas, Florida and the Carolinas.
- Nationally, Yardi Matrix tracks a total of 3,831 self storage properties in various stages of development—comprising 731 under construction, 1,287 planned and 520 prospective properties. The new-supply pipeline as a percent of existing inventory remained the same month-over-month in January. The share of existing projects in the planning or under-construction stages is 8.9% of existing stock.
- Yardi Matrix also maintains operational profiles for 27,298 completed self storage facilities across the United States, bringing the total data set to 31,129.

Street Rate Growth Update

Street rates change little sequentially amid strong overall performance

- Nationally, street rates remain strong year-over-year, with a slight change sequentially. Street rates for 10x10 NON CC units grew 7.6% year-over-year in January, while rates for 10x10 CC units grew 7.4% year-over-year. Although street rates remain sticky, the challenge and opportunity for the industry is to what extent it can bring existing customers up to the level of new rents. The longer fundamentals remain robust, the more operators will be willing to push rates with existing clients.
- Street rates for 10x10 NON CC units were unchanged at \$128 in January. National street rates for 10x10 CC units decreased by \$1 in January to \$145. Operating fundamentals remain stellar, as demand at existing properties is solid, and new properties are leased much more rapidly than underwritten projections. Operators remain reluctant to lower street rates to attract customers when property performance is extremely strong.

January 2022 Year-over-Year Rent Change for 10'x10' Units



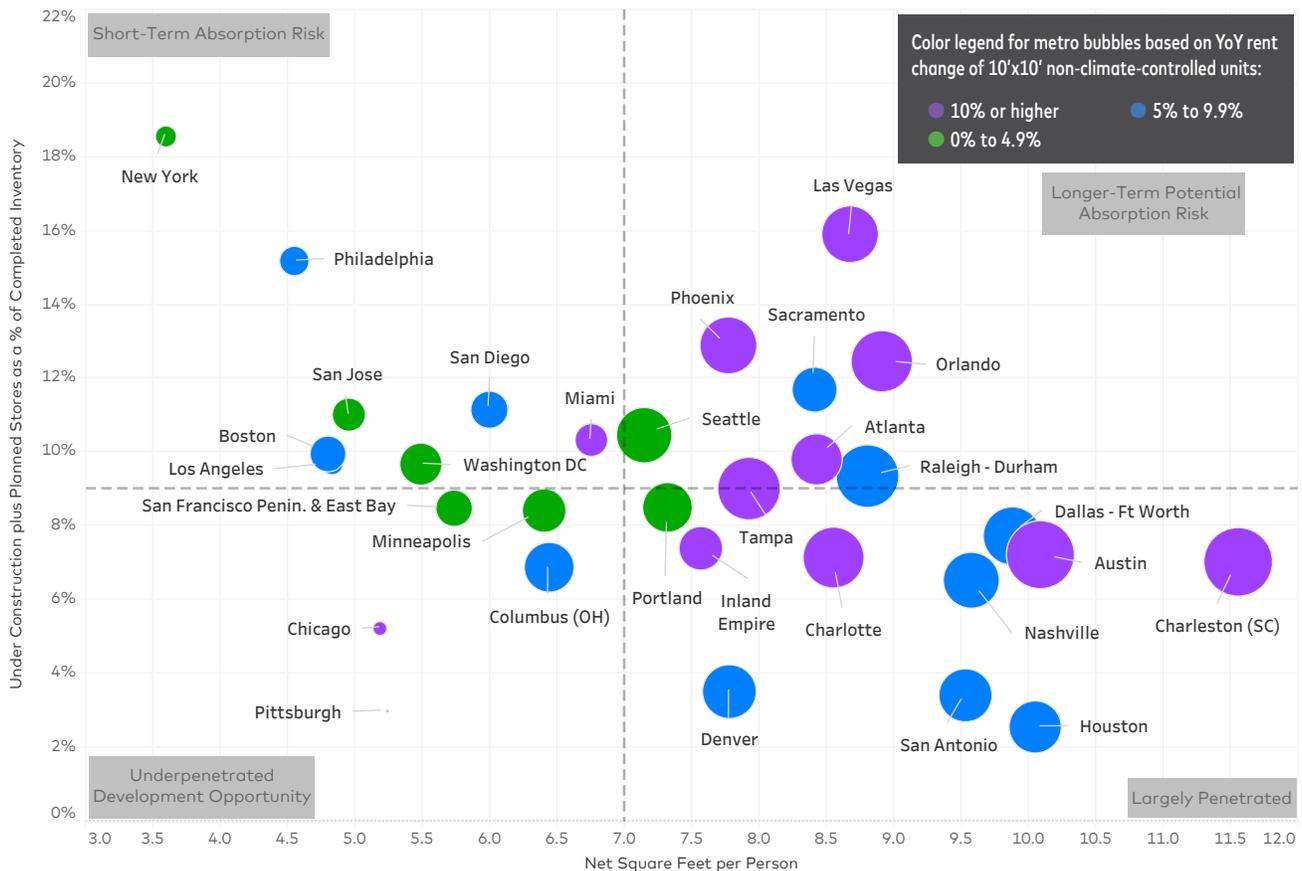
Source: Yardi Matrix. Street rate data as of Feb. 7, 2022

Street Rates and New Supply

High in-migration markets see most growth in street rates

- Street rates are growing rapidly in markets with a large amount of in-migration, as the correlation between supply penetration and rent growth remains weak. Eight of the top 10 markets for year-over-year growth in street rates for 10X10 non-CC units are high-growth secondary metros in the South and West, led by Atlanta (17.5%), Miami (16.8%), Charlotte (12.8%) and Phoenix (12.6%). Incoming population has helped create demand in these locations, despite the relatively high amount of stock in place.
- Street rate growth remains weaker in most gateway metros despite the lower penetration rate. Rents are growing in gateway markets—led by Chicago (10.4% year-over-year) and Los Angeles (6.8%)—but not nearly as much as in secondary and tertiary metros. Families and individuals are returning to gateway cities as they reopen, producing some demand for storage, but overall growth will likely remain slow relative to high in-migration areas.

Self Storage Major Metro Summary
New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2019 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of Feb. 7, 2022

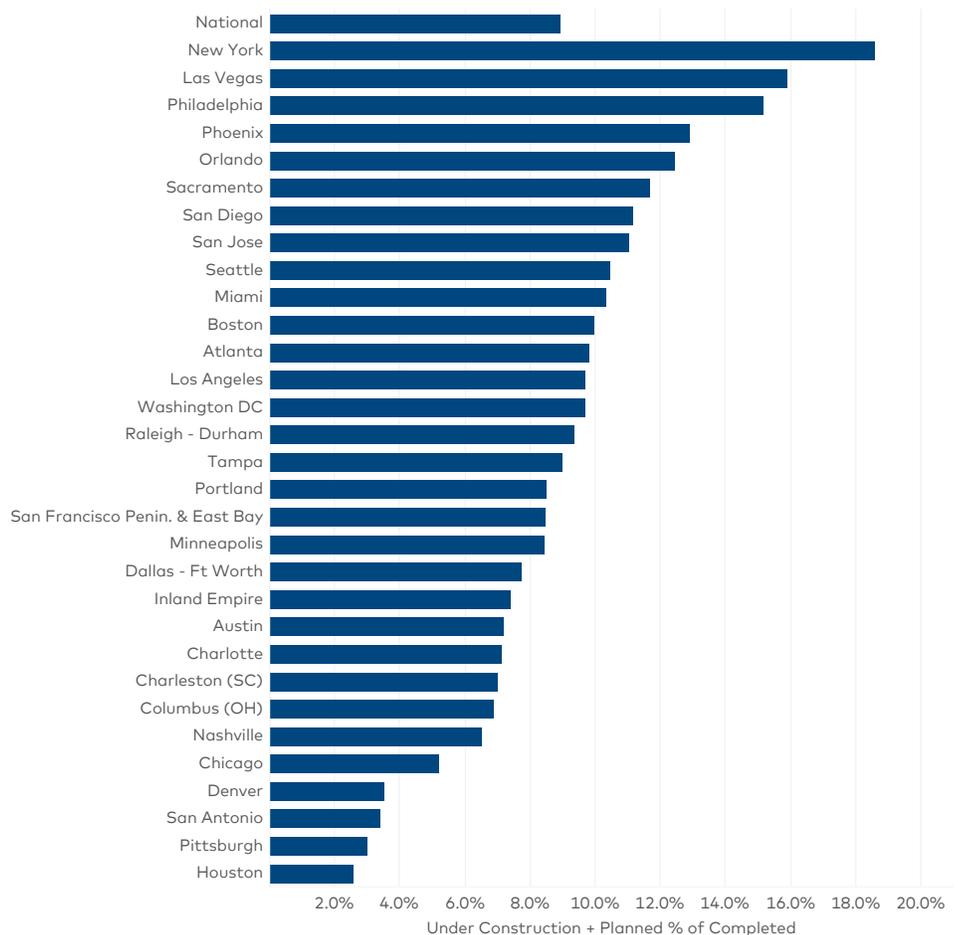
New Supply Update

Supply pipeline continues to increase

- The national new-supply pipeline grew modestly in January, with properties under construction or in the planning stages of development equal to 8.9% of existing inventory. The number of properties under construction nationwide increased by 12 to 731, and the number of projects in the planning stages increased by 35 to 1,287.
- Positive projections about demand and rent growth should produce a supply response, but the outlook is complicated. Questions include the durability of demand and whether deals pencil out given the rise in construction costs. Just a few years ago, street rates in many markets were negative, in part due to the amount of new supply coming online.
- There is a disparity in the ease and cost of development in different markets. Land prices are shooting up, which means in high-cost areas self storage is more likely to lose out to property types that produce greater rents per square foot.

Under Construction & Planned Percent of Existing Inventory

Metro	Dec-21	Jan-22	Change
NATIONAL	8.8%	8.9%	↑
New York	18.4%	18.6%	↑
Las Vegas	15.9%	15.9%	—
Philadelphia	14.9%	15.2%	↑
Phoenix	12.8%	12.9%	↑
Orlando	12.2%	12.5%	↑
Sacramento	11.7%	11.7%	—
San Diego	10.6%	11.2%	↑
San Jose	11.0%	11.0%	—
Seattle	10.5%	10.5%	—
Miami	10.2%	10.3%	↑
Boston	9.7%	10.0%	↑
Atlanta	9.6%	9.8%	↑
Los Angeles	9.7%	9.7%	—
Washington DC	9.7%	9.7%	↑
Raleigh-Durham	8.8%	9.4%	↑
Tampa	9.1%	9.0%	↓
Portland	8.5%	8.5%	—
San Francisco Penin. & East Bay	8.5%	8.5%	—
Minneapolis	8.3%	8.4%	↑
Dallas-Ft Worth	7.5%	7.7%	↑
Inland Empire	7.4%	7.4%	—
Austin	6.9%	7.2%	↑
Charlotte	7.2%	7.1%	↓
Charleston (SC)	7.0%	7.0%	—
Columbus (OH)	6.9%	6.9%	—
Nashville	6.6%	6.5%	↓
Chicago	5.2%	5.2%	—
Denver	3.5%	3.5%	—
San Antonio	3.4%	3.4%	—
Pittsburgh	3.0%	3.0%	—
Houston	2.4%	2.6%	↑



* Drawn from our national database of more than 29,836 stores, including some 2,538 projects in the new-supply pipeline as well as 27,298 completed stores.

Source: Yardi Matrix. Supply data as of Feb. 7, 2022

Monthly Rate Recap

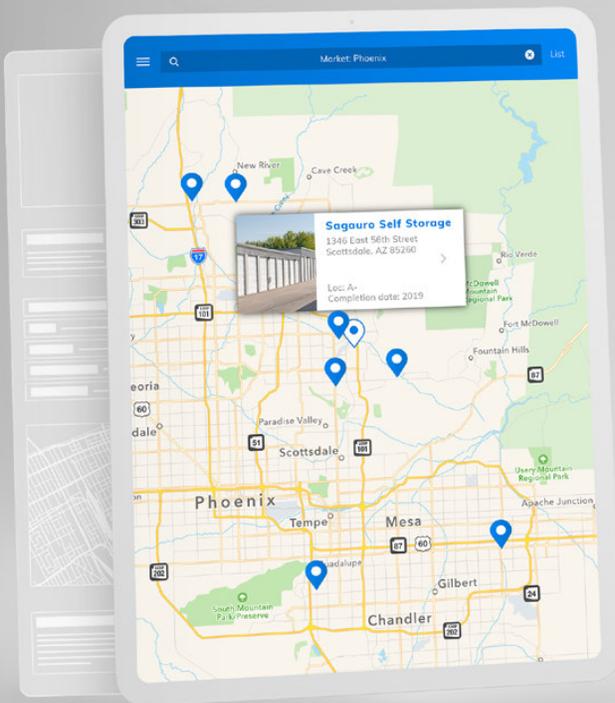
Market	Avg Metro Rate 10'x10' (non cc)	January 2022 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	\$128	6%	8%	8%	7%	7%
Atlanta	\$114	14%	16%	18%	15%	14%
Tampa	\$119	10%	11%	10%	14%	13%
Charleston (SC)	\$104	13%	10%	12%	14%	16%
Charlotte	\$97	15%	15%	13%	13%	10%
Miami	\$167	20%	18%	17%	12%	17%
Houston	\$95	9%	8%	9%	12%	9%
Las Vegas	\$126	11%	11%	12%	12%	10%
Raleigh-Durham	\$96	5%	7%	7%	12%	7%
Phoenix	\$125	12%	11%	13%	11%	13%
Inland Empire	\$138	12%	12%	12%	11%	11%
Orlando	\$115	10%	8%	11%	10%	10%
Austin	\$111	12%	15%	11%	10%	8%
Dallas-Ft Worth	\$103	5%	7%	8%	9%	8%
Columbus (OH)	\$92	3%	5%	6%	8%	7%
San Diego	\$179	8%	10%	8%	8%	6%
San Antonio	\$108	11%	8%	9%	8%	8%
Chicago	\$115	18%	13%	11%	7%	10%
Philadelphia	\$143	9%	10%	9%	7%	10%
Sacramento	\$145	5%	6%	6%	7%	5%
Denver	\$126	6%	6%	6%	6%	7%
Los Angeles	\$205	5%	7%	7%	6%	7%
Portland	\$145	0%	1%	2%	4%	3%
Boston	\$156	6%	6%	5%	4%	4%
Nashville	\$108	4%	4%	8%	4%	8%
Seattle	\$160	2%	3%	3%	4%	5%
New York	\$190	6%	7%	5%	3%	6%
San Francisco Penin. & East Bay	\$211	1%	4%	3%	2%	5%
San Jose	\$183	4%	4%	3%	2%	6%
Minneapolis	\$108	2%	3%	4%	2%	3%
Pittsburgh	\$115	4%	1%	4%	1%	5%
Washington DC	\$150	0%	2%	2%	1%	3%

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



Yardi[®] Matrix

Power your business with the industry's leading source for originating, pre-underwriting and managing assets for profitable loans and investments.



Yardi Matrix Self Storage provides accurate data on storage facilities in 133 markets covering more than 29,000 properties nationwide.

Key features

- 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
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as portfolios of owners, managers, buyers and sellers

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