



Yardi<sup>®</sup> Matrix

# National Self Storage Report

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June 2022



# Self Storage Supply and Rent Recap

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## Storage street rates hit new high as demand remains solid

- Demand for self storage is holding up despite growing economic uncertainty, pushing national street rates to new highs in May. Overall street rates rose \$1 to \$147, with 10X10 CC at \$149 and 10X10 NON CC at \$131. Storage demand remains extremely resilient, enabling operators to push both street rates and renewal rates while maintaining occupancy. The demand drivers for self storage are varied. Work-from-home will remain a big driver, as individuals need storage to help transform living space to workspace. Strong consumer balance sheets have boosted retail spending to new highs, with spending on home furnishings increasing demand for storage. Migration and the rising cost of housing are other factors that boost demand. Some households may choose to save money by living in a smaller apartment while renting a storage unit on the side. Inflation is a growing concern as it squeezes consumers' budgets, but some operators say it also braces them to expect rent increases.

## Annual rate growth is moderating as rates hit all-time highs

- Even as street rates hit record highs amid healthy demand, year-over-year growth is moderating and seasonality is normalizing. The total average annual street rate growth fell 150 basis points to 3.5% in May, a continued deceleration from the above-trend gains of 2021. Still, growth remains solid relative to the long-term average.
- Rent growth is slowing in some areas of the country, but remains elevated in high-growth metros across the Sun Belt region. For 10X10 NON CC units, two of the top 31 metros had rate increases above 10.0% year-over-year in May, while rates decreased in two. For CC units, 10 of the top 31 markets had 5.0% or more growth, while six saw negative growth.
- Nationally, Yardi Matrix tracks a total of 4,066 self storage properties in various stages of development—including 1,481 planned, 750 under construction and 522 prospective properties. The new-supply pipeline as a percent of existing inventory rose 20 basis points month-over-month in May. The share of existing projects in the planning or under-construction stages is equal to 9.7% of existing stock.
- Yardi Matrix also maintains operational profiles for 28,390 completed self storage facilities across the United States, bringing the total data set to 32,456.