



Yardi[®] Matrix

National Self Storage Report

July 2022



Self Storage Supply and Rent Recap

Storage street rates, development pipeline continue to grow

- Self storage performance remains excellent, with robust demand. Average U.S. street rates for 10X10 CC units rose \$1 to \$132 in June, while average rates for 10X10 NON CC units also rose \$1 to \$150, both all-time highs. Demand continues to come from all directions, including the growth in home offices as most companies employ some type of hybrid strategy for knowledge workers, consumer spending on items such as clothing and furniture, and to a lesser degree businesses using storage for distribution purposes. Solid occupancy enables property managers to push in-place rents, calculating that vacant units can be filled at higher rates. Concerns center around the slowing economy and rising interest rates that have produced a sudden chill on home sales, which produces demand for self storage. The strong fundamentals also serve to incentivize new supply. The amount of space under construction or planned rose to 10.0% of existing stock this month. Although fundamentals are still robust, fear of oversupply may creep into highly penetrated markets.

Annual street rate growth remains above historical trends

- Nationally, the overall average street rate, which includes all unit sizes and types, increased 3.5% year-over-year in June. Although rates are at record highs, the growth rate has declined steadily since peaking at 14.4% in June 2021. However, market performance remains comfortably above historical trends, including through much of 2018 to 2020, when street rate growth was mostly flat or negative.
- While street rate growth is decelerating in many parts of the country, metros in the Southeast continue to lead the way in rate increases. For 10x10 NON CC units, 14 of the top 31 metros had rent increases of 5.0% or more year-over-year. For CC units, 10 of the top 31 had annual growth of at least 5.0%.
- Nationally, Yardi Matrix tracks a total of 4,115 self storage properties in various stages of development—including 1,524 planned, 755 under construction and 516 prospective properties. The new-supply pipeline as a percent of existing inventory increased 20 basis points month-over-month in June. The share of existing projects in the planning or under-construction stages is equal to 10.0% of existing stock.
- Yardi Matrix also maintains operational profiles for 28,455 completed self storage facilities across the United States, bringing the total data set to 32,570.