



Yardi[®] Matrix

National Self Storage Report

January 2023



Self Storage Supply and Rent Recap

Despite headwinds, self storage industry well-positioned for 2023

- In the face of flattening street rates, a slight weakening of demand and economic headwinds, self storage had a strong year and is well-positioned heading into 2023. Street rates have declined, but operators have focused on increasing existing customer rents to achieve strong revenue growth, outweighing the rise in operating costs. Seasonality and the slowdown in the housing market has caused demand to slightly wane. However, operators remain confident in the resilient demand created over the past two years and the ability to backfill occupancy in the spring with higher-paying new customers. A rapid rise in development costs, including the cost of debt, will also likely cause a deceleration in new supply in coming years, another positive for owners.

Declining street rates remain above pre-pandemic levels

- The average national street rate for all unit sizes dropped again on a year-over-year basis, down 2.8% in December. However, average rates remain above pre-pandemic levels. Rates for standard-size 10x10 units decreased 2.3% for non-climate-controlled (NON CC) units and 3.4% for climate-controlled (CC) units. Meanwhile, rates for larger units outperformed those for smaller units on an annual basis, with rates for 10x30 units down 2.4% over the year and rates for 5x5 units down 3.4% over the same period.
- Most markets across the nation ended 2022 with a decline in street rates. However, rates remained resilient in several of the top metros, mainly in the Southeast. For 10x10 NON CC units, seven of the top 31 Yardi Matrix self storage metros had an increase in street rates year-over-year in December, while rates remained flat in one. For 10x10 CC units, only three of the top 31 markets had positive growth, while rates dropped year-over-year in the remaining 28 metros.
- Nationally, Yardi Matrix tracks a total of 4,627 self storage properties in various stages of development, including 812 under construction, 1,789 planned and 669 prospective properties. The share of projects under construction was equivalent to 3.6% of existing stock in December, unchanged from the previous month.
- Yardi Matrix also maintains operational profiles for 29,032 completed self storage facilities across the U.S., bringing the total data set to 33,659.