



Yardi[®] Matrix

National Self Storage Report

March 2023



Self Storage Supply and Rent Recap

Storage fundamentals normalize ahead of spring season

- Street rates were flat in February as growth patterns are returning to normal. Despite the tempering of rate growth, the industry is in a comfortable position as the spring leasing season approaches. Although fundamentals softened slightly in the fourth quarter owing to normal seasonal patterns and some customers balking at increasing rates, demand is strong and occupancy remains ahead of where it normally is this time of year. "We're seeing good demand from new customers coming into the system," Public Storage's chief financial officer, Tom Boyle, said during a recent earnings call. "Move-in volumes through the (winter) are up double digits." REITs are forecasting mid-single digit net operating income growth in 2023. The caveat is how demand will react to the economy, especially as it is likely to slow in the second half of the year as the Federal Reserve raises rates to slow inflation. However, storage operators remain cautiously optimistic as demand and rates remain firm.

Further moderation in street rate performance nationwide

- Street rate growth continued to moderate in February. Growth of the average national street rate for all unit sizes was -2.8% year-over-year, unchanged from January. Rates for standard-size 10x10 units fell by 3.1% year-over-year for non-climate-controlled (NON CC) units and 4.1% for climate-controlled (CC) units.
- Annual street rate growth continued to be negative for most of the top 31 metros in February. Only three of the top 31 Matrix self storage metros had a year-over-year increase in street rates for 10x10 NON CC units, while rates were negative in 25 of the top metros. Twenty-nine of the top 31 metros recorded negative year-over-year growth for 10x10 CC units, with only one seeing positive year-over-year growth.
- Nationally, Yardi Matrix tracks a total of 4,730 self storage properties in various stages of development, including 823 under construction, 1,885 planned and 662 prospective properties. The share of projects under construction was equivalent to 3.6% of existing stock in February, unchanged from the previous month.
- Yardi Matrix also maintains operational profiles for 29,221 completed self storage facilities across the U.S., bringing the total data set to 33,951.