



Yardi[®]Matrix

National Self Storage Report

August 2023–Revised

This is a revised version of our August 2023 National Self Storage Report. We received some late correction data from one of our valued clients, and as a result, have revised Pittsburgh street rates and rate growth throughout the report.



Self Storage Supply and Rent Recap

Self storage demand remains healthy amid challenges

- Self storage performance is feeling the effects of the broader economy, prompting growth to decelerate to below historical levels. Street rates slipped month-over-month in July and year-over-year growth remains negative, as demand and supply trends are both softening. Nationally, street rates for combined CC and NON-CC 10X10 units fell by \$1 in July to \$134, and are flat from the beginning of the year. Lower street rates are a result of weak move-in activity, with average REIT occupancy in Q2 2023 down 400 basis points from its all-time peak in Q2 2021. Demand is impacted by the weak home sales market and domestic migration coming down from COVID-19 highs. Meanwhile, the amount of deliveries is an impediment to asking rate growth in some markets, particularly rapid-growth metros, though supply pressure should ease as starts wane. Despite the challenges, there are bright spots. The job market remains sound, and strong consumer balance sheets will support demand. Self storage demand has historically been recession resilient, coming from a variety of sources, and growth rebounds quickly following a downturn due to month-to-month lease terms and flexible customer rate increase programs.

Year-over-year growth down in most metros

- Street rate performance was weaker than normal in July. Nationally, overall street rates (all unit sizes and types combined) dropped \$1 to \$141, down 0.7% month-over-month. Historically, rate growth is positive in July, averaging a sequential increase of 0.8% in the past seven years.
- Street rates continued to be negative year-over-year in July in all of Yardi Matrix's top 31 metros. Rates for 10x10 non-climate-controlled (NON CC) units dropped in all 31 of the top metros compared to July 2022, while rates for similar-size climate-controlled (CC) units also decreased in all of the top markets.
- Nationally, Yardi Matrix tracks a total of 4,916 self storage properties in various stages of development, including 830 under construction, 1,977 planned, 672 prospective, 1,375 abandoned and 62 deferred properties. The share of projects under construction nationwide was equivalent to 3.6% of existing stock in July, a minor decrease of 0.1% from June.
- Yardi Matrix also maintains operational profiles for 30,152 completed self storage facilities across the U.S., bringing the total data set to 35,068.