



Yardi[®] Matrix

National Self Storage Report

November 2022



Self Storage Supply and Rent Recap

Macro environment impacting storage; operators prepare for downside

- Street rates are softening as the industry is affected by the increasingly difficult economy and rapidly rising interest rates. Average street rates for both 10X10 CC and 10X10 NON CC units slipped in October for the second straight month as demand weakens. Home sales, a major driver of storage demand, have slowed sharply in recent months as rising mortgage rates have made homebuying less affordable. What's more, as inflation persists and a recession is increasingly likely, households are cutting expenditures on non-essential items such as storage. To prepare for the more difficult economic landscape, operators are reducing street rates to maintain high levels of occupancy and looking for ways to cut costs to further protect themselves from a recession. As a result, a growing number of operators are moving to remote management to reduce the number of people needed on-site and cut operating costs at their stores.

Further moderation in street rate performance

- Street rate growth continues to decelerate. On a national level, the overall average street rate, which includes all unit types and sizes, decreased 0.7% annually. The national average rate in October was \$145, the lowest it's been this year.
- For 10x10 non-climate-controlled (NON CC) units, only one of the top 31 Matrix self storage metros had an annual street rate increase greater than 5.0% in October, while rates decreased in 11 of the top metros. For 10x10 climate-controlled (CC) units, one of the top 31 had 5.0% or more growth, while 21 metros registered negative rate growth year-over-year. Secondary markets with strong population growth continue to see the strongest performance at the metro level.
- Nationally, Yardi Matrix tracks a total of 4,458 self storage properties in various stages of development, including 1,711 planned, 800 under construction and 604 prospective properties. The new-supply pipeline as a percentage of existing inventory increased 20 basis points month-over-month in October. The share of projects in the planning stage or under construction is equivalent to 10.9% of existing stock.
- Yardi Matrix also maintains operational profiles for 28,847 completed self storage facilities across the U.S., bringing the total data set to 33,305.