



Yardi[®] Matrix

National Self Storage Report

December 2022



Self Storage Supply and Rent Recap

Decelerating street rates remain above pre-pandemic levels

- Street rates continued to decelerate in November, largely due to typical seasonal patterns. Despite the drop from peak levels, the bigger picture shows street rates are healthy, as they are still more than 10% higher than they were prior to the pandemic. Although demand has weakened slightly due to seasonality and the housing market's slowdown, occupancy remains high and operators are focusing on increasing rates for existing customers. Meanwhile, the development pipeline is anticipated to gradually slow, as banks have become reluctant to write construction loans, which means that new starts will decline once projects under construction are delivered. Economic conditions continue to be healthy, as the labor market remains tight and inflationary pressures eased slightly in October, but rising interest rates increase the chance of a downturn in late 2023. Though storage is well positioned relative to other property sectors, the economy is a potential headwind.

Street rate growth continues to slow across the nation

- Street rate growth continues to slow. The overall average national street rate, which includes all unit sizes for non-climate-controlled (NON CC) and climate-controlled (CC) units tracked by Yardi Matrix, was \$142 in November, a decrease of 0.7% year-over-year. That is the lowest the overall national rate has been in 17 months. Larger units, specifically 10x20 and 10x30 units, performed the best on an annual basis, helping boost the overall rate performance compared to the performance of 10x10 NON CC and CC units.
- For 10x10 NON CC units, 11 of the top 31 Matrix self storage metros had an increase in street rates year-over-year in November, while rates remained flat in six of the top metros. For 10x10 CC units, only five of the top 31 had positive growth, while three metros registered no change in street rates year-over-year. Street rates are negative year-over-year in most metros, but Sun Belt markets continue to hold up better than other parts of the country.
- Nationally, Yardi Matrix tracks a total of 4,536 self storage properties in various stages of development, including 1,721 planned, 828 under-construction and 644 prospective properties. The share of projects in the planning stage or under construction was equivalent to 11.1% of existing stock in November, up a slight 10 basis points month-over-month.
- Yardi Matrix also maintains operational profiles for 28,900 completed self storage facilities across the U.S., bringing the total data set to 33,436.