



Yardi[®] Matrix

National Self Storage Report

May 2023



Self Storage Supply and Rent Recap

Faced with headwinds, storage fundamentals remain strong

- Despite near-term headwinds, self storage fundamentals remain strong. Occupancy has declined from pandemic highs, but demand is firm and street rates are rising as the busy leasing season progresses. In recent earnings calls, REITs reported higher-than-expected operating income in the first quarter, and competition from new supply is expected to slow as developers face increasing difficulties with rising costs. Market sentiment is cautiously optimistic, though it is still early in the year and performance will depend heavily on the heart of the leasing season in coming months. The slowing economy and muted housing market could create downward pressure on demand, impacting street rates and occupancy levels, but the sector has historically stayed resilient in times of economic stress.

National street rates remain steady

- National street rates saw modest gains month-over-month in April, following normal seasonal patterns. Street rates for all unit sizes combined increased by \$1 to \$141 in April, up 70 basis points from March. Rates for standard-size 10x10 units, including both non-climate-controlled (NON CC) and climate-controlled (CC) unit types, remained level.
- Metro-level street rate growth is overwhelmingly negative year-over-year. Each of Yardi Matrix's top 31 metros recorded a drop in 10X10 CC rates compared to a year ago, while rates are down in 90% of the top 31 metros for 10x10 NON CC units. Street rates rose or remained flat in only three metros. Nonetheless, operating income is being increased via existing customer rents.
- Nationally, Yardi Matrix tracks a total of 4,713 self storage properties in various stages of development, including 812 under construction, 1,885 planned, 638 prospective, 1,328 abandoned and 50 deferred properties. The share of projects under construction was equivalent to 3.6% of existing stock in April, remaining unchanged from March.
- Yardi Matrix also maintains operational profiles for 29,515 completed self storage facilities across the U.S., bringing the total data set to 34,228.