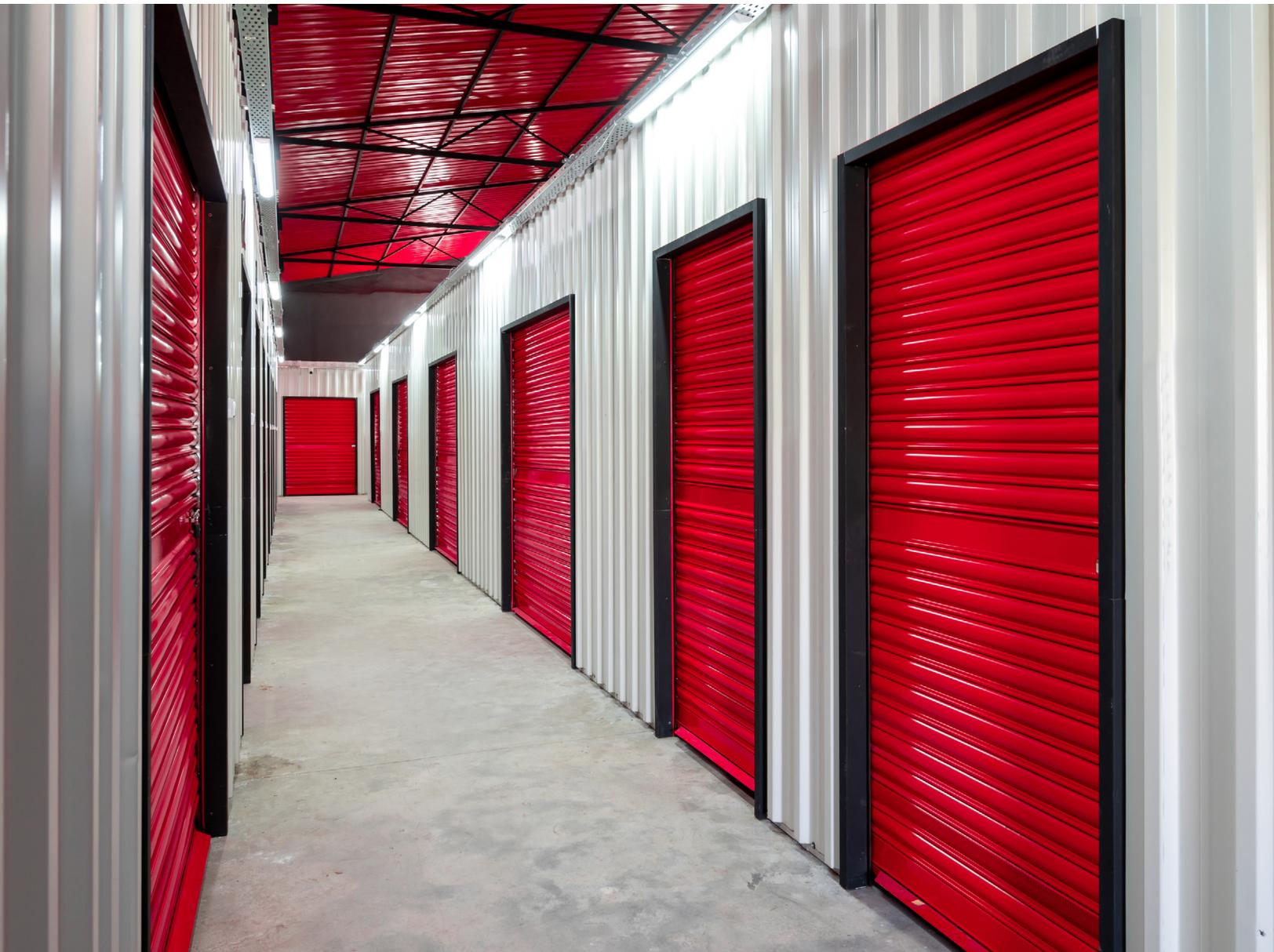




Yardi Matrix

National Self Storage Report

October 2023



Self Storage Supply and Rent Recap

Challenging leasing environment impacts street rates

- Self storage continues to face a more challenging leasing environment created by the broader effects of the economy, causing a further weakening of street rates. Street rates fell month-over-month in September and year-over-year growth remained negative, as demand trends softened through the end of the third quarter. National home sales hit their lowest level since January, weighed down by the current high home prices and mortgage rates, as well as limited inventory. As one of the biggest demand drivers, the slowdown in the housing market is putting pressure on leasing. However, rental movement and the need for more space could potentially help offset the lack of home sales. Operators have also been able to rely on existing customer rent increases (ECRIs) to maintain revenue growth. While there is uncertainty over how fundamentals will perform in the last few months of the year, many operators remain cautiously optimistic, as the sector has historically stayed resilient during economic shifts.

Street rates down year-over-year in most metros

- Annual street rate growth continues to be negative. In September, the average annualized same-store asking rent per square foot was \$17.07 nationwide for the combined mix of unit sizes and types. This is a 4.2% decrease compared to the national average of \$17.83 recorded in September 2022.
- Street rate growth continued to be negative year-over-year in the majority of Yardi Matrix's top 31 metros in September. Combined same-store rates for non-climate-controlled (NCC) units fell in all but one of the top metros on an annual basis. Street rates for same-store climate-controlled (CC) units decreased in all but one of the metros annually.
- Nationally, Yardi Matrix tracks a total of 4,909 self storage properties in various stages of development, including 836 under construction, 1,942 planned, 650 prospective, 1,415 abandoned and 66 deferred properties. The level of development (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock in September.
- Yardi Matrix also maintains operational profiles for 29,082 completed self storage facilities across the U.S., bringing the total data set to 33,991. We are happy to announce the release of our new Appalachian storage market, which is now available to Yardi Matrix customers on the subscriber portal, and our market coverage continues to expand.