



Yardi[®] Matrix

National Self Storage Report

August 2022



Self Storage Supply and Rent Recap

Self storage operators pushing rates as demand remains high

- Self storage street rates maintained their record highs in July, unchanged from June. Although street rate growth is moderating and operators expect an increase in move-outs in the second half of this year compared to 2021, demand remains strong, and net income is growing at a healthy clip as operators push rates of existing customers. During recent second-quarter earnings calls, several REIT executives said they expect seasonality to return in the second half after several quarters of unusually low move-outs. The number of customers moving out is likely to normalize later this year as operators focus on bringing existing customers up to current street rates. REIT executives also noted that many customers are staying longer and the average length of stay has increased. The net result is positive, as total revenues are increasing by double-digit percentages. The slowing home sale market has a mixed impact on demand. While fewer houses are selling, some families remaining in smaller homes are using storage as an alternative.

Street rates remain at all-time highs, while rate growth is moderating

- As street rates have leveled at record highs, year-over-year growth has decelerated. The slowdown in growth was to be expected, as much of the industry anticipated gains in 2022 were unlikely to match the above-trend increases posted last year. Nationwide, the overall average street rate, which includes all unit sizes and types, grew 2.1% year-over-year in July, a 210-basis-point drop compared to June's annual rate growth.
- While street rates are shrinking in some areas of the country, growth remains the healthiest in the Southeast. For 10x10 non-climate-controlled (NON CC) units, nine of the top 31 metros had street rate increases greater than 5.0% in July, while rates decreased in four. For 10x10 climate-controlled (CC) units, only two of the top 31 had 5.0% or more growth, while eight experienced negative growth.
- Nationally, Yardi Matrix tracks a total of 4,156 self storage properties in various stages of development—including 1,555 planned, 762 under construction and 514 prospective properties. The share of projects in the planning or under-construction stages as a percent of existing inventory increased by 10 basis points month-over-month to 10.1% in July.
- Yardi Matrix also maintains operational profiles for 28,531 completed self storage facilities across the United States, bringing the total data set to 32,687.