



Yardi Matrix

National Self Storage Report

January 2021



Monthly Supply and Rent Recap

Self storage remains resilient, ending the year strong

- Despite initially experiencing challenges due to the pandemic's disruptions earlier in the year, self storage fundamentals continue to strengthen and stabilize, especially compared to other commercial property asset types. The self storage industry ended the year strong by continuing to prove its ability to fare well, even when faced with difficult economic conditions, as street rate performance improved substantially across the nation on an annual basis. Despite the fact that the number of abandoned storage projects in the new-supply pipeline continued to rise in December, development activity remained relatively stable in most markets and at the national level. However, with the strain of the health crisis continuing to be felt across much of the economy, the resiliency of self storage may be put to the test as we move into the new year.

Strength in street rate performance continues

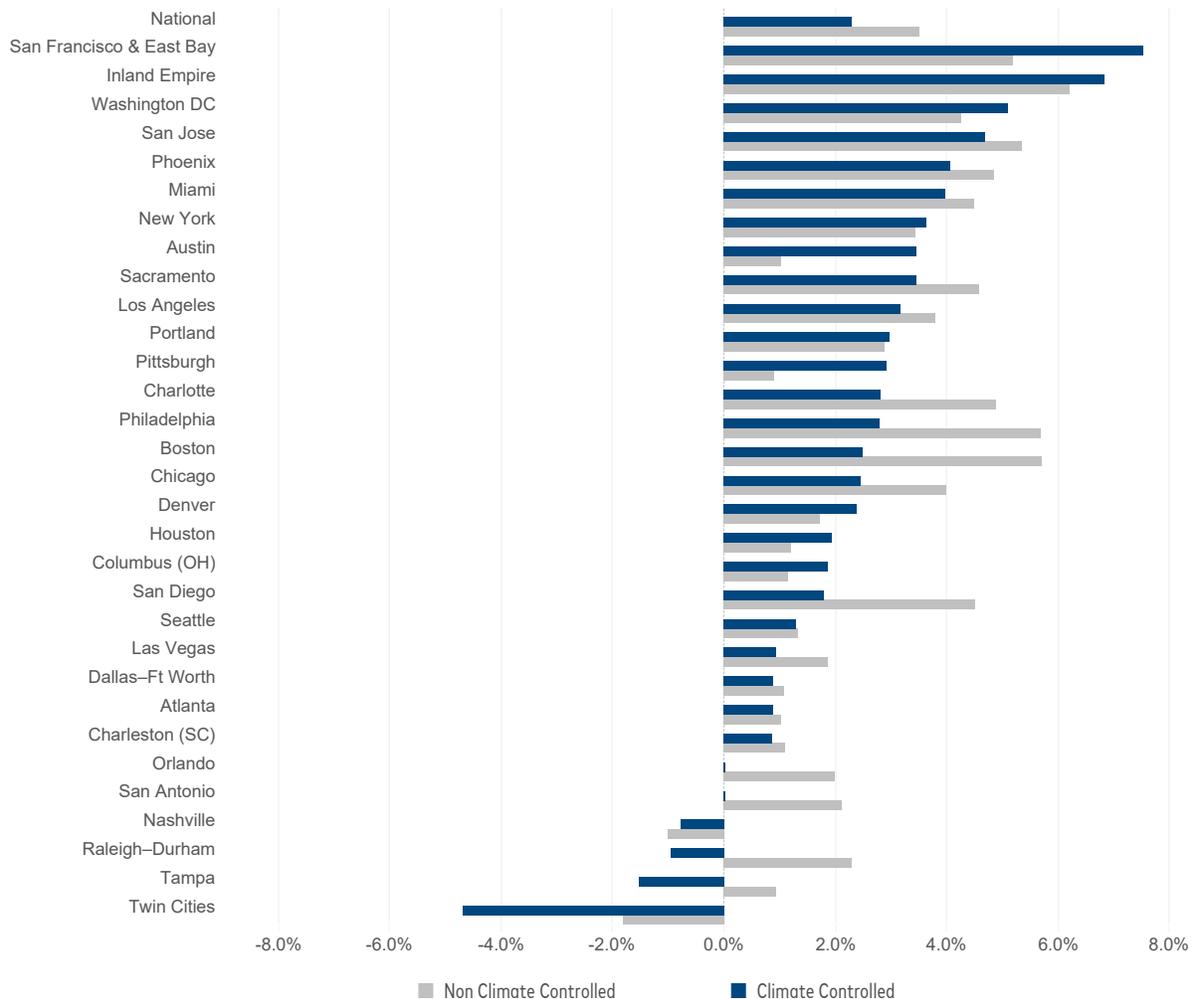
- Street rate performance continued to improve significantly across the nation in December. National street rates for 10x10 non-climate-controlled (NON CC) units increased 3.5% in December on a year-over-year basis, and rates nationwide for 10x10 climate-controlled (CC) units grew by 2.3% year-over-year. While rates saw substantial growth on an annual basis, rates for both 10x10 NON CC and CC units remained flat month-over-month.
- Annual street rate performance was positive in roughly 94% of the top markets tracked by Yardi Matrix for 10x10 NON CC units in December. Year-over-year, only two top markets saw negative rate performance for this unit type. By comparison, rates fell in 24 of the top markets on a year-over-year basis in December 2019.
- On a national level, Yardi Matrix tracks a total of 2,131 self storage properties in various stages of development—comprising 592 under construction, 1,135 planned and 404 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a minor 0.1% month-over-month in December, and the share of existing projects in planning and construction stages accounts for 8.3% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,399 completed self storage facilities across the United States, bringing the total data set to 28,530.

Monthly Rate Growth Update

National street rate performance continues to see improvement

- Street rate performance in December once again demonstrated the resiliency of the self storage market, as rates across the nation continued to see improvement. Nationwide, both 10x10 NON CC and CC units saw street rates rebound tremendously at the end the year, with rates for 10x10 NON CC units increasing 3.5% year-over-year and rates for 10x10 CC units seeing a 2.3% uptick on an annual basis. The national average rate for 10x10 NON CC units grew to \$118, a price level not seen since August 2018.
- In December, none of the top markets saw street rates for standard 10x10 NON CC units drop lower than -1.8% year-over-year—a notable feat, looking back at street rate performance over the last couple of years. While most of the top markets saw positive rate growth for 10x10 NON CC units year-over-year, only two top markets experienced negative rate growth on an annual basis. Compared to December 2019, Nashville saw street rates for 10x10 NON CC units fall 1.0%, while rates in Minneapolis for the same unit type dropped slightly further, down 1.8% year-over-year.

December 2020 Year-over-Year Rent Change for 10'x10' Units



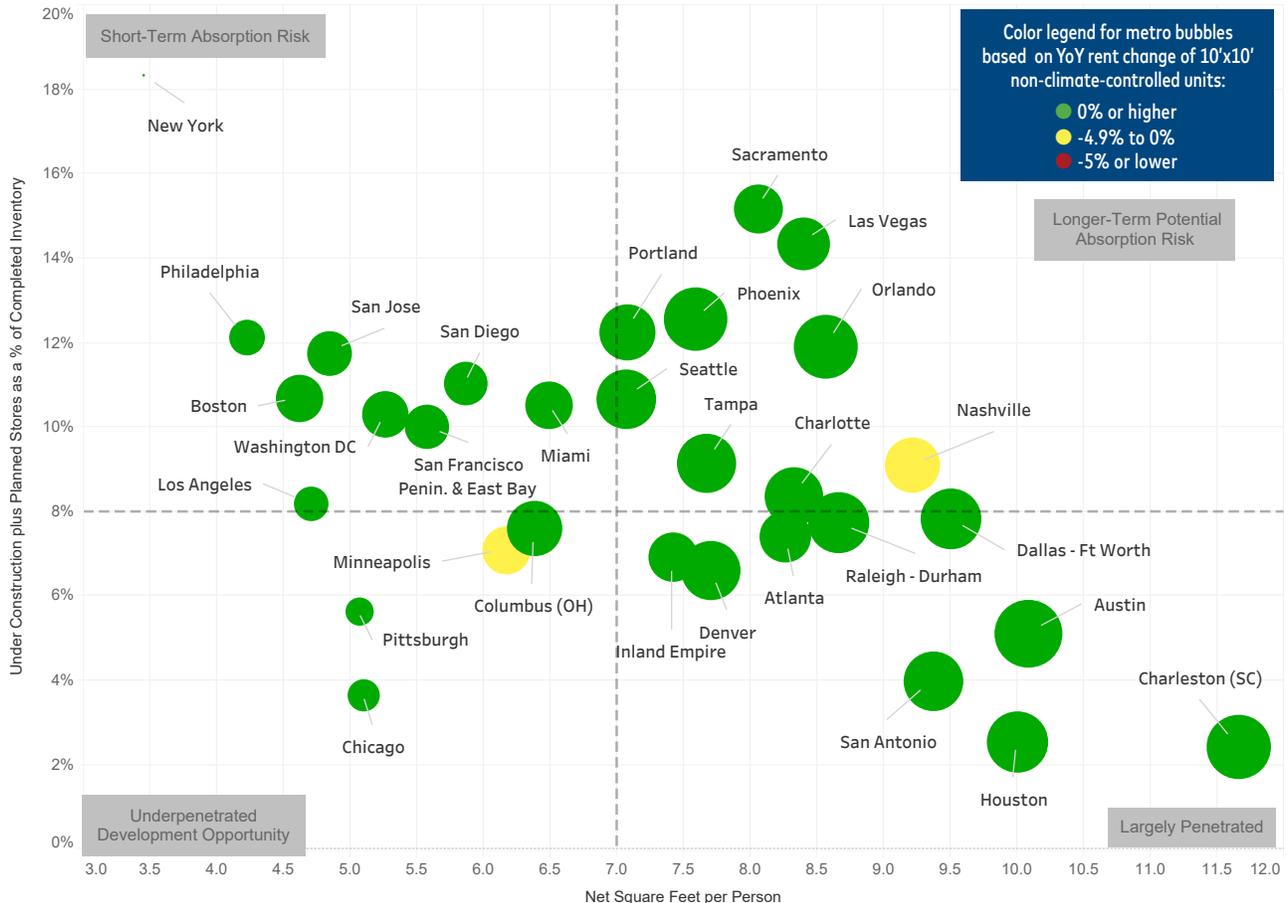
Source: Yardi Matrix. Street rate data as of Jan. 7, 2021

Monthly Rate Growth Update

Significant annual street rate growth in Inland Empire and Philadelphia metros

- California's Inland Empire saw street rates hit historical highs in December, with the average rate for 10x10 NON CC units growing to \$120 and the average rate for CC units of a similar size increasing to \$156. Compared to December 2019, street rates in the metro for 10x10 NON CC units grew by 6.2% and rates for 10x10 CC units grew by 6.9%. The Inland Empire's storage market likely benefits from incoming residents moving out of more expensive nearby metros, such as Los Angeles and the Bay Area, helping to drive demand and street rate growth.
- Philadelphia was the only top metro to experience a decrease in development activity month-over-month in December, down 0.1%. With an existing inventory accounting for 4.2 net rentable square feet (NRSF) per capita, below the national average, the Philadelphia metro seems to be poised to handle new storage supply, especially considering Philadelphia saw a significant year-over-year increase in street rates for both 10x10 NON CC and CC units in December. Rates for 10x10 CC units grew 2.8%, and those for 10x10 NON CC units fared even better, up a substantial 5.7% year-over-year.

Self Storage Major Metro Summary
 New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)
 (bubble size represents 2018 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of Jan. 7, 2021

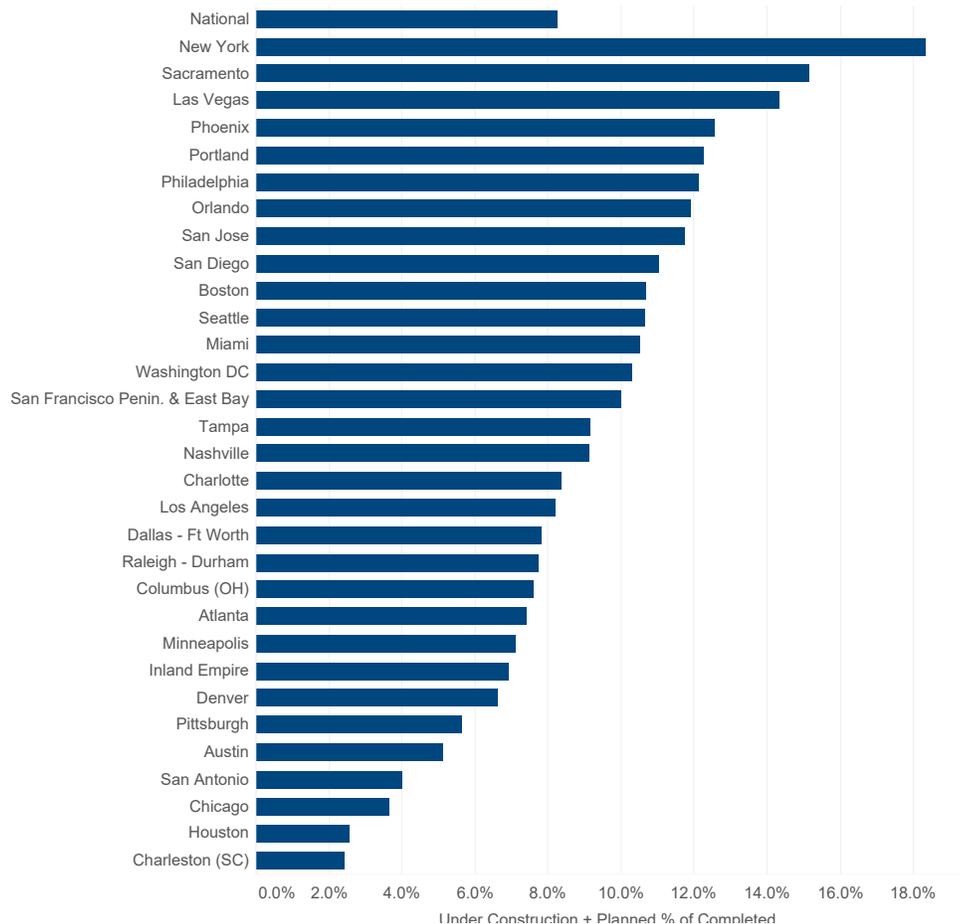
Monthly New Supply Update

Storage development activity remains stable, despite increase in abandoned projects

- Self storage properties under construction or in the planning stages nationwide accounted for 8.3% of existing inventory in December, marking a slight 10-basis-point uptick month-over-month. While the national new-supply pipeline appears to be remaining stable, the number of abandoned projects increased by 23 this month. The consistent rise in project abandonments may be a sign of a slowdown in storage development moving forward. However, this may be a positive for markets that have struggled with restoring a supply-and-demand balance amid elevated levels of new storage supply in recent years.
- The Atlanta metro saw the largest increase in development activity in December, up 0.5% month-over-month, as two under construction and two planned were added to the metro's new-supply pipeline. In December, the Atlanta area had a total of 49 storage facilities in various stages of development—comprising 16 under construction, 25 planned and eight prospective properties. The current development pipeline is more than double the 22 in the pipeline in December 2019, signifying a substantial increase in developer interest over the past year.

Under Construction & Planned Percent of Existing Inventory

Metro	Nov-20	Dec-20	Change
NATIONAL	8.2%	8.3%	↑
New York	18.1%	18.3%	↑
Sacramento	14.8%	15.2%	↑
Las Vegas	14.4%	14.4%	▬
Phoenix	12.6%	12.6%	▬
Portland	12.3%	12.3%	▬
Philadelphia	12.2%	12.1%	↓
Orlando	11.9%	11.9%	▬
San Jose	11.8%	11.8%	▬
San Diego	10.8%	11.0%	↑
Boston	10.3%	10.7%	↑
Seattle	10.7%	10.7%	▬
Miami	10.5%	10.5%	▬
Washington DC	10.1%	10.3%	↑
San Francisco Penin. & East Bay	10.0%	10.0%	▬
Tampa	9.2%	9.2%	▬
Nashville	9.1%	9.1%	▬
Charlotte	8.2%	8.4%	↑
Los Angeles	8.2%	8.2%	▬
Dallas-Ft Worth	7.8%	7.8%	▬
Raleigh-Durham	7.8%	7.8%	▬
Columbus (OH)	7.6%	7.6%	▬
Atlanta	6.9%	7.4%	↑
Minneapolis	6.8%	7.1%	↑
Inland Empire	6.9%	6.9%	▬
Denver	6.4%	6.6%	↑
Pittsburgh	5.6%	5.6%	▬
Austin	5.1%	5.1%	▬
San Antonio	4.0%	4.0%	▬
Chicago	3.7%	3.7%	▬
Houston	2.6%	2.6%	▬
Charleston (SC)	2.4%	2.4%	▬



* Drawn from our national database of more than 28,450 stores, including some 2,100 projects in the new-supply pipeline as well as more than 26,350 completed stores.

Source: Yardi Matrix. Supply data as of Jan. 7, 2021

Monthly Rate Recap

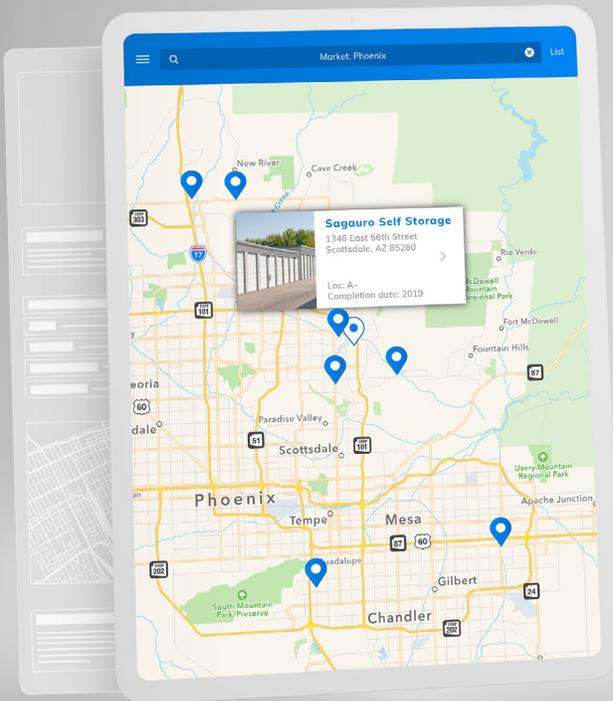
Market	Avg Metro Rate 10'x10' (non cc)	December 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	118	2%	3%	4%	2%	4%
San Francisco Penin. & East Bay	202	6%	6%	5%	8%	5%
Inland Empire	120	6%	6%	6%	7%	4%
Washington DC	147	2%	5%	4%	5%	5%
San Jose	177	4%	4%	5%	5%	3%
Phoenix	108	5%	3%	5%	4%	2%
Miami	140	4%	3%	4%	4%	6%
New York	181	3%	4%	3%	4%	5%
Sacramento	137	2%	4%	5%	3%	3%
Austin	98	3%	0%	1%	3%	4%
Los Angeles	191	2%	3%	4%	3%	4%
Portland	142	4%	4%	3%	3%	2%
Pittsburgh	111	2%	-1%	1%	3%	4%
Charlotte	86	3%	4%	5%	3%	5%
Philadelphia	130	6%	5%	6%	3%	6%
Boston	148	4%	4%	6%	3%	5%
Chicago	104	0%	3%	4%	2%	5%
Denver	119	0%	0%	2%	2%	3%
Houston	85	0%	0%	1%	2%	2%
Columbus (OH)	87	-3%	0%	1%	2%	3%
San Diego	162	6%	6%	5%	2%	3%
Seattle	154	0%	1%	1%	1%	3%
Las Vegas	109	2%	3%	2%	1%	3%
Dallas-Ft Worth	94	-2%	0%	1%	1%	2%
Atlanta	97	-2%	0%	1%	1%	3%
Charleston (SC)	91	-3%	-2%	1%	1%	4%
Orlando	103	0%	2%	2%	0%	4%
San Antonio	97	2%	2%	2%	0%	3%
Nashville	99	-4%	-1%	-1%	-1%	5%
Raleigh-Durham	89	0%	-2%	2%	-1%	2%
Tampa	107	0%	0%	1%	-2%	3%
Minneapolis	108	0%	-3%	-2%	-5%	2%

Source: Yardi Matrix. Sorted according to 10x10 CC rent performance.



Yardi Matrix

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