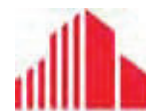


VALUATION & ADVISORY

# SELF-STORAGE PERFORMANCE QUARTERLY OVERVIEW



**Q3-22**



**CUSHMAN &  
WAKEFIELD**

SELF-STORAGE ADVISORY GROUP



## C&W SELF-STORAGE ADVISORY GROUP

# Summary of Findings

Rental income increased Nationwide due to the increases in asking rental rates even though the physical occupancy decreased. The graph below shows the rental rate averages for the other non-climate controlled, down stairs, standard unit sizes that are offered at storage facilities Nationwide.

Notably, rent per available square foot increased in the 3rd Quarter 2022 for both Nationwide and REITs. The REITs had very strong performance this year, and the pandemic caused the market sector to recover stronger than the normal self storage yearly cycle. This demonstrates the sector's resiliency during the pandemic.

Supply and demand metrics appear to be growing this quarter, as well as compared to all of last year. Construction starts increased 25% from last quarter and increased 27% as of 3rd Quarter 2021. According to F.W. Dodge, there have been 533 new starts the last four quarters (new starts includes new construction and alterations, additions, or renovations).

**SELF-STORAGE PERFORMANCE INDEX** - The SSPI decreased 0.6% compared to 2nd Quarter 2022 and increased 10.1% to compared to 3rd Quarter 2021. The SSPI now stands at 177.2.

**ASKING RENTAL RATES** - Asking rents increased 1.5% compared to 2nd Quarter 2022 and increased 11.7% compared to 3rd Quarter 2021, and the REITs did not change 0.0% compared to last quarter and increased 2.6% from 3rd Quarter 2021.

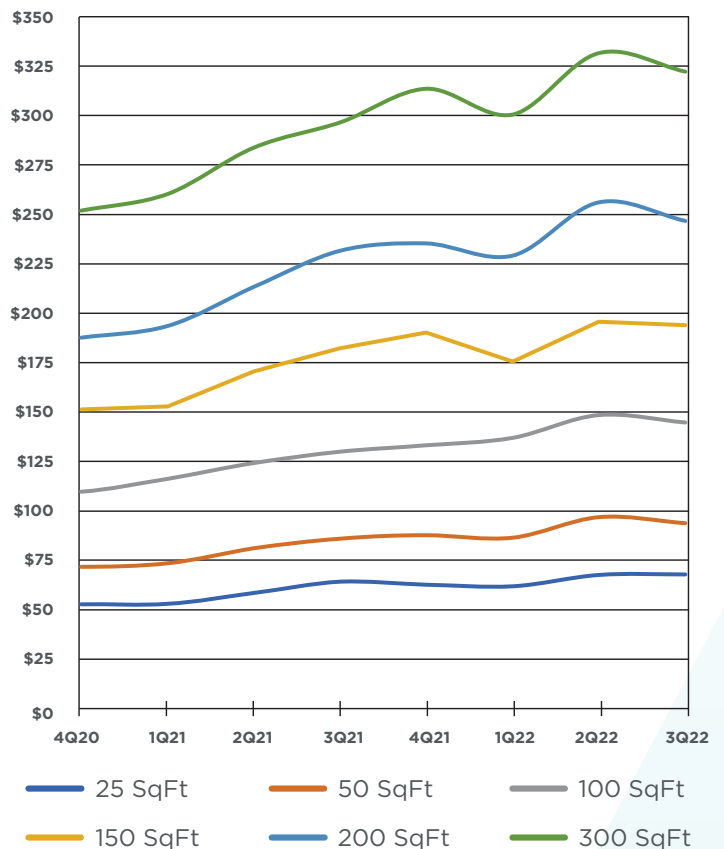
**PHYSICAL OCCUPANCY** - Median physical occupancy did not change 0.0% compared to 2nd Quarter 2022, and decreased 1.0% over the 3rd Quarter 2021, and REITs stayed the same 0.0% change compared to last quarter and increased 1.0% from the 3rd Quarter 2021..

**CONCESSIONS** - The cost of concessions index absolute change increased 7.0% compared 2nd Quarter 2022, also increased 17.4% over the 3rd Quarter 2021. The facilities offering concessions absolute change increased 2.6% from last Quarter and increased 4.7% from year ago, the Concession Cost Index increased to 161.7 in the 3rd Quarter 2022.

**RENT PER AVAILABLE SQUARE FOOT** - RPASF for the benchmark 100 square foot non-climate controlled units are up 1.2% from the 2nd Quarter 2022, and are up 10.3% compared to the 3rd Quarter 2021 and the REITs increased 0.2% compared to last quarter and increased 6.6% from last year.



### NATIONWIDE AVERAGE ASKING RENT FOR UNIT SIZES



\*Data reflected herein does not necessarily reflect current market conditions.

## QUARTERLY 3Q22 VS. 2Q22

### NATIONWIDE



ASKING RENTAL RATE  
**UP 1.5%**



PHYSICAL OCCUPANCY RATE  
**NEUTRAL 0.0%**



RENT PER AVAILABLE  
SQ. FT. (RENTAL INCOME)  
**UP 1.2%**

### REITS



ASKING RENTAL RATE  
**UP 2.8%**



PHYSICAL OCCUPANCY RATE  
**DOWN -0.3%**



RENT PER AVAILABLE  
SQ. FT. (RENTAL INCOME)  
**UP 2.5%**

## ANNUAL CURRENT FOUR QUARTERS VS. PRECEDING

### NATIONWIDE



ASKING RENTAL RATE  
**UP 2.8%**



PHYSICAL OCCUPANCY RATE  
**DOWN -0.3%**



RENT PER AVAILABLE  
SQ. FT. (RENTAL INCOME)  
**UP 2.5%**

### REITS



ASKING RENTAL RATE  
**UP 0.7%**



PHYSICAL OCCUPANCY RATE  
**UP 0.3%**

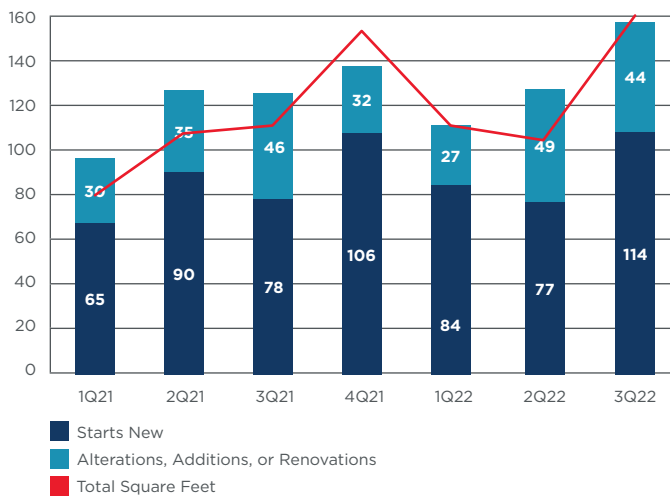


RENT PER AVAILABLE  
SQ. FT. (RENTAL INCOME)  
**UP 1.6%**

**Sampling Statistics:** SSDS' sampling technique assures that the number of REIT facilities in each market's sample represents the approximate percentage of actual REIT facilities in that given market. In this quarter report, data was obtained from 3,442 facilities owned by the four REITs and 7,327 facilities privately owned. Thus, the percentage of REIT facilities included in this quarter's sample is a reasonable proportion to their marketshare in these top 50 markets.

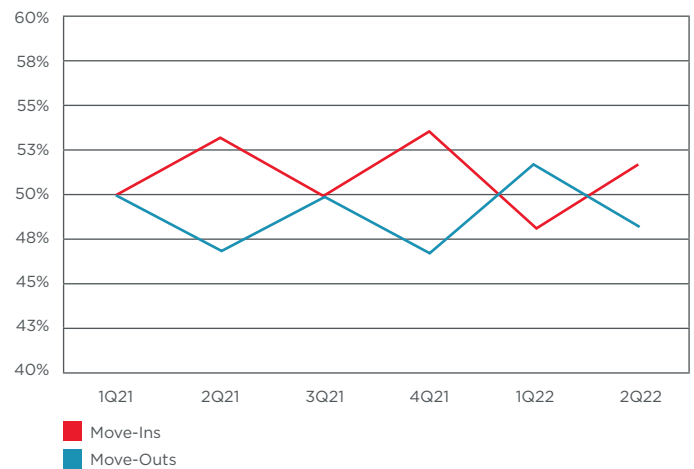
## NEW CONSTRUCTION NATIONWIDE

The graph below illustrates the historical trend in the total number of new construction starts including alterations, renovations and interior construction, both within and outside major metropolitan areas.



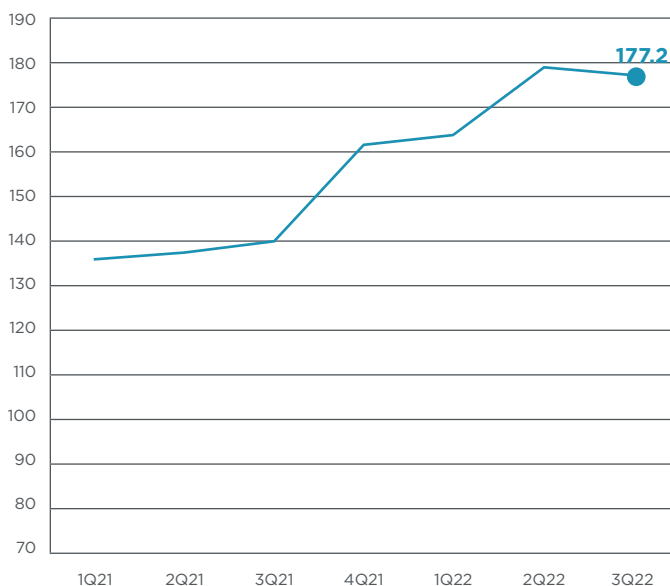
## DEMAND TREND MOVE-IN / MOVE-OUT

SSDS tracks the rental activity of approximately 561± self-storage facilities every 90-days. To measure the changes in demand, SSDS tracks several indicators including: The Ratio of Move-Ins to Move-Outs and the Net Absorption of Units.



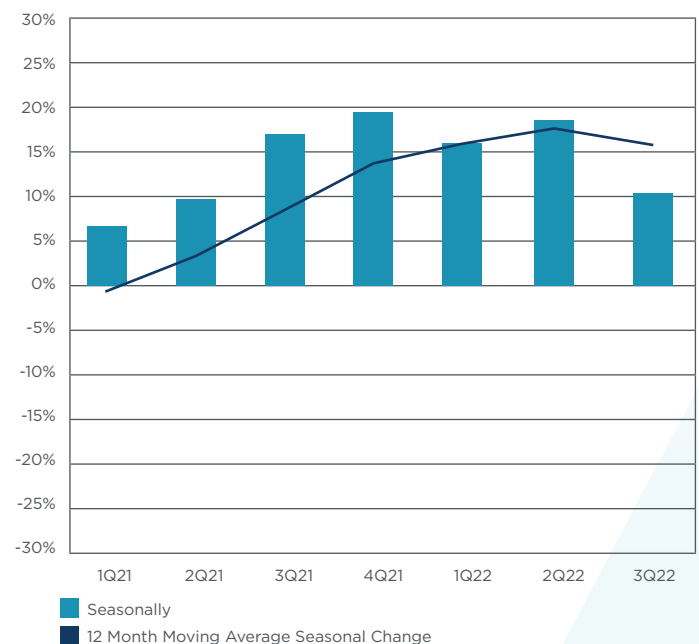
## SELF STORAGE PERFORMANCE INDEX

The SSPI measures the changes in net operating income, taking into consideration changes in asking rents, physical occupancy and concessions, as well as operating expenses.

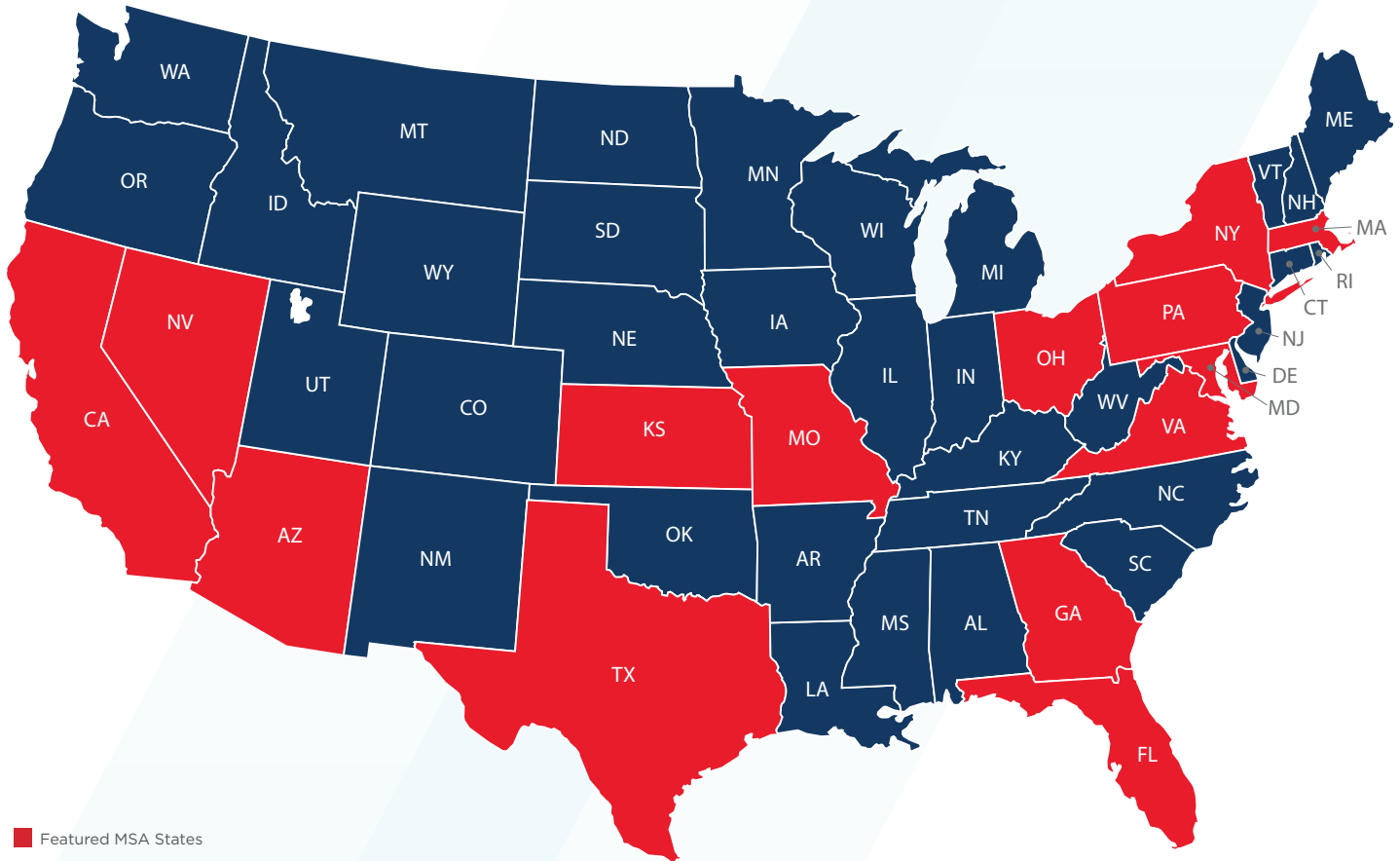


## RENT PER AVAILABLE SQUARE FOOT

Rents are calculated on a price per square foot basis because, more often than not, spaces may be divided or combined. These numbers give industry professionals a quick snapshot to compare rent prices among various properties.



# MARKETS WITH LARGEST NUMBER OF PROJECTS IN THE PIPELINE



■ Featured MSA States

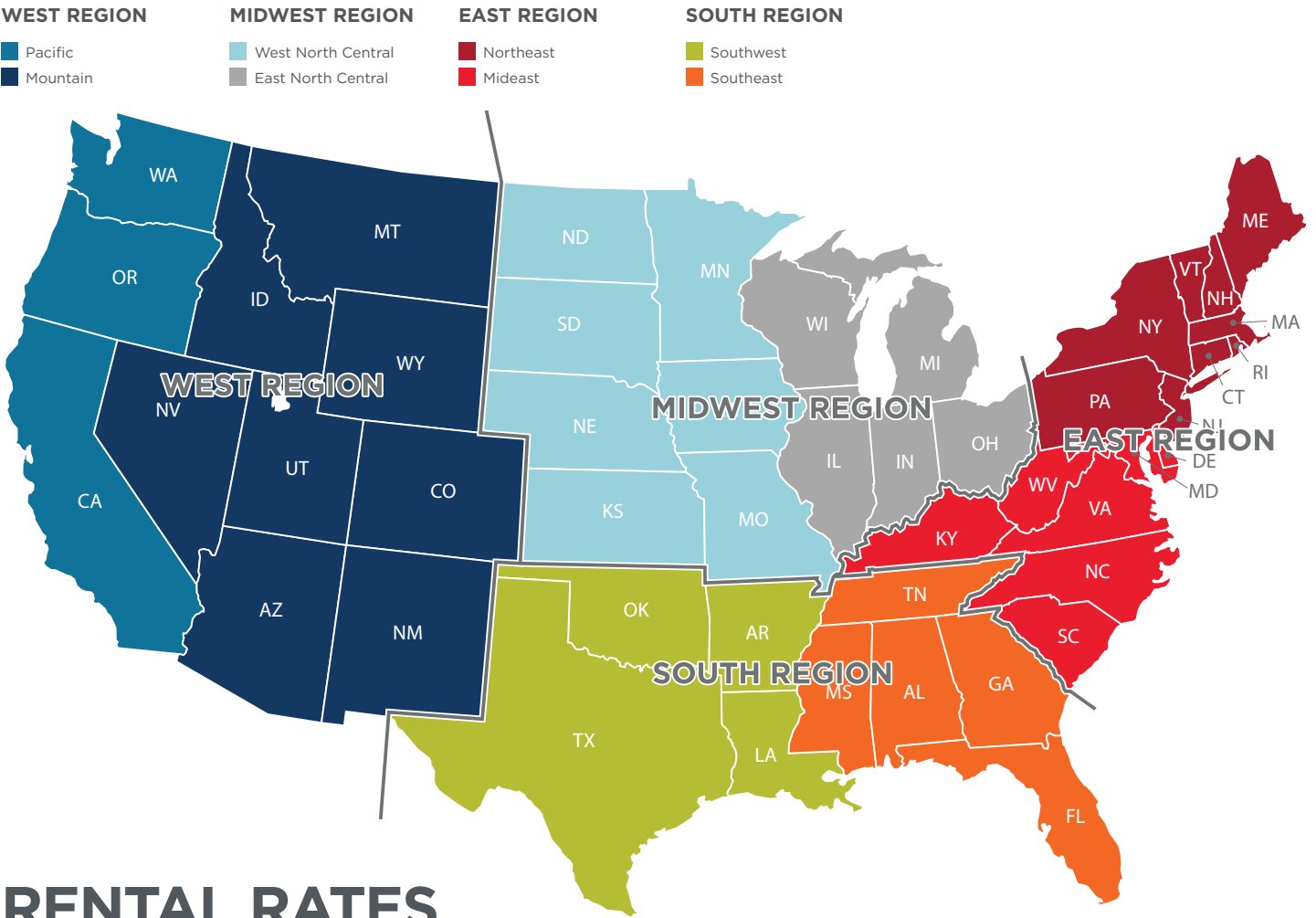
<b>New York-Newark-Edison</b>	64	<b>Houston-Baytown-Sugar Land</b>	16
<b>Orlando</b>	25	<b>Dallas-Fort Worth-Arlington</b>	14
<b>Miami-Fort Lauderdale-Miami Beach</b>	22	<b>Las Vegas-Paradise</b>	14
<b>Philadelphia-Camden-Wilmington</b>	22	<b>Virginia Beach-Norfolk-Newport News</b>	14
<b>Phoenix-Mesa-Scottsdale</b>	22	<b>Columbus</b>	13
<b>Atlanta-Sandy Springs-Marietta</b>	21	<b>Jacksonville</b>	13
<b>Los Angeles-Long Beach-Santa Ana</b>	19	<b>Washington-Arlington-Alexandria</b>	13
<b>Tampa-St. Petersburg-Clearwater</b>	19	<b>Boston-Cambridge-Quincy</b>	12
<b>Riverside-San Bernardino-Ontario</b>	17	<b>Kansas City</b>	11



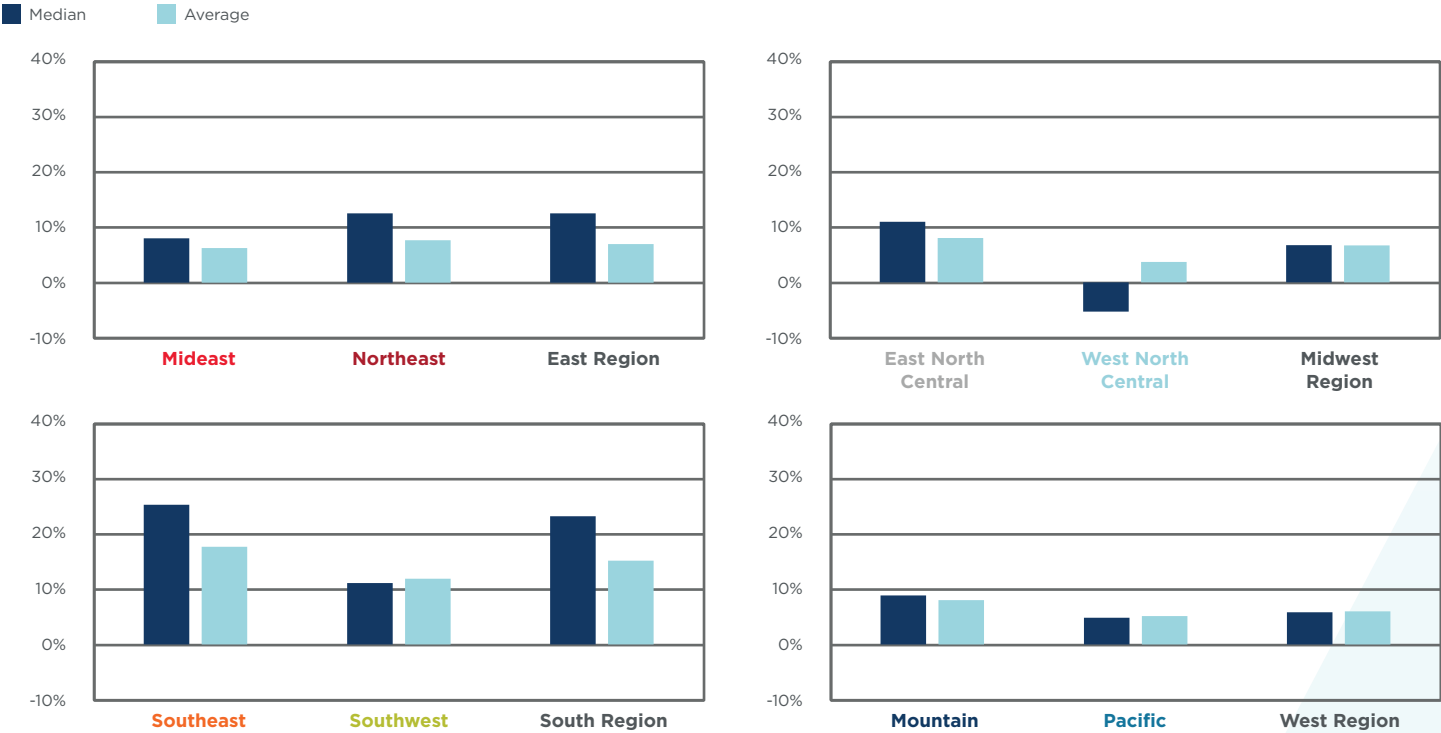
This document is a summarization of the Self-Storage Advisory Group's findings for Q3 2022 to access the full report please use the QR Code or Click the link below.

**FULL REPORT**

# OPERATING PERFORMANCE – BY REGION



## RENTAL RATES



# REGION'S DIVISIONAL PERFORMANCE 3Q22 VS. 3Q21



## East Region's Divisional Performance 3Q22 vs. 3Q21

	Midwest Division	Northeast Division	Nationwide	Midwest vs. Nationwide	Northeast vs. Nationwide
Asking Rental Rates	7.4%	11.5%	11.7%	-4.3%	-0.2%
Physical Occupancy	0.0%	1.0%	-1.0%	1.0%	2.0%
Rent per Available SF	9.7%	13.1%	10.3%	-0.6%	2.8%
Percent of Facilities Offering Concessions	82.2%	-14.5%	74.5%	7.7%	-89.0%
Effective Cost of Concessions Factor	7.8%	7.5%	7.9%	-0.1%	-0.4%

## Midwest Region's Divisional Performance 3Q22 vs. 3Q21

	East North Central Division	West North Central Division	Nationwide	East North Central vs. Nationwide	West North Central vs. Nationwide
Asking Rental Rates	10.5%	-4.8%	11.7%	-1.2%	-16.5%
Physical Occupancy	0.0%	-4.5%	-1.0%	1.0%	-3.5%
Rent per Available SF	9.7%	-10.9%	10.3%	-0.6%	-21.2%
Percent of Facilities Offering Concessions	73.2%	72.9%	74.5%	-1.3%	-1.6%
Effective Cost of Concessions Factor	7.6%	8.7%	7.9%	-0.3%	0.8%

## South Region's Divisional Performance 3Q22 vs. 3Q21

	Southeast Division	Southwest Division	Nationwide	Southeast vs. Nationwide	Southwest vs. Nationwide
Asking Rental Rates	26.6%	11.1%	11.7%	14.9%	-0.6%
Physical Occupancy	0.0%	-1.0%	-1.0%	1.0%	0.0%
Rent per Available SF	27.9%	8.9%	10.3%	17.6%	-1.4%
Percent of Facilities Offering Concessions	78.4%	69.4%	74.5%	3.9%	-5.1%
Effective Cost of Concessions Factor	7.7%	8.1%	7.9%	-0.2%	0.2%

## West Region's Divisional Performance 3Q22 vs. 3Q21

	Southeast Division	Southwest Division	Nationwide	Southeast vs. Nationwide	Southwest vs. Nationwide
Asking Rental Rates	9.3%	3.4%	11.7%	-2.4%	-8.3%
Physical Occupancy	-2.0%	1.0%	-1.0%	-1.0%	2.0%
Rent per Available SF	5.7%	4.5%	10.3%	-4.6%	-5.8%
Percent of Facilities Offering Concessions	76.3%	70.5%	74.5%	1.8%	-4.0%
Effective Cost of Concessions Factor	8.6%	7.8%	7.9%	0.7%	-0.1%



AT THE CENTER OF

# *What's Next*

## 2022 YTD BY THE NUMBERS



**\$1.77**

**BILLION USD**  
TRANSACTION VOLUME



**93**

**AVERAGE DAYS**  
CONTRACT TO CLOSE



**261**

**OFFERS**



**98%**

**LIST TO**  
CONTRACT PRICE



**57**

**CLOSED**  
TRANSACTIONS



**22**

**ON MARKET**



**25**

**UNDER CONTRACT**



**110**

**CLOSED FACILITIES**

## WE ARE A FORCE FOR ACTION

Fueled by ideas, expertise and dedication across the country and worldwide, we create **self-storage real estate solutions** to prepare our clients for what's next.

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