Marcus & Millichap

# 2024 SELF-STORAGE

*National Investment Forecast*

# TO OUR VALUED CLIENTS

The self-storage sector has navigated a particularly complex series of structural changes over the past five years. After a supply surge in 2018 and 2019 lifted vacancy to near 10 percent, lifestyle disruptions from the COVID-19 pandemic dramatically increased the demand for storage units, and pulled the measure down to a record-low 5.5 percent in 2021. Asking rents have experienced similarly wild swings. While vacancy has since returned to about where it was before 2020, this reversion belies the roughly 250 million additional square feet of storage space that has been absorbed by renters during that dynamic half-decade. Even more profound, however, are the ways the self-storage sector's investment landscape and operational environment have evolved in that time.

Self-storage is emerging as a mainstream commercial real estate investment asset type. A broader range of investors new to the storage sector are entering the landscape, due to the property type's asynchronous risk profile. A belief that self-storage assets can provide differentiated returns during economic down periods has motivated both larger private investors and institutions to add self-storage properties to their portfolios to balance overall risk. This ongoing shift is coinciding with a similar maturing of operations.

The sector has experienced notable consolidation in recent years, headlined by recent acquisitions undertaken by Extra Space Storage and Public Storage. As mid- to large-scale operators continue to expand, operations have similarly grown more sophisticated. The implementation of dynamic pricing models has fundamentally changed the way rents are determined, while new technology has enabled a more seamless online customer experience and labor optimization. Although these trends are mostly present in the nation's largest urban centers for now, these initiatives will extend out to smaller markets as the sector matures.

To help investors navigate this complex and evolving climate, Marcus & Millichap presents the 2024 Self-Storage National Investment Forecast. As you adapt your strategies for the future, our sales and financing professionals look forward to assisting you with your goals.


**STEVEN D. WEINSTOCK**
Senior Vice President
Director
Self-Storage Division

**JOHN CHANG**
Senior Vice President
Director
Research Services

# TABLE OF CONTENTS

## NATIONAL PERSPECTIVE



## MARKET OVERVIEWS



## CLIENT SERVICES




*Developed by Marcus & Millichap Research Services.*

*Additional contributions were made by Marcus & Millichap investment brokerage professionals nationwide.*

# EXECUTIVE SUMMARY

## NATIONAL ECONOMY

- The overall outlook in early 2024 is notably more positive in comparison to forecasts made entering last year, as economic indicators continually defied recessionary predictions, despite additional headwinds emerging. The Federal Reserve's goal of an economic soft landing appears achievable, with most economists anticipating a year of soft, but steady, growth.
- This cautious optimism extends to labor markets. While a slower pace of economic growth will temper hiring, with contractions anticipated in some fields, roughly 1.7 million jobs are still expected to be added nationwide this year. Loosening monetary policy could alleviate some of the financing pressures that businesses are facing, facilitating more hiring in the year's latter half. Black swan events stemming from geopolitical or climactic currents could disrupt growth, however.
- Despite some temporary deviations from the course, inflation has broadly trended downward over the past two years, taking pressure off businesses and consumers. Still, impacts to global shipping, and potential labor disputes on the horizon, may have inflationary effects. Nevertheless, the economy weathered similar headwinds in 2023 to post a year of solid growth.

## NATIONAL SELF-STORAGE OVERVIEW

- Self-storage vacancy was near pre-pandemic levels in most major metros entering 2024, despite substantial construction during the preceding four years. The absorption of this space indicates increasing long-run storage demand. Although vacancy will rise on a national basis this year, improving household formation should facilitate a solid backdrop for storage use.
- Elevated borrowing rates and materials costs continue to weigh on self-storage development this year, with construction on a downward trend nationwide. However, some Southeastern locales with strong in-migration remain hotspots for new construction. Developers may also have to contend with sporadic construction moratoriums aimed at curbing new projects.
- Rents will be the primary plane of competition among storage operators this year. Many major firms are employing dynamic pricing models that maneuver asking rates to more favorably meet market demand, while in place rents hold steady. This will aid revenue gains for top operators, despite declining street rates, and put smaller firms at a disadvantage.

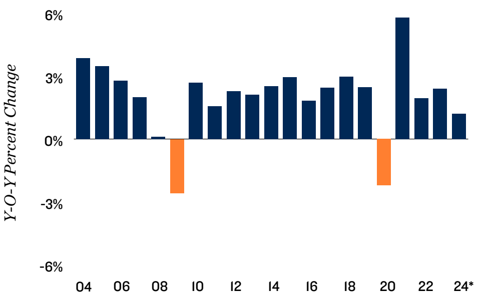
## CAPITAL MARKETS

- Following a historical 18-month tightening cycle in which the lower bound of the federal funds rate increased 525 basis points, the Federal Reserve signaled that rates had hit their peak in late 2023. The Fed has indicated that rate cuts will begin later this year. The institution is also continuing to unwind its balance sheet, with the decision regarding how much to decrease holdings to be undertaken at some point in 2024.
- The industry's consistent cashflows have positioned self-storage assets more favorably among lenders than some other major property types. Lenders are more amenable to financing acquisitions in regions noting strong in-migration, though they remain conscious of oversupply risks, conducting more stringent due diligence in areas receiving a large number of new projects.
- Easing rates have already created opportunities for some investors, as falling long-term interest rates have eased borrowing costs in the permanent financing market. If the Federal Reserve lowers the overnight rate later this year, buyers who have been sidelined could pursue new storage opportunities, supporting further activity in the investment market.

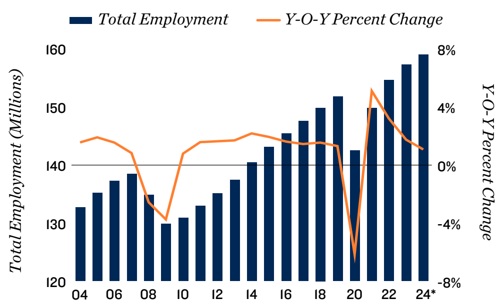
## INVESTMENT OUTLOOK

- Multiple large-scale mergers and acquisitions headlined the storage sector in 2023, highlighting the increasingly important role that institutional actors have come to play over the past half-decade. While trades of properties below $10 million declined in 2023 relative to 2019, sales of assets north of that value doubled, despite notable financing headwinds last year. Consolidation could continue as many of the industry's top operators look to increase marketshare.
- A number of third-party management services have arisen in recent years as the sector has matured. Many of these services grant users access to dynamic pricing models, and partnering with such a firm can ease the financing process.
- Long-term migration trends over the past decade — which intensified in the wake of the COVID-19 pandemic — have favored Rocky Mountain and Sun Belt metros, where a large share of investment has shifted as a result. A number of new projects completed since the onset of the health crisis in these areas has greatly increased the options for acquisition in these locales.

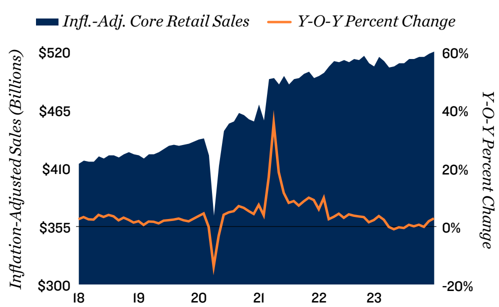
GDP Growth Trends



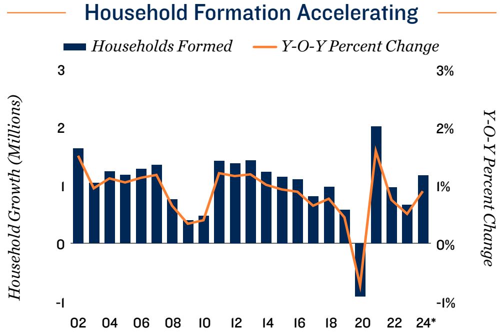

Job Creation Tempered in 2024




Real Core Retail Sales Climbing




Household Formation Accelerating




* Forecast

## Year Ahead Defined by Cautious Optimism and Steady Growth; Potential Headwinds on the Horizon

**Dominant outlook favors soft landing, but a variety of risks remain.** The economy proved more robust than anticipated in 2023, achieving real GDP growth of 2.5 percent despite predictions of a recession. Strong consumer spending has been a major contributor, facilitated by median household wealth that was 36 percent above the pre-pandemic peak, well ahead of elevated inflation. Aggressive action by the Federal Reserve has helped tame price increases, despite exacerbating factors like the Russo-Ukrainian War and the conflict in the Middle East, as well as political gridlock and Congress' inability to set a budget in a timely manner. After jumping 6.5 percent in 2022, the PCE Index only increased by 2.6 percent last year, not far from the Fed's target rate. Lessened inflation has substantially bolstered optimism. The Consumer Confidence Index surged to a near two-year high in December, followed by a survey conducted by the National Association for Business Economics in which 91 percent of respondents placed the chance of a near-term recession below 50 percent. While that is a more bullish outlook than last year, downside risks remain. Many shoppers leaned on credit in 2023, driving both total consumer debt and revolving credit debt to record highs. Black swan events could also challenge the generally optimistic outlook for 2024.

**Job additions expected to taper as Fed's soft landing appears achievable.** A historically tight labor market has been another pillar of economic strength, with the nationwide unemployment rate holding in the upper-3 percent range since early 2021. As the pace of economic growth wanes under the weight of elevated interest rates, job formation will likely continue to slow. An average of nearly 400,000 jobs were added per month throughout 2022, declining to roughly 225,000 last year. That figure is expected to fall further in 2024, with employers anticipated to add less than 150,000 jobs on a monthly average basis. Some fields and markets may experience a period of job loss, with layoffs in the tech sector continuing into early 2024. As inflation aligns more closely with the Fed's target, however, loosening monetary policy could take some pressure off employers and consumers in the second half of the year.

### 2024 NATIONAL ECONOMIC OUTLOOK

- **Inflation trends toward target.** Although it will take some time for the pace of price increases to reach the Fed's 2 percent annual target, inflationary gauges have consistently trended downward since mid-2022, with both the trailing three- and six-month annualized inflation readings coming in below 2 percent. Still, extant hurdles could elongate this process as the year unfolds.

- **Threats to global shipping exacerbate uncertainty.** A combination of climactic and geopolitical factors have impacted shipping through the Panama and Suez canals, causing some cargo to be rerouted. These types of challenges could slow disinflationary trends as shipping costs rise once again.

- **Labor disputes an ongoing risk.** High-profile labor disputes have made headlines in recent years, some of which stalled movement through West Coast ports. Similar disruptions are possible this year, as the contract between the International Longshoremen's Association and U.S. Maritime Alliance is up for renewal in late 2024. Union leaders have already signaled a willingness to strike if negotiations stall.

## Storage Demand Slowing, but Still Durable; Rental Rates Becoming Increasingly Fluid

**Vacancy holds at pre-pandemic norms, despite supply influx.** Following a stretch of historically low vacancy resulting from pandemic lockdowns, self-storage fundamentals were defined by a period of normalization in 2022 and 2023. The national vacancy rate entered 2024 at 9.6 percent, near pre-COVID-19 levels, despite an inventory increase of 13.6 percent, nearly 242 million square feet, during the preceding four years. Despite expectations of increasing household formation this year, the tight housing market could restrain storage space needs, placing upward pressure on vacancy rates in most major metros. The average 30-year fixed-rate residential mortgage was near 7 percent in early 2024, discouraging owners with lower rates from selling and reducing household mobility, a major source of storage demand. On a positive note, loosening monetary policy expected later in the year could stoke the housing market and relieve some of the restraints on home sales, in turn reviving storage space demand.

**Sector consolidation drives change in street rate dynamics.** Since late 2022, the storage industry has been impacted by falling asking rents. While this sparked concerns of oversupply, particularly in markets with active development pipelines, evolving pricing models have played a more significant role. Private owner-operators traditionally dominated the storage business, but as the sector has matured, major firms have acquired nearly 60 percent of net rentable square footage in the U.S., with an outsized presence in major metropolitan areas. As larger operators have increased their market presence, they have started to apply dynamic pricing with low teaser rates to draw in new tenants, followed by subsequent rate increases to ultimately achieve a higher target monthly rent. This has reduced visibility into actual effective rents while putting downward pressure on asking rates. In many cases, this has put some of the smaller private operators at a competitive disadvantage because they may lack the market data and automated systems to replicate the dynamic pricing models.

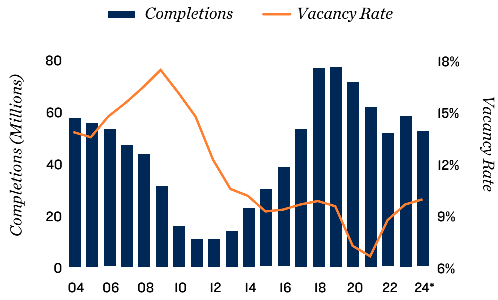
## 2024 NATIONAL SELF-STORAGE OUTLOOK

- **Supply additions taper across most major metros.** Elevated construction loan rates and materials costs have weighed on development, with deliveries tapering this year. Investors should, however, remain cautious about the pipeline of facilities that could come online in 2025 and 2026 as the flow of construction capital into self-storage has been on the rise in recent months.

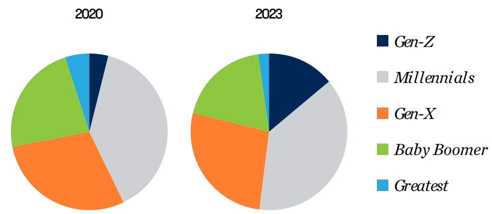
- **Local legislation continues to sporadically impact development.** Entering 2024, certain municipalities have adopted moratoriums or similar restrictions aimed at limiting the development of self-storage properties. These initiatives are usually limited to specific areas within wider metros.

- **REITs largely focus on major metropolitan areas.** Although large self-storage REITs are a substantial force in urban and suburban locales, they have yet to branch out to rural areas where their scale, infrastructure and management capabilities deliver a less substantial advantage. As the sector consolidates, the largest operators may seek growth opportunities in smaller markets.

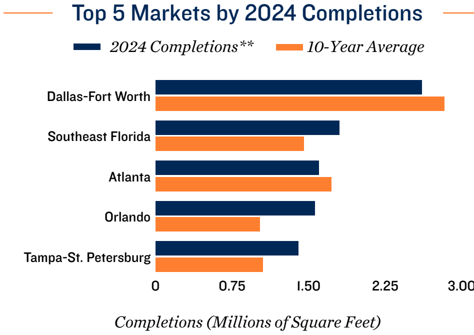
### Supply & Vacancy Pressures Pick Up



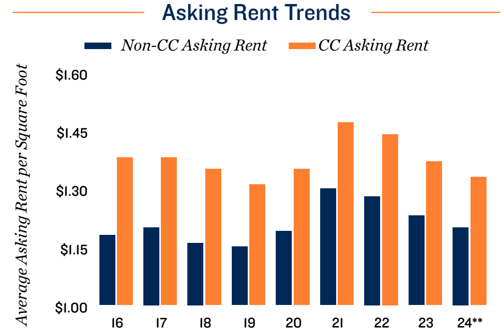

### Gen-Z & Millennials Make Up More of Market




### Top 5 Markets by 2024 Completions



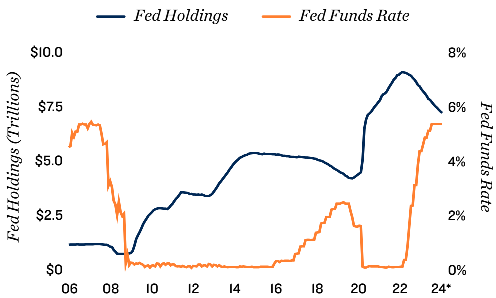

### Asking Rent Trends



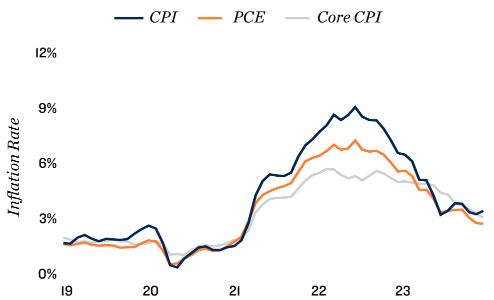

* Forecast for 2024, year-end 2023 vacancy rate estimated

** Forecast

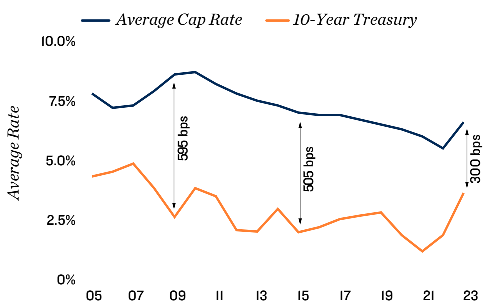
Monetary Policy Set to Shift Direction



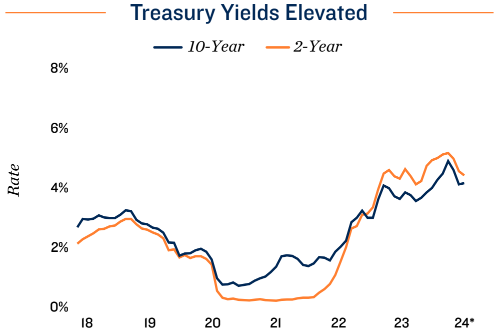

Inflation Pressures Tapering




Self-Storage Cap Rates Offer Margin




Treasury Yields Elevated




## Anticipated Fed Rate Reductions Could Begin to Thaw Lending Climate and Bolster Transaction Activity

**Federal Reserve signals rate cuts ahead.** Capital markets were rocked by the Fed's 18-month tightening cycle that increased the federal funds rate to a lower bound of 5.25 percent. Since then, core PCE inflation, the Federal Reserve's preferred price gauge, has substantially decreased, ending 2023 at 2.9 percent on an annual basis. After late last year, the FOMC has indicated that rate cuts could potentially start at some point in 2024. The Fed is also continuing to unwind its balance sheet, placing upward pressure on longer-term rates, and has signaled that further decisions regarding how much to decrease holdings will be undertaken later in the year. Although higher borrowing costs have constrained investment sales across property types, including self-storage, capital has continued to accumulate, suggesting that declining interest rates could unlock more of these pent-up funds and bring a share of investors that have been sidelined over the past year to the market.

**Lenders focus on experienced owners and regions of stable demand.** Although financing acquisitions continue to face significant hurdles, self-storage is among the best positioned commercial property types entering 2024. The industry's consistent cash-flows will continue to be a draw, with lenders amenable to financing trades involving assets reporting less than 20 percent vacancy. CMBS lenders have continued to pursue loans in the storage industry, though both regional banks and more localized lenders will likely increase activity in 2024 — especially after the Fed begins to reduce rates. Regions with strong in-migration, such as the Sun Belt and select Rocky Mountain metros, will remain most attractive to lenders. On the borrower side, lenders have favored parties with in-depth storage ownership and operating experience. Still, investors new to the sector may be able to leverage existing banking relationships and partnerships with seasoned third-party management services to secure financing.

### 2024 CAPITAL MARKETS OUTLOOK

- **Lending sources vary on asset preference.** Although performance is solid across the sector, lenders often focus on a particular niche. CMBS lenders, for example, target REIT portfolios or other trades of multiple high-quality properties. Banks, on the other hand, have generally been more flexible with asset location, size and quality.

- **Lenders conscious of oversupply risks.** While supply additions are currently on a downward trend nationwide, certain Sun Belt locales continue to note weighty development pipelines. As such, lenders are likely to conduct more stringent due diligence in areas where new projects could saturate the market. Still, these risks are localized, and will not entirely preclude financing in metros with active development.

- **Easing rate climate beginning to translate to opportunity.** In December 2023, 10-year treasury returns fell below 4 percent, translating to lower borrowing costs in the permanent financing market. As of early 2024, storage owners were able to close perm loans in the 6 percent zone as opposed to the 7 percent norm noted late last year.

* Through Jan. 31

## Investment Landscape Well-Positioned as Prospect of Loosening Monetary Policy Stokes Investor Demand

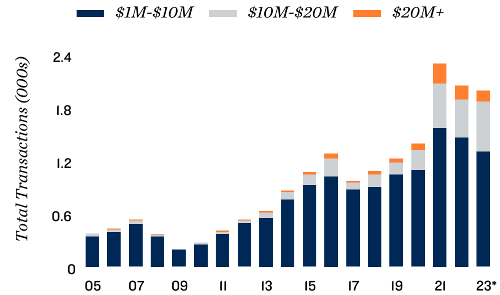
**REITs drive large, high-quality asset transaction climate.** Although financing hurdles have subdued storage transaction velocity following the highs noted in 2021 and 2022, buyer appetites remain considerable. The transaction flow last year, excluding the Extra Space acquisition of Life Storage, was up modestly compared to 2019, but the momentum was not evenly distributed. There were about 7 percent fewer sales of properties priced below $10 million, while the sale of properties above that price point more than doubled. The perception that storage has higher recession tolerance and can provide asymmetrical risk benefits to portfolios has attracted a range of new investors to the sector. Some institutional-grade investors have also begun to add storage to their portfolio mix, further validating the asset class as a more mainstream property type.

**Reduced interest rates could spur storage sector.** Should a reduction of the overnight rate by the Federal Reserve lead to lower single-family mortgage rates, it could boost home sales, which have historically aligned with storage space demand. When combined with an anticipated rise of household formations in 2024, this convergence could boost storage space demand above the current forecast. Those operational gains could amplify the boost lower interest rates could deliver to storage transaction activity. While the national average cap rate on 2023 trades of 6.5 percent is the highest in five years, the margin relative to financing costs has narrowed some. Lower borrowing costs could enable more properties to change hands, further facilitating price discovery. The average sale price last year was $138 per square foot, down from 2022's peak of $155 per square foot, but still up 30 percent from the pre-pandemic mark. As such, long-term owners can still capture ample appreciation, while still adjusting to current market dynamics that place upward pressure on cap rates.

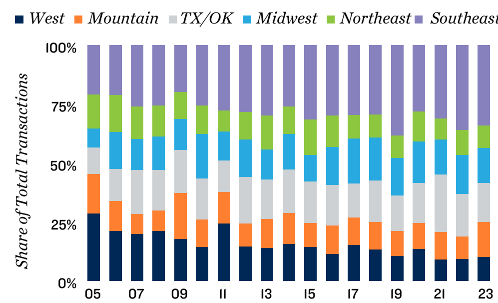
### 2024 INVESTMENT OUTLOOK

- **Consolidation likely to continue.** The sector saw multiple headline mergers in 2023, such as Extra Space Storage's all-stock purchase of Life Storage, followed by Public Storage's acquisition of Simply Self Storage later in the year. The largest operators will likely continue to seek pathways to growth through acquisitions and mergers as they continue to drive market penetration, coverage and economies of scale.
- **Growth of third-party management services aids smaller operators.** As the sector transitions from its small-business roots, a number of firms have risen to aid prospective owners with the daily operations of running a storage business. Partnering with an experienced manager can both ease the financing process during acquisition, and help stabilize facility operations afterward.
- **Rocky Mountain and Southeast metros gain attention.** Over the last 20 years, the distribution of self-storage investment sales has shifted more toward the Rocky Mountain and Southeast regions. Population migration, and the resulting impact on storage rental demand, is driving the shift. Robust development over the past five years has also created options for acquisitions of recently-built product.

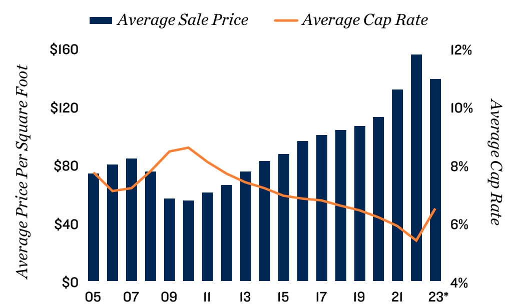
Self-Storage Transaction Activity



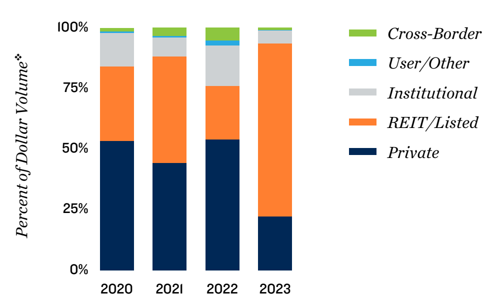

Regional Sales Reflect Sun Belt Focus




Buyer/Seller Expectation Gap Narrowing



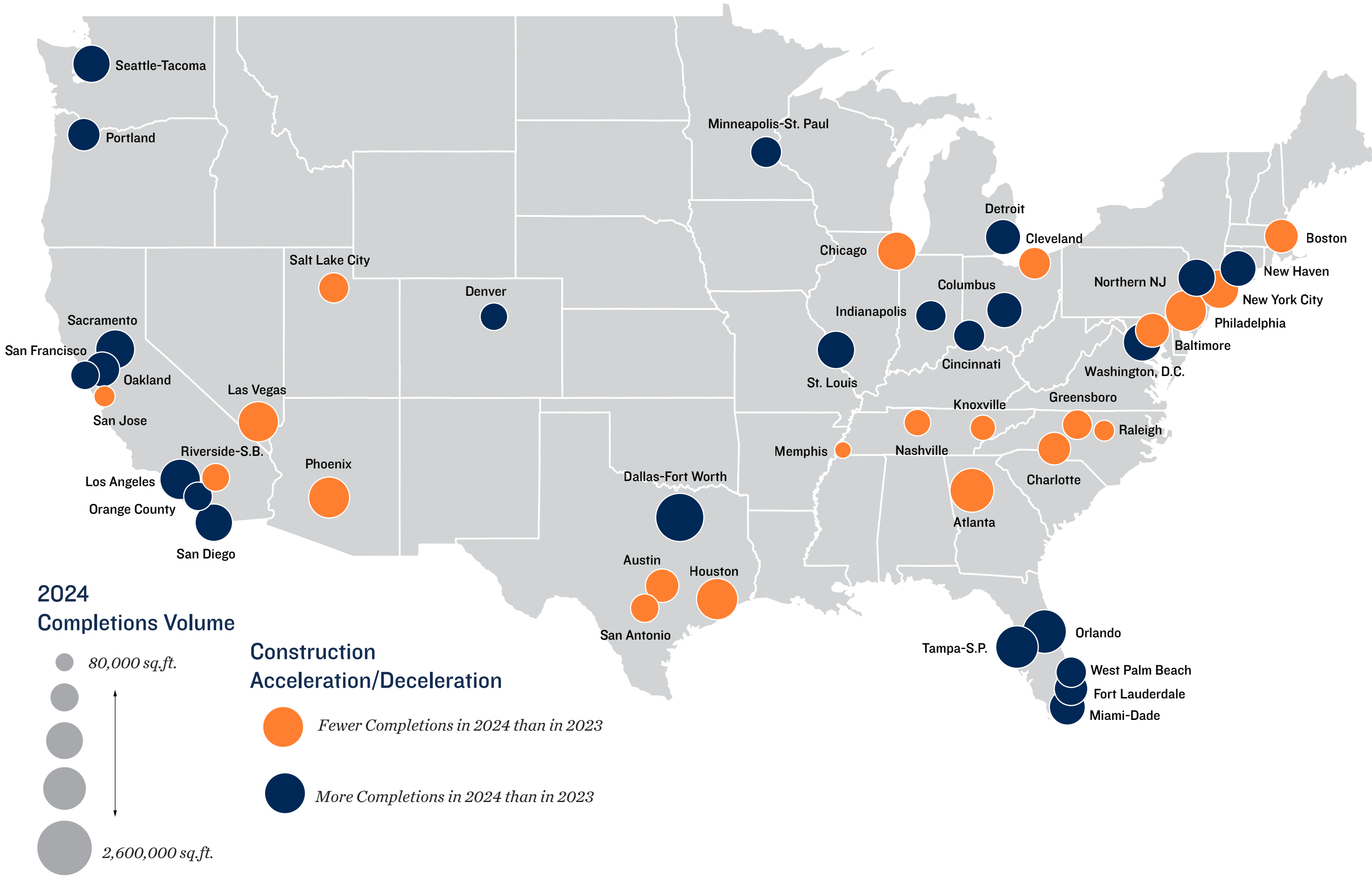

REIT Activity Picks Up Among Buyers




* Estimate

** Sales $2.5 million and greater

## DEVELOPMENT ELEVATED IN SOME MARKETS, SLOWING IN OTHERS




**Construction trends downward, but story is nuanced by region.** While self-storage operators are most concerned about competition on a localized basis, builders and lenders are more hesitant to break ground on projects in metros with weighty pipelines, mitigating the risks of oversupply. Although this is slowing inventory expansion on a national basis, some Sun Belt locales remain hotbeds for construction. Florida continues to be a development hotspot, with all of the state's major metros expected to see development accelerate in 2024. This new stock could place acute pressure on street rates and vacancy, particularly in Tampa-St. Petersburg and Orlando, which boast some of the highest square foot per capita metrics nationwide. Development could taper across the state moving forward, however, as insurance hurdles may impact inbound migration. Developers may begin to look toward more supply-constrained metros moving forward, where a lack of available parcels has traditionally inhibited development.

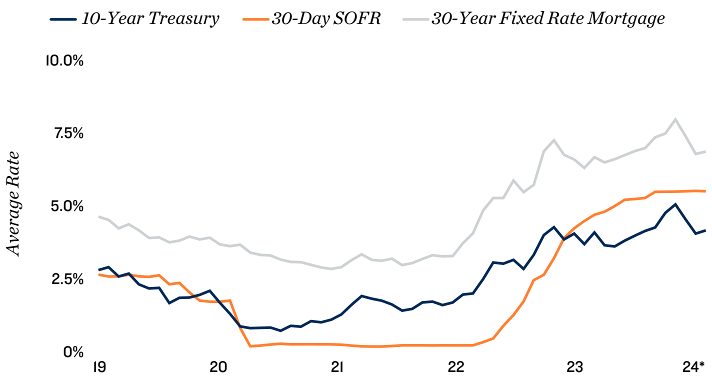
**Primary markets and growing secondary metros divergent.** New York City continues to boast the highest average street rate nationwide. Continued rent growth, despite heavy construction in recent years, indicates that densely-populated gateway metros like New York can sustain rapid supply increases. Builders are also increasing activity in the city's bedroom communities in Northern New Jersey and Southwestern Connecticut, noting robust and consistent demand from an affluent suburban clientele. Nevertheless, most metros in North Carolina, Tennessee, and the Rocky Mountain region, which saw a bevy of new residents in the post-pandemic era, are seeing falling construction for 2024 in line with national trends. Many of these metros, such as Nashville, Raleigh and Salt Lake City, are also particularly exposed to Silicon Valley headwinds, due to the tech hubs in these areas. Such metros still offer long-term growth potential, however, as in-migration should continue at an above-average pace across most of these markets.

*2024 Completions are forecast values*

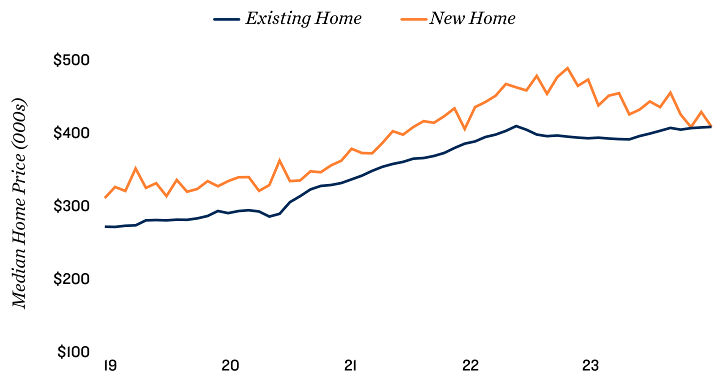
*Sources: Marcus & Millichap Research Services; Yardi Matrix*

## TIGHT HOUSING MARKET, AGING POPULATION SPELL FUTURE OF STORAGE DEMAND

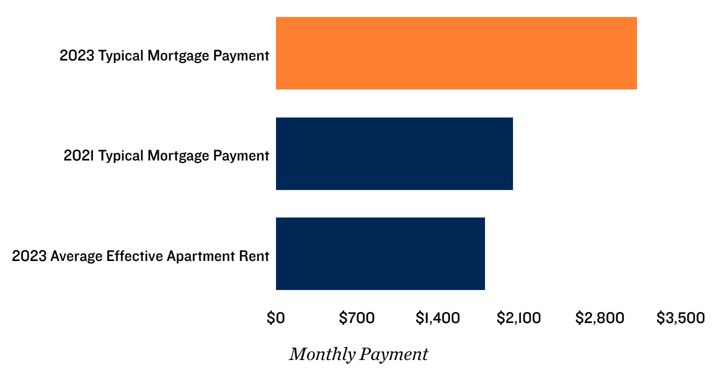
### Interest Rates Elevated Through Early 2024



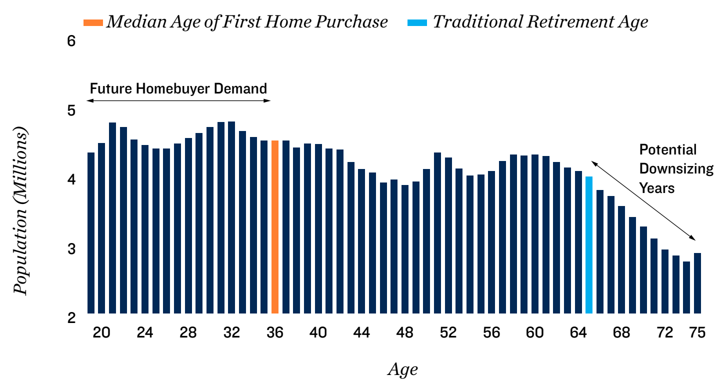

### Home Prices High, But Stabilizing




### Financial Burden Steep for Potential New Homeowners




### Population Snapshot Shows Dual Demand Drivers




- The rapid increase of interest rates since March 2022 has had a dramatic impact on the housing market. The typical mortgage payment on a home priced at the U.S. median was over $3,100 at the start of 2024, up roughly 50 percent from two years prior. This comes amid a wave of baby boomers reaching retirement age, a period that typically accompanies downsizing into smaller living accommodations.

- Many older homeowners are waiting for interest rates to decline before searching for new abodes, keeping a large amount of single-family stock off the market. This has also kept home prices elevated, solidifying the barrier to homeownership for many prospective buyers, and limiting household formations and relocations, which can drive self-storage use. Nevertheless, these effects are not limited to older generations.

- Low for-sale home inventory and a $1,300 difference between the typical monthly mortgage payment and mean effective apartment rent is also delaying homeownership for millennial and older Gen Z renters. Much like their baby boomer counterparts, these residents find themselves locked in to current living arrangements. Monetary policy shifts could translate to some relief later in the year, however.

- The Federal Reserve is widely anticipated to lower interest rates at some point in 2024, which should unlock some pent-up homebuying demand across multiple age demographics. Still, evolving macroeconomic developments will determine the schedule and magnitude of any rate decreases, and policy lags may delay the full impact of loosening policy on the housing market, and subsequently self-storage demand.

** As of January*

*Sources: Marcus & Millichap Research Services; Federal Reserve Freddie Mac; Moody's Analytics; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; RealPage, Inc.; U.S. Census Bureau*

*Notes: Typical mortgage payment based on quarterly median home price for a 30-year fixed rate mortgage, 90% LTV, taxes, insurance and PMI.*

# ATLANTA

## Nationally High Construction Lifts Vacancy

### Economic Overview

Atlanta continues to see substantial corporate investment in 2024. While company expansions have slowed following the surge recorded in 2021 and 2022, several projects in the metro will support ongoing job and population growth. Qcells and Archer Aviation, Inc. have manufacturing plants opening this year, adding a combined 5,000 jobs.

### Demographic Overview

Among Southeast metros, Atlanta welcomes the greatest number of new residents through net in-migration in 2024. The 45,000-person influx will keep upward pressure on homeownership costs, leading many residents to rent. This could generate self-storage demand as transplants store larger items while waiting to purchase a home.

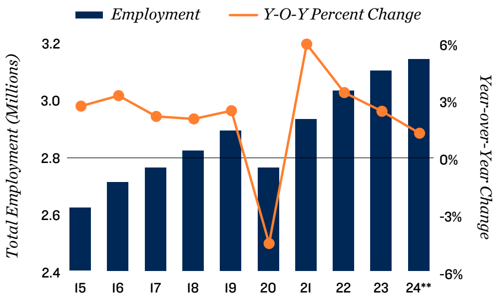
### Construction Overview

Urban development will fall to an 11-year low as only 94,000 square feet comes online in and around downtown. Suburban additions will account for most of this year's pipeline as 1.5 million square feet is delivered in outer areas. Overall, Atlanta is home to the second-highest delivery slate among all major U.S. markets this year.

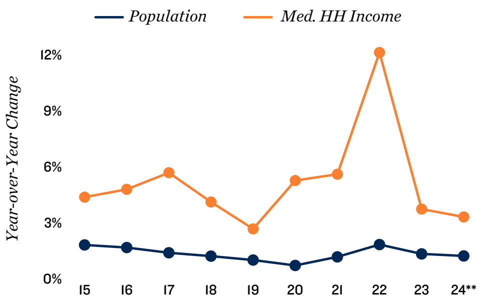
### Vacancy/Rent Overview

New supply will place some upward pressure on vacancy and subsequent downward pressure on asking rents. Urban assets are likely to see more minor adjustments this year as the majority of new supply comes online in the suburbs. Still, both urban and suburban mean rents will decline in 2024.

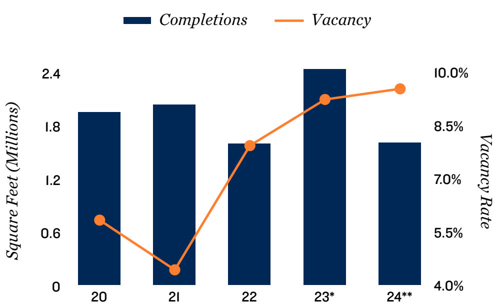
### Employment Trends



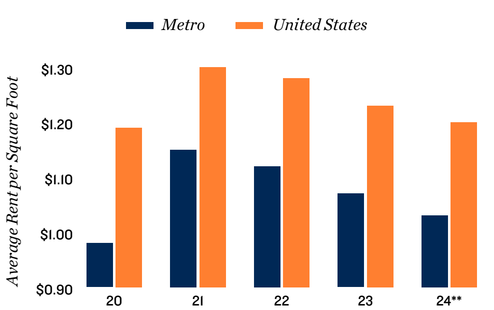

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | ***59 million square feet and 9.2 square feet per capita*** |

+1.3% — **EMPLOYMENT:** Atlanta will add 40,000 jobs this year, a decrease from last year's addition and roughly 23,000 roles below the pre-pandemic 10-year average.

+1.1% — **POPULATION:** The metro lands among the top five markets for population growth for the fourth year in a row. Atlanta's population will increase by nearly 70,000 residents in 2024.

1,604,000 *sq.ft.* — **CONSTRUCTION:** While high on a national scale, completions in Atlanta for this year will be roughly two-thirds of 2023's total. Inventory will expand by 2.8 percent this year.

+30 bps — **VACANCY:** New supply and restrained household formation this year will push vacancy up to 9.5 percent, roughly 130 basis points above the pre-pandemic fourth-quarter measure.

-3.7% — **RENT:** The average marketed rent will fall for the third consecutive year but will stay above the 2019 mark at $1.03 per square foot. The high urban rate will keep the overall mean elevated.

# Corporate Investments Boost Young Renter Population

## Economic Overview

Long-term employment growth in Austin is aided by companies like Tesla, Apple and Oracle relocating or expanding here. Other projects like Samsung's semiconductor factory underway in Taylor will deliver this year, drawing new residents to staff the facility and support local self-storage demand while employees settle.

## Demographic Overview

The metro's 20-to-34-year-old cohort will expand by 2.1 percent this year, the fastest increase among any major U.S. market. This segment is traditionally prone to renting, which will support self-storage demand as apartments tend to have limited available free space. The formation of new families and households can also necessitate storage.

## Construction Overview

Deliveries this year will fall nearly 140,000 square feet below the trailing two-decade average. While new space will be roughly in line with last year's delivery total, tapering construction long-term is a positive sign for vacancy. Suburban areas that expect continued in-migration, like Taylor and San Marcos, are poised to absorb new supply well.

## Vacancy/Rent Overview

Vacancy will rise by the slowest year-over-year pace observed in the last three years, signaling that demand following pandemic-era disruptions is stabilizing. Still, the average asking rent will decrease slightly for the second straight period as operators contend with more competition to draw renters.

## 2024 MARKET FORECAST

**INVENTORY** *26 million square feet and 10.2 square feet per capita*

+2.2% **EMPLOYMENT:** Austin will tie for the fourth-fastest pace of employment growth in 2024 as 29,000 jobs are added. By year-end, the local labor force will have grown 20 percent relative to 2019.

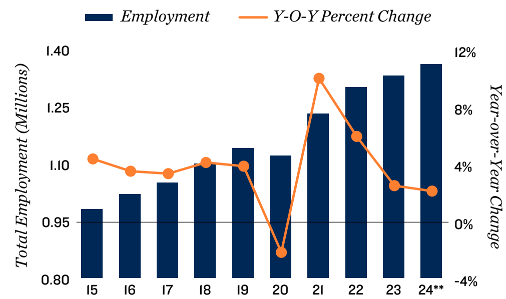
+2.1% **POPULATION:** Since 2007, Austin has claimed the fastest pace of population growth among all major U.S. markets. This year will be no different as the local population adds 54,000 residents.

602,000 *sq.ft.* **CONSTRUCTION:** Inventory will expand by 2.4 percent this year, roughly matching 2023's expansion. This will be the second-largest year-over-year increase among major Texas markets.

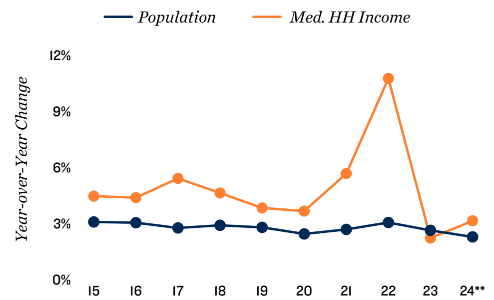
+40 bps **VACANCY:** While vacancy will reach a seven-year high in 2024, the 9.8 percent rate in December will still be 110 basis points below Austin's average year-end measure pre-pandemic.

-2.8% **RENT:** The metro's average asking rent peaked in 2021 and 2022, but downward adjustments this year will be less steep than neighboring San Antonio as the metric lands at $1.03 per square foot.

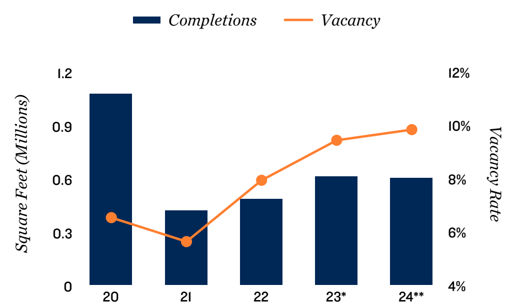
### Employment Trends



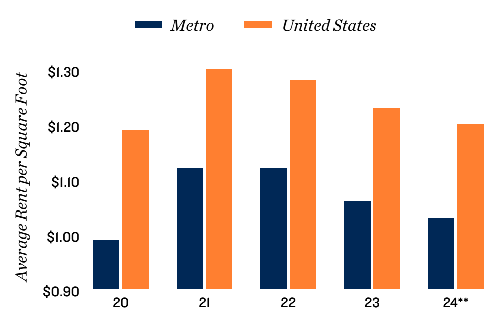

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# BALTIMORE

## Self-Storage Demand Poised to Centralize Around CBD

### Economic Overview

Hiring in the final third of 2023 more than doubled the pace recorded during the year's opening four months. This momentum is expected to be preserved moving into 2024, combining with Maryland's relocation of more than 5,300 state employees into Downtown offices to revive household formation and drive demand for self-storage spaces.

### Demographic Overview

Household formation turns positive in 2024 after the total count fell last year. Net migration plays a key role, as Baltimore welcomes an over half-decade high of 1,000 new transplants on net. Relocations within the metro may also accelerate, aided by the lease-up of over 1,000 new apartments that were delivered in the CBD during 2023.

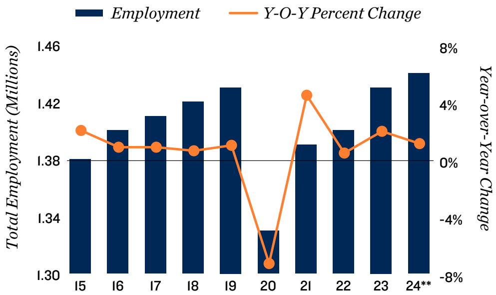
### Construction Overview

This year, inventory growth in Baltimore will taper to the metro's slowest clip since 2016. As of January, the active construction pipeline beyond 2024 was made up of less than 300,000 square feet, suggesting that supply pressures should ease even further over the long term.

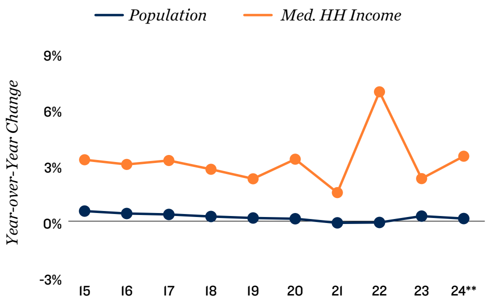
### Vacancy/Rent Overview

Aided by moderate supply growth, Baltimore will be one of only two major metros to note a decline in vacancy during 2024. The local rate becomes one of the 10 lowest in the nation, helping recover rent growth after a 3.0 percent drop last year. With Maryland relocating its workforce to Downtown, and amid the lease-up of a five-year high apartment delivery slate, self-storage facilities catering to core residents may note the largest jump in 2024.

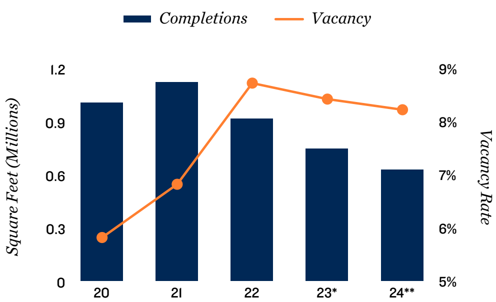
Employment Trends



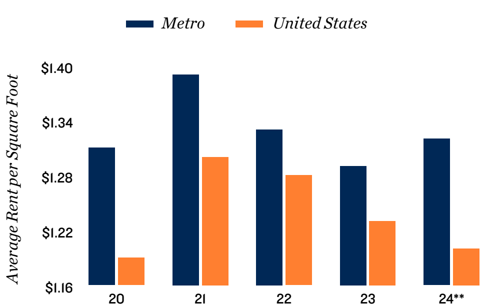

Demographic Trends




Supply and Demand Trends




Rent Trends




** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

## 2024 MARKET FORECAST

| INVENTORY | *21 million square feet and 7.5 square feet per capita* |
|---|---|

+1.2% **EMPLOYMENT:** Baltimore's job tally grows by 17,000 roles in 2024 — slowing from the addition of 28,600 in 2023 but still nearly doubling the trailing decadelong mean of 9,000 per year.

+0.1% **POPULATION:** The metro's population increases for the second straight year, adding 4,000 people in 2024. This nearly recoups the total net losses experienced in 2021 and 2022.

628,000 *sq.ft.* **CONSTRUCTION:** Baltimore hosts the fewest deliveries among any major metro in the mid-Atlantic, expanding stock by 3.0 percent in 2024. Most new supply is headed to the Anne Arundel area.

-20 bps **VACANCY:** Amid weakening supply pressure, vacancy falls for the second consecutive year. The rate will land at 8.2 percent, marking a cumulative 50-basis-point drop from the 2022 peak.

+2.3% **RENT:** Easing vacancy propels the mean monthly rent to $1.32 per square foot. Despite the rise, the metric remains 5 percent below the 2021 level, after falling 7 percent over the prior two years.

# Region is West Coast's Tightest Area, Despite Volatility

## Economic Overview

Tech-related layoffs are poised to impact the regional economy this year, with companies that include eBay, Google, Snap Inc. and Broadcom among a group that has already, or made plans to, cut staff during 2024. While this sector may struggle near term, other segments will record job gains this year. A growing 65-year-old-plus cohort will lift demand for medical services, boosting the number of health-related roles, while an expected improvement in tourism lifts the leisure and hospitality segment's headcount.

## Demographic Overview

The region's 65-year-old-plus cohort is expected to grow by 27,300, with this group accounting for 17 percent of the local populace by year-end. This gain offsets the reduction of the Bay Area's 20-to 34-year-old contingent, which drops by 13,500 people.

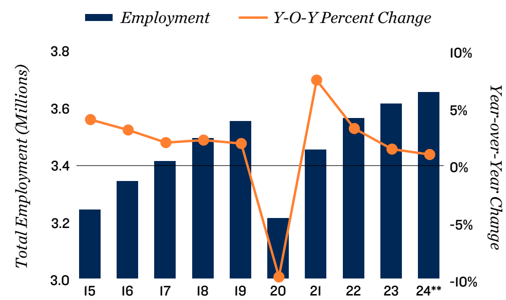
## Construction Overview

Delivery volume eclipses the prior 10-year average by roughly 450,000 square feet. Completions are concentrated in the eastern reaches of the region this year, primarily in cities off Interstate 80 and Highway 4. San Jose is also slated to add several facilities.

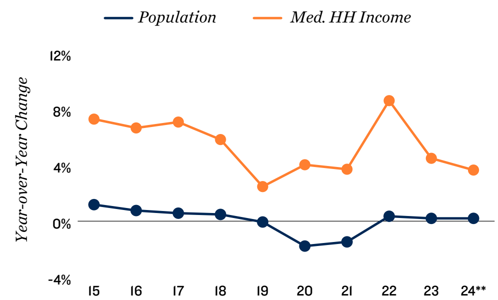
## Vacancy/Rent Overview

Regional vacancy is positioned to rise moderately for a fourth straight year, as overall out-migration and a historically high delivery wave impact self-storage demand and asking rents, the latter of which will fall 9 percent below its 2021 peak. Still, the Bay Area will rank as the West Coast's tightest major market.

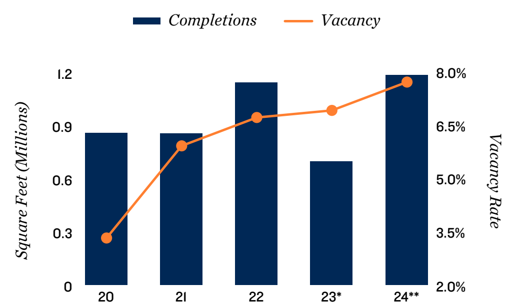
### Employment Trends



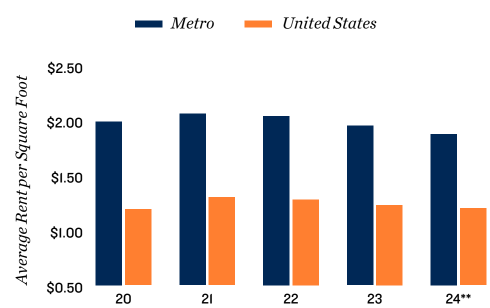

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




## 2024 MARKET FORECAST

| INVENTORY | *52 million square feet and 8.2 square feet per capita* |
|---|---|

**+1.0%** — **EMPLOYMENT:** The trio of Bay Area metros is expected to add a collective 35,000 roles this year; however, only Oakland registers a rate of job creation on par with the national benchmark.

**+0.2%** — **POPULATION:** The region's populace expands by 12,500 residents in 2024, with more than half of this growth centered in the San Francisco metro. Of the group, Oakland notes the smallest increase.

**1,185,000 *sq.ft.*** — **CONSTRUCTION:** Delivery volume ascends to its highest total since 2003, increasing regional inventory by 2.3 percent. Additions in San Francisco and Oakland proper, however, are scant.

**+80 bps** — **VACANCY:** The pace of vacancy increase accelerates slightly amid a rise in completions. Still, at 7.7 percent, the region's year-end rate ranks as the second-tightest nationally, surpassed only by Chicago.

**-3.7%** — **RENT:** Vacancy reaching its highest point since at least 2014 translates to a third year of moderate asking rent declines, placing the average at $1.88 per square foot.

*The Bay Area encompasses San Francisco, Oakland and San Jose*
** Estimate; ** Forecast*
*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# BOSTON

## Vacancy Dip and Rent Growth Contrast Other Markets

### Economic Overview

The metro entered 2024 with the fifth-lowest unemployment rate among major U.S. markets, a standing that will impact hiring this year as employers contend with a local labor shortage. Nevertheless, Boston's high share of white-collar positions as a percentage of its total headcount — 30 percent — bodes well for discretionary spending on larger big-ticket items that may require storage.

### Demographic Overview

Boston's 65-year-old-plus cohort will continue to register encouraging growth in 2024, expanding by 24,400 people. This momentum is expected to continue over the next five years, offsetting the impacts of a declining 20-to 34-year-old populace.

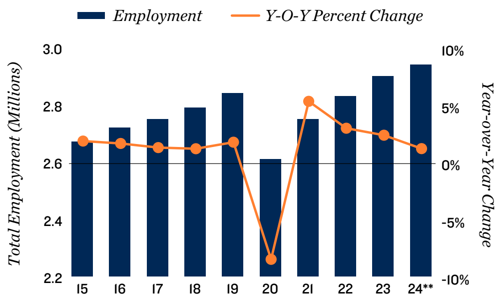
### Construction Overview

Delivery volume in 2024 notably trails the prior five-year average of nearly 1.2 million square feet per annum, with the metro slated to add the least amount of space among major East Coast markets. The pullback in additions is most apparent in Boston proper as completions are concentrated in farther-out suburbs.

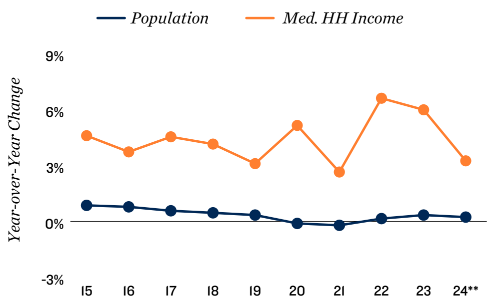
### Vacancy/Rent Overview

Boston is anticipated to be one of just two major U.S. markets to register a decline in self-storage vacancy this year. This compression will support a minor increase in the average asking rent; however, the metro's mean rate remains fairly consistent with the prior four years, when it ranged from $1.47 to $1.56 per square foot.

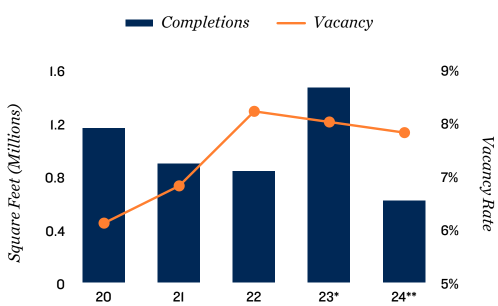
**Employment Trends**



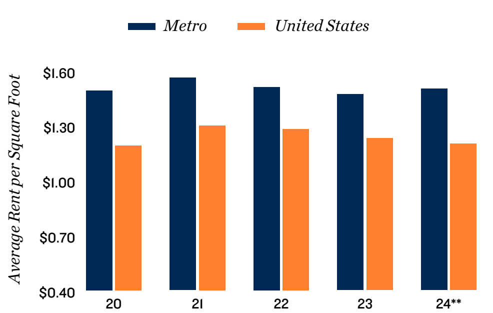

**Demographic Trends**




**Supply and Demand Trends**




**Rent Trends**




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## 2024 MARKET FORECAST

**INVENTORY** *32 million square feet and 6.4 square feet per capita*

+1.3% **EMPLOYMENT:** Despite its low unemployment rate, the metro records a rate of job creation that exceeds the national mark, with organizations adding 38,000 positions in 2024.

+0.2% **POPULATION:** An improvement in net in-migration aids local population growth. By year-end, Boston's resident count will have expanded by an estimated 11,300.

616,000 *sq.ft.* **CONSTRUCTION:** After the addition of nearly 1.5 million square feet last year, the number of self-storage completions slows in 2024, with the metro slated to record inventory growth of 2 percent.

-20 bps **VACANCY:** A pullback in completions and a growing 65-year-old-plus cohort support a moderate vacancy decline. At 7.8 percent, the metro's rate is 50 basis points below its prior 10-year average.

+2.0% **RENT:** The metro's relatively low inventory per capita aids demand for existing storage units. This dynamic translates to slight asking rent growth this year, lifting the average to $1.50 per square foot.

# Population Outflows Weigh on Operations

## Economic Overview

After exceeding its pre-pandemic employment total last year, Chicago's pace of overall job growth in 2024 will hold consistent with 2023 while the white-collar workforce regains upward momentum. Overall hiring is assisted by notable office move-ins from Winston & Strawn, Molson Coors and Interpublic Group, aiding improving annual retail sales growth, a theme dissimilar to the national trend.

## Demographic Overview

The metro's population will decrease in 2024, claiming the nation's second-largest net out-migration total among major metros. Nevertheless, a strengthening labor force assists in resumed household formation later in the year.

## Construction Overview

Completions fall below 1 million square feet for the third time in the last 10 years as demographic trends weigh on long-term demand prospects. Nearly all of the market's new space will come online in suburban areas, as Chicago proper notes its second nominal stock increase since 2016.

## Vacancy/Rent Overview

Pandemic-induced self-storage demand continues to wear off this year, as vacancy begins to stabilize and the metrowide measure inches up again. Nevertheless, the rate remains below its trailing 10-year average. Rent growth, however, nearly doubles its half-decade average of 1.7 percent, as limited new supply benefits existing stock.

## 2024 MARKET FORECAST

**INVENTORY** *61 million square feet and 6.4 square feet per capita*

+0.6% **EMPLOYMENT:** Local employers add a net of 28,000 roles in 2024, roughly 6,000 of which are within traditionally office-using fields. This lifts the overall headcount to 43,500 jobs ahead of 2019's mark.

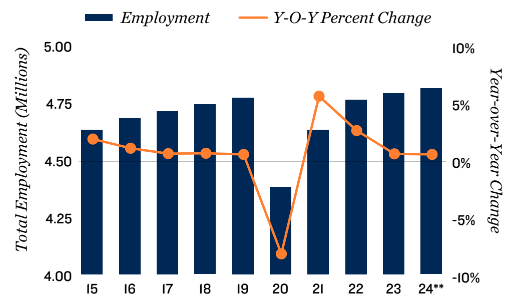
-0.2% **POPULATION:** Migration outflows will lead to resumed population attrition this year. As such, Chicagoland's local populace will stand 2.1 percent below its pre-pandemic recording.

931,000 *sq.ft.* **CONSTRUCTION:** Inventory increases by 1.6 percent this year, the second-smallest gain in the last decade. Suburban Chicago's stock grows by 2.6 percent as it accounts for the majority of new supply.

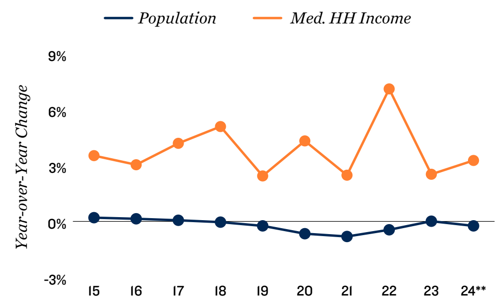
+50 bps **VACANCY:** Since reaching a record low of 5.0 percent in 2021, vacancy increases for a third straight year, reaching 7.3 percent. Still, this remains below the metro's 7.5 percent 10-year average.

+3.1% **RENT:** Rent growth resumes in 2024, lifting the average asking rate to $1.13 per square foot. Suburban rates increase faster than in Chicago proper, accelerating by 4.0 and 2.4 percent, respectively.

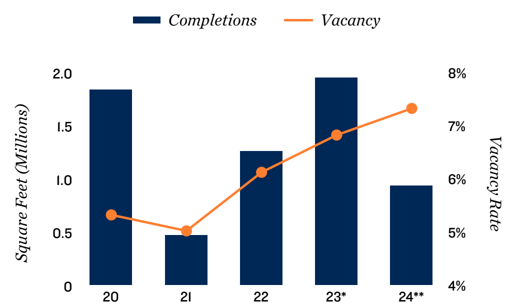
### Employment Trends



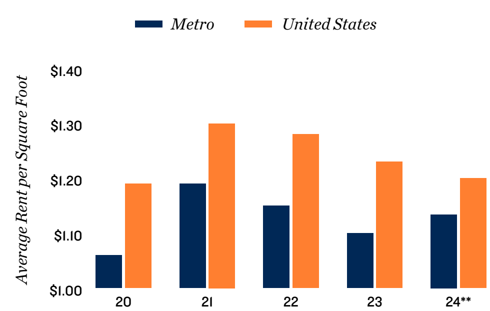

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# CINCINNATI

## Tight Housing Market Keeps Vacancy Lowest in Ohio

### Economic Overview

While hiring in 2024 is still strong in Cincinnati, momentum will begin to ebb as the metro enters the year 40,000 jobs over the 2019 mark. Northern Kentucky's growing employment base is supported by Matrix Pack North America, DHL and similar firms as they hire for new facilities south of the river.

### Demographic Overview

Cincinnati has held an extremely low single-family for-sale inventory since mid-2020. This year began with fewer than 3,000 homes on the market. As renters find limited single-family-home options in 2024, they will likely occupy smaller apartment spaces, supporting demand for self-storage units before they transition into houses.

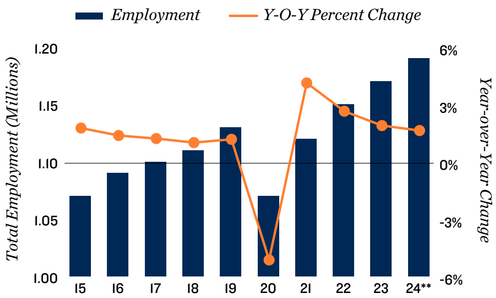
### Construction Overview

Most storage space in 2024 is slated for growing outer suburbs like Hamilton, Lebanon and Franklin. These growing areas house both Cincinnati and Dayton commuters, warranting new units. Other neighborhoods with larger older populations, like College Hill and Hyde Park, also have construction, which may capture demand from downsizing households.

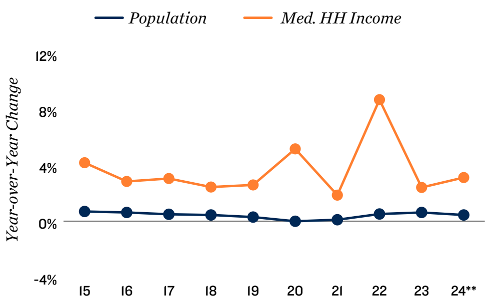
### Vacancy/Rent Overview

While vacancy will increase for the third straight year, Cincinnati still claims the second-lowest rate among major Midwest markets, and ranks among the 10 lowest metros nationally. Relatively tight conditions, both regionally and nationally, enable the average asking rent to increase this year.

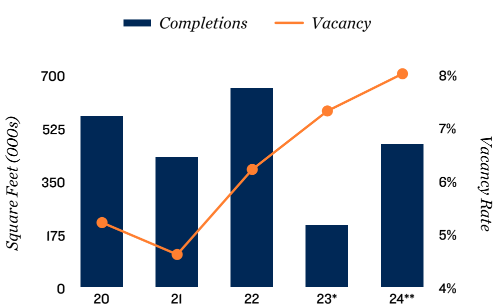
Employment Trends



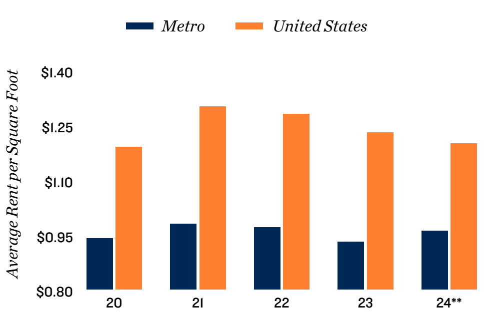

Demographic Trends




Supply and Demand Trends




Rent Trends




*Estimate; **Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## 2024 MARKET FORECAST

| INVENTORY | *14 million square feet and 6.3 square feet per capita* |
|---|---|

+1.7% **EMPLOYMENT:** Cincinnati will add 20,000 jobs this year, surpassing the pre-2020 annual 10-year average. The metro will log the greatest gain among the three major Ohio markets.

+0.4% **POPULATION:** Population growth in the metro will fall below the trailing two-decade average as Cincinnati gains around 9,900 new residents. Still, many of this cohort will be transplants.

471,000 *sq. ft.* **CONSTRUCTION:** Inventory will expand by 3.4 percent in 2024, back in line with the trailing 10-year average after only 200,000 square feet was added in 2023.

+70 bps **VACANCY:** The metro will claim the lowest vacancy rate among major Ohio markets in 2024 as the metric ticks up to 8.0 percent. This measure is around 120 basis points above the historic norm.

+3.2% **RENT:** Cincinnati will tie for the third-fastest pace of rent growth this year. The metro's average asking rent will elevate to $0.96 per square foot, two cents below the record high logged in 2021.

# Aging Population a Tailwind for Storage Demand

## Economic Overview

Over the last decade, Cleveland-Akron has lost more than 51,000 residents. Prolonged population attrition has hindered economic growth in the area, but companies like Sherwin-Williams and Hana Technologies have recommitted to the metro, drawing some suppliers and related firms, and driving employment gains.

## Demographic Overview

The age-65-plus cohort is the fastest-growing age bracket in Cleveland-Akron and will account for 21 percent of the local population in 2024. The area's aging baby boomers are likely to generate self-storage demand long term as they look to downsize their lifestyles and store overflow items.

## Construction Overview

This year's completion total will be the smallest since 2020. Most of the projects under construction at the onset of 2024 were located on the lakefront in outer northwestern Cleveland, including in neighborhoods like North Ridgeville, Lorain and Westlake. Limited new supply slated for Akron will likely aid vacancy here.

## Vacancy/Rent Overview

The average asking rent will return to the 2021 year-end high, following two years of declines. This arises from a smaller rise in vacancy than other major U.S. markets, assuring operators that the local self-storage market is relatively stable. Limited construction this year will also relieve supply pressure generated in 2023.

## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *18 million square feet and 6.7 square feet per capita* |

+1.4% — **EMPLOYMENT:** Combined, Cleveland and Akron will add 19,500 positions this year, surpassing their joint 2019 year-end total employment count for the first time.

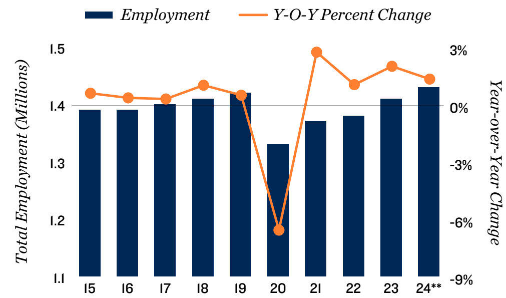
-0.2% — **POPULATION:** While Akron avoids losing residents in 2024, Cleveland's population will decrease for an eighth consecutive year. Nearly 7,000 people will leave the metro in 2024 on net.

508,000 *sq.ft.* — **CONSTRUCTION:** After 1 million square feet came online in Cleveland-Akron last year, the metro will record a more modest increase in 2024. Inventory will expand by just 2.8 percent.

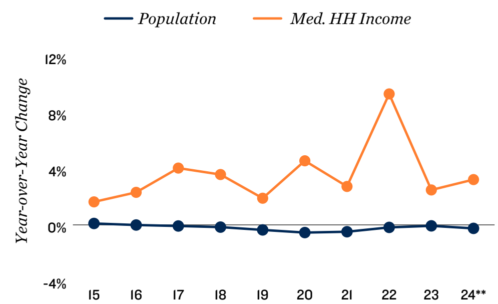
+30 bps — **VACANCY:** Cleveland-Akron holds the highest vacancy rate among the three major Ohio markets at 10.8 percent; however, the market will note the smallest basis point increase in the state this year.

+3.9% — **RENT:** Despite higher-than-normal vacancy, Cleveland-Akron's mean asking rent will have the second-fastest increase among major markets, lifting the metric to $1.06 per square foot in 2024.

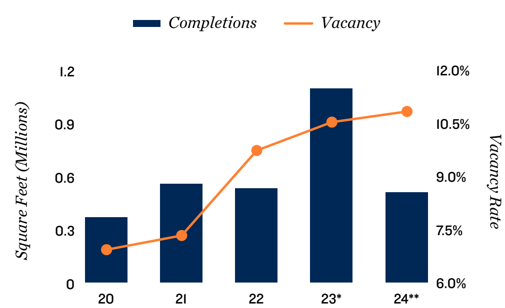
Employment Trends



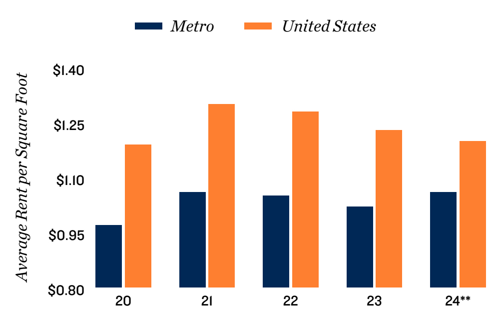

Demographic Trends




Supply and Demand Trends



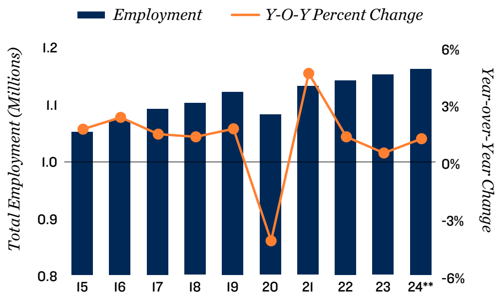

Rent Trends



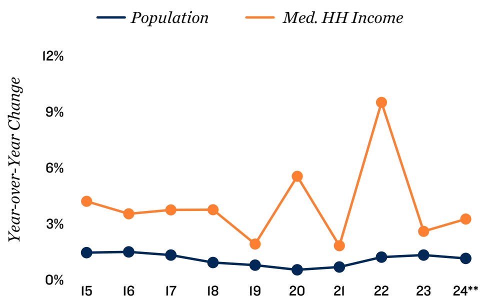

* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

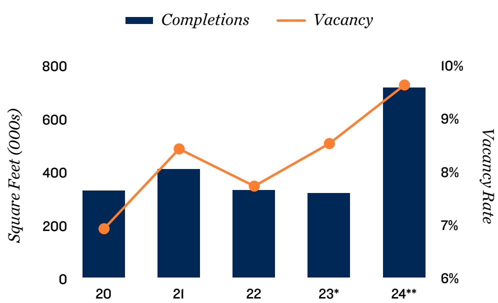
#### Employment Trends



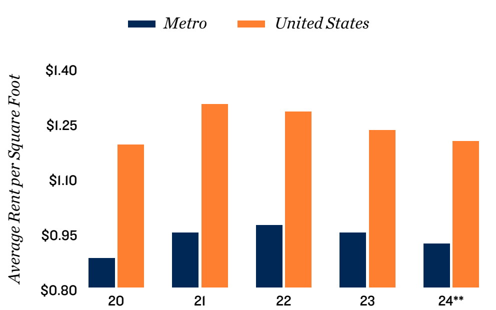

#### Demographic Trends




#### Supply and Demand Trends




#### Rent Trends




** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# COLUMBUS

## Fastest-Growing Midwest Market Warrants New Supply

### Economic Overview

Columbus has received an influx of corporate investments over the last two years. Intel is slated to deliver the first of two semiconductor chip factories in 2025, while Microsoft, Google and Amazon are building data centers in adjacent areas. These firms, along with related suppliers, will boost Central Ohio's highly skilled employment base.

### Demographic Overview

Central Ohio expects the greatest number of transplants among Midwest markets this year, adding over 14,900 people. The metro's tight single-family-home market — with fewer than 2,500 homes listed entering 2024 — will direct new residents to rent smaller spaces while waiting to buy homes, generating self-storage demand in the interim.

### Construction Overview

The majority of construction is slated for growing outer suburbs. While supply will place upward pressure on vacancy this year, corporate investments slated for New Albany and surrounding areas will generate self-storage demand as soon as 2025. Most underway projects at the onset of 2024 were in Delaware, Gahanna, New Albany and Westerville.

### Vacancy/Rent Overview

Near-term supply headwinds facilitate an increase in self-storage competition, placing upward pressure on vacancy and downward pressure on asking rents this year. However, developers are confident in the metro's long-term ability to generate self-storage demand, potentially leading to future rent recovery.

## 2024 MARKET FORECAST

**INVENTORY** *15 million square feet and 6.7 square feet per capita*

+1.2% **EMPLOYMENT:** Hiring will accelerate this year after 2023's slowdown. Roughly 14,000 jobs will be added, bringing total employment nearly 38,000 roles above the 2019 count.

+1.0% **POPULATION:** Columbus is the fastest-growing major Ohio market. The metro will add more than 22,000 residents this year, and roughly 10,000 households will form.

712,000 *sq.ft.* **CONSTRUCTION:** Elevated net in-migration over the last three years has encouraged development. Inventory will expand by 5 percent in 2024 as completions reach a six-year high.

+110 bps **VACANCY:** An influx of new supply will place upward pressure on vacancy, pushing the rate to 9.6 percent. This is around 120 basis points above the metro's 10-year average.

-3.2% **RENT:** Columbus will be the only major Ohio market to note a decreasing average asking rent in 2024. The mean marketed rate will fall to $0.92 per square foot by year-end.

# DALLAS-FORT WORTH



## Nation-Leading In-Migration a Construction Call Sign

### Economic Overview

The Metroplex's economy has soared following the pandemic, with local job creation and retail sales growth ranking among the strongest in the nation, backed by a number of high-profile corporate relocations and expansions. By year-end, the local employment base will stand 570,000 jobs ahead of its 2019 measure, while annual consumer spending lifts 51.5 percent ahead of the level recorded that same year.

### Demographic Overview

Employment opportunities and a lower cost of living relative to other primary metros has spurred considerable net in-migration, a trend that will continue through 2024. More than 80,000 people are anticipated to move to Dallas-Fort Worth this year.

### Construction Overview

Substantial population growth noted of late has driven developers to initiate the largest delivery slate in three years. Roughly two-thirds of new supply coming online will arrive in the greater Dallas area, while the remaining 880,000 square feet of completions service Fort Worth and surrounding counties.

### Vacancy/Rent Overview

Despite robust in-migration and a strong labor market, the market's vacancy rate continues to normalize this year. This will bring the measure closer in line with norms recorded prior to 2019. As a result, downward rent momentum is noted again in 2024, lowering the asking rate below $1.00 per square foot for the first time since early 2021.

### 2024 MARKET FORECAST

**INVENTORY** *90 million square feet and 10.8 square feet per capita*

+2.3% **EMPLOYMENT:** Local employers add nearly 100,000 jobs on net in 2024, roughly 43,000 more than the nation's next-best market, garnering the fastest employment growth rate of any primary metro.

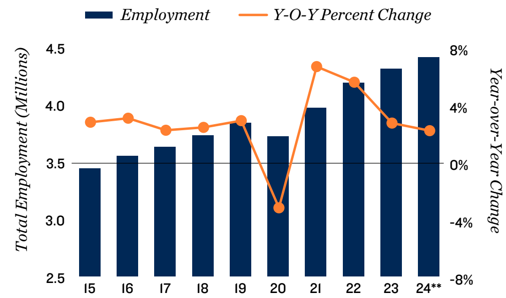
+1.5% **POPULATION:** Dallas-Fort Worth will have the largest gain in the country at 120,000 people, producing a growth rate that only stands behind six other metros.

2,611,000 *sq.ft.* **CONSTRUCTION:** This year's completion total will increase local stock by 3.0 percent. North Dallas will welcome roughly half of this new supply, lifting inventory here by 3.8 percent.

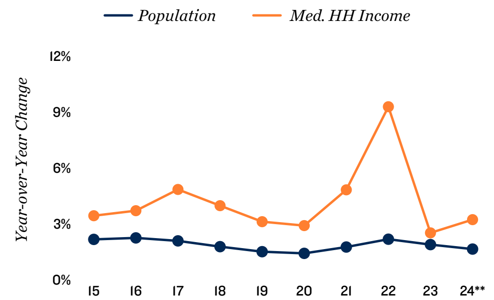
+100 bps **VACANCY:** An uptick in completions, coupled with tempering consumer demand, contributes to an increase in marketwide vacancy again this year, reaching 8.5 percent.

-1.8% **RENT:** Average asking rents will decline across the Metroplex this year, with North Dallas recording the largest downward adjustment at 3.0 percent. The overall rate will ebb to $0.98 per square foot.

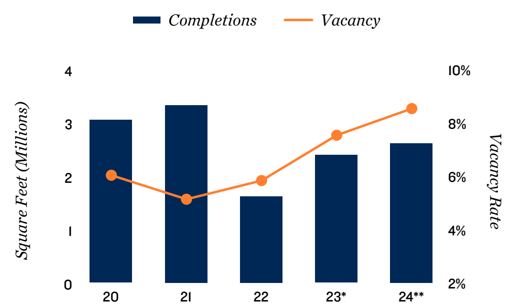
Employment Trends



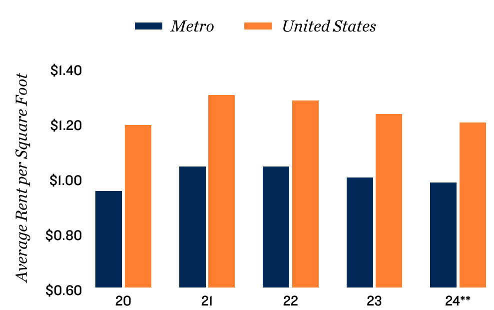

Demographic Trends




Supply and Demand Trends




Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# DENVER

## High Supply-to-Population Ratio Weighs on Vacancy

### Economic Overview

Pressures on the tech sector last year translated to a net loss of 14,000 jobs metrowide. This year, however, optimism surrounding the potential for a soft economic landing helps resume job creation. By the end of 2024, Denver's total workforce will stand nearly 40,000 positions ahead of its 2019 figure.

### Demographic Overview

Resumed job creation in traditionally high compensation industries is drawing in more new residents to the Mile High City, though the cost of living also remains elevated. This year will mark the metro's largest migration influx since before the pandemic, adding a net of 15,600 new citizens.

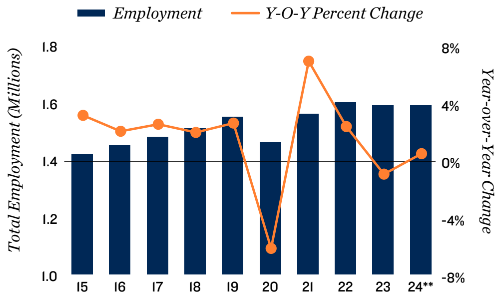
### Construction Overview

Completions in 2024 total less than 400,000 square feet, the fourth such occurrence in the last five years. This stands in stark contrast to the 2016-2019 stretch when supply swelled by more than 8.1 million square feet. The legacy of that period, combined with recent deliveries, will lift the metro's supply-to-population ratio to the third-highest measure nationally.

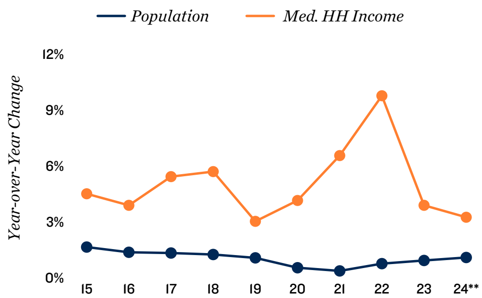
### Vacancy/Rent Overview

Following the initial shock of the pandemic that resulted in metrowide vacancy falling below 4 percent, the rate has continued to trend up, albeit at a tapering pace this year, keeping the metric under the pre-2020 five-year average. Consistent upward vacancy movement, however, foreshadows rent reductions for the third straight annual period in 2024.

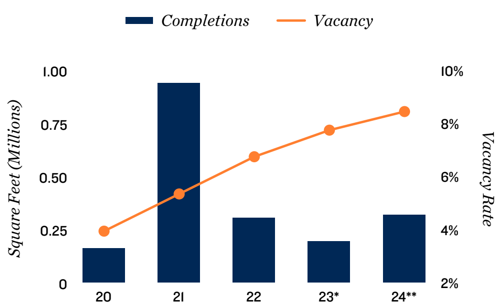
Employment Trends



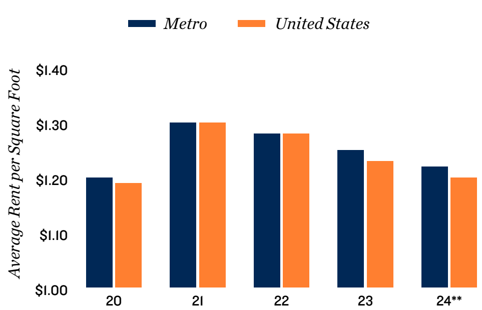

Demographic Trends




Supply and Demand Trends




Rent Trends




*Estimate; **Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## 2024 MARKET FORECAST

| INVENTORY | *33 million square feet and 10.9 square feet per capita* |
|---|---|

+0.5% **EMPLOYMENT:** Employment growth resumes in 2024. Local employers are poised to add a net of 8,500 positions this year, lifting the metrowide workforce to 40,000 jobs ahead of its 2019 total.

+1.0% **POPULATION:** Considerable net in-migration this year pushes population growth toward a six-year high, expanding 1.0 percent. The 55-plus age cohort leads generational groups in growth.

317,000 *sq.ft.* **CONSTRUCTION:** Elevated construction prior to 2019 continues to influence the market this year. Completions are concentrated in high-growth areas, such as Westminster.

+70 bps **VACANCY:** Amid sustained limited supply growth, this year's vacancy rate lift will mark as the metro's smallest in the post-pandemic era. Denver's measure will increase to 8.4 percent in 2024.

-2.4% **RENT:** As vacancy trends upward, average asking rents decline in 2024 by a similar rate as was noted last year. This brings the market's rate to $1.22 per square foot by year-end.

## Near-Term Turbulence Expected as New Supply Arrives

### Economic Overview

Detroit's employment count has yet to return to the 2019 level following the pandemic shock, entering this year roughly 38,000 positions short. Substantial headcount losses during that span in leisure and hospitality fields as well as manufacturing have offset expansions in the construction and information sectors. Nonetheless, local unemployment at the onset of 2024 stood 270 basis points below the historic average.

### Demographic Overview

While the overall population has been easing for several years, areas like Novi-Livingston County and Troy-Rochester Hills are noting rising occupied apartment stock. Growing residential popularity in these locations supports self-storage demand.

### Construction Overview

For only the third time in the past 15 years, the annual delivery volume in 2024 will surpass 700,000 square feet. Chesterfield, Canton, Warren and Redford each have more than 100,000 square feet of self-storage space underway, while Royal Oak and Novi have that same amount of development currently in the planning stages.

### Rent Overview

After peaking at $1.21 per square foot in 2021, the average asking rent slides to a five-year low in 2024; yet it will remain above the immediate pre-pandemic mark. An increase in the pace of new supply amid sluggish economic trends escalates downward pressure, with the annual rent decline expected to be the greatest in at least eight years.

### 2024 MARKET FORECAST

**INVENTORY** *23 million square feet and 5.3 square feet per capita*

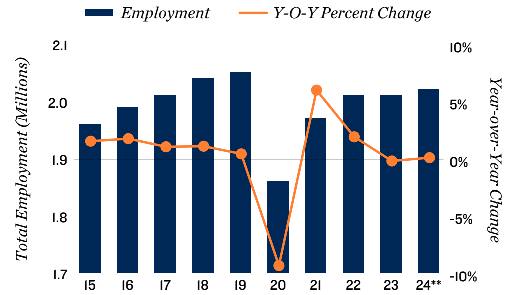
+0.2% **EMPLOYMENT:** Coming off an 1,800-role reduction in 2023, employment growth returns this year. The expected addition of 4,000 positions in 2024 is nevertheless modest by historical standards.

-0.2% **POPULATION:** Detroit's population will contract for a sixth consecutive year. The net loss of about 9,100 residents in 2024 will mark the largest annual subtraction since 2021.

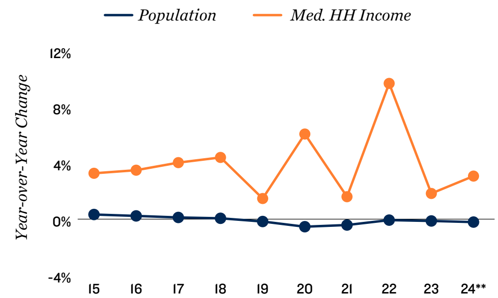
704,000 *sq.ft.* **CONSTRUCTION:** New supply finalizing in 2024 will expand Detroit's self-storage inventory by 3.1 percent, representing the fastest pace of annual growth in three years.

-4.4% **RENT:** Accelerating development amid suboptimal population and employment trends sustains downward rent pressure. The average asking rate falls for a third straight year, to $1.09 per square foot.

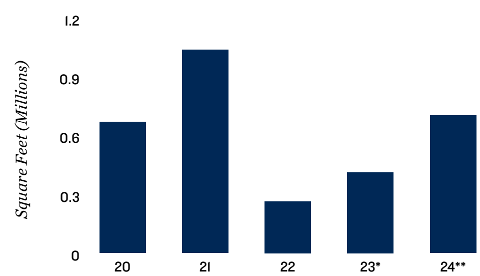
#### Employment Trends



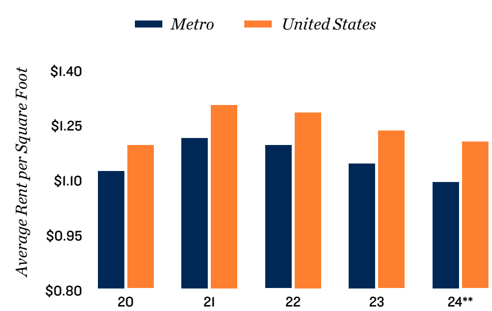

#### Demographic Trends




#### Supply Trends




#### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# HOUSTON

## Competition Among Facilities Rises in Growing Suburbs

### Economic Overview

All of Houston's employment sectors, apart from the construction and information industries, noted job growth last year. Moving forward, certain segments remain poised for gains. The energy sector is positioned to notch both near- and longer-term gains, as the metro has been selected to house one of the nation's seven clean hydrogen hubs, which will generate around 45,000 local jobs. The number of health services-related positions will also expand as population growth heightens demand for medical care.

### Demographic Overview

Supported by job opportunities and lower cost of living, Houston registers the second-largest net in-migration total among major markets this year. The metro's 65-year-old-plus cohort also notes substantial growth of 3.8 percent during 2024, a boon for self-storage demand amid potential downsizing.

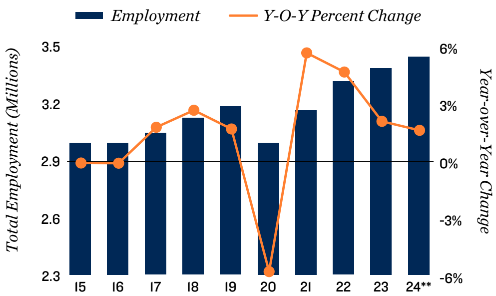
### Construction Overview

Property completions scheduled for this year are concentrated in suburbs outside the Sam Houston Tollway, including the northern cities of Conroe, Tomball and Magnolia. Deliveries in the eastern half of the metro, however, are sparse.

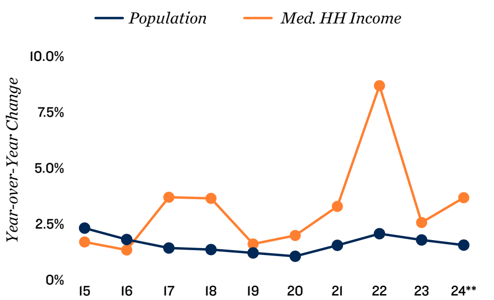
### Vacancy/Rent Overview

Houston's vacancy rises by triple-digit basis points for a third consecutive year; however, the metro's rate holds 10 basis points below its 2016-2019 mean. The average asking rent, meanwhile, hovers in the $0.90-to-$1.00-per-square-foot band for a fourth straight year.

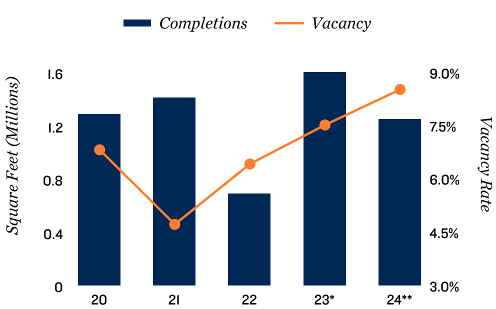
Employment Trends



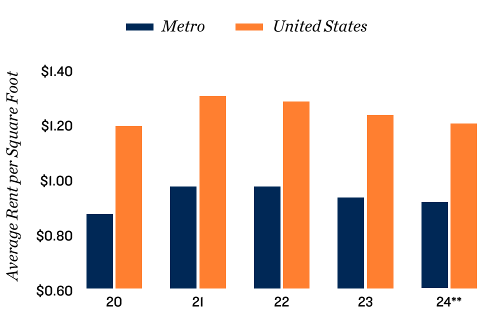

Demographic Trends




Supply and Demand Trends




Rent Trends




## 2024 MARKET FORECAST

**INVENTORY** *85 million square feet and 11.1 square feet per capita*

+1.6% **EMPLOYMENT:** Employers are expected to add 55,000 positions in 2024, enabling Houston to record a rate of job creation that exceeds the national mark.

+1.4% **POPULATION:** Supported by a strong level of net in-migration, Houston's population expands by more than 100,000 people for a fourth straight year, lifting the resident count beyond 7.6 million.

1,250,000 *sq.ft.* **CONSTRUCTION:** Self-storage inventory is slated to grow by 1.5 percent in 2024, as delivery volume matches the prior four-year average. An additional 2.9 million square feet is in the planning stage.

+100 bps **VACANCY:** The pace of vacancy increase mirrors last year, placing Houston's rate at 8.5 percent. While elevated, vacancy here is tighter than Austin and San Antonio, and matches Dallas-Fort Worth.

-1.9% **RENT:** Five-year-high vacancy translates to a moderate asking rent decline, dropping the average to $0.91 per square foot — the second lowest rate among major U.S. markets.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# Job Creation and Retail Sales Temper Rising Vacancy

## Economic Overview

Dissimilar to the national forecast, retail sales growth across the Indianapolis metro is expected to accelerate in 2024. This arises from the local workforce pulling the furthest ahead of its pre-pandemic baseline among major Midwest metros. Fueled by this expanding labor market, median household incomes will surpass the 2019 mark by nearly 30 percent this year, an increase that ranks within the top 10 nationally.

## Demographic Overview

A slight net in-migration pullback from a 16-year high in 2023 moderately slows the pace of population growth in 2024. Gains, however, remain in line with recent norms, apart from 2020. Nearly 14,000 people are anticipated to move to the metro this year.

## Construction Overview

Completions this year lift considerably following 2023's limited delivery slate, adding roughly 35,000 more square feet than the metro's long-term annual average. New supply will be well dispersed across the market and is slated to range heavily in size, between 50,000 square feet and 115,000 square feet per facility.

## Vacancy/Rent Overview

Increased retail spending, supported by a strong employment environment and income gains since the pandemic, help soften the pace of upward vacancy momentum this year. Still, the rate will exceed 8 percent for the first time since 2019. Concurrent with higher vacancy, asking rents will continue to ease, matching last year's 2.2 percent decrease.

## 2024 MARKET FORECAST

**INVENTORY** *20 million square feet and 9.0 square feet per capita*

+1.7% **EMPLOYMENT:** After exceeding the pre-pandemic employment total by more than 80,000 roles last year, job gains in 2024 temper closer in-line with norms recorded over the previous decade.

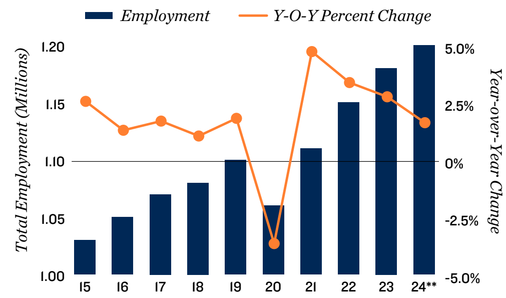
+1.0% **POPULATION:** The metro's resident count increases by roughly 20,600 this year, with about two-thirds from migration. Population growth falls just shy of its 1.0 percent long-term average.

440,000 *sq.ft.* **CONSTRUCTION:** Deliveries in 2024 expand stock by 2.3 percent. Although this will be a substantial lift compared to last year's marginal addition, this gain is below pre-pandemic norms.

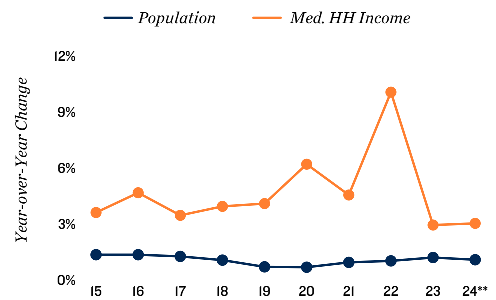
+90 bps **VACANCY:** Metrowide vacancy will rise by nearly one-third of the pace of 2023's gain as limited supply in recent years benefits existing facilities. Indianapolis' rate reaches 8.1 percent by year-end.

-2.2% **RENT:** Despite a tempering pace of vacancy expansion, rent attrition matches last year's loss. As such, Indianapolis' average asking rent will fall to $0.87 per square foot in 2024.

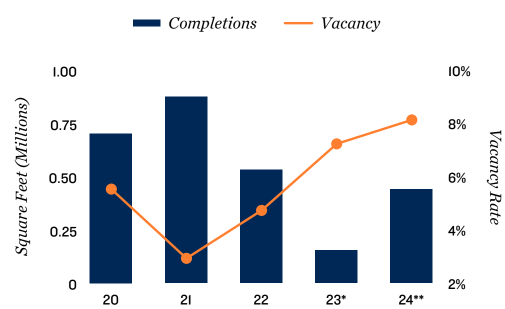
### Employment Trends



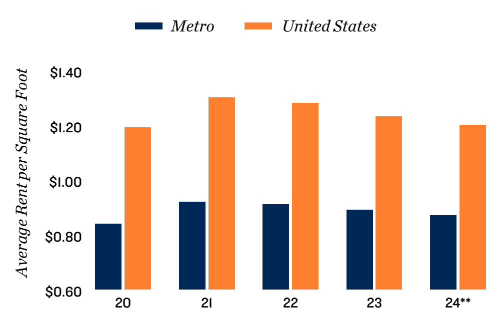

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




* Estimate; ** Forecast

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# LAS VEGAS

## Relocation Trends Favor Long-Term Storage Needs

### Economic Overview

Headcounts increased across all employment sectors with more than 30,000 workers last year. Widespread hiring is likely to continue during 2024, as improving tourism, population growth and various development projects support gains in Las Vegas' hospitality, retail trade, construction and logistics industries.

### Demographic Overview

Las Vegas ranks among the top markets nationally for net in-migration this year. Individuals and households relocating from other states are largely responsible for this growth, with the metro's favorable housing costs and lack of personal income tax remaining prime attractants.

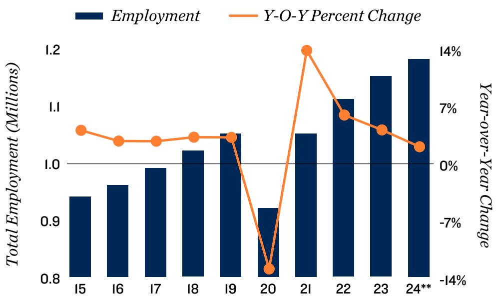
### Construction Overview

Self-storage development activity has been elevated in Las Vegas since 2019. This trend continues in 2024, highlighted by the completion of at least five 100,000-square-foot-plus properties, including several in Henderson. Beyond this year, the pipeline may remain robust, with 3.3 million square feet in the planning stage.

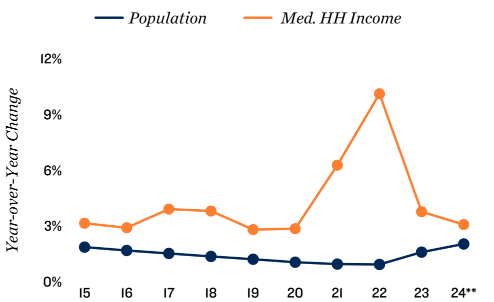
### Vacancy/Rent Overview

After rising 480 basis points over the past two years, vacancy will move up by a lesser degree in 2024, aided by strong net-migration and a growing 55-year-old-plus cohort. Still, Las Vegas' rate reaches a historically high mark. As such, the metro's average asking rent dips for a third straight year, a boon for individuals seeking lower-cost storage space.

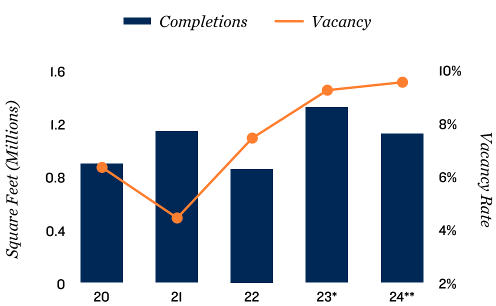
Employment Trends



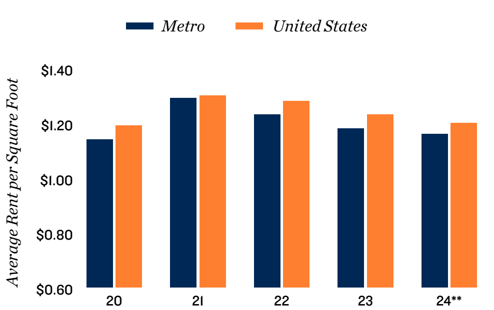

Demographic Trends




Supply and Demand Trends




Rent Trends




## 2024 MARKET FORECAST

**INVENTORY** *26 million square feet and 10.7 square feet per capita*

+2.1% **EMPLOYMENT:** Las Vegas' rate of employment growth notably outpaces the national mark for a fourth straight year, with local employers expected to add a total of 24,000 positions.

+1.9% **POPULATION:** Net in-migration reaches a 17-year high during 2024, helping the metro's resident count rise by 45,000. By year-end, Las Vegas' population will have eclipsed the 2.4 million mark.

1,118,000 *sq.ft.* **CONSTRUCTION:** For the third time in four years, developers complete more than 1 million square feet across the metro, increasing local inventory by 4.5 percent in 2024.

+30 bps **VACANCY:** Population growth aids storage demand during a span of elevated construction, translating to a moderate vacancy increase that places the year-end rate at 9.5 percent.

-1.7% **RENT:** The highest vacancy since at least 2014 adversely impacts asking rents. Still, the pace of decline is subdued when compared to the prior two years, placing the metric at $1.16 per square foot.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

## Lowest Inventory Per Capita Facilitates Demand

### Economic Overview

The metro's economy will benefit from a collection of factors this year, including pre-pandemic levels of tourism, as well as media and production-related hiring following the end of entertainment strikes last year. Cargo volumes at the San Pedro Bay Port Complex that mirror 2017-2020 levels, meanwhile, should aid the logistics sector.

### Demographic Overview

After growing by 115,000 individuals during the past three years, the metro's 65-year-old-plus cohort expands by an additional 37,000 in 2024. This influx, along with the highest rate of household formation since 2013, help to somewhat offset a notable decline in the number of 20- to 34-year-olds who call the metro home.

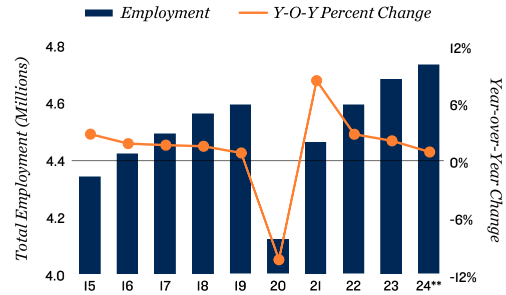
### Construction Overview

Inventory is slated to swell by 3 percent this year, with construction concentrated in the eastern portion of the county — east of Interstate 110 and in areas of San Gabriel Valley. Here, more than 1 million square feet of space is slated for addition, highlighted by a 300,000-square-foot property proximate to the University of Southern California.

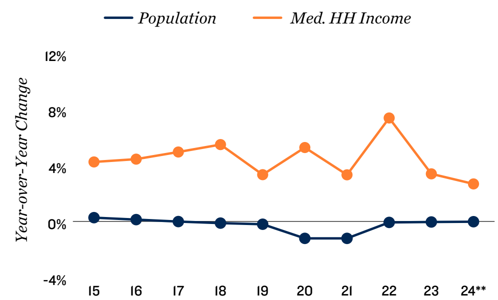
### Vacancy/Rent Overview

Vacancy across the two-county Los Angeles-Long Beach-Anaheim region is expected to reach a six-year high. Los Angeles County, however, stands to benefit from the second-lowest inventory per capita in the nation, which should drive demand to available storage units and support moderate asking rent adjustments over the near term.

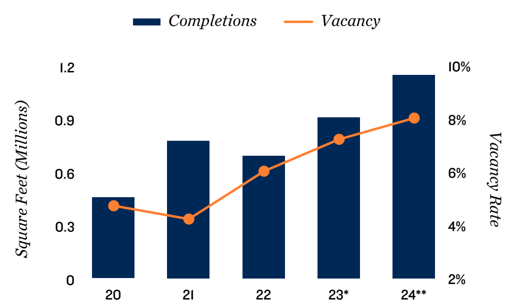
**Employment Trends**



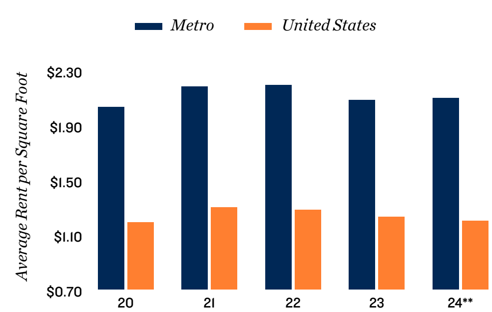

**Demographic Trends**




**Supply and Demand Trends**




**Rent Trends**




### 2024 MARKET FORECAST

| INVENTORY | *39 million square feet and 4.0 square feet per capita* |
|---|---|

+0.9% — **EMPLOYMENT:** Los Angeles employers are expected to grow the metro's headcount by 43,000 roles this year. This hiring places the job count roughly 130,000 positions above the year-end 2019 mark.

-0.02% — **POPULATION:** Following notable declines in 2020 and 2021, the metro's population adjusts nominally for a third straight year, with the resident count holding just below the 9.8 million threshold.

1,148,000 *sq.ft.* — **CONSTRUCTION:** For the first time since 2003, delivery volume exceeds the 1-million-square-foot mark, with properties slated for completion averaging 130,000 square feet per project in scope.

+80 bps — **VACANCY:** Across the Los Angeles-Long Beach-Anaheim market, vacancy will reach 8.0 percent as the rate of increase slows in comparison to the 120-basis-point rise noted last year.

+0.9% — **RENT:** The average asking rent across Los Angeles County rises slightly to $2.10 per square foot, as growth in the eastern portion of the metro offsets a decline in rates elsewhere in the marketplace.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# MINNEAPOLIS-ST. PAUL

## Improved Migration Inflows Lessen Weight on Rents

### Economic Overview

After matching the metro's 2019 employment total last year, Minneapolis-St. Paul employers will hire less 2024. Nevertheless, continued job gains will assist in the market's household income and retail sales growth rates matching the national figures at 3.3 percent and 3.4 percent, respectively.

### Demographic Overview

More than 13,000 people are anticipated to migrate to the Minneapolis-St. Paul metro on net in 2024. This will be the market's highest inflow since 2017 and will assist in a local population growth rate that exceeds the 0.4 percent national average. As such, annual household formation increases at a faster pace than its local long-term average.

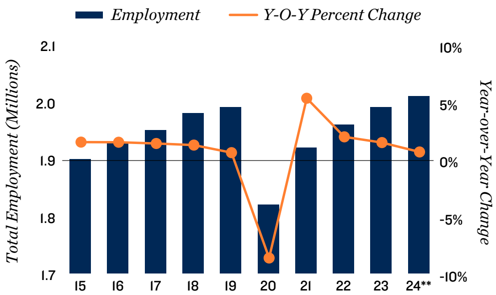
### Construction Overview

Construction activity begins to rebound in 2024, following a two-year stretch in which just 550,000 square feet were added. Still, initiatives remain well below norms observed over the five-year period prior to 2022, when 1.4 million square feet were added on average per year. Developments near Bid Lake and Woodbury will headline completions this year.

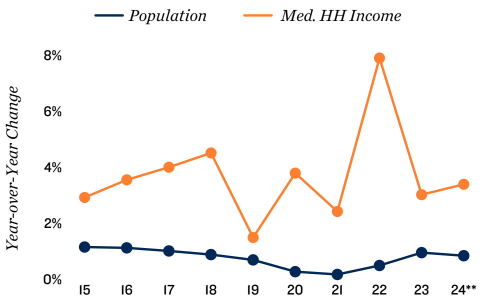
### Rent Overview

Despite an improving labor market and a growing populace, this year will mark the sixth annual period since 2018 in which the metro's average asking rate declines. By year-end, the measure will have dropped by a net of 12.6 percent over this time frame, the largest decline among major U.S. metros.

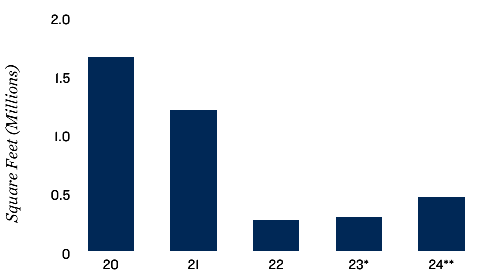
Employment Trends



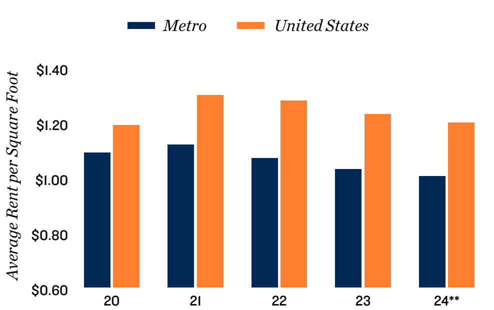

Demographic Trends




Supply Trends




Rent Trends




## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *26 million square feet and 6.8 square feet per capita* |

+0.8% **EMPLOYMENT:** The addition of 15,000 jobs on net in 2024 lifts the overall employment base to 1.4 percent ahead of its 2019 measure. This gain is achieved despite a loss of 2,500 white-collar jobs.

+0.7% **POPULATION:** Metrowide population expands by 27,800 this year, the second largest gain over the past half-decade. Growth, however, continues to trail levels common prior to 2018.

461,000 *sq.ft.* **CONSTRUCTION:** Deliveries in 2024 increase overall inventory by 1.8 percent, an uptick from the prior year's gain. Still, this remains well short of the metro's 3.4 percent two-decade mean.

-2.4% **RENT:** The average asking rent lessens at a slower pace in 2024 relative to the prior two years' losses of 3.7 percent and 4.5 percent, respectively, as the Twin Cities rent lowers to $1.01 per square foot.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# Supply Influx Arrives Amid Transitional Period

## Economic Overview

Fairfield County will benefit from solid employment growth expected in New York this year, as many local municipalities serve as bedroom communities for Manhattan commuters. The region's endogenous job market is anticipated to contract, however, which will weigh on retail sales, and subsequently storage demand. This will particularly affect consumers in New Haven County, where the median income trends lower.

## Demographic Overview

While the market's median income is the highest among major U.S. metros, the associated high cost of living has translated to acute population attrition among the age 20-to-34 cohort, the loss of which impacts storage demand. Still, some professionals have moved here from New York since 2020, mitigating these effects in certain areas.

## Construction Overview

Construction accelerates to a six-year high, with the square footage total for the year only outranked by 2018. The majority of stock underway is slated for delivery in Fairfield County, limiting the current pipeline's impact on the market's eastern half.

## Vacancy/Rent Overview

A rapid pace of supply additions, as the market grapples with the effects of population attrition and a contracting job market, translates to one of the highest increases in vacancy among major U.S. metros this year. Consequently, the average asking rent will decline at the fastest rate in at least eight years.

## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *20 million square feet and 10.6 square feet per capita* |

-0.3% **EMPLOYMENT:** After growing by roughly 11,200 positions in 2023, the market will lose 2,500 jobs on net this year. Roughly 60 percent of these losses pertain to traditional office-using sectors.

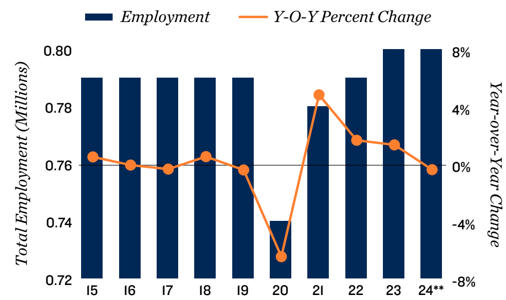
-0.03% **POPULATION:** Gen Z and younger millennial residents leaving the metro will outweigh growth in other age groups, translating to a slight reduction in the market's overall population.

753,000 *sq.ft.* **CONSTRUCTION:** Developers are expected to expand supply by a solid 4 percent clip this year, though this injection may be ill-timed, given the confluence of negative demand factors expected in 2024.

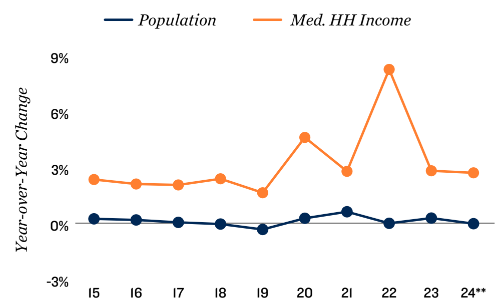
+140 bps **VACANCY:** Net out-migration as the market's job market contracts pushes vacancy up to 10.3 percent, tying the Charlotte region for the second-highest such rate of all major metros nationwide.

-3.8% **RENT:** Asking rents will decline for the third consecutive year, following solid increases in 2020 and 2021. Still, an average marketed rent of $1.28 per square foot is 9.4 percent ahead of the 2019 rate.

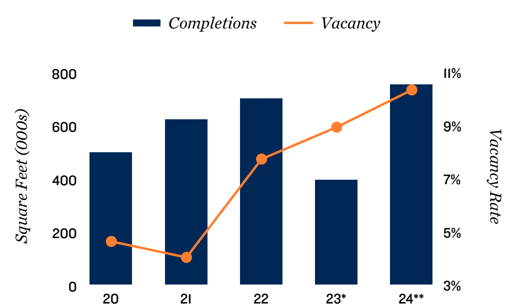
### Employment Trends



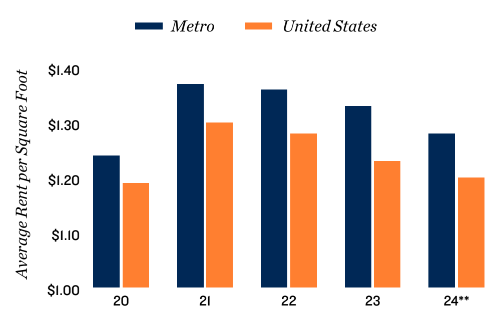

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# NEW YORK CITY

## Tight Housing Market Backstops Storage Usage

### Economic Overview

New York is slated for a year of steady job growth in 2024. Increasing tourism is supporting the still-recovering leisure and hospitality industry, as the city's traditional office-using sectors are also slated to recoup positions after many of these fields faced downsizing last year. A positive employment outlook bodes well for storage demand.

### Demographic Overview

An ongoing housing crisis has fostered a particular need for storage space across the five boroughs, exemplified by apartment vacancy remaining in the mid-1 percent range since the second half of 2021. Amid such tight conditions, the expected formation of 6,700 additional households this year will backstop demand for storage units.

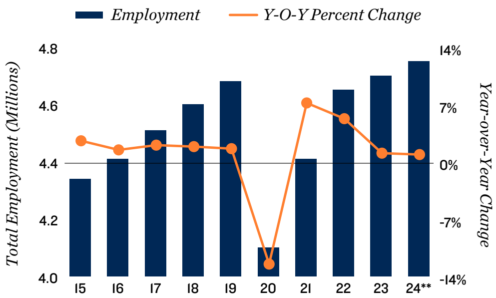
### Construction Overview

Development is tapering across the five boroughs, with builders slated to bring less than 1 million square feet online for just the second span in six years, and additions are likely to slow further moving forward. The market will remain one of the nation's most undersupplied, with square footage per capita well under other major metros.

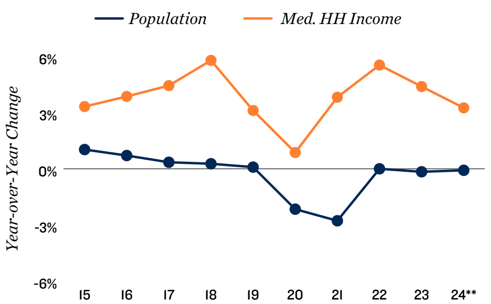
### Vacancy/Rent Overview

Vacancy increases by triple-digit basis points for the third consecutive year as storage demand normalizes post-pandemic. Despite this increase, vacancy is slated to remain under the immediate pre-COVID level, supporting upward pressure on street rates in each of the five boroughs. The average asking rent will remain the highest among major U.S. metros.

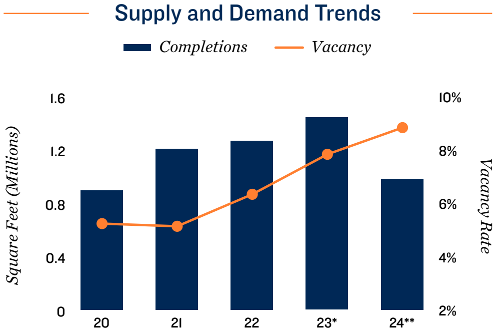
Employment Trends



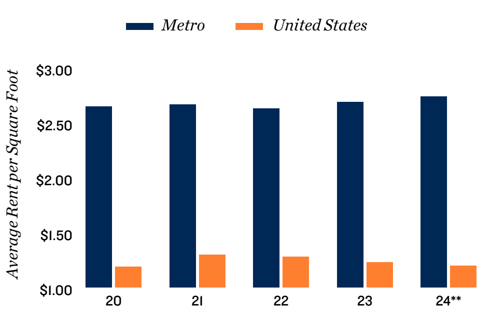

Demographic Trends




Supply and Demand Trends




Rent Trends




*Estimate; **Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## 2024 MARKET FORECAST

**INVENTORY** *32 million square feet and 3.8 square feet per capita*

+1.1% **EMPLOYMENT:** The 50,000 positions to be added on net in 2024 roughly equals last year's increase, with office-using sectors expected to gain 10,000 jobs, just under one-third of those lost in 2023.

-0.1% **POPULATION:** Losses in the 20-to-34-year-old demographic will be the major factor driving a decrease in New York's population in 2024, the second consecutive year of declines in this metric.

981,000 *sq.ft.* **CONSTRUCTION:** Supply expands by 3.2 percent in 2024, marking the slowest year for growth since 2016. Land constraints restrain most development to Staten Island and outer Brooklyn and Queens.

+100 bps **VACANCY:** Further upward adjustments to the vacancy rate are due in 2024. The metrowide measure will close out the year at 8.8 percent, 20 basis points below the 2019 equivalent.

+1.8% **RENT:** While most major metros will continue to see annual declines in the average asking rent, New York will see its metric climb to an all-time high, reaching $2.74 per square foot.

## Demand Supported by Surge in Blue-Collar Jobs

### Economic Overview

Last year, the manufacturing, transportation, trade and utilities sectors comprised 13 percent of the total job gain in North Carolina's three major markets, compared to a 7 percent share for the nation. This allocation should expand in 2024, as several new industrial facilities are set to open. Wolfspeed and Vinfast, for example, will hire for over 9,000 roles at new Raleigh manufacturing facilities, while Macy's and Ecolab have intimated at adding over 3,000 jobs for their new warehouses in Charlotte and Greensboro.

### Demographic Overview

Charlotte, Raleigh and Greensboro welcome a net of 77,000 new residents via relocation in 2024. Amid this influx, the two former metros rank second and third in the U.S. for apartment stock growth, aiding demand for self-storage space as units are absorbed.

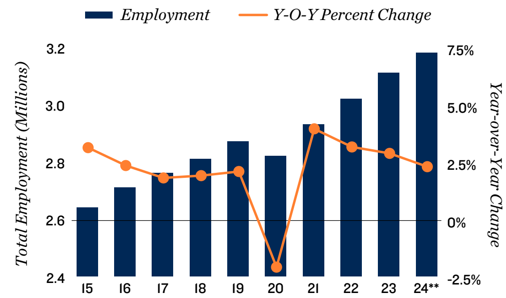
### Construction Overview

In 2024, completions across the region reach their lowest level since 2014. This drop-off is being driven by Raleigh, where inventory will tick up less than 1 percent. Stock in Greensboro, meanwhile, is slated to grow at almost double the overall region's pace.

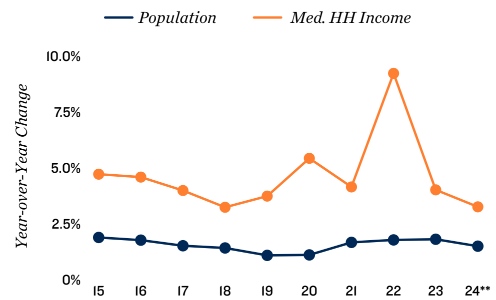
### Vacancy/Rent Overview

Charlotte's vacancy is slated to rise north of 10 percent this year, as new stock takes some time to stabilize. While local asking rents will take a slight hit as a result — a trend expected to be shared by Greensboro in 2024. Raleigh notes a different trend, as limited supply here will facilitate an increase in the metro's street rates.

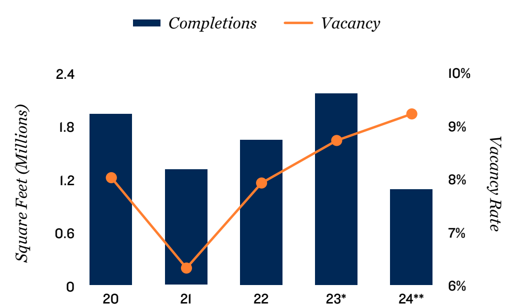
Employment Trends



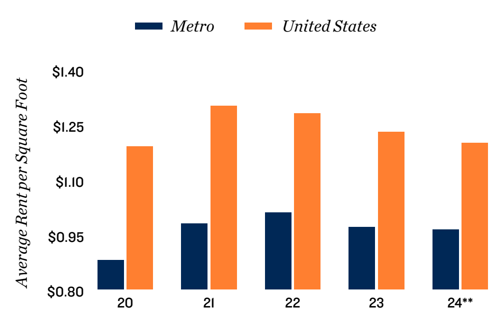

Demographic Trends




Supply and Demand Trends




Rent Trends




### 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *57 million square feet and 8.7 square feet per capita* |

+2.4% **EMPLOYMENT:** Charlotte, Raleigh and Greensboro add 70,000 positions in total in 2024. Raleigh and Charlotte will rank third and fourth, respectively, among major U.S. markets for job growth.

+1.4% **POPULATION:** Led by a 2.2 percent gain in Raleigh, the region's overall population will grow by nearly 89,000 in 2024. This total, however, only exceeds the decadelong average by 1,000 people.

1,080,000 *sq.ft.* **CONSTRUCTION:** Regional stock expands by 1.9 percent. Greensboro and Charlotte each host the completion of over 400,000 square feet, while Raleigh has under 130,000 square feet arriving.

+50 bps **VACANCY:** Collective vacancy across the three metros will rise to 9.2 percent this year, a metric that exceeds the decadelong average by more than 100 basis points.

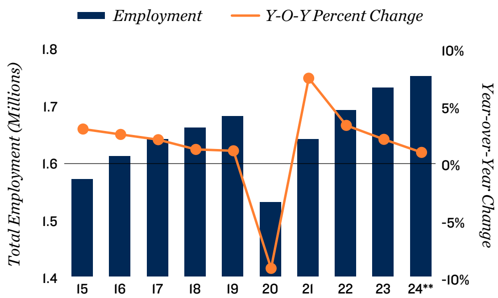
-0.7% **RENT:** Despite a decrease in the region's average asking rent to $0.96 per square foot, the figure remains above the trailing eight-year mean. This feat is shared across all three metros.

*North Carolina encompasses Charlotte, Greensboro-Winston Salem, and Raleigh*

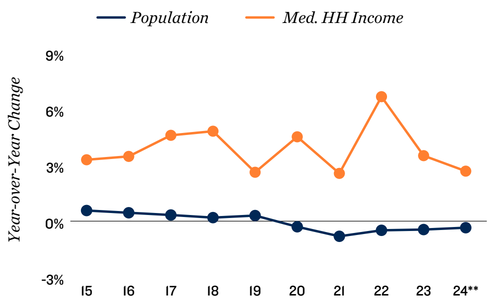
** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

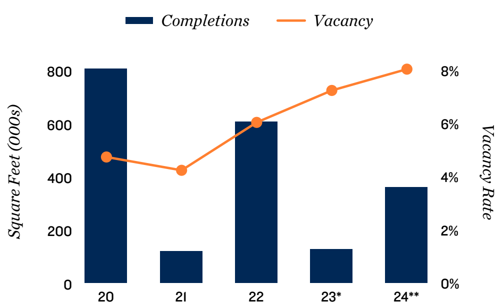
Employment Trends



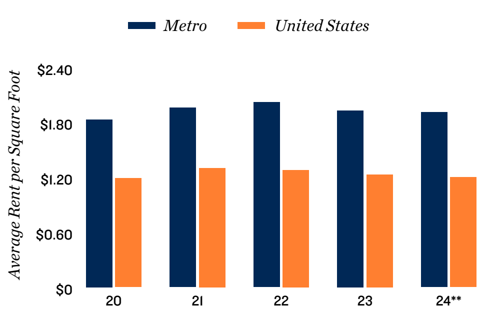

Demographic Trends




Supply and Demand Trends




Rent Trends




** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# ORANGE COUNTY

## Vacancy Remains Low on a National Scale

### Economic Overview

Continued employment growth this year helps prompt a local median household income gain that matches the metro's 2.7 percent long-term average. Nevertheless, inflationary pressures still weighing on consumers result in a growth rate of retail spending that will rank among the five lowest of the nation's major metros.

### Demographic Overview

A net outflow of more than 23,000 residents this year will maintain population attrition in Orange County in 2024. This will amount to a 0.4 percent decline, the largest pullback among major U.S. metros. Nevertheless, the market's growing labor force helps support increased household formation, doubling last year's 0.3 percent bump.

### Construction Overview

Orange County's delivery slate falls below the metro's 2.1 percent long-term average this year as demographic trends weigh on consumer demand. The majority of completions will come online north of Chapman Avenue, servicing residences more central to the city of Orange. Farther west, one project underway will bring 130,000 square feet to Garden Grove.

### Vacancy/Rent Overview

The rate of vacancy expansion tempers across the Los Angeles-Long Beach-Anaheim area in 2024, recording its smallest lift in three years. Nevertheless, the measure will stand as the sixth-lowest nationally. Local asking rents are still poised to fall, but at a slowed pace, contracting much less than last year's 4.5 percent decline.

## 2024 MARKET FORECAST

**INVENTORY** *23 million square feet and 7.2 square feet per capita*

+1.0% **EMPLOYMENT:** Orange County employers add a net of 17,000 new roles in 2024, on par with the market's long-term average. The overall labor force will stand 68,000 jobs ahead of its 2019 figure.

-0.4% **POPULATION:** The metro's population will lower by 11,000 residents this year, a 0.4 percent decline. This will be Orange County's fifth straight year of population attrition.

359,000 *sq.ft.* **CONSTRUCTION:** Developers increase metrowide stock by 1.6 percent this year. Orange County will join just seven other major U.S. metros to note a lift of less than 2 percent.

+80 bps **VACANCY:** The Los Angeles-Long Beach-Anaheim area's vacancy rate elevates to 8.0 percent by year-end. This will be the metro's highest point since early 2019, although still low on a national scale.

-1.0% **RENT:** Rising vacancy maintains downward rent movement in 2024, as Orange County's average asking rate lowers to $1.91 per square foot. This still stands 8.5 percent ahead of its 2019 figure.

# Apartment Lease-Ups Assist Self-Storage Demand

## Economic Overview

Accelerating household formation counterbalances the impact of tapering job growth in 2024. Easing mortgage rates and normalizing apartment rents are restoring households' confidence to seek new living arrangements. Additionally, two of every five new residents of Orlando in 2024 are expected to be ages 55 and above. This composition should be an additional boon for household formations, as well as self-storage demand.

## Demographic Overview

Orlando's net in-migration ranks among the top six major metros for the third year in a row, at 37,000 in 2024. This influx underpins a record multifamily pipeline and a favorable trajectory for the local self-storage landscape. The expected lease-up of 12,000 rentals slated for delivery this year underscores consumer needs for self-storage space.

## Construction Overview

Orlando preserves the highest per-capita self-storage inventory among major markets in 2024. Local stock will expand by 4.9 percent, marking the second-fastest pace recorded in the last decade, as well as the second-highest clip in the country this year.

## Vacancy/Rent Overview

New supply lifts vacancy to a near five-year high in 2024, placing downward pressure on rents. Still, areas with standout household formation may continue to host asking rate growth. Apartment stock will jump over 10 percent for a second straight year in Ocoee, Winter Garden and Clermont, attracting potential new self-storage renters.

## 2024 MARKET FORECAST

**INVENTORY** *33 million square feet and 11.5 square feet per capita*

+1.7% **EMPLOYMENT:** Orlando's headcount expands by 25,000 roles in 2024, falling short of the trailing decadelong average but still rising 134,000 positions above the 2019 count.

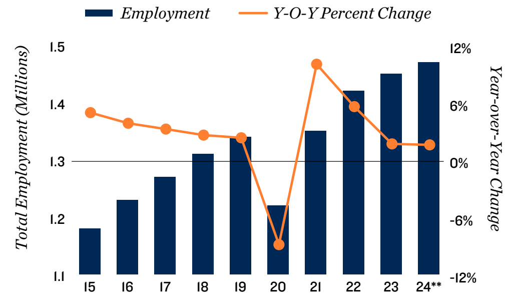
+1.5% **POPULATION:** With just under 44,000 new residents added in 2024, population growth in Orlando will rank as the third fastest in the nation. About 85 percent of this gain will arise from transplants.

1,559,000 *sq.ft.* **CONSTRUCTION:** Self-storage construction will be concentrated in Apopka and surrounding neighborhoods this year, following the completion of 3,200 local multifamily units in 2023, a record high.

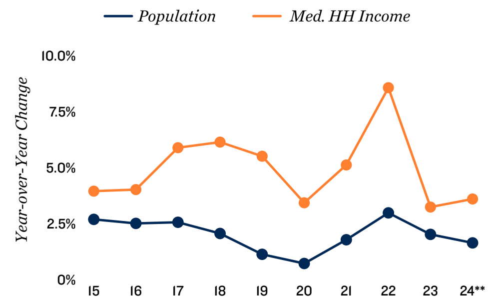
+60 bps **VACANCY:** Elevated completions lift self-storage vacancy for a third straight year, placing the metric at 8.4 percent. Still, vacancy remains 120 basis points lower than the mark from five years prior

-3.6% **RENT:** The average monthly asking rent dips to $1.07 per square foot, faster than the 2.8 percent decline noted by Southeast Florida metros but much less extreme than Tampa's 5.2 percent drop.

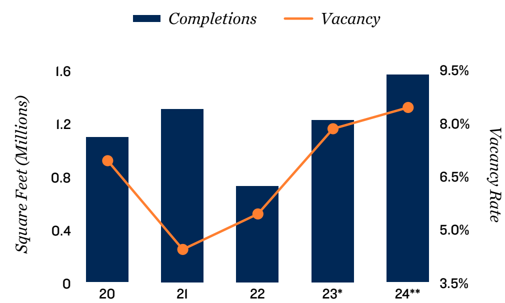
### Employment Trends



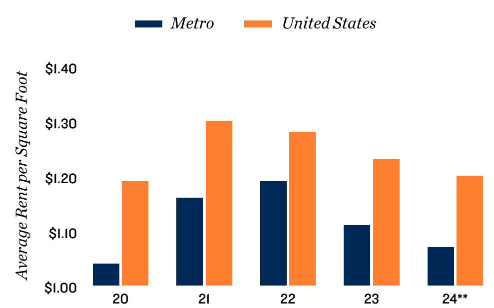

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# PHILADELPHIA

## Rents Stabilizing Despite Persistent Vacancy Pressure

### Economic Overview

Job creation is slowing in Philadelphia, with the 2024 headcount expansion expected to fall to about one-third of last year's gain. The metro has nevertheless made a significant employment recovery since the pandemic shock. By the end of this year, the market's labor force is on track to exceed the 2019 tally by more than 160,000 roles, an average annual growth rate that has surpassed the long-term mean.

### Demographic Overview

The overall population increases this year, buoyed by the age 55-plus cohort. This demographic often has more family heirlooms and goods that require storage space. Philadelphia's 20-to-34-year-old populace will shrink for a sixth straight year, however.

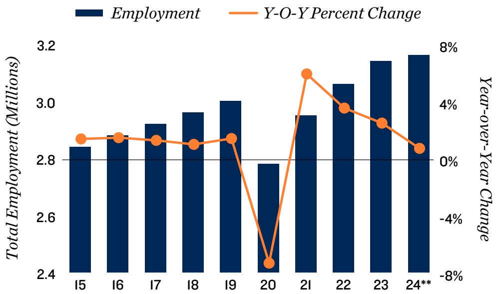
### Construction Overview

Philadelphia's suburban pipeline for 2024 features 640,000 square feet of new self-storage additions, while the urban slate includes 590,000 square feet. Combined, the 2024 delivery volume represents less than 60 percent of last year's influx but exceeds the metro's historic average by about 350,000 square feet.

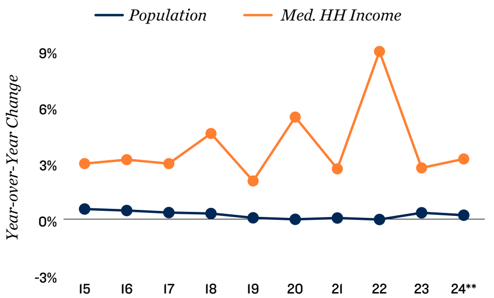
### Vacancy/Rent Overview

Milder job creation and young adult population attrition constrain self-storage demand, resulting in metro vacancy exceeding 9 percent for the first time in at least 10 years. Asking rents are stabilizing, however, after substantial downward pressure in recent periods. Both urban and suburban Philadelphia are projected for 2-plus percent rent bumps in 2024.

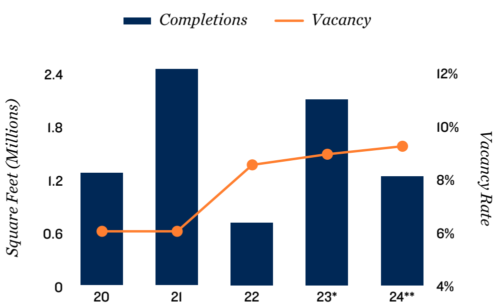
### Employment Trends



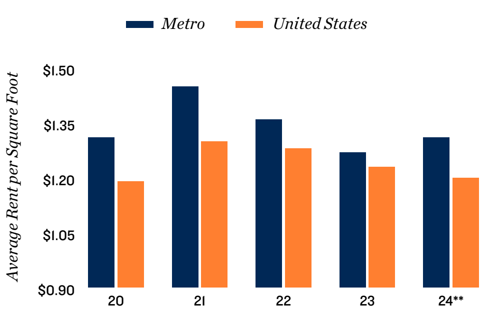

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




## 2024 MARKET FORECAST

| INVENTORY | *34 million square feet and 5.5 square feet per capita* |
|---|---|

+0.8% **EMPLOYMENT:** Excluding 2020, the 25,000 positions added in Philadelphia this year will mark the smallest annual gain since 2013. The local unemployment rate entered 2024 below 4 percent.

+0.2% **POPULATION:** Despite softening relative to last year's increase, Philadelphia's population will expand by about 12,900 residents in 2024. This represents the second-largest annual rise in six years.

1,230,000 *sq.ft.* **CONSTRUCTION:** This year's delivery slate features a relatively even urban and suburban mix. In total, new supply will expand metro inventory by 3.7 percent in 2024.

+30 bps **VACANCY:** Philadelphia's self-storage vacancy rate rises for a third straight year to reach 9.2 percent in 2024. That figure exceeds the market's historic average by 180 basis points.

+3.2% **RENT:** Growth is expected in both urban and suburban areas, boosting the overall metro average asking rate to $1.31 per square foot. That gain partially offsets last year's 6.6 percent reduction.

* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

## Population Inflows Sustain Substantial Construction

### Economic Overview

Phoenix's employment growth rate will stand within the top 10 among major U.S. metros this year, assisted by office move-ins from J.P. Morgan, Amazon and Offer Pad. This helps spur a considerable lift in retail sales, which will increase by 4.6 percent and beat the national average by 120 basis points.

### Demographic Overview

With the third-largest absolute gain this year among major metros, Phoenix's population growth is backed by the in-migration of nearly 60,000 new residents. These inflows help spur the metro's third-highest annual household formation total in the past decade, which will rank as the eighth-fastest pace nationally this year.

### Construction Overview

Substantial population growth should provide demand for this year's construction pipeline, as the metro joins 13 other markets in welcoming more than 1 million square feet of new storage space. These deliveries closely follow residential trends and are mostly concentrated in Phoenix proper and Scottsdale.

### Vacancy/Rent Overview

Further vacancy elevation in 2024, following last year's 320-basis-point hike, will raise the metrowide measure to tie for the highest among major U.S. markets. This continued upward momentum maintains notable marketed rent declines. For the second straight year, Phoenix records the nation's largest pullback in average asking rents.

### 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *45 million square feet and 8.7 square feet per capita* |

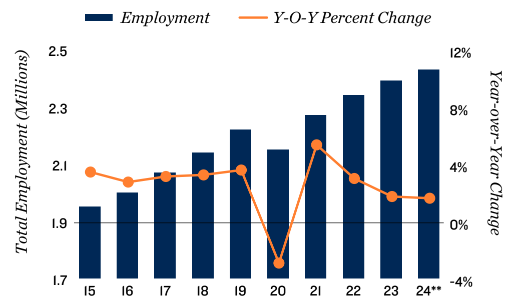
+1.7% **EMPLOYMENT:** The 41,000 new jobs this year on net raise the local employment total to 209,000 roles ahead of its 2019 measure. Both metrics rank fifth among major markets nationally.

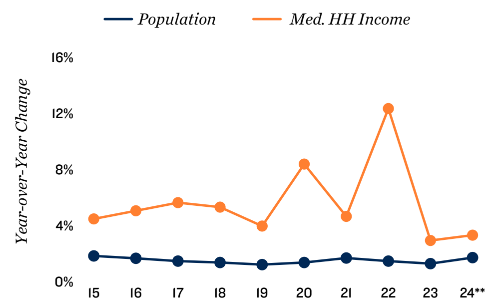
+1.5% **POPULATION:** Phoenix's population swells by roughly 78,000 residents in 2024, with the majority of gains attributed to the metro's largest migration increase since 2015.

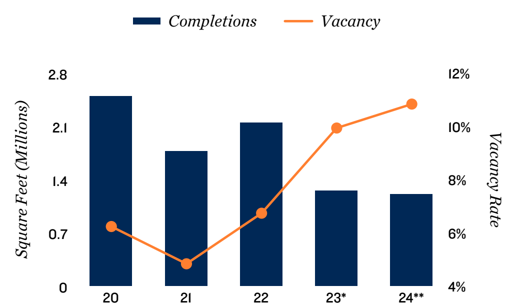
1,204,000 *sq.ft.* **CONSTRUCTION:** Deliveries in 2024 total more than 1.2 million square feet for the eighth straight year, boosting overall inventory by nearly 15 million square feet during this time frame.

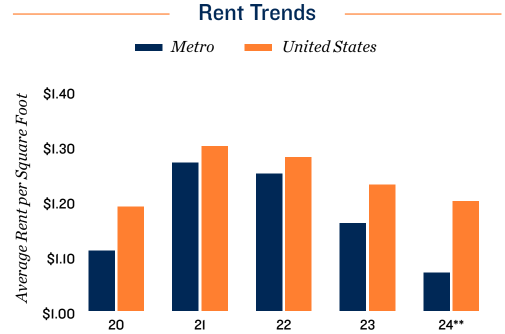
+90 bps **VACANCY:** Despite considerable population growth, substantial supply pressures over the last decade maintain upward pressure on vacancy. Phoenix's rate rises to 10.8 percent by year-end.

-7.8% **RENT:** Concurrent with increasing vacancy, the average asking rent will considerably adjust again in 2024. This year, Phoenix's rate is anticipated to fall to $1.07 per square foot.



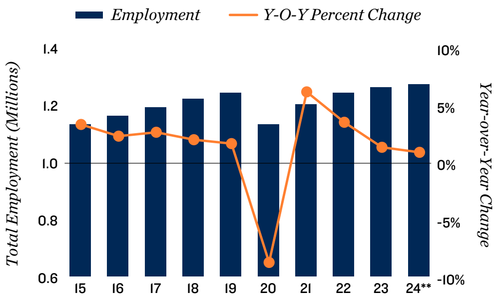




* Estimate; ** Forecast
Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

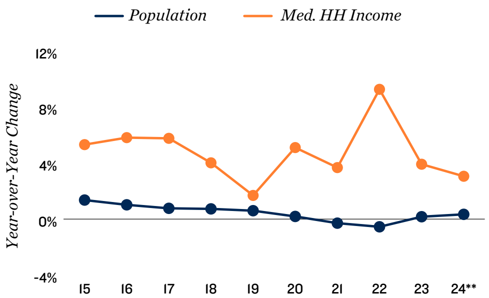
# PORTLAND

## Rents Continue to Wane, Migration Presents Optimism

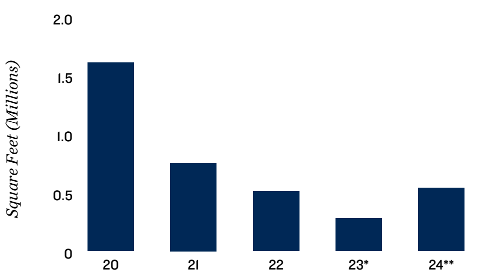
Employment Trends



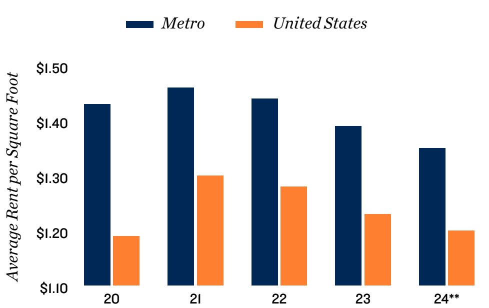

Demographic Trends




Supply Trends




Rent Trends




### Economic Overview

Overall employment gains in 2024 will fall closer in line with the two-decade pre-pandemic average, tempering relative to 2023 when hiring was headed by the government and construction sectors. Still, an expanding workforce helps spur improved retail sales growth that exceeds the national increase by 90 basis points this year.

### Demographic Overview

Net in-migration will resume in 2024, following three straight years of outflows. As a result, the local population ticks up amid less attrition from the 20-to-34-year-old cohort countered by a growing 55-plus demographic. These dynamics help spur household formation of more than 11,000 for just the second time since 2014.

### Construction Overview

Inventory growth remains limited for a third straight year, influenced by curbed population dynamics prior to 2024. Project completions will be evenly split on each side of the Columbia River. Of the space going north of the river, nearly half will be in Vancouver, totaling more than 260,000 square feet.

### Rent Overview

Downward pressure on the metro's average asking rent softens this year as household formation growth hits a nine-year high. Still, Portland's rent per square foot is set to ebb below its 2019 measure amid this continued decline. Resuming in-migration and continued employment growth may, however, bode well for long-term storage demand.

## 2024 MARKET FORECAST

INVENTORY *45 million square feet and 8.7 square feet per capita*

+1.0% **EMPLOYMENT:** Employers expand headcounts this year by 12,000 roles, the metro's smallest increase in the last two decades. The local workforce will stand 35,000 jobs ahead of the 2019 total.

+0.3% **POPULATION:** Positive net in-migration will help lift Portland's population by 8,600 residents in 2024, resulting in its highest growth rate since before the pandemic.

541,000 *sq.ft.* **CONSTRUCTION:** Completions this year exceed 2023's total by 260,000 square feet and will result in Portland's largest inventory increase since 2021. The rate of growth lands at 2.8 percent.

-2.9% **RENT:** An uptick in deliveries contributes to another rent decline this year. Shifting down for the third straight annual period, Portland's average asking rate will ebb to $1.35 per square foot.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# Developers Target the Expanding Coachella Valley

## Economic Overview

Driven by the addition of nearly 12,000 healthcare and social assistance positions last year, Riverside-San Bernardino's workforce entered 2024 with 134,000 more roles than in 2019. Overall gains this year are set to temper, however, amid another annual period of net losses within white-collar industries.

## Demographic Overview

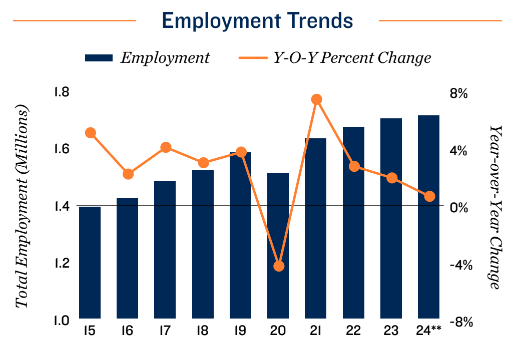
Population growth in 2024 will match last year's rate despite a considerable in-migration pullback, which falls to an eight-year low. Household formation, nevertheless, is set to lift above 20,000 for the second time since 2020, a potential boon for near-term self-storage demand.

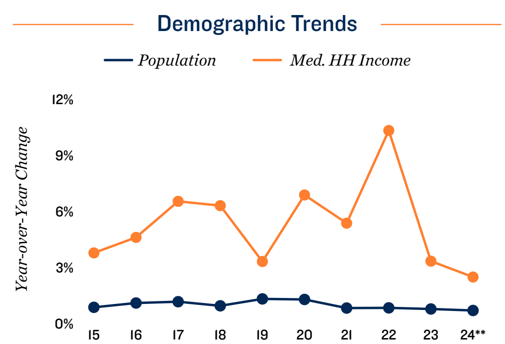
## Construction Overview

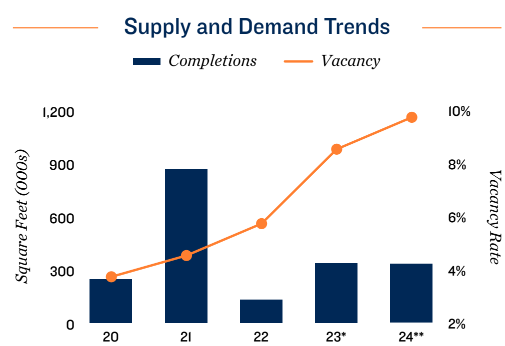
More than two-thirds of new supply this year is set to come online between Palm Springs and Palm Desert, totaling 235,000 square feet. Storage across the Coachella Valley is supported by local apartment vacancy that remains below pre-pandemic norms. Self-storage completions marketwide remain on par with last year's total.

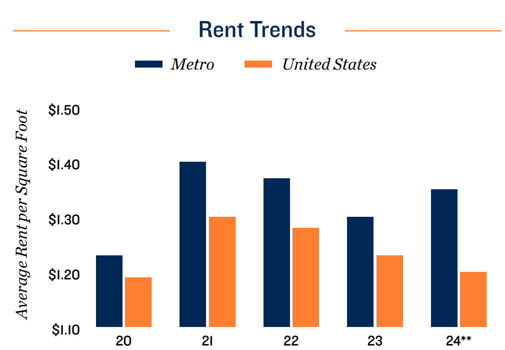
## Vacancy/Rent Overview

Despite limited supply pressures over the past three years, a downshift in migration trends contributes to sustained vacancy elevation in 2024. As a result, the measure is expected to rise to its highest point since at least 2014. Still, asking rents will lift for the first time since 2021, partially gaining back losses noted last year.




## 2024 MARKET FORECAST

**INVENTORY** *37 million square feet and 7.9 square feet per capita*

+0.7% **EMPLOYMENT:** Total employment expands by 11,000 positions in 2024, easing from last year's 32,000-role addition. Typically higher-paying roles in white-collar industries lose a net of 2,000 roles.

+0.6% **POPULATION:** The metro expands by about 26,000 residents this year, roughly 3,600 fewer than in 2023. A loss of nearly 6,000 locals within the 20-to-34-year-old cohort is a notable contributer.

332,000 *sq.ft.* **CONSTRUCTION:** Completions remain below the Inland Empire's trailing five-year average by roughly 50,000 square feet. As such, inventory growth holds under 1.0 percent for a third straight year.

+120 bps **VACANCY:** Riverside-San Bernardino will note the largest vacancy rise among California metros in 2024, as its rate lifts to 9.7 percent. This will be the eighth-highest measure among major U.S. markets.

+3.8% **RENT:** The Inland Empire's average asking rent will rise for the first time in three years, reaching $1.35 per square foot in 2024. This will be 17.4 percent above its 2019 figure.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# SACRAMENTO

## Supply Surge Will Impede Performance Near Term

### Economic Overview

Reflecting a cooling local labor market, unemployment in Sacramento rose from a low of 3.3 percent in July 2022 to 4.4 percent at the onset of this year, the highest rate among major metros in Northern California. A loosening labor force should allow employers to recruit available workers, contributing to relatively healthy job gains this year as Sacramento's 1.6 percent pace of growth will lead the state's major markets.

### Demographic Overview

Among California's eight major metros, Sacramento is expected to record the second-slowest rate of median household income growth this year at 2.6 percent. More positively, the metro's pace of household creation will rank as the third strongest.

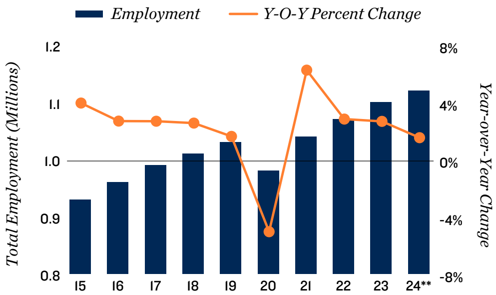
### Construction Overview

Supply additions in 2024 will more than double the long-term annual average in Sacramento, creating significant near-term pressure in certain pockets of the metro. Roseville, Elk Grove and El Dorado Hills headline suburban locations with sizable construction pipelines, while the city of Sacramento also has a handful of larger facilities underway.

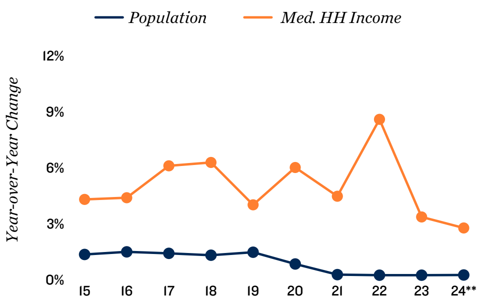
### Vacancy/Rent Overview

The deluge of new supply amid softening job creation as well as moderating median household income growth creates vacancy and rent headwinds this year. Competition from the new stock likely motivates more substantial discounts in certain areas with aggressive construction, contributing to the metrowide average asking rent falling to a five-year low.

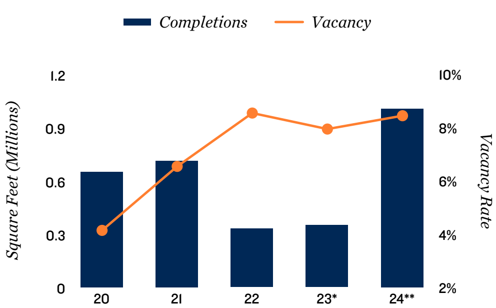
**Employment Trends**



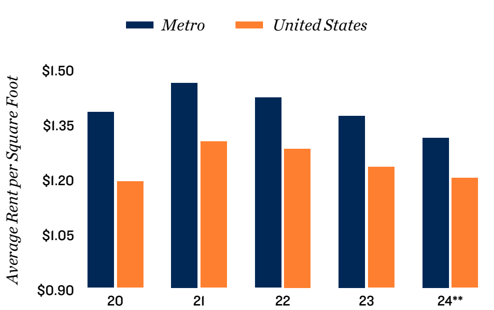

**Demographic Trends**




**Supply and Demand Trends**




**Rent Trends**




** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

## 2024 MARKET FORECAST

**INVENTORY** *23 million square feet and 9.6 square feet per capita*

+1.6% **EMPLOYMENT:** An 18,000-personnel addition in 2024 lifts the metro headcount to exceed the pre-pandemic peak by almost 90,000 jobs. The 2024 gain nevertheless marks a four-year low.

+0.1% **POPULATION:** Sacramento maintains a pace of steady, albeit mild, population growth. This year marks the fourth straight expansion of 0.1 percent, with the local tally rising by about 2,600 residents.

1,004,000 *sq.ft.* **CONSTRUCTION:** The 2024 delivery volume exceeds the prior two years' combined total of 677,000 square feet and marks a 20-year high. Metro inventory expands by 4.5 percent.

+50 bps **VACANCY:** After logging a 60-basis-point drop in 2023, vacancy increases this year amid a surge in development. The rate will climb to 8.4 percent, which is 150 basis points above the decade average.

-4.4% **RENT:** Rising vacancy due to supply-side pressure and softer space demand amid slower job growth results in a third straight annual rent decline. The average asking rate dips to $1.31 per square foot.

# Labor Market Standing Assists Continued Rent Gains

## Economic Overview

Entering 2024, Salt Lake City's employment base stood more than 9 percent ahead of its pre-pandemic benchmark, the second-highest climb among major western U.S. metros. Although gains temper this year, the market will retain this status. A strong workforce helps local retail sales growth to once again exceed the national rate.

## Demographic Overview

Salt Lake City's population of 20-to-34-year-olds is expected to lift by 1.5 percent this year, the second-fastest increase among major metros nationally. Net in-migration breaching the 10,000-person mark for the third time in the last three years will emphasize this feat, a reflection of the metro's strong labor market.

## Construction Overview

The pace of inventory growth this year will be less than half the metro's trailing two-decade average of 3.3 percent. Roughly one-third of deliveries are anticipated to complete near Ogden, associated with the area's increased residential popularity. Since 2019, occupied apartment stock here has expanded nearly 20 percent.

## Rent Overview

The average asking rent will increase for the fifth year in a row, making it the only major U.S. metro to note such consistent gains. Ongoing net in-migration since the pandemic bodes well for storage demand moving forward. By year-end, the average asking rent will stand 16.7 percent ahead of its 2019 rate.

## 2024 MARKET FORECAST

**INVENTORY** *29 million square feet and 10.3 square feet per capita*

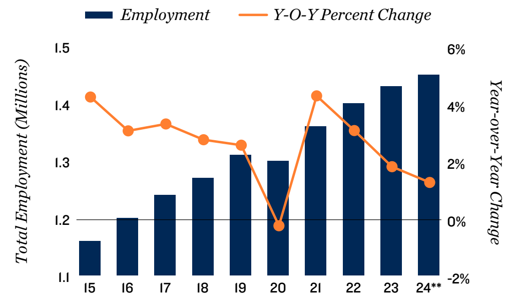
+1.3% **EMPLOYMENT:** In line with many other markets across the country, hiring in Salt Lake City will temper this year. Employers are set to add 18,500 jobs on net.

+1.3% **POPULATION:** Amid continued migration inflows, the marketwide population will increase by more than 30,000 new residents for the third time in the last four years.

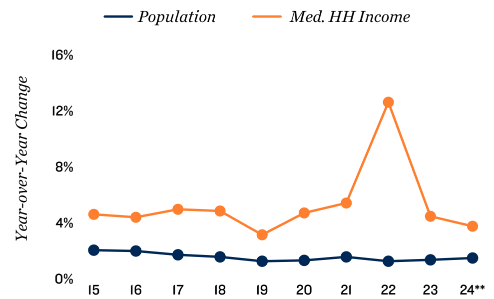
427,000 *sq.ft.* **CONSTRUCTION:** In 2024, deliveries increase stock by 1.5 percent, the second-slowest pace among major U.S. markets. This is a boon for existing inventory amid ongoing population gains.

+1.8% **RENT:** Limited supply pressure and a growing local populace will maintain upward momentum on asking rents this year, improving Salt Lake City's mean marketed rate to $1.12 per square foot.

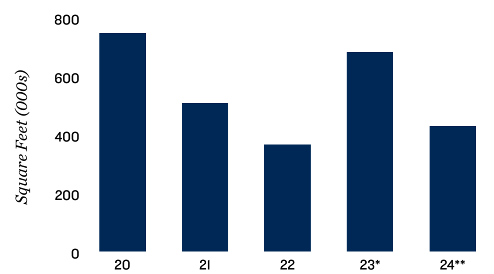
### Employment Trends



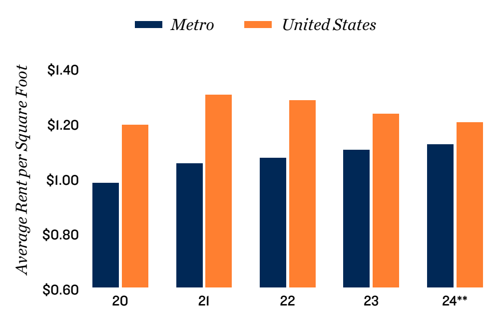

### Demographic Trends




### Supply Trends




### Rent Trends




* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# SAN ANTONIO

## Decade-Low Delivery Slate Softens Rising Vacancy

### Economic Overview

The pace of local employment growth will stand among the top 10 major U.S. markets this year. Entering 2024, gains made between 2020 and the end of 2023 have been most notable in professional and business services sectors. These roles typically offer higher wages and prompt additional discretionary spending, a boon for storage demand.

### Demographic Overview

Net in-migration, and subsequently San Antonio's population growth rate, slows in 2024. As a result, household formation growth will remain below the market's long-term average. Nevertheless, the metro will record one of the largest increases of 20-to-34-year-old residents this year across the nation's major markets.

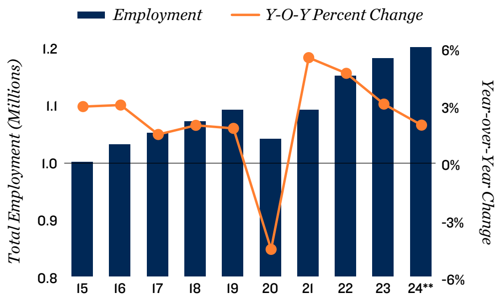
### Construction Overview

Elevated construction costs and rebalancing demand have prompted fewer development initiatives. As a result, the metro welcomes its smallest self-storage delivery slate since 2012. San Antonio proper is scheduled to account for more than half of all completed space this year. The long-term pipeline here amounts to more than 1.2 million square feet.

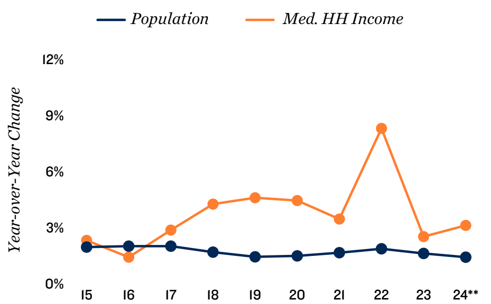
### Vacancy/Rent Overview

After spiking 180 basis points in 2022, metrowide vacancy expansion will total less than one-third of this magnitude for a second straight year. Still, the measure lifts above 9 percent for the first time since 2019. Slowing demand is reflected in lowering asking rents, as the metro's mean marketed rate falls again in 2024.

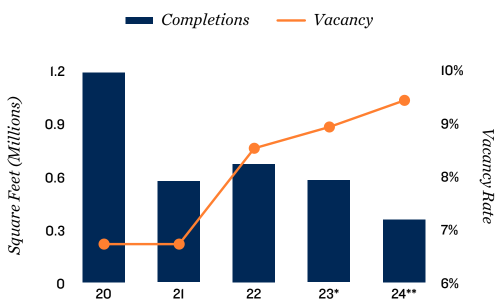
Employment Trends



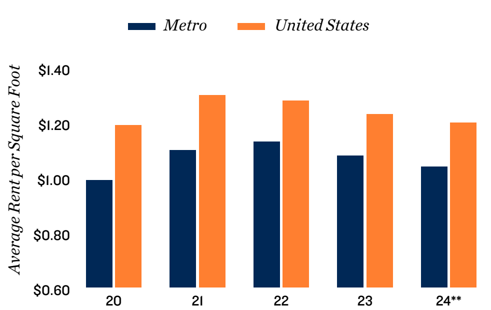

Demographic Trends




Supply and Demand Trends




Rent Trends




### 2024 MARKET FORECAST

**INVENTORY** *27 million square feet and 9.8 square feet per capita*

+2.0% **EMPLOYMENT:** Total employment will expand by 23,500 positions in 2024. Nearly 170,000 jobs will have been added over the last four years, far exceeding the 49,000 roles lost in 2020.

+1.3% **POPULATION:** The rate of population growth slows to be in line with pre-pandmic norms. This is partially attributed to a tempered pace of hiring and subsequently in-migration.

353,000 *sq.ft.* **CONSTRUCTION:** This year's limited construction activity lifts local inventory by 1.3 percent, the metro's lowest gain since 2010. The active pipeline indicates more supply, however, is on the way.

+50 bps **VACANCY:** Despite a more-than-decade-low inventory growth rate, tempered hiring and population growth contribute to another year of vacancy elevation, bringing the rate to 9.4 percent.

-3.7% **RENT:** Although San Antonio's average asking rent will lower again in 2024, the metro's mean marketed rate of $1.04 per square foot remains 7.2 percent above its pre-pandemic measure.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# Elevated Construction Challenges Fundamentals

## Economic Overview

San Diego's job count reaches a historically high mark in 2024, despite modest overall hiring activity. Record visitor spending is expected to aid near-term employment growth across service industries, while the number of health care and social assistance roles is also slated to rise. The local economy will be backstopped by defense-related spending, which accounted for nearly one-fourth of the metro's GDP in 2023.

## Demographic Overview

The overall populace declines slightly in 2024; however, the metro's 65-year-old-plus cohort will trend in the opposite direction, increasing by 11,200. This momentum is expected to continue for the next five years, supporting demand for storage space as many of these individuals transition into smaller living spaces.

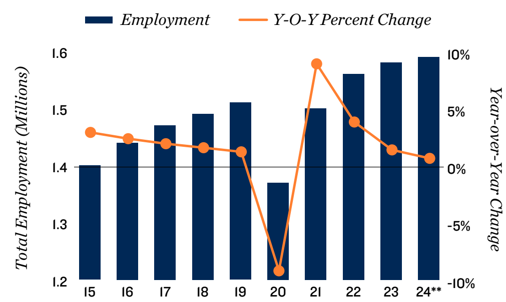
## Construction Overview

The volume of space completed reaches a 21-year high, with deliveries concentrated in areas of tight apartment vacancy — including East County and the Highway 78 Corridor. Additions are highlighted by several properties in both El Cajon and Vista.

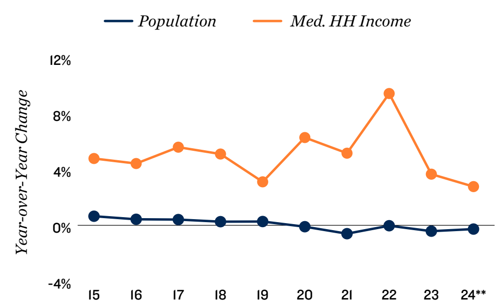
## Vacancy/Rent Overview

Elevated construction places upward pressure on vacancy this year, with the metro's rate reaching its highest level since 2014. This dynamic has the largest impact on asking rents, which translates to a moderate overall decline in San Diego's average rate. Still, some facilities near growing college campuses have the potential to note rent growth.

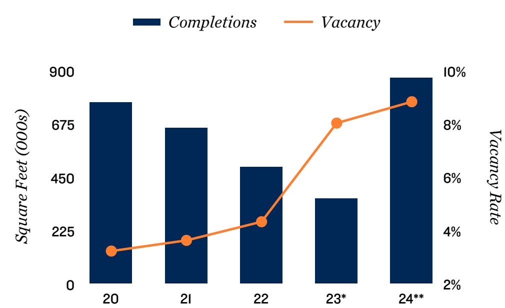
### Employment Trends



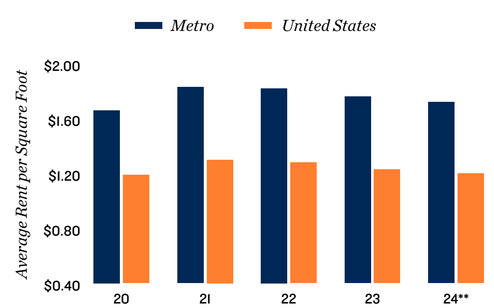

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




## 2024 MARKET FORECAST

| INVENTORY | *24 million square feet and 7.4 square feet per capita* |
|---|---|

+0.8% **EMPLOYMENT:** Total employment will expand by 12,000 roles in 2024, marking a moderation in job creation following the addition of 23,400 positions last year.

-0.3% **POPULATION:** San Diego's population shrinks by 8,700 people, driven by a decline in the 20-to-34-year-old cohort. Still, the metro ranks as California's third-most populous market.

867,000 *sq.ft.* **CONSTRUCTION:** The metro's inventory is on pace to expand by 3.7 percent in 2024, with delivery volume exceeding the combined completions total for Orange County and the Inland Empire.

+80 bps **VACANCY:** After rising by 370 basis points last year, the pace of vacancy increase slows, placing San Diego's rate at 8.8 percent. This metric, however, is 220 basis points above the 2015-2019 average.

-2.3% **RENT:** A vacancy rate above pre-pandemic norms weighs on asking rents. While this lowers the metro's overall average to $1.72 per square foot, this rate is 10.3 percent above the year-end 2019 mark.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# SEATTLE-TACOMA

## Incomes Rise as Rents Ease, Fueling Household Growth

### Economic Overview

Employment in education and health services fields grew a record 6.7 percent in 2023. A one-third jump in the 65-plus populace over the last decade has motivated healthcare firms to bolster capacity after many were understaffed during the pandemic. This has been a boon for household formation and consequently self-storage demand, as average weekly earnings in medical fields were 28 percent above the private sector's in January 2024. The trend should continue and speed income growth up to 3.1 percent this year.

### Demographic Overview

In the multifamily sector, the completion of a record 17,000 units in 2024 will help stabilize effective rents. Apartments should become relatively more affordable for locals as a result. This is expected to support the creation of over 21,000 households this year.

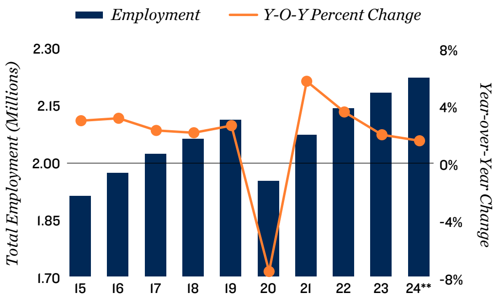
### Construction Overview

Self-storage completions ramp up after the decade-low slate in 2023. Over 60 percent of supply is headed to Seattle, pushing local stock growth to a four-year high in 2024. Meanwhile, Tacoma expects 317,000 square feet, in line with its typical yearly addition.

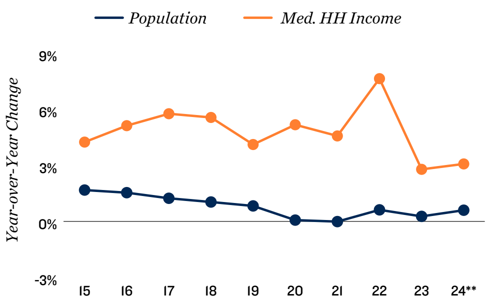
### Rent Overview

With construction in Seattle exceeding what has been typical over the last five years, the area expects a larger downward adjustment to self-storage asking rents than Tacoma. Still, the lease-up of a record apartment pipeline in the CBD, at 6,000 units this year, should bolster self-storage demand and help maintain rates among facilities servicing core residents.

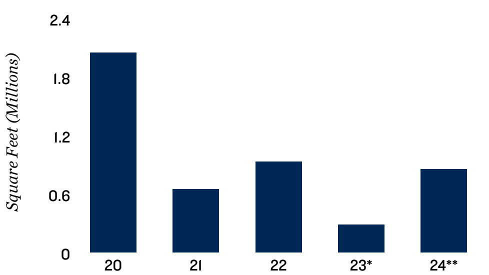
Employment Trends



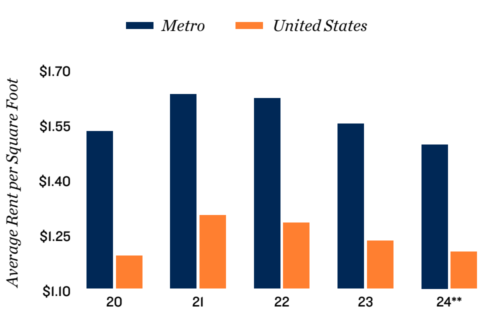

Demographic Trends




Supply Trends




Rent Trends




## 2024 MARKET FORECAST

**INVENTORY** ***38 million square feet and 9.3 square feet per capita***

+1.6% **EMPLOYMENT:** Roughly 34,000 roles will be added to Seattle-Tacoma's job tally in 2024. Office-centric fields are expected to resume hiring momentum after declining last year, aiding income growth.

+0.6% **POPULATION:** Seattle-Tacoma's population is anticipated to grow by over 24,000 people this year, positioning the metro to record the fastest increase among any major West Coast market.

852,000 *sq.ft.* **CONSTRUCTION:** Inventory expands at the same pace across both Seattle and Tacoma, at 2.3 percent in 2024. King County neighborhoods north of Lake Union will host most of the metro's new supply.

-3.7% **RENT:** The average asking rent falls for a third straight year, to $1.49 per square foot. This marks the metro's lowest figure since 2016; however, rent in Tacoma will still equate to the 2020 level.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# Continued Population Gains Spur Ongoing Construction

## Economic Overview

By year-end, Southeast Florida's overall workforce will total 237,000 more roles than its pre-pandemic measure. Over this time frame, overall job gains in Miami-Dade County have consistently led the Fort Lauderdale and West Palm Beach metros. Fort Lauderdale, however, has noted higher-wage white-collar employment growth.

## Demographic Overview

Employment opportunities, assisted by headline corporate relocations in recent years, continue to propel in-migration this year. Over 50,000 people are anticipated to move to the Southeast Florida region on net in 2024, about double the area's trailing 10-year average. West Palm Beach accounts for half of this increase.

## Construction Overview

Amid further considerable migration inflows, developers will add the most amount of new storage space in the last four years. Furthermore, the region's long-term pipeline indicates that development will trend upward. Miami's long-term pipeline is nearly double both Fort Lauderdale's and West Palm Beach's, at 1.8 million square feet.

## Vacancy/Rent Overview

Southeast Florida's self-storage vacancy rate will rank among the lowest across major U.S. metros again in 2024. A considerable supply wave, paired with the cessation of some pandemic-induced storage need, however, lift vacancy to slightly above its pre-2019 year-end average. As such, asking rents compress for a third straight year.

## 2024 MARKET FORECAST

**INVENTORY** ***53 million square feet and 8.4 square feet per capita***

+1.9% **EMPLOYMENT:** Miami and Fort Lauderdale will lead Southeast Florida job growth in 2024, recording expansions to their local employment bases of 2.1 percent and 2.0 percent, respectively.

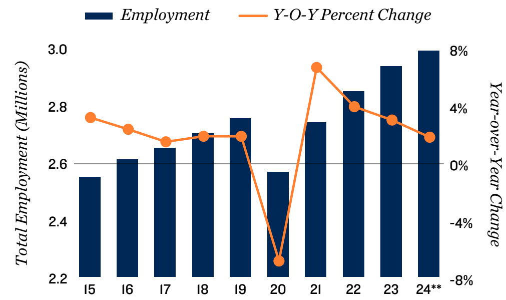
+0.9% **POPULATION:** A moderate in-migration pullback in Fort Lauderdale and West Palm Beach contributes to a regional population growth rate that slows slightly from last year's 1.0 percent gain.

1,800,000 *sq. ft.* **CONSTRUCTION:** Southeast Florida's stock will expand by 3.5 percent in 2024, considerably ahead of the region's 3.0 percent trailing two-decade mean. Deliveries are most prominent in Miami.

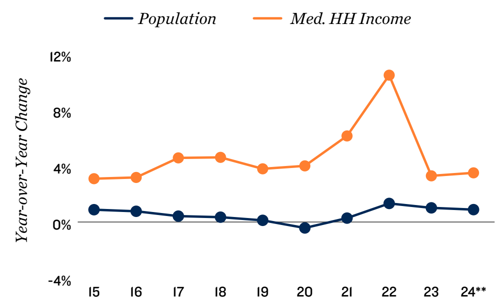
+100 bps **VACANCY:** A third straight triple-digit-basis-point vacancy rate lift in 2024 results in Southeast Florida's measure reaching 7.9 percent by year-end. This will be the area's highest figure since 2018.

-2.8% **RENT:** Population gains across the region help temper asking rent attrition in 2024, ebbing at a slower pace than last year's 7.2 percent cut. The mean marketed rate lowers to $1.51 per square foot.

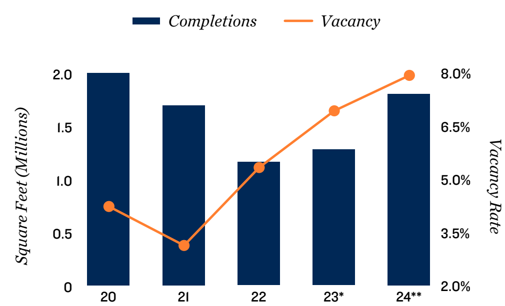
### Employment Trends



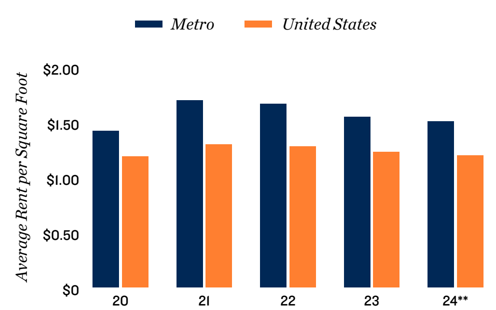

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




*Southeast Florida encompasses Ft. Lauderdale, Miami and West Palm Beach*

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

# ST. LOUIS

## Growing Outer Suburbs Draw Storage Development

### Economic Overview

St. Louis' employment base recovered quickly after the pandemic, despite the metro's struggles with population attrition. Many organizations localed here have reaffirmed their commitment to remain local, like Emerson and the National Geospatial-Intelligence Agency, which are both slated to open new headquarters in the next two years.

### Demographic Overview

Population change in St. Louis is extremely segmented. The age-20-to-34 cohort has been steadily declining for a decade, while the age-65-plus demographic will rise by 2.2 percent this year. Although the metro is unlikely to register substantial new storage demand from young renters, downsizing baby boomers are likely to fill this shortfall.

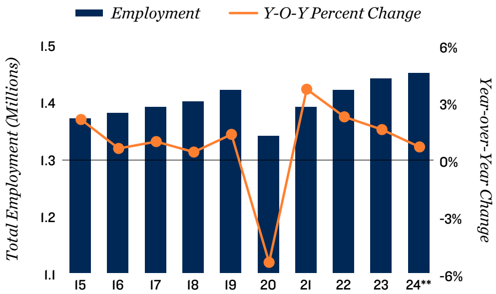
### Construction Overview

Self-storage units coming online this year are generally located in growing suburban areas in St. Charles County, like O'Fallon, St. Charles, St. Peters and Wentzville. Other projects underway are in Olivette, near Washington University and the University of Missouri-St. Louis as developers capitalize on short-term summer demand from students.

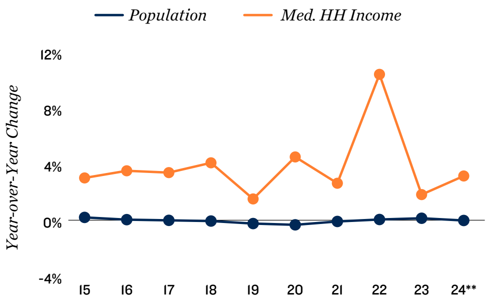
### Rent Overview

From 2014 through 2022, year-end self-storage vacancy averaged around 8.8 percent. This year could note upward movement in this metric amid an influx of supply. Rising competition will also place downward pressure on asking rents, leading St. Louis to tie for the second-lowest mean marketed rate among major U.S. markets.

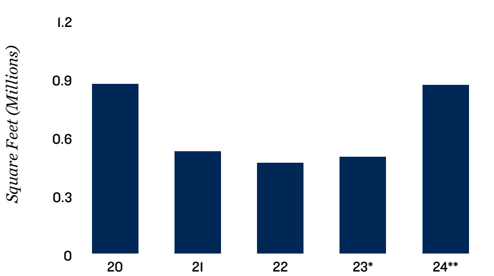
Employment Trends



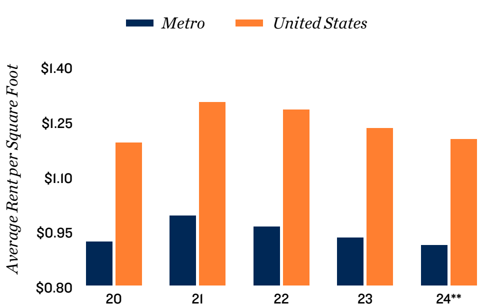

Demographic Trends




Supply Trends




Rent Trends




## 2024 MARKET FORECAST

**INVENTORY** *19 million square feet and 6.6 square feet per capita*

+0.7% **EMPLOYMENT:** Hiring will decelerate this year as only 10,000 positions are added in St. Louis. Still, local total employment will end this year 38,000 positions above the 2019 year-end count.

-0.02% **POPULATION:** St. Louis has been slowly losing residents every year since 2015. This year will be no different as the local population decreases by nearly 3,900 people.

865,000 *sq.ft.* **CONSTRUCTION:** After three years of limited completions, the metro's delivery slate will reach its second-highest level since at least 2001, expanding inventory by 4.9 percent.

-2.2% **RENT:** The average asking rent in the metro will decrease for the third straight year, reaching its second-lowest level since at least 2016. The measure will end 2024 at $0.91 per square foot.

* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

# Space Demand Recalibrates to Higher Cost of Living

## Economic Overview

Tampa welcomed a record 34,000 new residents age 65 and above in 2022. While the pace has since slowed, the arrivals have driven demand for self-storage space, as entrants have typically downsized their living arrangements upon retirement. This influx also continues to fuel elevated demand for health care from consumers, with the education and health services fields growing by an all-time high of 20,500 roles in 2023.

## Demographic Overview

Population growth is normalizing from a robust pace, following recent rises in Tampa's cost of living. Multifamily rents, for example, entered 2024 about 46 percent higher than the 2020 mark. As such, net in-migration is expected to slow from over 108,000 new residents across 2021 and 2022 to under 82,000 transplants in 2023 and 2024.

## Construction Overview

After a lull in 2023, the local self-storage delivery schedule in 2024 will rank as the fourth highest among any major market in the country. This marks the seventh time in the last eight years that the metro's completions exceed 1 million square feet in total.

## Vacancy/Rent Overview

Deliveries are ill-timed with tapering in-migration, leading to all-time high vacancy in 2024. The jump weighs on mean monthly marketed rents for the second straight year, with the metric landing under the trailing eight-year average of $1.18 per square foot.

## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *36 million square feet and 10.7 square feet per capita* |

+0.8% **EMPLOYMENT:** Only 13,000 new jobs will be added during 2024. This is nearly one-third of the average annual addition of 35,500 positions per year noted over the last decade.

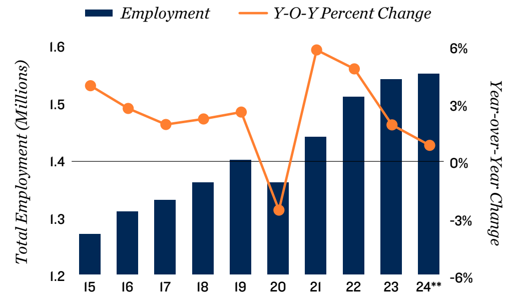
+0.9% **POPULATION:** Tampa records a decade-low pace of population growth in 2024, with just over 28,500 new residents. Over 90 percent of this influx is expected to come from the age 65-plus cohort.

1,401,000 *sq.ft.* **CONSTRUCTION:** Overall inventory expands by 4.0 percent this year. Self-storage completions will be concentrated in outlying, eastern residential hubs along the Interstate 4 Corridor.

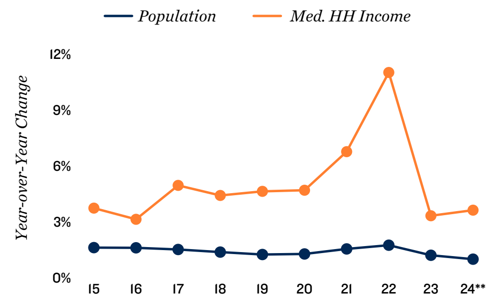
+140 bps **VACANCY:** The metro's vacancy rate will increase at the fastest pace among major U.S. markets in 2024, ending the year at an all-time high level of 9.9 percent.

-5.2% **RENT:** While the average monthly asking rent falls to $1.10 per square foot, the metric still remains nearly 3 percent above the 2020 mark, due to a 13.1 percent gain that was noted in 2021.

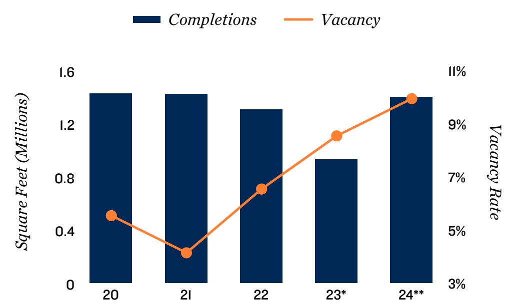
### Employment Trends



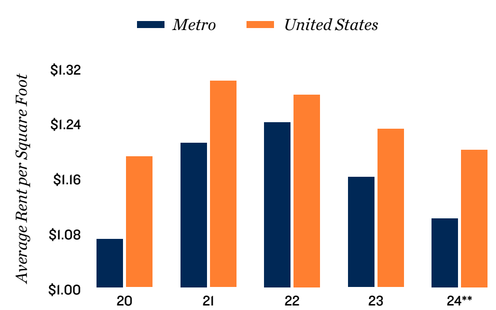

### Demographic Trends




### Supply and Demand Trends




### Rent Trends



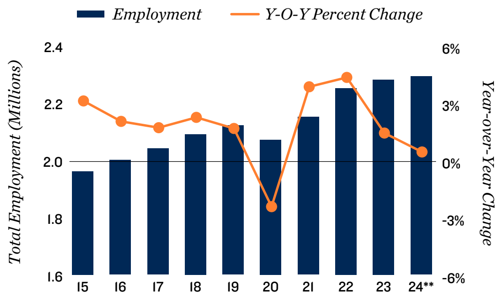

* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

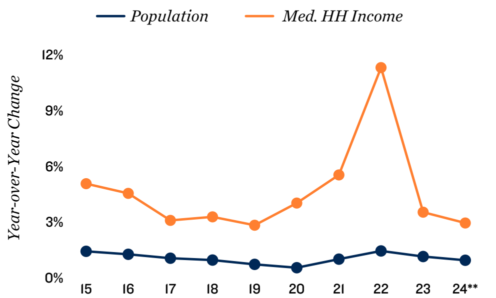
# TENNESSEE

## Population Inflow, Slower Development Support Rents

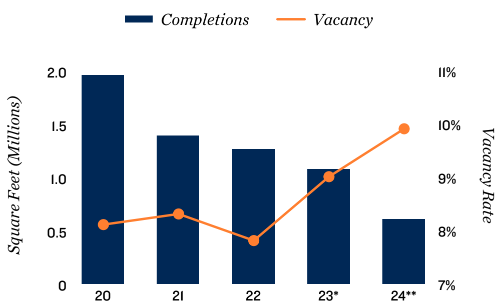
### Employment Trends



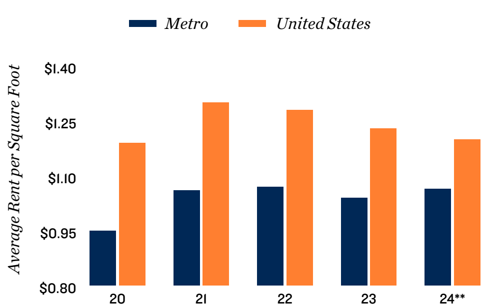

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




*Tennessee encompasses Knoxville, Memphis and Nashville*

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

### Economic Overview

Higher interest rates contribute to a hiring slowdown that extends across all three of Tennessee's major markets in 2024. The region adds a net of roughly 11,500 jobs compared to the 33,400 roles generated last year. After Knoxville posted the fastest employment creation in 2023, Nashville reclaims that position in 2024 by logging a 1.0 percent expansion. Memphis, meanwhile, registers a net reduction for a second straight year.

### Demographic Overview

Mirroring employment trends, Nashville leads the way for population growth in 2024, while Knoxville ranks second and Memphis trails the pack. Together, these three markets log a population increase of about 36,000 residents — three-fourths of whom are in Nashville, where young adult in-migration provides a tailwind for self-storage demand.

### Construction Overview

Regional supply additions dip to 606,000 square feet finalized in 2024, marking the smallest annual total since 2016. Memphis' delivery volume represents a decade low, while Nashville and Knoxville each note substantial declines relative to last year.

### Vacancy/Rent Overview

A pullback in new development helps counterbalance softer demand amid slower employment growth, providing a level of vacancy and rent reinforcement. In fact, the average marketed rate is expected to rise this year after falling in 2023. Nevertheless, vacancy will continue to drift upward, but by a less sizable margin than last year.

## 2024 MARKET FORECAST

| INVENTORY | *40 million square feet and 8.9 square feet per capita* |
|---|---|

+0.5% — **EMPLOYMENT:** Despite softer job growth expected this year, all three major markets entered 2024 with tight unemployment rates, ranging from 2.8 percent in Nashville to 4.2 percent in Memphis.

+0.8% — **POPULATION:** Nashville's 1.3 percent and Knoxville's 0.8 percent paces of population growth account for most of the regional expansion. Memphis will register a modest 0.1 percent increase.

606,000 *sq.ft.* — **CONSTRUCTION:** After annual supply additions exceeded 1 million square feet in each of the past seven years, the 2024 volume represents a significant deceleration from recent norms.

+90 bps — **VACANCY:** Nashville's vacancy rate climbs to 9.9 percent, although this increase is more tepid than last year's 120-basis-point hike. Metro vacancy will match the overall U.S. rate in 2024.

+2.3% — **RENT:** Memphis is projected to lead the region in rent growth this year, while Nashville and Knoxville record nearly identical gains. The overall regional figure will inch up to $1.06 per square foot.

# Net In-Migration Picks Up, Elevating Self-Storage Needs

## Economic Overview

Unemployment entered 2024 at a near 25-year low of 2.6 percent, signaling companies will recruit from outside the metro more frequently over the near term. Demand for self-storage space should be aided by new transplants, even as tight unemployment contributes to slower hiring in 2024. Pointing to additional headwinds, job growth during U.S. presidential elections typically averages 0.8 percent, compared to 1.4 percent in the years that directly follow. This trend suggests hiring will pick up in 2025.

## Demographic Overview

Net in-migration eclipses 9,500 for the first time since 2017. More stable apartment rents will play a role in attracting new residents, underpinning needs for self-storage space this year. Greater levels of household formation are also expected among locals who doubled up over the last few years, adding fuel to the self-storage landscape.

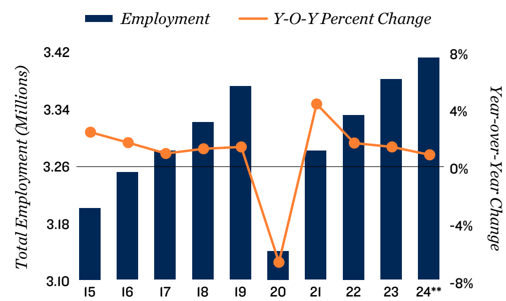
## Construction Overview

Self-storage inventory growth in 2024 falls below the trailing 10-year average of 3.7 percent. Still, Suburban Maryland's stock is slated to advance by a three-year high of 3.9 percent, more than tripling the pace of growth expected in Northern Virginia this year.

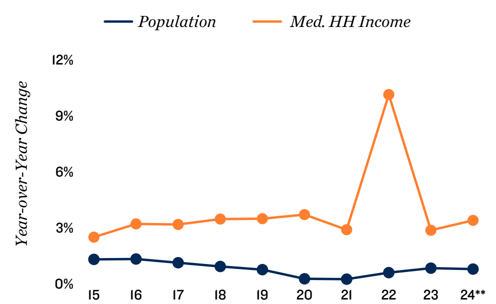
## Vacancy/Rent Overview

Limited aggregate construction facilitates only a minor increase in vacancy, enabling Washington, D.C., to end the year with one of the four lowest rates in the country. The average asking rent is anticipated to tick up for the first time since 2021 as a result.

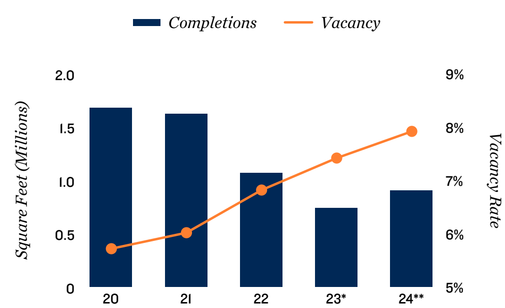
### Employment Trends



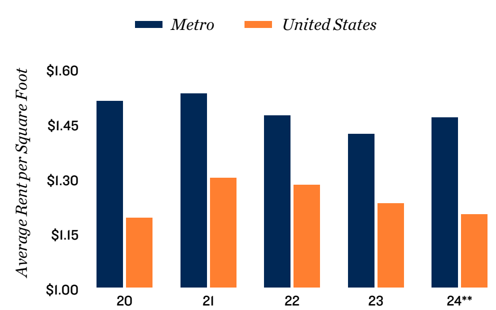

### Demographic Trends




### Supply and Demand Trends




### Rent Trends




## 2024 MARKET FORECAST

| | |
|---|---|
| INVENTORY | *39 million square feet and 6.0 square feet per capita* |

+0.8% **EMPLOYMENT:** While overall job growth slows to 28,000 new roles, office-centric fields will resume hiring momentum after a net loss of 3,000 positions last year.

+0.7% **POPULATION:** Population gains in Washington, D.C., nearly equate to last year, with 42,000 new residents. This influx pushes up the household count by 26,000 total, the fastest pace since 2021.

905,000 *sq.ft.* **CONSTRUCTION:** Self-storage inventory lifts by 2.4 percent. Deliveries are concentrated in the Bethesda-Chevy Chase area, which also expects 17 percent growth in apartment stock during 2024.

+50 bps **VACANCY:** Despite rising to 7.9 percent, comparatively moderate supply pressures enable local vacancy to move up in rankings from the seventh lowest in the nation in 2023 to fourth lowest in 2024.

+3.2% **RENT:** While the average asking rent advances to $1.46 per square foot, the metric remains under the trailing eight-year mean, after a 7.2 percent drop was recorded over the prior 24 months.

** Estimate; ** Forecast*

*Sources: CoStar Group, Inc.; Radius+; Yardi Matrix*

## United States

**Corporate Headquarters**
*Marcus & Millichap*
*23975 Park Sorrento*
*Suite 400*
*Calabasas, CA 91302*
*(818) 212-2250*
*www.MarcusMillichap.com*

**Atlanta**
*1100 Abernathy Road, N.E.*
*Building 500, Suite 600*
*Atlanta, GA 30328*
*(678) 808-2700*
***John M. Leonard***

**Austin**
*9600 N. Mopac Expressway*
*Suite 300*
*Austin, TX 78759*
*(512) 338-7800*
***Bruce Bentley III***

**Bakersfield**
*4900 California Avenue*
*Tower B, Second Floor*
*Bakersfield, CA 93309*
*(661) 377-1878*
***Jim Markel***

**Baltimore**
*One West Pennsylvania Avenue*
*Suite 850*
*Towson, MD 21204*
*(443) 703-5000*
***Brian Hosey***

**Baton Rouge**
*10527 Kentshire Court, Suite B*
*Baton Rouge, LA 70810*
*(225) 376-6800*
***Jody McKibben***

**Birmingham**
*800 Shades Creek Parkway*
*Suite 815*
*Birmingham, AL 35209*
*(205) 510-9200*
***Jody McKibben***

**Boise**
*800 W. Main Street, Suite 1460*
*Boise, ID 83702*
*(208) 401-9321*
***Adam Lewis***

**Boston**
*100 High Street, Suite 1025*
*Boston, MA 02110*
*(617) 896-7200*
***Thomas Shihadeh***

**Charleston**
*151 Meeting Street, Suite 450*
*Charleston, SC 29401*
*(843) 952-2222*
***Benjamin Yelm***

**Charlotte Uptown**
*201 S. Tryon Street, Suite 1220*
*Charlotte, NC 28202*
*(704) 831-4600*
***Benjamin Yelm***

**Chicago Downtown**
*333 W. Wacker Drive, Suite 200*
*Chicago, IL 60606*
*(312) 327-5400*
***Joseph Powers***

**Chicago Oak Brook**
*One Mid-America Plaza, Suite 200*
*Oakbrook Terrace, IL 60181*
*(630) 570-2200*
***Steven D. Weinstock***

**Cincinnati**
*600 Vine Street, 10th Floor*
*Cincinnati, OH 45202*
*(513) 878-7700*
***Josh Caruana***

**Cleveland**
*Crown Center*
*5005 Rockside Road, Suite 800*
*Independence, OH 44131*
*(216) 264-2000*
***Grant Fitzgerald***

**Columbia**
*1320 Main Street, Suite 300*
*Columbia, SC 29201*
*(803) 678-4900*
***Benjamin Yelm***

**Columbus**
*500 Neil Avenue, Suite 100*
*Columbus, OH 43215*
*(614) 360-9800*
***Grant Fitzgerald***

**Dallas**
*5001 Spring Valley Road, Suite 100W*
*Dallas, TX 75244*
*(972) 755-5200*
***Mark R. McCoy***

**Dallas Uptown**
*3131 Turtle Creek Boulevard*
*Suite 1200*
*Dallas, TX 75219*
*(972) 267-0600*
***Mark R. McCoy***

**Denver**
*1144 15th Street, Suite 2150*
*Denver, CO 80202*
*(303) 328-2000*
***Adam A. Lewis***

**Detroit**
*2 Towne Square, Suite 450*
*Southfield, MI 48076*
*(248) 415-2600*
***Steven Chaben***

**Encino**
*16830 Ventura Boulevard, Suite 100*
*Encino, CA 91436*
*(818) 212-2700*
***Jim Markel***

**Fort Lauderdale**
*5900 N. Andrews Avenue, Suite 100*
*Fort Lauderdale, FL 33309*
*(954) 245-3400*
***Harrison E. Rein***

**Fort Worth**
*300 Throckmorton Street, Suite 1500*
*Fort Worth, TX 76102*
*(817) 932-6100*
***Mark R. McCoy***

**Fresno**
*6795 N. Palm Avenue, Suite 109*
*Fresno, CA 93704*
*(559) 476-5600*
***Jim Markel***

**Greensboro**
*200 Centreport Drive, Suite 160*
*Greensboro, NC 27409*
*(336) 450-4600*
***Benjamin Yelm***

**Hampton Roads**
*208 GoldenOak Ct, Suite 210*
*Virginia Beach, VA 23452*
*(757) 777-3737*
***Benjamin Yelm***

**Houston**
*3 Riverway, Suite 800*
*Houston, TX 77056*
*(713) 452-4200*
***Ford Noe***

**Indianapolis**
*600 E. 96th Street, Suite 500*
*Indianapolis, IN 46240*
*(317) 218-5300*
***Josh Caruana***

**Inland Empire**
*3281 E. Guasti Road, Suite 800*
*Ontario, CA 91761*
*(909) 456-3400*
***Mario J. Alvarez, Jr.***

**Iowa**
*425 Second Street S.E., Suite 610*
*Cedar Rapids, IA 52401*
*(319) 333-7743*
***Todd Lindblom***

**Jacksonville**
*5200 Belfort Road, Suite 250*
*Jacksonville, FL 32256*
*(904) 672-1400*
***Justin W. West***

**Kansas City**
*7400 College Boulevard, Suite 105*
*Overland Park, KS 66210*
*(816) 410-1010*
***David Saverin***

**Knoxville**
*1111 Northshore Drive, Suite S-301*
*Knoxville, TN 37919*
*(865) 299-6300*
***Jody McKibben***

**Las Vegas**
*9205 W Russell Road, Suite 100*
*Las Vegas, NV 89148*
*(702) 215-7100*
***Cameron Glinton***

**Los Angeles**
*1900 Avenue of the Stars, Suite 2000*
*Los Angeles, CA 90067*
*(213) 943-1800*
***Tony Solomon***

**Louisville**
*9300 Shelbyville Road, Suite 1012*
*Louisville, KY 40222*
*(502) 329-5900*
***Josh Caruana***

**Manhattan**
*260 Madison Avenue, Fifth Floor*
*New York, NY 10016*
*(212) 430-5100*
***John Horowitz***

**Memphis**
*5100 Poplar Avenue, Suite 2505*
*Memphis, TN 38137*
*(901) 620-3600*
***Jody McKibben***

**Miami**
*2916 North Miami Avenue, Suite 700*
*Miami, FL 33127*
*(786) 522-7000*
***Harrison E. Rein***

**Milwaukee**
*13890 Bishops Drive, Suite 300*
*Brookfield, WI 53005*
*(262) 364-1900*
***Todd Lindblom***

**Minneapolis**
*1601 Utica Avenue South, Suite 301*
*Minneapolis, MN 55416*
*(952) 852-9700*
***Todd Lindblom***

**Mobile**
*208 N. Greeno Road, Suite B-2*
*Fairhope, AL 36532*
*(251) 929-7300*
***Jody McKibben***

**Nashville**
*6 Cadillac Drive, Suite 100*
*Brentwood, TN 37027*
*(615) 997-2900*
***Jody McKibben***

**New Haven**
*265 Church Street*
*Suite 210*
*New Haven, CT 06510*
*(203) 672-3300*
***John Horowitz***

**New Jersey**
*250 Pehle Avenue, Suite 501*
*Saddle Brook, NJ 07663*
*(201) 742-6100*
***Jim McGuckin***

**New Mexico**
*100 Sun Avenue N.E., Suite 650*
*Albuquerque, NM 87109*
*(505) 445-6333*
***Ryan Sarbinoff***

**Oakland**
*555 12th Street, Suite 1750*
*Oakland, CA 94607*
*(510) 379-1200*
***Ramon Kochavi***

**Oklahoma City**
*101 Park Avenue, Suite 1300*
*Oklahoma City, OK 73102*
*(405) 446-8238*
***Jody McKibben***

**Orange County**
*19800 MacArthur Boulevard*
*Suite 150*
*Irvine, CA 92612*
*(949) 419-3200*
***Jonathan Giannola***

**Orlando**
*300 S. Orange Avenue, Suite 700*
*Orlando, FL 32801*
*(407) 557-3800*
***Justin W. West***

**Palm Springs**
*74-710 Highway 111, Suite 102*
*Palm Desert, CA 92260*
*(909) 456-3400*
***Mario J. Alvarez, Jr.***

**Palo Alto**
*2626 Hanover Street*
*Palo Alto, CA 94304*
*(650) 391-1700*
***Ramon Kochavi***

**Philadelphia**
*2005 Market Street, Suite 1510*
*Philadelphia, PA 19103*
*(215) 531-7000*
***Timothy B. Stephenson, Jr.***

**Phoenix**
*2398 E. Camelback Road, Suite 300*
*Phoenix, AZ 85016*
*(602) 687-6700*
***James K. Crawley***

**Portland**
*111 S.W. Fifth Avenue, Suite 1950*
*Portland, OR 97204*
*(503) 200-2000*
***David Tabata***

**Raleigh**
*101 J Morris Commons Lane,*
*Suite 130*
*Morrisville, NC 27560*
*(919) 674-1100*
***Benjamin Yelm***

**Reno**
*50 W. Liberty Street, Suite 400*
*Reno, NV 89501*
*(775) 348-5200*
***Daniel A. Kapic***

**Richmond**
*4401 Waterfront Drive, Suite 230*
*Glen Allen, VA 23060*
*(804) 802-6900*
***Benjamin Yelm***

**Sacramento**
*3741 Douglas Boulevard, Suite 200*
*Roseville, CA 95661*
*(916) 724-1400*
***Daniel A. Kapic***

**Sacramento Downtown**
*333 University, Suite 150*
*Sacramento, CA 95825*
*(916) 724-1400*
***Daniel A. Kapic***

**Salt Lake City**
*95 South State Street, Suite 1280*
*Salt Lake City, UT 84111*
*(801) 736-2600*
***Adam Christofferson***

**San Antonio**
*8200 IH-10 W, Suite 603*
*San Antonio, TX 78230*
*(210) 343-7800*
***Bruce Bentley III***

**San Diego**
*12544 High Bluff Drive, Suite 100*
*San Diego, CA 92130*
*(858) 373-3100*
***Damon Wyler***

**San Francisco**
*750 Battery Street, Fifth Floor*
*San Francisco, CA 94111*
*(415) 963-3000*
***Ramon Kochavi***

**Seattle**
*401 Union Street, 32nd Floor*
*Seattle, WA 98101*
*(206) 826-5700*
***Joel Deis***

**South Bay**
*880 Apollo Street, Suite 101*
*El Segundo, CA 90245*
*(424) 405-3900*
***Dawson Rinder***

**St. Louis**
*7800 Forsyth Boulevard, Suite 710*
*St. Louis, MO 63105*
*(314) 889-2500*
***David Saverin***

**Tampa**
*201 N. Franklin St., Suite 1100*
*Tampa, FL 33602*
*(813) 387-4700*
***David G. Bradley***

**Tucson**
*2 E Congress Street, Suite 1050*
*Tucson, AZ 85701*
*(520) 202-2900*
***James K. Crawley***

**Washington, D.C.**
*7200 Wisconsin Avenue, Suite 1101*
*Bethesda, MD 20814*
*(202) 536-3700*
***Brian Hosey***

**Westchester**
*50 Main Street, Suite 925*
*White Plains, NY 10606*
*(914) 220-9730*
***John Horowitz***

## Canada

**Calgary**
*602-16 Avenue Northwest*
*Suite 211*
*Calgary, Alberta T2M 0J7*
*(587) 349-1302*
***Michael Heck***

**Edmonton**
*10175 101 Street, Suite 1820*
*Edmonton, Alberta T5J 0H3*
*(587) 756-1600*
***Michael Heck***

**Montreal**
*1250 Rene Leveque Boulevard West*
*Suite 2200*
*Montreal, Quebec H3B 4WB*
*(438) 844-6500*
***Kevin Marshall***

**Ottawa**
*275 Bank Street, Suite 301*
*Ottawa, Ontario K2P 2L6*
*(613) 364-2300*
***Mark Paterson***

**Toronto**
*200 King Street W, Suite 1210*
*Toronto, Ontario M5H 3T4*
*(416) 585-4646*
***Mark Paterson***

**Vancouver**
*1111 West Georgia Street, Suite 1100*
*Vancouver, British Columbia*
*V6E 4M3*
*(604) 638-2121*
***Michael Heck***

# CONTACTS, SOURCES AND DEFINITIONS

## Self-Storage Division


**Steven D. Weinstock** | *Senior Vice President, Director*

*(630) 570-2200 |steven.weinstock@marcusmillichap.com*


## Research Services Division


**John Chang** | *Senior Vice President, Director*

**Peter Tindall** | *Vice President, Director of Research Operations*

**Greg Willett** | *First Vice President, IPA Multifamily Research*

**Luke Simurda** | *Director of Canada Research*

**Cody Young** | *Research Publication Manager*

**Jacinta Tolinos** | *Research Operations Manager*

**Joshua Craft** | *Research Analyst*

**Maria Erofeeva** | *Graphic Designer*

**Luis Flores** | *Research Analyst II*

**Nayomi Garcia** | *Copy Editor, Digital Media Editor*

**Jessica Henn** | *Research Analyst*

**Benjamin Kunde** | *Research Analyst II*

**Luke Murphy** | *Research Analyst*

**Chris Ngo** | *Data Analyst II*

**Adam Norbury** | *Data Analyst II*

**Benjamin Otto** | *Digital Media Manager*

**Erik Pisor** | *Research Analyst*

**Daniel Spinrad** | *Research Analyst*

**Musab Salih** | *Junior Data Analyst*

**Neel Sodhi** | *Research Associate*

**Frank Zhao** | *Research Associate*


## Contact:


**John Chang** | *Senior Vice President*

*Director, Research and Advisory Services*

*4545 East Shea Boulevard, Suite 201*

*Phoenix, Arizona 85028*

*(602) 707-9700 | john.chang@marcusmillichap.com*


## Senior Management Team


**Hessam Nadji**
*President and Chief Executive Officer*

**Richard Matricaria**
*Executive Vice President, Chief Operating Officer, Western Division*

**J.D. Parker**
*Executive Vice President, Chief Operating Officer, Eastern Division*

**Evan Denner**
*Executive Vice President, Head of Business, MMCC*

**Steve DeGennaro**
*Executive Vice President, Chief Financial Officer*

**Gregory A. LaBerge**
*Senior Vice President, Chief Administrative Officer*

**Andrew Strockis**
*Senior Vice President, Chief Marketing Officer*

**Adam Christofferson**
*Senior Vice President, Division Manager*

**Michael L. Glass**
*Senior Vice President, Division Manager*

**John Horowitz**
*Senior Vice President, Division Manager*

**Brian Hosey**
*Senior Vice President, Division Manager*

**Ryan Nee**
*Senior Vice President, Division Manager*

**Tim Speck**
*Senior Vice President, Division Manager*

**John Vorsheck**
*Senior Vice President, Division Manager*


## Media Contact:


**Gina Relva** | *Public Relations Director*

*555 12th Street, Suite 1750*

*Oakland, CA 94607*

*(925) 953-1716 | gina.relva@marcusmillichap.com*


*Note: Employment and Self-Storage data forecasts for 2024 are based on the most up-to-date information available as of January 2024 and are subject to change.*

*[2] Statistical Summary Note: Metro-level employment, vacancy and asking rents are year-end figures and are based on the most up-to-date information available as of January 2024. Asking rents are based on a standard 10 foot by 10 foot unit. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and self-storage data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.*

*Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Federal Reserve; Freddie Mac; Global Business Travel Association; Moody's Analytics; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; Radius+; Real Capital Analytics; RealPage, Inc.; Trepp; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; Yardi Matrix*

## STATISTICAL SUMMARY

| Market Name | Employment Growth[2] | | | | Population Growth[2] | | | | Completions (000 of Sq. Ft.)[2] | | | | Vacancy Rate[2] | | | | Asking Rent per Sq. Ft.[2] | | | | Market Name |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024** | 2021 | 2022 | 2023 | 2024** | 2021 | 2022 | 2023 | 2024** | 2021 | 2022 | 2023* | 2024** | 2021 | 2022 | 2023 | 2024** | |
| Atlanta | 6.0% | 3.4% | 2.4% | 1.3% | 1.0% | 1.7% | 1.2% | 1.1% | 2,000 | 1,600 | 2,400 | 1,600 | 4.4% | 7.9% | 9.2% | 9.5% | $1.15 | $1.12 | $1.07 | $1.03 | Atlanta |
| Austin | 10.0% | 6.0% | 2.6% | 2.2% | 2.5% | 2.9% | 2.5% | 2.1% | 400 | 500 | 600 | 600 | 5.6% | 7.9% | 9.4% | 9.8% | $1.12 | $1.12 | $1.06 | $1.03 | Austin |
| Baltimore | 4.6% | 0.5% | 2.0% | 1.2% | -0.1% | -0.1% | 0.3% | 0.1% | 1,100 | 900 | 700 | 600 | 6.8% | 8.7% | 8.4% | 8.2% | $1.39 | $1.33 | $1.29 | $1.32 | Baltimore |
| Bay Area | 7.5% | 3.2% | 1.4% | 1.0% | -1.5% | 0.3% | 0.2% | 0.2% | 900 | 1,100 | 700 | 1,200 | 5.9% | 6.7% | 6.9% | 7.7% | $2.06 | $2.04 | $1.95 | $1.88 | Bay Area |
| Boston | 5.4% | 3.1% | 2.5% | 1.3% | -0.2% | 0.1% | 0.3% | 0.2% | 900 | 800 | 1,500 | 600 | 6.8% | 8.2% | 8.0% | 7.8% | $1.56 | $1.51 | $1.47 | $1.50 | Boston |
| Chicago | 5.7% | 2.7% | 0.6% | 0.6% | -0.8% | -0.5% | 0.0% | -0.2% | 500 | 1,300 | 1,900 | 900 | 5.0% | 6.1% | 6.8% | 7.3% | $1.19 | $1.15 | $1.10 | $1.13 | Chicago |
| Cincinnati | 4.2% | 2.7% | 2.0% | 1.7% | 0.1% | 0.5% | 0.6% | 0.4% | 400 | 700 | 200 | 500 | 4.6% | 6.2% | 7.3% | 8.0% | $0.98 | $0.97 | $0.93 | $0.96 | Cincinnati |
| Cleveland-Akron | 2.8% | 1.1% | 2.1% | 1.4% | -0.5% | -0.2% | -0.1% | -0.2% | 600 | 500 | 1,100 | 500 | 7.3% | 9.7% | 10.5% | 10.8% | $1.06 | $1.05 | $1.02 | $1.06 | Cleveland-Akron |
| Columbus | 4.6% | 1.3% | 0.5% | 1.2% | 0.5% | 1.1% | 1.2% | 1.0% | 400 | 300 | 300 | 700 | 8.4% | 7.7% | 8.5% | 9.6% | $0.95 | $0.97 | $0.95 | $0.92 | Columbus |
| Dallas-Fort Worth | 6.7% | 5.6% | 2.8% | 2.3% | 1.6% | 2.0% | 1.7% | 1.5% | 3,300 | 1,600 | 2,400 | 2,600 | 5.1% | 5.8% | 7.5% | 8.5% | $1.04 | $1.04 | $1.00 | $0.98 | Dallas-Fort Worth |
| Denver | 7.0% | 2.4% | -0.9% | 0.5% | 0.2% | 0.6% | 0.8% | 1.0% | 900 | 300 | 200 | 300 | 5.3% | 6.7% | 7.7% | 8.4% | $1.30 | $1.28 | $1.25 | $1.22 | Denver |
| Detroit | 6.1% | 2.0% | -0.1% | 0.2% | -0.4% | -0.1% | -0.1% | -0.2% | 1,000 | 300 | 400 | 700 | | | | | $1.21 | $1.19 | $1.14 | $1.09 | Detroit |
| Houston | 5.7% | 4.7% | 2.1% | 1.6% | 1.4% | 2.0% | 1.7% | 1.4% | 1,400 | 700 | 1,600 | 1,300 | 4.7% | 6.4% | 7.5% | 8.5% | $0.97 | $0.97 | $0.93 | $0.91 | Houston |
| Indianapolis | 4.8% | 3.4% | 2.8% | 1.7% | 0.8% | 0.9% | 1.1% | 0.9% | 900 | 500 | 200 | 400 | 2.9% | 4.7% | 7.2% | 8.1% | $0.92 | $0.91 | $0.89 | $0.87 | Indianapolis |
| Las Vegas | 13.9% | 6.0% | 4.1% | 2.1% | 0.8% | 0.8% | 1.5% | 1.9% | 1,100 | 900 | 1,300 | 1,100 | 4.4% | 7.4% | 9.2% | 9.5% | $1.29 | $1.23 | $1.18 | $1.16 | Las Vegas |
| Los Angeles | 8.4% | 2.8% | 2.1% | 0.9% | -1.2% | -0.1% | 0.0% | 0.0% | 800 | 700 | 900 | 1,100 | 4.2% | 6.0% | 7.2% | 8.0% | $2.18 | $2.19 | $2.08 | $2.10 | Los Angeles |
| Minneapolis-St. Paul | 5.4% | 2.1% | 1.6% | 0.8% | 0.1% | 0.4% | 0.9% | 0.7% | 1,200 | 300 | 300 | 500 | | | | | $1.12 | $1.07 | $1.03 | $1.01 | Minneapolis-St. Paul |
| New Haven-Fairfield County | 4.9% | 1.7% | 1.4% | -0.3% | 0.6% | 0.0% | 0.3% | 0.0% | 600 | 700 | 400 | 800 | 4.0% | 7.7% | 8.9% | 10.3% | $1.37 | $1.36 | $1.33 | $1.28 | New Haven-Fairfield County |
| New York City | 7.4% | 5.4% | 1.2% | 1.1% | -2.8% | 0.0% | -0.2% | -0.1% | 1,200 | 1,300 | 1,400 | 1,000 | 5.1% | 6.3% | 7.8% | 8.8% | $2.67 | $2.63 | $2.69 | $2.74 | New York City |
| North Carolina | 4.0% | 3.2% | 2.9% | 2.4% | 1.6% | 1.7% | 1.7% | 1.4% | 1,300 | 1,600 | 2,200 | 1,100 | 6.3% | 7.9% | 8.7% | 9.2% | $0.98 | $1.01 | $0.97 | $0.96 | North Carolina |
| Orange County | 7.5% | 3.3% | 2.1% | 1.0% | -0.8% | -0.5% | -0.4% | -0.4% | 100 | 600 | 100 | 400 | 4.2% | 6.0% | 7.2% | 8.0% | $1.96 | $2.02 | $1.93 | $1.91 | Orange County |
| Orlando | 10.2% | 5.7% | 1.8% | 1.7% | 1.7% | 2.9% | 1.9% | 1.5% | 1,300 | 700 | 1,200 | 1,600 | 4.4% | 5.4% | 7.8% | 8.4% | $1.16 | $1.19 | $1.11 | $1.07 | Orlando |
| Philadelphia | 6.0% | 3.6% | 2.6% | 0.8% | 0.1% | 0.0% | 0.3% | 0.2% | 2,400 | 700 | 2,100 | 1,200 | 6.0% | 8.5% | 8.9% | 9.2% | $1.45 | $1.36 | $1.27 | $1.31 | Philadelphia |
| Phoenix | 5.5% | 3.1% | 1.8% | 1.7% | 1.5% | 1.3% | 1.1% | 1.5% | 1,800 | 2,100 | 1,300 | 1,200 | 4.8% | 6.7% | 9.9% | 10.8% | $1.27 | $1.25 | $1.16 | $1.07 | Phoenix |
| Portland | 6.2% | 3.6% | 1.4% | 1.0% | -0.3% | -0.6% | 0.2% | 0.3% | 800 | 500 | 300 | 500 | | | | | $1.46 | $1.44 | $1.39 | $1.35 | Portland |
| Riverside-San Bernardino | 7.4% | 2.7% | 1.9% | 0.6% | 0.7% | 0.7% | 0.6% | 0.6% | 900 | 100 | 300 | 300 | 4.5% | 5.7% | 8.5% | 9.7% | $1.40 | $1.37 | $1.30 | $1.35 | Riverside-San Bernardino |
| Sacramento | 6.4% | 2.9% | 2.8% | 1.6% | 0.1% | 0.1% | 0.1% | 0.1% | 700 | 300 | 300 | 1,000 | 6.5% | 8.5% | 7.9% | 8.4% | $1.46 | $1.42 | $1.37 | $1.31 | Sacramento |
| Salt Lake City | 4.3% | 3.1% | 1.8% | 1.3% | 1.4% | 1.1% | 1.2% | 1.3% | 500 | 400 | 700 | 400 | 11.7% | | | | $1.05 | $1.07 | $1.10 | $1.12 | Salt Lake City |
| San Antonio | 5.5% | 4.7% | 3.1% | 2.0% | 1.5% | 1.7% | 1.5% | 1.3% | 600 | 700 | 600 | 400 | 6.7% | 8.5% | 8.9% | 9.4% | $1.10 | $1.13 | $1.08 | $1.04 | San Antonio |
| San Diego | 9.0% | 3.9% | 1.5% | 0.8% | -0.6% | 0.0% | -0.4% | -0.3% | 700 | 500 | 400 | 900 | 3.6% | 4.3% | 8.0% | 8.8% | $1.83 | $1.82 | $1.76 | $1.72 | San Diego |
| Seattle-Tacoma | 5.7% | 3.6% | 2.0% | 1.6% | 0.0% | 0.6% | 0.3% | 0.6% | 600 | 900 | 300 | 900 | | | | | $1.63 | $1.62 | $1.55 | $1.49 | Seattle-Tacoma |
| Southeast Florida | 6.7% | 4.0% | 3.1% | 1.9% | 0.6% | 2.7% | 2.0% | 1.8% | 1,700 | 1,200 | 1,300 | 1,800 | 3.1% | 5.3% | 6.9% | 7.9% | $1.70 | $1.67 | $1.55 | $1.51 | Southeast Florida |
| St Louis | 3.7% | 2.3% | 1.6% | 0.7% | -0.1% | 0.1% | 0.1% | 0.0% | 500 | 500 | 500 | 900 | 5.3% | 7.8% | | | $0.99 | $0.96 | $0.93 | $0.91 | St Louis |
| Tampa-St. Petersburg | 5.8% | 4.8% | 1.9% | 0.8% | 1.4% | 1.6% | 1.1% | 0.9% | 1,400 | 1,300 | 900 | 1,400 | 4.1% | 6.5% | 8.5% | 9.9% | $1.21 | $1.24 | $1.16 | $1.10 | Tampa-St. Petersburg |
| Tennessee | 3.9% | 4.4% | 1.5% | 0.5% | 0.9% | 1.3% | 1.0% | 0.8% | 1,400 | 1,300 | 1,100 | 600 | 8.3% | 7.8% | 9.0% | 9.9% | $1.06 | $1.07 | $1.04 | $1.06 | Tennessee |
| Washington, D.C. | 4.4% | 1.7% | 1.4% | 0.8% | 0.1% | 0.5% | 0.7% | 0.7% | 1,600 | 1,100 | 700 | 900 | 6.0% | 6.8% | 7.4% | 7.9% | $1.53 | $1.47 | $1.42 | $1.46 | Washington, D.C. |
| **United States** | **5.1%** | **3.0%** | **2.0%** | **1.1%** | **0.2%** | **0.5%** | **0.5%** | **0.4%** | **61,600** | **51,200** | **57,900** | **52,000** | **6.6%** | **8.7%** | **9.6%** | **9.9%** | **$1.30** | **$1.28** | **$1.23** | **$1.20** | **United States** |

** Estimate ** Forecast*

*[2] See Statistical Summary Note on Page 48.*

# A TRUSTED VISION FOR THE FUTURE

*Marcus & Millichap was founded in 1971 with the goal of being a new kind of company — one driven by long-term relationships and built on a culture of collaboration. We focus on bringing together specialized market knowledge, the industry's leading brokerage platform and exclusive access to inventory to achieve exceptional results for our clients, year after year.*

*Today, we are the industry's largest firm specializing in real estate investment sales and financing, with more than 80 offices and 2,000 investment sales and financing professionals throughout the United States and Canada.*

Marcus & Millichap

Marcus & Millichap


## STEVEN WEINSTOCK

*Senior Vice President, Director*
*Self-Storage Divison*
*steven.weinstock@marcusmillichap.com*

## EVAN DENNER

*Executive Vice President, Head of Business*
*Marcus & Millichap Capital Corporation*
*evan.denner@marcusmillichap.com*

## JOHN CHANG

*Senior Vice President, Director*
*Marcus & Millichap Research Services*
*john.chang@marcusmillichap.com*


## OFFICES THROUGHOUT THE UNITED STATES AND CANADA


RESEARCH SERVICES

*4545 E. Shea Boulevard • Phoenix, AZ 85028 • 602.707.9700*