

SELF-STORAGE

Seattle-Tacoma Metro Area

MIDYEAR 2024

Economic Trends

Seattle-Tacoma's employment market expanded by 21,600 positions in the first half of the year. The current growth trajectory suggests an annual increase of about 45,000 roles, nearly doubling that of 2023. The education and health services sectors drove this trend, contributing over 15,000 positions over the past year. The expanding workforce may boost discretionary spending and increase demand for storage solutions.

Demographic Trends

Despite slower population growth and in-migration, household formation levels will surpass the previous year, potentially boosting demand for self-storage in 2024. In June, the \$2,900 gap between the average mortgage payment on a median-priced home and the mean Class A rent was among the highest in major U.S. metros east of the Mississippi. This disparity may drive more people to rent apartments and raise storage needs.

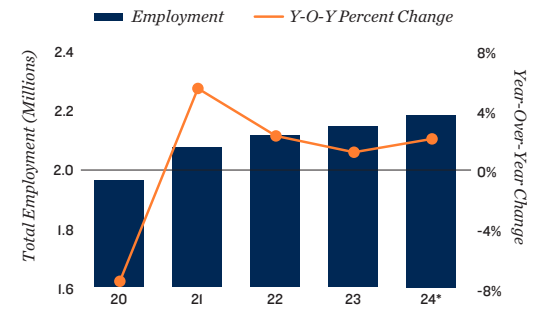
Supply Trends

Inventory growth in 2024 will reach 1.55 million square feet. While this is triple the 2023 construction level, this year's new supply trails the annual average from 2018 to 2020 by about 300,000 square feet. The projected 2024 supply growth rate of 3.8 percent exceeds the trailing decade average rate by 90 basis points.

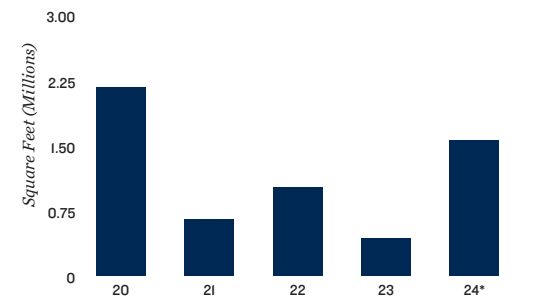
Rent Trends

Due to increased supply and sluggish population growth, downward pressure on asking rents is anticipated to persist this year at a diminished pace following a 4.9 percent reduction in 2023. This decline will counterbalance the 6.5 percent gain observed in 2021 when the pandemic recovery was in full effect. Consequently, the average asking rate is projected to slide to \$1.50 per square foot by December.

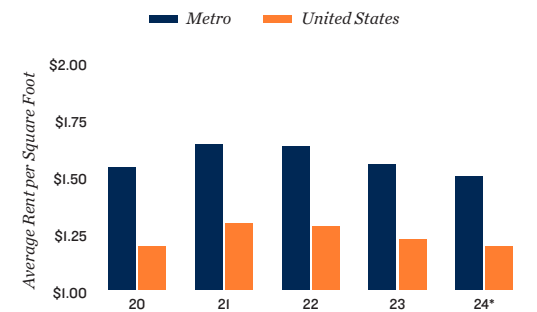
Employment Trends



Supply Trends



Rent Trends



* Forecast

Sources: BLS; Moody's Analytics; Radius+; Yardi Matrix; U.S. Census Bureau

FORECAST

EMPLOYMENT



CONSTRUCTION



RENT



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