



Yardi[®]Matrix

National Self Storage Report

August 2020



Monthly Supply and Rent Recap

Self storage demonstrates its resilient nature

- Faced with the economic implications of the coronavirus pandemic, the self storage industry continues to prove its recession-resistant nature. After experiencing accelerated declines in street rates at the start of the COVID-19 crisis, the storage sector saw flattening rates in June. July showed even more positive signs for the asset class, with national street rates trending upwards on a month-over-month basis. However, the sector will still have to weather the continuing COVID-19 pandemic and its resulting economic consequences—as is evident in this month's uptick in abandoned projects in the new-supply pipeline.

Negative street rate performance shows signs of improvement

- Compared to the previous month, national street rate performance trended upwards in July. Yet on a year-over-year basis, street rates contracted 2.6% for standard 10x10 non-climate-controlled (NON CC) units, while rates for 10x10 climate-controlled (CC) units dropped by 5.2%. The downward trend in annual street rates has decelerated over the last few months, but there is still work to be done to reach the levels seen prior to COVID-19.
- Annual street rate performance was negative in roughly 94% of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Compared to July 2019, rates for 10x10 NON CC units increased by 0.9% in the Inland Empire and remained unchanged in San Diego.
- Nationwide, Yardi Matrix tracks a total of 2,196 self storage properties in various stages of development—comprising 592 under construction, 1,172 planned and 432 prospective properties. Even though the development pipeline saw an increase in abandoned projects, most of the abandonments were in the prospective phase—thus, July's increase in projects under construction or in the planning stages still resulted in growth of the new-supply pipeline. The amount of new storage product under construction or being planned as a percent of existing stock increased by 0.2% month-over-month to 8.9%.
- Yardi Matrix also maintains operational profiles for 26,105 completed self storage facilities across the United States, bringing the total data set to 28,301.