

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

MAY 2018

MONTHLY SUPPLY AND RENT RECAP

New supply impacts felt across the country as deliveries continue

- Development activity has been pronounced in fast-growing cities as well as historically underdeveloped urban markets where supply is catching up to demand.
- New supply levels are more balanced against demand in the Desert Southwest and Southern California, where rent growth continues to be positive.
- Nationwide, Yardi Matrix tracks more than 2,100 properties in the new supply pipeline, comprising 579 under construction, 912 in planning and more than 600 at the prospective stage.
- The new supply pipeline represents 9% of the 26,200 completed properties tracked by Yardi Matrix.

Rent growth falls as new supply is absorbed; western markets remain strongest

- Heavy new-supply deliveries and slowing economic fundamentals are adding headwinds to self-storage rents, which decreased 2% year-over-year in April 2018 after growing as quickly as 5% in the early fall of 2017.
- Rent growth in Las Vegas, Phoenix and Seattle reached 5% to 10% year-over-year.
- Brooklyn (10%) and White Plains (8%) saw rents rise, but most New York submarkets are experiencing muted performance. Rents continue to elevate modestly in Southern California because most submarkets of Los Angeles and San Diego are seeing very limited new development.
- Rents fell in Texas markets where the existing completed inventory per capita is substantially higher than the U.S. average. Completed inventory in Texas averages 7.7 NRSF in San Antonio, 7.8 NRSF in Dallas-Ft. Worth, 8.1 NRSF in Austin and 8.5 NRSF in Houston.