

Yardi® Matrix

# NATIONAL SELF STORAGE REPORT

OCTOBER 2018

## MONTHLY SUPPLY AND RENT RECAP

### High net migration rate and strong employment growth fuel development

- Development activity continues to be highest in underpenetrated markets with strong employment growth, which attracts a large influx of new residents. Demand is also on the rise in fast-growing cities that are seeing a surge in multifamily construction.
- New deliveries continue to push down rent rates on a national level, but rent growth remains positive in Southwestern markets.
- Nationwide, Yardi Matrix tracks more than 2,000 self storage properties in the pipeline—692 under construction, 966 planned and 408 prospective projects—along with 280 abandoned stores.
- Yardi Matrix also maintains operational profiles for an additional 24,588 completed properties across the nation, bringing the total data set to more than 26,600 stores.

### Recent deliveries continue to push down street rates in most Texas markets

- Rent rates declined by 4.8% year-over-year in September 2018 for 10x10 non-climate-controlled (NON CC) units and by 3.5% for 10x10 climate-controlled (CC) units.
- Demand continues to be highest in Las Vegas, where rents increased by 6.3% for 10x10 NON CC units, and by 9.4% in the 10X10 CC category.
- In the Inland Empire, street rates remained positive—up 1.9% for 10x10 NON CC units year-over-year—but slightly decelerated from the previous month.
- Due to high levels of existing inventory in Texas coupled with heavy new supply, rent decreases are significant in Texas markets such as Austin (down 6.5%) and Dallas (down 6.6%), where existing inventory per capita is about 50% higher than the national average of 6 square feet (NRSF).