

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

SEPTEMBER 2019

MONTHLY SUPPLY AND RATE RECAP

Self storage struggling amid high supply levels

- The self storage industry is in for a continued tough slog, as new deliveries weigh on street rates in almost all markets. Not only are developers completing new ground-up projects but conversions and expansions are having a material impact on new supply and overall storage inventory, especially in older and highly regulated markets. One of the major themes from the SSA Fall Conference was the need for owners and operators to increase efficiency and reduce operating costs in order to drive performance, since the vast levels of recent new supply are dragging down street rates. Looking forward, deliveries are expected to remain elevated, adding increased pricing pressures to many stores.
- Nationwide, Yardi Matrix tracks a total of 2,113 self storage properties in various stages of development—comprising 609 under construction, 1,137 planned and 367 prospective projects. The national new-supply pipeline as a percent of existing inventory increased by 0.2% month-over-month in September, and the share of projects in various stages of development accounts for 9.4% of existing inventory.
- Yardi Matrix also maintains operational profiles for 25,331 completed self storage facilities across the U.S., bringing the total data set to 27,444 stores.

New completions further impact rate growth

- New inventory continued to put downward pressure on national street rates, which contracted by 1.7% year-over-year in August for standard 10x10 non-climate-controlled (NON CC) units. Street rates in 10x10 climate-controlled (CC) units decreased by 2.9%.
- On a year-over-year basis, street rates decreased in about 75% of the top metros tracked by Yardi Matrix. The wave of new completions continued to put pressure on Charleston, which saw the steepest decline in street rate performance (down 11.3%). The Inland Empire and Las Vegas were the only metros that went against the national trend, with rate increases spurred by strong population gains and domestic immigration.