

Yardi® Matrix

National Self Storage Report

March 2020



Monthly Supply and Rent Recap

The search begins for the next set of top markets

- Elevated development, and the subsequent decline in street rates, continues to be the primary narrative in the self storage industry. The amount of inventory in the new-supply pipeline is slowly shrinking in most major markets, as they are affected by oversupply and escalating competition. Many developers are now focused on answering the question, "What are the next market opportunities?" Given that most top markets are oversupplied, smaller secondary and tertiary markets may have potential that was previously overlooked by developers.
- Nationwide, Yardi Matrix tracks a total of 2,220 self storage properties in various stages of development—comprising 589 under construction, 1,194 planned and 437 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a slight 0.1% month-over-month in February, and the share of existing projects in various stages of development accounts for 9.1% of existing inventory.
- Yardi Matrix also maintains operational profiles for 25,795 completed self storage facilities across the United States, bringing the total data set to 28,015 stores.

National rate growth remains hindered by abundant new supply

- On a year-over-year basis, street rates contracted by 0.9% for standard 10x10 non-climate-controlled (NON CC) units, as ongoing heightened completion levels prompt operators to cut rates to remain competitive. Street rates for climate-controlled (CC) units of the same size fell by 2.3%.
- Compared to February 2019, street rates decreased in roughly 60% of the top markets tracked by Yardi Matrix (for 10x10 NON CC units). Rates for 10x10 NON CC units were hit the hardest in Charleston (down 8.1% annually), followed by Nashville (down 7.5% annually). Charleston and Nashville have historically been top markets for heavy storage development, resulting in near-term oversaturation.