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Opportunity Abounds In RV/Boat Storage Segment

The RV/boat storage sector has all the makings of an emerging niche asset class: elevated demand fueled by demographic and social trends, strong potential for income growth, and a dearth of institutional capital that creates an opportunity to exploit for deep-pocketed investors.

RV/boat storage is viewed as a subsector of the self-storage segment, as many vehicle storage facilities are situated in properties that also contain traditional storage. But the RV/boat storage market has unique demand drivers that may enable it to eventually break out on its own.

Underpinning the prospects for growth is the record consumer demand for RVs and boats, which translates into demand for facilities to store vehicles. That growth is only expected to intensify as vehicle registrations increase and owners clamor for more and better storage facilities. RV/boat storage deliveries in 2022 are expected to rise to the highest levels in nearly two decades, according to Yardi Matrix’s database of nearly 1,100 facilities, but the imbalance between demand and supply should keep occupancy rates elevated and push street rates ever higher.

Growth in the RV/boat segment has been limited by the lack of data and awareness among investors, limited institutional capital, and weak supply growth stemming from constraints involving the amount of land needed to develop a facility, the cost of construction and difficulty getting through the entitlement process.

