

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

JULY 2018

MONTHLY SUPPLY AND RENT RECAP

Heavy new-supply deliveries are impeding growth in street rates

- 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 2,200 properties in the new-supply pipeline, comprising 651 under construction, 921 in planning, 460 at the prospective stage and 200 stores abandoned or deferred.
- In addition to the new-supply pipeline, Yardi Matrix maintains operational profiles for 24,400 completed properties, bringing the total data set to 26,600 stores.

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

- Heavy new-supply deliveries and slowing economic fundamentals are adding headwinds to street rates, which decreased 3% year-over-year in June 2018 for 10x10 units after registering year-over-year decreases of 1% to 2% in April and May.
- Street rates continue to surge in Las Vegas and Phoenix, which reached 11% and 5% year-over-year, respectively, as of June.
- Rents continue to elevate modestly in Southern California because most submarkets of Los Angeles and San Diego have seen limited new development.
- Street rates decreased during the last year in Texas markets, where the existing completed inventory per capita is substantially higher than the U.S. average of six net rentable square feet (NRSF) per person. Completed inventory per capita in Texas averages 8.4 NRSF in San Antonio, 8.9 NRSF in Dallas-Ft. Worth, 9.3 NRSF in Austin and 9.5 NRSF in Houston.