Yardi® Matrix

NATIONAL SELF STORAGE REPORT

NOVEMBER 2018

MONTHLY SUPPLY AND RENT RECAP

High population gains and strong economic fundamentals pave the way for new construction

- Demand for self storage space continues to be driven by growing secondary markets with solid employment gains that fuel in-migration and low-supply metros with large urban clusters.
- Street rates continued to decrease on a national level as new product came online. However, rent growth stayed positive in Southern California and the Southwest.
- Nationwide, Yardi Matrix tracks more than 2,000 self storage properties in the pipeline—725 under construction, 978 planned and 322 prospective projects—along with 339 abandoned stores. The new development pipeline has been shrinking over the past few months as prospective properties move to planned and under construction. At the same time, the number of abandoned projects has increased.
- Yardi Matrix maintains operational profiles for an additional 24,644 completed properties in the U.S., bringing the total data set to more than 26,600 stores.

Rent rates fall in most markets

- On a national level, street-rate rents decreased 4.9% year-over-year in October 2018 for 10x10 non-climate-controlled (NON CC) units and by 2.9% for 10x10 climate-controlled (CC) units.
- Street rates continued to grow in Las Vegas and the Inland Empire, increasing in October by 5.2% and 0.9% year-over-year, respectively, for 10x10 NON CC units.
- Asking rates in New York gained 2.4% year-over-year in October for 10x10 NON CC units, fueled by the city's size and relative lack of supply. The metro's inventory per person (around 3 net square feet) is only half the national average of 6 net square feet per person. Expect street rates to moderate but remain positive over the next few quarters as supply is absorbed.