

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

MARCH 2019

MONTHLY SUPPLY AND RENT RECAP

Employment gains drive demand in fast-growing markets

- Metros with persisting demographic gains and strong employment continue to lead self storage development across the nation. New-construction activity is highest in the growing West Coast markets of Portland and Seattle and also in Nashville—where the professional and business services sector grew the fastest during the economic boom over the past five years, attracting a large number of high-skilled professionals filling newly formed, high-paying jobs. Construction also remains elevated in large, undersupplied metros in the Northeast.
- Nationwide, Yardi Matrix tracks a total of 2,063 self storage properties in the pipeline—704 under construction, 1,046 in the planning stages and 313 prospective projects—along with 538 abandoned stores. The new-development pipeline has increased by 5.4% compared to the previous month, mainly due to an uptick in planned projects. While the pipeline is increasing, the number of abandoned projects is also rising, and has tripled since mid-2018.
- Yardi Matrix also maintains operational profiles for 24,876 completed properties in the U.S., bringing the total data set to 27,545 stores. The new-supply pipeline accounts for 9.7% of the completed inventory tracked by Yardi Matrix.

Street rates showing signs of improvement

- Street rate performance nationwide continues to improve after widespread and significant discounting was the major theme of 2018. Despite a slight decrease of 0.9% year-over-year in February 2019 for the 10x10 non-climate-controlled (NON CC) units, street rates reflect an 80-basis-point uptick over the previous month's rent rate decline of 1.7%.
- Las Vegas still leads major markets in rent growth, with a 3.1% increase year-over-year in February 2019 for 10x10 NON CC units. While street rates for standard NON CC units remained flat in San Diego, 10x10 climate-controlled units increased by 5.6% year-over-year in February 2019, the fastest growth of any major metro.