

Yardi Matrix

NATIONAL SELF STORAGE REPORT

MAY 2019

MONTHLY SUPPLY AND RENT RECAP

Diversified economy, growing population drive demand for self storage in secondary markets

- Substantial job growth and population gains continue to boost demand for self storage in secondary markets such as Portland, Nashville and Seattle, where construction activity is greatest. Self storage remains in high demand in historically undersupplied metros in the Northeast. Despite the scarcity of available space for development and high land prices, development projects in large metros such as Boston and New York City are still getting approved. These projects mostly comprise multi-story facilities designed to maximize site utility.
- On a national level, Yardi Matrix tracks a total of 2,072 self storage properties in various stages of development—comprising 664 under construction, 1,084 planned and 324 prospective projects. Compared to April, the national new-supply pipeline as a percent of existing inventory has decreased by 0.3% due to strong completions in the first four months of 2019.
- Yardi Matrix also maintains operational profiles for 25,018 completed U.S. self storage properties, bringing the total data set to 27,090 stores. The new-supply pipeline accounts for 9.6% of the completed inventory.

Rates continue slow declines; Charleston takes the deepest dive

- Street rates declined by 1.7% nationwide year-over-year in April 2019 for the standard 10x10 non-climate-controlled (NON CC) units, but remained flat compared to March. For 10x10 climate-controlled (CC) units, rates decreased by 2.2% on a year-over-year basis.
- Listed rates decreased in more than half of the top markets tracked by Yardi Matrix. Charleston saw the steepest decline year-over-year, dipping by 7.6% for 10x10 NON CC units and 6% for CC units of similar size. The metro's construction boom is supported by healthy economic fundamentals and solid population gains; however, the self storage sector is saturated, and penetration in the metro exceeds 10 square feet per capita, the highest of our top metros.