Yardi Matrix

NATIONAL SELF STORAGE REPORT

JANUARY 2020

MONTHLY SUPPLY AND RATE RECAP

Self storage struggling to maintain a balanced supply-demand dynamic

- The self storage sector is still feeling the effects of new supply across the nation, which will likely continue over the next few years. Operators have had to continually reduce street rates to try to withstand the imbalance of supply and demand, hindering rent growth nationwide. As supply and development overwhelm many top markets, especially those with stagnant or inconsistent levels of demand, developers will likely start seeking opportunities in smaller, tertiary markets.
- Nationwide, Yardi Matrix tracks a total of 2,101 self storage properties in various stages of development, comprising 575 under construction, 1,112 planned and 414 prospective projects. The national new-supply pipeline as a percent of existing inventory increased by 0.1% month-over-month in December, and the share of projects in various stages of development account for 8.6% of existing inventory.
- Yardi Matrix also maintains operational profiles for 25,637 completed self storage facilities across the United States, bringing the total data set to 27,738 stores.

New-supply pressure persists

- New inventory continued to put downward pressure on national street rates, which fell 1.7% year-over-year in December for standard 10x10 non-climate-controlled (NON CC) units. Street rates for 10x10 climate-controlled (CC) units declined even further (down 3.0%).
- Compared to December 2018, street rates decreased in 24 of the top 31 markets tracked by Yardi Matrix (10x10 NON CC). With a completed inventory per capita of 11.2 net rentable square feet (NRSF) as of December—which is roughly 72% higher than the national average of 6.5 NRSF per capita—rates continue to be hit the hardest in oversupplied Charleston. On an annual basis, street rates in the South Carolina market fell 9.0% for 10x10 NON CC units and by 8.7% for CC units of a similar size.