Yardi® Matrix

NATIONAL SELF STORAGE REPORT

AUGUST 2018

MONTHLY SUPPLY AND RENT RECAP

Development activity continues momentum

- Demand for self storage space is strongest in emerging secondary markets and historically undersupplied metros with large urban clusters, which remain a hotbed for new development.
- Street rates continue to surge in Desert Southwest markets with lower new-supply levels such as Las Vegas (11%) and Phoenix (5%), where demand for climate-controlled units remains strong.
- Nationwide, Yardi Matrix tracks nearly 2,100 self storage properties in the pipeline, comprising 635 under construction, 974 in the planning stage and 487 prospective projects, along with 210 abandoned stores.
- Yardi Matrix also maintains operational profiles for an additional 24,481 completed properties across the nation, bringing the total data set to almost 26,600 stores.

Slow absorption further reduces rent growth in high-supply markets

- Nationwide, street rates declined by 3.3% year-over-year in July 2018 for 10x10 non-climate-controlled (NON CC) units and by 2.1% for 10x10 climate-controlled units (CC).
- Heightened demand for new product in the Inland Empire has pushed rent rates up 3.8% for 10x10 NON CC units and 5.8% for 10x10 CC units.
- In Los Angeles, which continues to be one of the most undersupplied markets nationally, rent rates remained relatively flat. In addition, the metro has one of the lowest new-supply pipelines, caused by the high cost of land and development restrictions such as height limitations.
- High-supply markets—especially in Texas, where completed inventory per capita is higher than the national average of 6 net rentable square feet (NRSF)—are faced with declining rent rates.