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Yardi® Matrix

NATIONAL SELF STORAGE REPORT

SEPTEMBER 2018

MONTHLY SUPPLY AND RENT RECAP

Steady new-supply pipeline

- Historically undersupplied metros and secondary markets with fast-paced population growth continue to drive the most demand for self storage space.
- Street rates further declined in August as new product was absorbed, though southwestern markets still saw positive growth.
- Nationwide, Yardi Matrix tracks more than 2,100 self storage properties in the pipeline, comprising 671 under construction, 976 in the planning stage and 468 prospective projects, along with 210 abandoned stores.
- Yardi Matrix also maintains operational profiles for an additional 24,529 completed properties across the nation, bringing the total data set to more than 26,600 stores.

Oversupplied markets struggle with decelerating rent rates

- Rent rates declined by 4.1% year-over-year in August 2018 for 10x10 non-climate-controlled (NON CC) units and by 2.8% for 10x10 climate-controlled (CC) units.
- Demand for self storage space remains elevated in Las Vegas, where rent growth reached 6.3% for 10x10 NON CC units in August. Meanwhile, strong appetite for modern, climate-controlled units in the metro has pushed asking rates up 9.4% in the 10x10 category.
- Year-over-year, rent growth in the Inland Empire reached 2.8% for 10x10 NON CC units and 5.0% for 10x10 CC units.
- The heavy supply of existing storage locations still hinders rent growth in most Texas markets, such as Austin (down 4.7%) and Dallas (down 6.6%). However, rent rates remained flat in Houston, a largely penetrated market where existing inventory per capita is about 60% higher than the national average of 6 net rentable square feet (NRSF).