

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

OCTOBER 2018

MONTHLY SUPPLY AND RENT RECAP

High net migration rate and strong employment growth fuel development

- Development activity continues to be highest in underpenetrated markets with strong employment growth, which attracts a large influx of new residents. Demand is also on the rise in fast-growing cities that are seeing a surge in multifamily construction.
- New deliveries continue to push down rent rates on a national level, but rent growth remains positive in Southwestern markets.
- Nationwide, Yardi Matrix tracks more than 2,000 self storage properties in the pipeline—692 under construction, 966 planned and 408 prospective projects—along with 280 abandoned stores.
- Yardi Matrix also maintains operational profiles for an additional 24,588 completed properties across the nation, bringing the total data set to more than 26,600 stores.

Recent deliveries continue to push down street rates in most Texas markets

- Rent rates declined by 4.8% year-over-year in September 2018 for 10x10 non-climate-controlled (NON CC) units and by 3.5% for 10x10 climate-controlled (CC) units.
- Demand continues to be highest in Las Vegas, where rents increased by 6.3% for 10x10 NON CC units, and by 9.4% in the 10X10 CC category.
- In the Inland Empire, street rates remained positive—up 1.9% for 10x10 NON CC units year-over-year—but slightly decelerated from the previous month.
- Due to high levels of existing inventory in Texas coupled with heavy new supply, rent decreases are significant in Texas markets such as Austin (down 6.5%) and Dallas (down 6.6%), where existing inventory per capita is about 50% higher than the national average of 6 square feet (NRSF).