Yardi® Matrix

NATIONAL SELF STORAGE REPORT

DECEMBER 2018

MONTHLY SUPPLY AND RENT RECAP

Development activity still highest in emerging secondary markets

- Growing secondary markets continue to have a strong appetite for self storage space, supported by robust employment growth and high population gains. Demand is still elevated in historically underpenetrated markets with large urban clusters, such as Boston and New York City.
- On a national level, rent rates declined slightly in November as new product was absorbed. However, rent growth remained positive in the Southwest and Northeast.
- Nationwide, Yardi Matrix tracks more than 2,000 self storage properties in the pipeline—753 under construction, 977 planned and 316 prospective projects—along with 410 abandoned stores. The new development pipeline has been shrinking over the past few months as prospective properties have advanced to planned and under construction. The number of abandoned projects has increased since October.
- Yardi Matrix maintains operational profiles for an additional 24,600 completed properties in the U.S. This brings the total data set to 26,646 stores.

Rents still down year-over-year in most markets

- On a national level, street-rate rents declined by 4.1% year-over-year in November 2018 for 10x10 non-climate-controlled (NON CC) units and by 2.2% for 10x10 climate-controlled (CC) units.
- Rent growth is highest in Las Vegas, increasing by 3.1% year-over-year in November 2018 for 10x10 NON CC units. Baby Boomers continue to stream out of California for retirement in the desert, as Nevada benefits from cheaper housing and not having a state-level income tax.
- In San Diego, rents gained 1.3% year-over-year in November due to limited new supply and an influx of professionals drawn by health science and STEM jobs.