Yardi® Matrix

NATIONAL SELF STORAGE REPORT

JUNE 2019

MONTHLY SUPPLY AND RENT RECAP

Expanding Millennial population supports demand in secondary markets

- Positive demographic trends, steady employment gains and sustained economic growth continue to drive demand for self storage space. With Millennials flocking to secondary markets with healthy employment growth, metros such as Portland, Nashville and Seattle continue to have the strongest development pipelines. On the other end of the spectrum, performance is decelerating in oversaturated markets such as Charleston, where the penetration level is about 45% higher than the traditional benchmark of 7 net rentable square feet (NRSF) per capita.
- On a national level, Yardi Matrix tracks a total of 2,066 self storage properties in various stages of development—comprising 652 under construction, 1,088 planned and 326 prospective projects. The national new-supply pipeline as a percent of existing inventory took a modest step back in May, decreasing by 0.1% compared to April as a number of projects reached completion.
- Yardi Matrix also maintains operational profiles for 25,080 completed U.S. self storage properties. This brings the total data set to 27,146 stores. The new-supply pipeline accounts for 9.5% of the completed inventory.

Rent rates fall furthest in oversaturated metros

- Street rates fell 0.9% nationwide year-over-year in May 2019 for the standard 10x10 non-climate-controlled (NON CC) units. While year-over-year street rate growth remains negative, the declines have slowed throughout the first half of 2019, offering hope for positive rate growth in the coming months. For climate-controlled (CC) units of similar size, street rates decreased by 2.2% year-over-year.
- Street rates decreased in about 42% of the top markets tracked by Yardi Matrix. Listed rates in Charleston continued to decrease year-over-year in May, falling by 6.6% for the standard NON CC units and 8.2% for CC units of similar size. In the Inland Empire, limited development and very low availability prompted rent rates for the standard NON CC units to increase by 2.7% year-over-year.