

Yardi® Matrix

NATIONAL SELF STORAGE REPORT

DECEMBER 2019

MONTHLY SUPPLY AND RATE RECAP

Development pipeline increased slightly from October

- On a national level, Yardi Matrix tracks 2,177 self storage properties in various stages of development: 595 under construction, 1,158 planned and 424 prospective projects. The new-supply pipeline as a percent of existing inventory increased by a marginal 0.2% compared to the previous month. The share of self storage projects in various stages of development accounts for 9.0% of total stock.
- Yardi Matrix is continually working to provide the highest possible standard of data quality and reporting for the self storage sector. As a result, we have updated our methodology for calculating the under construction and planned projects as a percent of total existing inventory. Enhanced research procedures allow us to improve our understanding of each project, resulting in our new methodology, which uses the exact square footage of each development project and replaces the size approximations used in our old calculation method. Compared to our old method, the new methodology provides a more complete picture of the development pipeline and results in a minor increase or decrease of the development pipeline of many markets.
- Using the new methodology, markets with storage projects that average greater than 75,000 square feet, such as San Francisco and Minneapolis, show a new-supply pipeline slightly larger than we previously predicted, while markets with a lower average project size, including Nashville and Pittsburgh, illustrate a new-supply pipeline slightly smaller than previously predicted. Despite the minor variation, the development pipeline continues to paint a similar picture of the self storage sector: Ongoing heightened completion levels continue to weigh on street rates and the storage industry is in for a continued tough slog.

New-supply levels continue to hinder growth of street rates

- Continued elevated levels of new supply have encumbered the growth of street rates. On a year-over-year basis, street rates nationally fell 1.7% for standard 10'x10' non-climate-controlled (NON CC) units, and fell even further for climate-controlled (CC) units of the same size (down 3.0%). Street rates decreased in about 75% of the top markets tracked by Yardi Matrix.