

NATIONAL SELF STORAGE REPORT

FEBRUARY 2020

MONTHLY SUPPLY AND RATE RECAP

Demand driven by positive demographics, still outpaced by new supply

- Heightened delivery of new supply and an elevated development pipeline continue to outpace storage demand and weigh on street rates, although demand for self storage appears to be healthy in many markets, supported by robust employment growth and population gains. Street rates nationwide continued to drop in January. However, it is not all doom and gloom, as the pace of rate declines is slowly decelerating, especially as overdeveloped markets gradually absorb newly delivered supply.
- On a national level, Yardi Matrix tracks a total of 2,189 self storage properties in various stages of development—comprising 611 under construction, 1,157 planned and 421 prospective properties. Compared to January, the national new-supply pipeline as a percent of existing inventory increased by a slight 0.2%, as there was an uptick in activity in all three stages of development. The share of self storage projects in various stages of development accounts for 9.1% of total stock.
- Yardi Matrix also maintains operational profiles for 25,719 completed self storage facilities across the United States, bringing the total data set to 27,908.

Las Vegas continues to lead the way in rent growth

- National street rates declined by 0.9% year-over-year in January 2020 for 10x10 non-climate-controlled (NON CC) units and by 2.3% for climate-controlled (CC) units of similar size. Rent declines appear to be slowly decelerating. Month-over-month rates remained flat for both 10x10 NON CC and 10x10 CC units.
- On an annual basis, street rates decreased in close to 60% of the top metros tracked by Yardi Matrix, while street rates for standard NON CC units in seven of these markets experienced positive growth. Demand continues to be highest in Las Vegas, where street rates for 10x10 NON CC units and similar-size CC units increased 1.9% year-over-year.