



Yardi Matrix

# National Self Storage Report

---

August 2020



# Monthly Supply and Rent Recap

---

## Self storage demonstrates its resilient nature

- Faced with the economic implications of the coronavirus pandemic, the self storage industry continues to prove its recession-resistant nature. After experiencing accelerated declines in street rates at the start of the COVID-19 crisis, the storage sector saw flattening rates in June. July showed even more positive signs for the asset class, with national street rates trending upwards on a month-over-month basis. However, the sector will still have to weather the continuing COVID-19 pandemic and its resulting economic consequences—as is evident in this month's uptick in abandoned projects in the new-supply pipeline.

## Negative street rate performance shows signs of improvement

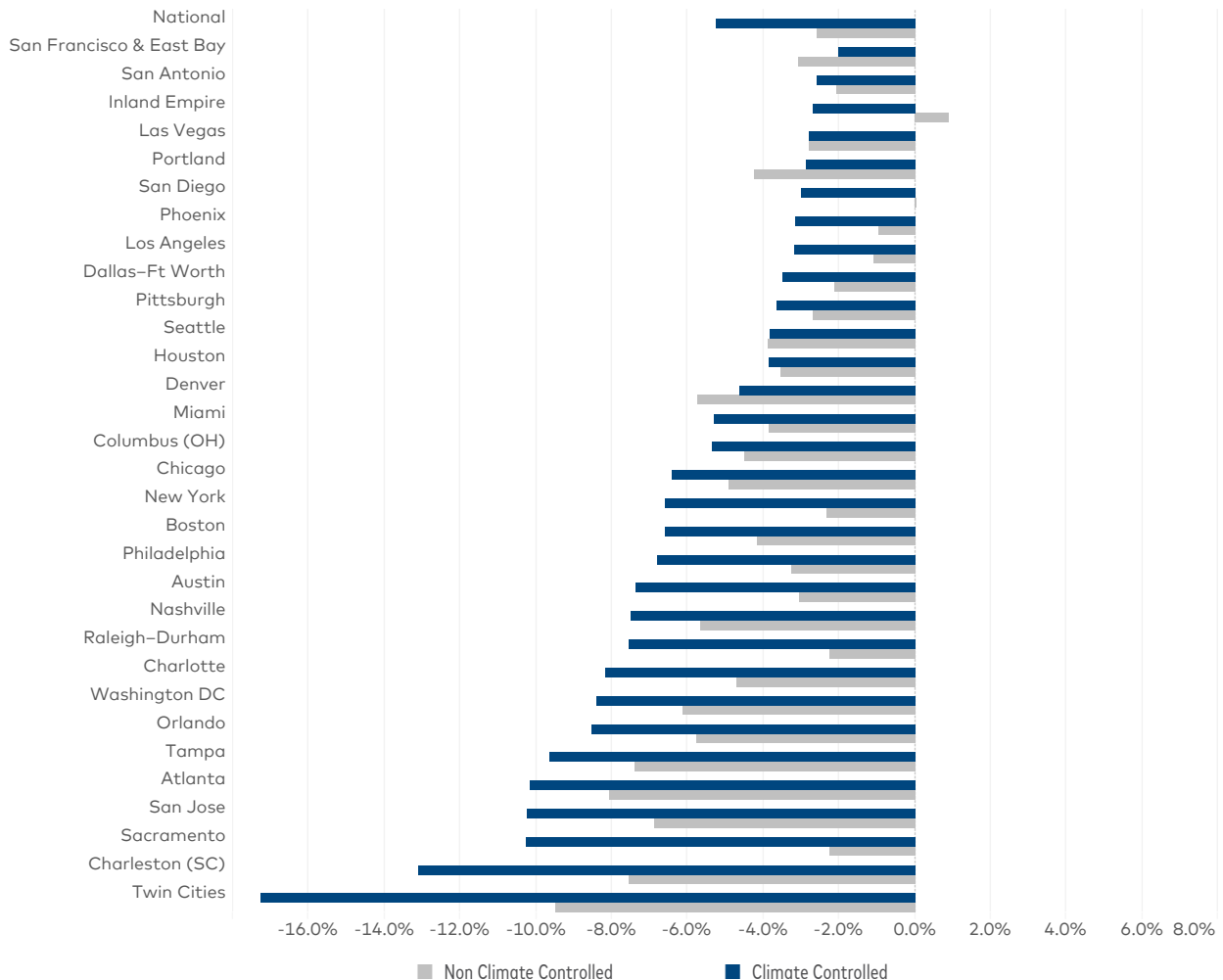
- Compared to the previous month, national street rate performance trended upwards in July. Yet on a year-over-year basis, street rates contracted 2.6% for standard 10x10 non-climate-controlled (NON CC) units, while rates for 10x10 climate-controlled (CC) units dropped by 5.2%. The downward trend in annual street rates has decelerated over the last few months, but there is still work to be done to reach the levels seen prior to COVID-19.
- Annual street rate performance was negative in roughly 94% of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Compared to July 2019, rates for 10x10 NON CC units increased by 0.9% in the Inland Empire and remained unchanged in San Diego.
- Nationwide, Yardi Matrix tracks a total of 2,196 self storage properties in various stages of development—comprising 592 under construction, 1,172 planned and 432 prospective properties. Even though the development pipeline saw an increase in abandoned projects, most of the abandonments were in the prospective phase—thus, July's increase in projects under construction or in the planning stages still resulted in growth of the new-supply pipeline. The amount of new storage product under construction or being planned as a percent of existing stock increased by 0.2% month-over-month to 8.9%.
- Yardi Matrix also maintains operational profiles for 26,105 completed self storage facilities across the United States, bringing the total data set to 28,301.

# Monthly Rate Growth Update

## Street rate performance slowly begins to rebound

- Despite COVID-19's unprecedented economic impact in recent months, street rate performance in July illustrated the recession-resistant nature of the self storage sector. While national street rates decreased compared to July 2019, rate performance month-over-month trended upwards for both 10x10 NON CC and 10x10 CC units. Street rates for 10x10 CC units experienced their largest month-over-month increase in the last four years, rising 1.6% from June to July. Rates for 10x10 NON CC units saw a 1.0% uptick compared to the previous month.
- As one of the nation's tightest industrial markets, the Inland Empire demonstrated its strength in the self storage asset class in July. Street rates for 10x10 NON CC units increased 2.7% month-over-month, and furthermore it was the only top market to see year-over-year rate growth for this unit type (up 0.9%). While street rates for 10x10 CC units in the Inland Empire dropped 2.7% compared to July 2019, rates rose 2.1% on a monthly basis.

July 2020 Year-over-Year Rent Change for 10'x10' Units



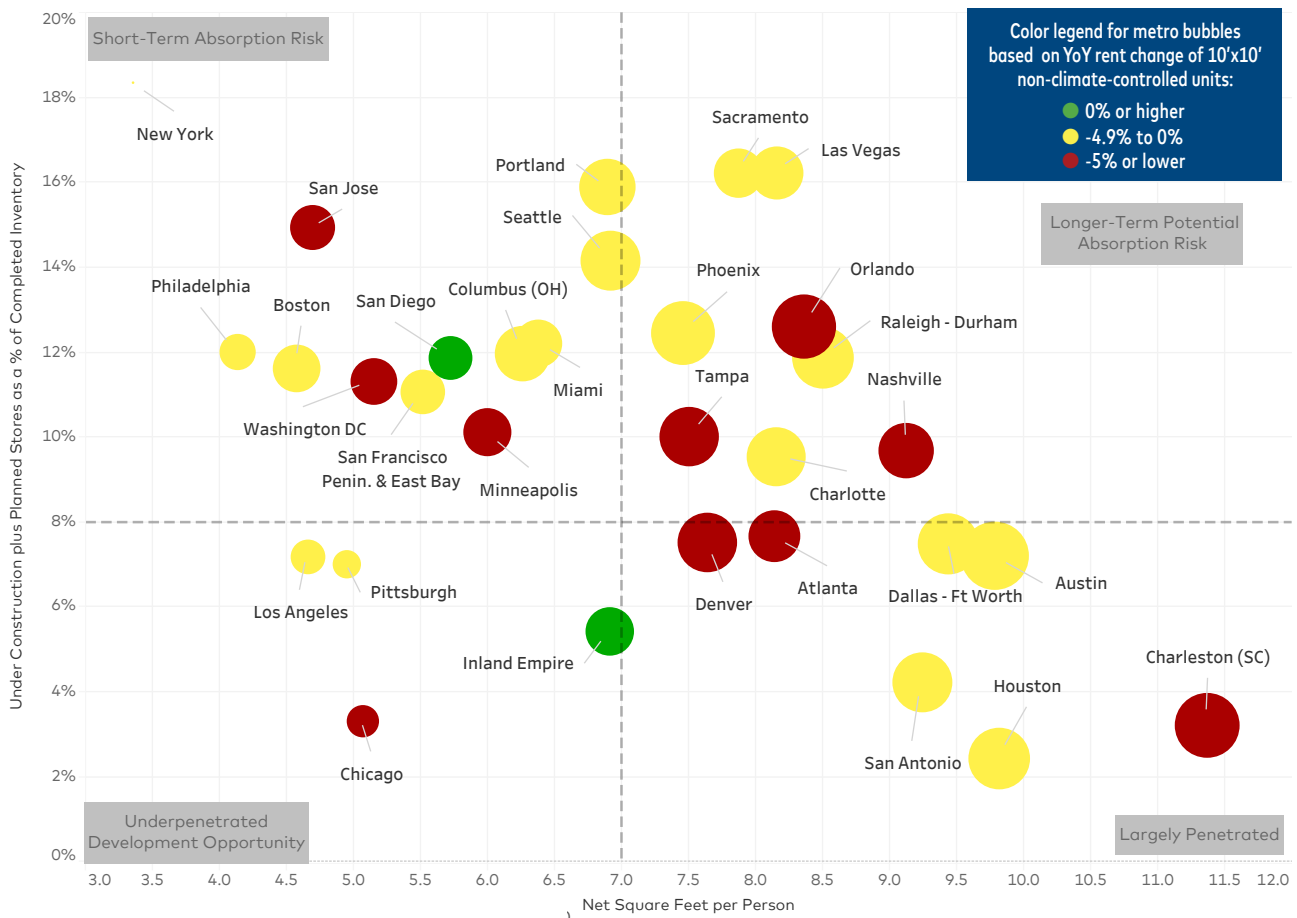
Source: Yardi Matrix. Street rate data as of August 7, 2020

# Monthly Rate Growth Update

## Oversupplied Austin sees slight hike in non-climate-controlled rates

- Once a key market in the epicenter of the supply wave in Texas, the Austin metro saw street rates for 10x10 NON CC units rise 2.1% in July compared to June. This is the largest rate growth in the metro for 10x10 NON CC units since May 2017. In spite of existing inventory equivalent to 9.8 net rentable square feet (NRSF) per capita and a recent resurgence of COVID-19 across the state, Austin's diversified and strong economy has helped the market remain resilient to numerous obstacles.
- Despite experiencing the greatest decline in street rates for both 10x10 NON CC and CC units, the Minneapolis metro area saw the greatest pickup in development activity (up 0.8% month-over-month). With a completed inventory of 6.0 NRSF per capita, Minneapolis will surpass the national average storage supply upon delivery of the properties currently in its development pipeline. Looking forward, the metro may find itself in a tough slog, especially as development activity continues to increase despite the heightened economic uncertainty.

**Self Storage Major Metro Summary**  
 New-Supply Pipeline (y-axis) & Completed Inventory Per Capita (x-axis)  
 (bubble size represents 2018 population growth rate, three-mile radius)



Sources: Yardi Matrix; U.S. Census Bureau. Supply data as of August 7, 2020

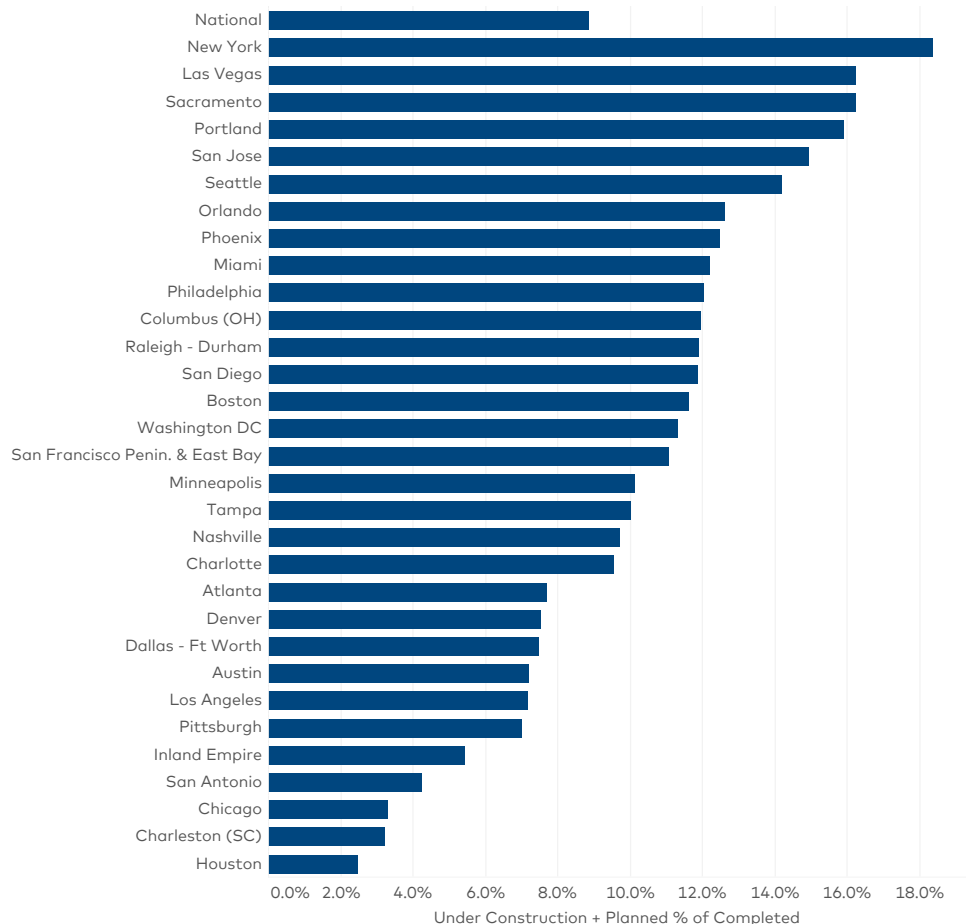
# Monthly New Supply Update

## COVID-19 has yet to significantly impact new self storage development

- Self storage properties under construction or in the planning stages accounted for 8.9% of existing inventory across the nation in July. However, 31 storage properties in the new-supply pipeline were abandoned that month, representing a 182% increase over the 11 storage properties abandoned in July 2019. The COVID-19 crisis, which has caused standstills in the planning stages and financing issues as developers have faced a tougher economy than earlier this year, likely played a major role in this uptick in abandoned storage projects. Furthermore, developers may also be pulling back on projects due to the surge of new storage development delivered in recent years.
- Among all storage markets across the U.S., Boston had the highest number of abandoned projects in July, with eight storage properties removed from its new-supply pipeline. In response to the pandemic, Boston city officials shut down all but essential construction from mid-March until the end of June and limited construction to hospital buildings and housing, possibly underpinning the metro's drop in development activity.

## Under Construction & Planned Percent of Existing Inventory

Metro	Jun-20	Jul-20	Change
NATIONAL	8.7%	8.9%	↑
New York	18.0%	18.4%	↑
Las Vegas	15.7%	16.2%	↑
Sacramento	16.0%	16.2%	↑
Portland	16.2%	15.9%	↓
San Jose	15.0%	15.0%	▬
Seattle	14.2%	14.2%	▬
Orlando	12.4%	12.6%	↑
Phoenix	12.5%	12.5%	▬
Miami	12.3%	12.2%	↑
Philadelphia	11.8%	12.0%	↑
Columbus (OH)	11.2%	12.0%	↑
Raleigh-Durham	11.9%	11.9%	▬
San Diego	11.2%	11.9%	↑
Boston	11.3%	11.6%	↑
Washington DC	11.1%	11.3%	↑
San Francisco Penin. & East Bay	10.8%	11.1%	↑
Minneapolis	10.0%	10.1%	↑
Tampa	10.0%	10.0%	▬
Nashville	9.4%	9.7%	↑
Charlotte	9.1%	9.6%	↑
Atlanta	7.3%	7.7%	↑
Denver	7.2%	7.5%	↑
Dallas-Ft Worth	7.4%	7.5%	↑
Austin	7.2%	7.2%	▬
Los Angeles	7.2%	7.2%	▬
Pittsburgh	7.0%	7.0%	▬
Inland Empire	5.4%	5.4%	▬
San Antonio	3.9%	4.2%	↑
Chicago	3.2%	3.3%	↑
Charleston (SC)	3.2%	3.2%	▬
Houston	2.5%	2.4%	↓



\* Drawn from our national database of more than 28,200 stores, including some 2,200 projects in the new-supply pipeline as well as more than 26,100 completed stores.

Source: Yardi Matrix. Supply data as of August 7, 2020

# Monthly Rate Recap

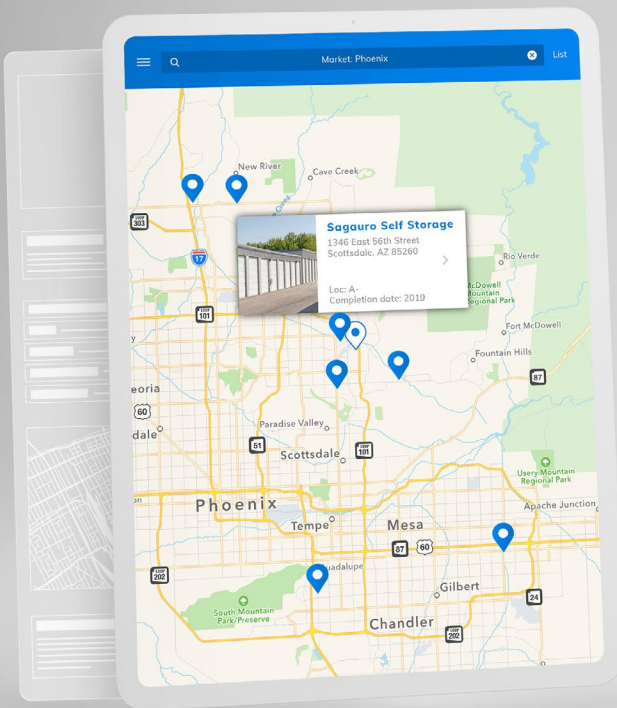
Market	Avg Metro Rate 10'x10' (non cc)	July 2020 YoY Rate Performance				
		5'x5' (non cc)	5'x10' (non cc)	10'x10' (non cc)	10'x10' (cc)	10'x20' (non cc)
National	113	-2%	-3%	-3%	-5%	-2%
San Francisco Penin. & East Bay	189	-4%	-3%	-3%	-2%	-2%
San Antonio	95	-2%	-2%	-2%	-3%	0%
Inland Empire	114	2%	0%	1%	-3%	1%
Las Vegas	104	-2%	-4%	-3%	-3%	-2%
Portland	136	-3%	-3%	-4%	-3%	-1%
San Diego	156	-3%	-1%	0%	-3%	-3%
Phoenix	104	3%	0%	-1%	-3%	0%
Los Angeles	182	-1%	-2%	-1%	-3%	0%
Dallas-Ft Worth	92	-2%	-3%	-2%	-4%	-2%
Pittsburgh	109	0%	-3%	-3%	-4%	-1%
Seattle	148	-3%	-3%	-4%	-4%	-2%
Houston	82	-3%	-4%	-4%	-4%	-3%
Denver	115	-6%	-7%	-6%	-5%	-4%
Miami	125	-7%	-4%	-4%	-5%	-3%
Columbus (OH)	85	-3%	-4%	-4%	-5%	-2%
Chicago	97	-5%	-3%	-5%	-6%	0%
New York	169	-1%	-2%	-2%	-7%	-1%
Boston	138	-9%	-8%	-4%	-7%	-3%
Philadelphia	119	-2%	-1%	-3%	-7%	-1%
Austin	96	-5%	-5%	-3%	-7%	-3%
Nashville	100	-7%	-4%	-6%	-8%	0%
Raleigh-Durham	86	0%	-3%	-2%	-8%	-2%
Charlotte	81	-3%	-4%	-5%	-8%	0%
Washington DC	138	-7%	-6%	-6%	-8%	-4%
Orlando	98	-7%	-5%	-6%	-9%	-1%
Tampa	100	-7%	-6%	-7%	-10%	-4%
Atlanta	91	-7%	-6%	-8%	-10%	-4%
San Jose	163	-9%	-7%	-7%	-10%	-6%
Sacramento	130	-5%	-4%	-2%	-10%	-4%
Charleston (SC)	86	-5%	-8%	-8%	-13%	-5%
Minneapolis	105	-12%	-11%	-9%	-17%	-5%

Source: Yardi Matrix. Sorted according to 10x10 CC rent performance.



# Yardi Matrix

Power your business with the industry's leading source for originating, pre-underwriting and managing assets for profitable loans and investments.



Yardi Matrix Self Storage provides accurate data on storage facilities in 133 markets and 4,000+ sub-markets across the U.S.

## Key features

- Gain new supply pipeline information at the asset, competitive set and market level
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info
- Leverage current buyer, seller, date and purchase price information
- Access trend reports on sales, rents and completions as well as portfolios of owners, managers, buyers and sellers

Get the latest trends and forecasts at [yardimatrix.com/publications](https://yardimatrix.com/publications)

(800) 866-1144 | [yardimatrix.com/storage](https://yardimatrix.com/storage)

© 2020 Yardi Systems, Inc. All Rights Reserved. Yardi, the Yardi logo, and all Yardi product names are trademarks of Yardi Systems, Inc.



## Contacts

### **Jeff Adler**

Vice President & General Manager,  
Yardi Matrix  
Jeff.Adler@Yardi.com  
(800) 303-615-3676

### **Isaac Hiatt**

Product Specialist  
Isaac.Hiatt@Yardi.com  
(800) 866-1124 x3912

### **Claire Anhalt**

Senior Research Analyst  
Claire.Anhalt@Yardi.com  
(800) 866-1124 x2151

### **Chris Nebenzahl**

Editorial Director  
Chris.Nebenzahl@Yardi.com  
(800) 866-1124 x2200

### Disclaimer

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

### Copyright Notice

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2020 Yardi Systems, Inc. All Rights Reserved.