Yardi® Matrix

NATIONAL SELF STORAGE REPORT

JUNE 2018

MONTHLY SUPPLY AND RENT RECAP

New-supply impacts felt across the country as deliveries continue

- Development activity has been pronounced in fast-growing cities as well as historically underdeveloped urban markets, where supply is catching up to demand.
- New-supply levels are more balanced against demand in the Desert Southwest and Southern California, where rent growth continues to be positive.
- Nationwide, Yardi Matrix tracks 2,200 properties in the new-supply pipeline, comprising of 656 under construction, 868 in planning, 470 at the prospective stage and 200 stores abandoned or deferred.
- In addition to the new-supply pipeline, Yardi Matrix maintains operational profiles for 24,300 completed properties, bringing the total dataset to 26,500 stores.

Rent growth falls as new supply is absorbed; western markets remain strongest

- Heavy new-supply deliveries and slowing economic fundamentals are adding headwinds to street-rate rents, which decreased 2% year-over-year in May 2018 for 10x10 units after growing as quickly as 5% in the early fall of 2017.
- Street-rate rent growth in Las Vegas and Phoenix reached 7% to 10% year-over-year.
- Rents continue to elevate modestly in Southern California because most submarkets of Los Angeles and San Diego are seeing very limited new development.
- Rents were down during the last year in Texas markets, where the existing completed inventory per capita is substantially higher than the U.S. average of 5.5 net rentable square feet (NRSF) per person. Completed inventory per capita in Texas averages 8.0 NRSF in San Antonio, 8.6 NRSF in Dallas-Ft. Worth, 8.7 NRSF in Austin and 9.1 NRSF in Houston.