

Yardi Matrix

NATIONAL SELF STORAGE REPORT

APRIL 2019

MONTHLY SUPPLY AND RENT RECAP

Demand driven by positive demographics, healthy economic fundamentals

- Development activity remains elevated in fast-growing secondary markets that are seeing a boost in multifamily construction supported by persisting employment growth and population gains, among them Portland, Seattle and Nashville. Large, undersupplied metros in the Northeast, where available land for construction is limited and expensive, also maintain a strong appetite for self storage product. Developers are building new facilities on smaller and more constrained land parcels that would be unusable for other commercial real estate asset classes.
- On a national level, Yardi Matrix tracks a total of 2,129 self storage properties in the pipeline—comprising 717 under construction, 1,077 planned and 335 prospective projects. Compared to the previous month, the new-supply pipeline has increased by 0.2%, mainly due to an uptick in planned projects.
- Yardi Matrix also maintains operational profiles for 24,932 completed properties in the U.S., bringing the total data set to 27,622 stores. The new-supply pipeline accounts for 9.9% of the completed inventory tracked by Yardi Matrix.

San Diego leads major markets in 10x10 climate-controlled rate growth

- Street rates declined by 0.9% nationwide year-over-year in March 2019 for 10x10 non-climate-controlled (NON CC) units, but remained flat compared to the previous month. Rent performance for climate-controlled (CC) units decreased by 1.5% on a year-over-year basis, but improved by 70 basis points over February's decrease of 2.2%.
- San Diego has emerged as one of the strongest markets for storage rates, especially for high-end climate-controlled units. Relatively modest new supply and strong demand for new product have pushed rates higher. However, developers are eyeing the growth. Despite significant barriers to development in California, projects are being put forth and approved, as San Diego's percentage of stock planned or under construction increased 90 basis points from March to April.