

Yardi Matrix

NATIONAL SELF STORAGE REPORT

OCTOBER 2019

MONTHLY SUPPLY AND RATE RECAP

Self storage struggling amid high supply levels

- New deliveries continue to weigh on street rates in almost all markets of the self storage sector. While new ground-up projects are impacting many secondary markets, older and highly regulated markets' storage inventories are growing through conversions and expansions. Looking ahead, the self storage industry is in for a rough slog: Deliveries are expected to remain elevated, pushing down pricing for many operators and increasing the need for improved performance through tightened operating costs and better efficiency.
- Nationwide, Yardi Matrix tracks a total of 2,140 self storage properties in various stages of development—comprising 592 under construction, 1,172 planned and 376 prospective projects. Compared to the previous month, the new-supply pipeline as a percent of existing inventory increased by a slight 0.1%. The share of projects in various stages of development accounts for 9.4% of total stock.
- Yardi Matrix also maintains operational profiles for 25,412 completed self storage facilities across the U.S. This brings the total data set to 27,552 properties.

New supply pressure persists

- Heavy incoming supply continued to hinder rent growth, paving the way for concessions and cutbacks. On a year-over-year basis, street rates dipped by 2.5% for standard 10x10 non-climate-controlled (NON CC) units, contracting even more for climate-controlled (CC) of similar size (down 3.7%).
- Compared to September 2018, street rates decreased in about 85% of the top markets tracked by Yardi Matrix. Rent rates for standard NON CC units took the hardest hit in the oversupplied Charleston market, falling by 9.6% on an annual basis. As of September, Charleston had a completed inventory per capita of 11 net rentable square feet (NRSF).