

Yardi Matrix

NATIONAL SELF STORAGE REPORT

NOVEMBER 2019

MONTHLY SUPPLY AND RATE RECAP

Expanding secondary markets fuel new construction

- Most markets tracked by Yardi Matrix are still dealing with the impact of high completion levels from the past few years. The significant incoming self storage supply continues to hinder rent growth nationwide, pressuring store operators to revert to cutbacks and concessions to maintain competitiveness. Despite rising construction, land and labor costs, development activity is robust.
- On a national level, Yardi Matrix tracks 2,164 self storage properties in various stages of development: 598 under construction, 1,167 planned and 399 prospective projects. The new-supply pipeline as a percent of existing inventory increased by a slight 0.2% compared to the previous month. The share of self storage projects in various stages of development accounts for 9.4% of total stock.
- Yardi Matrix also maintains operational profiles for 25,495 completed self storage facilities across the U.S., bringing the total data set to 27,659 properties.

Street rates keep falling after years of strong deliveries

- On a year-over-year basis, street rates decreased 3.4% for standard 10x10 non-climate-controlled (NON CC) units as operators continue to cut rents and offer concessions to maintain strong occupancy levels, while street rates for climate-controlled (CC) units of similar size decreased by 3.7%. A substantial amount of new deliveries over the past few years and the strong new-supply pipeline continue to put downward pressure on asking rates.
- Compared to October 2018, asking rates tightened in 90% of the 31 top markets tracked by Yardi Matrix. With a completed inventory per capita of 11.1 net rentable square feet (NRSF) as of October, which is roughly 70% higher than the national average, Charleston continues to lead the way in rental rate reductions. Street rates fell in the metro by 10.7% for standard NON CC units and by 10.9% for CC units, on an annual basis.