



Yardi[®]Matrix

National Self Storage Report

October 2020



Monthly Supply and Rent Recap

Self storage performing well during economic downturn

- The pandemic-driven disruption across the United States economy has created uncertainty in all real estate sectors. Nevertheless, the self storage industry appears to be doing much better than other asset classes. In September, self storage continued to weather the downturn, as street rate performance showed significant improvement across the nation. For the first time since the end of 2017, the year-over-year street rate performance on a national level for 10x10 non-climate-controlled (NON CC) units was even positive. While some storage markets show signs of slowing development activity, the new-supply pipeline remains steady nationwide. The current strength of the storage industry is reinforcing the notion of countercyclical forces; however, the health crisis created by COVID-19 remains, which could lead to further uncertainty and a tougher slog for self storage in the coming months as people limit their mobility once again.

National street rate performance shows positive outlook

- Street rate performance in September showed signs of a positive outlook for storage operators, as rates have rebounded well. National street rates for 10x10 NON CC units increased by 1.8% compared to September 2019. While year-over-year rates for 10x10 climate-controlled (CC) units fell 0.8%, this downward trend in annual street rates has decelerated substantially since the beginning of 2020.
- Annual street rate performance was negative in roughly 45% of the top markets tracked by Yardi Matrix for 10x10 NON CC units. Rates for this unit type were hit the hardest in the oversupplied Austin metro, which saw a 4.0% decrease year-over-year.
- Nationwide, Yardi Matrix tracks a total of 2,149 self storage properties in various stages of development—comprising 565 under construction, 1,170 planned and 414 prospective properties. The national new-supply pipeline as a percent of existing inventory increased by a marginal 0.1% month-over-month in September, and the share of existing properties in various stages of development accounts for 8.6% of existing inventory.
- Yardi Matrix also maintains operational profiles for 26,261 completed self storage facilities across the United States, bringing the total data set to 28,410.