

Q4 2023

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Self Storage Supply Forecast Notes

The Q4 2023 Self-Storage supply forecast update has increased forecast deliveries for 2024. For all other years, the forecast is relatively unchanged from the previous quarter's forecast.

Self-Storage New Supply Forecast Q4 vs. Q3

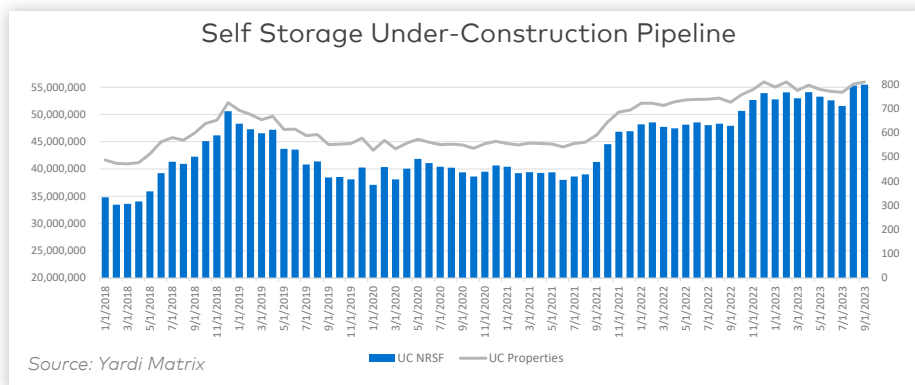
| Year | 3Q 2023 | 2Q 2023 | % Change |
|------|------------|------------|----------|
| 2023 | 52,550,885 | 52,941,931 | -0.7% |
| 2024 | 49,086,197 | 47,501,432 | 3.3% |
| 2025 | 42,567,776 | 42,244,569 | 0.8% |
| 2026 | 42,549,724 | 42,560,242 | 0.0% |
| 2027 | 45,113,225 | 45,097,775 | 0.0% |
| 2028 | 47,519,712 | 47,808,049 | -0.6% |

Source: Yardi Matrix

Near-Term Forecast: 2023 to 2025

The near-term forecast is relatively unchanged for 2023 and 2025, and has been increased by 3.3% for 2024.

For the first half of 2023, the under-construction pipeline averaged 53.3 million rentable square feet (MM RSF). In Q3, however, the pipeline expanded modestly to 55.5 MM RSF. This represents a 5.5% increase quarter-over-quarter and a 15.7% increase year-over-year. The modest Q3 expansion in the under-construction pipeline is the main rationale behind this forecast update's increased 2024 supply.



The Q3 under-construction pipeline expansion was driven by an increase in construction starts that began in Q1 2023 and continued into Q2. Since Q1 2021, the trailing four-quarter average for construction starts has roughly stayed in a range between 10.5 and 11.5 MM RSF. Q1 2023 construction starts totaled 14.1 MM RSF, while Q2 construction starts currently total 13.5 MM RSF. The Q2 2023 trailing four-quarter average is 12.8 MM RSF.