



Yardi[®] Matrix

National Self Storage Report

January 2024



Self Storage Supply and Rent Recap

Self storage owners and operators optimistic about 2024

- Yardi attended the recent NYSSA Conference and KeyBanc Investor Forum in New York City on January 9 and 10. The mood at the events was one of cautious optimism, as occupancy and asking rates are bottoming after a year and a half of rapidly decelerating growth. Urban markets like Chicago, New York and Southern California are remaining steady and outperforming, while Sun Belt markets like Las Vegas, Phoenix and Florida are underperforming. This year could see growth return to historic averages, but new demand will hinge on a rebound in the housing market. New supply is a concern in certain markets, but overall new supply in the top markets is expected to drop in 2024, as construction lending has dried up in the face of declining street rates, slower lease-up pace and higher interest rates. Street rates in December are down over 9% from their peak in the summer of 2022, but year-over-year declines have improved in recent months. Meanwhile, the transaction market remains sluggish, but is expected to pick up in the second half of 2024.

National street rates remain negative year-over-year

- Annual street rate growth remained negative in December. The average annualized same-store asking rent per square foot was \$16.57 nationwide for the combined mix of unit sizes and types. This is a 2.7% decrease compared to the national average of \$17.14 recorded in December 2022.
- Street rate growth also continued to be negative year-over-year in nearly all of Yardi Matrix's top metros in December. Combined same-store rates for non-climate-controlled (NCC) units fell in all but one of the top metros on an annual basis, while asking rates for same-store climate-controlled (CC) units also decreased in all but one of the top metros.
- Nationally, Yardi Matrix tracks a total of 5,073 self storage properties in various stages of development, including 871 under construction, 1,980 planned, 621 prospective, 1,510 abandoned and 91 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock in January.
- Yardi Matrix also maintains operational profiles for 29,745 completed self storage facilities across the U.S., bringing the total data set to 34,818. We are happy to announce the release of our new Montana, Rochester, Minn., and Hickory, N.C., storage markets, which are now available to Yardi Matrix customers on the subscriber portal.