



Yardi[®] Matrix

National Self Storage Report

September 2024



Self Storage Supply and Rent Recap

Outlook for storage uncertain in second half of year

- A team from Yardi Matrix attended the SSA Fall 2024 Conference in Las Vegas on September 3-6, and found the atmosphere mixed. Operators are pessimistic about 2024 results, given that the typically busy summer leasing season has been shorter and weaker, while brokers and investors feel confident that deal flow will pick up as performance finds a bottom and interest rates come down. Advertised rental rate declines are fueling uncertainty in underwriting for acquisitions and development, but investor interest remains high and there is an abundance of capital waiting to start or expand self storage portfolios. The bid-ask spread that has kept many on the sidelines has shown little sign of budging, but impending interest rate cuts could help bring cap rates back down from 5.5-6%+. Rental rate declines could moderate over the next few months, after rates dropped aggressively in fall and winter 2022 and 2023, as supply pressures start to ease and existing customer rate increases become less accretive to in-place rent growth, providing motivation to hold the line on street rates.

Advertised rates continue to decline year-over-year

- Following weakened demand and declining occupancy, advertised rate growth continues to be negative. Nationwide, advertised rates were down 4.3% year-over-year in August, with an annualized average per square foot of \$16.31 for the combined mix of unit sizes and types—the 23rd consecutive month of annual declines.
- Advertised rate growth also remains negative year-over-year across Yardi Matrix's top metros. Same-store rates for non-climate-controlled (NCC) and climate-controlled (CC) units decreased in all 30 top metros in August compared to last year, while rates for large units (10x20, 10x30) are doing much better than those for small units (5x5, 5x10) in nearly all metros.
- Nationally, Yardi Matrix tracks a total of 3,408 self storage properties in various stages of development, including 837 under construction, 2,063 planned and 508 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.4% of existing stock through the end of August.
- Yardi Matrix also maintains operational profiles for 32,142 completed self storage facilities in the U.S., bringing the total dataset to 35,550. We are happy to announce our new Evansville, Iowa City, Longview and Peoria storage markets, now available on the subscriber portal.