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Yardi Matrix

National Self Storage Report

March 2024

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Self Storage Supply and Rent Recap

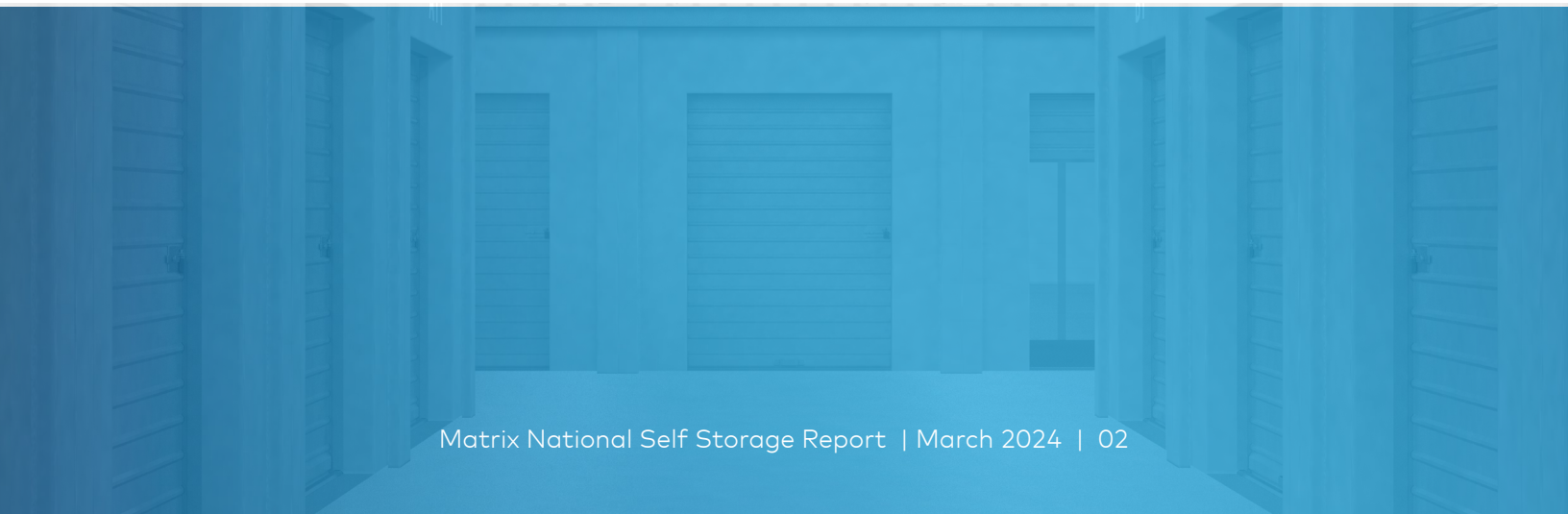
Self storage outlook for 2024 faces headwinds

- The tone at the SSA Spring Conference in National Harbor, Md., on March 12-14 was mostly somber, reflecting current market conditions, yet attendees expressed optimism about the future. Performance slipped in 2023 and there are few signs that market conditions are picking up going into the busier spring leasing season. Deal flow has slowed to a trickle as buyers and sellers await more certainty on interest rates and a bottom for street rates and occupancy. At the same time, there is still plenty of development interest, although construction activity is also being impacted by interest rates and fundamentals. There is hope that a turnaround in the housing market later this year or in early 2025, contingent on interest rate cuts, could unlock pent-up demand for housing and migration, thus fueling demand for self storage. This could result in a turnaround in occupancy and street rate growth, which would also help motivate the investment market.

Street rates continue to decline year-over-year across top metros

- Annual street rate growth nationally remained negative in February. The average annualized same-store asking rent per square foot was $16.37 nationwide for the combined mix of unit sizes and types. This is a 3.6% decrease compared to the national average of $17.16 recorded 12 months prior.

- Street rates year-over-year also continued to be negative across all of Yardi Matrix's top metros year-over-year in February. Combined same-store rates for non-climate-controlled (NON CC) units, as well as climate-controlled (CC) units, have decreased in all of the top metros compared to February 2023.

- Nationally, Yardi Matrix tracks a total of 5,148 self storage properties in various stages of development, including 880 under construction, 2,031 planned, 592 prospective, 1,546 abandoned and 99 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.7% of existing stock as of February, a minor 10-basis-point drop from the previous month.

- Yardi Matrix also maintains operational profiles for 30,294 completed self storage facilities in the U.S., bringing the total dataset to 35,442. We are happy to announce the release of our new storage markets of Wyoming; Columbia, Mo.; Jacksonville–Greenville, N.C.; and Rockford, Ill. All of them are now available to Yardi Matrix customers on the subscriber portal.