



Yardi[®]Matrix

National Self Storage Report

August 2024



Self Storage Supply and Rent Recap

Self storage growth decelerates in second quarter

- Second quarter 2024 REIT results show growth in the self storage sector continued to decelerate, driven by lower occupancy and persistently lower street rates. Average same-store revenue growth, including Life Storage's same-store pool, was -0.2%, the first time revenue growth was negative since the beginning of the pandemic in Q3 2020. Performance varies by company and market, and many of the markets with the best revenue growth were underperforming just a few years ago—like New York, Denver and Washington, D.C.—while the Sun Belt continues to be a drag on growth, especially in markets with heavy new supply like Cape Coral, Orlando and Atlanta. Lower street rates are impacting realized rents, while occupancy is starting to show signs of bottoming, as average quarter-end occupancy was up year-over-year and four-quarter moving average occupancy flattened in the last two quarters. Advertised rates for the REITs as tracked by Yardi Matrix started their seasonal decline in July, one month earlier than usual, but year-over-year showed improvement from June to July, as there were much lower comparative rates in the second half of 2023.

Advertised rates continue to decrease year-over-year in all top metros

- Advertised rates continued to decline on an annual basis in July nationwide. The annualized average for advertised rates per square foot was \$16.40 for the combined mix of unit sizes and types. This is a 4.1% same-store decrease compared to the national average of \$17.28 recorded in July 2023. However, it marks an improvement from the prior four months.
- Rate growth also continued to be negative year-over-year across Yardi Matrix's top metros, as same-store advertised rates for non-climate-controlled (NCC) and climate-controlled (CC) units decreased year-over-year in all 30 metros.
- Nationally, Yardi Matrix tracks a total of 3,404 self storage properties in various stages of development, including 854 under construction, 2,033 planned and 517 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.5% of existing stock through the end of July.
- Yardi Matrix also maintains operational profiles for 31,722 completed U.S. self storage facilities, bringing the total data set to 35,126. We are happy to announce the release of our new Johnson City, Beaumont-Port Arthur, Appleton-Oshkosh and Davenport storage markets, all of which are now available to Yardi Matrix customers on the subscriber portal.