



Yardi[®] Matrix

National Self Storage Report

May 2024



Self Storage Supply and Rent Recap

Storage operators optimistic leasing season will boost slowing performance

- The self storage REITs' Q1 2024 results are in, and performance in the sector continues to slow. But at 0.8%, the average decrease in the REITs' quarterly occupancy was an improvement over previous quarters. Revenue growth slipped to 0.2% and NOI growth fell to -1.6%, as operators reported much higher marketing and property insurance expenses in the first quarter. Negative revenue and NOI growth was in line with expectations, and guidance on same-store expectations remained unchanged in Q1, as demand continues to be weak due to a slow-moving housing market. Lower street rates have pushed realized rent growth down to 1.2% and the REITs' reported street rates are well below in-place rates, with differences of 35% or more. However, operators remain optimistic that existing customer rate increases will help hoist new customers to in-place rates quickly, in addition to increasing street rates going into the busy summer leasing season.

Year-over-year street rates fall across all top metros

- Street rates continued to decline on an annual basis in April. The national average annualized same-store asking rent per square foot was \$16.35 for the combined mix of unit sizes and types. This is a 4.5% same-store decrease compared to April 2023. However, it is a 70-basis-point improvement month-over-month as the busy season progresses.
- Street rate growth remained negative year-over-year in all of Yardi Matrix's top metros. Same-store rates for non-climate-controlled (NON CC) and climate-controlled (CC) units combined decreased in all 30 of the top metros in April compared to a year ago, ranging from -1.3% in New York to -7.4% in Atlanta.
- Nationally, Yardi Matrix tracks a total of 3,542 self storage properties in various stages of development, including 868 under construction, 2,062 planned and 612 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.6% of existing stock as of April, a slight 10-basis-point drop month-over-month.
- Yardi Matrix also maintains operational profiles for 30,864 completed U.S. self storage facilities, bringing the total data set to 34,406. We are happy to announce the expansion of eight of our storage markets, including the Triad, Richmond-Tidewater, North Dallas, Suburban Dallas, Fort Worth, East Houston, Phoenix and Seattle.