



Yardi[®]Matrix

National Self Storage Report

November 2024



Self Storage Supply and Rent Recap

Advertised rates improved year-over-year, despite weakened fundamentals

- The self storage REITs reported Q3 2024 results in line with their previous guidance. Negative occupancy and revenue growth are indicators of poor demand fundamentals, particularly due to the housing market. Average revenue growth for the four companies plus Life Storage was -1%, representing a 90-basis-point deceleration quarter-over-quarter, driven by a 60 bps decline in quarter-end occupancy, a reversal of improving trends the previous five quarters, and 1.1% decline in realized rents. Markets with high supply like Atlanta, Orlando and Phoenix posted the worst revenue growth in Q3, while Southwest Florida, including Tampa, seems poised to benefit from recent hurricanes, which could relieve some of the pressure from new supply. Other markets—like Washington, D.C., Chicago and San Francisco—are benefiting from years of little supply growth and a turnaround in out-migration patterns following the pandemic. Although advertised rates are declining month-over-month going into the slower winter season, advertised rate growth year-over-year continues to improve compared to aggressive rent drops at the end of last year, and should continue to improve going into 2025.

Advertised rates continue to decline, but have improved year-over-year

- On a national level, advertised rate growth continues to be negative. Nationwide, advertised rates were down 3.1% year-over-year in October, with an annualized average per square foot of \$16.35 for the combined mix of unit sizes and types. This is a notable improvement from -3.8% in September and -3.9% in August.
- Advertised rates for non-climate-controlled (NCC) units were negative year-over-year in all top metros except Washington, D.C., while climate-controlled (CC) units declined in all 30 top metros in October.
- Nationally, Yardi Matrix tracks a total of 3,389 self storage properties in various stages of development, including 823 under construction, 2,066 planned and 500 prospective properties. Projects under construction were equivalent to 3.3% of existing stock through October. Despite a slowdown in construction starts through mid-2024, construction activity maintained momentum. Therefore, we have increased our near-term forecast (2024 through 2026).
- Yardi Matrix also maintains operational profiles for 32,623 completed self storage facilities in the U.S., bringing the total dataset to 36,012. We are happy to announce the expansion of our existing Suburban Chicago and Columbia storage markets, now available to subscribers.