Q4 2026

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Self Storage Supply Forecast Update

For the Q4 2026 update, the self storage supply forecast is relatively unchanged.

Self Storage New Supply Forecast, Q4 2026 vs. Q3 2026

Year	Q4 2026	Q3 2026	% Chg
2026	53,143,221	52,928,522	0.4%
2027	45,420,748	45,248,173	0.4%
2028	39,257,130	39,184,714	0.2%
2029	39,544,168	39,050,498	1.3%
2030	40,044,767	39,715,924	0.8%
2031	41,228,764	40,662,074	1.4%

Source: Yardi Matrix

Near-Term Forecast: 2026 Through 2028

Through the end of Q3 2026, 34.85 million net rentable square feet (NRSF) in new self storage supply has been completed. This is approximately 20% less than was completed during the same period one year ago and is in line with previous forecast expectations. As a result, the Q4 update continues to expect full year 2026 new supply will decline by roughly 20% to 53.14 million NRSF.

The under-construction pipeline also continues to contract. Total under construction NRSF tracked by Yardi Matrix has fallen by 12.3% on a year over-year-basis. This has been driven by a nearly 18% decline in year-to-date 2026 starts compared to one year ago and confirms previous forecast expectations for a further 14.5% decline in 2027 new supply to 45.42 million NRSF.

Advertised rental rates tracked by Yardi Matrix remain under pressure. Year-over-year rate performance was negative in July, August, and September. Self Storage REIT's reported revenue and net operating income growth is no longer negative, but what revenue and net operating income growth the REIT's have achieved in 2026 is far below the growth rates that supported the post-pandemic development cycle.

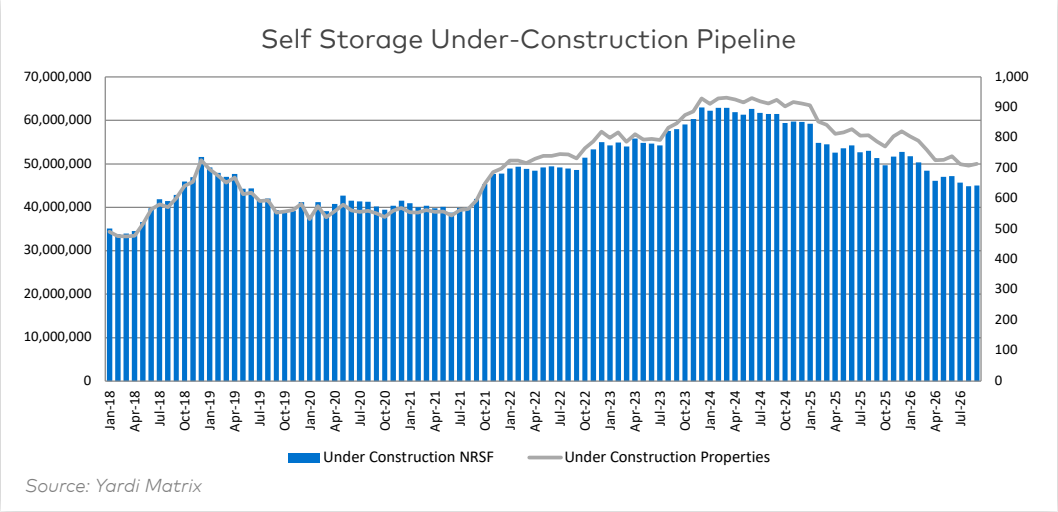
Short and long-term interest rates remain elevated. The forecast assumes elevated interest rates and weak advertised rental rate growth will continue into 2027. The combined effect is a continued decline in new construction activity that will drive further declines in new supply. The Q4 update continues to forecast 2028 new supply will decline to around 39.26 million NRSF or approximately 1.75% of existing stock.

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Under-Construction Pipeline

For markets covered by Yardi Matrix for at least 24 months, the under-construction pipeline ended Q3 2026 with 45.06 million NRSF. The under-construction pipeline has declined in six of the nine months so far in 2026. On a quarterly basis, the under-construction pipeline declined by 4.4% and on an annual basis the pipeline has declined by 12.3%.

Given current completion times, most of this inventory will complete in 2027 or early 2028. Continued declines in the under-construction pipeline is the primary driver behind the near 15% decline in forecast 2027 new supply relative to 2026.



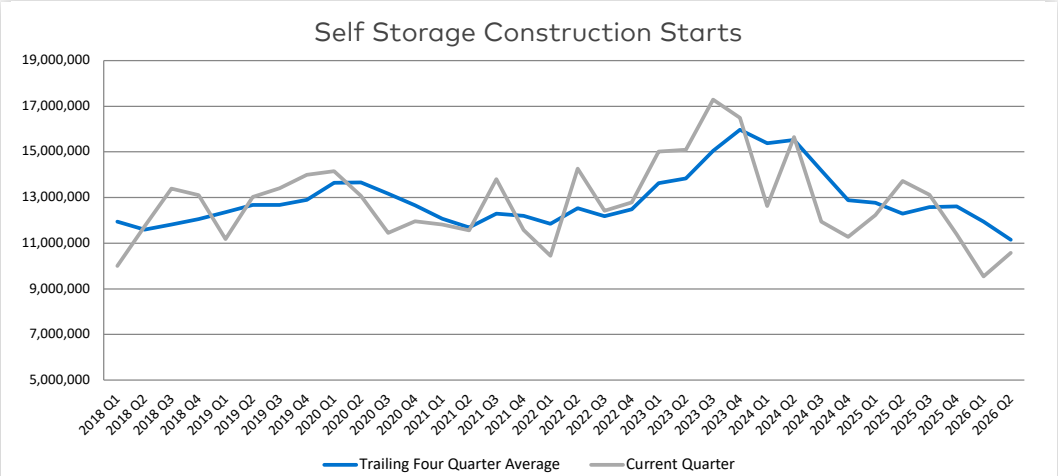
Source: Yardi Matrix

Construction Starts

The quarterly number of self storge construction starts identified by the Yardi Matrix research team peaked in Q3 2023 at 17.30 million NRSF and has since declined. Q2 2026 construction starts currently total 10.57 million NRSF. On a year-to-date basis, 25.90 million NRSF has been identified. This is 17.9% below the level observed during the same period one year ago.

Although total year-to-date construction starts are running below year ago levels, year to date NRSF at expansion projects is running 8.1% above year ago levels. At 3.33 million NRSF, expansion projects currently make up 12.8% of the total year-to-date NRSF.

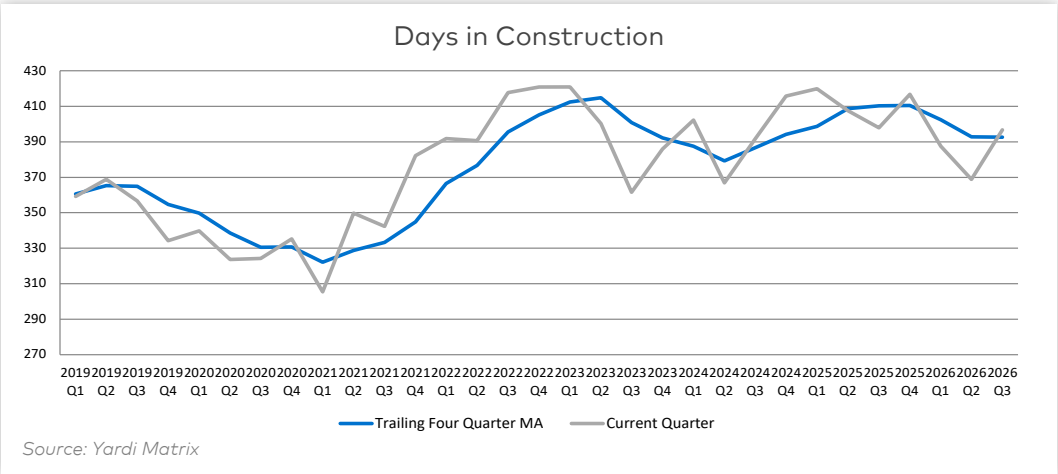
Yardi Matrix starts data is collected with a lag, so the figures discussed above will rise. However, the continued deceleration in new development momentum drives the forecast 13.2% decline in 2028 new supply below 2027's forecast level.



Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

Days in Construction

For properties completing in Q3, days in construction increased to 396 days (13.2 months). This is slightly above the trailing four quarter average of 396 days (13.1 months). Construction duration has increased significantly above pre-pandemic levels.



Source: Yardi Matrix

Long-Term Forecast: 2029 Through 2031

Longer term indicators of new self storage development remain weak. Both the planned and prospective pipelines continue to contract, and the level of abandoned and deferred projects remains elevated. A sustained decrease in the level of abandoned or deferred projects would indicate a material change in longer term development interest. Currently this is not occurring in our data.

Therefore, for 2029 through 2031, the forecast continues to model new supply staying around 1.7% of existing stock. For 2029 this equates to 39.54 million NRSF, with subsequent years seeing only modest increases in the amount of annual new supply.

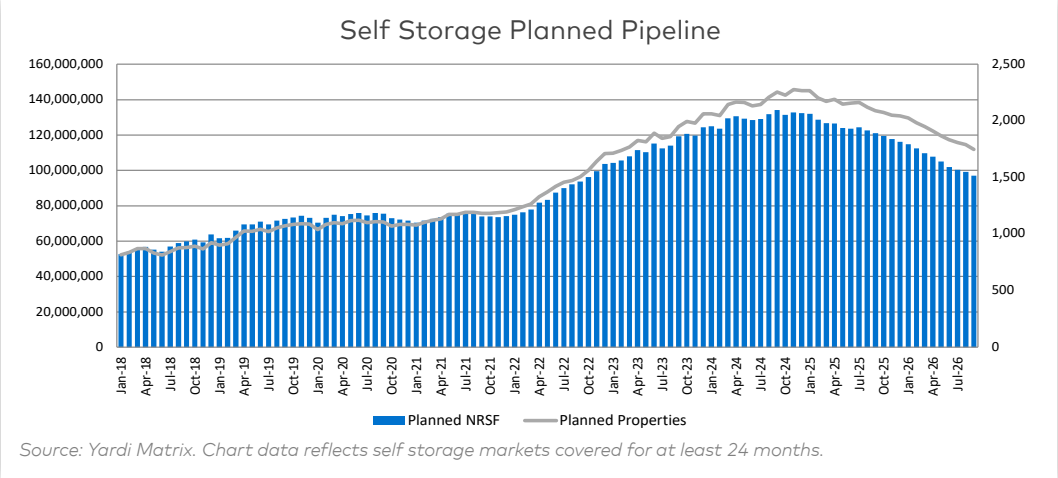
Over the longer term, the forecast assumes that fiscal deficits will continue to support the broader economy and minimize recession risk. While a sustained economic downturn is deemed unlikely, sizeable deficits do keep up upward pressure on inflation and interest rates. Higher interest rates will continue to suppress single home transaction activity which in turn suppresses longer term self storage demand.

Continued weak advertised rental rate growth and higher for longer interest rates makes new development difficult, but not impossible. Markets that continue to see steady population growth and are able to work through the current supply overhang will see relatively higher levels of new development. For markets with weaker forecast population growth, the long-term forecast has a reduced rate of new development.

Planned

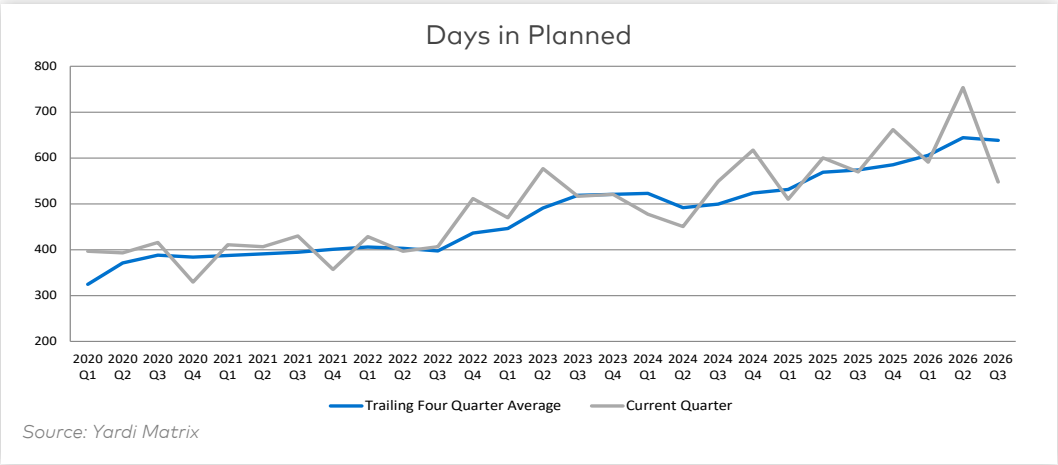
For markets covered by Yardi Matrix for at least 24 months, the planned pipeline contained 96.93 million NRSF at the end of Q3. On a quarterly basis the planned pipeline contracted by 4.9% and on an annual basis it has contracted by 19.9%.

The planned pipeline peaked in September 2024 with 134.20 million NRSF and has since steadily declined by 28%. The planned pipeline's persistent decline suggests that longer term new development interest remains subdued.



Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

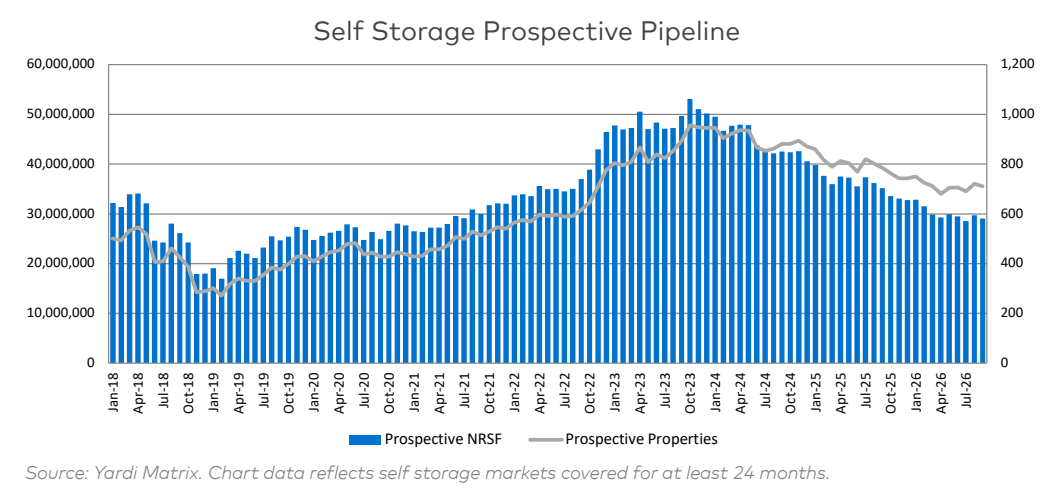
Days in planned for Self storage projects starting construction in Q3 declined to 548 days (18.3 months). This is a sharp drop from Q2's series high of 754 days. On a quarterly basis days in planned can be quite noisy, the smoother trailing four quarter average remains elevated at 639 days (21.3 months). This is more than 50% higher than the levels observed prior to the post-pandemic development cycle.



Source: Yardi Matrix

Prospective

The prospective pipeline ended Q3 2026 with 29.06 million NRSF, declining 1.6% on a quarterly basis and 17.3% on an annual basis. The prospective pipeline peaked in October 2023 and has since steadily declined by 45%. Another indication that longer term development interest remains tepid.

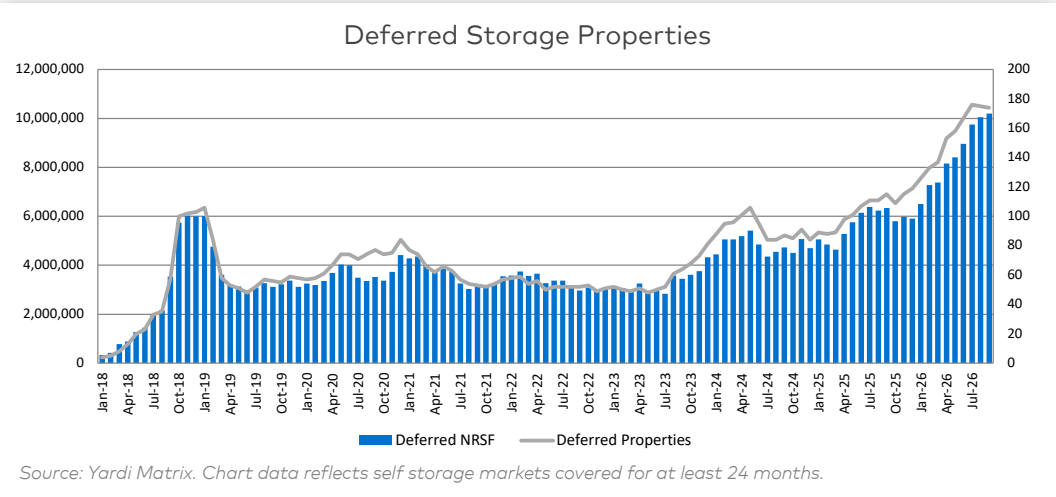


Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

Deferred

Development projects categorized as deferred by Yardi Matrix continue to increase. At the close of Q3, 10.21 million NRSF was contained in the deferred pipeline. This represents a 13.8% quarterly increase and a 60.9% annual increase.

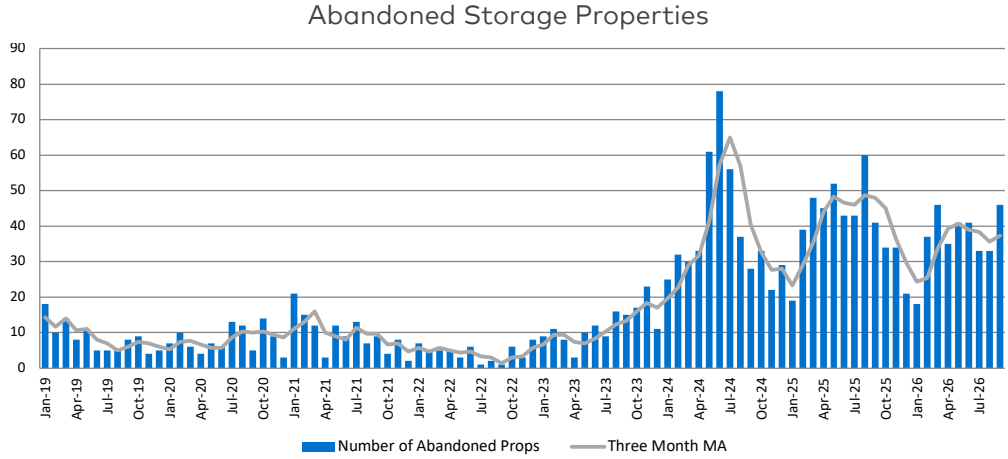
The deferred pipeline bottomed in July 2023, and has increased steadily since then. Notably, this preceded the prospective pipeline's peak by only a few months. A sustained decline in the deferred pipeline would be an early indicator that self storage new development activity is increasing.



Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

Abandoned

In the month of September, 46 self storage properties were categorized as abandoned, this is above the trailing three month average of 37 properties. The monthly number of abandoned properties tends to peak during the summer months and decline at year end. For 2026, the trailing three-month average peaked at 41 properties, slightly below what was recorded in 2025 and 2024. Despite the moderation observed in 2026, the level of abandoned properties remains well above what was seen in 2022.



Source: Yardi Matrix

Bottom Line

Both near and long term development pipeline data collected by Yardi Matrix indicates that self storage development activity has substantially declined from the post-pandemic peak. This was anticipated in previous forecasts and therefore the Q4 forecast update is unchanged compared to the Q3 forecast update. The forecast continues to expect new supply will decline to approximately 1.75% of stock by 2028 and remain at that level through 2031.

The level of completions and construction starts recorded through the close of Q3 2026 is well below year ago levels. This suggests 2026 new supply will fall 20% from 2025's 66.67 million NRSF to 53.14 million NRSF, with a further 14.5% reduction in 2027 new supply to 45.42 million NRSF.

Weak advertised rental rate growth and elevated interest rates have combined to significantly reduce longer term development enthusiasm. The number of deferred and abandoned projects remain at lofty levels and are not consistent with a turnaround in new development activity. As a result, 2028 forecast new supply falls to 1.75% of existing stock or roughly 39.26 million NRSF, with only minor increases in annual new supply thereafter.

As always, Yardi Matrix is extremely focused on accurately maintaining our development pipeline data and identifying any changes in self storage development activity.

—Ben Bruckner, Senior Research Analyst

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