



Yardi<sup>®</sup> Matrix

# National Self Storage Report

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November 2023



# Self Storage Supply and Rent Recap

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## Street rates continue to soften

- The self storage industry is still feeling the impact of broader economic forces on demand. Elevated residential mortgage rates have slowed home sales, reducing population mobility, a major driver of storage demand. As a result, storage operators continue to lower asking rates to drive new rental demand. Street rates fell month-over-month in October, and year-over-year growth remained negative at the start of the fourth quarter. Although construction activity is expected to slow, it has remained steady nationwide, creating another headwind for operators in the near term. However, in-place rents continue to trend upwards, supported by existing customer demand, helping bolster rental income for operators. In addition, the labor market remains relatively strong and inflation is slowing, which will benefit the storage industry as it helps boost the financial confidence of new and existing customers to utilize storage units.

## Street rates remain negative year-over-year

- Annual street rate growth stayed negative in October. The average annualized same-store asking rate per square foot for the main unit types and sizes was \$16.77 on a national level, marking a 4.2% drop from the average recorded in October 2022.
- Street rates also remained negative on an annual basis in October in nearly all of the top metros. Combined same-store rates for non-climate-controlled (NCC) units fell in all but one of the top metros on an annual basis, while asking rates for same-store climate-controlled (CC) units decreased in all of the top metros.
- Nationally, Yardi Matrix tracks a total of 5,006 self storage properties in various stages of development, including 864 under construction, 1,940 planned, 673 prospective, 1,457 abandoned and 72 deferred properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.8% of existing stock in October, a slight drop from the previous month.
- Yardi Matrix also maintains operational profiles for 29,234 completed self storage facilities in the U.S., bringing the total data set to 34,240. We are happy to announce the release of our new Gulfport-Biloxi storage market, which is now available to Yardi Matrix customers on the subscriber portal.