



Yardi[®] Matrix

National Self Storage Report

January 2025



Self Storage Supply and Rent Recap

Self storage industry balancing optimism and caution amid uncertainty in outlook for 2025

■ Yardi Matrix attended the New York Self Storage Association and KeyBanc Investor events in New York City from Jan. 7-9. In general, the conferences reflected a more pessimistic tone than in previous years due to the industry's challenges from persistently high interest rates. While occupancy appears to have stabilized and rent growth is improving, these trends vary by market. Northeast and Midwest markets, such as New York and Chicago, show signs of stabilization, while Sun Belt markets, like Atlanta and Florida metros, are still struggling with supply and demand issues. There is still uncertainty about when demand, particularly from home sales, will rebound from its long-term low. Nevertheless, public and private storage operators are projecting revenue and NOI growth of 2-4% in 2025 as supply eases and rate growth improves. The investment market, however, is sluggish, with high interest rates affecting both pricing and financing, which is keeping some sellers inactive even though investment capital is abundant from new entrants and private debt funds.

Year-over-year decline in advertised rates continues to lessen going into 2025

- While advertised rates continue to drop year-over-year on a national level, they are declining at a slower rate than in the previous 20 months. Nationally, advertised rates were down 2.3% year-over-year in December, with an annualized average rate per square foot of \$16.28 for the combined mix of unit sizes and types. Despite this marking the 27th consecutive month of year-over-year declines, December's decrease was notably less than its -3.5% average over the past 12 months.
- Annual advertised rate growth remains negative in most of Yardi Matrix's top metros. However, a handful saw rates improve year-over-year in December. While same-store rates for non-climate-controlled (NCC) units declined in 28 of the top 30 metros, Washington, D.C., and Tampa both saw NCC rates increase 0.2% year-over-year. For climate-controlled (CC) units, rates have dropped in 27 of the top 30 metros compared to a year ago.
- Nationally, Yardi Matrix tracks a total of 3,305 self storage properties in various stages of development, including 790 under construction, 2,053 planned and 462 prospective properties. The share of projects (net rentable square feet) under construction nationwide was equivalent to 3.1% of existing stock through the end of December, a 10-basis-point decrease from the month prior. Yardi Matrix also maintains operational profiles for 32,890 completed self storage facilities in the U.S., bringing the total dataset to 36,195.