Q1 2026

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Self Storage Supply Forecast Update

For the Q1 2026 update, the Yardi Matrix Self Storage Supply Forecast has been increased for all years. A modest increase in construction starts and the under-construction pipeline drive the increase in 2026 and 2027. For the later years, the forecast still assumes a decrease in annual completions, but at a level above previous forecasts.

Self Storage New Supply Forecast, Q1 2026 vs. Q4 2025

Year	Q1 2026	Q4 2025	% Chg
2025	–	59,441,341	–
2026	51,102,372	48,231,759	6.0%
2027	44,022,508	42,007,384	4.8%
2028	37,585,481	33,043,195	13.7%
2029	38,014,820	33,046,288	15.0%
2030	38,573,890	35,205,619	9.6%
2031	38,679,849	–	–

Source: Yardi Matrix

Near-Term Forecast: 2026 Through 2028

Q4 2025 Yardi Matrix development data indicated a modest rebound in new development activity. Self-storage construction starts increased in the second half of 2025, and as a result the under-construction pipeline increased to close Q4. Therefore, for this update, 2026 completions have been increased by 6.0% and 2027 completions by 4.8%.

National advertised rental rates stabilized in the second half of 2025. On a year-over-year basis, advertised rates have stopped declining and are now modestly increasing. National advertised rates tracked by Yardi Matrix increased 0.3% year-over-year in December.

The forecast continues to anticipate further declines in national self storage new supply from the post-pandemic cyclical high. However, the rebound in self storage construction starts exhibited in the latter half of 2025 as well as the improved advertised rental rate outlook suggest new supply will bottom at a higher level than previously anticipated.

Thus, for 2028 the Q1 update has increased forecast completions by 13.7% over Q4's forecast to 37.59 million net rentable square feet (NRSF).

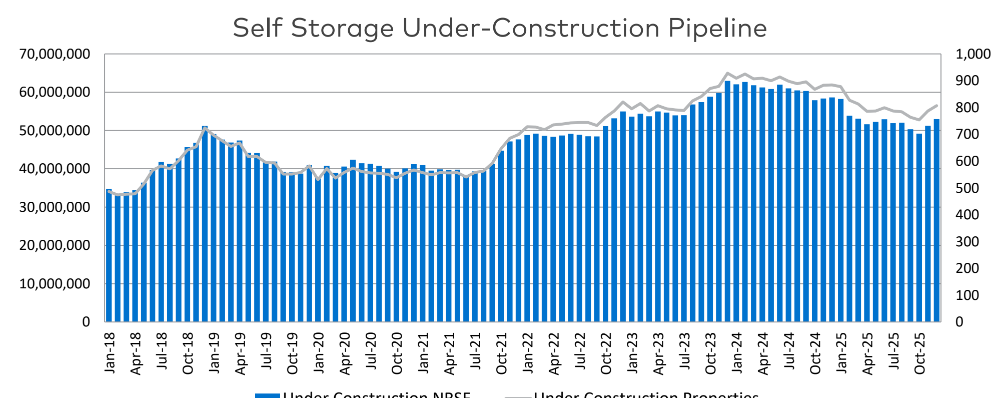
The near-term forecast assumes steady but unspectacular economic growth in 2026 that supports moderate self storage demand growth. However, continued fiscal deficits keep longer-term interest rates elevated, which implies continued elevated cap rates and home mortgage rates. The former suppresses valuations, transactions and new development. The latter suppresses single-family home sales, a key self storage demand driver.

Under-Construction Pipeline

New self storage development activity picked up in the second half of 2025. As a result, the under-construction pipeline increased on a quarterly basis for the first time since it peaked in December 2023.

For markets covered by Yardi Matrix for at least 24 months, the under-construction pipeline increased 5.3% on a quarterly basis to 52.96 million NRSF. This is 98.2% of the 53.92 million NRSF currently under construction in all markets covered by Yardi Matrix. On an annual basis, the under-construction pipeline declined by 9.7%.

Given current construction completion times, most of this inventory should be completed in 2026 or early 2027.



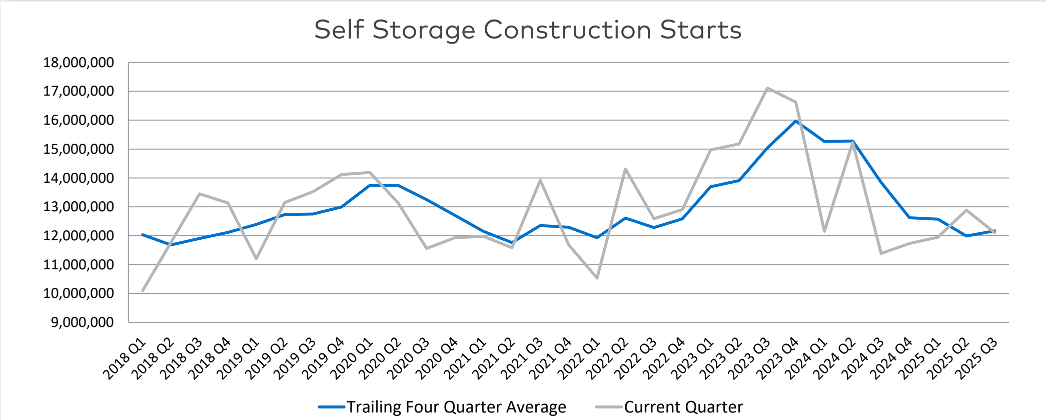
Source: Yardi Matrix

Construction Starts

As noted above, Yardi Matrix construction starts data suggests new development activity increased in the second half of 2025. Currently, the research team has confirmed 12.10 million NRSF started construction in Q3 2025 and 8.39 million NRSF have been confirmed for Q4.

Our construction starts data is collected with a lag, so the Q3 and Q4 numbers presented here will increase. Currently, confirmed Q3 and Q4 2025 construction starts are 6.2% above what was identified one year ago for Q3 and Q4 2024.

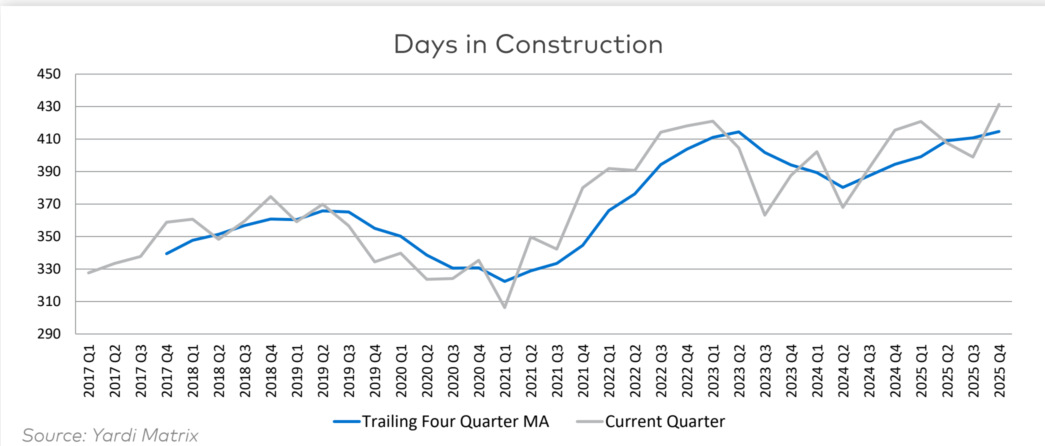
Weak advertised rental rate growth, oversupply in select markets, continued sluggish existing home sales and elevated longer-term interest rates will continue to make new development difficult but not impossible. This forecast update assumes that construction starts over the next 12 months will be slightly lower compared to one year ago.



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

Days in Construction

Construction completion times for properties completed in Q4 increased to 431 days (14.4 months). The quarterly series is noisy, but Q4's result is a new series high. The smoother trailing four-quarter average has also been trending higher since mid-year 2024 and now stands at an average of 414 days (13.8 months).



Source: Yardi Matrix

Long-Term Forecast: 2029 Through 2031

For the latter half of the forecast period, the forecast assumes the overall macroeconomic backdrop remains relatively unchanged. Continued high levels of fiscal spending support steady but unspectacular economic growth. Strong fiscal support makes the prospect of a recession low but also contributes to elevated longer-term interest rates.

The forecast therefore assumes mortgage and cap rates remain elevated over the longer term. Elevated cap rates suppress terminal valuations, transaction volumes and new development, while elevated mortgage rates limit any rebound in single-family home sales—which in turn limits self storage demand growth.

Continued contraction in the planned and prospective pipelines as well as an elevated level of deferred properties suggest that longer-term development interest continues to be limited. The longer-term forecast, therefore, continues to model a reduction in new supply over the later years, but at a level above previous forecasts.

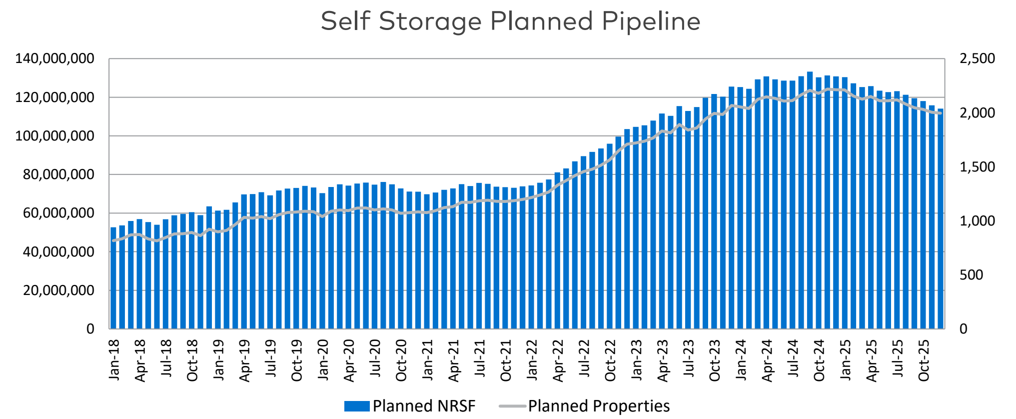
Previous forecasts had modeled a decline in national new supply to roughly 1.5% of stock. However, national advertised rental rates in the second half of 2025 modestly expanded on a year-over-year basis. Likewise, the second half of 2025 saw a slight increase in construction starts compared to 2024. As a result, the forecast has increased the national completions to 1.7% of stock for its later years.

Planned

At the close of Q4, the planned pipeline contained 114.07 million NRSF for markets that have been covered by Yardi Matrix for at least 24 months. This is 97.4% of the total planned NRSF contained within the 196 markets that Yardi Matrix currently covers. Twenty-four months ago, Yardi Matrix covered 164 markets.

On a quarterly basis the planned pipeline declined by 4.6%, while on an annual basis the planned pipeline declined by 12.8%. The planned pipeline peaked in September 2024 at 133.23 million NRSF.

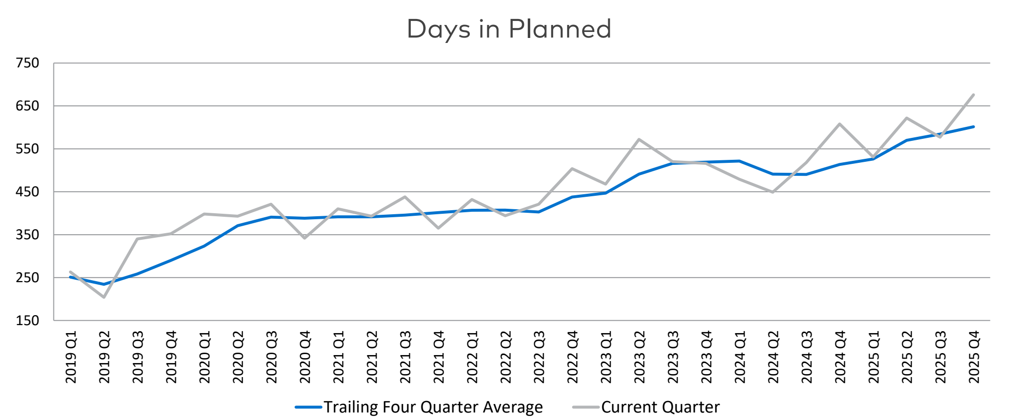
Currently, the planned pipeline is approximately 2.15 times as large as the under-construction pipeline. The ratio peaked in mid-year 2025 at roughly 2.4 times, but is now declining as the planned pipeline continues to decrease while the under-construction pipeline increased in Q4. Continued declines in the planned pipeline suggest longer-term development interest remains subdued.



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

Days in planned has noticeably increased since late 2024. Self storage projects starting construction in Q4 spent an average of 676 days (22.5 months) in planned status, well above the less volatile trailing four-quarter average of 602 days (20.1 months).

Days in planned has a wide distribution. For Q4, projects breaking ground spent as little as 153 days in planned (five months) or as long as 1,971 days (66 months). Prior to 2025, the number of projects that spent more than two years in planned averaged 18%. In 2025, that increased to 34%. The increasing number of projects spending lengthy periods in planned status is another indicator that current new development conditions are considerably more difficult than in years past.

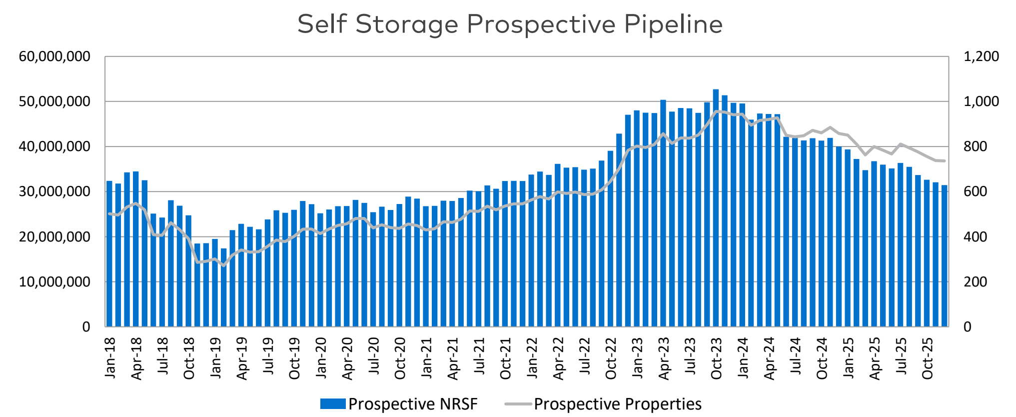


Source: Yardi Matrix

Prospective

For markets covered at least 24 months by Matrix, the prospective pipeline contained 31.45 million NRSF at the close of Q4. On a quarterly basis, the prospective pipeline declined 6.8%, while on an annual basis it declined 21.7%.

The prospective pipeline peaked in October 2023 at 52.69 million NRSF and has since declined by 40.3%. It is now approaching pre-pandemic levels of inventory.

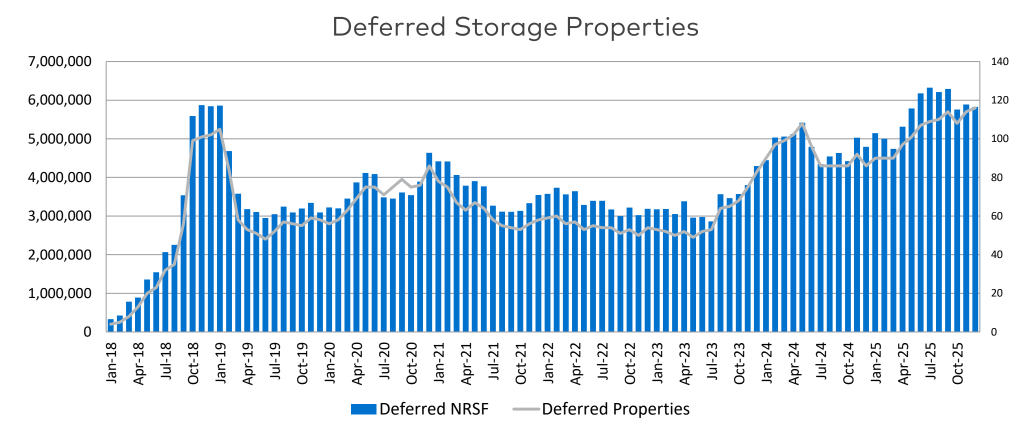


Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

Deferred

After plateauing in Q3, the deferred pipeline in Q4 declined by 8.1% to 5.83 million NRSF. On a year-over-year basis, the deferred pipeline increased by 20.1%.

The deferred pipeline bottomed in July 2023 at 2.86 million NRSF and has since increased by 104%. Despite the Q4 decline, the deferred pipeline remains twice as large as it was during the peak of the last development cycle.

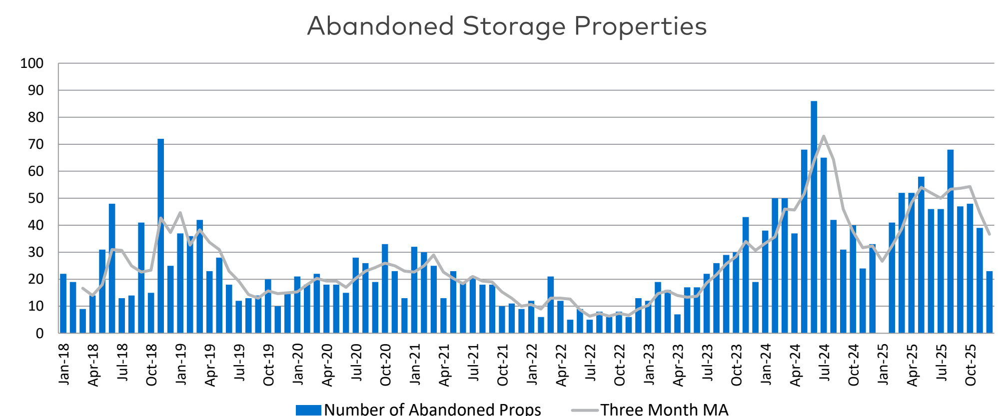


Source: Yardi Matrix. Chart data reflects self storage markets covered for at least 24 months.

Abandoned

The number of projects categorized as abandoned declined noticeably at the close of 2025. Twenty-three projects were classified as abandoned in December, well below the trailing three-month average of 36 projects.

A similar decline was recorded at the end of 2024, only for the number of abandoned properties to increase through the spring and summer. Whether late 2025's decline is a seasonal artifact or an early sign of shifting new development attitudes remains to be seen. By the end of Q1 2026, there should be greater clarity.



Source: Yardi Matrix

Bottom Line

The Q1 2026 self storage supply forecast update has increased forecast completions for all years. New construction activity in the second half of 2025 was slightly ahead of 2024's level. This increased the under-construction pipeline in Q4, and as a result forecast completions for 2026 have increased by 6.0% to 51.1 million NRSF and for 2027 by 4.8% to 44.0 million NRSF.

In addition to improved new development activity, national advertised rental rates returned to modest year-over-year growth in the latter half of 2025. Combined, these conditions suggest that some amount of stabilization is occurring in the self storage development landscape. As a result, the forecast for the later years was increased by approximately 10% to 15%. For the later years, the forecast is now modeling supply to be between 37.5 million and 38.7 million NRSF, or roughly 1.7% of existing stock.

Despite the modest signs of stabilization, the overall shape of the forecast has not changed. The forecast continues to show new supply bottoming at levels well below the peaks of the recent development cycle. Longer-term indicators of self storage development interest remain broadly negative. Both the planned and prospective pipelines continue to contract, while the deferred pipeline remains unusually large.

2025's second-half rebound in rates and new construction decreases forecast certainty. If over the course of 2026 these trends prove durable, subsequent forecasts will need to be revised higher. 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