

Q2 2026

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Self Storage Supply Forecast Update

For the Q2 2026 update, the self storage supply forecast has been increased for all years by 2.3% to 3.5%. The increase accounts for the 30 new markets Yardi Matrix has added to its coverage since July 2025. The overall shape of the forecast is unchanged. The supply forecast continues to model supply falling to approximately 1.75% of stock by 2028.

Self Storage New Supply Forecast, Q2 2026 vs. Q1 2026

Year	Q2 2026	Q1 2026	% Chg
2026	52,880,850	51,102,372	3.5%
2027	45,037,343	44,022,508	2.3%
2028	38,619,606	37,585,481	2.8%
2029	39,046,143	38,014,820	2.7%
2030	39,619,632	38,573,890	2.7%
2031	40,033,835	38,679,847	3.5%

Source: Yardi Matrix

Near-Term Forecast: 2026 Through 2028

A modest increase in new self storage development activity marked the end of 2025. As a result, year-end 2025 saw the under-construction pipeline increase to 54.46 million net rentable square feet. Current construction completion times suggest most but not all of this inventory will be completed in 2026, roughly 52.88 million NRSF.

Q1 2026 construction starts are currently 29% below the pace recorded one year ago. This suggests 2025's decline in new construction is continuing into 2026. How new construction activity evolves over the coming year will largely determine how much new supply arrives in 2027.

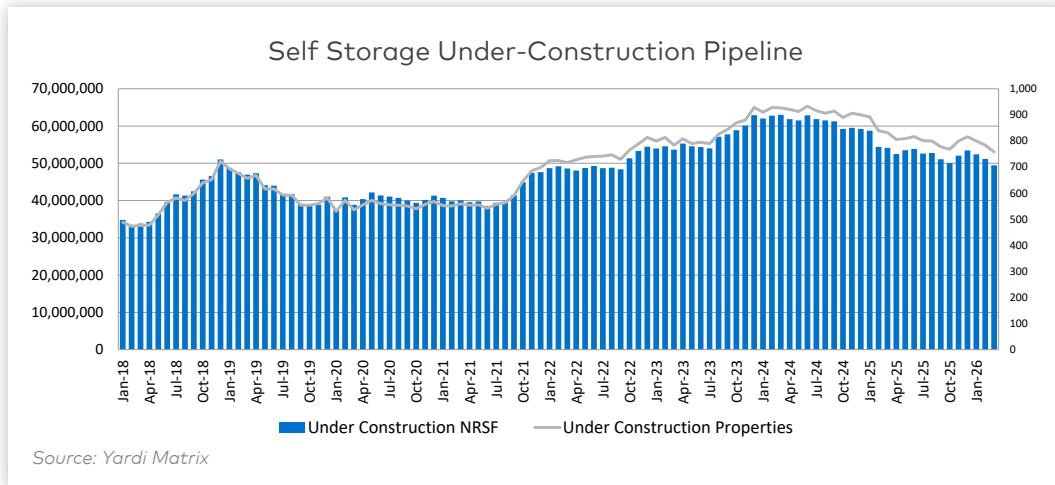
There are few signs that a near-term rebound in self storage demand will take hold in 2026. Advertised rental rates remain under pressure, especially in Sun Belt markets that are struggling to absorb excess supply. In addition, long-term interest and mortgage rates remain elevated. The former elevates cap rates, suppressing valuations, transactions and new development. The latter suppresses single-family home sales, a key self storage demand driver.

As a result, the supply forecast continues to expect 2027 new supply to decline to approximately 2.5% of existing stock, or 45.04 million NRSF, with a further decline in 2028 new supply to 1.72% of existing stock, or 38.62 million NRSF.

Under-Construction Pipeline

After increasing in Q4 2025, the under-construction pipeline returned to contraction in Q1 2026.

For markets covered by Yardi Matrix for at least 24 months, the under-construction pipeline decreased in Q1 2026 by 5.9% on a quarterly basis to 49.48 million NRSF. For all markets, the under-construction pipeline contained 50.26 million NRSF at the end of Q1 2026. On an annual basis, the under-construction pipeline declined by 14.5%. Most of this inventory should be completed in 2026 or by mid-year 2027.

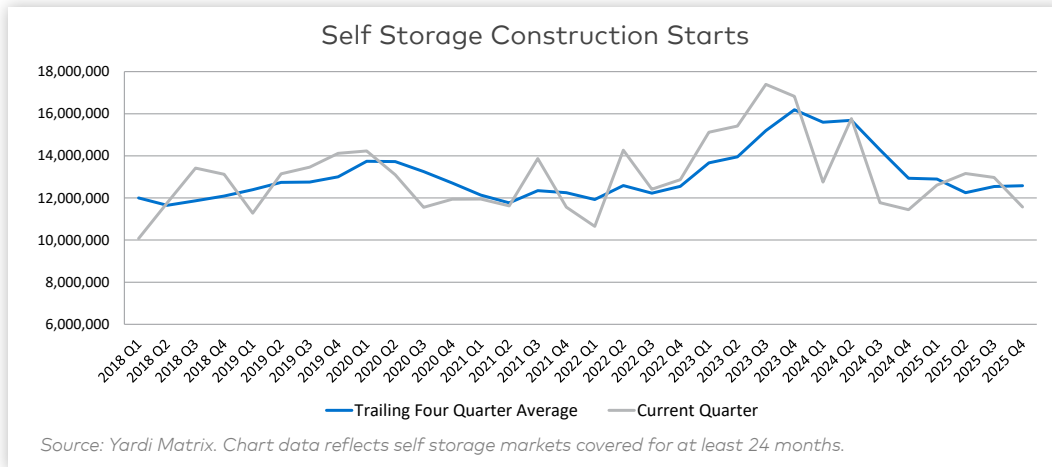


Construction Starts

Self storage construction starts declined in Q4 2025 to 11.57 million NRSF, falling below the trailing four-quarter average of 12.58 million NRSF.

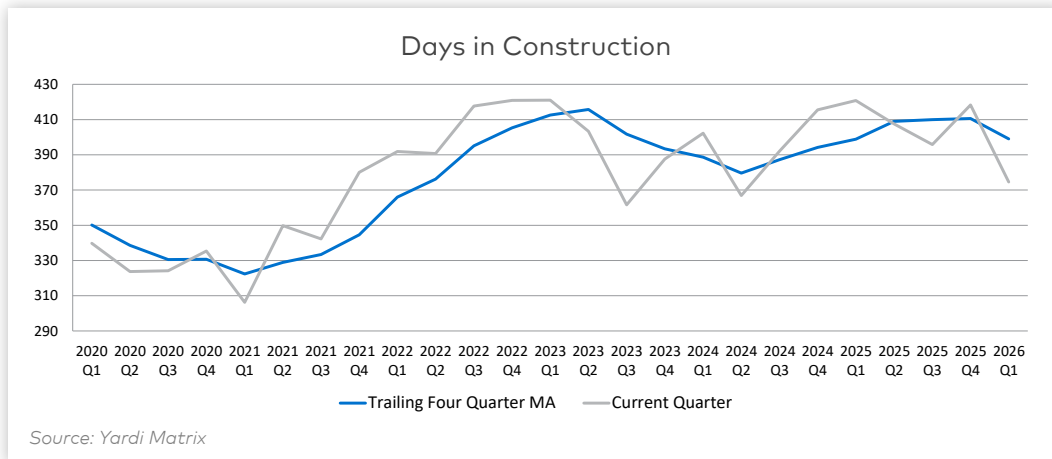
As of early April, Yardi Matrix had identified 5.12 million NRSF that started construction in Q1 2026. Our construction starts data is collected with a lag, so Q1 numbers presented here will increase. However, this is approximately 29% below the 7.20 million NRSF identified during the same period one year ago.

Weak net operating income growth, oversupply in select markets, and continued elevated long-term interest rates will combine to make for a difficult new-development environment. The Q2 forecast update models 2026 construction starts declining from 2025 levels.



Days in Construction

For properties completed in Q1, days in construction declined to 375 days (12.5 months), while Q4 days in construction was revised down to 418 days (13.9 months). Current-quarter days in construction is now below the trailing four-quarter average of 399 days (13.3 months).



Long-Term Forecast: 2029 Through 2031

For the later years, the forecast continues to model new supply at roughly 1.7% of existing stock. Development pipeline data still suggests tepid long-term self-storage development interest. Both the planned and prospective development pipelines keep contracting, while the deferred pipeline and the monthly number of abandoned projects remain well above the lows recorded during the last development cycle.

Like the near-term forecast, the long-term portion assumes longer-term interest rates and mortgage rates remain elevated. Relatively higher interest rates are in part driven by continued fiscal spending, which supports the greater economy. Broader economic growth will be steady but unspectacular, but the probability of recession is low.

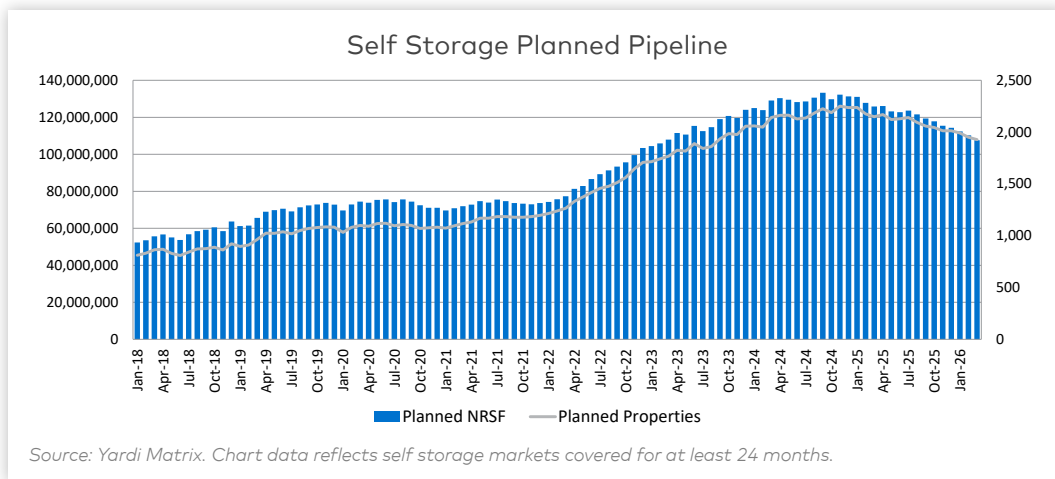
Higher mortgage rates will continue to weigh down single-family home sales over the longer term, removing a key self storage demand driver. As a result, the longer-term forecast assumes new supply will continue to be slowly absorbed and advertised rental rate growth will be weak.

New development will be difficult but not impossible and will be well below what was delivered during the 2022 and 2023 peak of the last development cycle. For 2029, new supply increases off 2028's bottom to roughly 39.04 million NRSF. Subsequent years are forecast to see a modest increase to 40.03 million NRSF by 2031.

Planned

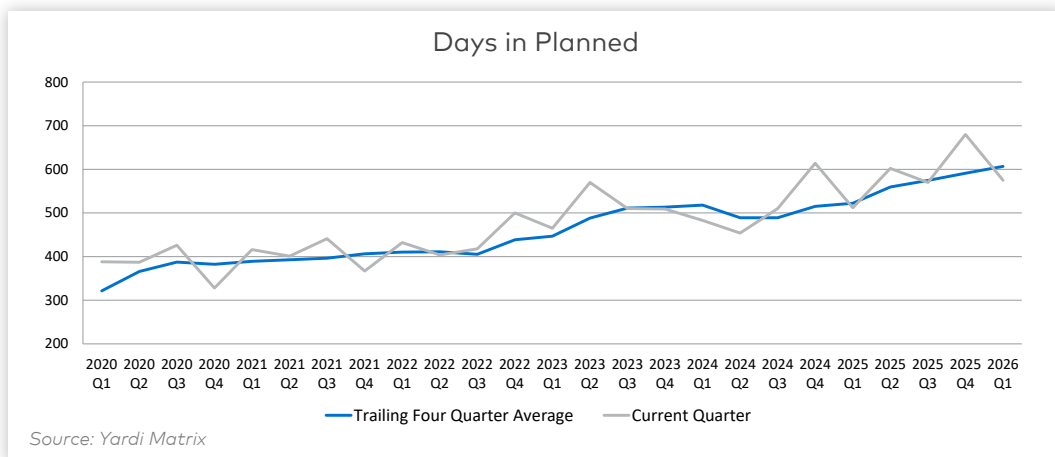
For markets covered by Yardi Matrix for at least 24 months, the planned pipeline contained 107.62 million NRSF at the close of Q1. Over the past quarter, the planned pipeline declined by 5.9%, with a 14.1% drop year-over-year. For all markets covered by Yardi Matrix, the planned pipeline contained 110.83 million NRSF, or roughly 2.2 times the NRSF currently under construction.

The planned pipeline peaked in September 2024 at 133.24 million NRSF and has since declined by 19%.



Self storage projects starting construction in Q1 spent an average of 583 days (19 months), a notable decrease from the 676 days recorded in Q4. The trailing four-quarter average currently stands at 610 days (20.3 months) and has consistently increased since mid-year 2022.

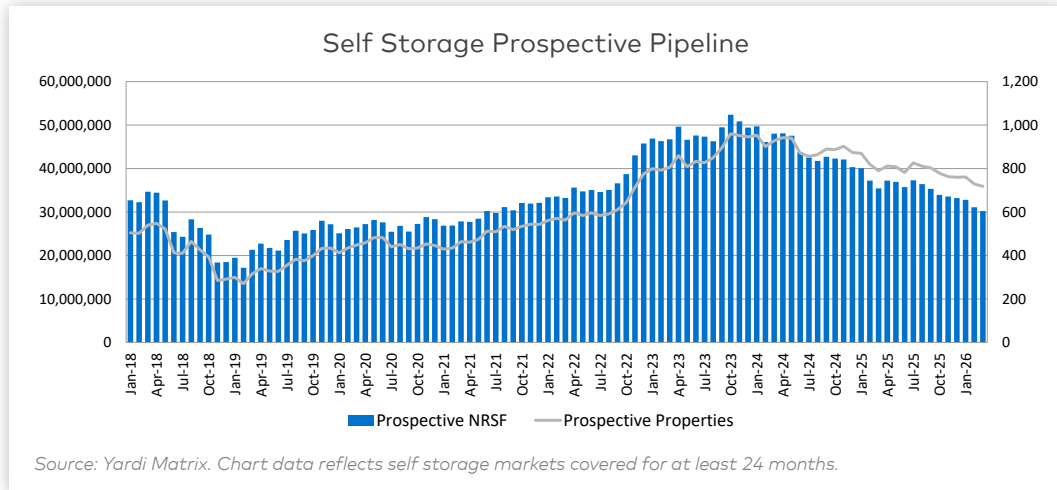
Historically, about 20% of projects spent more than two years in planned status. However, since late 2024, the number of projects spending more than two years in planned status has increased, reaching 40% in Q1 2026.



Prospective

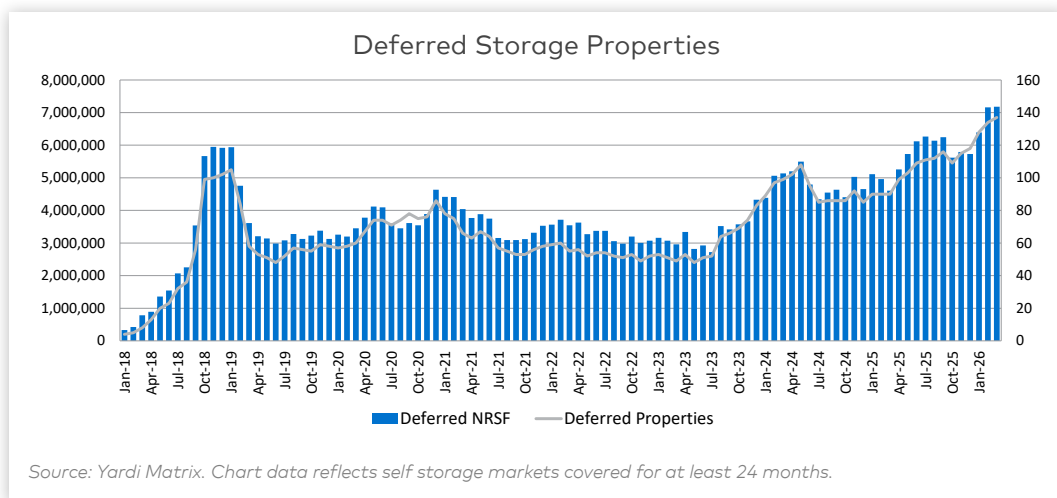
The prospective pipeline continues its decline. For markets tracked by Yardi Matrix for at least 24 months, the prospective pipeline contained 30.20 million NRSF at the close of Q1, a 9.2% decline quarter-over-quarter and a 14.1% decline from year-ago levels.

The prospective pipeline peaked in October 2023 at 52.39 million NRSF and has since declined by 42.4%.



Deferred

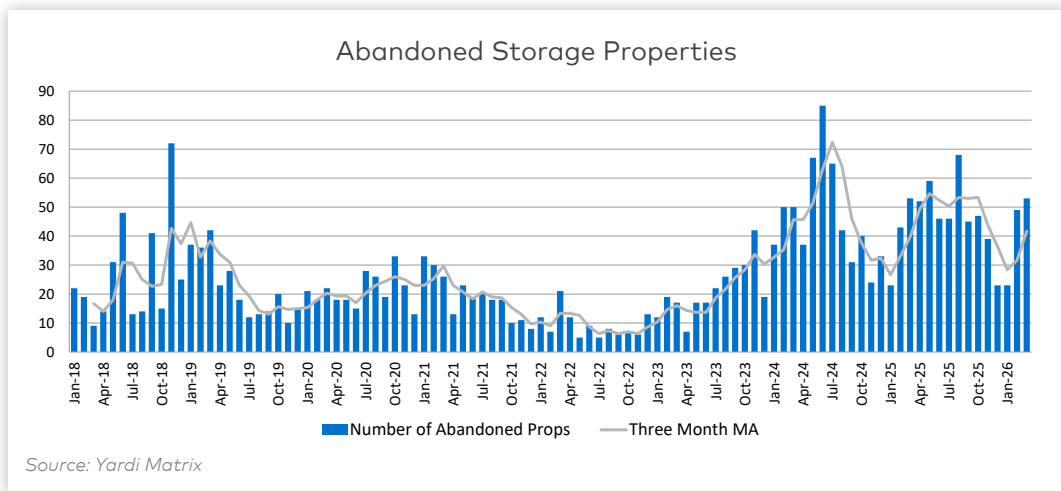
After a slight contraction in Q3 and Q4 2025, the deferred pipeline expanded in Q1 to 7.18 million NRSF, a 22.7% increase quarter-over-quarter and a 49.0% increase over year-ago levels. The deferred pipeline bottomed in July 2023 at 2.72 million NRSF and has since more than doubled in size.



Abandoned

After a sharp seasonal decline to end 2025, the monthly number of properties categorized as abandoned increased throughout Q1. In all, 53 properties were categorized as abandoned in March, with the trailing three-month average increasing to 42.

Since 2024, the monthly number of self storage development projects categorized as abandoned has been consistently above 20 properties. During the peak of the last development cycle, the monthly number of abandoned projects fell to an average of six projects per month.



Bottom Line

Yardi Matrix has added 30 markets to its coverage since July 2025. To account for our expanded reach, the Q2 2026 self storage supply forecast update has increased forecast completions for all years by 2.3% to 3.5%.

The overall shape of the forecast remains unchanged, with new supply forecast to decline to 1.7% of existing stock by 2028.

Both the near- and long-term development pipeline data continue to suggest self storage development interest has substantially declined. 2026 year-to-date construction starts have declined compared to 2025, while the under-construction, planned and prospective pipelines continue to contract. The number of projects abandoned or in deferred status are currently well above the levels recorded at the peak of the last development cycle.

New supply delivered over the last development cycle continues to pressure rental rates, particularly in Sun Belt markets.

Given the above, the forecast continues to assume new supply will bottom in 2028 and marginally increase in 2029 through 2031, but to levels well below what was recorded in previous development cycles. 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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