

Weekly NEWSLETTER



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Self-Storage Market Trends Show Stabilization In Q2 2025

- National self-storage rents declined by just 0.4% year-over-year in April 2025, with signs of sequential improvement and strong spring leasing activity.
- Chicago and Tampa recorded the highest annual rent growth among major markets at 3.0% and 2.8%, respectively. In contrast, San Diego and Austin experienced the steepest declines, with rents falling by 3.1% and 2.9%.
- Public REITs lead rent growth efforts in smaller markets, a sign of increased confidence and improved outlook for Q2.

Rising Construction Costs for Self-Storage Facilities

- President Trump announced a doubling of tariffs on imported steel and aluminum to 50% effective June 4.
- U.S. hot-rolled coil steel prices rose by 7.4% following the announcement, and the aluminum market premium surged 54%.
- Lumber prices also showed volatility. While framing lumber composite price fell by 1.3% to its lowest level since February, it remains 15.7% higher than a year ago.

Our Thoughts

- REIT activity suggests a shift from defense to selective offense, with peak season underway. Self-storage owners may want to revisit pricing strategies and occupancy goals as demand stabilizes in key submarkets.
- Development becomes more expensive and less feasible in many markets as construction material costs increase. However, existing facilities may benefit from reduced competitive supply and stronger pricing power.



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