

WEEKLY NEWSLETTER



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Yardi Reports National Self-Storage Rental Rates Decline Slightly in January

- Advertised self-storage rental rates declined 0.2% year-over-year in January to \$16.27 per square foot, compared to 0.3% growth in December and 0.6% growth in November.
- Climate-controlled rates increased 0.2% year-over-year in January and non-climate-controlled rates declined 0.5%.
- Supply under construction equaled 2.5% of existing inventory nationwide at the end of January, down slightly from 2.6% in December.

Markets See Low Probability of Near-Term Rate Cut

- Markets are currently pricing in approximately a 2.0% probability of a rate cut at the next Federal Reserve meeting.
- The federal funds target rate remains at 3.50%-3.75%, unchanged at the January 2026 meeting after three reductions in 2025.
- Fed official, Austan Goolsbee, stated that additional rate cuts will depend on inflation moving closer to the Fed's 2% target.

Our Thoughts

- The modest decline in advertised rents reflects a more measured operating environment and underscores the importance of disciplined underwriting and realistic performance expectations.
- Current market pricing and Federal Reserve commentary suggest limited visibility on near-term rate reductions and emphasize the need to evaluate transactions under current financing conditions.



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