

Weekly NEWSLETTER



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Jobs Reports Fuel Expectations of Rate Cuts

- The August jobs report showed 22,000 jobs added, while unemployment rose to 4.3%, the highest since 2021.
- Total job growth for 2025 is just under 600,000, the slowest start to a year since 2009 outside the pandemic.
- Traders now place a 75% chance of rate cuts at all three remaining Fed meetings, with the 2-year Treasury yield down to 3.5%, a three-year low.

National Rates Show Signs of Stabilization

- National advertised rents held flat year-over-year in July at \$16.91 per square foot, though they declined 0.6% month-over-month as leasing season cooled early.
- Climate-controlled units outperformed, with 0.5% annual rent growth, compared to a 0.4% decline for non-climate-controlled units.
- REITs continued to lead in pricing power, with 1.1% year-over-year rent gains versus a 0.6% decline at non-REIT facilities.

Our Thoughts

- Rent stabilization led by climate-controlled units and REIT pricing power suggests a market floor and creates selective acquisition opportunities as smaller operators face pressure.
- The 15 basis point decrease in interest rates over the last week marks the lowest level in nearly 12 months. This trend will support more attractive valuations and continued buyer interest.



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