WEEKLY NEWSLETTER

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Yardi's June Report Shows Self-Storage Rates Stabilizing as Seasonal Gains Build

- Advertised self-storage rates increased 0.8% month-over-month in May to $16.34 per square foot, the strongest May gain since 2023.
- Advertised self-storage rates fell 1.8% year-over-year in May, a slight improvement from -1.9% in April and -2.0% in March. Minneapolis and Indianapolis were the only markets with positive annual growth.
- The under-construction pipeline held at 2.2% of existing inventory, with Florida markets (Tampa, Orlando and Sarasota–Cape Coral) facing the heaviest supply pressure.

Nuveen Sees a Self-Storage Investment Window Opening

- Nuveen Real Estate, which manages $3.7 billion in self-storage assets, says 2026 could mark an inflection point with values stabilizing and acquisitions available at reset prices.
- The firm has identified the Midwest as a key focus due to higher starting cap rates, lower new supply, and stronger growth potential relative to other regions.
- Nuveen anticipates continued sector consolidation, with smaller owners facing growth constraints electing to sell to institutional groups or transition to third-party management.

Our Thoughts

- The narrowing year-over-year rate decline is encouraging, but sequential gains remain largely seasonal rather than demand-driven. Markets with lower supply, particularly in the Midwest, continue to outperform Sun Belt metros still absorbing recent deliveries.
- Nuveen's outlook reinforces what we are seeing on the ground. Institutional buyers are active and selective, and private owners with well-located assets are well-positioned to transact. Now may be a good time to obtain an updated valuation.

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