

WEEKLY NEWSLETTER



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Fed Cuts Rates for First Time this Year

- The Federal Reserve cut rates by a quarter point to 4%–4.25% and signaled two more reductions could follow this year amid rising labor market risks.
- Stephen Miran, newly sworn in as a Fed governor, supported a deeper half-point cut, while seven of nineteen officials signaled fewer reductions this year, a sign of division within the central bank.
- Projections show most officials expect rates to fall to 3.5%–3.75% by year-end.

Storage Sector Stabilizes with Modest Gains

- National self-storage rental rates rose 0.3% year-over-year in August to \$16.91 per square foot, the strongest gain since 2022.
- REIT facilities posted a 1.2% rental rates increase, while non-REIT operators saw a 0.2% decline.
- New supply under construction fell to 2.7% of existing self-storage inventory, though Tampa, New York, and D.C. remain active.

Our Thoughts

- Lower rates can reduce financing costs for acquisitions and refinancing, potentially boosting transaction activity and supporting valuations across the self-storage sector.
- Stabilizing self-storage rental rates combined with slowing new supply suggest firmer cash flows, giving investors greater confidence in asset performance and the potential for steady long-term returns.



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Storage Center**



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