

# Weekly NEWSLETTER



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## Climate-Controlled Units Show Strength as National Rates Level Off

- June 2025 national average asking rents across all unit types held at \$16.90 per square foot, a near-flat performance compared to the prior year.
- Climate-controlled units reported a 0.4% annual increase, showing stronger resilience than non-climate-controlled units, which declined by 0.4%.
- Among the top 30 metros, 19 reported gains for climate-controlled units and 13 reported gains for non-climate-controlled units.

## Construction Prices Rise While Steel Costs Ease Slightly

- The Producer Price Index rose 0.9% in July, the sharpest monthly increase since June 2022 and well above expectations.
- Core producer prices, which exclude food, energy, and trade services, increased by 0.6% in July, the largest jump in more than two years.
- Steel mill products, a primary building material in self-storage, eased to 308.1 in July from 309.6 in June (*PPI index value, base year 1982 = 100*).

## Our Thoughts

- The continued climate-controlled rent strength highlights sustained tenant demand for premium space. Investors with holdings in climate-controlled facilities may see more stable returns even as overall rent growth levels off.
- Rising input costs, paired with only slight relief in steel prices, keep new development challenging. Current owners will face reduced competition from new supply as construction becomes less feasible.



## RECENT LISTINGS



### Fifth Avenue Self Storage

### LA Self Storage



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