

# MARKET TRENDS & INVESTOR SURVEY U.S. SELF STORAGE

H1 2025

Better never settles



Photo provided by Wentworth Property Company

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# 01 SELF STORAGE MARKET HIGHLIGHTS



*Photo provided by Wentworth Property Company*

# SELF STORAGE MARKET HIGHLIGHTS

The H1 2025 Cushman & Wakefield Valuation Index represents an aggregation of property data from approximately 520 properties throughout the U.S. valued by Cushman & Wakefield. The aggregate market value of this proprietary dataset totals approximately \$5.0 billion, with key valuation assumptions detailed in this report.

Transaction volume totaled nearly \$2.85 billion in the first half of 2025, which is less than one percent above the total transaction volume reported for the first half of 2023. This level of volume is more in line with transaction trends prior to the surge in self storage investments realized between 2020 and 2022. During this period (2020 to 2022), nearly \$50 billion in transaction volume was realized, far exceeding the \$35 billion in transaction volume realized in the seven years prior (2013 – 2020).

After peaking at \$174.00 per square foot (psf) in Q1 2023, self storage valuations have tapered, declining for six consecutive quarters, to an average of \$159.00 psf in Q2 2025, down 12% from peak levels according to Real Capital Analytics. The average price per square foot over the past nine quarters average \$152.00 psf.

Capitalization rates for self storage reached an all-time low of 5.0% in Q4 2022, with the widest spread between self storage and apartments in Q2 2022 of 52 basis points (bps). Over the past six quarters, the average capitalization rate has averaged 5.8%.

Self storage rent growth surged in the immediate aftermath of the pandemic, reaching an average all-time high of \$134.00 per unit in Q3 2022. Since this time, the average asking rent has ranged from \$124.00 to \$132.00 per unit with an average of \$128.00 per unit. Average rents began to decrease in the second half of 2023, primarily due to softening net demand, new supply and tenants being aware of financial constraints. However, the typical duration of a tenant stay has remained stable.

Elevated construction costs and the possibility of tariffs on construction materials, along with the lack of construction debt liquidity have pushed construction levels downward to more normalized levels. According to Dodge Pipeline, there was a significant increase in the number of projects put on hold in Q2 2025, signaling construction may remain at more moderate levels for the foreseeable future.

Of the 40+ self storage experts who participated in Cushman & Wakefield's investor survey, 56% expect to see little to no change in capitalization rates over the next 12 months. The slowing housing market was named as the top concern for self storage investments and valuations, noted by 39% of survey respondents, followed by interest rates with nearly 35% of respondents.

# 02 CAPITAL MARKETS FUNDAMENTALS

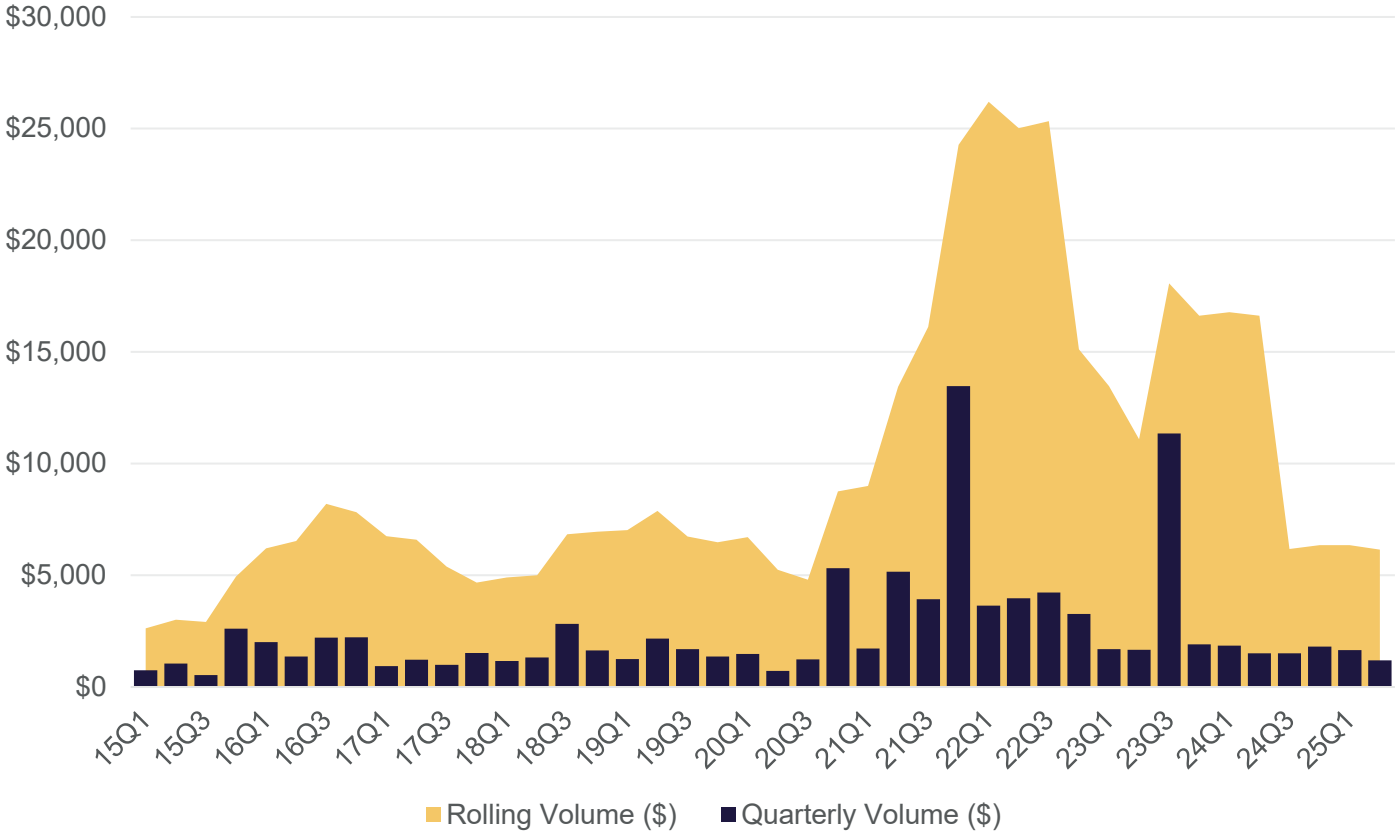


*Photo provided by Wentworth Property Company*



# CAPITAL MARKETS

## Transaction Volume

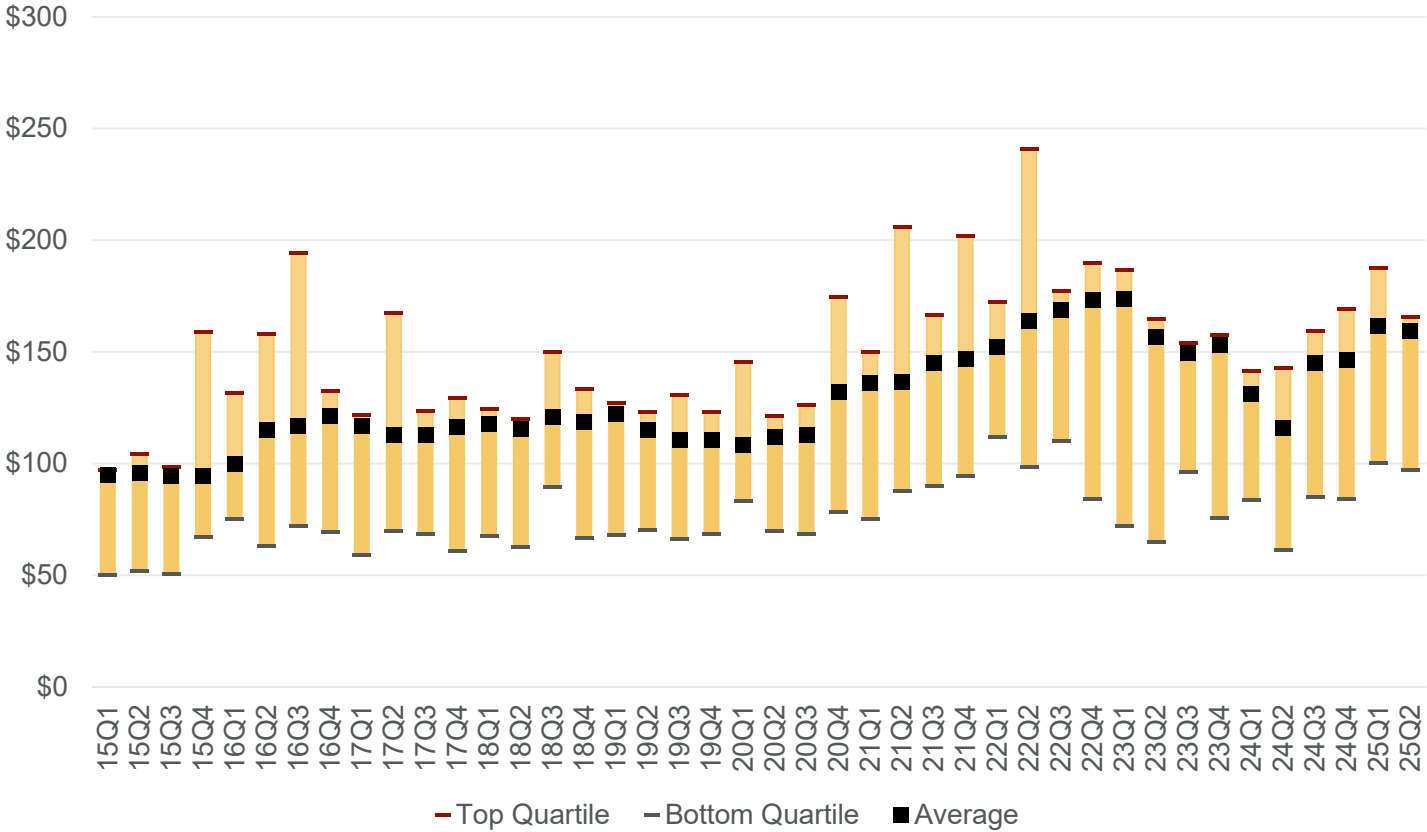


- Self storage investment volume surged coming out of the COVID-19 pandemic, reaching an all-time quarterly high of \$13.5 billion in Q4 2021. This activity was mostly comprised of large portfolio investments by institutional capital.
- Transaction volume did subside yet remained well above pre-pandemic levels through 2022.
- Except for a handful of portfolio transactions realized in Q3 2023, which was due to REIT activity, investment volume has normalized over the past year or so. It is a widely-held view that self storage property fundamentals are strong.
- In the market for self storage properties, investor interest remains high, and investors are continuing to seek value-add opportunities in both primary and secondary markets.
- From Q1 2020 to Q4 2022, the average Year-Over-Year (YoY) quarterly change in transaction volume was 115%, whereas, since that time (Q1 2023 to Q2 2025) the average figure was -6.0%.

Source: Real Capital Analytics; Cushman & Wakefield

# CAPITAL MARKETS

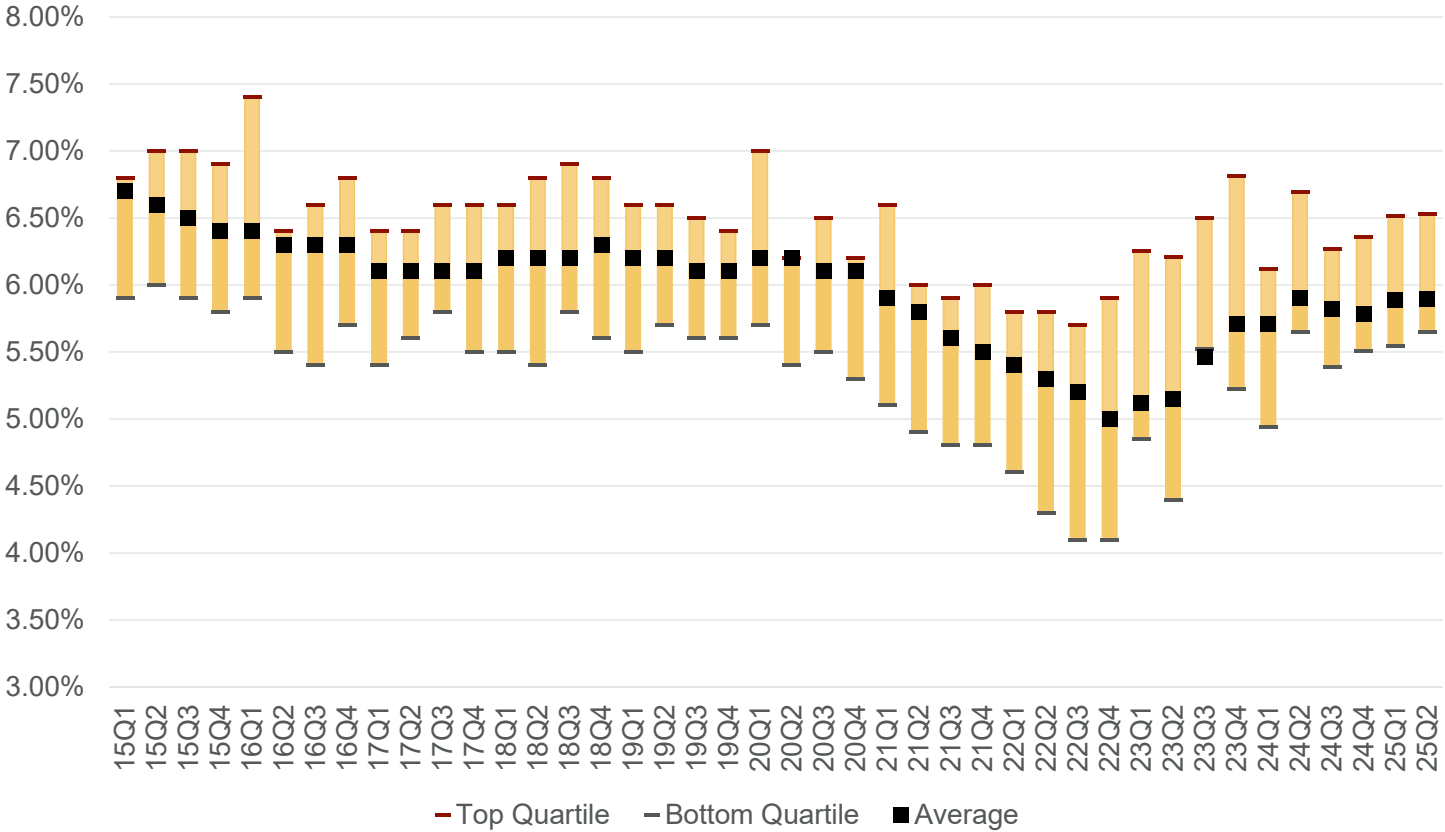
## Price Per Square Foot



- The highest average was \$174.00 psf in Q1 2023, followed by a decline in self storage valuations for approximately 7 consecutive quarters, to an average of \$159.00 psf in Q2 2025.
- Pricing disparity has tightened; the difference in purchase price between the top quartile and bottom quartile averaged \$70.00 psf for the prior six quarters, compared to \$94.00 psf between Q1 2020 – Q4 2022).
- Investor appetite has seen a shift to “Class B” investments and secondary markets as heightened interest rates increase the cost of debt, making higher-priced Class A properties more difficult to attain and encouraging well-positioned owners and operators to hold their investments. Value-add opportunities are being sought out more by some regional and institutional groups.

# CAPITAL MARKETS

## Capitalization Rates



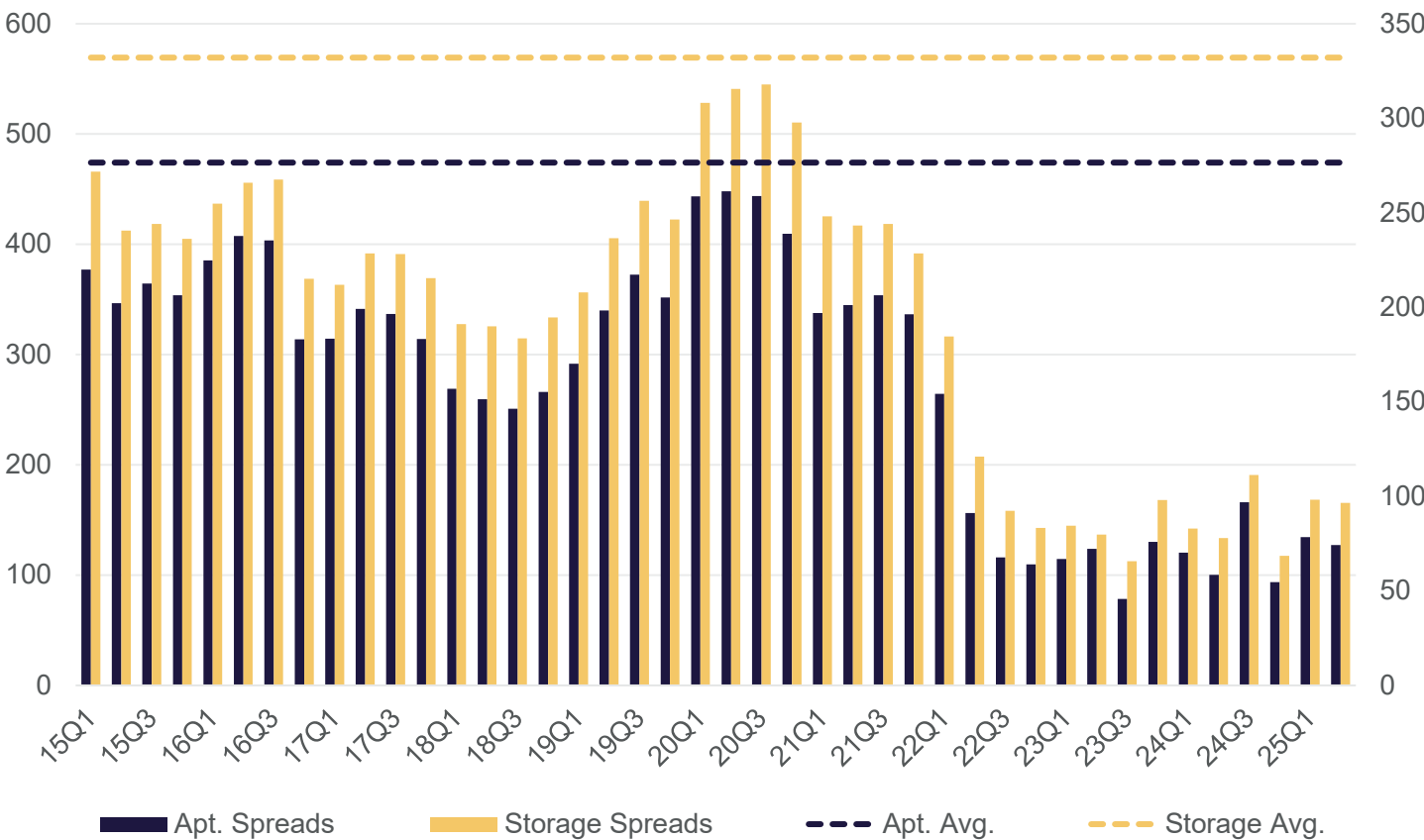
- Investors have historically turned to self storage for higher risk-adjusted returns. Capitalization rates for self storage reached an all-time low of 5.0% in Q4 2022 and had the widest cap rate spread between self storage and apartments of 52 pbs. Over the past six quarters, the average self storage capitalization rate has averaged 5.8%.
- Over the first half 2025, the lack of movement in interest rates have essentially kept self storage capitalization rates at stable levels. Stabilized Class A properties remain in the 5.00% to 5.50% range with Class B in the 5.50% to 6.50% range.
- Self storage investors still feel fundamentals are strong and the market has upside in all primary and secondary markets. Even with expectations of the Federal Reserve cutting interest rates in the near future, we should expect to see capitalization rates remain relatively stable.

Source: Real Capital Analytics; Cushman & Wakefield



# CAPITAL MARKETS

## Capitalization Rate Spreads (Storage vs. Apartments)

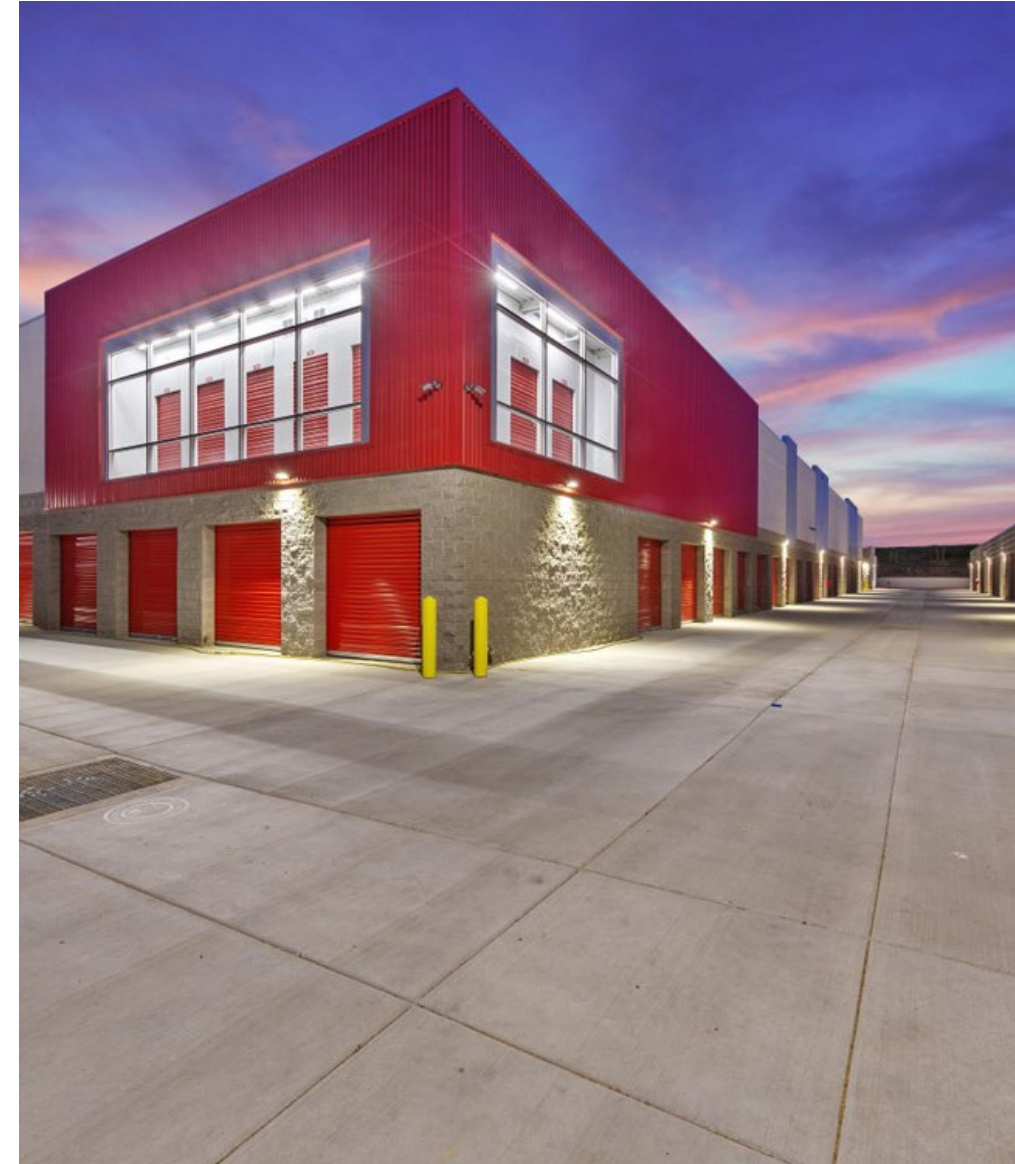


- As the cost of capital has increased it has pushed capitalization rates upward. The average spread between capitalization rates and the 10-year Treasury has compressed significantly, reaching a low of 112 bps in Q3 2023 for self storage.
- Over the past 10 quarters, the self storage sector has averaged 148 bps between the 10-Year Treasury and capitalization rates, with apartments averaging 119 bps—a 29 bp difference.
- For perspective, the self storage sector averaged 370 bps between the 10-Year Treasury between A1 2020 and Q4 2022 and the spread during that time with apartments was 302 bps – a 69-bp difference.
- Average spreads continue to be below historical levels; however, it appears the markets have shown some levels of stabilization.

Source: Real Capital Analytics; Cushman & Wakefield

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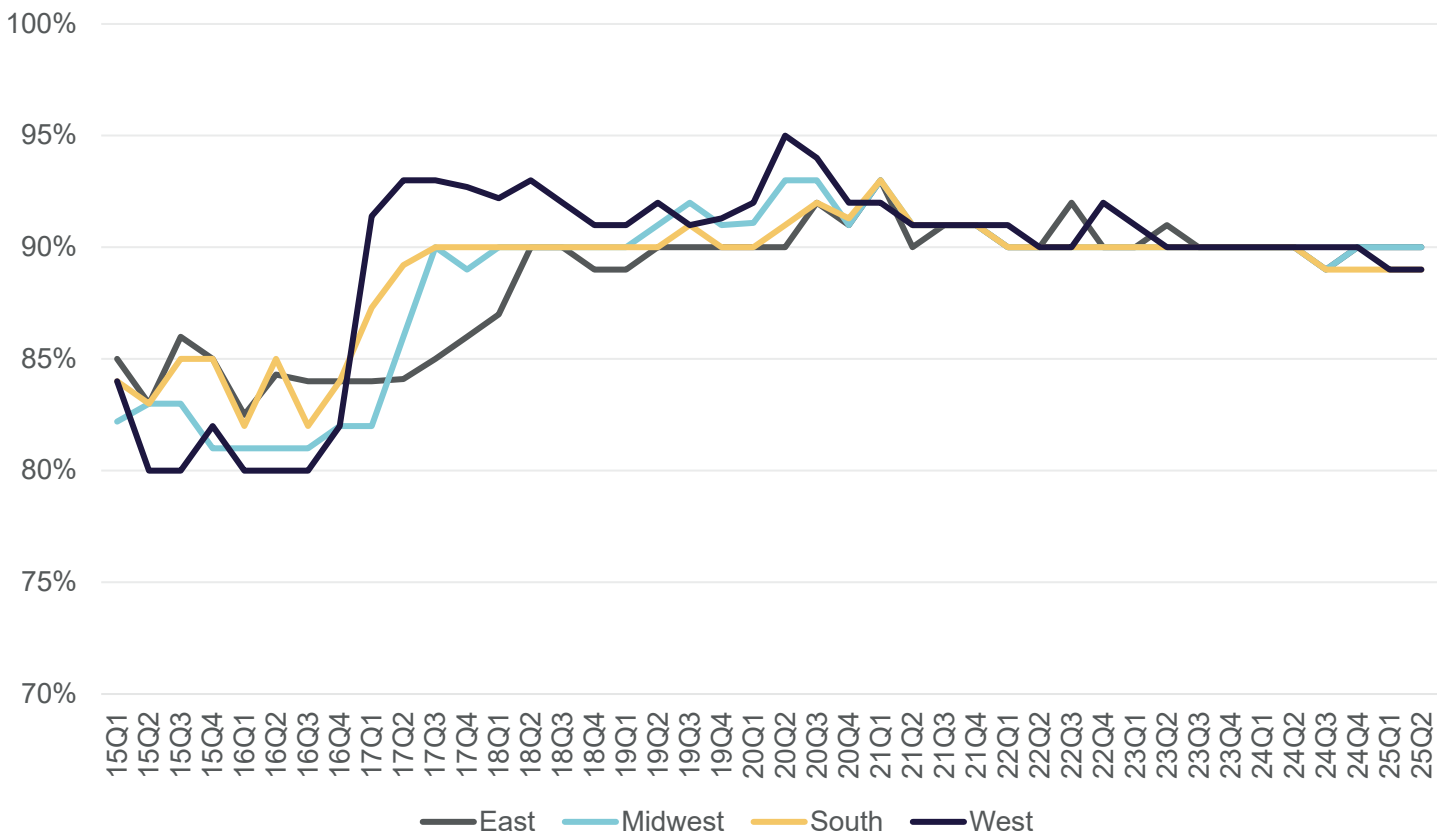
# PROPERTY MARKETS FUNDAMENTALS



*Photo provided by Wentworth Property Company*

# PROPERTY MARKETS

## Regional Occupancy Trends



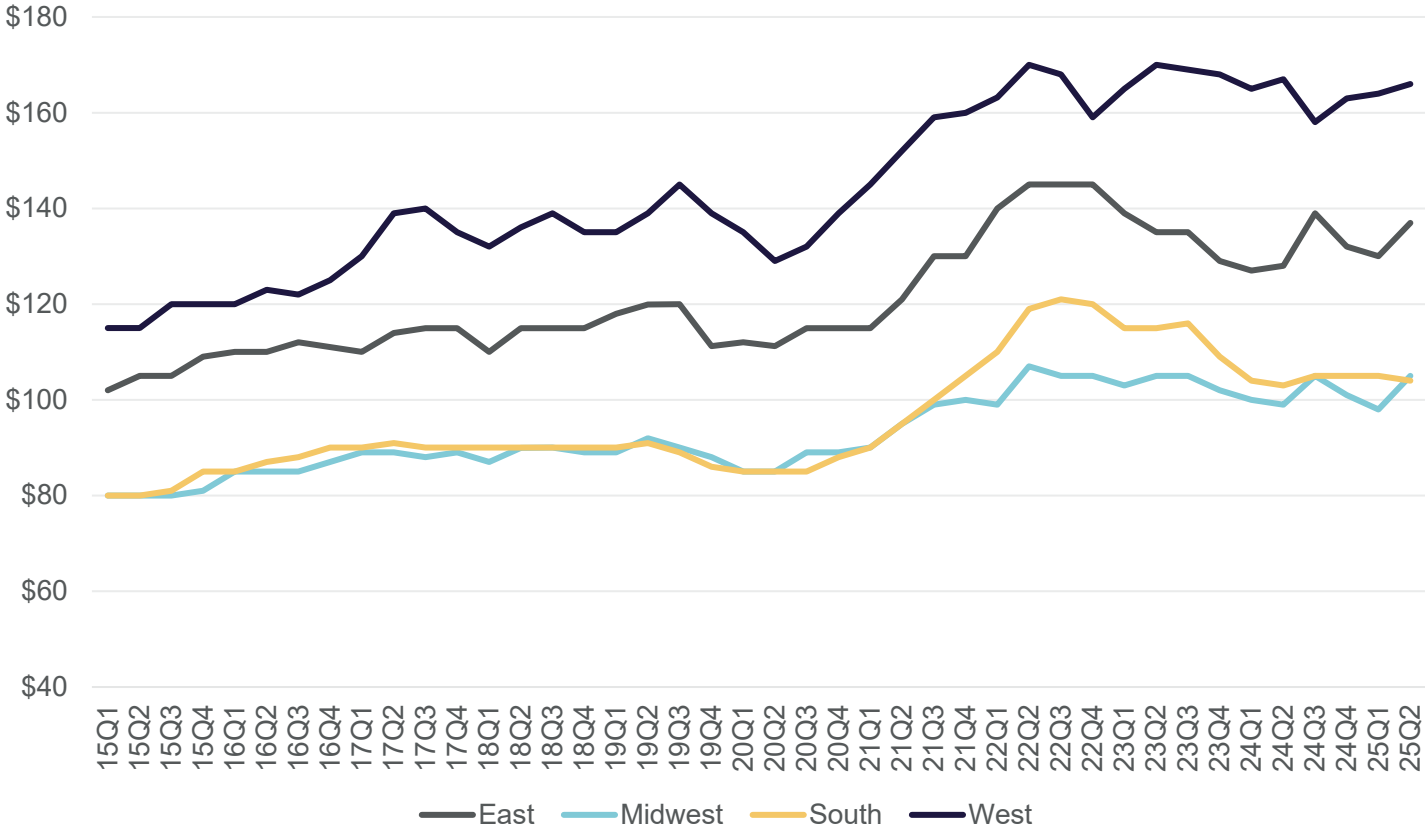
- Average occupancy for self storage pushed above 90% in 2017, driven by increased migration flows, remote work, and a thriving residential market. The sector continued to realize robust market fundamentals with a peak occupancy of 93% reached in Q1 2021.
- Since 2023, the average occupancy rate has been at 90% with all regions ranging between 89% to 92% physical occupancy. However, decline in home sales combined with an influx of new storage supply over the past couple years have driven occupancy levels in some markets.
- Occupancy levels have essentially remained flat since the beginning of 2024, with small declines noted in some regions.

Source: Cushman & Wakefield Self Storage Property Index (H1 2025)



# PROPERTY MARKETS

## Asking Rents Per Unit



- Self storage rent growth surged in the immediate aftermath of the pandemic, reaching an average all-time high of \$134.00 per unit in Q3 2022. Since then, the average asking rent has ranged from \$124.00 to \$132.00 per unit with an average of \$127.00 per unit.
- Average rents began to decrease in the second half of 2023, primarily due to softening net demand, new supply, and tenants' financial constraints. However, the typical duration of tenant stays has remained stable.
- In Q2 2025, the East and West subregions represent the highest asking rents at \$166.00 per unit and \$137.00 per unit, respectively.
- Existing Customer Rate Increases (ECRI) have provided a stable balance to softening asking rents. As a result, in place rates have remained steady and even increased for some properties.

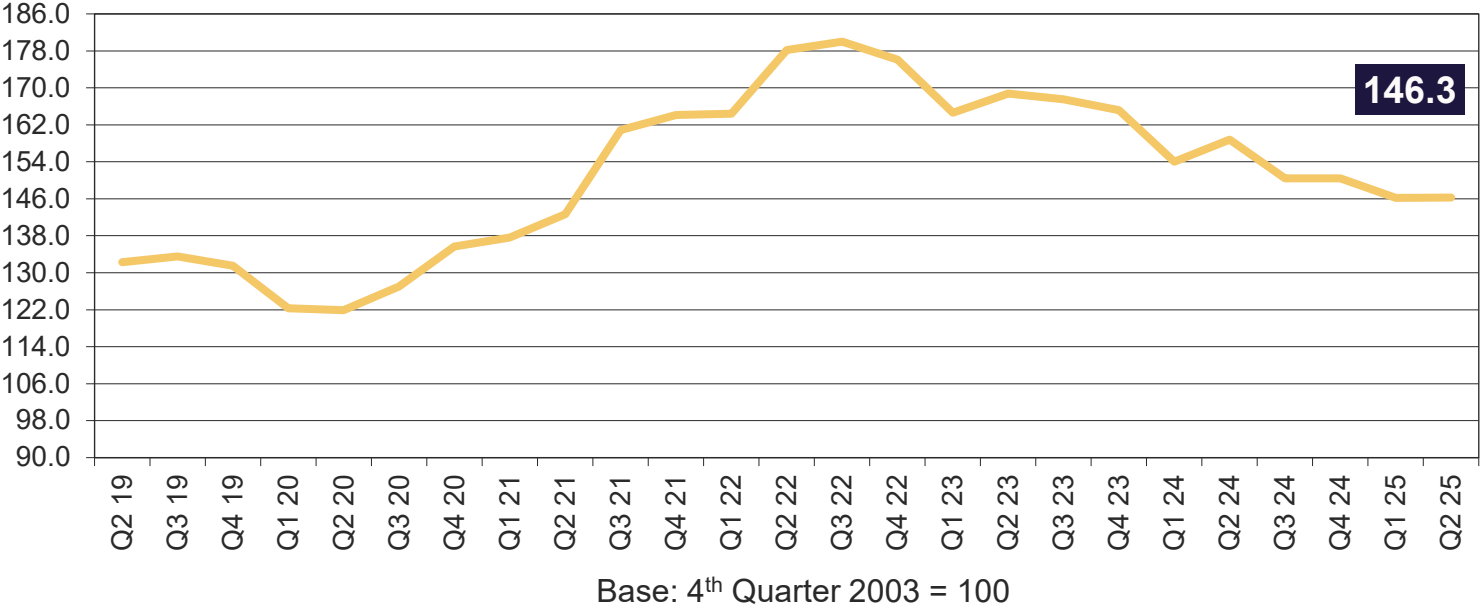
Source: Cushman & Wakefield Self Storage Property Index (H1 2025)

# 04 SELF STORAGE VALUATION INDICES



# SELF STORAGE VALUATION INDICES

## Self Storage Performance Index - H1 2025



- The Cushman & Wakefield Self Storage Performance Index represents an aggregation of property data from approximately 415 properties throughout the U.S. appraised by Cushman & Wakefield. It measures changes in net operating income, taking into consideration changes in asking rents, physical occupancy, concessions and operating expenses.
- The U.S. Self Storage Performance Index® (SSPI) increased 0.1% in Q2 2025 compared to last quarter and is down 7.9% from last year. The SSPI for Q2 ending June 30, 2025, now stands at 146.3% and down 7.9% from Q2 2024.

Source: Cushman & Wakefield Valuation Index (H1 2025)



# SELF STORAGE VALUATION INDICES



## Regional Performance Trends

### Regional Market Performance (Median)

Region	Northeast	East	Mideast	Midwest (W)	Southeast	Southwest	Mountain	Pacific
Physical Occupancy	90.0%	90.0%	89.0%	90.0%	89.0%	90.0%	89.0%	89.0%
Rent per Available SF	\$1.12	\$1.01	\$0.93	\$0.81	\$0.95	\$0.99	\$1.28	\$1.46

### Regional Market Performance Index - Q2 2025 vs. Q2 2024 (Median)

Region	Northeast	East	Midwest (E)	Midwest (W)	Southeast	Southwest	Mountain	Pacific
Physical Occupancy	0.0%	0.0%	-0.5%	-0.0%	0.0%	0.0%	0.0%	-2.0%
Rent per Available SF	-2.2%	-2.6%	-3.8%	-0.2%	-16.7%	0.0%	-3.0%	-4.3%
Percent Offering Concessions	58.7%	69.3%	39.7%	96.1%	45.0%	82.4%	90.9%	76.8%
Effective Cost of Concessions	8.1%	8.6%	9.4%	8.3%	9.4%	7.8%	9.3%	9.5%

Physical occupancy remained relatively level on a regional basis as rents per available square foot posted a YoY decline, except for the Southwest region where rents remained relatively flat. The Southeast and Pacific regions realized the greatest decline in rent per available square foot at -16.7% to -4.3%, respectively.

For median asking rental rates per square foot, the Las Vegas-Paradise, NV MSA showed the strongest occupancy gains, with average economic occupancy increasing by 4.0% YoY, followed by the San Jose-Sunnyvale-Santa Clara, CA and Richmond, VA MSAs up 2.45% and 2.16%, respectively.

# SELF STORAGE VALUATION INDICES

## Top 10 MSAs for Economic Occupancy Growth

Top 10 MSAs YoY Economic Occupancy Growth	Q2 2025			YoY Change			MSA vs. U.S. Average		
	Actual Occupancy	Economic Occupancy	Actual Rent PSF	Occupancy (BPS)	Eco. Occ. (BPS)	Actual Rent PSF	Occupancy (BPS)	Eco. Occ. (BPS)	Actual Rent PSF
Minneapolis-St. Paul-Bloomington, MN-WI	95%	87%	\$1.09	60	<b>68</b>	7%	59	34	-11%
Jacksonville, FL	86%	78%	\$1.15	20	<b>55</b>	-13%	-31	-57	-5%
Chicago-Naperville-Joliet, IL-IN-WI	95%	87%	\$1.10	50	<b>50</b>	-8%	59	35	-10%
Kansas City, MO-KS	92%	83%	\$0.99	30	<b>43</b>	-5%	29	1	-22%
Hartford-West Hartford-East Hartford, CT	87%	81%	\$1.29	-10	<b>40</b>	-7%	-21	-22	6%
Las Vegas-Paradise, NV	95%	87%	\$1.23	30	<b>27</b>	-14%	59	33	2%
Buffalo-Cheektowaga-Tonawanda, NY	82%	75%	\$1.25	-20	<b>26</b>	4%	-71	-83	3%
Denver-Aurora, CO	89%	80%	\$1.45	0	<b>17</b>	3%	-1	-34	17%
Detroit-Warren-Livonia, MI	90%	80%	\$1.00	10	<b>15</b>	6%	9	-33	-21%
Tampa-St. Petersburg-Clearwater, FL	91%	82%	\$1.03	10	<b>13</b>	-4%	19	-10	-17%



Source: Cushman & Wakefield Self Storage Property Index (SSPI)

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**SELF STORAGE  
INVESTOR SURVEY**



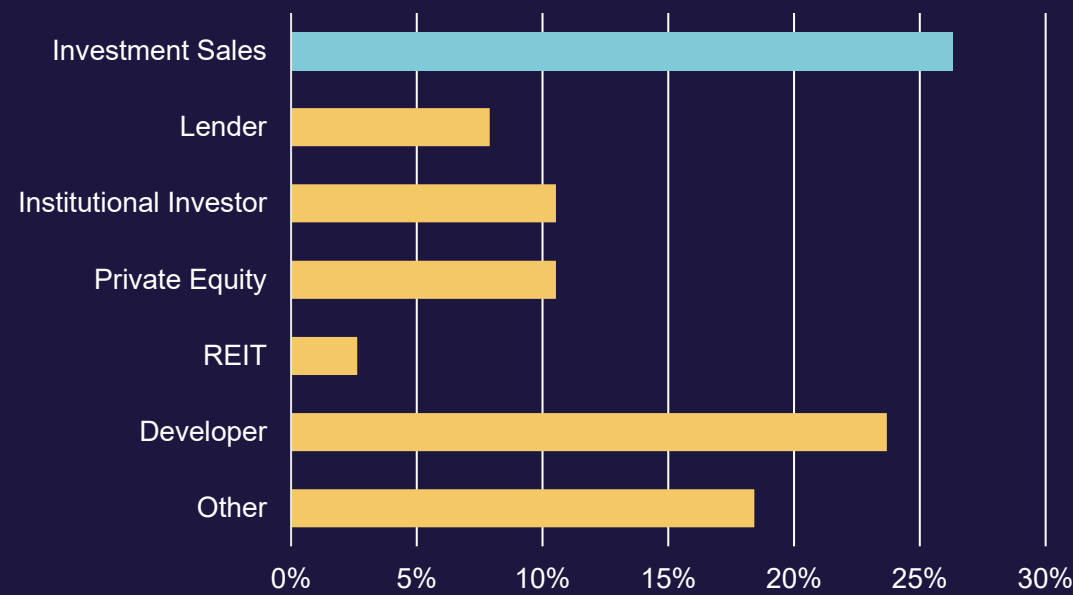


# SELF STORAGE INVESTOR SURVEY RESULTS

H1 2025



## Profile of Survey Participants



## Cap Rate Summary

	Low	High	Average
Class A			
Cap Rate	4.50%	6.00%	5.26%
Terminal Rate	4.75%	6.50%	5.69%
IRR	6.75%	9.00%	7.82%
Class B			
Cap Rate	5.25%	7.50%	5.89%
Terminal Rate	5.50%	8.00%	6.20%
IRR	7.75%	10.50%	8.46%

More than 40 of the industry’s most influential leaders responded to Cushman & Wakefield’s Investor Survey. These participants are transactional and specialize in the self storage sector. The intention of this survey is to gather key insights that provide valuable on the ground intelligence and expectations for the year ahead.

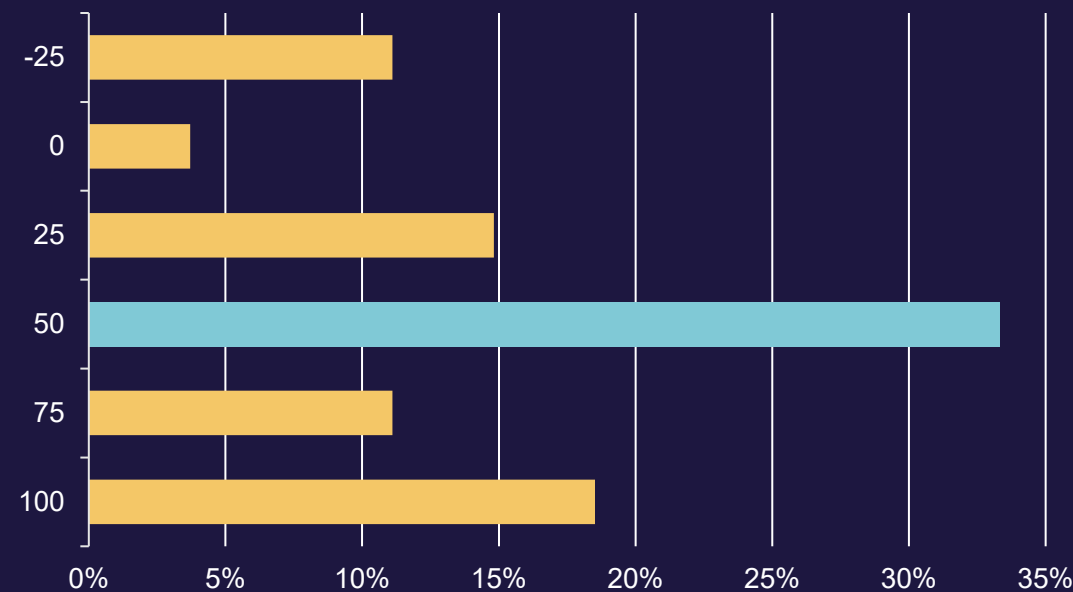
Source: Cushman & Wakefield Investor Survey (H1 2025)

# SELF STORAGE INVESTOR SURVEY RESULTS

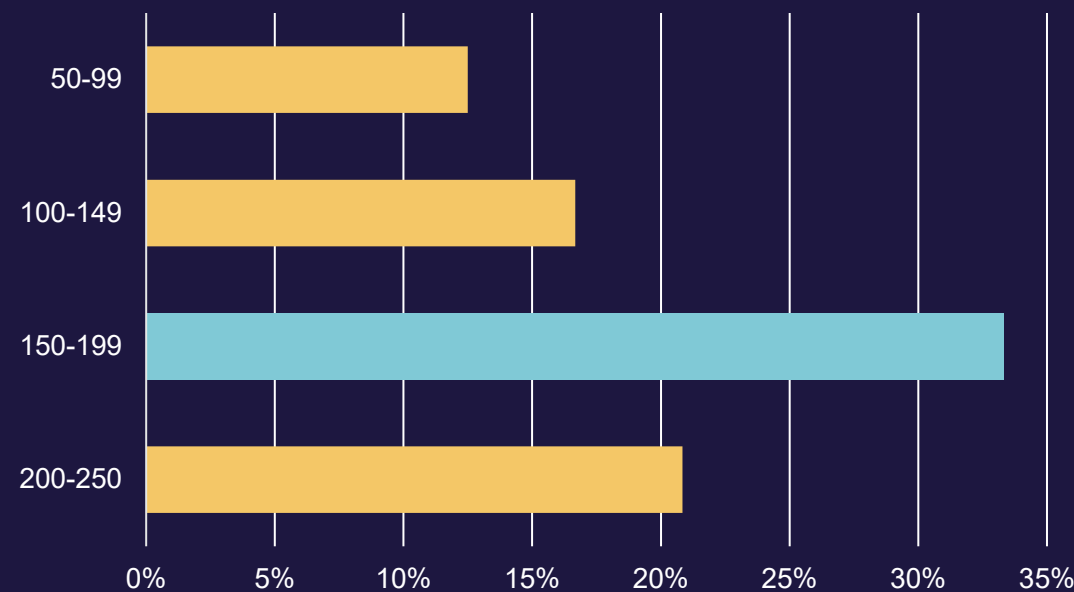
H1 2025



Terminal Capitalization Rate Spreads on a 5Y Hold (bps)



Discount Rate Spreads (bps)



Investors are increasingly relying on the discounted cashflow analysis when determining market valuations, with much more consideration given to the terminal or exit capitalization rate assumptions. This is primarily driven by the choppy climate with little transactional data to extract market capitalization rates.

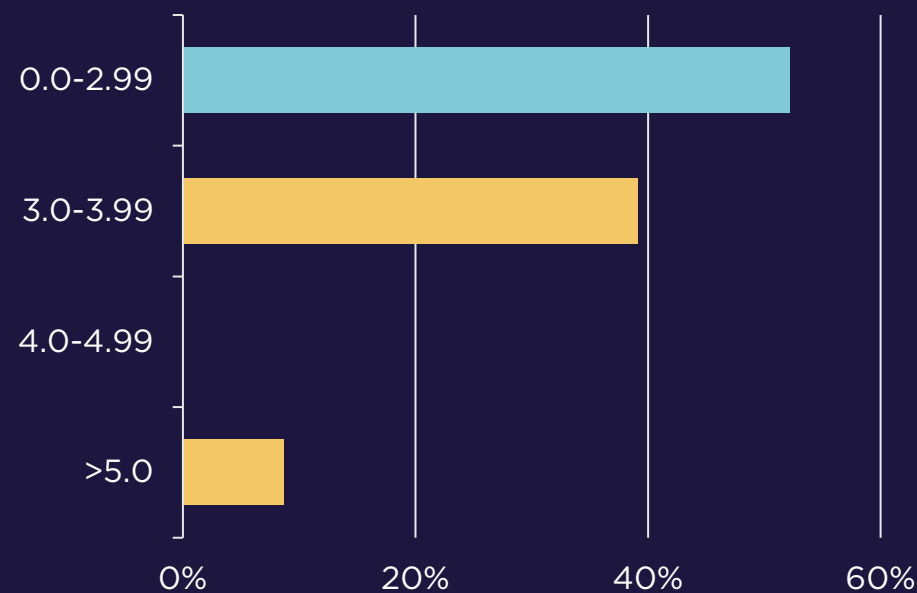
Source: Cushman & Wakefield Investor Survey (H1 2025)

# SELF STORAGE INVESTOR SURVEY RESULTS

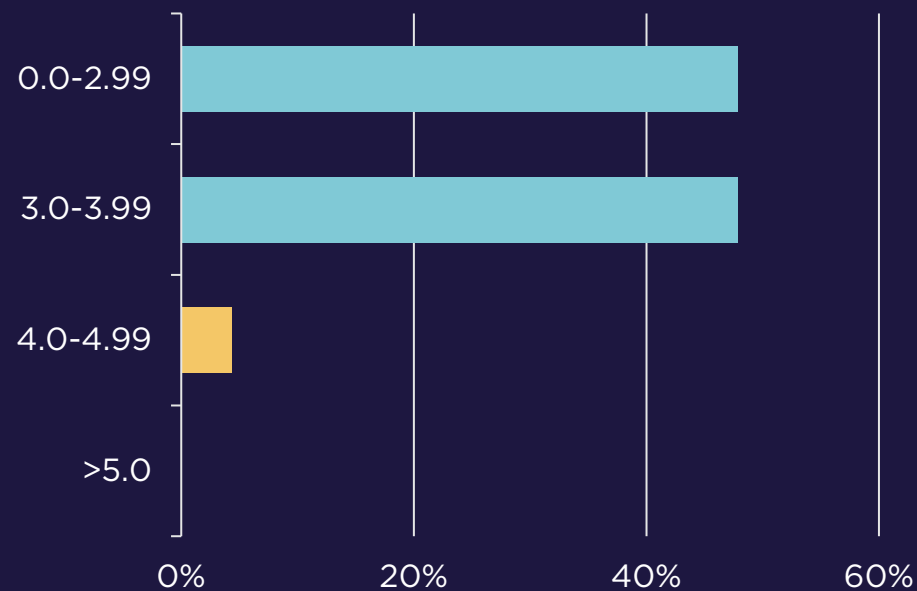
H1 2025



Rent Growth Assumptions (%)



Expense Growth Assumptions (%)



Most survey participants are underwriting rent growth between 0% to 3% over the next 12 months, at approximately 52% of respondents. In some cases, expense growth may outpace rent growth, putting pressure on NOI in the near term, but expenses will appear to continue the pattern of moderation seen in the last 12 months.

Source: Cushman & Wakefield Investor Survey (H1 2025)

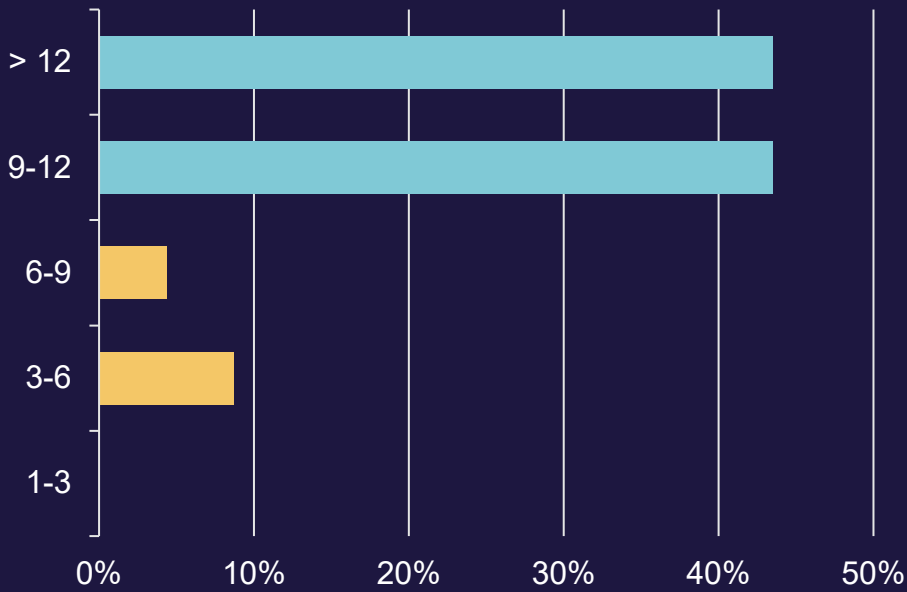


# SELF STORAGE INVESTOR SURVEY RESULTS

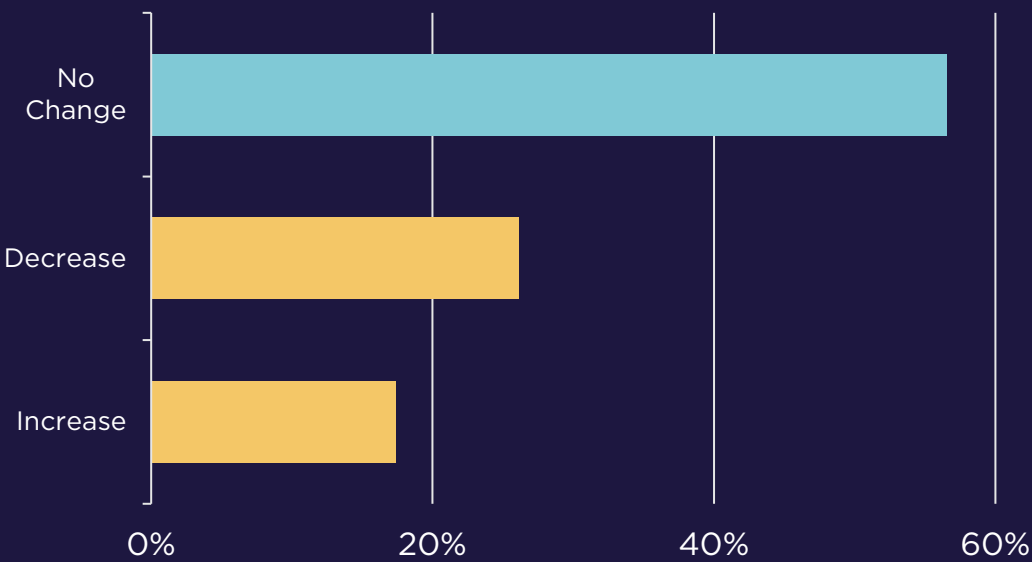


H1 2025

Average Lease Terms (Months)



H2 2025 Capitalization Rate Outlook



As an increase in the average length of leases is expected by survey participants, capitalization rates are expected to remain stable through the second half of 2025 by approximately 57% of participants. 17% expect further increases, and the remaining 26% expect some cap rate compression in the second half of 2025.

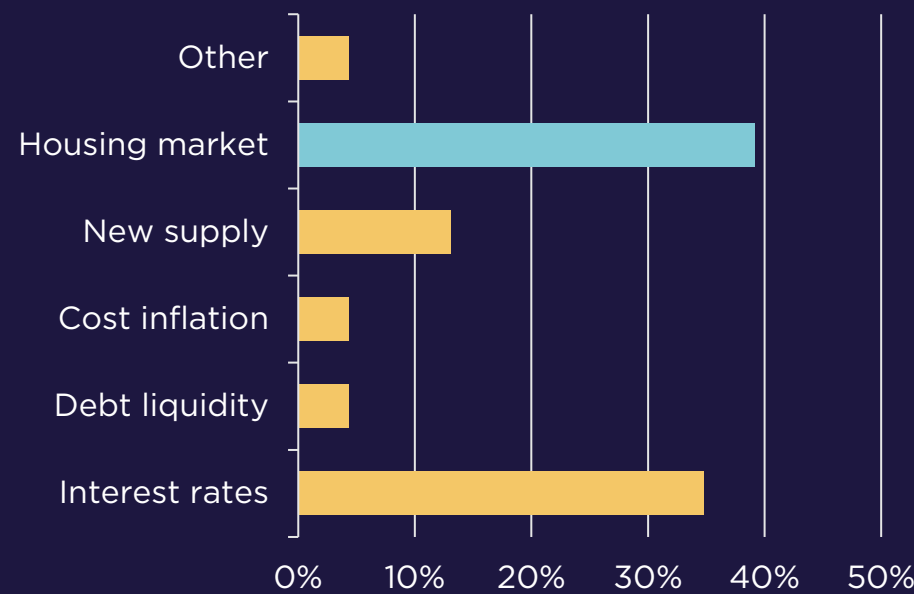
Source: Cushman & Wakefield Investor Survey (H1 2025)

# SELF STORAGE INVESTOR SURVEY RESULTS

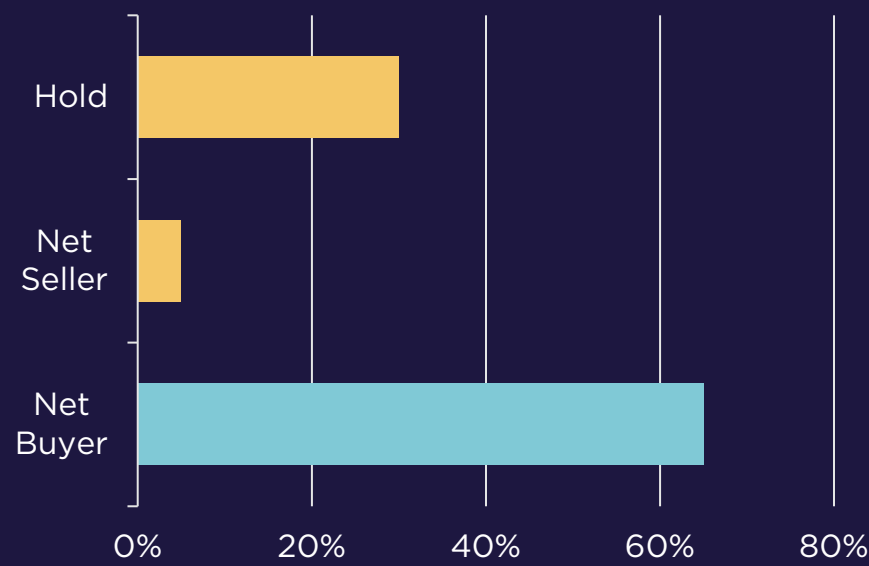
H1 2025



Valuation Risks for Next 12 Months



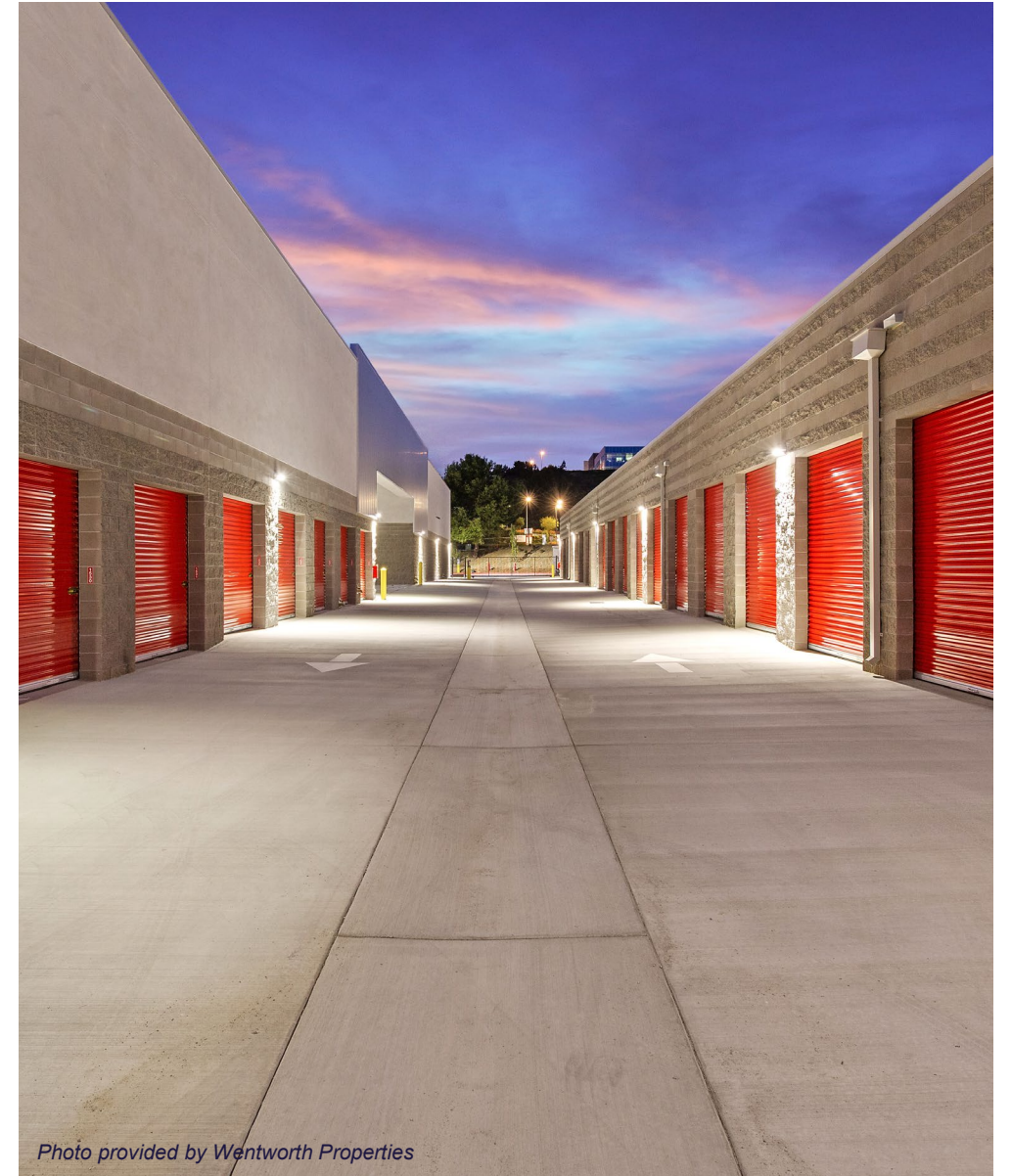
Investment Exposure for Next 12 Months



Our survey participants indicate the momentum around self storage is alive and well, with 65% indicating plans to be a net buyer of assets over the next 12 months. BOV activity continues with multiple listings expected to drive increased transaction activity as we move further into the second half of 2025 and into the first half of 2026.

Source: Cushman & Wakefield Investor Survey (H1 2025)

Thank you to the market leaders who participated in this survey. Your support and input remains key to our ability to keep a real-time pulse on the market to best understand what's ahead.



*Photo provided by Wentworth Properties*



**Access our Self Storage Performance  
Quarterly Report for detailed operating  
metrics and analysis by submarket at:**



## **ABOUT CUSHMAN & WAKEFIELD**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

## **Contributors:**

### **Valuation & Advisory**

**TIM GAREY**  
PRACTICE GROUP LEAD, SELF STORAGE  
[TIM.GAREY@CUSHWAKE.COM](mailto:TIM.GAREY@CUSHWAKE.COM)

**ZACH BOWYER, MAI, RICS**  
HEAD OF LIVING SECTORS  
[ZACH.BOWYER@CUSHWAKE.COM](mailto:ZACH.BOWYER@CUSHWAKE.COM)

**EDWARD MARBACH**  
SENIOR ACCOUNT PLATFORM MANAGER  
[EDWARD.MARBACH@CUSHWAKE.COM](mailto:EDWARD.MARBACH@CUSHWAKE.COM)

### **Self Storage Advisory**

**MIKE MELE**  
EXECUTIVE VICE CHAIRMAN  
[MIKE.MELE@CUSHWAKE.COM](mailto:MIKE.MELE@CUSHWAKE.COM)

**LUKE ELLIOTT**  
VICE CHAIRMAN  
[LUKE.EILLIOTT@CUSHWAKE.COM](mailto:LUKE.EILLIOTT@CUSHWAKE.COM)

### **Research**

**SAM TENENBAUM**  
HEAD OF MULTIFAMILY INSIGHTS  
[SAM.TENENBAUM@CUSHWAKE.COM](mailto:SAM.TENENBAUM@CUSHWAKE.COM)

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