

Back To the Basics?

by Cole Carosella

For many decades, self storage was a remarkably simple business. The product was almost always the same: a single-story, drive-up facility on a piece of well-located land, built efficiently, operated leanly, and supported by a fixed-cost base that allowed operators to absorb economic cycles with minimal disruption. It was, in many ways, a beautiful business model. Low overhead, sticky tenants, modest reinvestment requirements, and steady cash flow. The asset class earned its reputation as one of the most durable in commercial real estate precisely because it kept things simple.

That simplicity has changed dramatically over the past decade. As institutional capital flowed into the sector, development standards evolved alongside it. Today's new self storage facility looks less like a traditional storage property and more like a small office building: multistory, climate controlled, glass-paneled, sometimes topped with solar arrays, and outfitted with elevators, sprinkler systems, and amenity-driven design features intended to appeal to a more sophisticated customer and a more institutional buyer. Class A self storage has become the standard for new development in most major markets, and for several years, this evolution made economic sense. Rents were climbing, occupancy was strong, and buyers were paying premium pricing for institutional-quality product.

Then COVID arrived, and the sector experienced an extraordinary surge in demand. Move-in activity, household mobility, and pricing power combined to produce historic rate growth. Multistory, climate-controlled properties, with their higher rents per square foot and higher breakeven thresholds, performed exceptionally well in this environment. The business model worked. The numbers worked. And so more of these properties got built, and then more, and then more. Developers and capital sources, encouraged by record rent growth and aggressive underwriting assumptions, leaned heavily into Class A construction. Many of these projects broke ground in 2021 and 2022 expecting that the pricing environment of the pandemic would persist.

It did not. As we have discussed in prior *Market Monitors*,

the operating environment has softened meaningfully since those peaks. Occupancy has normalized, street rates have come down in many markets, and rental rate growth, particularly on existing customers, has become significantly more difficult to push. The aggressive in-place rent strategies that drove revenue during the recovery years are now drawing public scrutiny, and operators are recalibrating how they balance rate growth against occupancy and customer trust. At the same time, expenses on these larger, more complex buildings have not normalized along with revenue. They have continued to climb. Insurance premiums remain elevated. Property taxes are up sharply across many states. Repair and maintenance costs on more complex systems, elevators, HVAC, and life safety, are inherently higher. Payroll has risen as labor markets have tightened. The result is a widening gap between revenue, which is under pressure, and expenses, which are not.

This dynamic is most visible in new Class A product. A multistory climate-controlled facility can cost two to three times more per square foot to build than a traditional single-story drive-up, and it often carries a meaningfully higher operating expense load throughout its life. When the rent environment supports those costs, the model produces strong returns. When it does not, the model becomes structurally challenged. The expense base does not flex. The fixed costs are now embedded. And in markets where new supply continues to absorb slowly, the consequences land squarely on the operator's bottom line.

Which raises a question worth asking honestly: has the industry drifted too far from what made it work in the first place?

The original strength of self storage was never the building. It was the business model. Simple footprint. Low expense ratio. Disciplined site selection. Reasonable rents that customers were willing to pay because the value proposition was clear. Operators competed on service, accessibility, and trust, not on lobby finishes or revenue management algorithms. The customer experience was straightforward, and the customer relationship reflected that. A modest, well-located, well-run drive-up facility

(continued)

could perform reliably for decades with relatively little reinvestment.

There is a strong argument that the industry would benefit from rediscovering some of those fundamentals. Not by abandoning Class A development entirely, infill multistory product still makes sense in dense urban markets where land is constrained and rents support the cost basis, but by recognizing that the single-story, drive-up model still has a meaningful role to play. Lower expense ratios. More resilient margins. Less dependence on aggressive rate strategies to make the numbers work. And perhaps most importantly, a customer experience built on consistency and fairness rather than introductory rates and follow-on increases.

For owners and investors evaluating where the sector goes from here, this is more than a development question. It is a strategic one. The properties that perform best in the next phase of the cycle are likely to be the ones whose cost structures can absorb a softer revenue environment without forcing operators into pricing de-

isions that strain customer relationships. Simplicity, in this market, has real value. Disciplined expense control, modest reinvestment requirements, and a back-to-basics customer approach may prove to be the most durable formula in an industry that has spent a decade building toward something more complex.

At Argus, we continue to see this dynamic play out in the assets we underwrite and the transactions we advise on. The deals that screen best today are not necessarily the newest or the most amenity-rich. They are the ones with clean expense profiles, sticky customer bases, and operating models that do not depend on outsized rate growth to justify the basis. Self storage remains an exceptional asset class. The question for the industry is whether the path forward looks more like the office building it has become, or more like the simple, durable, beautifully understated business it used to be. **MM**

Cole Carosella, Vice President of Argus Self Storage Advisors, can be reached at 800-55-STORE or cole@argus-realestate.com.

You're Invited!

VALUATION AND DECISION MAKING IN TODAY'S SELF STORAGE INVESTMENT MARKET

Join our free webinar featuring Ben Vestal and a panel of active self-storage investors who will discuss trends and valuation in today's unique investment market.

Panelists:

Paul Spittle | Public Storage

Liz Raun Schlesinger | Merit Hill Capital

James Denissen | Baranof Holdings

**Tuesday, June 9, 2026
2:00 PM EDT**

CLICK HERE to REGISTER

NEW

Glendale, AZ

Call for Offers

- Offers Due 6/10/26
- 55,322 RSF
- 588 Units
- 75% Occupied
- Located in High-Growth Phoenix MSA (Glendale, AZ)
- Professionally Managed
- Climate-Controlled Units
- Expansion Potential - Add Buildings or Build Up

**Darsh Desai
& Jeff Gorden, CCIM**
701-405-3665
darsh@gorden-group.com



NEW

Yuma, AZ

\$3,000,000

- 83,032 RSF
- 354 Units
- Value-Add Opportunity with 74% Occupancy
- Multiple Income Streams in Place
- Expansion Potential
- Strong Seasonal & Military Demand

**Darsh Desai
& Jeff Gorden, CCIM**
701-405-3665
darsh@gorden-group.com



NEW

Phoenix, AZ

Contact Broker for Price

- 64,286 RSF
- 545 Units
- 98% Occupied
- High Barrier-to-Entry Submarket
- Significant Value-Add Potential
- Expansion/ Development Opportunities across several parcels

**Darsh Desai
& Jeff Gorden, CCIM**
701-405-3665
darsh@gorden-group.com



NEW

Texarkana, AR

\$700,000

- 18,515 RSF
- 122 Units
- 2.26 Acres
- Value-add opportunity set up for remote management
- Includes 0.5 acres for additional expansion
- Seller is open to creative financing offers
- Prominent frontage on Broad Street

**Larry Goldman, CCIM
& Derek Arnold**
913-707-9030 | lgoldman@selfstorage.com
913-575-4790 | derek@selfstorage.com



NEW

San Tan Valley, AZ

\$2,100,000

- 107,010 RSF
- 826 Units
- Fully Entitled Self-Storage Development
- Strong Population Growth
- Compelling Upside Potential
- Positioned near expanding master-planned communities and key commuter routes

**Darsh Desai
& Jeff Gorden, CCIM**
701-405-3665
darsh@gorden-group.com



NEW

NW Florida Portfolio

Call for Offers

- Offers Due 6/17/26
- 155,050 RSF
- 1,221 Units
- 85.69% Occupancy
- Two self storage facilities located in Santa Rosa County, Florida, serving the Gulf Coast corridor between Gulf Breeze and Milton
- Climate-controlled and drive-up storage

**Bill Barnhill, CCIM
& Stuart P. LaGroue, Sr.**
251-432-1287
stuart@omegapropertiesinc.com



NEW

Stilwell, KS
\$610,000

- 7,125 RSF
- 40 Units
- 0.52 Acre
- Fully stabilized facility set-up for remote management
- Strong population within 5 miles of the property
- Seller open to creative finance offers
- Half mile away from US 69 Hwy

**Larry Goldman, CCIM
& Derek Arnold**

913-707-9030 | lgoldman@selfstorage.com
913-575-4790 | derek@selfstorage.com



NEW

MO, OK & TX Portfolio
\$8,475,000

- 6-Property Portfolio
- **Properties can be sold seperately**
- 123,053 RSF
- 1,314 Units
- 100% climate controlled
- Noké locks throughout the portfolio
- Remote managed facilities with high tech
- Properties converted to storage 2023 & 2024

Tyler Trahan & Chad Snyder

817-901-7600
ttrahant@dominuscommercial.com



NEW

Winthrop, ME
\$650,000

- 10,030 RSF
- 39 Units
- 1.9 +/- Acres
- Undersupplied Market – 1.63 SF of self-storage per capita within a 5-mile radius
- Existing 2,400 SF pole barn, office/warehouse space, and an additional 1-acre expansion parcel

Jessie Gilton & Joe Mendola

617-820-8443
jessie@nainorwoodgroup.com



NEW

Ephrata, WA
\$6,850,000

- Offers Due 6/12/26
- 3-facility portfolio
- 101,424 RSF
- 625 Units
- 7.01 Acres
- Positioned across Ephrata and Soap Lake—capturing a wide regional customer base
- Limited new institutional development in the immediate market

Greg Meager

509-795-4431
greg@areanw.com



NEW

Stacy, MN
\$3,200,000

- 39,925 RSF
- 7,400 Parking RSF
- 214 Units
- 88.8% Occupancy
- Prime Interstate 35 Location
- Clear Value-Add Upside
- Approved Expansion Potential – Entitlement risk already eliminated with approved plans to add ~7,300 SF of additional storage buildings

Alex Ihrke

612-394-7553
alex@storage-advisors.com



NEW

Walla Walla, WA
\$2,295,000

- 24,850 RSF
- 175 Units
- 1.15 Acres
- New construction – low maintenance costs and energy efficient
- Located along highway 12 with great visibility
- Perfect for residential or business renters. Located near both

Greg Meager

509-795-4431
greg@areanw.com



Our complete list of available properties is detailed below. For additional information, visit www.argus-selfstorage.com or contact your local Argus Broker Affiliate.

Alabama

Dothan Call Broker Bill Barnhill/Stuart LaGroue 251-432-1287
Loxley \$3,800,000 Bill Barnhill/Sharon Wright 251-432-1287

Arizona

Glendale Call Broker Jeff Gorden 480-331-8880
Phoenix Call Broker Jeff Gorden 480-331-8880
San Tan Valley \$2,100,000 Jeff Gorden 480-331-8880
Tucson \$1,850,000 Jeff Gorden 480-331-8880
Yuma \$1,850,000 Jeff Gorden 480-331-8880

Arkansas

Highland \$1,100,000 Larry Goldman/Derek Arnold 913-707-9030
Little Rock \$1,200,000 Larry Goldman/Derek Arnold 913-707-9030
Pine Bluff \$500,000 Larry Goldman/Derek Arnold 913-707-9030
Texarkana \$700,000 Larry Goldman/Derek Arnold 913-707-9030

Colorado

Arvada/Aurora Call Broker Cole Carosella/Matthew Cox 720-909-8602
Aurora Call Broker Cole Carosella/Matthew Cox 720-909-8602
Fort Collins Call Broker Cole Carosella/Matthew Cox 720-909-8602
Pueblo West \$875,000 Cole Carosella/Matthew Cox 720-909-8602

Connecticut

Brookfield \$750,000 Guy Blake 845-522-5900

Florida

Boynton Beach Call Broker Josh Koerner 904-594-0140
Cocoa \$1,800,000 Josh Koerner 904-594-0140
Fort Pierce Call Broker Josh Koerner 904-594-0140
NW Portfolio Call Broker Bill Barnhill/Stuart LaGroue 251-432-1287
Holly Hill \$2,400,000 Josh Koerner 904-594-0140
Marianna \$2,000,000 Josh Koerner 904-594-0140
Miami Call Broker Josh Koerner 904-594-0140
Palm Coast Call Broker Josh Koerner 904-594-0140
Port Charlotte \$1,500,000 Josh Koerner 904-594-0140
Saint Johns \$2,800,000 Josh Koerner 904-594-0140
Stuart Call Broker Josh Koerner 904-594-0140
Williston \$1,450,000 Josh Koerner 904-594-0140

Georgia

Alma \$350,000 Ryan Haney/Josh Koerner 904-591-1556
Cataula Call Broker Brooks Dove 678-439-8441
Dahlonega **SOLD** Ryan Haney/Josh Koerner 904-591-1556
Douglas \$2,200,000 Ryan Haney/Josh Koerner 904-591-1556
Douglasville Call Broker Ryan Haney/Josh Koerner 904-591-1556
Macon \$199,900 Ryan Haney/Josh Koerner 904-591-1556

Idaho

McCall Call Broker Ben Vestal/Ryan Layton 509-435-2424

Illinois

Homewood \$1,249,000 Bruce Bahrmassel 312-518-3550
Midwest Portfolio \$1,400,000 Alex Ihrke/Bruce Bahrmassel 312-518-3550
Peoria \$1,350,000 Alex Ihrke/Tom Flannigan 612-790-3747
Rantoul \$2,500,000 Bruce Bahrmassel 312-518-3550
Rockford \$3,300,000 Bruce Bahrmassel 312-518-3550

Indiana

Lafayette Call Broker Rob Schick 317-403-1205

Iowa

Beacon \$1,100,000 Alex Ihrke/Tom Flannigan 612-790-3747
Iowa City Call Broker Alex Ihrke/Tom Flannigan 612-790-3747
W. Burlington \$875,000 Alex Ihrke/Tom Flannigan 612-790-3747

Kansas

Gardner \$1,600,000 Larry Goldman/Derek Arnold 913-707-9030
Stillwell \$610,000 Larry Goldman/Derek Arnold 913-707-9030

Louisiana

Basile \$145,000 Sharon Wright/Bill Barnhill 251-432-1287
Hammond \$1,950,000 Stuart LaGroue/Bill Barnhill 251-432-1287

Maine

Winthrop \$650,000 Jessie Gilton/Joe Mendola 617-820-8443

Massachusetts

Eastham Call Broker Joe Robinson/Jessie Gilton 603-714-4019
West Hatfield Call Broker Joe Robinson 603-714-4019
Spencer \$2,500,000 Jessie Gilton/Nathan Robinson 603-714-4019

Michigan

Lansing \$1,200,000 Kevin Friedman 847-436-5483
Middleville Call Broker Kevin Friedman 847-436-5483
New Baltimore Call Broker Kevin Friedman 847-436-5483
Romulus Call Broker Kevin Friedman 847-436-5483

Minnesota

Albert Lea \$1,400,000 Alex Ihrke/Tom Flannigan 612-790-3747
Clara City **SOLD** Nathan Gottlieb/Tom Flannigan 612-790-3747

Minnesota Cont.

New Richland \$675,000 Nathan Gottlieb/Tom Flannigan 612-790-3747
Stacy \$3,200,000 Alex Ihrke/Tom Flannigan 612-790-3747
Rochester \$5,000,000 Tom Flannigan 612-790-3747

Mississippi

Madison \$2,600,000 Bill Barnhill/Stuart LaGroue 251-432-1287
Pass Christian \$240,000 Bill Barnhill/Stuart LaGroue 251-432-1287

Missouri

Branson West \$5,270,000 Larry Goldman/Derek Arnold 913-707-9030
Carrollton \$400,000 Larry Goldman/Derek Arnold 913-707-9030
Dexter \$1,175,000 Chad Snyder/Tyler Trahant 817-813-5642
Kirksville \$1,725,000 Chad Snyder/Tyler Trahant 817-813-5642
Marshall \$1,675,000 Chad Snyder/Tyler Trahant 817-813-5642
St. Robert \$1,825,000 Chad Snyder/Tyler Trahant 817-813-5642

Nebraska

S. Sioux City \$495,000 Cole Carosella 720-909-8602

Nevada

Fallon \$1,325,000 Darsh Desai 701-405-3665
Fallon \$13,300,000 Jeff Gorden 480-331-8880

New Hampshire

Antrim \$449,000 Jessie Gilton 617-820-8443
Hillsborough \$10,900,000 Joe Robinson/Jessie Gilton 603-714-4019

New Jersey

Egg Harbor \$950,000 Linda Cinelli 908-722-5661
Waretown **SOLD** Jim Remler 973-936-8250

New Mexico

Almogordo \$650,000 Samuel Livingston 915-497-4054
Mesilla Park \$2,200,000 Samuel Livingston 915-497-4054

New York

Sackets Harbor \$1,300,000 Guy Blake 845-706-5744

North Carolina

Greensboro \$5,600,000 Jamey Cox 704-995-9168

North Dakota

Fargo \$2,450,000 Nathan Gottlieb/Tom Flannigan 612-790-3747

Ohio

New Albany Call Broker Kevin Friedman 847-436-5483

Oklahoma

Moore \$600,000 Jared Jones 918-948-3941
Mustang \$7,500,000 Jared Jones 918-948-3941
Oklahoma City **SOLD** Jared Jones 918-948-3941
Spencer \$700,000 Chad Snyder/Tyler Trahant 817-813-5642
Stillwater \$3,200,000 Jared Jones 918-948-3941
Tulsa **SOLD** Jared Jones 918-948-3941

Oregon

Grants Pass \$600,000 Scott King 541-890-6708
Medford \$375,000 Scott King 541-890-6708

Pennsylvania

Bechtelsville \$1,350,000 Chuck Shields 610-828-0100

South Carolina

Portfolio \$3,700,000 Josh Koerner & Jamey Cox 904-591-0140

South Dakota

Milbank \$400,000 Nathan Gottlieb 612-790-3747

Tennessee

Smyrna \$1,300,000 Josh Koerner/Ryan Haney 904-591-0140

Texas

Amarillo **SOLD** Chad Snyder/Tyler Trahant 817-813-5642
Atlanta Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Brownsville Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Chappell Hill Call Broker Faith Pate/Bill Brownfield 713-805-2907
Conroe \$1,450,000 Chad Snyder/Tyler Trahant 817-813-5642
Crandall Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Dallas **SOLD** Chad Snyder/Tyler Trahant 817-813-5642
Denison Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Ennis \$2,600,000 Chad Snyder/Tyler Trahant 817-813-5642
Italy \$750,000 Chad Snyder/Tyler Trahant 817-813-5642
Malakoff Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Odessa Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Portfolio \$945,000 Chad Snyder/Tyler Trahant 817-813-5642
Weatherford Call Broker Chad Snyder/Tyler Trahant 817-813-5642
Wichita Falls \$1,375,000 Chad Snyder/Tyler Trahant 817-813-5642

Washington

Ephrata \$6,850,000 Greg Meager/Ryan Layton 509-795-4431
Walla Walla \$2,295,000 Greg Meager/Ryan Layton 509-795-4431

Wisconsin

Gilman \$325,000 Alex Ihrke/Tom Flannigan 612-790-3747

RECENT SALES



Congratulations to **Jeff Gorden, CCIM of KW Commercial** who sold Tempe Choice Self Storage in Tempe, AZ! Contact Jeff at 480-331-8880 for details.



Congratulations to **Ryan Haney & Josh Koerner of Coastal Storage Group** who sold Oak Grove Stor-All in Dahlonega, GA! Contact Ryan at 904-591-1556 for details.



Congratulations to **Jared Jones of Jones Investment Real Estate** who sold Tulsa Storage Solutions in Tulsa, OK and an Extra Space Managed facility in Oklahoma City, OK! Contact Jared at 918-948-3941 for details.



Congratulations to **Chad Snyder & Tyler Trahant of Dominus Commercial** who sold Empire Storage in Crandall, TX and Hillside Self Storage in Amarillo, TX! Contact the team at 817-901-7600 for details.



Congratulations to **Tom Flannigan, Alex Ihrke & Nathan Gottlieb of Area Storage Advisors** who sold Third Stall Storage in Clara City, MN! Contact the team at 612-790-3747 for details.



Congratulations to **Joe Robinson, CCIM & Jessie Gilton of NAI Norwood Group** who sold Route 202 Self Storage in Henniker, NH! Contact the team at 603-714-4019 for details.

CONTACT AN ARGUS BROKER AFFILIATE

NORTHEAST

Guy Blake, CCIM
Jim Remler
Joseph Mendola & Joe Robinson
Chuck Shields

Company

Pyramid Brokerage Company
Coldwell Banker Commercial
NAI Norwood Group
Beacon Commercial Real Estate

Phone

845-522-5900
973-936-8250
603-668-7000
610-862-1645

Territory

Upstate NY, Western CT
Northern NJ, NY (NYC, Long Island)
MA, ME, NH, VT, Eastern CT
Eastern PA, Southern NJ, DE

SOUTHEAST

Bill Barnhill, CCIM
Jamey Cox
Ed Nicholson
Josh Koerner & Frost Weaver
Josh Koerner & Ryan Haney

Omega Properties, Inc.
Percival Partners
The Nicholson Companies
Coastal Storage Group
Coastal Storage Group

251-432-1287
704-995-9168
757-474-5364
904-591-0140
904-591-1556

FL Panhandle
NC, SC
MD, VA
FL (except Panhandle)
GA

NORTH CENTRAL

Bruce Bahrmassel
Tom Flannigan
Kevin Friedman
Alec Pacella, CCIM
Larry Goldman, CCIM
Rob Schick

Area CRE Services / KW Integrity Lakes
Hayes Ventures
NAI Pleasant Valley
Goldman Investment Advisors
Schick & Associates

312-518-3550
612-790-3747
847-436-5483
216-831-3310
913-707-9030
317-403-1205

Northern IL, WI
MN, ND, IA
MI, OH
OH
KS, MO, Southern IL
IN

SOUTH CENTRAL

Charlie Baker
Bill Barnhill, CCIM
Larry Goldman, CCIM
Mike Helline & Aaron Willis
Jared Jones, CCIM
Samuel Livingston & Jacob Livingston
Faith Pate
Chad Snyder & Tyler Trahant

Baker Cowan Realty
Omega Properties, Inc.
Goldman Investment Advisors
Column Realty
Jones Investment Properties
Livingston Brokerage LLC
MLB Commercial Real Estate
Dominus Commercial

504-994-3951
251-432-1287
913-707-9030
502-296-4586
918-948-3941
915-581-8754
713-805-2907
817-980-7276

LA
AL, MS
AR
TN, KY
OK
West TX & NM
Central & South TX
North TX

WEST

Cole Carosella & Matthew Cox
Jeff Gorden, CCIM
Jeff Gorden, CCIM
Kim Van Delinder
Scott King
Ryan Layton
Ken Miller

Argus Self Storage Advisors
KW Commercial
The Gorden Company
Van Delinder Realty LLC
Merit Commercial Real Estate
American Real Estate Associates
Northstate Commercial Partners

720-909-8602
480-331-8880
702-643-1000
406-698-6850
541-890-6708
509-435-2424
530-768-1650

CO, WY
AZ, UT
NV
MT
OR
WA, Northern ID
Northern CA