

## The Elephant in the Room

by Cole Carosella

There is no way to write about the self-storage market this month without addressing what everyone in the industry is already talking about. On October 1, the 10-year Treasury yield crossed 5.3% for the first time since April of 2002, and the 30-year followed it to levels not seen in more than two decades. The move was not gradual. The 10-year sat below 4% at the end of February, added nearly 90 basis points in the third quarter alone, and spiked through 5.3% in early October. Even after easing back toward 5.1% in recent sessions, the cost of long-term money has reset to a level that most participants in today's market have never underwritten.

The drivers are well documented. Energy prices have remained elevated since the conflict with Iran disrupted shipping through the Strait of Hormuz, and that has pushed headline inflation back toward 3.5%. The Federal Reserve responded in September 2026 with its first rate increase since 2023, and futures markets are pricing in more rate increases. Federal debt crossed \$40 trillion in August, global sovereign yields are at multi-decade highs, and investors are demanding more compensation to hold long-dated paper. The important point for the self-storage industry is not why it happened. It is that it did happen, and that it flowed through to real estate values with very little lag.

Here is the math that every buyer, lender, and appraiser is now working through. Coming into the fall, cap rates for institutional-quality self-storage sat in the low to mid-5% range, with a spread to the 10-year Treasury that had already compressed to roughly below 100 basis points, among the tightest in the sector's history. For last four years, self-storage absorbed rising interest rates by letting that spread compress rather than moving in lockstep with Treasuries. That cushion is now gone. When the perceived risk-free rate (10-year Treasuries) moves 80 to 100 basis points in a matter of weeks and there is no spread left to give, cap rates have to increase. A property that would have traded at a 5.5% cap rate in August is now being underwritten at 6.0% to 6.5% cap rate today, and that shift alone equates to a value reset of roughly 10 to 15%. That is not a forecast! It is what we are seeing in live negotiations, in re-trades on deals under contract, and pricing discovery on current deals in the market today.

The debt side tells the same story. With the 10-year above 5%, CMBS and life company quotes for stabilized self-storage properties are landing in the high 6% for the VERY best low leveraged deals and low to mid-7% range for the majority of deals, and bank and debt fund executions are even higher. At a sub-6% cap rate, leverage is now sharply negative, and the acquisition models that penciled in July simply do not pencil in October without a lower purchase price. Buyers are not walking away from the self-storage industry. They are walking away from the number.

It is worth asking what happened the last time the 10-year was this high. In the spring of 2002, self-storage was a very different asset class. Institutional ownership was limited, the public REITs were a fraction of their current size, and facilities routinely traded at 8 to

10% cap rates, a spread of 400 basis points or more over Treasuries. Local and regional owners bought on cash-on-cash yields. In June of 2007, when the 10-year last approached 5.25%, the sector's institutional transformation was underway and cap rates sat in the high 6 to 7% range. What followed was not a repricing but a credit freeze, when capital stopped moving altogether. The parallel worth drawing is that today's environment looks nothing like 2008. Lenders are still lending, equity is raising, and transaction volume through mid-year was up nearly 20% year-over-year. What has changed is the price, not the availability of capital. That is a meaningfully better place to be!

For owners, operators, and investors, this calls for a realistic recalibration rather than a retreat. The operating fundamentals have not deteriorated because of the bond market. Occupancy is stabilizing, the development pipeline is at its lowest level since 2016, and the needs-based demand that has always underpinned this asset class remains intact. What has changed is the value a buyer can pay for that cash flow given the cost of capital in today's market. Owners who anchor to a spring 2026 valuation will struggle to find a buyer today. Owners who accept that the market has reset will find a buyer pool that is still deep, motivated, and well-capitalized. A great deal of equity and debt was raised specifically to be deployed in self-storage, and it is actively looking for a home. It is just looking at a different price.

The strategic decision point is the same one we have written about in prior Market Monitors, with the stakes raised. For owners considering a sale today, the question is no longer whether pricing has moved (it has), but whether it is likely to move back in the near term. With the Fed in a tightening posture, inflation sticky, and fiscal pressure building, a return to a sub-4% 10-year Treasury does not appear to be on the horizon. Sellers who transact with a clear-eyed view of today's cost of capital will still achieve pricing that is historically strong by any long-term measure. For owners who choose to hold, the path runs through operations, debt management, and patience, and loan maturities in the next 12 to 24 months demand immediate attention. Refinancing into a 7% interest rate world on a 2021-2024 basis will be the defining challenge for many properties and portfolios.

At Argus, we have been through enough cycles to know that markets do not stop at moments like this. They reprice, and then they move forward. The 10 to 15% valuation reset we are seeing is real, and the most constructive thing any of us can do is acknowledge it, underwrite to it, and keep moving forward to achieve our investment goals. Self-storage remains one of the most liquid and resilient asset classes in commercial real estate, and the capital pursuing it has not gone anywhere. The elephant in the room is not the end of the conversation. It is the beginning of a new one, at a new price, and the owners who engage with it honestly will be the ones best positioned to capitalize on whatever comes next. **MM**

*Cole Carosella, Vice President of Argus Self Storage Advisors, can be reached at 800-55-STORE or [cole@argus-realestate.com](mailto:cole@argus-realestate.com).*

**NEW**

## Lake Havasu City, AZ \$945,000

- 9,710 RSF
- 52 Units
- 94% Occupied
- Strong In-Place Cash Flow
- Value-Add Through Professional Management
- Limited Competition & High Barriers to Entry

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



**NEW**

## Northville, MI \$2,900,000

- 127,128 RSF Boat/RV
- 336 Units
- 16.5 +/- Acres
- 1,000 Storage RSF
- 96% Occupied: Demonstrated demand with a stabilized facility
- Expansion Potential: Ability to add additional storage

**Kevin Friedman**  
847-436-5483  
kevin@hvstorage.com



**NEW**

## Macclenny, FL \$10,200,000

- 7-Property Portfolio
- 97,809 RSF
- 765 Units
- 30 current RV spots, and space for 15 additional RV spots
- Diverse unit mix featuring climate-controlled storage, drive-up non-climate-controlled storage, and RV/boat parking

**Josh Koerner**  
904-591-0140  
josh@coastalstorage.com



**NEW**

## Ypsilanti, MI \$1,310,000

- Conversion Site
- 92,025 RSF
- 845 Units
- 2.56 +/- Acres
- 100% Climate Controlled premium indoor units
- Adjacent to Eastern Michigan University with an enrollment of 12,000+ students

**Kevin Friedman**  
847-436-5483  
kevin@hvstorage.com



**NEW**

## Zephyrhills, FL \$2,100,000

- Development Site
- 143,000 GSF
- 4.73 Acres
- Proposed Class A, 3-story climate controlled facility
- Flexible site plan allowing for a reduced self-storage footprint and the potential incorporation of a second use

**Josh Koerner & Carrie Stowell**  
904-591-0140  
josh@coastalstorage.com



**NEW**

## Audubon, MN \$600,000

- 15,480 RSF
- 43 Units
- 2.33 Acres
- Priced under \$39/RSF for newer all-steel drive-up construction.
- Highway 10 Visibility: Highway frontage signage is included, with about 12,270 VPD passing.

**Alex Ihrke & Tom Flannigan**  
612-394-7553  
alex@storage-advisors.com



**NEW**

## West Bridgewater, MA Call for Offers

- Offers Due 11/12/26
- 2-Property Portfolio - West Bridgewater, MA & Weare, NH
- 118,110 RSF
- 852 Units
- 15.14 Acres
- 16 Boat/RV Spaces
- Built in 2003 & 2020

**Jessie Gilton & Joe Robinson**  
603-637-2008  
jessie@nainorwoodgroup.com



**NEW**

## Brainerd, MN \$975,000

- 21,600 RSF
- 107 Units
- Built in 2023
- Seller Financing Available: The seller is open to financing, so a buyer can grow income on flexible terms instead of starting with conventional debt service.

**Nathan Gottlieb & Tom Flannigan**  
612-930-6614  
nathan@storage-advisors.com



**NEW**

## Forest Lake, MN \$4,900,000

- 56,900 RSF
- 278 Units
- 97.1% Occupancy
- Highway 8 Frontage: Visible to 20,000+ vehicles a day on the main corridor linking the Twin Cities to the Chisago Lakes area and western Wisconsin. Planned capacity upgrades are expected to increase the property's exposure.

**Alex Ihrke & Tom Flannigan**  
612-394-7553  
alex@storage-advisors.com



**NEW**

## Shawnee, OK \$6,000,000

- 2-Property Portfolio
- 78,840 Storage RSF
- 8,850 Parking RSF
- 550 Units
- 5.75 Acres
- 85.35% Occupied (avg.)
- Compelling scale within the trade area represents nearly a fifth of all self-storage supply within 5 miles.

**Jared Jones, CCIM**  
918-948-3941  
jjones@selfstorage.com



**NEW**

## Greenwood, MS \$5,260,000

- 3-Property Portfolio
- 97,882 RSF
- 710 Units
- 6.4 +/- Acres
- All locations include portable storage units (Rebel has 18 portable units, Greenwood has 78 portable units, and Secure has 2 portable units).
- All facilities were recently repainted within the last 60 days.

**Bill Barnhill, CCIM  
& Stuart P. LaGroue, Sr.**  
251-455-6262  
stuart@omegapropertiesinc.com



**NEW**

## Southeast TX Portfolio \$16,830,000

- 7-Property Portfolio
- 360,775 RSF
- 2,517 Units
- ~24.7 Total Acres
- Diversified across five submarkets in two counties — Jefferson County (Beaumont, Groves, and two Nederland locations) and Orange County (Bridge City and West Orange)

**Tyler Trahan & Chad Snyder**  
817-901-7600  
ttrahan@dominuscommercial.com



**NEW**

## Oklahoma City, OK \$6,900,000

- 98,120 RSF
- 230 Units
- Value-add, owner managed, institutional-sized storage facility, located in the top 45 MSA of Oklahoma City
- Significant upside available through implementation of best management practices including marketing and tenant protection

**Jared Jones, CCIM**  
918-948-3941  
jjones@selfstorage.com



## Walker, MN \$2,300,000

- 31,920 SF
- 32 Units
- 100% Occupancy
- Significant income growth potential — only one rate increase implemented since construction (last raised 2 years ago), offering a clear path to rental rate growth along with ability to add ancillary revenue streams, such as tenant protection plans.

**Alex Ihrke & Tom Flannigan**  
612-394-7553  
alex@storage-advisors.com



Our complete list of available properties is detailed below. For additional information, visit [www.argus-selfstorage.com](http://www.argus-selfstorage.com) or contact your local Argus Broker Affiliate.

## Alabama

Loxley \$3,250,000 Bill Barnhill/Sharon Wright 251-432-1287

## Arizona

Bullhead City \$1,000,000 Darsh Desai 701-405-3665  
Lake Havasu City \$945,000 Darsh Desai 701-405-3665  
Phoenix Call Broker Jeff Gorden 480-331-8880  
San Tan Valley \$2,100,000 Darsh Desai 701-405-3665

## Arkansas

Highland \$950,000 Larry Goldman/Derek Arnold 913-707-9030  
Hot Springs \$475,000 Larry Goldman/Derek Arnold 913-707-9030  
Little Rock \$1,200,000 Larry Goldman/Derek Arnold 913-707-9030  
Pine Bluff \$350,000 Larry Goldman/Derek Arnold 913-707-9030

## California

Santa Maria Call Broker Cole Carosella/Ken Miller 720-909-8602

## Colorado

Colorado Spgs. Call Broker Cole Carosella/Matthew Cox 720-909-8602  
Fort Collins **SOLD** Cole Carosella/Matthew Cox 720-909-8602  
Greeley Call Broker Cole Carosella/Matthew Cox 720-909-8602  
Golden Call Broker Cole Carosella/Matthew Cox 720-909-8602  
Longmont Call Broker 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  
Brownsville Call Broker Josh Koerner 904-594-0140  
Cape Coral Call Broker Josh Koerner 904-594-0140  
Fort Myers Call Broker Josh Koerner/Rob Schick 904-594-0140  
Fort White \$2,400,000 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  
Palm Coast Call Broker Josh Koerner 904-594-0140  
Port Charlotte \$1,500,000 Josh Koerner 904-594-0140  
Stuart Call Broker Josh Koerner 904-594-0140  
Zephyrhills \$2,100,000 Josh Koerner 904-594-0140

## Georgia

Alma \$310,000 Ryan Haney/Josh Koerner 904-591-1556  
Atlanta Call Broker Ryan Haney/Josh Koerner 904-591-1556  
Cataula Call Broker Brooks Dove 678-439-8441  
Canton Call Broker Ryan Haney/Josh Koerner 904-591-1556  
Douglas \$2,200,000 Ryan Haney/Josh Koerner 904-591-1556  
Douglasville \$1,200,000 Ryan Haney/Josh Koerner 904-591-1556  
Dublin \$2,400,000 Ryan Haney/Josh Koerner 904-591-1556

## Idaho

Post Falls \$7,300,000 Ryan Layton 509-435-2424

## Indiana

Columbus \$2,650,000 Rob Schick 317-403-1205  
Lafayette Call Broker Rob Schick 317-403-1205

## Iowa

Prole **SOLD** Nathan Gottlieb/Tom Flannigan 612-790-3747

## Kansas

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

## Maine

Corinna \$400,000 Matthew Robinson 603-714-3426  
Shapleigh \$825,000 Matthew Robinson 603-714-3426  
Winthrop \$615,000 Jessie Gilton/Joe Mendola 617-820-8443

## Massachusetts

Spencer \$1,790,000 Jessie Gilton/Nathan Robinson 617-820-8443  
W. Bridgewater Call Broker Jessie Gilton/Joe Robinson 617-820-8443

## Michigan

Middleville Call Broker Kevin Friedman 847-436-5483  
New Baltimore Call Broker Kevin Friedman 847-436-5483  
Northville \$2,900,000 Kevin Friedman 847-436-5483  
Romulus **SOLD** Kevin Friedman 847-436-5483  
Ypsilanti \$1,310,000 Kevin Friedman 847-436-5483

## Minnesota

Aububon \$600,000 Alex Ihrke/Tom Flannigan 612-790-3747

## Minnesota Cont.

Brainerd \$975,000 Nathan Gottlieb/Tom Flannigan 612-790-3747  
Elk River \$1,000,000 Alex Ihrke/Tom Flannigan 612-790-3747  
Elk River Call Broker Alex Ihrke/Tom Flannigan 612-790-3747  
Forest Lake \$4,900,000 Alex Ihrke/Tom Flannigan 612-790-3747  
Herman \$289,000 Nathan Gottlieb/Tom Flannigan 612-790-3747  
New Richland \$640,000 Nathan Gottlieb/Tom Flannigan 612-790-3747  
Stacy **SOLD** Alex Ihrke/Tom Flannigan 612-790-3747  
Walker \$2,300,000 Alex Ihrke/Tom Flannigan 612-790-3747

## Mississippi

Greenwood \$5,260,000 Bill Barnhill/Stuart LaGroue 251-432-1287  
Madison \$2,125,000 Bill Barnhill/Stuart LaGroue 251-432-1287  
Moss Point \$980,000 Bill Barnhill/Stuart LaGroue 251-432-1287

## Missouri

Branson West \$4,900,000 Larry Goldman/Derek Arnold 913-707-9030  
Carrollton \$400,000 Larry Goldman/Derek Arnold 913-707-9030  
Dexter **SOLD** Chad Snyder/Tyler Trahan 817-813-5642  
Kirksville \$1,725,000 Chad Snyder/Tyler Trahan 817-813-5642  
Marshall \$1,675,000 Chad Snyder/Tyler Trahan 817-813-5642  
St. Robert \$1,825,000 Chad Snyder/Tyler Trahan 817-813-5642

## Nevada

Fallon \$13,300,000 Jeff Gorden 480-331-8880

## New Hampshire

Antrim \$449,000 Jessie Gilton 617-820-8443  
Laconia \$6,250,000 Joe Robinson 603-714-4019  
Newport \$5,695,000 Jessie Gilton/Joe Robinson 617-820-8443  
Portfolio Call Broker Cole Carosella/Joe Robinson 720-909-8602

## New Mexico

Almogordo \$650,000 Samuel Livingston 915-497-4054

## New York

Sackets Harbor \$1,200,000 Guy Blake 845-706-5744

## North Carolina

Portfolio Call Broker Jamey Cox/Cole Carosella 704-995-9168  
Greensboro \$5,600,000 Jamey Cox 704-995-9168

## Oklahoma

Oklahoma City \$6,900,000 Jared Jones 918-948-3941  
Shawnee \$5,500,000 Jared Jones 918-948-3941  
Shawnee \$6,000,000 Jared Jones 918-948-3941  
Spencer \$700,000 Chad Snyder/Tyler Trahan 817-813-5642  
Stillwater **SOLD** Jared Jones 918-948-3941

## Oregon

Cave Junction \$3,200,000 Scott King 541-890-6708  
Klamath Falls \$1,500,000 Scott King 541-890-6708

## Pennsylvania

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

## Tennessee

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

## Texas

Portfolio \$16,830,000 Chad Snyder/Tyler Trahan 817-813-5642  
Atlanta Call Broker Chad Snyder/Tyler Trahan 817-813-5642  
Beaumont \$8,165,000 Chad Snyder/Tyler Trahan 817-813-5642  
Bowie/Honey Grove \$945,000 Chad Snyder/Tyler Trahan 817-813-5642  
Bridgeport \$2,800,000 Chad Snyder/Tyler Trahan 817-813-5642  
Brownsville Call Broker Chad Snyder/Tyler Trahan 817-813-5642  
Chappell Hill Call Broker Faith Pate/Bill Brownfield 713-805-2907  
Gun Barrel & Tool \$8,250,000 Chad Snyder/Tyler Trahan 817-813-5642  
Odessa \$500,000 Chad Snyder/Tyler Trahan 817-813-5642  
Wichita Falls \$1,375,000 Chad Snyder/Tyler Trahan 817-813-5642

## Utah

Apple Valley \$1,800,000 Jeff Gorden/Darsh Desai 480-331-8880

## Washington

Spokane Valley \$10,500,000 Greg Meager/Ryan Layton 509-795-4431  
Oroville & Tonasket \$3,650,000 Greg Meager/Ryan Layton 509-795-4431  
Walla Walla \$2,150,000 Greg Meager 509-795-4431

## Wisconsin

Ashland \$1,500,000 Alex Ihrke/Tom Flannigan 612-790-3747

## RECENT SALES



Congratulations to **Jared Jones of Jones Investment Real Estate** who sold Locked Up Storage in Stillwater, OK! Contact Jared at 918-948-3941 for details.



Congratulations to **Kevin Friedman of Hayes Ventures** who sold a development site in Romulus, MI! Contact Kevin at 847-436-5483 for details.



Congratulations to **Tyler Trahant & Chad Snyder of Dominus Commercial** who sold SmartLock Self Storage in Dexter, MO! Contact the team at 817-242-2361 for details.



Congratulations to **Cole Carosella & Matthew Cox of Argus Self Storage Advisors** who sold a 2-Property Portfolio in Fort Collins, CO and KO Storage in Cheyenne, WY! Contact the team at 720-909-8602 for details.



Congratulations to **Nathan Gottlieb, Alex Ihrke & Tom Flannigan of Area Storage Advisors** who sold Prole Mini Storage in Prole, IA! Contact the team at 612-790-3747 for details.

**FREE BROKER'S  
OPINION OF VALUE**

### What's Your Property Worth?

With the recent volatility in the capital markets, the self-storage investment landscape is changing. With more than 60 closed transactions this year, Argus has real time market insight to help maximize your value. Contact your local Argus Broker today to receive a **FREE**, no obligation Broker's Opinion of Value for your property.

Learn More About:

- How interest rates affect your valuation
- Important steps to protect your value
- Market Fundamentals & Cap Rates
- How the recent change in the Capital Markets has affected value



## CONTACT AN ARGUS BROKER AFFILIATE

### NORTHEAST

Guy Blake, CCIM  
Joseph Mendola & Joe Robinson  
Chuck Shields

#### Company

Pyramid Brokerage Company  
NAI Norwood Group  
Beacon Commercial Real Estate

#### Phone

845-522-5900  
603-668-7000  
610-862-1645

#### Territory

Upstate NY, Western CT  
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.  
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Coastal Storage Group

251-432-1287  
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904-591-1556

FL Panhandle  
NC, SC  
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Livingston Brokerage LLC  
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713-805-2907  
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LA  
AL, MS  
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OK  
West TX & NM  
South TX  
North & Central TX

### WEST

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

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