

# SELF STORAGE ISN'T RECESSION-PROOF. IT NEVER REALLY WAS.



Javier Gonzalez  
Senior Financial Analyst

**STORE Management** is a third-party self-storage management firm delivering strategic operations, transparent reporting, and measurable growth for property owners and investors.

---

# SELF STORAGE ISN'T RECESSION-PROOF. IT NEVER REALLY WAS.

**Self storage is recession-proof.** You have heard this. If you have spent any time around the industry, you have probably said it yourself. The logic is intuitive enough: when the economy contracts, people downsize, move, lose jobs, and need somewhere to put their stuff. Demand holds up. Rents stay stable. The business hums along while other real estate sectors suffer.

There is some truth in that story. There is also a fair amount of mythology, and the two have gotten tangled together in a way that is causing real problems for owners who believed the narrative a little too completely.

## Where the Story Came From

The recession-proof thesis earned its credibility honestly. For a long stretch, self storage genuinely was an unusually resilient asset class. Supply was constrained relative to demand, and that buffer gave operators a lot of room to absorb economic turbulence without feeling it too badly. When demand softened a little, there was still not enough storage to go around. Rates held. Occupancy held. The story checked out.

Then COVID happened, and the thesis went from being roughly true to being spectacularly true. Demand exploded. People were moving, relocating, clearing out home offices, and storing things they suddenly had no room for. Operators barely had to try. Facilities filled up fast and stayed full. It was, by any measure, an extraordinary run.

The problem with extraordinary runs is that they attract capital. A lot of it. Everybody saw the performance numbers, and everybody drew the same conclusion, which was that they should build more self storage. And so they did.

## The Supply Problem Nobody Wants to Talk About

The recession-proof argument was always really a supply and demand argument in disguise. Self storage held up well in downturns because demand was resilient and supply was limited. Remove the supply constraint, and the whole thing looks different.

In many markets today, supply is not limited. Drive through the outer ring of any major Sun Belt metro and count the facilities. There are markets in the Phoenix area, for instance, where you can find more self storage options within five miles than you could reasonably need. Each one is competing for the same pool of tenants, and each one knows the others are willing to discount to fill units.

In that environment, the old playbook of lease up fast and raise rates later runs into a structural problem. You can still lease up fast. You do it by pricing aggressively. But once you have filled the building at a discount, your tenants have options. When you try to raise their rates, they can and often do move next door, where someone else is offering another discount. The race to the bottom is not a figure of speech. It is a market dynamic that is genuinely playing out in oversupplied markets right now.



---

## Occupancy Is Not the Metric You Think It Is

Here is the thing about occupancy: it is easy to hit, and it tells you almost nothing about whether a facility is actually performing.

Owners come to us regularly with properties at 90% occupancy and revenue that is tracking 30 to 40% below their original pro forma. They were told they would be at 90% and generating a certain rental income. They are at 90%. The income is not there. The gap is not an accounting mystery. They got to occupancy by giving units away, and now those tenants are locked in at below-market rates in a market where raising rates means losing them.

A facility at 70% occupancy hitting its revenue targets is a better business than one at 95% missing them by 20%. That sounds counterintuitive if you have spent years watching occupancy as the headline number, but it is just math. What matters is the revenue. The occupancy number is only interesting insofar as it helps you understand how you got there.

## The Customer Has Also Changed

The supply story is the structural problem. There is also a demand story, and it is subtler.

The traditional self storage customer was someone accumulating stuff over a lifetime and needing somewhere to put it. That customer still exists, but the mix is shifting. Younger renters tend to own less and move more. The household full of furniture and boxes that defined the core use case for decades is a smaller share of the market than it used to be.

What is growing is the business customer. Entrepreneurs, small operators, e-commerce sellers, tradespeople who need somewhere to stage equipment. These tenants have different needs, different lease patterns, and different expectations around service. They are not looking for the cheapest unit available. They are looking for a facility that understands what they need and can accommodate it. Operators who are still running a one-size playbook designed for the residential customer of twenty years ago are going to find this cohort increasingly hard to serve.

## What Recession-Proof Actually Requires Now

None of this means self storage is a bad business. It means it is a business that requires actual management again, the way most businesses do. The tailwinds that made the asset class look effortless for a decade have moderated, and what is left is a market where the operators who think carefully about pricing, tenant mix, and asset-specific strategy are going to outperform the ones who are still running the COVID playbook.

Deceptive pricing is also becoming a genuine regulatory risk. Several states have already moved to require disclosure of how much operators can raise rates on existing tenants. California is usually first, but it is rarely last. Operators whose entire revenue growth strategy depends on quietly turning up the dial on renewals by 30 or 40% are running a model that regulators are starting to scrutinize, and that tenants are becoming savvier about resisting.

The honest version of the recession-proof thesis is narrower and more conditional than the bumper sticker version. Self storage demand is relatively resilient.



---

That resilience does not protect you from oversupply, pricing mistakes, or a management approach that treats every asset the same regardless of what the market is actually telling you.

The asset class is not recession-proof. It is recession-resilient, under the right conditions, with the right operator. That is a less satisfying slogan. It is also closer to the truth.



## ABOUT THE AUTHOR

**Javier Gonzalez**

Senior Financial Analyst

[javier@STOREstorage.com](mailto:javier@STOREstorage.com)

Javier brings over five years of experience across financial planning and analysis, operational finance, and strategic modeling within fast-paced, data-driven environments. His background includes supporting enterprise-level forecasting, KPI development, and management reporting, as well as leading ERP implementations and building automated dashboards that improve visibility into performance drivers. Prior to joining STORE, Javier held senior FP&A and analyst roles at Tempur Sealy International, Semper Fi Heating & Cooling, and Cardone Ventures, where he partnered closely with operations and executive leadership to enhance forecast accuracy, streamline reporting processes, and drive data-backed decision-making.

At STORE Management, Javier supports financial analysis, reporting, and planning initiatives across the managed portfolio, helping leadership maintain disciplined forecasting, evaluate performance trends, and identify opportunities for operational improvement as the platform scales. He plays a key role in strengthening financial infrastructure, improving reporting efficiency, and ensuring leadership has clear, reliable insight into the metrics that matter most. Javier holds a Bachelor of Science in Business Administration from the University of Southern California's Marshall School of Business.

