

Is Your Self-Storage Facility Overtaxed?

What California Self-Storage Owners, Operators and Tax Teams Need to Know

\$61M+

Saved for CA clients

95%

Win rate

No fee

unless we win

Self-Storage Values Are Down From Their Peak

From 2020 to 2022, self-storage had a historic run: record occupancy, rapid street-rate growth and cap rates near all-time lows. Many California facilities were bought, built or reassessed at that peak. Since then, the market has shifted: advertised rents have fallen year over year in 28 of the top 30 U.S. metros as of May 2026, home sales have dropped to levels last seen during the financial crisis (meaning fewer moves and less demand), and new supply equal to about 3% of existing inventory was delivered in 2025.¹ At the same time, investors raised their return requirements: the average self-storage cap rate in Newmark's investor survey rose from 4.93% in 2021 to 5.70% in 2024.¹

Many California self-storage facilities are assessed on peak-era income and peak-era cap rates, while the market now pays less for less income.

How Lower Income and Higher Cap Rates Reduce Value

A modest dip in income combined with a higher cap rate produces a much larger drop in value. For a facility that earned \$1,000,000 of net operating income at the peak:

Item	Illustrative Example
Peak value: \$1,000,000 NOI at a 5.0% cap rate	\$20,000,000
Today: \$950,000 NOI (5% lower) at a 5.75% cap rate	\$16,520,000
Assessment reduction	\$3,480,000
Annual tax savings (at 1.15%)	\$40,020 / year
5-year savings	\$200,100

¹ Yardi Matrix self-storage reports (2025 and 2026); Yardi Breeze, State of Self Storage 2026; Newmark 2025 Self Storage Almanac (investor survey averages, 3Q 2021 and 3Q 2024).

Common Causes of Self-Storage Over-Assessment

- Facilities bought or built from 2020 to 2022, when buyers priced in peak rents and record-low cap rates
- Purchase prices that include business value: the operating platform, brand, management and income from tenant protection plans, merchandise and truck rentals. California taxes the real estate, not the business
- Newer facilities still leasing up but assessed as if fully stabilized
- Submarkets where new competing facilities have pushed down street rates and increased move-in concessions
- Los Angeles County: after the January 2025 fires, rate increases were capped at 10% above pre-fire levels through January 7, 2026, holding back income growth

Proven With Self-Storage and Portfolio Owners

Self-storage operator, \$25M to \$15M: its prior tax firm's decline-in-value appeal produced no reduction. We filed a Base Year appeal and won at the Appeals Board, saving roughly \$115,000 a year for as long as the owner holds the property.

Multi-location portfolios: we review every California location and appeal only the over-assessed ones. For one national retailer, that approach saved \$400,000+ a year and reduced the time its team spent on appeals by 80%.

"CRE Tax Appeal has delivered unmatched results handling our real estate appeals in Southern California. Facing a decade of backlogged appeals in LA County, CRE delivered results exceeding anything we had previously achieved internally or using outside firms. To date, they have achieved \$2.5M in savings and relentlessly pursued refunds to ensure every dollar is collected. Our tax team at Macy's highly recommends CRE for their abilities and excellent client service."

Michael Clary, Macy's

"Brett and Joe help Sunroad Enterprises ensure that our property taxes are fair. I am very happy with the results they have created. They are experts on property tax, and we enjoy consulting with them on property tax issues."

Jim McLennan, Sunroad Enterprises, San Diego, California

The CRE Tax Appeal Difference

CRE Tax Appeal does one thing: commercial property tax appeals in California. Our principals trained under MAI-designated appraisers, have represented over \$3.7 billion in property value, and have appeared before Assessment Appeals Boards across California for nearly two decades. We separate the real estate from the business, build each appeal on the income approach, and work alongside in-house tax teams on contingency: no upfront cost, no fee unless we win.

How It Works

Step 1: Request a free property review. We compare your assessment with current market data and walk you through the numbers in a 15-minute call. **Step 2: We file and manage the appeals.** After a short agreement and agent authorization, we prepare the valuations, negotiate with each Assessor, and represent you before the Assessment Appeals Boards. **Step 3: You receive your refunds.** We track every refund until the county pays, then invoice a percentage of the savings.

Know Your Filing Deadline

Decline-in-value appeals are filed each year from July 2 to November 30 in most California counties; some counties close September 15. Base Year and supplemental appeals have their own deadlines, so the sooner we review your property, the more we can recover.

Get Your Free Property Review Today

Or call us at 858-505-8065 | cretaxappeal.com/free-property-review

No upfront cost. No fee unless we win.