



SELF STORAGE NATIONAL OUTLOOK

SPRING 2025

PRESENTERS



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AGENDA

- U.S. Economy, Inflation & Interest Rates
- Factors Influencing Storage Demand
- Self Storage Q4 REIT Results
- Deep Dive Into Storage Advertised Rates
- Historical & Forecasted Supply Trends
- Self Storage Transactions

Yardi Matrix Self Storage House View – March 2025

MACROECONOMIC UPDATE

- The Fed has lowered interest rates by a full percentage point since September
 - However, they hit the pause button on recent interest rate cuts during their January meeting, entering a new wait-and-see phase
- U.S. economy looks to continue to expand at ~2%; large Federal deficits (>\$1.6 Trillion) are counteracting monetary policy; and the U.S. 10 Yr has backed up to 4.2%+ from 3.6% (at least down from 4.7% in Jan)
- The U.S. labor market is tight due to demographic reasons; even higher productivity will be needed to absorb lower immigration
- The U.S. has a structural housing shortage due to building regulations, zoning, and permitting delays, unlikely to be resolved for at least 10 years; what supply is added is at the high end of the market, but filtering is real nonetheless, still the “long pole” in the inflation tent

SELF STORAGE FUNDAMENTALS & OUTLOOK

- The self storage sector has had two very challenging years in 2023 and 2024 with rapidly declining occupancy, rent, revenue and NOI growth, all down from all time highs in 2021 and 2022; average REIT revenue growth was -1.4% and NOI growth -3.4% in Q4 2024
- Poor performance is due to weak demand from migration and home sales and high levels of new supply delivered in 2023 and 2024
- Advertised rental rates have dropped YoY for 28 straight months but recently improved from -4.2% in June 2024 to -1.2% in January 2025, led by the self storage REITs who are using low introductory rates to lure new customers, but REITs have slowed rent declines noticeably
- Supply under construction has been dropping and new square footage is expected to drop 15% in 2025, 18% in 2026 and 8% in 2027
- Estimated transaction volume of \$5 billion in 2024 was down 11% from 2023 and down 5.7% from the pre-COVID average, but volume in the second half of the year was up 50% YoY. Given that momentum transaction volume should be higher in 2025 than 2024
- Owners and operators are looking for a turnaround in the housing market to help demand, but that’s unlikely to happen in 2025, however a declining supply pipeline should provide a boost over the next few years especially in the second half of the year

REIT Q4 2024 Results and 2025 Guidance Summary

- REIT revenue growth decelerated each quarter of 2024, from an average of 0.8% Q4 2023 to 0.2% in Q1 2024, -0.2% in Q2, -1.1% in Q3, to -1.4% in Q4 2024 and down an average of 1% for the full year
 - Revenue growth decline was a result of an average 0.5% decline in average occupancy and average 0.5% decline in rates, while year end occupancy was down 0.2%; Extra Space/LifeStorage saw an increase in occupancy over the year while Public Storage experienced only 0.1% drop in rates, followed by NSA down 0.2%
 - Northeast, Midwest and West Coast markets with limited new supply like Washington DC, New York, Chicago and Denver are already showing signs of stabilization and growth while Sunbelt markets like Atlanta, Phoenix and Florida will continue to struggle with low home sales and in-migration and persistent supply issues
 - The average midpoint for revenue growth in 2025 is -0.3% ranging from -1% for CubeSmart to 0% for NSA
- NOI growth for 2024 averaged -2.2% for the REITs and also decelerated throughout the year, driven by a 4.1% increase in expenses, led by property tax, property insurance and marketing costs
 - Average midpoint for NOI growth is -1.8% for 2025, anticipating another year of high expense growth
- Most REITs believe occupancy has bottomed but will remain relatively flat in 2025 due to continued weak demand from home sales, but have more confidence increasing or maintaining asking rates which will eventually lead to higher achieved rents by EOY
 - Yardi Matrix advertised rate data confirms this, with REIT advertised rent growth YoY improving five of the last eight months to -0.1% in January 2025 from -6.7% in June 2024, and MoM growth of 0.5% in December 2024 and 1.1% in January 2025
- **Home sales and population mobility are not expected to improve much in 2025 and will not be a driver of growth but offers potential upside to guidance. Rather, easier comparative quarters in 2024, a trough in occupancy, low customer turnover combined with tried-and-true ECRI strategies and less new supply lead to a modestly better outlook for 2025.**

Where Are the Opportunities?

- Sunbelt markets with high existing supply levels (i.e. saturation) and persistent new supply have shown the strongest declines in rents following record performance during the pandemic
 - Examples include Las Vegas, Orlando, Phoenix and Southwest Florida
 - Improvement will hinge on a drop in new supply and improvement in home sales and migration trends, not likely in 2025
- Markets that just a few years ago had the weakest growth patterns and issues with new supply have emerged as top performers recently, although advertised rent growth here is still negative
 - Chicago, Denver, New York, Portland, Seattle and Washington DC fit into this camp
 - Demonstrates that markets can outperform coming out of a high-supply cycle
- **All data highlights the advantages of having a geographically-diversified portfolio that balances high growth/high supply with slow growth/moderate supply markets and submarkets**
 - **Markets outside the top 50 offer a 50% discount on price per square foot and minimal competition from REITs**
- **Interesting opportunities in markets where rents are down most from peak and where lease up could be struggling and create distress**
 - **1,350 properties were delivered in 2021 and 2022, many by developers new to self storage, and were originally underwritten at peak rental rates and pricing environment**
 - **Over 3,700 properties were acquired in 2021 and 2022 when rates were at their peak**

U.S. ECONOMY, INFLATION & INTEREST RATES

Forecasts for Real GDP Project a Solid 2025, with Slowly Declining Inflation and Sticky Long-Term Interest Rates

Evercore ISI / Yardi Matrix Economic Forecasts

	2023	2024	2025 Forecast Annualized	2026 Forecast Annualized
Real GDP	2.5%	Q1: 1.6% Q2: 3.0% Q3: 3.1% Q4: 2.3%	Q1: 2.0% Q2: 2.0% Q3: 2.0% Q4: 2.0%	Q1: 2.5% Q2: 2.5% Q3: 2.5% Q4: 2.5%
Nominal GDP	6.1%	Q1: 4.6% Q2: 5.5% Q3: 5.0% Q4: 4.8%	Q1: 4.3% Q2: 4.3% Q3: 4.3% Q4: 4.3%	Q1: 4.7% Q2: 4.7% Q3: 4.7% Q4: 4.7%
Inflation (GDP Deflator)	3.6%	Q1: 3.0% Q2: 2.5% Q3: 1.9% Q4: 2.4%	Q1: 2.3% Q2: 2.3% Q3: 2.3% Q4: 2.3%	Q1: 2.2% Q2: 2.2% Q3: 2.2% Q4: 2.2%

Evercore ISI / Yardi Matrix Economic Forecasts

	2023	2024	2025 Forecast Annualized	2026 Forecast Annualized
Unemployment Rate	3.7%	Q1: 3.8% Q2: 4.1% Q3: 4.1% Q4: 4.1%	Q1: 4.1% Q2: 4.2% Q3: 4.3% Q4: 4.3%	Q1: 3.9% Q2: 3.9% Q3: 3.9% Q4: 3.9%
Bond Yield*	4.0%	Q1: 4.2% Q2: 4.4% Q3: 3.9% Q4: 4.5%	Q1: 4.75% Q2: 4.75% Q3: 4.75% Q4: 4.75%	Q1: 4.75% Q2: 4.50% Q3: 4.50% Q4: 4.25%
Fed Funds*	5.5%	Q1: 5.5% Q2: 5.5% Q3: 5.2% Q4: 4.5%	Q1: 4.50% Q2: 4.50% Q3: 4.25% Q4: 4.00%	Q1: 4.00% Q2: 3.75% Q3: 3.75% Q4: 3.50%

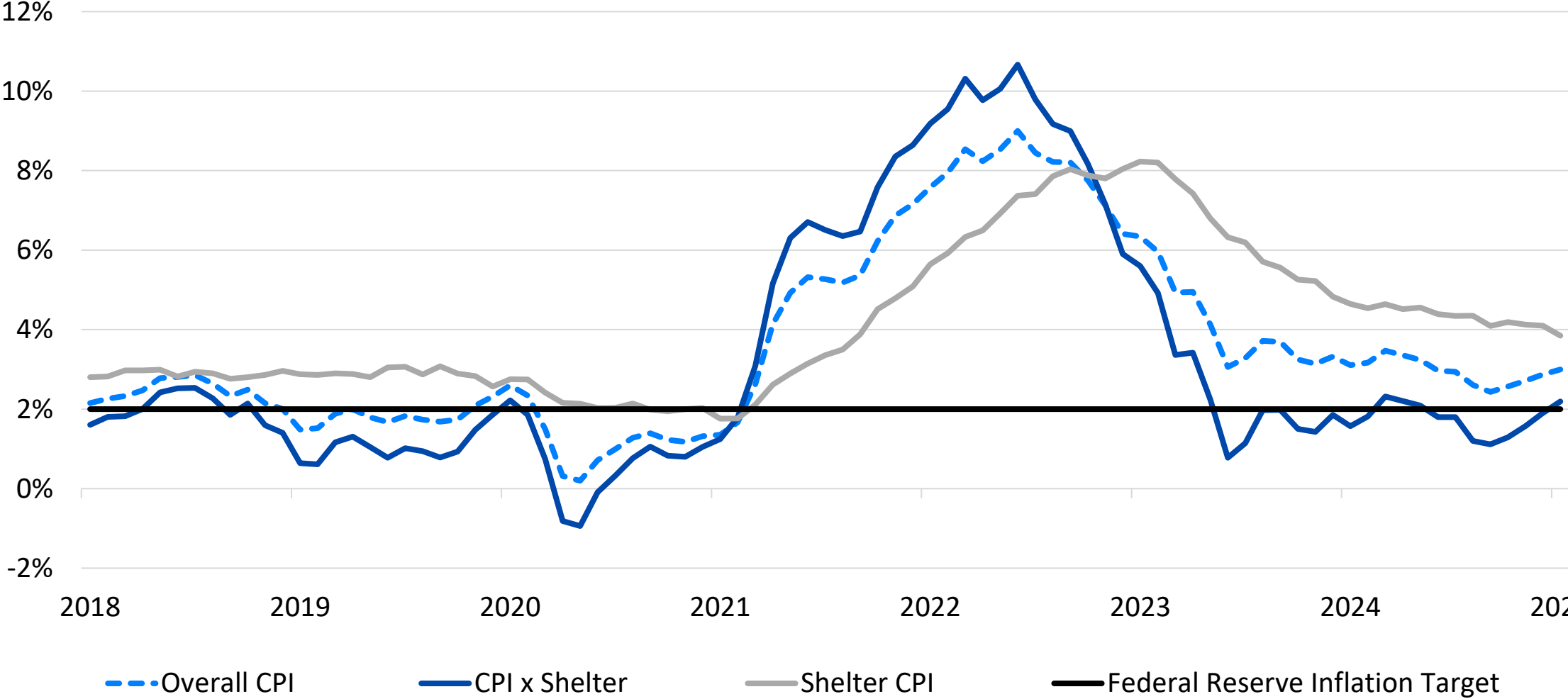
Movement in UST 10 YR dependent on path of Debt/GDP ratio- Faster Growth, Slower Spending or a Mix?

*Quarter average. Historical Bond Yield data shown as long-term government bond yields: 10-year: main (including benchmark) for United States, not seasonally adjusted

Source: Yardi Matrix; Evercore ISI; U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Moody's Analytics

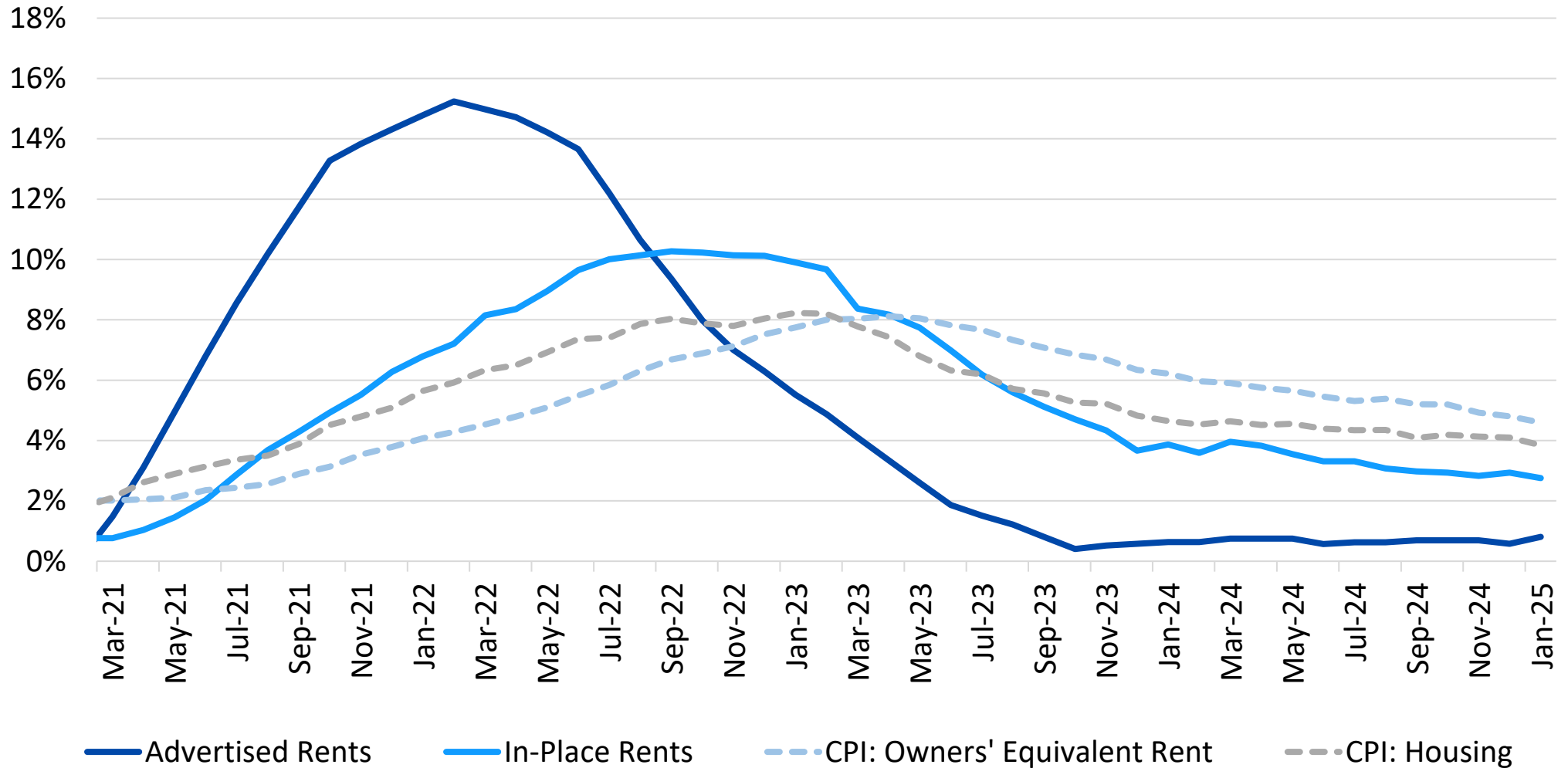
Inflation is Coming Closer to Meeting the Federal Reserve's Target

U.S. Consumer Price Inflation, YOY % Change



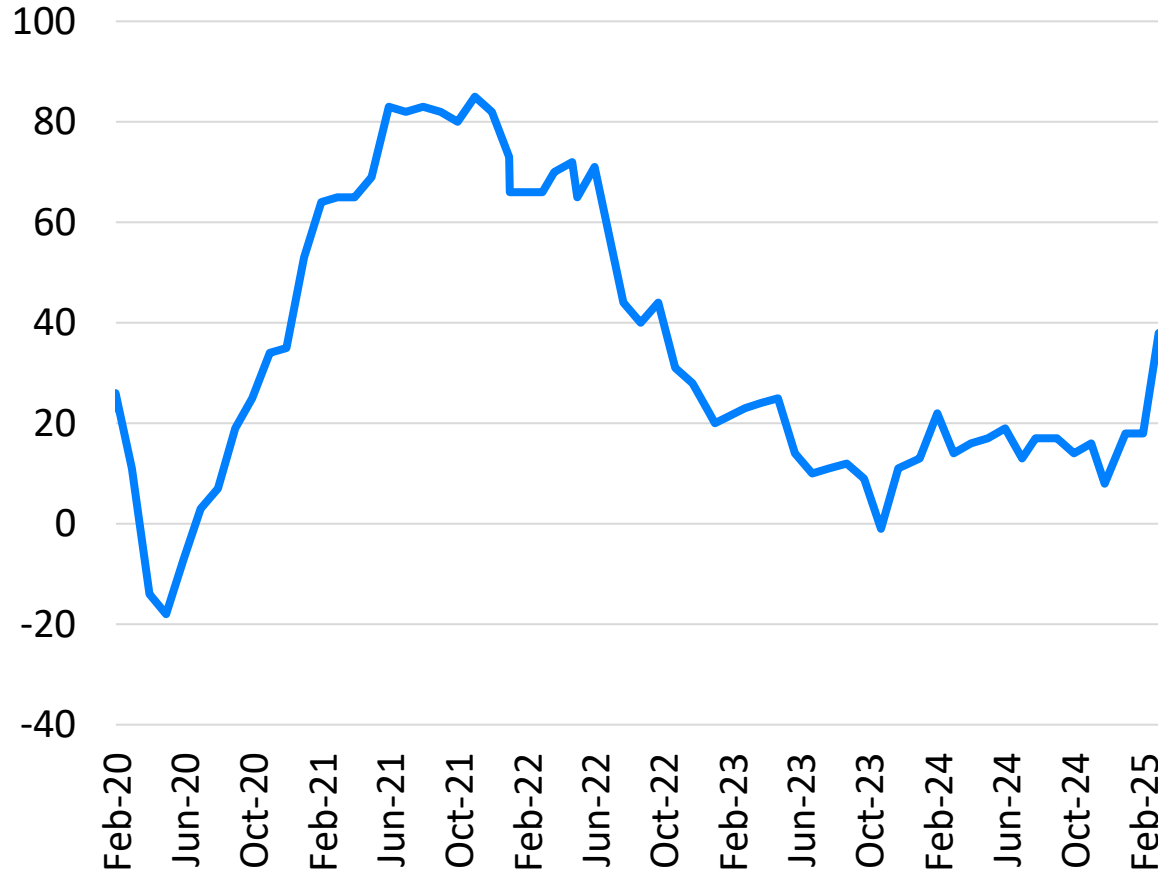
Housing CPI Tracks Closely to U.S. Multifamily In-Place Rents

Annual Growth in Rents vs Housing CPI and Owners Equivalent Rent CPI

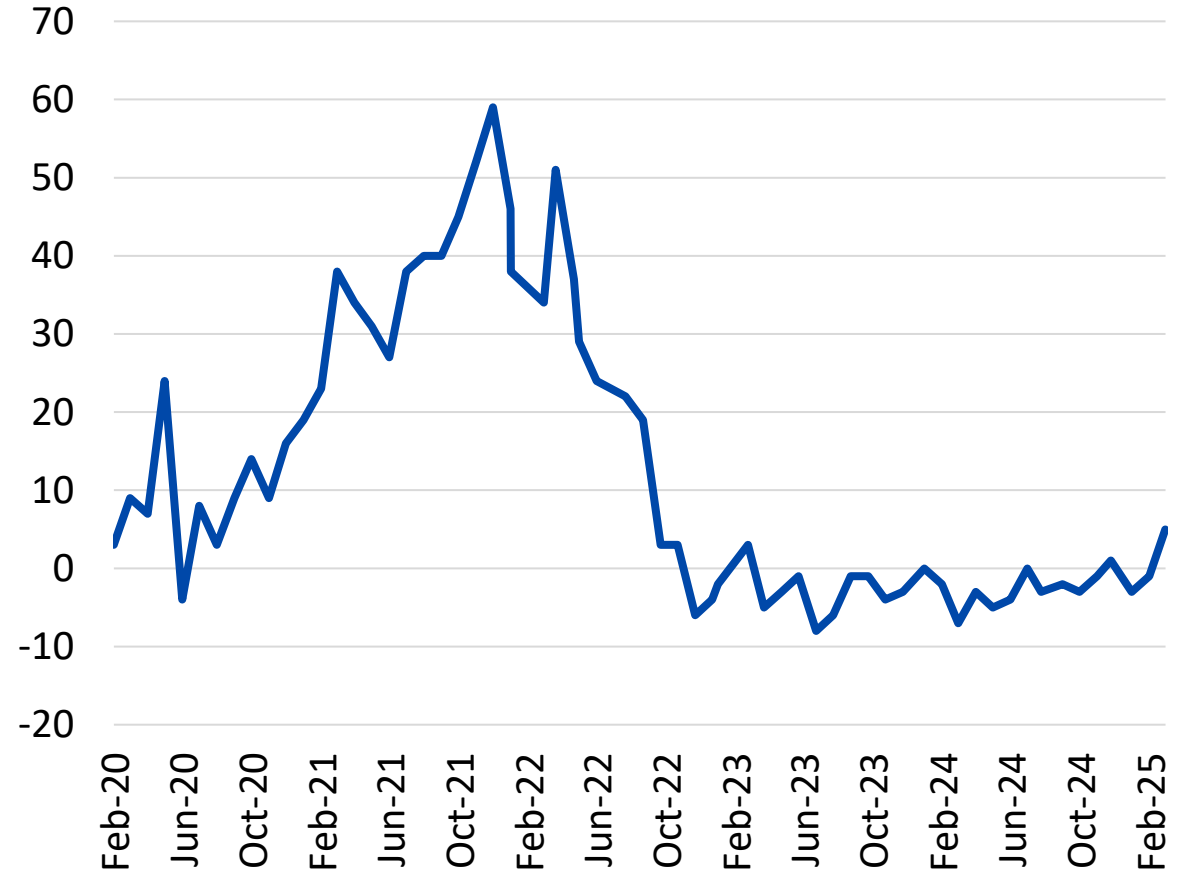


Raw Materials Prices Saw a Significant Increase in February

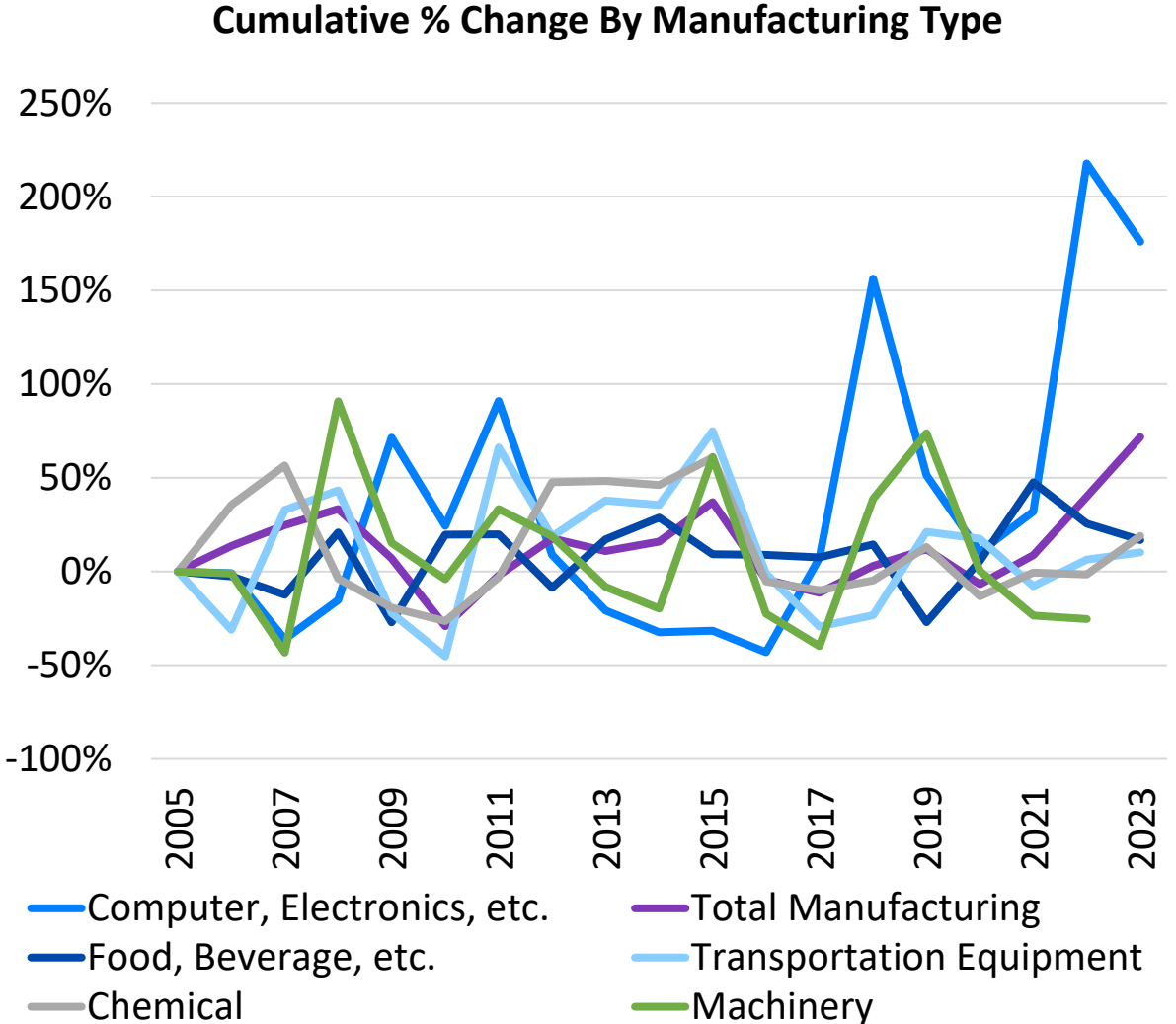
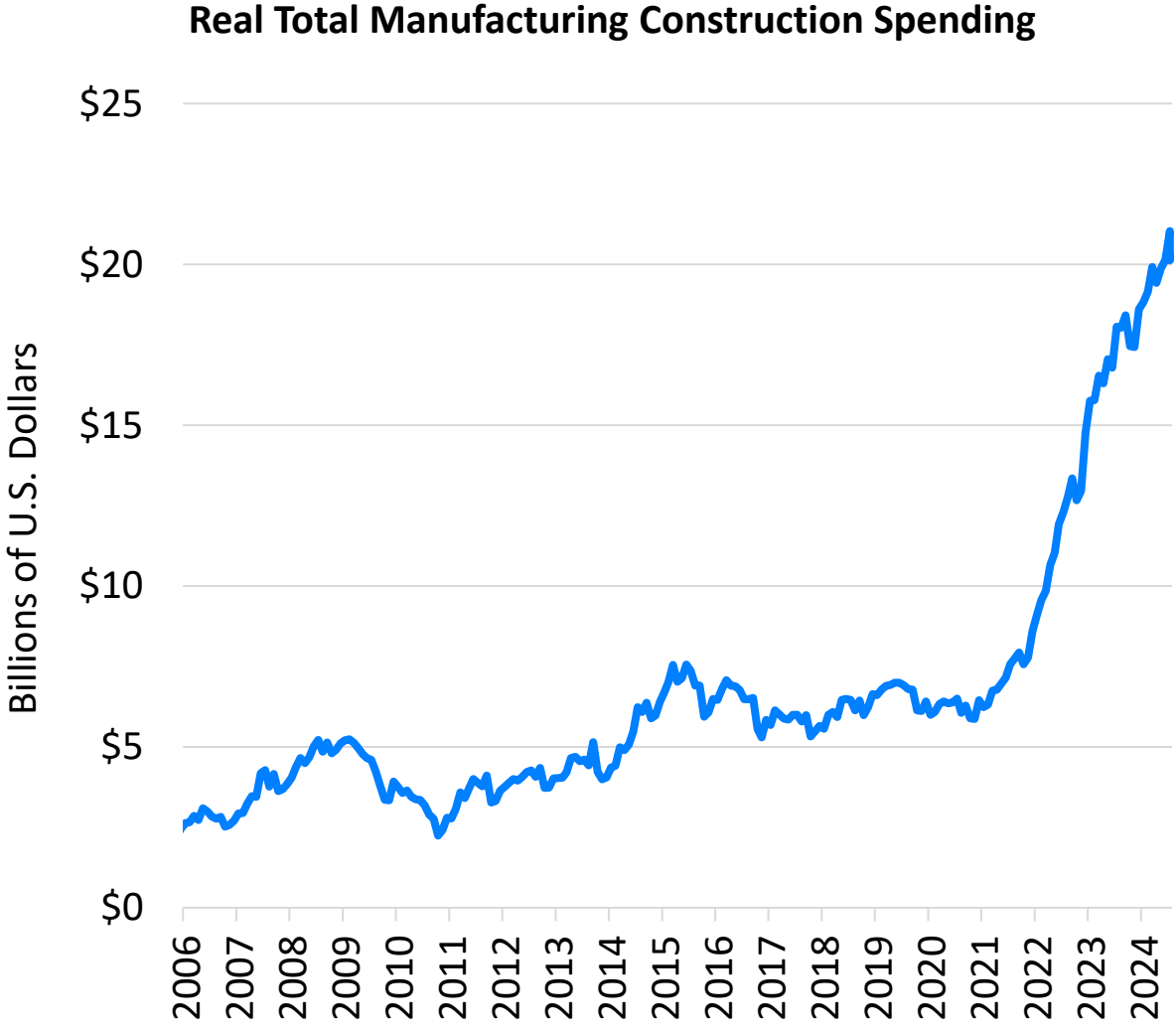
Prices Paid for Raw Materials Versus a Month Ago



Supplier Delivery Time Versus a Month Ago



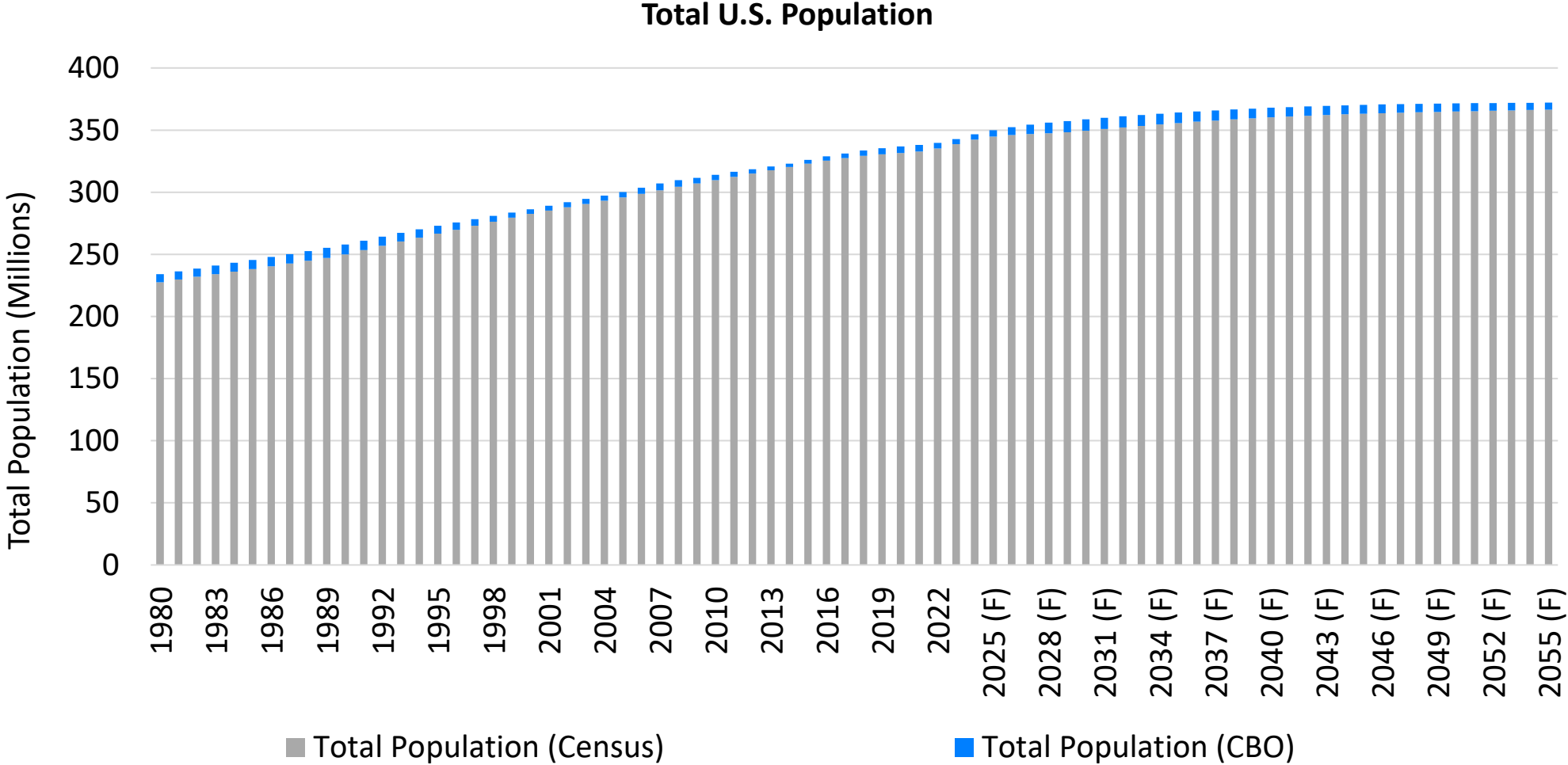
The U.S. Has Significantly Increased its Domestic Manufacturing Spending, Especially Within the Computer and Electronics Segment



Left chart: Data through December 2024 | Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau (BOC)

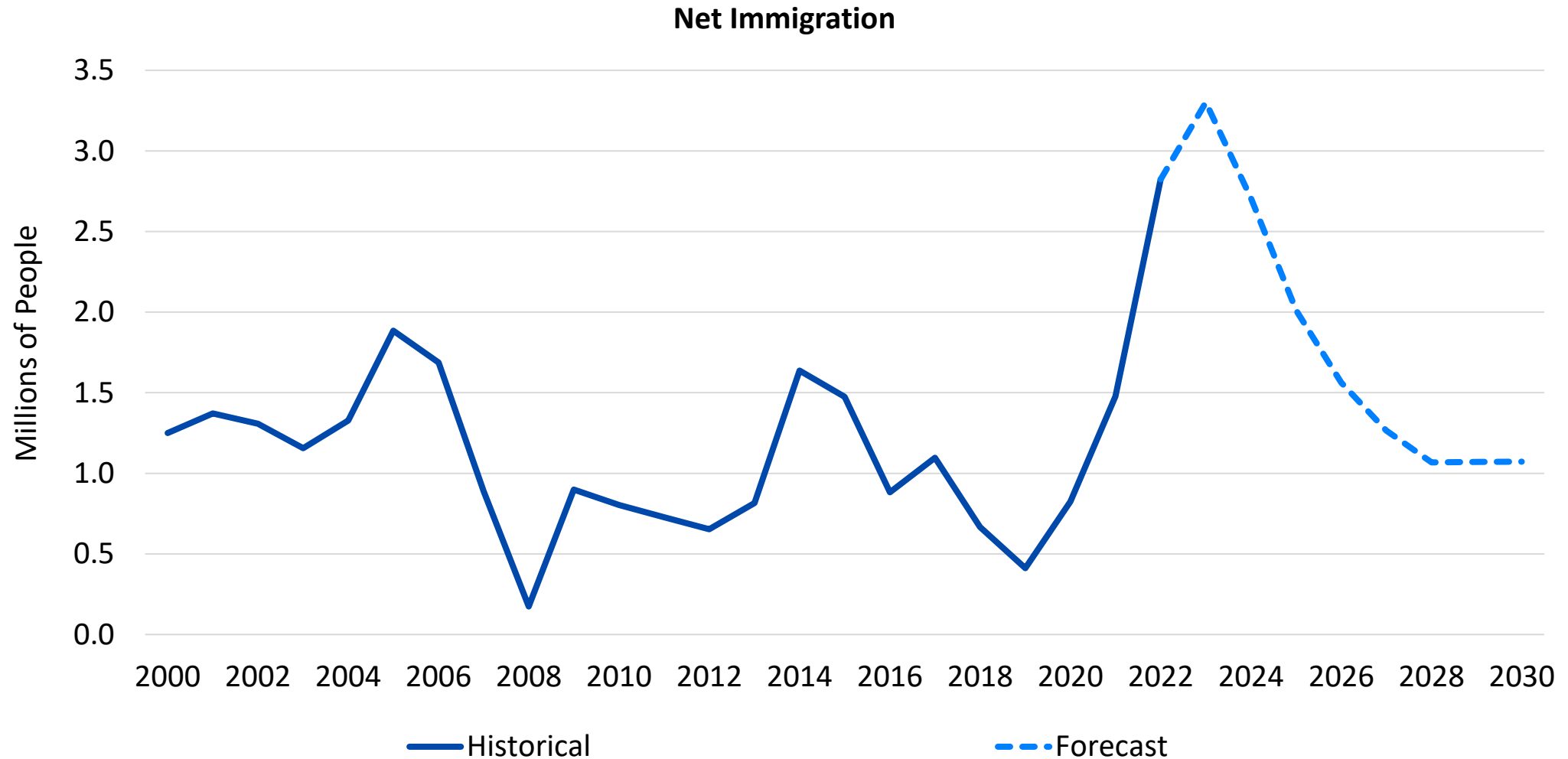
FACTORS INFLUENCING STORAGE DEMAND

Total Population is Increasing Only Modestly, with Immigration Giving a Short-Term Boost in Recent Years (Which CBO Numbers Better Estimate Than the Census)



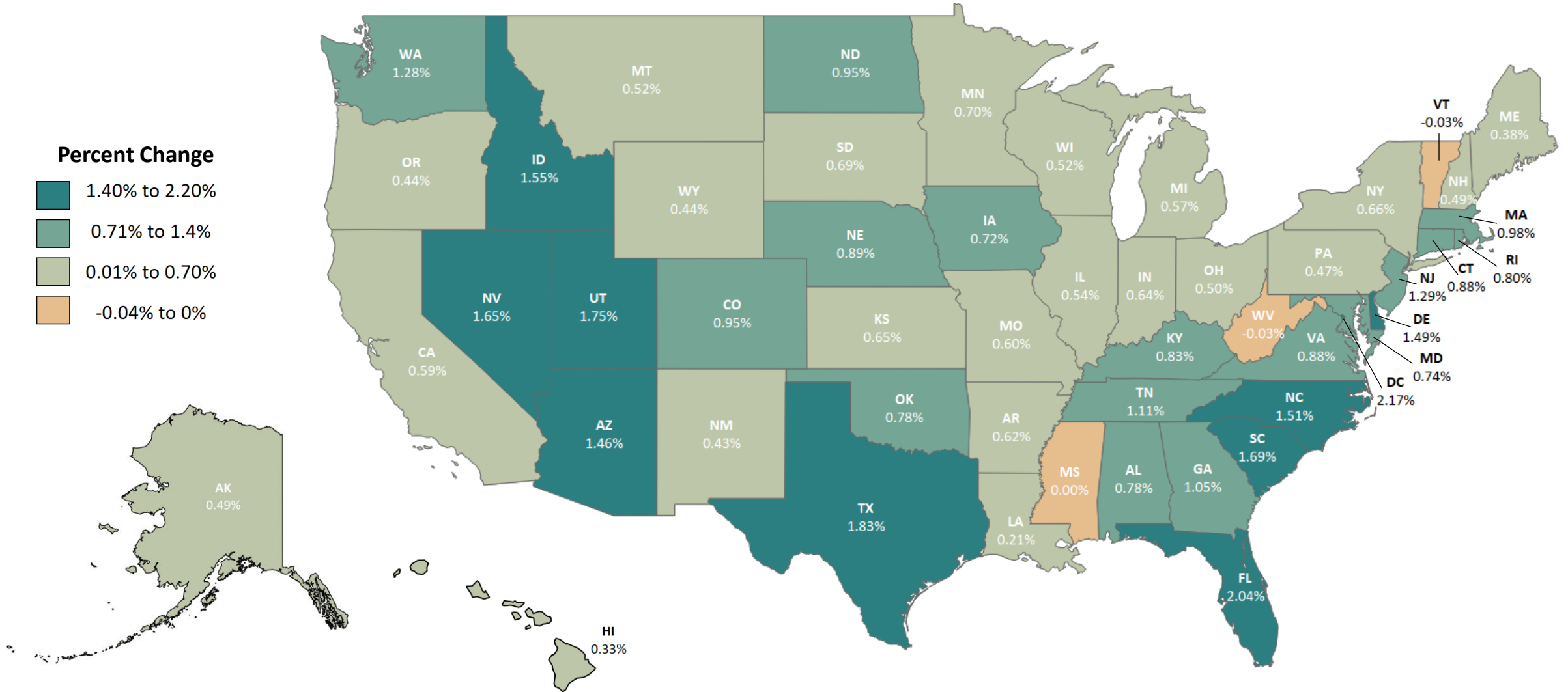
Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau; Congressional Budget Office

Net Immigration Saw a Sharp Uptick in 2022-2023, But its Future is Dependent on Political Events

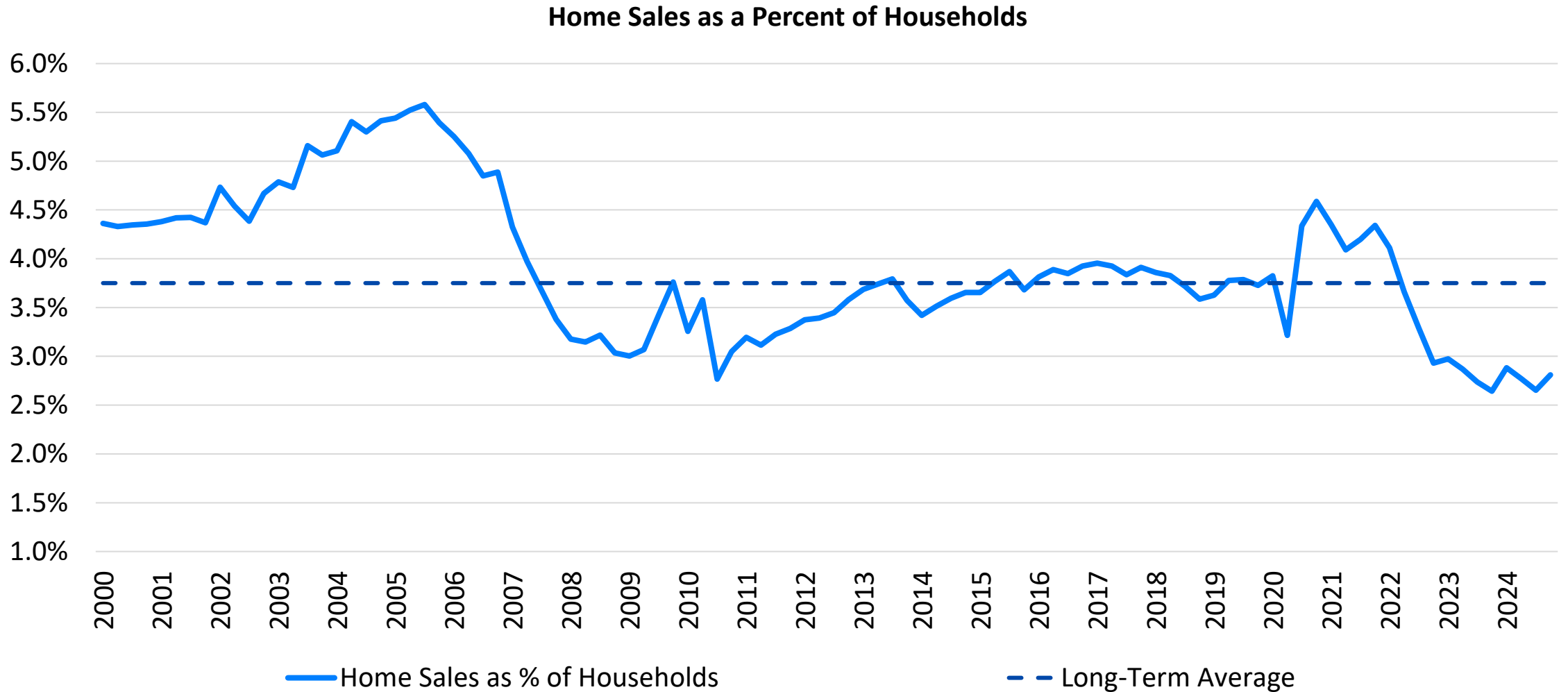


Western and Southern States Have Experienced Significant Population Growth

Percent Change in State Population: July 2023 to July 2024

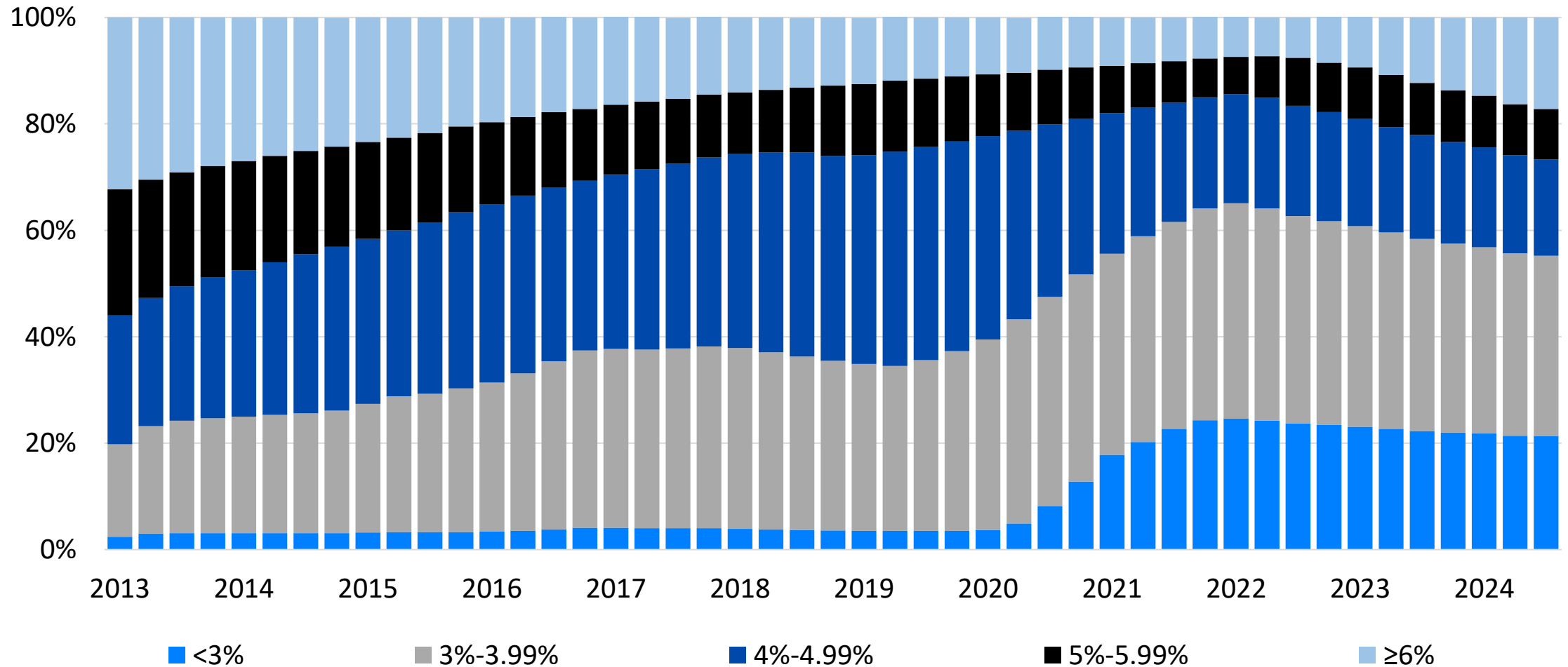


Home Sales as a Percent of Households is Down to GFC Levels, 94 Basis Points Below Long-Term Average

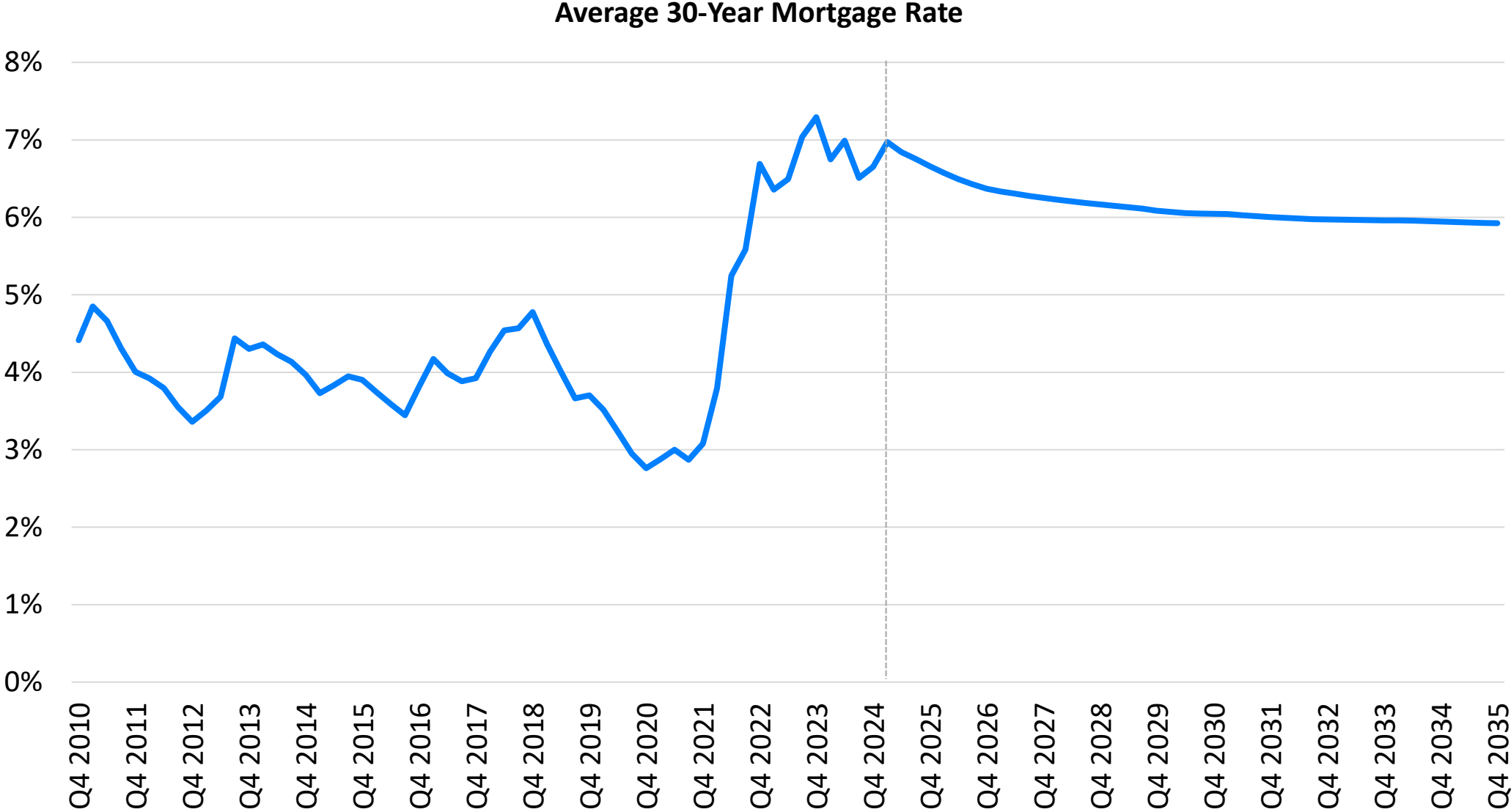


83% of Mortgage Holders Have an Interest Rate Below 6%

Share of Outstanding Mortgage Loans by Mortgage Rate



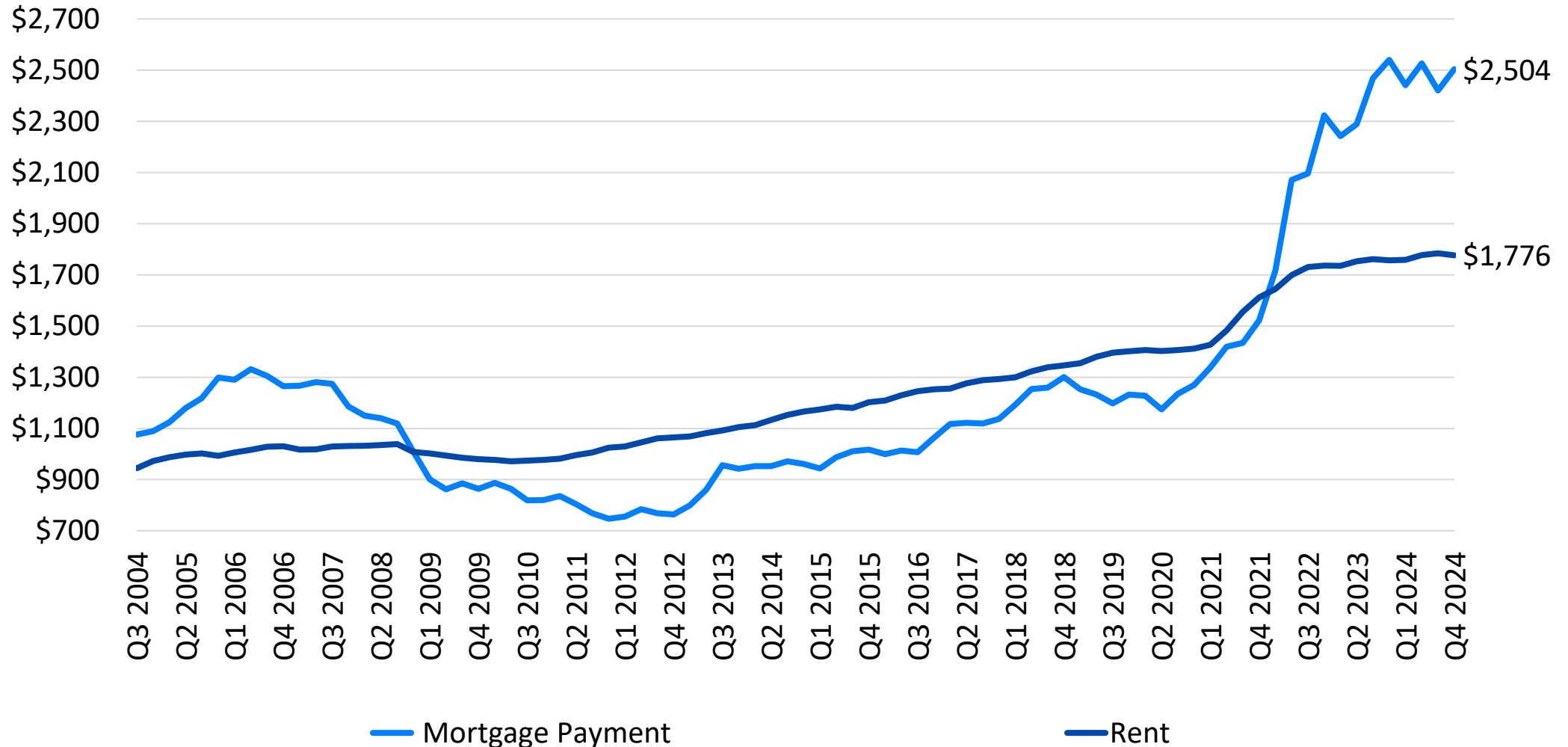
Mortgage Rates are Forecasted to Remain Elevated Through 2035



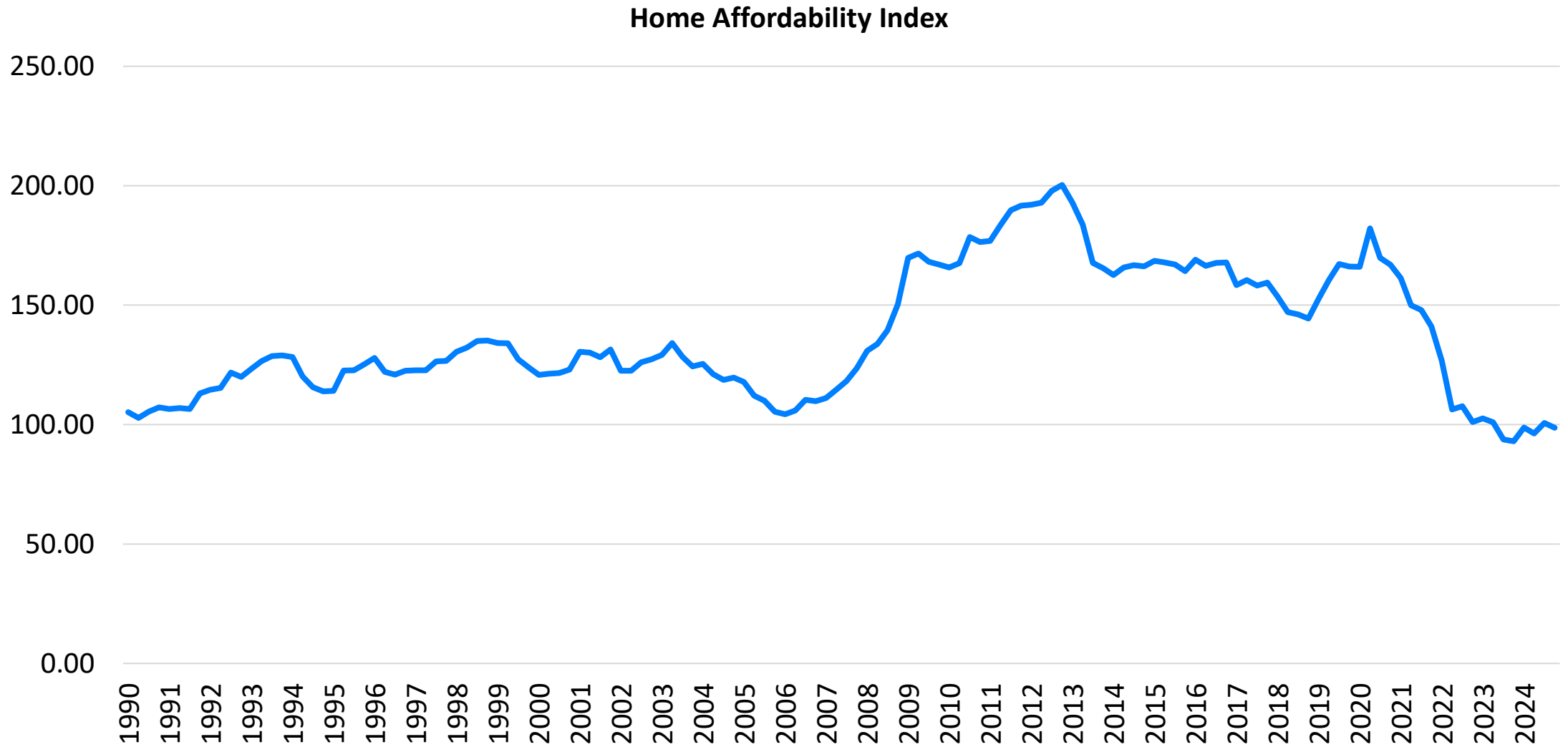
Source: Yardi Matrix; Moody's Analytics; Freddie Mac

Renting is Still a Better Deal Compared to the Cost of Owning

Home Mortgage Payment vs. Rent



Home Affordability at Lowest Point Since 1986



Home Affordability is Driving Migration Out of California and Migration is Driving Lower Affordability in Sunbelt

Least Affordable Markets Q4 2024		
MSA	Affordability Index	Migration % 2019-2022
San Jose, CA	39.3	-6.9%
Los Angeles, CA	43.4	-4.3%
Honolulu, HI	44.6	-3.8%
San Francisco, CA	48.4	-5.8%
San Diego, CA	51.3	-2.7%
Oxnard-Ventura, CA	53.3	-1.9%
Miami-Ft. Lauderdale, FL	60.2	-2.2%
Riverside, CA	69.0	1.3%
New York, NY	70.9	-4.8%
Seattle, WA	71.2	-2.2%

Least Affordable Markets Versus Long-Term Average					
MSA	Affordability Index	Average Since 2000	Versus LT Average	Migration % 2019-2022	
Winston-Salem, NC	109.2	197.7	55.2%	3.1%	
Grand Rapids, MI	123.5	217.4	56.8%	-0.4%	
Boise City, ID	88.1	155.0	56.8%	7.3%	
Deltona-Daytona Beach, FL	95.2	166.8	57.1%	9.3%	
Charlotte, NC	102.7	178.8	57.4%	3.7%	
Spokane, WA	90.6	157.4	57.6%	2.6%	
Las Vegas, NV	76.9	133.0	57.8%	2.8%	
Salt Lake City, UT	80.9	139.6	57.9%	-2.6%	
Palm Bay, FL	101.5	173.4	58.5%	7.9%	
Buffalo, NY	147.8	249.7	59.2%	-1.2%	



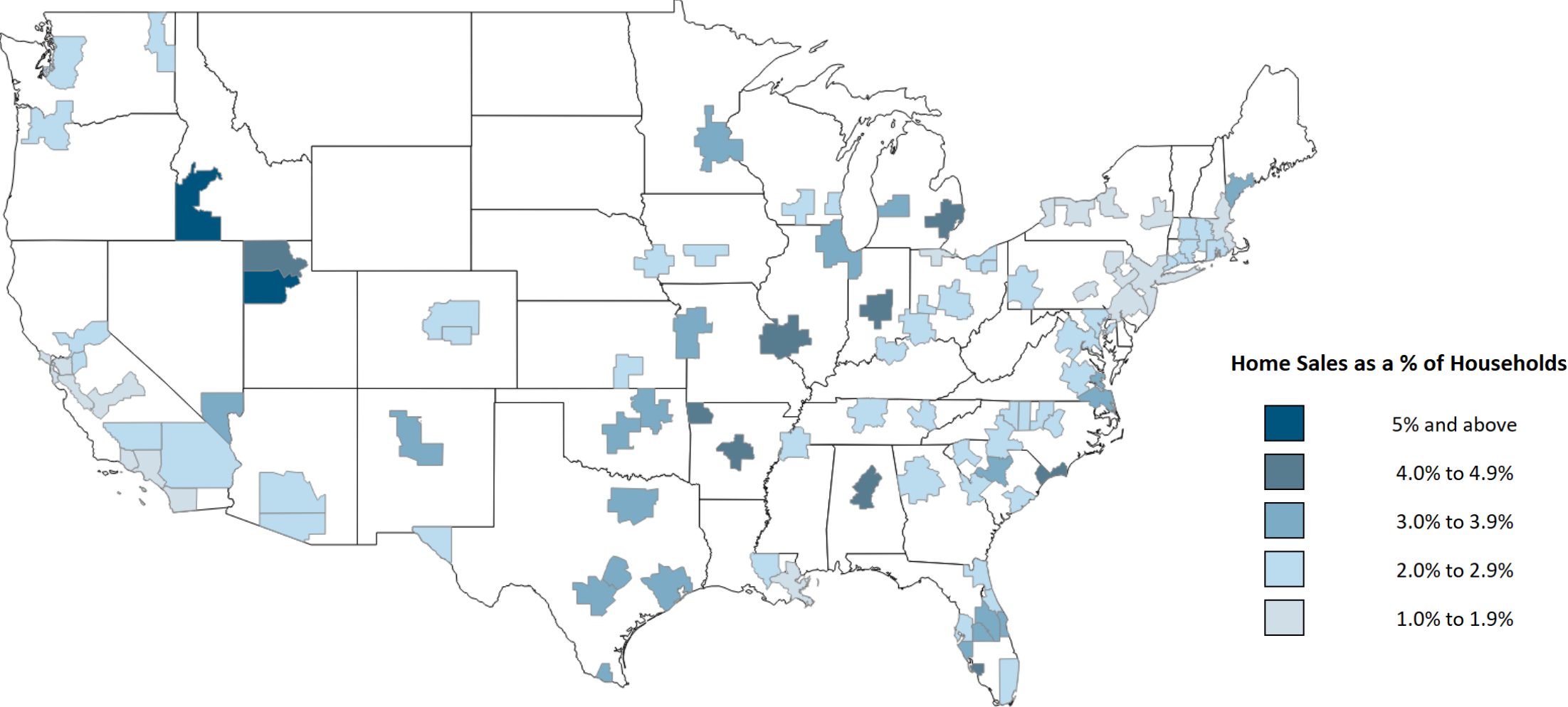
Disconnect Between Home Affordability and Migration Patterns

Most Affordable Markets Q4 2024		
MSA	Affordability Index	Migration % 2019-2022
Toledo, OH	197.5	-1.1%
Akron, OH	184.4	-0.2%
Cleveland, OH	181.5	-0.8%
Pittsburgh, PA	178.9	-0.9%
Little Rock, AR	167.0	0.9%
Wichita, KS	164.6	-0.2%
Rochester, NY	162.2	-1.6%
St. Louis, MO-IL	160.9	-0.6%
Syracuse, NY	154.3	-1.8%
Des Moines, IA	151.8	0.6%

Most Affordable Markets Versus Long-Term Average					
MSA	Affordability Index	Average Since 2000	Versus LT Average	Migration % 2019-2022	
Bridgeport, CT	82.3	103.9	79.2%	-0.6%	
Little Rock, AR	167.0	214.2	78.0%	0.9%	
Cleveland, OH	181.5	233.6	77.7%	-0.8%	
New Orleans, LA	125.6	162.2	77.4%	-3.0%	
Baton Rouge, LA	135.7	175.2	77.4%	-0.6%	
Chicago, IL-IN-WI	121.5	158.8	76.5%	-3.1%	
Baltimore, MD	123.7	164.1	75.4%	-1.4%	
Myrtle Beach, SC-NC	96.8	129.3	74.9%	15.4%	
Pittsburgh, PA	178.9	239.4	74.7%	-0.9%	
Hartford, CT	132.1	178.7	73.9%	-0.3%	



Home Sales as a Percent of Households Were Highest in Smaller Markets in the Mountain West and Midwest in Q4 2024



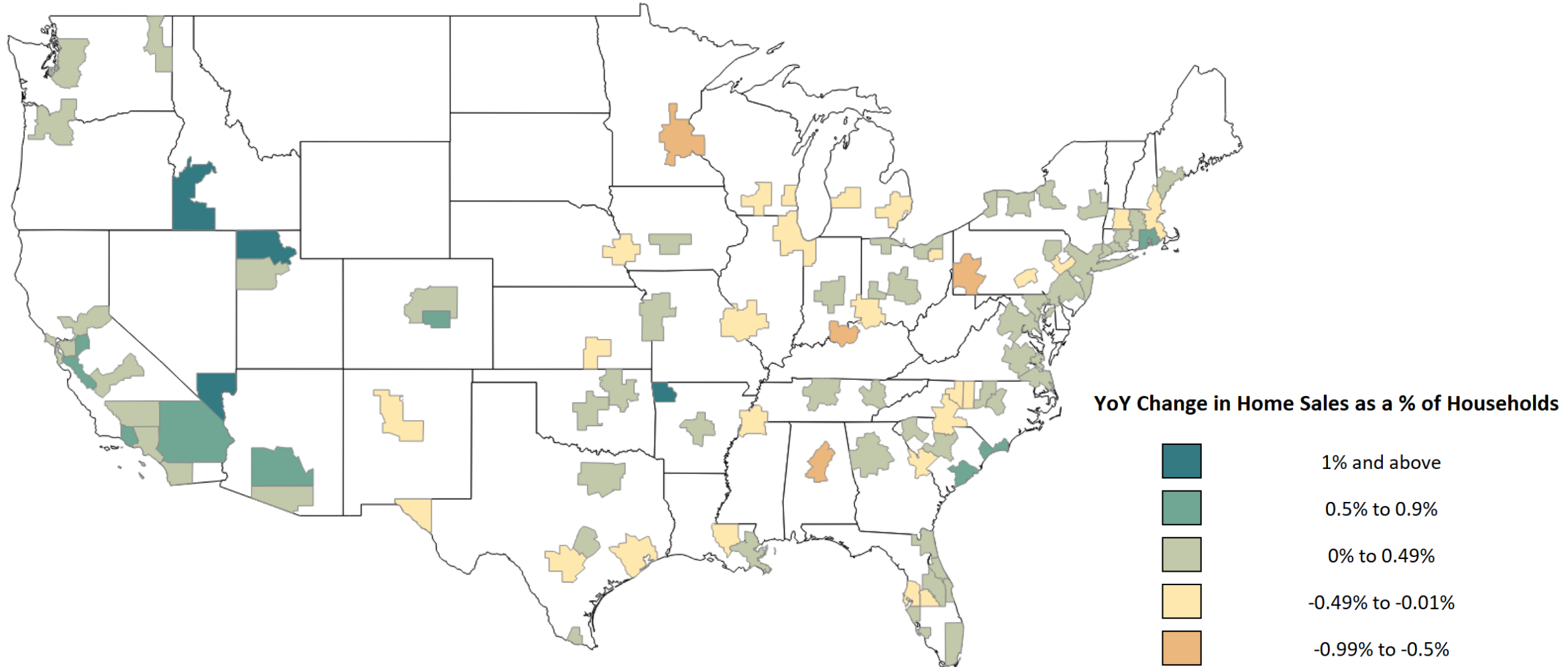
Filtered by largest 100 U.S. metros in terms of total number of households; Data through Q4 2024 | Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau; National Association of Realtors (NAR): Real Estate Outlook; CoreLogic, Inc.: Home Sales



Home Sales as a Percent of Households Were Highest in Smaller Markets in the Mountain West and Midwest in Q4 2024 Compared to Q4 2023

Top 10 Metros	Home Sales as a % of Households
Boise City, ID	5.8%
Salt Lake City, UT	5.7%
Ogden-Clearfield, UT	5.0%
Cape Coral-Fort Myers, FL	4.8%
Birmingham-Hoover, AL	4.4%
St. Louis, MO-IL	4.4%
Fayetteville-Springdale-Rogers, AR-MO	4.2%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	4.2%
Indianapolis-Carmel-Anderson, IN	4.2%
Little Rock-North Little Rock-Conway, AR	4.1%

Meanwhile, Markets in the West and Northeast Experienced the Largest YoY Increase In Home Sales as Percent of Households

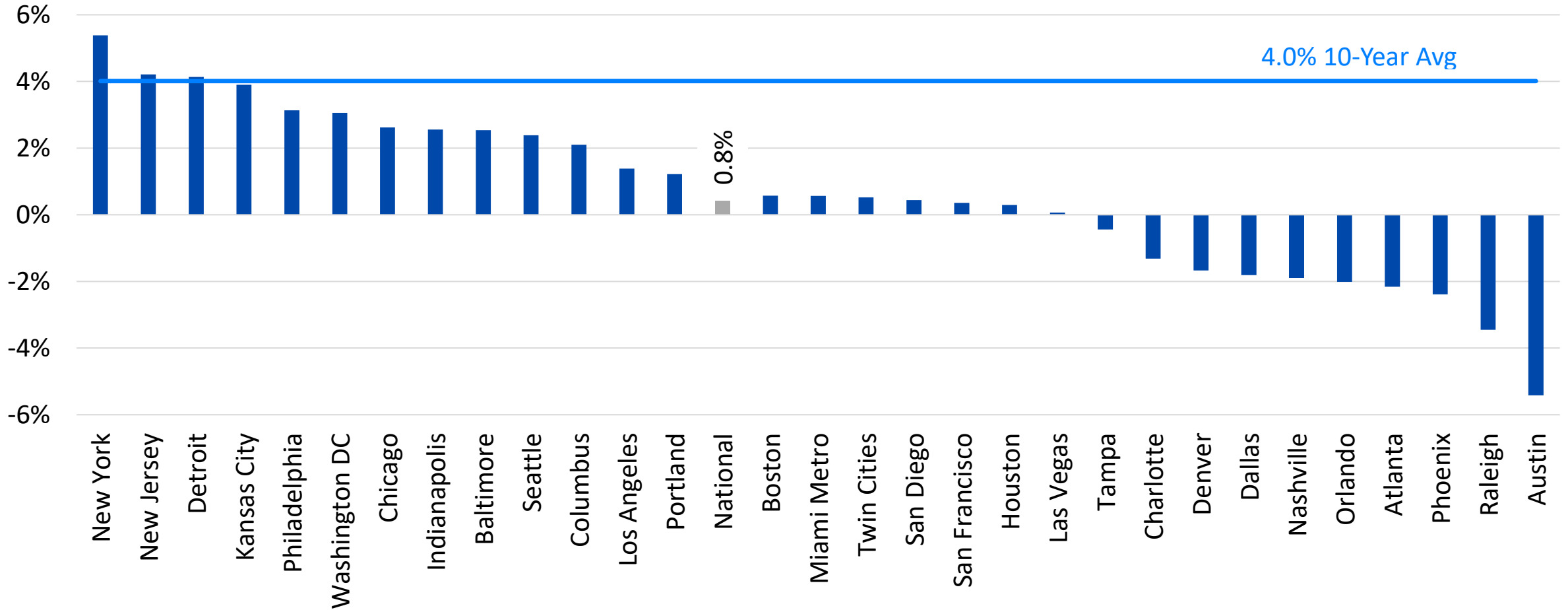


Meanwhile, Markets in the West and Northeast Experienced the Largest YoY Increase in Home Sales as Percent of Households

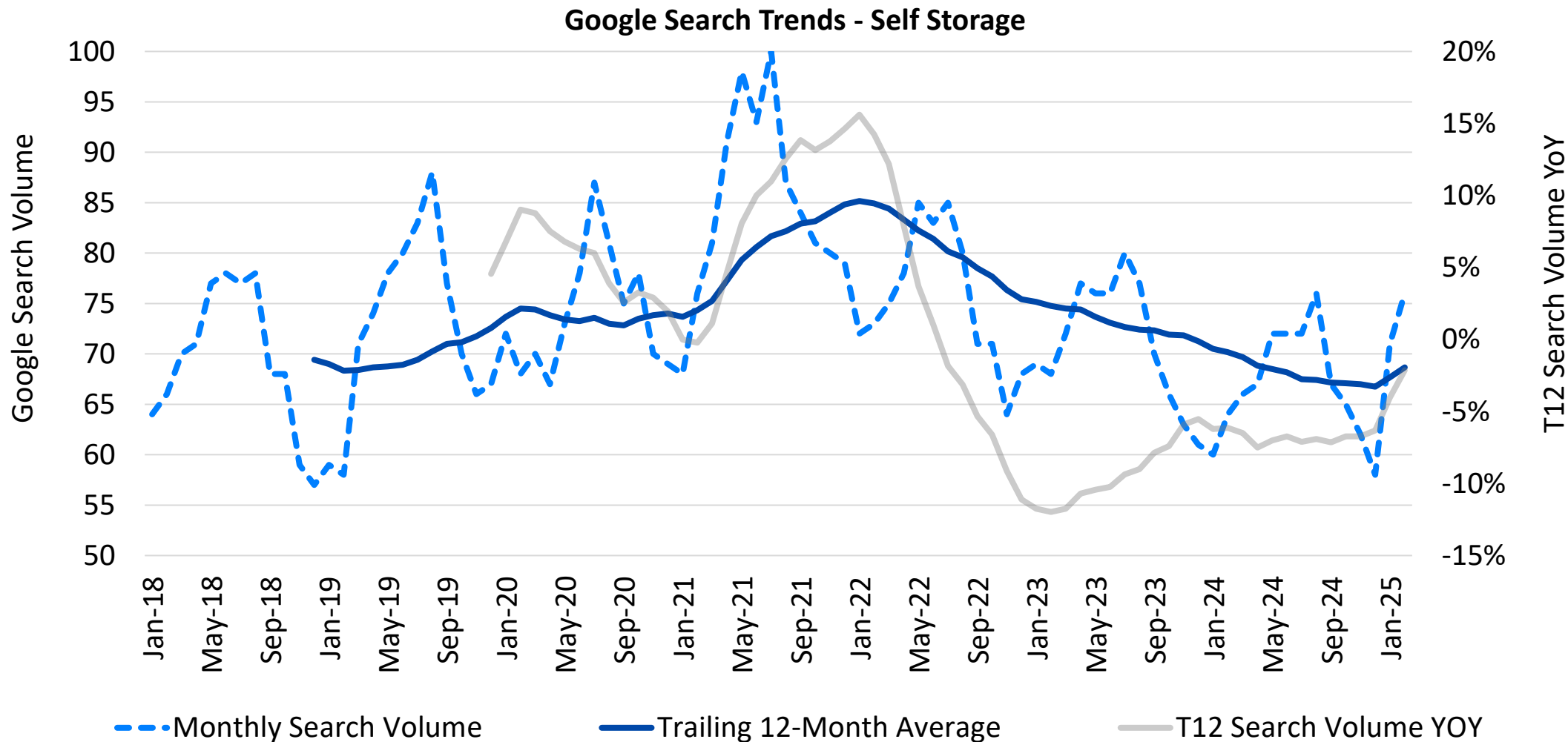
Top 10 Metros	YoY Change in Home Sales as a % of HHs
Boise City, ID	1.5%
Ogden-Clearfield, UT	1.2%
Las Vegas-Henderson-Paradise, NV	1.1%
Fayetteville-Springdale-Rogers, AR-MO	1.0%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	0.9%
Charleston-North Charleston, SC	0.7%
Phoenix-Mesa-Scottsdale, AZ	0.7%
Providence-Warwick, RI-MA	0.7%
Riverside-San Bernardino-Ontario, CA	0.6%
Oxnard-Thousand Oaks-Ventura, CA	0.6%

Multifamily Rent Growth Has Been Mixed with the Northeast and Midwest Outperforming and the Sunbelt Underperforming

Year-Over-Year Rent Growth - All Asset Classes



Google Search Volume for Self Storage Bottomed in December 2024 and Year-over-Year Growth Was Positive January & February



Data from 1/1/2018 through 2/28/2025. | Numbers represent search interest relative to the highest point on the chart for the given region and time. For example, a value of 100 is the peak popularity for the term. | Source: Google Trends, Yardi Matrix



Self Storage Searches Have Recovered in Many Markets, Only Partly Driven by Housing Market

Top 10 Average 12-Month Search Volume

Google Market	Feb-24 Search Volume	T12 Feb-24 Search Volume
Miami-Ft. Lauderdale FL	90	82
Portland OR	87	78
Seattle-Tacoma WA	86	77
Tampa-St. Petersburg (Sarasota) FL	81	76
San Diego CA	85	76
Chicago IL	77	75
Las Vegas NV	79	75
Orlando-Daytona Beach-Melbourne FL	80	72
Philadelphia PA	100	72
New York NY	86	71
National	76	69

Top 10 12-Month Search Volume YoY

Google Market	Feb-24 Searches YOY	T12 Feb-24 Searches YOY
Charleston SC	9.8%	20.3%
Los Angeles CA	32.1%	12.4%
Washington DC (Hagerstown MD)	96.1%	8.8%
Chicago IL	11.6%	8.4%
Columbus OH	52.9%	8.2%
Las Vegas NV	38.6%	6.4%
Miami-Ft. Lauderdale FL	11.1%	6.0%
San Francisco-Oakland-San Jose CA	13.1%	3.1%
Nashville TN	20.0%	2.2%
Boston MA-Manchester NH	28.0%	2.0%
National	18.8%	-2.1%

Despite Recovery in Search Volume so far in 2025, a Few Markets Are Still Searching for Bottom

Bottom 10 Average 12-Month Search Volume

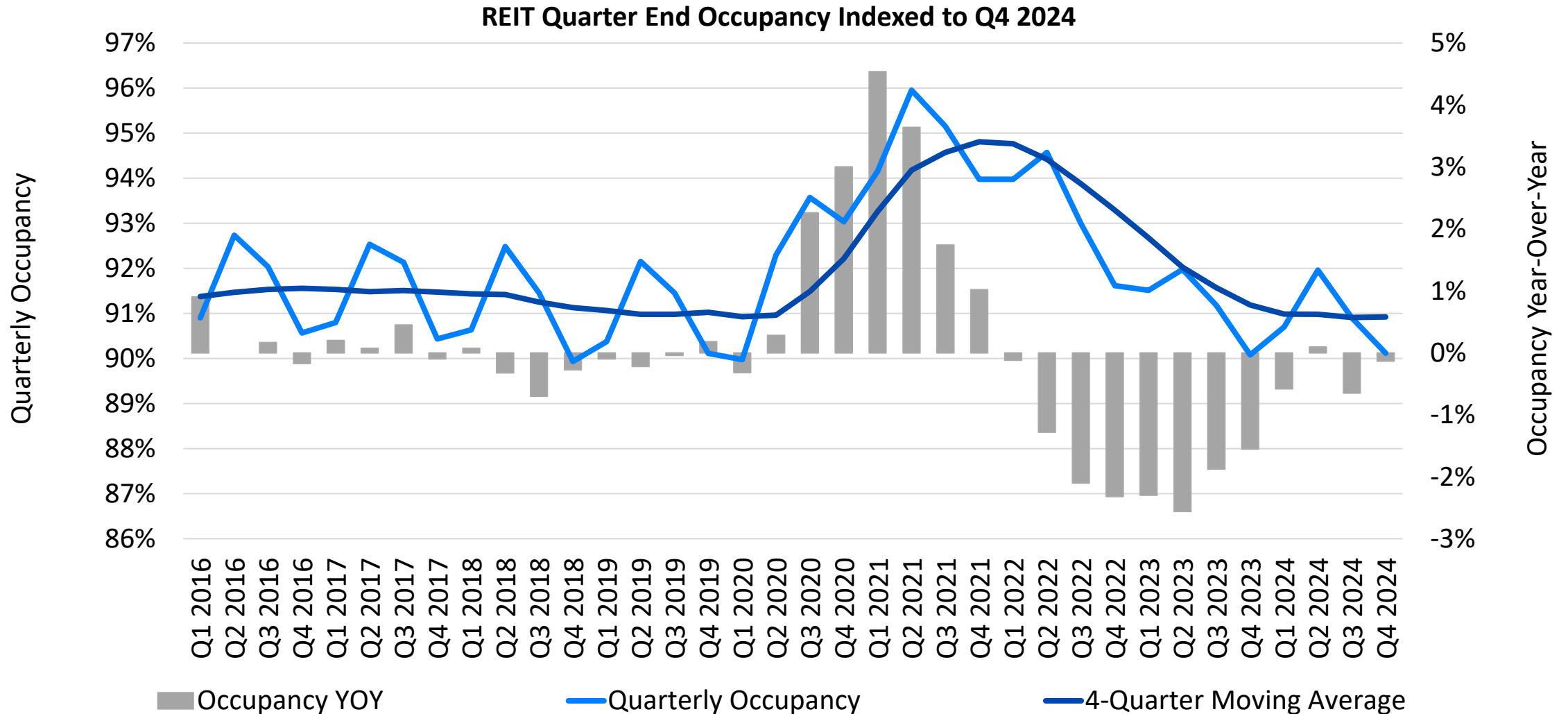
Google Market	Feb-24 Search Volume	T12 Feb-24 Search Volume
Los Angeles CA	70	49
Atlanta GA	53	52
Charleston SC	45	53
Nashville TN	54	54
San Antonio TX	53	54
Denver CO	63	54
Austin TX	69	56
Boston MA-Manchester NH	64	59
Charlotte NC	57	60
Raleigh-Durham (Fayetteville) NC	59	61
National	76	69

Bottom 10 12-Month Search Volume YoY

Google Market	Feb-24 Searches YOY	T12 Feb-24 Searches YOY
Houston TX	0.0%	-12.6%
Sacramento-Stockton-Modesto CA	6.3%	-10.0%
Dallas-Ft. Worth TX	5.1%	-9.1%
San Antonio TX	3.9%	-7.8%
Minneapolis-St. Paul MN	75.0%	-5.7%
San Diego CA	14.9%	-4.9%
Orlando-Daytona Beach-Melbourne FL	15.9%	-4.8%
Atlanta GA	1.9%	-4.5%
Raleigh-Durham (Fayetteville) NC	22.9%	-4.3%
Austin TX	23.2%	-3.8%
National	18.8%	-2.1%

SELF STORAGE Q4 REIT RESULTS

REIT Occupancy May be Bottoming but Will Rely on Spring/Summer Demand to Grow

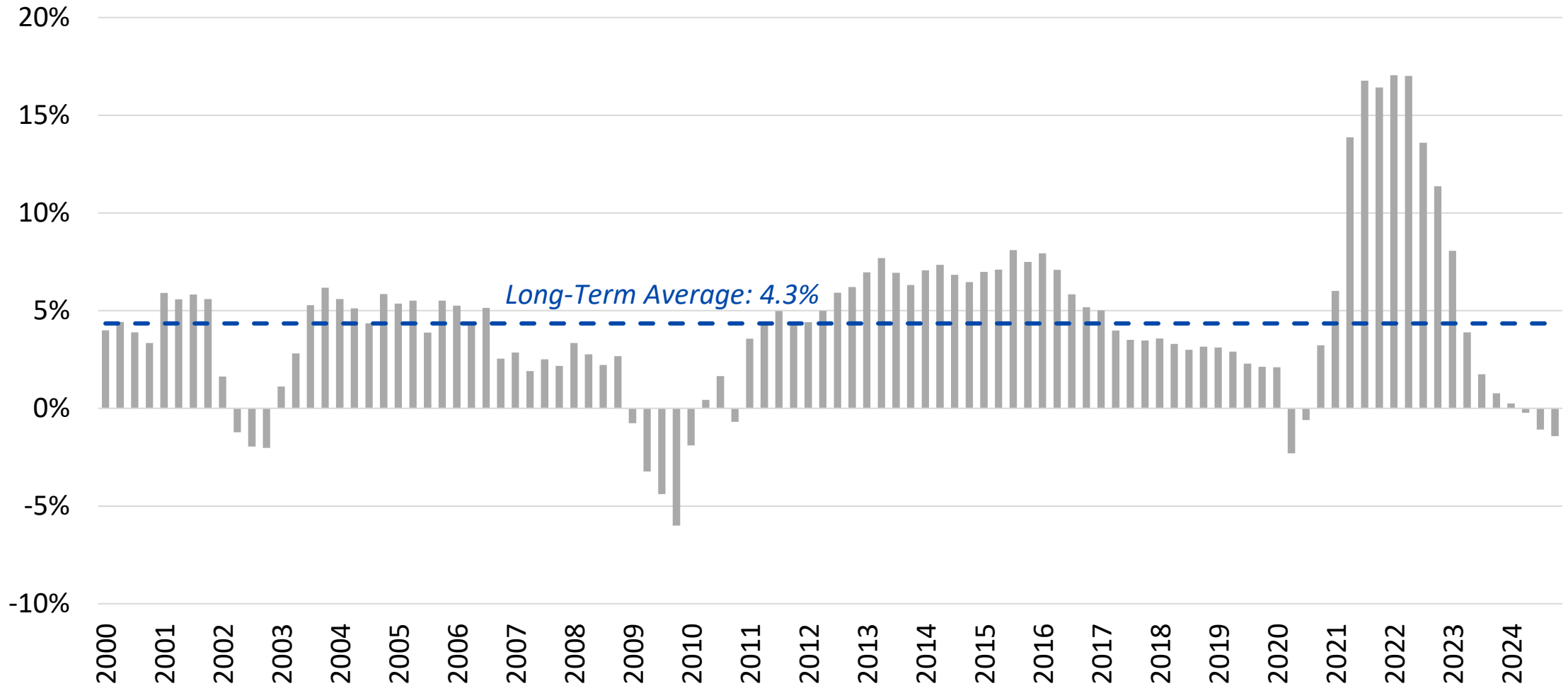


Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2024, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage



REIT Revenue Growth Averaged -0.7% in 2024

Self Storage REIT Total Revenue Growth

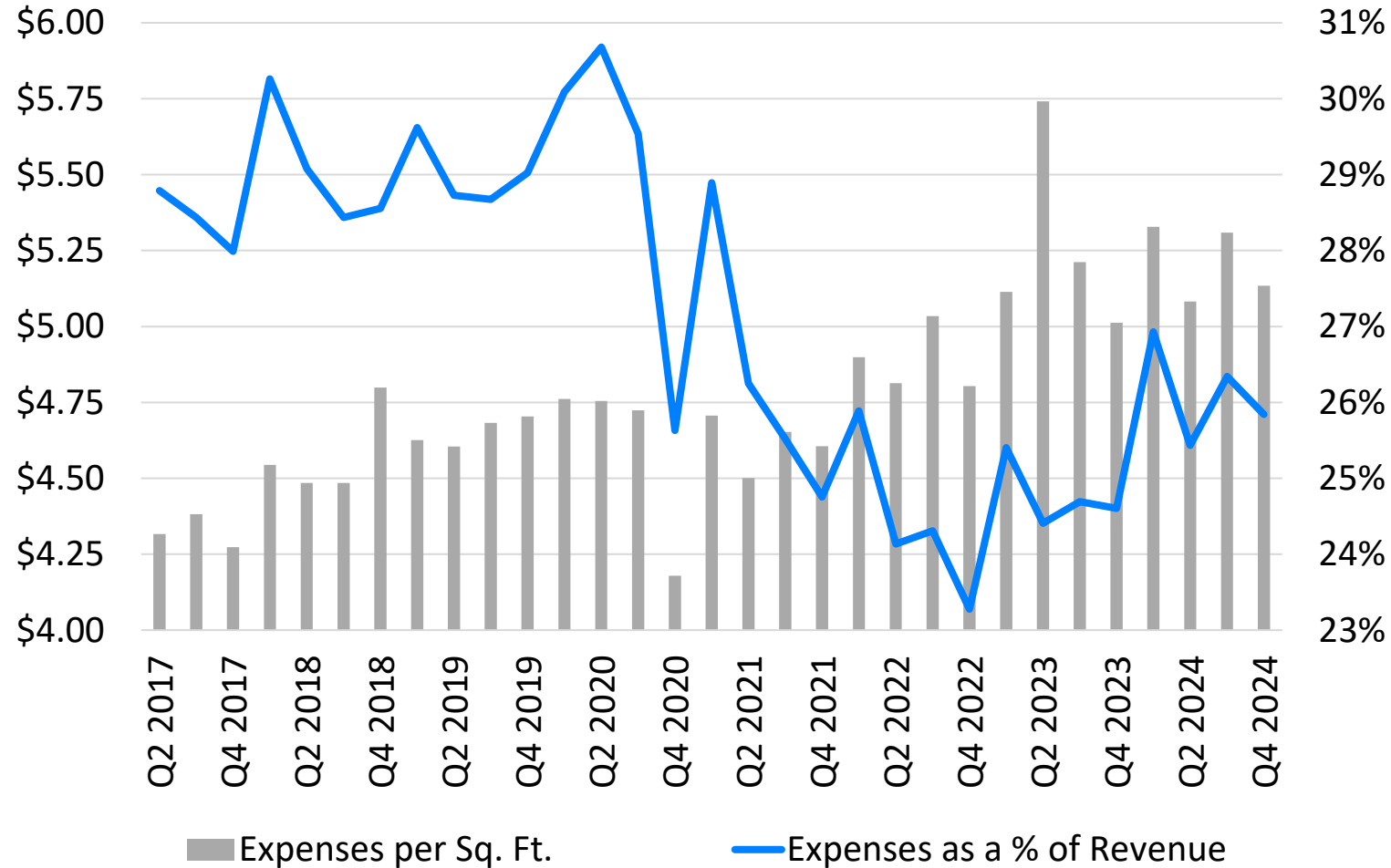


Data through Q2 2024 | Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2024, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage



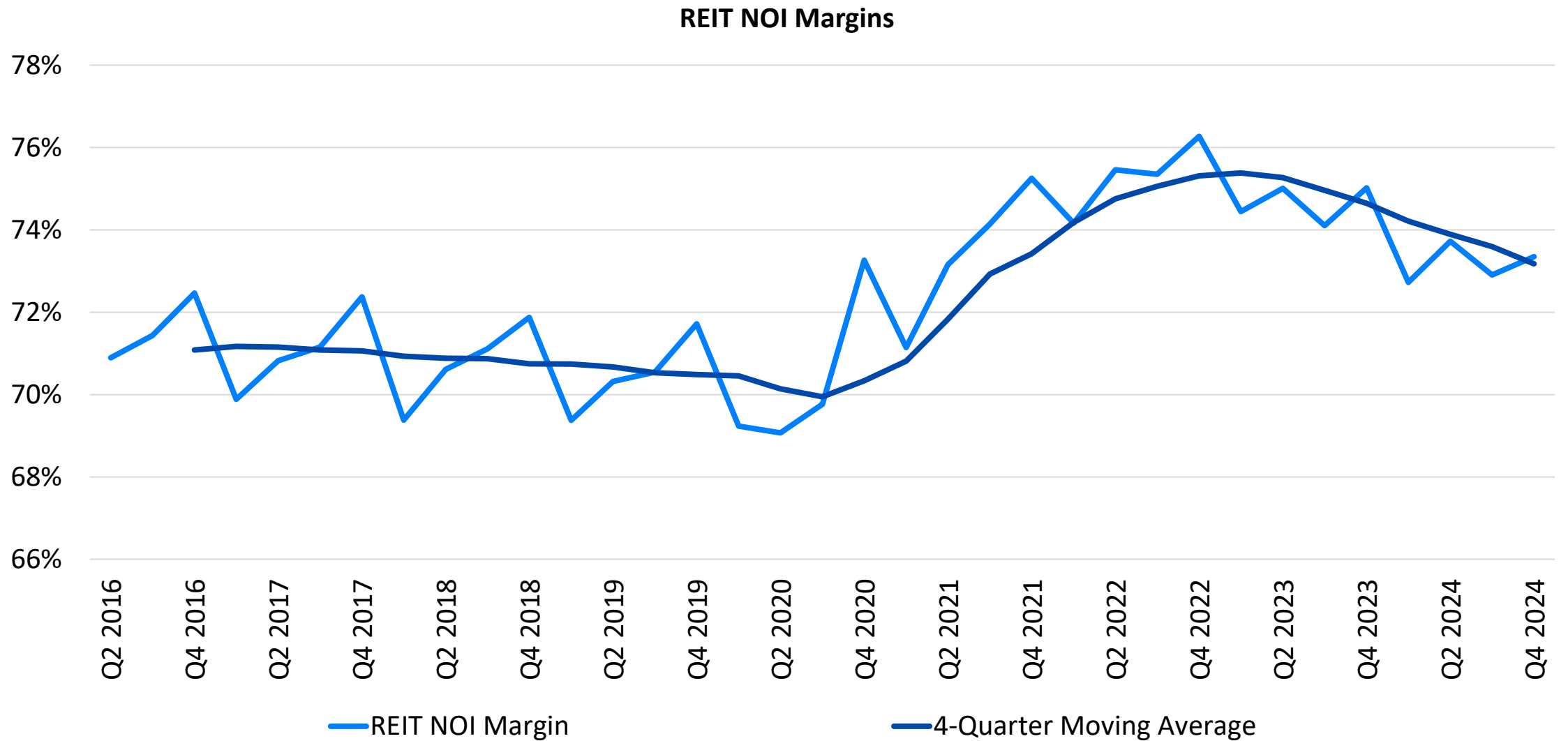
REIT Expenses Decreased in Q4 2024 but Remain High

Self Storage REIT Expense Trends



- Upward pressure on property taxes, insurance and marketing have caused expenses to increase, impacting operational expense ratios
- Operators relying on technology even more to streamline operations, reduce costs and maximize income

REIT Margins Declined in 2024 as NOI Growth Averaged -2.2%



Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2024, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage



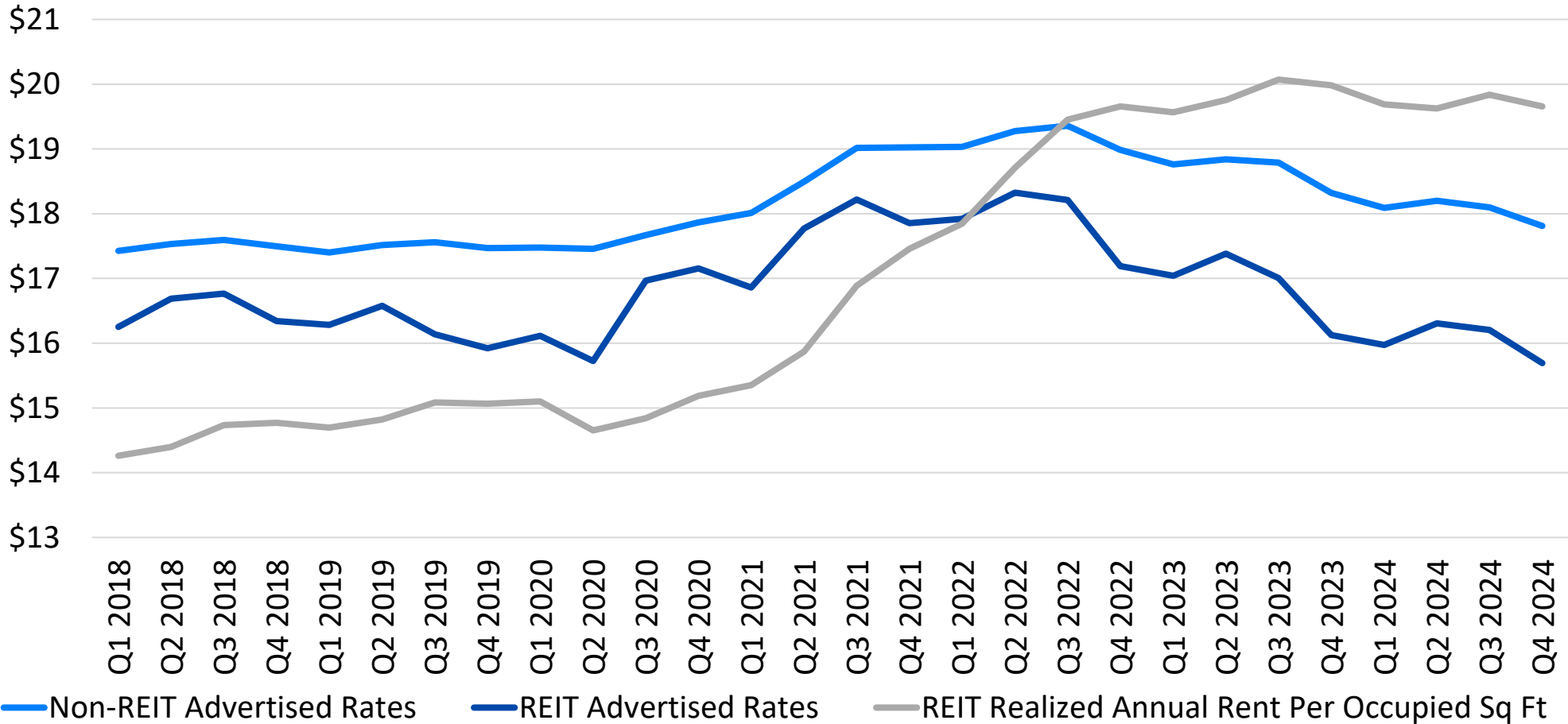
Q4 REIT Occupancy Growth Strongest in Tampa

MSA	Q4 2023	Q4 2024	YoY Change in Occupancy
Tampa, FL	90.0%	94.5%	4.5%
Portland, OR	86.8%	89.4%	2.5%
Sacramento, CA	91.6%	93.6%	2.0%
San Antonio, TX	86.7%	88.2%	1.5%
Philadelphia, PA	91.4%	92.4%	1.0%
Orlando, FL	91.1%	91.9%	0.8%
Chicago, IL	92.5%	92.9%	0.4%
Phoenix, AZ	88.7%	88.9%	0.2%
Boston, MA	92.9%	92.9%	0.1%
Las Vegas, NV	91.3%	91.3%	0.0%
New York/New Jersey	92.8%	92.8%	0.0%
Houston, TX	91.4%	91.2%	-0.2%
Nashville, TN	88.2%	88.0%	-0.2%

MSA	Q4 2023	Q4 2024	YoY Change in Occupancy
Los Angeles, CA	94.0%	93.7%	-0.3%
Austin, TX	89.4%	89.1%	-0.3%
Miami, FL	93.3%	92.9%	-0.4%
Seattle-Tacoma, WA	92.4%	92.0%	-0.4%
Washington DC	92.9%	92.5%	-0.4%
Atlanta, GA	89.8%	89.3%	-0.5%
San Francisco, CA	94.4%	93.8%	-0.6%
Charlotte, NC	92.0%	90.8%	-1.2%
Denver, CO	92.8%	91.6%	-1.2%
Charleston, SC	93.1%	91.5%	-1.6%
Columbus, OH	90.8%	88.9%	-1.9%
San Diego, CA	91.1%	89.0%	-2.1%
Dallas-Ft. Worth, TX	91.6%	89.1%	-2.5%

Gap Between REIT Advertised Rates and Realized Rates and Non-REIT Advertised Rates Continues to Grow

REIT Average Realized Annual Rents PSF vs. Yardi Matrix Advertised Rates

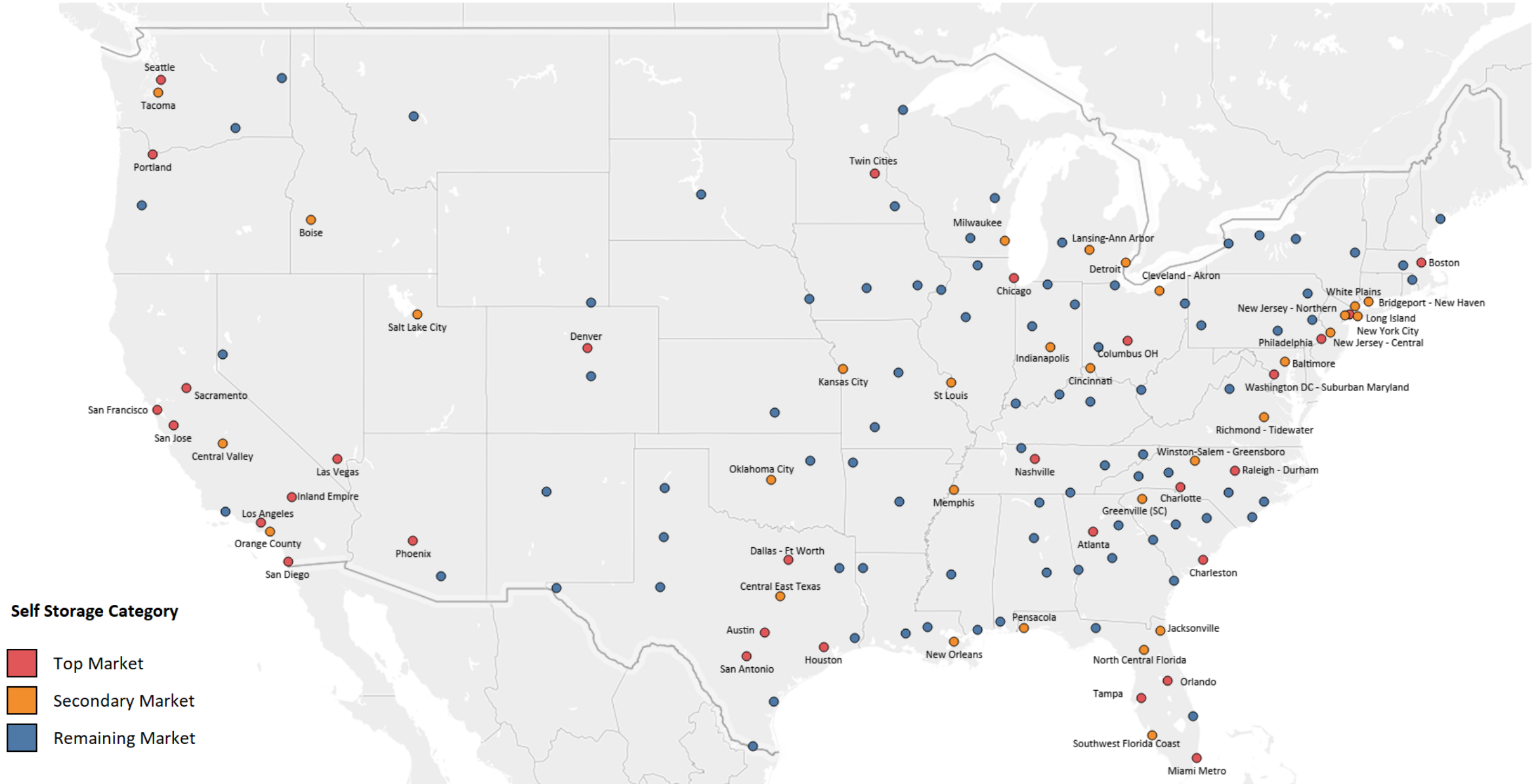


Matrix advertised rates = annualized average advertised rate per sq. ft. for stabilized properties at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2024, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage



DEEP DIVE INTO STORAGE ADVERTISED RATES

Yardi Matrix Storage Market Classifications



New Yardi Matrix Storage Markets Added Since Last Webinar

Market	Type	Date Added	Existing Properties	Under Construction	Planned	Prospective
Boston, MA	Expansion	Aug-24	54	3	2	2
Longview, TX	New Market	Sep-24	50	2	0	1
Peoria, IL	New Market	Sep-24	54	0	0	1
Shreveport, LA	New Market	Sep-24	74	0	3	1
Montgomery, AL	New Market	Oct-24	69	0	1	0
Duluth, MN	New Market	Oct-24	23	0	0	0
Chicago – Suburban, IL	Expansion	Oct-24	26	0	1	0
Columbia, SC	Expansion	Nov-24	20	0	3	0
Florence, SC	New Market	Nov-24	24	0	2	0
Birmingham, AL	Expansion	Dec-24	40	0	0	0
Tulsa, OK	Expansion	Dec-24	31	0	0	0
Pittsburgh, PA	Expansion	Dec-24	6	0	0	0
Columbus, OH	Expansion	Jan-25	35	0	0	0
Idaho Falls, ID	New Market	Jan-25	75	0	1	0
St. George, UT	New Market	Jan-25	61	1	1	0
Medford, OR	New Market	Feb-25	84	1	1	2
Green Bay, WI	New Market	Feb-25	82	2	1	0
Bloomsburg, PA	New Market	Feb-25	13	0	0	0



Recently Added Markets Statistics

Highest Rents

Market	Avg Rent NCC + CC	Avg Rent CC	Avg Rent NCC
Appalachian	\$17.15	\$20.73	\$14.73
Asheville	\$16.46	\$19.18	\$14.31
Johnson City	\$15.24	\$17.26	\$12.50
Port St. Lucie	\$15.04	\$15.20	\$14.84
Duluth	\$13.97	\$21.00	\$13.28

Highest Population Growth

Market	Population 2023	Total Growth 2020-2023	% Growth 2020-2023
St. George	219,609	24,335	12.5%
Idaho Falls	320,535	31,624	10.9%
Clarksville	277,219	19,622	7.6%
Athens	835,482	43,856	5.5%
Fayetteville	691,394	35,610	5.4%

Lowest Average 5-Mile Saturation

Market	# of Properties	Average 3-Mile Saturation	Average 5-Mile Saturation
Duluth	22	8.0	4.3
Bloomsburg	13	3.7	4.5
Rochester MN	41	7.4	5.2
Charleston - Huntington	46	8.9	6.6
Iowa City	51	8.3	7.2

Highest Lease Up + Pipeline Supply

Market	T36mo NRSF as % of Stock	UC as % of Stock	Planned as % of Stock
Athens	28.4%	10.2%	15.8%
Columbia MO	19.0%	5.4%	5.3%
Port St. Lucie	13.7%	6.5%	31.2%
Jacksonville - Greenville NC	13.4%	3.5%	4.8%
Appalachian	9.1%	7.6%	11.3%

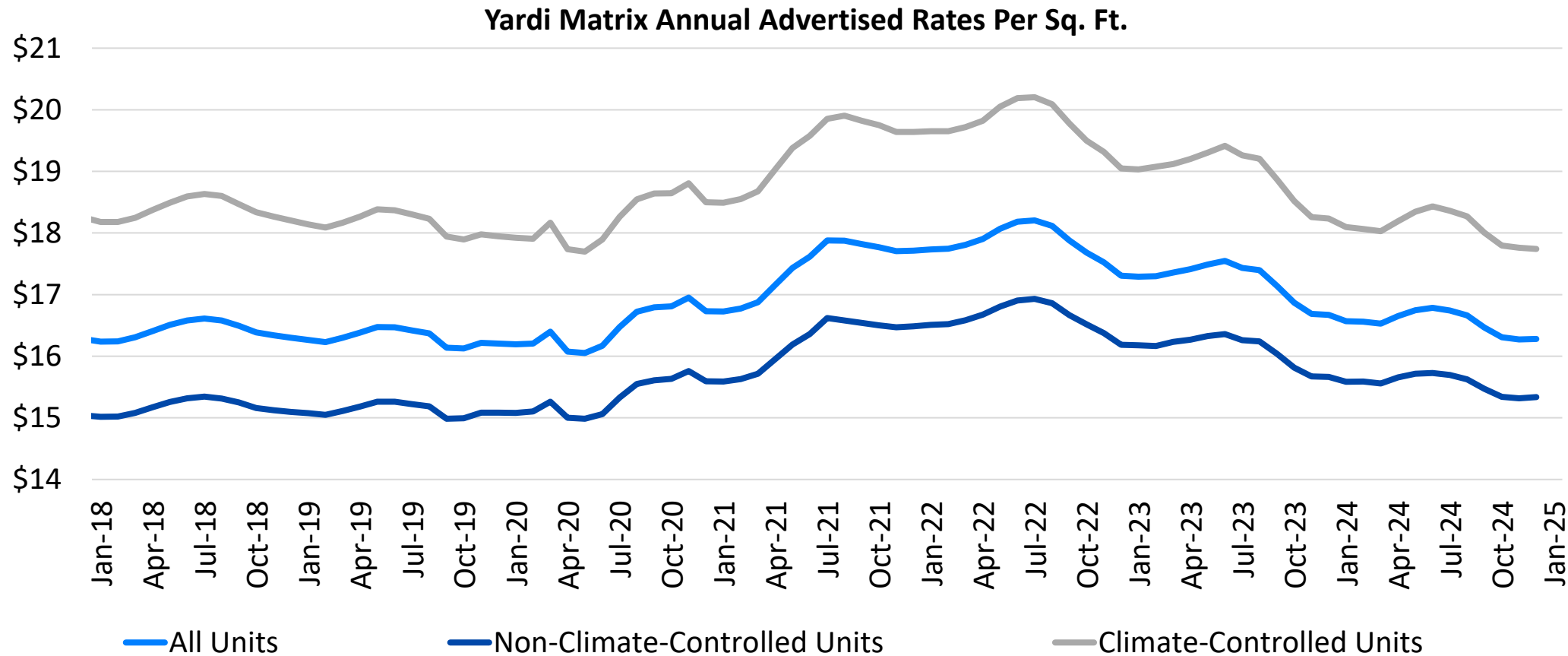
Data as of January 2025 for markets with data added in last two years. Rent = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



New Markets on the Roadmap

Market	Type	Target Date
Atlanta – Suburban	Expansion	Mar-25
Saginaw, MI	New Market	Mar-25
Central East Texas, TX	Expansion	TBD
St Louis, MO	Expansion	TBD
Jonesboro, AR	New Market	TBD
Kansas City, MO	Expansion	TBD
Champaign-Urbana, IL	New Market	TBD
Erie, PA	New Market	TBD
San Angelo, TX	New Market	TBD
Plattsburg, NY	New Market	TBD
Burlington, VT	New Market	TBD
Springfield, IL	New Market	TBD
Lebanon, VT	New Market	TBD

Annual Advertised Rate Growth Continues to Fall, but at a Slower Rate

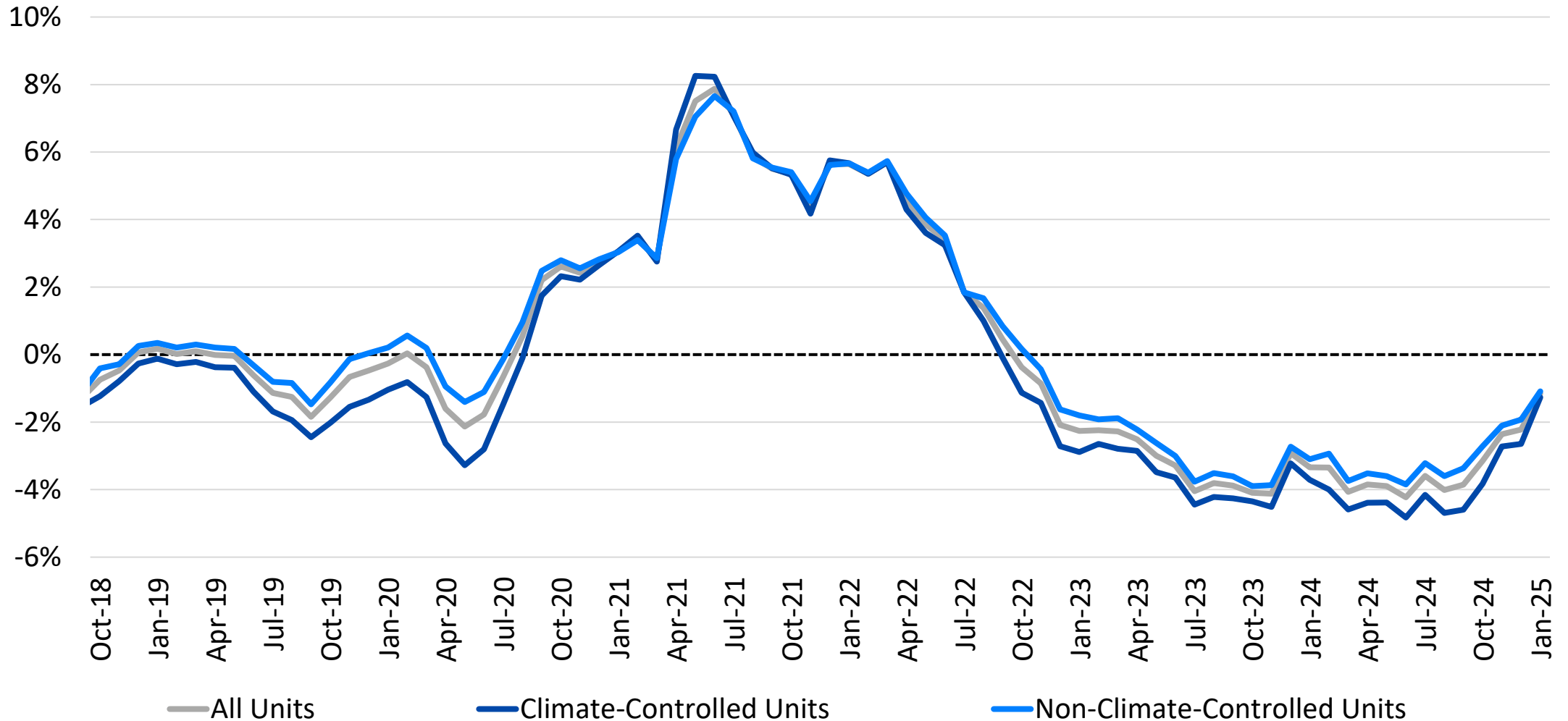


	All Units	Non-Climate Controlled	Climate-Controlled
Annualized advertised Rates Per Sq Ft: Jan '25	\$16.32	\$15.36	\$17.81
Same-Store Year-Over-Year: Jan '24 – Jan '25	-1.2%	-1.1%	-1.3%
Same-Store Pre-Pandemic to Current: Feb '20 – Jan '25	4.2%	4.7%	3.5%



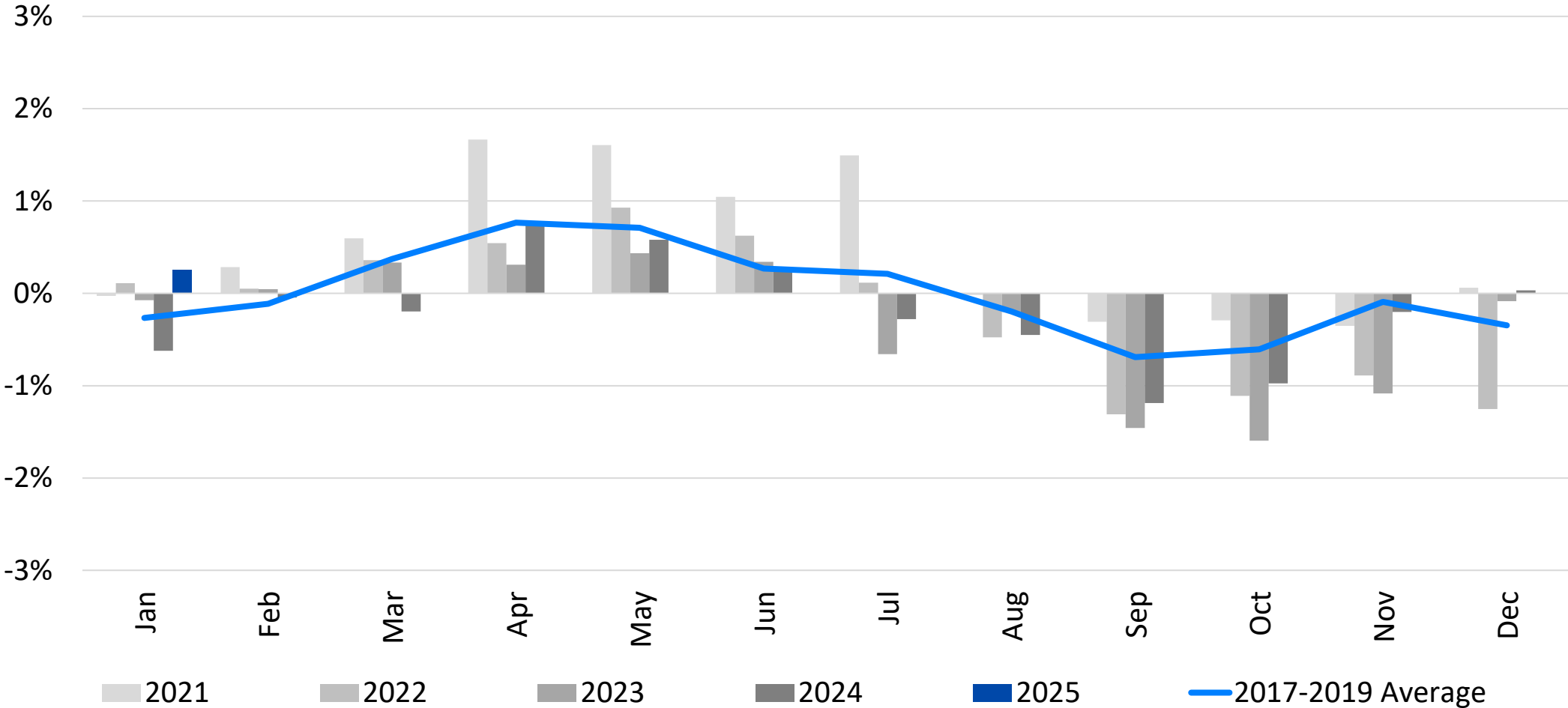
Rate Growth Improved in January for All Unit Types, but Continues to be Negative Year-Over-Year

Year-over-Year Same-Store Annualized Rent Per Sq. Ft.



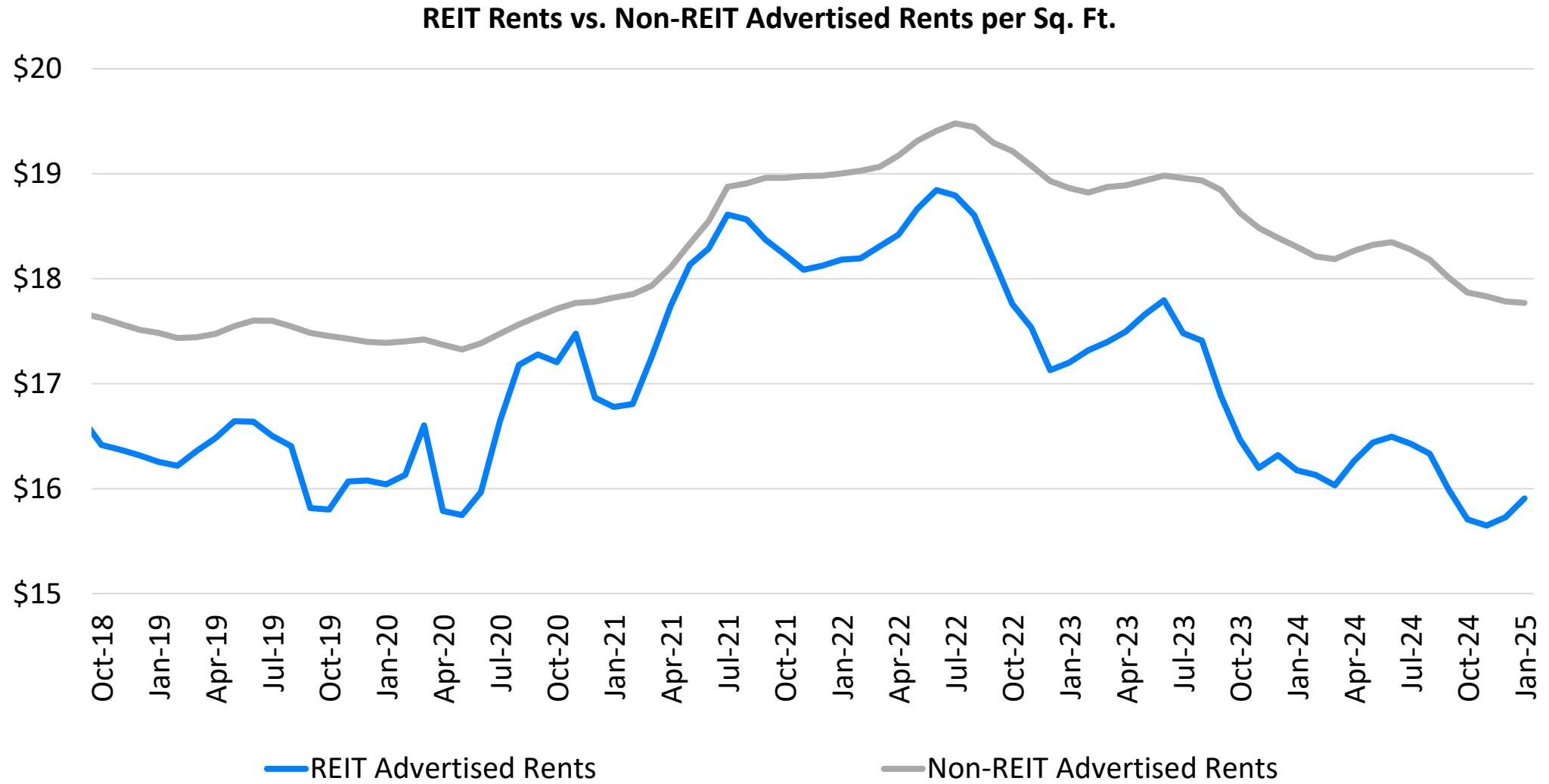
Month-Over-Month Advertised Rate Growth was Positive in January After Months of Negative Growth

Self Storage Advertised Rate Growth Month-Over-Month



Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix

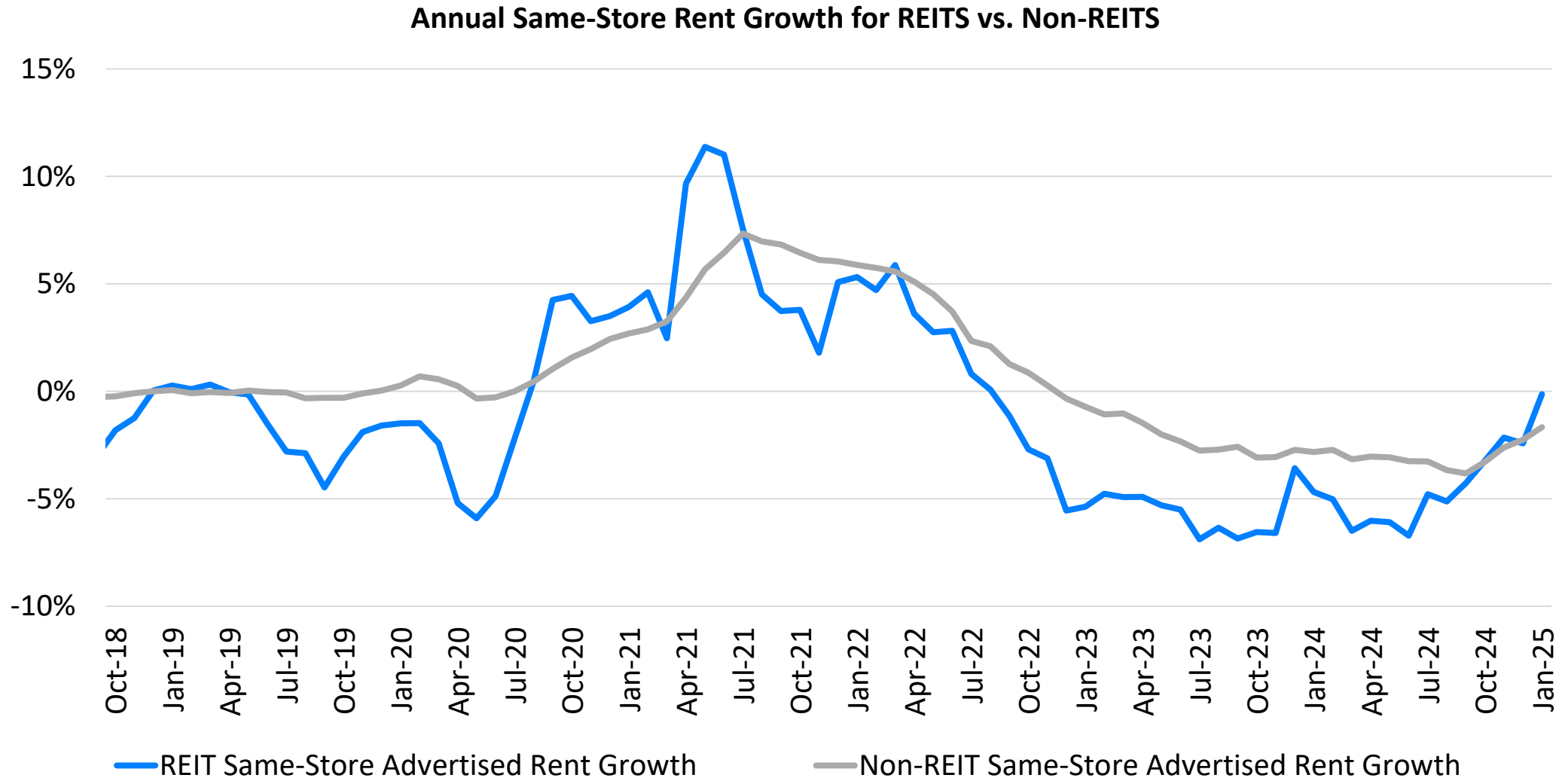
REIT Advertised Rents per Square Foot Were 10% Lower Than Non-REITs in January



Market rents include all properties in those markets not operated by REITs. Rent growth = annualized average advertised rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



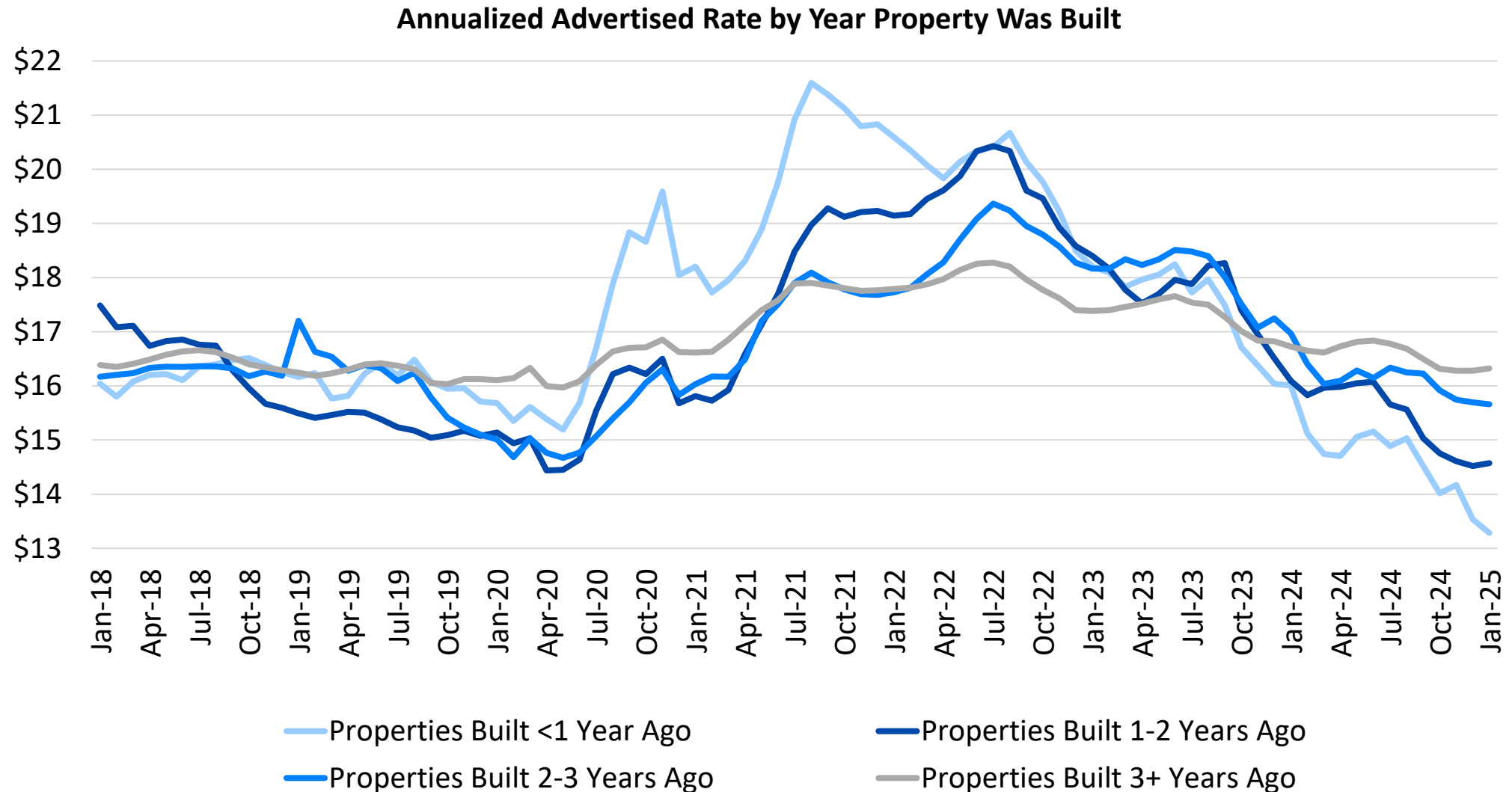
Annual Same-Store Rent Growth Was Negative in January, but Less for REITs Compared to Non-REITs



Market rents include all properties in those markets not operated by REITs. Rent growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Operators Are Using Much Lower Advertised Rates to Lease-up Properties



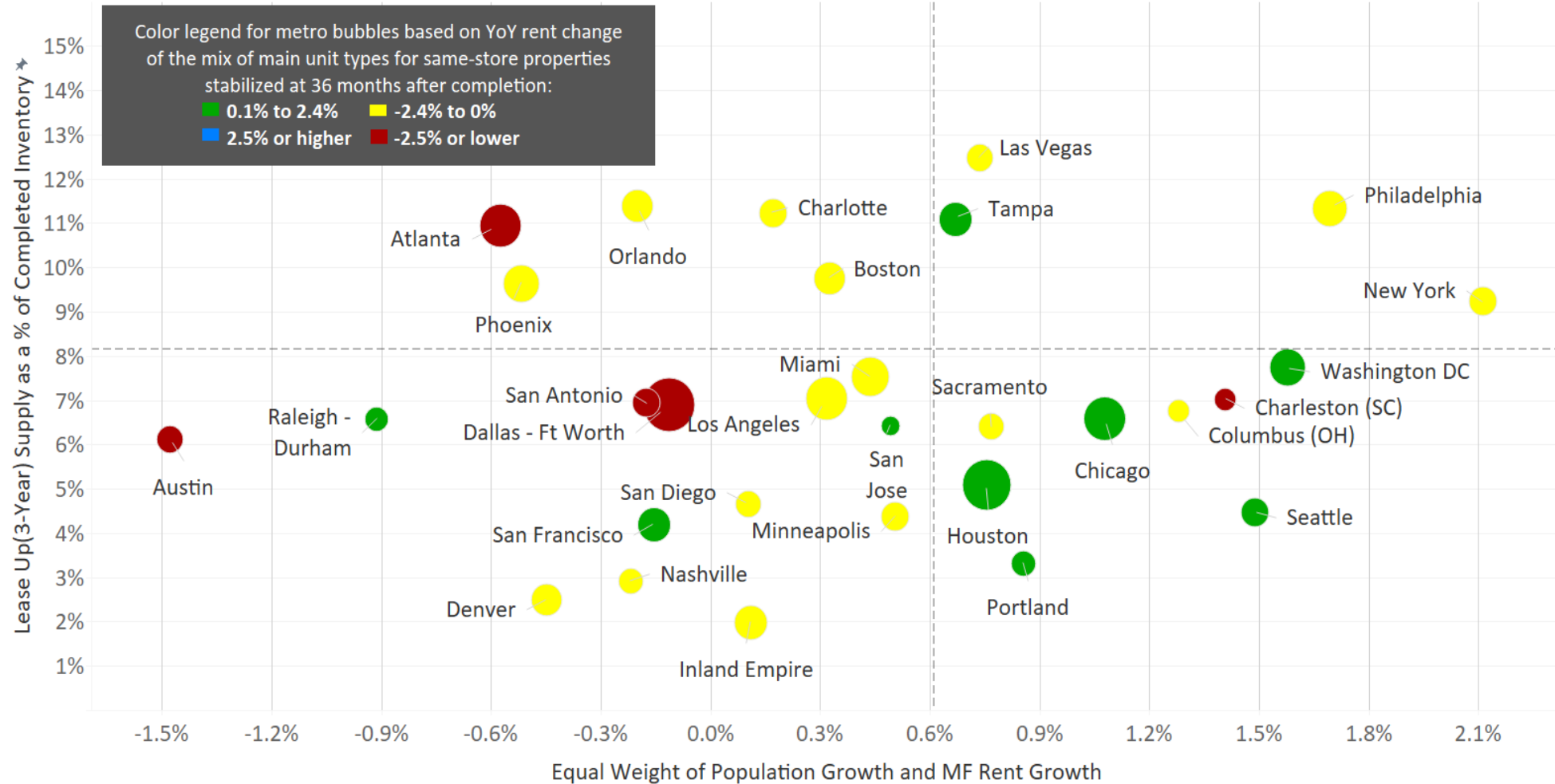
Rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Markets with Below-Average Lease-up Supply and Strong Multifamily Performance Have Outperformed

2025 Snapshot: January 2025 Supply and Rent Growth

Lease Up(3-Year) Supply Pipeline (y-axis) and Equal Weighting of Population Growth and Multifamily Rent Growth (x-axis)
 (bubble size represents completed NRSF)



Top Metros with the Least New Supply Had Higher Annual Rent Growth

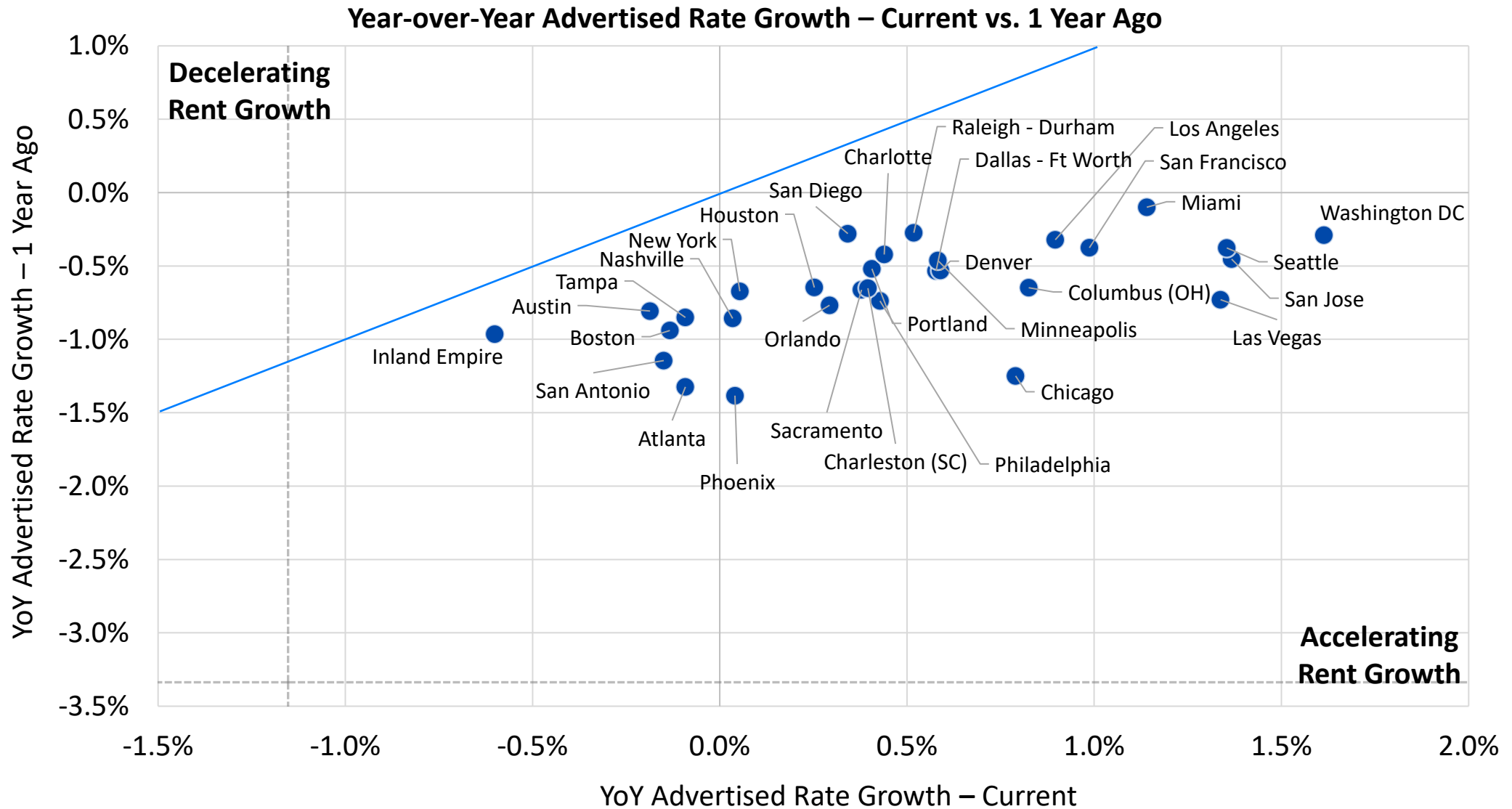
Metro	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Washington DC	1.6%	2.0%
Tampa	-0.1%	1.7%
San Jose	1.4%	1.7%
Seattle	1.4%	1.3%
San Francisco	1.0%	1.1%
Chicago	0.8%	1.0%
Portland	0.4%	0.5%
Houston	0.3%	0.1%
Raleigh - Durham	0.5%	0.0%
Minneapolis	0.6%	-0.4%
Sacramento	0.4%	-0.5%
Columbus (OH)	0.8%	-0.8%
Los Angeles	0.9%	-0.8%
Miami	1.1%	-0.9%
Denver	0.6%	-0.9%

Metro	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
New York	0.1%	-1.0%
Boston	-0.1%	-1.4%
Las Vegas	1.3%	-1.4%
Nashville	0.0%	-1.7%
Phoenix	0.0%	-1.8%
Charlotte	0.4%	-1.9%
Orlando	0.3%	-2.0%
Inland Empire	-0.6%	-2.1%
Philadelphia	0.4%	-2.2%
San Diego	0.3%	-2.3%
Dallas - Ft Worth	0.6%	-2.8%
Austin	-0.2%	-3.2%
Charleston (SC)	0.4%	-3.5%
San Antonio	-0.1%	-3.5%
Atlanta	-0.1%	-4.2%

Data as of January 2025. Rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Annual Rate Growth Has Improved in All 30 Top Metros Compared to Last Year

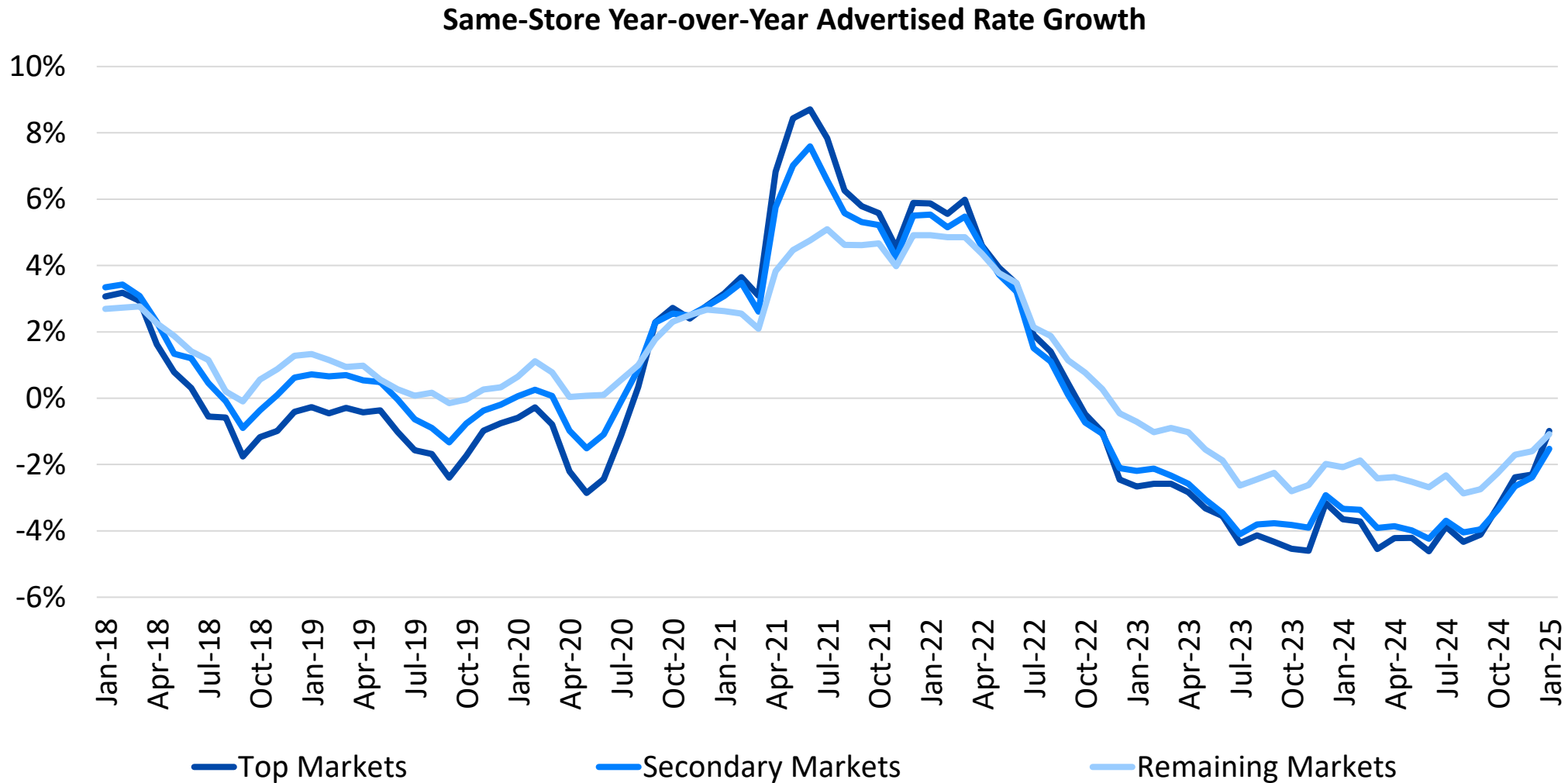


Secondary Markets Are Seeing Similar Trends in advertised Rates as Major Markets

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
New Orleans	-0.1%	1.5%
Boise	0.3%	1.1%
Jacksonville	-0.1%	0.0%
Long Island	1.0%	-0.1%
Kansas City	-0.3%	-0.2%
Orange County	0.3%	-0.2%
Tacoma	0.5%	-0.3%
Winston-Salem	0.8%	-0.6%
Richmond	0.6%	-0.6%
Milwaukee	-0.1%	-0.9%
Central Valley	0.4%	-1.0%
Detroit	0.1%	-1.2%
Salt Lake City	-0.3%	-1.2%
N. Central Florida	-0.1%	-1.3%
Baltimore	1.0%	-1.4%

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Indianapolis	0.4%	-1.6%
St Louis	0.5%	-1.6%
Cincinnati	0.2%	-2.0%
Oklahoma City	-0.1%	-2.0%
Cleveland - Akron	-0.4%	-2.0%
Greenville (SC)	-0.1%	-2.1%
Pensacola	-0.5%	-2.3%
Central East Texas	-0.1%	-2.3%
New Jersey - Central	0.8%	-2.5%
White Plains	-0.3%	-2.7%
N. New Jersey	0.3%	-2.9%
Bridgeport	-0.1%	-3.1%
Memphis	-0.8%	-3.4%
Lansing	0.0%	-3.4%
SW Florida Coast	-0.7%	-3.6%

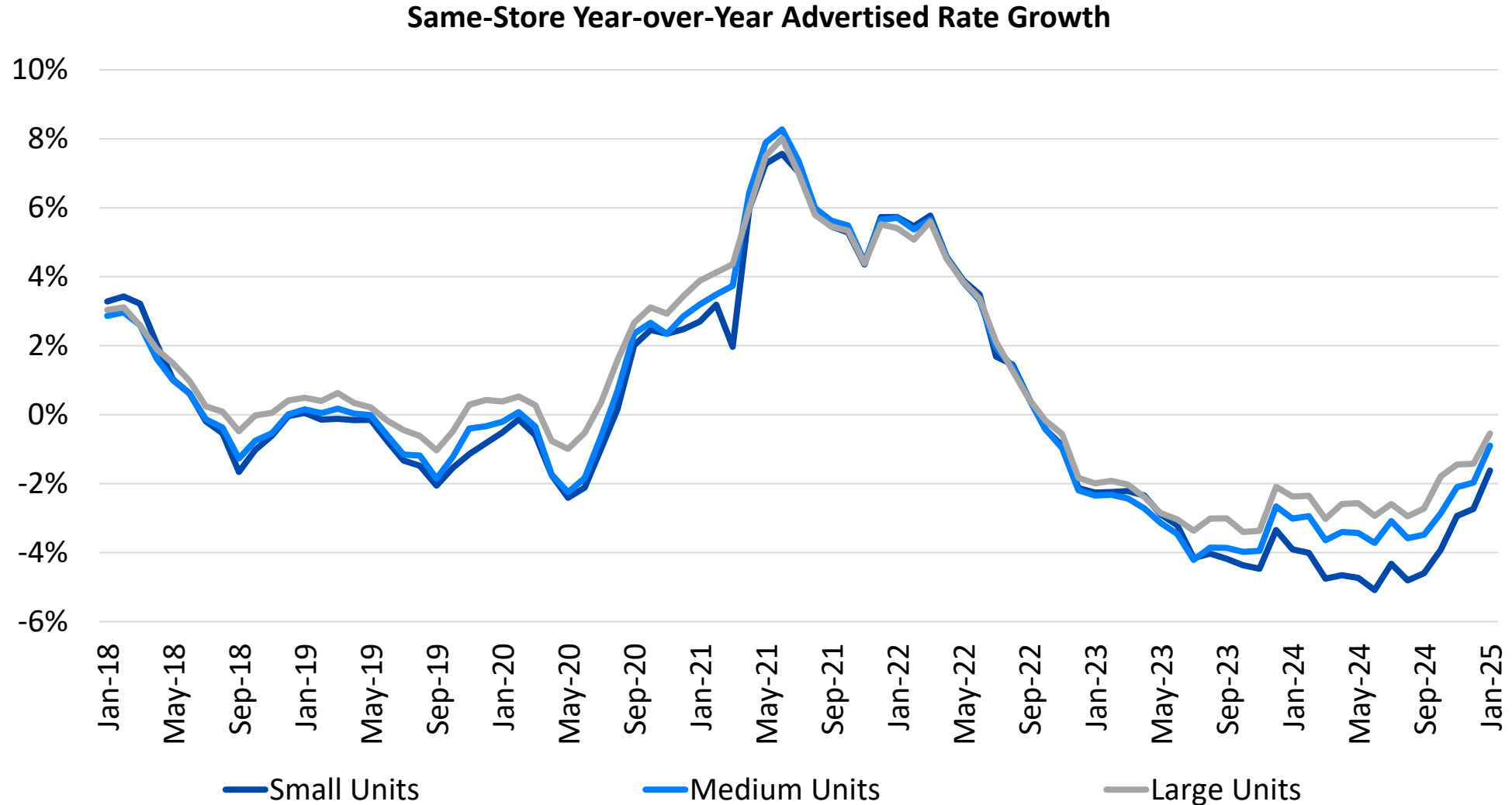
Same-Store Rate Growth Has Declined Since Peaking in Summer 2021, but Has Started to Improve Over the Last Few Months



Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Larger Units Are Performing Better as Development Activity Has Focused on Smaller Units



Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: Small = 5x5, 5x10, 10x5, Medium = 5x15, 15x5, 10x10, Large = 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Advertised Rate Summary & Outlook

- Occupancy, rent, revenue and NOI growth have all declined rapidly, all down from record highs in 2021 and 2022
- Following weakened demand and declining occupancy, advertised rental rates have dropped year-over-year since mid-2022, but improved in the second half of the year
- REITs have led the way on advertised rate declines, using low introductory rates to lure new customers, but REITs have slowed rent declines noticeably
- Lease-up supply is again a drag on performance and the markets with the newest supply delivered recently have seen the slowest advertised rate growth
- Flattening occupancy and easier comparative months in 2024 could signal a turnaround in advertised rate growth moving forward

HISTORICAL & FORECASTED SUPPLY TRENDS

NEW STORAGE SUPPLY PIPELINE



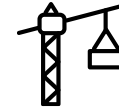
PROSPECTIVE

442 Properties
28MM Total Sq. Ft.
23MM Rentable Sq. Ft.



PLANNED

2,015 Properties
161MM Total Sq. Ft.
148MM Rentable Sq. Ft.



UNDER CONSTRUCTION

783 Properties
71MM Total Sq. Ft.
60MM Rentable Sq. Ft.

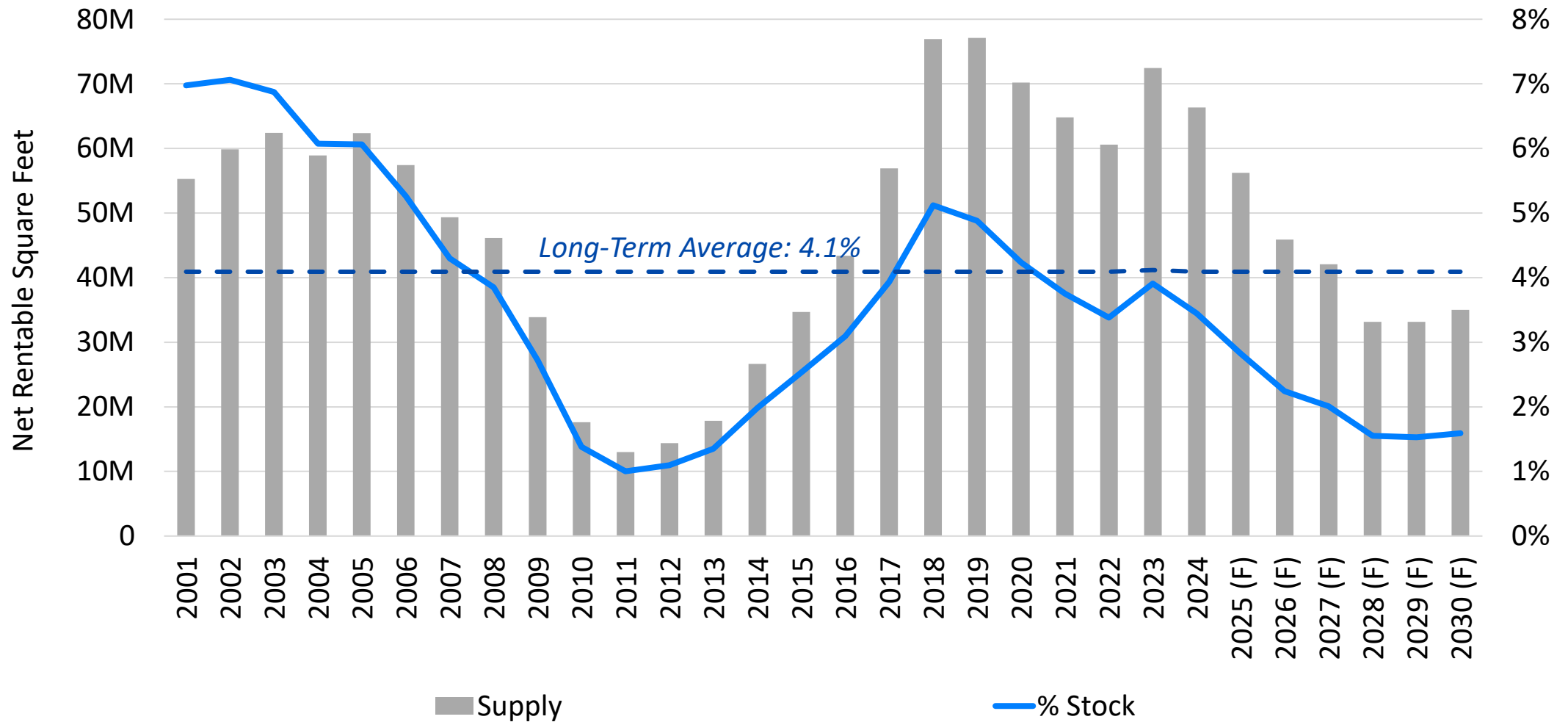


LEASE-UP SUPPLY

2,145 Properties
191MM Total Sq. Ft.
158MM Rentable Sq. Ft.

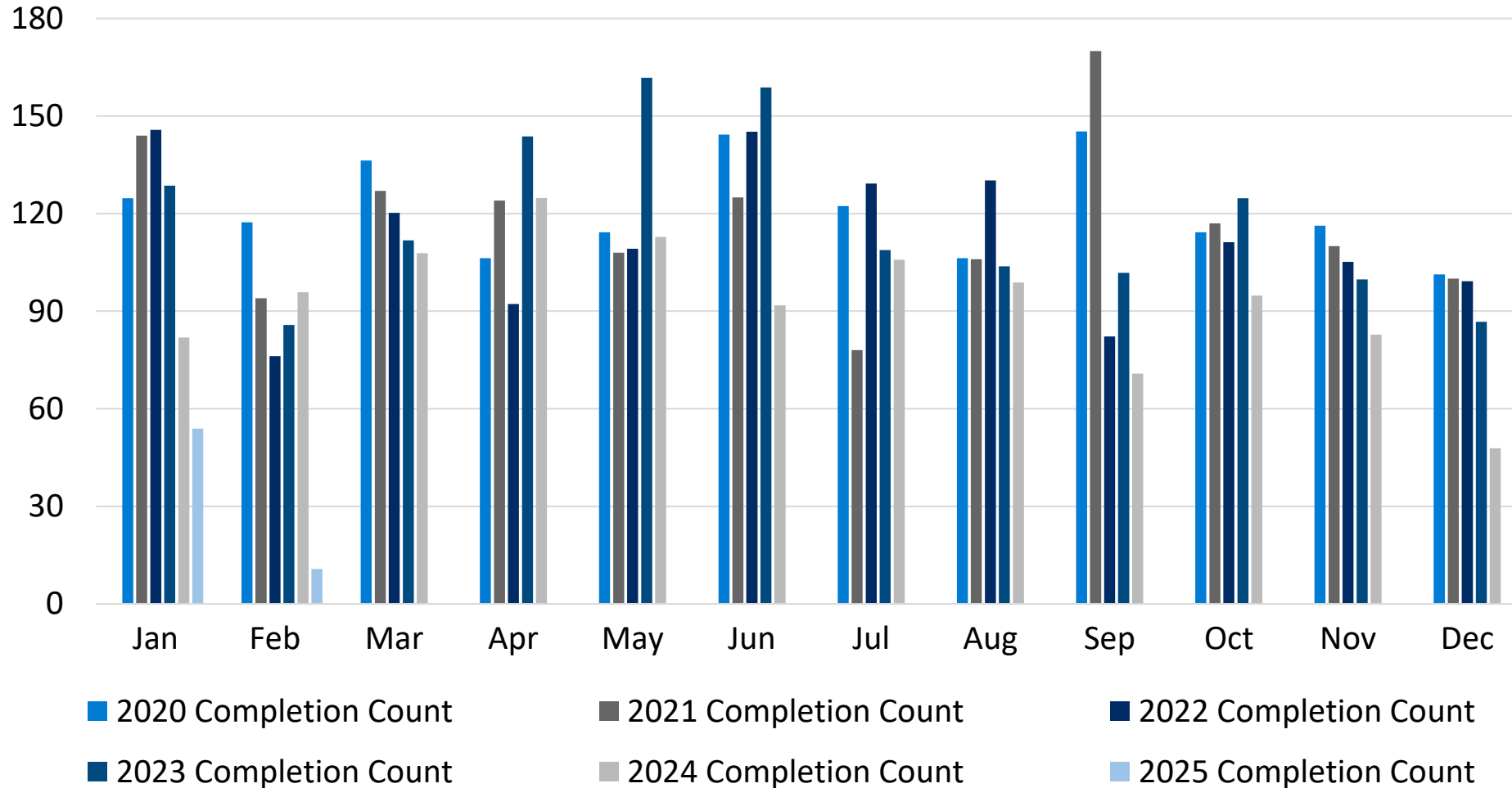
Completions Are Forecasted to Decrease in 2025, and New Supply as a Percent of Stock will Remain Below the Long-Term Average in Coming Years

National Annual Completions: Net Rentable Square Feet & Percent of Stock



Storage Completions Dipped in 2024

Storage Completions

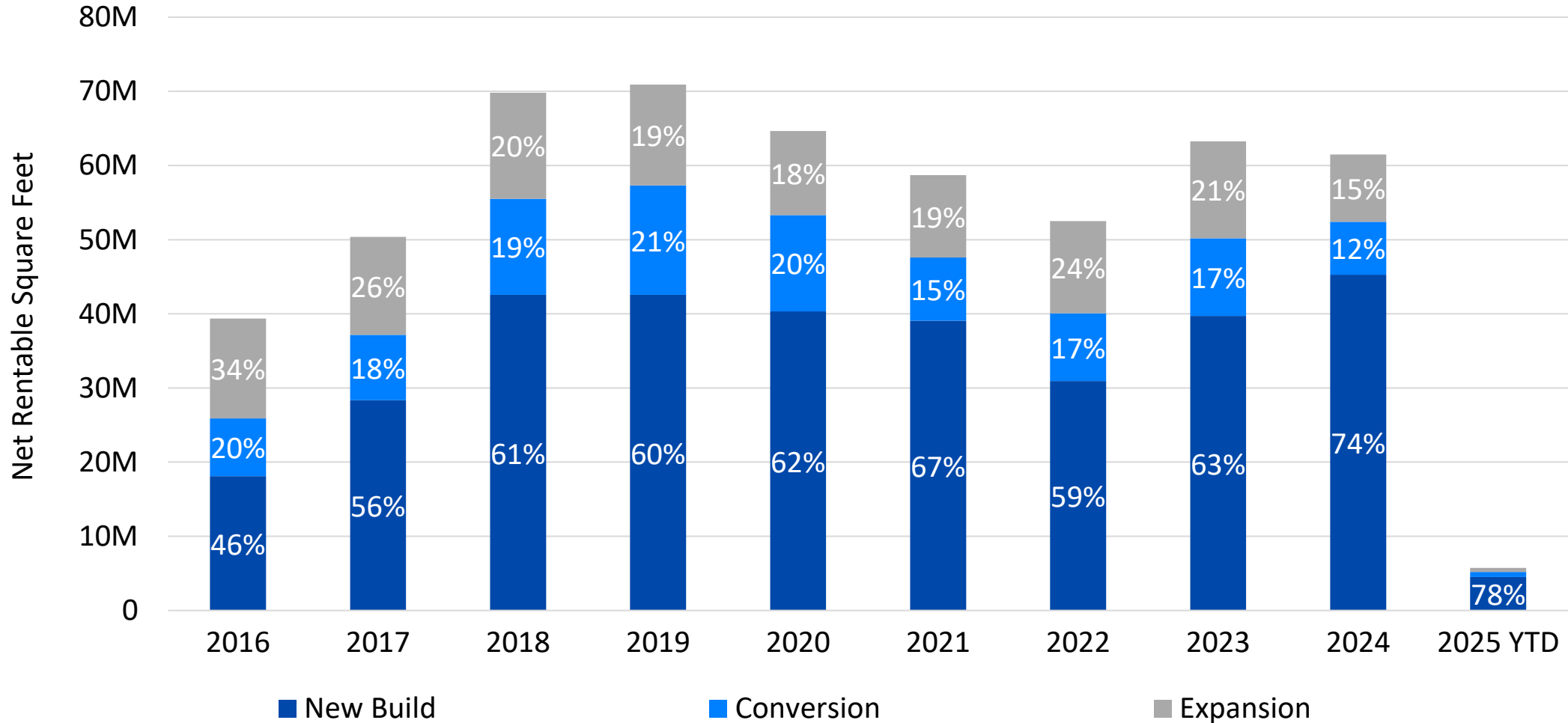


YEAR	COMPLETIONS
2020	1,449
2021	1,403
2022	1,346
2023	1,416
2024	1,116
2025 YTD	65

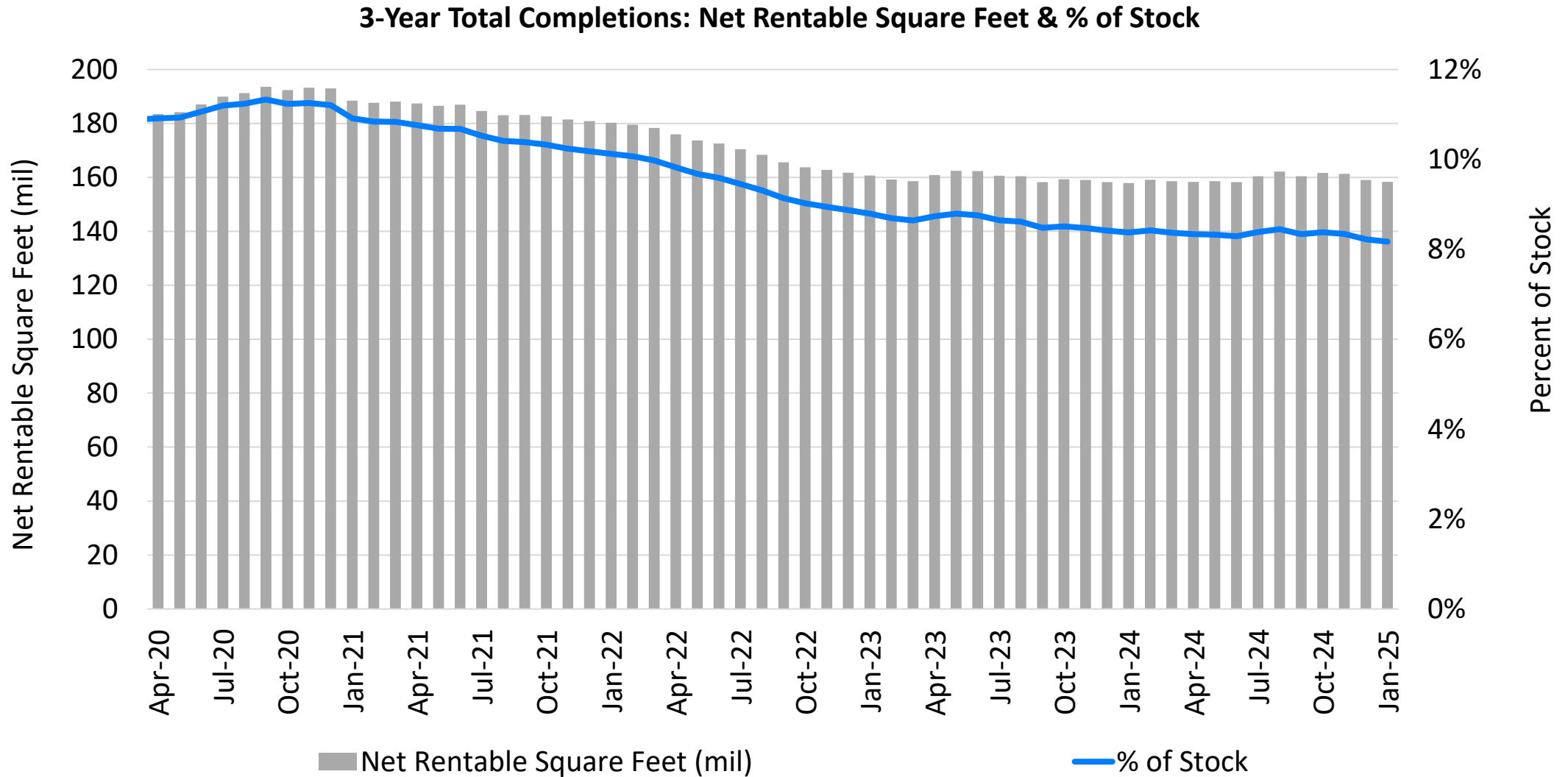


Conversions and Expansions Have Been a Smaller Part of the Development Picture

Storage Completions by Build Type

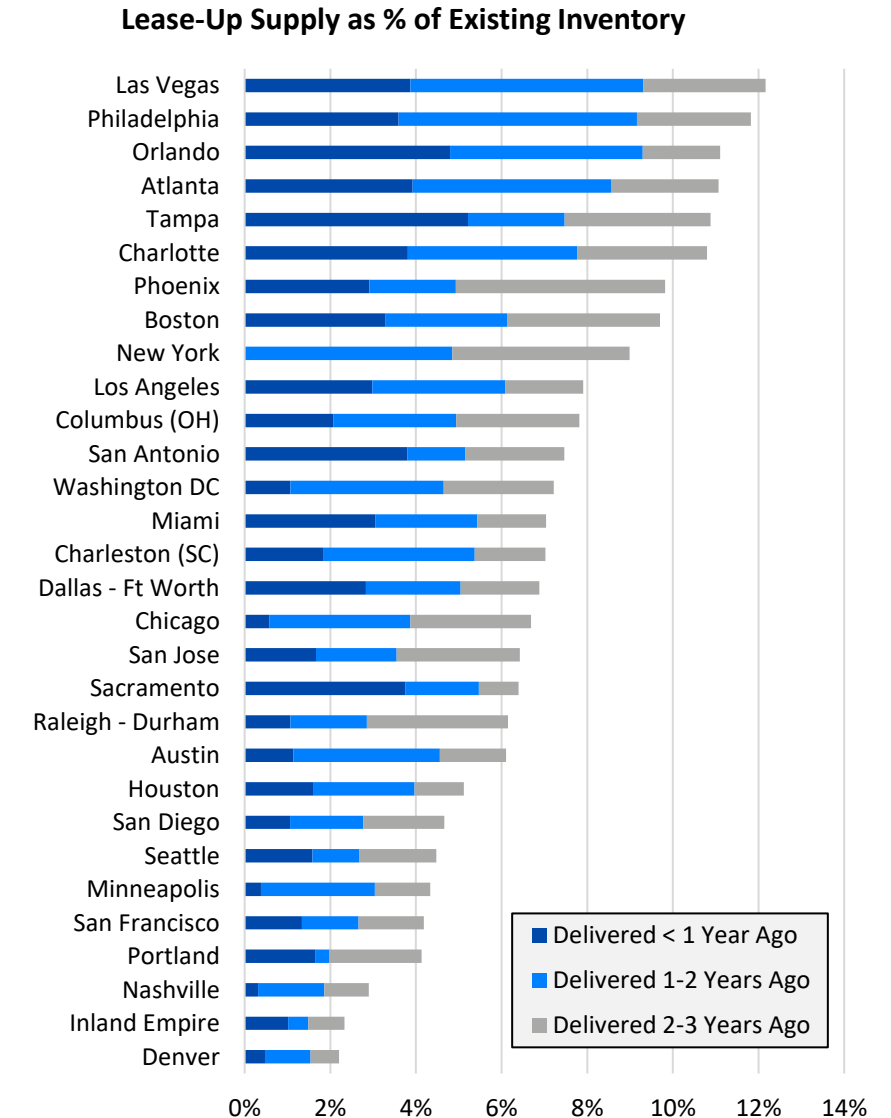


Supply in Lease-up Has Been Declining Since 2020, but Flattened in the Last Year

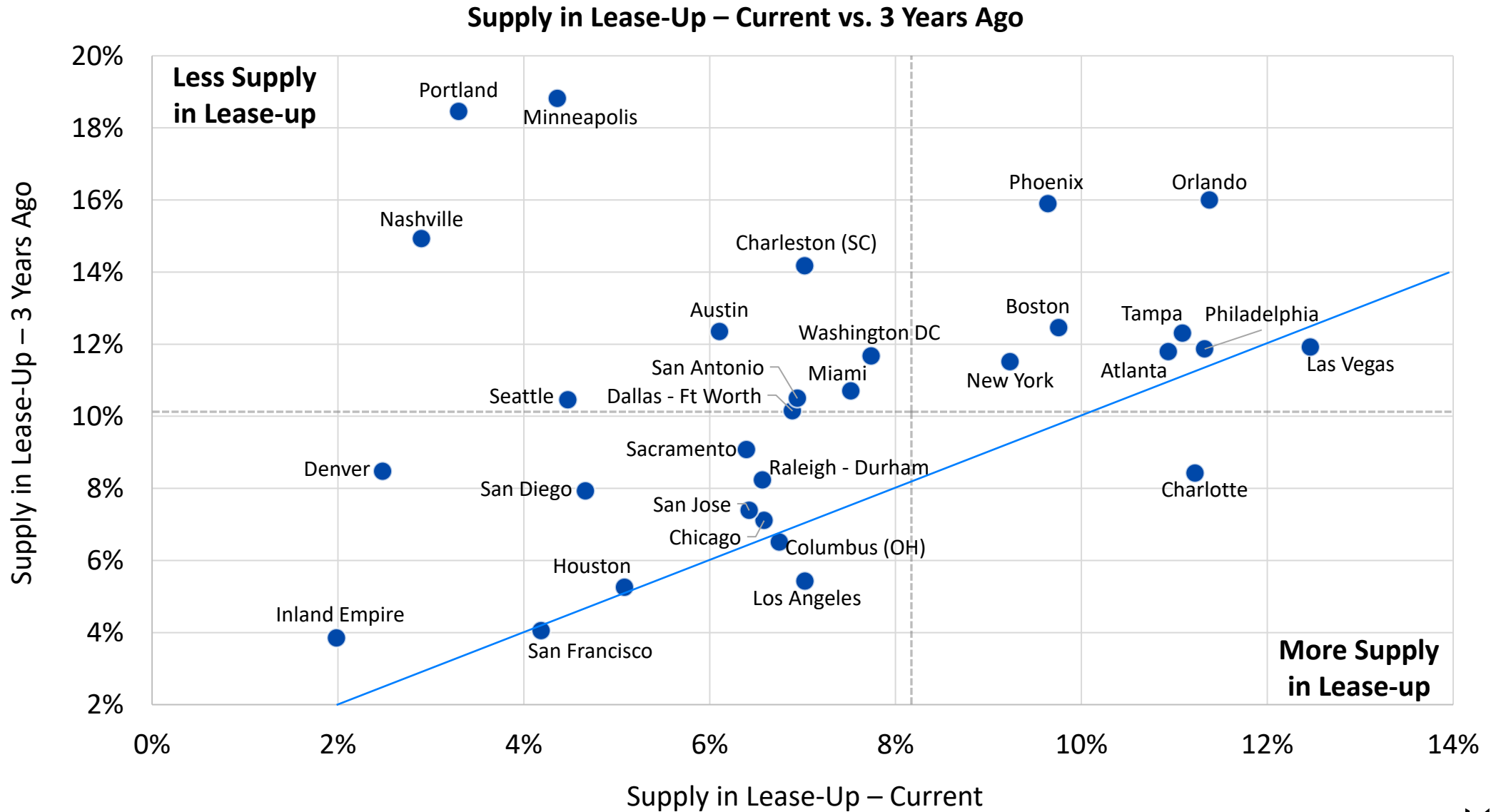


Majority of Lease-up Supply in Major Markets Was Delivered 1-2 Years Ago

Market	Lease Up % of Existing Inventory	Market	Lease Up % of Existing Inventory
Las Vegas	12.2%	Dallas - Ft Worth	6.9%
Philadelphia	11.8%	Chicago	6.7%
Orlando	11.1%	San Jose	6.4%
Atlanta	11.1%	Sacramento	6.4%
Tampa	10.9%	Raleigh - Durham	6.1%
Charlotte	10.8%	Austin	6.1%
Phoenix	9.8%	Houston	5.1%
Boston	9.7%	San Diego	4.7%
New York	9.0%	Seattle	4.5%
Los Angeles	7.9%	Minneapolis	4.3%
Columbus (OH)	7.8%	San Francisco	4.2%
San Antonio	7.5%	Portland	4.1%
Washington DC	7.2%	Nashville	2.9%
Miami	7.0%	Inland Empire	2.3%
Charleston (SC)	7.0%	Denver	2.2%



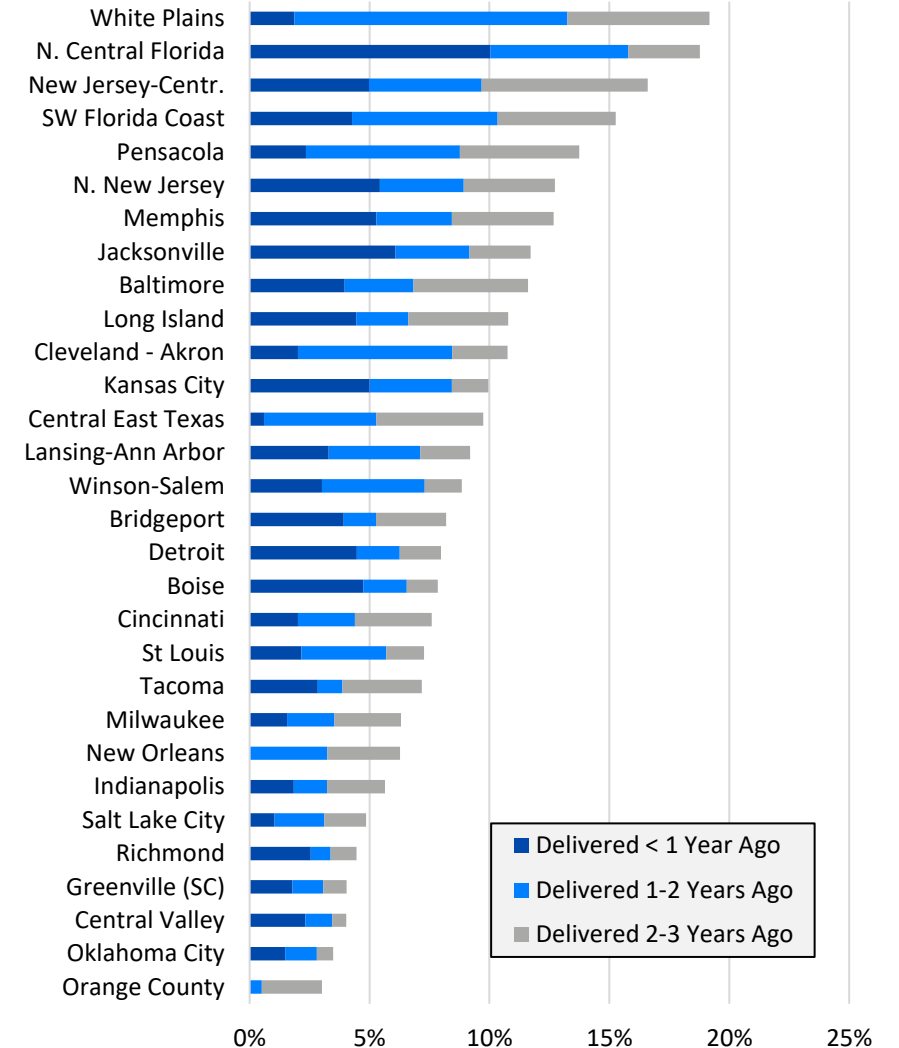
Most of the Top 30 Metros Have Seen a Drop in Lease-up Supply Since 2021



Secondary Markets on the East Coast Have the Most Lease-up Supply

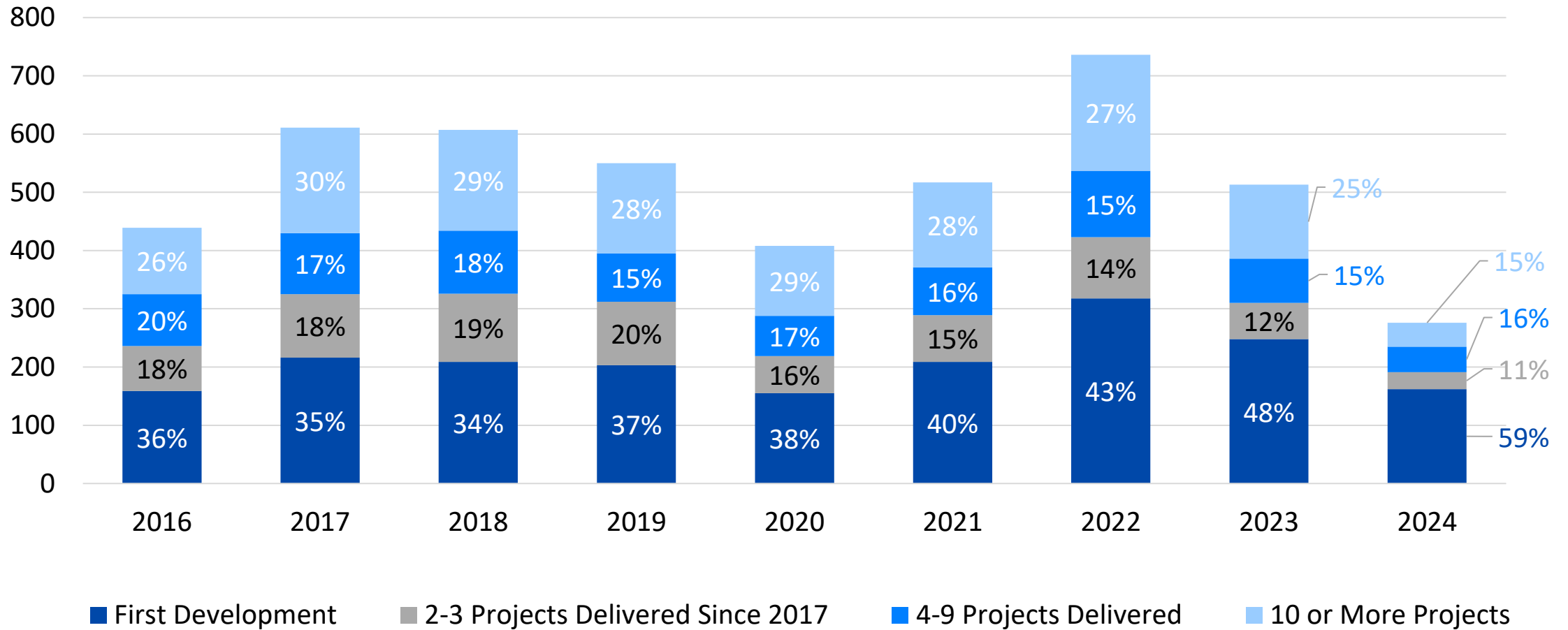
Market	Lease Up % of Existing Inventory	Market	Lease Up % of Existing Inventory
White Plains	19.2%	Bridgeport	8.2%
N. Central Florida	18.8%	Detroit	8.0%
New Jersey Centr.	16.6%	Boise	7.8%
SW Florida Coast	15.3%	Cincinnati	7.6%
Pensacola	13.7%	St Louis	7.3%
N. New Jersey	12.7%	Tacoma	7.2%
Memphis	12.7%	Milwaukee	6.3%
Jacksonville	11.7%	New Orleans	6.3%
Baltimore	11.6%	Indianapolis	5.6%
Long Island	10.8%	Salt Lake City	4.9%
Cleveland - Akron	10.7%	Richmond	4.5%
Kansas City	10.0%	Greenville (SC)	4.0%
Central East Texas	9.7%	Central Valley	4.0%
Lansing-Ann Arbor	9.2%	Oklahoma City	3.5%
Winson-Salem	8.8%	Orange County	3.0%

Lease-Up Supply as % of Existing Inventory

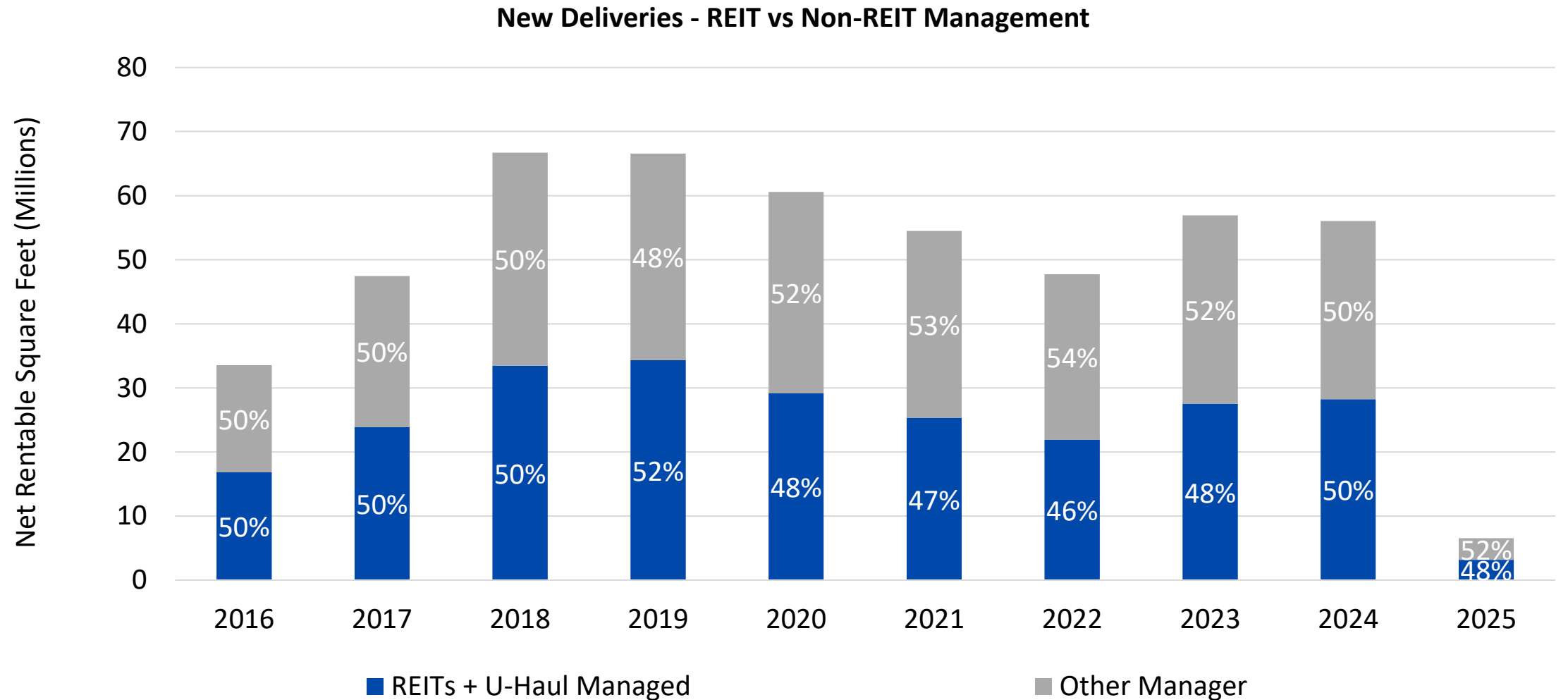


Most Loans Have Gone to Less Experienced Developers in Recent Years

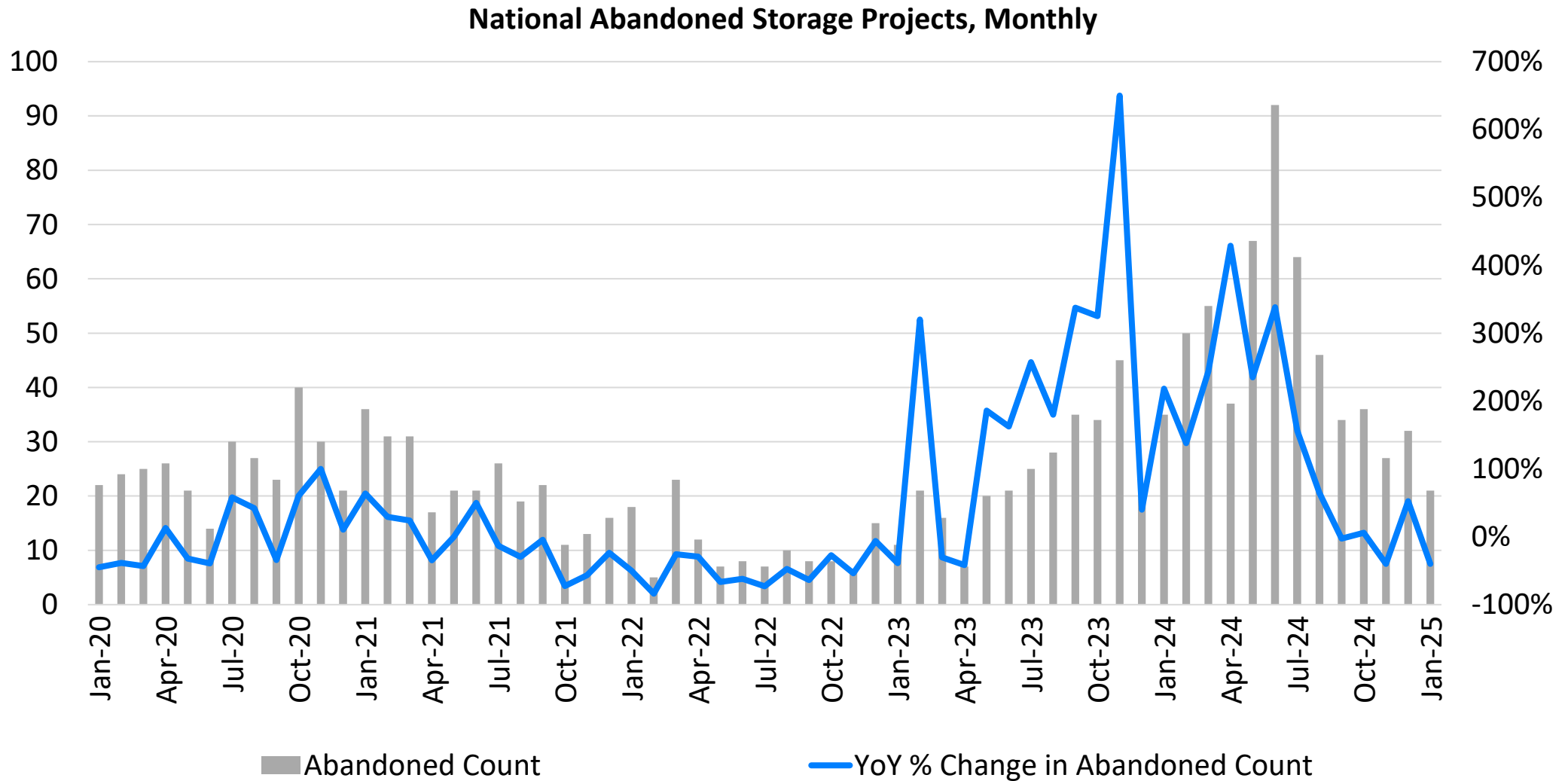
Construction Loans by Developer Experience Since 2017



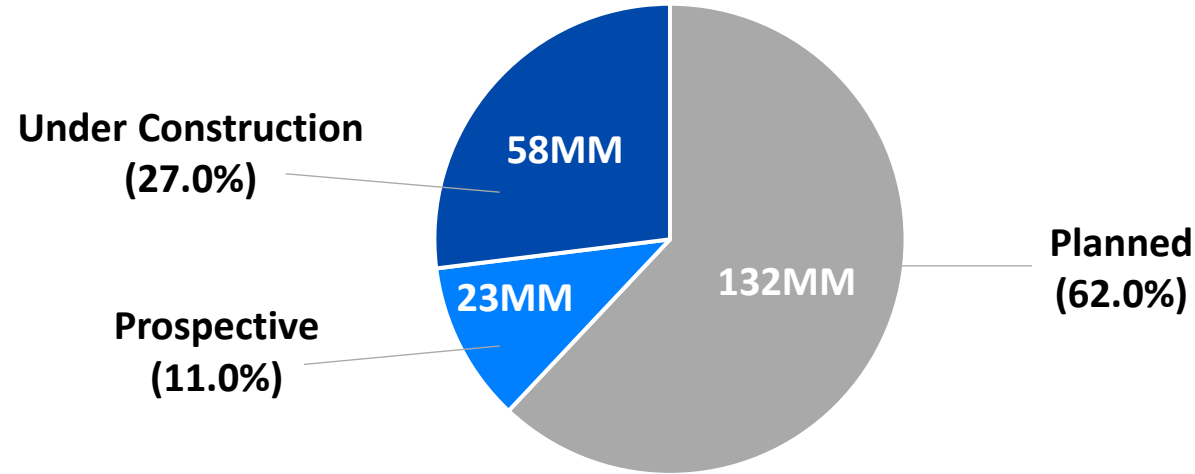
REITs and U-Haul Have Managed 50% of New Properties Delivered Since 2016



There Was a Substantial Uptick in the Number of Abandoned Storage Projects in 2024



New Supply Pipeline: Where is New Supply Concentrated?



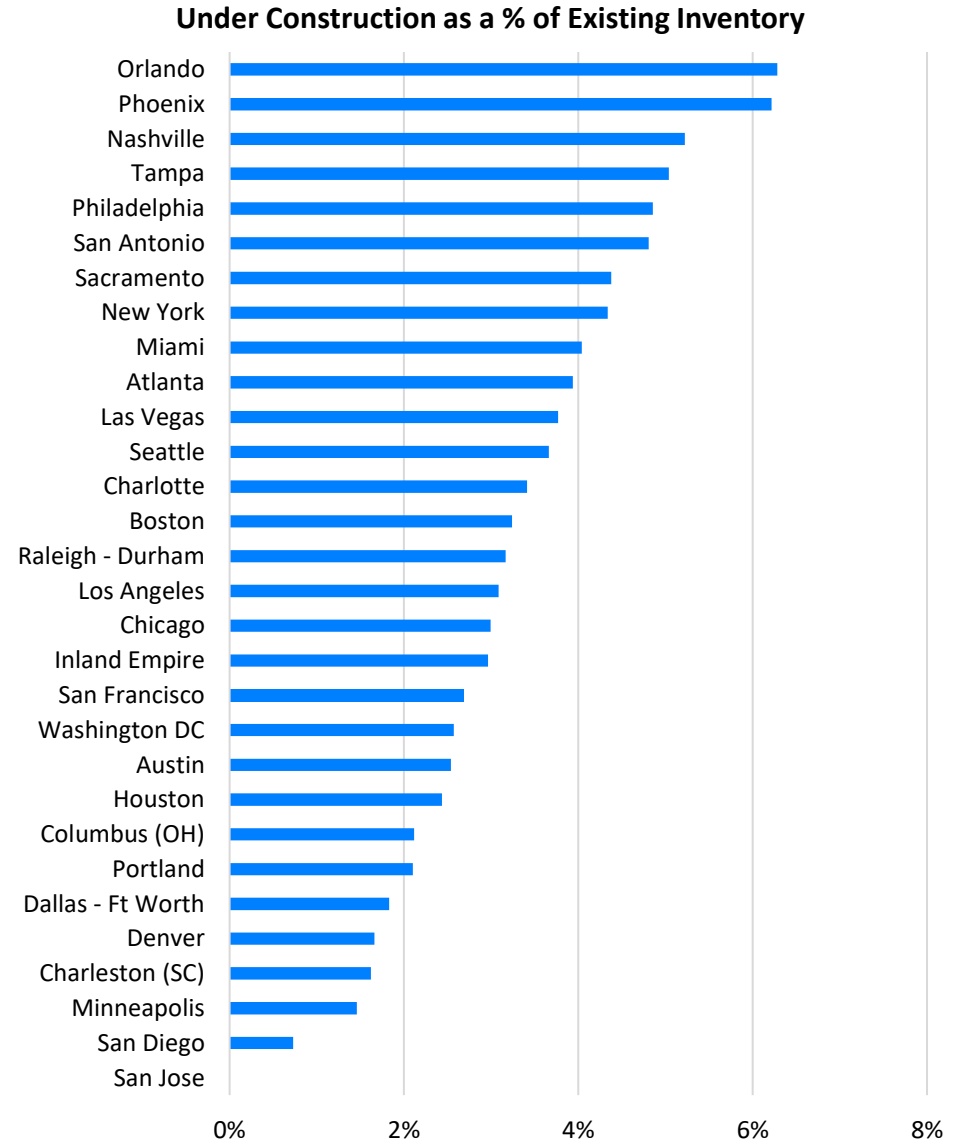
Top 10 Markets	NRSF	UC as a % of Existing Stock
Fort Wayne	430.9K	11.3%
Athens	530.5K	10.2%
Savannah	547.9K	9.0%
SW Florida Coast	1,895.7K	8.7%
Appalachian	552.8K	7.6%
Little Rock	648.8K	7.4%
Tucson	559.2K	7.1%
El Paso	472.5K	6.6%
White Plains	795.1K	6.6%
Port St. Lucie	422.9K	6.5%

Top 10 Markets	NRSF	Planned as a % of Existing Stock
SW Florida Coast	6,471.7K	29.8%
New Jersey – Cent.	3,398.4K	22.8%
Port St. Lucie	1,470.4K	22.5%
Florence	247.4K	19.5%
White Plains	2,227.2K	18.4%
N. Central Florida	1,893.1K	15.2%
Jacksonville	2,272.9K	14.9%
Phoenix	5,668.9K	14.4%
Albany	1,002.4K	13.8%
Las Vegas	2,859.2K	13.7%

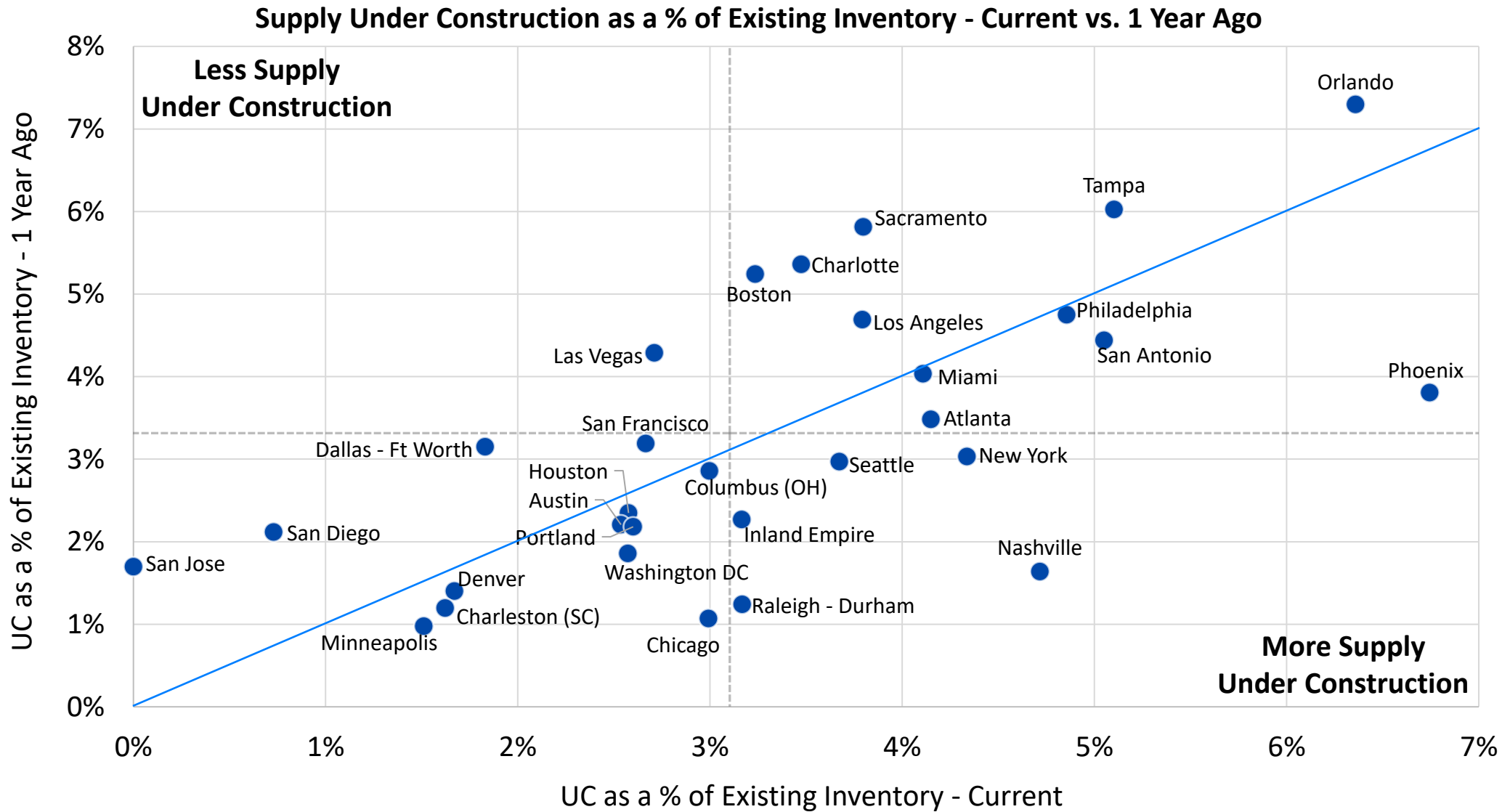
Top 10 Markets	NRSF	Prospective as a % of Existing Stock
Scranton-Wilkes-B.	141.5K	9.9%
Port St. Lucie	561.6K	8.6%
New Jersey – Cent.	819.6K	5.5%
White Plains	658.9K	5.4%
Columbia MO	88.7K	5.3%
Honolulu	148.2K	5.2%
Columbus (GA)	199.8K	4.4%
Albany	299.0K	4.1%
Athens	206.9K	4.0%
Long Island	496.4K	3.9%

Heavy Under Construction Pipelines in Major Markets in the Sunbelt

Market	UC % of Existing Inventory	Market	UC % of Existing Inventory
Orlando	6.3%	Los Angeles	3.1%
Phoenix	6.2%	Chicago	3.0%
Nashville	5.2%	Inland Empire	3.0%
Tampa	5.0%	San Francisco	2.7%
Philadelphia	4.9%	Washington DC	2.6%
San Antonio	4.8%	Austin	2.5%
Sacramento	4.4%	Houston	2.4%
New York	4.3%	Columbus (OH)	2.1%
Miami	4.0%	Portland	2.1%
Atlanta	3.9%	Dallas - Ft Worth	1.8%
Las Vegas	3.8%	Denver	1.7%
Seattle	3.7%	Charleston (SC)	1.6%
Charlotte	3.4%	Minneapolis	1.5%
Boston	3.2%	San Diego	0.7%
Raleigh - Durham	3.2%	San Jose	0.0%



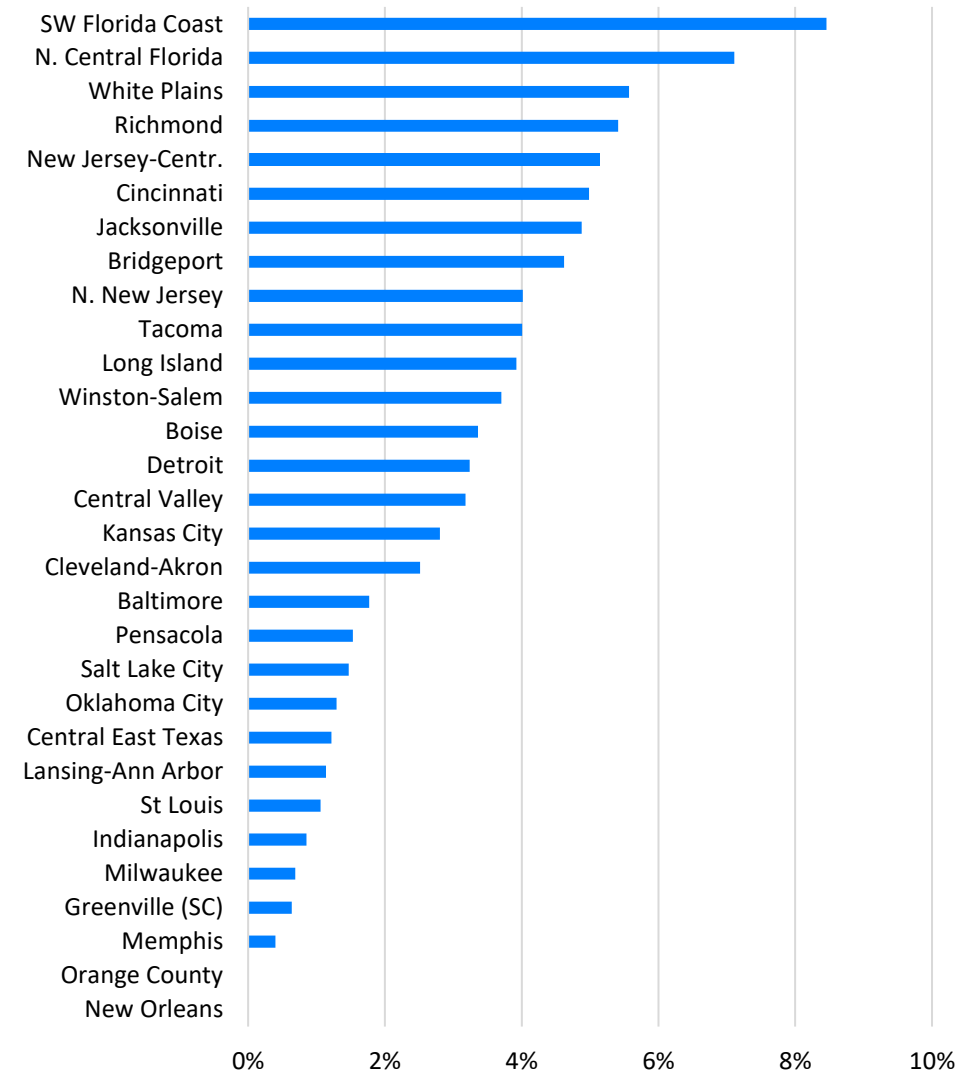
Construction Activity Has Slowed in 11 of the 30 Top Metros Over the Past Year



Development Activity Continues in Secondary Markets in Sunbelt and Northeast

Market	UC % of Existing Inventory	Market	UC % of Existing Inventory
SW Florida Coast	8.5%	Kansas City	2.8%
N. Central Florida	7.1%	Cleveland-Akron	2.5%
White Plains	5.6%	Baltimore	1.8%
Richmond	5.4%	Pensacola	1.5%
New Jersey-Centr.	5.1%	Salt Lake City	1.5%
Cincinnati	5.0%	Oklahoma City	1.3%
Jacksonville	4.9%	Central East Texas	1.2%
Bridgeport	4.6%	Lansing-Ann Arbor	1.1%
N. New Jersey	4.0%	St Louis	1.1%
Tacoma	4.0%	Indianapolis	0.9%
Long Island	3.9%	Milwaukee	0.7%
Winston-Salem	3.7%	Greenville (SC)	0.6%
Boise	3.4%	Memphis	0.4%
Detroit	3.2%	New Orleans	0.0%
Central Valley	3.2%	Orange County	0.0%

Under Construction as a % of Existing Inventory



Saturation: A Mismatched Metric Varies Significantly by Market Based on Population Density and Usage

Top 10 Lowest Average 3-Mile Saturation

Market	# of Properties	Average 3-Mile Saturation	Average 5-Mile Saturation
New York	291	3.03	3.07
Scranton-Wilkes-Barre	34	3.38	3.32
Bloomsburg	13	3.70	4.50
Honolulu	42	4.72	3.76
Allentown-Bethlehem	105	5.44	4.85
Long Island	194	5.45	4.82
New Jersey - Northern	279	5.74	4.79
Youngstown	49	6.14	4.14
Providence	129	6.23	5.47
Harrisburg	165	6.36	5.55
All Yardi Matrix Markets	33,319	11.21	9.41

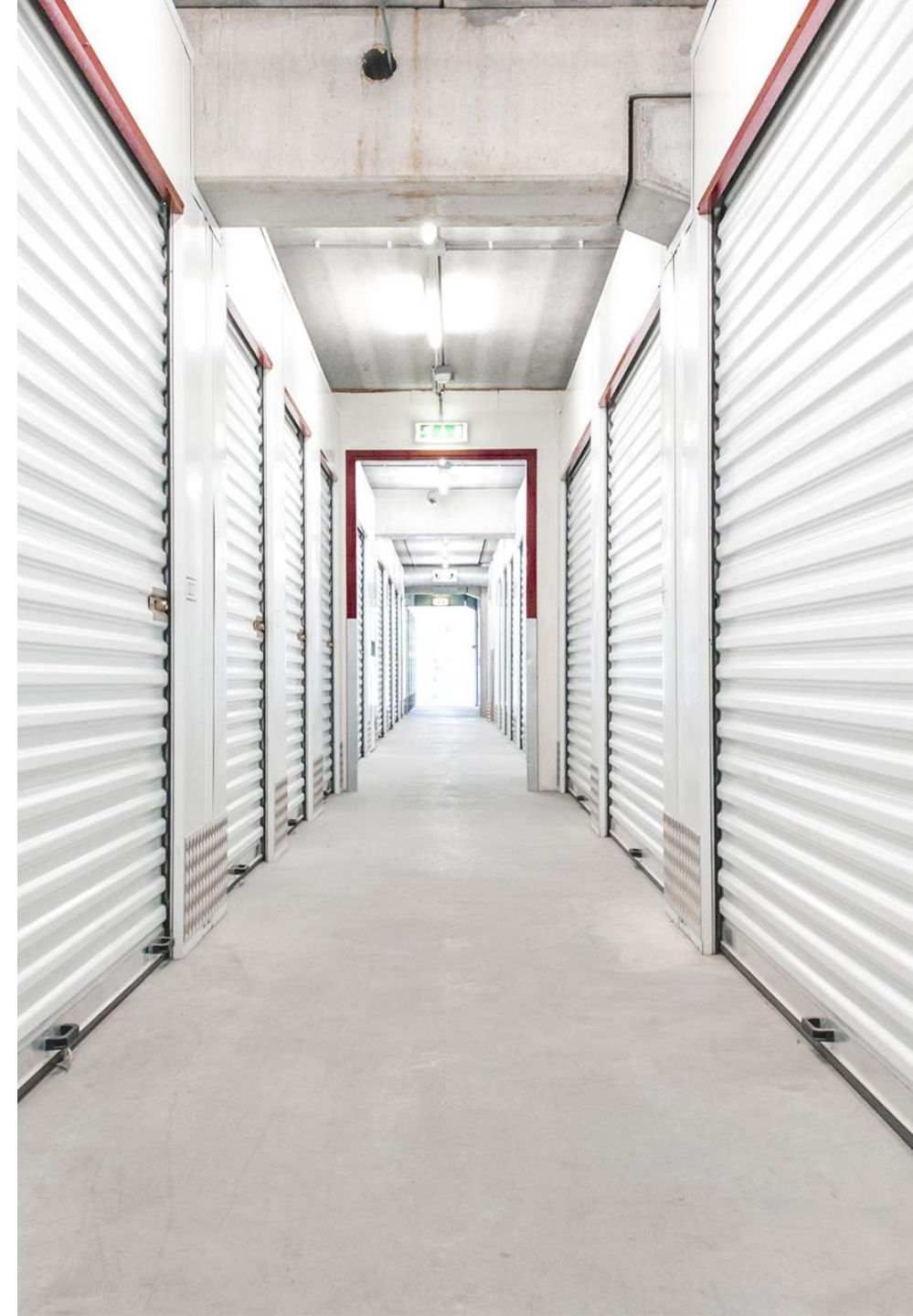
Top 10 Highest Average 3-Mile Saturation

Market	# of Properties	Average 3-Mile Saturation	Average 5-Mile Saturation
Montana	247	46.72	28.67
Wyoming	126	24.16	17.81
Appleton-Oshkosh	80	24.03	14.88
St. George	53	22.14	19.90
Reno	151	21.29	17.61
Medford	75	20.49	14.94
Pensacola	189	19.98	15.71
Boise	170	19.45	17.41
Longview	53	19.43	13.78
Mobile	131	19.30	15.81
All Yardi Matrix Markets	33,319	11.21	9.41



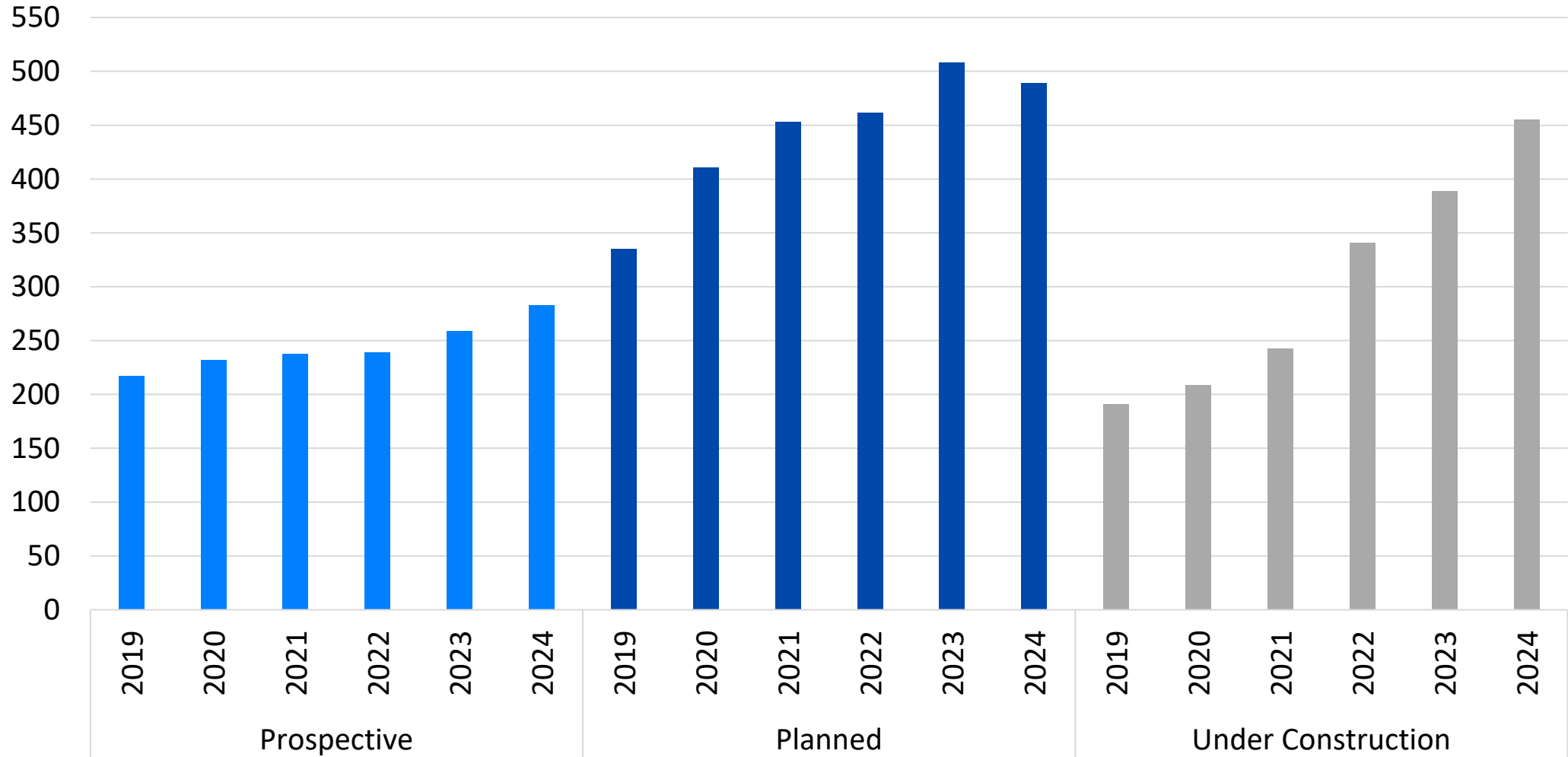
Takeaways from our Q1 2025 Self Storage Supply Forecast

- The Q1 2025 Yardi Matrix self storage supply forecast has increased by roughly 5.0% for all forecast years
 - The increase was primarily driven by Yardi Matrix's expanding market coverage, not material changes in the development pipeline
- Yardi Matrix development pipeline data continues to indicate development activity is slowing. For Matrix markets open at least 24 months:
 - The under-construction pipeline contracted 1.8% quarter-over-quarter and 6.7% year-over-year
 - 2024 construction starts are running approximately 20% below 2023's pace
 - The planned pipeline declined 1.8% quarter-over-quarter and has been relatively flat for most of 2024
 - The prospective pipeline has noticeably contracted, decreasing 10.2% quarter-over-quarter and 25.3% year-over-year



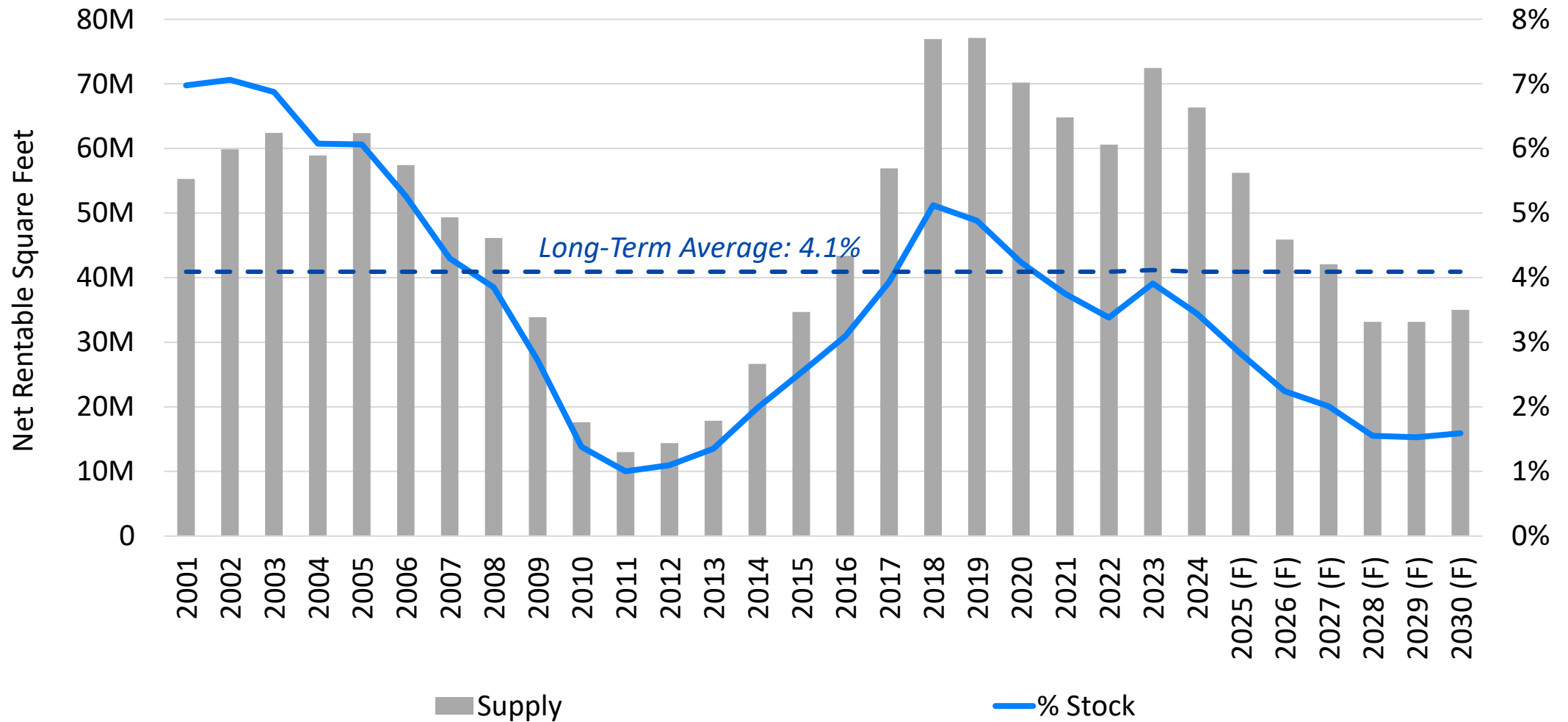
The Average Number of Days Properties Spent Under Construction Increased in 2024 Compared to Previous Years

National Average Days in Development Stage per Year



Completions Are Forecasted to Decrease in 2025, and New Supply as a Percent of Stock will Remain Below the Long-Term Average in Coming Years

National Annual Completions: Net Rentable Square Feet & Percent of Stock



Forecast of New Storage Supply Summary

National Q1 2025 Update

Property Forecasts	Actual 2024 Completions	2025	2026	2027	2028	2029	2030
New Build	700	554	463	420	343	323	348
Conversion	96	44	44	27	15	19	18
Expansion	291	132	121	113	89	109	128
Total	1,087	730	628	560	447	451	494

NRSF Forecasts (MM)	Actual 2024 Completions	2025	2026	2027	2028	2029	2030
New Build	50.18	45.95	36.67	34.44	26.77	26.10	26.79
Conversion	6.94	3.71	3.13	1.82	1.17	1.43	1.40
Expansion	9.21	6.55	6.11	5.81	5.20	5.64	6.82
Total	66.34	56.22	45.91	42.06	33.15	33.16	35.01
NRSF as a % of Stock	3.4%	2.8%	2.2%	2.0%	1.6%	1.5%	1.6%



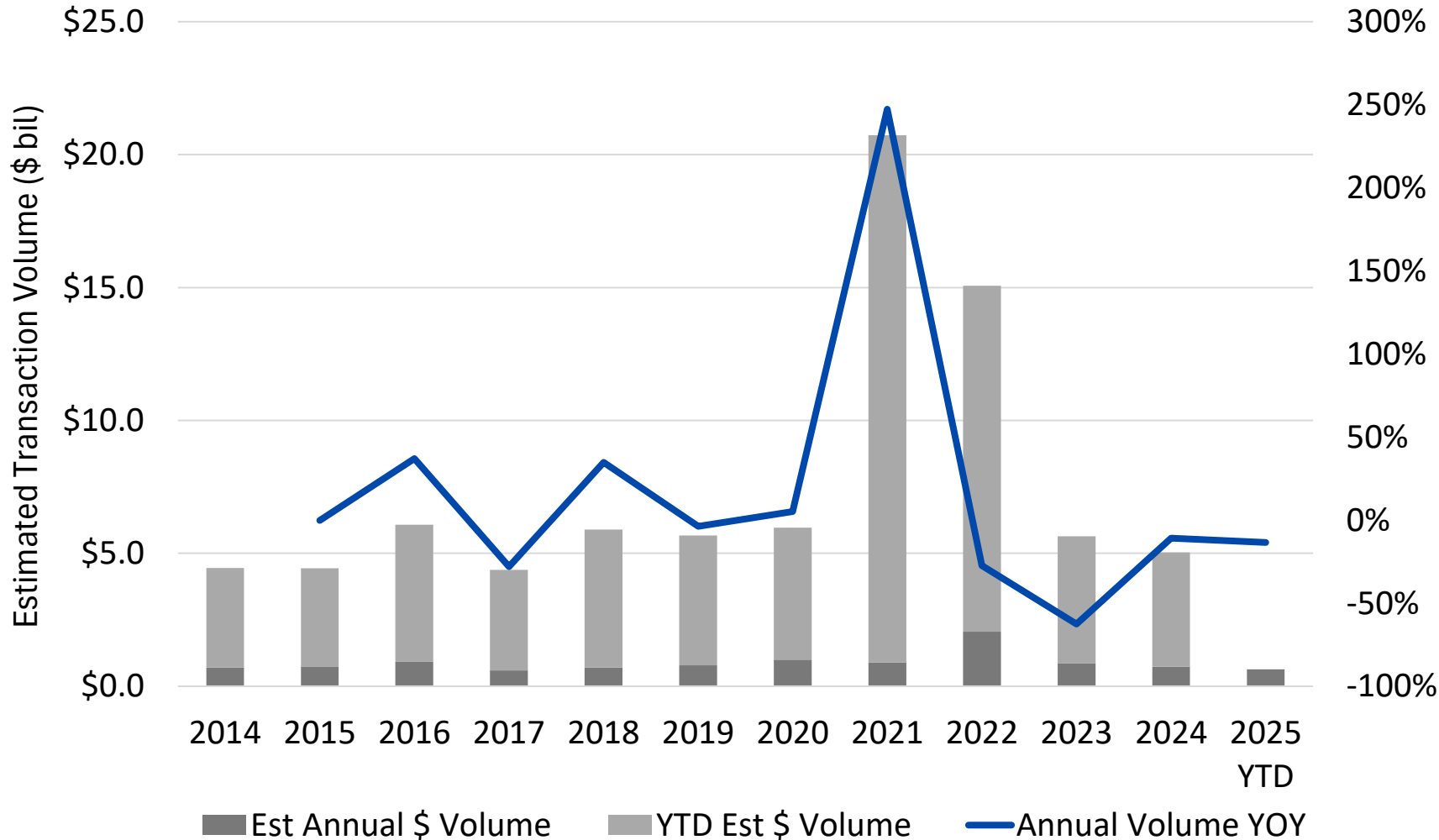
New Supply Summary & Outlook

- Lease-up supply across the nation has been declining since 2020, but flattened in the last year
- Supply pipeline data continues to indicate development activity is slowing
- For Matrix markets open at least 24 months:
 - 2024 construction starts appeared to be roughly 20% below 2023's pace
 - The under-construction pipeline contracted 6.7% year-over-year
 - The planned pipelined remained relatively flat for most of 2024
 - The prospective pipeline has noticeably contracted
- Completions are forecasted to decrease in 2025 and over the four years, and new supply as a percent of stock will remain below the long-term average in coming years

SELF STORAGE TRANSACTIONS

Transaction Volume of \$5 Billion in 2024 Down 11% YoY Recovered in the Second Half, up 50% YoY from June-December

Annual and Year-To-Date Transaction Volume



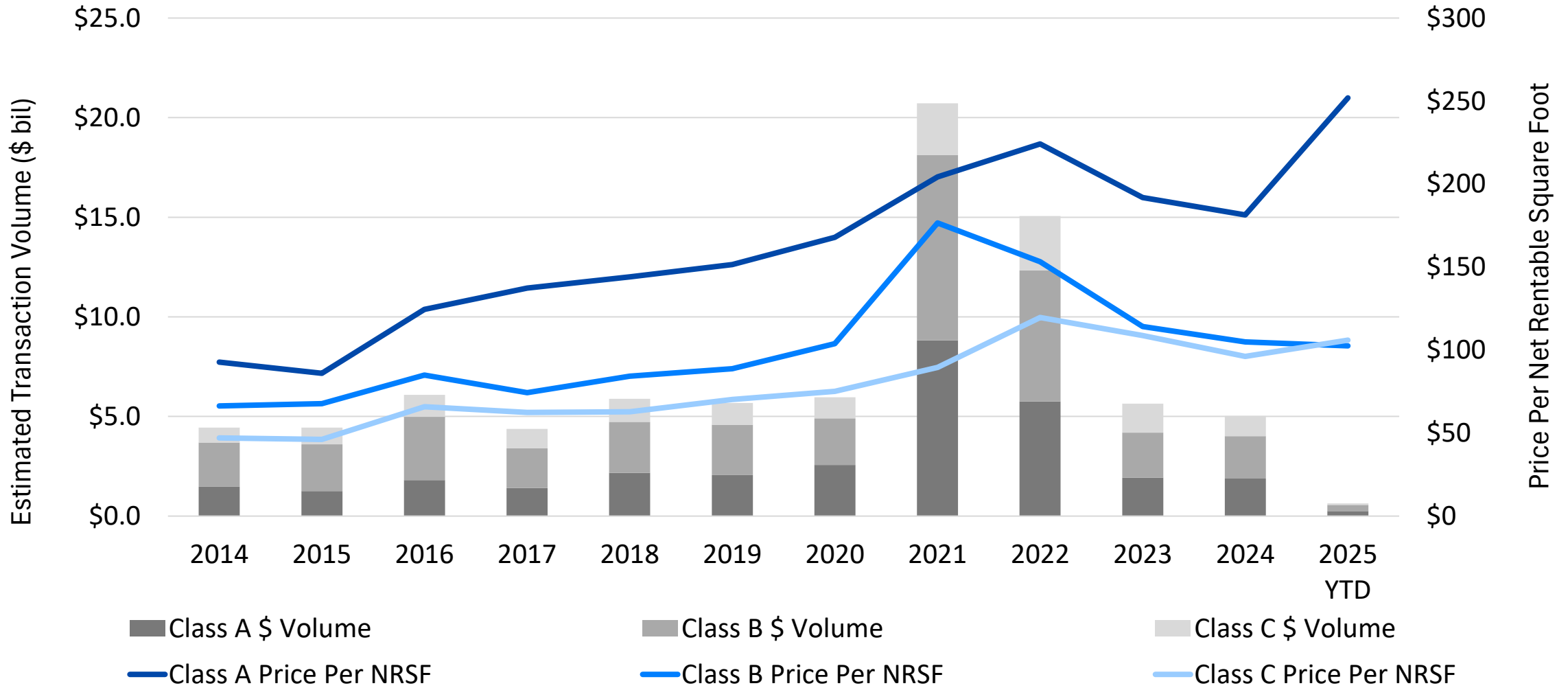
YEAR	STORES SOLD PER YEAR
2021	2,068
2022	1,695
2023	762
2024	736
2025 YTD	62

Sales volume has been estimated for properties missing price.
Data as of 3-1-25. Sales before property completion and entity sales are excluded | Source: Yardi Matrix



Pricing-per-square-foot May Have Bottomed in 2024: Class C West Coast Asset Sales Have Driven Class A Pricing Up in 2025

Annual Transaction Volume and Average Price Per NRSF by Property Class

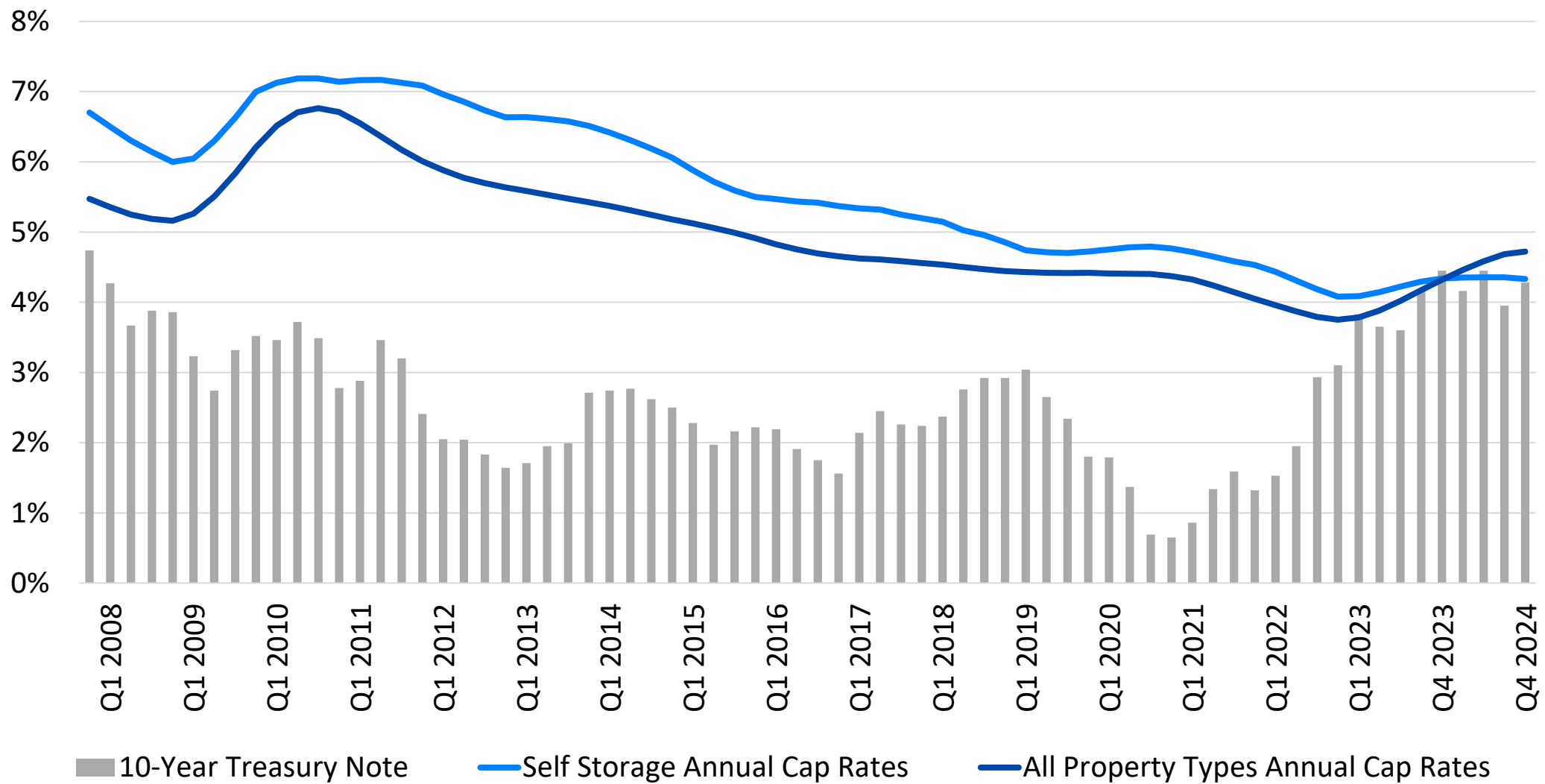


Sales volume has been estimated for properties missing price.
Data as of 3-1-25. Sales before property completion and entity sales are excluded | Source: Yardi Matrix



NCREIF Storage Cap Rates Have Been Relatively Stagnant Since 2023

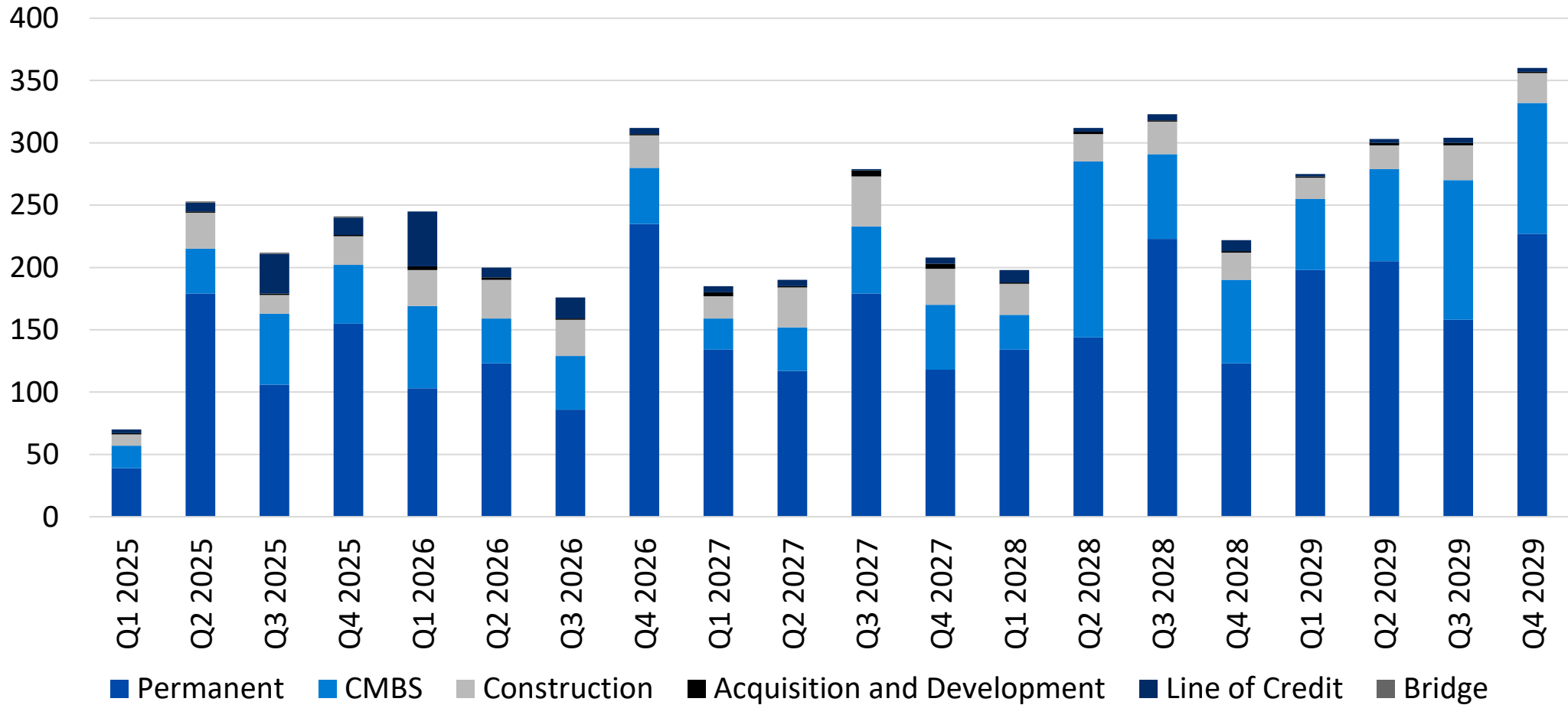
NCREIF Annual Cap Rates vs. 10-Year Treasury Note



Source: Yardi Matrix; National Council of Real Estate Investment Fiduciaries (NCREIF); Federal Reserve Bank of St. Louis (FRED)

Of 1,026 Loans Maturing in the Next Two Years, Over 1/3rd Are CMBS

Upcoming Loan Maturities by Type of Loan



Estimated Portfolio Sales Volume Increased 13% in 2024 YOY REITs Have Been Particularly Active

- **Extra Space** sold all 9 of their properties in Midland-Odessa to **AVAD Capital (dba Avid Storage)** in February 2025
- **Strategic Asset Management** bought 7 properties from **Westport Capital** for \$106 million or \$180 per square foot in February 2025 located in Arizona, Florida, Tennessee and Texas
- In Q1 2025, **CubeSmart** closed on 28-property portfolio in nine states for \$453 million, previously owned with JV partner **Heitman**, and Q4 acquired a 14-property portfolio in the Dallas MSA from various Hines JVs for \$157 million
- **Extra Space** acquired 22 properties in San Antonio in December 2024 from **Strat Property Management (dba Lockaway Storage)** surpassing Public Storage as the largest owner in the market with 52 total properties
- **National Storage Affiliates** bought 4 properties in Florida from **StoreRight Self Storage** in December for \$19.5 million or \$80/SF
- **Mini Mall Storage Properties** closed on 8 properties in Memphis in December 2024, sold by **Gelt** and managed by Extra Space, bringing their total in the market to 12 making them the 5th largest owner in Memphis
- **Mini Mall** also acquired 6 properties in New Orleans owned by **Safeguard Self Storage** in December 2024
- **U-Haul** bought 4 properties in Minneapolis (3) and Kansas City from **NexPoint Group** in September 2024, all built in 2019

Large Storage Owner/Operators and Investment Groups Still Active

T12 NRSF Top Buyers				
Buyer	Net Rentable SF Bought	Number of Properties	% Increase in Portfolio (NRSF)	Top Market Bought (NRSF)
SROA Capital	7,230,570	158	39%	Suburban Chicago
Prime Group Holdings	3,354,092	50	15%	White Plains
Extra Space Storage	3,262,554	52	2%	San Antonio
Madison Capital Group	2,561,821	34	39%	Suburban Philadelphia
Merit Hill Capital	2,205,536	46	10%	Suburban Chicago
National Storage Affiliates	1,875,675	31	3%	Oklahoma City
Strategic Asset Management	1,529,001	16	14%	Orlando
Public Storage	1,397,111	20	1%	North Dallas
Mini Mall Storage Properties	1,356,024	20	67%	Memphis
U - Haul Holding Company	1,322,204	22	5%	Suburban Twin Cities



Yardi Matrix Self Storage House View – March 2025

MACROECONOMIC UPDATE

- The Fed has lowered interest rates by a full percentage point since September
 - However, they hit the pause button on recent interest rate cuts during their January meeting, entering a new wait-and-see phase
- U.S. economy looks to continue to expand at ~2%; large Federal deficits (>\$1.6 Trillion) are counteracting monetary policy; and the U.S. 10 Yr has backed up to 4.2%+ from 3.6% (at least down from 4.7% in Jan)
- The U.S. labor market is tight due to demographic reasons; even higher productivity will be needed to absorb lower immigration
- The U.S. has a structural housing shortage due to building regulations, zoning, and permitting delays, unlikely to be resolved for at least 10 years; what supply is added is at the high end of the market, but filtering is real nonetheless, still the “long pole” in the inflation tent

SELF STORAGE FUNDAMENTALS & OUTLOOK

- The self storage sector has had two very challenging years in 2023 and 2024 with rapidly declining occupancy, rent, revenue and NOI growth, all down from all time highs in 2021 and 2022; average REIT revenue growth was -1.4% and NOI growth -3.4% in Q4 2024
- Poor performance is due to weak demand from migration and home sales and high levels of new supply delivered in 2023 and 2024
- Advertised rental rates have dropped YoY for 28 straight months but recently improved from -4.2% in June 2024 to -1.2% in January 2025, led by the self storage REITs who are using low introductory rates to lure new customers, but REITs have slowed rent declines noticeably
- Supply under construction has been dropping and new square footage is expected to drop 15% in 2025, 18% in 2026 and 8% in 2027
- Estimated transaction volume of \$5 billion in 2024 was down 11% from 2023 and down 5.7% from the pre-COVID average, but volume in the second half of the year was up 50% YoY. Given that momentum transaction volume should be higher in 2025 than 2024
- Owners and operators are looking for a turnaround in the housing market to help demand, but that’s unlikely to happen in 2025, however a declining supply pipeline should provide a boost over the next few years especially in the second half of the year

REIT Q4 2024 Results and 2025 Guidance Summary

- REIT revenue growth decelerated each quarter of 2024, from an average of 0.8% Q4 2023 to 0.2% in Q1 2024, -0.2% in Q2, -1.1% in Q3, to -1.4% in Q4 2024 and down an average of 1% for the full year
 - Revenue growth decline was a result of an average 0.5% decline in average occupancy and average 0.5% decline in rates, while year end occupancy was down 0.2%; Extra Space/LifeStorage saw an increase in occupancy over the year while Public Storage experienced only 0.1% drop in rates, followed by NSA down 0.2%
 - Northeast, Midwest and West Coast markets with limited new supply like Washington DC, New York, Chicago and Denver are already showing signs of stabilization and growth while Sunbelt markets like Atlanta, Phoenix and Florida will continue to struggle with low home sales and in-migration and persistent supply issues
 - The average midpoint for revenue growth in 2025 is -0.3% ranging from -1% for CubeSmart to 0% for NSA
- NOI growth for 2024 averaged -2.2% for the REITs and also decelerated throughout the year, driven by a 4.1% increase in expenses, led by property tax, property insurance and marketing costs
 - Average midpoint for NOI growth is -1.8% for 2025, anticipating another year of high expense growth
- Most REITs believe occupancy has bottomed but will remain relatively flat in 2025 due to continued weak demand from home sales, but have more confidence increasing or maintaining asking rates which will eventually lead to higher achieved rents by EOY
 - Yardi Matrix advertised rate data confirms this, with REIT advertised rent growth YoY improving five of the last eight months to -0.1% in January 2025 from -6.7% in June 2024, and MoM growth of 0.5% in December 2024 and 1.1% in January 2025
- **Home sales and population mobility are not expected to improve much in 2025 and will not be a driver of growth but offers potential upside to guidance. Rather, easier comparative quarters in 2024, a trough in occupancy, low customer turnover combined with tried-and-true ECRI strategies and less new supply lead to a modestly better outlook for 2025.**

Where Are the Opportunities?

- Sunbelt markets with high existing supply levels (i.e. saturation) and persistent new supply have shown the strongest declines in rents following record performance during the pandemic
 - Examples include Las Vegas, Orlando, Phoenix and Southwest Florida
 - Improvement will hinge on a drop in new supply and improvement in home sales and migration trends, not likely in 2025
- Markets that just a few years ago had the weakest growth patterns and issues with new supply have emerged as top performers recently, although advertised rent growth here is still negative
 - Denver, New York, Portland, Seattle and Washington DC fit into this camp
 - Demonstrates that markets can outperform coming out of a high-supply cycle
- **All data highlights the advantages of having a geographically-diversified portfolio that balances high growth/high supply with slow growth/moderate supply markets and submarkets**
 - **Markets outside the top 50 offer a 50% discount on price per square foot and minimal competition from REITs**
- **Interesting opportunities in markets where rents are down most from peak and where lease up could be struggling and create distress**
 - **1,350 properties were delivered in 2021 and 2022, many by developers new to self storage, and were originally underwritten at peak rental rates and pricing environment**
 - **Over 3,700 properties were acquired in 2021 and 2022 when rates were at their peak**



Upcoming Events

SSA Spring Conference & Trade Show

Come by **booth #501** or schedule a meeting (Kasey.Golden@Yardi.com)

ORLANDO, FL | MARCH 12TH – 14TH

Inside Self Storage World Expo

Las Vegas, NV

APRIL 22ND – APRIL 25TH

Spring Webinar Series

Student Housing National Outlook

APRIL 3RD

Multifamily National Outlook

MAY 15TH

Affordable Housing National Outlook

JUNE 18TH



THANK YOU

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