SELF STORAGE NATIONAL OUTLOOK

FALL 2025

PRESENTERS

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AGENDA

- U.S. Economy, Inflation & Interest Rates
- Factors Influencing Storage Demand
- Self Storage Q2 REIT Results
- Deep Dive Into Storage Advertised Rates
- Historical & Forecasted Supply Trends
- Self Storage Transactions

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Yardi Matrix Self Storage House View – August 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 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 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

- **Summary: The sector is nearing an inflection point as oversupply eases, rents stabilize and revenue strategies shift.**
- Self storage demand has dropped over the past three years with home sales at a 30-year low and weak migration. However, fundamentals have stabilized, supported by long-term tenants, consumer space needs, and limited new supply.
- Advertised rates down 8% from peak in July 2022 but YoY growth flat in June and July. Both the decline and turnaround has been led by the REITs who have been unable to grow revenue based on discounted new customer rates and existing customer rate increases.
- New supply has also impacted rates in recent years, especially in the high-supply Sunbelt region. But supply is finally starting to subside and transition into cyclical decline which will help accelerate the recovery once demand growth reignites.
- Transaction activity is slowly recovering, class A and B property pricing improving. Portfolio sales started off slow but have picked up.

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Source: Yardi Matrix

REIT Q2 2025 Results and Guidance Summary

- Weighted-average same store revenue growth decelerated to -0.3% in Q2 2025 after improving the previous three quarters due to a 40 basis point decline in period average occupancy, while realized rent growth increased to 0%
  - REITs are employing different revenue management strategies; those with high occupancy are increasing advertised rates
  - For the largest REIT markets, revenue growth ranged from -8.7% in Southwest Florida and -5.9% in Atlanta to +2.6% in Chicago & Washington DC, +3.5% in Seattle and +4.4% in Tampa (hurricane-related)
- Same store NOI declined even further, down 2.2% on a weighted-average basis in Q2 as expense growth outpaced revenue growth for the eighth straight quarter
  - Skyrocketing property insurance and marketing costs in recent years have subsided as property taxes, the single-largest expense line item, have grown the fastest in recent quarters
  - NOI declining rapidly in San Antonio (-13.9%), Denver (-12.1%) and Atlanta (-11.9%) but increasing in high-rent, high-margin markets like Washington DC (+1.8%), San Francisco (+2.1%) and Seattle (+5.3%)
  - Weighted-average NOI margin of 72.7% in Q2 is down from a peak of 75.6% in Q1 2023
- Guidance shifted for a few companies in the quarter with total 2025 revenue growth expected to range from -1.2% to +0.6% and NOI growth from -2.9% to -0.4%
  - REITs expect little boost from occupancy and a housing market recovery but will continue to see low existing customer turnover, improving street rates and less competition from new deliveries overall…
  - Although the recovery will continue to be uneven as some markets continue to face new competition and rely heavily on housing markets/migration to lease up new properties

Source: Yardi Matrix

What Does This Mean For You?

- **Operations/Manager** – *demand expected remain consistent/improve*, new supply waning - now is the time to start pushing street rents year-over-year (seasonal slowdown aside)
  - Exceptions – rents suppressed in high supply markets and trade areas with supply in lease up – recovery may take years
- **Owner/Operating Partner** – occupancy, rent, revenue and NOI *growth will continue to be slow*, but conditions are improving and cash flows should follow; prepare for the upturn
- **Investor/Portfolio Manager** – building a *geographically-diversified portfolio* is key to maintaining cash flow
  - Demand not tied to housing or migration but location-specific; exposure to a variety of supply and demand dynamics helps
- **Developer** – *think outside the box* – overcrowding in the Sunbelt (i.e. Southwest, Atlanta, Florida) but plenty of markets and trade areas with solid fundamentals that can absorb new supply (i.e. Northwest, Mountain West, Midwest)
  - **Having accurate and timely data is the key to success** – predicting demand complicated, focus on understanding what new supply is coming and how rents have trended recently
- **Contractor/Building Supplier** – new construction starts in *cyclical decline*, still plenty of capital and interest in development
  - Developments that have been planned for years should be the first to start construction once demand starts to pick up
- **Investment Sales Professional** – market conditions stabilizing, elevated investor interest and pricing recovering - now is an ideal time for owners to *consider a sale and recycle capital*, particularly Class A/B assets in markets that have turned the corner
- **Debt Professional** – acquisition activity recovering with fundamentals, *pricing/interest rate clarity*; be selective on construction

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Source: Yardi Matrix

U.S. ECONOMY, INFLATION & INTEREST RATES

Contextual Overview – August 2025

TREND

- Geopolitical/economic deglobalization
- Demographics – aging population
    - Declining birth rates
- COVID aftershocks
    - Hybrid work, more remote work
    - Higher gov't debt/GDP ratio
- Housing shortage – compounded post GFC
    - Stunted supply response – zoning, permitting, building code, etc.
- Political polarization
    - Rising local political risk, operational regulation

IMPLICATION

- Near-shoring, U.S. re-industrialization, and sticky inflation
- Slow to no population growth absent immigration – tight labor markets, pick the migration winners
- Spreading U.S. population, suburbanization, smaller future urban cohorts, higher LT interest rates
- Absent significant state & local changes, supply surge ('24-'25) will pass without resolving housing shortage
- Local response to shortage matters – enable abundance or allocate shortage

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Source: Yardi Matrix

U.S. Public Policy Discussion – Trump's "Revenge of the Physical World"

TRUMP PRESUMED POLICY MIX

- **Energy production –** high levels of domestic production & transmission to reduce inflation and export to Europe and allied Asia
- **Government de-regulation** as back-ended tax cuts; driven by government staff reductions/department closures; shows up in productivity increases
- **Lower taxes –** retain 2017 taxes and other tax cuts
- **Trade and China policy –** further restrictions to shift production out of China
- **Immigration –** very restrictive; results in higher labor costs but benefits political base, offset by other factors above
- **Government spending –** Still high, don't touch entitlements
- Slowing short-term interest rate reductions
- Long-term rates based on expectation of future debt/GDP ratio; requires GDP growth in excess of entitlement spending

Source: Yardi Matrix

Forecasts for Real GDP Are for a Choppy 2025, with an Uptick in Inflation & Unemployment During a Period of Transition

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: 2.4%	**Q1: -0.5% Q2: 3.0% Q3: 1.0% Q4: 1.5%**	**Q1: 1.75% Q2: 2.00% Q3: 2.25% Q4: 2.25%**
Nominal GDP	6.1%	Q1: 4.6% Q2: 5.5% Q3: 5.0% Q4: 4.8%	**Q1: 3.2% Q2: 5.0% Q3: 3.8% Q4: 4.5%**	**Q1: 4.55% Q2: 4.60% Q3: 4.65% Q4: 4.65%**
Inflation (GDP Deflator)	3.6%	Q1: 3.0% Q2: 2.5% Q3: 1.9% Q4: 2.3%	**Q1: 3.7% Q2: 2.0% Q3: 2.8% Q4: 3.0%**	**Q1: 2.8% Q2: 2.6% Q3: 2.4% Q4: 2.4%**

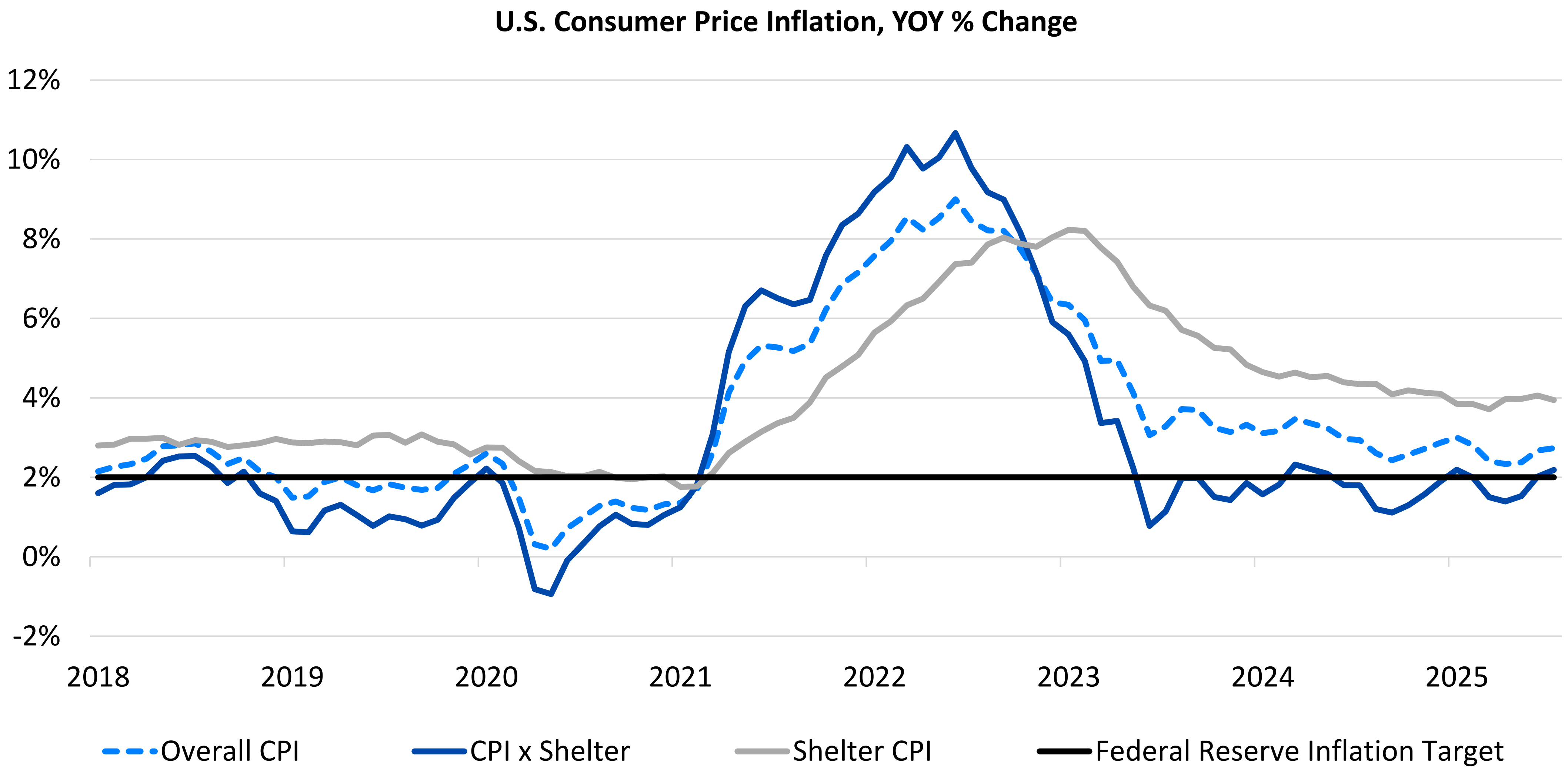
Evercore ISI / Yardi Matrix Economic Forecasts

	2023	2024	2025 Forecast Annualized	2026 Forecast Annualized
Unemployment Rate	3.6%	Q1: 3.8% Q2: 4.0% Q3: 4.2% Q4: 4.1%	**Q1: 4.1% Q2: 4.2% Q3: 4.4% Q4: 4.5%**	**Q1: 4.3% Q2: 4.3% Q3: 4.3% Q4: 4.3%**
Bond Yield*	4.0%	Q1: 4.2% Q2: 4.4% Q3: 3.9% Q4: 4.3%	**Q1: 4.45% Q2: 4.50% Q3: 4.50% Q4: 4.50%**	**Q1: 4.50% Q2: 4.50% Q3: 4.50% Q4: 4.50%**
Fed Funds*	5.5%	Q1: 5.5% Q2: 5.5% Q3: 5.2% Q4: 4.5%	**Q1: 4.33% Q2: 4.33% Q3: 4.25% Q4: 4.00%**	**Q1: 4.00% Q2: 4.00% 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

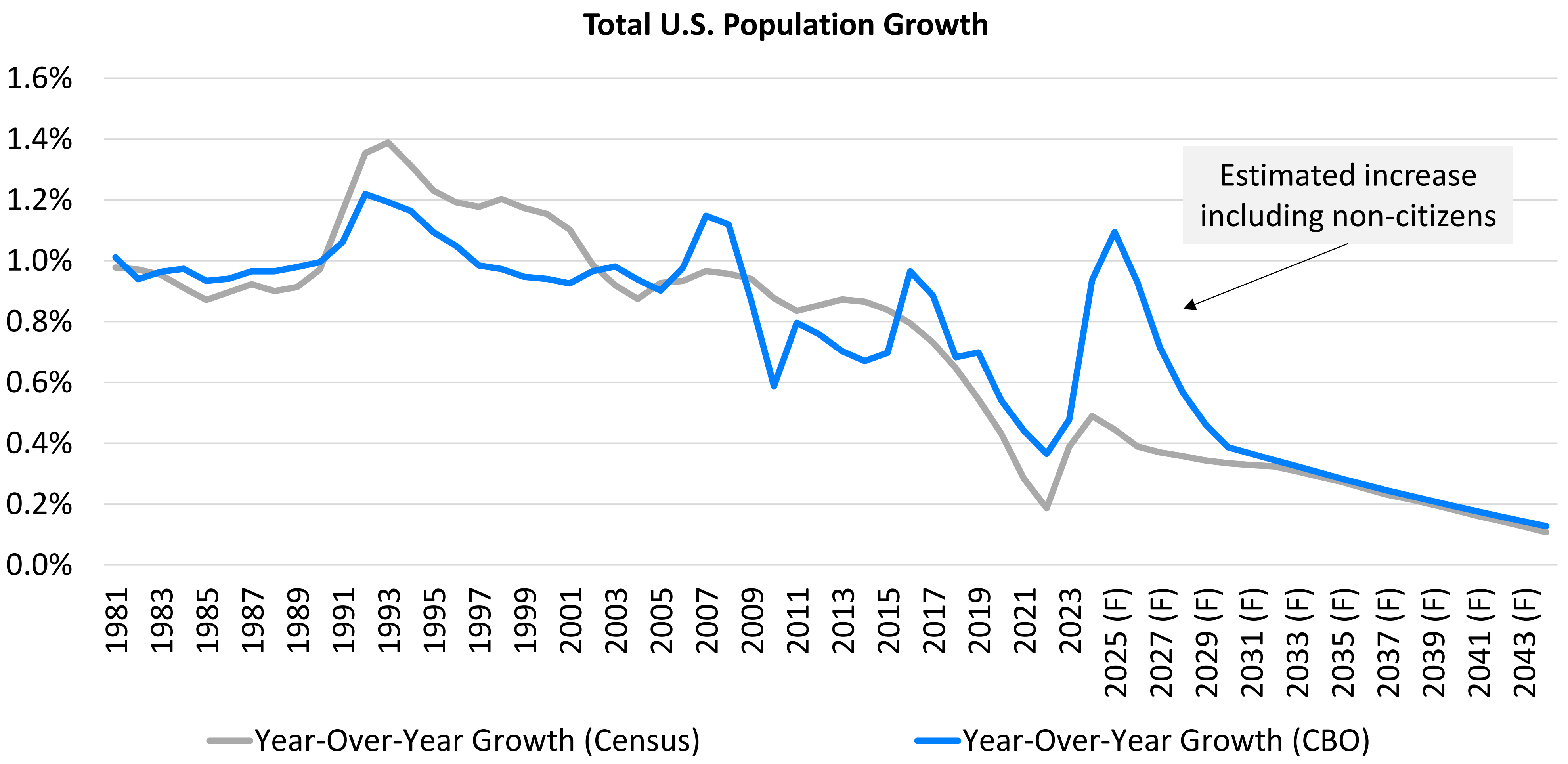
Housing Costs Are In Part Driven by Interest Costs, But Housing Inflation Is Keeping Overall Inflation Above Goals



Data through July 2025 | Source: Yardi Matrix; Moody's Analytics; Bureau of Labor Statistics

FACTORS INFLUENCING STORAGE DEMAND

U.S. Population Growth Is Slowing, and the Surge in Illegal Immigration is Unlikely to Recur for Some Time



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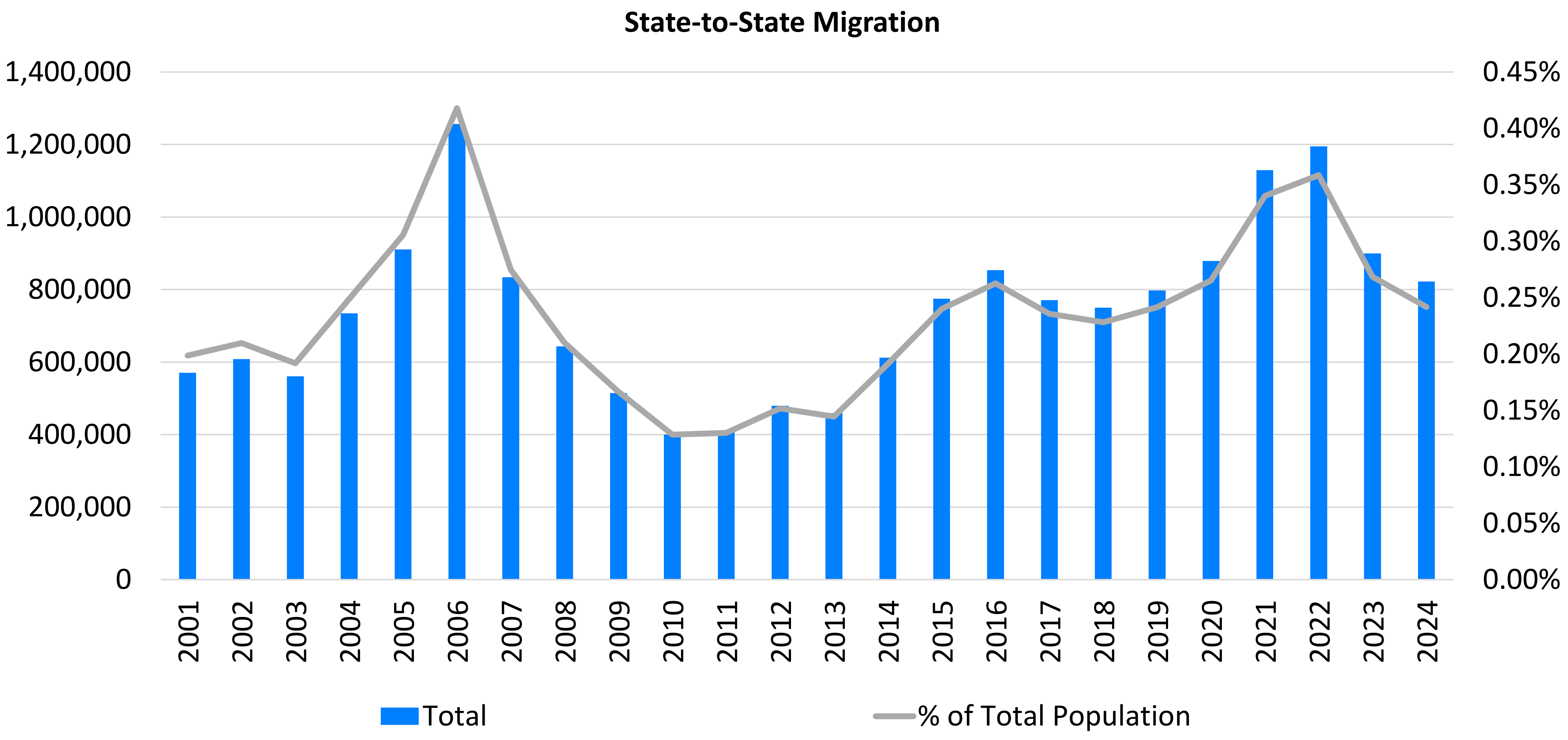
Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau; Congressional Budget Office, *The Demographic Outlook: 2025 to 2055*

State-to-State Migration Decreased in 2023-2024 And Likely Even Further in 2025



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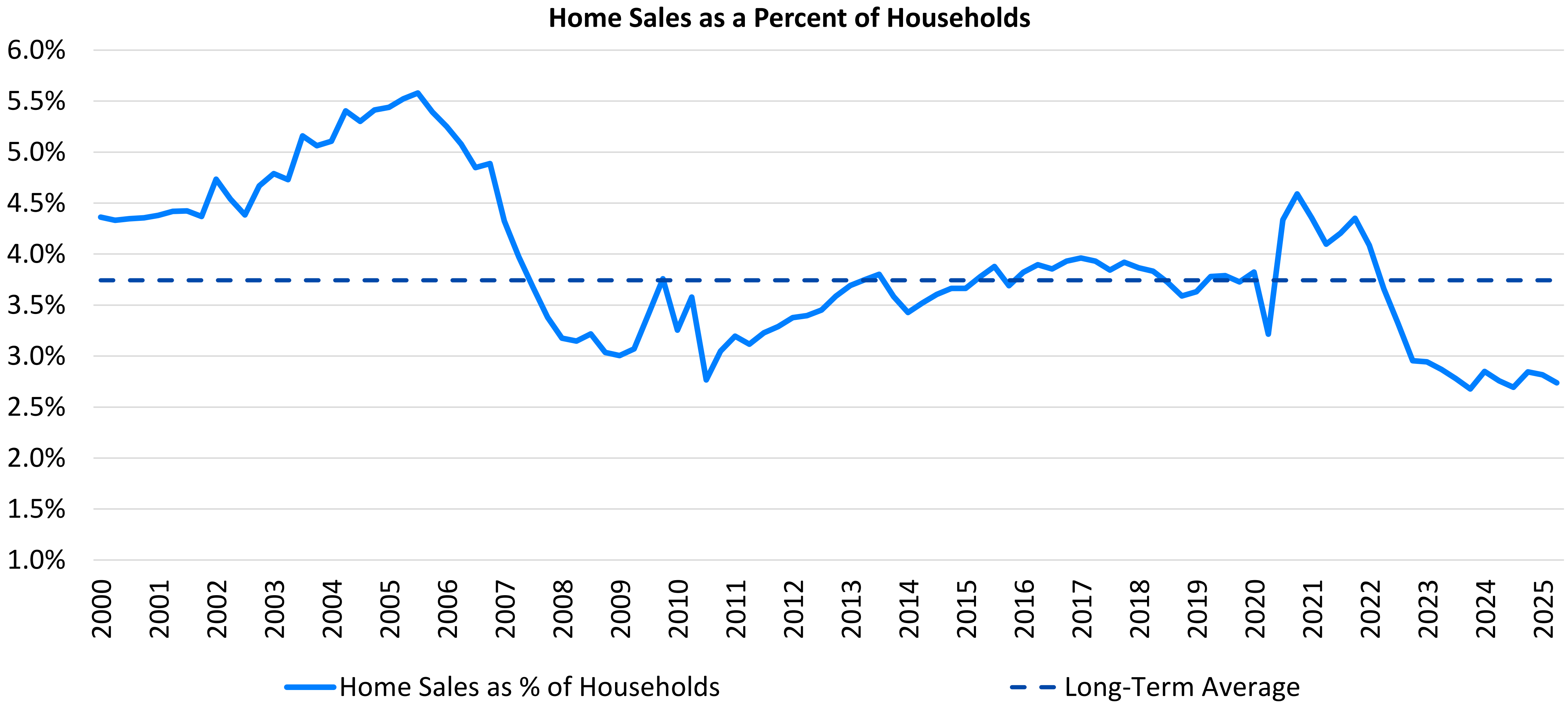
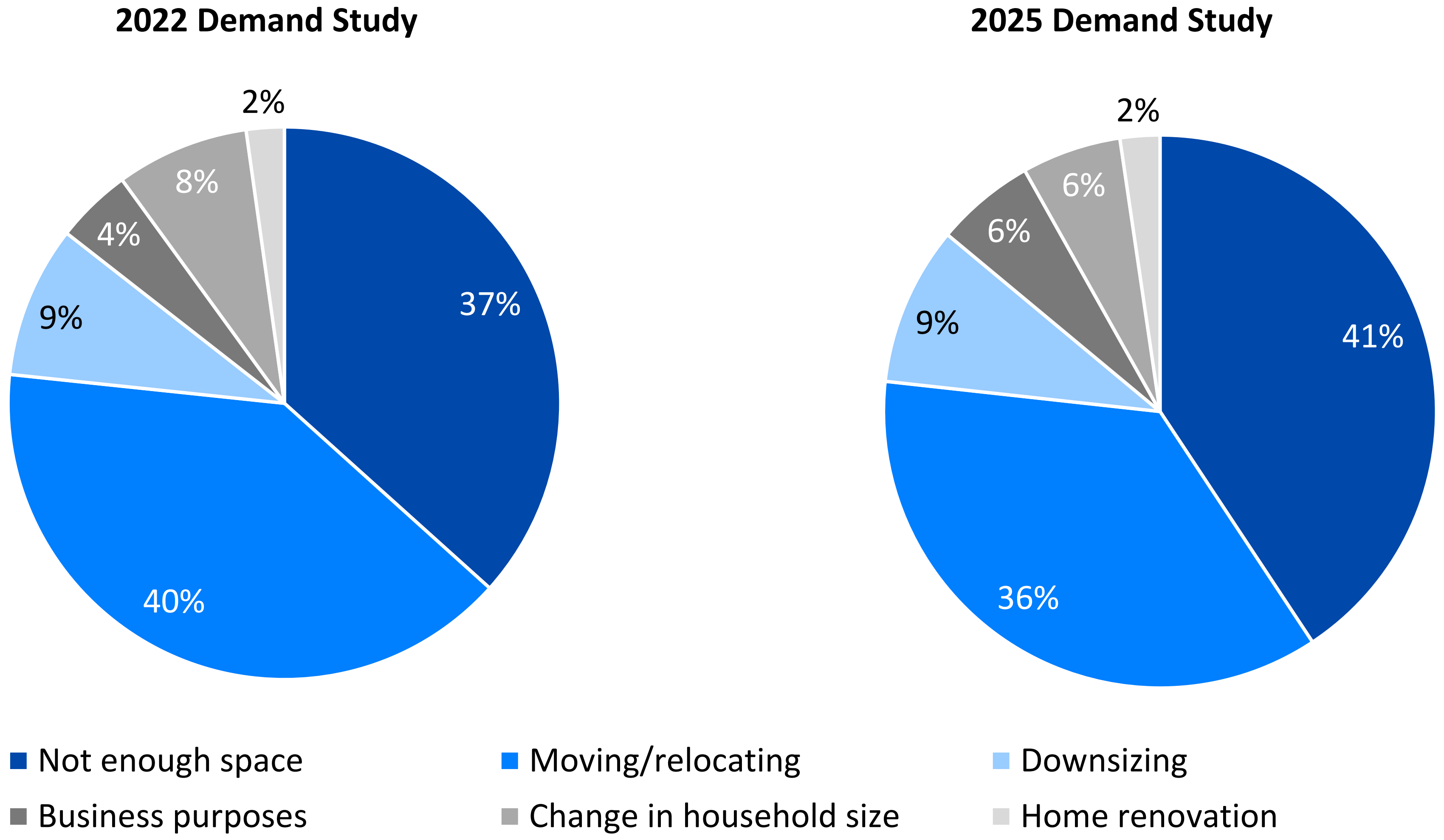
Migration data is for July – July of each year | Source: Yardi Matrix; U.S. Census Bureau

Home Sales as a Percent of Households Is Down to 30-Year Low



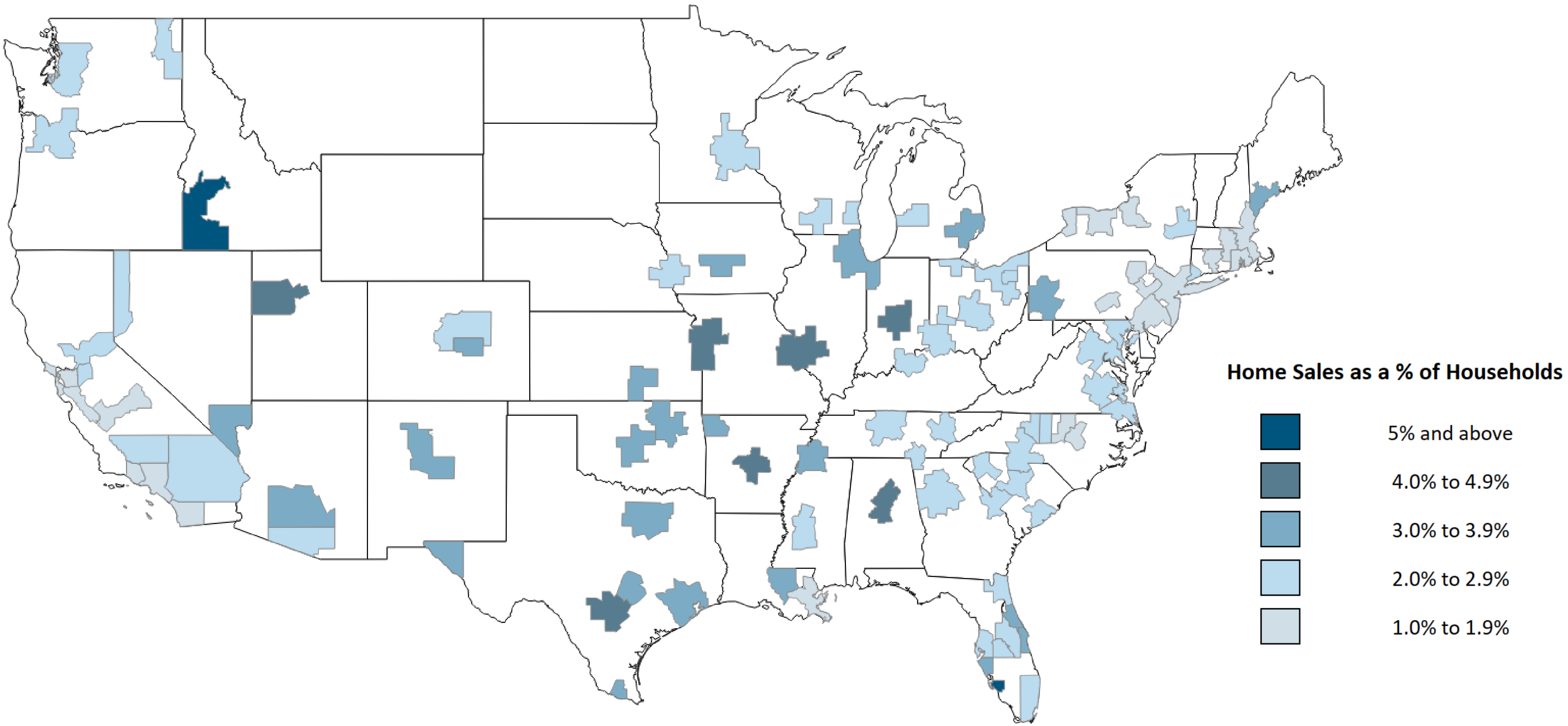
Data through Q2 2025 | Source: Yardi Matrix; Moody's Analytics; National Association of Realtors (NAR)

“Not Enough Space” #1 Reason For Self Storage Demand Surpassing “Moving/Relocating” in 2023



Survey data from August 2022 and April 2025. Source: StorageCafé; Yardi Matrix

Home Sales as a Percent of Households Were Highest in Smaller Markets in the South and Midwest in Q2 2025



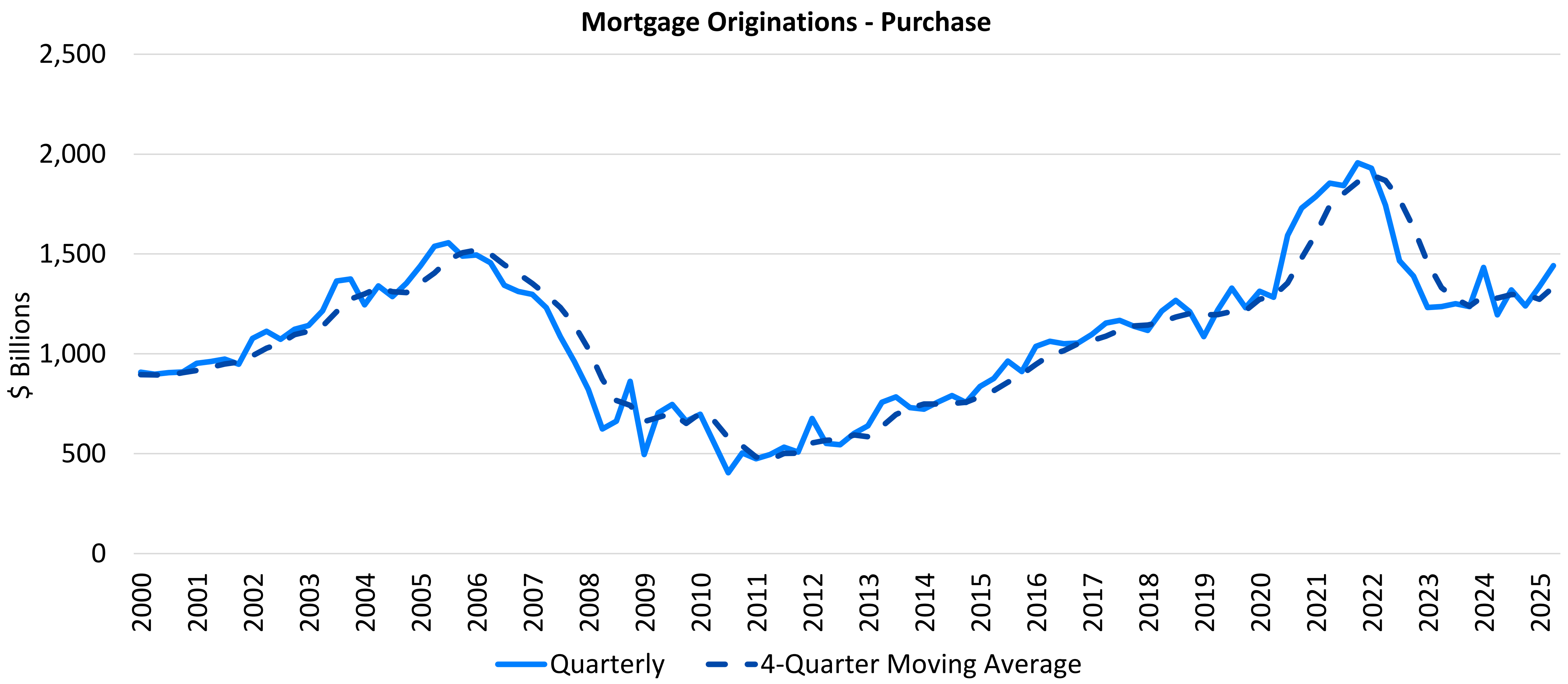
Filtered by largest 100 U.S. metros in terms of total number of households; Data through Q2 2025 | Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau; National Association of Realtors (NAR): Real Estate Outlook; CoreLogic, Inc.: Home Sales

Home Sales as a Percent of Households Were Highest in Smaller Markets in the South and Midwest in Q2 2025

Top 10 Metros	Home Sales as a % of Households
Cape Coral-Fort Myers, FL	5.8%
Boise City, ID	5.4%
Salt Lake City-Murray, UT	4.8%
Little Rock-North Little Rock-Conway, AR	4.7%
Kansas City, MO-KS	4.2%
St. Louis, MO-IL	4.2%
San Antonio-New Braunfels, TX	4.2%
Birmingham, AL	4.1%
Indianapolis-Carmel-Greenwood, IN	4.1%
Baton Rouge, LA	4.0%

Filtered by largest 100 U.S. metros in terms of total number of households; Data as of Q2 2025 | Source: Yardi Matrix; Moody’s Analytics; U.S. Census Bureau; National Association of Realtors (NAR): Real Estate Outlook; CoreLogic, Inc.: Home Sales

Mortgage Originations Ticked Up in Q2 2025



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Data through Q2 2025 | Source: Yardi Matrix; Moody's Analytics; U.S. Federal Financial Institutions Examination Council (FFIEC)

More Affordable Markets in Northeast and West Coast Closest to Peak

Top 10 Q2 2025 Originations vs. Peak

MSA	Q2 2025 vs. Peak
Bakersfield-Delano, CA	-2.4%
San Diego-Chula Vista-Carlsbad, CA	-2.9%
Richmond, VA	-5.5%
Syracuse, NY	-6.8%
Buffalo-Cheektowaga, NY	-7.0%
Rochester, NY	-7.0%
Stockton-Lodi, CA	-7.1%
Worcester, MA	-10.5%
Scranton--Wilkes-Barre, PA	-12.2%
Allentown-Bethlehem-Easton, PA-NJ	-12.7%

Bottom 10 Q2 2025 Originations vs. Peak

MSA	Q2 2025 vs. Peak
Boise, ID	-55.0%
Jackson, MS	-52.2%
Houston-Pasadena-The Woodlands, TX	-52.0%
Chattanooga, TN-GA	-51.5%
Toledo, OH	-50.4%
Memphis, TN-MS-AR	-48.2%
Colorado Springs, CO	-47.8%
Austin-Round Rock-San Marcos, TX	-46.8%
Miami-Fort Lauderdale-West Palm Beach, FL	-46.7%
Baton Rouge, LA	-45.8%

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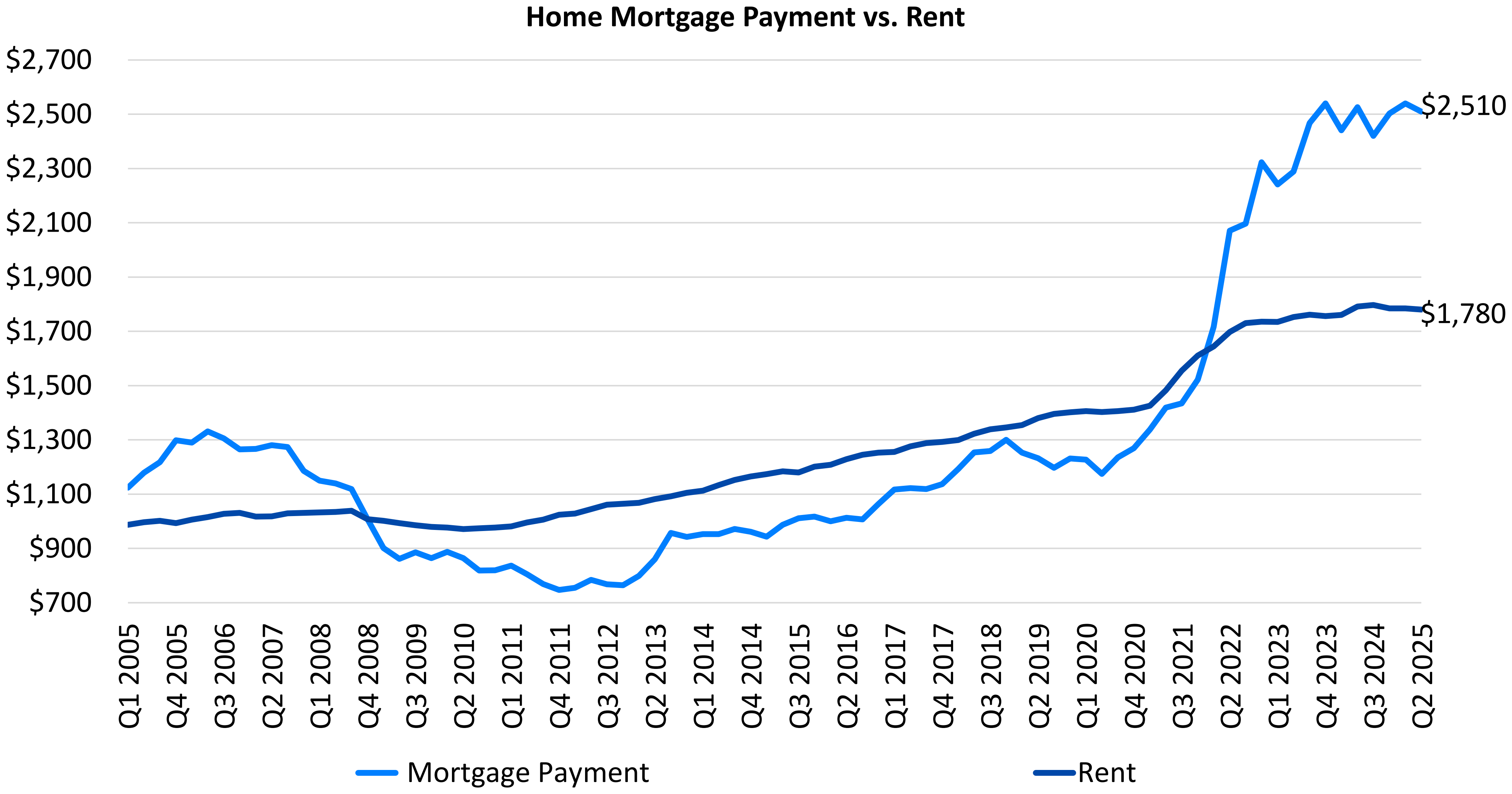
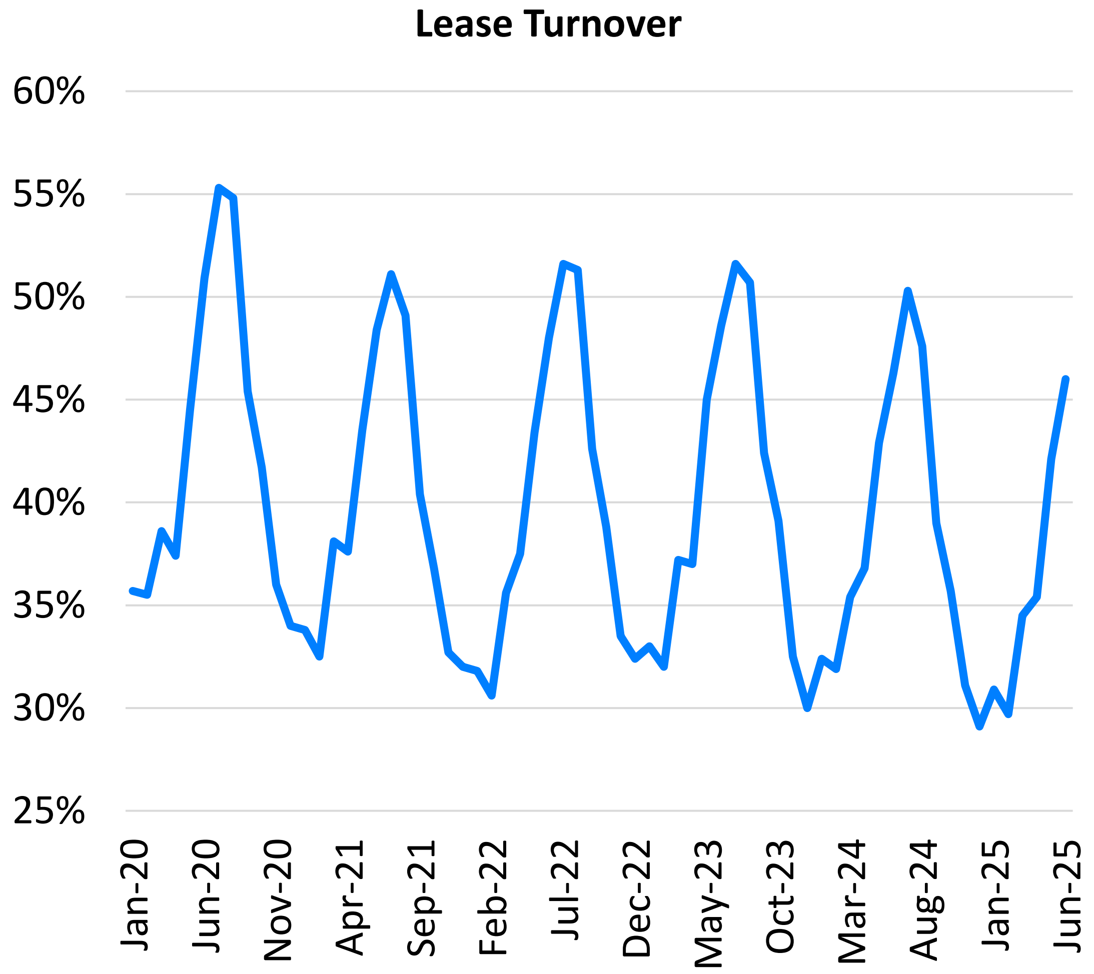
Q2 2025 versus peak from 2020 through 2025| Source: Yardi Matrix; Moody's Analytics; U.S. Federal Financial Institutions Examination Council (FFIEC)

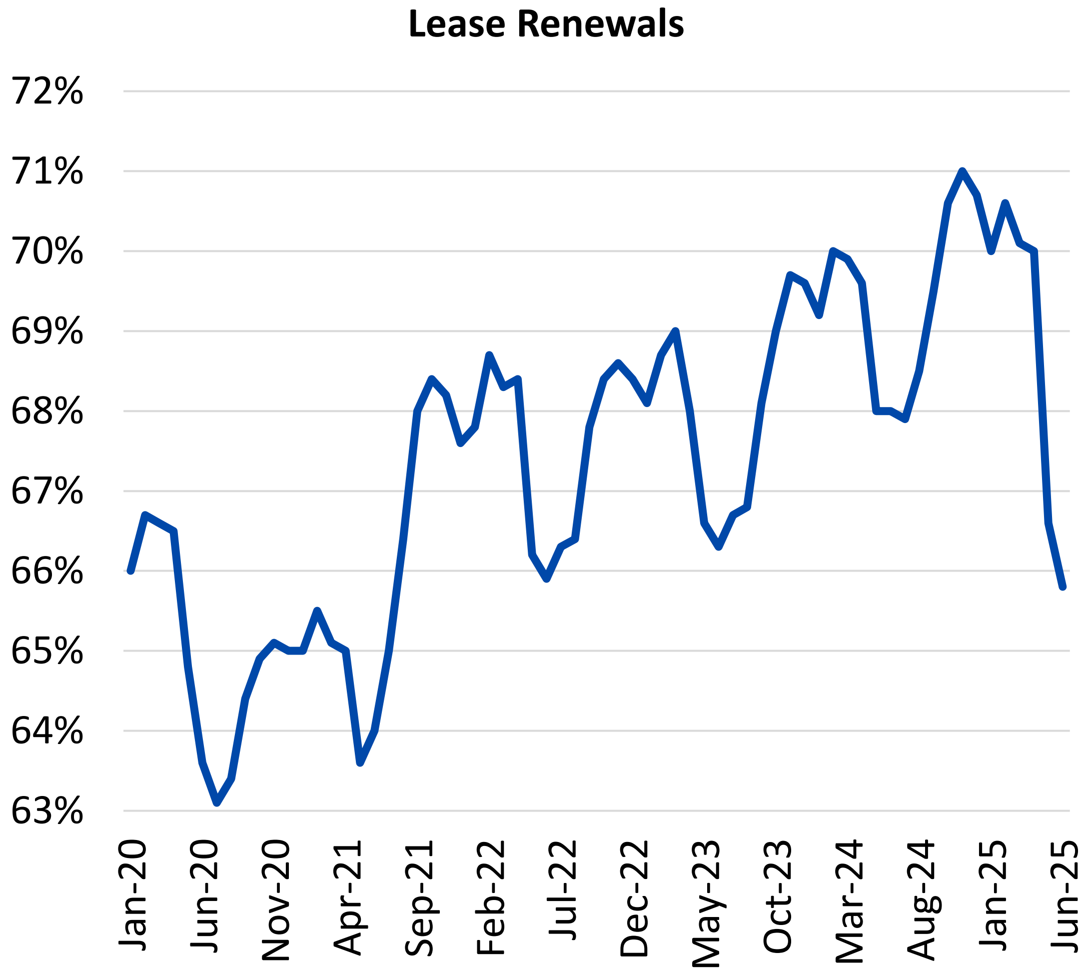
Renting Is Still a Better Deal Compared to the Cost of Owning



Mortgage payments based on median home price for 30-year fixed rate mortgage, 90% LTV | Source: Yardi Matrix; Moody's Analytics

Multifamily Lease Turnover and Lease Renewals Are Following a Typical Seasonal Pattern





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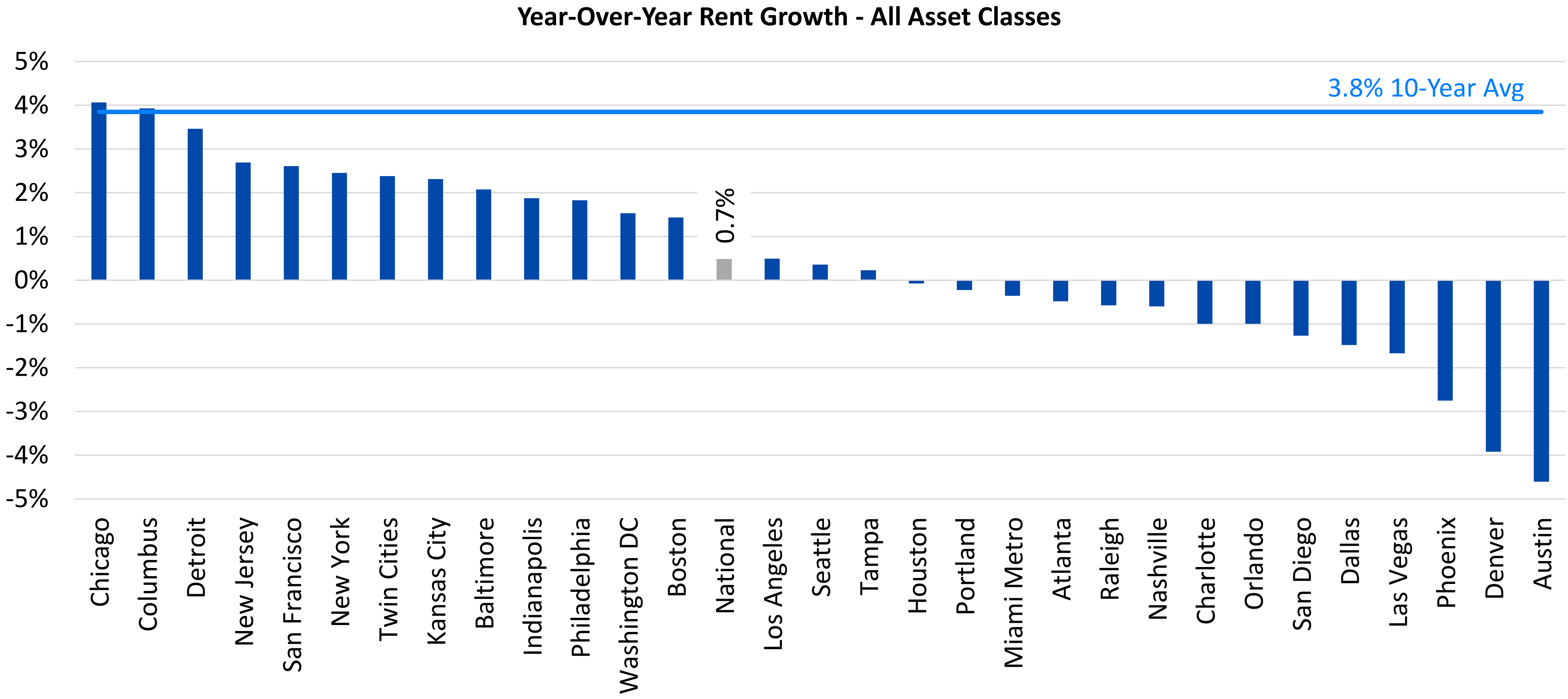
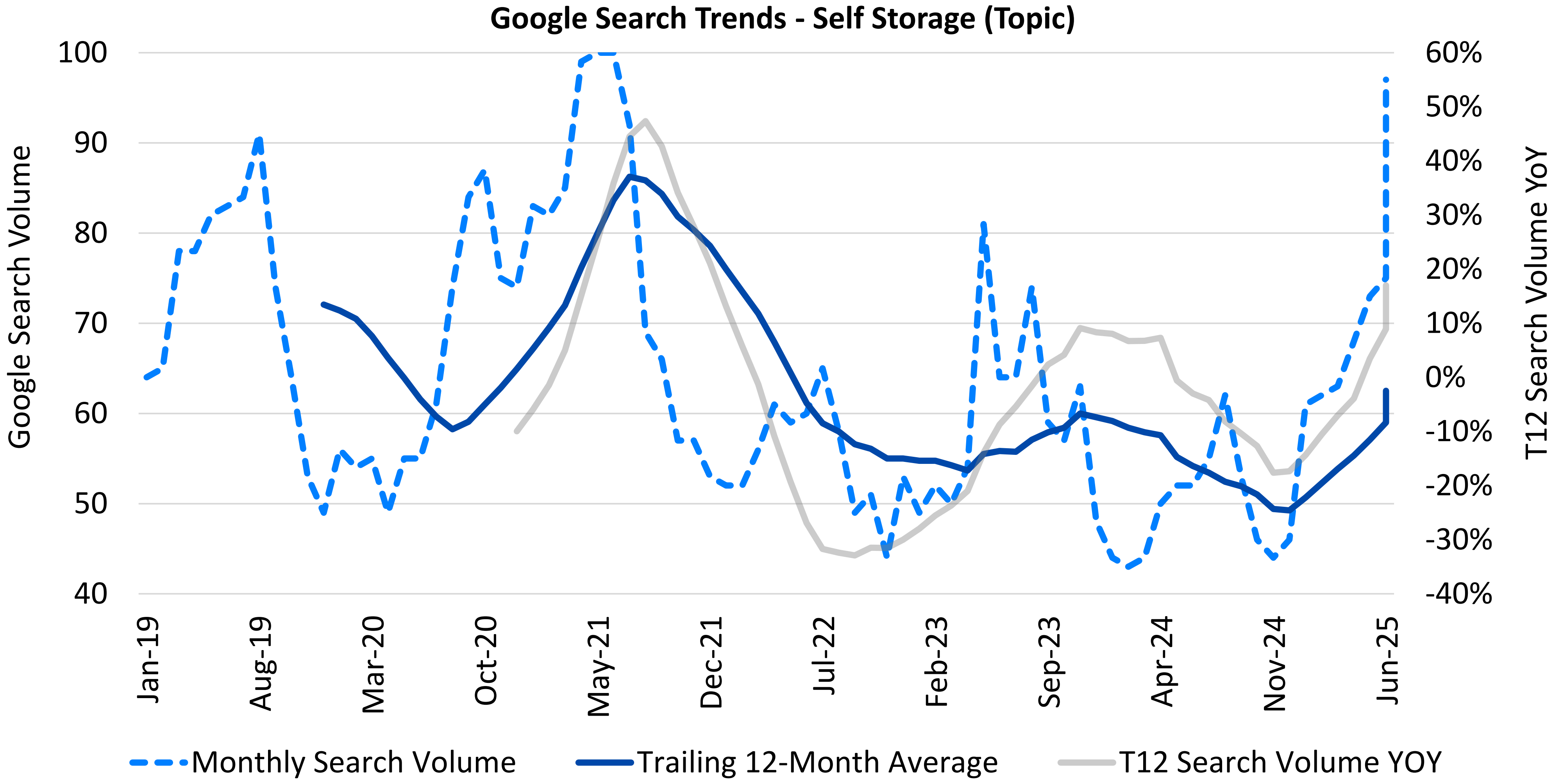
Source: Yardi Matrix Expert

Apartment Rent Growth Has Been Softening in Many Matrix Top Markets



Data as of July 2025 | Source: Yardi Matrix

Searches for Self Storage Were at a Four-Year Peak in July, Could Reflect Demand or Changing Search Behavior (or Both)



Data from 1/1/2018 through 6/30/2025 | 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

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North Carolina and Seasonal Northeast and Midwest Markets See Highest Search Volume in July

Top 10 July 2025 Search Volume – Self Storage Topic

Google Market	Jul-25 Search Volume	T12 Jul-25 Search Volume
Columbus OH	100	77
Boston MA-Manchester NH	100	75
Nashville TN	100	72
Charlotte NC	100	71
Raleigh-Durham (Fayetteville) NC	100	70
Washington DC (Hagerstown MD)	98	92
National	**97**	**72**
New York NY	95	79
Minneapolis-St. Paul MN	95	75
Chicago IL	95	72
Houston TX	95	71

Top 10 July Search Volume YoY

Google Market	Jul-25 Searches YOY	T12 Jul-25 Searches YOY
Nashville TN	132.6%	9.9%
Boston MA-Manchester NH	122.2%	27.0%
Washington DC (Hagerstown MD)	117.8%	54.6%
Denver CO	105.6%	16.3%
Minneapolis-St. Paul MN	102.1%	20.9%
Charleston SC	97.6%	10.5%
Charlotte NC	96.1%	11.4%
Houston TX	93.9%	28.8%
Miami-Ft. Lauderdale FL	93.8%	34.5%
Austin TX	89.8%	20.5%
National	**76.4%**	**17.0%**

Data from 1/1/2018 through 6/30/2025 for Top 30 Matrix markets. | 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 topic. | Source: Google Trends, Yardi Matrix

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Sunbelt and West Coast Markets Have Lowest Search Volume in July But Every Top 30 Market Has Seen Improvement

Bottom 10 July 2025 Volume – Self Storage Topic

Google Market	Jul-25 Search Volume	T12 Jul-25 Search Volume
Palm Springs CA	68	63
Phoenix AZ	69	57
San Francisco-Oakland-San Jose CA	69	63
Denver CO	74	63
Las Vegas NV	76	65
Sacramento-Stockton-Modesto CA	79	59
Portland OR	80	69
Orlando-Daytona Beach-Melbourne FL	82	67
Tampa-St. Petersburg (Sarasota) FL	82	70
Charleston SC	83	61
National	**97**	**72**

Bottom 10 July Search Volume YoY

Google Market	Jul-25 Searches YOY	T12 Jul-25 Searches YOY
Palm Springs CA	17.2%	20.4%
Los Angeles CA	43.1%	29.3%
Portland OR	48.1%	8.0%
Atlanta GA	59.3%	9.2%
San Francisco-Oakland-San Jose CA	60.5%	20.8%
Columbus OH	61.3%	8.0%
Seattle-Tacoma WA	62.7%	12.3%
Orlando-Daytona Beach-Melbourne FL	64.0%	11.1%
Dallas-Ft. Worth TX	64.2%	23.0%
Phoenix AZ	64.3%	7.9%
National	**44.0%**	**8.5%**

Data from 1/1/2018 through 6/30/2025 for Top 30 Matrix markets. | 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 topic. | Source: Google Trends, Yardi Matrix

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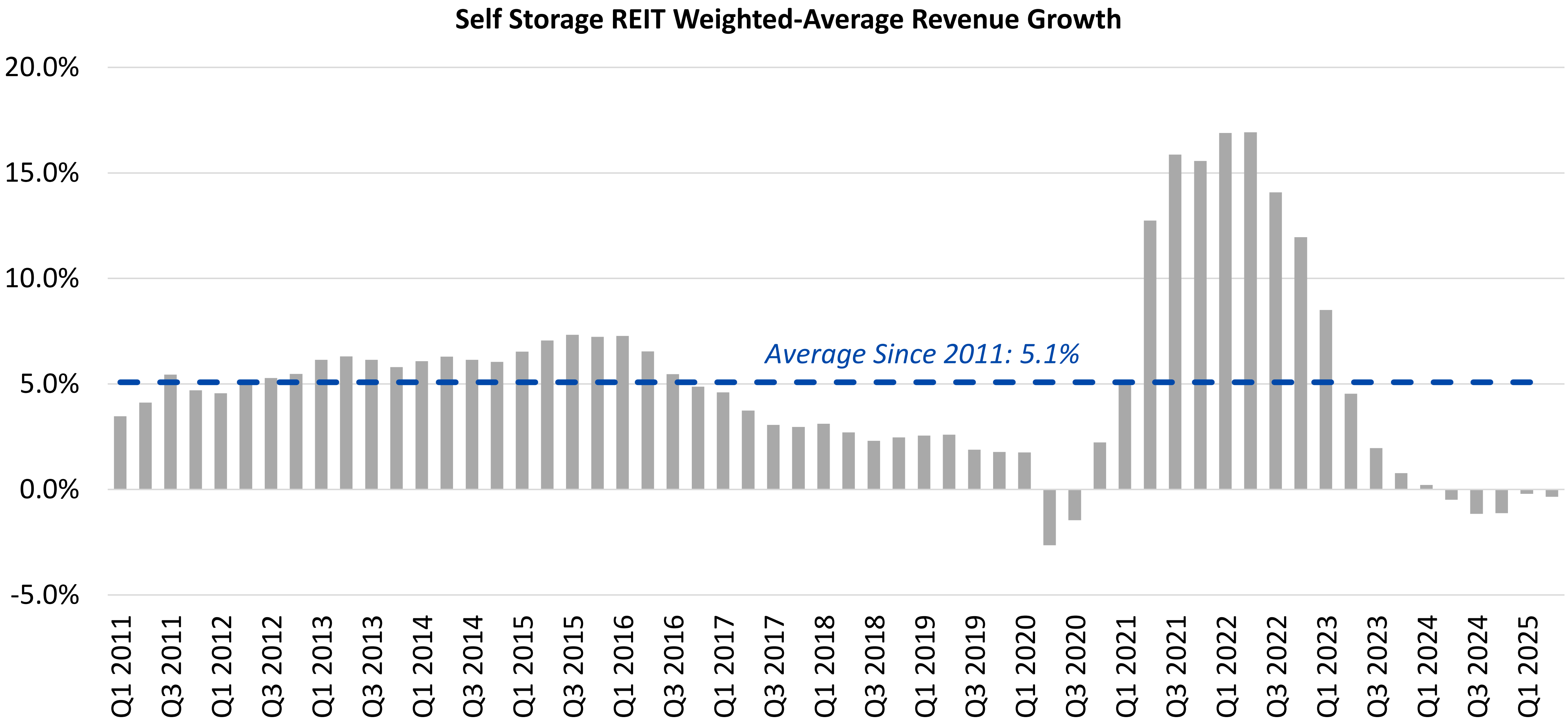
SELF STORAGE Q2 REIT RESULTS

REIT Revenue Growth Dipped Again in Q2 After Improvement in Q1



Weighted-average based on number of stores in same store pool. Data through Q2 2025 | 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, SmartStop

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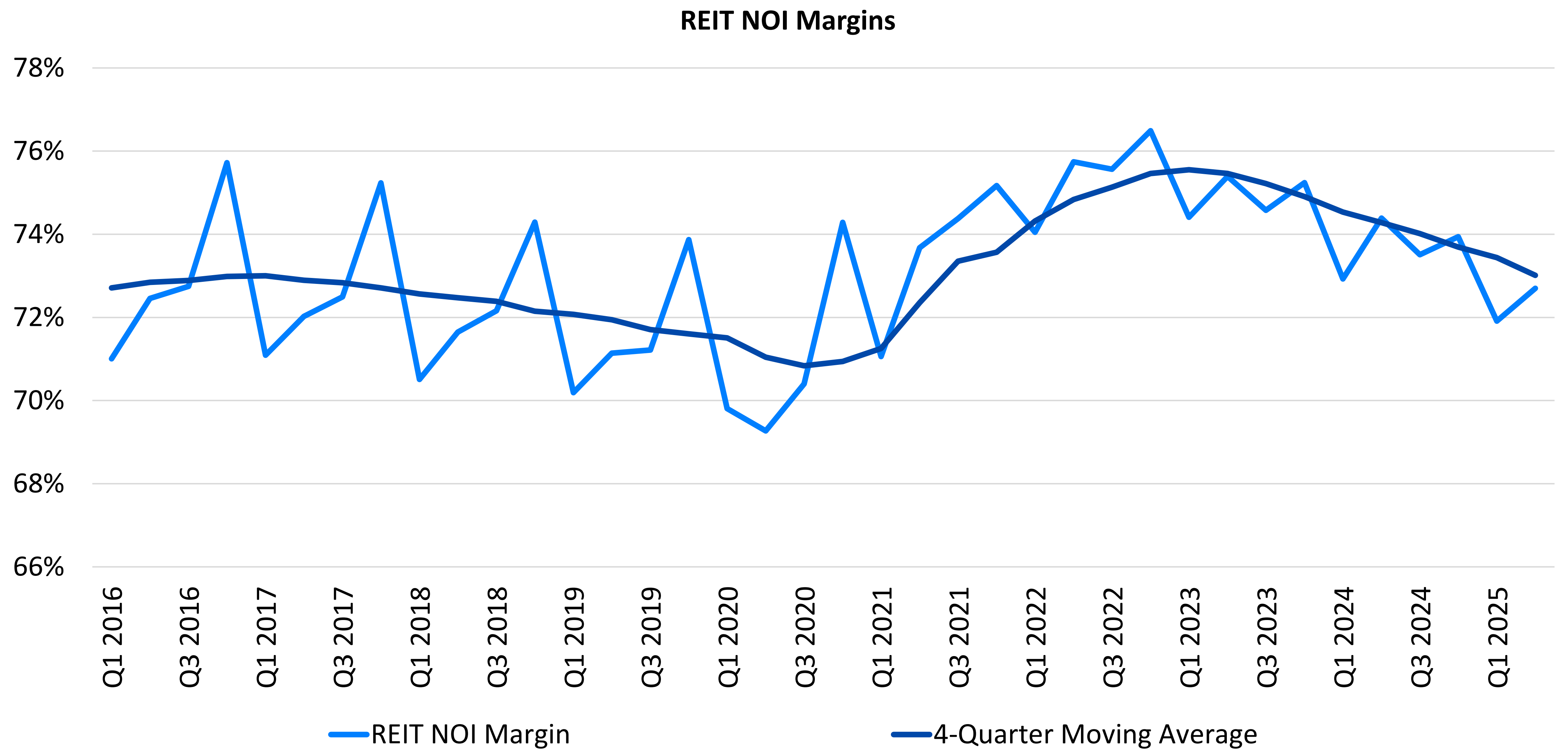
Higher Expenses and Slower Revenue Growth Put Pressure on NOI Margins



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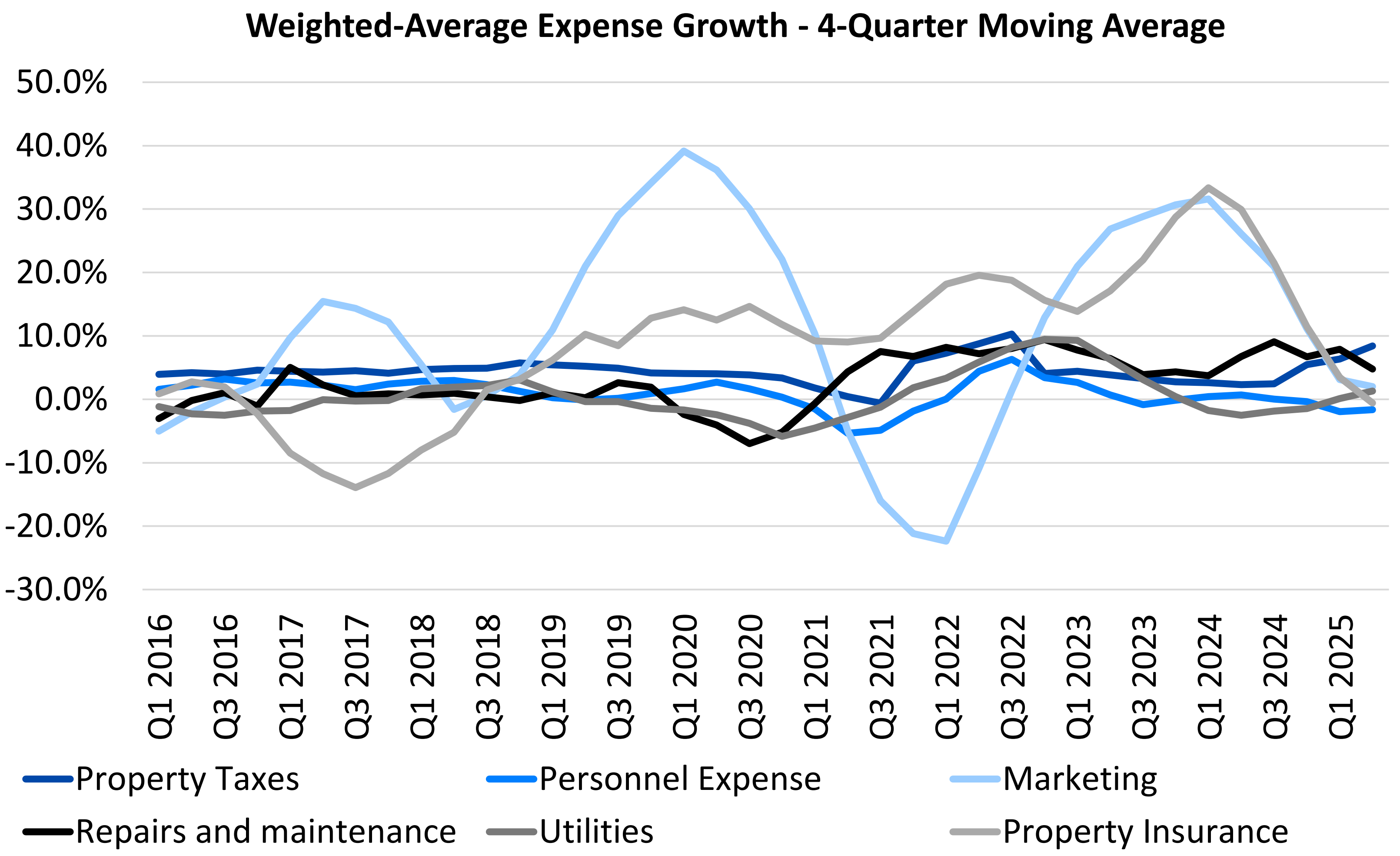
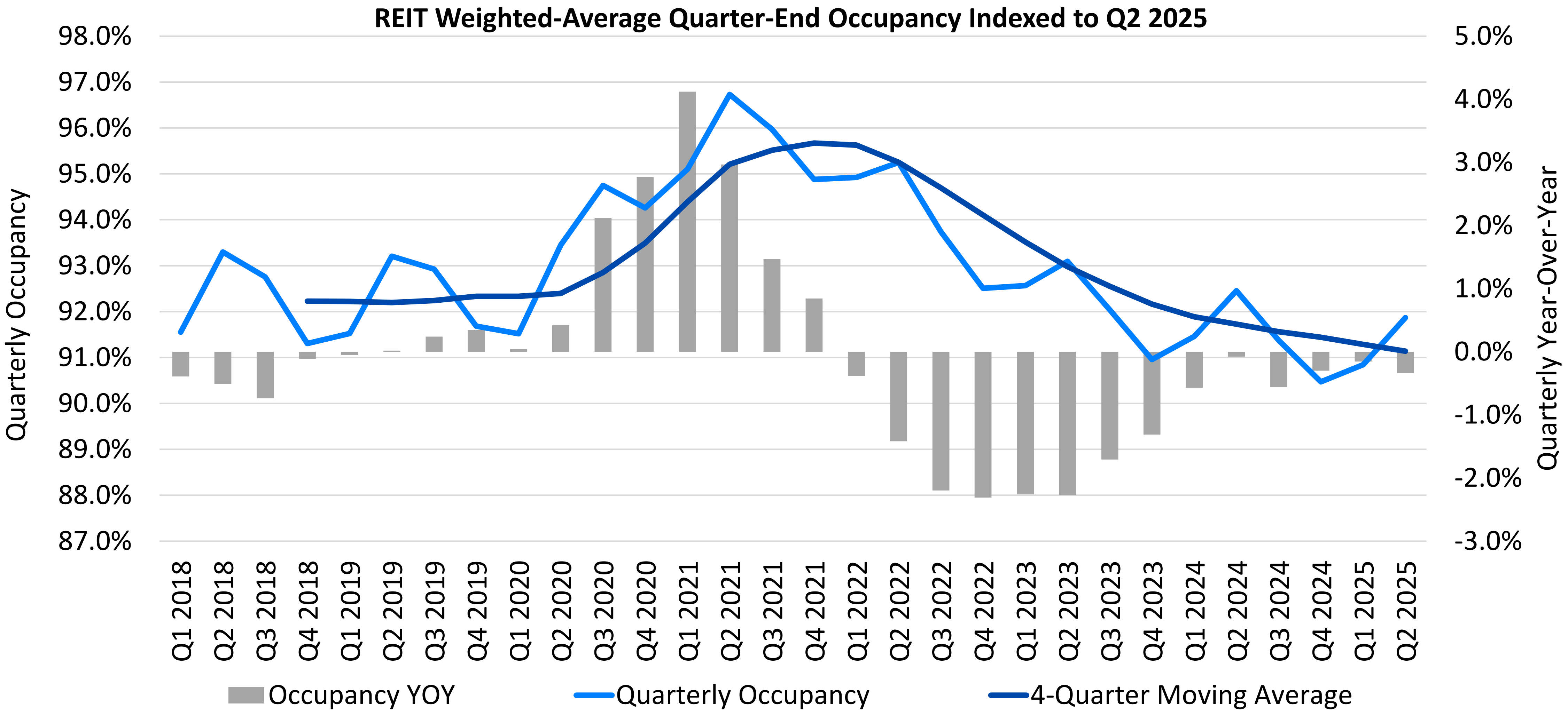
Marketing and Insurance Increases Moderating But Property Taxes Make Up a Bulk of Expenses



% OF TOTAL EXPENSES Q2 2025 4-QUARTER TOTAL	
Property taxes	38.4%
Personnel expense	23.5%
Marketing	8.7%
Utilities	8.0%
Repairs and maintenance	7.4%
Property insurance	4.5%

Weighted-average based on number of stores in same store pool. Data through Q2 2025 | 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, SmartStop

REIT Occupancy Is Still Down Year-Over-Year



Weighted-average based on number of stores in same store pool. Data through Q2 2025 | 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, SmartStop

Disaster-Related Demand Drives Occupancy Growth in San Antonio and Tampa
A Number of Markets With High Supply Are Recovering

MSA	Q2 2024	Q2 2025	YoY Change in Occupancy
San Antonio, TX	89.2%	90.4%	1.1%
Tampa, FL	91.7%	92.6%	1.0%
Atlanta, GA	89.6%	90.4%	0.7%
Columbus, OH	92.5%	93.1%	0.6%
Las Vegas, NV	92.2%	92.6%	0.4%
Philadelphia, PA	93.1%	93.4%	0.3%
Chicago, IL	93.3%	93.6%	0.3%
San Diego, CA	92.2%	92.5%	0.3%
Austin, TX	91.5%	91.7%	0.2%
Washington DC	93.9%	94.1%	0.2%
Portland, OR	91.5%	91.6%	0.1%
Boston, MA	93.9%	93.8%	0.0%
Los Angeles, CA	94.3%	94.2%	-0.1%

MSA	Q2 2024	Q2 2025	YoY Change in Occupancy
Seattle-Tacoma, WA	93.5%	93.4%	-0.1%
Phoenix, AZ	90.4%	90.2%	-0.2%
New York/New Jersey	93.2%	93.0%	-0.2%
Miami, FL	93.4%	93.0%	-0.4%
San Francisco, CA	94.7%	94.1%	-0.6%
Dallas-Ft. Worth, TX	91.6%	90.8%	-0.7%
Denver, CO	93.7%	93.0%	-0.8%
Charlotte, NC	92.6%	91.5%	-1.1%
Houston, TX	92.2%	91.1%	-1.1%
Charleston, SC	94.0%	92.7%	-1.3%
Orlando, FL	92.0%	90.8%	-1.3%
Sacramento, CA	94.0%	92.6%	-1.4%
Nashville, TN	92.1%	90.7%	-1.4%

Weighted average occupancy | Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2025, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage, SmartStop

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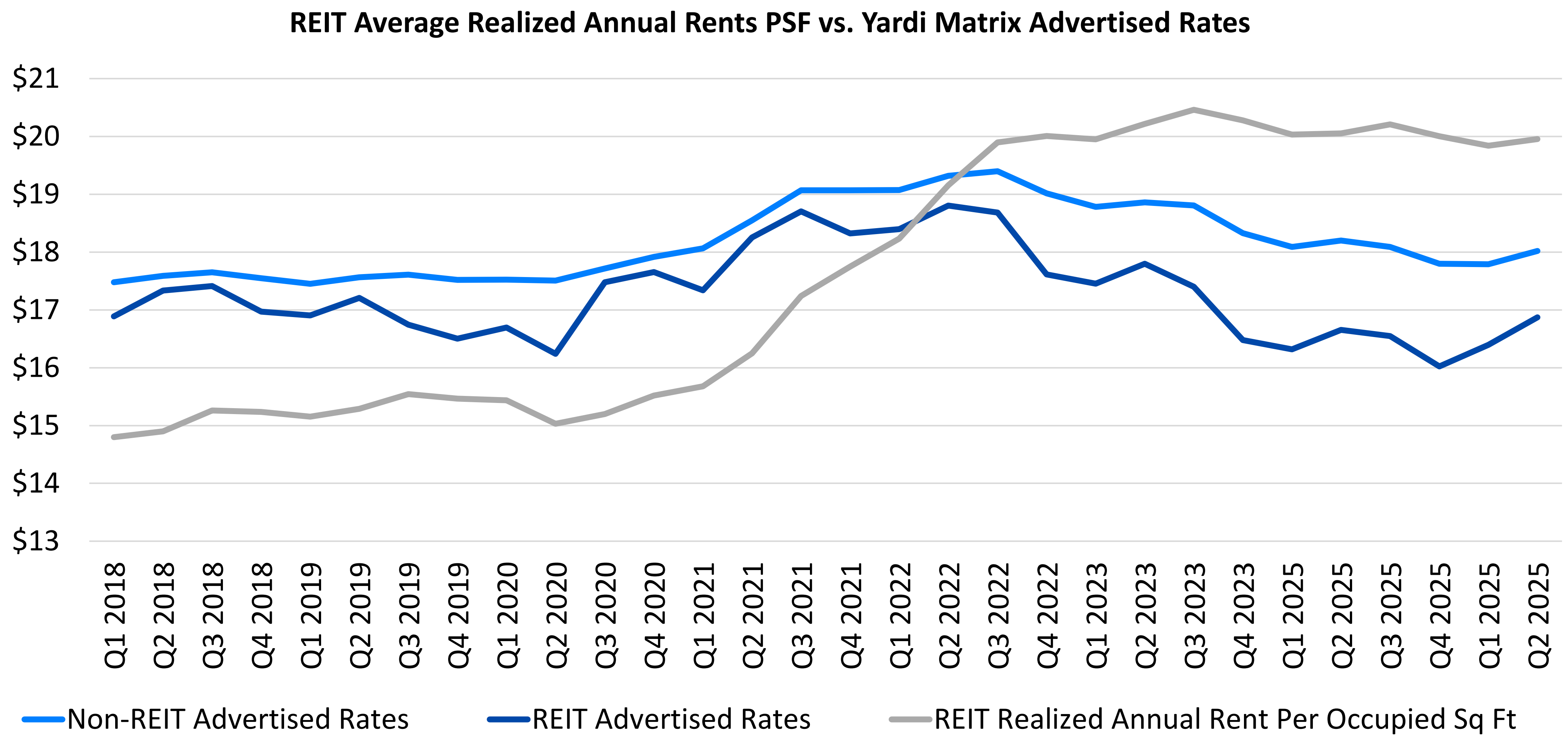
REITs Closing the Gap Between Advertised and Actual Rents



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 2025, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage

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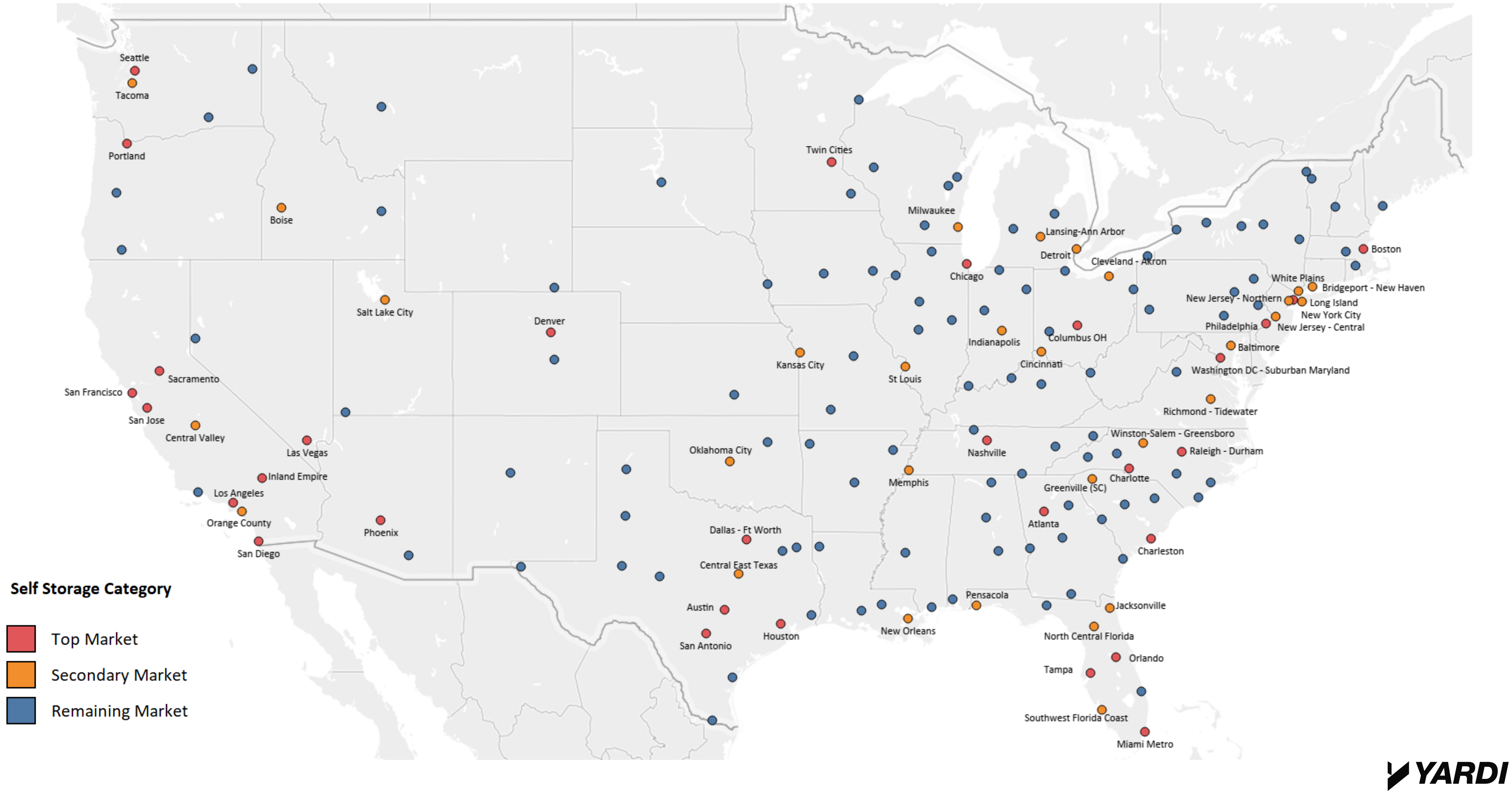
DEEP DIVE INTO STORAGE ADVERTISED RATES

Yardi Matrix Storage Market Classifications



Alaska and Hawaii markets not included on map | Source: Yardi Matrix

New Yardi Matrix Storage Markets Added Since Last Webinar

Market	Type	Date Added	Existing Properties	Under Construction	Planned	Prospective
Suburban Atlanta, GA	Expansion	Mar-25	668	24	72	7
Saginaw, MI	New Market	Mar-25	49	1	0	0
Central East Texas, TX	Expansion	Apr-25	217	1	12	2
St Louis, MO	Expansion	Apr-25	329	2	8	1
Jonesboro, AR	New Market	Apr-25	30	0	2	0
Kansas City, MO	Expansion	Apr-25	301	7	23	3
Champaign, IL	New Market	May-25	34	0	2	1
Erie, PA	New Market	May-25	17	1	1	0
San Angelo, TX	New Market	May-25	25	1	0	0
Plattsburg, NY	New Market	Jun-25	8	0	0	0
Baltimore, MA	Expansion	Jun-25	276	4	16	4
Burlington, VT	New Market	Jun-25	29	0	1	0
Springfield, IL	New Market	Jul-25	38	0	0	0
Lebanon, VT	New Market	Jul-25	25	0	1	0
Valdosta, GA	New Market	Jul-25	20	0	0	0
Tyler, TX	New Market	Aug-25	55	1	0	1
Eau Claire, WI	New Market	Aug-25	43	0	0	0
Utica-Rome, NY	New Market	Aug-25	10	0	1	1
Sacramento, CA	Expansion	Aug-25	359	2	24	11

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Source: Yardi Matrix

New Markets on the Roadmap

Market	Type	Target Date
Wausau, WI	New Market	Sep-25
Jackson, TN	New Market	Sep-25
Bowling Green, OH	New Market	Sep-25
Monroe-Ruston, LA	New Market	Oct-25
Laredo, TX	New Market	Oct-25
Salisbury, MD	New Market	Oct-25
Topeka, KS	New Market	Nov-25
Seaford, DE	New Market	Nov-25
Little Rock, AR	Expansion	Nov-25
Dothan, AL	New Market	Dec-25
Middlesborough – Corbin, KY	New Market	Dec-25
Prescott Valley, AZ	New Market	2026
Terre Haute, IN	New Market	2026
Redding, CA	New Market	2026
Grand Rapids, MI	Expansion	2026
Binghamton, NY	New Market	2026
Hattiesburg, MS	New Market	2026
Waterloo-Cedar Falls, IA	New Market	2026
North Dakota	New Market	2026

Source: Yardi Matrix

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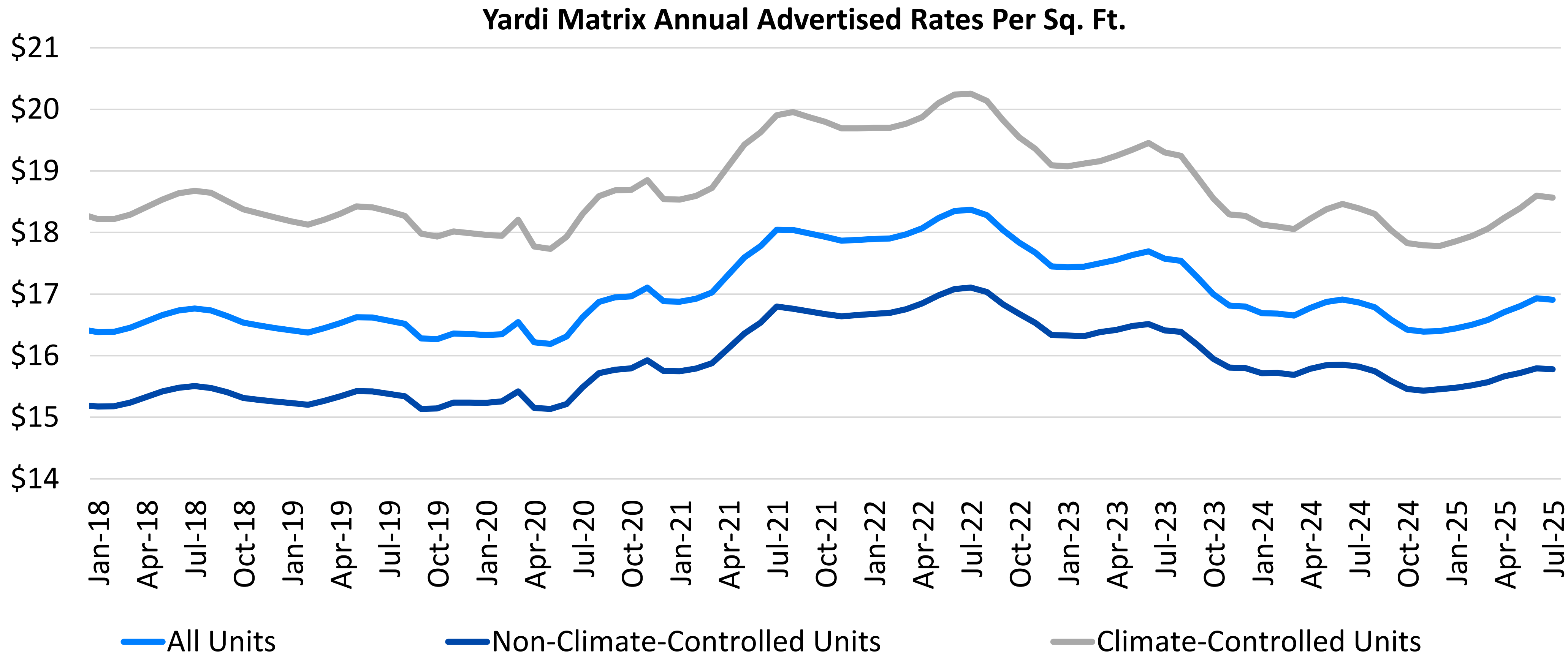
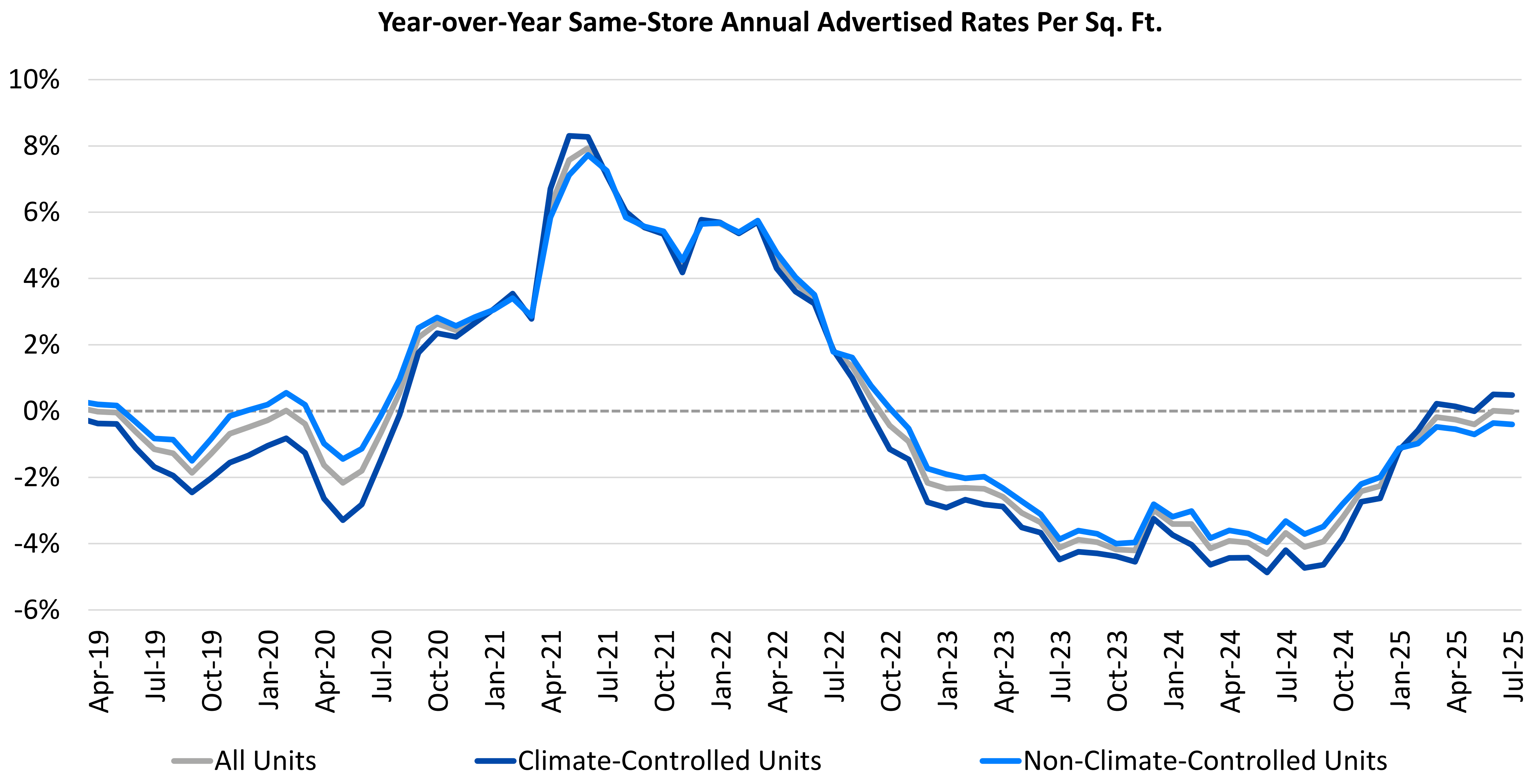
Rates Have Been Improving Since December 2024



	All Units	Non-Climate Controlled	Climate-Controlled
Annualized advertised Rates Per Sq Ft: Jul '25	$16.91	$15.78	$18.57
Same-Store Year-Over-Year: Jul '24 – Jul '25	0.0%	-0.4%	0.5%
Same-Store Pre-Pandemic to Current: Feb '20 – Jul '25	5.6%	5.6%	5.5%

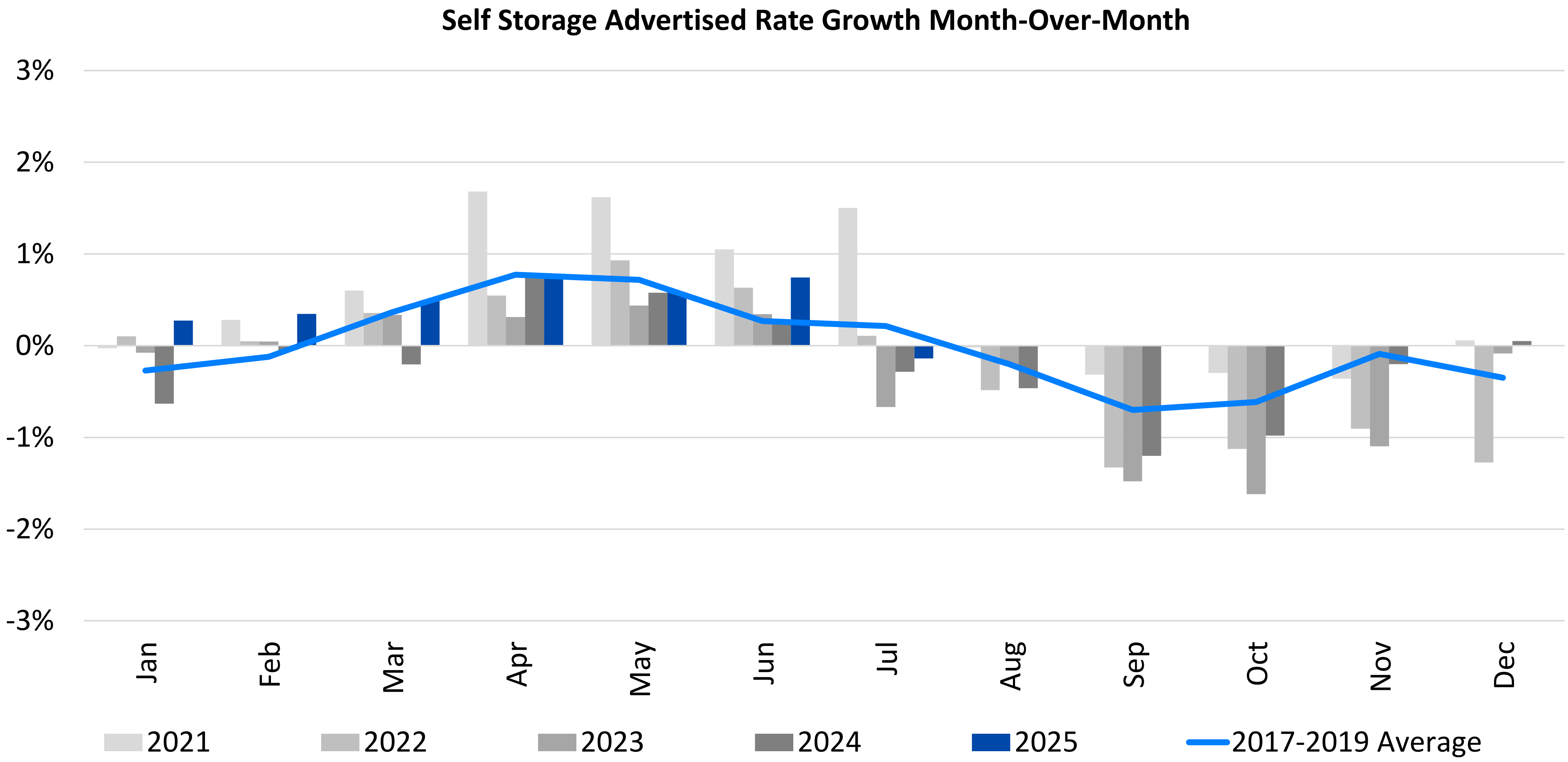
Rents are indexed to the current month using month-over-month same-store growth | Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10,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

Climate-Controlled Rates Had Positive YoY Growth Most of 2025 After Non-Climate Controlled Rates Have Outpaced for Years



Source: Yardi Matrix

Month-Over-Month Rate Growth Was Negative in July Below the Pre-COVID Seasonal Average



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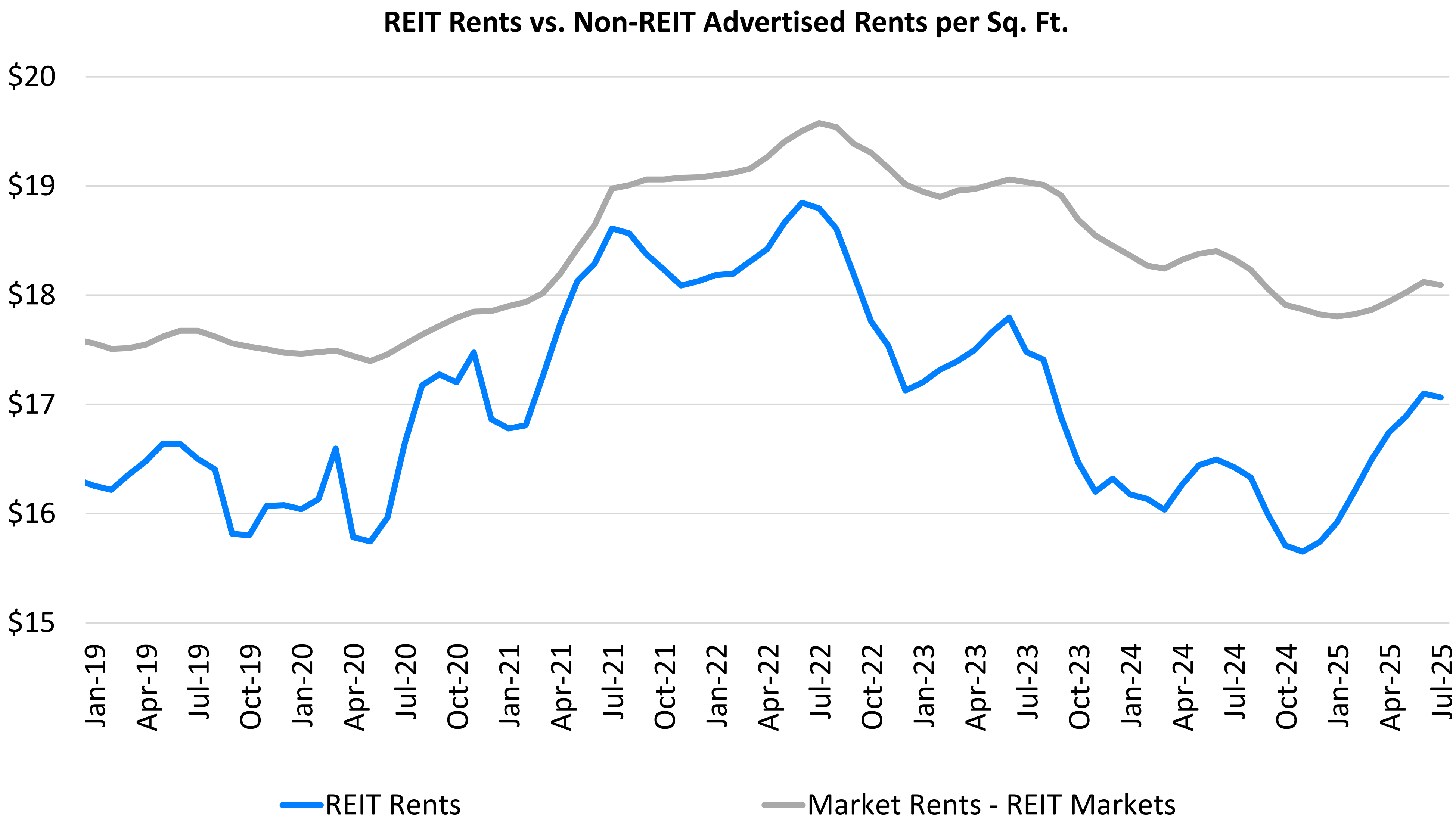
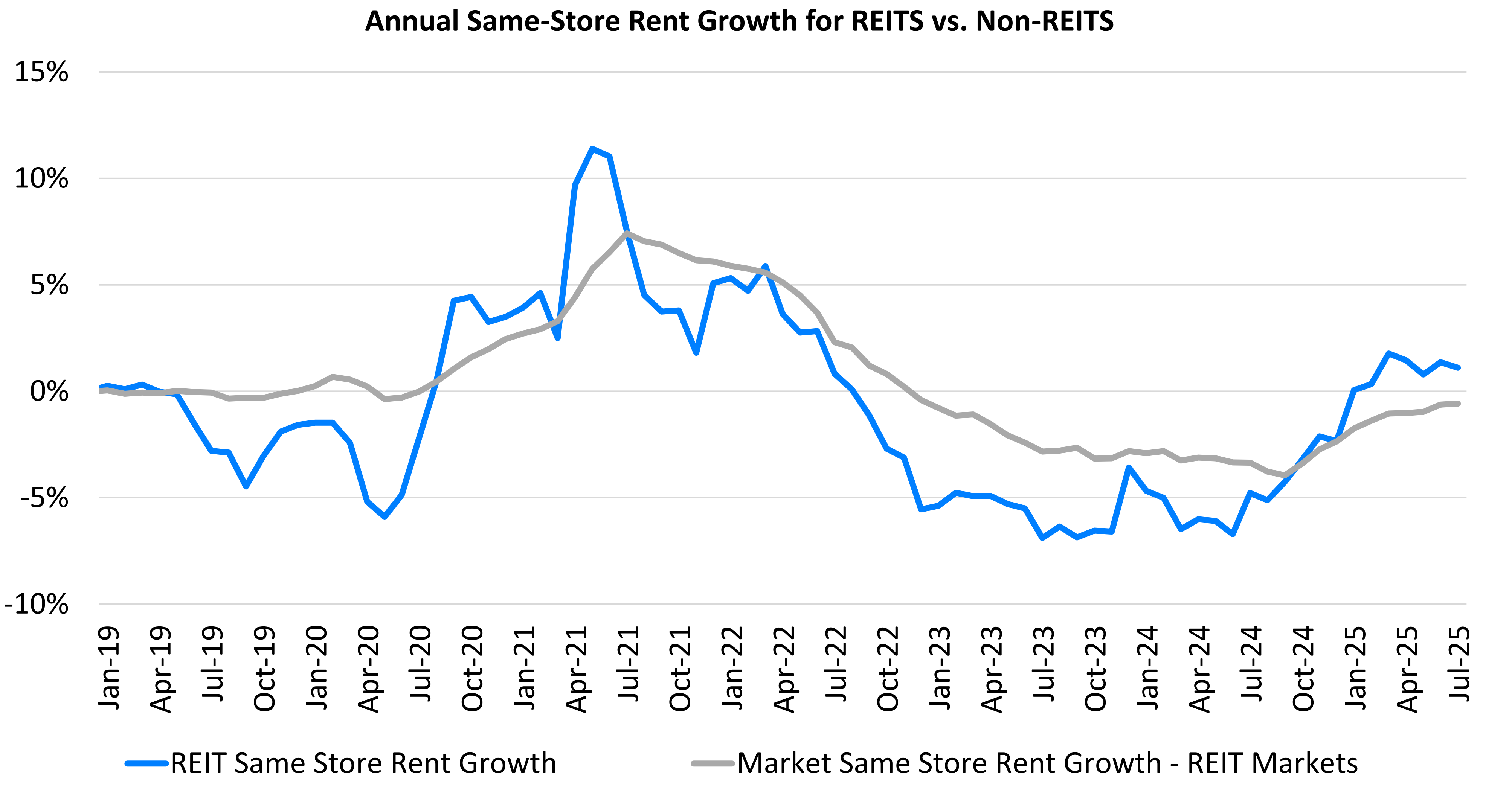
Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix

REIT Advertised Rents Were 6% Lower Than Non-REITs in July



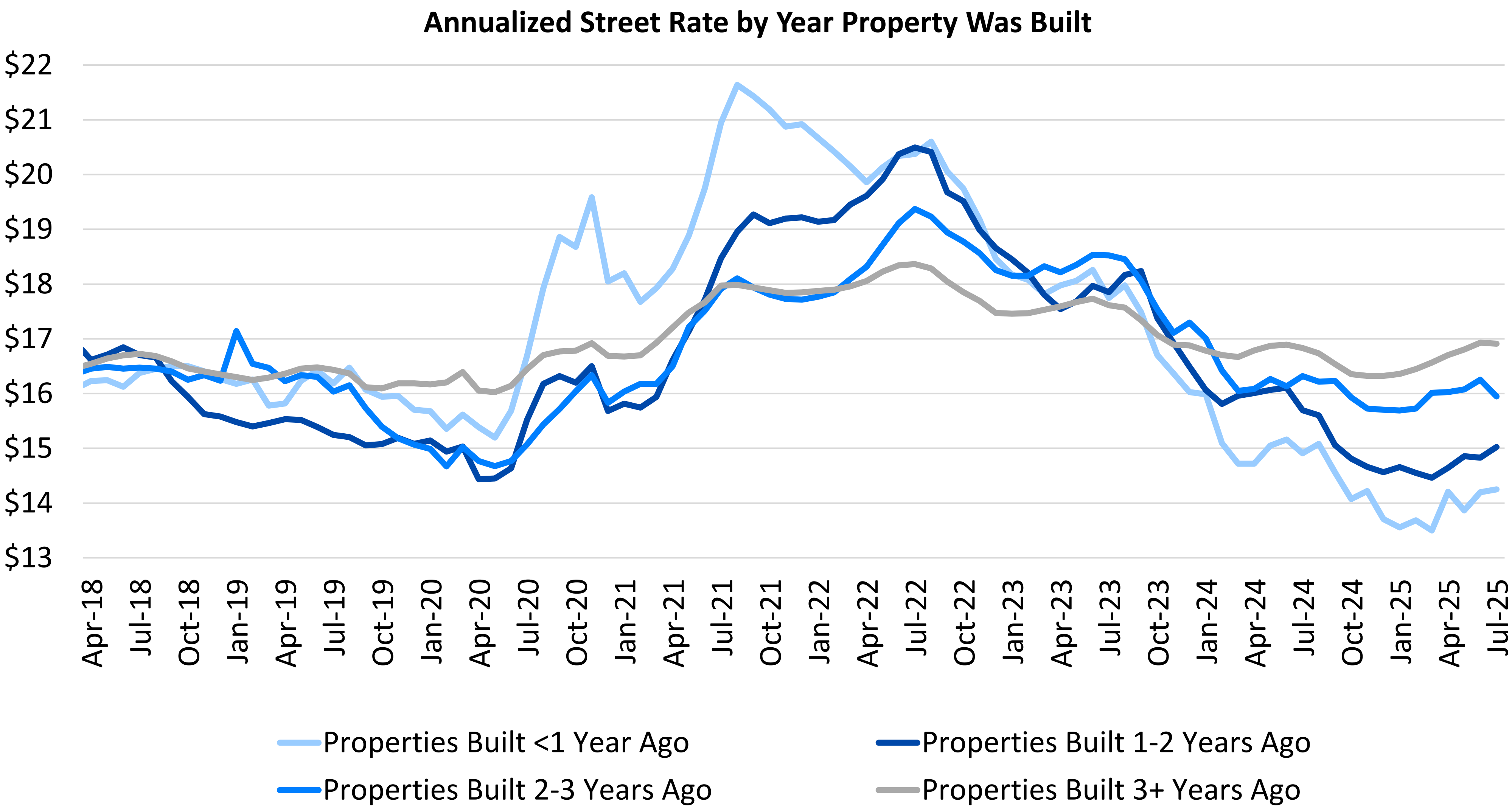
Market rents include all properties in those markets not operated by REITs. Rent growth = annualized average advertised rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units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

However REITs Growing Rates at Faster Pace For 8 Months



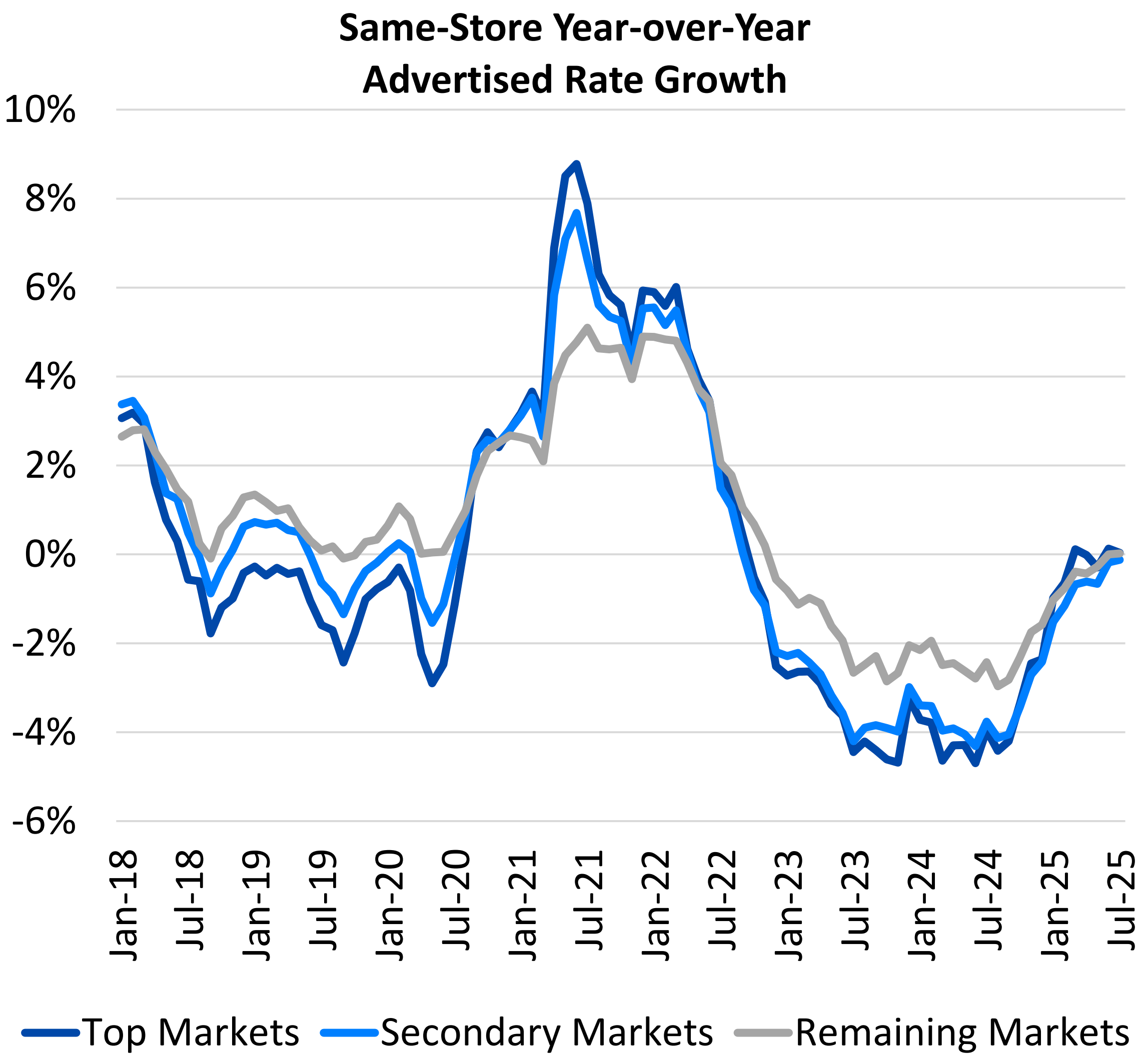
Market rents include all properties in those markets not operated by REITs. Rent growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC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

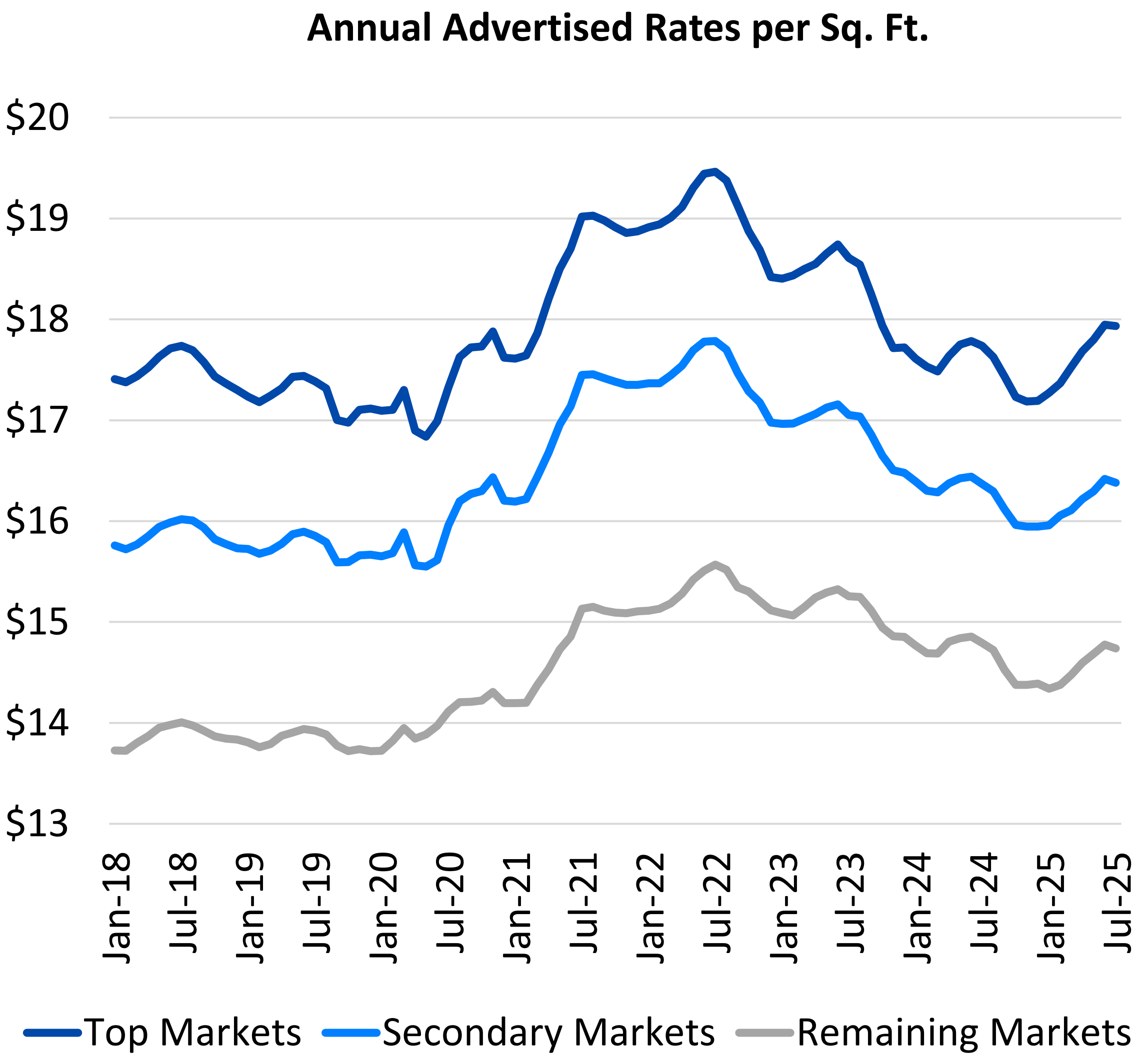
Operators Are Using Lower Advertised Rates to Lease-up Properties



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

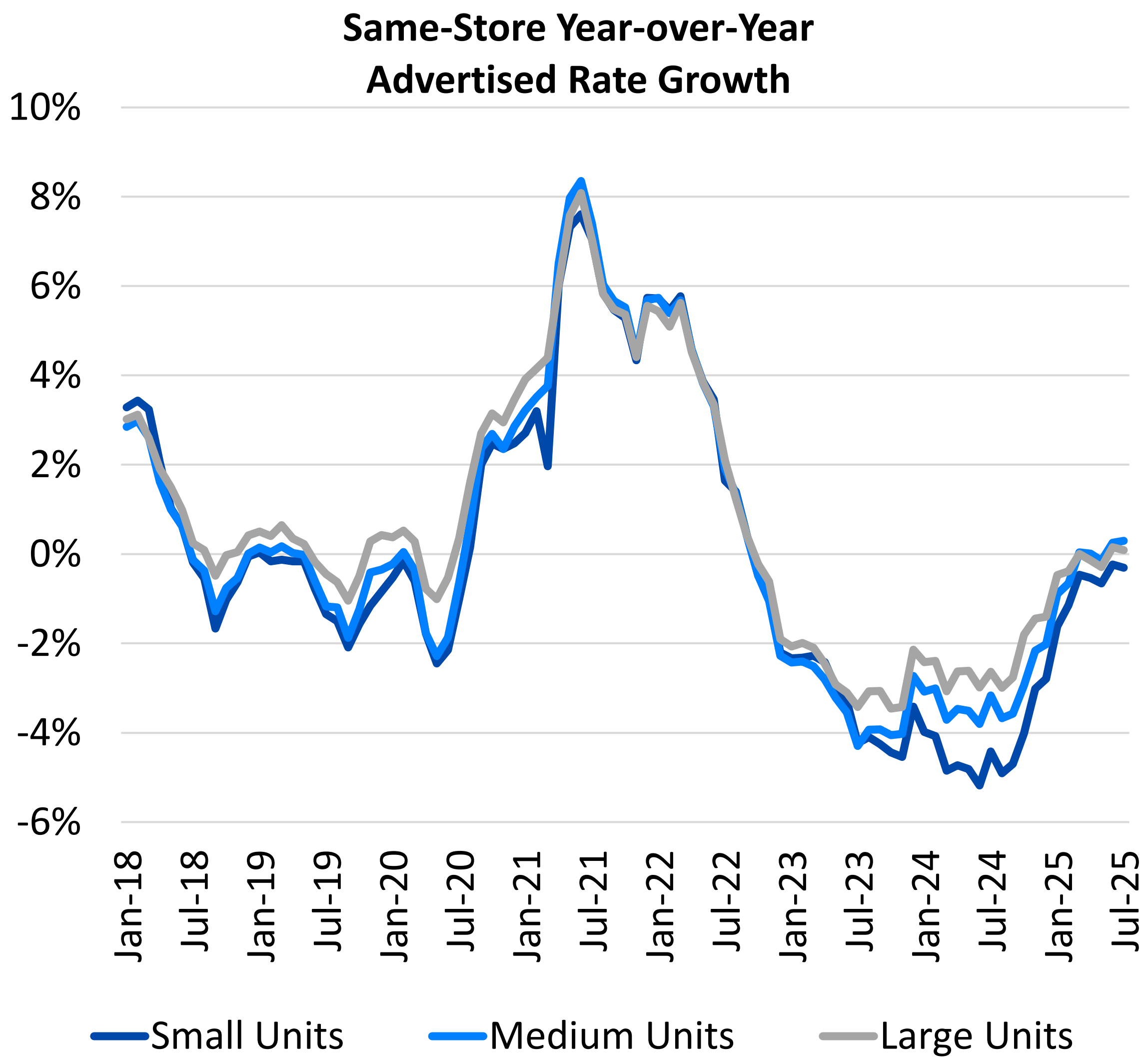
Top Markets Have Seen the Most Improvement in Rate Growth

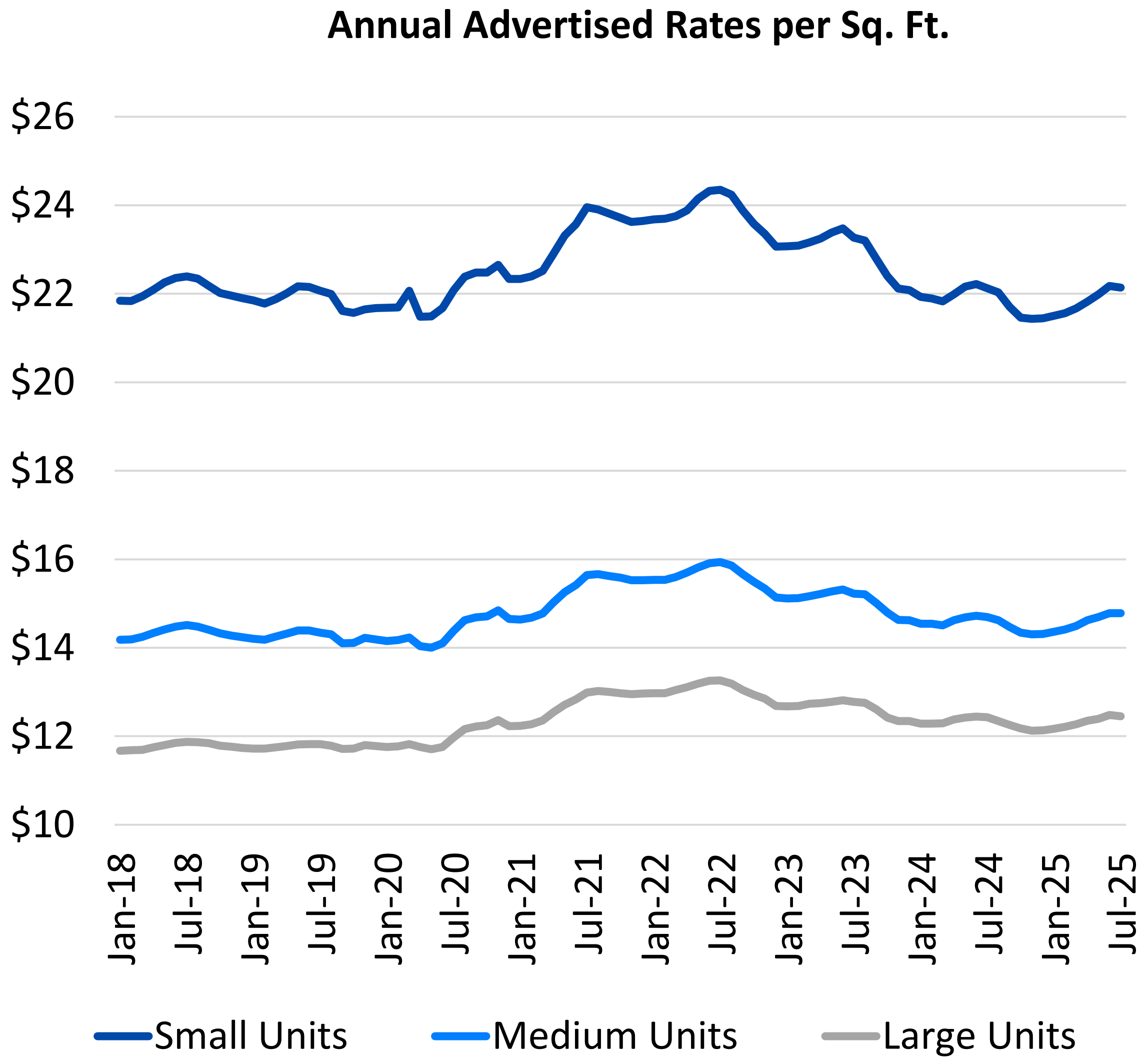




Rents are indexed to the current month using month-over-month same-store growth | Advertised rate growth = annualized average advertised rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: Small = 5x5, 5x10, 10x5, Medium = 5x15, 15x5, 10x10,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

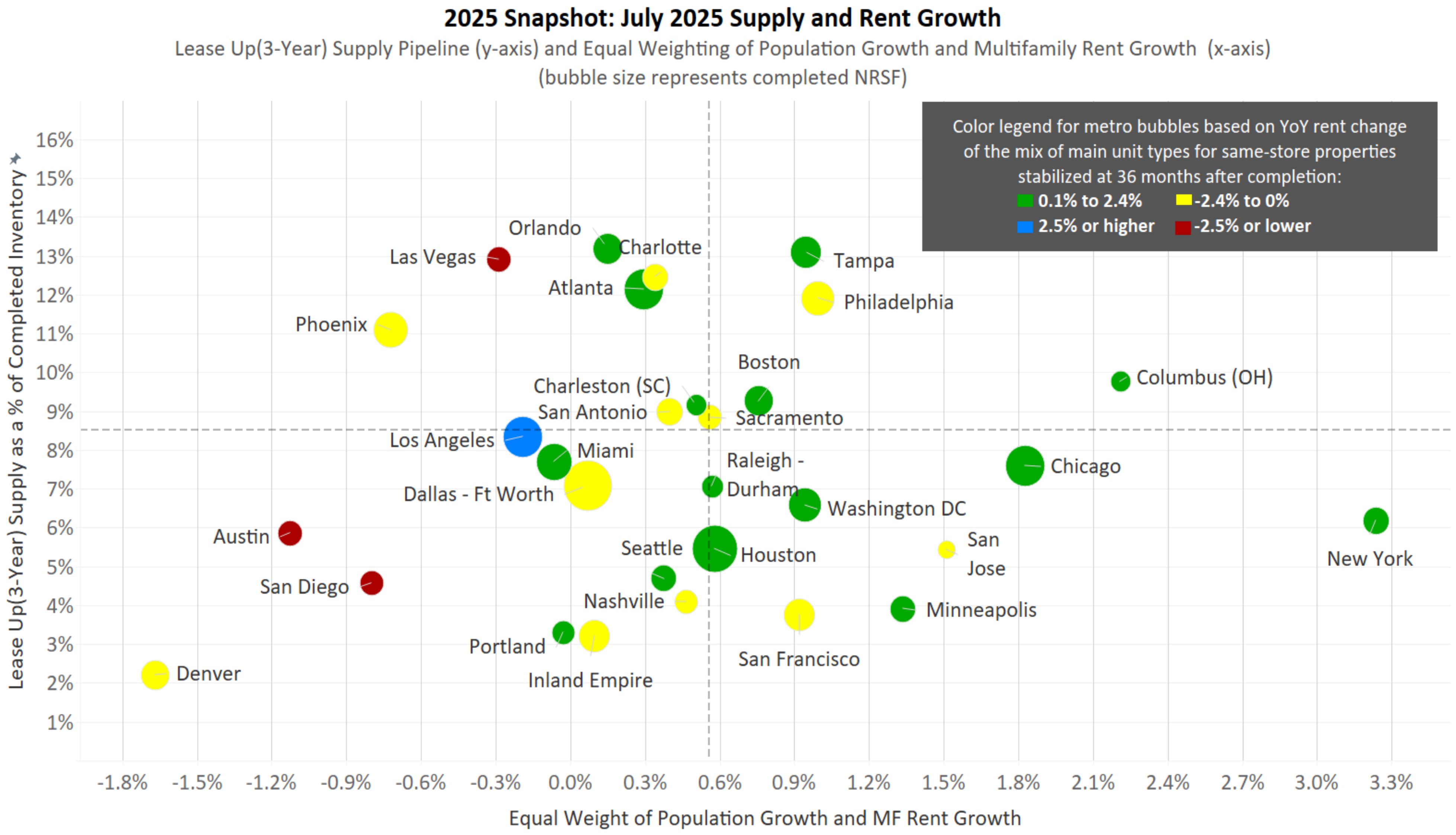
Larger Units Are Performing Better as Development Focused on Smaller Units





Rents are indexed to the current month using month-over-month same-store growth | 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

Supply Has a Noticeable Impact on Rent Growth
But a Number of High Supply Markets Saw Rate Growth Improve in July



Operators Pushing Rates in LA After Rent Growth Restrictions
Supply Suppresses Rate Growth in Vegas, San Antonio, Phoenix, Charlotte

Metro	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Los Angeles	1.2%	2.7%
Tampa	-0.4%	2.2%
Chicago	-0.1%	2.1%
Charleston (SC)	-0.4%	2.1%
Minneapolis	0.9%	1.8%
Washington DC	-0.2%	1.6%
Columbus (OH)	0.3%	1.3%
Portland	0.1%	1.1%
Raleigh - Durham	0.6%	0.9%
Seattle	0.8%	0.8%
New York	0.0%	0.6%
Boston	-0.8%	0.4%
Houston	-0.2%	0.4%
Orlando	0.1%	0.2%
Miami	-0.6%	0.1%

Metro	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Atlanta	-0.7%	0.0%
Sacramento	-0.4%	0.0%
San Francisco	0.0%	-0.1%
Philadelphia	-0.2%	-0.4%
San Jose	-0.4%	-0.5%
Nashville	-0.4%	-0.8%
Inland Empire	-0.2%	-0.9%
Charlotte	-0.4%	-1.3%
Phoenix	-0.4%	-1.6%
Denver	0.4%	-1.6%
San Antonio	-0.1%	-1.8%
Dallas - Ft Worth	0.1%	-1.9%
Las Vegas	-0.5%	-2.6%
San Diego	0.0%	-2.8%
Austin	-1.1%	-4.2%

Data as of July 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

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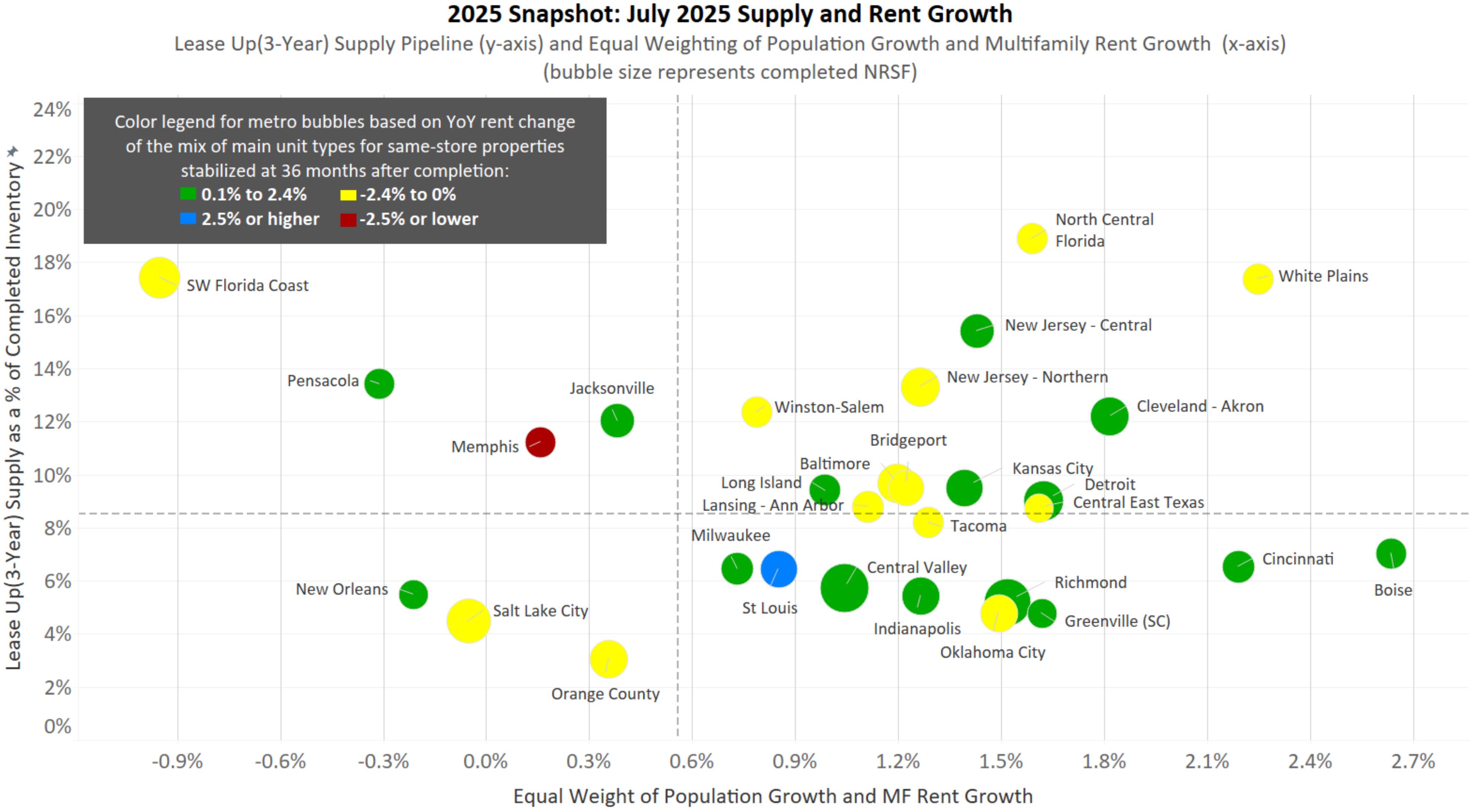
Higher Lease Up Supply in Secondary Markets Impacting Rate Growth But a Number of Midwest Markets See Rents Increasing



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Most Secondary Markets with Advertised Rate Growth Had Lower Levels of New Supply and Solid Multifamily Performance

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
St Louis	-0.7%	2.6%
Long Island	0.3%	1.8%
Richmond	0.2%	1.7%
Detroit	0.5%	1.6%
Indianapolis	-0.3%	1.3%
Kansas City	1.2%	1.0%
Greenville (SC)	-0.4%	0.9%
New Orleans	-0.8%	0.9%
Cincinnati	0.1%	0.9%
Central Valley	0.1%	0.8%
New Jersey - Central	-0.5%	0.7%
Boise	-0.2%	0.5%
Cleveland - Akron	0.0%	0.3%
Milwaukee	0.3%	0.3%
Jacksonville	-0.3%	0.1%

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Pensacola	0.0%	0.1%
Winston-Salem - G.	-0.6%	-0.1%
SW Florida Coast	-0.6%	-0.3%
N. Central Florida	0.0%	-0.7%
Tacoma	-0.3%	-0.8%
Salt Lake City	-0.4%	-1.2%
White Plains	-0.4%	-1.2%
Orange County	-0.1%	-1.3%
Oklahoma City	-1.2%	-1.3%
Baltimore	-1.0%	-1.4%
Bridgeport	-0.4%	-1.6%
N. New Jersey	-0.1%	-1.9%
Lansing	0.4%	-2.1%
Central East Texas	0.1%	-2.2%
Memphis	-1.1%	-3.2%

July 2025 rent data. 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

HISTORICAL & FORECASTED SUPPLY TRENDS

NEW STORAGE SUPPLY PIPELINE

PROSPECTIVE

396 Properties
26MM Total Sq. Ft.
22MM Rentable Sq. Ft.

PLANNED

1,944 Properties
157MM Total Sq. Ft.
142MM Rentable Sq. Ft.

UNDER CONSTRUCTION

703 Properties
64MM Total Sq. Ft.
53MM Rentable Sq. Ft.

LEASE-UP SUPPLY

2,244 Properties
204MM Total Sq. Ft.
168MM Rentable Sq. Ft.

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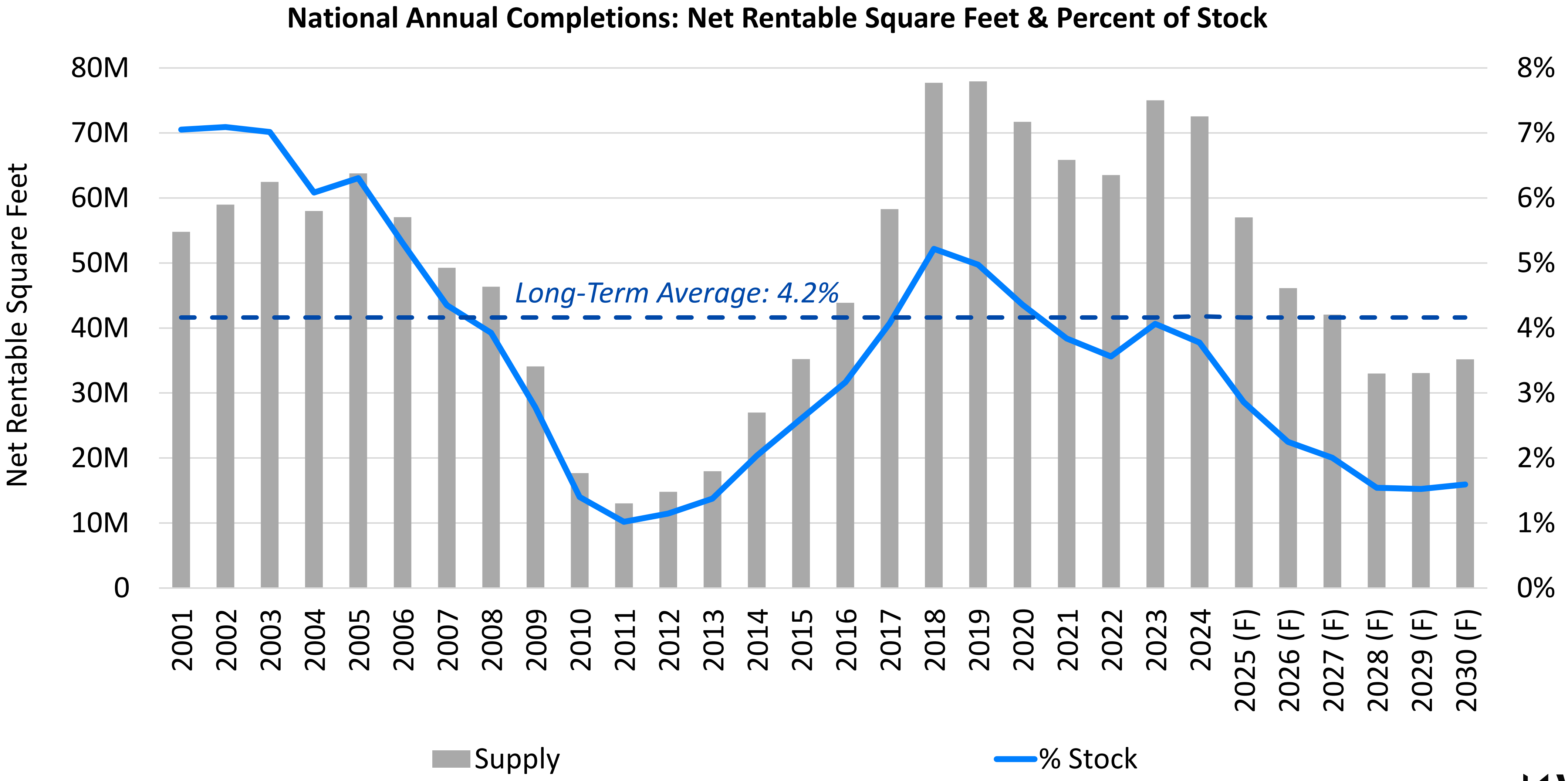
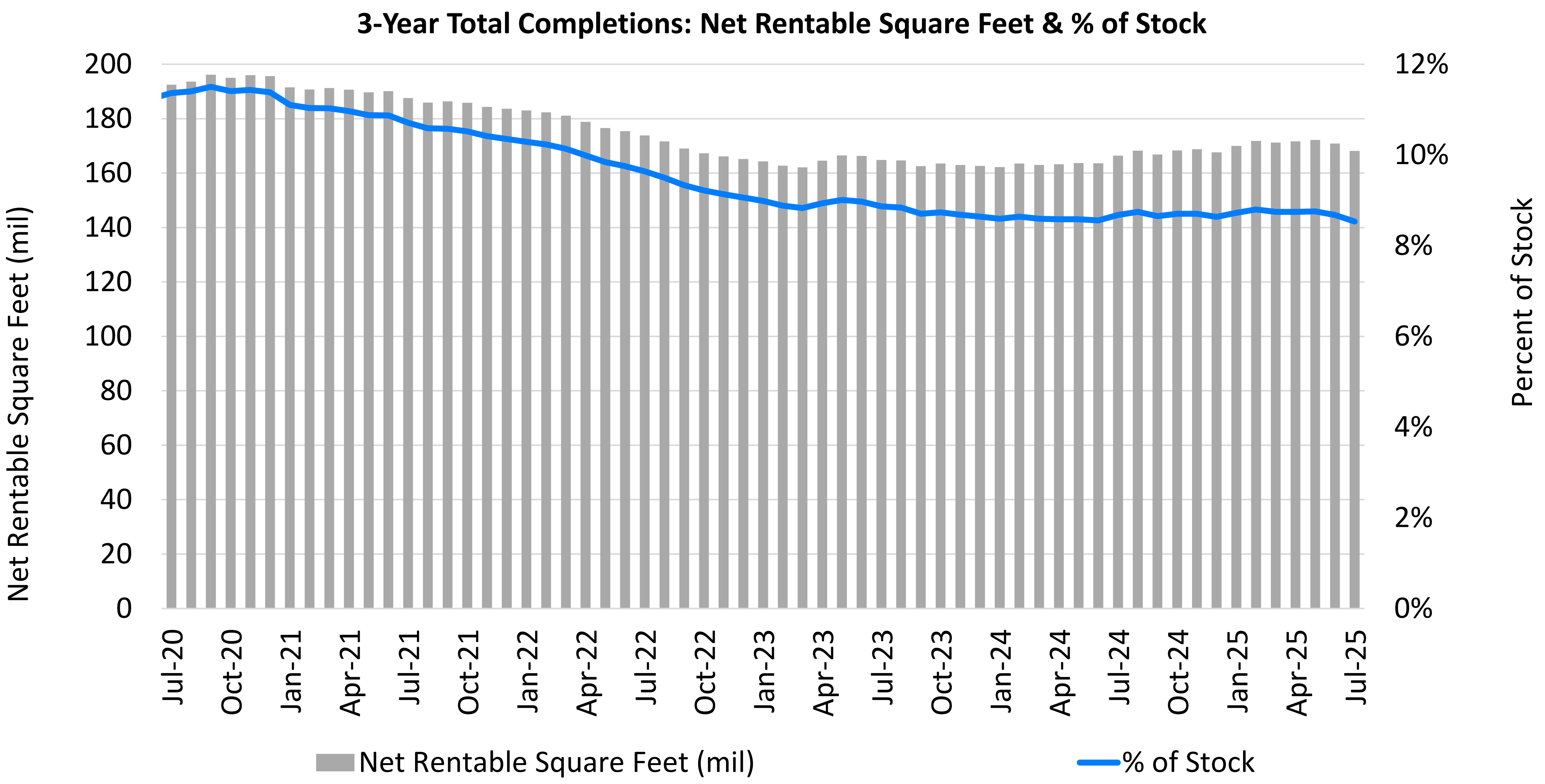
Includes RV & Boat Storage. Lease-up supply delivered in the trailing 36 months. Data as of July 2025 | Source: Yardi Matrix

2023-2024 Supply Was Close to 2018-2019 Levels
Completions Are Forecasted to Decrease in 2025 and Beyond



Source: Yardi Matrix

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



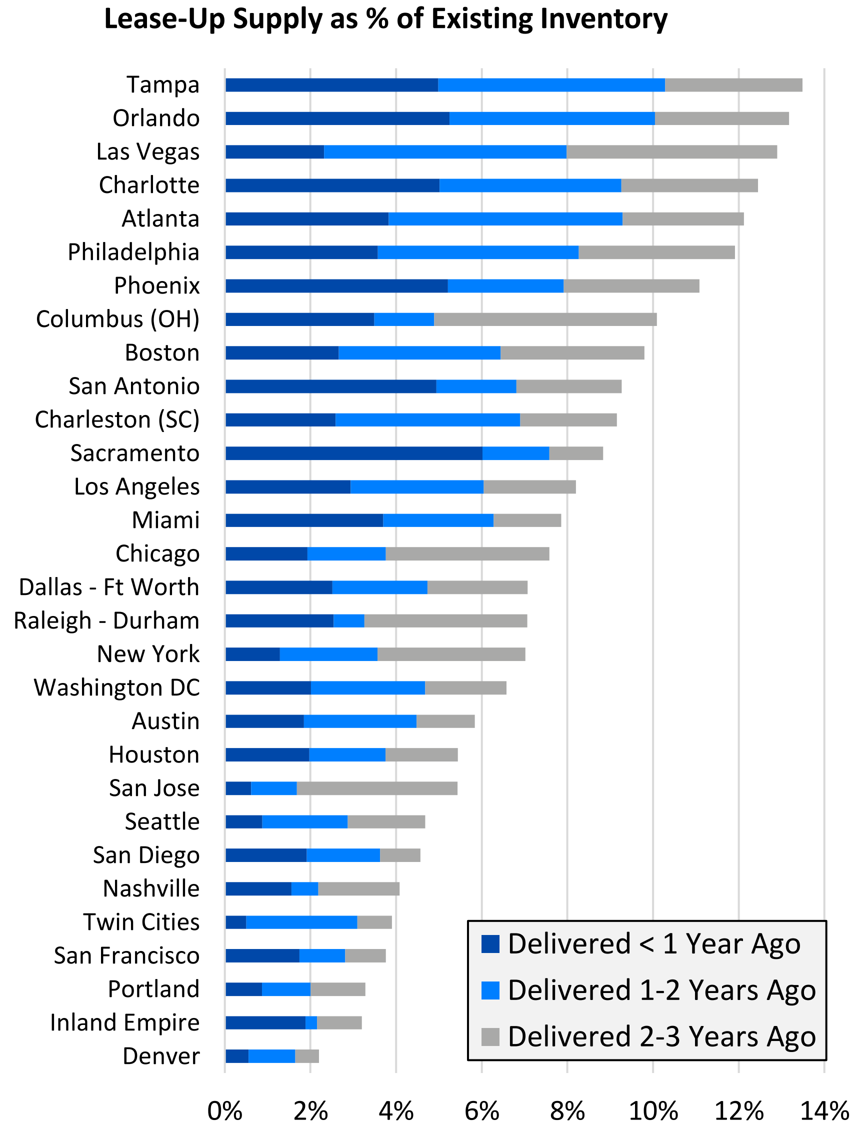
YARDI

Lease-up supply delivered in the trailing 36 months | Source: Yardi Matrix

Majority of Lease-up Supply Is in Sunbelt Markets

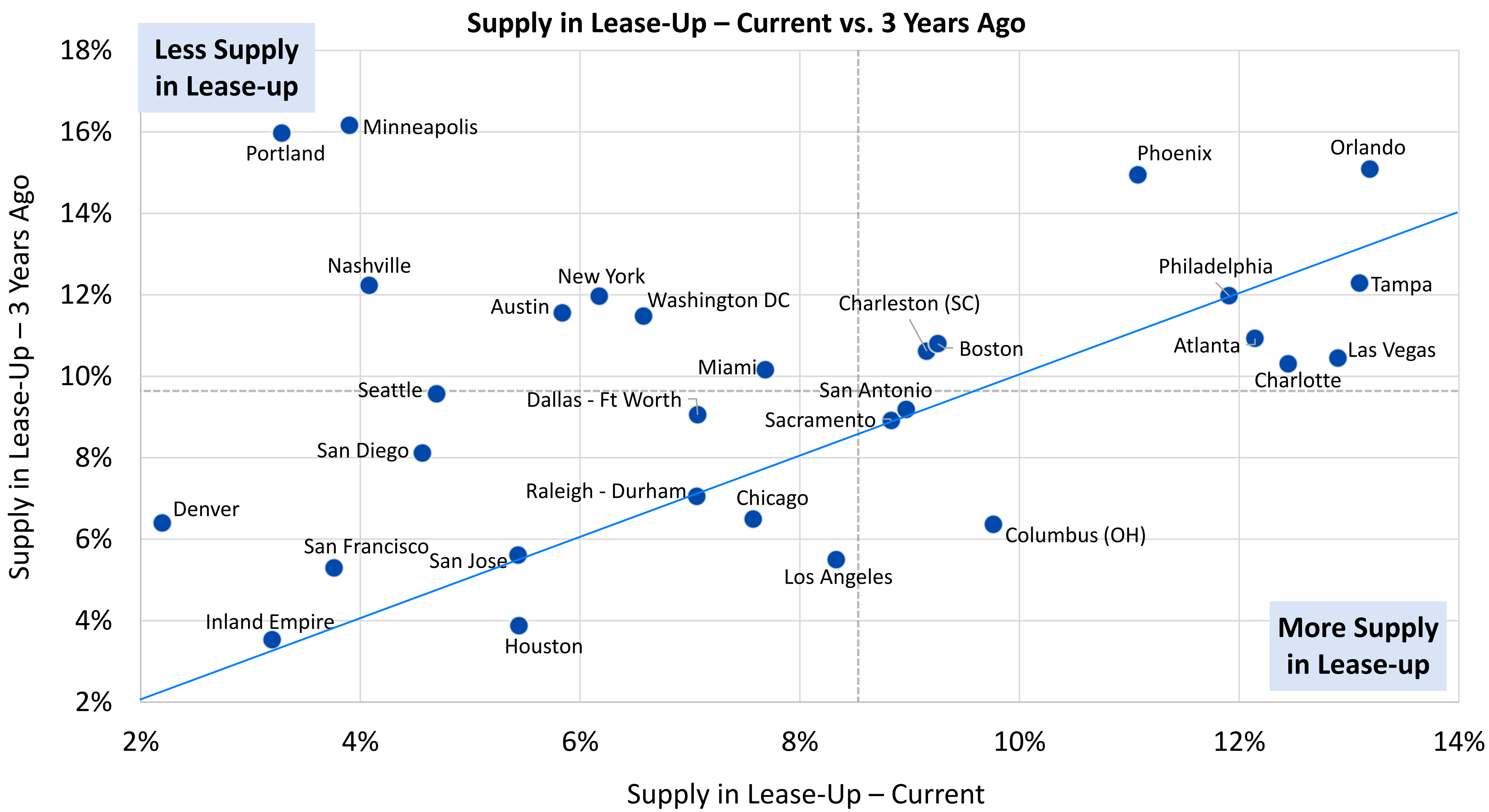
Market	Lease Up % of Existing Inventory
Tampa	13.5%
Orlando	13.2%
Las Vegas	12.9%
Charlotte	12.4%
Atlanta	12.1%
Philadelphia	11.9%
Phoenix	11.1%
Columbus (OH)	10.1%
Boston	9.8%
San Antonio	9.3%
Charleston (SC)	9.2%
Sacramento	8.8%
Los Angeles	8.2%
Miami	7.9%
Chicago	7.6%

Market	Lease Up % of Existing Inventory
Dallas - Ft Worth	7.1%
Raleigh - Durham	7.1%
New York	7.0%
Washington DC	6.6%
Austin	5.8%
Houston	5.4%
San Jose	5.4%
Seattle	4.7%
San Diego	4.6%
Nashville	4.1%
Twin Cities	3.9%
San Francisco	3.8%
Portland	3.3%
Inland Empire	3.2%
Denver	2.2%



Top 30 storage markets. Lease-up supply delivered in the trailing 36 months. Data as of July 2025 | Source: Yardi Matrix

Most Top Metros Have Seen Lease-up Supply Decrease Over the Past Three Years

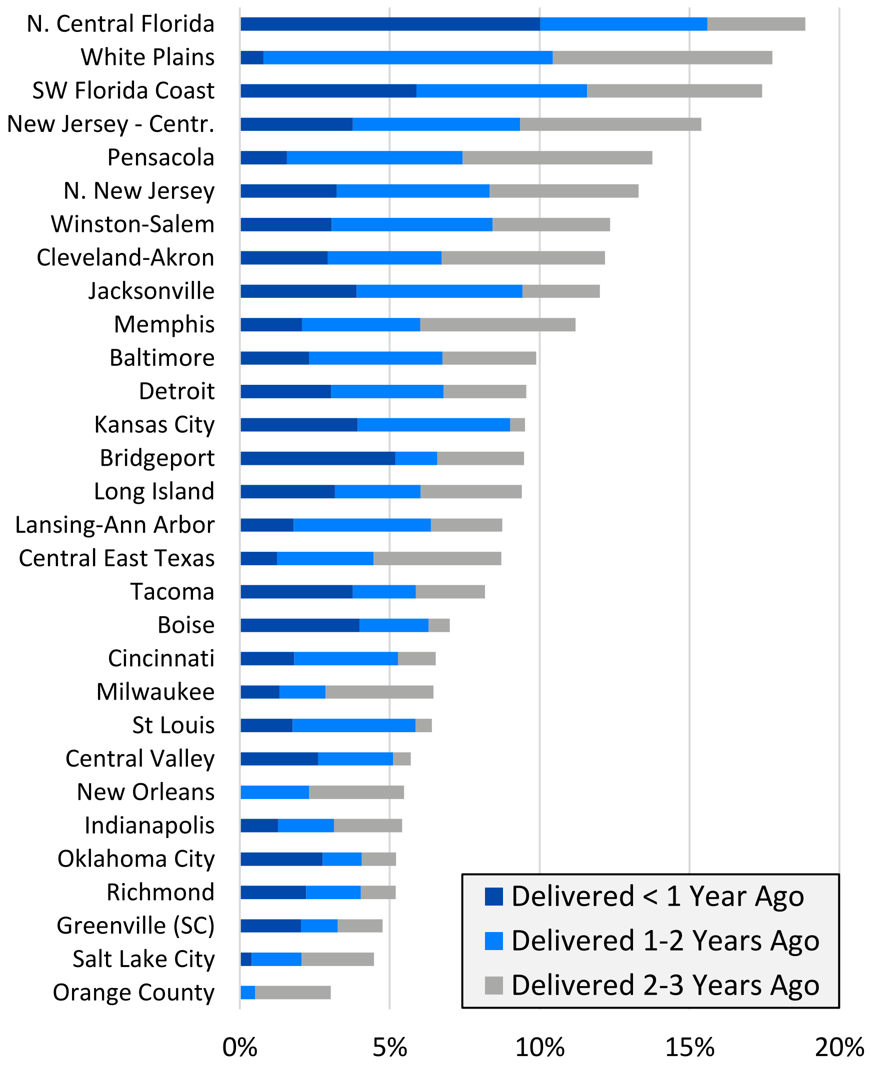


Gray dashed lines denote national. Lease-up supply delivered in the trailing 36 months as a % of existing inventory. Data as of July 2025 | Source: Yardi Matrix

Secondary Florida Markets and New York Suburbs Have Higher Supply

Market	Lease Up % of Existing Inventory	Market	Lease Up % of Existing Inventory
N. Central Florida	18.9%	Lansing-Ann Arbor	8.8%
White Plains	17.8%	Central East Texas	8.7%
SW Florida Coast	17.4%	Tacoma	8.2%
New Jersey-Centr.	15.4%	Boise	7.0%
Pensacola	13.8%	Cincinnati	6.5%
N. New Jersey	13.3%	Milwaukee	6.5%
Winston-Salem	12.4%	St Louis	6.4%
Cleveland-Akron	12.2%	Central Valley	5.7%
Jacksonville	12.0%	New Orleans	5.5%
Memphis	11.2%	Indianapolis	5.4%
Baltimore	9.9%	Oklahoma City	5.2%
Detroit	9.6%	Richmond	5.2%
Kansas City	9.5%	Greenville (SC)	4.8%
Bridgeport	9.5%	Salt Lake City	4.5%
Long Island	9.4%	Orange County	3.0%

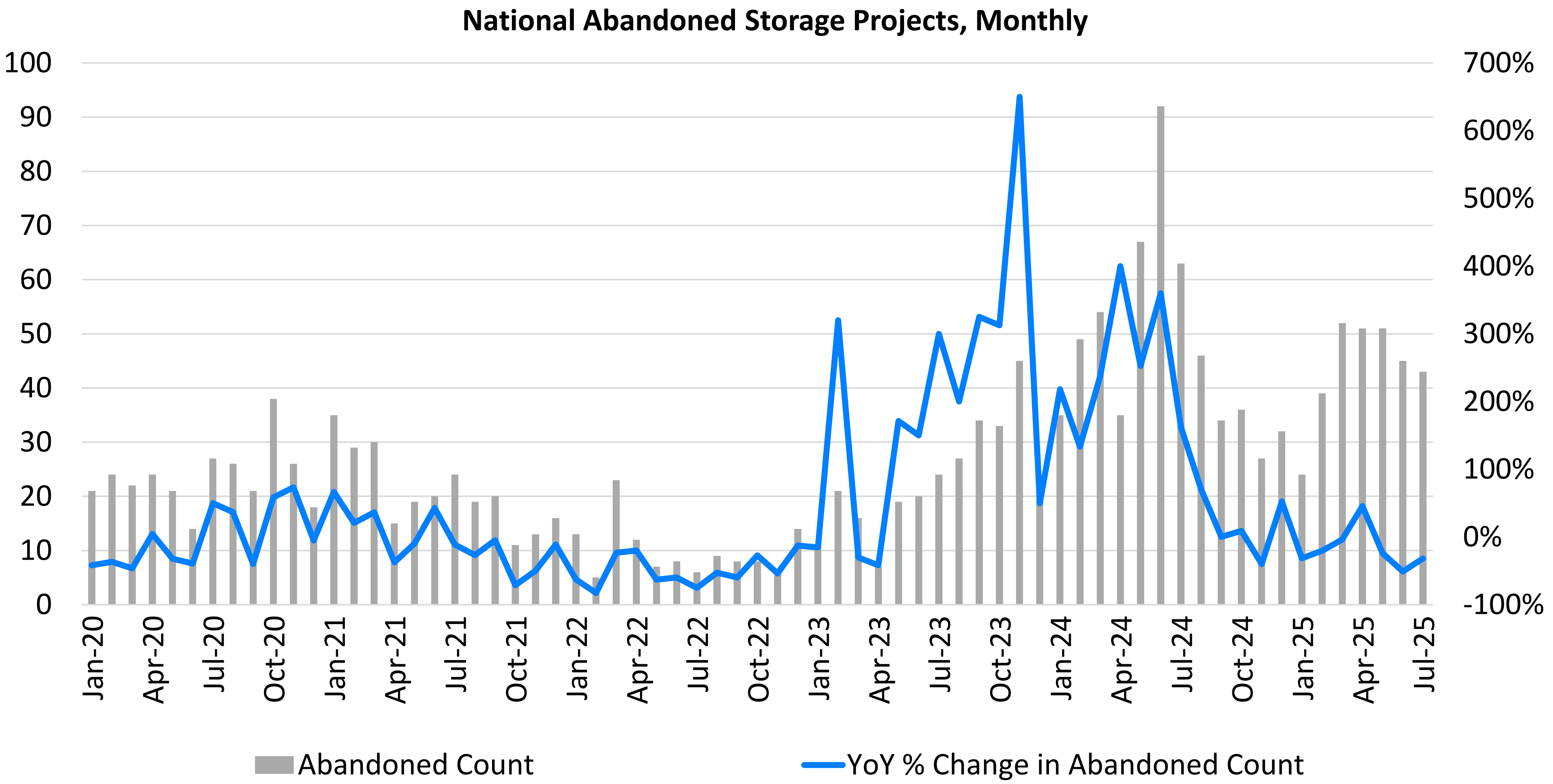
Lease-Up Supply as % of Existing Inventory



YARDI

Top 30 secondary markets. Lease-up supply delivered in the trailing 36 months. Data as of July 2025 | Source: Yardi Matrix

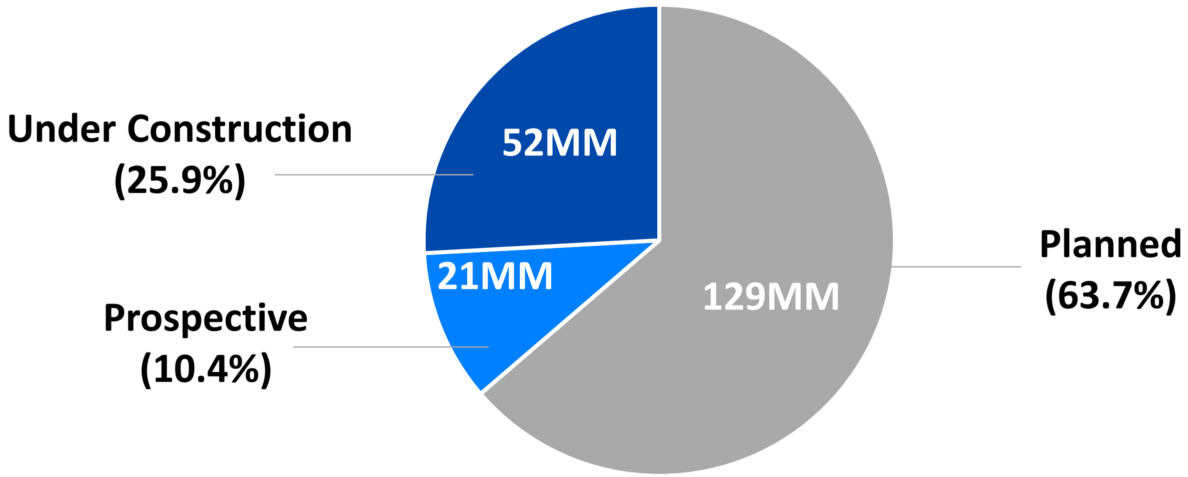
The Number of Abandoned Storage Projects Are Down From 2024 Highs, but Are Still Above Historical Levels



YARDI

Source: Yardi Matrix

New Supply Pipeline: Where Is New Supply Concentrated?



Top 10 Markets	NRSF	UC as a % of Existing Stock
Tallahassee	349.8K	10.9%
Savannah	629.5K	9.5%
White Plains	1,076.3K	9.1%
Port St. Lucie	602.2K	9.1%
SW Florida Coast	1,959.3K	8.9%
Jacksonville	1,190.6K	7.8%
N. Central Florida	880.6K	7.3%
Athens	393.3K	7.2%
Little Rock	559.9K	6.7%
Las Vegas	1,387.6K	6.6%

Top 10 Markets	NRSF	Planned as a % of Existing Stock
SW Florida Coast	5,763.9K	26.2%
New Jersey – Cent.	3,580.3K	23.8%
Port St. Lucie	1,267.8K	19.2%
Florence	247.4K	18.7%
N. Central Florida	1,888.9K	15.7%
White Plains	1,823.9K	15.5%
Syracuse	414.7K	14.6%
Orlando	4,455.9K	14.6%
Las Vegas	2,829.1K	13.5%
Albany	935.0K	13.1%

Top 10 Markets	NRSF	Prospective as a % of Existing Stock
Port St. Lucie	398.8K	6.0%
New Jersey – Cent.	823.3K	5.5%
Columbia MO	88.7K	5.2%
Tampa	1,436.1K	4.3%
Inland Empire	1,308.1K	4.0%
Long Island	488.1K	3.9%
White Plains	455.3K	3.9%
Sacramento	721.8K	3.7%
Orlando	1,125.0K	3.7%
Pensacola	414.8K	3.4%

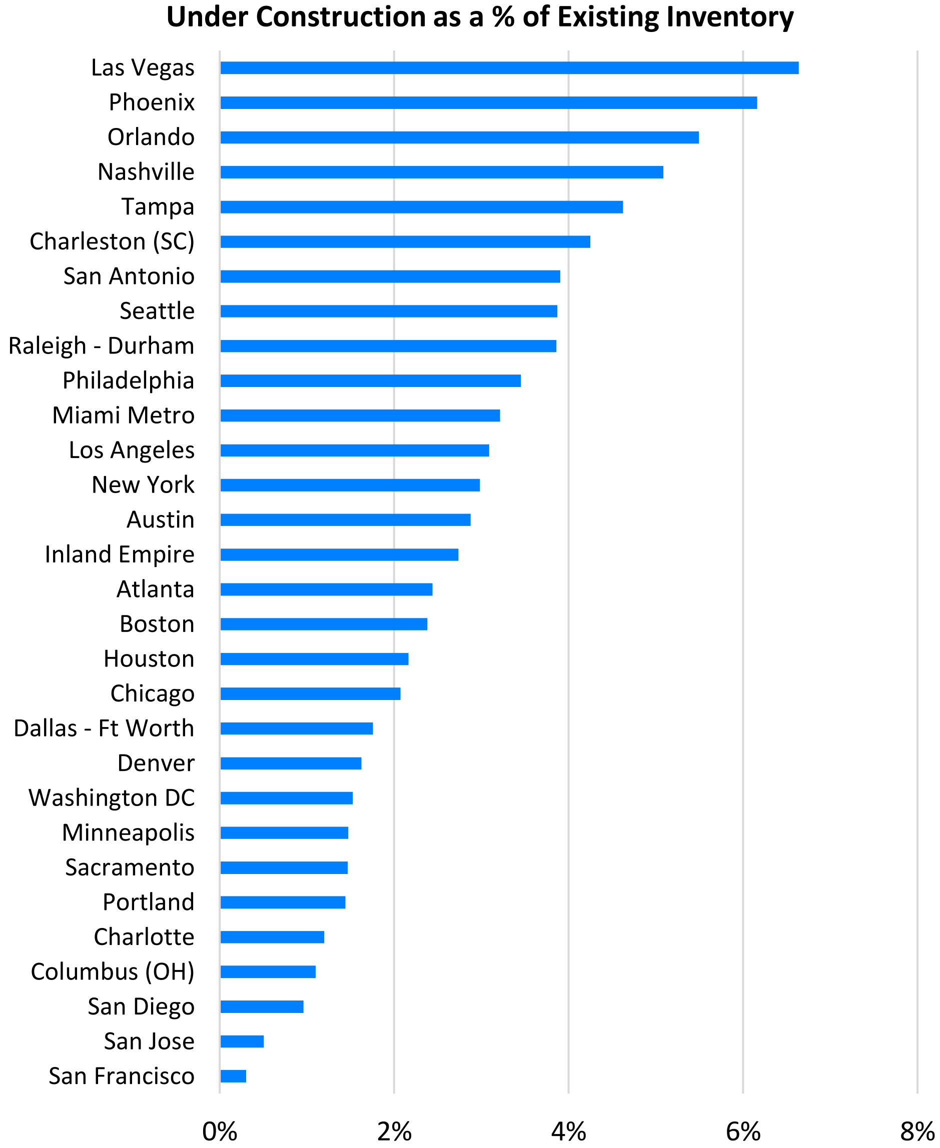
YARDI

Data as of August 2025 | Source: Yardi Matrix

Sunbelt Markets With High Lease Up Supply Have More on the Way

Market	UC % of Existing Inventory
Las Vegas	6.6%
Phoenix	6.2%
Orlando	5.5%
Nashville	5.1%
Tampa	4.6%
Charleston (SC)	4.2%
San Antonio	3.9%
Seattle	3.9%
Raleigh - Durham	3.9%
Philadelphia	3.5%
Miami Metro	3.2%
Los Angeles	3.1%
New York	3.0%
Austin	2.9%
Inland Empire	2.7%

Market	UC % of Existing Inventory
Atlanta	2.4%
Boston	2.4%
Houston	2.2%
Chicago	2.1%
Dallas - Ft Worth	1.8%
Denver	1.6%
Washington DC	1.5%
Minneapolis	1.5%
Sacramento	1.5%
Portland	1.4%
Charlotte	1.2%
Columbus (OH)	1.1%
San Diego	1.0%
San Jose	0.5%
San Francisco	0.3%

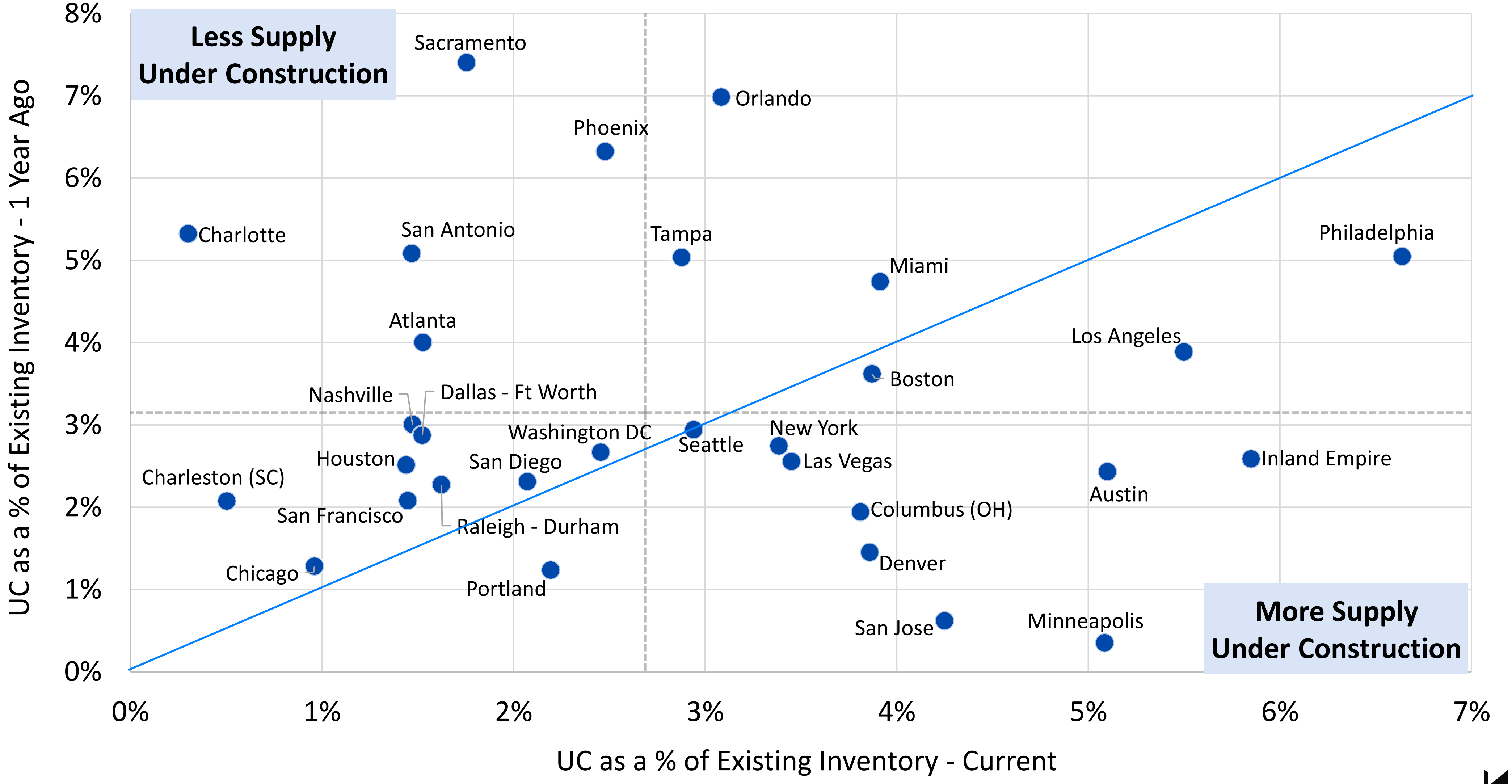


YARDI

Top 30 storage markets. Data as of July 2025 | Source: Yardi Matrix

Most Top Markets Have Less Supply Under Construction But a Few Have Seen Starts Pick Up

Supply Under Construction as a % of Existing Inventory - Current vs. 1 Year Ago



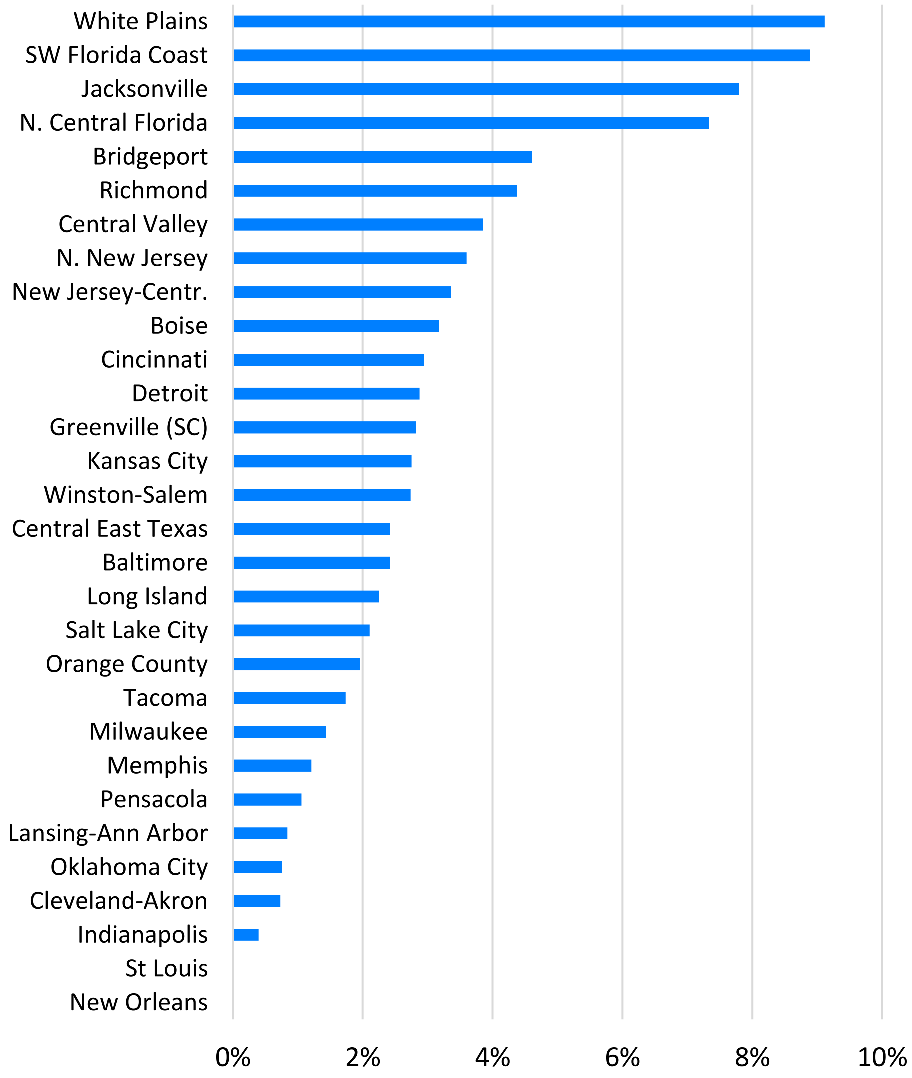
Gray dashed lines denote national. Data as of July 2025 | Source: Yardi Matrix

YARDI

In Secondary Markets, More Supply in the Same Markets

Market	UC % of Existing Inventory	Market	UC % of Existing Inventory
White Plains	9.1%	Central East Texas	2.4%
SW Florida Coast	8.9%	Baltimore	2.4%
Jacksonville	7.8%	Long Island	2.2%
N. Central Florida	7.3%	Salt Lake City	2.1%
Bridgeport	4.6%	Orange County	2.0%
Richmond	4.4%	Tacoma	1.7%
Central Valley	3.9%	Milwaukee	1.4%
N. New Jersey	3.6%	Memphis	1.2%
New Jersey-Centr.	3.4%	Pensacola	1.1%
Boise	3.2%	Lansing-Ann Arbor	0.8%
Cincinnati	2.9%	Oklahoma City	0.8%
Detroit	2.9%	Cleveland-Akron	0.7%
Greenville (SC)	2.8%	Indianapolis	0.4%
Kansas City	2.8%	New Orleans	0.0%
Winston-Salem	2.7%	St Louis	0.0%

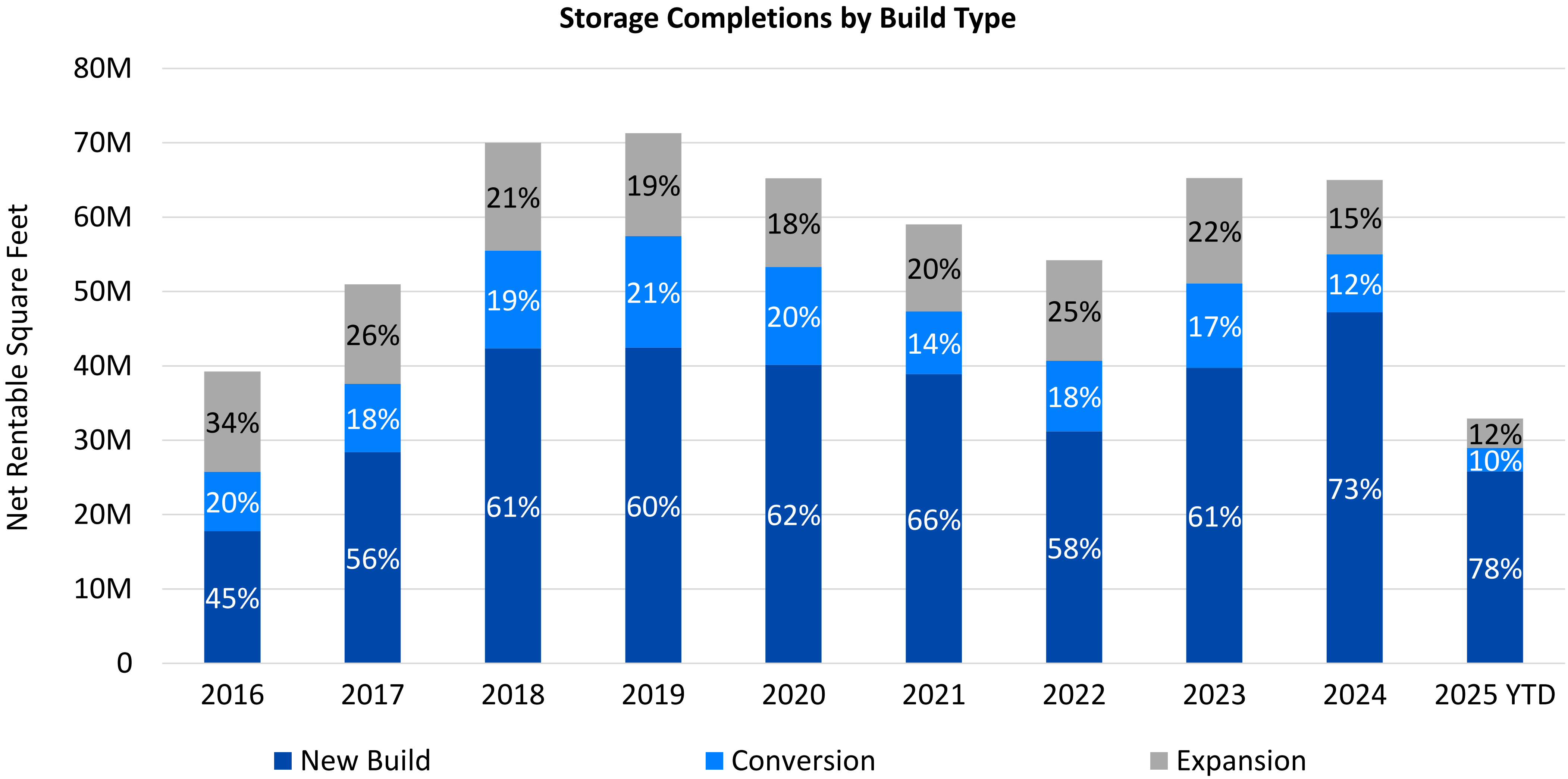
Under Construction as a % of Existing Inventory



YARDI

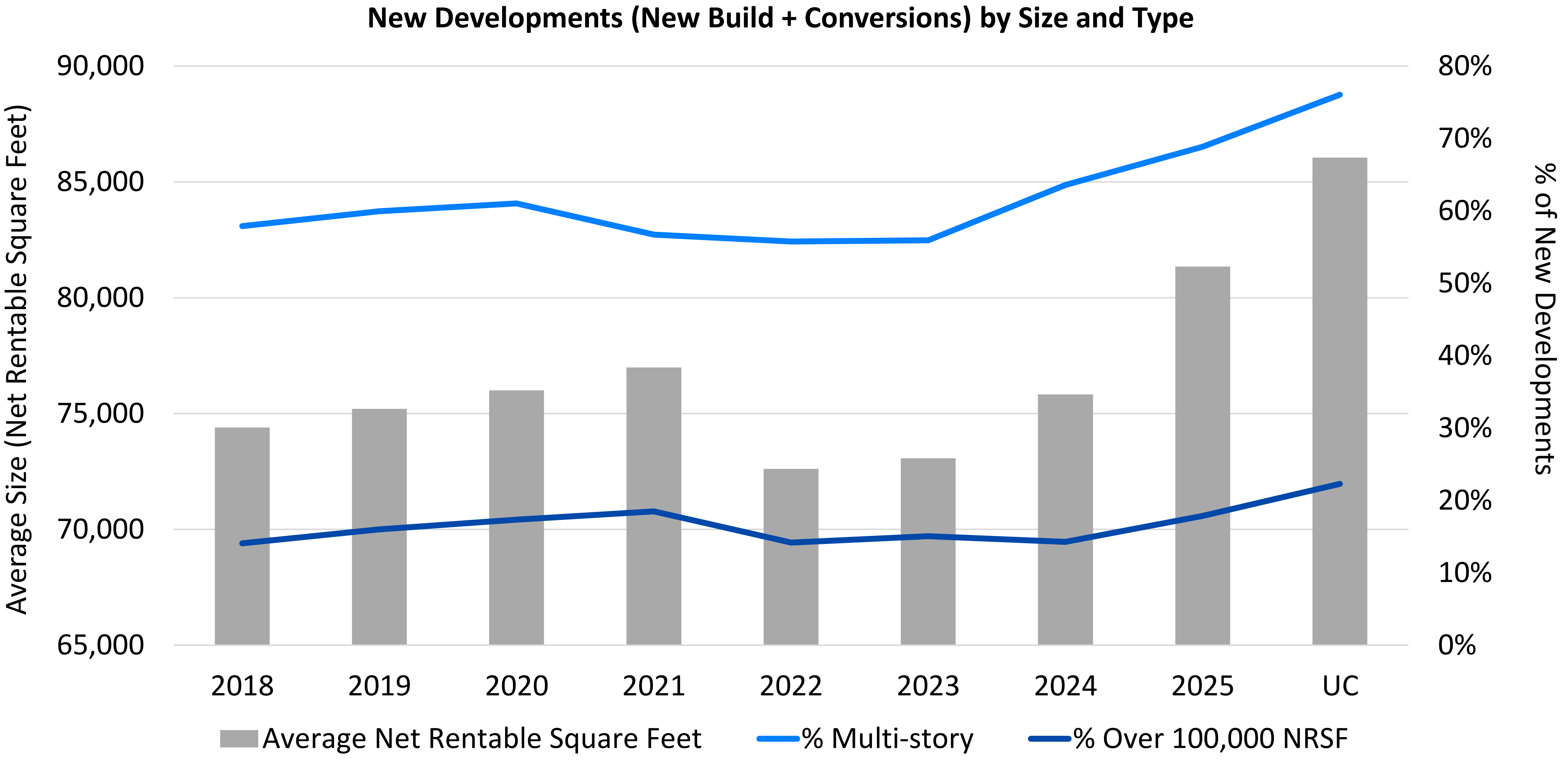
Top 30 secondary markets. Data as of July 2025| Source: Yardi Matrix

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



Data as of July 2025 | Source: Yardi Matrix

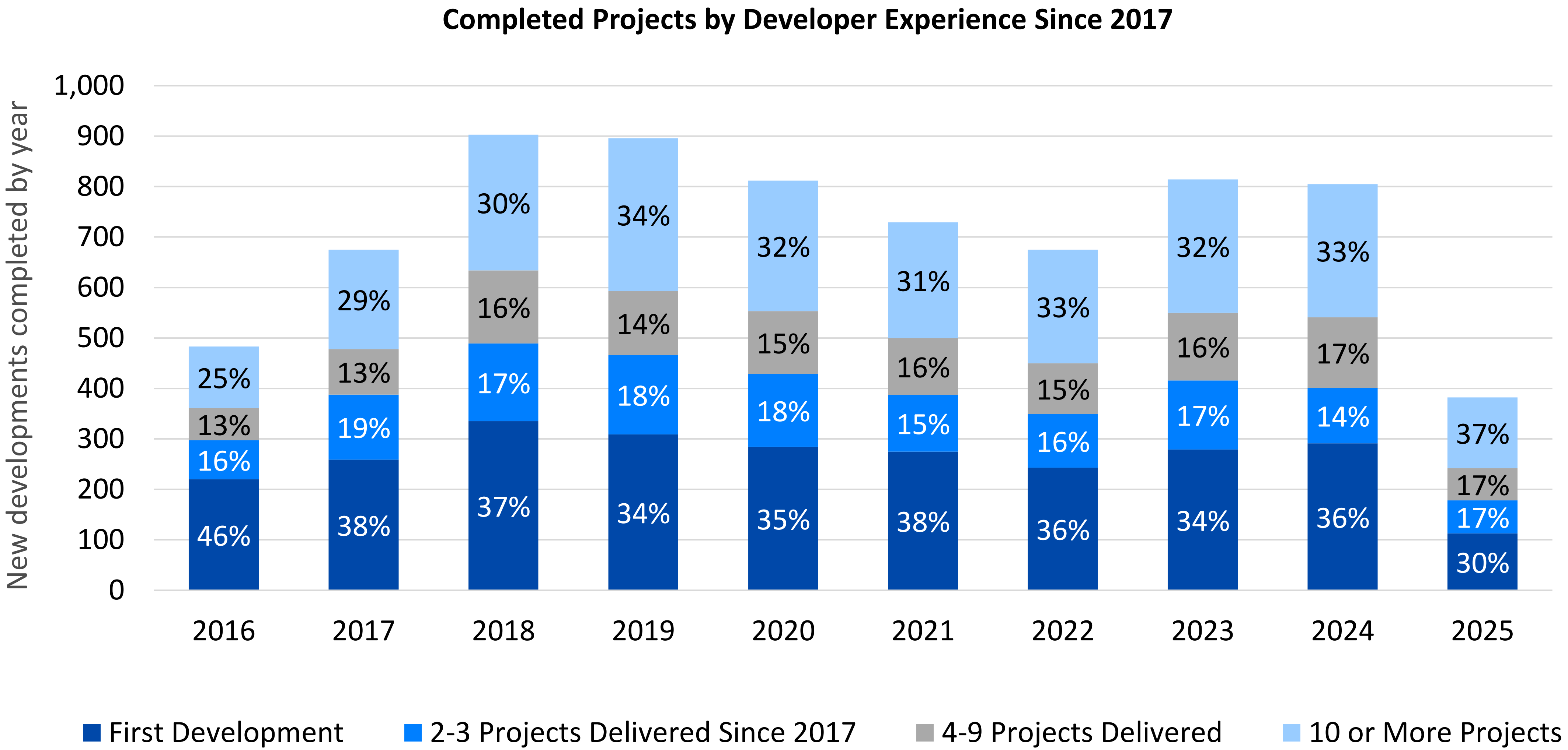
New Projects Are Mostly Larger, Multistory Facilities



YARDI

For new build and conversions completed since 2018. UC is stock under construction as of August 2025 | Source: Yardi Matrix

Most Developments Are Built By Inexperienced Developers



YARDI

For new build and conversions. Data as of October 2024 | Source: Yardi Matrix

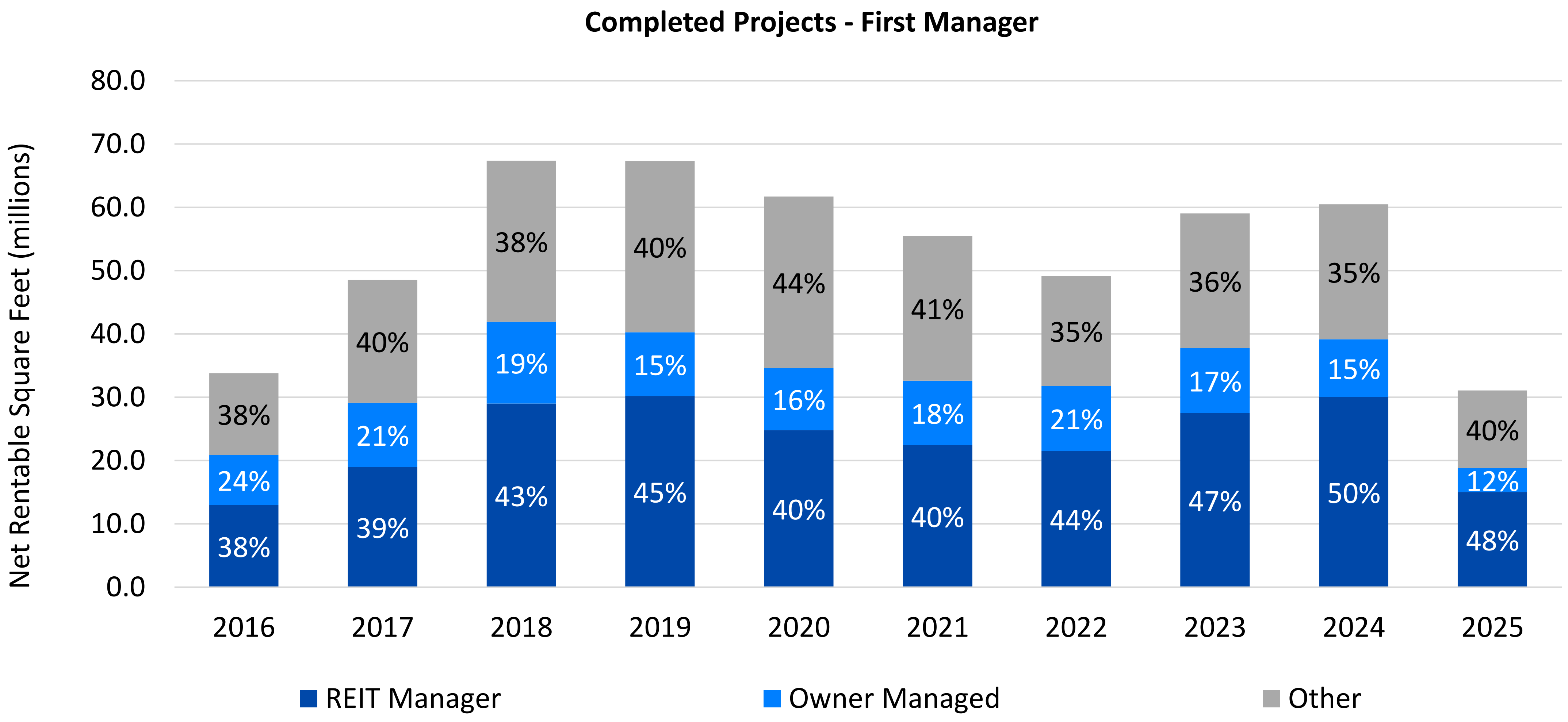
Most of the Top Developers Over Past 3 Years Have Slowed Their Pace

Top Developers Since August 2022 (Includes Under Construction)				
Developer	**Properties Completed**	**Properties Under Construction**	**# of Markets**	**Top Market (Properties)**
U - Haul Holding Company	110	30	82	Phoenix (6)
Public Storage	42	9	32	Los Angeles (6)
InSite	26	6	14	Los Angeles (8)
SAFStor	28	1	16	Philadelphia (8)
Extra Space Storage	20	1	16	Philadelphia (2)
Madison Capital Group	17	4	15	Los Angeles (4)
Brookwood Properties	18	2	9	Lafayette - Lake Charles (3)
Johnson Development Associates	15	5	17	New Jersey - Northern (2)
Premier Storage Investors	14	5	9	Philadelphia (4)
Platinum Construction	11	7	3	Dallas (12)

Top developers since 8/1/2022. | Source: Yardi Matrix

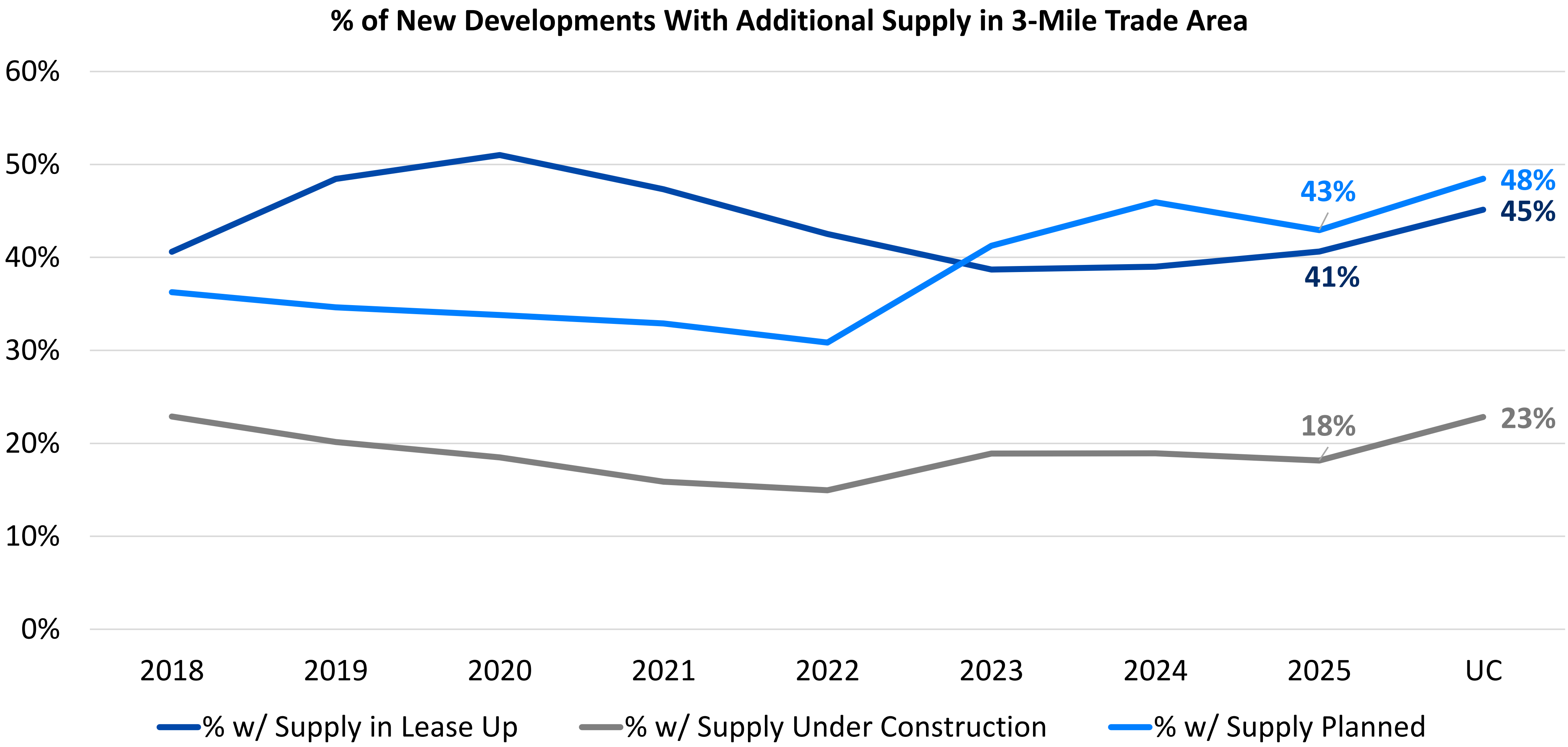
YARDI

REITs Are Managing a Growing Share of Projects And Extra Space Accounts for 50% of REIT-Managed Developments



For new build and conversions. REITs include CubeSmart, Extra Space, Life Storage, SmartStop, Public Storage, U-Haul. | Source: Yardi Matrix

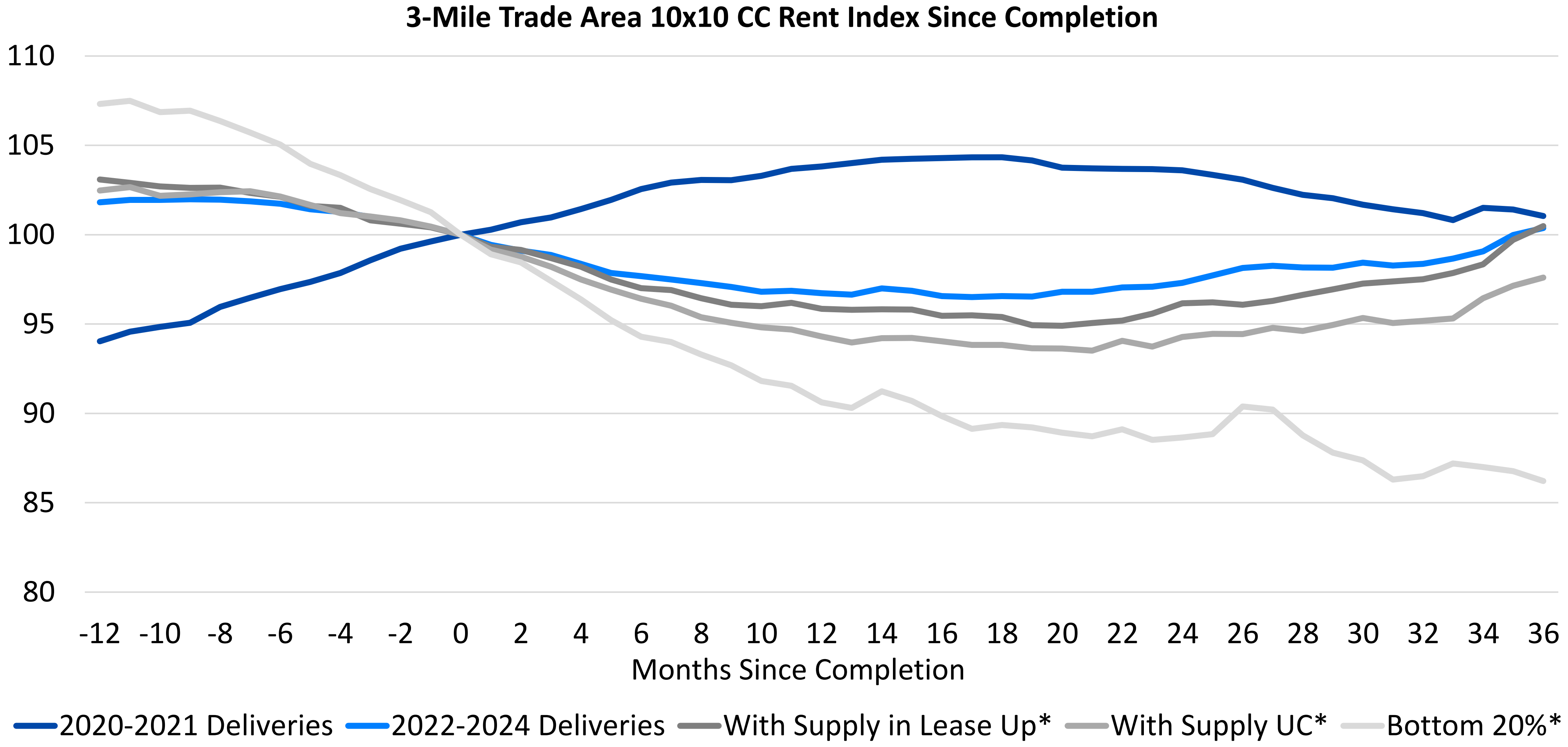
Recent Deliveries and Under Construction Projects Face Heavier New Supply Pipelines



YARDI

For new build and conversions completed since 2018. UC is stock under construction as of August 2025 | Source: Yardi Matrix

2022-2024 Deliveries Have Taken 3+ Years to Get Back to Rent at Time of Completion

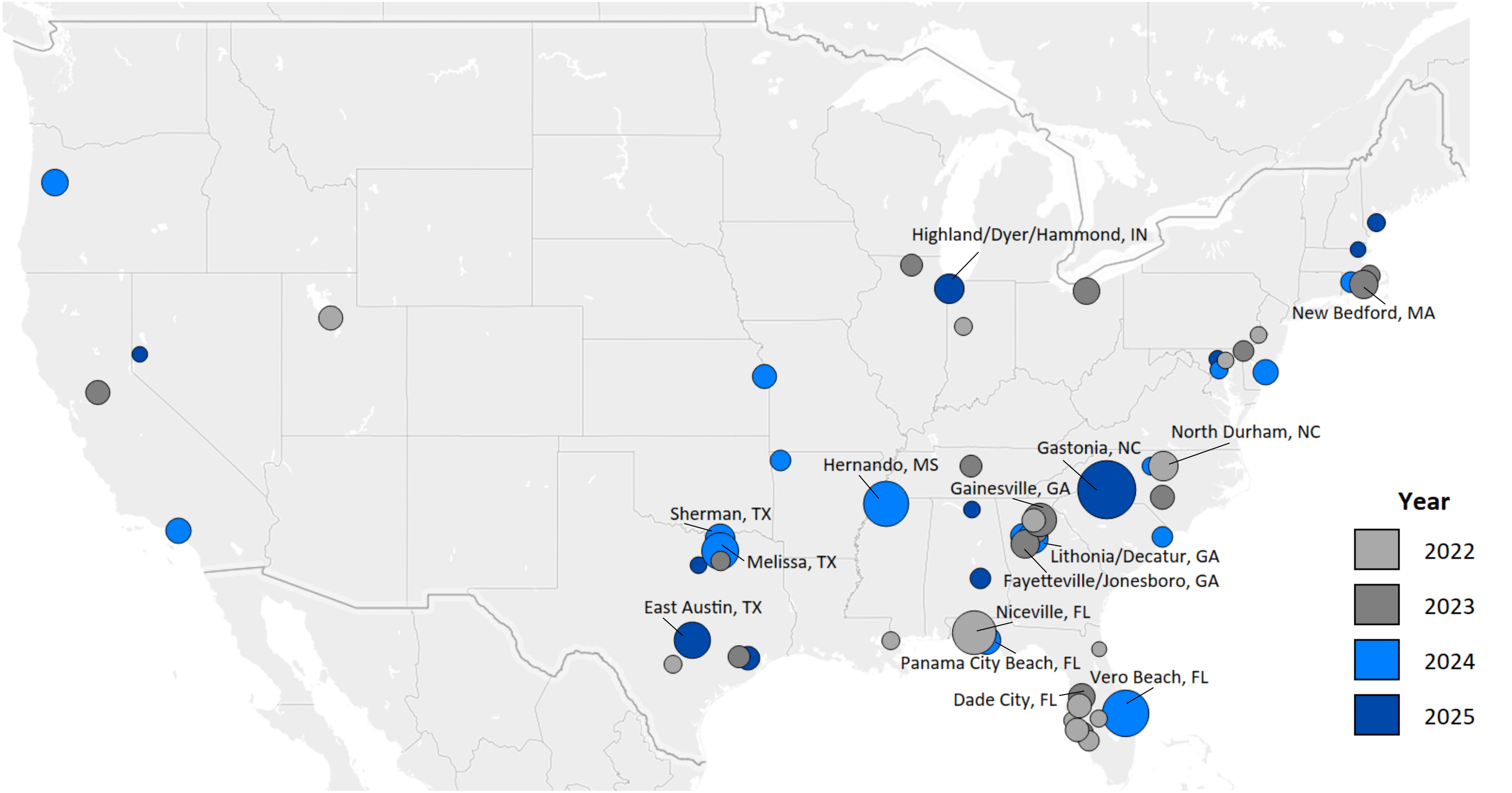


* - Properties delivered 2022-2024

For new build and conversions completed since 2020. Rent index is based on month-over-month growth rates. | Source: Yardi Matrix

Oversupply Puts Pressure on Rents, Down 30-60%+ From Peak

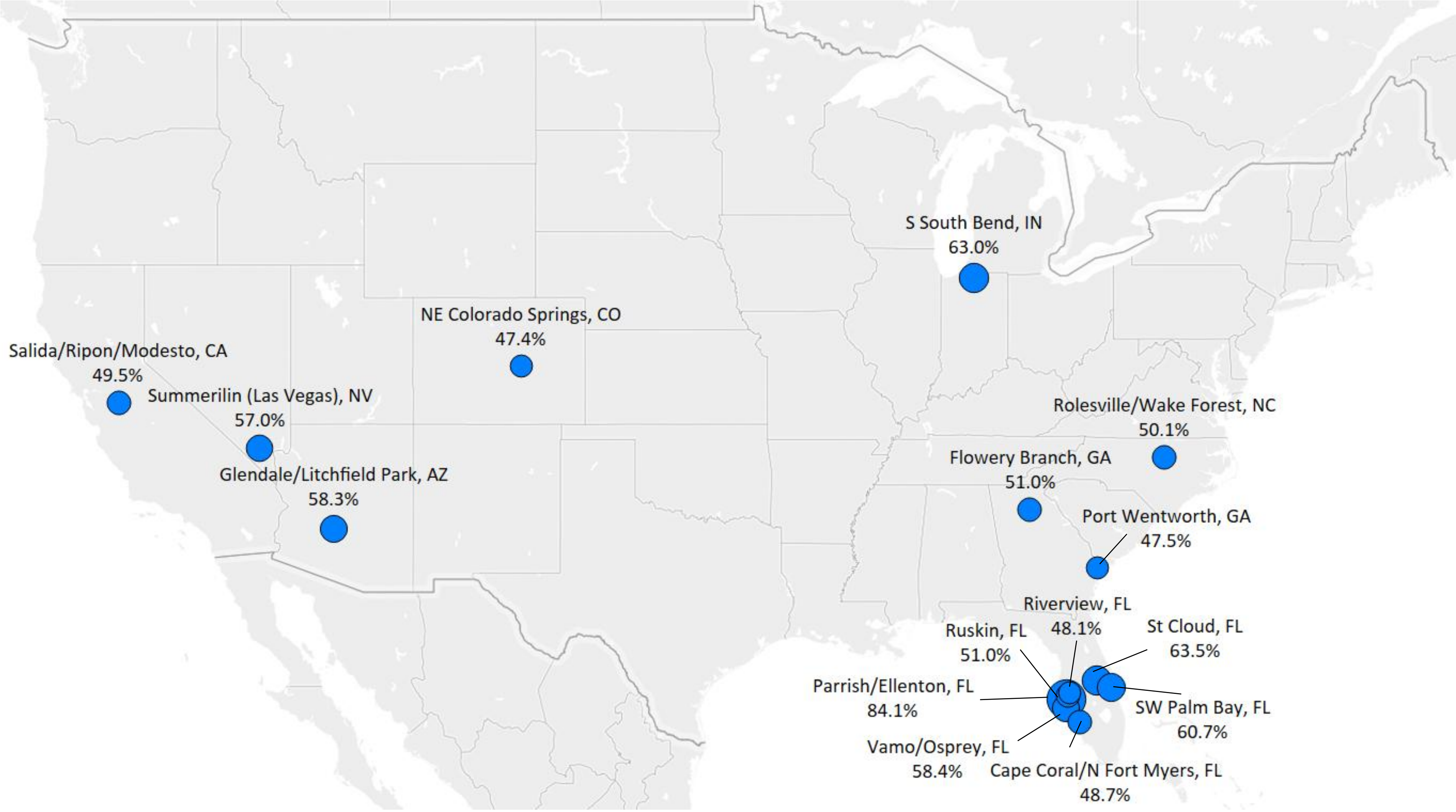
Top 15 3-Mile Trade Areas by Year with the Largest % Decrease in 10x10 CC Advertised Rents from Peak



For new builds and conversions completed in last four years. 3-mile trade areas with 5 or more properties. Overlapping trade areas have been filtered out.
Data as of August 2025. Bubble size based on largest percent decrease in 10x10 CC advertised rents from peak | Source: Yardi Matrix

Sunbelt Markets Continue to be Overwhelmed with Supply

Top 15 Trade Areas With Largest Percentage of Supply in Lease-up or Under Construction

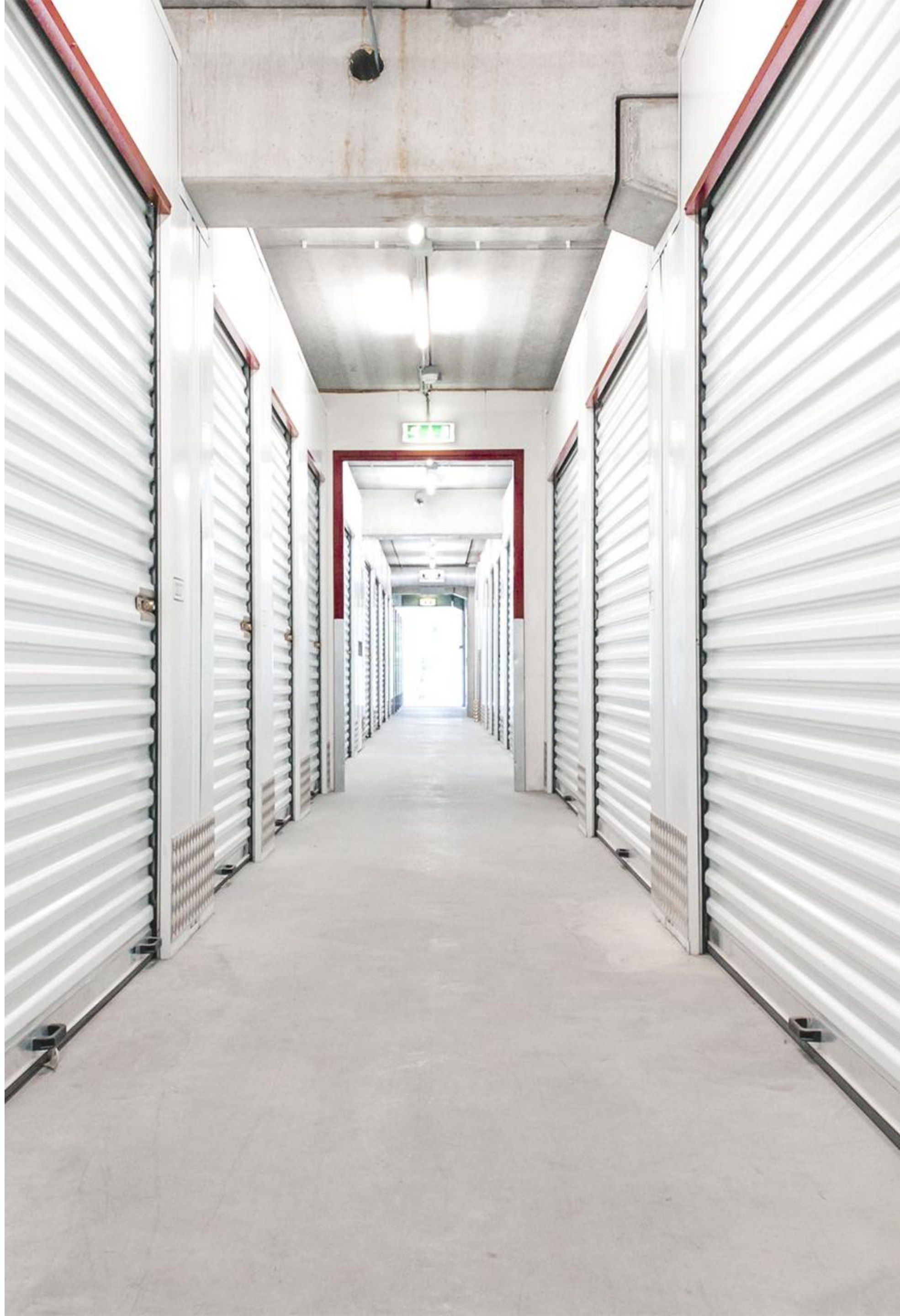


For properties currently under construction, 3-mile trade areas with 5 or more properties and population > 15,000. Overlapping trade areas have been filtered out. Data as of August 2025. Bubble size based on supply in lease up + under construction as percent of stock. | Source: Yardi Matrix

YARDI

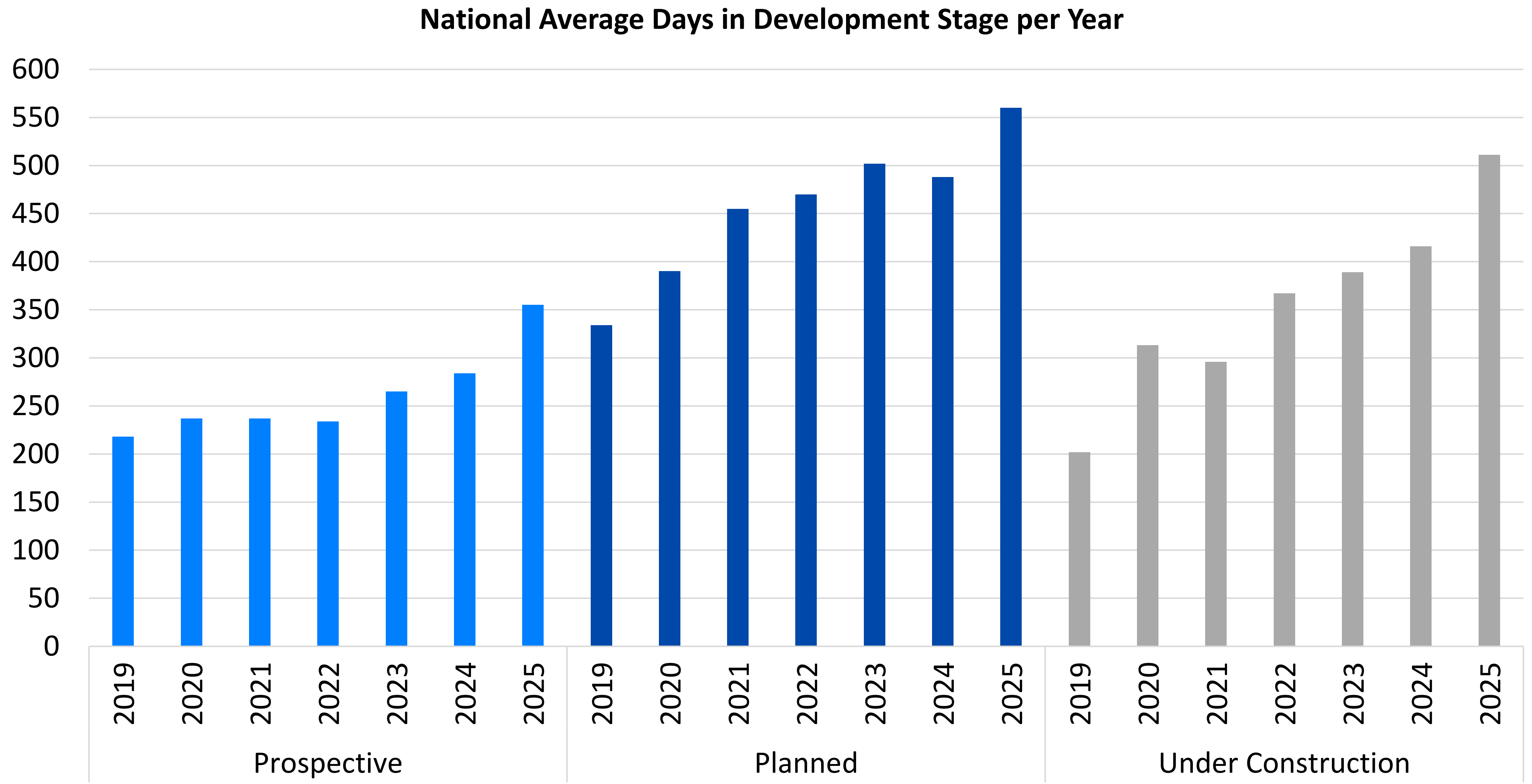
Takeaways From Our Q3 2025 Self Storage Supply Forecast

- The Q3 2025 Yardi Matrix Self Storage supply forecast is substantially unchanged from the Q2 update
- Yardi Matrix development pipeline data continues indicate development activity is slowing. This was anticipated in previous forecasts. For Matrix markets open at least 24 months:
    - The under-construction pipeline was flat quarter over quarter, but has declined 14.1% year over year
    - Through the first half of 2025, Yardi Matrix has identified 19.87 million net rentable square feet in new self storage construction starts. This is 13.2% below the amount recorded over the first half of 2024
    - The prospective pipeline continues to contract noticeably, decreasing 3.5% quarter over quarter and 22.5% year over year
    - The monthly number of abandoned projects remains elevated. As of June, the trailing three-month average stood at 52 projects



Source: Yardi Matrix

The Average Number of Days Projects Spend in Each Phase of the Development Cycle Appears to be Increasing in 2025



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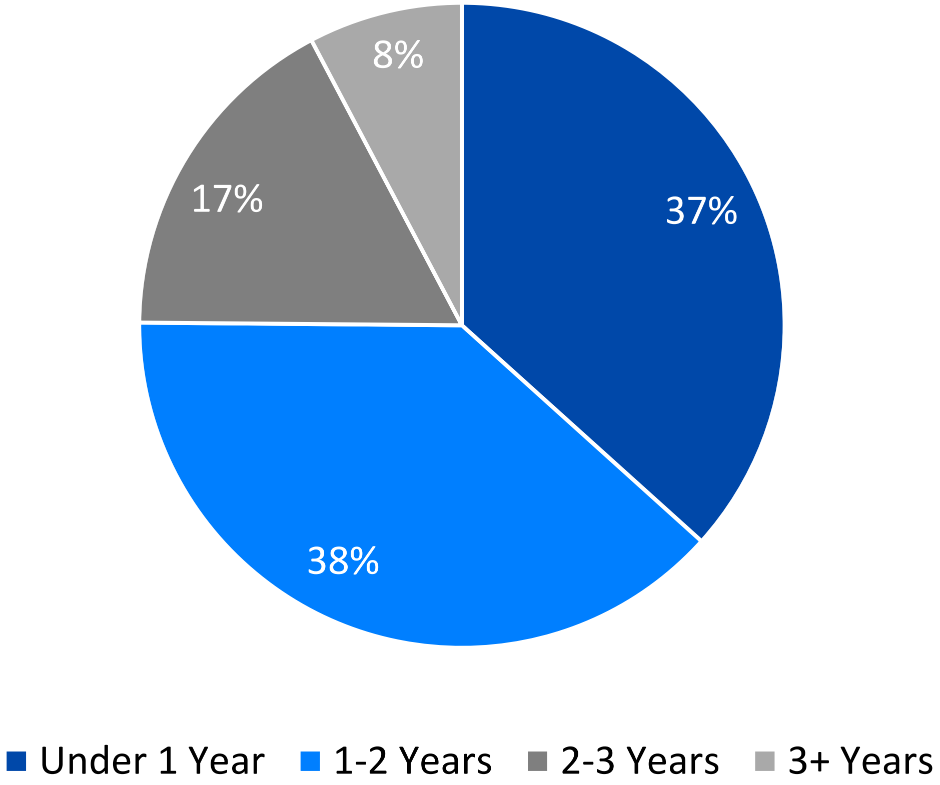
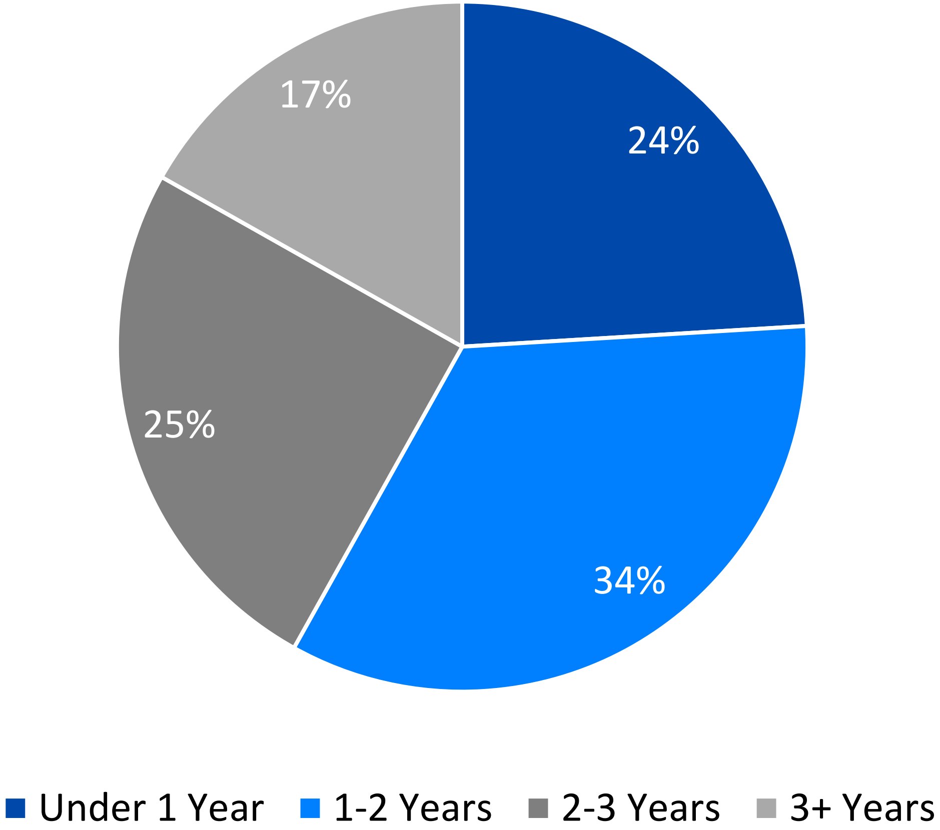
As of July 2025 | Source: Yardi Matrix

Over 40% of Planned Projects Are Over 2 Years Old While Recent Construction Starts Were Planned More Recently

Properties That Started Construction in the Last 2 Years by # of Years in Planned



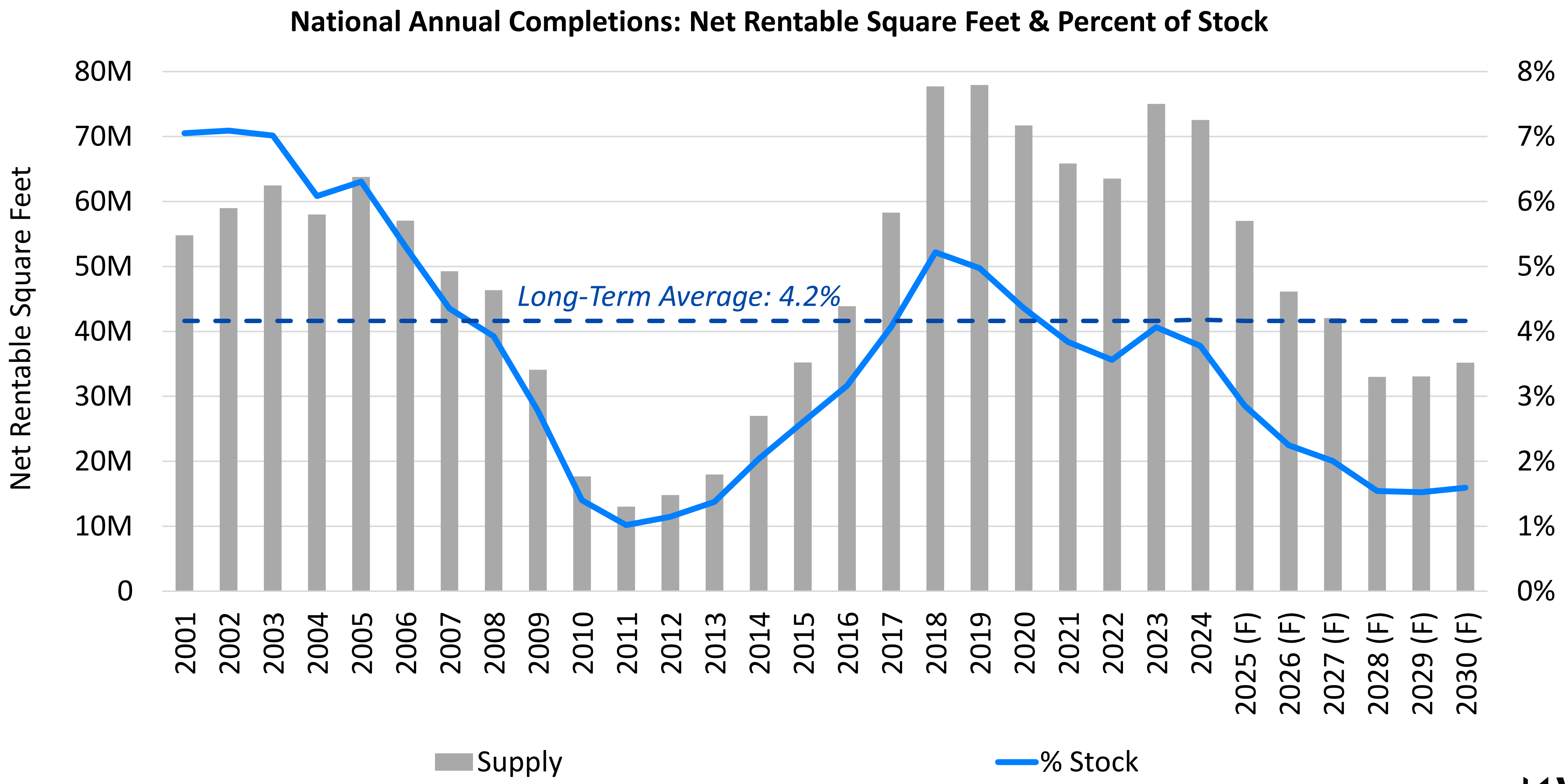
Planned Projects by # of Years in Planning



YARDI

Data as of August 2025. For new build and conversions. | Source: Yardi Matrix

Supply Forecast Shows a Sharp Decline in Deliveries Over Next Four Years



YARDI

Source: Yardi Matrix

Forecast of New Storage Supply Summary
National Q3 2025 Update

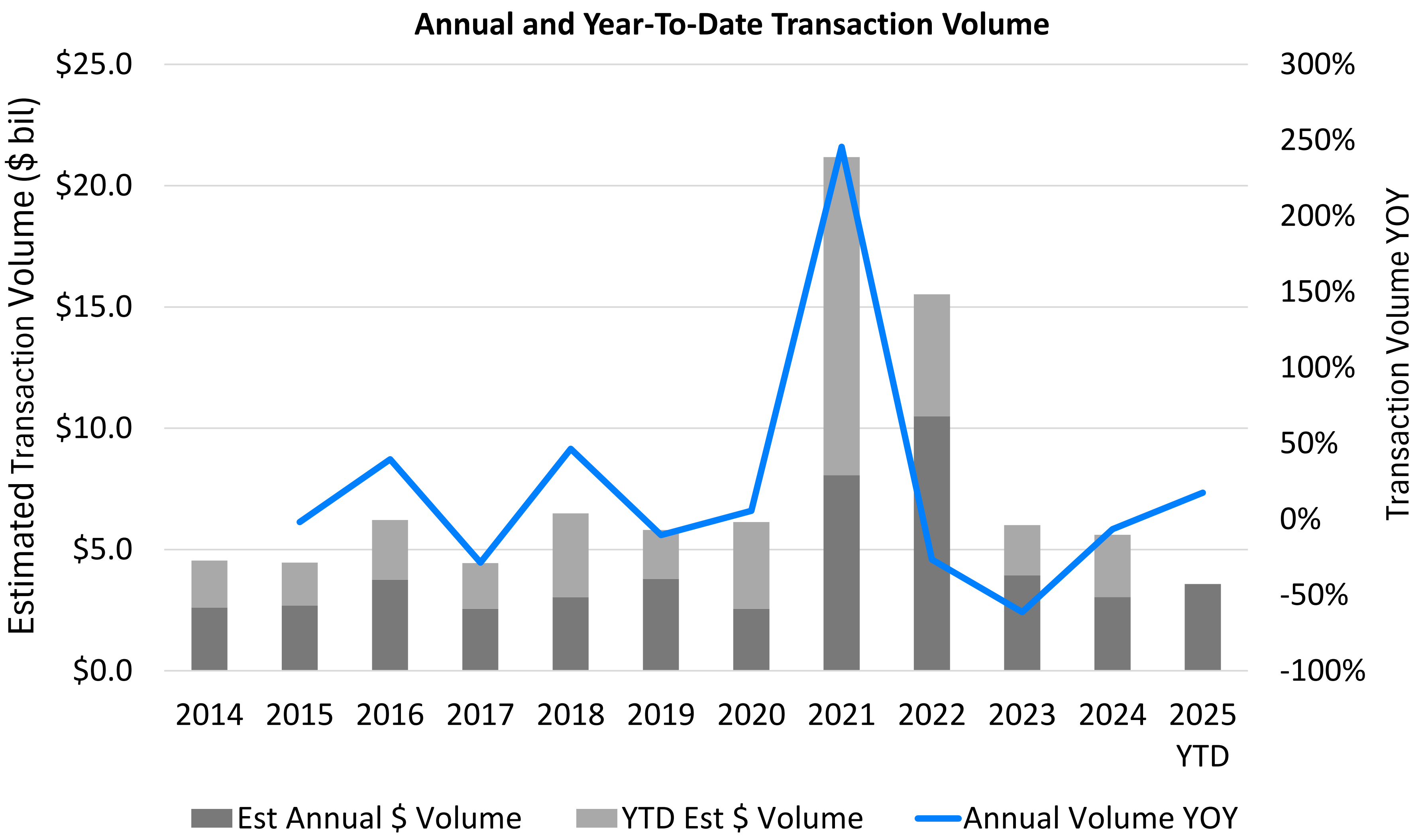
Property Forecasts	Actual 2024 Completions	2025	2026	2027	2028	2029	2030
New Build	757	582	469	426	355	371	363
Conversion	110	56	40	38	17	15	13
Expansion	352	171	111	117	89	85	113
Total	**1,219**	**809**	**620**	**581**	**461**	**471**	**489**

NRSF Forecasts (MM)	Actual 2024 Completions	2025	2026	2027	2028	2029	2030
New Build	54.33	46.27	38.14	33.35	27.53	28.04	28.56
Conversion	7.81	4.47	3.07	2.71	1.14	0.94	0.85
Expansion	10.42	6.25	4.91	5.98	4.33	4.10	5.76
Total	**72.55**	**57.00**	**46.12**	**42.05**	**33.00**	**33.08**	**35.17**
NRSF as a % of Stock	**3.8%**	**2.9%**	**2.2%**	**2.0%**	**1.5%**	**1.5%**	**1.6%**

NRSF as a % of stock based on previous year's inventory. Forecast totals include all storage markets nationwide | Source: Yardi Matrix

SELF STORAGE TRANSACTIONS

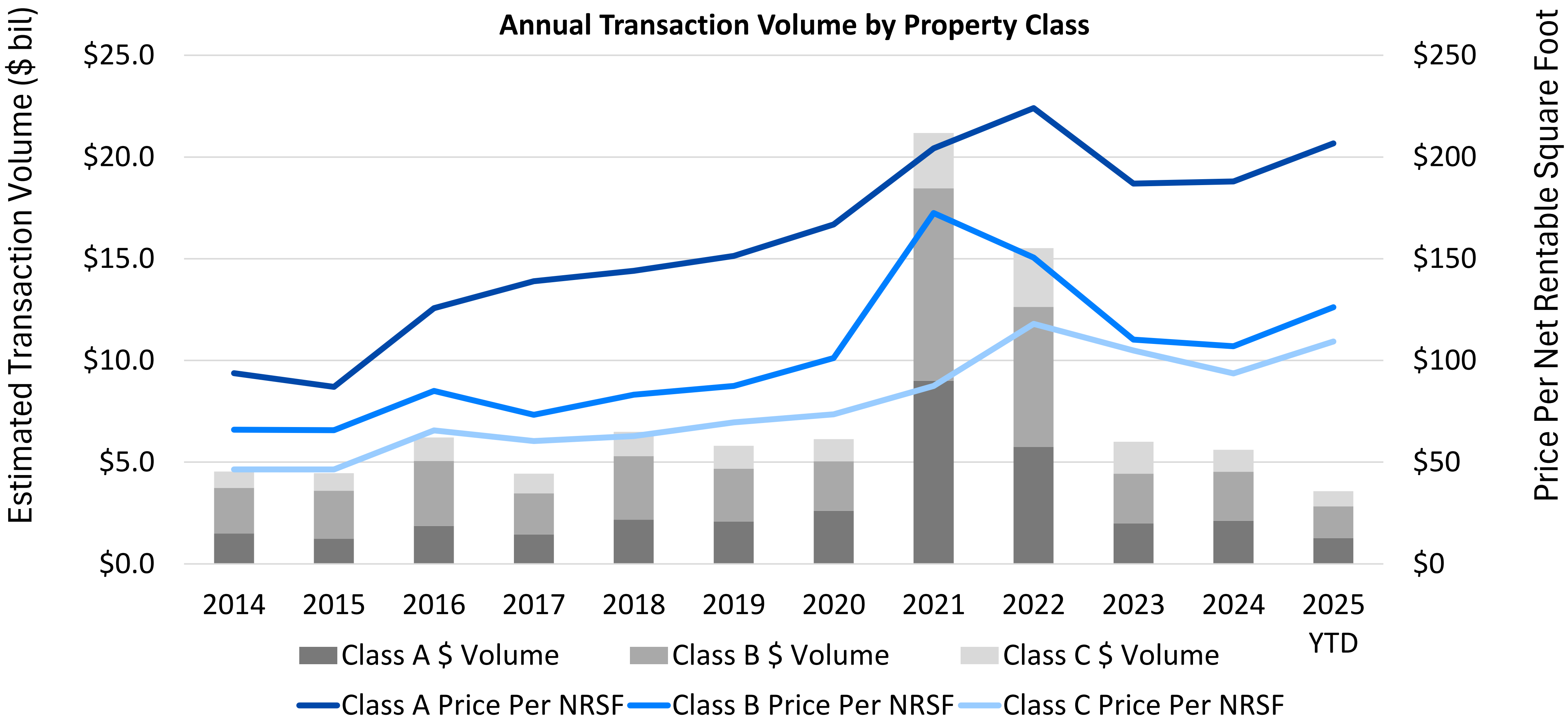
Number of Properties Sold YTD Behind 2024
But Estimated Volume Up 17% Due to Elevated Pricing



YEAR	STORES SOLD PER YEAR
2021	2,217
2022	1,826
2023	871
2024	834
2025 YTD	400

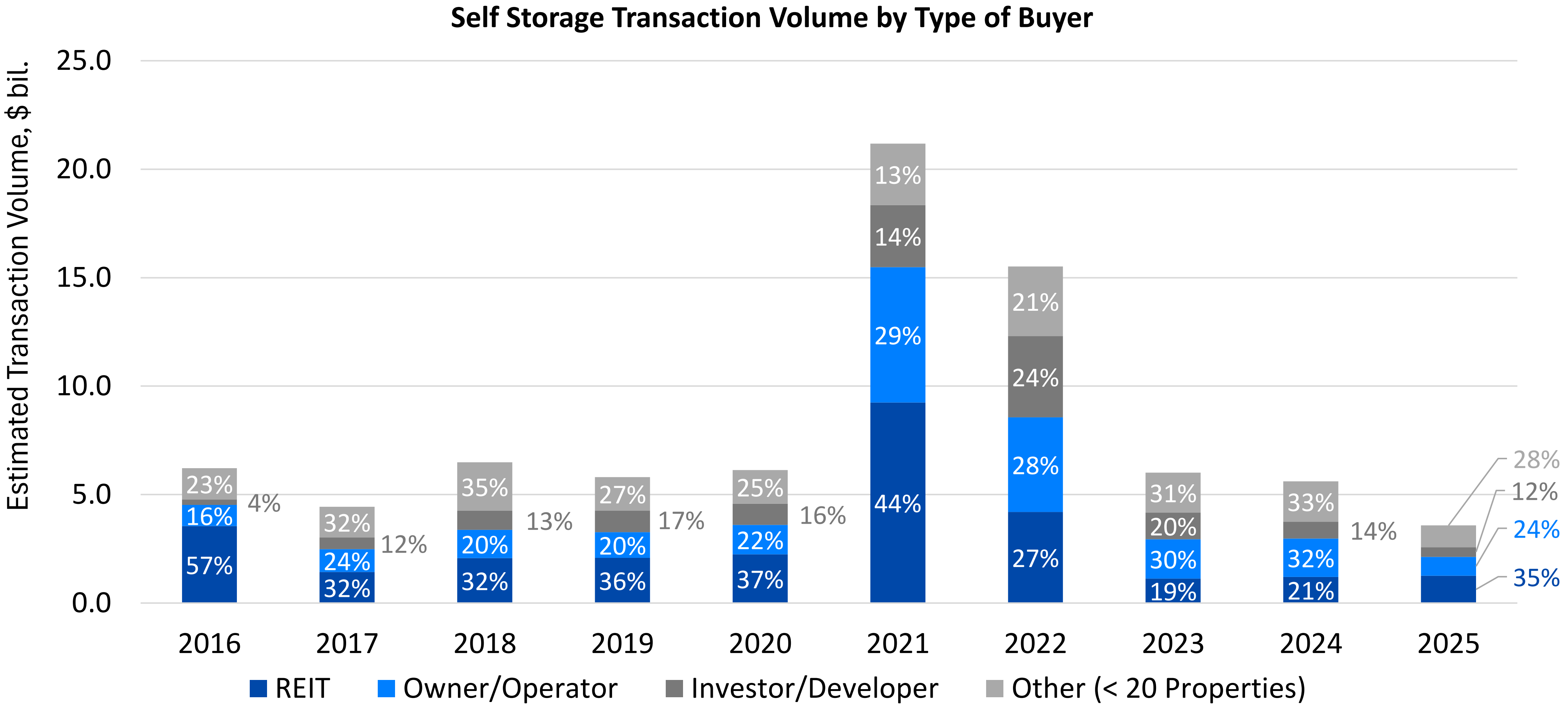
Sales volume has been estimated for properties missing price.
Data as of 8-22-25. Sales before property completion and entity sales are excluded | Source: Yardi Matrix

Sales Price Per Square Foot Recovering in 2025 so far up Over $200/PSF for Class A Properties



Sales volume has been estimated for properties missing price. Price PSF is for properties with confirmed pricing.
Data as of 8-22-25. Sales before property completion and entity sales are excluded | Source: Yardi Matrix

REITs Have Picked Up Transaction Volume in 2025



Sales volume has been estimated for properties missing price.
Data as of 8-22-25. Sales before property completion and entity sales are excluded | Source: Yardi Matrix

REITs Have Been Most Active Buyers Over Last 12 Months

T12 NRSF Top Buyers				
Buyer	**Net Rentable SF Bought**	**Number of Properties**	**% Increase in Portfolio (NRSF)**	**Top Market Bought (NRSF)**
Public Storage	4,802,534	65	2%	Boise
Extra Space Storage	2,485,764	36	1%	San Antonio
National Storage Affiliates	1,600,666	28	2%	Oklahoma City
Merit Hill Capital	1,329,809	27	6%	Charleston
CubeSmart	1,909,507	24	3%	Dallas
Strat Property Management	1,412,600	24	45%	San Antonio
SmartStop Self Storage REIT	1,952,759	21	12%	Houston
City Line Capital	1,176,283	19	8%	Lafayette - Lake Charles
U - Haul Holding Company	1,068,985	17	1%	Minneapolis
Prime Group Holdings	1,318,287	16	5%	Southwest Florida Coast

Sales from 8/1/2024 through 8/21/2025. Entity sales and portfolio recaps excluded | Source: Yardi Matrix

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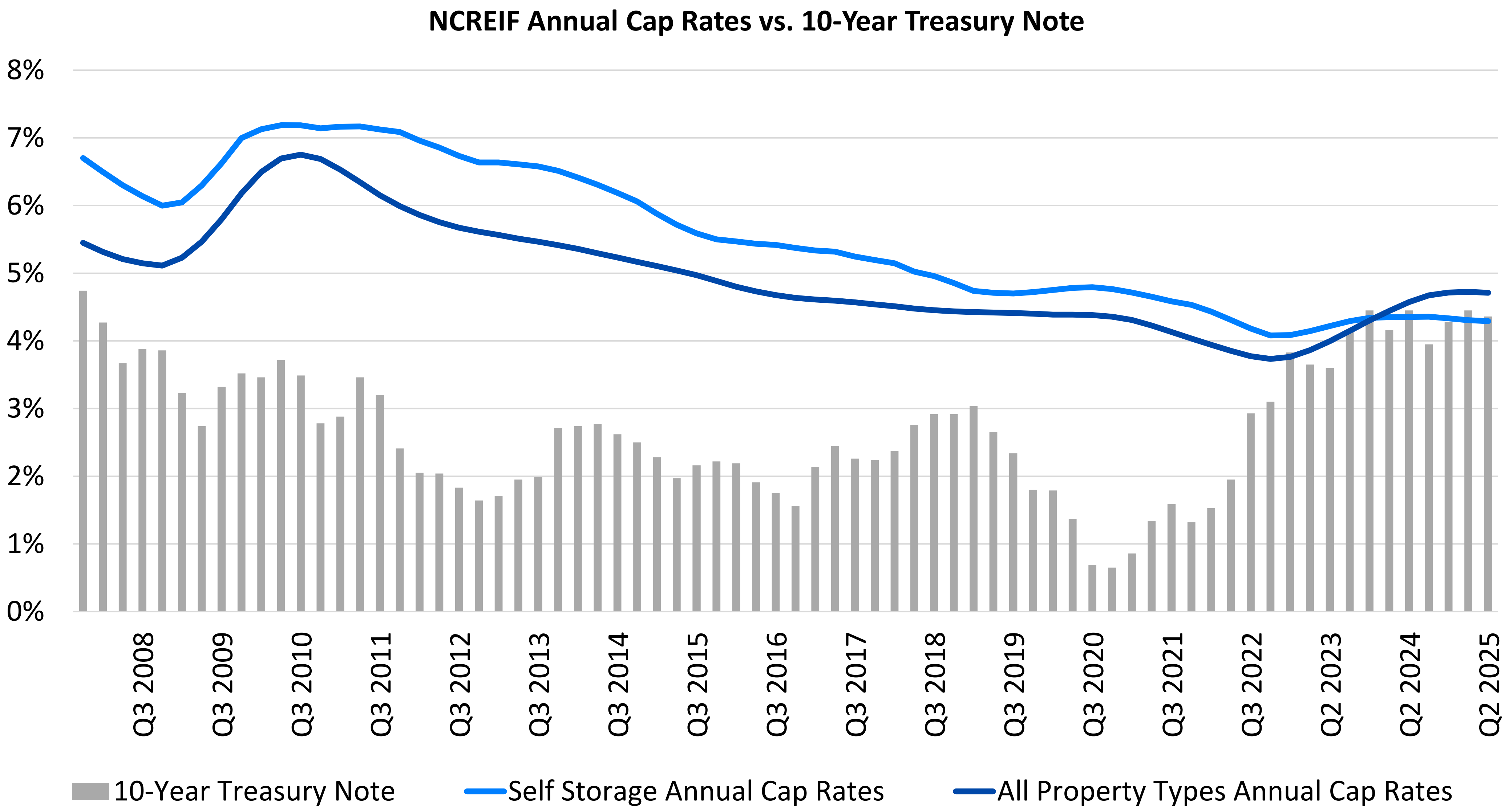
Portfolio Sales Activity Has Picked Up in Recent Months Led by Public Storage

- **Etude Capital** along with JV partner **San Filipe Financing** acquired 5 properties on the West Coast, 2 in California and 3 in Nevada, from **Northwest Building** in August 2025, to be managed by West Coast Self-Storage
- **Public Storage** bought 17 properties in 6 states from **Merit Hill Capital** in July 2025, mostly older properties with an average age of 23 years, adding nearly 1 million square feet to their portfolio
- Additionally, **Public Storage** acquired the 6-property **Idaho Storage Connection** portfolio in Boise in July 2025, making them the second largest owner/manager in the market with 15 total stores
- **W.P. Carey** sold 10 properties in Florida to **Public Storage** in June/July 2025 for an estimated $39.25 million, capping off a busy summer for the REIT (May-August) where they acquired nearly 40 properties in 12 different states
- **CubeSmart** purchased an 8-property portfolio in the West (CA, CO & UT) from **The Schomac Group** in July 2025
- **Storage Post** bought the 3-property **Sofia Storage** portfolio in New York City (2 in Manhattan, 1 in Brooklyn) in July for $110 million, over $700/SF; additional Sofia Storage in Manhattan sold to Angelo Gordon to be redeveloped into multifamily
- **SmartStop** acquired 5 Class A properties from **Amazing Spaces Storage Centers** for $108.1 million or $230/SF in June 2025, all located in the Houston MSA

Bolded blue represents **seller**, **bolded black** represents the **buyer**.

Source: Yardi Matrix; modernstoragemedia.com; prnewswire.com; ksl.com; bloomberg.com; therealdeal.com; lawstreetmedia.com; reuters.com; multihousingnews.com

NCREIF Storage Cap Rates Have Been Relatively Stagnant Since 2023



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

Yardi Matrix Self Storage House View – August 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 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 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

- **Summary: The sector is nearing an inflection point as oversupply eases, rents stabilize and revenue strategies shift.**
- Self storage demand has dropped over the past three years with home sales at a 30-year low and weak migration. However, fundamentals have stabilized, supported by long-term tenants, consumer space needs, and limited new supply.
- Advertised rates down 8% from peak in July 2022 but YoY growth flat in June and July. Both the decline and turnaround has been led by the REITs who have been unable to grow revenue based on discounted new customer rates and existing customer rate increases.
- New supply has also impacted rates in recent years, especially in the high-supply Sunbelt region. But supply is finally starting to subside and transition into cyclical decline which will help accelerate the recovery once demand growth reignites.
- Transaction activity is slowly recovering, class A and B property pricing improving. Portfolio sales started off slow but have picked up.

Source: Yardi Matrix

REIT Q2 2025 Results and Guidance Summary

- Weighted-average same store revenue growth decelerated to -0.3% in Q2 2025 after improving the previous three quarters due to a 40 basis point decline in period average occupancy, while realized rent growth increased to 0%
  - REITs are employing different revenue management strategies; those with high occupancy are increasing advertised rates
  - For the largest REIT markets, revenue growth ranged from -8.7% in Southwest Florida and -5.9% in Atlanta to +2.6% in Chicago & Washington DC, +3.5% in Seattle and +4.4% in Tampa (hurricane-related)
- Same store NOI declined even further, down 2.2% on a weighted-average basis in Q2 as expense growth outpaced revenue growth for the eighth straight quarter
  - Skyrocketing property insurance and marketing costs in recent years have subsided as property taxes, the single-largest expense line item, have grown the fastest in recent quarters
  - NOI declining rapidly in San Antonio (-13.9%), Denver (-12.1%) and Atlanta (-11.9%) but increasing in high-rent, high-margin markets like Washington DC (+1.8%), San Francisco (+2.1%) and Seattle (+5.3%)
  - Weighted-average NOI margin of 72.7% in Q2 is down from a peak of 75.6% in Q1 2023
- Guidance shifted for a few companies in the quarter with total 2025 revenue growth expected to range from -1.2% to +0.6% and NOI growth from -2.9% to -0.4%
  - REITs expect little boost from occupancy and a housing market recovery but will continue to see low existing customer turnover, improving street rates and less competition from new deliveries overall…
  - Although the recovery will continue to be uneven as some markets continue to face new competition and rely heavily on housing markets/migration to lease up new properties

Source: Yardi Matrix

What Does This Mean For You?

- **Operations/Manager** – *demand expected remain consistent/improve*, new supply waning - now is the time to start pushing street rents year-over-year (seasonal slowdown aside)
    - Exceptions – rents suppressed in high supply markets and trade areas with supply in lease up – recovery may take years
- **Owner/Operating Partner** – occupancy, rent, revenue and NOI *growth will continue to be slow*, but conditions are improving and cash flows should follow; prepare for the upturn
- **Investor/Portfolio Manager** – building a *geographically-diversified portfolio* is key to maintaining cash flow
    - Demand not tied to housing or migration but location-specific; exposure to a variety of supply and demand dynamics helps
- **Developer** – *think outside the box* – overcrowding in the Sunbelt (i.e. Southwest, Atlanta, Florida) but plenty of markets and trade areas with solid fundamentals that can absorb new supply (i.e. Northwest, Mountain West, Midwest)
    - **Having accurate and timely data is the key to success** – predicting demand complicated, focus on understanding what new supply is coming and how rents have trended recently
- **Contractor/Building Supplier** – new construction starts in *cyclical decline*, still plenty of capital and interest in development
    - Developments that have been planned for years should be the first to start construction once demand starts to pick up
- **Investment Sales Professional** – market conditions stabilizing, elevated investor interest and pricing recovering - now is an ideal time for owners to *consider a sale and recycle capital*, particularly Class A/B assets in markets that have turned the corner
- **Debt Professional** – acquisition activity recovering with fundamentals, *pricing/interest rate clarity*; be selective on construction

Source: Yardi Matrix

Upcoming Events

SSA Fall Conference & Trade Show

Come by **booth #135** or schedule a meeting (Tyson.Huebner@Yardi.com)

LAS VEGAS | SEPTEMBER 2ND – 5TH

Education Session: Self Storage National Outlook

SEPTEMBER 5TH, 8:00AM – 8:45AM PT

Fall Webinar Series

Multifamily National Outlook

OCTOBER 16TH

Affordable Housing National Outlook

NOVEMBER 13TH

Student Housing National Outlook

DECEMBER 10TH

Yardi Matrix

THANK YOU

Feel free to contact us with any questions

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