

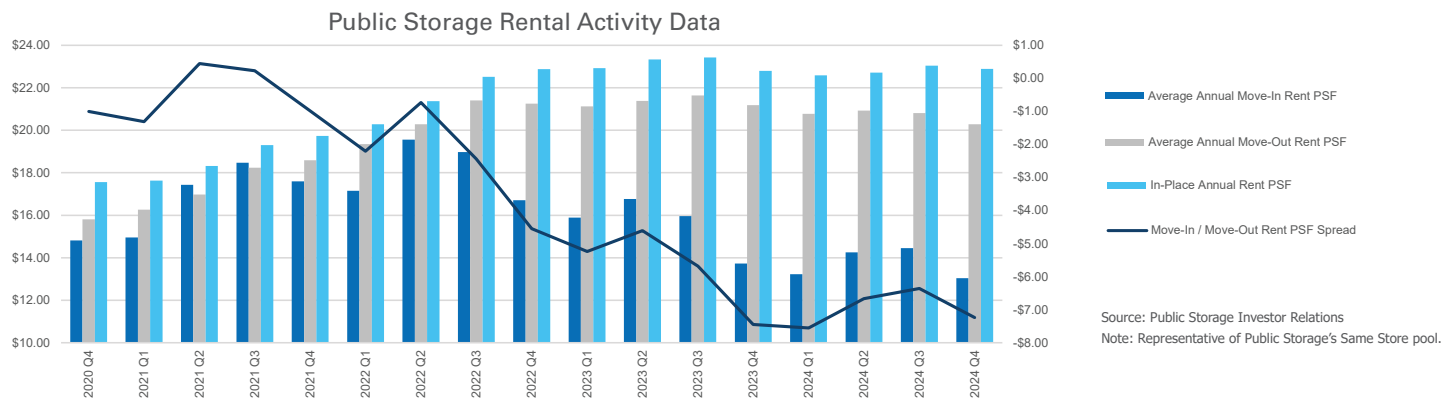
# SELF STORAGE MARKET OVERVIEW

Q4 2024

The self storage sector continued to prove resilient during the fourth quarter as top of funnel demand remains robust highlighted by strong rental activity during the quarter, healthy tenant bases with consistent payment trends, high levels of ECRI acceptance and improving operational efficiencies. Meanwhile, the spread between move-in and move-out rents continues to narrow with year-over-year move-in rent comparisons in the fourth quarter down low teens to single digit percentages with indications through the first couple months of 2025 of an inflection point towards flat to positive year-over-year. Increased operational efficiencies and the implementation of AI to optimize staffing, revenue management and the customer experience continue to support strong Net Operating Income (NOI) margins; with both the West and Northeast regions experiencing sequential improvements while the South and Midwest regions remain above the historical averages. The new supply pipeline remains a tailwind for medium- and long-term operating fundamentals with an 8.47% decrease in square footage delivered in 2024 relative to 2023 with expectations for a continued decline in new deliveries through 2028.

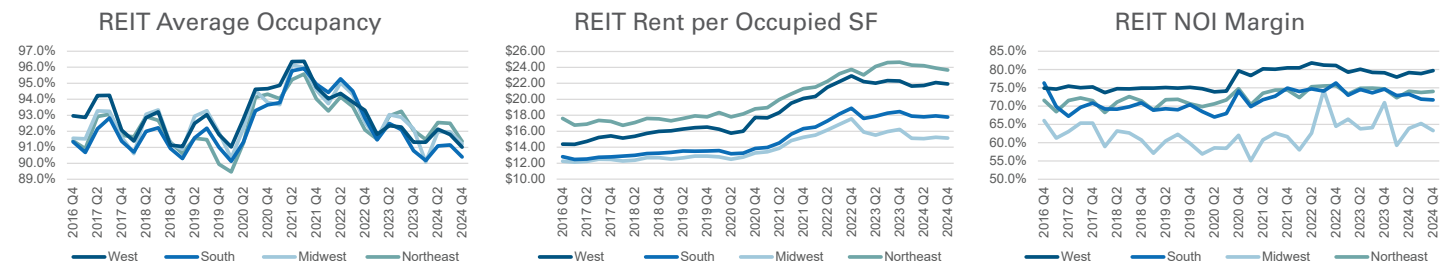
## REVENUE MANAGEMENT

The efficacy of revenue management strategies is evident by the stability of in-place rent per square foot despite the contrasting volatility of the spread between move-in/move-out rates.



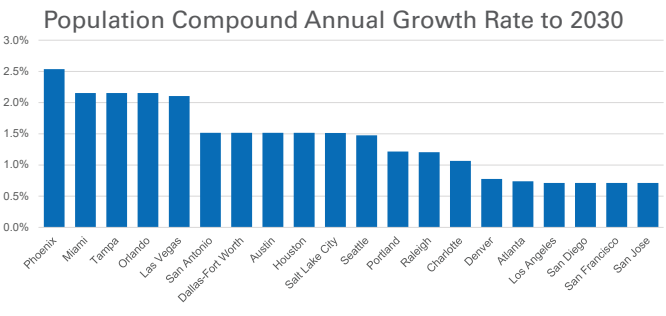
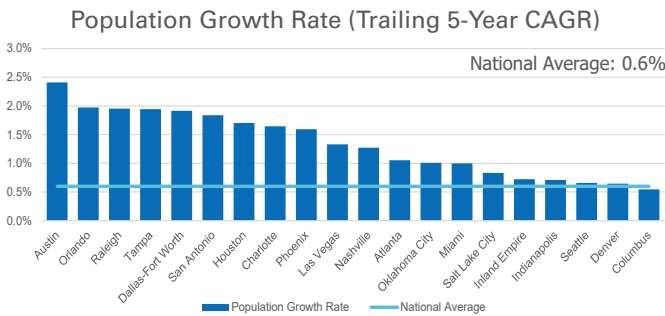
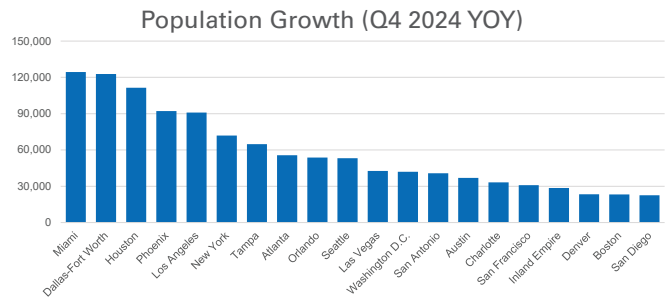
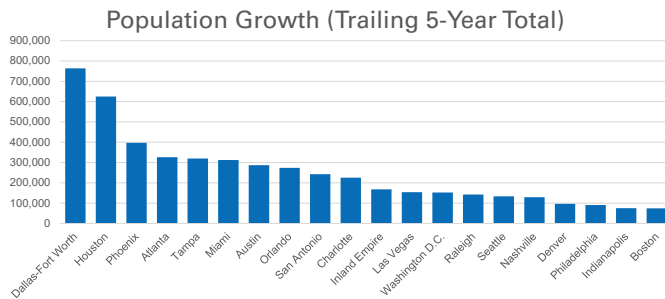
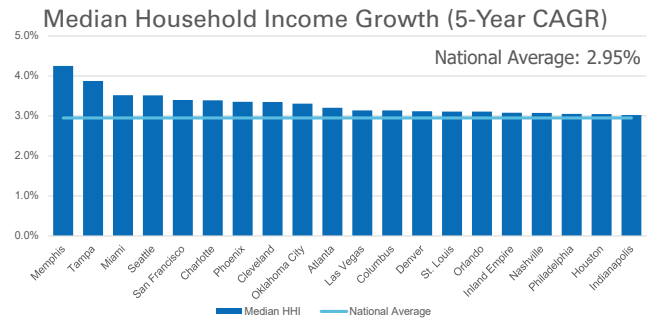
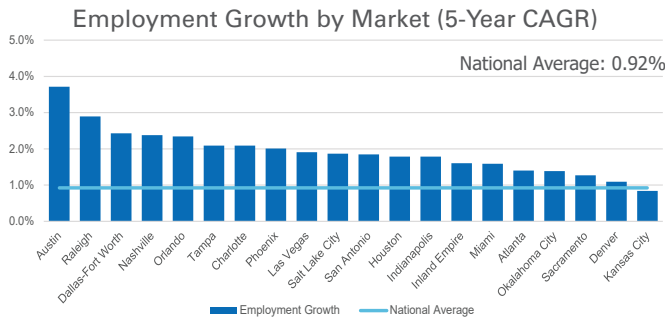
## SELF STORAGE REIT DATA

The REITs remain largely focused on maximizing top-line revenue growth, while keenly focusing on optimizing operational efficiencies. Rental activity during the quarter was robust, which helped maintain elevated occupancy levels with a quarter-end weighted average same store occupancy of 91.4%. Strong occupancy levels combined with an improving move-in rent environment, a healthy existing tenant base, and a declining supply pipeline bodes well for REITs to drive outsized top-line growth as their sophisticated revenue management strategies effectively manage growth levers. All four regions during the fourth quarter exhibited NOI margins higher than their historic averages; notably the Western region had the largest delta with a NOI margin 270-bps above the long-term average, while the South had the lowest delta with a 20-bps spread to the long-term average.



# ECONOMIC TRENDS

The Sunbelt region, particularly in Florida, Texas, and Arizona, experienced outsized population, employment, and income growth over the last 5-years resulting from changing consumer lifestyle choices and business friendly environments. Although this trend is expected to continue for the next 5-years, gateway cities such as New York and Los Angeles have begun to show signs of a reversion to historic norms with year-over-year population growth in the top decile of the top 50 MSAs. The following graphs highlight the top 20 markets for consistent growth in three categories: employment, household income and population.



Source: Newmark, Moody's Analytics, ESRI

## U-HAUL TOP 10 GROWTH STATES & CITIES 2024

U-Haul publishes an annual list ranking destinations for one-way truck rentals, categorized by both city and state. For the first time, South Carolina topped the list of states followed by other sunbelt markets that make up the balance of the top 5 states, with Florida being ranked fourth or higher every year since 2015. Meanwhile, California experienced the greatest net-loss and was ranked 50th overall for the fifth consecutive year.

### Top U-Haul Growth States

1 South Carolina	6 Arizona
2 Texas	7 Washington
3 North Carolina	8 Indiana
4 Florida	9 Utah
5 Tennessee	10 Idaho

### Top U-Haul Growth Cities

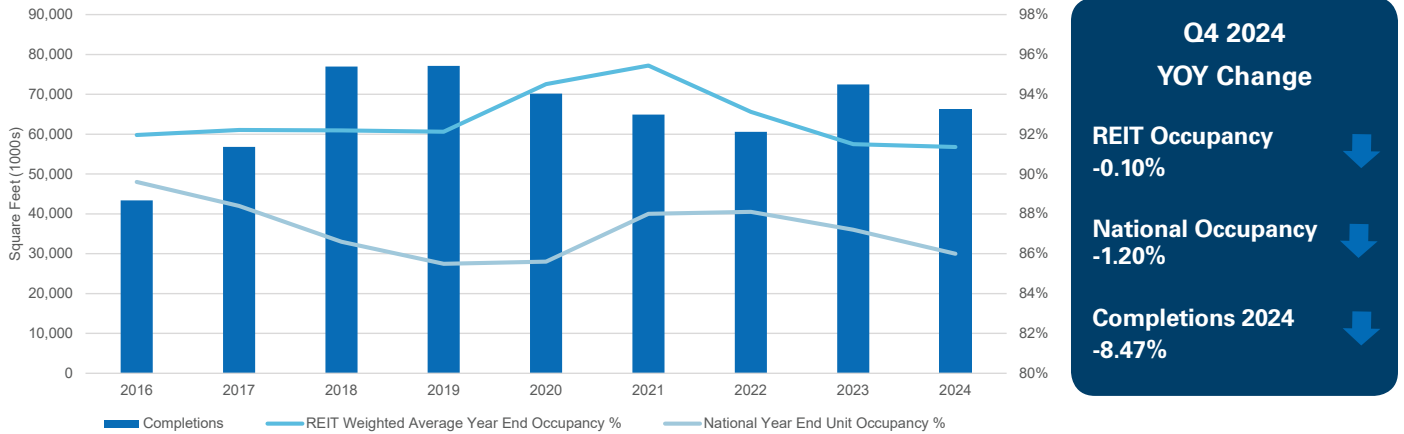
1 Dallas, TX	6 Nashville, TN
2 Charlotte, NC	7 Raleigh, NC
3 Phoenix, AZ	8 Palm Bay, FL
4 Lakeland, FL	9 Houston, TX
5 Austin, TX	10 Greenville, SC

Source: U-Haul

# SELF STORAGE SUPPLY & POPULATION GROWTH

National self storage completions declined on a year-over-year basis by 8.47% with expectations of a subsequent 15.25% decline in 2025 relative to 2024. The future supply pipeline remains a tailwind for the industry as new completions are expected to continuously decline from the post-pandemic peak in 2023. With a negative 14.48% CAGR from the 2023 peak through 2028, the estimated new supply in 2028 will be less than half of what was delivered in 2023 on a national basis. Although certain markets are still absorbing the recently delivered supply, the overall demand for self storage has remained robust; highlighted by strong national demand with unit level occupancy ending the year 50-bps higher than the pre-pandemic 2019 levels. The graph below illustrates the change in homeownership rates relative to renters, highlighting the recent decline in homeownership, as housing affordability remains historically low, and an influx of new multifamily deliveries has forced landlords to offer attractive leasing concessions.

U.S. Deliveries vs. Occupancy

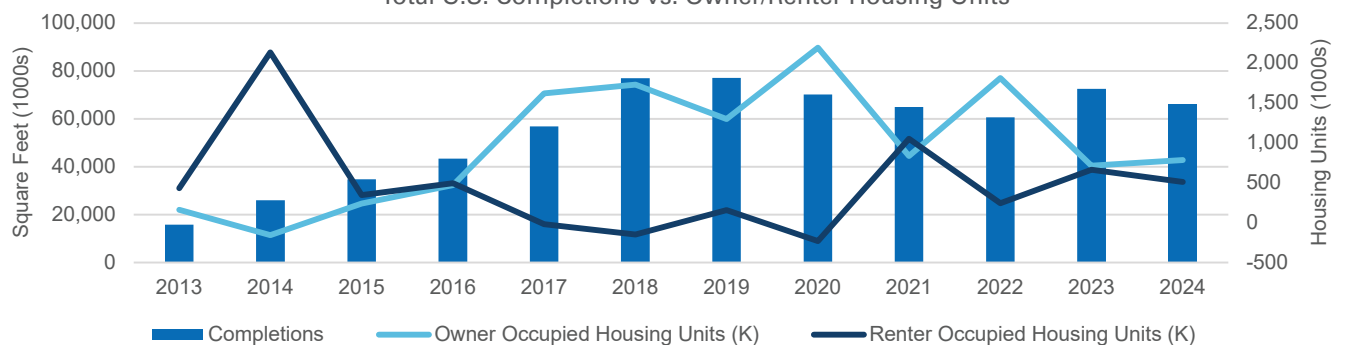


Source: Newmark Research, REIS, Yardi  
 Note: Yardi supply data is updated quarterly to reflect new markets and additional information included in the underlying data set in order to ensure accuracy.

Total U.S. Completions vs. Population YoY



Total U.S. Completions vs. Owner/Renter Housing Units



Source: Newmark, Green Street, Moody's Analytics, Yardi

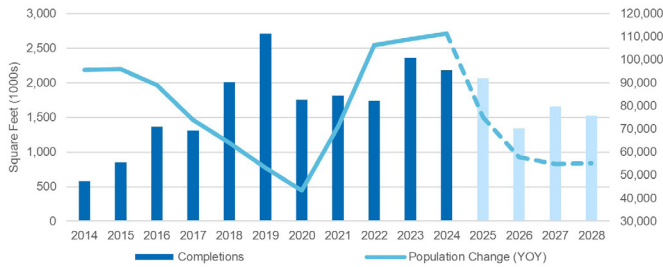
# TOP MARKETS FOR NEW SUPPLY & POPULATION GROWTH

The correlation between population growth and new supply is evident in that many of the top markets based on projected new supply have also been the fastest growing markets in the country over the last 5-years and are expected to continue that trend through 2028. As these markets exhibit robust macroeconomic trends such as strong net-migration and growth in both employment and household income, they are expected to absorb new supply and continue to be attractive markets. These graphs compare historical and future projected self storage deliveries to population growth. On the left, the top five markets are ranked in order of the highest total square feet of new supply delivered, and by highest projected population growth on the right.

1

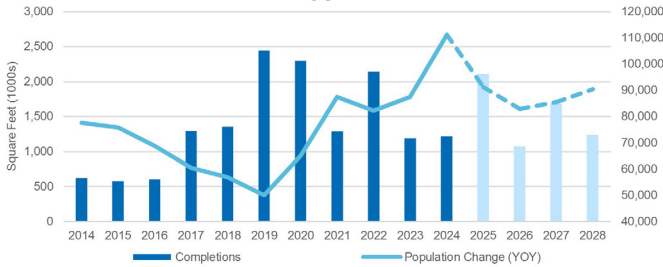
## RANKED BY NEW SUPPLY

### Atlanta



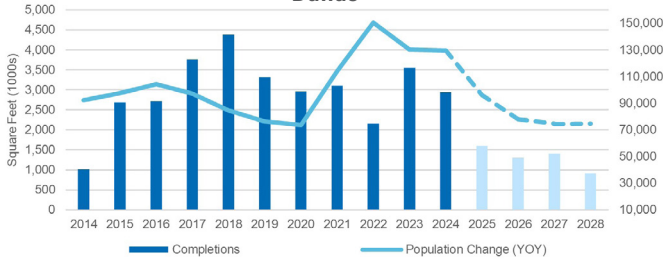
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### Phoenix



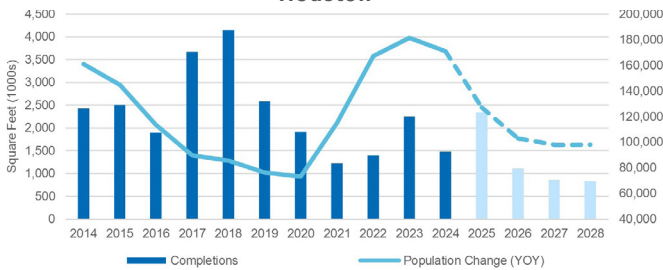
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### Dallas



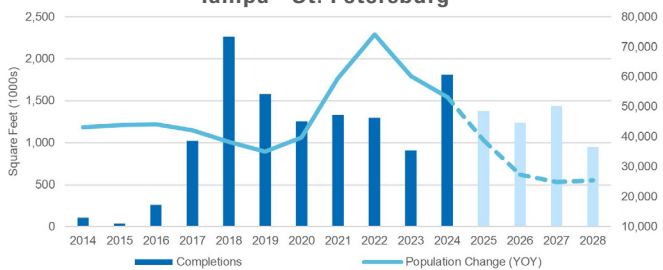
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### Houston



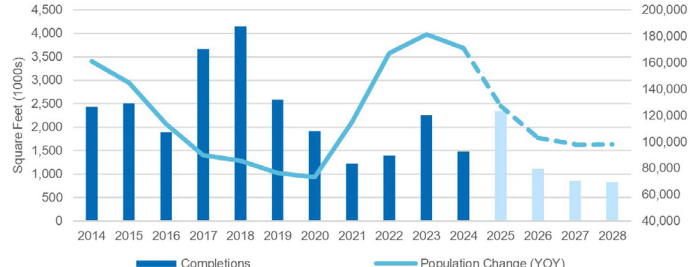
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### Tampa - St. Petersburg

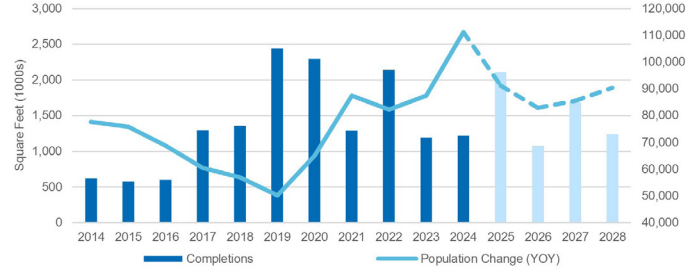


## RANKED BY POPULATION GROWTH

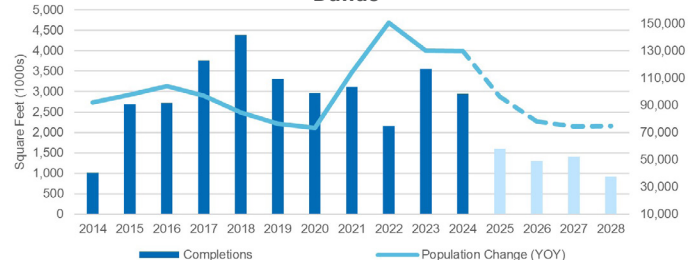
### Houston



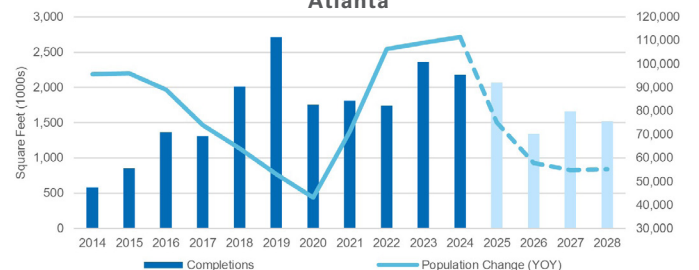
### Phoenix



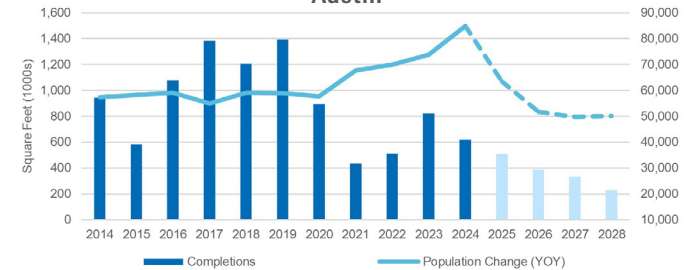
### Dallas



### Atlanta



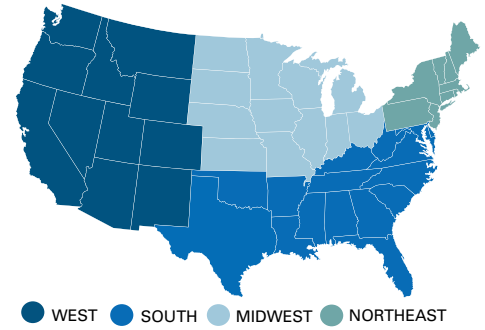
### Austin



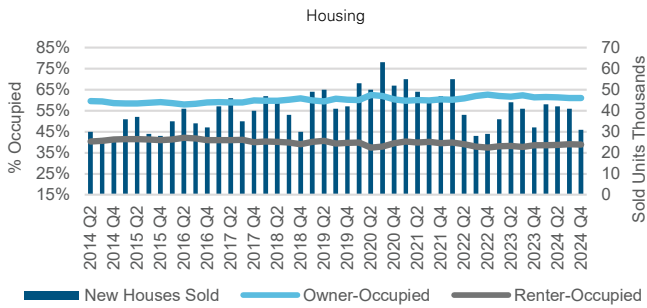
Source: Newmark, REIS, Yardi

# HOUSING & SELF STORAGE TRENDS BY REGION

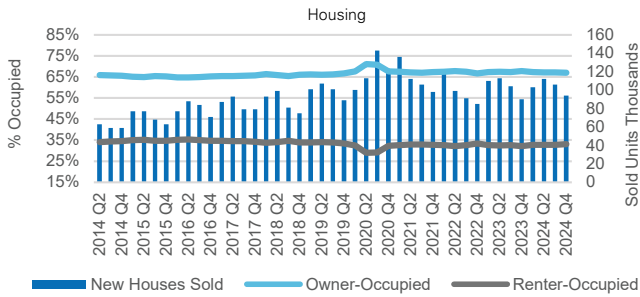
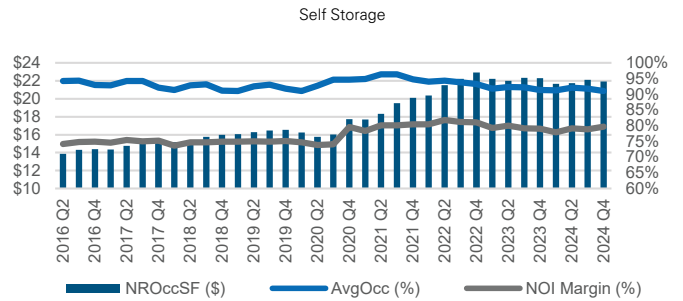
Housing transactions during the quarter remained subdued due to the structurally under-supplied housing market that is causing persistently increasing home prices with the median sales price increasing 5.91% year-over-year. Rising prices coupled with relatively high mortgage costs and the lackluster number of existing homes listed for sale has sidelined many prospective first-time buyers and has made the cost-benefit analysis of moving for current homeowners who locked in sub 4% mortgages unattractive. Although housing transitions have been a large demand driver for self storage, the sector has again proven its resilience as occupancy remains elevated and NOI margins improve, as smarter revenue management systems support stable revenue growth and utilization rates continue to increase.



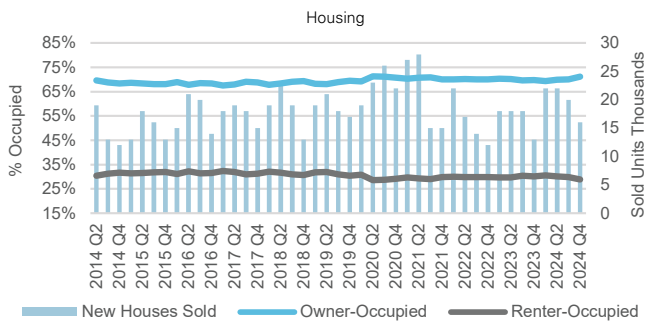
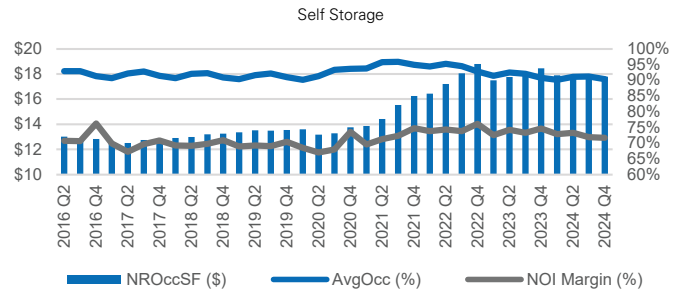
● WEST ● SOUTH ● MIDWEST ● NORTHEAST



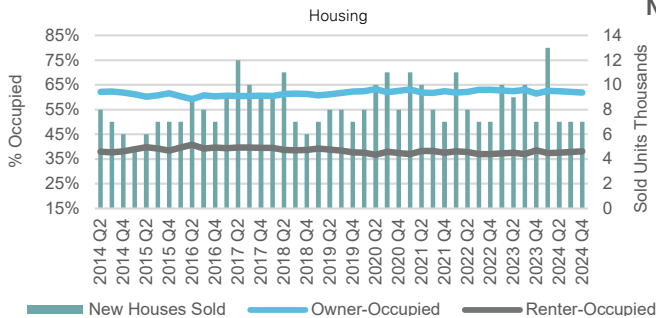
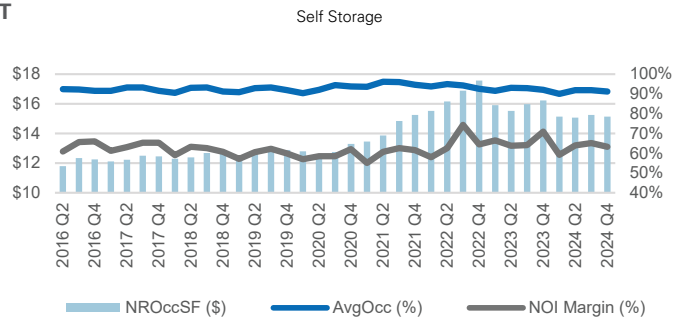
## WEST



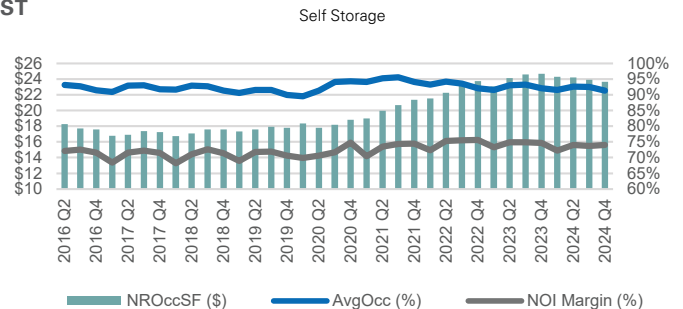
## SOUTH



## MIDWEST



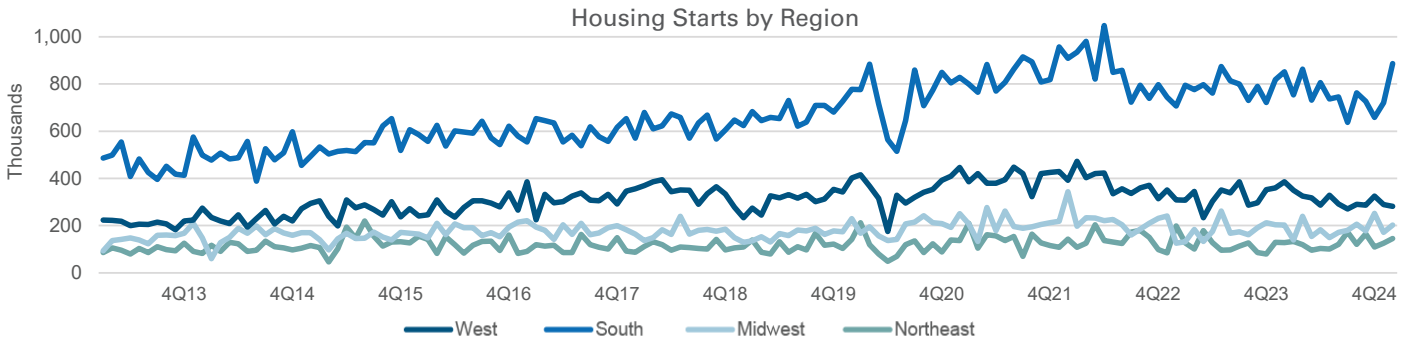
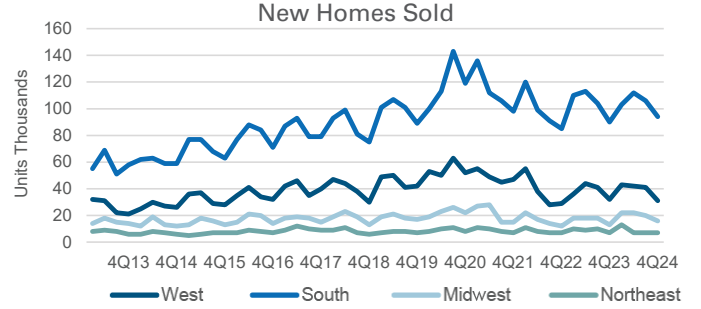
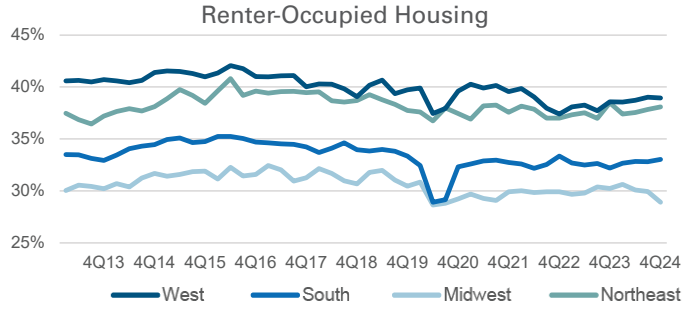
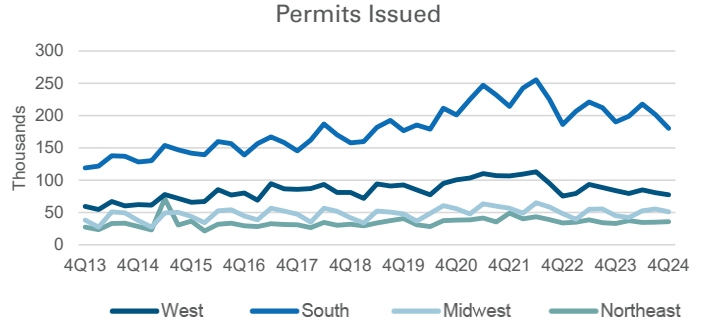
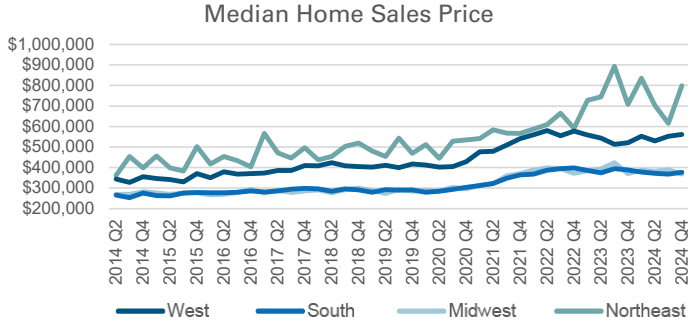
## NORTHEAST



Source: Newmark, FRED, PSA, Cube, EXR, NSA Investor Relations



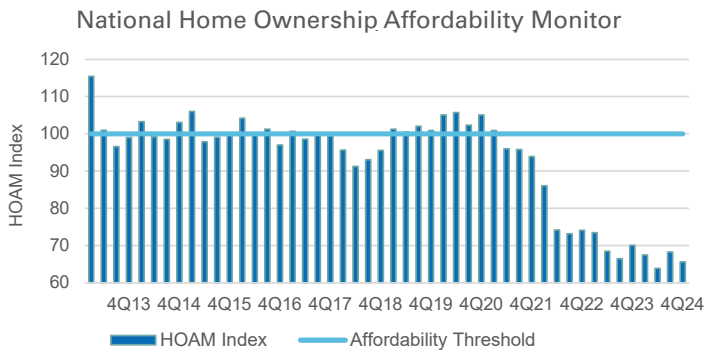
# HOUSING FUNDAMENTALS BY REGION



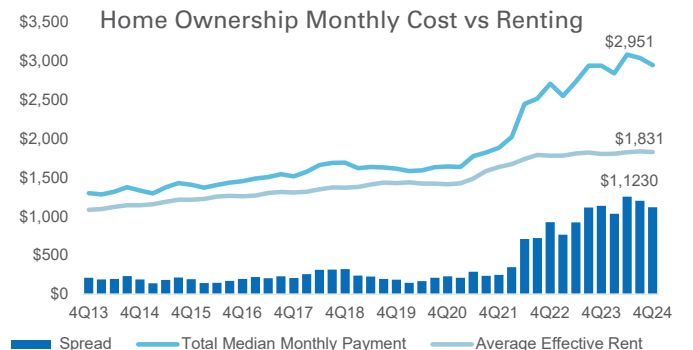
Source: Newmark, FRED, Moody's Analytics, US Census

## NATIONAL HOUSING TRENDS

Nationally, homes sales activity is at a multi-decade low as high mortgage costs, low levels of inventory, and persistently increasing home values have pushed affordability out of reach as median incomes as a percentage of homeownership costs surpassed 46% in December 2024, well above the 30% of income threshold set by the Atlanta Fed. Self storage markets that are more reliant on housing transitions have underperformed, relative to urban markets that serve more consistent renter demand. The spread between rental housing and ownership has narrowed over the previous three quarters as new single family housing units are delivered and home builders offer closing incentives such a mortgage rate buy downs and covering certain closing costs, while rental housing costs have stagnated due to the influx of multifamily housing delivered over the past two years.



Source: Newmark Research, Atlanta Federal Reserve



Source: Newmark Research, Atlanta Federal Reserve, RealPage

## TOP MARKETS PER 10x10 RATES

The gateway markets have consistently occupied the top spots for the highest rental rates with San Francisco and New York ranking first and second every quarter since the inaugural release of this report. Meanwhile, Las Vegas and Phoenix remain the top two fastest growing markets with rental rates growing at a compounded annual rate that far exceeds the average CAGR experienced across the top 50 MSAs; which is expected to continue given the strong underlying demographic trends in these markets. The accompanying charts illustrate climate and non-climate controlled 10x10 rental rate trends since 2015, and rank the top five markets in three categories: highest rental rates, highest compound annual growth rate and rate volatility.

### HIGHEST RENTAL RATES

Q4 2024

	Climate Controlled	Q4 '24	QoQ*
1	San Francisco	\$298.48	-1.32%
2	New York Metro	\$288.87	-2.68%
3	Los Angeles	\$264.00	-3.77%
4	San Diego	\$214.75	-1.00%
5	Miami	\$213.98	-3.56%

	Non-Climate	Q4 '24	QoQ*
1	San Francisco	\$291.08	-1.51%
2	New York Metro	\$254.92	-2.90%
3	Los Angeles	\$228.59	-2.09%
4	Miami	\$211.42	-3.76%
5	San Jose	\$203.39	-0.61%

### LOWEST RATE VOLATILITY

2015 - Q4 2024

	Climate Controlled	Low	High	Q4 '24
1	Oklahoma City	\$95.00	\$129.58	\$95.00
2	Kansas City	\$121.35	\$139.60	\$130.27
3	Detroit	\$136.43	\$165.23	\$154.39
4	Salt Lake City	\$120.95	\$153.97	\$149.73
5	New York Metro	\$261.31	\$312.71	\$288.87

	Non-Climate	Low	High	Q4 '24
1	Milwaukee	\$93.98	\$105.78	\$96.19
2	Oklahoma City	\$72.66	\$100.30	\$72.66
3	Portland	\$140.04	\$169.52	\$160.69
4	San Francisco	\$234.47	\$302.29	\$291.08
5	Detroit	\$116.14	\$144.24	\$130.58

### HIGHEST COMPOUND ANNUAL GROWTH RATE

	Climate Controlled	Q4 '24
1	Las Vegas	2.71%
2	Fresno	2.70%
3	Providence	2.40%
4	Minneapolis	2.40%
5	Los Angeles	2.27%

	Non-Climate	Q4 '24
1	Phoenix	3.08%
2	San Bernardino/Riverside	2.90%
3	Salt Lake City	2.53%
4	Miami	2.47%
5	Hartford	2.40%

### HIGHEST RATE VOLATILITY

2015 - Q4 2024

	Climate Controlled	Low	High	Q4 '24
1	Atlanta	\$132.28	\$171.78	\$145.25
2	Houston	\$114.37	\$158.75	\$141.55
3	St. Louis	\$112.50	\$137.18	\$120.81
4	Columbus	\$112.27	\$142.04	\$121.05
5	Charlotte	\$122.12	\$152.70	\$132.84

	Non-Climate	Low	High	Q4 '24
1	Charlotte	\$93.43	\$121.91	\$105.89
2	Columbus	\$89.54	\$122.08	\$103.61
3	Atlanta	\$108.08	\$140.29	\$117.73
4	Phoenix	\$101.75	\$149.60	\$137.86
5	Jacksonville	\$102.78	\$131.83	\$119.53

\*REIS updates historical data on an on-going basis. The quarter-over-quarter comparison on this page is based on their updated Q3 data compared to current Q4 data.

Source: Newmark, REIS



## Investment Sales & Advisory Experience



62+ Years

Combined Experience



1,640+ Properties

Across 40 States



\$17.35+ Billion

Completed Transactions



120.3+ Million

Square Feet Sold

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