

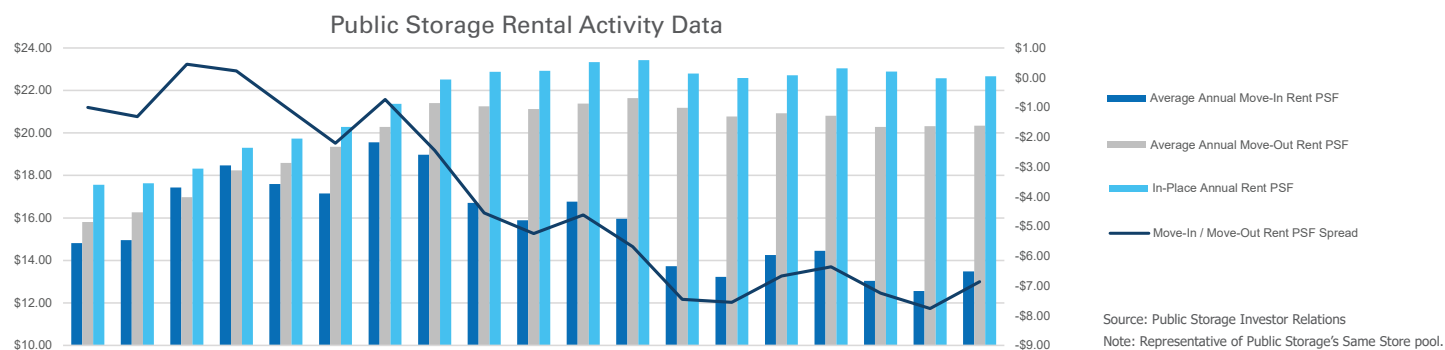
SELF STORAGE MARKET OVERVIEW

Q2 2025

The self storage sector exhibited stable operating metrics for Q2 2025, with continued signals that fundamentals have bottomed and incremental improvements are underway. Top-of-funnel demand remains strong, illustrated by the REIT weighted average occupancy of 91.9%, a 90-bps sequential increase, as well as continued elevated Google Search traffic. Street rates also indicated marginal year-over-year improvement, with June showing a 2% increase over June 2024—a significant reversal from the 11% year-over-year decrease seen in June 2023. Existing customer bases remain healthy, with low move-out activity and delinquencies, signaling stable churn and enhancing the efficacy of revenue management strategies. While all regions saw sequential improvements in occupancy, and all except the South, which was flat, saw sequential improvements in rent per occupied square foot as a result of a return of some seasonally related demand, only the Midwest saw both metrics positive on a year-over-year basis.

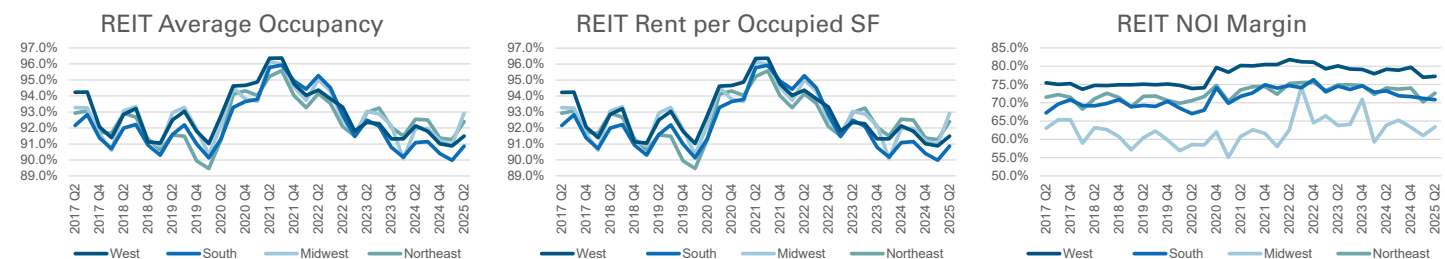
REVENUE MANAGEMENT

The efficacy of revenue management strategies is evident in the stability of in-place rent per square foot, which increased by 40-bps quarter-over-quarter and 58-bps year-over-year in the second quarter even as the spread between move-in and move-out rates remained negative. Since move-in rents peaked in Q2 2022, in-place rent has risen by 6.1%, while move-in rents are down 31% over the same period, reflecting the strength of the existing customer base, which has shown a consistent acceptance of rate increases. This stability allows sophisticated pricing platforms to successfully maximize revenue by focusing on a low-churn, high lifetime value tenant.



SELF STORAGE REIT DATA

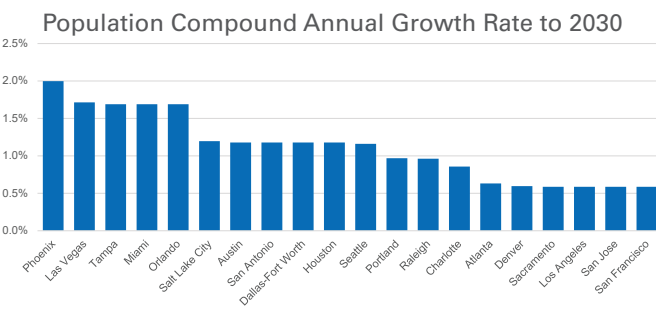
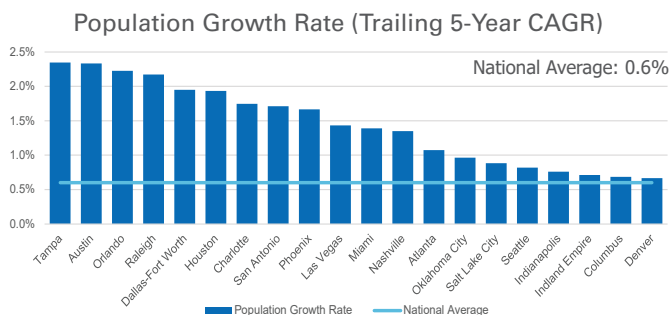
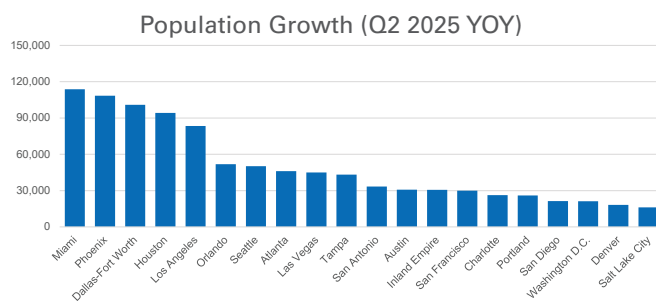
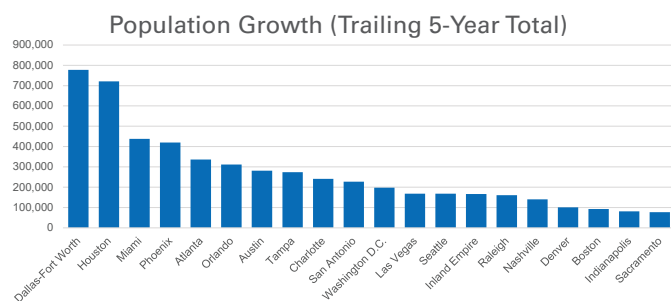
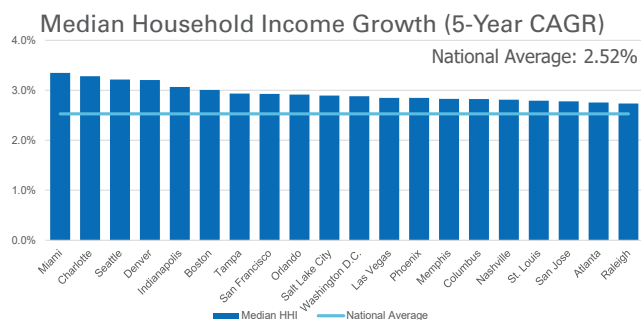
Self storage REITs remain focused on top-line growth while maintaining a disciplined approach to cost control. Same-store weighted average occupancy increased 90-bps sequentially to 91.9% for the quarter, and NOI margins remain elevated, with the Western region continuing to lead in margins at 77.2%, while the Northeast saw the largest quarterly sequential improvement of 2%. Move-in rent performance continues to stabilize, with operators citing consumer stability as a key driver and no observable impact from tariffs or macro headwinds. REITs noted particular strength in West Coast markets, as well as in Chicago and the New York MSA, while some Sunbelt markets—such as Atlanta and Dallas—continue to normalize due to the absorption of new supply. Investments in solar infrastructure, automation, and centralized call centers are proving to be long-term tailwinds for reducing operating expenses.



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

ECONOMIC TRENDS

While the Sunbelt broadly continues to lead in demographic growth, the Q2 data reveals a more nuanced picture as the trailing 5-year data is measured from the COVID-related economic trough, as seen in the large increase in employment growth CAGRs relative to the Q1 2025 comparisons to Q1 2020. Las Vegas, Orlando, and Austin now top the list for 5-year employment growth, while Miami, Charlotte, and Seattle lead in median household income growth. Year-over-year population growth was strongest in Miami, Phoenix, and Dallas-Fort Worth, but the continued presence of Los Angeles in the top five underscores the recovery of key gateway cities. This combination of strong employment and wage growth in diverse markets across the country is providing a stable and broad foundation for self storage demand.



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. U-Haul's migration trends reinforce the demographic strength of southeastern and southwestern markets. 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

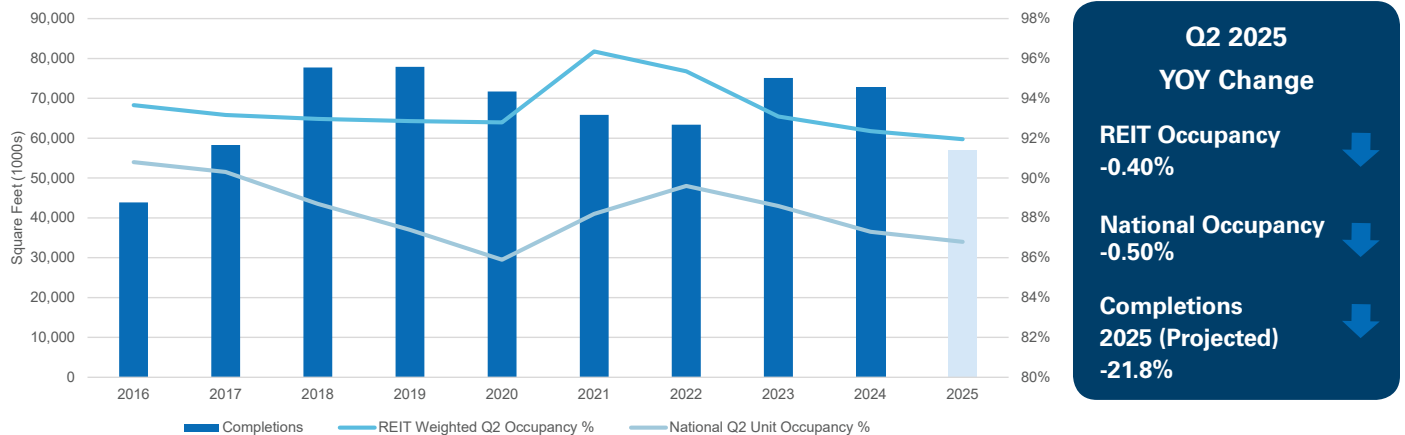
- | | |
|-----------------|-------------------|
| 1 Dallas, TX | 6 Nashville, TN |
| 2 Charlotte, NC | 7 Raleigh, NC |
| 3 Phoenix, AZ | 8 Palm Bay, FL |
| 4 Lakeland, FL | 9 Houston, TX |
| 5 Austin, TX | 10 Greenville, SC |

Source: U-Haul

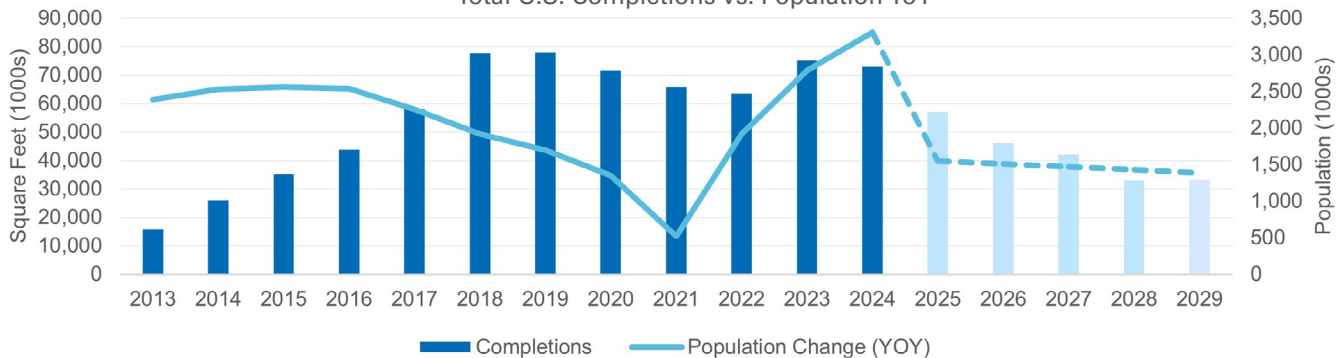
SELF STORAGE SUPPLY & POPULATION GROWTH

Nationwide, deliveries are expected to decline by 21.8% year-over-year in 2025 to levels below 2017, representing just 2.8% of existing stock—the lowest percentage since 2015. This trend is expected to continue through 2029 with expectations for only 1.5% of existing stock to be delivered in both 2028 and 2029. REIT executives validated this trend, noting that high costs for construction, labor, and capital make it difficult for new projects to pencil. This challenging development environment is expected to provide a significant tailwind for operating fundamentals for the next two to four years. While certain markets work through absorbing recently delivered supply, national unit-level occupancy remained steady at 86.8% in Q2 2025. The graphs below also highlight the recent decline in homeownership, a trend that, combined with an influx of smaller multifamily units, is creating a new, durable source of demand from long-term renters.

U.S. Deliveries vs. Occupancy



Total U.S. Completions vs. Population YoY



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



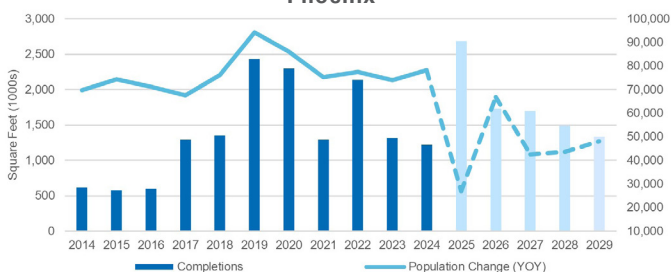
Source: Newmark, Green Street, Moody's Analytics, Yardi

TOP MARKETS FOR NEW SUPPLY & POPULATION GROWTH

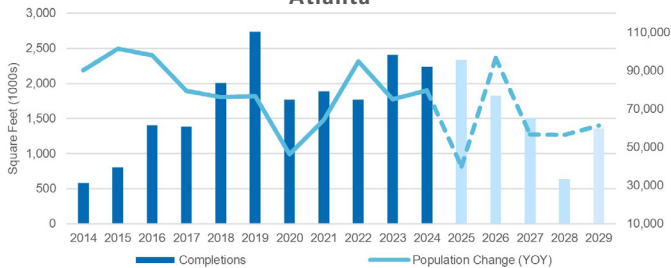
Markets with strong population and job growth continue to attract development, though they are now experiencing a period of normalization as that new supply is absorbed. The correlation between demographic growth and development is clear, as four of the top five markets for population growth—Houston, Dallas, Atlanta, and Phoenix—are also among the top markets for new supply. These Sunbelt markets are experiencing a slower recovery in move-in rents, and lagging in operating performance, as the recent influx of new inventory continues to get absorbed by the strong net migration. However, the long-term outlook remains bullish, with markets like Florida already showing signs of stabilization. While the charts below show a slowdown in population growth for 2025, population growth is expected to remain robust for the next several years, suggesting that these markets will remain attractive investment targets as long-term demand fundamentals align with a more measured, forward-looking development pipeline.

RANKED BY NEW SUPPLY

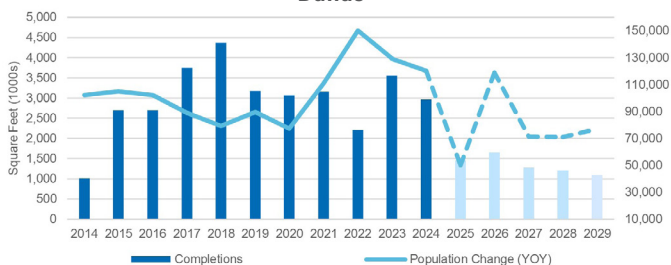
Phoenix



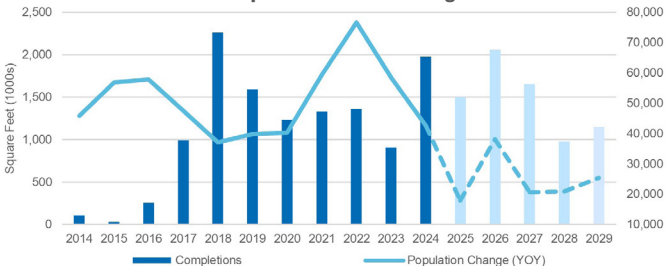
Atlanta



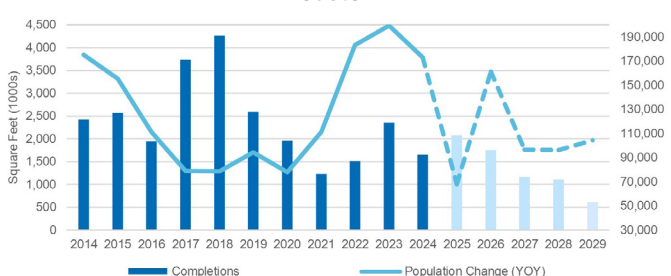
Dallas



Tampa - St. Petersburg

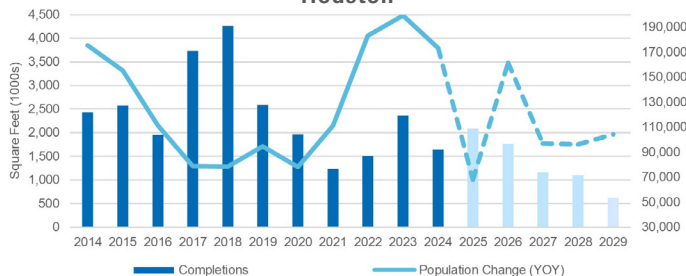


Houston

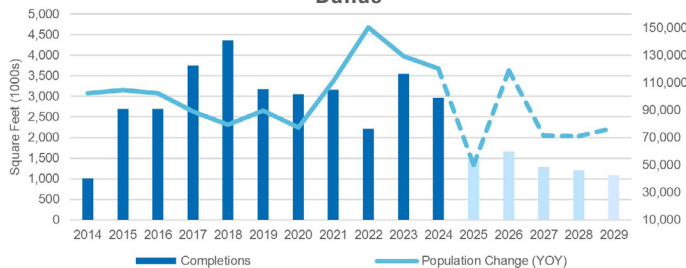


RANKED BY POPULATION GROWTH

Houston



Dallas



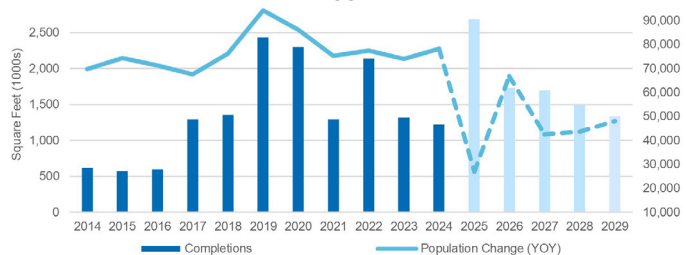
Atlanta



Austin



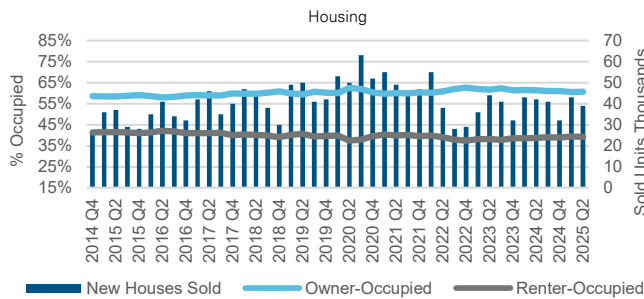
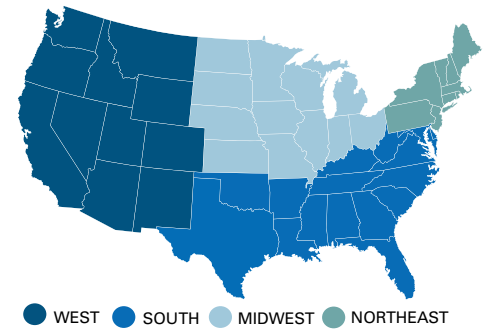
Phoenix



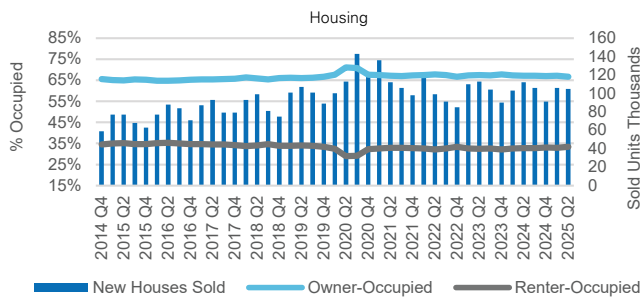
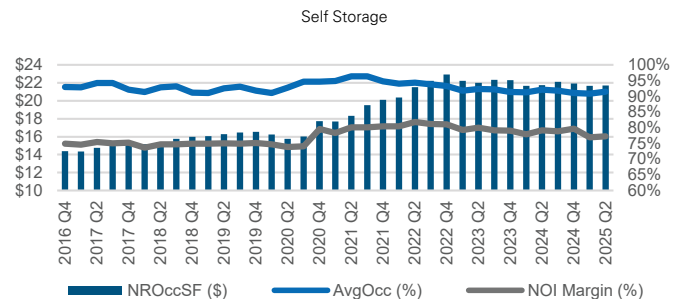
Source: Newmark, REIS, Yardi

HOUSING & SELF STORAGE TRENDS BY REGION

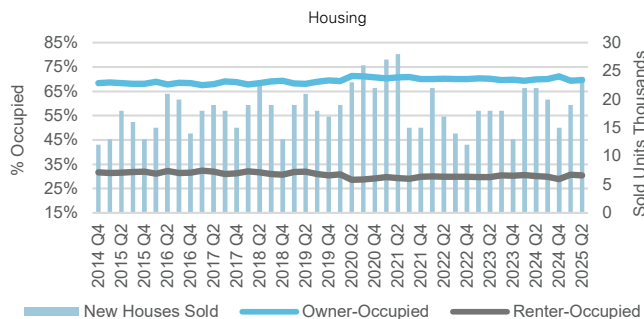
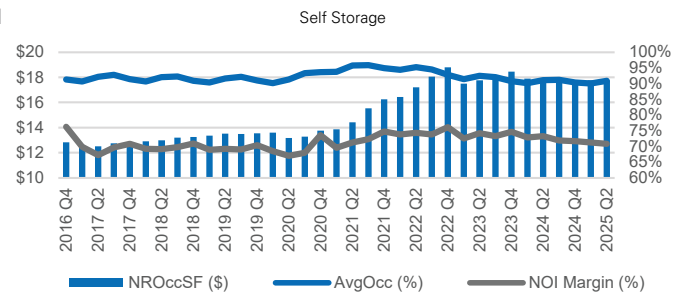
Persistently high home prices and elevated mortgage rates have depressed housing transaction volumes, a trend reflected across all regions, but new home sales data has remained relatively stable as home builders offer concessions like mortgage rate buydowns. This housing gridlock has dampened one of self storage's key demand drivers—housing transitions—but has been partially offset by increased utilization from renters, particularly in the Northeast and West where renter-occupied households are most prevalent. Despite the slow housing market, which REITs noted is not a prerequisite for a full recovery, self storage fundamentals have held steady. The Northeast continues to lead in both Net Rent per Occupied Square Foot and the West in NOI margin, demonstrating the resilience of demand drivers outside of the traditional housing cycle, such as downsizing, relocation, and household consolidation.



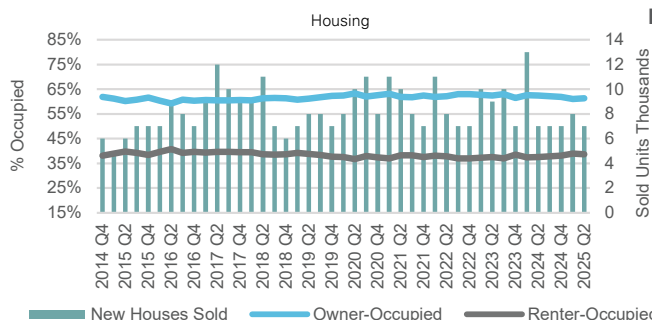
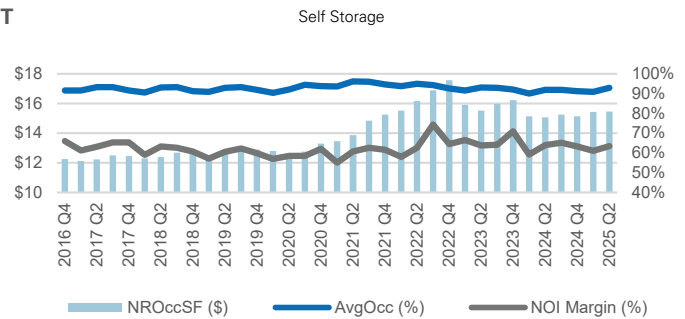
WEST



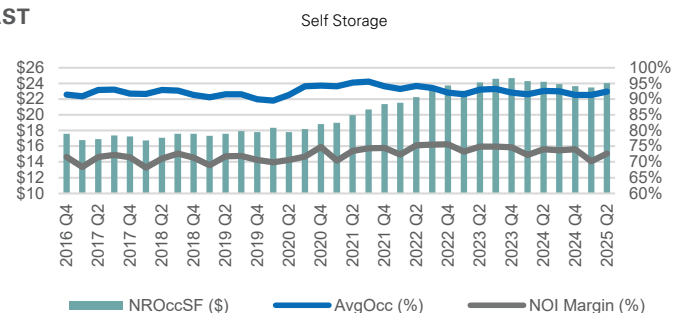
SOUTH



MIDWEST

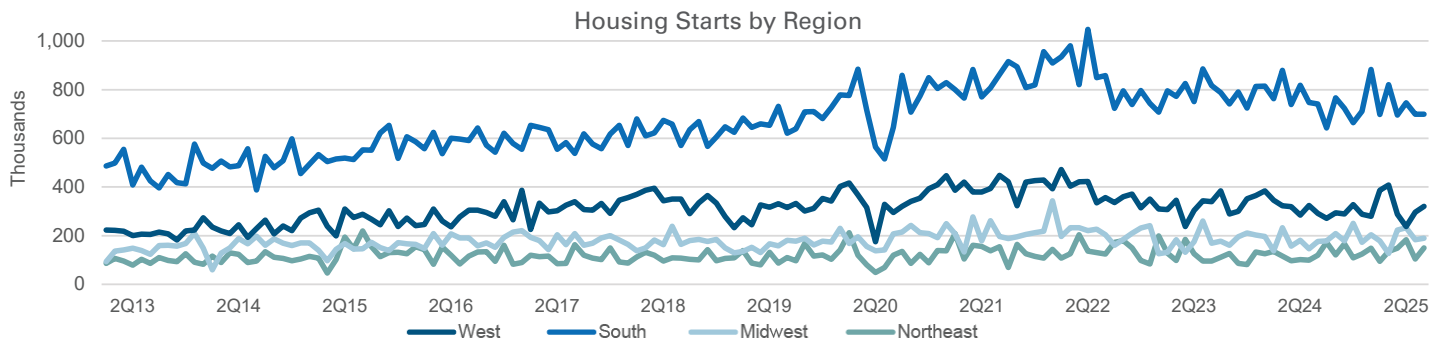
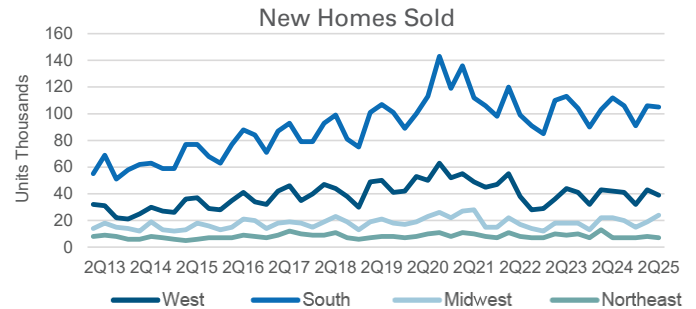
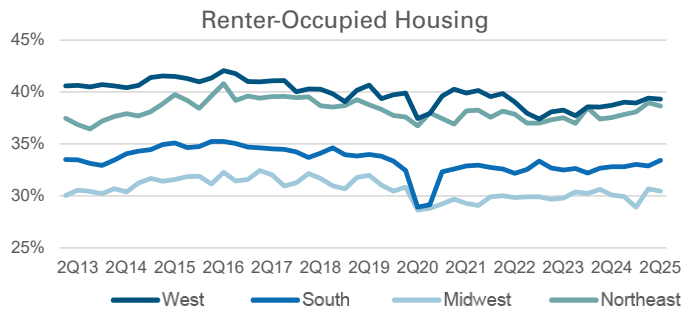
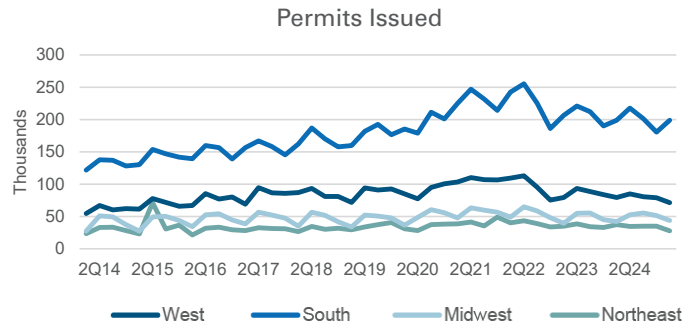
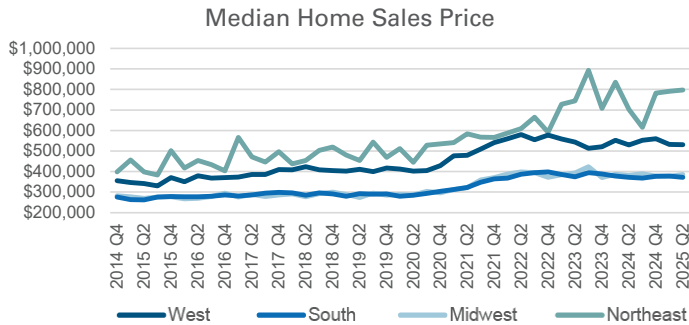


NORTHEAST



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

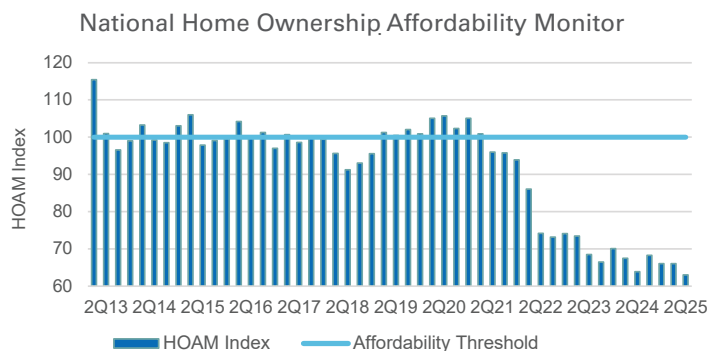
HOUSING FUNDAMENTALS BY REGION



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

NATIONAL HOUSING TRENDS

The affordability gap between owning and renting a home widened to a new decade-long high in the second quarter. The median monthly mortgage payment rose to \$3,069, creating a \$1,200 premium over the average effective rent of \$1,869, nearly triple the long-term average spread of \$404. Concurrently, the Home Ownership Affordability Monitor (HOAM) index fell to a new low of 62, well below the affordability threshold of 100. This severe affordability crisis is pushing more consumers toward long-term renting, which correlates positively with storage utilization as new apartment sizes continue to shrink. This dynamic explains why markets serving dense, renter-heavy populations have recently outperformed, providing a structural tailwind for long term demand in the self storage sector.



Source: Newmark Research, Atlanta Federal Reserve



Source: Newmark Research, Atlanta Federal Reserve, RealPage

TOP MARKETS PER 10X10 RATES

Coastal gateway markets continue to command the highest absolute rents, with San Francisco, New York, and Los Angeles leading the nation. However, a different set of markets are driving long-term growth; since 2015, Fresno and Minneapolis have exhibited the highest compounded annual growth for climate-controlled units, while Phoenix and Salt Lake City lead for non-climate units. The impact of new supply is evident in the volatility rankings, where high-growth markets like Atlanta, Houston, and Charlotte also exhibit the greatest fluctuations in rental rates. As the sector enters a new fundamental growth cycle, operators are expected to maintain disciplined pricing strategies while balancing occupancy to maximize revenue in a market shaped by strong demand and moderating supply.

HIGHEST RENTAL RATES Q2 2025

	Climate Controlled	Q2 '25	QoQ*
1	San Francisco	\$317.82	1.23%
2	New York Metro	\$302.47	2.84%
3	Los Angeles	\$276.49	2.00%
4	San Diego	\$239.67	5.34%
5	Miami	\$218.13	1.73%

	Non-Climate	Q2 '25	QoQ*
1	San Francisco	\$317.82	1.23%
2	New York Metro	\$302.47	2.84%
3	Los Angeles	\$276.49	2.00%
4	San Diego	\$239.67	5.34%
5	Miami	\$218.13	1.73%

LOWEST RATE VOLATILITY 2015 - Q2 2025

	Climate Controlled	Low	High	Q2 '25
1	Oklahoma City	\$94.75	\$129.58	\$95.55
2	Kansas City	\$121.35	\$139.60	\$133.23
3	Detroit	\$136.43	\$165.23	\$159.37
4	Salt Lake City	\$120.95	\$153.97	\$152.05
5	Seattle	\$170.37	\$204.40	\$189.03

	Non-Climate	Low	High	Q2 '25
1	Oklahoma City	\$71.41	\$100.30	\$71.47
2	Milwaukee	\$91.88	\$105.78	\$91.88
3	Portland	\$140.04	\$169.56	\$169.56
4	Detroit	\$116.14	\$144.24	\$133.89
5	San Francisco	\$234.47	\$310.88	\$310.88

HIGHEST COMPOUND ANNUAL GROWTH RATE

	Climate Controlled	Q2 '25
1	Fresno	3.60%
2	Minneapolis	3.16%
3	Portland	2.80%
4	Las Vegas	2.68%
5	Los Angeles	2.61%

	Non-Climate	Q2 '25
1	Phoenix	3.43%
2	Salt Lake City	2.97%
3	San Bernardino/Riverside	2.93%
4	Miami	2.93%
5	Fresno	2.84%

HIGHEST RATE VOLATILITY 2015 - Q2 2025

	Climate Controlled	Low	High	Q2 '25
1	St. Louis	\$112.50	\$137.18	\$126.17
2	Atlanta	\$132.28	\$171.78	\$151.76
3	Houston	\$114.37	\$158.75	\$145.20
4	Columbus	\$112.27	\$142.04	\$128.50
5	Charlotte	\$122.12	\$152.70	\$137.85

	Non-Climate	Low	High	Q2 '25
1	Charlotte	\$93.43	\$121.91	\$109.94
2	Columbus	\$89.54	\$122.08	\$108.29
3	Phoenix	\$101.75	\$149.60	\$145.01
4	Atlanta	\$108.08	\$140.29	\$119.63
5	Miami	\$165.57	\$236.19	\$224.26

*REIS updates historical data on an on-going basis. The quarter-over-quarter comparison on this page is based on their updated Q4 data compared to current Q1 data.

Source: Newmark, REIS



Investment Sales & Advisory Experience



63+ Years

Combined Experience



1,665+ Properties

Across 40 States



\$17.6+ Billion

Completed Transactions



122.1+ Million

Square Feet Sold

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