

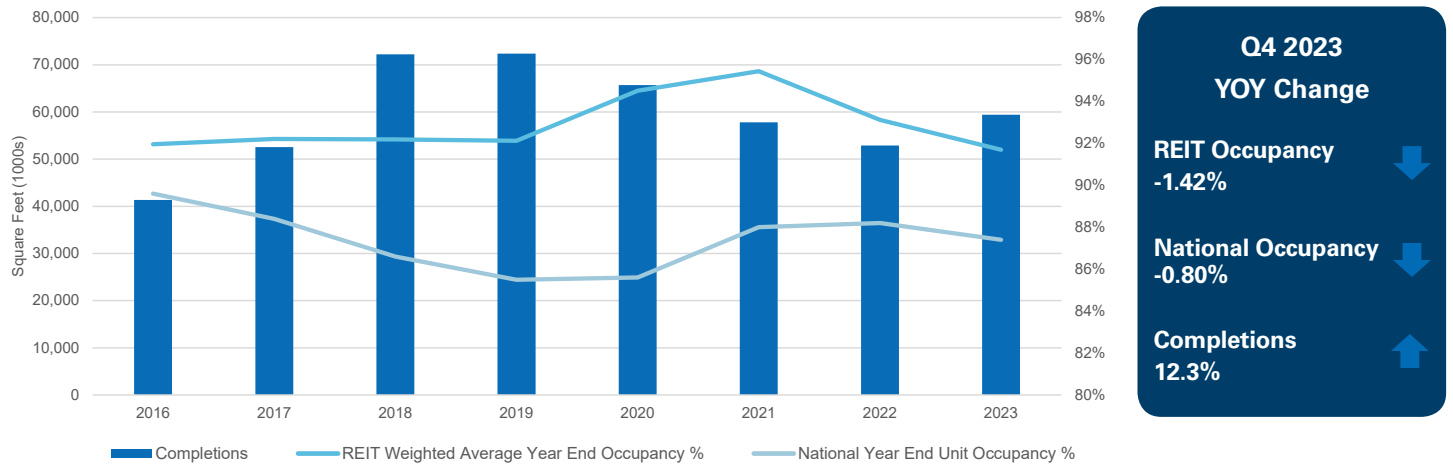
SELF STORAGE MARKET OVERVIEW

Q4 2023

SUPPLY & DEMAND

National self storage occupancy continues to normalize to pre-pandemic averages. Despite increased discounts on street rates for new customers in the past 12-24 months, robust rental demand and sophisticated revenue management systems have minimized any net impact. New supply remains a tailwind, as capital markets and rental rate constraints will keep new deliveries at manageable levels for the majority of self storage markets through 2026.

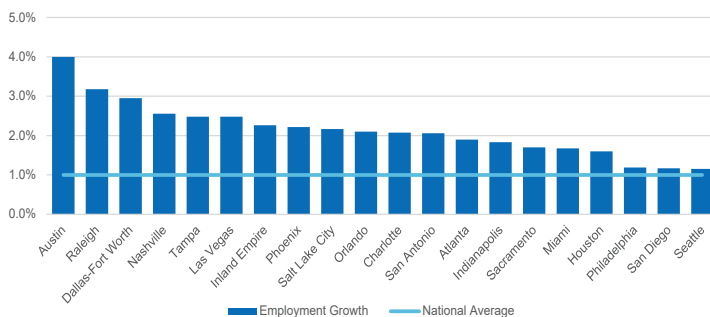
U.S. Deliveries vs. Occupancy



Source: Newmark Research, REIS, Yardi

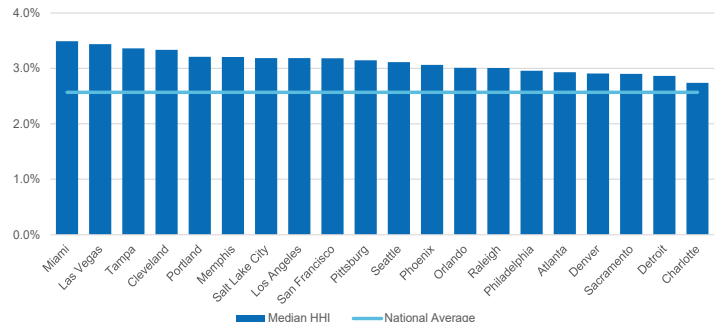
Understanding the correlation between microeconomic trends and self storage fundamentals is crucial for both building a portfolio and making investment decisions. The following graphs highlight the top 20 markets for consistent growth in three categories: employment, household income and population.

Employment Growth by Market (5-Year CAGR)



Source: Newmark, Moody's Analytics

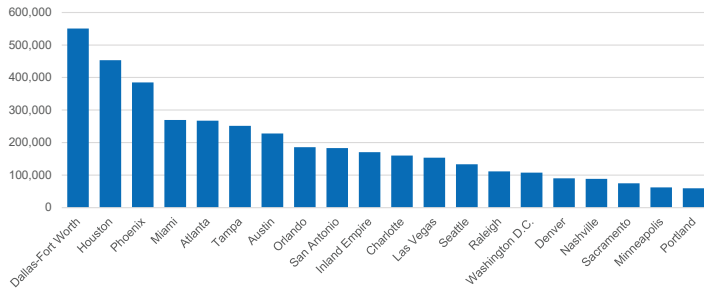
Median Household Income Growth (5-Year CAGR)



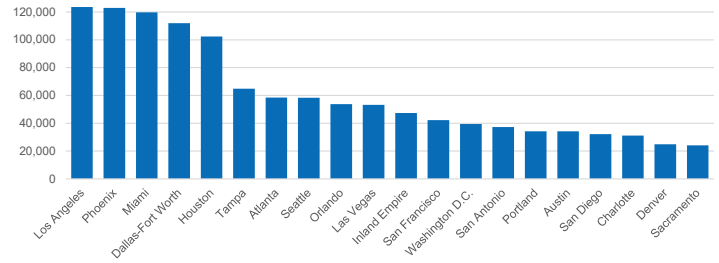
Source: Newmark, ESRI

TOP MARKETS FOR POPULATION GROWTH

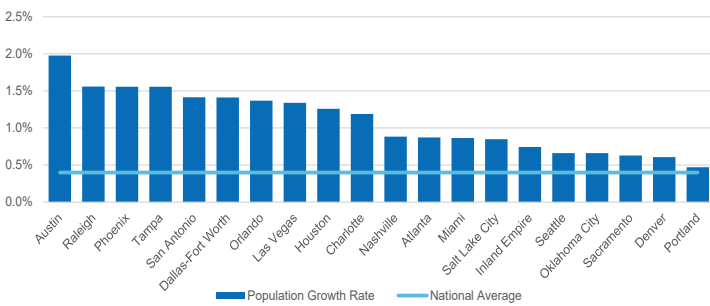
Population Growth (Trailing 5-Year Total)



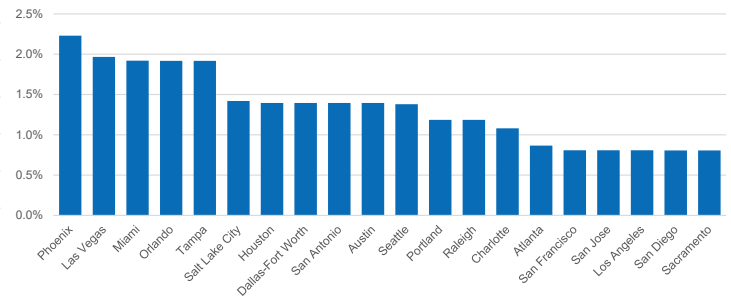
Population Growth (Q4 2023 YOY)



Population Growth Rate (Trailing 5-Year CAGR)



Population Compound Annual Growth Rate to 2030



Source: Newmark, Moody's Analytics

U-HAUL 2023 TOP 10 GROWTH MARKETS RANKED BY MIGRATION

U-Haul publishes an annual list ranking destinations for one-way truck rentals, categorized by both city and state. As expected, the Sunbelt region holds several of the top spots, with a city in Florida ranking first for the fourth consecutive year. California remains at the bottom of the list, with the most outbound demand for the fourth year in a row, followed by Massachusetts.

Top Growth States

- 1 Texas
- 2 Florida
- 3 North Carolina
- 4 South Carolina
- 5 Tennessee
- 6 Idaho
- 7 Washington
- 8 Arizona
- 9 Colorado
- 10 Virginia

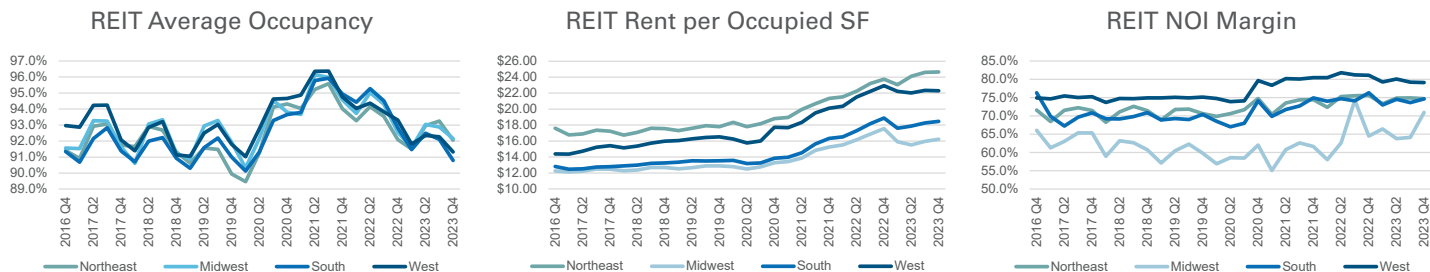
Top Growth Cities

- 1 Palm Bay-Melbourne, FL
- 2 Ocala, FL
- 3 Charleston, SC
- 4 Sarasota-Bradenton, FL
- 5 Austin, TX
- 6 College Station, TX
- 7 Charlotte, NC
- 8 Huntsville, AL
- 9 Dallas, TX
- 10 Myrtle Beach, SC

Source: U-Haul

SELF STORAGE REIT DATA

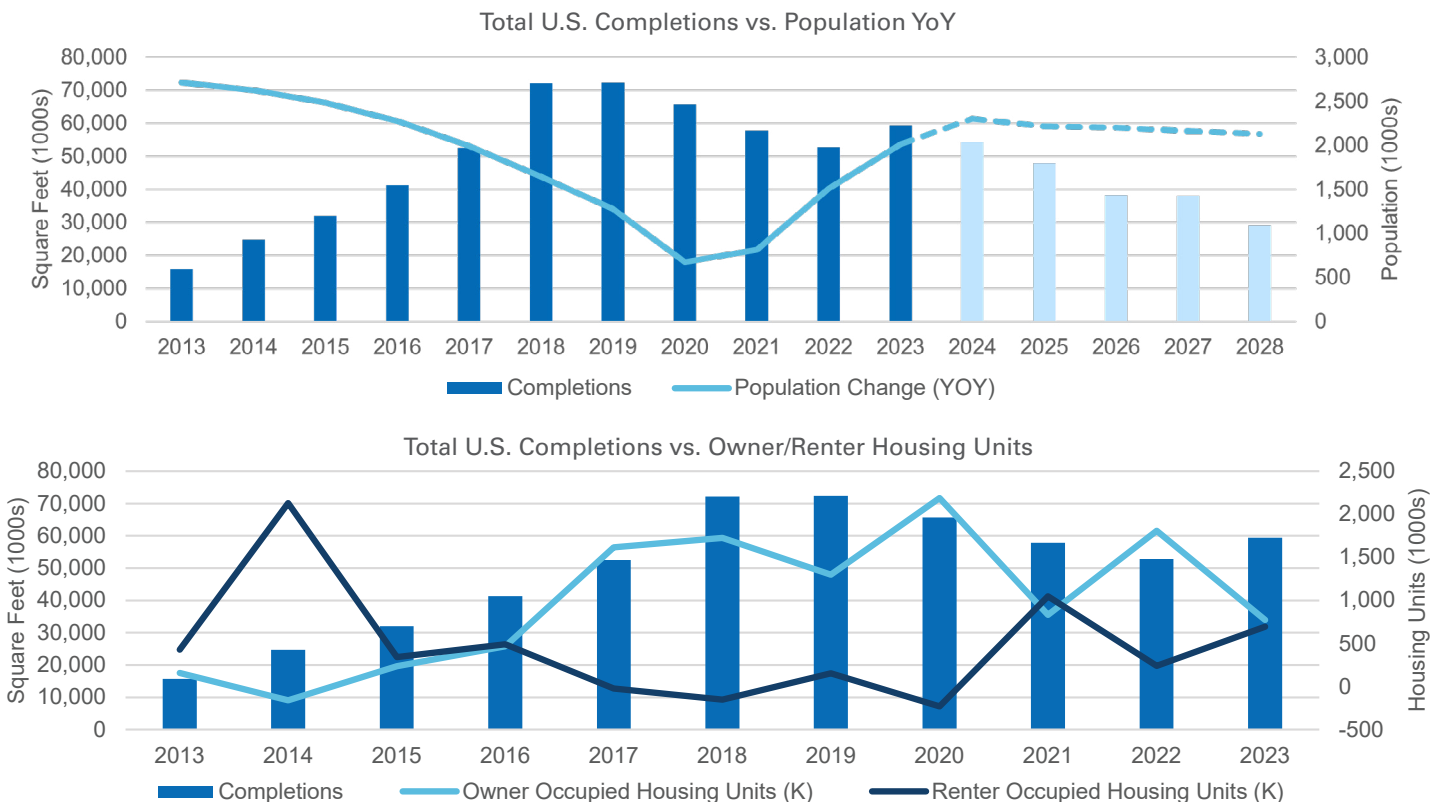
REITs have been largely focused on move-in rental rates, with the expectation that they will remain below current in-place rents. However, leasing spreads are expected to narrow into 2024. Rental demand is expected to remain stable, supported by a healthy, well-employed customer base and effective revenue management strategies that will continue to deliver positive year-over-year revenue growth. NOI margins remain under pressure from increasing expenses; including property taxes, property insurance and marketing spend. Average occupancy across the four publicly traded REITs has returned to historical norms, as the industry returns to a more cyclical operating environment.



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

SELF STORAGE SUPPLY & POPULATION GROWTH

Over the next five years, population growth is expected to outpace new supply completions due to the continued constraints new developments face; including lower move-in rental rates, more stringent lender requirements, higher interest rates, and lengthy entitlement processes. Most REITs report that less than 30% of their portfolios will be affected by new supply, and even fewer expect a material impact on any particular store. The graph below illustrates the change in homeownership rates relative to renters, highlighting a drastic drop in home ownership, as housing prices and interest rates have risen sharply since the pandemic.



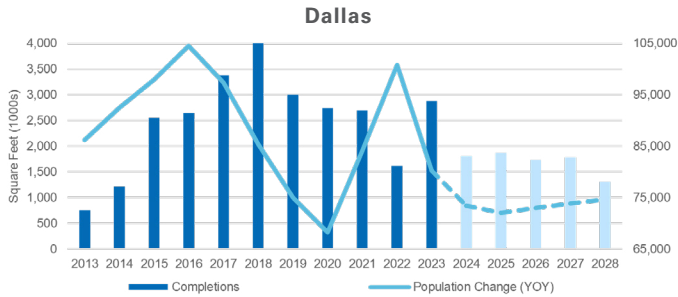
Source: Newmark, Green Street, Moody's Analytics, Yardi

TOP MARKETS FOR NEW SUPPLY & POPULATION GROWTH

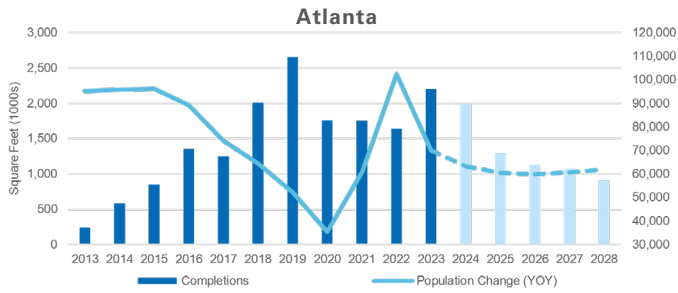
These graphs compare historical and future projected self storage deliveries to population growth. On the left, the top five markets are ranked in order of the highest total square feet of new supply delivered, and by highest projected population growth on the right. Due to strong net-migration and growth in both employment and household income, Phoenix and Tampa are expected to absorb the increasing demand with new development that has added them to the top markets for new supply.

1

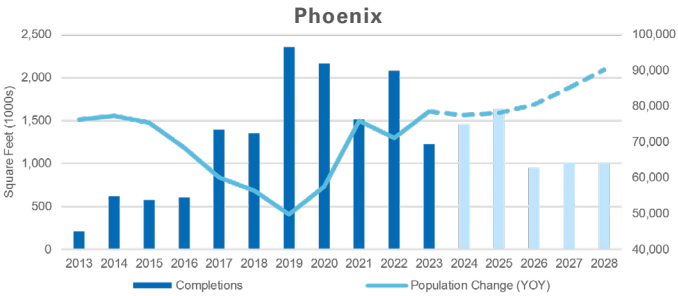
RANKED BY NEW SUPPLY



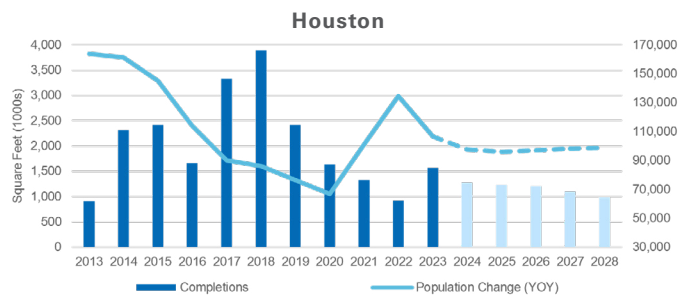
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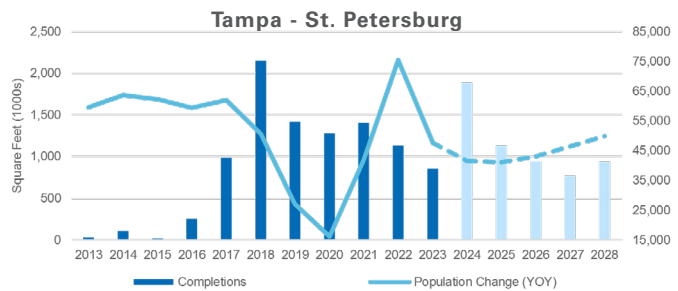
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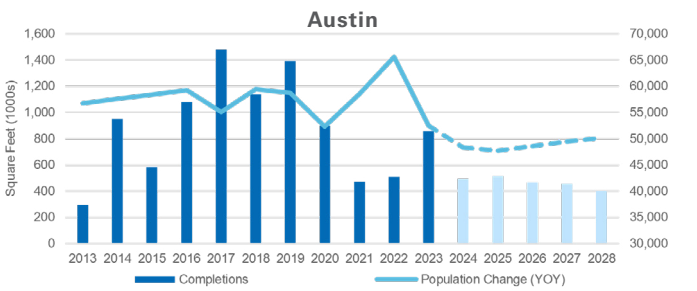
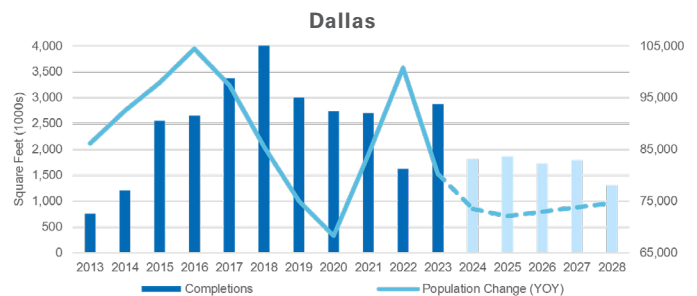
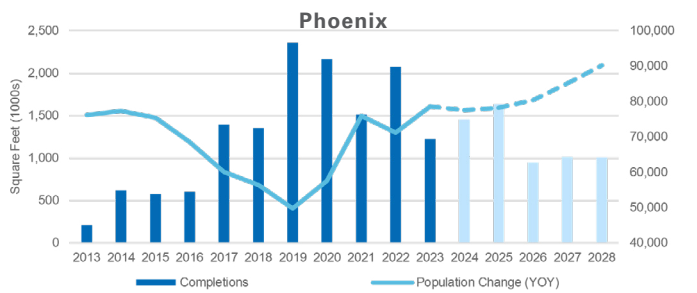
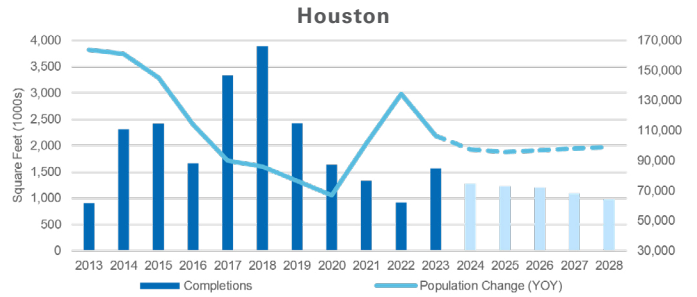
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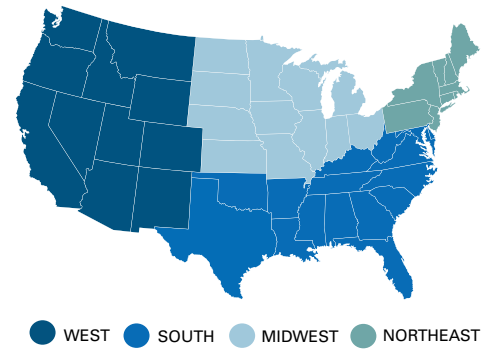
RANKED BY POPULATION GROWTH



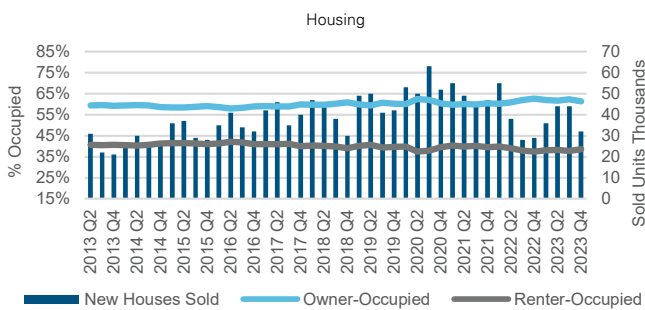
Source: Newmark, REIS, Yardi

HOUSING & SELF STORAGE TRENDS BY REGION

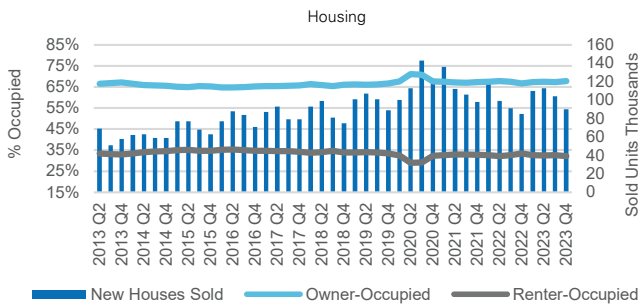
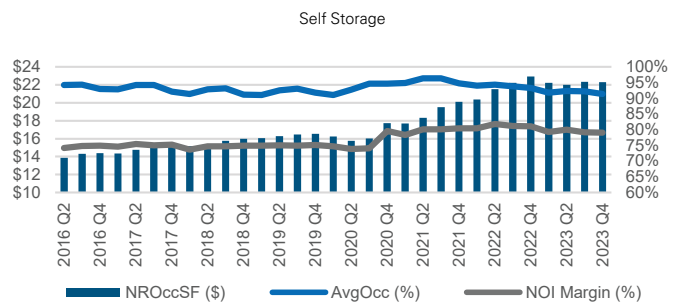
Net revenue per occupied square foot grew significantly across the country throughout the pandemic. Although, most regions have seen their growth moderate from a 4Q 2022 peak. The Northeast stands out with particularly strong growth, as the rate of regional outmigration slows. The self storage sector continues to benefit from increasing utilization rates, as well as smarter revenue management systems that have supported positive revenue growth despite declining street rates. In most markets, housing and mobility are key drivers of demand. Every region in the US saw a decline in home sales following the pandemic, while higher mortgage rates and a lack of available inventory have pushed many homeowners to the rental market, changing the demand outlook for self storage.



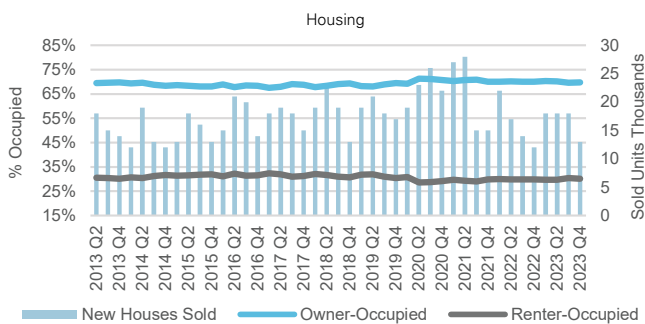
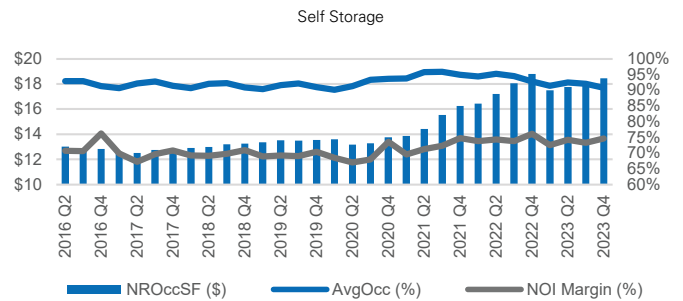
● WEST ● SOUTH ● MIDWEST ● NORTHEAST



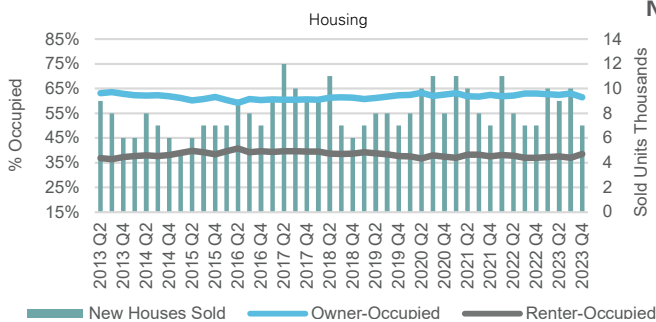
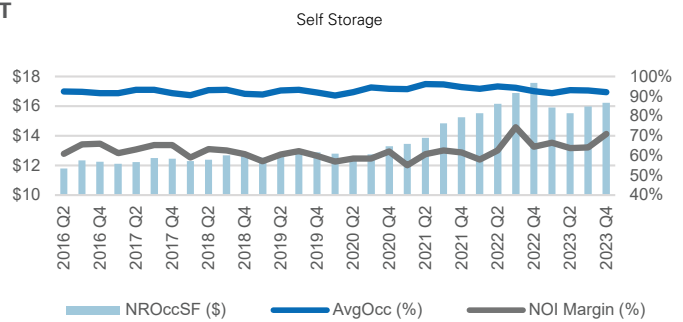
WEST



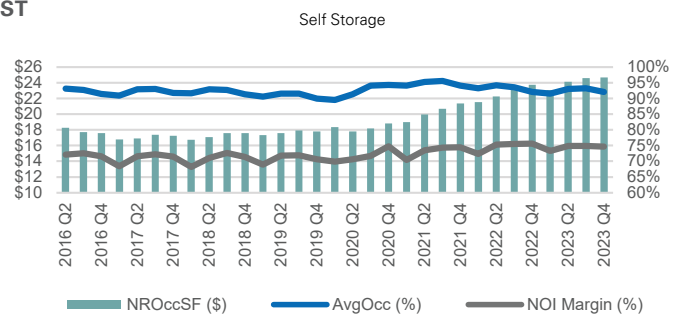
SOUTH



MIDWEST

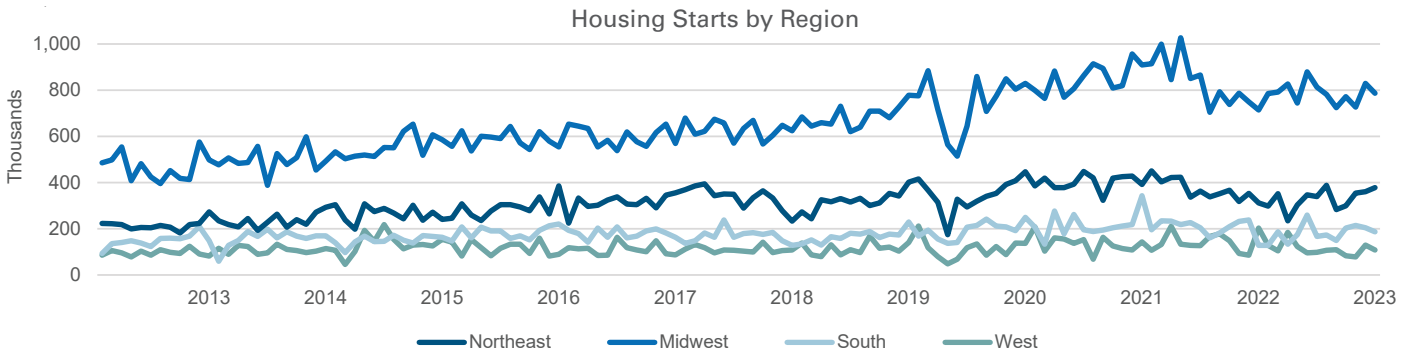
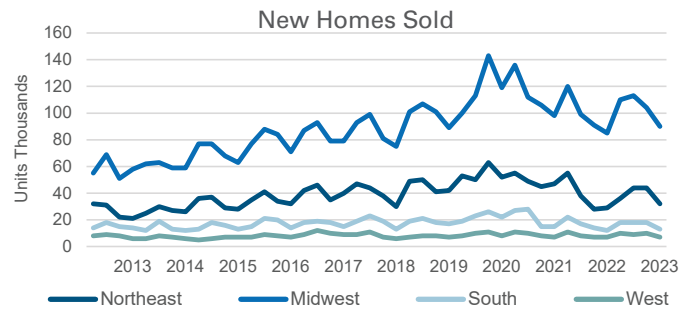
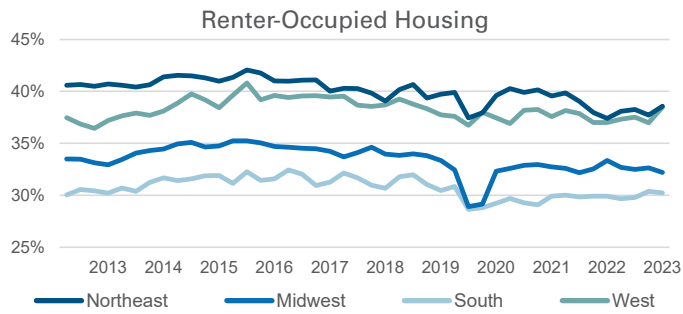
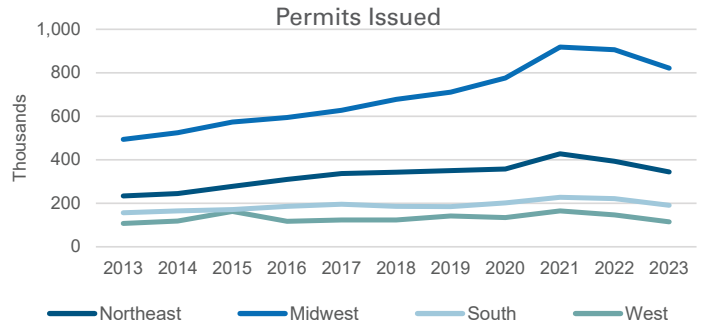
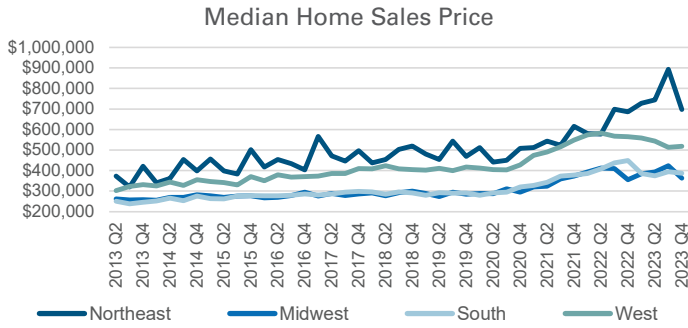


NORTHEAST



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

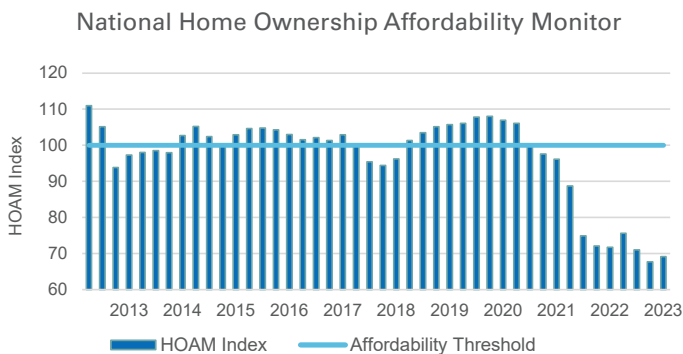
HOUSING FUNDAMENTALS BY REGION



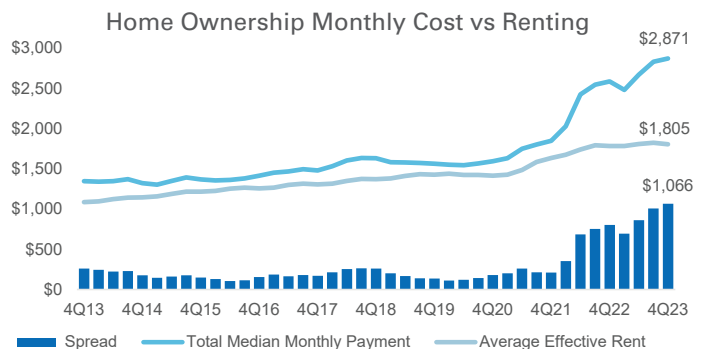
Source: Newmark, FRED, Moody's Analytics, US Census

NATIONAL HOUSING TRENDS

The charts below illustrate the downturn in the housing market and the lack of affordability for homeownership. Low levels of inventory, high interest rates, and continuously rising home prices have shifted the demand for self storage and bifurcated each market by performance. Self storage markets that are more reliant on housing transitions have underperformed, relative to urban markets that serve more consistent renter demand.



Source: Newmark Research, Atlanta Federal Reserve



Source: Newmark Research, Atlanta Federal Reserve, RealPage

TOP MARKETS PER 10x10 RATES

San Diego and San Jose are now among the top five markets with the highest rental rates in both climate and non-climate controlled units, overtaking the DC Metro Area in both categories. New York and San Francisco have held the top two spots in these units for the last eight years, with San Francisco leading both in Q4 2023. The accompanying charts illustrate climate and non-climate controlled 10x10 rental rate trends over the last eight years, and rank the top five markets in three categories: highest rental rates, highest compound annual growth rate and rate volatility.

HIGHEST RENTAL RATES Q4 2023

	Climate Controlled	Q4 '23	QoQ*
1	San Francisco	\$322.22	-3.11%
2	New York Metro	\$295.59	-2.44%
3	Los Angeles	\$265.27	-2.36%
4	Miami	\$227.67	-3.68%
5	San Diego	\$216.93	-3.49%

	Non-Climate	Q4 '23	QoQ*
1	San Francisco	\$293.29	-2.04%
2	New York Metro	\$266.25	-1.49%
3	Los Angeles	\$235.18	-2.83%
4	Miami	\$218.97	-2.90%
5	San Jose	\$206.89	-2.73%

LOWEST RATE VOLATILITY 2015 - Q4 2023

	Climate Controlled	Low	High	Q4 '23
1	Los Angeles	\$214.37	\$271.68	\$265.27
2	Detroit	\$138.23	\$165.23	\$159.42
3	Oklahoma City	\$98.76	\$129.58	\$98.76
4	Kansas City	\$121.93	\$139.60	\$134.53
5	Norfolk/Hampton Roads	\$138.31	\$166.13	\$155.23

	Non-Climate	Low	High	Q4 '23
1	Oklahoma City	\$79.81	\$100.30	\$79.81
2	Milwaukee	\$93.98	\$105.78	\$99.10
3	Portland	\$149.40	\$169.52	\$160.93
4	Detroit	\$119.83	\$144.24	\$136.62
5	San Francisco	\$242.88	\$302.29	\$293.29

HIGHEST COMPOUND ANNUAL GROWTH RATE

	Climate Controlled	Q4 '23
1	Las Vegas	4.01%
2	Providence	3.03%
3	Minneapolis	2.76%
4	Los Angeles	2.56%
5	Fresno	2.56%

	Non-Climate	Q4 '23
1	Phoenix	3.89%
2	San Bernardino/Riverside	3.65%
3	Miami	3.22%
4	Indianapolis	2.90%
5	Salt Lake City	2.71%

HIGHEST RATE VOLATILITY 2015 - Q4 2023

	Climate Controlled	Low	High	Q4 '23
1	Houston	\$114.37	\$158.75	\$147.53
2	Buffalo	\$132.31	\$159.47	\$143.57
3	St. Louis	\$112.50	\$137.18	\$126.80
4	Baltimore	\$142.65	\$178.76	\$166.63
5	Atlanta	\$132.28	\$171.78	\$159.48

	Non-Climate	Low	High	Q4 '23
1	Phoenix	\$104.64	\$149.60	\$142.01
2	Charlotte	\$96.12	\$121.91	\$113.08
3	Jacksonville	\$102.78	\$131.83	\$122.10
4	Miami	\$169.92	\$236.19	\$218.97
5	Buffalo	\$104.32	\$120.19	\$114.82

Source: Newmark, REIS

*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.



Investment Sales & Advisory Experience



62+ Years

Combined Experience



1,590+ Properties

Across 40 States



\$16.5+ Billion

Completed Transactions



115.5+ Million

Square Feet Sold

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