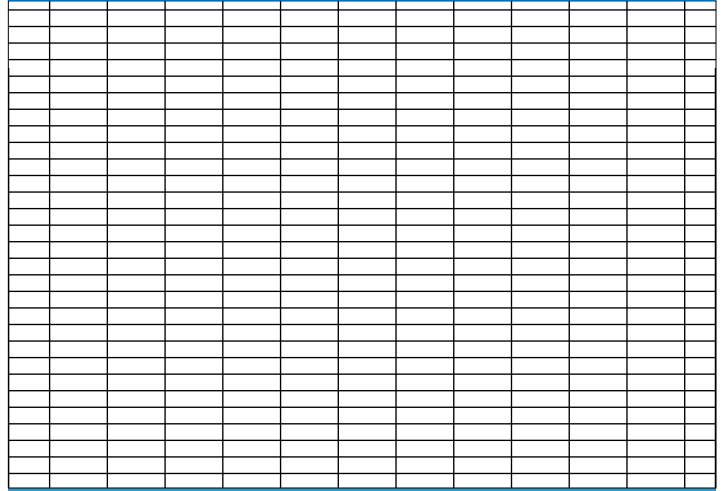


CAPITAL MARKETS

# Self Storage Group

4Q 2024 REIT Report



**NEWMARK**

## Self Storage 4Q24 REIT Report

The self storage sector's 4Q24 results were broadly in-line with guidance for the quarter. Top of funnel demand remains robust, which is evident in the strong rental activity experienced during the quarter resulting in a non-weighted same-store average occupancy of 89.5% at quarter end. However, price sensitivity for new customers remains a headwind for near-term revenue growth with move-in rents down low-teens to single digit percentages on a year-over-year basis during 4Q24 across the four publicly traded REITs; an improvement from the 20-30% seen in third quarter year-over-year comparisons. The gap, however, continues to narrow with indications of an inflection towards positive year-over-year comparisons in 2025. Operational efficiencies continue to drive higher rental conversion rates, better customer experiences, and controllable expense savings through the implementation of various initiatives, including integrating artificial intelligence into operations and solar programs.

All four self storage REITs reiterated their existing tenant bases remain healthy with increasing lengths of stay, high acceptance of rate increases, and very low delinquencies, which provide strong conviction around ECRI strategies and long-term revenue growth. Overall, revenue management strategies throughout 2025 are expected to remain consistent with previous quarters. Meanwhile, new customers continue to place a strong emphasis on pricing as street rates decreased a non-weighted average of 9.3% year-over-year for the quarter. Based on commentary during the earnings calls, the positive year-over-year trend in street rates continued through the first two months of 2025; notably, Extra Space indicated current street rents are flat year-over-year. Expenses for the quarter were reported to be in-line with management expectations as upward pressure on real estate taxes, particularly in Georgia and Illinois, are partially offset by operational efficiency gains in staffing, marketing spend, and solar initiatives that continue to reduce utility costs.

Nationally, the difficulty in the development environment has led to a continued moderating level of new supply; which remains a tailwind for the industry with new deliveries as a percentage of existing stock expected to decline through 2027 to below the industry's long-term average. All four REITs noted that they are experiencing a decline in the number of new deliveries impacting stores, which is highlighted by the approximately 24% of CubeSmart's same-store pool that is impacted by new supply relative to 27% and 50% at the peak in 2024 and 2019, respectively. While maintaining long-term conviction, certain markets like Phoenix and Atlanta that experienced outsized deliveries relative to existing stock over the last several years, continue to work through absorbing that new inventory.

Transaction activity picked up significantly in the 4th quarter with the REITs acquiring or under contract to acquire 122 facilities for \$1.51B, which illustrates the markedly improved momentum going into 2025. 4Q24 activity was a 49% increase relative to the first three quarters of 2024 combined. The expectation amongst the REITs is for transaction volume to increase broadly through 2025 due to the narrowing of bid-ask spreads, improving outlook of fundamentals and increased deal flow for both single-assets and portfolio transactions through marketed as well as off-market channels.

In addition to this quarterly REIT summary, a weekly email from Newmark Group, Inc.'s Self Storage Group delineates key benchmark rates for the capital markets, near-term expectations for transactions, and interpretive opinions of broader market questions.

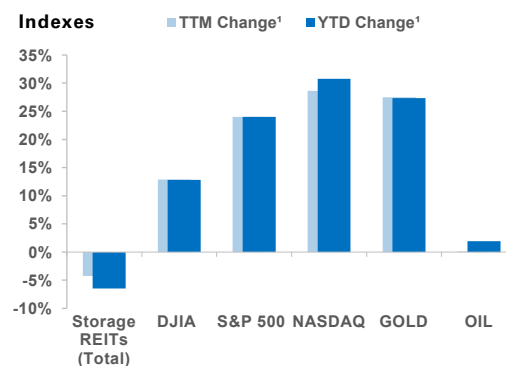
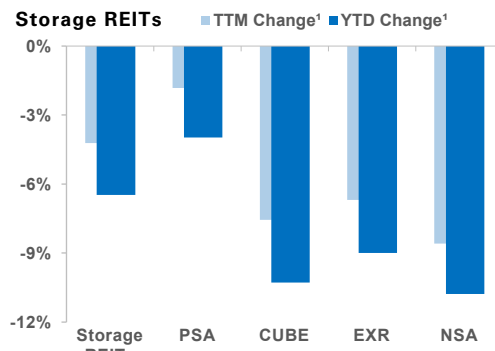
The following pages summarize the information for the fourth quarter of 2024, reported by the four publicly traded self storage REITs, along with comparisons between the industry and macro-market benchmarks. Links to the investor relations page of each REIT's website are also included.

Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable. [nmrk.com/selfstorage](https://nmrk.com/selfstorage)

## SELF STORAGE 4Q24 REIT REPORT HIGHLIGHTS

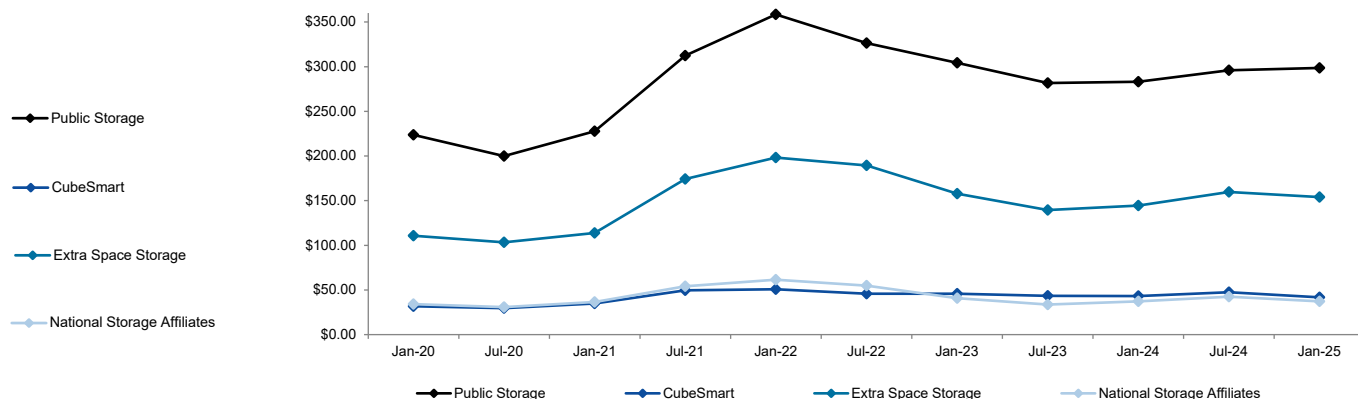
### Market Index

	QUARTER END 12/31/24	LAST YEAR 12/29/23	YTD Change <sup>1</sup>	TTM Change <sup>1</sup>
Storage REITs (Total)	\$529.80	\$553.15	-6.5%	-4.2%
PSA	299.44	305.00	-4.0%	-1.8%
CUBE	42.85	46.35	-10.3%	-7.6%
EXR	149.60	160.33	-9.0%	-6.7%
NSA	37.91	41.47	-10.8%	-8.6%
RMZ	1,306	1,249	5.9%	4.6%
DJIA	42,544	37,690	12.8%	12.9%
S&P 500	5,882	4,743	24.0%	24.0%
NASDAQ	19,311	15,011	30.8%	28.6%
GOLD	2,629	2,062	27.4%	27.5%
OIL	71.72	71.65	1.9%	0.1%
U.S. 10 YEAR	4.58%	3.88%	15.9%	18.0%
10 YEAR SWAP	4.34%	3.75%	14.3%	15.6%
SOFR (30-DAY AVG)	4.53%	5.34%	-15.3%	-15.3%



### SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 20	Jan 21	Jul 21	Jan 22	Jul 22	Jan 23	Jul 23	Jan 24	Jul 24	Jan 25
Public Storage	\$199.88	\$227.62	\$312.48	\$358.53	\$326.41	\$304.34	\$281.75	\$283.19	\$295.92	\$298.48
CubeSmart	\$29.67	\$34.84	\$49.66	\$50.74	\$45.87	\$45.79	\$43.36	\$43.22	\$47.58	\$41.70
Extra Space Storage	\$103.34	\$113.79	\$174.14	\$198.19	\$189.52	\$157.83	\$139.57	\$144.44	\$159.62	\$154.00
National Storage Affiliates	\$30.82	\$36.54	\$54.17	\$61.56	\$54.84	\$40.80	\$33.79	\$37.35	\$42.57	\$37.15



<sup>1</sup> Excludes dividends

Sources: Yahoo! Finance, U.S. Dept. of the Treasury, Barchart (SWAADY10.RT), Federal Reserve Bank of NY

## PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$3.21 per diluted share.
- Reported core FFO allocable to common shareholders of \$4.21 per diluted share.
- Achieved 79.2% same store direct net operating income margin.
- Acquired 17 self-storage facilities with 1.3 million net rentable square feet for \$221.2 million. Subsequent to December 31, 2024, we acquired or were under contract to acquire nine self-storage facilities with 0.7 million net rentable square feet, for \$140.7 million.
- Opened three newly developed facilities and completed various expansion projects, which together added 0.4 million net rentable square feet at a cost of \$80.9 million. On December 31, 2024, we had various facilities in development and expansion expected to add 4.0 million net rentable square feet at an estimated cost of \$741.6 million.
- Issued 184,390 of common shares on the open market through our At the Market offering program for aggregate net proceeds of approximately \$60.3 million in cash.

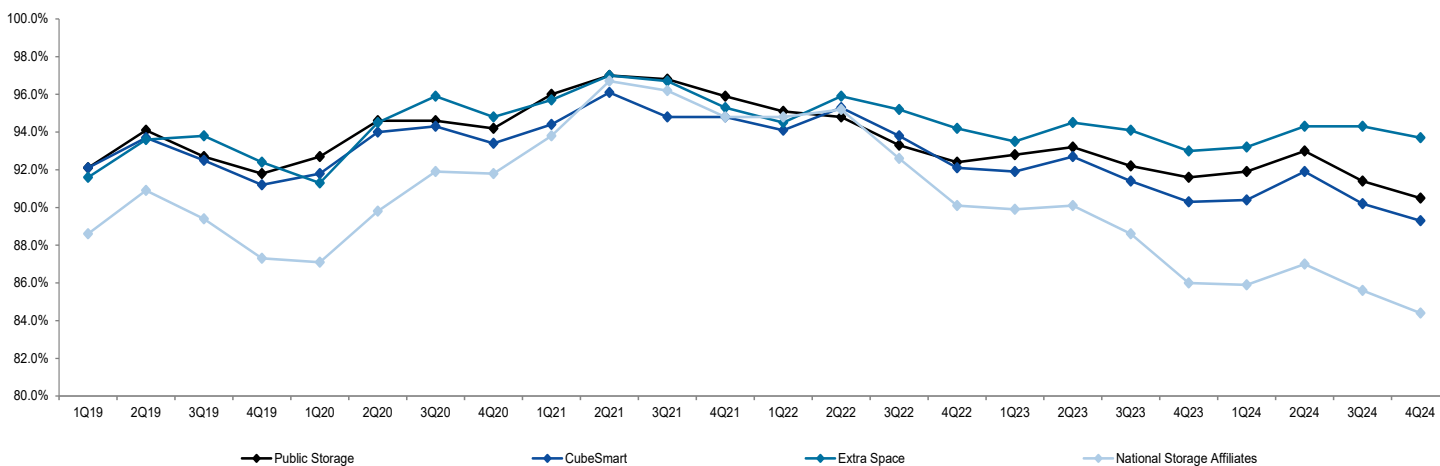
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

## CUBESMART (NYSE: CUBE)

- Reported diluted earnings per share attributable to the Company's common shareholders of \$0.45.
- Reported funds from operations, as adjusted, per diluted share of \$0.68.
- Same store (598 stores) net operating income decreased 3.7% year over year, resulting from a 1.6% decrease in revenues and a 4.7% increase in operating expenses.
- Same store occupancy averaged 89.6% during the quarter, ending at 89.3%.
- Closed on the acquisition of an 85% interest in consolidated joint ventures that collectively own 14 stores for \$157.3 million.
- Closed on the acquisition of two stores totaling \$22.0 million.
- Increased the quarterly dividend 2.0% to an annualized rate of \$2.08 per common share from the previous annualized rate of \$2.04 per common share.
- Added 29 stores to third-party management platform, bringing total third-party managed store count to 902.

[CLICK HERE TO VIEW CUBESMART INVESTOR RELATIONS](#)

## HISTORICAL QUARTER-END OCCUPANCY



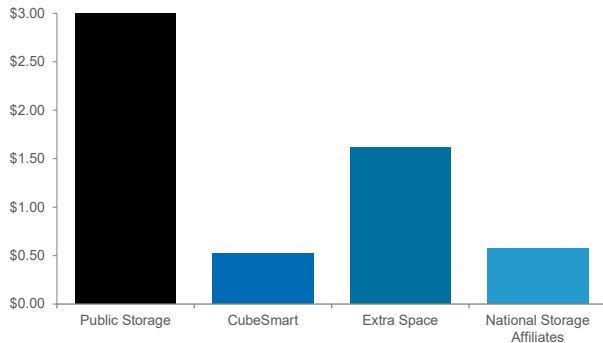
Note: PSA, Cube, EXR & NSA is based on period end occupancy.

## EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.24 per diluted share, representing a 21.6% increase compared to the same period in the prior year.
- Achieved funds from operations attributable to common stockholders and unit holders of \$1.96 per diluted share. FFO, excluding adjustments, was \$2.03 per diluted share, representing a 0.5% increase compared to the same period in the prior year.
- Same store revenue decreased by 0.4% and same-store net operating income decreased by 3.5% compared to the same period in the prior year.
- Reported ending same-store occupancy of 93.7% as of December 31, 2024, compared to 92.5% as of December 31, 2023.
- Acquired 38 operating stores for a total cost of approximately \$359.7 million.
- Increased ownership interest in two existing joint venture partnerships to 49.0% for \$251.2 million.
- Originated \$224.4 million in mortgage and mezzanine bridge loans and sold \$9.2 million mortgage bridge loans.
- Added 130 stores (114 stores net) to the company's third-party management platform. As of December 31, 2024, the company managed 1,575 stores for third parties and 460 stores in unconsolidated joint ventures, for a total of 2,035 managed stores.
- Initiated an unsecured commercial paper program. As of December 31, 2024, the commercial paper program had total capacity of \$1.0 billion, with \$500.0 million in outstanding issuances.
- Paid a quarterly dividend of \$1.62 per share.

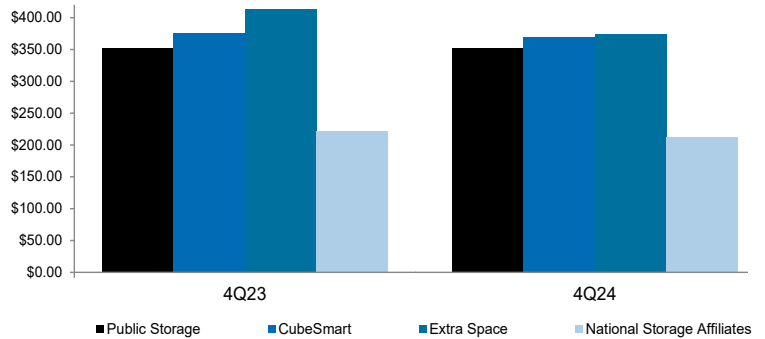
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

### DIVIDEND PER SHARE



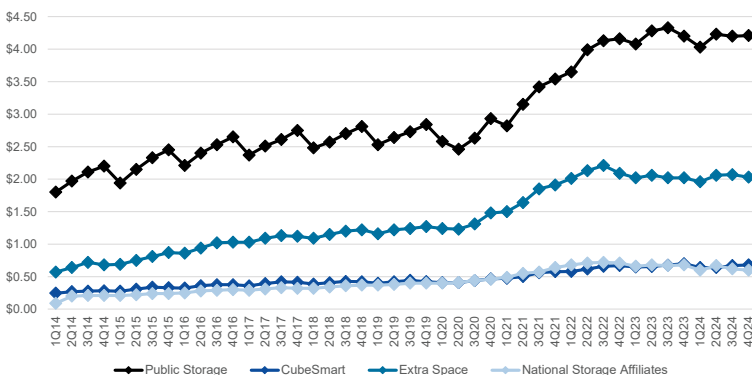
Source: PSA, Cube, EXR and NSA Investor Relations

### SAME STORE REVENUE PER STORE



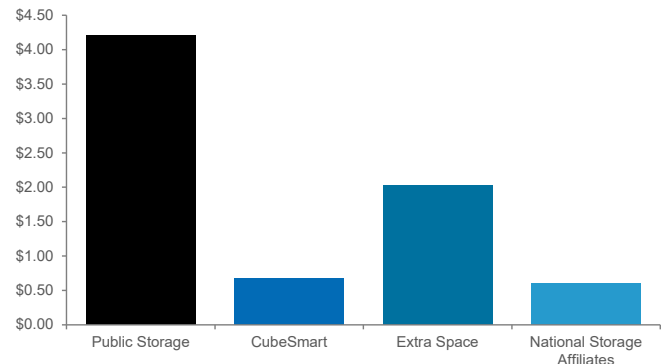
Note: EXR excludes tenant reinsurance revenue. Source: PSA, Cube, EXR and NSA Investor Relations

### HISTORICAL CORE/ADJUSTED FFO PER SHARE



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

### CURRENT CORE/ADJUSTED FFO PER SHARE



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

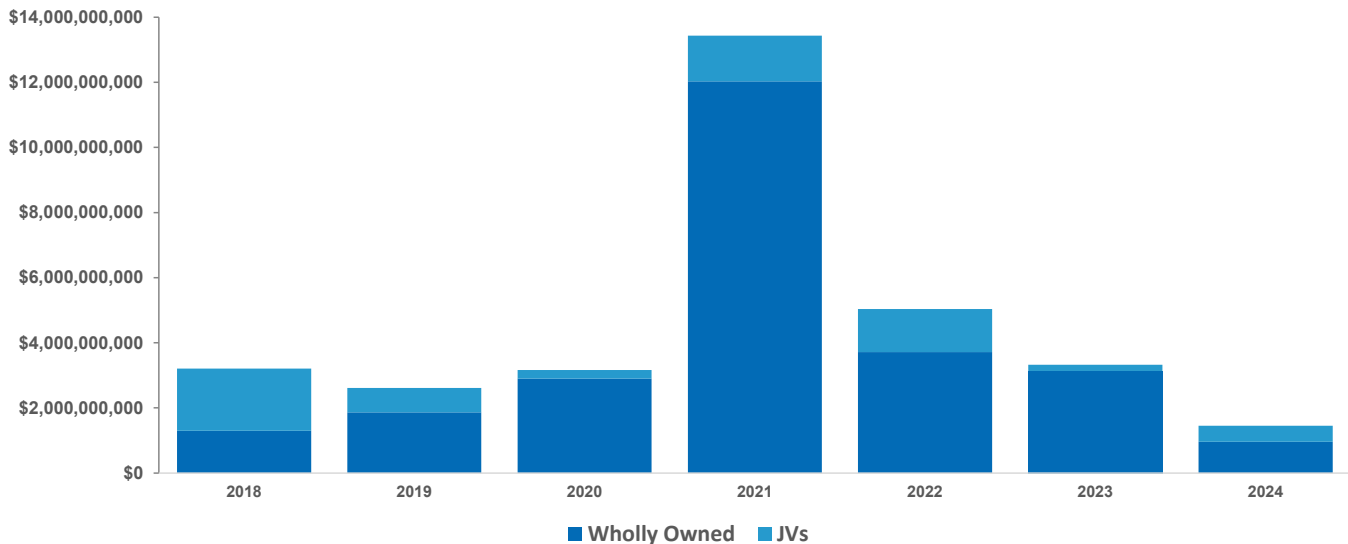


**NATIONAL STORAGE AFFILIATES (NYSE: NSA)**

- Reported net income of \$26.1 million for the fourth quarter of 2024, a decrease of 75.8% compared to the fourth quarter of 2023. Reported diluted earnings per share of \$0.15 for the fourth quarter of 2024 compared to \$0.72 for the fourth quarter of 2023.
- Reported core funds from operations of \$81.2 million, or \$0.60 per share for the fourth quarter of 2024, a decrease of 11.8% per share compared to the fourth quarter of 2023.
- Reported a decrease in same store net operating income of 7.5% for the fourth quarter of 2024 compared to the same period in 2023, driven by a 4.3% decrease in same store total revenues and a 4.7% increase in same store property operating expenses.
- Reported same store period-end occupancy of 84.4% as of December 31, 2024, a decrease of 140 basis points compared to December 31, 2023.
- Acquired four wholly-owned self storage properties for approximately \$39.6 million during the fourth quarter of 2024.
- Entered into a new sales agreement for an At the Market program authorizing, but not obligating, the sale of up to \$400.0 million of NSAs common shares of beneficial interest from time to time.

[CLICK HERE TO VIEW NATIONAL STORAGE AFFILIATES INVESTOR RELATIONS](#)

**REIT ACQUISITION VOLUME**



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

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