



SELF STORAGE ASSOCIATION SKI WORKSHOP

JANUARY 2024

PRESENTER



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Yardi Matrix



AGENDA

- Deep Dive Into Storage Street Rates
- Historical & Forecasted Supply Trends

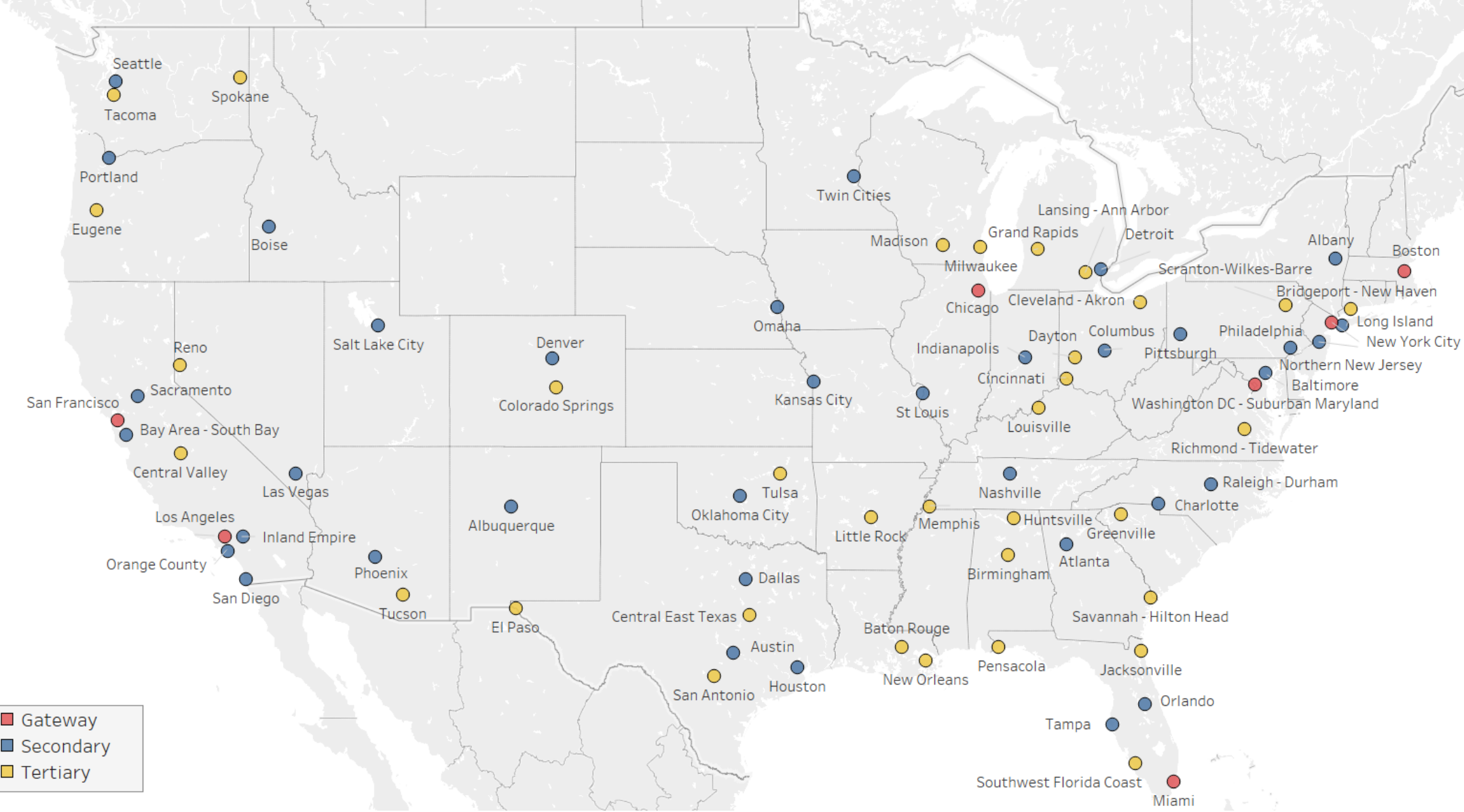
Yardi Matrix House View – January 2024

SELF STORAGE FUNDAMENTALS & OUTLOOK

- Self storage performance weakened in 2023 due to a slump in demand driven by declining home sales and a decrease in mobility, leading to occupancy levels near pre-COVID levels
- Street rate growth continues to decelerate with same store asking rents down -4.2% year-over-year in November
- While month-over-month street rate declines have been lower than the historic average, year-over-year street rate growth has remained consistent for the last six months
- Revenue growth has slipped below the long-term average for the sector, but remained positive in Q3 as operators were able to increase existing customer rents (ECRIs) which can counteract lower move in rates
- The amount of new supply under construction is moderating and new deliveries are expected to fall below the long-term average in the next few years
- Recent development activity has shifted to smaller markets and less experienced developers, many of which are new to the space
- 2023 transaction activity has been fueled by one large merger (Extra Space – Life Storage) and one large portfolio (Simply acquired by Public Storage), but otherwise volume is significantly below recent years
- 2024 sales activity will be driven by loan maturities, nearly 1/3rd of which are CMBS loans

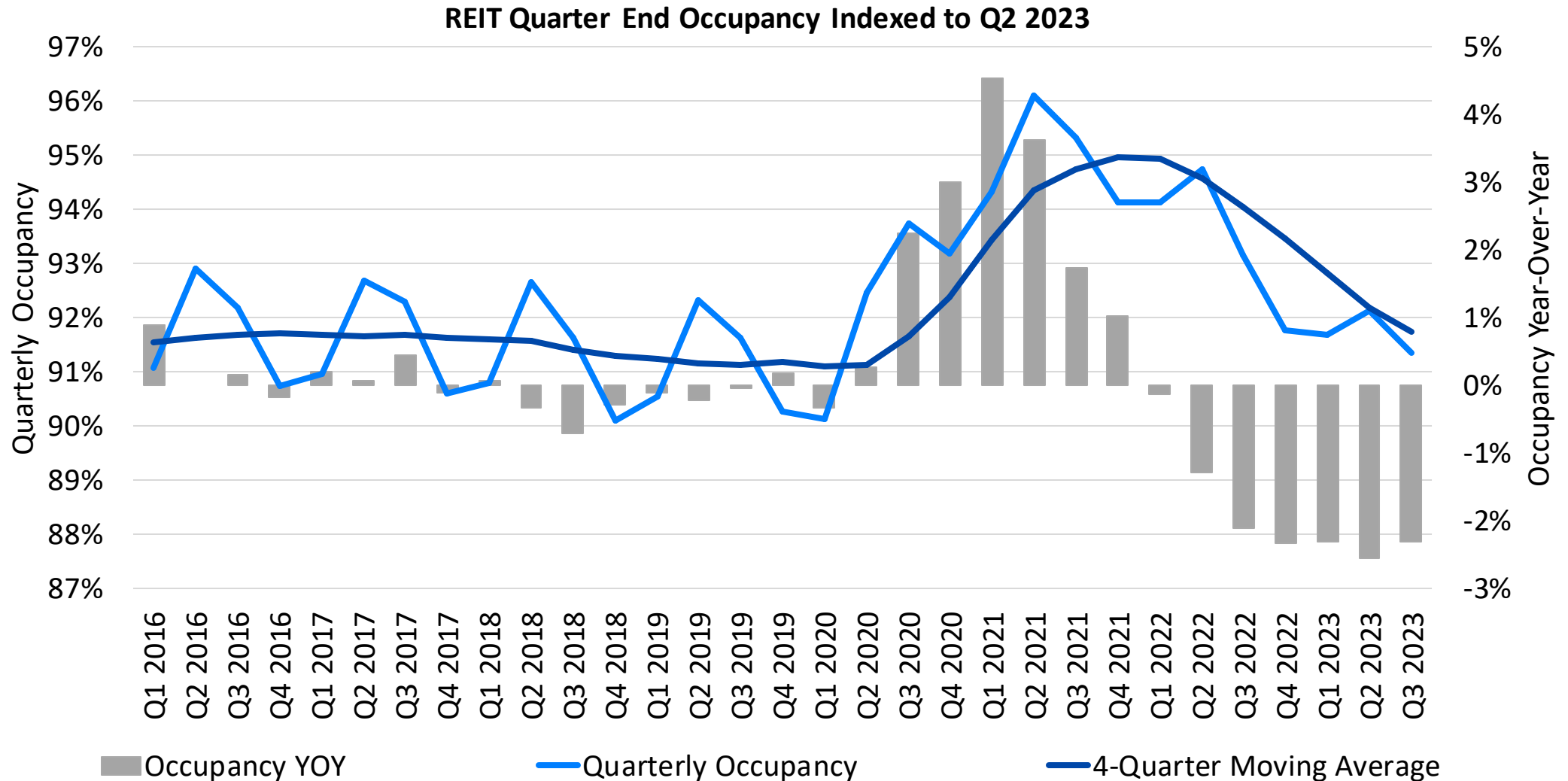
DEEP DIVE INTO STORAGE STREET RATES

Yardi Matrix Storage Market Classifications



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

REIT Occupancy in Q3 Fell Back to Historic Pre-COVID Average Down 2.3% Year-Over-Year and Over 4% Since Peaking in 2021

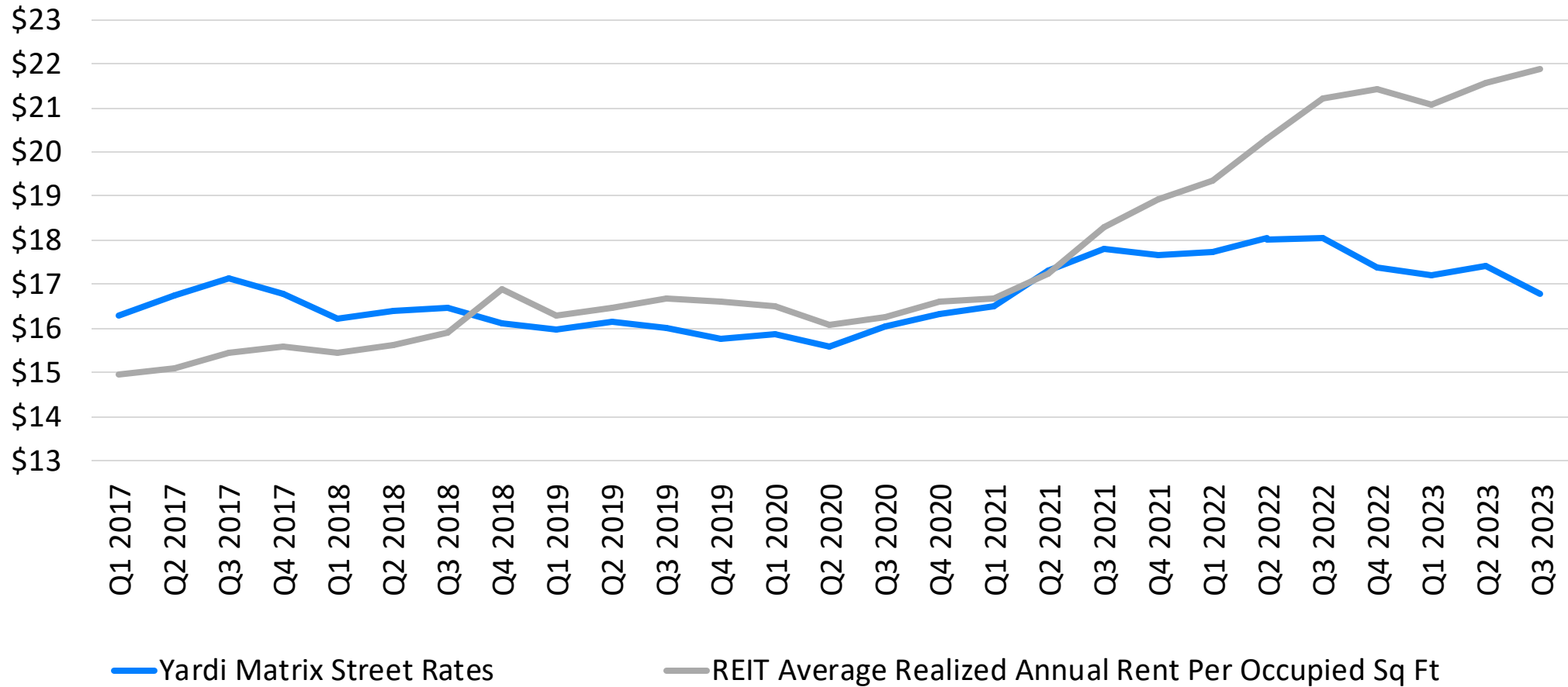


Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2022, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage



Matrix Street Rates Fell Below REIT Realized Rates in 2021 And Have Been a Drag on Realized Rates Since Then

REIT Average Realized Annual Rents PSF versus Yardi Matrix Street Rates

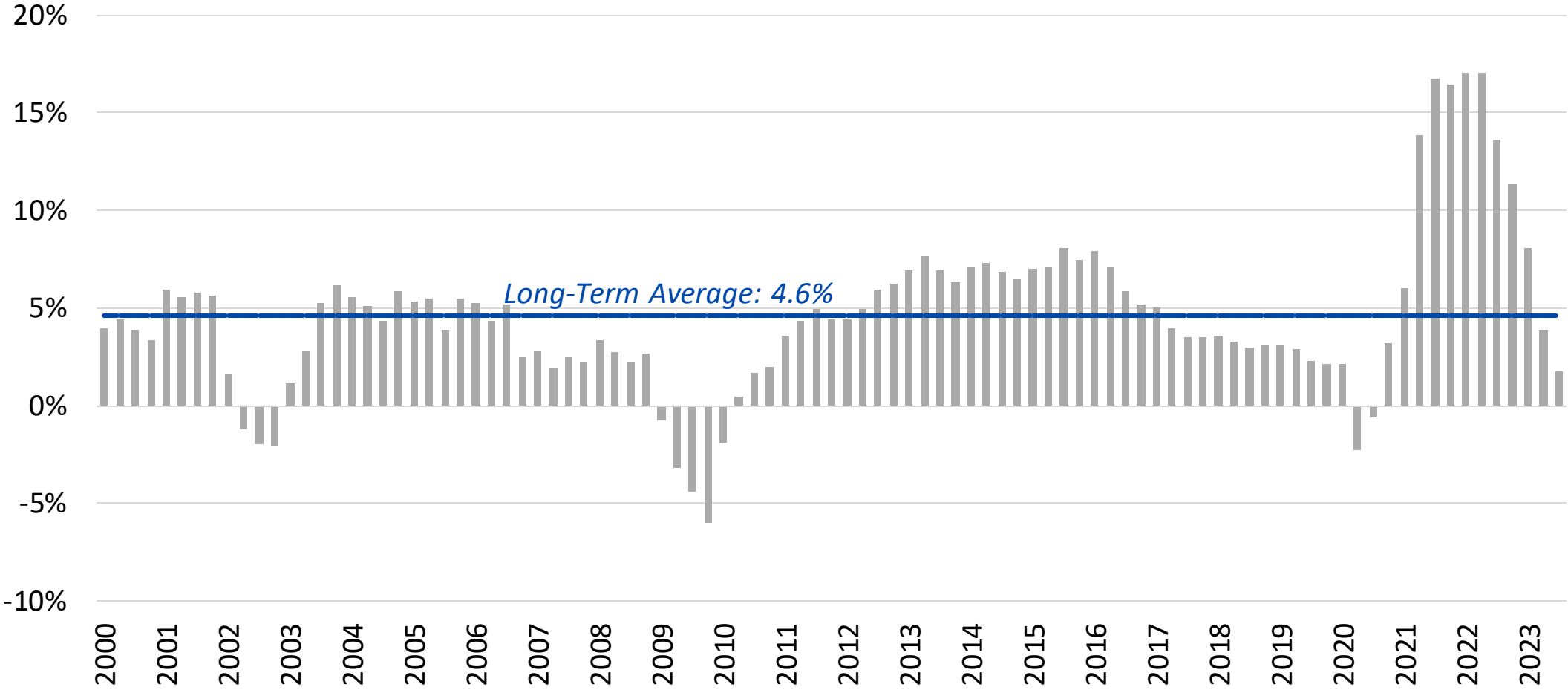


Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2022, from storage REITs including: CubeSmart, Extra Space Storage, Life Storage, National Storage Affiliates, Public Storage. Matrix street rates = annualized average street rate per sq. ft. for stabilized properties at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



REIT Revenue Growth Decelerated Throughout 2023 But History Favors a Fast Recovery and Strong Growth Long-Term

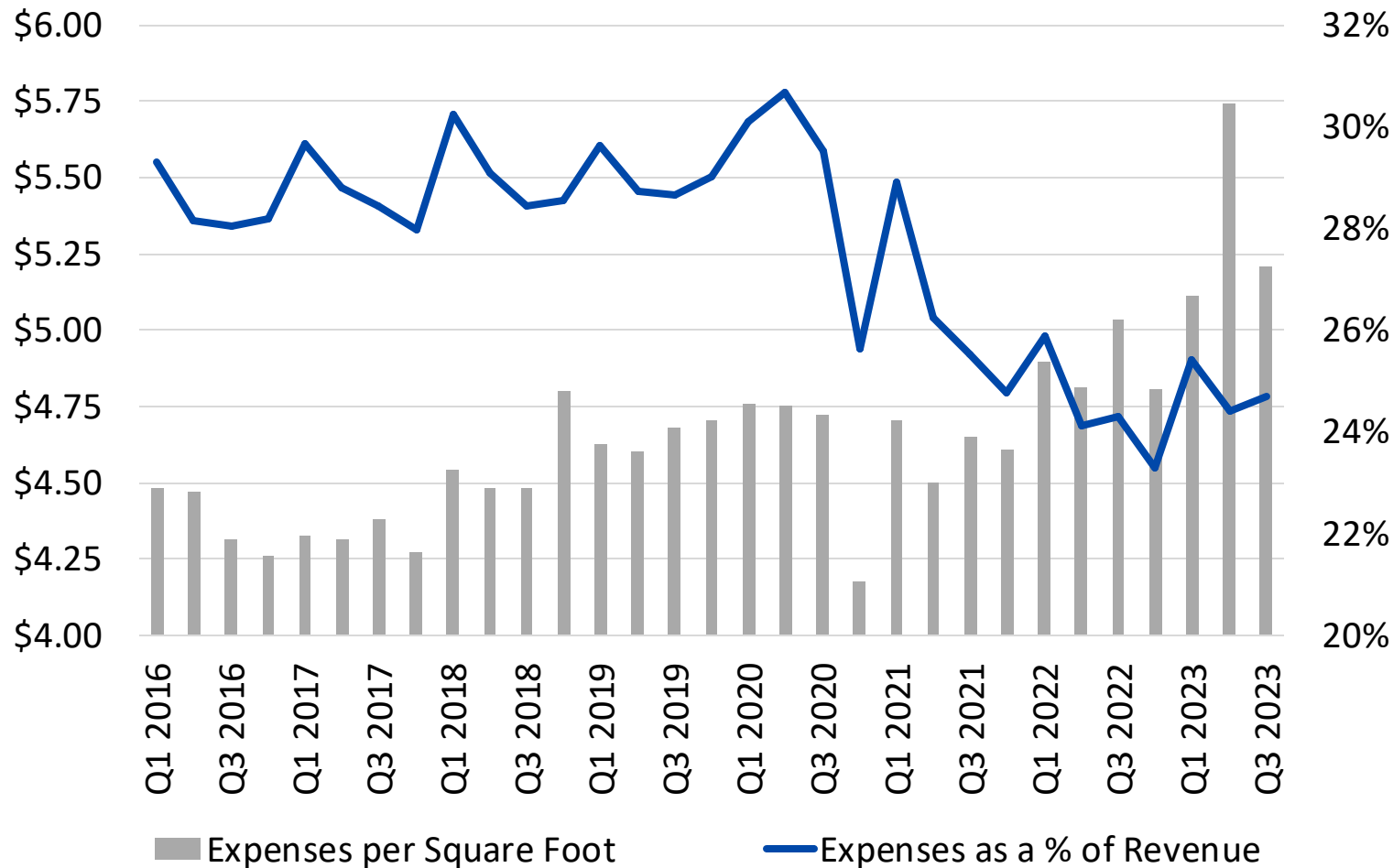
Self Storage REIT Total Revenue Growth



Data through Q3 2023 | Source: Yardi Matrix; REIT Financial Supplemental Materials 2016 - Current

Expenses per Square Foot Dropped Quarter-over-Quarter, But Remain High

Self Storage REIT Expense Trends



- Upward pressure on property taxes and insurance have caused expenses to rise, weighing on operational expense ratios
- However, healthy revenue growth has help offset the increase in expenses
- Operators will rely on technology even more to reduce costs and maximize income



Expenses and revenue data annualized based on same store portfolio quarterly performance | Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2023, from storage REITs including: CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage; insideselfstorage.com

Weighted Average Occupancies for Self Storage REITs Fell in Nearly all Metros Year-Over-Year in Q3 2023

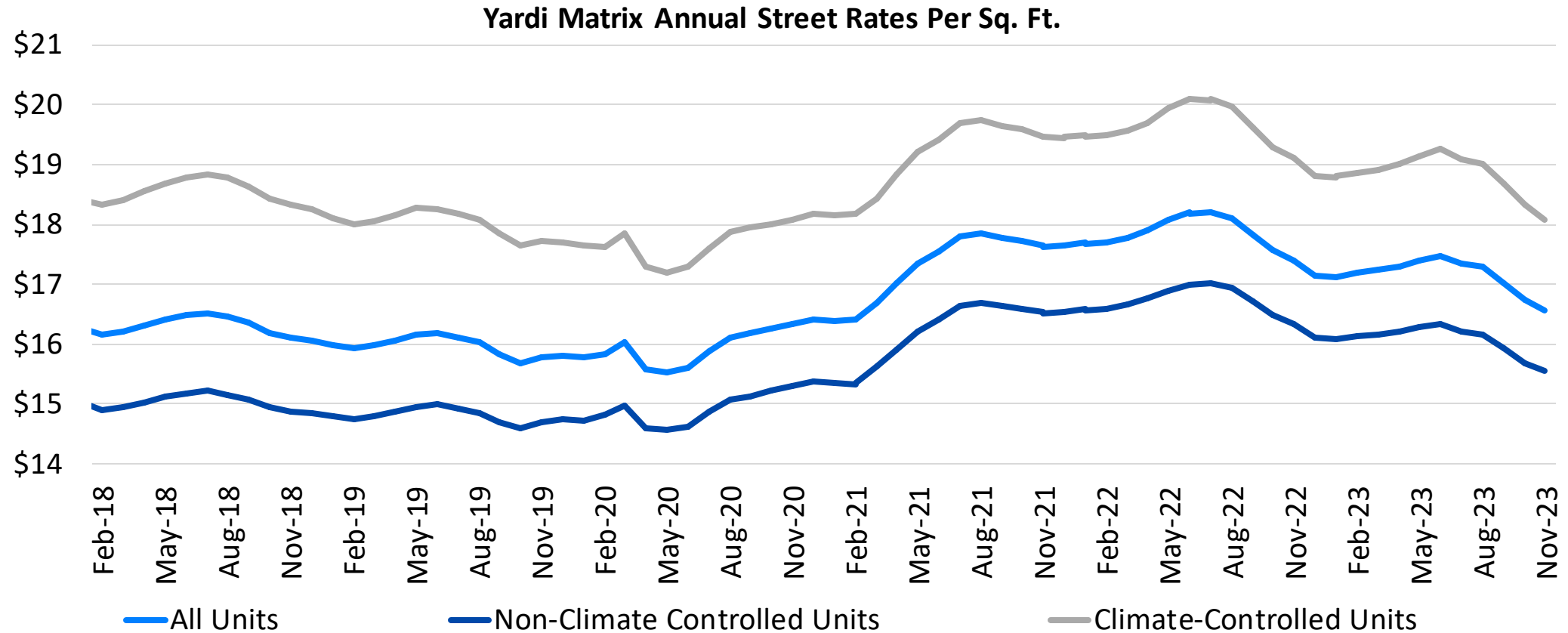
MSA	Q3 2022	Q3 2023	YoY Change in Occupancy
Denver, CO	94.0%	94.2%	0.2%
San Francisco, CA	94.7%	94.6%	-0.1%
Sacramento, CA	92.2%	92.1%	-0.1%
Washington DC	94.2%	93.5%	-0.7%
Chicago, IL	94.2%	93.1%	-1.1%
Philadelphia, PA	93.7%	92.5%	-1.2%
Seattle-Tacoma, WA	94.2%	93.0%	-1.2%
Raleigh-Durham, NC	95.1%	93.7%	-1.4%
Charleston, SC	95.2%	93.6%	-1.5%
New York/New Jersey	94.8%	93.3%	-1.6%
Houston, TX	93.6%	91.8%	-1.8%
Boston, MA	94.3%	92.5%	-1.8%
Charlotte, NC	94.7%	92.5%	-2.2%
Miami, FL	95.2%	93.0%	-2.2%

MSA	Q3 2022	Q3 2023	YoY Change in Occupancy
Los Angeles, CA	95.9%	93.6%	-2.3%
Portland, OR	91.5%	88.9%	-2.6%
Atlanta, GA	94.2%	91.4%	-2.7%
Dallas-Ft. Worth, TX	95.1%	92.2%	-2.9%
Las Vegas, NV	93.9%	90.7%	-3.2%
Columbus, OH	94.9%	91.4%	-3.6%
Orlando, FL	95.7%	92.0%	-3.7%
Kansas City, KS	95.1%	91.0%	-4.1%
San Diego, CA	96.5%	92.4%	-4.1%
Phoenix, AZ	93.4%	89.3%	-4.1%
Tampa, FL	94.5%	90.3%	-4.2%
Nashville, TN	95.2%	90.5%	-4.7%
San Antonio, TX	93.1%	88.0%	-5.1%
Austin, TX	94.7%	89.5%	-5.3%

Source: Yardi Matrix; Quarterly Financial Supplemental and Form 10-Q/10-K, 2018 to 2023, from storage REITs including:
CubeSmart, Extra Space Storage, National Storage Affiliates, Public Storage



Annualized Street Rates Peaked in 2022, But Are Now Declining



	All Units	Non-Climate Controlled	Climate-Controlled
Annualized Street Rate Per Sq. Ft.: Nov '23	\$16.57	\$15.56	\$18.09
Same-Store year-over-year: Nov '22 - Nov '23	-4.2%	-4.1%	-4.4%
Non-same-store Pre-Pandemic to Current: Feb '20 - Nov '23	4.6%	5.1%	2.7%

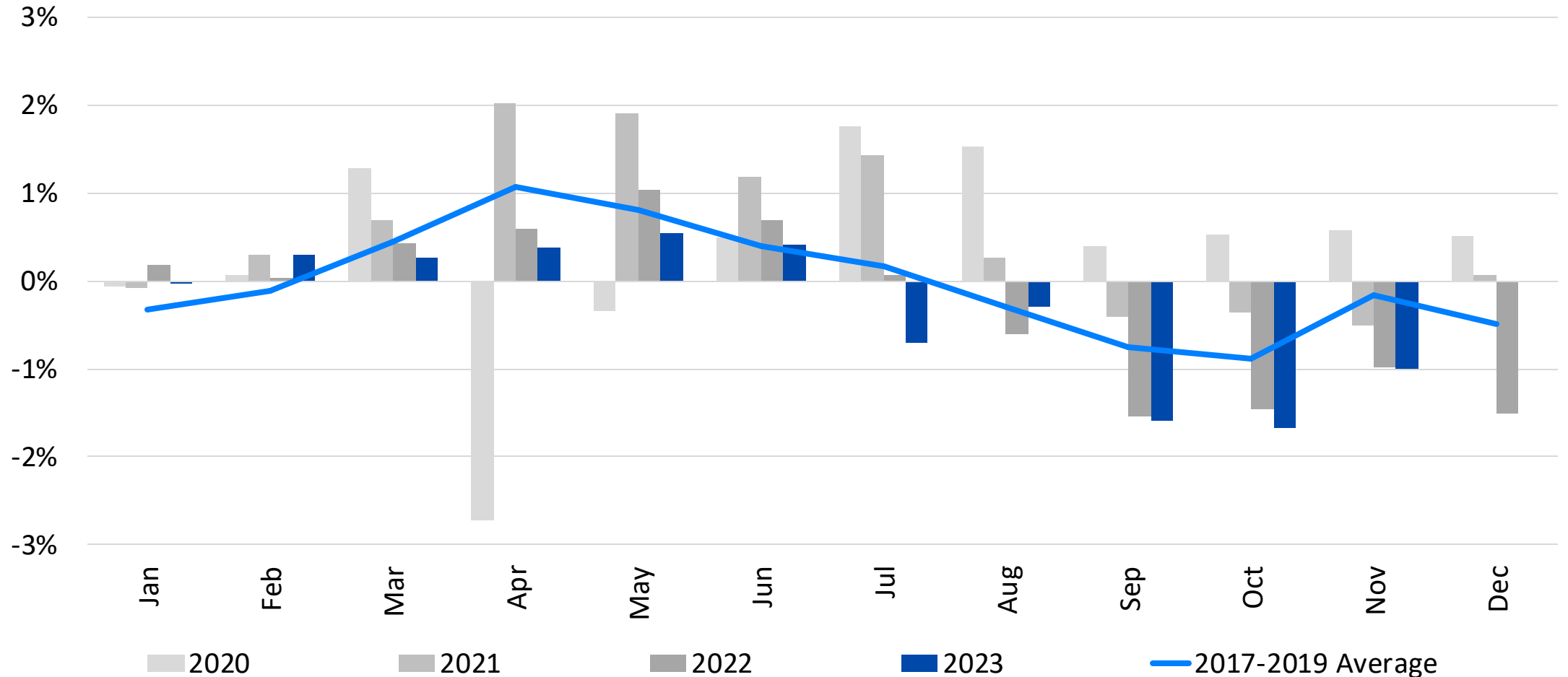


Street rate growth = annualized average street rate per sq. ft. for properties stabilized at 36 months after completion, for the following unit sizes:

5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix

Month-Over-Month Street Rate Growth Has Consistently Decreased Throughout the Second Half of the Year

Self Storage Street Rate Growth Month-Over-Month

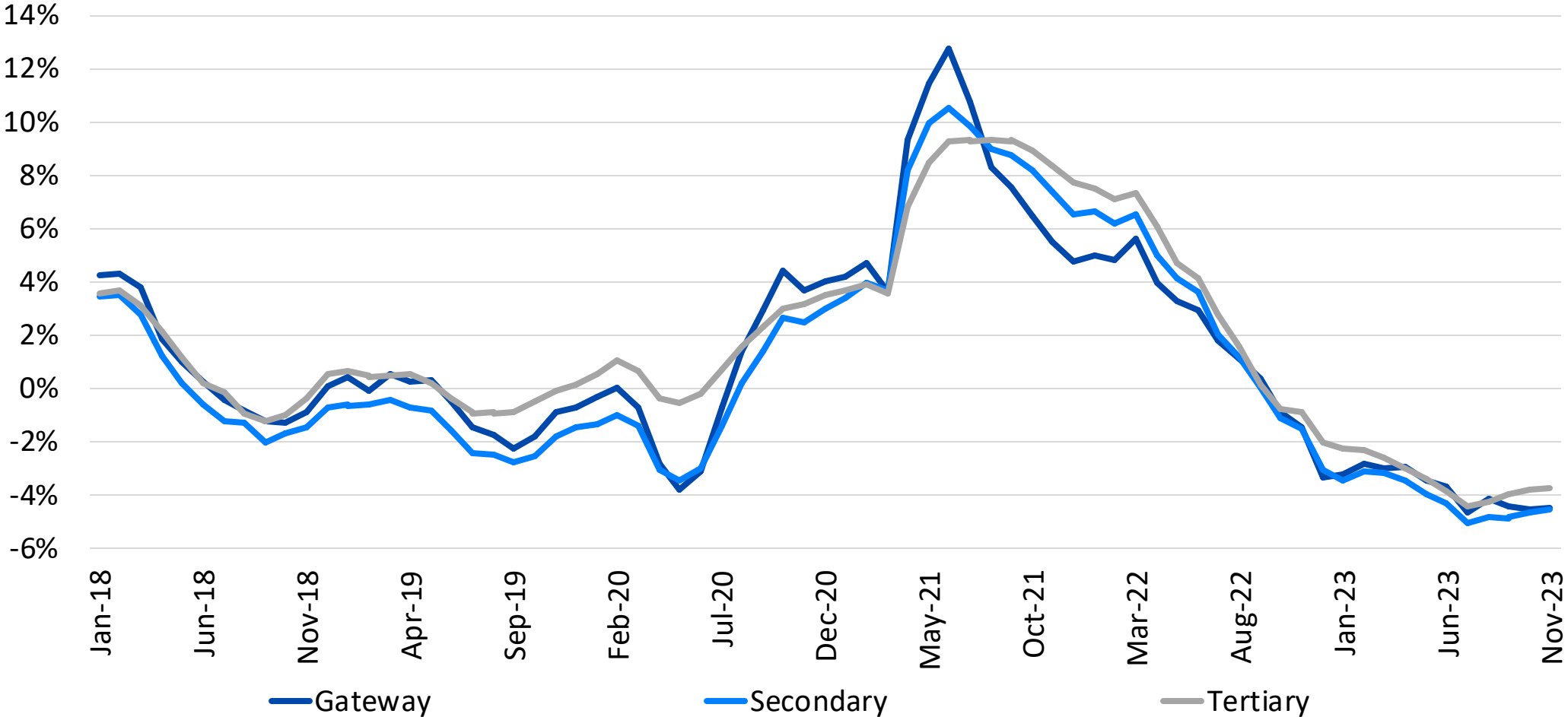


Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Same Store Street Rate Growth Has Declined Since Peaking in Summer 2021, With Little Variation Between Gateway, Secondary and Tertiary Markets

Same Store Year-over-Year Street Rate Growth



Street rate growth = annualized average street 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



Street Rate Growth is Decelerating in Top Storage Markets

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
New York	-0.7%	0.0%
Denver	-1.3%	-2.4%
Portland	-0.6%	-2.8%
Sacramento	-0.7%	-3.0%
Columbus (OH)	-1.2%	-3.1%
Houston	-1.1%	-3.2%
Washington DC	-1.2%	-3.2%
Nashville	-1.6%	-3.4%
San Antonio	-1.0%	-3.6%
Boston	-1.5%	-3.6%
Minneapolis	-1.4%	-3.8%
Charleston (SC)	-1.8%	-4.0%
San Diego	-0.7%	-4.1%
Charlotte	-1.2%	-4.4%
Raleigh – Durham	-1.3%	-4.4%

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
San Francisco	-0.8%	-4.5%
Dallas - Ft Worth	-1.3%	-4.6%
Chicago	-2.0%	-4.7%
Las Vegas	-0.9%	-4.7%
Los Angeles	-0.8%	-4.8%
San Jose	-1.1%	-5.0%
Seattle	-0.8%	-5.4%
Inland Empire	-0.6%	-5.6%
Austin	-0.8%	-6.1%
Tampa	-1.7%	-6.4%
Philadelphia	-1.1%	-6.5%
Atlanta	-1.6%	-6.7%
Orlando	-2.0%	-7.3%
Phoenix	-0.9%	-8.0%
Miami	-1.7%	-8.0%

*Pittsburgh rents have been omitted as they are being revised.

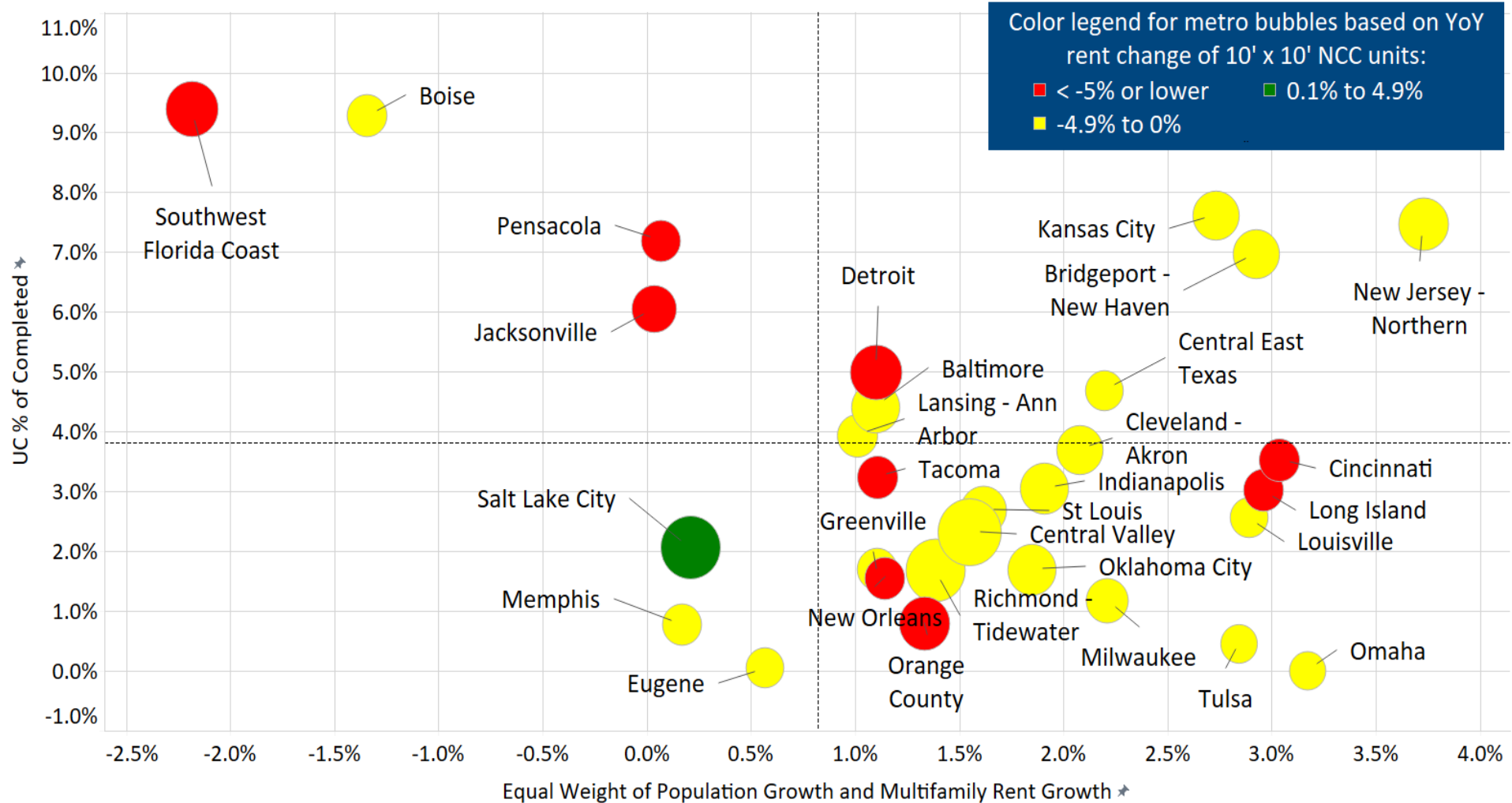
Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes:

5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Street Rate Performance in Secondary and Tertiary Markets Also Tied to Multifamily Fundamentals

**2023 Snapshot: November 2023 Supply and Rent Growth
(Bubble Size Represents Completed NRSF)**



Street Rate Growth More Resilient in Largest Secondary and Tertiary Markets

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Tulsa	-0.4%	0.1%
Salt Lake City	-0.4%	0.0%
Omaha	-0.4%	-0.3%
Greenville (SC)	-0.4%	-0.5%
Eugene	0.2%	-1.1%
Central Valley	-0.3%	-1.3%
Louisville (KY)	-0.5%	-2.0%
New Jersey – North.	-0.7%	-2.1%
Cleveland - Akron	-1.3%	-2.4%
Long Island	-0.5%	-2.6%
Lansing - Ann Arbor	-1.4%	-2.7%
Boise	0.1%	-2.9%
Oklahoma City	-0.7%	-3.0%
Memphis	0.5%	-3.1%
Richmond	-0.3%	-3.1%

Market	Same-Store MoM Rent Growth	Same-Store YoY Rent Growth
Bridgeport	-1.4%	-3.1%
Baltimore	-0.6%	-3.2%
Milwaukee	-1.0%	-3.3%
Kansas City	-0.5%	-3.5%
Cincinnati	-0.5%	-3.6%
Central East Texas	-0.1%	-3.6%
Pensacola	-0.2%	-3.9%
St Louis	-1.9%	-3.9%
Jacksonville	-2.4%	-3.9%
Detroit	-1.1%	-4.0%
Indianapolis	-0.7%	-4.5%
Tacoma	-0.4%	-4.8%
New Orleans	-0.5%	-5.1%
Orange County	-1.6%	-5.5%
SW Florida Coast	-0.9%	-8.6%

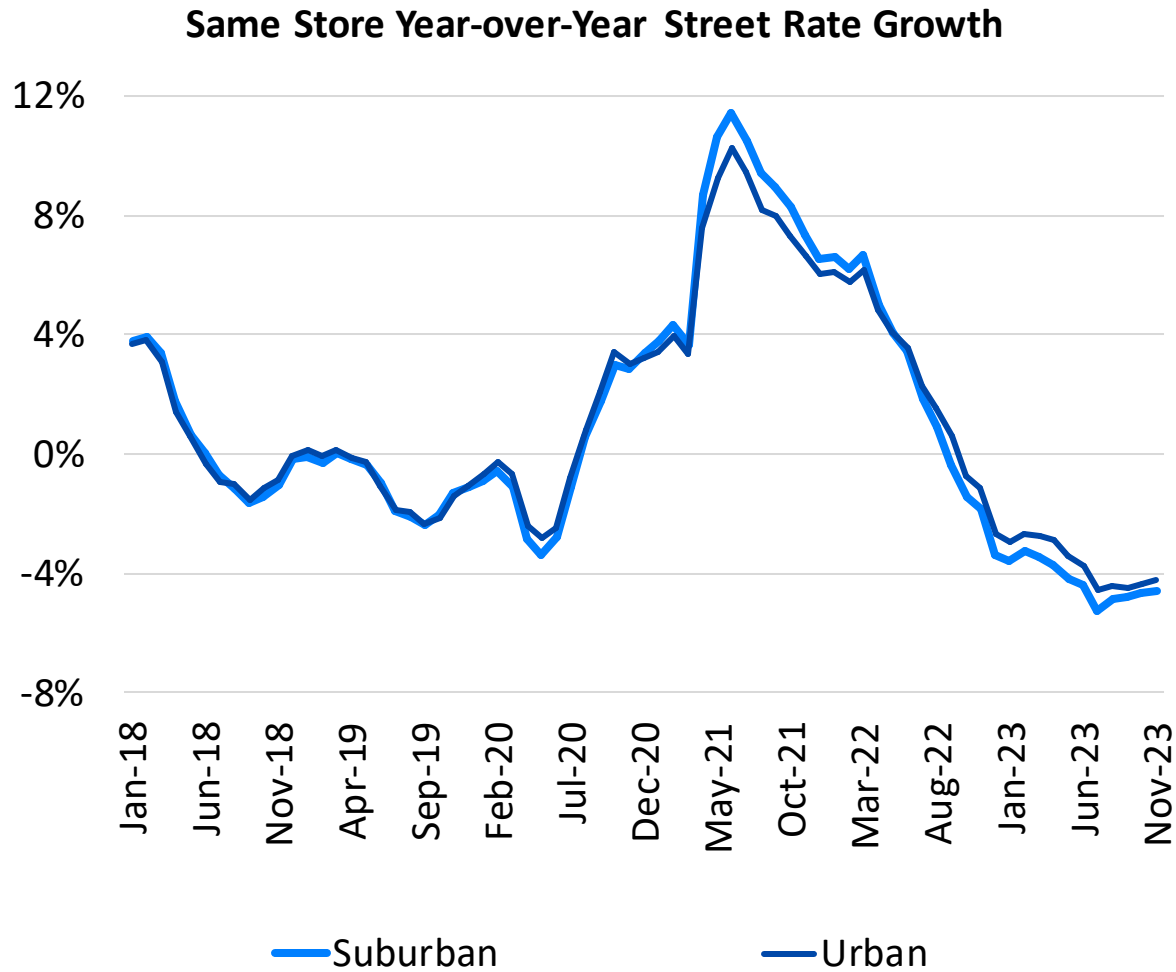
Top 30 Secondary and Tertiary markets based on total NRSF.

Street rate growth = annualized average street 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



Urban Trade Areas and Newer Properties Slightly Outperforming, But There Has Been a Reversion to the Mean



Street rate growth = annualized average street 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



There Has Also Been a Reversion to the Mean When Looking at Improvement and Location Ratings

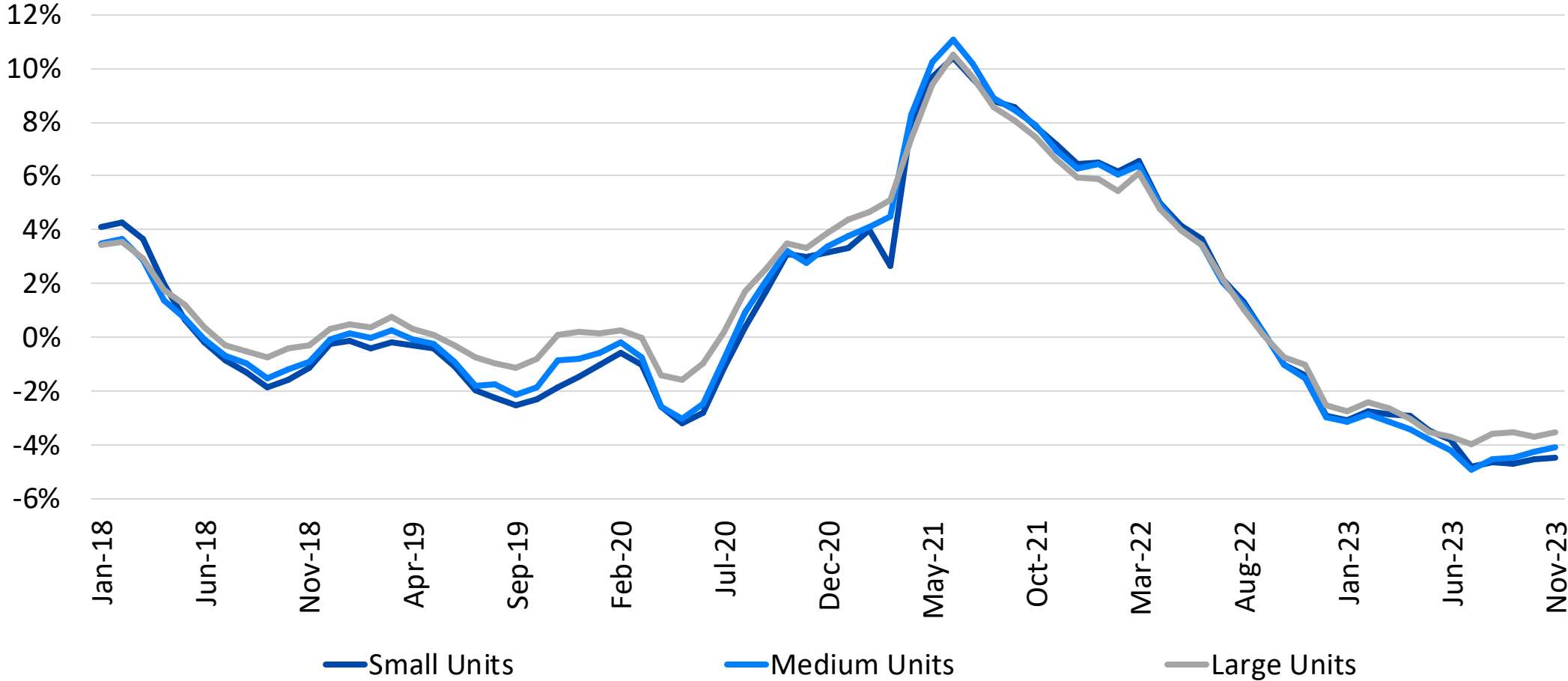


Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: 5x5, 5x10, 10x5, 5x15, 15x5, 10x10, 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



There is Little Variation in Street Rate Performance by Unit Size

Same Store Year-over-Year Street Rate Growth

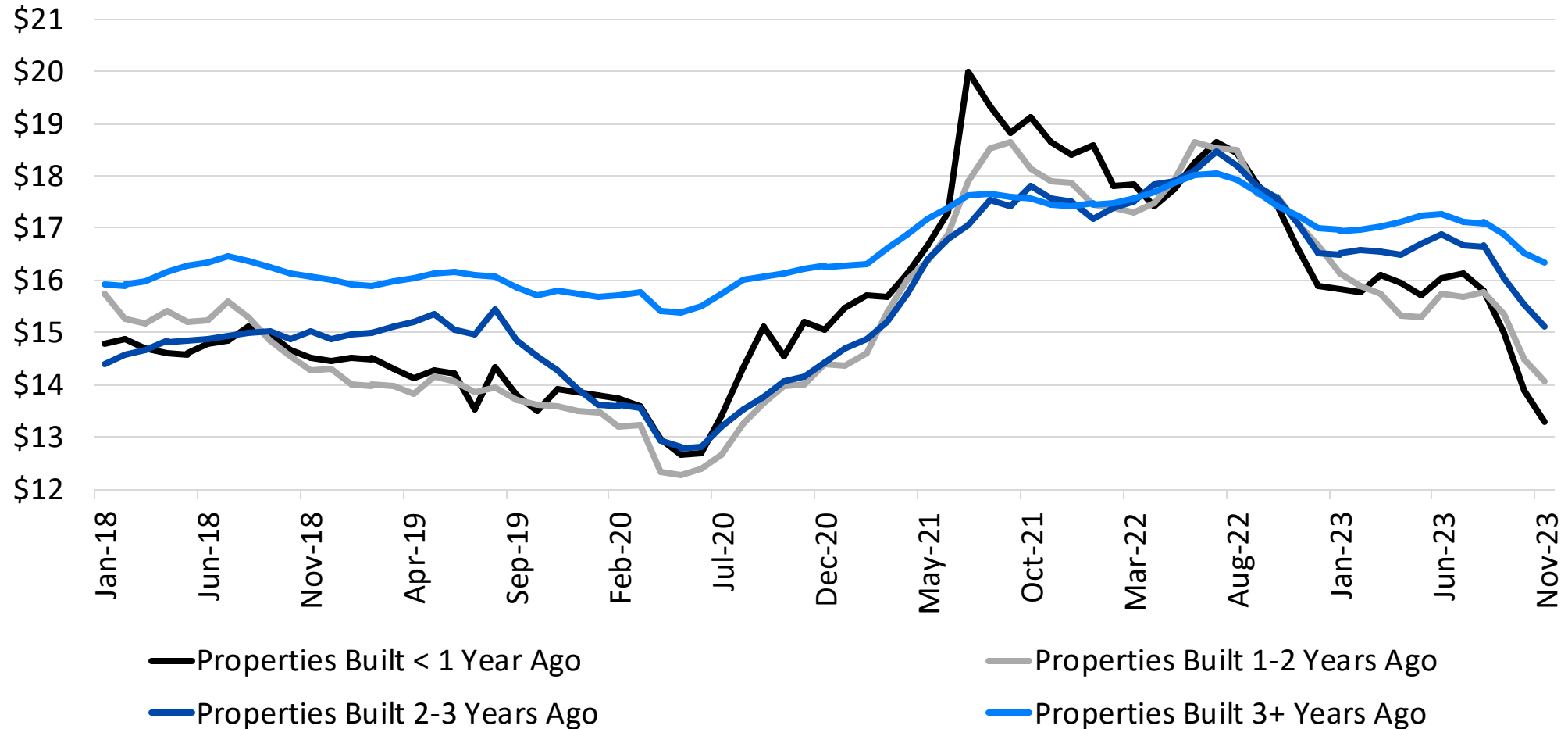


Street rate growth = annualized average street rate per sq. ft. for same-store properties stabilized at 36 months after completion, for the following unit sizes: Small = 5x5, 5x10, 10x5, Medium = 10x15, 15x10, 10x10, Large = 10x20, 20x10, 10x30 & 30x10 CC and NCC units | Source: Yardi Matrix



Stabilized Properties Built 3+ Years Ago Have Been Charging Higher Rates For Over a Year

Annualized Street Rate by Year Property Was Built



Street Rate Summary & Outlook

- Following weakened demand and declining occupancy, street rates have fallen and have been below in-place rents since 2021
- The sector has historically been recession resilient, and operators are still able to grow revenue through existing customer rate increases (ECRIs) moving new customers at lower street rates to in-place rates within 9-18 months
- Street rate declines will continue to be a drag on growth in 2024 without the support of growing or stabilized occupancy
- Lease up supply is again a drag on performance and the markets with the most new supply delivered recently have seen the slowest street rate growth

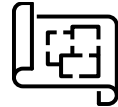
HISTORICAL & FORECASTED SUPPLY TRENDS

NEW STORAGE SUPPLY PIPELINE



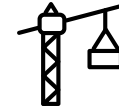
PROSPECTIVE

631 Properties
39MM Total Sq. Ft.
33MM Rentable Sq. Ft.



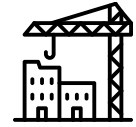
PLANNED

1,940 Properties
152MM Total Sq. Ft.
144MM Rentable Sq. Ft.



UNDER CONSTRUCTION

883 Properties
76MM Total Sq. Ft.
66MM Rentable Sq. Ft.

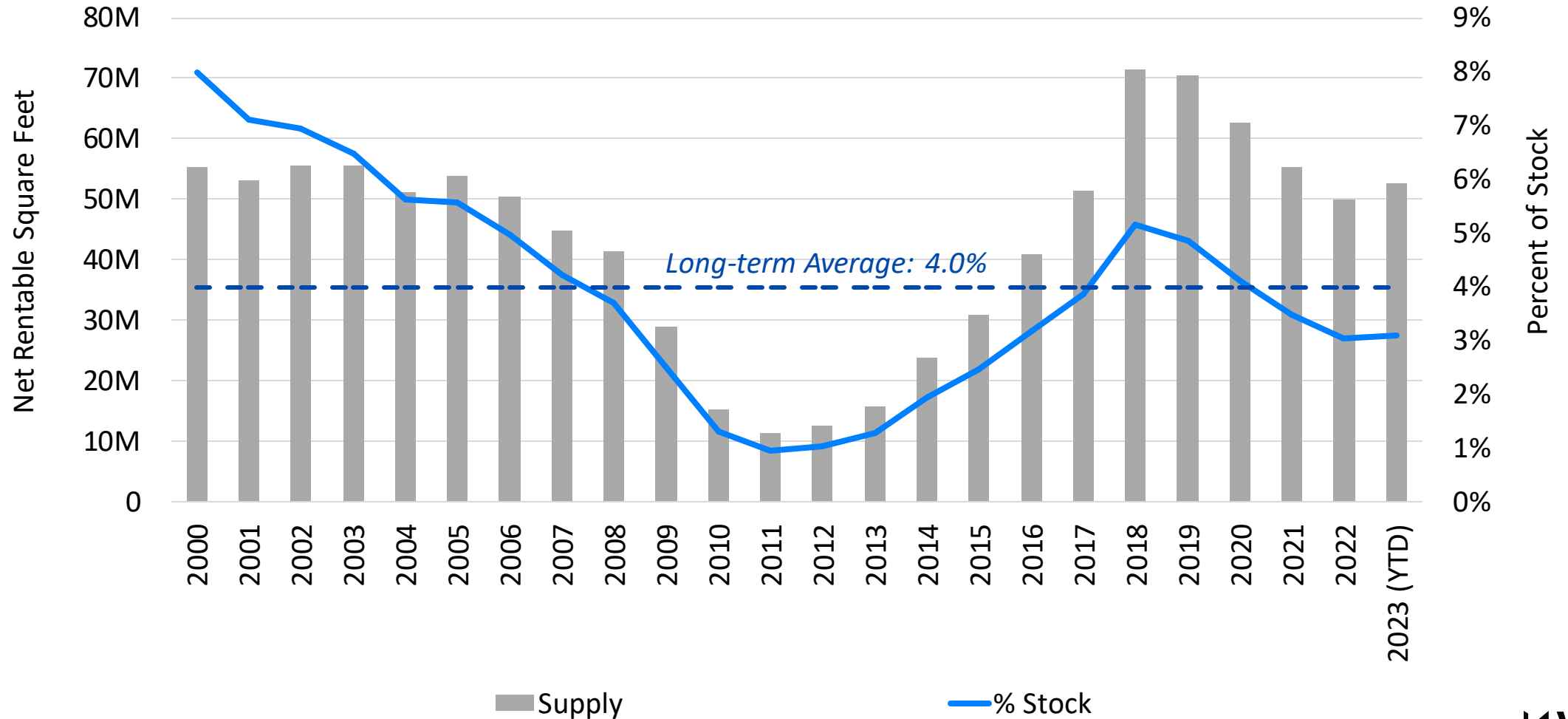


LEASE-UP SUPPLY

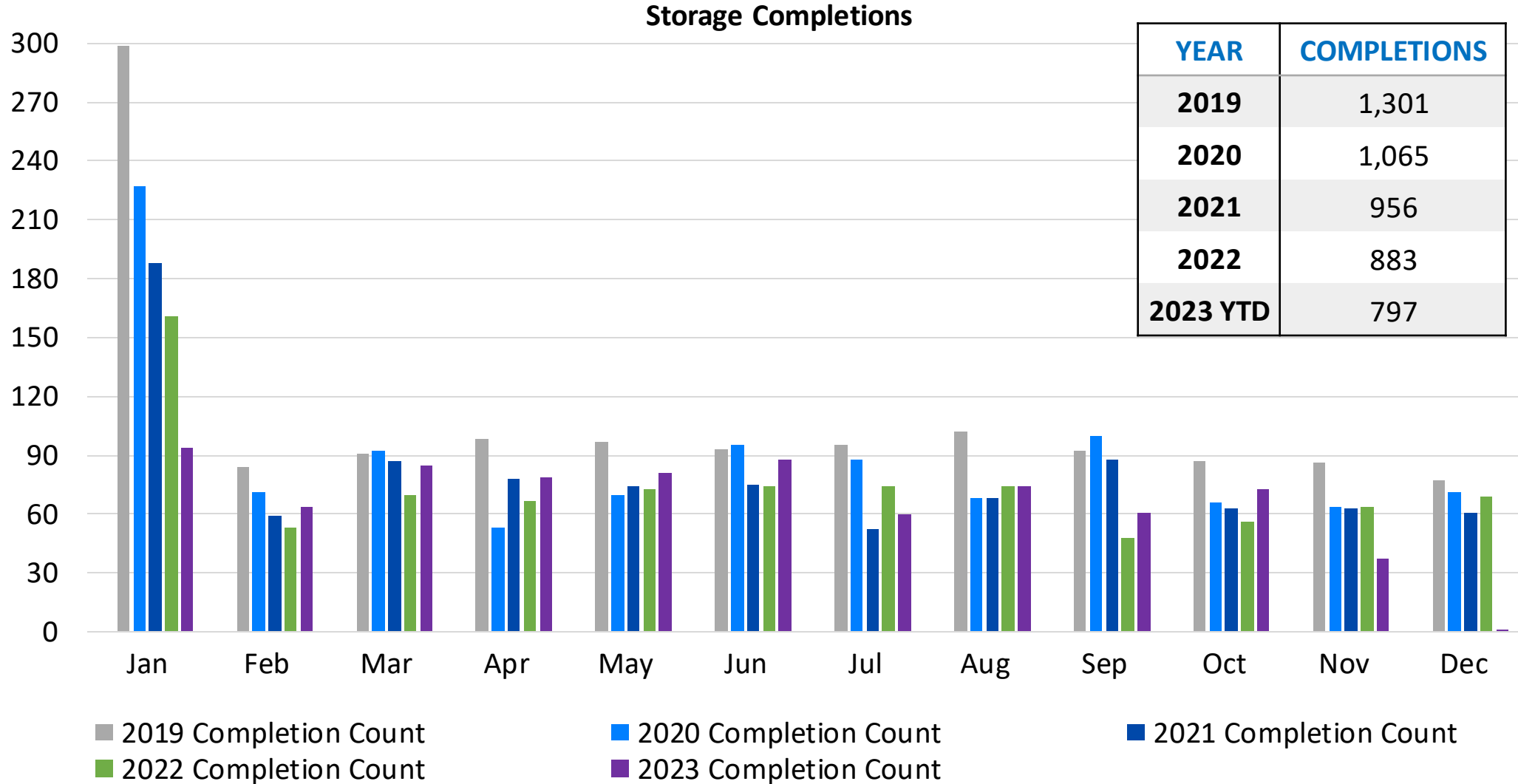
1,798 Properties
164MM Total Sq. Ft.
135MM Rentable Sq. Ft.

Completions Have Slightly Increased YTD 2023, But The Percent Of Stock Is Still Below The Long-Term Average

National Annual Completions: Net Rentable Square Feet & Percent of Stock



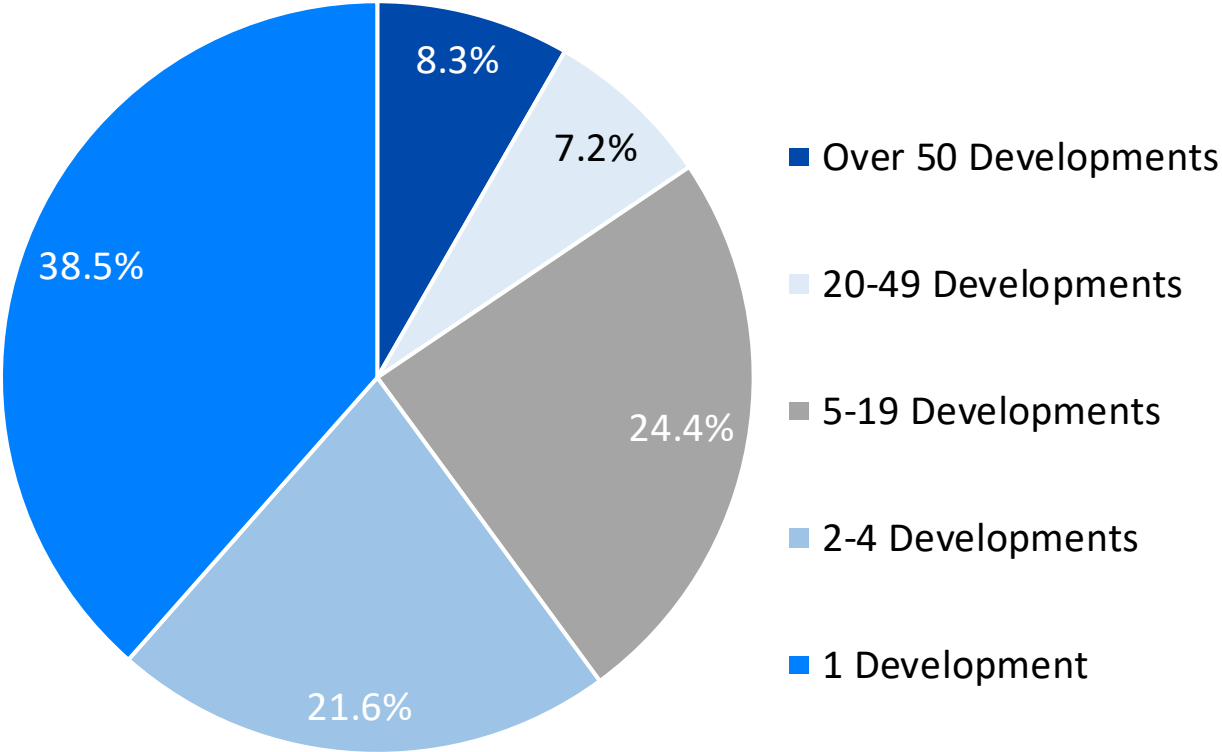
2023 Completions Appear Slightly Lower Compared to Previous Years, But These Numbers Will Increase as We Continue to Document Additional Completions



Self Storage Development is Highly Fragmented

Over 60% of Activity Has Been From Developers With < 5 Projects

Developers Since 2017 by Number of Developments



Top Self-Storage Developers Since 2017

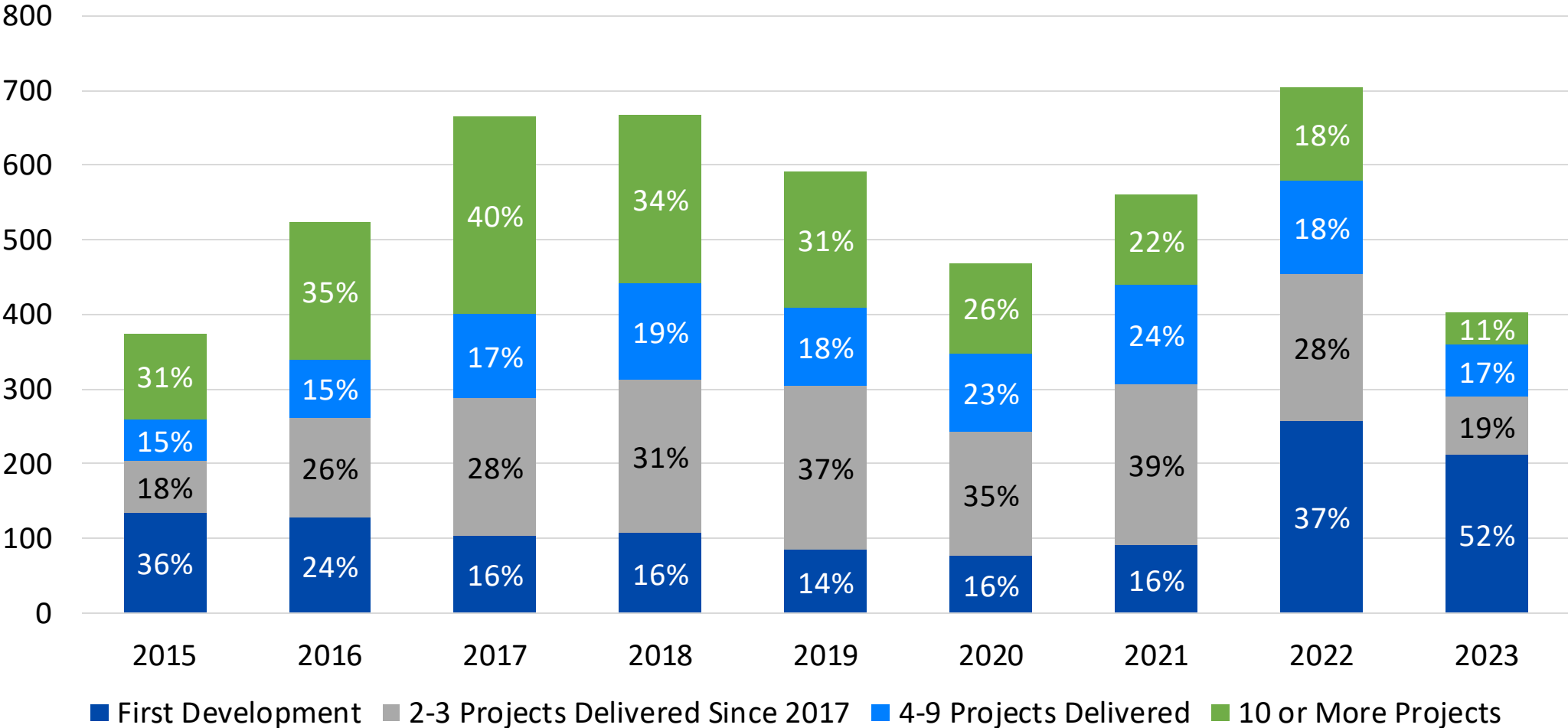
Developer	Total Developments	
	Properties	Net Rentable Square Feet
Amerco Real Estate	212	22,459,592
Public Storage	103	13,990,032
Johnson Development Associates	67	7,327,108
SAFStor	38	3,939,157
William Warren Group, The	36	3,072,415
NorthPoint Development	32	3,876,945
Premier Storage Investors	32	3,100,875
Extra Space Storage	31	3,197,089
Sterling Group, The	27	2,299,703
Brookwood Properties	25	3,277,449
CubeSmart	24	2,419,999
The Carroll Companies	24	2,002,399
All Storage	22	4,464,800
Madison Capital Group	21	1,880,696
Stein Investment Group	21	1,846,570



Construction Loans Peaked in Mid-2022

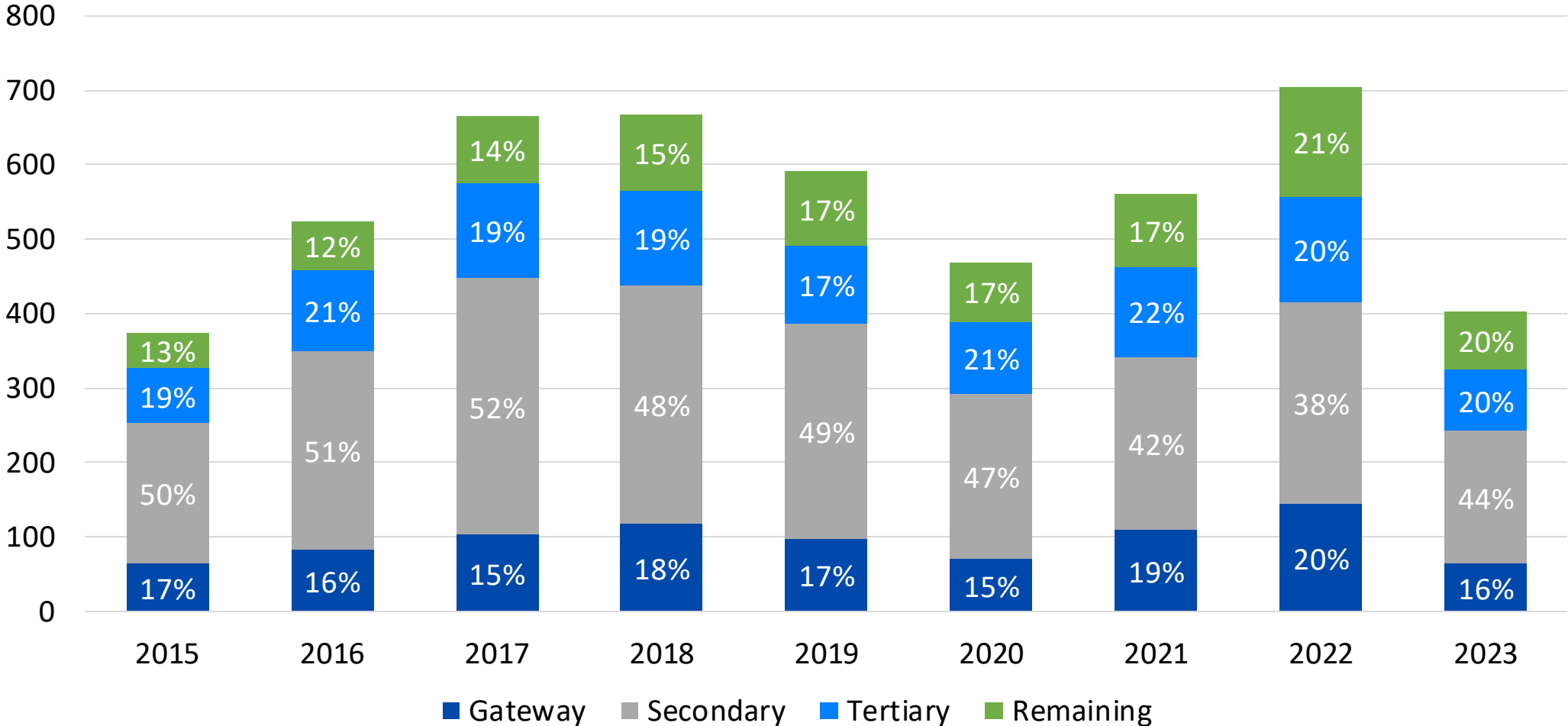
Most Loans Recently Have Gone To Less Experienced Developers

Construction Loans by Developer Experience Since 2017

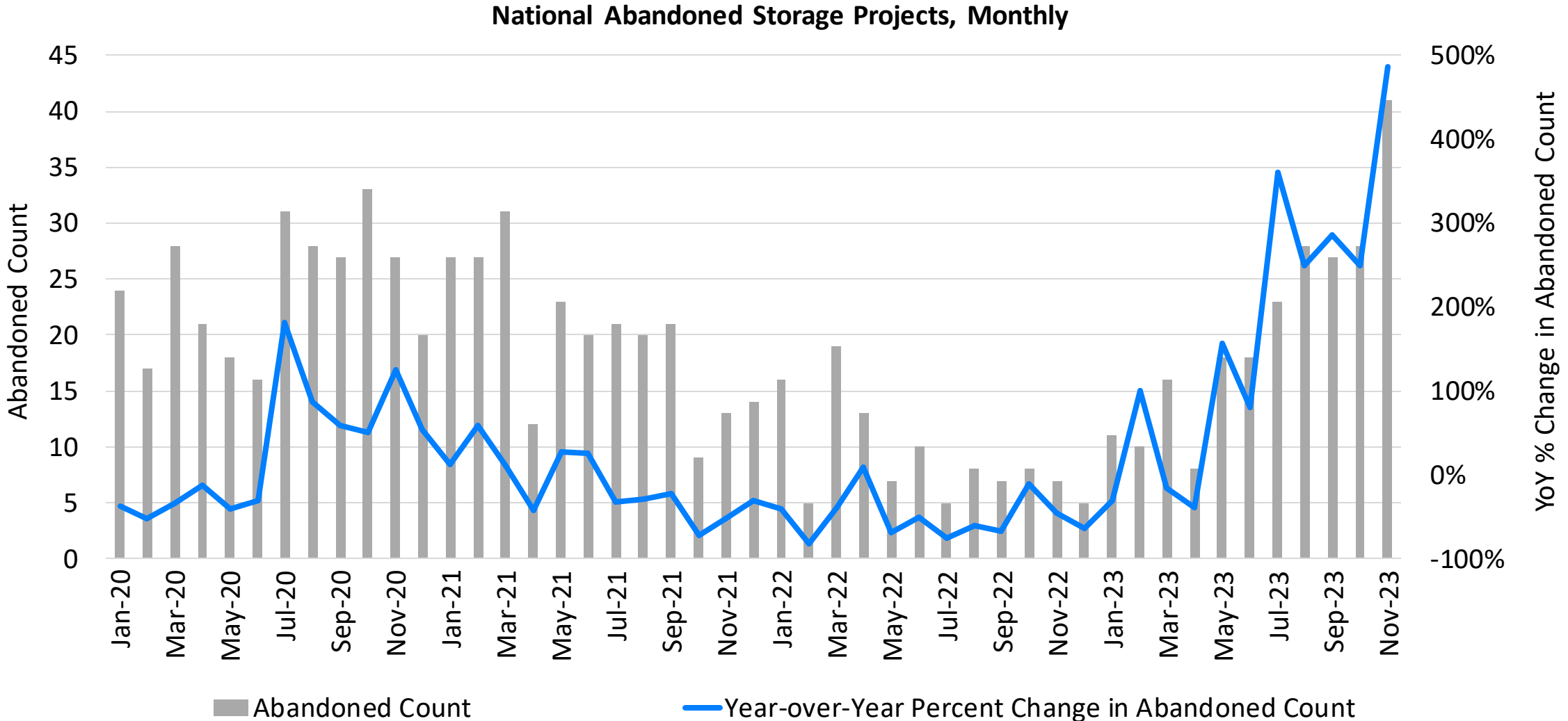


Construction Lending in Recent Years Has Shifted to Smaller Markets

Construction Loans by Market Classification

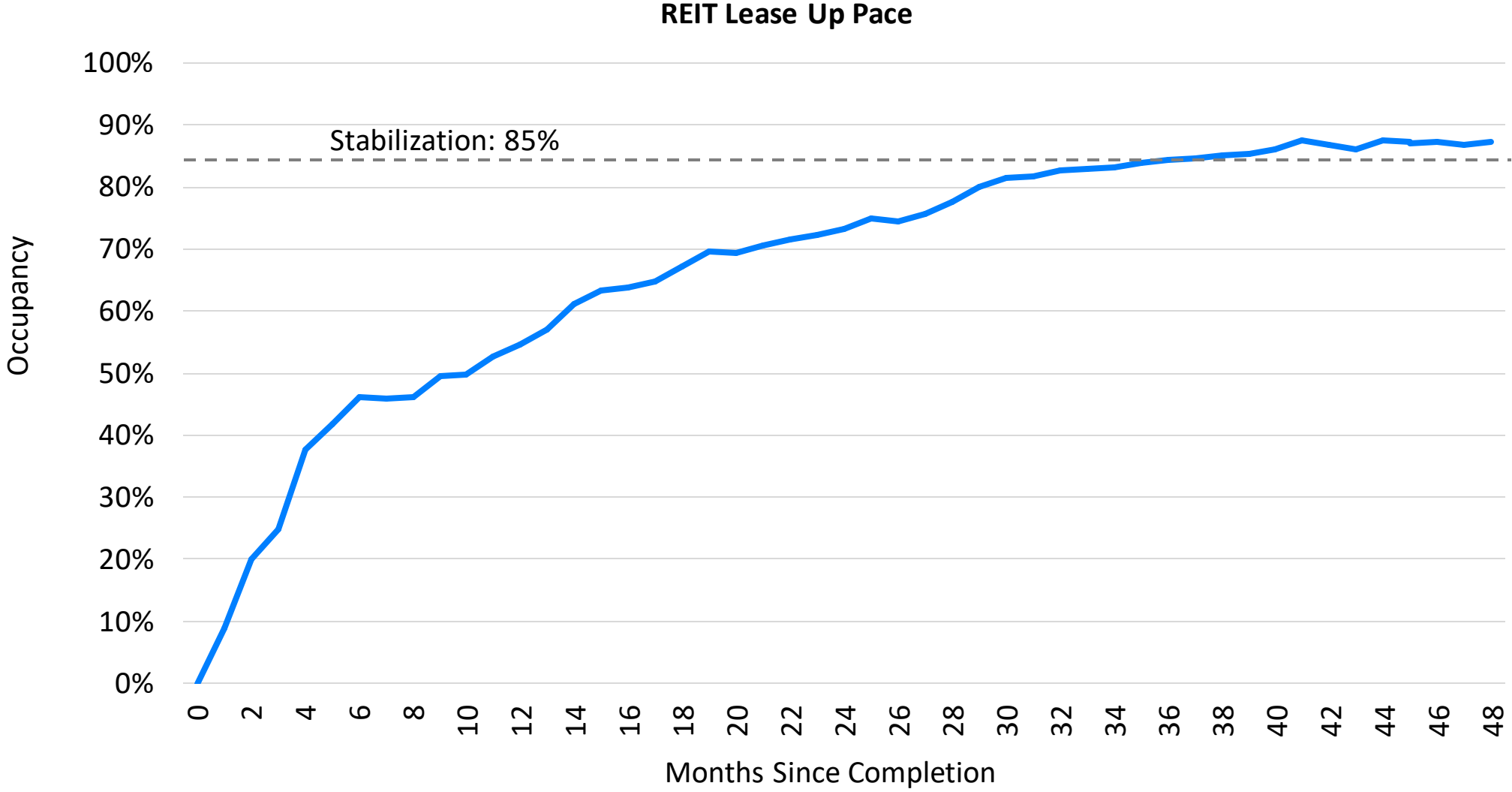


The Number of Abandoned Storage Projects Has Been Steadily Increasing in 2023

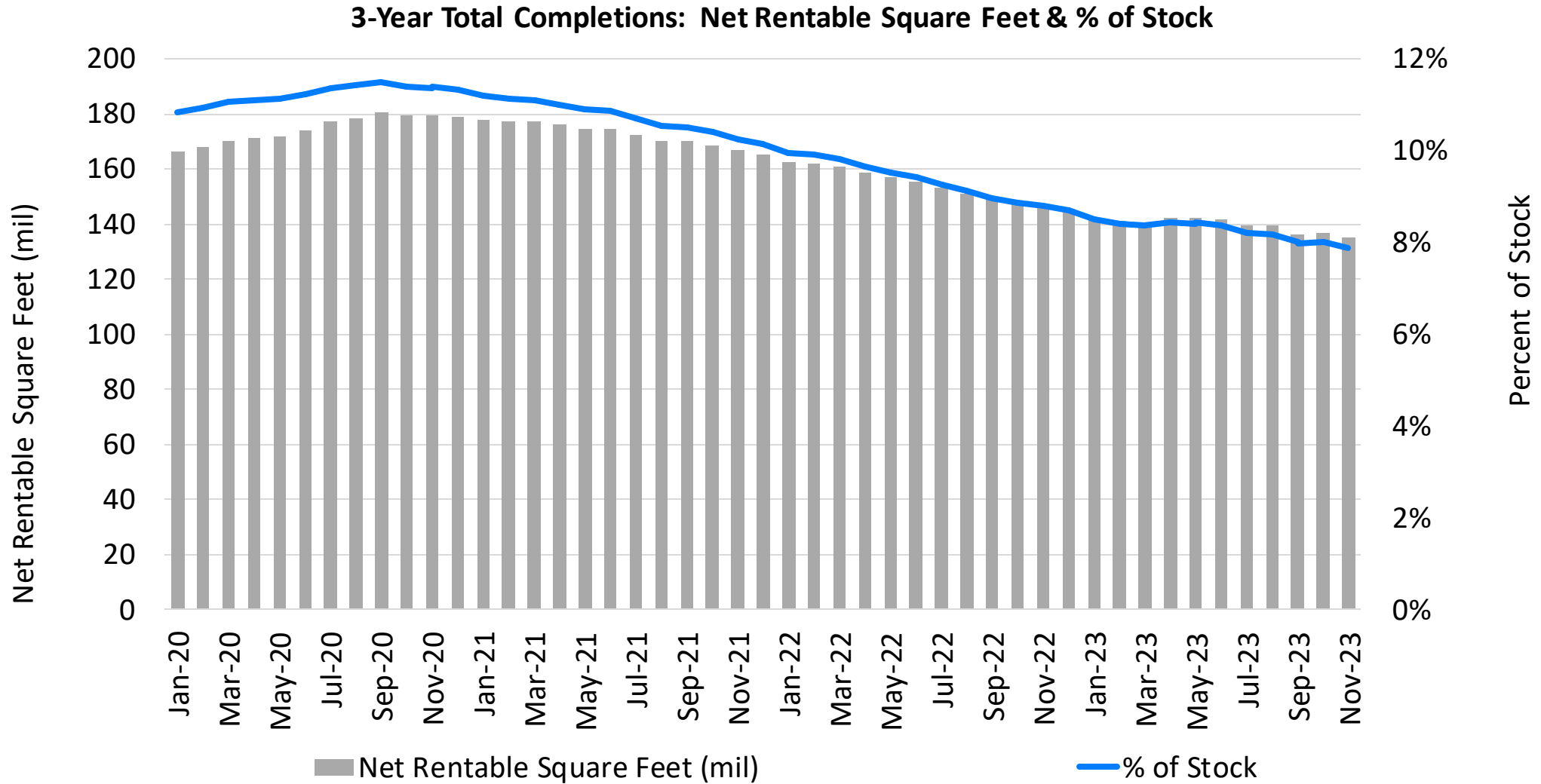


Source: Yardi Matrix

New Properties Typically Reach Stabilization in 3 Years

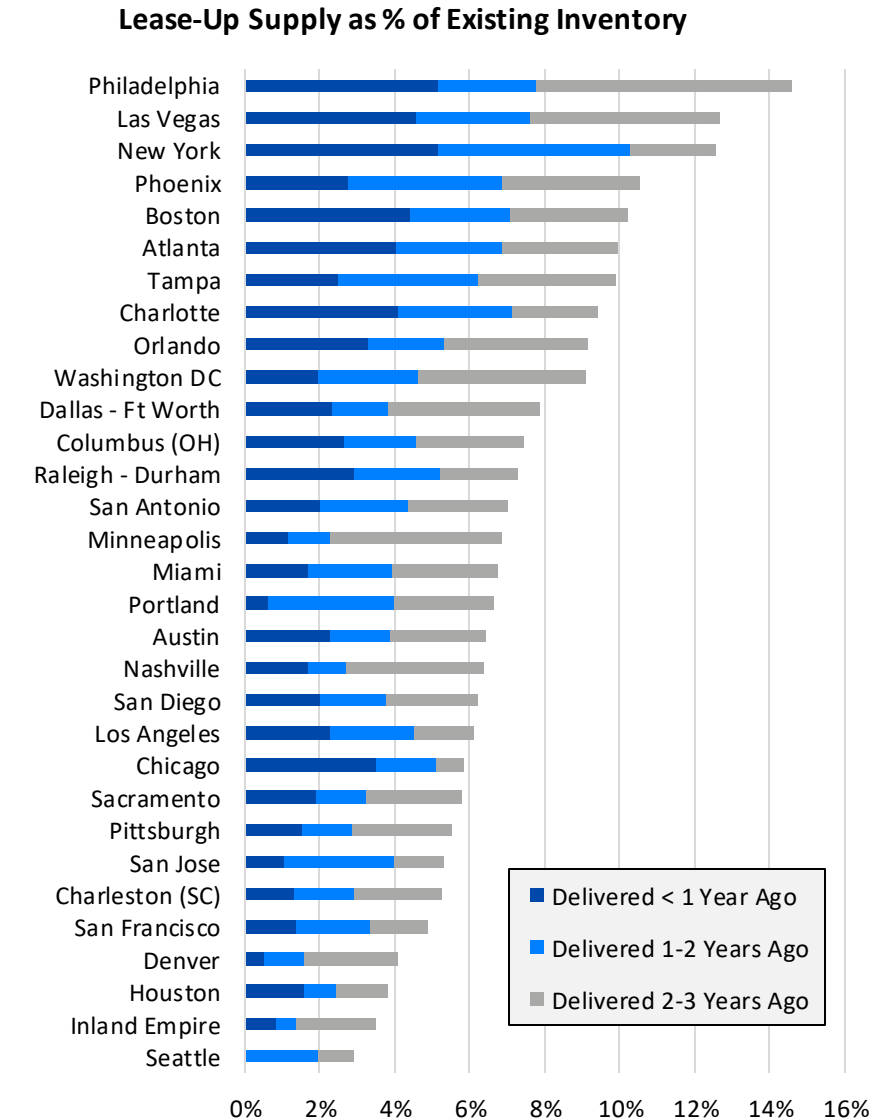


Supply in Lease-Up Has Been Steadily Declining Since 2020



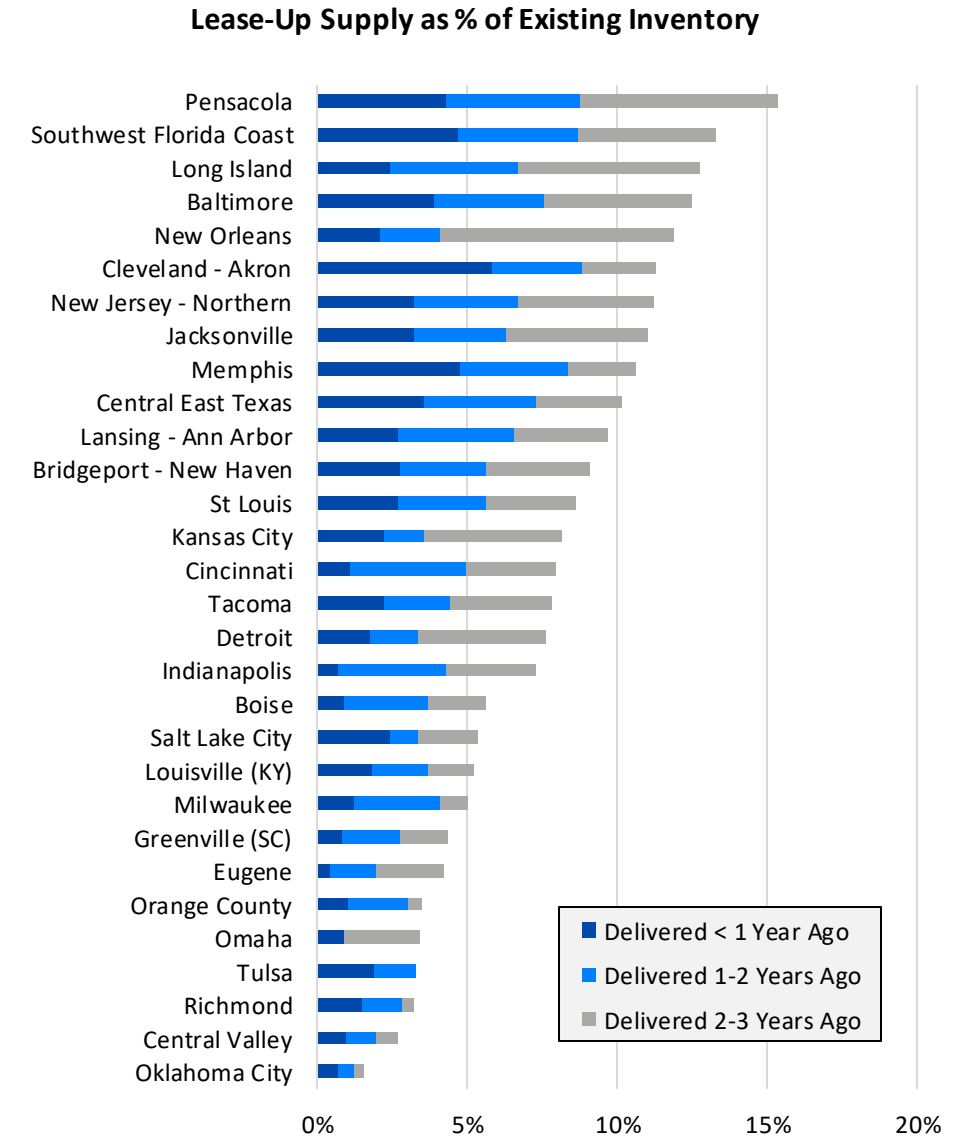
Majority of Lease-Up Supply in Major Markets Was Delivered 2-3 Years Ago

Market	Lease-Up % of Existing Inventory	Market	Lease-Up % of Existing Inventory
Philadelphia	14.6%	Portland	6.6%
Las Vegas	12.7%	Austin	6.4%
New York	12.6%	Nashville	6.4%
Phoenix	10.5%	San Diego	6.2%
Boston	10.2%	Los Angeles	6.1%
Atlanta	10.0%	Chicago	5.8%
Tampa	9.9%	Sacramento	5.8%
Charlotte	9.4%	Pittsburgh	5.6%
Orlando	9.2%	San Jose	5.3%
Washington DC	9.1%	Charleston (SC)	5.2%
Dallas - Ft Worth	7.9%	San Francisco	4.9%
Columbus (OH)	7.5%	Denver	4.1%
Raleigh - Durham	7.3%	Houston	3.8%
San Antonio	7.0%	Inland Empire	3.5%
Minneapolis	6.9%	Seattle	2.9%
Miami	6.8%		

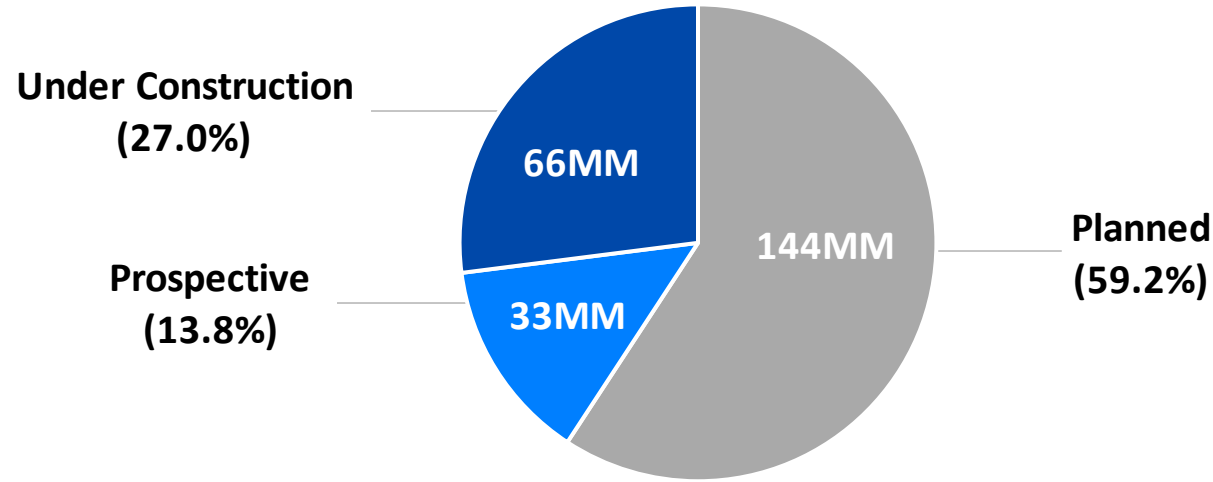


Secondary and Tertiary Markets on the East Coast Have the Most Lease-Up Supply

Market	Lease-Up % of Existing Inventory	Market	Lease-Up % of Existing Inventory
Pensacola	15.4%	Tacoma	7.9%
SW Florida Coast	13.4%	Detroit	7.7%
Long Island	12.8%	Indianapolis	7.3%
Baltimore	12.5%	Boise	5.7%
New Orleans	11.9%	Salt Lake City	5.4%
Cleveland - Akron	11.3%	Louisville (KY)	5.3%
N. New Jersey	11.3%	Milwaukee	5.1%
Jacksonville	11.0%	Greenville (SC)	4.4%
Memphis	10.6%	Eugene	4.2%
Central East Texas	10.2%	Orange County	3.5%
Lansing	9.7%	Omaha	3.4%
Bridgeport	9.1%	Tulsa	3.3%
St Louis	8.6%	Richmond	3.2%
Kansas City	8.2%	Central Valley	2.7%
Cincinnati	8.0%	Oklahoma City	1.6%



New Supply Pipeline: Where is New Supply Concentrated?



Top 10 Markets	NRSF	UC as a % of Existing Stock
Worcester-Springfield	1,041,648	15.1%
Port St. Lucie	550,369	11.1%
Athens	422,737	11.0%
Providence	746,303	10.5%
Harrisburg	546,058	10.4%
McAllen	627,660	9.5%
Sarasota-Cape Coral	1,874,341	9.4%
Boise	1,092,140	9.3%
Central New Jersey	1,222,099	9.0%
Albany	502,260	8.5%

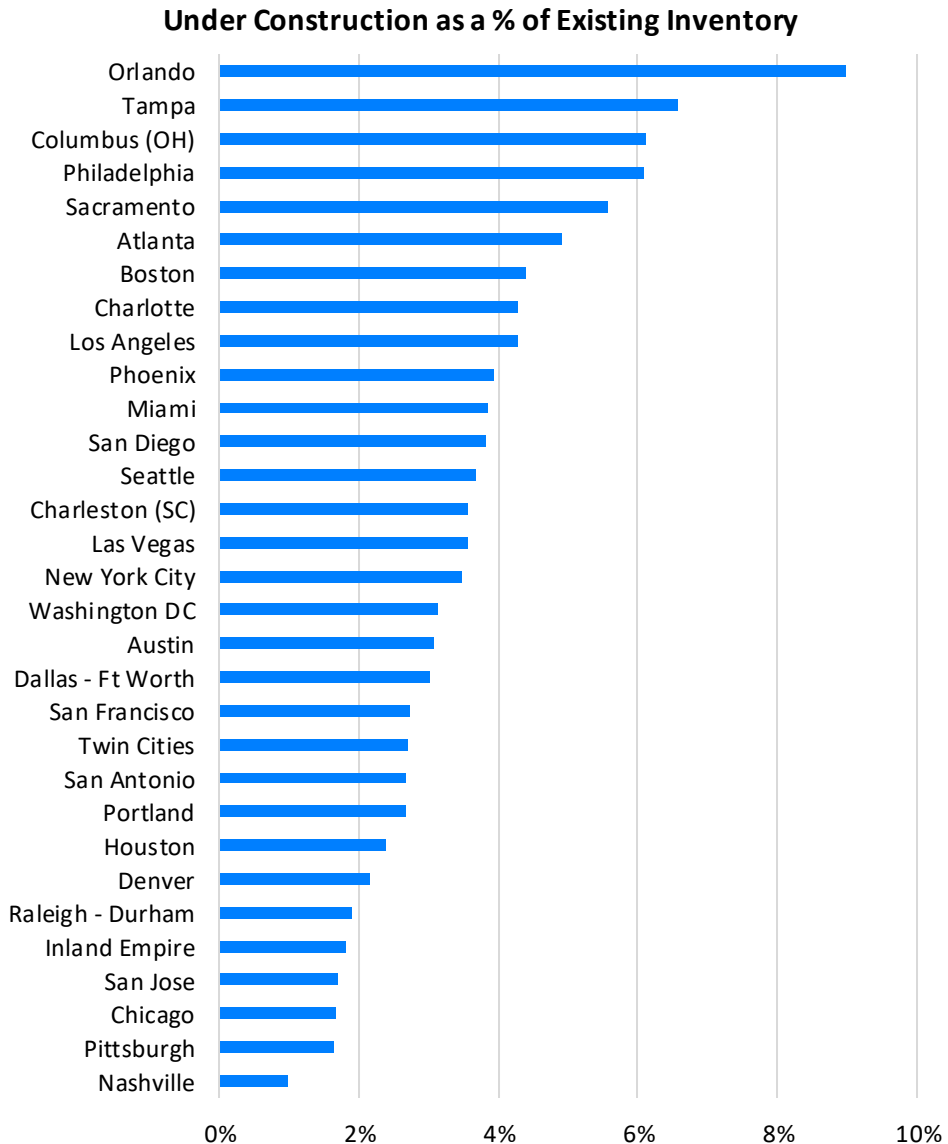
Top 10 Markets	NRSF	Planned as a % of Existing Stock
Port St. Lucie	1,893,809	38.3%
Athens	1,302,254	33.9%
Sarasota-Cape Coral	5,903,019	29.6%
Lubbock	957,155	24.8%
Tallahassee	690,497	22.5%
Allentown-Bethlehem	869,801	22.4%
North Central Florida	2,392,711	22.0%
White Plains	2,306,198	20.3%
Philadelphia	5,272,847	18.9%
Clarksville	490,422	17.9%

Top 10 Markets	NRSF	Prospective as a % of Existing Stock
Port St. Lucie	902,898	18.2%
White Plains	1,180,879	10.4%
Sarasota-Cape Coral	1,624,804	8.1%
Central New Jersey	1,032,572	7.6%
Phoenix	2,279,609	6.1%
Tallahassee	179,846	5.9%
Tucson	380,746	5.2%
Albany	287,721	4.9%
Miami	1,821,290	4.4%
Fayetteville NC	203,027	3.9%



Heavy Supply in Major Markets with Low Existing Stock & Strong Population Growth

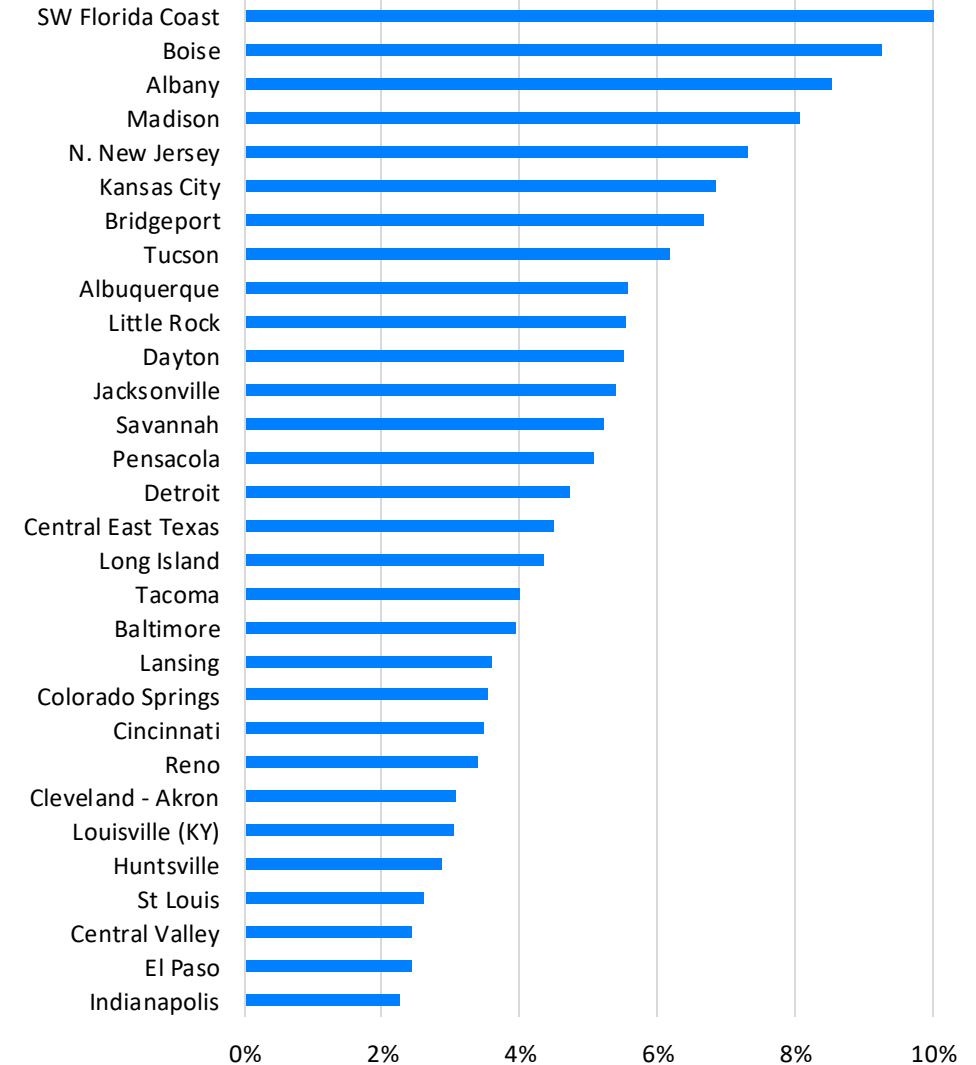
Market	UC % of Existing Inventory	Market	UC % of Existing Inventory
Orlando	9.0%	Washington DC	3.1%
Tampa	6.6%	Austin	3.1%
Columbus (OH)	6.1%	Dallas - Ft Worth	3.0%
Philadelphia	6.1%	San Francisco	2.7%
Sacramento	5.6%	Twin Cities	2.7%
Atlanta	4.9%	San Antonio	2.7%
Boston	4.4%	Portland	2.7%
Charlotte	4.3%	Houston	2.4%
Los Angeles	4.3%	Denver	2.1%
Phoenix	3.9%	Raleigh - Durham	1.9%
Miami	3.9%	Inland Empire	1.8%
San Diego	3.8%	San Jose	1.7%
Seattle	3.7%	Chicago	1.7%
Charleston (SC)	3.6%	Pittsburgh	1.6%
Las Vegas	3.6%	Nashville	1.0%
New York City	3.5%		



Development Activity Continues to Increase in Secondary and Tertiary Markets

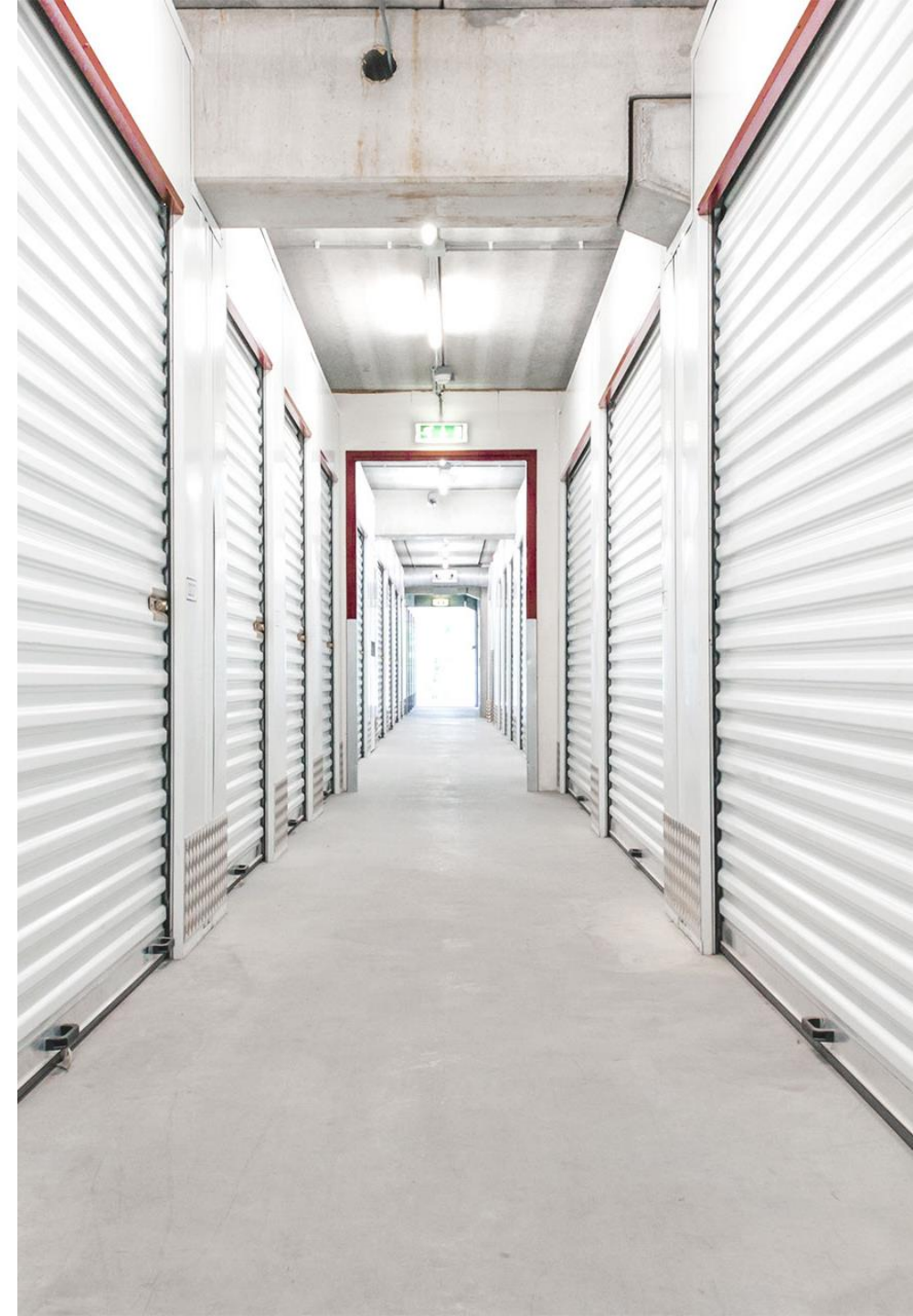
Market	UC % of Existing Inventory	Market	UC % of Existing Inventory
SW Florida Coast	10.2%	Central East Texas	4.5%
Boise	9.3%	Long Island	4.4%
Albany	8.5%	Tacoma	4.0%
Madison	8.1%	Baltimore	3.9%
N. New Jersey	7.3%	Lansing	3.6%
Kansas City	6.8%	Colorado Springs	3.6%
Bridgeport	6.7%	Cincinnati	3.5%
Tucson	6.2%	Reno	3.4%
Albuquerque	5.6%	Cleveland - Akron	3.1%
Little Rock	5.5%	Louisville (KY)	3.1%
Dayton	5.5%	Huntsville	2.9%
Jacksonville	5.4%	St Louis	2.6%
Savannah	5.2%	Central Valley	2.4%
Pensacola	5.1%	El Paso	2.4%
Detroit	4.7%	Indianapolis	2.3%

Under Construction as a % of Existing Inventory



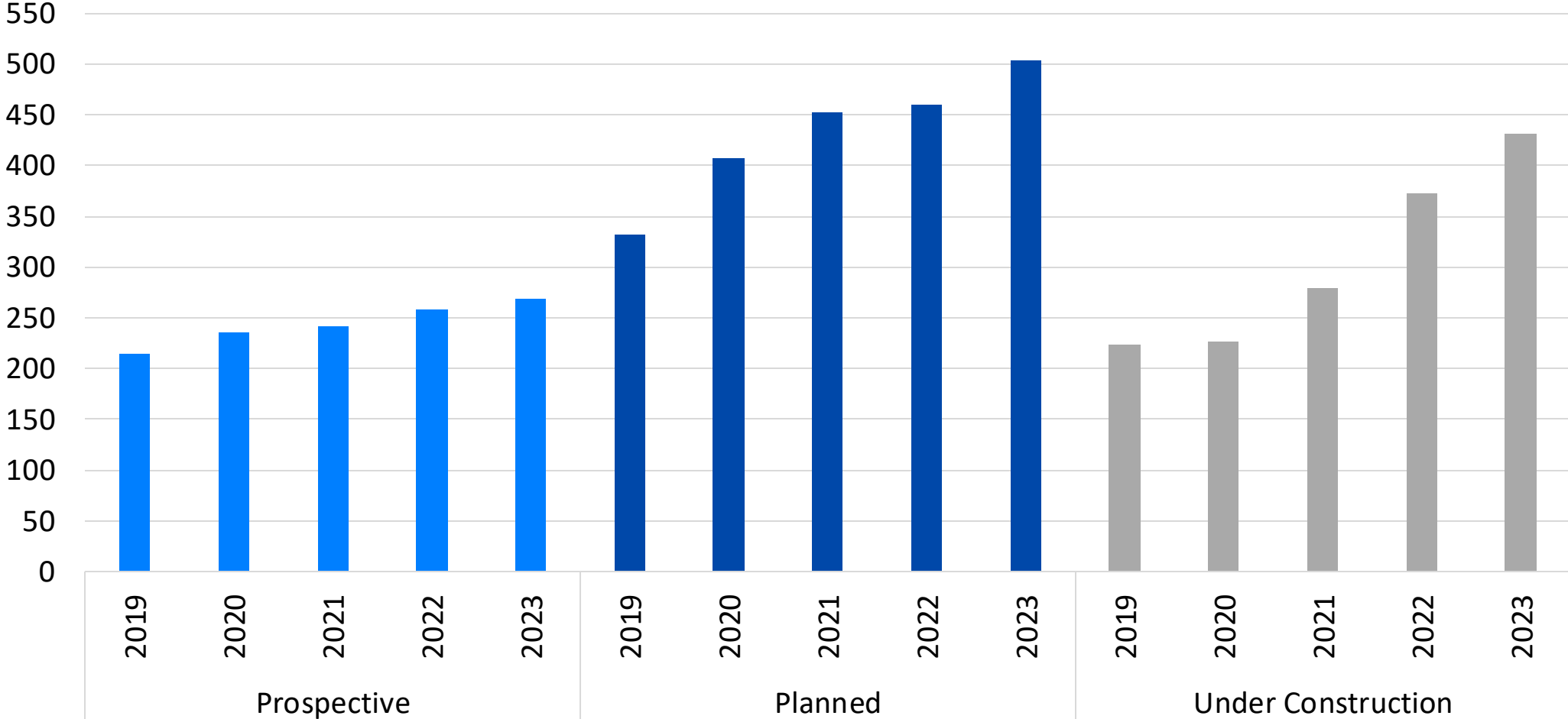
Takeaways From Our Q4 2023 Self Storage Supply Forecast

- Yardi Matrix is forecasting 52.55 mm net rentable square feet will be delivered in 2023, a modest change compared to our Q3 2023 forecast of 52.94 mm net rentable square feet
- Nationally, 56.6 mm net rentable square feet of self storage properties are currently under construction, a 6.2% increase quarter over quarter. Construction starts remained strong in the first half of 2023 with 27.6 mm net rentable square feet starting
- Starts are likely to decline in Q4 2023 and into 2024. Our data picked up several signs of a slowdown in development interest: 1) The planned pipeline marginally contracted -0.1%; 2) The prospective pipeline declined -1.3%; 3) Projects with a deferred status increased 19.8%; 4) The number of abandoned projects has also increased
- Days in construction is moderating. The national average days in construction for properties completing in Q3 2023 decreased to 377 days, versus the 405 days recorded in Q2 2023, and the 424 days recorded in Q1 2023



The Average Number of Days Spent in Each Phase of the Development Pipeline Continues to Increase

National Average Days in Development Stage per Year



Forecast of New Storage Supply Summary

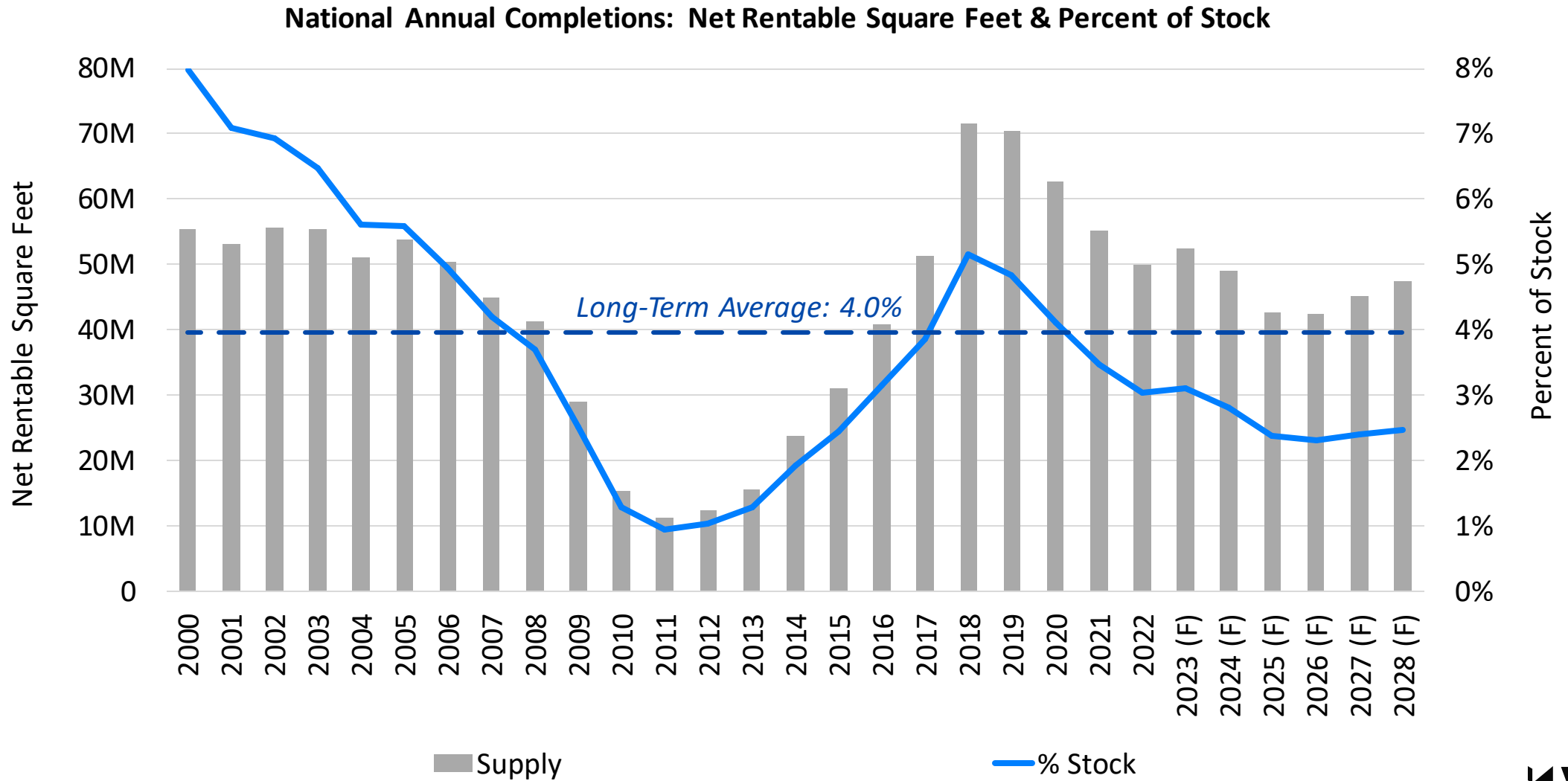
National Q4 2023 Update

Property Forecasts	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	483	511	510	465	457	493	548
Conversion	102	107	57	46	25	31	31
Expansion	339	224	123	126	164	153	166
Total	924	842	690	637	646	677	745

NRSF Forecasts (MM)	Actual 2022 Completions	2023	2024	2025	2026	2027	2028
New Build	33.49	37.72	39.48	34.9	35.17	37.26	39.33
Conversion	7.28	8.06	3.94	3.53	1.62	2.44	2.46
Expansion	9.12	6.77	5.67	4.13	5.76	5.42	5.73
Total	49.89	52.55	49.09	42.57	42.55	45.11	47.52
NRSF as a % of Stock	3.0%	3.1%	2.8%	2.4%	2.3%	2.4%	2.5%

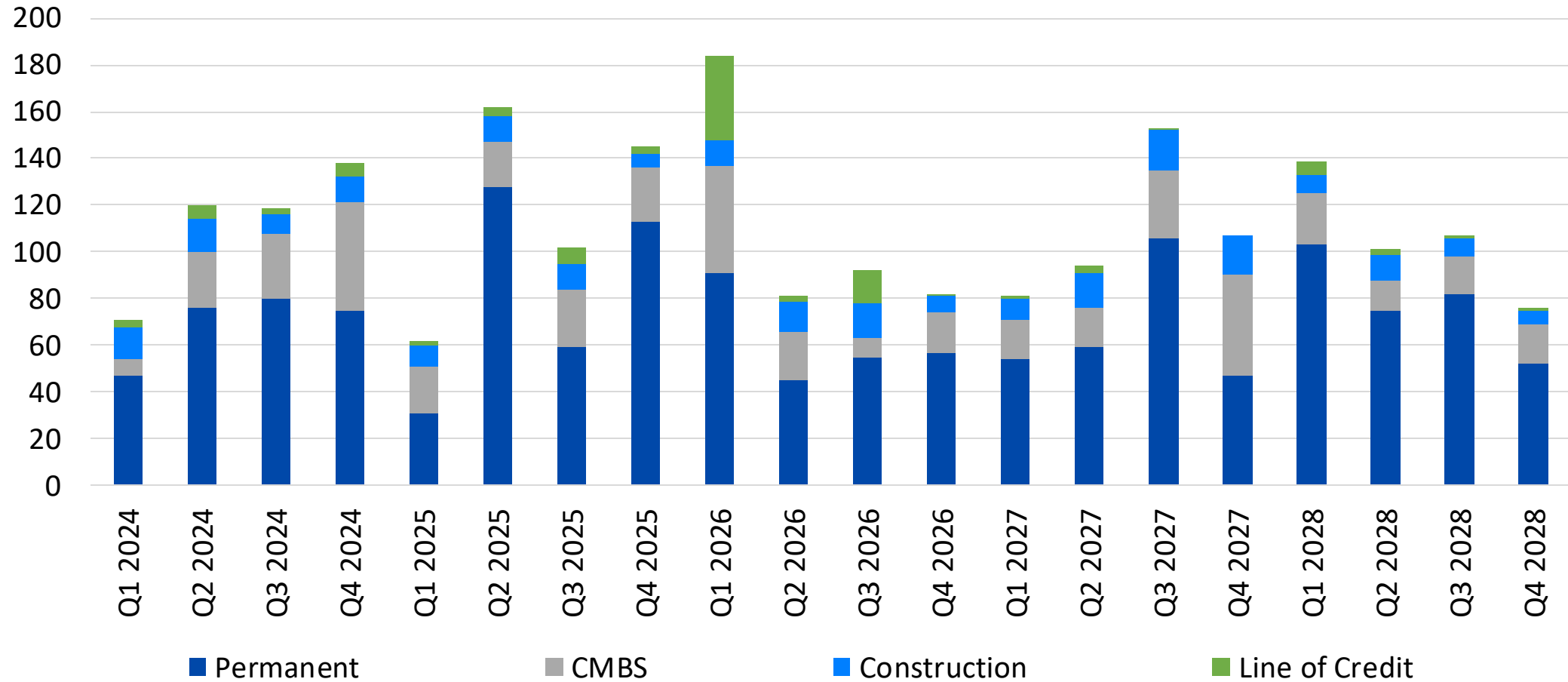


Completions Have Slightly Increased YTD 2023, But The Percent Of Stock Is Still Below The Long-Term Average



Of More Than 380 Loan Maturities Scheduled in 2024 Over 100 of Them Are CMBS Loans

Upcoming Loan Maturities by Type of Loan



New Supply Summary & Outlook

- New supply under construction has finally begun to decelerate as interest rates have zapped financing, but starts and completions in the first half of 2023 have paced 2022
- Supply in lease up, defined as built in the last three years, has been declining precipitously since September 2020 and has been a tailwind for the sector
- The pipeline has shifted from Gateway and secondary markets to tertiary markets and smaller, less experienced developers
- Supply as a percent of stock is forecasted to remain below the long-term average over the forecast period, which should help fundamentals stabilize

Yardi Matrix House View – January 2024

SELF STORAGE FUNDAMENTALS & OUTLOOK

- Self storage performance weakened in 2023 due to a slump in demand driven by declining home sales and a decrease in mobility, leading to occupancy levels near pre-COVID levels
- Street rate growth continues to decelerate with same store asking rents down -4.2% year-over-year in November
- While month-over-month street rate declines have been lower than the historic average, year-over-year street rate growth has remained consistent for the last six months
- Revenue growth has slipped below the long-term average for the sector, but remained positive in Q3 as operators were able to increase existing customer rents (ECRIs) which can counteract lower move in rates
- The amount of new supply under construction is moderating and new deliveries are expected to fall below the long-term average in the next few years
- Recent development activity has shifted to smaller markets and less experienced developers, many of which are new to the space
- 2023 transaction activity has been fueled by one large merger (Extra Space – Life Storage) and one large portfolio (Simply acquired by Public Storage), but otherwise volume is significantly below recent years
- 2024 sales activity will be driven by loan maturities, nearly 1/3rd of which are CMBS loans



THANK YOU

Feel free to contact me with any questions

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