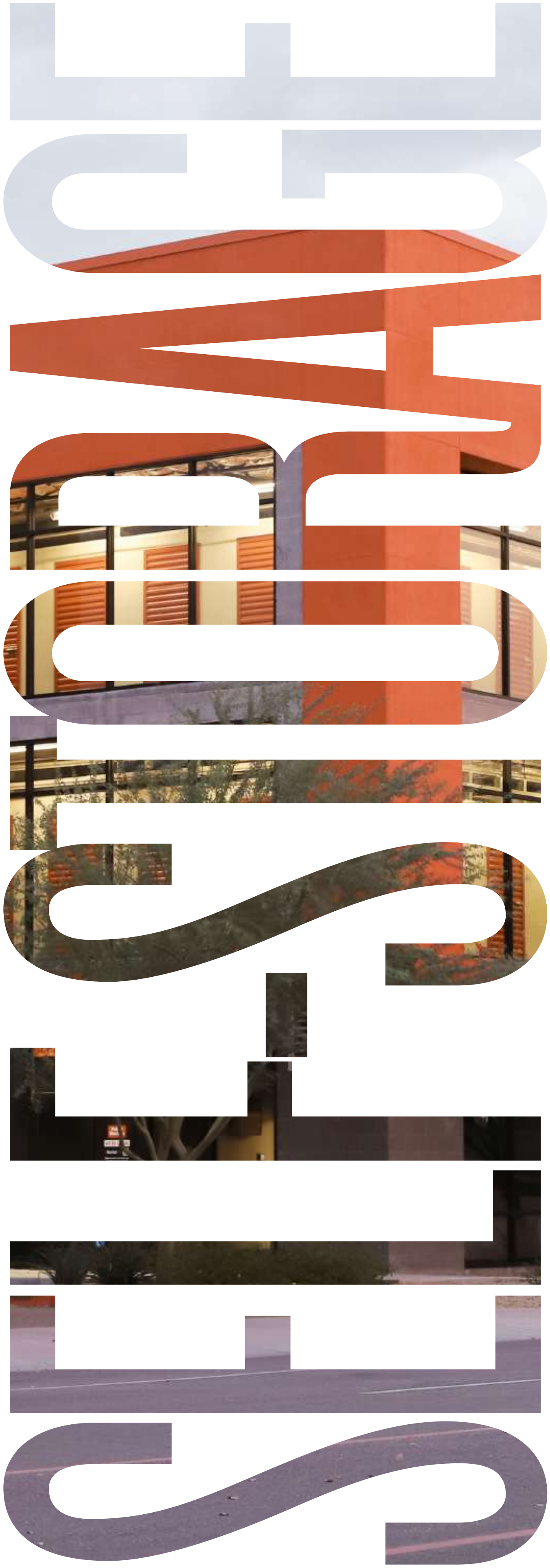

Marcus & Millichap

2025 SELF-STORAGE

NATIONAL INVESTMENT OUTLOOK

MIDYEAR

TO OUR VALUED CLIENTS

The self-storage sector continues to navigate a complex operational climate as supply and demand imbalances combine with evolving sector marketing strategies. After a supply surge in 2018 and 2019 lifted vacancy to near 10 percent, lifestyle disruptions from the COVID-19 pandemic dramatically increased demand for storage units and pulled the measure down to a record low. That in turn spurred a new wave of development, once again pushing vacancy rates back toward the long-term average. Asking rents have likewise been tumultuous. The industry has been leveraging new technology and new marketing strategies that favor low entry payments followed by steady rent increases that move toward higher stabilized rates. Within this context, investment into storage facilities remains comparatively strong.

Self-storage continues to garner increased institutional investor interest as an emerging mainstream commercial real estate investment asset class. Key draws include the property type's asynchronous risk profile and inflation resistance. A belief that self-storage assets can provide differentiated returns during economic down periods and spans of higher inflation have motivated both larger private investors and institutions to add self-storage properties to their portfolios to balance overall risk.

As mid- to large-scale operators continue to expand, operations have grown more sophisticated. The broad integration of technology and web-based marketing and leasing, as well as the implementation of dynamic pricing models, have fundamentally changed the operational structure and reduced labor cost inefficiencies. Although these trends are mostly present in the nation's largest urban centers, these initiatives will extend to smaller markets as the sector matures.

To help investors navigate this complex and evolving climate, Marcus & Millichap presents the 2025 Midyear Self-Storage National Investment Outlook. As you adapt your strategies for the future, our sales and financing professionals look forward to assisting you with your goals.

STEVEN D. WEINSTOCK
Senior Vice President
National Director
Self-Storage Division

JOHN CHANG
Senior Vice President
Chief Intelligence & Analytics Officer
Research & Advisory Services

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MARKET OVERVIEWS

CLIENT SERVICES

Developed by Marcus & Millichap Research Services.

Additional contributions were made by Marcus & Millichap investment brokerage professionals nationwide.

EXECUTIVE SUMMARY

NATIONAL ECONOMY

- Momentum entering 2025 was waylaid this spring when the Trump administration began imposing new import taxes on a broad swath of the nation's trading partners, as well as on specific materials and products. As the administration actively negotiates new trade conditions, the situation remains fluid and inconsistent. Financial markets and consumer confidence are therefore still subject to heightened risk of volatility.
- While the labor market stayed tight through the first five months of this year, reduced hiring intentions could lead to higher unemployment in the months ahead. This could in turn weigh on household formation. That said, the ceiling on unemployment may be reduced if immigration into the U.S. slows, similar to what occurred during President Trump's first term.
- Returning import taxation levels to those last recorded in the 1930s could have unanticipated consequences for both the national and global economies. Add to this uncertainty the potential for rising geopolitical conflicts abroad, and the risk of a dark horse event occurring later this year cannot be ruled out. As such, current economic projections could shift.

CAPITAL MARKETS

- The Federal Reserve held the overnight lending rate flat at a 4.25 percent lower bound through the first six months of 2025. Any rate reduction in the second half of the year is not guaranteed, as the Trump administration's numerous policy changes have put the Fed in a wait-and-see posture. A notably weakening labor market could prompt a cut, but risks of higher inflation could also motivate holding rates where they are for now.
- Longer-term interest rates, meanwhile, face some potential upward pressure. Congress's budget reconciliation is likely to raise deficit spending in excess of the additional tariff revenues, requiring increased U.S. debt issuance. Given that prominent buyers of U.S. Treasuries, such as the Fed, China and Japan, are less active, prices on the notes may fall, pushing up yields.
- Capital remains generally available for self-storage investment sales. A history of lower default and more granular rent rolls than some other asset types drives some of the appeal among lenders for self-storage properties. Financiers in general continue to favor investors with a proven track record in storage ownership and operations.

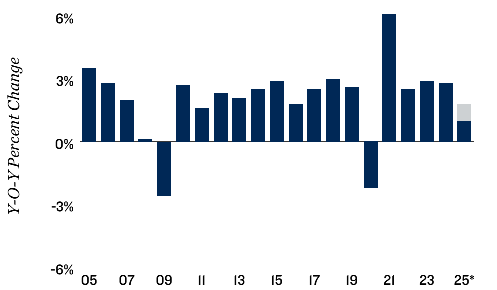
NATIONAL SELF-STORAGE OVERVIEW

- After shifting by more than 100 basis points in 2020, 2022 and 2023 amid health crisis-related effects, the national self-storage vacancy rate appears poised for less volatility in the near term. First home purchases occurring at a later age amid elevated costs is keeping households in the renter pool longer. As such, the need for a self-storage unit among households may increase.
- After peaking at nearly 84 million square feet in 2019, the volume of self-storage completions was poised to ease, but notable occupancy gains in 2020 and 2021 fueled an uptick in development in 2023 and 2024. Yet going through 2025, deliveries appear to once again be moderating, as elevated borrowing costs for construction financing challenge some projects.
- Flattening demand post-pandemic pressured property efficiency. For some operators, this included greater differentiation between marketed and in-place rents. The effective discount on the street rate has widened from about 6 percent in 2017 to 43 percent in early 2025. Many storage units are rented on a monthly basis, however, allowing for adjustments over time.

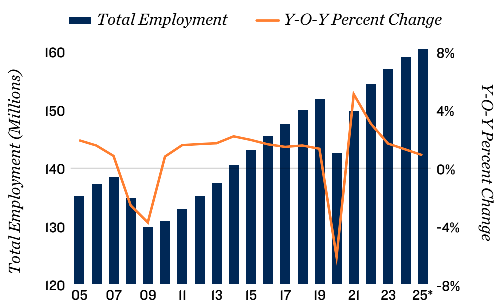
INVESTMENT OUTLOOK

- In contrast to most other property types, self-storage sales activity increased in 2020 and kept climbing through 2022 before retreating. Positive momentum could be back, however, as the number of trades completed in the six months ended March 2025 were up year over year. For investors considering a change in holdings, macroeconomic conditions have raised the potential costs of waiting.
- Sales activity over the past year ended in March picked up across the Southeastern U.S., West Coast and in the Texas/Oklahoma region. The Midwest has ceded some ground, possibly due to less standout demographics. High entry costs also continue to be a barrier along the country's coasts.
- The cost to own/operate a self-storage facility has been climbing at an elevated rate since late 2021, based on REIT data. Real estate taxes and on-site management fees remain the largest individual expenses, but insurance costs are becoming a greater concern, due to a larger number of extreme weather events and a rise in replacement costs.

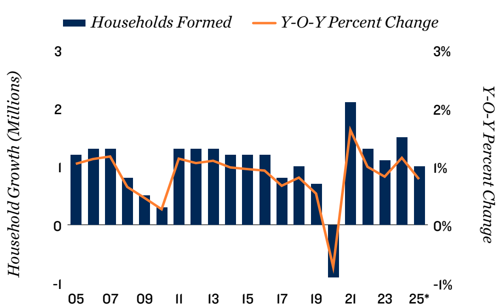
GDP Growth Trends



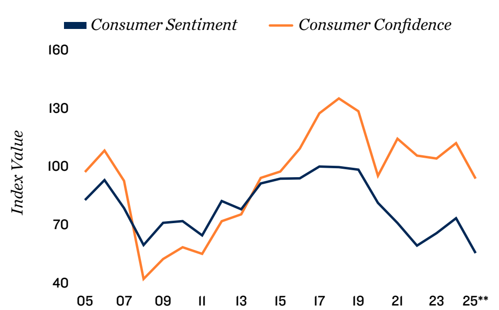
Job Creation Restrained in 2025



Household Formation Tempered



Trends in Consumer Attitudes



** Forecast*

*** As of 2Q*

Changing U.S. Government Policies Create Uncertainty for the Economy in the Second Half of 2025

New policies weigh on consumer sentiment, despite favorable economic tailwinds. Following GDP growth of 2.4 percent last year, the U.S. economy entered 2025 on solid footing. The prospect of falling inflation amid sustained low-4 percent unemployment provided a sturdy foundation for ongoing growth. That momentum was waylaid earlier this year when the Trump administration began imposing new import taxes on a broad swath of the nation's trading partners and specific materials and products. Although the administration is actively negotiating new trade conditions, which has already resulted in less severe tariffs for certain countries, the situation remains fluid and inconsistent. As such, financial markets and consumer confidence are still subject to heightened risk of volatility. The administration's budget goals are also expected to widen the deficit, while posing a myriad of downstream implications for the funding of various programs and initiatives. Resulting elevated economic uncertainty may lead to dampened household discretionary spending in the months ahead.

Potential labor market slowdown may further temper household formation. Recent financial market volatility has also impacted business confidence, with some firms indicating intentions to hire fewer recent college graduates this summer. While the labor market stayed tight through the first quarter of this year, reduced hiring intentions could lead to higher unemployment in the months ahead. Although, at 4.2 percent as of May, the unemployment rate could increase 150 basis points before reaching the long-term average. The ceiling on unemployment may also be reduced if immigration into the U.S. slows, similar to what occurred during President Trump's first term. Nevertheless, the number of job openings nationally was down 3 percent year over year as of April. A lower sense of job security and more individuals seeking employment could weigh on household formation, which decelerated slightly during the opening three months of 2025 after improving over the course of last year.

2025 NATIONAL ECONOMIC OUTLOOK

- **Recent migration trends subject to change.** As a share of total population, the number of people who have moved within the past year has been on a nearly steady decline since 2006, omitting the pandemic. Migration could be further challenged this year if the economy slows, dissuading households from incurring moving expenses unless necessary. Tempered immigration could also impact population growth, especially in common relocation destinations in states such as Texas and Florida. When compared on a percentage basis, however, states comprising Utah, Idaho and the Dakotas expanded the fastest in 2024. Lower costs of living and job creation in industries such as energy are likely influencing these movements.

- **Recent economic shifts create potential for dark horse events.** While U.S. trade policy remains in flux, new tariffs implemented so far this year have already massively raised the overall effective rate to about 16 percent as of mid-June. Returning the level of import taxation to those last recorded in the 1930s could have unanticipated consequences for both the national and global economies. Add to this uncertainty the potential for rising geopolitical conflicts abroad, and the risk of a dark horse event occurring later this year cannot be ruled out. As such, current economic projections could shift.

Shifting Lifestyle Dynamics, Tapering Development Benefiting Self-Storage as Year Progresses

Delayed homeownership influencing self-storage outlook. After shifting by more than 100 basis points in 2020, 2022 and 2023 amid health crisis-related effects, the national self-storage vacancy rate appears poised for less volatility in the near term. The rate should rise by 50 basis points year over year to 10.3 percent in December. Evolving housing dynamics are aiding the more modest increase. The median age of a first-time homebuyer last year was 38, compared with 33 in 2020. Both marriages occurring later and the rising cost of homeownership are contributing to this delay. As households remain in the renter pool longer, the need for storage may increase. Roughly a quarter of millennial self-storage renters visit their unit at least once a month. Nearly half of the younger Gen Z cohort visit as often. High homeownership barriers nevertheless pose other challenges. The number of annualized home sales fell to an 11-year low at the beginning of 2023, where the metric has hovered since. A less liquid housing market, in turn, constrains relocations — a major driver of temporary self-storage demand. That said, the housing market may be beginning to thaw, as the month's supply of existing homes rose over the past year ended in April.

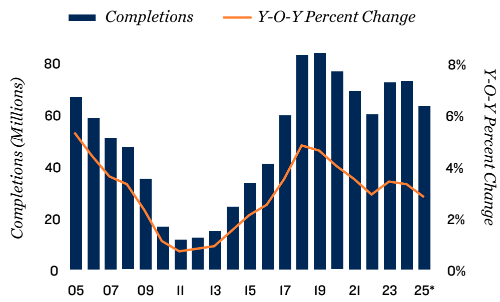
Easing development further aids supply-demand balance. After peaking at nearly 84 million square feet completed in 2019, the volume of self-storage construction was poised to ease over the subsequent years; however, notable occupancy improvements in 2020 and 2021 fueled an uptick in development in 2023 and 2024. This new supply pressure occurred alongside a normalization in pandemic self-storage demand, leading to higher vacancy. Yet going into 2025, deliveries appear to once again be moderating, as elevated borrowing costs for construction financing challenge some projects. Openings are also fairly condensed; a quarter of the total expected square feet are contained within only eight major metros or regions, among which are Atlanta, Houston and Southeast Florida. Meanwhile, 11 major markets will welcome less than 500,000 square feet in 2025, including San Diego, St. Louis and Denver. As a result, many of these markets will note a decline or only slight increase in their vacancy this year.

2025 NATIONAL SELF-STORAGE OUTLOOK

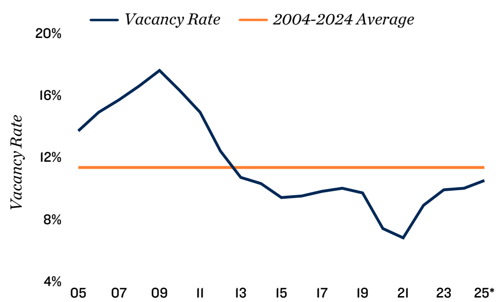
- **The tale of two rents.** Flattening demand after the pandemic placed pressure on property efficiency. For some operators, this included greater differentiation between marketed and in-place rents. While the average asking rent fell 7.6 percent over the past three years, the mean stabilized rent climbed 7.3 percent. The effective discount on the street rate has widened from about 6 percent in 2017 to 43 percent in early 2025. Larger self-storage operators are emphasizing up-front occupancy and drawing out revenue improvements over time. Many storage units are rented on a monthly basis, allowing for quick adjustments responding to forces such as inflation.

- **Commercial users smaller but important cohort.** Amid a softer period of economic growth, businesses looking to streamline costs could turn to self-storage over traditional warehousing options. On a per-square-foot basis, the average self-storage asking rent is nearly a tenth of the mean for the industrial sector. Enterprises that need ample storage space will still be best served by warehouses, but for companies with more modest requirements, self-storage units can be an appealing alternative. Businesses already make up about 30 percent of all self-storage renters.

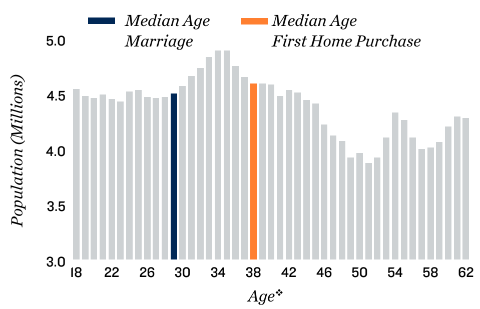
New Supply Pressure Eases



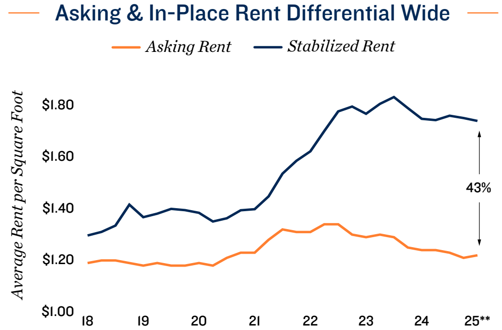
Vacancy Below Long-Term Average



Large Population Cohort Still in Renter Pool



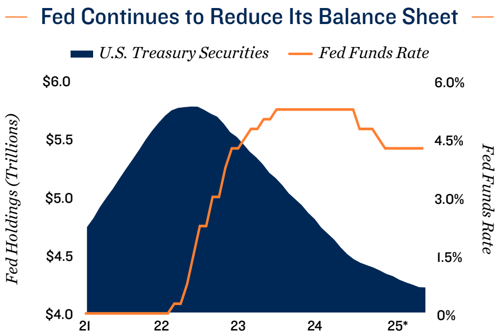
Asking & In-Place Rent Differential Wide

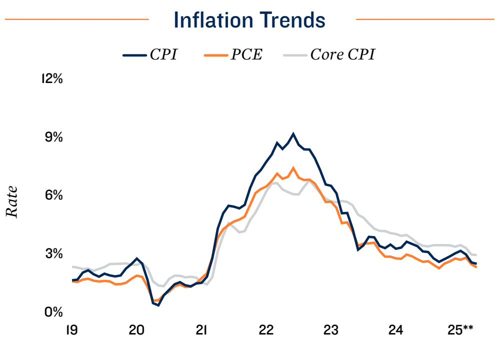


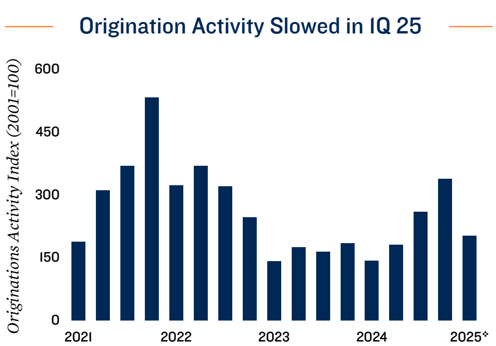
* Forecast

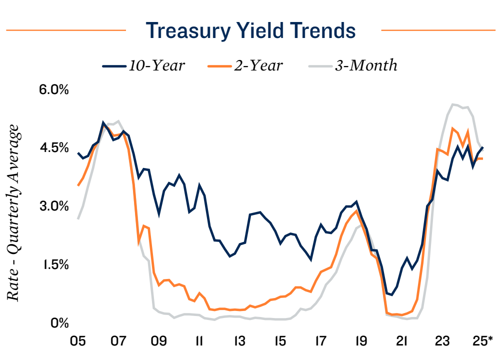
** As of 1Q

✢ As of 2025









* As of June 6

** As of May

* As of 1Q

Motivations to Wait for Interest Rate Cut Retreat; Lenders Remain Open to Self-Storage

Outlook signals flat to higher interest rates. The Federal Reserve held the overnight lending rate flat at a 4.25 percent lower bound through the first six months of 2025. Any further rate reductions later this year are not guaranteed, as the Trump administration's numerous policy changes have put the Fed in a wait-and-see posture. One factor that could prompt a rate cut would be a weakening labor market. While the pace of hiring has slowed, unemployment remained low at 4.2 percent as of May. At the same time, the full inflationary impact of new tariffs have yet to be felt. The drop in overseas shipping first noted in April is making its way into production pipelines and store shelves. Long-term interest rates, meanwhile, face some potential upward pressure. Congress's budget reconciliation is likely to raise deficit spending in excess of the additional tariff revenues, requiring increased U.S. debt issuance. Given that prominent buyers of U.S. Treasuries such as the Fed, China and Japan are less active, prices on the notes may fall, pushing up yields. This would have a direct impact on borrowing costs for loans with longer terms, which are common among commercial real estate transactions.

Capital remains generally available for self-storage investment sales. Despite still-elevated borrowing costs, quarterly origination activity picked up over the course of 2024, with self-storage continuing to be one of the more approachable property types for lenders. A history of lower default and more granular rent rolls than some other asset types drove some of this appeal. CMBS lending has been competitive for fixed rate, non-recourse requests. Local and regional banks are also active in the sector. Borrowers requiring lower leverage may also approach life insurance companies when pursuing high-quality properties. Lenders in general continue to favor investors with a proven track record in storage ownership and operations.

2025 CAPITAL MARKETS OUTLOOK

- **Market for contemporary builds aided by positive fundamentals.** The mean occupancy at sale for properties build after 2017 was above 95 percent during the four-quarter period ending in March. This suggests stabilized assets are drawing investor and lender attention during a stretch of elevated supply pressure. Such transactions made up about 20 percent of activity completed over that yearlong span.

- **Borrowing costs remain close to cap rates.** Lending conditions will continue to change throughout the year, but as of mid-2025, self-storage borrowers most often faced rates in the mid-5 percent to mid-6 percent band. Rates for CMBS loans skewed 100 basis points higher but are the main avenue for non-recourse. Loan-to-value ratios were generally in the 60 percent to 70 percent zone. As sales completed over the year ended March produced a mean cap rate of 6.5 percent, these borrowing costs imply buyer and seller expectations will need further alignment.

- **Outside factors affecting capital markets.** Conflict in the Middle East presents a non-zero risk of higher oil prices, which would carry inflationary implications. Barring a substantial escalation, market participants believe the impact on U.S. monetary policy will be muted. While equity markets could face some disruption, the probability of a rate hike to combat oil price inflation is low.

Investment Landscape May Be Loosening; Greater Activity Likely to Favor the Sun Belt

Multiple factors point to a stabilizing market. In contrast to most other property types, self-storage sales activity increased in 2020 and continued to climb into 2022 before retreating. Positive momentum could be back, however, as the number of trades completed in the six months ended March 2025 were up year over year. For investors considering a change in holdings, macroeconomic conditions have increased the potential costs of waiting. The Federal Reserve is unlikely to notably lower the overnight lending rate without a substantial negative shock to the labor market, while other longer-term borrowing cost benchmarks, such as the 10-Year Treasury, face more potential upward yield pressures than downward. Property fundamentals are also likely to improve over the next 12 to 24 months, with monthly rent rolls allowing for adjustments against inflation. Investors who have been waiting for a drop in interest rates or a rise in distressed sales may now act, as both probabilities are unlikely.

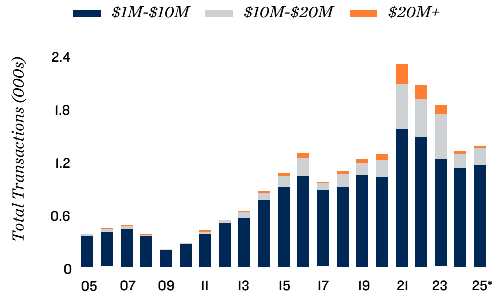
Sun Belt leads investment with high capital targets on the coasts. Sales activity over the past year ended in March picked up across the Southeastern U.S., West Coast and in the Texas/Oklahoma region. Approximately one in every three self-storage trades in that period took place in the Southeast, broadly consistent with the past five years. An ample property inventory and favorable demographics contribute to this prominence. The same is true of the Texas/Oklahoma area, which was the second-most active region at about 25 percent of sales. Before the pandemic, that ratio was closer to 17 percent. The West Coast and Midwest have ceded ground in the five years since the onset of the health crisis, while the Rocky Mountain and Northeast areas each continue to represent about 10 percent of activity. Less standout demographics may be influencing decisions in the Midwest. High entry costs remain a barrier along the country's coasts, yet it is partially for that reason that these areas remain the most feasible zones to deploy individual capital allotments of more than $10 million.

2025 INVESTMENT OUTLOOK

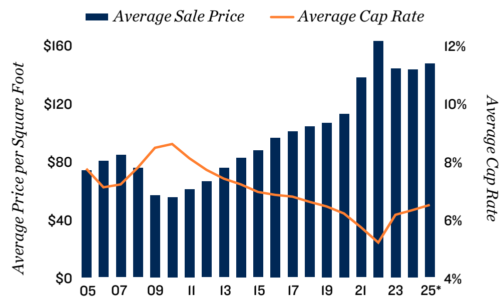
- **Rising expenses hurdle to overcome.** The cost to own/operate a self-storage facility has been climbing at an elevated rate since late 2021, based on REIT data. Real estate taxes and on-site management fees remain the largest individual expenses, but insurance costs are becoming a greater concern. Due to a larger number of extreme weather events, there has been a steep rise in replacement costs and an increased frequency of payout. As a result, insurance providers have been pushed to become increasingly strict on guidelines. That said, the year-over-year rate of expense growth is easing, falling to a three-year low pace of 2.0 percent in March.

- **Rollover of long-term individual owners sustains runway for market.** Private investors continue to be the driving force behind transactions, representing over 75 percent of sellers and 45 percent of buyers over the year ended in the first quarter. About half of the properties that changed hands in that span had a hold period of more than eight years, indicative of the still-large pool of private, long-term owners who could capture appreciation in a sale. Meanwhile, about a fourth of trades had hold periods under three years, and roughly half of those deals involved properties built since 2020, pointing to a liquid segment of the market. That said, this is also partly due to some of the current challenges facing non-stabilized assets.

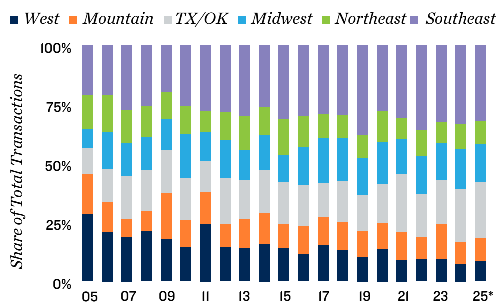
Self-Storage Transaction Activity



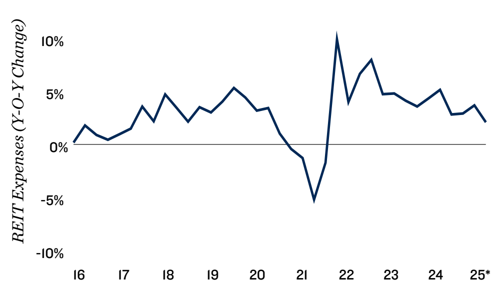
Sale Price & Cap Rate Trends



Regional Sales Trends



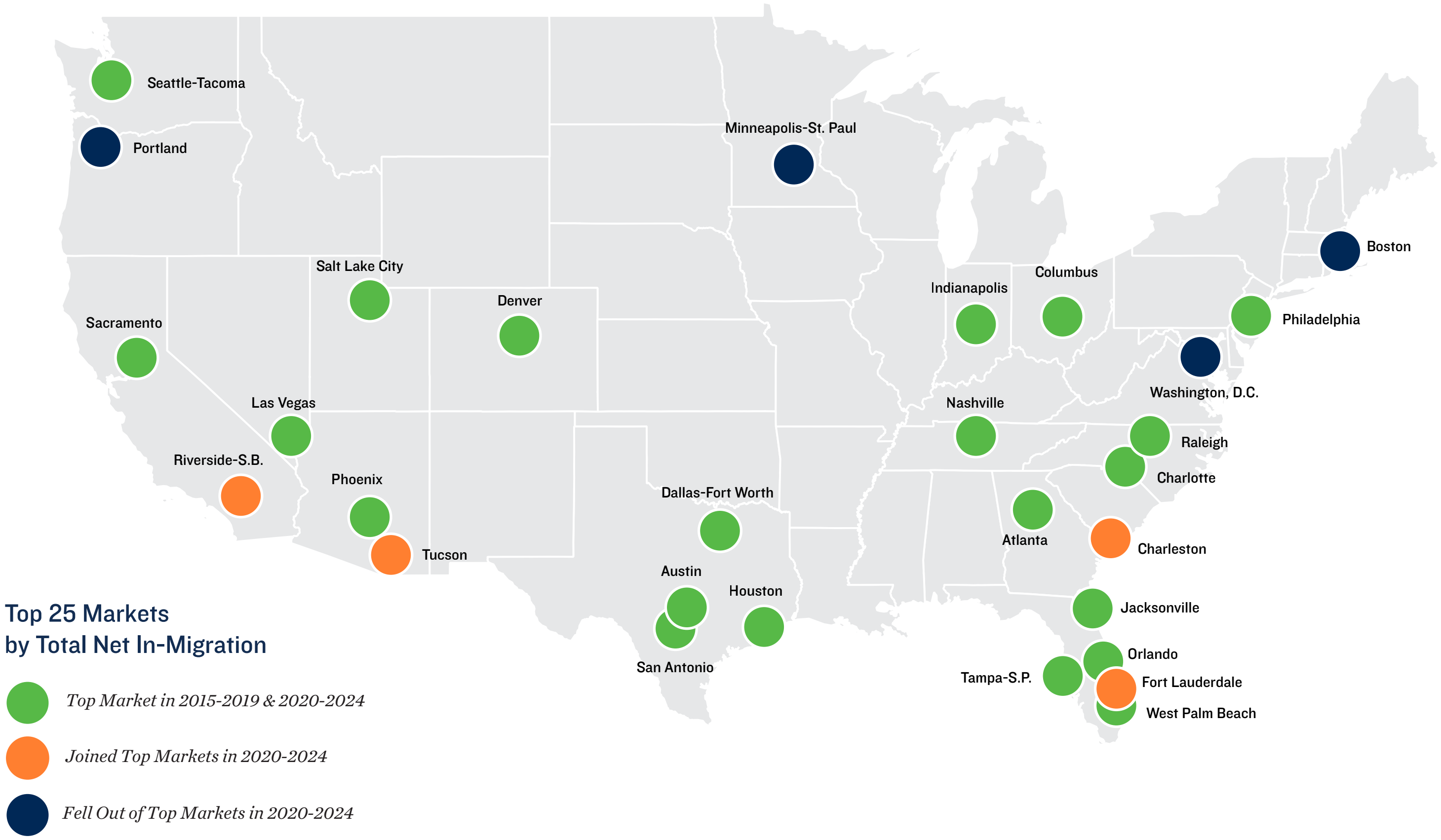
Self-Storage Expenses Climbing Slower



* Through 1Q; Trailing 12-months through 1Q for transaction activity

Relocations Shifted Further South Over the Past Five Years

Total Net In-Migration: 2015-2019 vs. 2020-2024



Migration Momentum Moving South

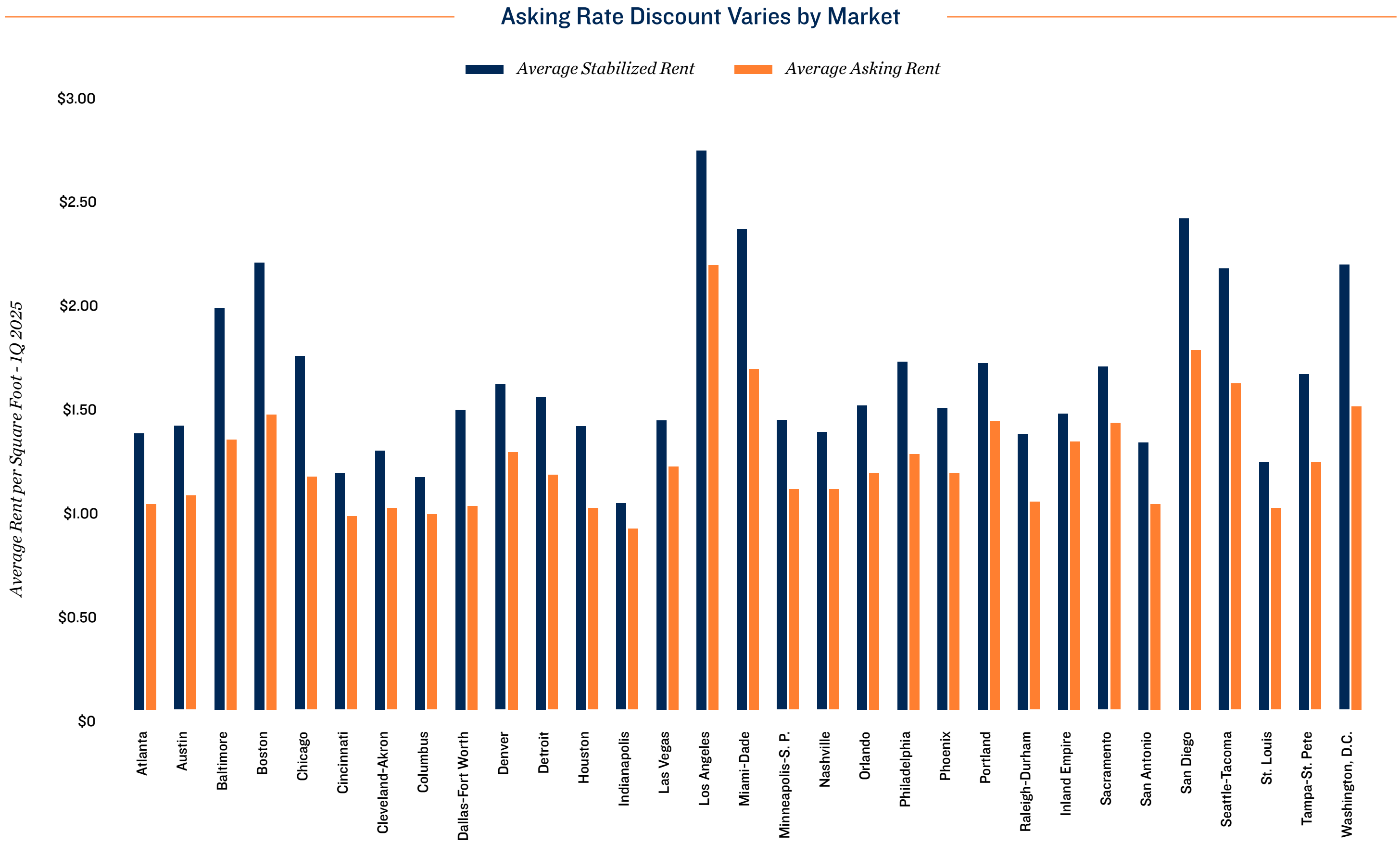
Key ways in-migration has changed since 2015-2019. When comparing the top markets by the total number of people who migrated in on net from 2015 to 2019 with the 2020-2024 period, three trends stand out. First, the pool of top markets moved even more toward the Sun Belt. Boston, Minneapolis-St. Paul, Portland and Washington, D.C., were replaced in the top 25 by Charleston, Fort Lauderdale, Riverside-San Bernardino and Tucson. Second, these additional metros reflect the shift in migration to lower-cost cities within the same general region. Markets like Tucson and Fort Lauderdale may be capturing demand that might have once gone to Phoenix or Miami-Dade, while the Inland Empire welcomes residents from other parts of Southern California with higher living costs. Lastly, across all major markets, net in-migration was down in 2020-2024 compared with 2015-2019, which carries implications for self-storage demand. This trend could continue, especially if economic uncertainty and budget tightening prompt more households to forego costly relocations.

Top Metros By Household Formation

METRO	HOUSEHOLD FORMATION (2015–2019)	HOUSEHOLD FORMATION (2020–2024)
Austin	17.2%	13.0%
Raleigh	10.3%	12.8%
Charleston	9.6%	12.3%
Charlotte	10.1%	11.5%
Phoenix	6.9%	9.7%
Jacksonville	9.7%	9.6%
Orlando	10.2%	9.4%
Dallas-Fort Worth	11.0%	9.4%
San Antonio	11.2%	8.9%
Houston	17.4%	8.6%
Riverside-San Bernardino	5.4%	8.0%
Las Vegas	6.8%	7.9%
Atlanta	7.5%	7.5%
Tampa-St. Petersburg	6.5%	7.3%

Sources: Marcus & Millichap Research Services; Moody's Analytics; U.S. Census Bureau

Widening Rent Gap Poses Challenges for the Sector



- The loss of COVID-19-motivated demand drivers since early 2022 coincided with an increase in expenses that pressured operators to maximize per-property efficiency. One measure taken was greater price differentiation. Operators with sufficient resources have increased discounts on street rates before subsequently adjusting rates to marketed levels. Over time, this has led to a widening gap between the average asking rent and the overall mean, which reached 43 percent nationally in March.

- The differentiation between asking and stabilized rents is most prevalent in larger markets, where larger owners such as the major self-storage REITs operate. The widest gaps as of March were in Boston, Chicago, Miami-Dade and Washington, D.C. Conversely, some of the narrowest spreads were in Cleveland, Indianapolis, Las Vegas and Riverside-San Bernardino.

- The use of asking rent discounts to augment leasing comes with risks, however. Primary among those is customer tenure. The greater the discount, the longer it may take for rents to rise to market. In 2022, about half of non-commercial self-storage renters had been in place less than a year. Another 25 percent had rented for between one and two years. The nomadic nature of many self-storage renters raises the possibility that the rent discount results in a net loss.

- Another avenue to improve property efficiency is through technology. A security system, automatic gate, kiosks and website are all tools that can reduce the need for on-site labor — the sector's largest variable expense — as well as improve accessibility for customers. Average wages for self-storage operators has risen 34 percent since 2019, faster than in the overall private sector.

Notes: Average stabilized rent derived from financial filings from self-storage REITs. Average asking rent is representative of a 10-foot by 10-foot, non-climate controlled unit.

Sources: Marcus & Millichap Research Services; Yardi Matrix

ATLANTA

Demographic Edge Strong but Slowly Relenting

Economic Overview

Although Atlanta's household income grew 7 percentage points faster than the national average between 2019 and 2023, its pace slowed in 2024, likely reflecting declining job growth from 3.5 percent to 1.3 percent annually. If migration and household spending slow as a result, it is possible self-storage demand could be affected.

Demographic Overview

Atlanta's net in-migration in each of the last three years has exceeded the average from 2011 to 2021, providing the population growth that drives self-storage demand. Growth in the retirement-age population has averaged 4.1 percent annually since 2021, though both this measure and in-migration are expected to moderate over the next decade.

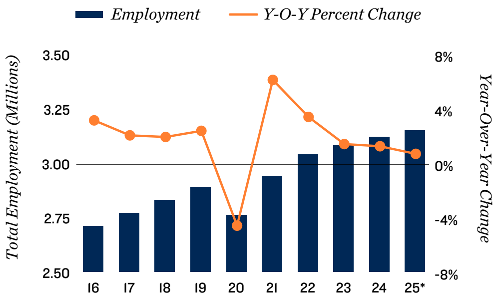
Construction Overview

Completions will remain concentrated in the suburbs despite a modest decline, while the urban core will see a slight uptick in deliveries. Sharpsburg and Lawrenceville receive the most new square footage in the metro this year with about 170,000 square feet and 200,000 square feet, respectively.

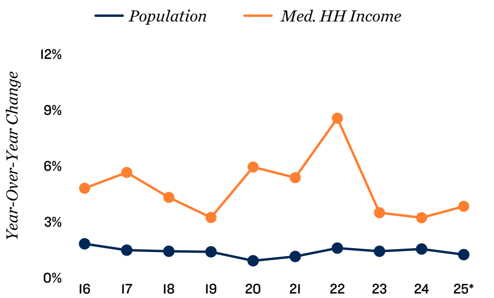
Vacancy/Rent Overview

A plateauing, if high, pace of construction allows existing properties to better withstand several years of raised competition, curbing downward momentum on rents. This will be most pronounced in suburban submarkets, where last year's 9.7 percent reduction in the average asking rent will shrink to a 2.2 percent decline for 2025.

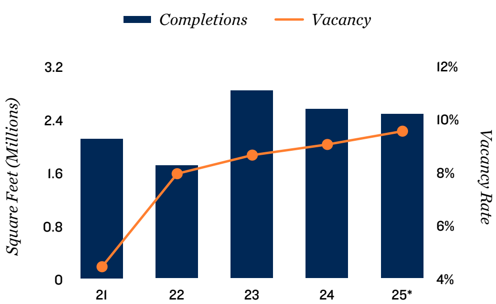
Employment Trends



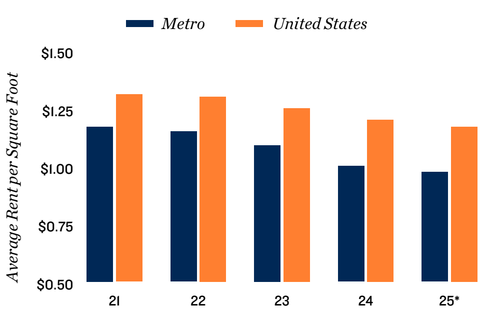
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*64 million square feet and 9.8 square feet per capita*

+0.8% **EMPLOYMENT:** Representing 24,000 positions added by year-end, Atlanta's forecasted employment growth rate will fall 10 basis points below the nationwide average.

+1.1% **POPULATION:** The metro's population expands by 71,500 heads, representing a slight decline from last year's growth rate. This will be the 15th-fastest pace among major markets.

2,470,000 *sq.ft.* **CONSTRUCTION:** Deliveries raise the stock of self-storage space by 4.0 percent. This pace is only 30 basis points slower than the pace in 2024, sustaining the last two years' high supply pressure.

+50 bps **VACANCY:** The market's self-storage vacancy rate creeps up to 9.5 percent. Even with rapid supply growth, Atlanta's metric holds below the national self-storage vacancy rate of 10.3 percent.

-2.6% **RENT:** The average marketed rent has retreated toward the one dollar mark over the past four years, and now the measure breaks through to $0.97 per square foot after another vacancy rate bump.

Robust In-Migration Wrestles With Escalating Supply

Economic Overview

Household income growth has become more subdued in the market over the last three years, falling 120 basis points to 3.2 percent in 2024. Year over year as of March, Austin households' median income increased by about $3,200 dollars, compared with the national average of $2,800. Demand driven by income effects may soften in response.

Demographic Overview

After dipping in 2023, the metro's household formation rate rebounded 140 basis points last year to 3.1 percent annually. At the same time, net in-migration reached a record high of 63,000 new residents. The momentum of these forces will carry over to a degree in 2025, aiding self-storage demand from lifestyle transitions.

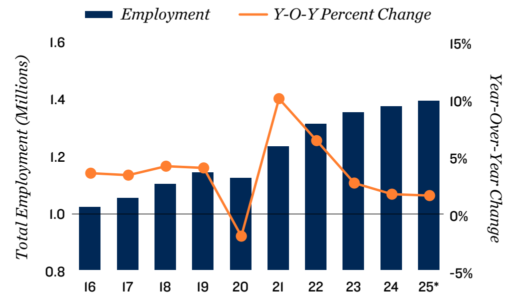
Construction Overview

Austin proper leads the metro area in construction with around 332,000 square feet due this year. Dripping Springs and Georgetown can expect almost as much new stock between the two cities combined. Overall, the metro anticipates an increase in construction relative to last year, in contrast to the national trend.

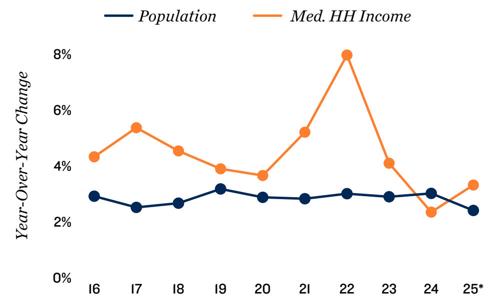
Vacancy/Rent Overview

Select brights spots in Austin's macroeconomics and demographics will only somewhat abate the competition brought by this development, seen first in a lift in the vacancy rate to 10.8 percent. The average asking rent will also continue receding down to $1.01 per square foot, just below its 2019 value.

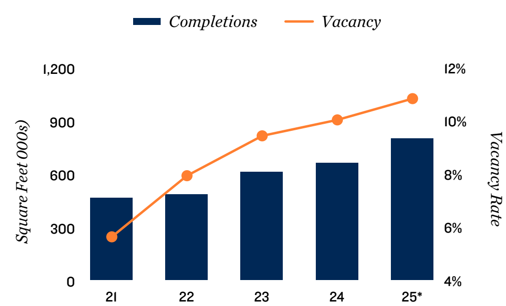
Employment Trends



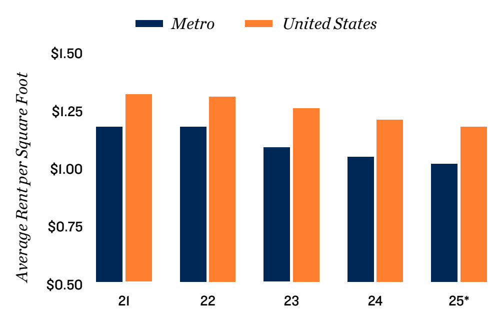
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*26 million square feet and 9.7 square feet per capita*

+1.6% **EMPLOYMENT:** Austin's job market adds 22,000 positions by the end of 2025 — only about 1,000 fewer than the year before. Just four other major markets exceed this pace.

+2.3% **POPULATION:** The metric's annual growth has been oscillating in the upper-2 percent band for several years but will fall to 2.3 percent this year. This is the metro's lowest measure since 2003.

800,000 *sq.ft.* **CONSTRUCTION:** Deliveries will accelerate, with the largest annual inventory increase since 2020 expanding self-storage stock by 3.2 percent year over year.

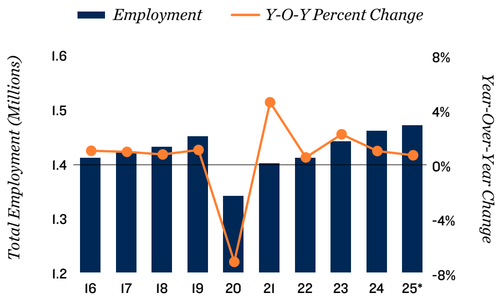
+80 bps **VACANCY:** This year's 10.8 percent vacancy rate will be Austin's highest since 2017 and will place the market among the top three most vacant markets nationally.

-2.9% **RENT:** The slope of the average asking rent's decline is becoming shallower, falling three cents this year to $1.01 per square foot. This follows cuts of 9 cents and 4 cents in 2023 and 2024, respectively.

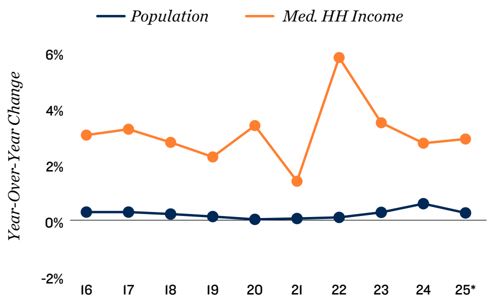
BALTIMORE

Job Market May Affect Performance Improvements

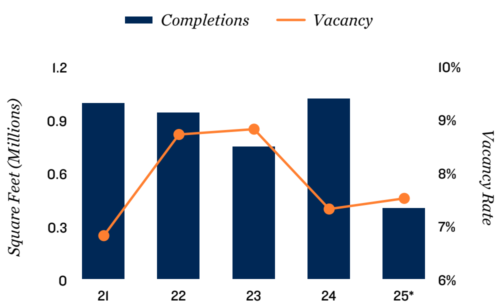
Employment Trends



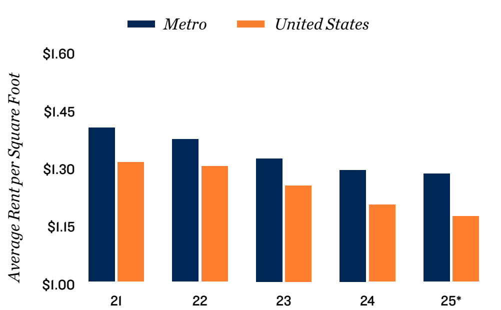
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Economic Overview

A little less than half of major markets are anticipating slower percentage employment expansion than Baltimore. As another measure of economic health, Baltimore's first-quarter unemployment rate of 3.0 percent was 120 basis points lower than the U.S. reading. Both increased year over year, but the metro's rose more slowly than the U.S. metric. Tepid job growth in 2025 may also stem from such labor market tightness.

Demographic Overview

The age 20-34 population is in decline in Baltimore, although that loss is being offset by the expanding 65-plus cohort. While this points to a growing self-storage consumer base, the pace of growth for that age group is subtly ramping down. The metro ranked also among the 10 slowest growing for this metric last year. If 2024's decade-high in-migration continues, it may help to compensate.

Construction Overview

Only a handful of projects are expected this year, mostly in the suburbs northeast of the city, as well as in Columbia and Frederick. The size of these properties mostly ranges between 100,000 and 140,000 total square feet.

Vacancy/Rent Overview

Performance metrics will likely receive some thrust from both the demand generated by recent net in-migration and the reprieve from intense post-pandemic construction. Employment headwinds will still push vacancy and rent progress back, however.

2025 MARKET FORECAST

INVENTORY *22 million square feet and 7.8 square feet per capita*

+0.7% **EMPLOYMENT:** Headcounts rise 0.7 percent year over year, placing Baltimore's job market growth rate roughly in the middle of the pack of nationally ranked Mid-Atlantic metros.

+0.3% **POPULATION:** Last year was a relative peak for population expansion, aided by record relocations to the metro. In 2025, this momentum levels off partially, with about 7,500 more people added.

400,000 *sq.ft.* **CONSTRUCTION:** Deliveries fall to a lower level than any year since 2016. This 1.8 percent annual growth rate comes after a record total of 1.01 million completed square feet in 2024.

+20 bps **VACANCY:** Following last year's rally, Baltimore's vacancy rate edged up to 7.5 percent as demand — previously boosted by strong in-migration — settles back to typical levels.

-0.8% **RENT:** Recent years' downward momentum in rents, with cuts of 3.6 percent in 2023 and 2.3 percent in 2024, continues to dissipate. The market's average asking rent declines to $1.28 per square foot.

Dense Market Endures New Deliveries

Economic Overview

Early 2025 hiring in San Jose came from the government and education and health services sectors, while San Francisco saw 1.9 percent year-to-date growth in hospitality positions. Oakland also notched expanded employment in education and health care roles, though all three markets saw net declines in employee headcounts.

Demographic Overview

Net in-migration turned positive between 2023 and 2024 in each of the three major metros in the Bay Area, but inbound relocations are projected to be more modest this year. The decline of the 20-34 age group population will be sharper in the region than at the national level in 2025. However, growth at the 65-plus end of the spectrum, likely in the upper 2.0 percent band, is very close to the U.S. rate.

Construction Overview

In 2025, there will be about three times more square feet of self-storage space delivered the East Bay than in the South. Looking ahead, that gap narrows down to an almost one-to-one ratio, with 1.8 million square feet still in planning stages.

Vacancy/Rent Overview

While the average asking rent crept up a few cents in the first quarter, rates likely have limited room to grow the rest of the year as slightly more assertive supply pressure props up vacancy. Nevertheless, the essential density and cost of the region should continue to limit how high vacancy can go.

2025 MARKET FORECAST

INVENTORY	***52 million square feet and 8.2 square feet per capita***

-0.4% **EMPLOYMENT:** Bay Area labor markets shed a combined 14,200 jobs in 2025. Oakland and San Francisco post reductions similar to last year, while San Jose's losses follow a gain in 2024.

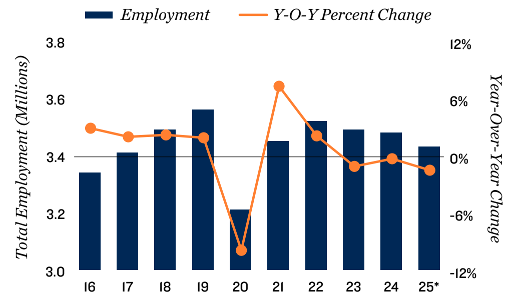
+0.4% **POPULATION:** In 2025, San Francisco's resident count will grow by 0.5 percent year over year. San Jose's pace is close behind, while Oakland expands by 0.2 percent annually.

780,000 *sq.ft.* **CONSTRUCTION:** The combined Bay Area self-storage inventory grows by 1.5 percent year over year — 20 basis points higher than in 2024 — which is roughly in the middle of major California metros.

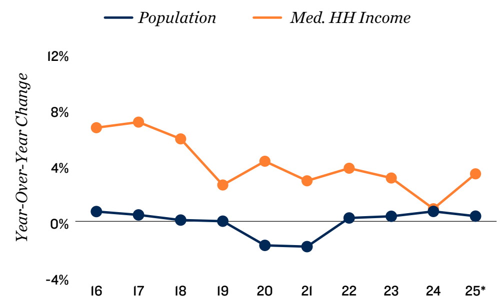
+40 bps **VACANCY:** The region's aggregated vacancy rate is set to rise to 5.4 percent after two years of declines. Even as other, less-occupied metros improve, the Bay Area metric remains California's lowest.

+2.0% **RENT:** After a 1.0 percent decline in the average asking rent last year, the trio of Bay Area metros sees a return to growth in the average asking rent, finishing 2025 at $2.03 per square foot.

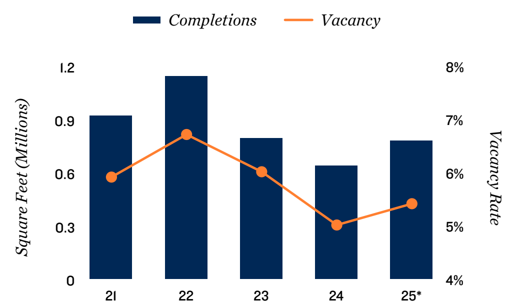
Employment Trends



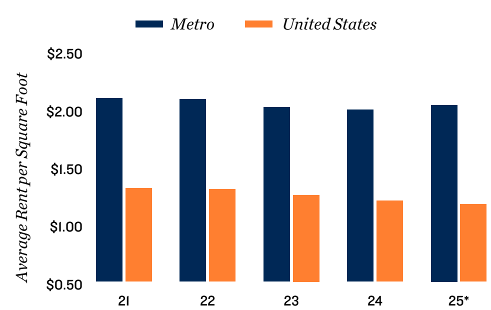
Demographic Trends



Supply and Demand Trends



Rent Trends



The Bay Area encompasses Oakland, San Francisco and San Jose

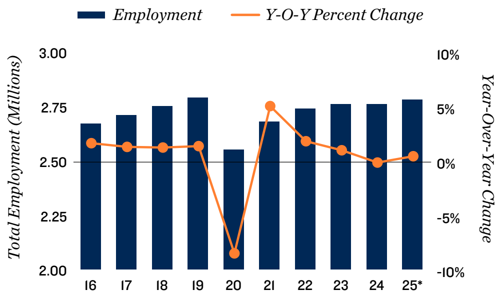
** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

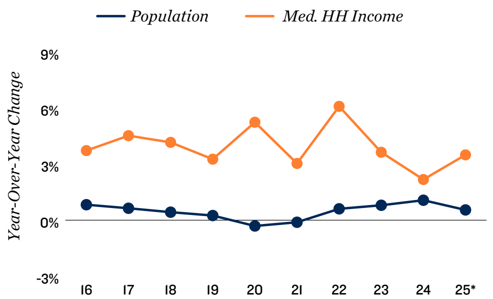
BOSTON

Demographic Inflows Support Minor Rent Gains

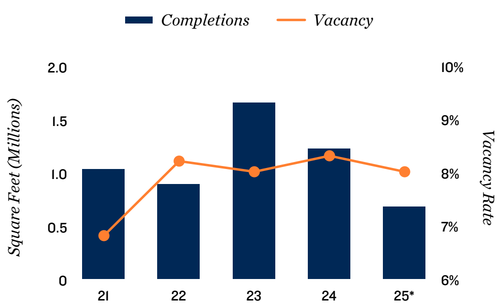
Employment Trends



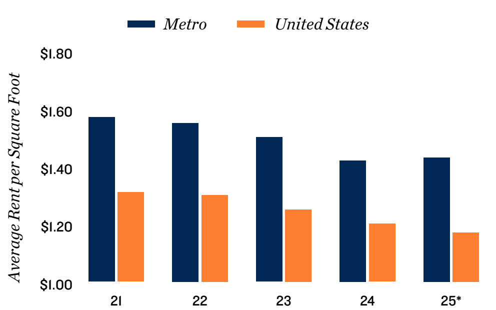
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Economic Overview

Employment growth improves this year, though it remains below the decade average. Additionally, federal cuts to universities and research institutions may discourage inbound relocations and dampen consumption in high-income households, impacting self-storage demand indirectly through the channel of long-term economic growth.

Demographic Overview

Between 2021 and 2024, the 65-plus age segment grew 11.2 percent, which was 70 basis points above the U.S. rate for that time. This key self-storage demographic is usually growing fastest in low-cost southeast and western markets, yet Boston records one of the highest measures outside those regions. A record level of net in-migration last year also shows Boston's exceptional demographic strength for the northeast.

Construction Overview

Facilities in the pipeline range from about 10,000 to 100,000 square feet, with the largest projects slated for Tilton and Arlington. Most of the construction slate is concentrated in areas near the New Hampshire border but still within the Greater Boston metro.

Vacancy/Rent Overview

Aided by the metro's demographic momentum, a substantial year-over-year reduction in deliveries will mostly reverse last year's vacancy bump. With some of the impetus for rent reductions removed, minor growth will resume. Still, the enormity of stock added since 2019, a 23 percent increase, will likely moderate the improvement potential in metrics.

2025 MARKET FORECAST

INVENTORY	*36 million square feet and 7.1 square feet per capita*

+0.5% **EMPLOYMENT:** Boston employment growth improves after a slight dip in 2024, adding 15,000 new jobs. This brings a growth rate that is 40 basis points below the metro's past decade average.

+0.5% **POPULATION:** Several years of mounting annual population expansions will level off in 2025, with 27,700 new expected residents. Boston's growth still stands out compared with its regional peers.

680,000 *sq.ft.* **CONSTRUCTION:** Completions arriving this year fall off by over 500,000 square feet, yielding an annual inventory growth rate of 1.9 percent, which is the market's lowest rate since 2013.

-30 bps **VACANCY:** Returning to an 8.0 percent vacancy rate, Boston is slightly below its decade average of 8.3 percent. The metric's variance has also narrowed in the years since 2021.

+0.7% **RENT:** The average asking rent rises to $1.43 per square foot — a rate in the top third nationwide. This modest growth will beat the U.S. average rent change of negative 2.5 percent.

Fundamentals Improve Slightly Amid Stable Population

Economic Overview

Year to date as of April, construction employment has risen by 1.6 percent, but these gains were also partly offset by losses in the larger manufacturing and hospitality sectors. This mixed performance points toward the softer 0.2 percent job growth rate forecasted for 2025 — the smallest measure among major Midwest markets. Slower hiring may lend less support to Chicago's self-storage demand in the near term.

Demographic Overview

After two decades of net negative in-migration, averaging about 38,000 exits per year, Chicago posted a small 1,000-person gain in 2023, jumping to almost 39,000 last year. In 2025, as the energy behind post-pandemic population flows cools and international migration to the U.S. levels off, this channel will likely play a smaller role.

Construction Overview

In suburban Chicago submarkets, where most of this year's deliveries are under construction, the median size of a new self-storage facility is about 100,000 square feet. Few completing projects there are under 30,000 square feet. The largest suburban spaces will be arriving in Aurora, Mundelein and Woodbridge.

Vacancy/Rent Overview

Even as supply pressure mounts, Chicago's supply growth rate is still 30 basis points below the U.S. measure of 2.8 percent this year. This relatively moderate competition meets lessening consumer spending, minimizing vacancy and rent improvements.

2025 MARKET FORECAST

INVENTORY	*64 million square feet and 6.7 square feet per capita*

+0.2% **EMPLOYMENT:** On trend with 2024's slowing employment growth, this year's addition of 10,000 jobs represents one of the market's slimmest net-positive measures in at least 30 years.

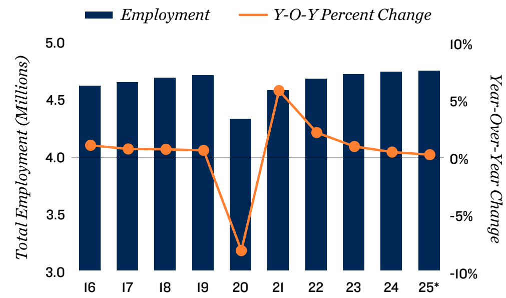
+0.01% **POPULATION:** Chicago's population receded each year from 2018 to 2022, but 2023 and 2024 brought population expansions. Now, that growth moderates, as under 1,000 residents are added in 2025.

1,570,000 *sq.ft.* **CONSTRUCTION:** About twice the volume of space arrives in here in 2025 compared with 2024 — a 2.5 percent annual rate of stock growth. This pace falls 50 basis points under the decade average.

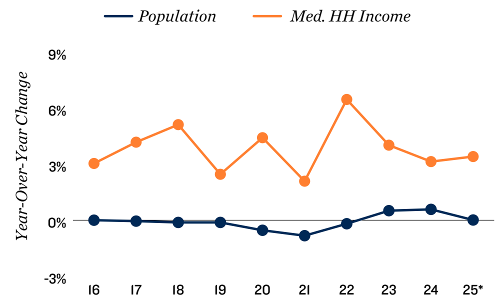
-20 bps **VACANCY:** Compression continues but less strongly than in 2024, as the vacancy rate inches down to 6.5 percent by December. Renewed supply pressure partly rebuffs further declines.

+0.2% **RENT:** With the vacancy rate budging little, the average asking rent ends the year roughly where it began: at $1.09 per square foot. This comes as about half of major metros see receding rents.

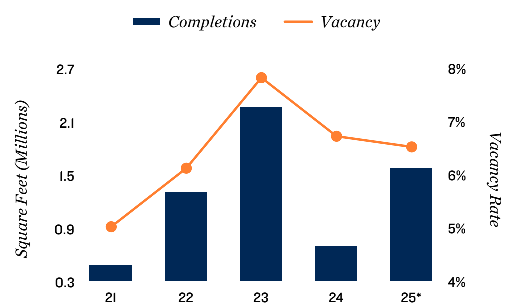
Employment Trends



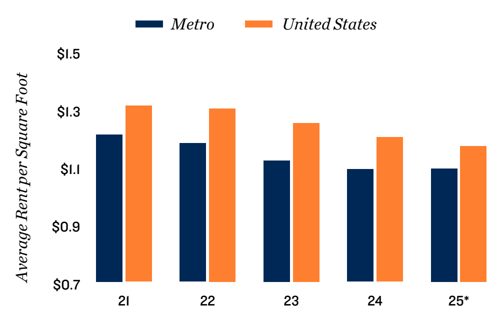
Demographic Trends



Supply and Demand Trends



Rent Trends



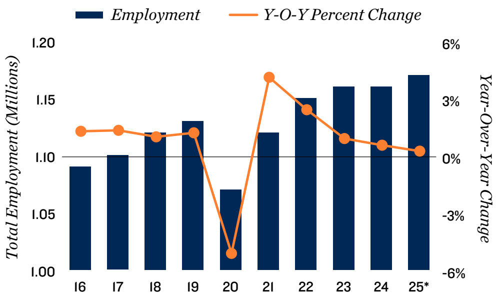
* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

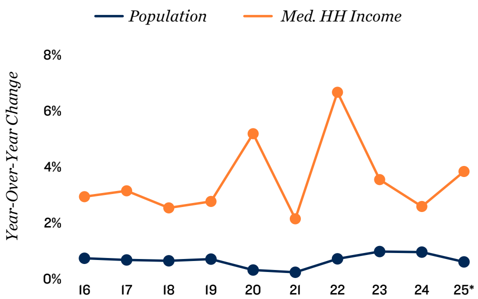
CINCINNATI

Nationally Low Vacancy Aids Rent Prospects

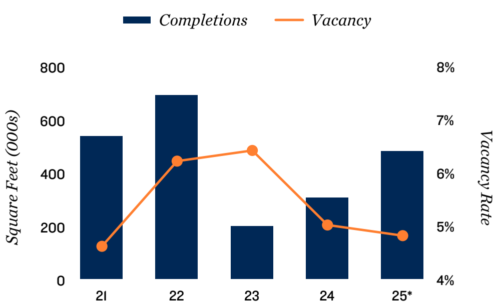
Employment Trends



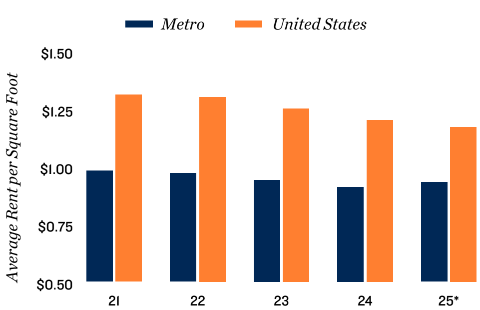
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Economic Overview

Cincinnati's manufacturing sector welcomes 2025's largest move-ins, including beverage bottler Impact, as well as an additional lease by the automation systems supplier TREW following an initial move-in during 2024. Even so, it is unclear how much global workforce cuts by Proctor & Gamble will land on its corporate employees in Cincinnati. Subdued hiring in the metro may diminish self-storage demand growth.

Demographic Overview

The last two years brought successive all-time highs for the market's net in-migration, with a similar but lower level expected in 2025. Growth in the key demographic of persons aged 65 and older will be moderate by national and regional standards at 2.7 percent year over year.

Construction Overview

Most of the handful of projects slated for 2025 are located near or north of Interstate 275 and Sharonville. Typically these new centers will be sized within the range of 90,000 to 170,00 total square feet. Only about 200,000 square feet of self-storage space was on the planning board as of June, lowering the ceiling on 2026 supply growth.

Vacancy/Rent Overview

Even as construction ramps up from 2024 to 2025, working to temper occupancy gains, prolonged vacancy lows are likely to support a rebound in the average asking rent this year. Early first-quarter progress in both metrics hints at this turnaround.

2025 MARKET FORECAST

INVENTORY *15 million square feet and 6.6 square feet per capita*

+0.3% **EMPLOYMENT:** Cincinnati's employment growth slows, and 3,500 jobs are added to its total. Year to date as of April, the biggest percent gains were in construction and professional services.

+0.5% **POPULATION:** This growth rate will place Cincinnati in third behind Columbus and Minneapolis among nationally ranked Midwest markets this year. New residents will total 11,700.

1,604,000 *sq.ft.* **CONSTRUCTION:** Deliveries pick up the pace, and total inventory rises by 3.3 percent in a year when the national trend is toward a decelerating level of 2.8 percent.

-20 bps **VACANCY:** This year's vacancy rate of 4.8 percent would be the third lowest among major markets; however, its improvement is more modest than last year's 140-basis-point drop.

+2.2% **RENT:** After three years of retreat, Cincinnati's average asking rent gains ground, climbing back up to a monthly rate of $0.93 per square foot. Only two other major markets see faster rent growth.

Less Development Aligns With Demure Demographics

Economic Overview

Hiring in education, health service, trade, transportation and utilities has led other sectors through the first five months of this year across both Cleveland and Akron. Each metro is experiencing renewed job growth after periods of retraction, with neither labor hub having yet to return to a pre-pandemic total headcount.

Demographic Overview

As with the nation as a whole, the market's population is skewing older. The number of those over the age of 65 grows, while the 20- to-34 cohort shrinks. This dynamic is more pronounced in Cleveland than in Akron; however, median income in both areas is rising, with Akron also projected to welcome additional households this year.

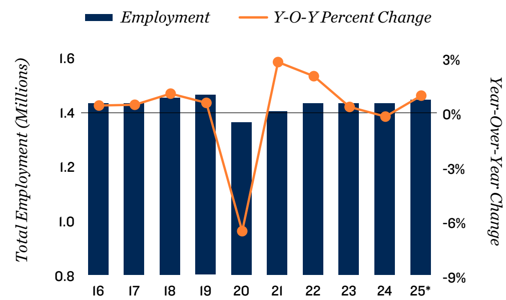
Construction Overview

The market is slated for a quieter development period in 2025, with openings totaling less than half of the 1.3 million square feet delivered in 2023. Projects slated for second-half delivery are located in suburbs west of Cleveland and Akron. This construction slowdown, along with renewed hiring, has the potential to lift storage demand.

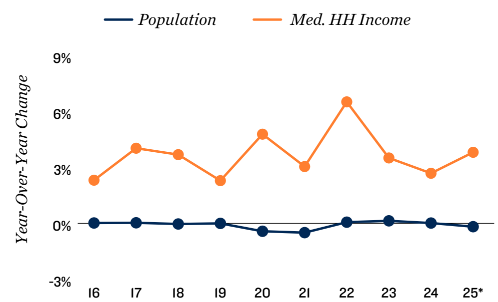
Vacancy/Rent Overview

Despite 2023's completion record, vacancy still fell 20 basis points that year and has continued since, indicating the need for new supply. Total inventory in the market has grown by 35 percent over the past decade, compared with 41 percent for the U.S. overall. Tightening vacancy in turn is lessening the downward pressure on asking rents.

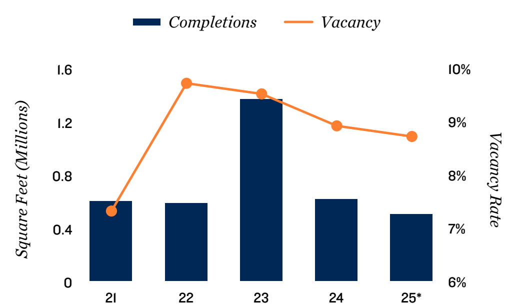
Employment Trends



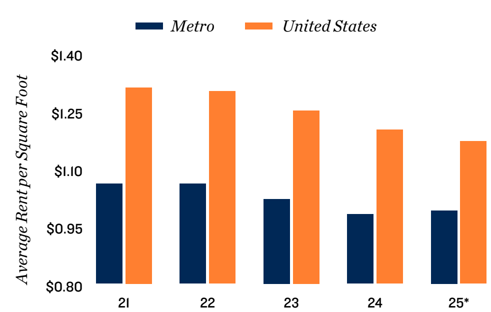
Demographic Trends



Supply and Demand Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*22 million square feet and 7.9 square feet per capita*

+0.9% **EMPLOYMENT:** Losses across both Akron and Cleveland in 2024 give way to renewed job growth this year with the creation of 13,500 roles. On a relative basis, the pace of hiring is twice as fast in Akron.

-0.2% **POPULATION:** As with some other Midwest metros, the Cleveland-Akron market will experience a slight drop in total population this year. The total resident count will fall by about 5,000.

500,000 *sq.ft.* **CONSTRUCTION:** Completions this year are set to hit a five-year low as total inventory expands by 2.3 percent. This pullback comes after a record 7.1 percent jump in stock just in 2023.

-20 bps **VACANCY:** A growing labor market and easing level of new supply pressure pave the way for a second consecutive year-over-year drop in vacancy. The local rate will end 2025 at 8.7 percent.

+1.0% **RENT:** Lower vacancy in 2025 will encourage a slight improvement in the average asking rent to $0.99 per square foot. Last year, the market mean fell 3.9 percent.

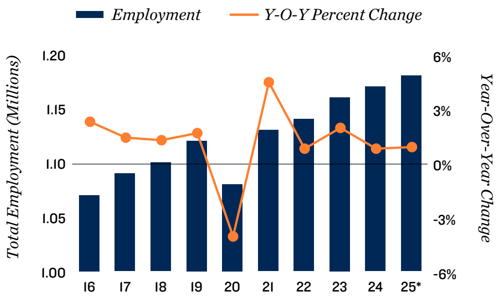
** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

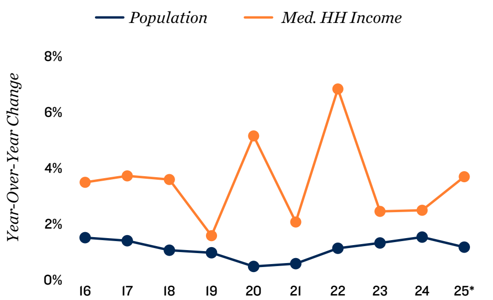
COLUMBUS

Metro Boasts Regional Best in Population Expansion

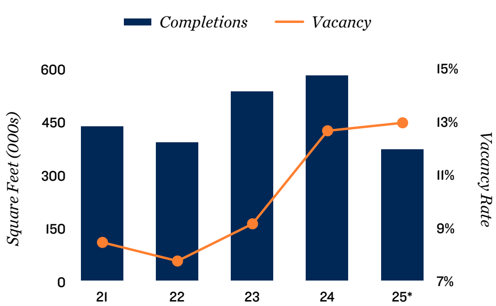
Employment Trends



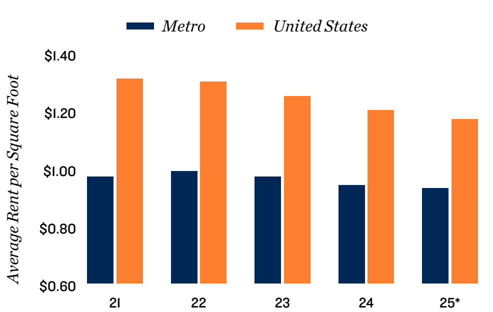
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Economic Overview

Payrolls began the year in a divot but had gained back ground by the end of April. Construction and resource extraction firms shed the most roles, while all segments employing more than 100,000 workers expanded. The largest addition was in the business and professional services sector.

Demographic Overview

Columbus' population growth outpaced the other major Ohio markets in 2024 by 60 to 140 basis points, in part due to the net in-migration of nearly 25,000 people. Cincinnati welcomed over 16,000 relocations, while Cleveland experienced net out-migration. Similar trends are anticipated this year.

Construction Overview

Almost all the projects due for Columbus this year will each span less than 100,000 square feet, with the average floor plan being closer to 50,000 square feet. Although this year sees a slate composed of smaller facilities, the future pipeline holds almost 600,000 square feet across all stages of planning, with several buildings above 100,000 square feet.

Vacancy/Rent Overview

A roughly 200,000-square-foot reduction from 2024's completions will help to relieve upward pressure on vacancy. While the market's demographics outperform its neighbors, demand for self-storage units will not fully offset new supply, translating into a limited vacancy increase and restrained cut to the average asking rent

2025 MARKET FORECAST

INVENTORY	***16 million square feet and 7.2 square feet per capita***

+0.9% **EMPLOYMENT:** The Columbus metro's 11,000-job gain this year is the highest among Ohio's major markets, though it represents an increase of only about 1,000 jobs over last year's addition.

+1.1% **POPULATION:** Columbus' population will grow by more than double the national pace in 2025. That said, the market's growth rate will take a step back from last year's 1.4 percent expansion.

370,000 *sq.ft.* **CONSTRUCTION:** Self-storage inventory expands by 2.3 percent year over year as the smallest slate of square footage since 2020 arrives on the market.

+30 bps **VACANCY:** A reading of 12.9 percent will mark one of Columbus' highest vacancy rates since the first and second quarters of 2015 when the metric was 13 percent.

-1.1% **RENT:** Descending to $0.93 per square foot, the market's average asking rent returns to levels last seen in 2020. Columbus' rent decline slows 200 basis points compared with last year.

Demographic Drivers Duel With Overextended Supply

Economic Overview

Employment in Dallas-Fort Worth's government, hospitality and health care sectors expanded by about 1.0 percent to 2.0 percent in the first four months of the year, while the number of professional services roles receded. Those losses were mostly on-trend with the national aggregate, while the market's gains in government and hospitality stood out. Robust healthcare hiring reflects the area's ongoing population expansion.

Demographic Overview

Dallas-Fort Worth's population growth continues to slow in tandem with net in-migration, though the metro's resident count still expands 110 basis points faster than the U.S. measure for 2025. This year, the metro is expected to post a fourth consecutive reading of more than 100,000 arrivals, contributing to sustained self-storage demand.

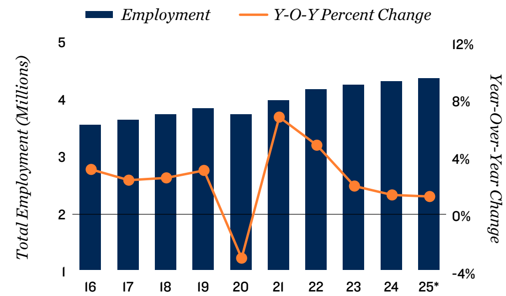
Construction Overview

Between 2014 and 2024, the Dallas-Fort Worth metro's self-storage stock expanded by almost 50 percent. Although a tamer 1.7 million square feet will deliver this year, almost 7 million square feet wait in various planning stages, raising the possibility of higher supply pressure in the future.

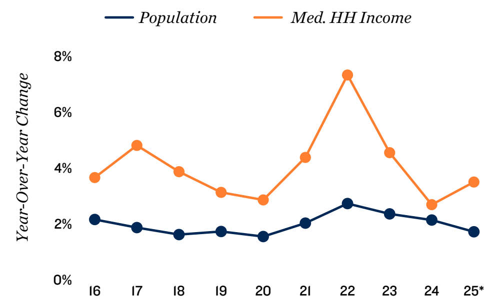
Vacancy/Rent Overview

While the desirability of living and working in the Metroplex continues to enlarge the local population and potential self-storage renter pool, the recent history of sustained high supply growth helps to push up vacancy, denying gains in the average asking rent.

Employment Trends



Demographic Trends



2025 MARKET FORECAST

INVENTORY	***99 million square feet and 11.4 square feet per capita***

+1.2% — **EMPLOYMENT:** Dallas-Fort Worth's total employment gain is 53,000 positions in 2025. The pace of growth ranks third among major Texas metros but is above the national rate of 0.9 percent.

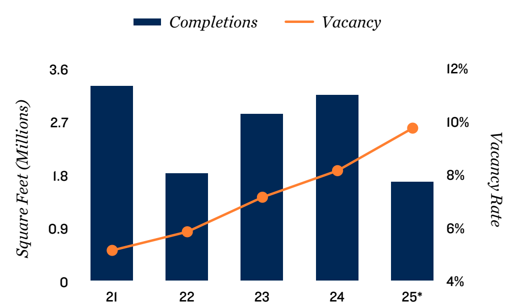
+1.6% — **POPULATION:** The market adds 138,000 heads this year. Dallas' growth rate falls below its 2010-2019 annual average of 1.8 percent, following explosive post-pandemic expansion.

1,670,000 *sq.ft.* — **CONSTRUCTION:** A 1.7 percent annual inventory expansion by December stands 160 basis points below 2024's pace. This level of supply pressure is well below the recent peak of 6.2 percent in 2018.

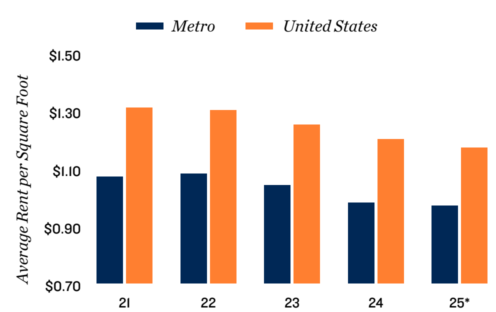
+160 bps — **VACANCY:** The metro's vacancy rate hits 9.7 percent — the first record annual measure since at least 2014 and the second highest among major Texas markets, nearly tied with San Antonio.

-1.1% — **RENT:** The Metroplex's average asking rent decline skids to a near stop, falling one cent to $0.97 per square foot. The market's metric falls by less than any of its three Texas peer metros.

Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

DENVER

Supply Growth Stirs, Demographics Pose Opportunities

Economic Overview

Since 2023, Denver's unemployment rate has risen faster than any other major regional metro, climbing 90 basis points annually to 4.7 percent — on par with its post-2010 mean. While a potential self-storage demand headwind, it may also reflect the market's high growth in the 20-34 age bracket, whose unemployment rate skews higher.

Demographic Overview

Denver's household formation rate recorded an 11-year peak in 2024. Recovering from a low of 0.2 percent in 2022, growth has escalated sharply each year, most recently up to 1.9 percent year over year. This pattern, dissimilar to the national trend, could be an aid to self-storage demand despite Denver's higher unemployment rate.

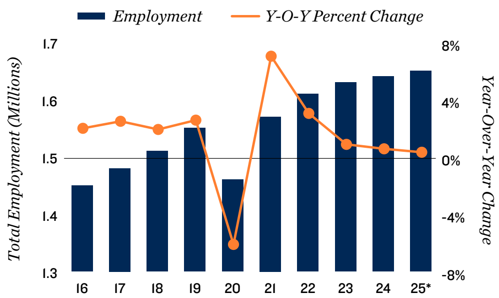
Construction Overview

From 2016 to 2019, more than 1 million square feet was delivered per year. That threshold has not been broken since. Even as this year's inventory growth rate steps up from the metric seen in 2024, Denver's supply pressure remains one of the lowest among major southwest metros. Most of the projects in 2025 are coming to submarkets in the northern half of the metro, such as Broomfield and Westminster or Greeley and Loveland further out.

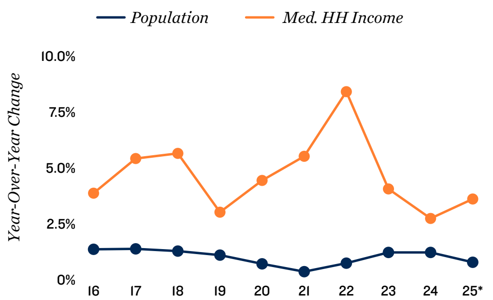
Vacancy/Rent Overview

Without propulsion from labor market tailwinds, demand may have trouble meeting greater new supply for this year. This allows vacancy to increase again and the average asking rent to decline, even if by less than the previous year.

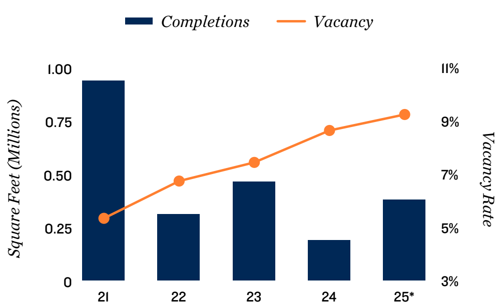
Employment Trends



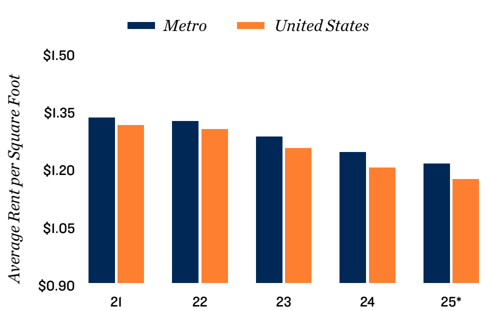
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*33 million total square feet and 10.7 square feet per capita*

+0.4% **EMPLOYMENT:** This year's creation will come in at 7,000 positions. In percentage terms, this is 50 basis points below the national reading and 170 basis points below the metro's decade average.

+0.7% **POPULATION:** The year-over-year population growth rate falls 40 basis points, as Denver gains 20,100 residents. This is the lowest rate across major southwest markets, excluding California.

380,000 *sq.ft.* **CONSTRUCTION:** Denver's self-storage inventory expands by 1.2 percent year over year. An acceleration of 60 basis points over 2024's rate contrasts with the national deceleration.

+60 bps **VACANCY:** A vacancy rate of 9.2 percent at year-end represents the measure's highest level since 2018 and falls within the top ten most vacant major markets for this year.

-2.4% **RENT:** The average asking rent will be set at $1.21 per square foot, dropping by a smaller margin than last year, though this marks the metro's fourth successive year of reductions.

Manufacturing Green Shoots Seen Amid Out-Migration

Economic Overview

Between December 2024 and the end of April, employment gains came most notably from manufacturing, government, health care and education, partially offset by losses in hospitality, professional services and finance. Further out, General Motors' announced reshoring of plants from Mexico to the Detroit metro, alongside Apple's new manufacturing school downtown, could bring employment tailwinds.

Demographic Overview

Positive net in-migration contributed to population gains in the last two years, but an anticipated reversal in migration flows this year rolls back some progress. In 2024, Detroit's household formation rate of 0.3 percent was the third lowest among major markets. The metric's projected decline in 2025 provides less help to demand growth.

Construction Overview

Projects totaling over 100,000 square feet are slated for Chesterfield, Taylor, Livonia and Southfield. In the pipeline, only 1.2 million square feet are planned in the foreseeable future, which compared with recent annual deliveries, lowers the ceiling on any potential development in the near term.

Rent Overview

High inventory growth will press against the balance of supply and demand, but the descent of the average asking rent has slowed since the beginning of 2024. If it follows the course that it held since then through the end of 2025, rents will lose less ground.

2025 MARKET FORECAST

INVENTORY *24 million square feet and 5.5 square feet per capita*

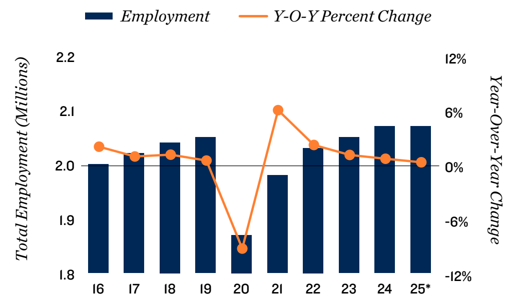
+0.4% **EMPLOYMENT:** This year's net increase of 8,000 jobs is about half as much as Detroit gained in 2024. The metro's annual pace falls within the lower third of major metros.

-0.2% **POPULATION:** Detroit's population total recedes by 7,600 people this year after growing by a total of 19,000 over 2023 and 2024. Over the past decade, half of the years posted declines.

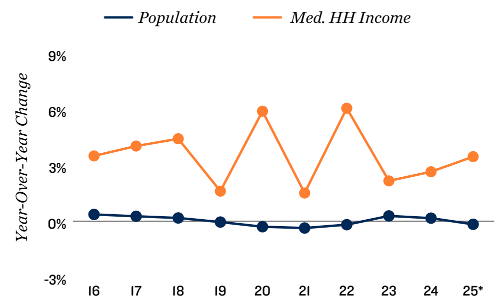
890,000 *sq.ft.* **CONSTRUCTION:** An annual inventory growth rate of 4.9 percent in December will match 2024's measure. Construction activity has floated almost to the market's decade peak of 5.0 percent in 2021.

-0.9% **RENT:** The market's average asking rent declines to $1.12 per square foot. This follows a much sharper decrease of 4.2 percent year over year in 2024 and is the smallest cut since 2021.

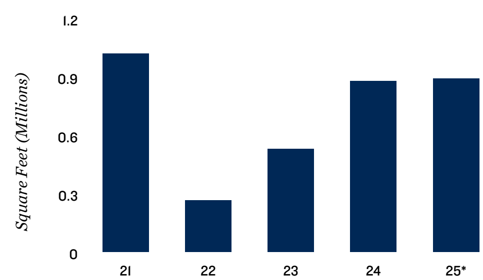
Employment Trends



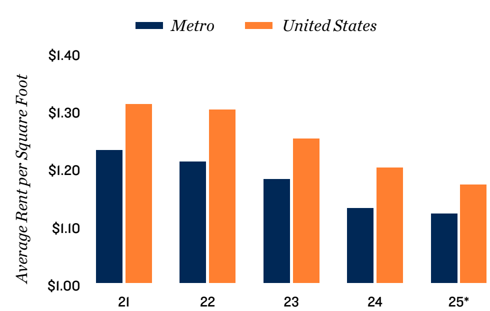
Demographic Trends



Supply Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

HOUSTON

Unique Labor Market Strength Bolsters Vacancy

Economic Overview

In the first four months of the year, Houston's unemployment rate stayed close to 4.4 percent — 10 basis points higher than in the same time frame in 2024. Since December, the labor market grew fastest in the information technology, construction and logistics sectors. In contrast, notable losses were seen in natural resource extraction, education and health services, and government.

Demographic Overview

Net in-migration has exceeded 100,000 new residents annually for the last three years. Both the metro's older and younger population cohorts recorded growth. The number of people older than 65 rose by over 15 percent in that span, and the age 20-34 bracket increased by around 6 percent, boding well for long-term self-storage fundamentals.

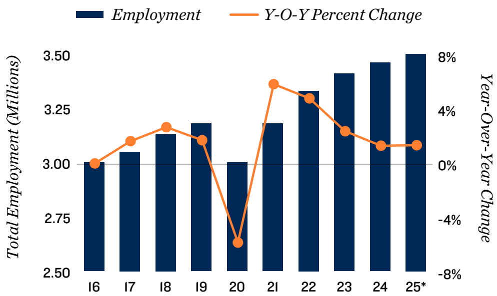
Construction Overview

Inventories on both the east and west sides of the metro will expand by nearly 3 percent in 2025, in line with the market's mean pace since 2017. The average size of a project under construction is roughly 110,000 square feet, with two facilities being over 200,000.

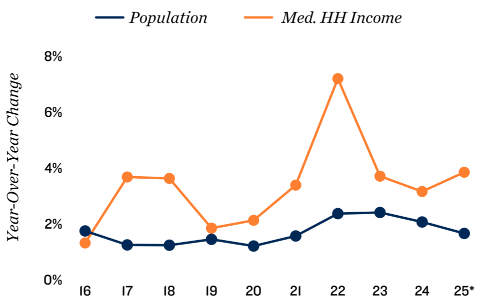
Vacancy/Rent Overview

Last year's vacancy contraction will not extend into 2025 due to increased new supply pressure. The rate's backslide should be constrained by Houston's relatively robust pace of job growth, however, which will be one of the fastest among major U.S. metros in 2025. This tailwind will also help blunt the recent downward pressure on asking rents.

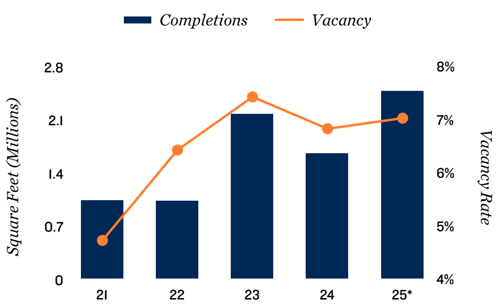
Employment Trends



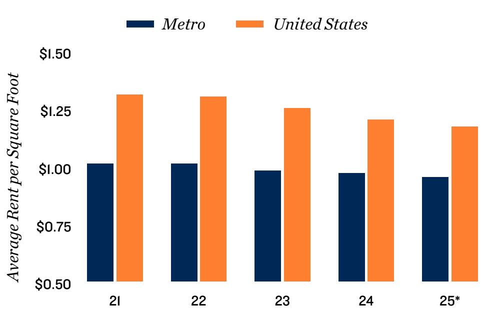
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*93 million square feet and 11.8 square feet per capita*

+1.4% — **EMPLOYMENT:** Houston employment growth is expected to bring in 2,000 more jobs than last year's net for a sum of 48,000 positions. This minor step-up contrasts with slowdowns nationally.

+1.6% — **POPULATION:** The metro looks forward to the seventh-highest year-over-year population growth rate among nationally ranked markets in 2025. While slowing, it was in eighth place a year before.

2,470,000 *sq.ft.* — **CONSTRUCTION:** Stock grows 3.0 percent annually in 2025. With about 4 million square feet of self-storage space at different stages in the pipeline, a construction drop-off is unlikely to happen soon.

+20 bps — **VACANCY:** This year's vacancy rate of 7.0 percent stays below Houston's measure in 2023 and involves a slimmer increase in 2025 than most other ranked Texas markets.

-1.9% — **RENT:** The average asking rent falls to $0.95 per square foot in 2025 — an accelerating year-over-year pace of decline. Reductions will be stronger on the metro's west side at 2.0 percent annually.

Gap in Construction Activity Aids Performance

Economic Overview

Starting the year with a setback of 7,500 jobs shed in January, employment growth resumed for the next three months, breaking even year to date. Between December and April, the professional services sector expanded by about 3 percent, while the number of roles in education and health services shrank by almost 2 percent.

Demographic Overview

Indianapolis' household formation rate exceeded that of its five closest major metros last year, and it is expected to do so again in 2025, supporting storage rental demand driven by major life transitions. The market's projected population growth, meanwhile, compares similarly to these neighbors and is double the national measure.

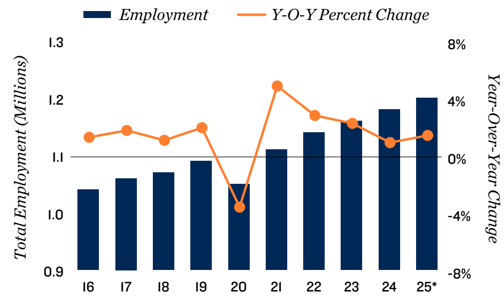
Construction Overview

While this year's projected 100,000-square-foot delivery slate is a steep drop from 2024, it may be more of a lull than the end of a supply wave. About 1.1 million square feet of self-storage space sits in the pipeline in planning stages, hinting at developer interest. Yet under maximal assumptions, it could only produce an inventory growth pace on par with the metro's post-2020 annual average.

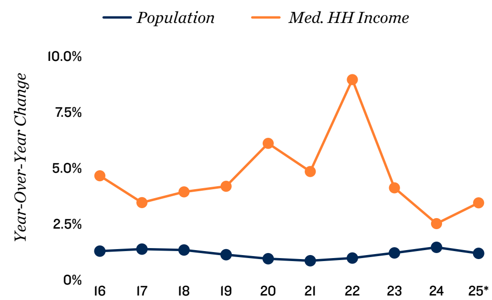
Vacancy/Rent Overview

Vacancy started the year at one of the highest levels for the market since 2014 but then shifted onto a sharp downward trajectory, precipitated by a sudden relief in supply pressure. This will also help bring a return to growth for the average asking rent.

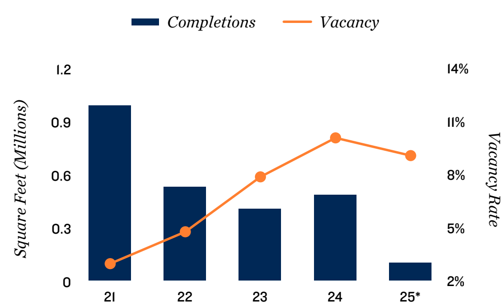
Employment Trends



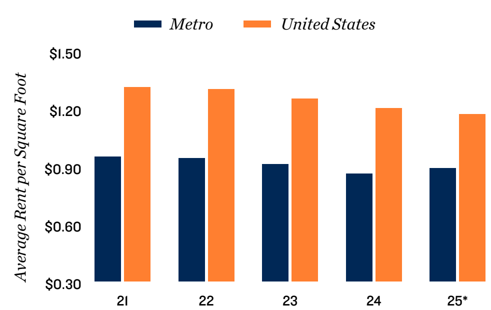
Demographic Trends



Supply and Demand Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*21 million square feet and 9.5 million square feet per capita*

+1.5% — **EMPLOYMENT:** The market's employment base rises by 18,000 roles. About half of major metros will see more jobs added this year than last, with Indianapolis' acceleration among the fastest.

+1.1% — **POPULATION:** As the metro headcount rises by about 23,000 residents, 2025 brings a growth rate reading on par with the market's 1.1 percent yearly average since 2010.

100,000 *sq.ft.* — **CONSTRUCTION:** Indianapolis' 0.5 percent year-over-year inventory expansion is one of the lowest seen in a major market this year, neck and neck with Orange County.

-100 bps — **VACANCY:** Plummeting deliveries brought the metro's vacancy rate down 80 basis points in the first quarter, and the measure will fall even more by the end of 2025, dropping to 9.0 percent.

+3.5% — **RENT:** Vacancy compression will lift the average asking rent a few cents higher, reaching up to $0.89 per square foot — the first year-over-year rent growth seen since 2021.

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

LAS VEGAS

Waning Deliveries Help Offset Employment Headwinds

Economic Overview

Las Vegas is one of the few major markets to record job losses this year, joining most California metros. Between December 2024 and May 2025, the number of people working in leisure and hospitality increased by 1 percent, while the number of jobs in construction, state and local government fell by 2.7 percent.

Demographic Overview

Even with an increase in net in-migration in 2024, population growth held steady at 1.6 percent year over year, hiding declining natural births. This could affect the market long term if migration were to slow.

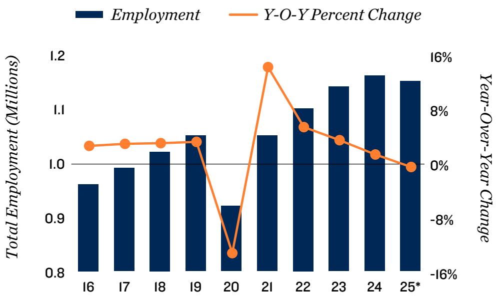
Construction Overview

The peak of Las Vegas' supply boom occurred more recently than in other markets. The highest year-over-year growth rate, 6 percent, was only in 2023, compared with 5 percent in 2018 for the nation as a whole. Despite that intensity, inventory growth has quickly ramped down and will match the nation's 3 percent pace in 2025. Even so, about 3.6 million square feet are in the pipeline, including in planning stages, which could place additional supply pressures on the market over the long term.

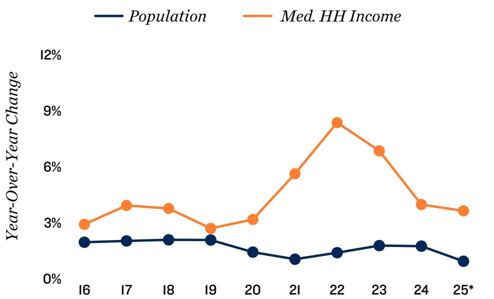
Vacancy/Rent Overview

Although Las Vegas' vacancy rate will rise again this year, the measure will be on par with its regional neighbor Phoenix and 200 basis points below the U.S. level. Lingering supply pressure, meanwhile, continues to push down on asking rents.

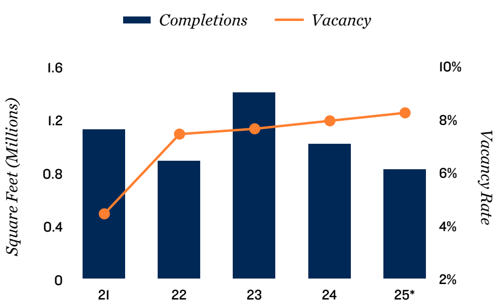
Employment Trends



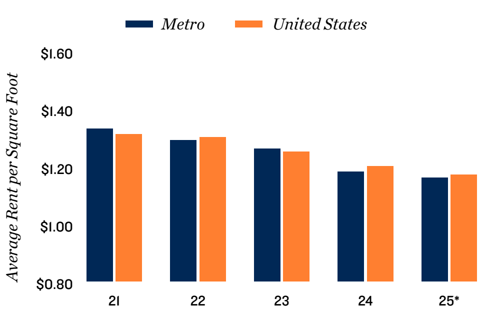
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	***26 million square feet and 10.8 square feet per capita***

-0.4% **EMPLOYMENT:** A sharp contraction earlier in the year may not be fully offset by subsequent hiring. An unemployment rate of 5.9 percent in March was the highest among major Southwest metros.

+0.8% **POPULATION:** After growing by a fast 1.6 percent in 2023 and 2024, Las Vegas' population will expand by about half that pace in 2025, amounting to 19,000 new residents.

820,000 *sq.ft.* **CONSTRUCTION:** This year, the market receives its smallest delivery total since 2018. Las Vegas' total stock will grow by about 3 percent year over year by December.

+30 bps **VACANCY:** The metro's vacancy rate rises at the same pace as 2024, reaching 8.2 percent. This will be the highest year-end reading for the market since a measure of 8.6 percent in 2014.

-1.7% **RENT:** While the average asking rent falls to $1.16 per square foot, 2025's reduction is smaller than last year's 6.2 percent decline. Rent cuts will slow in response to plateauing vacancy increases.

Structurally Low Vacancy Continues to Benefit Market

Economic Overview

Private education and health services providers form the backbone of the Los Angeles labor market in 2025, having brought on 14,000 new people in the first four months of the year. This growth is important, as the myriad of challenges the broader local labor market faced early in the first quarter led to a 23,000-role contraction.

Demographic Overview

While the total number of Los Angeles County residents has fallen 3 percent since the previous high in 2016, the population has been growing over the last two years. Although some households were likely displaced from the county due to the devastating January wildfires, the metro is still likely to draw net in-migration this year.

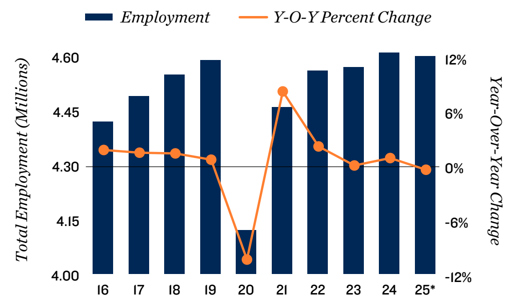
Construction Overview

After elevated development over the past two years, less self-storage space will open across the eastern half of Los Angeles County in 2025. Meanwhile, construction is picking up further west. Here, developers have overcome limited land availability and other local development barriers in Koreatown and San Pedro, among other spots.

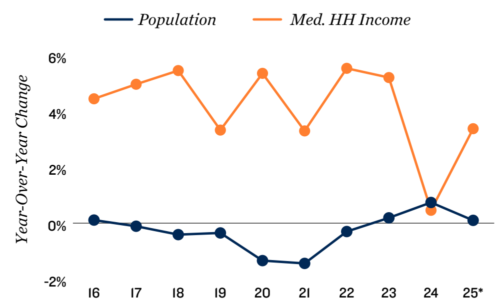
Vacancy/Rent Overview

The Los Angeles-Long Beach-Anaheim area retains its status as the second-least vacant major market in California for which vacancy data is available. Yet while the rate is inching up in the tighter Bay Area, the Los Angeles measure is still declining. This progress in turn is encouraging an increase in the mean asking rent.

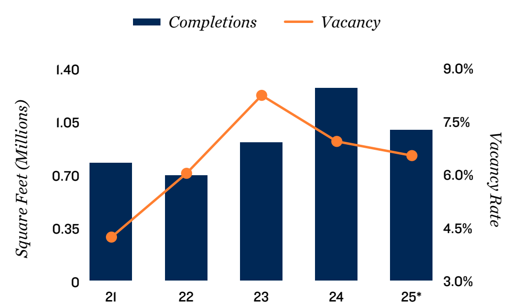
Employment Trends



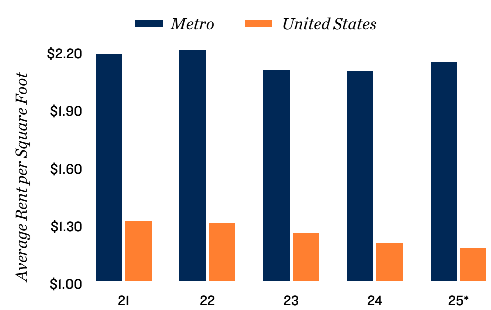
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*40 million square feet and 4.1 square feet per capita*

-0.3% **EMPLOYMENT:** While net hiring has resumed in Los Angeles, a troubled start to the year will lead to a net loss of about 15,000 positions for the full calendar period of 2025.

+0.1% **POPULATION:** Los Angeles will note a slight population increase this year of about 10,000 people. This is in positive contrast to the 2018-2021 period when the resident count was slightly decreasing.

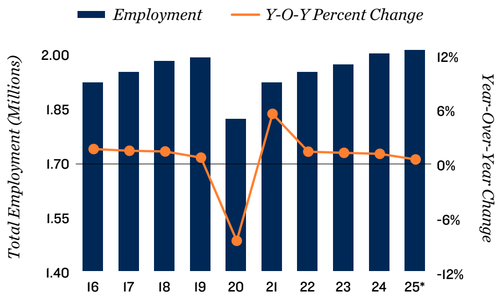
990,000 *sq.ft.* **CONSTRUCTION:** Total deliveries will fall about 280,000 square feet below last year's total, lifting inventory by 2.5 percent. The largest projects are underway in Santa Fe Springs and Covina.

-40 bps **VACANCY:** After decreasing 130 basis points last year, vacancy across the Los Angeles-Long Beach-Anaheim area will tighten in 2025 to 6.5 percent. This is 380 basis points below the U.S. level.

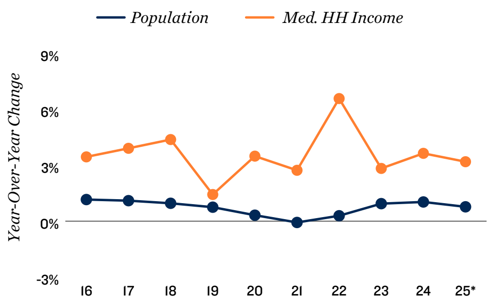
+2.3% **RENT:** Amid falling vacancy, the average asking rent will rise by 2.8 percent in eastern Los Angeles County and 1.5 percent in the city proper for an overall mean of $2.14 per square foot.

MINNEAPOLIS-ST. PAUL

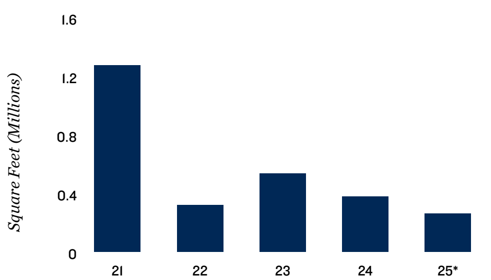
Employment Trends



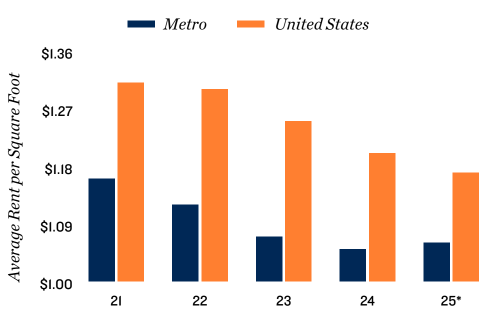
Demographic Trends



Supply Trends



Rent Trends



Rising Net In-Migration Improves Outlook

Economic Overview

Minneapolis-St. Paul is benefiting from favorable tailwinds across a group of blue- and white-collar industries. Year to date through April, more than 5,000 jobs were added in professional and business services, while manufacturers have expanded staff counts by 2,500 personnel. All despite a low 3 percent unemployment rate.

Demographic Overview

Minneapolis-St. Paul ranked among the top half of major markets by total net in-migration from 2015 to 2019. While the metro fell out of that standing in the subsequent five years due to net move-outs in 2021 and 2022, net relocations into the Twin Cities have been on an upward climb since. This bodes well for future self-storage needs.

Construction Overview

Self-storage development this year is entirely focused on the suburbs surrounding Minneapolis and St. Paul proper, with about 100,000 more square feet opening in this segment of the market than in 2024. Overall, however, the volume of deliveries is well short of the 2018-2021 period, when a mean of 1.6 million square feet opened per year.

Rent Overview

A break in deliveries will allow operators to reduce the discount on street rents in the central parts of the market, allowing the local average asking rent to advance by about 3.7 percent this year. Supply pressure in certain suburban zones, meanwhile, will lead to a 1.0 percent dip in this area's mean. The delta between the two rates is about 10 percent.

2025 MARKET FORECAST

INVENTORY *27 million square feet and 7.1 square feet per capita*

+0.5% **EMPLOYMENT:** About half as many jobs will be created in Minneapolis-St. Paul this year as in 2024. The employment base will grow by 10,000 positions, compared with the 2014-2019 mean of 27,000.

+0.8% **POPULATION:** The metro's population will continue to grow at a pace above that of the U.S. growth rate as the number of local residents increases by 29,000 this year.

260,000 *sq.ft.* **CONSTRUCTION:** Development slows for a third consecutive year, with the amount of storage space opened representing the lowest total since 2014. Deliveries represent 1.0 percent of existing stock.

+1.0% **RENT:** A lack of openings in the central areas of Minneapolis and St. Paul will drive an overall increase in the average asking rent. The rate will reach $1.06 per square foot by December.

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Southwestern Connecticut Trending Toward Stability

Economic Overview

While the region's pace of employment growth has been slowing since a 2021 peak, certain sectors are outperforming. Hiring through the first four months of 2025 has favored white-collar and hospitality roles in Fairfield County, but the number of education and health service positions has declined. The opposite is true in New Haven.

Demographic Overview

Both New Haven and Fairfield Counties continue to benefit from in-migration, with about 8,500 residents moving to the region on net this year. This will contribute to the projected formation of 1,200 new households, adding to a larger pool of both potential apartment renters and self-storage users.

Construction Overview

Deliveries will take place this year in both New Haven and Fairfield Counties, with the pipeline skewed slightly toward the former county. While subject to change, an estimated 2.3 million additional square feet was in the planning stages as of June, indicating that supply pressure may hold in the market for at least the next couple of years.

Vacancy/Rent Overview

A second year of elevated new supply pressure continues to prompt asking rent discounts, keeping the overall average from rising this year. Based on REIT data, in-place rents have also edged down in Fairfield County from an October 2024 high. Marketwide vacancy meanwhile, shifts up modestly following a half decade of volatility.

2025 MARKET FORECAST

INVENTORY	*20 million square feet and 10.7 square feet per capita*

+0.9% **EMPLOYMENT:** While employers in New Haven are expected to shed more than 1,000 positions on net this year, job creation in Fairfield County leads to an overall gain of 500 roles for the region.

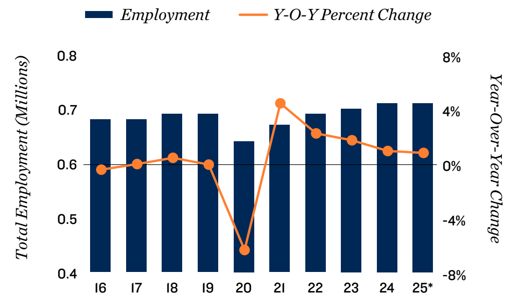
+0.3% **POPULATION:** The populations of both New Haven and Fairfield Counties will each inch up by about 0.3 percent this year, reflecting the addition of 5,500 total new residents.

820,000 *sq.ft.* **CONSTRUCTION:** Approximately 161,000 fewer square feet will open this year than in 2024, marking the fourth-largest annual completion slate since at least before 2001.

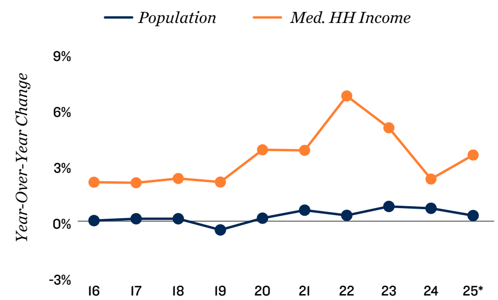
+40 bps **VACANCY:** After falling 100 basis points last year, the regional vacancy rate will inch back up to 8.6 percent by year-end. The measure will still be 200 basis points below the previous 2019 high.

-0.8% **RENT:** After dropping by 3.6 percent last year, the average asking rent for the two-county area will decrease by a smaller margin in 2025 to a December mean of $1.32 per square foot.

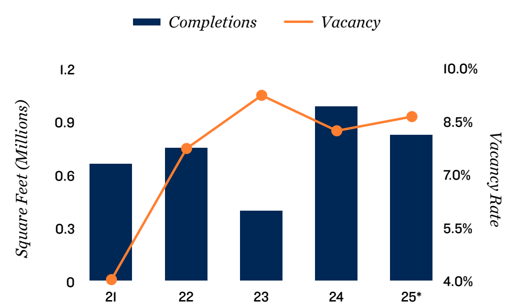
Employment Trends



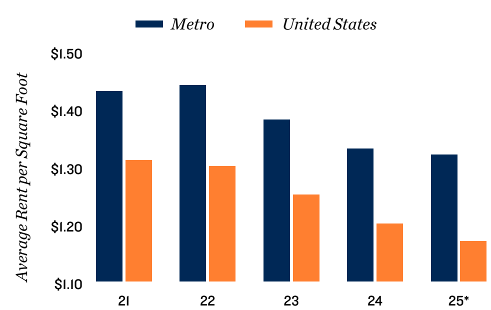
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

NEW YORK CITY

Tight Supply Backstops Rents Amid Aging Population

Economic Overview

Macroeconomic uncertainty is introducing volatility across key sectors like business services and hospitality, weighing on job growth in 2025. Nevertheless, the upcoming completion of JPMorgan's new headquarters and recent move-ins by technology firms like MoonPay indicate there is sustained corporate investment in the metro.

Demographic Overview

Net out-migration is poised to resume in 2025, led by younger residents facing fewer job prospects and high housing costs. At the same time, growth among the 55-plus population will shift the metro's demographic profile toward older, more affluent households, potentially stoking self-storage demand as more residents downsize.

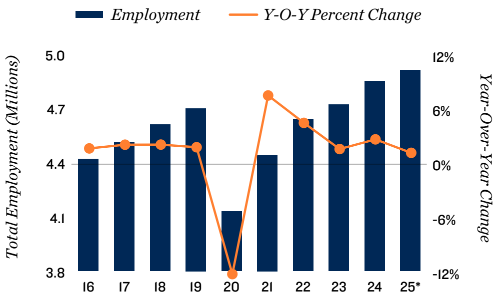
Construction Overview

Manhattan's inventory will expand by just 1.7 percent, and no notable completions are expected in the Bronx or Staten Island. Meanwhile, Queens is set to post one of the fastest inventory growth rates nationally, though still modest at 4.0 percent. Brooklyn will also see an increase of 2.5 percent, reflecting a shift toward higher-growth residential areas.

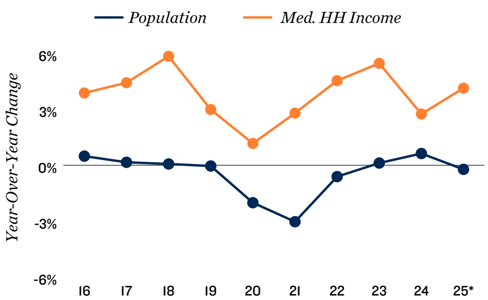
Vacancy/Rent Overview

A contraction in household formation will push vacancy up slightly in 2025, though the pace of increase will remain well below that of 2022 and 2023, given this year's relatively limited new supply. The metro will maintain the lowest vacancy rate among major Northeast markets, supporting modest rent growth led by gains in the Bronx and Manhattan.

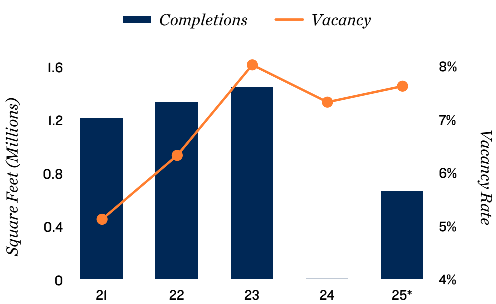
Employment Trends



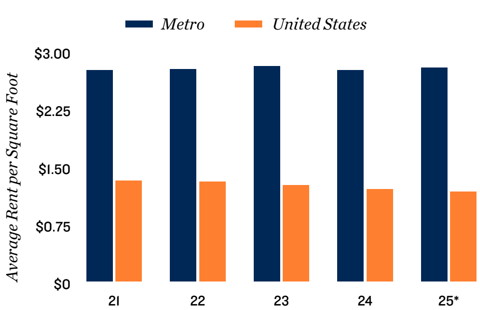
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	***32 million square feet and 3.8 square feet per capita***

+1.2% **EMPLOYMENT:** Following a strong rebound in 2024, employment growth is projected to slow in 2025. The metro is set to add 60,000 jobs, roughly two-thirds the annual average from 2015 to 2019.

-0.2% **POPULATION:** Affordability pressures and softer job growth are expected to drive net out-migration. New York City will lose about 18,500 residents after adding over 60,000 in the previous two years.

660,000 *sq.ft.* **CONSTRUCTION:** After receiving no deliveries in 2024, completions will increase to about half the 2019-2023 average, bringing annual inventory growth to 2.1 percent in 2025.

+30 bps **VACANCY:** An increase in new supply and a declining population will reverse last year's tightening trend. Vacancy will edge up to 7.6 percent, slightly above the metro's 10-year average of 7.2 percent.

+1.1% **RENT:** Rising rents in Manhattan and the Bronx will support rent growth following last year's decline. The metro's average asking rent will reach $2.78 per square foot, just shy of its all-time high.

Rapid Population Growth Absorbs Sustained Deliveries

Economic Overview

Roughly 60 percent of jobs created across Charlotte, Raleigh and the Greensboro-Winston-Salem area since 2019 were in sectors including health care, education, business and professional services, and trade, transportation and utilities. More than 28,000 positions have been added in these industries just in the first four months of 2025.

Demographic Overview

North Carolina's major markets are emerging from a four-year period of population growth unmatched since 2005-2008, having welcomed over 490,000 residents since 2020. This year, the population gain is expected to moderate considerably, while still exceeding the metro's long-term average by more than 20 percent.

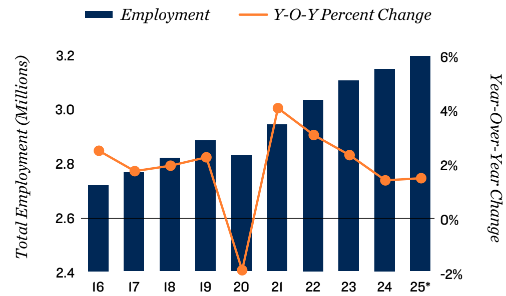
Construction Overview

This year's openings are expected to remain in line with the elevated tallies posted consistently over the past decade, adding to a nearly 13 percent inventory expansion in the last three years alone. Still, Charlotte, Raleigh and Greensboro proper are the only areas in the region with more than a single active project under construction.

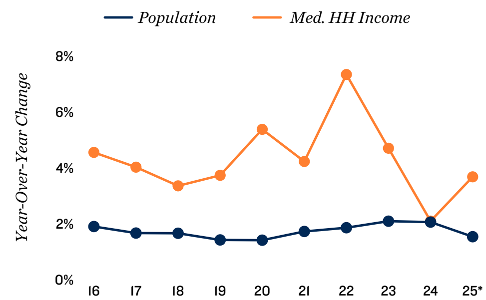
Vacancy/Rent Overview

Charlotte's vacancy held fairly steady through 2023 and 2024, despite a more than 50 percent spike in deliveries last year, with the rate moving 10 basis point across the two years. This year, vacancy will nudge up as openings drop just below the 10-year mean; however, steady demand will slow the mean asking rent's downward momentum.

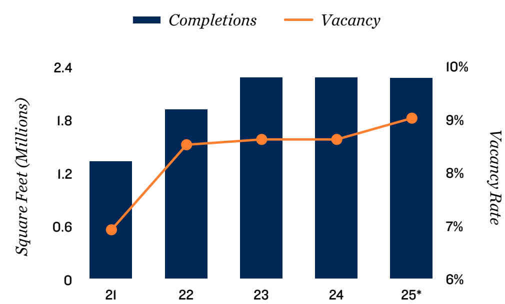
Employment Trends



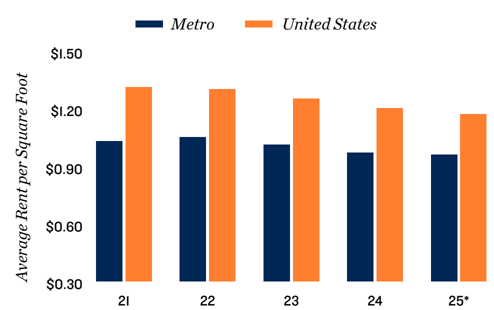
Demographic Trends



Supply and Demand Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*60 million square feet and 8.9 square feet per capita*

+1.5% **EMPLOYMENT:** Charlotte, Raleigh and Greensboro will add about 47,000 jobs in 2025. Among major metros, Raleigh and Charlotte will rank third and sixth, respectively, for employment growth.

+1.4% **POPULATION:** Population growth will moderate year over year across North Carolina's major markets. Led by a 1.9 percent increase in Raleigh, the region will add 95,400 residents this year.

2,260,000 *sq.ft.* **CONSTRUCTION:** Openings slated for 2025 will match completion tallies in each of the last two years, holding just above the past-decade average. Inventory will expand by 3.9 percent.

+40 bps **VACANCY:** After remaining flat through 2024, vacancy in the Charlotte area is expected to rise slightly this year, bringing the metric to 9.0 percent by December.

-1.0% **RENT:** Strong demand through 2024 positions the market for a substantially slower decline in the average asking rent this year. The metric will inch down to $0.96 per square foot.

North Carolina encompasses Charlotte, Greensboro-Winston Salem, and Raleigh

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

ORANGE COUNTY

Limited Construction Strengthens Performance Outlook

Economic Overview

The last three years have seen employment in Orange County make a notable shift away from financial activities and the business and professional service sectors and toward education, health care, and the leisure and hospitality industries. Health care in particular is likely to remain an anchor for local employment opportunities this year.

Demographic Overview

While the average population shift since 2017 has been negative, this year's modest population decline comes on the heels of the nearly 12,000 new residents added to the county in 2024. Despite the net population decrease anticipated this year, Orange County is expected to post an addition of over 5,000 new households this year.

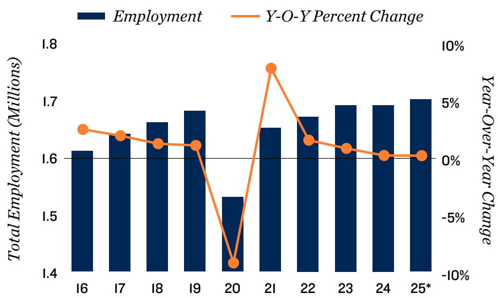
Construction Overview

Pressure from new supply should remain minimal through 2025 with just two active projects in the construction pipeline. Last year, there were no self-storage openings of note across Orange County and 2023 also posted a minimal addition to inventory. As such, operators have seen little new competition in recent years — a trend that is likely to continue.

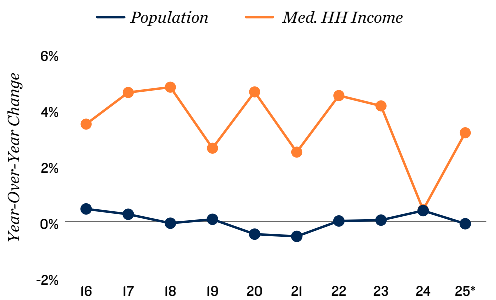
Vacancy/Rent Overview

With no notable supply-side pressure, vacancy fell sharply in 2024 as the metro welcomed over 8,000 new households. Further household formation this year will aid additional rate declines, though both will slow year over year. Still, vacancy will end December 170 basis points below the 2023 high of 8.2 percent, prompting renewed rent growth by year-end.

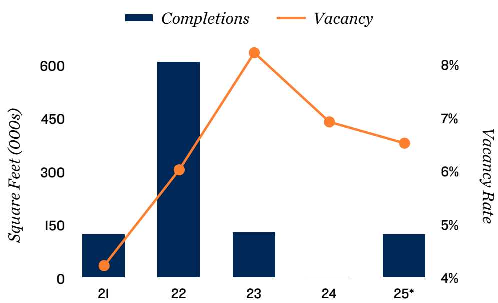
Employment Trends



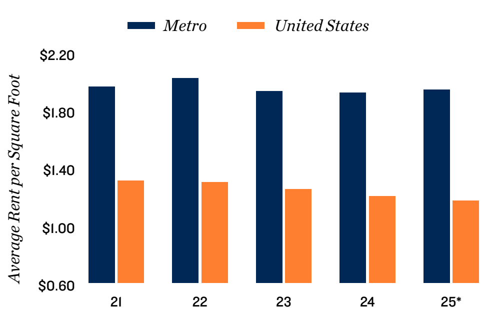
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*22 million square feet and 7.0 square feet per capita*

+0.2% — **EMPLOYMENT:** Orange County hiring is expected to hold slightly below last year's modest tally. The market will add 4,000 new jobs — a steep drop from the past-decade average of nearly 17,000.

-0.1% — **POPULATION:** The market is anticipated to lose 2,800 people this year, compared with the average attrition of about 3,700 residents per year over the past half decade.

120,000 *sq.ft.* — **CONSTRUCTION:** The schedule of openings for 2025 will be modest, adding just 0.5 percent to local inventory. This delivery volume undercuts the past-decade mean by nearly 70 percent.

-40 bps — **VACANCY:** Vacancy in the Los Angeles-Long Beach-Anaheim area fell 130 basis points last year and is expected to maintain its downward momentum through 2025, dipping to 6.5 percent by year-end.

+1.0% — **RENT:** After two consecutive years of decline, the average asking rent will resume growth in 2025. Supported by continued vacancy compression, the rate will lift to $1.94 per square foot by December.

Employment Opportunities Draw Influx of New Renters

Economic Overview

Nationally standout employment growth is supported by companies like Toyota, JPMorgan Chase and AdventHealth Orlando, which are investing billions in local operations and adding hundreds of jobs. Leisure and hospitality has also been a primary sector for hiring, adding over 8,000 jobs in the first quarter alone.

Demographic Overview

Building on three years of record or near-record growth, Orlando will see its population expand at four times the national pace in 2025, including a 1.1 percent addition to the age 20-34 cohort, which is shrinking nationally. This should aid self-storage demand as residents occupy an expected 10,000 apartments this year on net.

Construction Overview

Completions will slow moderately from last year's rapid delivery schedule but will remain roughly 34 percent above the past-decade average for the metro. Cocoa and Kissimmee will each see three projects conclude construction, with the remainder widely and relatively evenly distributed across the metro.

Vacancy/Rent Overview

Vacancy fell 220 basis points last year and is expected to fall further through 2025, bringing the metrowide rate to its lowest point since the third quarter of 2023, despite a more than 13 percent inventory expansion since then. Sustained demand for storage units will support a reversal of recent mean asking rent declines by the end of the year.

2025 MARKET FORECAST

INVENTORY	*36 million square feet and 12.0 square feet per capita*

+1.8% — **EMPLOYMENT:** At 28,000 jobs, Orlando is expected to post the sixth-highest addition to employment among major markets this year, despite a 17 percent decrease from 2024's hiring tally.

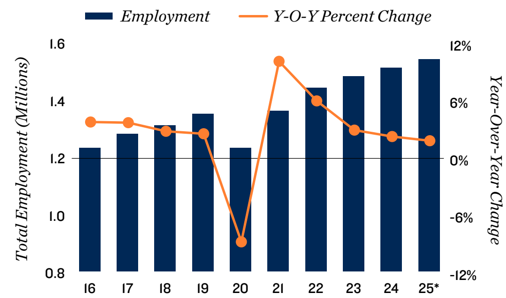
+2.0% — **POPULATION:** Population growth will moderate year over year. The metro will welcome nearly 60,000 new residents, which is still more than 10 percent above the average over the past 20 years.

1,770,000 *sq.ft.* — **CONSTRUCTION:** Amid a multi-year surge in deliveries, openings will hit their third-highest tally on record this year after 2024 posted the second-highest figure. Inventory will expand by 5.1 percent.

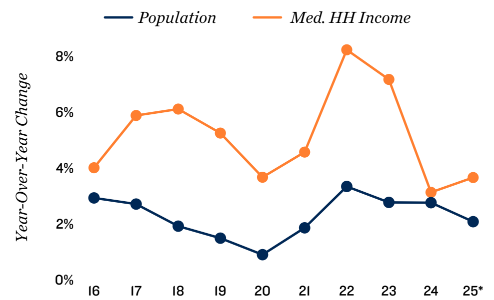
-40 bps — **VACANCY:** Driven by Orlando's swelling population, sustained demand for storage units will push vacancy down to 7.0 percent by year-end — a 260-basis-point decline in just two years.

+1.8% — **RENT:** After dipping 7.2 percent in the last two years, the average asking rent will resume growth as vacancy tightens for a second consecutive year, rising to $1.15 per square foot in 2025.

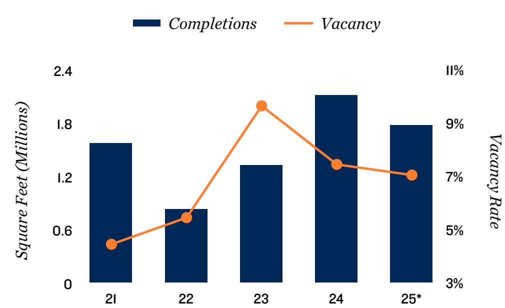
Employment Trends



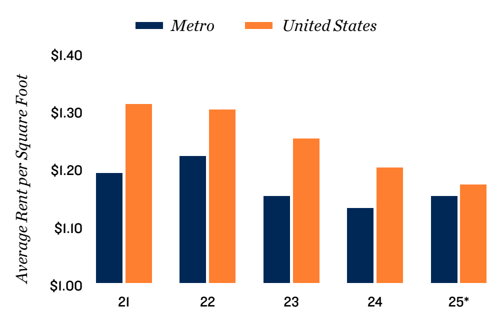
Demographic Trends



Supply and Demand Trends



Rent Trends



* *Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

PHILADELPHIA

Easing Construction Helps Renew Rent Growth

Economic Overview

Philadelphia continues to see substantial onboarding in the health care sector, which accounted for more than 25,000 of the nearly 36,000 jobs added to the local employment base during the 12 months ended in March. Continued gains in health care and in the trade, transportation and utilities sectors will aid accelerated job growth this year.

Demographic Overview

After the largest two-year population expansion since the 1980s — over 80,000 people — this year is expected to see growth moderate, staying in line with the metro's long-term average. Household formation will undercut last year's near-record figure substantially; however, it will still exceed the past-decade mean by 70 percent.

Construction Overview

Decreasing openings in Philadelphia proper will account for much of the year-over-year drop in completions, as deliveries in the urban core are projected to fall more than 50 percent. Suburban deliveries, meanwhile, will slow only slightly this year. Still, current projects are broadly distributed across the metro area, limiting localized supply-side pressures.

Vacancy/Rent Overview

Reduced construction activity is poised to contribute to further vacancy compression this year, supporting the first increase in the average asking rent since 2021. By year-end, mean rent in the urban core is expected to rise 1.4 percent to $1.40 per square foot, while the suburban average rate will rise more moderately to $1.15 per square foot.

2025 MARKET FORECAST

INVENTORY	*44 million square feet and 7.0 square feet per capita*

+1.4% **EMPLOYMENT:** Philadelphia will see a resurgence in employment growth after last year's lull. By year-end, 45,000 new positions are expected to be filled — well above the past-decade average of 32,000.

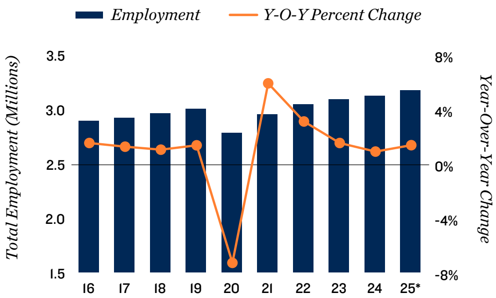
+0.3% **POPULATION:** After two years of exceptional population growth, the rate of expansion will fall back in line with the mean over the past five years as nearly 20,000 residents are added to the area.

1,510,000 *sq.ft.* **CONSTRUCTION:** The delivery schedule for 2025 is slated to undercut each of the last two years by more than 30 percent as local inventory expands by just 3.5 percent.

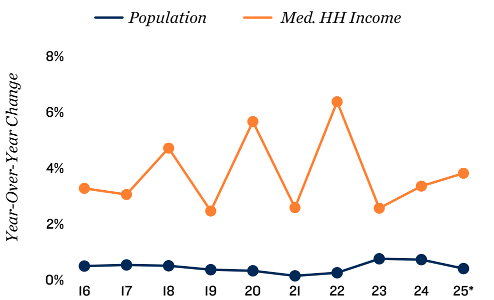
-50 bps **VACANCY:** Momentum is set to carry forward from last year's 120-basis-point vacancy compression, dropping the metrowide rate to 7.8 percent, which is just slightly above the long-term mean.

+0.8% **RENT:** Sustained demand and falling construction will aid in ending three consecutive years of average asking rent declines. The rate is set to close out December at $1.22 per square foot.

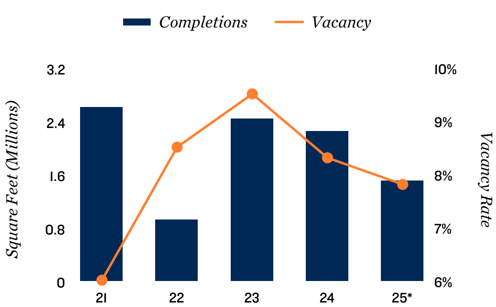
Employment Trends



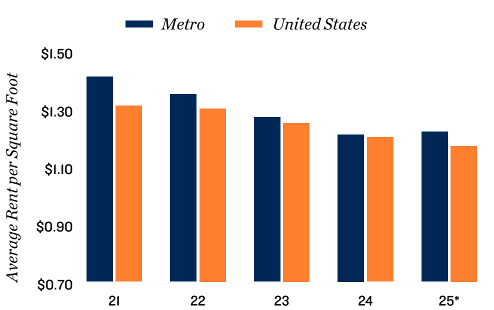
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Corporate Expansions Spur Hiring and In-Migration

Economic Overview

Long-term employment growth in Phoenix is aided by large-scale expansions by companies like TSMC, Axon and the Mayo Clinic, alongside a wide range of corporate move-ins in tech and manufacturing. As these activities spur robust hiring and the creation of thousands of apartments, self-storage should see strong, sustained demand.

Demographic Overview

The metro is expected to post the nation's third-largest population addition this year, including a 1.1 percent expansion of the age 20-34 cohort — a demographic traditionally prone to renting. This growth is likely to support self-storage demand as new households move into apartments with limited available free space.

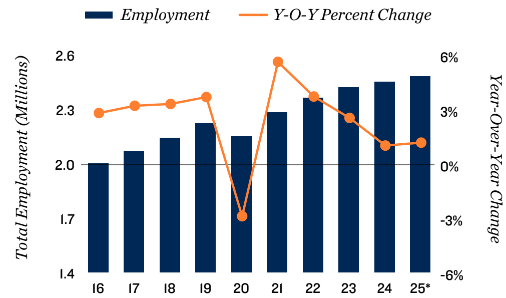
Construction Overview

Deliveries through 2025 will more than double figures from each of the last two years, rising to nearly 82 percent above the past-decade average. Construction is most concentrated in Phoenix, Glendale, Buckeye, Scottsdale and Peoria, which will account for over half of projects slated to complete in 2025.

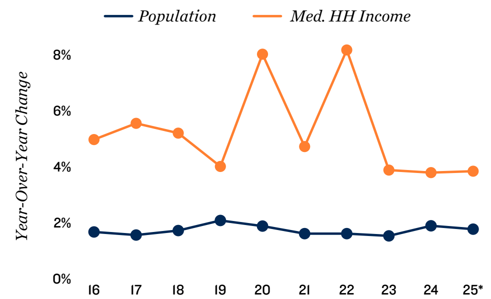
Vacancy/Rent Overview

Surging supply-side pressure is expected to be met with strong demand, as move-in momentum carries forward from last year's 150-basis-point vacancy decline. This should backstop vacancy elevation and keep 2025's decline in the average asking rent in line with the 2024 adjustment, even with the rapid acceleration of deliveries.

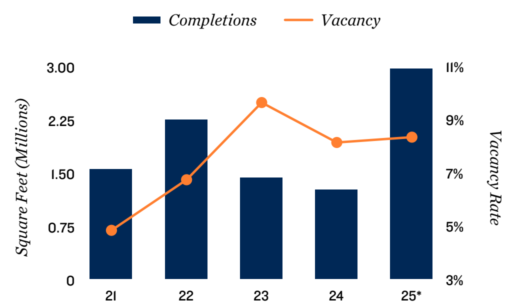
Employment Trends



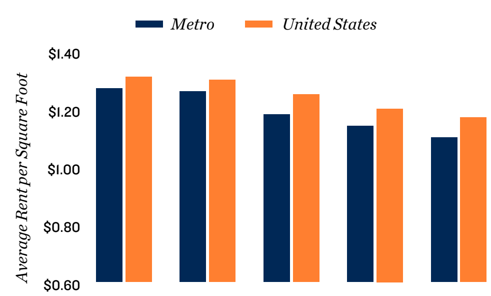
Demographic Trends



Supply and Demand Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*48 million square feet and 9.1 square feet per capita*

+1.2% **EMPLOYMENT:** Phoenix will add 30,000 positions in 2025 — the fifth-largest figure among major U.S. metros. Though well below the past-decade average, this is up 17 percent from the 2024 gain.

+1.7% **POPULATION:** This year is expected to post the third-largest population addition since 2007. The greater metropolitan area will gain 88,000 residents, primarily as a result of relocation.

2,960,000 *sq.ft.* **CONSTRUCTION:** Inventory will expand by 6.5 percent through 2025 as deliveries more than double year over year, reaching the metro's second-highest figure on record.

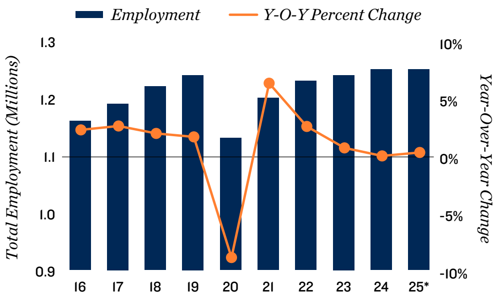
+20 bps **VACANCY:** While accelerated openings will cause vacancy to inch up slightly this year, the metric will remain 130 basis points below the 2023 high of 9.6 percent, closing out 2025 at 8.3 percent.

-3.5% **RENT:** The metro's mean asking rent peaked in 2021, going on to fall 6.3 percent in 2023. Like last year, 2025's adjustment will be comparatively moderate as the rate drops to $1.10 per square foot.

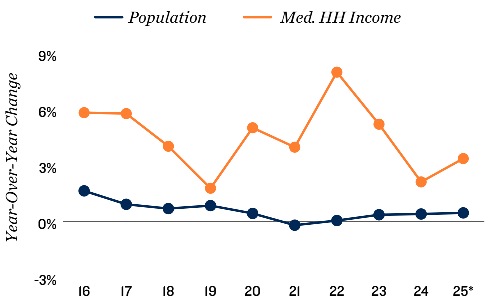
* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

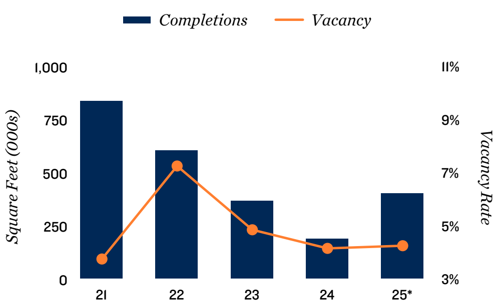
Employment Trends



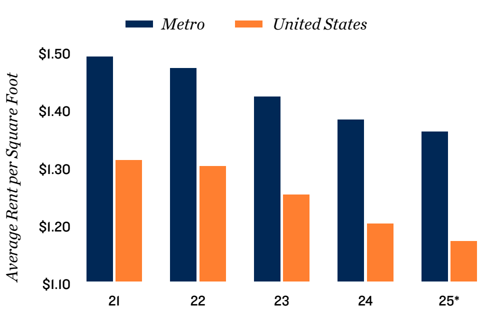
Demographic Trends



Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

PORTLAND

Portland Remains the Most Occupied Major Metro

Economic Overview

Health care is one of Portland's fastest-growing industries, having added over 10,000 jobs during the 12-month period ended in March while employment in many other sectors receded or saw no meaningful change. First-quarter growth in the professional and business services sector is also contributing to accelerated hiring this year.

Demographic Overview

Population growth is expected to outpace 2024 gains by more than 17 percent this year, underpinned by a near doubling of net migration into the metro. Up more than 45 percent from the past-decade average, the formation of 11,000 new households by year-end represents a tailwind for self-storage use in the near future.

Construction Overview

Delivery tallies have fallen each year since 2020, dropping from over 1.7 million square feet to just 187,000 square feet last year. This year's delivery slate, however, more than doubles the 2024 schedule. Two projects are slated to deliver in Portland proper, while Hillsboro, Ridgefield and Vancouver will each receive one project.

Vacancy/Rent Overview

Momentum in net storage unit move-ins is set to carry forward from 2024's 70-basis-point vacancy drop. Despite the substantial increase in openings, sustained demand should help to limit this year's vacancy increase and further moderate mean asking rent declines — a promising sign after three consecutive years of falling rates.

2025 MARKET FORECAST

INVENTORY	*22 million square feet and 8.7 square feet per capita*

+0.4% **EMPLOYMENT:** Portland employers will add 4,800 positions this year. While only about a third of the historic mean, this metric is a more than fourfold increase from 2024's stunted performance.

+0.5% **POPULATION:** Population growth is expected to hit its highest figure since 2019 by year-end as the metro adds 11,500 new residents. This will mark three consecutive years of accelerating growth.

400,000 *sq.ft.* **CONSTRUCTION:** Completions in 2025 are slated to more than double 2024's deliveries, adding 1.8 percent to local inventory. This addition remains nearly 50 percent below the past-decade average.

+10 bps **VACANCY:** Amid accelerating but historically subdued openings, vacancy inches up to 4.2 percent this year, preserving Portland's position as the least-vacant self-storage market among major metros.

-1.4% **RENT:** Despite increased pressure from new supply, the pace of rent decline will slow to about half of last year's rate. As a result, the average asking rent will drop to $1.36 per square foot.

Demographic Momentum Strengthens Outlook

Economic Overview

The education and health care sectors have been primary drivers of employment gains in the Inland Empire over the last year, with first-quarter hiring in these areas outperforming all other sectors aside from expansion by the local government. As the market adjusts to changing trade conditions, hiring in these areas should remain strong.

Demographic Overview

Despite moderating year over year, 2025's population growth will bring the three-year tally of new residents in the Inland Empire to nearly 215,000 people. The addition of nearly 20,000 households to the metro by year-end marks a tailwind for self-storage demand, as many are expected to settle into apartments with limited storage space.

Construction Overview

With the second-highest completion tally in 15 years, 2025's delivery schedule is slated to exceed the past-decade average by roughly 170 percent. Typical openings this year range from 60,000- to-120,000 square feet of rentable space, with the majority of projects divided evenly between Indio, Palm Springs and Yucaipa.

Vacancy/Rent Overview

Vacancy will rise by the lowest figure in half a decade despite heightened deliveries this year. This reflects strengthened demand in population centers across the metro, corresponding with a period of record-breaking apartment net absorption. The pace of decline in the mean asking rent for self-storage units has also slowed substantially.

2025 MARKET FORECAST

INVENTORY	*38 million square feet and 7.7 square feet per capita*

-0.2% — **EMPLOYMENT:** About 3,500 jobs are expected to be added across the metro through the latter half of 2025. Following a poor first quarter, this will net a loss of 3,000 positions over the year.

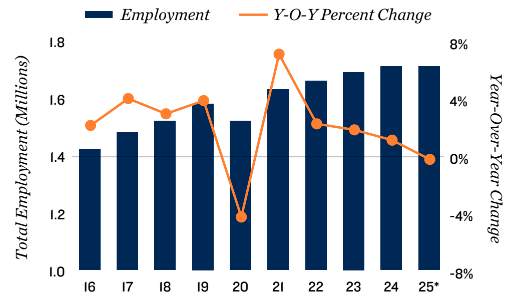
+0.7% — **POPULATION:** A steep decline from the addition of nearly 180,000 people in the past two years, the Inland Empire will gain about 36,000 residents in 2025, in line with the pre-2023 decade mean.

840,000 *sq.ft.* — **CONSTRUCTION:** Deliveries are slated to eclipse 800,000 square feet for just the second time since 2009 this year, more than doubling last year's completions and raising inventory by 2.3 percent.

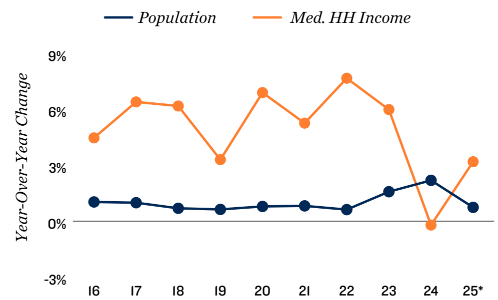
+40 bps — **VACANCY:** Despite a crowded delivery schedule, the pace of the metro's vacancy rise is expected to moderate to a five-year low in 2025. The marketwide rate will climb to 9.7 percent by year-end.

-1.6% — **RENT:** The mean asking rent will fall at less than half the rate of last year's decline, landing at $1.26 per square foot at the end of 2025. This will be the second straight year of slowing rent decline.

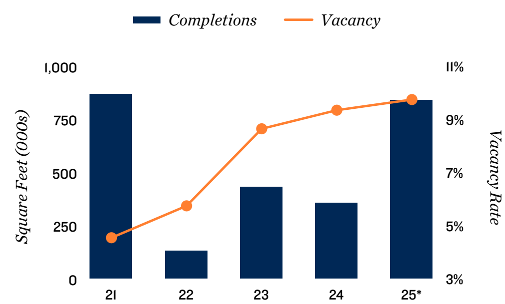
Employment Trends



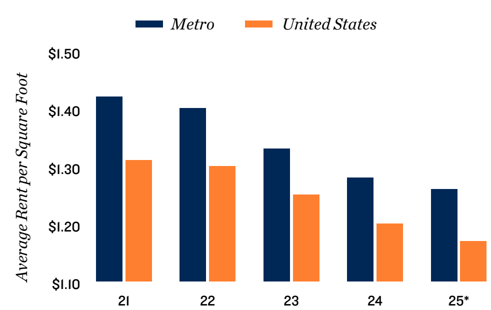
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

SACRAMENTO

Market Stabilizing Despite Demographic Slowdown

Economic Overview

The state and local government have contributed heavily to employment growth in the last five years; however, hiring has been most active in the health care industry, which accounted for over half of new jobs in the metro in that time period. As hiring in other sectors slows, health care is likely to remain a primary driver of employment growth.

Demographic Overview

Last year, Sacramento posted its highest net in-migration since 2003 — more than double the average from the intervening years — supporting a spike in new households. This year, both metrics will fall sharply. Net migration will undercut its five-year average by a third, while household formation holds in line with the half-decade mean.

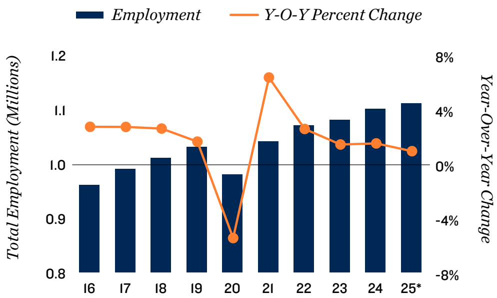
Construction Overview

Last year posted the largest inventory expansion since 2001, more than doubling the average addition for the prior decade. Amid a surge in population and household growth, however, demand for self-storage units saw a corresponding increase. This year will see a relatively balanced shift as both population growth and deliveries cut back substantially.

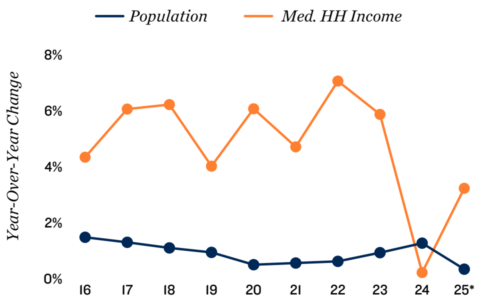
Vacancy/Rent Overview

Sacramento posted a 140-basis-point vacancy drop among self-storage units in 2024, despite the metro's second-largest delivery slate on record, though vacancy began rising in the fourth quarter as supply-side pressure mounted. This year, sustained demand should temper the vacancy rise and support renewed rent growth — a boon for operators in 2025.

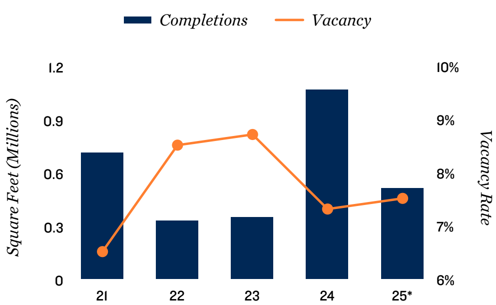
Employment Trends



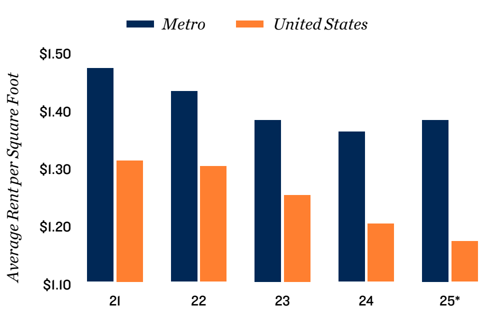
Demographic Trends



Supply and Demand Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*23 million square feet and 9.4 square feet per capita*

+1.0% **EMPLOYMENT:** Amid a general hiring slowdown, Sacramento will add 11,000 jobs this year — down from 17,000 in 2024. This is 18 percent below the mean annual gain of 13,400 over the past five years.

+0.2% **POPULATION:** Population growth will moderate substantially this year as the metro adds just 6,100 new residents. This is the lowest post-2020 figure, whereas last year was the highest at nearly 29,000.

510,000 *sq.ft.* **CONSTRUCTION:** Completions will fall more than 50 percent from the 2024 figure, undercutting the past five-year average by nearly 20 percent — a positive sign for the market this year.

+20 bps **VACANCY:** After the largest schedule of deliveries in two decades last year, reduced openings through 2025 will temper the vacancy rise as the metric lifts to 7.5 percent by year-end.

+1.5% **RENT:** As 2024 demand momentum carries forward and completions slow, the average asking rent is expected to grow for the first time since 2021, rising to $1.38 per square foot by December.

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Metro Pulls In Workers as Supply Pushes Back Rents

Economic Overview

As of April, employment in the construction and financial services sectors grew by some of the fastest rates, rising about 2.0 percent each year to date. While a smaller share of the workforce, the tech sector grew its headcount by almost 6.0 percent in this period, which bodes well for the recovery of white-collar employment in the region.

Demographic Overview

The Wasatch Front is the leader among its major regional peer group in population growth for the young adult cohort, set to achieve a 1.2 percent increase in 2025. This contributes to a household formation rate that will be 70 basis points above the U.S. pace in 2025 at 1.5 percent year over year, though this measures 70 basis points below Phoenix's metric — the highest among major Southwest metros.

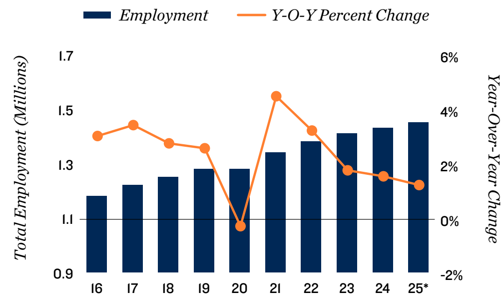
Construction Overview

A handful of projects are due in the market this year, with most facilities under 100,000 square feet in size. This new self-storage space is targeting areas past the peripheries of Salt Lake City proper, such as Mountain Green in the northeast, or in Lehi and Herriman closer-in to the southwest.

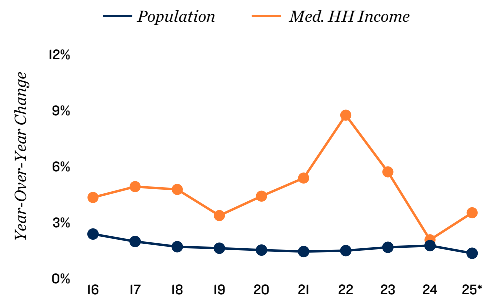
Rent Overview

Increased supply pressure will continue to challenge performance, especially as the recent years' furious job growth cools off. Even so, generally strong demographic demand drivers should help to keep rent declines from exceeding 2024.

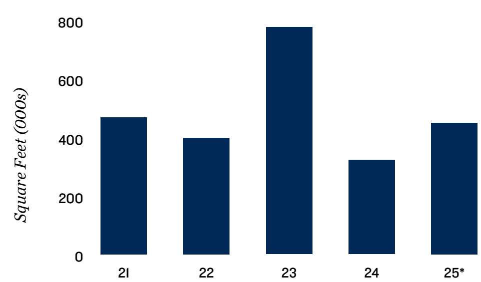
Employment Trends



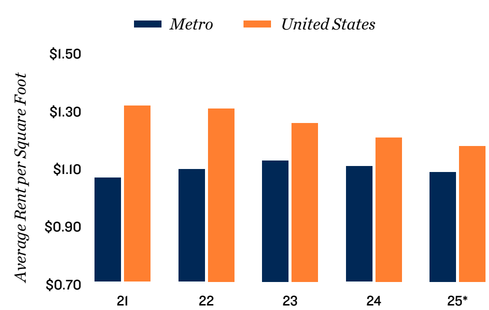
Demographic Trends



Supply Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY	*28 million square feet and 9.9 square feet per capita*

+1.3% **EMPLOYMENT:** The Wasatch Front boasts the 12th-highest annual employment growth rate among major metros this year, with a net of 18,000 positions being filled.

+1.2% **POPULATION:** Salt Lake City and its surrounding submarkets will count 34,200 new residents at year-end. Since 2019, the metro's population has grown by 7.8 percent.

450,000 *sq.ft.* **CONSTRUCTION:** The region's self-storage inventory expands by 1.6 percent year over year. This represents a difference of about 130,000 square feet more than 2024's deliveries.

-1.8% **RENT:** For four years, the average asking rent recorded annual gains above 2.0 percent before a 1.8 percent reduction in 2024. A similar cut brings the monthly rate to $1.08 per square foot in 2025.

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

SAN ANTONIO

Expanding Renter Cohort Helps Absorb Supply Influx

Economic Overview

Amid broader uncertainty, stable sectors like health care are supporting hiring, aided by the University of Texas Health San Antonio's hospital and research facility that opened in December 2024. Meanwhile, Toyota's expansion this year will add over 400 jobs, while JCB's 2026 facility is set to create 1,500 jobs, reinforcing long-term growth.

Demographic Overview

Low living costs and expanding job opportunities will help the metro record the fifth-fastest growth rate nationally among the 20- to 34-year-old cohort in 2025. With high barriers to homeownership, many in this group are expected to opt for rentals, upholding self-storage demand as they adjust to smaller living spaces.

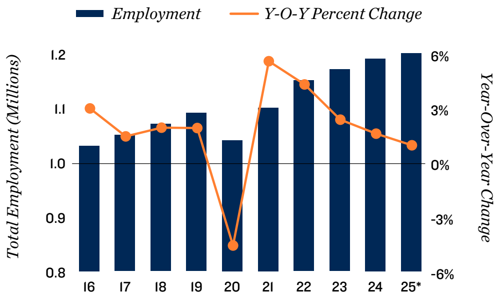
Construction Overview

After a slowdown from 2021 to 2023, deliveries are on track to exceed 1 million square feet for a second straight year. By year-end, the metro's inventory will have grown by over 17 percent since 2020 — the fastest expansion among major Texas markets. While this has pressured fundamentals, strong demographics should continue to support absorption.

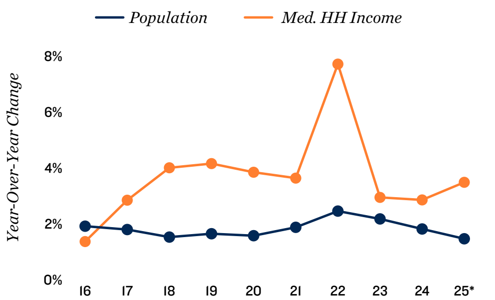
Vacancy/Rent Overview

Steady population growth will encourage a continued decline in vacancy, though at a more measured pace compared with 2024 amid softer hiring trends. The metro's vacancy rate will sit roughly 250 basis points below its 2023 high, which should help slow recent declines in the average asking rent following a 12 percent drop over past two years.

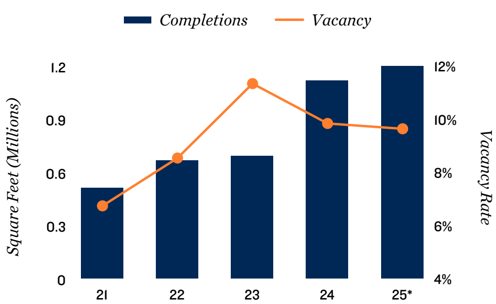
Employment Trends



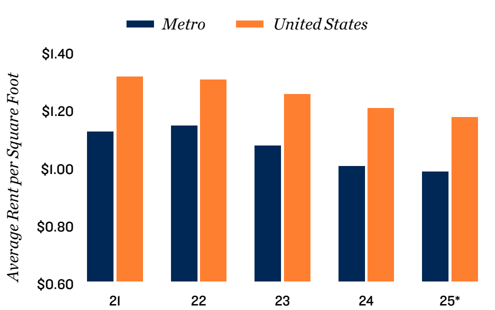
Demographic Trends



Supply and Demand Trends



Rent Trends



*Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*28 million square feet and 10.0 square feet per capita*

+1.0% — **EMPLOYMENT:** Employment gains in San Antonio slow to half its 10-year average, with 12,000 positions expected in 2025. Even so, the metro's job growth rate will slightly outpace the U.S. average.

+1.4% — **POPULATION:** The metro is poised to welcome 38,000 new residents in 2025. While a slight moderation from the past four years, this still ranks as the 10th-largest addition among major markets.

1,200,000 *sq.ft.* — **CONSTRUCTION:** Completions will edge up from 2024's total and outpace the 10-year average by about 300,000 square feet, with inventory growth of 4.4 percent set to rank fifth nationally.

-20 bps — **VACANCY:** Vacancy dips to 9.6 percent, declining at a slower pace than last year. San Antonio is expected to be the only major Texas metro to experience vacancy compression in 2025.

-2.0% — **RENT:** Easing vacancy pressures will help slow the metro's decline in average asking rent. Still, the rate is projected to fall to $0.98 per square foot, marking the lowest level in the past 10 years.

Vacancy and Asking Rents Set to Stabilize

Economic Overview

Hiring in various trade sectors will support an overall small gain in the metro's employee count this year despite select headwinds. San Diego's white-collar workforce will contract for a third year in 2025. Year to date through May, job creation has been most prevalent among education and health services, exceeding over 7,000 roles.

Demographic Overview

San Diego's pace of population growth this year will align with that of nearby, larger Los Angeles, as California migration trends continue to favor lower-cost Riverside-San Bernardino. That said, San Diego's higher median household income compared with either of those two markets continues to bolster potential demand for storage space.

Construction Overview

This year's delivery slate focuses on a trio of projects in El Cajon and San Diego proper. Construction activity has been slowing since 2020, with about 1.9 million square feet having opened in that span. Nearly as much space is under proposal at 1.7 million square feet, though there is no guarantee these projects will all move forward.

Vacancy/Rent Overview

After a 410-basis-point drop in 2020 amid a pandemic-driven lull in move-outs, vacancy in San Diego has been shifting up. That trend is set to end this year as new supply pulls back closer to demand, allowing for a small improvement in asking rents as well. The mean in-place rent has been on an intermittent climb since mid-2022.

2025 MARKET FORECAST

INVENTORY *24 million square feet and 7.2 square feet per capita*

+0.2% **EMPLOYMENT:** While net hiring resumed in April, the loss of over 2,000 positions in the first quarter will constrain employment growth in San Diego to under 0.5 percent.

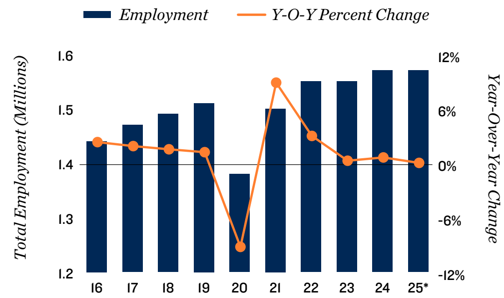
+0.1% **POPULATION:** At 3,300, San Diego's population gain for this year will trail that of all other major California markets, except for Orange County, where the population is declining.

300,000 *sq.ft.* **CONSTRUCTION:** Approximately 30,000 fewer square feet will open in 2025 than in 2024, marking the lowest delivery total since 2017 — when 276,000 square feet came online.

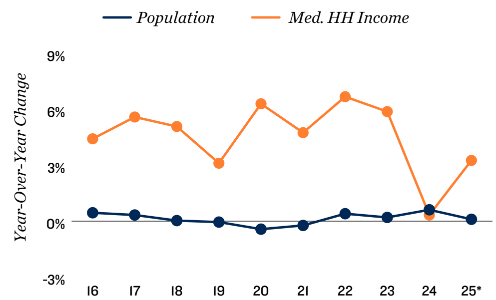
-50 bps **VACANCY:** After rising for four years, the metrowide vacancy rate will drop in 2025 amid less new supply. Vacancy will hit 10.5 percent in December — above the past decade average of 6.4 percent.

+1.2% **RENT:** The first vacancy decline since 2020 paves the way for a higher mean asking rent. The average rate will tick up to $1.75 per square foot, still short of the post-pandemic peak by 5 percent.

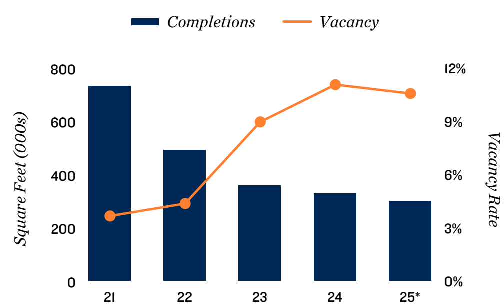
Employment Trends



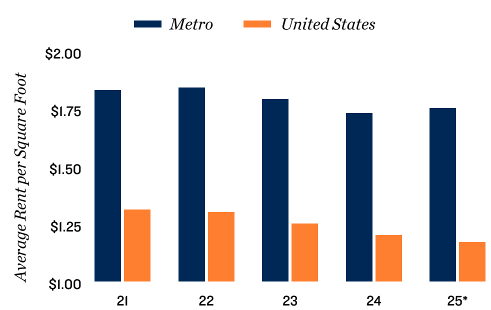
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

SEATTLE-TACOMA

Rent Growth Resumes Amid Labor Market Shifts

Economic Overview

Amazon's ongoing efforts to bring more employees back to its main hubs could support a broader increase in traditionally office-based employment in the metro this year if other companies follow suit. The market has already added over 1,000 white-collar roles in the first four months of the year. Yet this has not offset contractions in other sectors including leisure, hospitality and government.

Demographic Overview

After a seven-year high in net in-migration last year, relocations to the market may slow in 2025. These new residents will nevertheless contribute to the estimated formation of 18,700 households — a 1.1 percent gain that is above the national pace. Consumption from these new households could translate into added self-storage use.

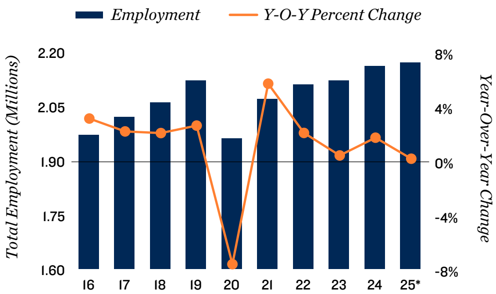
Construction Overview

As was the case in 2024, more self-storage space will open on the Seattle side of the market this year than in Tacoma, although in both instances the volume of completions is easing. Locations of projects actively underway range from Burlington on the Northside down to Yelm, as well as multiple cities in Seattle and Tacoma proper.

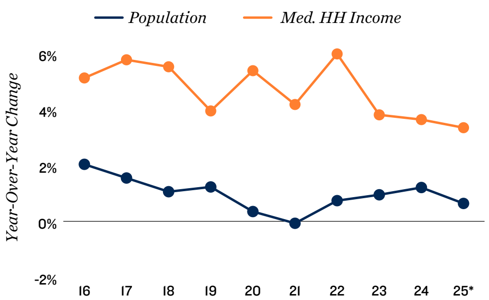
Rent Overview

After a steeper drop last year, the average asking rent in Seattle will increase by 1.2 percent in 2025, with Tacoma registering a 0.7 percent gain. The mean street rate on a 10-foot-by-10-foot unit in Seattle exceeds that in Tacoma by about $0.30 cents on average.

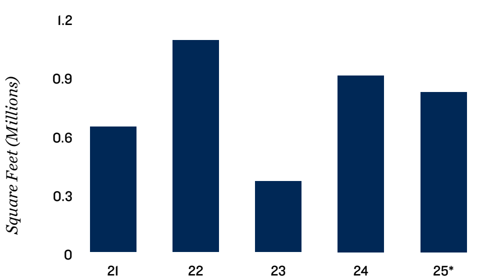
Employment Trends



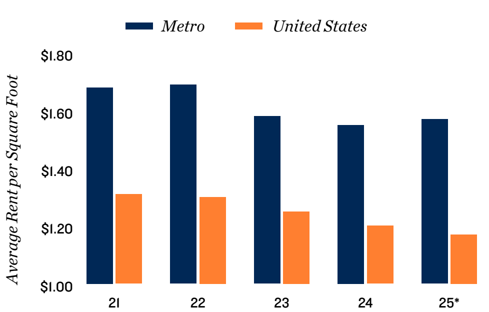
Demographic Trends



Supply Trends



Rent Trends



2025 MARKET FORECAST

INVENTORY *42 million square feet and 10.1 square feet per capita*

+0.2% **EMPLOYMENT:** While hiring prospects are likely to pick up later in the year, the net loss of 9,000 positions through the first four months of 2025 will curtail total job creation to 5,000 roles.

+0.6% **POPULATION:** Seattle-Tacoma's rate of population growth this year narrowly exceeds the U.S. pace, translating into the addition of 26,600 residents in the metro.

820,000 *sq.ft.* **CONSTRUCTION:** After an increase in completions during 2024, the volume of openings will temper this year as local inventory expands by 2.0 percent — one-third of the peak pace set in 2019.

+1.3% **RENT:** The average asking rent rises to $1.57 per square foot by December, marking the first year-over-year increase since 2022. The metro's mean will surpass the 2019 value by more than 1.0 percent.

* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

Ongoing Supply Tempers Gains in Rent

Economic Overview

Robust job growth across education and health services, hospitality, manufacturing, and construction sectors has driven Southeast Florida's recovery, though the pace is slowing in 2025. Rising home price-to-income ratios are boosting demand for self-storage among cost-burdened renters and new arrivals needing flexible space.

Demographic Overview

The region remains a top in-migration destination. After a record in 2024, net in-migration will stay high in 2025, with about 75,000 new residents expected, led by West Palm Beach with around 33,000. This steady influx keeps housing costs elevated and supports storage demand, especially in dense, changing areas.

Construction Overview

Deliveries in 2025 will decline slightly from last year but stay elevated, reflecting developer's confidence in the market. About 60 percent of this year's projects will be in Miami-Dade, 30 percent in Fort Lauderdale and 10 percent in West Palm Beach, with activity concentrated in fast-growing submarkets with limited available land.

Vacancy/Rent Overview

Vacancy declines again in 2025, as it rides demand growth driven by high apartment occupancy from increasing home prices, as well as further in-migration. That said, some of these factors are less intense this year, and supply pressure remains high, bringing tamer vacancy improvements alongside smaller rent reductions.

2025 MARKET FORECAST

INVENTORY	*55 million square feet and 8.5 square feet per capita*

+1.2% **EMPLOYMENT:** Miami is expected to add 20,000 jobs in 2025, marking its slowest growth since the pandemic. Fort Lauderdale will gain 9,000 positions, roughly matching its 2024 total.

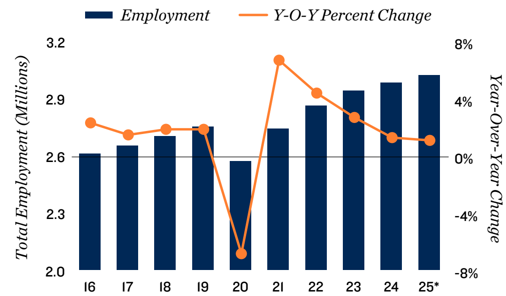
+1.2% **POPULATION:** Southeast Florida continues to post steady population gains. The region is set to add 75,400 people in 2025 — slightly lower than the levels seen in the past three years.

1,850,000 *sq.ft.* **CONSTRUCTION:** Inventory will grow by 3.5 percent this year, slightly below 2024's pace but in line with the region's long-term average. Miami will lead with the highest rate at 6.0 percent.

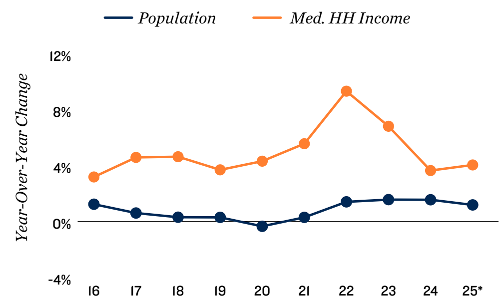
-30 bps **VACANCY:** Vacancy continues to decline in 2025, though at a slower rate than in recent years. At 6.2 percent, the metric remains below pre-pandemic levels and reflects ongoing demand.

-1.1% **RENT:** The average marketed rent is declining due to elevated supply. At $1.53 per square foot, Southeast Florida remains the most expensive market in the Southeastern U.S.

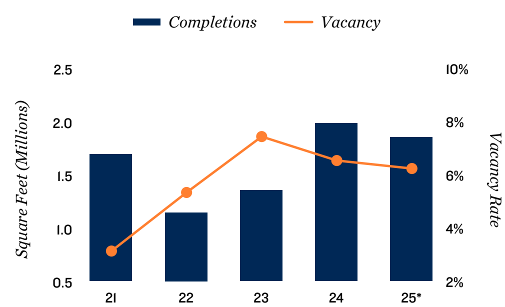
Employment Trends



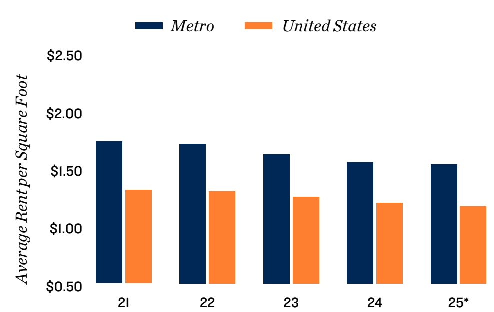
Demographic Trends



Supply and Demand Trends



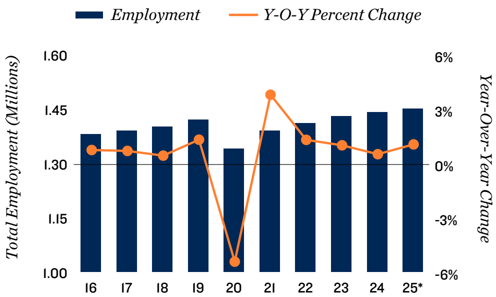
Rent Trends



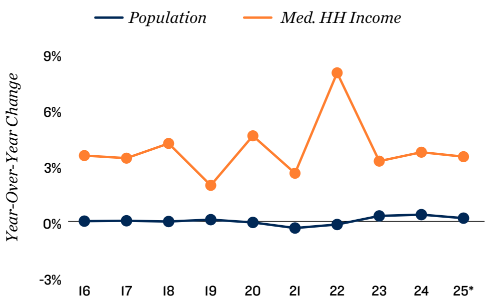
Southeast Florida encompasses Fort Lauderdale, Miami-Dade and West Palm Beach
** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

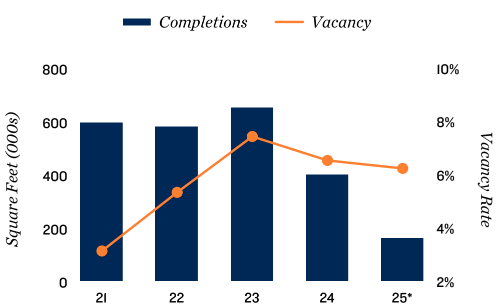
Employment Trends



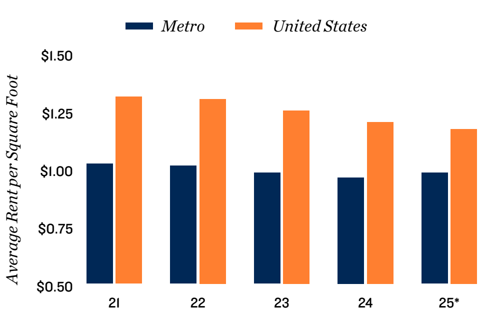
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

ST. LOUIS

New Residents and Slowed Supply Tighten Market

Economic Overview

St. Louis is set for solid job growth in 2025, driven by steady expansion in education and health care services and a rebound in professional and business services. The median household income rose by 3.7 percent in 2024, climbing at the fifth-fastest pace nationwide, which will fuel storage needs as growing households need more space.

Demographic Overview

Population growth will continue following a strong 2024, when the market saw its highest net in-migration since at least 1971. While long-term population growth has stayed modest, the recent influx — fueled by affordability and job opportunities — is expected to continue. The metro remains heavily reliant on international migration, however, which shifting federal policies may affect.

Construction Overview

Deliveries in 2025 will fall to about one-quarter of the metro's annual average over the past decade and to less than half of the level seen in 2024. Most new space will be concentrated in St. Charles County — a fast-growing western suburb benefiting from accelerating economic development and steady internal migration from elsewhere in the metro.

Vacancy/Rent Overview

Vacancy is expected to decline and rents to rise in 2025, as slower construction aligns with steady population growth. The trends are poised to continue amid higher barriers to homeownership, as growing households seeking more space will aid self-storage demand.

2025 MARKET FORECAST

INVENTORY	*21 million square feet and 7.3 square feet per capita*

+1.1% **EMPLOYMENT:** St. Louis is on track to add approximately 16,000 jobs in 2025 — nearly triple the metro's 20-year annual average of 5,500 positions — marking a notable acceleration in hiring activity.

+0.2% **POPULATION:** Population growth will ease slightly this year, with the metro adding about 4,800 residents. This will remain well above the 2015-2019 average annual addition of about 1,000 residents.

160,000 *sq.ft.* **CONSTRUCTION:** This year's pipeline will represent the smallest inventory gain in over a decade, adding just 0.8 percent — well below the metro's long-term average of 2.8 percent annually.

-50 bps **VACANCY:** Limited deliveries and steady population gains will push the metro's vacancy rate down to 6.0 percent, only marginally above levels recorded during the pandemic.

+2.1% **RENT:** With supply tightening, the average marketed rent is forecast to rise for the first time in three years, reaching approximately $0.98 per square foot — slightly higher than the 2019 level of $0.94.

Tampa Benefitting From Innovation and In-Migration

Economic Overview

The employment base in the Tampa metro sits roughly 11 percent higher than its pre-pandemic level, outpacing the national increase of 5 percent. A $40 million donation to the University of South Florida to launch the Bellini College of AI, Cybersecurity and Computing highlights the metro's growing status as an area for tech innovation.

Demographic Overview

Tampa ranks in the top third of major U.S. metros for population growth this year with a 1.1 percent increase, largely driven by a 4 percent expansion among residents aged 65 and older. This growth has in part shaped the metro's age composition, contributing to a 1.5 percent lower share of residents aged 20 to 34 relative to the national average.

Construction Overview

This year's delivery slate of 1.95 million square feet falls slightly shy of last year's 2.2 million, which was the second-largest total on record. New supply will be rather dispersed across Tampa and St. Petersburg, with modest concentrations in Downtown Tampa, the Riverview-Brandon area and northern suburbs around Land O' Lakes.

Vacancy/Rent Overview

Vacancy in the metro will begin to reflect the impact of sustained elevated supply, registering a projected decline of just 30 basis points year over year — down sharply from last year's 440-basis-point drop. Even so, rents are expected to grow. Only seven other major U.S. markets are projected to record steeper vacancy reductions.

2025 MARKET FORECAST

INVENTORY	*39 million square feet and 11.2 square feet per capita*

+1.0% **EMPLOYMENT:** Job gains will tally 16,000 by year-end — a 1.0 percent increase, roughly in line with the national pace. The education and health services sectors are poised to remain key drivers.

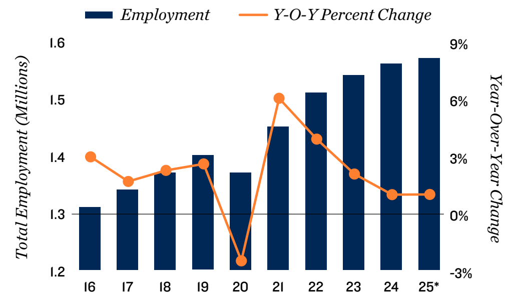
+1.1% **POPULATION:** Net in-migration to the metro is forecast to rank in the top 30 percent of major U.S. markets in 2025, supporting population growth of approximately 38,400 residents.

1,950,000 *sq.ft.* **CONSTRUCTION:** Inventory is expected to rise by 4.9 percent this year — the largest expansion among major metros, though still roughly in line with the metro's average annual growth since 2018.

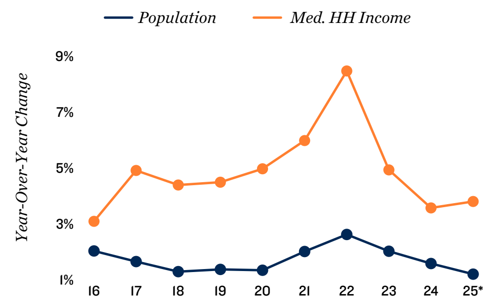
-30 bps **VACANCY:** Tampa's vacancy is projected to fall to 4.7 percent by year-end. This rate remains substantially below the metro's long-term average of 6.8 percent recorded since 2014.

+1.7% **RENT:** The metro's average asking rent will sit 7.0 percent below its 2022 peak, though declining vacancy should help support modest growth this year, pushing the metric to $1.20 per square foot.

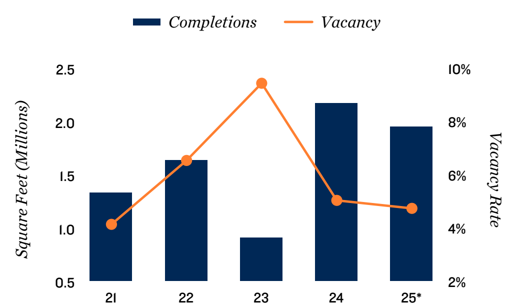
Employment Trends



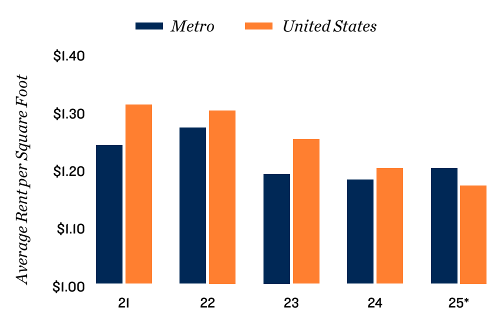
Demographic Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

TENNESSEE

New Supply Shifts Between Tennessee's Metros

Economic Overview

Knoxville led annual employment growth in the year ended in March at 1.3 percent, followed by 0.6 percent in Nashville, while Memphis posted a 1.0 percent decline. Growth is expected to turn positive in Memphis at 0.3 percent this year, though it will continue to trail Knoxville and Nashville, projected at 1.3 and 0.8 percent, respectively.

Demographic Overview

Strong in-migration will drive population growth of more than 37,000 residents across Knoxville, Nashville and Memphis in 2025. Nearly 70 percent of the growth will be in Nashville, marking the fastest year-over-year population increase among the three at 1.2 percent and placing the metro in the top quartile of major markets nationally.

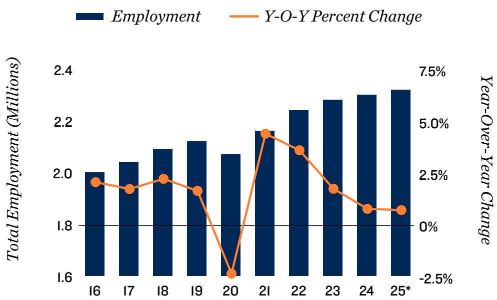
Construction Overview

This year's 1.2 million-square-foot delivery slate is led by 800,000 square feet in Nashville, followed by 260,000 in Knoxville and 140,000 in Memphis. This marks a shift from last year when Memphis saw over 700,000 square feet of new inventory — far outpacing Knoxville at about 150,000 and Nashville at 100,000.

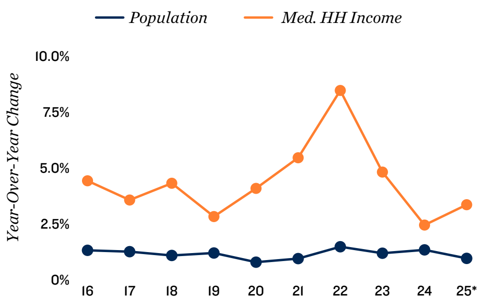
Vacancy/Rent Overview

A pullback in deliveries will limit Memphis' average rent decline to 1.2 percent in 2025, following a 9.9 percent drop in 2024. Despite heightened new supply in Nashville, vacancy is expected to modestly tighten year over year. Still, the average rent here will decline by 2.8 percent to $1.03 per square foot, compared with a 1.9 percent drop to $1.06 in Knoxville.

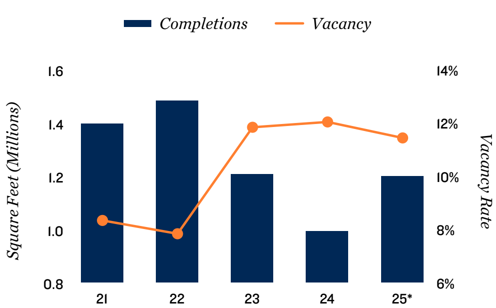
Employment Trends



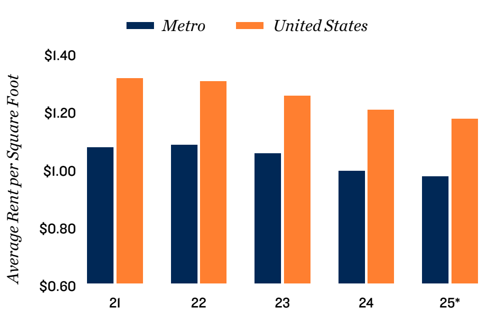
Demographic Trends



Supply and Demand Trends



Rent Trends



Tennessee encompasses Knoxville, Memphis and Nashville

** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

2025 MARKET FORECAST

INVENTORY	*43 million square feet and 9.5 square feet per capita*

+0.8% **EMPLOYMENT:** Knoxville, Nashville and Memphis will combine to welcome over 17,000 jobs this year. More than half of these new positions will be in Nashville.

+0.8% **POPULATION:** Over the five years leading into April, Nashville and Knoxville's populations each grew over 7 percent — more than twice the 3.3 percent national rate — while Memphis remained flat.

1,200,000 *sq.ft.* **CONSTRUCTION:** Nashville's inventory will grow by 3.8 percent — 100 basis points faster than the national pace. Knoxville and Memphis' expansions follow at 2.9 percent and 1.1 percent, respectively.

-60 bps **VACANCY:** Exiting March at 10.5 percent, Nashville's vacancy is slightly above the metro's trailing 10-year first-quarter average. Elevated new supply will push the rate up to 11.4 percent by year-end.

-1.9% **RENT:** Heading into April, average asking rents were down about 10 percent from their 2022 peak in Nashville and Knoxville and nearly 20 percent in Memphis.

In-Migration Coincides With Easing Construction

Economic Overview

Washington, D.C.'s private labor market is continuing to grow. Cost-cutting efforts by the Department of Government Efficiency, however, are hindering total hiring. The number of local federal employees was down 12,500 year to date through April, which does not account for individuals still on severance.

Demographic Overview

Washington, D.C., recorded its strongest year for net in-migration in over a decade during 2024, as over 40,000 people relocated to the market on net. More than 30,000 people could make a similar move this year, although government cost-cutting efforts and additional steps in student visa applications could impact this initial projection.

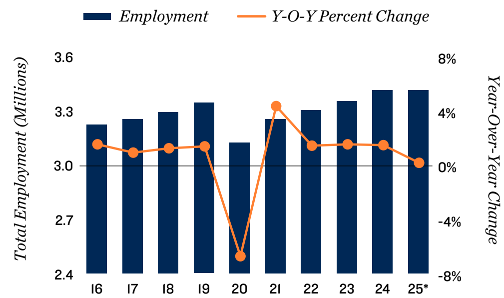
Construction Overview

This year brings a nearly decade-low delivery slate to Northern Virginia, as fewer than 300,00 square feet are expected to open here this year, nearly half of 2024's total. While the tempering across Suburban Maryland is less rapid, it achieves a similar historical benchmark. The District itself has no projects of note in the pipeline.

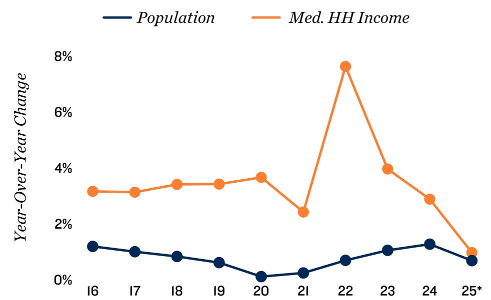
Vacancy/Rent Overview

Reduced competition among operators from new supply and a slight, ongoing improvement in the overall stabilized rent sets the stage this year for a higher average asking rate, particularly in Northern Virginia. Less discounting on the marketed rent, may, however, lead to a flattening in vacancy after the rate declined last year.

Employment Trends



Demographic Trends



2025 MARKET FORECAST

INVENTORY	*45 million square feet and 6.9 square feet per capita*

+0.2% — **EMPLOYMENT:** Fewer than 1,500 jobs were created during the first four months of the year, placing the market's labor force on track to grow by less than a third of 2024's total.

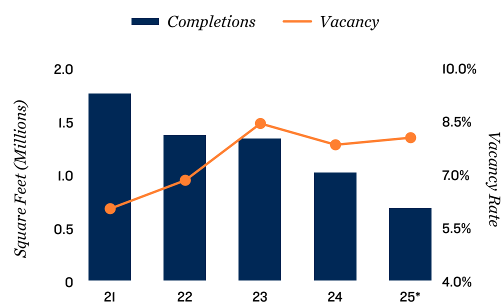
+0.6% — **POPULATION:** A 25,300-person increase to the 65-plus populace will compensate for 8,400 fewer 20- to-34 year-olds in the market, translating into a three-year low in population growth.

680,000 *sq.ft.* — **CONSTRUCTION:** Fewer than 1 million square feet of storage space will open in the market for the first year since 2015. Metrowide inventory will expand by 1.5 percent.

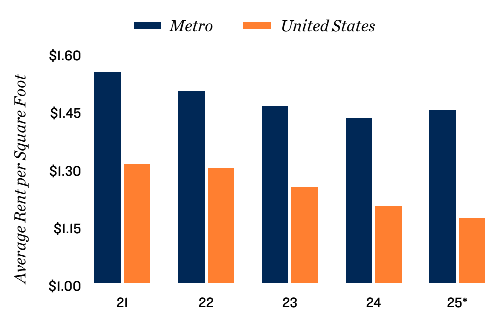
+20 bps — **VACANCY:** After dropping 60 basis points last year, the market's vacancy rate will inch up to 8.0 percent in December — 70 basis points below the 2019 measure preceding the pandemic.

+1.4% — **RENT:** A notable drop in new supply pressure will pave the way for the mean asking rent to improve for the first time since 2020. The average will increase to $1.45 per square foot by December.

Supply and Demand Trends



Rent Trends



** Forecast*

Sources: CoStar Group, Inc.; Radius+; Yardi Matrix

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Note: Employment and Self-Storage data forecasts for 2025 are based on the most up-to-date information available as of June 2025 and are subject to change.

[2] Statistical Summary Note: Metro-level employment, vacancy and asking rents are year-end figures and are based on the most up-to-date information available as of June 2025. Asking rents are based on a standard 10 foot by 10 foot unit. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and self-storage data are made during the second quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Federal Reserve; Moody's Analytics; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; NCREIF; Radius+; Real Capital Analytics; RealPage, Inc.; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; Yardi Matrix

STATISTICAL SUMMARY

Market Name	Employment Growth[2]				Population Growth[2]				Completions (000 of Sq. Ft.)[2]				Vacancy Rate[2]				Asking Rent per Sq. Ft.[2]				Market Name
	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	
Atlanta	3.5%	1.5%	1.3%	0.8%	1.5%	1.3%	1.4%	1.1%	1,700	2,800	2,500	2,500	7.9%	8.6%	9.0%	9.5%	$1.15	$1.09	$1.00	$0.97	Atlanta
Austin	6.4%	2.7%	1.7%	1.6%	2.9%	2.8%	2.9%	2.3%	500	600	700	800	7.9%	9.4%	10.0%	10.8%	$1.17	$1.08	$1.04	$1.01	Austin
Baltimore	0.5%	2.2%	1.0%	0.7%	0.1%	0.3%	0.6%	0.3%	900	700	1,000	400	8.7%	8.8%	7.3%	7.5%	$1.37	$1.32	$1.29	$1.28	Baltimore
Bay Area	2.2%	-1.0%	-0.2%	-0.4%	0.2%	0.4%	0.7%	0.4%	1,100	800	600	800	6.7%	6.0%	5.0%	5.4%	$2.08	$2.01	$1.99	$2.03	Bay Area
Boston	1.9%	1.1%	0.0%	0.5%	0.6%	0.8%	1.1%	0.5%	900	1,700	1,200	700	8.2%	8.0%	8.3%	8.0%	$1.55	$1.50	$1.42	$1.43	Boston
Chicago	2.1%	0.9%	0.4%	0.2%	-0.2%	0.5%	0.6%	0.0%	1,300	2,300	700	1,600	6.1%	7.8%	6.7%	6.5%	$1.18	$1.12	$1.09	$1.09	Chicago
Cincinnati	2.5%	1.0%	0.6%	0.3%	0.6%	0.9%	0.9%	0.5%	700	200	300	500	6.2%	6.4%	5.0%	4.8%	$0.97	$0.94	$0.91	$0.93	Cincinnati
Cleveland-Akron	2.0%	0.3%	-0.2%	0.9%	0.1%	0.1%	0.0%	-0.2%	600	1,400	600	500	9.7%	9.5%	8.9%	8.7%	$1.06	$1.02	$0.98	$0.99	Cleveland-Akron
Columbus	0.9%	2.0%	0.9%	0.9%	1.0%	1.2%	1.4%	1.1%	400	500	600	400	7.7%	9.1%	12.6%	12.9%	$0.99	$0.97	$0.94	$0.93	Columbus
Dallas-Fort Worth	4.8%	2.0%	1.4%	1.2%	2.6%	2.3%	2.0%	1.6%	1,800	2,800	3,100	1,700	5.8%	7.1%	8.1%	9.7%	$1.08	$1.04	$0.98	$0.97	Dallas-Fort Worth
Denver	3.1%	1.0%	0.7%	0.4%	0.6%	1.1%	1.1%	0.7%	300	500	200	400	6.7%	7.4%	8.6%	9.2%	$1.32	$1.28	$1.24	$1.21	Denver
Detroit	2.3%	1.2%	0.8%	0.4%	-0.2%	0.3%	0.2%	-0.2%	300	500	900	900					$1.21	$1.18	$1.13	$1.12	Detroit
Houston	4.8%	2.4%	1.3%	1.4%	2.3%	2.3%	2.0%	1.6%	1,000	2,200	1,700	2,500	6.4%	7.4%	6.8%	7.0%	$1.01	$0.98	$0.97	$0.95	Houston
Indianapolis	2.9%	2.3%	1.0%	1.5%	0.9%	1.1%	1.3%	1.1%	500	400	500	100	4.7%	7.8%	10.0%	9.0%	$0.94	$0.91	$0.86	$0.89	Indianapolis
Las Vegas	5.4%	3.5%	1.4%	-0.4%	1.3%	1.6%	1.6%	0.8%	900	1,400	1,000	800	7.4%	7.6%	7.9%	8.2%	$1.29	$1.26	$1.18	$1.16	Las Vegas
Los Angeles	2.2%	0.1%	1.0%	-0.3%	-0.3%	0.2%	0.7%	0.1%	700	900	1,300	1,000	6.0%	8.2%	6.9%	6.5%	$2.20	$2.10	$2.09	$2.14	Los Angeles
Minneapolis-St. Paul	1.4%	1.2%	1.1%	0.5%	0.3%	0.9%	1.0%	0.8%	300	500	400	300					$1.12	$1.07	$1.05	$1.06	Minneapolis-St. Paul
New Haven-Fairfield County	2.3%	1.8%	1.0%	0.9%	0.3%	0.8%	0.7%	0.3%	700	400	1,000	800	7.7%	9.2%	8.2%	8.6%	$1.44	$1.38	$1.33	$1.32	New Haven-Fairfield County
New York City	4.6%	1.7%	2.7%	1.2%	-0.6%	0.1%	0.6%	-0.2%	1,300	1,400	0	700	6.3%	8.0%	7.3%	7.6%	$2.76	$2.80	$2.75	$2.78	New York City
North Carolina	3.1%	2.3%	1.4%	1.5%	1.8%	2.0%	2.0%	1.4%	1,900	2,300	2,300	2,300	8.5%	8.6%	8.6%	9.0%	$1.05	$1.01	$0.97	$0.96	North Carolina
Orange County	1.6%	0.9%	0.3%	0.2%	0.0%	0.0%	0.4%	-0.1%	600	100	0	100	6.0%	8.2%	6.9%	6.5%	$2.02	$1.93	$1.92	$1.94	Orange County
Orlando	6.0%	3.0%	2.3%	1.8%	3.2%	2.7%	2.7%	2.0%	800	1,300	2,100	1,800	5.4%	9.6%	7.4%	7.0%	$1.22	$1.15	$1.13	$1.15	Orlando
Philadelphia	3.2%	1.6%	1.0%	1.4%	0.2%	0.7%	0.6%	0.3%	900	2,400	2,200	1,500	8.5%	9.5%	8.3%	7.8%	$1.35	$1.27	$1.21	$1.22	Philadelphia
Phoenix	3.8%	2.6%	1.1%	1.2%	1.5%	1.4%	1.8%	1.7%	2,200	1,400	1,300	3,000	6.7%	9.6%	8.1%	8.3%	$1.26	$1.18	$1.14	$1.10	Phoenix
Portland	2.7%	0.8%	0.1%	0.4%	0.0%	0.3%	0.4%	0.5%	600	400	200	400	3.7%	4.8%	4.1%	4.2%	$1.47	$1.42	$1.38	$1.36	Portland
Riverside-San Bernardino	2.3%	1.9%	1.2%	-0.2%	0.6%	1.6%	2.2%	0.7%	100	400	400	800	5.7%	8.6%	9.3%	9.7%	$1.40	$1.33	$1.28	$1.26	Riverside-San Bernardino
Sacramento	2.6%	1.5%	1.6%	1.0%	0.5%	0.8%	1.2%	0.2%	300	300	1,100	500	8.5%	8.7%	7.3%	7.5%	$1.43	$1.38	$1.36	$1.38	Sacramento
Salt Lake City	3.3%	1.8%	1.6%	1.3%	1.4%	1.5%	1.6%	1.2%	400	800	300	500					$1.09	$1.12	$1.10	$1.08	Salt Lake City
San Antonio	4.4%	2.4%	1.6%	1.0%	2.4%	2.1%	1.7%	1.4%	700	700	1,100	1,200	8.5%	11.3%	9.8%	9.6%	$1.14	$1.07	$1.00	$0.98	San Antonio
San Diego	3.2%	0.4%	0.8%	0.2%	0.4%	0.2%	0.6%	0.1%	500	400	300	300	4.3%	8.9%	11.0%	10.5%	$1.84	$1.79	$1.73	$1.75	San Diego
Seattle-Tacoma	2.1%	0.5%	1.8%	0.2%	0.7%	0.9%	1.2%	0.6%	1,100	400	900	800					$1.69	$1.58	$1.55	$1.57	Seattle-Tacoma
Southeast Florida	4.5%	2.8%	1.3%	1.2%	1.4%	1.6%	1.6%	1.2%	1,100	1,400	2,000	1,900	5.3%	7.4%	6.5%	6.2%	$1.71	$1.62	$1.55	$1.53	Southeast Florida
St. Louis	1.4%	1.1%	0.6%	1.1%	-0.2%	0.3%	0.4%	0.2%	600	700	400	200	7.8%	8.7%	6.5%	6.0%	$1.01	$0.98	$0.96	$0.98	St. Louis
Tampa-St. Petersburg	3.9%	2.1%	1.0%	1.0%	2.5%	1.9%	1.5%	1.1%	1,600	900	2,200	2,000	6.5%	9.4%	5.0%	4.7%	$1.27	$1.19	$1.18	$1.20	Tampa-St. Petersburg
Tennessee	3.6%	1.8%	0.8%	0.8%	1.4%	1.1%	1.2%	0.8%	1,500	1,200	1,000	1,200	7.8%	11.8%	12.0%	12.0%	$1.08	$1.05	$0.99	$0.97	Tennessee
Washington, D.C.	1.5%	1.6%	1.5%	0.2%	0.6%	1.0%	1.2%	0.6%	1,400	1,300	1,000	700	6.8%	8.4%	7.8%	8.0%	$1.50	$1.46	$1.43	$1.45	Washington, D.C.
United States	**3.0%**	**1.7%**	**1.3%**	**0.9%**	**0.7%**	**0.9%**	**0.9%**	**0.5%**	**59,800**	**72,100**	**72,800**	**63,100**	**8.7%**	**9.7%**	**9.8%**	**10.3%**	**$1.30**	**$1.25**	**$1.20**	**$1.17**	**United States**

** Forecast*

[2] See Statistical Summary Note on Page 48.

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