



SELF-STORAGE REIT REPORT

Q1 2025



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OVERVIEW

Self-storage REITs entered 2025 following a year of normalization. After record-high occupancies and double-digit rent growth during the pandemic, the sector saw a pullback in late 2023 as pricing power softened and expenses rose. However, Q1 2025 signals a potential turning point. While year-over-year comparisons show modest declines, sequential trends indicate early stabilization.

Operators are cautiously optimistic heading into the peak leasing season. Public Storage and Extra Space both posted FFO gains and maintained high occupancy. CubeSmart executed the quarter's largest acquisition, while National Storage Affiliates remained under pressure but hinted at improving momentum. All four reaffirmed full-year guidance.



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\$1.83

FFO PER SHARE AVG.

-0.75%

SAME-STORE REVENUE AVG.

-1.93%

SAME-STORE NOI AVG.

89.6%

ENDING OCCUPANCY AVG.

Q1 OVERALL RESULTS

Self-storage REITs showed varied performance across key indicators due to both macroeconomic pressures, and differences in strategy and scale. Public Storage and Extra Space Storage maintained strong fundamentals, while CubeSmart and National Storage Affiliates saw declines in same-store metrics. However, these declines were partially offset by external growth or sequential stabilization.

Metric	PSA	EXR	CUBE	NSA
FFO/Share	\$4.12	\$2.00	\$0.64	\$0.54
YoY FFO Growth	+2.2%	+2.0%	0.0%	-10.0%
Revenue YoY	+0.1%	+0.3%	-0.4%	-3.0%
NOI YoY	~0.0%	-1.2%	-0.8%	-5.7%
Expense Growth (Est.)	+0.3%	+4.2%	+0.6%	+3.7%
Ending Occupancy	~91.5%	93.4%	89.7%	83.6%



KEY HIGHLIGHTS

Q1 2025

PUBLIC STORAGE

- Maintained 77.1% NOI margin, which is the highest in the sector
- Flat same-store performance due to balancing rent growth with modest occupancy decline
- Strategic developments signal confidence in long-term demand fundamentals

\$4.12

FFO/Share

+0.1%

Revenue Growth

77.1%

NOI Margin

EXTRA SPACE STORAGE

- Achieved highest Q1 occupancy at 93.4%
- Gained revenue momentum from JV activity and stabilized pricing
- Added 113 third-party managed stores, expanding platform reach

\$2.00

FFo/Share

+0.3%

Revenue Growth

93.4%

Ending Occupancy

KEY HIGHLIGHTS

Q1 2025

CUBESMART

- Core earnings held steady, but operational softness was evident
- Large-scale acquisition strengthens long-term owned portfolio
- Reinvestment focused on scale over short-term, same-store gains

\$0.64

FFO/Share

-0.4%

Revenue Decline

\$453M

Acquisition Spend

NATIONAL STORAGE AFFILIATES

- NOI and occupancy suffered due to price-sensitive customer base
- Minimal external growth as company focuses on internal stabilization
- Management signaled that January–March sequential trends were positive

\$0.54

FFO/Share

-5.7%

Revenue decline

83.6%

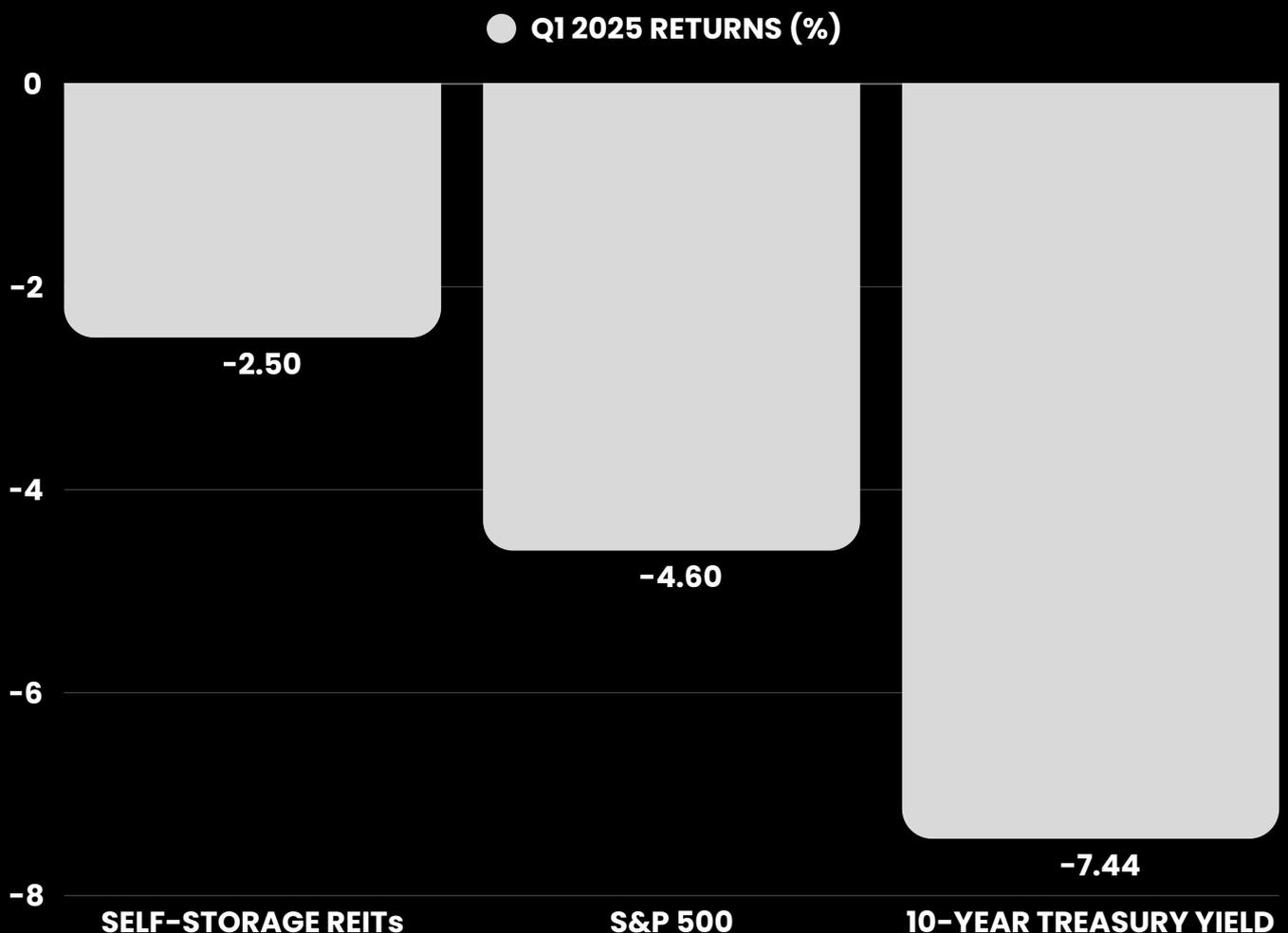
Ending Occupancy

Q2 MARKET OUTLOOK

Self-storage REITs entered Q2 2025 with momentum building across sequential metrics. While Q1 reflected continued year-over-year softness, the industry appears to be turning the corner. Operators report improving month over month rental rates, with expectations of stronger demand through the spring and summer leasing season.

New supply is easing as tighter lending conditions and higher construction costs limit new development. This trend has strengthened pricing power for operators, who have adjusted guidance to account for property taxes and insurance inflation while maintaining consistent dividends.

These factors led to an average stock return of -2.5% for self-storage REITs in Q1 2025. This result surpassed the S&P 500, which declined by -4.6% , and the 10-Year Treasury Yield, which fell by -7.44% . Despite rising interest rates, the sector maintained relative stability due to solid cash flows and limited new supply.

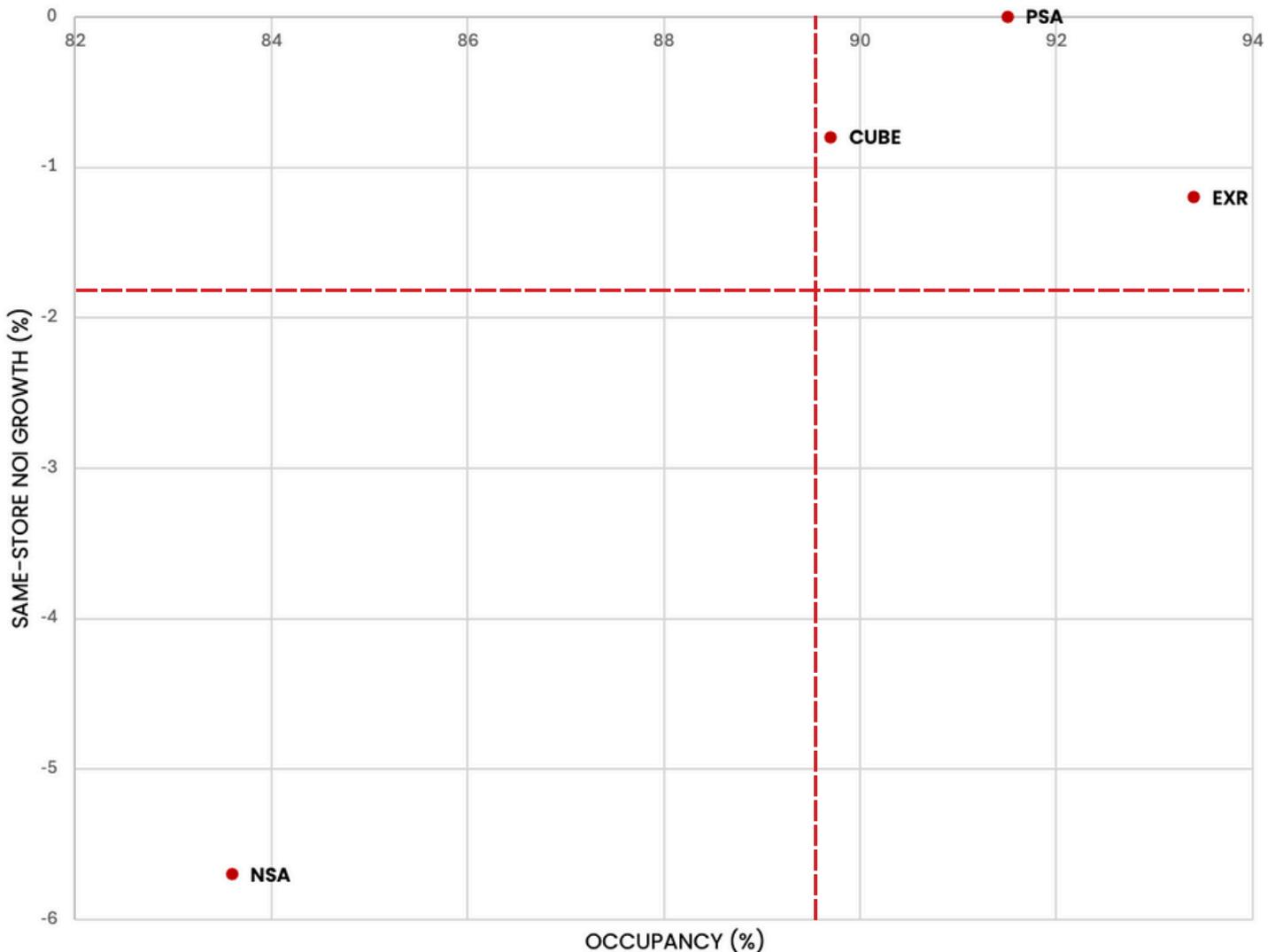


KEY TAKEAWAYS

- Self-storage REITs experienced varied performance, with Public Storage and Extra Space maintaining stability, while CubeSmart and NSA faced pressure from weak same-store metrics.
- Despite rising costs and operational challenges, self-storage REITs delivered an average stock return of -2.5%, outperforming the S&P 500's -4.6% decline and the 10-Year Treasury Yield's -7.44% drop.
- Looking ahead, operators anticipate stronger demand through the peak leasing season, supported by limited new supply and improving rental rates.

To conclude the Q1 2025 REIT performance review, the chart below visualizes each operator's position in terms of occupancy and same-store NOI change.

Q1 2025 STRATEGIC POSITIONING: OCCUPANCY VS. NOI CHANGE





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