



SELF-STORAGE REIT REPORT

Q2 2025



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OVERVIEW

Self-storage REITs continued to show resilience in Q2 2025, with signs of gradual stabilization across key operating metrics. While challenges from elevated expense growth and flat revenue trends persisted, operators sustained high occupancy and generated consistent Funds From Operations (FFO).

Public Storage and Extra Space once again led the sector, each delivering strong occupancy results and expanding their platforms. CubeSmart improved FFO despite modest revenue softness, while National Storage Affiliates remained under pressure amid declining margins and muted demand.

FFO per share averaged \$1.88 across the four major REITs, a result driven by steady occupancy and measured external growth despite persistent expense pressures. Although year-over-year comparisons remained negative for NOI, the rate of decline moderated, a trend that points to cautious optimism heading into the second half of the year.



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\$1.88

FFO PER SHARE AVG.

-0.83%

SAME-STORE REVENUE AVG.

-2.73%

SAME-STORE NOI AVG.

91.0%

ENDING OCCUPANCY AVG.

Q2 OVERALL RESULTS

Self-storage REITs posted mixed results in Q2, reflecting continued macroeconomic pressure and varying operational strategies. Public Storage and Extra Space delivered strong occupancy performance above 93%, while CubeSmart and NSA trailed, though CubeSmart posted the only YoY FFO gain among the group.

Metric	PSA	EXR	CUBE	NSA
FFO/Share	\$4.28	\$2.05	\$0.65	\$0.55
YoY FFO Growth	+1.4%	-0.5%	+1.6%	-11.3%
Revenue YoY	+0.2%	+0.0%	-0.5%	-3.0%
NOI YoY	-0.6%	-3.1%	-1.1%	-6.1%
Expense Growth (Est.)	+0.8%	+2.5%	+1.2%	+4.6%
Ending Occupancy	93.3%	94.6%	91.1%	85.0%



KEY HIGHLIGHTS

Q2 2025

PUBLIC STORAGE

- Achieved 78.8% same-store NOI margin, maintaining sector leadership.
- Same-store NOI dipped by 0.6%.
- \$162.3 million in acquisitions and 0.2M NRSF in new developments signal ongoing growth.

\$4.28

FFO/Share

+0.2%

Revenue Growth

78.8%

NOI Margin

EXTRA SPACE STORAGE

- Achieved 94.6% same-store occupancy, up 0.6% year-over-year.
- Same-store NOI fell 3.1%, driven by rising property taxes and flat revenue.
- Added 93 stores to the third-party platform, bringing total managed stores to 2,163.

\$2.05

FFO/Share

-3.1%

Same-Store NOI

94.6%

Ending Occupancy

KEY HIGHLIGHTS

Q2 2025

CUBESMART

- Same-store revenue declined slightly, down 0.5% YoY, while NOI fell 1.1%.
- FFO/share grew to \$0.65, a 1.6% YoY increase.
- Same-store occupancy averaged 90.6% during the quarter, ending at 91.1%.

\$0.65

FFO/Share

-0.5%

Revenue Decline

91.1%

Ending Occupancy

NATIONAL STORAGE AFFILIATES

- 11.3% YoY decline in Core FFO per share due to margin pressure and share dilution.
- Same Store NOI dropped 6.1%, with revenue falling and expenses rising.
- Occupancy declined to 85.0%, down 220 bps YoY as demand softened.

\$0.55

FFO/Share

-6.1%

Revenue decline

85%

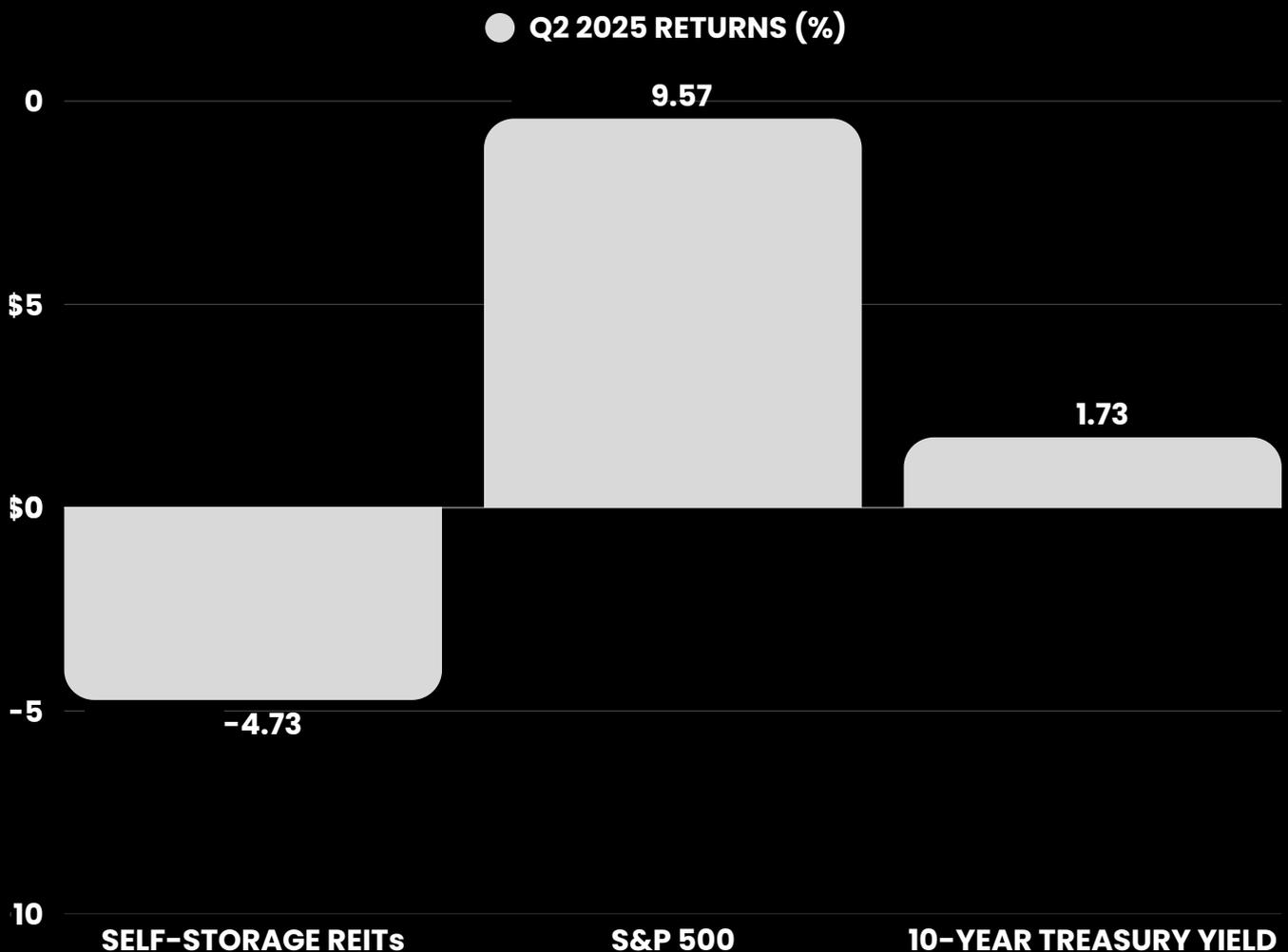
Ending Occupancy

Q2 MARKET OUTLOOK

As Q2 concluded, self-storage REITs maintained a steady course despite economic headwinds. Elevated operating costs, particularly from property taxes and insurance, continue to weigh on margins, yet operators are seeing early indications of pricing stabilization in high-demand markets.

Occupancy trends remained strong, with multiple REITs posting sequential gains. New supply growth remains limited due to tight credit markets and higher construction costs, which has improved the long-term balance of supply and demand.

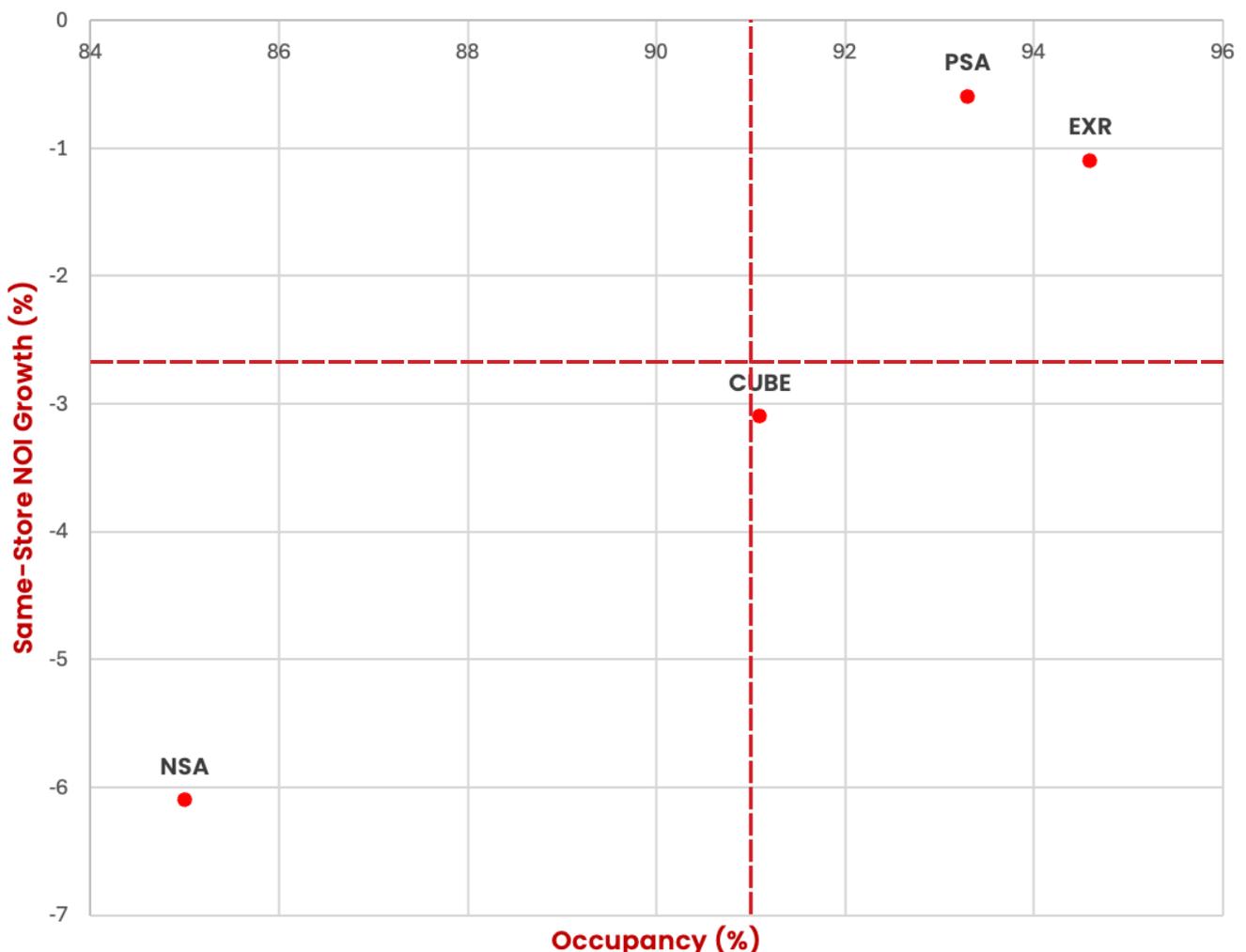
While macroeconomic uncertainty persists, especially with elevated interest rates, self-storage REITs approach Q3 with stable occupancy and cautious growth strategies. Operators remain focused on managing expense pressures and sustaining cash flow, with a more tempered outlook as leasing momentum begins to taper following the peak season.



KEY TAKEAWAYS

- Public Storage and Extra Space Storage continued to lead in occupancy and platform expansion, offsetting modest same-store NOI declines.
- CubeSmart delivered FFO growth amid flat revenue and disciplined cost controls, while National Storage Affiliates faced ongoing challenges from a price-sensitive customer base.
- Average FFO/share improved to \$1.88 across the four REITs, as operators focused on efficiency and selective acquisitions.
- Despite cost inflation, the sector is showing early signs of operational stabilization, a trend shaped by resilient demand and limited new supply.
- With Q2 marking the peak leasing season, REITs enter the second half of the year with a focus on maintaining occupancy and navigating an evolving rate environment.

Q2 2025 STRATEGIC POSITIONING: OCCUPANCY VS. NOI CHANGE





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