



END-OF-YEAR 2025

Quarterly Self Storage Download

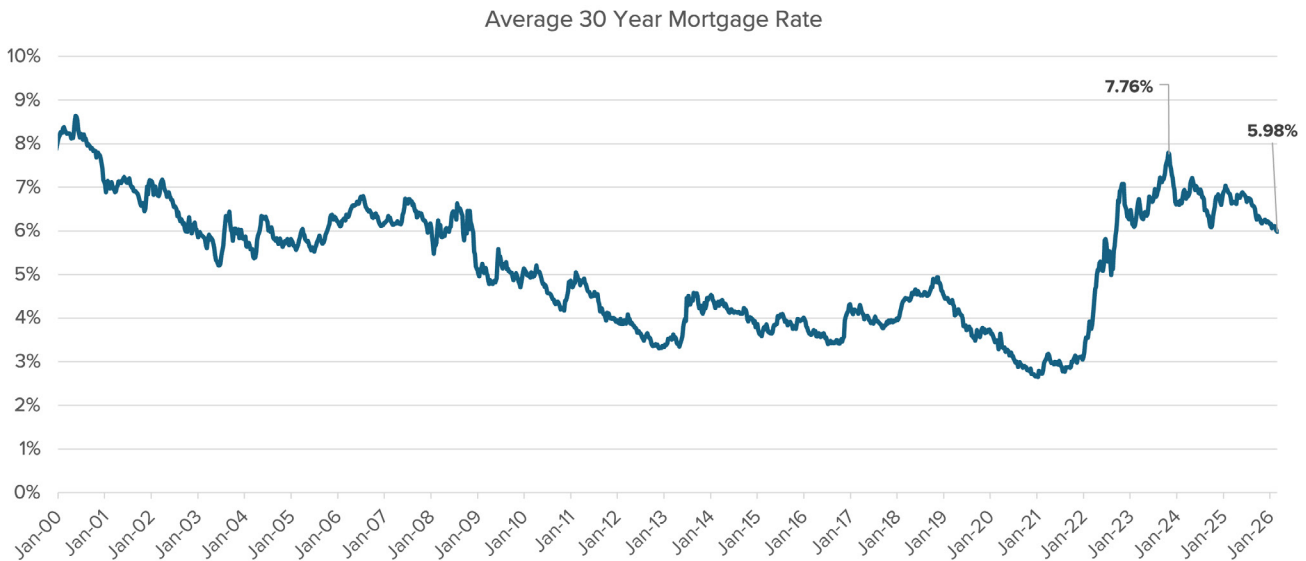


DXD Project: Scottsdale, AZ

Housing Gridlock Weighs on Storage Demand

Over the last year, the self storage industry has continued to see the effects of a gridlocked housing market. With fewer transactions on homes across the country, demand has moderated slightly, with occupancy falling below 92% across CubeSmart, Public Storage, and Extra Space Storage’s same store portfolios. The lowered mobility of Americans is beginning to be proven in the data – with self storage occupancies normalizing in the low 90s, the days of 95-96% occupancy seem to be gone for good (this cycle). Storage occupancies appear to track closely with the spread on the number of buyers and sellers of residential housing.

In our Q1 2025 download, we presented the thesis that mortgage rates are holding back the housing market. We have seen average mortgage rates fall from over 7% at the beginning of 2025 to 6.2% in December, yet the gap between buyers and sellers continued to grow over the year. The continued deceleration of transaction volume in the housing market appears to impact occupancy data, as storage demand stemming from relocation is depressed.



Source: <https://fred.stlouisfed.org/series/MORTGAGE30US>

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DXD - Huntington Station, Long Island, NY

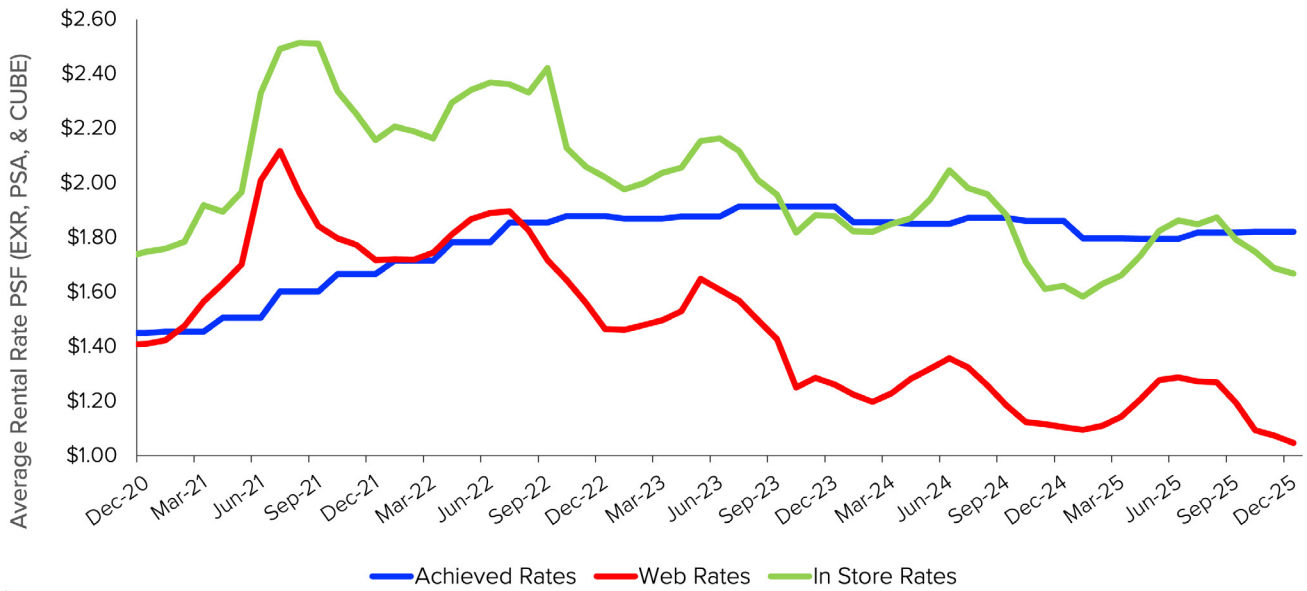


Storage Rental Rate Trends

Achieved rates moved above in-store rates over the past two quarters, mirroring last year's pattern and signaling a renewed focus on occupancy over rate growth.

CubeSmart led in rate reductions, with in-store pricing declining from \$1.93 PSF in September to \$1.73 PSF in December. The REIT also reports the lowest occupancy among peers at 88.8%, well below the 91% quarterly average.

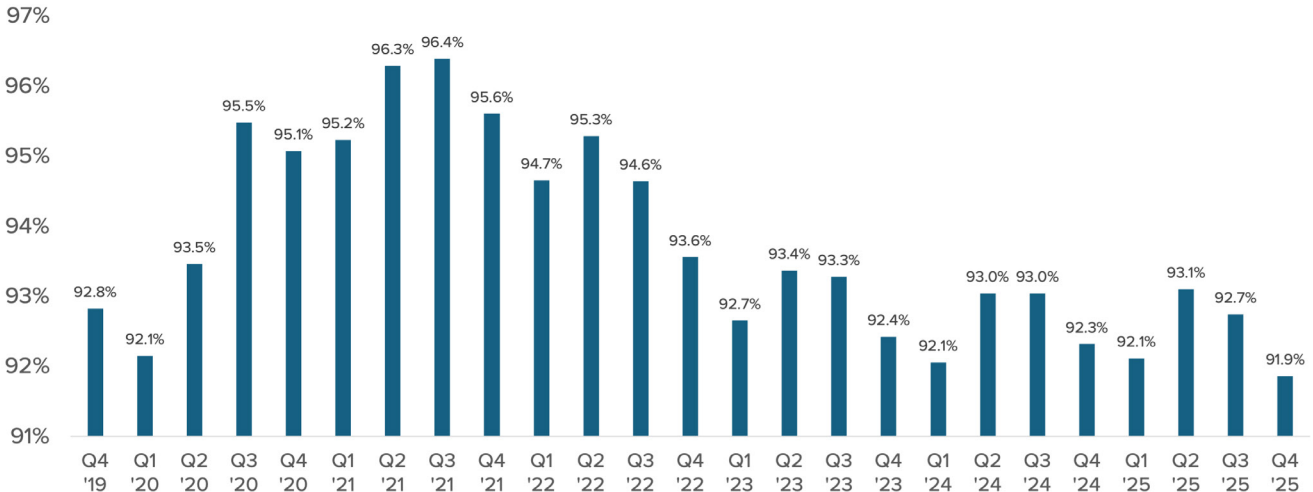
This winter push for occupancy may prove strategic. Customers who rent during colder months tend to exhibit more inelastic demand, which supports longer stays and stronger lifetime value.



Source: Radius+ (in-store & web rates), company disclosures (achieved rates), DXD Capital

Occupancies have fallen below 92% for the first time since the 2020s, with CubeSmart suffering from the highest vacancy rates across its portfolio. Given the number of self storage developments over the past few years coupled with a gridlocked housing market, the intrinsic demand for storage, and thus occupancies, has fallen back to the long-term average of ~92%. With less planned development in the pipeline, we expect this to be an inflection point for occupancy levels when accounting for seasonality.

Occupancy Rates Fall in the Last Quarter

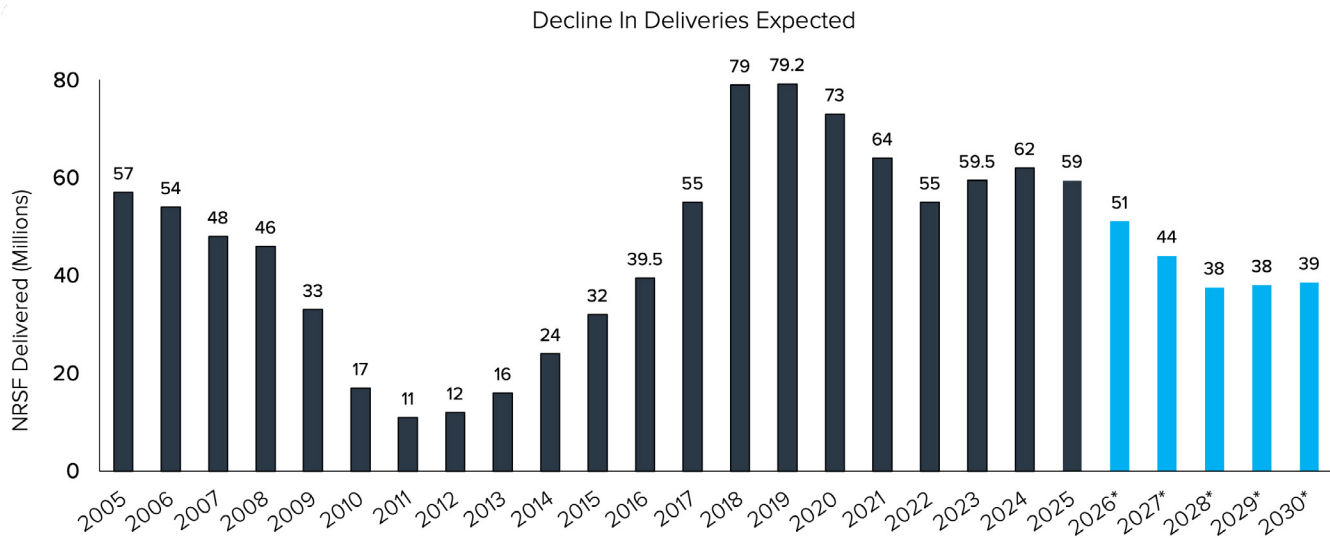


Source: Public Storage, Extra Space Storage, CubeSmart, and SmartStop Financial Disclosure, DXD Capital



New Facility Deliveries

Yardi increased its estimates for future development over the last quarter, with 2026 deliveries jumping to 51.1 million NRSF, 2027 deliveries jumping to 44 million NRSF, and all future years at more modest, but elevated rates from previous estimates (38 million NRSF).



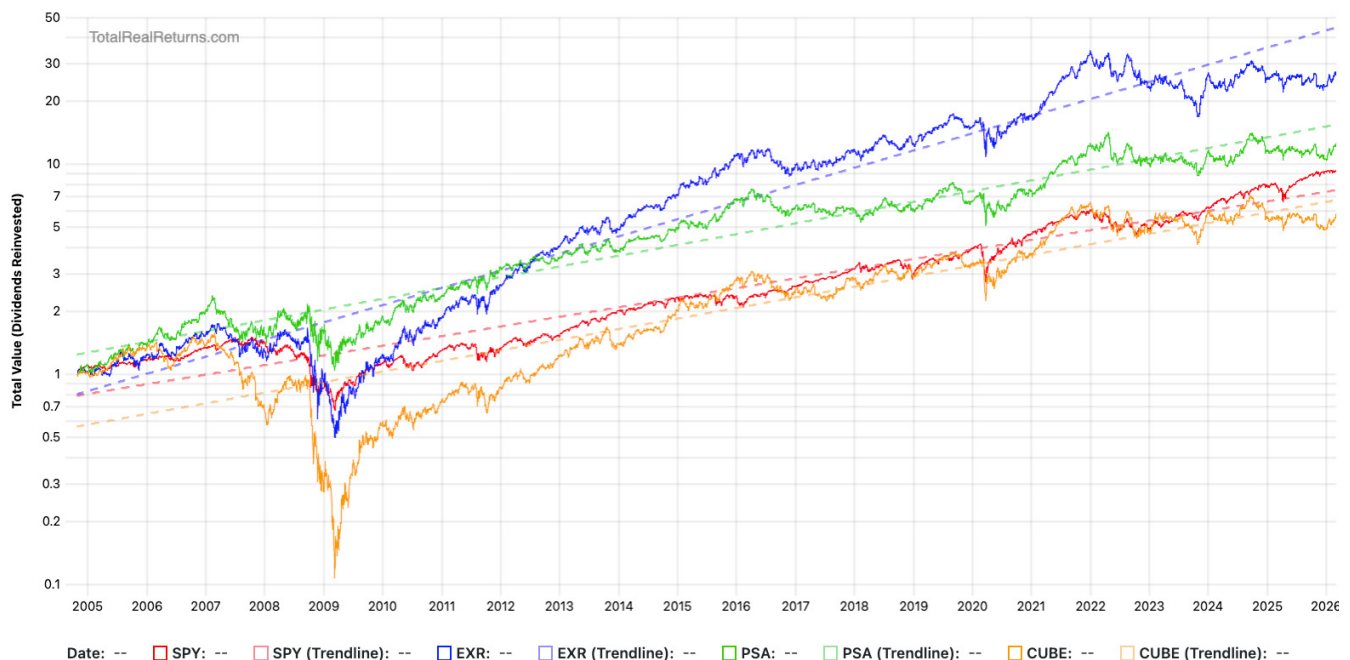
Source: Marcus & Millichap, Yardi Matrix, DXD Capital

*2025-2029 Figures are projected

REIT Performance

Self-storage REIT fundamentals stabilized in 2025 as revenue growth moderated and operating expenses increased across the sector. Extra Space Storage continues to stand out as the industry leader, supported by strong occupancy, consistent same-store performance, and its industry-leading third-party management and joint venture platform. Public Storage remains the largest owner by scale and continues to expand through acquisitions and development while maintaining strong margins and balance sheet strength. CubeSmart experienced modest same-store pressure but continues to grow its management platform and deploy capital strategically. Overall, moderating supply and resilient demand support a constructive long-term outlook for the sector.

SPY,EXR,PSA,CUBE - Total Return Chart



Source: <https://totalrealreturns.com/n/SPY,EXR,PSA,CUBE>

Existing Home Sales

The gap between buyers and sellers continues to grow, putting housing affordability issues at the forefront of the conversation (see redfin.com, "It's a Buyer's Market...", February, 23, Lily Katz). The interest rate "lock-in effect" has created an environment where people will only move if they have to. The typical mortgage holder has a ~\$1,300 payment while the median home in today's market requires a monthly payment of \$2,236 - a 73.2% increase just to move!

Estimated Number of US Homebuyers and Sellers Actively in the Market



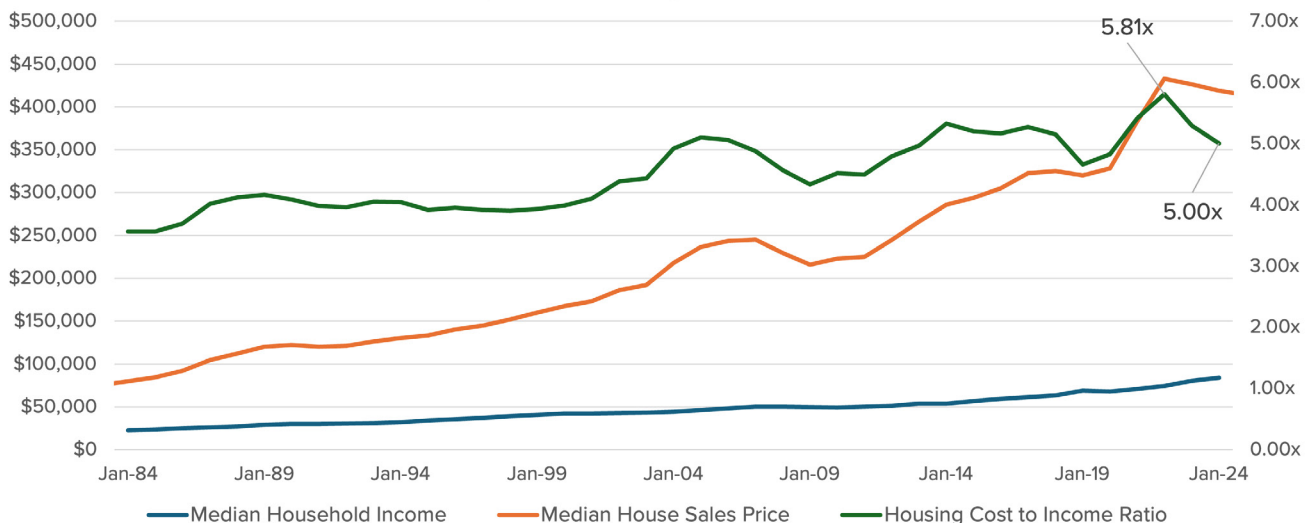
Source: Redfin, <https://nationalmortgageprofessional.com/>

Residential Mortgage Activity

We have begun to see some softening in pricing for single family homes throughout the United States, with the median home sale pricing falling from \$419k in 2024 to \$414k in 2025 - a 1.27% decrease pricing. With incomes growing 4% over the past 5 years, we expect the Housing Cost to Income Ratio to fall below 5x for the first time post Covid.

With the fall in mortgage rates, median home sales price, and growing incomes, we expect a moderate uptick in transactions this summer.

Housing Unaffordability Remains Elevated

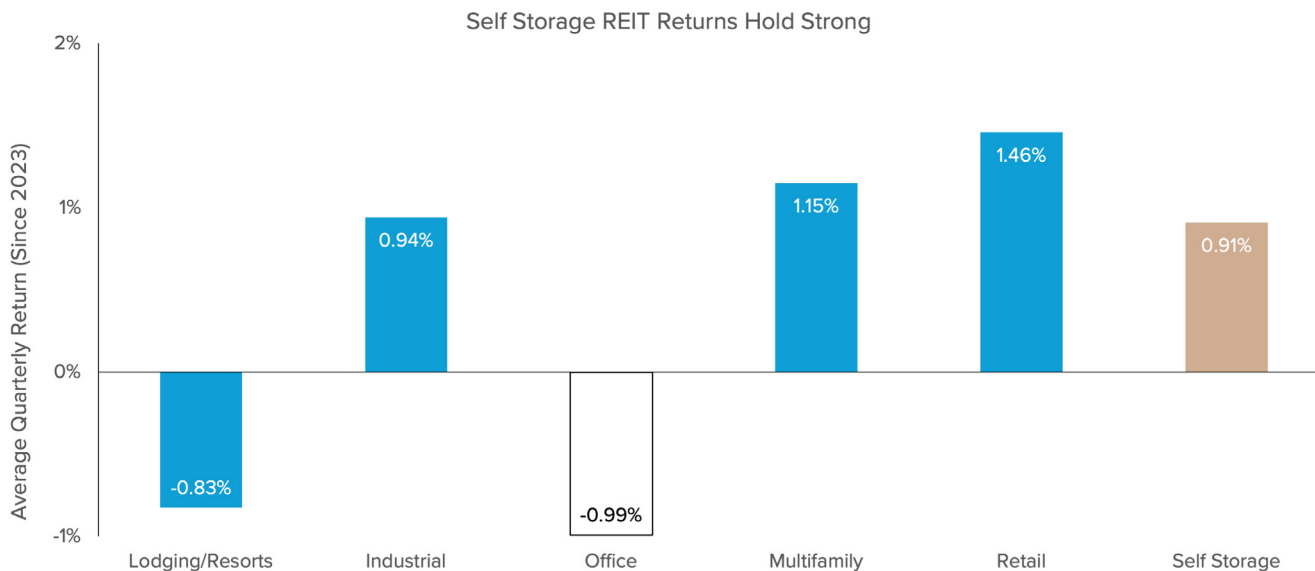


Source: fred.stlouisfed.org



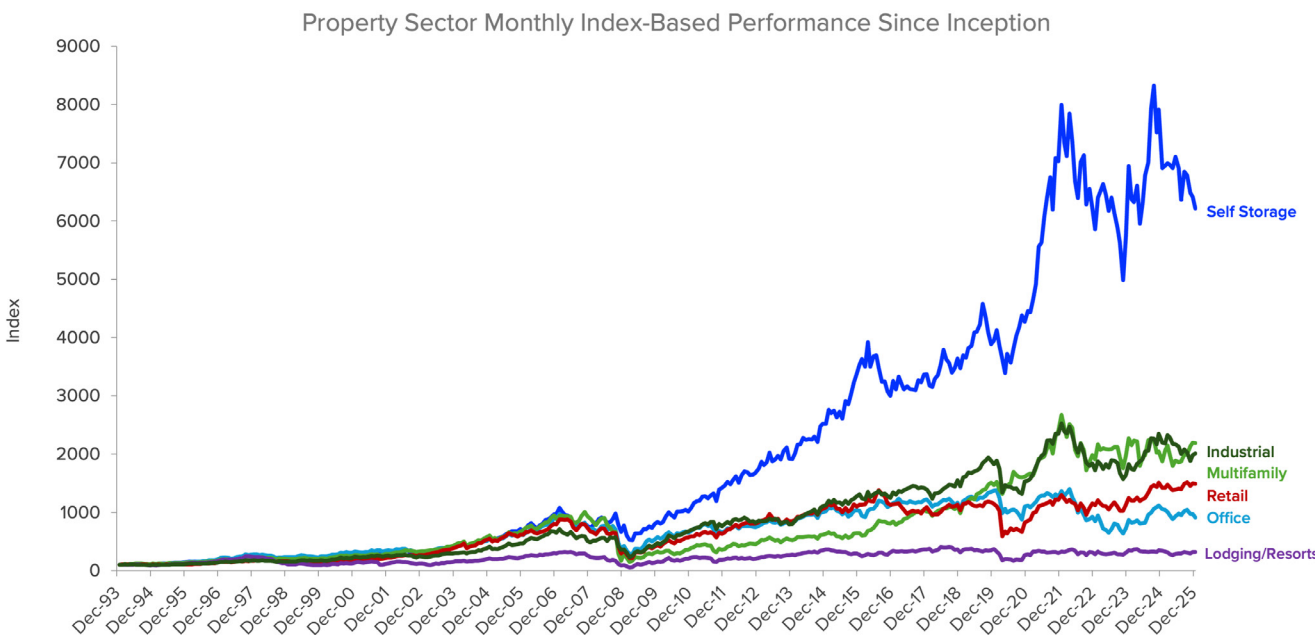
Self Storage vs. Primary CRE Asset Types

Since 2023, self storage has outperformed major CRE asset classes. Over the last quarter, we saw the sector enter the headlines, but not for good cause. In a lawsuit filed at the beginning of 2026, New York City has alleged Extra Space practices misleading promotional pricing strategies. U-Haul, while not tracked in our report, has announced one year price lock guarantees in response to this.



Source: ALREIT, DXD Capital, reuters.com/world/extra-space-storage-sued-by-nyc

Over the long-term, self storage has delivered superior index-based performance relative to other major property sectors. Since the Q1 2022 peak, we saw a pullback and subsequent recovery, bolstering self storage performance well above other REIT sectors. We expect self storage index based performance to level off in Q1 2026.



Source: NAREIT, DXD Capital

NOTABLE Q3 2025 STABILIZED SALES

Property Name	Location	Sales Price	\$/SF	NRSF	Climate Controlled	Months Open	Sold	Built	Sales Source
Life Storage	1454 39th St. Brooklyn, NY 11218	\$40,250,000	\$875	46,000	100%	32	Dec-25	Apr-23	CoStar
Space Shop Self Storage	1880 NE 123rd St. North Miami, FL 33181	\$31,500,000	\$433	72,750	100%	42	Dec-25	May-22	CoStar
Extra Space Storage	2274 Northlake Center Dr. Tucker, GA 30084	\$15,600,000	\$301	51,750	100%	32	Dec-25	Apr-23	CoStar
Extra Space Storage	6200 Hospitality Dr. Franklin, TN 37067	\$17,300,000	\$304	57,000	100%	34	Dec-25	Jan-23	Clarity-First
CubeSmart Self Storage	3637 N Central Ave. Chicago, IL 60634	\$17,950,000	\$226	79,500	100%	41	Nov-25	Jun-22	CoStar
Extra Space Storage	15870 SE 114th Ave. Happy Valley, OR 97015	\$18,400,000	\$239	76,872	92%	73	Nov-25	Oct-19	CoStar
AVERAGE		\$23,500,000	\$367		99%	36			

INSTITUTIONAL INVESTOR

Self-Storage: Structural Strength Meets Cyclical Opportunity

February 9, 2026



Self-storage has demonstrated itself to be a resilient and important component of real estate portfolios. Since Heitman began investing in the sector in 1996, we have observed its durability and outperformance against traditional sectors throughout economic cycles.

Source: institutionalinvestor.com/article/sponsored-content/self-storage-structural-strength-meets-cyclical-opportunity

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Property Name	Location	Sales Price	\$/SF	NRSF	Climate Controlled	Months Open	Sold	Built	Sales Source
Extra Space Storage	130 SW 12th Ave. Pompano Beach, FL 33069	\$12,400,000	\$166	74,500	100%	25	Dec-25	Nov-23	CoStar
Winnepesaukee Self Storage	1477 Lake Shore Rd. Gilford, NH 03249	\$9,575,000	\$240	39,917	100%	15	Nov-25	Aug-24	CoStar
Go Store It	8500 S Tyron St. Charlotte, NC 28273	\$10,000,000	\$168	59,416	100%	25	Oct-25	Aug-23	CoStar
AVERAGE		\$10,658,333	\$184	57,944	100%	9			

*The information provided, including date of facility opening, climate control mix, and net rentable square footage (NRSF), is sourced from Clarity First, CoStar, Radius+, and DXD evaluation. While every effort has been made to ensure accuracy, the data cannot be fully verified. Please use this information as a estimated reference only.

**Notable sales include facilities containing climate-controlled units built after the turn of the century in large MSA's.



Your guide to a smarter home loan.

Opendoor Says It Will Offer 4.99% Mortgage Rates to Its Home Buyer Customers

 Colin Robertson / March 3, 2026 / Home Buying, Mortgage News, Mortgage Rates



In a bid to drum up excitement for its new mortgage offering, Opendoor will apparently offer below-market mortgage rates to home buyers.

Per an X post, Opendoor CEO Kaz Nejatian said they would offer a 4.99% 30-year fixed mortgage with no points or fees.

That represents about a one percentage point discount relative to prevailing market rates, currently averaging closer to 6%.

Source: thetruthaboutmortgage.com/opendoor-says-it-will-offer-4-99-mortgage-rates-to-its-home-buyer-customers

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Term	Definition
Achieved Rates	The true rental rates a facility earns, calculated by dividing the total rental income by the net rentable square footage.
CUBE	New York Stock Exchange Ticker for CubeSmart
ECRI	(Existing Customer Rental Increase) Refers to an increase in the rental cost for an existing customer. Since most storage contracts are on a month-to-month basis, these increases can be implemented at whatever frequency the owner decides.
EXR	New York Stock Exchange Ticker Symbol for Extra Space Storage
In-Store Rates	The rate a customer would hypothetically pay if they walked into the facility and requested to rent a unit. However, these rates are rarely applied in practice and are primarily listed to make the web rate appear even more discounted.
PSA	New York Stock Exchange Ticker for Public Storage
REIT	(Real Estate Investment Trust) Usually a publicly traded company that owns and invests in real estate.
Storage PSF	Per Square Foot
Total Return	Total return in real estate is the overall profitability of an investment over a specific period, combining both capital appreciation (increase in property value) and income generated (net rental income or cash flow). Expressed as a percentage, it measures the full financial benefit, including price changes and cash distributions.
Web/Teaser Rates	The discounted introductory rate advertised online, often referred to as a teaser rate, is typically designed to attract customers but is usually increased shortly after the initial rental period.

Our platform is a unique hybrid of private equity, real estate development, and proprietary technology that leverages data at scale to identify optimal self storage investments. Learn about our ground-up real estate developments, value-add acquisitions, or fund investment opportunities.

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