



YEAR END 2024

# Quarterly Self Storage Download



DXD - Bristol, Rhode Island  
2024 Self Storage Facility of the Year

# INTRODUCTION



*Looking back on 2024, the industry experienced a year of moderation across several critical metrics—rental rates, occupancies, new supply, home sales, and interest rates all stabilized after the rapid fluctuations of prior years. However, self storage demand has faced headwinds as economic uncertainty has led consumers to pause major life transitions, such as moving or downsizing, and to reassess discretionary spending.*

*As we look ahead to 2025, we anticipate that demand will remain somewhat compressed in the short to medium term, particularly until single family home sales increase, which will cause more home movers looking for self storage. While this presents challenges for revenue management—requiring operators to balance customer acquisition with sustainable rental rates—it also creates strategic opportunities on the development side. With capital more selective and market fundamentals under increased scrutiny, only the highest-quality projects with strong underlying demand will move forward. This environment fosters disciplined growth and reduces competition among developers, positioning those with a long-term vision for success.*

*Internally, compare the current investment climate to a pivotal moment in the film Forrest Gump. Following a devastating hurricane, Forrest and Lieutenant Dan find themselves as one of the only remaining shrimping boats in the water, giving them an environment to grow with much less competition. Similarly, in self storage, market cycles naturally thin the competitive landscape, leaving those who can weather the storm well-positioned for strong returns when conditions improve.*

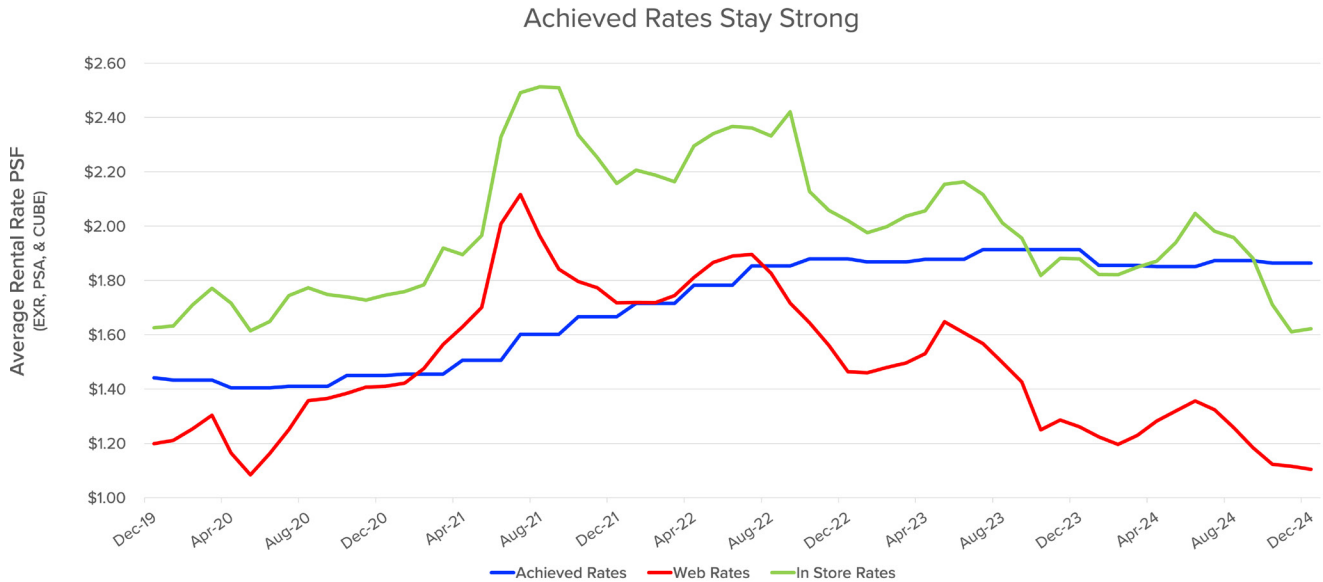
*At DXD Capital, we remain committed to identifying and executing on the best opportunities in this evolving market. Through data-driven decision-making and strategic discipline, we believe today's challenges will ultimately create tomorrow's success.*

For the latest insights and trends in the self-storage industry,  
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## MARKET WATCH

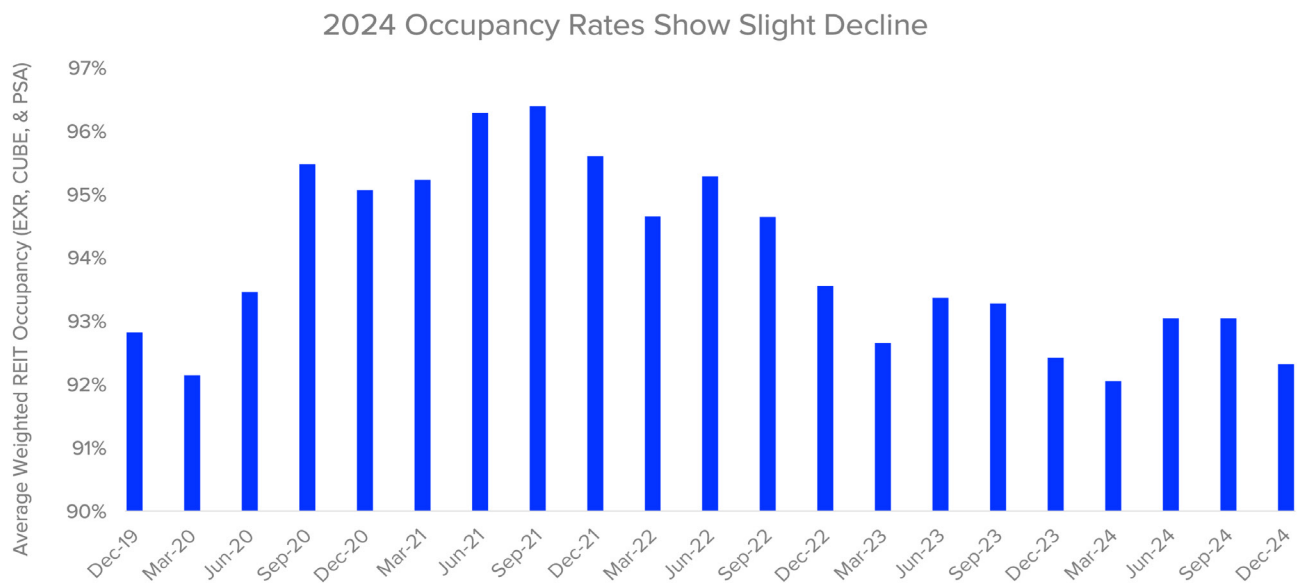
# Storage Rental Rate Trends

Web Rates and in-Store Rates have been declining over the past year, by 12% and 14%, respectively. DXD believes these continual declines in demand are a result of the worst housing market in decades. Notably, however, achieved rates declined only -3%. This is a result of the robust ECRI program the REIT operators have employed.



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

REIT occupancy levels dropped in Q4 to 92.3% from 93.0% in Q3. A 0.7% decline in occupancy from Q3 to Q4 is not uncommon and a result of less seasonal demand. Compared to Q4 2023, occupancy declined minimally, from 92.4% to 92.3%. This is evidence of the REIT's prioritizing high occupancy levels while sacrificing rental rates.

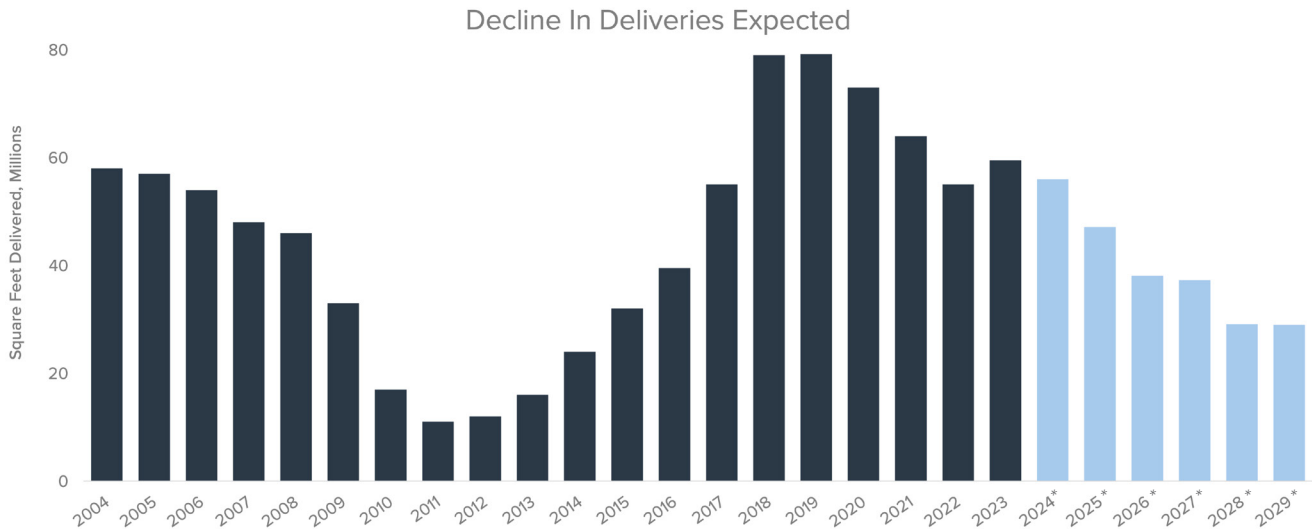


Source: Company Disclosures

## MARKET WATCH

# New Facility Deliveries

Difficult capital market environments, high construction costs, and rental rate pressures have caused a decline in expected development over the long term.

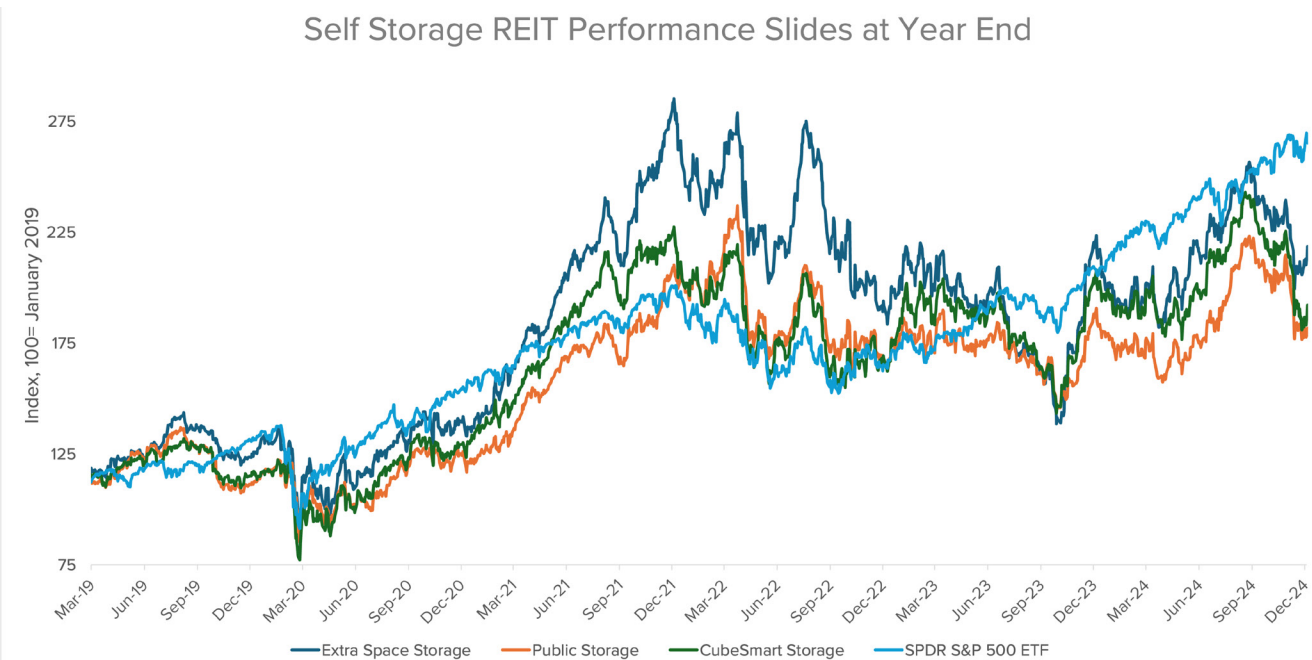


\*2024-2029 Figures are projected

Source: Marcus & Millichap, Yardi Matrix & DXD Capital

## REIT Performance

The self storage REITs performed in line with or exceeded the performance of the S&P 500 for most of 2021 and 2022 but have lagged in 2023 and 2024. This is a direct result of the industry's demand headwinds.

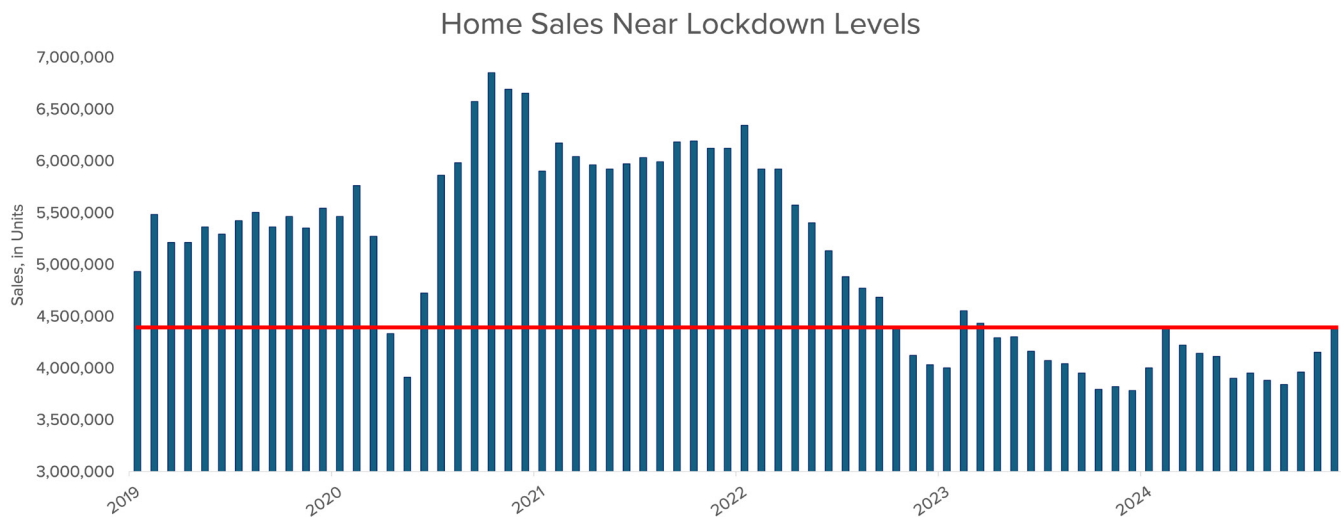


Source: Historical Stock Data via Nasdaq.com

## MARKET WATCH

# Existing Home Sales

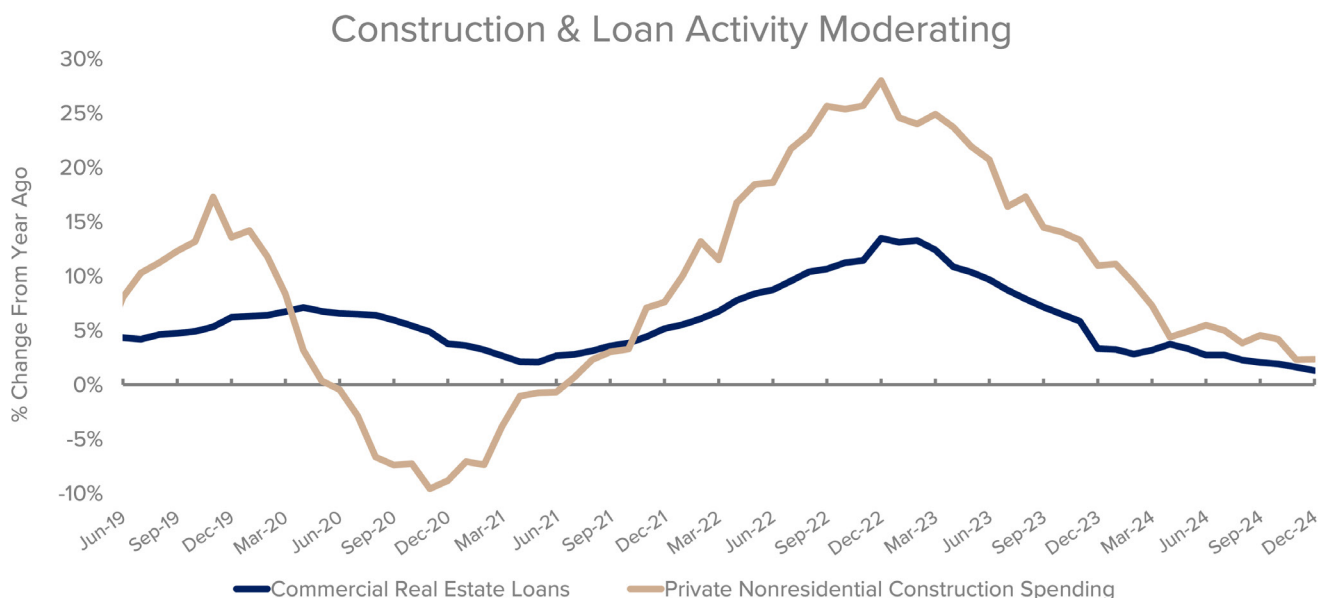
Home sales have dropped significantly from their 2020 and 2021 peaks. Storage demand has noticeably decreased due to the lack of home movers, which is tied to the reduction in home sales. However, as the housing market rebounds and the pendulum swings back, storage demand is expected to rise accordingly. Read DXD Blog: [Pent Up Demand Continues to Build](#) by Drew Dolan.



Source: National Association of Realtors via Mortgage News Daily

# Commercial Loan & Construction Activity

Construction and loan activity tend to move in tandem, as developers rely on loans to finance their projects. After experiencing sharp increases in both lending and spending, comparable to levels last seen in 2007, activity has since tapered off. While growth in both areas remains positive, it's clear that banks are not lending as much, and developers are not building as aggressively as they were a few years ago. Reduction in supply typically precedes good value growth in the midterm.



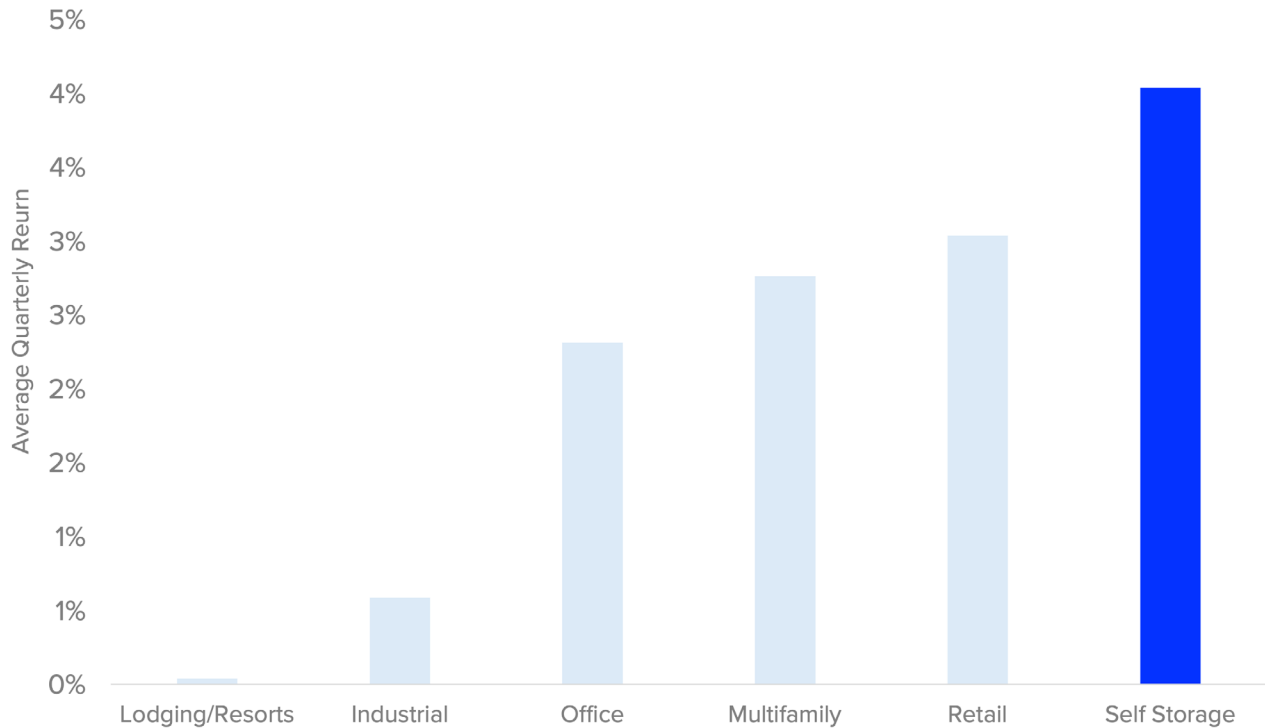
Source: Board of Governors of the Federal Reserve System & US Census Bureau via Federal Reserve Bank of St. Louis

## SELF STORAGE PERFORMANCE

# Self Storage vs. Primary CRE Asset Types

Despite recent rental demand headwinds, publically traded self storage companies have performed well compared to other primary real estate asset classes.

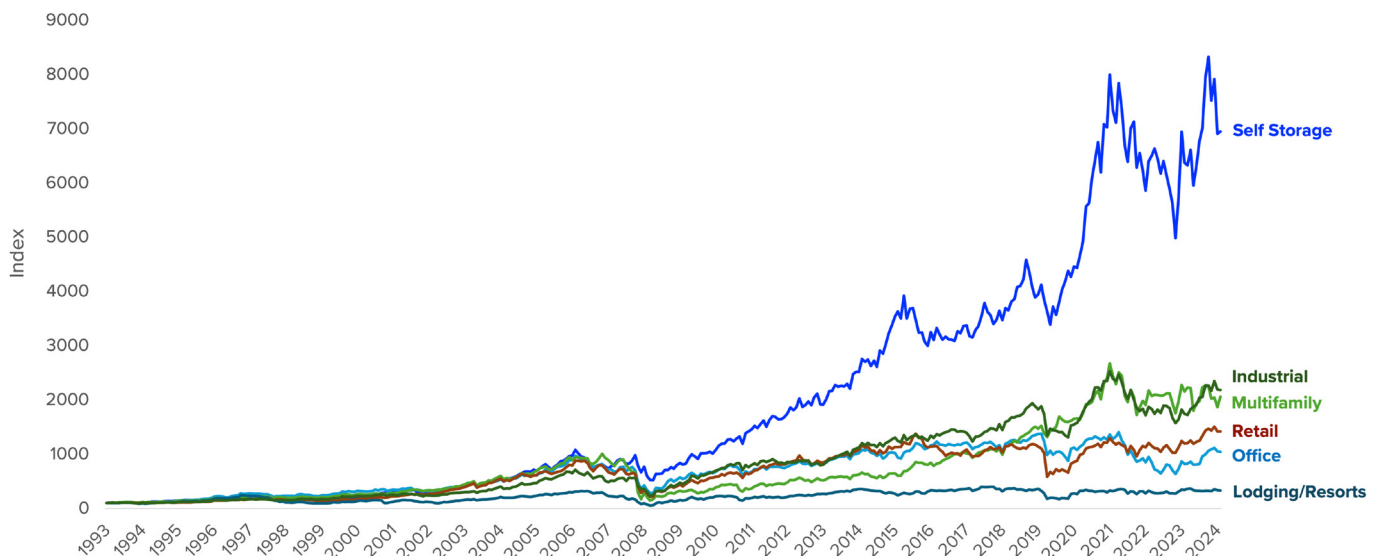
### Self Storage REITs Outperform Other Asset Classes



Source: ALREIT

Extra Space Storage reiterates self storage's outperformance of other real estate asset classes in its November 2024 Company Presentation "Storage has the highest cumulative total return of any real estate sector since 1999."

### Property Sector Monthly Index-Based Performance Since Inception



Source: NAREIT

## NOTABLE Q3 2024 STABILIZED SALES

| Property Name       | Location                                    | Sales Price         | \$/SF        | NRSF          | Climate Contolled | Months Open | Sold   | Built  | Sales Source                   |
|---------------------|---|---------------------|--------------|---------------|-------------------|-------------|--------|--------|--------------------------------|
| Extra Space Storage | 700 E Germann Rd, Chandler, AZ 85286        | \$20,000,000        | \$171        | 117,270       | 35%               | 266         | Nov-24 | Jan-03 | CoStar                         |
| Extra Space Storage | 6680 Clark Ave, Newark, CA 94560            | \$41,000,000        | \$287        | 142,654       | 100%              | 48          | Dec-24 | Jan-21 | Cushman + Wakefield            |
| Extra Space Storage | 33620 21st Ave SW, Federal Way, WA 98023    | \$25,100,000        | \$432        | 58,073        | 50%               | 59          | Dec-24 | Feb-20 | Clarity First                  |
| Extra Space Storage | 300 Sicklerville Rd, Sicklerville, NJ 08081 | \$15,100,000        | \$263        | 57,479        | 96%               | 58          | Oct-24 | Jan-20 | CoStar                         |
| SmartStop Storage   | 30 Terrace Rd, Ladera Ranch, CA 92694       | \$70,000,000        | \$507        | 138,000       | 92%               | -           | Dec-24 | -      | Solar Quarter                  |
| SmartStop Storage   | 3633 Walden Cir, Aurora, CO 80011           | \$14,650,000        | \$168        | 87,438        | 79%               | 67          | Dec-24 | Jun-19 | RE Business Online             |
| SmartStop Storage   | 1401 22nd St SE, Washington, DC 20020       | \$18,000,000        | \$346        | 52,082        | 100%              | 51          | Dec-24 | Oct-20 | Yahoo Finance                  |
| CubeSmart           | 302 Dyckman St, New York, NY 10034          | \$17,000,000        | \$432        | 39,377        | 100%              | 27          | Nov-24 | Aug-22 | Crain's New York Business      |
| CubeSmart           | 74-16 Grand Ave, Flushing, NY 11373         | \$51,000,000        | \$481        | 105,950       | 100%              | 23          | Nov-24 | Dec-22 | Crain's New York Business      |
| CubeSmart           | 5965 SE Harmony Rd, Milwaukie, OR 97222     | \$10,450,000        | \$174        | 60,063        | 100%              | 54          | Nov-24 | Jun-20 | CoStar                         |
| CubeSmart           | 4400 SW 75th Ave, Miami, FL 33155           | \$29,000,000        | \$417        | 69,606        | 100%              | 64          | Dec-24 | Sep-19 | South Florida Business Journal |
| Public Storage      | 240 Park Ave, Pooler, GA 31322              | \$14,000,000        | \$213        | 65,825        | 82%               | 85          | Dec-24 | Dec-17 | CoStar                         |
| Public Storage      | 6346 Nolensville Pike, Nashville, TN 37211  | \$18,000,000        | \$236        | 76,168        | 86%               | 207         | Dec-24 | Dec-07 | CoStar                         |
| Public Storage      | 6002 Cumming Hwy, Sugar Hill, GA 30518      | \$13,000,000        | \$178        | 73,060        | 100%              | 34          | Dec-24 | Feb-22 | CoStar                         |
| Public Storage      | 444 Co Rd 466A, Fruitland Park, FL 34731    | \$13,000,000        | \$195        | 66,755        | 43%               | 85          | Dec-24 | Dec-17 | West Orlando News              |
| <b>AVERAGE</b>      |   | <b>\$24,620,000</b> | <b>\$305</b> | <b>80,653</b> | <b>84%</b>        | <b>81</b>   |        |        |                                |

### COMMERCIAL OBSERVER

## Carlyle Group Picks Up Two Storage Properties in NYC for \$68M

The Carlyle Group has locked up two storage properties in New York City from Storage Deluxe for a total of \$68 million, according to city records made public last week.

BY ISABELLE DURSO DECEMBER 4, 2024 2:41 PM

REPRINTS



CARLYLE GROUP CEO AND DIRECTOR HARVEY SCHWARTZ AND 308 DYCKMAN STREET.



PHOTOS: STEVEN FERDMAN/GETTY IMAGES; PROPERTYSHARK

## NOTABLE Q3 2024 LEASE-UP SALES

| Property Name       | Location                                     | Sales Price         | \$/SF        | NRSF          | Climate Controlled | Months Open | Sold   | Built  | Sales Source                   |
|---------------------|--|---------------------|--------------|---------------|--------------------|-------------|--------|--------|--------------------------------|
| All Aboard Storage  | 8325 US-1, Bunnell, FL 32110                 | \$13,000,000        | \$212        | 61,294        | 69%                | 33          | Nov-24 | Feb-22 | CoStar                         |
| UHaul               | 131 S Wesleyan Blvd, Rocky Mount, NC 27804   | \$10,250,000        | \$169        | 60,569        | 100%               | 21          | Nov-24 | Feb-23 | CoStar                         |
| Extra Space Storage | 6949 Mableton Pky SE, Mableton, GA 30126     | \$13,200,000        | \$198        | 66,528        | 100%               | 0           | Nov-24 | Nov-24 | CoStar                         |
| Extra Space Storage | 10448 N Port Washington Rd, Mequon, WI 53092 | \$16,400,000        | \$170        | 96,372        | 100%               | 30          | Oct-24 | Apr-22 | Spare Foot                     |
| Public Storage      | 1924 Old Cornelia Hwy, Gainesville, GA 30501 | \$10,100,000        | \$231        | 43,757        | 100%               | 19          | Oct-24 | Mar-23 | CoStar                         |
| Public Storage      | 108 Noah Dr, Franklin, TN 37064              | \$15,500,000        | \$233        | 66,525        | 100%               | 23          | Dec-24 | Jan-23 | CoStar                         |
| CubeSmart           | 11700 NW 41st St, Coral Springs, FL 33065    | \$16,200,000        | \$280        | 57,910        | 100%               | 11          | Dec-24 | Jan-24 | South Florida Business Journal |
| <b>AVERAGE</b>      |  | <b>\$19,475,000</b> | <b>\$259</b> | <b>75,085</b> | <b>100%</b>        | <b>17</b>   |        |        |                                |

\*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.

## Private equity giant pays \$16 million for new Broward building



- Ares Management bought a Coral Springs facility for \$16.2 million.
- The facility has 814 climate-controlled units, operated by CubeSmart.
- Invesco Real Estate provided a \$14.19 million mortgage to Ares.

For the latest insights and trends in the self-storage industry, [click here to subscribe](#) to our weekly newsletter!



## GLOSSARY

| <b>Term</b>             | <b>Definition</b>  |
|-------------------------|--|
| <b>Achieved Rates</b>   | The true rental rates a facility earns, calculated by dividing the total rental income by the net rentable square footage.   |
| <b>In-Store Rates</b>   | 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.     |
| <b>Web/Teaser Rates</b> | 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.   |
| <b>ECRI</b>             | (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. |
| <b>REIT</b>             | (Real Estate Investment Trust) Usually a publicly traded company that owns and invests in real estate.   |
| <b>EXR</b>              | New York Stock Exchange Ticker Symbol for Extra Space Storage  |
| <b>PSA</b>              | New York Stock Exchange Ticker for Public Storage  |
| <b>CUBE</b>             | New York Stock Exchange Ticker for CubeSmart   |
| <b>Storage PSF</b>      | Per Square Foot  |

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. [Click here to join our network of investors.](#)

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