

WEEKLY NEWSLETTER



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U.S. Inflation Falls More Than Expected to 2.4% in January

- U.S. inflation eased to 2.4% year-over-year in January, down from 2.7% in December and below the 2.5% economists had expected.
- The Consumer Price Index rose 0.2% month-over-month, with shelter increasing 0.2% and energy declining 1.5%.
- Core inflation (excluding food and energy) declined to 2.5% from 2.6% in December, marking its lowest level since March 2021.

Extra Space Storage Reports Q4 2025 Results

- Extra Space reported net income of \$1.36 per share, up 9.7% year over year, and Core Funds from Operations of \$2.08 per share, up 2.5%.
- Same-store revenue increased 0.4% and same-store net operating income rose 0.1%, while quarter-end occupancy declined to 92.6% from 93.3% a year ago.
- The company acquired 41 wholly owned stores in 2025 for approximately \$483.6 million and expanded its joint venture investments.

Our Thoughts

- The inflation moderation increased market expectations for additional Fed rate cuts this year, though policymakers remain in a wait-and-see posture given strong recent job growth and potential data distortions.
- Extra Space posted modest growth with stable same-store performance, though occupancy remains slightly lower year over year. Ongoing acquisition activity suggests management remains confident in long-term sector performance.