ARDIAN REAL ESTATE

Self-storage in Europe

SCALING IN A STRUCTURALLY UNDERSUPPLIED MARKET

ARDIAN

INTRODUCTION

The European real estate landscape is undergoing a structural rebalancing. As traditional sectors such as offices face secular headwinds, investors are increasingly allocating capital toward operational real estate segments that offer structural demand growth and resilient cash flows. This shift is partly driven by a higher-for-longer interest rate environment and persistent inflation, increasing the appeal of operational sectors offering greater repricing flexibility.

Within this context, **self-storage stands out as an attractive opportunity for institutional allocators in Europe**. Over the past decade, the sector has transitioned from a fragmented, entrepreneurial market into a recognized institutional asset class. Crucially, this expansion has been demand-led. The European population now using self-storage has been rising steadily as awareness spreads and use cases broaden. Facility counts have expanded materially, transaction volumes have reached record levels and scaled platforms have begun to emerge. Yet supply remains scarce and unevenly distributed: new development is constrained by planning restrictions and the unavailability of suitable urban sites, while demand continues to broaden across a widening base of residential and commercial users. The result is a market where quality provision struggles to keep pace with structural need – supporting occupancy, pricing power and long-term growth potential.

At Ardian, we see this combination of structural tailwinds and market immaturity as a clear opportunity to build at institutional scale across Europe's key metropolitan markets.

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WHY SELF-STORAGE? WHY NOW?

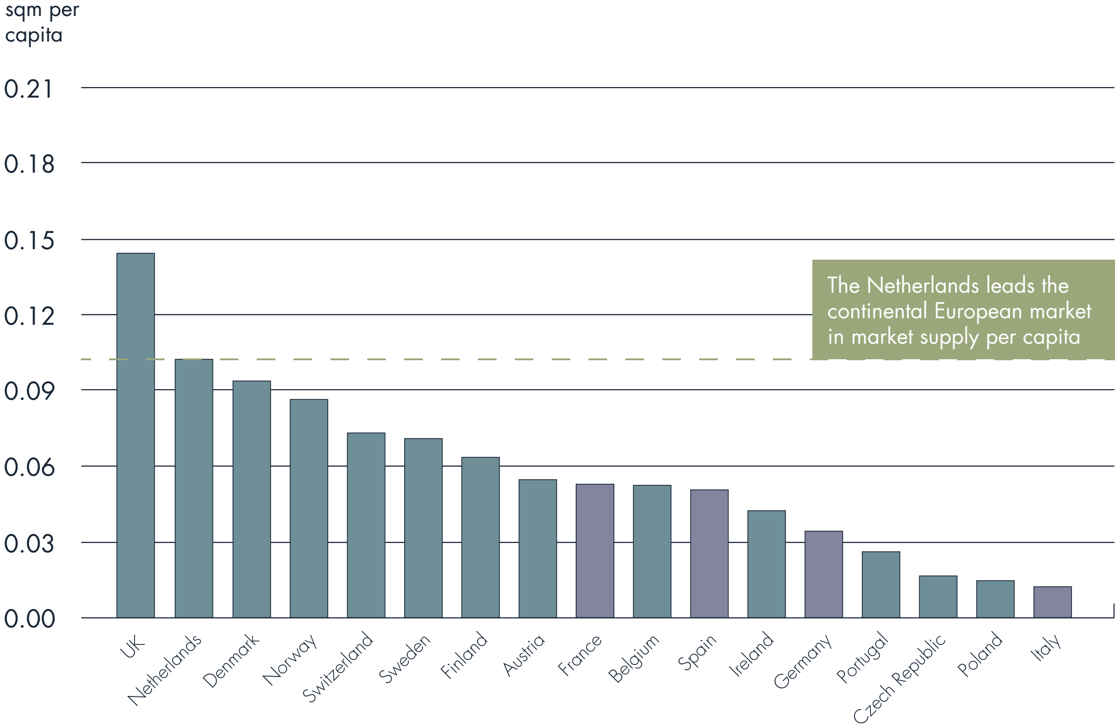
The growing institutional recognition of self-storage is part of a wider transformation within European real assets. Higher-for-longer interest rates and persistent inflation volatility have sharpened investor focus on assets with short income duration, granular demand and frequent repricing mechanisms. Self-storage operators benefit from materially greater pricing flexibility than traditional long lease real estate, allowing revenues to adjust rapidly to changing market conditions.

What was once a market dominated by small, owner-operated facilities (**estimates place around 75% of self-storage centers as mom-and-pop operations**[1]) **has evolved into a sector characterized by scaled platforms, cross border consolidation and growing portfolio liquidity.** This institutionalization underscores the sector's strong structural momentum and its increasing compatibility with large scale capital deployment. **Despite rapid expansion over the past decade, Europe's self-storage market remains structurally undersupplied.** Facility counts across the UK and Europe increased from approximately 1,700 in 2012 to over 6,000 by 2023, representing growth of roughly 250%. This expansion has been demand-led. Usage has risen consistently across economic cycles, with around 4% of the European population now using self-storage. There remain significant opportunities within Europe for increased market penetration. Even compared to the Netherlands, continental Europe's most developed market, the supply per capita in countries such as France, Spain, Germany and Italy remains materially lower yet occupancy continues to be high. This is a market with a proven demand that continues to grow across both residential and commercial segments.

Planning restrictions, scarce infill land and stringent zoning regulations in dense urban centers create powerful barriers to new supply, structurally limiting the risk of oversupply cycles.

[1] The Self-Storage Almanac 2024, Modern Storage Media

ESTIMATED SPOT SUPPLY PER CAPITA AS OF 2025



Source: Green Street European Self Storage Annual Sector Outlook, p.21

SCALING AND INSTITUTIONALIZATION

Institutional scale within European self-storage is increasing rapidly. Multiple platforms are now valued above €1 billion, and portfolios in the €100–200 million range have become more common, enabling meaningful single transaction capital deployment.[2] This scale supports cross border expansion strategies and enhances liquidity for institutional investors.

The European self-storage market remains highly fragmented, comprising more than 10,500 facilities across numerous local and regional operators. The majority of assets are still controlled by small, local owner-operators.[3]

This fragmentation creates a fertile environment for consolidation, platform creation and operational arbitrage at scale.

Transaction volumes across the UK and Europe reached a record €1.2 billion in 2024, up sharply from €176 million in 2020, confirming the sector's maturation as an institutional investment product. Private equity has emerged as the dominant buyer class, accounting for 59% of 2025 YTD transaction volumes, alongside continued activity from listed REITs and established operators.[4]

Ownership structures are also evolving. While freehold, owner-operated assets still represent the majority of facilities, **the market is increasingly adopting joint ventures, sale leasebacks and institutional partnerships**.[5] These structures enable capital efficient market entry, align operational expertise with investment scale and facilitate faster portfolio growth across multiple jurisdictions.

[2] Savills, UK & European self-storage, Q4 2025, p.13
[3] CBRE, FEDESSA European self-storage Industry Report 2025, p.6-7
[4] CBRE, FEDESSA European self-storage Industry Report 2025, p.13
[5] CBRE, FEDESSA European self-storage Industry Report 2025, p.46-47

€1.2bn

TRANSACTION VOLUME OF SELF-STORAGE ACROSS THE UK AND EUROPE IN 2024

SPOTLIGHT ON...

Italy

Italy is Europe's least mature major market with only 190,000 sqm of stock serving 60 million people (significantly lower supply/capita than the Netherlands' 1.24m sqm for a population a third the size). Yet, it offers occupancy rates at 81.4%, above the European average of 78%, underlining opportunity for further institutionalization.

Source: CBRE, FEDESSA European self-storage Industry Report 2025; Green Street European Self Storage Annual Sector Outlook, p.21

France

At 2.69 million sqm France is Europe's second largest self-storage market by stock yet supply per capita remains materially below the Netherlands. Prime urban centers are already operating at 85–95% occupancy, well above the 78% European average.

Source: CBRE, FEDESSA European self-storage Industry Report 2025; Cushman & Wakefield p.25

Germany

Germany remains undersupplied relative to its residential mobility rates. Development margins in the top seven German residential markets are estimated at around 25%, making it among the more attractive on the European continent and well ahead of the UK (estimated at 10/20% outside/inside London).

Source: Green Street European Self Storage Annual Sector Outlook, p.18, p.22

Spain

Spain presents some of the most compelling development economics in Europe with estimated margins of around 45% at current land and construction costs. Savills notes that in 2026, "the Iberian market is set for aggressive expansion, reflecting the region's structurally underpenetrated Self Storage market."

Source: Savills, UK & European self-storage, Q1 2026; Green Street European Self Storage Annual Sector Outlook, p.22

OPERATIONAL VALUE CREATION

As the sector institutionalizes, value creation increasingly extends beyond simple asset aggregation. Scale, data and technology are becoming critical drivers of performance and meaningful barriers to entry.

Digital transformation has advanced, with nearly half of operators enabling fully online booking and payment.[6] This shift reduces staffing requirements, while improving costs for the customer.

Despite the importance of technology and scale, **all operational value creation levers share a common prerequisite: local presence**.

Effective deployment of these levers depends on the ground expertise that unlocks nuanced market knowledge.

This reinforces the structural advantage of vertically integrated platforms with embedded local teams across key European markets — an approach that Ardian views as essential to building resilient, institutional grade self-storage businesses.

[6] CBRE, FEDESSA European self-storage Industry Report 2025, p.48
[7] CBRE, FEDESSA European self-storage Industry Report 2025, p.52

With digitalization rises the adoption of remotely managed facilities, particularly in Nordic and Central European markets.[7] Centralized operations and leaner staffing models have the ability to deliver tangible margin expansion while reinforcing scale advantages.

Operators are also leveraging AI enabled tools for a wide range of strategic advantages including dynamic pricing and demand forecasting. These systems allow operators to optimize both occupancy and rental rates simultaneously, a capability that compounds materially across large portfolios.

At the same time, **ESG integration is emerging as a core value driver**. Energy efficiency retrofits – including LED lighting, solar installations, and improved insulation – reduce operating costs and can enhance exit valuations as sustainability considerations become increasingly central to institutional capital allocation.

INFLATION RESILIENCE

European self-storage has shown notable demand resilience based on data collected between 2024 and 2025. Even amid macroeconomic uncertainty, **the sector has maintained stable occupancy and continued rental growth.**[8] Average rental rates increased by over 5% in 2025 compared to 2024,[9] while assets continue to operate at 78% occupancy in Europe – up to 85% to 95% occupancy in prime centers in France.[10]

This defensive income profile is underpinned by short contractual duration and frequent repricing, allowing operators to respond rapidly to inflationary pressures. Operational cash break-even levels – typically in the 30–40% range – are materially lower than in other operational real estate sectors, supporting cash flow resilience during lease up periods or temporary demand softness.

Existing customer rate increases have run at 5–10% per annum over the long term, reaching 10–15% during the period of peak inflation between 2021 and 2023. This provides a compounding revenue layer that operates independently of new customer acquisition. As centers mature, existing customers become an important driver of growth. They often stay longer than originally anticipated, represent a larger share of occupied space and are often less price-sensitive than new customers.[11]

5%

INCREASE IN AVERAGE EUROPEAN SELF-STORAGE RENTAL RATES IN 2025

[8] CBRE, FEDESSA European self-storage Industry Report 2025, p.34-35
[9] CBRE, FEDESSA European self-storage Industry Report 2025, p.35
[10] Cushman & Wakefield, p.25
[11] Green Street European Self Storage Annual Sector Outlook, p.26

Demand for self-storage in Europe is underpinned by durable structural shifts across European markets, including:

- Continued **urbanization** and shrinking living space in major metropolitan areas
- Rising **social mobility** and relocation driven storage needs
- **E-commerce** and small businesses growth requiring flexible inventory solutions
- **Lifestyle shifts** toward minimalism and seasonal storage
- **Life events** such as downsizing, divorce or inheritance, which generate immediate storage demand

Importantly, while **customers often enter the sector out of necessity, they frequently remain for convenience,** supporting recurring revenue and relatively low churn once units are occupied.

THE BOTTOM LINE

Over the last decade, Europe's self-storage market has demonstrated rapid scalability, yet remains structurally undersupplied. While demand continues to deepen, supply quality remains structurally constrained, offering a long runway for potential future growth.

As the market continues to institutionalize, investors who can combine capital with on-the-ground expertise and proven platform building capabilities are particularly well positioned.

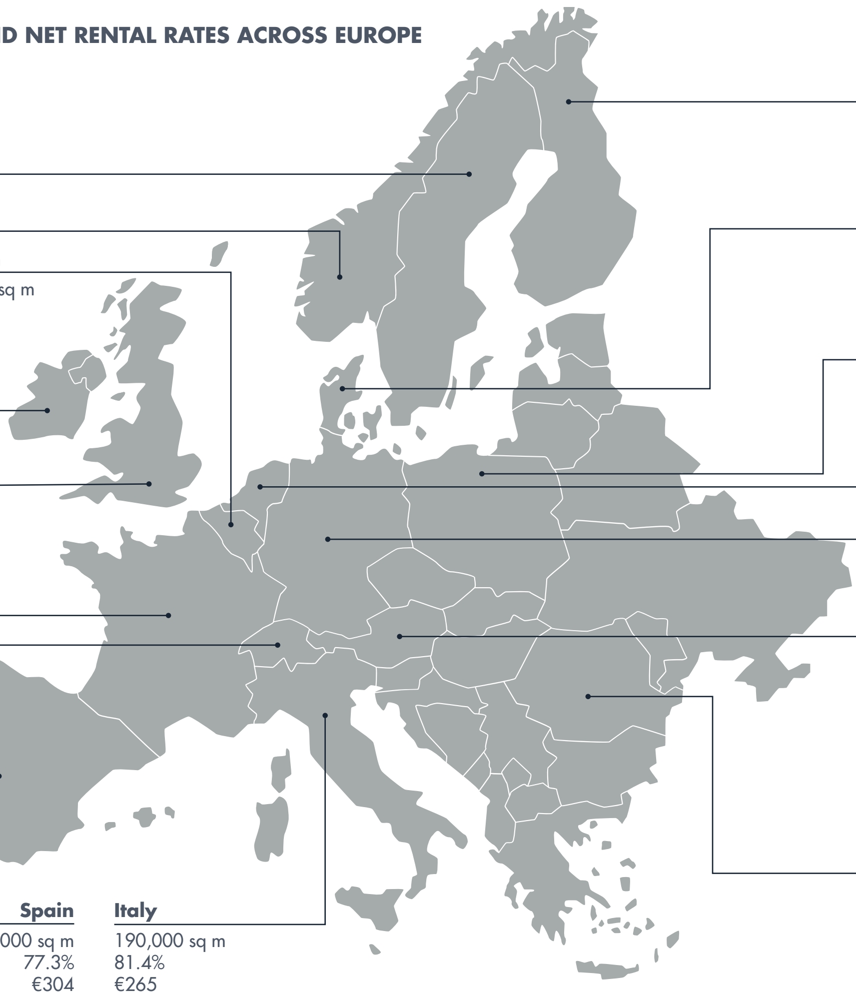
Building and scaling a pan European self-storage platform today has the potential to generate a compelling risk-return profile, supported by pricing power and operational leverage. We believe this positions the sector as a durable component of forward-looking real asset portfolios.

> "At Ardian, we see this combination of structural tailwinds and market immaturity as a clear opportunity to build at institutional scale across Europe's key metropolitan markets."

Edmund Eggins
Head of Spain and
Managing Director

Source: CBRE, FEDESSA European self-storage Industry Report 2025, p. 6-7

CAPACITY, OCCUPANCY AND NET RENTAL RATES ACROSS EUROPE



Sweden
530,000 sq m
87.4%
€217

Norway
365,000 sq m
73.3%
€269

Belgium
260,000 sq m
88.4%
€235

Ireland
210,000 sq m
80.5%
€321

UK
6,093,139 sq m
75.1%
€375

France
2,690,000 sq m
80.2%
€294

Switzerland
200,000 sq m
75.6%
€510

Portugal
140,000 sq m
72.7%
€207

Spain
2,000,000 sq m
77.3%
€304

Italy
190,000 sq m
81.4%
€265

Finland
220,000 sq m
74.9%
€286

Denmark
340,000 sq m
89.3%
€316

Poland
225,000 sq m
78.1%
€182

Netherlands
1,240,000 sq m
85.3%
€243

Germany
2,394,734 sq m
75.0%
€292

Austria
346,000 sq m
73.7%
€326

Romania
60,000 sq m
78.3%
€136

Sq m Total floor space **%** Average store occupancy **€** Average annual net rental rates per sq m/annum exclusive of VAT

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