SELF STORAGE MARKET OVERVIEW

Third Quarter 2012

Analysis of the Industry's Public Companies

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REAL ESTATE SERVICES

SELF STORAGE GROUP

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- **Very competitive acquisition market** among new private REITs, private equity firms, and the public companies. Low cost of capital for debt and equity markets have maintained healthy investment spreads on acquisitions.

- **Revenue increases ranging from 4.1% to 8.0% driven by three factors**:
  1. Increasing rates on existing tenants.
  2. Reduced promotional discounts and bad debt expenses.
  3. Higher occupancies.

- **Hurricane Sandy** caused limited damage to facilities in affected areas, demand to increase occupancies in tri-state area of New Jersey, New York, and Connecticut.

- **"Capturing the right customer, at the right price, at the right time."**
  - *Spencer Kirk, CEO, Extra Space Storage, on revenue management*

- **Discounts being reduced as result of higher occupancies.**

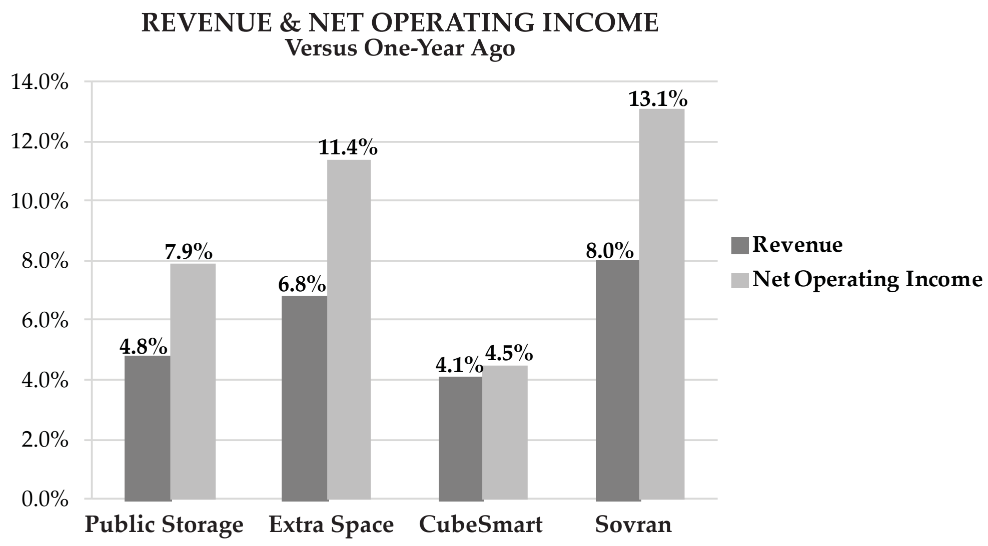
- **"In 17 years covering the self storage industry, I have never seen anybody put up the level of occupancy growth this year."**
  - *Ross Nusbaum, UBS, Managing Director - REITs, on Sovran's 670 basis point occupancy gain this year versus one year ago*

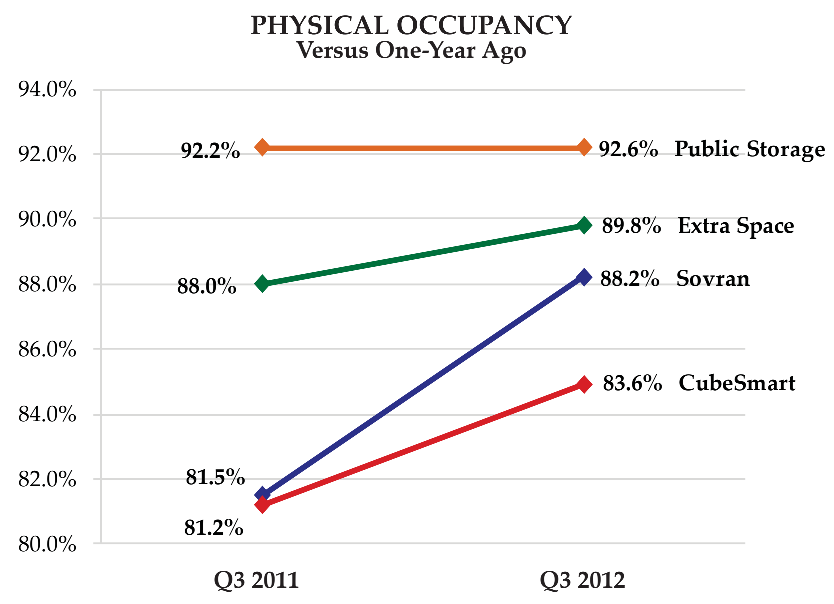
- **Tenant Insurance** has been significant incremental revenue generator over recent quarters, as insurance penetration steadily growing following conscious marketing efforts by public companies.

- **Implied Cap Rates** based on common share prices:

Public Storage (PSA)	4.6%
Extra Space Storage (EXR)	5.4%
CubeSmart (CUBE)	5.8%
Sovran Self Storage (SSS)	6.7%

	Public Storage	Extra Space Storage	CubeSmart	Sovran
Number of Properties:	**2,090** U.S. **189** Europe	**910**	**519**	**443**
Third Party Management:	**35-40**	**190**	**137**	**11**
Joint Ventures:		**304**		**55**
Revenue, Same-Store vs. one-year ago:	**+4.8%**	**+6.8%**	**+4.1%**	**+8.0%**
Net Operating Income, Same Store vs. one-year ago:	**+7.9%**	**+11.4%**	**+4.5%**	**+13.1%**
Occupancy, Same-Store:	**92.7%** (weighted avg)	**89.8%**	**84.9%**	**88.2%**
vs. one-year ago:	**92.2%**	**88.0%**	**81.2%**	**81.5%**
Average Rent Per Occupied Square Foot:	**$13.79**	**$13.83**	**$11.33** **($12.45 including Storage Deluxe and other new assets)**	**$10.61**


REVENUE & NET OPERATING INCOME
Versus One-Year Ago
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
4.8%
7.9%
6.8%
11.4%
4.1%
4.5%
8.0%
13.1%
Public Storage
Extra Space
CubeSmart
Sovran
Revenue
Net Operating Income


PHYSICAL OCCUPANCY
Versus One-Year Ago
94.0%
92.0%
90.0%
88.0%
86.0%
84.0%
82.0%
80.0%
92.2%
92.6% Public Storage
88.0%
89.8% Extra Space
88.2% Sovran
83.6% CubeSmart
81.5%
81.2%
Q3 2011
Q3 2012

	Public Storage (PSA)	Extra Space Storage (EXR)	CubeSmart (CUBE)	Sovran (SSS)
Market Capitalization:	**$24.81 billion**	**$3.78 billion**	**$1.67 billion**	**$1.82 billion**
Funds From Operations:	**$1.73/share**	**$0.43/share (+34.4%)**	**$0.18/share**	**$0.85/share (+107%)**
Dividend per Common Share:	**$1.10/share**	**$0.20/share**	**$0.08/share**	**$0.45/share**
Common Stock Price				
November 12, 2012:	**$145.28**	**$35.24**	**$13.11**	**$61.07**
52-Week Range:	**$121.39 to $152.68**	**$22.16 to $35.70**	**$9.03 to $13.66**	**$39.03 to $61.40**

PUBLIC STORAGE:

- **Acquired** 8 facilities and 2 others under contract. Total 2012 acquisition volume just over $200 million.

- Four of the **acquisitions** in third quarter totaling $56 million consist of 300,000 net rentable square feet with locations in Hawaii (2), New Jersey, and California.

  The two Hawaii properties **purchased "off-market"** for about $250 per square foot representing a 10% to 15% premium to replacement cost. Going-in cap rate about 2% to 2.5% but based on current occupancy of only about 45% to 50%.

- Subsequent to end of the quarter, **acquired** 4 facilities for approximately $43 million, consisting of about 409,000 net rentable square feet with locations in Texas, New York, Georgia, and Arizona.

- **Under contract** for 2 facilities for about $21 million, consisting of 218,000 net rentable square feet with locations in Georgia and California.

- 60% to 70% of **properties acquired this year in a form of distress** with low going-in yields., with anticipated stabilized yields of 7% to 9%.

EXTRA SPACE STORAGE:

- During the quarter, **purchased** 53 properties for about $449.5 million, including 36 properties for $298 million from acquisition of Prudential Real Estate Investors' ("PREI") 94.9% interest in the ESS PRISA III joint venture. The joint venture, formed in 2005, owned 36 properties in 18 states. The other 17 properties, totaling about $151 million, are located in California, Colorado, New Jersey, New York, South Carolina, Texas, Utah, and Virginia.

- Six properties placed **under contract** for $51.6 million, located in Florida, Massacusetts and New Jersey expected to close by year end.

- Cap rates targeting 6.5% to 8% depending on market and places within each market. Cap rates in the 6's for the best markets, 7's in secondary markets.

- Subsequent to end of quarter, entered into **Agreement** with joint venture partner Heitman to acquire the Heitman's entire interest in ownership of 21 self storage properties in 11 states, consisting of about 1.7 million rentable square feet with about 13,600 units. The properties are approximately 89% occupied.

CUBESMART:

- **Acquired** self storage assets and joint venture equity interests totaling $266.5 million during the quarter. Combined with $20.5 million under contract, brings total value of acquisitions year-to-date to $437.6 million.

- During the third quarter, **purchased** 14 properties totaling $85.9 million. Properties located in Colorado, Connecticut, Georgia, New Jersey, Texas and Virginia.

  In addition, **closed** on final Storage Deluxe asset for $68.2 million, which included assumption of $29.3 million of secured debt - final part of the acquisition of 22 facilities primarily in greater New York City for $560 million.

- Excluding Storage Deluxe and following joint venture transactions, has **closed** or is **under contract** for 21 assets for $123.3 million, 3 of these for about $23 million acquired from third-party management platform.

Joint Ventures

- In September, **purchased** 50% equity ownership of joint venture partner, Harrison Street Real Estate Capital, in 9 properties for $21.7 million, and paid off approximately $59.3 million of mortgage loans, resulting in total capital outlay of $81 million. Locations include 1 in greater New York, 3 in Philadelphia, 2 in New Jersey, 2 in Fairfax, Virginia, and 1 in Fort Lauderdale. Occupancy for these properties in high 80's% with a **going-in yield of about 6.6%**.

- **Purchased** remaining 50% equity interest in the HART joint venture, an affiliate of Heitman, LLC, for $61.1 million. Joint venture formed in August 2009 and consisted of 22 unencumbered properties in 8 states.

CUBESMART:

Dispositions vs. Acquisitions

- Year-to-date, closed on **disposition** of 26 assets for $59.9 million. These properties have average occupancy of about 77% with asking rents in mid $8 per square foot range. This compares to the total 52 acquisitions year-to-date with average occupancy of 83% and asking rents in $16 per square foot. **Average cap rate delta of about 110 basis points** in lower purchase cap rates versus disposition.

- Now **completed targeted dispositions** that began in 2008. In third quarter, **sold** 7 assets for total proceeds of $12.5 million, with 6 locations in New Mexico and 1 in the California Inland Empire.

- Subsequent to quarter end, **closed on disposition** of 8 assets in southern Ohio, 2 assets in Florida, and 1 in Tennessee for total proceeds of $24.3 million. Company has now exited tertiary markets in Ohio, with remaining Ohio properties concentrated in Cleveland and Columbus. Company has sold properties and exited markets in Michigan and throughout the Gulf Coast.

Storage Deluxe and Other 2011 Acquisitions

- Company **lowered 2012 average yield expectation** on the Storage Deluxe portfolio and 11 other 2011 acquisitions, totaling $670 million, to 5.7%, down from 6.0%. Third quarter returned yield of 5.8%. Delayed closing of 6 Storage Deluxe assets combined with slower lease-up of original 16 properties to cause an expected 5% shortfall on projected Net Operating Income.

SOVRAN:

- **Acquired** 29 stores in 2011, and 14 stores thus far in 2012. Most deals coming "off-market."
- During the quarter, **acquired** 10 properties at a cost of $63.2 million. Properties all located in existing markets consisting of approximately 835,600 net rentable square feet. 5 stores in Atlanta market (now 24 in market), 3 stores in Jacksonville market (now with 7 in market), 1 in suburban Chicago market, Lindenhurst, Illinois (now have 3 in Chicago MSA, with several pending), and 1 in Cary, North Carolina (now with 8 in Raleigh market.)
- 3 of 10 properties with **stabilized occupancy** in Chicago, Atlanta, and Cary, average 7.2% going-in cap rate.
- 7 of the 10 acquired are part of a portfolio that included 4 in Atlanta and 3 in Jacksonville. Purchased as **opportunistic acquisition** with under 50% occupancy; 5.8% yield in Year 1, and near 8% by year 3.
- Subsequent to end of the quarter, **signed Agreements to acquire** 7 properties by year's end for $37 million. Locations include 2 in Chicago, 1 in Phoenix, 4 in Tampa/Ft. Myers. Negotiating to purchase 8 more stores in existing markets totaling $64 million, to close after year's end.
- During third quarter, **sold** 17 properties totaling $47.7 million resulting in a gain of about $4.5 million. Sales include 9 Houtson and 3 in Dallas totaling $35 million. Sold remaining 4 properties in Michigan and Eastern Maryland totaling $13.5 million.
- Continue to **upgrade** the quality of overall portfolio by purchasing higher quality properties and selling older properties, as evidenced by acquisition of 22 higher quality stores in Texas in 2012 and 10 in 2011, and selling 12 older Texas stores in this quarter.

PUBLIC STORAGE:

- Issued $495 million of 5.375% Preferred Shares, Series V. Used proceeds to redeem outstanding 6.45% Preferred Shares Series F, and 6.45% Preferred Shares, Series X plus other general corporate uses.
- Announced redemptions of $362.5 million Preferred Shares on December 27, 2012 at $25 per share, as follows:
  - Redeem $112.5 million 6.25% Preferred Shares, Series Z
  - Redeem $115 million 6.125% Preferred Shares, Series A
  - Redeem $135 million 6.18% Preferred Shares, Series D
- $250 million debt coming due in first quarter 2013, may use proceeds from new issuance of preferred shares.
- Foreign currency gain of $9 million compared to $28.3 million loss for same period last year.

EXTRA SPACE STORAGE:

- $340 million capacity in five different lines of credit. $240 million drawn on these lines.
- Company's percentage of fixed-rate debt to total debt is 74.2%. Weighted average interest rate 4.2% with average maturity about 5.5 years.
- During third quarter, obtained $149.1 million secured financing consisting of four loans with weighted average interest rate of 2.9%.
- Recently closed loans include a 2.8% 5-year loan, and 3.2% 7-year loan. Each loan covered by rate swap contracts that essentially fix the rate.
- Subsequent to end of the quarter, announced the completion of previously announced public offering of 5,980,000 shares of common stock. Net proceeds were approximately $202.9 million. Intended use to fund previously announced acquisitions of 28 properties under contract or letter-of-intent with aggregate price of about $190.2 million, and to repay a portion of outstanding indebtedness under secured lines of credit.

CUBESMART:

- During the quarter, CubeSmart sold 4.7 million common shares through its "at-the-market" equity program at an average share price of $12.81 per share, resulting in net proceeds of $59.1 million. Company has 7.1 million shares available for sale under the existing Agreement.

SOVRAN:

- During third quarter, issued 1,004,934 shares at average price per share of $56.95, netting $56.1 million from "at the market" equity issuance program. Used for acquisitions and to repay portion of outstanding line of credit.
- Company currently has 30,432,720 common shares outstanding, and 204,163 Operating Partnership Units outstanding.
- $5.4 million cash on hand, $149 million available on its line of credit at a floating rate of LIBOR plus 2.0%, plus additional $75 million expansion feature.
- All but $26 million company debt fixed rate or covered by rate swaps.
- Targeted leverage range of 30% to 40% of total company Enterprise Value.
- Key Financial Ratios:

Debt to Enterprise Value (@57.85/share)	25.5%
Debt to Book Cost of Facilities	36.4%
Debt to EBITDA	4.5x
Debt to Service Coverage	4.0x

PUBLIC STORAGE:

- Hurricane Sandy total damage limited to less than $1.5 million for repairs. 90 facilities in the New York/New Jersey market, and all were open and operating within a few days.

- Best Markets for Revenue Growth:
  - Charlotte +8%
  - Denver +8%
  - Houston ±6%
  - Miami ±6%
  - Los Angeles (largest market) +4.4%
  - San Fancisco (second largest) +5.5%

- Softer Markets, But Still Performing Well:
  - Northeast
  - Philadelphia
  - District of Columbia

- End of October occupancy of 92.3% versus 90.9% last year

Europe Notes

- Europe same-store Net Operating Income improved 2% despite challenging environment. 162 same-store facilities out of 189 total with average rent of $25.65 per square foot.

- Best European Market:
  - London +18% Net Operating Income

- Soft European Markets:
  - Holland 73% occupancy, down 6.5% from last year
  - France
  - Denmark Tough year-over-year comps

PUBLIC STORAGE:

- Percentage of customers receiving discounts, 82% versus 92% one-year ago.
- Development and redevelopment inevitable, for example, new redevelopment of existing building in the Bronx, New York
- Percentage of tenants that have been in facility 12 months or more:
  - 55.0% currently
  - 55.3% in 2011
  - 54.9% in 2010
- About one-half of new move-ins coming from internet - search engines, organic searches, mobile devices, etc. Bulk of advertising budget now spent on web.

EXTRA SPACE STORAGE:

- 416 wholly owned properties
  304 joint ventures
  190 third-party managed
  910 Total Properties
- Discounts down 15% for the quarter, and 10% year-to-date.
- Expenses down 2.8%, primarily due to reduced expenses, credit card processing fees, and sustainability initiatives. Snow removal costs likely to increase compared to last year, and credit card fee advantage to end.
- Added eight new third-party management properties in Irvine, California.
- No plans to enter Europe through acquisition or development.
- New developments from 2009 to 2012 leasing up but below rates projected presently. Unlevered yields 8% to 10%.
- 42 people dedicated internally and externally to internet and technology initiatives.
- 58.6% of tenants staying more than 12 months, and 37% staying more than 24 months.
- Best Revenue Growth Markets For Quarter:
  - Atlanta
  - Chicago
  - Dallas
  - Houston
  - San Fancisco
  - Tampa
- Major Markets Below Average:
  - Denver
  - Las Vegas
  - Memphis
  - Phoenix
- Announced dividend for common shares of $0.25 per share for fourth quarter, a 25% increase over third quarter

CUBESMART:

- 70 stores in area affected by Hurricane Sandy with 84% current occupancy. Expect self storage demand to increase quickly.
- Total damages from Hurricane Sandy estimated from $600,000 to $800,000; 2 stores report wind damage, 1 store water damage.
- During third quarter, awarded 39 new management contracts for properties located predominantly in the Southwest. Now managing 137 properties, totaling 7.7 million square feet.
- Discounts down 11% versus same-period last year.
- Tenant Insurance
    - 93% of new customers
    - Overall penetration currently mid 60's%
- Rate increases on existing customers at 6 months and then every 12 months thereafter.
- Realized Rent Per Occupied Square Foot
    - Same-Store $11.33
    - Non Same-Store $21.15 (Storage Deluxe consists of 67% non same-stores)
    - Total $12.45

Strongest Markets

- 16 Storage Deluxe assets closed in November 2011 produced occupancy gain of 790 basis points and 8.5% revenue growth from March 2012 through Sept. 2012.
- Other 5 New York area stores plus New Rochelle produced occupancy gain of 560 basis points and 5.7% revenue growth.

CUBESMART:

Strongest Markets

• Southern California and Inland Empire	+830 basis point occupancy +6.8% revenue
• New York/Northern New Jersey	+750 basis point occupancy +9.8% revenue
• Atlanta	+470 basis point occupancy +6.0% revenue

Other Markets

• El Paso, Texas (lack of military deployments)	-1815 basis point occupancy -13.7% revenue
• Arizona	
◦ Phoenix improving	Sept. +9.8% revenue Oct. +540 basis point occupancy
◦ Tucson	Flat occupancy Sept. +1.0% revenue
• Tennessee	
◦ Nashville	+590 basis point occupancy +5.7% revenue
◦ Knoxville	-250 basis point occupancy -2.6% revenue
◦ Memphis	+220 basis point occupancy Aug/Sept. flat revenue

SOVRAN:

- Hurricane Sandy affected 68 stores, only two stores could not open. 12 stores were without power. Minor damage reported, with only one store in Toms River, New Jersey widespread issues. 40% of portfolio in coastal markets.
- Average rent increases on existing customers about 6.2% (on about 6% total), versus increase of 7.1% last year (on about 7% total).
- Strongest Markets Impacting Net Operating Income:
  - Atlanta
  - Florida
  - South Florida
  - All East Coast
  - Dallas
  - Houston
  - Cleveland
  - North Carolina
- Weakest Markets:
  - Gulf States
  - Western/Central New York
  - Phoenix
  - Long Island, New York
- Approximately 40% of the company's revenue is derived from stores in Texas and Florida
- Portfolio occupancy at end of October at 87.5%, slight decrease from September.
- Strong growth in tenant insurance commissions. Overall 57% penetration versus 52.5% last year. New customer penetration about 80%, may take couple years to increase to this level overall.
- Reduction in same-store operating expenses of 1.0%.
- Discounts down about 19% versus last year, from about $80 to $65. Only 65% customers received concessions this year, versus 68% last year.
- Intends to spend up to $23 million in 2012 on expansion and enhancement programs.