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SELF STORAGE GROUP

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SELF STORAGE MARKET OVERVIEW

Full Year & Fourth Quarter 2017 Results

Analysis of the Public Self Storage Companies

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Summary






New Supply Impacting Growth, Guidance Reduced

- The self storage industry enters 2018 with continued strong consumer demand for storage offset by new supply. The full-year and fourth quarter 2017 results from the self storage REITs reflected positive occupancy and revenue gains in the sector. New supply continues to impact revenue growth in select markets. While revenue growth projects to more historical norms, the self storage sector continues to outperform most other REIT sectors.
- There is a consensus amongst the self storage REITs that demand remains resilient and healthy. Despite a nearly seven-fold increase in new supply deliveries over the past four years, it is a testament to the resiliency of the industry that self storage revenue growth remains positive.
- The self storage REITs generated same-store revenue growth for the full-year 2017 ranging from 1.7% to 5.7%. Fourth quarter 2017 revenues grew from 1.3% to 5.0%.
- Net operating income of same-store pools for the full-year 2017 generated by the REITs range from 0.3% to 7.5%. Fourth quarter 2017 net operating income grew from 0.4% to 5.8%.
- Self storage REITs tempered guidance for same-store revenue growth in 2018, with projections for the full year varying from 1% to 5%, depending on impact of new supply in certain markets. Industry historical average revenue growth has been about 4%.

Changes Announced at Public Storage

- Public Storage announces its succession plan at CEO. Joe Russel will be appointed Chief Executive Officer effective January 1, 2019, in addition to his role as President. Ron Havner, CEO since 2002, will remain as Chairman of the Board. Mr. Russel served as President and CEO of PS Business Parks since 2002.
- Public Storage announces its plans to expand its third-party management platform. They are targeting new third-party management opportunities for new developments and existing facilities. Public Storage joins Extra Space, CubeSmart and Life Storage in expanding third-party management platforms, which helps increase internet presence, scale operations, and serves as a pipeline for off-market acquisitions.

Implied CAP Rates

	Public Storage (NYSE: PSA)	5.3%
	Extra Space Storage (NYSE: EXR)	5.2%
	CubeSmart (NYSE: CUBE)	5.6%
	Life Storage (NYSE: LSI)	6.2%
	National Storage Affiliates (NYSE: NSA)	5.8%

*-Implied capitalization rates based on common share prices
BMO Capital Markets*

Earnings Results

Same-Store Comparisons

	Total Properties Operating	Revenue		Net Operating Income		Occupancy/ Previous Year*	Rent Per Occupied Square Foot
		Q4	Full Year	Q4	Full Year		
Public Storage	2,386 U.S. 222 Europe	2.1%	3.0%	2.0%	2.8%	91.2% 92.5%	\$17.40
Extra Space Storage	1,483	4.9%	5.1%	5.7%	6.9%	91.9% 91.5%	\$16.33
CubeSmart	~750	4.0%	4.4%	5.4%	5.1%	91.7% 91.8%	\$16.48
Life Storage	706	1.3%	1.7%	0.4%	0.3%	91.0% 90.4%	\$13.31
National Storage Affiliates	533	5.0%	5.7%	5.8%	7.5%	88.1% 88.6%	\$11.88

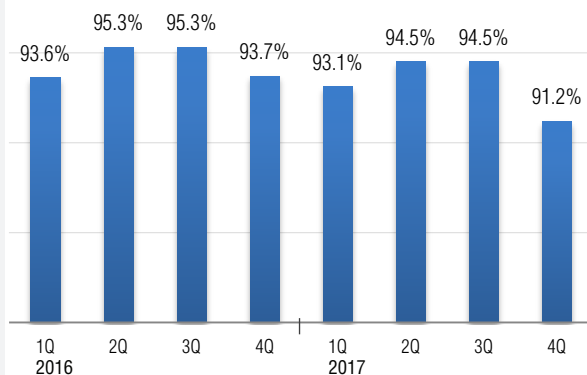
*Occupancy at end-of-quarter

Capital Markets

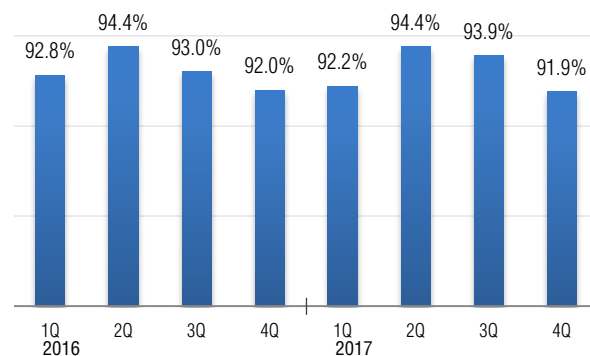
	Market Capitalization	Funds From Operations (adjusted)	Annual Dividend Yield	Common Stock Price (Feb. 27, 2018)	52-Week High/Low
Public Storage	\$33.9 billion	\$2.70/share (+2.5%)	4.15%	\$192.92	\$232.21 \$180.48
Extra Space Storage	\$11.3 billion	\$1.12/share (+8.7%)	3.60%	\$84.88	\$88.56 \$71.34
CubeSmart	\$4.9 billion	\$0.41/share (+7.9%)	4.42%	\$26.65	\$29.79 \$22.83
Life Storage	\$3.6 billion	\$1.34/share (+2.2%)	5.02%	\$78.22	\$91.75 \$69.00
National Storage Affiliates	\$1.9 billion	\$0.32/share (+6.7%)	4.50%	\$24.53	\$28.55 \$21.17

Portfolio Occupancies

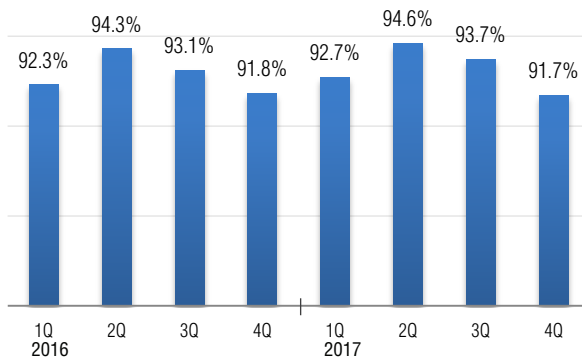
Public Storage



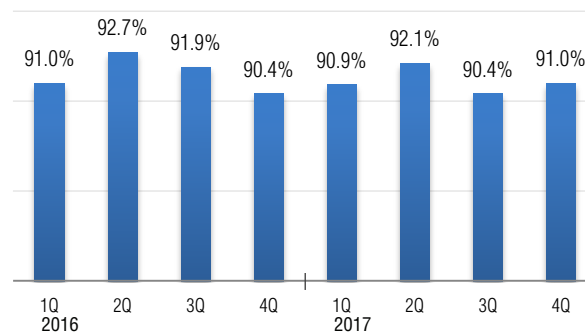
Extra Space Storage



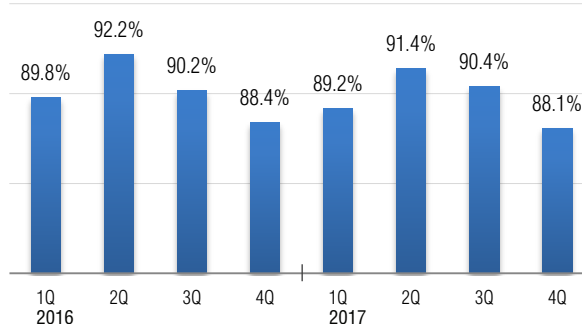
CubeSmart



Life Storage



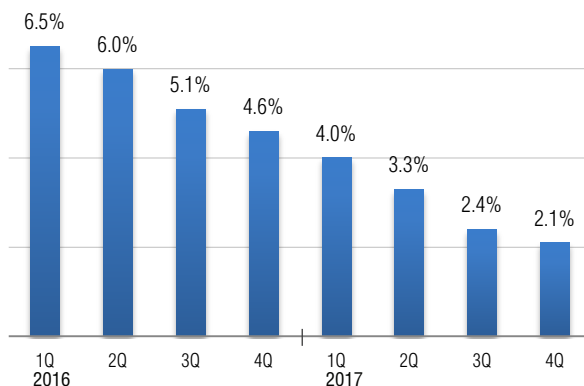
National Storage Affiliates



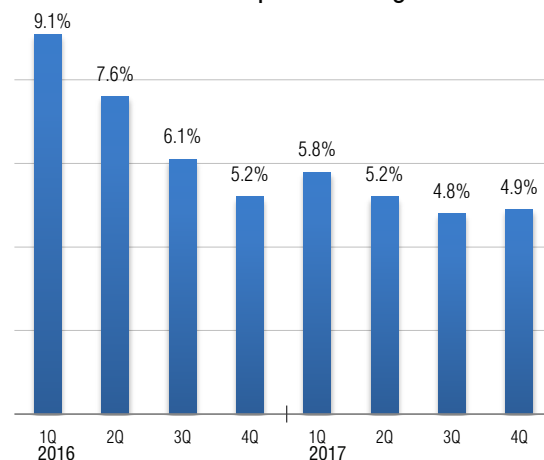
Portfolio Revenues

Same-Store Year-Over-Year Change

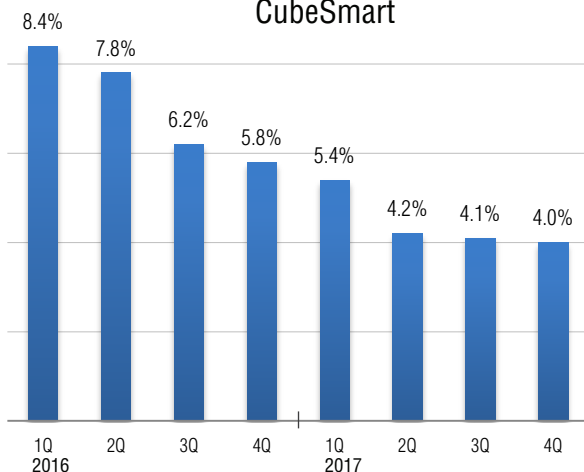
Public Storage



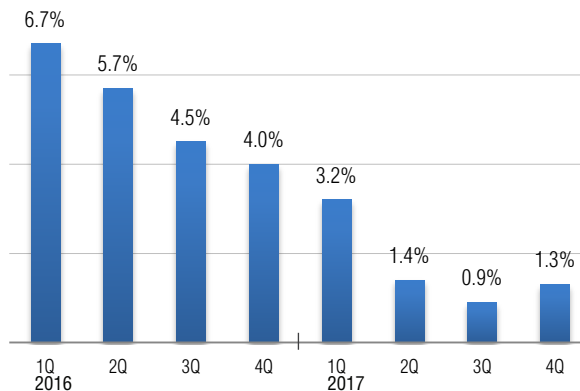
Extra Space Storage



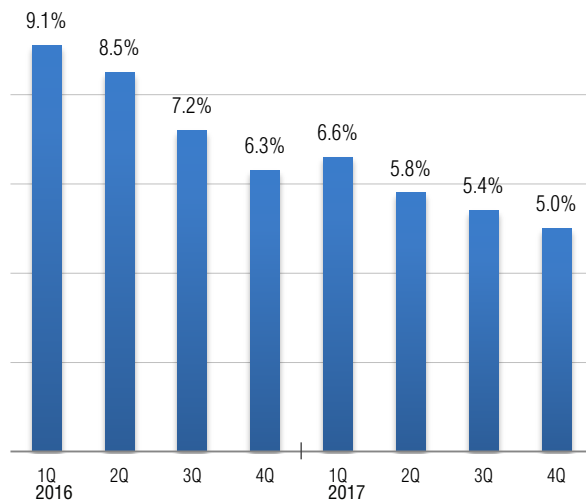
CubeSmart



Life Storage



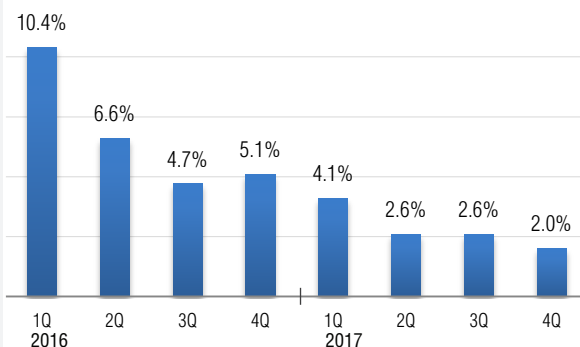
National Storage Affiliates



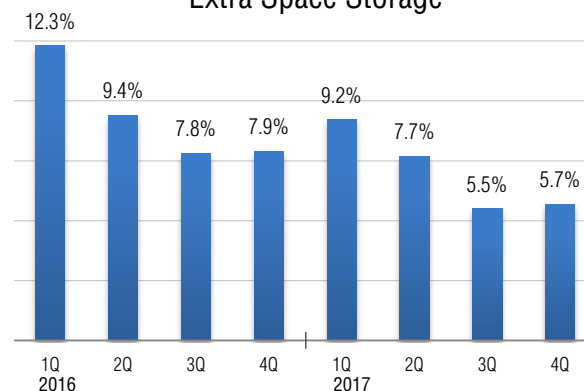
Portfolio Net Operating Income

Same-Store Year-Over-Year Change

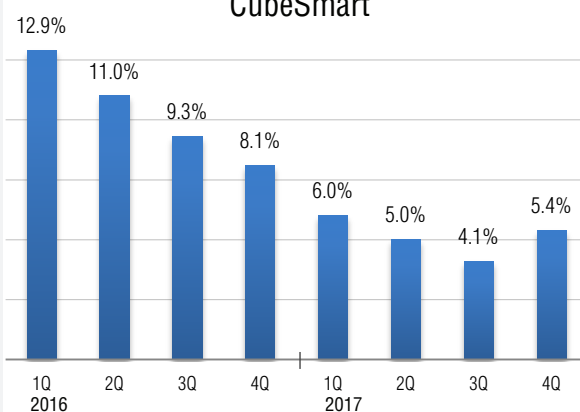
Public Storage



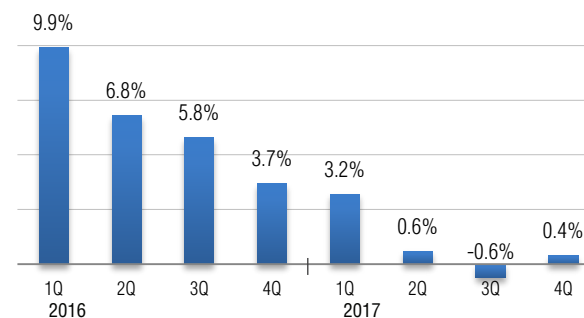
Extra Space Storage



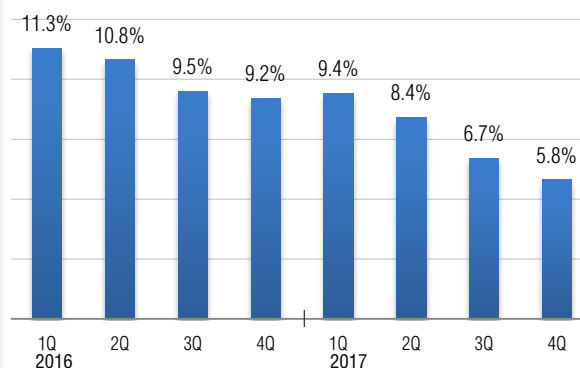
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage
(NYSE: PSA)

During 2017, Public Storage acquired 22 self storage facilities for \$149.8 million. Locations include six in Texas, three in Ohio, two each in Florida, Indiana, Kentucky, North Carolina and South Carolina, and one each in Alabama, Minnesota, and New York.

- During the fourth quarter, Public Storage acquired eight facilities for \$68.1 million. Locations include six in Texas and one each in Kentucky and Alabama.
- Subsequent to December 31, 2017, Public Storage acquired or under contract to acquire two facilities for \$18 million in Nebraska and Tennessee.
- On December 31, 2017, acquired the 74.25% interest not yet owned in 12 stabilized facilities for \$135.5 million in cash from a legacy institutional partnership, managed by Public Storage. Locations include three in California, two in Minnesota, Nevada and New York, and one each in New Jersey, Ohio and Virginia.

New Development

- As of December 31, 2017, Public Storage reports total development pipeline of about \$614 million, new facilities of 2.7 million rentable square feet estimated to cost \$367 million, and various expansion projects totaling 1.9 million rentable square feet estimated to cost \$247 million. The development expected to be completed primarily in the next 18 months.
- During 2017, completed 16 newly developed facilities and various expansion projects totaling 2.7 rentable square feet, costing an aggregate of \$312 million.
- Public Storage developing to an anticipated stabilized yield of 8% to 9%. Exceeding these target yields on earlier developments.

Resilient Demand

- Estimating overall U.S. market deliveries in 2017 of about \$3.5 billion, approximately seven-fold increase from 2013, deliveries volume of about \$500 million.
- All of the public storage REIT companies report positive same-store revenue growth, displaying the resilience of the self storage business as well as pent up demand for product even with expanding supply.

Market Dynamics

- There exists a gap between the private and public markets. The arbitrage advantage of public companies selling stock to buy properties in the private marketplace has flipped in favor of the private markets. With the abundance of capital flowing into the sector, the private markets are pricing ahead of where the public markets are trading.
- The development pipeline from local builders may remain robust as long as margins for development remain elevated. The development pipeline may start slowing as the spread between stabilized cap rate and development yield narrows, generating limited spread on an exit.

Investment Activity

Extra Space Storage
(NYSE: EXR)

For the full year 2017, acquired 30 operating stores, nine certificate of occupancy stores, and purchased joint venture partner's interest in six stores for a total investment of approximately \$576.1 million.

Active Fourth Quarter

- Nearly 85% of annual acquisitions occurred in the fourth quarter. Extra Space acquired 24 operating stores, eight certificate of occupancy stores, and purchased joint venture partners' interest in six stores for a total investment of approximately \$500.5 million during the quarter.
- Acquired seven certificate of occupancy stores with joint venture partners during the year for a total purchase price of approximately \$87.4 million, of which Extra Space invested \$26.7 million.
- Total acquisitions in 2017 exceeded guidance of \$400 million due to year-end \$210 million off-market portfolio presented by long-term partner.
- Not witnessing any market movement in cap rates for acquisitions overall.
- Extra Space expects to invest \$400 million in acquisitions in 2018, \$255 million of which is closed or under contract.

36-Property Portfolio Dispositions

- Extra Space expands its relationship with TIAA during the fourth quarter. TIAA, through an account advised by TH Real Estate, acquired a 36-property portfolio from Extra Space for \$295 million. Extra Space maintains a 10% ownership interest in the joint venture and will continue to manage the 36 properties. All 36 properties continue to be managed by Extra Space. 30 of these stores were part of the same store-pool.
- As part of the transaction, Extra Space increased ownership from 25% to 34% in an existing 24-property joint venture with TIAA. The terms of the joint venture were further revised to reduce the preferred returns to Extra Space to market levels.
- Proceeds from the transaction were reinvested in a series of acquisitions through 1031 exchanges. These new acquisitions average age of three years, with average rents exceeding \$20 per square foot.

Certificate of Occupancy Transactions

- In 2017, Extra Space approved 14 certificate of occupancy deals versus 38 deals in 2016. The stabilized cap rates of the 14 deals was 8.2%.
- All certificate of occupancy deals were underwritten to stabilize within 36 and 40 months, but continue to outperform this time frame.
- While the pace of certificate of occupancy acquisitions decreased in 2017, the pipeline for future joint venture and wholly-owned certificate of occupancy and development transactions appears robust. There are 22 deals under contract scheduled to close in 2018, seven in 2019, and one in 2020.

Development Metrics

- A combination of rising construction costs and a return to historical revenue growth may inhibit the exponential growth of new development. Extra Space experienced additional pressure from developer-clients to upwardly adjust budgets presented to potential lending sources. It may be a sign that developers are struggling with more conservative underwriting that may not generate the developer's required yield to develop.



Investment Activity

Extra Space Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price	Price Per Square Foot	Ownership
2018 Projected Openings					
St. Petersburg, FL	1Q 2018	59,577	\$9,750,000	\$163.65	20%
Raleigh, NC	1Q 2018	75,000	\$8,800,000	\$117.33	10%
Cherry Creek, CO*	1Q 2018	91,125	\$15,340,000	\$168.34	100%
Totowa, NJ	1Q 2018	85,000	\$19,500,000	\$229.41	100%
Vancouver, WA	2Q 2018	67,455	\$8,250,000	\$122.30	25%
Houston, TX*	2Q 2018	75,025	\$10,611,000	\$141.43	100%
Hollywood, FL	2Q 2018	60,525	\$12,000,000	\$198.27	10%
Largo, FL	2Q 2018	89,000	\$11,500,000	\$129.21	25%
Elmhurst, IL	2Q 2018	81,750	\$9,980,000	\$122.08	25%
Riverview, FL	2Q 2018	78,000	\$10,400,000	\$133.33	10%
Portland, OR	2Q 2018	67,975	\$11,700,000	\$172.12	25%
New York, NY	2Q 2018	140,659	\$79,901,000	\$568.05	25%
Jamaica Plain, MA	2Q 2018	97,500	\$21,333,000	\$218.80	100%
Portland, OR	3Q 2018	83,320	\$22,500,000	\$270.04	25%
Lawrenceville, GA	3Q 2018	80,000	\$7,500,000	\$93.75	100%
New York, NY	3Q 2018	128,095	\$52,321,000	\$408.45	25%
Norwood, MA	3Q 2018	85,650	\$19,000,000	\$221.83	10%
New York, NY	4Q 2018	62,385	\$32,980,000	\$528.65	25%
Manayunk, PA	4Q 2018	57,675	\$17,100,000	\$296.49	100%
Crum Lynne, PA*	4Q 2018	84,250	\$13,180,000	\$156.44	95%
Newton, MA	4Q 2018	80,000	\$20,000,000	\$250.00	10%
Plantation, FL*	4Q 2018	75,750	\$11,800,000	\$155.78	100%
Total	22	1,805,716	\$425,446,000		

*development

Investment Activity

Extra Space Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price	Price Per Square Foot	Ownership
2019 Projected Openings					
San Jose, CA	1Q 2019	76,000	\$13,500,000	\$177.63	100%
Brooklyn Park, MN	1Q 2019	79,600	\$8,100,000	\$101.76	100%
Morristown, NJ	1Q 2019	77,300	\$21,700,000	\$280.72	50%
East Rutherford, NJ	1Q 2019	71,025	\$19,000,000	\$267.51	50%
Vista, CA	2Q 2019	104,400	\$16,000,000	\$153.26	10%
Belleville, NJ*	2Q 2019	75,000	\$10,944,000	\$145.92	95%
Wakefield, MA	3Q 2019	84,075	\$16,800,000	\$199.82	100%
Total	7	567,400	\$106,044,000		

2020 Projected Openings

Aurora, CO	1Q 2020	79,900	\$10,528,000	\$131.76	100%
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*development



Investment Activity

Extra Space Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Operating

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price Per Square Foot	Occupancy 12/31/17	Ownership
Gilbert, AZ	3Q 2015	62,200	\$5,429,000	\$87.28	92.5%	10.0%
Bloomfield, NJ	3Q 2015	74,111	\$20,500,000	\$276.61	95.3%	100.0%
San Antonio, TX	4Q 2015	82,578	\$8,700,000	\$105.35	93.2%	100.0%
Charlotte, NC	4Q 2015	69,151	\$5,300,000	\$76.64	83.8%	100.0%
San Diego, CA	4Q 2015	73,792	\$9,708,000	\$131.56	85.6%	100.0%
Quincy, MA	1Q 2016	85,044	\$16,150,000	\$189.90	79.1%	100.0%
Chicago, IL	1Q 2016	81,683	\$16,500,000	\$202.00	80.5%	100.0%
Aurora, CO	1Q 2016	84,855	\$11,470,000	\$135.17	83.4%	10.0%
Bronx, NY	3Q 2015	66,480	\$27,777,000	\$417.82	90.7%	100.0%
Mesa, AZ	2Q 2016	63,395	\$5,000,000	\$78.87	89.7%	100.0%
Roswell, GA	2Q 2016	77,090	\$7,900,000	\$102.48	75.6%	100.0%
New York, NY	2Q 2016	62,549	\$52,000,000	\$831.35	74.7%	25.0%
Columbia, SC	3Q 2015	85,486	\$8,000,000	\$93.58	86.9%	20.0%
San Antonio, TX	2Q 2016	55,325	\$10,500,000	\$189.79	85.3%	100.0%
Elmont, NY	3Q 2016	80,173	\$29,000,000	\$361.72	68.0%	100.0%
Glendale, CA	3Q 2016	66,590	\$13,800,000	\$207.24	75.0%	100.0%
Hillsboro, OR	3Q 2015	27,200	\$4,200,000	\$154.41	88.8%	100.0%
Vancouver, WA	3Q 2016	82,301	\$11,700,000	\$142.16	81.5%	100.0%
Murray, UT	4Q 2016	76,609	\$3,750,000	\$48.95	81.6%	100.0%
Smyrna, GA	2Q 2016	60,557	\$8,000,000	\$132.11	72.6%	100.0%
Portland, OR	3Q 2016	44,225	\$9,000,000	\$203.50	70.2%	100.0%
Sarasota, FL	4Q 2016	66,855	\$10,340,000	\$154.66	56.3%	20.0%



Investment Activity

Extra Space Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Operating (continued)

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price Per Square Foot	Occupancy 12/31/17	Ownership
Lake Worth, FL	1Q 2017	78,620	\$8,455,000	\$107.54	61.3%	10.0%
Clearwater, FL	1Q 2017	57,576	\$7,750,000	\$134.60	70.6%	20.0%
Philadelphia, PA	2Q 2017	76,706	\$17,800,000	\$232.05	38.4%	100.0%
Orlando, FL	2Q 2017	63,018	\$7,343,000	\$116.52	68.7%	100.0%
Ft Myers, FL	3Q 2017	77,274	\$8,970,000	\$116.08	27.2%	100.0%
Cohasset, MA	3Q 2017	50,330	\$8,800,000	\$174.85	51.9%	10.0%
Venice, FL	4Q 2017	58,204	\$7,830,000	\$134.53	34.7%	20.0%
Portland, OR	4Q 2017	73,305	\$12,800,000	\$174.61	16.6%	25.0%
Suwanee, GA	4Q 2017	79,858	\$9,600,000	\$120.21	5.3%	100.0%
Buford, GA	4Q 2017	78,755	\$7,500,000	\$95.23	6.7%	100.0%
Philadelphia, PA	4Q 2017	73,100	\$17,700,000	\$242.13	35.7%	100.0%
Westwood, NJ	4Q 2017	70,854	\$21,000,000	\$296.38	12.4%	100.0%
Warrington, PA	4Q 2017	65,747	\$12,000,000	\$182.52	46.3%	100.0%
New York, NY	4Q 2017	52,672	\$25,924,000	\$492.18	4.9%	25.0%
Charlotte, NC	4Q 2017	13,786	\$10,900,000	\$790.66	16.4%	100.0%
Bradenton, FL	4Q 2017	84,798	\$10,400,000	\$122.64	30.0%	100.0%
Total	38	2,582,852	\$489,496,000			

Investment Activity

CubeSmart
(NYSE: CUBE)

For the full year, acquired four operating stores for \$40.4 million, and an additional three stores at certificate of occupancy for \$40.3 million.

- For the full year, acquired three stores at certificate of occupancy, opened for operation two wholly-owned development properties, and two joint venture development properties for a total cost of \$208.3 million.
- Acquired two operating stores for \$18.6 million in the fourth quarter 2017, one in Florida and one in Texas.
- Subsequent to year-end, acquired a store in Texas for \$12.2 million, and under contract to acquire a store in Washington D.C. for \$34.2 million.

Joint Venture Acquisition Activity

- Formed a new joint venture ("HVP IV") to acquire self storage assets in which will have a 20% ownership. Locations for new joint venture include three in Texas, one in Maryland and one in Arizona. This joint venture on November 1, 2017 acquired one store for \$9.4 million, of which CubeSmart contributed \$1.9 million.
- Subsequent to year-end, HVP IV acquired two properties for \$20.5 million, and has two properties under contract for \$32 million which are expected to close by the second quarter 2018.

Certificate of Occupancy and Development Activity

- During the fourth quarter, acquired two properties at certificate-of-occupancy for \$29.1 million, one located in Chicago for \$11.3 million and one in Delray Beach, Florida for \$17.75 million.
- As of December 31, 2017, one property in Miami, Florida under contract to purchase at certificate-of-occupancy for a price of \$20.8 million. Expected to close in the second quarter 2018.
- Opened one new joint venture property in Brooklyn, New York for a total cost of \$49.3 million.
- As of December 31, 2017, had six joint venture properties under development, with total anticipated investment of \$230.5 million. Locations include four in New York, one in Massachusetts, and one in New Jersey. Openings expected to vary between the third-quarter of 2018 and the third-quarter of 2019.

New Supply Impact

- New supply will compete with about 40% of company portfolio, an increase from 25% last year. New supply may negatively affect these stores from 200 basis points to 300 basis points in revenue growth versus non-impacted stores.
- In New York, about 80% of CubeSmart stores impacted by new supply.
- In CubeSmart's top twelve markets, the competitive supply increased from 4.6 square feet per capita to 5.1 square feet per capita. These levels remain below national average of approximately 6.8 square feet per capita.
- Private capital aggressively acquiring in secondary and tertiary markets, helping to replace slowing REIT acquisition volumes.

Investment
ActivityCubeSmart
(NYSE: CUBE)

Investment Trends and Cap Rates

- Private capital aggressively acquiring in secondary and tertiary markets, helping to replace slowing REIT acquisition volumes.
- The deployment of private capital into the market kept cap rates relatively unchanged during the quarter.
- The assets CubeSmart acquired during the quarter commanded a blended cap rate of 5.5%.

Store Acquisitions At Certificate of Occupancy

Location	Expected Opening	Contract Price
Miami, FL	Q2 2018	\$20,800,000

New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Bronx, NY	Q3 2018	\$90,000,000
Waltham, MA	Q4 2018	\$16,000,000
Queens, NY	Q4 2018	\$45,700,000
Bayonne, NJ	Q1 2019	\$24,700,000
New York, NY	Q2 2019	\$11,100,000
Brooklyn, NY	Q2 2019	\$43,000,000
Total		\$230,500,000

Investment
ActivityCubeSmart
(NYSE: CUBE)

Acquisitions at Certificate of Occupancy - Operating

Location	Date Completed	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 12/31/2017
Dallas, TX	Q2 2015	114,550	\$15,800,000	\$137.93	72.0%
Brooklyn, NY	Q1 2016	110,075	\$48,500,000	\$440.61	48.2%
Fort Worth, TX	Q2 2016	77,329	\$10,100,000	\$130.61	49.8%
Grapevine, TX	Q2 2016	78,019	\$10,800,000	\$138.43	56.3%
Riverwoods, IL	Q2 2017	73,915	\$11,200,000	\$151.53	30.0%
Chicago, IL	Q4 2017	91,292	\$11,300,000	\$123.78	26.8%
Delray Beach, FL	Q4 2017	97,945	\$17,750,000	\$181.22	1.9%
Total		643,124	\$125,450,000		

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 12/31/2017
Arlington, VA*	Q2 2015	96,143	\$17,100,000	\$177.86	78.1%
Queens, NY*	Q4 2015	74,188	\$17,400,000	\$234.54	64.4%
Brooklyn, NY	Q4 2015	55,875	\$14,800,000	\$264.88	63.8%
Queens, NY	Q1 2016	90,728	\$31,800,000	\$350.50	75.7%
Bronx, NY	Q2 2016	89,785	\$32,200,000	\$358.63	45.6%
North Palm Beach, FL	Q1 2017	46,275	\$9,700,000	\$209.62	51.7%
New York, NY*	Q3 2017	94,912	\$81,200,000	\$855.53	14.2%
Washington, D.C.	Q3 2017	71,971	\$27,800,000	\$386.27	18.5%
Brooklyn, NY**	Q4 2017	131,588	\$49,300,000	\$374.65	0.3%
Total		751,463	\$281,300,000		

*The company owns a 90% interest in this property.

**The company owns a 51% interest in this property.



Investment Activity

Life Storage (NYSE: LSI)

For the full year 2017, Life Storage acquired 29 properties for an aggregate cost of \$549.9 million through joint ventures.

- During the fourth quarter, acquired a previously announced certificate of occupancy property in Charlotte, North Carolina for \$12.549 million, consisting of 71,118 square feet, located in a market where Life Storage already has a presence.
- Disposed of one facility in Salt Lake City for \$9.4 million, consisting of 86,000 square feet. The decision to sell was strategic in that Life Storage has no other facilities in Utah.
- At December 31, 2017, there are no active purchase agreements pending for new acquisitions to its wholly-owned portfolio.
- Strong competing private interest for self storage assets continues, including for lower quality assets.
- With a current higher cost of capital, there are limited opportunities to be active in acquisitions of existing properties for own account. Life Storage expects to continue its joint venture program to acquire assets with existing and new private capital partners.
- Year-to-date, the acquisition opportunities in the market are not compelling. Current offerings are Class C portfolios in the \$200 million to \$250 million range. It is unlikely that Life Storage or its joint venture program will pursue these opportunities.

Investment Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy Operating Properties

Market	Date Acquired	Net Rentable Sq. Ft.	Price	Price Per Sq. Ft.	Occupancy 12/31/2017
Chicago, IL	May 2014	51,928	\$5,500,000	\$105.92	90.1%
Chattanooga, TN	Sept. 2014	57,260	\$6,550,000	\$114.39	92.7%
Chicago, IL	Nov. 2014	106,126	\$5,750,000	\$54.18	91.5%
Chicago, IL	March 2015	64,774	\$8,690,000	\$134.16	92.5%
Phoenix, AZ	June 2015	64,063	\$7,904,000	\$123.38	87.5%
Boston, MA	June 2015	63,283	\$10,291,000	\$162.62	85.4%
Phoenix, AZ	Feb. 2016	67,795	\$9,275,000	\$136.81	90.5%
Miami, FL	Feb. 2016	69,801	\$11,274,000	\$161.52	92.1%
Los Angeles, CA	March 2016	79,375	\$18,600,000	\$234.33	89.5%
Charleston, SC	July 2016	70,165	\$8,620,000	\$122.85	37.2%
Chicago, IL	Nov. 2016	68,235	\$8,884,000	\$130.20	75.5%
Chicago, IL	Feb. 2017	78,023	\$10,089,000	\$129.31	28.7%
Austin, TX	April 2017	58,611	lease		74.6%
Charlotte, NC	Dec. 2017	70,118	\$12,549,000	\$178.97	2.1%
Total		969,557	\$123,976,000		

Investment Activity

National Storage Affiliates
(NYSE: NSA)

NSA continued its aggressive acquisition pace in 2017 by acquiring 65 wholly-owned self storage properties in 19 states for \$426.8 million, and five joint venture totaling \$59.3 million. The five million square feet in acquisitions increased its portfolio by 16% during the year.

Wholly-Owned Acquisitions

- For the full year 2017, NSA acquired 65 wholly-owned self storage properties located in 19 states for \$426.8 million.
- During the fourth quarter, acquired 31 wholly-owned properties located in 10 states for \$210 million.
- Subsequent to year-end, acquired 18 properties in four states for a total investment of approximately \$101.8 million encompassing approximately 1.1 million square feet.

Joint Venture Activity

- NSA formed a joint venture partnership with an investor with an initial funding of \$200 million. NSA retains a 25% ownership stake in the joint venture. The venture targets properties in Northern California, Philadelphia Metro area, East Coast of Florida, and Northern Alabama.
- For the full-year 2017, the venture acquired five properties located in California and Delaware for \$59.3 million. NSA contributed approximately \$14.9 million to fund the acquisition.
- During the fourth quarter, the joint venture partnership acquired one facility in California for \$9.4 million. NSA contributed approximately \$2.4 million to fund the acquisition.
- Subsequent to year-end, the joint venture acquired one property for \$9.3 million.

Cap Rates Remain Flat

- Stabilized cap rates for 2017 acquisitions range from 5.9% to 6.5% on year one forward basis, with a weighted average of 6.25%. The weighted average cap rate on acquisitions the previous year was 6.15%.
- Sold three facilities during 2017 for total proceeds of \$15.55 million.

New Supply Impact

- Approximately 18.6% of company portfolio impacted by new competition within a three-mile radius. Markets with the greatest impact include Portland, Raleigh, Atlanta, and Dallas.
- Approximately 35% of the NSA portfolio is located within the top 20 ranked MSAs and 65% within MSAs ranked 21 and up.
- In the top 50 MSAs last year, new supply increased about 3.8% while demand grew at about 2%. The result was more pressure on occupancy and rates in the top 50 MSAs versus smaller markets.
- NSA witnessed less supply in their smaller MSA markets. In the MSAs 50 and up, new supply increased much less and helped maintain supply and demand balance.
- Cash-on-cash yields for new development increased about 50 to 100 basis points due to the additional risk of new supply in many markets. Developers requiring 8% to 9% stabilized cash-on-cash yields for new development.

Investment Activity

National
Storage Affiliates
(NYSE: NSA)

Acquisition Pipeline

- NSA maintains a captive pipeline of acquisition opportunities from existing PROs consisting of over 100 properties valued over \$900 million. It is projected that approximately \$50 million to \$100 million of assets may come available to NSA through its captive pipeline in 2018.
- Added one new PRO in 2017 with plans to add three to five new PROs overall in the next few years.
- Two-thirds of NSA acquisition's in 2017 sourced by the company's PRO network.
- NSA anticipates acquisition activity between \$250 million and \$400 million for the wholly-owned acquisitions with an additional \$50 to \$100 million in joint venture acquisitions in 2018. The combination of over \$100 million in year-to-date acquisitions and assets available in the captive pipeline signal an excellent start to achieving at least the lower range of acquisition guidance.

Operations

Public Storage (NYSE: PSA)

For the full year 2017, same-store revenues increased 3.0%, primarily due to higher realized annual rent per occupied square foot.

New Public Storage CEO and CFO

- Effective January 1, 2019, Joe Russel will be appointed Chief Executive Officer, in addition to his role as President since 2016. He will replace Ron Havner, Public Storage's CEO since 2002. Mr. Russel was previously President and CEO of PS Business Parks since 2002. Mr. Havner will remain as Chairman of the Board.
- Also effective January 1, 2019, Tom Boyle will be appointed Chief Financial Officer, replacing John Reyes, Public Storage's CFO since 1996. John will be appointed to the Board of Trustees. Mr. Boyle was an investment banker with Morgan Stanley who worked closely with Public Storage's on capital markets transactions over the past decade.

Same-Store Comparison

- Same-store facilities represent those facilities that have been owned and operated at a stabilized level occupancy, revenue and cost of operations since January 1, 2015. The same-store pool consists of 2,042 facilities representing 82% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio.

Q4 2017 RESULTS

- Same-store revenues increased 2.1% during Q4 2017. The increase was due to higher realized annual rent per occupied square foot.
- Cost of operations for the same stores increased by 2.6% during Q4 2017, due primarily to increased property manager payroll and repairs and maintenance costs offset partially by reduced advertising and selling costs.
- Public Storage increased same-store net operating income 2.0% year-over-year, driven by 2.1% revenue growth and 2.6% increase in property operating expenses.

FULL YEAR 2017 RESULTS

- Same-store revenues increased 3.0% during 2017. The increase was due to realized annual rent per occupied square foot increasing from \$16.54 to \$17.19 during 2017, or 3.9%.
- Cost of operations for the same-store facilities during the year increased 3.4% as compared to 2016 due primarily to increased property taxes, advertising and selling expense and repairs and maintenance costs, offset partially by lower snow removal costs.
- The result is an increase in same-store net operating income of 2.8%.

Expanding Third-Party Management Platform

- Public Storage announced plans to be competitive in growing its third-party management program, focusing on both new developments and established facilities. Pete Panos, a long time Public Storage veteran, will lead the third-party management program.
- Public Storage has been in third-party management for 40 years without promoting it. Currently Public Storage manages about 30 to 35 properties for owners.
- Public Storage plans to implement an Amazon-type strategy where most of the benefits from tenant insurance and its operating platform are passed on to the client.

Operations

Public Storage (NYSE: PSA)

Operating Fundamentals

- In a number of markets the significant statutory increase in minimum wages has mandated Public Storage to increase manager wages in those markets.
- Rate increases on existing tenants in range of 8% to 10%. Generally given to tenants staying longer than one year.
- Year-end portfolio occupancy of 91.2% was down about 140 basis points, as compared to the previous year. Year-to-date, the average occupancy is down about 80 basis points.
- Discounts down approximately 8% in the fourth quarter. Approximately 78% of tenants received a discount versus about 76.6% last year.
- In fourth quarter 2017, average monthly rate was \$121.85 down from \$122.64 last year's fourth quarter.
- Public Storage plans to nearly eliminate television advertising in 2018, as not as effective as previously. In Q1 2017, Public Storage spent \$2 million on television and \$3.5 million on the internet. In first quarter 2018, expecting internet spending increase to about \$5 million, but none on television.
- Public Storage spending more time, energy and dollars on internet paid search, rather than less effective television spending.

Operations

Public Storage
(NYSE: PSA)

Top Market Same-Store Performance - Year End 2017

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles, CA	201	\$24.72	95.7%	5.4%
San Francisco, CA	123	\$25.38	95.4%	3.9%
New York, NY	84	\$24.78	94.3%	2.5%
Chicago, IL	129	\$15.56	91.2%	0.1%
Washington, D.C.	84	\$21.15	92.7%	1.4%
Miami, FL	76	\$19.93	93.5%	1.1%
Atlanta, GA	98	\$12.85	93.5%	2.8%
Seattle-Tacoma, WA	69	\$18.97	94.8%	4.8%
Houston, TX	74	\$13.95	91.6%	(1.8)%
Dallas-Ft. Worth, TX	81	\$13.37	93.2%	1.2%
Philadelphia, PA	56	\$15.66	94.7%	4.2%
Orlando-Daytona, FL	62	\$13.33	95.0%	5.3%
West Palm Beach, FL	41	\$17.92	94.7%	4.2%
Minneapolis-St. Paul, MN	44	\$14.66	92.4%	2.8%
Portland, OR	40	\$18.56	95.3%	3.0%
All Other Markets	780	\$14.00	93.7%	2.8%
Total	2,042			

Operations

Extra Space
Storage
(NYSE: EXR)

For the full year, same-store revenues increased 5.1% with net operating growth of 6.9%, as compared to the previous year.

Same-Store Comparison

- Same-store facilities represent those facilities that were stabilized by the first day of the earliest calendar year presented. Extra Space considers a facility to be stabilized once it has been open for three years or has sustained average square foot occupancy of 80% or more for one calendar year. The same-store pool includes 701 facilities.

Q4 2017 RESULTS

- Same-store revenues increased 4.9% during Q4 2017. The increase was driven by strong occupancy together with increased rental rates to new and existing customers.
- Cost of operations for the same-store pool increased by 2.9% during Q4 2017, due primarily to increased real estate taxes and marketing expenses. The operating expenses were partially offset by decreases in repairs and maintenance and insurance.
- Extra Space increased same-store net operating income 5.7% year-over-year, driven by 4.9% revenue growth and 2.9% increase in property operating expenses.

FULL YEAR 2017 RESULTS

- For the full year, same-store revenues increased 5.1%, same-store operating expenses increased 0.5%, and net operating income increased 6.9%, as compared to the previous year.
- Reductions in repairs and maintenance and property insurance contributed to keeping operating expenses in check.

Operating Fundamentals

- Ended the year with overall same-store occupancy at 91.9%, up 40 basis points year-over-year.
- Street rates grew about 5% in both the fourth quarter 2017 and into the first quarter 2018. Net effective rates grew about 3%.
- Discounting larger dollar amounts on average, but to fewer tenants.
- The primary expense pressure on operating expenses continues to be property taxes, which accounts for about one-third of operating expenses. The next largest expense is payroll, estimated to increase about 3%.
- Same-store expense guidance in 2018 expected to increase to 3.25% to 4.25%, driven by difficult 2017 comparisons and pressure from property taxes in Florida, Illinois, the Mid-Atlantic and Texas.
- Extra Space is forecasting a return to historical growth numbers resulting in a 135 basis point deceleration of revenue growth in 2018.

Operations

Extra Space
Storage
(NYSE: EXR)

Market Performance

- Major markets with revenue growth above the company portfolio average for the year include Hawaii, Las Vegas, Los Angeles, Phoenix, and Sacramento. Major markets performing below the company portfolio average include Boston, Dallas, Denver and Houston.
- Projected revenue growth expected to lag in larger markets including New York metro, Miami, and Washington D.C.
- New York/New Jersey market, excluding the five boroughs, had 4.5% same-store revenue growth and 6.3% net operating income growth. Extra Space has limited exposure in New York boroughs with only 8 stores. Revenue growth in the boroughs decreased 2.5%, and net operating income contracted 2.9%.
- Limited new supply in the San Francisco market contributed to accelerating revenue growth. Additional top accelerating growth markets include Maryland and West Florida/Naples.

New Supply Impact on Operations

- Extra Space analyzes new supply opening within a three-mile radius of its stores. It is anticipated that new supply may impact about 300 existing Extra Space stores in 2018 versus about 250 last year.
- The impact of new supply on projected revenue growth is dependent on its proximity to existing stores. In Atlanta, a market with a great deal of development, Extra Space operates 67 stores. Only six operating stores will be impacted by new development in 2018 versus two in 2017. The result is projected rental growth in Atlanta exceeding the portfolio guidance metric in 2018.
- Conversely, Extra Space operates 13 stores in Portland. Ten of the existing stores will face new competition in 2018. The increased competition may contribute to below portfolio guidance revenue growth projections for the Portland market.

Third-Party Management

- As of December 31, 2017, Extra Space managed 422 stores for third-party owners. An additional 215 stores are owned and operated in joint ventures, for a total of 637 stores under management. Extra Space remains the largest self storage management company.
- In 2017, added 156 stores to third-party platform, about one-half new development, and one-half operating properties.
- Year-to-date, the third-party management platform added 19 managed stores, and expect to add well over 100 new stores this year.
- The management platform continues to propel Extra Space's acquisition pipeline with over 80% of acquisition volume in 2017 coming from off-market opportunities from existing third-party relationships.

Operations

Extra Space
Storage
(NYSE: EXR)

Full Year 2018 Guidance

Same-store property revenue growth	3.25% to 4.25%
Same-store property expense growth	3.25% to 4.25%
Same-store NOI growth	3.0% to 4.5%
Net tenant reinsurance income	\$90.5 million to \$91.5 million
Acquisitions of wholly-owned operating stores	\$175 million
Development and C of O of wholly-owned stores	\$120 million
Investment in joint ventures of development and C of O stores	\$105 million
Dilution per share from C of O and value add acquisitions	\$0.21 per share



Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance

MSA	Stores	Rent Per Occupied Sq. Ft.	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	71	\$18.63	95.0%	8.0%
New York-Northern New Jersey-Long Island, NY-NJ	63	\$22.78	93.7%	4.0%
Dallas-Fort Worth, TX	44	\$13.05	91.5%	3.8%
Atlanta, GA	41	\$12.24	92.5%	6.0%
Washington-Baltimore, DC-MD-VA-WV	39	\$19.10	92.5%	3.1%
San Francisco-Oakland-San Jose, CA	37	\$25.38	94.0%	5.3%
Boston-Worcester-Lawrence, MA-NH-ME-CT	37	\$20.56	92.9%	2.7%
Miami-Fort Lauderdale, FL	25	\$18.48	92.9%	3.5%
Chicago-Gary-Kenosha, IL-IN-WI	24	\$14.29	91.8%	4.8%
Phoenix-Mesa, AZ	18	\$11.52	93.6%	7.8%
Houston-Galveston-Brazoria, TX	16	\$12.88	90.1%	0.7%
Norfolk-Virginia Beach-Newport News, VA-NC	16	\$11.89	91.7%	4.0%
Cincinnati-Northern Kentucky	14	\$9.96	92.3%	5.6%
Tampa-St. Petersburg-Clearwater, FL	14	\$16.18	93.2%	4.9%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	12	\$13.81	93.5%	8.5%
Las Vegas, NV-AZ	12	\$9.61	94.5%	9.0%
Sacramento-Yolo, CA	11	\$14.85	95.6%	12.3%
Charleston-North Charleston, SC	11	\$13.15	90.3%	1.8%
Orlando, FL	11	\$13.05	92.9%	6.6%
West Palm Beach-Boca Raton, FL	10	\$13.66	91.3%	5.3%
Memphis, TN-AR-MS	9	\$9.45	92.8%	6.0%
Richmond-Petersburg, VA	7	\$13.12	92.6%	3.8%
Denver-Boulder-Greeley, CO	7	\$14.38	89.6%	1.9%
Salt Lake City-Ogden, UT	6	\$12.39	94.2%	6.4%
Austin-San Marcos, TX	6	\$18.62	90.8%	4.7%



Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance (continued)

MSA	Stores	Rent Per Occupied Sq. Ft.	Average Occupancy	Revenue Growth
Columbia, SC	6	\$10.99	91.8%	5.6%
Portland-Salem, OR-WA	5	\$15.35	93.2%	8.3%
El Paso, TX	5	\$7.52	92.2%	13.3%
Seattle-Tacoma-Bremerton, WA	5	\$16.32	96.4%	7.9%
Hawaii, HI	5	\$32.91	93.5%	6.7%
Colorado Springs, CO	5	\$13.53	91.7%	3.5%
Pittsburgh, PA	5	\$12.06	88.1%	7.1%
Stockton-Lodi, CA	5	\$14.18	96.2%	13.3%
Indianapolis, IN	5	\$11.77	93.5%	3.4%
San Diego, CA	4	\$17.57	92.9%	4.8%
Sarasota-Bradenton, FL	4	\$13.24	89.3%	0.3%
Hickory-Lenoir-Morganton, NC	4	\$10.34	91.2%	5.1%
Greensboro-Winston-Salem-High Point, NC	4	\$10.54	92.9%	2.9%
Columbus, OH	4	\$10.45	92.8%	3.0%
Savannah, GA	4	\$11.32	93.6%	6.5%
St. Louis, MO-IL	4	\$13.58	92.8%	3.0%
Cleveland-Akron, OH	4	\$7.96	92.9%	6.0%
Other MSAs	62	\$12.99	92.5%	5.3%
Total	701	\$16.03	92.9%	5.1%

Operations

CubeSmart
(NYSE: CUBE)

For the full year, same-store revenues increased 4.4%, same-store operating expenses increased 2.8%, and net operating income increased 5.1%, as compared to the previous year.

Same-Store Comparison

- CubeSmart considers a facility to be stabilized once it has achieved an occupancy rate that, based on an assessment of specific market data, is representative of similar self storage assets in the applicable market for a full year measured as of the most recent January 1st. Same-store pool includes 432 stores totaling approximately 29.6 million square feet. As of December 31, 2017, the same-store pool represents 91.1% of property Net Operating Income.

Q4 2017 RESULTS

- Same-store revenues increased 4.0% during Q4 2017. The increase was driven by a 4.3% increase in realized revenue per occupied square foot and a 20 basis point increase in average occupancy.
- Cost of operations for the same stores increased by 0.1% during Q4 2017. The low expense growth during the fourth quarter was due primarily to real estate tax bills in Florida and Chicago that were below estimates.
- Increased same-store net operating income 5.4% year-over-year, driven by 4.0% revenue growth and 0.1% increase in property operating expenses.
- Same-store physical occupancy at period end for the fourth quarter was 91.7%, compared with 91.8% for the same quarter of last year.

FULL YEAR 2017 RESULTS

- Same-store revenues increased 4.4% during 2017. The increase was due to realized annual rent per occupied square foot increasing 4.3% during the year.
- Cost of operations for the same-store facilities during the year increased 2.8% as compared to 2016 due primarily to increased property taxes.
- The result was an increase in same-store net operating income of 5.1% for the full year 2017.
- For the full year, occupancy growth started strong but flattened as the year progressed. Year-over-year average occupancy increased 40 basis points in Q1, 20 basis points in Q2, 10 basis points in Q3, and flattened in Q4.

Real Estate Tax Expenses

- Real estate taxes remain a significant industry concern. The favorable real estate tax results during the quarter may be short-lived. Over the past three years CubeSmart witnessed real estate tax increases from 3.8% to 8%. A return to more normal real estate tax growth may be indicative throughout the sector in the years ahead.

Third-Party Management

- As of December 31, 2017, third-party management program includes 452 stores. During the fourth quarter, added 37 stores, and for the full year added 160 stores.
- Entered new markets with third-party management including Seattle, Pittsburgh, Kansas City, and St. Louis.
- Management fees represent approximately 3% of total revenues.

Operations

CubeSmart
(NYSE: CUBE)

New Supply Impact on Operations

- CubeSmart experienced a negative revenue growth impact of 200 to 300 basis points from stores impacted by new supply.
- Top markets with new supply impacting company stores include Miami, Dallas, Washington D.C., Atlanta, and the boroughs of. Less impact in California and Boston. Stabilizing impact in Philadelphia, North and South New Jersey.

Impact of Hurricanes on Houston and Florida Markets

- Impact in Houston from Hurricane Harvey continues with asking rents increased approximately 4%, and occupancy levels up about 250 to 300 basis points over last year, hitting 94.8% at the end of the fourth quarter. CubeSmart anticipates a gradual decline in occupancy as consumers determine they no longer need the space.
- In contrast, the impact of Hurricane Irma in Florida may have subsided. An overwhelming majority of customers in Florida that required space during the hurricane have vacated.

Discounts and Concessions

- Discounts as a percentage of rents remains at historical lows. During the quarter, discounts declined 30 basis points to 3.2% of total revenue, as compared to 3.5% in Q4 2016. The reduction was consistent with the downward trend experienced during Q3 2017.
- With discounts at historic lows, there may be a lower probability of discounts continuing to trend lower.

Revenue Growth Trends

- CubeSmart remains bullish on continued positive revenue trends. Same-store revenue growth over the past 20 years averaged about 4% per year. Despite the near-term negative impact of new supply on revenues, CubeSmart anticipates continued long-term growth of 4% or greater in the sector.
- The prospects of inflation in the economy may portend well for self storage. The short-term nature of self storage leases provides an ability to increase rates at a faster pace as inflation presents itself in the marketplace.

Operations

CubeSmart
(NYSE: CUBE)

Operations Takeaways

- Same-store growth expectations assume modest increases in net effective rental rates, the impact of new supply on its portfolio, and continued pressure on real estate taxes. Properties in lease-up continue to meet or exceed expectations, and FFO guidance reflects short-term dilution from this growth strategy.
- Every market for CubeSmart achieved positive same-store revenue growth in the fourth quarter versus the previous year's quarter.
- In CubeSmart's top ten markets, six markets achieved same-store revenue growth higher in the fourth quarter 2017 versus the same period the previous year.
- Achieved record-high average same-store occupancy for the fourth quarter of 92.3%. The strong occupancy trend signifies that new demand for storage remains strong, despite the impact of new supply.
- Historically low discounts as percentage of revenue of 3.2%, versus 3.5% last year.
- Average length-of-stay slightly increased, currently approximately 14 months.
- Approximately one-half of customers above average street rates, and one-half below the street rates.

2018 Full Year Guidance –same-store pool of 458 properties

Same-store revenue growth	2.0% to 3.0%
Same-store expense growth	3.5% to 4.5%
Same-store net operating income growth	1.5% to 3.0%
Acquisition of wholly-owned properties	\$50 million to \$100 million
Acquisition of properties at C/O	\$20.8 million
New development openings	\$151.7 million
Dispositions	\$0 to \$50 million
Dilution from properties in lease-up	\$(0.06) to \$(0.07)
Property management fee income	\$19 million to \$21 million
General and administrative expenses	\$36 million to \$37 million
Interest and admortization expenses	\$65.5 million to \$67.5 million
Weighted average shares and units	\$185.3 million
FFO per diluted share, as adjusted	\$1.60 to \$1.65

Operations

CubeSmart
(NYSE: CUBE)

Select Markets Same-Store Performance

MSA	Facilities	Rent Per Occupied Sq. Ft.	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	53	\$ 27.68	92.7%	3.0%
Chicago-Naperville-Joliet, IL-IN-WI	38	\$14.25	91.2%	2.1%
Miami-Fort Lauderdale-Pompano Beach, FL	35	\$18.12	93.2%	4.6%
Dallas-Fort Worth-Arlington, TX	28	\$14.05	90.9%	2.5%
Washington-Arlington-Alexandria, DC-VA-MD-WV	22	\$20.67	92.0%	3.3%
Atlanta-Sandy Springs-Marietta, GA	18	\$12.73	92.1%	4.1%
Riverside-San Bernardino-Ontario, CA	16	\$12.80	94.0%	9.3%
Phoenix-Mesa-Scottsdale, AZ	15	\$11.91	91.2%	3.1%
Tucson, AZ	15	\$10.67	93.0%	7.2%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$16.28	92.7%	2.8%
Houston-Sugar Land-Baytown, TX	13	\$12.97	93.0%	3.9%
Hartford-West Hartford-East Hartford, CT	12	\$12.34	91.7%	4.3%
Orlando-Kissimmee, FL	10	\$12.95	92.8%	6.5%
Columbus, OH	10	\$10.54	92.2%	5.8%
Cleveland-Elyria-Mentor, OH	10	\$13.14	92.5%	2.1%
Sacramento-Arden-Arcade-Roseville, CA	8	\$14.01	91.7%	4.6%
Jacksonville, FL	7	\$16.15	93.2%	6.2%
Austin-Round Rock, TX	7	\$14.66	89.9%	2.2%
Denver-Aurora, CO	7	\$15.15	92.5%	2.9%
Boston-Cambridge-Quincy, MA-NH	7	\$21.90	92.9%	5.8%
Nashville-Davidson-Murfreesboro-Franklin, TN	6	\$12.32	91.7%	5.5%
San Diego-Carlsbad-San Marcos, CA	6	\$16.50	94.0%	6.1%
Los Angeles-Long Beach-Santa Ana, CA	6	\$16.73	93.7%	5.7%
Cape Coral-Fort Myers, FL	5	\$15.52	95.0%	8.3%
Bridgeport-Stamford-Norwalk, CT	5	\$21.70	93.8%	3.8%
Salt Lake City, UT	4	\$12.19	91.7%	4.4%
Providence-New Bedford-Fall River, RI-MA	4	\$14.43	92.7%	5.7%
Naples-Marco Island, FL	4	\$16.53	92.0%	4.9%
Other	48	\$14.06	91.7%	4.1%
Total	432	\$16.48	92.3%	4.0%

Operations

LifeStorage
(NYSE: LSI)

During the fourth quarter, Life Storage generated same-store revenue growth in 21 of its major markets.

Same-Store Comparison

- Same-store facilities for Life Storage represent those properties that have been owned by Life Storage and included in the consolidated results since January 1, 2016, excluding facilities not yet stabilized, the properties sold in 2016, three facilities impacted by flooding in 2016, three facilities significantly impacted by flooding in 2017, and one facility that Life storage began to fully replace in 2017. There are 430 facilities in Life Storage's same-store pool.

Q4 2017 RESULTS

- Same-store revenues increased 1.3% during Q4 2017, the result of a 70 basis point increase in average occupancy and increases in tenant insurance and administrative fees.
- Cost of operations for the same stores increased by 3.2% during Q4 2017, due primarily to higher real estate taxes and payroll. The operating expenses were partially offset by lower repairs and maintenance.
- Life Storage increased same-store net operating income 0.4% year-over-year, driven by 1.3% revenue growth.

FULL YEAR 2017 RESULTS

- For the full year, same-store revenues increased 1.7%, same-store operating expenses increased 4.1%, inclusive of a 6.6% increase in real estate taxes, and net operating income increased 0.6%, as compared to the previous year.

Changes to Same-Store Pool in 2018

- The same-store pool will add 105 stores in 2018 to bring the total to 535 stabilized stores. The stores added are a combination of assets from the Life Storage acquisition plus recent acquisitions that includes properties in Los Angeles. In addition, three certificate-of-occupancy facilities constructed in 2014 will be added to 2018 same-store pool.

Operating Fundamentals

- Ended the fourth quarter with same-store occupancy at 91%, a 60 basis point increase from the previous year, and over 90% occupancy in the consolidated portfolio, both record year-end levels for Life Storage.
- Trend of street rates improving. In the fourth quarter 2017, street rates were down 2% on average. In January 2018, street rates down about 0.5% and in February rates are flat. For comparison, in the middle of 2017, street rates were down as much as negative 6%.
- Life Storage expects continued expense pressure on payroll, real estate taxes, and insurance. Internet marketing spending is expected to decrease to keep overall expense growth in check.
- Discounts trended similar to previous quarter at about 2.4% of total revenues, primarily as an upfront concession.

Operations

LifeStorage
(NYSE: LSI)

Market Performance

- Markets with the strongest revenue growth include New England, Buffalo, New York; Beaumont, Texas and all Florida Markets.
- The greatest challenge to performance exists in the big four Texas markets of Houston, Dallas, Austin, and San Antonio. 23% of Life Storage' same-store pool of stores are located in these markets.
- Occupancy gains in Houston from Hurricane Harvey impact is slowly burning off.

New Supply Impact on Operations

- New deliveries impact Life Storage stores greatest in the Texas markets. Over the past two years approximately 220 stores opened within a five-mile radius of Life storage stores. There are currently 152 under construction in the Texas markets.
- Dallas continues to add significant deliveries that will impact stores for the balance of 2018 and into 2019. The Houston and Austin markets are further along in the development cycle and may be entering more of an absorption phase and less of a delivery phase.
- Other markets with accelerated supply impacting Life Storage stores include, Chicago, Miami, Phoenix, and Atlanta.

Third Party Management

- Life Storage manages a total of 140 properties through its joint venture and third-party management program. An additional 15 development properties are under contract to manage. At least 32 more expected to be added in 2018.

LifeStorage Portfolio Acquisition Update

- Average quarterly occupancy continues to increase at the 70 stabilized stores growing to 90.6% from the prior year 86.3%. The 11 non-stabilized stores experienced gains above expectations reaching an average occupancy of 86.7% in the fourth quarter.
- The 70 stabilized stores increased revenues 80 basis points year-over-year. The greatest pressure on revenues stems from new supply competing with 18 stores acquired in the Life Storage acquisition in the Chicago market.
- The net operating income for the 70 stabilized Life Storage stores decreased during the fourth quarter due to a sharp increase in real estate taxes. Significant increases in real estate taxes in Colorado and Austin, Texas dramatically impacted the expense side. Going-forward the increased occupancy may provide increased pricing power to mitigate the expense bump.

Operations

Life Storage
(NYSE: LSI)**Full Year Guidance for 2018**

- Plans to complete \$40 million to \$50 million of expansions.
- Budgeted \$20 million to \$25 million for recurring capitalized expenditures including roofing, paving, and office renovations.
- Anticipates entering into additional joint ventures, or adding to existing agreements, up to \$50 million. Should any acquisitions or joint venture investments occur, expected to be funded by free cash flow and draws on a line of credit carrying an interest rate of LIBOR plus 1.1%.

Full Year Guidance for 2018

Same-store revenue growth	1% to 2%
Operating costs (excluding property taxes)	1% to 2%
Property taxes	5.5% to 6.5%
Total operating income	2.5% to 3.5%
Net operating income	0.75% to 1.75%

Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	Occupancy	Revenue Growth
Houston-The Woodlands-Sugar Land, TX	39	\$12.81	95.1%	0.1%
New York-Newark-Jersey City, NY-NJ-PA	24	\$22.40	91.5%	1.3%
New England-Other	24	\$17.09	90.6%	1.7%
Buffalo-Upstate, NY	23	\$12.41	90.9%	2.5%
Atlanta-Sandy Springs-Roswell, GA	21	\$12.95	91.1%	0.0%
Dallas-Fort Worth-Arlington, TX	19	\$12.29	91.7%	-1.0%
Austin-Round Rock, TX	17	\$12.14	88.9%	-1.1%
Miami-Fort Lauderdale-West Palm Beach, FL	16	\$18.39	93.5%	1.4%
San Antonio-New Braunfels, TX	15	\$12.89	91.1%	-1.5%
Tampa-St. Petersburg-Clearwater, FL	13	\$14.87	93.0%	1.8%
St. Louis, MO	13	\$13.17	89.6%	2.1%
New Orleans-Lafayette, LA	12	\$11.63	89.6%	-7.6%
Virginia Beach-Norfolk-Newport News, VA	12	\$10.35	90.0%	0.9%
Chicago-Naperville-Elgin, IL	11	\$14.35	90.5%	2.7%
Phoenix-Mesa-Scottsdale, AZ	10	\$11.13	91.0%	0.4%
Boston-Cambridge-Newton, MA-NH	9	\$17.75	91.6%	0.1%
Cleveland-Elyria, OH	9	\$11.19	92.0%	-0.2%
Jacksonville, FL	8	\$13.37	92.6%	3.8%
Space Coast, FL	8	\$13.65	94.8%	5.2%
Raleigh-Durham, NC	8	\$12.15	89.3%	-0.6%
Charlotte-Concord-Gastonia, NC	8	\$12.26	92.4%	-0.7%
Cape Coral-Fort Myers, FL	8	\$12.79	94.9%	4.6%
Pensacola-Ferry Pass-Brent, FL	8	\$9.24	91.7%	5.8%
Beaumont-Port Arthur, TX	7	\$13.35	95.6%	17.1%
Montgomery, AL	7	\$9.70	90.5%	3.3%
Jackson, MS	6	\$10.87	92.6%	-1.2%
Columbia, SC	6	\$10.96	89.8%	-5.3%
Orlando-Kissimmee-Sanford, FL	5	\$12.11	92.9%	4.2%
Chattanooga, TN-GA	5	\$11.85	91.3%	3.2%
Youngstown-Warren-Boardman, OH-PA	5	\$9.05	90.4%	3.8%
Other markets	54	\$11.88	90.7%	3.0%

Operations

National
Storage Affiliates
(NYSE: NSA)

For the full year 2017 same store revenues increased 5.7%, with same store operating expenses increasing 1.9% resulting in the same store net operating income increase of 7.5% compared to the previous year.

Same-Store Comparison

- Same-store facilities represent those facilities that were included in National Storage Affiliates' consolidated financial statements since January 1, 2016. NSA's same store portfolio is defined as those properties owned and operated since the first day of the earliest year presented, excluding any properties sold, expected to be sold or subject to significant changes such as expansions or casualty events which cause the portfolio's year-over-year operating results to no longer be comparable.

Q4 2017 RESULTS

- Same-store revenues increased 5.0% during Q4 2017, driven by a 5.2% increase in average annualized rental revenue per square foot partially offset by a 30 basis point decrease in average occupancy.
- Cost of operations for the same stores increased by 3.3% during Q4 2017, primarily due to increases in real estate taxes and repairs and maintenance.
- NSA achieved same-store net operating income growth of 5.8% year-over-year, driven by 5.0% revenue growth and 3.3% increase in property operating expenses.

FULL YEAR 2017 RESULTS

- For the full year, same-store revenues increased 5.7%, driven by a 5.8% increase in average annualized rental revenue per square foot partially offset by a 30 basis point decrease in average occupancy.
- Same-store operating expenses increased by 1.9% during 2017, primarily due to increases in real estate taxes and repairs and maintenance.
- For the full year, NSA achieved same-store net operating income growth of 7.5% year-over-year, driven by 5.7% revenue growth and 1.9% increase in property operating expenses.

Operating Fundamentals

- NSA strives to hold the line on street rates and utilized discounts and promotions to achieve the marginal new rental. Fourth quarter street rates overall were nearly flat.
- While street rates remain flat, the primary revenue growth driver continues to be rent increases to existing customers. During the fourth quarter 2017, net effective rates grew 5.2% primarily due to rate increases on existing customers.
- The biggest driver in same-store operating expenses are property taxes, expected to grow at 5% to 6% range. Controllable expenses expected to grow 2% to 3%.
- The guidance for 2018 projects a deceleration in same-store revenue growth. New supply in NSA markets contributes to part of the deceleration plus the maturity of the same-store pool and portfolio platform.

Operations

National
Storage Affiliates
(NYSE: NSA)

Market Performance

- The strongest performing markets for NSA during the fourth quarter were in Southern California, Washington State, and in secondary markets in North Carolina.
- The weakest performing markets for NSA were in Portland, Oklahoma City, Atlanta, and Phoenix.
- NSA experienced a decline in average occupancy in a number of markets during the 2017. The markets with negative occupancy include Portland, Oklahoma City, Atlanta, and Phoenix. The declines in occupancy were offset by gains in average rental revenue per square foot in these markets, albeit at levels below the portfolio average.

Full Year 2018 Guidance- Same store pool of 376 stores

Revenue growth	4.0% to 5.0%
Operating expense growth	3.0% to 4.0%
Net operating income growth	4.0% to 5.5%
Wholly-owned acquisitions	\$250 million to \$400 million
Joint-venture acquisitions	\$50 million to \$100 million
Core FFO per share	\$1.33 to \$1.37

Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary

State	Stores	Rent Per Occupied Square Foot	Occupancy Dec. 31, 2017	Revenue Growth
Oregon	50	\$14.95	85.7%	3.4%
Texas	48	\$9.61	88.7%	3.1%
California	48	\$13.71	91.4%	8.7%
Oklahoma	29	\$8.84	83.6%	1.0%
North Carolina	28	\$10.67	89.5%	5.1%
Georgia	18	\$9.36	88.5%	2.3%
Washington	14	\$13.70	88.1%	8.1%
Arizona	13	\$13.05	86.6%	3.7%
Colorado	8	\$12.43	90.1%	5.6%
Louisiana	5	\$9.61	81.4%	8.6%
New Hampshire	4	\$12.48	89.6%	0.7%
South Carolina	4	\$10.36	88.9%	0.6%
Other*	8	\$10.35	91.1%	6.4%
Total	277	\$11.88	88.1%	5.0%

*Other states in NSA's same store portfolio include Florida, Kentucky, Mississippi and Nevada.

Capital Activities

Public Storage (NYSE: PSA)

- During 2017, raised a total of \$1.58 billion from public offerings including two series of Preferred Shares for \$580 million with an average coupon rate of 5.1%.
- During 2017, redeemed two series of Preferred Shares with an average coupon rate of 5.8% at par for \$922.5 million.
- Issued two series of Preferred Shares for \$580 million with an average coupon rate of 5.1%.
- During the year, issued a public offerings of \$1 billion of senior notes, comprised of \$500 million at 2.37% coupon rate maturing in five years, and \$500 million at 3.094% coupon rate maturing in ten years.

Extra Space Storage (NYSE: EXR)

- Did not sell any common shares of stock in the fourth quarter. As of December 31, 2017, the company had \$349.4 million available for issuance.

Debt Structure

- Fixed-rate debt to total debt of 74.7%. Variable-rate debt of 25.3%.
- Weighted average interest rate of fixed-rate debt is 3.3%, and variable-rate debt is 3.1%.
- Weighted average maturity of approximately 4.7 years.

CubeSmart (NYSE: CUBE)

- During the fourth quarter, sold 1 million common shares through its at-the-market equity program at an average sales price of \$29.13 per share, resulting in net proceeds of \$29.6 million. An additional 4.7 million shares remain available for issuance.
- Current line of credit of \$500 million.

Debt Structure

	Amount	Weighted Avg. Interest Rate	Weighted Avg. Maturity
Fixed Rate Debt	\$281.44 million	2.85%	1.4 years
Floating Rate Debt	\$1,353.55 billion	4.11%	6.3 years
Total Debt	\$1,634.99 billion	3.89%	5.4 years

Investment Credit Ratings

Moody's Baa2	Stable
Standard & Poor's BBB	Stable

Capital
ActivitiesLife Storage
(NYSE: LSI)

- In the fourth quarter, completed a public debt offering of \$450 million of 10-year notes at an annual interest rate of 3.875%.
- At December 31, 2017, approximately \$9.2 million cash on hand, and \$395 million available on line of credit.
- Average weighted maturity of debt maturities of 7.8 years.

Key Financial Ratios

Debt to Enterprise Value @ \$89.07/share	29.5%
Debt to Book Cost of Facilities	40.3%
Debt to Recurring Annualized EBITDA	5.6x
Debt Service Coverage (DSC)	4.9x

Investment Grade Ratings

Moody's:	Baa2
Standard & Poor's:	BBB

National
Storage Affiliates
(NYSE: NSA)

- In October 2017, NSA completed the company's first public offering of 6.9 million Preferred Shares, Series A with a coupon rate of 6.0%, resulting in gross proceeds of approximately \$173 million. Shares become redeemable beginning in five years for a cash price of \$25 per share.
- In December 2017, NSA issued a public offering of 5.75 million common shares of stock at \$25.60 per share resulting in gross proceeds of approximately \$147 million.
- NSA used the proceeds from the public offerings for acquisitions, and to repay amounts outstanding under its line of credit.
- On January 29, 2018, NSA expanded borrowing capacity under the company's credit facility by \$125 million five-year term loan tranche. The total credit facility with expansion options would provide up to \$1.3 billion.



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