

MJ PARTNERS
SELF STORAGE GROUP

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SELF STORAGE MARKET OVERVIEW

Third Quarter 2019 Results

Analysis of the Public Self Storage Companies

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Summary

Same-Store Net Operating Income Turns Negative

- The self storage REITs generated same-store revenue growth in the third quarter ranging from 1.1% to 3.7%.
- Net operating income for REITs same-store pools range from (0.9%) to 4.2%.
- Public Storage reported its first negative quarter since 2010 as net operating income decreased (0.9%) for its same-store pool, and CubeSmart reported nearly flat NOI growth at 0.1% compared to the same quarter last year.
- New supply impacting rental rates in markets with elevated levels of new deliveries. Most REITs expect 2019 as the peak in new deliveries, but the incremental downturn projected in 2020 may continue to pressure rental rates.
- Expense pressures continue as real estate taxes and digital market expenses increase. While the REITs continue to focus on digital marketing as an efficient way to drive customer traffic, pay-per-click competition is elevating costs and compromising the strategy's return on investment.
- Rate increases on in-place customers driving revenue growth and continues to maintain mid-to-high single-digit increases.

Joint Venture Activity Increasing

- REITs are increasing acquisitions and developments through various new joint venture relationships. Benefits of these joint ventures include:
 - Spreading risks through smaller investments.
 - Enhanced returns by collecting tenant insurance revenue and management fees.
 - Opportunity to earn a promote fee in the future.
 - Opportunity to acquire partners' ownership interests through off-market transactions.
- During the third quarter, Life Storage announced a new joint venture with developer Childress Klein Properties, Inc. and acquired 40% minority interest investment in six Atlanta properties (formerly SpaceMax Storage) with a total purchase price of \$82.6 million, of which Life Storage invested \$16.5 million.

Implied Cap Rates

	Public Storage (NYSE: PSA)	5.1%
	Extra Space Storage (NYSE: EXR)	4.4%
	CubeSmart (NYSE: CUBE)	5.4%
	Life Storage (NYSE: LSI)	5.3%
	National Storage Affiliates (NYSE: NSA)	5.2%

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

Summary

New Supply Update

Under Construction & Planned
Percent of Existing Inventory

Metro Area	Sept-2019
NATIONAL	9.4%
Nashville	21.0%
Portland	20.6%
Seattle	18.4%
New York	17.7%
Orlando	15.8%
Sacramento	15.6%
Boston	15.3%
Phoenix	14.4%
Miami	12.3%
Minneapolis	12.2%
Philadelphia	11.8%
San Jose	11.2%
Washington DC	11.0%
San Diego	11.0%
Tampa	10.5%
Charlotte	10.2%
Las Vegas	10.2%
Columbus (OH)	10.1%
Denver	9.7%
Pittsburgh	9.5%
Atlanta	8.8%
Austin	8.5%
Charleston (SC)	8.2%
San Francisco Penin. & East Bay	7.1%
Dallas - Ft Worth	6.2%
Raleigh - Durham	5.7%
Inland Empire	5.3%
Los Angeles	5.3%
San Antonio	4.8%
Chicago	4.3%
Houston	3.9%

*Source Yardi Matrix

- Yardi Matrix tracked a total of 2,140 self storage properties in the National pipeline during October 2019. It includes 592 under construction, 1,172 planned and 376 prospective projects.
- The National new supply pipeline as a percentage of existing inventory slightly increased by 0.1% in October compared to the previous month. The amount of development under construction, planned and prospective accounts for 9.4% of the total existing self storage stock.
- New deliveries and planned developments continue to weigh on current rental rates and prospects for future rental rate growth. Year-over-year street rates decreased 3.7% for 10 x 10 climate controlled units and 2.5% for 10 x 10 non-climate controlled units. The street rate declines impacted over 85% of the top markets the nation.
- Nashville (21.0%), Portland (20.6%) and Seattle (18.4%) reported the highest percent of existing inventory under development or planned. Many markets with elevated pipelines are in high population and job growth markets. The 23,000 new jobs created in Nashville during the 12 months ending in May, for example, may help increase self storage demand and help absorb the impact of 17 developments under construction and 16 that are planned in the market.
- Higher barrier-to-entry markets in San Francisco, Inland Empire and Los Angeles report low new inventories as limited available land and rising land costs inhibit new development. Markets that generated large inventories early in the development cycle including Chicago, Dallas and Houston, are experiencing minimal new deliveries as a percentage of existing stock.

Earnings
Results

Same-Store Comparisons

	Total Properties Operating	Revenue Growth	Net Operating Income Growth	Occupancy End of Quarter	Rent Per Occupied Square Foot
Public Storage	2,468 U.S. 231 Europe	1.1%	(0.9)%	92.7%	\$17.82
Extra Space Storage	1,797	3.3%	2.1%	93.8%	\$16.94
CubeSmart	~1,150	1.5%	0.1%	92.5%	\$17.15
Life Storage	833	1.8%	2.6%	90.3%	\$14.82
National Storage Affiliates	735	3.7%	4.2%	89.4%	\$12.06

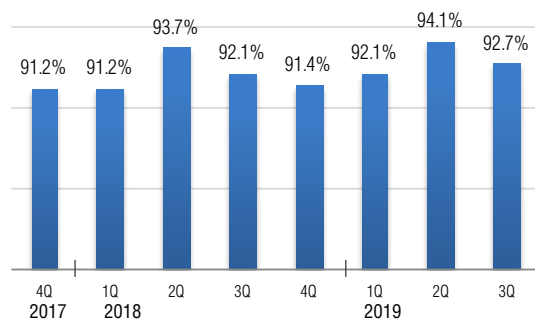
Capital Markets

	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (11.5.2019)	52-Week High/Low
Public Storage	\$38.22 billion	\$2.73/share (+1.1%)	3.59%	\$215.27	\$266.76 \$193.89
Extra Space Storage	\$14.0 billion	\$1.24/share (+3.3%)	3.21%	\$107.11	\$124.46 \$86.99
CubeSmart	\$5.97 billion	\$0.44/share (+2.3%)	4.04%	\$31.02	\$36.32 \$27.97
Life Storage	\$4.85 billion	\$1.46/share	3.67%	\$104.02	\$112.64 \$89.54
National Storage Affiliates	\$1.93 billion	\$0.40/share (+11.1%)	3.68%	\$32.64	\$35.76 \$25.11

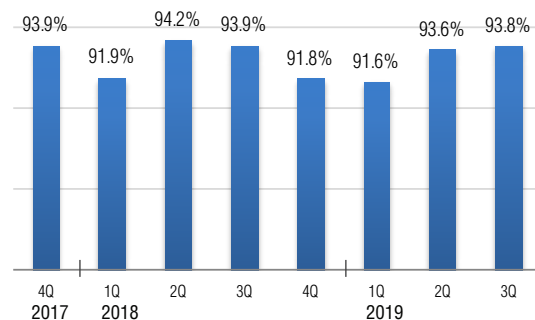
Portfolio Occupancies

Same-Store
Year-Over-Year Change

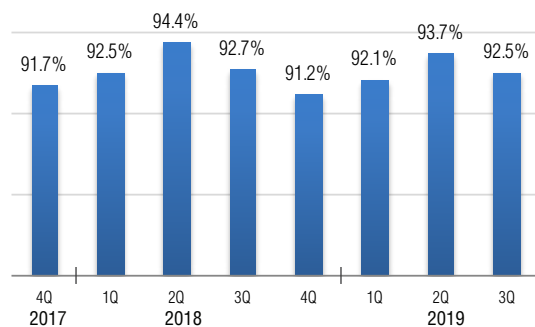
Public Storage



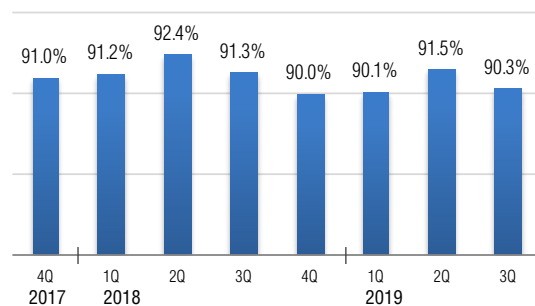
Extra Space Storage



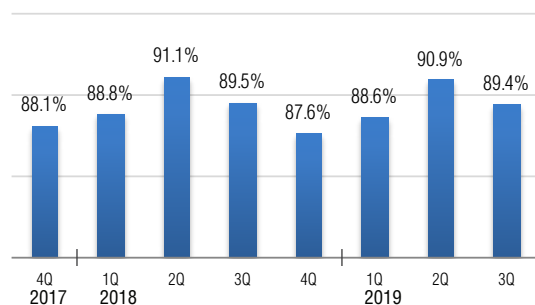
CubeSmart



Life Storage



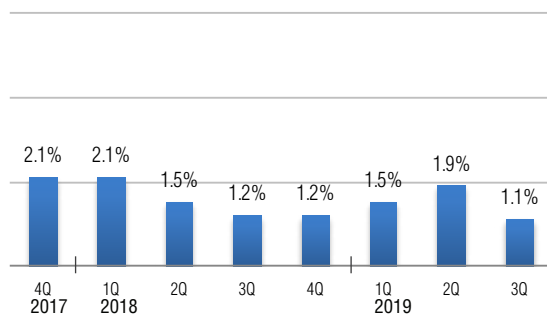
National Storage Affiliates



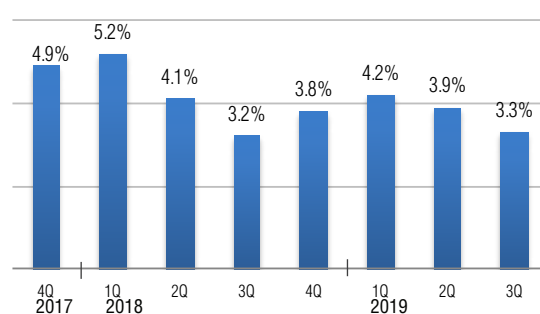
Portfolio Revenues

Same-Store
Year-Over-Year Change

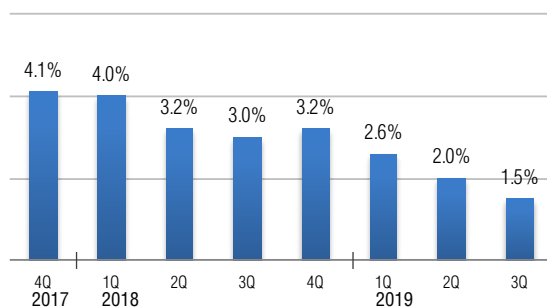
Public Storage



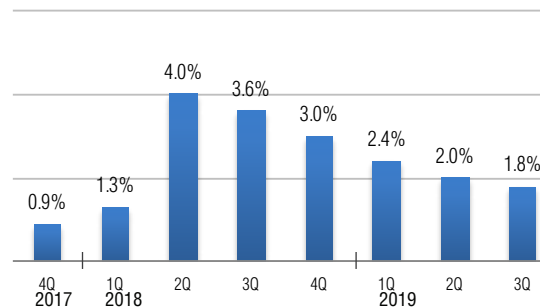
Extra Space Storage



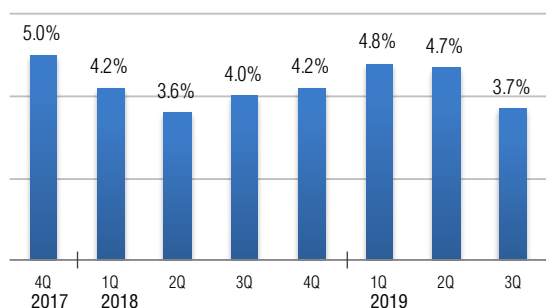
CubeSmart



Life Storage



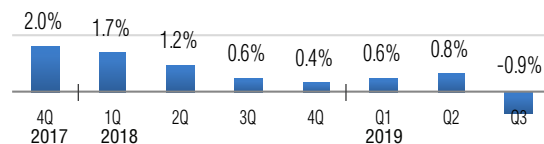
National Storage Affiliates



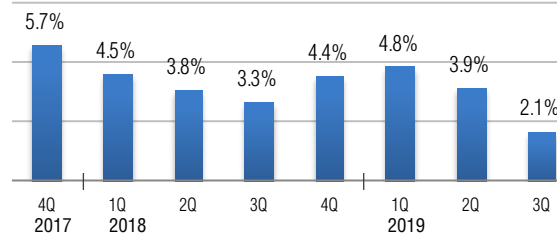
Portfolio Net Operating Income

Same-Store
Year-Over-Year Change

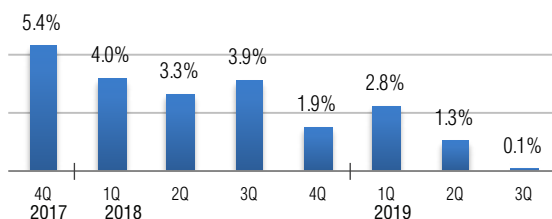
Public Storage



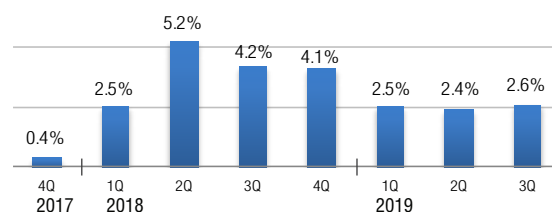
Extra Space Storage



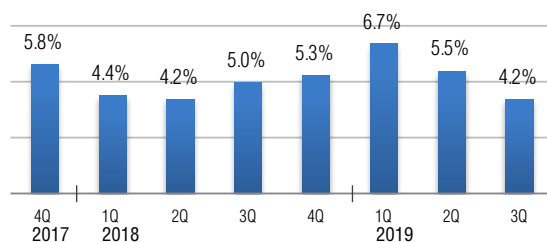
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage (NYSE: PSA)

Public Storage acquired ten facilities for \$110.7 million in the third quarter. Locations include two each in Georgia and Massachusetts and one each in Florida, Indiana, Minnesota, North Carolina, Tennessee and Texas.

Investment Activity

- Year-to-date, Public Storage acquired 32 facilities for \$308.7 million. Locations include eleven in Virginia, six in Florida, three in Georgia, two each in Massachusetts and Texas and one each in Arizona, Colorado, Indiana, Kentucky, Michigan, Minnesota, North Carolina and Tennessee. The company anticipates to acquire about \$375 million of assets in 2019, which is about double from the previous year.
- Subsequent to September 30, 2019, Public Storage acquired or is under contract to acquire eight facilities for \$69 million. Locations include three in South Carolina, two in North Carolina, and one each in Arizona, Texas and Virginia.
- On September 17, 2019, Public Storage acquired the remaining 74.25% equity interests for \$35 million cash that were not yet owned in consolidated partnerships for two stabilized self storage facilities in California with 144,000 net rentable square feet.

Development and Expansion Pipeline

- At September 30, 2019, the company has various new development facilities in progress totaling about 1.3 million rentable square feet estimated to cost \$219 million. And, various expansion projects totaling 2.4 million rentable square feet estimated to cost \$313 million.
- For the year to date, Public Storage opened eight newly developed facilities, and various expansion projects totaling 3.2 million rentable square feet. The facilities include 1.5 million sq. ft. in Texas, 300,000 sq. ft. each in Colorado, Minnesota and North Carolina, 200,000 sq. ft. each in Georgia and Tennessee and approximately 100,000 sq. ft. each in California, Michigan, Florida and Washington.
- The aggregate 3.7 million rentable square foot pipeline of new development and expansion facilities includes 1.2 million sq. ft. in Florida, 800,000 sq. ft. in California, 400,000 sq. ft. each in Minnesota and Washington, 200,000 sq. ft. each in Colorado, Missouri, Texas and Virginia and about 100,000 sq. ft. in New York. The development costs for these projects expected to be incurred primarily in the next 18 months.
- Development pipeline since 2013 leasing up well, and boasts 21% net operating growth in development portfolio properties. Collectively, Public Storage invested about \$1.4 billion in new developments that are currently about 80% occupied.

New Supply

- New supply volume decreasing dramatically in certain markets, although continued lingering impact from amount of new supply. Denver market in 2018 delivered a little over two million square feet, and less than one-half that amount in 2019, and additional reduction expected in 2020. Holistically, Denver market witnessed about 35% increase in supply compared to existing base and Public Storage must maneuver around the elevated levels of deliveries.
- Houston more extreme with about 2.5 million square feet of completions in 2018, and ratcheted down in 2019.
- Other markets with over one million square feet of deliveries include Charlotte, Austin and Chicago. Each of these markets slowing new deliveries.

Investment Activity

Public Storage (NYSE: PSA)

New Supply Continues

- Expecting overall 2020 deliveries of about \$4 billion of new properties coming into the markets, impacting Portland, Boston, Seattle, many parts of Florida, Washington D.C., Minneapolis and New York.
- Supply in California markets remains muted due to high land costs and limited available inventory. Core markets in San Francisco and Los Angeles are experiencing minimal development. The outer markets in San Diego are seeing elevated deliveries, Inland Empire and San Jose are seeing modest activity.

Fifth Generation Property of Tomorrow Enhancement Program

- Public Storage installing “fifth generation” attributes into older assets by enhancing curb appeal through more modern paint scheme, signage, office, and customer areas that align with new technology strategies such as LED lighting for efficiency and customer experience.
- First wave of enhancements in California including 125 properties considered first generation through third or fourth generation, some may be 30 or 40 years old. Other markets for company enhancements include parts of Florida, New York, Chicago and the Carolinas. Anticipated to spend \$500 million or more overall.

Investment Activity

Extra Space Storage
(NYSE: EXR)

Year-to-date, Extra Space acquired four wholly-owned certificate of occupancy stores, completed one development and purchased a joint venture partner's interest in 12 stores for a total investment of about \$259.3 million.

Investment Activity

- In conjunction with joint venture partners, Extra Space acquired three operating stores and completed one development for a total cost of \$29.3 million, of which Extra Space invested \$11.1 million in the third quarter.
- External growth through traditional acquisitions is challenging due to capital flows into the self storage sector.
- Acquired one store at certificate of occupancy for approximately \$16.8 million in Wakefield, Massachusetts consisting of 83,471 rentable square feet (\$201.27 per square foot), in the third quarter.

Joint Venture

- In conjunction with joint venture partners year-to-date, Extra Space acquired 15 operating stores, six certificate of occupancy stores and completed one development for a total cost of approximately \$468.4 of which Extra Space invested \$95.4 million.
- Extra Space continues to pursue joint ventures as the ability to spread risk, collect tenant insurance and management fees, and earn a future promote which drives higher returns than wholly-owned acquisitions.

New Certificate of Occupancy Acquisitions

- Extra Space is seeing few viable opportunities for acquiring newly constructed properties at certificate of occupancy, partly due to moderation in new development and partly due to acceptable return level required to take on risk of lease-up.
- Extra Space approved five new certificate of occupancy deals in 2019, one in Hawaii and four joint ventures in and around Minneapolis.
- Extra Space is seeing more partially leased up stores coming to market for sale

Triple Net Lease Transactions with W.P. Carey

- On August 1, 2019, Extra Space commenced leasing five additional stores in New York under its net lease agreements with W.P. Carey Inc. ("WPC"). These stores are the second of three groups of stores that will be leased by W.P. Carey to Extra Space. To date 27 of the 36 announced net leases have commenced.

Preferred Stock Investment

- Extra Space invested \$150 million in shares of newly issued convertible preferred stock of SmartStop Self Storage REIT, Inc., with an additional commitment to purchase up to \$50 million of the preferred shares for future investment. The additional commitment may be drawn by SmartStop over the next 12 months. Extra Space will receive a commitment fee of 0.25% per annum. The dividend rate for the preferred shares is 6.25% per annum, subject to increase after five years. The preferred shares are generally not redeemable for five years, except if a change of control or initial listing of SmartStop.

Bridge Loan Program

- Extra Space anticipates to complete over \$100 million in total originations in first year of the program with approximately \$45 million of the balances held by Extra Space.

Rebranding Program

- Extra Space started a seven-year program to rebrand all stores, and presently through four years the vast majority of wholly-owned stores have been rebranded while less of the joint venture and third-party managed stores have yet been completed.

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/Cost	Price/Cost Per Square Foot	Ownership
2019 Projected Openings					
Brooklyn, NY	4Q 2019	45,725	\$20,750,000	\$453.80	10%
Brooklyn, NY	4Q 2019	62,385	\$29,144,000	\$467.16	25%
Miramar, FL	4Q 2019	78,750	\$14,800,000	\$187.94	10%
Total	3	186,860	\$64,694,000		
2020 Projected Openings					
New Hyde Park, NY ⁽¹⁾	1Q 2020	70,000	\$6,400,000	\$91.43	100%
West Palm Beach, FL	1Q 2020	79,075	\$14,500,000	\$183.37	10%
Belleville, NJ ⁽¹⁾	2Q 2020	75,000	\$10,944,000	\$145.92	95%
El Cajon, CA ⁽¹⁾	2Q 2020	55,345	\$2,834,000	\$51.21	100%
San Jose, CA	2Q 2020	76,000	\$13,500,000	\$177.63	100%
Vista, CA	2Q 2020	104,400	\$16,000,000	\$153.26	10%
Aurora, CO	3Q 2020	79,900	\$10,528,000	\$131.76	100%
Neptune City, NJ	3Q 2020	65,875	\$11,400,000	\$173.06	100%
Total	8	605,595	\$ 86,106,000		

(1) 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/Cost Per Square Foot	Occupancy 9/30/2019	Ownership
Lake Worth, FL	1Q 2017	78,665	\$8,455,000	\$107.48	96.0%	10%
Clearwater, FL	1Q 2017	61,456	\$7,750,000	\$126.11	93.8%	20%
Philadelphia, PA	2Q 2017	77,386	\$17,800,000	\$230.02	79.1%	100%
Warrington, PA	2Q 2017	65,762	\$12,000,000	\$182.48	84.4%	100%
Orlando, FL	2Q 2017	66,288	\$7,343,000	\$110.77	88.1%	100%
Ft Myers, FL	3Q 2017	77,519	\$8,970,000	\$115.71	86.5%	100%
Cohasset, MA	3Q 2017	50,330	\$8,800,000	\$174.85	92.8%	10%
Venice, FL	4Q 2017	58,254	\$7,830,000	\$134.41	86.2%	20%
Portland, OR	4Q 2017	73,415	\$12,800,000	\$174.35	83.9%	25%
Suwanee, GA	4Q 2017	78,527	\$9,600,000	\$122.25	77.0%	100%
Buford, GA	4Q 2017	78,545	\$7,500,000	\$95.49	75.0%	100%
Philadelphia, PA	4Q 2017	67,708	\$17,700,000	\$261.42	85.7%	100%
Westwood, NJ	4Q 2017	70,838	\$21,000,000	\$296.45	66.1%	100%
Brooklyn, NY	4Q 2017	52,462	\$25,924,000	\$494.15	77.2%	25%
Charlotte, NC	4Q 2017	70,975	\$10,900,000	\$153.58	79.7%	100%
Bradenton, FL	4Q 2017	86,730	\$10,400,000	\$119.91	75.0%	100%
Milwaukee, WI	4Q 2017	83,111	\$13,040,000	\$156.90	59.0%	10%
Franklin, WI	4Q 2017	92,731	\$12,520,000	\$135.01	77.7%	10%
Raleigh, NC	1Q 2018	74,995	\$8,800,000	\$117.34	60.1%	10%
Cherry Creek, CO	1Q 2018	88,333	\$14,000,000	\$158.49	70.5%	100%
Totowa, NJ	1Q 2018	90,133	\$19,541,000	\$216.80	67.8%	100%
Elmhurst, IL	2Q 2018	82,763	\$9,960,000	\$120.34	86.8%	25%
St. Petersburg, FL	2Q 2018	99,113	\$9,750,000	\$98.37	64.3%	20%
Vancouver, WA	2Q 2018	57,340	\$8,250,000	\$143.88	88.1%	25%
Houston, TX	2Q 2018	79,557	\$9,000,000	\$113.13	74.5%	100%
Hollywood, FL	2Q 2018	58,380	\$11,800,000	\$202.12	67.5%	10%

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/Cost Per Square Foot	Occupancy 9/30/2019	Ownership
Portland, OR	2Q 2018	78,702	\$22,500,000	\$285.89	70.6%	25%
Largo, FL	3Q 2018	86,620	\$11,500,000	\$132.76	57.9%	25%
Minnetonka, MN	3Q 2018	86,461	\$12,025,000	\$139.08	59.1%	100%
Milwaukie, OR	3Q 2018	64,282	\$11,700,000	\$182.01	81.0%	25%
Riverview, FL	3Q 2018	89,020	\$10,400,000	\$116.83	69.2%	10%
Crum Lynne, PA	3Q 2018	83,910	\$13,180,000	\$157.07	56.1%	95%
Lawrenceville, GA	4Q 2018	77,679	\$7,500,000	\$96.55	56.6%	100%
Jamaica Plain, MA	4Q 2018	94,102	\$21,333,000	\$226.70	33.3%	100%
Brooklyn Park, MN	4Q 2018	77,017	\$8,100,000	\$105.17	53.7%	100%
Decatur, GA	4Q 2018	78,977	\$14,250,000	\$180.43	56.2%	10%
St. Petersburg, FL	4Q 2018	70,290	\$12,200,000	\$173.57	39.9%	10%
Atlanta, GA	4Q 2018	76,725	\$13,500,000	\$175.95	38.4%	10%
Tampa, FL	4Q 2018	77,700	\$10,000,000	\$128.70	56.0%	10%
Charlotte, NC	1Q 2019	75,482	\$9,250,000	\$122.55	46.9%	10%
Chicago, IL	1Q 2019	99,507	\$14,840,000	\$149.14	20.1%	10%
Chicago, IL	1Q 2019	98,737	\$14,500,000	\$146.85	49.2%	10%
Brooklyn, NY	1Q 2019	144,352	\$79,901,000	\$553.52	20.1%	25%
Manayunk, PA	1Q 2019	62,650	\$17,100,000	\$272.94	74.6%	100%
Auburndaleton, MA	1Q 2019	79,775	\$20,000,000	\$250.71	28.8%	10%
Queens, NY	1Q 2019	117,155	\$52,321,000	\$446.60	28.9%	25%
Louisville, KY	1Q 2019	158,676	\$12,680,000	\$79.91	49.9%	100%
Plantation, FL	2Q 2019	71,048	\$11,800,000	\$166.08	28.4%	100%
Brooklyn Center, MN	2Q 2019	80,768	\$8,400,000	\$104.00	34.5%	100%
Broomfield, CO	3Q 2019	67,142	\$9,083,000	\$135.28	24.3%	100%
Wakefield, MA	3Q 2019	83,471	\$16,800,000	\$201.27	6.0%	100%
Total	51	4,101,554	\$ 746,296,000			

Investment Activity

CubeSmart (NYSE: CUBE)

CubeSmart acquired two stores located in Atlanta and Charleston, South Carolina for \$17.9 million in the third quarter. Year-to-date, CubeSmart has acquired 24 wholly-owned properties for \$188.7 million.

Investment Activity

- CubeSmart currently has five properties under contract to purchase for \$87.9 million that are expected to close by the first quarter of 2020.

Disposition Activity

- Subsequent to quarter end, CubeSmart sold one store in Texas for \$4.1 million.

Joint Venture Activity

- CubeSmart's HVP IV joint venture acquired two stores in the third quarter in Texas for \$46 million, and two additional stores are under contract for \$34.3 million that are expected to close by year-end. The HVP IV joint venture has acquired six properties to date for \$88.2 million, plus the properties under contract.
- During the third quarter, opened a new joint venture development property in Waltham, Massachusetts for a total cost of \$18 million, consisting of 87,840 rentable square feet.
- As of September 30, 2019, CubeSmart has five joint venture development properties under construction. CubeSmart anticipates investing a total \$131.9 million related to these projects. Locations include Brooklyn and East Meadow, New York; Newton, Massachusetts; Arlington, Virginia; and, King of Prussia, Pennsylvania. The properties are expected to open between the fourth quarter of 2019 and the second quarter of 2021.
- The company has no stores under contract to be purchased upon completion and the issuance of certificate of occupancy as of September 30, 2019.

New Supply Slowing

- CubeSmart's top twelve markets represent 70% of total revenue. CubeSmart is tracking about 300 to 360 new competing deliveries in 2019 that are impacting its stores. In 2020, CubeSmart is tracking a drop of new deliveries to 110 to 150 competitors.
- Steepest declines in competing new deliveries include markets that had earliest development in the current cycle including declines in Chicago, Houston, Dallas and Miami. Overall, CubeSmart is expecting peak deliveries in 2019 and slowing slightly in 2020.
- In CubeSmart's top twelve markets, rental rates required to have a new development are in excess of current rental rates, curtailing the economic feasibility of new development. Additionally, the experience of developers that opened new projects within the past 18 to 24 months has reduced new development plans. Several opportunities moving to second-tier markets.

Investment Activity

CubeSmart (NYSE: CUBE)

New York Supply

- New supply in the Bronx is dropping off significantly. CubeSmart is tracking three new competing deliveries remaining in 2019, and only one new store scheduled for 2020.
- Most new deliveries in Brooklyn are already opened or scheduled to open, and concentrated in areas of available storage zoning. Four CubeSmart facilities in the same-store pool impacted by eight new competitors. Other Brooklyn stores are performing well with healthy revenue growth. Demand is solid as evidenced by CubeSmart's Brooklyn portfolio increasing 120 basis points in occupancy versus last year, and the new competition leasing up steadily.
- Queens not much new deliveries.
- Manhattan CubeSmart store unaffected by new competition.
- Staten Island store spectacular and continues to perform well.
- Developers looking in the greater New York MSA are moving out into Long Island, Northern New Jersey, and Westchester.

Investment Activity

CubeSmart
(NYSE: CUBE)

New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Brooklyn, NY	Q4 2019	\$43,000,000
Newton, MA	Q3 2020	\$18,800,000
East Meadow, NY	Q4 2020	\$24,900,000
Arlington, VA	Q1 2021	\$23,300,000
King of Prussia, PA	Q2 2021	\$21,900,000
Total		\$131,900,000

Acquisitions at Certificate of Occupancy - Operating

Location	Date Completed	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 9/30/2019
Riverwoods, IL	Q2 2017	73,915	\$11,200,000	\$151.53	88.3%
Chicago, IL	Q4 2017	90,947	\$11,300,000	\$124.25	75.8%
Delray Beach, FL	Q4 2017	97,208	\$17,750,000	\$182.60	69.2%
San Diego, CA	Q4 2018	87,412	\$19,118,000	\$218.71	45.8%
Total		349,482	\$59,368,000		

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 9/30/2019
North Palm Beach, FL	Q1 2017	45,825	\$9,700,000	\$211.67	90.7%
New York, NY	Q3 2017	94,952	\$81,200,000	\$855.17	57.6%
Washington, D.C.	Q3 2017	72,298	\$27,800,000	\$384.52	73.3%
Brooklyn, NY	Q4 2017	131,813	\$49,300,000	\$374.01	50.5%
Bronx, NY	Q3 2018	201,195	\$92,100,000	\$457.76	34.0%
Queens, NY	Q2 2019	81,103	\$47,500,000	\$585.68	34.3%
Bayonne, NJ*	Q2 2019	96,868	\$25,100,000	\$259.12	37.0%
Waltham, MA	Q3 2019	87,840	\$18,000,000	\$204.92	6.9%
Total			\$350,700,000		

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

Investment Activity

Life Storage
(NYSE: LSI)

Life Storage acquired 22 wholly-owned properties for \$281.7 million in the third quarter. Properties include five stabilized stores in Baltimore for \$63 million, three stabilized stores in Seattle for \$57 million, one stabilized store in Las Vegas for \$13 million. Plus, acquired 12 stores for \$135 million in lease-up with locations in Virginia (5), Florida (2), South Carolina (2), North Carolina, Tennessee, Georgia, one lease-up store in Austin, Texas was acquired for \$14 million was previously operated pursuant to an operating lease.

Investment Activity

- Nearly 80% of Life storage acquisitions in 2019 generated from off-market and joint venture opportunities.
- During the third quarter, entered into agreements to acquire two stores in greater New York City for \$37.1 million. One store acquisition completed subsequent to quarter end for \$18.9 million. Greater New York is the company's third largest market.

Joint Venture Activity

- Entered into a joint venture with the developer Childress Klein Properties, Inc. and acquired a 40% interest in six Class A facilities in Atlanta, formerly SpaceMax Storage. The total purchase price was \$82.6 million, of which Life Storage invested \$16.5 million as its share of the equity.
- Completed a minority investment in a fourth development property in greater Toronto, Canada. The total development cost is \$18.2 million (U.S. Dollars), of which Life Storage contributed \$500 million for a 10% equity interest.
- As of September 30, 2019, contributing \$5.9 million for a 20% ownership interest in six stores, three in Tampa, two in Sarasota and one in Seattle currently under contract to purchase. The Florida properties are currently third-party managed by Life Storage.
- Currently under contract to acquire Seattle property at certificate-of-occupancy as a minority interest partner in a new joint venture. Life Storage will contribute \$1.8 million for a 20% ownership interest which is expected to open in the fourth quarter of 2019.

Disposition Activity

- Life Storage sold 32 stabilized facilities to the Inland Real Estate Group of Companies, Inc. for approximately \$212 million as part of its ongoing recycling program, resulting in a total gain of \$100.2 million. Locations include nine stores in Louisiana, eight in Mississippi, six in Texas, five in South Carolina, and four in North Carolina. Life Storage begins a new strategic relationship with The Inland Real Estate Group under which Life Storage will continue to manage the properties.
- No additional dispositions are currently planned.

Investment Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy Operating Properties

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 9/30/2019
Charleston, SC	Jul-2016	70,165	\$8,620,000	\$122.85	70.8%
Dallas, TX	Jul-2016	56,342	\$12,239,000	\$217.23	94.0%
Boulder, CO	Jul-2016	44,936	\$8,373,000	\$186.33	85.5%
San Marco, TX	Jul-2016	59,066	\$8,353,000	\$141.42	87.6%
Chicago, IL	Nov-2016	68,235	\$8,884,000	\$130.20	92.6%
Chicago, IL	Feb-2017	78,023	\$10,089,000	\$129.31	80.0%
Austin, TX	Apr-2017	58,599	\$14,202,000	\$242.36	91.0%
Charlotte, NC	Dec-2017	70,118	\$12,549,000	\$178.97	68.9%
Sacramento, CA	Sep-2018	70,045	\$13,846,000	\$197.67	86.1%
Atlanta, GA	Nov-2018	80,029	\$14,234,000	\$177.86	66.5%
Sacramento, CA	Dec-2018	57,096	\$9,547,000	\$167.21	87.3%
St. Louis, MO	Dec-2018	77,340	\$9,301,000	\$120.26	50.0%
New York, NY	Jan-2019	115,085	\$57,169,000	\$496.75	68.3%
Tampa, FL	Mar-2019	60,431	\$9,302,000	\$153.93	64.2%
Jacksonville, FL	Jun-2019	72,969	\$9,955,000	\$136.43	48.0%
Raleigh, NC	Jul-2019	79,339	\$11,334,000	\$142.86	68.0%
Washington, DC	Jul-2019	76,230	\$15,583,000	\$204.42	62.6%
Chattanooga, TN	Jul-2019	71,789	\$7,533,000	\$104.93	60.4%
Tampa, FL	Jul-2019	75,420	\$14,721,000	\$195.19	64.2%
Charleston, SC	Jul-2019	72,010	\$9,473,000	\$131.55	49.2%
Washington, DC	Jul-2019	75,585	\$12,671,000	\$167.64	50.5%
Greenville, SC	Jul-2019	68,036	\$9,057,000	\$133.12	46.3%
Atlanta, GA	Jul-2019	87,225	\$12,385,000	\$141.99	84.0%
Richmond, VA	Jul-2019	86,017	\$10,802,000	\$125.58	55.9%
Tampa, FL	Jul-2019	84,050	\$12,822,000	\$152.55	43.7%
Richmond, VA	Jul-2019	80,455	\$9,700,000	\$120.56	43.7%
Richmond, VA	Jul-2019	72,921	\$9,249,000	\$126.84	61.0%
Total	15	1,967,556	\$ 341,993,000		

Investment Activity

National Storage Affiliates (NYSE: NSA)

National Storage Affiliates acquired six wholly-owned properties located across four states for \$35.8 million during the third quarter. Year-to-date total acquisitions of approximately \$416 million.

Investment Activity

- The acquisitions in the third quarter consist of approximately \$34.6 million of cash, the issuance of approximately \$1.0 million of subordinated performance units ("SP Units") and the assumption of about \$200,000 of other working liabilities.
- National Storage Affiliates earlier in the year acquiring assets at cap rates ranging from about 6% to 6.25%. The entrance of additional private equity is driving up demand for assets. National Storage Affiliates believes cap rates for stabilized assets have recently dropped 25 to 50 basis points for similar quality assets.
- Non-stabilized assets are not a focus for National Storage Affiliates, and not acquiring portfolios in lease-up.

Captive Pipeline Acquisitions

- National Storage Affiliates targeting to grow its portfolio through an average of about \$500 million in acquisitions annually over the next five to ten years.
- National Storage Affiliates with an acquisition pipeline of approximately 100 properties valued over \$1 billion from company Participating Regional Operators ("PROs").
- Joint venture partners offer potential for National Storage Affiliates to purchase in the future partners' ownership interests valued over \$1.5 billion.

Supply Impact

- Approximately 40% of National Storage Affiliates portfolio impacted by new competition with a five-mile radius, primarily within top 50 MSAs.
- Signs that development pipelines are declining in markets like Portland, Dallas and Austin leads the company to believe new deliveries in 2020 may decline over 2019.
- National Storage Affiliates limiting expansions to smaller markets with lower levels of new competition.

Operations

Public Storage
(NYSE: PSA)

During the third quarter, Public Storage generated 1.9% increase in same-store revenues and 1.1% growth in net operating income year-over-year. Top performing markets by revenue growth include Philadelphia, Los Angeles, Washington DC, Chicago, New York, and San Francisco.

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, 2017. The same-store pool consists of 2,159 facilities (139.3 million net rentable square feet) representing 83% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio.

Q3 2019 RESULTS

- Same-store revenues increased 1.1% during the during quarter, an 80 basis point decrease sequentially. The increase was driven by a 0.7% gain in realized rent per occupied square foot.
- Cost of operations for the same-store pool increased by 6.4% during the third quarter. The increase was impacted primarily by a 4.9% increase in real estate taxes, 69.5% gain in marketing expenses and 7.8% increase in repairs and maintenance. The surge in marketing helped increase occupancy year-over-year.
- Same-store net operating income decreased 0.9% year-over-year during the third quarter, driven by a 1.1% gain in same-store revenue and 6.4% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 92.7%, a 70 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 94.2%, a 40 basis point increase from a year earlier.

Operating Fundamentals

- Street rates were flat during the quarter.
- Advertising expenses rose 69.5% during the third quarter following a 49.4% increase in the previous quarter. Public Storage expects continued increase in advertising expense as cost per click for keyword search terms increase due to more aggressive keyword bidding competition. The incremental costs of achieving move-ins continues to be attractive. The favorable demand generated from internet marketing, combined with lower advertised street rates and \$1 per month discounting, continues to drive traffic to Public Storage stores.
- Public Storage focused on driving move-in volume during the quarter by adjusting move-in rates. The move-in rate, the rate that new customers are paying, decreased 5% year-over-year. The move-out rate decreased modestly 0.6%. While the move-in volume was relatively flat year-over-year decreasing 0.8%, the volume of move-outs declined further at 1.9%.
- Move-in rates increase low to mid single-digits in Los Angeles and Phoenix. Conversely, Miami and Tampa, two markets impacted by new supply, experienced 5% to 10% drops in move-in rates.
- Discounting, based on move-in contract rates during the promotional period, totaled \$18.4 million during the quarter as compared to \$19.3 million a year earlier, an over 4% decrease.
- Annual contract rent per square foot for move-ins was \$13.88 during the third quarter compared to \$16.41 for move-outs. Lower move-in rates were utilized during the quarter as one of the levers utilized to drive customer traffic volume.

Operations

Public Storage (NYSE: PSA)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for the quarter include Philadelphia (3.8%), Washington DC (3.0%), Los Angeles (2.2%), San Francisco (1.7%), New York (1.6%), and Chicago (1.4%).
- Major markets performing below the Public Storage portfolio average during the quarter include Houston (-5.8%), Miami (-2.1%), Dallas-Ft. Worth (-0.7%), Denver (-3.0%), and Tampa (-1.1%).

Third-Party Management

- Public Storage added 13 properties to its third-party management platform during the quarter and manages a total of 75 properties in the platform. While the third-party management platform is dominated by assets in various stages of development and lease-up, Public Storage is seeing opportunities to add stabilized assets to the platform.

Valet On-Demand Platform

- Public Storage believes there will be very little disruption or change in self storage customer behavior stemming from valet on-demand storage platform.
- The valet model differs from traditional self storage in two ways: customers pay for access every time they want their goods and the customer does not necessarily know the location of where the goods are stored. Two hurdles that may impact its desirability to core self storage customers.

Operations

Public Storage
(NYSE: PSA)

Top Market Same-Store Performance - End of Third Quarter 2019

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	204	\$26.42	95.5%	2.2%
San Francisco	127	\$27.19	94.7%	1.7%
New York	86	\$26.42	94.8%	1.6%
Washington DC	88	\$21.86	94.7%	3.0%
Seattle-Tacoma	83	\$20.48	94.3%	0.7%
Miami	81	\$20.44	93.5%	(2.1%)
Atlanta	98	\$13.64	93.7%	1.1%
Chicago	128	\$15.22	94.0%	1.4%
Dallas-Ft. Worth	98	\$13.75	92.8%	(0.7%)
Orlando-Daytona	69	\$14.31	94.7%	0.8%
Houston	78	\$13.37	90.5%	(5.8%)
Philadelphia	56	\$17.01	95.8%	3.8%
West Palm Beach	37	\$18.72	94.3%	0.4%
Tampa	50	\$14.24	93.3%	(1.1%)
Denver	48	\$15.35	94.4%	(3.0%)
All other markets	828	\$14.55	94.3%	1.6%
Total	2,159			

Operations

Extra Space
Storage
(NYSE: EXR)

During the third quarter, Extra Space generated 3.3% increase in same-store revenues and 2.1% growth in net operating income year-over-year. Top performing major markets by revenue growth include Las Vegas, Phoenix, Philadelphia, Los Angeles, and Chicago.

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 821 facilities.

Q3 2019 RESULTS

- Same-store revenues increased 3.3% during the third quarter, a 60 basis point deceleration sequentially. The increase was driven by a 3.3% increase in net rental income primarily due to higher achieved rental rates for both new and existing customers.
- Cost of operations for the same-store pool increased by 6.6% during the third quarter. The increase was impacted by a 43.7% increase in marketing, 7.2% increase in repairs and maintenance, and 6.2% increase in real estate taxes. Payroll remained flat during the quarter helping to offset expense gains in other categories.
- Same-store net operating income grew 2.1% year-over-year during the third quarter, driven by a 3.3% gain in same-store revenue and 6.6% gain in operating expenses.
- Occupancy during the third quarter remained flat year-over-year, but gained sequentially. Same-store occupancy at the end of the quarter was 93.8%, a 20 basis point increase sequentially. Same-store weighted average occupancy during the third quarter was 94.1%, a 140 basis point increase sequentially.

Operating Fundamentals

- Extra Space focused on occupancy during the third quarter after realizing a 60 basis point decline in occupancy during the second quarter. A combination of increased advertising and reduced achieved rental rates generated a sequential increase in occupancy during the quarter.
- Extra Space expects marketing expenses to remain elevated in the near future. The dollars spent are generating an acceptable return on investment as the strategy drives more traffic to stores.
- The company is testing alternative marketing strategies including social media and billboards to offset the increase in cost per click with Google.
- Real estate taxes continue to be elevated. The company anticipates taxes to increase above the inflation rate, but are hoping for 3% to 4% increases rather than 5% to 6% increases the past couple of years.
- Extra Space reduced discounting this year as compared to last year. The company focused on increased marketing spend and reduced rates to drive traffic to its stores.
- Extra Space continues to try to create efficiencies in payroll costs through technology and centralizing operations. The current low unemployment environment and resulting higher wages may offset these savings in the short term. Despite the focus on efficiencies, Extra Space continues to favor the incremental cost of having a high-quality employee in front of the customer versus losing a couple rentals each month.
- The ability to offer tenant insurance from day one in newer stores in lease-up typically increases the penetration rate. While Extra Space's tenant insurance penetration for all stores is in the low-70% range, it is typically higher in new stores.

Operations

Extra Space
Storage
(NYSE: EXR)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for during the third quarter include El Paso (10.4%), Midland-Odessa (9.3%), Las Vegas (9.2%), Virginia Beach (7.4%), Phoenix (7.9%), Cincinnati (6.6%), Hawaii (5.7%), Philadelphia (5.4%), Los Angeles (5.3%), Seattle (4.9%), San Diego (4.8%), and Chicago (4.6%).
- Major markets performing below the Extra Space portfolio average include Denver (-2.0%), Charleston (-1.5%), Salt Lake City (-1.2%), Tampa (-0.8%), West Palm Beach (-0.2%), Houston (0.0%), and Miami (0.3%).

Third-Party Management Platform

- Extra Space added 42 stores to its third-party management platform during the third quarter, resulting in 630 stores (877 managed stores including joint ventures). The new stores represent a 35 store gain on a net basis from Q2 2019. The management platform added 136 stores gross year-to-date through the third quarter and lost 43 stores. 25 of the 43 stores lost were either purchased by Extra Space or included in the recent net lease transaction.

Full Year 2019 Guidance

Same-store property revenue growth	3.0% to 3.5%
Same-store expense growth	4.5% to 5.0%
Same-store NOI growth	2.25% to 3.0%
(all above excludes tenant reinsurance)	
Net tenant reinsurance income	\$98.5 million to \$99.5 million
Management fees, other income and interest income	\$57 million to \$58 million
Dilution per share from C of O & value add acquisitions	\$0.23/share
Acquisitions from wholly-owned operating stores	\$250 million
Acquisitions of wholly-owned C of O & development stores	\$75 million
Acquisitions of joint venture operating stores	\$50 million (company investment)
Acquisitions of joint venture C of O stores/developments	\$75 million (company investment)

Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	77	\$21.39	94.7%	5.3%
New York-Northern New Jersey-Long Island, NY-NJ-PA	68	\$25.16	93.2%	3.1%
Washington-Baltimore, DC-MD-VA-WV	53	\$19.71	93.3%	1.6%
Atlanta, GA	49	\$13.17	94.6%	3.9%
Dallas-Fort Worth, TX	46	\$12.42	94.0%	1.5%
Boston-Worcester-Lawrence, MA-NH-ME-CT	39	\$22.13	93.8%	3.1%
San Francisco-Oakland-San Jose, CA	38	\$27.61	94.0%	4.0%
Chicago-Gary-Kenosha, IL-IN-WI	31	\$14.77	94.9%	4.6%
Miami-Fort Lauderdale, FL	27	\$18.58	94.5%	0.3%
Phoenix-Mesa, AZ	20	\$12.89	95.8%	7.9%
Houston-Galveston-Brazoria, TX	19	\$12.86	92.0%	0.0%
Norfolk-Virginia Beach-Newport News, VA-NC	16	\$12.66	95.5%	7.4%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	15	\$16.46	93.6%	5.4%
Cincinnati-Northern Kentucky	14	\$10.76	95.2%	6.6%
Las Vegas, NV-AZ	14	\$11.99	95.0%	9.2%
Indianapolis, IN	14	\$11.00	95.2%	3.7%
Tampa-St. Petersburg-Clearwater, FL	13	\$17.25	93.5%	(0.8%)
Sacramento-Yolo, CA	12	\$16.85	93.5%	3.4%
Austin-San Marcos, TX	11	\$13.62	95.1%	4.1%
Memphis, TN-AR-MS	11	\$10.46	94.8%	3.6%
Charleston-North Charleston, SC	11	\$12.68	90.7%	(1.5%)
Orlando, FL	11	\$13.98	94.4%	3.0%
Salt Lake City-Ogden, UT	9	\$12.60	94.8%	(1.2%)
West Palm Beach-Boca Raton, FL	9	\$13.72	92.7%	(0.2%)
Hawaii, HI	9	\$35.23	92.9%	5.7%
Richmond-Petersburg, VA	8	\$13.74	94.0%	2.8%
San Diego, CA	8	\$19.09	94.1%	4.8%
Portland-Salem, OR-WA	8	\$14.76	94.8%	0.7%
Albuquerque, NM	8	\$13.15	94.8%	5.2%
Denver-Boulder-Greeley, CO	7	\$14.19	93.7%	(2.0%)
Midland-Odessa, TX	6	\$12.94	94.5%	9.3%

Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance (continued)

MSA	Number of Stores	Rent Per Occu- pied Square Foot	Average Occupancy	Revenue Growth
Seattle-Tacoma-Bremerton, WA	6	\$18.38	94.3%	4.9%
Colorado Springs, CO	6	\$14.04	92.8%	1.5%
Columbia, SC	6	\$11.49	95.3%	2.5%
Detroit-Ann Arbor-Flint, MI	5	\$12.63	94.4%	2.7%
El Paso, TX	5	\$8.32	95.1%	10.4%
Hartford, CT	5	\$13.95	93.7%	0.8%
Pittsburgh, PA	5	\$12.61	89.7%	2.4%
San Antonio, TX	5	\$13.22	94.8%	3.6%
Stockton-Lodi, CA	5	\$16.25	92.5%	1.4%
Other MSAs	92	\$13.12	94.3%	2.1%
TOTALS	821	\$16.94	94.1%	3.3%

Operations

CubeSmart
(NYSE: CUBE)

During the third quarter, CubeSmart generated 1.5% increase in same-store revenues and 0.1% growth in net operating income year-over-year. Top performing markets by revenue growth include Providence, Los Angeles, Tucson, Inland Empire, and Boston.

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. As of September 30, 2019, the same-store pool includes 467 stores totaling approximately 32.4 million square feet.

Q3 2019 RESULTS

- Same-store revenues increased 1.5% during Q3 2019, a 50 basis point deceleration sequentially. The increase was primarily driven by a 1.1% increase in annual rent per occupied square foot as a result of higher rates for new and existing customers. The average rent per occupied square foot rose to \$17.15 during the quarter.
- Cost of operations for the same-store pool increased by 5.3% during the quarter. The increase was impacted by a 7.5% growth in real estate taxes, 26.8% increase in repairs and maintenance, and 25.8% increase in property insurance.
- Same-store net operating income grew 0.1% as compared to the same quarter in 2018.
- Same-store occupancy at the end of the third quarter was 92.5% with same-store 93.1% average occupancy during the period. The quarter-end occupancy and average occupancy remained flat year-over-year.

Operating Fundamentals

- Rental rate increases to existing customers remains consistent. The consumer is not changing behavior relating to accepting the timing and amount of rental rate increases. The average length of stay is approximately 15 months.
- Net effective rates are pressured in markets with heavy impact of supply. As competitors discount rents 25% to 50% below market, CubeSmart is experiencing 2.5% to 3.5% reduction in net effective rents.
- In markets with limited new supply, net effective rents continue solid rate and net effective rent growth.
- CubeSmart is experiencing pressure on net effective rent growth in Florida due to the impact of new supply. Miami, Florida's West Coast, Orlando, and Jacksonville are impacted.
- Real estate taxes increased 7.5% during the quarter as compared to a year earlier. Notable growth was experienced in Chicago, Houston, San Antonio, Cleveland and Nashville.
- Advertising costs increased 3.9% during the quarter. While customer acquisition cost continues to increase as continued escalation of digital marketing costs pressures marketing spending, CubeSmart will continue to find other channels to generate customers at a reasonable cost. CubeSmart's pace of digital marketing spending is projected to continue increase at levels above inflation.

Operations

CubeSmart
(NYSE: CUBE)

Select Market Same-Store Performance

- Major markets with revenue growth above the portfolio average for Q3 2019 include Providence (8.6%), Los Angeles (6.8%), Tucson (6.6%), Inland Empire (5.0%), Boston (4.9%), Salt Lake City (4.6%), Las Vegas (4.6%), Philadelphia (4.3%), Austin (3.6%), Sacramento (3.6%), Washington DC (3.3%), and Phoenix (3.1%).
- Major markets performing below the CubeSmart portfolio average include Houston (-4.9%), Naples (-7.3%), Nashville (-1.9%), Cape Coral-Ft. Myers (-2.0%), Denver (-2.2%), Charlotte (-0.5%), Miami (-0.5%), Jacksonville (-0.8%), and Bridgeport-Stamford-Norwalk (-1.0%).
- The Top 5 markets representing about 50% of CubeSmart's total revenues generated 1.2% revenue growth, slightly below the portfolio average during the quarter. Same-Storage revenue growth in New York (1.4%) and Chicago (1.4%) reported sequential deceleration of 180 basis points and 60 basis points, respectively. Revenue growth improved 70 basis points sequentially in Miami and 40 basis points in Dallas. While Houston remains challenged with -4.9% year-over-year revenue growth, the market reported 160 basis points revenue growth sequentially.

Third-Party Management

- CubeSmart added 48 stores to its third-party management platform during the quarter. While CubeSmart lost management contracts as the result of a joint venture portfolio disposition, it generated a net increase of four stores to the platform during the quarter. The third-party management platform totals 652 stores.

2019 Full Year Guidance Update

Same-store revenue growth	1.50% to 2.25%
Same-store expense growth	3.25% to 4.00%
Same-store net operating income growth	0.75% to 1.50%
Acquisition of wholly-owned operating properties	\$250 million to \$300 million
Acquisition of properties at C/O	\$0
New development openings	\$133.6 million
Dispositions	\$4.1 million
Dilution per share from properties in lease-up	(\$0.09) to (\$0.10)
Property management fee income	\$23 million to \$24 million

Operations

CubeSmart
(NYSE: CUBE)

Same-Store Operating Performance by MSA

MSA	Facilities	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	56	\$ 29.03	92.7%	1.4%
Chicago-Naperville-Joliet, IL-IN-WI	40	\$14.51	93.6%	1.4%
Miami-Fort Lauderdale-Pompano Beach, FL	36	\$18.34	93.0%	(0.5%)
Dallas-Fort Worth-Arlington, TX	33	\$13.55	93.5%	0.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	24	\$22.29	93.4%	3.3%
Atlanta-Sandy Springs-Marietta, GA	18	\$13.38	92.5%	0.5%
Riverside-San Bernardino-Ontario, CA	16	\$14.06	93.2%	5.0%
Phoenix-Mesa-Scottsdale, AZ	15	\$13.41	93.4%	3.1%
Tucson, AZ	15	\$12.56	94.3%	6.6%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$18.00	93.3%	4.3%
Houston-Sugar Land-Baytown, TX	13	\$12.32	91.2%	(4.9%)
Hartford-West Hartford-East Hartford, CT	12	\$13.17	93.3%	2.7%
Orlando-Kissimmee, FL	10	\$13.41	93.2%	1.8%
Columbus, OH	10	\$11.01	94.2%	2.3%
Boston-Cambridge-Quincy, MA-NH	10	\$21.93	92.5%	4.9%
Cleveland-Elyria-Mentor, OH	10	\$13.67	94.3%	0.5%
Austin-Round Rock, TX	9	\$13.87	94.1%	3.6%
Denver-Aurora, CO	9	\$14.08	93.9%	(2.2%)
Sacramento-Arden-Arcade-Roseville, CA	9	\$14.86	91.4%	3.6%
Nashville-Davidson-Murfreesboro-Franklin, TN	7	\$12.50	93.3%	(1.9%)
Las Vegas-Paradise, NV	7	\$13.81	93.8%	4.6%
Jacksonville, FL	7	\$16.57	92.9%	(0.8%)
San Diego-Carlsbad-San Marcos, CA	6	\$17.93	93.9%	2.6%
Los Angeles-Long Beach-Santa Ana, CA	6	\$18.62	92.3%	6.8%
Tampa-St. Petersburg-Clearwater, FL	6	\$16.19	92.6%	(0.4%)
Bridgeport-Stamford-Norwalk, CT	6	\$23.16	91.0%	(1.0%)
Cape Coral-Fort Myers, FL	5	\$15.87	93.3%	(2.0%)
Charlotte-Gastonia-Concord, NC-SC	5	\$13.62	91.3%	(0.5%)
Baltimore-Towson, MD	4	\$19.03	92.2%	(0.1%)
San Antonio, TX	4	\$12.93	93.7%	(0.5%)
Salt Lake City, UT	4	\$13.21	93.4%	4.6%
Providence-New Bedford-Fall River, RI-MA	4	\$15.85	93.8%	8.6%
Naples-Marco Island, FL	4	\$15.38	91.1%	(7.3%)
Other	34	\$14.90	92.4%	1.9%
Total	467	\$ 17.15	93.1%	1.5%

Operations

LifeStorage
(NYSE: LSI)

During the third quarter, Life Storage generated 1.8% increase in same-store revenues and 2.6% growth in net operating income year-over-year. Top performing markets by revenue growth include Chicago, Las Vegas, Buffalo, Los Angeles, New York-New Jersey, and New England.

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 December 31, 2017. The stores purchased through 2018 at certificate of occupancy or that were less than 80% occupied at market rates are not included, regardless of their current performance. Life Storage includes such stores in its same-store pool in the second year after the stores achieve 80% sustained occupancy using market rates and incentives. There are 504 facilities in Life Storage's same-store pool.

Q3 2019 RESULTS

- Same-store revenues increased 1.8% during the third quarter, a 20 basis point deceleration sequentially. The increase was driven by a 2.8% increase in annualized rent per occupied square feet, partially offset by a 110 basis point decrease in average occupancy.
- Cost of operations for the same-store pool increased by 0.2% during the third quarter, a 270 basis point deceleration year-over-year. Operating expenses were impacted by a 5.7% increase in real estate taxes and 21.1% gain in digital marketing. The increase was partially offset by decreases in payroll, repairs and maintenance, and non-digital marketing.
- Same-store net operating income grew 2.6% year-over-year during the third quarter, driven by a 1.8% gain in same-store revenue and 0.2% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 90.3%, a 100 basis point decrease year-over-year. Same-store weighted average occupancy during the third quarter was 90.7%, a 110 basis point decrease from a year earlier.

Operating Fundamentals

- Life Storage is focusing on improving its margins by decreasing expenses at the store level. The Rent Now program has captured about 10% of the move-in activity after launching it about a year ago, reducing the involvement of on-site personnel. The company is focusing on efficiencies to reduce personnel hours at the store including reducing double coverage of on-site personnel, going paperless, on-line auctions, limiting weekly bank runs, and reduce dependency on high-turnover assistant managers.
- Street rates trended down about 5% during the quarter, but net effective rents decreased only 2.2%, the lowest decrease this year. Chicago and Houston are near the end of the development cycle and expect improved rate growth as new supply nears stabilization.
- Life Storage transitioned its Customer Insurance Program on April 1st to a captive solution from a third-party product. The transition generated a 16.6% increase in tenant insurance income as compared to Q3 2018.
- Life Storage is bullish on its revenue growth going forward. The company's top markets, in particular Chicago, Houston and New York (Long Island, Mid-Hudson region, Northern New Jersey), are projecting lower new deliveries and limited competing new supply. Asking rates in Houston, for example, that were down 17% to 18% at the beginning of the year are now down about 8%.

Operations

LifeStorage
(NYSE: LSI)

Operating Fundamentals Continued

- Rent increases to existing customers continues to act as the primary driver of revenue growth. Over 73% of Life Storage customers received rent increase letters, as compared to 60% in 2018 and 30% in 2017. The average rent increase during the third quarter was about 10.4%, as compared to 9% year-to-date. Despite the uptick in rent increase notices, move-outs have not increased from a year ago.
- Going forward, Life Storage is focused more on gaining occupancy to close the 110 basis point decrease year-over-year. Fine-tuning the strategy narrowed the occupancy gap to 80 basis points in the past month.
- Almost 63% of existing customers with length of stay over one year.

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for the quarter include Pensacola (8.8%), Las Vegas (7.3%), Buffalo (5.8%), Los Angeles (4.8%), Phoenix (4.7%), Chicago (3.5%), Cleveland (3.3%), St. Louis (2.9%), and New York (2.6%).
- Major markets with revenue growth below the portfolio average include Cape Coral-Ft. Myers (-7.9%), Houston (-3.4%), Beaumont-Port Arthur (-2.2%), Orlando (-1.7%), Miami (-0.9%), Atlanta (-0.5%), Tampa (-0.4%), Raleigh-Durham (0.1%), and Dallas (0.6%).

Third-Party Management Platform

- Added 11 stores to the third-party management platform during the third quarter, a net gain of 15 stores as compared to last quarter. The additions increase the total in the platform to 277 including joint ventures.
- Third-party management fees increased 43.1% during the quarter and contributed to the same-store revenue gain.

Portfolio

Wholly owned stores	556
Joint ventures	120
Life Storage solutions (third-party managed)	157
Total operating	833

Operations

LifeStorage
(NYSE: LSI)

Full Year Guidance 2019

Same-store revenue	1.75% to 2.25%
Same-store operating costs (excluding property taxes)	(2.0%) to 0.0%
Same-store property taxes	5.5% to 6.0%
Total same-store operating expenses	0.5% to 1.5%
Same-store net operating income	2.4% to 2.9%
Expansion & enhancements	\$56 million to \$59 million
Capital expenditures	\$25 million to \$29 million
Wholly owned acquisitions	\$385 million to \$430 million
Wholly owned dispositions	\$212 million to \$225 million
Joint venture investments	\$20 million to \$25 million

Preliminary Guidance 2020

Revenue growth	1.25% to 2.25%
Operating costs (excluding property taxes)	(2.75%) to (1.75%)
Property taxes	5.0% to 6.0%
Total operating expenses	0.25% to 1.25%
Net operating income	2.0% to 3.0%
Expansion & enhancements	\$40 million to \$50 million
Recurring capitalized expenditures	\$22 million to \$27 million
Acquisitions, wholly owned	\$200 million
Joint venture investments	\$25 million

Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2019	Revenue Growth
Chicago-Naperville-Elgin, IL	38	\$15.80	91.8%	3.5%
Houston-The Woodlands-Sugar Land, TX	37	\$13.23	92.0%	(3.4%)
New England-Other	26	\$18.48	89.3%	2.1%
New York-Newark-Jersey City, NY-NJ-PA	26	\$24.18	89.9%	2.6%
Buffalo-Upstate, NY	25	\$14.29	88.1%	5.8%
Dallas-Fort Worth-Arlington, TX	24	\$12.98	92.8%	0.6%
Atlanta-Sandy Springs-Alpharetta, GA	21	\$13.63	90.6%	(0.5%)
Austin-Round Rock, TX	18	\$12.30	91.7%	1.9%
Las Vegas-Henderson-Paradise, NV	17	\$14.49	93.8%	7.3%
Miami-Fort Lauderdale-Pompano Beach, FL	16	\$19.15	91.8%	(0.9%)
Boston-Cambridge-Newton, MA-NH	15	\$17.14	88.9%	1.0%
San Antonio-New Braunfels, TX	15	\$13.59	90.7%	2.4%
St. Louis, MO	14	\$13.29	90.9%	2.9%
Tampa-St. Petersburg-Clearwater, FL	13	\$15.79	90.8%	(0.4%)
Orlando-Kissimmee-Sanford, FL	11	\$13.06	88.3%	(1.7%)
Virginia Beach-Norfolk-Newport News, VA	11	\$11.61	89.7%	2.7%
Los Angeles-Long Beach-Anaheim, CA	10	\$23.15	90.4%	4.8%
Phoenix-Mesa-Chandler, AZ	10	\$13.07	92.8%	4.7%
Sacramento--Roseville--Arden-Arcade, CA	10	\$16.20	91.5%	2.9%
Cleveland-Elyria, OH	9	\$12.68	91.4%	3.1%
Cape Coral-Fort Myers, FL	8	\$13.00	87.1%	(7.9%)
Charlotte-Concord-Gastonia, NC	8	\$13.26	90.3%	2.1%
Jacksonville, FL	8	\$15.02	88.9%	0.9%
Pensacola-Ferry Pass-Brent, FL	8	\$10.65	91.7%	8.8%
Space Coast, FL	8	\$15.41	91.4%	3.3%
Beaumont-Port Arthur, TX	7	\$13.68	91.9%	(2.2%)
Montgomery, AL	7	\$10.22	87.9%	0.4%
Raleigh-Durham, NC	7	\$12.38	91.9%	0.1%
Chattanooga, TN-GA	6	\$12.98	91.6%	1.1%
Youngstown-Warren-Boardman, OH-PA	5	\$10.58	88.4%	6.3%
Other markets	66	\$13.53	89.3%	1.9%

Operations

National
Storage Affiliates
(NYSE: NSA)

During the third quarter, National Storage Affiliates generated 3.7% increase in same-store revenues and 4.2% growth in net operating income year-over-year. Top performing markets by revenue growth include Las Vegas, Atlanta and Riverside-San Bernardino.

Same-Store Comparison

- Same-store facilities for National Storage Affiliates 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. As of September 30, 2019, the same-store portfolio consisted of 439 self storage properties.

Q3 2019 RESULTS

- Same-store revenues increased 3.7% during the third quarter, a 10 basis point deceleration sequentially. The increase was driven primarily by a 3.3% increase in average annualized rental revenue per square foot and a 30 basis point increase in average occupancy.
- Cost of operations for the same-store pool increased by 2.7% during the third quarter. The increase was impacted by an 3.5% increase in real estate taxes, 12% increase in marketing, and 9.2% increase in repairs and maintenance, partially offset by decreases in utilities and insurance costs.
- Same-store net operating income grew 4.2% year-over-year during the third quarter, driven by a 3.7% gain in same-store revenue and 2.7% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 89.4%, a 10 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 90.2%, a 30 basis point increase from a year earlier.

Operating Fundamentals

- Street rates trended down 1% to 2% during the third quarter, an improvement over the 3% to 4% declines a year earlier.
- Discounts as a percentage of revenue remains flat year-over-year, a trend consistent with other public self storage companies.
- National Storage Affiliates continues to increase rents on existing customers in the high single-digit range, a key driver of revenue growth.
- Average length of stay increased to about 15 months across the portfolio. The longer length of stay helped drive growth in revenue per occupied square foot through rent increases to existing tenants.
- Digital marketing's paid search continues to be competitive, particularly in primary markets. Bidding strategies and conversions are key to efficient paid search return on investment. National Storage Affiliates looks to amp up unpaid lead sources to mitigate paid search pricing pressure.

Operations

National
Storage Affiliates
(NYSE: NSA)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for the quarter include Las Vegas (9.4%), Atlanta (7.7%), Riverside-San Bernardino (4.6%), and Sarasota-Bradenton (4.4%). All Top 10 markets experienced positive same-store revenue and net operating income growth in the third quarter.
- Major markets performing below the portfolio average include Portland (0.7%), Tulsa (2.2%), Indianapolis (2.3%), Los Angeles (2.4%), and Dallas (2.8%). Lagging markets continue to face the most impactful headwinds from elevated new supply. Portland, representing 10.3% of National Storage Affiliates same-store revenue, saw occupancy dip below 85% as it continues to face new supply pressure.

2019 Full Year Guidance

Same store revenue growth	3.5% to 4.0%
Same store operating expenses growth	2.25% to 2.75%
Same store net operating income growth	4.25% to 4.75%
Subordinated performance unit distributions	\$33 million to \$35 million
Wholly-owned acquisitions	\$425 million to \$475 million
Joint venture acquisitions	\$25 million

Same Store Performance Summary

State	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2019	Revenue Growth
California	80	\$13.56	90.3%	4.2 %
Oregon	58	\$15.08	84.5%	0.5 %
Texas	58	\$9.90	90.0%	3.7 %
Georgia	33	\$10.04	91.8%	7.0 %
Oklahoma	30	\$8.53	88.9%	2.8 %
North Carolina	29	\$10.93	94.4%	5.3 %
Florida	28	\$14.67	88.3%	2.6 %
Arizona	16	\$13.43	89.3%	4.7 %
Indiana	16	\$9.64	91.9%	2.3 %
Louisiana	14	\$10.10	87.0%	3.6 %
Washington	13	\$14.93	82.4%	(1.5%)
Nevada	11	\$11.68	90.5%	9.4 %
Colorado	11	\$12.55	89.8%	(0.5%)
New Hampshire	10	\$13.48	90.2%	5.3 %
Other	32	\$10.62	89.8%	7.4 %
Total	439	\$ 12.06	89.4%	3.7 %

*Other states in NSA's same store portfolio include Alabama, Kentucky, Mississippi, Nevada, New Hampshire, New Mexico, Ohio and South Carolina.

Capital Activities

Public Storage (NYSE: PSA)

- On September 11, 2019, the company called for redemption the 5.625% Series U Preferred Shares. The shares were redeemed for \$287.5 million liquidation value plus accrued dividends on October 15, 2019.
- On September 12, 2019, issued 4.875% Series I Preferred Shares for gross proceeds of \$316 million.

Extra Space Storage (NYSE: EXR)

- S&P Global Ratings assigned Extra Space BBB rating with a stable outlook.

Debt Structure

- Fixed-rate debt to total debt of 77.2%, with an weighted average interest rate of 3.4%
- Variable-rate debt to total debt of 22.8%, with an weighted average interest rate of 3.4%
- Combined weighted average maturity of approximately 4.5 years.
- Amended its unsecured credit facility and increased borrowings by \$500 million to a total of up to \$1.85 billion in aggregate borrowings. The funds were used to retire \$494.8 million in secured loans to various lenders.
- Sold 849,200 shares of common stock using its “at the market” (“ATM”) program at an average sales price of \$119.30 per share resulting in net proceeds of \$100.1 million. Year-to-date, issued just over \$200 million, partly to fund acquisitions. An additional \$298.6 million is available for future issuance.

CubeSmart (NYSE: CUBE)

- On October 11, 2019 issued its sixth senior note offering, \$350 million in unsecured senior notes due February 2030 with an interest rate of 3.0%.
- During the third quarter, sold 1.8 million common shares through its “at-the-market” equity program (“ATM”) at an average sales price of \$34.93 per share, resulting in net proceeds of \$61.2 million. The company has 4.6 million shares available for issuance under existing equity distribution agreements.

Capital Activities

Life Storage (NYSE: LSI)

Investment Grade Ratings

Moody's	Baa2 stable outlook
Standard & Poor's	BBB stable outlook

Debt Summary

	Balance	Weighted Avg. Rate	Weighted Avg. Maturity
Unsecured Debt	\$1.9 billion	3.9%	7.4 years
Secured Debt	\$35 million	4.6%	4.5 years
Total	\$1.935 billion	3.9%	7.3 years

Key Financial Ratios

Debt to Enterprise Value @ \$105.41/share	28.1%
Debt to Book Cost of Facilities	41.3%
Debt to Recurring Annualized EBITDA	5.5x
Debt Service Coverage (DSC)	4.5x

- On September 30, 2019, approximately \$16.4 million cash on hand, and \$474.7 million available on its line of credit.

National Storage Affiliates (NYSE: NSA)

- Amended its credit facility with a syndicated group of lenders increasing the total capacity by \$255 million for a total credit facility of \$1.275 billion, including an additional \$100 million revolving line of credit capacity and \$55 million of additional term loan borrowings.
- The amended credit facility consists of an expansion option that provides total borrowing capacity up to \$1.75 billion.
- Issued \$100 million of 3.98% senior unsecured notes due August 30, 2029, and \$50 million of 4.08% senior unsecured notes due August 30, 2031 in a private placement to institutional investors.



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