



SELF STORAGE MARKET OVERVIEW

First Quarter 2021 Results

Analysis of the Public Self Storage Companies

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Summary

Full Year 2021 Guidance Raised

Record-high occupancies, strong customer demand, and higher asking and achieved rents have encouraged each of the self storage REITs to raise full year 2021 guidance. Same store revenue growth for 2021 is forecasted to grow from 4.0% to 6.5%. Same store net operating income growth is projected to range from 4.8% to 8.0%.

- Same store revenue growth of the self storage REITs posted impressive results in the first quarter of 2021. Favorable market comps due to the initial pandemic impact helped produce revenue growth ranging from 3.4% to 8.1%.
- The REITs same store pools net operating incomes grew from 6.5% to 11.5% in the first quarter compared to the same period last year.
- Same store occupancies for REITs same store portfolios featured record levels at the end of the quarter, ranging from 93.8% to 96%.

Public Storage Acquires ezStorage for \$1.8 billion

- The fiercely competitive acquisition market for stabilized and lease-up properties has led to record-low cap rates. The highlight transaction includes Public Storage's acquisition of the ezStorage portfolio for \$1.8 billion in April 2021. The portfolio consists of 48 properties throughout greater Washington D.C., Maryland and Virginia. The going-in cap rate is estimated at 3.6%, with expectation of low-4% cap rate range in year one, and rising in year two and beyond. The portfolio may be expanded by 10% over the next 24 months.

Implied Cap Rates

	Public Storage (NYSE: PSA)	4.4%
	Extra Space Storage (NYSE: EXR)	3.7%
	CubeSmart (NYSE: CUBE)	4.4%
	Life Storage (NYSE: LSI)	3.6%
	National Storage Affiliates (NYSE: NSA)	4.5%

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

Summary

New Supply Update

Under Construction & Planned
Percent of Existing Inventory

Metro Area	February 2021	March 2021	% Change
National	8.2%	8.4%	0.2%
New York	17.1%	17.7%	0.6%
Las Vegas	14.7%	14.7%	0.0%
Philadelphia	13.3%	13.3%	0.0%
Sacramento	13.3%	13.2%	-0.1%
Phoenix	12.6%	13.0%	0.4%
San Diego	12.7%	12.7%	0.0%
Portland	11.9%	12.2%	0.3%
San Jose	12.2%	12.2%	0.0%
Seattle	11.7%	11.6%	-0.1%
Orlando	11.1%	11.4%	0.3%
Miami	9.8%	10.1%	0.3%
Washington DC	10.2%	10.1%	-0.1%
Tampa	9.2%	9.3%	0.1%
Nashville	9.3%	9.3%	0.0%
Boston	9.1%	9.0%	-0.1%
Minneapolis	8.5%	8.9%	0.4%
Charlotte	8.8%	8.8%	0.0%
Los Angeles	8.6%	8.7%	0.1%
San Francisco/East	8.3%	8.3%	0.0%
Raleigh - Durham	8.0%	8.0%	0.0%
Dallas - Ft Worth	7.7%	7.7%	0.0%
Austin	6.5%	6.5%	0.0%
Atlanta	6.2%	6.3%	0.1%
Columbus (OH)	5.5%	6.1%	0.6%
Inland Empire	6.0%	6.0%	0.0%
Pittsburgh	5.6%	5.6%	0.0%
Denver	5.5%	5.5%	0.0%
Charleston (SC)	3.8%	3.8%	0.0%
Chicago	3.7%	3.7%	0.0%
San Antonio	3.1%	3.5%	0.4%
Houston	2.1%	2.2%	0.1%

Source: Yardi Matrix

- Yardi Matrix tracked a total of 2,222 self storage properties in the national pipeline during March 2021. It includes 593 under construction, 1,199 planned and 430 prospective projects. The national new supply pipeline as a percentage of existing inventory increased 0.2% to 8.4% in March 2021. The pipeline consists of projects under construction, planned and prospective.
- New York, Las Vegas, Philadelphia, and Sacramento top the nation in supply as a percentage of existing inventory. Houston, San Antonio, Chicago, and Charleston (SC) report the lowest amount of new supply as a percentage of existing inventory. New York (+0.6%) and Columbus (OH) (0.6%) reported the highest increase in development activity as a percentage of existing inventory. Sacramento (-0.1%), Seattle (-0.1%), Boston (-0.1%), and Washington DC (-0.1%) reported a slight decrease in development activity.
- From the perspective of developments in progress (excluding planned and prospective), New York (9.4%), Philadelphia (9.3%) and Phoenix (7.6%) have the highest amount as a percentage of existing net rentable square feet. Houston (1.5%) and Austin (1.9%) have the lowest amount of new supply in progress.
- The projected supply increased nationwide despite the rising cost of construction. The cost of steel typically accounting for about 20% to 25% of new facility construction cost, increased about 50% in the past six months.

Earnings
Results

Same-Store Comparisons

	Total Properties Operating	Revenue Growth	Net Operating Income Growth	End of Quarter Occupancy	Rent Per Occupied Square Foot
Public Storage	2,563 U.S. 243 Europe	3.4%	6.7%	96.0%	\$17.63
Extra Space Storage	1,969	4.6%	6.5%	95.7%	\$17.16
CubeSmart	~1,300	6.7%	8.9%	94.4%	\$17.60
Life Storage	955	7.3%	8.6%	94.0%	\$14.87
National Storage Affiliates	844	8.1%	11.5%	93.8%	\$12.47

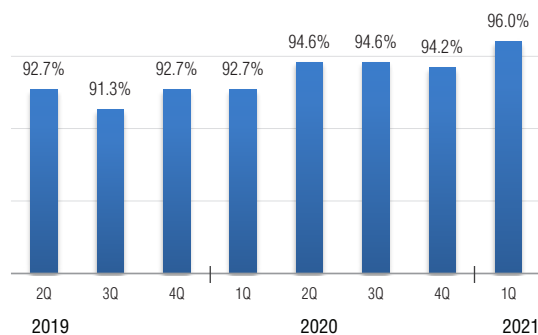
Capital Markets

	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (5/7/2021)	52-Week High/Low
Public Storage	\$48.73 billion	\$2.82/share (+9.3%)	2.89%	\$277.27	\$283.07 \$172.11
Extra Space Storage	\$19.85 billion	\$1.50/share (+21%)	2.72%	\$147.24	\$149.43 \$80.86
CubeSmart	\$8.64 billion	\$0.47/share (+14.6%)	3.22%	\$42.18	\$42.93 \$23.24
Life Storage	\$7.43 billion	\$1.08/share (+16.1%)	3.08%	\$95.97	\$97.03 \$55.11
National Storage Affiliates	\$3.53 billion	\$0.49/share (+22.5%)	3.06%	\$45.81	\$46.12 \$23.91

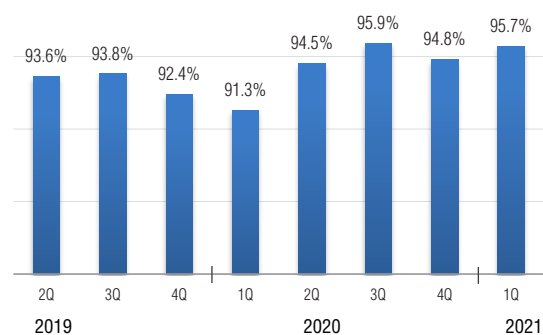
Portfolio Occupancies

Same-Store
Year-Over-Year Change

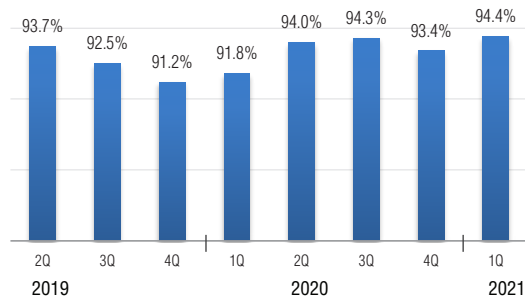
Public Storage



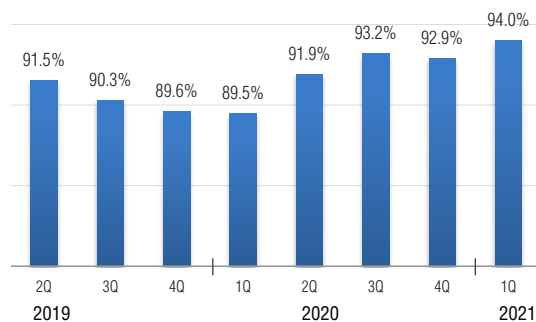
Extra Space Storage



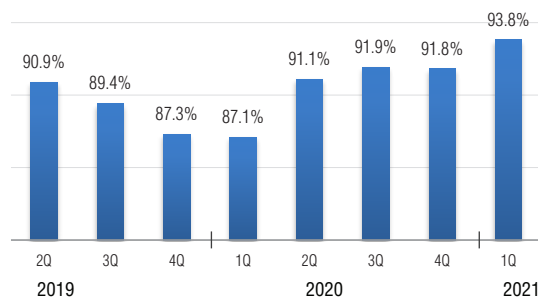
CubeSmart



Life Storage



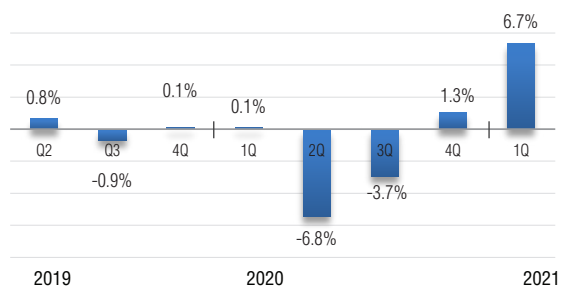
National Storage Affiliates



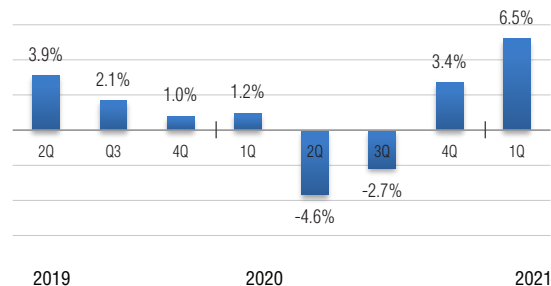
Portfolio Revenues

Same-Store
Year-Over-Year Change

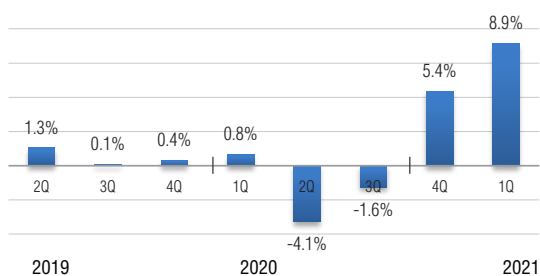
Public Storage



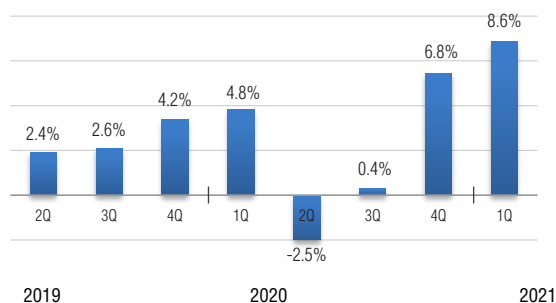
Extra Space Storage



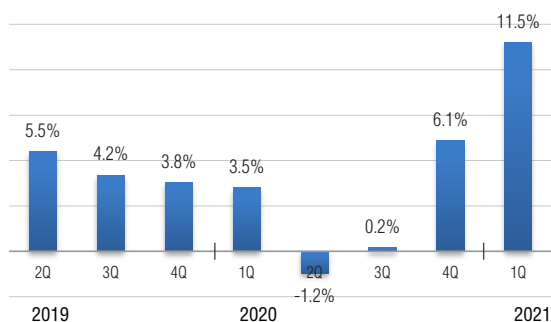
CubeSmart



Life Storage



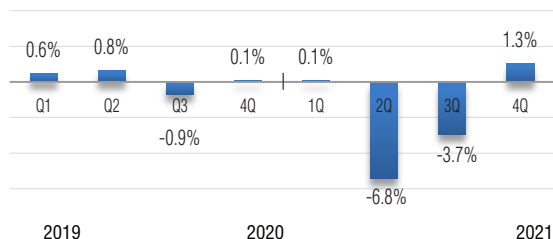
National Storage Affiliates



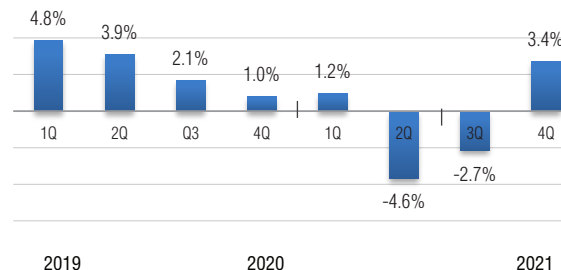
Portfolio Net Operating Income

Same-Store
Year-Over-Year Change

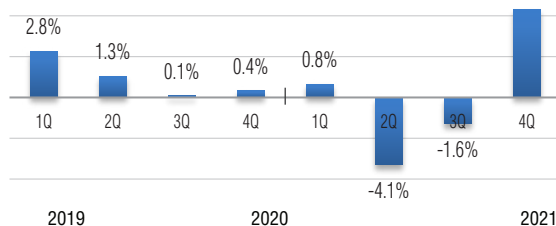
Public Storage



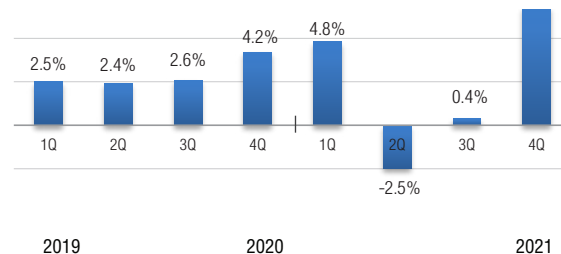
Extra Space Storage



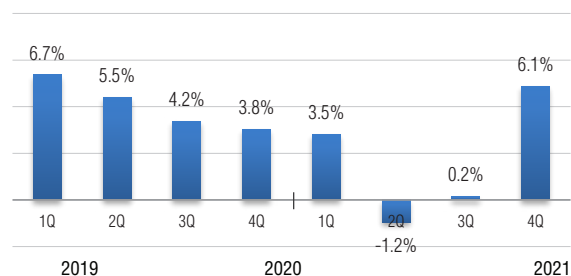
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage (NYSE: PSA)

Year-to-date, Public Storage either closed or is under contract to close a total of \$2.5 billion in transactions. Subsequent to quarter end, the company acquired the ezStorage portfolio of 48 portfolio for \$1.8 billion.

- The first quarter acquisitions totaling \$203.1 million includes three properties in Arizona, two each in California, Louisiana, North Carolina and South Carolina.
- Subsequent to quarter-end, the company acquired 87 self storage facilities across 18 states for \$2.3 billion. Besides the ezStorage portfolio transaction, most acquisitions oriented toward one-off or smaller portfolios.
- Since 2019, the company has acquired, developed and redeveloped approximately 22 million square feet expanding overall portfolio by 13% investing \$4.3 billion.
- Average occupancy of assets in lease-up under contract about 50%.
- About one-half of acquisitions come privately off-market, and the other half traditional broker- marketed.
- Public Storage has acquired seven properties from its third-party platform totaling \$78 million since its inception.

ezStorage Portfolio Acquisition

- In April, Public Storage acquired the ezStorage portfolio for \$1.8 billion. The portfolio consists of 48 properties consisting of about 4.2 million rentable square feet located across Washington D.C., Virginia, and Maryland. The going-in cap rate estimated at 3.6% with expectation a low-4% cap rate range in year one rising in year two and beyond. The cap rates incorporate transaction costs of \$52 million and \$35 million of capex and rebranding.
- Eight of the ezStorage assets are poised for expansion, along with one that has begun ground-up development. These allow Public Storage to expand the portfolio by approximately 10% over the next 24 months.
- Public Storage, with an already broad presence in the mid-Atlantic region, expands from 115 assets to 163 assets in the region with the acquisition. The transaction is immediately accretive to FFO and NOI.

Competing Supply

- Development overall peaked in the U.S. in 2019 at about \$5 billion of new assets developed and delivered. In 2020, development tapered down about 15%. In 2021 predicting another reduction of 10% to 15%.

Development Activity

- At March 31, 2021, the company has facilities in development of about 1.4 million net rentable square feet estimated to cost \$224 million, and various expansion projects of about 2 million net rentable square feet estimated to cost \$286 million.
- The aggregate 3.4 million net rentable square foot pipeline of development and expansion facilities include 1 million each in California and Florida, about 200,000 square feet each in Minnesota, New York, Texas and Washington and about 600,000 square feet in other states.
- During the first quarter, Public Storage opened one newly developed facility in Virginia costing \$45.4 million. The remaining \$309 million of development costs for these projects is expected to be incurred primarily in the next 18 to 24 months.
- New developments yielding approximately 8% to 10% cash-on-cash returns. The company plans to grow development pipeline to \$700 million annually over the next few years.
- The company is targeting investment of \$600 million into the company's Property of Tomorrow initiatives that

Investment Activity

Public Storage
(NYSE: PSA)

Acquisitions - First Quarter

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Arizona	3	237,000	\$52,716,000	\$222
California	2	111,000	\$41,101,000	\$370
Louisiana	2	145,000	\$33,125,000	\$228
North Carolina	2	157,000	\$26,157,000	\$167
Nebraska	1	100,000	\$10,315,000	\$103
Nevada	1	107,000	\$15,038,000	\$141
Ohio	1	34,000	\$3,162,000	\$93
South Carolina	2	132,000	\$13,777,000	\$104
Virginia	1	64,000	\$7,717,000	\$121
Total	15	1,087,000	\$203,108,000	\$187

Developments - First Quarter

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Virginia	1	200,000	\$45,333,000	\$227

Investment Activity

Extra Space Storage (NYSE: EXR)

Extra Space acquired nine operating stores in the first quarter for a total cost of approximately \$148.4 million. Year-to-date, the company closed just over \$300 million in property acquisitions either closed or under contract for purchase.

- Several acquisitions originating from the bridge loan program. Future acquisitions more likely to be in the form of joint ventures. The current investment market for acquisitions remains “very expensive” and Extra Space remains disciplined.
- Majority of recent acquisitions were for properties in various stages of lease-up.

Bridge Loans

- During first quarter, Extra Space closed \$27.1 million in bridge loans, with an additional \$224.8 million under agreement to close 2021 and 2022. Extra Space sold \$81.8 million in loans during the quarter.
- Extra Space currently has two debt partners buying first mortgages while Extra Space retains the mezzanine portion. Presently, Extra Space will close a bridge loan on the company's balance sheet, and subsequently package a number of the first mortgage positions and sell to one of the debt partners.

Dispositions

- On March 1, 2021, the company sold 16 wholly-owned properties into a new unconsolidated joint venture for a total sales price of \$168.9 million, resulting in a gain of \$64.5 million, and retained management of the properties. Extra Space currently owns a 55% interest in the joint venture, and anticipates selling an interest of about 39% to a third joint venture partner, reducing the company's final interest to 16%.

Joint Venture Activity and Returns

- Extra Space's use of joint ventures serves a number of purposes, with a primary one to enhance returns. In the currently expensive acquisition market, joint ventures allow the company to continue to grow and achieve above-market returns. For comparison, year-to-date Extra Space has approved 12 wholly-owned acquisitions of stores in lease-up. The first-year yield is in the mid-3% range, and the stabilized yield is about 6% with a 16-month average time to reach stabilization.
- Conversely, the company approved five joint venture deals this year, with an average of 12-months to stabilization. The first-year yield is 6.9%, and stabilized yield is 9.9%. These joint ventures represent a meaningful difference in returns with each transaction, although with a lower average equity investment than wholly-owned acquisitions.

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
2021 Projected Openings					
District Heights, MD	2Q 2021	81,529	\$18,150,000	\$222.62	100%
El Cajon, CA ⁽¹⁾	3Q 2021	55,345	\$2,834,000	\$51.21	100%
Vista, CA	4Q 2021	104,400	\$16,000,000	\$153.26	10%
Rio Rancho, NM	4Q 2021	69,710	\$6,200,000	\$88.94	100%
Neptune City, NJ	4Q 2021	65,875	\$11,450,000	\$173.81	100%
Total	5	376,859	\$54,634,000		

(1) Development property subject to a ground lease

Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Performance Summary

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Occupancy 3/31/2021	Ownership
Charlotte, NC	1Q 2019	75,227	\$9,250,000	\$122.96	74.5%	10%
Chicago, IL	1Q 2019	99,309	\$14,840,000	\$149.43	52.9%	10%
Brooklyn, NY	1Q 2019	144,493	\$79,901,000	\$552.97	48.5%	25%
Auburndale, MA	1Q 2019	79,665	\$20,000,000	\$251.05	51.2%	10%
Queens, NY	1Q 2019	117,630	\$52,321,000	\$444.79	67.0%	25%
Louisville, KY	1Q 2019	158,801	\$12,680,000	\$79.85	66.9%	100%
Plantation, FL	2Q 2019	71,143	\$11,800,000	\$165.86	90.7%	100%
Brooklyn Center, MN	2Q 2019	80,968	\$8,400,000	\$103.74	74.2%	100%
Broomfield, CO	3Q 2019	67,087	\$9,083,000	\$135.39	91.9%	100%
Wakefield, MA	3Q 2019	83,554	\$16,800,000	\$201.07	69.7%	100%
Brooklyn, NY	4Q 2019	45,480	\$20,750,000	\$456.24	32.5%	10%
Brooklyn, NY	4Q 2019	59,031	\$29,144,000	\$493.71	47.6%	25%
Maple Grove, MN	4Q 2019	84,848	\$10,153,000	\$119.66	65.0%	50%
Aurora, CO	1Q 2020	79,625	\$9,628,000	\$120.92	87.6%	100%
Miramar, FL	1Q 2020	82,120	\$14,800,000	\$180.22	45.2%	10%
Eagen, MN	1Q 2020	65,678	\$7,695,000	\$117.16	57.1%	50%
West Palm Beach, FL	2Q 2020	76,952	\$14,500,000	\$188.43	40.5%	10%
Belleville, NJ	2Q 2020	76,501	\$10,944,000	\$143.06	62.9%	95%
Coon Rapids, MN	3Q 2020	72,371	\$7,815,000	\$107.99	11.4%	50%
Edina, MN	3Q 2020	83,054	\$11,770,000	\$141.72	11.9%	50%
New Hyde Park, NY	4Q 2020	58,309	\$6,400,000	\$109.76	11.4%	100%
Total	21	1,761,846	\$378,674,000			

Investment Activity

CubeSmart (NYSE: CUBE)

CubeSmart did not acquire any wholly-owned stores during the first quarter. Subsequent to March 31, 2021, the company contributed \$3.4 million to acquire a 50% interest in a store located in Minnesota.

Joint Venture Activity

- On March 17, 2021, CubeSmart invested a 20% ownership position in HVP V, a newly formed unconsolidated real estate venture, and acquired one store in Florida for a purchase price of \$14 million of which CubeSmart invested \$2.8 million.
- The HVP V joint venture acquired two properties in Connecticut and Maryland for \$35.5 million. Additionally, HVP V has five properties under contract throughout greater Chicago and suburbs for \$73.5 million expected to close in the second quarter.
- CubeSmart pursuing opportunities for assets in lease-up as well as stabilized. More opportunities typically become available during the peak leasing summer months.
- Competition for acquisitions coming from wide range of profiles including other REITs, large private operators, family offices, etc. leading to cap rate compression in all markets including primary, secondary and tertiary. Attractive cash-on-cash returns has attracted more capital to the industry. Some competitors may have lower return requirements and/or more aggressive underwriting assumptions for rental rate and revenue growth.

Development Activity

- As of March 31, 2021, CubeSmart has five joint venture development properties under construction. The company anticipates investing a total of \$120.5 million related to these projects and had invested \$62.6 million of the total through the first quarter. These stores are located in Newton, Massachusetts; East Meadow and Valley Stream, New York; King of Prussia, Pennsylvania; and Vienna, Virginia.
- Subsequent to quarter end, the company opened for operation the properties in East Meadow, New York and King of Prussia, Pennsylvania. The remaining three properties are expected to open between the second quarter of 2021 and the second quarter of 2022.
- During the first quarter, the company opened for operation a new development project in Arlington, Virginia for a total investment of \$26.4 million. This project is the second of a two-phase development by a consolidated joint venture in which CubeSmart owns a 90% interest.

New Supply Trends

- New deliveries peaked in 2019 in CubeSmart's top markets and is expected to decline further in 2021. They project about 200 stores to be delivered this year in the company's top 12 markets.
- CubeSmart's third-party management platform opportunities are being impacted by changes in development patterns. Top-25 MSAs that experienced an early surge in the current development cycle are seeing a slowdown in new deliveries. Chicago was active early in the cycle but scheduled to deliver only two facilities in 2021. Conversely, MSAs 26 through 100 are experiencing a late-cycle surge in development resulting in additional third-party management opportunities in those markets.

Investment Activity

CubeSmart
(NYSE: CUBE)

New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Newton, MA	Q2 2021	\$18,800,000
East Meadow, NY	Q2 2021	\$24,900,000
King of Prussia, PA	Q2 2021	\$21,900,000
Valley Stream, NY	Q1 2022	\$37,900,000
Vienna, VA	Q2 2022	\$17,000,000
Total		\$120,500,000

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 3/31/2021
Queens, NY	Q2 2019	87,168	\$47,500,000	\$544.92	77.1%
Bayonne, NJ*	Q2 2019	96,938	\$25,100,000	\$258.93	75.9%
Waltham, MA	Q3 2019	87,815	\$18,000,000	\$204.98	62.0%
Brooklyn, NY	Q2 2020	89,805	\$45,900,000	\$511.11	32.2%
Total		361,726	\$136,500,000		

*This property is subject to a ground lease.

Investment Activity

Life Storage (NYSE: LSI)

During the first quarter, Life Storage acquired 16 stores for a total purchase price of \$266.2 million. Locations include Florida (8), Arizona (3), Washington (2), and once each in New York, California and South Carolina. Year-to-date, acquired or under contract 33 properties.

- One property in New York acquired from SNL: Orix Merrick, LLC, a joint venture in which Life Storage had a 5% common and a preferred interest. The net investment to acquire the property was \$47.9 million.
- Nearly 80% of acquisitions closed or under contract are originated off-market. When bidding on marketed-properties the bidding competition typically gets more aggressive pricing.
- At March 31, 2021, under contract to acquire six self storage facilities for an aggregate purchase price of \$106.5 million. Locations include five in New Jersey and one in Florida
- Subsequent to quarter end, entered into contracts to acquire 11 self storage facilities for an aggregate purchase price of \$159.2 million. Locations include Texas (4), North Carolina (3), Florida (2) and New Hampshire (2).

Cap Rates

- First quarter acquisitions, cap rates about 4.1% in year 1, and growing above 5% to 6%. Recent acquisitions under contract are priced at a 4.8% cap rate in year 1.
- The blended cap rate of all 33 properties acquired or under contract is about 4.5%, with about one-half of properties are in lease-up and about one-half are stabilized.

New Supply

- New deliveries slowing due to delays and rising construction costs which could limit new supply impact over the next 18 to 24 months. Last year, only 46 newly opened stores impacted a Life Storage property compared to about 200 the previous year. Projecting about 100 new deliveries to impact a Life Storage property in 2021 and 2022.

Investment
Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy/Lease Up Performance

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 3/31/2021
Charleston, SC	Jul-2016	70,165	\$8,620,000	\$122.85	93.6%
Charlotte, NC	Dec-2017	70,008	\$12,549,000	\$179.25	93.6%
Sacramento, CA	Sep-2018	79,795	\$13,846,000	\$173.52	96.6%
Atlanta, GA	Nov-2018	81,789	\$14,234,000	\$174.03	96.9%
St. Louis, MO	Dec-2018	78,300	\$9,301,000	\$118.79	86.9%
New York, NY	Jan-2019	114,926	\$57,298,000	\$498.56	89.8%
Tampa, FL	Mar-2019	59,875	\$9,302,000	\$155.36	94.9%
Jacksonville, FL	Jun-2019	72,434	\$9,955,000	\$137.44	96.2%
Raleigh, NC	Jul-2019	79,203	\$11,874,000	\$149.92	73.9%
Washington, DC	Jul-2019	76,230	\$15,163,000	\$198.91	78.4%
Chattanooga, TN	Jul-2019	71,639	\$9,604,000	\$134.06	88.4%
Tampa, FL	Jul-2019	75,420	\$10,479,000	\$138.94	96.3%
Charleston, SC	Jul-2019	71,835	\$7,685,000	\$106.98	92.9%
Washington, DC	Jul-2019	75,555	\$13,566,000	\$179.55	77.0%
Greenville, SC	Jul-2019	67,749	\$8,658,000	\$127.80	81.0%
Atlanta, GA	Jul-2019	87,530	\$11,871,000	\$135.62	97.5%
Richmond, VA	Jul-2019	85,967	\$10,666,000	\$124.07	77.8%
Tampa, FL	Jul-2019	83,860	\$15,424,000	\$183.93	63.2%
Richmond, VA	Jul-2019	80,455	\$11,831,000	\$147.05	64.3%
Richmond, VA	Jul-2019	73,095	\$8,507,000	\$116.38	85.7%
Miami, FL	Nov-2020	48,833	\$11,492,000	\$235.33	79.5%
Sacramento, CA	Jan-2021	90,098	\$18,287,000	\$202.97	64.5%
New York, NY	Mar-2021	74,407	\$47,947,000	\$644.39	78.8%
Tucson, AZ	Mar-2021	76,618	\$22,576,000	\$294.66	71.6%
Seattle, WA	Mar-2021	89,158	\$19,475,000	\$218.43	59.3%
Total		1,934,944	\$390,210,000		

Investment Activity

National Storage Affiliates (NYSE: NSA)

During the first quarter, NSA acquired 23 wholly-owned self storage facilities for \$166 million. Consideration for these acquisitions included the issuance of \$22.9 million of Operating Partnership (OP) equity.

- The 23 properties acquired consist of approximately 1.5 million rentable square feet within approximately 11,300 storage units.
- Total consideration for the acquisitions included approximately \$141.9 million of cash, and the issuance of approximately \$13.6 million of OP units and \$9.3 million of subordinated performance units and the assumption of about \$1.1 million of other liabilities.
- Subsequent to quarter end, NSA closed approximately \$204.1 million of additional wholly-owned self storage acquisitions.

Cap Rates for Acquisitions

- The average cap rate of acquisitions in the first quarter in the high-5% range. The second quarter acquisitions average in the mid-6% range.
- Two-thirds of all acquisitions off-market. Broker-marketed acquisitions traded for slightly lower cap rates due to competition for the assets from private equity capital.
- Vast majority of current acquisitions are for stabilized assets. Currently, only 20% of NSA acquisitions feature properties in lease-up with cap rates lower by 50 to 75 basis points. Seeing significant cap rate compression for all properties.

Operations

Public Storage
(NYSE: PSA)

During the first quarter, Public Storage generated 3.4% increase in same-store revenues and 6.7% increase in net operating income. Top performing markets by same-store revenue growth for the quarter include West Palm Beach, Philadelphia, San Francisco, Miami, Charlotte, Tampa, and Chicago.

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, 2019. The same-store pool consists of 2,278 facilities (148.9 million net rentable square feet) representing 85% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio at March 31, 2021.

Q1 2021 RESULTS

- Same-store revenues increased 3.4% year-over-year during the first quarter, a 260 basis point increase sequentially. The increase was driven by a 2.8% increase in occupancy and 1.7% increase in realized rent per occupied square foot. Same-store revenues were partially offset by a 24.9% reduction in late fees and administrative fees collected during the quarter.
- Cost of operations for the same-store pool decreased by 5.7% year-over-year during the first quarter. The decrease was impacted by a 13.2% decrease in on-site manager payroll and 8.6% decrease in real estate taxes. The expense decreases were partially offset by an 8.6% increase in other direct property costs 2.7% increase in repairs and maintenance and 1.6% gain in snow removal.
- Same-store net operating income decreased 6.7% year-over-year during the first quarter, driven by a 3.4% increase in same-store revenue and 5.7% decrease in operating expenses.
- Same-store occupancy at the end of the quarter was 96.0%, a 360 basis point increase year-over-year and 180 basis points sequentially. Same-store weighted average occupancy during the first quarter was 95.6%, a 260 basis point increase from a year earlier and 30 basis point increase sequentially.

Operating Fundamentals

- Improved occupancy trends during the quarter were primarily due to an 11.3% year-over-year decrease in move-outs during the period. Lower move-out volume increased the average length of stay during the quarter.
- Promotional discounts decreased 20.5% year-over-year based on continued strong demand and elevated occupancies.
- Move-in rents increased 15.8% from last year compared to 12% year-over-year last quarter. The spread in rental rates between customers moving out and those moving in was -\$1.31 per square foot, representing an 8% spread. Move-in rents at the end of April 2021 are up 40% compared to last year and double-digits compared to 2019.
- The 24.9% decrease in late charges and administrative fees was due to an acceleration in average collections and lower move-in volume during the quarter.
- Public Storage projects an approximate 100 basis point dip in occupancy by the fourth quarter. The return of seasonality brought on by municipalities opening up economies and people returning to work may transition consumers to more normal behavior.

Operations

Public Storage (NYSE: PSA)

Operating Fundamentals (continued)

- Customers utilizing Auto Pay continues to increase, but may not be the primary reason collections accelerated during the year. Auto Pay has been trending higher over the past several years as Public Storage's eRental platform now constitutes over 50% of all rentals. Strong consumer balance sheets and collection processes initiated during the pandemic are contributing factors.
- Marketing costs increased 8.7% year-over-year due primary to higher "per click" advertising costs on paid search platforms. Marketing spend was tempered compared to the previous quarter due to improved demand, lower move-out volumes, and increased occupancies during the quarter.
- Pricing restrictions enacted during the pandemic are starting to fade away with the exception of Los Angeles County and other counties of California. Pricing has been restricted because of Section 396 in California since the fall of 2018. Los Angeles revenue growth is doing well, but faces stiffer headwinds than other parts of the country.
- Public Storage is optimistic about the type of demand factors playing out with maturing generations of millennials and generation Z customers may bode well for continued demand. They are utilizing storage for the same reason their predecessors did (i.e. life events, working from home, migration).
- Continued home price appreciation and rent growth in the housing market may help accelerate self storage growth as consumers demand substitute space.
- Self storage demand continues to be strong even in states that are early to open up their economies from the pandemic. Major cities in Texas and Florida report sustained drivers demand even as consumers return to work and mobility increases.
- Capital expenditures are set to increase to \$250 to \$300 million in 2021 as Public Storage accelerates its Property of Tomorrow initiative. About \$75 million is projected to go into regular maintenance, \$50 million to \$60 million in solar and LED investments, and \$120 million plus into the Property of Tomorrow program.

Major Markets Revenue Growth

- 14 of Public Storage's top 15 markets increased revenues, weighted average square foot occupancy, realized rent per occupied square foot, and REVPAF during the quarter. Major markets with same-store revenue growth above the portfolio average for the quarter include West Palm Beach (+5.8%), Philadelphia (+5.4%), San Francisco (+4.4%), Miami (+4.3%), Charlotte (+4.3%), Tampa (+4.0%), Chicago (+3.9%), and Los Angeles (+3.4%).
- Major markets performing below the Public Storage portfolio average during the quarter include Orlando (+0.8%), Houston (+0.9%), Atlanta (+1.6%), Washington DC (+1.9%), New York (+2.4%), Dallas-Ft. Worth (2.5%), and Seattle (+2.9%).

Third-Party Management

- Public storage currently manages 99 facilities for third-parties, and are under contract to manage an additional 25 facilities including 24 facilities that are currently under construction.

Operations

Public Storage
(NYSE: PSA)

Inaugural Full Year Guidance: 2021 (Same-Store Pool of 2,278)

Same store revenue growth	4.0% to 5.5%
Same store expense growth	1.0% to 2.0%
Same store net operating growth	4.8% to 7.3%
Acquisitions	\$2.7 million
Development openings	\$215 million
Capital expenditures*	\$250 million to \$300 million
Core FFO per share	\$11.35 to \$11.75

*Approximately \$75 million regular maintenance CapEx, \$50 million to \$60 million solar and LED investments, approximately \$120 million in Property of Tomorrow program.

Top Market Same-Store Performance - End of First Quarter 2021

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	214	\$26.45	97.9%	3.4%
San Francisco	130	\$26.83	97.5%	4.4%
New York	91	\$26.36	96.0%	2.4%
Seattle-Tacoma	129	\$20.66	94.9%	2.9%
Miami	89	\$20.46	96.3%	4.3%
Washington DC	87	\$21.42	95.1%	1.9%
Chicago	83	\$15.42	94.9%	3.9%
Atlanta	103	\$13.38	94.6%	1.6%
Dallas-Ft. Worth	92	\$13.59	94.8%	2.5%
Houston	98	\$12.83	93.4%	0.9%
Philadelphia	56	\$17.49	96.7%	5.4%
Orlando-Daytona	50	\$13.73	95.3%	0.8%
West Palm Beach	52	\$19.00	96.4%	5.8%
Tampa	40	\$14.10	95.6%	4.0%
Charlotte	70	\$11.41	94.8%	4.3%
All other markets	894	\$14.52	95.4%	3.7%
Totals	2,278	\$17.63	95.6%	3.4%

Operations

Extra Space
Storage
(NYSE: EXR)

During the first quarter, Extra Space generated 4.6% increase in same-store revenues and 6.5% increase in net operating income year-over-year. Top performing major markets by revenue growth include Denver, Phoenix, Tidewater, Tampa, Cincinnati, and Las Vegas.

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 860 facilities.

Q1 2021 Results

- Same-store revenues increased 4.6% year-over-year during the first quarter, a 230 basis point increase sequentially. The increase was driven by a 480 basis point year-over-year increase in occupancy resulting in a 5.7% increase in net rental income, and partially offset by a 23.0% decrease in other operating income.
- Cost of operations for the same-store pool decreased by 0.2% during the first quarter. The decrease was impacted by a 21.9% decrease in marketing, 9.4% decrease in payroll, and 2.4% decrease in property operating expense. The decrease was partially offset by 6.9% increase in real estate taxes and 19.9% increase in repairs and maintenance.
- Same-store net operating income increased 6.5% year-over-year during the first quarter, driven by a 4.6% increase in same-store revenue and 0.2% decrease in operating expenses.
- Same-store occupancy at the end of the quarter was 95.7%, a 480 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 95.3%, a 420 basis point increase year-over-year.

Operating Fundamentals

- Elevated occupancies and enhanced pricing power increased achieved rates by 10% year-over-year in January and the high-teens by the end of the quarter.
- Historically high occupancy is bolstered by strong move-in volume and a 10% decrease in move-out volume.
- Extra Space projects occupancy to peak in the summer at or near historic highs and decrease to more seasonal trends into fall. The company projects the year to end at occupancies above historical norms.
- The company's strategy on existing customer rent increase (ECRI) has not materially change. Customers that leased during the height of the pandemic at discounted rates may receive higher increases than pre-pandemic increases, but the strategy remains a balance not raising ECRI too high to elevate move-outs.
- The average length of stay decreased during the early stages of the pandemic but continues to lengthen as the economy opens up.
- Extra Space reported a 0.2% decrease in expenses during the quarter driven by lower payroll, operating, and marketing expenses. A portion of general and administrative savings may be impacted by COVID-related savings. Payroll savings are attributed to the company analyzing the most efficient use of on-site manager payroll hours.

Operations

Extra Space
Storage
(NYSE: EXR)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for during the first quarter include Denver (+11.0%), Phoenix (+10.5%), Norfolk-Virginia Beach (+9.4%), Tampa (+8.4%), Cincinnati (+7.9%), Las Vegas (+7.4%), Philadelphia (+6.9%), Chicago (+6.9%), Boston (+5.4%), and Indianapolis (+5.4%).
- Major markets performing below the Extra Space portfolio average during the quarter include Dallas-Ft. Worth (+2.2%), Houston (+2.3%), Washington DC (+2.3%), Memphis (+2.8%), Los Angeles (+3.4%), and Atlanta (+3.8%).

Third-Party Management

- Extra Space added 61 stores to its third-party management platform during the first quarter, resulting in 763 stores (1,032 managed stores including joint ventures).

Full Year 2021 Guidance- (Same-Store Pool of 860)

Same-store property revenue growth	5.0% to 6.0%
Same-store expense growth	2.0% to 3.0%
Same-store NOI growth	6.0% to 8.0%
Net tenant reinsurance income	\$132.5 million to \$134 million
Management fees, other income and interest income	\$59 million to \$60 million
Acquisitions	\$350 million
Bridge Loans-share of loans retained, net of loan sales	\$100 million
Core Funds From Operations (FFO)	\$5.95 to \$6.10
Dilution per share from C of O and value add acquisitions	\$0.14

Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance - First Quarter 2021

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	85	\$22.34	96.6%	3.4%
New York-Northern New Jersey-Long Island, NY-NJ-PA	73	\$24.65	95.3%	4.4%
Atlanta, GA	56	\$12.52	96.7%	3.8%
Washington-Baltimore, DC-MD-VA-WV	52	\$19.33	95.0%	2.3%
Dallas-Fort Worth, TX	48	\$12.61	95.8%	2.2%
Boston-Worcester-Lawrence, MA-NH-ME-CT	42	\$22.57	94.3%	5.4%
San Francisco-Oakland-San Jose, CA	39	\$29.03	96.0%	5.1%
Miami-Fort Lauderdale, FL	28	\$19.01	96.6%	5.0%
Chicago-Gary-Kenosha, IL-IN-WI	27	\$15.40	95.4%	6.9%
Phoenix-Mesa, AZ	21	\$14.38	94.2%	10.5%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	20	\$16.74	95.6%	6.9%
Houston-Galveston-Brazoria, TX	18	\$12.10	94.9%	2.3%
Tampa-St. Petersburg-Clearwater, FL	16	\$16.17	95.8%	8.4%
Norfolk-Virginia Beach-Newport News, VA-NC	15	\$13.91	96.8%	9.4%
Cincinnati-Northern Kentucky	14	\$11.45	95.5%	7.9%
Las Vegas, NV-AZ	14	\$13.39	94.8%	7.4%
Indianapolis, IN	13	\$11.22	94.3%	5.4%
Sacramento-Yolo, CA	12	\$16.78	95.5%	5.8%
Charleston-North Charleston, SC	11	\$11.98	94.8%	4.6%
Austin-San Marcos, TX	11	\$13.75	96.3%	4.6%
Memphis, TN-AR-MS	11	\$10.05	95.9%	2.8%
Orlando, FL	11	\$13.82	95.3%	0.0%
Denver-Boulder-Greeley, CO	10	\$13.60	93.9%	11.0%
Other MSAs	213	\$14.48	94.3%	4.5%
TOTALS	860	\$17.16	95.3%	4.6%

Operations

CubeSmart
(NYSE: CUBE)

During the first quarter, CubeSmart generated 6.7% increase in same-store revenues and 8.9% increase in net operating income year-over-year. Top performing markets by revenue growth include Providence, Las Vegas, Phoenix, Bridgeport-Stamford-Norwalk, Tucson, and the Inland Empire.

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 March 31, 2021, the same-store pool includes 543 stores totaling approximately 35.7 million square feet.

Q1 2021 Results

- Same-store revenues increased 6.7% year-over-year during the first quarter, a 330 basis point increase sequentially. The increase was primarily driven by a 3.1% increase in average occupancy and resulting 7.2% increase in rental income and partially offset by a 4.8% decrease in other property related income.
- Cost of operations for the same-store pool increased by 2.0% year-over-year during the first quarter. The increase was impacted by a 3.7% growth in real estate taxes, 3.1% increase in advertising, and 31.6% increase in property insurance. Cost of operations were partially offset by a 6.2% decline in repairs and maintenance and 4.8% decrease in personnel expense.
- Same-store net operating income increased 8.9% as compared to the same quarter last year, driven by a 6.7% increase in same-store revenue and 2.0% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.4%, a 310 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 93.8%, a 280 basis point increase from a year earlier.

Operating Fundamentals

- Strong customer demand and positive rental rate trends are expected to continue through the spring and summer months. Net effective rates for new customers in the same-store pool increased in the upper-20% range during the quarter and ended the quarter over 40% compared to the end of the quarter last year.
- The second quarter of 2021 is expected to generate robust increase in year-over-year same-store revenues based on current positive rental rate trends compared to heavy rate discounting a year ago during the early stages of the pandemic.
- CubeSmart did not experience any significant changes in customer behavior in urban versus suburban markets due to the pandemic. The pattern of move-ins and move-outs and length of stay in urban markets were similar to the patterns in urban markets.
- Personnel costs decreased 6.6% during the quarter as CubeSmart focused on staffing hours and the growing use of its Smart Rental contactless rental platform.
- Facilities in lease-up are benefitting from continued customer demand and surge in occupancies throughout most markets. The trend has accelerated physical occupancy and positions new assets for rental rate increases. The combination has reduced the time frame for many new facilities to reach stabilization.
- CubeSmart's strategy relating to existing customer rent increases (ECRI) remains consistent with previous years. The variable in increases is the that rates have changed significantly in a short period of time. Customers that moved in last April during a time of discounting will be given higher increases than those renting later in 2020 and beginning of 2021.

Operations

CubeSmart
(NYSE: CUBE)

Operating Fundamentals

- The 5% to 6% customer turnover each month in CubeSmart's portfolio bodes well for revenue growth this summer. Customers that rented during the first and second quarters last year are being replace by customers paying significantly higher move-in rates.

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average during the quarter include Providence (+13.8%), Las Vegas (+13.0%), Phoenix (+12.5%), Bridgeport-Stamford-Norwalk (+12.2%), Tucson (+10.7%), Inland Empire (+10.1%), Charleston (+9.8%), San Diego (+8.5%), Sacramento (+8.1%), and Washington DC (+7.9%).
- Major markets performing below the CubeSmart portfolio average during the quarter include Nashville (-1.4%), Tampa (+2.6%), Naples (+3.1%), Atlanta (+3.5%), Houston (+3.5%), and Jacksonville (+3.8%).

Third-Party Management

- CubeSmart added 31 stores to its third-party management platform during the quarter, split about 70%/30% between newly-developed and existing operating stores. The platform reported a net loss of 22 stores, primarily from stores that were acquired by other operators. The third-party management platform totals 701 stores, which includes joint venture partnership managed properties.

Full Year Guidance 2021 - (Same-Store Pool of 543)

Same store revenue growth	4.75% to 5.75%
Same store expense growth	4.0% to 5.0%
Same store net operating income growth	5.25% to 6.25%
Acquisition of wholly-owned properties	\$100 million to \$200 million
Acquisition of properties at C/O	\$0
New development openings	\$88.9 million
Dispositions	\$0 to \$50 million
Dilution per share from properties in lease-up	\$0.05 to \$0.06
FFO per diluted share, as adjusted	\$1.80 to \$1.86
Property management fee income	\$27.5 million to \$29.5 million

Operations

CubeSmart
(NYSE: CUBE)

Same-Store Operating Performance by MSA - First Quarter 2021

MSA	Facilities	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	60	\$29.78	92.9%	6.2%
Chicago-Naperville-Joliet, IL-IN-WI	43	\$14.71	94.5%	4.9%
Miami-Fort Lauderdale-Pompano Beach, FL	38	\$18.88	94.5%	5.4%
Dallas-Fort Worth-Arlington, TX	36	\$13.35	94.2%	4.8%
Washington-Arlington-Alexandria, DC-VA-MD-WV	25	\$23.04	92.7%	7.9%
Atlanta-Sandy Springs-Marietta, GA	19	\$13.41	93.2%	3.5%
Phoenix-Mesa-Scottsdale, AZ	16	\$14.31	92.9%	12.5%
Riverside-San Bernardino-Ontario, CA	16	\$15.06	97.1%	10.6%
Houston-Sugar Land-Baytown, TX	15	\$12.73	94.8%	3.5%
Tucson, AZ	15	\$13.93	94.8%	10.7%
Boston-Cambridge-Quincy, MA-NH	14	\$20.66	92.8%	6.9%
Orlando-Kissimmee, FL	13	\$13.30	93.1%	5.7%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$19.21	92.2%	7.8%
Hartford-West Hartford-East Hartford, CT	12	\$13.98	94.2%	10.1%
Austin-Round Rock, TX	10	\$14.32	94.3%	6.6%
Columbus, OH	10	\$11.46	93.3%	6.9%
Cleveland-Elyria-Mentor, OH	10	\$14.08	94.0%	6.8%
Nashville-Davidson-Murfreesboro-Franklin, TN	9	\$12.13	90.6%	-1.4%
Denver-Aurora, CO	9	\$14.19	94.9%	4.8%
Sacramento-Arden-Arcade-Roseville, CA	9	\$15.37	96.4%	8.1%
Las Vegas-Paradise, NV	8	\$15.28	91.7%	13.0%
Los Angeles-Long Beach-Santa Ana, CA	8	\$23.04	95.6%	7.7%
Charleston-North Charleston, SC	8	\$11.57	93.7%	9.8%
Cape Coral-Fort Myers, FL	7	\$14.87	95.1%	5.4%
Jacksonville, FL	7	\$16.70	94.2%	3.8%
Charlotte-Gastonia-Concord, NC-SC	7	\$13.50	93.0%	7.9%
San Diego-Carlsbad-San Marcos, CA	6	\$18.38	97.6%	8.5%
Tampa-St. Petersburg-Clearwater, FL	6	\$15.67	93.9%	2.6%
Providence-New Bedford-Fall River, RI-MA	6	\$16.76	94.5%	13.8%
Bridgeport-Stamford-Norwalk, CT	6	\$24.33	94.6%	12.2%
Baltimore-Towson, MD	5	\$18.69	92.9%	6.9%
San Antonio, TX	4	\$12.86	95.8%	6.1%
Salt Lake City, UT	4	\$13.88	90.7%	5.3%
Naples-Marco Island, FL	4	\$14.91	96.0%	3.1%
Other	33	\$15.79	93.4%	8.0%
Total	511	\$17.60	93.8%	6.7%

Operations

Life Storage
(NYSE: LSI)

During the first quarter, Life Storage generated a 7.3% increase in same-store revenues and 8.6% growth in net operating income year-over-year. Top performing markets by revenue growth include New York, New England and Buffalo.

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, 2019. The stores purchased through 2019 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 531 facilities in Life Storage's same-store pool.

Q1 2021 RESULTS

- Same-store revenues increased 7.3% during the first quarter, a 240 basis point increase sequentially. The increase was driven by a 410 basis point increase in average occupancy resulting in a 7.3% gain in rental income.
- Cost of operations for the same-store pool increased by 4.7% during the first quarter. Operating expenses were impacted by a 5.0% increase in real estate taxes and 16% gain in repairs and maintenance. The increase was partially offset by a 25% decrease in advertising and 2.2% decrease in internet marketing.
- Same-store net operating income grew 8.6% year-over-year during the first quarter, driven by a 7.3% gain in same-store revenue and 4.7% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.0%, a 460 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 93.3%, a 410 basis point decrease from a year earlier.

Operating Fundamentals

- Life Storage achieved a positive rent roll-up during the quarter with move-in rents about 6% higher than move-out rents. Move-ins have been paying more than move-outs for the past six months with move-in rents about 8% higher than move-in rents in March.
- Street rates are accelerating due to record occupancy and strong demand. Street rates were up 9% in January, 15% in February, and 27% in March compared to a year ago.
- Life Storage's top 10 markets experienced a robust 40% year-over-year gain in street rates during the quarter. Houston increased 25%, Chicago 22% and New York 20%.
- The 460 basis point gain in occupancy was supported by a 5% decrease in move-out volume and continued strong move-in volume.
- Customers that moved in during the first nine months of 2020 are staying longer than normal. Customers during the time frame stayed about eight months, or about 1.5 months longer than the typical median of about 6.5 months. The average length of stay overall for customers moving out remains about 16 months.
- Texas markets continue to improve with occupancies surging during the quarter. Austin average quarterly occupancy increased 460 basis points to 93.8%, Dallas increased 420 basis points to 95.2%, and Houston increased 260 basis points to 93.3%.

Operations

Life Storage (NYSE: LSI)

Major Markets Revenue Growth

- During the quarter, Life Storage achieved same-store revenue growth in 30 of its 31 markets. Major markets with same-store revenue growth above the portfolio average for the quarter include Pensacola (+24.2%), Space Coast (+12.7%), Virginia Beach-Tidewater (+11.8%), Boston (+11.5%), New York (+11.1%), Phoenix (+11.1%), New England (+10.6%), and Buffalo (+10.6%).
- Major markets with same-store revenue growth below the portfolio average include Baltimore (-3.0%), Atlanta (+3.0%), Los Angeles (-3.1%), Charlotte (+3.2%), Miami (+3.6%), Dallas (+3.8%), Tampa (+4.0%), and Houston (+4.4%).

Warehouse Anywhere Enterprise Solutions and Lightspeed Fulfillment Centers Accelerate

- Warehouse Anywhere, Life Storage's business to business platform, provides storage management, enterprise solutions and micro-fulfillment solutions. The business has grown 50% over the past year. The Enterprise Solutions component recently won an RFP from a major corporation a three-year agreement to lease 300 self storage spaces in Life Storage's network of Warehouse Anywhere facilities. The lease will add about \$2 million per year in revenue.
- Warehouse Anywhere customers typically pay about 10% more than traditional customers. The leases are structured with longer terms than the month-to-month structure for traditional customers.
- The Warehouse Anywhere program has increased Life Storage's commercial customer base to over 25%, compared to the industry standard of 18% to 20%. The company hopes to grow the commercial business above 25%. The stickiness and long-term lease structure for commercial tenants helps smooth out the seasonality of revenues.
- Lightspeed, in joint venture with Deliverr, is Life Storage's micro fulfillment concept that it launched last year. Lightspeed currently has centers in Atlanta, Las Vegas and Chicago. The company slated to open a store Texas, Florida and the West Coast.
- The company is fine-tuning its technology to control, pick, pack, and ship product for its customers. The venture has contracts with shipping companies to pick up and deliver. The company's control of real estate differentiates it from competitors such as ShipMonk, Flexe, and ShipUp.

Third-Party Management

- Life Storage added 18 stores to the third-party management platform during the first quarter, representing a net change of 12 stores during the quarter. Third-party management contracts in the platform total 342, including joint ventures.



Operations

Life Storage
 (NYSE: LSI)

Full Year Guidance 2021 - (Same-Store Pool of 531)

Same store revenue growth	5.5% to 6.5%
Same store operating costs (excluding property taxes)	2.25% to 3.25%
Same store property property taxes	6.75% to 7.75%
Total same store operating expenses	4.0% to 5.0%
Same-store net operating income	3.75% to 4.75%
Expansion & enhancements	\$40 million to \$50 million
Capital expenditures	\$21 million to \$26 million
Wholly owned acquisitions	\$550 million to \$600 million
Joint venture investments	\$20 million to \$25 million
Adjusted funds from operations per share	\$4.33 to \$4.41

Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance - First Quarter 2021

Market	Stores	Rent Per Occupied Square Foot	Occupancy 3/31/2021	Revenue Growth
Chicago-Naperville-Elgin, IL-IN-WI	40	\$15.30	94.1%	5.2%
New York-Newark-Jersey City, NY-NJ-PA	30	\$23.92	94.9%	11.1%
Houston-The Woodlands-Sugar Land, TX	40	\$12.80	93.3%	4.4%
New England-Other	26	\$18.17	95.7%	10.6%
Buffalo-Upstate, NY	25	\$14.75	89.4%	10.6%
Dallas-Fort Worth-Arlington, TX	25	\$12.88	95.2%	3.8%
Miami-Fort Lauderdale-Pompano Beach, FL	16	\$18.83	95.6%	3.6%
Los Angeles-Long Beach-Anaheim, CA	10	\$23.18	93.3%	3.1%
Las Vegas-Henderson-Paradise, NV	18	\$15.08	94.8%	8.1%
Austin-Round Rock-Georgetown, TX	20	\$12.80	93.8%	7.7%
Atlanta-Sandy Springs-Alpharetta, GA	21	\$13.24	93.6%	3.0%
Boston-Cambridge-Newton, MA-NH	16	\$16.61	96.1%	11.5%
Sacramento-Roseville-Folsom, CA	11	\$15.87	96.2%	7.5%
St. Louis, MO-IL	14	\$13.23	94.8%	8.7%
San Antonio-New Braunfels, TX	15	\$13.69	92.0%	6.2%
Tampa-St. Petersburg-Clearwater, FL	13	\$15.18	95.7%	4.0%
Cleveland-Elyria, OH	12	\$14.36	90.8%	7.8%
Virginia Beach-Norfolk-Newport News, VA-NC	11	\$12.25	90.6%	11.8%
Phoenix-Mesa-Chandler-Tucson, AZ	10	\$14.02	96.5%	11.1%
Orlando-Kissimmee-Sanford, FL	12	\$13.28	89.7%	5.2%
Space Coast, FL	8	\$15.73	91.9%	12.7%
Jacksonville, FL	9	\$14.01	93.1%	7.1%
Beaumont-Port Arthur, TX	7	\$14.42	89.4%	2.5%
Pensacola-Ferry Pass-Brent, FL	7	\$11.20	96.8%	24.2%
Charlotte-Concord-Gastonia, NC-SC	8	\$12.92	92.4%	3.2%
Raleigh-Durham, NC	7	\$12.18	91.6%	7.6%
Chattanooga, TN-GA	6	\$12.66	97.5%	7.8%
Cape Coral-Fort Myers, FL	8	\$11.86	95.6%	5.1%
Montgomery, AL	7	\$9.66	93.0%	4.8%
Baltimore-Columbia-Towson, MD	5	\$16.70	86.0%	(3.0%)
Youngstown-Warren-Boardman, OH-PA	5	\$10.78	87.6%	7.0%
Other markets	69	\$13.71	91.6%	8.3%
Same Store Portfolio Total	531	\$14.87	93.3%	7.3%

Operations

National
Storage Affiliates
(NYSE: NSA)

During the first quarter, National Storage Affiliates same-store revenues increased 8.1% and net operating income increased 11.5% year-over-year. Top performing markets by revenue growth include North Port-Sarasota-Bradenton, Houston, Portland, Phoenix, Inland Empire, and Kansas City.

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 March 31, 2021, the same-store portfolio consisted of 600 self storage properties.

Q1 2021 Results

- Same-store revenues increased 8.1% during the first quarter, but a 330 basis point increase sequentially. Same-store revenues were driven by a 560 basis point increase in average occupancy and 1.4% increase in revenue per occupied square foot.
- Cost of operations for the same-store pool increased by 0.6% year-over-year during the first quarter. The increase was impacted by an 0.6% increase in real estate taxes and 4.0% increase in repairs and maintenance. Expenses were partially offset by a 4.1% decrease in marketing and 1.1% decrease in payroll.
- Same-store net operating income grew 11.5% year-over-year during the first quarter, driven by an 8.1% increase in same-store revenue and 0.6% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 93.8%, a 690 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 92.5%, a 560 basis point increase from a year earlier.

Operating Fundamentals

- NSA ended the first quarter with record occupancy of 93.8%. Occupancy continued to accelerate in April ending the month at 95%.
- Record occupancies provided an opportunity to drive street rates up 8% year-over-year in the first quarter. Street rates grew about 6% in January and accelerated to about 16% in April.
- The spring resembled more of a historical peak leasing season. The roll-down of rents for customer move-ins versus move-outs narrowed to 2.5%, similar to a normal peak season. Rental rates strengthened in April transitioning to a roll-up with customer move-ins paying 3% more than move-outs.
- NSA does not project any major changes to the muted move-outs experienced during the quarter. In addition, bad debt has plummeted to about 1% of revenue from the historical range of 2% to 3%.
- About high-20 percent of NSA's rentals are executed through its on-line rental platform.
- The migration of households throughout the pandemic to the Sun Belt, Arizona, Florida, Nevada, and Texas helped generate strong demand in those markets. But demand remained strong even in markets that continue to have out-migration due to the pandemic.
- The transition of people in and out of cities and states coupled with a tight housing markets continues to drive demand for storage. The quick time frame to sell a home opposed to a lengthier time to buy or build a home is creating demand from customers that need a temporary residence during the transition.

Operations

National
Storage Affiliates
(NYSE: NSA)

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter include North Port-Sarasota-Bradenton (+11.8%), Houston (+10.2%), Portland (+10.1%), Phoenix (+10.1%), Inland Empire (+9.0%), and Kansas City (+8.3%).
- Two of NSA's largest markets, California (20% of company's same-store revenue) and Oregon (11% of company's same-store revenue), reported same-store revenue growth of 8.1% and 13.2%, respectively. Revenue growth was driven by 790 basis point gain in occupancy in California and 1,040% gain in Oregon.
- Major markets performing below the portfolio average during the quarter include Dallas (+1.2%), Atlanta (+3.3%), Tulsa (+3.4%), and Los Angeles (+5.6%).

Full Year 2021 Guidance - (Same-Store Pool of 600)

Same store revenue growth	5.5% to 6.5%
Same store property expenses	3.5% to 4.5%
Same store net operating income	6.0% to 8.0%
Acquisitions	\$500 million to \$650 million
Core FFO	\$1.89 to \$1.93

Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary By State - First Quarter 2021

State	Stores	Rent Per Occupied Square Foot	Occupancy 3/31/2021	Revenue Growth
California	81	\$13.56	97.0%	8.1%
Texas	69	\$10.49	93.5%	6.8%
Oregon	61	\$15.36	91.2%	13.2%
Florida	45	\$15.02	93.7%	9.3%
Georgia	44	\$10.32	93.6%	3.5%
North Carolina	33	\$11.36	96.0%	5.2%
Arizona	31	\$13.50	94.0%	11.4%
Oklahoma	30	\$8.67	93.3%	5.7%
Louisiana	26	\$11.10	87.9%	4.2%
Indiana	16	\$9.92	95.4%	7.0%
Kansas	16	\$12.27	92.4%	4.0%
Washington	14	\$14.74	89.0%	8.6%
Nevada	13	\$12.11	94.9%	8.0%
Colorado	11	\$12.39	94.9%	5.8%
New Hampshire	10	\$14.06	93.9%	12.3%
Other*	60	\$12.75	92.9%	9.3%
Total	560	\$12.47	93.8%	8.1%

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

Same Store Performance Summary By MSA - First Quarter 2021

MSA	Stores	Rent Per Occupied Square Foot	Occupancy 3/31/2021	Revenue Growth
Portland-Vancouver-Hillsboro, OR-WA	47	\$16.71	89.5%	10.1%
Riverside-San Bernardino-Ontario, CA	46	\$12.26	98.3%	9.0%
Atlanta-Sandy Springs-Roswell, GA	30	\$10.36	93.9%	3.3%
Phoenix-Mesa-Scottsdale, AZ	24	\$13.59	93.8%	10.1%
Oklahoma City, OK	17	\$8.41	94.2%	7.6%
Dallas-Fort Worth-Arlington, TX	16	\$11.20	93.4%	1.2%
Indianapolis-Carmel-Anderson, IN	16	\$9.92	95.4%	7.0%
Los Angeles-Long Beach-Anaheim, CA	14	\$19.82	95.1%	5.6%
North Port-Sarasota-Bradenton, FL	13	\$16.61	94.1%	11.8%
New Orleans-Metairie, LA	13	\$12.59	86.3%	7.4%
Tulsa, OK	13	\$9.03	92.0%	3.4%
Las Vegas-Henderson-Paradise, NV	12	\$12.06	94.7%	7.6%
Houston-The Woodlands-Sugar Land, TX	11	\$10.12	94.0%	10.2%
Kansas City, MO-KS	11	\$12.80	92.6%	8.3%
Other MSAs	277	\$12.18	93.7%	8.5%
Total	560	\$12.47	93.8%	8.1%

Capital Activities

Public Storage (NYSE: PSA)

- In April 2021, Public Storage issued \$2 billion of unsecured notes in three, seven and ten year tranches bearing annual rates of Compounded Secured Overnight Financing Rate (“SOFR”) plus 47 basis points, 1.85%, and 2.3%, respectively. A weighted average cost of about 1.6%.
- The company issued \$500 million of unsecured senior notes bearing an annual rate of 0.875%. Redeemed \$300 million of preferred equity shares bearing an annual rate of 5.4%.

Extra Space Storage (NYSE: EXR)

- Extra Space sold 1,600,000 shares of common stock in the first quarter through an overnight offering at a sales price of \$129.13 per share, and an additional 585,685 shares of common stock using the company's ATM program at an average sales price of, \$115.90 per share, resulting in total net proceeds of approximately \$273.7 million. As of March 31, 2021, there were no additional shares for issuance under its ATM program, and anticipates filing a new plan in the second quarter of 2021.
- Ended the first quarter with net debt to EBITDA of 5.1x, lower than the long-term debt target of 5.5x to 6.0x.
- Company's percentage of fixed-rate debt to total debt is 67%. The weighted average interest rate of fixed-rate debt is 3.4%, and variable-rate is 1.5%, with a combined rate of 2.7%. The average weighted maturity is about 4.4 years.
- Moody's Investor Services assigned Extra Space Storage a Baa2 issuer credit rating with a stable outlook.

CubeSmart (NYSE: CUBE)

- CubeSmart sold 2.8 million common shares through its at-the-market (“ATM”) equity program at an average sales price of \$35.52 per share, resulting in net proceeds of \$99.7 million. As of March 31, 2021, the company has 8.1 million shares available for issuance under existing equity distribution agreements.
- To fund a portion of the company's growth, the average outstanding debt balance increased \$382.2 million to \$2.326 billion during the first quarter. The weighted average effective interest rate on outstanding debt in the first quarter 2021 was 3.39%, and 3.96% for outstanding debt in the first quarter of 2020.

Investment Grade Ratings

Moody's Baa2, with stable outlook

Standard & Poor's BBB, with stable outlook

Capital Activities

Life Storage (NYSE: LSI)

- During the first quarter, issued 2,220,559 shares of common stock under its equity offering program at a weighted average issue price of \$82.23 per share, generating net proceeds of \$180.5 million.
- At March 31, 2021, approximately \$13.9 million of cash on hand, and approximately \$456.9 million available on line of credit. Average debt maturity of approximately 6.7 years

Key Financial Ratios

Debt to Enterprise Value @ \$85.95/share	25.5%
Debt to Book Cost of Facilities	40.3%
Debt to Recurring Annualized EBITA	5.5x
Debt Service Coverage (DSC)	4.9x

National Storage Affiliates (NYSE: NSA)

- Subsequent to quarter end, NSA entered into an agreement to issue \$180 million of senior unsecured notes with a weighted average rate of 2.87% and a weighted average maturity of 9.6 years in a private placement to institutional investors.
- The \$180 million of senior unsecured notes issued in three tranches: \$35 million of 2.16% notes due in five years, \$90 million of 3.0% notes due in ten years, and \$55 million of 3.10% notes due in twelve years. Funding for notes to occur between May 26, 2021 and July 26, 2021.
- On March 22, 2021, NSA settled the remaining portion of the previously announced forward offering by delivering 3,049,490 common shares for net proceeds of \$97.3 million. The company used the proceeds to acquire properties, repay outstanding amounts on its revolving line of credit and for general corporate purposes.
- During the first quarter, NSA sold 642,726 common shares under ATM program for net proceeds of \$25.1 million. Subsequent to quarter end, the company sold 1,320,000 common shares for net proceeds of about \$53 million.



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