



# SELF STORAGE MARKET OVERVIEW

## Third Quarter 2021 Results

*Analysis of the Public Self Storage Companies*

Marc A. Boorstein, CCIM Principal  
312.953.4749  
mboorstein@mjpartners.com

Jeff Jacobson, Principal  
312.953.4752  
jjacobson@mjpartners.com

David E. Kohn, Vice President  
312.375.1240  
dkohn@mjpartners.com

Matthew E. Duda, Vice President  
312.519.7868  
mduda@mjpartners.com

Greg Owens, Sr. Vice President  
847.732.8168  
gowens@mjpartners.com

Claire M. Compernelle  
ccompernelle@mjpartners.com

## Summary

Spectacular operating fundamentals in the third quarter led to record year-over-year performance for the self storage REITs for a second consecutive quarter. Continued strong demand elevated occupancies to record levels and helped drive rental rate growth during the quarter. Longer average length of stay increased the impact of existing customer rent increases (ECRIS) on revenue growth. In addition, controlled operating expenses contributed to significant net operating income increases during the quarter.

- Occupancy at end of the third quarter for same-store portfolios ranged from 94.6% to 96.7% compared to last year.
- Same-store revenue growth in the third quarter ranged from 14% to 18.4% year-over-year.
- Same-store increases in net operating incomes ranged from 20.8% to 27.8% year-over-year.

### Acquisitions Activity Booms

Self storage REITs continue the torrid pace of acquisitions for both their wholly-owned portfolios and through joint ventures. Fueled by low costs of capital and confidence in future storage demand, acquisition activity is robust for both stabilized and properties in lease-up. The public REITs are on pace to acquire about \$9.5 billion by year-end.

Public Storage year-to-date has acquired or placed under contract to purchase 233 properties for \$5.15 billion. Highlights include the recently announced pending acquisition of the All Storage portfolio for \$1.5 billion, consisting of 56 properties across Dallas-Fort. Worth (52) and Oklahoma City (4).

### Guidance Raised on Strength of Q3 2021 Results

Record-high occupancies, strong customer demand, and higher asking and achieved rents encouraged each of the self storage REITs to raise full-year 2021 guidance. New projections for the full year same-store revenue growth ranges from 9.5% to 15%, or 12.5% to 13.5% on average. On average same-store revenue guidance for 2021 increased by 200-250 basis points from prior expectation.

### Implied Cap Rates

	Public Storage (NYSE: PSA)	4.2%
	Extra Space Storage (NYSE: EXR)	3.6%
	CubeSmart (NYSE: CUBE)	4.1%
	Life Storage (NYSE: LSI)	4.4%
	National Storage Affiliates (NYSE: NSA)	4.2%

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



Earnings  
Results

Same-Store Comparisons

	Total Properties Operating	Revenue Growth	Net Operating Income Growth	End of Quarter Occupancy	Rent Per Occupied Square Foot
<b>Public Storage</b>	2,678 U.S. 247 Europe	14.0%	20.8%	95.7%	\$19.30
<b>Extra Space Storage</b>	2,054	18.4%	27.8%	96.7%	\$19.12
<b>CubeSmart</b>	1,265±	15.6%	21.1%	94.8%	\$19.26
<b>Life Storage</b>	1,016	17.4%	24.3%	94.6%	\$16.57
<b>National Storage Affiliates</b>	940	18.4%	24.3%	96.2%	\$13.40

Capital Markets

	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (11/8/2021)	52-Week High/Low
<b>Public Storage</b>	\$56.72 billion	\$3.42/share (+30%)	2.48%	\$323.46	\$340.95 \$212.22
<b>Extra Space Storage</b>	\$26.43 billion	\$1.85/share (+41.2%)	2.57%	\$197.43	\$203.99 \$106.33
<b>CubeSmart</b>	\$10.92 billion	\$0.56/share (+27%)	3.21%	\$54.14	\$56.64 \$31.16
<b>Life Storage</b>	\$10.69 billion	\$1.37/share (+35.6%)	2.64%	\$130.38	\$139.95 \$70.29
<b>National Storage Affiliates</b>	\$5.55 billion	\$0.57/share (+29.5%)	2.40%	\$62.32	\$64.98 \$32.79



## Summary

### New Supply Update

Under Construction & Planned  
Percent of Existing Inventory

Metro Area	21-Jul	21-Aug	% Change
National	8.3%	8.4%	0.1%
New York	17.5%	18.0%	0.5%
Philadelphia	15.0%	17.8%	2.8%
Las Vegas	15.0%	14.8%	-0.2%
San Jose	12.8%	12.8%	0.0%
Sacramento	13.7%	12.6%	-1.1%
Phoenix	11.9%	12.4%	0.5%
Orlando	12.4%	11.5%	-0.9%
San Diego	12.1%	11.3%	-0.8%
Seattle	11.3%	11.0%	-0.3%
Miami	10.9%	10.7%	-0.2%
Portland	10.8%	10.4%	-0.4%
Boston	8.7%	10.0%	1.3%
Washington DC	9.8%	9.6%	-0.2%
Los Angeles	9.1%	9.5%	0.4%
San Francisco/East	8.0%	9.1%	1.1%
Minneapolis	8.8%	9.0%	0.2%
Tampa	7.9%	8.0%	0.1%
Charlotte	8.4%	7.5%	-0.9%
Raleigh - Durham	7.9%	7.5%	-0.4%
Dallas - Ft Worth	6.6%	7.1%	0.5%
Atlanta	6.5%	6.7%	0.2%
Nashville	7.6%	6.3%	-1.3%
Inland Empire	5.8%	6.0%	0.2%
Austin	5.3%	5.9%	0.6%
Columbus (OH)	6.2%	5.8%	-0.4%
Denver	4.7%	4.7%	0.0%
Chicago	4.4%	4.4%	0.0%
San Antonio	4.0%	4.4%	0.4%
Charleston SC	3.3%	3.3%	0.0%
Pittsburgh	4.9%	3.0%	-1.9%
Houston	2.3%	1.9%	-0.4%

Source: Yardi Matrix

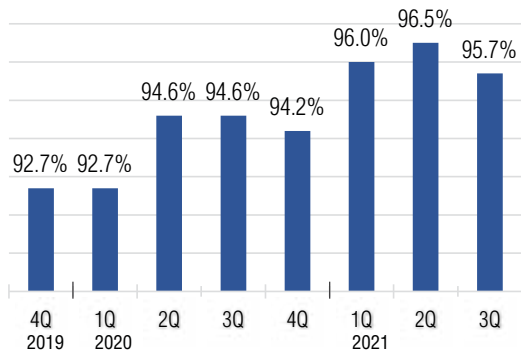
- Yardi Matrix tracked a total of 2,369 self storage properties in the national pipeline during August 2021. It includes 612 under construction, 1,288 planned and 469 prospective projects. The national new supply pipeline as a percentage of existing inventory increased 0.2% to 8.6% in August 2021. The pipeline consists of projects under construction, planned and prospective.
- New York, Philadelphia and Las Vegas top the nation in supply as a percentage of existing inventory. Houston, Pittsburgh, Charleston (SC), San Antonio, and Chicago report the lowest amount of new supply as a percentage of existing inventory. Philadelphia (+2.8%), Boston (+1.3%) and San Francisco (+1.1%) reported the highest monthly increase in development activity as a percentage of existing inventory. Pittsburgh (-1.9%), Nashville (-1.3%) Orlando (-0.9%), and Charlotte (-0.9%) reported the highest decrease in development activity.
- The projected supply increased nationwide to 8.6% this month remains below the pre-pandemic levels of 9% or greater. About half of the top markets experienced flat or negative supply growth during August. Yardi Matrix projects the new supply forecast to moderately slow through 2026.



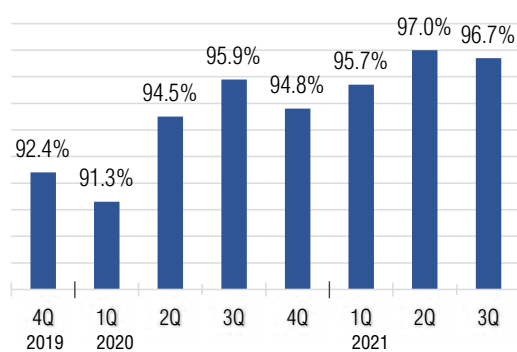
## Portfolio Occupancies

Same-Store  
Year-Over-Year Change

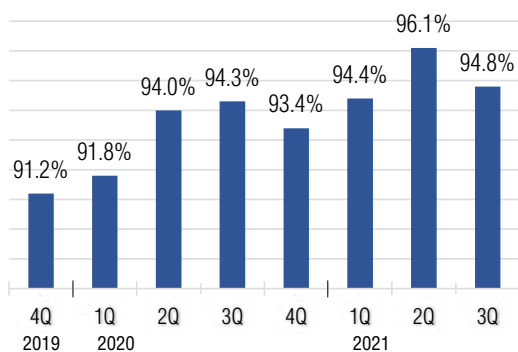
### Public Storage



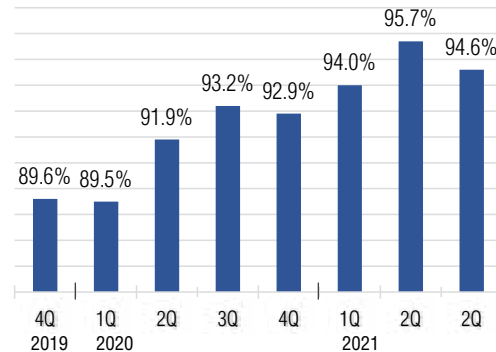
### Extra Space Storage



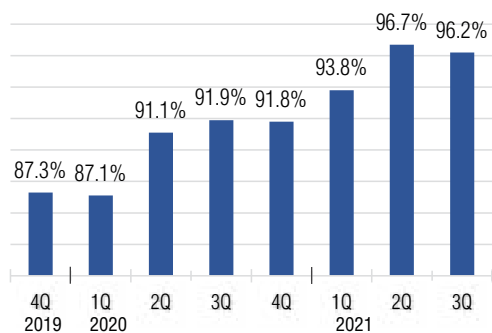
### CubeSmart



### Life Storage



### National Storage Affiliates

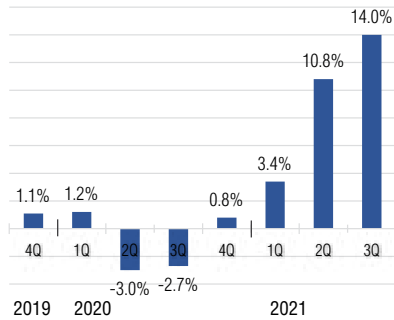




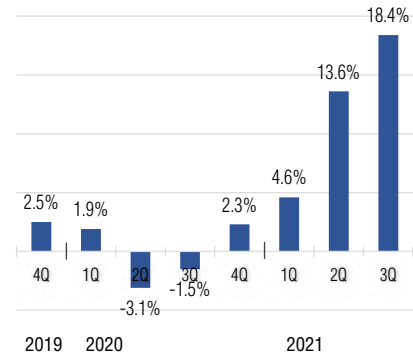
## Portfolio Revenues

Same-Store  
Year-Over-Year Change

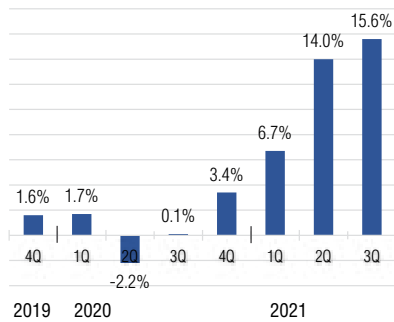
### Public Storage



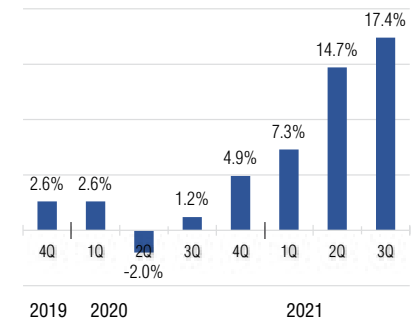
### Extra Space Storage



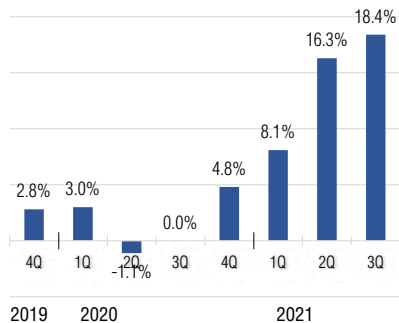
### CubeSmart



### Life Storage



### National Storage Affiliates

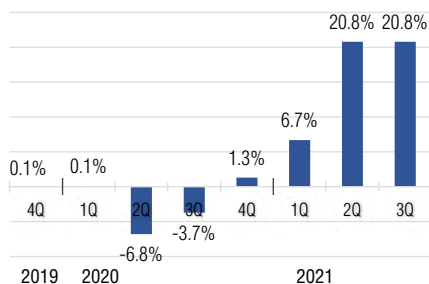




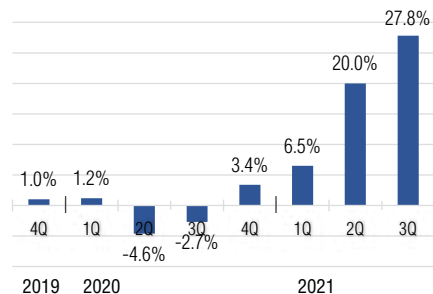
**Portfolio  
Net Operating  
Income**

Same-Store  
Year-Over-Year Change

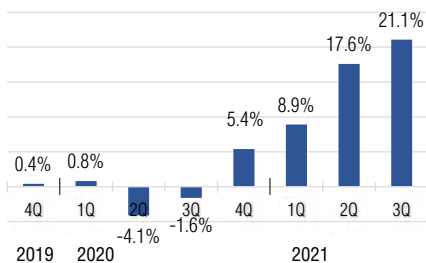
**Public Storage**



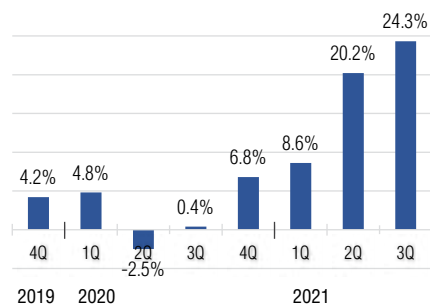
**Extra Space Storage**



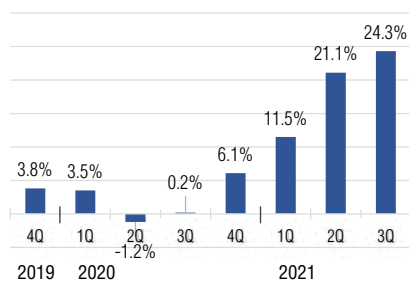
**CubeSmart**



**Life Storage**



**National Storage Affiliates**



## Investment Activity

### Public Storage (NYSE: PSA)

*Public Storage acquired 27 self storage facilities consisting of 2.2 million net rentable square feet in the third quarter for \$326.8 million. Locations include nine properties in Texas, three in South Carolina, two each in Georgia, North Carolina, Tennessee and Utah, and one each in California, Illinois, Minnesota, Nebraska, Nevada, Oregon and Virginia.*

#### **All Storage Portfolio**

- Subsequent to September 30, 2021, the company placed under contract to purchase a portfolio of 56 properties consisting of 7.5 million net rentable square feet currently operated under the brand name of All Storage for \$1.5 billion. Locations include 52 properties across Dallas-Fort Worth and the balance in Oklahoma City. The acquisition is expected to close in two separate tranches, with seven closing in November 2021 and 49 closing in December 2021.
- The All Storage portfolio features many properties recently developed resulting in current occupancy of about 75% and a going-in yield of 2.6%. The transaction is immediately accretive to FFO, and will accelerate to stabilization at nearly a 6% NOI yield.
- Additional properties under contract to purchase include 51 self storage facilities consisting of 4.3 million net rentable square feet for nearly \$800 million. All together the properties recently placed under contract are located across 16 states.

#### **ezStorage Portfolio and Year-To-Date Acquisition**

- Year-to-date, Public Storage has acquired or under contract to purchase 233 properties for \$5.1 billion. These include the acquisition of the ezStorage portfolio on April 28, 2021, consisting of 48 properties for \$1.8 billion. The ezStorage portfolio includes 47 operating properties and one property under construction, spread throughout the greater Washington D.C. metropolitan area.
- The average occupancy of all Public Storage acquisitions in 2021 is approximately 56%. The acquisitions announced by Public Storage represent approximately 30% of the projected \$18 billion of self storage assets trading this year.

#### **Development Activity**

- During the third quarter, Public Storage opened one newly developed facility and various expansion projects costing \$85.5 million in Florida, California and Texas.
- At September 30, 2021, Public Storage with various facilities in development totaling 1.7 million net rentable square feet estimated to cost \$272.8 million net rentable square feet. And, various expansion projects totaling 2.9 million net rentable square feet cost \$457.8 million. The aggregate 4.6 million net rentable square foot pipeline of new development and expansion facilities includes 1.4 million in California, 700,000 in Florida, 400,000 in Maryland, 300,000 each in New Jersey, Texas and Washington, 200,000 each in Michigan, Minnesota and New York and 600,000 in other states. The remaining \$502.2 million of development costs for these projects is expected to be incurred primarily in the next 18-24 months.
- Public Storage has acquired 14 assets from its third-party management platform.
- Since the beginning of 2019, Public Storage has expanded its portfolio square footage by 22% with a total investment of approximately \$7 billion, equaling 36 million square feet, for an average of \$193 per square foot.





## Investment Activity

Public Storage  
(NYSE: PSA)

### **New Supply**

- Estimating about \$3.5 billion of new deliveries put on the market nationwide in 2021, compared to the peak in 2019 of about \$5 billion. Projecting the total new deliveries to trend down again in 2022, due to development hurdles including extended times for securing property entitlements and permits/occupancy, and rising construction and labor costs.



**Investment Activity**

Public Storage  
(NYSE: PSA)

**Acquisitions - Year-To-Date**

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Arizona	5	382,000	\$80,152,000	\$210
California	5	349,000	\$115,518,000	\$331
Colorado	1	86,000	\$16,989,000	\$198
Florida	3	218,000	\$47,500,000	\$218
Georgia	4	299,000	\$47,299,000	\$158
Idaho	6	530,000	\$73,211,000	\$138
Illinois	2	175,000	\$24,342,000	\$139
Indiana	4	295,000	\$35,858,000	\$122
Kansas	1	57,000	\$6,140,000	\$108
Louisiana	2	145,000	\$33,125,000	\$228
Maryland	39	3,500,000	\$1,500,921,000	\$429
Minnesota	1	61,000	\$6,622,000	\$109
Nebraska	5	451,000	\$51,432,000	\$114
Nevada	2	148,000	\$23,931,000	\$162
North Carolina	5	328,000	\$51,628,000	\$157
Ohio	2	73,000	\$5,834,000	\$80
Oregon	1	27,000	\$20,312,000	\$752
Pennsylvania	1	37,000	\$4,796,000	\$130
South Carolina	6	429,000	\$59,356,000	\$138
Tennessee	2	80,000	\$14,345,000	\$179
Texas	12	1,219,000	\$175,184,000	\$144
Utah	2	106,000	\$15,253,000	\$144
Virginia	13	1,126,000	\$390,917,000	\$347
Washington	2	174,000	\$44,619,000	\$256
Total	126	10,295,000	\$2,845,284,000	\$276

**Developments - Year-To-Date**

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Colorado	1	88,000	\$13,553,000	\$154
Florida	2	214,000	\$30,239,000	\$141
Virginia	1	200,000	\$45,333,000	\$227
Total	4	502,000	\$89,125,000	\$179

## Investment Activity

### Extra Space Storage (NYSE: EXR)

*Extra Space acquired ten wholly-owned operating stores in the third quarter, and four stores at completion of construction (certificate of occupancy) for a total cost of approximately \$198 million.*

- The certificate of occupancy store acquisitions include locations in Bloomington, Indiana; Bellmawr, New Jersey; Lakewood, Washington, and Jackson, Mississippi.
- In conjunction with joint venture partners, Extra Space acquired ten operating stores for a total cost of approximately \$133.6 million, of which Extra Space invested \$13.4 million.
- Year-to-date through the third quarter, Extra Space acquired 32 operating stores and six certificate of occupancy stores for a total cost of approximately \$530.4 million. And, in conjunction with joint venture partners, the company acquired 15 operating stores for a total cost of approximately \$202.2 million, of which the company invested \$20.2 million.
- The acquisition market remains very active but expensive. Extra Space investment team has never been busier and found the most success acquiring lease-up properties and/or acquiring stores with a joint venture partner.
- Extra Space increased investment guidance to \$700 million for the year. Most transactions smaller instead of large portfolio acquisitions, resulting in better than market average yields. The company plans to continue to be selective in the current environment.
- In the quarter, Extra Space purchased 11 managed stores in the REIT or in a joint venture for a total of 30 stores purchased from the third-party platform through September 30, 2021.
- Continuing to look at certificate-of-occupancy opportunities. Some currently approved deals targeting a 7.5% yield, although wide variances by each market and transaction.

### **New Supply**

- Over a three-year rolling average, approximately 73% of Extra Space's same-store pool going to be affected by new supply, an increase from 70% a year ago. Expecting a slight decline in 2022 to about 64.5%. Expecting development to increase in large part due to the outsized sector performance

### **Disposition Activity**

- Through the first nine months of the year Extra Space sold 16 wholly-owned stores into a new joint venture for a total sales price of \$168.9 million, resulting in a gain on real estate transactions of \$64.8 million. The company retained a 55% interest in the joint venture and will continue to manage the properties.
- An additional 16 properties are under agreement for sale, all anticipated to close in 2021. The company does not anticipate retaining any ownership in these properties, but will retain management of 14 stores.

### **Bridge Loans**

- Extra Space closed \$75.5 million in mortgage and mezzanine bridge loans in the third quarter, and has an additional \$306 million closed or under agreement to close in 2021 and 2022.
- Year-to-date, the company closed \$145.6 million in mortgage and mezzanine bridge loans, and sold \$117.9 million.

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
<b>2021 Projected Openings</b>					
Neptune City, NJ	4Q 2021	65,875	\$11,400,000	\$173.05	100%
Total					

(1) Development property subject to a ground lease

**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
<b>2022 Projected Openings</b>					
Vista, CA	1Q 2022	104,400	\$16,000,000	\$153.26	10%
Rio Rancho, NM	1Q 2022	69,710	\$6,200,000	\$88.94	100%
El Cajon, CA <sup>(1)</sup>	2Q 2022	55,345	\$3,095,000	\$55.92	100%
Winter City, FL	3Q 2022	94,515	\$9,580,000	\$101.36	90%
Simi Valley, CA	3Q 2022	86,500	\$15,400,000	\$178.03	100%
Total	5	410,470	\$50,275,000		

(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 9/30/2021	Ownership
Brooklyn, NY	1Q 2019	138,047	\$79,901,000	\$578.80	59.2%	25%
Auburndale, MA	1Q 2019	79,665	\$20,000,000	\$251.05	69.5%	10%
Queens, NY	1Q 2019	118,960	\$52,321,000	\$439.82	76.7%	25%
Louisville, KY	1Q 2019	158,886	\$12,680,000	\$79.81	94.1%	100%
Plantation, FL	2Q 2019	71,043	\$11,800,000	\$166.10	98.0%	100%
Brooklyn Center, MN	2Q 2019	80,583	\$8,400,000	\$104.24	93.6%	100%
Broomfield, CO	3Q 2019	66,987	\$9,083,000	\$135.59	97.9%	100%
Wakefield, MA	3Q 2019	83,539	\$16,800,000	\$201.10	90.1%	100%
Brooklyn, NY	4Q 2019	59,031	\$29,144,000	\$493.71	67.7%	25%
Maple Grove, MN	4Q 2019	84,918	\$10,153,000	\$119.56	92.5%	50%
Aurora, CO	1Q 2020	79,675	\$9,628,000	\$120.84	97.7%	100%
Eagen, MN	1Q 2020	65,573	\$7,695,000	\$117.35	86.9%	50%
Belleville, NJ	2Q 2020	76,451	\$10,944,000	\$143.15	76.2%	95%
Coon Rapids, MN	3Q 2020	72,361	\$7,815,000	\$108.00	52.8%	50%
Edina, MN	3Q 2020	83,049	\$11,770,000	\$141.72	43.7%	50%
New Hyde Park, NY	4Q 2020	58,309	\$6,400,000	\$109.76	38.1%	100%
District Heights, MD	2Q 2021	81,479	\$18,150,000	\$222.76	23.4%	100%
Daytona Beach, FL	2Q 2021	84,975	\$13,600,000	\$160.05	55.0%	100%
Bloomington, IN	3Q 2021	62,150	\$11,250,000	\$181.01	29.4%	100%
Jackson, MS	3Q 2021	84,467	\$14,000,000	\$165.75	39.0%	100%
Bellmawr, NJ	3Q 2021	81,657	\$18,900,000	\$231.46	0.6%	100%
Lakewood, WA	3Q 2021	60,573	\$14,500,000	\$239.38	0.2%	100%
Total	22	1,832,878	\$394,934,000			

## Investment Activity

### CubeSmart (NYSE: CUBE)

*During the third quarter, CubeSmart acquired two wholly-owned stores, one in New Jersey and one in Pennsylvania for a total of \$33 million. Year-to-date, the company acquired four wholly-owned stores for \$67.1 million.*

- Currently, CubeSmart has five properties under contract to purchase for \$85.8 million for its wholly-owned portfolio. Locations include one each in Florida, Georgia, Illinois, Nevada and Pennsylvania. These properties are expected to close during the fourth quarter of 2021.
- The company acquired approximately \$1 billion worth of properties over the past four quarters.

### Joint Venture Activity

- During the third quarter, the company's joint venture, HVP IV, closed on the acquisition of a property in Skokie, Illinois for approximately \$15.9 million, part of a five-property portfolio acquisition of approximately \$73.2 million. Year-to-date, the joint venture has acquired seven properties for \$108.6 million.
- The company's joint venture, HVP V, acquired two properties in New Jersey for \$73.7 million. Year-to-date, the joint venture has acquired four properties for \$110.7 million. Additionally, the joint venture has two properties under contract for \$66.3 million, one in New Jersey and one in New York. These acquisitions are expected to close during the fourth quarter of 2021.
- Subsequent to September 30, 2021, the company's joint venture HHF, sold seven properties in Texas for \$85 million.

### Development Activity

- Year-to-date, the company opened for operation three development properties for a total cost of \$75.1 million. Locations include East Meadow, New York; King of Prussia, Pennsylvania and Newton, Massachusetts.
- As of September 30, 2021, the company has three joint venture development properties under construction. The company anticipates investing a total of \$73.7 million related to projects. Locations include Valley Stream, New York; Newton, Massachusetts and Vienna, Virginia. The Newton, Massachusetts property opened November 2, 2021.

### Disposition Activity

- Year-to-date, CubeSmart sold four properties for \$38.6 million. Locations include two in North Carolina and one each in Colorado and Nevada. Additionally, one property located in Texas under contract to sell for \$5.2 million expected to close in the fourth quarter of 2021.

### New Supply

- CubeSmart reports that supply in its top 12 markets peaked in 2019. The company expects new supply in its top markets to decline in 2022 compared to 2021.
- New deliveries in the boroughs of New York, one of CubeSmart's largest concentrations, is expected to contract significantly from the previous three years. The company's data projects only three new deliveries across Brooklyn, the Bronx and Queens during each the first and second quarters of 2022 and one during the third quarter.

Investment  
Activity

CubeSmart  
(NYSE: CUBE)

**New Development Properties**

Location	Expected Opening	CUBE's Anticipated Investment
Newton, MA	Q4 2021	\$18,800,000
Valley Stream, NY	Q1 2022	\$37,900,000
Vienna, VA	Q2 2022	\$17,000,000
Total		\$73,700,000

**New Development Properties - Operating**

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 9/30/2021
Queens, NY	Q2 2019	87,168	\$47,500,000	\$544.92	86.5%
Bayonne, NJ*	Q2 2019	96,938	\$25,100,000	\$258.93	83.6%
Waltham, MA	Q3 2019	87,790	\$18,000,000	\$205.03	69.9%
Brooklyn, NY	Q2 2020	89,765	\$45,900,000	\$511.34	43.6%
East Meadow, NY	Q2 2021	80,688	\$25,900,000	\$320.99	24.1%
King of Prussia, PA	Q2 2021	97,700	\$22,800,000	\$233.37	21.1%
Total		540,049	\$185,200,000		

\*This property is subject to a ground lease.

## Investment Activity

### Life Storage (NYSE: LSI)

*During the third quarter, Life Storage acquired 29 self storage properties for a total purchase price of \$336 million. Locations include Alabama (7), Georgia (7), Florida (3), New Hampshire (2), Oklahoma (2), South Carolina (2), Texas (2), and one each in Arizona, Colorado, Kentucky and Ohio.*

- Year-to-date, the company closed or is under contract with over \$1.7 billion in acquisitions of properties totaling 115 properties. One-third of the acquisitions are in lease-up, and increased the company's wholly-owned portfolio by 20%. Nearly 75% of new acquisitions located in higher growth Sun Belt markets.
- At September 30, 2021, the company was under contract to acquire 33 self storage properties for an aggregate purchase price of \$548.9 million. Locations include Florida (14), Georgia (8), Texas (4), California (3), Illinois (3) and Virginia (1). Life Storage acquired 13 of these facilities subsequent to quarter end for \$234.5 million.

### Cap Rates

- Underwriting for new acquisitions target Year 1 cap rate of 4.5%, stabilizing at an average of a 5.5% yield. Some acquisitions target 6% stabilized yields and others in the lower 5% range.
- All transactions closed in the first half of 2021 are meeting or exceeding expectations.
- Approximately 30% of acquisitions were generated from company's third-party management platform.

### Joint Venture Acquisition

- During the quarter, Extra Space contributed an additional \$27.3 million to an existing joint venture with a self storage facility in Brooklyn, New York.





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 9/30/2021
Charleston, SC	Jul-2016	70,165	\$8,620,000	\$122.85	97.3%
Charlotte, NC	Dec-2017	69,958	\$12,549,000	\$179.38	94.2%
Sacramento, CA	Sep-2018	79,795	\$13,846,000	\$173.52	91.8%
Atlanta, GA	Nov-2018	81,789	\$14,234,000	\$174.03	97.7%
St. Louis, MO	Dec-2018	78,260	\$9,301,000	\$118.85	89.7%
New York, NY	Jan-2019	114,926	\$57,298,000	\$498.56	89.8%
Tampa, FL	Mar-2019	59,584	\$9,302,000	\$156.12	95.5%
Jacksonville, FL	Jun-2019	72,434	\$9,955,000	\$137.44	97.9%
Raleigh, NC	Jul-2019	79,203	\$11,874,000	\$149.92	88.0%
Washington, DC	Jul-2019	76,230	\$15,163,000	\$198.91	92.5%
Chattanooga, TN	Jul-2019	71,640	\$9,604,000	\$134.06	93.5%
Tampa, FL	Jul-2019	75,280	\$10,479,000	\$139.20	97.4%
Charleston, SC	Jul-2019	71,835	\$7,685,000	\$106.98	91.6%
Washington, DC	Jul-2019	75,555	\$13,566,000	\$179.55	86.1%
Greenville, SC	Jul-2019	67,749	\$8,658,000	\$127.80	93.1%
Atlanta, GA	Jul-2019	87,530	\$11,871,000	\$135.62	97.5%
Richmond, VA	Jul-2019	85,626	\$10,666,000	\$124.56	94.4%
Tampa, FL	Jul-2019	83,840	\$15,424,000	\$183.97	83.0%
Richmond, VA	Jul-2019	80,155	\$11,831,000	\$147.60	85.8%
Richmond, VA	Jul-2019	72,595	\$8,507,000	\$117.18	92.0%
Miami, FL	Nov-2020	48,833	\$11,492,000	\$235.33	80.2%
Sacramento, CA	Jan-2021	90,098	\$18,287,000	\$202.97	91.7%
New York, NY	Mar-2021	74,407	\$47,947,000	\$644.39	85.7%
Tucson, AZ	Mar-2021	76,718	\$22,576,000	\$294.27	94.2%
Seattle, WA	Mar-2021	89,183	\$19,475,000	\$218.37	66.1%
Jacksonville, FL	May-2021	81,845	\$16,545,000	\$202.15	82.2%
Dallas, TX	Jun-2021	92,780	\$11,616,000	\$125.20	87.1%
Austin, TX	Jun-2021	95,928	\$9,566,000	\$99.72	94.4%
Austin, TX	Jun-2021	108,675	\$13,666,000	\$125.75	89.5%
Dallas, TX	Jun-2021	87,125	\$9,716,000	\$111.52	94.8%



Investment  
Activity

Life Storage  
(NYSE: LSI)

**Certificate of Occupancy/Lease Up Performance Continued**

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 9/30/2021
Orlando, FL	Aug-2021	76,340	\$14,846,000	\$194.47	84.9%
Denver, CO	Aug-2021	64,850	\$6,831,000	\$105.34	95.3%
Oklahoma City, OK	Aug-2021	63,600	\$5,083,000	\$79.92	93.0%
Austin, TX	Aug-2021	78,590	\$20,153,000	\$256.43	63.7%
Austin, TX	Aug-2021	76,674	\$12,627,000	\$164.68	96.2%
Phoenix, AZ	Aug-2021	77,846	\$17,190,000	\$220.82	88.4%
Total	36	2,837,641	\$528,049,000		

## Investment Activity

National Storage Affiliates  
(NYSE: NSA)

*During the third quarter, NSA acquired 76 wholly-owned properties for \$599.3 million consisting of approximately 5.1 million rentable square feet in 35,644 storage units*

- Total consideration for these acquisitions includes approximately \$562.1 million of cash, the issuance of approximately \$19.9 million of OP units and \$11.2 million of subordinated units and the assumption of approximately \$6.1 million of other liabilities.
- Subsequent to quarter-end, the company acquired 39 wholly-owned self storage properties for approximately \$325.7 million
- Approximately two-thirds of acquisitions this year were generated off-market or through the captive pipeline of properties from the company's PROs, which allows to acquire assets at higher cap rates than marketed properties.

### Cap Rates

- Year-to-date, NSA acquired over \$1.3 billion of properties with nearly \$300 million under contract to purchase. Cap rates for these acquisitions range from just below 5% to over 6%, with a weighted average cap rate cap in the mid-5% range.
- NSA continues to target property acquisitions in secondary and tertiary markets. The company recently started to target acquisitions in lease-up, and acquiring properties in mid-70% occupancy range with projections of 24 months to reach economic stabilization and 6% yield. The Year 1 going-in yield was in mid-3% range for properties in lease-up.
- Portfolio premiums over single asset transactions previously generated about 15 to 20 basis points lower cap rates. The current market witnessing portfolio premiums rising to 25 to 40 basis points above single asset acquisitions and higher premiums for larger portfolios.

## Operations

Public Storage  
(NYSE: PSA)

*During the third quarter, Public Storage generated a 14% increase in same-store revenues and 20.8% increase in net operating income. Top performing markets by same-store revenue growth for the quarter include West Palm Beach, Tampa, Miami, Charlotte, Atlanta, Dallas, 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 2,274 facilities (148.7 million net rentable square feet) representing 85% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio at September 30, 2021.

### Q3 2021 RESULTS

- Same-store revenues increased 14.0% year-over-year during the third quarter, compared to 10.8% last quarter. The increase was driven by a 1.4% increase in occupancy and 12.5% increase in realized rent per occupied square foot, and 12.1% increase in late fees and administrative fees collected during the quarter.
- Cost of operations for the same-store pool decreased by 6.2% year-over-year during the third quarter. The decrease was accelerated by a 43.3% decrease in marketing, 8.4% decrease in on-site manager payroll and 2.7% decrease in real estate taxes. The expense decreases were partially offset by an 10.4% increase in other direct property costs and 1% increase in repairs and maintenance.
- Same-store net operating income increased 20.8% year-over-year during the third quarter, driven by a 14% increase in same-store revenue and 6.2% decrease in operating expenses.
- Same-store occupancy at the end of the quarter was 96.5%, a 110 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 96.8%, a 130 basis point increase from a year earlier.

### Operating Fundamentals

- The increase in realized annual rent per occupied square foot during the quarter was due to a 23.5% year-over-year increase in average rates per square foot charged to new tenants moving in combined with rate increases to existing tenants.
- The 140 basis points improvement in occupancy during the quarter was partially driven by a 6.1% decrease in move-outs during the period. Lower volume of move-outs helped increase the average length of stay and contributed to the ability to increase rates to existing customers.
- The spread in rental rates between customers moving in and those moving out during the quarter was +\$0.23 per square foot, or a positive 1.3% spread.
- Utilization rate of self storage has reached 11% of the U.S. population with Millennials and Generation Z aging into self storage's core customer profile. Demand from these two large user groups will continue to be driven by the 5 Ds of storage demand – divorce, death, dislocation, disasters, and de-cluttering.
- A moderation in occupancy is projected for the fourth quarter with a 120 basis point year-over-year increase in occupancy in September decreasing to a positive 75 basis point increase in October. Strength in rates continued despite the moderation in occupancy. Southeast markets such as Miami and Atlanta generated 50% move-in rate growth this time of year compared to 2019.
- The contribution between higher move-in rates and existing customer rent increases (ECRIs) to the 14% same-store revenue growth remained balanced. The decreasing spread between move-in and move-out rates may create a headwind to its impact of revenue growth.

## Operations

Public Storage  
(NYSE: PSA)

### Operating Fundamentals (continued)

- Public Storage continues to dynamically increase rates to existing customers. The current high rate environment helps lower the cost of replacing a customer if they choose to leave.
- The online e-Rental platform is now utilized by nearly 50% of Public Storage's customer base. Online rental is changing the traditional operating model of on-site sales and positively impacting labor utilization. In addition, nearly 1 million customers have downloaded the PS app providing a digital tool to easily manage accounts and search for properties.
- The month-to-month lease nature of self storage may help the industry navigate through any future inflationary pressures. The industry may be able to react more easily to rising prices brought on by inflationary pressures by adjusting rental rates on a month-to-month basis.

### Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter include West Palm Beach (+23.2%), Tampa (+22.0%), Miami (+21.8%), Charlotte (+20.8%), Atlanta (+20.3%), Dallas (+18.0%), and Chicago (+17.7%).
- All major markets reported robust revenue growth during the quarter. Markets performing below the Public Storage portfolio average of 14.0% during the quarter include San Francisco (+8.2%), Los Angeles (+8.8%), New York (+9.0%), and Washington DC (+11.5%).

### Third-Party Management

- Public storage currently manages 102 facilities for third-parties, and are under contract to manage an additional 43 facilities including 37 facilities that are currently under construction. Public Storage's goal is to reach 500 third-party managed stores by 2025.
- Public Storage projects 20% to 30% margins on its third-party management platform once it achieves sufficient scale. It may take a number of years to create the scale required to produce an impact on revenues.

### Full Year Guidance: 2021 (Same-Store Pool of 2,274)

Same store revenue growth	9.5% to 10.5%
Same store expense growth	0% to 0.5%
Same store net operating growth	13.1% to 14.7%
Acquisitions	\$5 billion
Development openings	\$215 million
Capital Expenditures	\$250 million (approximately)
Core FFO per share	\$12.50 to \$12.80



Operations

Public Storage  
(NYSE: PSA)

**Top Market Same-Store Performance - End of Third Quarter 2021**

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	213	\$27.98	98.4%	8.8%
San Francisco	130	\$28.57	97.1%	8.2%
New York	90	\$27.94	96.5%	9.0%
Seattle-Tacoma	87	\$22.69	96.1%	12.6%
Miami	83	\$23.19	97.5%	21.8%
Washington DC	89	\$23.44	95.4%	11.5%
Chicago	129	\$17.31	96.2%	17.7%
Atlanta	98	\$15.09	97.1%	20.3%
Dallas-Ft. Worth	102	\$15.29	96.2%	18.0%
Houston	92	\$14.12	94.7%	15.5%
Orlando-Daytona	70	\$15.29	96.3%	14.9%
Philadelphia	56	\$19.09	97.5%	13.1%
West Palm Beach	40	\$21.73	96.6%	23.2%
Tampa	52	\$16.12	96.7%	22.0%
Charlotte	50	\$12.94	96.7%	20.8%
All other markets	893	\$16.08	96.8%	15.3%
Totals	2,274	\$19.30	96.8%	14.0%

## Operations

Extra Space  
Storage  
(NYSE: EXR)

*During the third quarter, Extra Space generated 18.4% increase in same-store revenues and 27.8% increase in net operating income year-over-year. Top performing major markets by revenue growth include Las Vegas, Denver, Atlanta, Tidewater, Tampa-St. Petersburg, and Phoenix.*

### 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.

### Q3 2021 Results

- Same-store revenues increased 18.4% year-over-year during the third quarter, compared to 13.6% last quarter. The increase was driven by a 120 basis point year-over-year increase in occupancy, 18.1% increase in rental income and 29.8% increase in other operating income.
- Cost of operations for the same-store pool decreased by 4% during the third quarter. The decrease was impacted by a 4.5% decrease in real estate taxes, 41.7% decrease in marketing and 3% decrease in payroll. The decrease was partially offset by 11.3% increase in repairs and maintenance and 14.8% increase in office expense.
- Same-store net operating income increased 27.8% year-over-year during the third quarter, driven by a 18.4% increase in same-store revenue and 4% decrease in operating expenses.
- Same-store occupancy at the end of the quarter was 96.7%, a 90 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 96.9%, a 120 basis point increase year-over-year.

### Operating Fundamentals

- Increased late fees contributed 30 basis points to revenue growth during the quarter.
- Same-store net rent per occupied square foot surged about 15.4% year-over-year during the quarter.
- The 4.5% decrease in property taxes year-over-year was due to favorable comparable from a year earlier and successful appeals. Extra Space expects taxes to grow 5% to 6% in future reporting.
- Payroll expenses decreased 3% year-over-year. The decline was impacted by decreasing employee hours to optimize the payroll. Another factor was the longer wait time to fill available corporate office and on-site jobs due to the tight labor market. Continued wage pressure may contribute to higher payroll costs in future quarters.
- Existing customer rent increase are above historical norms due to the impact of the pandemic on going-in rental rate pricing. Heavily discounted rental rates during the early stages of the pandemic created a larger than normal gap between current street rates and in-place rent. Extra Space is adjusting the degree of rental rate increases to bring existing customers more in-line with street rates.
- Existing customers have not been particularly sensitive to rental rate increases. Those who vacate are easily backfilled as evidenced by continued strong occupancy.
- Extra Space projects continued rate growth and reduced marketing spend in the current elevated occupancy environment.

## Operations

Extra Space  
Storage  
(NYSE: EXR)

### Operating Fundamentals (continued)

- Achieved rates in Extra Space stores are 40% above where rates were in 2019.
- Steady demand and low move-out volumes are driving revenue growth. Customers are staying longer and enabling continued rent increases to existing customers. Lower move-out volumes is decreasing the churn of customers below the historical 7% rate of turnover.
- About 25% of Extra Space customers utilized its e-rental platform during the quarter, up about 20% from a year earlier.

### Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for during the third quarter include Las Vegas (+28.0%), Denver (+27.3%), Atlanta (+27.0%), Norfolk-Virginia Beach (+26.1), Tampa-St. Petersburg (+24.1%), Phoenix (+23.8%), Sacramento (+23.2%), Miami (+21.3%).
- All major markets reported robust revenue growth during the quarter. Markets performing positive growth but below the Extra Space portfolio average of 18.4% during the quarter include New York (+13.0%), Philadelphia (+14.9%), San Francisco (+15.0%), Boston (+15.2%), Washington DC (+15.8%), and Los Angeles (+16.6%).

### Third-Party Management

- Extra Space added 96 stores (59 on a net basis) to its management platform during the third quarter, resulting in 827 third-party managed stores (1,088 managed stores including joint ventures).
- Extra Space focuses on profitability and not volume of stores under its management platform. A store with an owner that plans to hold for the long term is more valuable than a store with an owner that wants to develop and flip the asset. In addition, stores in markets with higher rates are intuitively more profitable than stores in markets with lower rates.

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

Same-store property revenue growth	12.5% to 13.5%
Same-store expense growth	(1.0)%
Same-store NOI growth	18% to 19.5%
Net tenant reinsurance income	\$141 million to \$142 million
Management fees, other income and interest income	\$63 million to \$64 million
Acquisitions	\$700 million
Bridge Loans-share of loans retained, net of loan sales	\$100 million
Core Funds From Operations (FFO)	\$6.75 to \$6.85
Dilution per share from C of O and value add acquisitions	\$0.11





Operations

Extra Space  
Storage  
(NYSE: EXR)

**Select Markets Same-Store Performance - Second Quarter 2021**

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	85	\$24.37	97.4%	16.6%
New York-Northern New Jersey-Long Island, NY-NJ-PA	73	\$26.00	96.5%	13.0%
Atlanta, GA	56	\$14.86	98.6%	27.0%
Washington-Baltimore, DC-MD-VA-WV	52	\$21.42	96.8%	15.8%
Dallas-Fort Worth, TX	48	\$14.41	97.1%	19.1%
Boston-Worcester-Lawrence, MA-NH-ME-CT	42	\$24.99	95.7%	15.2%
San Francisco-Oakland-San Jose, CA	39	\$31.80	95.1%	15.0%
Miami-Fort Lauderdale, FL	28	\$21.42	98.5%	21.3%
Chicago-Gary-Kenosha, IL-IN-WI	27	\$17.62	97.4%	20.8%
Phoenix-Mesa, AZ	21	\$16.24	96.9%	23.8%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	20	\$18.32	96.8%	14.9%
Houston-Galveston-Brazoria, TX	18	\$13.57	97.0%	18.2%
Tampa-St. Petersburg-Clearwater, FL	16	\$18.43	97.9%	24.1%
Norfolk-Virginia Beach-Newport News, VA-NC	15	\$16.39	98.2%	26.1%
Cincinnati-Northern Kentucky, OH-KY	14	\$13.00	97.1%	21.6%
Las Vegas, NV-AZ	14	\$15.25	97.7%	28.0%
Indianapolis, IN	13	\$12.72	97.4%	19.8%
Sacramento-Yolo, CA	12	\$19.29	96.4%	23.2%
Charleston-North Charleston, SC	11	\$13.39	96.4%	18.3%
Austin-San Marcos, TX	11	\$15.93	98.1%	21.2%
Memphis, TN-AR-MS	11	\$11.71	96.8%	21.2%
Orlando, FL	11	\$15.69	97.3%	18.6%
Denver-Boulder-Greeley, CO	10	\$15.75	96.7%	27.3%
Other MSAs	213	\$16.35	96.3%	19.9%
<b>TOTALS</b>	<b>860</b>	<b>\$19.12</b>	<b>96.9%</b>	<b>18.4%</b>

## Operations

CubeSmart  
(NYSE: CUBE)

*During the third quarter, CubeSmart generated 15.6% increase in same-store revenues and 21.1% increase in net operating income year-over-year. Top performing markets by revenue growth include Naples, Phoenix, Tucson, Cape Coral, Las Vegas, and Atlanta.*

### 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, 2021, the same-store pool includes 507 stores totaling approximately 35.5 million square feet.

### Q3 2021 Results

- Same-store revenues increased 15.6% year-over-year during the third quarter, compared to 14% growth in the second quarter. The increase was primarily driven by a 150 basis point increase in average occupancy and resulting 16.2% increase in rental income and 2.7% increase in other property related income.
- Cost of operations for the same-store pool increased by 3.9% year-over-year during the third quarter. The increase was impacted by a 5.7% growth in real estate taxes, 25.1% increase in advertising, and 9.6% increase in repairs and maintenance. Cost of operations were partially offset by a 4.8% decline in personnel expense and 5.8% decrease in utilities.
- Same-store net operating income increased 21.1% as compared to the same quarter last year, driven by a 15.6% increase in same-store revenue and 3.9% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.8%, a 70 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 95.6%, a 150 basis point increase from a year earlier.

### Operating Fundamentals

- CubeSmart projects that occupancy may move back towards last year's occupancy level this winter, plus or minus a few basis points, with students returning to school and post-Labor Day return to works schedules normalizing self storage usage. Strong demand is projected to resume during the busy March and April time frame next year driven by the continued strong housing market.
- Same-store occupancy at the end of October was 94.4%, a 40 basis point decrease from month-end September.
- CubeSmart introduced SmartView during the quarter, the company's proprietary mobile app designed to connect its third-party customers seamlessly to key performance metrics in its stores.
- The company's year-over-year same-store spending on marketing increased during the quarter, contrary to other public storage peers. CubeSmart views the incremental spend on marketing a value-add to rental rates achieved. The company reports 8% to 10% higher rates based on the incremental spending with long term returns of 450% to 500% based on the investment.
- Effective rental rates remain strong with rates increasing 29% in October compared to a year earlier and 55% compared to pre-pandemic 2019.
- Realized annual rent per occupied square foot increased 14.4% year-over-year from \$16.83 per square foot to \$19.26 per square foot.
- CubeSmart continues to experience a positive rental rate roll-up with move-in rates 6% to 8% higher than in-place customer rates.

## Operations

CubeSmart  
(NYSE: CUBE)

### Boroughs of New York Gain

- The impact of Hurricane Ida and new supply contributed to a 450 basis point deceleration of same-store revenue growth in New York during the quarter. Hurricane Ida caused water damage in 9 CubeSmart stores that inhibited rental performance and decreased occupancy. The storm impacted 2 stores in Queens, 3 in the Bronx, 2 in Westchester County, and one each in Brooklyn and North New Jersey.
- The boroughs generated a record 95.5% occupancy during the quarter. The result is positive given the 170 basis point occupancy declines that the water damaged stores incurred during Hurricane Ida. Performance in Brooklyn and Queens are outperforming expectations despite new supply headwinds. The stores are leasing up well ahead of expectations.

### Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average during the quarter include Naples (+24.3%), Phoenix (+24.2%), Tucson (+24.2%), Cape Coral (+22.3%), Las Vegas (+21.8%), Atlanta (+21.0%), Riverside-San Bernardino (+20.5%), Miami (+20.4%), and Austin (+20.1%).
- All major markets reported robust revenue growth during the quarter. Markets performing below the CubeSmart's portfolio average of 15.6% during the quarter include New York (+8.6%), Nashville (+9.6%), Washington DC (+10.5%), Boston 13.1%, Los Angeles (+13.8%), and San Diego (+13.8%).

### Third-Party Management

- CubeSmart added 33 stores to its third-party management platform during the quarter. The third-party management platform totals 706 stores, which includes joint venture partnership managed properties.
- CubeSmarts expects continued churn in the movement of third-party managed stores. Many of the stores in its platform are 3 to 4 years old and are positioned to be monetize. Continued strong inbound activity of owners committing to the platform may help offset outbound activity generated by the sale of third-party managed assets.

### Full Year Guidance 2021 - (Same-Store Pool of 507)

Same store revenue growth	12.5% to 13.5%
Same store expense growth	4.0% to 4.75%
Same store net operating income growth	16.5% to 17.5%
Acquisition of wholly-owned properties	\$150 million to \$250 million
Acquisition of properties at C/O	\$0
New development openings	\$96.1 million
Dispositions	\$43.8 million
Dilution per share from properties in lease-up	\$(0.5) to \$(0.6)
FFO per diluted share, as adjusted	\$2.09 to \$2.10



Operations

CubeSmart  
(NYSE: CUBE)

**Same-Store Operating Performance by MSA - Third Quarter 2021**

MSA	Facilities	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	60	\$30.83	95.2%	8.6%
Chicago-Naperville-Joliet, IL-IN-WI	43	\$16.18	95.5%	16.8%
Miami-Fort Lauderdale-Pompano Beach, FL	38	\$20.97	96.4%	20.4%
Dallas-Fort Worth-Arlington, TX	36	\$15.06	95.2%	16.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	25	\$24.20	94.7%	10.5%
Atlanta-Sandy Springs-Marietta, GA	19	\$14.91	96.7%	21.0%
Phoenix-Mesa-Scottsdale, AZ	16	\$16.13	95.2%	24.2%
Riverside-San Bernardino-Ontario, CA	16	\$17.31	97.1%	20.5%
Houston-Sugar Land-Baytown, TX	15	\$14.18	95.5%	15.3%
Tucson, AZ	15	\$16.58	95.9%	24.2%
Boston-Cambridge-Quincy, MA-NH	14	\$22.49	95.1%	13.1%
Orlando-Kissimmee, FL	13	\$14.42	96.4%	20.0%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$20.72	94.7%	17.7%
Hartford-West Hartford-East Hartford, CT	12	\$15.80	94.6%	17.8%
Austin-Round Rock, TX	10	\$16.23	94.5%	20.1%
Columbus, OH	10	\$12.83	95.2%	17.9%
Cleveland-Elyria-Mentor, OH	10	\$15.73	93.7%	16.0%
Nashville-Davidson-Murfreesboro-Franklin, TN	9	\$13.31	92.6%	9.6%
Sacramento-Arden-Arcade-Roseville, CA	9	\$17.42	95.5%	16.7%
Los Angeles-Long Beach-Santa Ana, CA	8	\$24.79	97.5%	13.8%
Denver-Aurora, CO	8	\$15.48	97.2%	16.7%
Charleston-North Charleston, SC	8	\$12.88	95.7%	18.9%
Las Vegas-Paradise, NV	7	\$17.09	95.7%	21.8%
Cape Coral-Fort Myers, FL	7	\$16.74	97.3%	22.3%
Jacksonville, FL	7	\$18.47	95.8%	18.3%
Charlotte-Gastonia-Concord, NC-SC	7	\$15.11	94.4%	19.3%
San Diego-Carlsbad-San Marcos, CA	6	\$19.92	97.9%	13.8%
Tampa-St. Petersburg-Clearwater, FL	6	\$17.10	97.6%	18.0%
Providence-New Bedford-Fall River, RI-MA	6	\$18.35	96.7%	16.7%
Bridgeport-Stamford-Norwalk, CT	6	\$26.70	95.8%	18.2%
Baltimore-Towson, MD	5	\$20.34	95.4%	15.6%
San Antonio, TX	4	\$14.64	94.7%	15.2%
Salt Lake City, UT	4	\$15.70	93.5%	15.0%
Naples-Marco Island, FL	4	\$17.33	95.4%	24.3%
Other	31	\$17.92	95.5%	17.5%
Total	507	\$19.26	95.6%	15.6%

## Operations

Life Storage  
(NYSE: LSI)

*During the third quarter, Life Storage generated a 17.4% increase in same-store revenues and 24.3% growth in net operating income year-over-year. Top performing markets by revenue growth include Pensacola, Orlando, Cape Coral, Jacksonville, Space Coast, Las Vegas, Raleigh-Durham, Virginia Beach, 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.

### Q3 2021 RESULTS

- Same-store revenues increased 17.4% during the third quarter, compared to 14.7% last quarter. The increase was driven by a 220 basis point increase in average occupancy resulting in a 14.3% gain in rental income.
- Cost of operations for the same-store pool increased by 3.5% during the third quarter. Operating expenses were impacted by a 5.7% increase in real estate taxes and 14.7% gain in repairs and maintenance. The increase was partially offset by a 5% decrease in internet marketing and 2% decrease in utilities.
- Same-store net operating income grew 24.3% year-over-year during the third quarter, driven by a 17.4% gain in same-store revenue and 3.5% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.6%, a 150 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 95.2%, a 220 basis point decrease from a year earlier.

### Operating Fundamentals

- Elevated occupancy and aggressive rent increases to existing customers contributed to a 14% increase in in-place rates per square foot during the third quarter, compared to 8% growth in the second quarter and 1% growth in the first quarter.
- Life Storage projects occupancy may return to more normal trends during the fourth quarter. There was a slight 20 basis point decrease in occupancy in October compared to September, but 120 basis points ahead of last year. The company estimates December occupancy about 50 basis points ahead of last year.
- Life Storage's Lightspeed micro fulfillment centers are gaining traction. New centers opening in Columbus, Dallas and Los Angeles are expanding the concept with the existing facilities in Chicago, Atlanta and Las Vegas.
- The tight labor market and pressure on wages may impact payroll in the coming year. The company utilizes about one and a half full-time equivalent hours per week for on-site personnel. Implementing new technologies to the customer experience may help off-set wage pressure.
- Historically high occupancy helped reduce internet advertising spending 5% during the quarter. A return to a more normal occupancy trend may increase internet advertisement spending in future quarters.
- Average length of stay ticked above 16 months during the quarter. Customers staying longer than one and two years also increased. Increased length of stay improves the ability to realize gains from rent increases to existing customers.
- The company plans to continue to be aggressive in 2022 with existing customer rent increases. About 60% of its customers have rents below street rates providing an opportunity to increase rents to in-place customers.

## Operations

Life Storage  
(NYSE: LSI)

### Major Markets Revenue Growth

- During the quarter, Life Storage achieved double-digit same-store revenue growth in each of its 31 markets. Major markets with same-store revenue growth above the portfolio average for the quarter include Pensacola (+43.6%), Orlando (+24.2%), Cape Coral (+23.9), Jacksonville (+23.1), Space Coast (+22.3), Las Vegas (+20.3), Raleigh-Durham (+19.5%), Virginia Beach-Norfolk (+19.4%), and Buffalo (+19.3).
- All major markets reported robust revenue growth during the quarter. Markets performing below the Life Storage portfolio average of 17.4% during the quarter include Los Angeles (+10.9%), Beaumont (+13.3%), Chattanooga (+13.8%), Atlanta (+13.9%), Boston (+14.6%), and St. Louis (+14.9%).

### Third-Party Management

- Life Storage added 30 stores (17-net stores) to the third-party management platform during the third quarter. Third-party management stores in the platform total 357, including joint ventures.
- The company's third-party management platform achieves about a 40% margin on the business. An additional intangible value to the platform is the acquisition pipeline created. About 30% of Life Storage deals were consummated through third-party management clients.

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

Same store revenue growth	12.5% to 13.5%
Same store operating costs (excluding property taxes)	1.75% to 2.75%
Same store property taxes	6.75% to 7.75%
Total same store operating expenses	3.75% to 4.75%
Same-store net operating income	17.0% to 18.0%
Expansion & enhancements	\$40 million to \$50 million
Capital Expenditures	\$29 million to \$33 million
Wholly owned acquisitions	\$1.7 billion to \$1.9 billion
Joint venture investments	\$57 million to \$110 million
Adjusted funds from operations per share	\$4.92 to \$4.96



Operations

Life Storage  
(NYSE: LSI)

**Select Markets Same-Store Performance - Third Quarter 2021**

Market	Stores	Rent Per Occupied Square Foot	Avg. Quarterly Occupancy 9/30/2021	Revenue Growth
Chicago-Naperville-Elgin, IL-IN-WI	40	\$17.08	95.5%	15.4%
New York-Newark-Jersey City, NY-NJ-PA	30	\$25.65	96.2%	15.6%
Houston-The Woodlands-Sugar Land, TX	40	\$14.32	93.8%	17.1%
New England-Other	26	\$20.33	96.0%	17.1%
Buffalo-Upstate, NY	25	\$16.36	93.3%	19.3%
Dallas-Fort Worth-Arlington, TX	25	\$14.52	95.6%	15.2%
Las Vegas-Henderson-Paradise, NV	18	\$17.17	97.4%	20.3%
Miami-Fort Lauderdale-Pompano Beach, FL	16	\$21.20	96.0%	14.9%
Austin-Round Rock-Georgetown, TX	20	\$14.72	95.7%	19.0%
Los Angeles-Long Beach-Anaheim, CA	10	\$24.60	93.8%	10.9%
Atlanta-Sandy Springs-Alpharetta, GA	21	\$14.60	96.5%	13.9%
Boston-Cambridge-Newton, MA-NH	16	\$18.28	94.3%	14.6%
Sacramento-Roseville-Folsom, CA	11	\$17.65	96.9%	18.0%
St. Louis, MO-IL	14	\$14.91	96.0%	14.9%
San Antonio-New Braunfels, TX	15	\$15.37	94.6%	16.8%
Tampa-St. Petersburg-Clearwater, FL	13	\$16.92	96.2%	15.5%
Cleveland-Elyria, OH	12	\$16.14	93.9%	17.1%
Virginia Beach-Norfolk-Newport News, VA-NC	11	\$13.91	95.3%	19.4%
Orlando-Kissimmee-Sanford, FL	12	\$14.86	95.5%	24.2%
Phoenix-Mesa-Chandler-Tucson, AZ	10	\$15.92	96.0%	18.4%
Space Coast, FL	8	\$17.58	94.5%	22.3%
Jacksonville, FL	9	\$15.86	95.9%	23.1%
Pensacola-Ferry Pass-Brent, FL	7	\$13.67	95.7%	43.6%
Beaumont-Port Arthur, TX	7	\$15.47	93.5%	13.3%
Charlotte-Concord-Gastonia, NC-SC	8	\$14.45	93.3%	14.8%
Raleigh-Durham, NC	7	\$13.58	95.7%	19.5%
Cape Coral-Fort Myers, FL	8	\$13.54	97.1%	23.9%
Chattanooga, TN-GA	6	\$13.96	97.6%	13.8%
Montgomery, AL	7	\$10.73	94.6%	15.3%
Baltimore-Columbia-Towson, MD	5	\$17.62	92.0%	19.1%
Youngstown-Warren-Boardman, OH-PA	5	\$11.74	93.6%	21.5%
Other markets	69	\$15.39	94.6%	19.7%
Same Store Portfolio Total	531	\$16.57	95.2%	17.4%



## Operations

National  
Storage Affiliates  
(NYSE: NSA)

*During the third quarter, National Storage Affiliates same-store revenues increased 18.4% and net operating income increased 24.3% year-over-year. Top performing markets by revenue growth include North Port-Sarasota-Bradenton, Las Vegas, Portland, Atlanta, Houston, Phoenix, and the Inland Empire.*

### 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, 2021, the same-store portfolio consisted of 560 self storage properties.

### Q3 2021 Results

- Same-store revenues increased 18.4% during the third quarter, compared to 16.3% in the prior quarter. Same-store revenues were driven by a 580 basis point increase in average occupancy and 11.5% increase in revenue per occupied square foot.
- Cost of operations for the same-store pool increased by 4.6% year-over-year during the third quarter. The increase was impacted by a 5% increase in personnel expense, and 2.4% increase in real estate taxes, and 16.6% increase in repairs and maintenance. Expenses were partially offset by a 10.3% decrease in marketing.
- Same-store net operating income grew 24.3% year-over-year during the third quarter, driven by an 18.4% increase in same-store revenue and 4.6% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 96.2%, a 450 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 96.5%, a 580 basis point increase from a year earlier.

### Operating Fundamentals

- Consumer demand continues to surge driven by job transition, geographic relocation, housing boom, tight rental market, and lifestyle changes. In addition, pandemic driven demand introduced a significant number of new customers to self storage that may remain long-term.
- High occupancies provided the opportunity to push street rates an average of 27% higher during the third quarter compared to last year. Street are about 24% higher than pre-COVID pricing in 2019.
- Strong street rates and aggressive increases to existing customers generated a 9% increase year-over-year in in-place contract rents during the third quarter. Contract rents were 8% higher than pre-COVID contract rents in 2019.
- NSA generated a positive rent roll-up for move-in rates versus move-out rates. Move-in rates were 7% higher than move-out rates during the quarter, up slightly from 6% in second quarter. The positive roll-up continued in October, normally a month that experiences a roll-down. October move-in rents are about 4.5% higher than move-out rents.
- The strong occupancy trend continued into October with only a 70 basis point decline in occupancy at the end of the month from the end of June, far less than the seasonal decline normally associated with the time frame.
- The 5% increase in payroll costs were driven by normal staffing hours this year versus last year, wage inflation, and achieved incentive opportunities for store employees.
- Technology continues to play an important role with about 30% of NSA rentals generated on-line. Optimizing staff hours and other transaction-related costs may be realized with continued technology innovations.





## Operations

National  
Storage Affiliates  
(NYSE: NSA)

### Operating Fundamentals (continued)

- The impact of the pandemic on self storage demand may not be a short-term driver. Many of the trends that were accelerated during the pandemic such as work from home, relocation, population outflows in certain regions, were already evolving pre-pandemic. The demand generated from these drivers may continue into the long-term.
- Portland, recently NSA's most challenging market, generated 20.9% same-store revenue growth during the quarter. There exist continued supply issues in the market with Portland's occupancy trailing NSA's portfolio average by about 3%. Pricing and discounting strategies positively impacted performance during the quarter.
- The company continues to increase rental rate to existing customers in the high single-digit to low double-digit range. The increased average length of stay to 16 months provided an opportunity to increase rates to about 2.5% more customers than normal.

### Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter include North Port-Sarasota-Bradenton (+25.4%), La Vegas (+22.1%), Portland (+20.9%), Atlanta (+19.3%), Houston (+19.1%), Phoenix (+19.0%), and Riverside-San Bernardino (+18.2%).
- All major markets reported robust revenue growth during the quarter. Markets performing below the NSA portfolio average of 16.3% during the quarter include Tulsa (+12.1%), Kansas City (+12.7%), Oklahoma City (+13.7%), Dallas (+14.0%), Indianapolis (+15.8%), and Los Angeles (+16.0%).

### Full Year 2021 Guidance - (Same-Store Pool of 560)

Same store revenue growth	14% to 15%
Same store property expenses	3% to 4%
Same store net operating income	18% to 20%
Equity based compensation	\$5.5 million to \$6.0 million
Subordinated performance unit (SP unit) distributions	\$46 million to \$48 million
Acquisitions of self storage properties	\$1.5 billion to \$2.0 billion
Core FFO per share	\$2.19 to \$2.22



Operations

National  
Storage Affiliates  
(NYSE: NSA)

**Same Store Performance Summary By State - Third Quarter 2021**

State	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2021	Revenue Growth
California	81	\$14.66	97.7%	17.4%
Texas	69	\$11.34	95.4%	18.4%
Oregon	61	\$16.69	94.1%	24.5%
Florida	45	\$16.14	96.3%	21.5%
Georgia	44	\$11.16	98.0%	18.3%
North Carolina	33	\$12.13	98.1%	15.2%
Arizona	31	\$14.49	95.9%	20.2%
Oklahoma	30	\$9.18	95.9%	13.0%
Louisiana	26	\$11.45	95.6%	14.6%
Indiana	16	\$10.71	97.0%	15.8%
Kansas	16	\$13.22	95.2%	12.0%
Washington	14	\$15.87	91.9%	17.6%
Nevada	13	\$13.35	96.1%	21.8%
Colorado	11	\$13.41	93.1%	12.2%
New Hampshire	10	\$15.20	94.4%	17.3%
Other*	60	\$13.55	95.8%	18.3%
<b>Total</b>	<b>560</b>	<b>\$13.40</b>	<b>96.2%</b>	<b>18.4%</b>

\*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 - Third Quarter 2021**

MSA	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2021	Revenue Growth
Portland-Vancouver-Hillsboro, OR-WA	47	\$17.91	92.8%	20.9%
Riverside-San Bernardino-Ontario, CA	46	\$13.33	98.4%	18.2%
Atlanta-Sandy Springs-Roswell, GA	30	\$11.28	98.2%	19.3%
Phoenix-Mesa-Scottsdale, AZ	24	\$14.43	95.6%	19.0%
Oklahoma City, OK	17	\$8.95	97.3%	13.7%
Dallas-Fort Worth-Arlington, TX	16	\$11.88	93.0%	14.0%
Indianapolis-Carmel-Anderson, IN	16	\$10.71	97.0%	15.8%
Los Angeles-Long Beach-Anaheim, CA	14	\$21.04	95.7%	16.0%
North Port-Sarasota-Bradenton, FL	13	\$18.00	97.1%	25.4%
New Orleans-Metairie, LA	13	\$12.97	96.5%	17.9%
Tulsa, OK	13	\$9.49	94.0%	12.1%
Las Vegas-Henderson-Paradise, NV	12	\$13.32	96.2%	22.1%
Houston-The Woodlands-Sugar Land, TX	11	\$11.03	95.3%	19.1%
Kansas City, MO-KS	11	\$13.85	95.5%	12.7%
Other MSAs	277	\$13.10	96.1%	18.6%
<b>Total</b>	<b>560</b>	<b>\$13.40</b>	<b>96.2%</b>	<b>18.4%</b>

## Capital Activities

### Public Storage (NYSE: PSA)

#### Lowering Company's Cost of Capital

- On August 17, 2021, issued 3.95% series Q Preferred Shares for gross proceeds of \$143.8 million.
- On September 9, 2021, completed a public offering of 700 million euros (\$817.6 million in net proceeds) of Euro denominated Senior Unsecured Notes, at a fixed rate of 0.5% and maturing on September 9, 2030.

### Extra Space Storage (NYSE: EXR)

- Completed a public bond offering issuing \$600 million of 2.35% senior unsecured notes due in 2032.
- Reestablished its ATM program by entering into a new equity distribution agreement for \$800 million. The company did not issue any shares on its ATM program during the third quarter.
- As of September 30, 2021, the percentage of fixed-rate debt to total debt is 80.4%. The weighted average of fixed debt is 3.1%, and variable-rate debt is 1.5%. The combined weighted average interest rate is 2.8%, with an average maturity of approximately 5.8 years.

### CubeSmart (NYSE: CUBE)

- Sold 1.1 million common shares through its ATM equity program at an average sales price of \$53.19 per share, resulting in net proceeds of \$57.9 million. The company has 5.9 million shares available for issuance under the existing equity distribution agreements.



## Capital Activities

### Life Storage (NYSE: LSI)

- To support acquisition activity, issued equity securities and priced a bond offering in the third quarter on September 26, 2021 completed a public offering of 2,875,000 shares of common stock at \$122.30 per share, raising net proceeds of \$348.8 million. Additionally, issued 1,097,516 shares of common stock at a weighted average price of \$119.29 per share, generating net proceeds of \$129.5 million.
- Issued \$89.8 million in preferred Operating Partnership Units and \$1.5 million of common Operating Partnership Units as part of the consideration for a portfolio acquisition.
- Completed an offering of \$600 million of 2.4% Senior Unsecured Notes due 2031 that closed on October 7, 2021.

### Key Financial Ratios

Debt to Enterprise Value @ \$114.74/share	18.8%
Debt to Book Cost of Facilities	35.4%
Debt to Recurring Annualized EBITA	3.9x
Debt Service Coverage (DSC)	6.3x

### National Storage Affiliates (NYSE: NSA)

- On May 3, 2021, issued \$180 million of senior unsecured notes, comprised of \$35 million of 2.16% senior unsecured notes due May 2026, \$90 million of 3.0% unsecured notes due May 2031, and \$55 million of 3.1% senior unsecured notes due May 2033. The company used proceeds to repay outstanding amounts on its revolving line of credit and for general corporate purposes.
- On July 9, 2021, secured \$88 million debt financing from a single lender secured by a first lien on eight self storage properties. The interest-only loan has a fixed interest rate of 2.77% and matures in 2028. Proceeds were used to repay outstanding amounts on its revolving line of credit.
- In July 2021, completed an underwritten public offering of 10,120,000 common shares, including 1,320,000 common shares sold upon the exercise in fully by the underwriters of their option to purchase additional common shares. The shares were issued at \$51.25 per share, resulting in net proceeds of about \$497.4 million. Proceeds used for self storage property acquisitions, general corporate purposes and to repay borrowings outstanding under its revolving line of credit.
- Sold 728,000 common shares under ATM program resulting in net proceeds of approximately \$40 million. Subsequent to quarter end, sold an additional 125,000 common shares for \$7.4 million in net proceeds. The company used proceeds for self storage acquisitions and to repay borrowing outstanding under its revolving line of credit. The company has about \$300.6 million of capacity remaining under its ATM program.
- On August 9, 2021, entered into an amendment to its credit agreement with a syndicated group of lenders to reduce the applicable margins on its \$175 million tranche D term loan from a range of LIBOR plus 1.5% to 2.2% to LIBOR plus 1.1% to 1.55%
- Entered into agreement to increase the company's credit facility by \$125 million for a total credit facility of \$1.4 billion, with expansion option up to \$1.75 billion. Entered into a new \$125 million 5.5 year term loan tranche. Proceeds used for self storage property acquisitions and general corporate purposes.



Marc A. Boorstein  
CCIM Principal  
312.953.4749  
mboorstein@mjpartners.com

Jeff Jacobson  
Principal  
312.953.4752  
jjacobson@mjpartners.com

David E. Kohn  
Vice President  
312.375.1240  
dkohn@mjpartners.com

Matthew E. Duda  
Vice President  
312.519.7868  
mduda@mjpartners.com

Greg Owens  
Senior Vice President  
847.732.8168  
gowens@mjpartners.com

Claire M. Compennolle  
Associate  
ccompennolle@mjpartners.com

## MJ PARTNERS

SELF STORAGE GROUP  
[www.mjpartners.com](http://www.mjpartners.com)

CREATING VALUE THROUGH EXPERIENCE

