

MJ PARTNERS  
SELF STORAGE GROUP



# SELF STORAGE MARKET OVERVIEW

## Second Quarter 2017 Results

*Analysis of the Public Self Storage Companies*

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## Summary

### Decelerating Growth Continues; Transaction Volume Reduced

- The self storage REITs generated same-store revenue growth in the second quarter of 2017 ranging from 1.4% to 5.8%. Revenue growth turned flat to negative in select markets with elevated levels of new supply and economic weakness.
- Net Operating Income of same-store pools in the second quarter 2017 range from -0.6% to +8.4%.
- Acquisition volume of the REITs down drastically from last year by over 70%. Private capital filling part of the void in smaller size transactions. Cap rates in major markets not experiencing material change.
- Second half of 2017 begins with street rate cuts in markets with significant new supply.

### Implied CAP Rates

	Public Storage (NYSE: PSA)	5.3%
	Extra Space Storage (NYSE: EXR)	5.3%
	CubeSmart (NYSE: CUBE)	5.9%
	Life Storage (NYSE: LSI)	6.5%
	National Storage Affiliates (NYSE: NSA)	5.6%

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

Earnings  
Results

**Same-Store Comparisons**

	Total Properties Operating	Revenue	Net Operating Income	Occupancy/ Previous Year*	Rent Per Occupied Square Foot
<b>Public Storage</b>	2,538 U.S. 220 Europe	+3.3%	+2.6%	94.5% 95.4%	\$16.97
<b>Extra Space Storage</b>	1,470	+5.2%	+7.7%	94.4% 93.7%	\$15.65
<b>CubeSmart</b>	~750	+4.2%	+5.0%	94.6% 94.4%	\$15.97
<b>Life Storage</b>	697	+1.4%	(0.6)%	92.1% 92.3%	\$13.17
<b>National Storage Affiliates</b>	468	+5.8%	+8.4%	91.4% 92.1%	\$11.54

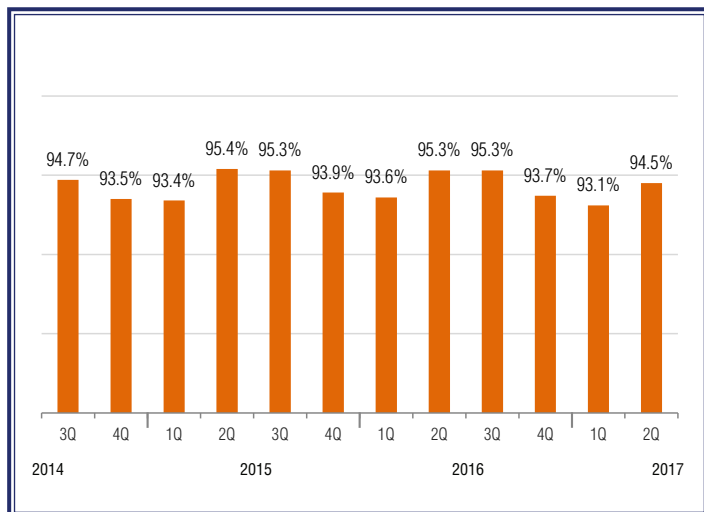
**Capital Markets**

	Market Capitalization	Funds From Operations (adjusted)	Annual Dividend Yield	Common Stock Price (August 7, 2017)	52-Week High/Low
<b>Public Storage</b>	\$34.9 billion	\$2.51/share (+4.6%)	3.97%	\$201.11	\$234.09 \$192.15
<b>Extra Space Storage</b>	\$10.2 billion	\$1.09/share (+16%)	4.01%	\$77.88	\$85.12 \$68.09
<b>CubeSmart</b>	\$4.4 billion	\$0.39/share (+8.3%)	4.40%	\$24.57	\$28.98 \$22.83
<b>Life Storage</b>	\$3.3 billion	\$1.33/share (+0.01%)	5.52%	\$72.18	\$95.05 \$69.00
<b>National Storage Affiliates</b>	\$1.5 billion	\$0.31/share (+10.7%)	4.70%	\$22.22	\$26.15 \$18.81

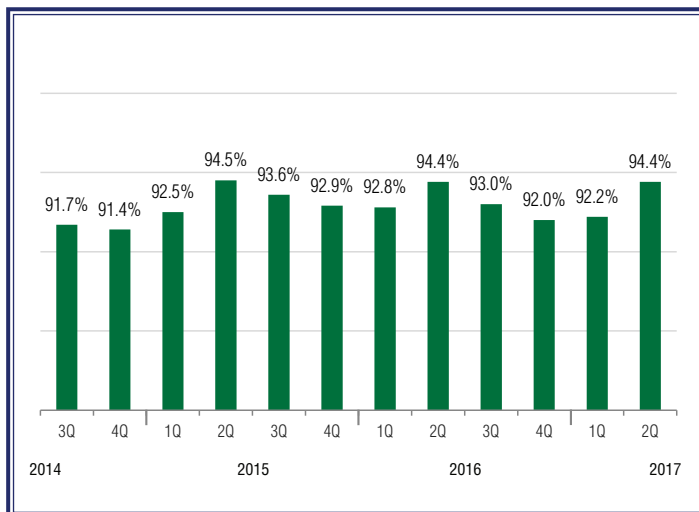
\*Occupancy for Public Storage and Life Storage weighted average, others end-of-quarter.

## Portfolio Occupancies

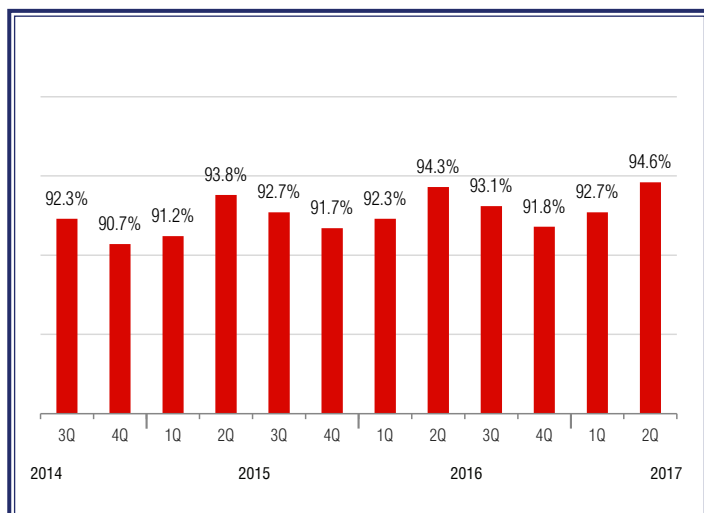
Public Storage



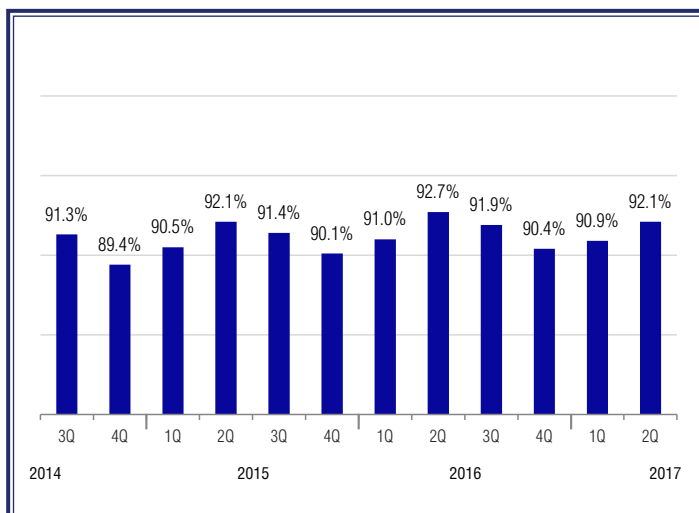
Extra Space Storage



CubeSmart



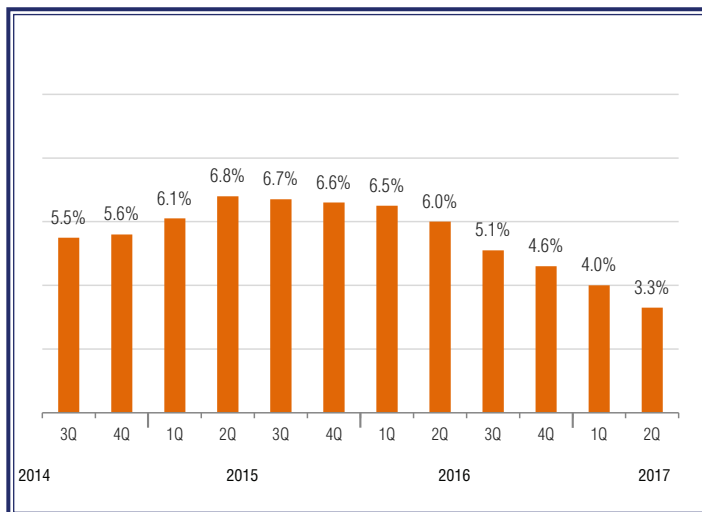
Life Storage



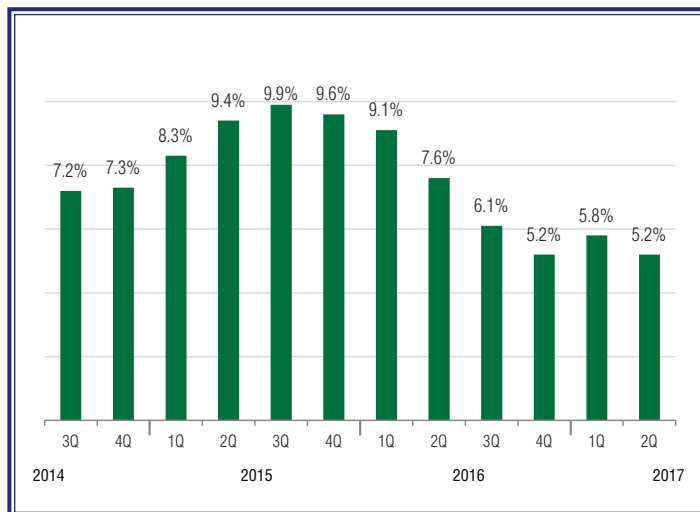
## Portfolio Revenues

Same-Store Year-Over-Year Change

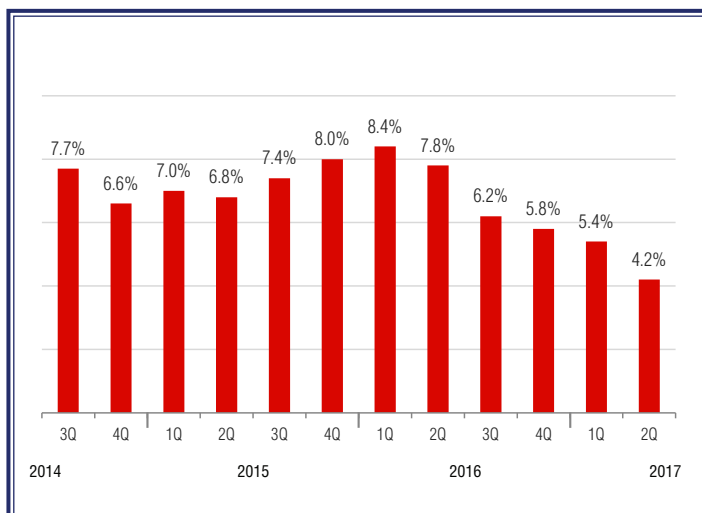
### Public Storage



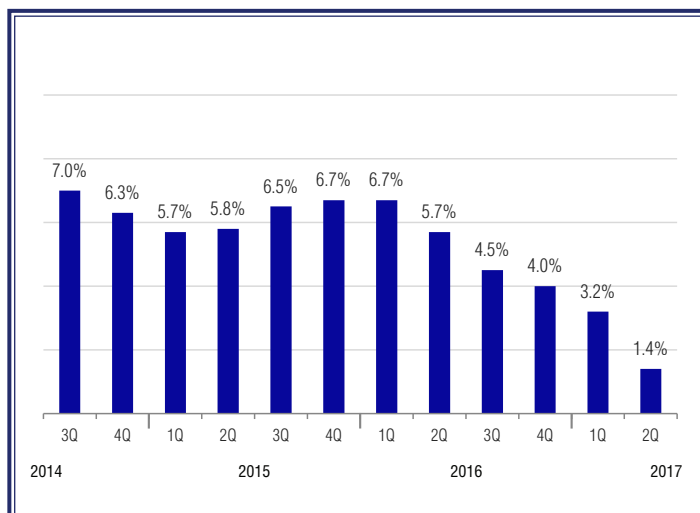
### Extra Space Storage



### CubeSmart



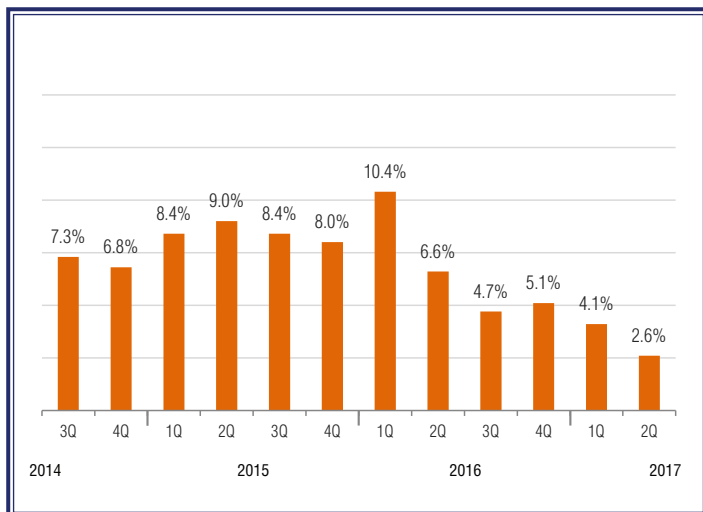
### Life Storage



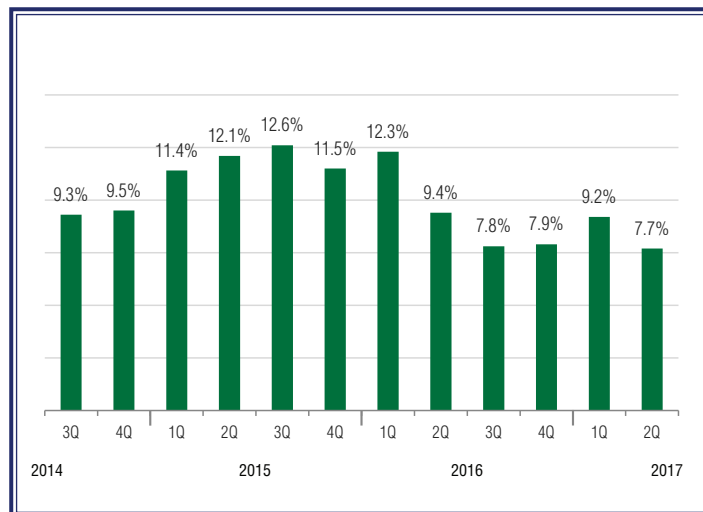
## Portfolio Net Operating Income

Same-Store Year-Over-Year Change

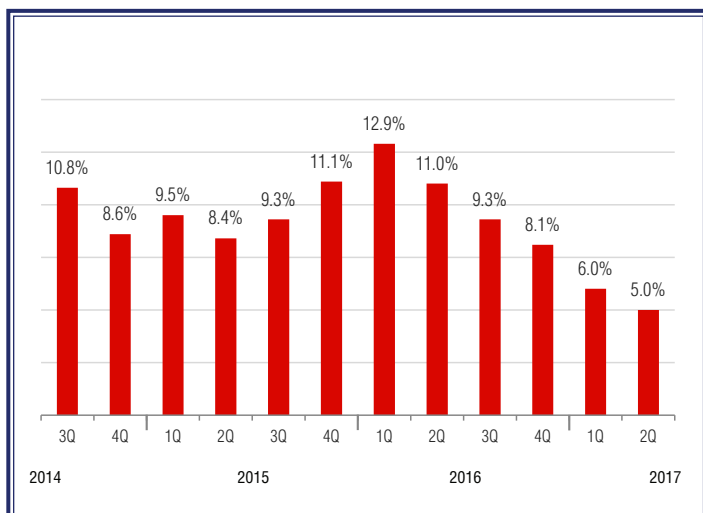
### Public Storage



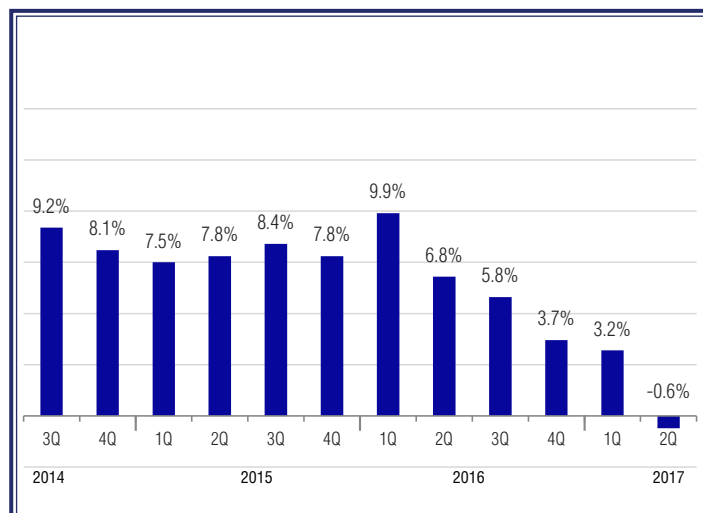
### Extra Space Storage



### CubeSmart



### Life Storage



## Investment Activity

### Public Storage (NYSE: PSA)

*In the first half of 2017, Public Storage acquired seven facilities for \$34.4 million. Locations include two each in Indiana and Ohio, and one each in Minnesota, New York and North Carolina.*

- In the second quarter acquired three facilities for \$11.6 million, two in Indiana and one in Ohio.
- Subsequent to June 30, 2017, acquired or under contract to acquire seven facilities for \$47.1 million. Locations include two each in Florida and South Carolina, and one each in Kentucky, North Carolina and Ohio.

### Development and Expansions

- At June 30, 2017, various facilities in development estimated to cost \$468 million (3.9 million net rentable square feet), and various expansion projects estimated to cost \$191 million (1.7 million net rentable square feet). Expected to be completed primarily within the next 18 months.
- In the first half of 2017, completed three newly developed facilities and various expansion projects totaling about 700,000 rentable square feet costing an aggregate of \$110.8 million.
- Public Storage expects development yield on cost of about 8% to 10%, cash-on-cash return.
- Development pipeline for Public Storage continues to shift towards redevelopments versus ground-up development.

### New Development Overall Market

- Overall market estimate, new deliveries up about 20% from late year, and expect new supply to peak in 2018. Projecting new deliveries of 35 million square feet in 2017, and 43 million square feet in 2018.
- Construction lending tightening for private developers as evidenced by inquiries into Public Storage, to assist finance and acquire prior to construction.
- Experiencing an uptick in inquiries from developers with projects under construction or recently completed looking to monetize the assets sooner rather than waiting for stabilization.

## Investment Activity

Extra Space Storage  
(NYSE: EXR)

*Extra Space Storage acquired one operating store and one store at certificate of occupancy for a total purchase price of approximately \$18.3 million during the second quarter. In addition, Extra Space Storage acquired a facility at certificate of occupancy with a joint venture partner for \$15.9 million.*

- External growth through acquisitions remained muted in the second quarter. Pricing for marketed acquisitions remains at elevated levels. Most acquisitions have come from existing Extra Space Storage relationships and pipeline created by the third-party platform.
- The sales volume for all self storage REITs remains significantly down. Private capital is filling the void. Properties offered are lesser quality property and markets. Many proposed sales pulled off market due to large bid-ask spreads.
- Not seeing a material increase in cap rates on transactions that occur.

### New Supply

- New supply competition manageable thus far, but expecting peak impact in 2018.
- While about two-thirds of Extra Space Storage revenues come from markets that have somewhat elevated new supply, the impact on individual properties in specific markets may be manageable. For instance, Dallas is a market with elevated new supply, but Extra Space Storage properties in south Dallas are almost unaffected.
- Construction pipelines continue to be pushed out and many new developments never materialize. Construction lending constraints is impacting velocity of new construction. Extra Space Storage estimates U.S. deliveries of 600 to 800 new projects in 2017.
- The stage of the development cycle in certain markets influences the timing of its impact on revenues and occupancy of existing facilities. There are about 78 new projects in Chicago, the majority of them have already been delivered and the pipeline is getting smaller. Conversely, Miami has many more projects in the development process than have been delivered. Therefore, the impact of new development on existing facilities is coming in Miami, and may be near peak in Chicago.
- Extra Space Storage is tracking 350 new developments in its third-party management pipeline and expecting about one-half to fall out.

### Disposition of 36-Property Portfolio

- Extra Space Storage is finalizing the disposition of a 36-property portfolio. Extra Space Storage will continue as a third-party manager in the transaction that is scheduled to close by year-end.
- The proceeds from the disposition will be used to acquire higher quality, better located, and higher long-term returning properties.



## Investment Activity

Extra Space Storage  
(NYSE: EXR)

### Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price	Price Per Square Foot	Ownership
<b>2017 Projected Openings</b>					
Cohasset, MA	3Q 2017	52,475	\$8,800,000	\$167.70	10%
New York, NY	3Q 2017	65,188	\$30,000,000	\$460.21	25%
Venice, FL	3Q 2017	62,820	\$7,830,000	\$124.64	20%
Ft. Meyers, FL	3Q 2017	80,000	\$8,970,000	\$112.13	100%
Philadelphia, PA	3Q 2017	73,800	\$16,500,000	\$223.58	50%
Bradenton, FL	3Q 2017	71,000	\$10,600,000	\$149.30	20%
Portland, OR	3Q 2017	74,040	\$12,800,000	\$172.88	25%
Westwood, NJ	3Q 2017	72,700	\$19,975,000	\$274.76	50%
St. Petersburg, FL	3Q 2017	59,577	\$9,750,000	\$163.65	20%
Raleigh, NC	4Q 2017	75,000	\$8,800,000	\$117.33	10%
Buford, GA	4Q 2017	79,250	\$7,500,000	\$94.64	100%
Portland, OR	4Q 2017	67,975	\$11,700,000	\$172.12	25%
Totowa, NJ	4Q 2017	85,000	\$18,000,000	\$211.76	50%
Cherry Creek, CO *	4Q 2017	91,125	\$15,340,000	\$168.34	100%
Total	14	1,009,950	\$186,565,000		

\*Development

## Investment Activity

Extra Space Storage  
(NYSE: EXR)

### Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price	Price Per Square Foot	Ownership
<b>2018 Projected Openings</b>					
Vancouver, WA	1Q 2018	67,455	\$8,250,000	\$122.30	25%
New York, NY	1Q 2018	140,659	\$80,000,000	\$568.75	25%
New York, NY	2Q 2018	62,385	\$33,000,000	\$528.97	25%
Houston, TX*	2Q 2018	75,025	\$10,611,000	\$141.43	100%
New York, NY	2Q 2018	128,095	\$57,000,000	\$444.98	25%
Largo, FL	2Q 2018	89,000	\$11,500,000	\$129.21	100%
Hollywood, FL	2Q 2018	60,525	\$12,000,000	\$198.27	100%
San Jose, CA	2Q 2018	76,000	\$13,500,000	\$177.63	100%
Jamaica Plain, MA	2Q 2018	97,500	\$21,333,000	\$218.80	100%
Riverview, FL	2Q 2018	78,000	\$10,400,000	\$133.33	10%
Portland, OR	2Q 2018	83,320	\$22,500,000	\$270.04	25%
Newton, MA	2Q 2018	80,000	\$20,000,000	\$250.00	10%
Lawrenceville, GA	2Q 2018	80,000	\$7,500,000	\$93.75	100%
Vista, CA	3Q 2018	104,400	\$16,000,000	\$153.26	10%
Manayunk, PA	3Q 2018	57,675	\$14,600,000	\$253.14	50%
Alexandria, VA	3Q 2018	79,500	\$17,500,000	\$220.13	10%
Plantation, FL*	3Q 2018	75,750	\$11,800,000	\$155.78	100%
North Olmstead, OH	3Q 2018	60,000	\$5,700,000	\$95.00	100%
Parma, OH	3Q 2018	60,000	\$5,700,000	\$95.00	100%
Norwood, MA	3Q 2018	85,650	\$19,000,000	\$221.83	10%
Charlotte, NC	4Q 2018	74,800	\$9,300,000	\$124.33	100%
Wakefield, MA	4Q 2018	84,075	\$16,800,000	\$199.82	100%
Morristown, NJ	4Q 2018	77,300	\$21,700,000	\$280.72	50%
East Rutherford, NJ	4Q 2018	71,025	\$19,000,000	\$267.51	50%
Total	24	1,948,139	\$464,695,000		
<b>2019 Projected Openings</b>					
Aurora, CO	4Q 2019	79,900	\$10,528,000	\$131.76	100%

\*Development

Investment  
Activity

Extra Space  
Storage  
(NYSE: EXR)

**Certificate of Occupancy and Development Stores - Operating**

Location	Date Opened	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 6/30/17	Ownership
Gilbert, AZ	3Q 2015	62,200	\$5,429,000	\$87.28	97.4%	10.0%
Bloomfield, NJ	3Q 2015	74,096	\$16,100,000	\$217.29	92.1%	50.0%
San Antonio, TX	4Q 2015	82,578	\$8,700,000	\$105.35	92.6%	100.0%
Charlotte, NC	4Q 2015	69,202	\$5,300,000	\$76.59	89.0%	100.0%
San Diego, CA	4Q 2015	74,792	\$9,708,000	\$129.80	93.7%	100.0%
Quincy, MA	1Q 2016	85,164	\$16,150,000	\$189.63	70.4%	100.0%
Chicago, IL	1Q 2016	81,683	\$16,500,000	\$202.00	75.9%	100.0%
Aurora, CO	1Q 2016	84,855	\$11,470,000	\$135.17	71.7%	10.0%
Bronx, NY	3Q 2015	66,840	\$23,000,000	\$344.11	90.4%	44.4%
Mesa, AZ	2Q 2016	63,395	\$5,000,000	\$78.87	98.8%	100.0%
Roswell, GA	2Q 2016	77,090	\$7,900,000	\$102.48	63.7%	100.0%
New York, NY	2Q 2016	62,574	\$52,000,000	\$831.02	74.6%	25.0%
Columbia, SC	3Q 2015	82,126	\$8,000,000	\$97.41	88.5%	20.0%
San Antonio, TX	2Q 2016	55,325	\$10,500,000	\$189.79	81.3%	100.0%
Elmont, NY	3Q 2016	80,103	\$24,700,000	\$308.35	53.1%	50.0%
Glendale, CA	3Q 2016	66,590	\$13,800,000	\$207.24	61.8%	100.0%
Hillsboro, OR	3Q 2015	27,200	\$3,672,000	\$135.00	93.9%	25.0%
Vancouver, WA	3Q 2016	82,515	\$8,700,000	\$105.44	84.7%	25.0%
Murray, UT	4Q 2016	76,015	\$3,750,000	\$49.33	75.2%	100.0%
Smyrna, GA	2Q 2016	60,731	\$8,000,000	\$131.73	63.7%	100.0%
Portland, OR	4Q 2016	44,405	\$8,700,000	\$195.92	56.5%	25.0%
Sarasota, FL	4Q 2016	66,930	\$10,340,000	\$154.49	36.7%	20.0%
Lake Worth, FL	1Q 2017	78,640	\$8,455,000	\$107.52	34.9%	10.0%
Clearwater, FL	1Q 2017	57,188	\$7,750,000	\$135.52	49.0%	20.0%
Philadelphia, PA	2Q 2017	76,057	\$15,850,000	\$208.40	20.7%	73.0%
Orlando, FL	2Q 2017	63,048	\$7,343,000	\$116.47	55.6%	100.0%
Total	26	1,801,342	\$316,817,000			

## Investment Activity

CubeSmart  
(NYSE: CUBE)

*CubeSmart acquired two properties in the second quarter for \$21.9 million. The acquired stores are located in Maryland and California.*

### Joint Venture and Certificate of Occupancy Transactions

- Acquired one newly built facility at certificate of occupancy in Riverwoods, Illinois for \$11.2 million.
- CubeSmart is currently under contract with three properties under construction for a total purchase price of \$49.9 million. The completion of construction and purchase of these three facilities is expected to occur by the first quarter of 2018.
- The company entered into joint venture agreements to develop seven properties located in New York (5), Massachusetts (1) and New Jersey (1). Construction for all properties is expected to be completed by the first quarter of 2019.
- CubeSmart reports a healthy acquisition pipeline through its joint venture developments and remaining certificate-of-occupancy transactions with just over \$387 million in anticipated acquisitions over the next two years.
- Adjusting development yields to approximately 200 to 300 basis points above the stabilized cap rates in each specific submarket.

### New Supply

- Top 12 MSAs for CubeSmart producing about 70% of revenue. Projecting total supply growing only from approximately 4.6 square feet per capita to 5.0 square feet per capita. Still below the national average of about 7.0 square feet per capita.
- About 25% of company stores impacted by new competition. Supply impacted stores trailing non-supply impacted stores by 200 to 250 basis points of revenue growth.
- In CubeSmart's top 12 markets anticipate fewer new deliveries from direct competitors in 2018 than in 2017. Tracking 77 direct competitors opening in 2017 and in 2018.
- Broader market in top 12 markets tracking 184 new deliveries in 2017 and 105 in 2018 from direct and non-direct competitors.
- Regional banks continue to make relationship loans for new development, but zoning challenges and muted rental rate growth that impacts deal economics may impact pace of new development.

## Investment Activity

CubeSmart  
(NYSE: CUBE)

### New York

- New supply in boroughs of New York to be less impactful in 2019 than 2018.
- Tracking new supply from direct competitors with 13 new deliveries anticipated in 2017, and seven in 2018.
- Asking rates down mid 4% in New York, with the Bronx down more.

### Private Capital Transacting

- Public companies trading below NAV makes it difficult to transact at today's private market pricing. The result is a slowdown in acquisitions from the public companies.
- Private capital, with return expectations and debt costs that haven't materially changed, is filling the void and transacting.
- On an individual asset basis, cap rates remain steady in the primary markets. Seller expectations continue to be in the 5% to 6% cap rate range. Certain portfolios are trading at lower going-in cap rates.

### Pending Acquisitions At Certificate of Occupancy

Location	Expected Opening	Contract Price
Chicago, IL	Q4 2017	\$11,300,000
Delray Beach, FL	Q4 2017	\$17,750,000
Miami, FL	Q4 2018	\$20,800,000
Total		\$49,850,000

### New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Washington, D.C.	Q3 2017	\$25,900,000
New York, NY	Q3 2017	\$74,290,000
Brooklyn, NY	Q4 2017	\$49,800,000
Bronx, NY	Q2 2018	\$90,000,000
New York, NY	Q2 2018	\$11,100,000
Waltham, MA	Q3 2018	\$16,000,000
Queens, NY	Q4 2018	\$45,700,000
Bayonne, NJ	Q1 2019	\$24,700,000
Total		\$337,490,000

## Investment Activity

CubeSmart  
(NYSE: CUBE)

### Acquisitions At Certificate of Occupancy - Operating

Location	Date Completed	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 6/30/2017
Long Island City, NY	Q4 2014	88,825	\$38,000,000	\$427.81	81.0%
Dallas, TX	Q2 2015	114,550	\$15,800,000	\$137.93	72.8%
Brooklyn, NY	Q1 2016	109,946	\$48,500,000	\$441.13	40.9%
Fort Worth, TX	Q2 2016	77,229	\$10,100,000	\$130.78	45.5%
Grapevine, TX	Q2 2016	77,344	\$10,800,000	\$139.64	48.7%
Riverwoods, IL	Q2 2017	73,915	\$11,200,000	\$168.34	17.9%
Total		541,809	\$134,400,000		

### New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 6/30/2017
Arlington, VA*	Q2 2015	96,144	\$17,100,000	\$177.86	86.5%
Queens, NY*	Q4 2015	74,188	\$17,400,000	\$234.54	62.7%
Brooklyn, NY	Q4 2015	55,580	\$14,800,000	\$265.00	66.1%
Queens, NY	Q1 2016	90,890	\$31,800,000	\$349.87	65.7%
Bronx, NY	Q2 2016	89,785	\$32,200,000	\$358.63	32.8%
North Palm Beach, FL	Q2 2016	46,325	\$9,700,000	\$209.39	28.2%
Total		453,182	\$123,000,000		

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

## Investment Activity

### Life Storage (NYSE: LSI)

*Life Storage acquired a total of 20 properties through joint ventures in the second quarter. The 18 previously announced transactions include eleven in Phoenix, five in Las Vegas, and two in Nashville. Two additional stores located in Los Angeles were also acquired for a joint venture for an aggregate price of \$26.9 million, of which Life Storage contributed \$2.8 million.*

- Entered new market with acquisition of two facilities in Nashville.
- Since January 1, 2017, acquired a total of 25 assets with an aggregate cost of approximately \$492 million to its portfolio through ventures.
- In contract to acquire three stores on behalf of a joint venture for \$39 million, of which Life Storage to contribute \$7.8 million.
- During the quarter, Life Storage entered into an agreement on a facility in Austin, Texas to lease with the option to purchase the property in 2020 at a price of \$14.1 million.
- Life Storage is under contract in Charlotte, North Carolina on a certificate of occupancy transaction for \$12.4 million.
- Certificate of occupancy acquisitions leased up faster in 2013 than certificate of occupancy acquisitions completed in 2015.

### **Disposition Considerations**

- May sell four of five properties with estimated value of about \$50 million. Locations include possibly Salt Lake City and two in Austin, Texas.

### **Life Storage Portfolio Acquisition**

- The 11 non-stabilized stores acquired last year as part of the Life Storage portfolio acquisition have leased up above expectations with occupancy of 85.1% as of June 30, 2017.

### **Expansion Program**

- Ongoing expansion program expecting about \$30 million invested this year. These projects are yielding cash-on-cash returns of 10% to 12%.

## Investment Activity

Life Storage  
(NYSE: LSI)

### Certificate of Occupancy Operating Properties

Market	Date Acquired	Net Rentable Sq. Ft.	Price	Price Per Sq. Ft.	Occupancy 6/30/2017
Chicago, IL	May 2014	51,928	\$5,500,000	\$105.92	96.1%
Chattanooga, TN	Sept. 2014	57,260	\$6,550,000	\$114.39	92.7%
Chicago, IL	Nov. 2014	106,225	\$5,750,000	\$54.13	89.1%
Chicago, IL	March 2015	87,275	\$8,690,000	\$99.57	96.0%
Phoenix, AZ	June 2015	64,068	\$7,904,000	\$123.37	94.5%
Boston, MA	June 2015	63,475	\$10,291,000	\$162.13	86.1%
Phoenix, AZ	Feb. 2016	67,795	\$9,275,000	\$136.81	94.2%
Miami, FL	Feb. 2016	69,801	\$11,274,000	\$161.52	84.4%
Los Angeles, CA	March 2016	79,375	\$18,600,000	\$234.33	80.4%
Charleston, SC	July 2016	70,165	\$8,620,000	\$122.85	22.2%
Chicago, IL	Nov. 2016	68,235	\$8,884,000	\$130.20	45.2%
Chicago, IL	Feb. 2017	78,098	\$10,089,00	\$129.18	9.1%
Austin, TX	April 2017	58,611	Lease		44.2%
Total		922,311	\$111,427,000		

### Certificate of Occupancy Properties Under Construction

Market	Expected Completion Date	Expected Net Rentable Sq. Ft.	Expected Price	Price Per Sq. Ft.
Charlotte, NC	Oct. 2017	71,780	\$12,425,000	\$173.10



## Investment Activity

### National Storage Affiliates (NYSE: NSA)

*Acquired 10 self storage properties in five states during the second quarter for \$70 million.*

- Through the iStorage joint venture acquired four properties for \$49.8 million in two states. NSA owns a 25% interest in the joint venture and contributed approximately \$12.5 million.
- Subsequent to June 30, 2017, acquired four properties for \$41 million.
- Transaction market down significantly overall for REITs. Expecting NSA to increase transaction volume in second half of 2017. Currently about \$80 million under contract to purchase.
- Sold two stores in Asheville, North Carolina for \$10.3 million.
- NSA's captive pipeline of acquisitions from PROs that NSA currently manages but does not own consists of 120 properties valued at \$1 billion.
- Acquisition pace has recently accelerated and estimate 2017 acquisitions of near mid-point of original guidance of \$350 million.

### New Supply

- The most notable impact of new supply is in the top 25 MSAs. Only about one-third of NSA's properties located in these top 25 MSA's. Overall peak new supply expected in 2018.
- Only about 20% of NSA stores facing new competition or forthcoming competition.
- Significant new supply in certain NSA markets of Portland, Dallas, and Raleigh-Durham.

### Historical Perspective

- Overall self storage market from 1995 to 2010 added an average of 1,500 facilities per year and a total of 1.3 billion rentable square feet. Currently, market adding an estimate of 600 to 800 facilities this year.
- Average occupancy dropped nationwide from 1995 to 2010 from about 89% to 76% and yet during that same time period NOI growth of managed to increase 3.8% per year.

## Operations

### Public Storage (NYSE: PSA)

*Public Storage's top 20 markets all with lower revenue growth in second quarter versus last year - difficult comparisons in relation to such strong operating metrics last year with peak occupancy, low discounts and minimal new supply impact.*

#### Same-Store Comparison

- Same-store facilities represent those facilities that have been owned and operated at a stabilized level of occupancy, revenue and cost of operations since January 1, 2015. The same-store pool increased from 2,000 facilities at year-end 2016 to 2,055 facilities at June 30, 2017.
- Same-store revenue increase in second quarter of 3.3%, due primarily to higher realized annual rent per occupied square foot.
- Cost of operations for the same stores increased by 5.4%, due primarily to increased property taxes, repairs and maintenance, advertising and selling costs.
- Same-store advertising expenditures increased in the second quarter by \$2.7 million, consisting of an additional \$1 million internet spending and television expenditures that went from zero to \$1.7 million during the quarter.
- Combination of same-store revenue growth of 3.3% and cost of operations increase of 5.4% generated 2.6% increase in net operating income year-over-year.
- Certain markets occupancy nearly full such as Los Angeles and San Francisco. Last year, Los Angeles same-store growth of 7.9% versus 5.7% this year. San Francisco same-store growth of 7.2% last year versus 3.6% this year. Atlanta's growth 9.2% last year versus 3.3% this year.
- New York metro area same-store revenue growth of about 2.2% versus growth of 3.8% last year in the second quarter.
- Charlotte, Portland and Atlanta experienced the largest deceleration of revenue growth during the second quarter.

## Operations

### Public Storage (NYSE: PSA)

#### **Impact of Rent Roll-Down**

- Annual contract rent per square foot increased 3.6% year over year as compared to a 5.1% increase last year. Year-over-year increases were primarily driven by annual rent increases given to existing tenants, partially offset by the net impact of replacing vacating tenants with new tenants with lower initial contract rates, or rent roll-down.
- Currently, move-in rates average \$135 per month versus vacates of \$138 per month.
- Last year, rollover rate about flat at \$136 per month move-out rate and same move-in rate.
- Rental rate increases added about \$400,000 of monthly contract rent in the second quarter, but did not offset a rent roll-down of about \$1.9 million.

#### **Operating Metrics**

- Move-in rates about 3.7% lower than last year.
- Overall street rates up 2% in July, but immediately reducing rates from 5% up to 20% in various weakening markets.
- Rate increases of 8% to 10% on in-place customers remains similar to last year. Average length of stay is steady.
- Move-ins remain flat, while less inquiries from sources of call center and internet of about 3% to 4%.

## Operations

Public Storage  
(NYSE: PSA)

### Top Markets Same-Store Performance

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles, CA	201	\$24.42	96.0%	5.7%
San Francisco, CA	123	\$25.06	96.0%	3.6%
New York, NY	84	\$24.45	94.7%	2.2%
Chicago, IL	129	\$15.40	92.4%	1.1%
Miami, FL	78	\$20.00	93.7%	2.2%
Washington D.C.	84	\$20.82	94.2%	2.0%
Atlanta, GA	98	\$12.68	94.2%	3.3%
Seattle-Tacoma, WA	69	\$18.63	95.8%	4.8%
Houston, TX	79	\$13.98	90.1%	(2.3)%
Dallas, TX	82	\$13.20	93.7%	2.0%
Philadelphia, PA	56	\$15.49	95.6%	5.1%
West Palm Beach, FL	41	\$17.78	94.6%	4.8%
Orlando-Daytona, FL	62	\$13.19	95.6%	6.1%
Minneapolis-St. Paul, MN	44	\$14.35	94.3%	3.2%
Portland, OR	40	\$18.45	96.5%	3.5%
All other markets	785	\$13.83	94.6%	3.3%
Total	2055	\$16.97	94.5%	3.3%

## Operations

Extra Space  
Storage  
(NYSE: EXR)

*All markets experienced positive same-store revenue growth during the second quarter with the exception of flat revenues in Denver and Houston. Experienced positive same-store revenue growth during the second quarter with the exception of flat revenues in Denver and Houston.*

### 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.
- Same-store revenue increase in second quarter of 5.2%, due to gains in occupancy and higher rental rates for new and existing customers.
- Operating expenses decreased by 1.1% led by lower than expected repairs and maintenance, payroll and insurance.
- Combination of same-store revenue growth of 5.2% and cost of operations decrease of 1.1% propelled a 7.7% increase in net operating income year-over-year.
- Same-store occupancy ended the quarter at 94.4%, a 70 basis point increase from a year earlier.
- Expecting second half of 2017 to slow down in revenue growth, primarily due to difficult comparisons to rapid growth in third and fourth quarter last year. Slowdown has been market specific. For example, California revenue growth exceeding expectations.

### Third-Party Management Platform

Third-Party Stores	447
Joint Venture Stores	183
Total Managed	630

- Smart Stop Asset Management, formerly Strategic Storage Trust, is leaving Extra Space Storage management program effective October 1, 2017. The portfolio consists of 94 facilities.
- Extra Space Storage manages on behalf of two other large portfolio owners, which remain unlikely to leave since no previous internal management in place.
- Extra Space Storage anticipates 100 new stores under management within the next six months, effectively offsetting the recent announcement of facilities leaving the platform.
- Extra Space Storage added 27 new third-party managed stores in the second quarter, and added 54 in the first half of 2017.
- Added 11 new stores to its management platform in the boroughs of New York on behalf of Tuck-It-Away Self Storage.

## Operations

Extra Space  
Storage  
(NYSE: EXR)

### Operating Metrics

- Street rate growth year-to-date ranges from 3% to 5% year-over-year. Actual achieved rate growth ranges from 0% to 3%. Achieved rates fluctuate depending on specials and tests that are running.
- Rate increases on existing customers in low single-digits. Discounting lower than normal.
- No changes in customer behavior with respect to response to rate increases.

### Full Year 2017 Guidance

Same-Store Revenue Growth	4.25% to 5.00%
Same-Store Expense Growth	1.75% to 2.5%
Same-Store Net Operating Income Growth	4.75% to 6.00%
FFO, as adjusted	\$4.25/share to \$4.32/share
Net Tenant Reinsurance Income	\$78.5 million to \$79.5 million
Acquisitions of Wholly-Owned Operating Stores	\$300 million
Development and C of O Stores	\$25 million
Development and Cof O Stores - (joint ventures)	\$200 million

## Operations

Extra Space  
Storage  
(NYSE: EXR)

### Select Markets Same-Store Performance

MSA	Stores	Rent Per Occupied Sq.Ft.	Average	Revenue Growth
Los Angeles-Riverside-Orange County, CA	77	\$17.83	95.3%	8.8%
New York-N. New Jersey-Long Island, NY-NJ	67	\$22.12	94.0%	4.0%
Dallas-Forth Worth, TX	44	\$12.90	92.1%	3.1%
Atlanta, GA	43	\$11.90	92.9%	4.5%
Washington-Baltimore, DC-MD-VA-WV	39	\$18.80	93.7%	3.1%
Boston-Worcester-Lawrence, MA-NH-ME-CT	39	\$19.99	93.3%	2.2%
San Francisco-Oakland-San Jose, CA	37	\$25.17	94.2%	4.8%
Miami-Fort Lauderdale, FL	25	\$18.54	92.5%	3.3%
Chicago-Gary-Kenosha, IL-IN-WI	24	\$14.28	92.3%	5.8%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	20	\$13.89	94.4%	8.3%
Phoenix-Mesa, AZ	18	\$11.57	94.1%	9.3%
Houston-Galveston-Brazoria, TX	16	\$12.87	88.9%	0.1%
Norfolk-Virginia Beach-Newport News, VA-NC	16	\$11.78	92.6%	4.0%
Tampa-St.Petersburg-Clearwater, FL	15	\$15.64	93.3%	5.4%
Las Vegas, NV-AZ	14	\$8.43	94.6%	8.2%
Cincinnati-Northern Kentucky	14	\$9.96	93.2%	6.4%
Memphis, TN-AR-MS	12	\$9.01	93.6%	6.6%
Sacramento-Yolo, CA	11	\$14.55	96.3%	12.6%
Charleston-North Charleston, SC	11	\$12.96	91.7%	2.9%
Orlando, FL	11	\$13.01	93.5%	8.8%
West Palm Beach-Boca Raton, FL	10	\$13.61	90.5%	5.2%
Richmond-Petersburg, VA	7	\$12.77	94.0%	2.3%
Columbia, SC	7	\$10.68	92.0%	2.4%
Denver-Boulder-Greeley, CO	7	\$13.41	92.6%	1.3%
Salt Lake City-Ogden, UT	6	\$12.27	95.9%	6.8%
Austin-San Marcos, TX	6	\$18.20	92.3%	6.2%
Portland-Salem, OR-WA	5	\$15.16	94.0%	8.8%
Seattle-Tacoma-Bremerton, WA	5	\$16.00	97.4%	7.6%
El Paso, TX	5	\$7.48	89.8%	13.1%
Hawaii, HI	5	\$32.49	93.8%	6.7%
Pittsburgh, PA	5	\$12.04	89.8%	9.4%

(Continued on next page)

## Operations

Extra Space  
Storage  
(NYSE: EXR)

### Select Markets Same-Store Performance (continued)

MSA	Stores	Rent Per Occupied Sq.Ft.	Average	Revenue Growth
Hickory-Lenoir-Morganton, NC	5	\$10.09	93.5%	5.0%
Stockton-Lodi, CA	5	\$14.00	96.9%	13.1%
Colorado Springs, CO	5	\$14.59	92.5%	1.0%
St. Louis, MO-IL	5	\$12.93	94.3%	2.9%
Indianapolis, IN	5	\$11.73	94.1%	4.6%
San Diego, CA	4	\$17.53	92.7%	4.6%
Sarasota-Bradenton, FL	4	\$13.52	91.1%	0.7%
Greensboro-Winston-Salem-High Point, NC	4	\$10.64	94.4%	2.1%
Columbus, OH	4	\$10.50	92.9%	3.6%
Savannah, GA	4	\$11.14	93.6%	5.4%
Cleveland-Akron, OH	4	\$7.99	93.2%	5.8%
Other MSAs	62	\$12.68	93.2%	5.4%
Totals	732	\$15.65	93.4%	+5.2%



## Operations

### CubeSmart (NYSE:CUBE)

*Same-store revenue increase in second quarter of 4.2%, driven by a 3.8% increase in revenue per occupied square foot along with a modest increase in occupancy.*

#### Same-Store Comparison

- CubeSmart considers a store to be stabilized once it has achieved an occupancy rate that, based on an assessment of specific market data, is representative of similar self storage assets in the applicable market for a full year measured as of the most recent January 1st. Same-store pool includes 432 stores.
- Same-store revenue increase in second quarter of 4.2%, driven by a 3.8% increase in revenue per occupied square foot along with a modest increase in occupancy.
- Cost of operations for the same-stores increased by 2.5%. Year-over-year savings in advertising and insurance costs offset increases in real estate taxes and personnel costs.
- Increased same-store net operating income 5% year over year, driven by 4.2% revenue growth and a 2.5% increase in property operating expenses.

#### Record Occupancy Achieved

- Record occupancy achieved of 94.6% for same-store portfolio reached at the end of June, a 20 basis point increase year over year.
- Rental volume through June 30th slightly exceeding volume compared to last year.

#### Third-Party Management Platform

- As of June 30, 2017, total managed properties include 390 stores, including joint ventures. During the second quarter added 37 stores. During first six-months of 2017 added 87 stores to a third-party management program.
- Of the 81 new management assignments this year, 47 for owners of existing operating properties, and 34 to manage newly built facilities.
- The growth of third-party management helps leverage the platform over many more locations and allows improved Search Engine Optimization.

#### Length of Stay

- 40% of customers in same store pool staying greater than two years, up 150 basis points from last year.
- Average length of stay increased about 16 days up about 4% from last year.

## Operations

CubeSmart  
(NYSE:CUBE)

### Operating Metrics

- Expect revenue growth to continue decelerating in second half of the year.
- Expect new supply to be more impactful on revenue growth in 2018 than in 2017.
- Rate and revenue growth are well correlated to the impact of supply. Constricted markets such as California achieved double-digit growth. Phoenix, Tucson, Washington D.C., Boston and Providence experienced mid to upper single-digit growth during the second quarter. New supply has negatively impacted growth in Houston and Denver.
- Rate increases in the high single digits continue on existing customers after six-months, and every 12 months thereafter.
- Pushed street rates approximately 9.5% sequentially from January 1 to June 30, 2017.

### Guidance Full Year 2017

Revenue Growth	3.75% to 4.75%
Expense Growth	4.0% to 5.0%
Net Operating Income Growth	4.0% to 5.0%
Acquisitions (excluding joint venture development or C/O investments)	\$25 million to \$75 million
Dispositions	\$0 to \$50 million
FFO per share, as adjusted	\$1.53 to \$1.57
Dispositions	\$0 to \$50 million

## Operations

CubeSmart  
(NYSE:CUBE)

### Select Markets Same-Store Operating Performance

MSA	Facilities	Rent Per Occupied Sq. Ft.	Average Occupancy	Revenue Change
New York-N. New Jersey-Long Island, NY-NJ-PA	53	\$27.07	93.3%	3.0%
Chicago-Naperville-Joliet, IL-IN-WI	38	\$14.09	91.9%	3.0%
Miami-Fort Lauderdale-Pompano Beach, FL	35	\$17.55	93.8%	4.5%
Dallas-Fort Worth-Arlington, TX	28	\$13.67	93.7%	2.4%
Washington-Arlington-Alexandria, DC-VA-MD-WV	22	\$19.94	94.6%	4.1%
Atlanta-Sandy Springs-Marietta, GA	18	\$12.29	93.9%	5.0%
Riverside-San Bernadino-Ontario, CA	16	\$12.01	95.9%	9.6%
Phoenix-Mesa-Scottsdale, AZ	15	\$11.51	94.0%	7.3%
Tuscon, AZ	15	\$10.56	95.2%	5.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$15.74	94.5%	4.5%
Houston-Sugarland-Baytown, TX	13	\$12.73	91.8%	0.4%
Hartford-West Hartford-East Hartford, CT	12	\$12.22	92.7%	5.5%
Orlando-Kissimmee, FL	10	\$12.39	94.1%	6.2%
Columbus, OH	10	\$10.11	95.0%	6.4%
Cleveland-Elyria-Mentor, OH	10	\$12.93	93.6%	2.1%
Sacramento-Arden-Arcade-Roseville, CA	8	\$13.30	95.5%	10.2%
Jacksonville, FL	7	\$15.40	94.2%	5.1%
Austin-Round Rock, TX	7	\$14.10	92.7%	1.1%
Denver-Aurora, CO	7	\$14.59	93.4%	(1.0)%
Boston-Cambridge-Quincy, MA-NH	7	\$21.22	94.9%	4.0%
Nashville-Davidson-Murfreesboro-Franklin, TN	6	\$12.04	93.4%	3.9%
San Diego-Carlsbad-San Marcos, CA	6	\$15.79	95.6%	6.7%
Los Angeles-Long Beach-Santa Ana, CA	6	\$16.11	96.0%	9.2%
Cape Coral-Fort Meyers, FL	5	\$14.68	94.1%	4.5%
Bridgeport-Stamford-Norwalk, CT	5	\$21.68	94.9%	3.9%
Salt Lake City, UT	4	\$11.47	95.2%	5.5%
Providence-New Bedford-Fall River, RI-MA	4	\$13.84	92.4%	2.1%
Naples-Marco Island, FL	4	\$16.10	93.9%	4.6%
Other	48	\$13.58	93.6%	5.6%
Total	432	\$15.97	93.8%	4.2%

## Operations

### Life Storage (NYSE:LSI)

*Achieved record-high occupancy in second quarter of 92.8%, a 10 basis point improvement over the prior year.*

#### Same-Store Comparison

- Same-store facilities for Life Storage represent those properties that have been owned by Life Storage and included in the consolidated results since January 1, 2015, excluding facilities purchased prior to January 1, 2016 that have not yet stabilized. There are 435 facilities in Life Storage's same-store pool.
- Life Storage generated same-store revenue growth in 21 of its 30 major markets. The markets with the strongest growth were Atlanta, the Space Coast and Miami. Houston, Texas continues to face challenged same-store revenue growth.
- Same-store revenue increase in second quarter of 1.4%, due to a modest growth in rental rates and increases in tenant insurance and administrative fees.
- Same-store operating expenses increased by 5.6% as compared to the prior year, primarily due to a 5.5% increase in real estate taxes and a 42.6% increase in internet advertising costs. The increase in internet advertising costs was incurred to support Life Storage's on-line brand transition.
- Same-store net operating income fell 0.6% in the second quarter year over year, the result of a challenging prior year comparable and continued weakness in certain Texas markets.

#### Operating Metrics

- There was no rent roll-down in the second quarter. New customers are leasing at higher rates than vacating customers.
- Life Storage implements rate increases on existing customers once per year in the 10th or 12th month of stay. The rate increases average 8.4%.
- The end of July 2017 occupancy of 93% is same as prior year.
- Increased street rates sequentially by 7% from March to June, but below 6% as compared to last year.
- Free rent equates to about 2.6% of total revenue.
- Paid advertising bringing in a return by securing long-term customers.
- Expecting increased internet marketing and the use of incentives to continue longer than originally anticipated.

#### Market Summary

- Strong markets for Life Storage during the second quarter include much of Florida, St. Louis, Cleveland and New England.
- Markets with supply concerns include Denver, Phoenix, Tampa and Miami.

## Operations

### Life Storage (NYSE:LSI)

#### Texas Exposure

- Big four Texas markets include Houston, Dallas, Austin and San Antonio represents about 100 properties and 23% of Life Storage's same-store pool of properties.
- 47 new competitors opened in the past 12 months, with 35 new competitors anticipated within the next 18 months. The new development in these markets impact about 70 Life Storage properties.
- Public Storage implementing drastic rate cuts on select units in select Texas markets. Life Storage plans to match specials, but not all rate cuts.

#### Rebranding Progress

- Life Storage missed on expectations of the difficulty encountered by slow integration as it relates to organic searches.
- Web presence slow to integrate organic search for name "Life Storage" and not yet to level of former "Uncle Bob's" brand name.
- Domain authority from past year's brand change to Life Storage dropped to 30 from Uncle Bob's mid-50's. Grew back to mid-50's recently.
- Life Storage is working with five Search Engine Optimization consultants as well as 13 internal people to accelerate web integration. Anticipate fully integrated web presence by next April or May.

#### Third-Party Management Platform

- Now manages a total of 131 properties through joint venture and third-party management agreements.
- 37 new third-party management contracts since the beginning of the year. In the second quarter, entered agreements to manage 17 additional stores at various points throughout 2017.
- Life Storage expects FFO dilution of \$0.01 to \$0.03 per share during the second half of 2017 due to certificate of occupancy acquisitions and facilities in early stages of lease-up.

#### Guidance Full Year 2017 Same-Stores

Revenue Growth	1.0% to 2.0%
Operating Costs (excluding property taxes)	5.0% to 6.0%
Property Taxes	6.5% to 7.5%
Total Operating Expenses	5.0% to 6.0%
Net Operating Income	0% to -1%
Adjusted FFO Per Share	\$5.25 to \$5.30

## Operations

Life Storage  
(NYSE: LSI)

### Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	Occupancy	Revenue Growth
Houston-The Woodlands-Sugar Land, TX	41	\$13.01	92.0%	(3.6%)
New York-Newark-Jersey City-NY-NJ-PA	24	\$22.14	92.3%	1.6%
New England-Other	24	\$16.88	91.6%	1.3%
Buffalo-Upstate, NY	23	\$12.46	90.6%	0.7%
Atlanta-Sandy Springs-Roswell, GA	21	\$12.81	91.8%	6.6%
Dallas-Fort Worth-Arlington, TX	20	\$12.16	93.1%	(1.6%)
Austin-Round Rock, TX	17	\$12.14	91.8%	1.6%
Miami-Ft. Lauderdale-West Palm Beach, FL	16	\$18.36	92.3%	2.1%
San Antonio-New Braunfels, TX	15	\$13.01	92.1%	(0.9%)
Tampa-St. Petersburg-Clearwater, FL	13	\$14.70	93.0%	1.5%
St. Louis, MO	13	\$12.78	94.3%	5.7%
New Orleans-Lafayette, LA	13	\$11.97	88.2%	(1.7%)
Virginia Beach-Norfolk-Newport News, VA	12	\$10.21	91.4%	0.7%
Chicago-Naperville-Elgin, IL	11	\$14.09	92.1%	1.7%
Phoenix-Mesa-Scottsdale, AZ	10	\$11.06	92.0%	2.9%
Boston-Cambridge-Newton, MA-NH	9	\$18.07	91.7%	3.8%
Jacksonville, FL	9	\$11.98	92.0%	2.2%
Cleveland-Elyria, OH	9	\$11.22	92.9%	5.8%
Space Coast, FL	8	\$13.09	94.1%	7.7%
Raleigh-Durham, NC	8	\$12.08	92.6%	(2.5%)
Charlotte-Concord-Gastonia, NC	8	\$12.19	93.7%	3.7%
Cape Coral-Fort Myers, FL	8	\$12.39	92.9%	(1.2%)
Pensacola-Ferry Pass-Brent, FL	8	\$8.85	93.3%	6.9%
Beaumont-Port Arthur, TX	7	\$13.38	91.7%	(2.5%)
Montgomery, AL	7	\$9.32	91.4%	(0.2%)
Jackson, MS	6	\$10.78	94.8%	0.5%
Columbia, SC	6	\$10.92	93.0%	(4.0%)
Orlando-Kissimmee-Sanford, FL	5	\$11.80	91.8%	3.3%
Chattanooga, TN-GA	5	\$11.73	93.1%	2.3%
Youngstown-Warren-Boardman, OH-PA	5	\$8.60	93.5%	4.4%
Other Markets	54	\$11.61	92.1%	3.3%
Same Store Portfolio Total	435	\$13.17	92.1%	3.2%

## Operations

National Storage  
Affiliates  
(NYSE: NSA)

*Company street rate growth low-to-mid single digit but markets vary. Strongest in Southern California and parts of Oregon. Weaker in Oklahoma and West Texas.*

### Same-Store Comparison

- Same-store facilities represent those properties that were included in National Storage Affiliates' consolidated results since January 1, 2016. The same-store pool consists of 277 facilities, excluding two properties that were disposed of during the six months ended June 30, 2017.
- Same-store revenue increase in second quarter of 5.8%, due to a 6.3% increase in rental revenue per occupied square foot.
- Cost of operations for the same stores increased by 0.4%, due primarily to increased property taxes and bad debt expense, partially offset by decreases in advertising expenses and personnel costs.
- Combination of same-store revenue growth of 5.8% and cost of operations increase of 0.4% generated 8.4% increase in net operating income year-over-year.

### Positive Rent Rollover

- Spread of higher move-in-rates versus move-outs remain positive.

### Operating Metrics

- Within NSA's portfolio, California and Arizona were the strongest performers while Oklahoma, Colorado and Georgia experienced weaker negative same-store NOI growth.
- Promotional discounts up nearly 20% year-over-year. Primarily on unit sizes not well occupied.
- Rate increases on in place customers in high single digits.
- Same-store occupancy decreased 60 bps in the second quarter as compared to a year earlier.
- In markets with increased competition NSA generates substantially better revenue gains by giving up small amounts of occupancy in order to keep driving rate, rather than holding occupancy at historically high levels.

### Market Growth Varies According to Local Economy

- NSA experienced 5% revenue growth year-over-year in about 60% of its markets. The following represents revenue growth levels within various economies in NSA's top 20 markets:

Economy	NSA Markets	Revenue Growth
Strong	10	8.7%
Stable	6	6.2%
Weaker	4	0.4%

## Operations

National Storage  
Affiliates  
(NYSE: NSA)

### Same Store Performance Summary

State	Stores	Rent Per Occupied Square Foot	Occupancy at 6/30/2017	Revenue Growth
Oregon	50	\$14.38	91.9%	4.8%
Texas	48	\$9.50	90.3%	3.4%
California	48	\$13.41	93.6%	11.3%
Oklahoma	29	\$8.59	87.0%	(2.4)%
North Carolina	28	\$10.28	93.5%	6.3%
Georgia	18	\$8.96	94.5%	1.0%
Washington	14	\$13.09	93.0%	7.2%
Arizona	13	\$12.61	92.3%	8.5%
Colorado	8	\$11.68	97.7%	0.2%
Louisiana	5	\$9.34	81.7%	4.7%
New Hampshire	4	\$12.24	93.6%	6.2%
South Carolina	4	\$10.23	92.4%	1.4%
Other	8	\$9.80	94.2%	6.7%
Total	277	\$11.54	91.4%	5.8%

### Guidance Full Year 2017 Same-Stores

Revenue Growth	5.0% to 6.0%
Expenses Growth	1.5% to 2.5%
NOI Growth	7.0% to 8.0%
Core FFO Per Share	\$1.23 to \$1.27
Property Acquisitions	\$300 million to \$450 million



## Capital Activities

### PUBLIC STORAGE - Capital Activities

- Called for redemption 5.90% Series S Preferred Shares. The shares were redeemed for \$460 million plus accrued dividends on July 26, 2017.
- Issued 5.150% Series F Preferred Shares for gross proceeds of \$280 million on June 2, 2017.

### EXTRA SPACE STORAGE - Capital Activities

- Entered into an agreement for private placement of \$300 million of 10-year 3.95% senior notes. Expected to be issued on August 24, 2017.
- Did not sell any shares of common stock in the quarter. At June 30, 2017, \$349.4 million available for issuance under ATM program.

#### Debt Structure

	Percentage	Weighted Avg. Interest Rate
Fixed-rate debt	76%	3.3%
Variable-rate debt	24%	2.9%
Combined		3.2%

Average maturity of approximately 4.4 years.

### CUBESMART - Capital Activities

- Issued \$50 million of 4.375% Senior Notes due in 2023, an additional \$50 million of 4.00% Senior Notes due 2025.
- No common shares offered for sale during the second quarter. 5.8 million shares available for future issuance.

#### Debt Structure

	Amount	Rate	Maturity*
Fixed-rate debt	\$1.354 billion	4.11%	6.8 years
Variable-rate debt	\$259 million	2.51%	1.9 years
Combined	\$1.64 billion	3.85%	6.0 years

\*weighted average

## Capital Activities

### **LIFE STORAGE - Capital Activities**

- Board of Directors authorized the potential repurchase of up to \$200 million of company's outstanding common shares. The repurchase Program has no time limit and may be discontinued at any time.
- \$8 million cash on hand, and \$169 million available on line of credit. ATM Capacity \$59.3 million.
- Issued approximately 66,352 shares at a price of \$83.78 through Dividend Reinvestment Plan.
- Will be selective in timing when electing to begin purchasing back common shares.

### **Key Financial Ratios**

Debt to Enterprise Value (@ \$74.10/share)	33.5%
Debt to Book Cost of Facilities	40.7%
Debt to Recurring Annualized EBITDA	5.6x
Debt Service Coverage	5.2x

### **Investment Grade Ratings**

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

### **NATIONAL STORAGE AFFILIATES - Capital Activities**

- Currently with about \$180 million available line of credit.
- Net debt to EBITDA of 6.1x.



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## Capital Activities

### Life Storage (NYSE: LSI)

- Board of Directors authorized the potential repurchase of up to \$200 million of company's outstanding common shares. The repurchase Program has no time limit and may be discontinued at any time.
- \$8 million cash on hand, and \$169 million available on line of credit. ATM Capacity \$59.3 million.
- Issued approximately 66,352 shares at a price of \$83.78 through Dividend Reinvestment Plan.
- Will be selective in timing when electing to begin purchasing back common shares.

#### **Key Financial Ratios**

Debt to Enterprise Value (@ \$74.10/share)	33.5%
Debt to Book Cost of Facilities	40.7%
Debt to Recurring Annualized EBITDA	5.6x
Debt Service Coverage	5.2x

#### **Investment Grade Ratings**

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

## Capital Activities

National Storage  
Affiliates  
(NYSE: NSA)

- Currently with about \$180 million available line of credit.
- Net debt to EBITDA of 6.1x.



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