SELF STORAGE MARKET OVERVIEW
Second Quarter 2013

Analysis of the Public Self Storage Companies
• Occupancy levels above 90% for each public company. Public Storage reached nearly 95% occupancy at end of second quarter.

• Continuing strong same-store revenue growth for each REIT, ranging from 5.1% to 9.0%, and net operating income growth 8.4% to 13.1%.

• “Self storage is a great property-type as it just continues to ‘puke’ cash!”
  - Ron Havner, CEO, Public Storage

• “Seller expectations are incredible, might be characterized in some cases as ridiculous.”
  - Spencer Kirk, CEO, Extra Space

• **Implied Cap Rates** based on common share prices:

<table>
<thead>
<tr>
<th>Company</th>
<th>Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Storage (PSA)</td>
<td>4.1%</td>
</tr>
<tr>
<td>Extra Space Storage (EXR)</td>
<td>4.7%</td>
</tr>
<tr>
<td>CubeSmart (CUBE)</td>
<td>5.4%</td>
</tr>
<tr>
<td>Sovran Self Storage (SSS)</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
Macroeconomic Impact

Pent Up Demand

- National population growth of approximately 1%, may need up to 500 new facilities just to keep pace.

- Home ownership rate dipped to 65.1% - the lowest level since 1995, as more Americans shift toward renting than owning their home.
  
  - U.S. Census Bureau

- 2.4 million Americans are now considered ‘missing households’ either living with parents, seniors living with adult offspring, and unrelated people renting rooms. Far higher than only the 900,000 in 2008.
  
  - Jed Kolko, chief economist, Trulia, Inc.

- Population growth will require 14 million additional housing units this decade.
  
  - Zelman & Associates

- Relative to 2004, there were 7.2 million more renters, but just 400,000 new homeowners.
  
  - Capital Economics

Moving Rate Increasing

- The number of people who moved last year rose to 35.6 million, pushing the overall mover rate to 12 percent, from a record low of 11.6 percent in 2011.
  
  - U.S. Census Bureau
New Home Prices And Sales Increasing

- In second quarter, median existing home prices increased in 142 of 163 metropolitan areas tracked by the National Association of Realtors. Fastest growth in West (18.2% price growth), followed by the South (11%), the Midwest (7.9%), and the Northeast (6.9%).

- New-home sales increased 8.3% last month to a seasonally-adjusted rate of 497,000, which is the highest level since May 2008. Sales up 38% from a year earlier.

  - U.S. Commerce Department

Urban Growth

- 24 of the nation’s 51 metropolitan areas with more than 1 million residents saw their cities grow faster than their suburbs from July 2011 to July 2012. That was true of just 8 metro areas from 2000 to 2010.

  - Robert Bruegman, University of Illinois at Chicago
<table>
<thead>
<tr>
<th></th>
<th>Public Storage</th>
<th>Extra Space Storage</th>
<th>CubeSmart</th>
<th>Sovran</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Properties:</strong></td>
<td>2,081 U.S.</td>
<td>974</td>
<td>519</td>
<td>471</td>
</tr>
<tr>
<td></td>
<td>188 Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Third-Party Management:</strong></td>
<td>35-40</td>
<td>242</td>
<td>133</td>
<td>24</td>
</tr>
<tr>
<td><strong>Joint Ventures:</strong></td>
<td>279</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2013 vs. last year:</td>
<td>+5.1%</td>
<td>+7.8%</td>
<td>+9.0%</td>
<td>+8.9%</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2013 vs. last year:</td>
<td>+8.4%</td>
<td>+10.4%</td>
<td>+13.1%</td>
<td>+12.2%</td>
</tr>
<tr>
<td><strong>Occupancy:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. last year:</td>
<td>94.0%</td>
<td>90.8%</td>
<td>90.0%</td>
<td>91.0%</td>
</tr>
<tr>
<td>(weighted average)</td>
<td>92.4%</td>
<td>89.0%</td>
<td>84.1%</td>
<td>87.7%</td>
</tr>
<tr>
<td><strong>Rent Per Occupied Square Foot:</strong></td>
<td>$13.85</td>
<td>$13.77</td>
<td>$12.14</td>
<td>$10.75</td>
</tr>
</tbody>
</table>
Public companies adjust upwards their targeted occupancy levels as occupancy and revenues continue to rise.
## SELF STORAGE MARKET OVERVIEW

### Second Quarter 2013

<table>
<thead>
<tr>
<th></th>
<th>Public Storage</th>
<th>Extra Space Storage</th>
<th>CubeSmart</th>
<th>Sovran</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Capitalization</strong></td>
<td>$27.83 billion</td>
<td>$4.80 billion</td>
<td>$2.36 billion</td>
<td>$2.29 billion</td>
</tr>
<tr>
<td><strong>Funds From Operations (quarterly)</strong></td>
<td>$1.83/share (+32.6%)</td>
<td>$0.50/share (+31.6%)</td>
<td>$0.23/share (+28%)</td>
<td>$0.94/share (+22%)</td>
</tr>
<tr>
<td><strong>Dividend Per Common Share (quarterly)</strong></td>
<td>$1.25/share (+60%)</td>
<td>$0.40/share</td>
<td>$0.11/share</td>
<td>$0.48/share</td>
</tr>
<tr>
<td><strong>Dividend Yield</strong></td>
<td>3.10%</td>
<td>3.70%</td>
<td>2.50%</td>
<td>2.90%</td>
</tr>
<tr>
<td><strong>Common Stock Price</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 14, 2013:</td>
<td>$163.15</td>
<td>$43.72</td>
<td>$17.46</td>
<td>$73.23</td>
</tr>
<tr>
<td>52-Week Range:</td>
<td>$135.07 to $168.66</td>
<td>$32.59 to $45.29</td>
<td>$12.20 to $17.70</td>
<td>$55.66 to $73.53</td>
</tr>
</tbody>
</table>

### EARNINGS RESULTS

#### Same-Store Comparisons
PUBLIC STORAGE:

- Expect to complete acquisition of 29 facilities in third-quarter for approximately $374 million in cash. Properties total about 2.3 million square feet, with 21 locations in Florida, 5 in Massachusetts, 2 in California, and 1 in Rhode Island. A total of $101 million of these acquisitions completed as of August 1st.

- Acquired one property in Arizona for $8 million in cash. Facility consists of 80,000 net rentable square feet.

- Completed expansions to existing self storage facilities adding approximately 293,000 net rentable square feet at cost of approximately $20 million.

- Development pipeline of new projects and expansions will add 1.4 million square feet at aggregate cost of $198 million:
  - Expansions (14) $96 million
  - New Ground Up (2) $17 million
  - Conversions (3) $85 million

- Capital expenditures expected to be approximately $74 million in 2013, not related to costs of development or expenditures.

- During 2012 acquired 24 facilities for $255.5 million. Weighted average annualized yield of 6.3% for facilities acquired in 2012 during first six months of 2013 (excluding one acquired for $28.5 million requiring significant development).
**EXTRA SPACE STORAGE:**

- $375 million closed or under contract year-to-date.

- Acquired All Aboard Mini Storage (Lance D. Alworth), 20 self storage facilities in California in an off-market transaction. 1.5 million rentable square feet, 14,800 units for an aggregate cost of $206 million, representing about $137 per square foot.

  The portfolio was about 76% occupied and concentrated in Southern California (12 properties) and Northern California (8 properties). Majority of assets located in densely populated locations including Anaheim, Santa Ana, Menlo Park, Sunnyvale, Oakland, San Diego, and San Francisco.

  First year yield expected to be approximately 6%. Potential upside to yield of 100 basis points or more due to occupancy increases and tenant insurance income.

  Extra Space prepay existing loans of approximately $100.1 million plus $10.1 million related to loan defeasance and prepayment costs.

  Extra Space issues to seller newly designated Preferred Shares worth $33.6 million and Operating Units (OP Units) worth $62.3 million.

  To finance the purchase, Extra Space declared Private offering of Exchangeable Senior Notes worth $250 million due 2033 with option for additional $37.5 million within 30 days.

  Extra Space operates 233 properties in California. The 86 wholly owned properties in California had occupancy of 86.9% end of Q1 2013 versus All Aboard portfolio occupancy of about 76%.
EXTRA SPACE STORAGE:

- During second quarter acquired four properties for $48.3 million. Locations in Hawaii, Maryland, and Texas.

- Subsequent to end of quarter, acquired two properties in Arizona for about $9.3 million.

- Now have 37 properties under contract for $305.3 million. The previous 20 in California and 17 properties in seven states expected to close in the fourth quarter.

- Added six new Properties to third-party management platform, and now manage 242 properties for third-party owners. Also, additional 279 properties owned and operated in joint ventures.

- Forward looking cap rates from 6% to 7%, within 12 to 18 months. Some below 6%.
CUBESMART:

- Year-to-date, acquired 11 properties for $107.4 million.

- Acquired nine properties in second quarter totaling $87.5 million, including three in Maryland, two in New Jersey, two in Florida, one in Illinois, and one in Massachusetts. Stabilized acquisitions, cap rates above 6%, some above 7%. Some non-stabilized assets in lease up with 30% to 55% occupancies.

- Subsequent to quarter end, acquired one property in New York City borough of Staten Island for $13 million.

- Acquired eight assets from third-party management platform.

- Subsequent to quarter end, exited Knoxville, Tennessee market with disposition of eight assets for $25 million. Year-to-date has sold 13 assets for $36.4 million. Along with previous dispositions in Indianapolis and Houston, these cap rates are in the mid-7%.

- Awarded one new third-party management contract in second quarter. Currently managing 133, after being awarded 10 new management contracts year-to-date.
SOVRAN:

- Did not acquire additional stores in second quarter, but have three properties under contract for $27.9 million. Properties all in existing markets including two in Long Island, New York and one in Colorado Springs, Colorado. Occupancies in mid to low 80’s with room to increase. Anticipated closings in third quarter.

- Target Acquisitions at low 5 cap rate with expected growth of 100 to 150 basis points. Target low 6’s cap rate for stabilized assets. New internal stabilized occupancy may be considered 90% to 91% versus mid 80’s previously.

- Plans to spend up to $25 million in expansion and enhancement program. Also budgeted $15 million for recurring capitalized expenditures, including roofing, paving, and office renovations.

- Actively pursuing “off market” transactions.

- Sold 30 properties last 4 years, may consider more.
PUBLIC STORAGE:

- Occupancy 94.9% at June 30th.
- 55% of customers now staying longer than one year.
- Reduction of 13% in discounts this quarter versus last year.
EXTRA SPACE STORAGE:

• Occupancy of 91.5% at end of July.

• Major Markets with Above-Average Revenue Growth:
  • Chicago
  • Denver
  • Los Angeles
  • San Diego

• Major Markets with Below-Average Revenue Growth:
  • Sacramento
  • Phoenix
  • Washington, DC

• Rent increases on existing customers 7% to 9% on about 45,000 customers (about 7% of total).

• Guidance for 2013 Tenant Insurance Revenue of $36 million to $37 million.

• About 40% of total customers on autopay.

• Accounts receivables less than 2% nationally.
CUBESMART:

- 90.8% occupancy in July represents an all-time high level for the company. Company new maximum level target occupancy of 93%.

- Discounts down 15.1% in second quarter versus same time last year. Street rates are up by 3%.

- 71.9% of new customers receive discounts, down from 82.5% last year.

- 93% of new customers with tenant insurance contracts.
SOVRAN:

- Occupancy of 91% as of June 30th.

- Strongest Revenue Growth Markets:
  - Texas
  - Florida
  - New York
  - North Carolina

- Positive Same Store Revenue Growth in all states but Arizona.

- Fourth consecutive quarter of at least 8% same-store revenue growth. Growth primarily result of 380 basis point increase in average occupancy and 3.6% increase in rates.

- 30% increase in tenant insurance income.

- Move-ins down about 5%, due to high occupancy levels. But, the same 20% of total customer move-outs in the quarter is consistent year-over-year.

- Concessions offered down from average of $73 per month to $55 per month.
PUBLIC STORAGE:

- As of June 30th, outstanding debt totaled approximately $111.7 million. Portfolio of facilities substantially unencumbered; 2,015 facilities with net book value of $7 billion unencumbered.

- Founder Wayne B. Hughes Family is top common share holder with 27,080,125 shares, representing 15.8% of outstanding shares @ $161 per share, an approximate value of $4.3 billion.

- The Hughes Family has ownership interests and operates 53 self storage facilities in Canada (as PS Canada) using the Public Storage name.

- Cash and cash equivalents total $410.9 million; $300 million revolving line of credit.

- Public Storage one of largest and most frequent issuers of preferred equity in U.S. Credit ratings on each series of preferred shares are “A3” by Moody’s, BBB+ by Standard & Poor’s, and “A+” by Fitch.

- Foreign currency gains in second quarter of $5.9 million versus $23.7 million loss for same period in 2012.
EXTRA SPACE STORAGE:

- Private placement of $250 million 2.375% Exchangeable Senior Notes due 2033.

- Percentage of fixed-rate debt to total debt of 84.7%. Weighted average interest rate: fixed rate debt is 4.1%, and variable rate debt 2.3%, with combined weighted average rate of 3.8% and average maturity of 5.6 years.
CUBESMART:

- During second quarter, sold 1.1 million common shares at average sale prices of $17.19 per share, resulting in net proceeds of $19 million. Remaining 10.9 million shares available for issuance under new “at-the-market” equity program with five sales agents.

- Amended existing credit facility and term loan agreements involving $800 million of existing unsecured bank financing lowering borrowing spreads and maturity extensions for certain loans under the agreements.

<table>
<thead>
<tr>
<th>Senior Unsecured Term Loan</th>
<th>Amount</th>
<th>Maturity</th>
<th>LIBOR Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Loan A</td>
<td>$100 million</td>
<td>June 2018</td>
<td>1.5%</td>
</tr>
<tr>
<td>Term Loan B</td>
<td>$100 million</td>
<td>June 2018</td>
<td>2.0%</td>
</tr>
<tr>
<td>Revolver</td>
<td>$300 million</td>
<td>June 2017</td>
<td>1.6%</td>
</tr>
<tr>
<td>Term Loan C</td>
<td>$100 million</td>
<td>Dec.2014</td>
<td>1.5%</td>
</tr>
<tr>
<td>Term Loan D</td>
<td>$200 million</td>
<td>Jan. 2019</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

- $110 million drawn on $300 million revolving line of credit, which will provide about $190 million for new acquisitions.

- Approximated $4.5 million cash on hand.
SOVRAN:

- In April issued 23,755 shares at average price of $63.61 through new Dividend Reinvestment Plan.
- Refinanced bank term loan and line of credit totalling $500 million. Expects full year expense savings of approximately $4.1 million.

<table>
<thead>
<tr>
<th>Available</th>
<th>Outstanging</th>
<th>Maturity</th>
<th>LIBOR Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Credit:</td>
<td>$175 million</td>
<td>$64 million</td>
<td>June 2018</td>
</tr>
<tr>
<td>Term Note:</td>
<td>$225 million</td>
<td>$225 million</td>
<td>June 2020</td>
</tr>
<tr>
<td>Term Note (delayed draw):</td>
<td>$100 million</td>
<td>--</td>
<td>June 2020</td>
</tr>
</tbody>
</table>

- All but $64 million debt is fixed rate or covered by rate swap contracts that essentially fix the rate.
- $9.6 million cash on hand, $111 million available on line of credit (plus $75 million expansion).

- Key Financial Ratios:
  - Debt to Enterprise value (@ $64.79/share): 23.9%
  - Debt to Book Cost of Facilities: 36.1%
  - Debt to EBITDA: 4.2x
  - Debt Service Coverage (DSC): 4.6x