

SELF STORAGE MARKET OVERVIEW

First Quarter 2015 Results

Analysis of the Public Self Storage Companies



SELF STORAGE GROUP

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Highlights

- Public self storage companies posted another strong consecutive quarter. Revenue growth of same-stores grew from 5.7% to 8.3%. Net operating income grew from 7.5% to 11.4%. Extra Space led both categories.
- Constant flow of new equity trying to enter the industry, considering acquisitions and development joint ventures. Intense competition to acquire operating properties leading to cap rate compression in secondary markets.
- New supply not impacting fundamentals. Certificate-of-occupancy projects and new developments nearing \$1 billion in total.
- Two new public self storage IPOs: National Storage Affiliates Trust (NYSE: NSA) and Jernigan Capital, Inc. (NYSE: JCAP), with smaller one, Global Self Storage, pending.

New Development Behind Population Growth

- “400 to 500 (new) properties keep things static and we haven’t had much development since 2009. We (are) four, five years behind in terms of the curve of new supply relative to organic population growth of 1% a year.”

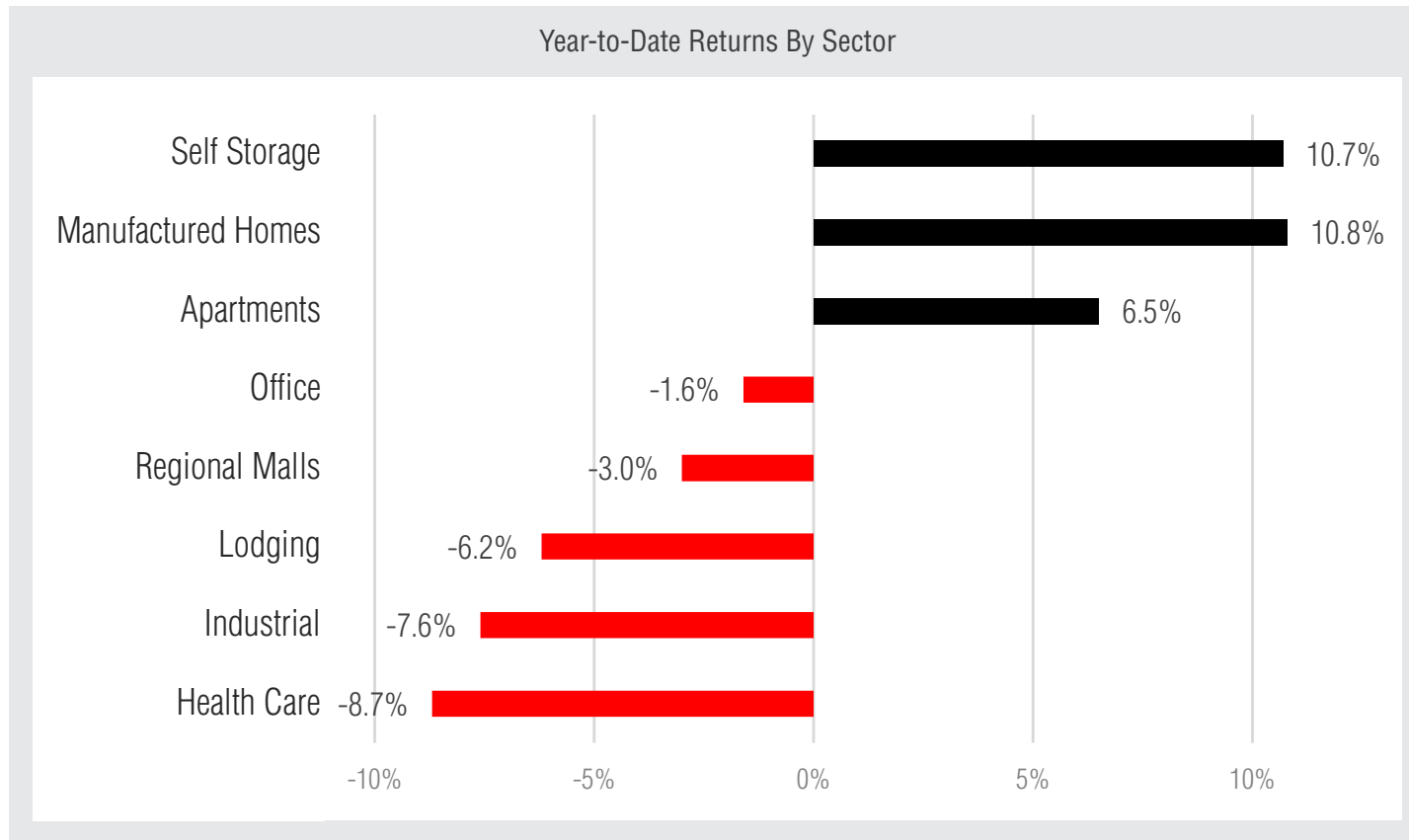
- Ron Havner, CEO, Public Storage

Implied CAP Rates Based On Common Share Prices

Public Storage (NYSE: PSA)	4.0%
Extra Space (NYSE: EXR)	4.1%
CubeSmart (NYSE: CUBE)	4.3%
Sovran (NYSE: SSS)	5.4%
National Storage Affiliates (NYSE: NSA)	6.5%

Sources: BMO Capital Markets, KeyBanc

Self Storage A Leader In Returns By Property Sector Year-to-Date



- As of July 13, 2015; BMO Capital Markets

Self Storage Leader in Total Annual Returns By Property Sector

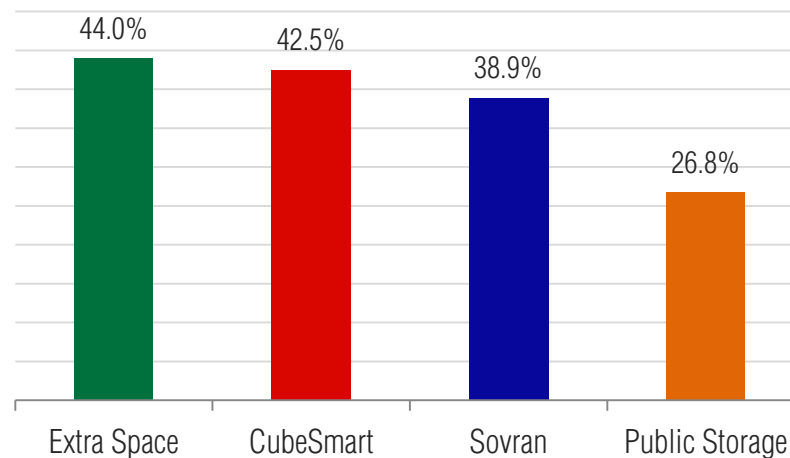
Self storage has been the leading property type measured by average total returns, including dividends, over the past five-years, 10-years, and 15-years as compared to core property sectors.

	<u>Self Storage</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Industrial</u>	<u>Office</u>
5-Year Avg. Return	24.4%	20.6%	20.4%	14.7%	12.7%
10-Year Avg. Return	17.8%	13.7%	10.6%	6.3%	9.7%
15-Year Avg. Return	20.3%	15.7%	17.5%	12.2%	12.6%

In 2014, total average returns for the self storage sector was 31.4%, trailing only multifamily at 39.6%, and ahead of retail 27.6%, office 25.9%, and industrial 21%.

- National Association of Real Estate Investment Trusts (NAREIT)

2014 Self Storage Total Return Performance



-Wells Fargo Research

Total Returns Past Ten Years

All Public REITs

1. Extra Space Storage (EXR)	636%
2. GEO Group (GEO)	568%
3. Digital Realty Trust (DLR)	550%
4. Omega Healthcare (OHI)	452%
5. Associated Estates Realty (AEC)	449%

Self Storage REITs

1. Extra Space Storage (EXR)	636%
2. Public Storage (PSA)	320%
3. Sovran Self Storage (SSS)	218%
4. CubeSmart (CUBE)	79%

Source: Seeking Alpha

New Self Storage IPOs - National Storage Affiliates Trust

- National Storage Affiliates Trust (NYSE: NSA) on April 23, 2015 executed an initial public offering of 20 million shares at \$13 per share, raising \$260 million.
- NSA, based in Greenwood Village, Colorado, features an in-place portfolio of 246 self storage properties located in 16 states comprising approximately 13.7 million rentable square feet with over 100,000 storage units. Overall portfolio occupancy is presently about 85%. The company has a market capitalization of approximately \$670 million. NSA was founded in 2014 by CEO Arlen D. Nordhagen, co-founder of SecurCare Self Storage.
- NSA represents a roll-up of 199 self storage properties with contributions from six participating regional operators (PROs), and 47 properties acquired from third-party sellers. NSA has a pipeline of potential additional acquisitions consisting of 115 properties.
- The six participating regional operators (PROs) include:

<i>PRO</i>	<i>Number of Properties</i>	<i>Occupancy</i>
SecurCare	116	86%
Northwest	63	89%
Optivest	27	77%
Guardian	26	86%
Move-It	11	77%
Storage Solutions	3	87%
Total	246	85%

Use Of NSA Proceeds From The IPO

- Proceeds from the IPO are expected to be allocated as follows: \$41.9 million to acquire 21 self storage properties within the in-place portfolio; \$134 million to repay U.S. Bank senior term loans, unsecured term loan, and mezzanine loan; remainder used in part to pay down revolving line of credit.
- Jeffries, Morgan Stanley, and Wells Fargo Securities acted as the underwriters, KeyBanc Capital Markets as lead manager, and Baird, RBC Capital Markets, SunTrust Robinson Humphrey and Capital One Securities are co-managers for the offering.

New Self Storage IPOs - Jernigan Capital, Inc.

- Jernigan Capital, Inc. (NYSE: JCAP) completed an initial public offering of 5 million shares of its common stock at \$20 per share on March 27, 2015, and on April 9 increased allocation for total issuance of 5,750,000 shares, resulting in total gross proceeds of \$115 million.
- Jernigan Capital offers financing for ground-up construction of self storage facilities or major redevelopment opportunities, as well as for the acquisition of stabilized facilities. Jernigan Capital is a real estate investment trust externally managed by JCap Advisors, LLC.

Initial Portfolio

- Since October 2, 2014, JCAP entered into term sheets to provide loans using substantially all of the net proceeds from the IPO. JCAP anticipates funding an initial loan portfolio consisting of 15 loans with an aggregate principal amount of approximately \$122.7 million. Twelve of the loans are for new self storage developments with loan terms of six-years 90% loan-to-value, at an interest-only rate of 6.9%, with a 50% equity participation.
- Three loans are for stabilized assets with loan terms of six-years, at interest-only rate of 6.9% with no equity participation. JCAP also reserves a right-of-first-offer on the property, if it is offered for sale.
- Raymond James & Associates, Inc. served as lead underwriter for the offering, and Robert W. Baird & Co., Inc. and Wunderlich Securities Inc. served as co-managers.

New Self Storage IPOs - Global Self Storage, Inc. (Pending)

- Global Self Storage, Inc. represents a corporate conversion with a pending application to list its common stock on NASDAQ Capital Market. Currently known as Self Storage Group, Inc. (SELF), the company is a non-diversified closed end fund whose common stock is traded over the counter.
- The company owns and operates seven self storage properties in Illinois, Indiana, New York, Pennsylvania, and South Carolina, comprising more than 80% of its net assets. All together, these facilities total 501,920 net rentable square feet with 3,697 storage units. Average overall occupancy was 87.7% as of December 31, 2014, up from 79.3% a year earlier.
- The company also owns shares of other publicly traded self storage REITs.

Real Estate Private-Equity Fundraising Getting Bigger

- Pension funds, endowments, and institutional investors are investing more cash into private-equity firms with large real estate funds. Institutional investors continue to search for higher returns than bonds.
- 210 global closed-end funds raised a post-crash record \$97.7 billion in 2014. This represents an increase from \$95.5 billion in 2013 and \$46.8 billion at the bottom of 2010. Funds raised a record \$137.5 billion in 2008.
- Preqin
- Blackstone Group LP, the industry's fundraising leader, raised \$14.5 billion for its most recent real estate fund, surpassing its target. And, recently reported annualized returns of 18% after fees for its real estate funds launched since 1992.
- Other new large funds include Starwood Capital Group's raising \$5.6 billion, and Lone Star Funds \$5.5 billion - both ahead of goals.
- Midsize funds of between \$500 million and \$1 billion accounted for 17% of total capital raised thus far this year, down from 29% in 2012.
- Preqin
- Kane Anderson Real Estate Advisors of Boca Raton, Florida recently closed a nearly \$1 billion fund, while Chicago-based LaSalle Investment Management has three funds in the \$300 million to \$400 million range.

Macroeconomic And Other Trends Impacting Self Storage

- Household debt, including credit card debt and student loans, rose 1% in Q4 2014 to \$11.8 trillion from Q3. The figure remains 6.7% below its 2008 peak.
- Federal Reserve Bank of New York
- The personal savings rate of 5.5% in the first quarter, was the highest since 2012. The saving rate was 4.6% in the fourth quarter. Money not spent now might be spent later.
- Federal Reserve
- Credit card debt for U.S. consumers of \$57 billion in 2014, up from \$39 billion in 2013.
- CardHub.com

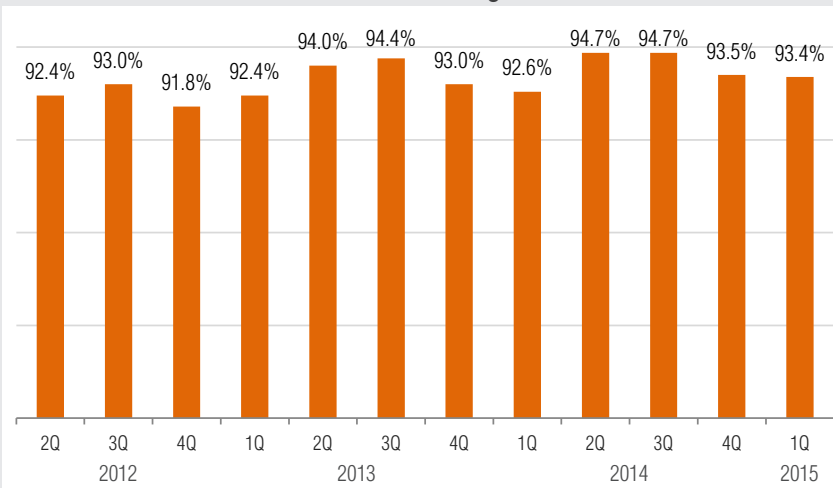
Macroeconomic And Other Trends Impacting Self Storage

- Applications for home purchase mortgages up 21% in April from one year ago, highest since mid-2013.
- Mortgage Bankers Association Purchase Index
- U.S. Labor Department announced 223,000 jobs added to the U.S. economy in June, while unemployment rate fell to 5.3% from 5.5%.
- 14 out of last 16 months economy added more than 200,000 jobs. This creates new population of potential self storage customers.
- New homes were up 20% in May from same period last year, the highest level in seven years.
- U.S. Commerce Department
- Home construction historically accounted for 5% of U.S. gross domestic product, but hovering near 3% for the past year.
- National Association of Home Builders
- Pace of existing home sales rose 9.2% from a year earlier in May to a seasonally-adjusted rate of 5.35 million.
- National Association of Realtors
- First-time home buyers accounted for 32% of all existing home buyers, up from 27% one year ago. Historically, first-time buyers have made up about 40% of the market. First-time home buyers are important to create a foundation of demand that allows current homeowners to “trade up.”
- National Association of Realtors

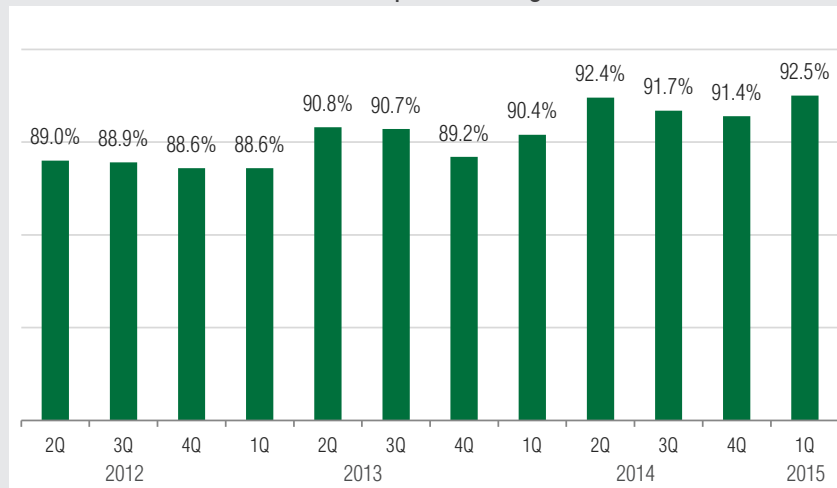
	<i>Public Storage</i>	<i>Extra Space</i>	<i>CubeSmart</i>	<i>Sovran</i>	<i>National Storage Affiliates</i>
Number of Properties:	2,258 U.S. 193 Europe	1,106	609	525	246
Third-Party Management:		271		23	
Join Venture Management:		<u>270</u>		<u>55</u>	
Total Managed:	42	541	181	79	
Revenue:	+6.1%	+8.3%	+7.0%	+5.7%	
Net Operating Income:	+8.4%	+11.4%	+9.5%	+7.5%	
Occupancy: vs. last year:	93.4% 92.6% (weighted avg.)	92.5% 89.8% (end of quarter)	91.2% 89.3% (end of quarter)	90.5% 89.2% (end of quarter)	85.0%
Rent Per Occupied Sq. Ft.:	\$15.19	\$14.80	\$14.17	\$11.94	

Portfolio Occupancies

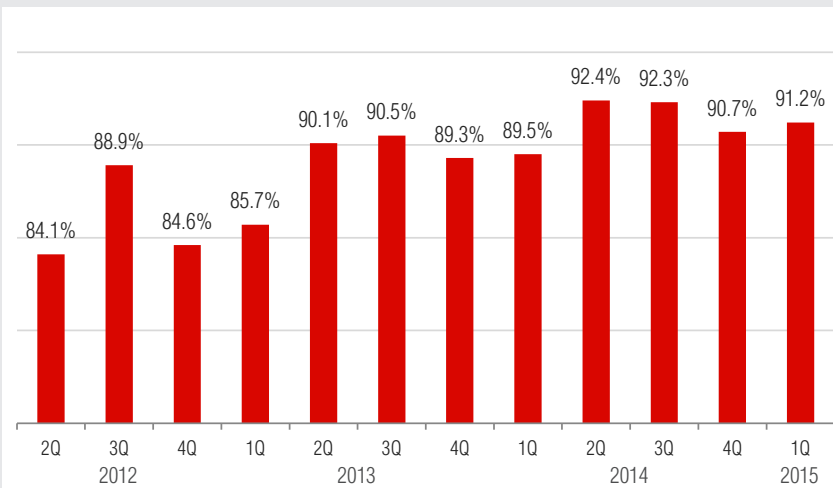
Public Storage



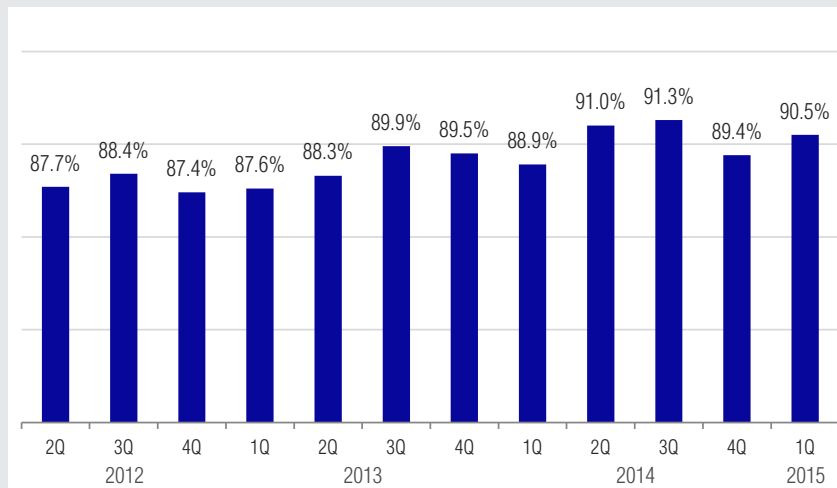
Extra Space Storage



CubeSmart

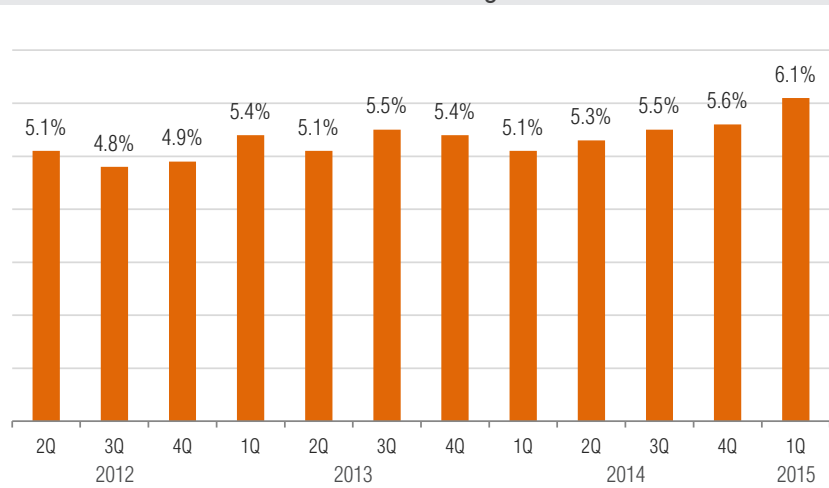


Sovran

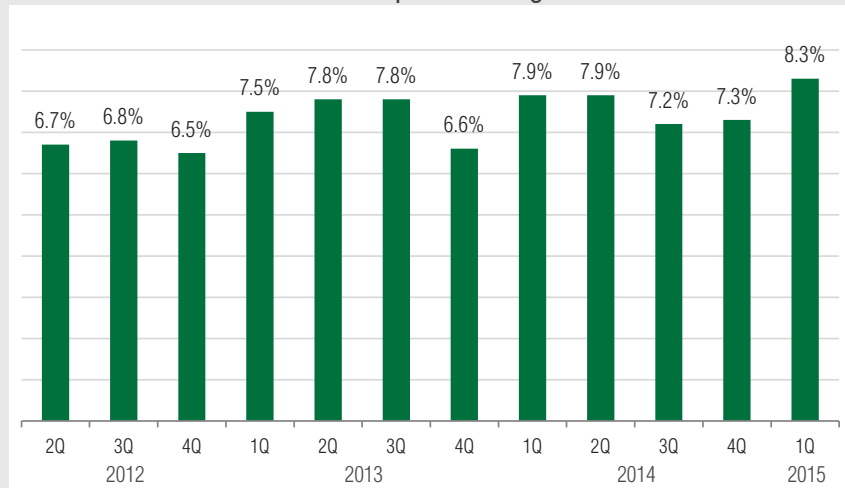


Revenues
Changes From Same Quarter Year Earlier

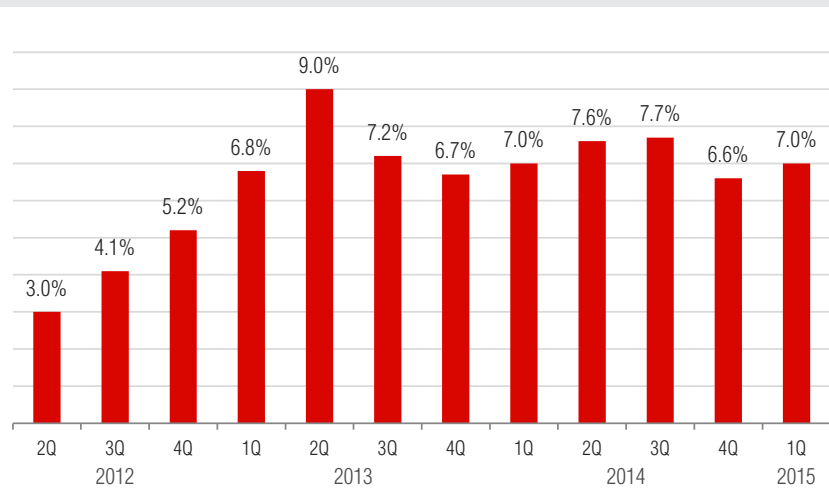
Public Storage



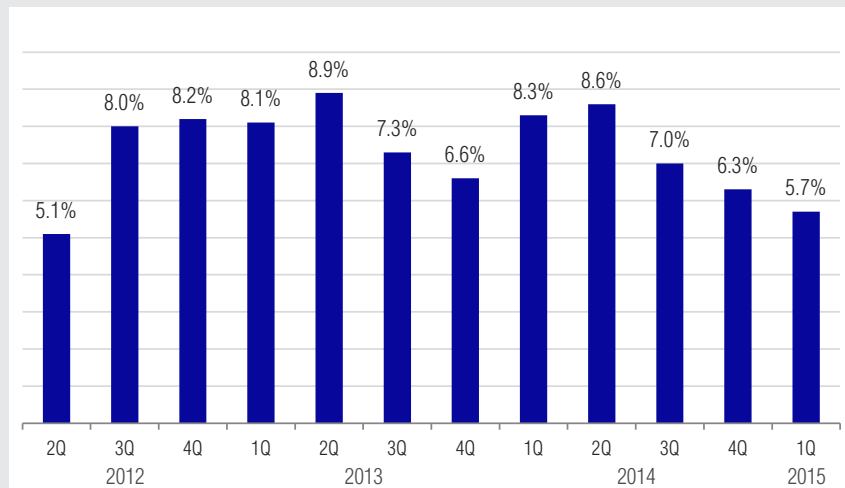
Extra Space Storage



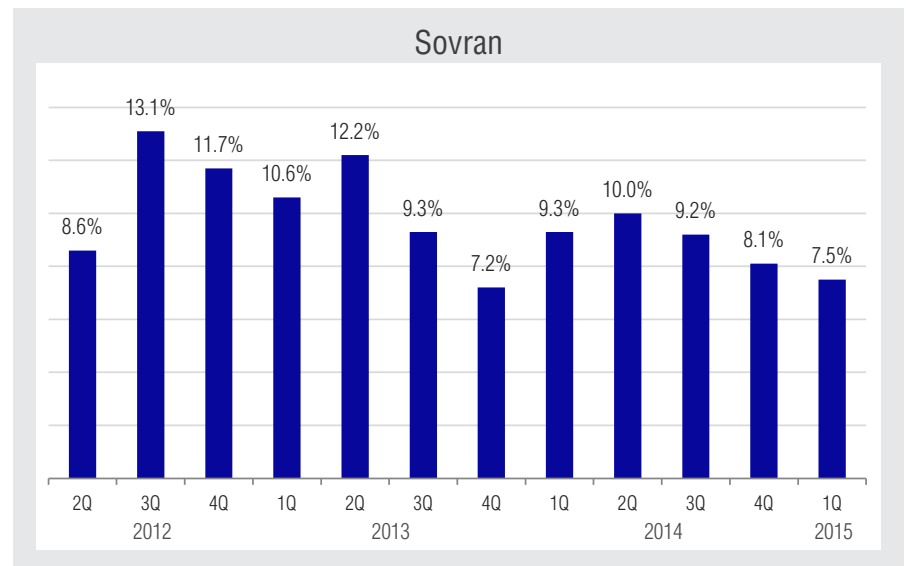
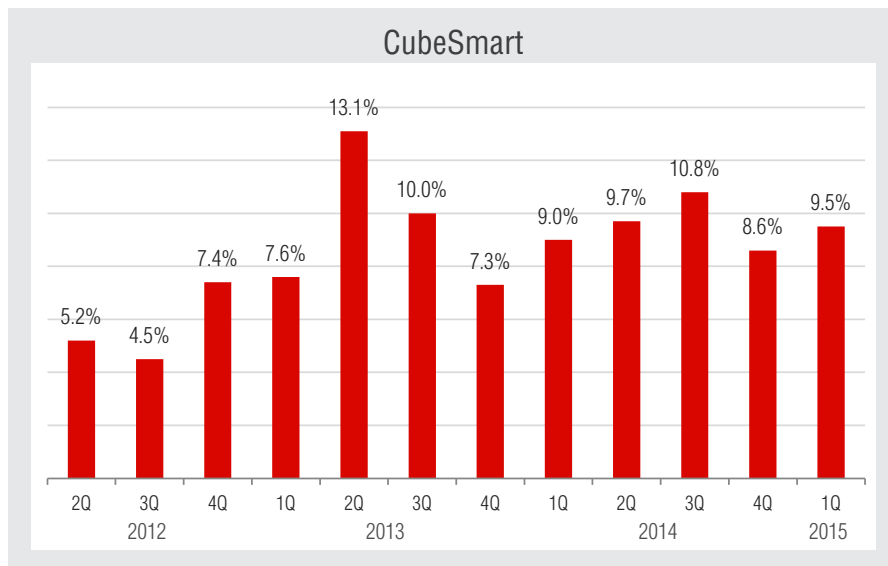
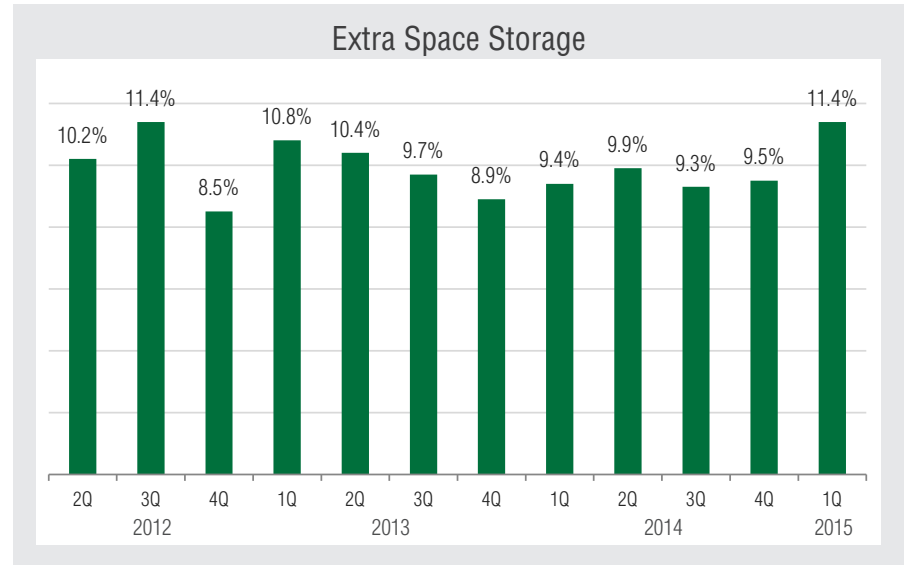
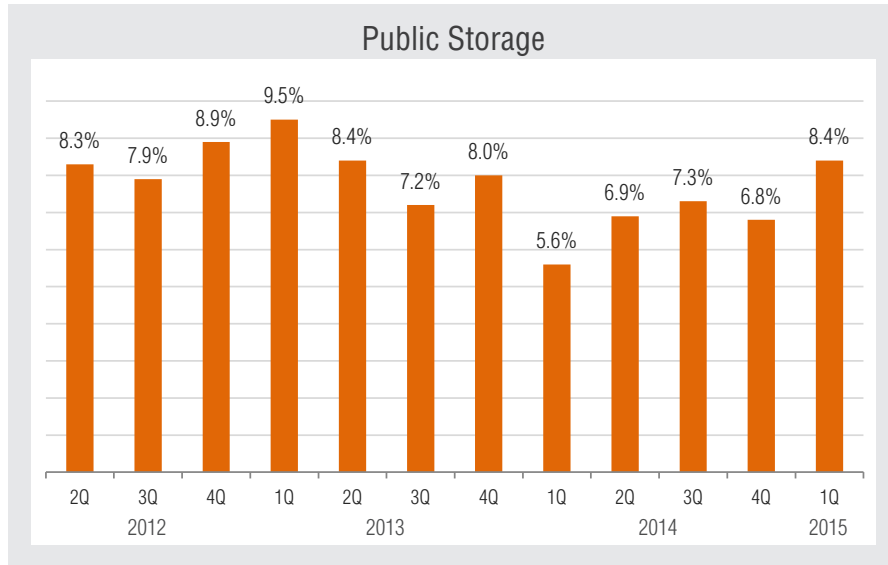
CubeSmart



Sovran



Net Operating Income
Changes From Same Quarter Year Earlier



	<i>Public Storage</i>	<i>Extra Space</i>	<i>CubeSmart</i>	<i>Sovran</i>	<i>National Storage Affiliates</i>
Market Capitalization:	\$35.17 billion	\$8.66 billion	\$4.17 billion	\$3.29 billion	\$274.85 million
Funds From Operations: (quarter adj.)	\$1.94/share (+7.8%)	\$0.69/share (+21.1%)	\$0.16/share	\$1.09/share (+11.2%)	
Dividend Per Common Share: (quarter)	\$1.70/share (+21%)	\$0.40/share	\$0.28/share (+12%)	\$0.75/share (+10.2%)	
Dividend Yield Annual	3.40%	3.30%	2.60%	3.70%	
Common Stock Price July 28, 2015: 52-Week Range:	\$203.41 \$162.34 - \$206.92	\$70.99 \$50.11 - \$72.46	\$25.09 \$17.72 - \$25.78	\$92.53 \$73.59 - \$97.76	\$11.95 \$11.71 - \$13.75

PUBLIC STORAGE

(NYSE: PSA)

Acquisitions

- During quarter, acquired four facilities consisting of about 300,000 rentable square feet for \$32.3 million. Properties located one each in Florida, North Carolina, Texas, and Washington.
- Subsequent to end-of-quarter, acquired or under contract to acquire seven facilities for \$80 million consisting of about 600,000 rentable square feet. Properties include three in Colorado, three in Texas, and one in California. Also executed a land lease buyout for \$15 million which is a remnant transaction from the Shurgard merger in 2006.

New Development

- At quarter's end, total of 31 facilities in development and expansion is estimated to cost \$387 million consisting of about 3.2 million rentable square feet. Expansion projects totaling about 400,000 rentable square feet estimated to cost \$49 million. Remaining \$300 million development costs for these projects expected to be incurred in 2015 and 2016.
- Opening one new development in Glendale California in May. Will continue to see new public storage development in current and naturally growing markets such as Miami, Houston, and Dallas. Other key markets, such as Southern and Northern California, not as much development.
- Constant flow of new equity sources trying to enter the industry. Not seeing as many high-quality properties available as recent years.
- Austin, Texas market has high self storage supply of over 11 square feet per capita, and represents a good market for Public Storage. Trends towards apartments and smaller homes, especially in markets such as Manhattan, San Francisco, and parts of Los Angeles, indicate possible future viability of similar per capita square foot usage in select markets.

EXTRA SPACE STORAGE

(NYSE: EXR)

SmartStop Acquisition

- Entered into agreement to acquire SmartStop Self Storage Inc., a public, non-traded REIT for a total purchase price of \$1.4 billion.
- SmartStop shareholders will receive \$13.75 per-share in cash. Extra Space will pay \$1.29 billion and the remaining \$120 million will come from sale of certain assets at or prior to closing. The transaction is estimated to represent approximately a 5.25% cap rate (initial yield) in 2016. The acquisition is expected to be accretive to funds from operations as adjusted (AFFO).
- Extra Space will acquire and own 121 SmartStop stores in 17 states, and assume property management of 43 third party stores in 12 states. SmartStop is the seventh largest owner and operator in the U.S., founded in 2007. SmartStop portfolio occupancy approximately 87.4%, compared with Extra Space portfolio occupancy of about 92.5%.
- SmartStop portfolio primarily concentrated in Georgia, Texas, Florida, California, and South Carolina - accounting for about 60% of its total revenue. Properties in major metro areas include Los Angeles, San Francisco, Chicago, and Northern New Jersey. Largest metro concentration is Atlanta with about 20 facilities, which roughly doubles Extra Space's market presence.

SmartStop Top Ten States

<u>State</u>	<u>Number of Stores</u>
California	26
Georgia	22
South Carolina	15
Texas	15
Florida	11
Nevada	10
Illinois	8
New Jersey	7
Arizona	6
North Carolina	6

EXTRA SPACE STORAGE

(NYSE: EXR)

SmartStop Acquisition

- Properties to be excluded in the sale include one store in California, interest into stores in Alabama, and five stores in Toronto, Canada. Extra Space will manage the U.S. stores.
- The transaction establishes a new property management relationship with funds Strategic Storage Trust II, Inc. and Strategic Storage Growth Trust, Inc.
- SmartStop's rent per square foot about \$11.18 compared with \$15.44 per square foot for Extra Space.
- SmartStop's average 3-mile population is about 85,000 compared to approximately 131,000 for Extra Space.

Tenant Insurance Opportunity

- Insurance penetration in Extra Spaces portfolio in the low 70% range, compared to the low 50%'s for SmartStop portfolio. Plus, average Extra Space portfolio customer pays about \$12 per month versus about \$9 per month for SmartStop. Plans to migrate existing customers to its own policy over time.

Equity Raise

- Extra Space announced public offering of 6,325,000 shares of its common stock at a price of \$68.15 per share, resulting in gross proceeds of approximately \$431 million. Extra Space intends to use the net proceeds to partially fund the acquisition.
- Wells Fargo Securities, B of A Merrill Lynch and Citigroup acted as joint book-running managers for the offering.

EXTRA SPACE STORAGE

(NYSE: EXR)

Acquisitions And Acquisition Environment

- Year to date, have closed on \$277 million in acquisitions.
- During the quarter, acquired seven operating stores located in South Carolina, Texas, and Virginia for approximately \$73.6 million. Also, purchased a single store in California through the buyout of its joint venture partner's interest for approximately \$10.5 million.
- Subsequent to end-of-quarter, acquired 24 operating stores located in Arizona, Georgia, and Texas for total of approximately \$192.9 million. Dallas portfolio acquired by issuing seller Operating Partnership Units (OP Units).
- Currently four operating stores under contract to purchase for a total purchase price of approximately \$31.9 million. Stores located in Georgia, New Jersey, and North Carolina. All expected to close by end of third-quarter.
- Typically target a cap rate in the low to mid 6's for year one cap rate for certificate-of-occupancy acquisitions. Some prove better and some lower.
- Estimate lease-up time of 3 to 4 years, but on pace of new properties to lease-up in 2 to 3 years.
- Target 2% to 3% dilution of annual FFO for certificate-of-occupancy deals.
- New supply currently at historically low levels, 2015 and 2016 not an issue. Lack of development activity in Los Angeles and San Francisco with maybe less than 10 new developments coming out of the ground. A lot more activity talk in New York.

Property Divestiture

- Sold one property at 41 Flatbush Ave. in Bronx, New York for \$89.4 million. Property to be renovated into an office building, with 21,000 sq. ft. retail. Property sold to Quinlan Development Group, LLC and Building & Land Technology.
- The property was owned in joint venture with Prudential, and unsolicited offer too high to reject.

EXTRA SPACE STORAGE

(NYSE: EXR)

Certificate-Of-Occupancy Acquisitions

- Under contract to purchase 16 stores for a total estimated purchase price of \$175.4 million, \$58 million expected to close in 2015, all to be acquired upon completion of construction and issuance of certificate-of-occupancy, scheduled to open in 2015, 2016, and 2017. Three of the stores, totaling \$33.2 million, will be purchased by a joint venture in which Extra Space will own a 10% equity interest.

EXTRA SPACE STORAGE
(NYSE: EXR)

Certificate-Of-Occupancy Acquisitions

<i>Site Location</i>	<i>Estimated Opening</i>	<i>Est. Net Rentable Sq. Ft.</i>	<i>Cost</i>	<i>Ownership</i>
2015 Projected Openings				
<i>Dedham, MA</i>	2Q 2015	68,250	\$12.5 million	Wholly-Owned
<i>Berwyn, IL</i>	2Q 2015	80,000	\$9.9 million	Wholly-Owned
<i>Mesa, AZ</i>	3Q 2015	62,500	\$5.0 million	Wholly-Owned
<i>Gilbert, AZ</i>	3Q 2015	56,158	\$5.35 million	Joint Venture Owned
<i>Charlotte, NC</i>	4Q 2015	69,775	\$5.3 million	Wholly-Owned
<i>Chicago, IL</i>	4Q 2015	83,356	\$16.5 million	Wholly-Owned
<i>San Antonio, TX</i>	4Q 2015	82,600	\$8.7 million	Wholly-Owned
<i>Glendale, CA</i>	4Q 2015	80,000	\$16.5 million	Joint Venture Owned
<i>Aurora, CO</i>	4Q 2015	78,750	\$11.3 million	Joint Venture Owned
			\$91.05 million	
2016 Projected Openings				
<i>San Diego, CA</i>	1Q 2016	74,100	\$9.5 million	Wholly-Owned
<i>Lake Worth, FL</i>	1Q 2016	78,225	\$8.2 million	Wholly-Owned
<i>Quincy, MA</i>	2Q 2016	87,175	\$16.15 million	Wholly-Owned
<i>Roswell, GA</i>	3Q 2016	76,900	\$7.9 million	Wholly-Owned
<i>Suwanee, CA</i>	3Q 2016	78,750	\$8.5 million	Wholly-Owned
			\$50.25 million	
2017 Projected Openings				
<i>Dallas, TX</i>	1Q 2017	85,025	\$12.8 million	Wholly-Owned
<i>Jamaica Plain, MA</i>	2Q 2016	97,500	\$21.33 million	Wholly-Owned
			\$34.13 million	

EXTRA SPACE STORAGE
(NYSE: EXR)

Certificate-Of-Occupancy Stores - Operating

<i>Site Location</i>	<i>Opened</i>	<i>Est. Net Rentable Sq. Ft.</i>	<i>Occupancy</i>	<i>Cost</i>	<i>Ownership</i>
<i>Hanover, MD</i>	2Q 2013	103,171	81.30%	\$13.5 million	Wholly-Owned
<i>Katy, TX</i>	1Q 2014	93,415	62.00%	\$14.15 million	Wholly-Owned
<i>Bridgeport, CT</i>	1Q 2014	89,460	64.20%	\$15.1 million	Wholly-Owned
<i>Thousand Oaks, CA</i>	1Q 2015	59,489	13.40%	\$12.325 million	Joint Venture (96.7%)
		345,535		\$55.075 million	

CUBESMART

(NYSE: CUBE)

Acquisitions

- In August 2014, agreement to acquire 26 properties from investment funds managed by Harrison Street Real Estate Services for \$223 million (HSRE Acquisition). Closed first tranche of 22 facilities on November 3, 2014 for \$195.5 million. On March 18, 2015, closed on the second tranche of HSRE Acquisition which included four Chicago-area facilities for \$27.5 million.
- Acquired three additional facilities in first quarter for \$21.8 million. Properties include one each in Texas, Tennessee, and Arizona.

Certificate-Of-Occupancy Development Activity

- Four facilities under contract to purchase at completion of construction and issuance of the certificate-of-occupancy for total acquisition price of \$85.2 million. Three of these properties in Texas and one in New York, with purchase expected to occur between 2Q 2015 and 1Q 2016.
- Subsequent to end-of-quarter, acquired one property in Dallas for \$15.8 million upon completion and issuance of a certificate-of-occupancy.

CUBESMART
(NYSE: CUBE)

Facilities To Be Acquired At Certificate-Of-Occupancy

<i>Site Location</i>	<i>Estimated Opening</i>	<i>Contract Price</i>
<i>Fort Worth, TX</i>	4Q 2015	\$10.1 million
<i>Grapevine, TX</i>	1Q 2016	\$10.8 million
<i>Brooklyn, NY</i>	1Q 2016	\$48.5 million
		\$69.4 million

Facility Acquisitions Completed at Certificate-Of-Occupancy

<i>Site Location</i>	<i>Date Purchased</i>	<i>Total Cost</i>	<i>Rentable Sq. Ft.</i>	<i>Price Per Sq. Ft.</i>	<i>CUBE Investment</i>	<i>3/31 Occupancy</i>
<i>Long Island City, NY</i>	4Q 2014	\$38.0 million	89,025	\$426.85	100%	14.8%
<i>Dallas, TX</i>	2Q 2015	\$15.8 million				

CUBESMART
(NYSE: CUBE)

Joint-Venture Development Activity

- At quarter's end, five joint venture development properties under construction. Anticipate investing a total of \$115.6 million to these projects, with \$39.6 million invested of the total as of quarter-end.
- Anticipates dilution of approximately \$0.03 per share related to development and certificate-of-occupancy activity.

New Development Facilities

<i>Site Location</i>	<i>Expected Opening</i>	<i>CUBE's Anticipated Total Investment</i>
<i>Arlington, VA</i>	2Q 2015	\$18.1 million
<i>Brooklyn, NY</i>	4Q 2016	\$14.4 million*
<i>Queens, NY</i>	1Q 2016	\$32.1 million
<i>Queens, NY</i>	1Q 2016	\$19.0 million
<i>Bronx, NY</i>	2Q 2016	\$32.0 million

*may acquire adjoining parcel to existing J.V. development and increase investment by \$3.7 million

Completed Development Facilities

<i>Site Location</i>	<i>Completed</i>	<i>Rentable Sq. Ft.</i>	<i>Total Cost</i>	<i>Cost Per Sq. Ft.</i>	<i>CUBE's Investment</i>	<i>Occupancy</i>
<i>Malvern, PA</i>	1Q 2014	86,400*	\$25.1 million	\$290.51	100%	96.2%
<i>Bronx, NY</i>	1Q 2014	46,852	\$17.2 million	\$367.11	100%	53.1%

*includes corporate headquarters of 67,552 sq. ft.

CUBESMART
(NYSE: CUBE)

Development Momentum

- Last couple of years, lease up time significantly shorter than historical expectations.
- A store acquired in late 2011 on Bruckner Boulevard in the Bronx leased up to stabilization only about two years--historically expect 3 to 4 years.
- Some stores in Northeast under construction were delayed a little due to poor weather.

New Supply

- Last quarter discussed 18 stores (now 28) in some form of development that directly compete with CubeSmart in top 10 markets, with some concentrations in major Texas markets, boroughs of New York, Chicago, and particularly Miami. Projecting 12 openings in 2015, not all will make that deadline, and 16 projected to open in 2016.

SOVRAN
(NYSE: SSS)

Property Acquisitions

- As previously announced, purchased the four Westy properties for \$120 million on Long Island, New York and Southern Connecticut that it had been leasing since late 2013.
- During the first quarter, acquired two properties, both in Chicago totaling \$15.2 million. Now operating 16 storage properties in the Chicago market.
- One property located at 5860 N. Pulaski Avenue, Chicago was purchased upon completion of a renovated building at certificate-of-occupancy. Sovran targeting yield of 8% cap rate, with anticipated stabilization achieved in 3 to 3.5 years.
- Second Chicago facility acquired was a property with 94% occupancy at acquisition. Property acquired at 6.8% cap rate. Targeting 8% yield within 2.5 to 3.5 years, expecting to increase rents 15% to 20% from current average of about \$10 per square foot.
- Subsequent to end-of-quarter, acquired three additional properties at a total cost of \$23.9 million. Locations in Dallas, Jacksonville, and Fort Myers all markets Sovran already has a presence in. The properties purchased at a 5.8% cap rate, partly due to Jacksonville property still in lease-up at 77% occupancy in a little over 18 months.
- Past nine or 10 months seller expectations of spreads to stabilized properties required on certificate-of-occupancy deals have come down substantially. Developer expectations have gone from 10% to 6% and below.

Property Divestiture

- Sold one non-strategic facility which was acquired as part of larger portfolio in 2014. Received net proceeds of \$691,000 resulting in a \$7,000 loss.

SOVRAN
(NYSE: SSS)

Acquisition Pipeline

- Under contract to purchase four facilities for \$32.5 million.
- Three certificate-of-occupancy transactions totaling about \$26 million.
- Negotiations for 11 properties totaling approximately \$67 million.
- Reviewing potential certificate-of-occupancy properties totaling approximately \$43 million.
- Not seeing pricing on acquisitions coming down. Seeing more development opportunities.
- If a portfolio similar in size and quality to Four Seasons in Houston, believes the market cap rate would be sub 6% and maybe 5%.

New Supply

- Overall portfolio only has approximately 86 newly plan competitive developments or in planning stage within company markets, and 56 in four states:
 - 25 in Texas
 - 13 in Phoenix
 - 12 in North Carolina
 - 6 in Denver

Expansion And Enhancement

- Sovran intends to spend \$25 million to \$30 million on expansion and enhancement program. Budgeted \$19 million to provide recurring capitalized expenditures including roofing, paving, and office renovations.

PUBLIC STORAGE

(NYSE: PSA)

Institutional Leader

- Public Storage is only public self storage company that is a member of the S&P 500 and FT Global 500.
- Public Storage owns a 42% equity interest in PS business Parks, Inc. (NYSE: PSB) which owns and operates approximately 28 million rentable square feet of commercial space.

Europe

- Occupancy throughout Europe for the quarter increased 7.1% to 87.9% from 82.1% last year. All markets except one increased net operating income. Holland most challenging market, and occupancy hitting 81.4% versus 70.7% last year. Overall, European rental rates down about 3%.

Tenant Base

- Street rates up about 6%, and move-in rates up a little over 5%. Seeing competition finally raising their street rates, which have not seen much over past couple of years since everyone fairly full and getting more aggressive on rates.
- Move-in volume up about 1.3%.
- About 80% of move-ins getting a discount in first quarter, about the same as last year.
- Approximately 57% of all tenants have been renting at least one year. Aging of tenant base continues to increase length of stay.

Expenses

- General and Administrative Expenses for the quarter up to \$24 million from \$19 million last year due to three primary categories:
 1. Share-based compensation up about \$1 million.
 2. Development overhead up about \$500,000, that was expensed
 3. Legal costs up about \$4 million.

PUBLIC STORAGE

(NYSE: PSA)

Occupancy

- In April, have some markets as a whole 97% occupied, but overall portfolio not likely to reach this level.
- Gerard property in Bronx, New York with 4,000 units opened in mid-2013 and ended April at 93.3% occupancy. Forecast to take four years to fill up and basically filled up less than two years. Rates lower than anticipated, but expect to make up difference.

EXTRA SPACE STORAGE

(NYSE: EXR)

Third-Party Management

Third-party managed stores	271
Joint-venture managed stores	270
Total Managed	541

- Same-store portfolio occupancy 92.5% as of March 31, 2015, compared to 89.5% same time last year.

Occupancy, Rates, And Revenue Management

- Estimate peak portfolio occupancy of just over 94% this year.
- Put out rate increases to about 10% of existing customers every month. This translates to about 65,000 per month.
- Street rates estimated to increase about 5% this year.
- Discounts or promotions in first quarter provided to customers range from as high as 85% to as low as 69%. Amount of discount less than in the recent past.

Aggregators

- Sold Storage.com and 15 other domain names as a package since not a core business. Aggregators have their role for certain assets and markets, but not core to Extra Space.

Driving Higher Value Through Segmentation

- College renters not highest value customer, so not spending a lot of money going after them or offering a discount or promotion.
- In contrast a customer coming in November is likely to have longer length of stay, and if on autopay, much more valuable customer.

EXTRA SPACE STORAGE

(NYSE: EXR)

Select Markets Same-Store Performance

<i>MSA</i>	<i>Stores</i>	<i>Avg. Occupancy</i>	<i>Revenue Growth</i>
<i>Los Angeles-Riverside-Orange County</i>	148	91.7%	+10.07%
<i>New York-Northern New Jersey-Long Island</i>	88	91.7%	+4.89%
<i>Washington-Baltimore DC, VA, WV</i>	72	90.4%	+3.94%
<i>Boston-Worcester-Lawrence MA, NH, ME, CT</i>	52	92.1%	+5.71%
<i>San Francisco-Oakland-San Jose</i>	51	94.1%	+11.42%
<i>Philadelphia-Wilmington-Atlantic City, PA, DE, NJ</i>	36	91.7%	+4.47%
<i>Miami-Fort Lauderdale</i>	34	92.7%	+8.13%
<i>Dallas-Fort Worth</i>	33	89.7%	+7.25%
<i>Atlanta</i>	31	91.3%	+10.13%
<i>Chicago-Gary-Kenosha</i>	28	90.6%	+5.75%
<i>Tampa-St. Petersburg-Clearwater</i>	26	89.2%	+9.05%
<i>Memphis TN, AR, MS</i>	25	91.9%	+7.07%
<i>Phoenix-Mesa</i>	20	92.4%	+8.94%
<i>Indianapolis</i>	19	90.9%	+8.16%
<i>Houston-Galveston</i>	17	93.1%	+9.65%
<i>Denver-Boulder-Greeley</i>	17	91.8%	+14.73%
<i>Cincinnati-Northern Kentucky</i>	16	91.3%	+9.74%
<i>Las Vegas NV, AZ</i>	12	90.8%	+4.44%
<i>Salt Lake City-Ogden</i>	10	90.4%	+7.88%

EXTRA SPACE STORAGE

(NYSE: EXR)

Guidance For Full Year 2015 Same-Stores

Revenue	6.25% to 7.25%
Expenses	3% to 4%
Net Operating Income	7% to 9%

*Assumes same-store pool of 503
stores and includes tenant insurance*

- Net Tenant Reinsurance income \$55 million to \$56 million
- Funds From Operations (FFO) \$2.94 to \$3.02 per share as adjusted
- Acquisitions of \$450 million operating stores, and \$50 million certificate-of-occupancy deals.

CUBESMART

(NYSE: CUBE)

Third-Party Management

- Third-party management program includes 181 facilities. Added 13 properties in first quarter.
- Overwhelming majority of management pipeline are future development sites. Currently have a pipeline of about 30 stores that, assuming successful completion, will be branded and managed by CubeSmart.
- About 4% of stores managed are not branded CubeSmart. Only REIT that does not require new assets be branded.

Rental Rates And Occupancy

- Consistently passing along rate increases to about 6% of total customer base every month.
- In-place rents continue to be driver of revenue growth, and expect trend to continue for next several quarters.
- Overall portfolio occupancy end of April 200 basis points ahead of last year.
- Peak portfolio occupancy last year was 93%, conceivable this year's peak is higher.
- Discounts as a percentage of in-place rents declined to 4.3% from 5% in last year's first quarter. Similar number of customers are receiving discounts, but discount rates have declined. Less aggressive promotional strategy offering less than a full month free to many customers.

Guidance For Full Year 2015

Revenue Growth	5.25% to 6.25%
Net Operating Income	6.25% to 7.25%
Acquisitions	\$100 million to \$150 million (excluding joint-venture, c/o developments)
Funds From Operation (FFO)	\$1.15 to \$1.19 per share

CUBESMART
(NYSE: CUBE)

Select Markets Same-Store Performance

<i>MSA</i>	<i>Stores</i>	<i>Avg. Occupancy</i>	<i>Revenue Growth Q1</i>
<i>Northeast</i>			
<i>New York-Northern New Jersey</i>	43	90.6%	+6.3%
<i>Baltimore-DC</i>	21	89.9%	+5.4%
<i>Connecticut</i>	20	90.3%	+5.9%
<i>Philadelphia-Southern New Jersey</i>	13	91.4%	+8.6%
<i>Southeast</i>			
<i>Miami-Fort Lauderdale</i>	17	93.2%	+6.3%
<i>Other Markets</i>	40	92.8%	+8.6%
<i>Atlanta</i>	16	91.4%	+8.6%
<i>Midwest</i>			
<i>Texas Major Markets</i>	40	92.0%	+7.1%
<i>Chicago</i>	28	91.5%	+7.7%
<i>Ohio</i>	14	90.1%	+4.0%
<i>West</i>			
<i>Arizona-Las Vegas</i>	27	89.3%	+6.0%
<i>Southern California</i>	12	92.5%	+7.1%
<i>Inland Empire</i>	14	90.8%	+6.6%
<i>Colorado</i>	13	91.5%	+10.2%
Total Overall Average	361 same-stores	91.2%	+7%

SOVRAN
(NYSE: SSS)

Revenue Growth

- During first quarter, experienced same-store revenue growth in 23 of 24 states in which it operates. Only four Pennsylvania stores experienced 1% decrease.
- February proved to be slowest month in years from traffic due to snow and poor weather throughout the Northeast. Revenue rebounded in March and April.
- Sovran's largest same-store pool of 40 stores in Houston metro area increased revenue by 6.5% over first quarter of last year. Scale and revenue management offsetting falling oil prices and their impact.

Select Markets Same-Store Performance

<i>MSA</i>	<i>Stores</i>	<i>Avg. Occupancy</i>	<i>Revenue Growth</i>
<i>Houston-The Woodlands-Sugarland</i>	40	91.2%	+6.5%
<i>New England-CT, MA, RI, NH, ME</i>	31	89.2%	+3.1%
<i>Dallas-Fort Worth-Arlington</i>	20	93.1%	+6.4%
<i>Atlanta-Sandy Springs-Roswell</i>	20	91.7%	+8.7%
<i>Miami-Fort Lauderdale-West Palm Beach</i>	13	89.9%	+6.4%
<i>Jacksonville, FL</i>	8	94.4%	+13.3%
<i>Space Coast, FL</i>	7	95.5%	+10.0%
<i>Cape Coral-Fort Myers</i>	6	91.1%	+16.6%
<i>Birmingham-Hoover, AL</i>	5	84.5%	+10.9%

SOVRAN
(NYSE: SSS)

Revenue Management And Operations

- Portfolio occupancy at end of March 90.5%, best first quarter ever achieved. End-of-April occupancy of 91.3% 160 basis points above last April, hope to set more records before the year is over.
- First quarter same-store Internet expense of approximately \$1,425,000 versus \$1,394,000 last year's first quarter.
- Discounts of \$1.8 million in the quarter, more than the same time last year.
- 34% of customers above current street rates, 56% of customers below current street rates.
- Realized rent growth in first quarter of +3.4%, down from +5.2% in Q4 and +4.4% in Q3.
- Anticipate pushing street rates in northeast due to pent up demand. Also throughout Florida, Phoenix, and Texas, especially San Antonio.
- Turning away thousands of customers due to lack of available space. These going to the mom-and-pop competitors.

Guidance For Full Year 2015

Revenue	5% to 6%
Operating Costs (excluding property taxes)	3% to 4%
Property Taxes	5% to 6%
Net Operating Income	6% to 7%
Property Acquisitions	\$100 million (about 40% met to date)
Funds From Operations (FFO)	\$4.79 to \$4.85 per share

PUBLIC STORAGE

(NYSE: PSA)

Equity And Debt

- Redeemed 6.875% Series O Preferred Shares on April 15, 2015, and allocated \$4.8 million of net income to various shareholders.
- Considering issuing new debt in 2015.
- Amended revolving line of credit agreement which:
 1. Increases borrowing limit to \$500 million from \$300 million.
 2. Extends maturity date three years to March 31, 2020 from March 31, 2017.
 3. Decreases spread over LIBOR to 0.85% from 0.90%.
 4. Decreases quarterly facility fee to 0.80% from 1.25%

EXTRA SPACE STORAGE
 (NYSE: EXR)

Total Debt

			Weighted Avg. Interest Rate
Fixed-rate debt	\$1.688 billion	69.2%	4.0%
Variable-rate debt	\$753 million	30.8%	2.0%
Total debt	\$2.441 billion	100%	3.4%

Weighted average maturity of 4.5 years

- Average monthly cash balance of \$30 million expected in 2015
- Net Debt to EBITDA 5.42x

Common Stock Equivalents

	Quarterly Weighted Average
Common Shares	116.4 million
Operating Partnership Units (OP Units)	4.366 million
Preferred A OP Units	875,000
Preferred B OP Units	639,000
Preferred C OP Units	452,000
Preferred D OP Units	209,000

CUBESMART
(NYSE: CUBE)

Equity And Debt

- Sold 1.2 million common shares through at-the-market equity program (“ATM”) at an average sales price of \$24.62 per-share, resulting in net proceeds of \$29.4 million. Eight million shares available for future issuance.
- Amended credit facility in April, comprised of \$300 million unsecured revolving facility and \$200 million unsecured term loan. Increased size of the facility to \$500 million from \$300 million. Extended the maturity date to April 22, 2020 from June 18, 2017, and decreased pricing.

Market Capitalization

	Amount	Rate	Weighted Avg. Maturity
Unsecured	\$980 million	3.68%	5.9 years
Secured	\$196.8 million	5.64%	2.8 years
Total debt	\$1.176 billion	4.01%	5.4 years
Market Equity Value	\$4.149 billion		
Total Market Capitalization	\$5.326 billion		

Total Debt

	Amount	Weighted Avg. Rate	Weighted Avg. Maturity
Floating Rate	\$80 million	1.48%	2.2 years
Fixed Rate	\$1.096 billion	4.19%	5.6 years
Total debt	\$1.1768 billion	4.01%	5.4 years

SOVRAN
(NYSE: SSS)

Equity And Debt

- Issued 1.38 million shares of common stock on February 26, 2015 at a price of \$90.40 per-share, resulting in net proceeds of \$119.5 million after issuance costs. Used proceeds to fund Westy portfolio.
- Issued 28,317 shares at a price of \$91.72 in January through its Dividend Reinvestment Plan.
- Common shares outstanding 35,562,772
- Operating partnership units (OP Units) outstanding 178,866
- \$10.3 million cash on hand, and \$237 million available on its \$300 million revolving line of credit.

Key Financial Ratios

Debt to Enterprise Value (@ \$93.94/share)	19.5%
Debt to Book Cost of Facilities	35.2%
Debt to EBITDA	4.4x
Debt Service Coverage (DSC)	5.2x