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SELF STORAGE GROUP

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SELF STORAGE MARKET OVERVIEW

Full Year & Fourth Quarter 2015 Results

Analysis of the Public Self Storage Companies

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Summary

Self storage REITs continued impressive revenue growth in the fourth quarter, ranging from 6.5% to 9.6% as compared to the fourth quarter 2014. Net Operating Income growth increased from 7.8% to 11.5%.

- Approximately \$2.8 billion acquisition volume in 2015.
- The acquisition market for self storage assets remains strong, particularly for portfolio offerings. Premiums for portfolio acquisitions versus single assets range from approximately 75 basis points to 175 basis points.
- “Over the past year and a half cap rate spreads for certificate-of-occupancy transactions compared to stabilized properties have dropped 100 basis points.” - Paul Powell, Chief Investment Officer, Sovran Self Storage
- Development increasing, but little impact presently.

Macroeconomic and Other Trends Impacting Self Storage

- Starting in the summer of 2016, MSCI, Inc. and S&P Dow Jones Indices, LLC will break out real estate REITs into a distinct sector rather than grouping in broader group of financial firms such as banks and insurance companies. S&P 500 currently has ten sectors, and 25 real estate companies will make up the new sector.
- Spending on residential investment, including new home construction and home remodeling, advance 8.1% in the fourth quarter.
- Consumer-Price Index core prices were up 2.2% in January from a year earlier, the most since 2012. Core service prices were up 3%, the strongest advance since 2008. - U.S. Labor Department
- There are approximately 2.2 million marriages in the U.S. annually and 825,000 divorces.
- Economy added 2.65 million jobs in 2015 followed by 3.15 million in 2014 – best in fifteen years. Need to gain about 120,000 job a month to keep up with the U.S. population growth.
- Sales of U.S. homes in 2015, about 5.26 million, 6.5% increase from the previous year but below the peak of 7.08 million homes in 2005.
- Overall retail sales in the U.S. increased 3.3% from October 31st through January 4th, about the same growth as previous year. But, foot traffic to physical stores fell 6.4%. - Retail Matrix

Implied CAP Rates Based on Common Share Prices

Public Storage (NYSE: PSA)	3.8%
Extra Space (NYSE: EXR)	4.0%
CubeSmart (NYSE: CUBE)	4.2%
Sovran (NYSE: SSS)	5.3%
National Storage Affiliates (NYSE: NSA)	6.5%

Sources: BMO Capital Markets, KeyBanc

Renter Ranks Swelling

- Last year, the number of families and individuals renting in the U.S. rose to 43 million, up from 34 million a decade earlier. - Harvard University's Joint Center for Housing Studies
- Effective apartment rents nationwide rose 4.6% in 2015, the biggest gain since 2007. - Reis, Inc.



Summary

- Homeownership rate lowest in 30 years, 63.7% at beginning of the fourth quarter.

Home Equity Creation

- Home equity has roughly doubled to \$12.1 trillion since housing prices hit bottom in 2011. Home equity as a share of real estate values now at 56%, nearing 60% level in the boom. - U.S. Federal Reserve
- About 38% of metro areas had home prices above pre-2009 peak at the beginning of the fourth quarter, up from 30% last year. 13% of metro areas within 5% of peak. - Moody Analytics

Downtown Population Boom

- U.S. cities with at least 5 million residents, population growth averaged 13.3% within a two-mile radius of the city hall. More than double the growth rate of 6.2% in the broader metro area in those markets. - U.S. Census Bureau
- Over the next three years, developers are expected to build almost one million apartments in the U.S., more than nearly 900,000 constructed over the previous three years - Axiometrics, Inc.
- The middle class made up about 50% of U.S. population in 2015, down from 61% in 1971. - Pew Research Center/U.S. Census Bureau

Sovereign Wealth Funds

- Currently, 59% of all sovereign-wealth funds invest in real estate, up 5% percentage points from two years ago.
- Norway's \$823 billion sovereign-wealth fund recently said it could put as much as 15% of its money into real estate.
- Abu Dhabi Investments Authority (ADIA) founded in 1976 manages an estimated \$621 billion, and allocates between 5% and 10% of its assets to real estate in over 41 countries. - Sovereign Wealth Center

U.S. Work Force Composition

Millennials (18-34)	53.5 million
Generation X (35-50)	52.7 million
Baby Boomers (51-69)	44.6 million

Sources: Pew research Center, May 2015

- Manufacturing sector accounted for 8.6% of U.S. employment, near record low. By comparison, in 1970s manufacturing represented about 25% of employees, and in the mid-1940s it was nearly 40%.

Apartment Percentage of Total Housing Stock

Philadelphia	15%
Chicago	30%
Boston	35%
New York	51%

Sources: National Multifamily Housing Council

Earnings Results

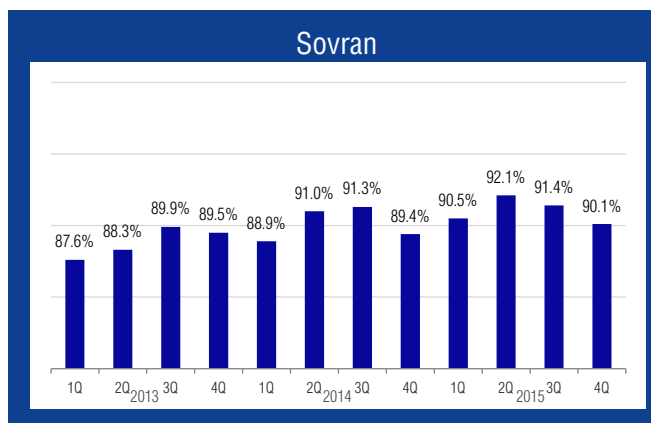
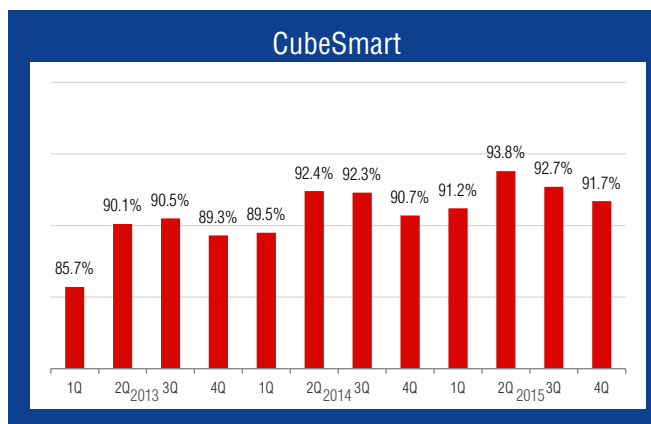
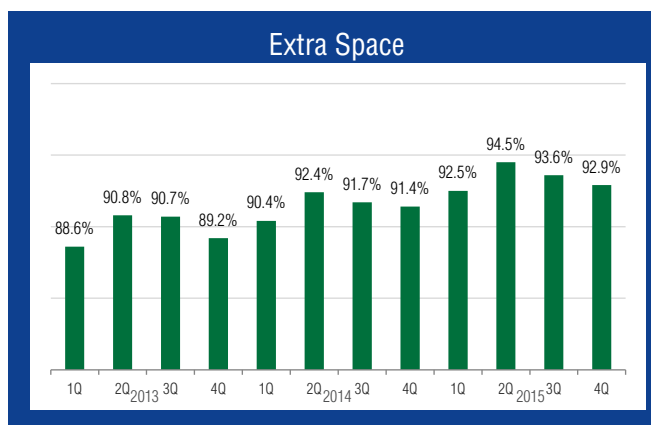
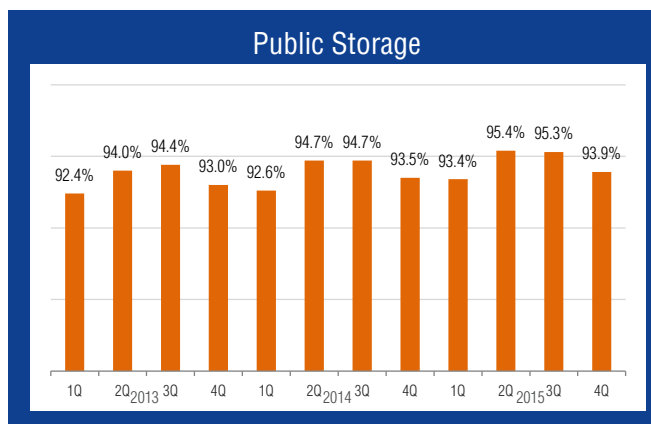
Same-Store Comparisons

	Public Storage	Extra Space	CubeSmart	Sovran	National Storage Affiliates
Number of Properties:	2,271 U.S. 217 Europe	1,347	607	542	292
Third-Party Management:	29	348	162	21	
Joint Venture Management:	<u>12</u>	<u>253</u>	<u>65</u>	<u>69</u>	
Total Managed:	41	601	227	90	
Revenue:					
Full Year:	+6.5%	+9.3%	+7.3%	+6.2%	+7.8%
Q4 2015:	+6.6%	+9.6%	+8.0%	+6.7%	+6.5%
Net Operating Income:					
Full Year:	+8.5%	+11.9%	+9.6%	+7.9%	+11.5%
Q4 2015:	+8.0%	+11.5%	+11.1%	+7.8%	+10.7%
Occupancy:	93.9%	92.9%	91.7%	90.1%	88.8%
vs. last year:	93.5% (weighted avg.)	91.4% (End of Q4)	90.1% (End of Q4)	88.9% (End of Q4)	85.6% (weighted avg.)
Rent Per Occupied Sq. Ft.:	\$16.18	\$15.81	\$15.16	\$12.64	\$10.65

Capital Markets

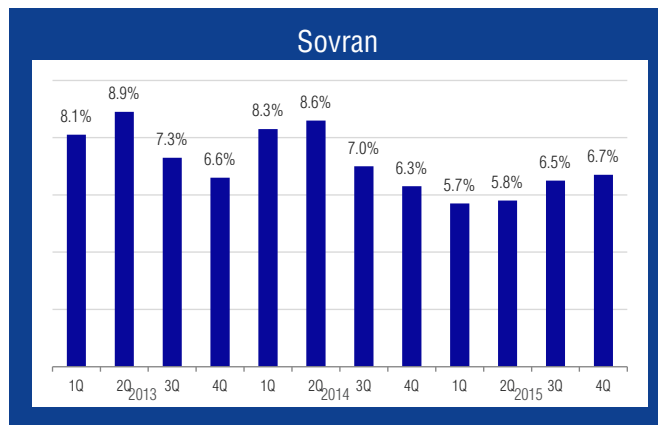
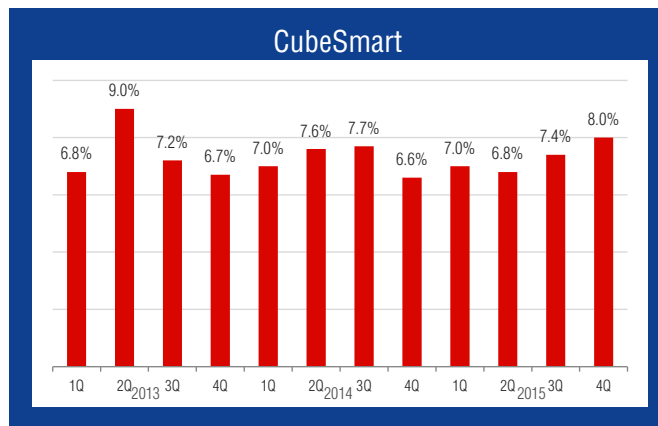
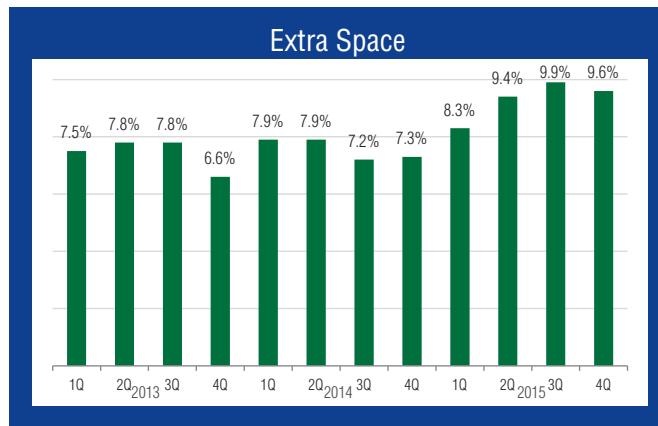
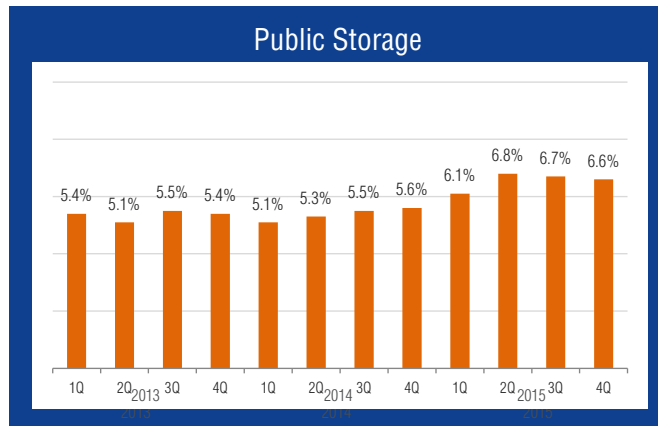
	Public Storage	Extra Space	CubeSmart	Sovran	National Storage Affiliates
Market Capitalization:	\$43.79 billion	\$10.47 billion	\$5.38 billion	\$4.23 billion	\$1.2 billion
Funds From Operations: (quarter adjusted)	\$2.46/share (+13.4%)	\$0.87/share (+27.9%)	\$0.33/share (+17.9%)	\$1.28/share (+13.3%)	\$0.24/share (+14.3%)
Annual Dividend Yield	2.68%	2.84%	2.80%	3.13%	4.40%
Common Stock Price: 3/3/16	\$256.17	\$86.29	\$31.36	\$109.06	\$18.41
52-Week High:	\$257.98	\$91.99	\$31.91	\$113.99	\$19.93
52-Week Low:	\$182.08	\$63.52	\$22.09	\$85.69	\$11.50

Portfolio Occupancies



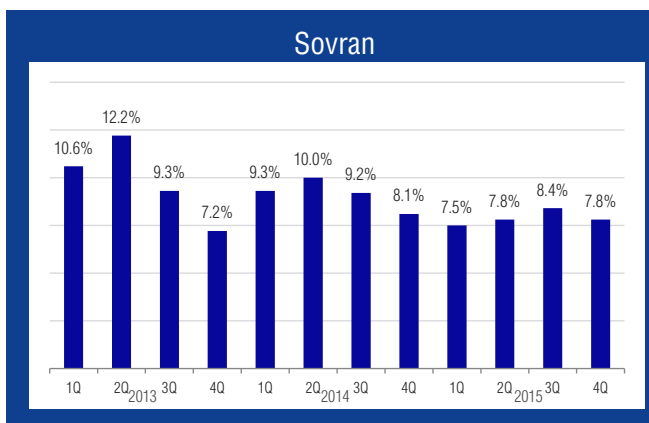
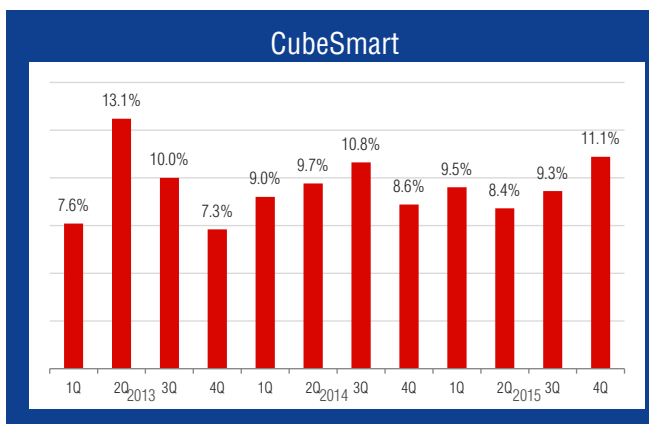
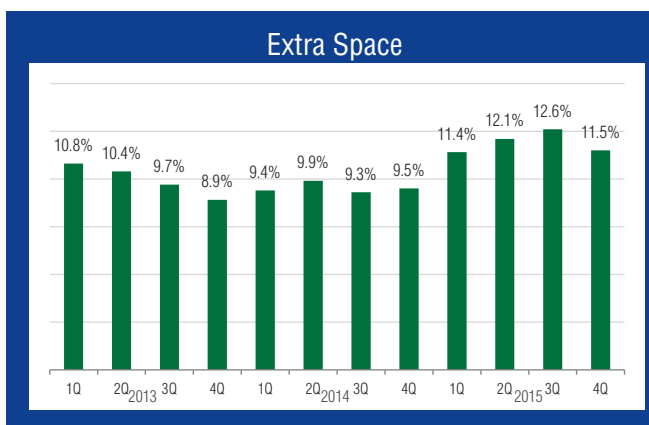
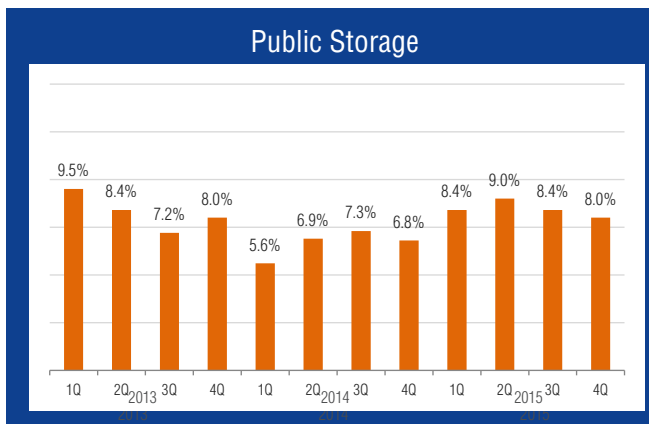
Portfolio Revenues

Changes from Same Quarter a Year Earlier



Portfolio Net Operating Income

Changes from Same Quarter
 a Year Earlier



Investment Activity

Public Storage (NYSE: PSA)

Acquired 17 facilities for approximately \$169 million with an aggregate of 1.3 million net rentable square feet in 2015.

- Subsequent to year's end, acquired or under contract to acquire 17 facilities for \$149 million, with 1.2 million net rentable square feet. Locations include eight in Ohio, seven in Florida, one each in South Carolina and Tennessee.
- During the fourth quarter, acquired seven facilities for \$71 million with 500,000 net rentable square feet. Locations include three in Florida and two each in Texas and California.
- Most of recent acquisitions nearing stabilized physical occupancies of about 80% to 85%. Anticipate up to six months to one year to stabilize the assets after clearing up delinquencies. Projecting meaningful growth in year two of the investments.

Development

- At year's end of 2015, various new facilities in development consisting of three million rentable square feet estimated to cost \$396 million. And, various expansion projects consisting of about 700,000 rentable square feet estimated to cost about \$90 million.
- Development yields, after an imputed absorption cost, between 8% and 10% on a cash-on-cash basis. The targeted yields increase an additional 150 basis points without considering absorption.
- Re-development yields anywhere from 10% to 30% since there are no land costs. Public Storage wishes they could do \$1 billion per year, but do not have available re-development opportunities in its portfolio to reach that volume per year.
- Ron Havner, CEO of Public Storage, estimates 1,000 to 1,200 properties in some stage of development in the U.S. representing possibly 2% to 2.5% of current supply.
- Some markets such as Texas and Florida have great population growth that can handle the above average new supply. The core markets of California are not experiencing a significant uptick in new supply.
- New development opened in Glendale, California with 2,000 units leased nearly 85% occupancy in less than one year with little discounting. The fast lease-up is in contrast to other new developments which had projected three years for the properties to stabilize.

Acquisition Dynamics

- Yields must be higher in lower barrier to entry markets since growth is likely slower than higher barrier markets.
- Underwriting on average, 150 basis points to 200 basis points growth in Net Operating Income over 12 months to 18 months following an acquisition. Need to overcome property tax assessment increases from the previous owner's low basis.

Investment Activity

Public Storage (NYSE: PSA)

Acquisition Dynamics (Continued)

- Acquisitions made in 2013 and 2014 performing better than anticipated, as industry fundamentals improved more than anticipated. New developments are also performing better than anticipated.
- Could not justify pricing nearing \$300 per square foot for recent California transactions when Public Storage is building for \$150 to \$160 per square foot.
- Underwriting potential acquisitions based on current rates, not forward looking rents in two or three years out.

Investment Activity

Extra Space Storage (NYSE: EXR)

Acquired 166 operating facilities and five certificate-of-occupancy facilities for approximately \$1.75 billion in 2015.

- In fourth quarter, completed approximately \$1.3 billion acquisition of SmartStop Self Storage, including 122 wholly-owned facilities and third-party management of 43 facilities.
- SmartStop Self Storage acquisition paid \$16 million in transactions costs - \$8 million for investment bankers and \$8 million for severance expenses.
- Also in fourth quarter, acquired additional six operating properties, and three properties at certificate-of-occupancy for a total of approximately \$75.4 million.
- Subsequent to year's end, acquired 15 operating facilities and one at certificate-of-occupancy totaling approximately \$144 million. This includes the buyout of a major joint venture partner's interest in six facilities at the value of the JV partner's interest (55% of total purchase price).
- Currently under contract to purchase 29 additional properties totaling \$373 million, including 22 wholly-owned stores. Seven joint venture stores under contract for \$75.4 million, of which EXR holds a 10% interest.
- Anticipates a 25% interest in proposed joint venture for five facilities acquired at certificate-of-occupancy in New York under contract totaling \$252 million.

Development

- Estimate 600 new properties overall to be delivered in the United States in 2016. Credit requirements to obtain construction loans are tight, and entitlements are still very difficult to get generally around the country. Expect supply to remain muted. – *Spencer Kirk, Chief Executive Officer, Extra Space Storage*
- Certificate-of-occupancy spreads of about 150 basis points between new certificate-of-occupancy opportunities and fully stabilized assets in the market.
- Development in mid-2000s more than 2,600 facilities per year put in market place – today only 20% to 30% of the level.
- Only experienced developers are considered for certificate-of-occupancy transactions, some with existing relationships. None of the certificate-of-occupancy transactions are with new entrants to self storage.
- Capitalization rate compression for certificate-of-occupancy transactions stable the last six months.
- Certificate-of-occupancy acquisitions have been leasing up half as fast as historical lease-ups. Internet strategy helps drive more traffic to new properties.
- Underwriting relating to lease-up time remains conservative even as lease-up to stabilization has been faster.



Investment Activity

Extra Space Storage (NYSE: EXR)

Certificate-Of-Occupancy Stores - Under Contract

Site Location	Estimated Opening	Estimated Rentable SF	Total Cost	Cost Per SF
2016 Openings				
Chicago, IL	1Q 2016	83,356	\$16,500,000	\$197.95
Quincy, MA	1Q 2016	87,175	\$16,150,000	\$185.26
Aurora, CO*	1Q 2016	78,750	\$11,300,000	\$143.49
New York, NY**	1Q 2016	64,379	\$52,000,000	\$807.72
Glendale, CA*	2Q 2016	80,000	\$16,500,000	\$206.25
Murray, UT	2Q 2016	65,250	\$3,750,000	\$57.47
Mesa, AZ	2Q 2016	62,500	\$5,000,000	\$80.00
Roswell, GA	3Q 2016	76,900	\$7,900,000	\$102.73
Ladera Ranch, CA	3Q 2016	32,600	\$8,500,000	\$260.74
Lake Worth, FL*	3Q 2016	78,225	\$8,200,000	\$104.83
Orlando, FL	4Q 2016	67,800	\$7,300,000	\$107.67
Suwanee, GA*	4Q 2016	78,750	\$8,500,000	\$107.94
New York, NY**	4Q 2016	62,385	\$33,000,000	\$528.97
New York, NY**	4Q 2016	65,188	\$30,000,000	\$460.21
TOTAL	14 Facilities	953,258	\$224,600,000	
2017 Openings				
Dallas, TX*	1Q 2017	85,025	\$12,800,000	\$150.54
Naperville, IL*	1Q 2017	75,725	\$9,300,000	\$122.81
New York, NY**	1Q 2017	140,659	\$80,000,000	\$568.75
Jamaica Plain, MA	2Q 2017	97,500	\$21,333,000	\$218.80
New York, NY**	3Q 2017	128,095	\$57,000,000	\$444.98
TOTAL	5 Facilities	527,004	\$180,433,000	
2018 Openings				
Cohasset, MA	1Q 2018	52,475	\$8,800,000	\$167.70
Charlotte, NC	2Q 2018	74,800	\$9,300,000	\$124.33
TOTAL	2 Facilities	182,525	\$18,100,000	

* 10% interest in a joint venture partnership.

** 25% interest in a joint venture partnership.



Investment Activity

Extra Space Storage (NYSE: EXR)

Certificate-Of-Occupancy Stores - Operating

Site Location	Opened	Rentable Sq. Ft.	Total Cost	Cost Per SF	Occupancy 12/31/15
Hanover, MD	2Q 2013	103,171	\$13,500,000	\$130.90	89.8%
Katy, TX	1Q 2014	93,415	\$14,150,000	\$151.47	84.2%
Bridgeport, CT	1Q 2014	89,820	\$15,100,000	\$168.11	90.0%
Thousand Oaks, CA*	1Q 2015	59,529	\$12,325,000	\$207.04	79.0%
Dedham, MA	2Q 2015	67,431	\$12,500,000	\$185.37	79.8%
Berwyn, IL	2Q 2015	79,547	\$9,900,000	\$124.45	75.5%
Gilbert, AZ**	3Q 2015	62,200	\$5,429,000	\$87.28	39.2%
San Antonio, TX	4Q 2015	82,636	\$8,700,000	\$105.28	13.2%
Charlotte, NC	4Q 2015	65,623	\$5,300,000	\$80.76	10.4%
San Diego, CA	4Q 2015	73,723	\$9,708,000	\$131.68	4.4%
<i>TOTAL</i>	10 Facilities	777,059	\$106,612,000		

* 96.7% interest in a joint venture partnership.

** 10% interest in a joint venture partnership.

Additional Activity and Acquisition Dynamics

- Eventual capitalization rates on acquisitions of properties in major markets typically stabilize in the mid-6% range, but could be lower in year one. Secondary markets in the 7% range. Difficult to buy in the New York market with capitalization rates further compressing to sub-6% range.
- Increased third-party management platform by 88 stores to a total of 348 stores at year-end.
- Dispositions of less than \$25 million during the year focused on the bottom part of the portfolio.

Investment Activity

CubeSmart (NYSE: CUBE)

For the full year, acquired 29 properties for \$292.4 million, including one property at certificate-of-occupancy in the second quarter. Acquired 11 of the properties from its third-party management platform.

- Acquired 13 properties for \$124.2 million in the fourth quarter. Locations include three in Massachusetts, two each in Georgia, North Carolina, Texas, and one each in Arizona, New Jersey, New York and Tennessee. Capitalization rates in low-5% range – a blend of stabilized and lease-up acquisitions.
- Subsequent to the end of 2015, acquired four facilities for \$57.4 million. Locations include three in Texas and one in Washington D.C. Capitalization rates in mid-5% range. Market range for Class A stabilized assets 5% to 5.5% capitalization rates.
- Currently five properties under contract to purchase for \$75.6 million.

Joint Venture - Storage Pros Acquisition

- Formed a joint venture with Heitman, called HVP, to acquire 37 assets. CubeSmart invested about \$8 million for a 10% ownership, plus a promoted interest, providing opportunity to participate in the upside, in addition to earning property management and other fees.
- The joint venture acquired 30 properties in the fourth quarter for a purchase price of \$193.7 million. Locations include six in Massachusetts, and five each in Tennessee, and Florida containing 1.8 million rentable square feet.
- Subsequent to year's end, the joint venture acquired a facility in Michigan for \$5.7 million, and had six additional properties under contract for \$43.1 million.
- Capitalization rate for the joint venture transaction in the low-to-mid 6% range in year one. Occupancy in mid-80% range, representing upside to increase revenues through occupancy gains.

Dispositions

- In fourth quarter, sold all seven owned assets in El Paso, Texas, one asset in Jacksonville, Florida, and its remaining asset in London, England. Total sales of all combined \$47.7 million. Dispositions not planned in 2016, but will be opportunistic if scenario exists to prune the portfolio.

Investment Activity

CubeSmart (NYSE: CUBE)

Certificate-Of-Occupancy Stores - Operating

Site Location	Opened	Rentable Sq. Ft.	Total Cost	Cost Per SF	Occupancy 12/31/15
Long Island City, NY	Q4 2014	88,775	\$38.0 million	\$428.05	42.2%
Dallas, TX	Q2 2015	114,590	\$15.8 million	\$137.88	28.6%
<i>TOTAL</i>	2 Facilities	777,059	\$53.8 million		

Certificate-Of-Occupancy Stores - Under Contract

Site Location	Estimated Opening	Total Cost
Brooklyn, NY	Q1 2016	\$48.5 million
Fort Worth, TX	Q1 2016	\$10.1 million
Grapevine, TX	Q1 2016	\$10.8 million
Miami, FL	Q1 2017	\$20.8 million
Riverwoods, IL	Q1 2017	\$11.2 million
<i>TOTAL</i>	5 Facilities	\$101.4 million

Recently Opened New Developments

Site Location	Opened	Rentable Sq. Ft.	Total Cost	Cost Per SF	Occupancy 12/31/15
Malvern, PA*	Q1 2014	86,400	\$25.1 million	\$290	93.1%
Bronx, NY	Q1 2014	46,477	\$17.2 million	\$370	67.3%
Arlington, VA**	Q2 2015	96,382	\$17.1 million	\$177	49.0%
Queens, NY**	Q4 2015	74,625	\$17.4 million	\$233	0.9%
Brooklyn, NY**	Q4 2015	56,563	\$14.8 million	\$262	0.0%
<i>TOTAL</i>	5 Facilities	360,447	\$91.6 million		

* Includes 67,522 square feet for corporate headquarters.

** 90% interest in a joint venture partnership.

Certificate-Of-Occupancy Stores - Under Contract

Site Location	Estimated Opening	Total Cost
Queens, NY	Q1 2016	\$32.1 million
Bronx, NY	Q3 2016	\$32.0 million
Washington D.C.	Q3 2016	\$25.4 million
North Palm Beach, FL	Q4 2016	\$9.4 million
Brooklyn, NY	Q3 2017	\$49.8 million
<i>TOTAL</i>	5 Facilities	\$148.7 million

Investment Activity

Sovran (NYSE: SSS)

In 2015, acquired 27 facilities for \$281.2 million and a total of two million square feet. Locations include six in New York, six in Florida, six in South Carolina; two each in Connecticut and Illinois; and, one each in Arizona, Massachusetts, North Carolina, Texas and Pennsylvania.

- During fourth quarter, acquired one facility in Eagleville, Pennsylvania, near Philadelphia, for \$6.55 million (sold by MJ Partners).
- Entered California market with acquisition of eight properties in the Los Angeles area, seven stabilized and one newly developed.
- In January and February 2016, entered into contracts to acquire 22 properties.
- One portfolio comprised of 13 stores for \$187 million, and three portfolios comprised of four properties each.
- The transactions include 21 stabilized properties in existing Sovran markets including six in Boston/New Hampshire, five in Central/Southern Florida, four in California, three in Dallas, two in Connecticut, two each in New York metro and Philadelphia, and one in Denver. The stabilized portfolio traded for about \$172 per square foot.
- Paid \$237 per square foot for four high-end properties in Southern California.
- Currently an additional \$39 million under contract, one in California for about \$160 per square foot.

Capitalization Rates on Acquisitions

- Capitalization rates of 5.1% for seven California acquisitions combined based on trailing twelve-month basis. Assets with about 90% physical occupancy, but only 82% economic occupancy. Expect to increase economic occupancy 9% to 10% during first 12 months. Therefore, year one capitalization rate projected at 5.3% based on ability to increase economic occupancy. The property tax adjustment in first year may offset the initial revenue increase.
- Forward capitalization rate on acquisitions in first quarter for Florida properties project about 6.6% year one. Hope to grow 75 to 100 basis points going into 2017.
- New England and Dallas properties 5.6% to 5.7% year one projected capitalization rates.
- Eagleville (Philadelphia) facility expected 6.3% capitalization rate year one.
- Phoenix property, a new development opened since May, expecting 4% yield year one.



Investment Activity

Sovran (NYSE: SSS)

Certificate-of-Occupancy

- Currently with 12 certificate-of-occupancy properties in the portfolio or under contract. Six have been operating for a few quarters.
- Anticipate \$0.07 to \$0.08 FFO dilution from certificate-of-occupancy deals completed to date and expected in 2016.
- Under contract to purchase new certificate-of-occupancy properties including two in Chicago, and one each in Charleston and Miami. The Miami property acquired in February 2016 for \$11 million. The remaining three total \$27 million and are slated to be acquired later in 2016.
- Two properties in Chicago estimated to be about 8% capitalization rate at stabilization, about 150 to 175 basis points over today's market capitalization rate.
- Miami property projecting about 7.9% capitalization rate at stabilization, roughly 150 basis points over market capitalization rate.
- Charleston forecasting a strong capitalization rate at 9.5%. The asset went under contract prior to the recent capitalization rate compression for certificate-of-occupancy transactions.
- Over past 18 months, capitalization rate spreads for certificate-of-occupancy transactions have dropped 100 basis points.

New Supply Remains Muted

- Sovran's survey highlights only 41 properties were constructed in 2015 out of the 159 announced. Only 74 of the announced or completed developments are located in Sovran-concentrated trade areas - primarily in Dallas-Ft. Worth, Chicago, Phoenix, Raleigh and Houston. The limited new development in key markets presented little impact in key markets.
- Sold two non-strategic facilities in South Carolina for approximately \$4 million – both acquired as part of a portfolio purchased in September 2015. If dispose any in 2016, only five to ten properties.

Certificate-of-Occupancy Stores - Operating

Site Location	Opened	Rentable Sq. Ft.	Total Cost	Cost Per SF	Occupancy 12/31/15
Chicago, IL	2Q 2014	52,168	\$5,500,000	\$105	75.8%
Chattanooga, TN	3Q 2014	57,260	\$6,550,000	\$114	91.5%
Chicago, IL	4Q 2014	97,611	\$5,750,000	\$59	69.2%
Chicago, IL	1Q 2015	64,780	\$8,690,000	\$134	36.1%
Phoenix, AZ	2Q 2015	64,401	\$7,904,000	\$123	48.1%
Boston, MA	2Q 2015	63,475	\$10,291,000	\$162	17.9%
<i>TOTAL</i>	6 Facilities	399,695	\$44,685,000		

Investment Activity

National Storage Affiliates (NYSE: NSA)

In 2015, acquired 58 properties for approximately \$313 million. Total includes about 3.7 million rentable square feet in about 28,500 storage units.

- In the fourth quarter 2015, acquired 16 properties for approximately \$70.4 million. Total includes about one million rentable square feet in about 7,700 storage units.
- Subsequent to year-end, acquired 16 properties for approximately \$85 million, encompassing approximately one million rentable square feet in 7,300 storage units.
- Added seventh Participating Regional Operator (PRO), Hide-Away Storage Services, Inc. Steve Wilson is the Chief Executive Officer of the Sarasota, Florida-based company. The \$115 million transaction will add 14 properties to the NSA platform with one million rentable square feet.
- Approximately \$60 million of the Hide-Away Storage transaction price shall be through issuance of Operating Partnership Units (OP Units) and Subordinated Performance Units (SP Units). Loan assumptions are causing slight delays in the completion of the transaction.
- Recently entered Indianapolis market with two small portfolio acquisitions - Store Now Self Storage consisting of three properties, and Access Self Storage consisting of three properties.
- Since its Initial Public Offering, 40% of all acquisitions generated through PROs. The PROs network provides a captive pipeline of future transactions with over 100 additional properties valued over \$700 million.

Capitalization Rates

- The capitalization rates for one-off transactions range from 6% to 6.5% based on trailing twelve-month operating results. Year-one forward, capitalization rates 6.5% to 7.0%.
- The capitalization rates for portfolio transactions compressed to the 5% range based on trailing twelve-month operating results.

Operations

Public Storage

(NYSE: PSA)

Approximately 63% of move-ins were sourced through company websites, as compared to 36% in 2010.

- Close to 57% of all customers staying greater than one year, an increase from 54.5% in 2011.
- Managers and supervisors payroll increases of 2% to 3% in 2016, versus approximately 1% increases in 2015. On-site property managers payroll to increase 1% to 1.5% in 2016 versus 0.6% last year. Supervisors payroll to increase beyond the 1.9% increase from last year, the result of additional work load due to the release of a few district managers in 2015.
- Estimate 6% realized rent growth in 2016.
- Anticipate higher street rates in 2016 than in 2015.
- In the fourth quarter, move-in volume increased about 0.9% with rates approximately 4% higher.
- Move-out volumes increased 1.7% in the fourth quarter.

Marketing Channels 2016

- Spend more on keyword search bids or banner advertising than television advertisements.
- Allocating \$13 million for Internet promotions.
- Allocating \$4.5 million for television advertisements.
- General and Administrative Costs are estimated between \$80 million to \$90 million.
- Public Storage brand is considered the strongest asset which should continue capturing outsized market share.
- On-Demand Storage services in urban locations, no impact at all, including technology hub of San Francisco.
- Profit per move-in averages to \$27 per customer in first month versus \$19 last. Realized a 42% increase in customer profitability this year, an increase of 33%.
- The West Coast exhibited the strongest revenue growth regions. Florida doing well, as most of Texas. The Carolinas also doing well.

Same-Store Facilities Definition

- The 1,990 same-store facilities have been owned and operated on a stabilized basis since January 1, 2013. Same-store pool consists of 126.3 million rentable square feet, representing approximately 86% of aggregate rentable square feet of U.S. portfolio.



Operations

Public Storage (NYSE: PSA)

Select Markets Same-Store Performance - Full Year 2015

Market	Stores	Rent Per Occupied Sq. Ft.	Weighted Avg. Square Foot Occupancy	Revenue Growth
Los Angeles	205	\$21.65	95.6%	+8.1%
Chicago	128	\$14.98	92.7%	+3.5%
San Francisco	127	\$22.97	96.1%	+8.3%
Dallas-Ft. Worth	97	\$12.66	95.0%	+8.1%
Atlanta	90	\$11.32	94.6%	+6.9%
Seattle-Tacoma	83	\$17.05	95.2%	+7.5%
New York	82	\$23.49	94.8%	+5.1%
Houston	75	\$13.34	94.2%	+7.8%
Washington D.C.	75	\$20.93	93.0%	+2.6%
Philadelphia	55	\$14.40	93.8%	+4.6%
Orlando-Dayton	47	\$12.04	95.3%	+8.3%
Denver	45	\$15.67	95.5%	+10.0%
Portland	42	\$16.49	96.4%	+10.7%
Minneapolis-St. Paul	41	\$13.54	92.6%	+3.0%

Shurgard Europe

- Overall 2015 revenues increased to 4.5% and Net Operating Income increased by 5.5%.
- Occupancies average for the year is 89.8% versus 85.3% from a year earlier, with minor reduction in rents.
- Opened three new developments in London, with three more in various stages of early development; taking down the land and working through the zoning process. All combined should be 500,000 square feet added with \$90 million invested.
- Looking to develop in Berlin, Germany.

Operations

Extra Space Storage

(NYSE: EXR)

“Data is probably our single most valuable asset if look at 800,000 plus units that we have information on.” – Spencer Kirk, Chief Executive Officer, Extra Space Storage.

Operations

- EXR included as part of the S&P 500, joining PSA as the only two self storage REITs.
- Increase total size of portfolio in 2015 by 24%.
- Funds from Operation (FFO) grew by 29% in the fourth quarter, it marks 21 consecutive quarters of double-digit increases.
- Anticipates FFO dilution of \$0.05 from 2015 and 2016 certificate-of-occupancy acquisitions. Once performing at portfolio average, these properties should produce an additional \$0.10 per share.
- Houston market only represents 2% of total portfolio.
- Revenue forecast anticipates about 100 basis points in occupancy gains, and assumes little discount burn-off.
- Anticipate to increase street rates in mid-to-high single digits.
- To get up to 3,000 properties (currently about 1,347 at year end), EXR will consider many markets outside of high-end Los Angeles and New York markets. The goal is to continue establishing a broad national platform.
- Seasonality impact much more muted at the end of the year, only a 30 basis point decrease from average occupancy.

Same-Store Facilities Definition

- Company considers store to be stabilized once open for three years, or has sustained average occupancy of 80% by square feet for one calendar year.
- Same-store pool increased by 61 properties for a total of 564 facilities.



Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	4Q 2015 Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County	64	\$15.24	95.0%	+12.2%
New York-N. New Jersey-Long Island	58	\$21.61	92.9%	+8.5%
Boston-Worcester-MA, NH, ME, CT	38	\$19.12	92.8%	+9.2%
Washington-Baltimore	33	\$18.87	91.1%	+4.2%
San Francisco-Oakland-San Jose	32	\$22.96	95.2%	+11.6%
Atlanta	19	\$12.10	93.1%	+11.0%
Dallas-Fort Worth	18	\$13.83	93.9%	+10.2%
Chicago-Gary-Kenosha	18	\$14.38	90.7%	+4.1%
Philadelphia-Wilmington-Atlantic City	14	\$13.55	93.4%	+7.5%
Tampa-St. Petersburg-Clearwater	12	\$13.60	95.5%	+13.6%
Sacramento-Yolo	9	\$11.77	96.0%	+16.1%
Memphis	8	\$9.11	91.8%	+5.5%
Orlando	7	\$11.81	94.5%	+12.7%
Houston-Galveston-Brazoria	7	\$13.90	93.0%	+7.5%
Salt Lake City-Ogden	7	\$11.20	94.5%	+12.0%
Denver-Boulder-Greeley	6	\$14.30	90.8%	+10.0%
West Palm Beach-Boca Raton	6	\$12.87	94.2%	+16.8%
Las Vegas	5	\$7.17	92.8%	+8.4%
Hawaii	5	\$29.83	94.1%	+14.6%
Indianapolis	5	\$11.14	91.1%	+4.0%

Full Year 2016 Guidance - Same-Store Pool

Metric	Guidance
Revenue Growth	6.5% to 7.5%
Expense Growth	3.0% to 4.0%
Net Operating Income	7.5% to 9.0%
Tenant Insurance Income	\$71 million to \$72 million
Acquisitions - Operating Facilities	\$530 million
Acquisitions - Certificate-of-Occupancy	\$70 million



Operations

CubeSmart

(NYSE: CUBE)

Revenue growth in the fourth quarter came mostly from gains in effective rents of 6.5%, a 20 basis point increase from year earlier, as well as 130 basis point gain in occupancy.

- Third-party management program includes 227 facilities. Awarded contracts to manage an additional 76 properties during 2015. 46 properties were added to the program during the fourth quarter, including 30 facilities in the HVP joint venture.
- End of January 2016 same-store pool occupancy reached 91.4%, and asking rents up 5.1% from previous year.
- Active in investing in energy efficiency initiatives including lighting and temperature control programs.
- Experimented with valet storage business, called CubeSmart Direct, in New York. It moved quickly into moving and storage business. No impact from other competing valet storage concepts.
- Entire same-store portfolio of 353 properties NOI growth of 11.1% represents the second highest quarterly growth in company's history.
- Houston remains strong. Its 12 asset same-store pool generated 8.7% revenue growth during the fourth quarter. Including 27 joint venture stores in the Houston market, the combined 39 stores delivered 10.2% same-store revenue growth.
- Discounts as percentage of in-place rent declined about 30 basis points from last year to 3.9%.
- Same-store revenue growth of 8% in quarter due to the following:

Occupancy Increase	1.4%
Rate Increases/Lower Discounts	5.9%
Ancillary Revenue	0.7%
Total Revenue	8.0%

- Same-store pool consists of 353 facilities with 23.8 million rentable square feet, representing 78.4% of aggregate rentable square feet in U.S. portfolio.



Operations

CubeSmart

(NYSE: CUBE)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	4Q 2015 Average Occupancy	Revenue Growth
New York-N. New Jersey-Long Island	45	\$26.54	91.6%	+7.9%
Chicago-Naperville-Joliet	28	\$13.16	91.5%	+3.8%
Miami-Fort Lauderdale-Pompano Beach	27	\$16.33	94.0%	+7.6%
Dallas-Fort Worth-Arlington	22	\$12.78	91.8%	+7.2%
Washington D.C.-Arlington-Alexandria	19	\$19.37	90.6%	+6.3%
Atlanta-Sandy Springs-Marietta	16	\$11.47	93.4%	+9.7%
Riverside-San Bernadino-Ontario	14	\$10.01	93.0%	+10.9%
Houston-Sugarland-Baytown	12	\$13.01	92.2%	+8.7%
Philadelphia-Camden-Wilmington	12	\$15.23	90.5%	+9.6%
Phoenix-Mesa-Scottsdale	10	\$9.93	91.1%	+8.0%
Orlando-Kissimmee	7	\$11.61	93.1%	+12.6%

Full Year 2016 Guidance - Same-Store Pool

Metric	Guidance
Revenue Growth	6.0% to 7.0%
Net Operating Income	7.5% to 8.5%
General and Administrative Expenses	\$30 million to \$31 million
Funds from Operation (FFO) Adjusted	\$1.35 to \$1.40
Diluted Per Share Due to Development	\$0.03 per share
Acquisition Activity	\$200 million to \$250 million

Operations

Sovran

(NYSE: SSS)

During fourth quarter, achieved same-store revenue growth in 28 of its 29 major markets in the same-store pool. Strongest revenue growth markets include Florida, New York and Georgia.

- 62% of all customers staying over one year.
- Planning on spending \$13 million renovating 28 properties over next couple of years to bring assets up to company standards. The renovation program keeps the assets in the portfolio rather than necessitate the disposition of the facilities that was considered a year ago.
- Additional opportunities in markets with a population threshold of about 750,000 people works for the company.

Revenue Management and Operations

- End of January 2016 occupancy 90.2% versus 88.8% last year.
- Asking rates up 4.1%.
- Same-store property taxes up 5.1%, better than expected. 89 properties in the portfolio are up for reassessment in 2016.
- Primarily use third-party aggregator, SpareFoot, decreased by 29%. Organic search growth increased 4% last year.
- Concessions for same-stores down approximately \$450,000 or 27%, to about \$1.2 million in Q4 2015.
- Intends to spend up to \$40 million on its expansion and enhancement program. Budgeted \$19 million for recurring capitalized expenditures including roofing, paving and office renovations.
- Houston market consisting of 41 same-store pool of properties. The wholly-owned stores are expected to comprise about 10% of forecasted Net Operating Income in 2016. Revenue for the Houston stores are projected to grow 5.75% to 6.25%, with Net Operating Income growth of between 6% and 7%.
- Expects dilution of approximately \$0.07 to \$0.08 per share for the first 24 to 26 months of operation, due to property acquired at certificate-of-occupancy. Currently operating six that were acquired in 2014 and 2015, in addition to one in Phoenix and one in Miami acquired in February 2016. Expect to acquire another certificate-of-occupancy property in Los Angeles in March 2016 and three more later in the year.



Operations

Sovran

(NYSE: SSS)

Same-Store Facilities Definition

- Same-store pool consists of 428 stabilized stores owned since December 31, 2014. The pool does not include stores in early stages of lease-up purchased in 2014 at certificate-of-occupancy. Same-store pool includes stores in the first year after achieving 80% sustained occupancy using market rates and incentives.

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	4Q 2015 Average Occupancy	Revenue Growth
Houston-The Woodlands-Sugarland	40	\$13.56	90.6%	+6.0%
New England-CT, MA, RI, NH, ME	31	\$16.58	90.2%	+7.0%
Dallas-Fort Worth-Arlington	20	\$11.61	93.3%	+7.9%
Atlanta-Sandy Springs-Roswell	20	\$12.15	91.5%	+9.6%
New York-Newark-Jersey City	18	\$22.70	92.1%	+9.5%
New Orleans-Lafayette	14	\$11.34	92.3%	+2.5%
Miami-Fort Lauderdale-West Palm	13	\$16.38	91.2%	+8.2%
San Antonio-New Braunfels	12	\$12.25	91.3%	+9.8%
Phoenix-Mesa-Scottsdale	10	\$10.46	89.6%	+7.3%
Chicago-Naperville-Elgin	9	\$14.15	90.4%	+8.3%
St. Louis	8	\$12.86	90.1%	+7.8%

Full Year 2016 Guidance - Same-Store Pool

Metric	Guidance
Revenue Growth	6.0% to 7.0%
Operating Costs	3.0% to 4.0%
Real Estate Taxes	6.0% to 7.0%
Total Operating Expenses	4.0% to 5.0%
Net Operating Income	7.0% to 8.0%
Funds from Operation (FFO)	\$5.45 to \$5.51



Operations

National Storage Affiliates

(NYSE: NSA)

Same-store revenue growth of 6.5% coupled with a reduction in operating expense growth rate generated 10.7% Net Operating Income growth during the fourth quarter 2015.

- Recently added seventh Participating Regional Operator (PRO), Hide-Away Storage Services, Inc.
- Hope to add one to three new PROs each year.
- For the last three quarters, same-store growth averaged 12% above prior year.
- Tenant insurance profitability approximately 60% to NSA, 40% to individual PROs.
- Same-store pool will increase from 135 facilities in 2015 to 222 facilities in 2016.

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Sq. Ft.	4Q 2015 Average Occupancy	Revenue Growth
Texas	31	\$10.17	88.3%	+5.7%
Oregon	26	\$12.00	93.4%	+11.5%
Oklahoma	25	\$8.42	88.4%	+3.2%
North Carolina	15	\$9.99	80.4%	-2.4%
Georgia	14	\$8.38	93.7%	+10.3%
Colorado	5	\$11.33	93.1%	+6.4%
Washington	13	\$12.13	93.3%	+13.3%

Full Year 2016 Guidance - Same-Store Pool

Metric	Guidance
Revenue Growth	6.0% to 7.0%
Operating Expense Growth	3.0% to 4.0%
Net Operating Income	7.0% to 9.0%
Subordinated Performance Unit Distributions	\$20 million to \$22 million
Acquisitions	\$350 million to \$450 million
Core Funds from Operation (FFO) Per Share	\$1.02 to \$1.08

Capital Activities

Public Storage (NYSE: PSA)

- Issued 5.4% Preferred Shares Series B for gross proceeds of \$300 million, on January 8, 2016.
- Redeemed 6.5% Preferred Shares Series P for \$125 million plus accrued dividends, on October 8, 2015.
- Issued €242 Million of Euro-denominated (\$264.3 million) unsecured Senior Notes, bearing interest at a fixed rate of 2.175%, maturing in ten years.
- In April and then in July a total of \$875 million of Preferred Shares are eligible to be called by Public Storage; likely to call one or both series of these Preferred Shares.



Capital Activities

Extra Space Storage (NYSE: EXR)

- No issuance of any shares of common stock in fourth quarter. At year's end, had \$369.2 million available for issuance under equity distribution agreements.

Total Debt Structure

Type of Debt	% of Debt	Weighted Avg. Interest Rate
Fixed-Rate Debt	68.6%	3.6%
Variable-Rate Debt	31.4%	2.1%
Total Debt	100.0%	3.1%

Weighted Average Maturity of 4.9 Years



Capital Activities

CubeSmart (NYSE: CUBE)

Equity and Debt

- Issued \$250 million of 4.0% unsecured senior notes due November 15, 2025. This was company's third bond offering. Net proceeds used to fund a portion of investment activity, repay outstanding indebtedness under unsecured revolving credit facility, working capital, and general corporate purposes.
- Increased its "at-the-market" (ATM) equity program to 40 million shares from 30 million shares.
- During the fourth quarter, sold 3.5 million common shares through ATM program at an average sales price of \$28.43 per share, resulting in net proceeds of \$97.4 million.
- For full year, sold 9 million common shares at an average price of \$26.35 per share and \$234.2 million net proceeds through ATM program. Company has 10.2 million shares available for issuance under existing equity distribution agreements.
- New joint venture, HVP, entered into a \$112.7 million loan with an interest rate of LIBOR plus 2.0%, matures December 2018 with options to extend until December 2020.
- Market Equity Value - \$5.49 billion
- Total Market Capitalization - \$6.75 billion

Total Debt Structure

Type of Debt	Amount	Weighted Avg. Interest Rate	Weighted Avg. Maturity
Unsecured Debt	\$1.2 billion	3.91%	6.4 years
Secured Debt	\$112.1 million	5.65%	3.6 years
Total Debt	\$1.26 billion	4.06%	6.2 years



Capital Activities

Sovran
(NYSE: SSS)

Equity and Debt

- During fourth quarter, issued 450,000 shares through its “at-the-market” program at an average price of \$99.58 per share. Net proceeds of \$44.2 million used in part to fund acquisitions.
- Issued 2,645,000 shares of common stock on January 25th, resulting in net proceeds of approximately \$269.7 million, part used to fund acquisitions.
- Issued 45,370 shares at a price of \$96.45 in October through its Dividend Reinvestment Plan.
- Increased its line of credit on January 4, 2016 to \$500 million from \$300 million, pursuant to existing unsecured credit agreement.
- Approximately \$7 million cash on hand, and \$221 million available on its line of credit.

Key Financial Ratios

Debt to Enterprise Value (@ \$107.31/share)	17.4%
Debt to Book Cost of Facilities	33.4%
Debt to EBITDA	3.8x
Debt Service Coverage (DSC)	6.1x

Additional Capital Activities

- 39.4 million common shares outstanding, subsequent to common stock offering in January.
- 200,000 Operating Partnership Units (OP Units) outstanding.
- Attained credit rating upgrades (to BBB from BBB-) from both Standard and Poor’s and Fitch ratings agencies. Moody’s Investors Services initiated coverage with a “Baa2” credit rating on corporate credit and issue-level ratings.

Capital Activities

National Storage Affiliates

(NYSE: NSA)

- At December 31, 2015, company had approximately \$571 million of total debt outstanding including approximately \$388 million outstanding debt under its credit facility.
- Approximately two-thirds of total debt is fixed-rate, or essentially fixed through SWAPs. Weighted average rate of 2.9%, with average weighted maturity of 3.1 years.
- Funding of 40% of all transactions through issuance of Operating Partnership Units (OP Units) or Subordinated Performance Units (SP Units)..



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