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SELF STORAGE GROUP

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SELF STORAGE MARKET OVERVIEW

First Quarter 2019 Results

Analysis of the Public Self Storage Companies

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Summary




First Quarter 2019 Results

- The self storage REITs reported solid results for Q1 2019. While revenue growth continues to decelerate as compared to recent years, performance during the quarter beat expectations.
- The self storage REITs generated same-store revenue growth in the first quarter ranging from 1.5% to 4.8%. New supply limiting performance in markets with elevated levels of new deliveries.
- Net operating income for same-store pools range from 0.6% to 6.7% during the quarter.
- Same-store occupancy levels at quarter end range from 88.6% to 92.1%.
- “We continue to experience broad-based customer demand across our portfolio.” – Chris Marr, CEO, CubeSmart.

Impact of New Supply

- New supply in 2019 expected to reach similar or modestly below levels to 2018 of about \$5 billion in deliveries.
- Markets with early cycle deliveries have begun to recover from slowing new supply, including Texas markets, Chicago, Bronx, New York.
- The REITs are not witnessing distressed portfolios, but recently opened properties by private developers are not meeting original underwriting expectations.

Implied Cap Rates

	Public Storage (NYSE: PSA)	4.8%
	Extra Space Storage (NYSE: EXR)	4.5%
	CubeSmart (NYSE: CUBE)	5.3%
	Life Storage (NYSE: LSI)	5.8%
	National Storage Affiliates (NYSE: NSA)	5.6%

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

Summary

New Supply Update

Under Construction & Planned
Percent of Existing Inventory

Metro Area	April-2019
NATIONAL	9.9%
Portland	29.2%
Nashville	25.6%
Seattle	21.2%
Orlando	18.9%
New York	16.5%
Boston	16.3%
Miami	16.1%
Phoenix	15.1%
Minneapolis	14.6%
Charleston (SC)	14.2%
San Jose	12.4%
Charlotte	12.3%
Washington DC	12.0%
Atlanta	12.0%
Denver	12.0%
Pittsburgh	11.2%
Austin	11.1%
Philadelphia	10.4%
San Diego	10.2%
Sacramento	10.1%
Tampa	9.5%
Raleigh–Durham	9.1%
Columbus (OH)	9.0%
Las Vegas	8.1%
Dallas–Ft Worth	6.9%
San Antonio	6.6%
San Francisco Penin. & East Bay	5.9%
Chicago	5.5%
Los Angeles	5.4%
Inland Empire	5.1%
Houston	4.9%

*Source Yardi Matrix

- Yardi Matrix tracked a total of 2,129 self storage properties in the National pipeline during April 2019. It includes 717 under construction, 1,077 planned and 335 prospective projects.
- The supply pipeline is expanding in 2019. Units under construction and in the planning stages account for 9.9% of existing inventory nationwide. Most new projects are in the planning phase, while units under construction have remained steady in recent months.
- Development activity remains strong in rapidly growing markets like Portland (29.2% of existing inventory) and Nashville (25.6%).
- While the supply pipeline remains elevated nationwide, larger metros in the Northeast face challenges with limited, expensive land available for construction. Developers are building smaller and more constrained new facilities on land that would be unusable to other commercial real estate asset classes.



Earnings Results

Same-Store Comparisons

	Total Properties Operating	Revenue Growth	Net Operating Income Growth	End of Quarter Occupancy	Rent Per Occupied Square Foot
Public Storage	2,444 U.S. 231 Europe	1.5%	0.6%	92.1%	\$17.41
Extra Space Storage	1,696	4.2%	4.8%	91.6%	\$16.85
CubeSmart	~1,131	2.6%	2.8%	92.1%	\$16.74
Life Storage	780	2.4%	2.5%	90.1%	\$14.04
National Storage Affiliates	709	4.8%	6.7%	88.6%	\$11.82

Capital Markets

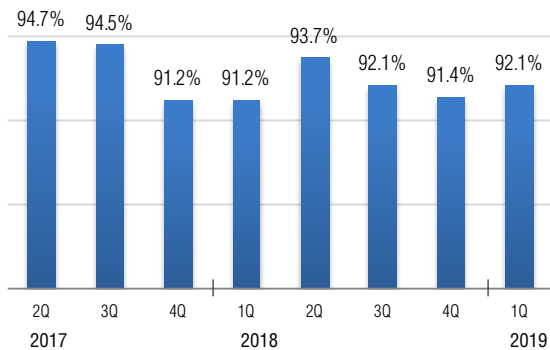
	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (5.7.2019)	52-Week High/Low
Public Storage	\$38.90 billion	\$2.52/share (+6.3%)	3.62%	\$222.63	\$234.90 \$193.89
Extra Space Storage	\$13.88 billion	\$1.16/share (+6.4%)	3.32%	\$104.16	\$108.07 \$83.70
CubeSmart	\$6.09 billion	\$0.40/share (+2.6%)	4.01%	\$32.04	\$33.18 \$27.19
Life Storage	\$4.48 billion	\$1.31/share (+0.01%)	4.20%	\$95.84	\$102.91 \$88.92
National Storage Affiliates	\$2.58 billion	\$0.37/share (+15.6%)	4.10%	\$28.39	\$32.28 \$24.44



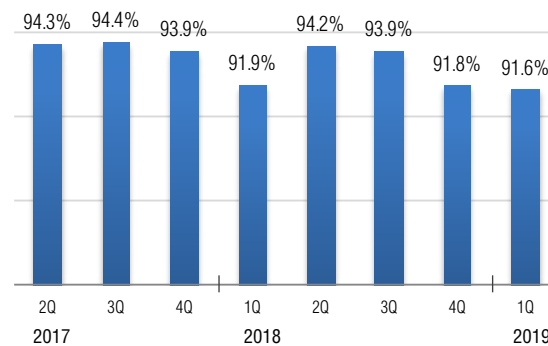
Portfolio Occupancies

Same-Store
Year-Over-Year Change

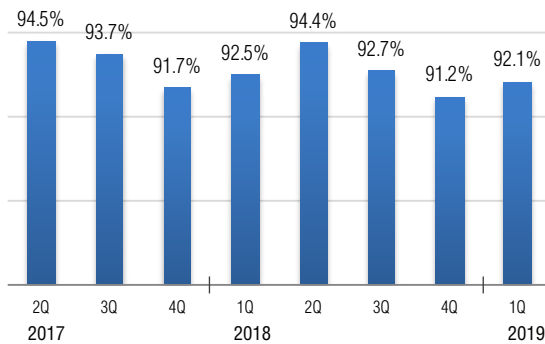
Public Storage



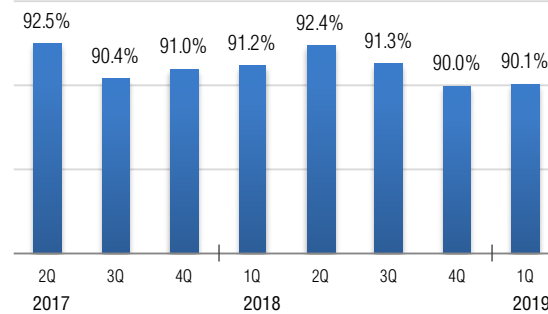
Extra Space Storage



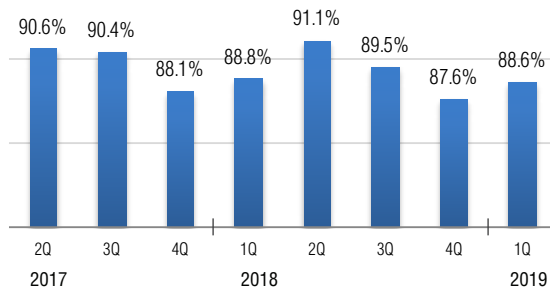
CubeSmart



Life Storage



National Storage Affiliates

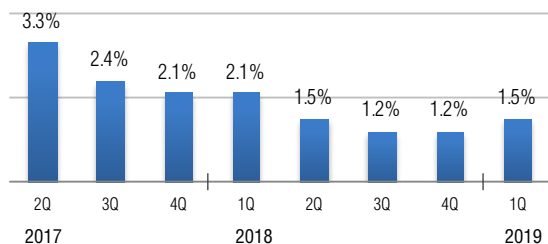




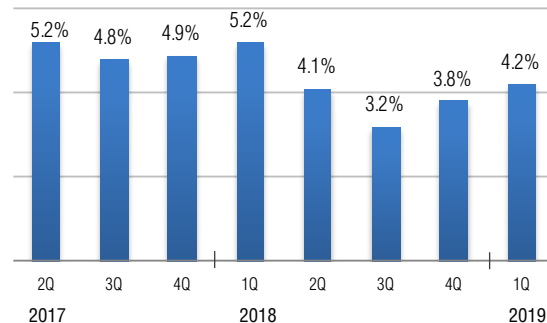
Portfolio Revenues

Same-Store Year-Over-Year Change

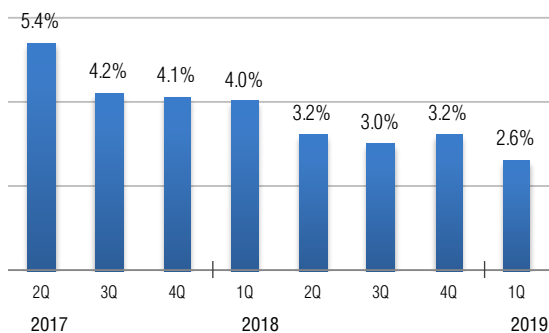
Public Storage



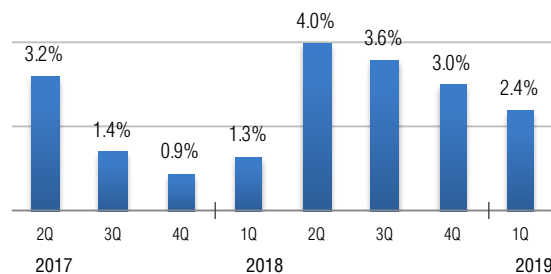
Extra Space Storage



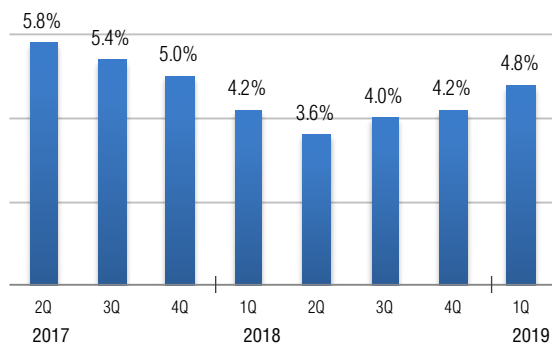
CubeSmart



Life Storage



National Storage Affiliates

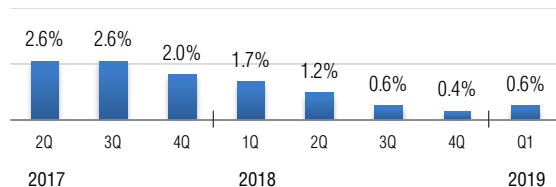




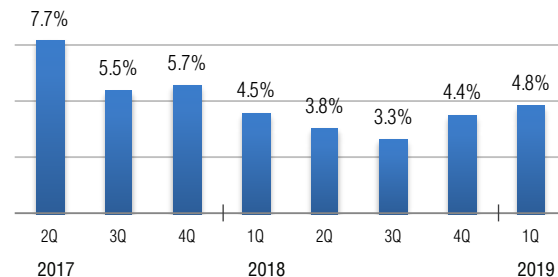
**Portfolio
Net Operating
Income**

Same-Store
Year-Over-Year Change

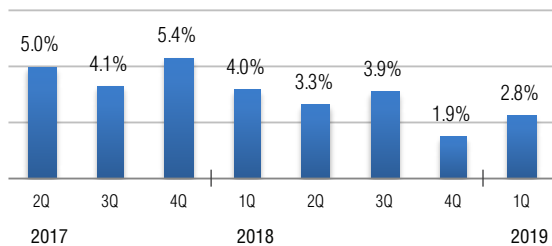
Public Storage



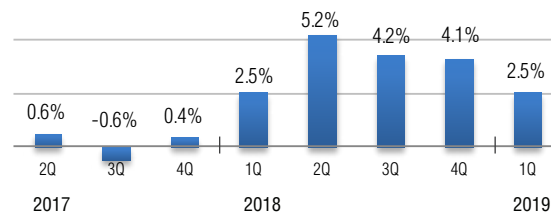
Extra Space Storage



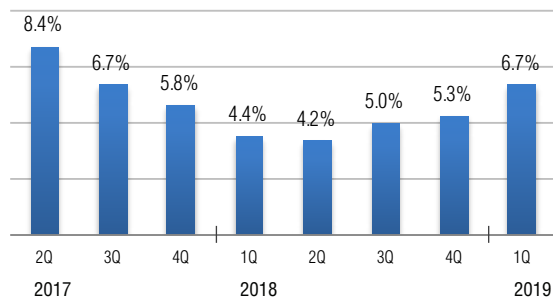
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage (NYSE: PSA)

Public Storage acquired twelve facilities in the first quarter for \$81.3 million. Locations include nine in Virginia and one each in Florida, Georgia and Kentucky.

Investment Activity

- As part of the first quarter acquisitions, Public Storage acquired nine properties in an off-market transaction from an owner exiting the self storage sector.
- Subsequent to quarter end, acquired or under contract to acquire ten facilities for \$116.4 million. Locations include four in Florida, two in Virginia and one each in Arizona, Colorado, Michigan, and Texas.
- Acquisitions in pipeline are in more urban markets with higher quality assets that are difficult to duplicate locations. They are not failed assets, but owner original expectations not being met.
- While Public Storage does not see distress in the market, they acquired a property out of bankruptcy for the first time in several years.

Development and Expansion Pipeline

- At March 31, 2019, have various facilities in development totaling 1.2 million rentable square feet estimated to cost \$194 million, and various expansion projects totaling 2.7 million rentable square feet to cost \$318 million. The developments/expansions include one million sq. ft. in Florida, 800,000 sq. ft. in Minnesota, 400,000 sq. ft. in Washington, 300,000 sq. ft. in Colorado, 300,000 sq. ft. in North Carolina, 1.1 million sq. ft. in various other states. The balance of development costs for these projects are expected to be incurred primarily in the next 18 months.
- During the quarter, delivered about \$137 million in new builds. The increased volume was due to the remaining scrape and build opportunities in the Houston market.
- Average lease up time for new developments from two to three years.

New Supply

- Overall market, tracking 2019 new development deliveries of approximately \$5 billion representing about 400 to 500 new properties. Anticipating a slowing in 2020.
- Public Storage is tracking fewer deliveries in Denver, Charlotte, Houston, Austin, and Tampa. Developers continue to be active in Portland, Boston, Seattle, Miami, and New York.

Fifth Generation Reinvestment Program (“Gen 5”)

- The Gen 5 program was rolled out during the past 18 to 24 months. The program includes enhanced signage, updated painting schemes, landscaping and water improvements, and utilities including LEDs. Gen 5 was tested on less than 75 assets through 2018, with another 100 to 150 properties to be tested in the next two to three quarters. Public Storage anticipates about \$100 million in costs in 2019, increasing to about \$500 million over the next few years.
- Public Storage expects to continue its CapEx expenditures throughout the portfolio at its traditional amount of about \$0.50 to \$0.75 per square foot.

Investment Activity

Extra Space Storage
(NYSE: EXR)

During the first quarter, Extra Space acquired properties for a total of \$222.3 million. Acquired the 95% interest in a joint venture in twelve stabilized, core properties in Los Angeles (10) and San Francisco Bay area (2) for \$192 million. Also acquired two stores at certificate of occupancy including one in Louisville for \$12.68 million and one in Manayunk (Philadelphia), Pennsylvania for \$17.1 million.

Investment Activity

- The going-in cap rate for the twelve California properties was a sub-5% cap rate, which is market price for similar assets. Extra Space had an embedded promote in the joint venture of \$72.8 million as part of the transaction, combined with accounting for the real estate tax assessment impact, translates to a 6.3% cap rate in Year 1.
- Extra Space having more success in acquiring properties through existing relationships of joint ventures and third-party managed stores.
- Not seeing as much overall transaction activity in the first quarter as compared to the second half of 2018. Have seen no change in pricing with significant amount of various equity sources seeking assets.
- Have not yet seen distressed development opportunities from private operations.

Joint Venture Activity

- In conjunction with a joint venture partner, Extra Space acquired one operating property and six certificate of occupancy stores for a total cost of approximately \$210.6 million, of which Extra Space invested \$47.7 million. Locations include two in Chicago, one each in Charlotte, Brooklyn and Queens.

Dispositions

- Subsequent to quarter end, sold one store in Ballston Spa in upstate New York for \$11.8 million.

New Supply

- Extra Space believes 2018 was the high watermark for new deliveries, but expect 2019 deliveries to be only modestly lower. Total impact on performance from new supply expected to be greater in 2019 than last year due to the cumulative impact of several years of elevated development.
- Lease up of certificate of occupancy stores has slowed from a pace that was well above pro formas in 2015 to 2017, to trends that today more in line with historic norms and with underwriting.

Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Ownership
2019 Projected Openings					
Plantation, FL*	2Q 2019	75,750	\$11,800,000	\$155.78	100%
Broomfield, CO*	2Q 2019	65,475	\$9,083,000	\$138.72	100%
Alexandria, VA	2Q 2019	79,500	\$17,500,000	\$220.13	10%
Brooklyn, NY	2Q 2019	45,725	\$20,750,000	\$453.80	10%
Brooklyn Center, MN	3Q 2019	83,000	\$8,400,000	\$101.20	100%
Wakefield, MA	3Q 2019	84,075	\$16,800,000	\$199.82	100%
Brooklyn, NY	3Q 2019	62,385	\$32,980,000	\$528.65	25%
Miramar, FL	4Q 2019	78,750	\$14,800,000	\$187.94	10%
West Palm Beach, FL	4Q 2019	79,075	\$14,500,000	\$183.37	10%
New Hyde Park, NY	4Q 2019	70,000	\$6,400,000	\$91.43	100%
Total	10	723,735	\$153,013,000		
2020 Projected Openings					
San Jose, CA	1Q 2020	76,000	\$13,500,000	\$177.63	100%
Belleville, NJ *	2Q 2020	75,000	\$10,944,000	\$145.92	95%
Vista, CA	2Q 2020	104,400	\$16,000,000	\$153.26	10%
Aurora, CO	2Q 2020	79,900	\$10,528,000	\$131.76	100%
El Cajon, CA *	3Q 2020	55,345	\$2,834,000	\$51.21	100%
Neptune City, NJ	3Q 2020	65,875	\$11,400,000	\$173.06	100%
Total	6	456,520	\$65,206,000	\$142.83	100%

*development



Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Operating

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Occupancy 3/31/2019	Ownership
Lake Worth, FL	1Q 2017	78,615	\$8,455,000	\$107.55	87.3%	10%
Clearwater, FL	1Q 2017	60,166	\$7,750,000	\$128.81	87.9%	20%
Philadelphia, PA (1)	2Q 2017	77,306	\$17,800,000	\$230.25	67.6%	100%
Warrington, PA	2Q 2017	65,722	\$12,000,000	\$182.59	76.3%	100%
Orlando, FL	2Q 2017	66,288	\$7,343,000	\$110.77	86.5%	100%
Ft Myers, FL	3Q 2017	77,519	\$8,970,000	\$115.71	65.1%	100%
Cohasset, MA	3Q 2017	50,730	\$8,800,000	\$173.47	84.7%	10%
Venice, FL	4Q 2017	58,254	\$7,830,000	\$134.41	85.1%	20%
Portland, OR	4Q 2017	73,280	\$12,800,000	\$174.67	72.5%	25%
Suwanee, GA	4Q 2017	78,447	\$9,600,000	\$122.38	58.7%	100%
Buford, GA	4Q 2017	78,955	\$7,500,000	\$94.99	60.2%	100%
Philadelphia, PA	4Q 2017	67,684	\$17,700,000	\$261.51	89.0%	100%
Westwood, NJ	4Q 2017	70,873	\$21,000,000	\$296.30	52.5%	100%
Brooklyn, NY	4Q 2017	52,462	\$25,924,000	\$494.15	64.9%	25%
Charlotte, NC	4Q 2017	70,945	\$10,900,000	\$153.64	63.9%	100%
Bradenton, FL	4Q 2017	86,730	\$10,400,000	\$119.91	63.5%	100%
Milwaukee, WI	4Q 2017	83,461	\$13,040,000	\$156.24	40.4%	10%
Franklin, WI	4Q 2017	92,596	\$12,520,000	\$135.21	60.0%	10%
Raleigh, NC	1Q 2018	68,265	\$8,800,000	\$128.91	48.8%	10%
Cherry Creek, CO (3)	1Q 2018	88,333	\$14,000,000	\$158.49	45.0%	100%
Totowa, NJ	1Q 2018	84,705	\$19,541,000	\$230.69	53.7%	100%
Elmhurst, IL	2Q 2018	82,763	\$9,960,000	\$120.34	64.6%	25%
St. Petersburg, FL	2Q 2018	99,043	\$9,750,000	\$98.44	58.3%	20%
Vancouver, WA	2Q 2018	57,340	\$8,250,000	\$143.88	80.0%	25%
Houston, TX	2Q 2018	79,567	\$9,000,000	\$113.11	62.3%	100%
Hollywood, FL	2Q 2018	58,395	\$11,800,000	\$202.07	39.2%	10%



Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Operating (continued)

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Occupancy 3/31/2019	Ownership
Portland, OR	2Q 2018	78,476	\$22,500,000	\$286.71	42.6%	25%
Largo, FL	3Q 2018	86,720	\$11,500,000	\$132.61	30.7%	25%
Minnetonka, MN (4)	3Q 2018	86,421	\$12,025,000	\$139.14	33.3%	100%
Milwaukie, OR	3Q 2018	64,282	\$11,700,000	\$182.01	52.3%	25%
Riverview, FL	3Q 2018	88,220	\$10,400,000	\$117.89	50.2%	10%
Crum Lynne, PA	3Q 2018	83,910	\$13,180,000	\$157.07	32.1%	95%
Lawrenceville, GA	4Q 2018	77,679	\$7,500,000	\$96.55	29.7%	100%
Jamaica Plain, MA	4Q 2018	94,127	\$21,333,000	\$226.64	16.0%	100%
Brooklyn Park, MN	4Q 2018	77,199	\$8,100,000	\$104.92	20.7%	100%
Decatur, GA	4Q 2018	78,977	\$14,250,000	\$180.43	29.8%	10%
St. Petersburg, FL	4Q 2018	70,290	\$12,200,000	\$173.57	14.7%	10%
Atlanta, GA	4Q 2018	76,775	\$13,500,000	\$175.84	20.9%	10%
Tampa, FL	4Q 2018	77,760	\$10,000,000	\$128.60	28.5%	10%
Charlotte, NC	1Q 2019	75,482	\$9,250,000	\$122.55	20.6%	10%
Chicago, IL	1Q 2019	99,487	\$14,840,000	\$149.17	9.7%	10%
Chicago, IL	1Q 2019	98,737	\$14,500,000	\$146.85	25.2%	10%
Brooklyn, NY	1Q 2019	144,642	\$79,901,000	\$552.41	5.4%	25%
Manayunk, PA	1Q 2019	62,650	\$17,100,000	\$272.94	27.6%	100%
Auburndale, MA	1Q 2019	79,882	\$20,000,000	\$250.37	3.7%	10%
Queens, NY	1Q 2019	117,150	\$52,321,000	\$446.62	2.5%	25%
Louisville, KY	1Q 2019	158,676	\$12,680,000	\$79.91	39.2%	100%
Total	47	3,785,986	\$700,213,000			

Investment Activity

CubeSmart
(NYSE: CUBE)

In the first quarter, CubeSmart acquired one property in Annapolis, Maryland for \$22 million, and have three properties under contract subsequent to the end of the quarter for \$67.5 million in Florida (2) and New Jersey (1).

Joint Venture Activity

- Subsequent to quarter end, through its joint venture with Heitman, HVP IV, CubeSmart acquired one property in Florida for \$10.7 million. HVP IV has six additional properties under contract for \$102.5 million expected to close in 2019. Locations include five in Texas and one in Pennsylvania.

Development and Certificate of Occupancy Pipeline

- As of March 31, 2019, CubeSmart has seven joint venture development properties under construction. The company anticipates investing a total of \$183.3 million related to these projects. Locations include three in New York, (Queens, Brooklyn and Manhattan), two in Massachusetts, including Newton and Waltham, and one in Bayonne, New Jersey, one in Arlington, Virginia opening in 2021 adjacent to a new development opened in 2015.
- Development yields expected about 175 basis points to 200 basis points above stabilized cap rates in each specific market. Two or three years ago the expected spread was 200 to 250 basis points.
- Subsequent to quarter end, opened for operation the property in New Jersey and one of the properties in New York for a total investment of \$70.4 million. The remaining five properties are expected to open at various times between the second quarter of 2019 and the first quarter of 2021.

New Supply Impact

- Approximately 50% of CubeSmart same-store stores are impacted by new supply.
- Miami, Denver and Charlotte are markets that are dealing with the impact of significant new supply. While the estimated deliveries in 2020 are expected to decline in those markets, the rolling three year impact remains elevated.
- The markets that experienced supply early in the development cycle appear to have the sharpest drop in 2020 deliveries.
- There is consensus that the 2020 supply of new stores in top MSA's will decline from current levels. Markets with strong demographics and low square feet per capita will bounce back more quickly from the new supply.
- There are headwinds that may limit new development going forward. Seasoned self storage developers view primary markets as being late cycle and are scaling back their efforts or shifting to secondary markets. In addition, banks and borrowers are beginning to experience the impact of lower than expected rental rates in over-developed markets.

Investment
Activity

CubeSmart
(NYSE: CUBE)

New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Queens, NY	2Q 2019	\$45,700,000
Bayonne, NJ	Q2 2019	\$24,700,000
Waltham, MA	Q2 2019	\$16,000,000
Brooklyn, NY	Q3 2019	\$43,000,000
Newton, MA	Q1 2020	\$18,800,000
New York, NY	Q2 2020	\$11,800,000
Arlington, VA	Q1 2021	\$23,800,000
Total		\$183,300,000

Acquisitions at Certificate of Occupancy - Operating

Location	Date Completed	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 3/31/2019
Riverwoods, IL	Q2 2017	73,915	\$11,200,000	\$151.53	70.6%
Chicago, IL	Q4 2017	90,947	\$11,300,000	\$124.25	67.3%
Delray Beach, FL	Q4 2017	97,258	\$17,750,000	\$182.50	49.9%
San Diego, CA	Q4 2018	87,483	\$19,118,000	\$218.53	18.7%
Total		349,603	\$59,368,000		

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 3/31/2019
North Palm Beach, FL	Q1 2017	45,825	\$9,700,000	\$211.67	83.6%
New York, NY*	Q3 2017	94,912	\$81,200,000	\$855.53	48.9%
Washington, D.C.	Q3 2017	72,323	\$27,800,000	\$384.39	60.9%
Brooklyn, NY	Q4 2017	131,913	\$49,300,000	\$373.73	28.3%
Bronx, NY	Q3 2018	201,195	\$92,100,000	\$457.76	14.9%
Total		546,168	\$260,100,000		

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

Investment Activity

Life Storage
(NYSE: LSI)

Like acquired two properties in the first quarter, one facility in Tampa, Florida for \$9.3 million and one in Long Island City, New York for \$57.2 million.

Investment Activity

- The New York facility was acquired as a result of the acquisition of the remaining 60% ownership interest in Review Avenue Partner's, LLC joint venture and included the carrying value of Life Storage's equity investment of \$10.7 million.
- The New York property acquisition in early lease-up with the expectation of achieving a 6% cap rate in 2.5 to 3 years. The Tampa property is in lease-up with going-in cap rate below 5% with expectation to achieve above a 7% cap rate upon stabilization
- As previously announced, the company entered into contract to acquire 16 stores for its wholly-owned portfolio for a total consideration of approximately \$177.7 million. The facilities include one 12-property portfolio, located in mid-Atlantic, Southeastern and Midwest markets where the company already has a presence. All Class A properties, with three properties acquired in April for approximately \$33 million. Expect to close the remaining in the third quarter of 2019.
- Early lease up and recent certificate of occupancy acquisition continue to lease up well and with overall 65.1% occupancy.

Investment Activity - Canada

- Life Storage entered into separate joint venture agreements on two properties in Ontario, Canada. Both facilities are located in the surrounding greater Toronto area, including the Hamilton and St. Catherine-Niagara Canadian Metropolitan areas. Life Storage is managing both properties.

Asset Rotation Continues

- To finance acquisitions, Life Storage expects to dispose of about \$225 million of mature assets this year in accordance with the 2019 guidance.

New Supply

- Life Storage projects that new supply is not accelerating from the number of delivery in 2018, but not slowing down in 2019.
- The Houston and Dallas markets continue to feel the impact of new supply, albeit at different phases of the cycle. Houston appears to be in the absorption phase of the cycle while Dallas is still in the development phase.



Investment
Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy Operating Properties

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 3/31/2019
Charleston, SC	Jul-2016	70,165	\$8,620,000	\$122.85	63.0%
Dallas, TX	Jul-2016	56,342	\$12,239,000	\$217.23	87.0%
Boulder, CO	Jul-2016	44,936	\$8,373,000	\$186.33	78.3%
San Marco, TX	Jul-2016	59,066	\$8,353,000	\$141.42	89.4%
Chicago, IL	Nov-2016	68,235	\$8,884,000	\$130.20	94.6%
Chicago, IL	Feb-2017	78,023	\$10,089,000	\$129.31	65.0%
Austin, TX	Apr-2017	58,600	LEASE	-	86.3%
Charlotte, NC	Dec-2017	70,118	\$12,549,000	\$178.97	54.3%
Sacramento, CA	Sep-2018	70,200	\$13,846,000	\$197.24	69.6%
Atlanta, GA	Nov-2018	79,859	\$14,234,000	\$178.24	43.3%
Sacramento, CA	Dec-2018	57,096	\$9,547,000	\$167.21	68.7%
St. Louis, MO	Dec-2018	77,340	\$9,301,000	\$120.26	41.0%
New York, NY	Jan-2019	115,045	\$57,169,000	\$496.93	56.8%
Tampa, FL	Mar-2019	60,792	\$9,302,000	\$153.01	61.5%
Total	14	965,817	\$182,506,000		

Investment Activity

National Storage Affiliates
(NYSE: NSA)

National Storage Affiliates acquired 32 wholly-owned properties across ten states for \$194.6 million during the first quarter. Locations include Florida, Louisiana, New Jersey, Pennsylvania, Georgia, and the mid-Atlantic region. Of these acquisitions, 13 properties with approximate value of \$85.5 million acquired from its PROs.

Investment Activity

- Consideration for the 32 acquisitions include approximately \$160.5 million of net cash, the issuance of approximately \$5.1 million of OP units, \$24.4 million of subordinated performance (SP) units, \$3.9 million of Series A-1 preferred units, and the assumption of approximately \$700,000 of other working capital liabilities.
- Year-to-date, acquired approximately \$210 million in properties with projections of total acquisitions for the year of \$300 million to \$500 million. Only acquiring properties that are stabilized based on each market's average occupancy level.
- Cap rates for recent acquisitions range from low-to-mid 6%, similar to other recent acquisitions. Competition from private capital for operating properties remains high. National Storage Affiliates averaging acquisition cap rates of about 6.25%. Top markets cap rates range 5.5% to 6.0%, and smaller markets about 6.5%.
- Since the company's IPO four years ago, have acquired nearly \$4 billion in operating properties, and added four new Participating Regional Operators (PROs). National Storage Affiliates generated total return including dividends, of 160% since the company's IPO, leading all self storage REITs.
- National Storage Affiliates experienced increased competition from private equity-backed buyers when bidding on available assets.

Joint Ventures

- As of March 31, 2019, the company's joint venture formed in September 2018 with an affiliate of Heitman America Real Estate REIT LLC, owned and operated a portfolio of 104 properties across 17 states. The 2016 joint venture with a state pension fund advised by Heitman Capital Management LLC owns 72 properties.

Participation Regional Operators (PROs)

- The addition of Southern Self Storage of Palm Beach Gardens, Florida and Moove In Self Storage of York, Pennsylvania was completed during the first quarter.
- Existing PROs offer National Storage Affiliates a captive pipeline of future transactions consisting of over 100 properties valued at over \$1 billion. In addition, transactions continued to be sourced through PROs local relationships.

New Supply Impact

- National Storage Affiliate's portfolio properties feature a higher presence in secondary markets than other REITs which has less new supply than the top tier U.S. markets. Approximately 35% of National Storage Affiliates stores impacted by new supply within a 5-mile trade area.
- While the supply in most secondary markets has been balanced with demand growth, markets including Portland and Austin are currently overbuilt, although with potential high demand growth.

Operations

Public Storage
(NYSE: PSA)

During the first quarter, Public Storage generated same-store net operating income 1.5%, driven by a 150 basis point increase in rental income growth year-over-year.

Same-Store Comparison

- Same-store facilities represent those facilities that have been owned and operated at a stabilized level occupancy, revenue and cost of operations since January 1, 2017. The same-store pool consists of 2,165 facilities (139.8 million net rentable square feet) representing 85% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio.

Q1 2019 RESULTS

- Same-store revenues increased 1.5% during the first quarter, a 30 basis point increase sequentially. The increase was driven by a 1.2% gain in realized rent per occupied square foot.
- Cost of operations for the same-store pool increased by 3.9% during the first quarter. The increase was impacted primarily by a 5.0% increase in real estate taxes and 27.6% gain in marketing expenses.
- Same-store net operating income grew 0.6% year-over-year during the first quarter, driven by a 1.5% gain in same-store revenue and 3.9% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 92.1%, a 10 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 92.5%, a 40 basis point increase from a year earlier.

Operating Fundamentals

- Street rates increased about 1% during the quarter. The move-in rate, the rate that new customers are paying, decreased 1% year-over-year.
- Discounting was down slightly year-over-year, due primarily to lower move-in volume and lower move-in rates.
- Annual contract rent per square foot for move-ins was \$13.59 during the first quarter compared to \$16.03 for move-outs, representing a -15.2% spread. The spread is slightly larger than in Q1 2018. The Winter months typically experience wider spreads than the prime Summer leasing months.
- Public Storage expects inflationary increases in payroll for the remainder of 2019. The rollout of the Web Champ 2 initiative in 2017 and 2018 and other efficiencies and optimization strategies have helped control payroll expenses.
- Public Storage expects continued increase in marketing expense as cost per click for keyword search terms increase due to more aggressive keyword bidding competition. The favorable demand generated from internet marketing, combined with lower advertised street rates and \$1 per month discounting, continues to drive traffic to Public Storage stores.
- Public Storage delivered its newest generation website during the first quarter. The website was built to be mobile-centric as customers continue to increase the volume of transactions completed on their phones.

Operations

Public Storage (NYSE: PSA)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for the quarter include Philadelphia (4.8%), Atlanta (3.2%), Los Angeles (2.9%), New York (2.5%), Washington DC (2.4%), and San Francisco (1.8%). Los Angeles, Public Storage's largest market representing 15% of same-store revenues, decelerated 40 basis points sequentially. Chicago and Atlanta generated the largest acceleration in same-store revenue growth at 150 basis points and 140 basis points respectively.
- Major markets performing below the Public Storage portfolio average during the quarter include Houston (-3.6%), Dallas-Ft. Worth (-1.9%), Miami (-1.2%), Portland (-0.9%), Tampa (-0.4%), and Chicago (-1.8%). Houston experienced the largest deceleration of revenue growth a 110 basis point decline sequentially.

Third-Party Management

- Public Storage added 11 properties to its third-party management platform. The backlog of third-party management assignments is heavily weighted with development deals that may take a number of quarters to complete.

Operations

Public Storage
(NYSE: PSA)

Top Market Same-Store Performance - End of First Quarter 2019

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	204	\$25.64	94.9%	2.9%
San Francisco	127	\$26.20	93.8%	1.8%
New York	87	\$25.79	93.3%	2.5%
Seattle-Tacoma	85	\$20.03	91.7%	1.2%
Washington DC	88	\$21.15	91.9%	2.4%
Miami	81	\$20.30	92.1%	(1.2%)
Atlanta	99	\$13.36	92.6%	3.2%
Dallas-Ft. Worth	98	\$13.62	90.9%	(1.9%)
Chicago	129	\$15.18	89.5%	(0.3%)
Houston	78	\$13.90	88.5%	(3.6%)
Orlando-Daytona	69	\$13.88	93.7%	1.6%
Philadelphia	56	\$16.19	94.6%	4.8%
West Palm Beach	37	\$18.32	93.1%	0.6%
Tampa	50	\$14.05	91.8%	(0.4%)
Portland	43	\$18.36	93.4%	(0.9%)
All other markets	834	\$13.99	92.5%	1.9%
Total	2,165			

Operations

Extra Space
Storage
(NYSE: EXR)

During the first quarter, Extra Space generated accelerated same-store revenue growth in most of its major markets including Los Angeles, Phoenix, Atlanta, Chicago, Philadelphia, and New York.

Same-Store Comparison

- Same-store facilities represent those facilities that were stabilized by the first day of the earliest calendar year presented. Extra Space considers a facility to be stabilized once it has been open for three years or has sustained average square foot occupancy of 80% or more for one calendar year. The same-store pool includes 821 facilities.

Q1 2019 RESULTS

- Same-store revenues increased 4.2% during the first quarter, a 40 basis point acceleration sequentially. The increase was driven by a 4.4% increase in net rental income primarily due to higher rental rates for both new and existing customers.
- Cost of operations for the same-store pool increased by 2.5% during the first quarter. The increase was impacted by a 24.0% increase in marketing, 17.8% increase in insurance, and 6.1% increase in real estate taxes. The expenses were partially offset by a 4.1% decrease in payroll during the quarter.
- Same-store net operating income grew 4.8% year-over-year during the first quarter, driven by a 4.2% gain in same-store revenue and 2.5% gain in operating expenses. The result is a 30 basis point acceleration from a year earlier.
- Occupancy during the fourth quarter was flat year-over-year. Same-store occupancy at the end of the quarter was 91.6%, a 20 basis point decrease year-over-year. Same-store weighted average occupancy during the first quarter was 91.4%, flat as compared to a year earlier.

Operating Fundamentals

- Extra Space added 38 stores to its same-store pool during the quarter. The addition of the stores positively impacted the Same-store revenues by about 30 basis points during the quarter.
- The 24% increase in marketing costs is attributed to a higher cost-per-click due to a competitive bidding environment. Extra Space will continue an elevated marketing spend to ensure web visibility.
- Occupancy at the end of April versus the end of March was up 40 basis points, but end of April occupancy was down 40 basis points year-over-year.
- Achieved street rates increased between 2% and 3% on average during the first quarter. Street rates subsequent to the quarter are increasing closer to 2%.
- Discounts decreased as a percentage of revenue during the first quarter.
- There is a mid-single digit spread between asking rates and in-place rates. The Winter is typically the highest spread and tends to flatten out in the Summer months.
- Demand is steady to increasing. The belief that Millennials were not going to utilize storage is unproven. Millennials make up a higher percentage of Extra Space renters than they do of the population.



Operations

Extra Space
Storage
(NYSE: EXR)

Major Markets Revenue Growth for Q1 2019

- Major markets with revenue growth above the portfolio average for during the first quarter include Las Vegas (10.8%), Phoenix (8.4%), Hawaii (7.4%), Sacramento (6.7%), Los Angeles (6.1%), Atlanta (5.9%), and Chicago (5.5%). Extra Space's two largest markets, Los Angeles and New York, generated sequential gains in same store revenues. Los Angeles (12.5% of revenue) increased 20 basis points sequentially to 6.1% and New York (12.3% of revenue) increased 110 basis points sequentially to 5.2%.
- Major markets performing below the Extra Space portfolio average include Miami (-0.9%), Charleston (-0.6%), Dallas (0.4%), Denver (1.1%), Houston (1.1%), and Tampa (1.1%). The Miami MSA continued soften with 240 basis point deceleration in revenue growth year-over-year.
- 35 of the 38 Extra Space markets achieved positive same-store revenue growth during the year. The exceptions were Richmond (-1.7%), Miami (-0.9%), and Charleston (-0.6%).

Third-Party Management Platform

- Extra Space added 46 stores to its third-party management platform during the first quarter, resulting in 577 third-party managed properties. When including an additional 228 facilities in joint venture, Extra Space managed properties total 805 as March 31, 2019.

Full Year 2019 Guidance

Assumes same store pool of 821 stores and excludes tenant reinsurance

Same-store property revenue growth ⁺	2.0% to 3.0%
Same-store expense growth ⁺	3.75% to 4.75%
Same-store NOI growth ⁺	1.25% to 2.75%
⁺ excludes tenant reinsurance	
Net tenant reinsurance income	\$94.5 million to \$95.5 million
Management fees, other income & interest income	\$52 million to \$53 million
Acquisitions of wholly-owned operating stores	\$300 million
Development and C of O of wholly-owned stores	\$75 million
Acquisitions of operating joint venture stores	\$50 million (company investment)
Development and C of O joint venture stores	\$75 million (company investment)
Dilution per share from C of O & value add acquisitions	\$0.23 per share



Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	77	\$20.96	93.1%	6.1%
New York-Northern New Jersey-Long Island, NY-NJ-PA	68	\$24.89	91.8%	5.2%
Washington-Baltimore, DC-MD-VA-WV	53	\$19.69	90.5%	2.7%
Atlanta, GA	49	\$13.10	91.5%	5.9%
Dallas-Fort Worth, TX	46	\$12.54	90.5%	0.4%
Boston-Worcester-Lawrence, MA-NH-ME-CT	39	\$22.19	89.6%	3.9%
San Francisco-Oakland-San Jose, CA	38	\$27.53	91.6%	4.1%
Chicago-Gary-Kenosha, IL-IN-WI	31	\$14.66	91.4%	5.5%
Miami-Fort Lauderdale, FL	27	\$19.01	89.7%	(0.9%)
Phoenix-Mesa, AZ	20	\$12.43	94.0%	8.4%
Houston-Galveston-Brazoria, TX	19	\$13.23	89.2%	1.1%
Norfolk-Virginia Beach-Newport News, VA-NC	16	\$12.56	90.4%	5.0%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	15	\$15.84	92.2%	6.6%
Cincinnati-Northern Kentucky	14	\$10.55	92.8%	6.3%
Las Vegas, NV-AZ	14	\$11.31	95.2%	10.8%
Indianapolis, IN	14	\$10.88	91.6%	4.2%
Tampa-St. Petersburg-Clearwater, FL	13	\$17.49	91.1%	1.1%
Sacramento-Yolo, CA	12	\$16.51	93.1%	6.7%
Austin-San Marcos, TX	11	\$13.63	92.3%	4.4%
Memphis, TN-AR-MS	11	\$10.19	89.8%	1.7%
Charleston-North Charleston, SC	11	\$12.95	88.0%	(0.6%)
Orlando, FL	11	\$13.86	91.9%	5.8%
Salt Lake City-Ogden, UT	9	\$13.12	88.9%	3.9%
West Palm Beach-Boca Raton, FL	9	\$14.17	90.9%	1.8%
Hawaii, HI	9	\$34.54	92.1%	7.4%
Richmond-Petersburg, VA	8	\$13.96	88.9%	(1.7%)
San Diego, CA	8	\$18.89	92.3%	5.1%
Portland-Salem, OR-WA	8	\$15.06	89.1%	1.4%
Albuquerque, NM	8	\$12.66	93.3%	3.5%
Denver-Boulder-Greeley, CO	7	\$14.76	86.8%	1.1%
Midland-Odessa, TX	6	\$12.51	94.3%	13.3%



Operations

Extra Space
 Storage
 (NYSE: EXR)

Select Markets Same-Store Performance (continued)

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Seattle-Tacoma-Bremerton, WA	6	\$17.99	90.2%	2.2%
Colorado Springs, CO	6	\$13.49	92.8%	8.3%
Columbia, SC	6	\$11.64	91.6%	5.7%
Detroit-Ann Arbor-Flint, MI	5	\$12.19	93.0%	2.2%
El Paso, TX	5	\$8.10	97.6%	8.9%
Hartford, CT	5	\$13.52	92.6%	2.1%
Pittsburgh, PA	5	\$12.39	88.0%	2.8%
San Antonio, TX	5	\$13.27	92.1%	4.3%
Stockton-Lodi, CA	5	\$16.27	89.2%	3.8%
Other MSAs	92	\$13.09	91.1%	3.3%
TOTALS	821	\$16.85	91.4%	4.2%

Operations

CubeSmart
(NYSE: CUBE)

CubeSmart's top 10 MSAs all generated positive same-store revenue growth during the first quarter 2019 with the exception of Miami. Phoenix led the way with 6.7% growth followed by Inland Empire (6.0%), Philadelphia (5.6%) and Tucson (5.5%).

Same-Store Comparison

- CubeSmart considers a facility to be stabilized once it has achieved an occupancy rate that, based on an assessment of specific market data, is representative of similar self storage assets in the applicable market for a full year measured as of the most recent January 1st. As of March 31, 2019, the same-store pool includes 468 stores totaling approximately 32.4 million square feet.

Q1 2019 RESULTS

- Same-store revenues increased 2.6% during Q1 2019, a 60 basis point deceleration from the first quarter 2018. The increase was primarily driven by a 2.6% increase in annual rent per occupied square foot as a result of higher rates for new and existing customers. The average rent per occupied square foot rose to \$16.74 during the quarter.
- Cost of operations for the same-store pool increased by 2.2% during Q1 2019. The increase was impacted by a 4.2% growth in real estate taxes, 3.2% increase in property insurance and 3.1% increase in personnel costs.
- Same-store net operating income grew 2.8% as compared to the same quarter in 2018.
- Same-store occupancy was unchanged year-over-year. Same-store occupancy at the end of the first quarter was 92.1% and same-store average occupancy was 91.5%.

Operating Fundamentals

- Street rates decreased 1% to 2% versus previous year's first quarter.
- Discounts as percentage of revenues were 4.1% or 4.2% during the first quarter, a 30 basis points increase over last year.
- Discounting contributed about a 30 to 40 basis point impact on same-store revenue growth during the quarter.
- Median length of stay for CubeSmart customers is 6.5 months.
- The difference between in-place rents and new customer rents was about 10% to 15% during the quarter. The first quarter is typically the widest gap between in-place and new customer rents. CubeSmart's median length of stay of 6.5 months indicates move-outs during the first quarter would have rented during the peak summer rental season. The rollover gap is expected to narrow in subsequent quarters.

Select Market Same-Store Performance

- Major markets with revenue growth above the portfolio average for the first quarter include Las Vegas (12.6%), Phoenix (6.7%), San Diego (6.1%), Inland Empire (6.0%), Philadelphia (5.6%), Tucson (5.5%), and Boston (5.1%).
- Major markets performing below the CubeSmart portfolio average include Nashville (-5.5%), Houston (-3.7%), and Denver (-3.3%). Miami, representing about 9.5% of CubeSmart's same-store revenues, weakened during the quarter with growth of -1.1%, a 170 basis point decline sequentially.

Operations

CubeSmart
(NYSE: CUBE)

New York Market Same-Store Performance

- New York, representing about 20% of CubeSmart's same-store revenues, increased 3.3% during the quarter, a 20 basis point decrease sequentially.
- New York City experienced an acceleration in same-store revenue metrics during the quarter. The Bronx, a market that experienced new supply early in the development cycle, generated good occupancy growth and an uptick in asking rents. Brooklyn is holding on to occupancy, despite the amount of new supply in the market. Queens remains solid for both occupancy and rental rates. CubeSmart's single asset on Staten Island has performed well.
- Approximately 90% of CubeSmart's stabilized stores in the boroughs of New York are experiencing some form of competition, of which, about 70% to 80% of those are CubeSmart owned or managed stores.

Third-Party Management

- CubeSmart added 46 stores to its third-party management platform during the quarter. The platform includes 619 stores totaling 40.3 million square feet.

2019 Full Year Guidance Update

Same-store revenue growth	1.5% to 2.5%
Same-store expense growth	3.0% to 4.0%
Same-store net operating income growth	1.0% to 2.25%
Acquisition of wholly-owned properties	\$75 million to \$150 million
Acquisition of properties at C/O	\$0
New development openings	\$129.4 million
Dispositions	\$0 to \$50 million
Dilution per share from properties in lease-up	(\$0.09) to (\$0.10)



Operations

CubeSmart
(NYSE: CUBE)

Same-Store Operating Performance by MSA

MSA	Facilities	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	56	\$28.53	91.5%	3.3%
Chicago-Naperville-Joliet, IL-IN-WI	40	\$14.19	92.0%	2.4%
Miami-Fort Lauderdale-Pompano Beach, FL	36	\$18.11	91.0%	(1.1%)
Dallas-Fort Worth-Arlington, TX	33	\$13.46	91.4%	1.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	24	\$21.23	91.9%	3.7%
Atlanta-Sandy Springs-Marietta, GA	18	\$13.05	92.0%	3.9%
Phoenix-Mesa-Scottsdale, AZ	16	\$12.73	93.1%	6.7%
Riverside-San Bernardino-Ontario, CA	16	\$13.60	92.4%	6.0%
Tucson, AZ	15	\$11.43	94.1%	5.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$17.37	91.7%	5.6%
Houston-Sugar Land-Baytown, TX	13	\$12.86	88.5%	(3.7%)
Hartford-West Hartford-East Hartford, CT	12	\$12.81	92.5%	2.1%
Orlando-Kissimmee, FL	10	\$13.15	91.6%	3.4%
Columbus, OH	10	\$10.50	91.5%	0.7%
Boston-Cambridge-Quincy, MA-NH	10	\$20.65	89.9%	5.1%
Cleveland-Elyria-Mentor, OH	10	\$13.43	91.1%	2.3%
Austin-Round Rock, TX	9	\$13.45	90.0%	2.9%
Denver-Aurora, CO	9	\$14.30	89.8%	(3.3%)
Sacramento-Arden-Arcade-Roseville, CA	9	\$14.06	90.2%	2.4%
Nashville-Davidson-Murfreesboro-Franklin, TN	7	\$12.32	90.8%	(5.5%)
Las Vegas-Paradise, NV	7	\$13.33	94.0%	12.6%
Jacksonville, FL	7	\$16.23	92.0%	4.2%
San Diego-Carlsbad-San Marcos, CA	6	\$17.35	94.6%	6.1%
Los Angeles-Long Beach-Santa Ana, CA	6	\$18.08	90.8%	4.4%
Tampa-St. Petersburg-Clearwater, FL	6	\$16.03	90.4%	1.2%
Bridgeport-Stamford-Norwalk, CT	6	\$22.71	91.5%	1.5%
Cape Coral-Fort Myers, FL	5	\$16.02	90.6%	2.0%
Charlotte-Gastonia-Concord, NC-SC	5	\$13.35	88.8%	(1.0%)
Baltimore-Towson, MD	4	\$18.48	90.5%	1.1%
San Antonio, TX	4	\$12.71	91.3%	0.0%
Salt Lake City, UT	4	\$12.57	91.1%	5.0%
Providence-New Bedford-Fall River, RI-MA	4	\$15.50	90.5%	3.2%
Naples-Marco Island, FL	4	\$16.08	90.0%	(3.1%)
Other	34	\$14.45	91.5%	3.5%
Total	468	\$16.74	91.5%	2.6%

Operations

LifeStorage
(NYSE: LSI)

During the first quarter, Life Storage experienced same-store revenue growth in 28 of its 33 major markets. New York-Newark-New Jersey, Las Vegas, Chicago, New England, Buffalo, and Sacramento generated the greatest revenue impact.

Same-Store Comparison

- Same-store facilities for Life Storage represent those properties that have been owned by Life Storage and included in the consolidated results since January 1, 2018. The stores purchased through 2018 at certificate of occupancy or that were less than 80% occupied at market rates are not included, regardless of their current performance. Life Storage includes such stores in its same-store pool in the second year after the stores achieve 80% sustained occupancy using market rates and incentives. There are 538 facilities in Life Storage's same-store pool.

Q1 2019 RESULTS

- Same-store revenues increased 2.4% during the first quarter, a 60 basis point deceleration sequentially. The increase was driven by a 3.5% increase in rental rates, partially offset by a 110 basis point decrease in occupancy.
- Cost of operations for the same-store pool increased by 2.3% during the first quarter, a 150 basis point increase sequentially. The increase was impacted by a 5.7% increase in real estate taxes and 9.7% gain in repairs and maintenance, and 12.1% gain in internet marketing.
- Same-store net operating income grew 2.5% year-over-year during the first quarter, driven by a 2.4% gain in same-store revenue and 2.3% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 90.1%, a 100 basis point decrease year-over-year. End of quarter occupancy was 20 basis points higher than the average occupancy.

Operating Fundamentals

- Street rate growth were down 70 basis points year-over-year.
- Net effective rates were down 3% from Q1 2018. The impact was felt market-by-market. New York and Las Vegas were both up 6% and Houston, the largest decrease, was down 16% year-over-year.
- Life Storage transitioned its tenant insurance program to a captive solution from a third-party product. Life Storage projects \$1 million in additional NOI during the first year of the program.
- Millennials comprising nearly 80 million are proving to use self storage as they enter high earning careers and are more mobile population.
- The rollout of Rent Now, a fully-digital rental platform, is complete. The platform accounts for 8% of move-ins utilizing the service. Markets with a higher percentage of Millennials renting units generated double-digit usage rates versus markets with older populations.
- As a strategy to create operating efficiencies integrating the Rent Now app, Life Storage is testing certain properties to close on Sundays.
- Life Storage reported strong net operating income growth in New York, Buffalo, Rochester, and Syracuse.

Operations

LifeStorage
(NYSE: LSI)

Major Markets Revenue Growth

- Life Storage experienced same store revenue growth in 28 of its 33 major markets in the same store pool.
- Major markets with revenue growth above the portfolio average for the quarter include Las Vegas (9.3%), Cleveland (8.3%), New York (5.5%), Phoenix (4.5%), Sacramento (4.3%), New England (3.6%), Buffalo (3.3%), and Chicago (2.9%).
- Major markets with revenue growth below the portfolio average include Houston (-2.4%), Miami (-0.5%), Dallas (0.6%), and Orlando (0.6%). Cape Coral-Ft, Myers, Beaumont-Port Arthur, and Montgomery reported negative same-store revenue growth.
- Markets impacted by new supply early in the cycle are improving including Chicago and Austin. Markets that continue to feel the impact of new supply include Houston, Dallas and Miami.

Third-Party Management Platform

- Added 10 stores to the platform in the first quarter, including 6 in the Toronto area and 2 in the New York City area.
- Subsequent to the end of the quarter, Life Storage added a store in Phoenix, AZ and Greer, SC to its third-party management platform.

2019 Full Year Guidance Update

Same-store revenue growth	1.5% to 2.5%
Same-store operating costs (excluding property taxes)	2.0% to 3.0%
Same-store property taxes	5.5% to 6.5%
Same-store total net operating income	3.0% to 4.0%
Same-store total operating expenses	1.0% to 2.0%
Expansion & enhancements	\$40 million to \$55 million
Capital expenditures	\$20 million to \$25 million
Wholly owned acquisitions	\$225 million
Wholly owned dispositions	\$225 million
Joint venture investments	\$50 million



Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Square Foot	Occupancy 3/31/2019	Revenue Growth
Houston-The Woodlands-Sugar Land, TX	41	\$13.04	91.1%	(2.4%)
Chicago-Naperville-Elgin, IL	38	\$14.93	91.0%	2.9%
New York-Newark-Jersey City, NY-NJ-PA	26	\$23.32	90.0%	5.5%
New England-Other	26	\$17.67	89.9%	3.6%
Dallas-Fort Worth-Arlington, TX	26	\$12.74	90.3%	0.6%
Buffalo-Upstate, NY	25	\$13.20	87.1%	3.3%
Atlanta-Sandy Springs-Roswell, GA	21	\$13.54	89.1%	2.5%
Austin-Round Rock, TX	19	\$11.99	89.7%	2.5%
Las Vegas-Henderson-Paradise, NV	17	\$13.69	91.1%	9.3%
Miami-Fort Lauderdale-West Palm Beach, FL	16	\$18.75	91.9%	(0.5%)
Boston-Cambridge-Newton, MA-NH	15	\$16.25	90.3%	3.1%
San Antonio-New Braunfels, TX	15	\$13.00	89.7%	2.7%
St. Louis, MO	14	\$12.71	88.8%	2.3%
New Orleans-Lafayette, LA	14	\$11.02	91.9%	2.9%
Tampa-St. Petersburg-Clearwater, FL	13	\$15.46	89.8%	2.5%
Virginia Beach-Norfolk-Newport News, VA	11	\$10.92	89.1%	2.5%
Orlando-Kissimmee-Sanford, FL	11	\$12.60	88.3%	0.6%
Los Angeles-Long Beach-Anaheim, CA	10	\$22.21	87.9%	2.6%
Sacramento--Roseville--Arden-Arcade, CA	10	\$15.42	89.4%	4.3%
Phoenix-Mesa-Chandler, AZ	10	\$12.37	90.4%	4.5%
Cleveland-Elyria, OH	9	\$12.12	89.7%	8.3%
Space Coast, FL	8	\$14.46	91.5%	3.9%
Jacksonville, FL	8	\$14.38	87.1%	4.5%
Charlotte-Concord-Gastonia, NC	8	\$12.59	89.8%	1.1%
Pensacola-Ferry Pass-Brent, FL	8	\$10.01	91.2%	6.5%
Cape Coral-Fort Myers, FL	8	\$13.07	90.1%	(2.2%)
Beaumont-Port Arthur, TX	7	\$13.79	89.7%	(7.3%)
Jackson, MS	7	\$10.96	92.3%	5.6%
Raleigh-Durham, NC	7	\$12.07	89.7%	1.4%
Montgomery, AL	7	\$9.65	89.7%	(1.0%)
Chattanooga, TN-GA	6	\$12.44	90.9%	0.7%
Columbia, SC	6	\$11.18	87.6%	1.2%
Youngstown-Warren-Boardman, OH-PA	5	\$9.58	91.8%	7.1%
Other markets	66	\$12.64	89.1%	2.4%

Operations

National
Storage Affiliates
(NYSE: NSA)

During the first quarter, National Storage Affiliates generated same-store revenue growth of 4.8%, driven by strong performances in Atlanta (11.5%), Las Vegas (11.5%), Indianapolis (9.5%), and the Inland Empire (5.5%).

Same-Store Comparison

- Same-store facilities for National Storage Affiliates is defined as those properties owned and operated since the first day of the earliest year presented, excluding any properties sold, expected to be sold or subject to significant changes such as expansions or casualty events which cause the portfolio's year-over-year operating results to no longer be comparable. As of March 31, 2019, the same-store portfolio consisted of 439 self storage properties. The same-store pool represents nearly 85% of the National Storage Affiliates' wholly-owned portfolio.
- Same-store pool increased by 63 stores during the quarter, representing a 17% growth in facility count. Of the 63 stores, 13 are in Atlanta, 6 in St. Louis, 5 in Las Vegas, 4 in Portland, and 4 in Shreveport.

Q1 2019 RESULTS

- Same-store revenues increased 4.8% during the first quarter, a 60 basis point acceleration sequentially. The increase was driven primarily by a 4.0% increase in average annualized rental revenue per square foot and a 40 basis point increase in average occupancy.
- Cost of operations for the same-store pool increased by 0.9% during the first quarter. The increase was impacted by an 3.7% increase in real estate taxes and repairs and maintenance, partially offset by decreased insurance costs. The real estate tax increase for the quarter was below the 5% to 6% increase factored into 2019 guidance.
- Same-store net operating income grew 6.7% year-over-year during the first quarter, driven by a 4.8% gain in same-store revenue and 0.9% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 88.6%, a 60 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 87.7%, a 40 basis point increase from a year earlier.

Operating Fundamentals

- The addition of 63 stores to the same-store pool had a positive impact on revenue and net operating income growth. A number of the markets added to the pool generated above-average revenue growth including Georgia (10.3%), Nevada (11.5%), and Indiana (9.5%).
- National Storage Affiliates continues to increase rents on existing customers in the high single-digit range. Approximately three-quarters of existing customers will receive rent increases during the course of the year
- Street rates trended down 3% to 4% during the first quarter. The ability to increase rents on existing customers partially offsets the rent roll down of replacing move-outs with lower rates from move-ins.
- Discounts as a percentage of revenue increased about 2% year-over-year after remaining flat for a number of prior quarters.

Operations

National
Storage Affiliates
(NYSE: NSA)

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for the quarter include Atlanta (11.5%), Las Vegas (11.5%), Indianapolis (9.5%), and Inland Empire (5.5%).
- Major markets performing below the portfolio average include Portland (1.0%), Tulsa (1.4%), Oklahoma City (1.8%), Phoenix (1.9%), and Dallas (2.9%). Elevated new supply in those markets contributed to the challenged performance.

Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary

State	Stores	Rent Per Occupied Square Foot	Occupancy 3/31/2019	Revenue Growth
California	80	\$13.17	91.4%	5.4%
Oregon	58	\$14.72	83.4%	1.2%
Texas	58	\$9.69	88.8%	4.4%
Georgia	33	\$9.80	89.5%	10.3%
Oklahoma	30	\$8.62	86.3%	1.6%
North Carolina	29	\$10.72	91.5%	4.9%
Florida	29	\$14.48	87.2%	3.2%
Arizona	16	\$13.25	87.8%	3.8%
Indiana	16	\$9.67	89.7%	9.5%
Louisiana	14	\$10.12	84.3%	2.1%
Washington	13	\$14.76	84.4%	1.5%
Nevada	11	\$10.86	92.4%	11.5%
Colorado	11	\$12.44	89.1%	2.8%
New Hampshire	10	\$12.99	92.4%	9.0%
Other	32	\$10.30	88.5%	9.3%
Total	439	\$11.82	88.6%	4.28%

*Other states in NSA's same store portfolio include Alabama, Kentucky, Mississippi, Nevada, New Hampshire, New Mexico, Ohio and South Carolina.

2019 Full Year Guidance Update - same store pool of 439 stores

Revenue growth	2.5% to 3.5%
Property operating expenses	2.5% to 3.5%
Net operating income	2.5% to 3.5%
Subordinated performance unit distribution	\$32 million to \$34 million
Wholly-owned acquisitions	\$300 million to \$500 million
Joint venture acquisitions	\$20 million to \$100 million

Capital Activities

Public Storage (NYSE: PSA)

- Called for redemption 6.375% Series Y Preferred Shares for \$285 million.
- Issued 5.6% Series H Preferred Shares for gross proceeds of \$285 million.
- Complete a public offering of \$500 million in senior notes bearing interest at an annual rate of 3.385% maturing in ten years.
- Amended \$500 million revolving line of credit, extending the maturity date from March 31, 2020 to April 19, 2024, decreases effective borrowing spread over LIBOR from 0.85% to 0.70%, and decreases facility fee from 0.08% to 0.07%.

Extra Space Storage (NYSE: EXR)

- As of March 31, 2019, has \$257.9 million available for issuance under its equity program. Did not sell any shares of common stock in the first quarter, using its at-the-market (“ATM”) equity program.
- Percentage of fixed-rate debt to total debt is 72%, with weighted average interest rate of 3.4%. Variable rate to total debt of 28% with a weighted average interest rate of 3.8%. The weighted average maturity of all debt is approximately 4.7 years.

CubeSmart (NYSE: CUBE)

- Issued \$350 million of ten-year unsecured senior notes at an interest rate of 4.375%. Net proceeds were used to repay all of the outstanding debt under the company’s \$200 million unsecured term loan of its credit facility scheduled to mature in January of 2019. The remaining proceeds used to repay a portion of outstanding debt under the revolving portion of its credit facility.
- Sold approximately 800,000 common shares through its “at-the-market” equity program (“ATM”) at an average sales price of \$32.20 per share, resulting in net proceeds of \$24.6 million. The company has an additional 9.7 million shares available for future issuance.

Debt Structure

	Amount	Rate	Maturity*
Floating Rate	\$196 million	3.69%	1 year
Fixed Rate	\$1.596 billion	4.19%	6.4 years
Total Debt	\$1.792 billion	4.14%	5.8 years

* weighted average

Capital Activities

Life Storage (NYSE: LSI)

- At March 31, 2019, approximately \$8.9 million cash on hand, and \$322.7 million available on its line of credit.

Key Financial Ratios

Debt to Enterprise Value @ \$92.27/share	28.5%
Debt to Book Cost of Facilities	40.5%
Debt to Recurring Annualized EBITDA	5.8x
Debt Service Coverage (DSC)	4.5x

National Storage Affiliates (NYSE: NSA)

- Entered into an agreement with a lender for a new \$100 million term loan which matures in ten years and has an effective interest rate of 4.27%, after the effect of interest rate swaps for the loan term.
- NSA operating partnership assigned an investment grade issuer rating of BBB with stable outlook by Kroll Bond Rating Agency ("KBRA")



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