

MJ PARTNERS
SELF STORAGE GROUP



SELF STORAGE MARKET OVERVIEW

Third Quarter 2020 Results

Analysis of the Public Self Storage Companies

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Summary

Q3 2020 Results Signal Positive Momentum

- Strong consumer demand, increasing move-in volumes and muted move-out volumes continue to drive record-setting occupancies among the self storage REITs. Same-store revenue growth continues to rebound as rental rate increases to existing customers resumes, plus move-in rates across REIT portfolios increased 5% year-over-year during the quarter and 9% year-over-year in October. Improved fundamentals helped drive revenue growth sequentially and provides optimism entering the fourth quarter.
- The self storage REITs posted same-store revenue growth from 1.2% to -2.7% in the third quarter.
- Net operating income for REITs same store pools ranged from 0.4% to -3.7% in the third quarter.
- Occupancy levels continue to reach all-time highs ending the quarter at 91.9% to 95.9%.

Extended Leasing Season

- Continued strong consumer demand and limited move-outs helped accelerate operating results subsequent to the quarter's end. The REITs reported robust occupancies increasing up to 420 basis points compared to a year earlier and street rates pushing into positive year-over-year growth. Pent-up demand and new demand drivers brought on by the pandemic are extending the leasing season into the fourth quarter.

Transaction Activity Accelerates

Abundant access to historically low costs of capital is fueling an accelerating transaction market in the third quarter and leading into 2021. The following are highlights:

- Blackstone Real Estate Trust ("BREIT") in agreement to acquire Simply Self Storage's platform and nearly 100 properties from Brookfield Asset Management for \$1.2 billion. The cap rate estimated to be at low 4% level.
- Public Storage's pending 36-property portfolio transaction spread across 15 markets in 13 states, 24 operating properties in early stages of lease-up (35% occupancy average) and 12 properties in various stages of developments.
- CubeSmart's pending acquisition of eight New York properties from Storage Deluxe for \$540 million. The portfolio includes five properties in Queens, two in Brooklyn and one in the Bronx. Pricing translates to approximately \$692 per rentable square foot and estimated mid-4% cap rate at stabilization in 2023.
- Life Storage's recent acquisition of 25 stabilized properties for \$326.7 million, purchasing the interests from two joint venture partnerships with Sovran HFF Storage Holdings, LLC. Locations include New Jersey (6), Ohio (6), Texas (5), Pennsylvania (4), Florida (3) and Georgia (1), Cap rate estimated in the low 5% range.

Implied Cap Rates

 Public Storage	Public Storage (NYSE: PSA)	4.7%
 ExtraSpace Storage	Extra Space Storage (NYSE: EXR)	4.3%
 CUBE SMART	CubeSmart (NYSE: CUBE)	4.9%
 LifeStorage	Life Storage (NYSE: LSI)	5.1%
 NATIONAL STORAGE AFFILIATES	National Storage Affiliates (NYSE: NSA)	4.6%

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

Summary

New Supply Update

Under Construction & Planned
Percent of Existing Inventory

Metro Area	August 2020	September 2020	% Change
NATIONAL	8.5%	8.6%	+0.1%
New York	18.0%	17.9%	-0.1%
Sacramento	16.7%	16.7%	-
Las Vegas	16.0%	16.1%	+0.1%
San Jose	15.2%	15.1%	-0.1%
Portland	13.9%	13.7%	-0.2%
Seattle	12.8%	12.8%	-
Orlando	12.1%	12.2%	+0.1%
Washington DC	12.0%	12.2%	+0.2%
Phoenix	11.9%	12.0%	+0.1%
Columbus (OH)	11.8%	11.8%	-
San Diego	11.7%	11.6%	-0.1%
Boston	10.9%	10.9%	-
Miami	10.9%	10.9%	+0.1%
Philadelphia	10.5%	10.7%	+0.2%
Raleigh-Durham	10.7%	10.6%	-0.1%
Tampa	10.6%	10.6%	-
San Francisco	10.4%	10.6%	+0.2%
Nashville	9.1%	9.1%	-
Charlotte	9.0%	9.0%	-
Minneapolis	8.1%	8.1%	-
Dallas-Ft. Worth	7.7%	7.9%	+0.2%
Pittsburgh	7.6%	7.6%	-
Los Angeles	7.5%	7.5%	-
Atlanta	7.2%	7.3%	+0.1%
Denver	7.1%	7.1%	-
Austin	6.9%	6.9%	-
Inland Empire	5.3%	5.5%	+0.2%
San Antonio	3.3%	3.3%	-
Chicago	3.3%	3.3%	-
Charleston (SC)	3.2%	3.2%	-
Houston	2.7%	2.9%	+0.2%

Source: Yardi Matrix

- Yardi Matrix tracked a total of 2,149 self storage properties in the national pipeline during September 2020. It includes 565 under construction, 1,170 planned and 414 prospective projects.
- The anticipated slowdown of new construction starts due to the pandemic has not completely halted the new supply pipeline in the self storage sector. Self storage properties under construction or in the planning stages across the country increased 10 basis points compared to August to 8.6% of existing inventory in September.
- Only five markets tracked by Yardi Matrix experienced a decrease in new supply pipeline: New York, San Jose, Portland, San Diego, and Raleigh-Durham.
- There are 19 major markets that new supply exceeds the national average. New York (17.9%) Sacramento (16.8%) and Las Vegas (16.1%) lead the nation in new supply as a percentage of existing inventory. Portland experienced the greatest decrease in new supply sequentially (-0.2%), but remains well above the national average. Major markets in Texas, Charleston (SC), Chicago, Inland Empire, Los Angeles, Pittsburgh, Denver, and Denver report new supply well below the national average.
- Yardi Matrix reports 30 abandoned storage projects from the national pipeline in September. The company forecasts a continued slowdown in new supply compared to pre-COVID projections.

Earnings Results

Same-Store Comparisons*

	Total Properties Operating	Revenue	Net Operating Income Growth	End of Quarter Occupancy	Rent Per Occupied Square Foot
Public Storage	2,504 U.S. 239 Europe	(2.7%)	(3.7%)	94.6%	\$17.26
Extra Space Storage	1,906	(1.5%)	(2.7%)	95.9%	\$16.57
CubeSmart	~1,250	0.1%	(1.6%)	94.3%	\$17.03
Life Storage	900	1.2%	0.4%	93.2%	\$14.43
National Storage Affiliates	788	0.0%	0.2%	91.9%	\$12.02

*Same-Store Comparisons Q3 2020 vs Q3 2019

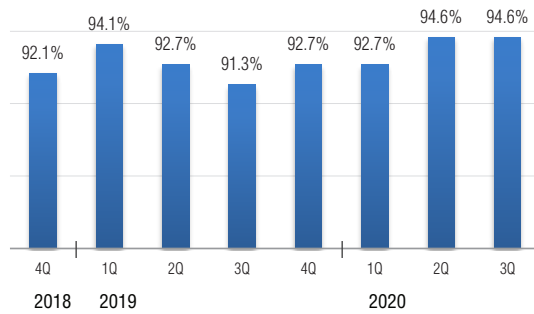
Capital Markets

	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (11/9/2020)	52-Week High/Low
Public Storage	\$38.82 billion	\$2.63/share (-3.7%)	3.46%	\$222.08	\$240.75 \$155.37
Extra Space Storage	\$13.81 billion	\$1.31/share (+5.6%)	3.19%	\$106.92	\$121.07 \$72.70
CubeSmart	\$6.05 billion	\$0.44/share	3.95%	\$31.24	\$35.77 \$19.61
Life Storage	\$5.11 billion	\$1.52/share (+4.1%)	3.74%	\$106.18	\$119.94 \$67.31
National Storage Affiliates	\$2.28 billion	\$0.44/share (+10%)	3.94%	\$32.97	\$38.22 \$19.34

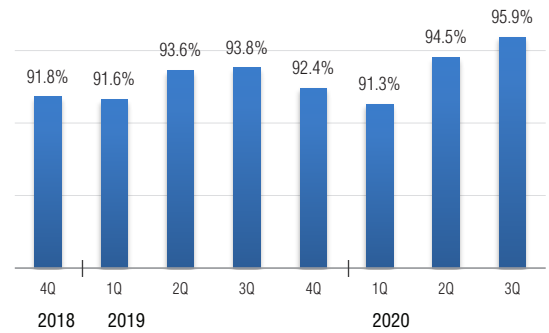
Portfolio Occupancies

Same-Store
Year-Over-Year Change

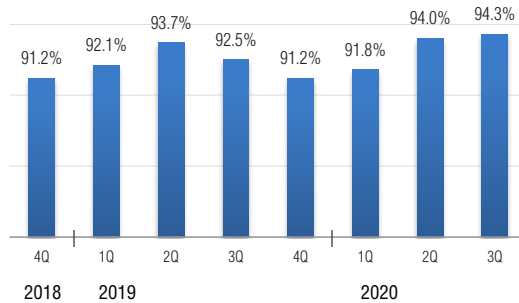
Public Storage



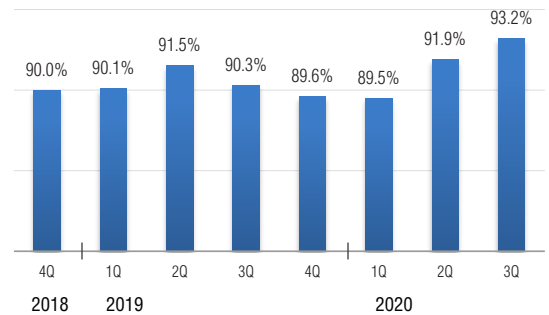
Extra Space Storage



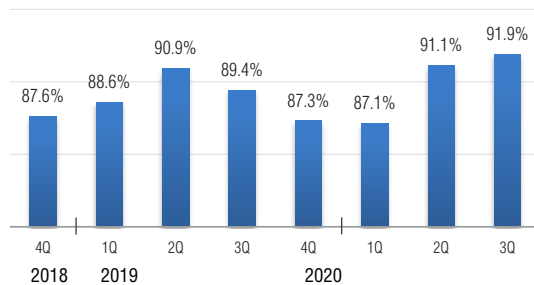
CubeSmart



Life Storage



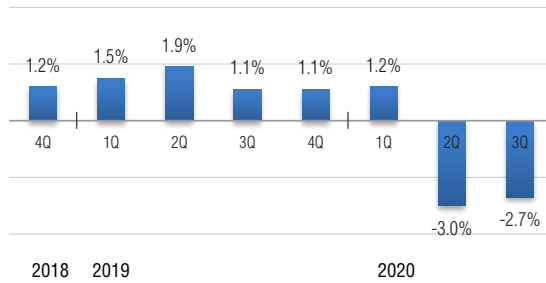
National Storage Affiliates



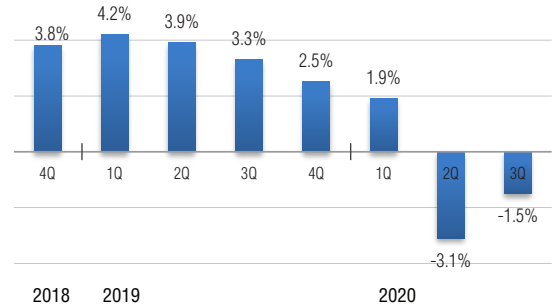
Portfolio Revenues

Same-Store
Year-Over-Year Change

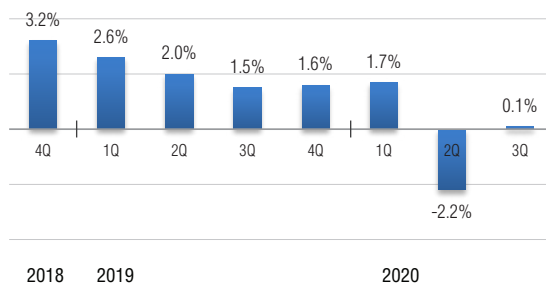
Public Storage



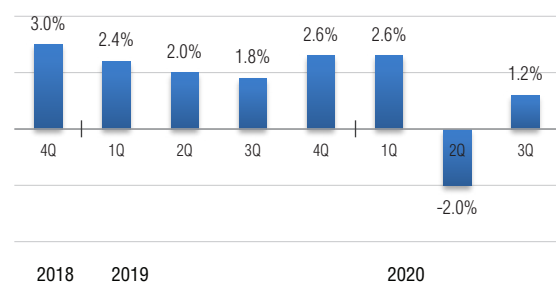
Extra Space Storage



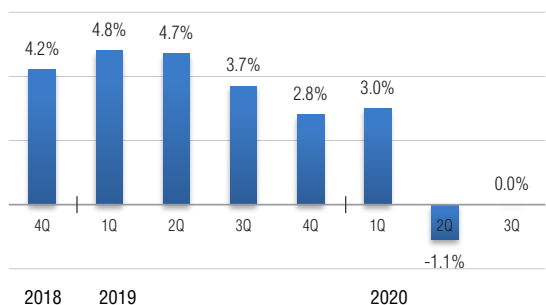
CubeSmart



Life Storage



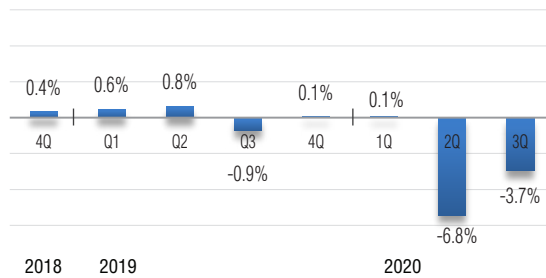
National Storage Affiliates



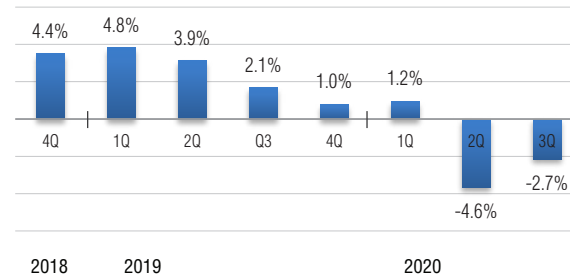
**Portfolio
Net Operating
Income**

Same-Store
Year-Over-Year Change

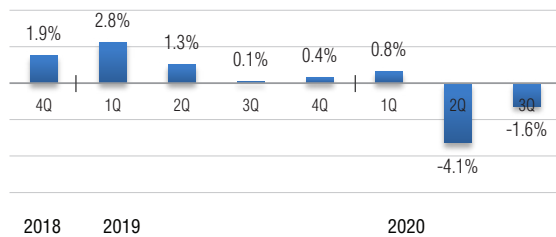
Public Storage



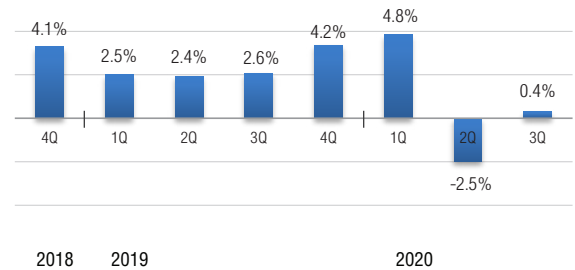
Extra Space Storage



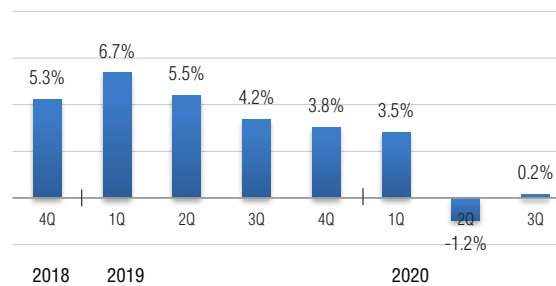
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage
(NYSE: PSA)

During the third quarter, Public Storage acquired four self storage facilities for \$29.1 million, locations include two in Minnesota, and one each in Colorado and Utah. Subsequent to quarter's end, the company acquired or under contract to acquire 54 self storage facilities with 4.9 million net rentable square feet for \$686.9 million.

Investment Activity

- A 36-property portfolio, Beyond Self Storage, is part of the 54 facilities currently under contract to purchase. These Class-A recently developed assets consist of 24 operating properties with an overall occupancy of approximately 35% and average age of two to three years. An additional twelve properties are currently under construction in various stages to be delivered through 2021. The properties are spread across 15 markets in 13 states. The acquisition was part of an "off-market" transaction. The company anticipates three to four years to reach economic stabilization.
- Public Storage recent acquisitions at a similar range of previous transaction over time on a stabilized basis of 5% to 6% plus on a cash-or-cash basis, and some a little higher.

Development Pipeline

- At September 30, 2020, the company has various facilities in development totaling 1.2 million rentable square feet estimated to cost \$217 million, and various expansion projects totaling 2.5 million rentable square feet estimated to cost \$347 million. The aggregate 3.7 million square foot pipeline of development and expansion facilities includes 1.5 million square feet in California, 1.0 million square feet in Florida, 200,000 square feet each in Missouri, New York, Texas, Virginia, Washington, and other states. The remaining \$387 million of development costs for these projects expected to be completed primarily in the next 18 to 24 months.
- In the first nine months of 2020, Public Storage opened two newly developed facilities and various expansion projects totaling \$97.4 million including 300,000 square feet in Florida, 200,000 square feet in Minnesota and 100,000 square feet each in California and Missouri.

Investment Activity

Extra Space Storage (NYSE: EXR)

Extra Space acquired eight operating stores in the third quarter for approximately \$87.4 million. The company currently has \$287 million of property acquisitions closed or under contract in 2020.

Investment Activity

- In conjunction with joint venture partners, Extra Space acquired one operating store, five certificate of occupancy stores and completed one development in the third quarter for a total cost of approximately \$85.6 million, of which Extra Space invested \$33.9 million.
- Year to date, Extra Space acquired one wholly-owned operating stores and one certificate of occupancy store for a total cost of approximately \$106.8 million.
- Extra Space approved 22 stores for acquisition in 2020 and none were stabilized, with an average occupancy of 64%. Estimated time to stabilization ranges from six months to 36 months with projections of mid-6.0% yields upon stabilization. Extra Space not interested in acquisitions of stabilized assets currently at sub 5% yields.

Bridge Loan Program

- Year to date, Extra Space has closed \$79.5 million in bridge loans with an additional \$235.4 million under agreement to close in 2020, and an additional \$167.7 million in 2021.
- The bridge loans are underwritten with first position and mezzanine tranches. Extra Space sells about 70% to 80% of the first position and retain the mezzanine position to leverage the return and control the amount of capital allocated to the program. The yields on Extra Space's investment are between 9% and 11% after selling the whole loan between 5% to 6% yield. The yield does not include management fees and tenant insurance revenues that Extra Space retains through management of the properties.

Mezzanine Loan Purchase

- During the third quarter, Extra Space purchased a senior mezzanine note at 98% of the \$103 million principal balance, with an expected yield-to-maturity of 6.1%.

SmartStop Preferred Stock Investment

- On October 26, 2020, Extra Space purchased \$50 million in shares of convertible preferred stock of SmartStop Self Storage REIT, Inc., as previously committed to purchase at SmartStop's option.
- Extra Space has invested a total of \$200 million in SmartStop's convertible preferred stock. The dividend rate for the preferred stock is 6.25% per annum, and is subject to increase.

Preferred Equity Investment in Jernigan Capital

- On November 9, 2020, Extra Space announced it made a \$300 million equity investment in preferred stock of Jernigan Capital, Inc. ("JCAP") in connection with the acquisition of JCAP by affiliates of NexPoint Advisors, LP. The preferred investment consists of a \$200 million tranche with a yield of 10% per annum and a \$100 million tranche with a 12% yield, for a blended rate of 10.7% per annum. Extra Space will assume management of 37 JCAP properties in connection with the investment. After five years, the preferred dividend increases annually if the investment is not retired by JCAP and includes prepayment penalties and make whole provisions if retired early. The investment also provides Extra Space with certain rights with respect to purchasing the properties.

Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Under Contract

Location	Estimated Opening	Estimated Net Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Ownership
2020 Projected Openings					
New Hyde Park, NY ⁽¹⁾	4Q 2020	70,000	\$6,400,000	\$ 91.43	100%
Total	1	70,000	\$6,400,000		
2021 Projected Openings					
Vista, CA	3Q 2021	104,400	\$16,000,000	\$153.26	10%
El Cajon, CA ⁽¹⁾	3Q 2021	55,345	\$2,834,000	\$51.20	100%
Neptune City, NJ	3Q 2021	65,875	\$11,450,000	\$173.81	100%
Total	3	225,620	\$30,284,000		

(1) property subject to a ground lease



Investment Activity

Extra Space Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Performance Summary

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Occupancy 9/30/2020	Ownership
Raleigh, NC	1Q 2018	74,968	\$8,800,000	\$117.38	92.6%	10%
Cherry Creek, CO	1Q 2018	88,368	\$14,000,000	\$158.43	98.9%	100%
Totowa, NJ	1Q 2018	90,127	\$19,541,000	\$216.82	89.3%	100%
Chicago, IL	1Q 2018	98,737	\$14,500,000	\$146.85	61.6%	10%
Elmhurst, IL	2Q 2018	82,763	\$9,960,000	\$120.34	97.7%	25%
St. Petersburg, FL	2Q 2018	99,073	\$9,750,000	\$98.41	83.6%	20%
Vancouver, WA	2Q 2018	57,290	\$8,250,000	\$144.00	98.3%	25%
Houston, TX	2Q 2018	79,542	\$9,000,000	\$113.15	95.8%	100%
Hollywood, FL	2Q 2018	58,410	\$11,800,000	\$202.02	96.8%	10%
Portland, OR	2Q 2018	78,642	\$22,500,000	\$286.11	95.7%	25%
Largo, FL	3Q 2018	86,620	\$11,500,000	\$132.76	91.6%	25%
Minnetonka, MN	3Q 2018	86,461	\$12,025,000	\$139.08	90.0%	100%
Milwaukie, OR	3Q 2018	64,324	\$11,700,000	\$181.89	91.2%	25%
Riverview, FL	3Q 2018	89,020	\$10,400,000	\$116.83	95.3%	10%
Crum Lynne, PA	3Q 2018	83,929	\$13,180,000	\$157.04	68.4%	95%
Lawrenceville, GA	4Q 2018	77,419	\$7,500,000	\$96.88	94.0%	100%
Jamaica Plain,	4Q 2018	94,077	\$21,333,000	\$226.76	77.5%	100%
Brooklyn Park,	4Q 2018	76,981	\$8,100,000	\$105.22	78.7%	100%
Decatur, GA	4Q 2018	78,977	\$14,250,000	\$180.43	79.8%	10%
St. Petersburg, FL	4Q 2018	70,390	\$12,200,000	\$173.32	67.3%	10%
Atlanta, GA	4Q 2018	76,725	\$13,500,000	\$175.95	58.1%	10%
Tampa, FL	4Q 2018	77,705	\$10,000,000	\$128.69	75.3%	10%
Manayunk, PA	4Q 2018	62,650	\$17,100,000	\$272.94	97.5%	100%
Charlotte, NC	1Q 2019	75,227	\$9,250,000	\$122.96	81.4%	10%
Chicago, IL	1Q 2019	99,259	\$14,840,000	\$149.51	40.5%	10%
Brooklyn, NY	1Q 2019	145,143	\$79,901,000	\$550.50	44.1%	25%
Auburndale, MA	1Q 2019	79,665	\$20,000,000	\$251.05	53.5%	10%

Investment
Activity

Extra Space
Storage
(NYSE: EXR)

Certificate of Occupancy and Development Stores - Performance Summary

Location	Date Opened	Rentable Square Feet	Purchase Price/Cost	Price/Cost Per Square Foot	Occupancy 9/30/2020	Ownership
Queens, NY	1Q 2019	117,765	\$52,321,000	\$444.28	58.2%	25%
Louisville, KY	1Q 2019	158,826	\$12,680,000	\$79.84	66.3%	100%
Plantation, FL	2Q 2019	71,163	\$11,800,000	\$165.82	87.6%	100%
Brooklyn Center,	2Q 2019	81,218	\$8,400,000	\$103.43	76.0%	100%
Broomfield, CO	3Q 2019	67,087	\$9,083,000	\$135.39	97.8%	100%
Wakefield, MA	3Q 2019	83,304	\$16,800,000	\$201.67	63.2%	100%
Brooklyn, NY	4Q 2019	45,360	\$20,750,000	\$457.45	29.6%	10%
Brooklyn, NY	4Q 2019	59,056	\$29,144,000	\$493.50	43.1%	25%
Maple Grove, MN	4Q 2019	84,848	\$10,153,000	\$119.66	53.4%	50%
Aurora, CO	1Q 2020	79,700	\$9,628,000	\$120.80	67.7%	100%
Miramar, FL	1Q 2020	81,380	\$14,800,000	\$181.86	26.1%	10%
Eagen, MN	1Q 2020	65,803	\$7,695,000	\$116.94	39.3%	50%
West Palm Beach	2Q 2020	76,952	\$14,500,000	\$188.43	25.4%	10%
Belleville, NJ	2Q 2020	76,501	\$10,944,000	\$143.06	47.0%	95%
Coon Rapids, MN	3Q 2020	72,497	\$7,815,000	\$107.80	0.9%	50%
Edina, MN	3Q 2020	44,039	\$11,770,000	\$267.26	6.4%	50%
Total	43	3,497,991	\$663,163,000			

Investment Activity

CubeSmart
(NYSE: CUBE)

CubeSmart did not acquire any stores during the third quarter. On October 21, 2020, the company entered into an agreement to purchase a portfolio of eight operating properties in New York for \$540 million from Storage Deluxe. Of the eight assets, five are in Queens, two in Brooklyn, and one in the Bronx.

Investment Activity

- The New York portfolio of eight high quality properties were third-party managed by CubeSmart. The properties are located in Brooklyn, Long Island City and Flushing (Queens), College Point (Brooklyn), and the Bronx. Consideration for the properties will consist of approximately \$201.7 million cash, approximately \$183.7 million in OP units and the assumption of about \$154.6 million of existing fixed-rate secured debt. The transaction expected to close in two tranches in December 2020.
- The \$540 million price translates to approximately \$692 per rentable square foot. The cap rate estimated at mid 4% based on stabilization in 2023.

Development Activity

- As of September 30, 2020, the company had five joint venture development properties under construction, with an estimated total investment of \$126.8 million related to these projects. Invested \$52.5 million through quarter's end. The development stores are located in Newton Massachusetts, East Meadow and Valley Stream, New York; Arlington, Virginia; and King of Prussia, Pennsylvania. The stores are expected to open at various times between the fourth quarter of 2020 and the first quarter of 2022.

Investment
Activity

CubeSmart
(NYSE: CUBE)

New Development Properties

Location	Expected Opening	CUBE's Anticipated Investment
Newton, MA	Q4 2020	\$18,800,000
East Meadow, NY	Q1 2021	\$24,900,000
Arlington, VA	Q1 2021	\$23,300,000
King of Prussia, PA	Q2 2021	\$21,900,000
Valley Stream, NY	Q1 2022	\$37,900,000
Total		\$126,800,000

Acquisitions at Certificate of Occupancy - Operating

Location	Date Completed	Rentable Square Feet	Purchase Price	Price Per Square Foot	Occupancy 9/30/2020
San Diego, CA	Q4 2018	87,287	\$19,118,000	\$219.02	82.4%

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 9/30/2020
Bronx, NY	Q3 2018	199,259	\$92,100,000	\$462.21	45.5%
Queens, NY	Q2 2019	87,168	\$47,500,000	\$544.92	76.8%
Bayonne, NJ*	Q2 2019	96,938	\$25,100,000	\$258.93	66.6%
Waltham, MA	Q3 2019	87,840	\$18,000,000	\$204.92	57.1%
Brooklyn, NY	Q2 2020	89,580	\$45,900,000	\$512.39	19.9%
Total		560,785	\$228,600,000		

*This property is subject to a ground lease which commenced on June 28, 2017.

Investment Activity

Life Storage (NYSE: LSI)

During the third quarter, Life storage acquired 25 stabilized stores for a total purchase price of \$326.7 million, with locations in New Jersey (6), Ohio (6), Texas (5), Pennsylvania (4), Florida (3), and Georgia (1).

Investment Activity

- Seventeen of the properties were acquired from Sovran HHF Storage Holdings LLC, a joint venture in which Life Storage has a 20% interest. Eight of the properties were acquired from Sovran HHF Storage Holdings II LLC, a joint venture in which Life Storage has a 15% common interest. The net investment to acquire all 25 properties was \$295.3 million. Cap rates for acquisitions estimated in the low 5% range.
- During the third quarter, Life Storage entered into contracts to acquire three self storage facilities in Missouri, New Jersey and New York for an aggregate purchase price of \$37.9 million.
- Subsequent to September 30, 2020, the company entered into contracts to acquire five self storage facilities in Florida (2), South Carolina (2) and California (1) for an aggregate purchase price of \$59.6 million. Currently under contract to acquire properties totaling \$85 million.
- The company anticipates elevated acquisition pipeline into 2021. The majority of recent acquisitions have been completed through an “off market” basis.

Investment
Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy Operating Properties

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 9/30/2020
Charleston, SC	Jul-2016	70,165	\$8,620,000	\$122.85	86.5%
Chicago, IL	Feb-2017	78,023	\$10,089,000	\$129.31	97.7%
Charlotte, NC	Dec-2017	70,068	\$12,549,000	\$179.10	84.7%
Sacramento, CA	Sep-2018	79,795	\$13,846,000	\$173.52	97.8%
Atlanta, GA	Nov-2018	81,789	\$14,234,000	\$174.03	92.7%
Sacramento, CA	Dec-2018	57,096	\$9,547,000	\$167.21	95.9%
St. Louis, MO	Dec-2018	78,300	\$9,301,000	\$118.79	79.3%
New York, NY	Jan-2019	114,932	\$57,298,000	\$498.54	89.7%
Tampa, FL	Mar-2019	59,985	\$9,302,000	\$155.07	91.3%
Jacksonville, FL	Jun-2019	72,609	\$9,955,000	\$137.10	81.0%
Raleigh, NC	Jul-2019	79,339	\$11,874,000	\$149.66	76.2%
Washington, DC	Jul-2019	76,530	\$15,163,000	\$198.13	82.6%
Chattanooga, TN	Jul-2019	71,639	\$9,604,000	\$134.06	87.0%
Tampa, FL	Jul-2019	75,420	\$10,479,000	\$138.94	91.5%
Charleston, SC	Jul-2019	71,835	\$7,685,000	\$106.98	76.1%
Washington, DC	Jul-2019	75,585	\$13,566,000	\$179.48	73.4%
Greenville, SC	Jul-2019	67,949	\$8,658,000	\$127.42	68.3%
Atlanta, GA	Jul-2019	87,425	\$11,871,000	\$135.78	93.7%
Richmond, VA	Jul-2019	86,017	\$10,666,000	\$124.00	71.2%
Tampa, FL	Jul-2019	84,000	\$15,424,000	\$183.62	63.2%
Richmond, VA	Jul-2019	80,455	\$11,831,000	\$147.05	60.7%
Richmond, VA	Jul-2019	73,095	\$8,507,000	\$116.38	84.0%
Total		1,692,051	\$290,069,000		

Investment Activity

National Storage Affiliates
(NYSE: NSA)

During the third quarter, NSA acquired four wholly-owned self storage properties for \$23.8 million consisting of approximately 300,000 rentable square feet and 2,100 storage units.

Investment Activity

- Total consideration for the acquisitions includes \$20.2 million of cash, the issuance of about \$800,000 of operating partnership units (OP units) and \$2.6 million of subordinated performance units (SP units), and the assumption of working capital liabilities of \$200,000.
- NSA is currently under contract or letter-of-intent to acquire properties valued at approximately \$300 million. One-half of the volume expected to close before year's end.
- Cap rates on pending transactions at about 6%. The company is mostly acquiring properties through one-off transactions. Cap Rates generated are lower for small portfolio acquisitions and a little higher for one-off transactions.
- NSA witnessing cap rate compression in the acquisition for existing properties, with portfolio premiums ranging from 75 basis points up to 125 basis points for multi-asset transactions.
- Subsequent to quarter's end, the company acquired two additional facilities for \$9 million. Three of the recent acquisitions originating from NSA's captive pipeline of properties from company's PROs. This captive pipeline remains a stable source for future acquisitions.
- NSA remains bullish that the estimated \$400 million to \$600 million of annual NSA acquisitions is achievable. In addition to the percentage of the 50,000 facilities not controlled by the top five operators, the 140 properties valued at \$1 billion that are controlled by NSA PROs represents a captive pipeline of transactions.

Operations

Public Storage
(NYSE: PSA)

During the third quarter, Public Storage generated 2.7% decrease in same-store revenues and 3.7% decrease in net operating income. Top performing markets by same-store revenue growth for the quarter include San Francisco, Los Angeles, Philadelphia, Seattle, and Chicago.

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, 2018. The same-store pool consists of 2,224 facilities (143.9 million net rentable square feet) representing 84% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio at September 30, 2020.

Q3 2020 Results

- Same-store revenues decreased 2.7% year-over-year during the third quarter, a 30 basis point increase sequentially. The decrease was impacted by a 2.7% decrease in realized rent per occupied square foot, 1.8% decrease in contract rent per occupied square foot, and 32.3% reduction in late fees and administrative fees collected during the quarter.
- Cost of operations for the same-store pool decreased by 0.1% during the third quarter. The decrease was impacted by a 5.5% decrease in on-site manager payroll, 3.3% reduction in supervisory payroll, 9.2% decrease in utilities, and 4.3% decrease in repairs and maintenance. The expense decreases were partially offset by an 8.7% increase in marketing costs and 2.7% gain in real estate taxes.
- Same-store net operating income decreased 3.7% year-over-year during the third quarter, driven by a 2.7% decrease in same-store revenue and 0.1% decrease in operating expenses.
- Same-store occupancy at the end of the quarter was 94.6%, a 200 basis point increase year-over-year and consistent sequentially. Same-store weighted average occupancy during the third quarter was 95.5%, a 140 basis point increase from a year earlier and 130 basis point increase sequentially.

Operating Fundamentals

- Occupancy and rental rate trends are signaling a strong off-peak season. Improved demand and a continued reduction in move-out rates contributed to substantial increases in year-over-year occupancies, increased rates charged to new customers, and resumption of existing customer rent increases (ECRIs).
- Occupancy at the end of the quarter increased 200 basis points year-over-year driven by an 8.2% increase in move-in volumes for the quarter. The trend accelerated in October with occupancy surging 230 basis points year-over-year bolstered by a 10% increase in move-in volumes.
- Move-out volumes remained muted during the quarter, counterintuitive to other past recessionary environments. Past recessions experienced higher move-outs given customer stress. Public Storage experienced move-out volumes 12% to 15% less year-over-year. The muted move-out trend was consistent in all markets.
- Rental rates charged per square foot to new customers increased 8.2% year-over-year, a significant improvement compared to 13.9% decrease year-over-year during Q2 2020. Increased demand and rental rate growth helped narrow the gap between rental rates charged to new customers moving in versus customers moving out. The rate differential was just -\$0.61 per square foot representing a 3.9% negative spread. This compares favorably to the 22.4% negative spread reported last quarter and 15% spread a year earlier.

Operations

Public Storage (NYSE: PSA)

Operating Fundamentals (continued)

- Rental rate trends improved by quarter end driven by a 2.0% increase in year-over-year occupancies at September 30, 2020. In-place contractual rent was 0.2% higher year-over-year at September 30, 2020 compared to a 2.6% decrease year-over-year at the end of the last quarter.
- Average length of stay, currently about ten months, continues to lengthen, in part, a result of the temporary effects of limited customer mobility during the pandemic. The trend increases the pool of customers eligible for rent rate increases, partially offsetting the current lower magnitude rent increase to existing customers.
- Marketing costs increased 8.7% year-over-year due primary to higher “per click” advertising costs on paid search platforms. Marketing spend was tempered compared to the previous quarter due to improved demand, lower move-out volumes, and increased occupancies during the quarter.
- Public Storage resumed ECRIs on a test basis during the third quarter. The company increased the volume of rental rate increases to include backlogged customers unable to receive rate increases during the previous quarter. The magnitude of rent increases was lower than historical norms due to continued state and local price regulations and mindfulness of customer base during the pandemic.
- Sustained demand is being supported, in part, by the movement of people out of high-density urban markets into either temporary or permanent homes. The shift helped increase home sales 20% during the quarter, a traditionally strong driver of demand for storage.
- The concept that the work from home or work remotely environment may place higher demand for larger storage units is not playing out. Public Storage reports demand for smaller units outperformed the demand for larger units during the quarter. One driver may be the need for an extra closet or extra bedroom as people convert space into offices or family members move back, rather than people holistically leaving an entire house.
- Public storage's E-Rental platform gained momentum during the quarter. 40% of move-in volume, or about 115,000 customers, utilize the E-Rental platform in the third quarter.
- The 9.2% decrease in utility expenses was partially driven by the company's LED lighting initiative. All of Public Storage's 2,600 stores are equipped with exterior LED lighting plus one-third of the stores are equipped with interior LED lighting.
- Late fees decreased during the quarter as AutoPay customers increased and non-AutoPay customers accelerated payment.

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter include San Francisco (+0.1%), Los Angeles (-0.2%), Philadelphia (-0.8%), Seattle (-2.0%), and Chicago (-2.7%).
- Major markets performing below the Public Storage portfolio average during the quarter include Orlando (-5.7%), Tampa (-5.3%), Miami (-4.6%), Houston (-4.5%), Dallas/Ft. Worth (-4.4%), and Washington DC (-4.2%).

Third-Party Management

- Currently with 113 third-party managed properties after adding seven new properties in the third quarter. The vast majority of third-party properties are newly developed self storage facilities.

Operations

Public Storage
(NYSE: PSA)

Top Market Same-Store Performance - End of Third Quarter 2020

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	0212	\$25.20	97.4%	(0.2%)
San Francisco	0128	\$25.91	97.5%	0.1%
New York	0089	\$24.61	96.8%	(3.4%)
Seattle-Tacoma	0086	\$19.33	95.3%	(2.0%)
Washington DC	0089	\$20.06	95.6%	(4.2%)
Miami	0081	\$18.48	95.4%	(4.6%)
Chicago	0129	\$14.13	95.6%	(2.7%)
Atlanta	0099	\$12.11	93.5%	(7.7%)
Dallas-Ft. Worth	00102	\$12.35	93.5%	(4.4%)
Houston	0084	\$11.66	92.8%	(4.5%)
Orlando-Daytona	0072	\$12.77	94.8%	(5.7%)
Philadelphia	0056	\$16.45	97.0%	(0.8%)
West Palm Beach	0038	\$17.46	95.5%	(4.0%)
Tampa	0052	\$12.75	94.3%	(5.3%)
Charlotte	0050	\$10.31	94.2%	(3.7%)
All other markets	0857	\$13.69	95.4%	(2.8%)
Total	2,224	\$16.48	95.5%	(2.7%)

Operations

Extra Space
Storage
(NYSE: EXR)

During the third quarter, Extra Space generated 1.5% decrease in same-store revenues and 2.7% decrease in net operating income year-over-year. Top performing major markets by revenue growth include Phoenix, Norfolk-Virginia Beach, Las Vegas, Chicago, and Philadelphia.

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 863 facilities.

Q3 2020 Results

- Same-store revenues decreased 1.5% during the third quarter, a 160 basis point increase sequentially. The decrease was impacted by a 0.3% decrease in net rental income and 29.3% decrease in other operating income.
- Cost of operations for the same-store pool increased by 1.5% during the third quarter. The increase was impacted by a 16.7% increase in marketing, 5.3% increase in real estate taxes, and 13.3% increase in insurance. Expenses were partially offset by a 0.5% decrease in payroll, 14.0% decrease in repairs and maintenance, and 11.9% decrease in property operating expenses.
- Same-store net operating income decreased 2.7% year-over-year during the third quarter, driven by a 1.5% decrease in same-store revenue and 1.5% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 95.9%, a 210 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 95.8%, a 180 basis point increase year-over-year.

Operating Fundamentals

- Self storage fundamentals significantly rebounded during the quarter driven by improved demand, stabilizing rental rates, continued decrease in move-out volume and strong occupancy gains.
- The pace of move-ins and move-outs continued to assist occupancy and revenue gains. Despite a 5% year-over-year decline in move-ins during the quarter, move-out volume decreased 13% compared to the same period last year. Move-out volume was impacted by an acceleration of the backlog of auctions that were suspended in previous quarters. The vacancy created by the stepped-up auction activity was positively offset by strong rental demand.
- Extra Space occupancy reached record levels increasing 210 basis points year-over-year at the end of the quarter. Occupancies continued to hold firm subsequent to the end of the quarter. Same-store occupancy at October 31, 2020 was 95.9%, a 260 basis point increase from a year earlier.
- Accounts receivables and collections less than 60 days old returned to normal levels by the end of October.
- Late fees decreased during the quarter due to continued municipal and state regulations suspending late charges and Extra Space's leniency on late fee charges as customers work through the crisis.
- The roll-out of Extra Space's Rapid Rental platform gained traction during the quarter. 20% of customer rentals are utilizing the platform.

Operations

Extra Space
Storage
(NYSE: EXR)

Operating Fundamentals (continued)

- Demand for storage is being impacted by traditional demand drivers and those brought on by the pandemic. Life events (i.e. death, divorce, moving) broadly constitute traditional drivers that exist with or without the current crisis. The pandemic created additional unique drivers such as college students not going back to college, restaurants and businesses storing inventor and furniture, people moving back with family, and migration of workers out of urban areas.
- New supply remains the primary headwind for future revenue growth. While the pandemic has delayed new deliveries and may reduce planned and prospective projects, new supply continues to be delivered and excess inventory continues in lease-up.

Major Markets Revenue Growth

- Major markets with revenue growth above the portfolio average for during the third quarter Phoenix (+4.1%), Norfolk-Virginia Beach (+3.6%), Las Vegas (+1.7%), Chicago (+1.5%), Philadelphia (+1.2%), Cincinnati (+0.6%), and Memphis (+0.1%).
- Major markets performing below the Extra Space portfolio average during the quarter include Atlanta (-4.2%), Orlando (-3.5%), Houston (-3.2%), Tampa (-2.8%), Miami (-2.7%), Charleston (-2.5%), Washington DC (-2.4%), and Dallas-Ft. Worth (-2.3%).

Third-Party Management Platform

- Extra Space added 18 stores to its third-party management platform during the third quarter, resulting in 718 stores (971 managed stores including joint ventures).

Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance

MSA	Number of Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2020	Revenue Growth
Los Angeles-Riverside-Orange County, CA	88	\$21.50	97.1%	(1.5%)
New York-Northern New Jersey-Long Island, NY-NJ-PA	71	\$24.02	95.8%	(2.2%)
Washington-Baltimore, DC-MD-VA-WV	52	\$18.89	95.4%	(2.4%)
Atlanta, GA	50	\$12.46	96.4%	(4.2%)
Dallas-Fort Worth, TX	49	\$12.21	95.4%	(2.3%)
Boston-Worcester-Lawrence, MA-NH-ME-CT	42	\$21.92	94.7%	(0.2%)
San Francisco-Oakland-San Jose, CA	40	\$27.03	97.9%	(1.2%)
Chicago-Gary-Kenosha, IL-IN-WI	31	\$14.78	96.7%	1.5%
Miami-Fort Lauderdale, FL	28	\$18.18	95.5%	(2.7%)
Phoenix-Mesa, AZ	21	\$13.51	94.6%	4.1%
Houston-Galveston-Brazoria, TX	19	\$12.31	93.7%	(3.2%)
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	18	\$16.17	96.7%	1.2%
Norfolk-Virginia Beach-Newport News, VA-NC	15	\$13.21	97.0%	3.6%
Cincinnati-Northern Kentucky	14	\$10.92	95.4%	0.6%
Sacramento-Yolo, CA	14	\$15.59	96.5%	(0.8%)
Las Vegas, NV-AZ	14	\$12.08	95.9%	1.7%
Tampa-St. Petersburg-Clearwater, FL	14	\$16.26	94.9%	(2.8%)
Indianapolis, IN	14	\$11.06	95.1%	(0.6%)
Charleston-North Charleston, SC	12	\$11.67	94.4%	(2.5%)
Austin-San Marcos, TX	11	\$13.42	96.3%	(1.0%)
Memphis, TN-AR-MS	11	\$9.87	96.1%	0.1%
Orlando, FL	11	\$13.57	94.9%	(3.5%)
Other MSAs	224	\$13.84	95.5%	(2.1%)
TOTALS	863	\$ 16.57	95.8%	(1.5%)

Operations

CubeSmart
(NYSE: CUBE)

During the third quarter, CubeSmart generated 0.1% increase in same-store revenues and 1.6% decrease in net operating income year-over-year. Top performing markets by revenue growth include Tucson, Las Vegas, Inland Empire, Sacramento, Phoenix, Hartford, and Los Angeles.

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 September 30, 2020, the same-store pool includes 477 stores totaling approximately 33.3 million square feet.

Q3 2020 Results

- Same-store revenues increased 0.1% during the third quarter, a 230 basis point increase sequentially. The increase was primarily driven by a 0.3% increase in rental income and partially offset by a 2.0% decrease in other property related income.
- Cost of operations for the same-store pool increased by 4.2% during the third quarter. The increase was impacted by a 2.9% growth in real estate taxes, 61.1% increase in advertising, 4.2% increase in utilities, and 46.3% increase in property insurance. Cost of operations were partially offset by a 6.2% decline in repairs and maintenance and 4.8% decrease in personnel expense.
- Same-store net operating income decreased 1.6% as compared to the same quarter last year, driven by a 0.1% decrease in same-store revenue and 4.2% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.3%, a 180 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 94.4%, a 140 basis point increase from a year earlier.

Operating Fundamentals

- Occupancy remains at record levels. The year-over-year spread widened 211 basis points at the end of October after a 180 basis point increase year-over-year at the end of the third quarter.
- Strong consumer demand, lower move-out volume, and elevated occupancies are driving year-over-year gains in offered net effective rents. The percentage rental rate gap year-over-year strengthened to 15% at the end of September and 19.6% at the end of October. New York City, CubeSmart's largest market, generated 20.3% increase in asking net effective rents year-over-year.
- Smart Rental, CubeSmart's contact-free rental system, generated 30% of rentals during the quarter.
- Move-out activity continues to trend favorably with volumes decreasing 4% in October compared to a year earlier.
- Average customer length of stay continues to increase, albeit by days rather than months. The current average length of stay in CubeSmart's portfolio is about 14 months.
- CubeSmart's program of increasing rents to new customers at 6 months and 12 months after the initial increase was fully implemented by the end of September. The company anticipates customers that rented in April at the low point of move-in rents may take two rate increases to reach par, or approximately 18 months.

Operations

CubeSmart
(NYSE: CUBE)

Operating Fundamentals continued

- Beginning in July and early-August, CubeSmart sent rental rate increase letters to all customers in its portfolio. They anticipate the rent roll will be fully caught up with rate increases by the end of the quarter.
- CubeSmart issued rate increases to existing customers consistent with pre-COVID increases in the high single-digit range.
- The decrease in late fees during the quarter generated the greatest impact on other income. Muted move-in volume early in the quarter that decreased administrative fees also contributed to the decline.
- Bad debt due to delinquencies increased from about 2% historically to about 2.5% to 3% during the quarter.

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average during the quarter include Tucson (+7.3%), Las Vegas (+6.0%), Inland Empire (+5.3%), Sacramento (+5.0%), Phoenix (+3.2%), Bridgeport-Stamford (+3.3%), and Hartford (+2.9%).
- Major markets performing below the CubeSmart portfolio average during the quarter include Tampa (-5.6%), Naples (-5.1%), Jacksonville (-4.6%), Orlando (-4.2%), Nashville (-4.1%), Boston (-3.7%), Austin (-2.5%), Cleveland (-2.1%), and Denver (-2.1%).

Third-Party Management

- CubeSmart added 37 stores to its third-party management platform during the quarter. The third-party management platform totals 733 stores, which includes joint venture partnership managed properties.

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	59	\$28.64	94.6%	0.8%
Chicago-Naperville-Joliet, IL-IN-WI	41	\$14.28	95.3%	0.2%
Miami-Fort Lauderdale-Pompano Beach, FL	37	\$17.78	94.6%	(1.8%)
Dallas-Fort Worth-Arlington, TX	35	\$13.03	94.3%	(1.3%)
Washington-Arlington-Alexandria, DC-VA-MD-WV	24	\$22.02	94.9%	0.2%
Atlanta-Sandy Springs-Marietta, GA	18	\$13.08	92.4%	(1.8%)
Riverside-San Bernardino-Ontario, CA	16	\$14.46	95.6%	5.3%
Phoenix-Mesa-Scottsdale, AZ	15	\$13.47	92.6%	3.1%
Tucson, AZ	15	\$13.17	96.0%	7.3%
Houston-Sugar Land-Baytown, TX	14	\$12.49	92.4%	(1.6%)
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$17.87	92.9%	(1.3%)
Hartford-West Hartford-East Hartford, CT	12	\$13.18	95.3%	2.9%
Orlando-Kissimmee, FL	10	\$12.97	92.3%	(4.2%)
Austin-Round Rock, TX	10	\$13.74	93.0%	(2.5%)
Columbus, OH	10	\$10.94	94.9%	(0.2%)
Boston-Cambridge-Quincy, MA-NH	10	\$21.02	93.9%	(3.7%)
Cleveland-Elyria-Mentor, OH	10	\$13.49	93.9%	(2.1%)
Denver-Aurora, CO	9	\$13.36	96.6%	(2.1%)
Sacramento-Arden-Arcade-Roseville, CA	9	\$15.00	93.9%	5.0%
Las Vegas-Paradise, NV	8	\$14.25	92.8%	6.0%
Nashville-Davidson-Murfreesboro-Franklin, TN	7	\$12.02	92.9%	(4.1%)
Los Angeles-Long Beach-Santa Ana, CA	7	\$22.43	95.6%	1.8%
Jacksonville, FL	7	\$16.09	93.4%	(4.6%)
San Diego-Carlsbad-San Marcos, CA	6	\$17.88	95.9%	1.5%
Tampa-St. Petersburg-Clearwater, FL	6	\$15.09	93.3%	(5.6%)
Bridgeport-Stamford-Norwalk, CT	6	\$22.14	96.7%	3.3%
Cape Coral-Fort Myers, FL	5	\$15.17	95.4%	(2.0%)
Charlotte-Gastonia-Concord, NC-SC	5	\$12.96	94.4%	(0.9%)
Baltimore-Towson, MD	4	\$18.14	94.2%	(1.2%)
San Antonio, TX	4	\$12.48	95.8%	(1.6%)
Providence-New Bedford-Fall River, RI-MA	4	\$15.76	97.2%	(1.2%)
Salt Lake City, UT	4	\$13.57	93.5%	2.8%
Naples-Marco Island, FL	4	\$14.25	93.1%	(5.1%)
Other	33	\$15.09	94.5%	2.1%
Total	477	\$17.03	94.4%	0.1%

Operations

LifeStorage
(NYSE: LSI)

During the third quarter, Life Storage generated 1.2% increase in same-store revenues and 0.4% growth in net operating income year-over-year. Top performing markets by revenue growth include Norfolk-Virginia Beach, Phoenix, Buffalo, St. Louis, Boston, Space Coast, and Cleveland.

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, 2019. The stores purchased through 2019 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 515 facilities in Life Storage's same-store pool.

Q3 2020 Results

- Same-store revenues increased 1.2% during the third quarter 320 basis point increase sequentially. The increase was driven by a 1.2% increase in rental income and outsized 230 basis point increase in average occupancy. The gains were partially offset by a 2.4% decline in realized rental rates.
- Cost of operations for the same-store pool increased by 2.7% during the third quarter, a 390 basis point increase sequentially. Operating expenses were impacted by a 6.4% increase in real estate taxes and 27.7% gain in digital marketing. The increase was partially offset by a 2.6% decrease in payroll, and 6.3% decrease in utilities.
- Same-store net operating income grew 0.4% year-over-year during the third quarter, driven by a 1.2% gain in same-store revenue and 2.7% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 93.2%, a 290 basis point increase year-over-year. Same-store weighted average occupancy during the third quarter was 93.0%, a 230 basis point increase from a year earlier.

Operating Fundamentals

- Significant occupancy increases during the quarter were bolstered by an 11% increase in move-in volume and 7.7% decrease in move-out volume year-over-year. The move-in trend continued into October with volume up 7% year-over-year. Strong move-in volume helped occupancy remain firm at 93.2%, consistent with the end of September.
- The impact of delayed auctions continued to decrease as auction activities have resumed in nearly all markets. Had normal auction activity occurred, the Company estimates same store occupancy would have been approximately 92.5% as of September 30, 2020 and 92.8% at October 31, 2020.
- Street rates continued a positive trend during October increasing 2% and net effective rents increasing 3%. Healthy rate increases helped increase the gap between move-in rents and move-out rents to 3%, a significant turnaround from the 9.5% rent rolldown experience in April.
- Delinquencies and collections returned to pre-COVID levels during the quarter.
- Rent Now, Life Storage's contact-less rental platform, was utilized by 30% of customers during the quarter. Rent Now 2.0 introduced last quarter provides tiered pricing based on value, premium and standard space. The tool provides the ability to upsell a customer, a long time strategy for walk-in customers.

Operations

LifeStorage
(NYSE: LSI)

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter Norfolk-Virginia Beach (+6.4%), Phoenix (+6.1%), Buffalo (+5.3%), St. Louis (+5.1%), Boston (+4.5%), Cleveland (+4.2%), Space Coast (+4.0%), and Las Vegas (+3.6%).
- Major markets with same-store revenue growth below the portfolio average include Cape Coral-Ft. Myers (-6.8%), Charlotte (-2.8%), Orlando (-2.6%), Tampa (-2.5%), Miami (-1.6%), Jacksonville (-1.5%), Houston (-0.9%), Chicago (-0.9%), and Sacramento (-0.3%).

Warehouse Anywhere Continues to Expand

- Warehouse Anywhere, Life Storage's business to business platform, provides storage management, enterprise solutions and micro-fulfillment solutions. The storage management platform is the most mature part of Warehouse Anywhere and provides a one-stop solution to a network of 11,000 facilities.
- Companies that need to track inventory may utilize Life Storage's enterprise solution. The program tracks inventory through an RFID chandelier that is installed in the unit. The concept is growing with four or five new customers added during the quarter.
- The most recent evolution of the Warehouse Anywhere platform is the on-demand delivery service called Lightspeed. The program is focused on providing last-mile distribution capabilities. The company reached an agreement with Deliverr, a technology-enabled fulfillment company, to develop micro-fulfillment locations in Las Vegas and Chicago. The fulfillment centers consist of about 5,000 to 8,000 square feet of space within existing facilities. Life Storage hopes to aggressively expand the format throughout the country.

Third-Party Management Platform

- Added 30 stores to the third-party management platform during the third quarter. The additions were partially offset by the company's acquisition of its partner's interest in 25 stores that were managed by the company. Third-party management contracts in the platform total 317 including joint ventures.

Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance

Market	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2020	Revenue Growth
Chicago-Naperville-Elgin, IL	39	\$15.11	94.1%	(0.9%)
Houston-The Woodlands-Sugar Land, TX	40	\$12.59	93.3%	(0.9%)
New York-Newark-Jersey City, NY-NJ-PA	28	\$23.29	93.6%	2.3%
New England-Other	26	\$17.54	94.6%	2.9%
Buffalo-Upstate, NY	25	\$14.10	92.0%	5.3%
Dallas-Fort Worth-Arlington, TX	25	\$12.94	93.0%	(0.1%)
Miami-Fort Lauderdale-Pompano Beach, FL	16	\$18.23	95.2%	(1.6%)
Los Angeles-Long Beach-Anaheim, CA	10	\$22.40	94.1%	1.0%
Austin-Round Rock, TX	20	\$12.62	93.5%	3.1%
Las Vegas-Henderson-Paradise, NV	17	\$14.80	95.4%	3.6%
Atlanta-Sandy Springs-Alpharetta, GA	21	\$12.90	94.0%	0.7%
Boston-Cambridge-Newton, MA-NH	16	\$16.51	94.0%	4.5%
Sacramento--Roseville--Arden-Arcade, CA	10	\$15.19	97.4%	(0.3%)
St. Louis, MO	14	\$13.09	94.9%	5.1%
San Antonio-New Braunfels, TX	15	\$13.41	90.9%	1.6%
Tampa-St. Petersburg-Clearwater, FL	13	\$14.97	93.7%	(2.5%)
Virginia Beach-Norfolk-Newport News, VA	11	\$11.90	89.7%	6.4%
Phoenix-Mesa-Chandler, AZ	10	\$13.59	94.9%	6.1%
Orlando-Kissimmee-Sanford, FL	12	\$12.70	90.1%	(2.6%)
Space Coast, FL	8	\$15.23	90.8%	4.0%
Cleveland-Elyria, OH	9	\$12.95	93.3%	4.2%
Jacksonville, FL	9	\$13.53	91.4%	(1.5%)
Beaumont-Port Arthur, TX	7	\$14.28	89.0%	0.4%
Charlotte-Concord-Gastonia, NC	8	\$12.51	93.4%	(2.8%)
Raleigh-Durham, NC	7	\$12.01	90.9%	1.4%
Pensacola-Ferry Pass-Brent, FL	7	\$10.07	93.8%	3.4%
Chattanooga, TN-GA	6	\$12.35	96.9%	0.0%
Cape Coral-Fort Myers, FL	8	\$11.75	90.3%	(6.8%)
Montgomery, AL	7	\$9.60	91.5%	(2.5%)
Youngstown-Warren-Boardman, OH-PA	5	\$10.40	86.7%	(3.3%)
Other markets	66	\$13.19	91.5%	0.8%
Same Store Portfolio Total	515	\$14.43	93.0%	1.2%

Operations

National
Storage Affiliates
(NYSE: NSA)

During the third quarter, National Storage Affiliates same-store revenues were flat and net operating income increased 0.2% year-over-year. Top performing markets by revenue growth include Kansas City, Oklahoma City, Phoenix, Sarasota-Bradenton, Tulsa, and Indianapolis.

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 September 30, 2020, the same-store portfolio consisted of 500 self storage properties.

Q3 2020 Results

- Same-store revenues remained flat during the third quarter, but increased 110 basis points sequentially. Same-store revenues were driven by a 100 basis point increase in average occupancy and partially impacted by a 1.4% decrease in average annualized rental revenue per square foot.
- Cost of operations for the same-store pool decreased by 0.4% during the third quarter. The increase was impacted by an 2.2% increase in real estate taxes, 5.9% increase in insurance, and 2.2% increase in other property expenses, partially offset by a 4.0% decrease in utilities, 2.4% decrease in repairs and maintenance, and 2.2% decrease in payroll.
- Same-store net operating income grew 0.2% year-over-year during the third quarter, driven by flat same-store revenue and 0.4% gain in operating expenses.
- Same-store occupancy at the end of the quarter was 91.9%, a 260 basis point increase year-over-year. Same-store weighted average occupancy during the first quarter was 91.1%, a 100 basis point increase from a year earlier.

Operating Fundamentals

- Strong move-in activity and muted move-out activity drove a 260 basis point year-over-year occupancy gain at the end of the quarter. Move-in volume increased 11% and move-out volume decreased 10% during the quarter. The momentum continued subsequent to the quarter as occupancy increased to 92.4% by the end of October, a 420 basis point increase year-over-year and 50 basis point increase sequentially.
- Move-out activity in October, while still muted, is starting to move toward more normal volumes.
- The decline in auction, administrative fees and late fees contributed about 90 basis points of the 1.4% decline in average annualized rental revenue per square foot during the quarter. The declines in other income may improve during the fourth quarter as states such as California and Oregon lift restrictions on auctions and charging late fees.
- Street rates moved into positive growth territory in October increasing 1% year-over-year, reversing the 3% decline during the third quarter.
- It may be too early to quantify the impact of migration of the population from urban areas to suburbs or tertiary locations. However, NSA experienced an uptick in inward migration in Florida, Phoenix and Nevada.

Operations

National
Storage Affiliates
(NYSE: NSA)

Operating Fundamentals (continued)

- The long-term demand trends for self storage appear to be favorable. The impact of the pandemic on demand has introduced new customers that are experiencing the benefit and convenience of self storage. Additionally, the increase in housing sales and relocations are positive trends for storage moving forward.

Major Markets Revenue Growth

- Major markets with same-store revenue growth above the portfolio average for the quarter include Kansas City (+4.8%), Oklahoma City (+3.2%), Phoenix (+1.7%), Sarasota-Bradenton (+1.6%), Tulsa (+1.4%), and Indianapolis (+1.0%).
- Major markets performing below the portfolio average include Los Angeles (-3.1%), Portland (-2.0%), Dallas-Ft. Worth (-2.0%), Atlanta (-1.2%), and Las Vegas (-0.9%).

2019 Full Year Guidance

Same-Store Operations (500 stores)

Same-Store Revenue Growth	0.7% to 1.25%
Same-Store Operating Expenses Growth	1.5% to 2.0%
Same-Store Net Operating Income Growth	0.25% to 1.0%
Wholly-Owned Acquisitions	\$400 million to \$500 million
Subordinated Performance Units	\$28.5 million to \$29.5 million
Core FFO Per Share	\$1.66 to \$1.68

Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary by State

State	Stores	Rent Per Occupied Square Foot	Occupancy 6/30/2020	Revenue Growth
California	81	\$13.13	95.0 %	(0.2%)
Oregon	60	\$14.51	90.7 %	(0.9%)
Texas	60	\$9.90	90.5 %	(0.2%)
Florida	37	\$14.58	89.8 %	(0.7%)
Georgia	35	\$10.14	90.6 %	(1.0%)
North Carolina	33	\$10.92	93.9 %	(1.2%)
Oklahoma	30	\$8.38	92.1 %	2.4 %
Arizona	30	\$12.68	91.1 %	2.5 %
Indiana	16	\$9.55	93.9 %	1.0 %
Kansas	16	\$11.65	90.8 %	2.7 %
Louisiana	14	\$10.06	86.4 %	(3.3%)
Washington	14	\$14.76	89.2 %	(1.1%)
Nevada	13	\$11.00	92.9 %	(0.3%)
Colorado	11	\$12.36	93.1 %	(1.4%)
New Hampshire	10	\$12.85	95.2 %	2.0 %
Other ⁽¹⁾	40	\$12.45	90.8 %	1.1 %
Total	500	\$11.99	91.9%	-

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

Same Store Performance Summary by MSA

MSA	Stores	Rent Per Occupied Square Foot	Occupancy 9/30/2020	Revenue Growth
Riverside-San Bernardino-Ontario, CA	47	\$11.70	96.1%	-
Portland-Vancouver-Hillsboro, OR-WA	47	\$15.72	89.5%	(2.0%)
Atlanta-Sandy Springs-Roswell, GA	26	\$10.16	91.0%	(1.2%)
Phoenix-Mesa-Scottsdale, AZ	23	\$13.06	90.2%	1.7 %
Oklahoma City, OK	17	\$8.12	94.1%	3.2 %
Dallas-Fort Worth-Arlington, TX	17	\$11.47	89.2%	(2.0%)
Indianapolis-Carmel-Anderson, IN	16	\$9.57	93.9%	1.0 %
Los Angeles-Long Beach-Anaheim, CA	14	\$19.58	90.9%	(3.1%)
Tulsa, OK	13	\$8.96	89.4%	1.4 %
North Port-Sarasota-Bradenton, FL	13	\$15.95	89.1%	1.6 %
Las Vegas-Henderson-Paradise, NV	12	\$11.32	92.8%	(0.9%)
Kansas City, MO-KS	11	\$12.33	92.2%	4.8 %
Other MSAs	244	\$11.61	91.8%	0.3 %
Total	500	\$12.02	91.9%	-

Capital Activities

Public Storage (NYSE: PSA)

- Public Storage issued 4.125% Preferred Shares Series M for gross proceeds of \$230 million on August 14, 2020.
- The company redeemed 5.2% Preferred Shares Series W for \$500 million and 5.2% Preferred Shares Series X for \$225 million on September 30, 2020.
- Public Storage issued 3.875% Preferred Shares Series N for \$283 million on October 6, 2020. The issuance represents a record low rate for Public Storage Preferred Shares.

Extra Space Storage (NYSE: EXR)

- Extra Space received \$425 million in proceeds from a previously announced private placement of senior unsecured notes through delayed draws on August 25, 2020 and October 1, 2020.
- The company did not sell any shares of common stock in the third quarter. They currently have \$298.6 million available for issuance under its ATM program.
- Company's percentage of fixed-rate debt to total debt is 77.7%. The weighted average interest rate of fixed-rate debt is 3.4%, and the variable-rate debt is 1.8%. The combined weighted interest rate is 3.0%.
- The overall weighted average maturity is approximately 4.3 years.

CubeSmart (NYSE: CUBE)

- On October 6, 2020, Cube smart issued \$450 million of unsecured senior notes at 2.0% per annum due in 2031. Net proceeds were used to redeem \$250 million of outstanding 4.8% senior notes due in 2022, repay outstanding indebtedness of unsecured revolving credit facility maturing in 2024, and for working capital and general corporate purposes.
- CubeSmart did not sell any common shares through its ATM equity program. The company has 14.6 million shares available for future issuance.

Life Storage (NYSE: LSI)

- On September 23, 2020, Life Storage completed an offering of \$400 million of 2.2% senior unsecured notes due in 2030. The proceeds were used to fund a portion of the recent 25-store portfolio acquisition and to fund the October 2020 repayment of a \$100 million term note due August 2021 and related \$4 million make-whole expense.
- Overall average debt maturity exceeds seven years.
- During the third quarter, the company issued 1,285,546 shares of common stock at a weighted average price of \$105.51 per share, generating net proceeds of \$134.2 million.
- At September 30, 2020, Life Storage had approximately \$110.2 million of cash on hand, and about \$500 million available on its line of credit.

Key Financial Ratios

Debt to Enterprise Value @\$105.27 per share	31.2%
Debt to Book Cost of Facilities	44.4%
Debt to Recurring Annualized EBITA	5.8x
Debt Service Coverage (DSC)	4.3x

Capital Activities

National Storage Affiliates (NYSE: NSA)

- In September 2020, NSA completed a public offering of 4,500,000 common shares at a price of \$33.15 per share. An additional 400,000 shares were exercised for a total offering of 4,900,000 common shares resulting in net proceeds of approximately \$160 million.
- On October 22, 2020, the company issued \$150 million of 2.99% senior unsecured notes due in about ten years, and \$100 million of 3.09% senior unsecured notes due in twelve years.



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CREATING VALUE THROUGH EXPERIENCE

