

MJ PARTNERS
SELF STORAGE GROUP



SELF STORAGE MARKET OVERVIEW

Second Quarter 2022 Results

Analysis of the Public Self Storage Companies

Marc A. Boorstein, CCIM Principal
312.953.4749
mboorstein@mjpartners.com

Jeff Jacobson, Principal
312.953.4752
jjacobson@mjpartners.com

David E. Kohn, Vice President
312.375.1240
dkohn@mjpartners.com

Matthew E. Duda, Vice President
312.519.7868
mduda@mjpartners.com

Greg Owens, Sr. Vice President
847.732.8168
gowens@mjpartners.com

Claire M. Compernelle
ccompernelle@mjpartners.com

Summary

The self storage REITs continue to witness impressive leasing demand in the second quarter, with muted impact from new property deliveries. Guidance for revenue and NOI growth for the full year has been increased again heading into the second half of year, setting up expectations for a strong start to next year.

- Revenue growth for the REITs same store pools grew from 14% to 21.7% in the second quarter, compared to the same period last year.
- Net operating incomes for same store pools grew from 17.3% to 26% in the second quarter.
- Portfolio occupancy levels at the end of the quarter dipped slightly from last year, although ranging a robust 94% to 95.9%.

Consumer Behavior Remains Positive

The REITs report no signs of weakness regarding the U.S. consumer. Vacates and bad debt are normalizing back to pre-pandemic levels. Significant existing customer rent increases modestly decreased occupancy during the quarter, but in-line with expectations. Average length of stay continues to increase providing opportunity to capture additional revenues during the customers tenancy.

Transaction Volume and Cap Rates

The REITs are witnessing reduced overall transaction activity compared to last year's record volume, with fewer large portfolio offerings. Cap rates for property acquisition have started to increase with the rise in interest rates impacting financing costs. Reports range from about 25 basis points to 50 basis points increases.

Implied Cap Rates

	Public Storage (NYSE: PSA)	4.5%
	Extra Space Storage (NYSE: EXR)	4.0%
	CubeSmart (NYSE: CUBE)	4.9%
	Life Storage (NYSE: LSI)	4.9%
	National Storage Affiliates (NYSE: NSA)	5.6%

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



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	2,807 U.S. 256 Europe	15.9%	17.8%	94.8%	\$21.37
Extra Space Storage	2,177	21.7%	26.0%	95.9%	\$21.98
CubeSmart	1,328	14.0%	19.0%	95.3%	\$20.96
Life Storage	1,125	18.9%	25.4%	94.0%	\$18.45
National Storage Affiliates	1,076	14.6%	17.3%	95.2%	\$14.55

Capital Markets

	Market Capitalization	Core Funds From Operations	Annual Dividend Yield	Common Stock Price (8/9/2022)	52-Week High/Low
Public Storage	\$60.36 billion	\$3.99/share (+26.7%)	2.42%	\$342.93	\$421.76 \$292.32
Extra Space Storage	\$28.56 billion	\$2.13/share (+29.9%)	2.99%	\$203.41	\$228.84 \$156.70
CubeSmart	\$11.00 billion	\$0.62/share (+24%)	3.58%	\$48.69	\$57.34 \$38.67
Life Storage	\$11.19 billion	\$1.65/share (+37.5%)	3.32%	\$131.08	\$154.45 \$100.66
National Storage Affiliates	\$7.14 billion	\$0.71/share (+29.1%)	4.13%	\$55.38	\$70.04 \$45.13



Summary

New Supply Update

Under Construction & Planned
Percent of Existing Inventory

Metro Area	April-22	May-22	% Change
National	9.5%	9.7%	0.2%
New York	19.2%	19.6%	0.4%
Las Vegas	17.1%	17.4%	0.3%
Philadelphia	16.5%	17.1%	0.6%
Orlando	13.0%	13.6%	0.6%
Raleigh-Durham	12.6%	12.6%	0.0%
Phoenix	12.6%	12.5%	-0.1%
San Diego	11.6%	11.6%	0.0%
Sacramento	11.4%	11.4%	0.0%
Columbus (OH)	11.2%	11.2%	0.0%
Atlanta	10.5%	10.9%	0.4%
Tampa	9.7%	10.8%	1.1%
San Jose	10.7%	10.7%	0.0%
Washington DC	9.7%	10.4%	0.7%
Miami	9.8%	9.8%	0.0%
Seattle	9.7%	9.7%	0.0%
Los Angeles	9.7%	9.7%	0.0%
Boston	8.8%	9.2%	0.4%
Austin	8.7%	8.7%	0.0%
Charlotte	8.2%	8.6%	0.4%
Portland	8.1%	8.6%	0.5%
Dallas - Ft Worth	7.6%	8.1%	0.5%
Chicago	7.0%	7.4%	0.4%
Charleston SC	7.1%	7.1%	0.0%
San Francisco	6.9%	6.9%	0.0%
Minneapolis	6.7%	6.7%	0.0%
Inland Empire	6.5%	6.5%	0.0%
Nashville	5.6%	5.6%	0.0%
Denver	5.5%	5.5%	0.0%
San Antonio	4.5%	5.1%	0.6%
Pittsburgh	3.7%	3.7%	0.0%
Houston	3.3%	3.3%	0.0%

Source: Yardi Matrix

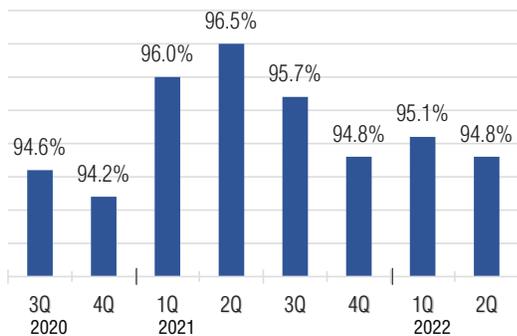
- Yardi Matrix tracked a total of 4,066 self storage properties in the national pipeline during June 2022. It includes 750 under construction, 1,481 planned and 522 prospective projects. The national new supply pipeline as a percentage of existing inventory increased 20 basis points to 9.7% in May 2022. The pipeline consists of projects under construction, planned and prospective.
- New York, Las Vegas and Philadelphia continue to top the nation in supply as a percentage of existing inventory. Denver, San Antonio, Pittsburgh, and Houston report the lowest amount of new supply as a percentage of existing inventory. Tampa (+1.1%), Washington D.C. (+0.7%), Philadelphia (+0.6%), Orlando (+0.6%), San Antonio (+0.6%), Portland (+0.5%), and Dallas-Fort Worth (+0.5%) reported the highest monthly increase in development activity as a percentage of existing inventory. Phoenix, Raleigh-Durham, San Diego, Sacramento, Columbus (OH), San Jose, and Miami were among a group that reported decreasing or flat development activity.
- Houston has the smallest new supply pipeline among the top 31 metropolitan areas. One segment that is rapidly growing in Houston is RV/boat storage facilities. Growing demand for RV/boat storage space is accelerating development throughout the country. Eight of the 37 facilities under construction or in the planning phase in Houston represent RV/boat storage facilities.
- Increased labor and construction costs have not dampened enthusiasm for new self storage development. The pace of properties under construction increased by 29 stores and in planning stages increased by 20 stores during May 2022.



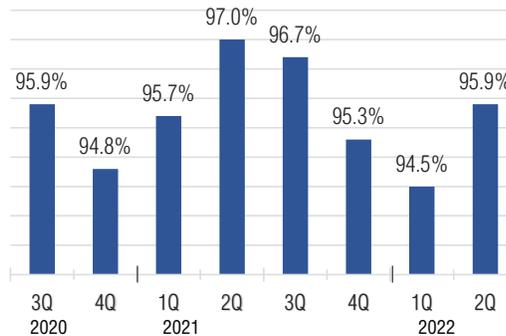
Portfolio Occupancies

Same-Store
Year-Over-Year Change

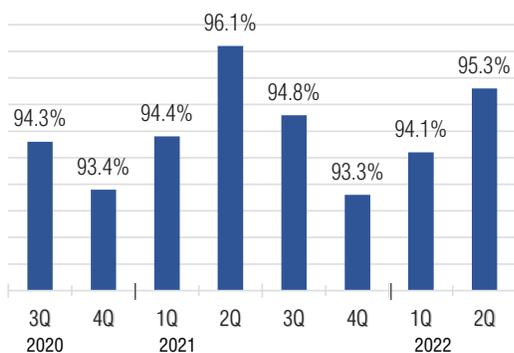
Public Storage



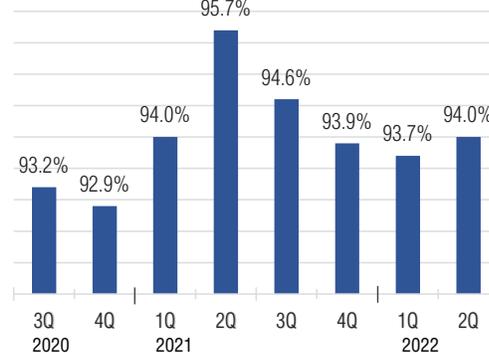
Extra Space Storage



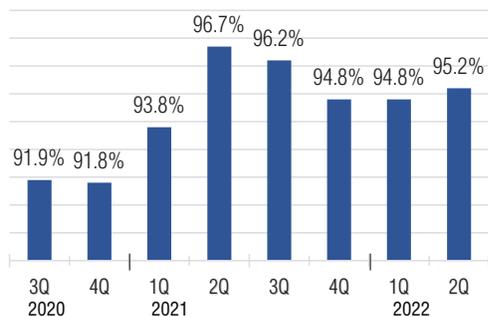
CubeSmart



Life Storage



National Storage Affiliates

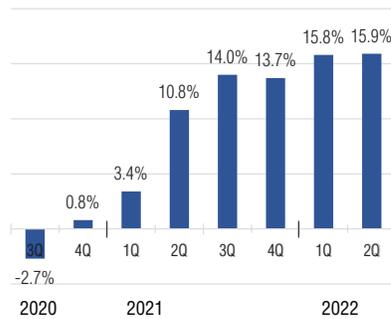




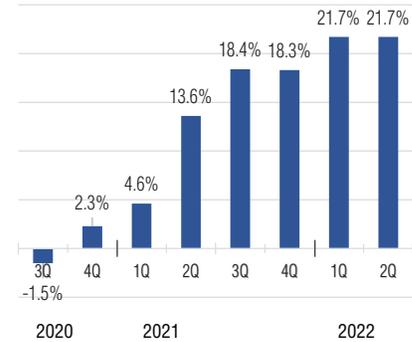
Portfolio Revenues

Same-Store
Year-Over-Year Change

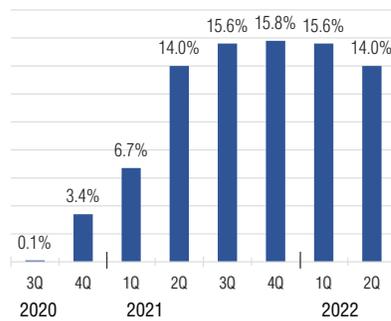
Public Storage



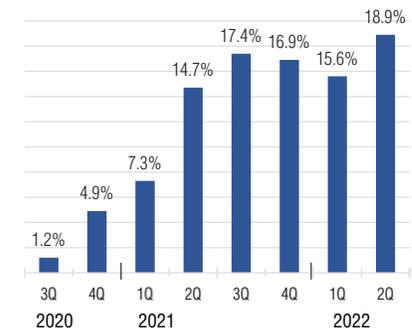
Extra Space Storage



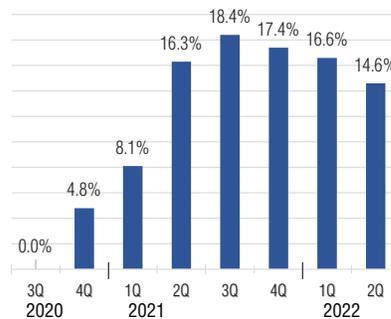
CubeSmart



Life Storage



National Storage Affiliates

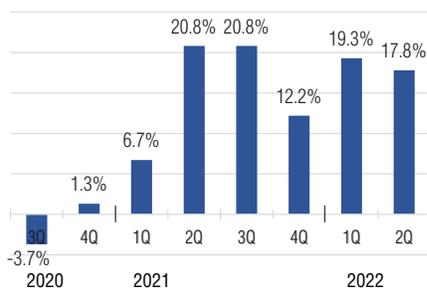




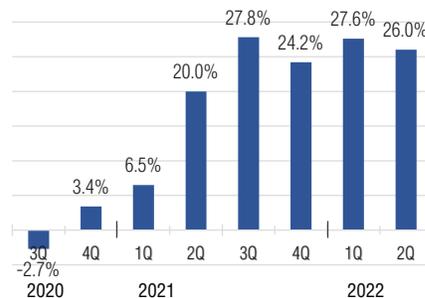
Portfolio Net Operating Income

Same-Store Year-Over-Year Change

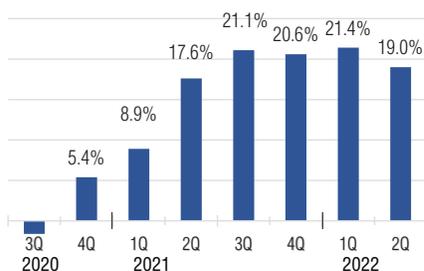
Public Storage



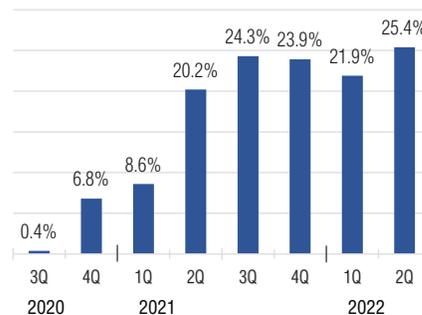
Extra Space Storage



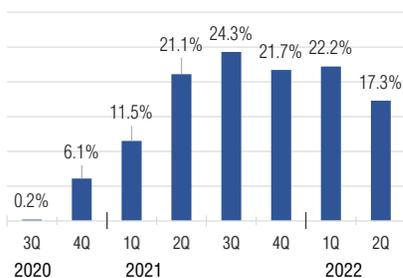
CubeSmart



Life Storage



National Storage Affiliates



Investment Activity

Public Storage (NYSE: PSA)

During the second quarter, Public Storage acquired ten self storage facilities for \$123.6 million. Locations include two properties each in North Carolina and Texas, and one each in Colorado, Florida, Georgia, Maryland, Oregon, and Tennessee.

- Year-to-date, Public Storage acquired 20 self storage facilities for \$251.3 million.
- Subsequent to June 30, 2022, the company acquired or under contract to purchase 24 self storage facilities across ten states for \$257.4 million.
- On July 8, 2022, the company acquired the commercial interests of PS Business Parks, Inc. (“PSB”) at three sites, totaling five properties, jointly occupied with existing self storage facilities located in Maryland and Virginia, for \$47 million.
- The company not seeing as many large portfolios offered for sales compared to last year. Cap rates for existing properties have adjusted upwards an estimated 50 basis points versus six months ago.
- In 2021, Public Storage completed acquisitions totaling \$5.1 billion with average occupancies of about 60% to 65%.

Development and Expansion Pipeline Nearly \$1 Billion

- At June 30, 2022, the company has various facilities in development estimated to cost \$480.3 million, consisting of 2.6 million net rentable square feet. And, various expansion projects estimated to cost \$547 million, consisting of 2.8 million net rentable square feet. The aggregate 5.4 million net rentable square foot pipeline of development and expansion facilities includes 1.6 million in California, 0.7 million in Texas, 0.6 million in Florida, 0.5 million in Maryland, 0.3 million in Washington, 0.2 million each in Hawaii, Michigan, Nevada, New Jersey, and New York, and 0.7 million in other states. The remaining \$647.3 million of development costs for these projects is expected to be incurred primarily in the next 18 to 24 months.

PS Business Parks Sale to Blackstone Real Estate

- On July 20, 2022, PSB announced that it completed the merger transaction with Blackstone Real Estate. The company received \$2.7 billion of cash proceeds, recognizing a \$2.1 billion gain on the sale of the company’s approximately 41% equity interest. Blackstone acquired all outstanding shares of PSB’s common stock for \$187.50 per share in cash, with the transaction valued at about \$7.6 billion.
- Blackstone acquired PSB’s 27 million square foot portfolio of industrial business park, traditional office, and multifamily properties located primarily in California, Florida, Texas and Northern Virginia.

Property of Tomorrow Programs

- The company estimates it will spend approximately \$300 million annually this year and the following three or more years for its Property of Tomorrow program, targeting one-half of the company’s portfolio. The company began early adoption of solar panel installations, and the installation of LED lights throughout exteriors and interiors of properties.



Investment
Activity

Public Storage
(NYSE: PSA)

Acquisitions - Year-To-Date

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Arizona	1	106,000	\$17,033,000	\$161
Colorado	1	94,000	\$18,041,000	\$192
Florida	1	63,000	\$9,784,000	\$155
Georgia	1	74,000	\$15,070,000	\$204
Indiana	1	77,000	\$11,883,000	\$154
Maryland	2	199,000	\$30,438,000	\$153
Minnesota	1	90,000	\$13,632,000	\$151
Nevada	1	59,000	\$10,154,000	\$172
North Carolina	3	173,000	\$35,363,000	\$204
Oregon	1	115,000	\$13,250,000	\$115
Pennsylvania	1	50,000	\$5,166,000	\$103
Tennessee	1	54,000	\$15,217,000	\$282
Texas	5	341,000	\$56,251,000	\$165
Total	20	1,495,000	\$251,282,000	\$168

Expansions - Year-To-Date

	Number of Stores	Square Feet	Cost	Cost Per Square Foot
Florida	2	123,000	\$13,865,000	\$113
Michigan	1	25,000	\$3,047,000	\$122
Minnesota	2	181,000	\$23,267,000	\$129
New Jersey	1	17,000	\$11,947,000	\$703
South Carolina	1	35,000	\$3,697,000	\$106
Total	7	381,000	\$55,823,000	\$147

Investment Activity

Extra Space Storage (NYSE: EXR)

During the second quarter, Extra Space acquired 12 operating stores and three stores at completion of construction (“certificate of occupancy store”) for its wholly-owned portfolio, and completed one development for a total cost of approximately \$231.4 million.

- In conjunction with joint venture partners, the company acquired an additional 16 operating stores for a total cost of approximately \$332.1 million, of which Extra Space invested \$57.6 million.
- Year-to-date, Extra Space acquired \$610 million of self storage properties. The company is focused on acquiring non-stabilized properties, within more joint venture structures. Recently entered into two new joint venture partnerships, as well as working with previous partners.
- The company sited a shift late in the quarter with rising interest rates reducing the number of bidders and widening the bid-ask spread between buyers and sellers. The company is witnessing less competition for assets, especially from higher leverage purchasers. Cap rates have increased for property acquisitions.

Bargold Storage Acquisition

- On June 1, 2022, Extra Space completed the acquisition of Bargold Storage Systems, LLC (“Bargold”) for a purchase price of approximately \$180 million. Bargold leases space in apartment buildings, primarily in New York City and its boroughs, builds out the space as storage units, and subleases the units to resident tenants. Bargold had approximately 17,000 storage units, as of June 1, 2022.
- The initial yield for the acquisition in the low 4’s, growing to mid-to-upper 5’s. These yields are similar to other recent New York property acquisitions.
- Bargold locations average 25 units per building, with a wide range of up to 800 units.
- Bargold portfolio features occupancy in excess of 97%, with many locations at 100% occupancy. The average length of stay for customers is about eight years.
- The portfolio exhibits a stable customer base with customer churn of about 0.5% per month versus about 6% in Extra Space’s overall portfolio.
- Initial lease terms for the properties range from about 10 years to 15 years. Many locations eventually convert into month-to-month lease terms.

Bridge Loans

- During the second quarter, Extra Space originated \$70.3 million in bridge loans. An additional \$402.9 million in bridge loans closed or under agreement to close in 2022. During the second quarter, the company sold \$4.7 million in bridge loans.

Dispositions

- Extra Space disposed of two properties in the second quarter for a total of approximately \$41 million, resulting in a gain of approximately \$14.2 million. MJ Partners Self Storage Group represented the company in the sale of one property in Philadelphia.



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
2022 Projected Openings					
Winter Garden, FL*	3Q 2022	94,515	\$10,644,000	\$112.62	90%
Simi Valley, CA*	3Q 2022	86,500	\$15,400,000	\$178.03	100%
Vista, CA	4Q 2022	104,400	\$16,000,000	\$153.26	10%
Total	3	285,415	\$42,044,000		

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
2023 Projected Openings					
Osprey, FL	1Q 2023	69,100	\$15,374,000	\$222.49	100%
Sebring, FL	1Q 2023	75,000	\$11,966,000	\$159.55	100%
Gainesville, FL	1Q 2023	73,150	\$13,073,000	\$178.71	100%
Tallahassee, FL	1Q 2023	70,640	\$12,786,000	\$181.00	100%
Flagler Beach, FL	1Q 2023	68,150	\$13,473,000	\$197.70	100%
Vero Beach, FL	1Q 2023	54,500	\$16,258,000	\$298.31	100%
Zephyrhills, FL	2Q 2023	73,560	\$12,448,000	\$169.22	100%
Bartlett, IL	3Q 2023	77,750	\$10,300,000	\$132.48	100%
Tucson, AZ*	3Q 2023	90,375	\$19,395,000	\$214.61	95%
Minneapolis, MN	3Q 2023	92,000	\$14,000,000	\$152.17	50%
Total	10	744,225	\$139,073,000		

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
2024 Projected Openings					
Wailuku, HI	1Q 2024	84,000	\$26,950,000	\$320.83	100%
Total	1	84,000	\$26,950,000		

*Development Store



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 6/30/2022	Ownership
Brooklyn, NY	1Q 2019	138,057	\$79,901,000	\$578.75	71.4%	25%
Auburndale, MA	1Q 2019	79,665	\$20,000,000	\$251.05	86.6%	10%
Queens, NY	1Q 2019	117,935	\$52,321,000	\$443.64	82.9%	25%
Louisville, KY ¹	1Q 2019	158,886	\$12,680,000	\$79.81	95.8%	100%
Plantation, FL	2Q 2019	71,299	\$11,800,000	\$165.50	98.9%	100%
Brooklyn Center, MN	2Q 2019	80,533	\$8,400,000	\$104.31	97.3%	100%
Broomfield, CO	3Q 2019	66,887	\$9,083,000	\$135.80	93.7%	100%
Wakefield, MA	3Q 2019	83,234	\$16,800,000	\$201.84	93.8%	100%
Brooklyn, NY	4Q 2019	59,006	\$29,144,000	\$493.92	82.8%	25%
Maple Grove, MN	4Q 2019	84,738	\$10,153,000	\$119.82	93.4%	50%
Aurora, CO ²	1Q 2020	79,675	\$9,628,000	\$120.84	89.7%	100%
Eagen, MN	1Q 2020	65,158	\$7,695,000	\$118.10	91.7%	50%
Belleville, NJ	2Q 2020	76,451	\$10,944,000	\$143.15	96.8%	100%
Coon Rapids, MN	3Q 2020	72,237	\$7,815,000	\$108.19	68.1%	50%
Edina, MN	3Q 2020	83,034	\$11,770,000	\$141.75	60.7%	50%
New Hyde Park, NY	4Q 2020	69,163	\$6,400,000	\$92.54	57.2%	100%
District Heights, MD	2Q 2021	81,479	\$18,150,000	\$222.76	61.8%	100%
Daytona Beach, FL	2Q 2021	85,060	\$13,600,000	\$159.89	80.2%	100%
Bloomington, IN	3Q 2021	63,852	\$11,250,000	\$176.19	76.2%	100%
Jackson, MS	3Q 2021	84,547	\$14,000,000	\$165.59	74.5%	100%
Bellmawr, NJ	3Q 2021	81,137	\$1,890,000	\$23.29	31.6%	100%
Lakewood, WA	3Q 2021	60,805	\$14,500,000	\$238.47	74.8%	100%
Clinton Township, MI	4Q 2021	101,054	\$13,200,000	\$130.62	56.5%	100%
Spring Hill, FL	1Q 2022	67,435	\$11,730,000	\$173.95	66.5%	100%
Rio Rancho, NM	1Q 2022	51,765	\$6,200,000	\$119.77	25.6%	100%
Deland, FL	2Q 2022	72,650	\$11,000,000	\$151.41	38.5%	100%
Neptune City, NJ	2Q 2022	66,095	\$11,742,000	\$177.65	15.5%	100%
New Braunfels, TX	2Q 2022	67,710	\$12,750,000	\$188.30	34.3%	100%
El Cajon, CA ³	2Q 2022	55,222	\$3,095,000	\$56.05	3.7%	100%
Total	29	2,324,769	\$464,651,000	\$199.87		

(1) Acquired C of O store adjacent to existing EXR site. Operating both locations as a single store.
(2) Store opened 3Q 2019 and was previously managed by EXR. EXR purchased store in 1Q 2020.
(3) Store is subject to a ground lease."

Investment Activity

CubeSmart (NYSE: CUBE)

CubeSmart acquired one wholly-owned property in Texas for \$23 million in the second quarter. Year-to-date, the company acquired three properties for \$75.7 million.

- Subsequent to quarter end, the company acquired one wholly-owned store in Georgia for \$20.7 million. The number of acquisition opportunities is less than last year's record volume, and quality not as desirable.

Joint Venture Activity

- CubeSmart acquired a property in New Jersey for \$33.2 million through the company's joint venture with Heitman, HVP V.

Development Activity

- CubeSmart opened one new property in Vienna, Virginia for a total cost of \$21.8 million. The property is in close proximity to an existing store and is combined with the existing store for operations and reporting.
- As of June 30, 2022, the company has two joint venture development properties under construction in Valley Stream and Astoria, New York. Anticipated investing a total of \$78 million in these projects.

New Supply New York

- CubeSmart New York properties remain steady performers. New competition impacting CubeSmart stores continue to slow. Only one new property in the Bronx, two new competitors in Brooklyn, and five new developments spread throughout Queens are expected to open later this year. Projecting by late 2023, or early 2024 the muted new supply levels are likely to witness dissipating impact.

Investment Activity

CubeSmart
(NYSE: CUBE)

New Development Properties

Location	Expected Opening	Ownership	CUBE's Anticipated Investment
Valley Stream, NY	Q3 2022	51%	\$37,900,000
Astoria, NY	Q4 2023	70%	\$40,100,000
Total			\$78,000,000

New Development Properties - Operating

Location	Date Completed	Rentable Square Feet	Total Cost	Cost Per Square Foot	Occupancy 6/30/2022
Brooklyn, NY	Q2 2020	94,565	\$45,900,000	\$485.38	53.8%
East Meadow, NY	Q2 2021	80,688	\$25,900,000	\$320.99	51.5%
King of Prussia, PA*	Q2 2021	97,900	\$22,800,000	\$232.89	50.5%
Newton, MA	Q4 2021	82,504	\$20,800,000	\$252.11	49.0%
Total		355,657	\$115,400,000		

*This property is subject to a ground lease.

Investment Activity

Life Storage (NYSE: LSI)

Life Storage acquired 13 properties self storage properties in the second quarter for the company's wholly-owned portfolio for a total purchase price of \$262.6 million. Locations include six properties in Florida, three in New York, and one each in California, Texas, Georgia and Massachusetts. Five of the stores were acquired from the company's third-party management platform.

- Year-to-date, the company acquired 32 properties for \$634.1 million, and under contract for 13 stores with an aggregate price of \$257.5 million of which \$60 million is expected to close during 2023.
- One of the New York stores was acquired as a result of the company's acquisition of the remaining 14.2% ownership interest in one of its unconsolidated joint ventures. The purchase price included investment of \$5.6 million to acquire the remaining interest with the total equity investment in the joint venture of \$30.2 million.
- At June 30, 2022, the company is under contract to acquire seven self storage properties for an aggregate purchase price of \$137.4 million, with four in California, and one each in North Carolina, Florida, and Nevada.
- Subsequent to quarter end, Life Storage completed the acquisition of one North Carolina property previously referenced for \$20 million. Also subsequent to quarter end, the company entered into contracts to acquire seven self storage facilities for an aggregate purchase price of \$140.1 million. Locations include five in Missouri, and one each in Arizona and Massachusetts.
- Life Storage's wholly-owned portfolio has increased by 18% in the past year. The company has focused on sunbelt markets including California, Florida, Texas and Georgia.
- Over 75% of recent transactions include stabilized properties and about 25% in lease-up. Most transactions consist of one and two properties.
- The company estimates cap rates have increased about 25 basis points to 40 basis points over the past six months.



Investment
Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy/Lease Up Performance

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 6/30/2022
St. Louis, MO	Dec-18	78,245	\$9,301,000	\$118.87	91.1%
Raleigh, NC	Jul-2019	79,183	\$11,874,000	\$149.96	92.2%
Washington, DC	Jul-2019	76,230	\$15,163,000	\$198.91	95.3%
Charleston, SC	Jul-2019	71,835	\$7,685,000	\$106.98	96.9%
Washington, DC	Jul-2019	75,555	\$13,566,000	\$179.55	87.8%
Greenville, SC	Jul-2019	67,749	\$8,658,000	\$127.80	97.9%
Richmond, VA	Jul-2019	85,336	\$10,666,000	\$124.99	96.5%
Tampa, FL	Jul-2019	83,840	\$15,424,000	\$183.97	85.3%
Richmond, VA	Jul-2019	80,155	\$11,831,000	\$147.60	90.4%
Richmond, VA	Jul-2019	72,595	\$8,507,000	\$117.18	96.6%
Miami, FL	Nov-2020	48,832	\$11,492,000	\$235.34	79.2%
Sacramento, CA	Jan-2021	90,098	\$18,287,000	\$202.97	97.6%
New York, NY	Mar-2021	74,255	\$47,947,000	\$645.71	89.8%
Tucson, AZ	Mar-2021	76,718	\$22,576,000	\$294.27	95.7%
Seattle, WA	Mar-2021	89,058	\$19,475,000	\$218.68	77.0%
Jacksonville, FL	May-2021	81,845	\$16,545,000	\$202.15	94.3%
Dallas, TX	Jun-2021	92,780	\$11,616,000	\$125.20	92.6%
Austin, TX	Jun-2021	96,028	\$9,566,000	\$99.62	94.2%
Austin, TX	Jun-2021	108,675	\$13,666,000	\$125.75	89.6%
Dallas, TX	Jun-2021	87,175	\$9,716,000	\$111.45	94.9%
Orlando, FL	Aug-2021	76,050	\$14,846,000	\$195.21	93.0%
Denver, CO	Aug-2021	64,650	\$6,831,000	\$105.66	96.9%
Oklahoma City, OK	Aug-2021	63,600	\$5,083,000	\$79.92	89.8%
Austin, TX	Aug-2021	78,590	\$20,153,000	\$256.43	90.8%
Austin, TX	Aug-2021	75,493	\$12,627,000	\$167.26	96.5%
Phoenix, AZ	Aug-2021	77,846	\$17,190,000	\$220.82	96.7%
Miami, FL	Oct-2021	70,499	\$28,019,000	\$397.44	97.6%
Miami, FL	Oct-2021	92,179	\$30,024,000	\$325.71	91.8%
Charlotte, NC	Oct-2021	97,078	\$29,305,000	\$301.87	84.7%
Durham, NC	Oct-2021	68,360	\$20,048,000	\$293.27	90.6%
Greenville, SC	Oct-2021	44,282	\$9,294,000	\$209.88	96.8%
Greenville, SC	Oct-2021	58,598	\$12,252,000	\$209.09	94.9%



Investment
Activity

Life Storage
(NYSE: LSI)

Certificate of Occupancy/Lease Up Performance Continued

Market	Date Acquired	Net Rentable Square Feet	Price	Price Per Square Foot	Occupancy 6/30/2022
Nashville, TN	Oct-2021	88,200	\$21,600,000	\$244.90	93.8%
Savannah, GA	Oct-2021	65,909	\$22,558,000	\$342.26	96.4%
Charlotte, NC	Oct-2021	81,315	\$14,289,000	\$175.72	74.9%
Portland, ME	Dec-2021	76,527	\$20,100,000	\$262.65	82.2%
Chicago, IL	Dec-2021	98,495	\$19,043,000	\$193.34	68.5%
Tampa, FL	Dec-2021	97,786	\$20,596,000	\$210.62	90.7%
Charleston, SC	Mar-2022	79,210	\$16,026,000	\$202.32	66.6%
Winston-Salem,	Mar-2022	72,362	\$16,774,000	\$231.81	61.0%
Savannah, GA	Mar-2022	73,065	\$15,787,000	\$216.07	93.4%
Baltimore, MD	Mar-2022	77,675	\$21,651,000	\$278.74	69.2%
New York, NY	Apr-2022	55,934	\$35,802,000	\$640.08	80.5%
Tampa, FL	May-2022	73,265	\$17,218,000	\$235.01	96.5%
Miami, FL	May-2022	109,290	\$36,453,000	\$333.54	79.7%
Total	45	3,532,445	\$777,130,000		

Investment Activity

National Storage Affiliates (NYSE: NSA)

National Storage Affiliates (“NSA”) acquired eight wholly-owned self storage properties for approximately \$114.5 million during the second quarter. Through a joint venture, the company acquired another seven properties in the greater Houston MSA for \$207.6 million, of which the company contributed \$51.9 million.

- The eight wholly-owned acquisitions featured an average year one cap rate of 5.6%. The properties consist of approximately 685,000 rentable square feet in about 5,400 storage units. Total consideration for these acquisitions included approximately \$100 million of net cash, \$13.9 million of OP units, and the assumption of about \$0.6 million of other liabilities.
- Subsequent to quarter end, NSA acquired six additional wholly-owned properties for approximately \$71.6 million.
- NSA is witnessing more market re-trading of previously negotiated transactions, and property offerings removed from the market. Cap rates widened in the second quarter. The company estimates a portfolio transaction trading at a 4.5% cap rate last year, would now be above 5.0% presently. There is still a “portfolio premium”, but not as wide as last year.

Operations

Public Storage
(NYSE: PSA)

During the second quarter, Public Storage same-store revenues increased 15.9% and net operating income increased 17.8% year-over-year. Top performing markets by same-store revenue growth for the second quarter include Miami, Tampa, West Palm Beach, Charlotte, Orlando, Dallas, and Atlanta.

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, 2020. The same-store pool consists of 2,282 facilities (149.5 million net rentable square feet) representing 85% of the aggregate net rentable square feet of Public Storage' U.S. consolidated self storage portfolio at June 30, 2022.

Q2 2022 RESULTS

- Same-store revenues increased 15.9% year-over-year during the second quarter, a 10 basis point increase year-over-year. The increase was driven by a 17.2% increase in realized rent per occupied square foot and 24.3% increase in late fees and administrative fees collected during the quarter.
- Cost of operations for the same-store pool increased by 8.7% year-over-year during the second quarter. The increase was impacted by a 26% increase in marketing, 15.1% increase in on-site manager payroll and 5.5% increase in real estate taxes. The expense increases were partially offset by a nominal 1.1% increase in repairs and maintenance.
- Same-store net operating income increased 17.8% year-over-year during the second quarter, driven by a 15.9% increase in same-store revenue and 7.6% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.8%, an 180 basis point decrease year-over-year. Same-store weighted average occupancy during the second quarter was 95.8%, a 120 basis point decrease year-over-year.

Operating Fundamentals

- Public Storage increased its guidance for the balance of the year based on stronger than expected results during the second quarter. The company raised its full-year FFO growth 240 basis points at the midpoint to about \$15.35 per share.
- The spread between move-in and move-out rents narrowed during the quarter to -3.6% compared to -11.4% last quarter.
- Elevated demand for self storage continues as a result of decreasing affordability of renting or buying a new home, tight inventories of commercial space, hybrid work environments and traditional drivers of demand.
- Strong demand resulting in robust pricing power contributed to a 12.3% increase in average rates charged to new customers during the quarter (about an 8% increase in July). Elevated move-in rents coupled with significant rate increases to existing customers propelled a 17.2% increase in realized annual rent per occupied square foot during the quarter.
- Move-in volumes increased 2.7% and move-out volumes increased 9.4% year-over-year contributing to a 170 basis point decrease in occupancy at the end of the quarter.
- Marketing expenses increased 26% year-over-year from utilizing higher volume of online paid search programs to attract new tenants. Other direct property costs increased 10.6% year-over-year during the quarter primarily due to an increase in credit card processing fees with more customers paying with credit cards.
- Tenant insurance revenue generated from tenants at Public Storage facilities reached \$34.8 million, a 4.5% increase year-over-year.



Operations

Public Storage
(NYSE: PSA)

Operating Fundamentals (continued)

- Average length of stay for existing customers increased to 39 months from about 34 months a year ago.
- Public Storage does not see a shift in customer behavior relating to the 1 million rent increases per year it sends to the existing tenant base. The company reports that move-outs are well below pre-pandemic levels. The lower move-out volumes provide an opportunity to increase rents to existing customers more frequently and at a higher level than the typical 8% to 10% increases.
- Public Storage periodically analyzes rent-to-income levels and housing affordability, but day-to-day pricing is more a function of micro data testing. Price elasticity is more acute for new customers than for existing customers resulting in higher prices paid by existing customers compared to new customers.

Major Markets Revenue Growth

- All major markets reported robust revenue growth during the quarter. Markets with same-store revenue growth above the portfolio average for the quarter include Miami (+25.9%), Tampa (+22.0%), Charlotte (+21.5%), West Palm Beach (+21.1%), Orlando (+21.1%), Atlanta (+20.1%), Dallas (+17.4%), Houston (+17.3%), and Los Angeles (+17.0%). Miami, Public Storage's 4th largest market by revenue, continued a streak of robust revenue growth with a 25.9% increase during the quarter. Los Angeles, representing about 15.3% of Public Storage's same-store portfolio revenues, accelerated 17% during the quarter compared to 12% last quarter.
- The impact on revenue growth from markets that lifted state-of-emergency restrictions are most apparent in Los Angeles County. The 10% price limitation put in place in 2018 was removed this year. The acceleration in Los Angeles County during the second quarter generated revenue growth on par with Orange, Riverside and San Bernardino Counties. In relation to Public Storage's portfolio, Los Angeles County contributed about 1.5% to 2% in incremental same-store revenue growth during the quarter.
- Markets performing below the Public Storage portfolio average of 15.9% during the quarter include New York (+9.9%), San Francisco (+10.6%), Washington DC (+11.1%), and Philadelphia (+12.1%).

Third-Party Management

- Public Storage currently manages 103 facilities for third-parties, and are under contract to manage 63 additional facilities including 57 facilities that are currently under construction. The company added 12 stores to the platform during the quarter and 27 during the first six months of the year.

Full Year 2022 Guidance - same store pool of 2,282

Same store revenue growth	12% to 15%
Same store expense growth	6% to 8%
Same store net operating growth	13.4% to 18%
Acquisitions	\$1 billion
Development openings	\$250 million
Non-same store net operating income	\$480 million to \$500 million
Capital expenditures	\$300 million
Core FFO per share	\$15.00 to \$15.70



Operations

Public Storage
(NYSE: PSA)

Top Market Same-Store Performance - End of Second Quarter 2022

Market	Facilities	Rent Per Occupied Square Foot	Weighted Avg. Occupancy	Revenue Growth
Los Angeles	212	\$31.88	97.2%	17.0%
San Francisco	128	\$31.22	95.8%	10.6%
New York	90	\$29.99	95.3%	9.9%
Miami	83	\$27.54	96.6%	25.9%
Seattle-Tacoma	86	\$24.75	95.3%	14.1%
Washington DC	90	\$25.09	94.3%	11.1%
Dallas-Ft. Worth	106	\$17.02	95.6%	17.4%
Atlanta	101	\$17.10	95.2%	20.1%
Chicago	129	\$18.88	95.3%	15.2%
Houston	95	\$15.58	94.5%	17.3%
Orlando-Daytona	70	\$17.47	96.8%	21.1%
Philadelphia	56	\$20.60	95.8%	12.1%
West Palm Beach	37	\$25.03	96.6%	21.1%
Tampa	51	\$18.53	95.5%	22.0%
Charlotte	50	\$14.72	95.8%	21.5%
All other markets	898	\$17.68	95.8%	15.7%
Totals	2,282	\$21.37	95.8%	15.9%

Operations

Extra Space
Storage
(NYSE: EXR)

During the second quarter, Extra Space Storage same-store revenues increased 21.7% and net operating income increased 26.0% year-over-year. Top performing markets by same-store revenue growth for the second quarter include Atlanta, Miami, Tampa-St. Petersburg, Norfolk-Virginia Beach, Charleston, and Denver.

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 870 facilities.

Q2 2022 RESULTS

- Same-store revenues increased 21.7% year-over-year during the second quarter, representing flat sequential growth. The increase was driven by a 21.2% increase in rental income and 37.2% increase in other operating income.
- Cost of operations for the same-store pool increased by 9.3% during the second quarter. The increase was impacted by a 19.5% increase in payroll expense, 18.8% increase in office expense, 16% increase in property operating expense, 19.2% in repairs and maintenance, and 40.0% increase in insurance. The increase was partially offset by a 2.5% decrease in real estate taxes.
- Same-store net operating income increased 26.0% year-over-year during the second quarter, driven by a 21.7% increase in same-store revenue and 9.3% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 95.9%, a 100 basis point decrease from a year earlier. Same-store weighted average occupancy during the second quarter was 95.3%, a 110 basis point decrease year-over-year.

Operating Fundamentals

- Extra Space increased its guidance for the balance of the year based on stronger than expected results during the second quarter. The company raised its full-year same-store revenue growth 300 basis points at the midpoint to 16%-18% from 13%-15%, and FFO by about 280 basis points to \$8.30-\$8.50 per share from \$8.05-\$8.30 per share.
- Move-in and move-out volumes are trending back to pre-COVID levels. Move-out volumes were elevated in the second quarter due to significant existing customer rate increases accelerated by the removal of state of emergency restrictions. Consumers that chose to vacate were backfilled by continued strong demand.
- Extra Space anticipates a return to more normal seasonality during the back half of this year. The company experienced a 100 to 120 basis point deceleration in year-over-year occupancy during the past four months. Occupancy may decrease up to 150 basis points year-over-year by the end of the year.
- Extra Space benefitted from a 2.5% decrease in real estate taxes during the quarter. The decrease is a result of successful appeals. Overall, the company is seeing 5% to 7% increases in re-assessments within its portfolio.
- Payroll expenses increased 19.5% during the quarter, partially due to a 10% increase in payroll wages and a return to normal hours and staffing. The company expects wage pressures going into next year, but similar hours and staffing.
- The month-to-month nature of tenant leases provides a benefit during inflationary time. Inflationary pressure of utilities, repairs and maintenance and other expenses may be offset by continued revenue growth, including incremental growth in credit card fees generated by increased revenues.



Operations

Extra Space
Storage
(NYSE: EXR)

Operating Fundamentals (continued)

- The health of the consumer as it relates to delinquencies remains intact. Accounts receivables and bad debt expense remain consistent with historical norms.
- Government restrictions relating to rate increases during the pandemic changed Extra Space's approach to existing customer rate increases. The restrictions increased the number of customers below street rates to 63% of its tenant base, higher than historical norms. As a result, the company utilizes a more tailored approach than the past to elevate its customer's rent to approach or exceed street rates.
- The company reported at the June NAREIT conference about 66% of its customers stay longer than 12 months and 48% longer than 24 months, versus historical norms of 60% and 40%. The increased number of move-outs has slightly decreased the average customer length of stay from the NAREIT estimates.
- Achieved rental rates during the quarter averaged about 3% below last year. The rates were slightly higher than last year in April and May, decreased about 6% year-over-year in June, and 5% to 7% year-over-year in July. The negative June and July results stem from an aggressive rate push in June and July of 2021 that created difficult comparable.
- The average in-place rental rate is about 7% above achieved rents. The company utilizes a programmatic approach to elevate rents on new customers that backfill the approximate 5% churn of tenants per month.

Major Markets Revenue Growth

- All major markets reported robust revenue growth during the quarter. Markets with revenue growth above the portfolio average during the second quarter include Atlanta (+37.4%), Miami (+30.7%), Tampa-St. Petersburg (+28.2%), Norfolk-Virginia Beach (+25.5), Charleston (+25.3%), Denver (+25.0%), Orlando (+24.9%), Memphis (+24.7%), Phoenix (+24.3%), Austin (+23.5%), and Indianapolis (+23.9%).
- Markets performing below the Extra Space portfolio average of 21.7% during the quarter include San Francisco (+13.9%), Washington DC (+16.0%), Boston (+16.0%), Sacramento (+16.3%), Cincinnati (+16.5%), and New York (+17.4%).

Third-Party Management

- Extra Space added 40 stores gross (17 net stores) to its management platform during the second quarter, resulting in 864 third-party managed stores. (1,168 managed stores including joint ventures).
- Extra Space underwrites about 215 deals per quarter for potential third-party management assignments. Approximately 75% of potentially deals are for new developments.

Full Year 2022 Guidance Raised- (Same-Store Pool of 870)

Same-store property revenue growth	16% to 18%
Same-store expense growth	7.5% to 9.0%
Same-store NOI growth	18.5% to 21.5%
Net tenant reinsurance income	\$153.5 million to \$155.5 million
Management fees, other income	\$82.5 million to \$83.5 million
Acquisitions	\$1.2 billion
Bridge Loans	\$200 million
Dilution per share from C of O and value add acquisitions	\$0.20
Core Funds From Operations (FFO) per share	\$8.30 to \$8.50



Operations

Extra Space
Storage
(NYSE: EXR)

Select Markets Same-Store Performance - Second Quarter 2022

MSA	Number of Stores	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
Los Angeles-Riverside-Orange County, CA	85	\$28.57	95.4%	21.9%
New York-Northern New Jersey-Long Island, NY-NJ-PA	73	\$29.55	95.5%	17.4%
Atlanta, GA	62	\$18.06	95.2%	37.4%
Washington-Baltimore, DC-MD-VA-WV	52	\$23.61	94.9%	16.0%
Dallas-Fort Worth, TX	48	\$16.95	96.7%	22.3%
Boston-Worcester-Lawrence, MA-NH-ME-CT	44	\$26.71	94.6%	16.0%
San Francisco-Oakland-San Jose, CA	39	\$34.58	94.2%	13.9%
Chicago-Gary-Kenosha, IL-IN-WI	30	\$19.73	95.9%	18.7%
Miami-Fort Lauderdale, FL	28	\$25.92	97.7%	30.7%
Phoenix-Mesa, AZ	21	\$18.69	95.1%	23.0%
Philadelphia-Wilmington-Atlantic City, PA-DE-NJ	20	\$21.53	94.5%	22.7%
Tampa-St. Petersburg-Clearwater, FL	18	\$21.50	95.6%	28.2%
Houston-Galveston-Brazoria, TX	16	\$17.19	95.4%	21.0%
Norfolk-Virginia Beach-Newport News, VA-NC	15	\$19.10	95.0%	25.5%
Cincinnati-Northern Kentucky, OH-KY	14	\$14.51	94.0%	16.5%
Las Vegas, NV-AZ	14	\$17.77	94.4%	23.6%
Sacramento-Yolo, CA	12	\$21.43	93.0%	16.3%
Indianapolis, IN	12	\$14.65	96.7%	23.9%
Austin-San Marcos, TX	11	\$18.39	95.9%	23.5%
Memphis, TN-AR-MS	11	\$13.56	94.7%	24.7%
Orlando, FL	11	\$17.91	97.0%	24.9%
Denver-Boulder-Greeley, CO	11	\$17.34	94.7%	25.0%
Charleston-North Charleston, SC	10	\$17.02	96.5%	25.3%
Other MSAs	213	\$18.78	95.0%	23.7%
TOTALS	870	\$21.98	95.3%	21.7%

Operations

CubeSmart
(NYSE: CUBE)

During the second quarter, CubeSmart generated 14% increase in same-store revenues and 19% increase in net operating income year-over-year. Top performing markets by same-store revenue growth for the second quarter include Cape Coral, Miami, Orlando, Atlanta, Charleston, Tucson, Phoenix, and Nashville.

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 June 30, 2022, the same-store pool includes 523 stores totaling approximately 36.9 million square feet.

Q2 2022 RESULTS

- Same-store revenues increased 14% year-over-year during the second quarter, a 20 basis point decrease sequentially. The increase was primarily driven by a 14.2% increase in rental income and 7.8 % increase in other property related income.
- Cost of operations for the same-store pool increased by 2.5% year-over-year during the second quarter. The increase was impacted by a 6.9% growth in real estate taxes, 11.2% increase in maintenance and repairs, and 8.4% increase in utilities. Cost of operations were partially offset by a 17.9% decrease in advertising and 0.9% decline in personnel expense.
- Same-store net operating income increased 19% as compared to the same quarter last year, driven by a 14% increase in same-store revenue and 2.5% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 95.3%, a 70 basis point decrease year-over-year. Same-store weighted average occupancy during the second quarter was 95.1%, a 30 basis point decrease from a year earlier.

Operating Fundamentals

- CubeSmart increased its guidance for the balance of the year based on stronger than expected results during the second quarter. The company raised its full-year same-store revenue growth 275 basis points at the midpoint to 11.50%-12.50% from 8.75%-10.25%, and FFO by 400 basis points to \$2.47-\$2.51 per share from \$2.37-\$2.42 per share.
- Self storage customers continue to demonstrate resiliency and strength in an inflationary market. CubeSmart reports a return to pre-pandemic norms with an uptick in auctions, write-offs, and receivables.
- Real estate taxes and personnel costs, the two biggest drivers in same-store expense growth, are trending in opposite directions. Real estate taxes, typical projected at inflationary levels of growth, are estimated to grow 5% to 8% for the balance of the year. Conversely, personnel costs continue to find added efficiencies utilizing technologies and staffing models. The 0.9% decrease in personnel costs this quarter are a result of contactless rental platforms, reduced store hours and staffing.
- Other expense line items experiencing an uptick are utilities (8.4%) and credit card fees. These costs are partially offset by a 17.9% decrease in advertising.
- Average length of stay continues to elongate with about 64% of CubeSmart's customers staying one year or more and about 46.5% staying over two years.
- The company projects occupancy to finish the year about 150 basis points lower than a year ago and same-store revenues to begin 2023 in the high single-digit percentage range.



Operations

CubeSmart
(NYSE: CUBE)

Operating Fundamentals (continued)

- Net effective rates for new customers decreased about 1% year-over-year during the quarter. The rates were modestly positive in April and dipped slightly in May and June. The net effective rates fell in July about 3% to 4% with occupancy ending the month flat year-over-year.
- CubeSmart reports move-out activity increased 3.1% and move-in activity decreased 2.5% year-over-year. There is a negative roll-over effect with in-place customer rates about 4.4% higher than new customer rates. The summer months of June and July generated a positive roll-up but is reverted to negative in August, a typical seasonal progression.
- Existing customer rent increases continues to be dynamic both in timing and amount. The customers length of stay and demand for specific cubes plays into the extent of any rental rate increase.
- Realized annual rent per occupied square foot increased 14.5% during the quarter to \$20.96 per square foot from \$18.30 per square foot.

Major Markets Revenue Growth

- All major markets reported robust revenue growth during the quarter. Major markets with same-store revenue growth above the portfolio average during the quarter include Cape Coral (+24.1%), Miami (+23.1%), Orlando (+22.5%), Atlanta (+22.2%), Charleston (+21.8%), Tucson (+20.6%), Nashville (+19.5%), and Phoenix (+18.8%). CubeSmart's Florida markets continued to experience strong demand and rate growth.
- Markets reporting positive revenue growth but below the CubeSmart portfolio average of 14% during the quarter include Washington DC (+4.5%), New York (+7.3%), Sacramento (+8.7%), Bridgeport-Stamford (+9.9%), and Boston (+10.1%). New York, representing about 21% of CubeSmart's same-store portfolio revenue), moderated 110 basis points to 7.3% during the quarter. Washington D.C. continues to be CubeSmart's most challenging market due to new supply significantly impacting all its stores in the market.

Third-Party Management

- CubeSmart added 35 stores to its third-party management platform during the quarter, representing a net gain of 16 store. The third-party management platform totals 680 stores, which includes joint venture partnership managed properties.

Full Year 2022 Guidance Raised (same store pool of 523 stores)

Same-store revenue growth	11.5% to 12.5%
Same-store expense growth	3.5% to 4.5%
Same-store net operating income growth	15.0% to 16.0%
Acquisition of wholly-owned properties	\$100 million to \$300 million
New development openings	\$54.9 million
Dispositions	\$0 to \$50 million
Accretion from Storage West Transaction	\$0.02 to \$0.03
Dilution from properties in lease-up	\$(0.05) to \$(0.06)
FFO per share, as adjusted	\$2.47 to \$2.51



Operations

CubeSmart
(NYSE: CUBE)

Same-Store Operating Performance by MSA - Second Quarter 2022

MSA	Facilities	Rent Per Occupied Square Foot	Average Occupancy	Revenue Growth
New York-Northern New Jersey-Long Island, NY-NJ-PA	67	\$32.70	94.5%	7.3%
Chicago-Naperville-Joliet, IL-IN-WI	42	\$17.39	95.9%	14.5%
Miami-Fort Lauderdale-Pompano Beach, FL	38	\$24.14	96.3%	23.1%
Dallas-Fort Worth-Arlington, TX	37	\$16.42	96.0%	17.7%
Washington-Arlington-Alexandria, DC-VA-MD-WV	24	\$23.74	95.7%	4.5%
Atlanta-Sandy Springs-Marietta, GA	20	\$16.75	94.9%	22.2%
Phoenix-Mesa-Scottsdale, AZ	16	\$17.90	94.5%	18.8%
Riverside-San Bernardino-Ontario, CA	16	\$19.22	94.4%	17.6%
Tucson, AZ	15	\$18.49	93.9%	20.6%
Orlando-Kissimmee, FL	14	\$15.80	96.3%	22.5%
Houston-Sugar Land-Baytown, TX	14	\$15.77	94.8%	14.8%
Boston-Cambridge-Quincy, MA-NH	14	\$23.43	93.9%	10.1%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	\$21.95	93.5%	10.3%
Hartford-West Hartford-East Hartford, CT	12	\$16.82	94.0%	13.7%
Austin-Round Rock, TX	11	\$17.04	95.4%	17.9%
Columbus, OH	10	\$13.08	96.0%	11.3%
Cleveland-Elyria-Mentor, OH	10	\$16.70	95.0%	13.1%
Nashville-Davidson-Murfreesboro-Franklin, TN	9	\$14.15	97.0%	19.5%
Sacramento-Arden-Arcade-Roseville, CA	9	\$18.60	92.3%	8.7%
Las Vegas-Paradise, NV	8	\$19.55	92.6%	17.3%
Los Angeles-Long Beach-Santa Ana, CA	8	\$27.70	95.2%	15.0%
Denver-Aurora, CO	8	\$16.72	96.8%	15.7%
Charleston-North Charleston, SC	8	\$14.79	95.6%	21.8%
San Diego-Carlsbad-San Marcos, CA	7	\$22.30	95.9%	16.0%
Cape Coral-Fort Myers, FL	7	\$19.78	94.4%	24.1%
Jacksonville, FL	7	\$19.94	96.4%	15.2%
Tampa-St. Petersburg-Clearwater, FL	7	\$19.77	95.0%	17.6%
Charlotte-Gastonia-Concord, NC-SC	7	\$16.56	93.5%	16.8%
Baltimore-Towson, MD	6	\$21.04	95.4%	14.8%
Providence-New Bedford-Fall River, RI-MA	6	\$19.93	93.4%	11.6%
Bridgeport-Stamford-Norwalk, CT	6	\$27.49	94.2%	9.9%
San Antonio, TX	5	\$15.41	94.6%	16.0%
Other	42	\$19.15	94.6%	15.9%
Total	523	\$20.96	95.1%	14.0%

Operations

Life Storage
(NYSE: LSI)

During the second quarter, Life Storage same-store revenues increased 18.9% and net operating income increased 25.4% year-over-year. Top performing markets by revenue growth for the second quarter include Florida, Los Angeles, Atlanta, Phoenix, Buffalo, Austin, and Las Vegas.

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 December 31, 2020. The stores purchased through 2020 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 580 facilities in Life Storage's same-store pool.

Q2 2022 RESULTS

- Same-store revenues increased 18.9% during the second quarter, a 330 basis point acceleration sequentially. The increase was driven a 19.1% increase in rental income and partially offset by a 1.1% decrease in other operating income.
- Cost of operations for the same-store pool increased by 4.3% during the second quarter. Operating expenses were impacted by a 16% increase in office and other operating expense, 7.9% increase in repairs and maintenance, and 7.8% increase in utilities. The increase was partially offset by a flat payroll expense and modest 2.7% increase in real estate taxes.
- Same-store net operating income grew 25.4% year-over-year during the second quarter, driven by a 18.9% gain in same-store revenue and 4.3% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 94.0%, a 160 basis point decrease year-over-year. Same-store weighted average occupancy during the second quarter was 94.0%, a 110 basis point decrease from a year earlier.

Operating Fundamentals

- Life Storage increased its guidance for the balance of the year based on stronger than expected results during the second quarter. The company raised its full-year same-store revenue growth 275 basis points at the midpoint to 13.25%-14.25% and FFO by about 350 basis points to \$6.27-\$6.33 per share.
- Robust consumer demand that accelerated pricing power pushed street rates to record levels. Street rates rose almost 8% higher year-over-year during the quarter. Elevated rates contributed to Life Storage maintaining 21 consecutive months of positive rent roll-up. Rental rates for move-in customers were 7% higher than move-out rates during the quarter.
- Same-store realized rents per square foot increased 20% year-over-year, representing the continuation of double-digit rate growth for four consecutive quarters.
- Life Storage adjusted its occupancy projections consistent with pre-COVID trends. The company projects a 250 basis point decrease in occupancy from July to the end of the year, as compared to a 190 basis point decrease during the same period a year ago. The adjustment targets year-end occupancy at 91% to 92%, but above the historical norm of 90% occupancy.
- The slowdown in home sales has not measurably impacted storage demand. Rising interest rates and inflation may inhibit people from moving to more suitably sized homes, ultimately sustaining self storage demand.



Operations

Life Storage
(NYSE: LSI)

Operating Fundamentals (Continued)

- The health of the customer remains consistent with an uptick in late fees to pre-COVID levels as the only measurable change.
- Life Storage typically initiates existing customer rate increases during the high demand summer months, enabling the ability to backfill space during the prime leasing season from customers that move out.
- Significant in-place rental rate increases and an uptick in auctions have increased move-out volumes during the quarter.

Major Markets Revenue Growth

- All major markets reported robust revenue growth during the quarter. Markets with revenue growth above the portfolio average during the second quarter include Cape Coral (+33.6%), Orlando (+26.1%), Miami (+25.6%), Space Coast (+24.9%), Charlotte (+24.3%), Chattanooga (+22.6%), Atlanta (+22.5%), Jacksonville (+22.5%), Pensacola (+22.5%), and Virginia Beach-Norfolk (+22.4%).
- Markets performing below the Life Storage portfolio average of 18.9% during the quarter include Beaumont (+6.3%), Columbus (+10.3%), New York (+13.7%), St. Louis (+14.5%), Boston (+14.6%), New England (+14.7%), and Montgomery (+15.2%).

Third-Party Management

- Life Storage added 17 stores (7-net stores) to the third-party management platform during the second quarter. Third-party management stores in the platform total 378, including joint ventures. The increase represents a 13% increase in stores managed as compared to last year.

Full Year 2022 Guidance Increases (same store pool of 580 stores)

Same-store revenue growth	13.25% to 14.25%
Same store operating costs (excluding property taxes)	4.5% to 5.5%
Same store property taxes	6.25% to 7.25%
Total same store operating expenses	5.0% to 6.0%
Same store net operating income	16.5% to 17.5%
Expansions and enhancements	\$65 million to \$75 million
Capital expenditures	\$30 million to \$35 million
Wholly owned acquisitions	\$800 million to \$1 billion
Joint venture investments	\$75 million to \$125 million
Adjusted funds from operations per share	\$6.27 to \$6.33



Operations

Life Storage
(NYSE: LSI)

Select Markets Same-Store Performance - Second Quarter 2022

Market	Stores	Rent Per Occupied Square Foot	Average Occupancy 6/30/2022	Revenue Growth
New York-Newark-Jersey City, NY-NJ-PA	36	\$26.84	95.3%	13.7%
Chicago-Naperville-Elgin, IL-IN-WI	40	\$18.73	95.0%	18.5%
Houston-The Woodlands-Sugar Land, TX	40	\$16.01	93.0%	17.7%
New England-Other	26	\$21.81	94.2%	14.7%
Dallas-Fort Worth-Arlington, TX	29	\$15.78	95.1%	17.7%
Buffalo-Upstate, NY	26	\$17.99	93.1%	22.0%
Miami-Fort Lauderdale-Pompano Beach, FL	17	\$25.13	95.5%	25.6%
Los Angeles-Long Beach-Anaheim, CA	12	\$27.14	92.1%	22.7%
Atlanta-Sandy Springs-Alpharetta, GA	24	\$16.84	94.7%	22.5%
Las Vegas-Henderson-Paradise, NV	18	\$19.27	95.4%	20.7%
Austin-Round Rock-Georgetown, TX	20	\$16.80	94.6%	21.9%
Sacramento-Roseville-Folsom, CA	14	\$19.70	90.2%	16.1%
Tampa-St. Petersburg-Clearwater, FL	18	\$18.47	94.9%	22.1%
Boston-Cambridge-Newton, MA-NH	16	\$20.28	92.1%	14.6%
San Antonio-New Braunfels, TX	17	\$16.80	93.5%	16.2%
St. Louis, MO-IL	15	\$16.20	95.0%	14.5%
Cleveland-Elyria, OH	12	\$17.31	91.7%	13.7%
Virginia Beach-Norfolk-Newport News, VA-NC	11	\$15.72	95.7%	22.4%
Orlando-Kissimmee-Sanford, FL	12	\$16.76	94.5%	26.1%
Phoenix-Mesa-Chandler, AZ	10	\$18.29	95.1%	22.4%
Space Coast, FL	8	\$19.29	95.0%	24.9%
Jacksonville, FL	10	\$17.64	94.6%	22.5%
Charlotte-Concord-Gastonia, NC-SC	9	\$16.32	93.8%	24.3%
Pensacola-Ferry Pass-Brent, FL	7	\$15.12	92.4%	22.5%
Chattanooga, TN-GA	7	\$15.65	95.5%	22.6%
Raleigh-Durham, NC	7	\$15.09	96.7%	22.4%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5	\$19.52	92.0%	19.5%
Cape Coral-Fort Myers, FL	8	\$16.67	94.5%	33.6%
Beaumont-Port Arthur, TX	7	\$16.00	91.4%	6.3%
Columbus, OH	6	\$14.85	93.5%	10.3%
Montgomery, AL	7	\$11.60	94.8%	15.2%
Baltimore-Columbia-Towson, MD	5	\$19.29	91.7%	19.3%
Youngstown-Warren-Boardman, OH-PA	5	\$13.12	92.1%	20.2%
Other markets	76	\$17.46	93.2%	18.3%
Totals	580	\$18.45	94.0%	18.9%

Operations

National
Storage Affiliates
(NYSE: NSA)

During the second quarter, National Storage Affiliates same-store revenues increased 14.6% and net operating income increased 17.3% year-over-year. Top performing markets by same-store revenue growth for the second quarter include Atlanta, Brownsville, McAllen, North Port-Sarasota, Riverside-San Bernardino, and Houston.

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 June 30, 2022, the same-store portfolio consisted of 629 self storage properties.

Q2 2022 RESULTS

- Same-store revenues increased 14.6% during the second quarter year-over-year, a 200 basis point decrease sequentially. Same-store revenues were driven by a 14.9% increase in average annualized rental revenue per occupied square foot and partially offset by a 2.3% decrease in other income.
- Cost of operations for the same-store pool increased by 7.6% year-over-year during the second quarter. The increase was impacted by an 17.5% increase in utilities, 11.2% increase in real estate taxes (primarily due to increases in Texas, Georgia and Indiana), and 10.2% increase in repairs and maintenance. Expenses were partially offset by a 1.3% decrease in insurance and flat movement in payroll.
- Same-store net operating income grew 17.3% year-over-year during the second quarter, driven by an 14.6% increase in same-store revenue and 7.6% increase in operating expenses.
- Same-store occupancy at the end of the quarter was 95.2%, a 140 basis point decrease year-over-year. Same-store weighted average occupancy during the second quarter was 95.1%, a 10 basis point decrease from a year earlier.

Operating Fundamentals

- NSA reiterated the industry's favorable position in an inflationary environment with needs-based demand for storage representing only a small portion of customers disposable income. Month-to-month leases provide the flexibility to adjust rents according to market trends and offset inflationary pressures on expenses.
- The company reported strong rate growth during the quarter with street rates and contract rents up 18% and 16%, respectively. Street and contract rates generated sequential growth each month during the quarter and into July. Robust rate growth contributed to the company's fifth straight quarter of positive rent roll-up.
- About 60% of existing customers have in-place rents below current street rates.
- The balance between a revenue-focused approach revenue management strategy versus occupancy-driven approach was highlighted during the quarter. The company pushed rates to a large pool of existing customers significantly in May (up to two times the normal increase) that resulted in an increase in the number of move-outs. Existing customer rate increases continued in the low to mid-teens percentage during the quarter.
- The average length of stay remained stable during the quarter at 16 months.
- NSA expects to return to seasonality during the second half other year with occupancy decelerating about 200 to 300 basis points sequentially in the coming quarters. The sequential decreases may result in about a 200 to 250 basis point decrease in occupancy at year-end.



Operations

National
Storage Affiliates
(NYSE: NSA)

Operating Fundamentals (continued)

- NSA noticed a slight change in customer behavior as it relates to the number of Google search touches prospective customers needed to convert to renters. The number of touches increased to two or 2.5 times rather than one or 1.5 in previous months. The increase in touches may be a result of consumers comparison shopping for more favorable rates.
- The company estimates that it is in the upper-third or leader in average asking rate in most of its markets.
- The strength of the consumer as it relates to bad debt and delinquencies are similar across the company's primary, secondary and tertiary markets.

Major Markets Revenue Growth

- All major markets reported robust revenue growth during the quarter. Markets with same-store revenue growth above the portfolio average for the quarter include Atlanta (+20.1%), Brownsville (+19.5%), McAllen (+18.9%), North Port-Sarasota (+18.3%), Riverside-San Bernardino (+18.0%), and Houston (+16.5%).
- Markets performing below the NSA portfolio average of 14.6% during the quarter include Kansas City (+5.5%), Portland (+8.7%), Colorado Springs (+10.1%), Tulsa (+11.5%), Los Angeles (+11.5%), and Indianapolis (+13.0%). Portland, NSA's second largest MSA representing 6.7% of revenue, was impacted by elevated new competitive supply. Same-store revenue growth decelerated 500 basis points sequentially after recording measurable gains in 2020 and 2021.

Full Year 2022 Guidance - Same store pool of 631 stores

	2022 Guidance	2021 Results
Same store revenue growth	11% to 13%	15.1%
Same store property expenses	5.0% to 6.25%	4.0%
Same store net operating income	14% to 16%	19.8%
Acquisitions of self storage properties	\$400 million to \$600 million	\$2.175 billion
Core FFO per share	\$24 to \$25	\$20.7



Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary By State -Second Quarter 2022

State	Stores	Rent Per Occupied Square Foot	Occupancy 6/30/2022	Revenue Growth
Texas	113	\$12.87	96.3%	17.1%
California	81	\$16.46	94.7%	14.9%
Oregon	61	\$17.26	94.1%	9.5%
Florida	48	\$18.00	94.8%	17.2%
Georgia	46	\$12.68	95.8%	19.3%
North Carolina	34	\$13.59	98.0%	17.1%
Oklahoma	32	\$9.72	96.9%	13.0%
Arizona	30	\$15.74	93.6%	13.5%
Louisiana	26	\$12.25	94.9%	14.5%
Kansas	17	\$13.36	96.5%	8.1%
Colorado	16	\$13.69	94.5%	10.3%
Indiana	16	\$11.73	94.4%	13.0%
Washington	16	\$15.69	92.9%	10.8%
Nevada	13	\$14.55	93.9%	13.7%
New Hampshire	11	\$16.15	94.6%	11.1%
Other*	69	\$15.00	94.3%	14.3%
Total	629	\$14.55	95.2%	14.6%

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

Operations

National
Storage Affiliates
(NYSE: NSA)

Same Store Performance Summary By MSA - Second Quarter 2022

MSA	Stores	Rent Per Occupied Square Foot	Occupancy 6/30/2022	Revenue Growth
Riverside-San Bernardino-Ontario, CA	46	\$15.30	95.4%	18.0%
Portland-Vancouver-Hillsboro, OR-WA	45	\$18.39	92.7%	8.7%
Atlanta-Sandy Springs-Roswell, GA	30	\$12.99	95.5%	20.1%
Phoenix-Mesa-Scottsdale, AZ	23	\$16.08	93.1%	13.7%
McAllen-Edinburg-Mission, TX	20	\$12.45	97.5%	18.9%
Oklahoma City, OK	19	\$9.49	97.7%	14.1%
Houston-The Woodlands-Sugar Land, TX	18	\$11.53	95.6%	16.5%
Dallas-Fort Worth-Arlington, TX	17	\$13.58	95.4%	14.7%
Brownsville-Harlingen, TX	16	\$11.91	97.4%	19.5%
Indianapolis-Carmel-Anderson, IN	16	\$11.73	94.4%	13.0%
Los Angeles-Long Beach-Anaheim, CA	14	\$22.80	94.8%	11.5%
New Orleans-Metairie, LA	13	\$13.87	95.1%	16.0%
North Port-Sarasota-Bradenton, FL	13	\$20.90	93.2%	18.3%
Tulsa, OK	13	\$10.09	95.7%	11.5%
Las Vegas-Henderson-Paradise, NV	12	\$14.55	93.8%	14.0%
Colorado Springs, CO	11	\$12.71	93.0%	10.1%
Kansas City, MO-KS	11	\$14.10	96.5%	5.5%
San Antonio-New Braunfels, TX	11	\$15.90	94.3%	15.8%
Other MSAs	281	\$14.60	95.3%	14.5%
Total	629	\$14.55	95.2%	14.6%

Capital Activities

Public Storage (NYSE: PSA)

- Called for redemption on August 15, 2022 its 2.37% Senior Notes, with an aggregate outstanding principal amount of \$500 million, due September 15, 2022.
- In connection with the sale of the equity investment in Public Storage Business Parks (“PSB”), on July 22, 2022, the Board of Trustees declared a special cash dividend of \$13.15 per common share.

Extra Space Storage (NYSE: EXR)

- In conjunction with the Bargold acquisition, issued 91,743 common OP units at an average price of \$174.40 per share (a total value of \$16 million) and 240,000 preferred OP units at a stated value of \$25.00 per share (a total value of \$6.0 million).
- During the second quarter, repurchased 381,786 shares of common stock using its stock repurchase program at an average price of \$165.01 per share for a total cost of \$63 million including transaction costs. As of June 30 2022, the company has authorization to purchase up to an additional \$337 million under the plan.
- The company's percentage of fixed-rate debt to total debt is 74.8%. The weighted average interest rate of fixed-rate debt is 3.1%, and the variable-rate debt is 2.9%. The combined weighted average is 3.1% with a weighted average maturity of about 5.5 years.
- On July 29, 2022, completed an accordion transaction in its credit facility, and added \$175 million unsecured debt tranche maturing January 2028 and a \$425 million unsecured debt tranche maturing July 2029. The current rates for the tranches are Adjusted Term SOFR/Adjusted Daily Simple SOFR (“SOFR”) + 0.95% and SOFR + 1.25%, respectively.

CubeSmart (NYSE: CUBE)

- The average outstanding debt balance at the end of the second quarter was \$3.16 billion, as compared to \$2.25 billion at last year's second quarter. The weighted average effective interest rate on the outstanding debt is 2.91% versus 3.41% at same time last year.
- The company did not sell any common shares through its at-the-market (“ATM”) equity program in the second quarter. The company has 5.9 million shares available for future issuance.



Capital Activities

Life Storage (NYSE: LSI)

- Subsequent to June 30, 2022, refinanced existing bank credit facility increasing from \$500 million to \$1.25 billion through a syndicate of ten banks providing committed liquidity to January 2027 on terms comparable or improved from existing credit facility.
- At June 30, 2022, approximately \$32.6 million of cash on hand, and approximately \$197 million available on its line of credit.

Key Financial Ratios

Debt to Enterprise Value @ \$111.66/share	24.4%
Debt to Book Cost of Facilities	40.3%
Debt to Recurring Annualized EBITDA	4.6x
Debt Service Coverage (DSC)	5.7x

National Storage Affiliates (NYSE: NSA)

- On June 24, 2022, entered into an agreement with a syndicated group of lenders for a new \$285 million unsecured term loan, including an expansion option, providing total borrowings of up to \$300 million. The term loan expires in seven years with a variable interest rate of 3.34% as of June 30, 2022, and is subject to leverage and credit rating-based margins ranging from 1.55% to 2.2% over SOFR. NSA used proceeds to repay outstanding amounts under its revolving line of credit.
- On April 11, 2022, Kroll Bond Rating Agency upgraded the issuer credit rating of the company to BBB+ with a Stable Outlook from BBB with a Positive Outlook.
- On July 11, 2022, approved a share repurchase program up to \$400 million of NSA's common shares. The timing and amount of repurchase transactions will be determined by NSA's management based on its evaluation of market conditions, share price, legal requirements and other factors.



Marc A. Boorstein
CCIM Principal
312.953.4749
mboorstein@mjpartners.com

Jeff Jacobson
Principal
312.953.4752
jjacobson@mjpartners.com

David E. Kohn
Vice President
312.375.1240
dkohn@mjpartners.com

Matthew E. Duda
Vice President
312.519.7868
mduda@mjpartners.com

Greg Owens
Senior Vice President
847.732.8168
gowens@mjpartners.com

Claire M. Compennolle
Associate
ccompennolle@mjpartners.com

MJ PARTNERS

SELF STORAGE GROUP
www.mjpartners.com

CREATING VALUE THROUGH EXPERIENCE

