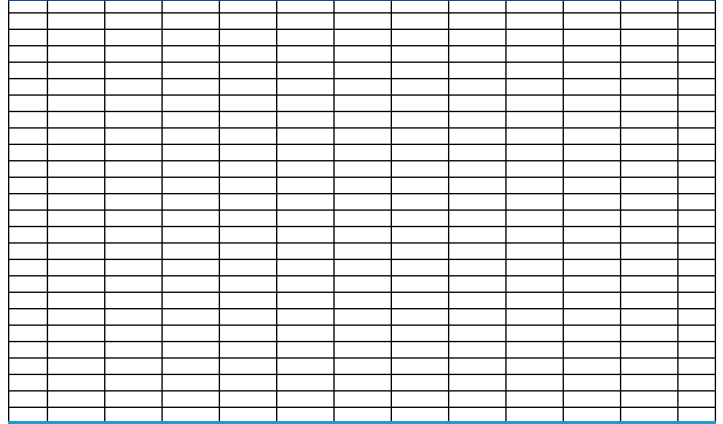




CAPITAL MARKETS

Self Storage Group

4Q 2020 REIT Report



NEWMARK

Self Storage 4Q20 Reit Report

The self storage REIT sector posted very strong 4Q2020 NOI and revenue growth while also ending the year at record-high industry occupancy; further reinforcing self storage as one of the most resilient asset classes within commercial real estate. Non-weighted average same store NOI growth was 4.54% while non-weighted average same store revenue grew 3.24% year-over-year compared to the fourth quarter 2019 across the five public self storage REITs. Self storage outperformed the broader REIT universe for all of 2020 returning the second best total shareholder return (12.91%) among all REIT asset classes; second only to Data Centers which returned 21% TSR [Source: NAREIT]. With record high occupancies defying the usual year-end seasonal declines and move-outs continuing to maintain historically low levels the sector is positioned to enter the peak leasing season with extremely strong occupancy momentum which will translate to significant pricing power for street rates and existing customer rate increases throughout 2021.

Excluding joint venture acquisitions and mergers, wholly owned acquisitions for the quarter reached an extraordinary level of \$1.695 billion across 116 properties. With some storage REITs having their most acquisitive quarter on record, and surpassing earlier acquisition projections, the robust fourth quarter easily exceeded the 2018 full-year volume of just over \$1.3 billion. Full-year 2020 acquisition volume for the five storage REITS reached an aggregate \$2.9 billion, a 49% increase over the 2019 volume of \$1.95 billion. The flurry of acquisition activity in the fourth quarter is carrying forward to a strong start in 2021 acquisitions with one REIT having nearly half their full year guidance volume already under contract and the guidance for aggregate 2021, volume projected in the range of \$1.78 to \$2.23 billion.

Strong consumer demand for storage throughout the pandemic supported operating fundamentals and a return to typical operating practices bolstering the sector's recession resilient track record. As the level of overall uncertainty declined as 2020 progressed, and as the vaccine rollout gains significant momentum, there is greater confidence that has enabled the storage REITs to reinstate guidance for the year ahead. Though issued guidance ranges are wider than usual when compared to prior years, the issued guidance reflects confidence in significant sector fortitude. Reported same store revenue growth guidance ranged from 3% to 5.5% with an unweighted midpoint of 4.3%, while same store NOI growth ranged between 2.5% to 6.25% for an unweighted midpoint of 4.4%.

Earnings calls were focused on the elevated 4Q and year-end occupancy levels and the factors that will drive variability to how 2021 plays out. In general, the REITs are expecting continued high occupancy levels throughout the first half of the year with the second half of the year seeing typical seasonal moderation. Revenue growth is expected to be very strong in the first half of the year, peaking in late-second quarter to early-third quarter and then leveling through the balance of 2021. Operators will be focused on finding equilibrium between driving occupancy and raising rents to maximize revenue. Another common topic on earnings calls related to whether the growing roll-out of vaccines and the easing of COVID restrictions across the country will lead to an increase in move-outs as consumer behavior stabilizes; however, the continuing trend of work from home, increased optionality regarding virtual classroom education and ever-increasing customer lengths of stay suggests an increase in move-outs is not likely to happen in the near term.

Absent the prior concerns voiced near the start of the pandemic (namely collections, curtailed auction occupancy, and lack of rate increases on existing customers), the earnings calls again resumed focus on business fundamentals and controlling operating expenses while increasing revenue. Several REITs highlighted diligent cost control efforts and achieved operating expense reductions through



measures varying from energy efficiency, solar power and LED lighting upgrades to successful appeals of Real Estate property taxes. Revenue management systems have been able to return to more normal operating algorithms given that restrictions on rate increases have been lifted in many jurisdictions. The REITs continue to grow complementary revenue streams whether it be additional growth of third-party management properties, last-mile e-commerce and micro-fulfillment solutions or bridge lending and other creative capital solutions which will continue to benefit investor returns.

New supply remains the primary headwind for the sector, although surprises with the interest rate environment also could pose risks to the transaction market. Though 2020 deliveries were significantly below the peak 2019 levels, the outsized volume of deliveries over the past four years has still left many markets with pockets of oversupply that need to stabilize before street rates can resume meaningful growth. 2021 is expected to have a further decline in the number of new properties delivered but operators need to pay close attention to the in-planning pipeline and whether those facilities transition to the construction phase or wind up being abandoned. With the sector's outperformance and the recent spotlight shone by major institutional investors, additional new capital and developers may still be tempted to make entries via new development where higher yields are available versus the yields that can be achieved acquiring existing stabilized properties.

As already noted, transaction activity remains elevated with a wide variety of deals from lease-up portfolios to stabilized single-assets in both marketed and off-market transactions. As more diverse sources of capital deploy into the sector, the entrance or expanded presence by some of the most sophisticated institutional investors has drawn even more attention to the sector as the leading alternative asset

class. Blackstone's acquisition of Simply Self Storage, GIC and Cascade Investments' partnership with StorageMart, and Elliot Management's investment and board inclusion with Public Storage highlight the escalating interest in the sector. Combined with the multitude of other capital pursuing and competing for acquisitions, in a low interest rate environment, downward pressure on cap rates will persist throughout 2021. Trend data supports that FY2020 cap rates compressed by as much as 50 basis points over FY2019, with indications from current pipeline data suggesting an additional 15 basis points compression is likely in early 2021. As the new year continues with cautious optimism towards a post-COVID future, increased transaction activity is expected to continue in the search for yield within the wider investment space.

Validation of storage implied by the capital inflows from some of the smartest investors in real estate coupled with the extraordinary durability of the operating fundamentals legitimizes its inclusion in the core investment real estate space. Self storage is extremely well positioned to continue to deliver strong operating metrics on both a relative basis as well as on an actual basis.

The following pages summarize the information for the fourth quarter of 2020, reported by the five publicly traded self storage REITs, along with some comparisons between the industry and macro-market benchmarks. Links to the investor relations page of each REIT's website are also included.

In addition to this quarterly REIT summary, a weekly email from Newmark Group, Inc.'s Self Storage Group delineates key benchmark rates for the capital markets, near-term expectations for transactions, and interpretive opinions of broader market questions.

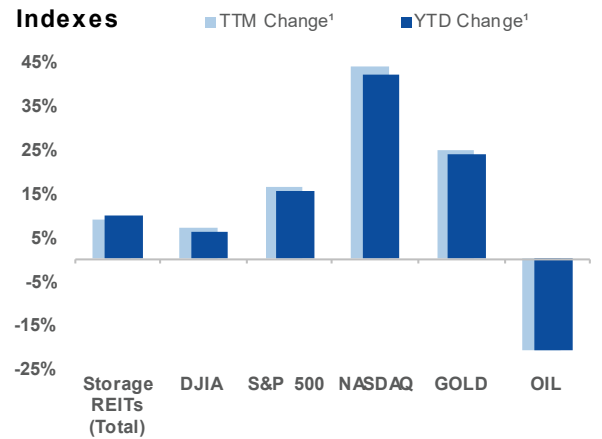
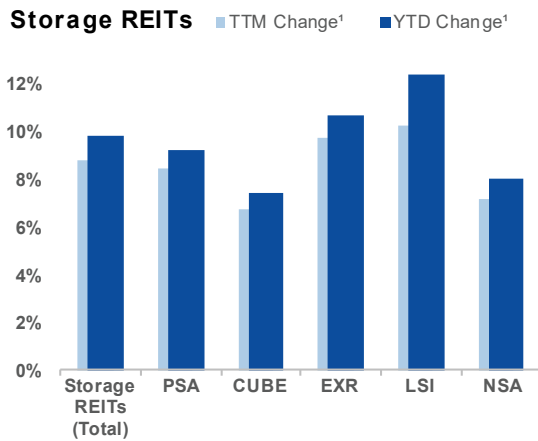
Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.

nmrkstorage.com

SELF STORAGE 4Q20 REIT REPORT HIGHLIGHTS

Market Index

	12/31/19	1/2/20	12/31/20	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$455.87	\$451.64	\$496.02	9.83%	8.81%
PSA	212.96	211.42	230.93	9.23%	8.44%
CUBE	31.48	31.28	33.61	7.45%	6.77%
EXR	105.62	104.73	115.86	10.63%	9.70%
LSI	72.19	70.84	79.59	12.35%	10.25%
NSA	33.62	33.37	36.03	7.97%	7.17%
DJIA	28,538.44	28,868.80	30,606.48	6.02%	7.25%
S&P 500	3,230.78	3,257.85	3,756.07	15.29%	16.26%
NASDAQ	8,972.60	9,092.19	12,888.28	41.75%	43.64%
GOLD	1,514.75	1,527.10	1,887.60	23.61%	24.61%
OIL	61.14	61.17	48.35	-20.96%	-20.92%
U.S. 10 YEAR	1.92%	1.88%	0.93%	-50.53%	-51.56%
10 YEAR SWAP	1.88%	1.85%	0.93%	-49.73%	-50.53%



¹ Excludes dividends

Sources: Yahoo! Finance, U.S. Department of the Treasury, U.S. Energy Information Administration, Barchart (SWAADY10.RT), Bloomberg, World Gold Council

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the Company's common shareholders of \$0.22.
- Reported funds from operations (FFO) per share, as adjusted, of \$0.47.
- Increased same-store (475 stores) net operating income (NOI) 5.1% year over year, driven by 3.4% revenue growth and a 0.8% decrease in property operating expenses.
- Same-store occupancy during the quarter averaged 93.8% and ended the quarter at 93.4%.
- Closed on 18 property acquisitions totaling \$661.2 million, closed on one property disposition totaling \$12.8 million.
- Issued \$450 million of unsecured senior notes in seventh public bond offering, redeemed \$250 million of unsecured senior notes.
- Increased the quarterly dividend 3.0% to an annualized rate of \$1.36 per common share from the previous annualized rate of \$1.32 per common share.
- Added 38 stores to our third-party management platform during the quarter.

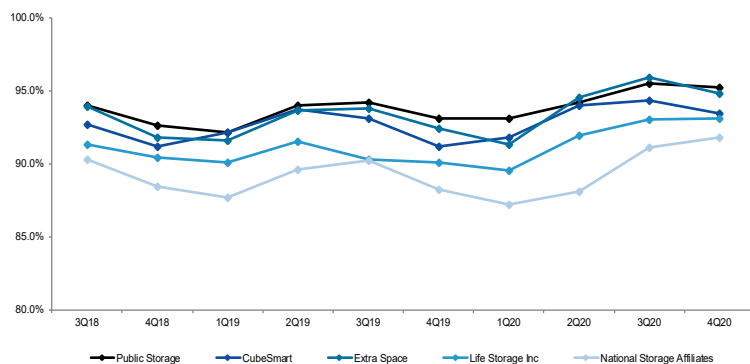
[CLICK HERE TO VIEW CUBESMART INVESTOR RELATIONS](#)

PUBLIC STORAGE (NYSE: PSA)

- For the three months ended December 31, 2020, net income allocable to our common shareholders was \$292.2 million or \$1.67 per diluted common share, compared with \$327.3 million or \$1.87 per diluted common share in 2019 representing a decrease of \$35.1 million or \$0.20 per diluted common share.
- Revenues for the same-store facilities increased 0.8% or \$4.7 million in the three months ended December 31, 2020 as compared with 2019, due primarily to improved occupancy.
- For the three months ended December 31, 2020, funds from operations (FFO) was \$2.57 per diluted common share.
- Acquired 43 self-storage facilities (five each in Michigan and Pennsylvania, four each in Alabama, Illinois and Texas, three each in Georgia and Missouri, two each in Arizona, Colorado, Florida, Minnesota and Ohio and one each in Maryland, Nevada, Oklahoma, Oregon and Washington) with 3.7 million net rentable square feet for \$513.7 million.
- Declared a regular common quarterly dividend of \$2.00 per common share.

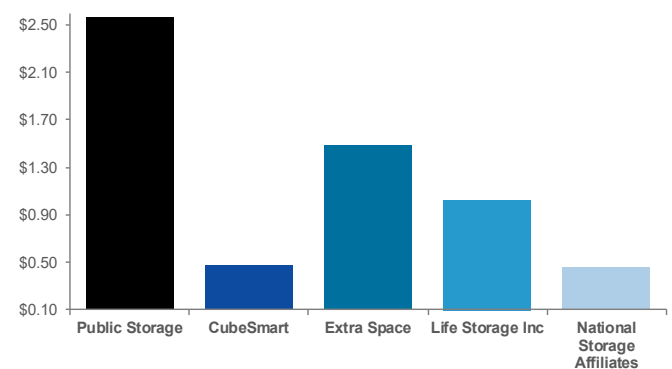
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HISTORICAL QUARTERLY OCCUPANCY



Note: PSA, Cube, LSI and NSA are based on period-average occupancy. EXR is based on period end.
 Note: Historical occupancy is based on original occupancy reported each quarter.
 Source: PSA, LSI, Cube, EXR and NSA Investor Relations

ADJUSTED FUNDS FROM OPERATIONS PER DILUTED SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

LIFE STORAGE INC. (NYSE: LSI)

- Generated net income attributable to common shareholders of \$41.6 million, or \$0.57 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of \$1.07, an 11.5% increase over the same period in 2019.
- Increased same-store revenue by 4.9% and same-store net operating income (NOI) by 6.8%, year-over-year.
- Acquired 9 stores for \$113.0 million, including one store from one of our unconsolidated joint ventures for \$11.5 million.
- Added 21 stores to the Company's third-party management platform.

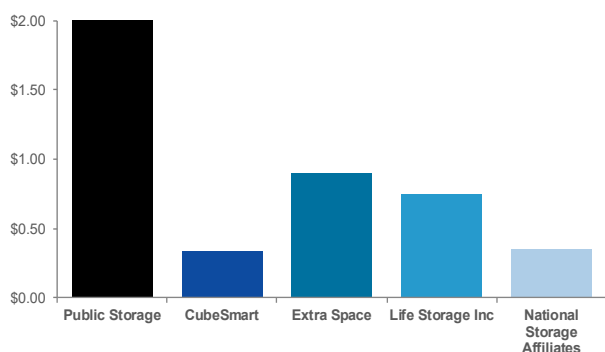
[CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS](#)

EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.19 per diluted share, representing a 38.4% increase compared with the same period in 2019.
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of \$1.48 per diluted share. FFO, excluding acceleration of share-based compensation expense due to retirement of an executive officer and adjustments for non-cash interest (Core FFO), was \$1.48 per diluted share, representing a 16.5% increase compared with the same period in 2019.
- Increased same-store revenue by 2.3% and same-store net operating income (NOI) by 3.4% compared with the same period in 2019.
- Reported same-store occupancy of 94.8% as of December 31, 2020, compared with 92.4% as of December 31, 2019.
- Acquired 12 operating stores and one store at completion of construction (a Certificate of Occupancy store or C of O store) for a total cost of approximately \$146.9 million.
- Disposed of four stores for a sales price of \$46.6 million, completed two preferred stock investments totaling \$350.0 million.
- Closed \$168.3 million in mortgage and mezzanine bridge loans, and sold \$63.1 million in mortgage bridge loans, with an additional \$76.2 million sold subsequent to December 31, 2020.
- Sold 899,048 shares of common stock using the Company's (at the market or ATM) program at an average sales price of \$116.42 per share resulting in net proceeds of \$103.5 million.
- Added 44 stores (gross) to the Company's third-party management platform. As of December 31, 2020, the Company managed 724 stores for third parties and 253 stores in joint ventures, for a total of 977 managed stores.
- Paid a quarterly dividend of \$0.90 per share
- Subsequent to December 31, 2020, Moody's Investors Service assigned a Baa2 issuer credit rating with a stable outlook to Extra Space Storage, LP, the Company's operating partnership subsidiary.

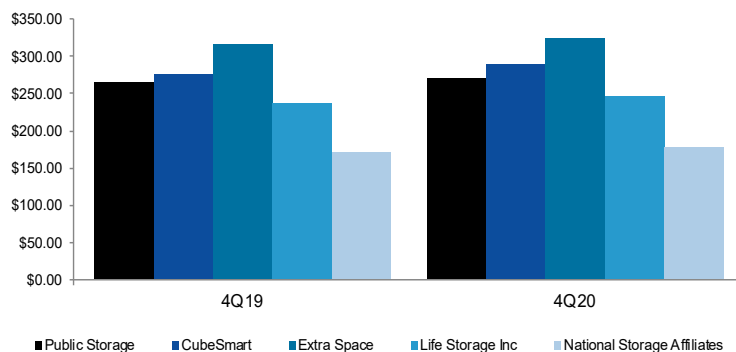
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

DIVIDEND PER SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

SAME-STORE REVENUE PER STORE



Note: EXR includes tenant reinsurance revenue. Source: PSA, Cube, EXR, LSI and NSA Investor Relations

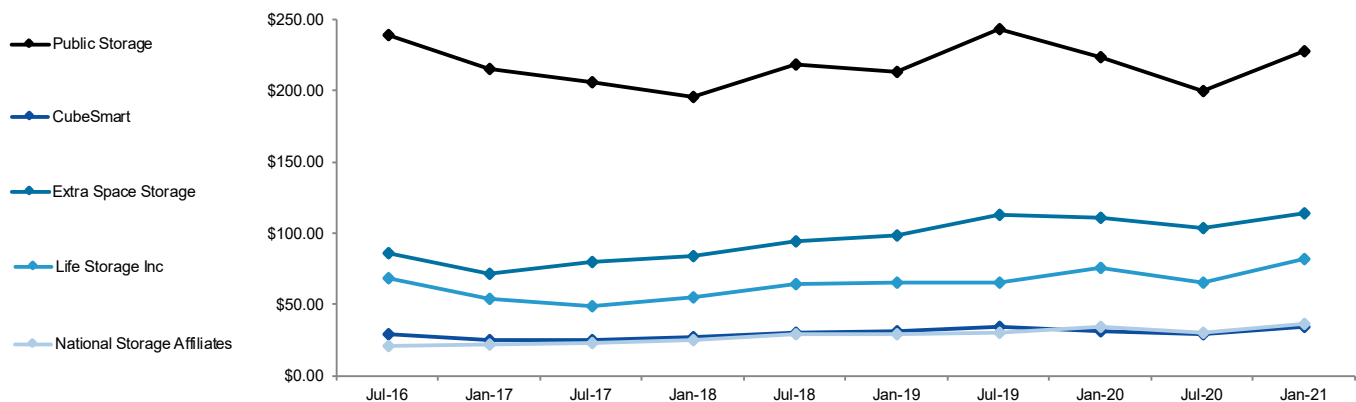
NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$24.5 million for the fourth quarter of 2020, an increase of 30.2% compared with the fourth quarter of 2019. Reported diluted earnings per share of \$0.18 for the fourth quarter of 2020, primarily relating to the HLBV method for allocating net income among the various classes of equity.
- Reported core funds from operations (Core FFO) of \$46.9 million, or \$0.46 per share for the fourth quarter of 2020, an increase of 15.0% per share compared with the fourth quarter of 2019.
- Reported an increase in same-store net operating income (NOI) of 6.1% for the fourth quarter of 2020 compared with the same period in 2019, driven by a 4.8% increase in same-store total revenues partially offset by a 1.6% increase in same-store property operating expenses.
- Reported same-store period-end occupancy of 91.8% as of December 31, 2020, an increase of 460 basis points compared with December 31, 2019.
- Settled a portion of the previously announced underwritten public offering completed under forward sale agreements (the forward offering) by physically delivering 1,850,510 common shares of beneficial interest (common shares) to the forward purchasers on December 30, 2020 for net proceeds of approximately \$60.0 million.
- Acquired 33 wholly-owned self storage properties and two expansion projects to existing properties for \$260.5 million during the fourth quarter of 2020. Consideration for these acquisitions included the issuance of \$20.7 million of OP equity.
- Added Blue Sky Self Storage as the Company's tenth Participating Regional Operator (PRO), with four properties contributed in December 2020.

[CLICK HERE TO VIEW NATIONAL STORAGE AFFILIATES INVESTOR RELATIONS](#)

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 16	Jan 17	Jul 17	Jan 18	Jul 18	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21
Public Storage	\$238.92	\$215.00	\$205.57	\$195.76	\$217.83	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62
CubeSmart	\$29.71	\$25.13	\$24.66	\$27.53	\$30.36	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84
Extra Space Storage	\$86.02	\$72.05	\$79.50	\$83.48	\$93.97	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79
Life Storage Inc	\$68.25	\$54.30	\$48.69	\$55.40	\$63.97	\$65.51	\$64.99	\$75.45	\$65.42	\$81.58
National Storage Affiliates	\$21.37	\$22.25	\$22.96	\$25.37	\$28.83	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54



Source: Yahoo! Finance

NORTH AMERICA

Canada
United States

LATIN AMERICA

Argentina
Brazil
Chile
Colombia
Costa Rica
Mexico
Panama
Peru
Puerto Rico

EUROPE

Austria
Belgium
Czech Republic
France
Germany
Hungary
Ireland
Italy
Netherlands
Poland
Romania
Russia
Spain
Switzerland
United Kingdom

ASIA-PACIFIC

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China
India
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Philippines
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