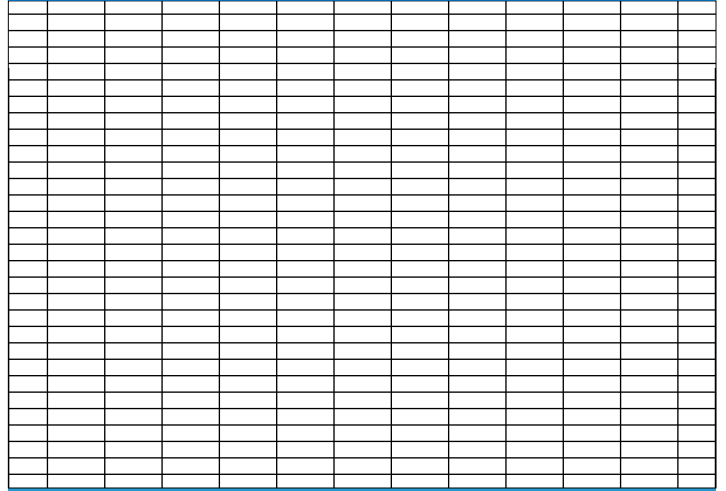


CAPITAL MARKETS

Self Storage Group

2Q 2023 REIT Report



NEWMARK

Self Storage 2Q23 REIT Report

The self storage sector's 2Q2023 performance remained positive on both the revenue and NOI fronts. Move-in activity has increased, consistent with what is expected in the peak leasing season, and quarter-end average (non-weighted) occupancy of 93% continues to demonstrate strong demand and pricing power in favor of operators. Management commentary was consistent that July and early-August saw further increases in occupancy that will continue to provide strength to revenue management systems. As noted in 1Q comments, move-out velocity in 2Q remained below pre-Covid levels which validates the thesis that the customer-base expansion that started as pandemic-driven demand has remained and the percentage of the U.S. population utilizing self storage continues to broaden. Absent new supply growth at greater-than-population-growth levels, operators will continue to harvest disproportionate revenue growth from existing occupancy, reducing the reliance upon street rate increases as the primary driver of revenue growth. Non-weighted same store revenue increased an average of 4.10% while non-weighted same store NOI grew 4.30%.

The storage sector ended the quarter at 92.6% non-weighted occupancy; with Extra Space leading at 94.5%. This historically elevated 2Q occupancy continues to provide operators with demand levels that enable revenue management systems to maximize revenue growth from occupied square footage. As occupancy accelerates towards the 3Q peak, street rates should also benefit and add to average rent per occupied square foot.

New supply headwinds remain noticeably muted, with virtually no mention of macro new supply across the industry. Driven by macroeconomic challenges like construction costs and interest rates, as well as a lack of construction debt, the development environment will remain difficult for at least the next several quarters. As investors continue to try to deploy capital into the sector, those seeking value-add level yields likely only find those return targets via development. At some point, these investors will begin to stimulate the supply universe; however, given the aforementioned challenges, as well as lead-time for actual deliveries, the 2025 leasing season is likely the earliest the industry has to deal with macro new supply dynamics.

The self storage sector has seen a string of large, significant transactions in the last three quarters, including the Storage Express and Life Storage transactions led by Extra Space and the Simply Self Storage transaction that Public Storage announced last month that is due to close in 3Q23 (note: Newmark acted as one of two lead financial advisors to Blackstone in the Simply transaction). Despite these multi-billion-dollar transactions, traditional acquisitions are at historically low levels due to the combination of the cost of leverage, the increase in the zero-risk rate and owners who lack the willingness to transact at the market as self storage continues to perform well on a relative and an absolute basis. The lack of clarity regarding pricing is also adding to the muted volume but that likely will change as 2H23 progresses. Given some certainty to execution by way of some consensus around spot cap rates will prompt more transactions. Aggregate 2023 acquisition guidance from the public companies across the sector totals \$1.5bln to \$1.95bln.



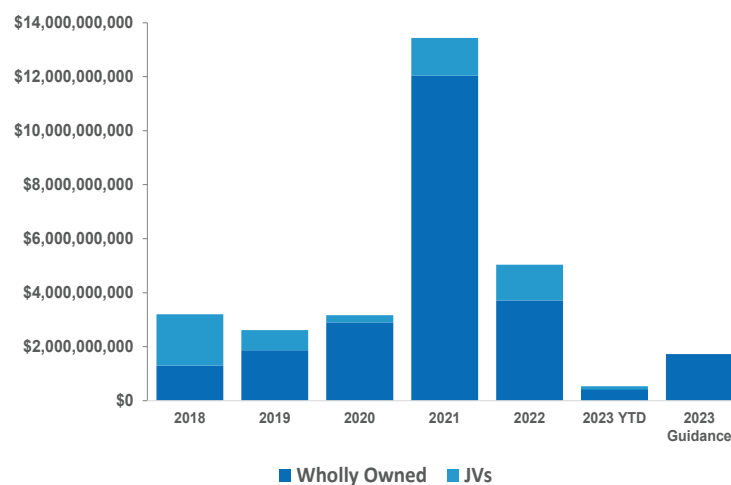
Transactions during the second quarter totaled just over \$190.6 million across 16 properties, all of which were wholly owned acquisitions.

The self storage sector continues to attract a vast array of capital in very large volumes, and with an extremely diverse investor profile. Its resilience in challenging environments remains unchallenged and the elasticity of the operating dynamics continue to lead to allocation increases from nearly all capital providers. As transaction volume increases throughout 2H23 this diverse universe of capital will become more acquisitive. The 4Q23 and 1Q24 transaction volume will become more robust than 1H23 as the capital markets become more conducive to deals and as the larger deals completed by Extra Space and Public Storage validate the confidence in long-term growth prospects.

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.

The following pages summarize the information for the second quarter of 2023, reported by the four 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.

REIT ACQUISITION VOLUME



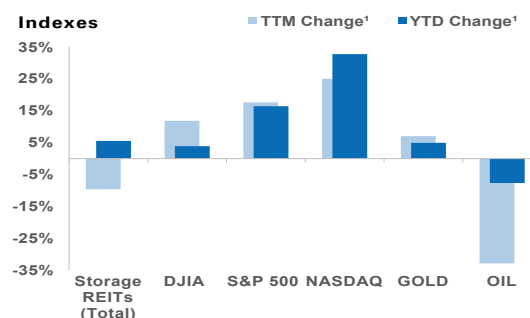
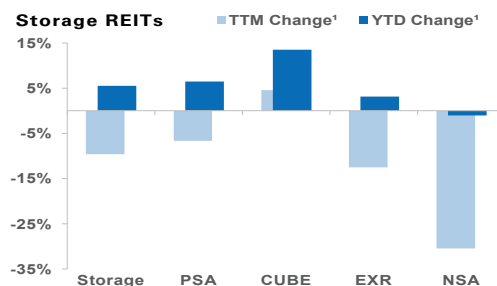
[Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.](#)

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SELF STORAGE 2Q23 REIT REPORT HIGHLIGHTS

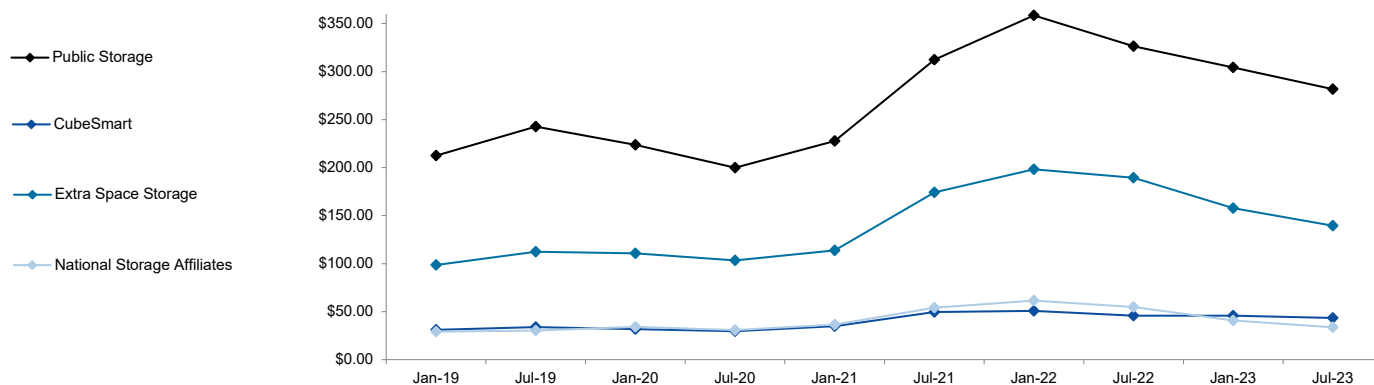
Market Index

	06/30/22	06/30/23	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$575.58	\$520.22	5.52%	-9.62%
PSA	312.67	291.88	6.46%	-6.65%
CUBE	42.72	44.66	13.52%	4.54%
EXR	170.12	148.85	3.16%	-12.50%
NSA	50.07	34.83	-1.02%	-30.44%
DJIA	30,775.43	34,407.60	3.84%	11.80%
S&P 500	3,785.38	4,450.38	16.38%	17.57%
NASDAQ	11,028.74	13,787.92	32.74%	25.02%
GOLD	1,804.10	1,930.10	4.91%	6.98%
OIL	105.76	71.02	-7.68%	-32.85%
U.S. 10 YEAR	2.98%	3.81%	0.53%	27.85%
10 YEAR SWAP	3.09%	3.85%	4.05%	24.60%
SOFR (30-DAY AVG)	1.09%	5.07%	22.75%	365.22%



SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21	Jan 22	Jul 22	Jan 23	Jul 23
Public Storage	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48	\$358.53	\$326.41	\$304.34	\$281.75
CubeSmart	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66	\$50.74	\$45.87	\$45.79	\$43.36
Extra Space Storage	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14	\$198.19	\$189.52	\$157.83	\$139.57
National Storage Affiliates	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17	\$61.56	\$54.84	\$40.80	\$33.79



¹ Excludes dividends

Sources: Yahoo! Finance, U.S. Dept of the Treasury, Barchart (SWAADY10.RT), Federal Reserve Bank of NY

PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$3.00 per diluted share.
- Reported core FFO allocable to common shareholders (Core FFO) of \$4.28 per diluted share, an increase of 7.3% relative to the same period in 2022. Core FFO per diluted share increased 11.5% compared to the same period in 2022, excluding the contribution from the equity investment in PS Business Parks, Inc., which we sold in July 2022.
- Increased Same Store direct net operating income by 6.2%, resulting from a 6.3% increase in Same Store revenues.
- Achieved 80.3% Same Store direct net operating income margin.
- Completed various expansion projects with 0.2 million net rentable square feet costing \$19.1 million. On June 30, 2023, we had various facilities in development and expansion with 4.8 million net rentable square feet estimated to cost \$1.0 billion.
- Acquired eleven self-storage facilities with 0.9 million net rentable square feet for \$144.0 million. Subsequent to June 30, 2023, we acquired or were under contract to acquire eleven self-storage facilities with 0.8 million net rentable square feet, for \$118.2 million. In addition, on July 24, 2023, we entered into a definitive agreement with Blackstone Real Estate Income Trust, Inc. (BREIT) to acquire BREIT Simply Storage LLC, a self-storage company that owns and operates 127 self-storage facilities (9.4 million square feet) and manages 25 self-storage facilities (1.8 million square feet) for third parties, for a cash acquisition price of \$2.2 billion (the Simply Acquisition).
- On July 24, 2023, in connection with the Simply Acquisition, issued \$2.2 billion of unsecured senior notes in 2-, 5.5-, 10-, and 30-year tranches bearing annual rates of Compounded SOFR + 0.60%, 5.125%, 5.100%, and 5.350%, respectively.

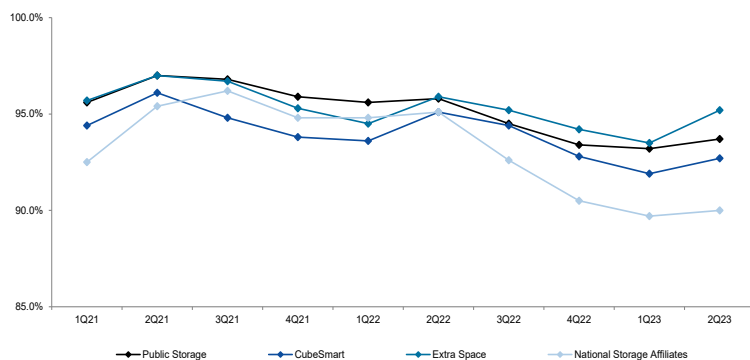
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the Company's common shareholders of \$0.43.
- Reported funds from operations (FFO) per share of \$0.66.
- Increased same-store (593 stores) net operating income (NOI) 5.0% year over year, driven by 4.6% revenue growth and a 3.6% increase in property operating expenses.
- Averaged same-store occupancy of 92.7% during the quarter and ended the quarter at 92.7%.
- Added 58 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 727.
- Same-store revenues for the second quarter of 2023 increased 4.6% and same-store operating expenses increased 3.6%
- As of June 30, 2023, the Company's total consolidated portfolio included 611 stores containing 44.1 million rentable square feet and had physical occupancy of 92.0%.
- Revenues increased \$12.1 million and property operating expenses increased \$1.3 million in the second quarter of 2023.
- On May 16, 2023, the Company declared a quarterly dividend of \$0.49 per common share. The dividend was paid on July 17, 2023 to common shareholders of record on July 3, 2023.

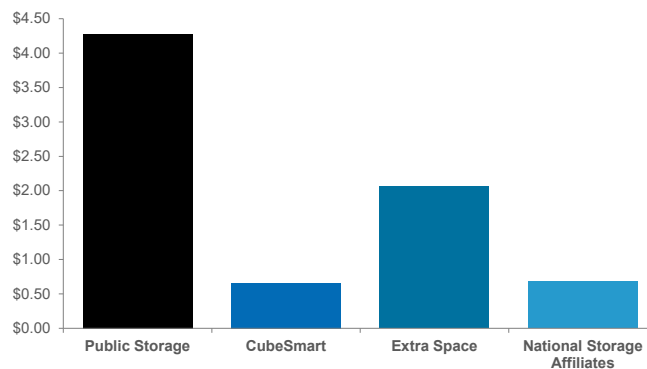
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HISTORICAL QUARTERLY OCCUPANCY



Note: PSA, Cube, 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, Cube, EXR and NSA Investor Relations

ADJUSTED FUNDS FROM OPERATIONS PER DILUTED SHARE



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

EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.50 per diluted share, representing a 13.3% decrease compared to the same period in the prior year, which included a one-time gain of \$14.2 million.
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of \$2.06 per diluted share. FFO, excluding adjustments (Core FFO), was also \$2.06 per diluted share, representing a 3.3% decrease compared to the same period in the prior year.
- Increased same-store revenue by 2.7% and same-store net operating income (NOI) by 2.6% compared to the same period in the prior year.
- Acquired one operating store and two stores at completion of construction (a Certificate of Occupancy store or C of O store) for a total cost of approximately \$32.8 million.
- Reported ending same-store occupancy of 94.5% as of June 30, 2023, compared to 95.8% as of June 30, 2022.
- Originated \$68.6 million in mortgage and mezzanine bridge loans and sold \$24.1 million in mortgage bridge loans.
- Completed a public bond offering issuing \$450.0 million of 5.5% senior unsecured notes due 2030.
- Completed a convertible preferred equity investment in Strategic Storage Trust VI, Inc., an affiliate of SmartStop Self Storage REIT, Inc. of \$150.0 million with dividend rate of 8.35%.
- Added 54 stores (47 stores net) to the Company’s third-party management platform. As of June 30, 2023, the Company managed 978 stores for third parties and 323 stores in unconsolidated joint ventures, for a total of 1,301 managed stores.
- Paid a quarterly dividend of \$1.62 per share.

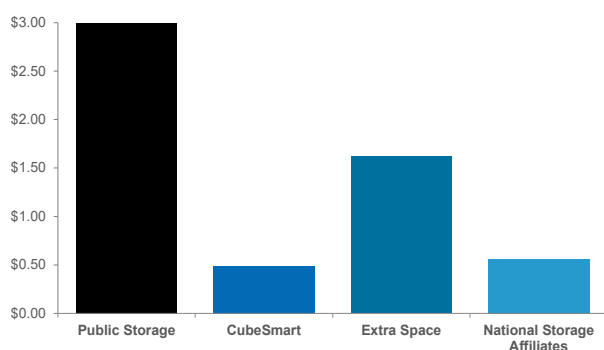
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$45.5 million for the second quarter of 2023, a decrease of 6.1% compared to the second quarter of 2022. Reported diluted earnings per share of \$0.28 for the second quarter of 2023 compared to \$0.24 for the second quarter of 2022.
- Reported core funds from operations (Core FFO) of \$88.2 million, or \$0.68 per share for the second quarter of 2023, a decrease of 4.2% per share compared to the second quarter of 2022, driven by same store growth and net operating income (NOI) contribution from non-same store properties, which was more than offset by elevated interest expense due primarily to higher interest rates.
- Reported same store period-end occupancy of 90.0% as of June 30, 2023, a decrease of 450 basis points compared to June 30, 2022.
- Reported an increase in same store NOI of 3.4% for the second quarter of 2023 compared to the same period in 2022, driven by a 2.8% increase in same store total revenues partially offset by an increase of 1.4% in same store property operating expenses.
- Acquired two properties that are considered annexes to existing properties for approximately \$13.8 million during the second quarter of 2023. Consideration for these acquisitions included the issuance of \$5.6 million of OP equity, consisting of subordinated performance units.
- Issued the previously announced \$120.0 million of senior unsecured notes due July 5, 2028, with an effective interest rate of 5.75%, in a private placement to certain institutional investors.

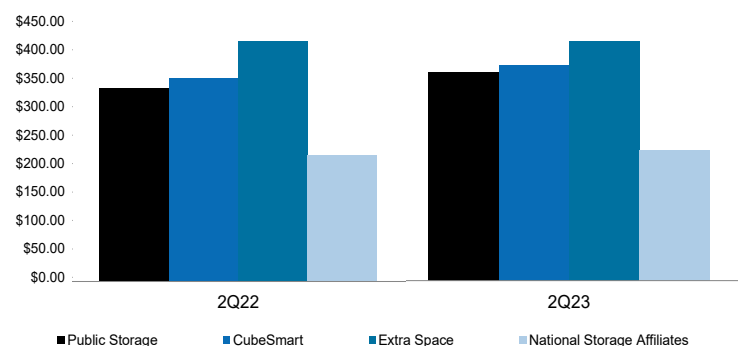
[CLICK HERE TO VIEW NATIONAL STORAGE AFFILIATES INVESTOR RELATIONS](#)

DIVIDEND PER SHARE



Source: PSA, Cube, EXR and NSA Investor Relations

SAME-STORE REVENUE PER STORE



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

For more information:

Houston Headquarters
1700 Post Oak Blvd
2BLVD Place, Suite 250
Houston, TX 77056

Aaron Swerdlin
Vice Chairman
t 713-599-5122
aaron.swerdlin@nmrk.com

Kenneth Cox
Vice Chairman
t 901-302-4312
kenneth.cox@nmrk.com

Taucha Hogue
Senior Managing Director
t 713-599-5191
taucha.hogue@nmrk.com

nmrkstorage.com

If you would like to be added to our distribution list, please contact Alex Fernandez at alex.fernandez@nmrk.com. If there are topics you would like to see covered, or if you would like to work with us on survey or white paper idea, please contact Taucha Hogue at taucha.hogue@nmrk.com.

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