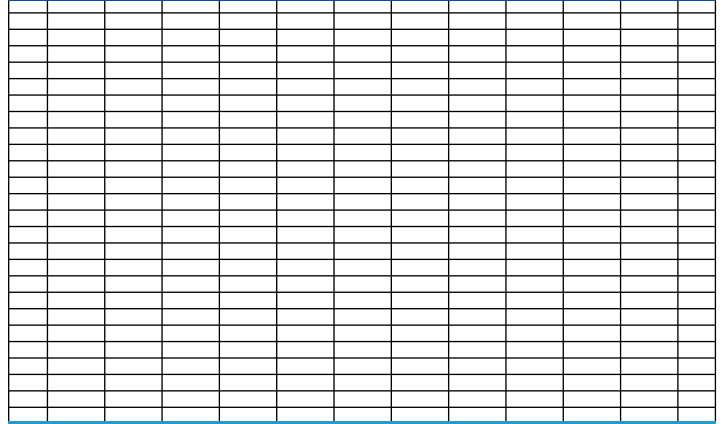




CAPITAL MARKETS

Self Storage Group

2Q 2021 REIT Report



NEWMARK

Self Storage 2Q21 REIT Report

Same store operating performance for the self storage sector was remarkably stout for the second quarter of 2021, as non-weighted same store revenue increased an average of 13.88% while non-weighted same store NOI grew 20.06%. This marked the third consecutive quarter of above trendline, year-over-year growth, resulting from the continued strength of the sector. These fundamental trends again led to upward revisions in annual guidance. With record high occupancies throughout the second quarter and leading into the third quarter and sustained record customer demand across most markets, the outlook for the sector remains extremely upbeat given the persistent level of customer velocity and rental rate strength. Year to date 2021, the self storage sector has posted a total return of 36.38% (FTSE, YTD as of June 30th) making it the best performing sector across the entire REIT universe.

Excluding joint venture acquisitions and mergers, wholly owned acquisition activity for the quarter totaled 137 properties across the REITs for an aggregate volume of \$3.043 billion. The volume is notably elevated compared to the second quarter of the past two years; comparisons against 2Q2020 are extraneous given the pandemic related pause on transactions in the second quarter of 2020. However, when compared against 2Q2019, 2Q2021 transaction volume is up 419%. And even removing Public Storage's \$1.8 billion acquisition of EZ Storage from the comp, 2Q2021 is up more than 111% over 2Q2019. Aggressive reported acquisition activity continued subsequent to quarter's end with the sector guiding to what likely will be a record year for external growth and industrywide transaction volume.

The strength of storage industry fundamentals was again prevalent throughout earnings calls with elevated customer demand showing no signs of abating and move-outs remaining below historical trend. Analysts' questions regarding the sustainability of the reduced moveout rate remained at the forefront, as did management teams' belief that, while current moveout levels may not represent a new normal, the industry appears to have undergone a permanent shift to reduced moveouts when measured against long-term historical averages. The pandemic undoubtedly exposed new users to self storage, and these new self storage consumers translate to a measurable increase in the overall rate of use for the product. Other macroeconomic tailwinds for the storage industry remain the extremely tight housing market, the pent-up demand that led to surge spending across the full spectrum, and the overall improved finances of the U.S. consumer.

Record occupancy at the start of the year, which led to extreme pricing power for the REITs, continued through the second quarter with non-weighted average occupancy across the five REITs at 96.5% as of June 30th, a sequential increase of 172 bps over the previous quarter and a 354 bps improvement over 2Q2020. With the return to school normalizing in many states this year, as well as numerous colleges returning to in-person learning for the fall semester of 2021, 3Q21 will likely see a defined peak occupancy with a seasonal softening; however, as mentioned above, during earnings calls there was not measurable concern that the softening would have a material, negative impact. This point was solidified in the operating guidance provided by management teams.



For the first time in twelve consecutive quarters, new supply, while not absent from discussions, was not earmarked a primary headwind for the industry. This is largely due to a combination of the known landscape for what is currently under construction and in permitting, in addition to the supply/demand equilibrium so attractively favoring operators.

As noted above, transaction activity has been extremely strong and all signs point to 2021 being a record year for acquisitions. The REITs remain very active in culling third party managed properties into REIT acquisitions as well as tapping JV partners to pursue large, marketed portfolio offerings. In addition to the REITs, advised pension capital, private equity and well capitalized private operators have been exceedingly active on the transaction front, likely at least matching the volume of the REITs by the end of 2021. The proven durability of self storage throughout multiple recessionary and contracting cycles has attracted the broadest spectrum of capital the industry has ever seen. While the volume of capital is notable, the inflection point is more about the strategy behind the capital. Historically, new capital into the industry has been more value-add with its overall thesis.

The capital now entering the storage industry is more core and core-plus in thesis. Core capital not only has a much longer time horizon inherent in its objectives, but is also much more focused on long-term return metrics. This puts the focus more on stabilized return on cost and stabilized return on equity vs. IRRs and equity multiples. And with self storage's lack of significant ongoing capital needs to support an investment over a 7 – 10 year hold, it is extremely well aligned with the longer term hold horizon.

The following pages summarize the information for the second quarter of 2021, 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.

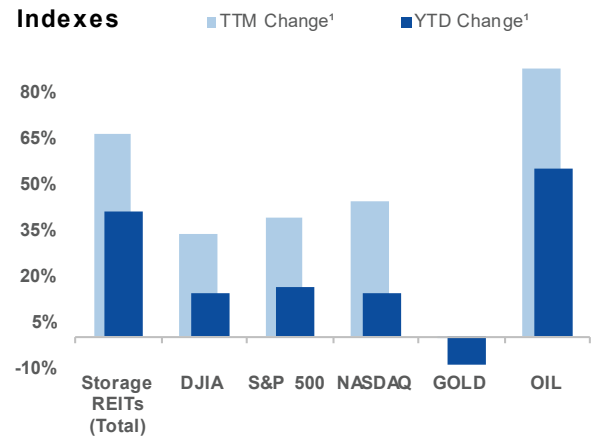
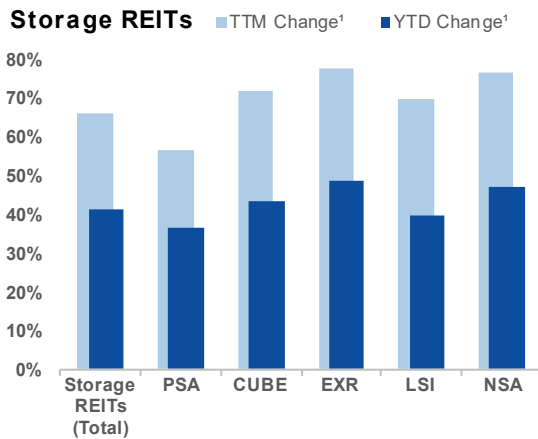
[Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.](#)

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SELF STORAGE 2Q21 REIT REPORT HIGHLIGHTS

Market Index

	6/30/20	1/4/21	6/30/21	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$403.21	\$474.02	\$668.74	41.08%	65.85%
PSA	191.89	220.20	300.69	36.55%	56.70%
CUBE	26.99	32.33	46.32	43.27%	71.62%
EXR	92.37	110.29	163.82	48.54%	77.35%
LSI	63.30	76.78	107.35	39.82%	69.59%
NSA	28.66	34.42	50.56	46.89%	76.41%
DJIA	25,812.88	30,223.89	34,502.51	14.16%	33.66%
S&P 500	3,100.29	3,700.65	4,297.50	16.13%	38.62%
NASDAQ	10,058.77	12,698.45	14,503.95	14.22%	44.19%
GOLD	1,768.10	1,943.20	1,763.15	-9.27%	-0.28%
OIL	39.27	47.47	73.52	54.88%	87.22%
U.S. 10 YEAR	0.66%	0.93%	1.45%	55.91%	119.70%
10 YEAR SWAP	0.64%	0.92%	1.42%	54.35%	121.88%



¹ Excludes dividends

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

PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$1.97 per diluted share.
- Reported core FFO allocable to common shareholders (Core FFO) of \$3.15 per diluted share, an increase of 28.0% relative to the same period in 2020.
- Increased Same Store direct net operating income by 20.8%, resulting from a 10.8% increase in Same Store revenues and a 15.9% decrease in Same Store direct cost of operations.
- Opened two newly developed facilities and various expansion projects with 0.3 million net rentable square feet costing \$40.2 million. On June 30, 2021, we had various facilities in development and expansion with 4.3 million net rentable square feet estimated to cost \$661.0 million.
- Achieved 79.4% same store direct net operating income margin, an increase of 4.9% relative to the year ended December 31, 2020.
- Acquired 84 self-storage facilities with 7.0 million net rentable square feet for \$2.3 billion. This acquisition activity was funded by the largest bond issuance in company history totaling \$2.0 billion at a weighted average annual rate of 1.6%. Subsequent to June 30, 2021, we acquired or were under contract to acquire 36 self-storage facilities across 15 states with 3.0 million net rentable square feet, for \$466.6 million.
- Refinanced \$525.0 million of 5.02% weighted average preferred equity with \$604 million of 4.00% preferred equity, continuing to lower in-place cost of capital.

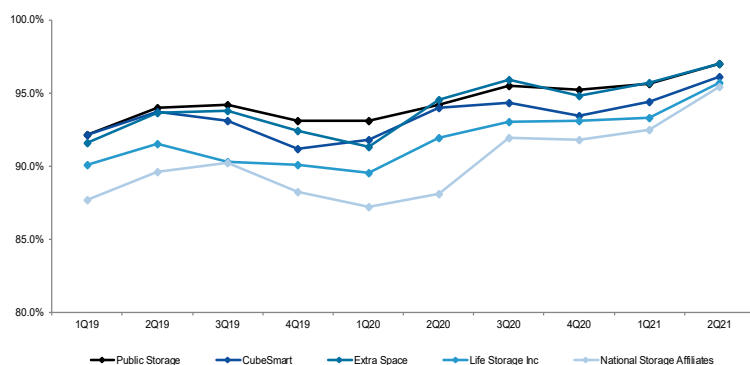
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the Company's common shareholders of \$0.24.
- Reported funds from operations (FFO) per share, as adjusted, of \$0.50.
- Increased same store (511 stores) net operating income (NOI) 17.6% year over year, driven by 14.0% revenue growth and a 6.6% increase in property operating expenses.
- Closed on two property acquisitions for \$34.1 million.
- Same store occupancy during the quarter averaged 95.6% and ended the quarter at 96.1%.
- Opened for operation two development properties for a total cost of \$48.7 million.
- Added 45 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 718.

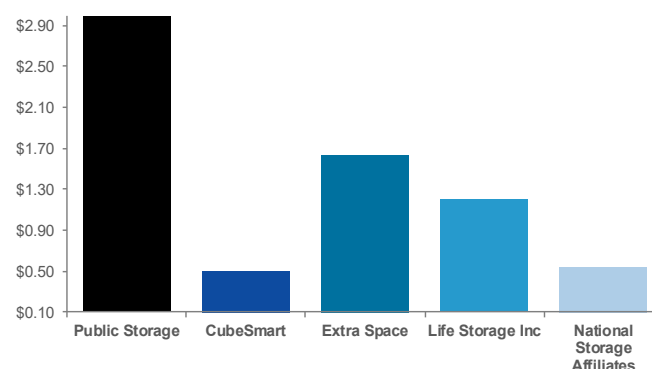
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HISTORICAL QUARTERLY OCCUPANCY



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

EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.25 per diluted share, representing a 56.3% increase compared with the same period in 2020.
- Achieved funds from operations attributable to common stockholders and unitholders (FFO) of \$1.64 per diluted share. FFO, excluding adjustments for non-cash interest (Core FFO), was also \$1.64 per diluted share, representing a 33.3% increase compared with the same period in 2020.
- Increased same store revenue by 13.6% and same store net operating income (NOI) by 20.2% compared with the same period in 2020.
- Reported same store occupancy of 97.0% as of June 30, 2021, compared with 94.2% as of June 30, 2020.
- Closed \$43.0 million in mortgage, mezzanine bridge loans, and sold \$6.0 million in mortgage bridge loans.
- Acquired 13 operating stores and two stores at completion of construction (a Certificate of Occupancy store or C of O store) for a total cost of approximately \$184.0 million.
- In conjunction with joint venture partners, acquired five operating stores for a total cost of approximately \$68.7 million, of which the Company invested \$6.9 million.
- Completed an inaugural public bond offering issuing \$450.0 million of 10-year 2.55% senior unsecured notes due 2031.
- Added 39 stores (gross) to the Company's third-party management platform. As of June 30, 2021, the Company managed 768 stores for third parties and 253 stores in joint ventures, for a total of 1,021 managed stores.
- Paid a quarterly dividend of \$1.00 per share.

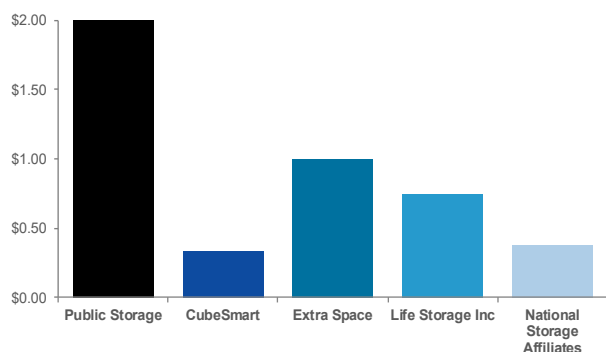
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

LIFE STORAGE INC. (NYSE: LSI)

- Generated net income attributable to common shareholders of \$57.5 million, or \$0.74 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of \$1.20, a 27.7% increase over the same period in 2020.
- Increased same store revenue by 14.7% and same store net operating income (NOI) by 20.2%, year-over-year.
- Acquired 17 stores for \$267.5 million, including nine stores from the Company's third-party management platform.
- Added 26 stores (gross) to the company's third-party management platform.

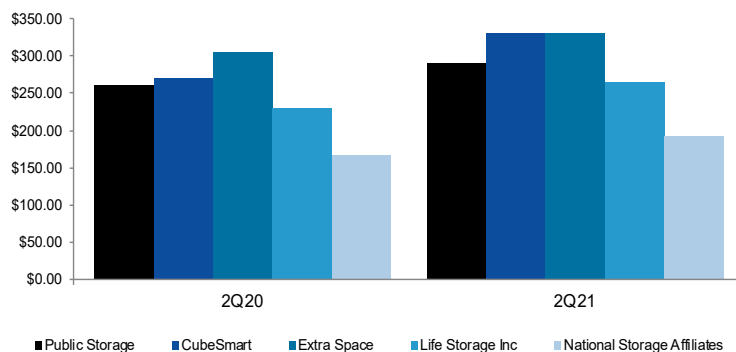
[CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS](#)

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

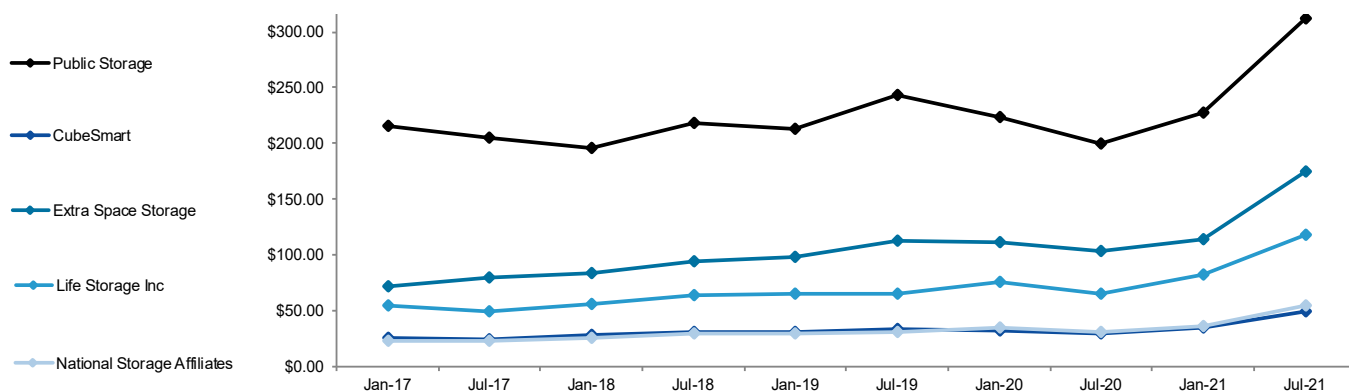
NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$35.7 million for the second quarter of 2021, an increase of 100.6% compared with the second quarter of 2020. Reported diluted earnings per share of \$0.25 for the second quarter of 2021 compared with \$0.10 for the second quarter of 2020.
- Reported core funds from operations (Core FFO) of \$59.7 million, or \$0.55 per share for the second quarter of 2021, an increase of 34.1% per share compared with the second quarter of 2020.
- Reported an increase in same store net operating income (NOI) of 21.5% for the second quarter of 2021 compared with the same period in 2020, driven by a 16.3% increase in same store total revenues partially offset by an increase of 4.3% in same store property operating expenses.
- Reported same store period-end occupancy of 96.7% as of June 30, 2021, an increase of 720 basis points compared with June 30, 2020.
- Received approximately \$103.7 million of net proceeds from the sale of 2,390,000 common shares under the Company's at the market (ATM) program during the second quarter of 2021.
- Issued the previously announced \$55.0 million of 3.10% senior unsecured notes due May 4, 2033, in a private placement to certain institutional investors on May 26, 2021.
- Acquired 20 wholly-owned self-storage properties for \$269.4 million during the second quarter of 2021. Consideration for these acquisitions included the issuance of \$24.1 million of OP equity.

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

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jan 17	Jul 17	Jan 18	Jul 18	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21
Public Storage	\$215.00	\$205.57	\$195.76	\$217.83	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48
CubeSmart	\$25.13	\$24.66	\$27.53	\$30.36	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66
Extra Space Storage	\$72.05	\$79.50	\$83.48	\$93.97	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14
Life Storage Inc	\$54.30	\$48.69	\$55.40	\$63.97	\$65.51	\$64.99	\$75.45	\$65.42	\$81.58	\$117.36
National Storage Affiliates	\$22.25	\$22.96	\$25.37	\$28.83	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17



Source: Yahoo! Finance

NORTH AMERICA

Canada
United States

LATIN AMERICA

Argentina
Brazil
Chile
Colombia
Costa Rica
Mexico
Panama
Peru
Puerto Rico

EUROPE

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France
Germany
Hungary
Ireland
Italy
Netherlands
Poland
Romania
Russia
Spain
Switzerland
United Kingdom

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