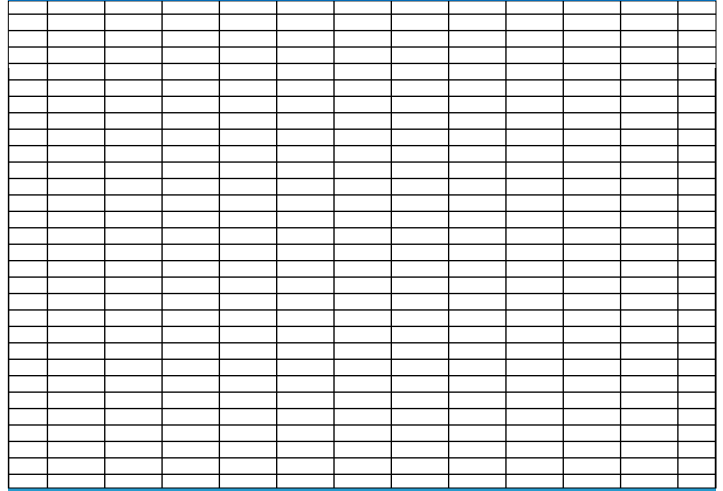


CAPITAL MARKETS

Self Storage Group

2Q 2022 REIT Report



NEWMARK

Self Storage 2Q22 REIT Report

The self storage sector's 2Q2022 performance left no doubt regarding the resilience of the product type. With macroeconomic concerns building around the risk of contraction, consumer spending and capital markets turbulence, the collective performance of the five self storage REITs could not have been a more resounding validation of the durability of the industry. Non-weighted same store revenue increased an average of 17.02% while non-weighted same store NOI grew 21.10%. This marked the seventh consecutive quarter of above trendline, year-over-year growth, resulting from the continued strength of the sector. 2Q22 exceeded expectations and nearly matched the outstanding 1Q22 performance. Further solidifying the significance of the performance is that these same store comparisons are against 2021 which, at the time, were some of the strongest quarters the industry had ever seen.

Entering the second half of 2022 at 95% occupancy creates enormous pricing power for the industry going into the peak leasing season and throughout the balance of the year. Management from all five companies signaled confidence that revenue management systems will deliver remarkably strong growth through 2022 by maximizing revenue from new move-ins as well as existing customer rate increases. Given the sustained levels of customer demand, the REITs, as well as most major private operators, remain optimistic about the sector's prospects for continued leading operational performance.

Customer behavior continues to indicate a permanent lengthening of the average length of stay, a theme we have heard from management companies for the last eighteen months. Customer demand shows little signs of abating, as move-outs remained below historical trend, although signs of more normal seasonality have appeared lately. The return to seasonal occupancy ebbs is a welcomed dynamic however, as it signals a more traditional operating environment. It also has put concerns at ease regarding a potential snapback to a pre-pandemic level of demand, as the slight increase in move-out rates overall supports the thesis that post-pandemic rates of use is an overall material increase in net demand for self storage.

Leading up to March-2020 the overwhelming consensus regarding self storage headwinds was that new supply posed most of the risk to industry fundamentals. Increased rates of use combined with macroeconomic challenges like construction costs and interest rates has neutralized the risk of new supply, particularly as it relates to an industry-wide risk. However, with overall return expectations increasing, the risk profile towards development will lessen and certain markets could see new supply at levels that disrupt rental rates as well as demand equilibrium. New supply should remain subdued for the balance of 2022 and into early 2023 but impacts to certain markets could begin to accelerate in the second half of 2023 and into 2024.

Transactions during the second quarter totaled just over \$1.32 billion across 71 properties, bringing the YTD 2022 total to just shy of \$2.2 billion. 2Q22 volume was comprised of \$755.1 million of wholly owned acquisitions and \$572.9 million in joint venture acquisitions. Also announced was a combined \$627.2 million in closed and pending transactions subsequent to the quarter-end so 3Q22 transaction volume should remain robust.



While the REITs remain acquisitive, the industry continues to see private capital, be it institutionally managed or closely held private sources, remain the leaders in capital deployment into the sector. Despite the disruption in the capital markets there remains significant interest and transaction activity from a variety of sources. Cap rates certainly have widened from the 4Q21 lows but the increase in cap rates has had varying impacts on valuations. Assets in more secondary markets, especially markets with lower overall rental rates, have seen the most net decline in valuations. On the opposite end of the pendulum are assets in major markets with above average rental rates, as these properties have seen very little decline in asset value. With the stoutness of revenue and NOI growth across the industry, in a lot of cases, it has been enough to more than compensate for the cap rate expansion and thus the net value of some properties has inched up in 2022.

Replicating 2020 and 2021 transaction volume will prove difficult. But 2022 transaction volume will remain well above the long-term industry average. The persistent

durability of self storage, proven throughout the multiple economic environments of the last 20-years, has attracted a diverse array of capital that will continue a net inflow of capital to self storage. As a product type that is uniquely positioned to quickly react to an inflationary environment as well as a contracting environment, while at the same time carrying a de minimis ongoing capital load, self storage will continue to appeal to a wide array of investors.

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 2022, 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.

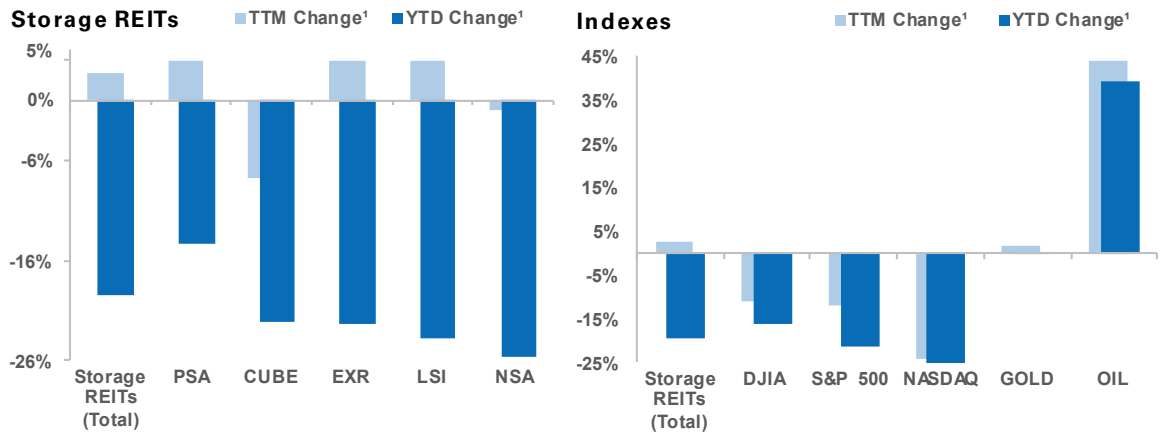
Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.

nmrkstorage.com

SELF STORAGE 2Q22 REIT REPORT HIGHLIGHTS

Market Index

	06/30/21	01/03/22	06/30/22	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$668.74	\$853.13	\$687.24	-19.44%	2.77%
PSA	300.69	365.28	312.67	-14.40%	3.98%
CUBE	46.32	54.82	42.72	-22.07%	-7.77%
EXR	163.82	219.23	170.12	-22.40%	3.85%
LSI	107.35	146.46	111.66	-23.76%	4.01%
NSA	50.56	67.34	50.07	-25.65%	-0.97%
DJIA	34,502.51	36,585.06	30,775.43	-15.88%	-10.80%
S&P 500	4,297.50	4,796.56	3,785.38	-21.08%	-11.92%
NASDAQ	14,503.95	15,832.80	11,028.74	-30.34%	-23.96%
GOLD	1,770.80	1,799.40	1,804.10	0.26%	1.88%
OIL	73.47	76.08	105.76	39.01%	43.95%
U.S. 10 YEAR	1.45%	1.63%	2.98%	82.82%	105.52%
10 YEAR SWAP	1.42%	1.56%	3.09%	98.08%	117.61%



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 \$3.42 per diluted share.
- Reported core FFO allocable to common shareholders (Core FFO) of \$3.99 per diluted share, an increase of 26.7% relative to the same period in 2021.
- Increased same-store direct net operating income by 17.8%, resulting from a 15.9% increase in same-store revenues.
- Achieved 80.6% same-store direct net operating income margin, an increase of 1.6% relative to the same period in 2021.
- Acquired ten self-storage facilities with 0.7 million net rentable square feet for \$123.6 million. Subsequent to June 30, 2022, we acquired or were under contract to acquire 24 self-storage facilities with 1.7 million net rentable square feet, for \$257.4 million.
- Completed various expansion projects with 0.3 million net rentable square feet costing \$36.9 million. At June 30, 2022, we had various facilities in development and expansion with 5.4 million net rentable square feet estimated to cost \$1.0 billion.

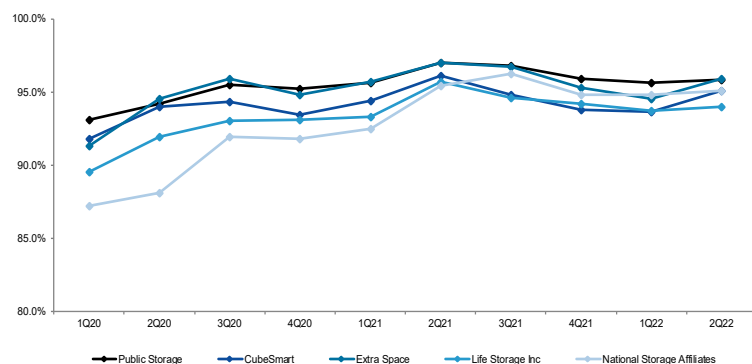
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the company's common shareholders of \$0.26.
- Reported funds from operations (FFO) per share, as adjusted, of \$0.62.
- Increased same-store (523 stores) net operating income (NOI) 19.0% year over year, driven by 14.0% revenue growth and a 2.5% increase in property operating expenses.
- Closed on one property acquisition for \$23.0 million.
- Same-store occupancy during the quarter averaged 95.1% and ended the quarter at 95.3%.
- Opened for operation one development project for a total cost of \$21.8 million.
- Added 35 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 680.

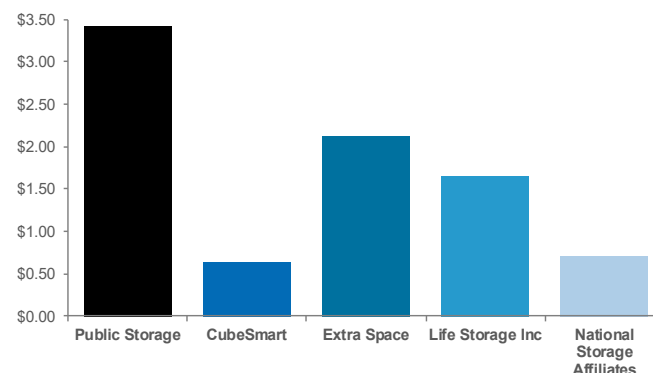
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HISTORICAL QUARTERLY OCCUPANCY



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 \$1.73 per diluted share, representing a 38.4% increase compared with the same period in the prior year.
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of \$2.12 per diluted share. FFO, excluding adjustments for transaction related costs (Core FFO), was \$2.13 per diluted share, representing a 29.9% increase compared with the same period in the prior year.
- Increased same-store revenue by 21.7% and same-store net operating income (NOI) by 26.0% compared with the same period in the prior year.
- Acquired 12 operating stores and three stores at completion of construction (a Certificate of Occupancy store or C of O store) and completed one development for a total cost of approximately \$231.4 million.
- Reported same-store occupancy of 95.9% as of June 30, 2022, compared with 96.9% as of June 30, 2021.
- In conjunction with joint venture partners, acquired 16 operating stores for a total cost of approximately \$332.1 million, of which the company invested \$57.6 million.
- Originated \$70.3 million in mortgage and mezzanine bridge loans and sold \$44.7 million in mortgage bridge loans.
- Added 40 stores (gross) to the company's third-party management platform. As of June 30, 2022, the company managed 864 stores for third parties and 304 stores in joint ventures, for a total of 1,168 managed stores.
- Paid a quarterly dividend of \$1.50 per share.

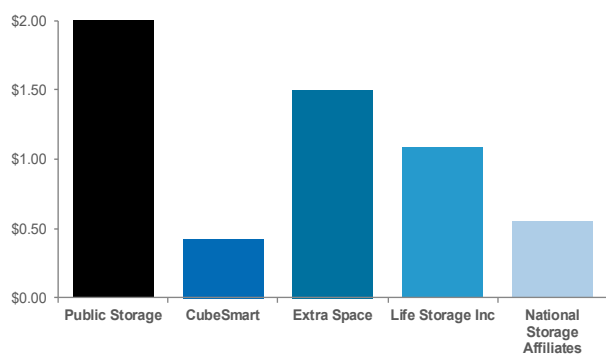
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

LIFE STORAGE INC. (NYSE: LSI)

- Generated net income attributable to common shareholders of \$92.3 million, or \$1.09 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of \$1.65, a 37.5% increase over the same period in 2021.
- Acquired 13 stores for \$262.6 million, including five stores from the company's third-party management platform.
- Increased same-store revenue by 18.9% and same-store net operating income (NOI) by 25.4%, year-over-year. Both same-store revenue and same-store net operating income accelerated from the growth reported in the first quarter of 2022.
- Added 17 stores (gross) to the company's third-party management platform.

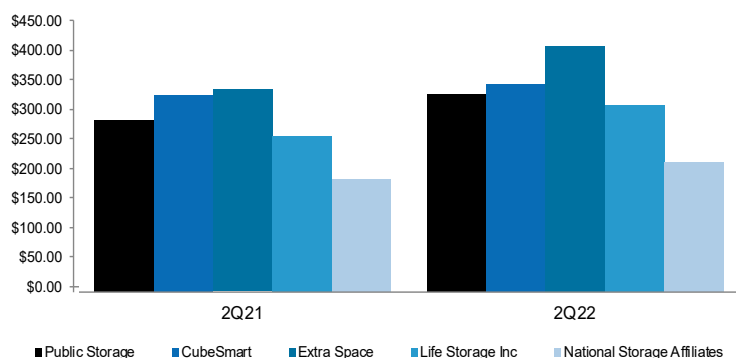
[CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS](#)

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

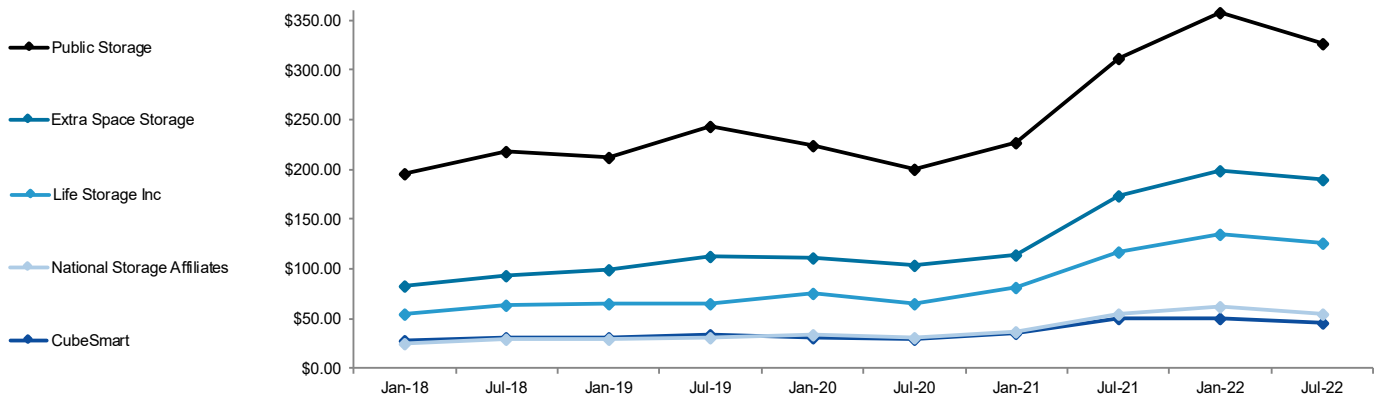
NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$48.4 million for the second quarter of 2022, an increase of 35.7% compared with the second quarter of 2021. Reported diluted earnings per share of \$0.24 for the second quarter of 2022 compared with \$0.25 for the second quarter of 2021.
- Reported core funds from operations (Core FFO) of \$91.6 million, or \$0.71 per share for the second quarter of 2022, an increase of 29.1% per share compared with the second quarter of 2021.
- Reported an increase in same-store net operating income (NOI) of 17.3% for the second quarter of 2022 compared with the same period in 2021, driven by a 14.6% increase in same-store total revenues partially offset by an increase of 7.6% in same-store property operating expenses.
- Reported same-store period-end occupancy of 95.2% as of June 30, 2022, a decrease of 140 basis points compared with June 30, 2021.
- Acquired eight wholly-owned self storage properties for approximately \$114.5 million during the second quarter of 2022. Consideration for these acquisitions included the issuance of \$13.9 million of OP equity.
- Executed an agreement with lenders for a new \$285 million term loan which matures in seven years and has an effective, variable interest rate of 3.34% as of June 30, 2022.
- One of the company's unconsolidated real estate ventures acquired seven self storage properties for approximately \$207.6 million. The venture financed the acquisition with capital contributions from the venture members, of which the company contributed approximately \$51.9 million.
- Announced the promotion of David Cramer, 58, who was previously the company's executive vice president and chief operating officer to the position of president and chief operating officer, effective July 1, 2022.
- Kroll Bond Rating Agency upgraded the issuer credit rating of NSA's operating partnership to BBB+ with a Stable Outlook from BBB with a Positive Outlook.

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

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jan 18	Jul 18	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21	Jan 22	Jul 22
Public Storage	\$195.76	\$217.83	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48	\$358.53	\$326.41
CubeSmart	\$27.53	\$30.36	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66	\$50.74	\$45.87
Extra Space Storage	\$83.48	\$93.97	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14	\$198.19	\$189.52
Life Storage Inc	\$55.40	\$63.97	\$65.51	\$64.99	\$75.45	\$65.42	\$81.58	\$117.36	\$134.95	\$125.89
National Storage Affiliates	\$25.37	\$28.83	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17	\$61.56	\$54.84



Source: Yahoo! Finance

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