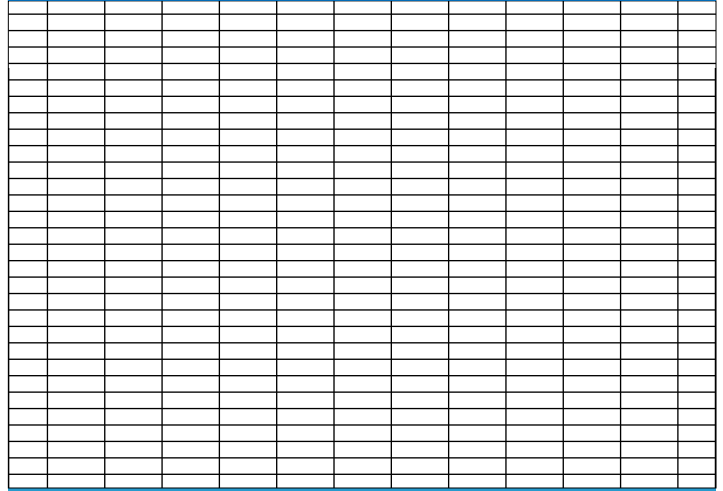


CAPITAL MARKETS

Self Storage Group

4Q 2021 REIT Report



NEWMARK

Self Storage 4Q21 REIT Report

The self storage sector delivered outstanding same store operating performance with non-weighted same store revenue increasing an average 16.42% while non-weighted same store NOI grew 20.48%. This marked the fifth consecutive quarter of above trendline, year-over-year growth, resulting from the continued strength of the sector. 4Q21 exceeded the performance of the first and second quarters of the year, and nearly matched 3Q21, further bolstering the sector's stature. Entering 2022 at 95% occupancy creates enormous pricing power for the industry going into 1Q22 and 2Q22 and sets up a revenue management environment that will, again, deliver remarkably strong growth from existing occupancy as well as maximizing rate from new move-ins. Given the sustained record levels of customer demand, the REITs, as well as most major private operators, remain optimistic about the sector's prospects for continued leading performance. Self storage led the entire REIT universe with a total return for 2021 of 79.4% (average across all equity REITs was 43.2%).

Customer behavior continues to indicate a permanent lengthening of the average length of stay. Customer demand shows little signs of abating, as move-outs remained below historical trend for all of 2021 and for 4Q21 (when move-outs typically increase). Comments from management indicated an aggressive stance on existing customer rate increases in 4Q, hoping to create some additional vacancy ahead of the leasing season. However, the move-out rate remained well below historical norms. Non-weighted average occupancy across the five REITs was 94.9% as of December 31st. This compares to 93.42% in 4Q20. The sustained elevated occupancy suggests a measurable increase in the overall usage rate with a record number of U.S. households renting a self storage unit. The extremely tight housing market, strong employment numbers and broad-based consumer spending increase the underlying strength of the demand base.

Comments surrounding new supply remained subdued. However, despite elevated construction costs, elevated land prices, competition for sites by multi-housing developers and the long lead-time for entitlements and permits, the performance of the sector will attract development capital and new supply remains a persistent, long-term concern. Supply/demand equilibrium will continue to favor operators through 2022 with new supply impacts unlikely until at least 2H23.

Transactions during the fourth quarter totaled just over \$6.71 billion, bringing the 2021 total to \$12 billion. By far, this makes 2021 the most active year for self storage REIT acquisitions. In addition to the \$12 billion of wholly owned acquisitions the REITs deployed an additional \$1.4 billion into JV acquisitions.



In total, the REITs added 801 properties (713 wholly owned plus 88 via joint ventures). 2022 acquisition guidance totaled just over \$3 billion; although that number likely is conservative for the year given that more than one-third of that volume already was reported to be under contract or closed post-4Q21. The REITs remained active in culling third-party managed properties into REIT acquisitions, as well as utilizing JV partners to pursue large, marketed portfolio offerings and both these trends are expected to continue through 2022. In addition to the public company activity, a record volume of capital was deployed into self storage by advised pension money, private equity and well capitalized private operators. Volume from the non-public sources could come close to matching the REITs with the total 2021 volume for the industry exceeding \$20 billion. Given that there were several portfolios that traded in 2021 in the multi-billion dollar range, duplicating 2021 will prove difficult. But 2022 transaction volume will remain above the long term industry average.

The persistent durability of self storage, not just throughout the pandemic, but throughout multiple economic contractions, has attracted a diverse array of capital. As a product type that is structurally well positioned to quickly capture the benefits of an expanding economy the inflationary environment currently present bodes well for continued appeal to a wide array of investors.

The following pages summarize the information for the fourth 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.

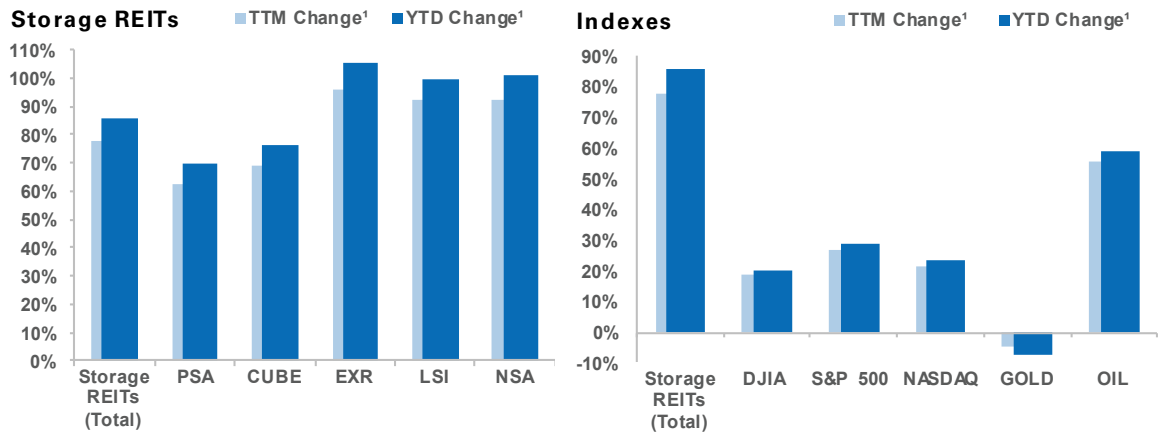
[Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.](#)

nmrkstorage.com

SELF STORAGE 4Q21 REIT REPORT HIGHLIGHTS

Market Index

	12/31/20	01/04/21	12/31/21	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$496.02	\$474.02	\$880.58	85.77%	77.53%
PSA	230.93	220.20	374.56	70.10%	62.20%
CUBE	33.61	32.33	56.91	76.03%	69.32%
EXR	115.86	110.29	226.73	105.58%	95.69%
LSI	79.59	76.78	153.18	99.51%	92.46%
NSA	36.03	34.42	69.20	101.05%	92.06%
DJIA	30,606.48	30,223.89	36,338.30	20.23%	18.73%
S&P 500	3,756.07	3,700.65	4,766.18	28.79%	26.89%
NASDAQ	12,888.28	12,698.45	15,644.97	23.20%	21.39%
GOLD	1,887.60	1,943.20	1,805.85	-7.07%	-4.33%
OIL	48.35	47.47	75.33	58.69%	55.80%
U.S. 10 YEAR	0.93%	0.93%	1.52%	63.44%	63.44%
10 YEAR SWAP	0.93%	0.92%	1.59%	72.83%	70.97%



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 \$3.17 per diluted share.
- Reported core FFO allocable to common shareholders (Core FFO) of \$3.54 per diluted share, an increase of 20.8% relative to the same period in 2020.
- Acquired 106 self storage facilities with 11.5 million net rentable square feet for \$2.3 billion. Subsequent to December 31, 2021, acquired or were under contract to acquire 15 self storage facilities across 10 states with 1.2 million net rentable square feet, for \$212.4 million.
- Increased same-store direct net operating income by 12.2%, resulting from a 13.7% increase in same-store revenues.
- Achieved 79.9% same-store direct net operating income margin, an increase of 5.5% relative to the year ended December 31, 2020.
- Opened two newly developed facilities and various expansion projects with 0.4 million net rentable square feet costing \$46.9 million. At December 31, 2021, various facilities in development and expansion with 4.6 million net rentable square feet estimated to cost \$800.0 million.
- Issued \$1.75 billion of unsecured senior notes in five-, seven- and ten-year tranches bearing annual rates of 1.50%, 1.95% and 2.25%, respectively, and refinanced \$350.0 million of 4.90% preferred equity with \$435.0 million of 4.00% preferred equity, continuing to lower in place cost of capital.

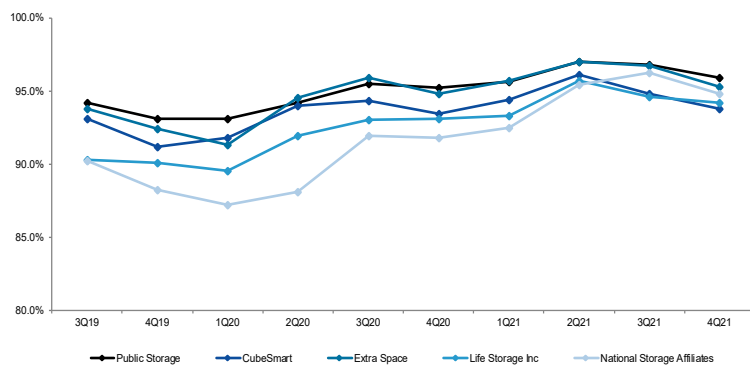
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the Company's common shareholders of \$0.21; reported funds from operations (FFO) per share, as adjusted, of \$0.58.
- Increased same-store (506 stores) net operating income (NOI) 20.6% year over year, driven by 15.8% revenue growth and a 4.2% increase in property operating expenses.
- Same-store occupancy during the quarter averaged 93.8% and ended the quarter at 93.3%.
- Closed on the acquisition of LAACO, Ltd., the owner of the Storage West self storage platform, for approximately \$1.7 billion.
- Completed an equity offering of 15.5 million common shares at a public offering price of \$51.00 per share.
- Closed on five additional property acquisitions totaling \$85.8 million; opened for operation one development property for a total cost of \$20.8 million, closed on the disposition of one operating property for \$5.2 million.
- Issued \$1.05 billion of unsecured senior notes, redeemed \$300 million of unsecured senior notes.
- Increased the quarterly dividend 26.5% to an annualized rate of \$1.72 per common share from the previous annualized rate of \$1.36 per common share.
- Added 31 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 651.

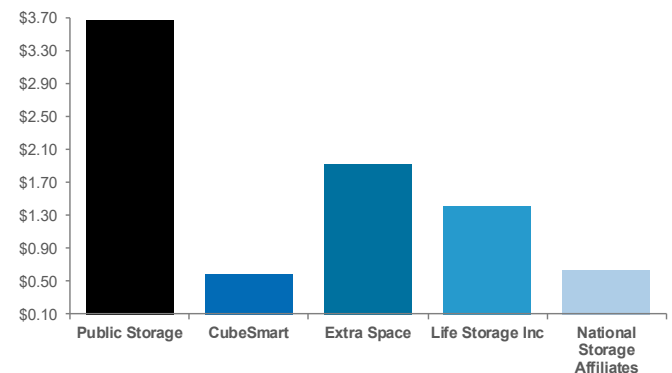
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HISTORICAL QUARTERLY OCCUPANCY



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 \$2.00 per diluted share, representing a 68.1% increase compared to the same period in the prior year.
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of \$1.91 per diluted share. FFO, excluding adjustments due to acceleration of compensation expense due to a retired executive, and non-cash interest (Core FFO), was \$1.91 per diluted share, representing a 29.1% increase compared to the same period in the prior year.
- Increased same-store revenue by 18.3% and same-store net operating income (NOI) by 24.2% compared to the same period in the prior year.
- Reported same-store occupancy of 95.3% as of December 31, 2021; compared to 94.9% as of December 31, 2020.
- Acquired 37 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 \$699.4 million.
- Sold 17 stores for a total sales price of \$210.6 million resulting in a gain on real estate transactions of \$76.9 million. The Company retained management of 12 of the stores.
- Originated \$187.4 million in mortgage and mezzanine bridge loans and sold \$56.6 million in mortgage bridge loans, issued 0.9 million common operating partnership units at a value of \$188.3 million and 3.5 million preferred operating partnership units at a value of \$88.1 million (\$25.00 per share par value) in conjunction with acquisitions.
- Added 69 stores (gross) to the Company's third-party management platform. As of December 31, 2021, the Company managed 828 stores for third parties and 287 stores in joint ventures, for a total of 1,115 managed stores.
- In conjunction with joint venture partners, acquired 28 operating stores for a total cost of approximately \$455.5 million, of which the Company invested \$146.2 million.
- Paid a quarterly dividend of \$1.25 per share.

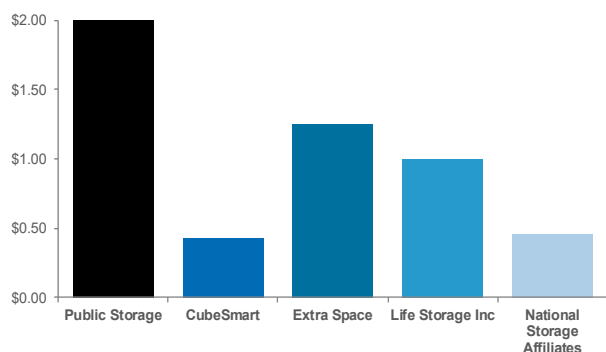
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

LIFE STORAGE INC. (NYSE: LSI)

- Generated net income attributable to common shareholders of \$74.1 million, or \$0.90 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of \$1.41, a 31.8% increase over the same period in 2020.
- Increased same-store revenue by 16.9% and same-store net operating income (NOI) by 23.9%, year-over-year.
- Acquired 50 stores for \$826.6 million, including eight stores from the Company's third-party management platform.
- With joint venture partners, acquired 13 stores for a total cost of approximately \$291 million, of which the Company invested \$52 million.
- Added 29 stores (gross) to the Company's third-party management platform.

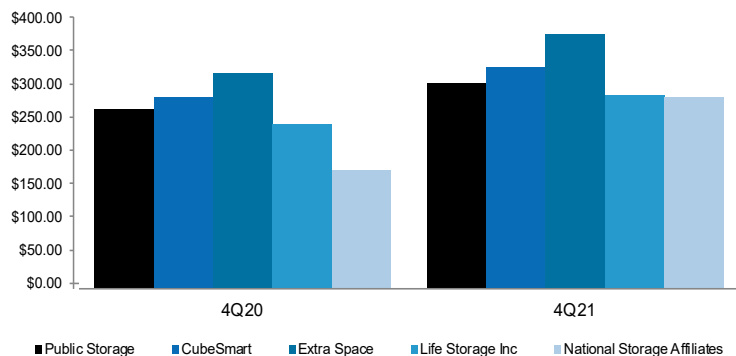
[CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS](#)

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

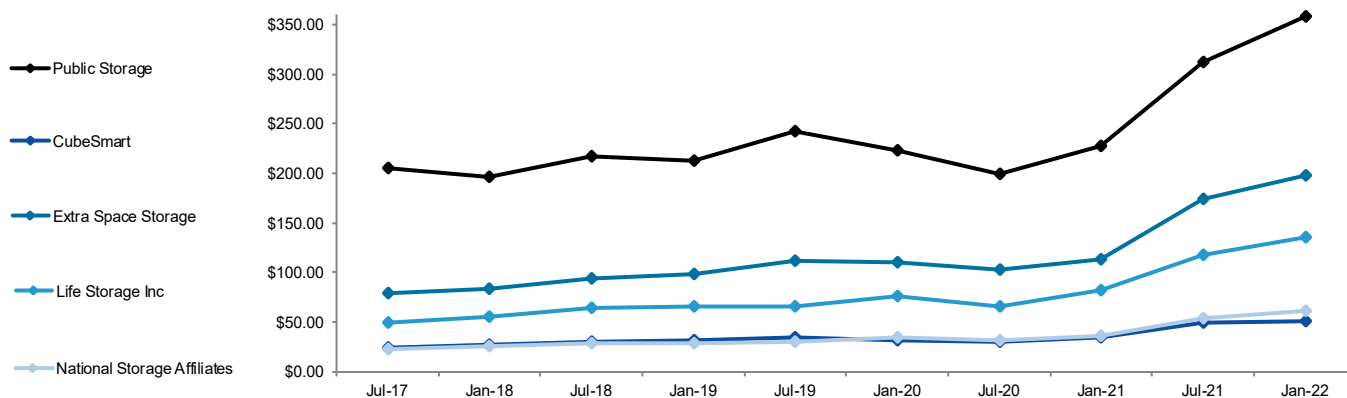
NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$42.9 million for the fourth quarter of 2021, an increase of 75.0% compared with the fourth quarter of 2020. Reported diluted earnings per share of \$0.25 for the fourth quarter of 2021 compared with \$0.18 for the fourth quarter of 2020.
- Reported core funds from operations (Core FFO) of \$78.9 million, or \$0.64 per share for the fourth quarter of 2021, an increase of 39.1% per share compared with the fourth quarter of 2020.
- Reported an increase in same-store net operating income (NOI) of 21.7% for the fourth quarter of 2021 compared with the same period in 2020, driven by a 17.4% increase in same-store total revenues partially offset by an increase of 6.5% in same-store property operating expenses.
- Reported same-store period-end occupancy of 94.8% as of December 31, 2021, an increase of 310 basis points compared with December 31, 2020.
- Acquired 110 wholly-owned self storage properties for over \$1.1 billion during the fourth quarter of 2021. Consideration for these acquisitions included the issuance of \$117.0 million of OP equity.
- Issued \$75.0 million of 2.72% senior unsecured notes due November 30, 2030, \$175.0 million of 2.81% senior unsecured notes due November 30, 2031 and \$75.0 million of 3.06% senior unsecured notes due November 30, 2036 in a private placement.
- Increased the total commitments available under the Company's revolving line of credit (Revolver) to \$650.0 million, an increase of \$150.0 million. As of December 31, 2021, the Company's unsecured credit facility provided for total borrowings of \$1.55 billion.
- Received approximately \$137.6 million of net proceeds from the sale of 2,212,000 common shares under the Company's at the market (ATM) program.

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

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 17	Jan 18	Jul 18	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21	Jan 22
Public Storage	\$205.57	\$195.76	\$217.83	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48	\$358.53
CubeSmart	\$24.66	\$27.53	\$30.36	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66	\$50.74
Extra Space Storage	\$79.50	\$83.48	\$93.97	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14	\$198.19
Life Storage Inc	\$48.69	\$55.40	\$63.97	\$65.51	\$64.99	\$75.45	\$65.42	\$81.58	\$117.36	\$134.95
National Storage Affiliates	\$22.96	\$25.37	\$28.83	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17	\$61.56



Source: Yahoo! Finance

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