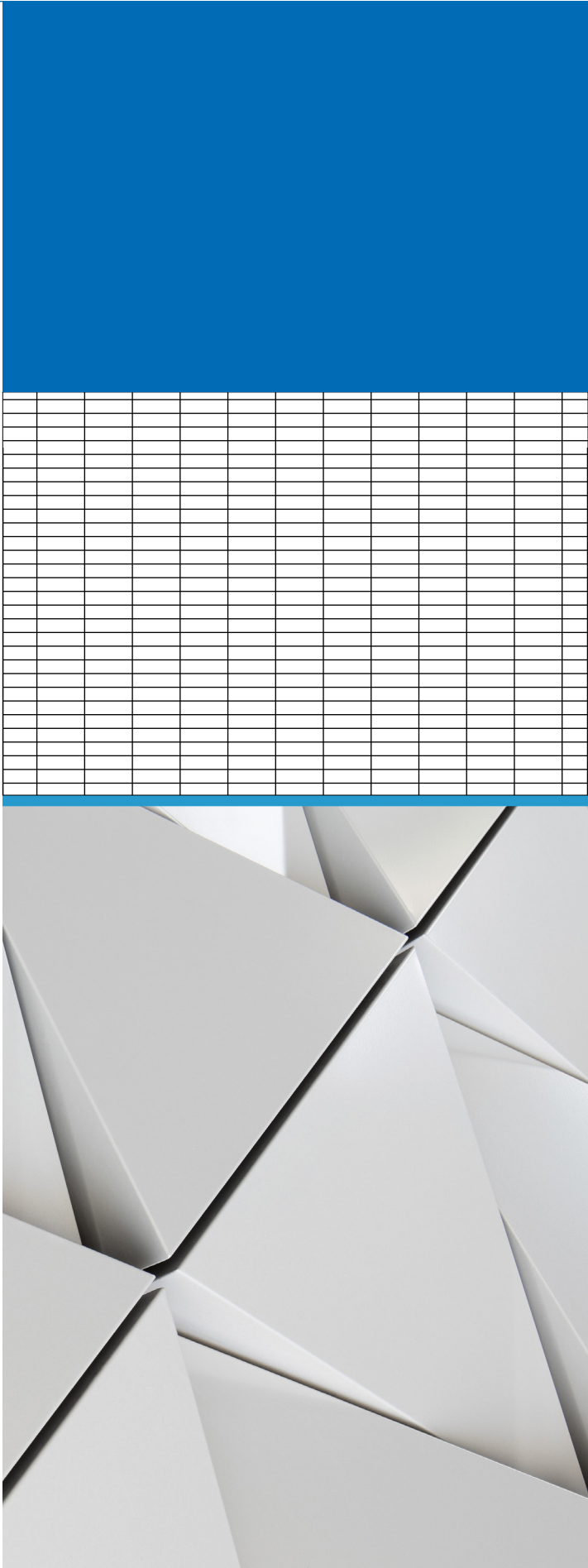


Self Storage Group

4Q 2023 REIT Report



Self Storage 4Q23 REIT Report

The self storage sector's 4Q23 results and full-year 2024 guidance were in-line with expectations. Despite a competitive environment for new customers, the four publicly traded REITs reported positive same-store revenue growth of 0.50% (non-weighted) year-over-year in the fourth quarter. Occupancy levels remain strong but have moderated from 2022 to a quarter-end occupancy of 90.2% (non-weighted), as the sector returns to a more cyclical operating environment. NOI decreased by 0.25% (non-weighted) on a year-over-year basis due to continued upward pressure on non-controllable expenses including property taxes and property insurance, as well as an increase in marketing spend.

The REITs 2024 guidance and commentary implies that the operating environment will improve as we move through the year, but with a wide range of potential outcomes due to the uncertainty in the macroeconomic environment. Q&A during the REITs earnings calls was dominated by the topic of move-in rents. All four REITs have strong conviction in their respective revenue management strategies. This confidence is illustrated by their -2.06% to 0.69% range (non-weighted) same-store revenue guidance in 2024, despite expectations that rental demand will remain stable but move-in rents will persist significantly below current in-place rents. The REIT management teams were consistent with their assertion that existing customers remain healthy and they are not seeing a change in the acceptance of ECRI's, even though they are experiencing price sensitivity for new customers; and the move-in/in-place rate dichotomy has improved in the first two months 2024 when compared to the back half of 2023. New customer move-in rents are expected to improve throughout the year on both a nominal dollar amount and a percentage basis.

New supply levels remain a tailwind for the sector, as development continues to be extremely difficult due to the high cost and lack of available funding, lengthy and uncertain entitlement processes and lower move-in rents. The decline in the percentage of facilities that are affected by new development in 2024, relative to pre-pandemic, combined with the steadily increasing utilization rate of storage, bodes well for revenue growth, move-in rates and occupancy levels in the near and medium-term.

The REIT transaction market saw an uptick in volume in the fourth quarter with acquisitions totaling over \$300M and dispositions totaling \$540M from NSA's 71-property divestment (\$263.2M closed in Q4). However, balance sheet acquisitions remain several hundred million dollars below historically normal quarterly volume. There remains an abundance of capital prepared to deploy into the sector, both on the public and private sides, and from both debt and equity. However, the limited transaction volume provides little clarity into market pricing, making it difficult for capital to form consensus around return targets, and sellers to get comfortable with cap rate expectations. The 4th quarter transaction and management commentary are indicative of a going-in 6% cap rate for stabilized assets; although, as the trajectory of interest rates becomes clearer throughout the next couple of months and capital markets stabilize, the spread between buyer and seller expectations should narrow, resulting in a more robust transaction market in the back half of 2024.

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

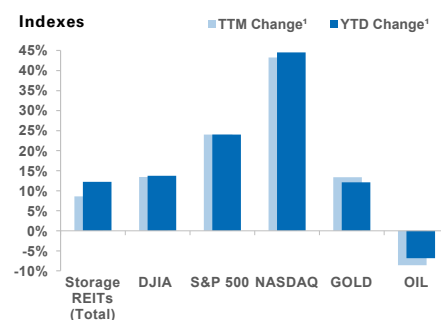
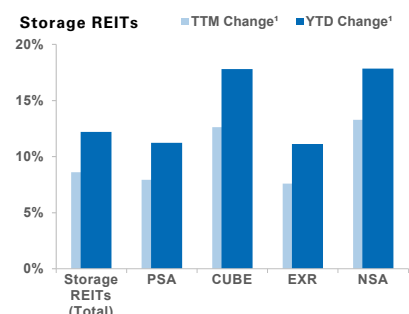
The following pages summarize the information for the fourth quarter of 2023, reported by the four publicly traded self storage REITs, along with comparisons between the industry and macro-market benchmarks. Links to the investor relations page of each REIT website are also included.

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

SELF STORAGE 4Q23 REIT REPORT HIGHLIGHTS

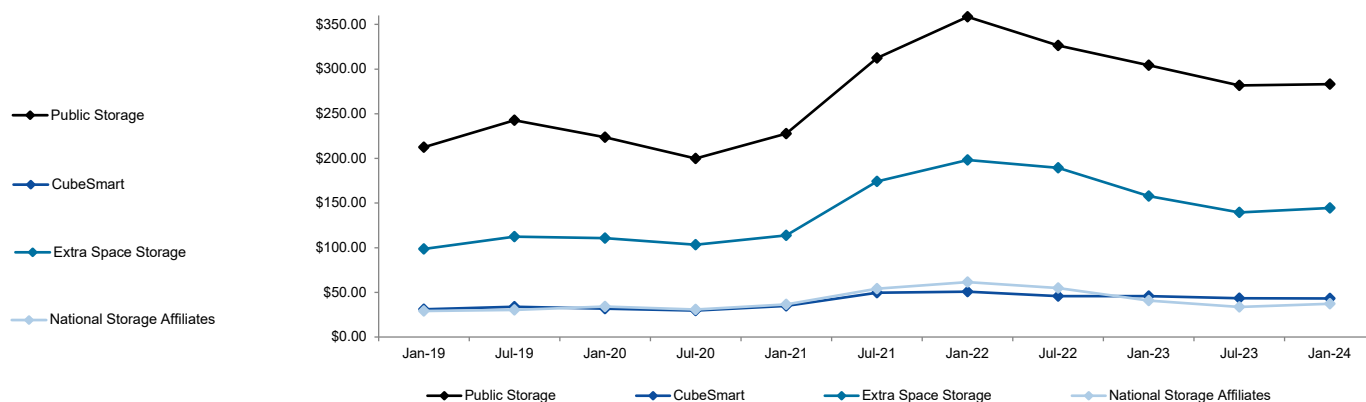
Market Index

	12/29/23	12/29/22	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$553.15	\$509.35	12.20%	8.60%
PSA	305.00	282.58	11.24%	7.93%
CUBE	46.35	41.15	17.82%	12.64%
EXR	160.33	149.01	11.12%	7.60%
NSA	41.47	36.61	17.85%	13.28%
DJIA	37,689.54	33,220.80	13.74%	13.45%
S&P 500	4,743.48	3,824.14	24.04%	24.04%
NASDAQ	15,011.35	10,478.09	44.52%	43.26%
GOLD	2,062.40	1,819.50	12.11%	13.35%
OIL	71.65	78.40	-6.86%	-8.61%
U.S. 10 YEAR	3.88%	3.88%	2.37%	0.00%
10 YEAR SWAP	3.75%	3.78%	1.37%	-0.88%
SOFR (30-DAY AVG)	5.34%	4.05%	29.50%	32.10%



SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21	Jan 22	Jul 22	Jan 23	Jul 23	Jan 24
Public Storage	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48	\$358.53	\$326.41	\$304.34	\$281.75	\$283.19
CubeSmart	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66	\$50.74	\$45.87	\$45.79	\$43.36	\$43.22
Extra Space Storage	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14	\$198.19	\$189.52	\$157.83	\$139.57	\$144.44
National Storage Affiliates	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17	\$61.56	\$54.84	\$40.80	\$33.79	\$37.35



¹ Excludes dividends

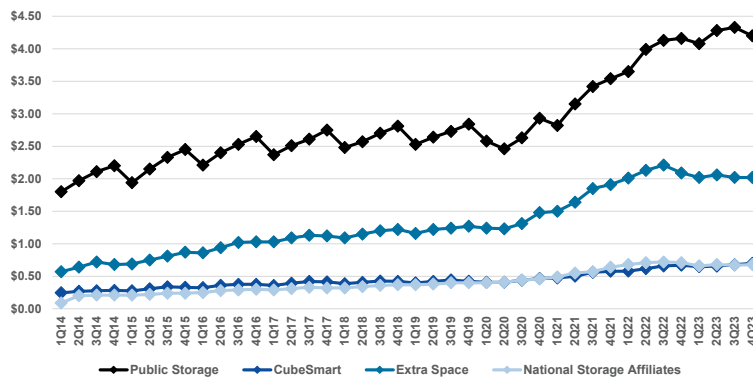
Sources: Yahoo! Finance, U.S. Dept of the Treasury, Barchart (SWAADY10.RT), Federal Reserve Bank of NY

PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$2.21 per diluted share.
- Reported Core FFO allocable to common shareholders of \$4.20 per diluted share, an increase of 1.0% relative to the same period in 2022.
- Achieved 79.7% same store direct net operating income margin.
- Acquired eleven self-storage facilities (0.8 million net rentable square feet) for \$171.9 million.
- Opened five newly developed facilities and various expansion projects which together added 0.8 million net rentable square feet at a cost of \$190.3 million. On December 31, 2023, had various facilities in development and expansion expected to add 3.6 million net rentable square feet at an estimated cost of \$766.2 million.

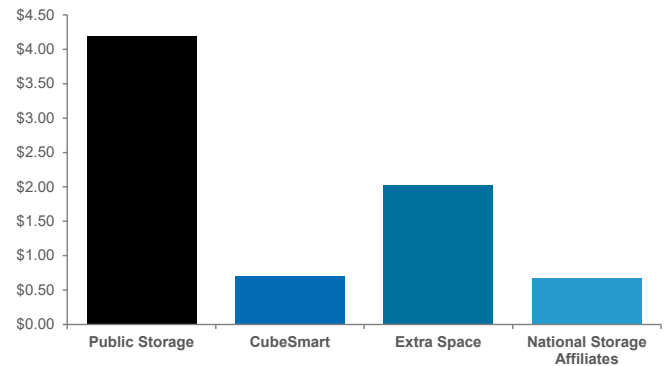
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

HISTORICAL CORE/ADJUSTED FFO PER SHARE



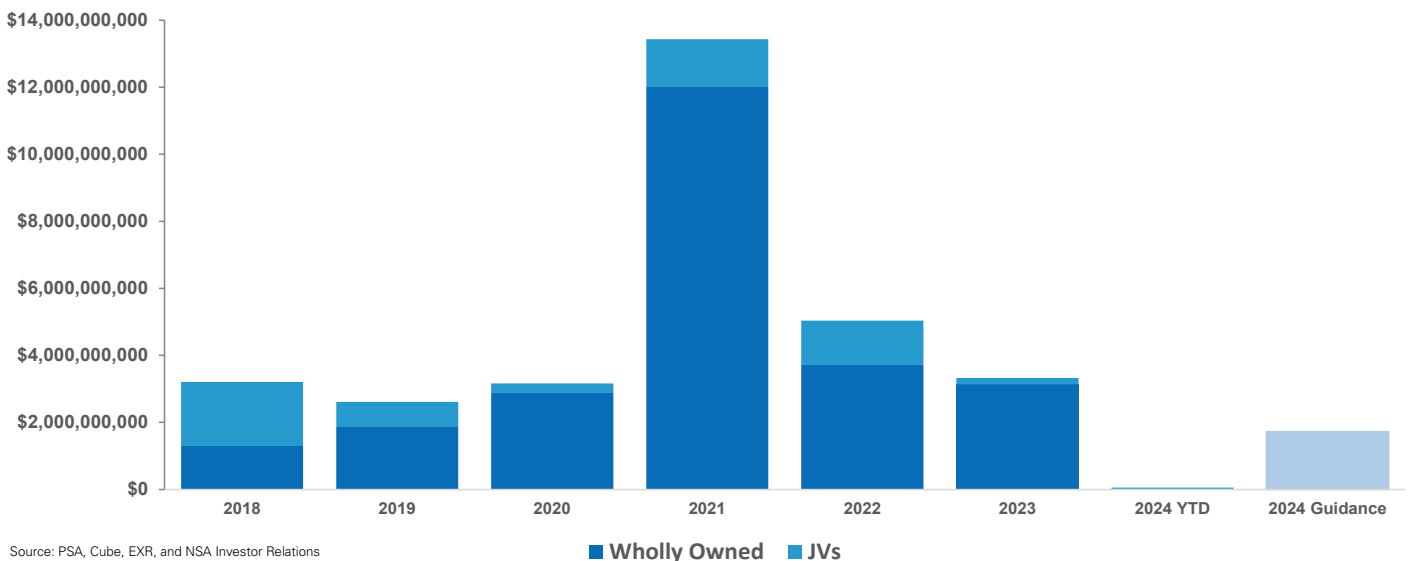
Source: PSA, Cube, EXR, and NSA Investor Relations

CURRENT CORE/ADJUSTED FFO PER SHARE



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

REIT ACQUISITION VOLUME



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

CUBESMART (NYSE: CUBE)

- Reported diluted earnings per share attributable to the Company's common shareholders of \$0.50.
- Reported funds from operations, as adjusted, per diluted share of \$0.70.
- Increased same store (592 stores) net operating income 1.2% year over year, driven by 0.4% revenue growth and a 1.8% decrease in property operating expenses.
- Closed on one property acquisition for \$22.0 million.
- Averaged same store occupancy of 90.8% during the quarter and ended the quarter at 90.3%.
- Increased the quarterly dividend 4.1% to an annualized rate of \$2.04 per common share from the previous annualized rate of \$1.96 per common share.
- Added 43 stores to third-party management platform during the quarter, bringing total third-party managed store count to 795.

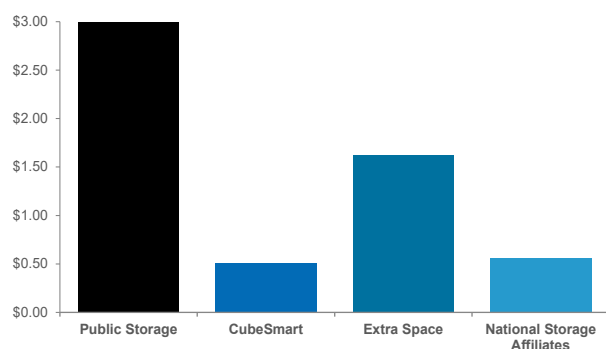
[CLICK HERE TO VIEW CUBESMART INVESTOR RELATIONS](#)

EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.02 per diluted share, representing a 32.9% decrease compared to the same period in the prior year, primarily due to \$30.6 million in transition costs, non-cash interest and amortization of intangibles related to the Life Storage merger.
- Achieved funds from operations attributable to common stockholders and unit holders of \$1.89 per diluted share. Core FFO, was \$2.02 per diluted share, representing a 3.3% decrease compared to the same period in the prior year.
- Increased same store revenue by 0.8% and same store net operating income decreased by (0.1)% compared to the same period in the prior year.
- Reported ending same store occupancy of 93.0% as of December 31, 2023, compared to 94.1% as of December 31, 2022.
- The company acquired three operating stores and four stores at completion of construction for a total cost of approximately \$82.7 million.
- In conjunction with a joint venture partner, acquired one operating store for a total cost of approximately \$25.0 million, of which the Company invested \$1.0 million.
- Originated \$129.2 million in mortgage and mezzanine bridge loans and sold \$43.9 million in mortgage bridge loans.
- Added 74 stores (55 stores net) to the company's third-party management platform. As of December 31, 2023, the company managed 1,337 stores for third parties and 472 stores in unconsolidated joint ventures, for a total of 1,809 managed stores.
- Paid a quarterly dividend of \$1.62 per share.

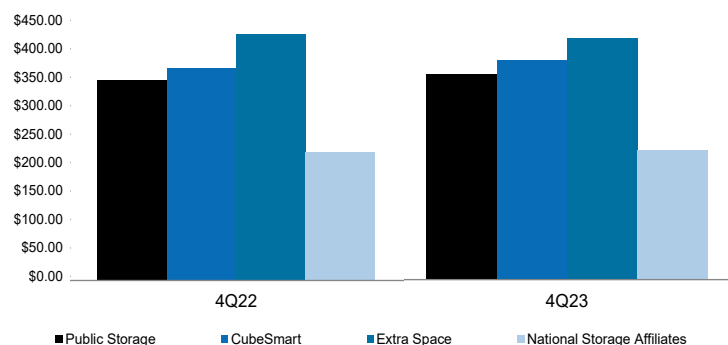
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

DIVIDEND PER SHARE



Source: PSA, Cube, EXR and NSA Investor Relations

SAME STORE REVENUE PER STORE



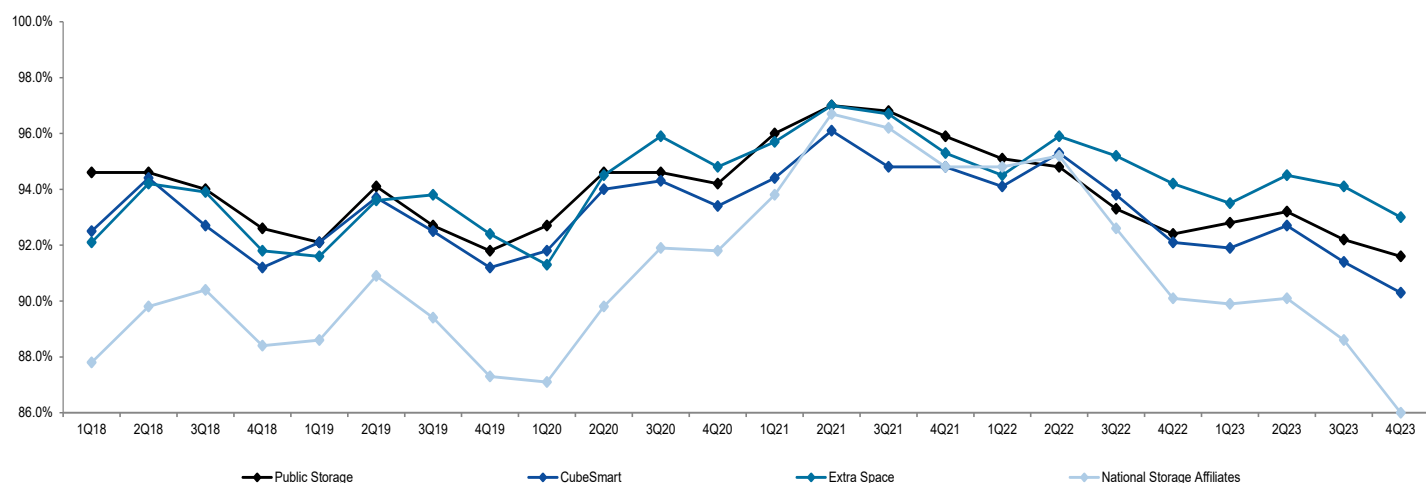
Note: EXR excludes tenant reinsurance revenue. Source: PSA, Cube, EXR and NSA Investor Relations

NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$108.1 million for the fourth quarter of 2023, an increase of 114.5% compared to the fourth quarter of 2022. Reported diluted earnings per share of \$0.72 for the fourth quarter of 2023 compared to \$0.31 for the fourth quarter of 2022.
- Reported core funds from operations of \$83.6 million, or \$0.68 per share for the fourth quarter of 2023, a decrease of 4.2% per share compared to the fourth quarter of 2022.
- Reported a decrease in same store net operating income of 1.6% for the fourth quarter of 2023 compared to the same period in 2022, driven by a negligible increase in same store total revenues, which was more than offset by an increase of 4.8% in same store property operating expenses.
- Reported same store period-end occupancy of 86.0% as of December 31, 2023, a decrease of 410 basis points compared to December 31, 2022.
- Acquired two wholly-owned self storage properties for approximately \$25.0 million during the fourth quarter of 2023. Consideration for these acquisitions included the issuance of \$8.1 million of OP equity.
- As previously announced, issued \$250.0 million of senior unsecured notes with a weighted average interest rate of 6.58% and a weighted average maturity of 5.8 years in a private placement with institutional investors.
- Repurchased 852,771 of the company's common shares for approximately \$27.4 million under the previously announced share repurchase program. Approved a new share repurchase program authorizing, but not obligating, the repurchase of up to \$275.0 million of NSA's common shares of beneficial interest from time to time.
- Entered into an agreement to sell 71 wholly-owned self storage properties for approximately \$540.0 million during the fourth quarter of 2023. 32 of the properties were sold in December 2023, while the remaining 39 properties are classified as held for sale as of December 31, 2023, of which 38 were sold in February 2024.
- Entered into a joint venture ("2023 Joint Venture") agreement between a subsidiary of NSA (the "2023 JV NSA Member") and a state pension fund advised by Heitman Capital Management LLC (the "2023 JV Investor," together with the 2023 JV NSA Member, the "2023 JV Members"), to acquire and operate self storage properties. The 2023 Joint Venture agreement provides for equity capital contributions from the 2023 JV Members of up to \$400 million over a twenty-four month period starting in December 2023, with the 2023 JV Investor holding a 75% ownership interest and the 2023 JV NSA Member holding a 25% ownership interest. A subsidiary of NSA will serve as the manager of the new venture. As of the date of this release, there have been no properties acquired by the 2023 Joint Venture.

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

HISTORICAL QUARTER-END OCCUPANCY



Note: PSA, Cube, EXR & NSA is based on period end occupancy.

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

Executive Managing Director

t 713-599-5191

taucha.hogue@nmrk.com

Michael Gibbons

Senior Financial Analyst

t 813-347-3923

michael.gibbons@nmrk.com

nmrk.com/selfstorage

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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