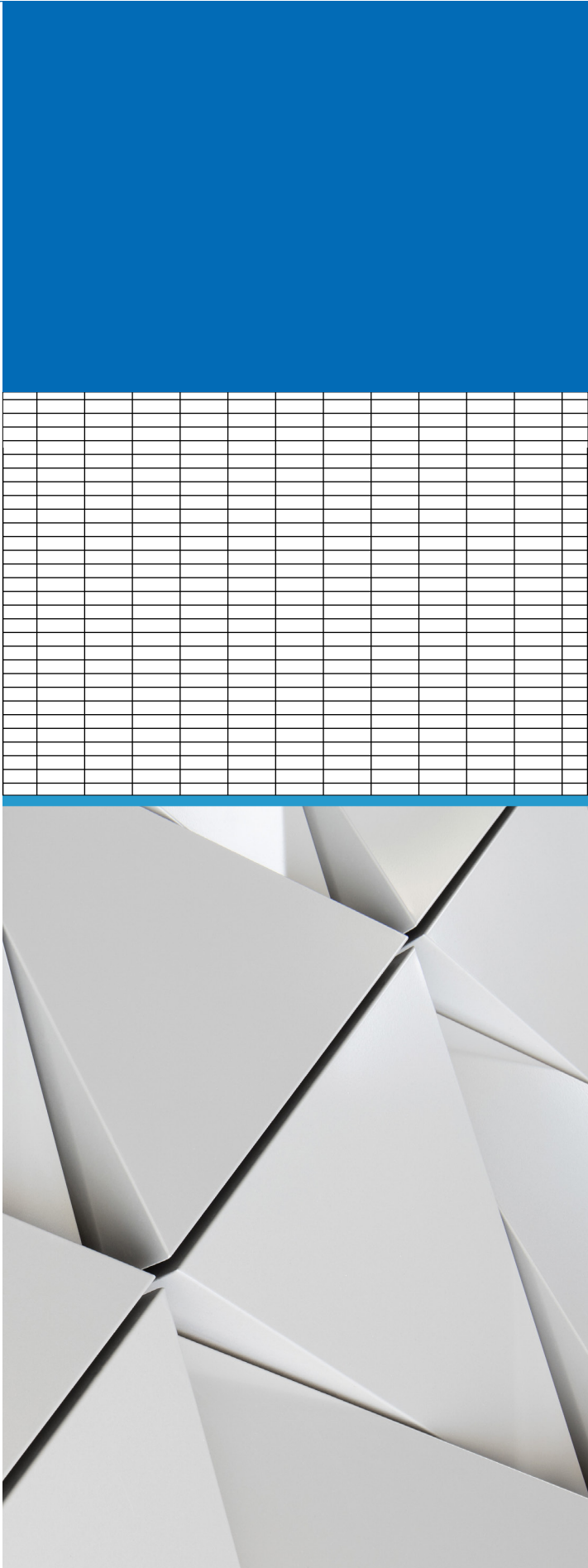


Self Storage Group

3Q 2023 REIT Report



Self Storage 3Q23 REIT Report

The self storage sector's 3Q23 performance, by and large, beat expectations. All four REITs reported positive same-store revenue of 1.95% (non-weighted) and the sector remained positive for same-store NOI at a non-weighted 1.25%. Quarter-end average occupancy of 91.5% (non-weighted) demonstrates the return to a pre-pandemic operating environment, as 3Q19 non-weighted quarter-end occupancy was just 2-bps ahead of 2023 at 91.7%. 3Q19 NOI growth of 1.62% is constructive context as well, as it corroborates the view that the self storage industry has returned to a pre-pandemic operating setting.

As has been the case all year, management commentary was consistent that move-in velocity remains below 2021-2022 levels, but that move-out activity remains below long-term historical norms, as increased utilization from pandemic-driven usage appears permanent. The street rate environment was in sharp focus from analysts, as customer acquisition strategies are focused on driving move-in volume with customer friendly pricing. However, the confidence all four REITs have in their respective revenue management systems make it clear that maintaining high levels of physical occupancy is a critical variable for driving revenue growth. This is clearly evidenced through positive revenue guidance for the sector, despite move-in rates lagging move-out rates by as much as 28%. As revenue management systems continue to evolve and become more predictive and sophisticated, both public-sector and private-sector operators will continue to yield disproportionate revenue growth from existing occupancy, neutralizing the impacts from softer street rates.

New supply remains muted, and will further moderate, before any comprehensive development cycle begins. Macroeconomic challenges like construction costs and interest rates, as well as a lack of construction debt, puts significant pressure on the development environment and these factors will remain difficult for the foreseeable future. Investors targeting higher yields will, at some point, begin to stimulate the supply universe when debt, construction costs and street rates become more conducive; however the 2025 leasing season is likely the earliest the industry has to deal with macro new supply dynamics.

Transactions during the third quarter totaled just over \$2.4 billion across 142 properties, all of which were wholly owned acquisitions. More illustrative of the transaction environment is volume of just under \$219 million excluding Public Storage's acquisition of Simply Self Storage.

The self storage transaction environment remains difficult to interpret. The sector has seen a string of large, significant transactions including the EXR:LSI merger as well as PSA's acquisition of Simply Self Storage. These large transactions meaningfully validate the long-term investment strength of self storage. However, due to bid/ask spreads between buyers and sellers, as well as an unpredictable capital markets environment, traditional transactions remain difficult, despite the underlying strength of self storage fundamentals. The most significant headwind for transactions is the overall uncertainty of execution. Buyer and seller expectations are more closely aligned than volume suggests. The single most productive catalyst for transactions will be stable, predictable costs of capital, driven by a stabilization in benchmark interest rates.

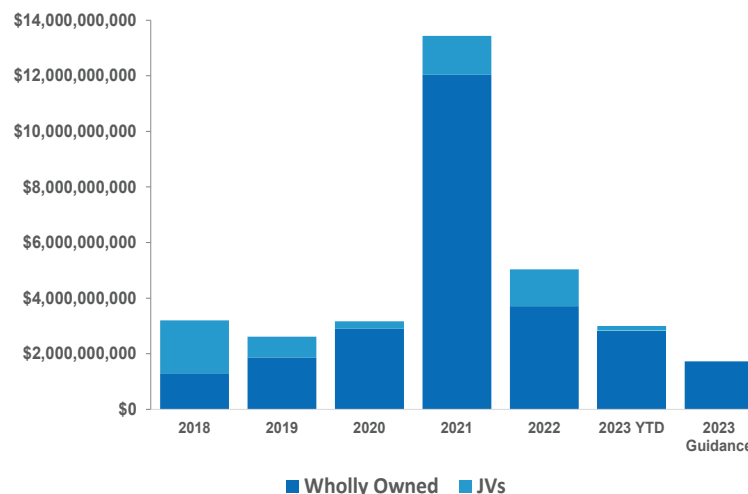


1H24 transaction volume will be more meaningful than 2H23 as the capital markets become more conducive to deals, driven by less volatile benchmark rates. Once cost of capital becomes predictable again, transaction volume will increase meaningfully, as storage remains a mandate for most providers across the capital spectrum.

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 third 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's website are also included.

REIT ACQUISITION VOLUME



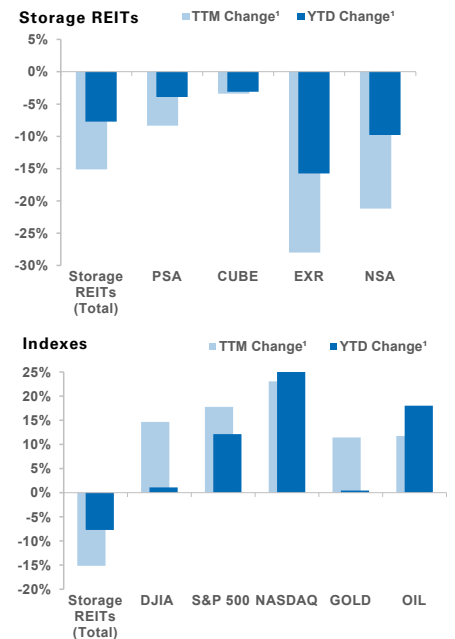
Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.

nmrk.com/selfstorage

SELF STORAGE 3Q23 REIT REPORT HIGHLIGHTS

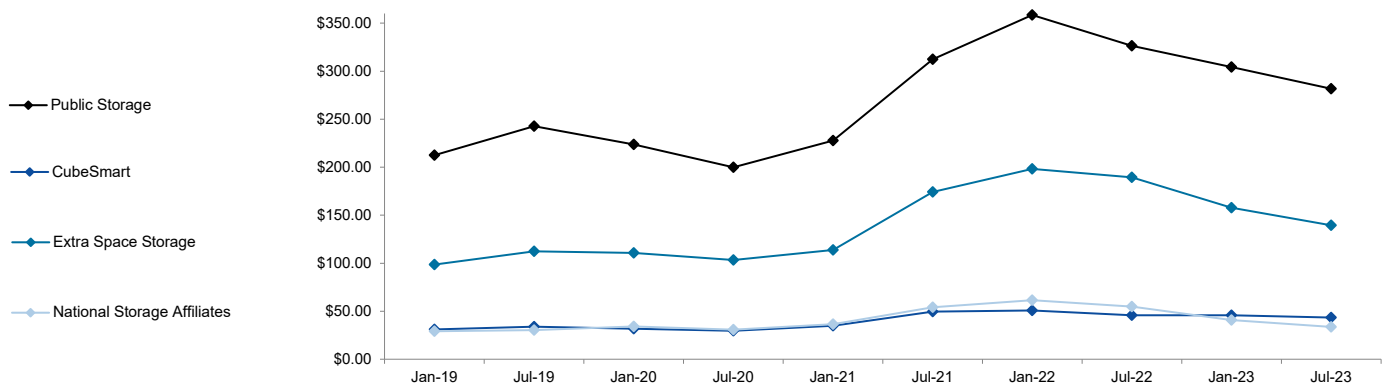
Market Index

	09/29/22	09/29/23	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$536.07	\$454.97	-7.71%	-15.13%
PSA	287.49	263.52	-3.89%	-8.34%
CUBE	39.47	38.13	-3.08%	-3.39%
EXR	168.83	121.58	-15.74%	-27.99%
NSA	40.28	31.74	-9.80%	-21.20%
DJIA	29,225.61	33,507.50	1.12%	14.65%
S&P 500	3,640.47	4,288.05	12.13%	17.79%
NASDAQ	10,737.51	13,219.32	27.27%	23.11%
GOLD	1,658.50	1,848.10	0.46%	11.43%
OIL	81.23	90.79	18.02%	11.77%
U.S. 10 YEAR	3.76%	4.59%	21.11%	22.07%
10 YEAR SWAP	3.84%	4.57%	23.38%	18.88%
SOFR (30-DAY AVG)	2.45%	5.32%	28.84%	117.30%



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 (SWAADY10.0T), Federal Reserve Bank of NY

PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$3.20 per diluted share.
- Reported core FFO allocable to common shareholders of \$4.33 per diluted share, an increase of 4.8% relative to the same period in 2022. Core FFO per diluted share increased 5.6% compared to the same period in 2022, excluding contribution from the equity investment in PS Business Parks, Inc. PSB, which we sold in July 2022.
- Closed acquisitions of BREIT Simply Storage LLC, a self-storage company that owns and operates 127 self-storage facilities (9.4 million net rentable square feet) and manages 25 self-storage facilities for third parties for \$2.2 billion in cash on September 13, 2023 (the Simply Acquisition), and ten self-storage facilities (0.7 million net rentable square feet) for \$110.5 million. After September 30, 2023, we acquired or were under contract to acquire eleven self-storage facilities (0.8 million net rentable square feet) for \$170.3 million.
- Increased Same Store direct net operating income by 1.9%, resulting from a 2.5% increase in Same Store revenues.
- Achieved 79.7% Same Store direct net operating income margin.
- Opened three newly developed facilities and completed various expansion projects (0.5 million net rentable square feet) costing \$88.2 million. On September 30, 2023, we had various facilities in development and expansion with 4.6 million net rentable square feet estimated to cost \$952.1 million. On July 26, 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.

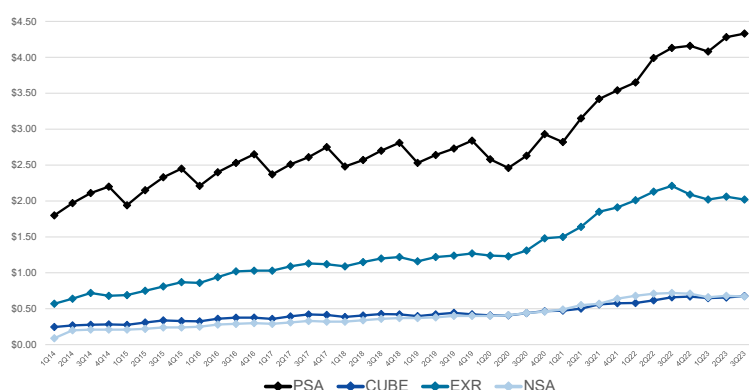
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported diluted earnings per share attributable to the company's common shareholders of \$0.45.
- Reported funds from operations, as adjusted, per diluted share of \$0.68.
- Increased same-store (592 stores) net operating income 2.0% year over year, driven by 2.3% revenue growth and a 3.0% increase in property operating expenses.
- As of September 30, 2023, the company's total consolidated portfolio included 611 stores containing 44.1 million rentable square feet and had physical occupancy of 90.7%.
- Averaged same-store occupancy of 92.1% during the quarter and ended the quarter at 91.4%.
- Added 41 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 763. Revenues increased \$6.5 million and property operating expenses increased \$0.8 million in the third quarter of 2023 compared to the same period in 2022.
- On July 25, 2023, the company declared a quarterly dividend of \$0.49 per common share. The dividend was paid on October 16, 2023 to common shareholders of record on October 2, 2023.

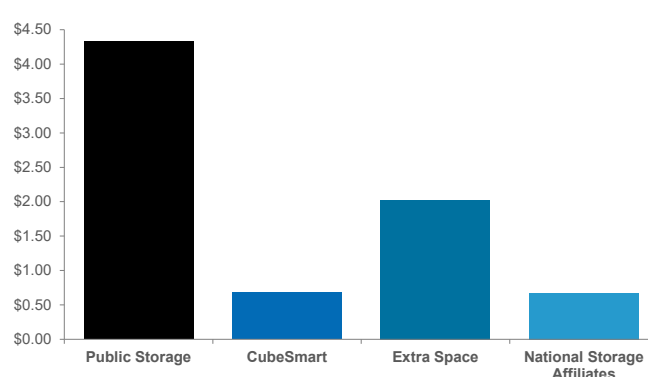
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HISTORICAL CORE/ADJUSTED FFO PER SHARE

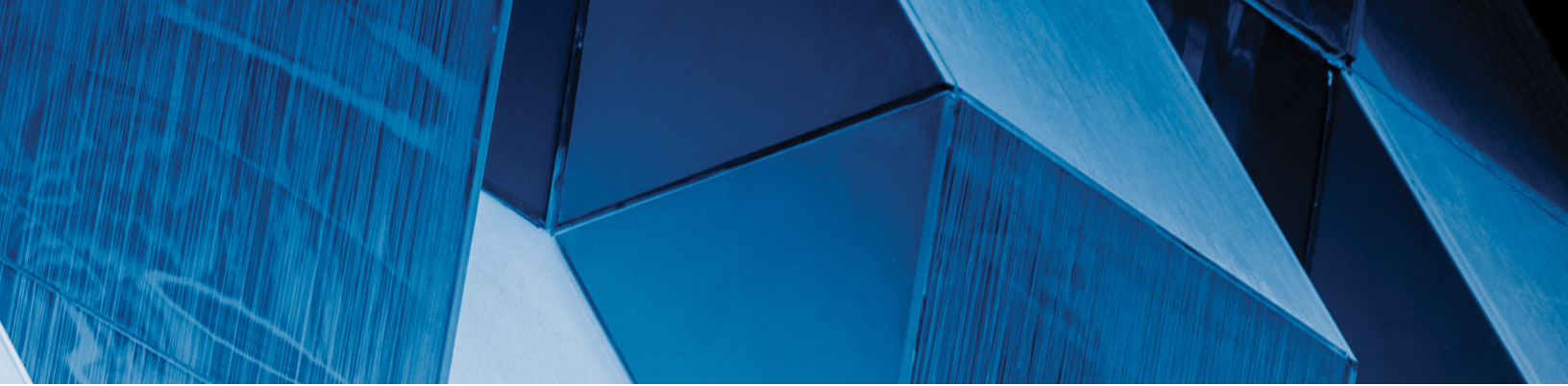


Source: PSA, Cube, EXR, and NSA Investor Relations

CURRENT CORE/ADJUSTED FFO PER SHARE



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

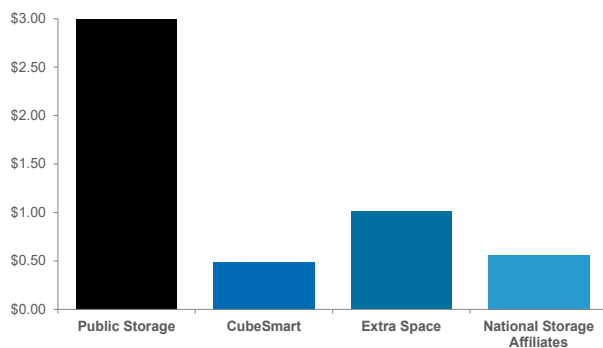


EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$0.96 per diluted share, representing a 41.8% decrease compared to the same period in the prior year, primarily due to \$54.2 million in transition costs related to the Life Storage Merger.
- Achieved funds from operations attributable to common stockholders and unit holders of \$1.69 per diluted share. Core FFO, excluding adjustments, was \$2.02 per diluted share, representing an 8.6% decrease compared to the same period in the prior year.
- Increased same-store revenue by 1.9% and same-store net operating income NOI by 0.7% compared to the same period in the prior year.
- Reported ending same-store occupancy of 94.1% as of September 30, 2023, compared to 95.1% as of September 30, 2022.
- On July 20, 2023, the Company closed its merger with Life Storage, Inc. in an \$11.6 billion all-stock transaction, adding over 1,200 stores to the Extra Space Storage platform.
- Originated \$78.8 million in mortgage and mezzanine bridge loans and sold \$78.8 million in mortgage bridge loans.
- S&P Global upgraded all its ratings on the Company to BBB+ stable.
- Completed five obligor exchange offers and consent solicitations through which a total of \$2.35 billion of Life Storage's senior notes were exchanged for senior notes of the same tenor of Extra Space Storage L.P.
- In addition to the stores acquired through the Life Storage Merger, the Company also acquired three operating stores for a total cost of approximately \$18.5 million.
- In conjunction with joint venture partners, acquired two operating stores and one store at completion of construction for a total cost of approximately \$44.3 million, of which the Company invested \$10.0 million.
- Added 49 stores (43 stores net) to the Company's third-party management platform, in addition to the stores added through the Life Storage Merger. As of September 30, 2023, the Company managed 1,282 stores for third parties and 471 stores in unconsolidated joint ventures, for a total of 1,753 managed stores.
- Paid two dividends totaling \$1.62 per share.

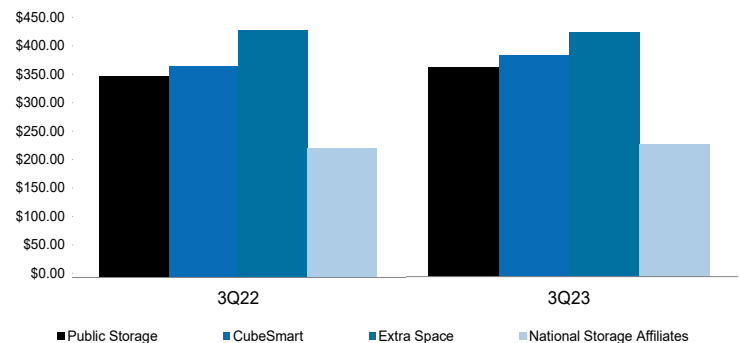
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DIVIDEND PER SHARE

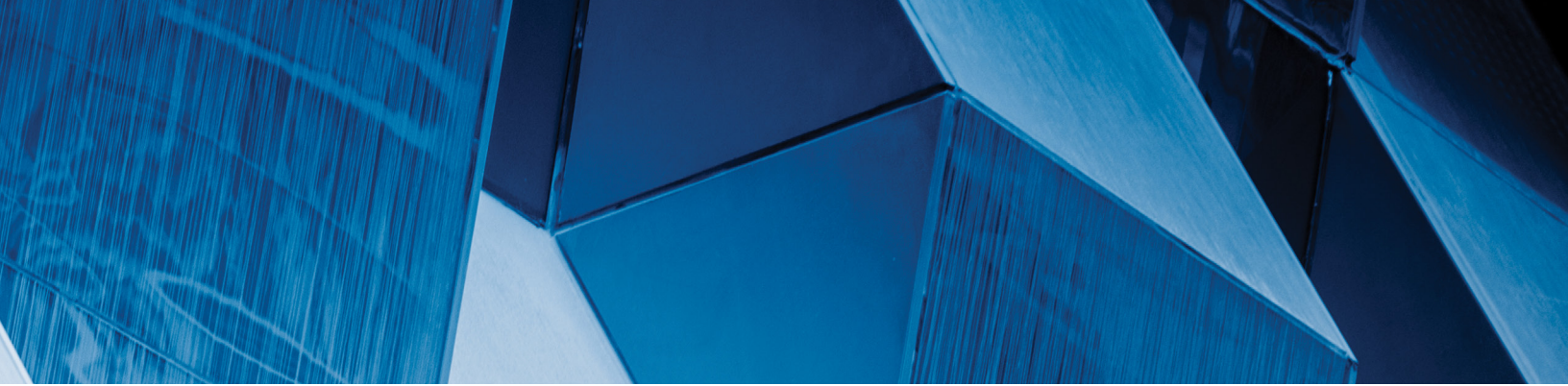


Source: PSA, Cube, EXR and NSA Investor Relations

SAME-STORE REVENUE PER STORE



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

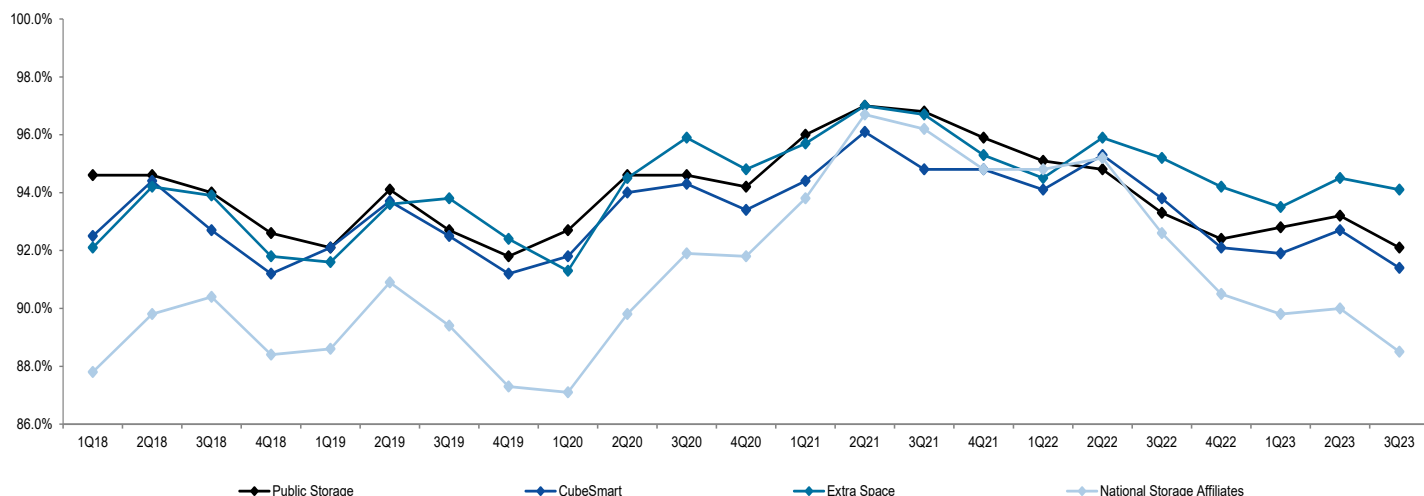


NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$43.1 million for the third quarter of 2023, an increase of 7.2% compared to the third quarter of 2022. Reported diluted earnings per share of \$0.26 for the third quarter of 2023 compared to \$0.21 for the third quarter of 2022.
- Reported core funds from operations of \$85.8 million, or \$0.67 per share for the third quarter of 2023, a decrease of 6.9% per share compared to the third quarter of 2022. An increase in net operating income of \$6.0 million was more than offset by an increase in interest expense of \$14.2 million, primarily due to an increase in average effective interest rates.
- Reported same store period-end occupancy of 88.5% as of September 30, 2023, a decrease of 360 basis points compared to September 30, 2022.
- Reported a decrease in same store NOI of 0.1% for the third quarter of 2023 compared to the same period in 2022, driven by a 1.1% increase in same store total revenues, which was more than offset by an increase of 4.2% in same store property operating expenses.
- Acquired two wholly-owned self storage properties for approximately \$30.1 million during the third quarter of 2023. Consideration for these acquisitions included the issuance of \$16.4 million of OP equity.
- Repurchased 6,360,994 of the company's common shares for approximately \$213.4 million under the previously announced share repurchase program.

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

HISTORICAL QUARTER-END OCCUPANCY



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

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