

# EXTRA SPACE STORAGE

ManagementPlus



**WE MANAGE.  
YOU PROFIT.**

# ExtraSpace<sup>®</sup> Storage



**1900+**  
PROPERTIES



**145 MILLION+**  
SQ FT OF RENTABLE SPACE



**1,000,000+**  
CUSTOMERS



ESTABLISHING NEW INDUSTRY  
STANDARDS IS IN OUR

**DNA**

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Extra Space Storage is a fully integrated, self-administered and self-managed real estate investment trust that owns or operates 1,900+ self-storage properties in 40 states, Washington D.C., and Puerto Rico, employing over 4,000 people.

Founded in 1977 with a handful of facilities, the company is now the second largest self-storage operator and the largest self-storage management company in the United States, whose properties comprise some 1,000,000+ customers and over 110 million square feet of rentable space.

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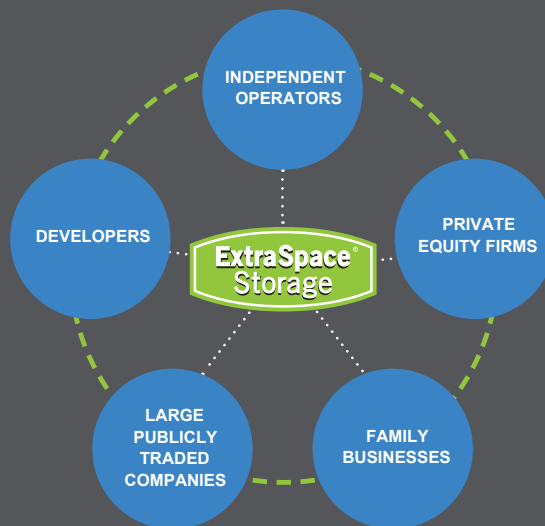
# EXTRA SPACE STORAGE PARTNERS

We consider the owners and operators we manage for partners, not clients. There is intrinsic value in our business model that is grounded in integrity, performance, and long-term success for both parties.

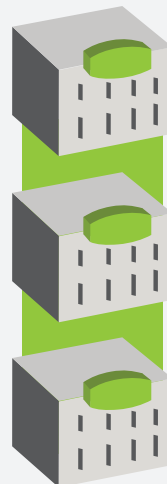
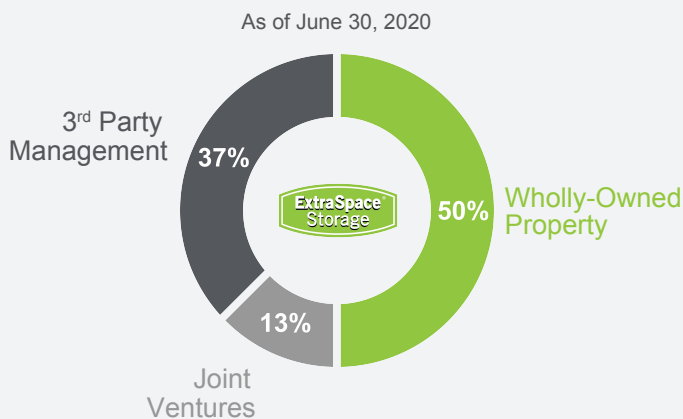
**Partnerships are in our DNA.** That's how we grew from being a small developer with a handful of sites to operating over 1,900 and continuing to grow every month.

Regardless of who you are or how many sites we manage for you, Extra Space Storage is solely focused on delivering top notch performance for owners and their customers.

## Our Partners



## Our Portfolio



**OVER 35%**  
OF MANAGEMENT PLUS STORES  
ARE OWNED BY PARTNERS WITH  
3 STORES OR LESS

# THE EXTRA SPACE SOLUTION



# MANAGEMENTPLUS PLATFORM



Extra Space Storage provides a comprehensive suite of services, attention to detail, and the results to be truly differentiating.

Unrivaled Online Presence | Increased Profitability | Reduced Hassle | Proven Strategic  
Direction Innovative Marketing | Industry's Largest Managed Portfolio | Attractive Exit Strategies

**Your Property. Our Platform. Your Success.**

# EXTRA SPACE STORAGE SALES FUNNEL

## SEE

We connect with consumers at the awareness level in innovative and meaningful ways.

## THINK

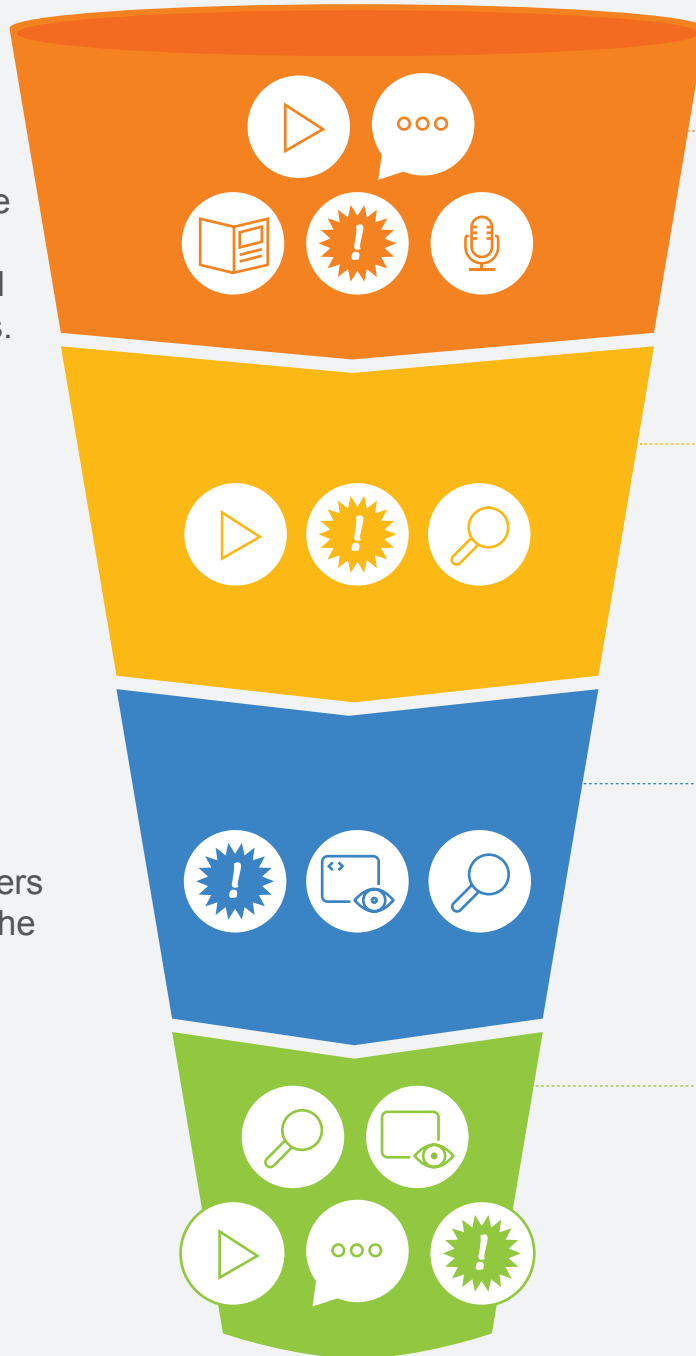
We deliver new customer leads as prospects are evaluating their storage options.

## DO

We deliver qualified customers by streamlining the reservation experience.

## STAY

We deliver long-term results by helping retain those customers with an excellent on-site experience.



## BRAND AWARENESS

Video  
Social Media Display  
Advertising Print Advertising

## LEAD GENERATION

Video  
Display Advertising Search  
Engine Marketing

## CUSTOMER ACQUISITION

Display Advertising Search Engine  
Optimization Search Engine  
Marketing

## RETENTION

Search Engine Optimization Search  
Engine Marketing Display  
Advertising  
Video  
Social Media

# DIGITAL MARKETING

Early in the game, Extra Space Storage learned that the secret to success in the storage business is to be in front of the prospect at exactly the time when storage is needed. The idea is simple in concept, but very difficult to execute.



**50% INCREASE**

WEB SHOPPING VISITOR CONVERSION RATE IN LAST 5 YEARS



OF INBOUND CUSTOMERS RELY ON THE WEB

AT LEAST ONCE DURING THE RENTAL PROCESS



STAFF MEMBERS

DEVOTED TO ONLINE MARKETING



**39 MILLION**

ANNUAL WEBSITE VIEWS

# NATIONAL CALL CENTER

They outsource theirs. We own ours.

When it comes to best practices, all call centers are definitely not created equal. Unlike some of our competitors who outsource their telecommunications functions, Extra Space Storage owns our National Call Center. This gives us 100 percent control over management, staffing, operations, quality standards, and results. It is, without a doubt, one of our most important sources of competitive advantage.

Let's start with staffing. First and foremost, our representatives are recruited, selected, groomed, and trained to sell. Meaning, job one is converting prospects into rental customers. This comes as a great relief to local facility staffs that can focus on customer service, full time. These pros live, eat, and breathe rental conversions. That means they know how to provide customers with a seamless experience. From the first contact the customer has, throughout the entire customer life cycle, they are coached to understand their needs, and find the solution to any and all issues.



50,000+

CALLERS PER MONTH



33%

BECOME CUSTOMERS

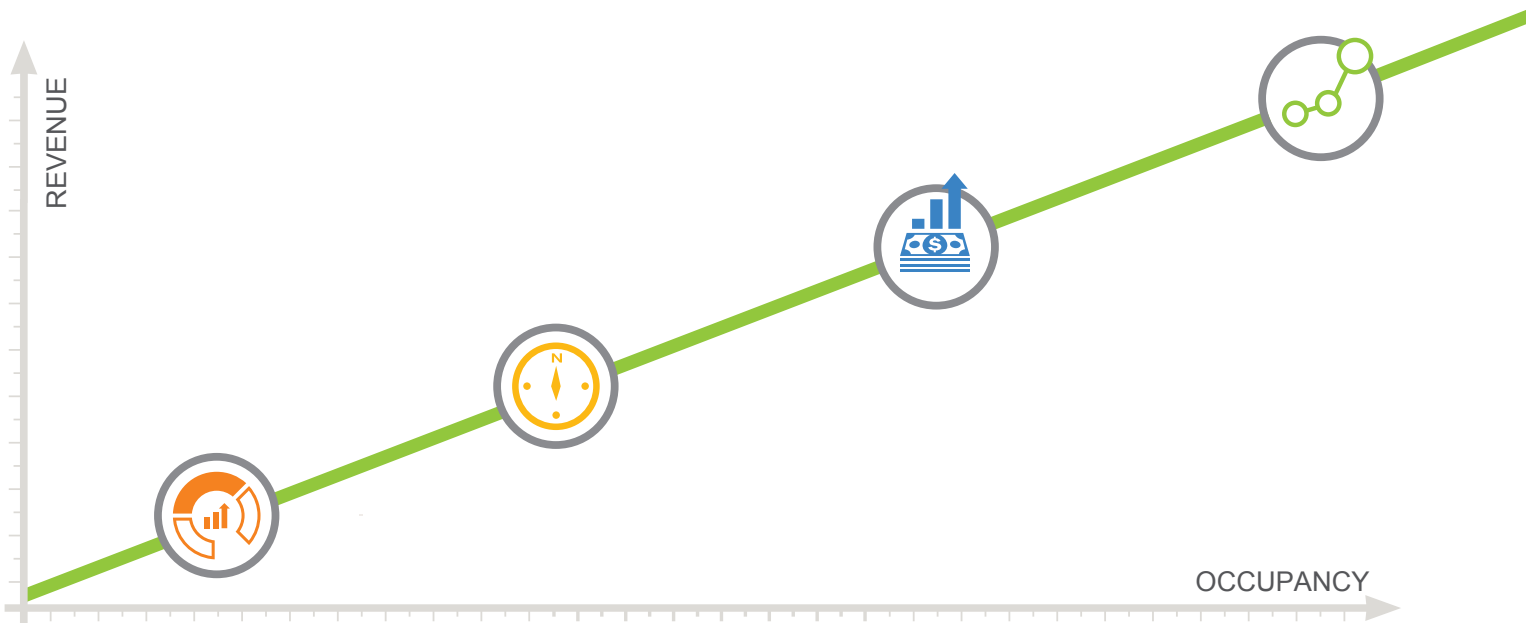


25%

OF TOTAL RENTALS

# TECHNOLOGY DRIVES SUCCESS

One of the most unique and compelling aspects of working with Extra Space Storage is our Revenue Management Model. We'd like to describe it as "revolutionary," but the fact is airlines and hotels have been using the concept for years – with huge success. It simply means we gather and analyze real time supply and demand information for the storage industry to maximize both revenue and revenue growth. This dynamic and powerful model gives you four distinct advantages over traditional, less analytical pricing methods. Extra Space Storage pioneered rate increases based on optimal occupancy within the self storage industry – in classic form, the industry followed.



## Utilize test and data to maximize revenue

We use our data capability to maximize revenue from both potential and existing customers. This allows us to balance rate and occupancy to find the sweet spot that maximizes revenue through the best pricing.



## Intelligent discounting to attract the right customer

We manage discounting in real time as demand changes: decreasing discounts when demand is high and availability is low.



## Real-time tiered pricing

This model determines whether driving occupancy or price is optimal on a product-by-product basis. Pricing is tiered between walk-in, Internet and Call Center Rates, allowing each channel to capture the highest per-customer price.



## Strategically effective rate increases

Extra Space Storage has mastered one of the best ways to capture incremental revenue.



# YOUR BUSINESS IS OUR SPECIALTY



**On every level, superior operational skills let owners focus on building a business.**

Is ManagementPlus good because we're big? Or are we big because we're good? We are, of course, the largest third-party management company and the second largest storage operator in America. That gives us loads of purchasing power. At the same time, we're not so big that we can't cooperate locally with all ninety of our local District Managers. We can seamlessly transition a property to our system within 30 days because we have so much experience.

Our accounting resources are providing reports, internal audits, and compliance and control measures as part of our publicly traded status. Our facility services team handles contracts and warranty needs for each facility, from elevators and signage, to utilities and landscaping. Our operations team drives a sophisticated, comprehensive annual budgeting process that gives each owner full participatory oversight of facility matters. So the answer to the question is... 'a bit of both.' Our size and scale gives us the resources to do things most other storage companies cannot.

**Then again, if we weren't so darn skilled and efficient, we could never have grown this big, this quickly.**

# THE MANAGEMENT FEE EXPLAINED

Extra Space Storage wants to engage with the best owners in the industry. Partners that expect our level of commitment.



Optimal Occupancy



Digital Marketing



National Support



Marketing



Local Expertise



Premier Brand

We believe partnerships should be mutually beneficial so we're not interested in nickel-and-diming. Any facility level expense is a straight pass-through, meaning we don't mark it up. Our cost is the same, and, as we continually bring new facilities in to our system, Extra Space Storage and our partners benefit from costs being spread over more facilities. The largest pass-through costs are Internet Marketing and the National Call Center.

Cost varies by the size of the facility and market – for specific numbers for your location, contact the Extra Space Team.

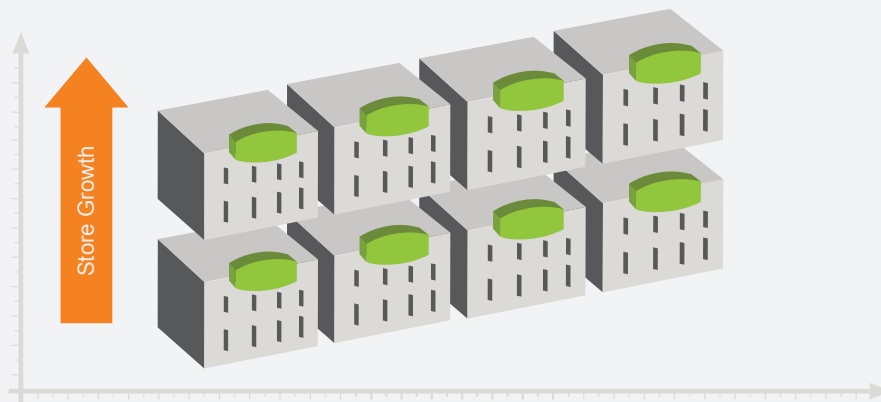
Our partners intrinsically benefit from the partnership without hidden or miscellaneous fees; we handle all human resource-related functions including hiring and training, accounting, reporting, a district manager that travels frequently to your site, etc. We also have decades of management experience and specialization that focuses on distinct and critical business functions – nearly impossible for an operator or other third-party management companies to duplicate.

# PERFORMANCE

## Extra Space Storage delivers what matters most: **RESULTS.**

Our performance isn't directly attributed to one single factor-but a combination of the best people in the business, a platform that works, and a strategic vision that drives exceptional results. Our best-in-class performance is hard to miss and nearly impossible to replicate.

Our partners can expect more than hassle-free ownership. Increased revenue coupled with a premium national brand with a local proactive focus will maximize your return on investment.



Extra Space Storage has grown from 136 properties to over 1,900, acquiring over \$6 billion in self-storage assets since 2004. And we're not slowing down anytime soon.

Extra Space Storage is the top performing REIT. Over the past 10 years, investors' total return exceeded 800%.



Extra Space Storage consistently leads the industry in same-store NOI Growth and same-store out performance.

Funds from operations has been growing more than 10% year-over-year for 7 straight years.



# FAQ'S

## 1. What should owners look for in a third-party management company?

First and foremost, owners should look for a third-party management company that consistently delivers performance results. Nearly all third-party management companies will boast they reduce hassle, will increase occupancy, or can run the facility better than the owner. Self-storage is a resilient asset-type with consistent performance; owners need to look at the larger equation to find a company whose vision and values align with their short and long-term objectives. Occupancy is only one component of the equation, so owners need to look at the sophistication of the third-party management company's operation—strength of online presence, ability to drive rates to achieve optimal occupancy, field personnel availability, skills, and training, and corporate support.

When selecting a third-party management company it is critical that the owner really understands how the management company operates. Talk to others that are currently being managed by them, visit their corporate offices, their call center, etc. A good management company will have proven proprietary systems in place so they are not experimenting with your facility. Also look at the management company's operational footprint. The right management company should currently operate in your area or within a short drive from your facility.

## 2. How do I know that my site will be treated the same as the wholly-owned Extra Space Storage facilities?

All operations at Extra Space Storage are completely “colorblind” to site ownership. Our call center, revenue management, internet marketing and all customer facing operations are completed with the unifying goal of increasing total rentals across the board. Extra Space is completely transparent with every partner and gladly share all pertinent operational metrics to establish that rentals—without regard to ownership—is the goal.

Extra Space Storage has many partners in competitive situations and we open our doors to any and all questions regarding whether or not a site is being treated fairly. But don't just take our word for it—we welcome anyone who would like a closer look into our operations to get in touch so that they can verify the fairness for themselves.

## 3. What are some benefits of hiring a REIT?

Self-storage owners benefit from hiring a REIT to manage their facility for many reasons, including an improved ability to compete online, economy of scale pass-through cost savings, transparency of a publicly traded company, and operational efficiencies. Every management company has certain strengths. If an operator is considering hiring a REIT for third-party management, we encourage them to meet with all of the REIT, regional, and local management company options they have available. Once they have narrowed it down, owners should ask for references and spend time talking to existing partners about their experience. Owners that are interested in third-party management need to determine what the highest and best uses of their time are. While there may be many qualitative factors that make a management company attractive, owners need to make their decision based on quantitative results—which company has the ability to manage their facility best.

# FAQ'S

## 4. How do I know what my costs will be once Extra Space Storage is managing my facility?

Extra Space Storage has decades of operational experience and data that allows us to accurately predict expected revenues and expenses. We are able to clearly break this out in a custom proforma specific to each facility and market. We also share how facilities we operate are performing in the market and how they have performed while under our management. A management company that knows what they're doing will clearly be able to illustrate that increases in expenses and/or a management fee will be outweighed by the increase in revenue. If a management company provides revenue projections that are outlandish, be cautious.

A proforma doesn't mean they will achieve those results. The management company should be able to show their revenue growth in other managed facilities they operate.

## 5. What if my facility is in close proximity to another Extra Space Storage site and directly competes?

We have several examples of competing facilities, some directly next door or across the street. Having the ability to better control rates, discounts and expenses, all properties in the area benefit. Since most competing properties have differing attributes, i.e. climate control, drive-up units, etc., we can match the right customer to the right facility, regardless of how close the properties are located to one another.

## 6. What if I have a development site?

We are interested in managing existing and development facilities. If you are in the process of developing a facility, it is preferable to become involved at least 60 days before the facility opens. This way, we can serve as an operational consultant to advise about unit mix, signage, marketing, technology, etc. Extra Space Storage has assembled a thorough Design Standards Manual, which allows developers to see exactly what products, specifications and designs they should be using. We allow our partners to utilize this manual once they sign our management agreement.

## 7. I'm not sure about management, but may like to sell my facility to a REIT. Do you have any advice?

Extra Space Storage is an avid acquirer of self-storage properties and we would love the opportunity to make an offer on your property. If for some reason this doesn't work out, the next best option is to have an experienced management company operate the property prior to a sale. This ensures that the property is in the best condition possible and can command the most competitive price. If Extra Space Storage manages your property there is no obligation to sell to Extra Space Storage. Extra Space Storage maintains extremely good relations with our partners in hopes that when you are ready to sell, you approach us first.

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# QUOTES FROM OUR PARTNERS

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"Extra Space Storage provides a best-in-class third-party management platform that has allowed our team to scale our business. They treat our facilities as their own and have done a great job with leasing and revenue management."

- Tyler Colpini

"My challenges before Extra Space Storage were to stay afloat. Each month our occupancy was decreasing; thus, our profits were getting smaller. After Extra Space: both occupancy and profits are great. I have been in the business for around 40 years and I could not think of the numbers or keeping the properties on the part that you have done."

- Saul Richardson

"Property was previously managed poorly. Goal was to increase income and value of the property. Experience as a partner has been very positive, and definite increase in cash flow. Certainly competed in the market place much better. We love and appreciate you all."

- David Eldred

"The people at the leadership level are smart, straightforward, solid individuals. The operating and management systems are technologically advanced, as compared to other REITS, and the Extra Space Storage staff is constantly working to elevate their game even further on all fronts."

- Berk Shervin



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