



First Quarter 2017  
Supplemental Information

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# CUBESMART

March 31, 2017

## Equity Research Coverage

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<b>CITIGROUP</b> MICHAEL BILERMAN / SMEDES ROSE 212.816.1383 / 212.816.6243	<b>D.A. DAVIDSON &amp; CO.</b> BARRY OXFORD 212.240.9871	<b>EVERCORE ISI</b> STEVE SAKWA / GWEN CLARK 212.446.9462 / 212.446.5611	<b>FBR CAPITAL MARKETS</b> DAVID CORAK 703.312.1610
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Any opinions, estimates, forecasts or predictions regarding CubeSmart's performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or predictions of CubeSmart or its management. CubeSmart does not by its reference above or distribution imply its endorsement of or concurrence with such opinions, estimates, forecasts or predictions.

## Award-Winning Service Culture - Redefining service in the self-storage industry



**CUBESMART**  
March 31, 2017

**Company Information**

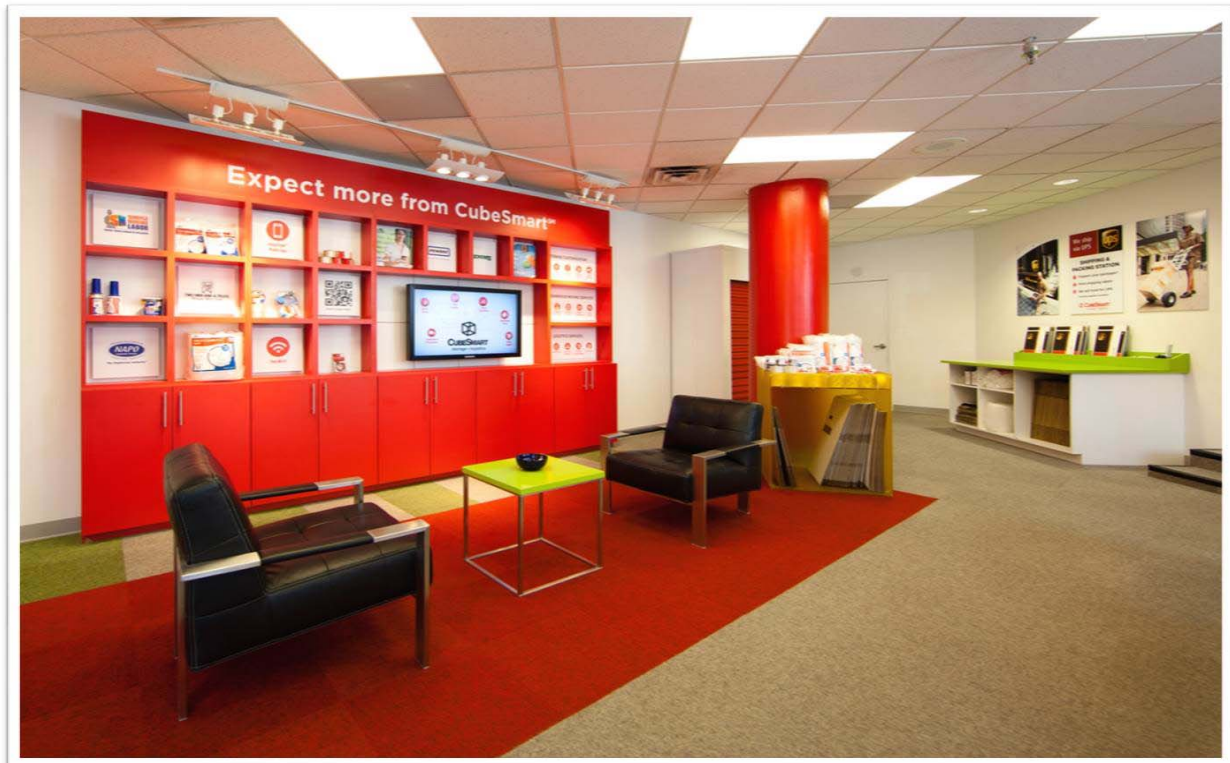
<b>Corporate Headquarters</b> 5 Old Lancaster Road Malvern, PA 19355 610.535.5700	<b>Trading Symbol</b> Common Shares: CUBE <b>Stock Exchange Listing</b> New York Stock Exchange	<b>Investor Relations</b> Charles Place 5 Old Lancaster Road Malvern, PA 19355 610.535.5700	<b>Information Requests</b> To request an Investor Relations package or annual report, please visit our website at <a href="http://www.cubesmart.com">www.cubesmart.com</a>
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**Investor Information**

	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016
<b>Common Shares and Units:</b>					
Share price, high	\$ 27.38	\$ 26.96	\$ 32.07	\$ 33.28	\$ 33.30
Share price, low	\$ 25.12	\$ 23.88	\$ 26.43	\$ 29.18	\$ 27.70
Share price, period end	\$ 25.96	\$ 26.77	\$ 27.26	\$ 30.88	\$ 33.30
Dividends declared per share	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21	\$ 0.21
Dividend yield, period end	4.16%	4.03%	3.08%	2.72%	2.52%
Closing Common Shares outstanding (excluding unvested restricted shares, in thousands)	180,174	180,083	179,859	178,250	177,127
Closing Operating Partnership units outstanding	2,031	2,032	2,221	2,221	2,160
Total closing Common Shares and Units	182,205	182,115	182,080	180,471	179,287

**Preferred Shares (Series A):**

Share price, high	\$ -	\$ 25.21	\$ 26.00	\$ 26.40	\$ 26.50
Share price, low	\$ -	\$ 25.13	\$ 25.16	\$ 25.81	\$ 25.84
Share price, period end	\$ -	\$ -	\$ 25.16	\$ 25.81	\$ 26.25
Dividends declared per share	\$ -	\$ 0.1737	\$ 0.4844	\$ 0.4844	\$ 0.4844
Dividend yield, period end	-	-	7.70%	7.51%	7.38%
Closing Preferred Shares outstanding (in thousands)	-	-	3,100	3,100	3,100





## Forward Looking Statements

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This presentation, together with other statements and information publicly disseminated by CubeSmart ("we," "us," "our" or the "Company"), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act." Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "estimates," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. As a result, you should not rely on or construe any forward-looking statements in this Report, or which management may make orally or in writing from time to time, as predictions of future events or as guarantees of future performance. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this Report or as of the dates otherwise indicated in the statements. All of our forward-looking statements, including those in this Report, are qualified in their entirety by this statement.

## Non-GAAP Financial Measures

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Funds from operations ("FFO") is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (the "White Paper"), as amended, defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate and related impairment charges, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a key performance indicator in evaluating the operations of the Company's stores. Given the nature of its business as a real estate owner and operator, the Company considers FFO a key measure of its operating performance that is not specifically defined by accounting principles generally accepted in the United States. The Company believes that FFO is useful to management and investors as a starting point in measuring its operational performance because FFO excludes various items included in net income that do not relate to or are not indicative of its operating performance such as gains (or losses) from sales of real estate, gains from remeasurement of investments in real estate ventures, impairments of depreciable assets, and depreciation, which can make periodic and peer analyses of operating performance more difficult. Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies.

FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the Company's performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP and is not a measure of liquidity or an indicator of the Company's ability to make cash distributions. The Company believes that to further understand its performance, FFO should be compared with its reported net income and considered in addition to cash flows computed in accordance with GAAP, as presented in its Consolidated Financial Statements.

FFO, as adjusted represents FFO as defined above, excluding the effects of acquisition related costs, gains or losses from early extinguishment of debt, and other non-recurring items, which we believe are not indicative of the Company's operating results.

We define net operating income, which we refer to as "NOI," as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income (loss): interest expense on loans, loan procurement amortization expense, loan procurement amortization expense - early repayment of debt, acquisition related costs, equity in losses of real estate ventures, other expense, depreciation and amortization expense, general and administrative expense, and deducting from net income (loss): gains from sale of real estate, net, income from discontinued operations, other income, gains from remeasurement of investments in real estate ventures, and interest income. NOI is not a measure of performance calculated in accordance with GAAP.

Management uses NOI as a measure of operating performance at each of our stores, and for all of our stores in the aggregate. NOI should not be considered as a substitute for operating income, net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP.

**CubeSmart Reports First Quarter 2017 Results:  
FFO Per Share Grows 12.5%; Same-Store NOI Increases 6.0%**

MALVERN, PA -- (Marketwired) – April 27, 2017 -- CubeSmart (NYSE: CUBE) today announced its operating results for the three months ended March 31, 2017.

“Solid first quarter results have us well positioned as we enter the high-volume spring and summer rental season,” commented President and Chief Executive Officer Christopher P. Marr. “Our managed portfolio increased 12.7% during the quarter as third-party owners continue to recognize the benefit of using CubeSmart’s sophisticated operating platform to lease-up and manage their new stores. We remain focused on maximizing property level cash flow through operational excellence and disciplined capital allocation.”

**Key Highlights for the Quarter**

- Reported funds from operations (“FFO”) per share, as adjusted, of \$0.36, representing a year-over-year increase of 12.5%.
- Increased same-store (432 stores) net operating income (“NOI”) 6.0% year over year, driven by 5.4% revenue growth and a 4.1% increase in property operating expenses.
- Same-store occupancy averaged 92.2% during the quarter, ending the quarter with same-store occupancy of 92.7%, a 50 basis point increase year over year.
- Opened for operation one wholly-owned development property for a total investment of \$9.7 million.

**Funds from Operations**

FFO, as adjusted, was \$65.7 million for the first quarter of 2017, compared with \$58.2 million for the first quarter of 2016. FFO per share, as adjusted, increased 12.5% to \$0.36 for the first quarter of 2017, compared with \$0.32 for the same period last year.

**Investment Activity**

*Acquisition Activity*

The Company did not acquire any stores during the first quarter of 2017 and currently has two properties under contract for \$22.0 million.

*Development Activity*

The Company has agreements with developers for the construction of Class A self-storage properties in high-barrier-to-entry locations. These agreements are structured as either purchases at completion of construction and issuance of certificate of occupancy (“C/O”) or as joint venture developments. During the first quarter of 2017, the Company opened for operation a wholly-owned development property in North Palm Beach, Florida for a total investment of \$9.7 million.

As of March 31, 2017, the Company had four properties under contract to purchase at C/O for a total acquisition price of \$61.1 million. The stores are located in Illinois (2) and Florida (2). The purchase of the four properties is expected to occur at various times between the second and fourth quarters of 2017. These



acquisitions are subject to due diligence and other customary closing conditions, and no assurance can be provided that these acquisitions will be completed on the terms described, or at all. Subsequent to March 31, 2017, the Company acquired one of the properties located in Illinois at C/O for \$11.2 million.

As of March 31, 2017, the Company had six joint venture development properties and one wholly owned project under development. The Company anticipates investing a total of \$311.2 million related to these projects and had invested \$152.5 million of that total as of March 31, 2017. These stores are located in New York (5), Massachusetts (1), and Washington, D.C. (1). The seven projects are expected to open at various times between the second quarter of 2017 and the fourth quarter of 2018.

### **Third-Party Management**

As of March 31, 2017, the Company's third-party management program included 356 stores totaling 23.0 million square feet. During the quarter ended March 31, 2017, the Company added 44 stores to its third-party management program.

### **Same-Store Results**

The Company's same-store portfolio at March 31, 2017 included 432 stores containing approximately 29.5 million rentable square feet, or approximately 89.6% of the aggregate rentable square feet of the Company's 476 owned stores. These same-store properties represented approximately 93.0% of property net operating income for the quarter ended March 31, 2017.

Same-store physical occupancy at period end for the first quarter of 2017 was 92.7%, compared with 92.2% for the same quarter of last year. Same-store revenues for the first quarter of 2017 increased 5.4%, and same-store operating expenses increased 4.1% from the same quarter in 2016. Same-store net operating income increased 6.0%, as compared with the same period in 2016.

### **Operating Results**

As of March 31, 2017, the Company's total owned portfolio included 476 stores containing 32.9 million rentable square feet and had a physical occupancy of 90.7%.

Revenues increased \$14.2 million and property operating expenses increased \$4.7 million in the first quarter of 2017, as compared with the same period in 2016. Increases in revenues were primarily attributable to increased net effective rents and occupancy levels in the same-store portfolio as well as revenues generated from property acquisitions and recently opened development properties. Increases in property operating expenses were primarily attributable to a \$1.4 million increase in same-store expenses and a \$2.7 million of increased expenses associated with newly acquired stores.

Interest expense increased from \$12.1 million during the three months ended March 31, 2016 to \$13.6 million during the three months ended March 31, 2017, an increase of \$1.5 million. The increase is attributable to a higher amount of outstanding debt during the 2017 period, partially offset by lower interest rates during the 2017 period. To fund a portion of the Company's growth, the average debt balance during the three months ended March 31, 2017 increased approximately \$339 million from the same period in 2016 from \$1,285 million to \$1,624 million. The weighted average effective interest rate on our outstanding debt decreased from 3.98% for the three months ended March 31, 2016 to 3.71% for the three months ended March 31, 2017.

The Company reported net income attributable to the Company's common shareholders of \$25.0 million, or \$0.14 per common share, in the first quarter of 2017, compared with net income attributable to the Company's common shareholders of \$14.2 million, or \$0.08 per common share, in the first quarter of 2016.

## Financing Activity

During the quarter, the Company did not sell any common shares of beneficial interest through its "at-the-market" equity program ("ATM"). As of March 31, 2017, the Company had 5.8 million shares available for issuance under the existing equity distribution agreements.

On April 4, 2017, the Operating Partnership issued \$50.0 million of its 4.375% Senior Notes due 2023 (the "2023 Notes") and \$50.0 million of its 4.000% Senior Notes due 2025 (the "2025 Notes"). The 2023 Notes are part of the same series as the \$250.0 million principal amount of 2023 notes that the Operating Partnership issued on December 17, 2013. The 2023 Notes were priced at 105.040% of the principal amount to yield 3.495% to maturity. The 2025 Notes are part of the same series as the \$250.0 million principal amount of 2025 notes that the Operating Partnership issued on October 26, 2015. The 2025 Notes were priced at 101.343% of the principal amount to yield 3.811% to maturity. Net proceeds from the offerings were used to repay the Company's unsecured term loan that was scheduled to mature in June 2018. Unamortized loan procurement costs of \$0.2 million were written off in conjunction with the repayment.

## Quarterly Dividend

On February 14, 2017, the Company declared a dividend of \$0.27 per common share. The dividend was paid on April 17, 2017 to common shareholders of record on April 3, 2017.

## 2017 Financial Outlook

"With our April issuance of \$100 million of senior unsecured notes through the re-opening of the previously issued 2023 and 2025 bonds and subsequent repayment of our \$100 million term loan due in 2018, we now have no debt maturing until 2019," commented Chief Financial Officer Tim Martin. "Additionally, we have extended our weighted average debt maturity to 6.2 years, and positioned our balance sheet to take advantage of external growth opportunities that meet our high-quality criteria."

The Company is maintaining its previously issued estimates and underlying assumptions for 2017 guidance. Fully diluted FFO per share, as adjusted, for 2017 is expected to be between \$1.52 and \$1.57. The Company's estimates are based on the following key operating assumptions:

- For 2017, a same-store pool consisting of 432 properties totaling 29.5 million square feet
- Same-store net operating income ("NOI") growth of 4.0% to 5.0% over 2016, driven by revenue growth of 3.75% to 4.75% and expense growth of 4.0% to 5.0%
- General and administrative expenses of approximately \$35.0 million to \$36.0 million

Key investment and financing assumptions include:

- Impact of development activity:
  - Four new stores opened in 2015 for a total investment of \$65.1 million.
  - Five new stores opened in 2016 for a total investment of \$133.4 million.



- Two new wholly-owned development properties and two new joint venture development properties are expected to open in 2017 for a total investment of \$159.2 million, of which one property opened in the first quarter for \$9.7 million.
  - Four new stores are expected to be acquired at C/O in 2017 for a total investment of \$61.1 million, of which one property was acquired at C/O subsequent to quarter end for \$11.2 million.
  - Approximately \$0.06 to \$0.07 per share of dilution in 2017 related to development activity.
- Impact of financing activity:
    - Funding 2017 debt maturities and our acquisition and development commitments with long-term capital, with specific impact to 2017 earnings dependent upon the amount, timing, cost and form of capital we raise.

Due to uncertainty related to the timing and terms of transactions, the impact of any potential future speculative investment activity not contemplated above, is excluded from guidance. For 2017, the Company is targeting \$25 million to \$75 million of acquisitions, excluding contracts related to joint venture development or purchase at completion of construction and issuance of C/O investments discussed above, and \$0 to \$50 million of dispositions.

<u>2017 Full Year Guidance</u>	<u>Range or Value</u>	
Earnings per diluted share allocated to common shareholders	\$ 0.70	to \$ 0.75
Plus: real estate depreciation and amortization	<u>0.82</u>	<u>0.82</u>
FFO per diluted share, as adjusted	<u>\$ 1.52</u>	<u>to \$ 1.57</u>

The Company estimates that its fully diluted FFO, as adjusted, per share for the quarter ending June 30, 2017 will be between \$0.38 and \$0.39, and that its fully diluted earnings per share for the period will be between \$0.17 and \$0.18.

<u>2nd Quarter 2017 Guidance</u>	<u>Range or Value</u>	
Earnings per diluted share allocated to common shareholders	\$ 0.17	to \$ 0.18
Plus: real estate depreciation and amortization	<u>0.21</u>	<u>0.21</u>
FFO per diluted share, as adjusted	<u>\$ 0.38</u>	<u>to \$ 0.39</u>

## Conference Call

Management will host a conference call at 11:00 a.m. ET on Friday, April 28, 2017 to discuss financial results for the three months ended March 31, 2017.

A live webcast of the conference call will be available online from the investor relations page of the Company's corporate website at [www.CubeSmart.com](http://www.CubeSmart.com). Telephone participants may avoid any delays in joining the conference call by pre-registering for the call using the following link to receive a special dial-in number and PIN: <http://dpreregister.com/10104336>.

Telephone participants who are unable to pre-register for the conference call may join on the day of the call using 1-877-506-3281 for domestic callers, +1-412-902-6677 for international callers, or 1-855-669-9657 for callers in Canada. After the live webcast, the call will remain available on CubeSmart's website for 30 days. In addition, a telephonic replay of the call will be available through May 28, 2017. The replay numbers are 1-877-344-7529 for domestic callers, +1-412-317-0088 for international callers, and 1-855-669-9658 for callers in Canada. For callers accessing a telephonic replay, the conference number is 10104336.

Supplemental operating and financial data as of March 31, 2017 is available on the Company's corporate website under Investor Relations - Financial Information - Financial Reports.

## **About CubeSmart**

CubeSmart is a self-administered and self-managed real estate investment trust. The Company's self-storage properties are designed to offer affordable, easily accessible and secure storage space for residential and commercial customers. According to the 2017 Self-Storage Almanac, CubeSmart is one of the top three owners and operators of self-storage properties in the United States.

## **Non-GAAP Financial Measures**

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FFO, as adjusted represents FFO as defined above, excluding the effects of acquisition related costs, gains or losses from early extinguishment of debt, and other non-recurring items, which the Company believes are not indicative of the Company's operating results.

The Company defines net operating income, which it refers to as "NOI," as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income (loss): interest expense on loans, loan procurement amortization expense, loan procurement amortization expense – early repayment of debt, acquisition related costs, equity in losses of real estate ventures, other expense, depreciation and amortization expense, general and administrative expense, and deducting from net income (loss): gains from sale of real estate, net, other income, gains from remeasurement of investments in real estate ventures and interest income. NOI is not a measure of performance calculated in accordance with GAAP.

Management uses NOI as a measure of operating performance at each of its stores, and for all of its stores in the aggregate. NOI should not be considered as a substitute for operating income, net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP.

## Forward-Looking Statements

This presentation, together with other statements and information publicly disseminated by CubeSmart (“we,” “us,” “our” or the “Company”), contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the “Exchange Act.” Forward-looking statements include statements concerning the Company’s plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as “believes,” “expects,” “estimates,” “may,” “will,” “should,” “anticipates,” or “intends” or the negative of such terms or other comparable terminology, or by discussions of strategy. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. As a result, you should not rely on or construe any forward-looking statements in this presentation, or which management may make orally or in writing from time to time, as predictions of future events or as guarantees of future performance. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation or as of the dates otherwise indicated in the statements. All of our forward-looking statements, including those in this presentation, are qualified in their entirety by this statement.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this presentation. Any forward-looking statements should be considered in light of the risks and uncertainties referred to in Item 1A. “Risk Factors” in our Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission (“SEC”). These risks include, but are not limited to, the following:

- national and local economic, business, real estate and other market conditions;
- the competitive environment in which we operate, including our ability to maintain or raise occupancy and rental rates;
- the execution of our business plan;
- the availability of external sources of capital;
- financing risks, including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt and potential inability to refinance existing indebtedness;
- increases in interest rates and operating costs;
- counterparty non-performance related to the use of derivative financial instruments;
- our ability to maintain our status as a real estate investment trust (“REIT”) for federal income tax purposes;
- acquisition and development risks;

- increases in taxes, fees, and assessments from state and local jurisdictions;
- risks of investing through joint ventures;
- changes in real estate and zoning laws or regulations;
- risks related to natural disasters;
- potential environmental and other liabilities;
- other factors affecting the real estate industry generally or the self-storage industry in particular; and
- other risks identified in Item 1A of our Annual Report on Form 10-K and, from time to time, in other reports that we file with the SEC or in other documents that we publicly disseminate.

Given these uncertainties, we caution readers not to place undue reliance on forward-looking statements. We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.

Contact:

CubeSmart  
Charles Place  
Director, Investor Relations  
(610) 535-5700

**CUBESMART  
FINANCIAL HIGHLIGHTS**

(unaudited, in thousands, except per share data)

This section includes non-GAAP financial measures, which are accompanied by what we consider the most directly comparable financial measures calculated and presented in accordance with GAAP.

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>Selected Financial Information:</b>					
<b>Total portfolio:</b>					
Revenue from continuing operations	\$ 133,037	\$ 132,546	\$ 132,096	\$ 126,526	\$ 118,871
EBITDA from continuing operations	\$ 78,510	\$ 80,932	\$ 81,338	\$ 74,465	\$ 68,082
Net income attributable to the Company	\$ 24,986	\$ 26,847	\$ 24,884	\$ 20,424	\$ 15,750
Funds from operations (FFO)	\$ 65,519	\$ 65,068	\$ 67,765	\$ 62,832	\$ 55,710
FFO, as adjusted	\$ 65,678	\$ 68,967	\$ 68,653	\$ 65,436	\$ 58,188
FFO per share - fully diluted	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.35	\$ 0.31
FFO, as adjusted per share - fully diluted	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.36	\$ 0.32
Earnings per share - basic	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
Earnings per share - diluted	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
Dividends per common share and unit	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21	\$ 0.21
Dividends per preferred share, series A	\$ -	\$ 0.1737	\$ 0.4844	\$ 0.4844	\$ 0.4844
FFO payout ratio (1)	75.0%	71.1%	55.3%	58.3%	65.6%
Total assets	\$ 3,466,115	\$ 3,475,028	\$ 3,519,199	\$ 3,362,509	\$ 3,206,687
Total gross assets (total assets plus accumulated depreciation)	\$ 4,159,261	\$ 4,146,392	\$ 4,204,970	\$ 4,015,166	\$ 3,829,511
Realized annual rent per occupied square foot (3) (6)	\$ 15.76	\$ 15.88	\$ 15.81	\$ 15.42	\$ 15.07
In place annual rent per occupied square foot (2) (6)	\$ 16.65	\$ 16.73	\$ 16.60	\$ 16.12	\$ 15.92
Scheduled annual rent per square foot (4) (6)	\$ 16.39	\$ 16.68	\$ 17.30	\$ 17.39	\$ 16.28
<b>Same-store:</b>					
Revenue	\$ 118,549	\$ 119,127	\$ 120,701	\$ 117,366	\$ 112,472
Expense	\$ 35,330	\$ 33,169	\$ 34,036	\$ 34,216	\$ 33,945
NOI	\$ 83,219	\$ 85,958	\$ 86,665	\$ 83,150	\$ 78,527
Gross margin	70.2%	72.2%	71.8%	70.8%	69.8%
Period ending occupancy	92.7%	91.8%	93.1%	94.4%	92.2%
Period average occupancy	92.2%	92.3%	93.8%	93.6%	91.8%
Total rentable square feet	29,504				
REVPAF (5)	\$ 14.55	\$ 14.62	\$ 14.81	\$ 14.38	\$ 13.81
Realized annual rent per occupied square foot (3)	\$ 15.78	\$ 15.85	\$ 15.78	\$ 15.37	\$ 15.05
In place annual rent per occupied square foot (2)	\$ 16.63	\$ 16.66	\$ 16.50	\$ 16.04	\$ 15.88
Scheduled annual rent per square foot (4)	\$ 16.17	\$ 16.36	\$ 16.86	\$ 17.01	\$ 16.04
<b>Capitalization:</b>					
Total Debt	\$ 1,598,960	\$ 1,595,743	\$ 1,552,729	\$ 1,429,584	\$ 1,296,494
Price per common share at quarter end	\$ 25.96	\$ 26.77	\$ 27.26	\$ 30.88	\$ 33.30
Price per preferred share at quarter end	\$ -	\$ -	\$ 25.16	\$ 25.81	\$ 26.25
Market Equity Value at quarter end	\$ 4,730,042	\$ 4,875,219	\$ 5,041,497	\$ 5,652,955	\$ 6,051,632
Total Market Capitalization	\$ 6,329,002	\$ 6,470,962	\$ 6,594,226	\$ 7,082,539	\$ 7,348,126
Total Debt/Total Gross Assets	38.4%	38.5%	36.9%	35.6%	33.9%
Total Debt/Total Market Capitalization	25.3%	24.7%	23.5%	20.2%	17.6%
<b>Shares and Units:</b>					
Closing Common Shares outstanding (excluding unvested restricted shares)	180,174	180,083	179,859	178,250	177,127
Closing Operating Partnership Units outstanding	2,031	2,032	2,221	2,221	2,160
Closing total Common Shares and Operating Partnership Units outstanding	182,205	182,115	182,080	180,471	179,287
Average Common Shares outstanding (excluding unvested restricted shares)	180,165	180,053	179,223	177,880	175,798
Average Operating Partnership Units outstanding	2,032	2,043	2,221	2,209	2,160
Average total Common Shares and Operating Partnership Units outstanding	182,197	182,096	181,444	180,089	177,958
Total weighted-average shares and units outstanding (including dilutive effect of options)	183,297	183,276	182,699	181,430	179,421
Closing Preferred Shares outstanding	-	-	3,100	3,100	3,100

- (1) Payout ratio represents common distributions declared per share during the period divided by FFO per share, as adjusted.  
(2) In place annual rent per occupied square foot represents the average annualized contractual rents per occupied square foot for the quarter without reductions for promotional discounts and excluding late charges and administrative fees.  
(3) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.  
(4) Scheduled annual rent per square foot represents annualized asking rents per available square foot for the period.  
(5) Realized annual rent per available foot or "REVPAF" is computed by dividing rental income (which excludes late charges and administrative fees) by the total available net rentable square feet for the period.  
(6) Excludes assets that were classified as held for sale or were not owned for the entirety of the respective quarter.

**CUBESMART**  
**BALANCE SHEETS**  
*(unaudited, in thousands)*

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>ASSETS</b>					
Storage properties	\$ 4,020,366	\$ 3,998,180	\$ 3,968,754	\$ 3,861,096	\$ 3,679,665
Less: Accumulated depreciation	(693,146)	(671,364)	(685,771)	(652,657)	(622,824)
Storage properties, net	3,327,220	3,326,816	3,282,983	3,208,439	3,056,841
Cash and cash equivalents	3,081	2,973	87,379	3,423	2,754
Restricted cash	6,556	7,893	8,052	9,017	2,652
Loan procurement costs, net of amortization	2,038	2,150	2,313	2,475	2,637
Investment in real estate ventures, at equity	95,936	98,682	97,405	99,915	100,477
Other assets, net	31,284	36,514	41,067	39,240	41,326
Total assets	<u>\$ 3,466,115</u>	<u>\$ 3,475,028</u>	<u>\$ 3,519,199</u>	<u>\$ 3,362,509</u>	<u>\$ 3,206,687</u>
<b>LIABILITIES AND EQUITY</b>					
Unsecured senior notes, net	\$ 1,039,423	\$ 1,039,076	\$ 1,038,728	\$ 742,402	\$ 742,153
Revolving credit facility	53,000	43,300	-	150,000	54,300
Unsecured term loans, net	398,890	398,749	398,608	398,466	398,325
Mortgage loans and notes payable, net	107,647	114,618	115,393	138,716	101,716
Accounts payable, accrued expenses and other liabilities	104,200	93,764	93,854	96,795	96,245
Distributions payable	49,255	49,239	39,781	39,449	39,210
Deferred revenue	21,132	20,226	20,141	19,868	18,673
Security deposits	415	412	420	402	397
Total liabilities	<u>1,773,962</u>	<u>1,759,384</u>	<u>1,706,925</u>	<u>1,586,098</u>	<u>1,451,019</u>
Noncontrolling interests in the Operating Partnership	52,735	54,407	60,541	68,581	71,916
Commitments and contingencies					
Equity					
7.75% Series A Preferred shares	-	-	31	31	31
Common shares	1,802	1,801	1,799	1,782	1,771
Additional paid in capital	2,313,350	2,314,014	2,381,836	2,332,742	2,299,527
Accumulated other comprehensive loss	(1,023)	(1,850)	(3,247)	(4,623)	(5,302)
Accumulated deficit	(680,919)	(658,583)	(634,248)	(627,689)	(613,734)
Total CubeSmart shareholders' equity	<u>1,633,210</u>	<u>1,655,382</u>	<u>1,746,171</u>	<u>1,702,243</u>	<u>1,682,293</u>
Noncontrolling interest in subsidiaries	6,208	5,855	5,562	5,587	1,459
Total equity	<u>1,639,418</u>	<u>1,661,237</u>	<u>1,751,733</u>	<u>1,707,830</u>	<u>1,683,752</u>
Total liabilities and equity	<u>\$ 3,466,115</u>	<u>\$ 3,475,028</u>	<u>\$ 3,519,199</u>	<u>\$ 3,362,509</u>	<u>\$ 3,206,687</u>



**CUBESMART**  
**STATEMENTS OF OPERATIONS - TRAILING FIVE QUARTERS**  
*(unaudited, in thousands, except per share data)*

	Three months ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>REVENUES</b>					
Rental income	\$ 117,057	\$ 116,650	\$ 116,416	\$ 111,538	\$ 104,997
Other property related income	12,983	12,842	13,007	12,643	11,763
Property management fee income	2,997	3,054	2,673	2,345	2,111
Total revenues	<u>133,037</u>	<u>132,546</u>	<u>132,096</u>	<u>126,526</u>	<u>118,871</u>
<b>OPERATING EXPENSES</b>					
Property operating expenses	44,874	42,216	41,805	41,607	40,219
Depreciation and amortization	38,119	39,234	41,827	41,448	39,356
General and administrative	9,494	8,639	8,065	7,891	8,228
Acquisition related costs	159	759	888	2,563	2,342
Total operating expenses	<u>92,646</u>	<u>90,848</u>	<u>92,585</u>	<u>93,509</u>	<u>90,145</u>
<b>OPERATING INCOME</b>	<u>40,391</u>	<u>41,698</u>	<u>39,511</u>	<u>33,017</u>	<u>28,726</u>
<b>OTHER (EXPENSE) INCOME</b>					
Interest:					
Interest expense on loans	(13,599)	(13,328)	(12,787)	(12,200)	(12,084)
Loan procurement amortization expense	(706)	(706)	(655)	(611)	(605)
Equity in losses of real estate ventures	(772)	(845)	(581)	(724)	(512)
Other	(108)	228	(397)	901	330
Total other expense	<u>(15,185)</u>	<u>(14,651)</u>	<u>(14,420)</u>	<u>(12,634)</u>	<u>(12,871)</u>
<b>NET INCOME</b>	<u>25,206</u>	<u>27,047</u>	<u>25,091</u>	<u>20,383</u>	<u>15,855</u>
<b>NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>					
Noncontrolling interests in the Operating Partnership	(277)	(259)	(283)	(227)	(172)
Noncontrolling interests in subsidiaries	57	59	76	268	67
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY</b>	<u>24,986</u>	<u>26,847</u>	<u>24,884</u>	<u>20,424</u>	<u>15,750</u>
Distribution to preferred shareholders	-	(539)	(1,502)	(1,502)	(1,502)
Preferred share redemption charge	-	(2,937)	-	-	-
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS</b>	<u>\$ 24,986</u>	<u>\$ 23,371</u>	<u>\$ 23,382</u>	<u>\$ 18,922</u>	<u>\$ 14,248</u>
Basic earnings per share attributable to common shareholders	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
Diluted earnings per share attributable to common shareholders	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
Weighted-average basic shares outstanding	180,165	180,053	179,223	177,880	175,798
Weighted-average diluted shares outstanding	181,265	181,232	180,478	179,221	177,261

**CUBESMART**  
**SAME-STORE PORTFOLIO NET OPERATING INCOME**  
*(unaudited, in thousands)*

	Three months ended March 31,		Percent Change
	2017	2016	
<b>REVENUES</b>			
Rental income	\$ 107,353	\$ 101,849	5.4%
Other property related income	11,196	10,623	5.4%
Total revenues	<u>118,549</u>	<u>112,472</u>	5.4%
<b>OPERATING EXPENSES</b>			
Property taxes	12,792	11,768	8.7%
Personnel expense	9,844	9,773	0.7%
Advertising	1,672	1,459	14.6%
Repair and maintenance	1,327	1,175	12.9%
Utilities	3,658	3,820	-4.2%
Property insurance	714	939	-24.0%
Other expenses	5,323	5,011	6.2%
Total operating expenses	<u>35,330</u>	<u>33,945</u>	4.1%
Net operating income (1)	<u>\$ 83,219</u>	<u>\$ 78,527</u>	6.0%
Gross margin	70.2%	69.8%	
Period end occupancy (2)	92.7%	92.2%	
Period average occupancy (3)	92.2%	91.8%	
Total rentable square feet	29,504		
Realized annual rent per occupied square foot (4)	\$ 15.78	\$ 15.05	4.9%
Scheduled annual rent per square foot (5)	\$ 16.17	\$ 16.04	0.8%

**Reconciliation of Same-Store Net Operating Income to Operating Income**

Same-store net operating income (1)	\$ 83,219	\$ 78,527
Non same-store net operating income (1)	6,257	1,772
Indirect property overhead (6)	(1,313)	(1,647)
Depreciation and amortization	(38,119)	(39,356)
General and administrative expense	(9,494)	(8,228)
Acquisition related costs	<u>(159)</u>	<u>(2,342)</u>
Operating Income	<u>\$ 40,391</u>	<u>\$ 28,726</u>

- (1) Net operating income (NOI) is a non-GAAP (generally accepted accounting principles) financial measure that excludes from operating income the impact of depreciation and general & administrative expense.
- (2) Represents occupancy at March 31 of the respective year.
- (3) Represents the weighted average occupancy for the period.
- (4) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.
- (5) Scheduled annual rent per square foot represents annualized asking rents per available square foot for the period.
- (6) Includes property management income earned in conjunction with managed properties.

**CUBESMART**  
**SAME-STORE PORTFOLIO NET OPERATING INCOME - TRAILING FIVE QUARTERS**  
*(unaudited, in thousands)*

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>REVENUES</b>					
Rental income	\$ 107,353	\$ 107,863	\$ 109,214	\$ 106,051	\$ 101,849
Other property related income	11,196	11,264	11,487	11,315	10,623
Total revenues	<u>118,549</u>	<u>119,127</u>	<u>120,701</u>	<u>117,366</u>	<u>112,472</u>
<b>OPERATING EXPENSES</b>					
Property taxes	12,792	11,499	11,588	11,986	11,768
Personnel expense	9,844	9,558	9,659	9,512	9,773
Advertising	1,672	1,592	1,999	2,505	1,459
Repair and maintenance	1,327	1,623	1,407	1,457	1,175
Utilities	3,658	3,523	3,897	3,160	3,820
Property insurance	714	709	712	820	939
Other expenses	5,323	4,665	4,774	4,776	5,011
Total operating expenses	<u>35,330</u>	<u>33,169</u>	<u>34,036</u>	<u>34,216</u>	<u>33,945</u>
Net operating income (1)	<u>\$ 83,219</u>	<u>\$ 85,958</u>	<u>\$ 86,665</u>	<u>\$ 83,150</u>	<u>\$ 78,527</u>
Gross margin	70.2%	72.2%	71.8%	70.8%	69.8%
Period end occupancy (2)	92.7%	91.8%	93.1%	94.4%	92.2%
Period average occupancy (3)	92.2%	92.3%	93.8%	93.6%	91.8%
Total rentable square feet	29,504				
Realized annual rent per occupied square foot (4)	\$ 15.78	\$ 15.85	\$ 15.78	\$ 15.37	\$ 15.05
Scheduled annual rent per square foot (5)	\$ 16.17	\$ 16.36	\$ 16.86	\$ 17.01	\$ 16.04
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>					
Same-store net operating income (1)	\$ 83,219	\$ 85,958	\$ 86,665	\$ 83,150	\$ 78,527
Non same-store net operating income (1)	6,257	5,464	4,503	3,523	1,772
Indirect property overhead (6)	(1,313)	(1,092)	(877)	(1,754)	(1,647)
Depreciation and amortization	(38,119)	(39,234)	(41,827)	(41,448)	(39,356)
General and administrative expense	(9,494)	(8,639)	(8,065)	(7,891)	(8,228)
Acquisition related costs	(159)	(759)	(888)	(2,563)	(2,342)
Operating Income	<u>\$ 40,391</u>	<u>\$ 41,698</u>	<u>\$ 39,511</u>	<u>\$ 33,017</u>	<u>\$ 28,726</u>

- (1) Net operating income (NOI) is a non-GAAP (generally accepted accounting principles) financial measure that excludes from operating income the impact of depreciation and general & administrative expense.  
(2) Represents occupancy at the respective period end.  
(3) Represents the weighted average occupancy for the period.  
(4) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.  
(5) Scheduled annual rent per square foot represents annualized asking rents per available square foot for the period.  
(6) Includes property management income earned in conjunction with managed properties.

**CUBESMART**  
**CONSOLIDATED STATEMENTS OF NET OPERATING INCOME**  
*(unaudited, in thousands)*

For the three months ended March 31, 2017 and 2016

	Same-Store Property Portfolio			Non-Same-Store Properties		Other/ Eliminations		Total Portfolio		
	2017	2016	Increase/ (Decrease)	2017	2016	2017	2016	2017	2016	Increase/ (Decrease)
<b>REVENUES:</b>										
Rental income	\$ 107,353	\$ 101,849	\$ 5,504	\$ 9,704	\$ 3,148	\$ -	\$ -	\$ 117,057	\$ 104,997	\$ 12,060
Other property related income	11,196	10,623	573	947	316	840	824	12,983	11,763	1,220
Property management fee income	-	-	-	-	-	2,997	2,111	2,997	2,111	886
Total revenues	118,549	112,472	6,077	10,651	3,464	3,837	2,935	133,037	118,871	14,166
<b>OPERATING EXPENSES:</b>										
Property operating expenses	35,330	33,945	1,385	4,394	1,692	5,150	4,582	44,874	40,219	4,655
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 83,219</b>	<b>\$ 78,527</b>	<b>\$ 4,692</b>	<b>\$ 6,257</b>	<b>\$ 1,772</b>	<b>\$ (1,313)</b>	<b>\$ (1,647)</b>	<b>\$ 88,163</b>	<b>\$ 78,652</b>	<b>\$ 9,511</b>
Store count	432	432		44	24			476	456	
Total square footage	29,504	29,504		3,427	1,846			32,931	31,350	
Period end occupancy	92.7%	92.2%		73.5%	59.4%			90.7%	90.3%	
Period average occupancy	92.2%	91.8%								
Realized annual rent per occupied square foot	\$ 15.78	\$ 15.05								

**SAME-STORE PERFORMANCE BREAKDOWN**

For the three months ended March 31, 2017 and 2016

Same-Store Pool	# of Properties	Total Square Feet	Occupancy		Year Over Year Change			
			3/31/2017	3/31/2016	Occupancy	Revenue	Expense	NOI
2017 Same-Store Pool	432	29,504	92.7%	92.2%	0.5%	5.4%	4.1%	6.0%
2016 Same-Store Pool (1)	406	27,764	92.6%	92.3%	0.3%	5.0%	4.2%	5.4%
2015 Same-Store Pool (2)	351	23,715	92.6%	92.4%	0.2%	4.6%	4.4%	4.7%

(1) Represents the subset of properties in the 2017 same-store pool that were in our same-store pool reported in 2016.

(2) Represents the subset of properties in the 2017 same-store pool that were in our same-store pool reported in 2015.

**CUBESMART**  
**FUNDS FROM OPERATIONS - TRAILING FIVE QUARTERS**

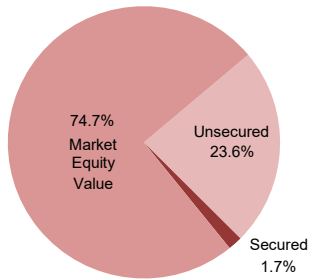
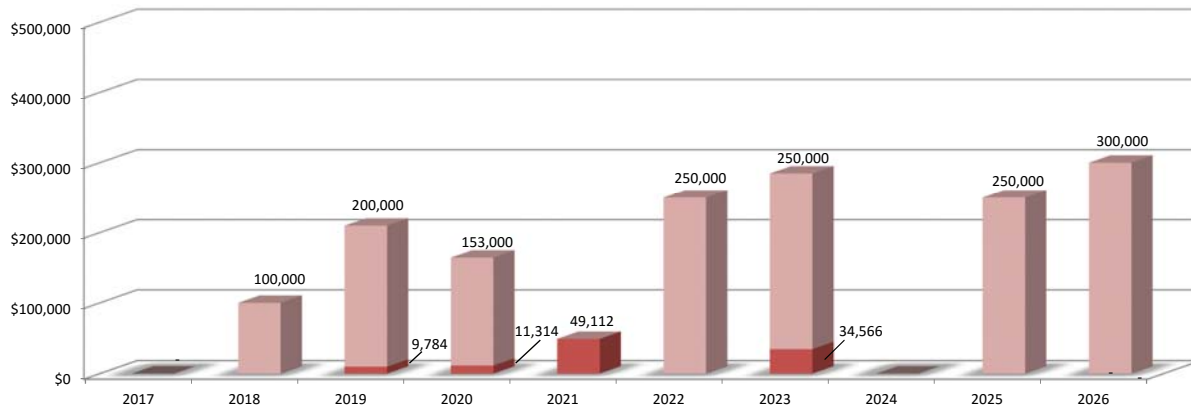
(in thousands, except per share data)

	Three months ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>Net income attributable to the Company's common shareholders</b>	\$ 24,986	\$ 23,371	\$ 23,382	\$ 18,922	\$ 14,248
Add:					
Real estate depreciation and amortization:					
Real property	37,476	38,570	41,195	40,831	38,899
Company's share of unconsolidated real estate ventures	2,780	2,868	2,905	2,852	2,391
Noncontrolling interests in the Operating Partnership	277	259	283	227	172
<b>FFO attributable to common shareholders and OP unitholders</b>	<u>\$ 65,519</u>	<u>\$ 65,068</u>	<u>\$ 67,765</u>	<u>\$ 62,832</u>	<u>\$ 55,710</u>
Add:					
Acquisition related costs (1)	159	962	888	2,604	2,478
Preferred share redemption charge	-	2,937	-	-	-
<b>FFO attributable to common shareholders and OP unitholders, as adjusted</b>	<u>\$ 65,678</u>	<u>\$ 68,967</u>	<u>\$ 68,653</u>	<u>\$ 65,436</u>	<u>\$ 58,188</u>
Earnings per share attributable to common shareholders - basic	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
Earnings per share attributable to common shareholders - diluted	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.08
FFO per share and unit - fully diluted	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.35	\$ 0.31
FFO, as adjusted per share and unit - fully diluted	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.36	\$ 0.32
Weighted-average basic shares outstanding	180,165	180,053	179,223	177,880	175,798
Weighted-average diluted shares outstanding	181,265	181,232	180,478	179,221	177,261
Weighted-average diluted shares and units outstanding	183,297	183,276	182,699	181,430	179,421
Dividend per common share and unit	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21	\$ 0.21
Payout ratio of FFO, as adjusted	75.0%	71.1%	55.3%	58.3%	65.6%

(1) Quarters ended December 31 and March 31, 2016 include \$0.2 million and \$0.1 million, respectively, of acquisition related costs that are included in the Company's share of equity in losses of real estate ventures.

**CUBESMART**  
**DEBT OVERVIEW**  
*(unaudited, dollars in thousands)*  
As of March 31, 2017

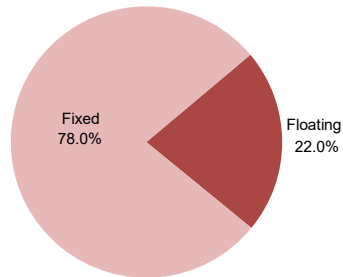
**Debt Maturity Schedule**



**Market Capitalization**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Unsecured	\$ 1,491,313	3.59%	5.9
Secured	107,647	5.22%	4.5
<b>Total Debt</b>	<b>\$ 1,598,960</b>	<b>3.70%</b>	<b>5.8</b>
Market Equity Value	4,730,042		
<b>Total Market Capitalization</b>	<b>\$ 6,329,002</b>		

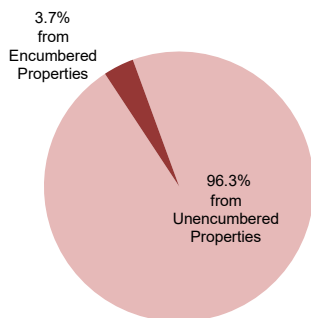
(1) Weighted average interest rate



**Floating and Fixed**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Floating Rate Debt	\$ 352,364	2.28%	1.9
Fixed Rate Debt	1,246,596	4.10%	7.0
<b>Total Debt</b>	<b>\$ 1,598,960</b>	<b>3.70%</b>	<b>5.8</b>

(1) Weighted average interest rate



**Portfolio Net Operating Income**

NOI from Unencumbered Properties <sup>(1)</sup>	96.3%
NOI from Encumbered Properties <sup>(1)</sup>	3.7%
<b>Total</b>	<b>100.0%</b>

(1) Represents respective NOI contribution from properties during the quarter



**CUBESMART  
SECURED DEBT ANALYSIS**

*(dollars in thousands)*

As of March 31, 2017

<b>FIXED RATE MORTGAGES</b>	Balance		Rate	Maturity Date
YSI 33	\$ 9,784	FIXED	6.42%	Jul-19
YSI 26	8,374	FIXED	5.45%	Nov-20
YSI 57	2,940	FIXED	5.45%	Nov-20
YSI 55	22,839	FIXED	5.30%	Jun-21
YSI 24	26,273	FIXED	5.30%	Jun-21
YSI 65	2,445	FIXED	4.72%	Jun-23
YSI 66	32,121	FIXED	4.68%	Jun-23
Total Mortgages	<u>\$ 104,776</u>		<u>5.22%</u>	

**FIXED RATE DEBT PREMIUMS**

Fixed Rate Debt Premiums	3,521		
Total Secured Debt	<u>\$ 108,297</u> (a)		<u>5.22%</u>

(a) Mortgage loans and notes payable are presented net of unamortized loan procurement costs of \$0.7 million on the Company's Balance Sheet.

**CUBESMART  
UNSECURED DEBT ANALYSIS**

*(dollars in thousands)*

As of March 31, 2017

	<u>3/31/2017 Balance</u>		<u>Rate</u>	<u>Maturity Date</u>	<u>Total Available</u>	<u>Remaining Available</u>
<b><u>LINE OF CREDIT</u></b>						
Unsecured Revolving Credit Facility	\$ 53,000	LIBOR + 1.25%	2.23% (a)	Apr-20	\$ 500,000	\$ 446,300 (c)
<b><u>UNSECURED BANK TERM LOANS</u></b>						
Unsecured Term Loan	100,000	LIBOR + 1.30%	2.28% (a)	Jun-18		
Unsecured Term Loan	200,000	LIBOR + 1.30%	2.28% (a)	Jan-19		
Unsecured Term Loan	100,000	FIXED	3.62% (b)	Jan-20		
Total Unsecured Bank Term Loans	<u>\$ 400,000</u> (d)					
<b><u>UNSECURED PUBLIC DEBT</u></b>						
Unsecured Senior Notes	250,000	FIXED	4.80%	Jul-22		
Unsecured Senior Notes	250,000	FIXED	4.38%	Dec-23		
Unsecured Senior Notes	250,000	FIXED	4.00%	Nov-25		
Unsecured Senior Notes	300,000	FIXED	3.13%	Sep-26		
Total Unsecured Debt	<u>\$1,503,000</u> (e)		<u>3.59%</u>			

(a) Rate on these borrowings calculated based on 30 day LIBOR.

(b) Rate includes the impact of interest rate swaps to fix LIBOR on \$100 million of borrowings at a blended rate of 2.47%, maturing in June 2018.

(c) The available balance under the Unsecured Revolving Credit Facility is reduced by an outstanding letter of credit of \$0.7 million.

(d) Unsecured term loans are presented net of unamortized loan procurement costs of \$1.1 million on the Company's Balance Sheet.

(e) Unsecured senior notes are presented net of \$3.8 million of unamortized original issuance discounts and \$6.7 million of unamortized loan procurement costs on the Company's Balance Sheet.

**UNSECURED SENIOR NOTES COVENANTS**

	<u>Required</u>	<u>Actual</u>
Fixed Charge Coverage Ratio	≥ 1.5x	6.5x
Leverage Ratio	≤ 60%	46.1%
Secured Debt Limitation	≤ 40%	3.1%
Unencumbered Asset Ratio	≥ 150%	218.8%

**INVESTMENT GRADE RATINGS**



**CUBESMART  
VALUE CREATION PIPELINE**  
*(in thousands)*

**New Development Properties**

Location	Expected Opening	As of March 31, 2017	
		CUBE's Investment to-date	CUBE's Anticipated Total Investment
Washington, D.C.	Q2 2017	\$ 25,300	\$ 25,400
New York, NY <sup>(1)</sup>	Q3 2017	71,800	74,290
Brooklyn, NY	Q4 2017	14,700	49,800
Bronx, NY	Q2 2018	21,800	90,000
New York, NY	Q2 2018	800	10,000
Waltham, MA	Q3 2018	3,300	16,000
Queens, NY	Q4 2018	14,800	45,700
	<b>Total</b>	<b>\$ 152,500</b>	<b>\$ 311,190</b>

**Store Acquisitions at C/O <sup>(2)</sup>**

Location	Expected Opening	Contract Price
Riverwoods, IL	Q2 2017	\$ 11,200
Chicago, IL	Q4 2017	11,300
Miami, FL	Q4 2017	20,800
Delray Beach, FL	Q4 2017	17,750
	<b>Total</b>	<b>\$ 61,050</b>



(1) CUBE's anticipated total investment in this development property includes a \$29.3 million mortgage loan assumed at acquisition.

(2) These stores will be purchased upon completion and are subject to due diligence and other customary closing conditions. No assurance can be provided that these acquisitions will be completed on the terms described, or at all.

**CUBESMART  
DEVELOPMENT COMPLETIONS**

*(dollars in thousands)*

**New Development Properties**

Location	Date Completed	Total Rentable Square Feet	Total Cost	Ending Occupancy		Revenue for the Three Months Ended		Expenses for the Three Months Ended		NOI for the Three Months Ended	
				March 31,		March 31,		March 31,		March 31,	
				2017	2016	2017	2016	2017	2016	2017	2016
Arlington, VA <sup>(1)</sup>	Q2 2015	96,144	\$ 17,100	72.5%	54.3%	\$ 473	\$ 327	\$ 168	\$ 105	\$ 305	\$ 222
Queens, NY <sup>(1)</sup>	Q4 2015	74,238	17,400	51.3%	13.0%	235	22	113	124	122	(102)
Brooklyn, NY <sup>(1)</sup>	Q4 2015	56,025	14,800	51.2%	10.4%	233	17	139	68	94	(51)
Queens, NY	Q1 2016	91,018	31,800	57.3%	11.7%	301	14	141	44	160	(30)
Bronx, NY	Q2 2016	90,325	32,200	26.0%	0.0%	133	-	229	126	(96)	(126)
North Palm Beach, FL <sup>(2)</sup>	Q1 2017	46,310	9,700	8.9%	0.0%	6	-	49	-	(43)	-
<b>Total</b>		<b>454,060</b>	<b>\$ 123,000</b>			<b>\$ 1,381</b>	<b>\$ 380</b>	<b>\$ 839</b>	<b>\$ 467</b>	<b>\$ 542</b>	<b>\$ (87)</b>

**Store Acquisitions at C/O**

Location	Date Completed	Total Rentable Square Feet	Total Cost	Ending Occupancy		Revenue for the Three Months Ended		Expenses for the Three Months Ended		NOI for the Three Months Ended	
				March 31,		March 31,		March 31,		March 31,	
				2017	2016	2017	2016	2017	2016	2017	2016
Long Island City, NY	Q4 2014	88,825	\$ 38,000	66.1%	43.3%	\$ 453	\$ 307	\$ 157	\$ 148	\$ 296	\$ 159
Dallas, TX	Q2 2015	114,550	15,800	64.1%	37.1%	251	145	167	126	84	19
Brooklyn, NY	Q1 2016	109,846	48,500	33.6%	16.6%	305	63	147	96	158	(33)
Fort Worth, TX	Q2 2016	77,654	10,100	30.8%	0.0%	73	-	160	-	(87)	-
Grapevine, TX	Q2 2016	77,344	10,800	29.3%	0.0%	85	-	86	-	(1)	-
<b>Total</b>		<b>468,219</b>	<b>\$ 123,200</b>			<b>\$ 1,167</b>	<b>\$ 515</b>	<b>\$ 717</b>	<b>\$ 370</b>	<b>\$ 450</b>	<b>\$ 145</b>

(1) The company owns a 90% interest in this property.

(2) This store opened for operation on January 20, 2017.



**CUBESMART**  
**SAME STORE OPERATING PERFORMANCE - BY MSA**  
*(in thousands)*

MSA	# of Stores	Total Rentable Square Feet	Realized Annual Rent per Occupied Sq. Ft.	Average Occupancy for the Three Months Ended March 31,		Revenue for the Three Months Ended March 31,			Expenses for the Three Months Ended March 31,			NOI for the Three Months Ended March 31,		
				2017	2016	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
New York-Northern New Jersey-Long Island, NY-NJ-PA	53	3,657,203	\$ 26.95	91.2%	91.4%	\$ 24,786	\$ 23,933	3.6%	\$ 6,924	\$ 6,591	5.1%	\$ 17,862	\$ 17,342	3.0%
Chicago-Naperville-Joliet, IL-IN-WI	38	2,385,343	13.98	92.5%	90.8%	8,521	8,153	4.5%	3,761	3,475	8.2%	4,760	4,678	1.8%
Miami-Fort Lauderdale-Pompano Beach, FL	35	2,775,338	17.24	93.6%	93.8%	12,281	11,541	6.4%	3,349	3,246	3.2%	8,932	8,296	7.7%
Dallas-Fort Worth-Arlington, TX	28	1,901,612	13.61	91.7%	91.9%	6,464	6,228	3.8%	2,197	2,031	8.2%	4,266	4,196	1.7%
Washington-Arlington-Alexandria, DC-VA-MD-WV	22	1,764,082	19.74	92.1%	90.9%	8,734	8,249	5.9%	2,156	2,177	-1.0%	6,578	6,072	8.3%
Atlanta-Sandy Springs-Marietta, GA	18	1,316,817	12.21	91.3%	92.4%	4,113	3,863	6.5%	1,072	1,061	1.0%	3,041	2,802	8.5%
Riverside-San Bernardino-Ontario, CA	16	1,144,038	11.63	95.2%	93.9%	3,606	3,251	10.9%	959	1,048	-8.5%	2,647	2,203	20.2%
Phoenix-Mesa-Scottsdale, AZ	15	1,093,320	11.19	93.6%	89.8%	3,232	2,902	11.4%	875	851	2.8%	2,357	2,050	15.0%
Tucson, AZ	15	705,774	10.20	93.1%	91.3%	1,932	1,840	5.0%	637	604	5.5%	1,296	1,236	4.9%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	911,754	15.60	91.7%	90.9%	3,566	3,408	4.6%	1,098	1,085	1.2%	2,467	2,323	6.2%
Houston-Sugar Land-Baytown, TX	13	885,042	12.80	90.1%	90.9%	2,798	2,805	-0.2%	1,039	949	9.5%	1,759	1,857	-5.3%
Hartford-West Hartford-East Hartford, CT	12	619,389	11.82	93.1%	90.3%	1,896	1,777	6.7%	705	655	7.6%	1,191	1,122	6.1%
Orlando-Kissimmee, FL	10	695,222	12.20	93.1%	93.2%	2,226	2,086	6.7%	644	599	7.5%	1,582	1,487	6.4%
Columbus, OH	10	681,113	10.03	91.2%	88.1%	1,744	1,650	5.7%	743	681	9.1%	1,001	969	3.3%
Cleveland-Elyria-Mentor, OH	10	610,383	12.93	90.4%	89.0%	1,991	1,938	2.7%	660	645	2.3%	1,331	1,293	2.9%
Sacramento-Arden-Arcade-Roseville, CA	8	440,297	12.83	95.8%	94.2%	1,519	1,349	12.6%	406	376	8.0%	1,114	973	14.5%
Jacksonville, FL	7	497,703	15.13	92.7%	93.6%	1,903	1,796	6.0%	533	484	10.1%	1,369	1,312	4.3%
Austin-Round Rock, TX	7	461,851	14.23	89.1%	91.3%	1,638	1,588	3.1%	561	550	2.0%	1,077	1,038	3.8%
Denver-Aurora, CO	7	448,619	15.02	88.6%	88.6%	1,630	1,625	0.3%	442	417	6.0%	1,189	1,208	-1.6%
Boston-Cambridge-Quincy, MA-NH	7	418,780	21.07	90.3%	89.3%	2,183	2,038	7.1%	730	700	4.3%	1,453	1,338	8.6%
Nashville-Davidson-Murfreesboro-Franklin, TN	6	545,726	11.98	88.2%	90.0%	1,596	1,525	4.7%	395	392	0.8%	1,200	1,133	5.9%
San Diego-Carlsbad-San Marcos, CA	6	504,002	15.45	93.9%	94.4%	2,023	1,877	7.8%	447	417	7.2%	1,576	1,459	8.0%
Los Angeles-Long Beach-Santa Ana, CA	6	471,447	15.66	95.8%	95.0%	1,959	1,762	11.2%	369	413	-10.7%	1,590	1,349	17.9%
Cape Coral-Fort Myers, FL	5	377,275	14.52	91.7%	95.1%	1,382	1,310	5.5%	341	325	4.9%	1,041	985	5.7%
Bridgeport-Stamford-Norwalk, CT	5	280,624	21.52	91.0%	90.0%	1,468	1,448	1.4%	440	435	1.1%	1,028	1,013	1.5%
Salt Lake City, UT	4	240,023	11.28	95.3%	92.5%	731	668	9.4%	194	203	-4.4%	536	466	15.0%
Providence-New Bedford-Fall River, RI-MA	4	236,995	14.08	89.6%	92.6%	822	777	5.8%	272	270	0.7%	550	507	8.5%
Naples-Marco Island, FL	4	234,621	15.65	93.7%	93.2%	947	900	5.2%	219	217	0.9%	728	682	6.7%
Other	48	3,199,764	13.30	92.6%	92.2%	10,858	10,185	6.6%	3,162	3,048	3.7%	7,698	7,138	7.8%
<b>Total</b>	<b>432</b>	<b>29,504,157</b>	<b>\$ 15.78</b>	<b>92.2%</b>	<b>91.8%</b>	<b>\$ 118,549</b>	<b>\$ 112,472</b>	<b>5.4%</b>	<b>\$ 35,330</b>	<b>\$ 33,945</b>	<b>4.1%</b>	<b>\$ 83,219</b>	<b>\$ 78,527</b>	<b>6.0%</b>



**CUBESMART  
PROPERTIES - BY STATE**

As of March 31, 2017

State	SAME-STORE				
	Number of Stores	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Ending Occupancy March 31, 2017
Florida	74	53,501	5,524,621	18.8%	93.6%
Texas	53	29,455	3,553,763	12.0%	91.0%
New York	36	39,909	2,455,049	8.3%	91.8%
California	39	25,255	2,769,397	9.4%	95.3%
Illinois	37	21,198	2,317,739	7.9%	92.8%
Arizona	30	16,865	1,799,094	6.1%	93.7%
New Jersey	25	16,828	1,700,530	5.8%	92.5%
Georgia	18	11,003	1,316,817	4.5%	91.8%
Ohio	20	11,093	1,291,496	4.4%	91.6%
Maryland	15	12,013	1,228,120	4.2%	93.1%
Connecticut	21	9,722	1,101,257	3.7%	92.8%
Virginia	9	6,724	691,892	2.3%	93.6%
Colorado	9	4,762	558,994	1.9%	90.7%
Massachusetts	8	5,229	472,803	1.6%	91.1%
North Carolina	7	4,593	541,239	1.8%	91.9%
Tennessee	6	3,896	545,726	1.8%	89.0%
Pennsylvania	8	5,797	590,353	2.0%	91.5%
Nevada	3	1,431	172,532	0.6%	96.9%
Utah	4	2,264	240,023	0.8%	94.9%
Rhode Island	4	1,971	236,995	0.8%	89.0%
Washington DC	2	1,796	145,852	0.5%	89.1%
New Mexico	3	1,651	182,261	0.6%	94.9%
Minnesota	0	-	-	0.0%	0.0%
Indiana	1	574	67,604	0.2%	94.1%
<b>Total/Weighted Average</b>	<b>432</b>	<b>287,530</b>	<b>29,504,157</b>	<b>100.0%</b>	<b>92.7%</b>

State	TOTAL PORTFOLIO				
	Number of Stores	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Ending Occupancy March 31, 2017
Florida	78	56,294	5,794,456	17.6%	93.0%
Texas	63	36,330	4,364,664	13.3%	86.9%
New York	43	51,978	3,064,371	9.3%	83.4%
California	40	25,810	2,831,485	8.6%	95.3%
Illinois	39	22,578	2,461,149	7.5%	92.1%
Arizona	33	19,003	2,076,296	6.3%	91.9%
New Jersey	25	16,828	1,700,530	5.2%	92.5%
Georgia	18	11,003	1,316,817	4.0%	91.8%
Ohio	20	11,093	1,291,496	3.9%	91.6%
Maryland	15	12,013	1,228,120	3.7%	93.1%
Connecticut	22	10,658	1,179,432	3.6%	92.1%
Virginia	10	7,869	788,036	2.4%	91.0%
Colorado	11	5,999	697,419	2.1%	87.9%
Massachusetts	11	7,238	673,833	2.0%	87.3%
North Carolina	9	5,610	654,175	2.0%	90.8%
Tennessee	7	4,444	618,212	1.9%	86.8%
Pennsylvania	9	6,025	609,201	1.8%	91.6%
Nevada	7	4,120	529,682	1.6%	93.1%
Utah	4	2,264	240,023	0.7%	94.9%
Rhode Island	4	1,971	236,995	0.7%	89.0%
Washington DC	3	2,845	224,242	0.7%	85.5%
New Mexico	3	1,651	182,261	0.6%	94.9%
Minnesota	1	1,018	100,978	0.3%	89.9%
Indiana	1	574	67,604	0.2%	94.1%
<b>Total/Weighted Average</b>	<b>476</b>	<b>325,216</b>	<b>32,931,477</b>	<b>100.0%</b>	<b>90.7%</b>