



Second Quarter 2017  
Supplemental Information

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# CUBESMART

June 30, 2017

## Equity Research Coverage

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<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	<b>GREEN STREET ADVISORS</b> RYAN BURKE / RYAN LUMB 949.640.8780
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<b>UBS INVESTMENT RESEARCH</b> NICK YULICO / TRENT TRUJILLO 212.713.3402 / 212.713.2384	<b>WELLS FARGO SECURITIES, LLC</b> TODD STENDER / PHILIP DEFELICE 562.637.1371 / 443.263.6442		

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**  
June 30, 2017

**Company Information**

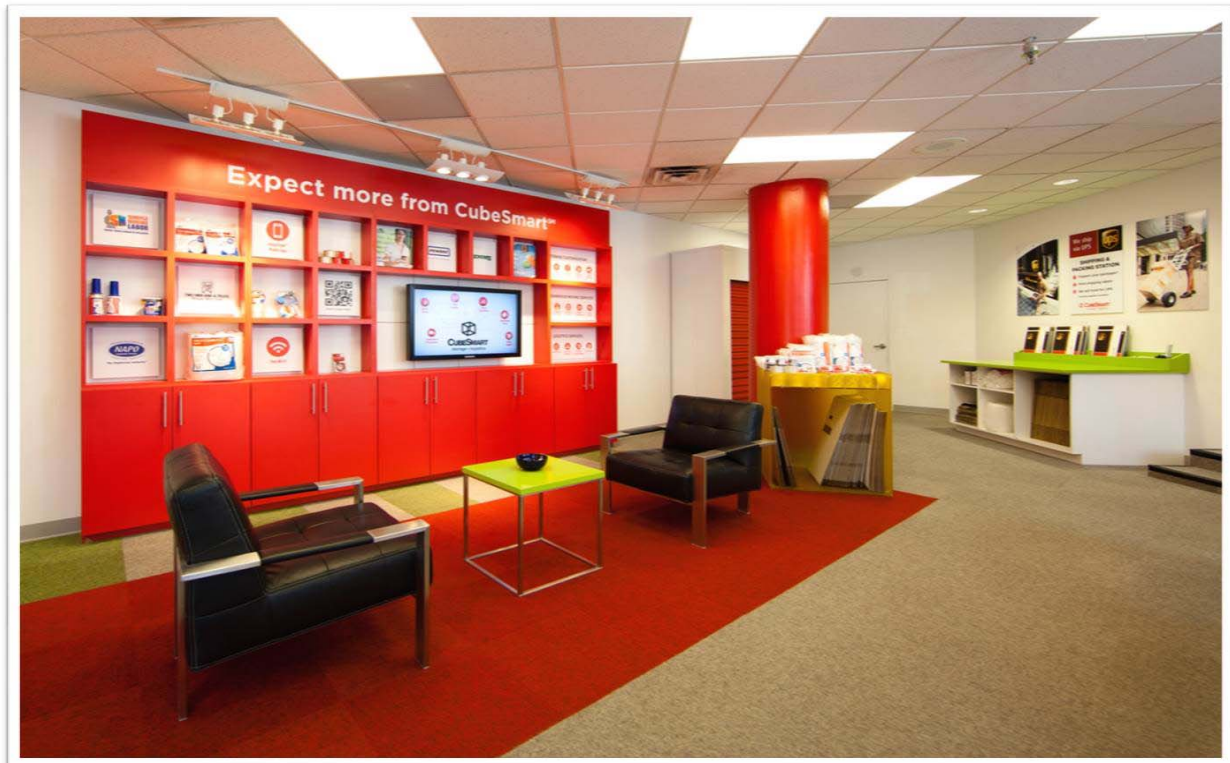
<b>Corporate Headquarters</b> 5 Old Lancaster Road Malvern, PA 19355 610.535.5700	<b>Trading Symbol</b> Common Shares: CUBE <b>Stock Exchange Listing</b> New York Stock Exchange	<b>Investor Relations</b> Charles Place 5 Old Lancaster Road Malvern, PA 19355 610.535.5700	<b>Information Requests</b> To 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**

	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016
<b>Common Shares and Units:</b>					
Share price, high	\$ 27.96	\$ 27.38	\$ 26.96	\$ 32.07	\$ 33.28
Share price, low	\$ 23.81	\$ 25.12	\$ 23.88	\$ 26.43	\$ 29.18
Share price, period end	\$ 24.04	\$ 25.96	\$ 26.77	\$ 27.26	\$ 30.88
Dividends declared per share	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21
Dividend yield, period end	4.49%	4.16%	4.03%	3.08%	2.72%
Closing Common Shares outstanding (excluding unvested restricted shares, in thousands)	180,197	180,174	180,083	179,859	178,250
Closing Operating Partnership units outstanding	2,472	2,031	2,032	2,221	2,221
Total closing Common Shares and Units	182,669	182,205	182,115	182,080	180,471

**Preferred Shares (Series A):**

Share price, high	\$ -	\$ -	\$ 25.21	\$ 26.00	\$ 26.40
Share price, low	\$ -	\$ -	\$ 25.13	\$ 25.16	\$ 25.81
Share price, period end	\$ -	\$ -	\$ -	\$ 25.16	\$ 25.81
Dividends declared per share	\$ -	\$ -	\$ 0.1737	\$ 0.4844	\$ 0.4844
Dividend yield, period end	-	-	-	7.70%	7.51%
Closing Preferred Shares outstanding (in thousands)	-	-	-	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 Second Quarter 2017 Results:  
FFO Per Share Grows 8.3%; Same-Store NOI Increases 5.0%**

MALVERN, PA -- (Marketwired) – July 27, 2017 -- CubeSmart (NYSE: CUBE) today announced its operating results for the three and six months ended June 30, 2017.

“We are pleased with our second quarter performance, which reflects steady, broad-based demand and the competitive impact of new supply in select markets,” commented President and Chief Executive Officer Christopher P. Marr. “Our recent new developments, specifically those located in the boroughs of New York City, are leasing-up ahead of expectations, and our third-party management platform continues to rapidly expand. Our balance sheet is in excellent shape and we remain focused on creating long-term shareholder value by maximizing store level cash flow and maintaining a disciplined approach to capital allocation.”

**Key Highlights for the Quarter**

- Reported funds from operations (“FFO”) per share, as adjusted, of \$0.39, representing a year-over-year increase of 8.3%.
- Increased same-store (432 stores) net operating income (“NOI”) 5.0% year over year, driven by 4.2% revenue growth and a 2.5% increase in property operating expenses.
- Same-store occupancy averaged 93.8% during the quarter, ending the quarter with same-store occupancy of 94.6%, a 20 basis point increase year over year.
- Closed on two store acquisitions totaling \$21.9 million.
- Closed on a property that the Company previously had under contract to acquire upon completion of construction and issuance of certificate of occupancy (“C/O”) for \$11.2 million.
- Issued \$100 million of unsecured senior notes at a weighted average effective interest rate of 3.653%.

**Funds from Operations**

FFO, as adjusted, was \$72.3 million for the second quarter of 2017, compared with \$65.4 million for the second quarter of 2016. FFO per share, as adjusted, increased 8.3% to \$0.39 for the second quarter of 2017, compared with \$0.36 for the same period last year.

**Investment Activity**

*Acquisition Activity*

The Company acquired two properties for \$21.9 million during the three and six months ended June 30, 2017. These acquired stores are located in Maryland and California.

*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 C/O or as joint venture developments. During the second quarter of 2017, the Company acquired a property located in Riverwoods, Illinois at C/O for a total investment of \$11.2 million. For the six months ended June 30, 2017, the Company

acquired one property at C/O and opened for operation one wholly-owned development property for \$20.9 million.

As of June 30, 2017, the Company had three properties under contract to purchase at C/O for a total acquisition price of \$49.9 million. The stores are located in Illinois (1) and Florida (2). The purchase of the three properties is expected to occur at various times between the fourth quarter of 2017 and first quarter of 2018. 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.

As of June 30, 2017, the Company had seven joint venture development properties and one wholly owned project under development. The Company anticipates investing a total of \$337.5 million related to these projects and had invested \$160.3 million of that total as of June 30, 2017. These stores are located in New York (5), Massachusetts (1), New Jersey (1), and Washington, D.C. (1). The eight projects are expected to open at various times between the third quarter of 2017 and the first quarter of 2019. During the quarter, the Company opened for operation approximately 7.4% of the total expected net rentable square feet of its joint venture development property in New York, New York, which is expected to have a total investment of \$74.3 million upon the store's completion during the third quarter of 2017.

### **Third-Party Management**

As of June 30, 2017, the Company's third-party management program included 390 stores totaling 25.5 million square feet. During the three and six months ended June 30, 2017, the Company added 37 stores and 81 stores, respectively, to its third-party management program.

### **Same-Store Results**

The Company's same-store portfolio at June 30, 2017 included 432 stores containing approximately 29.5 million rentable square feet, or approximately 89.0% of the aggregate rentable square feet of the Company's 478 owned stores. These same-store properties represented approximately 92.4% of property net operating income for the quarter ended June 30, 2017.

Same-store physical occupancy at period end for the second quarter of 2017 was 94.6%, compared with 94.4% for the same quarter of last year. Same-store revenues for the second quarter of 2017 increased 4.2%, and same-store operating expenses increased 2.5% from the same quarter in 2016. Same-store net operating income increased 5.0%, as compared with the same period in 2016.

### **Operating Results**

As of June 30, 2017, the Company's total owned portfolio included 478 stores containing 33.2 million rentable square feet and had a physical occupancy of 93.0%.

Revenues increased \$12.0 million and property operating expenses increased \$3.2 million in the second 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 \$0.9 million increase in same-store expenses and a \$1.9 million of increased expenses associated with newly acquired stores.

Interest expense increased from \$12.2 million during the three months ended June 30, 2016 to \$14.0 million during the three months ended June 30, 2017, an increase of \$1.8 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 June 30, 2017 increased approximately \$243 million from the same period in 2016 from \$1,390 million to \$1,633 million. The weighted average effective interest rate on our outstanding debt decreased from 3.83% for the three months ended June 30, 2016 to 3.80% for the three months ended June 30, 2017.

The Company reported net income attributable to the Company's common shareholders of \$32.5 million, or \$0.18 per common share, in the second quarter of 2017, compared with net income attributable to the Company's common shareholders of \$18.9 million, or \$0.11 per common share, in the second quarter of 2016.

## Financing Activity

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.

During the quarter and year to date, the Company did not sell any common shares of beneficial interest through its "at-the-market" equity program ("ATM"). As of June 30, 2017, the Company had 5.8 million shares available for issuance under the existing equity distribution agreements.

## Quarterly Dividend

On May 31, 2017, the Company declared a dividend of \$0.27 per common share. The dividend was paid on July 17, 2017 to common shareholders of record on July 3, 2017.

## 2017 Financial Outlook

The Company is adjusting its previously issued estimates and maintaining its underlying assumptions for 2017 guidance. Fully diluted FFO per share, as adjusted, for 2017 is now expected to be between \$1.53 and \$1.57 (previously 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 \$159.7 million. As of June 30, 2017, one wholly-owned property has opened for \$9.7 million and one joint venture development property partially opened during the quarter and is expected to be completed in the third quarter for \$74.3 million.
  - Three new stores are expected to be acquired at C/O in 2017 for a total investment of \$40.3 million, of which one property has been acquired 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 \$ 0.74
Plus: real estate depreciation and amortization	<u>0.83</u>	<u>0.83</u>
FFO per diluted share, as adjusted	<u>\$ 1.53</u>	<u>to \$ 1.57</u>

The Company estimates that its fully diluted FFO, as adjusted, per share for the quarter ending September 30, 2017 will be between \$0.40 and \$0.41, and that its fully diluted earnings per share for the period will be between \$0.19 and \$0.20.

<u>3rd Quarter 2017 Guidance</u>	<u>Range or Value</u>	
Earnings per diluted share allocated to common shareholders	\$ 0.19	to \$ 0.20
Plus: real estate depreciation and amortization	<u>0.21</u>	<u>0.21</u>
FFO per diluted share, as adjusted	<u>\$ 0.40</u>	<u>to \$ 0.41</u>

## Conference Call

Management will host a conference call at 11:00 a.m. ET on Friday, July 28, 2017 to discuss financial results for the three and six months ended June 30, 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://dpreister.com/10109491>.

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 August 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 10109491.

Supplemental operating and financial data as of June 30, 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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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. The Company's computation of FFO may not be comparable to FFO reported by other REITs or real estate companies.

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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				
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
<b>Selected Financial Information:</b>					
<b>Total portfolio:</b>					
Revenue from continuing operations	\$ 138,559	\$ 133,037	\$ 132,546	\$ 132,096	\$ 126,526
EBITDA from continuing operations	\$ 84,270	\$ 78,510	\$ 80,932	\$ 81,338	\$ 74,465
Net income attributable to the Company	\$ 32,458	\$ 24,986	\$ 26,847	\$ 24,884	\$ 20,424
Funds from operations (FFO)	\$ 71,442	\$ 65,519	\$ 65,068	\$ 67,765	\$ 62,832
FFO, as adjusted	\$ 72,300	\$ 65,678	\$ 68,967	\$ 68,653	\$ 65,436
FFO per share - fully diluted	\$ 0.39	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.35
FFO, as adjusted per share - fully diluted	\$ 0.39	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.36
Earnings per share - basic	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
Earnings per share - diluted	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
Dividends per common share and unit	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21
Dividends per preferred share, series A	\$ -	\$ -	\$ 0.1737	\$ 0.4844	\$ 0.4844
FFO payout ratio (1)	69.2%	75.0%	71.1%	55.3%	58.3%
Total assets	\$ 3,493,238	\$ 3,466,115	\$ 3,475,028	\$ 3,519,199	\$ 3,362,509
Total gross assets (total assets plus accumulated depreciation)	\$ 4,212,452	\$ 4,159,261	\$ 4,146,392	\$ 4,204,970	\$ 4,015,166
Realized annual rent per occupied square foot (3) (6)	\$ 15.90	\$ 15.76	\$ 15.88	\$ 15.81	\$ 15.42
In place annual rent per occupied square foot (2) (6)	\$ 16.69	\$ 16.65	\$ 16.73	\$ 16.60	\$ 16.12
Scheduled annual rent per square foot (4) (6)	\$ 17.25	\$ 16.39	\$ 16.68	\$ 17.30	\$ 17.39

<b>Same-store:</b>					
Revenue	\$ 122,350	\$ 118,549	\$ 119,127	\$ 120,701	\$ 117,366
Expense	\$ 35,072	\$ 35,330	\$ 33,169	\$ 34,036	\$ 34,216
NOI	\$ 87,278	\$ 83,219	\$ 85,958	\$ 86,665	\$ 83,150
Gross margin	71.3%	70.2%	72.2%	71.8%	70.8%
Period ending occupancy	94.6%	92.7%	91.8%	93.1%	94.4%
Period average occupancy	93.8%	92.2%	92.3%	93.8%	93.6%
Total rentable square feet	29,542				
REVPAF (5)	\$ 14.98	\$ 14.55	\$ 14.62	\$ 14.81	\$ 14.38
Realized annual rent per occupied square foot (3)	\$ 15.97	\$ 15.78	\$ 15.85	\$ 15.78	\$ 15.37
In place annual rent per occupied square foot (2)	\$ 16.69	\$ 16.63	\$ 16.66	\$ 16.50	\$ 16.04
Scheduled annual rent per square foot (4)	\$ 17.03	\$ 16.17	\$ 16.36	\$ 16.86	\$ 17.01

<b>Capitalization:</b>					
Total Debt	\$ 1,614,100	\$ 1,598,960	\$ 1,595,743	\$ 1,552,729	\$ 1,429,584
Price per common share at quarter end	\$ 24.04	\$ 25.96	\$ 26.77	\$ 27.26	\$ 30.88
Price per preferred share at quarter end	\$ -	\$ -	\$ -	\$ 25.16	\$ 25.81
Market Equity Value at quarter end	\$ 4,391,363	\$ 4,730,042	\$ 4,875,219	\$ 5,041,497	\$ 5,652,955
Total Market Capitalization	\$ 6,005,463	\$ 6,329,002	\$ 6,470,962	\$ 6,594,226	\$ 7,082,539
Total Debt/Total Gross Assets	38.3%	38.4%	38.5%	36.9%	35.6%
Total Debt/Total Market Capitalization	26.9%	25.3%	24.7%	23.5%	20.2%

<b>Shares and Units:</b>					
Closing Common Shares outstanding (excluding unvested restricted shares)	180,197	180,174	180,083	179,859	178,250
Closing Operating Partnership Units outstanding	2,472	2,031	2,032	2,221	2,221
Closing total Common Shares and Operating Partnership Units outstanding	182,669	182,205	182,115	182,080	180,471
Average Common Shares outstanding (excluding unvested restricted shares)	180,183	180,165	180,053	179,223	177,880
Average Operating Partnership Units outstanding	2,288	2,032	2,043	2,221	2,209
Average total Common Shares and Operating Partnership Units outstanding	182,471	182,197	182,096	181,444	180,089
Total weighted-average shares and units outstanding (including dilutive effect of options)	183,477	183,297	183,276	182,699	181,430
Closing Preferred Shares outstanding	-	-	-	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)*

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
<b>ASSETS</b>					
Storage properties	\$ 4,071,098	\$ 4,020,366	\$ 3,998,180	\$ 3,968,754	\$ 3,861,096
Less: Accumulated depreciation	(719,214)	(693,146)	(671,364)	(685,771)	(652,657)
Storage properties, net	3,351,884	3,327,220	3,326,816	3,282,983	3,208,439
Cash and cash equivalents	8,077	3,081	2,973	87,379	3,423
Restricted cash	4,164	6,556	7,893	8,052	9,017
Loan procurement costs, net of amortization	1,875	2,038	2,150	2,313	2,475
Investment in real estate ventures, at equity	93,757	95,936	98,682	97,405	99,915
Other assets, net	33,481	31,284	36,514	41,067	39,240
Total assets	<u>\$ 3,493,238</u>	<u>\$ 3,466,115</u>	<u>\$ 3,475,028</u>	<u>\$ 3,519,199</u>	<u>\$ 3,362,509</u>
<b>LIABILITIES AND EQUITY</b>					
Unsecured senior notes, net	\$ 1,141,928	\$ 1,039,423	\$ 1,039,076	\$ 1,038,728	\$ 742,402
Revolving credit facility	60,000	53,000	43,300	-	150,000
Unsecured term loans, net	299,195	398,890	398,749	398,608	398,466
Mortgage loans and notes payable, net	112,977	107,647	114,618	115,393	138,716
Accounts payable, accrued expenses and other liabilities	126,621	104,200	93,764	93,854	96,795
Distributions payable	49,382	49,255	49,239	39,781	39,449
Deferred revenue	21,964	21,132	20,226	20,141	19,868
Security deposits	422	415	412	420	402
Total liabilities	<u>1,812,489</u>	<u>1,773,962</u>	<u>1,759,384</u>	<u>1,706,925</u>	<u>1,586,098</u>
Noncontrolling interests in the Operating Partnership	59,416	52,735	54,407	60,541	68,581
Commitments and contingencies					
Equity					
7.75% Series A Preferred shares	-	-	-	31	31
Common shares	1,802	1,802	1,801	1,799	1,782
Additional paid in capital	2,306,086	2,313,350	2,314,014	2,381,836	2,332,742
Accumulated other comprehensive loss	(666)	(1,023)	(1,850)	(3,247)	(4,623)
Accumulated deficit	(691,778)	(680,919)	(658,583)	(634,248)	(627,689)
Total CubeSmart shareholders' equity	<u>1,615,444</u>	<u>1,633,210</u>	<u>1,655,382</u>	<u>1,746,171</u>	<u>1,702,243</u>
Noncontrolling interest in subsidiaries	5,889	6,208	5,855	5,562	5,587
Total equity	<u>1,621,333</u>	<u>1,639,418</u>	<u>1,661,237</u>	<u>1,751,733</u>	<u>1,707,830</u>
Total liabilities and equity	<u>\$ 3,493,238</u>	<u>\$ 3,466,115</u>	<u>\$ 3,475,028</u>	<u>\$ 3,519,199</u>	<u>\$ 3,362,509</u>

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

	Three months ended				
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
<b>REVENUES</b>					
Rental income	\$ 121,224	\$ 117,057	\$ 116,650	\$ 116,416	\$ 111,538
Other property related income	13,880	12,983	12,842	13,007	12,643
Property management fee income	3,455	2,997	3,054	2,673	2,345
Total revenues	<u>138,559</u>	<u>133,037</u>	<u>132,546</u>	<u>132,096</u>	<u>126,526</u>
<b>OPERATING EXPENSES</b>					
Property operating expenses	44,821	44,874	42,216	41,805	41,607
Depreciation and amortization	36,736	38,119	39,234	41,827	41,448
General and administrative	8,800	9,494	8,639	8,065	7,891
Acquisition related costs	668	159	759	888	2,563
Total operating expenses	<u>91,025</u>	<u>92,646</u>	<u>90,848</u>	<u>92,585</u>	<u>93,509</u>
<b>OPERATING INCOME</b>	<u>47,534</u>	<u>40,391</u>	<u>41,698</u>	<u>39,511</u>	<u>33,017</u>
<b>OTHER (EXPENSE) INCOME</b>					
Interest:					
Interest expense on loans	(13,975)	(13,599)	(13,328)	(12,787)	(12,200)
Loan procurement amortization expense	(776)	(706)	(706)	(655)	(611)
Equity in losses of real estate ventures	(253)	(772)	(845)	(581)	(724)
Other	308	(108)	228	(397)	901
Total other expense	<u>(14,696)</u>	<u>(15,185)</u>	<u>(14,651)</u>	<u>(14,420)</u>	<u>(12,634)</u>
<b>NET INCOME</b>	<u>32,838</u>	<u>25,206</u>	<u>27,047</u>	<u>25,091</u>	<u>20,383</u>
<b>NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>					
Noncontrolling interests in the Operating Partnership	(427)	(277)	(259)	(283)	(227)
Noncontrolling interests in subsidiaries	47	57	59	76	268
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY</b>	<u>32,458</u>	<u>24,986</u>	<u>26,847</u>	<u>24,884</u>	<u>20,424</u>
Distribution to preferred shareholders	-	-	(539)	(1,502)	(1,502)
Preferred share redemption charge	-	-	(2,937)	-	-
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS</b>	<u>\$ 32,458</u>	<u>\$ 24,986</u>	<u>\$ 23,371</u>	<u>\$ 23,382</u>	<u>\$ 18,922</u>
Basic earnings per share attributable to common shareholders	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
Diluted earnings per share attributable to common shareholders	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
Weighted-average basic shares outstanding	180,183	180,165	180,053	179,223	177,880
Weighted-average diluted shares outstanding	181,189	181,265	181,232	180,478	179,221

**CUBESMART**  
**STATEMENTS OF OPERATIONS**  
*(unaudited, in thousands, except per share data)*

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
<b>REVENUES</b>				
Rental income	\$ 121,224	\$ 111,538	\$ 238,281	\$ 216,535
Other property related income	13,880	12,643	26,863	24,406
Property management fee income	3,455	2,345	6,452	4,456
Total revenues	<u>138,559</u>	<u>126,526</u>	<u>271,596</u>	<u>245,397</u>
<b>OPERATING EXPENSES</b>				
Property operating expenses	44,821	41,607	89,695	81,826
Depreciation and amortization	36,736	41,448	74,855	80,804
General and administrative	8,800	7,891	18,294	16,119
Acquisition related costs	668	2,563	827	4,905
Total operating expenses	<u>91,025</u>	<u>93,509</u>	<u>183,671</u>	<u>183,654</u>
<b>OPERATING INCOME</b>	<u>47,534</u>	<u>33,017</u>	<u>87,925</u>	<u>61,743</u>
<b>OTHER (EXPENSE) INCOME</b>				
Interest:				
Interest expense on loans	(13,975)	(12,200)	(27,574)	(24,284)
Loan procurement amortization expense	(776)	(611)	(1,482)	(1,216)
Equity in losses of real estate ventures	(253)	(724)	(1,025)	(1,236)
Other	308	901	200	1,231
Total other expense	<u>(14,696)</u>	<u>(12,634)</u>	<u>(29,881)</u>	<u>(25,505)</u>
<b>NET INCOME</b>	<u>32,838</u>	<u>20,383</u>	<u>58,044</u>	<u>36,238</u>
<b>NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>				
Noncontrolling interests in the Operating Partnership	(427)	(227)	(704)	(399)
Noncontrolling interests in subsidiaries	47	268	104	335
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY</b>	<u>32,458</u>	<u>20,424</u>	<u>57,444</u>	<u>36,174</u>
Distribution to preferred shareholders	-	(1,502)	-	(3,004)
<b>NET INCOME ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS</b>	<u>\$ 32,458</u>	<u>\$ 18,922</u>	<u>\$ 57,444</u>	<u>\$ 33,170</u>
Basic earnings per share attributable to common shareholders	\$ 0.18	\$ 0.11	\$ 0.32	\$ 0.19
Diluted earnings per share attributable to common shareholders	\$ 0.18	\$ 0.11	\$ 0.32	\$ 0.19
Weighted-average basic shares outstanding	180,183	177,880	180,174	176,838
Weighted-average diluted shares outstanding	181,189	179,221	181,198	178,172



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

	Three months ended			Six months ended		
	June 30,		Percent Change	June 30,		Percent Change
	2017	2016		2017	2016	
<b>REVENUES</b>						
Rental income	\$ 110,659	\$ 106,051	4.3%	\$ 218,012	\$ 207,900	4.9%
Other property related income	11,691	11,315	3.3%	22,887	21,938	4.3%
Total revenues	122,350	117,366	4.2%	240,899	229,838	4.8%
<b>OPERATING EXPENSES</b>						
Property taxes	12,904	11,986	7.7%	25,696	23,754	8.2%
Personnel expense	10,016	9,512	5.3%	19,860	19,285	3.0%
Advertising	2,117	2,505	-15.5%	3,789	3,964	-4.4%
Repair and maintenance	1,458	1,457	0.1%	2,785	2,632	5.8%
Utilities	3,223	3,160	2.0%	6,881	6,980	-1.4%
Property insurance	639	820	-22.1%	1,353	1,759	-23.1%
Other expenses	4,715	4,776	-1.3%	10,038	9,787	2.6%
Total operating expenses	35,072	34,216	2.5%	70,402	68,161	3.3%
Net operating income (1)	\$ 87,278	\$ 83,150	5.0%	\$ 170,497	\$ 161,677	5.5%
Gross margin	71.3%	70.8%		70.8%	70.3%	
Period end occupancy (2)	94.6%	94.4%		94.6%	94.4%	
Period average occupancy (3)	93.8%	93.6%		93.0%	92.7%	
Total rentable square feet	29,542			29,542		
Realized annual rent per occupied square foot (4)	\$ 15.97	\$ 15.37	3.9%	\$ 15.87	\$ 15.19	4.5%
Scheduled annual rent per square foot (5)	\$ 17.03	\$ 17.01	0.1%	\$ 16.59	\$ 16.50	0.5%
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>						
Same-store net operating income (1)	\$ 87,278	\$ 83,150		\$ 170,497	\$ 161,677	
Non same-store net operating income (1)	7,229	3,523		13,486	5,295	
Indirect property overhead (6)	(769)	(1,754)		(2,082)	(3,401)	
Depreciation and amortization	(36,736)	(41,448)		(74,855)	(80,804)	
General and administrative expense	(8,800)	(7,891)		(18,294)	(16,119)	
Acquisition related costs	(668)	(2,563)		(827)	(4,905)	
Operating Income	\$ 47,534	\$ 33,017		\$ 87,925	\$ 61,743	

- (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 June 30 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)*

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
<b>REVENUES</b>					
Rental income	\$ 110,659	\$ 107,353	\$ 107,863	\$ 109,214	\$ 106,051
Other property related income	11,691	11,196	11,264	11,487	11,315
Total revenues	<u>122,350</u>	<u>118,549</u>	<u>119,127</u>	<u>120,701</u>	<u>117,366</u>
<b>OPERATING EXPENSES</b>					
Property taxes	12,904	12,792	11,499	11,588	11,986
Personnel expense	10,016	9,844	9,558	9,659	9,512
Advertising	2,117	1,672	1,592	1,999	2,505
Repair and maintenance	1,458	1,327	1,623	1,407	1,457
Utilities	3,223	3,658	3,523	3,897	3,160
Property insurance	639	714	709	712	820
Other expenses	4,715	5,323	4,665	4,774	4,776
Total operating expenses	<u>35,072</u>	<u>35,330</u>	<u>33,169</u>	<u>34,036</u>	<u>34,216</u>
Net operating income (1)	<u>\$ 87,278</u>	<u>\$ 83,219</u>	<u>\$ 85,958</u>	<u>\$ 86,665</u>	<u>\$ 83,150</u>
Gross margin	71.3%	70.2%	72.2%	71.8%	70.8%
Period end occupancy (2)	94.6%	92.7%	91.8%	93.1%	94.4%
Period average occupancy (3)	93.8%	92.2%	92.3%	93.8%	93.6%
Total rentable square feet	29,542				
Realized annual rent per occupied square foot (4)	\$ 15.97	\$ 15.78	\$ 15.85	\$ 15.78	\$ 15.37
Scheduled annual rent per square foot (5)	\$ 17.03	\$ 16.17	\$ 16.36	\$ 16.86	\$ 17.01
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>					
Same-store net operating income (1)	\$ 87,278	\$ 83,219	\$ 85,958	\$ 86,665	\$ 83,150
Non same-store net operating income (1)	7,229	6,257	5,464	4,503	3,523
Indirect property overhead (6)	(769)	(1,313)	(1,092)	(877)	(1,754)
Depreciation and amortization	(36,736)	(38,119)	(39,234)	(41,827)	(41,448)
General and administrative expense	(8,800)	(9,494)	(8,639)	(8,065)	(7,891)
Acquisition related costs	(668)	(159)	(759)	(888)	(2,563)
Operating Income	<u>\$ 47,534</u>	<u>\$ 40,391</u>	<u>\$ 41,698</u>	<u>\$ 39,511</u>	<u>\$ 33,017</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**  
**CONSOLIDATING STATEMENTS OF NET OPERATING INCOME**  
*(unaudited, in thousands)*

For the three months ended June 30, 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	\$ 110,659	\$ 106,051	\$ 4,608	\$ 10,565	\$ 5,487	\$ -	\$ -	\$ 121,224	\$ 111,538	\$ 9,686
Other property related income	11,691	11,315	376	1,183	626	1,006	702	13,880	12,643	1,237
Property management fee income	-	-	-	-	-	3,455	2,345	3,455	2,345	1,110
Total revenues	<u>122,350</u>	<u>117,366</u>	<u>4,984</u>	<u>11,748</u>	<u>6,113</u>	<u>4,461</u>	<u>3,047</u>	<u>138,559</u>	<u>126,526</u>	<u>12,033</u>
<b>OPERATING EXPENSES:</b>										
Property operating expenses	35,072	34,216	856	4,519	2,590	5,230	4,801	44,821	41,607	3,214
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 87,278</b>	<b>\$ 83,150</b>	<b>\$ 4,128</b>	<b>\$ 7,229</b>	<b>\$ 3,523</b>	<b>\$ (769)</b>	<b>\$ (1,754)</b>	<b>\$ 93,738</b>	<b>\$ 84,919</b>	<b>\$ 8,819</b>
Store count	432	432		46	32			478	464	
Total square footage	29,542	29,542		3,669	2,417			33,211	31,959	
Period end occupancy	94.6%	94.4%		80.5%	61.7%			93.0%	91.8%	
Period average occupancy	93.8%	93.6%								
Realized annual rent per occupied square foot	\$ 15.97	\$ 15.37								

For the six months ended June 30, 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	\$ 218,012	\$ 207,900	\$ 10,112	\$ 20,269	\$ 8,635	\$ -	\$ -	\$ 238,281	\$ 216,535	\$ 21,746
Other property related income	22,887	21,938	949	2,130	942	1,846	1,526	26,863	24,406	2,457
Property management fee income	-	-	-	-	-	6,452	4,456	6,452	4,456	1,996
Total revenues	<u>240,899</u>	<u>229,838</u>	<u>11,061</u>	<u>22,399</u>	<u>9,577</u>	<u>8,298</u>	<u>5,982</u>	<u>271,596</u>	<u>245,397</u>	<u>26,199</u>
<b>OPERATING EXPENSES:</b>										
Property operating expenses	70,402	68,161	2,241	8,913	4,282	10,380	9,383	89,695	81,826	7,869
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 170,497</b>	<b>\$ 161,677</b>	<b>\$ 8,820</b>	<b>\$ 13,486</b>	<b>\$ 5,295</b>	<b>\$ (2,082)</b>	<b>\$ (3,401)</b>	<b>\$ 181,901</b>	<b>\$ 163,571</b>	<b>\$ 18,330</b>
Store count	432	432		46	32			478	464	
Total square footage	29,542	29,542		3,669	2,417			33,211	31,959	
Period end occupancy	94.6%	94.4%		80.5%	61.7%			93.0%	91.8%	
Period average occupancy	93.0%	92.7%								
Realized annual rent per occupied square foot	\$ 15.87	\$ 15.19								

**SAME-STORE PERFORMANCE BREAKDOWN**

For the three months ended June 30, 2017 and 2016

Same-Store Pool	# of Properties	Total Square Feet	Occupancy		Year Over Year Change			
			6/30/2017	6/30/2016	Occupancy	Revenue	Expense	NOI
2017 Same-Store Pool	432	29,542	94.6%	94.4%	0.2%	4.2%	2.5%	5.0%
2016 Same-Store Pool (1)	406	27,801	94.6%	94.3%	0.3%	3.9%	2.7%	4.5%
2015 Same-Store Pool (2)	351	23,752	94.4%	94.3%	0.1%	3.6%	2.7%	3.9%

(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**

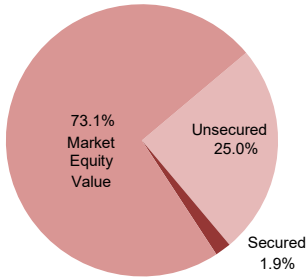
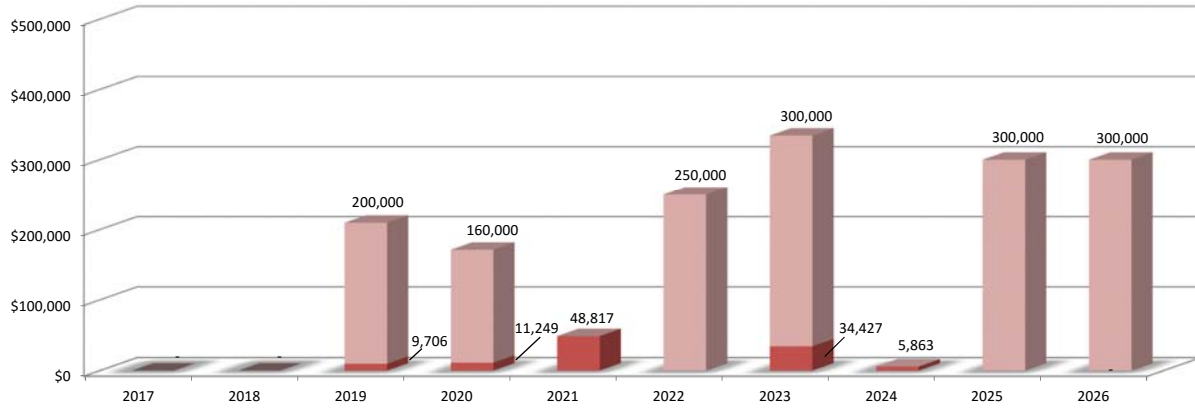
(in thousands, except per share data)

	Three months ended				
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
<b>Net income attributable to the Company's common shareholders</b>	\$ 32,458	\$ 24,986	\$ 23,371	\$ 23,382	\$ 18,922
Add:					
Real estate depreciation and amortization:					
Real property	36,078	37,476	38,570	41,195	40,831
Company's share of unconsolidated real estate ventures	2,479	2,780	2,868	2,905	2,852
Noncontrolling interests in the Operating Partnership	427	277	259	283	227
<b>FFO attributable to common shareholders and OP unitholders</b>	<u>\$ 71,442</u>	<u>\$ 65,519</u>	<u>\$ 65,068</u>	<u>\$ 67,765</u>	<u>\$ 62,832</u>
Add:					
Loan procurement amortization expense - early repayment of debt	190	-	-	-	-
Acquisition related costs (1)	668	159	962	888	2,604
Preferred share redemption charge	-	-	2,937	-	-
<b>FFO, as adjusted, attributable to common shareholders and OP unitholders</b>	<u>\$ 72,300</u>	<u>\$ 65,678</u>	<u>\$ 68,967</u>	<u>\$ 68,653</u>	<u>\$ 65,436</u>
Earnings per share attributable to common shareholders - basic	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
Earnings per share attributable to common shareholders - diluted	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.11
FFO per share and unit - fully diluted	\$ 0.39	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.35
FFO, as adjusted per share and unit - fully diluted	\$ 0.39	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.36
Weighted-average basic shares outstanding	180,183	180,165	180,053	179,223	177,880
Weighted-average diluted shares outstanding	181,189	181,265	181,232	180,478	179,221
Weighted-average diluted shares and units outstanding	183,477	183,297	183,276	182,699	181,430
Dividend per common share and unit	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.21	\$ 0.21
Payout ratio of FFO, as adjusted	69.2%	75.0%	71.1%	55.3%	58.3%

(1) Quarter ended December 31, 2016 includes \$0.2 million 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 June 30, 2017

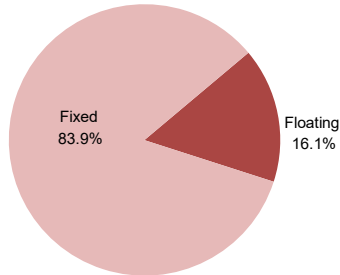
**Debt Maturity Schedule**



**Market Capitalization**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Unsecured	\$ 1,501,123	3.75%	6.1
Secured	112,977	5.19%	4.3
<b>Total Debt</b>	<b>\$ 1,614,100</b>	<b>3.85%</b>	<b>6.0</b>
Market Equity Value	4,391,363		
<b>Total Market Capitalization</b>	<b>\$ 6,005,463</b>		

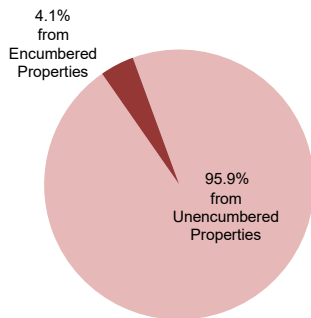
(1) Weighted average interest rate



**Floating and Fixed**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Floating Rate Debt	\$ 259,626	2.51%	1.9
Fixed Rate Debt	1,354,474	4.11%	6.8
<b>Total Debt</b>	<b>\$ 1,614,100</b>	<b>3.85%</b>	<b>6.0</b>

(1) Weighted average interest rate



**Portfolio Net Operating Income**

NOI from Unencumbered Properties <sup>(1)</sup>	95.9%
NOI from Encumbered Properties <sup>(1)</sup>	4.1%
<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 June 30, 2017

<b><u>FIXED RATE MORTGAGES</u></b>	Balance		Rate	Maturity Date
YSI 33	\$ 9,706	FIXED	6.42%	Jul-19
YSI 26	8,326	FIXED	5.45%	Nov-20
YSI 57	2,923	FIXED	5.45%	Nov-20
YSI 55	22,732	FIXED	5.30%	Jun-21
YSI 24	26,085	FIXED	5.30%	Jun-21
YSI 65	2,434	FIXED	4.72%	Jun-23
YSI 66	31,993	FIXED	4.68%	Jun-23
YSI 68	5,863	FIXED	4.74%	May-24
Total Mortgages	<u>\$ 110,062</u>		<u>5.19%</u>	
 <b><u>FIXED RATE DEBT PREMIUMS</u></b>				
Fixed Rate Debt Premiums	3,661			
Total Secured Debt	<u>\$ 113,723</u> (a)		<u>5.19%</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 June 30, 2017

	<u>6/30/2017 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	\$ 60,000	LIBOR + 1.25%	2.47% (a)	Apr-20	\$ 500,000	\$ 439,300 (c)
<b><u>UNSECURED BANK TERM LOANS</u></b>						
Unsecured Term Loan	200,000	LIBOR + 1.30%	2.52% (a)	Jan-19		
Unsecured Term Loan	100,000	FIXED	3.62% (b)	Jan-20		
Total Unsecured Bank Term Loans	<u>\$ 300,000</u> (d)					
<b><u>UNSECURED PUBLIC DEBT</u></b>						
Unsecured Senior Notes	250,000	FIXED	4.80%	Jul-22		
Unsecured Senior Notes	300,000	FIXED	4.38%	Dec-23		
Unsecured Senior Notes	300,000	FIXED	4.00%	Nov-25		
Unsecured Senior Notes	300,000	FIXED	3.13%	Sep-26		
Total Unsecured Debt	<u>\$1,510,000</u> (e)		<u>3.75%</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 \$0.8 million on the Company's Balance Sheet.

(e) Unsecured senior notes are presented net of \$0.6 million of unamortized original issuance discounts, net and \$7.4 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	6.3x
Leverage Ratio	≤ 60%	46.2%
Secured Debt Limitation	≤ 40%	3.2%
Unencumbered Asset Ratio	≥ 150%	218.9%

**INVESTMENT GRADE RATINGS**



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

**New Development Properties**

Location	Expected Opening	As of June 30, 2017	
		CUBE's Investment to-date	CUBE's Anticipated Total Investment
Washington, D.C.	Q3 2017	\$ 25,900	\$ 25,900
New York, NY <sup>(1)</sup>	Q3 2017	73,100	74,290
Brooklyn, NY	Q4 2017	16,600	49,800
Bronx, NY	Q2 2018	24,100	90,000
New York, NY	Q2 2018	1,100	11,100
Waltham, MA	Q3 2018	3,300	16,000
Queens, NY	Q4 2018	15,400	45,700
Bayonne, NJ	Q1 2019	800	24,700
<b>Total</b>		<b>\$ 160,300</b>	<b>\$ 337,490</b>

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

Location	Expected Opening	Contract Price
Chicago, IL	Q4 2017	\$ 11,300
Delray Beach, FL	Q4 2017	17,750
Miami, FL	Q1 2018	20,800
<b>Total</b>		<b>\$ 49,850</b>



(1) On May 3, 2017, construction of 296 cubes comprising approximately 6,700 net rentable square feet was substantially completed and opened for operation. The remainder of the development is expected to be completed during the third quarter of 2017. 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	
				June 30,		June 30,		June 30,		June 30,	
				2017	2016	2017	2016	2017	2016	2017	2016
Arlington, VA <sup>(1)</sup>	Q2 2015	96,144	\$ 17,100	86.5%	64.5%	\$ 517	\$ 388	\$ 200	\$ 158	\$ 317	\$ 230
Queens, NY <sup>(1)</sup>	Q4 2015	74,188	17,400	62.7%	25.7%	282	85	112	153	170	(68)
Brooklyn, NY	Q4 2015	55,850	14,800	66.1%	26.0%	296	75	152	92	144	(17)
Queens, NY	Q1 2016	90,890	31,800	65.7%	34.8%	336	105	120	95	216	10
Bronx, NY	Q2 2016	89,785	32,200	32.8%	2.4%	162	1	225	129	(63)	(128)
North Palm Beach, FL	Q1 2017	46,325	9,700	28.2%	0.0%	33	-	54	-	(21)	-
<b>Total</b>		<b>453,182</b>	<b>\$ 123,000</b>			<b>\$ 1,626</b>	<b>\$ 654</b>	<b>\$ 863</b>	<b>\$ 627</b>	<b>\$ 763</b>	<b>\$ 27</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	
				June 30,		June 30,		June 30,		June 30,	
				2017	2016	2017	2016	2017	2016	2017	2016
Long Island City, NY	Q4 2014	88,825	\$ 38,000	81.0%	50.5%	\$ 522	\$ 338	\$ 150	\$ 137	\$ 372	\$ 201
Dallas, TX	Q2 2015	114,550	15,800	72.8%	53.4%	280	185	164	130	116	55
Brooklyn, NY	Q1 2016	109,946	48,500	40.9%	23.2%	349	182	141	115	208	67
Fort Worth, TX	Q2 2016	77,229	10,100	45.5%	11.1%	102	7	72	47	30	(40)
Grapevine, TX	Q2 2016	77,344	10,800	48.7%	13.6%	106	10	95	46	11	(36)
Riverwoods, IL	Q2 2017	73,915	11,200	17.9%	0.0%	13	-	45	-	(32)	-
<b>Total</b>		<b>541,809</b>	<b>\$ 134,400</b>			<b>\$ 1,372</b>	<b>\$ 722</b>	<b>\$ 667</b>	<b>\$ 475</b>	<b>\$ 705</b>	<b>\$ 247</b>

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



**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 June 30,		Revenue for the Three Months Ended June 30,			Expenses for the Three Months Ended June 30,			NOI for the Three Months Ended June 30,		
				2017	2016	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
New York-Northern New Jersey-Long Island, NY-NJ-PA	53	3,657,450	\$ 27.07	93.3%	92.7%	\$ 25,493	\$ 24,747	3.0%	\$ 6,535	\$ 6,479	0.9%	\$ 18,958	\$ 18,269	3.8%
Chicago-Naperville-Joliet, IL-IN-WI	38	2,423,556	14.09	91.9%	92.8%	8,700	8,446	3.0%	3,636	3,466	4.9%	5,064	4,980	1.7%
Miami-Fort Lauderdale-Pompano Beach, FL	35	2,775,505	17.55	93.8%	94.4%	12,508	11,968	4.5%	3,544	3,427	3.4%	8,965	8,542	5.0%
Dallas-Fort Worth-Arlington, TX	28	1,901,712	13.67	93.7%	93.8%	6,664	6,508	2.4%	2,201	2,099	4.9%	4,464	4,408	1.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	22	1,763,907	19.94	94.6%	94.3%	9,069	8,710	4.1%	2,194	2,112	3.9%	6,875	6,598	4.2%
Atlanta-Sandy Springs-Marietta, GA	18	1,316,777	12.29	93.9%	93.9%	4,253	4,052	5.0%	1,146	1,100	4.2%	3,107	2,952	5.3%
Riverside-San Bernardino-Ontario, CA	16	1,143,913	12.01	95.9%	95.0%	3,740	3,411	9.6%	994	1,070	-7.1%	2,746	2,341	17.3%
Phoenix-Mesa-Scottsdale, AZ	15	1,093,760	11.51	94.0%	93.2%	3,339	3,112	7.3%	895	920	-2.7%	2,444	2,192	11.5%
Tucson, AZ	15	705,513	10.56	95.2%	93.8%	2,049	1,943	5.5%	650	659	-1.4%	1,399	1,284	9.0%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	911,509	15.74	94.5%	93.8%	3,724	3,564	4.5%	1,062	1,024	3.7%	2,662	2,540	4.8%
Houston-Sugar Land-Baytown, TX	13	885,082	12.73	91.8%	92.3%	2,838	2,828	0.4%	1,034	1,019	1.5%	1,803	1,809	-0.3%
Hartford-West Hartford-East Hartford, CT	12	619,389	12.22	92.7%	91.4%	1,950	1,849	5.5%	644	657	-2.0%	1,306	1,193	9.5%
Orlando-Kissimmee, FL	10	695,222	12.39	94.1%	93.5%	2,280	2,147	6.2%	675	639	5.6%	1,605	1,507	6.5%
Columbus, OH	10	680,913	10.11	95.0%	91.5%	1,841	1,730	6.4%	725	722	0.4%	1,116	1,008	10.7%
Cleveland-Elyria-Mentor, OH	10	610,383	12.93	93.6%	91.5%	2,066	2,023	2.1%	633	630	0.5%	1,434	1,393	2.9%
Sacramento-Arden-Arcade-Roseville, CA	8	440,297	13.30	95.5%	96.0%	1,570	1,425	10.2%	412	393	4.8%	1,158	1,032	12.2%
Jacksonville, FL	7	497,623	15.40	94.2%	94.3%	1,969	1,873	5.1%	547	512	6.8%	1,421	1,361	4.4%
Austin-Round Rock, TX	7	461,581	14.10	92.7%	93.6%	1,689	1,671	1.1%	565	558	1.3%	1,124	1,112	1.1%
Denver-Aurora, CO	7	448,619	14.59	93.4%	93.1%	1,683	1,700	-1.0%	428	444	-3.6%	1,255	1,256	-0.1%
Boston-Cambridge-Quincy, MA-NH	7	418,780	21.22	94.9%	94.4%	2,331	2,242	4.0%	712	670	6.3%	1,619	1,573	2.9%
Nashville-Davidson-Murfreesboro-Franklin, TN	6	545,494	12.04	93.4%	92.7%	1,693	1,629	3.9%	380	385	-1.3%	1,312	1,243	5.6%
San Diego-Carlsbad-San Marcos, CA	6	504,022	15.79	95.6%	94.7%	2,097	1,965	6.7%	437	438	-0.2%	1,660	1,527	8.7%
Los Angeles-Long Beach-Santa Ana, CA	6	471,596	16.11	96.0%	95.9%	2,019	1,849	9.2%	483	476	1.5%	1,536	1,373	11.9%
Cape Coral-Fort Myers, FL	5	377,275	14.68	94.1%	95.6%	1,434	1,372	4.5%	367	345	6.4%	1,067	1,027	3.9%
Bridgeport-Stamford-Norwalk, CT	5	280,624	21.68	94.9%	91.5%	1,547	1,489	3.9%	443	423	4.7%	1,103	1,066	3.5%
Salt Lake City, UT	4	240,023	11.47	95.2%	95.6%	748	709	5.5%	195	191	2.1%	553	519	6.6%
Providence-New Bedford-Fall River, RI-MA	4	236,995	13.84	92.4%	94.2%	840	823	2.1%	258	252	2.4%	582	570	2.1%
Naples-Marco Island, FL	4	234,621	16.10	93.9%	93.5%	969	926	4.6%	240	227	5.7%	729	699	4.3%
Other	48	3,199,680	13.58	93.6%	94.0%	11,247	10,655	5.6%	3,037	2,879	5.5%	8,211	7,776	5.6%
<b>Total</b>	<b>432</b>	<b>29,541,821</b>	<b>\$ 15.97</b>	<b>93.8%</b>	<b>93.6%</b>	<b>\$ 122,350</b>	<b>\$ 117,366</b>	<b>4.2%</b>	<b>\$ 35,072</b>	<b>\$ 34,216</b>	<b>2.5%</b>	<b>\$ 87,278</b>	<b>\$ 83,150</b>	<b>5.0%</b>



**CUBESMART  
PROPERTIES - BY STATE**

As of June 30, 2017

State	SAME-STORE					TOTAL PORTFOLIO				
	Number of Stores	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Ending Occupancy June 30, 2017	Number of Stores	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Ending Occupancy June 30, 2017
Florida	74	53,565	5,524,724	18.7%	94.6%	78	56,357	5,794,548	17.4%	94.1%
Texas	53	29,444	3,553,633	12.0%	93.4%	63	36,305	4,364,134	13.1%	90.5%
New York	36	39,917	2,455,146	8.3%	93.7%	43	52,281	3,070,384	9.2%	86.6%
California	39	25,313	2,769,441	9.4%	96.1%	40	26,395	2,881,177	8.7%	95.9%
Illinois	37	21,655	2,355,952	8.0%	92.7%	40	23,842	2,573,277	7.7%	90.4%
Arizona	30	16,941	1,799,273	6.1%	95.0%	33	19,092	2,077,475	6.3%	94.5%
New Jersey	25	16,835	1,700,680	5.8%	95.1%	25	16,835	1,700,680	5.1%	95.1%
Maryland	15	12,028	1,228,295	4.2%	95.7%	16	12,980	1,320,627	4.0%	95.7%
Georgia	18	11,025	1,316,777	4.5%	94.8%	18	11,025	1,316,777	4.0%	94.8%
Ohio	20	11,104	1,291,296	4.4%	95.5%	20	11,104	1,291,296	3.9%	95.5%
Connecticut	21	9,728	1,101,257	3.7%	94.1%	22	10,664	1,179,432	3.6%	93.9%
Virginia	9	6,728	691,892	2.3%	95.3%	10	7,869	788,036	2.4%	94.2%
Colorado	9	4,763	558,994	1.9%	96.2%	11	6,000	697,419	2.1%	93.6%
Massachusetts	8	5,229	472,803	1.6%	96.2%	11	7,231	673,237	2.0%	92.6%
North Carolina	7	4,592	541,139	1.8%	94.6%	9	5,609	654,075	2.0%	94.1%
Tennessee	6	3,900	545,494	1.8%	94.2%	7	4,449	617,980	1.9%	94.0%
Pennsylvania	8	5,800	590,108	2.0%	95.3%	9	6,028	608,956	1.8%	95.3%
Nevada	3	1,434	172,532	0.6%	95.9%	7	4,136	550,022	1.7%	94.2%
Utah	4	2,266	240,023	0.8%	95.3%	4	2,266	240,023	0.7%	95.3%
Rhode Island	4	1,974	236,995	0.8%	93.7%	4	1,974	236,995	0.7%	93.7%
Washington DC	2	1,794	145,502	0.5%	94.6%	3	2,844	223,892	0.7%	95.0%
New Mexico	3	1,653	182,261	0.6%	96.3%	3	1,653	182,261	0.5%	96.3%
Minnesota	0	-	-	0.0%	0.0%	1	1,019	101,028	0.3%	96.8%
Indiana	1	576	67,604	0.2%	95.1%	1	576	67,604	0.2%	95.1%
<b>Total/Weighted Average</b>	<b>432</b>	<b>288,264</b>	<b>29,541,821</b>	<b>100.0%</b>	<b>94.6%</b>	<b>478</b>	<b>328,534</b>	<b>33,211,335</b>	<b>100.0%</b>	<b>93.0%</b>