REFINITIV

DELTA REPORT

10-Q

NSA - NATIONAL STORAGE AFFILIAT

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1043
CHANGES	370
DELETIONS	391
ADDITIONS	282

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-37351

National Storage Affiliates Trust

(Exact name of Registrant as specified in its charter)

Maryland	**46-5053858**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

8400 East Prentice Avenue, 9th Floor
Greenwood Village, Colorado 80111
(Address of principal executive offices) (Zip code)

(720) 630-2600
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbols	Name of each exchange on which registered
Common Shares of Beneficial Interest, $0.01 par value per share	NSA	New York Stock Exchange
Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, par value $0.01 per share	NSA Pr A	New York Stock Exchange
Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, par value $0.01 per share	NSA Pr B	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of November 1, 2023 April 29, 2024, 83,080,432 74,964,186 common shares of beneficial interest, $0.01 par value per share, were outstanding.

NATIONAL STORAGE AFFILIATES TRUST

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share amounts)
(Unaudited)

	September 30, 2023	December 31, 2022		
March 31, 2024			**March 31, 2024**	**December 31, 2023**

ASSETS	**ASSETS**			
Real estate	Real estate			
Real estate				
Real estate				
Self storage properties				
Self storage properties				
Self storage properties	Self storage properties	$6,616,687	$6,391,572	
Less accumulated depreciation	Less accumulated depreciation	(930,885)	(772,661)	
Self storage properties, net	Self storage properties, net	5,685,802	5,618,911	
Cash and cash equivalents	Cash and cash equivalents	58,846	35,312	
Restricted cash	Restricted cash	1,801	6,887	
Debt issuance costs, net	Debt issuance costs, net	8,976	1,393	
Investment in unconsolidated real estate ventures	Investment in unconsolidated real estate ventures	215,150	227,441	
Other assets, net	Other assets, net	171,530	156,228	
Assets held for sale, net				
Operating lease right-of-use assets	Operating lease right-of-use assets	23,067	23,835	
Total assets	Total assets	$6,165,172	$6,070,007	
LIABILITIES AND EQUITY	**LIABILITIES AND EQUITY**			
Liabilities	Liabilities			
Liabilities				
Liabilities				
Debt financing				
Debt financing				
Debt financing	Debt financing	$3,846,976	$3,551,179	
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	109,361	80,377	
Interest rate swap liabilities	Interest rate swap liabilities	—	483	
Operating lease liabilities	Operating lease liabilities	25,095	25,741	
Deferred revenue	Deferred revenue	27,009	23,213	
Total liabilities	Total liabilities	4,008,441	3,680,993	
Commitments and contingencies (Note 11)	Commitments and contingencies (Note 11)			Commitments and contingencies (Note 11)
Equity	Equity			

Series A Preferred shares of beneficial interest, par value $0.01 per share. 50,000,000 authorized, 9,017,588 and 9,017,588 issued and outstanding at September 30, 2023 and December 31, 2022, respectively, at liquidation preference	225,439	225,439
Series B Preferred shares of beneficial interest, par value $0.01 per share. 7,000,000 authorized, 5,668,128 issued and outstanding at September 30, 2023 (Note 3)	115,212	—
Common shares of beneficial interest, par value $0.01 per share. 250,000,000 authorized, 82,955,797 and 89,842,145 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	830	898
Series A Preferred shares of beneficial interest, par value $0.01 per share. 50,000,000 authorized, 9,017,588 and 9,017,588 issued and outstanding at March 31, 2024 and December 31, 2023, respectively, at liquidation preference		
Series A Preferred shares of beneficial interest, par value $0.01 per share. 50,000,000 authorized, 9,017,588 and 9,017,588 issued and outstanding at March 31, 2024 and December 31, 2023, respectively, at liquidation preference		
Series A Preferred shares of beneficial interest, par value $0.01 per share. 50,000,000 authorized, 9,017,588 and 9,017,588 issued and outstanding at March 31, 2024 and December 31, 2023, respectively, at liquidation preference		
Series B Preferred shares of beneficial interest, par value $0.01 per share. 7,000,000 authorized, 5,668,128 and 5,668,128 issued and outstanding at March 31, 2024 and December 31, 2023, respectively, at liquidation preference		

Common shares of beneficial interest, par value $0.01 per share. 250,000,000 authorized, 76,873,100 and 82,285,995 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	1,539,279	1,777,984
Distributions in excess of earnings	Distributions in excess of earnings	(468,611)	(396,650)
Accumulated other comprehensive income	Accumulated other comprehensive income	44,402	40,530
Total shareholders' equity	Total shareholders' equity	1,456,551	1,648,201
Noncontrolling interests	Noncontrolling interests	700,180	740,813
Total equity	Total equity	2,156,731	2,389,014
Total liabilities and equity	Total liabilities and equity	$6,165,172	$6,070,007

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
	Three Months Ended March 31,					Three Months Ended March 31,	
	2024					2024	2023
REVENUE	REVENUE						
Rental revenue							
Rental revenue							
Rental revenue	Rental revenue	$201,833	$193,724	$595,273	$552,829		
Other property-related revenue	Other property-related revenue	7,764	6,400	22,184	18,907		

Management fees and other revenue	Management fees and other revenue	9,550	6,649	25,194	21,111
Total revenue	Total revenue	219,147	206,773	642,651	592,847
OPERATING EXPENSES	**OPERATING EXPENSES**				
Property operating expenses	Property operating expenses	58,581	55,132	172,158	157,678
Property operating expenses					
Property operating expenses					
General and administrative expenses	General and administrative expenses	15,100	15,298	44,325	43,966
Depreciation and amortization	Depreciation and amortization	55,842	59,631	168,005	175,594
Other	Other	4,138	6,356	8,531	7,351
Total operating expenses	Total operating expenses	133,661	136,417	393,019	384,589
OTHER (EXPENSE) INCOME					
OTHER INCOME (EXPENSE)					
OTHER INCOME (EXPENSE)					
OTHER INCOME (EXPENSE)					
Interest expense					
Interest expense					
Interest expense	Interest expense	(43,065)	(28,871)	(120,706)	(75,966)
Loss on early extinguishment of debt	Loss on early extinguishment of debt	—	—	(758)	—
Equity in earnings of unconsolidated real estate ventures		1,930	2,134	5,469	5,590
Equity in (losses) earnings of unconsolidated real estate ventures					
Acquisition costs	Acquisition costs	(341)	(1,142)	(1,424)	(2,377)
Non-operating expense		(24)	(226)	(426)	(599)
Non-operating income (expense)					
Gain on sale of self storage properties	Gain on sale of self storage properties	—	—	—	2,134
Other expense		(41,500)	(28,105)	(117,845)	(71,218)
Other income (expense), net					
Income before income taxes	**Income before income taxes**	43,986	42,251	131,787	137,040
Income tax expense	Income tax expense	(922)	(2,074)	(2,855)	(3,652)
Net income	**Net income**	43,064	40,177	128,932	133,388
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(13,827)	(17,966)	(41,290)	(60,911)
Net income attributable to National Storage Affiliates Trust	**Net income attributable to National Storage Affiliates Trust**	29,237	22,211	87,642	72,477

Distributions to preferred shareholders	Distributions to preferred shareholders	(5,110)	(3,382)	(13,908)	(10,043)
Net income attributable to common shareholders	**Net income attributable to common shareholders**	$ 24,127	$ 18,829	$ 73,734	$ 62,434
Earnings per share - basic	**Earnings per share - basic**	$ 0.28	$ 0.21	$ 0.83	$ 0.68
Earnings per share - basic					
Earnings per share - basic					
Earnings per share - diluted	**Earnings per share - diluted**	$ 0.26	$ 0.21	$ 0.77	$ 0.68
Weighted average shares outstanding - basic					
Weighted average shares outstanding - basic					
Weighted average shares outstanding - basic	**Weighted average shares outstanding - basic**	87,004	91,471	88,263	91,446
Weighted average shares outstanding - diluted	**Weighted average shares outstanding - diluted**	146,118	91,471	147,610	91,446
Dividends declared per common share	**Dividends declared per common share**	$ 0.56	$ 0.55	$ 1.67	$ 1.60
Dividends declared per common share					
Dividends declared per common share					

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(dollars in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net income	$ 43,064	$ 40,177	$ 128,932	$ 133,388
Other comprehensive income				
Unrealized gain on derivative contracts	20,433	27,049	35,706	80,213
Realized loss on derivative contracts	—	—	(1,643)	—
Reclassification of other comprehensive (income) loss to interest expense	(9,018)	(833)	(26,239)	7,427
Other comprehensive income	11,415	26,216	7,824	87,640
Comprehensive income	54,479	66,393	136,756	221,028
Comprehensive income attributable to noncontrolling interests	(17,466)	(25,624)	(43,840)	(86,568)
Comprehensive income attributable to National Storage Affiliates Trust	$ 37,013	$ 40,769	$ 92,916	$ 134,460

	Three Months Ended March 31,	
	2024	**2023**

Net income	$ 95,088	$ 40,392
Other comprehensive income (loss)		
Unrealized gain (loss) on derivative contracts	20,413	(12,953)
Reclassification of other comprehensive income to interest expense	(9,314)	(7,761)
Other comprehensive income (loss)	11,099	(20,714)
Comprehensive income	106,187	19,678
Comprehensive income attributable to noncontrolling interests	(39,781)	(4,881)
Comprehensive income attributable to National Storage Affiliates Trust	$ 66,406	$ 14,797

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(dollars in thousands, except number of shares)
(Unaudited)

	Preferred Shares		Common Shares		Additional Paid-in	Distributions In Excess Of	Accumulated Other Comprehensive	Noncontrolling	Total
	Number	Amount	Number	Amount	Capital	Earnings	(Loss) Income	Interests	Equity
Balances, December 31, 2021	8,736,719	$ 218,418	91,198,929	$ 912	$ 1,866,773	$ (291,263)	$ (19,611)	$ 707,226	$ 2,482,455
OP equity issued for property acquisitions:									
Internalization of PRO, net of offering costs	—	—	—	—	—	—	—	3,217	3,217
OP units, subordinated performance units and Series A-1 preferred units, net of offering costs	—	—	—	—	—	—	—	16,576	16,576
Redemptions of Series A-1 preferred units	8,216	205	—	—	—	—	—	(205)	—
Redemptions of OP units	—	—	258,477	3	4,601	—	(44)	(4,560)	—
Effect of changes in ownership for consolidated entities	—	—	—	—	(40,627)	—	590	40,037	—
Equity-based compensation expense	—	—	—	—	103	—	—	1,441	1,544
Issuance of restricted common shares	—	—	7,913	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(3,599)	—	(118)	—	—	—	(118)
Preferred share dividends	—	—	—	—	—	(3,279)	—	—	(3,279)
Common share dividends	—	—	—	—	—	(45,710)	—	—	(45,710)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(33,009)	(33,009)
Other comprehensive income	—	—	—	—	—	—	30,799	12,783	43,582
Net income	—	—	—	—	—	25,228	—	19,558	44,786
Balances, March 31, 2022	8,744,935	$ 218,623	91,461,720	$ 915	$ 1,830,732	$ (315,024)	$ 11,734	$ 763,064	$ 2,510,044
OP equity issued for property acquisitions:									
OP units and subordinated performance units, net of offering costs	—	—	—	—	—	—	—	13,938	13,938

Redemptions of Series A-1 preferred units	272,653	6,816	—	—	—	—	—	(6,816)	—

	Preferred Shares		Common Shares		Additional Paid-in	Distributions In Excess Of	Accumulated Other Comprehensive	Noncontrolling	Total
	Number	Amount	Number	Amount	Capital	Earnings	(Loss) Income	Interests	Equity
Balances, December 31, 2022	9,017,588	$ 225,439	89,842,145	$ 898	$ 1,777,984	$ (396,650)	$ 40,530	$ 740,813	$ 2,389,014
Issuance of preferred shares	5,668,128	115,212	—	—	(1,938)	—	—	—	113,274
OP equity issued:									
Acquisition of properties	—	—	—	—	—	—	—	37,257	37,257
Issuance of Series A-1 preferred units	—	—	—	—	—	—	—	750	750
Redemptions of OP Units	—	—	67,431	1	1,093	—	30	(1,124)	—
Repurchase of common shares	—	—	(1,622,874)	(16)	(69,295)	—	—	—	(69,311)
Effect of changes in ownership for consolidated entities	—	—	—	—	(18,720)	—	(1,245)	19,965	—
Equity-based compensation expense	—	—	—	—	101	—	—	1,548	1,649
Issuance of restricted common shares	—	—	12,417	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(2,977)	—	(89)	—	—	—	(89)
Preferred share dividends	—	—	—	—	—	(3,962)	—	—	(3,962)
Common share dividends	—	—	—	—	—	(48,755)	—	—	(48,755)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(34,431)	(34,431)
Other comprehensive loss	—	—	—	—	—	—	(14,162)	(6,552)	(20,714)
Net income	—	—	—	—	—	28,959	—	11,433	40,392
Balances, March 31, 2023	14,685,716	$ 340,651	88,296,142	$ 883	$ 1,689,136	$ (420,408)	$ 25,153	$ 769,659	$ 2,405,074

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(dollars in thousands, except number of shares)
(Unaudited)

Accumulated

Additional

Additional

Additional

Preferred Shares

Preferred Shares

	Preferred Shares								Common Shares		
	Number								Number	Amount	Numbe
Balances, December 31, 2023											

		Preferred Shares		Common Shares		Additional Paid-in	Distributions In Excess Of	Accumulated Other Comprehensive	Noncontrolling	Total
Redemptions of OP Units										
		Number	Amount	Number	Amount	Capital	Earnings	(Loss) Income	Interests	Equity
Redemptions of OP units		—	—	294,573	3	5,140	—	59	(5,202)	—
Redemptions of OP Units										
Redemptions of OP Units										
Repurchase of common shares										
Effect of changes in ownership for consolidated entities	Effect of changes in ownership for consolidated entities	—	—	—	—	5,924	—	(47)	(5,877)	—
Equity-based compensation expense	Equity-based compensation expense	—	—	—	—	127	—	—	1,453	1,580
Issuance of restricted common shares	Issuance of restricted common shares	—	—	630	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	Vesting and forfeitures of restricted common shares, net	—	—	(1,251)	—	(43)	—	—	—	(43)
Equity offering costs										
Preferred share dividends	Preferred share dividends	—	—	—	—	—	(3,382)	—	—	(3,382)
Common share dividends	Common share dividends	—	—	—	—	—	(50,466)	—	—	(50,466)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	—	—	(36,625)	(36,625)
Other comprehensive income	Other comprehensive income	—	—	—	—	—	—	12,626	5,216	17,842
Net income	Net income	—	—	—	—	—	25,038	—	23,387	48,425
Balances, June 30, 2022		9,017,588	$225,439	91,755,672	$ 918	$1,841,880	$ (343,834)	$ 24,372	$ 752,538	$2,501,313
OP equity issued for property acquisitions:										
OP units and subordinated performance units, net of offering costs		—	—	—	—	—	—	—	6,244	6,244
Redemptions of OP units		—	—	61,662	1	1,063	—	13	(1,077)	—
Repurchase of common shares		—	—	(953,924)	(10)	(50,083)	—	—	—	(50,093)

	Preferred Shares Number	Preferred Shares Amount	Common Shares Number	Common Shares Amount	Additional Paid-in Capital	Distributions In Excess Of Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
Effect of changes in ownership for consolidated entities	—	—	—	—	11,500	—	(91)	(11,409)	—
Equity-based compensation expense	—	—	—	—	84	—	—	1,462	1,546
Issuance of restricted common shares	—	—	1,862	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(3,447)	—	—	—	—	—	—
Preferred share dividends	—	—	—	—	—	(3,382)	—	—	(3,382)
Balances, March 31, 2024									

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY CASH FLOWS
(dollars in thousands, except number of shares) thousands)
(Unaudited)

	Preferred Shares		Common Shares		Additional Paid-in	Distributions In Excess Of	Accumulated Other Comprehensive	Noncontrolling	Total
	Number	Amount	Number	Amount	Capital	Earnings	(Loss) Income	Interests	Equity
Common share dividends	—	—	—	—	—	(49,973)	—	—	(49,973)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(35,005)	(35,005)
Other comprehensive income	—	—	—	—	—	—	18,558	7,658	26,216
Net income	—	—	—	—	—	22,211	—	17,966	40,177
Balances, September 30, 2022	9,017,588	$ 225,439	90,861,825	$ 909	$ 1,804,444	$ (374,978)	$ 42,852	$ 738,377	$ 2,437,043

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
OPERATING ACTIVITIES		
Net income	$ 95,088	$ 40,392

Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,331	55,458
Amortization of debt issuance costs	1,709	1,600
Amortization of debt discount and premium, net	(255)	(150)
Gain on sale of self storage properties	(61,173)	—
Other	—	969
Equity-based compensation expense	1,855	1,649
Equity in losses (earnings) of unconsolidated real estate ventures	1,630	(1,678)
Distributions from unconsolidated real estate ventures	5,479	5,981
Change in assets and liabilities, net of effects of self storage property acquisitions:		
Other assets	13,010	7,730
Accounts payable and accrued liabilities	(5,681)	(3,043)
Deferred revenue	(4,992)	845
Net Cash Provided by Operating Activities	94,001	109,753
INVESTING ACTIVITIES		
Acquisition of self-storage properties	—	(9,920)
Capital expenditures	(5,374)	(8,450)
Deposits and advances for self storage properties and other acquisitions	—	(200)
Expenditures for corporate furniture, equipment and other	(230)	(678)
Investment in unconsolidated real estate venture	(35,774)	—
Acquisition of management company assets and interest in reinsurance company from PRO retirement	—	(16,924)
Net proceeds from sale of self storage properties	608,777	—
Net Cash Provided by (Used In) Investing Activities	567,399	(36,172)
FINANCING ACTIVITIES		
Borrowings under debt financings	240,000	325,815
Redemption of OP units	(381)	—
Repurchase of common shares	(203,528)	(69,311)
Principal payments under debt financings	(613,401)	(232,459)
Payment of dividends to common shareholders	(43,751)	(48,755)
Payment of dividends to preferred shareholders	(5,110)	(3,664)
Distributions to noncontrolling interests	(33,809)	(34,513)
Debt issuance costs	—	(1,057)
Equity offering costs	(33)	—
Net Cash Used In Financing Activities	(660,013)	(63,944)
Increase in Cash, Cash Equivalents and Restricted Cash	1,387	9,637

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY CASH FLOWS
(dollars in thousands, except number of shares) thousands)
(Unaudited)

	Preferred Shares		Common Shares		Additional Paid-in Capital	Distributions In Excess Of Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
	Number	Amount	Number	Amount					
Balances, December 31, 2022	9,017,588	$ 225,439	89,842,145	$ 898	$ 1,777,984	$ (396,650)	$ 40,530	$ 740,813	$ 2,389,014
Issuance of preferred shares	5,668,128	115,212	—	—	(1,938)	—	—	—	113,274

OP equity issued:									
Acquisition of properties	—	—	—	—	—	—	—	37,257	37,257
Issuance of Series A-1 preferred units	—	—	—	—	—	—	—	750	750
Redemptions of OP Units	—	—	67,431	1	1,093	—	30	(1,124)	—
Repurchase of common shares	—	—	(1,622,874)	(16)	(69,295)	—	—	—	(69,311)
Effect of changes in ownership for consolidated entities	—	—	—	—	(18,720)	—	(1,245)	19,965	—
Equity-based compensation expense	—	—	—	—	101	—	—	1,548	1,649
Issuance of restricted common shares	—	—	12,417	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(2,977)	—	(89)	—	—	—	(89)
Preferred share dividends	—	—	—	—	—	(3,962)	—	—	(3,962)
Common share dividends	—	—	—	—	—	(48,755)	—	—	(48,755)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(34,431)	(34,431)
Other comprehensive (loss)	—	—	—	—	—	—	(14,162)	(6,552)	(20,714)
Net income	—	—	—	—	—	28,959	—	11,433	40,392
Balances, March 31, 2023	14,685,716	$ 340,651	88,296,142	$ 883	$ 1,689,136	$ (420,408)	$ 25,153	$ 769,659	$ 2,405,074
OP equity issued:									
Acquisition of properties	—	—	—	—	—	—	—	5,577	5,577
Redemptions of OP Units	—	—	354,936	3	5,530	—	113	(5,646)	—
Effect of changes in ownership for consolidated entities	—	—	—	—	(1,833)	—	(18)	1,851	—
Equity-based compensation expense	—	—	—	—	125	—	—	1,552	1,677
Issuance of restricted common shares	—	—	439	—	—	—	—	—	—

	Three Months Ended March 31, 2024	2023
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period	87,693	42,199
End of period	$ 89,080	$ 51,836

Supplemental Cash Flow Information		
Cash paid for interest	$ 33,605	$ 29,521
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Consideration exchanged in property acquisitions		
Issuance of OP Units and subordinated performance units	—	37,257
Issuance of Series B preferred shares	—	113,274
Other net liabilities assumed	—	85
Change in accrued capital spending	(125)	463

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(dollars in thousands, except number of shares)
(Unaudited)

	Preferred Shares		Common Shares		Additional Paid-in	Distributions In Excess Of	Accumulated Other Comprehensive	Noncontrolling	Total
	Number	Amount	Number	Amount	Capital	Earnings	(Loss) Income	Interests	Equity
Vesting and forfeitures of restricted common shares, net	—	—	(1,723)	—	(217)	—	—	—	(217)
Preferred share dividends	—	—	—	—	—	(5,402)	—	—	(5,402)
Common share dividends	—	—	—	—	—	(49,451)	—	—	(49,451)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(35,456)	(35,456)
Other comprehensive income	—	—	—	—	—	—	11,658	5,465	17,123
Net income	—	—	—	—	—	29,448	—	16,028	45,476
Balances, June 30, 2023	14,685,716	$ 340,651	88,649,794	$ 886	$ 1,692,741	$ (445,813)	$ 36,906	$ 759,030	$ 2,384,401
Issuance of preferred shares	—	—	—	—	(92)	—	—	—	(92)
OP equity issued for property acquisitions:									
OP units, LTIP units, subordinated performance units and Series A-1 preferred units, net of offering costs	—	—	—	—	—	—	—	16,370	16,370
Redemptions of OP Units	—	—	667,484	7	10,055	—	279	(10,341)	—
Repurchase of common shares	—	—	(6,360,994)	(63)	(213,374)	—	—	—	(213,437)
Effect of changes in ownership for consolidated entities	—	—	—	—	49,827	—	(559)	(49,268)	—
Equity-based compensation expense	—	—	—	—	122	—	—	1,580	1,702
Vesting and forfeitures of restricted common shares, net	—	—	(487)	—	—	—	—	—	—
Preferred share dividends	—	—	—	—	—	(5,393)	—	—	(5,393)
Common share dividends	—	—	—	—	—	(46,642)	—	—	(46,642)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(34,657)	(34,657)
Other comprehensive income	—	—	—	—	—	—	7,776	3,639	11,415
Net income	—	—	—	—	—	29,237	—	13,827	43,064
Balances, September 30, 2023	14,685,716	$ 340,651	82,955,797	$ 830	$ 1,539,279	$ (468,611)	$ 44,402	$ 700,180	$ 2,156,731

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
OPERATING ACTIVITIES		
Net income	$ 128,932	$ 133,388
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	168,005	175,594

Amortization of debt issuance costs	4,841	3,245
Amortization of debt discount and premium, net	(428)	(522)
Gain on sale of self storage properties	—	(2,134)
Other	969	992
Equity-based compensation expense	5,028	4,670
Equity in earnings of unconsolidated real estate ventures	(5,469)	(5,590)
Distributions from unconsolidated real estate ventures	17,761	17,126
Change in assets and liabilities, net of effects of self storage property acquisitions:		
Other assets	(3,632)	(5,644)
Accounts payable and accrued liabilities	28,483	29,419
Deferred revenue	3,092	(601)
Net Cash Provided by Operating Activities	347,582	349,943
INVESTING ACTIVITIES		
Acquisition of self-storage properties	(31,753)	(488,735)
Capital expenditures	(25,955)	(33,902)
Investment in unconsolidated real estate venture	—	(55,044)
Deposits and advances for self storage properties and other acquisitions	(241)	(750)
Expenditures for corporate furniture, equipment and other	(1,063)	(754)
Acquisition of management company assets and interest in reinsurance company from PRO retirement	(16,924)	—
Proceeds from sale of self storage properties	—	6,166
Net Cash Used In Investing Activities	(75,936)	(573,019)
FINANCING ACTIVITIES		
Borrowings under debt financings	799,000	1,402,000
Repurchase of common shares	(282,748)	(50,093)
Principal payments under debt financings	(502,787)	(853,255)
Payment of dividends to common shareholders	(144,848)	(146,149)
Payment of dividends to preferred shareholders	(14,757)	(10,043)
Distributions to noncontrolling interests	(104,845)	(104,783)
Debt issuance costs	(2,213)	(4,290)
Equity offering costs	—	(772)
Net Cash (Used In) Provided By Financing Activities	(253,198)	232,615
Increase in Cash, Cash Equivalents and Restricted Cash	18,448	9,539
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period	42,199	27,875
End of period	$ 60,647	$ 37,414

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(Unaudited)

Supplemental Cash Flow and Noncash Information		
Cash paid for interest	$ 100,466	$ 65,424
Consideration exchanged in investment activity		
Issuance of Series A-1 preferred units, OP units, LTIP units, and subordinated performance units	59,204	39,975
Issuance of Series B preferred shares	113,182	—
Deposits on acquisitions applied to purchase price	—	800
Other net liabilities assumed	197	2,734

See notes to condensed consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023 March 31, 2024
(Unaudited)

1. ORGANIZATION AND NATURE OF OPERATIONS

National Storage Affiliates Trust was organized in the state of Maryland on May 16, 2013 and is a fully integrated, self-administered and self-managed real estate investment trust focused on the self storage sector. As used herein, "NSA," the "Company," "we," "our," and "us" refers to National Storage Affiliates Trust and its consolidated subsidiaries, except where the context indicates otherwise. The Company has elected and believes that it has qualified to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") commencing with its taxable year ended December 31, 2015.

Through its controlling interest as the sole general partner of NSA OP, LP (its "operating partnership"), a Delaware limited partnership formed on February 13, 2013, the Company is focused on the ownership, operation, and acquisition of self storage properties predominantly located within the top 100 metropolitan statistical areas throughout the United States. Pursuant to the Agreement of Limited Partnership (as amended, the "LP Agreement") of its operating partnership, the Company's operating partnership is authorized to issue preferred units, Class A Units ("OP units"), different series of Class B Units ("subordinated performance units"), and Long-Term Incentive Plan Units ("LTIP units"). The Company also owns certain of its self storage properties through other consolidated limited partnership subsidiaries of its operating partnership, which the Company refers to as "DownREIT partnerships." The DownREIT partnerships issue equity ownership interests that are intended to be economically equivalent to the Company's OP units ("DownREIT OP units") and subordinated performance units ("DownREIT subordinated performance units").

The Company owned 934 809 consolidated self storage properties in 39 38 states and Puerto Rico with approximately 59.5 million 51.9 million rentable square feet in approximately 463,000 407,000 storage units as of September 30, 2023 March 31, 2024. These properties are managed with local operational focus and expertise by the Company and its participating regional operators ("PROs"). As of September 30, 2023 March 31, 2024, the Company directly managed 603 476 of these self storage properties through its corporate brands of iStorage, SecurCare, Northwest and Move It, and the PROs managed the remaining 331 333 self storage properties. These PROs are Optivest Properties LLC and its controlled affiliates ("Optivest"), Guardian Storage Centers LLC and its controlled affiliates ("Guardian"), Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"), Hide-Away Storage Services, Inc. and its controlled affiliates ("Hide-Away"), an affiliate of Shader Brothers Corporation d/b/a Personal Mini Storage ("Personal Mini"), Southern Storage Management Systems, Inc. d/b/a Southern Self Storage ("Southern"), affiliates of Investment Real Estate Management, LLC d/b/a Moove In Self Storage of York, Pennsylvania ("Moove In") and Blue Sky Self Storage, LLC, a strategic partnership between Argus Professional Storage Management and GYS Development LLC ("Blue Sky").

Effective January 1, 2023, one of our PROs, Move It Self Storage and its controlled affiliates ("Move It"), retired as one of the Company's PROs. As a result of the retirement, on January 1, 2023, management of our 72 properties in the Move It managed portfolio was transferred to us and the Move It brand name and related intellectual property was internalized by us, and we discontinued payment of any supervisory and administrative fees or reimbursements to Move It. In addition, on January 1, 2023, we issued a notice of non-voluntary conversion to convert all of the subordinated performance units related to Move It's managed portfolio into OP units. As part of the internalization, a majority of Move It's employees were offered and provided employment by us and will continue managing Move It's portfolio of properties as members of our existing property management platform. See Note 3 and Note 6 for additional information related to the Move It retirement and internalization.

As of September 30, 2023 March 31, 2024, the Company also managed through its property management platform an additional portfolio of 185 241 properties owned by the Company's unconsolidated real estate ventures. These properties contain approximately 13.5 million 16.7 million rentable square feet, configured in approximately 111,000 135,000 storage units and located across 21 24 states. The Company owns a 25% equity interest in each of its unconsolidated real estate ventures.

As of September 30, 2023 March 31, 2024, in total, the Company operated and held ownership interests in 1,119 1,050 self storage properties located across 42 states and Puerto Rico with approximately 73.0 million 68.7 million rentable square feet in approximately 574,000 542,000 storage units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP") and have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, certain information and footnote disclosures required by GAAP for complete financial statements have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the condensed consolidated financial statements have been included. The Company's results of operations for the quarterly and year to date periods are not necessarily indicative of the results to be expected for the full year or any other future period.

On January 3, 2023, the operating partnership, as borrower, the Company, and certain of the operating partnership's subsidiaries, as subsidiary guarantors, entered into a third amended and restated credit agreement with KeyBank National Association, as administrative agent, and a syndicated group of lenders party thereto, which expanded the total borrowing capacity of its credit facility by $405.0 million to $1.955 billion. The Company presented changes in borrowings from certain lenders on a net basis in its prior year interim condensed consolidated statement of cash flows. The Company has corrected this error in the accompanying condensed consolidated statement of cash flows for the quarterly period ended March 31, 2023 to present on a gross basis the constructive receipts and payments under debt financings of $129.8 million and $129.8 million, respectively. The corrections had no impact to the total net cash used in financing activities in any interim period. The Company evaluated this adjustment both qualitatively and quantitatively and has concluded that this adjustment is immaterial to all impacted periods.

Principles of Consolidation

The Company's financial statements include the accounts of its operating partnership and its controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation of entities.

When the Company obtains an economic interest in an entity, the Company evaluates the entity to determine if the entity is deemed a variable interest entity ("VIE"), and if the Company is deemed to be the primary beneficiary, in accordance with authoritative guidance issued on the consolidation of VIEs. When an entity is not deemed to be a VIE, the Company considers the provisions of additional guidance to determine whether the general partner controls a limited partnership or similar entity when the limited partners have certain rights. The Company consolidates all entities that are VIEs and of which the Company is deemed to be the primary beneficiary. The Company has determined that its operating partnership is a VIE. The sole significant asset of National Storage Affiliates Trust is its investment in its operating partnership, and consequently, substantially all of the Company's assets and liabilities represent those assets and liabilities of its operating partnership.

As of September 30, 2023 March 31, 2024, the Company's operating partnership was the primary beneficiary of, and therefore consolidated, 22 partnerships that are considered VIEs, which owned 48 49 self storage properties. The net book value of the real estate owned by these VIEs was $406.0 million $415.9 million and $412.9 million $418.9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. For certain DownREIT partnerships which are subject to fixed rate mortgages payable, the carrying value of such fixed rate mortgages payable held by these VIEs was $188.7 million and $188.7 million $188.7 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The creditors of the consolidated VIEs do not have recourse to the Company's general credit.

Revenue Recognition

Rental revenue

Rental revenue consists of space rentals and related fees. Management has determined that all of the Company's leases are operating leases. Substantially all leases may be terminated on a month-to-month basis and rental income is recognized ratably over the lease term using the straight-line method. Rents received in advance are deferred and recognized on a straight-line basis over the related lease term associated with the prepayment. Promotional discounts and other incentives are recognized as a reduction to rental income over the applicable lease term.

Other property-related revenue

Other property-related revenue primarily consists of ancillary revenues such as tenant insurance and/or tenant warranty protection-related access fees, sales of storage supplies and truck rentals which are recognized in the period earned.

The Company and certain of the Company's PROs have tenant insurance and/or tenant warranty protection plan-related arrangements with insurance companies and the Company's tenants. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized $6.3 million $5.6 million and $5.0 million $5.5 million, respectively, of tenant insurance and tenant warranty protection plan revenues and during the nine months ended September 30, 2023 and 2022, the Company recognized $17.9 million and $14.8 million, respectively, of tenant insurance and tenant warranty protection plan revenues.

The Company sells boxes, packing supplies, locks, other retail merchandise and rents moving trucks at its properties. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized retail sales of $0.6 million $0.5 million and $0.6 million, respectively and during the nine months ended September 30, 2023 and 2022, the Company recognized retail sales of $1.9 million and $2.0 million, respectively.

Management fees and other revenue

Management fees and other revenue consist of property management fees, platform fees, call center fees, acquisition fees, amounts related to the facilitation of tenant warranty protection or tenant insurance programs for certain stores in the Company's consolidated portfolio and unconsolidated real estate ventures, access fees associated with tenant insurance-related arrangements, and profit distributions from the Company's interest in a reinsurance company.

With respect to both the 2016 Joint Venture, the 2018 Joint Venture and the 2016 2024 Joint Venture (as each is defined in Note 5), the Company provides supervisory and administrative property management services, centralized call center services, and technology platform and revenue management services to the properties in the unconsolidated real estate ventures. The property management fees for the 2016 Joint Venture and 2018 Joint Venture are equal to 6% of monthly gross revenues and net sales revenues from the assets of the unconsolidated real estate ventures, and the platform fees are equal to $1,250 per month per unconsolidated real estate venture property. The property management fees for the 2024 Joint Venture are equal to 4% of monthly gross revenues and net sales revenues from the assets of the unconsolidated real estate venture. With respect to the 2016 Joint Venture only, and 2024 Joint Venture, the call center fee is equal to 1% of each of monthly gross revenues and net sales revenues from the 2016 Joint Venture properties. and 2024 Joint Venture properties, respectively. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized property management fees, call center fees and platform fees of $4.2 million $4.3 million and $4.2 million, respectively and during the nine months ended September 30, 2023 and 2022, the Company recognized property management fees, call center fees and platform fees of $12.6 million and $12.2 million, respectively.

The Company also earns acquisition fees for properties acquired by the unconsolidated real estate ventures subsequent to the Initial initial portfolios of each of the 2016 JV Portfolio Joint Venture, the 2018 Joint Venture and the Initial 2018 JV Portfolio. 2024 Joint Venture (each as defined in Note 5). The 2023 Joint Venture (as defined in Note 5) does not currently hold any properties. These fees are based on a percentage of the gross capitalization of the acquired assets determined by the members of the 2016 Joint Venture, the 2018 Joint Venture, the 2023 Joint Venture and the 2018 2024 Joint Venture, and are generally earned when the unconsolidated real estate ventures obtain title and control of an acquired property. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized acquisition fees of $0 and $0.2 million, respectively and during the nine months ended September 30, 2023 and 2022, the Company recognized acquisition fees of $0, and $1.2 million, respectively.

The Company provides or makes available tenant insurance or tenant warranty protection programs for tenants at its properties. For certain of the properties in the Company's consolidated portfolio and unconsolidated real estate ventures, the Company provides such tenant insurance through the Company's wholly-owned captive insurance company and a separate reinsurance company in which the Company has a partial ownership interest. With respect to properties in both all of the Company's unconsolidated real estate ventures, the Company receives 50% of all proceeds from tenant insurance and tenant warranty protection programs at each unconsolidated real estate venture property in exchange for facilitating the programs at those properties. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized $5.2 million $4.7 million and $2.1 million $2.8 million, respectively, of revenue related to these activities and during the nine months ended September 30, 2023 and 2022, the Company recognized $12.3 million and $7.3 million, respectively, of revenue related to these activities.

Gain on sale of self storage properties

The Company recognizes gains from disposition of facilities properties only upon closing in accordance with the guidance on sales of nonfinancial assets. Profit on real estate sold is recognized upon closing when all, or substantially all, of the promised consideration has been received and is nonrefundable and the Company has transferred control of the facilities to the purchaser.

Investments in Unconsolidated Real Estate Ventures

The Company's investments in its unconsolidated real estate ventures are recorded under the equity method of accounting in the accompanying condensed consolidated financial statements. Under the equity method, the Company's investments in unconsolidated real estate ventures are stated at cost and adjusted for the Company's share of net earnings or losses and reduced by distributions. Equity in earnings (losses) is recognized based on the Company's 25% ownership interest in the earnings (losses) of the unconsolidated real estate ventures. ventures, except for the 2024 JV, for which the Company follows the hypothetical liquidation at book value ("HLBV") method. The Company follows the "nature of the distribution approach" for classification of distributions from its unconsolidated real estate ventures in its condensed consolidated statements of cash flows. Under this approach, distributions are reported on the basis of the nature of the activity or activities that generated the distributions as either a return on investment, which are classified as operating cash flows, or a return of investment (e.g., proceeds from the unconsolidated real estate ventures' sale of assets) which are reported as investing cash flows.

Noncontrolling Interests

All of the limited partner equity interests ("OP equity") in the operating partnership not held by the Company are reflected as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than the operating partnership or its subsidiaries. In the condensed consolidated statements of operations, the Company allocates net income (loss) attributable to noncontrolling interests to arrive at net income (loss) attributable to National Storage Affiliates Trust.

For transactions that result in changes to the Company's ownership interest in its operating partnership, the carrying amount of noncontrolling interests is adjusted to reflect such changes. The difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is reflected as an adjustment to additional paid-in capital on the condensed consolidated balance sheets.

Allocation of Net Income (Loss)

The distribution rights and priorities set forth in the operating partnership's LP Agreement differ from what is reflected by the underlying percentage ownership interests of the unitholders. Accordingly, the Company allocates GAAP income (loss) utilizing the hypothetical liquidation at book value ("HLBV") HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of its operating partnership at period end after adjusting for any distributions or contributions made during such period. The HLBV method is commonly applied to equity investments where cash distribution percentages vary at different points in time and are not directly linked to an equity holder's ownership percentage.

The HLBV method is a balance sheet-focused approach to income (loss) allocation. A calculation is prepared at each balance sheet date to determine the amount that unitholders would receive if the operating partnership were to liquidate all of its assets (at GAAP net book value) and distribute the resulting proceeds to its creditors and unitholders based on the contractually defined liquidation priorities. The difference between the calculated liquidation distribution amounts at the beginning and the end of the reporting period, after adjusting for capital contributions and distributions, is used to derive each unitholder's share of the income (loss) for the period. Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to unitholders as compared to their respective ownership percentage in the operating partnership, and net income (loss) attributable to National Storage Affiliates Trust could be more or less net income than actual cash distributions received and more or less income or loss than what may be received in the event of an actual liquidation. Additionally, the HLBV method could result in net income (or net loss) attributable to National Storage Affiliates Trust during a period when the Company reports consolidated net loss (or net income), or net income (or net loss) attributable to National Storage Affiliates Trust in excess of the Company's consolidated net income (or net loss). The computations of basic and diluted earnings (loss) per share may be materially affected by these disproportionate income (loss) allocations, resulting in volatile fluctuations of basic and diluted earnings (loss) per share.

Other Comprehensive Income (Loss)

The Company has cash flow hedge derivative instruments that are measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss) with a corresponding adjustment to accumulated other comprehensive income (loss) within equity, as discussed further in Note 12. Under the HLBV method of allocating income (loss) discussed above, a calculation is prepared at each balance sheet date by applying the HLBV method including, and excluding, the assets and liabilities resulting from the Company's cash flow hedge derivative instruments to determine comprehensive income (loss) attributable to National Storage Affiliates Trust. As a result of the distribution rights and priorities set forth in the operating partnership's LP Agreement, in any given period, other comprehensive income (loss) may be allocated disproportionately to unitholders as compared to their respective ownership percentage in the operating partnership and as compared to their respective allocation of net income (loss).

Cash and Cash Equivalents

The Company considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. From time to time, the Company maintains cash balances in financial institutions in excess of federally insured limits. We mitigate credit risk by placing cash and cash equivalents with major financial institutions. The Company has never experienced a loss that resulted from exceeding federally insured limits.

Restricted Cash

The Company's restricted cash consists of escrowed funds deposited with financial institutions resulting from property sales for which we elected to purchase replacement property in accordance with Section 1031 of the Code, for real estate taxes, insurance and other reserves for capital improvements in accordance with the Company's loan agreements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS

Shareholders' Equity

At the Market ("ATM") Program

On February 27, 2019, the Company entered into a sales agreement with certain sales agents, pursuant to which the Company may sell from time to time up to an aggregate of $250.0 million of common shares of beneficial interest, $0.01 par value per share of the Company ("common shares") and 6.000% Series A cumulative redeemable Preferred Shares of beneficial interest ("Series A Preferred Shares") in sales deemed to be "at the market" offerings (the "sales agreement"). On May 19, 2021, the Company entered into an amendment to the sales agreement with certain sales agents, whereby the Company increased the aggregate gross sale price under the program to $400.0 million, which included

$31.0 million of the remaining available offered shares. The sales agreement contemplates that, in addition to the issuance and sale by the Company of offered shares to or through the sale agents, the Company may enter into separate forward sale agreements with any forward purchaser. Forward sale agreements, if any, will include only the Company's common shares and will not include any Series A Preferred Shares. If the Company enters into a forward sale agreement with any forward purchaser, such forward purchaser will attempt to borrow from third parties and sell, through the related agent, acting as sales agent for such forward purchaser (each, a "forward seller"), offered shares, in an amount equal to the offered shares subject to such forward sale agreement, to hedge such forward purchaser’s exposure under such forward sale agreement. The Company may offer the common shares and Series A Preferred Shares through the agents, as the Company's sales agents, or, as applicable, as forward seller, or directly to the agents or forward sellers, acting as principals, by means of, among others, ordinary brokers’ transactions on the NYSE or otherwise at market prices prevailing at the time of sale or at negotiated prices.

During the nine three months ended September 30, 2023 March 31, 2024, the Company did not sell any common shares through the ATM program. As of September 30, 2023 March 31, 2024, the Company had $169.1 million of capacity remaining under its most recent ATM Program.

Common Share Repurchase Program

On July 11, 2022, the Company approved a share repurchase program authorizing, but not obligating, the repurchase of up to $400.0 million of the Company's common shares of beneficial interest from time to time. On December 1, 2023, the Company approved a new share repurchase program authorizing, but not obligating, the repurchase of up to $275.0 million of the Company's common shares from time to time. The timing, manner, price and amount of any repurchase transactions will be determined by the Company in its discretion and will be subject to share price, availability, trading volume and general market conditions. During the nine three months ended September 30, 2023 March 31, 2024 the Company repurchased 7,983,868 5,491,925 common shares for approximately $282.7 million $203.5 million. Under the share repurchase program, the Company has remaining capacity of approximately $27.6 million out of a total of $400.0 million authorized.

Series B Preferred Shares

On March 15, 2023, the Company classified 7,000,000 of the Company's authorized but unissued preferred shares of beneficial interest as 6.000% Series B Cumulative Redeemable Preferred Shares ("Series B Preferred Shares"). The Series B Preferred Shares rank senior to the Company’s common shares of beneficial interest, and on parity with the Company’s 6.000% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest (“Series A Preferred Shares”) and any future equity shares that the Company may later authorize or issue and that by their terms are on parity with the Series B Preferred Shares, and junior to any other class of the Company’s shares expressly designated as ranking senior to the Series B Preferred Shares. The Series B Preferred Shares have a per share liquidation preference of $25.00 per share and receive distributions at an annual rate of 6.000%. These distributions are payable quarterly in arrears on or about the last day of March, June, September and December of each year, beginning on June 30, 2023. The first dividend was a pro rata dividend from and including March 16, 2023, to and including June 30, 2023. Generally, Series B Preferred Shares are not redeemable by the Company prior to September 15, 2043.

On March 16, 2023, the Company issued 5,668,128 Series B Preferred Shares for approximately $139.6 million, to shareholders of an affiliate of Personal Mini, in connection with the acquisition of a portfolio of 15 properties. As part of the acquisition transaction, the Company recorded a $26.1 million promissory note receivable from an affiliate of Personal Mini. Proceeds from the promissory note were used by the affiliate of Personal Mini to acquire $26.1 million of subordinated performance units. The promissory note bears interest at a rate equivalent to the dividends paid on 1,059,683 of the Series B Preferred Shares. As a result of these agreements, in accordance with GAAP, the $26.1 million promissory note receivable, interest income on the note receivable, $26.1 million of Series B Preferred Shares value, and dividends on such Series B Preferred Shares have been offset in the accompanying condensed consolidated balance sheets, statements of operations, and statements of changes in equity, resulting in a net amount presented as proceeds from the issuance of Series B Preferred Shares of $113.2 million.

Noncontrolling Interests

All of the OP equity in the Company's operating partnership not held by the Company are reflected as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than the Company's operating partnership. NSA is the general partner of its operating partnership and is authorized to cause its operating partnership to issue additional partner interests, including OP units and subordinated performance units, at such prices and on such other terms as it determines in its sole discretion.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, units reflecting noncontrolling interests consisted of the following:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Series A-1 preferred units	Series A-1 preferred units	1,032,986	712,208		
OP units	OP units	37,821,686	35,737,281		

Subordinated performance units	Subordinated performance units	7,955,825	8,154,524
LTIP units	LTIP units	785,932	728,890
DownREIT units	DownREIT units		
DownREIT OP units	DownREIT OP units	2,120,491	1,924,918
DownREIT OP units			
DownREIT OP units			
DownREIT subordinated performance units	DownREIT subordinated performance units	4,133,474	4,337,111
Total	Total	53,850,394	51,594,932

Series A-1 Preferred Units

The 6.000% Series A-1 Cumulative Redeemable Preferred Units ("Series A-1 preferred units") rank senior to OP units and subordinated performance units in the Company's operating partnership with respect to distributions and liquidation. The Series A-1 preferred units have a stated value of $25.00 per unit and receive distributions at an annual rate of 6.000%. These distributions are cumulative. The Series A-1 preferred units are redeemable at the option of the holder after the first anniversary of the date of issuance, which redemption obligations may be satisfied at the Company's option in cash in an amount equal to the market value of an equivalent number of the Series A Preferred Shares or the issuance of Series A Preferred Shares on a one-for-one basis, subject to adjustments. The Series A Preferred Shares are redeemable by the Company for a cash redemption price of $25.00 per share, plus accrued but unpaid dividends beginning in October 2022. The increase in Series A-1 preferred units outstanding from December 31, 2022 to September 30, 2023 was due to (i) 287,337 Series A-1 preferred units issued in connection with the acquisition of a self storage property and (ii) the issuance of 33,441 Series A-1 preferred units in connection with the termination of a lease and the contribution of the development rights for vacant land owned by the Company at one of the Company's self storage facilities.

OP Units and DownREIT OP units

OP units in the Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for the Company's common shares on a one-for-one basis, and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case. The holders of OP units are generally not entitled to elect redemption until one year after the issuance of the OP units. The holders of DownREIT OP units are generally not entitled to elect redemption until five years after the date of the contributor's initial contribution.

The increase in OP units outstanding from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 was due to (i) 2,545,063 OP units issued upon the non-voluntary conversion of 926,623 subordinated performance units (as discussed further below) in connection with Move It's retirement, (ii) 481,811 43,556 OP units issued upon the voluntary conversion of 397,000 23,690 subordinated performance units (iii) the issuance of 18,895 OP units in connection with the acquisition of self storage properties, (iv) and the conversion of 128,487 62,330 LTIP units into an equivalent number of OP units, partially offset by the redemption of 1,089,851 72,802 OP units for an equal number of common shares.

The increase in DownREIT shares and the redemption of 10,417 OP units outstanding from December 31, 2022 to September 30, 2023 was due to 195,573 DownREIT OP units issued upon the voluntary conversion of 203,637 DownREIT subordinated performance units.

for cash.

Subordinated Performance Units and DownREIT Subordinated Performance Units

Subordinated performance units may also, under certain circumstances, be convertible into OP units which are exchangeable for common shares as described above, and DownREIT subordinated performance units may, under certain circumstances, be exchangeable for subordinated performance units on a one-for-one basis. Subordinated performance units are only convertible into OP units after a two year lock-out period and then generally (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. The holders of DownREIT subordinated performance units are generally not entitled to elect redemption until at least five years after the date of the contributor's initial contribution.

Following such lock-out period, a holder of subordinated performance units in the Company's operating partnership may elect a voluntary conversion one time each year on or prior to December 1st to convert a pre-determined portion of such subordinated performance units into OP units in the Company's operating partnership, with such conversion effective January 1st of the following year, with each subordinated performance unit being converted into the number of OP units determined by dividing the average cash available for distribution, or CAD, per unit on the series of specific subordinated performance units over the one-year period prior to conversion by 110% of the CAD per unit on the OP units determined over the same period. CAD per unit on the series of specific subordinated performance units and OP units is determined by the Company based generally upon the application of the provisions of the LP Agreement applicable to the distributions of operating cash flow and capital transactions proceeds.

The decrease in subordinated performance units outstanding from December 31, 2022 December 31, 2023 to September 30, 2023 was due to the conversion of 926,623 subordinated performance units into 2,545,063 OP units in connection with the retirement of Move It, and the voluntary conversion of 397,000 subordinated performance units into 481,811 OP units, partially offset by the issuance of 1,124,924 subordinated performance units for co-investment by the Company's PROs in connection with the acquisition of self storage properties.

The decrease in DownREIT subordinated performance units outstanding from December 31, 2022 to September 30, 2023 March 31, 2024 was due to the voluntary conversion of 203,637 DownREIT 23,690 subordinated performance units into 195,573 DownREIT 43,556 OP units.

LTIP Units

LTIP units are a special class of partnership interest in the Company's operating partnership that allow the holder to participate in the ordinary and liquidating distributions received by holders of the OP units (subject to the achievement of specified levels of profitability by the Company's operating partnership or the achievement of certain events). LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above.

The increase in LTIP units outstanding from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 was due to issuance of 185,529 143,304 compensatory LTIP units to employees, net of forfeitures, partially offset by the conversion of 128,487 62,330 LTIP units into an equivalent number of OP units.

4. SELF STORAGE PROPERTIES

Self storage properties are summarized as follows (dollars in thousands):

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Land	Land	$1,152,156	$1,111,326		
Buildings and improvements	Buildings and improvements	5,453,118	5,269,383		
Furniture and equipment	Furniture and equipment	11,413	10,863		
Total self storage properties	Total self storage properties	6,616,687	6,391,572		
Less accumulated depreciation	Less accumulated depreciation	(930,885)	(772,661)		
Self storage properties, net	Self storage properties, net	$5,685,802	$5,618,911		

Depreciation expense related to self storage properties amounted to $53.2 million $45.4 million and $49.8 million $52.1 million during the three months ended September 30, 2023 March 31, 2024 and 2022, respectively and $158.3 million and $144.3 million during the nine months ended September 30, 2023 and 2022, 2023, respectively.

5. INVESTMENT IN UNCONSOLIDATED REAL ESTATE VENTURES

2024 Joint Venture

During the three months ended March 31, 2024, a wholly owned subsidiary of the Company (the "2024 NSA Member") entered into an agreement (the "2024 JV Agreement") to form a joint venture (the "2024 Joint Venture") with an affiliate of Heitman Capital Management LLC (the "2024 JV Investor" and, together with the 2024 NSA Member, the "2024 JV Members"). The 2024 Joint Venture was capitalized with approximately $140.8 million in equity (approximately $35.2 million from the 2024 NSA Member in exchange for a 25% ownership interest and approximately $105.6 million from the 2024 JV Investor in exchange for a 75% ownership interest) and proceeds from a $210.0 million interest-only secured debt financing with an interest rate of 6.05% per annum and a term of five years.

A subsidiary of the Company is acting as the non-member manager of the 2024 Joint Venture (the "2024 NSA Manager"). The 2024 NSA Manager directs, manages and controls the day-to-day operations and affairs of the 2024 Joint Venture but may not cause the 2024 Joint Venture to make certain major decisions involving the business of the 2024 Joint Venture without the consent of both 2024 JV Members, including the approval of annual budgets, sales and acquisitions of properties, financings, and certain actions relating to bankruptcy.

The Company's investment in the 2024 Joint Venture is accounted for using the equity method of accounting and is included in investment in unconsolidated real estate ventures in the Company's condensed consolidated balance sheets. The Company's earnings from its investment in the 2024 Joint Venture are presented in equity in earnings (losses) of unconsolidated real estate ventures on the Company's condensed consolidated statements of operations.

During the three months ended March 31, 2024, pursuant to a contribution agreement executed by the 2024 JV Members on December 21, 2023, the Company contributed to the 2024 Joint Venture 56 self storage properties located across seven states, consisting of approximately 3.2 million rentable square feet configured in over 24,000 storage units.

2023 Joint Venture

During the three months ended December 31, 2023, the Company, through a newly formed subsidiary (the "2023 NSA Member"), entered into an agreement (the "2023 JV Agreement") to form a joint venture (the "2023 Joint Venture") with a state pension fund advised by Heitman Capital Management LLC (the "2023 JV Investor," together with the 2023 NSA Member, the "2023 JV Members") to acquire and operate self storage properties. The 2023 JV Agreement provides for equity capital contributions by the 2023 JV Members of up to $400.0 million over a twenty-four month investment period (subject to two six-month extension options if both of the 2023 JV Members agree) starting in December 2023, with the 2023 JV Investor holding a 75% ownership interest and the 2023 NSA Member holding a 25% ownership interest.

A subsidiary of the Company is acting as the non-member manager of the 2023 Joint Venture (the "2023 NSA Manager"). The 2023 NSA Manager directs, manages and controls the day-to-day operations and affairs of the 2023 Joint Venture but may not cause the 2023 Joint Venture to make certain major decisions involving the business of the 2023 Joint Venture without the consent of both 2023 JV Members, including the approval of annual budgets, sales and acquisitions of properties, financings, and certain actions relating to bankruptcy.

The Company's investment in the 2023 Joint Venture is accounted for using the equity method of accounting and is included in investment in unconsolidated real estate ventures in the Company's condensed consolidated balance sheets. The Company's earnings from its investment in the 2023 Joint Venture are presented in equity in earnings (losses) of unconsolidated real estate ventures on the Company's condensed consolidated statements of operations. As of March 31, 2024, the 2023 Joint Venture had not completed any acquisition activity and had no operations.

2018 Joint Venture

As of September 30, 2023 March 31, 2024, the Company's unconsolidated real estate venture, formed in September 2018 with an affiliate of Heitman America Real Estate REIT LLC (the "2018 Joint Venture"), owned and operated a portfolio of 104 self storage properties containing approximately 7.8 million rentable square feet, configured in approximately 64,000 storage units and located across 17 states.

2016 Joint Venture

As of September 30, 2023 March 31, 2024, the Company's unconsolidated real estate venture, formed in September 2016 with a state pension fund advised by Heitman Capital Management LLC (the "2016 Joint Venture"), owned and operated a portfolio of 81 properties containing approximately 5.6 million 5.7 million rentable square feet, configured in approximately 47,000 storage units and located across 13 states.

The following table presents the combined condensed financial position of the Company's unconsolidated real estate ventures as of September 30, 2023 March 31, 2024 and December 31, 2022 (in December 31, 2023 (dollars in thousands):

	September 30, 2023	December 31, 2022
ASSETS		
Self storage properties, net	$ 1,845,712	$ 1,891,203
Other assets	41,932	36,873
Total assets	$ 1,887,644	$ 1,928,076
LIABILITIES AND EQUITY		
Debt financing	$ 1,002,993	$ 1,002,301

Other liabilities		32,047		23,808
Equity		852,604		901,967
Total liabilities and equity	$	1,887,644	$	1,928,076

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		March 31, 2024		December 31, 2023
ASSETS				
Self storage properties	$	2,543,250	$	2,200,522
Less accumulated depreciation		(386,720)		(369,412)
Self storage properties, net		2,156,530		1,831,110
Other assets		42,052		37,826
Total assets	$	2,198,582	$	1,868,936
LIABILITIES AND EQUITY				
Debt financing	$	1,212,507	$	1,003,223
Other liabilities		27,871		28,333
Equity		958,204		837,380
Total liabilities and equity	$	2,198,582	$	1,868,936

The following tables present the combined condensed operating information of the Company's unconsolidated real estate ventures for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 (in 2023 (dollars in thousands):

		Three Months Ended September 30,				
		2023	2022			
	Three Months Ended March 31,				Three Months Ended March 31,	
	2024			2024		2023
Total revenue	Total revenue	$53,989	$53,601			
Property operating expenses	Property operating expenses	15,084	14,335			
Net operating income		38,905	39,266			
Supervisory, administrative and other expenses	Supervisory, administrative and other expenses	(3,564)	(3,540)			
Depreciation and amortization	Depreciation and amortization	(17,147)	(17,298)			
Interest expense	Interest expense	(10,417)	(10,416)			
Acquisition and other expenses	Acquisition and other expenses	(123)	(233)			
Acquisition and other expenses						
Acquisition and other expenses						
Net income	Net income	$ 7,654	$ 7,779			

	Nine Months Ended September 30,	
	2023	2022

Total revenue	$ 161,426	$ 102,599
Property operating expenses	45,246	28,144
Net operating income	116,180	74,455
Supervisory, administrative and other expenses	(10,654)	(6,742)
Depreciation and amortization	(52,290)	(32,680)
Interest expense	(31,247)	(20,826)
Acquisition and other expenses	(310)	(507)
Net income	$ 21,679	$ 13,700

6. ACQUISITIONS AND DISPOSITIONS

Acquisitions

The Company acquired 18 did not acquire any self storage properties and two annexes to existing properties for $204.4 million during the nine three months ended September 30, 2023 March 31, 2024. Of these acquisitions, 18 self storage properties and one annex totaling $201.4 million were acquired by the Company from its PROs. The self Self storage property acquisitions were are accounted for as asset acquisitions and accordingly, $1.3 million of transaction costs related to the acquisitions were are capitalized as part of the basis of the acquired properties. The Company recognized recognizes the estimated fair value of the acquired assets and assumed liabilities on the respective dates of such acquisitions. The Company allocated the total purchase price to the estimated fair value of tangible and intangible assets acquired and liabilities assumed. The Company allocated a portion of the purchase price to identifiable intangible assets consisting of customer in-place leases which were recorded at an estimated value of $4.2 million, resulting in a total value of $200.2 million allocated to real estate.

The following table summarizes the investment in self storage property acquisitions completed by the Company during the nine months ended September 30, 2023 (dollars in thousands):

Acquisitions Closed During the Three Months Ended:	Number of Properties	Summary of Investment			
		Cash and Acquisition Costs	Value of Equity(1)	Other Liabilities	Total
March 31, 2023	16	$ 9,920	$ 150,531	$ 85	$ 160,536
June 30, 2023(2)	—	8,167	5,577	34	13,778
September 30, 2023	2	13,666	16,370	78	30,114
Total	18	$ 31,753	$ 172,478	$ 197	$ 204,428

(1)***Value of equity represents the fair value of Series A-1 preferred units, Series B Preferred Shares, subordinated performance units, OP units and LTIP units. Dispositions***

(2) During the three months ended June 30, 2023 March 31, 2024, the Company acquired two annexes sold 39 self storage properties to existing properties.

During a third party for net proceeds of $265.1 million and contributed 56 self storage properties to the nine months ended September 30, 2023, in connection with 2024 Joint Venture for net proceeds of $343.7 million. The Company recorded a net gain on the retirement dispositions of Move It as a PRO as discussed in Note 1 and Note 3, the Company acquired Move It's rights to its asset management agreements, the Move It brand, and intellectual property for $4.7 $61.2 million.

7. OTHER ASSETS

Other assets consist of the following (dollars in thousands):

		September 30, 2023	December 31, 2022
Customer in-place leases, net of accumulated amortization of $2,608 and $5,004, respectively		$ 2,256	$ 5,090
March 31, 2024		March 31, 2024	December 31, 2023
Customer in-place leases, net of accumulated amortization of $886 and $3,263, respectively			
Receivables:	Receivables:		
Trade, net			
Trade, net			
Trade, net	Trade, net	13,379	13,120
PROs and other affiliates	PROs and other affiliates	7,423	4,175
Receivables from unconsolidated real estate ventures	Receivables from unconsolidated real estate ventures	7,498	5,375
Property acquisition and other deposits		241	—
Interest rate swaps			
Interest rate swaps			
Interest rate swaps	Interest rate swaps	60,380	51,466
Prepaid expenses and other	Prepaid expenses and other	13,794	26,156
Corporate furniture, equipment and other, net	Corporate furniture, equipment and other, net	2,555	1,534
Trade names	Trade names	8,851	7,442
Management contracts, net of accumulated amortization of $6,430 and $5,398, respectively		14,396	12,113
Tenant reinsurance intangible, net of accumulated amortization of $3,491 and $2,466, respectively		32,575	21,575
Management contracts, net of accumulated amortization of $7,124 and $6,777, respectively			

Tenant reinsurance intangible, net of accumulated amortization of $4,187 and $3,839, respectively			
Goodwill	Goodwill	8,182	8,182
Total	Total	$ 171,530	$ 156,228

Amortization expense related to customer in-place leases amounted to $1.8 million $1.0 million and $9.1 million $2.5 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively and $7.1 million and $29.1 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. Amortization expense related to management contracts amounted to $0.3 million and $0.2 million $0.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively and $1.0 million and $0.6 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. Amortization expense related to the tenant reinsurance intangible amounted to $0.3 million and $0.2 million $0.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively and $1.0 million and $0.7 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

8. DEBT FINANCING

The Company's outstanding debt as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 is summarized as follows (dollars in thousands):

		Interest Rate(1)	September 30, 2023	December 31, 2022
	Interest Rate(1)	March 31, 2024	December 31, 2023	
Credit Facility:	Credit Facility:			
Revolving line of credit	Revolving line of credit	6.70 %	$ 812,000	$ 496,000
Term loan A		— %	—	125,000
Revolving line of credit				
Revolving line of credit				
Term loan B	Term loan B	3.28 %	275,000	250,000
Term loan C	Term loan C	4.07 %	325,000	225,000
Term loan D	Term loan D	4.05 %	275,000	175,000
Term loan E	Term loan E	4.93 %	130,000	125,000
2023 Term loan facility		— %	—	175,000
2028 Term loan facility	2028 Term loan facility	4.62 %	75,000	75,000
April 2029 Term loan facility	April 2029 Term loan facility	4.27 %	100,000	100,000
June 2029 Term loan facility	June 2029 Term loan facility	5.37 %	285,000	285,000
2026 Senior Unsecured Notes		2.16 %	35,000	35,000
2028 Senior Unsecured Notes		5.75 %	120,000	—
May 2026 Senior Unsecured Notes				

October 2026 Senior Unsecured Notes				
July 2028 Senior Unsecured Notes				
October 2028 Senior Unsecured Notes				
2029 Senior Unsecured Notes	2029 Senior Unsecured Notes	3.98 %	100,000	100,000
August 2030 Senior Unsecured Notes	August 2030 Senior Unsecured Notes	2.99 %	150,000	150,000
October 2030 Senior Unsecured Notes				
November 2030 Senior Unsecured Notes	November 2030 Senior Unsecured Notes	2.72 %	75,000	75,000
May 2031 Senior Unsecured Notes	May 2031 Senior Unsecured Notes	3.00 %	90,000	90,000
August 2031 Senior Unsecured Notes	August 2031 Senior Unsecured Notes	4.08 %	50,000	50,000
November 2031 Senior Unsecured Notes	November 2031 Senior Unsecured Notes	2.81 %	175,000	175,000
August 2032 Senior Unsecured Notes	August 2032 Senior Unsecured Notes	3.09 %	100,000	100,000
November 2032 Senior Unsecured Notes	November 2032 Senior Unsecured Notes	5.06 %	200,000	200,000
May 2033 Senior Unsecured Notes	May 2033 Senior Unsecured Notes	3.10 %	55,000	55,000
October 2033 Senior Unsecured Notes				

November 2033 Senior Unsecured Notes	November 2033 Senior Unsecured Notes	2.96 %	125,000	125,000
2036 Senior Unsecured Notes	2036 Senior Unsecured Notes	3.06 %	75,000	75,000
Fixed rate mortgages payable		3.63 %	229,785	299,570
Fixed Rate Mortgages payable				
Total principal	Total principal		3,856,785	3,560,570
Unamortized debt issuance costs and debt premium, net	Unamortized debt issuance costs and debt premium, net		(9,809)	(9,391)
Total debt	Total debt		$3,846,976	$3,551,179

(1) Represents the effective interest rate as of September 30, 2023 March 31, 2024. Effective interest rate incorporates the stated rate plus the impact of interest rate cash flow hedges and discount and premium amortization, if applicable. $25.0 million of Tranche B, $100.0 million of Tranche C, and $5.0 million of Tranche E are subject to variable interest rates, which is reflected in the effective interest rate. For the revolving line of credit, the effective interest rate excludes fees for unused borrowings.

On January 3, 2023 As of March 31, 2024, the Company's operating partnership, as borrower, certain of its subsidiaries, as subsidiary guarantors, and the Company entered into a third amended and restated credit agreement with a syndicated group of lenders which expanded the total borrowing capacity of its unsecured credit facility by $405.0 million to $1.955 billion with an expansion feature to expand provided for total borrowings of $1.825 billion (the "credit facility") consisting of the total borrowing capacity to $2.5 billion. The maturity date of the following components: (i) a revolving line of credit (the "Revolver") is now January 2027, while the which provides for a total borrowing capacity of commitment up to $950.0 million, under which the Revolver was increased to $950.0 million from $650.0 million. In connection with the credit facility recast, the $125.0 million tranche A term loan facility (the "Term Loan A") due January 2023 was eliminated by the Company may borrow, repay and re-borrow amounts, (ii) a $145.0 million tranche B term loan facility (the "Term Loan B") increased from $250.0 million to $275.0 million, (iii) a $325.0 million tranche C term loan facility (the "Term Loan C") increased from $225.0 million to $325.0 million, (iv) a $275.0 million tranche D term loan facility (the "Term Loan D") increased from $175.0 million to $275.0 million, and (v) a $130.0 million tranche E term loan facility (the "Term Loan E") increased from $125.0 million to $130.0 million. As of March 31, 2024, and the Company eliminated the $175.0 million term loan facility due in June 2023. In connection with had an expansion option under the credit facility, recast, effective January 3, 2023, all which, if exercised in full, would provide for a total credit facility of our LIBOR-based interest rate swaps were converted into SOFR-based interest rate swaps. $2.370 billion.

As of September 30, 2023 March 31, 2024, the Company had outstanding letters of credit totaling $6.4 million and would have had the capacity to borrow remaining Revolver commitments of $131.6 million $805.6 million while remaining in compliance with the credit facility's financial covenants. At September 30, 2023 March 31, 2024, the Company was in compliance with all such covenants.

2028 Senior Unsecured Notes

On April 27, 2023, the operating partnership, as issuer, and the Company entered into a Note Purchase Agreement (the "April 2023 Note Purchase Agreement") which provides for the private placement of $120.0 million of 5.61% senior unsecured notes due July 5, 2028 (the "2028 Notes") to certain institutional investors. The 2028 Notes have an effective interest rate of 5.75% after taking into account the effect of interest rate swaps. On April 27, 2023, the operating partnership issued the 2028 Notes.

October 2026, October 2028, October 2030 And October 2033 Senior Unsecured Notes

As discussed in Note 13, on October 5, 2023, the Company's operating partnership issued $65.0 million of 6.46% senior unsecured notes due October 5, 2026 (the "October 2026 Notes"), $100.0 million of 6.55% senior unsecured notes due October 5, 2028 (the "October 2028 Notes"), $35.0 million of 6.66% senior unsecured notes due October 5, 2030 (the "October 2030 Notes") and $50.0 million of 6.73% senior unsecured notes due October 5, 2033 (the "October 2033 Notes") in a private placement to certain institutional investors.

Future Debt Obligations

Based on existing debt agreements in effect as of September 30, 2023March 31, 2024, the scheduled principal and maturity payments for the Company's outstanding borrowings are presented in the table below (in(dollars in thousands):

Year Ending December 31,	Year Ending December 31,	Scheduled Principal and Maturity Payments	Amortization of Premium and Unamortized Debt Issuance Costs	Total	Year Ending December 31,	Scheduled Principal and Maturity Payments	Amortization of Premium and Unamortized Debt Issuance Costs	Total
Remainder of 2023		$ 7,028	$ (778)	$ 6,250				
2024		296,964	(2,906)	294,058				
Remainder of 2024								
2025	2025	327,185	(1,854)	325,331				
2026	2026	312,322	(1,544)	310,778				
2027	2027	1,029,369	(1,040)	1,028,329				
2028	2028	285,624	(829)	284,795				
2029								
Thereafter	Thereafter	1,598,293	(858)	1,597,435				
		$3,856,785	$ (9,809)	$3,846,976				
	$							

9. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2023March 31, 2024 and 2022 (in 2023 (dollars in thousands, except per share amounts):

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022		
	Three Months Ended March 31, 2024					2024	2023
Earnings per common share - basic and diluted	**Earnings per common share - basic and diluted**						
Numerator	**Numerator**						
Numerator							
Numerator							
Net income							
Net income							
Net income	Net income	$43,064	$40,177	$128,932	$133,388		

Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(13,827)	(17,966)	(41,290)	(60,911)
Net income attributable to National Storage Affiliates Trust	Net income attributable to National Storage Affiliates Trust	29,237	22,211	87,642	72,477
Distributions to preferred shareholders	Distributions to preferred shareholders	(5,110)	(3,382)	(13,908)	(10,043)
Distributed and undistributed earnings allocated to participating securities	Distributed and undistributed earnings allocated to participating securities	(13)	(14)	(44)	(44)
Net income attributable to common shareholders - basic	Net income attributable to common shareholders - basic	24,114	18,815	73,690	62,390
Effect of assumed conversion of dilutive securities	Effect of assumed conversion of dilutive securities	13,396	—	40,012	—
Net income attributable to common shareholders - diluted	Net income attributable to common shareholders - diluted	$37,510	$18,815	$113,702	$ 62,390
Denominator	**Denominator**				
Denominator					
Denominator					
Weighted average shares outstanding - basic					
Weighted average shares outstanding - basic					
Weighted average shares outstanding - basic	Weighted average shares outstanding - basic	87,004	91,471	88,263	91,446
Effect of dilutive securities:	Effect of dilutive securities:				
Weighted average OP units outstanding					
Weighted average OP units outstanding					
Weighted average OP units outstanding	Weighted average OP units outstanding	38,030	—	38,505	—
Weighted average DownREIT OP unit equivalents outstanding	Weighted average DownREIT OP unit equivalents outstanding	2,121	—	2,121	—

Weighted average LTIP units outstanding	Weighted average LTIP units outstanding	61	—	54	—
Weighted average subordinated performance units and DownREIT subordinated performance unit equivalents	Weighted average subordinated performance units and DownREIT subordinated performance unit equivalents	18,902	—	18,667	—
Weighted average shares outstanding - diluted	Weighted average shares outstanding - diluted	146,118	91,471	147,610	91,446
Earnings per share - basic					
Earnings per share - basic					
Earnings per share - basic	Earnings per share - basic	$ 0.28	$ 0.21	$ 0.83	$ 0.68
Earnings per share - diluted	Earnings per share - diluted	$ 0.26	$ 0.21	$ 0.77	$ 0.68

As discussed in Note 2, the Company allocates GAAP income utilizing the HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of its operating partnership at period end after adjusting for any distributions or contributions made during such period. Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to National Storage Affiliates Trust and noncontrolling interests, resulting in volatile fluctuations of basic and diluted earnings (loss) per share.

Outstanding equity interests of the Company's operating partnership and DownREIT partnerships are considered potential common shares for purposes of calculating diluted earnings (loss) per share as the unitholders may, through the exercise of redemption rights, obtain common shares, subject to various restrictions. Basic earnings per share is calculated based on the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by further adjusting for the dilutive impact using the treasury stock method for unvested LTIP units subject to a service condition outstanding during the period and the if-converted method for any convertible securities outstanding during the period.

Generally, following certain lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for common shares on a one-for-one basis, subject to certain adjustments and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case.

LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above. Certain LTIP units vested prior to or upon the completion of the Company's initial public offering and certain LTIP units have vested upon the satisfaction of a service or market condition or will vest upon the satisfaction of future service and market conditions. Vested LTIP units and unvested LTIP units that vest based on a service or market condition are allocated income or loss in a similar manner as OP units. Unvested LTIP units subject to a service or market condition are evaluated for dilution using the treasury stock method. For the three and nine months ended September 30, 2023 March 31, 2024, 501,311 562,792 unvested LTIP units that vest based on a service or market condition are excluded from the calculation of diluted earnings per share as they are not dilutive to earnings per share. For the three and nine months ended September 30, 2023 March 31, 2024, 216,000 208,400 LTIP units that vest upon the future acquisition of properties are excluded from the calculation of diluted earnings per share because the contingency for the units to vest has not been attained as of the end of the reported period.

Subordinated performance units may also, under certain circumstances, be convertible into OP units which are exchangeable for common shares as described above, and DownREIT subordinated performance units may, under certain circumstances, be exchangeable for subordinated performance units on a one-for-one basis. Subordinated performance units are only convertible into OP units, after a two year lock-out period and then generally (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. Although subordinated performance units may only be convertible after a two year lock-out period, the Company assumes a hypothetical conversion of each subordinated performance unit (including each DownREIT subordinated performance unit) into OP units (with subsequently assumed redemption into common shares) for the purposes of calculating diluted weighted average common shares. This hypothetical conversion is calculated using historical financial information, and as a result, is not necessarily indicative of the results of operations, cash flows or financial position of the Company upon expiration of the two-year lock out period on conversions.

For the three and nine months ended September 30, 2022, potential common shares totaling 58.6 million and 58.5 million, respectively, related to OP units, DownREIT OP units, subordinated performance units, DownREIT subordinated performance units and vested LTIP units have been excluded from the calculation of diluted earnings per share as they are not dilutive to earnings per share.

Participating securities, which consist of unvested restricted common shares, receive dividends equal to those received by common shares. The effect of participating securities for the periods presented above is calculated using the two-class method of allocating distributed and undistributed earnings.

10. RELATED PARTY TRANSACTIONS

Supervisory and Administrative Fees

For the self storage properties that are managed by the PROs, the Company has entered into asset management agreements with the PROs to provide leasing, operating, supervisory and administrative services. The asset management agreements generally provide for fees ranging from 5% to 6% of gross revenue for the managed self storage properties. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company incurred $5.5 million $5.1 million and $5.8 million, respectively, for supervisory and administrative fees to the PROs and during the nine months ended September 30, 2023 and 2022, the Company incurred $16.1 million and $16.7 million $5.2 million, respectively, for supervisory and administrative fees to the PROs. Such fees are included in general and administrative expenses in the accompanying condensed consolidated statements of operations.

Payroll Services

For the self storage properties that are managed by the PROs, the employees responsible for operations are employees of the PROs who charge the Company for the costs associated with the respective employees. For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company incurred $6.7 million $6.9 million and $7.5 million, respectively, for payroll and related costs reimbursable to these PROs and for the nine months ended September 30, 2023 and 2022, the Company incurred $19.8 million and $21.6 million $6.5 million, respectively, for payroll and related costs reimbursable to these PROs. Such costs are included in property operating expenses in the accompanying condensed consolidated statements of operations.

Due Diligence Costs

During the three months ended September 30, 2023 and 2022, the Company incurred $0 and $0.1 million of expenses payable to certain PROs related to self storage property acquisitions sourced by the PROs and during the nine months ended September 30, 2023 and 2022, the Company incurred $0 and $0.5 million, respectively, of expenses payable to certain PROs related to self storage property acquisitions sourced by the PROs. These expenses, which are based on the volume of transactions sourced by the PROs, are intended to reimburse the PROs for due diligence costs incurred in the sourcing and underwriting process. These due diligence costs are capitalized as part of the basis of the acquired self storage properties.

PRO Retirement

In connection with the retirement of Move It as a PRO as discussed in Note 1, Note 3, and Note 6, effective as of January 1, 2023, 926,623 Series MI subordinated performance units converted into 2,545,063 OP units as a non-voluntary conversion. Of these, (i) Mr. Nordhagen, our vice chairperson, received 448,047 OP units upon conversion of 163,128 Series MI subordinated performance units and (ii) Mr. Cramer, our president and chief executive officer, received 204,943 OP units upon the conversion of 74,617 Series MI subordinated performance units.

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to litigation, claims, and assessments that may arise in the ordinary course of its business activities. Such matters include contractual matters, employment related issues, and regulatory proceedings. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

12. FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

The Company sometimes limits its exposure to interest rate fluctuations by entering into interest rate swap agreements. The interest rate swap agreements moderate the Company's exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The Company does not use derivatives for trading or speculative purposes. The Company measures its interest rate swap derivatives at fair value on a recurring basis. The changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings in the period that the hedged transaction affects earnings.

Information regarding the Company's interest rate swaps measured at fair value, which are classified within Level 2 of the GAAP fair value hierarchy, is presented below (dollars in thousands):

			Fair Value	
	Number of Contracts	Notional Amount	Other Assets, net	Interest Rate Swap Liabilities
As of September 30, 2023				

		Fair Value					Fair Value
	Number of Contracts		Number of Contracts	Notional Amount	Other Assets, net	Interest Rate Swap Liabilities	
As of March 31, 2024							
Interest Rate Swaps							
Interest Rate Swaps							

Interest Rate Swaps	Interest Rate Swaps	17	$1,335,000	$60,380	$ —
As of December 31, 2022					
As of December 31, 2023					
As of December 31, 2023					
As of December 31, 2023					
Interest Rate Swaps	Interest Rate Swaps	19	$1,410,000	$51,466	$ (483)
Interest Rate Swaps					

Interest Rate
Swaps

The following table presents the effect of our derivative instruments on our consolidated financial statements (dollars in thousands):

Fair value at December 31, 2021 December 31, 2022	$	(33,757) 50,983
Losses Gains on interest rate swaps reclassified into interest expense from accumulated other comprehensive income (loss)		7,427 (7,761)
Unrealized gains losses on interest rate swaps and forward starting swaps included in accumulated other comprehensive income (loss)		80,213 (12,953)
Fair value at September 30, 2022 March 31, 2023	$	53,890 30,269
Fair value at December 31, 2022 December 31, 2023	$	50,983 26,160
(Gains) and losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive income (loss)		(26,309) (9,355)
Unrealized gains and realized (losses) on interest rate swaps and forward starting swaps included in accumulated other comprehensive income (loss)		35,706 20,413
Fair value at September 30, 2023 March 31, 2024	$	60,380 37,218

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had outstanding interest rate swaps with aggregate current notional amounts of $1,335.0 million $1,230.0 million and $1,410.0 million $1,335.0 million, respectively, designated as cash flow hedges. As of September 30, 2023 March 31, 2024, the Company's swaps had a weighted average remaining term of approximately 3.1 2.85 years.

In connection with the issuance of fixed rate unsecured notes in the second quarter of 2023, we entered into $50.0 million of forward starting interest rate swaps on March 16, 2023, and a $25.0 million forward starting interest rate swap on March 24, 2023, locking the interest rate of compounded SOFR at 3.25% through April 5, 2023. These interest rate swaps have been designated as cash flow hedges. The realized loss of $1.6 million of the compounded SOFR swaps are included in unrealized and realized gains (loss) on derivative instruments in comprehensive income (loss) and will be reclassified into interest expense over 10 years, which is the term of anticipated unsecured fixed rate debt including any replacement debt thereof. Amounts reported in accumulated other comprehensive (loss) income will be reclassified into interest expense as interest payments are made on the anticipated debt.

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The fair value of these swaps are presented as interest rate swap included in other assets and liabilities in the Company's condensed consolidated balance sheets, and the Company recognizes any changes in the fair value as an adjustment of accumulated other comprehensive income (loss) within equity. If the forward rates at September 30, 2023 March 31, 2024 remain constant, the Company estimates that during the next 12 months, the Company would reclassify into earnings, as a reduction into in interest expense, approximately $34.6 million $25.0 million of the unrealized gains and realized losses included in accumulated other comprehensive income (loss).

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If market interest rates remain above the 2.62% weighted average fixed rate under these interest rate swaps the Company will continue to receive payments due to it from its counterparties to the interest rate swaps.

There were no transfers between levels of the three-tier fair value measurement hierarchy during the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. For financial assets and liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including SOFR yield curves. The Company uses valuation techniques for Level 2 financial assets and liabilities which include SOFR yield curves at the reporting date as well as assessing counterparty credit risk. Counterparties to these contracts are highly rated financial institutions. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the Company's derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and the counterparties. As of September 30, 2023 March 31, 2024, the Company determined that the effect of credit valuation adjustments on the overall valuation of its derivative positions are not significant to the overall valuation of its derivatives. Therefore, the Company has determined that its derivative valuations are appropriately classified in Level 2 of the fair value hierarchy.

Fair Value Disclosures

The carrying values of cash and cash equivalents, restricted cash, trade receivables, and accounts payable and accrued liabilities reflected in the balance sheets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, approximate fair value due to the short term nature of these financial assets and liabilities. The carrying value of variable rate debt financing, comprising the Revolver, term loans under our credit facility and our term loan facilities, reflected in the condensed consolidated balance sheets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 approximates fair value as the changes in their associated interest rates reflect the current market and credit risk is similar to when the loans were originally obtained.

The fair values of fixed rate private placement notes and mortgages were estimated using the discounted estimated future cash payments to be made on such debt; the discount rates used approximated current market rates for loans, or groups of loans, with similar maturities and credit quality (categorized within Level 2 of the fair value hierarchy).

The following table presents the carrying value and estimated fair value of our fixed rate private placement notes and mortgages (dollars in thousands):

				Carrying Value(1)		Fair Value					
				September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022				
			Carrying Value(1)					Carrying Value(1)		Fair Value	
			March 31, 2024					March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Liabilities	Liabilities										
Private Placement Notes	Private Placement Notes	$		1,350,000	$1,230,000	$1,082,649	$1,014,153				
Private Placement Notes											
Private Placement Notes											
Mortgage Notes	Mortgage Notes			229,785	299,570	212,239	282,758				

(1) Carrying value represents the principal balance outstanding

13. SUBSEQUENT EVENTS

October 2026, October 2028, October 2030 And October 2033Senior Unsecured Notes

On October 5, 2023, the operating partnership as issuer, and the Company, entered into a Note Purchase Agreement (the "October 2023 Note Purchase Agreement") which provided for the private placement of

$65.0 million of 6.46% senior unsecured notes due October 5, 2026, $100.0 million of 6.55% senior unsecured notes due October 5, 2028, $35.0 million of 6.66% senior unsecured notes due October 5, 2030 and $50.0 million of 6.73% senior unsecured notes due October 5, 2033 (together the "Senior Unsecured Notes") to certain institutional investors.The Senior Unsecured Notes are governed by the October 2023 Note Purchase Agreement. The Company used the proceeds from the Senior Unsecured Notes to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

Interest is paid semiannually, on April 5th and October 5th of each year, commencing on April 5, 2024. The Senior Unsecured Notes are senior unsecured obligations of the Company and are jointly and severally guaranteed by certain of the Company's subsidiaries, as subsidiary guarantors. The Senior Unsecured Notes rank pari passu with the credit facility, 2028 Term Loan Facility, April 2029 Term Loan Facility, June 2029 Term Loan Facility, May 2026 Senior Unsecured Notes, July 2028 Senior Unsecured Notes, 2029 Senior Unsecured Notes, August 2030 Senior Unsecured Notes, November 2030 Senior Unsecured Notes, May 2031 Senior Unsecured Notes, August 2031 Senior Unsecured Notes, November 2031 Senior Unsecured Notes, August 2032 Senior Unsecured Notes, November 2032 Senior Unsecured Notes, May 2033 Senior Unsecured Notes, November 2033 Unsecured Notes and 2036 Senior Unsecured Notes. The October 2023 Note Purchase Agreement contains financial covenants that are substantially similar to those of the Company's credit facility. In addition, the terms of the October 2023 Note Purchase Agreement contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make certain distributions or certain investments, incur debt, incur liens and enter into certain transactions.

Self Storage Property Acquisitions

Subsequent to September 30, 2023, the Company acquired two self storage properties for approximately $25.4 million. Consideration for these acquisitions included approximately $17.1 million of net cash, the assumption of approximately $0.2 million of other working capital liabilities and OP equity of approximately $8.1 million (consisting of the issuance of 179,354 Series A-1 preferred units, 35,446 subordinated performance units and the vesting of 7,600 previously granted LTIP units).

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

We make forward-looking statements in this report that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," or similar expressions, we intend to identify forward-looking statements.

The forward-looking statements contained in this report reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions, and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement.

Statements regarding the following subjects, among others, may be forward-looking:

- *market trends in our industry, interest rates, inflation, the debt and lending markets or the general economy;*
- *our business and investment strategy;*
- *the acquisition or disposition of properties, including those under contract, and the ability of our acquisitions to achieve underwritten capitalization rates and our ability to execute on our acquisition pipeline;*
- *the internalization of retiring participating regional operators ("PROs") into the Company;*
- *the timing of acquisitions; acquisitions or dispositions;*
- *our relationships with, and our ability and timing to attract additional, PROs;*
- *our ability to effectively align the interests of our PROs with us and our shareholders;*
- *the integration of our PROs and their managed portfolios into the Company, including into our financial and operational reporting infrastructure and internal control framework;*
- *our operating performance and projected operating results, including our ability to achieve market rents and occupancy levels, reduce operating expenditures and increase the sale of ancillary products and services;*
- *our ability to access additional off-market acquisitions;*
- *actions and initiatives of the U.S. federal, state and local government and changes to U.S. federal, state and local government policies, regulations, tax laws and rates, related accounting guidance, and the execution and impact of these actions, initiatives, policies, regulations, guidance and policies; laws;*
- *the state of the U.S. economy generally or in specific geographic regions, states, territories or municipalities;*
- *economic trends and economic recoveries;*
- *our ability to obtain and maintain financing arrangements on favorable terms;*
- *general volatility of the securities markets in which we participate;*
- *impacts from highly infectious or contagious diseases, including unfavorable changes to economic conditions that could adversely affect occupancy levels, rental rates, expenses and the ability of the Company's tenants to pay rent;*
- *impacts from adverse developments affecting the financial services industry, whether actual or perceived, such as events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional parties, that could adversely affect our financial condition or results of operations;*
- *changes in the value of our assets;*
- *projected capital expenditures;*
- *the impact of technology on our products, operations, and business;*
- *the implementation of our technology and best practices programs (including our ability to effectively implement our integrated Internet marketing strategy);*

- *changes in interest rates, the degree to which our hedging strategies may or may not protect us from interest rate volatility and the impact of such changes on the economy and our industry;*
- *impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;*

- *our ability to continue to qualify and maintain our qualification as a REIT real estate investment trust for U.S. federal income tax purposes; purposes ("REIT");*
- *availability of qualified personnel;*
- *the timing of conversions of each series of Class B common units of limited partner interest ("subordinated performance units") in NSA OP, LP (our "operating partnership") and subsidiaries of our operating partnership into Class A common units of limited partner interest ("OP units") in our operating partnership, the conversion ratio in effect at such time and the impact of such convertibility on our diluted earnings (loss) per share;*
- *the risks of investing through joint ventures, including whether the anticipated benefits from a joint venture are realized or may take longer to realize than expected;*
- *risks related to or a consequence of natural disasters or acts of violence, pandemics, active shooters, terrorism, insurrection or war that affect the markets in which we operate;*
- *estimates relating to our ability to make distributions to our shareholders in the future; and*
- *our understanding of our competition.*

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us. Readers should carefully review our financial statements and the notes thereto, as well as the sections entitled "Business," "Risk Factors," "Properties," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and the other documents we file from time to time with the SEC. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

National Storage Affiliates Trust is a fully integrated, self-administered and self-managed real estate investment trust organized in the state of Maryland on May 16, 2013. We have elected and we believe that we have qualified to be taxed as a REIT commencing with our taxable year ended December 31, 2015. We serve as the sole general partner of our operating partnership, a Delaware limited partnership formed on February 13, 2013 to conduct our business, which is focused on the ownership, operation, and acquisition of self storage properties located predominantly within the top 100 metropolitan statistical areas throughout the United States.

Our vice chairperson of the board of trustees and former chief executive officer, Arlen D. Nordhagen, co-founded SecurCare Self Storage, Inc. in 1988 to invest in and manage self storage properties. While growing SecurCare to over 150 self storage properties, Mr. Nordhagen recognized a market opportunity for a differentiated public self storage REIT that would leverage the benefits of national scale by integrating multiple experienced regional self storage operators with local operational focus and expertise. We believe that his vision, which is the foundation of the Company, aligns the interests of our PROs, with those of our public shareholders by allowing our PROs to participate alongside our shareholders in our financial performance and the performance of our PROs' managed portfolios. This structure offers our PROs a unique opportunity to serve as regional property managers for their managed portfolios and directly participate in the potential upside of those properties while simultaneously diversifying their investment to include a broader portfolio of self storage properties. Over time, largely through our unconsolidated real estate ventures and internalization of three of our PROs, SecurCare, Northwest, and Move It, we have developed a full service internally-staffed property management platform to complement our PRO structure.

Our Structure

Through our property management platform, we direct, manage and control the day-to-day operations and affairs of a majority of our consolidated properties and our unconsolidated real estate ventures. As of September 30, 2023 March 31, 2024, our property management platform managed and controlled 603 476 of our consolidated properties and 185 241 of our unconsolidated real estate venture properties. The properties are managed by us under the brands of iStorage, Move It, Northwest and SecurCare.

We earn certain customary fees for managing and operating the properties in the unconsolidated real estate ventures and we facilitate tenant insurance and/or tenant warranty protection programs for tenants at these properties in exchange for half of all proceeds from such programs.

For the properties that are managed by our PROs, our structure promotes operator accountability as subordinated performance units issued to our PROs in exchange for the contribution of their properties are entitled to distributions only after those properties satisfy minimum performance thresholds. In the event of a material reduction in operating cash flow, distributions on our subordinated performance units will be reduced before or disproportionately to distributions on our common shares held by our common shareholders. In addition, we expect our PROs will generally co-invest subordinated equity in the form of subordinated performance units in each acquisition that they source, and the value of these subordinated performance units will fluctuate with the performance of their managed portfolios. Therefore, our PROs are incentivized to select acquisitions that are expected to exceed minimum performance thresholds, thereby increasing the value of their subordinated equity stake. We expect that our shareholders will benefit from the higher levels of property performance that our PROs are incentivized to deliver.

As of September 30, 2023 March 31, 2024, the Company had eight PROs: Optivest, Guardian, Storage Solutions, Hide Away, Personal Mini, Southern, Moove In and Blue Sky. We seek to further expand our platform by continuing to recruit additional established self storage operators, while integrating our operations through the implementation of centralized initiatives, including management information systems, revenue enhancement, and cost optimization programs. Our national platform allows us to capture cost savings by eliminating redundancies and utilizing economies of scale across the property management platforms of our PROs while also providing greater access to lower-cost capital.

As discussed in Note 1, one of the Company's PROs, Move It, retired effective January 1, 2023. As a result of the retirement event, management of our properties in the Move It managed portfolio was transferred to the Company and the Move It brand name and related intellectual property was internalized by the Company, and the Company discontinued payment of any supervisory and administrative fees or reimbursements to Move It. As part of the internalization, a majority of Move It's employees were offered and provided employment by the Company and will continue managing Move It's portfolio of properties as members of the Company's existing property management platform.

Our Consolidated Properties

We seek to own properties that are well located in high quality sub-markets with highly accessible street access and attractive supply and demand characteristics, providing our properties with strong and stable cash flows that are less sensitive to the fluctuations of the general economy. Many of these markets have multiple barriers to entry against increased supply, including zoning restrictions against new construction and new construction costs that we believe are higher than our properties' fair market value. We have an attractive, high quality potential acquisition pipeline that we expect will continue to drive our future growth.

As of September 30, 2023 March 31, 2024, we owned a geographically diversified portfolio of 934 809 self storage properties, located in 39 38 states and Puerto Rico, comprising approximately 59.5 million 51.9 million rentable square feet, configured in approximately 463,000 407,000 storage units. Of these properties, 319 306 were acquired by us from our current and former PROs, 614 502 were acquired from third-party sellers and one was acquired from the 2016 Joint Venture.

During the nine months ended September 30, 2023, we acquired 18 self storage properties and two annexes to existing properties for $204.4 million, comprising approximately 1.2 million rentable square feet, configured in approximately 9,500 storage units. Of these acquisitions, 18 self storage properties and one annex were acquired from our PROs.

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Our Unconsolidated Real Estate Ventures

We seek to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios utilizing a promoted return structure. We believe there is significant opportunity for continued external growth by partnering with institutional investors seeking to deploy capital in the self storage industry. In addition, we consider the 75% third-party interest in the Company's unconsolidated real estate ventures, which currently own 185 241 properties, to present a potential acquisition opportunity. This 75% third-party share of gross real estate assets is approximately $1.6 billion $1.9 billion based on the historical book value of the joint ventures. Were we to pursue an acquisition of these interests, it could potentially drive our future growth.

2024 Joint Venture

During the three months ended March 31, 2024, we entered into the 2024 Joint Venture, in which we have a 25% ownership interest. During 2024, we contributed 56 self storage properties containing approximately 3.2 million rentable square feet, configured in over 24,000 storage units and located across seven states.

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2023 Joint Venture

As of March 31, 2024, our 2023 Joint Venture, in which we have a 25% ownership interest, did not own or operate any self storage properties. The 2023 JV Agreement allows for equity capital contributions of up to $400 million from the 2023 JV Members over a 24 month period starting in December 2023, with options to extend the investment time period by two additional six month periods.

2018 Joint Venture

As of September 30, 2023 March 31, 2024, our 2018 Joint Venture, in which we have a 25% interest, owned and operated a portfolio of 104 properties containing approximately 7.8 million rentable square feet, configured in approximately 64,000 storage units and located across 17 states.

2016 Joint Venture

As of September 30, 2023 March 31, 2024, our 2016 Joint Venture, in which we have a 25% ownership interest, owned and operated a portfolio of 81 properties containing approximately 5.6 million 5.7 million rentable square feet, configured in approximately 47,000 storage units and located across 13 states.

Results of Operations

When reviewing our results of operations it is important to consider the timing of acquisition and disposition activity. We acquired 18 contributed 56 self storage properties to the 2024 Joint Venture and two annexes sold an additional 39 self storage properties to existing properties a third party during the nine three months ended September 30, 2023 March 31, 2024. We also sold 32 self storage properties to a third party during December 2023 and 45 acquired 20 self storage properties during the year ended December 31, 2022 December 31, 2023. As a result of these and other factors, we do not believe that our historical results of operations discussed and analyzed below are comparable or necessarily indicative of our future results of operations or cash flows.

The following discussion and analysis of the results of our operations and financial condition should be read in conjunction with the accompanying condensed consolidated financial statements in Item 1. Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our condensed consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Three Months Ended September 30, 2023 March 31, 2024 compared to the Three Months Ended September 30, 2022 March 31, 2023

The following table illustrates the changes in rental revenue, other property-related revenue, management fees and other revenue, property operating expenses, and other expenses for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023 (dollars in thousands):

	Three Months Ended September 30,		
	2023	**2022**	**Change**
Rental revenue	$ 201,833	$ 193,724	$ 8,109
Other property-related revenue	7,764	6,400	1,364
Management fees and other revenue	9,550	6,649	2,901
Total revenue	219,147	206,773	12,374
Property operating expenses	58,581	55,132	3,449
General and administrative expenses	15,100	15,298	(198)
Depreciation and amortization	55,842	59,631	(3,789)
Other	4,138	6,356	(2,218)
Total operating expenses	133,661	136,417	(2,756)
Other (expense) income			
Interest expense	(42,965)	(28,871)	(14,094)
Equity in earnings of unconsolidated real estate ventures	1,830	2,134	(304)
Acquisition costs	(341)	(1,142)	801
Non-operating income (expense)	(24)	(226)	202
Other expense, net	(41,500)	(28,105)	(13,395)
Income before income taxes	43,986	42,251	1,735
Income tax expense	(922)	(2,074)	1,152
Net income	43,064	40,177	2,887
Net income attributable to noncontrolling interests	(13,827)	(17,958)	4,131
Net income attributable to National Storage Affiliates Trust	29,237	22,219	7,018
Distributions to preferred shareholders	(5,110)	(3,390)	(1,720)
Net income attributable to common shareholders	$ 24,127	$ 18,829	$ 5,298

	Three Months Ended March 31,		
	2024	**2023**	**Change**
Rental revenue	$ 180,382	$ 194,129	$ (13,747)
Other property-related revenue	6,692	6,807	(115)
Management fees and other revenue	9,074	7,057	2,017
Total revenue	196,148	207,993	(11,845)
Property operating expenses	54,694	56,483	(1,789)
General and administrative expenses	15,674	14,821	853
Depreciation and amortization	47,331	55,458	(8,127)
Other	3,492	1,173	2,319
Total operating expenses	121,191	127,935	(6,744)
Other income (expense)			
Interest expense	(38,517)	(37,548)	(969)
Loss on early extinguishment of debt	—	(758)	758
Equity in earnings (losses) of unconsolidated real estate ventures	(1,630)	1,278	(2,908)
Acquisition costs	(107)	(844)	737
Non-operating income (expense)	98	(598)	696
Gain on sale of self storage properties	61,173	—	61,173
Other income (expense), net	21,017	(38,470)	59,487
Income before income taxes	95,974	41,588	54,386
Income tax expense	(886)	(1,196)	310
Net income	95,088	40,392	54,696
Net income attributable to noncontrolling interests	(36,061)	(11,433)	(24,628)
Net income attributable to National Storage Affiliates Trust	59,027	28,959	30,068
Distributions to preferred shareholders	(5,110)	(3,962)	(1,148)
Net income attributable to common shareholders	$ 53,917	$ 24,997	$ 28,920

Total Revenue

Our total revenue, increased including management fees and other revenue, decreased by $12.4 million $11.8 million, or 6.0% 5.7%, for the three months ended September 30, 2023 March 31, 2024, as compared to the three months ended September 30, 2022 March 31, 2023. This increase decrease was primarily attributable to incremental revenue from 20 (i) the sale of 39 self storage properties acquired between October 1, 2022 and September 30, 2023 (partially offset by to a third party during the disposition three months ended March 31, 2024, (ii) the sale of one 32 self storage property), properties to a third party during December 2023, and increases (iii) the contribution of 56 self storage properties to the 2024 Joint Venture during the three months ended March 31, 2024. The decrease in management fees and other total revenue from our unconsolidated real estate ventures. Total revenue increased despite was also attributable to a decrease in total portfolio average occupancy from 92.7% for the three months ended September 30, 2022 to 88.6% for the three months ended September 30, 2023 March 31, 2023 to 85.2% for the three months ended March 31, 2024. Average occupancy is calculated based on the average of the month-end occupancy immediately preceding the period presented and the month-end occupancies included in the respective period presented.

Rental Revenue

Rental revenue increased decreased by $8.1 million $13.7 million, or 4.2% 7.1%, for the three months ended September 30, 2023 March 31, 2024, as compared to the three months ended September 30, 2022 March 31, 2023. The increase decrease in rental revenue was primarily attributable to incremental rental revenue (i) the sale of $4.2 million from 20 39 self storage properties acquired between October 1, 2022 to a third party during the three months ended March 31, 2024, (ii) the sale of 32 self storage properties to a third party during December 2023, and September 30, 2023 (iii) the contribution of 56 self storage properties to the 2024 Joint Venture during the three months ended March 31, 2024. Annualized total portfolio rental revenues (including fees and net of any discounts and uncollectible customer amounts) divided by average occupied square feet ("average annualized rental revenue per occupied square foot") increased from $14.58, $14.97, for the three months ended September 30, 2022 March 31, 2023 to $15.32, $15.70, or 5.1% 4.9%, for the three months ended September 30, 2023 March 31, 2024, driven primarily by increased contractual lease rates for in-place tenants.

Other Property-Related Revenue

Other property-related revenue represents ancillary income from our self storage properties, such as tenant insurance-related fees and sales of storage supplies. Other property-related revenue increased decreased by $1.4 million $0.1 million, or 21.3% 1.7%, for the three months ended September 30, 2023 March 31, 2024, as compared to the three months ended September 30, 2022 March 31, 2023. This increase decrease primarily resulted from an increase a decrease in tenant insurance revenue. revenue due to the disposition of properties during the three months ended March 31, 2024.

Management Fees and Other Revenue

Management fees and other revenue, which includes revenue related to managing and operating the unconsolidated real estate ventures and other revenue from our tenant insurance programs, were $9.6 million increased by $2.0 million, or 28.6%, for the three months ended September 30, 2023 March 31, 2024, compared to $6.6 million for the three months ended September 30, 2022, an increase of $3.0 million March 31, 2023. This increase was primarily attributable to changes in our tenant insurance programs.

Property Operating Expenses

Property operating expenses were $58.6 million for the three months ended September 30, 2023 compared to $55.1 million for the three months ended September 30, 2022, an increase of $3.5 million decreased by $1.8 million, or 6.3%. The increase in property operating expenses is primarily attributable to increases in marketing expense of $1.4 million, insurance expense of $1.1 million and utilities expense of $0.6 million.

General and Administrative Expenses

General and administrative expenses decreased $0.2 million, or 1.3% 3.2%, for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022. This decrease was primarily attributable to decreases in supervisory and administrative fees charged by our PROs resulting from the decrease in the number of properties managed by our PROs.

Depreciation and Amortization

Depreciation and amortization decreased $3.8 million, or 6.4%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. This decrease was primarily attributable to amortization expense for customer in-place leases decreasing from $9.1 million for the three months ended September 30, 2022 to $1.8 million for the three months ended September 30, 2023, and partially offset by the incremental depreciation expense related to the 20 self storage properties acquired between October 1, 2022 and September 30, 2023.

Other

Other expenses decreased $2.3 million, from $6.4 million for the three months ended September 30, 2022 to $4.1 million for the three months ended September 30, 2023. This decrease was primarily attributable to decreases in casualty-related expenses and losses, partially offset by an increase in administrative costs relating to our tenant insurance programs.

Interest Expense

Interest expense increased $14.2 million, or 49.2%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022 March 31, 2023. The increase in interest expense was primarily attributable to an increase in the effective interest rate under our revolving line of credit from 4.39%, as of September 30, 2022, to 6.70% as of September 30, 2023, and, to a lesser extent, an increase in overall average borrowings outstanding.

Equity In Earnings Of Unconsolidated Real Estate Ventures

Equity in earnings of unconsolidated real estate ventures represents our share of earnings and losses incurred through our 25% ownership interests in the 2018 Joint Venture and the 2016 Joint Venture. During the three months ended September 30, 2023, we recorded $1.9 million of equity in earnings from our unconsolidated real estate ventures compared to $2.1 million of earnings for the three months ended September 30, 2022.

Net Income Attributable to Noncontrolling Interests

As discussed in Note 2 in Item 1, we allocate GAAP income (loss) utilizing the HLBV method, in which we allocate income or loss based on the change in each unitholders' claim on the net assets of our operating partnership at period end after adjusting for any distributions or contributions made during such period.

Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to noncontrolling interests. Net income attributable to noncontrolling interests was $13.8 million for the three months ended September 30, 2023, compared to $18.0 million for the three months ended September 30, 2022.

Nine Months Ended September 30, 2023 compared to the Nine Months Ended September 30, 2022

The following table illustrates the changes in rental revenue, other property-related revenue, management fees and other revenue, property operating expenses, and other expenses for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 (dollars in thousands):

	Nine Months Ended September 30,		
	2023	**2022**	**Change**
Rental revenue	$ 595,273	$ 552,829	$ 42,444
Other property-related revenue	22,184	18,907	3,277
Management fees and other revenue	25,194	21,111	4,083
Total revenue	642,651	592,847	49,804
Property operating expenses	172,158	157,678	14,480
General and administrative expenses	44,325	43,966	359
Depreciation and amortization	168,005	175,594	(7,589)
Other	8,531	7,351	1,180
Total operating expenses	393,019	384,589	8,430
Other (expense) income			
Interest expense	(120,706)	(75,966)	(44,740)
Loss on early extinguishment of debt	(758)	—	(758)
Equity in earnings of unconsolidated real estate ventures	5,469	5,590	(121)
Acquisition costs	(1,424)	(2,377)	953
Non-operating expense	(426)	(599)	173
Gain on sale of self storage properties	—	2,134	(2,134)
Other expense, net	(117,845)	(71,218)	(46,627)
Income before income taxes	131,787	137,040	(5,253)
Income tax expense	(2,855)	(3,652)	797
Net income	128,932	133,388	(4,456)
Net income attributable to noncontrolling interests	(41,290)	(60,911)	19,621
Net income attributable to National Storage Affiliates Trust	87,642	72,477	15,165
Distributions to preferred shareholders	(13,908)	(10,043)	(3,865)
Net income attributable to common shareholders	$ 73,734	$ 62,434	$ 11,300

Total Revenue

Our total revenue increased by $49.8 million, or 8.4%, for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. This increase was primarily attributable to incremental revenue from 18 self storage properties acquired during 2023 and 45 self storage properties acquired during 2022, that were owned during the entire nine months ended September 30, 2023 (partially offset by the disposition of one self storage property), and increases in management fees and other revenue from our unconsolidated real estate ventures. Total revenue increased despite a decrease in total portfolio average occupancy from 92.8% for the nine months ended

September 30, 2022 to 88.7% for the nine months ended September 30, 2023. Average occupancy is calculated based on the average of the month-end occupancy immediately preceding the period presented and the month-end occupancies included in the respective period presented.

Rental Revenue

Rental revenue increased by $42.4 million, or 7.7%, for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. The increase in rental revenue was primarily attributable to incremental rental revenue of $7.5 million from 18 self storage properties acquired during 2023 and $19.0 million from the 45 self storage properties acquired during 2022, that were owned during the entire nine months ended September 30, 2023. Average annualized rental revenue per occupied square foot increased from $14.13, for the nine months ended September 30, 2022 to $15.13, or 7.1%, for the nine months ended September 30, 2023, driven primarily by increased contractual lease rates for in-place tenants.

Other Property-Related Revenue

Other property-related revenue represents ancillary income from our self storage properties, such as tenant insurance-related fees and sales of storage supplies. Other property-related revenue increased by $3.3 million, or 17.3%, for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. This increase primarily resulted from an increase in tenant insurance revenue of $3.1 million.

Management Fees and Other Revenue

Management fees and other revenue, which include revenue related to managing and operating the unconsolidated real estate ventures and other revenue from our tenant insurance programs, were $25.2 million for the nine months ended September 30, 2023, compared to $21.1 million for the nine months ended September 30, 2022, an increase of $4.1 million. This increase was primarily attributable to changes in our tenant insurance programs.

Property Operating Expenses

Property operating expenses were $172.2 million for the nine months ended September 30, 2023 compared to $157.7 million for the nine months ended September 30, 2022, an increase of $14.5 million, or 9.2%. The increase in property operating expenses was primarily attributable to increases in marketing expense (i) the sale of $3.8 million 39 self storage properties to a third party during the three months ended March 31, 2024, property tax expense (ii) the sale of $2.6 million, insurance expense 32 self storage properties to a third party during December 2023, and (iii) the contribution of $2.1 million and utilities expense of $1.7 million 56 self storage properties to the 2024 Joint Venture during the three months ended March 31, 2024.

General and Administrative Expenses

General and administrative expenses increased $0.4 million, $0.9 million, or 0.8% 5.8%, for the nine three months ended September 30, 2023 March 31, 2024, compared to the nine three months ended September 30, 2022 March 31, 2023. This increase was primarily attributable to an increase increases in personnel and professional services costs, partially offset by a decrease in supervisory and administrative fees charged by our PROs resulting from the decrease in the number of properties managed by our PROs. costs.

Depreciation and Amortization

Depreciation and amortization decreased $7.6 million $8.1 million, or 4.3% 14.7%, for the nine three months ended September 30, 2023 March 31, 2024, compared to the nine three months ended September 30, 2022 March 31, 2023. This decrease was primarily attributable to amortization expense for customer in-place leases decreasing from $29.1 million for (i) the nine months ended September 30, 2022 to $7.1 million for the nine months ended September 30, 2023, and partially offset by incremental depreciation expense related to the 20 sale of 39 self storage properties acquired between October 1, 2022 to a third party during the three months ended March 31, 2024, (ii) the sale of 32 self storage properties to a third party during December 2023, and September 30, 2023 (iii) the contribution of 56 self storage properties to the 2024 Joint Venture during the three months ended March 31, 2024.

Other

Other expenses increased $1.1 million, from $7.4 million $2.3 million for the nine three months ended September 30, 2022 March 31, 2024, compared to $8.5 million for the nine three months ended September 30, 2023 March 31, 2023. This increase was primarily attributable to increases in administrative costs relating to our tenant insurance programs and our reserves for casualty-related expenses and losses, each resulting from continued growth in our portfolio. losses.

Interest Expense

Interest expense increased $44.7 million $0.2 million, or 58.9% 0.4%, for the nine three months ended September 30, 2023 March 31, 2024, compared to the nine three months ended September 30, 2022 March 31, 2023. The increase in interest expense was primarily attributable to an increase in the effective interest rate under our revolving line of credit from 4.39% 6.20%, as of September 30, 2022 March 31, 2023, to 6.70% 6.71% as of September 30, 2023, and, to a lesser extent, an increase in overall average borrowings outstanding. March 31, 2024.

Loss on Early Extinguishment of Debt

Loss on early extinguishment of debt was $0.8 million decreased $0.8 million for the nine three months ended September 30, 2023 March 31, 2024, compared to the three months ended March 31, 2023. During the nine three months ended September 30, 2023 March 31, 2023, in connection with an amendment to our credit facility, two of the lenders that were included in the syndicated group of lenders prior to the amendment are no longer participating lenders following the amendment, which constitutes an extinguishment of debt for accounting purposes. Additionally, in connection with the amendment we retired two term loans prior to their contractual maturity. Loss on early extinguishment of debt includes costs incurred related to these extinguishments, and the write off of $0.4 million of unamortized debt issuance costs related to the retired term loans or attributed to the entities no longer included in the lender syndicate.

Equity In (Losses) Earnings Of Unconsolidated Real Estate Ventures

Equity in earnings of unconsolidated real estate ventures represents our share of earnings and losses incurred through our 25% ownership interests in the 2024 Joint Venture, 2018 Joint Venture and the 2016 Joint Venture. During the nine three months ended September 30, 2023 March 31, 2024, we recorded $5.5 million $1.6 million of equity in earnings losses from our unconsolidated real estate ventures compared to $5.6 million $1.7 million of earnings for the nine three months ended September 30, 2022 March 31, 2023. The decrease was primarily attributable to the non-cash impact of applying hypothetical liquidation at book value (HLBV) to the 2024 Joint Venture, which allocates income (loss) on a hypothetical liquidation of the underlying joint venture at book value as of March 31, 2024.

Gain on Sale of Self Storage Properties

Gain on sale of self storage properties increased $61.2 million, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase in gain on sale of self storage properties was primarily attributable to the sale of 39 self storage properties to a third party and contribution of 56 self storage properties to the 2024 Joint Venture during three months ended March 31, 2024, for net proceeds of $608.8 million.

Net Income Attributable to Noncontrolling Interests

As discussed in Note 2 in Item 1, we allocate GAAP income (loss) utilizing the HLBV method, in which we allocate income or loss based on the change in each unitholders' claim on the net assets of our operating partnership at period end after adjusting for any distributions or contributions made during such period.

Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to noncontrolling interests. Net income attributable to noncontrolling interests was $41.3 million $36.1 million for the nine three months ended September 30, 2023 March 31, 2024, compared to $60.9 million $11.4 million for the nine three months ended September 30, 2022 March 31, 2023.

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Non-GAAP Financial Measures

FFO and Core FFO

Funds from operations, or FFO, is a widely used performance measure for real estate companies and is provided here as a supplemental measure of our operating performance. The December 2018 Nareit Funds From Operations White Paper - 2018 Restatement which we refer to as the White Paper, defines FFO as net income (as determined under GAAP), excluding: real estate depreciation and amortization, gains and losses from the sale of certain real estate assets, gains and losses from change in control, mark-to-market changes in value recognized on equity securities, impairment write-downs of certain real estate assets and impairment of investments in entities when it is directly attributable to decreases in the value of depreciable real estate held by the entity, and after items adjusting equity in earnings (losses) to record reflect our share of FFO in unconsolidated partnerships and joint ventures on the same basis. real estate ventures. Distributions declared on subordinated performance units and DownREIT subordinated performance units represent our allocation of FFO to noncontrolling interests held by subordinated performance unitholders and DownREIT subordinated performance unitholders. For purposes of calculating FFO attributable to common shareholders, OP unitholders, and LTIP unitholders, we exclude distributions declared on subordinated performance units, DownREIT subordinated performance units, preferred shares and preferred units. We define Core FFO as FFO, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance. These further adjustments consist of acquisition costs, gains on debt forgiveness, gains (losses) on early extinguishment of debt, casualty-related expenses, losses, and related recoveries and adjustments for unconsolidated partnerships and joint ventures.

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Management uses FFO and Core FFO as key performance indicators in evaluating the operations of our properties. Given the nature of our business as a real estate owner and operator, we consider FFO and Core FFO as key supplemental measures of our operating performance that are not specifically defined by GAAP. We believe that FFO and Core FFO are useful to management and investors as a starting point in measuring our operational performance because FFO and Core FFO exclude various items included in net income (loss) that do not relate to or are not indicative of our operating performance such as gains (or losses) from sales of self storage properties and depreciation, which can make periodic and peer analyses of operating performance more difficult. Our computation of FFO and Core FFO may not be comparable to FFO reported by other REITs or real estate companies.

FFO and Core FFO should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income (loss). FFO and Core FFO do not represent cash generated from operating activities determined in accordance with GAAP and are not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO and Core FFO should be compared with our reported net income (loss) and considered in addition to cash flows computed in accordance with GAAP, as presented in our consolidated financial statements.

The following table presents a reconciliation of net income to FFO and Core FFO for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 (in 2023 (dollars in thousands, except per share and unit amounts):

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net income	**Net income**	**$43,064**	**$40,177**	**$128,932**	**$133,388**		
Add (subtract):	Add (subtract):						
Real estate depreciation and amortization	Real estate depreciation and amortization	55,528	59,303	167,078	174,643		
Company's share of unconsolidated real estate venture real estate depreciation and amortization		4,287	4,441	13,073	12,611		
Real estate depreciation and amortization							
Real estate depreciation and amortization							
Equity in losses (earnings) of unconsolidated real estate ventures							
Company's share of FFO in unconsolidated real estate ventures							
Gain on sale of self storage properties	Gain on sale of self storage properties	—	—	—	(2,134)		
Distributions to preferred shareholders and unitholders	Distributions to preferred shareholders and unitholders	(5,393)	(3,653)	(14,758)	(10,857)		
FFO attributable to subordinated performance unitholders(1)	FFO attributable to subordinated performance unitholders(1)	(12,068)	(14,053)	(36,164)	(43,648)		
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**FFO attributable to common shareholders, OP unitholders, and LTIP unitholders**	**85,418**	**86,215**	**258,161**	**264,003**		
Add (subtract):							
Add:							
Acquisition costs	Acquisition costs	341	1,142	1,424	2,377		

Casualty-related expense (recoveries)(2)		—	5,754	(522)	5,754
Acquisition costs					
Acquisition costs					
Loss on early extinguishment of debt					
Loss on early extinguishment of debt					
Loss on early extinguishment of debt	Loss on early extinguishment of debt	—	—	758	—
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders**	**$85,759**	**$93,111**	**$259,821**	**$272,134**
Weighted average shares and units outstanding - FFO and Core FFO:(3)					
Weighted average shares and units outstanding - FFO and Core FFO:(2)					
Weighted average shares and units outstanding - FFO and Core FFO:(2)					
Weighted average shares and units outstanding - FFO and Core FFO:(2)					
Weighted average shares outstanding - basic	Weighted average shares outstanding - basic	87,004	91,471	88,263	91,446
Weighted average restricted common shares outstanding	Weighted average restricted common shares outstanding	25	26	26	27
Weighted average OP units outstanding	Weighted average OP units outstanding	38,030	35,334	38,504	35,361
Weighted average DownREIT OP unit equivalents outstanding	Weighted average DownREIT OP unit equivalents outstanding	2,120	1,925	2,120	1,925
Weighted average LTIP units outstanding	Weighted average LTIP units outstanding	562	477	545	526
Total weighted average shares and units outstanding - FFO and Core FFO	**Total weighted average shares and units outstanding - FFO and Core FFO**	**127,741**	**129,233**	**129,458**	**129,285**
FFO per share and unit	**FFO per share and unit**	**$ 0.67**	**$ 0.67**	**$ 1.99**	**$ 2.04**
FFO per share and unit					
FFO per share and unit					
Core FFO per share and unit	**Core FFO per share and unit**	**$ 0.67**	**$ 0.72**	**$ 2.01**	**$ 2.10**

(1) Amounts represent distributions declared for subordinated performance unitholders and DownREIT subordinated performance unitholders for the periods presented.

(2) Casualty-related recoveries relate to casualty-related expenses incurred in 2022 and are recorded in the line item "Other" within operating expenses in our consolidated statement of operations.

(3) NSA combines OP units and DownREIT OP units with common shares because, after the applicable lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at NSA's option, exchangeable for common shares on a one-for-one basis and DownREIT OP units are also redeemable for cash or, at NSA's option, exchangeable for OP units in our operating partnership on a one-for-one basis, subject to certain adjustments in each case. Subordinated performance units, DownREIT subordinated performance units, and LTIP units may also, under certain circumstances, be convertible into or exchangeable for common shares (or other units that are convertible into or exchangeable for common shares). See footnote(1) to the following table for additional discussion of subordinated performance units, DownREIT subordinated performance units, and LTIP units in the calculation of FFO and Core FFO per share and unit.

The following table presents a reconciliation of earnings per share - diluted to FFO and Core FFO per share and unit for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

	Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,	
2024	2024	2023

Earnings per share - diluted	**Earnings per share - diluted**	**$0.26**	**$0.21**	**$0.77**	**$0.68**
Impact of the difference in weighted average number of shares(1)	Impact of the difference in weighted average number of shares(1)	0.04	(0.06)	0.11	(0.20)
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method(2)		—	0.14	—	0.47
Add real estate depreciation and amortization	Add real estate depreciation and amortization	0.44	0.46	1.29	1.35
Add Company's share of unconsolidated venture real estate depreciation and amortization		0.03	0.03	0.10	0.10
Add real estate depreciation and amortization					
Add real estate depreciation and amortization					
Add (subtract) equity in losses (earnings) of unconsolidated real estate ventures					
Add Company's share of FFO in unconsolidated real estate ventures					
Subtract gain on sale of self storage properties	Subtract gain on sale of self storage properties	—	—	—	(0.02)
FFO attributable to subordinated performance unitholders	FFO attributable to subordinated performance unitholders	(0.10)	(0.11)	(0.28)	(0.34)
FFO per share and unit	**FFO per share and unit**	**0.67**	**0.67**	**1.99**	**2.04**
Add acquisition costs	Add acquisition costs	—	0.01	0.01	0.02
Add casualty-related expense		—	0.04	—	0.04
Add loss on early extinguishment of debt	Add loss on early extinguishment of debt	—	—	0.01	—
Core FFO per share and unit	**Core FFO per share and unit**	**$0.67**	**$0.72**	**$2.01**	**$2.10**

(1) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the company's restricted common shares and the treasury stock method for certain unvested LTIP units, and assumes the conversion of vested LTIP units into OP units on a one-for-one basis and the hypothetical conversion of subordinated performance units, and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information about the conversion of subordinated performance units, DownREIT subordinated performance units and LTIP units into OP units, see Note 9 in Item 1. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.

(2) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests, after deducting preferred share and unit distributions, and before the application of the two-class method and treasury stock method, as described in footnote(1).

Net Operating Income

Net operating income, or NOI, represents rental revenue plus other property-related revenue less property operating expenses. NOI is not a measure of performance calculated in accordance with GAAP.

We believe NOI is useful to investors in evaluating our operating performance because:

- NOI is one of the primary measures used by our management and our PROs to evaluate the economic productivity of our properties, including our ability to lease our properties, increase pricing and occupancy and control our property operating expenses;
- NOI is widely used in the real estate industry and the self storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods, the book value of assets, and the impact of our capital structure; and
- We believe NOI helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of the cost basis of our assets from our operating results.

There are material limitations to using a non-GAAP measure such as NOI, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income (loss). We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income (loss). NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues and net income (loss).

Three Months Ended September 30, 2023 compared to the Three Months Ended September 30, 2022

As of September 30, 2023 March 31, 2024, our same store portfolio consisted of 834 776 self storage properties. Our same store portfolio is defined as those properties owned and operated since the first day of the earliest year presented, excluding any properties sold, expected to be sold or subject to significant changes such as expansions or casualty events which cause the portfolio's year-over-year operating results to no longer be comparable. The following table illustrates the changes in rental revenue, other property-related revenue, and property operating expenses, for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023 (dollars in thousands):

		Three Months Ended September 30,		
		2023	2022	Change
	Three Months Ended March 31,			
	2024	2024	2023	Change
Rental revenue	Rental revenue			
Same store portfolio				
Same store portfolio				
Same store portfolio	Same store portfolio	$181,734	$180,751	$ 983
Non-same store portfolio	Non-same store portfolio	20,099	12,973	7,126

Total rental revenue	Total rental revenue	201,833	193,724	8,109
Other property-related revenue	Other property-related revenue			
Same store portfolio	Same store portfolio	6,966	5,967	999
Same store portfolio				
Same store portfolio				
Non-same store portfolio	Non-same store portfolio	798	433	365
Total other property-related revenue	Total other property-related revenue	7,764	6,400	1,364
Property operating expenses	Property operating expenses			
Same store portfolio	Same store portfolio	52,403	50,285	2,118
Same store portfolio				
Same store portfolio				
Non-same store portfolio	Non-same store portfolio	6,178	4,922	1,256
Prior period comparability adjustment		—	(75)	75
Total property operating expenses	Total property operating expenses	58,581	55,132	3,449
Net operating income	Net operating income			
Same store portfolio	Same store portfolio	136,297	136,433	(136)
Same store portfolio				
Same store portfolio				
Non-same store portfolio	Non-same store portfolio	14,719	8,559	6,160
Total net operating income	**Total net operating income**	$151,016	$144,992	$ 6,024

Rental Revenue

Same store portfolio rental revenues increased $1.0 million decreased $2.9 million, or 0.5% 1.7%, for the three months ended September 30, 2023 March 31, 2024, as compared to the three months ended September 30, 2022 March 31, 2023. Annualized This decrease in same store portfolio rental revenue (including fees and net of any discounts and uncollectible customer amounts) divided was driven primarily by a decrease in average occupied square feet ("average occupancy from 89.4% for the three months ended March 31, 2023 to 85.6% for the three months ended March 31, 2024. Average annualized same store rental revenue per occupied square foot") foot increased from $14.77 $15.43 to $15.51, $15.80, or 5.0% 2.4%, for the three months ended September 30, 2023 March 31, 2024, as compared to the three months ended March 31, 2023, driven primarily by increased contractual lease rates for in-place tenants. This increase in same store portfolio rental revenue was partially offset by a decrease in average occupancy from 93.5% for the three months ended September 30, 2022 to 89.5% for the three months ended September 30, 2023.

Other Property-Related Revenue

Same store portfolio other property-related revenue increased by $1.0 million$0.3 million, or 16.7%4.3%, for the three months ended September 30, 2023March 31, 2024, as compared to the three months ended September 30, 2022March 31, 2023. This increase primarily resulted from an increase in tenant insurance revenue.

Property Operating Expenses

Same store portfolio property operating expenses were $52.4 millionincreased $2.1 million, or 4.5%, for the three months ended September 30, 2023March 31, 2024, as compared to $50.3 million for the three months ended September 30, 2022, an increase of $2.1 million, or 4.2%March 31, 2023. The increase in same store property operating expenses was a result of increases in insurance and marketing and insurance costs partially offset by decreases in personnel expenses during the three months ended September 30, 2023.

Nine Months Ended September 30, 2023 compared to the Nine Months Ended September 30, 2022

As of September 30, 2023, our same store portfolio consisted of 834 self storage properties. Our same store portfolio is defined as those properties owned and operated since the first day of the earliest year presented, excluding any properties sold, expected to be sold or subject to significant changes such as expansions or casualty events which cause the portfolio's year-over-year operating results to no longer be comparable. The following table illustrates the changes in rental revenue, other property-related revenue, and property operating expenses, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

	Nine Months Ended September 30,		
	2023	**2022**	**Change**
Rental revenue			
Same store portfolio	$ 539,308	$ 524,365	$ 14,943
Non-same store portfolio	55,965	28,464	27,501
Total rental revenue	595,273	552,829	42,444
Other property-related revenue			
Same store portfolio	20,015	17,834	2,181
Non-same store portfolio	2,169	1,073	1,096
Total other property-related revenue	22,184	18,907	3,277
Property operating expenses			
Same store portfolio	153,017	146,306	6,711
Non-same store portfolio	19,141	11,597	7,544
Prior period comparability adjustment	—	(225)	225
Total property operating expenses	172,158	157,678	14,480
Net operating income			
Same store portfolio	406,306	395,893	10,413
Non-same store portfolio	38,993	18,165	20,828
Total net operating income	$ 445,299	$ 414,058	$ 31,241

Rental Revenue

Same store portfolio rental revenues increased $14.9 million, or 2.8%, for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. Average annualized same store rental revenue per occupied square foot increased from $14.33 to $15.31, or 6.8%, for the nine months ended September 30, 2023, driven primarily by increased contractual lease rates for in-place tenants. This increase in same store portfolio rental revenue was partially offset by a decrease in average occupancy from 93.7% for the nine months ended September 30, 2022 to 89.6% for the nine months ended September 30, 2023.

Other Property-Related Revenue

Same store portfolio other property-related revenue increased by $2.2 million, or 12.2%, for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. This increase primarily resulted from an increase in tenant insurance revenue.

Property Operating Expenses

Same store portfolio property operating expenses were $153.0 million for the nine months ended September 30, 2023 compared to $146.3 million for the nine months ended September 30, 2022, an increase of $6.7 million, or 4.6%. The increase in same store property operating expenses was a result of increases in marketing and insurance costs, partially offset by decreases in personnel costs during the nine months ended September 30, 2023March 31, 2024.

The following table presents a reconciliation of net income to NOI for the three and nine months ended September 30, 2023March 31, 2024 and 20222023 (dollars in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Net income					
Net income					
Net income	Net income	$ 43,064	$ 40,177	$ 128,932	$ 133,388
(Subtract) Add:	(Subtract) Add:				
(Subtract) Add:					
(Subtract) Add:					
Management fees and other revenue					
Management fees and other revenue					
Management fees and other revenue	Management fees and other revenue	(9,550)	(6,649)	(25,194)	(21,111)
General and administrative expenses	General and administrative expenses	15,100	15,298	44,325	43,966
General and administrative expenses					
General and administrative expenses					
Other					
Other					
Other	Other	4,138	6,356	8,531	7,351
Depreciation and amortization	Depreciation and amortization	55,842	59,631	168,005	175,594
Depreciation and amortization					
Depreciation and amortization					
Interest expense	Interest expense	43,065	28,871	120,706	75,966
Equity in earnings of unconsolidated real estate ventures		(1,930)	(2,134)	(5,469)	(5,590)
Interest expense					
Interest expense					
Equity in losses (earnings) of unconsolidated real estate ventures					
Equity in losses (earnings) of unconsolidated real estate ventures					
Equity in losses (earnings) of unconsolidated real estate ventures					
Loss on early extinguishment of debt					
Loss on early extinguishment of debt					

Loss on early extinguishment of debt	Loss on early extinguishment of debt	—	—	758	—
Acquisition costs	Acquisition costs	341	1,142	1,424	2,377
Acquisition costs					
Acquisition costs					
Income tax expense					
Income tax expense					
Income tax expense	Income tax expense	922	2,074	2,855	3,652
Gain on sale of self storage properties	Gain on sale of self storage properties	—	—	—	(2,134)
Non-operating expense		24	226	426	599
Gain on sale of self storage properties					
Gain on sale of self storage properties					
Non-operating (income) expense					
Non-operating (income) expense					
Non-operating (income) expense					
Net Operating Income	**Net Operating Income**	**$ 151,016**	**$ 144,992**	**$ 445,299**	**$ 414,058**
Net Operating Income					
Net Operating Income					

Our consolidated NOI shown in the table above does not include our proportionate share of NOI for our unconsolidated real estate ventures. For additional information about our 2016 Joint Venture, 2018 Joint Venture, 2023 Joint Venture and 2016 2024 Joint Venture see Note 5 to the condensed consolidated financial statements in Item 1.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss), as determined under GAAP, plus interest expense, loss on early extinguishment of debt, income taxes, depreciation and amortization expense and the Company's share of unconsolidated real estate venture depreciation and amortization. We define Adjusted EBITDA as EBITDA plus acquisition costs, equity-based compensation expense, losses on sale of properties, impairment of long-lived assets and casualty-related expenses, losses and recoveries, minus gains on sale of properties and debt forgiveness, and after adjustments for unconsolidated partnerships and joint ventures. ventures, including the removal of the non-cash effect of applying hypothetical liquidation at book value (HLBV) for purposes of allocating GAAP net income (loss) for the 2024 Joint Venture. These further adjustments eliminate the impact of items that we do not consider indicative of our core operating performance. In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present EBITDA and Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. EBITDA and Adjusted EBITDA have limitations as an analytical tool. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures, contractual commitments or working capital needs;
- EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;

- Adjusted EBITDA excludes equity-based compensation expense, which is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period;
- EBITDA and Adjusted EBITDA do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income (loss). EBITDA and Adjusted EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues and net income (loss).

The following table presents a reconciliation of net income to EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2023March 31, 2024 and 2022 2023 (dollars in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
	Three Months Ended March 31,					Three Months Ended March 31,	
	2024					2024	2023
Net income	**Net income**	**$ 43,064**	**$ 40,177**	**$128,932**	**$133,388**		
Add:							
Add (subtract):							
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization	Depreciation and amortization	55,842	59,631	168,005	175,594		
Company's share of unconsolidated real estate venture depreciation and amortization	Company's share of unconsolidated real estate venture depreciation and amortization	4,287	4,441	13,073	12,611		
Interest expense	Interest expense	43,065	28,871	120,706	75,966		
Income tax expense	Income tax expense	922	2,074	2,855	3,652		
Loss on early extinguishment of debt	Loss on early extinguishment of debt	—	—	758	—		
EBITDA	**EBITDA**	**147,180**	**135,194**	**434,329**	**401,211**		
Add (subtract):	Add (subtract):						
Acquisition costs	Acquisition costs	341	1,142	1,424	2,377		
Acquisition costs							
Acquisition costs							
Effect of hypothetical liquidation at book value (HLBV) accounting for unconsolidated 2024 Joint Venture(1)							
Gain on sale of self storage properties	Gain on sale of self storage properties	—	—	—	(2,134)		
Casualty-related expenses (recoveries)(1)		—	5,754	(522)	5,754		
Equity-based compensation expense(2)	Equity-based compensation expense(2)	1,702	1,546	5,028	4,670		
Adjusted EBITDA	**Adjusted EBITDA**	**$149,223**	**$143,636**	**$440,259**	**$411,878**		

(1) Casualty-related recoveries relate to casualty-related expenses incurred in 2022 and are recorded in the line item "Other" within operating expenses in our consolidated statement of operations.

(1) Reflects the non-cash impact of applying HLBV to the 2024 Joint Venture, which allocates GAAP income (loss) based on a hypothetical liquidation of the underlying joint venture at book value as of the reporting date.

(1) Reflects the non-cash impact of applying HLBV to the 2024 Joint Venture, which allocates GAAP income (loss) based on a hypothetical liquidation of the underlying joint venture at book value as of the reporting date.

(1) Reflects the non-cash impact of applying HLBV to the 2024 Joint Venture, which allocates GAAP income (loss) based on a hypothetical liquidation of the underlying joint venture at book value as of the reporting date.

(2) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in our consolidated statements of operations.

Liquidity and Capital Resources

Liquidity Overview

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from dispositions of self storage properties (including contributions to joint ventures), equity and debt offerings, debt financings including additional borrowing capacity under the credit facility, and expansion options available under the 2028 Term Loan Facility, the June 2029 Term Loan Facility, and our credit facility.

Our short-term liquidity requirements consist primarily of property operating expenses, property acquisitions, capital expenditures, general and administrative expenses and principal and interest on our outstanding indebtedness. A further short-term liquidity requirement relates to distributions to our common and preferred shareholders and holders of preferred units, OP units, LTIP units, subordinated performance units, DownREIT OP units and DownREIT subordinated performance units. We expect to fund short-term liquidity requirements from our operating cash flow, cash on hand and borrowings under our credit facility.

Our long-term liquidity needs consist primarily of the repayment of debt, property acquisitions, and capital expenditures. We acquire properties through the use of cash, preferred units, OP units and subordinated performance units in our operating partnership or DownREIT partnerships. We expect to meet our long-term liquidity requirements with operating cash flow, cash on hand, secured and unsecured indebtedness, and the issuance of equity and debt securities.

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. During the last year, the Federal Reserve Board has raised continued to raise interest rates from historically low levels and paused raising interest rates as of August 2023. Although the Federal Reserve Board has signaled an intention to continue to do so until current inflation levels re-align with reduce interest rates in 2024, there is no assurance that this will occur or that the Federal Reserve Board's long-term inflation target. Board will not maintain or raise interest rates in the future. Our ability to access capital on favorable terms as well as to use cash from operations to continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted, could be affected by various risks and uncertainties. We believe that, as a publicly-traded REIT, we will have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of debt and additional equity securities. However, we cannot assure you that this will be the case.

Cash Flows

At September 30, 2023 March 31, 2024, we had $58.8 million $64.2 million in cash and cash equivalents and $1.8 million $24.8 million of restricted cash, an increase a decrease in cash and cash equivalents of $23.5 million $0.7 million and a decrease an increase in restricted cash of $5.1 million $2.1 million from December 31, 2022 December 31, 2023. Restricted cash primarily consists of escrowed funds deposited with financial institutions resulting from property sales for which we elected to purchase replacement property in accordance with Section 1031 of the Code, and for real estate taxes, insurance, and other reserves for capital improvements in accordance with our loan agreements. The following discussion relates to changes in cash due to operating, investing, and financing activities, which are presented in our condensed consolidated statements of cash flows included in Item 1 of this report.

Operating Activities

Cash provided by our operating activities was $347.6 million $94.0 million for the nine three months ended September 30, 2023 March 31, 2024 compared to $349.9 million $109.8 million for the nine three months ended September 30, 2022 March 31, 2023, a decrease of $2.3 million $15.8 million. Our operating cash flow decreased primarily due to higher cash payments for interest expense. The a decrease was in rental revenue, partially offset by a decrease in property operating cash flows from 45 expenses driven by (i) the sale of 39 self storage properties acquired to a third party during 2022 that generated operating cash flows for the entire nine three months ended September 30, 2023 March 31, 2024, and operating cash flows from an additional 18 (ii) the sale of 32 self storage properties to a third party during December 2023, and two annexes (iii) the contribution of 56 self storage properties to existing properties acquired the 2024 Joint Venture during the nine three months ended September 30, 2023 March 31, 2024.

Investing Activities

Cash provided by investing activities was $567.4 million for the three months ended March 31, 2024 compared to $36.2 million of cash used in investing activities was $75.9 million for the nine three months ended September 30, 2023 compared to $573.0 million for the nine months ended September 30, 2022 March 31, 2023. The primary uses sources of cash for the nine three months ended September 30, 2023 March 31, 2024 were for the $608.8 million of proceeds from our acquisition sale of 18 39 self storage properties to a third party and two annexes contribution of 56 self storage properties to existing properties for cash consideration the 2024 Joint Venture, partially offset by our investment in 2024 Joint Venture of $31.8 million $35.8 million, and capital expenditures of $26.0 million, our acquisition of management company assets and an interest in a reinsurance company from Move It of $16.9 million, and expenditures for corporate furniture and equipment of $1.1 million $5.4 million.

Capital expenditures totaled $26.0 million $5.4 million and $33.9 million $8.5 million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. We generally fund post-acquisition capital additions from cash provided by operating activities.

We categorize our capital expenditures broadly into three primary categories:

- recurring capital expenditures, which represent the portion of capital expenditures that are deemed to replace the consumed portion of acquired capital assets and extend their useful life;
- value enhancing capital expenditures, which represent the portion of capital expenditures that are made to enhance the revenue and value of an asset from its original purchase condition; and

- acquisitions capital expenditures, which represent the portion of capital expenditures capitalized during the current period that were identified and underwritten prior to a property's acquisition.

A summary of the capital expenditures for these categories, along with a reconciliation of the total for these categories to the capital expenditures reported in the accompanying condensed consolidated statements of cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, are presented below (dollars in thousands):

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022		
	Three Months Ended March 31, 2024			2024	2023
Recurring capital expenditures	Recurring capital expenditures	$11,298	$ 8,852		
Value enhancing capital expenditures	Value enhancing capital expenditures	5,844	10,258		
Acquisitions capital expenditures	Acquisitions capital expenditures	8,072	14,351		
Total capital expenditures	Total capital expenditures	25,214	33,461		
Change in accrued capital spending	Change in accrued capital spending	741	441		
Capital expenditures per statement of cash flows	Capital expenditures per statement of cash flows	$25,955	$33,902		

Financing Activities

Cash used in our financing activities was $253.2 million $660.0 million for the nine three months ended September 30, 2023 March 31, 2024 compared to $232.6 million in cash provided by financing activities $63.9 million for the nine three months ended September 30, 2022 March 31, 2023. Our primary uses of financing cash flows for the nine three months ended September 30, 2023 March 31, 2024 were for principal payments on existing debt of $502.8 million $613.4 million (which included $433.0 million $483.0 million of principal repayments under the Revolver, $67.0 million in fixed rate mortgage repayments, $130.0 million repayment of Term Loan B and $2.8 million $0.4 million of scheduled fixed rate mortgage principal amortization payments), common share repurchases of $282.7 million $203.5 million, payments of dividends to common shareholders of $144.8 million $43.8 million, distributions to noncontrolling interests of $104.8 million, $33.8 million and distributions to preferred shareholders of $14.8 million $5.1 million. Our sources of financing cash flows for the nine three months ended September 30, 2023 March 31, 2024 primarily consisted of $799.0 million of borrowings (which included $679.0 million $240.0 million of borrowings under our Revolver and $120.0 million of senior unsecured notes). Revolver.

Credit Facility and Term Loan Facilities

On January 3, 2023As of March 31, 2024, we entered into a third amended and restated credit agreement which expands the total borrowing capacity of our credit facility by $405.0 million to $1.955 billion with an expansion option to expandprovided for total borrowings of $1.825 billion, consisting of the following components: (i) a Revolver which provides for a total borrowing capacitycommitment up to $2.5 billion. The maturity date of$950.0 million, whereby we may borrow, repay and re-borrow amounts under the Revolver, is now January 2027 versus the previous maturity date of January 2024, while the total borrowing capacity of the Revolver increased to $950.0 million from $650.0 million. In connection with the credit facility recast the $125.0 million Term Loan A due January 2023 was eliminated by us,(ii) a $145.0 million Term Loan B, increased from $250.0 million to $275.0 million,(iii) a $325.0 million Term Loan C, increased from $225.0 million to $325.0 million,(iv) a $275.0 million Term Loan D increased from $175.0 million to $275.0 million, and (v) a $130.0 million Term Loan E increased from $125.0 million to $130.0 million.E. The Revolver maturesis set to mature in January 2027; provided that we may elect up to two times to extend the maturity by six months each up to JulyJanuary 2028 by paying an extension fee for each such election of 0.0625% of the total borrowing commitment thereunder at the time of extension and meeting other customary conditions with respect to compliance. The Term Loan B matures in July 2024, provided that we have the option to elect to extend the maturity to January 2025, subject to certain conditions being met and payment of an extension fee of 0.0625% of the amount of the Term Loan B, the Term Loan C matures in January 2025, the Term Loan D matures in July 2026 and the Term Loan E matures in March 2027. The Revolver, Term Loan B, Term Loan C, Term Loan D and Term Loan E are not subject to any scheduled reduction or amortization payments prior to maturity. As of March 31, 2024, we have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of $2.370 billion.

As of September 30, 2023March 31, 2024, $275.0 million$145.0 million was outstanding under the Term Loan B with an effective interest rate of 3.28%2.95%, $325.0 million was outstanding under the Term Loan C with an effective interest rate of 4.07%2.93%, $275.0 million was outstanding under the Term Loan D with an effective interest rate of 4.05%3.96% and $130.0 million was outstanding under the Term Loan E with an effective interest rate of 4.93%4.79%. As of September 30, 2023March 31, 2024, we would have had the capacity to borrow remaining Revolver commitments of $131.6 million$805.6 million while remaining in compliance with the credit facility's financial covenants.

In connection with the credit facility recast on January 3, 2023, the Company retired the $175.0 million term loan facility due in June 2023.

We have a 2028 Term Loan Facility that matures in December 2028 and is separate from the credit facility in an aggregate amount of $75.0 million. As of September 30, 2023March 31, 2024 the entire amount was outstanding under the 2028 Term Loan Facility with an effective interest rate of 4.62%. We have an expansion option under the 2028 Term Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount up to $125.0 million.

We have an April 2029 Term Loan Facility that matures in April 2029 and is separate from the credit facility and 2028 Term Loan Facility in an aggregate amount of $100.0 million. As of September 30, 2023March 31, 2024 the entire amount was outstanding under the April 2029 Term Loan Facility with an effective interest rate of 4.27%.

We have a June 2029 Term Loan Facility that matures in June 2029 and is separate from the credit facility, 2028 Term Loan Facility, and April 2029 Term Loan Facility in an aggregate amount of $285.0 million. As of September 30, 2023March 31, 2024 the June 2029 Term Loan Facility had an effective interest rate of 5.37%. We have an expansion option under the June 2029 Term Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount up to $300.0 million.

As discussed in Note 13 of Item 1, the Company used the proceeds from the Senior Unsecured Notes issued on October 5, 2023, to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

2029 and August 2031 Senior Unsecured Notes

On August 30, 2019, our operating partnership issued $100.0 million of 3.98% senior unsecured notes due August 30, 2029 and $50.0 million of 4.08% senior unsecured notes due August 30, 2031 in a private placement to certain institutional investors.

August 2030 and August 2032 Senior Unsecured Notes

On October 22, 2020, our operating partnership issued $150.0 million of 2.99% senior unsecured notes due August 5, 2030 and $100.0 million of 3.09% senior unsecured notes due August 5, 2032 in a private placement to certain institutional investors.

May 2026, May 2031 and May 2033 Senior Unsecured Notes

On May 26, 2021, our operating partnership issued $55.0 million of 3.10% senior unsecured notes due May 4, 2033. On July 26, 2021, our operating partnership issued $35.0 million of 2.16% senior unsecured notes due May 4, 2026 and $90.0 million of 3.00% senior unsecured notes due May 4, 2031.

November 2030, November 2031, November 2033, and 2036 Senior Unsecured Notes

On December 14, 2021, our operating partnership issued $75.0 million of 2.72% senior unsecured notes due November 30, 2030, $175.0 million of 2.81% senior unsecured notes due November 30, 2031 and $75.0 million of 3.06% senior unsecured notes due November 30, 2036. On January 28, 2022, our operating partnership issued $125.0 million of 2.96% senior unsecured notes due November 30, 2033.

November 2032 Senior Unsecured Notes

On September 28, 2022, our operating partnership issued $200.0 million of 5.06% senior unsecured notes due November 16, 2032.

July 2028 Senior Unsecured Notes

On April 27, 2023, our operating partnership issued $120.0 million $120.0 million of 5.61% senior unsecured notes due July 5, 2028 in a private placement to certain institutional investors. The July 2028 Notes have an effective interest rate of 5.75% after taking into account the effect of interest rate swaps.

October 2026, October 2028, October 2030 And and October 2033 Senior Unsecured Notes

As discussed in Note 13 in Item 1, on On October 5, 2023, our operating partnership issued $65.0 million $65.0 million of 6.46% senior unsecured notes due October 5, 2026, $100.0 million $100.0 million of 6.55% senior unsecured notes due October 5, 2028, $35.0 million $35.0 million of 6.66% senior unsecured notes due October 5, 2030 and $50.0 million $50.0 million of 6.73% senior unsecured notes due October 5, 2033 in a private placement to certain institutional investors.

Fixed Rate Mortgage Payable

On July 9, 2021, we entered into an agreement with a single lender for an $88.0 million debt financing secured by eight of our self storage properties. This interest-only loan matures in July 2028 and has a fixed interest rate of 2.77%.

Equity Transactions

Issuance of Preferred Shares

On March 16, 2023, the Company issued 5,668,128 Series B Preferred Shares for approximately $139.6 million, to shareholders of an affiliate of Personal Mini, in connection with the acquisition of a portfolio of 15 properties. As part of the acquisition transaction, the Company recorded a $26.1 million promissory note receivable from an affiliate of Personal Mini. Proceeds from the promissory note were used by the affiliate of Personal Mini to acquire $26.1 million of subordinated performance units. The promissory note bears interest at a rate equivalent to the dividends paid on 1,059,683 of the Series B Preferred Shares. As a result of these agreements, the $26.1 million promissory note receivable, interest income on the note receivable, $26.1 million of Series B Preferred Shares value, and dividends on such Series B Preferred Shares have been offset, resulting in a net amount presented as proceeds from the issuance of Series B Preferred Shares of $113.2 million.

Issuance of Common Shares

During the nine three months ended September 30, 2023 March 31, 2024, after receiving notices of redemption from certain OP unitholders, we elected to issue 1,089,851 72,802 common shares to such holders in exchange for 1,089,851 72,802 OP units in satisfaction of the operating partnership's redemption obligations.

Common Share Repurchases

During the nine three months ended September 30, 2023 March 31, 2024, we repurchased 7,983,868 5,491,925 common shares for approximately $282.7 million $203.5 million.

Issuance and Redemption of OP Equity

In connection with During the 18 properties and two annexes to existing properties acquired during the nine three months ended September 30, 2023 March 31, 2024, we issued $59.2 million of OP equity (consisting of 1,124,924 subordinated performance units, 287,337 Series A-1 preferred units, 18,895 OP units and the vesting of 8,000 LTIP units previously issued).

During the nine months ended September 30, 2023, we also issued (i) 2,545,063 OP units upon the non-voluntary conversion of 926,623 subordinated performance units in connection with Move It's retirement, (ii) 481,811 43,556 OP units upon the conversion of 397,000 23,690 subordinated performance units, and (iii) 128,487 62,330 OP units upon the conversion of an equivalent number of LTIP units.

During the nine months ended September 30, 2023, In addition, we issued 195,573 DownREIT redeemed 10,417 OP units issued upon the voluntary conversion of 203,637 DownREIT subordinated performance units. for cash.

Dividends and Distributions

On August 17, 2023 February 15, 2024, our board of trustees declared a cash dividend and distribution, respectively, of $0.56 per common share and OP unit to shareholders and OP unitholders of record as of September 15, 2023 March 15, 2024. On August 17, 2023 February 15, 2024, our board of trustees also declared cash distributions of $0.375 per Series A Preferred Share, Series B Preferred Share and Series A-1 preferred unit to shareholders and unitholders of record as of September 15, 2023 March 15, 2024. On September 15, 2023 March 15, 2024, our board of trustees declared cash distributions of $12.1 million $10.7 million, in aggregate, to subordinated performance unitholders of record as of September 15, 2023 March 15, 2024. Such dividends and distributions were paid on September 29, 2023 March 29, 2024.

Cash Distributions from our Operating Partnership

Under the LP Agreement of our operating partnership, to the extent that we, as the general partner of our operating partnership, determine to make distributions to the partners of our operating partnership out of the operating cash flow or capital transaction proceeds generated by a real property portfolio managed by one of our PROs, the holders of the series of subordinated performance units that relate to such portfolio are entitled to share in such distributions. Under the LP Agreement of our operating partnership, operating cash flow with respect to a portfolio of properties managed by one of our PROs is generally an amount determined by us, as general partner of our operating partnership, equal to the excess of property revenues over property related expenses from that portfolio. In general, property revenue from the portfolio includes:

(i) all receipts, including rents and other operating revenues;

(ii) any incentive, financing, break-up and other fees paid to us by third parties;

(iii) amounts released from previously set aside reserves; and

(iv) any other amounts received by us, which we allocate to the particular portfolio of properties.

In general, property-related expenses include all direct expenses related to the operation of the properties in that portfolio, including real property taxes, insurance, property-level general and administrative expenses, employee costs, utilities, property marketing expense, property maintenance and property reserves and other expenses incurred at the property level. In addition, other expenses incurred by our operating partnership will also be allocated by us, as general partner, to the property portfolio and will be included in the property-related expenses of that portfolio. Examples of such other expenses include:

(i) corporate-level general and administrative expenses;

(ii) out-of-pocket costs, expenses and fees of our operating partnership, whether or not capitalized;

(iii) the costs and expenses of organizing and operating our operating partnership;

(iv) amounts paid or due in respect of any loan or other indebtedness of our operating partnership during such period;

(v) extraordinary expenses of our operating partnership not previously or otherwise deducted under item (ii) above;

(vi) any third-party costs and expenses associated with identifying, analyzing, and presenting a proposed property to us and/or our operating partnership; and

(vii) reserves to meet anticipated operating expenditures, debt service or other liabilities, as determined by us.

To the extent that we, as the general partner of our operating partnership, determine to make distributions to the partners of our operating partnership out of the operating cash flow of a real property portfolio managed by one of our PROs, operating cash flow from a property portfolio is required to be allocated to OP unitholders and to the holders of series of subordinated performance units that relate to such property portfolio as follows:

First, an amount is allocated to OP unitholders in order to provide OP unitholders (together with any prior allocations of capital transaction proceeds) with a cumulative preferred allocation on the unreturned capital contributions attributed to the OP units in respect of such property portfolio. The preferred allocation for all of our existing portfolios is 6%. As of September 30, 2023 March 31, 2024, our operating partnership had an aggregate of $2,801.8 million $2,625.9 million of unreturned capital contributions with respect to common shareholders and OP unitholders, with respect to the various property portfolios.

Second, an amount is allocated to the holders of the series of subordinated performance units relating to such property portfolio in order to provide such holders with an allocation (together with prior distributions of capital transaction proceeds) on their unreturned capital contributions. Although the subordinated allocation for the subordinated performance units is non-cumulative from period to period, if the operating cash flow from a property portfolio related to a series of subordinated performance units is sufficient, in the judgment of the general partner (with the approval of a majority of our independent trustees), to fund distributions to the holders of such series of subordinated performance units, but we, as the general partner of our operating partnership, decline to make distributions to such holders, the amount available but not paid as distributions will be added to the subordinated allocation corresponding to such series of subordinated performance units. The subordinated allocation for the outstanding subordinated performance units is 6%.

As of September 30, 2023 March 31, 2024, an aggregate of $207.3 million $209.2 million of unreturned capital contributions has been allocated to the various series of subordinated performance units.

Thereafter, any additional operating cash flow is allocated to OP unitholders and the applicable series of subordinated performance units equally.

Following the allocation described above, we as the general partner of our operating partnership, will generally cause our operating partnership to distribute the amounts allocated to the relevant series of subordinated performance units to the holders of such series of subordinated performance units. We, as the general partner, may cause our operating partnership to distribute the amounts allocated to OP unitholders or may cause our operating partnership to retain such amounts to be used by our operating partnership for any purpose. Any operating cash flow that is attributable to amounts retained by our operating partnership pursuant to the preceding sentence will generally be available to be allocated as an additional capital contribution to the various property portfolios.

The foregoing description of the allocation of operating cash flow between the OP unitholders and subordinated performance unitholders is used for purposes of determining distributions to holders of subordinated performance units but does not necessarily represent the operating cash flow that will be distributed to OP unitholders (or paid as dividends to holders of our common shares). Any distribution of operating cash flow allocated to the OP unitholders will be made at our discretion (and paid as dividends to holders of our common shares at the discretion of our board of trustees).

Under the LP Agreement of our operating partnership, capital transactions are transactions that are outside the ordinary course of our operating partnership's business, involve the sale, exchange, other disposition, or refinancing of any property, and are designated as capital transactions by us, as the general partner. To the extent the general partner determines to distribute capital transaction proceeds, the proceeds from capital transactions involving a particular property portfolio are required to be allocated to OP unitholders and to the series of subordinated performance units that relate to such property portfolio as follows:

First, an amount determined by us, as the general partner, of such capital transaction proceeds is allocated to OP unitholders in order to provide OP unitholders (together with any prior allocations of operating cash flow) with a cumulative preferred allocation on the unreturned capital contributions attributed to the OP unitholders in respect of such property portfolio that relate to such capital transaction plus an additional amount equal to such unreturned capital contributions.

Second, an amount determined by us, as the general partner, is allocated to the holders of the series of subordinated performance units relating to such property portfolio in order to provide such holders with a non-cumulative subordinated allocation on the unreturned capital contributions made by such holders in respect of such property portfolio that relate to such capital transaction plus an additional amount equal to such unreturned capital contributions.

The preferred allocation and subordinated allocation with respect to capital transaction proceeds for each portfolio is equal to the preferred allocation and subordinated allocation for distributions of operating cash flow with respect to that portfolio.

Thereafter, any additional capital transaction proceeds are allocated to OP unitholders and the applicable series of subordinated performance units equally.

Following the allocation described above, we, as the general partner of our operating partnership, will generally cause our operating partnership to distribute the amounts allocated to the relevant series of subordinated performance units to the holders of such series of subordinated performance units. We, as general partner of our operating partnership, may cause our operating partnership to distribute the amounts allocated to the OP unitholders or may cause our operating partnership to retain such amounts to be used by our operating partnership for any purpose. Any capital transaction proceeds that are attributable to amounts retained by our operating partnership pursuant to the preceding sentence will generally be available to be allocated as an additional capital contribution to the various property portfolios.

The foregoing allocation of capital transaction proceeds between the OP unitholders and subordinated performance unitholders is used for purposes of determining distributions to holders of subordinated performance units but does not necessarily represent the capital transaction proceeds that will be distributed to OP unitholders (or paid as dividends to holders of our common shares). Any distribution of capital transaction proceeds allocated to the OP unitholders will be made at our discretion (and paid as dividends to holders of our common shares at the discretion of our board of trustees).

Allocation of Capital Contributions

We, as the general partner of our operating partnership, in our discretion, have the right to increase or decrease, as appropriate, the amount of capital contributions allocated to our operating partnership in general and to each series of subordinated performance units to reflect capital expenditures made by our operating partnership in respect of each portfolio, the sale or refinancing of all or a portion of the properties comprising the portfolio, the distribution of capital transaction proceeds by our operating partnership, the retention by our operating partnership of cash for working capital purposes and other events impacting the amount of capital contributions allocated to the holders. In addition, to avoid conflicts of interests, any decision by us to increase or decrease allocations of capital contributions must also be approved by a majority of our independent trustees.

Off-Balance Sheet Arrangements

Except as disclosed in the notes to our financial statements, as of September 30, 2023 March 31, 2024, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purposes entities, which typically are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, except as disclosed in the notes to our financial statements, as of September 30, 2023 March 31, 2024, we have not guaranteed any obligations of unconsolidated entities, nor made any commitments to provide funding to any such entities, that creates any material exposure to any financing, liquidity, market or credit risk.

Seasonality

The self storage business is subject to minor seasonal fluctuations. A greater portion of revenues and profits are generally realized from May through September. Historically, our highest level of occupancy has typically been in July, while our lowest level of occupancy has typically been in February. Results for any quarter may not be indicative of the results that may be achieved for the full fiscal year.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk refers to the risk of loss from adverse changes in market prices and interest rates. Our future income, cash flows, and fair values of financial instruments are dependent upon prevailing market interest rates. The primary market risk to which we believe we are exposed is interest rate risk. Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control. We use interest rate swaps to moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. We make limited use of other derivative financial instruments and we do not use them for trading or other speculative purposes.

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As of September 30, 2023 March 31, 2024, we had $942.0 million $138.0 million of debt subject to variable interest rates (excluding variable-rate debt subject to interest rate swaps). If our reference rates (currently one-month SOFR) were to increase or decrease by 100 basis points, the increase or decrease in interest expense on the variable-rate debt (excluding variable-rate debt subject to interest rate swaps) would decrease or increase future earnings and cash flows by approximately $9.4 million $1.4 million annually.

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Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

ITEM 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, are effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are not currently subject to any legal proceedings that we consider to be material.

ITEM 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the SEC under the heading Item 1A. "Risk Factors" beginning on page 17, which is accessible on the SEC's website at www.sec.gov.

With the exception of the risk factor set forth below, which updates and supplements the risk factors disclosed in our 2022 Form 10-K, there have been no material changes to the risk factors disclosed in our 2022 Form 10-K.

Adverse developments affecting the financial services industry, whether actual or perceived, such as events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional parties, could adversely affect our financial condition or our results of operations.

We maintain our cash assets at commercial banks in the United States in amounts in excess of the Federal Deposit Insurance Corporation insurance limit of $250,000 and have entered into or may in the future enter into credit agreements, letters of credit and other financial instruments with one or more lenders or other counterparties. In the event any bank at which we maintain our deposits or any lender or such other counterparty fails, is or was to be placed into receivership or suffers or is perceived to be in similar economic distress, we may be unable to access our cash assets or funds at such institutions, which could adversely affect our financial condition and our results of operations. In addition, if any of our customers, tenants, suppliers or other parties with whom we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected.

To the extent such adverse developments adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in the Risk Factors section in the Annual Report, such as those relating to economic or other conditions in the markets in which we do business, changes in interest rates, our ability to obtain debt financing, our dependence on external sources of capital and our ability to pay dividends.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the three months ended September 30, 2023 March 31, 2024, the Company, in its capacity as general partner of its operating partnership, caused the operating partnership to issue 667,484 72,802 common shares to satisfy redemption requests from certain limited partners.

On July 18, 2023, the operating partnership issued 18,895 OP units to unrelated third parties and 269,364 Series GN subordinated performance units to an affiliate of Guardian, one of the Company's existing PROs, as partial consideration for the acquisition of a self storage property.

On August 24, 2023, the operating partnership issued 74 Series MO subordinated performance units to Moove In, one of the Company's existing PROs, in exchange for cash.

On September 26, 2023, the operating partnership issued 287,337 Series A-1 preferred units to Optivest, one of the Company's existing PROs, as partial consideration for the acquisition of a self storage property. In addition, 8,000 LTIP units that were previously granted to Optivest and an affiliate of Optivest vested in connection with this transaction.

On October 6, 2023, the operating partnership issued 179,354 Series A-1 preferred units to Optivest, one of the Company's existing PROs, as partial consideration for the acquisition of a self storage property. In addition, 7,600 LTIP units that were previously granted to Optivest and an affiliate of Optivest vested in connection with this transaction.

On October 24, 2023, the operating partnership issued 35,446 Series SO subordinated performance units to affiliates of Southern, one of the Company's existing PROs, in exchange for cash in connection with the acquisition of one self storage property from an unrelated third party.

Following a specified lock up period after the date of issuance set forth above, the OP units issued by the operating partnership may be redeemed from time to time by holders for a cash amount per OP unit equal to the market value of an equivalent number of common shares. The Company has the right, but not the obligation, to assume and satisfy the redemption obligation of the operating partnership described above by issuing one common share in exchange for each OP unit tendered for redemption.

The Company has elected to report early the private placement of its common shares that may occur if the Company elects to assume the redemption obligation of the operating partnership as described above in the event that OP units are in the future tendered for redemption.

Following a two-year lock-up period, holders of subordinated performance units may elect, only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate, to convert all or a portion of such subordinated performance units into OP units one time each year by submitting a completed conversion notice prior to December 1 of such year. All duly submitted conversion notices will become effective on the immediately following January 1. For additional information about the conversion or exchange of subordinated performance units into OP units, see Note 9 in Item 1 of this report.

As of November 1, 2023 April 29, 2024, other than those OP units held by the Company, after reflecting the transactions described herein, 40,603,028 40,638,116 OP units of its operating partnership were outstanding (including 785,932 866,906 outstanding LTIP units in the operating partnership and 2,120,491 outstanding OP units ("DownREIT OP units") in certain consolidated subsidiaries of the operating partnership, which are convertible into, or exchangeable for, OP units on a one-for-basis, subject to certain conditions) and 12,124,745 12,101,055 subordinated performance units (including 4,133,474 subordinated performance units in certain subsidiaries of the operating partnership ("DownREIT subordinated performance units")).

These issuances were exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

On July 11, 2022, the Company approved a share repurchase program authorizing the repurchase of up to $400.0 million of the Company's common shares. shares, under which $256,892 of common shares remain available for repurchase. On December 1, 2023, the Company approved a new share repurchase program authorizing, but not obligating,

the repurchase of up to an additional $275.0 million of the Company's common shares, under which approximately $71,581,850 of common shares remain available for repurchase.
The table below summarizes all of our repurchases of common shares during three months ended September 30, 2023 March 31, 2024:

Period	Total number of shares purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs
July 1 - July 31, 2023	—	$ —	—	$ 240,819,102
August 1 - August 31, 2023	3,230,685	32.92	3,230,685	134,464,437
September 1 - September 30, 2023	3,130,309	34.14	3,130,309	27,591,757
Total/Weighted Average	6,360,994	$ 33.52	6,360,994	$ 27,591,757

Period	Total number of shares purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs
January 1 - January 31, 2024	856,036	$ 38.35	856,036	$ 242,427,606
February 1 - February 29, 2024	1,817,617	36.63	1,817,617	175,854,346
March 1 - March 31, 2024	2,818,272	36.91	2,818,272	71,838,742
Total/Weighted Average	5,491,925	$ 37.04	5,491,925	$ 71,838,742

Use of Proceeds

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits

The following exhibits are filed with this report:

Exhibit Number	Exhibit Description
3.1	Articles of Amendment and Restatement of National Storage Affiliates Trust (Exhibit 3.1 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
3.2	Second Third Amended and Restated Bylaws of National Storage Affiliates Trust (Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on April 3, 2018 November 9, 2023, is incorporated herein by this reference)
3.3	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.3 to the Form 8-A, filed with the SEC on October 10, 2017, is incorporated herein by this reference)
3.4	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.4 to the Form S-3ASR, filed with the SEC on March 14, 2018, is incorporated herein by this reference)
3.5	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.5 to the Quarterly Report on Form 10-Q, filed with the SEC on May 3, 2019, is incorporated herein by this reference)
3.6	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on May 19, 2021, is incorporated herein by this reference)

3.7 Articles Supplementary designating the Series B Preferred Shares of National Storage Affiliates Trust (Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on March 23, 2023 March 21, 2023, is incorporated herein by this reference)

4.1 Specimen Common Share Certificate of National Storage Affiliates Trust (Exhibit 4.1 to the Registration Statement on Form S-11/A filed with the SEC on April 20, 2015, is incorporated herein by reference)

4.2 Form of Specimen Certificate of Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 4.1 to the Registration Statement on Form 8-A filed with the SEC on October 10, 2017, is incorporated herein by this reference)

4.3 Description of Common Shares of Beneficial Interest, 6.000% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest and 6.000% Series A B Cumulative Redeemable Preferred Shares of Beneficial Interest (Exhibit 4.3 to the Annual Report on Form 10-K, filed with the SEC on February 26, 2020 February 28, 2024, is incorporated herein by this reference)

31.1* Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2* Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1** Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101.INS* XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase

101.LAB* Inline XBRL Taxonomy Extension Label Linkbase

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase

104* Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

National Storage Affiliates Trust

By: /s/ DAVID G. CRAMER

David G. Cramer

president and chief executive officer

(principal executive officer)

By: /s/ BRANDON S. TOGASHI

Brandon S. Togashi

chief financial officer

(principal accounting and financial officer)

Date: November 2, 2023 May 2, 2024

Exhibit 31.1

Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David G. Cramer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of National Storage Affiliates Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ David G. Cramer
David G. Cramer
President and Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brandon S. Togashi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of National Storage Affiliates Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ Brandon S. Togashi
Brandon S. Togashi
Chief Financial Officer

Exhibit 32.1

Certification, Chief Executive Officer and Chief Financial Officer Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of National Storage Affiliates Trust (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David G. Cramer, President and Chief Executive Officer of the Company, and I, Brandon S. Togashi, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2023 May 2, 2024

By:	/s/ David G. Cramer
	David G. Cramer
	President and Chief Executive Officer
By:	/s/ Brandon S. Togashi
	Brandon S. Togashi
	Chief Financial Officer

Pursuant to the Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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