UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2020.

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: 001-33519

PUBLIC STORAGE

(Exact name of Registrant as specified in its charter)

Maryland	**95-4591121**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

701 Western Avenue, Glendale, California 91201-2349
(Address of principal executive offices) (Zip Code)

(818) 244-8080
(Registrant's telephone number, including area code)

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

Title of Class	Trading Symbol	Name of exchange on which registered
Common Shares, $0.10 par value	PSA	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.125% Cum Perf Shares, Series C, $0.01 par value	PSAPrC	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 4.950% Cum Perf Shares, Series D, $0.01 par value	PSAPrD	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 4.900% Cum Perf Shares, Series E, $0.01 par value	PSAPrE	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.150% Cum Perf Shares, Series F, $0.01 par value	PSAPrF	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.050% Cum Perf Shares, Series G, $0.01 par value	PSAPrG	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.600% Cum Perf Shares, Series H, $0.01 par value	PSAPrH	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 4.875% Cum Perf Shares, Series I, $0.01 par value	PSAPrI	New York Stock Exchange

Depositary Shares Each Representing 1/1,000 of a 6.700% Cum Perf Shares, Series I, $0.01 par value	PSAPrI	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 6.750% Cum Perf Shares, Series K, $0.01 par value	PSAPrK	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 6.625% Cum Perf Shares, Series L, $0.01 par value	PSAPrL	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 6.125% Cum Perf Shares, Series M, $0.01 par value	PSAPrM	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.875% Cum Perf Shares, Series N, $0.01 par value	PSAPrN	New York Stock Exchange
Depositary Shares Each Representing 1/1,000 of a 5.900% Cum Perf Shares, Series O, $0.01 par value	PSAPrO	New York Stock Exchange
0.875% Senior Notes due 2032	PSA32	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes [ ] No [X]

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 [X] 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 [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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
[X]	[ ]	[ ]	[ ]	[ ]

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 726(2)(b) by the registered public accounting firm that prepared or issued its audit report. [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

The aggregate market value of the voting and non-voting common shares held by non-affiliates of the Registrant as of June 30, 2020:

Common Shares, $0.10 Par Value Per Share – $28,116,505,000 (computed on the basis of $191.89 per share, which was the reported closing sale price of the Company's Common Shares on the New York Stock Exchange (the "NYSE") on June 30, 2020).

As of February 19, 2021, there were 174,912,175 outstanding Common Shares, $.10 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed in connection with the Annual Meeting of Shareholders to be held in 2021 are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described therein.

PART I

ITEM 1. Business

Forward Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this document, other than statements of historical fact, are forward-looking statements which may be identified by the use of the words "expects," "believes," "anticipates," "should," "estimates" and similar expressions.

These forward-looking statements involve known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from those expressed or implied in the forward-looking statements. Factors and risks that may impact future results and performance include, but are not limited to, those described in Part 1, Item 1A, "Risk Factors" and in our other filings with the Securities and Exchange Commission (the "SEC"). These include general risks associated with the ownership and operation of real estate, including changes in demand, risk related to development, expansion and acquisition of self-storage facilities, potential liability for environmental contamination, natural disasters and adverse changes in laws and regulations governing property tax, real estate and zoning; risks associated with economic downturns in the national and local markets in which we operate; risks associated with the COVID-19 pandemic (the "COVID Pandemic") or similar events, including negative economic impacts which could reduce the demand for our facilities or increase tenant delinquencies and regulatory actions to close our facilities or prevent our customers from accessing our facilities; risks associated with our dependence on our customer relationship management, revenue management, and other information technology systems, and our ability to develop, implement and maintain our customer acquisition channel; risks associated with international operations including, but not limited to, unfavorable foreign currency rate fluctuations and changes in tax laws; the impact of the legal and regulatory environment, as well as national, state and local laws and regulations including, without limitation, those governing environmental issues, taxes, our tenant reinsurance business, and labor; risks due to ballot initiatives or other actions that could remove the protections of Proposition 13 with respect to our real estates and result in substantial increases in our assessed values and property tax bills in California; changes in United States federal or state tax laws related to the taxation of real estate investment trusts ("REITs") and other corporations; security breaches or a failure of our networks, systems or technology could adversely impact our operations or our business, customer and employee relationships or result in fraudulent payments; risks associated with the self-insurance of certain business risks; and delays and cost overruns on our projects to develop new facilities or expand our existing facilities.

These forward-looking statements speak only as of the date of this report or as of the dates indicated in the statements. All of our forward-looking statements, including those in this report, are qualified in their entirety by this statement. We expressly disclaim any obligation to update publicly or otherwise any forward-looking statements, whether as a result of new information, new estimates, or other factors, events or circumstances after the date of these forward-looking statements, except when expressly required by law. Given these risks and uncertainties, you should not rely on any forward-looking statements in this report, or which management may make orally or in writing from time to time, neither as predictions of future events nor guarantees of future performance.

General Discussion of our Business

Public Storage (referred to herein as "the Company", "we", "us", or "our"), a Maryland REIT, was organized in 1980. Our principal business activities include the ownership and operation of self-storage facilities and other related operations including tenant reinsurance and third-party self-storage management. We are the industry leading owner and operator of self-storage properties with a recognizable brand, including the ubiquitous orange color, which is one of the most recognizable within the industry.

Self-storage Operations:

We acquire, develop, own and operate self-storage facilities, which offer storage spaces for lease on a month-to-month basis, for personal and business use. We are the largest owner and operator of self-storage facilities in the U.S. with physical presence in most major markets and 38 states. We believe our scale, brand name and technology platform afford us competitive advantages. At December 31, 2020, we held interests in and consolidated 2,548 self-storage facilities (an aggregate of 175 million net rentable square feet of space) operating under the "Public Storage" brand name. We own all of the economic interest in those facilities, except for 21 of these facilities held with other noncontrolling interests.

Ancillary and Other Operations:

We reimburse policies held by tenants against losses to goods stored at the self-storage facilities we own, as well as those we manage for third parties. These policies cover claims for losses related to specified events up to a maximum limit of $5,000 per storage unit. We reimburse all risks in this program, but purchase insurance from an independent third party insurer to cover this exposure for a limit of $15.0 million for losses in excess of $5.0 million per occurrence. At December 31, 2020, there were approximately 990,000 certificates held by our self-storage customers, representing aggregate coverage of approximately $3.9 billion.

At December 31, 2020, we managed 92 facilities for third parties, and are under contract to manage 25 additional facilities including 24 facilities that are currently under construction. In addition, we sell merchandise, primarily locks and cardboard boxes at our self-storage facilities.

We hold a 42% equity interest in PS Business Parks, Inc. ("PSB") and a 35% interest in Shurgard Self Storage SA ("Shurgard"). PSB is a publicly held REIT that owns, operates, acquires and develops commercial properties, primarily multi-tenant flex, office, and industrial parks. At December 31, 2020, PSB owned and operated 27.7 million rentable square feet of commercial space. Shurgard is a public company traded on Euronext Brussels under the "SHUR" symbol and owns 241 self-storage facilities (13.2 million net rentable square feet) located in seven countries in Western Europe operated under the "Shurgard" brand name.

For all periods presented herein, we have elected to be treated as a REIT, as defined in the Internal Revenue Code of 1986, as amended (the "Code"). For each taxable year in which we qualify for taxation as a REIT, we will not be subject to U.S. federal corporate income tax on our "REIT taxable income" (generally, taxable income subject to specified adjustments, including a deduction for dividends paid and excluding our net capital gain) that is distributed to our shareholders. We believe we met these requirements in all periods presented herein and we expect to continue to qualify as a REIT.

We report annually to the SEC on Form 10-K, which includes financial statements certified by our independent registered public accountants. We also report quarterly to the SEC on Form 10-Q, which includes unaudited financial statements. We expect to continue such reporting.

On our website, www.publicstorage.com, we make available, free of charge, our Annual Reports on Form 10- K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after the reports and amendments are electronically filed with or furnished to the SEC. The information contained on our website is not a part of, or incorporated by reference into, this Annual Report on Form 10-K.

Competition

Ownership and operation of self-storage facilities is highly fragmented. As the largest owner of self-storage facilities, we believe that we own approximately 7% of the self-storage square footage in the U.S. and that collectively the five largest self-storage owners in the U.S. own approximately 16%, with the remaining 84% owned by regional and local operators.

We generally own facilities in major markets. We believe that we have market share and concentration in major metropolitan centers, with approximately 70% of our 2020 same-store revenues generated in the 20 Metropolitan Statistical Areas (each, an "MSA", as defined by the U.S. Census Bureau) with the highest population levels. We believe this is a competitive advantage relative to other self-storage operators, which do not have our geographic concentration and market share in the major MSAs.

The high level of ownership fragmentation in the industry is partially attributable to the relative simplicity of managing a local self-storage facility, such that small-scale owners can operate self-storage facilities at a basic level of profitability without significant managerial or operational infrastructure. Our facilities compete with nearby self-storage facilities owned by other operators using marketing channels, including Internet advertising, signage, and banners and offering services similar to ours. As a result, competition is significant and affects the occupancy levels, rental rates, rental income and operating expenses of our facilities. However, we believe that the economies of scale inherent in this business result in our being able to operate self-storage facilities at a materially higher level of cash flow per square foot than other operators without our scale.

Recently, larger national operators (including ourselves) are offering to manage facilities owned by third parties on their platform for a fee, and Google is offering a more convenient platform for small operators to compete with larger operators in paid search bidding campaigns to drive web traffic and increase reservations. Depending upon how many smaller operators avail themselves of these management services and Google's platform, these two developments may potentially diminish the competitive advantage we have versus smaller owner/operators.

Newly developed facilities compete with many of the facilities we own, negatively impacting our occupancies, rental rates, and rental growth, particularly as newly developed facilities fill up. The level of new construction varies in each market over time, depending upon many factors such as the cost and availability of land, construction costs, zoning limitations, and the availability of capital, as well as local demand and economic conditions. Currently, we are affected by newly developed facilities in markets such as Atlanta, Austin, Charlotte, Chicago, Dallas, Denver, Houston, Miami, Minneapolis, New York and Portland. We expect development of new self-storage facilities to continue to impact our results for the foreseeable future.

Technology

We believe technology enables revenue optimization and cost efficiencies. Over the past few years we have invested in technologies that we believe have enabled us to operate and compete more effectively.

Centralized information networks: Our centralized reporting and information network enables us to identify changing market conditions and operating trends as well as analyze customer data and, on an automated basis, quickly change each of our individual properties' pricing and promotions, as well as to drive marketing spending such as the relative level of bidding for various paid search terms on paid search engines.

Convenient shopping experience: Customers can conveniently shop for available storage space, reviewing attributes such as facility location, size, amenities such as climate-control, as well as pricing, through the following marketing channels:

- ***Our Desktop and Mobile Websites:*** The online marketing channel is a key source of customers. Approximately 70% of our move-in in 2020 were sourced through our website and we believe that many of our other customers who reserved directly through our call center or arrived at a facility and moved in without a reservation, have reviewed our pricing and availability online through our websites. We seek to regularly update the structure, layout, and content of our website in order to enhance our placement in "unpaid" search in Google and related websites, to improve the efficiency of our bids in "paid" search campaigns, and to maximize users' likelihood of reserving space on our website.

- ***Our Call Center:*** Our call center is staffed by skilled sales specialists. Customers reach our call center by calling our advertised toll-free telephone numbers provided on search engines or our website. We believe giving customers the option to interact with a call center agent, despite the higher marginal cost relative to a reservation made on our website, enhances our ability to close sales with potential customers.
- ***Our Properties:*** Customers can also shop at any one of our facilities. Property managers access the same information that is available on our website and to our call center agents, and can inform the customer of available space at that site or our other nearby storage facilities. Property managers are trained to maximize the conversion of such "walk in" shoppers into customers.

To further enhance the move-in experience, in 2020 we initiated our "eRentalS" process whereby prospective tenants (including those who initially reserved a space) expedite the move-in process by executing a lease agreement from their smartphone or computer and then going directly to their space on the move-in date. Approximately half of customers elected this "eRentalS" process during the fourth quarter of 2020.

In addition, in 2020 we have implemented technology solutions in the area of labor scheduling, an integrated customer smartphone application, automated and centralized property access systems, and website customer chat functions.

Growth and Investment Strategies

Our ongoing growth strategies consist of: (i) improving the operating performance of our existing self-storage facilities, (ii) acquiring and developing facilities, (iii) growing ancillary business activities including tenant reinsurance and third-party management services, and (iv) leveraging the growth of our investment in PSB and Shurgard. While our long-term strategy includes each of these elements, in the short run the level of growth in our asset base in any period is dependent upon the cost and availability of capital, as well as the relative attractiveness of available investment alternatives.

From time to time we explore expansion of our activities to other countries. Any such strategic expansion would most likely involve acquiring an interest in an existing operator's platform. There can be no assurance that any such expansion will occur in the future or the timing thereof.

Improve the operating performance of existing facilities: We regularly update and enhance our strategies to increase the net cash flow of our existing self-storage facilities through maximizing revenues and controlling operating costs. We maximize revenues through striking the appropriate balance between occupancy and rates to new and existing tenants, by regularly adjusting (i) our promotional and other discounts, (ii) the rental rates we charge to new and existing customers, and (iii) our marketing spending and intensity. We inform these pricing and marketing decisions by observing their impact on web and call center traffic, reservations, move-ins, move-outs, tenant length of stay, and other indicators of response. The size and scope of our operations have enabled us to achieve high operating margins and a low level of administrative costs relative to revenues through the centralization of many functions, such as facility maintenance, employee compensation and benefits programs, revenue management, as well as the development and documentation of standardized operating procedures.

Acquire existing properties in the U.S.: We seek to capitalize on the fragmentation of the self-storage business through acquiring attractively priced, well-located existing self-storage facilities. We believe our presence in and knowledge of substantially all of the major markets in the U.S. enhances our ability to identify attractive acquisition opportunities. Data on the rental rates and occupancy levels of our existing facilities provide us an advantage in evaluating the potential of acquisition opportunities. Our aggressiveness in bidding for particular marketed facilities depends upon many factors including the potential for future growth, the quality of construction and location, the cash flow we expect from the facility when operated on our platform, how well the facility fits into our current geographic footprint, as well as our return on capital expectations.

Develop new self-storage facilities and expand existing facilities: The development of new self-storage locations and the expansion of existing facilities has been an important source of our growth. Our operating experience in major markets and experience in stabilizing new properties provides an advantage in developing new facilities. We plan to increase our development activity given attractive risk adjusted return profile with yields above those of acquisitions. However, our level of development is dependent upon many factors, including the cost and availability of land, the cost and availability of construction materials and labor, zoning and permitting limitations, our cost of capital, the cost of acquiring facilities relative to developing new facilities, as well as local demand and economic conditions.

Grow ancillary business activities: We pursue growth initiatives providing attractive insurance offerings for tenants who choose to protect their stored items against loss and desire to maximize their storage experience. As we grow our self-storage portfolio we have the opportunity to increase the growth profile of our tenant reinsurance business.

Our third party management business enables us to generate revenues through management fees, expand our presence, increase our economies of scale, promote our brand and enhance our ability to acquire additional facilities over the medium and long-term as a result of strategic relationships forged with third-party owners.

Participate in the growth of PS Business Parks, Inc.: We hold a 42% equity interest in PSB. Our investment in PSB provides diversification into another asset type. PSB seeks to grow its asset base in its existing markets as well as increase the cash flows from its owned portfolio. As of December 31, 2020, PSB owned and operated approximately 27.7 million rentable square feet of commercial space.

Participate in the growth of Shurgard: We hold a 35% interest in Shurgard. We believe Shurgard is the largest self-storage company in Western Europe. Customer awareness and availability of self-storage is significantly lower in Europe than in the U.S. However, with more sophisticated production and supply ("facilities") the potential for increased demand for self-storage space in Europe. We believe Shurgard can capitalize on potential increased demand through the development of new facilities and acquiring existing facilities. From January 1, 2008 through December 31, 2020, Shurgard acquired facilities from third parties for approximately $187.7 million, and has opened six development properties at a total cost of approximately $66.9 million. As December 31, 2020, Shurgard had ten properties in their development pipeline.

Compliance with Government Regulations.

We are subject to various laws, ordinances and regulations, including various federal, state and local regulations that apply generally to the ownership of real property and the operation of self-storage properties. These include various laws and government regulations concerning environmental matters, labor matters and employee safety and health matters. Further, our insurance activities are subject to state insurance laws and regulations as determined by the particular insurance commissioner for each state in accordance with certain federal regulations.

We are not aware of any government regulations that have resulted or that we expect will result in compliance costs that had or will have a material effect on our capital expenditures, earnings or competitive position. See "We have significant exposure to real estate risk." and "We are subject to new and changing legislation and regulations, including the California's Consumer Privacy Act" in Item 1A. "Risk Factors" for further information regarding our risks related to government regulations. In addition, during public health crises, such as the COVID Pandemic, or in response to natural disasters, such as wildfires in California in recent years, our properties and our tenants have been subject to emergency government regulations that have impacted our operations and our business. See "We are subject to risks from the COVID Pandemic and we may in the future be subject to risks from other public health crises" and "We have been and may in the future be adversely impacted by emergency regulations adopted in response to significant events, such as natural disasters or public health crises, that could adversely impact our operations." in Item 1A. "Risk Factors".

We are committed to a long-term environmental stewardship program that reduces emissions of hazardous materials into the environment and the remediation of identified existing environmental concerns, including

environmentally-friendly capital initiatives and building and operating properties with a high structural resilience and low obsolescence. We accrue environmental assessments and estimated remediation costs when it is probable that such efforts will be required and the related costs can be reasonably estimated. Our current practice is to conduct environmental investigations in connection with property acquisitions. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities, which individually or in the aggregate would be material to our overall business, financial condition, or results of operations.

Impact of the COVID-19 Pandemic

During a significant portion of the year ended December 31, 2020, the COVID Pandemic has resulted in restrictions on business activities in most sectors of the economy in virtually all markets we operate in, due to governmental "stay at home" orders, risk mitigation procedures, closure of businesses not considered to be "essential," as well as other direct and indirect impacts, including a significant increase in unemployment in the U.S.

The impact of the COVID Pandemic on our business is described more fully in "Overview" and the various sections of our Management's Discussion and Analysis of Financial Condition and Results of Operations which follows.

Human Capital Resources

The Company's key human capital management objectives are to attract, develop and retain the highest quality talent. We seek to earn the commitment of employees by making a strong commitment to them. While most join without experience in the self-storage industry, many find career success with us given our emphasis on training, development and promotion from within.

Doing the right thing and integrity are core values we live by at Public Storage and the cornerstone to our culture. Acting with the highest integrity is imperative to our success, our customer's satisfaction and our employee's engagement.

We have approximately 5,400 employees, including 4,700 customer facing roles (such as property level and call center personnel), 380 field management employees, and 320 employees in our corporate operations.

Diversity and Inclusion

At Public Storage, we are united under one common goal – creating a diverse and inclusive environment where all employees feel valued, included, and excited to be part of a best-in-class team. With over 5,400 team members from all different races, backgrounds, and life experiences, we celebrate inclusion and value the diversity each person brings to Public Storage. This commitment drives everything we do, from the people we hire, to the business decisions we make.

Public Storage hires based on character, skills, and experience without regard to age, gender, race, ethnicity, religion, sexual orientation, or other protected characteristic. Adherence to this practice has resulted in a diverse and inclusive employee base that reflects the diversity of customers we serve. We maintain policies regarding diversity, equal opportunity, pay-for-performance, discrimination, harassment, and labor (e.g., child, forced, and compulsory). Our employee population is approximately 70% female and approximately 55% have self-identified as people of color: Black or African American (23%), Hispanic or Latino (18%), Asian (4%), of two or more races (4%), Native American (1%), and Pacific Islander (1%).

Diversity is an important factor in all levels of the organization. Our executive team is 25% female and 25% people of color and 38% of our leadership roles are held by women. In 2020, 54% of employees promoted to leadership roles were diverse. Additionally, by having a balanced mix of generations in the organization, we gain from the experiences each age group brings – our employees are 16% Boomer, 28% Gen X, 47% Gen Y and 9% Gen Z.

Some examples of key programs and initiatives that are focused to attract, develop and retain our diverse workforce include:

Compensation, Health and Wellness

Public Storage believes in aligning employee compensation with our short- and long-term performance goals and providing compensation and incentives needed to attract, motivate and retain employees who are crucial to our success. We tailor our compensation programs to each employee group to ensure competitiveness in the market and to drive employee engagement.

Public Storage is also committed to our employees and their overall health and well-being. We want to help them feel happy, healthy, socially connected, and purposeful. Our goal is to provide tools and resources to help empower our employees to explore what they need and to evaluate for themselves what makes sense in achieving a healthy and balanced lifestyle.

We offer benefits to virtually all our employees. Anyone working 20 hours or more is eligible to participate in our health benefit offerings which include medical, dental, vision, flexible and health savings accounts, discount and income protection plans. We also offer a 401(k) plan with matching employer contributions to help our employees prepare for retirement.

Our dedicated health and wellness website is designed to provide educational and motivational content that help our employees focus on their well-being. We also host individual and team contests to promote goal setting, action and monitoring.

Additionally, employee support programs are available with access to free counseling services through various channels (web, phone, in person), life planning tools and other discount programs for legal services, pet insurance, home and auto, and more.

The COVID-19 Pandemic

The COVID Pandemic brought varying challenges to each of our employee groups. We took a multipronged approach in providing resources, tools and added protocols that focused on employees and their families while still allowing us to support the customers we serve during these unprecedented times.

Our field operations and store protocols were quickly modified to ensure a safe workspace for our employees and our customers. We implemented a policy of allowing only one customer in office at a time, required mandatory face coverings, and installed Plexiglass protection. We also sought to reduce in-person touchpoints with various initiatives, most notably our newly-launched "eRentalS" program described above.

Additionally, we had a swift transition to work-from-home for our corporate and call center operations by utilizing new operating and call center technology platforms that were put in place prior to prepare for these types of situations.

We established the PS Cares Fund which was designed to support our employees that may be directly impacted by COVID-19. We provided additional incentive pay for property personnel and district managers, opened personal paid time off policies for full use and provided extended paid time to ensure employees had time off assistance when and if needed. Childcare assistance and online educational content was made available to help employees balance the need to work and care for children impacted by school closures. Additionally, mental well-being offerings were provided for those struggling during these unique times.

Training, Development and Recognition

We provide robust training programs for our new hires in our field and call center operations to help them quickly learn and operate in the self-storage business. We also offer ongoing training and development programs for

our workforce. We are able to accomplish this by utilizing an online platform that provides a one-stop shop for accessing training courses and relevant reference materials. Public Storage employees completed more than 367,000 formal training hours in 2020.

The online training and development platform also allows us to reinforce our culture of ongoing recognition by providing a means to show appreciation to others across all levels of the business by awarding employee recognition badges such as team player or appreciation badge. Over 54,000 badges were awarded in 2020.

Communication and Engagement

Given the geographically dispersed nature of our business, it is important for us to ensure that employees feel they are informed and included. We communicate through various channels such as monthly meetings or "touch bases", frequent email communications and updates from corporate, regional and local meetings, engagement surveys and monthly newsletters. Our monthly newsletter is an additional way to keep up with company information and each other. It contains a CEO message and provides company strategy and performance updates, employee achievements and promotions, health and wellness tips, and other pertinent information that helps keep us connected.

Employee engagement is instrumental in understanding the effectiveness of our strategies. We conduct various engagement surveys through the year to help us measure commitment, motivation and engagement, as well as gain employee feedback that helps us improve.

Seasonality

We experience minor seasonal fluctuations in the demand for self-storage space, with demand and rental rates generally higher in the summer months than in the winter months. We believe that these fluctuations result in part from increased moving activity during the summer months.

ITEM 1A. Risk Factors.

In addition to the other information in our Annual Report on Form 10-K, you should consider the risks described below that we believe may be material to investors in evaluating the Company. This section contains forward-looking statements, and in considering these statements, you should refer to the qualifications and limitations on our forward-looking statements that are described in Item 1, "Business."

Risks Related to Our Business

We have significant exposure to real estate risk.

Since our business consists primarily of acquiring, developing, and operating real estate, we are subject to risks related to the ownership and operation of real estate that could result in reduced revenues, increased expenses, increased capital expenditures, or increased borrowings, which could negatively impact our operating results, cash flow available for distribution or reinvestment, and our stock price.

Natural disasters or terrorist attacks could cause damage to our facilities, resulting in increased costs and reduced revenues. Natural disasters, such as earthquakes, fires, hurricanes and floods, or terrorist attacks could cause significant damage to our facilities and require significant repair costs, and make facilities temporarily uninhabitable, thereby reducing our revenues. Damage and business interruption losses could exceed the aggregate limits of our insurance coverage. In addition, because we self-insure a portion of our risks, losses below a certain level may not be covered by insurance. See Note 13 to our December 31, 2020 financial statements for a description of the risks of losses that are not covered by third-party insurance contracts. We may not have sufficient insurance coverage for losses caused by a terrorist attack, or such insurance may not be maintained, available or cost-effective. In addition, significant natural disasters, terrorist attacks, threats of future terrorist attacks, or resulting wider armed conflicts could have negative impacts on self-storage demand and/or our revenues.

Consequences of climate change, including severe weather events, and the steps taken to prevent climate change, could result in increased capital expenditures, increased expenses, and reduced revenues: Direct and indirect impacts of climate change, such as increased destructive weather events, fires, reduced biodiversity and population reduction, reduced natural habitats, water, food, arable land, and other resources, as well as resulting armed conflicts, could increase our costs or reduce demand for our self-storage facilities. Governmental, political, and societal pressures could (i) require costly changes to future newly developed facilities, or require retrofitting of our existing facilities, to reduce carbon emissions through multiple avenues including changes to insulation, space configuration, lighting, heating, and air conditioning, (ii) increase energy costs as a result of switching to less carbon-intensive, but more expensive, sources of energy to operate our facilities, and (iii) result in consumers reducing their individual carbon footprint by owning fewer durable material consumer goods, collectibles, and other such items requiring storage, resulting in a reduced demand for our self-storage space.

Operating costs, including property taxes, could increase: We could be subject to increases in insurance premiums, property or other taxes, repair and maintenance costs, payroll, utility costs, workers compensation, and other operating expenses due to various factors such as inflation, labor shortages, commodity and energy price increases, weather, increases to minimum wage rates, changes to governmental safety and real estate use limitations, as well as other governmental actions. Our property tax expense, which totaled approximately $297.8 million during the year ended December 31, 2020, generally depends upon the assessed value of our real estate facilities as determined by assessors and government agencies, and accordingly could be subject to substantial increases if such agencies changed their valuation approaches or opinions or if new laws are enacted, especially if new approaches are adopted or laws are enacted that result in increased property tax assessments in states or geographies where we have a high concentration of facilities. See also "We have exposure to increased property tax in California" below.

The acquisition of existing properties or self-storage operating companies is subject to risks that may adversely affect our growth and financial results: We have acquired self-storage facilities from third parties in the past, and we expect to continue to do so in the future. We face significant competition for desirable acquisition properties from other real estate investors. As a result, we may be unable to acquire additional properties we desire or the purchase price for desirable properties may be significantly increased. Failures or unexpected circumstances in integrating facilities that we acquire directly or via the acquisition of operating companies into our operations, or circumstances we did not detect or anticipate during due diligence, such as environmental matters, needed repairs or deferred maintenance, customer collection issues, assumed liabilities, turnover of critical personnel involved in acquired operating companies, or the effects of increased property tax following reassessment of a newly-acquired property, as well as the general risks of real estate investment and mergers and acquisitions, could jeopardize realization of the anticipated earnings from an acquisition.

Development of self-storage facilities can subject us to risks. At December 31, 2020, we had a pipeline of development projects totaling $561.4 million (subject to contingencies), and we expect to continue to seek additional development projects. There are significant risks involved in developing self-storage facilities, such as delays or cost increases due to changes in or failure to meet government or regulatory requirements, failure of revenue to meet our underwriting estimates, weather issues, unforeseen site conditions, or personnel problems. Self-storage space is generally not pre-leased, and rent-up of newly developed space can be delayed or ongoing cash flow yields can be reduced due to competition, reductions in storage demand, or other factors.

There is significant competition among self-storage operators and from other storage alternatives. Our self-storage facilities generate most of our revenue and earnings. Significant competition from self-storage operators, property developers, and other storage alternatives may adversely impact our ability to attract and retain customers and may negatively impact our ability to generate revenue. Competition in the local market areas in which many of our properties are located is significant and has affected our occupancy levels, rental rates, and operating expenses. There is also an increasing influx of capital from outside financing sources driving more money, development, and supply into the industry. Development of self-storage facilities has increased in recent years, which has intensified competition and will continue to do so as newly developed facilities are opened. Development of self-storage facilities by other operators could continue to increase, due to increases in availability of funds for investment or other reasons, and further intensify competition.

Demand for self-storage facilities may be affected by customer perceptions and factors outside of our control. Significantly lower logistics costs could introduce new competitors such as valet-style storage services and reduce the demand for traditional self-storage. Customer preferences and/or needs for self-storage could change, decline, or shift to other product types thereby impacting our business model and ability to grow and/or generate revenues. Shifts in population and demographics could cause the geographical distribution of our portfolio to be suboptimal and affect our ability to maintain occupancy and attract new customers. Security incidents could result in the perception that our properties are not safe. If our customers do not feel our properties are safe, they may select competitors for their self-storage needs, or if there is an industry perception of inadequate security customer use of self-storage could be negatively impacted.

Our newly developed and expanded facilities, and facilities that we manage for third party owners, may negatively impact the revenues of our existing facilities. We continue to develop new self-storage facilities and expand our existing self-storage facilities. In addition, we are seeking to increase the number of self-storage facilities that we manage for third party owners in exchange for a fee, many of which are in the process of stabilization and are in proximity to our existing stabilized self-storage facilities. In order to hasten the fill-up of these new facilities, we aggressively price our facilities and offer rent discounts. Our aggressive pricing allows us to increase our market share relative to our competitors and increase the cash flows of these properties, such pricing and the added capacity may also negatively impact our existing stabilized self-storage facilities that are in proximity to these unstabilized facilities.

Many of our existing self-storage facilities may be at a competitive disadvantage to newly developed facilities. There is a significant level of development of new self-storage facilities, by us and other operators. These newly developed facilities are generally of high quality, with a more fresh and vibrant appearance, more amenities such as climate control, more attractive office configurations, newer elements, and a more imposing and attractive retail presence as compared to many of our existing stabilized self-storage facilities, some of which were built as much as 50 years ago. Such qualitative differentials may negatively impact our ability to compete with these facilities for new tenants and our existing tenants may move to newly developed facilities.

We may incur significant liabilities from environmental contamination or moisture infiltration. Existing or future laws impose or may impose liability on us to clean up environmental contamination on or around properties that we currently or previously owned or operated, even if we were not responsible for or aware of the environmental contamination or even if such environmental contamination occurred prior to our involvement with the property. We have conducted preliminary environmental assessments on most of our properties, which have not identified any material liabilities. These assessments, commonly referred to as "Phase 1 Environmental Assessments," include an investigation (excluding soil or groundwater sampling or analysis) and a review of publicly available information regarding the site and other nearby properties.

We are also subject to potential liability relating to moisture infiltration, which can result in mold or other damage to our or our customers' property, as well as potential health concerns. When we receive a complaint or otherwise become aware that an air quality concern exists, we implement corrective measures and seek to work proactively with our customers to resolve issues, subject to our contractual limitations on liability for such claims.

We are not aware of any environmental contamination or moisture infiltration related liabilities that could be material to our overall business, financial condition, or results of operation. However, we may not have detected all material liabilities, we could acquire properties with material undetected liabilities, or new conditions could arise or develop at our properties, any of which could result in a cash settlement or adversely affect our ability to sell, lease, operate, or encumber affected facilities.

Economic conditions can adversely affect our business, financial condition, growth and access to capital.

Economic downturns or adverse economic or industry conditions could adversely impact our financial results, growth, and access to capital.

Our revenues and operating cash flow can be negatively impacted by reductions in employment and population levels, household and disposable income, and other general economic factors that lead to a reduction in demand for rental space in each of the markets in which we operate.

Our ability to raise capital to fund our activities may be adversely affected by challenging market conditions. In periods when the capital and credit markets experience significant volatility, the amounts, sources, and cost of capital available to us may be adversely affected. If we were unable to raise capital at reasonable rates, prospective earnings growth through expanding our asset base could be limited.

We have exposure to European operations through our ownership in Shurgard.

We own approximately 35% of the common shares of Shurgard, and this investment has a $341.1 million book value and a $1.4 billion market value (based upon the closing trading price of Shurgard's common stock) at December 31, 2020. We recognized $15.7 million in equity in earnings, and received $34.9 million in dividends, in 2020, with respect to Shurgard.

Shurgard, as an *owner*, *operator*, and *developer* of self-storage facilities, is subject to many of the same risks we are with respect to self-storage. However, through our investment in Shurgard, we are exposed to additional risks unique to the various European markets Shurgard operates in which may adversely impact our business and financial results, many of which are referred to in Shurgard's public filings. These risks include the following:

- *Currency risks:* Currency fluctuations can impact the fair value of our investment in Shurgard, our equity earnings, our ongoing dividends, and any other related repartiations of cash.
- *Tax risks:* Shurgard's operations in Europe are subject to various taxes, including income, value added and employment taxes, as well as property, sales, and other taxes. Such taxes can be difficult to apply or interpret and can vary in each country or locality, and are subject to unexpected changes in their form and application due to regional, national, or local political uncertainty and other factors. Such changes, or Shurgard's failure to comply with these laws, could subject it to penalties or other sanctions, adverse changes in business processes, as well as potentially adverse income tax, property tax, or other tax burdens.
- *Impediments to capital repatriation could negatively impact the realization of our investment in Shurgard:* Laws in Europe and the U.S. may create, impede, or increase our cost to repatriate distributions received from Shurgard or proceeds from the sale of Shurgard's shares.
- *Risks of collective bargaining and intellectual property:* Collective bargaining, which is prevalent in certain areas in Europe, could negatively impact Shurgard's labor costs or operations. Many of Shurgard's employees participate in various national unions.
- *Potential operating and individual country risks:* Economic slowdowns or extraordinary political or social change in the countries in which it operates have posed, and could continue to pose, challenges or result in future reductions of Shurgard's operating cash flows.
- *Liquidity of our ownership stake:* We have no plans to liquidate our interest in Shurgard. However, while Shurgard is a publicly held entity, if we chose to, our ability to liquidate our shares in Shurgard in an efficient manner could be limited by the level of Shurgard's public "float" and the liquidity of its shares, which may be adversely affected by the factors described in the preceding bullet points, and we may not be able to do so in the manner we desired to do so.
- *Impediments of Shurgard's public ownership structure:* Shurgard's strategic decisions, involving activities such as borrowing money, capital contributions, raising capital from third parties, as well as

selling or acquiring significant assets, are determined by its board of directors. As a result, Shurgard may be precluded from taking advantage of opportunities that we would find attractive but that we may not be able to pursue economically separately, or it could take actions that we do not agree with.

We have exposure to commercial property risk through our ownership in PSB.

We own approximately 42% of the common equity of PSB, and this investment has a $432.0 million book value and a $1.9 billion market value (based upon the closing trading price of PSB's common stock) at December 31, 2020. We recognized $64.8 million in equity in earnings, and received $60.7 million in dividends, in 2020, with respect to PSB.

PSB, as an owner, operator, and developer of real estate, is subject to many of the same risks we are with respect to real estate. However, we may be exposed to other risks as a result of PSB's ownership specifically of commercial facilities. These risks are set forth in PSB's Form 10-K for the year ended December 31, 2020, under "Item 1A. Risk Factors."

We are subject to risks from the COVID Pandemic and we may in the future be subject to risks from other public health crises.

Since being reported in December 2019, the COVID Pandemic has spread globally, including to every state in the United States, adversely affecting public health and economic activity. Our business is subject to risks from the COVID Pandemic, including, among others:

- risk of illness or death of our employees or customers;
- continuing negative impacts on the economic conditions in our markets which have reduced and we expect will continue to reduce the demand for self-storage;
- risk that there could be an out-migration of population from certain high-cost major markets, if it is determined that the ability to "work from home," which has become more prominent during the COVID Pandemic, could allow certain workers to live in less expensive localities, which could negatively impact the occupancies and revenues of our properties in such high-cost major markets;
- continuing, new or reinstituted government restrictions that (i) limit or prevent use of our facilities, (ii) limit our ability to increase rent or otherwise limit the rent we can charge, (iii) limit our ability to collect rent or evict delinquent tenants, or (iv) limit our ability to complete development or redevelopment projects;
- risk that even after the initial restrictions due to the COVID Pandemic ease, they could be reinstituted in case of future waves of infection or if additional pandemics occur;
- risk that we could experience a change in the move-out patterns of our long-term customers due to economic uncertainty and increases in unemployment as a result of the COVID Pandemic. This could lead to lower occupancies and rent "roll down" as long-term customers are replaced with new customers at lower rates; and
- risk of negative impacts on the cost and availability of debt and equity capital as a result of the COVID Pandemic, which could have a material impact upon our capital and growth plans.

We believe that the degree to which the COVID Pandemic adversely impacts our business, operating results, cash flows and/or financial condition will be driven primarily by the duration, spread and severity of the pandemic itself, the speed and effectiveness of vaccine and treatment developments, as well as the duration of indirect economic impacts such as recession, dislocation in capital markets, and job loss, as well as potential longer term changes in

consumer behavior, all of which are uncertain and difficult to predict. As a result, we are not able at this time to estimate the effect of these factors on our business, but the adverse impact on our business, results of operations, financial condition and cash flows could be material. Future pandemics or public health crises could have similar impacts.

We have been and may in the future be adversely impacted by emergency regulations adopted in response to significant events, such as natural disasters or public health crises, that could adversely impact our operations.

In response to significant events, local, state and federal governments have and may in the future adopt regulations that could impact our operations. For example, in response to wildfires in 2018 and 2019, the State of California and some localities in California adopted temporary regulations that imposed certain limits on the rents we could charge at certain of our facilities and the extent to we could increase rents to existing tenants. As noted above, in response to the COVID Pandemic, certain localities adopted restrictions on the use of certain of our facilities, limited our ability to increase rents, limited our ability to collect rent or evict delinquent tenants, and limited our ability to complete development and redevelopment projects. Similar restrictions could be imposed in the future in response to significant events and these restrictions could adversely impact our operations.

Our marketing and pricing strategies may fail to be effective or may be constrained by factors outside of our control.

Marketing initiatives, including our increasing dependence on Google to source customers, may fail to be effective and could negatively impact financial performance. Approximately 64% of our new storage customers in 2020 were sourced directly or indirectly through "unpaid" search and "paid" search campaigns on Google. We believe that the vast majority of customers searching for self-storage use Google at some stage in their shopping experience. Google is providing tools to allow retailer and box sophisticated operators to bid for search terms, increasing competition for self-storage search terms. The predominance of Google in the shopping experience, as well as Google's enabling of additional competitors to bid for placements in self-storage search terms, may reduce the number of new customers that we can procure, and/or increase our costs to obtain new customers.

In addition, the inability to utilize our pricing methodology due to regulatory or market constraints could also significantly impact our financial results.

We are exposed to ongoing litigation and other legal and regulatory actions, which may divert management's time and attention, require us to pay damages and expenses or restrict the operation of our business.

We have over 5,400 employees, more than 1.6 million customers, and we conduct business at facilities with 175 million net rentable square feet of storage space. As a result, we are subject to the risk of legal claims and proceedings (including class actions) and regulatory enforcement actions, including those arising out of our marketing and pricing practices, our employment practices, our business practices, our compliance with applicable laws and regulations, our contracts, our intellectual property, and our business generally. We cannot predict with certainty the outcome of legal proceedings or regulatory enforcement actions or the amount of damages or expenses by us, all of which may be significant, and could damage our reputation and our brand. In addition, any such resolution could involve our agreement to terms that restrict the operation of our business. The results of legal proceedings cannot be predicted with certainty. We cannot guarantee losses incurred in connection with any current or future legal or regulatory proceedings or actions will not exceed any provisions we may have set aside in respect of such proceedings or actions or will not exceed any available insurance coverage. The impact of any such legal claim, proceedings, and regulatory enforcement actions and could negatively impact our operating results, cash flow available for distribution or reinvestment, and/or the price of our common shares.

In addition, through exercising their authority to regulate our activities, governmental agencies can otherwise negatively impact our business by increasing costs or decreasing revenues.

Our failure to modernize and adopt advancements in information technology may hinder or prevent us from achieving strategic objectives.

Our inability to adapt and deliver new capabilities in time with strategic requirements may cause the organization to miss market competitive timing, first mover position, or to suffer material loss due to failed technology choices or implementation.

We are heavily dependent on computer systems, telecommunications and the Internet to process transactions, make payments, summarize results and manage our business. The failure or disruption of our computer and communications systems could significantly harm our business.

We are heavily dependent upon automated information technology and Internet commerce, with more than half of our new customers coming from the telephone or over the Internet. We centrally manage significant components of our operations with our computer systems, including our financial information, and we also rely extensively on third-party vendors to retain data, process transactions and provide other systems services. These systems are subject to damage or interruption from power outages, computer and telecommunications failures, hackers, computer worms, viruses and other destructive or disruptive security breaches and catastrophic events. Such incidents could also result in significant costs to repair or replace such networks or information systems, as well as actual monetary losses in case of a breach that resulted in fraudulent payments or other cash transactions. As a result, our operations could be severely impacted by a natural disaster, terrorist attack, attack by hackers, acts of vandalism, data theft, misplaced or lost data, programming or human error, or other circumstance that results in a significant outage of our systems or those of our third party providers, despite our use of back up and redundancy measures.

If our confidential information is compromised or corrupted, including as a result of a cybersecurity breach, our reputation and business relationships could be damaged, which could adversely affect our financial condition and operating results.

In the ordinary course of our business we acquire and store sensitive data, including personally identifiable information of our prospective and current customers and our employees. The secure processing and maintenance of this information is critical to our operations and business strategy. Although we believe we have taken commercially reasonable steps to protect the security of our confidential information, information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyberattacks. Despite our security measures, we have experienced security breaches due to cyberattacks and additional breaches could occur in the future. In these cases, our information technology and infrastructure could be vulnerable and our or our customers' or employees' confidential information could be compromised or misappropriated. Any such breach could result in serious and harmful consequences for us or our tenants.

Our confidential information may also be compromised due to programming or human error or malfeasance. We must continually evaluate and adapt our systems and processes to address the evolving threat landscape, and therefore there is no guarantee that they will be adequate to safeguard against all data security breaches or misuses of data. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and changing requirements applicable to our business from multiple regulatory agencies at the local, state, federal, or international level, compliance with those requirement could also result in additional costs, or we could fail to comply with those requirements due to various reasons such as not being aware of them.

Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to our operations and the services we provide to customers or damage our reputation, any of which could adversely affect our business, financial condition and results of operations. In addition, such breaches in security could expose us to a risk of loss or misuse of our proprietary information and cause them to discontinue leasing our self-storage facilities. Such events could lead to lost future revenues and adversely affect our results of operations and could result in remedial and other costs, fines or lawsuits, which could be in excess of any available insurance that we have procured.

Ineffective succession planning for our CEO and executive management, as well as for our other key employees, may impact the execution of our strategic plan.

We may not effectively or appropriately identify ready-now succession candidates for CEO and executive management team which may negatively impact our ability to meet key strategic goals. Failure to implement succession plan for other key employees may leave us vulnerable to retirements and turnover.

We may fail to adequately protect our trademarks.

Our trademark and trade dress could be deemed generic and indistinct and loss protection. We could loss rights to our other intellectual property and trade secrets. Competitor use of our trademarks and trade names could lead to likelihood of confusion, tarnishment of our brand, and loss of legal protection for our marks.

Risks Related to Our Ownership, Organization and Structure

The Hughes Family could significantly influence us and take actions adverse to other shareholders.

At December 31, 2020, B. Wayne Hughes, our former Chairman and his family, which includes his daughter, Tamara Hughes Gustavson, a current member of our Board of Trustees (our "Board"), and his son, B. Wayne Hughes, Jr., a former member of the Board who retired effective December 31, 2020, (collectively, the "Hughes Family"), owned approximately 13.0% of our aggregate outstanding common shares. Our declaration of trust permits the Hughes Family to own up to 35.66% of our outstanding common shares while it generally restricts the ownership by other persons and entities to 3% of our outstanding common shares unless our Board grants an ownership waiver, as has occurred in certain cases for large mutual fund companies. Consequently, the Hughes Family may significantly influence matters submitted to a vote of our shareholders, including electing trustees, amending our organizational documents, dissolving and approving other extraordinary transactions, such as a takeover attempt, which may result in an outcome that may not be favorable to other shareholders.

Takeover attempts or changes in control could be thwarted, even if beneficial to shareholders.

In certain circumstances, shareholders might desire a change of control or acquisition of us, in order to realize a premium over the then-prevailing market price of our shares or for other reasons. However, the following could prevent, deter, or delay such a transaction:

- Provisions of Maryland law may impose limitations that may make it more difficult for a third party to negotiate or effect a business combination transaction or control share acquisition with Public Storage. Currently, the Board has opted not to subject the Company to these provisions of Maryland law, but it could choose to do so in the future without shareholder approval.
- To protect against the loss of our REIT status due to concentration of ownership levels, our declaration of trust generally limits the ability of a person, other than the Hughes Family or "designated investment entities" (each as defined in our declaration of trust), to own, actually or constructively, more than 3% of our outstanding common shares or 9.9% of the outstanding shares of any class or series of preferred or equity shares. Our Board may grant, and has previously granted, a specific exemption. These limits could discourage, delay or prevent a transaction or change in control that might be beneficial to our shareholders.
- Similarly, current provisions of our declaration of trust and powers of our Board could have the same effect, including (1) limitations on removal of trustees, (2) restrictions on the acquisition of our shares of beneficial interest, (3) the power to issue additional common shares, preferred shares or equity shares on terms approved by the Board without obtaining shareholder approval, (4) the advance notice provisions of our bylaws and (5) the Board's ability under Maryland law, without obtaining shareholder approval, to implement takeover defenses that we may not yet have and to

take, or refrain from taking, other actions that could have the effect of delaying, deterring or preventing a transaction or a change in control.

Holders of our preferred shares have dividend, liquidation and other rights that are senior to the rights of the holders of shares of our common stock.

Holders of our preferred shares are entitled to cumulative dividends before any dividends may be declared or set aside on our common stock. Upon liquidation, holders of our preferred shares will receive a liquidation preference of $25.000 per share (or $25.00 per depositary share) plus any accrued and unpaid distributions before any payment is made to the common shareholders. These preferences may limit the amount received by our common shareholders either from ongoing distributions or upon liquidation. In addition, our preferred shareholders have the right to elect two additional directors to our Board whenever dividends are in arrears in an aggregate amount equivalent to six or more quarterly dividends, whether or not consecutive.

Preferred Shareholders are subject to certain risks.

Holders of our preferred shares have preference rights over our common shareholders with respect to liquidation and distributions, which give them some assurance of continued payment of their stated dividend rate, and receipt of their principal upon liquidation of the Company or redemption of their securities. However, holders of our Preferred Shares should consider the following risks:

- The Company has in the past, and could in the future, issue or assume additional debt. Preferred shareholders would be subordinated to the interest and principal payments of such debt, which would increase the risk that there would not be sufficient funds to pay distributions or liquidation amounts to the preferred shareholders.
- The Company has in the past, and could in the future, issue additional preferred shares that, while pari passu to the existing preferred shares, increases the risk that there would not be sufficient funds to pay distributions to the preferred shareholders.
- While the Company has no plans to do so, if the Company were to lose its REIT status or no longer elect REIT status, it would no longer be required to distribute its taxable income to maintain REIT status. If, in such a circumstance, the Company ceased paying dividends, unpaid distributions to the preferred shareholders would continue to accumulate. The preferred shareholders would have the ability to elect two additional members to serve on our Board of Trustees until the arrearage was cured. The preferred shareholders would not receive any compensation (such as interest) for the delay in the receipt of distributions, and it is possible that the arrearage could accumulate indefinitely.

Risks Related to Government Regulations and Taxation

We would incur adverse tax consequences if we failed to qualify as a REIT, and we would have to pay substantial U.S. federal corporate income taxes.

REITs are subject to a range of complex organizational and operational requirements. A qualifying REIT does not generally incur U.S. federal corporate income tax on its "REIT taxable income" (generally, taxable income subject to specified adjustments, including a deduction for dividends paid and excluding net capital gain) that it distributes to its shareholders. Our REIT status is also dependent upon the ongoing REIT qualification of PNR as a result of our substantial ownership interest in it. We believe we have qualified as a REIT and we intend to continue to maintain our REIT status.

However, there can be no assurance that we qualify or will continue to qualify as a REIT, because of the highly technical nature of the REIT rules, the ongoing importance of factual determinations, the possibility of

unidentified issues in prior periods, or changes in our circumstances, as well as share ownership limits in our articles of incorporation that do not necessarily ensure that our shareholder base is sufficiently diverse for us to qualify as a REIT. For any year we fail to qualify as a REIT, unless certain relief provisions apply (the granting of such relief could nonetheless result in significant excise or penalty taxes), we would not be allowed a deduction for dividends paid, we would be subject to U.S. federal corporate income tax on our taxable income, and generally we would not be allowed to elect REIT status until the fifth year after such a disqualification. Any taxes, interest, and penalties incurred would reduce our cash available for distributions to shareholders and could negatively affect our stock price. *However*, for years in which we failed to qualify as a REIT, we would not be subject to REIT rules that require us to distribute substantially all of our taxable income to our shareholders.

Changes in tax laws could negatively impact us.

The United States Treasury Department and Congress frequently review federal income tax legislation, regulations and other guidance. We cannot predict whether, when, or to what extent new federal tax laws, regulations, interpretations or rulings will be adopted. Any legislative action may prospectively or retroactively modify our tax treatment and, therefore, may adversely affect taxation of us or our shareholders.

Changes made by the Tax Cuts and Jobs Act, signed into law on December 22, 2017, limit our ability to deduct compensation in excess of $1 million paid to certain senior executives. This could require us to increase distributions to our shareholders in the future in order to avoid paying tax and to maintain our REIT status.

We may pay some taxes, reducing cash available for shareholders.

Even if we qualify as a REIT for U.S. federal corporate income tax purposes, we may be subject to some federal, foreign, state and local taxes on our income and property. Since January 1, 2001, certain consolidated corporate subsidiaries of the Company have elected to be treated as taxable REIT subsidiaries ("TRSs") for U.S. federal corporate income tax purposes, and are taxable as regular corporations and subject to certain limitations on intercompany transactions. If tax authorities determine that amounts paid by our TRSs to us are not reasonable compared to similar arrangements among unrelated parties, we could be subject to a 100% penalty tax on the excess payments, and ongoing intercompany arrangements could have to change, resulting in higher ongoing tax payments. To the extent the Company is required to pay federal, foreign, state or local taxes or federal penalty taxes due to existing laws or changes thereto, we will have less cash available for distribution to shareholders.

In addition, certain local and state governments have imposed taxes on self-storage rent. While in most cases these taxes are paid by our customers, they increase the cost of self-storage rental to our customers and can negatively impact our revenues. Other local and state governments may impose self-storage rent taxes in the future.

We have exposure to increased property tax in California.

Approximately $583 million of our 2020 net operating income is from our properties in California, and we incurred approximately $44 million in related property tax expense. Due to the impact of Proposition 13, which generally limits increases in assessed values to 2% per year, the assessed value and resulting property tax we pay is less than it would be if the properties were assessed at current values. From time to time, proposals have been made to reduce the beneficial impact of Proposition 13, most recently in the November 2020 ballot. While this ballot initiative failed, there can be no assurance that future initiatives or other legislative actions will not eliminate or reduce the benefit of Proposition 13 with respect to our properties. If the beneficial effect of Proposition 13 were ended for our properties, our property tax expense could increase substantially, adversely affecting our cash flow from operations and net income.

We are subject new and changing legislation and regulations, including the California Privacy Rights Act (CPRA).

We are subject to new and changing legislation or regulations, including the Americans with Disabilities Act of 1990 and legislation regarding property taxes, income taxes, REIT status, labor and employment, privacy and, lien

sales, at the city, county, state, and federal level, which could materially impact our business and operations. Failure to comply with applicable laws, regulations, and policies may subject us to increased litigation and regulatory actions and negatively affect our business and operations or reputation.

On November 3, 2020, Californians passed a ballot measure that creates the California Privacy Rights Act ("CPRA"). The CPRA amends and expands the California Consumer Privacy Act (CCPA), which went into effect on January 1, 2020. The CPRA, which goes into effect on January 1, 2023, provides new rights and amends existing rights found in the CCPA. It also creates a new privacy enforcement authority, the California Privacy Protection Agency ("CalPPA"). The CPRA grants the Attorney General and the CalPPA the authority to issue regulations on a wide range of topics. It therefore remains unclear what, if any, modifications will be made to the CPRA or how it will be interpreted. While we believe we have developed processes to comply with current privacy requirements, a regulatory agency may not agree with certain of our implementation decisions, which could subject us to litigation, regulatory actions or changes to our business practices that could increase costs or reduce revenues. Other states have also considered or are considering privacy laws similar to those passed in California. Similar laws may be implemented in other jurisdictions in which we do business and in ways that may be more restrictive than those in California, increasing the cost of compliance, as well as the risk of noncompliance, on our business.

Our tenant reinsurance business is subject to governmental regulation which could reduce our profitability or limit our growth.

We hold Limited Lines Self-Service Storage Insurance Agent licenses from a number of individual state departments of insurance and are subject to state governmental regulation and supervision. Our continued ability to maintain these Limited Lines Self-Service Storage Insurance Agent licenses in the jurisdictions in which we are licensed depends on our compliance with related rules and regulations. The regulatory authorities in each jurisdiction generally have broad discretion to grant, renew and revoke licenses and approvals, to promulgate, interpret, and implement regulations, and to evaluate compliance with regulations through periodic examinations, audits and investigations of the affairs of insurance agents. As a result of regulatory or private action in any jurisdiction, we may be temporarily or permanently suspended from continuing some or all of our reinsurance activities, or otherwise fined or penalized or suffer an adverse judgment, which could reduce our net income.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

At December 31, 2020, we had controlling ownership interests in 2,548 self-storage facilities located in 38 states within the U.S.:

	At December 31, 2020	
	Number of Storage Facilities	Net Rentable Square Feet (in thousands)
California		
Southern	253	18,661
Northern	179	11,271
Texas	315	24,115
Florida	301	21,006
Illinois	130	8,361
Georgia	116	7,820
Washington	101	7,042
North Carolina	93	6,933
Virginia	104	6,455
Colorado	78	5,739
New York	69	4,817
Minnesota	61	4,721
Maryland	63	3,878
New Jersey	58	3,863
Ohio	55	3,692
South Carolina	53	3,606
Michigan	50	3,496
Arizona	49	3,311
Missouri	41	2,752
Indiana	40	2,570
Pennsylvania	33	2,415
Tennessee	37	2,363
Oregon	40	2,127
Massachusetts	28	1,976
Nevada	28	1,915
Oklahoma	23	1,644
Kansas	21	1,268
Other states (12 states)	110	7,273
Total (a)	2,548	170,689

(a) See Schedule III: Real Estate and Accumulated Depreciation in the Company's 2020 financials, for a summary of land, building, accumulated depreciation, square footage, and number of properties by market.

At December 31, 2020, 27 of our facilities with a net book value of $302 million were encumbered by an aggregate of $25 million in mortgage notes payable.

The configuration of self-storage facilities has evolved over time. The oldest facilities are comprised generally of multiple single-story buildings, and have on average approximately 500 primarily "drive up" spaces per facility, and a small rental office. The most prevalent recently constructed facilities have higher density footprints with large, multi-story buildings with climate control and 1,000 or more self-storage spaces, a more imposing and visible retail presence, and a prominent and large rental office designed to appeal to customers as an attractive and retail-focused "store." Our self-storage portfolio includes facilities with characteristics of the oldest facilities, characteristics of the most recently constructed facilities, and those with characteristics of both older and recently

constructed facilities. Most spaces have between 25 and 400 square feet and an interior height of approximately eight to 12 feet.

ITEM 3. Legal Proceedings

For a description of the Company's legal proceedings, see "Note 13. Commitments and Contingencies" to our consolidated financial statements included in this Annual Report on Form 10-K.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our Common Shares of beneficial interest (the "Common Shares") (NYSE: PSA) have been listed on the NYSE since October 19, 1984. As of February 19, 2021, there were approximately 11,158 holders of record of our Common Shares.

Our Board has authorized management to repurchase up to 35,000,000 of our common shares on the open market or in privately negotiated transactions. From the inception of the repurchase program through February 24, 2021, we have repurchased a total of 23,721,916 common shares (all purchased prior to 2010) at an aggregate cost of approximately $679.1 million. Our common share repurchase program does not have an expiration date and there are 11,278,084 common shares that may yet be repurchased under our repurchase program as of December 31, 2020. We have no current plans to repurchase shares; however, future levels of common share repurchases will be dependent upon our available capital, investment alternatives, and the trading price of our common shares.

Refer to Item 12 "Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters" for information about our equity compensation plans.

ITEM 6. Selected Financial Data

Not applicable

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our financial statements and notes thereto.

Critical Accounting Policies

Our MD&A discusses our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and are affected by our judgments, assumptions and estimates. The notes to our December 31, 2020 financial statements, primarily Note 2, summarize our significant accounting policies.

We believe the following are our critical accounting policies, because they have a material impact on the portrayal of our financial condition and results, and they require us to make judgments and estimates about matters that are inherently uncertain.

Income Tax Expense: We have elected to be treated as a REIT, as defined in the Code. For each taxable year in which we qualify for taxation as a REIT, we will not be subject to U.S. federal corporate income tax on our "REIT taxable income" (generally, taxable income subject to specified adjustments, including a deduction for dividends paid and excluding our net capital gain) that is distributed to our shareholders. We believe we have met these REIT requirements for all periods presented herein. Accordingly, we have recorded no U.S. federal corporate income tax expense related to our REIT taxable income.

Our evaluation that we have met the REIT requirements could be incorrect, because compliance with the tax rules requires factual determinations, and circumstances we have not identified could result in noncompliance with the tax requirements in current or prior years. For any taxable year that we fail to qualify as a REIT and for which applicable statutory relief provisions did not apply, we would be taxed at the regular corporate rates on all of our taxable income for at least that year and the ensuing four years, we could be subject to penalties and interest, and our net income would be materially different from the amounts estimated in our financial statements.

In addition, certain of our consolidated corporate subsidiaries have elected to be treated as TRSs for U.S. federal corporate income tax purposes, which are taxable as regular corporations and subject to certain limitations on intercompany transactions. If tax authorities determine that amounts paid by our TRSs to us are not reasonable compared to similar arrangements among unrelated parties, we could be subject to a 100% penalty tax on the excess payments. Such a penalty tax could have a material adverse impact on our net income.

Impairment of Long-Lived Assets: The analysis of impairment of our long-lived assets involves identification of indicators of impairment, projections of future operating cash flows, and estimates of fair values, all of which require significant judgment and subjectivity. Others could come to materially different conclusions. In addition, we may not have identified all current facts and circumstances that may affect impairment. Any unidentified impairment loss, or change in conclusions, could have a material adverse impact on our net income.

Accrual for Uncertain and Contingent Liabilities: We accrue for certain contingent and other liabilities that have significant uncertain elements, such as property taxes, workers compensation claims, tenant reinsurance claims, as well as other legal claims and disputes involving customers, suppliers, governmental agencies and unrelated parties. We estimate such liabilities based upon many factors such as assumptions of past and future trends and our evaluation of likely outcomes. However, the estimates of known liabilities could be incorrect or we may not be aware of all such liabilities, in which case our accrued liabilities and net income could be misstated.

Allocating Purchase Price for Acquired Real Estate Facilities: We estimate the fair values of land and buildings for purposes of allocating the aggregate purchase price of acquired properties. The related estimation processes involve significant judgment. We estimate the fair value of acquired buildings by determining the current cost to build new purpose-built self-storage facilities in the same location, and adjusting those costs for the actual age, quality, condition, amenities, and configuration of the buildings acquired. We estimate the fair value of acquired land by considering the most directly comparable recently transacted land sales ("Land Comps") and adjusting the transacted values for differentials to the acquired land such as location quality, parcel size, and date of sale, in order to derive the estimated value of the underlying acquired land. These adjustments to the Land Comps require significant judgment, particularly when there is a low volume of Land Comps or the available Land Comps lack similarity to the acquired property in proximity, date of sale, or location quality. Others could come to materially different conclusions as to the estimated fair values, which would result in different depreciation and amortization expense, gains and losses on sale of real estate assets, as well as the level of land and buildings on our balance sheet.

Overview

During a significant portion of 2020, the COVID Pandemic has resulted in cessation, severe curtailment, or impairment of business activities in most sectors of the economy in virtually all markets we operate in, due to governmental "stay at home" orders, risk mitigation procedures, closure of businesses not considered to be "essential," as well as other direct and indirect impacts, including a rapid and dramatic increase in unemployment in the U.S. While in certain markets, initial government restrictions were eased in response to reductions in the rate of new infections, there have been increases in the rate of infection in certain markets from time to time and re-imposition of certain restrictions. These restrictions as well as public concerns about the COVID Pandemic continue to have an ongoing negative impact the economy, with unemployment continuing to be at high levels.

Our self-storage facilities have been classified as "essential" businesses under all applicable business closure orders and thus remained open to all customer activity. We consider the safety of our employees and customers as our first priority, and have accordingly taken significant steps to ensure safety while keeping our services available to the public. These steps include initiating our touchless eRentalS leasing platform, touchless mobile app allowing customer access to our properties, enforcing social distancing requirements in our property offices and grounds, and providing protective equipment, including face coverings, gloves, and plastic barriers.

Our corporate offices as well as our call centers migrated to a "work from home" environment during the COVID Pandemic. We expect our corporate employees to return to the corporate office assuming the risk of the COVID Pandemic continues to recede. However, we expect that our call centers will remain in a "work from home"

environment due to certain favorable aspects of a distributed call center team. We believe these changes have not resulted in any significant negative impacts to our operations or decision making.

It is possible that stricter government restrictions, including stay at home orders, could be instituted or reinstituted in response to increases in infections, the aggregate effect of the COVID Pandemic and seasonal influenza infections, or if additional pandemics occur. We cannot estimate the extent of the COVID Pandemic's future negative impacts.

The negative impacts of the COVID Pandemic are described more fully below, as well as throughout our MD&A which follows.

Our self-storage operations generate most of our net income. Our earnings growth is most impacted by the level of organic growth in our Same Store Facilities' revenues. Accordingly, a significant portion of management's time is devoted to maximizing cash flows from our existing self-storage facilities.

During the years ended December 31, 2020 and 2019, revenues generated by our Same Store Facilities decreased by 1.0% and increased by 1.5%, respectively, as compared to the previous year. Revenue growth in each year was impacted by increased competition from newly developed facilities. The decrease in revenue in the year ended December 31, 2020 included the negative impact caused by the COVID Pandemic including restrictions on rate increases to tenants imposed by local government due to "States of Emergency." Our trends in revenue have improved in the last half of 2020, with revenues from our Same Store Facilities increasing 0.8% during the three months ended December 31, 2020 as compared to the three months ended December 31, 2019. At December 31, 2020, as compared to December 31, 2019, occupancies for our Same Store Facilities was 2.7% higher, while the contract rent per occupied foot was essentially flat, suggesting continued revenue growth into early 2021.

See "Self-storage Operations – Same Store Operations" for further information with respect to our same-store operations, including potential downside risks to our expectations.

In addition to managing our existing facilities for organic growth, we have grown and plan to continue to grow through the acquisition and development of new facilities and expanding our existing self-storage facilities. In the three years ended December 31, 2020, we acquired a total of 131 facilities with 9.9 million net rentable square feet from third parties for approximately $1.4 billion, and we opened newly developed and expanded self-storage space for a total cost of $866.1 million, adding approximately 7.9 million net rentable square feet.

In order to enhance the competitive position of certain of our facilities relative to local competitors (including newly developed "fifth generation" facilities), we have embarked on a multi-year program to rebrand our properties, in order to develop more pronounced, attractive, and clearly identifiable color schemes and signage, as well as to upgrade the configuration and layout of the offices and other customer zones to improve the customer experience. The timing and scope of the program will evolve as the work is executed and we evaluate its impact. The cost of this program is included in "capital expenditures to maintain our real estate facilities" on our statements of cash flow, and the program is discussed more fully in "Liquidity and Capital Resources – Capital Expenditure Requirements" below.

See "Liquidity and Capital Resources" for further information regarding our capital requirements and anticipated sources of capital to fund each requirements.

Operating results for 2020 and 2019

In 2020, net income allocable to our common shareholders was $1,098.3 million or $6.29 per diluted common share, compared to $1,272.8 million or $7.29 per diluted common share in 2019 representing a decrease of $174.4 million or $1.00 per diluted common share. The decrease is due primarily to (i) a $105.8 million decrease due to the impact of foreign currency exchange gains and losses associated with our Euro-denominated debt, (ii) a $40.7 million increase in depreciation and amortization expense, (iii) a $21.1 million increase in general and administrative expense, (iv) a $15.6 million decrease due to the impact of allocations to preferred shareholders with respect to redemption of preferred shares, and (v) a $8.0 million decrease in self-storage net operating income.

The $8.0 million decrease in self-storage net operating income is a result of a $41.7 million decrease in our Same Store Facilities (as defined below), offset partially by a $33.7 million increase in our non-Same Store Facilities (as defined below). Revenues for the Same Store Facilities decreased 1.0% or $23.7 million in 2020 as compared to 2019, due primarily to reduced late charges and administrative fees. Cost of operations for the Same Store Facilities increased by 2.7% or $18.1 million in 2020 as compared to 2019, due primarily to a 22.5% ($11.0 million) increase in marketing expenses, a 3.1% ($7.4 million) increase in property tax expense, and a 2.5% ($1.1 million) increase in on-site property manager payroll expense. The increase in net operating income of $33.7 million for the non-Same Store Facilities is due primarily to the impact of facilities acquired in 2020 and 2019 and the fill-up of recently developed and expanded facilities.

Operating results for 2019 and 2018

In 2019, net income allocable to our common shareholders was $1,272.8 million or $7.29 per diluted common share, compared to $1,488.9 million or $8.54 per diluted common share in 2018 representing a decrease of $216.1 million or $1.25 per diluted common share. The decrease is due primarily to (i) $180.1 million in aggregate gains due to Sharpard's initial public offering and the sale of our facility in West London to Sharpard in October 2018, (ii) our $37.7 million equity share of gains recorded by PS Business Parks during 2018, (iii) a $10.3 million decrease due to the impact of foreign currency exchange gains associated with our euro denominated debt and (iv) a $22.7 million allocation to our preferred shareholders associated with our preferred share redemption activities in 2019. These impacts were offset partially by a $34.1 million increase in self-storage net operating income (described below) and a reduction in general and administrative expense attributable to $36.7 million in incremental share-based compensation expense in 2018 for the planned retirement of our former CEO and CFO.

The $34.3 million increase in self-storage net operating income is a result of a $9.9 million increase in our Same Store Facilities and $24.4 million increase in our non-Same Store Facilities. Revenues for the Same Store Facilities increased 1.5% or $36.7 million in 2019 as compared to 2018, due primarily to higher rents in 2019 as compared to 2018. Cost of operations for the Same Store Facilities increased by 2.0% or $26.7 million in 2019 as compared to 2018, due primarily to a 45.1% ($14.7 million) increase in marketing expenses and increased property taxes. The increase in net operating income of $24.4 million for the non-Same Store Facilities is due primarily to the impact of facilities acquired in 2019 and 2018 and the fill-up of recently developed and expanded facilities.

Funds from Operations and Core Funds from Operations

Funds from Operations ("FFO") and FFO per share are non-GAAP measures defined by the National Association of Real Estate Investment Trusts and are considered helpful measures of REIT performance by REITs and many REIT analysts. FFO represents net income before depreciation and amortization, which is excluded because it is based upon historical costs and assumes that building values diminish ratably over time, while we believe that real estate values fluctuate due to market conditions. FFO also excludes gains or losses on sale of real estate assets and real estate investment charges, which are also based upon historical costs and are impacted by historical depreciation. FFO and FFO per share are not a substitute for net income or earnings per share. FFO is not a substitute for net cash flow in evaluating our liquidity or ability to pay dividends, because it excludes investing and financing

activities presented on our statements of cash flows. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful.

For the year ended December 31, 2020, FFO was $9.75 per diluted common share, as compared to $10.58 and $10.45 per diluted common share for the years ended December 31, 2019 and 2018, respectively, representing a decrease in 2020 of 7.8%, or $0.83 per diluted common share, as compared to 2019. The following tables reconcile diluted earnings per share to FFO per share and set forth the computation of FFO per share:

	Year Ended December 31,		
	2020	2019	2018
	(Amounts in thousands, except per share data)		
Reconciliation of Diluted Earnings per Share to FFO per Share:			
Diluted Earnings per Share	$ 6.29	$ 7.29	$ 8.54
Eliminate amounts per share excluded from FFO:			
Depreciation and amortization	3.53	3.32	3.21
Gains on sale of real estate investments and Shurgard IPO, including our equity share from investments	(0.07)	(0.03)	(1.30)
FFO per share	$ 9.75	$ 10.58	$ 10.45
Computation of FFO per Share:			
Net income allocable to common shareholders	$ 1,098,335	$ 1,272,767	$ 1,488,900
Eliminate items excluded from FFO:			
Depreciation and amortization	548,975	511,413	483,646
Depreciation from unconsolidated real estate investments	70,681	71,725	79,868
Depreciation allocated to noncontrolling interests and restricted share unitholders	(3,850)	(4,208)	(3,646)
Gains on sale of real estate investments and Shurgard IPO, including our equity share from investments and other	(12,791)	(5,896)	(327,332)
FFO allocable to common shares	$ 1,702,350	$ 1,845,801	$ 1,821,436
Diluted weighted average common shares	174,642	174,530	174,297
FFO per share	$ 9.75	$ 10.58	$ 10.45

We also present "Core FFO per share," a non-GAAP measure that represents FFO per share excluding the impact of (i) foreign currency exchange gains and losses, (ii) EITF D-42 charges related to the redemption of preferred securities, and (iii) certain other significant non-cash and/or nonrecurring income or expense items such as loss contingency accruals, casualties, transactional due diligence, and advisory costs. We review Core FFO per share to evaluate our ongoing operating performance and we believe it is used by investors and REIT analysts in a similar manner. However, Core FFO per share is not a substitute for net income per share. Because other REITs may not compute Core FFO per share in the same manner as we do, may not use the same terminology or may not present such a measure, Core FFO per share may not be comparable among REITs.

The following table reconciles FFO per share to Core FFO per share:

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Percentage Change	2019	2018	Percentage Change
FFO per share	$ 9.75	$ 10.58	(7.8)%	$ 10.58	$ 10.45	1.2%
Eliminate the per share impact of items excluded from Core FFO, including our equity share from investments:						
Foreign currency exchange loss (gain)	0.56	(0.04)		(0.04)	(0.10)	
Application of LETF D-42	0.28	0.21		0.21	-	
Shargard - IPO costs and casualty loss	-	-		-	0.03	
(Forfeiture)/Acceleration of share-based compensation expense due to the departure of senior executives	-	(0.01)		(0.01)	0.18	
Other items	0.02	0.01		0.01	-	
Core FFO per share	$ 10.61	$ 10.75	(1.3)%	$ 10.75	$ 10.56	1.8%

Analysis of Net Income by Reportable Segment

The following discussion and analysis is presented and organized in accordance with Note 11 to our December 31, 2020 financial statements, "Segment Information." Accordingly, refer to the table presented in Note 11 in order to reconcile such amounts to our total net income and for further information on our reportable segments.

Self-Storage Operations

Our self-storage operations are analyzed in four groups: (i) the 2,221 facilities that we have owned and operated on a stabilized basis since January 1, 2018 (the "Same Store Facilities"), (ii) 131 facilities we acquired after December 31, 2017 (the "Acquired facilities"), (iii) 148 facilities that have been newly developed or expanded, or that had commenced expansion by December 31, 2020 (the "Newly developed and expanded facilities") and (iv) 48 other facilities, which are otherwise not stabilized with respect to occupancies or rental rates since January 1, 2018 (the "Other non-same store facilities"). See Note 11 to our December 31, 2020 financial statements "Segment Information," for a reconciliation of the amounts in the tables below to our total net income.

Self-Storage Operations
Summary

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Percentage Change	2019	2018	Percentage Change
	(Dollar amounts and square footage in thousands)					
Revenues:						
Same Store facilities	$ 2,436,546	$ 2,460,229	(1.0)%	$ 2,460,229	$ 2,423,485	1.5%
Acquired facilities	39,818	28,733	808.2%	28,733	5,167	456.1%
Newly developed and expanded facilities	180,764	151,043	19.7%	151,043	123,602	21.2%
Other non-same store facilities	44,902	44,547	(9.1)%	44,547	46,303	(3.8)%
	2,702,030	2,684,552	1.4%	2,684,552	2,597,557	3.3%
Cost of operations (a):						
Same Store facilities	687,828	669,763	2.7%	669,763	642,870	4.2%
Acquired facilities	27,627	12,436	121.8%	12,436	2,197	467.0%
Newly developed and expanded facilities	75,442	64,312	17.6%	64,312	48,858	31.6%
Other non-same store facilities	16,446	15,800	3.9%	15,800	15,018	9.4%
	807,343	762,311	5.9%	762,311	708,943	7.5%
Net operating income (b):						
Same Store facilities	1,748,718	1,790,466	(2.3)%	1,790,466	1,780,615	0.6%
Acquired facilities	32,191	16,277	97.8%	16,277	2,970	448.0%
Newly developed and expanded facilities	105,322	86,731	21.2%	86,731	74,744	17.6%
Other non-same store facilities	28,456	28,747	(1.1)%	28,747	30,285	(6.1)%
Total net operating income	1,914,687	1,922,221	(0.4)%	1,922,221	1,887,614	1.8%
Depreciation and amortization expense:						
Same Store facilities	(422,661)	(409,270)	3.2%	(409,270)	(408,972)	0.1%
Acquired facilities	(40,986)	(24,353)	68.3%	(24,353)	(5,940)	310.0%
Newly developed and expanded facilities	(61,645)	(53,844)	14.5%	(53,844)	(45,454)	18.5%
Other non-same store facilities	(28,167)	(25,680)	10.7%	(25,680)	(23,280)	9.3%
Total depreciation and amortization expense	(553,457)	(513,314)	7.8%	(513,314)	(483,646)	6.1%
Net income (loss):						
Same Store facilities	1,326,257	1,381,196	(4.0)%	1,381,196	1,371,643	0.7%
Acquired facilities	(8,795)	(8,076)	8.9%	(8,076)	(2,970)	172.0%
Newly developed and expanded facilities	43,479	32,887	32.2%	32,887	28,290	16.2%
Other non-same store facilities	(111)	2,215	(101)%	2,215	7,219	(32.7)%
Total net income	1,360,830	1,408,222	(3.4)%	1,408,222	1,404,182	0.3%
Number of facilities at period end:						
Same Store facilities	2,221	2,221	-	2,221	2,221	-
Acquired facilities	131	69	89.9%	69	25	176.0%
Newly developed and expanded facilities	148	145	2.1%	145	134	8.2%
Other non-same store facilities	48	46	0.0%	46	48	(4.0)%
	2,548	2,481	3.0%	2,481	2,428	2.2%
Net rentable square footage at period end:						
Same Store facilities	143,721	143,721	-	143,721	143,721	-
Acquired facilities	9,062	4,762	107.5%	4,762	1,629	192.3%
Newly developed and expanded facilities	17,714	16,649	6.4%	16,649	12,848	29.7%
Other non-same store facilities	3,731	3,770	(1.0)%	3,770	3,819	(1.3)%
	173,013	168,900	4.0%	168,900	162,017	4.2%

(a) We revised our prior period financial statements to correct the presentation of share-based compensation expense between general and administrative expense and self-storage cost of operations. As a result, we revised our statements of income for the years ended December 31, 2019 and 2018 with an increase in self-storage cost of operations of $9.6 million and $14.0 million, respectively, and a corresponding decrease to general and administrative expenses. This immaterial correction had no impact on our total expenses or net income. The correction also had no impact on our balance sheet, statements of comprehensive income, statements of equity, or cash flows as of and for the year ended December 31, 2019 and 2018.

(b) Net operating income or "NOI" is a non-GAAP financial measure that excludes the impact of depreciation and amortization expense, which is based upon historical real estate costs and assumes that building values diminish ratably over time, while we believe that real estate values fluctuate due to market conditions. We utilize NOI in determining current property values, evaluating property performance, and in evaluating property operating trends. Direct net operating income (a subset within NOI) is also a non-GAAP financial measure that excludes the impact of property payroll, centralized management costs and stock-based compensation in addition to depreciation and amortization expense. We utilize direct net operating income in evaluating property performance and in evaluating property operating trends as compared to our competitors. We believe that investors and analysts utilize NOI and direct net operating income in a similar manner. These measures are not a substitute for net income, operating cash flow, or other related financial measures, in evaluating our operating results. See Note 15 to our December 31, 2020 financial statements for a reconciliation of NOI to our total net income for all periods presented.

Net operating income from our self-storage operations decreased 0.4% in 2020 and increased 1.8% in 2019, as compared to the previous year. The decrease in 2020 is due primarily to a reduction in Same Store net operating income due to the impact of the COVID Pandemic, partially offset by the acquisition and development of new facilities and the fill-up of unstabilized facilities.

Same Store Facilities

The Same Store Facilities consist of facilities that have been owned and operated on a stabilized level of occupancy, revenues and cost of operations since January 1, 2018. The composition of our Same Store Facilities allows us to more effectively evaluate the ongoing performance of our self-storage portfolio in 2018, 2019, and 2020 and exclude the impact of fill-up of unstabilized facilities, which can significantly affect operating trends. We believe the Same Store information is used by investors and REIT analysts in a similar manner.

The following table summarizes the historical operating results of these 2,221 facilities (143.7 million net rentable square feet) that represent approximately 82% of the aggregate net rentable square feet of our U.S. consolidated self-storage portfolio at December 31, 2020. It includes various measures and detail that we do not include in the analysis of the developed, acquired, and other non-same store facilities, due to the relative magnitude and importance of our same store facilities relative to our self-storage facilities.

Selected Operating Data for the Same Store Facilities (1,221 facilities)

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Percentage Change	2019	2018	Percentage Change
	(Dollar amounts in thousands, except weighted average amounts)					
Revenues:						
Rented income	$ 2,355,576	$ 2,353,625	0.1%	$ 2,353,625	$ 2,317,577	1.6%
Late charges and administrative fees	80,970	106,604	(24.0)%	106,604	105,000	0.7%
Total revenues (a)	2,436,546	2,460,229	(1.0)%	2,460,229	2,422,577	1.7%
Direct cost of operations (a):						
Property taxes	247,860	240,451	3.1%	240,451	230,035	4.5%
On-site property manager payroll	125,051	121,978	2.5%	121,978	119,125	2.4%
Repairs and maintenance	49,221	51,503	(4.4)%	51,503	49,917	3.2%
Utilities	39,459	43,461	(9.2)%	43,461	44,762	(2.9)%
Marketing	59,901	48,911	22.5%	48,911	33,249	47.1%
Other direct property costs	66,648	65,331	2.0%	65,331	63,706	2.5%
Total direct cost of operations	588,139	571,635	2.9%	571,635	540,854	5.7%
Direct net operating income	1,848,408	1,888,594	(2.1)%	1,888,594	1,882,635	0.3%
Indirect cost of operations (a):						
Supervisory payroll	(39,291)	(37,719)	4.2%	(37,719)	(37,114)	1.6%
Centralized management costs	(47,713)	(49,453)	(3.5)%	(49,453)	(49,705)	(0.5)%
Share based compensation	(12,686)	(10,956)	15.8%	(10,956)	(15,201)	(27.9)%
Net operating income	1,748,718	1,790,466	(2.3)%	1,790,466	1,780,615	0.6%
Depreciation and amortization expense	(422,461)	(409,270)	2.2%	(409,270)	(408,972)	0.1%
Net income	$ 1,326,257	$ 1,381,196	(4.0)%	$ 1,381,196	$ 1,371,643	0.7%
Gross margin (before indirect costs and depreciation and amortization expense)	75.9%	76.8%	(1.2)%	76.8%	77.7%	(1.2)%
Gross margin (before depreciation and amortization expense)	71.8%	72.8%	(1.4)%	72.8%	73.5%	(1.0)%
Weighted average for the period:						
Square foot occupancy	94.5%	93.4%	1.2%	93.4%	93.0%	0.4%
Realized annual rental income per (b):						
Occupied square foot	$ 17.34	$ 17.53	(1.1)%	$ 17.53	$ 17.33	1.2%
Available square foot	$ 16.40	$ 16.38	0.1%	$ 16.38	$ 16.12	1.6%
At December 31:						
Square foot occupancy	94.2%	91.7%	2.7%	91.7%	91.3%	0.4%
Annual contract rent per occupied square foot (c)	$ 17.99	$ 18.06	(0.4)%	$ 18.06	$ 17.95	0.6%

(a) Revenues and cost of operations do not include tenant reinsurance and merchandise sales and expenses generated at the facilities. See "Ancillary Operations" below for more information.
(b) Realized annual rent per occupied square foot is computed by dividing rental income, before late charges and administrative fees, by the weighted average occupied square feet for the period. Realized annual rent per available square foot ("REVPAF") is computed by dividing rental income, before late charges and administrative fees, by the total available net rentable square feet for the period. These measures exclude late charges and administrative fees in order to provide a better measure of our ongoing level of revenue. Late charges are dependent upon the level of delinquency and administrative fees are dependent upon the level of move-ins. In addition, the rates charged for late charges and administrative fees can vary independently from rental rates. These measures take into consideration promotional discounts, which reduce rental income.
(c) Annual contract rent represents the agreed upon monthly rate that is paid by our tenants in place at the time of measurement. Contract rates are initially set in the lease agreement upon move-in and we adjust them from time to time with notice. Contract rent excludes other fees that are charged on a per-item basis, such as late charges and administrative fees, does not reflect the impact of promotional discounts, and does not reflect the impact of rents that are written off as uncollectible.

Analysis of Same Store Revenue

Revenues generated by our Same Store Facilities decreased by 1.0% in 2020, and increased by 1.5% in 2019, in each case as compared to the previous year. The decrease in 2020 is due to the negative impact caused by the COVID Pandemic, certain restrictions on rate increases to existing tenants imposed by local governments due to "States of Emergency", reduced late charges and administrative fees, as well as the continued impact of increased new supply from new developments (see below).

The revenue increase in 2019 was due to a 1.2% increase in realized rent per occupied foot, combined with a 0.4% increase in average occupancy. Same Store revenue growth in 2019 was lower than long-term historical averages due to softness in demand for our storage space, which has led to lower move-in rental rates for new tenants (see below). We attribute some of this softness to local economic conditions and, in some markets most notably Atlanta, Austin, Charlotte, Chicago, Dallas, Denver, Houston, Miami, Minneapolis, New York and Portland, increased supply of newly constructed self-storage facilities.

Revenue Strategy.

We believe a balanced occupancy and rate strategy will maximize our revenues over time. We regularly adjust the rental rates and promotional discounts offered (generally, "$1.00 rent for the first month"), as well as our marketing efforts on the Internet and other channels to maximize revenue from new tenants to replace tenants that vacate.

We typically increase rental rates to our long-term tenants (generally, those that have been with us for at least a year) once per year. As a result, the number of long-term tenants we have in our facilities is an important factor in our revenue growth. The level of rate increases to long-term tenants is based upon balancing the additional revenue from the increase against the negative impact of incremental move-outs, by considering the customer's in-place rent and prevailing market rents, among other factors. During the year ended December 31, 2019, our primary revenue growth came from existing tenant rate increases. However, during the year ended December 31, 2020, rental rate increases were of smaller magnitude resulting from COVID Pandemic concerns and pricing regulations in multiple markets.

Realized Annual Rent per Occupied Square Foot.

Realized annual rent per occupied square foot decreased 1.1% and increased 1.2% in 2020 and 2019, respectively.

The decrease in realized rent per occupied square foot for the year ended December 31, 2020 was due to (i) our decision to temporarily curtail our tenant rate increase program for a limited period during the COVID Pandemic in response to anticipated negative economic impacts on our tenants and (ii) limitations on the magnitude

of rate increases given to existing tenants due to temporary governmental pricing limitations as a result of "State of Emergency" declarations.

The increase in realized rent per occupied foot for the year ended December 31, 2019 was due primarily to the impact of rate increases to existing long-term tenants.

In each of the years ended December 31, 2020 and 2019, we had an increased average length of stay. An increased average length of stay supports revenue growth, due to more long-term tenants who are eligible for rate increases, and a reduced requirement to replace vacating tenants with new tenants which can reduce promotional costs and increase our pricing leverage. This trend to an increased length of stay became more pronounced in 2020 due in significant part, we believe, to temporary effects resulting from the COVID Pandemic such as less consumer mobility.

Occupancy Levels.

Our average square foot occupancy levels increased 1.2% and 0.4% on a year over year basis during the years ended December 31, 2020 and 2019, respectively.

The improvement in occupancy trends in the year ended December 31, 2020 was due primarily to improved trends in move-outs, with year over year move-outs down 7.4% in the year ended December 31, 2020.

Demand historically has been higher in the summer months than in the winter months and, as a result, rental rates charged to new tenants have typically been higher in the summer months than in the winter months. Demand fluctuates due to various local and regional factors, including the overall economy. Demand into our system is also impacted by new supply of self-storage space as well as alternatives to self-storage.

Late Charges and Administrative Fees.

We experienced a 24.0% year over year reduction in late charges and administrative fees collected during the year ended December 31, 2020. This decrease was due primarily to reduced late charges and lien fees beginning with the onset of the COVID Pandemic in early March 2020, due to (i) an acceleration in average collections whereby a greater percentage of tenants paid their monthly rent promptly to avoid the incurrence of such fees and, to a lesser extent and (ii) reduced move-in administrative fees due to lower move-ins.

Bad Debt and Collection Losses.

Despite consumer stress and temporary delays of auctions due to logistical difficulties or governmental restrictions in year ended December 31, 2020, we did not experience a significant increase in bad debt from historical levels because of (i) federal government stimulus and supplements to unemployment benefits which mitigated consumer stress, and (ii) steps we took to augment our collection efforts and accelerate payment by our customers.

Selected Key Statistical Data.

The following table sets forth average annual contract rent per square foot, and total square footage, for tenants moving in and moving out during the years ended December 31, 2020, 2019 and 2018. It also includes promotional discounts, which vary based upon the move-in contractual rates, move-in volume, and percentage of tenants moving in who receive the discount.

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change	2019	2018	Change
	(Amounts in thousands, except for per square foot amounts)					
Tenants moving in during the period:						
Average annual contract rent per square foot	$ 13.63	$ 13.61	0.1%	$ 13.61	$ 14.05	(3.1)%
Square footage	100,878	105,731	(4.6)%	105,731	107,652	(1.8)%
Promotional discounts given	$ 73,150	$ 79,525	(8.0)%	$ 79,525	$ 82,837	(4.0)%
Tenants moving out during the period:						
Average annual contract rent per square foot	$ 15.65	$ 16.08	(2.7)%	$ 16.08	$ 16.13	(0.3)%
Square footage	97,303	105,068	(7.4)%	105,068	107,164	(2.0)%

Revenue Expectations:

At December 31, 2020, in place contractual rent was 2.3% higher on a year-over-year basis (comprised of a 2.7% increase in square foot occupancy offset partially by a 0.4% decrease in annual contract rent per occupied foot).

As noted above, the COVID Pandemic resulted in reduced demand, lower rates charged to new tenants on a year over year basis, and curtailed rent increases to existing tenants during the first six months of 2020, which had continuing negative impact on revenue growth in the remainder of 2020. Notwithstanding the decrease in Same-Store revenue for all of 2020, revenue growth trends improved steadily in the last half of 2020, with increased demand for storage space, increased rates charged to new tenants moving in, decreased move-outs, and a resumption of rate increases to existing long-term tenant albeit at a lesser magnitude than in prior years. Total revenues increased 0.8% on a year over year basis in the three months ended December 31, 2020.

We expect continued revenue growth during the first half of 2021 supported by increased customer demand and modest move out activity. There is more uncertainty in the level of growth during the second half of 2021 given challenging comparables over 2020 and risk that customer behavior (particularly the level of move-out activity) returns to historical levels.

We expect that the impact of reduced late charges noted above will persist on a year over year basis through the quarter ending March 31, 2021.

Notwithstanding our expectations, we are in a time of significant uncertainty, and there are reasonably possible circumstances and events which could result in actual future revenues being significantly lower than our expectations, including the following:

- Storage demand could decline or collection losses could increase due to increased recessionary circumstances, worsening of the COVID Pandemic, the potential confluence of higher seasonal influenza infections and COVID infections, or other factors.
- Our ability to increase rates charged to new tenants moving in could be negatively impacted by the factors noted above, or other factors.
- It is possible that the COVID Pandemic could impact current seasonal demand trends in the short or long term, due to changes in certain factors impacting moving trends, such as potentially fewer college students living on-campus in favor of online learning or an increase in working from home reducing the necessity of moving for employment reasons.

Analysis of Same Store Cost of Operations:

Cost of Operations

Cost of operations (excluding depreciation and amortization) increased 2.7% in 2020 as compared to 2019, and 4.2% in 2019 as compared to 2018, due primarily to increased property tax, marketing expense and on-site property manager payroll.

Property tax expense increased 3.1% in 2020 as compared to 2019, and 4.5% in 2019 as compared to 2018. We expect property tax expense growth of approximately 5.5% in 2021 due primarily to higher assessed values and, to a lesser extent, increased tax rates. See "Risk Factors – We have exposure to increased property tax in California" for further information on our property tax with respect to our California properties.

On-site property manager payroll expense increased 2.5% in 2020 as compared to 2019 and 2.4% in 2019 as compared to 2018. The increase for 2020 includes the impact of COVID Pandemic measures taken between April 1, 2020 and June 30, 2020 to keep our facilities open, including a $3.00 hourly wage increase, and enhancement of paid time off benefits, for virtually all of our property managers, offset by a 6.9% year over year decrease in hours worked due to staffing reductions from reduced move-in and move-out activity and revisions to other operational processes. We expect reductions in hours worked to continue throughout 2021.

Repairs and maintenance expense decreased 4.4% in 2020 as compared to 2019 and increased 3.2% in 2019 as compared to 2018. Repair and maintenance costs include snow removal expense totaling $2.6 million, $4.1 million, and $3.7 million in 2020, 2019, and 2018, respectively. Excluding snow removal costs, repairs and maintenance decreased 1.8% in 2020 as compared to 2019 and increased 2.7% in 2019 as compared to 2018.

Repairs and maintenance expense levels are dependent upon many factors such as (i) sporadic occurrences such as accidents, damage, and equipment malfunctions; (ii) short-term local supply and demand factors for material and labor; and (iii) weather conditions, which can impact costs such as snow removal, roof repairs, and HVAC maintenance and repairs. Accordingly, it is difficult to estimate future repairs and maintenance expense.

Our utility expenses are comprised primarily of electricity costs, which are dependent upon energy prices and usage levels. Changes in usage levels are driven primarily by weather and temperature. Utility expense decreased 9.2% in 2020 as compared to 2019 and 2.9% in 2019 as compared to 2018. It is difficult to estimate future utility costs, because weather, temperature, and energy prices are volatile and not predictable. The decreases experienced in 2020 are due primarily to investments we are making in energy saving technology such as solar power and LED lights which generate favorable returns on investment in the form of lower utility usage. We continue to make investments in solar power and LED lights and expect a decline in utility expense throughout 2021.

Marketing expense is comprised principally of Internet advertising and the operating costs of our telephone reservation center. Internet advertising expense, comprised primarily of keyword search fees assessed on a "per click" basis, varies based upon demand for self-storage space, the quantity of people inquiring about self-storage through online search, occupancy levels, the number and aggressiveness of bidding competitors and other factors. These factors are volatile; accordingly, Internet advertising can increase or decrease significantly in the short-term. Marketing expense increased 22.5% in 2020 as compared to 2019 and 47.1% in 2019 as compared to 2018. These increases are due primarily to higher traditional "per click" advertising on paid search platforms as we have sought to attract more customers for our space, and cost per click for keyword search terms increased due to more keyword bidding competition from existing self-storage owners and operators, including owners of newly developed facilities and nontraditional storage providers. To a lesser extent, the increases reflects additional spending on social media outlets as well as aggregator websites, as we believe these channels provide exposure to incremental customers at a favorable cost. We expect moderation in the level of marketing expense growth in 2021.

Other direct property costs include administrative expenses specific to each self-storage facility, such as property insurance, telephone and data communication lines, business license costs, bank charges related to

processing the facilities' cash receipts, tenant mailings, credit card fees, and the cost of operating each property's rental office. These costs increased 2.0% in 2020 as compared to 2019 and 2.5% in 2019 as compared to 2018. We continue to experience increased credit card fees due to a long-term trend of more customers paying with credit cards rather than cash, checks, or other methods of payment with lower transaction costs. We expect inflationary increases in other direct property costs in 2021.

Supervisory payroll expense, which represents cash compensation paid to the management personnel who directly and indirectly supervise the on-site property managers, increased 4.2% in 2020 as compared to 2019 due primarily to higher headcount, and increased 1.6% in 2019 as compared to 2018 due primarily to higher wage rates. We expect inflationary increases in 2021.

Centralized management costs represents administrative and cash compensation expenses for shared general corporate functions to the extent their efforts are devoted to self-storage operations. Such functions include information technology support, hardware, and software, as well as centralized administration of payroll, benefits, training, repairs and maintenance, customer service, pricing and marketing, operational accounting and finance, and legal costs. Centralized management costs decreased 3.5% in 2020 as compared to 2019 and 8.5% in 2019 as compared to 2018. The decrease in 2020 was due to reduced headcount and reduced travel expenses. We expect increases in centralized management costs in 2021 due to increased headcount.

Share-based compensation expense includes the amortization of restricted share units and stock options granted to management personnel who directly and indirectly supervise the on-site property managers, as well as those employees responsible for providing shared general corporate functions to the extent their efforts are devoted to self-storage operations. Such functions are listed above under centralized management costs. Share-based compensation expense also includes related employer taxes and varies based upon the level of grants and their related vesting and amortization periods, forfeitures, as well as the Company's common share price on the date of each grant.

Analysis of Same Store Depreciation and Amortization

Depreciation and amortization for Same Store Facilities increased 3.2% in 2020 as compared to 2019 and 0.1% in 2019 as compared to 2018. We expect modest increases in depreciation expense in 2021 due to elevated levels of capital expenditures.

Quarterly Financial Data

The following table summarizes selected quarterly financial data with respect to the Same Store Facilities:

	For the Quarter Ended				
	March 31	June 30	September 30	December 31	Entire Year
	(Amounts in thousands, except for per square foot amounts)				
Total revenues:					
2020	$ 609,053	$ 596,896	$ 611,085	$ 619,512	$ 2,436,546
2019	$ 601,805	$ 615,564	$ 628,078	$ 614,782	$ 2,460,229
2018	$ 592,267	$ 603,230	$ 620,706	$ 607,282	$ 2,423,485
Total cost of operations:					
2020	$ 182,842	$ 185,862	$ 179,213	$ 140,911	$ 687,828
2019	$ 175,376	$ 173,911	$ 177,996	$ 142,488	$ 669,763
2018	$ 170,158	$ 166,824	$ 168,580	$ 137,308	$ 642,870
Property taxes:					
2020	$ 70,697	$ 69,913	$ 69,072	$ 38,778	$ 247,860
2019	$ 66,744	$ 67,466	$ 67,272	$ 38,969	$ 240,451
2018	$ 63,689	$ 64,373	$ 64,153	$ 37,820	$ 230,035
Repairs and maintenance:					
2020	$ 12,381	$ 11,292	$ 12,579	$ 12,969	$ 49,221
2019	$ 13,745	$ 12,656	$ 13,154	$ 12,548	$ 51,503
2018	$ 12,485	$ 12,440	$ 12,188	$ 12,794	$ 49,917
Marketing:					
2020	$ 14,275	$ 16,979	$ 15,572	$ 13,075	$ 59,901
2019	$ 8,981	$ 12,404	$ 14,319	$ 13,207	$ 48,911
2018	$ 7,655	$ 8,319	$ 8,444	$ 9,431	$ 33,249
REVPAF:					
2020	$ 16.24	$ 16.13	$ 16.50	$ 16.72	$ 16.40
2019	$ 16.00	$ 16.41	$ 16.72	$ 16.38	$ 16.38
2018	$ 15.75	$ 16.08	$ 16.51	$ 16.15	$ 16.12
Weighted average realized annual rent per occupied square foot:					
2020	$ 17.44	$ 17.11	$ 17.27	$ 17.56	$ 17.34
2019	$ 17.31	$ 17.46	$ 17.75	$ 17.60	$ 17.53
2018	$ 17.10	$ 17.14	$ 17.61	$ 17.47	$ 17.33
Weighted average occupancy levels for the period:					
2020	93.1%	94.3%	95.5%	95.2%	94.5%
2019	92.5%	94.0%	94.2%	93.1%	93.4%
2018	92.1%	93.8%	93.8%	92.5%	93.0%

Analysis of Market Trends

The following table sets forth selected market trends in our Same Store Facilities:

Same Store Facilities Operating Trends by Market

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change	2019	2018	Change
	(Amounts in thousands, except for weighted average data)					
Market (number of facilities, square footage in millions)						
Revenues:						
Los Angeles (212, 14.9)	$ 381,535	$ 379,097	0.6%	$ 379,097	$ 369,091	2.7%
San Francisco (128, 7.9)	205,558	202,747	1.4%	202,747	198,598	2.1%
New York (89, 6.2)	154,538	157,829	(1.6)%	157,829	155,980	2.0%
Seattle-Tacoma (86, 5.8)	114,686	114,774	(0.1)%	114,774	113,189	1.4%
Washington DC (89, 5.5)	112,739	114,483	(1.5)%	114,483	111,511	2.7%
Miami (80, 5.6)	108,598	111,402	(2.5)%	111,402	113,100	(1.5)%
Chicago (129, 8.1)	118,560	119,281	(0.6)%	119,281	118,056	1.0%
Atlanta (97, 6.1)	84,911	85,888	(1.1)%	85,888	85,570	0.4%
Dallas-Ft. Worth (101, 6.4)	82,162	84,988	(3.3)%	84,988	85,570	(0.7)%
Houston (84, 5.8)	70,975	73,683	(3.7)%	73,683	76,939	(4.2)%
Orlando-Daytona (72, 4.5)	60,772	62,869	(3.3)%	62,869	61,944	1.5%
Philadelphia (56, 3.5)	59,666	59,120	0.9%	59,120	56,747	4.2%
West Palm Beach (38, 2.5)	46,038	46,664	(1.3)%	46,664	46,230	0.9%
Tampa (52, 3.5)	46,216	47,706	(3.1)%	47,706	47,797	(0.2)%
Charlotte (50, 3.8)	41,086	41,781	(1.9)%	41,781	41,728	0.1%
All other markets (856, 53.2)	749,666	757,087	(1.1)%	757,087	742,950	1.9%
Total revenues	$ 2,406,546	$ 2,440,229	(1.0)%	$ 2,440,229	$ 2,423,403	1.3%
Net operating income:						
Los Angeles	$ 309,991	$ 311,049	(0.3)%	$ 311,049	$ 303,648	2.4%
San Francisco	163,962	162,667	0.8%	162,667	160,757	1.2%
New York	108,681	111,424	(2.5)%	111,424	110,458	0.9%
Seattle-Tacoma	86,874	89,440	(2.9)%	89,440	88,238	1.4%
Washington DC	82,415	84,704	(2.7)%	84,704	82,859	2.2%
Miami	79,472	82,910	(4.1)%	82,910	85,703	(3.3)%
Chicago	62,749	63,319	(0.9)%	63,319	64,750	(2.2)%
Atlanta	59,940	64,623	(7.0)%	64,623	63,188	2.0%
Dallas-Ft. Worth	56,020	58,192	(3.7)%	58,192	59,575	(2.3)%
Houston	43,073	45,783	(5.9)%	45,783	50,290	(8.9)%
Orlando-Daytona	42,568	45,282	(6.0)%	45,282	44,965	0.7%
Philadelphia	41,572	41,592	(0.0)%	41,592	39,860	4.3%
West Palm Beach	32,752	34,125	(4.0)%	34,125	34,191	(0.2)%
Tampa	31,290	33,421	(6.4)%	33,421	34,100	(2.0)%
Charlotte	29,589	30,104	(2.0)%	30,104	31,244	(3.6)%
All other markets	517,858	532,621	(2.7)%	532,621	526,786	1.0%
Total net operating income	$ 1,748,774	$ 1,790,404	(2.3)%	$ 1,790,404	$ 1,790,617	0.0%

Same Store Facilities Operating Trends by Market (Continued)

	Year Ended December 31			Year Ended December 31		
	2020	2019	Change	2019	2018	Change
Weighted average square foot occupancy:						
Los Angeles	96.7%	95.2%	1.6%	95.2%	94.9%	0.3%
San Francisco	96.1%	94.3%	1.9%	94.3%	94.3%	0.0%
New York	95.2%	94.1%	1.2%	94.1%	94.2%	(0.1)%
Seattle-Tacoma	94.1%	93.0%	1.2%	93.0%	93.0%	0.0%
Washington DC	94.4%	93.4%	1.1%	93.4%	92.3%	1.2%
Miami	94.4%	93.0%	1.5%	93.0%	92.8%	0.2%
Chicago	93.8%	92.1%	1.8%	92.1%	90.3%	2.0%
Atlanta	92.8%	93.0%	(0.2)%	93.0%	93.2%	(0.2)%
Dallas-Ft. Worth	92.9%	92.1%	0.9%	92.1%	91.4%	0.8%
Houston	92.1%	90.1%	2.2%	90.1%	91.3%	(1.3)%
Orlando-Daytona	94.4%	94.2%	0.2%	94.2%	94.6%	(0.4)%
Philadelphia	96.1%	95.3%	0.8%	95.3%	94.9%	0.4%
West Palm Beach	95.0%	94.0%	1.1%	94.0%	93.8%	0.2%
Tampa	93.4%	92.6%	0.9%	92.6%	92.9%	(0.3)%
Charlotte	93.0%	91.9%	1.2%	91.9%	91.5%	0.4%
All other markets	94.5%	93.4%	1.0%	93.6%	92.9%	0.8%
Total weighted average square foot occupancy	94.5%	93.4%	1.2%	93.4%	93.0%	0.4%
Realized annual rent per occupied square foot:						
Los Angeles	$ 25.88	$ 25.86	0.1%	$ 25.86	$ 25.23	2.5%
San Francisco	26.64	26.62	0.1%	26.62	26.02	2.3%
New York	25.62	26.05	(1.7)%	26.05	25.58	2.2%
Seattle-Tacoma	20.33	20.42	(0.4)%	20.42	20.15	1.3%
Washington DC	21.11	21.45	(1.6)%	21.45	21.21	1.1%
Miami	19.77	20.36	(2.9)%	20.36	20.70	(1.6)%
Chicago	14.96	15.15	(1.3)%	15.15	15.31	(1.0)%
Atlanta	13.15	13.56	(3.0)%	13.56	13.27	2.2%
Dallas-Ft. Worth	13.36	13.63	(2.0)%	13.63	13.82	(1.4)%
Houston	12.75	13.39	(4.8)%	13.39	13.81	(3.0)%
Orlando-Daytona	13.54	13.89	(2.5)%	13.89	13.64	1.8%
Philadelphia	16.86	16.65	1.3%	16.65	16.04	3.8%
West Palm Beach	18.51	18.72	(1.1)%	18.72	18.56	0.9%
Tampa	13.78	14.10	(2.3)%	14.10	14.09	0.1%
Charlotte	11.07	11.29	(1.9)%	11.29	11.32	(0.3)%
All other markets	14.95	14.88	(0.5)%	14.88	14.70	1.2%
Total realized rent per occupied square foot	$ 17.94	$ 17.93	(1.1)%	$ 17.93	$ 17.51	1.2%

Same Store Facilities Operating Trends by Market (Continued)

	Year Ended December 31				Year Ended December 31		
	2020	2019	Change	2019	2018	Change
REVPAF:						
Los Angeles	$ 25.02	$ 24.62	1.6%	$ 24.62	$ 23.95	2.8%
San Francisco	25.61	25.09	2.1%	25.09	24.54	2.2%
New York	24.39	24.50	(0.4)%	24.50	24.04	1.9%
Seattle-Tacoma	19.13	18.99	0.7%	18.99	18.74	1.3%
Washington DC	19.93	20.03	(0.5)%	20.03	19.58	2.3%
Miami	18.66	18.93	(1.4)%	18.93	19.21	(1.5)%
Chicago	14.04	13.95	0.6%	13.95	13.82	0.9%
Atlanta	12.20	12.62	(3.3)%	12.62	12.37	2.0%
Dallas-Ft. Worth	12.41	12.55	(1.1)%	12.55	12.63	(0.6)%
Houston	11.75	12.06	(2.6)%	12.06	12.60	(4.3)%
Orlando-Daytona	12.78	13.08	(2.3)%	13.08	12.90	1.4%
Philadelphia	16.20	15.86	2.1%	15.86	15.22	4.2%
West Palm Beach	17.59	17.59	0.0%	17.59	17.42	1.0%
Tampa	12.80	13.06	(2.0)%	13.06	13.08	(0.2)%
Charlotte	10.29	10.38	(0.9)%	10.38	10.36	0.2%
All other markets	13.27	13.55	0.1%	13.55	13.28	2.0%
Total REVPAF	$ 16.29	$ 16.46	(1.0)%	$ 16.46	$ 16.16	1.8%

Revenue declined on a year-over-year basis for nearly all of our markets in 2020 as compared to 2019. We believe that our geographic diversification and scale across substantially all major metropolitan markets in the U.S. provides some insulation from localized economic effects and enhances the stability of our cash flows. It is difficult to predict localized trends in short-term self-storage demand and operating results. Over the long run, we believe that markets that experience population growth, high employment, and otherwise exhibit economic strength and consistency will outperform markets that do not exhibit these characteristics.

Acquired Facilities

The Acquired Facilities represent 131 facilities that we acquired in 2018, 2019, and 2020. As a result of the stabilization process and timing of when these facilities were acquired, year-over-year changes can be significant.

The following table summarizes operating data with respect to the Acquired Facilities:

ACQUIRED FACILITIES

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change (a)	2019	2018	Change (a)
	($ amounts in thousands; except for per square foot amounts)					
Revenues (b):						
2018 Acquisitions	$ 17,119	$ 16,029	$ 1,090	$ 16,029	$ 5,167	$ 10,862
2019 Acquisitions	11,314	12,704	18,630	12,704	-	12,704
2020 Acquisitions	11,365	-	11,365	-	-	-
Total revenues	39,818	28,733	31,085	28,733	5,167	23,566
Cost of operations (b):						
2018 Acquisitions	7,562	7,278	284	7,278	2,197	5,081
2019 Acquisitions	13,323	5,178	8,145	5,178	-	5,178
2020 Acquisitions	6,742	-	6,742	-	-	-
Total cost of operations	27,627	12,456	15,171	12,456	2,197	10,259
Net operating income:						
2018 Acquisitions	9,557	8,751	806	8,751	2,970	5,781
2019 Acquisitions	10,011	7,526	10,485	7,526	-	7,526
2020 Acquisitions	4,623	-	4,623	-	-	-
Net operating income	24,191	16,277	15,914	16,277	2,970	13,307
Depreciation and amortization expense	(40,986)	(24,355)	(16,631)	(24,355)	(5,940)	(18,415)
Net loss	$ (8,795)	$ (8,078)	$ (717)	$ (8,078)	$ (2,970)	$ (5,108)
At December 31:						
Square foot occupancy:						
2018 Acquisitions	89.8%	82.6%	8.7%	82.6%	79.6%	3.8%
2019 Acquisitions	91.7%	73.6%	24.6%	73.6%	-	-
2020 Acquisitions	62.5%	-	-	-	-	-
	77.6%	76.7%	0.8%	76.7%	79.6%	(3.6)%
Annual contract rent per occupied square foot:						
2018 Acquisitions	$ 11.59	$ 11.98	(3.3)%	$ 11.98	$ 11.10	7.9%
2019 Acquisitions	11.91	12.27	(2.9)%	12.27	-	-
2020 Acquisitions	12.58	-	-	-	-	-
	$ 12.18	$ 12.16	0.1%	$ 12.16	$ 11.10	9.5%
Number of facilities:						
2018 Acquisitions	25	25	-	25	25	-
2019 Acquisitions	44	44	-	44	-	44
2020 Acquisitions	42	-	42	-	-	-
	111	69	42	69	25	44
Net rentable square feet (in thousands):						
2018 Acquisitions	1,653	1,629	24	1,629	1,629	-
2019 Acquisitions	3,154	3,133	21	3,133	-	3,133
2020 Acquisitions	4,023	-	4,023	-	-	-
	8,830	4,762	4,068	4,762	1,629	3,133

ACQUIRED FACILITIES (Continued)

	As of December 31, 2020
Costs to acquire (in thousands):	
2018 Acquisitions	$ 181,020
2019 Acquisitions	429,850
2020 Acquisitions	796,065
	1,406,935

(a) Represents the percentage change with respect to square foot occupancy and annual contract rent per occupied square foot, and the absolute nominal change with respect to all other items.

(b) Revenues and cost of operations do not include tenant reinsurance or merchandise sales generated at the facilities. See "Ancillary Operations" below for more information.

We believe that our economies of scale in marketing and operations allows us to generate higher net operating income from newly acquired facilities than was achieved by the previous owners. However, it can take 12 or more months for us to fully achieve the higher net operating income, or even longer in the case of an acquired facility with low occupancy levels and/or below market in place rents, and the ultimate levels of net operating income to be achieved can be affected by changes in general economic conditions. As a result, there can be no assurance that we will achieve our expectations with respect to those newly acquired facilities.

The Acquired Facilities have an aggregate of approximately 9.9 million net rentable square feet, including 0.8 million in Virginia, 0.7 million in each of Minnesota and Texas, 0.6 million in each of Florida and Ohio, 0.5 million each in Georgia, Michigan and Pennsylvania, 0.4 million in each of Colorado, Indiana, Illinois and Nebraska, 0.3 million in each of Alabama, Arizona, California, Massachusetts, Missouri, South Carolina, Tennessee and Washington and 1.0 million in other states.

For 2020, the weighted average annualized yield on cost, based upon net operating income, for the 25 properties acquired in 2018 was 5.3%. The yield for the facilities acquired in 2019 is not meaningful due to the presence of unstabilized facilities. The yield for the facilities acquired in 2020 is not meaningful due to our limited ownership period.

Subsequent to December 31, 2020, we acquired or were under contract to acquire 40 self-storage facilities across 18 states with 3.5 million net rentable square feet, for $588.1 million. These include 12 newly developed facilities that are expected to close as they are completed throughout 2021.

We are actively seeking to acquire additional facilities and the environment for new acquisitions has improved. We are observing increased selling activity for both new contructed non-stabilized and stabilized properties. However, future acquisition volume will depend upon whether additional owners will be motivated to market their facilities, which will in turn depend upon factors such as economic conditions and the level of seller confidence.

Analysis of Depreciation and Amortization of Acquired Facilities

Depreciation and amortization with respect to the Acquired Facilities totaled $41.0 million, $24.4 million and $5.9 million for 2020, 2019, and 2018, respectively. These amounts include (i) depreciation of the acquired buildings, which is recorded generally on a straight line basis over a 25 year period, and (ii) amortization of cost allocated to the tenants in place upon acquisition of a facility, which is recorded based upon the benefit of such existing tenants to each period and thus is highest when the facility is first acquired and declines as such tenants vacate. With respect to the Acquired Facilities owned at December 31, 2020, depreciation of buildings and amortization of tenant intangibles is expected to aggregate approximately $56.5 million in the year ending December 31, 2021. There will be additional depreciation and amortization of tenant intangibles with respect to new buildings that are acquired in 2021.

Developed and Expanded Facilities

The developed and expanded facilities include 77 facilities that were developed on new sites since January 1, 2015, and 71 facilities subject to expansion of their net rentable square footage. Of these expansions, 20 were completed at January 1, 2019, 39 were completed in the 24 months ended December 31, 2020, and 12 were in process at December 31, 2020.

The following table summarizes operating data with respect to the Developed and Expanded Facilities:

DEVELOPED AND EXPANDED FACILITIES

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change (c)	2019	2018	Change (c)
	($ amounts in thousands; except for per square foot amounts)					
Revenues (b):						
Developed in 2015	$ 18,228	$ 17,630	$ 598	$ 17,630	$ 16,648	$ 982
Developed in 2016 - 2018	70,180	56,868	13,312	56,868	37,625	19,243
Developed in 2019	6,455	1,728	4,727	1,728	-	1,728
Developed in 2020	361	-	361	-	-	-
Expansions completed before 2019	33,921	29,354	4,567	29,354	23,752	5,602
Expansions completed in 2019 or 2020	36,031	28,898	7,133	28,898	27,492	1,406
Expansions in process	15,608	16,575	(967)	16,575	17,084	(512)
Total revenues	180,784	151,043	29,741	151,043	122,602	28,441
Cost of operations (b):						
Developed in 2015	5,720	5,842	(122)	5,842	5,712	130
Developed in 2016 - 2018	29,728	27,694	2,034	27,694	22,396	5,298
Developed in 2019	4,685	1,915	2,770	1,915	-	1,915
Developed in 2020	393	-	393	-	-	-
Expansions completed before 2019	11,492	10,462	1,030	10,462	8,156	2,306
Expansions completed in 2019 or 2020	19,372	14,571	4,801	14,571	8,867	5,704
Expansions in process	4,263	3,829	434	3,829	3,727	102
Total cost of operations	75,653	64,312	11,340	64,312	48,858	15,454
Net operating income (loss):						
Developed in 2015	12,508	11,788	720	11,788	10,936	852
Developed in 2016 - 2018	40,452	29,174	11,278	29,174	15,229	13,945
Developed in 2019	1,770	(195)	1,965	(195)	-	(195)
Developed in 2020	(32)	-	(32)	-	-	-
Expansions completed before 2019	22,429	18,892	3,537	18,892	15,596	3,296
Expansions completed in 2019 or 2020	16,659	14,327	2,332	14,327	18,625	(4,298)
Expansions in process	11,386	12,746	(1,359)	12,746	13,358	(613)
Net operating income	105,132	86,731	18,401	86,731	73,744	12,987
Depreciation and amortization expense	(61,641)	(53,844)	(7,797)	(53,844)	(45,454)	(8,390)
Net income	$ 43,479	$ 32,887	$ 10,592	$ 32,887	$ 28,290	$ 4,597
As December 31:						
Square foot occupancy:						
Developed in 2015	92.9%	90.0%	3.2%	90.0%	89.1%	1.0%
Developed in 2016 - 2018	88.6%	74.1%	19.6%	74.1%	63.5%	16.7%
Developed in 2019	84.6%	38.1%	122.0%	38.1%	-	-
Developed in 2020	34.0%	-	-	-	-	-
Expansions completed before 2019	88.5%	75.2%	17.7%	75.2%	58.1%	27.2%
Expansions completed in 2019 or 2020	72.7%	57.8%	25.8%	57.8%	83.8%	(31.0)%
Expansions in process	88.8%	90.9%	(2.2)%	90.9%	98.7%	8.2%
	82.8%	69.6%	19.0%	69.6%	69.8%	(0.3)%

DEVELOPED AND EXPANDED FACILITIES (Continued)

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change (a)	2020	2019	Change (a)
	(Amounts in thousands; except for number of facilities)					
Annual contract rent per occupied square foot:						
Developed in 2015	$ 16.10	$ 15.76	2.2%	$ 15.76	$ 14.87	6.0%
Developed in 2016 - 2018	13.57	13.37	1.5%	13.37	11.87	12.6%
Developed in 2019	9.69	10.13	(4.3)%	10.13	-	-
Developed in 2020	10.08	-	-	-	-	-
Expansions completed before 2019	14.72	14.98	(1.7)%	14.98	16.06	(6.7)%
Expansions completed in 2019 or 2020	10.48	11.71	(10.5)%	11.71	14.55	(19.5)%
Expansions in process	23.87	24.26	(4.9)%	24.26	24.60	-1.4%
	$ 13.96	$ 14.06	(0.7)%	$ 14.06	$ 14.06	0.0%
Number of facilities:						
Developed in 2015	13	13	-	13	13	-
Developed in 2016 - 2018	50	50	-	50	50	-
Developed in 2019	11	11	-	11	-	11
Developed in 2020	3	-	3	-	-	-
Expansions completed before 2019	20	20	-	20	20	-
Expansions completed in 2019 or 2020	39	39	-	39	39	-
Expansions in process	12	12	-	12	12	-
	148	145	3	145	134	11
Net rentable square feet (c):						
Developed in 2015	1,242	1,242	-	1,242	1,242	-
Developed in 2016 - 2018	6,250	6,250	-	6,250	6,135	115
Developed in 2019	1,057	1,057	-	1,057	-	1,057
Developed in 2020	347	-	347	-	-	-
Expansions completed before 2019	2,754	2,754	-	2,754	2,689	65
Expansions completed in 2019 or 2020	5,327	4,611	696	4,611	2,029	2,582
Expansions in process	739	715	24	715	745	(30)
	17,716	16,629	1,087	16,629	12,840	3,789

	As of December 31, 2020
Costs to develop:	
Developed in 2015	$ 119,258
Developed in 2016 - 2018	759,643
Developed in 2019	150,387
Developed in 2020	42,063
Expansions completed before 2019 (d)	159,217
Expansions completed in 2019 or 2020 (d)	228,446
	$ 1,559,012

(a) Represents the percentage change with respect to square foot occupancy and annual contract rent per occupied square foot, and the absolute nominal change with respect to all other items.

(b) Revenues and cost of operations do not include tenant reinsurance or merchandise sales generated at the facilities. See "Ancillary Operations" below for more information.

(c) The facilities included above have an aggregate of approximately 17.7 million net rentable square feet at December 31, 2020, including 4.6 million in Texas, 2.4 million in California, 2.3 million in Florida, 1.5 million in Colorado, 1.1 million in Minnesota, 0.8 million in North Carolina, 0.7 million in Washington, 0.6 million in Missouri, 0.5 million in each of Arizona, Georgia, Michigan and South Carolina and 0.7 million in other states.

(d) These amounts only include the direct cost incurred to expand and renovate these facilities, and do not include (i) the original cost to develop or acquire the facility or (ii) the lost revenue on space demolished during the construction and fill-up period.

It typically takes at least three to four years for a newly developed or expanded self-storage facility to stabilize with respect to revenues. Physical occupancy can be achieved as early as two to three years following completion of the development or expansion, through offering lower rental rates during fill-up. As a result, even after achieving high occupancy, there can still be a period of elevated revenue growth as the tenant base matures and higher rental rates are achieved.

We believe that our development and redevelopment activities generate favorable risk-adjusted returns over the long run. However, in the short run, our earnings are diluted during the construction and stabilization period due to the cost of capital to fund the development cost, as well as the related construction and development overhead expenses included in general and administrative expense. We believe the level of dilution incurred in 2019 and 2020 will continue at similar levels in 2021.

Our existing unstabilized facilities continued to fill up in terms of occupancies consistent with our general expectations during 2020, despite the impact of the COVID Pandemic, and we expect that trend to continue. Our unstabilized facilities are affected by the same market dynamics that affect our Same Store properties. Accordingly, whether we ultimately achieve our yield expectations, and the timeframe for reaching stabilized cash flows, depends largely upon the same factors affecting aggregate demand, move-ins, move-outs, and realized annual rent per occupied square foot for our Same Store Facilities as set forth under "Analysis of Same Store Revenue" above.

At December 31, 2020, we had a pipeline to develop 15 new self-storage facilities and expand 23 existing self-storage facilities, which will add approximately 3.6 million net rentable square feet at a cost of $561.4 million. We have continued to add projects to our development throughout 2020, despite the impact of the COVID Pandemic. We expect to continue to seek to add projects to maintain a robust pipeline. Our ability to do so continues to be challenged by various constraints such as difficulty in finding projects that meet our risk-adjusted yield expectations, and challenges in obtaining building permits for self-storage facilities in certain municipalities.

Newly Developed Facilities:

The facilities included under "Developed in 2015" in the table above had high occupancies at December 31, 2018, but had 3.4% year over year revenue growth in 2020 which exceeds the 1.0% reduction in year over year revenue growth in the Same Store Facilities. This outperformance relative to the Same Store Facilities reflects the maturity of the existing tenant base following attainment of high occupancy, illustrating the latter stage of the stabilization process noted above. The yield on cost for these facilities, based upon the net operating income during 2020, was 10.5%.

We typically underwrite new developments to stabilize at approximately an 8.0% NOI yield on cost. We believe the 2016-2018 developed facilities, in aggregate, will meet that target on stabilization, though not to the same level of yield as the 2015 developed facilities, and have thus far leased-up as expected. The occupancies of facilities developed in 2019 and 2020 have leased-up as expected and are at the beginning of their revenue stabilization periods. We expect continued growth in these in 2021 and beyond as they continue to stabilize. The annualized yields that may be achieved on these facilities upon stabilization will depend on many factors, including local and current market

conditions in the vicinity of each property, the level of new and existing supply, as well as the impact of the COVID Pandemic.

We have 15 additional newly developed facilities in process, which will have a total of 1.4 million net rentable square feet of storage space and have an aggregate development cost totaling approximately $235.6 million. We expect these facilities to open over the next 18 to 24 months.

Expansions of Existing Facilities.

The expansion of an existing facility involves the construction of new space on an existing facility, either on existing unused land or through the demolition of existing buildings in order to facilitate densification. The construction costs for an expanded facility may include, in addition to adding space, adding amenities such as climate control to existing space, improving the visual appeal of the facility, and to a much lesser extent, the replacement of existing doors, roofs, and HVAC.

The return profile on the expansion of existing facilities differs from a new facility, due to a lack of land cost, and there can be less cash flow risk because we have more direct knowledge of the local demand for space on the site as compared to a new facility. However, expansions involve the demolition of existing revenue-generating space with the loss of the related revenues during the construction and fill-up period.

The facilities under "completed expansions" represent those facilities where the expansions have been completed at December 31, 2020. We incurred a total of $478.7 million in direct cost to expand these facilities, demolished a total of 1.1 million net rentable square feet of storage space, and built a total of 5.2 million net rentable square feet of new storage space.

The facilities under "expansions in process" represent those facilities where development is in process at December 31, 2020. We have a pipeline to add a total of 2.2 million net rentable square feet of storage space by expanding existing self-storage facilities for an aggregate direct development cost of $325.8 million.

Analysis of Depreciation and Amortization of Developed and Expanded Facilities.

Depreciation and amortization with respect to the Developed and Expanded Facilities totaled $61.6 million, $53.8 millions and $45.5 million for 2020, 2019, and 2018, respectively. Those amounts represent depreciation of the developed buildings and, in the case of the expanded facilities, the legacy depreciation on the existing buildings. With respect to the Developed and Expanded Facilities completed at December 31, 2020, depreciation of buildings is expected to aggregate approximately $67.3 million in 2021. There will be additional depreciation of new buildings that are developed or expanded in 2021.

Other non-same store facilities

The "Other non-same store facilities" represent facilities which, while not newly acquired, developed, or expanded, are not fully stabilized since January 1, 2018, due primarily to casualty events such as hurricanes, floods, and fires.

The Other non-same store facilities have an aggregate 3.7 million net rentable square feet, including 0.8 million in Texas, 0.5 million in each of Ohio and Oklahoma, 0.4 million in South Carolina, 0.3 million in each Florida and New York, and 0.9 million in other states.

The net operating income for these facilities decreased from $30.5 million in 2018 to $28.7 million in 2019 and decreased from $28.7 million in 2019 to $26.1 million in 2020. During 2020, 2019, and 2018, the average occupancy for these facilities totaled 89.2%, 86.1%, and 85.5%, respectively, and the realized rent per occupied square foot totaled $12.66, $12.11, and $12.92, respectively.

Over the longer term, we expect the growth in operations of these facilities to be similar to that of our Same Store facilities. However, in the short run, year over year comparisons will vary due to the impact of the underlying events which resulted in these facilities being classified as non-same store.

Depreciation and amortization with respect to the other non-same store facilities totaled $28.2 million, $25.4 million and $23.3 million for 2020, 2019, and 2018, respectively. We expect depreciation for these facilities in 2021 to approximate the depreciation incurred in 2020.

Ancillary Operations

Ancillary revenues and expenses include amounts associated with the reinsurance of policies against losses to goods stored by tenants in our self-storage facilities in the U.S., the sale of merchandise at our self-storage facilities and third party property management. The following table sets forth our ancillary operations:

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change	2019	2018	Change
			(Amounts in thousands)			
Revenues:						
Tenant reinsurance premiums	$ 149,286	$ 131,913	$ 17,373	$ 131,913	$ 125,575	$ 6,338
Merchandise	29,702	30,358	(656)	30,358	31,098	(740)
Third party property management	14,450	8,285	6,165	8,285	5,243	3,042
Total revenues	193,438	170,556	22,882	170,556	161,916	8,640
Cost of Operations:						
Tenant reinsurance	28,486	26,202	2,284	26,202	25,646	556
Merchandise	17,689	18,002	(313)	18,002	18,345	(343)
Third party property management	13,874	6,932	7,942	6,932	4,803	2,129
Total cost of operations	59,919	50,736	9,183	50,736	47,844	2,892
Net operating income						
Tenant reinsurance	120,800	105,711	15,089	105,711	99,929	5,782
Merchandise	12,013	12,356	(263)	12,356	12,753	(397)
Third party property management	576	1,753	(1,177)	1,753	1,880	(127)
Total net operating income	$ 133,519	$ 119,820	$ 13,699	$ 119,820	$ 114,572	$ 5,248

Tenant reinsurance operations: Our customers have the option of purchasing insurance from a non-affiliated insurance company to cover certain losses to their goods stored at our facilities. A wholly-owned, consolidated subsidiary of Public Storage fully reinsures such policies, and thereby assumes all risk of losses under these policies from the insurance company. The subsidiary receives reinsurance premiums, substantially equal to the premiums collected from our tenants, from the non-affiliated insurance company. Such reinsurance premiums are shown as "Tenant reinsurance premiums" in the above table.

Tenant reinsurance revenue increased 13.2% in 2020 and 5.0% in 2019 on a year over year basis. These increases reflect higher average premiums, as well as an increase in the tenant base with respect to acquired, newly developed, and expanded facilities. Tenant insurance revenues with respect to our Same Store Facilities totaled $125.5 million, $114.5 million, and $112.3 million in 2020, 2019, and 2018, respectively, representing a 7.9% year over year increase in 2020 and 2.0% year over year increase in 2019.

We expect future growth will come primarily from customers of newly acquired and developed facilities, as well as additional tenants at our existing unstabilized self-storage facilities.

Cost of operations primarily includes claims paid as well as claims adjustment expenses. Claims expenses vary based upon the number of insured tenants and the volume of events which drive customer covered losses, such as burglary, as well as catastrophic weather events affecting multiple properties such as hurricanes and floods. Cost of operations were $28.5 million in 2020, $26.2 million in 2019, and $25.6 million in 2018.

Merchandise sales: We sell locks, boxes, and packing supplies at our self-storage facilities and the level of sales of these items is primarily impacted by the level of move-ins and other customer traffic at our self-storage facilities. We do not expect any significant changes in revenues or profitability from our merchandise sales in 2021.

Third party property management: At December 31, 2020, we manage 92 facilities for third parties, and were under contract to manage 25 additional facilities including 24 facilities that are currently under construction. While we expect this business to increase in scope and size, we don't expect any significant changes in overall profitability of this business in the near term as we seek new properties to manage and are in the earlier stages of lease-up for newly managed properties.

Equity in earnings of unconsolidated real estate entities

At December 31, 2020, we had equity investments in PSB and Shurgard which we account for on the equity method and record our pro-rata share of the net income of these entities for each period. The following table, and the discussion below, sets forth the significant components of our equity in earnings of unconsolidated real estate entities:

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change	2019	2018	Change
			(Amounts in thousands)			
Equity in earnings:						
PSB	$ 64,835	$ 54,090	$ 10,745	$ 54,090	$ 89,362	$ (35,272)
Shurgard	15,662	15,457	205	15,457	14,133	1,324
Total equity in earnings	$ 80,497	$ 69,547	$ 10,950	$ 69,547	$ 103,495	$ (33,948)

Investment in PSB: Throughout all periods presented, we owned 7,198,354 shares of PSB common stock and 7,505,355 limited partnership units in an operating partnership controlled by PSB, representing an aggregate approximately 42% common equity interest. The limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock.

At December 31, 2020, PSB wholly-owned approximately 27.7 million rentable square feet of commercial space and had a 95% interest in a 395-unit apartment complex. PSB also manages commercial space that we own pursuant to property management agreements.

Included in our equity earnings from PSB are (i) our equity share of gains on sale of real estate totaling $11.3 million, $4.4 million and $37.7 million for 2020, 2019, and 2018, respectively, and (ii) our equity share of preferred redemption charges totaling $4.6 million for 2019

Equity in earnings from PSB, excluding the aforementioned real estate gains and preferred redemption charges, decreased $9.7 million in 2020 as compared to 2019 due primarily to reduced net operating income from PSB's sale of assets and increased $2.6 million in 2019 as compared to 2018 due primarily to improved property operations. See Note 4 to our December 31, 2020 financial statements for further discussion regarding PSB. PSB's filings and selected financial information, including discussion of the factors that affect its earnings, including impacts from the COVID Pandemic, can be accessed through the SEC, and on PSB's website, www.pbsnationwide.com. Information on this website is not incorporated by reference herein and is not a part of this Annual Report on Form 10-K.

Investment in Shurgard: Throughout all periods presented, we effectively owned, directly and indirectly 31.3 million Shurgard common shares. On October 15, 2018, Shurgard completed an initial global offering (the "Offering"), issuing 25.0 million of its common shares to third parties at a price of €23 per share (€575 million in gross proceeds), reducing our ownership interest from 49% to approximately 35%. Following the Offering, Shurgard's shares trade on Euronext Brussels under the "SHUR" symbol. While we did not sell any shares in the Offering, and have no current plans to do so, we recorded a gain on disposition in 2018 totaling $171.6 million as if we had sold a proportionate share of our investment in Shurgard.

At December 31, 2020, Shurgard owned 241 self-storage facilities with approximately 13 million net rentable square feet. Shurgard pays us license fees for use of the "Shurgard" trademark, as described in more detail in Note 4 to our December 31, 2020 financial statements.

In 2020, 2019, and 2018, Shurgard acquired six facilities, three facilities and eight facilities, respectively, for an aggregate cost of $55.6 million, $17.6 million, and $114.5 million, respectively. In 2020, Shurgard opened one newly developed facility at an aggregate cost totaling $17.2 million, and in each of 2019 and 2018, Shurgard opened two newly developed facilities at an aggregate cost totaling $22.2 million, and $19.6 million, respectively.

The $0.2 million increase in our equity earnings from Shurgard from 2019 to 2020 is due to the impact of improved same store operating income offset partially by increases in tax and depreciation expense. The increase of $1.3 million from 2018 to 2019 is due to (i) a $10.1 million decrease in our equity share of depreciation expense, (ii) a $5.2 million decrease in our equity share of costs due to a casualty loss occurring in 2018 and the costs of the Offering, offset partially by (iii) a reduced average equity ownership interest during 2019 due to the Offering as well as $220 million uninvested offering proceeds, and (iv) a 5.2% reduction in average exchange rates of the U.S. Dollar to the Euro.

Shurgard's public filings and publicly reported information, including discussion of the factors that affect its earnings, including impacts from the COVID Pandemic, can be obtained on its website, https://corporate.shurgard.eu and on the website of the Luxembourg Stock Exchange, http://www.bourse.lu. Information on these websites is not incorporated by reference herein and is not a part of this Annual Report on Form 10-K.

For purposes of recording our equity in earnings from Shurgard, the Euro was translated at exchange rates of approximately 1.226 U.S. Dollars per Euro at December 31, 2020 (1.122 at December 31, 2019), and average exchange rates of 1.141 for 2020, 1.120 for 2019, and 1.181 for 2018.

Analysis of items not allocated to segments

General and administrative expense: The following table sets forth our general and administrative expense:

	Year Ended December 31,			Year Ended December 31,		
	2020	2019	Change	2019	2018	Change
			(Amounts in thousands)			
Share-based compensation expense	$ 19,068	$ 14,522	$ 4,546	$ 14,522	$ 54,592	$ (40,070)
Costs of senior executives	2,621	2,309	312	2,309	4,822	(2,513)
Development and acquisition costs	10,076	6,850	3,226	6,850	5,441	1,409
Tax compliance costs and taxes paid	7,949	5,081	2,868	5,081	5,438	(357)
Legal costs	10,021	7,692	2,329	7,692	8,234	(542)
Public company costs	4,975	5,007	(32)	5,007	4,712	295
Other costs	20,485	20,685	7,808	20,685	21,473	(788)
Total	$ 83,195	$ 62,146	$ 21,055	$ 62,146	$ 104,712	$ (42,566)

Share-based compensation expense includes the amortization of restricted share units and stock options granted to certain corporate employees and trustees, as well as related employer taxes. We revised our prior period financial statements to correct the presentation of share-based compensation expense between general and administrative expense and self-storage cost of operations. As a result, we revised our statements of income for the years ended December 31, 2019 and 2018 with an increase in self-storage cost of operations of $9.0 million and $14.0 million, respectively, and a corresponding decrease to general and administrative expenses. This immaterial correction had no impact on our total expenses or net income. The correction also had no impact on the balance sheet, statements of comprehensive income, statements of equity, or cash flows as of and for the year ended December 31, 2019 and 2018.

Share-based compensation expense, as well as related employer taxes, for management personnel who directly and indirectly supervise the on-site property managers, as well as those employees responsible for providing shared general corporate functions to the extent their efforts are devoted to self-storage operations, are included as self-storage cost of operations. See "Same Store Facilities" for further information. Share-based compensation expense varies based upon the level of grants and their related vesting and amortization periods, forfeitures, as well as the Company's common share price on the date of each grant.

In February 2018, we announced that our CEO and CFO at the time were retiring from their executive roles at the end of 2018 and would serve only as trustees of the Company. Accordingly, all remaining share-based compensation expense for these two executives was amortized through the end of 2018, resulting in approximately $30.7 million in incremental share-based compensation expense for 2018.

In July 2020, our share-based compensation plans were modified to allow immediate vesting upon retirement ("Retirement Acceleration"), and to extend the exercisability of outstanding stock options up to a year after retirement, for currently outstanding and future grants. Employees are eligible for Retirement Acceleration if they meet certain conditions including length of service, age, notice of intent to retire, and facilitation of succession for their role. This modification resulted in incremental share-based compensation expense during 2020.

Costs of senior executives represent the cash compensation paid to our CEO and CFO.

Development and acquisition costs primarily represent internal and external expenses related to our development and acquisition of real estate facilities and varies primarily based upon the level of activities. The amounts in the above table are net of $11.8 million, $12.0 million, and $12.2 million for 2020, 2019, and 2018, respectively, in development costs that were capitalized to newly developed and redeveloped self-storage facilities.

During 2020, we incurred $3.2 million in costs associated with the write-off of cancelled development projects. Development and acquisition costs are expected to remain consistent in 2021 with the amount incurred in 2019.

Tax compliance costs and taxes paid include taxes paid to various state and local authorities, the internal and external costs of filing tax returns, costs associated with complying with federal and state tax laws, and maintaining our compliance with Internal Revenue Service REIT rules. Such costs vary primarily based upon the tax rates of the various states in which we do business.

Legal costs include internal personnel as well as fees paid to legal firms and other third parties with respect to general corporate legal matters and risk management, and varies based upon the level of legal activity. The future level of legal costs is not determinable.

Public company costs represent the incremental costs of operating as a publicly-traded company, such as internal and external investor relations expenses, stock listing and transfer agent fees, Board costs, and costs associated with maintaining compliance with applicable laws and regulations, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and Sarbanes-Oxley Act of 2002.

Other costs represent certain professional and consulting fees, payroll, and overhead that are not attributable to our property operations. Such costs include nonrecurring and variable items, including $1.6 million in due diligence costs incurred in 2020, in connection with our non-binding proposal, which we did not proceed with, to acquire 100% of the implied securities of National Storage REIT, as well as $5.6 million in advisory costs. The level of these costs depends upon corporate activities and initiatives and, as a result, such costs are not predictable.

Our future general and administrative expenses are difficult to estimate, due to their dependence upon many factors, including those noted above.

Interest and other income: Interest and other income is comprised primarily of the net income from our commercial operations, our property management operation, interest earned on cash balances, and trademark license fees received from Shurgard, as well as sundry other income items that are received from time to time in varying amounts. Excluding amounts attributable to our commercial operations totaling $8.6 million, $8.9 million, and $9.9 million in 2020, 2019, and 2018, respectively, interest and other income decreased $4.0 million in 2020 and increased $3.1 million in 2019 on a year over year basis. The decrease for 2020 includes $10.6 million of interest earned on cash balances, partially offset by litigation settlements and the early repayment of notes receivable. The level of other interest and income items in 2021 will be dependent upon the level of cash balances we retain, interest rates, and the level of sundry other income items.

Interest expense: For 2020, 2019 and 2018, we incurred $59.7 million, $49.6 million, and $37.3 million, respectively, of interest on our outstanding debt. In determining interest expense, these amounts were offset by capitalized interest of $3.4 million, $3.9 million and $4.8 million during 2020, 2019, and 2018, respectively, associated with our development activities. The increase in 2020, 2019, and 2018 is due to the issuance of debt. At December 31, 2020, we had $2.5 billion of debt outstanding, with an average interest rate of approximately 2.4%. On January 19, 2021, we issued, $500 million of senior notes bearing interest at an annual rate of 0.875% and maturing on February 15, 2026.

Future interest expense will be dependent upon the level of outstanding debt and the amount of in-process development costs.

Foreign Exchange Gain (Loss): For 2020, we recorded a foreign currency translation loss of $98.0 million representing the change in the U.S. Dollar equivalent of our Euro-denominated unsecured notes due to fluctuations in exchange rates (gains of $7.8 million and loss of $18.1 million for 2019 and 2018, respectively). The Euro was translated at exchange rates of approximately 1.226 U.S. Dollars per Euro at December 31, 2020, 1.122 at December 31, 2019 and 1.144 at December 31, 2018. Future gains and losses on foreign currency translation will be

dependent upon changes in the relative value of the Euro to the U.S. Dollar, and the level of Euro-denominated debt outstanding.

Gain on Real Estate Investment Sales: In 2020, 2019 and 2018, we recorded gains on real estate investment sales totaling $1.5 million, $6.3 million and $37.9 million, respectively. On October 18, 2018, we sold our property in West London to Shurgard for $42.1 million and recorded a related gain on sale of real estate of approximately $31.5 million. The remainder of the gains are primarily in connection with the partial sale of real estate facilities pursuant to eminent domain proceedings.

Gain due to Shurgard Public Offering: In connection with Shurgard's Offering of its common shares to the public, our equity interest in Shurgard decreased from 49% to 35.2%. While we did not sell any of our shares in the Offering, we recorded a gain on disposition in 2018 of $151.6 million, as if we had sold a proportionate share of our investment in Shurgard.

Net Income Allocable to Preferred Shareholders: Net income allocable to preferred shareholders based upon distributions totaled $207.1 million, $210.2 million, and $216.3 million in 2020, 2019, and 2018, respectively. These decreases are due primarily to lower average coupon rates due to redemptions of preferred shares with the proceeds from the issuance of new series with lower market coupon rates. We also allocated $48.3 million and $32.7 million of income from our common shareholders to the holders of our preferred shares in 2020 and 2019, respectively, (none in 2018) in connection with the redemption of our preferred shares. Based upon our preferred shares outstanding at December 31, 2020, our quarterly distribution to our preferred shareholders is expected to be approximately $45.2 million.

Liquidity and Capital Resources

While being a REIT allows us to minimize the payment of U.S. federal corporate income tax expense, we are required to distribute 100% of our taxable income to our shareholders. This requirements limits cash flow from operations that can be retained and reinvested in the business, increasing our reliance upon raising capital to fund growth.

Because raising capital is important to our growth, we endeavor to maintain a strong financial profile characterized by strong credit metrics, including low leverage relative to our total capitalization and operating cash flows. We are one of the highest rated REITs, as rated by major rating agencies Moody's and Standard & Poor's. Our senior debt has an "A" credit rating by Standard & Poor's and "A2" by Moody's. Our credit ratings on each of our series of preferred shares are "A3" by Moody's and "BBB+" by Standard & Poor's. Our credit profile and ratings enable us to effectively access both the public and private capital markets to raise capital.

While we must distribute our taxable income, we are nonetheless able to retain operating cash flow to the extent that our tax depreciation exceeds our maintenance capital expenditures. In recent years, we have retained approximately $200 million to $300 million per year in cash flow.

Capital needs in excess of retained cash flow are met with: (i) preferred equity, (ii) medium and long-term debt, and (iii) common equity. We select among these sources of capital based upon relative cost, availability, the desire for leverage, and considering potential constraints caused by certain features of capital sources, such as debt covenants. We view our line of credit, as well as short-term bank loans, as bridge financing.

We have a $500.0 million revolving line of credit which we occasionally use as temporary "bridge" financing until we are able to raise longer term capital. As of December 31, 2020 and February 24, 2021, there were no borrowings outstanding on the revolving line of credit; however, we do have approximately $24.3 million of outstanding letters of credit which limits our borrowing capacity to $475.7 million. Our line of credit matures on April 19, 2024.

We believe that we have significant financial flexibility to adapt to changing conditions and opportunities. Currently, market rates of interest for our debt, and market coupon rates for our preferred equity, are at historically low levels and we have significant access to these sources of capital. On November 17, 2020, we issued $170.0 million in preferred securities at a 3.900% coupon rate and on January 19, 2021 we issued $500.0 million of unsecured senior notes at 0.875% maturing on February 15, 2026, both representing historically low financing costs to fund our growth initiatives. Based upon our substantial current liquidity relative to our capital requirements noted below, we would not expect any potential capital market dislocations to have a material impact upon our expected capital and growth plans over the next 12 months. However, if capital market conditions were to change significantly in the long run, our access to or cost of debt and preferred equity capital could be negatively impacted and potentially affect future investment activities.

Liquidity and Capital Resource Analysis: We believe that our net cash provided by our operating activities will continue to be sufficient to enable us to meet our ongoing requirements for principal payments on debt, maintenance capital expenditures and distributions to our shareholders for the foreseeable future.

As of December 31, 2020, we expect capital resources over the next year of approximately $1.5billion, which exceeds our currently identified capital needs of approximately $1.3 billion. Our expected capital resources include: (i) $257.6 million of cash as of December 31, 2020, (ii) $475.7 million of available borrowing capacity on our revolving line of credit, (iii) $496.2 million in net proceeds from the public issuance of Senior Note due 2026 on January 19, 2021, and (iv) approximately $250 million to $300 million of expected retained operating cash flow in 2021. Retained operating cash flow represents our expected cash flow provided by operating activities, less shareholder distributions and capital expenditures.

Our currently identified capital needs consist primarily of (i) $500.1 million in property acquisitions currently under contract, (ii) $773.3 million of remaining spending on our current development pipeline, which will be incurred primarily in the next 18 to 24 months and (iii) $300 million for the redemption of our Series B Preferred Shares. We have no substantial principal payments on debt until 2022. We expect our capital needs to increase over the next year as we add projects to our development pipeline and acquire additional properties. Additional potential capital needs could result from various activities including the redemption of outstanding preferred securities, repurchases of common stock, or mergers and acquisition activities; however, there can be no assurance of any such activities transpiring in the near or longer term.

To the extent our retained operating cash flow, cash on hand, and line of credit are insufficient to fund our activities, we believe we have a variety of possibilities to raise additional capital including issuing common or preferred securities, issuing debt, or entering into joint venture arrangements to acquire or develop facilities.

Required Debt Repayments: As of December 31, 2020, the principal outstanding on our debt totaled approximately $2.6 billion, consisting of $25.2 million of secured debt, $1.0 billion of Euro-denominated unsecured debt and $1.5 billion of U.S. Dollar denominated unsecured debt. Approximate principal maturities are as follows (amounts in thousands):

2021	$ 1,851
2022	502,574
2023	19,219
2024	122,770
2025	396,952
Thereafter	1,614,561
	$ 2,657,926

On January 19, 2021, we completed a public offering of $500 million aggregate principal amount of senior notes bearing interest at an annual rate of 0.875% and maturing on February 15, 2026.

Our debt is well-laddered and we have no material debt maturities until September 2022.

Capital Expenditure Requirements: Capital expenditures include general maintenance, major repairs or replacements to elements of our facilities to keep our facilities in good operating condition and maintain their visual appeal. Capital expenditures do not include costs relating to the development of new facilities or redevelopment of existing facilities to increase their available rentable square footage.

Capital expenditures totaled $163.8 million in 2020, and are expected to approximate $250.0 million in 2021. In addition to standard capital repairs of building elements reaching the end of their useful lives, our capital expenditures in recent years have included incremental expenditures to enhance the competitive position of certain of our facilities relative to local competitors pursuant to a multi-year program. Such investments include development of more pronounced, attractive, and clearly identifiable color schemes and signage, upgrades to the configuration and layout of the offices and other customer zones to improve the customer experience. In addition, we have made investments in LED lighting and the installation of solar panels.

We believe that these incremental investments improve customer satisfaction, the attractiveness and competitiveness of our facilities to new and existing customers and, in the case of LED lighting and solar panels, reduce operating costs. We expect to experience capital expenditures of $250 million to $300 million per year over the next several years.

Requirement to Pay Distributions: For all periods presented herein, we have elected to be treated as a REIT, as defined in the Code. For each taxable year in which we qualify for taxation as a REIT, we will not be subject to U.S. federal corporate income tax on our "REIT taxable income" (generally, taxable income subject to specified adjustments, including a deduction for dividends paid and excluding our net capital gain) that is distributed to our shareholders. We believe we have met these requirements in all periods presented herein, and we expect to continue to qualify as a REIT.

On February 16, 2021, our Board declared a regular common quarterly dividend of $2.00 per common share totaling approximately $159 million, which will be paid at the end of March 2021. Our consistent, long-term dividend policy has been to distribute only our taxable income. Future quarterly distributions with respect to the common shares will continue to be determined based upon our REIT distribution requirements after taking into consideration distributions to the preferred shareholders and will be funded with cash flows from operating activities.

We estimate the annual distribution requirements with respect to our Preferred Shares outstanding at December 31, 2020, excluding the Series B Preferred Shares which were redeemed on January 20, 2021 to be approximately $180.7 million per year.

We estimate we will pay approximately $5.6 million per year in distributions to noncontrolling interests outstanding at December 31, 2020.

Real Estate Investment Activities: We continue to seek to acquire additional self-storage facilities from third parties. Subsequent to December 31, 2020, we acquired or were under contract to acquire 40 self-storage facilities for a total purchase price of $580.1 million. Twelve of these properties are under construction and expected to close as they are completed in 2021.

We are actively seeking to acquire additional facilities. However, future acquisition volume will depend upon whether additional owners will be motivated to market their facilities, which will in turn depend upon factors such as economic conditions and the level of seller confidence.

As of December 31, 2020, we had development and expansion projects at a total cost of approximately $561.4 million. Costs incurred through December 31, 2020 were $188.1 million, with the remaining cost to complete of $373.3 million expected to be incurred primarily in the next 18 to 24 months. Some of these projects are subject to contingencies such as entitlement approval. We expect to continue to seek to add projects to maintain and increase

our robust pipeline. Our ability to do so continues to be challenged by various constraints such as difficulty in finding projects that meet our risk-adjusted yield expectations, and challenges in obtaining building permits for self-storage facilities in certain municipalities.

Redemption of Preferred Securities: Historically, we have taken advantage of refinancing higher coupon preferred securities with lower coupon preferred securities. In the future, we may also elect to finance the redemption of preferred securities with proceeds from the issuance of debt. As of December 31, 2020, we have preferred securities with a weighted average coupon of approximately 5.8% that are redeemable at our option beginning in 2021. Our ability to do so is dependent on the redemption dates of all of our series of preferred shares. Redemption of such preferred shares will depend upon many factors, including the rate at which we could issue replacement preferred securities. None of our preferred securities are redeemable at the option of the holders.

Repurchases of Common Shares: Our Board has authorized management to repurchase up to 35,000,000 of our common shares on the open market or in privately negotiated transactions. During 2020, we did not repurchase any of our common shares. From the inception of the repurchase program through February 24, 2021, we have repurchased a total of 23,721,916 common shares at an aggregate cost of approximately $679.1 million. Future levels of common share repurchases will be dependent upon our available capital, investment alternatives and the trading price of our common shares.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

To limit our exposure to market risk, we are capitalized primarily with preferred and common equity. Our preferred shares are redeemable at our option generally five years after issuance, but the holder has no redemption option. Our debt is our only market-risk sensitive portion of our capital structure, which totals approximately $2.5 billion and represents 29.7% of the book value of our equity at December 31, 2020.

We have foreign currency exposure at December 31, 2020 related to (i) our investment in Shurgard, with a book value of $341.1 million, and a fair value of $1.4 billion based upon the closing price of Shurgard's stock on December 31, 2020, and (ii) €842.0 million ($1.0 billion) of Euro-denominated unsecured notes payable.

The fair value of our fixed rate debt at December 31, 2020 is approximately $2.8 billion. The table below summarizes the annual maturities of our fixed rate debt, which had a weighted average effective rate of 2.4% at December 31, 2020. See Note 6 to our December 31, 2020 financial statements for further information regarding our fixed rate debt (amounts in thousands):

	2021	2022	2023	2024	2025	Thereafter	Total
Fixed rate debt	$ 1,851	$ 502,574	$ 19,219	$ 122,770	$ 296,952	$ 1,614,563	$ 2,557,929

ITEM 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports we file and submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in accordance with SEC guidelines and that such information is communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures in reaching that level of reasonable assurance. We also have investments in certain unconsolidated real estate entities and because we do not control these entities, our disclosure controls and procedures with respect to such entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

As of December 31, 2020, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2020, at a reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee on Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our evaluation under the framework in *Internal Control-Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of internal control over financial reporting as of December 31, 2020, has been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young LLP's report on our internal control over financial reporting appears below.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2020 to which this report relates that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

To the Shareholders and Board of Trustees of Public Storage

Opinion on Internal Control over Financial Reporting

We have audited Public Storage's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Public Storage (the Company) maintained, in all material aspects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2020 and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 24, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California
February 24, 2021

ITEM 9B. Other Information

None.

PART III

ITEM 10. Trustees, Executive Officers and Corporate Governance.

The following is a biographical summary of the current executive officers of the Company:

Joseph D. Russell, Jr., age 61, has served as Chief Executive Officer since January 1, 2019, and as President since July 2016. Prior to joining Public Storage, Mr. Russell was President and Chief Executive Officer of PS Business Parks, Inc. from August 2002 to July 2016. Mr. Russell has also served as a trustee of Public Storage since January 1, 2019, and as a director of PS Business Parks, Inc. since August 2003.

H. Thomas Boyle, age 38, has served as Chief Financial Officer since January 1, 2019, and was previously Vice President and Chief Financial Officer, Operations since joining the Company in November 2016. Prior to joining Public Storage, Mr. Boyle served in roles of increasing responsibilities with Morgan Stanley since 2005, from analyst to his last role as Executive Director, Equity and Debt Capital Markets.

Nathaniel A. Vitan, age 47, has served as Senior Vice President, Chief Legal Officer and Corporate Secretary since April 20, 2019, and was Vice President and Chief Counsel–Litigation and Operations since joining the Company in June 2016. Prior to joining Public Storage, Mr. Vitan was Assistant General Counsel for Altria Client Services, Inc. and served as a Trial Practice and Appellate Litigation Attorney at Latham & Watkins LLP.

Natalie Johnson, age 43, has served as the Chief Administrative Officer since August 4, 2020. Previously, Ms. Johnson served as Senior Vice President, Chief Human Resources Officer from April 25, 2018 to August 4, 2020 and Senior Vice President of Human Resources from July 2016 to April 2018. Prior to joining Public Storage, Ms. Johnson held a variety of senior management positions at Bank of America, including Chief Operating Officer for Mortgage Technology and Human Resources Executive for the Mortgage Business and worked for Coca-Cola Andina and San Cristóbal Insurance.

Other information required by this item is hereby incorporated by reference to the material appearing in the Notice and Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 11. Executive Compensation

The information required by this item is hereby incorporated by reference to the material appearing in the Notice and Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The following table sets forth information as of December 31, 2020 on the Company's equity compensation plans:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders (a)	3,513,955 (b)	$210.59 (d)	343,648
Equity compensation plans not approved by security holders (c)	-	-	-

a) The Company's stock option and stock incentive plans are described more fully in Note 10 to the December 31, 2020 financial statements. All plans were approved by the Company's shareholders.
b) Includes 552,788 restricted share units that, if and when vested, will be settled in common shares of the Company on a one for one basis.
c) There are no securities available for future issuance or currently outstanding under plans not approved by the Company's shareholders as of December 31, 2020.
d) Represents the average exercise price of 2,961,167 stock options outstanding at December 31, 2020. We also have 552,788 restricted share units outstanding at December 31, 2020 that vest for no consideration.

Other information required by this item is hereby incorporated by reference to the material appearing in the Notice and Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is hereby incorporated by reference to the material appearing in the Notice and Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A under the Exchange Act.

ITEM 14. Principal Accountant Fees and Services

The information required by this item is hereby incorporated by reference to the material appearing in the Notice and Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A under the Exchange Act of 1934.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

a. 1. Financial Statements

The financial statements listed in the accompanying Index to Financial Statements and Schedules hereof are filed as part of this report.

2. Financial Statement Schedules

The financial statements schedules listed in the accompanying Index to Financial Statements and Schedules are filed as part of this report.

3. Exhibits

See Index to Exhibits contained herein.

b. Exhibits:

See Index to Exhibits contained herein.

c. Financial Statement Schedules

Not applicable.

PUBLIC STORAGE

INDEX TO EXHIBITS (1)

(Items 15(a)(3) and 15(c))

3.1	Articles of Amendment and Restatement of Declaration of Trust of Public Storage, a Maryland real estate investment trust, filed with the Maryland State Department of Assessments and Taxation on May 4, 2018. Filed with the Registrant's Current Report on Form 8-K dated May 8, 2018 and incorporated by reference herein.
3.2	Amended and Restated Bylaws of Public Storage, a Maryland real estate investment trust, dated May 4, 2018. Filed with the Registrant's Current Report on Form 8-K dated May 8, 2018 and incorporated by reference herein.
3.3	Articles Supplementary for Public Storage 5.400% Cumulative Preferred Shares, Series B. Filed with the Registrant's Current Report on Form 8-K dated January 12, 2016 and incorporated by reference herein.
3.4	Articles Supplementary for Public Storage 5.125% Cumulative Preferred Shares, Series C. Filed with the Registrant's Current Report on Form 8-K dated May 10, 2016 and incorporated by reference herein.
3.5	Articles Supplementary for Public Storage 5.950% Cumulative Preferred Shares, Series D. Filed with the Registrant's Current Report on Form 8-K dated July 11, 2016 and incorporated by reference herein.
3.6	Articles Supplementary for Public Storage 4.900% Cumulative Preferred Shares, Series E. Filed with the Registrant's Current Report on Form 8-K dated October 6, 2016 and incorporated by reference herein.
3.7	Articles Supplementary for Public Storage 5.150% Cumulative Preferred Shares, Series F. Filed with the Registrant's Current Report on Form 8-K dated May 23, 2017 and incorporated by reference herein.
3.8	Articles Supplementary for Public Storage 5.050% Cumulative Preferred Shares, Series G. Filed with the Registrant's Current Report on Form 8-K dated July 31, 2017 and incorporated by reference herein.
3.9	Articles Supplementary for Public Storage 5.600% Cumulative Preferred Shares, Series H. Filed with the Registrant's Current Report on Form 8-K dated February 28, 2019 and incorporated by reference herein.
3.10	Articles Supplementary for Public Storage 4.875% Cumulative Preferred Shares, Series I. Filed with the Registrant's Current Report on Form 8-K dated September 5, 2019 and incorporated by reference herein.
3.11	Articles Supplementary for Public Storage 4.700% Cumulative Preferred Shares, Series J. Filed with the Registrant's Current Report on Form 8-K dated November 5, 2019 and incorporated by reference herein.
3.12	Articles Supplementary for Public Storage 4.750% Cumulative Preferred Shares, Series K. Filed with the Registrant's Current Report on Form 8-K dated December 11, 2019 and incorporated by reference herein.
3.13	Articles Supplementary for Public Storage 4.625% Cumulative Preferred Shares, Series L. Filed with the Registrant's Current Report on Form 8-K dated June 8, 2020 and incorporated by reference herein.
3.14	Articles Supplementary for Public Storage 4.125 % Cumulative Preferred Shares, Series M. Filed with the Registrant's Current Report on Form 8-K, dated August 11, 2020 and incorporated by reference herein.

3.15	Articles Supplementary for Public Storage 5.875% Cumulative Preferred Shares, Series N. Filed with the Registrant's Current Report on Form 8-K dated September 29, 2020 and incorporated by reference herein.
3.16	Articles Supplementary for Public Storage 5.900% Cumulative Preferred Shares, Series O. Filed with the Registrant's Current Report on Form 8-K dated November 9, 2020 and incorporated by reference herein.
4.1	Master Deposit Agreement, dated as of May 31, 2007. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein.
4.2	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. Filed herewith.
10.1	Agreement of Limited Partnership of PS Business Parks, L.P. Filed with PS Business Parks, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (SEC File No. 001-10709) and incorporated herein by reference.
10.2	Amended and Restated Agreement of Limited Partnership of Storage Trust Properties, L.P. (March 12, 1999). Filed with PSE's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 (SEC File No. 001-08389) and incorporated herein by reference.
10.3	Second Amended and Restated Credit Agreement, dated April 19, 2019, by and among Public Storage, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers and as joint bookrunners, Bank of America, N.A., as syndication agent, and Citibank, N.A., as documentation agent. Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 19, 2019 and incorporated herein by reference.
10.4*	Form of 2007 Plan Restricted Stock Unit Agreement. Filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.
10.5*	Form of 2007 Plan Restricted Stock Unit Agreement - deferral of receipt of shares. Filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.
10.6*	Form of 2007 Plan Stock Option Agreement. Filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.
10.7*	Form of 2007 Plan Trustee Stock Option Agreement. Filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.
10.8*	Form of 2016 Plan Restricted Stock Unit Agreement - deferral of receipt of shares. Filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference.
10.9*	Form of 2016 Plan Trustee Non-Qualified Stock Option Agreement. Filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference.
10.10	Form of Trustee and Officer Indemnification Agreement. Filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference.

10.11*	Public Storage 2007 Equity and Performance-Based Incentive Compensation Plan, as Amended. Filed with Registrant's Current Report on Form 8-K dated May 1, 2014 and incorporated herein by reference.
10.12*	Public Storage 2016 Equity and Performance-Based Incentive Compensation Plan. Filed as Appendix A to the Company's 2016 Proxy Statement dated March 16, 2016 and incorporated herein by reference.
10.13	Note Purchase Agreement, dated as of November 3, 2015, by and among Public Storage and the signatories thereto. Filed with Registrant's Current Report on Form 8-K dated November 3, 2015 and incorporated herein by reference.
10.14	Note Purchase Agreement, dated as of April 12, 2016, by and among Public Storage and the signatories thereto. Filed with Registrant's Current Report on Form 8-K dated April 12, 2016 and incorporated herein by reference.
10.15	Indenture, dated as of September 18, 2017, between Public Storage and Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 18, 2017 and incorporated herein by reference.
10.16	First Supplemental Indenture, dated as of September 18, 2017, between Public Storage and Wells Fargo Bank, National Association, as trustee, including the form of Global Note representing the 2022 Notes and the form of Global Note representing the 2027 Notes. Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated September 18, 2017 and incorporated herein by reference.
10.17	Second Supplemental Indenture, dated as of April 12, 2019, between Public Storage and Wells Fargo Bank, National Association, as trustee, including the form of Global Note representing the 2029 Notes. Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated April 12, 2019 and incorporated herein by reference.
10.18	Third Supplemental Indenture, dated as of January 24, 2020, between Public Storage and Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated January 24, 2020 and incorporated herein by reference.
10.19	Fourth Supplemental Indenture, dated as of January 19, 2021, between Public Storage and Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated January 14, 2021 and incorporated herein by reference.
10.20	Amendment to Amended Agreement of Limited Partnership of PS Business Parks, L.P. to Authorize Special Allocations, dated as of January 1, 2017. Filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (File No. 001-33519) and incorporated herein by reference.
10.21*	Form of 2016 Plan Restricted Stock Unit Agreement – deferral of receipt of shares (2018). Filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and incorporated herein by reference.
10.22*	Form of 2016 Plan Trustee Deferred Stock Unit Agreement (2018). Filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and incorporated herein by reference.
10.23*	Form of 2016 Plan Executive Restricted Stock Unit Agreement (2018). Filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and incorporated herein by reference.

10.24*		Form of 2016 Employee Stock Unit Agreement (2020). Filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference.
10.25*		Form of 2016 Plan Employee Non-Qualified Stock Option Agreement (2020). Filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference.
10.26*		Form of 2016 Plan Performance-Based Non-Qualified Stock Option Agreement (2020). Filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference.
21		Listing of Subsidiaries. Filed herewith.
23.1		Consent of Ernst & Young LLP. Filed herewith.
31.1		Rule 13a – 14(a) Certification. Filed herewith.
31.2		Rule 13a – 14(a) Certification. Filed herewith.
32		Section 1350 Certifications. Filed herewith.
101 .INS		Inline XBRL Instance Document. Filed herewith.
101 .SCH		Inline XBRL Taxonomy Extension Schema. Filed herewith.
101 .CAL		Inline XBRL Taxonomy Extension Calculation Linkbase. Filed herewith.
101 .DEF		Inline XBRL Taxonomy Extension Definition Linkbase. Filed herewith.
101 .LAB		Inline XBRL Taxonomy Extension Label Linkbase. Filed herewith.
101 .PRE		Inline XBRL Taxonomy Extension Presentation Link. Filed herewith.
104		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
_(1)		SEC File No. 001-33519 unless otherwise indicated.
	*	Denotes management compensatory plan agreement or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PUBLIC STORAGE

Date: February 24, 2021

By: /s/ Joseph D. Russell, Jr.
Joseph D. Russell, Jr.,

Chief Executive Officer, President and Trustee

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Joseph D. Russell, Jr. Joseph D. Russell, Jr.	Chief Executive Officer, President and Trustee (principal executive officer)	February 24, 2021
/s/ H. Thomas Boyle H. Thomas Boyle	Chief Financial Officer (principal financial officer)	February 24, 2021
/s/ Ronald L. Havner, Jr. Ronald L. Havner, Jr.	Chairman of the Board	February 24, 2021
/s/ Tamara Hughes Gustavson Tamara Hughes Gustavson	Trustee	February 24, 2021
/s/ Leslie Stone Heisz Leslie Stone Heisz	Trustee	February 24, 2021
/s/ Michelle Millstone-Shroff Michelle Millstone-Shroff	Trustee	February 24, 2021
/s/ Shurduh S. Mitra Shurduh S. Mitra	Trustee	February 24, 2021
/s/ David J. Neithercut David J. Neithercut	Trustee	February 24, 2021
/s/ Rebecca Owen Rebecca Owen	Trustee	February 24, 2021

Signature	Title	Date
/s/ Kristy M. Pipes Kristy M. Pipes	Trustee	February 24, 2021
/s/ Avadick B. Poladian Avadick B. Poladian	Trustee	February 24, 2021
/s/ John Reyes John Reyes	Trustee	February 24, 2021
/s/ Tariq M. Shaukat Tariq M. Shaukat	Trustee	February 24, 2021
/s/ Ronald P. Spogli Ronald P. Spogli	Trustee	February 24, 2021
/s/ Paul S. Williams Paul S. Williams	Trustee	February 24, 2021

PUBLIC STORAGE
INDEX TO FINANCIAL STATEMENTS
AND SCHEDULES

(Item 15 (a))

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of Public Storage

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Public Storage (the Company) as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2020 and 2019, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 24, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Purchase Price Allocation
Description of the Matter	For the year ended December 31, 2020, the Company completed the acquisition of 62 real estate facilities for a total purchase price of $796.1 million. As further discussed in Notes 2 and 3 of the consolidated financial statements, the transactions were accounted for as asset acquisitions, and the purchase price was allocated based on a relative fair value of assets acquired and liabilities assumed. Auditing the accounting for the Company's 2020 acquisitions of real estate facilities was subjective because the Company must exercise a high level of management judgment in determining the fair value of acquired land and the replacement cost of acquired facilities. Determining the fair value of acquired land was difficult due to the lack of available directly comparable land market information. The replacement costs of the acquired facilities were calculated by estimating the cost of building similar facilities in comparable markets and adjusting these costs for the age, quality, and configuration associated with the acquired facilities. Determining the replacement cost was difficult due to the judgment utilized by management in determining the adjustments that should be applied to each facility.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over management's accounting for acquired real estate facilities, including controls over the review of assumptions underlying the purchase price allocation and accuracy of the underlying data used. For example, we tested controls over the determination of the fair value of the land and building assets, including the controls over the review of the valuation models and the underlying assumptions used to develop such estimates. For the 2020 acquisitions of real estate facilities described above, our procedures included, but were not limited to, evaluating the sensitivity of changes in significant assumptions on the purchase price allocation. We performed a sensitivity analysis to evaluate the impact on the Company's financial statements resulting from changes in allocated land and building values. For certain of these asset acquisitions, we also read the purchase agreement, evaluated whether the transaction was consistent with the Company's stated business purpose, and evaluated the Company's determination of the relative fair value of the land and building assets, including the fair value of the land and building value, and tested the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. Additionally, for certain of these asset acquisitions, we involved our valuation specialists to assist in the assessment of the methodology utilized by the Company, in addition to performing corroborative analyses to assess whether the conclusions in the valuation were supported by observable market data. For example, our valuation specialists used independently identified data sources to evaluate management's selected comparable land sales and replacement cost assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1980.

Los Angeles, California
February 24, 2021

PUBLIC STORAGE
BALANCE SHEETS
(Amounts in thousands, except share data)

	December 31, 2020	December 31, 2019
ASSETS		
Cash and equivalents	$ 257,560	$ 409,743
Real estate facilities, at cost:		
Land	4,375,588	4,186,873
Buildings	12,992,939	12,102,273
	17,372,527	16,289,146
Accumulated depreciation	(7,152,152)	(6,621,475)
	10,220,492	9,667,671
Construction in process	188,079	140,954
	10,408,571	9,807,465
Investments in unconsolidated real estate entities	773,046	767,816
Goodwill and other intangible assets, net	204,614	205,956
Other assets	172,742	174,344
Total assets	$ 11,816,520	$ 11,565,324
LIABILITIES AND EQUITY		
Notes payable	$ 2,544,992	$ 1,902,493
Preferred shares called for redemption (Note 8)	300,000	-
Accrued and other liabilities	394,655	393,284
Total liabilities	3,239,647	2,295,777
Commitments and contingencies (Note 13)		
Equity:		
Public Storage shareholders' equity:		
Preferred Shares, $0.01 par value, 100,000,000 shares authorized, 151,700 shares issued (in series) and outstanding, (362,600 at December 31, 2019), at liquidation preference	3,792,500	4,065,000
Common Shares, $0.10 par value, 650,000,000 shares authorized, 174,501,742 shares issued and outstanding (174,418,615 shares at December 31, 2019)	17,450	17,442
Paid-in capital	5,707,341	5,710,934
Accumulated deficit	(934,791)	(865,575)
Accumulated other comprehensive loss	(41,891)	(44,898)
Total Public Storage shareholders' equity	8,538,607	9,882,903
Noncontrolling interests	38,266	386,644
Total equity	8,576,873	9,279,547
Total liabilities and equity	$ 11,816,520	$ 11,565,324

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF INCOME
(Amounts in thousands, except per share amounts)

	For the Years Ended December 31,		
	2020	2019	2018
Revenues:			
Self-storage facilities	$ 2,721,630	$ 2,686,152	$ 2,597,687
Ancillary operations	232,438	238,936	160,936
	2,953,868	2,925,088	2,758,623
Expenses:			
Self-storage cost of operations	807,543	762,416	708,739
Ancillary cost of operations	39,919	30,736	47,344
Depreciation and amortization	553,257	512,910	493,646
General and administrative	83,199	62,146	104,712
Interest expense	36,283	45,441	39,106
	1,560,201	1,413,657	1,373,083
Other increases (decreases) to net income:			
Interest and other income	22,323	26,683	24,552
Equity in earnings of unconsolidated real estate entities	80,497	69,547	103,493
Foreign currency exchange (loss) gain	(97,953)	7,629	(1,495)
Gain on sale of real estate	1,400	341	35,963
Gain due to Shurgard public offering			127,806
Net income	1,365,227	1,325,633	1,717,213
Allocation to noncontrolling interests	(4,014)	(5,115)	(6,229)
Net income allocable to Public Storage shareholders	1,357,213	1,320,234	1,710,984
Allocation of net income to:			
Preferred shareholders - distributions	(207,068)	(210,179)	(216,314)
Preferred shareholders - redemptions (Note 8)	(48,245)	(32,693)	
Restricted share units	(13,052)	(4,895)	(5,811)
Net income allocable to common shareholders	$ 1,088,848	$ 1,272,767	$ 1,488,859
Net income per common share:			
Basic	$ 6.29	$ 7.36	$ 8.59
Diluted	$ 6.29	$ 7.35	$ 8.58
Basic weighted average common shares outstanding	174,494	174,287	173,960
Diluted weighted average common shares outstanding	174,642	174,530	174,289

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	For the Years Ended December 31		
	2020	2019	2018
Net income	$ 1,361,227	$ 1,325,601	$ 1,717,223
Adjust for foreign currency exchange loss reflected in gain on sale of real estate and gain on Shurgard public offering	-	-	27,207
Foreign currency exchange gain (loss) on investment in Shurgard	21,489	(8,90)	(16,283)
Total comprehensive income	1,382,716	1,324,693	1,728,207
Allocation to noncontrolling interests	(4,014)	(5,117)	(6,192)
Comprehensive income allocable to Public Storage shareholders	$ 1,378,702	$ 1,319,576	$ 1,722,016

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF EQUITY
(Amounts in thousands, except share and per share amounts)

	Cumulative Preferred Shares	Common Shares	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Public Storage Shareholders' Equity	Noncontrolling Interests	Total Equity
Balances at December 31, 2017	$ 6,025,000	$ 17,385	$ 3,608,399	$ (675,711)	$ (75,064)	$ 8,940,009	$ 24,360	$ 8,964,369
Issuance of common shares in connection with share-based compensation (277,511 shares) (Note 10)	-	28	12,497	-	-	12,525	-	12,525
Share-based compensation expense, net of cash paid in lieu of common shares (Note 10)	-	-	57,589	-	-	57,589	-	57,589
Contributions by noncontrolling interests	-	-	-	-	-	-	1,728	1,728
Net income	-	-	-	1,717,223	-	1,717,223	-	1,717,223
Net income allocated to noncontrolling interests	-	-	-	(6,592)	-	(6,592)	6,592	-
Distributions to equity holders:								
Preferred shares (Note 8)	-	-	-	(216,316)	-	(216,316)	-	(216,316)
Noncontrolling interests	-	-	-	-	-	-	(7,022)	(7,022)
Common shareholders and restricted share unitholders ($8.00 per share)	-	-	-	(1,396,364)	-	(1,396,364)	-	(1,396,364)
Other comprehensive income (Note 2)	-	-	-	-	11,064	11,064	-	11,064
Balances at December 31, 2018	$ 6,025,000	$ 17,413	$ 3,718,485	$ (577,360)	$ (64,060)	$ 9,119,478	$ 25,238	$ 9,144,728
Issuance of 41,600 preferred shares (Note 8)	1,090,000	-	(30,844)	-	-	1,059,156	-	1,059,156
Redemption of 42,000 preferred shares (Note 8)	(1,050,000)	-	-	-	-	(1,050,000)	-	(1,050,000)
Issuance of common shares in connection with share-based compensation (287,734 shares) (Note 10)	-	29	33,535	-	-	33,564	-	33,564
Share-based compensation expense, net of cash paid in lieu of common shares (Note 10)	-	-	13,671	-	-	13,671	-	13,671
Acquisition of noncontrolling interests	-	-	(25,913)	-	-	(25,913)	(11,087)	(35,000)
Contributions by noncontrolling interests	-	-	-	-	-	-	4,148	4,148
Net income	-	-	-	1,525,651	-	1,525,651	-	1,525,651
Net income allocated to noncontrolling interests	-	-	-	(5,117)	-	(5,117)	5,117	-
Distributions to:								
Preferred shareholders (Note 8)	-	-	-	(210,179)	-	(210,179)	-	(210,179)
Noncontrolling interests	-	-	-	-	-	-	(6,672)	(6,672)
Common shareholders and restricted share unitholders ($8.00 per share)	-	-	-	(1,398,570)	-	(1,398,570)	-	(1,398,570)
Other comprehensive loss (Note 2)	-	-	-	-	(830)	(830)	-	(830)

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF EQUITY
(Amounts in thousands, except share and per share amounts)

	Cumulative Preferred Shares	Common Shares	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Public Storage Shareholders' Equity	Noncontrolling Interests	Total Equity
Balances at December 31, 2019	$ 6,663,000	$ 17,642	$ 5,710,934	$ (665,575)	$ (64,890)	$ 9,062,911	$ 16,756	$ 9,079,667
Issuance of 49,900 preferred shares (Note 8)	1,247,500	-	(39,294)	-	-	1,208,206	-	1,208,206
Redemption and shares called for redemption of 60,800 preferred shares (Note 8)	(1,520,000)	-	-	-	-	(1,520,000)	-	(1,520,000)
Issuance of common shares in connection with share-based compensation (363,227 shares) (Note 10)	-	16	12,648	-	-	12,664	-	12,664
Share-based compensation expense, net of cash paid in lieu of common shares (Note 10)	-	-	22,845	-	-	22,845	-	22,845
Acquisition of noncontrolling interests	-	-	(32)	-	-	(32)	(1)	(33)
Contributions by noncontrolling interests	-	-	-	-	-	-	2,629	2,629
Net income	-	-	-	1,361,227	-	1,361,227	-	1,361,227
Net income allocated to noncontrolling interests	-	-	-	(4,014)	-	(4,014)	4,014	-
Distributions to:								
Preferred shareholders (Note 8)	-	-	-	(207,068)	-	(207,068)	-	(207,068)
Noncontrolling interests	-	-	-	-	-	-	(5,366)	(5,366)
Common shareholders and restricted share unitholders ($8.00 per share)	-	-	-	(1,399,361)	-	(1,399,361)	-	(1,399,361)
Other comprehensive income (Note 2)	-	-	-	-	21,484	21,484	-	21,484
Balances at December 31, 2020	$ 2,792,500	$ 17,658	$ 5,707,101	$ (914,791)	$ (43,401)	$ 8,558,967	$ 18,032	$ 8,576,999

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Years Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income	$ 1,361,227	$ 1,525,651	$ 1,717,223
Adjustments to reconcile net income to net cash flows from operating activities:			
Gain due to Shurgard public offering	-	-	(151,616)
Gain on real estate investment sales	(1,493)	(341)	(17,903)
Depreciation and amortization	353,257	512,918	493,646
Equity in earnings of unconsolidated real estate entities	(80,697)	(69,547)	(103,495)
Distributions from cumulative equity in earnings of unconsolidated real estate entities	72,098	73,219	108,754
Foreign currency exchange loss (gain)	97,503	(7,829)	(18,117)
Share-based compensation expense	31,363	23,813	48,936
Other	8,980	7,488	(5,784)
Total adjustments	481,475	541,981	346,425
Net cash flows from operating activities	1,842,702	2,067,632	2,063,648
Cash flows from investing activities:			
Capital expenditures to maintain real estate facilities	(169,998)	(187,301)	(140,980)
Development and expansion of real estate facilities	(189,613)	(284,682)	(360,032)
Acquisition of real estate facilities and intangible assets	(792,266)	(457,758)	(181,020)
Distributions in excess of cumulative equity in earnings from unconsolidated real estate entities	24,658	11,638	91,927
Repayment of note receivable	7,569	-	-
Proceeds from sale of real estate investments	3,786	762	54,184
Net cash flows used in investing activities	(1,117,714)	(897,341)	(535,921)
Cash flows from financing activities:			
Repayments on notes payable	(2,020)	(1,920)	(1,784)
Issuance of notes payable, net of issuance costs	545,151	496,908	-
Issuance of preferred shares	1,208,206	1,059,156	-
Issuance of common shares	12,468	31,364	12,525
Redemption of preferred shares	(1,220,000)	(1,058,880)	-
Cash paid upon vesting of restricted share units	(18,510)	(12,362)	(12,347)
Acquisition of noncontrolling interests	(31)	(35,088)	-
Contributions by noncontrolling interests	2,629	4,148	1,720
Distributions paid to perferred shareholders, common shareholders and restricted share unitholders	(1,606,429)	(1,608,749)	(1,612,680)
Distributions paid to noncontrolling interests	(9,366)	(8,872)	(7,022)
Net cash flows used in financing activities	(1,079,702)	(1,158,725)	(1,619,588)
Net cash flows (used in) from operating, investing, and financing activities	(158,528)	49,548	(71,863)
Net effect of foreign exchange impact on cash and equivalents, including restricted cash	(426)	(12)	(172)
(Decrease) increase in cash and equivalents, including restricted cash	$ (158,954)	$ 49,536	$ (72,034)

See accompanying notes.

PUBLIC STORAGE
STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Years Ended December 31,		
	2020	2019	2018
Cash and equivalents, including restricted cash at beginning of the period:			
Cash and equivalents	$ 409,743	$ 361,218	$ 410,376
Restricted cash included in other assets	23,811	22,801	22,677
	$ 433,554	$ 384,019	$ 433,053
Cash and equivalents, including restricted cash at end of the period:			
Cash and equivalents	$ 257,368	$ 409,743	$ 361,218
Restricted cash included in other assets	21,686	23,811	22,801
	$ 279,054	$ 433,554	$ 384,019
Supplemental schedule of non-cash investing and financing activities:			
Costs incurred during the period remaining unpaid at period end for:			
Capital expenditures to maintain real estate facilities	$ (8,159)	$ (16,558)	$ (11,422)
Construction or expansion of real estate facilities	(32,349)	(32,356)	81,157
Accrued and other liabilities	42,508	48,914	92,579
Real estate acquired in exchange for assumption of a liability	(3,799)	(1,817)	-
Liability assumed in connection with acquisition of real estate	3,799	-	-
Notes payable assumed in connection with acquisition of real estate	-	1,817	-
Preferred shares called for redemption and reclassified to liabilities	300,000	-	-
Preferred shares called for redemption and reclassified from equity	(300,000)	-	-
Other disclosures:			
Foreign currency translation adjustment:			
Real estate facilities, net of accumulated depreciation	$ -	$ -	$ 203
Investments in unconsolidated real estate entities	(21,489)	838	(5,987)
Notes payable	-	(7,842)	(18,285)
Accumulated other comprehensive gain	21,489	6,999	1,914

See accompanying notes.

1. Description of the Business

Public Storage (referred to herein as "the Company," "we," "us," or "our"), a Maryland real estate investment trust ("REIT"), was organized in 1980. Our principal business activities include the ownership and operation of self-storage facilities which offer storage spaces for lease, generally on a month-to-month basis, for personal and business use, ancillary activities such as tenant reinsurance to the tenants at our self-storage facilities, merchandise sales and third party management, as well as the acquisition and development of additional self-storage space.

At December 31, 2020, we have direct and indirect equity interests in 2,548 self-storage facilities (with approximately 175.1 million net rentable square feet) located in 38 states in the United States ("U.S.") operating under the "Public Storage" name, and 0.9 million net rentable square feet of commercial and retail space.

We own 31.3 million common shares (an approximate 35% interest) of Shurgard Self Storage SA ("Shurgard"), a public company traded on Euronext Brussels under the "SHUR" symbol, which owns 241 self-storage facilities (with approximately 13 million net rentable square feet) located in seven Western European countries, all operating under the "Shurgard" name. We also own an approximate 42% common equity interest in PS Business Parks, Inc. ("PSB"), a REIT traded on the New York Stock Exchange under the "PSB" symbol, which owns 27.7 million net rentable square feet of commercial properties, primarily multi-tenant industrial, flex, and office space, located in six states.

Disclosures of the number and square footage of facilities, as well as the number and coverage of tenant reinsurance policies (Note 13) are unaudited and outside the scope of our independent registered public accounting firm's audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (U.S.).

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are presented on an accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP") as defined in the Financial Accounting Standards Board Accounting Standards Codification (the "Codification").

Certain amounts previously reported in our December 31, 2019 and 2018 financial statements have been reclassified to conform to the December 31, 2020 presentation, including revenues from our third party management activities of $8.1 million and $7.2 million for the years ended December 31, 2019 and 2018, respectively, previously reported within interest and other income, and expenses related to our third party management activities of $4.0 million and $3.6 million for the years ended December 31, 2019 and 2018, respectively, previously reported within interest and other income. This reclassification had no impact on the our balance sheet, statements of comprehensive income, statements of equity, or cash flows as of and for the year ended December 31, 2019 and for the year ended 2018.

Additionally, we revised our prior period financial statements to correct the presentation of share-based compensation expense between general and administrative expense and self-storage cost of operations. As a result, we revised our statements of income for the years ended December 31, 2019 and 2018 with an increase in self-storage cost of operations of $9.8 million and $14.0 million, respectively, and a corresponding decrease to general and administrative expenses. This immaterial correction had no impact on our total expenses or net income. The correction also had no impact on our balance sheet, statements of comprehensive income, statements of equity, or cash flows as of and for the year ended December 31, 2019 and for the year ended 2018.

Consolidation and Equity Method of Accounting

We consider entities to be Variable Interest Entities ("VIEs") when they have insufficient equity to finance their activities without additional subordinated financial support provided by other parties, or the equity holders as a group do not have a controlling financial interest. We consolidate VIEs when we have (i) the power to direct the activities most significantly impacting economic performance, and (ii) either the obligation to absorb losses or the right to receive benefits from the VIE. We have no involvement with any material VIEs. We consolidate all other entities when we control them through voting shares or contractual rights. The entities we consolidate, for the period in which the reference applies, are referred to collectively as the "Subsidiaries," and we eliminate intercompany transactions and balances.

We account for our investments in entities that we do not consolidate but have significant influence over using the equity method of accounting. These entities, for the periods in which the reference applies, are referred to collectively as the "Unconsolidated Real Estate Entities," eliminating intra-entity profits and losses and amortizing any differences between the cost of our investment and the underlying equity in net assets against equity in earnings as if the Unconsolidated Real Estate Entity were a consolidated subsidiary.

Equity in earnings of unconsolidated real estate entities presented on our income statements represents our pro-rata share of the earnings of the Unconsolidated Real Estate Entities. The dividends we receive from the Unconsolidated Real Estate Entities are reflected on our statements of cash flows as "distributions from cumulative equity in earnings of unconsolidated real estate entities" to the extent of our cumulative equity in earnings, with any excess classified as "distributions in excess of cumulative equity in earnings from unconsolidated real estate entities."

When we begin consolidating an entity, we reflect our preexisting equity interest at book value. All changes in consolidation status are reflected prospectively.

Collectively, at December 31, 2020, the Company and the Subsidiaries own 2,548 self-storage facilities and four commercial facilities in the U.S. At December 31, 2020, the Unconsolidated Real Estate Entities are comprised of PSB and Shurgard.

Use of Estimates

The financial statements and accompanying notes reflect our estimates and assumptions. Actual results could differ from those estimates and assumptions.

Income Taxes

We have elected to be treated as a REIT, as defined in the Internal Revenue Code of 1986, as amended (the "Code"). For each taxable year in which we qualify for taxation as a REIT, we will not be subject to U.S. federal corporate income tax on our "REIT taxable income" (generally, taxable income subject to specified adjustments, including a deduction for dividends paid and excluding our net capital gain) that is distributed to our shareholders. We believe we have met these REIT requirements for all periods presented herein. Accordingly, we have recorded no U.S. federal corporate income tax expense related to our REIT taxable income.

Our tenant reinsurance, merchandise and third party management operations are subject to corporate income tax and such taxes are included in ancillary cost of operations. We also incur income and other taxes in certain states, which are included in general and administrative expense.

We recognize tax benefits of uncertain income tax positions that are subject to audit only if we believe it is more likely than not that the position would ultimately be sustained assuming the relevant taxing authorities

had full knowledge of the relevant facts and circumstances of our positions. As of December 31, 2020, we had no tax benefits that were not recognized.

Real Estate Facilities

Real estate facilities are recorded at cost. We capitalize all costs incurred to acquire, develop, construct, renovate and improve facilities, including interest and property taxes incurred during the construction period. We allocate the net acquisition cost of acquired real estate facilities to the underlying land, buildings, and identified intangible assets based upon their respective individual estimated fair values.

Costs associated with dispositions of real estate, as well as repairs and maintenance costs, are expensed as incurred. We depreciate buildings and improvements on a straight-line basis over estimated useful lives ranging generally between 5 to 25 years.

When we sell a full or partial interest in a real estate facility without retaining a controlling interest following sale, we recognize a gain or loss on sale as if 100% of the property was sold at fair value. If we retain a controlling interest following the sale, we record a noncontrolling interest for the book value of the partial interest sold, and recognize additional paid-in capital for the difference between the consideration received and the partial interest at book value.

Other Assets

Other assets primarily consist of rents receivable from our tenants (net of an allowance for uncollectible amounts), prepaid expenses, restricted cash and right-to-uses assets. At December 31, 2019, other assets included notes receivable which were amortized on the effective interest method with book value of $4.4 million at the time they were repaid during 2020, at their respective $7.5 million contractual note balance. The $3.1 million excess proceeds were recorded as interest and other income in 2020.

Accrued and Other Liabilities

Accrued and other liabilities consist primarily of rents prepaid by our tenants, trade payables, property tax accruals, accrued payroll, accrued tenant reinsurance losses, loans liabilities, and contingent loss accruals when probable and estimable. We believe the fair value of our accrued and other liabilities approximates book value, due primarily to the short period until repayment. We disclose the nature of significant unaccrued losses that are reasonably possible of occurring and, if estimable, a range of exposure.

Cash Equivalents, Restricted Cash, Marketable Securities and Other Financial Instruments

Cash equivalents represent highly liquid financial instruments such as money market funds with daily liquidity or short-term commercial paper or treasury securities maturing within three months of acquisition. Cash and equivalents which are restricted from general corporate use are included in other assets. We believe that the book value of all such financial instruments for all periods presented approximates fair value, due to the short period to maturity.

Fair Value

As used herein, the term "fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Because our estimates of fair value involve considerable judgment, including determination of the factors that market participants would consider in negotiating exchange values, such estimates may be limited in their ability to reflect what would actually be realized in an actual market exchange.

We estimate the fair value of our cash and equivalents, marketable securities, other assets, debt, and other liabilities by discounting the related future cash flows at a rate based upon quoted interest rates for securities that have similar characteristics such as credit quality and time to maturity. Such quoted interest rates are referred to generally as "Level 2" inputs.

We use significant judgment to estimate fair values of investments in real estate, goodwill, and other intangible assets. In estimating their values, we consider significant unobservable inputs such as market prices of land, market capitalization rates, expected returns, earnings multiples, projected levels of earnings, costs of construction, and functional depreciation. These inputs are referred to generally as "Level 3" inputs.

Currency and Credit Risk

Financial instruments that are exposed to credit risk consist primarily of cash and equivalents, certain portions of other assets including rents receivable from our tenants (net of an allowance for uncollectible receivables based upon expected losses in the portfolio) and restricted cash. Cash equivalents we invest in are either money market funds with a rating of at least AAA by Standard & Poor's, commercial paper that is rated A1 by Standard & Poor's or deposits with highly rated commercial banks.

At December 31, 2020, due primarily to our investment in Shurgard (Note 4) and our notes payable denominated in Euros (Note 6), our operating results and financial position are affected by fluctuations in currency exchange rates between the Euro, and to a lesser extent, other European currencies, against the U.S. Dollar.

Goodwill and Other Intangible Assets

Intangible assets are comprised of goodwill, the "Shurgard" trade name, and finite-lived assets.

Goodwill totaled $176.6 million at December 31, 2020 and 2019. The "Shurgard" trade name, which is used by Shurgard pursuant to a fee-based licensing agreement, has a book value of $18.8 million at December 31, 2020 and 2019. Goodwill and the "Shurgard" trade name have indefinite lives and are not amortized.

Our finite-lived assets are comprised primarily of (i) acquired customers in place amortized relative to the benefit of the customers in place, with such amortization reflected as depreciation and amortization expense on our income statement and (ii) property tax abatements amortized relative to the reduction in property tax paid, with such amortization reflected as self-storage cost of operations on our income statement. At December 31, 2020, these intangibles had a net book value of $11.3 million ($12.7 million at December 31, 2019). Accumulated amortization totaled $27.3 million at December 31, 2020 ($27.5 million at December 31, 2019), and amortization expense of $16.1 million, $16.8 million and $16.6 million was recorded in 2020, 2019 and 2018, respectively.

The estimated future amortization expense for our finite-lived intangible assets at December 31, 2020 is approximately $11.9 million in 2021, $2.6 million in 2022 and $5.6 million thereafter. During 2020, 2019 and 2018, intangibles increased $14.9 million, $18.5 million and $11.6 million, respectively, in connection with the acquisition of self-storage facilities (Note 3).

Evaluation of Asset Impairment

We evaluate our real estate and finite-lived intangible assets for impairment each quarter. If there are indicators of impairment and we determine that the asset is not recoverable from future undiscounted cash flows to be received through the asset's remaining life (or, if earlier, the expected disposal date), we record an impairment charge to the extent the carrying amount exceeds the asset's estimated fair value or net proceeds from expected disposal.

We evaluate our investments in unconsolidated real estate entities for impairment on a quarterly basis. We record an impairment charge to the extent the carrying amount exceeds estimated fair value, when we believe any such shortfall is other than temporary.

We evaluate goodwill for impairment annually and whenever relevant events, circumstances and other related factors indicate that fair value of the related reporting unit may be less than the carrying amount. If we determine that the fair value of the reporting unit exceeds the aggregate carrying amount, no impairment charge is recorded. Otherwise, we record an impairment charge to the extent the carrying amount of the goodwill exceeds the amount that would be allocated to goodwill if the reporting unit were acquired for estimated fair value.

We evaluate other indefinite-lived intangible assets, such as the "Shurgard" trade name for impairment at least annually and whenever relevant events, circumstances and other related factors indicate that the fair value is less than the carrying amount. When we conclude that it is likely that the asset is not impaired, we do not record an impairment charge and no further analysis is performed. Otherwise, we record an impairment charge to the extent the carrying amount exceeds the asset's estimated fair value.

No impairments were recorded in any of our evaluations for any period presented herein.

Revenue and Expense Recognition

Revenues from self-storage facilities, which are primarily composed of rental income earned pursuant to month-to-month leases, as well as associated late charges and administrative fees, are recognized as earned. Promotional discounts reduce rental income over the promotional period, which is generally one month. Ancillary revenues and interest and other income are recognized when earned.

We accrue for property tax expense based upon actual amounts billed and, in some circumstances, estimates when bills or assessments have not been received from the taxing authorities. If these estimates are incorrect, the timing and amount of expense recognition could be incorrect. Cost of operations (including advertising expenditures), general and administrative expense, and interest expense are expensed as incurred.

Foreign Currency Exchange Translation

The local currency (primarily the Euro) is the functional currency for our interests in foreign operations. The related balance sheet amounts are translated into U.S. Dollars at the exchange rates at the respective financial statement date, while amounts on our statements of income are translated at the average exchange rates during the respective period. When financial instruments denominated in a currency other than the U.S. Dollar are expected to be settled in cash in the foreseeable future, the impact of changes in the U.S. Dollar equivalent are reflected in current earnings. The Euro was translated at exchange rates of approximately 1.226 U.S. Dollars per Euro at December 31, 2020 (1.122 at December 31, 2019), and average exchange rates of 1.141, 1.120 and 1.181 for the years ended December 31, 2020, 2019 and 2018, respectively. Cumulative translation adjustments, to the extent not included in cumulative net income, are included in equity as a component of accumulated other comprehensive income (loss).

Comprehensive Income

Total comprehensive income represents net income, adjusted for changes in other comprehensive income (loss) for the applicable period, which are comprised primarily of foreign currency exchange gains and losses on our investment in Shurgard.

Recent Accounting Pronouncements and Guidance

In November 2018, the FASB issued ASU 2018- 19, "*Codification Improvements to Topic 326, Financial Instruments - Credit Losses*," which clarified that credit losses with respect to receivables arising from operating leases are to be evaluated within the scope of the leasing standard (ASU 2016-02), rather than within the scope of ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." We adopted this new standard on its effective date for as of January 1, 2020, which did not have a material impact on our consolidated financial statements.

Net Income per Common Share

Net income is allocated to (i) noncontrolling interests based upon their share of the net income of the Subsidiaries and (ii) preferred shareholders, to the extent redemption cost exceeds the related original net issuance proceeds (an "EITF D-42 allocation"), with the remaining net income allocated to each of our equity securities based upon the dividends declared or accumulated during the period, combined with participation rights in undistributed earnings.

Basic and diluted net income per common share are each calculated based upon net income allocable to common shareholders presented on the face of our income statement, divided by (i) in the case of basic net income per common share, weighted average common shares, and (ii) in the case of diluted income per share, weighted average common shares adjusted for the impact, if dilutive, of stock options outstanding (Note 10). The following table reconciles from basic to diluted common shares outstanding (amounts in thousands):

	For the Years Ended December 31,		
	2020	2019	2018
Weighted average common shares and equivalents outstanding:			
Basic weighted average common shares outstanding	174,494	174,287	173,969
Net effect of dilutive stock options - based on treasury stock method	148	243	328
Diluted weighted average common shares outstanding	174,642	174,530	174,297

3. Real Estate Facilities

Activity in real estate facilities during 2020, 2019 and 2018 is as follows:

	For the Years Ended		
	2020	2019	2018
	(Amounts in thousands)		
Operating facilities, at cost:			
Beginning balance	$ 16,289,146	$ 15,296,844	$ 14,665,989
Capital expenditures to maintain real estate facilities	163,834	192,539	139,397
Acquisitions	781,219	421,007	169,436
Dispositions	(303)	(626)	(25,631)
Developed or expanded facilities opened for operation	138,731	379,092	348,270
Impact of foreign exchange rate changes	-	-	(612)
Ending balance	17,372,627	16,289,146	15,296,844
Accumulated depreciation:			
Beginning balance	(6,623,475)	(6,140,072)	(5,700,331)
Depreciation expense	(528,660)	(483,408)	(457,029)
Dispositions	-	5	16,876
Impact of foreign exchange rate changes	-	-	412
Ending balance	(7,152,135)	(6,623,475)	(6,140,072)
Construction in process:			
Beginning balance	141,934	285,339	264,441
Costs incurred to develop and expand real estate facilities	188,102	235,687	362,397
Write-off of cancelled projects	(3,226)	-	-
Developed or expanded facilities opened for operation	(138,731)	(379,092)	(348,270)
Dispositions	-	-	(2,688)
Transfer from other assets	-	-	9,460
Ending balance	188,079	141,934	285,338
Total real estate facilities at December 31,	$ 10,408,571	$ 9,807,605	$ 9,442,111

During 2020, we acquired 62 self-storage facilities (5.1 million net rentable square feet of storage space), for a total cost of $792.3 million which includes the assumption of a $3.8 million liability. Approximately $14.9 million of the total cost was allocated to intangible assets. We completed development and redevelopment activities costing $138.7 million during 2020, adding 1.1 million net rentable square feet of self-storage space.

Included in general and administrative expense in 2020 is $3.2 million in development projects which were cancelled. Construction in process at December 31, 2020 consists of projects to develop new self-storage facilities and expand existing self-storage facilities.

During 2020, our accrual for unpaid construction costs decreased $1.3 million (a $49.0 million decrease for the same period in 2019). During 2020, our accrual for capital expenditures to maintain real estate facilities decreased $6.2 million (a $5.2 million increase for the same period in 2019).

During 2019, we acquired 44 self-storage facilities and one commercial facility (1.1 million net rentable square feet of storage space and 46,000 net rentable square feet of commercial space), for a total cost of $439.6 million, consisting of $437.8 million in cash and the assumption of $1.8 million in mortgage notes. Approximately $18.5 million of the total cost was allocated to intangible assets. We completed development and redevelopment activities costing $579.1 million during 2019, adding 3.7 million net rentable square feet of self-storage space.

During 2019, our accrual for unpaid construction costs decreased $49.0 million (a $22.4 million increase for the same period in 2018). During 2019, our accrual for capital expenditures to maintain real estate facilities increased $5.2 million (a $1.6 million decrease for the same period in 2018).

During 2018, we acquired 25 self-storage facilities (1.6 million net rentable square feet), for a total cost of $381.0 million in cash, of which $11.6 million was allocated to intangible assets. We completed development and redevelopment activities costing $348.3 million during 2018, adding 2.9 million net rentable square feet of self-storage space. We also completed the redevelopment of a self-storage facility that was partially damaged by a fire in 2017. We sold our property in Puerto Rico for $42.1 million and recorded a related gain on sale of real estate of approximately $31.7 million. The gain was net of the recognition of a cumulative other comprehensive loss totaling $4.8 million with respect to foreign currency translation. On October 25, 2018, we sold a commercial facility for $8.7 million and recorded a related gain on sale of real estate of approximately $4.6 million. During 2018, we also sold portions of real estate facilities in connection with eminent domain proceedings for $1.4 million in cash proceeds and recorded a related gain on sale of real estate of approximately $1.0 million. During 2018, we also transferred $9.7 million of accumulated construction costs from other assets to construction in process.

At December 31, 2020, the adjusted basis of real estate facilities for U.S. federal tax purposes was approximately $11.2 billion (unaudited).

4. Investments in Unconsolidated Real Estate Entities

The following table sets forth our investments in, and equity in earnings of, the Unconsolidated Real Estate Entities (amounts in thousands):

	Investments in Unconsolidated Real Estate Entities at December 31,		Equity in Earnings of Unconsolidated Real Estate Entities for the Year Ended December 31,		
	2020	2019	2020	2019	2018
PSB	$ 431,963	$ 427,875	$ 64,835	$ 54,090	$ 89,362
Shurgard	341,083	339,941	[redacted]	15,457	14,132
Total	$ 773,046	$ 767,816	$ 80,492	$ 69,547	$ 103,494

Investment in PSB

Throughout all periods presented, we owned 7,159,354 shares of PSB's common stock and 7,305,355 limited partnership units in an operating partnership controlled by PSB, representing an approximate 42% common equity interest. The limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock.

Based upon the closing price at December 31, 2020 ($132.87 per share of PSB common stock), the shares and units we owned had a market value of approximately $1.9 billion.

Our equity in earnings of PSB is comprised of our equity share of PSB's net income, less amortization of the PSB Basis Differential (defined below).

During 2020, 2019, and 2018, we received cash distributions from PSB totaling $60.7 million, $60.7 million, and $35.0 million, respectively.

At December 31, 2020, our pro-rata investment in PSB's real estate assets included in investment in unconsolidated real estate entities exceeds our pro-rata share of the underlying amounts on PSB's balance sheet by approximately $3.4 million ($4.2 million at December 31, 2019). This differential (the "PSB Basis Differential") is being amortized as a reduction to equity in earnings of the Unconsolidated Real Estate Entities. Such amortization totaled approximately $0.8 million, $1.2 million, and $1.8 million during 2020, 2019, and 2018, respectively.

PSB is a publicly held entity traded on the New York Stock Exchange under the symbol "PSB".

Investment in Shurgard

Throughout all periods presented, we effectively owned, directly and indirectly, 31,268,459 Shurgard common shares. On October 15, 2018, Shurgard completed an initial global offering (the "Offering"), issuing 25.0 million of its common shares to third parties at a price of €23 per share, reducing our ownership interest to approximately 35%. Following the Offering, Shurgard's shares began to trade on Euronext Brussels under the "SHUR" symbol. We recorded a "Gain due to Shurgard public offering" of $215.6 million, as if we had sold a proportionate share of our investment in Shurgard. The gain resulted in a $174.0 million increase in our investment in Shurgard and a $22.4 million reduction in other comprehensive loss with respect to cumulative foreign currency translation losses for Shurgard.

Based upon the closing price at December 31, 2020 (€35.50 per share of Shurgard common stock, at 1.226 exchange rate of US Dollars to the Euro), the shares we owned had a market value of approximately $1.4 billion.

Our equity in earnings of Shurgard is comprised of our equity share of Shurgard's net income, plus $1.1 million, $1.0 million, and $1.3 million for 2020, 2019 and 2018, respectively, representing our equity share

of the trademark license fees that Shurgard pays to us for the use of the "Shurgard" trademark. We classify the remaining license fees we receive from Shurgard as interest and other income on our income statement.

The dividends we receive from Shurgard, combined with our equity share of trademark license fees collected from Shurgard, are reflected on our statements of cash flows as "distributions from cumulative equity in earnings of unconsolidated real estate entities" to the extent of our cumulative earnings, with any excess classified as "distributions in excess of cumulative equity in earnings from unconsolidated real estate entities." During 2020 and 2019, Shurgard paid €0.99 and €0.67, respectively, per share in dividends to its shareholders, of which our share totaled $34.9 million and $23.1 million, respectively. During 2018, Shurgard paid a cash dividend to its shareholders at the time, of which our equity share was $145.4 million.

Changes in foreign currency exchange rates increased our investment in Shurgard by approximately $21.5 million in 2020 and decreased our investment in Shurgard by approximately $0.8 million and $16.0 million in 2019 and 2018, respectively.

Shurgard is a publicly held entity trading on Euronext Brussels under the symbol "SHUR".

5. Credit Facility

We have a revolving credit agreement (the "Credit Facility") with a $500 million borrowing limit, which matures on April 19, 2024. Amounts drawn on the Credit Facility bear annual interest at rates ranging from LIBOR plus 0.7% to LIBOR plus 1.350% depending upon the ratio of our Total Indebtedness to Gross Asset Value (as defined in the Credit Facility) (LIBOR plus 0.7% at December 31, 2020). We are also required to pay a quarterly facility fee ranging from 0.07% per annum to 0.25% per annum depending upon the ratio of our Total Indebtedness to our Gross Asset Value (0.07% per annum at December 31, 2020). At December 31, 2020 and February 24, 2021, we had no outstanding borrowings under the Credit Facility. We had undrawn standby letters of credit, which reduce our borrowing capacity, totaling $24.1 million at December 31, 2020 ($15.9 million at December 31, 2019). The Credit Facility has various customary restrictive covenants, all of which we were in compliance with at December 31, 2020.

6. Notes Payable

Our notes payable are reflected net of issuance costs (including original issue discounts), which are amortized as interest expense on the effective interest method over the term of each respective note. Our notes payable at December 31, 2020 and 2019 are set forth in the tables below:

			Amounts at December 31, 2020			
	Coupon Rate	Effective Rate	Principal	Unamortized Costs	Book Value	Fair Value
			($ amounts in thousands)			
U.S. Dollar Denominated Unsecured Debt						
Notes due September 15, 2022	2.370%	2.481%	$ 500,000	$ (891)	$ 499,109	$ 517,419
Notes due September 15, 2027	3.094%	3.238%	500,000	(3,348)	496,652	568,033
Notes due May 1, 2029	3.385%	3.459%	500,000	(9,167)	490,833	538,834
			1,500,000	(13,406)	1,486,594	1,624,286
Euro Denominated Unsecured Debt						
Notes due April 12, 2024	1.540%	1.540%	122,646	-	122,646	128,192
Notes due November 3, 2025	2.175%	2.175%	296,821	-	296,821	325,152
Notes due January 20, 2032	0.875%	0.970%	413,232	(5,931)	407,301	434,389
			1,832,699	(5,931)	1,826,768	1,887,193
Mortgage Debt, secured by 27 real estate facilities with a net book value of $162.1 million	3.962%	3.947%	25,230	-	25,230	26,959
			$ 3,357,929	$ (12,337)	$ 3,348,592	$ 3,565,438

	Amounts at December 31, 2019	
	Book Value	Fair Value
	($ amounts in thousands)	
U.S. Dollar Denominated Unsecured Debt		
Notes due September 15, 2022	$ 498,381	$ 505,639
Notes due September 15, 2027	495,924	520,684
Notes due May 1, 2029	497,324	531,921
	1,491,629	1,558,244
Euro Denominated Unsecured Debt		
Notes due April 12, 2024	112,156	115,912
Notes due November 3, 2025	271,433	298,388
Notes due January 20, 2032	-	-
	383,589	414,330
Mortgage Debt	27,272	28,386
	$ 1,902,493	$ 2,000,960

U.S. Dollar Denominated Unsecured Notes

On April 12, 2019, we completed a public offering of $500 million in aggregate principal amount of senior notes bearing interest at an annual rate of 3.385% maturing on May 1, 2029. In connection with the offering, we incurred a total of $3.1 million in costs. The notes issued on April 12, 2019 along with notes previously issued in 2017 are referred to hereinafter as the "U.S. Dollar Denominated Notes."

The U.S. Dollar Denominated Notes have various financial covenants, all of which we were in compliance with at December 31, 2020. Included in these covenants are (a) a maximum Debt to Total Assets of 65% (approximately 8% at December 31, 2020) and (b) a minimum ratio of Adjusted EBITDA to Interest Expense of 1.5x (approximately 38x for the twelve months ended December 31, 2020) as well as covenants limiting the amount we can encumber our properties with mortgage debt.

Euro Denominated Unsecured Notes

Our Euro denominated unsecured notes (the "Euro Notes") consist of three tranches, (i) €242.0 million issued to institutional investors on November 3, 2015 for $264.3 million in net proceeds upon converting the Euros to U.S. Dollars, (ii) €100.0 million issued to institutional investors on April 12, 2016 for $113.6 million in net proceeds upon converting the Euros to U.S. Dollars and (iii) €500.0 million issued in a public offering on January 24, 2020 for $545.2 million in net proceeds upon converting the Euros to U.S. Dollars. Interest is payable semi-annually on the notes issued November 3, 2015 and April 12, 2016, and annually on the notes issued January 24, 2020. The Euro Notes have financial covenants similar to those of the U.S. Dollar Notes.

We reflect changes in the U.S. Dollar equivalent of the amount payable, as a result of changes in foreign exchange rates as "foreign currency exchange (loss) gain" on our income statement (a loss of $98.0 million for 2020, as compared to gains of $7.8 million and $18.1 million for 2019 and 2018, respectively).

Mortgage Notes

Our non-recourse mortgage debt was assumed in connection with property acquisitions, and recorded at fair value with any premium or discount to the stated note balance amortized using the effective interest method.

During 2019, we assumed a mortgage note with a contractual value of $1.8 million and an interest rate of 3.9%, which approximated market rate, in connection with the acquisition of a real estate facility.

At December 31, 2020, the related contractual interest rates are fixed, ranging between 3.2% and 7.1%, and mature between January 1, 2022 and July 1, 2030.

At December 31, 2020, approximate principal maturities of our Notes Payable are as follows (amounts in thousands):

	Unsecured Debt	Mortgage Debt	Total
2021	$ -	$ 1,851	$ 1,851
2022	500,000	2,574	502,574
2023	-	19,219	19,219
2024	122,646	124	122,770
2025	296,821	131	296,952
Thereafter	1,613,222	1,281	1,614,503
	$ 2,532,689	$ 25,230	$ 2,557,919
Weighted average effective rate	2.4%	3.9%	2.4%

Cash paid for interest totaled $52.7 million, $48.3 million and $36.3 million for 2020, 2019 and 2018, respectively. Interest capitalized as real estate totaled $3.4 million, $3.9 million and $4.8 million for 2020, 2019 and 2018, respectively.

7. Noncontrolling Interests

At December 31, 2020, the noncontrolling interests represent (i) third-party equity interests in subsidiaries owning 21 operating self-storage facilities and five self-storage facilities that are under construction and (ii) 231,970 partnership units held by third-parties in a subsidiary that are convertible on a one-for-one basis (subject to certain limitations) into common shares of the Company at the option of the unitholder (collectively, the "Noncontrolling Interests"). At December 31, 2020, the Noncontrolling Interests cannot require us to redeem their interests, other than pursuant to a liquidation of the subsidiary.

During 2020, 2019 and 2018, we allocated a total of $4.0 million, $5.1 million and $6.2 million, respectively, of income to these interests; and we paid $5.4 million, $6.7 million and $7.0 million, respectively, in distributions to these interests.

During 2019, we acquired noncontrolling interests for an aggregate of $35.0 million in cash, of which $11.1 million was allocated to Noncontrolling Interests, with the remainder allocated to Paid-in Capital. During 2020, 2019 and 2018, Noncontrolling Interests contributed $2.6 million, $8.1 million and $1.7 million, respectively, to our subsidiaries.

8. Shareholders' Equity

Preferred Shares

At December 31, 2020 and 2019, we had the following series of Cumulative Preferred Shares ("Preferred Shares") outstanding:

			As December 31, 2020		As December 31, 2019	
Series	Earliest Redemption Date	Dividend Rate	Shares Outstanding	Liquidation Preference	Shares Outstanding	Liquidation Preference
			(Dollar amounts in thousands)			
Series V	9/20/2017	5.375%	-	$ -	19,800	$ 495,000
Series W	1/16/2018	5.200%	-	-	20,000	500,000
Series X	3/13/2018	5.200%	-	-	9,000	225,000
Series B	1/20/2021	5.400%	-	-	12,000	300,000
Series C	5/17/2021	5.125%	8,000	200,000	8,000	200,000
Series D	7/20/2021	4.950%	13,000	325,000	13,000	325,000
Series E	10/14/2021	4.900%	14,000	350,000	14,000	350,000
Series F	6/2/2022	5.150%	11,200	280,000	11,200	280,000
Series G	8/9/2022	5.050%	12,000	300,000	12,000	300,000
Series H	3/11/2024	5.600%	11,400	285,000	11,400	285,000
Series I	9/12/2024	4.875%	12,650	316,250	12,650	316,250
Series J	11/15/2024	4.700%	10,350	258,750	10,350	258,750
Series K	12/20/2024	4.750%	9,200	230,000	9,200	230,000
Series L	6/17/2025	4.625%	22,600	565,000	-	-
Series M	8/14/2025	4.125%	9,200	230,000	-	-
Series N	10/6/2025	3.875%	11,300	282,500	-	-
Series O	11/17/2025	3.900%	6,800	170,000	-	-
Total Preferred Shares			151,700	$ 3,792,500	162,600	$ 4,065,000

The holders of our Preferred Shares have general preference rights with respect to liquidation, quarterly distributions and any accumulated unpaid distributions. Except as noted below, holders of the Preferred Shares do not have voting rights. In the event of a cumulative arrearage equal to six quarterly dividends, holders of all outstanding series of preferred shares (voting as a single class without regard to series) will have the right to elect two additional members to serve on our Board of Trustees (our "Board") until the arrearage has been cured. At December 31, 2020, there were no dividends in arrears. The affirmative vote of at least 66.67% of the outstanding shares of a series of Preferred Shares is required for any material and adverse amendment to the terms of such series. The affirmative vote of at least 66.67% of the outstanding shares of all of our Preferred Shares, voting as a single class, is required to issue shares ranking senior to our Preferred Shares.

Except under certain conditions relating to the Company's qualification as a REIT, the Preferred Shares are not redeemable prior to the dates indicated on the table above. On or after the respective dates, each of the series of Preferred Shares is redeemable at our option, in whole or in part, at $25.00 per depositary share, plus accrued and unpaid dividends. Holders of the Preferred Shares cannot require us to redeem such shares.

Upon issuance of our Preferred Shares, we classify the liquidation value as preferred equity on our balance sheet with any issuance costs recorded as a reduction to Paid-in capital.

In 2020, we redeemed our Series V, Series W and Series X Preferred Shares, at par, for a total of $1.22 billion in cash, before payment of accrued dividends.

On December 14, 2020, we called for redemption of, and on January 20, 2021, we redeemed our 5.40% Series B Preferred Shares, at par. The liquidation value (at par) of $300.0 million was reclassified as a liability at December 31, 2020. We recorded a $9.9 million allocation of income from our common shareholders to the holders of our Preferred Shares in 2020 in connection with this redemption.

In 2020, we issued an aggregate 49.9 million depositary shares, each representing 0.001 of a share of our Series L, Series M, Series N and Series O Preferred Shares, at an issuance price of $25.00 per depositary share, for a total of $1.25 billion in gross proceeds, and we incurred $39.3 million in issuance costs.

In 2019, we redeemed our Series U, Series V, Series Z and Series A Preferred Shares, at par, for a total of $1.05 billion in cash, before payment of accrued dividends.

In 2019, we issued an aggregate 43.6 million depositary shares, each representing 0.001 of a share of our Series H, Series I, Series J and Series K Preferred Shares, at an issuance price of $25.00 per depositary share, for a total of $1.09 billion in gross proceeds, and we incurred $30.8 million in issuance costs.

In 2020 and 2019, we recorded $48.3 million and $32.7 million, respectively, in EITF D-42 allocations of income from our common shareholders to the holders of our Preferred Shares in connection with redemptions of Preferred Shares, including the redemption of our Series B Preferred Shares as noted above.

Common Shares

During 2020, 2019 and 2018, activity with respect to the issuance of our common shares was as follows (dollar amounts in thousands):

	2020		2019		2018	
	Shares	Amount	Shares	Amount	Shares	Amount
Employee stock-based compensation and exercise of stock options (Note 10)	163,187	$ 12,684	245,781	$ 10,561	257,511	$ 10,354

Our Board previously authorized the repurchase from time to time of up to 35.0 million of our common shares on the open market or in privately negotiated transactions. Through December 31, 2020, we repurchased approximately 23.7 million shares pursuant to this authorization; none of which were repurchased during the three years ended December 31, 2020.

At December 31, 2020 and 2019, we had 3,513,955 and 2,958,817, respectively, of common shares reserved in connection with our share-based incentive plans (see Note 10), and 231,978 shares reserved for the conversion of partnership units owned by Noncontrolling Interests.

The unaudited characterization of dividends for U.S. federal corporate income tax purposes is made based upon earnings and profits of the Company, as defined by the Code. Common share dividends including amounts paid to our restricted share unitholders totaled $1.399 billion ($8.00 per share), $1.399 billion ($8.00 per share) and $1.396 billion ($8.00 per share) for the years ended December 31, 2020, 2019 and 2018, respectively. Preferred share dividends totaled $207.1 million, $210.2 million and $216.3 million for the years ended December 31, 2020, 2019 and 2018, respectively.

For the tax year ended December 31, 2020, distributions for the common shares and all the various series of preferred shares were classified as follows:

	2020 (unaudited)			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Ordinary Income	100.00%	100.00%	100.00%	100.00%
Long-Term Capital Gain	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

The ordinary income dividends distributed for the tax year ended December 31, 2020 are not qualified dividends under the Internal Revenue Code, however, they are subject to the 20% deduction under IRS Section 199A.

9. Related Party Transactions

B. Wayne Hughes, our former Chairman and his family, including his daughter Tamara Hughes Gustavson, a current member of the Board, and his son B. Wayne Hughes, Jr., a former member of the Board who retired effective December 31, 2020, collectively own approximately 13.0% of our common shares outstanding at December 31, 2020.

At December 31, 2020, Tamara Hughes Gustavson and her adult children owned and controlled 66 self-storage facilities in Canada. Ms. Gustavson's direct ownership in these properties is less than 1.0%. These facilities operate under the "Public Storage" tradename, which we license to the owners of these facilities for use in Canada on a royalty-free, non-exclusive basis. We have no ownership interest in these facilities and we do not own or operate any facilities in Canada. If we chose to acquire or develop our own facilities in Canada, we would have to share the use of the "Public Storage" name in Canada. We have a right of first refusal, subject to limitations, to acquire the stock or assets of the corporation engaged in the operation of these facilities if their owners agree to sell them. Our subsidiaries reinsure risks relating to loss of goods stored by customers in these facilities, and have received approximately $1.6 million, $1.5 million and $1.3 million for the years ended December 31, 2020, 2019 and 2018, respectively. Our right to continue receiving these premiums may be qualified.

10. Share-Based Compensation

Under various share-based compensation plans and under terms established or modified by our Board or a committee thereof, we grant non-qualified options to purchase the Company's common shares, as well as restricted share units ("RSUs"), to trustees, officers, and key employees.

Stock options and RSUs are considered "granted" and "outstanding" as the terms are used herein, when (i) the Company and the recipient reach a mutual understanding of the key terms of the award, (ii) the award has been authorized, and (iii) the recipient is affected by changes in the market price of our stock.

We amortize the grant-date fair value of awards, including grants to nonemployee service providers, as compensation expense over the service period, which begins on the grant date and ends on the expected vesting date. For awards that are earned solely upon the passage of time and continued service, the entire cost of the award is amortized on a straight-line basis over the service period. For awards with performance conditions, the individual cost of each vesting is amortized separately over each individual service period (the "accelerated attribution" method).

Modifications to the terms of awards that were probable of vesting before the modification ("Type I Modifications") are recorded prospectively, with remaining unamortized grant-date fair value at the time of modification amortized over the remaining service period. Modifications of awards which were considered improbable of vesting before the modification ("Type III Modifications") are accounted for as a cancellation of the original award and a new grant under the revised terms.

In July 2020, our share-based compensation plans were modified to allow immediate vesting upon retirement ("Retirement Acceleration"), and to extend the exercisability of outstanding stock options up to a year after retirement, for currently outstanding and future grants. Prior to the modification, unvested awards were forfeited, and outstanding vested stock options were cancelled, upon retirement. Employees are eligible for Retirement Acceleration if they meet certain conditions including length of service, age, notice of intent to retire, and facilitation of succession for their role.

This modification results in accelerating amortization of compensation expense for each grant by changing the end of the service period from the original vesting date to the date an employee is expected to be eligible for Retirement Acceleration, if earlier. As a result, the Company recorded $5.7 million in accelerated compensation expense during 2020, with such amounts included in the amounts disclosed below under "Stock Options" and "Restricted Share Units."

The Codification previously stipulated that grants to nonemployee service providers (other than to trustees, where equity method treatment was permitted) were accounted for on the liability method, with expenses adjusted each period based upon changes in fair value. Recent changes in the Codification allows such grants to be accounted for on the equity award method, with compensation expense based upon grant date fair value. While we have no such grants to any such individuals for any periods presented, we will account for any future grants to nonemployee service providers based upon the equity award method.

In amortizing share-based compensation expense, we do not estimate future forfeitures in advance. Instead, we reverse previously amortized share-based compensation expense with respect to grants that are forfeited in the period the employee terminates employment.

In February 2018, we announced that our Chief Executive Officer and Chief Financial Officer at the time were retiring from their executive roles at the end of 2018 and would then serve only as Trustees of the Company. Pursuant to our share-based compensation plans, their unvested grants will continue to vest over the original vesting periods during their service as Trustees. For financial reporting, the end of the service periods for previous stock option and RSU grants for these executives changed from (i) the various vesting dates to (ii) December 31, 2018 when they retired. Accordingly, all remaining share-based compensation expense for these two executives was amortized in the year ended December 31, 2018.

See also "net income per common share" in Note 2 for further discussion regarding the impact of RSUs and stock options on our net income per common share and income allocated to common shareholders.

Stock Options

Stock options vest over 3 to 5 years, expire 10 years after the grant date, and the exercise price is equal to the closing trading price of our common shares on the grant date. Employees cannot require the Company to settle their award in cash. We use the Black-Scholes option valuation model to estimate the fair value of our stock options.

Outstanding stock option grants are included on a one-for-one basis in our diluted weighted average shares, to the extent dilutive, after applying the treasury stock method (based upon the average common share price during the period) to assumed exercise proceeds and measured but unrecognized compensation.

During 2020, 770,000 stock options were granted where vesting is dependent upon meeting certain performance targets with respect to 2020, 2021, and 2022. As of December 31, 2020, these targets are expected to be met at 100% achievement. These options are included in the grants during 2020 and in options outstanding at December 31, 2020, and $3.0 million in related compensation expense was recorded during 2020.

The stock options outstanding at December 31, 2020 have an aggregate intrinsic value (the excess, if any, of each option's market value over the exercise price) of approximately $63.2 million and remaining average contractual lives of approximately six years. The aggregate intrinsic value of exercisable stock options at December 31, 2020 amounted to approximately $52.3 million. Approximately 1,240,000 of the stock options outstanding at December 31, 2020, have an exercise price of more than $225. Included in our stock options exercisable at December 31, 2020, are 16,667 stock options which expire through June 30, 2021, with an average exercise price per share of $115.96.

Additional information with respect to stock options during 2020, 2019 and 2018 is as follows:

	2020		2019		2018	
	Number of Options	Weighted Average Exercise Price per Share	Number of Options	Weighted Average Exercise Price per Share	Number of Options	Weighted Average Exercise Price per Share
Options outstanding January 1,	2,339,667	$ 264.11	2,420,922	$ 200.11	2,488,917	$ 192.12
Granted	844,000	226.38	120,000	221.12	200,000	194.29
Exercised	(71,500)	175.16	(191,255)	174.51	(270,995)	69.53
Cancelled	(147,000)	222.42	(10,000)	197.96	(8,000)	221.59
Options outstanding December 31,	2,961,167	$ 258.38	2,339,667	$ 264.11	2,420,922	$ 201.31
Options exercisable at December 31,	1,583,000	$ 288.58	1,595,667	$ 196.37	1,147,122	$ 170.34

	2020	2019	2018
Stock option expense for the year (in 000's)(a)	$ 7,613	$ 4,950	$ 17,862
Aggregate exercise date intrinsic value of options exercised during the year (in 000's)	$ 3,633	$ 11,848	$ 25,117
Average assumptions used in valuing options with the Black-Scholes method:			
Expected life of options in years, based upon historical experience	5	5	5
Risk-free interest rate	0.43%	2.3%	2.7%
Expected volatility, based upon historical volatility	21.6%	8.9%	12.5%
Expected dividend yield	3.8%	3.6%	4.1%
Average estimated value of options granted during the year	$ 17.79	$ 9.61	$ 13.09

(a) Amounts for 2020 include $0.3 million in connection with the Retirement Acceleration. Amounts for 2018 include $8.1 million, in connection with the acceleration of amortization on grants discussed above. Of the total expense recorded, $2.8 million, $2.2 million and $2.1 million for 2020, 2019 and 2018,

respectively, was allocated to cost of operations, with the remainder allocated to general and administrative expense.

Restricted Share Units

RSUs generally vest over 5 to 8 years from the grant date. The grantee receives dividends for each outstanding RSU equal to the per-share dividends received by our common shareholders. We expense any dividends previously paid upon forfeiture of the related RSU. Upon vesting, the grantee receives common shares equal to the number of vested RSUs, less common shares withheld in exchange for tax deposits made by the Company to satisfy the grantee's statutory tax liabilities arising from the vesting.

The fair value of our RSUs is determined based upon the applicable closing trading price of our common shares.

The fair value of our RSUs outstanding at December 31, 2020 was approximately $127.7 million. Remaining compensation expense related to RSUs outstanding at December 31, 2020 totals approximately $76.9 million and is expected to be recognized as compensation expense over the next 4 years on average. The following tables set forth relevant information with respect to restricted shares (dollar amounts in thousands):

	2020		2019		2018	
	Number of Restricted Share Units	Grant Date Aggregate Fair Value	Number of Restricted Share Units	Grant Date Aggregate Fair Value	Number of Restricted Share Units	Grant Date Aggregate Fair Value
Restricted share units outstanding January 1,	419,150	$ 132,038	717,696	$ 151,212	789,129	$ 166,144
Granted	114,755	24,617	97,140	21,113	110,367	27,733
Vested	(140,049)	(28,141)	(360,329)	(32,716)	(364,086)	(30,717)
Forfeited	(37,028)	(7,964)	(35,357)	(7,521)	(52,896)	(11,945)
Restricted share units outstanding December 31,	352,788	$ 120,570	419,150	$ 132,038	717,696	$ 151,215

	2020	2019	2018
Amounts for the year (in 000's, except number of shares):			
Fair value of vested shares on vesting date	$ 31,076	$ 33,769	$ 32,917
Cash paid for taxes upon vesting in lieu of issuing common shares	$ 10,518	$ 12,142	$ 12,347
Common shares issued upon vesting	91,627	96,475	97,316
Restricted share unit expense (a)	$ 26,359	$ 21,662	$ 33,869

(a) Amounts for 2020, 2019 and 2018 include approximately $1.3 million, $1.2 million and $1.1 million, respectively, in employer taxes incurred upon vesting. Amounts for 2020 include $5.4 million, in connection with the Retirement Acceleration as discussed above. Amounts for 2018 include $22.6 million, in connection with the acceleration of amortization on grants to our CEO and CFO as discussed above. Of the total expense recorded, $12.7 million, $9.9 million and $14.3 million for 2020, 2019 and 2018, respectively, was allocated to cost of operations, with the remainder allocated to general and administrative expense.

11. Segment Information

Our reportable segments reflect the significant components of our operations where discrete financial information is evaluated separately by our chief operating decision maker ("CODM"). We organize our segments

based primarily upon the nature of the underlying products and services, as well as the drivers of profitability growth. The net income for each reportable segment included in the table below are in conformity with GAAP and our significant accounting policies as denoted in Note 2. The amounts not attributable to reportable segments are aggregated under "other items not allocated to segments."

Following is a description of and basis for presentation for each of our reportable segments.

Self-Storage Operations.

The Self-Storage Operations segment reflects the rental operations from all self-storage facilities we own. Our CODM reviews the net operating income ("NOI") of this segment, which represents the related revenues less cost of operations (prior to depreciation expense), in assessing performance and making resource allocation decisions. The presentation in the tables below sets forth the NOI of this segment, as well as the depreciation expense for this segment, which while reviewed by our CODM and included in net income, is not considered by the CODM in assessing performance and decision making. For all periods presented, substantially all of our real estate facilities, goodwill and other intangible assets, other assets, and accrued and other liabilities are associated with the Self-Storage Operations segment.

Ancillary Operations

The Ancillary Operations segment reflects the operations of our tenant reinsurance, merchandise sales and third party management activities.

Investment in PSB

This segment represents our approximate 42% equity interest in PSB, a publicly-traded REIT that owns, operates, acquires and develops commercial properties, primarily multi-tenant flex, office, and industrial space. PSB has a separate management team and board of directors that makes its financing, capital allocation, and other significant decisions. In making resource allocation decisions with respect to our investment in PSB, the CODM reviews PSB's net income, which is detailed in PSB's periodic filings with the SEC. The segment presentation in the tables below includes our equity earnings from PSB.

Investment in Shurgard

This segment represents our approximate 35% equity interest in Shurgard, a publicly held company which owns and operates self-storage facilities located in seven countries in Western Europe. Shurgard has a separate management team and board of trustees that makes its financing, capital allocation, and other significant decisions. In making resource allocation decisions with respect to our investment in Shurgard, the CODM reviews Shurgard's net income. The segment presentation below includes our equity earnings from Shurgard.

Presentation of Segment Information

The following tables reconcile NOI (as applicable) and net income of each segment to our consolidated net income (amounts in thousands):

	For the Years Ended December 31,		
	2020	2019	2018
Self-Storage Segment			
Revenue	$ 2,721,630	$ 2,684,552	$ 2,597,607
Cost of operations	(807,542)	(782,416)	(789,750)
Net operating income	1,914,087	1,902,136	1,807,857
Depreciation and amortization	(553,227)	(512,918)	(484,640)
Net income	1,360,860	1,389,218	1,323,217
Ancillary Segment			
Revenue	193,430	170,556	161,956
Cost of operations	(59,921)	(50,736)	(47,384)
Net operating income	133,509	119,820	114,572
Investment in PSB Segment (a) - Equity in earnings of unconsolidated entities	64,933	54,090	89,362
Investment in Shurgard Segment (a) - Equity in earnings of unconsolidated entities	15,662	15,457	14,133
Gain due to Shurgard public offering	—	—	151,616
Net income from Investment in Shurgard Segment	15,662	15,457	165,749
Total net income allocated to segments	1,574,866	1,598,585	1,773,903
Other items not allocated to segments:			
General and administrative	(83,199)	(62,146)	(104,712)
Interest and other income	22,321	26,661	24,552
Interest expense	(92,140)	(95,693)	(95,162)
Foreign currency exchange (loss) gain	(97,903)	7,828	(8,167)
Gain on sale of real estate	1,484	1,179	19,463
Net income	$ 1,302,327	$ 1,475,413	$ 1,717,225

(a) See Note 4 for a reconciliation of these amounts to our total Equity in Earnings of Unconsolidated Real Estate Entities on our income statements.

12. Recent Accounting Pronouncements and Guidance

In February 2016, the FASB issued ASU 2016-02, *Leases*, which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The new standard requires a modified-retrospective approach to adoption and became effective for interim and annual periods beginning on January 1, 2019. In July 2018, the FASB further amended this standard to allow for a new transition method that offers the option to use the effective date as the date of initial application and not adjust the comparative-period financial information. We adopted the new standard effective January 1, 2019, using the new transition method, recording a total of $78.1 million in right of use assets, reflected in other assets, and substantially the same amount in lease liabilities, reflected in accrued and other liabilities, for leases where we are the lessee (principally ground leases and office leases). We also reclassified related intangible assets totaling $5.6 million to other assets. The lease liabilities are recognized

based on the present value of the remaining lease payments for each operating lease using each respective remaining lease term and a corresponding estimated incremental borrowing rate. We estimated the incremental borrowing rate primarily by reference to average yield spread on debt issuances by companies of a similar credit rating as us, and the treasury yields as of January 1, 2019. We had no material amount of leases covered by the standard where we are the lessor (principally our storage leases) because substantially all of such leases are month to month. For leases where we are the lessee or the lessor, we applied (i) the package of practical expedients to not reassess prior conclusions related to contracts that are or that contain leases, leases classification and initial direct costs, (ii) the hindsight practical expedient to determine the lease term and in assessing impairment of the right of use asset, and (iii) the easement practical expedient to not assess whether existing or expired land easements that were not previously accounted for as leases under ASC 840 are or contain a lease under this new standard. In addition, for leases where we are the lessee, we also elected to (a) not apply the new standard to our leases with an original term of 12 months or less, and (b) not separate lease and associated non-lease components.

13. Commitments and Contingencies

Contingent Losses

We are a party to various legal proceedings and subject to various claims and complaints; however, we believe that the likelihood of these contingencies resulting in a material loss to the Company, either individually or in the aggregate, is remote.

Insurance and Loss Exposure

We carry property, earthquake, general liability, employee medical insurance and workers compensation coverage through internationally recognized insurance carriers, subject to deductibles. Our deductible for general liability is $2.0 million per occurrence. Our annual deductible for property loss is $25.0 million per occurrence. This deductible decreases to $5.0 million once we reach $35.0 million in aggregate losses for occurrences that exceed $5.0 million. Insurance carriers' aggregate limits on these policies of $75.0 million for property losses and $102.0 million for general liability losses are higher than estimates of maximum probable losses that could occur from individual catastrophic events determined in recent engineering and actuarial studies; however, in case of multiple catastrophic events, these limits could be exceeded.

We reinsure a program that provides insurance to our customers from an independent third-party insurer. This program covers customer claims for losses to goods stored at our facilities as a result of specific named perils (earthquakes are not covered by this program), up to a maximum limit of $5,000 per storage unit. We reinsure all risks in this program, but purchase insurance to cover this exposure for a limit of $15.0 million for losses in excess of $5.0 million per occurrence. We are subject to licensing requirements and regulations in several states. Customers participate in the program at their option. At December 31, 2020, there were approximately 990,000 certificates held by our self-storage customers, representing aggregate coverage of approximately $3.9 billion.

Construction Commitments

We have construction commitments representing future expected payments for construction under contract totaling $105.0 million at December 31, 2020. We expect to pay approximately $95.2 million in 2021 and $9.8 million in 2022 for these construction commitments.

14. Subsequent Events

Subsequent to December 31, 2020, we acquired or were under contract to acquire 40 self-storage facilities across 18 states with 3.5 million net rentable square feet, for $580.1 million.

On January 19, 2021, we completed a public offering of $500 million aggregate principal amount of senior notes bearing interest at an annual rate of 0.875% and maturing on February 15, 2026. Interest on the senior notes is payable semi-annually, commencing August 15, 2021. In connection with the offering, we incurred a total of $3.8 million in costs.

On January 20, 2021, we redeemed our 5.4% Series B Preferred Shares, at par, for a total of $300 million in cash before payment of accrued dividends.

PUBLIC STORAGE
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

(Amounts in thousands, except number of properties)

Description	No. of Facilities	Net Rentable Sq. Feet	2020 Encum-brances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount At December 31, 2020			Accumulated Depreciation
				Land	Buildings & Improvements		Land	Buildings	Total	
Self-storage facilities by market:										
Los Angeles	225	16,265	455	519,547	942,206	372,709	517,361	1,317,301	1,834,662	798,362
Houston	128	10,665	-	186,526	469,132	277,738	183,867	707,549	891,396	315,349
San Francisco	138	8,980	-	241,761	527,127	223,936	254,561	738,313	992,874	488,482
Dallas/Ft. Worth	124	8,969	-	176,962	437,884	132,768	178,562	569,052	747,614	306,815
Chicago	134	8,581	-	141,403	400,749	112,058	144,528	517,971	662,491	302,269
New York	96	7,011	-	277,121	586,592	205,542	283,458	785,797	1,069,255	435,571
Atlanta	106	7,138	1,713	133,009	361,360	90,812	135,461	451,953	587,414	279,284
Seattle/Tacoma	95	6,798	-	190,063	531,742	110,562	198,758	641,657	840,347	349,944
Miami	90	5,645	-	215,805	466,549	131,226	229,059	584,521	813,580	325,341
Washington DC	90	5,645	-	215,805	466,549	131,226	229,059	522,941	761,980	327,341
Orlando/Daytona	72	4,551	11,589	140,411	253,175	59,516	145,092	307,410	452,502	166,849
Denver	64	4,769	8,925	99,547	287,641	90,248	100,268	345,160	445,428	156,883
Charlotte	56	4,360	-	80,253	285,378	79,349	88,116	276,856	364,972	131,456
Minneapolis/St. Paul	65	4,721	2,174	135,112	286,848	93,739	145,277	360,394	475,671	131,484
Tampa	57	3,878	-	93,022	284,543	49,349	93,784	253,130	346,914	132,562
Philadelphia	61	4,004	-	56,991	224,168	58,839	56,012	283,922	339,934	167,192
West Palm Beach	46	3,545	-	136,788	221,479	67,459	157,496	208,230	445,726	133,996
Detroit	47	3,358	-	66,861	213,837	39,152	67,731	252,119	319,870	128,220
Phoenix	42	2,871	-	68,515	213,718	28,224	68,506	241,951	310,457	112,212
Austin	35	2,762	-	65,542	149,481	44,821	67,564	192,280	259,844	91,282
Portland	45	2,426	-	54,370	150,634	28,158	55,028	178,134	233,162	107,422
Sacramento	34	1,959	-	25,141	69,409	31,275	25,625	100,200	125,825	80,386
Raleigh	28	1,975	-	50,348	99,503	38,677	51,107	137,271	188,608	66,430
San Diego	22	2,037	-	73,713	117,796	42,682	76,225	177,968	254,193	93,881
San Antonio	28	1,791	-	27,566	76,028	27,651	27,524	103,725	131,249	70,033
Nashville	28	1,964	-	40,843	209,695	29,267	41,409	238,396	279,805	101,487
Boston	28	1,964	-	40,843	209,695	29,267	41,409	238,256	279,625	101,487
Columbus	27	2,015	-	44,903	92,010	28,437	45,098	120,331	165,421	48,804
Oklahoma City	23	1,445	-	38,265	71,968	13,775	38,265	87,743	126,008	27,343
Baltimore	24	1,588	-	28,396	92,861	20,539	28,528	113,296	141,816	75,062
Indianapolis	26	1,497	-	31,636	74,206	17,657	32,636	90,863	123,499	48,772

PUBLIC STORAGE
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

(Amounts in thousands, except number of properties)

Description	No. of Facilities	Net Rentable Sq. Feet	2020 Encum-brances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount At December 31, 2020			Accumulated Depreciation
				Land	Buildings & Improvements		Land	Buildings	Total	
St. Louis	28	1,784	-	22,463	79,336	10,025	21,106	116,738	139,844	66,546
Kansas City	25	1,647	-	14,567	56,147	15,619	14,767	91,566	106,333	62,368
Columbia	23	1,345	-	20,169	57,131	22,005	20,920	78,377	99,345	38,966
Las Vegas	21	1,355	-	25,038	68,513	11,362	24,287	80,626	104,913	58,563
Oklahoma	20	1,014	374	17,155	46,338	15,230	17,155	61,568	78,723	38,347
Cincinnati	18	1,051	-	17,155	62,738	18,130	17,155	80,871	97,026	51,167
Louisville	15	916	-	23,563	46,108	7,935	23,562	54,044	77,606	16,253
Jacksonville	14	841	-	11,252	27,714	12,056	11,301	39,721	51,022	31,917
Nashville/Bowling Green	17	1,108	-	18,787	35,425	10,785	18,785	66,212	84,997	31,221
Honolulu	11	807	-	54,104	106,298	14,098	53,301	119,480	176,781	68,300
Greensboro	14	845	-	13,413	35,326	13,992	13,502	47,229	62,731	27,693
Colorado Springs	14	992	-	10,508	30,237	22,364	10,505	60,804	71,309	38,357
Chattanooga	10	697	-	6,569	26,045	7,651	6,371	33,894	40,265	16,037
Hartford/New Haven	11	693	-	6,778	19,938	22,327	8,443	40,623	49,064	31,315
Savannah	12	700	-	33,094	42,465	4,118	31,766	47,911	79,677	18,038
Charleston	14	958	-	16,947	56,793	17,984	17,921	73,803	91,724	26,832
Fort Myers/Naples	11	861	-	23,298	56,012	5,537	23,553	61,314	84,847	19,964
New Orleans	9	627	-	9,265	30,832	6,667	9,375	37,331	46,704	26,365
Greenville/Spartanburg/Asheville	11	622	-	9,036	20,765	10,334	9,963	30,172	40,137	21,772
Reno	7	559	-	5,407	18,768	6,163	5,407	22,867	28,274	12,925
Birmingham	15	606	-	6,316	25,567	13,578	6,284	39,237	45,441	28,113
Oklahoma City	8	464	-	10,161	29,832	9,551	10,161	39,383	49,544	25,014
Memphis	11	645	-	10,561	29,832	9,551	20,934	18,850	38,984	21,854
Buffalo/Rochester	9	462	-	6,783	17,934	3,980	6,783	21,936	28,719	14,492
Richmond	13	658	-	10,952	40,168	3,948	17,897	46,303	64,200	29,124
Tucson	7	439	-	9,403	25,491	5,868	9,884	30,878	40,762	20,371
Cleveland/Akron	7	434	-	4,670	16,138	5,338	4,464	21,284	25,747	12,947
Wichita	7	413	-	2,017	6,691	7,350	2,138	13,920	16,058	12,067
Mobile	11	329	-	8,915	25,223	5,077	8,762	30,473	39,235	14,061
Omaha	5	430	-	8,261	23,709	3,456	8,261	27,165	35,426	4,585
Monterey/Salinas	7	329	-	8,465	24,131	4,307	8,455	28,468	36,923	22,179
Palm Springs	3	242	-	8,309	18,665	1,387	8,308	19,452	27,761	11,193

PUBLIC STORAGE
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

(Amounts in thousands, except number of properties)

Description	No. of Facilities	Net Rentable Sq. Feet	2020 Encum-brances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount At December 31, 2020			Accumulated Depreciation
				Land	Buildings & Improvements		Land	Buildings	Total	
Evansville	5	326	-	2,340	14,316	1,333	2,312	15,677	17,989	4,248
Dayton	5	284	-	1,074	8,975	4,850	1,073	13,826	14,899	7,522
Augusta	3	392	-	6,213	15,978	6,081	6,213	20,060	26,273	6,765
Fort Wayne	3	168	-	349	3,594	3,196	349	6,788	7,137	5,882
Hamilton	3	268	-	1,165	3,394	3,598	1,165	6,992	8,157	5,882
Huntsville/Decatur	3	294	-	9,161	11,401	3,852	9,168	16,245	25,413	6,989
Shreveport	2	150	-	817	3,630	2,301	741	5,407	6,148	4,851
Springfield/Holyoke	2	164	-	1,428	3,380	1,910	1,427	5,291	6,718	4,913
Rochester	2	99	-	1,047	2,246	2,107	988	4,420	5,408	4,088
Santa Barbara	2	98	-	1,733	9,106	468	1,733	9,574	11,307	3,797
Topeka	2	94	-	225	1,419	2,090	225	3,509	3,734	3,081
Lansing	2	88	-	556	2,622	936	556	3,818	4,374	2,428
Roanoke	3	159	-	2,147	13,801	908	2,147	14,709	16,856	3,141
Flint	1	56	-	543	3,048	260	542	3,329	3,871	1,967
Joplin	1	56	-	264	904	1,014	264	1,918	2,182	1,626
Syracuse	1	51	-	545	1,279	846	545	2,125	2,670	2,032
Mesdesto/Fresno/Stockton	1	33	-	44	206	983	193	1,040	1,233	862
Commercial and non-operating real estate			-	13,796	21,761	42,591	14,836	63,312	78,148	41,728
	2,548	179,458	$25,320	$4,313,285	$8,903,429	$3,153,913	$4,375,588	$12,997,039	$17,372,627	$7,152,137

Note: Buildings and improvements are depreciated on a straight-line basis over estimated useful lives ranging generally between 5 to 25 years. In addition, disclosures of the number and square footage of our facilities are unaudited.

Exhibit 4.2

DESCRIPTION OF COMMON SHARES

Unless the context otherwise requires, the terms "we," "our," "us," and the "Company" refer to Public Storage, a Maryland real estate investment trust.

We are authorized to issue up to 650,000,000 common shares of beneficial interest, par value $0.10 per share.

Common Shares

The following description of our common shares sets forth certain general terms and provisions of our common shares. The statements below describing our common shares are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our declaration of trust and bylaws.

Holders of our common shares will be entitled to receive distributions when, as and if declared by our board of trustees, out of funds legally available for distribution. If we fail to pay distributions on our outstanding preferred shares of beneficial interest, generally we may not pay distributions on or repurchase our common shares. If we were to liquidate, dissolve or wind up our affairs, holders of common shares will be entitled to share equally and ratably in any assets available for distribution to them, after payment or provision for payment of our debts and other liabilities and the preferential amounts owing with respect to any of our outstanding preferred shares. Holders of common shares have no preemptive rights, which means they have no right to acquire any additional common shares that we may issue at a later date. The common shares will be, when issued, fully paid and nonassessable.

The holders of our common shares are entitled to cast one vote for each share on all matters presented to our holders for a vote. Our declaration of trust permits cumulative voting for the election of trustees, subject to compliance with the advance notice requirements for the exercise of cumulative voting rights that are set forth in our bylaws. Cumulative voting means that each holder of our common shares is entitled to cast as many votes as there are trustees to be elected multiplied by the number of common shares owned by such holder, and such holder may cast all of such votes for one candidate or distribute the votes among as many candidates as such holder desires at the same time each year as a shareholder proposal made pursuant to Rule 14a-8 under the Exchange Act) may cumulate the votes for trustees by casting all of the votes for one candidate or by distributing the votes among as many candidates as he or she desires.

The rights, preferences and privileges of holders of our common shares are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred shares or equity shares of beneficial interest which are outstanding or which we may designate and issue in the future. See "Description of Preferred Shares."

In addition to the ownership limitations in our declaration of trust, described below, the following could prevent, deter, or delay a change of control transaction:

- provisions of Maryland law may impose limitations that may make it more difficult for a third party to negotiate or effect a business combination transaction or control share acquisition with us. Currently, our board has opted not to subject the Company to these provisions of Maryland law, but it could choose to do so in the future without shareholder approval.

- Similarly, current provisions of our declaration of trust and powers of our board could have the same effect, including (1) limitations on removal of trustees, (2) restrictions on the acquisition of our shares of beneficial interest, (3) the power to issue additional common shares, preferred shares or equity shares on terms approved by our board without obtaining shareholder approval, (4) the advance notice provisions of our bylaws and (5) our board's ability under Maryland law, without obtaining shareholder approval, to implement takeover defenses that we may not yet have and to take, or refrain from taking, other actions that could have the effect of delaying, deterring or preventing a transaction or a change in control.

Ownership Limitations

To qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding shares (after taking into account options to acquire shares) may be owned, directly, indirectly or through attribution, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year.

To maintain our qualification as a REIT, our declaration of trust provides that:

- no person, other than an excepted holder or a designated investment entity (each as defined in our declaration of trust and as described below), may own directly or indirectly, or be deemed to own by virtue of the attribution provisions of the Code, more than 3%, in value or number, whichever is more restrictive, of the outstanding shares of any class or series of common shares;
- no person, other than a designated investment entity or an excepted holder (each as defined in our declaration of trust and as described below), may own directly or indirectly, or be deemed to own through attribution, more than 9.9% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of preferred shares or equity shares;
- no excepted holder, which means certain members of the Hughes family, certain trusts established for the benefit of members of the Hughes family, certain related entities, as well as persons whose ownership of shares would cause members of the Hughes family to be deemed to own shares pursuant to application attribution rules under the Code, may own directly or indirectly common shares if, under the applicable tax attribution rules of the Code, any single excepted holder who is treated as an individual would own more than 9.9%, in value or number, whichever is more restrictive, of any class or series of the outstanding common shares, any three excepted holders treated as individuals would own more than 41.66%, in value or number, whichever is more restrictive, of any class or series of the outstanding common shares, any four excepted holders treated as individuals would own more than 44.66%, in value or number, whichever is more restrictive, of any class or series of the outstanding common shares, or any five excepted holders treated as individuals would own more than 47.66%, in value or number, whichever is more restrictive, of any class or series of the outstanding common shares;
- no excepted holder, as described above, may own directly or indirectly, or be deemed to own through attribution, more than 15% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of equity shares;
- no person may own directly or indirectly, or be deemed to own through attribution, shares in excess of the designated investment entity limit of 9.9%, in value or number, whichever is more restrictive, of the outstanding shares of any class or series of common shares;
- no designated investment entity may acquire or hold, directly or indirectly (or through attribution), shares in excess of the designated investment entity limit of 9.9%, in value or number, whichever is more restrictive, of the outstanding shares of any class or series of common shares;
- no person may own, directly or indirectly, acquire or hold, directly or indirectly (or through attribution), 100% of the outstanding shares of any class or series of preferred shares or equity shares;
- no person shall actually or beneficially own our shares to the extent that such ownership would result in us being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT at any time; and
- no person shall transfer our shares if such transfer would result in our shares being owned by fewer than 100 persons at any time.

The excepted holder limit has been established in light of the fact that the Hughes family and certain related trusts and entities own approximately 14.1% of our common shares outstanding at December 31, 2019, and have the right to acquire additional common shares. The excepted holder limit allows excepted holders, defined in our declaration of trust to include certain members of the Hughes family, certain trusts established for the benefit of members of the Hughes family and certain related entities, to own in the aggregate up to 47.66% of the outstanding shares of any

class or series of common shares, so long as no one individual excepted holder would own or be treated as owning in excess of 35.66% of the outstanding shares of any such class or series. We believe that the excepted holder limit will not jeopardize our status as a REIT because no five excepted holders can own more than 47.66% of any class or series of our outstanding common shares and, thus, we will be in compliance with the REIT qualification requirement prohibiting five or fewer individuals from owning more than 50% of the value of our outstanding shares.

Our declaration of trust defines a "designated investment entity" as:

1. an entity that is a pension trust that qualifies for look-through treatment under Section 856(h)(3) of the Code;
2. an entity that qualifies as a regulated investment company under Section 851 of the Code; or
3. an entity (referred to in our declaration of trust as a "qualified investment manager") that (i) for compensation engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities, and (ii) is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and (iii) is not generally engaged in influencing control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) of the Exchange Act, and (iv) has or shares voting power and investment power under the Exchange Act, so long as each beneficial owner of such entity, or in the case of a qualified investment manager holding shares solely for the benefit of its customer account holders, the individual account holders of the accounts managed by such entity, would satisfy the 3% common share or 9.9% preferred share or equity share ownership limit if such beneficial owner or individual account holder were treated as a shareholder under our declaration of trust.

Under our declaration of trust, the board of trustees may, in its sole and absolute discretion, exempt a shareholder that is not an individual from the 3% ownership limit for common shares, the 9.9% ownership limit for preferred and equity shares, or the ownership limit for common shares applicable to designated investment entities, if such shareholder provides information and makes representations to the board of trustees that are satisfactory to the board of trustees, in its sole and absolute discretion, to establish that such person's ownership in excess of the applicable ownership limit would not jeopardize our qualification as a REIT. The board of trustees has from time to time granted waivers to such persons.

Any person who acquires or attempts or intends to acquire actual or beneficial or constructive ownership of our shares that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice immediately to us and provide us with such other information as the board of trustees may request in order to determine the effect of such transfer on our status as a REIT. If any transfer of shares or any other event would otherwise result in any person violating the ownership limits described above, then our declaration of trust provides that (a) the transfer will be void and of no force or effect with respect to the prohibited transferee with respect to that number of shares that exceeds the ownership limits and (b) the prohibited transferee would not acquire any right or interest in the shares. The foregoing restrictions on transferability and ownership will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

All certificates representing our shares will bear a legend referring to the restrictions described above.

Every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of all classes or series of our shares, including common shares, will be required to give written notice to us within 30 days after the end of each taxable year stating the name and address of such owner, the number of shares of each class and series of shares that the owner beneficially owns and a description of the manner in which such shares are held. Each such owner shall provide to us such additional information as the board of trustees may request in order to determine the effect, if any, of such beneficial ownership on our status as a REIT and to ensure compliance with the various ownership limitations. In addition, each shareholder shall upon demand be required to provide to the board of trustees such information as the board of trustees may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

DESCRIPTION OF PREFERRED SHARES

We are authorized to issue 100,000,000 shares of preferred shares of beneficial interest, par value $0.01 per share, in one or more series, with such voting powers, full or limited, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be set forth in resolutions providing for the issue of preferred shares adopted by our board of trustees.

Description of 5.40% Cumulative Preferred Shares, Series B

General

The following is a brief description of the terms of our 5.40% Cumulative Preferred Shares, Series B (the "Series B Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series B Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part.

Ownership Restrictions

For a discussion of ownership limitations that apply to the Series B Preferred Shares, see "Description of Common Shares—Ownership Limitations."

Ranking

With respect to the payment of distributions and amounts upon liquidation, the Series B Preferred Shares will rank pari passu with our existing preferred shares (collectively, the "Existing Senior Preferred Shares") and any other preferred shares issued by us, whether now or hereafter issued, ranking pari passu with the Existing Senior Preferred Shares (collectively, together with the Existing Senior Preferred Shares and the Series B Preferred Shares, the "Senior Preferred Shares"), and will rank senior to our common shares and any other shares of beneficial interest of the Company ranking junior to the Series B Preferred Shares.

Distributions

Holders of Series B Preferred Shares, in preference to the holders of our common shares, and of any other shares of beneficial interest issued by us ranking junior to the Series B Preferred Shares as to payment of distributions, will be entitled to receive, when and as declared by our board of trustees, out of assets legally available for payment, cumulative preferential cash distributions at the rate of 5.40% of the liquidation preference per share (equivalent to $1.35 per year per Series B Depositary Share (as defined below)). Distributions on the Series B Preferred Shares will be cumulative from the date of issue and will be payable quarterly on or before March 31, June 30, September 30 and December 31, commencing March 31, 2016, to holders of record as they appear on the shares register of the Company on such record dates, not less than 15 or more than 45 days preceding the payment dates thereof, as shall be fixed by the board of trustees. If the last day of a quarter is a non-business day, the distribution payment date will be the next succeeding business day. If any distributions on the Series B Preferred Shares have been paid or declared and funds set aside for payment for all past distribution periods and for the then current quarter, the holders of Series B Preferred Shares will not be entitled to any further distributions with respect to that quarter.

When distributions are not paid in full upon the Series B Preferred Shares and any other preferred shares of the Company ranking on a parity as to distributions with the Series B Preferred Shares (including the other series of Senior Preferred Shares), all distributions declared upon the Series B Preferred Shares and any other preferred shares of the Company ranking on a parity as to distributions with the Series B Preferred Shares shall be declared pro rata so that the amount of distributions declared per share on such shares shall bear to each other the same ratio that accrued distributions per share on the Series B Preferred Shares and such other preferred shares bear to each other. Except as set forth in the preceding sentence, unless full distributions on the Series B Preferred Shares have been paid for all past distribution periods, no distributions (other than in common shares or other shares of beneficial interest issued by us ranking junior to the Series B Preferred Shares as to distributions and upon liquidation) shall be declared or paid or set aside for payment, nor shall any other

distribution be made on common shares or on any other shares of beneficial interest issued by us ranking junior to or on a parity with the Series B Preferred Shares as to distributions or upon liquidation.

Unless full distributions on the Series B Preferred Shares have been paid for all past distribution periods, we and our subsidiaries may not redeem, repurchase or otherwise acquire for any consideration (nor may we or they pay or make available any moneys for a sinking fund for the redemption of) any common shares or any other shares of beneficial interest issued by us ranking junior to or on a parity with the Series B Preferred Shares as to distributions or upon liquidation except by conversion into or exchange for shares of beneficial interest issued by us ranking junior to the Series B Preferred Shares as to distributions and upon liquidation.

If for any taxable year, we elect to designate as "capital gain dividends" (as defined in the Code) any portion of the distributions paid or made available for the year to the holders of all classes and series of our shares of beneficial interest (to the extent treated as a dividend for U.S. federal income tax purposes), then the portion of such distributions designated as capital gain dividends that will be allocable to the holders of Series B Preferred Shares will be an amount equal to the total capital gain dividends multiplied by a fraction, the numerator of which will be the total dividends paid or made available to the holders of Series B Preferred Shares for the year (determined for U.S. federal income tax purposes), and the denominator of which will be the total dividends paid or made available to holders of all classes and series of our outstanding shares of beneficial interest for that year (determined for U.S. federal income tax purposes).

Distributions that are treated as dividends for U.S. federal income tax purposes paid by regular C corporations to persons or entities that are taxed as individuals now are generally taxed at the rate applicable to long-term capital gains, which is a maximum of 20% for such individual shareholders. Because we are a REIT, however, our dividends (including dividends paid on the Series B Preferred Shares), generally will continue to be taxed at regular ordinary income tax rates, except to the extent that the special rules relating to qualified dividend income or capital gains dividends paid by a REIT apply.

Conversion Rights

The Series B Preferred Shares will not be convertible into shares of any other class or series of beneficial interest of the Company.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the Series B Preferred Shares will be entitled to receive out of our assets available for distribution to shareholders, before any distribution of assets is made to holders of common shares or of any other shares of beneficial interest issued by us ranking as to such distribution junior to the Series B Preferred Shares, liquidating distributions in the amount of $25.000 per share (equivalent to $25.00 per Series B Depositary Share), plus all accrued and unpaid distributions (whether or not earned or declared) for the then current, and all prior, distribution periods. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts payable with respect to the Series B Preferred Shares and any other shares issued by us ranking as to any such distribution on a parity with the Series B Preferred Shares (including other series of Senior Preferred Shares) are not paid in full, the holders of the Series B Preferred Shares and such other shares issued by us ranking on a parity with the Series B Preferred Shares will share ratably in any such distribution in proportion to the full liquidating distributions to which they are entitled, the holders of the Series B Preferred Shares will not be entitled to any further participation in any distribution or assets by us.

For purposes of liquidation rights, a consolidation or merger of the Company with or into any other corporation or corporations or a sale of all or substantially all of the assets of the Company is not a liquidation, dissolution or winding up of the Company.

Redemption

Except in certain circumstances relating to our qualification as a REIT, we may not redeem the Series B Preferred Shares prior to January 20, 2021. On and after January 20, 2021, at any time or from time to time, we may redeem the Series B Preferred Shares in whole or in part at our option at a cash redemption price of $25.000 per Series B

Preferred Share (equivalent to $25.00 per Series B Depositary Share), plus all accrued and unpaid distributions to the date of redemption.

Notwithstanding the foregoing, if any distributions, including any accumulation, on the Series B Preferred Shares are in arrears, we may not redeem any Series B Preferred Shares unless we redeem simultaneously all outstanding Series B Preferred Shares, and we may not purchase or otherwise acquire, directly or indirectly, any Series B Preferred Shares; provided, however, that this shall not prevent the purchase or acquisition of the Series B Preferred Shares pursuant to a purchase or exchange offer if such offer is made on the same terms to all holders of the Series B Preferred Shares.

A notice of redemption of the Series B Preferred Shares (which may be contingent on the occurrence of a future event) will be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of Series B Preferred Shares at their addresses as they appear on our stock transfer records. The failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the redemption of any Series B Preferred Shares except as to the holder to whom notice was defective or not given. Each notice will state: (1) the redemption date; (2) the number of Series B Preferred Shares to be redeemed; (3) the redemption price per Series B Preferred Share; (4) the place or places where certificates for the Series B Preferred Shares are to be surrendered for payment of the redemption price; and (5) that distributions on the Series B Preferred Shares to be redeemed will cease to accrue on such redemption date.

If fewer than all the Series B Preferred Shares held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of Series B Preferred Shares to be redeemed from such holder. If fewer than all of the outstanding Series B Preferred Shares are to be redeemed, we will determine the number of Series B Preferred Shares to be redeemed from each holder either pro rata or by lot as we may determine, or by any other method we may deem fair in the sole discretion of our board of trustees. If we elect to redeem the redemption of Series B Preferred Shares, the board of trustees may fix a record date for the determination of Series B Preferred Shares to be redeemed, such record date to be not less than 30 nor more than 60 days prior to the date fixed for such redemption.

Notice having been given as provided above, from and after the date specified therein as the date of redemption, unless we default in providing funds for the payment of the redemption price on such date, all distributions on the Series B Preferred Shares called for redemption will cease. From and after the redemption date, unless we default, all rights of the holders of the Series B Preferred Shares as shareholders of the Company, except the right to receive the redemption price (but without interest), will cease with respect to such Series B Preferred Shares, and such Series B Preferred Shares will not be deemed to be outstanding for any purpose whatsoever. On the redemption date, the redemption price of the Series B Preferred Shares called for redemption set forth above shall be paid out of the funds provided by the Company. If fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

Subject to applicable law and the limitation on purchases when distributions on the Series B Preferred Shares are in arrears, we may, at any time and from time to time, purchase any Series B Preferred Shares in the open market, by tender or by private agreement.

Voting dights

Except as indicated below, or except as expressly required by applicable law, holders of the Series B Preferred Shares will not be entitled to vote.

If six quarterly distributions payable on the Series B Preferred Shares or any other series of preferred shares are in default (whether or not declared or consecutive), the holders of the Series B Preferred Shares (voting as a class with all other series of Senior Preferred Shares) will be entitled to elect two additional trustees until all distributions in default have been paid or declared and set apart for payment.

Such right to vote separately to elect trustees shall, when vested, be subject, always, to the same provisions for vesting of such right to elect trustees separately in the case of future distribution defaults. At any time when such right to elect trustees separately shall have so vested, we may, and upon the written request of the holders of record of not less than 10% of the total number of preferred shares of the Company then outstanding shall, call a special meeting of shareholders for the election of trustees. In the case of such a written request, such special meeting shall be held within 90 days after the delivery of such request and, in either case, at the place and upon the notice

provided by law and in our bylaws, provided that we shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of shareholders, and the holders of all classes of outstanding preferred shares are offered the opportunity to elect such trustees (or fill any vacancy) at such annual meeting of shareholders. Trustees so elected shall serve until the next annual meeting of our shareholders or until their respective successors are elected and qualified. If, prior to the end of the term of any trustee so elected, a vacancy in the office of such trustee shall occur, during the continuance of a default in distributions on preferred shares of the Company, by reason of death, resignation, or disability, such vacancy shall be filled for the unexpired term of such former trustee by the appointment of a new trustee by the remaining trustee or trustees so elected.

The affirmative vote or consent of the holders of at least 66 ⅔% of the outstanding Series B Preferred Shares and any other series of preferred shares ranking on a parity with the Series B Preferred Shares as to distributions or upon liquidation (which includes the other series of Senior Preferred Shares), voting as a single class, will be required to authorize another class of shares senior to the Series B Preferred Shares with respect to the payment of distributions or the distribution of assets on liquidation. The affirmative vote or consent of the holders of at least 66 ⅔% of the outstanding Series B Preferred Shares will be required to amend or repeal any provision of, or add any provision to, the declaration of trust, including articles supplementary if such action would materially and adversely alter or change the rights, preferences or privileges of the Series B Preferred Shares.

No consent or approval of the holders of the Series B Preferred Shares will be required for the issuance from the Company's authorized but unissued preferred shares or other shares of any series of preferred shares ranking on a parity with or junior to the Series B Preferred Shares as to payment of distributions and distribution of assets, including other Series B Preferred Shares.

Description of 5.125% Cumulative Preferred Shares, Series C

The following is a brief description of the terms of our 5.125% Cumulative Preferred Shares, Series C ("Series C Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series C Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series C Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 5.125% of the liquidation preference per year ($1.282 25 per year per share, equivalent to $1.20125 per year per Series C Depositary Share (as defined below)); distributions on the Series C Preferred Shares commenced on June 30, 2016 and, except in certain circumstances, we may not redeem the Series C Preferred Shares prior to May 17, 2021.

Description of 4.95% Cumulative Preferred Shares, Series D

The following is a brief description of the terms of our 4.95% Cumulative Preferred Shares, Series D ("Series D Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series D Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series D Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.95% of the liquidation preference per year ($1.237 50 per year per share, equivalent to $1.2375 per year per Series D Depositary Share (as defined below)); distributions on the Series D Preferred Shares commenced on September 30, 2016 and, except in certain circumstances, we may not redeem the Series D Preferred Shares prior to July 26, 2021.

Description of 4.90% Cumulative Preferred Shares, Series E

The following is a brief description of the terms of our 4.90% Cumulative Preferred Shares, Series E ("Series E Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series E Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series E Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40%

Cumulative Preferred Shares, Series E" above, except that cash distributions are payable quarterly at the rate of 4.90% of the liquidation preference per year ($1.225.00 per year per share, equivalent to $1.225 per year per Series E Depositary Share (as defined below)); distributions on the Series E Preferred Shares commenced on December 31, 2016 and, except in certain circumstances, we may not redeem the Series E Preferred Shares prior to October 14, 2021.

Description of 5.15% Cumulative Preferred Shares, Series F

The following is a brief description of the terms of our 5.15% Cumulative Preferred Shares, Series F ("Series F Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series F Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. Thé terms and provisions of our Series F Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 5.15% of the liquidation preference per year ($1.287.50 per year per share, equivalent to $1.2875 per year per Series F Depositary Share (as defined below)); distributions on the Series F Preferred Shares commenced on June 30, 2017 and, except in certain circumstances, we may not redeem the Series F Preferred Shares prior to June 2, 2022.

Description of 5.05% Cumulative Preferred Shares, Series G

The following is a brief description of the terms of our 5.05% Cumulative Preferred Shares, Series G ("Series G Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series G Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series G Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 5.05% of the liquidation preference per year ($1.262.50 per year per share, equivalent to $1.2625 per year per Series G Depositary Share (as defined below)); distributions on the Series G Preferred Shares commenced on September 30, 2017 and, except in certain circumstances, we may not redeem the Series G Preferred Shares prior to August 9, 2022.

Description of 5.60% Cumulative Preferred Shares, Series H

The following is a brief description of the terms of our 5.60% Cumulative Preferred Shares, Series H ("Series H Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series H Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series H Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 5.60% of the liquidation preference per year ($1.400.00 per year per share, equivalent to $1.40 per year per Series H Depositary Share (as defined below)); distributions on the Series H Preferred Shares commenced on March 31, 2019 and, except in certain circumstances, we may not redeem the Series H Preferred Shares prior to March 11, 2024.

Description of 4.875% Cumulative Preferred Shares, Series I

The following is a brief description of the terms of our 4.875% Cumulative Preferred Shares, Series I ("Series I Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series I Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series I Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.875% of the liquidation preference per year ($1.218.75 per year per share, equivalent to $1.21875 per year per Series I Depositary Share (as defined below)); distributions on the Series I Preferred Shares commenced on December 31, 2019 and, except in certain circumstances, we may not redeem the Series I Preferred Shares prior to September 15, 2024.

Description of 6.70% Cumulative Preferred Shares, Series J

The following is a brief description of the terms of our 4.70% Cumulative Preferred Shares, Series J ("Series J Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series J Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series J Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 7.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.70% of the liquidation preference per year ($1.175.00 per year per share, equivalent to $1.175 per year per Series J Depositary Share (as defined below)); distributions on the Series J Preferred Shares commenced on March 31, 2020 and, except in certain circumstances, we may not redeem the Series J Preferred Shares prior to November 15, 2024.

Description of 4.75% Cumulative Preferred Shares, Series K

The following is a brief description of the terms of our 4.75% Cumulative Preferred Shares, Series K ("Series K Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series K Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series K Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 7.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.75% of the liquidation preference per year ($1.187.50 per year per share, equivalent to $1.1875 per year per Series K Depositary Share (as defined below)); distributions on the Series K Preferred Shares commenced on March 31, 2020 and, except in certain circumstances, we may not redeem the Series K Preferred Shares prior to December 20, 2024.

Description of 4.625% Cumulative Preferred Shares, Series L

The following is a brief description of the terms of our 4.625% Cumulative Preferred Shares, Series L ("Series L Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series L Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series L Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 7.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.625% of the liquidation preference per year ($1.156.25 per year per share, equivalent to $1.15625 per year per Series L Depositary Share (as defined below)); distributions on the Series L Preferred Shares commenced on September 30, 2020 and, except in certain circumstances, we may not redeem the Series L Preferred Shares prior to June 17, 2025.

Description of 4.125% Cumulative Preferred Shares, Series M

The following is a brief description of the terms of our 4.125% Cumulative Preferred Shares, Series M ("Series M Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series M Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series M Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 7.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 4.125% of the liquidation preference per year ($1.031.25 per year per share, equivalent to $1.03125 per year per Series M Depositary Share (as defined below)); distributions on the Series M Preferred Shares commenced on December 31, 2020 and, except in certain circumstances, we may not redeem the Series M Preferred Shares prior to August 14, 2025.

Description of 3.875% Cumulative Preferred Shares, Series N

The following is a brief description of the terms of our 3.875% Cumulative Preferred Shares, Series N ("Series N Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series N Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series N Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 7.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of

3.875% of the liquidation preference per year ($968.75 per year per share, equivalent to $0.96875 per year per Series N Depositary Share (as defined below)), distributions on the Series N Preferred Shares commenced on December 31, 2020 and, except in certain circumstances, we may not redeem the Series N Preferred Shares prior to October 6, 2025.

Description of 3.900% Cumulative Preferred Shares, Series O

The following is a brief description of the terms of our 3.900% Cumulative Preferred Shares, Series O ("Series O Preferred Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary classifying the Series O Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series O Preferred Shares are substantially the same as those of our Series B Preferred Shares as described in "—Description of 5.40% Cumulative Preferred Shares, Series B" above, except that cash distributions are payable quarterly at the rate of 3.900% of the liquidation preference per year ($975.00 per year per share, equivalent to $0.9750 per year per Series O Depositary Share (as defined below)), distributions on the Series O Preferred Shares will commence on March 31, 2021 and, except in certain circumstances, we may not redeem the Series O Preferred Shares prior to November 17, 2025.

DESCRIPTION OF DEPOSITARY SHARES

Description of Depositary Shares, each Representing 1/1,000 of a Series B Preferred Share

General

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of Series B Preferred Share ("Series B Depositary Shares") which does not purport to be complete and is subject to and qualified in its entirety by reference to the provisions of the Deposit Agreement relating to the Series B Preferred Shares (the "Deposit Agreement"), which is included as an exhibit to the Annual Report on Form 20-K, of which this Exhibit 4.2 is a part. Our Series B Depositary Shares are listed on the New York Stock Exchange ("NYSE") under the symbol "PSA/PrB."

The Series B Preferred Shares are deposited with Computershare Trust Company, N. A., as Depositary (the "Preferred Shares Depositary"), under a Deposit Agreement among the Company, the Preferred Shares Depositary and the holders from time to time of the depositary receipts (the "Depositary Receipts") issued by the Preferred Shares Depositary under the Deposit Agreement. The Depositary Receipts evidence the Series B Depositary Shares. Each holder of a Depositary Receipt evidencing a Series B Depositary Share is entitled, proportionately, to all the rights and preferences of, and subject to all of the limitations of, the interest in the Series B Preferred Shares represented by the Series B Depositary Share (including dividend, voting, redemption and liquidation rights and preferences).

Ownership Restrictions

For a discussion of ownership limitations that apply to the Series B Depositary Shares, see "Description of Common Shares—Ownership Limitations."

Distributions

The Preferred Shares Depositary will distribute all cash distributions or other cash distributions received in respect of the Series B Preferred Shares to the record holders of Depositary Receipts in proportion to the number of Depositary Shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by us for the Series B Preferred Shares. In the event that the calculation of such amount to be paid results in an amount which is a fraction of one cent, the amount the Preferred Shares Depositary shall distribute to such record holder shall be rounded to the next highest whole cent.

In the event of a distribution other than in cash, the Preferred Shares Depositary will distribute property received by it to the record holders of Depositary Receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of Series B Depositary Shares owned by such holders on the relevant record date, unless the Preferred Shares Depositary determines (after consultation with us) that it is not feasible to make such distribution, in which case the Preferred Shares Depositary may (with our approval) adopt any other method for such distribution as it deems equitable and appropriate, including the sale of such property (at such place or places and upon such terms as it may deem equitable and appropriate) and distribution of the net proceeds from such sale to such holders.

Liquidation Preference

In the event of the liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of each Series B Depositary Share will be entitled to 1/1000th of the liquidation preference accorded each Series B Preferred Share.

Redemption

Whenever we redeem any Series B Preferred Shares held by the Preferred Shares Depositary, the Preferred Shares Depositary will redeem as of the same redemption date the number of Series B Depositary Shares representing the Series B Preferred Shares so redeemed. The Preferred Shares Depositary will publish a notice of redemption of the Series B Depositary Shares containing the same type of information and in the same manner as our notice of redemption and will mail the notice of redemption promptly upon receipt of such notice from us and not less than 30 nor more than 60 days prior to the date fixed for redemption of the Series B Preferred Shares and the Series B

Depositary Shares to the record holders of the Depositary Receipts. In case less than all the outstanding Series B Depositary Shares are to be redeemed, the Series B Depositary Shares to be so redeemed shall be determined pro rata or by lot in a manner determined by the board of trustees.

Voting

Promptly upon receipt of notice of any meeting at which the holders of the Series B Preferred Shares are entitled to vote, the Preferred Shares Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Receipts as of the record date for such meeting. Each such record holder of Depositary Receipts will be entitled to instruct the Preferred Shares Depositary as to the exercise of the voting rights pertaining to the number of Series B Preferred Shares represented by such record holder's Series B Depositary Shares. The Preferred Shares Depositary will endeavor, insofar as practicable, to vote such Series B Preferred Shares represented by such Series B Depositary Shares in accordance with such instructions, and we will agree to take all action which may be deemed necessary by the Preferred Shares Depositary in order to enable the Preferred Shares Depositary to do so. The Preferred Shares Depositary will abstain from voting any of the Series B Preferred Shares to the extent that it does not receive specific instructions from the holders of Depositary Receipts.

Withdrawal of Series B Preferred Shares

Upon surrender of Depositary Receipts at the principal office of the Preferred Shares Depositary, upon payment of any unpaid amount due the Preferred Shares Depositary, and subject to the terms of the Deposit Agreement, the owner of the Series B Depositary Shares evidenced thereby is entitled to delivery of the number of whole Series B Preferred Shares and all money and other property, if any, represented by such Series B Depositary Shares. Partial Series B Preferred Shares will not be issued. If the Depositary Receipts delivered by the holder evidence a number of Series B Depositary Shares in excess of the number of Series B Depositary Shares representing the number of whole Series B Preferred Shares to be withdrawn, the Preferred Shares Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Series B Depositary Shares. Holders of Series B Preferred Shares thus withdrawn will not thereafter be entitled to deposit such shares under the Deposit Agreement or to receive Depositary Receipts evidencing Series B Depositary Shares therefor.

Amendment and Termination of Deposit Agreement

The form of Depositary Receipt evidencing the Series B Depositary Shares and any provision of the Deposit Agreement may at any time and from time to time be amended by agreement between us and the Preferred Shares Depositary. However, any amendment which materially and adversely alters the rights of the holders (other than any change in fees) of Series B Depositary Shares will not be effective unless such amendment has been approved by the holders of at least a majority of the Series B Depositary Shares then outstanding. No such amendment may impair the right, subject to the terms of the Deposit Agreement, of any owner of any Series B Depositary Shares to surrender the Depositary Receipt evidencing such Series B Depositary Shares with instructions to the Preferred Shares Depositary to deliver to the holder the Series B Preferred Shares and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law. The Deposit Agreement may be terminated by the Preferred Shares Depositary or us if (i) all outstanding Series B Depositary Shares have been redeemed or (ii) there has been a final distribution in respect of the Series B Preferred Shares in connection with any dissolution of the Company and such distribution has been made to all the holders of Series B Depositary Shares.

Charges of Preferred Shares Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the Preferred Shares Depositary in connection with the initial deposit of the Series B Preferred Shares and the initial issuance of the Series B Depositary Shares, and redemption of the Series B Preferred Shares and all withdrawals of Series B Preferred Shares by owners of Series B Depositary Shares. Holders of Depositary Receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the Deposit Agreement to be for their accounts. In certain circumstances, the Preferred Shares Depositary may refuse to transfer Series B Depositary Shares, may withhold distributions and distributions and sell the Series B Depositary Shares evidenced by such Depositary Receipt if such charges are not paid.

Miscellaneous

The Preferred Shares Depositary will forward to the holders of Depositary Receipts all reports and communications from us which are delivered to the Preferred Shares Depositary and which we are required to furnish to the holders of the Series B Preferred Shares. In addition, the Preferred Shares Depositary will make available for inspection by holders of Depositary Receipts at the principal office of the Preferred Shares Depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from the Company which are received by the Preferred Shares Depositary as the holder of Series B Preferred Shares.

Neither the Preferred Shares Depositary nor any Depositary's Agent (as defined in the Deposit Agreement), nor the Registrar (as defined in the Deposit Agreement) nor the Company assumes any obligation or will be subject to any liability under the Deposit Agreement to holders of Depositary Receipts other than for its gross negligence, willful misconduct or bad faith. Neither the Preferred Shares Depositary, any Depositary's Agent, the Registrar nor the Company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The Company and the Preferred Shares Depositary are not obligated to prosecute or defend any legal proceeding in respect of any Series B Depositary Shares or Depositary Receipts unless it is provided with satisfactory indemnity. The Preferred Shares Depositary may rely upon written advice of counsel or accountants, on information provided by holders of Depositary Receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties.

Resignation and Removal of Preferred Shares Depositary

The Preferred Shares Depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the Preferred Shares Depositary, any such resignation or removal to take effect upon the appointment of a successor Preferred Shares Depositary and its acceptance of such appointment. Such successor Preferred Shares Depositary must be appointed within 60 days after delivery of the notice for resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least $150,000,000.

Description of Depositary Shares, each Representing 1/1,000 of a Series C Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series C Preferred Share ("Series C Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series C Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series C Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series C Depositary Shares are listed on the NYSE under the symbol "PSA/PrC."

Description of Depositary Shares, each Representing 1/1,000 of a Series D Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series D Preferred Share ("Series D Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series D Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series D Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series D Depositary Shares are listed on the NYSE under the symbol "PSA/PrD."

Description of Depositary Shares, each Representing 1/1,000 of a Series E Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series E Preferred Share ("Series E Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series E Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series E Depositary Shares are substantially the same as those of our Series B Depositary Shares

as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series E Depositary Shares are listed on the NYSE under the symbol "PSA/PrE."

Description of Depositary Shares, each Representing 1/1,000 of a Series F Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series F Preferred Share ("Series F Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series F Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series F Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series F Depositary Shares are listed on the NYSE under the symbol "PSA/PrF."

Description of Depositary Shares, each Representing 1/1,000 of a Series G Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series G Preferred Share ("Series G Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series G Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series G Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series G Depositary Shares are listed on the NYSE under the symbol "PSA/PrG."

Description of Depositary Shares, each Representing 1/1,000 of a Series H Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series H Preferred Share ("Series H Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series H Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series H Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series H Depositary Shares are listed on the NYSE under the symbol "PSA/PrH."

Description of Depositary Shares, each Representing 1/1,000 of a Series I Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series I Preferred Share ("Series I Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series I Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series I Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series I Depositary Shares are listed on the NYSE under the symbol "PSA/PrI."

Description of Depositary Shares, each Representing 1/1,000 of a Series J Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series J Preferred Share ("Series J Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series J Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. The terms and provisions of our Series J Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series J Depositary Shares are listed on the NYSE under the symbol "PSA/PrJ."

Description of Depositary Shares, each Representing 1/1,000 of a Series K Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series K Preferred Share ("Series K Depositary Shares"), which does not purport to be complete and is subject to and

qualified in its entirety by reference to the Deposit Agreement relating to the Series K Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series K Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series K Depositary Shares are listed on the NYSE under the symbol "PSAPrK."

Description of Depositary Shares, each Representing 1/1,000 of a Series L Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series L Preferred Share ("Series L Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series L Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series L Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series L Depositary Shares are listed on the NYSE under the symbol "PSAPrL."

Description of Depositary Shares, each Representing 1/1,000 of a Series M Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series M Preferred Share ("Series M Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series M Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series M Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series M Depositary Shares are listed on the NYSE under the symbol "PSAPrM."

Description of Depositary Shares, each Representing 1/1,000 of a Series N Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series N Preferred Share ("Series N Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series N Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series N Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series N Depositary Shares are listed on the NYSE under the symbol "PSAPrN."

Description of Depositary Shares, each Representing 1/1,000 of a Series O Preferred Share

The following is a brief description of the terms of our depositary shares, each representing 1/1,000 of a Series O Preferred Share ("Series O Depositary Shares"), which does not purport to be complete and is subject to and qualified in its entirety by reference to the Deposit Agreement relating to the Series O Preferred Shares, which is included as an exhibit to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms and provisions of our Series O Depositary Shares are substantially the same as those of our Series B Depositary Shares as described in "—Description of Depositary Shares, each Representing 1/1,000 of Series B Preferred Share" above. Our Series O Depositary Shares are listed on the NYSE under the symbol "PSAPrO."

DESCRIPTION OF NOTES

The following is a brief description of the terms of our 0.875% Senior Notes due January 24, 2032 (the "notes"). The notes are a series of debt securities issued under the indenture, dated as of September 18, 2017, between us and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the third supplemental indenture, dated as of January 24, 2020 (as supplemented, the "Indenture"), which are included as exhibits to the Annual Report on Form 10-K, of which this Exhibit 4.2 is a part. The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture (the "Trust Indenture Act"), such as the Trust Indenture Act of 1939 and the Trust Indenture Act below. The following summary of specified provisions of the Indenture and the notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, the actual provisions of the Indenture, including the definitions contained in the Indenture of some of the terms cited below, and the notes. If you would like more information on any of these provisions, you should read the relevant sections of the Indenture. Copies of the Indenture are available from us upon request. Capitalized terms used but not otherwise defined herein have the meanings specified in the Indenture.

The notes were initially limited to an aggregate principal amount of €500,000,000. See "—Further Issuances" below.

The notes are our direct, unsecured and unsubordinated obligations and will rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The notes will be effectively subordinated in right of payment to all our secured indebtedness to the extent of the value of the assets securing such indebtedness and will be effectively subordinated to all indebtedness and other liabilities of our subsidiaries, which may be secured or unsecured, of our subsidiaries. As of February 25, 2020, we had outstanding €500,000,000 aggregate principal amount of the notes. The entire principal amount of the notes will mature and become payable, together with accrued and unpaid interest, on January 24, 2032 (the "Maturity Date"), unless, in each case, the notes are redeemed earlier as described below under "—Optional Redemption." The notes will not be subject to, or entitled to the benefit of, any sinking fund provisions and will not be convertible into or exchangeable for any of our equity interests. The notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The notes are listed on the NYSE under the symbol "PSA32." Except as described below under "—Covenants," the Indenture does not contain any provisions that would limit our ability or the ability of our subsidiaries to incur indebtedness or that would give holders of the notes protection in the event of:

- a highly leveraged or similar transaction involving us or any of our affiliates,
- a change of control, or
- a reorganization, restructuring, merger or similar transaction involving us or any of our affiliates that may adversely affect the holders of the notes.

Restrictions on the ownership and transfer of our common shares of beneficial interest designed to preserve our qualification as a REIT, however, may prevent or hinder a change of control.

Principal and Interest

The notes will bear interest at 0.875% per year from January 24, 2020 or from the immediately preceding interest payment date to which interest has been paid. Interest is payable annually in arrears on January 24, commencing January 24, 2021 (each, an "Interest Payment Date"). Interest on an Interest Payment Date will be paid to the persons, or "holders", in whose names the notes are registered on the security register at the close of business on the regular record date. The regular record date will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Interest Payment Date. Interest on the notes will be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes (or January 24, 2020 if no interest has been paid on the notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

The principal and interest, if any, of each note payable at maturity or the principal, Make Whole Amount (as defined below), if any, and interest, if any, payable upon earlier redemption will be paid against surrender of the note at the corporate trust office of the paying agent, initially Elavon Financial Services DAC, UK Branch (the "Paying Agent"), located initially at Fifth Floor, 125 Old Broad Street, London EC2N 1AR, in euro.

If any Interest Payment Date, the Maturity Date or any earlier date of redemption falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amounts so payable for the period from and after such Interest Payment Date, Maturity Date or date of redemption, as the case may be. For purposes of the notes, "Business Day" means any day, other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or obligated by law, regulation or executive order to close and (2) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (the Target2 System) or any successor thereto, is open.

Issuance in Euro

Initial holders were required to pay for the notes in euro, and principal and interest payments in respect of the notes, including payments made upon any redemption of the notes, and additional amounts, if any, will be payable in euro.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars on the basis of the Market Exchange Rate (as defined below). Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the Indenture. Neither the Trustee nor the Paying Agent shall be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenominations.

"Market Exchange Rate" means the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent euro/U.S. dollar exchange rate available on or prior to the second Business Day prior to the relevant payment date, as reported by Bloomberg, or if Bloomberg has not reported such exchange rate, the rate will be determined in our sole discretion on the basis of the most recently available market exchange rate for euros.

Investors will be subject to foreign exchange risks as to payments of principal and interest in respect of the notes, including payments made upon any redemption of the notes, and additional amounts, if any, that may have important economic and tax consequences to them.

Paying Agent and Registrar

Elavon Financial Services DAC, UK Branch, will initially act as paying agent for the notes. U.S. Bank National Association will initially act as security registrar for the notes. Upon notice to the trustee, we may change any paying agent or security registrar.

Further Issuances

We may, from time to time, without the consent of or notice to existing note holders, create and issue further notes having the same terms and conditions as the notes in all respects, except for the issue date and, to the extent applicable, the issue price, the payment of interest accruing prior to the issue date and the first payment of interest. Additional notes issued in this manner will be consolidated with, and will form a single series of debt securities with, the previously outstanding notes; provided, however, that the issuance of such additional notes will not be so consolidated for United States federal income tax purposes unless such issuance constitutes a "qualified reopening" within the meaning of the Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder.

Optional Redemption

We have the option to redeem the notes at any time in whole, or from time to time in part, at a redemption price (the "Redemption Price") equal to the greater of:

- 100% of the aggregate principal amount of the notes being redeemed; and
- the Make-Whole Amount (as defined below), if any,

plus, in each case, accrued and unpaid interest on such notes to, but not including, the redemption date.

Notwithstanding the foregoing, if the notes are redeemed on or after October 24, 2031 (three months prior to the Maturity Date) (the "Par Call Date"), the Redemption Price will equal 100% of the aggregate principal amount of the notes being redeemed plus accrued and unpaid interest on such notes to, but not including, the redemption date.

Notice of redemption will be mailed or sent electronically at least 15 but not more than 60 days before the redemption date to each holder of record of notes to be redeemed at its registered address, provided that while the notes are represented by one or more global notes, such notice will be given to the holders of such global notes in accordance with the applicable procedures of the depositary, the notes to be redeemed in part, provided, however, that no notes of a principal amount of $100,000 or less shall be redeemed in part. Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and we will instruct the Trustee and Paying Agent accordingly. The notice of redemption for such notes will state, among other things, the redemption date, the Redemption Price and the place or places that payment will be made upon surrender of notes to be redeemed. Unless we default in the payment of the Redemption Price, interest will cease to accrue on the notes at the redemption date.

Notwithstanding the foregoing, installments of interest on notes that are due and payable on an Interest Payment Date falling on or prior to a redemption date will be payable on such Interest Payment Date to the holders thereof as of the close of business on the relevant record date.

If we choose to redeem less than all of the notes, we will notify the Trustee and Paying Agent at least five Business Days prior to giving notice of redemption, or a shorter period as may be satisfactory to the Trustee, of the aggregate principal amount of notes to be redeemed and the redemption date. The Trustee and Paying Agent will select by lot or such method as the Paying Agent shall deem fair and appropriate and in accordance with the applicable procedures of the depositary, the notes to be redeemed in part, provided, however, that no notes of a principal amount of $100,000 or less shall be redeemed in part.

The notes are also subject to redemption prior to maturity if certain changes occur involving U.S. taxation. If such changes occur, the notes may be redeemed, at our option, at a redemption price of 100% of their principal amount plus accrued and unpaid interest to, but not including, the date of redemption. See "—Redemption for Tax Reasons."

As used in this "Description of Notes":

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the Par Call Date of the notes, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond Rate" means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

"Make-Whole Amount" means, in connection with any optional redemption, the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed assuming that the notes being redeemed matured on the Par Call Date (not including any portion of any payments of interest accrued to the redemption date), discounted to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate, plus 20 basis points.

Payment of Additional Amounts

All payments, including payments of principal and interest, made in respect of the notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future tax, duty, assessment or other governmental charge of whatever nature imposed, levied or collected by the United States (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or the official interpretation or administration thereof.

We will, subject to the exceptions and limitations set forth below, pay as additional amounts to a holder of a note that is a United States Alien (as defined below) such amounts as may be necessary so that every net payment made in respect of such note after deduction or withholding for, or on account of, any present or future tax, duty, assessment or other governmental charge of whatever nature imposed, levied or collected as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such note to be then due and payable. However, we will not be required to make any payment of additional amounts for or on account of:

(a) any tax, assessment or other governmental charge that would not have been imposed but for (i) the existence of any present or former connection (other than a connection arising solely as a result of the ownership of the notes, the receipt of any payment in respect of the notes or the enforcement of any rights hereunder) between such holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident or treated as a resident of the United States (or being or having been engaged in trade or business in the United States or having or having had a permanent establishment therein), or (ii) the presentation by the holder of the note for payment on a date more than 15 days after the date on which such payment became due and payable or the date thereof if such payment is duly provided for and notice thereof given to holders, whichever occurs later;
(b) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge;
(c) any tax, assessment or other governmental charge that would not have been imposed but for such holder's past or present status as a controlled foreign corporation, passive foreign investment company (including a qualified electing fund) or foreign personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid United States Federal income tax;
(d) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a note;
(e) any tax, assessment or other governmental charge required to be deducted or withheld by any paying agent from any payment on a note, if such payment can be made without such deduction or withholding by any other paying agent;
(f) any tax, assessment or other governmental charge that would not have been imposed but for the holder's failure to comply with any applicable certification, information, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(g) any tax, assessment or other governmental charge imposed by reason of the holder (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) receiving interest described in Section 881(c)(3)(A) of the United States Internal Revenue Code or (iii) being a controlled foreign corporation with respect to the United States that is related to the Company by actual or constructive stock ownership;

(h) any tax, assessment or other governmental charge that is imposed on a payment pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code (FATCA), any Treasury regulations and official interpretations thereof, and any agreement entered into pursuant to FATCA or any intergovernmental agreement implementing an intergovernmental approach thereto; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h);

nor shall such additional amounts be paid with respect to any payment on a note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such note.

For purposes of the foregoing, the holding of or the receipt of any payment with respect to a note shall not constitute a connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having power over, such holder if such holder is an estate, a trust, a partnership or a corporation) and the United States.

The term "United States Alien" means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a nonresident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

References to the principal of and interest, if any, on the notes include additional amounts, if any, payable on the notes in that context.

Redemption for Tax Reasons

If we have or will become obliged to pay additional amounts (as described above under the heading "—Payment of Additional Amounts") as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein affecting taxation or any change in, or amendment to, an official interpretation or application of such laws or regulations, which change or amendment is announced or becomes effective on or after the date of this prospectus supplement, and such obligation cannot be avoided by the use of reasonable measures then available to us, we may, at our option, at any time, having giving not less than 15 nor more than 60 days' prior written notice to holders, redeem, in whole, but not in part, the notes at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest, if any, on the notes being redeemed to, but not including, the redemption date, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts if a payment in respect to the notes were due on such date.

Covenants

The following covenants and related definitions will apply to the notes:

Limitation on Debt

We will not, and will not permit any of our Subsidiaries to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and any other Debt incurred or repaid since the end of the most recent Reporting Date prior to the incurrence of such Debt and the application of the proceeds from such Debt and such other Debt on a pro forma basis, the aggregate principal amount of our Debt would exceed 65% of the sum of the following (without duplication): (1) our Total Assets as of such Reporting Date; (2) the aggregate purchase price of any assets acquired, and the aggregate amount of proceeds received from any incurrence of other Debt and any securities offering

proceeds received to the extent such proceeds were not used to acquire assets or used to reduce Debt), by us or any of our Subsidiaries since the end of the most recent Reporting Date prior to the incurrence of such Debt, and (3) the proceeds or assets obtained from the incurrence of such Debt and other securities issued as part of the same transaction on a pro forma basis (including assets to be acquired in exchange for debt assumption and security issuance as in the case of a merger).

Limitation on Secured Debt

We will not, and will not permit any of our Subsidiaries to, incur any Secured Debt if, immediately after giving effect to the incurrence of such Secured Debt and any other Secured Debt incurred or repaid since the end of the most recent Reporting Date prior to the incurrence of such Secured Debt and the application of the proceeds from such Secured Debt and such other Secured Debt on a pro forma basis, the aggregate principal amount of our Secured Debt would exceed 50% of the sum of the following (without duplication): (1) our Total Assets as of such Reporting Date, (2) the aggregate purchase price of any assets acquired, and the aggregate amount of proceeds received from any incurrence of other Debt and any securities offering proceeds received (to the extent such proceeds were not used to acquire assets or used to reduce Debt), by us or any of our Subsidiaries since the end of the most recent Reporting Date prior to the incurrence of such Debt; and (3) the proceeds or assets obtained from the incurrence of such Secured Debt and other securities issued as part of the same transaction on a pro forma basis (including assets to be acquired in exchange for debt assumption and security issuance as in the case of a merger).

Interest Coverage Ratio

We will not, and will not permit any of our Subsidiaries to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt on a pro forma basis, the ratio of Adjusted EBITDA to Interest Expense for the four (4) consecutive fiscal quarters ended on the most recent Reporting Date prior to the incurrence of such Debt would be less than 1.50 to 1.00, and calculated on the following assumptions (without duplication): (1) such Debt and any other Debt incurred since such Reporting Date and outstanding on the date of determination had been incurred, and the application of the proceeds from such Debt (including to repay or retire other Debt) had occurred, on the first day of such four-quarter period; (2) the repayment or retirement of any other Debt since such Reporting Date had occurred on the first day of such four-quarter period; and (3) in the case of any acquisition or disposition by us or any of our Subsidiaries of any asset or group of assets since such Reporting Date, whether by merger, stock purchase or sale or otherwise, such acquisition or disposition had occurred as of the first day of such four-quarter period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

If any Debt incurred during the period from such Reporting Date to the date of determination bears interest at a floating rate, then, for purposes of calculating the Interest Expense, the interest rate on such Debt will be computed on a pro forma basis as if the average daily rate during such interim period had been the applicable rate for entire relevant four-quarter period. For purposes of the foregoing, Debt will be deemed to be incurred by a Person whenever such Person created, assumes, guarantees or otherwise becomes liable in respect thereof.

Maintenance of Total Unencumbered Assets

As of each Reporting Date, our Unencumbered Assets will not be less than 125% of our Unsecured Debt.

Provision of Financial Information

For so long as any notes are outstanding, if we are subject to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision, we will deliver to the Trustee the annual reports, quarterly reports and other documents which we are required to file with the U.S. Securities and Exchange Commission (the "Commission") pursuant to Section 13(a) or 15(d) or any successor provision, within 15 days after the date that we file the same with the Commission. If we are not subject to Section 13(a) or 15(d) of the Exchange Act or any successor provision, and for so long as any notes are outstanding, we will deliver to the Trustee the quarterly and annual financial statements and accompanying Item 303 of Regulation S-K, disclosure ("management's discussion and analysis of financial condition and results of operations") that would be required to be contained in annual reports on Form 10-K, and quarterly reports on Form 10-Q, respectively, required to be filed with the Commission if we were subject to Section 13(a) or 15(d) of the Exchange Act or any successor provision, within 15

days of the filing date that would be applicable to a non-accelerated filer at that time pursuant to applicable Commission rules and regulations.

Reports and other documents filed by the Company with the Commission and publicly available via the EDGAR system or our website will be deemed to be delivered to the Trustee as of the time such filing is publicly available via EDGAR or our website for purposes of this covenant; provided, however, that the Trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been filed or are publicly available via EDGAR or our website. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including its compliance with any of its covenants relating to the notes (as to which the Trustee is entitled to rely exclusively on an officer's certificate).

Definitions

As used in this "Description of Notes," the following defined terms have the meanings indicated:

"Adjusted EBITDA" means, for any period, the Company's Pro Rata Share of EBITDA for such period; provided, that, so long as any of PS Business Parks and Shurgard Europe is not a Subsidiary of the Company, "Adjusted EBITDA" shall include the amount of dividends, distributions or interest paid in cash by any such entity that is not a Subsidiary to the Company or any of its Subsidiaries during the applicable period.

"Capitalized Property Value" means, with respect to any Person, (a) Property EBITDA of such Person for the four (4) consecutive fiscal quarters ended on a Reporting Date divided by (b) the Capitalization Rate.

"Capitalization Rate" means 6.75%.

"Debt" means, without duplication, the Company's Pro Rata Share of the aggregate principal amount of indebtedness in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, as determined in accordance with GAAP, (ii) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on Property or other assets owned by the Company or any Subsidiary directly, or indirectly through uncomsolidated joint ventures, as determined in accordance with GAAP, (iii) indebtedness which is guaranteed by the Company or any Subsidiary, (iv) obligations in respect of capital leases that shall have been or should be recorded as liabilities in our respective balance sheets in accordance with GAAP, (v) indebtedness for borrowed money or indebtedness evidenced by bonds, notes, debentures or similar instruments which we may issue in the future, and (vi) any liability of the Company or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise, items of indebtedness of another Person (other than the Company or any Subsidiary) described in clauses (i) through (iv) above (or, in the case of any such obligation made jointly with another Person, the Company's or Subsidiary's allocable portion of such obligation based on its ownership interest in the related real estate assets or such other applicable assets); and provided, further, that Debt excludes Intercompany Debt.

"Development Property" means a Property currently under development on which the improvements have not been completed, or a Property where development has been completed as evidenced by a certificate of occupancy for the entire Property for the 36 month period following the issuance of such certificate of occupancy (provided that the Company may at its option elect to remove a Property from the category of Development Properties prior to the completion of the 36 month period, but any such Property may not be reclassified as a Development Property). The term "Development Property" shall include real property of the type described in the immediately preceding sentence to be (but not yet) acquired by the Company, any Subsidiary or any joint venture of the Company upon completion of construction pursuant to a contract in which the seller of such real property is required to develop or renovate prior to, and as a condition precedent to, such acquisition.

"EBITDA" means, with respect to any Person, for any period and without duplication, net earnings (loss) of such Person for such period excluding the impact of the following amounts with respect to any Person (but only to the extent included in determining net earnings (loss) for such period): (i) depreciation and amortization expense and other non-cash charges of such Person for such period; (ii) interest expense of such Person for such period; (iii) income tax expense of such Person in respect of such period; (iv) extraordinary and nonrecurring gains and losses of such Person for such period, including without limitation, gains and losses from the sale of asset, write-

offs and forgiveness of debt, foreign currency translation gains or losses; and (v) non-controlling interests; minus (vi) if during such period any of PS Business Parks or Shurgard Europe is not a Subsidiary of the Company, the impact on EBITDA of each of the foregoing Persons that is not a Subsidiary.

"Encumbered Asset Value" means, with respect to any Person, for any date, the portion of Total Assets serving as collateral for Secured Debt as of such date.

"Equity Interests" means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

"Fair Market Value" means, (a) with respect to a security listed (or an unlisted convertible security that is convertible into a security listed) on Nasdaq or have trading privileges on the New York Stock Exchange, the NYSE American, or another recognized national United States securities exchange, the London Stock Exchange, Euronext or another recognized European securities exchange, the price of such security as reported on such exchange or market by any widely recognized reporting method customarily relied upon by financial institutions; and (b) with respect to any other asset, book value (determined in accordance with GAAP).

"GAAP" means accounting principles generally accepted in the United States of America, consistently applied, as in effect from time to time; provided that if, as of a particular date as of which compliance with the covenants contained in the Indentures is being determined, there have been changes in accounting principles generally accepted in the United States of America from those that applied to our consolidated financial statements included in the Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, we may, in our sole discretion, determine compliance with the covenants contained in the Indentures using accounting principles generally accepted in the United States of America, consistently applied, as in effect as of the end of any calendar quarter ending on or after such date and prior to the date as of which compliance with the covenants in the Indentures is being determined ("Fixed GAAP"), and, solely for purposes of calculating the covenants as of such date, "GAAP" shall mean Fixed GAAP.

"Intercompany Debt" means, as of any date, Debt to which the only parties are the Company and any of its Subsidiaries; but only so long as that Debt is held solely by any of the Company and any of its Subsidiaries as of that date and, provided that, in the case of Debt owed by the Company to any Subsidiary, the Debt is subordinated in right of payment to the holders of the notes.

"Interest Expense" means, for any period, the Company's Pro Rata Share of interest expense for such period, with other adjustments as are necessary to exclude: (i) the effect of items classified as extraordinary items, in accordance with GAAP; (ii) amortization of debt issuance costs; (iii) prepayment penalties and (iv) non-cash swap ineffectiveness charges.

"Marketable Securities" means: (a) common or preferred Equity Interests which are listed on Nasdaq or have trading privileges on the New York Stock Exchange, the NYSE American, or another recognized national United States securities exchange, the London Stock Exchange, Euronext or another recognized European securities exchange; (b) convertible securities which can be converted at any time into common or preferred Equity Interests of the type described in the immediately preceding clause (a); and (c) securities evidencing indebtedness issued by Persons which have an investment grade credit rating by a nationally recognized statistical rating organization; provided that Marketable Securities shall not include any securities that are considered cash equivalents.

"Pro Rata Share" means any applicable figure or measure of the Company and its Subsidiaries on a consolidated basis, less any portion attributable to noncontrolling interests, plus the Company's or its Subsidiaries' allocable portion of such figure or measure, based on their ownership interest, of unconsolidated joint ventures. For the avoidance of doubt, and except as otherwise specified in this "Description of Notes," so long as any of PS Business

Parks and Shurgard Europe is not a Subsidiary of the Company, the calculations of such figures or measures shall exclude the impact of any such entity that is not a Subsidiary.

"Property" means a parcel (or group of related parcels) of real property.

"Property EBITDA" means, for any period, the Company's Pro Rata Share of EBITDA for such period adjusted to add back the impact of corporate level general and administrative expenses.

"PS Business Parks" means PS Business Parks, Inc., PS Business Parks, L.P. and any of their Subsidiaries and their respective successors and assigns.

"Reporting Date" means the date ending the most recently ended fiscal quarter of the Company for which the Company's consolidated financial statements are publicly available, it being understood that at any time when the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Reporting Date shall refer to the date ending the fiscal quarter covered by the Company's most recent quarterly financial statements delivered to the Trustee or, in the case of the last fiscal quarter of the year, the Company's annual financial statements delivered to the Trustee.

"Secured Debt" means Debt secured by any mortgage, lien, pledge, encumbrance or security interest of any kind upon any of the Company's Property or other assets or the Property or other assets of any Subsidiary.

"Shurgard Europe" means Shurgard Self Storage SA and its Subsidiaries and their respective successors and assigns.

"Subsidiary" means, for any Person, a corporation, partnership, joint venture, limited liability company or other entity, a majority of the outstanding voting stock, partnership interests or membership interests, as the case may be, of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person. For purposes of this definition, "voting stock, partnership interests, or membership interests" means interests having control over the selection of directors, managers, or trustees, as the case may be, whether at all times or only so long as no senior interest has such voting power by reason of any contingency. Unless the context otherwise requires, "Subsidiary" refers to a Subsidiary of the Company. Notwithstanding the foregoing, none of the Persons comprising PS Business Parks or Shurgard Europe shall at any time constitute or be considered to be a Subsidiary of the Company for any purpose of the Indenture so long as (a) any class of Equity Interests of the applicable holding company of PS Business Parks or Shurgard Europe, as applicable, is publicly traded or (b) such holding company is not a wholly-owned subsidiary of the Company.

"Total Assets" means, as of any date, the sum (without duplication) of: (a) the Capitalized Property Value of the Company and its Subsidiaries, excluding Capitalized Property Value attributable to Properties acquired or disposed of by the Company or any Subsidiary during the four consecutive quarters ending on such date and Development Properties, (b) all cash and cash equivalents (excluding tenant deposits and other cash and cash equivalents the disposition of which is restricted) of the Company and its Subsidiaries at such time, (c) the Pro Rata Share of the current undepreciated book value of Development Properties and all land held for development, (d) the Pro Rata Share of the purchase price paid by the Company or any Subsidiary (less the Pro Rata Share of any purchase price paid by the Company or any Subsidiary in connection with the acquisition of Properties) for any Property or business acquired by the Company or such Subsidiary during the four consecutive quarters ending on such date, (e) the contractual purchase price of Properties or business acquired by the Company or such Subsidiary during the four consecutive quarters ending on such date, (f) the contractual purchase price of Properties of the Company and its Subsidiaries subject to purchase obligations, repurchase obligation, forward commitments and unfunded obligations to the extent such obligations and commitments are included in determinations of Debt, and (g) the value of all Marketable Securities owned by the Company or any of its Subsidiaries plus all other assets of the Company and its Subsidiaries the value of which is determined in accordance with GAAP but excluding assets classified as intangible under GAAP), excluding Equity Interests in Shurgard Europe or PS Business Parks if such interests are not Marketable Securities. The Company shall have the option to include Capitalized Property Value under clause (a) above from any such Properties that are otherwise subject to valuation under clause (c) or (d) above; provided, however, that if such election is made, any value attributable to such Properties under clause (c) or (d) above shall be excluded from the determination of the amount under clause (c) or (d).

"Unencumbered Assets" means, as of any date, Total Assets as of such date less Encumbered Asset Value as of such date.

"Unsecured Debt" means Debt that is not secured by any mortgage, lien, pledge, encumbrance or security interest of any kind upon any of the Company's Property or other assets or the Property or other assets of any Subsidiary.

Compliance with the covenants described in this "Description of Notes" and with respect to the notes generally may not be waived by us, or by the Trustee, unless the holders of at least a majority in aggregate principal amount of all outstanding notes consent to the waiver.

Merger, Consolidation or Sale

We may consolidate with or into, or sell, assign, convey, transfer or lease all or substantially all of our property and assets to, any other entity, provided that:

- we shall be the continuing entity, or the successor entity (if other than us) formed by or resulting from such consolidation or merger or which shall have received such sale, assignment, conveyance, transfer or lease of property and assets shall be an entity organized and validly existing under the laws of the United States of America or any State thereof or the District of Columbia and shall expressly assume by supplemental indenture payment of the principal of and interest on all of the notes, and the due and punctual performance and observance of all of the covenants and conditions in the Indenture;
- immediately after giving effect to the transaction and treating the Pro Rata Share of any indebtedness which becomes our obligation or the obligation of a Subsidiary or any of our unconsolidated joint ventures as a result thereof and is not repaid substantially concurrently with the transaction as having been incurred by us, that Subsidiary or that unconsolidated joint venture at the time of the transaction, no Event of Default under the Indenture, and no event which, after notice or the lapse of time, or both, would become an Event of Default, shall have occurred and be continuing; and
- we deliver a certificate and legal opinion covering these conditions is delivered to the Trustee.

Events of Default

The term "Event of Default," when used in this "Description of Notes" with respect to the notes, means any one of the following events:

(1) default for 30 days in the payment of any installment of interest on the notes or additional amounts payable with respect to such interest;
(2) default in the payment of the principal of, or Make-Whole Amount, if any, on, or any additional amounts in respect of, the notes when the same becomes due and payable;
(3) we fail to comply with any of our other agreements contained in the notes or the Indenture (other than an agreement a default in whose performance or whose breach is elsewhere specifically dealt with in the Indenture or which has expressly been included in the Indenture solely for the benefit of a series of notes other than the notes) for 90 days after we receive a written notice of such default by holders of not less than 25% in aggregate principal amount of the notes then outstanding and we fail to cure (or obtain a waiver of) such default within 90 days after we receive such notice;
(4) failure to pay any incurrent indebtedness for monies borrowed by us in an outstanding principal amount in excess of $100 million when due or upon acceleration after the expiration of any applicable notice and grace period, which recourse indebtedness is not discharged, or such default in payment or acceleration is not cured or rescinded, within 30 days after written notice of such failure to us from the Trustee (or to us and the Trustee from holders of at least 25% in aggregate principal amount of the notes then outstanding); or

(5) specific events of bankruptcy, insolvency or reorganization affecting us or certain Subsidiaries or any of their respective properties.

Modification of the Indenture

The Indenture permits us and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of each series issued under the Indenture and affected by a modification or amendment (voting as separate classes if more than one series is affected), to modify or amend the rights of the holders of the debt securities of the applicable series and the rights of the holders of the debt securities of the applicable series under the Indenture. However, no modification or amendment shall, without the consent of the holder of each outstanding debt security affected thereby:

- change the stated maturity of the principal of, or premium, if any, or any installment of interest, if any, on, or any Additional Amounts, if any, with respect to, any debt securities, or
- reduce the principal of or any premium on any debt securities or reduce the rate (or modify the calculation of such rate) of interest on or the redemption or repurchase price of any debt securities, or any Additional Amounts payable with respect to any debt securities, or any premium payable upon redemption or repurchase thereof, or
- reduce the amount of principal of any original issue discount securities that would be due and payable upon acceleration of the maturity of any debt security, or
- adversely affect any right of repayment or repurchase at the option of any holder, or
- change the place of payment, or the currency of payment of principal of, any premium or interest on, or any additional amounts with respect to any debt securities or guarantees are payable (or, in the case of redemption on or after the redemption date, or on or after the date for repayment or repurchase), or
- in the case of any debt security which is convertible into or exchangeable for other securities or property, impair the right to institute suit to enforce the right to convert or exchange such Security in accordance with its terms, or
- impair the holder's right to institute suit to enforce the payment of any debt securities or guarantee on or after their stated maturity, or
- reduce the percentage of the outstanding debt securities of any series whose holders must consent to any modification or amendment or any waiver of compliance with specific provisions of the Indenture or specified defaults under the Indenture and its consequences, or
- reduce the requirements for a quorum or voting at a meeting of holders of the applicable debt securities, or
- modify the sections of the Indenture setting forth the provisions of the Indenture that may not be amended without the consent of holders, or providing for the waiver of past defaults and the waiver of certain covenants, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of holder of each outstanding debt security of such series, or
- release a guarantor from any of the obligations under a guarantee or the Indenture except in accordance with the terms of the Indenture, or
- make any change that adversely affects the right, if any, to convert or exchange any debt security for common equity or other securities or property, or
- change the ranking of the debt securities of any series.

The Indenture also contains provisions permitting us and any guarantor, as applicable, and the Trustee, without the consent of the holders of any debt securities, to modify or amend the Indenture, among other things:

- to evidence a successor to us or any guarantor, if applicable, as under the Indenture, or successive successions, and the assumption by any such successor of the covenants of us or any guarantor;
- to add to our covenants or the covenants of any guarantor for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon us or any guarantor in the Indenture;
- to change or eliminate any restrictions on the payment of principal of or any premium or interest on or any additional amounts with respect to any debt securities or any guarantee, provided any such action does not adversely affect the interest of the holders of debt securities of any series;
- to add any additional Events of Default that benefits the holders of all or any series of debt securities issued under the Indenture;
- to establish the form or terms of debt securities of any series, and the form of the guarantee of debt securities of any series (provided that any such deletions, additions and changes shall not be applicable to any other series of debt securities then outstanding);
- to make any change necessary to comply with any requirement of the Commission in connection with the Indenture under the Trust Indenture Act;
- to provide for any guarantee of the holders of debt securities of a series, to secure the debt securities or to confirm and evidence the release, termination or discharge of any guarantee of or lien securing the debt securities which such release, termination or discharge is permitted under the Indenture;
- to provide for the acceptance of appointment by a successor trustee or facilitate the administration of the trust under the Indenture by more than one trustee;
- to cure any ambiguity, defect or inconsistency in the Indenture;
- to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of debt securities, provided, that the action shall not adversely affect the interest of the holders of debt securities in any material respect;
- to provide for the issuance of additional debt securities, subject to the limitations established in the Indenture;
- to comply with the rules of any applicable depository or the rules or regulations of any securities exchange or automated quotation system on which any of the debt securities may be listed or traded;
- to make any change that does not adversely affect the rights of any holder of debt securities or any guarantee of debt securities in uncertificated form;
- to amend or supplement any provision contained in the Indenture, in any supplemental indenture or in any debt securities, provided that the amendment or supplement (i) does not (a) apply to any outstanding debt securities issued before the date of the amendment or supplement and entitled to the benefits of that provision, or (b) modify the rights of holders of any such debt securities with respect to such provision, or (ii) becomes effective only when no security described in clause (i)(a) is outstanding;
- to confirm the terms of the Indenture or the debt securities of a series, as applicable, to the description thereof contained in any prospectus, prospectus supplement or other offering document relating to the offer and sale of such debt securities. The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may waive our compliance with some of the restrictive provisions of the Indenture, which may include covenants, if any, which are specified in the applicable prospectus supplement. The holders of a majority in aggregate principal amount of the outstanding debt securities of

any series may, on behalf of all holders of debt securities of that series, waive any past default under the Indenture with respect to the debt securities of that series and its consequence, except a default which is continuing (i) in the payment of the principal of, or premium, if any, or interest, if any, on, and any Additional Amounts with respect to, the debt securities of that series, (ii) with respect to the conversion or exchange of a series of debt securities convertible or exchangeable into our common equity, or (iii) in respect of a covenant or provision which cannot be modified or amended without the consent of the holder of each outstanding debt security of the affected series.

The Indenture contains provisions for convening meetings of the holders of a series of debt securities. A meeting may be called at any time by the Trustee, and also, upon our or any guarantor's request, or the request of holders of at least 10% in aggregate principal amount of the outstanding debt securities of any series. Notice of a meeting must be given in accordance with the provisions of the Indenture. Except for any consent which must be given by the holder of each outstanding debt security affected in the manner described above, any resolution presented at a meeting or adjourned meeting duly reconvened at which a quorum, as described below, is present may be adopted by the affirmative vote of the holders of a majority in aggregate principal amount of the outstanding debt securities of the applicable series. However, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver, or other action which may be made, given or taken by the holders of a specified percentage, other than a majority, in aggregate principal amount of the outstanding debt securities of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the holders of that specified percentage in aggregate principal amount of the outstanding debt securities of that series. Any resolution which, at any meeting at which a quorum is present, may be adopted by the affirmative vote of the holders of a specified percentage in aggregate principal amount of the outstanding debt on all holders of debt securities of that series. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in aggregate principal amount of the outstanding debt securities of the applicable series, subject to exceptions; provided, however, that if any action is to be taken at that meeting with respect to a consent or waiver which may be given by the holders of a supermajority in aggregate principal amount of the outstanding debt securities of a series, the persons holding or representing that specified supermajority percentage in aggregate principal amount of the outstanding debt securities of that series will constitute a quorum.

Discharge, Defeasance and Covenant Defeasance

Subject to the requirements of the Indenture, we may, at our option and at any time, elect to have our obligations released with respect to certain covenants under the Indenture, including the covenants listed under "—Certain Covenants" above, and thereafter any omission to comply with such obligations shall not constitute a default or an Event of Default.

Governing Law

The Indenture and the notes are governed by, and construed in accordance with, the laws of the State of New York.

Delivery and Form

The notes are represented initially by one or more permanent notes in registered, global form without interest coupons (the "global notes"). These global notes have been deposited with, or on behalf of, a common depositary for and in respect of interests held through Clearstream and Euroclear, or the common depositary's nominee, in each case for credit to an account of a direct or indirect participant as described below. Except as set forth below, the global notes may be transferred, in whole and not in part, only to Clearstream and Euroclear or their respective nominees. Beneficial interests in the global notes may not be exchanged for notes in certificated form except in the limited circumstances described below. U.S. Bank National Association will initially act as registrar.

Book-Entry Procedures

Global Clearance and Settlement

Beneficial interests in the global notes are represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Clearstream or Euroclear. Those beneficial interests will be in denominations of €100,000 and integral multiples of

€1,000 in excess thereof. Investors may hold notes directly through Clearstream or Euroclear, if they are participants in such systems, or indirectly through organizations that are participants in such systems.

Owners of beneficial interests in the global notes are not entitled to have notes registered in their names, and, except as described herein, will not receive or be entitled to receive physical delivery of notes in certificated form. So long as the common depositary for Clearstream and Euroclear or their nominee is the registered owner of the global notes, the common depositary for all purposes will be considered the sole holder of the notes represented by the global notes under the Indenture and the global notes. Accordingly, each person owning a beneficial interest in the global notes must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the Indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect from time to time. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in certificated form. These limits and laws may impair the ability to transfer beneficial interests in global notes.

Clearstream

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures to the extent received by the depositary for Clearstream.

Euroclear

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions.

Clearstream and Euroclear Arrangements

So long as Clearstream or Euroclear or their nominee or their common depositary is the registered holder of the global notes, Clearstream, Euroclear or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the Indenture and the notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to Clearstream, Euroclear, such nominee or such common depositary, as the case may be, as registered holder thereof. None of us, the Trustee, any agent and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to the global notes will be credited in euro to the extent received by Clearstream or Euroclear from the paying agent to the cash accounts of Clearstream or Euroclear customers in accordance with the relevant system's rules and procedures.

Because Clearstream or Euroclear can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Secondary Market Trading

We understand that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to conventional eurobonds in registered form.

You should be aware that you will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on the days when those clearing systems are open for business. These systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interest in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

The information in this "—Book-Entry Procedures" section concerning the depositary, Clearstream and Euroclear and their book-entry systems has been obtained from sources that we believe to be reliable, but neither we nor any underwriter takes any responsibility for the accuracy or completeness thereof. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of Clearstream or Euroclear as they are currently in effect. These systems could change their rules and procedures at any time. None of us, the underwriters, the Trustee or the Paying Agent will have any responsibility for the performance by the depositary, Clearstream and Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

Subject to certain conditions, the notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof if:

(1) the depositary notifies us that it is unwilling or unable or no longer qualified to continue as depositary for the global notes and we fail to appoint a successor depositary within 90 days after this notice;
(2) we, at our option, notify the Trustee in writing that we elect to cause the issuance of certificated notes in definitive form; or
(3) there has occurred and is continuing an Event of Default with respect to the notes.

In all cases, certificated notes delivered in exchange for any global note or beneficial interest therein will be registered in names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures).

Payments (including principal and interest) and transfers with respect to notes in certificated form may be executed at the office or agency maintained for such purpose in London (initially the corporate trust office of the Paying Agent) or, at our option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the notes, provided that all payments (including principal and interest) on notes in certificated form, for

which the holders thereof have given wire transfer instructions at least ten calendar days prior to the applicable payment date, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

Concerning our Relationship with the Trustee

Wells Fargo Bank, National Association is an agent of our revolving credit facility and also a lender under our revolving credit facility.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

The Registrant's principal subsidiaries are listed below. In addition, the Registrant has approximately 252 subsidiaries that are not required to be listed pursuant to SEC rules.

Name	Location of Formation
PS LPT Properties Investors	Maryland

The Registrant directly or indirectly owns 100% of the subsidiaries listed above.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement on Form S-3/ASR (No. 333-231510) and related prospectus,

(2) Registration Statement on Form S-8 (No. 333-210037) and related prospectus of Public Storage for the registration of common shares of beneficial interest pertaining to the Public Storage 2016 Equity and Performance-Based Incentive Compensation Plan,

(3) Registration Statement on Form S-8 (No. 333-195646) and related prospectus of Public Storage for the registration of common shares of beneficial interest pertaining to the Public Storage 2007 Equity and Performance-Based Incentive Compensation Plan as Amended, and

(4) Registration Statement on Form S-8 (No.333-144987) and related prospectus of Public Storage for the registration of common shares of beneficial interest pertaining to the Public Storage 2007 Equity and Performance-Based Incentive Compensation Plan,

of our reports dated February 24, 2021, with respect to the consolidated financial statements of Public Storage and the effectiveness of internal control over financial reporting of Public Storage included in this Annual Report (Form 10-K) of Public Storage for the year ended December 31, 2020.

/s/ Ernst & Young LLP

February 24, 2021
Los Angeles, California

RULE 13A – 14(a) CERTIFICATION

I, Joseph D. Russell, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Public Storage;

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 officers 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 officers 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 directors (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.

/s/ Joseph D. Russell, Jr.
Name: Joseph D. Russell, Jr.
Title: Chief Executive Officer and President
Date: February 24, 2021

RULE 13A – 14(a) CERTIFICATION

I, H. Thomas Boyle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Public Storage;

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 officers 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 officers 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 directors (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.

/s/ H. Thomas Boyle
Name: H. Thomas Boyle
Title: Chief Financial Officer
Date: February 24, 2021

SECTION 1350 CERTIFICATION

In connection with the Annual Report on Form 10-K of Public Storage (the "Company") for the year ended December 31, 2020, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), Joseph D. Russell, Jr., as Chief Executive Officer and President of the Company and H. Thomas Boyle , as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), that:

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

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

/s/ Joseph D. Russell, Jr.
Name: Joseph D. Russell, Jr.
Title: Chief Executive Officer and President
Date: February 24, 2021

/s/ H. Thomas Boyle
Name: H. Thomas Boyle
Title: Chief Financial Officer
Date: February 24, 2021

This certification accompanies the Report pursuant to §906 of Sarbanes-Oxley and shall not, except to the extent required by Sarbanes-Oxley, be deemed filed by the Company for purposes of §18 of the Exchange Act.

A signed original of this written statement required by §906 of Sarbanes-Oxley has been provided to the Company, and will be retained and furnished to the SEC or its staff upon request.